TIMKENSTEEL

First-Quarter 2015 Earnings Supporting Information

April 30, 2015

Forward-looking statements and non-GAAP financial information

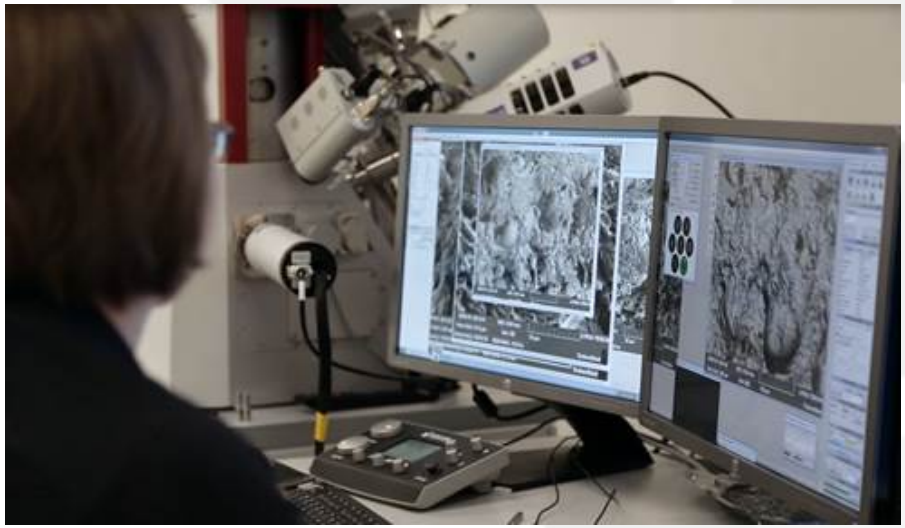
This presentation includes “forward-looking” statements within the meaning of the federal securities laws. You can generally identify the company’s forward-looking statements by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “outlook,” “intend,” “may,” “possible,” “potential,” “predict,” “project,” “seek,” “target,” “could,” “may,” “should” or “would” or other similar words, phrases or expressions that convey the uncertainty of future events or outcomes. The company cautions readers that actual results may differ materially from those expressed or implied in forward-looking statements made by or on behalf of the company due to a variety of factors, such as: the company’s ability to realize the expected benefits of the spinoff; the costs associated with being an independent public company, which may be higher than anticipated; deterioration in world economic conditions, or in economic conditions in any of the geographic regions in which the company conducts business, including additional adverse effects from global economic slowdown, terrorism or hostilities, including political risks associated with the potential instability of governments and legal systems in countries in which the company or its customers conduct business, and changes in currency valuations; the effects of fluctuations in customer demand on sales, product mix and prices in the industries in which the company operates, including the ability of the company to respond to rapid changes in customer demand, the effects of customer bankruptcies or liquidations, the impact of changes in industrial business cycles, and whether conditions of fair trade continue in U.S. markets; competitive factors, including changes in market penetration, increasing price competition by existing or new foreign and domestic competitors, the introduction of new products by existing and new competitors, and new technology that may impact the way the company’s products are sold or distributed; changes in operating costs, including the effect of changes in the company’s manufacturing processes, changes in costs associated with varying levels of operations and manufacturing capacity, availability of raw materials and energy, the company’s ability to mitigate the impact of fluctuations in raw materials and energy costs and the effectiveness of its surcharge mechanism, changes in the expected costs associated with product warranty claims, changes resulting from inventory management, cost reduction initiatives and different levels of customer demands, the effects of unplanned work stoppages, and changes in the cost of labor and benefits; the success of the company’s operating plans, announced programs, initiatives and capital investments (including the jumbo bloom vertical caster and advanced quench-and-temper facility), the ability to integrate acquired companies, the ability of acquired companies to achieve satisfactory operating results, including results being accretive to earnings, and the company’s ability to maintain appropriate relations with unions that represent its associates in certain locations in order to avoid disruptions of business; and changes in worldwide financial markets, including availability of financing and interest rates, which affect the company’s cost of funds and/or ability to raise capital, the company’s pension obligations and investment performance, and/or customer demand and the ability of customers to obtain financing to purchase the company’s products or equipment that contain its products, and the amount of any dividend declared by the company’s board of directors on its common shares. Additional risks relating to the company’s business, the industries in which the company operates or the company’s common shares may be described from time to time in the company’s filings with the SEC. All of these risk factors are difficult to predict, are subject to material uncertainties that may affect actual results and may be beyond the company’s control. Readers are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results and that the above list should not be considered to be a complete list. Except as required by the federal securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The unaudited pro forma consolidated financial data in this presentation is subject to assumptions and adjustments described in the company’s registration statement on Form 10. TimkenSteel Corporation’s (“TimkenSteel”) management believes these assumptions and adjustments are reasonable under the circumstances . The unaudited pro forma consolidated financial data does not purport to represent what TimkenSteel’s financial position and results of operations actually would have been had the spinoff occurred on the dates indicated, or to project TimkenSteel’s financial performance for any future period following the spinoff.

This presentation also includes certain non-GAAP financial measures as defined by SEC rules. A reconciliation of those measures to the most directly comparable GAAP equivalent is contained in the Appendix. Please see discussion of non-GAAP financial measures in the Appendix.

First-quarter 2015 highlights

- Ship tons of approximately 271,000, an increase of 8 percent versus prior year, driven by increased demand in the automotive and industrial end markets
- Gross margin unfavorable due to timing impacts of raw material spread and manufacturing costs versus prior year
- Earnings per share (EPS) of $0.15 compared with $0.36 for the fourth quarter of 2014
- Dividend payment of $0.14 per share
- New TimkenSteel Technology Center in Canton, Ohio with capabilities unique among North American SBQ manufacturers and a focus on improving customer performance



A metallurgical development engineer views the image of a fracture surface generated by the state-of-the-art scanning electron microscope in the new TimkenSteel Technology Center.

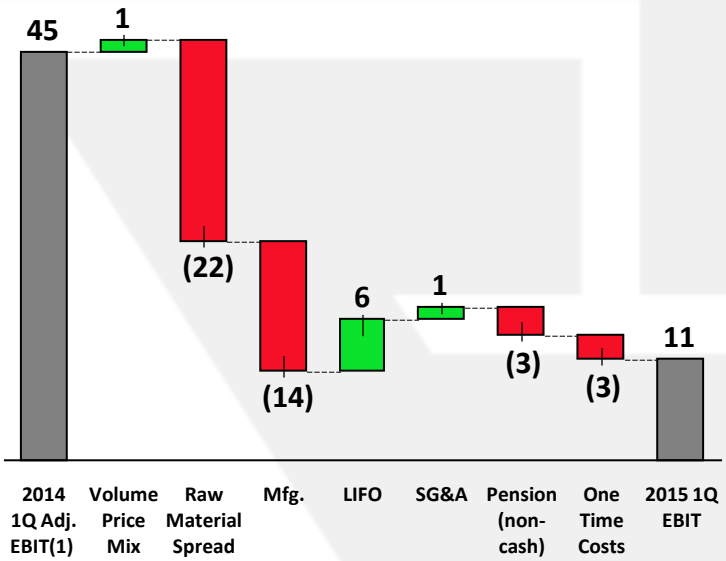
Operating performance

(Dollars per million)

Figures in the table may not calculate exactly due to rounding

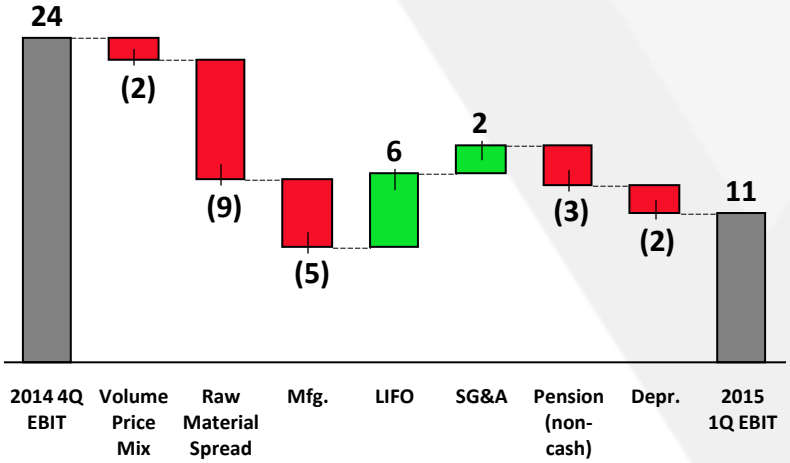
Adjusted EBIT[1] 2014 1Q vs. 2015 1Q

- Industrial & Mobile segment shipments were up 7 percent; Energy & Distribution segment shipments were up 11 percent.
- Declines in scrap index led to unfavorable raw material spread.
  - Raw material spread impact is the difference between raw material costs and the No. 1 Busheling Index[2].
  - Timing impact due to the lag between cost when purchased and surcharge recovery.
  - No. 1 Busheling Index[2] dropped approximately 24 percent.
- Timing-related costs and $2 million of vertical caster depreciation drove higher manufacturing costs in first-quarter 2015 over first-quarter 2014.
- One-time costs consist of income received in prior year offset by other miscellaneous charges; allocated equally to the segments.



EBIT 2014 4Q vs. 2015 1Q

- Declines in scrap index led to unfavorable raw material spread.
  - Timing impact due to the lag between cost when purchased and surcharge recovery.
  - No. 1 Busheling Index[2] dropped approximately 16 percent.
- Manufacturing costs were unfavorable due to lower melt utilization of 66 percent in first-quarter 2015 compared to 74 percent in fourth-quarter 2014.



(1) *Please see discussion of Non-GAAP Financial Measures in the Appendix.*
(2) *Note: No. 1 Busheling Index is an average of the AMM published price on the 8th workday for Cleveland, Pittsburgh, and Chicago with a 1 month lag.*

2015 market outlook for segments

Industrial & Mobile

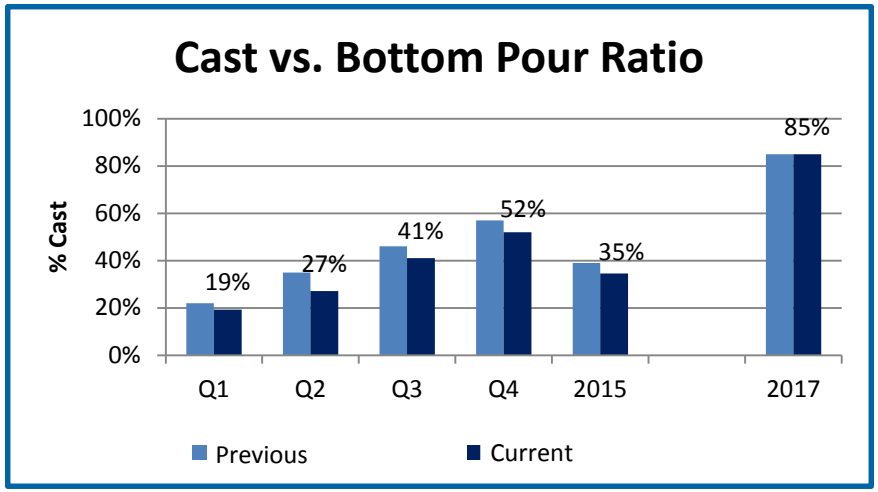
North American Light Vehicles	●	Continued growth driven by strong economic fundamentals
Mining	●	Low commodity prices have resulted in decreased capital spending
Machinery	●	GDP growth of 3 percent projected
Rail	●	Expect continued rail traffic growth, new equipment spend
Agriculture	●	Weaker conditions in global farm economy due to lower commodity prices and falling farm incomes

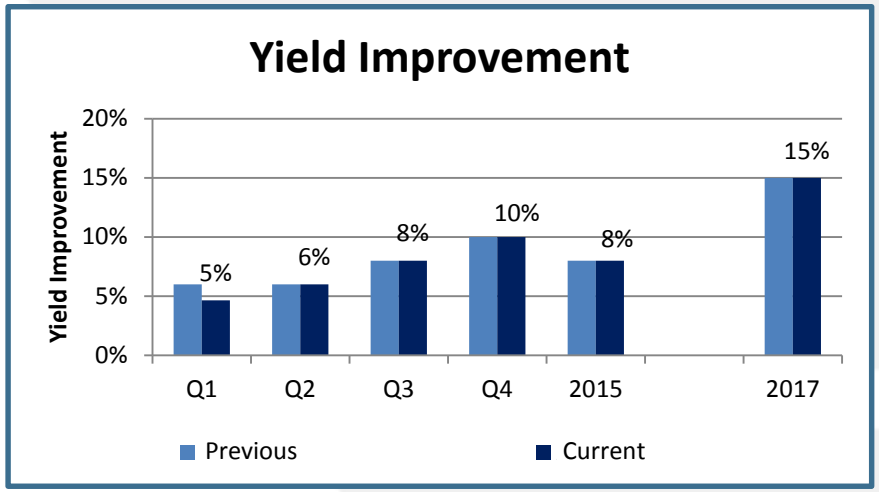
Energy & Distribution

Distribution	◐	Weaker oil and gas demand; Inventory levels and impacts from oil and gas on associated industrial end markets
Oil and Gas	●	Approximately 50 percent reduction in U.S. rig count; Decline in associated capital spending

Source: TimkenSteel as of April 30, 2015

Jumbo bloom vertical caster ramp-up plan





2015 Commentary

- Represents a customary curve for a project this size
  - Ramp depends upon pace of customer qualifications; to date on track and going well
  - Cast ratio impacted by weaker demand
- Quality and yield exceeding original projections
  - Expect $4 million to $6 million of duplicate labor and maintenance costs
  - Caster depreciation to add approximately $10 million of incremental fixed costs
  - Expect yield savings of $8 million to $10 million

Positive financial benefits to begin early- to mid-2016

Source: TimkenSteel as of April 30, 2015

Outlook framework

	Guidance

Second Quarter 2015 Revenue	▪ Industrial & Mobile
	  ▪ Shipments to be similar to first-quarter 2015
	  ▪ Automotive demand to remain strong
	  ▪ Industrial end markets weakening due to impacts from declining oil prices
	▪ Energy & Distribution
	  ▪ Shipments to be about half of first-quarter 2015
	  ▪ Weaker oil and gas markets due to declining oil prices and associated decrease in energy exploration and production spend
	  ▪ Lower distribution channel demand across both energy and industrial end markets

Second Quarter 2015 EBITDA	▪ Expect EBITDA between break even and a loss of $15 million for the second quarter
	  ▪ Negative impact from the weakness in the oil and gas market and associated industrial markets
	  ▪ Unfavorable manufacturing impacts due to lower melt utilization and inventory reduction efforts
	  ▪ Raw material spread to continue to negatively impact margin

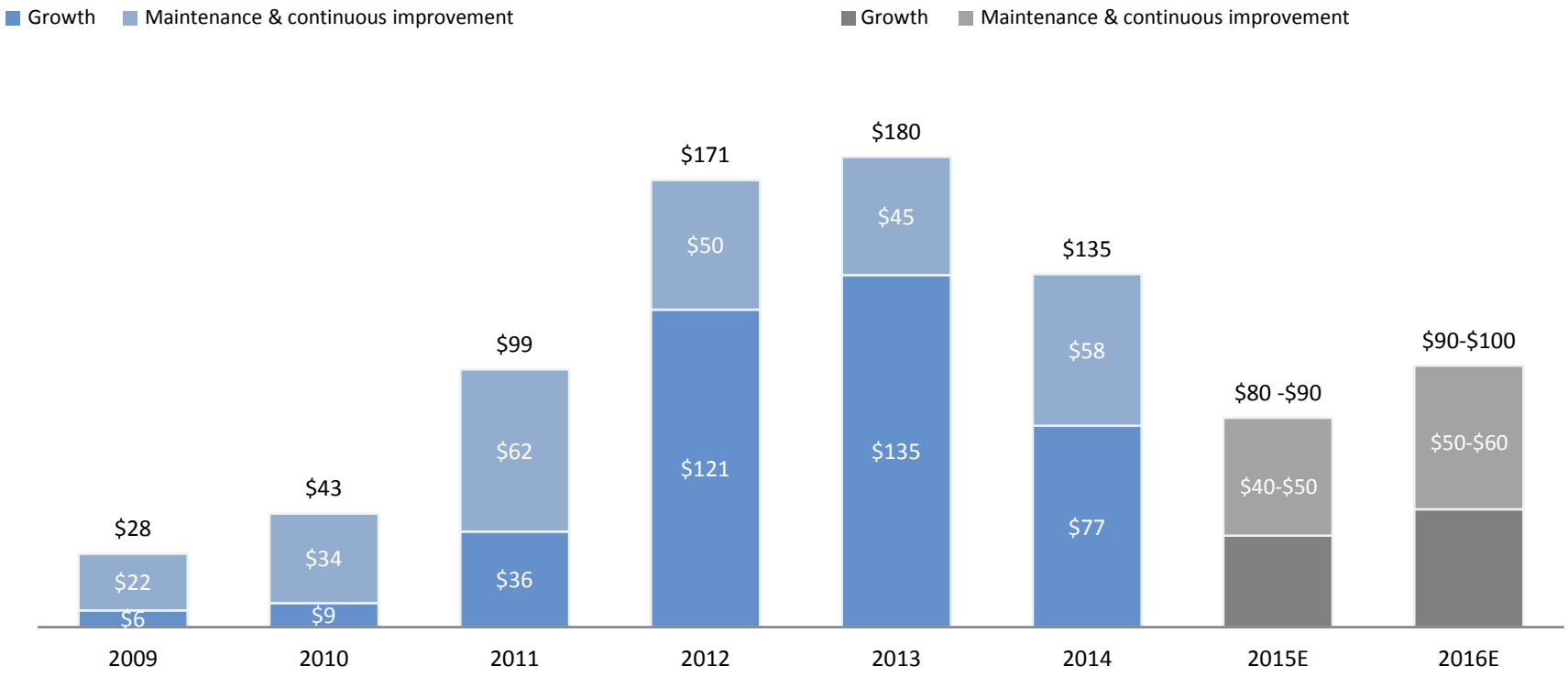
Other	▪ 2015 capital spending to be between $80 million and $90 million; a reduction from prior guidance of $90 million and $100 million ▪ Maintain dividend at current levels[1] ▪ Repurchase of 2 million shares through 2016 ▪ Expect favorable cash flow in second-quarter 2015 from working capital reductions

[1] Subject to Board approval
Source: TimkenSteel as of April 30, 2015

Appendix

Investments that reinforce capabilities and grow market position

Capital expenditure ($m)



Source: TimkenSteel as of April 30, 2015

Supplemental adjusted[1] segment information

(Dollars in millions, except per ton data) (Unaudited)

Figures in the table may not recalculate exactly as presented in the earnings release due to rounding

	Industrial & Mobile					Energy & Distribution					Unallocated					Total of Segments				
2015	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	YTD
Tons (k)	*164.2*				*164.2*	*106.9*				*106.9*						*271.1*				*271.1*
Net Sales	$233.5				$233.5	$155.2				$155.2						$388.7				$388.7
Less Surcharges	44.5				44.5	30.6				30.6						75.2				75.2
Base Sales	189.0				189.0	124.6				124.6						313.5				313.5
Sales/Ton	1,423				1,423	1,451				1,451						1,434				1,434
Base Sales/Ton	1,151				1,151	1,165				1,165						1,157				1,157
EBITDA	12.8				12.8	13.9				13.9	2.1				2.1	28.8				28.8
as a % of sales	5.5%				5.5%	9.0%				9.0%						*7.4%*				*7.4%*
EBIT	4.5				4.5	4.6				4.6	2.1				2.1	11.2				11.2
as a % of sales	1.9%				1.9%	2.9%				2.9%						*2.9%*				*2.9%*
EBITDA/Ton	*$ 77.7*				*$ 77.7*	*$ 130.2*				*$ 130.2*						*$ 106.3*				*$ 106.3*
EBIT/Ton	*$ 27.3*				*$ 27.3*	*$ 42.7*				*$ 42.7*						*$ 41.3*				*$ 41.3*
2014	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD
Ship Tons (k)	*153.8*	*169.0*	*158.1*	*158.9*	*639.8*	*96.1*	*120.5*	*126.0*	*111.4*	*454.0*						*249.9*	*289.5*	*284.1*	*270.3*	*1,093.8*
Net Sales	$231.8	$254.7	$240.9	$234.7	$962.1	$157.7	$187.5	$193.3	$173.6	$712.1						$389.5	$442.2	$434.2	$408.3	$1,674.2
Less Surcharges	52.5	56.8	55.7	52.7	217.7	37.0	45.6	48.9	40.9	172.4						89.5	102.4	104.6	93.6	390.1
Base Sales	179.3	197.9	185.2	182.0	744.4	120.7	141.9	144.4	132.7	539.7						300.0	339.8	329.6	314.7	1,284.1
Sales/Ton	1,507	1,507	1,524	1,477	1,504	1,641	1,556	1,534	1,558	1,569						1,559	1,527	1,528	1,511	1,531
Base Sales/Ton	1,166	1,171	1,171	1,145	1,163	1,256	1,178	1,146	1,191	1,189						1,200	1,174	1,160	1,164	1,174
EBITDA	32.0	25.2	28.0	19.3	104.5	33.7	33.6	35.6	22.5	125.4	(4.2)	(2.8)	(8.2)	(3.4)	(18.6)	61.5	56.0	55.4	38.4	211.3
as a % of sales	*13.8%*	*9.9%*	*11.6%*	*8.2%*	*10.9%*	*21.4%*	*17.9%*	*18.4%*	*13.0%*	*17.6%*						*15.8%*	*12.7%*	*12.8%*	*9.4%*	*12.6%*
EBIT	24.2	17.6	20.3	12.5	74.6	25.1	24.6	27.8	15.1	92.6	(4.2)	(2.8)	(8.2)	(3.4)	(18.6)	45.1	39.4	39.9	24.2	148.6
as a % of sales	*10.4%*	*6.9%*	*8.4%*	*5.3%*	*7.8%*	*15.9%*	*13.1%*	*14.4%*	*8.7%*	*13.0%*						*11.6%*	*8.9%*	*9.2%*	*5.9%*	*8.9%*
EBITDA/Ton	*$ 208.1*	*$ 149.1*	*$ 177.1*	*$ 121.5*	*$ 163.3*	*$ 350.7*	*$ 278.8*	*$ 282.5*	*$ 202.0*	*$ 276.2*						*$ 246.1*	*$ 193.4*	*$ 195.0*	*$ 142.1*	*$ 193.2*
EBIT/Ton	*$ 157.3*	*$ 104.1*	*$ 128.4*	*$ 78.7*	*$ 116.6*	*$ 261.2*	*$ 204.1*	*$ 220.6*	*$ 135.5*	*$ 204.0*						*$ 180.5*	*$ 136.1*	*$ 140.4*	*$ 89.5*	*$ 135.9*

[1] *Please see discussion of Non-GAAP Financial Measures in the Appendix.*

Pre-separation adjusted EBIT[1] and adjusted EBITDA[1] reconciliation

(Dollars in millions, except per ton data) (Unaudited)

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	2014			2013						
	Q2	Q1	First Half	Year	4Q	Q3	Second Half	Q2	Q1	First Half
Net Sales	$ 442.2	$ 389.5	$ 831.7	$ 1,380.9	$ 330.0	$ 350.5	$ 680.5	$ 354.1	$ 346.3	$ 700.4
Segment EBIT										
Industrial & Mobile	20.1	27.3	47.4	83.9	16.3	21.5	37.8	28.3	17.8	46.1
Energy & Distribution	28.2	28.2	56.4	58.6	12.8	12.8	25.6	18.5	14.5	33.0
Total Segment EBIT	48.3	55.5	103.8	142.5	29.1	34.3	63.4	46.8	32.3	79.1
Unallocated	(3.2)	(4.7)	(7.9)	(14.7)	1.0	(7.5)	(6.5)	(8.1)	(0.1)	(8.2)
Consolidated EBIT	45.1	50.8	95.9	127.8	30.1	26.8	56.9	38.7	32.2	70.9
Incremental standalone costs	(5.7)	(5.7)	(11.4)	(29.3)	(7.3)	(7.3)	(14.6)	(7.3)	(7.4)	(14.7)
Adjusted EBIT	39.4	45.1	84.5	98.5	22.8	19.5	42.3	31.4	24.8	56.2
Interest expense	(0.7)	—	(0.7)	(0.2)	—	(0.2)	(0.2)	—	—	—
Adjusted Income Before Income Taxes	38.7	45.1	83.8	98.3	22.8	19.3	42.1	31.4	24.8	56.2
Adjusted provision for income taxes	13.5	15.8	29.3	34.5	8.0	6.8	14.8	11.0	8.7	19.7
Adjusted Net Income	$ 25.2	$ 29.3	$ 54.5	$ 63.8	$ 14.8	$ 12.5	$ 27.3	$ 20.4	$ 16.1	$ 36.5
Average shares outstanding, diluted	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2
Adjusted diluted earnings per share	$ 0.55	$ 0.63	$ 1.18	$ 1.38	$ 0.32	$ 0.27	$ 0.59	$ 0.44	$ 0.35	$ 0.79
D&A	14.0	13.6	27.6	50.0	13.3	12.3	25.6	12.3	12.1	24.4
Incremental D&A	2.7	2.7	5.4	10.8	2.7	2.7	5.4	2.7	2.7	5.4
Total D&A	16.7	16.3	33.0	60.8	16.0	15.0	31.0	15.0	14.8	29.8
Adjusted EBITDA	56.1	61.4	117.5	159.3	38.8	34.5	73.3	46.4	39.6	86.0
% of sales	12.7%	15.8%	14.1%	11.5%	11.8%	9.8%	10.8%	13.1%	11.4%	12.3%

[1] *Please see discussion of Non-GAAP Financial Measures in the Appendix.*

(1)Non-GAAP financial measures

TimkenSteel reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP") and corresponding metrics as non-GAAP financial measures. EBIT is defined as net income before interest expense and income taxes. EBIT is an important financial measure used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting EBIT is useful to investors as this measure is representative of the company's performance. It also is a useful reflection of the underlying growth from the ongoing activities of the business and provides improved comparability of results.

For the periods prior to the spinoff, the consolidated financial statements have been prepared on a stand-alone basis and are derived from the consolidated financial statements and accounting records of TimkenSteel's former parent company, The Timken Company. TimkenSteel's consolidated financial statements include certain expenses of its former parent that were allocated to the steel business for certain functions, including general corporate expenses related to finance, legal, information technology, human resources, compliance, shared services, insurance, employee benefits and incentives and stock-based compensation. TimkenSteel considers the expense allocation methodology and results to be reasonable for all periods presented. However, these allocations may not be indicative of the actual expenses TimkenSteel would have incurred as an independent public company or of the costs it will incur in the future. Adjusted EPS is defined as net income reduced for stand-alone costs reflected at a normal run rate divided by the weighted average shares outstanding including the dilutive effect of stock-based awards. Adjusted EBIT is defined as EBIT reduced for stand-alone costs reflected at a normal run-rate. Adjusted EBIT margin is defined as adjusted EBIT as a percentage of net sales. Management believes that reporting adjusted EPS, adjusted EBIT and adjusted EBIT margin is useful to investors as these measures are representative of the company's performance. They also better reflect the underlying growth from the ongoing activities of the business and provide an indication of the company's performance as an independent public company.

See the attached schedules for supplemental financial data and corresponding reconciliations of the non-GAAP financial measures referred to above to the most comparable GAAP financial measures for the three months ended March 31, 2015. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, TimkenSteel's results prepared in accordance with GAAP. In addition, the non-GAAP measures TimkenSteel uses may differ from non-GAAP measures used by other companies, and other companies may not define the non-GAAP measures TimkenSteel uses in the same way.

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