



Revised First-Quarter 2016
Earnings Guidance

March 29, 2016

Forward-looking statements

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Revised Outlook

Revised Guidance

Revised First- Quarter 2016 Revenue

- Shipments approximately 5 percent higher than fourth-quarter 2015.
 - Automotive demand remains strong.
 - Oil and gas markets sequentially weaker due to low rig activity and decrease in energy exploration and production spend.
 - Higher sequential demand in distribution channel and industrial end markets due to tapering of inventory destocking.

Revised First- Quarter 2016 EBITDA

- EBITDA between a loss of \$5 million and breakeven.
- Pricing pressure from imports and weak market dynamics.
- Improved sequential performance in manufacturing due to higher melt utilization of around 47 percent and continued benefits from cost reductions.
- Favorable raw material spread compared with fourth-quarter 2015 due to stabilizing scrap markets.

Revised Other

- 2016 capital spending to be \$45 million.
- Will fund 2016 other post-employment benefit (OPEB) expenses primarily from VEBA trust rather than operating cash flow.

Source: TimkenSteel as of March 29, 2016



TIMKEN STEEL

