UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 27, 2026
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From _____ to _____

Commission File Number 1-12001

ATI Inc.

(Exact name of registrant as specified in its charter)

Delaware	**25-1792394**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2021 McKinney Avenue **Dallas, Texas**	**75201**
(Address of Principal Executive Offices)	**(Zip Code)**

(800) 289-7454
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.10	ATI	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At October 26, 2026, the registrant had outstanding 135,822,697 shares of its Common Stock.

ATI INC.
SEC FORM 10-Q
Quarter Ended September 27, 2026

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ATI Inc. and Subsidiaries
Consolidated Balance Sheets

(In millions, except share and per share amounts)
(Current period unaudited)

	September 27, 2026	December 28, 2025
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 442.3	$ 416.7
Accounts receivable, net	733.4	686.1
Short-term contract assets	112.8	72.8
Inventories, net	1,657.2	1,403.2
Prepaid expenses and other current assets	101.5	101.2
Total Current Assets	**3,047.2**	**2,680.0**
Property, plant and equipment, net	2,045.0	1,940.6
Goodwill	225.2	225.2
Other assets	249.4	253.8
Total Assets	**$ 5,566.8**	**$ 5,099.6**
LIABILITIES AND EQUITY		
Accounts payable	$ 632.1	$ 568.2
Accrued liabilities	273.0	240.5
Short-term contract liabilities	127.4	146.4
Short-term debt and current portion of long-term debt	49.7	31.1
Other current liabilities	16.3	20.1
Total Current Liabilities	**1,098.5**	**1,006.3**
Long-term debt	1,807.8	1,718.3
Accrued postretirement benefits	147.8	158.5
Pension liabilities	40.1	41.4
Other long-term liabilities	340.7	258.4
Total Liabilities	**3,434.9**	**3,182.9**
Equity:		
ATI Stockholders' Equity:		
Preferred stock, par value $0.10: authorized-50,000,000 shares; issued-none	—	—
Common stock, par value $0.10: authorized-500,000,000 shares; issued-142,871,688 shares at September 27, 2026 and 142,871,688 shares at December 28, 2025; outstanding-135,822,590 shares at September 27, 2026 and 135,934,852 shares at December 28, 2025	14.3	14.3
Additional paid-in capital	1,780.9	1,884.6
Retained earnings	928.3	468.7
Treasury stock: 7,049,098 shares at September 27, 2026 and 6,936,836 shares at December 28, 2025	(654.2)	(502.7)
Accumulated other comprehensive loss, net of tax	(64.1)	(60.4)
Total ATI Stockholders' Equity	**2,005.2**	**1,804.5**
Noncontrolling Interests	126.7	112.2
Total Equity	**2,131.9**	**1,916.7**
Total Liabilities and Equity	**$ 5,566.8**	**$ 5,099.6**

The accompanying notes are an integral part of these statements.

ATI Inc. and Subsidiaries
Consolidated Statements of Operations
(In millions, except share and per share amounts)
(Unaudited)

	Quarter ended		Year-to-date period ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Sales	**$ 1,423.7**	**$ 1,125.5**	**$ 3,836.3**	**$ 3,410.3**
Cost of sales	1,043.5	870.2	2,883.4	2,676.7
Gross profit	380.2	255.3	952.9	733.6
Selling and administrative expenses	107.7	94.6	295.5	262.4
Restructuring charges (credits)	0.9	(0.4)	11.8	(1.7)
(Gain) loss on asset sales and sales of businesses, net	(0.3)	(1.3)	(10.1)	2.6
Operating income	271.9	162.4	655.7	470.3
Nonoperating retirement benefit expense	(4.2)	(3.9)	(12.8)	(11.9)
Interest expense, net	(22.6)	(26.1)	(70.2)	(74.5)
Debt extinguishment charge	(1.2)	—	(1.2)	—
Other income, net	0.9	12.2	2.8	15.5
Income before income taxes	244.8	144.6	574.3	399.4
Income tax provision	51.5	31.0	106.2	81.3
Net income	**193.3**	**113.6**	**468.1**	**318.1**
Less: Net income attributable to noncontrolling interests	3.5	3.6	9.1	10.4
Net income attributable to ATI	**$ 189.8**	**$ 110.0**	**$ 459.0**	**$ 307.7**
Basic net income attributable to ATI per common share	**$ 1.39**	**$ 0.80**	**$ 3.37**	**$ 2.21**
Diluted net income attributable to ATI per common share	**$ 1.37**	**$ 0.78**	**$ 3.31**	**$ 2.16**

The accompanying notes are an integral part of these statements.

ATI Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(In millions)
(Unaudited)

	Quarter ended		Year-to-date period ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net income	**$ 193.3**	**$ 113.6**	**$ 468.1**	**$ 318.1**
Currency translation adjustment				
Unrealized net change arising during the period	2.2	(1.6)	2.4	24.1
Reclassification adjustment included in net income	—	—	—	5.1
Total	2.2	(1.6)	2.4	29.2
Derivatives				
Net derivatives loss on hedge transactions	(2.2)	(3.3)	(2.9)	(1.3)
Reclassification to net income of net realized (gain) loss	1.2	1.8	(2.1)	4.4
Less: Income taxes on derivative transactions	(0.2)	(0.4)	(1.2)	0.7
Total	(0.8)	(1.1)	(3.8)	2.4
Postretirement benefit plans				
Actuarial loss				
Amortization of net actuarial loss	1.3	1.2	3.9	3.8
Prior service cost				
Amortization to net income of net prior service (credits) costs	—	(0.2)	0.1	(0.4)
Less: Income taxes on postretirement benefit plans	0.3	0.1	0.9	0.8
Total	1.0	0.9	3.1	2.6
Other comprehensive income (loss), net of tax	2.4	(1.8)	1.7	34.2
Comprehensive income	**195.7**	**111.8**	**469.8**	**352.3**
Less: Comprehensive income attributable to noncontrolling interests	5.2	4.2	14.5	14.0
Comprehensive income attributable to ATI	**$ 190.5**	**$ 107.6**	**$ 455.3**	**$ 338.3**

The accompanying notes are an integral part of these statements.

ATI Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Year-to-date period ended	
	September 27, 2026	**September 28, 2025**
Operating Activities:		
Net income	**$ 468.1**	**$ 318.1**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	133.9	125.0
Non-cash restructuring charges, net	5.1	—
Share-based compensation	23.3	22.3
Deferred taxes	35.4	36.5
Debt extinguishment charge	1.2	—
Net gain from disposal of property, plant and equipment	(10.1)	(10.6)
Net loss on sales of businesses	—	2.6
Change in operating assets and liabilities:		
Inventories	(255.1)	(57.5)
Accounts receivable	(46.6)	1.7
Accounts payable	59.9	(94.4)
Retirement benefits	(4.0)	(6.0)
Pension plan contributions	(4.0)	—
Accrued liabilities and other	7.5	(39.2)
Cash provided by operating activities	**414.6**	**298.5**
Investing Activities:		
Purchases of property, plant and equipment	(216.6)	(187.9)
Proceeds from disposal of property, plant and equipment	16.7	10.9
Proceeds from sales of businesses, net of transaction costs	1.6	21.2
Other	2.5	6.8
Cash used in investing activities	**(195.8)**	**(149.0)**
Financing Activities:		
Proceeds from issuance of senior notes	450.0	—
Repayment of long-term debt and finance lease obligations	(375.7)	(24.2)
Net borrowings under international credit facilities	15.3	11.3
Debt issuance costs	(6.9)	—
Purchase of treasury stock	(195.0)	(470.0)
Shares repurchased for income tax withholding on share-based compensation and other	(82.2)	(29.7)
Cash used in financing activities	**(194.5)**	**(512.6)**
Effect of exchange rate changes on cash and cash equivalents	**1.3**	**14.1**
Increase (decrease) in cash and cash equivalents	**25.6**	**(349.0)**
Cash and cash equivalents at beginning of period	**416.7**	**721.2**
Cash and cash equivalents at end of period	**$ 442.3**	**$ 372.2**

The accompanying notes are an integral part of these statements.

ATI Inc. and Subsidiaries
Statements of Changes in Consolidated Equity
(In millions)
(Unaudited)

	ATI Stockholders						
	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity
Balance, June 29, 2025	$ 14.3	$ 1,879.5	$ 262.2	$ (356.1)	$ (56.5)	$ 114.6	$ 1,858.0
Net income	—	—	**110.0**	—	—	**3.6**	**113.6**
Other comprehensive income (loss)	—	—	—	—	(2.4)	0.6	(1.8)
Purchase of treasury stock	—	—	—	(151.5)	—	—	(151.5)
Employee stock plans	—	7.3	—	0.2	—	—	7.5
Balance, September 28, 2025	**$ 14.3**	**$ 1,886.8**	**$ 372.2**	**$ (507.4)**	**$ (58.9)**	**$ 118.8**	**$ 1,825.8**
Balance, June 28, 2026	$ 14.3	$ 1,772.3	$ 738.5	$ (583.6)	$ (64.8)	$ 121.5	$ 1,998.2
Net income	—	—	**189.8**	—	—	**3.5**	**193.3**
Other comprehensive income (loss)	—	—	—	—	0.7	1.7	2.4
Purchase of treasury stock	—	—	—	(70.7)	—	—	(70.7)
Employee stock plans	—	8.6	—	0.1	—	—	8.7
Balance, September 27, 2026	**$ 14.3**	**$ 1,780.9**	**$ 928.3**	**$ (654.2)**	**$ (64.1)**	**$ 126.7**	**$ 2,131.9**

	ATI Stockholders						
(In millions, except per share amounts)	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity
Balance, December 29, 2024	$ 14.3	$ 1,943.9	$ 64.3	$ (82.6)	$ (89.5)	$ 104.8	$ 1,955.2
Net income	—	—	**307.7**	—	—	**10.4**	**318.1**
Other comprehensive income	—	—	—	—	30.6	3.6	34.2
Purchase of treasury stock	—	—	—	(474.3)	—	—	(474.3)
Employee stock plans	—	(57.1)	0.2	49.5	—	—	(7.4)
Balance, September 28, 2025	**$ 14.3**	**$ 1,886.8**	**$ 372.2**	**$ (507.4)**	**$ (58.9)**	**$ 118.8**	**$ 1,825.8**
Balance, December 28, 2025	$ 14.3	$ 1,884.6	$ 468.7	$ (502.7)	$ (60.4)	$ 112.2	$ 1,916.7
Net income	—	—	**459.0**	—	—	**9.1**	**468.1**
Other comprehensive income (loss)	—	—	—	—	(3.7)	5.4	1.7
Purchase of treasury stock	—	—	—	(195.7)	—	—	(195.7)
Employee stock plans	—	(103.7)	0.6	44.2	—	—	(58.9)
Balance, September 27, 2026	**$ 14.3**	**$ 1,780.9**	**$ 928.3**	**$ (654.2)**	**$ (64.1)**	**$ 126.7**	**$ 2,131.9**

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

Note 1. Accounting Policies

The interim consolidated financial statements include the accounts of ATI Inc. and its subsidiaries. Unless the context requires otherwise, "ATI" and "the Company" refer to ATI Inc. and its subsidiaries.

The Company follows a 4-4-5 or 5-4-4 fiscal calendar, whereby each fiscal quarter consists of thirteen weeks grouped into two four-week months and one five-week month, and its fiscal year ends on the Sunday closest to December 31. Unless otherwise stated, references to years and quarters in this Quarterly Report on Form 10-Q relate to fiscal years and quarters, rather than calendar years and quarters.

These unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and note disclosures required by U.S. generally accepted accounting principles for complete financial statements. In management's opinion, all adjustments (which include only normal recurring adjustments) considered necessary for a fair presentation have been included. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2025 Annual Report on Form 10-K. The results of operations for these interim periods are not necessarily indicative of the operating results for any future period. The December 28, 2025 financial information has been derived from the Company's audited consolidated financial statements.

Pending Accounting Pronouncements

In November 2024, the FASB issued new accounting guidance related to expense disaggregation disclosures. This guidance requires entities to disclose specified information about certain costs and expenses including (1) the amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization, (2) certain amounts that are already required to be disclosed under current generally accepted accounting principles in the same disclosure as the other disaggregation requirements, (3) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and (4) the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. This new guidance for annual disclosures will be effective for the Company for fiscal year 2027 and for interim disclosures will be effective for the Company for fiscal year 2028. The guidance can be applied prospectively or retrospectively and early adoption is permitted. The Company does not expect to early adopt this guidance and does not expect these changes to have an impact on the Company's consolidated financial statements other than disclosure requirements.

Reclassifications

The Company reclassified certain prior period amounts in its unaudited consolidated balance sheets to conform to our current period presentation. Specifically, we have reclassified certain amounts in "Other current liabilities" to "Accrued liabilities". This reclassification has no impact on total liabilities or cash flows.

Note 2. Revenue from Contracts with Customers

Disaggregation of Revenue

The Company operates in two business segments: High Performance Materials & Components (HPMC) and Advanced Alloys & Solutions (AA&S). Revenue is disaggregated within these two business segments by diversified global markets, primary geographical markets, and diversified products.

Comparative information regarding the Company's overall revenues by global and geographical markets for the quarters and year-to-date periods ended September 27, 2026 and September 28, 2025 is included in the following tables.

(in millions)	Quarter ended					
	September 27, 2026			September 28, 2025		
	HPMC	AA&S	Total	HPMC	AA&S	Total
Diversified Global Markets:						
Aerospace & Defense:						
Jet Engines- Commercial	$ 535.9	$ 67.3	$ 603.2	$ 399.3	$ 34.3	$ 433.6
Airframes- Commercial	77.2	142.2	219.4	71.0	126.7	197.7
Defense	62.5	109.4	171.9	83.8	77.6	161.4
Total Aerospace & Defense	675.6	318.9	994.5	554.1	238.6	792.7
Other Markets:						
Specialty Energy	17.4	63.0	80.4	19.4	34.5	53.9
Electronics	—	46.5	46.5	—	48.4	48.4
Medical	4.1	21.5	25.6	11.8	19.1	30.9
Automotive	2.1	76.8	78.9	1.7	59.6	61.3
Conventional Energy	1.6	80.7	82.3	1.1	55.7	56.8
Construction/Mining	11.6	27.8	39.4	5.3	31.5	36.8
Other	9.0	67.1	76.1	9.5	35.2	44.7
Total Other Markets	45.8	383.4	429.2	48.8	284.0	332.8
Total	**$ 721.4**	**$ 702.3**	**$ 1,423.7**	**$ 602.9**	**$ 522.6**	**$ 1,125.5**

(in millions)	Year-to-date period ended					
	September 27, 2026			September 28, 2025		
	HPMC	AA&S	Total	HPMC	AA&S	Total
Diversified Global Markets:						
Aerospace & Defense:						
Jet Engines- Commercial	$ 1,428.9	$ 154.6	$ 1,583.5	$ 1,216.2	$ 86.6	$ 1,302.8
Airframes- Commercial	230.4	367.3	597.7	230.1	368.6	598.7
Defense	175.0	297.9	472.9	204.0	203.4	407.4
Total Aerospace & Defense	1,834.3	819.8	2,654.1	1,650.3	658.6	2,308.9
Other Markets:						
Specialty Energy	48.3	152.9	201.2	46.5	121.4	167.9
Electronics	—	113.0	113.0	—	131.7	131.7
Medical	21.5	54.6	76.1	43.0	69.2	112.2
Automotive	3.8	208.9	212.7	5.9	180.8	186.7
Conventional Energy	6.2	263.8	270.0	4.2	267.3	271.5
Construction/Mining	34.2	79.1	113.3	20.5	82.5	103.0
Other	24.5	171.4	195.9	25.4	103.0	128.4
Total Other Markets	138.5	1,043.7	1,182.2	145.5	955.9	1,101.4
Total	**$ 1,972.8**	**$ 1,863.5**	**$ 3,836.3**	**$ 1,795.8**	**$ 1,614.5**	**$ 3,410.3**

(in millions)	Quarter ended					
	September 27, 2026			September 28, 2025		
	HPMC	AA&S	Total	HPMC	AA&S	Total
Primary Geographical Market:						
United States	$ 464.4	$ 471.7	$ 936.1	$ 337.7	$ 342.6	$ 680.3
Europe	188.9	81.3	270.2	177.4	71.5	248.9
Asia	28.9	99.2	128.1	40.1	84.5	124.6
Canada	13.5	24.3	37.8	22.3	17.0	39.3
South America, Middle East and other	25.7	25.8	51.5	25.4	7.0	32.4
Total	**$ 721.4**	**$ 702.3**	**$ 1,423.7**	**$ 602.9**	**$ 522.6**	**$ 1,125.5**

(in millions)	Year-to-date period ended					
	September 27, 2026			September 28, 2025		
	HPMC	AA&S	Total	HPMC	AA&S	Total
Primary Geographical Market:						
United States	$ 1,180.2	$ 1,245.7	$ 2,425.9	$ 1,004.4	$ 970.1	$ 1,974.5
Europe	564.3	187.4	751.7	537.4	208.0	745.4
Asia	102.2	239.3	341.5	117.2	270.9	388.1
Canada	55.2	68.0	123.2	59.4	59.6	119.0
South America, Middle East and other	70.9	123.1	194.0	77.4	105.9	183.3
Total	**$ 1,972.8**	**$ 1,863.5**	**$ 3,836.3**	**$ 1,795.8**	**$ 1,614.5**	**$ 3,410.3**

Comparative information regarding the Company's major products based on their percentages of sales is included in the following table. Hot-Rolling and Processing Facility (HRPF) conversion service sales in the AA&S segment are excluded from this presentation.

	Quarter ended					
	September 27, 2026			September 28, 2025		
	HPMC	AA&S	Total	HPMC	AA&S	Total
Diversified Products and Services:						
Nickel-based alloys and specialty alloys	51 %	53 %	52 %	44 %	45 %	44 %
Precision forgings, castings and components	33 %	— %	17 %	40 %	— %	22 %
Titanium and titanium-based alloys	16 %	16 %	16 %	16 %	22 %	19 %
Zirconium and related alloys	— %	21 %	10 %	— %	20 %	9 %
Precision rolled strip products	— %	10 %	5 %	— %	13 %	6 %
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**

	Year-to date period ended					
	September 27, 2026			September 28, 2025		
	HPMC	AA&S	Total	HPMC	AA&S	Total
Diversified Products and Services:						
Nickel-based alloys and specialty alloys	49 %	53 %	51 %	43 %	51 %	47 %
Precision forgings, castings and components	35 %	— %	18 %	39 %	— %	21 %
Titanium and titanium-based alloys	16 %	16 %	16 %	18 %	19 %	18 %
Zirconium and related alloys	— %	21 %	10 %	— %	19 %	9 %
Precision rolled strip products	— %	10 %	5 %	— %	11 %	5 %
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**

The Company maintained a backlog of confirmed orders totaling $4.3 billion and $3.6 billion at September 27, 2026 and September 28, 2025, respectively. Due to the structure of the Company's long-term agreements, approximately 75% of this

backlog at September 27, 2026 represented booked orders with performance obligations that will be satisfied within the next 12 months. The backlog does not reflect any elements of variable consideration.

Accounts Receivable

As of September 27, 2026 and December 28, 2025, gross accounts receivable from customers were $738.1 million and $690.3 million, respectively. The following represents the rollforward of accounts receivable - reserve for doubtful accounts for the year-to-date periods ended September 27, 2026 and September 28, 2025:

(in millions)

Accounts Receivable - Reserve for Doubtful Accounts	**September 27, 2026**	**September 28, 2025**
Balance as of beginning of year	$ 4.2	$ 15.0
Expense to increase the reserve	0.5	2.1
Write-offs and recoveries of uncollectible accounts	—	(12.4)
Balance as of period end	**$ 4.7**	**$ 4.7**

Contract balances

The following represents the rollforward of contract assets and liabilities for the year-to-date periods ended September 27, 2026 and September 28, 2025:

(in millions)

Contract Assets

Short-term	**September 27, 2026**	**September 28, 2025**
Balance as of beginning of fiscal year	$ 72.8	$ 75.6
Recognized in current year	153.0	94.8
Reclassified to accounts receivable	(110.2)	(76.1)
Reclassification to/from contract liability	(2.8)	—
Balance as of period end	**$ 112.8**	**$ 94.3**

(in millions)

Contract Liabilities

Short-term	**September 27, 2026**	**September 28, 2025**
Balance as of beginning of fiscal year	$ 146.4	$ 169.4
Recognized in current year	108.1	106.0
Amounts in beginning balance reclassified to revenue	(83.9)	(84.6)
Current year amounts reclassified to revenue	(45.7)	(44.3)
Other	(6.1)	(1.0)
Reclassification to/from long-term and contract asset	8.6	13.7
Balance as of period end	**$ 127.4**	**$ 159.2**

Long-term [(a)]	**September 27, 2026**	**September 28, 2025**
Balance as of beginning of year	$ 91.3	$ 45.3
Recognized in current year	73.1	33.0
Amounts in beginning balance reclassified to revenue	(5.3)	(2.2)
Other	(1.9)	(2.7)
Reclassification to/from short-term	(11.4)	(13.7)
Balance as of period end	**$ 145.8**	**$ 59.7**

(a) Long-term contract liabilities are included in other long-term liabilities on the consolidated balance sheets.

Contract costs for obtaining and fulfilling a contract were $16.7 million and $15.6 million as of September 27, 2026 and December 28, 2025, respectively, and are reported in other long-term assets on the consolidated balance sheet. Contract cost amortization expense for the quarter and year-to-date periods ended September 27, 2026 was $0.5 million and $1.5 million,

respectively. Contract cost amortization expense for the quarter and year-to-date periods ended September 28, 2025 was $0.3 million and $1.2 million, respectively.

Note 3. Inventories

Inventories at September 27, 2026 and December 28, 2025 were as follows:

(in millions)	September 27, 2026	December 28, 2025
Raw materials and supplies	$ 347.4	$ 245.6
Work-in-process	1,344.8	1,137.4
Finished goods	90.6	100.6
	1,782.8	1,483.6
Inventory valuation reserves	(125.6)	(80.4)
Total inventories, net	$ 1,657.2	$ 1,403.2

Inventories are stated at the lower of cost (first-in, first-out (FIFO) and average cost methods) or net realizable value.

Note 4. Property, Plant and Equipment

Property, plant and equipment at September 27, 2026 and December 28, 2025 was as follows:

(In millions)	September 27, 2026	December 28, 2025
Land	$ 30.2	$ 31.2
Buildings and leasehold improvements	848.0	759.2
Equipment	3,511.8	3,389.8
	4,390.0	4,180.2
Accumulated depreciation and amortization	(2,345.0)	(2,239.6)
Total property, plant and equipment, net	$ 2,045.0	$ 1,940.6

The construction in progress portion of property, plant and equipment at September 27, 2026 and December 28, 2025 was $417.1 million and $359.4 million, respectively. Capital expenditures on the consolidated statement of cash flows for the year-to-date periods ended September 27, 2026 and September 28, 2025 exclude $43.1 million and $15.6 million, respectively, of accrued capital expenditures that were included in property, plant and equipment at September 27, 2026 and September 28, 2025, respectively.

Note 5. Divestitures

During the second quarter of 2026, the Company completed the sale of a previously closed manufacturing facility, which was part of the AA&S segment. A $9.9 million gain on the sale of the facility is reported in gain/loss on asset sales and sales of businesses, net, on the consolidated statement of operations for the year-to-date period ended September 27, 2026. The Company received proceeds, net of transaction costs, from the sale of $9.8 million during the third quarter of 2026.

During the third quarter of 2025, the Company completed the sale of its East Hartford, CT operations, an immaterial, non-core operation that was part of the Forged Products business unit, for $20.5 million. The Company recognized a gain of $1.1 million, inclusive of $2.0 million of goodwill allocated to this operation from the Forged Products reporting unit. The gain is reported in gain/loss on asset sales and sale of business, net, on the consolidated statement of operations for the quarter and year-to-date periods ended September 28, 2025, and is excluded from segment results. The Company received proceeds, net of transaction costs and net working capital adjustments, of $18.1 million in the third quarter of 2025, which is reported as an investing activity on the consolidated statements of cash flows.

During the first quarter of 2025, the Company completed the sale of certain immaterial, non-core operations in Birmingham, UK and Dusseldorf, Germany, which were part of our European business in the HPMC segment. A $3.7 million loss on sale of these operations is reported in gain/loss on asset sales and sales of businesses, net, on the consolidated statement of operations, for the year-to-date period ended September 28, 2025, and is excluded from segment results. The Company received proceeds, net of transaction costs, of $5.0 million during fiscal year 2025. As of December 28, 2025, the Company expected to receive additional proceeds of $4.9 million,

of which, $1.6 million was received during the year-to-date period ended September 27, 2026. These proceeds are reported as an investing activity on the consolidated statement of cash flows.

Note 6. Joint Ventures

The financial results of majority-owned joint ventures are consolidated into the Company's operating results and financial position, with the minority ownership interest recognized in the consolidated statements of operations as net income attributable to noncontrolling interests, and as equity attributable to the noncontrolling interests within total stockholders' equity.

Majority-Owned Joint Venture

STAL:

The Company has a 60% interest in the Chinese joint venture known as STAL. The remaining 40% interest in STAL is owned by China Baowu Steel Group Corporation Limited, a state authorized investment company whose equity securities are publicly traded in the People's Republic of China. STAL is part of the AA&S segment and manufactures Precision Rolled Strip (PRS) stainless products mainly for the electronics and automotive markets located in Asia. Cash and cash equivalents held by STAL as of September 27, 2026 and December 28, 2025 were $106.1 million and $97.6 million, respectively.

Note 7. Supplemental Financial Statement Information

Other income, net for the quarters ended September 27, 2026 and September 28, 2025 was as follows:

(in millions)	Quarter ended		Year-to-date period ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Rent and royalty income	$ 0.9	$ 1.7	$ 2.8	$ 5.0
Gains from disposal of property, plant and equipment, net	—	10.5	—	10.5
Total other income, net	$ 0.9	$ 12.2	$ 2.8	$ 15.5

Restructuring

The Company recognized restructuring charges of $0.9 million and $11.8 million in the quarter and year-to-date periods ended September 27, 2026, respectively, for the rationalization of certain domestic facilities in the HPMC segment. On a year-to-date basis, these charges included $4.2 million of severance-related charges for approximately 100 employees, $4.1 million of impairment charges for equipment and leases, $1.2 million related to facility restoration costs, and $2.3 million of other related costs. These amounts are presented as restructuring charges in the consolidated statements of operations and are excluded from segment results. Additionally, the $0.7 million restructuring reserve balance at September 27, 2026 is recorded in accrued liabilities on the consolidated balance sheet.

Restructuring charges were a credit of $0.4 million for the quarter ended September 28, 2025 and represent a reduction in severance-related reserves for the Company's European restructuring. Restructuring charges were a credit of $1.7 million for the year-to-date period ended September 28, 2025, primarily for a reduction in severance-related reserves for approximately 40 employees for a previous restructuring in the AA&S segment.

Restructuring reserves for severance cost activity is as follows:

(in millions)	Severance and Employee Benefit Costs
Balance at December 28, 2025	$ 0.4
Additions	4.2
Payments	(3.9)
Balance at September 27, 2026	$ 0.7

Supplier Financing

The Company participates in supplier financing programs with a financial institution to offer its suppliers the option for access to payment in advance of an invoice due date. Under such programs, financial institutions provide early payment to suppliers at their request for invoices that ATI has confirmed as valid at a predetermined discount rate commensurate with the creditworthiness of ATI.

As of September 27, 2026 and December 28, 2025, the Company had $83.0 million and $52.8 million, respectively, reported in accounts payable on the consolidated balance sheets under such programs.

Accounts Receivable Securitization

On September 19, 2025, ATI Specialty Materials, LLC (Specialty Materials) and its indirect wholly owned subsidiary, ATI Securitization LLC (ATI Securitization) entered into a three-year, $125.0 million Receivables Purchase and Financing Agreement (the Receivables Facility) with PNC Bank, National Association, as Administrative Agent, and certain Purchasers/Lenders party thereto. Under the Receivables Facility, Specialty Materials sells or contributes, on an ongoing basis, certain of its trade accounts receivable, together with related security and interests in the proceeds thereof, to its wholly owned subsidiary, ATI Securitization Holdings LLC (ATI Holdings). ATI Holdings subsequently sells or contributes those receivables and related security and interests to ATI Securitization, its wholly owned subsidiary, which is a consolidated bankruptcy-remote special purpose entity created for the sole purpose of transacting under the Receivables Facility. ATI Securitization may borrow from, and/or sell receivables under the Receivables Facility at fair value and will secure its obligations with a pledge of undivided interests in such receivables, together with related security and interest in the proceeds thereof. In all instances, Specialty Materials retains the servicing of the accounts receivable transferred, which includes collection and administrative activities. ATI has agreed to guarantee the performance of Specialty Materials obligations under the Receivables Facility.

The maximum aggregate funding available under the Receivables Facility is $125.0 million at any one time, subject to the availability of eligible receivables and other customary factors and conditions as well as covenants as set forth in the Receivables Facility. Amounts outstanding under the Receivables Facility accrue interest at an adjusted Secured Overnight Financing Rate (SOFR) plus the applicable margin. The Receivables Facility also requires the maintenance of a minimum utilization level equal to 50% of the facility amount.

ATI Securitization is a separate legal entity with its own creditors. In the event of a liquidation of ATI Securitization, its creditors would be entitled to be satisfied out of the assets of ATI Securitization prior to any assets or value becoming available to creditors or equity holders for other ATI entities. The assets of ATI Securitization, including any funds of ATI Securitization that may be commingled with funds of any of its affiliates for purposes of cash management and related efficiencies, are not available to pay creditors of ATI or any affiliate thereof, except to the extent collections of receivables are in excess of the amounts owed by ATI Securitization under the Receivables Facility.

Sales of accounts receivable under the Receivables Facility meet the sale criteria under ASC 860, *Transfers and Servicing ("ASC 860")*, and are derecognized from the consolidated balance sheet. Cash receipts, received at the time of the sale of receivables under the Receivables Facility, are classified as cash flow from operating activities in the consolidated statement of cash flows. As the Company retains the servicing rights of the receivables sold, the Company assessed the associated servicing liability under ASC 860 and determined that the liability is immaterial to the Company's financial statements.

During the quarterly period ended September 27, 2026, ATI Securitization sold $40.0 million of accounts receivable in exchange for $40.0 million of cash and also collected $40.0 million of accounts receivable transferred to ATI Securitization under the Receivables Facility. During the year-to-date period ended September 27, 2026, ATI Securitization sold $100.0 million of accounts receivable in exchange for $100.0 million of cash, and collected $60.0 million of accounts receivables transferred to ATI Securitization under the Receivables Facility. For the quarterly and year-to-date periods ended September 28, 2025, ATI Securitization sold $80.0 million of accounts receivable in exchange for $80.0 million of cash.

For the quarterly and year-to-date periods ended September 27, 2026, the Company recorded $1.2 million and $3.5 million charges, respectively, associated with the sales of the accounts receivable. For both the quarterly and year-to-date periods ended September 28, 2025, the Company recorded a $0.9 million charge associated with the sale of the accounts receivable. These charges were recognized within selling and administrative expenses on its consolidated statement of operations, which is excluded from segment results. As of September 27, 2026, the Company has utilized $120 million of the maximum aggregate funding available under the Receivables Facility.

There were no borrowings under the Receivables Facility during the year-to-date periods ended September 27, 2026 and September 28, 2025.

Other Customer Receivable Sales

In the third quarter and year-to-date periods ended September 27, 2026, the Company sold $127.1 million and $377.5 million, respectively, of certain customers' accounts receivable through programs established by those customers with third-party financial institutions. In the third quarter and year-to-date periods ended September 28, 2025, the Company sold $107.0 million and $271.1 million, respectively, of certain customers' accounts receivable through the same or similar programs. These customers have extended payment terms and provide the programs to enable suppliers to receive more timely payments. The Company has no continuing involvement with the receivables sold under these programs, including no servicing requirement. The proceeds from these transactions

are presented as changes in receivables within operating activities in the consolidated statement of cash flows. The losses associated with these transactions of $1.7 million and $4.4 million for the quarter and year-

to-date periods ended September 27, 2026, respectively, and $1.4 million and $4.1 million for the quarter and year-to-date periods ended September 28, 2025, respectively, are reflected in the Company's consolidated statements of operations and are excluded from segment results.

Note 8. Debt

Debt at September 27, 2026 and December 28, 2025 was as follows:

(In millions)	September 27, 2026	December 28, 2025
ATI Inc. 7.25% Senior Notes due 2030	$ 425.0	$ 425.0
ATI Inc. 5.875% Senior Notes due 2033	450.0	—
ATI Inc. 5.875% Senior Notes due 2027	—	350.0
ATI Inc. 5.125% Senior Notes due 2031	350.0	350.0
ATI Inc. 4.875% Senior Notes due 2029	325.0	325.0
ABL Term Loan	200.0	200.0
Foreign credit facilities	15.6	—
Finance leases and other	107.1	111.0
Debt issuance costs	(15.2)	(11.6)
Debt	1,857.5	1,749.4
Short-term debt and current portion of long-term debt	49.7	31.1
Long-term debt	$ 1,807.8	$ 1,718.3

2033 Senior Notes

On June 3, 2026, the Company issued $450 million aggregate principal amount of 5.875% Senior Notes due 2033 (2033 Notes). Interest on the 2033 Notes is payable semi-annually in arrears at a rate of 5.875% per year. The 2033 Notes mature on June 15, 2033. The 2033 Notes are unsecured and unsubordinated obligations of the Company and equally ranked with all its existing and future senior unsecured debt. The 2033 Notes restrict the Company's ability to incur certain liens, enter into sale leaseback transactions, guarantee certain indebtedness or consolidate with or merge into another entity or sell, transfer or lease all, or substantially all, of its assets.

The Company received proceeds of $443.1 million from the issuance of the 2033 Notes, which were net of $6.9 million of underwriting fees and other third-party expenses. These debt issuance costs were recorded as a reduction to the carrying value of the debt and will be amortized over the 7-year term of the 2033 Notes.

Prior to June 15, 2029, the Company has the option to redeem the 2033 Notes, as a whole or in part, at any time or from time to time, at redemption prices specified in the 2033 Notes. The 2033 Notes are subject to redemption upon the occurrence of a change in control repurchase event (as defined in the 2033 Notes) at a redemption price in cash equal to 101% of the aggregate principal amount of the Notes repurchased, plus any accrued and unpaid interest on the 2033 Notes repurchased.

2027 Senior Notes

On June 8, 2026, the Company exercised its right to redeem the entire outstanding $350 million aggregate principal amount of its 5.875% Notes due 2027 (2027 Notes), and The Bank of New York Mellon, as trustee, issued a notice of redemption to registered holders of the 2027 Notes. The 2027 Notes were fully redeemed on July 8, 2026 using a portion of the proceeds from the sale of the Company's 2033 Notes. As part of the redemption, the Company incurred debt extinguishment costs of approximately $1.2 million associated with the write-off of the related unamortized debt issuance costs.

Revolving Credit Facility

The Company's amended Asset Based Lending (ABL) Credit Facility, which is collateralized by the accounts receivable and inventory of the Company's operations, consists of a $200 million term loan (Term Loan) and a $600 million revolving credit facility, which includes a letter of credit sub-facility of up to $200 million, and a swing loan facility of up to $60 million. The Term Loan bears interest at a rate of 2.0% above the adjusted SOFR and can be prepaid in increments of $25 million if certain minimum liquidity conditions are

satisfied. In addition, the Company has the right to request an increase of up to $300 million in the maximum amount available under the revolving credit facility for the duration of the ABL. The ABL facility also

provides the Company with the option of including certain machinery and equipment as additional collateral for purposes of determining availability under the facility. The ABL term runs through June of 2030.

The applicable interest rate for revolving credit borrowings under the ABL facility includes interest rate spreads based on available borrowing capacity that range between 1.25% and 1.75% for SOFR-based borrowings and between 0.25% and 0.75% for base rate borrowings. The ABL facility contains a financial covenant whereby the Company must maintain a fixed charge coverage ratio of not less than 1.00:1.00 after an event of default has occurred and is continuing or if the undrawn availability under the ABL revolving credit portion of the facility is less than the greater of (i) 10% of the then applicable maximum loan amount under the revolving credit portion of the ABL and the outstanding Term Loan balance, or (ii) $60.0 million. The Company was in compliance with the fixed charge coverage ratio as of September 27, 2026. Additionally, the Company must demonstrate minimum liquidity specified by the facility during the 90-day period immediately preceding the stated maturity date of its 4.875% Senior Notes due 2029, 7.25% Senior Notes due 2030 and 5.125% Senior Notes due 2031. Costs associated with entering into the June 2025 ABL amendment were $2.8 million, and are being amortized to interest expense over the extended term of the facility ending June 2030, along with $1.9 million of unamortized deferred costs previously recorded for the ABL. The ABL, as amended, also contains customary affirmative and negative covenants for credit facilities of this type, including limitations on the Company's ability to incur additional indebtedness or liens or to enter into investments, mergers and acquisitions, dispositions of assets and transactions with affiliates, some of which are more restrictive at any time during the term of the ABL when the Company's fixed charge coverage ratio is less than 1.00:1.00 and its undrawn availability under the revolving portion of the ABL is less than the greater of (a) $120 million or (b) 20% of the sum of the maximum loan amount under the revolving credit portion of the ABL and the outstanding Term Loan balance.

As of September 27, 2026, there were no outstanding borrowings under the revolving portion of the ABL facility, and $29.3 million was utilized to support the issuance of letters of credit. There were no average revolving credit borrowings for the quarter and $42.7 million for the year-to-date period ended September 27, 2026, bearing an average annual interest rate of 5.2% under the ABL facility. There were no revolving credit borrowings under the ABL facility as of September 28, 2025. The Company also has foreign credit facilities, primarily in China, that total $76.4 million based on September 27, 2026 foreign exchange rates, $15.6 million of which was drawn as of September 27, 2026. There were no amounts drawn under foreign credit facilities as of December 28, 2025.

Note 9. Derivative Financial Instruments and Hedging

As part of its risk management strategy, the Company, from time-to-time, utilizes derivative financial instruments to manage its exposure to changes in raw material prices, energy costs, foreign currencies, and interest rates. In accordance with applicable accounting standards, the Company accounts for most of these contracts as hedges.

The Company sometimes uses futures and swap contracts to manage exposure to changes in prices for forecasted purchases of raw materials, such as nickel, and natural gas. Under these contracts, which are generally accounted for as cash flow hedges, the price of the item being hedged is fixed at the time that the contract is entered into and the Company is obligated to make or entitled to receive a payment equal to the net change between this fixed price and the market price at the date the contract matures.

The majority of ATI's products are sold under contractual arrangements that include raw material surcharges and index mechanisms. However, as of September 27, 2026, the Company had entered into financial hedging arrangements primarily at the request of its customers, related to firm orders, for an aggregate notional amount of approximately 5 million pounds of nickel with hedge dates through 2027. The aggregate notional amount hedged is approximately 7% of a single year's estimated nickel raw material purchase requirements. These derivative instruments are used to hedge the variability of a selling price that is based on the London Metal Exchange (LME) index for nickel, as well as to hedge the variability of the purchase cost of nickel based on this LME index. Any gain or loss associated with these hedging arrangements is included in sales or cost of sales, depending on whether the underlying risk being hedged is the variable selling price or the variable raw material cost, respectively.

At September 27, 2026, the outstanding financial derivatives used to hedge the Company's exposure to energy cost volatility consisted of natural gas cost hedges. At September 27, 2026, the Company hedged approximately 80% of its forecasted domestic requirements for natural gas for the remainder of 2026, approximately 55% for 2027, and approximately 15% for 2028.

While most of the Company's direct export sales are transacted in U.S. dollars, it uses foreign currency exchange contracts, from time-to-time, to limit transactional exposure to changes in currency exchange rates for those transactions denominated in a non-U.S. currency. The Company sometimes purchases foreign currency forward contracts that permit it to sell specified amounts of foreign currencies it expects to receive from its export sales for pre-established U.S. dollar amounts at specified

dates. In addition, the Company may also hedge forecasted capital expenditures and designate cash balances held in foreign currencies as hedges of forecasted foreign currency transactions. At September 27, 2026, the Company had no material outstanding foreign currency forward contracts.

The Company may enter into derivative interest rate contracts to maintain a reasonable balance between fixed- and floating-rate debt. There were no outstanding derivative interest rate contracts at September 27, 2026.

There are no credit risk-related contingent features in the Company's derivative contracts, and the contracts contain no provisions under which the Company has posted, or would be required to post, collateral. The counterparties to the Company's derivative contracts are substantial and creditworthy commercial banks that are recognized market makers. The Company controls its credit exposure by diversifying across multiple counterparties and by monitoring credit ratings and credit default swap spreads of its counterparties. The Company also enters into master netting agreements with counterparties when possible.

The fair values of the Company's derivative financial instruments are presented below, representing the gross amounts recognized which are not offset by counterparty or by type of item hedged. All fair values for these derivatives were measured using Level 2 information as defined by the accounting standard hierarchy, which includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs derived principally from or corroborated by observable market data.

(in millions): Asset derivatives	Balance sheet location	September 27, 2026	December 28, 2025
Derivatives designated as hedging instruments:			
Natural gas contracts	Prepaid expenses and other current assets	$ 0.2	$ 1.0
Nickel and other raw material contracts	Prepaid expenses and other current assets	1.0	0.6
Foreign exchange contracts	Prepaid expenses and other current assets	0.1	0.1
Nickel and other raw material contracts	Other assets	0.1	—
Natural gas contracts	Other assets	0.5	0.1
Total derivatives designated as hedging instruments:		$ 1.9	$ 1.8
Liability derivatives	Balance sheet location		
Derivatives designated as hedging instruments:			
Nickel and other raw material contracts	Other current liabilities	$ 3.5	$ 0.1
Natural gas contracts	Other current liabilities	3.0	1.3
Natural gas contracts	Other long-term liabilities	0.4	0.4
Total derivatives designated as hedging instruments:		$ 6.9	$ 1.8

For derivative financial instruments that are designated as cash flow hedges, the gain or loss on the derivative is reported as a component of other comprehensive income (OCI) and reclassified into earnings in the same period or periods during which the hedged item affects earnings. For derivative financial instruments that are designated as fair value hedges, changes in the fair value of these derivatives are recognized in current period results. There were no outstanding fair value hedges as of September 27, 2026. The cash flow impact for all derivative financial instruments is reported in cash flows provided by operating activities on the consolidated statement of cash flows. The Company did not use net investment hedges for the periods presented. The effects of derivative instruments in the tables below are presented net of related income taxes, excluding any impacts of changes to income tax valuation allowances affecting results of operations or other comprehensive income, when applicable (see Note 15 for further explanation).

Assuming market prices remain constant with those at September 27, 2026, a pre-tax loss of $5.2 million is expected to be recognized over the next 12 months.

Activity for derivatives designated as cash flow hedges for the quarters and year-to-date periods ended September 27, 2026 and September 28, 2025 was as follows:

(in millions)

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in OCI on Derivatives		Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (a)	
	Quarter ended			
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Nickel and other raw material contracts	$ (0.3)	$ —	$ (0.1)	$ (1.1)
Natural gas contracts	(1.4)	(2.6)	(0.9)	(0.3)
Foreign exchange contracts	—	0.1	0.1	—
Total	$ (1.7)	$ (2.5)	$ (0.9)	$ (1.4)

(in millions)

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in OCI on Derivatives		Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (a)	
	Year-to-date period ended			
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Nickel and other raw material contracts	$ (0.8)	$ (0.7)	$ 1.4	$ (3.3)
Natural gas contracts	(1.8)	(0.2)	(0.2)	(0.2)
Foreign exchange contracts	0.4	(0.1)	0.4	0.1
Total	$ (2.2)	$ (1.0)	$ 1.6	$ (3.4)

(a) The gains (losses) reclassified from accumulated OCI into income related to the derivatives, with the exception of any interest rate swaps, are presented in sales and cost of sales in the same period or periods in which the hedged item affects earnings. The gains (losses) reclassified from accumulated OCI into income on the interest rate swap are presented in interest expense in the same period as the interest expense on the Term Loan is recognized in earnings.

The disclosures of gains or losses presented above for nickel and other raw material contracts and foreign currency contracts do not consider the anticipated underlying transactions. Since these derivative contracts represent hedges, the net effect of any gain or loss on results of operations may be fully or partially offset.

The Company may also use derivative instruments that are not designated as hedges to protect the Company's results from certain fluctuations in foreign exchange rates, as well as to offset a portion of the foreign currency gains and losses generated by the remeasurement of certain assets and liabilities denominated in non-functional currencies. Changes in the fair value of these foreign exchange contract derivatives not designated as hedging instruments are recorded in cost of sales or selling, general and administrative expenses on the consolidated statement of operations. The Company recognized $0.8 million of expense for the quarter ended September 27, 2026, and the Company recognized $1.8 million of expense, net, for settled foreign currency forward contracts that were not designated as hedges during the year-to date period ended September 27, 2026. The Company recognized $0.6 million of expense and $2.3 million of income, net, during the third quarter and year-to-date periods ended September 28, 2025, respectively, which offset foreign currency gains/losses in the relevant currency. We have no significant outstanding hedges that are not designated as of September 27, 2026.

Note 10. Fair Value of Financial Instruments

The estimated fair value of financial instruments at September 27, 2026 was as follows:

(In millions)	Total Carrying Amount	Fair Value Measurements at Reporting Date Using		
		Total Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)
Cash and cash equivalents	$ 442.3	$ 442.3	$ 442.3	$ —
Derivative financial instruments:				
Assets	1.9	1.9	—	1.9
Liabilities	6.9	6.9	—	6.9
Debt [(a)]	1,872.7	1,843.6	1,520.9	322.7

The estimated fair value of financial instruments at December 28, 2025 was as follows:

(In millions)	Total Carrying Amount	Fair Value Measurements at Reporting Date Using: Total Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)
Cash and cash equivalents	$ 416.7	$ 416.7	$ 416.7	$ —
Derivative financial instruments:				
Assets	1.8	1.8	—	1.8
Liabilities	1.8	1.8	—	1.8
Debt [(a)]	1,761.0	1,787.9	1,476.9	311.0

(a) The total carrying amount for debt for both periods excludes debt issuance costs related to the recognized debt liability which is presented in the consolidated balance sheet as a direct reduction from the carrying amount of the debt liability.

In accordance with accounting standards, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Accounting standards established three levels of a fair value hierarchy that prioritize the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments:

Cash and cash equivalents: Fair value was determined using Level 1 information.

Derivative financial instruments: Fair values for derivatives were measured using exchange-traded prices for the hedged items. The fair value was determined using Level 2 information, including consideration of counterparty risk and the Company's credit risk.

Short-term and long-term debt: The fair values of the Company's publicly traded debt were based on Level 1 information. The fair values of the other short-term and long-term debt were determined using Level 2 information.

Note 11. Business Segments

The Company operates under two business segments: HPMC and AA&S. ATI's Chief Operating Decision Maker (CODM) is its Chair, President and Chief Executive Officer. Segment EBITDA, the Company's segment operating measure, is used by the CODM to assess segment operating performance and to determine the allocation of resources. Segment EBITDA as a percentage of segment revenues is utilized to assess the profitability of each segment and whether the Company's strategies are resulting in margin expansion and expected operating performance improvements. The measure of segment EBITDA excludes net interest expense, income taxes, depreciation and amortization, goodwill impairment charges, debt extinguishment charges, corporate expenses, closed operations and other income (expense), restructuring and other credits/charges, gains or losses on the sale of accounts receivables, strike related costs, long-lived asset impairments, pension remeasurement gains and losses, other postretirement/pension curtailment and settlement gains and losses, and gains or losses on sales of businesses. Management believes segment EBITDA, as defined, provides an appropriate measure of controllable operating results at the

business segment level. Following is certain financial information with respect to the Company's business segments for the periods indicated:

(In millions)	Quarter ended September 27, 2026			Quarter ended September 28, 2025		
	HPMC	AA&S	Total	HPMC	AA&S	Total
Sales to external customers	$ 721.4	$ 702.3	$ 1,423.7	$ 602.9	$ 522.6	$ 1,125.5
Intersegment sales	46.2	118.2	164.4	58.6	47.5	106.1
Total sales	767.6	820.5	1,588.1	661.5	570.1	1,231.6
Reconciliation of sales						
Elimination of intersegment sales			(164.4)			(106.1)
Total consolidated sales			$ 1,423.7			$ 1,125.5
Less[(1)]:						
Allocated corporate overhead	18.2	19.8		14.3	14.2	
Other segment items[(2)]	582.1	619.4		501.4	465.5	
Segment EBITDA	167.3	181.3	348.6	145.8	90.4	236.2
Reconciliation of segment EBITDA						
Corporate expenses			(18.8)			(15.6)
Closed operations and other income			(1.9)			4.5
Depreciation & amortization			(44.9)			(42.6)
Interest expense, net			(22.6)			(26.1)
Restructuring and other charges			(14.4)			(12.9)
Debt Extinguishment Charges			(1.2)			—
Gain on sales of businesses			—			1.1
Income before taxes			$ 244.8			$ 144.6

(In millions)	Year-to-date period ended September 27, 2026			Year-to-date period ended September 28, 2025		
	HPMC	**AA&S**	**Total**	**HPMC**	**AA&S**	**Total**
Sales to external customers	$ 1,972.8	$ 1,863.5	$ 3,836.3	$ 1,795.8	$ 1,614.5	$ 3,410.3
Intersegment sales	131.4	336.4	467.8	171.8	151.8	323.6
Total sales	2,104.2	2,199.9	4,304.1	1,967.6	1,766.3	3,733.9
Reconciliation of sales						
Elimination of intersegment sales			(467.8)			(323.6)
Total consolidated sales			$ 3,836.3			$ 3,410.3
Less[(1)]:						
Allocated corporate overhead	50.6	53.9		48.6	50.2	
Other segment items[(2)]	1,579.9	1,720.1		1,498.2	1,465.6	
Segment EBITDA	473.7	425.9	899.6	420.8	250.5	671.3
Reconciliation of segment EBITDA						
Corporate expenses			(50.7)			(48.4)
Closed operations and other income			(4.9)			4.5
Depreciation & amortization			(133.9)			(125.0)
Interest expense, net			(70.2)			(74.5)
Restructuring and other charges			(64.4)			(25.9)
Debt Extinguishment Charges			(1.2)			—
Loss on sales of business, net			—			(2.6)
Income before taxes			$ 574.3			$ 399.4

[(1)] The CODM is regularly provided with allocated corporate overhead and segment EBITDA, which is used to assess operating performance. Therefore, the significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown.

[(2)] Other segment items for each reportable segment include: cost of sales, general and administrative expenses, and gain/loss on asset sales. General & administrative expenses consist of non-manufacturing payroll and benefits, office expenses, professional service and legal expenses, occupancy expenses including rent and lease expense, and travel expense.

Total international sales for the third quarter and year-to-date periods ended September 27, 2026 were $487.6 million and $1,410.4 million, respectively, and $445.3 million and $1,435.9 million for the third quarter and year-to-date periods ended September 28, 2025, respectively. Of these amounts, sales by operations in the U.S. to customers in other countries for the third quarter and year-to-date periods ended September 27, 2026 were $374.7 million and $1,112.7 million, respectively, and $348.6 million and $1,156.9 million for the third quarter and year-to-date periods ended September 28, 2025, respectively.

Restructuring and other charges of $14.4 million for the quarter ended September 27, 2026 include $2.2 million of start-up and transaction-related costs, which are primarily included within cost of sales on the consolidated statements of operations. These charges also include $0.9 million of restructuring-related severance, impairment, and other costs, $8.4 million of transformation-related costs, and $2.9 million of losses on the sale of accounts receivable, which are primarily included within selling and administrative expenses on the consolidated statements of operations. Restructuring and other charges of $64.4 million for the year-to-date period ended September 27, 2026 include $23.4 million of start-up and transaction-related costs and $1.1 million of restructuring-related impairment costs, which are primarily included within cost of sales on the consolidated statements of operations, $11.8 million of restructuring-related severance, impairment, and other costs, $20.2 million of transformation-related costs, and $7.9 million of losses on the sale of accounts receivable, which are included within selling and administrative expenses on the consolidated statements of operations.

Restructuring and other charges of $12.9 million for the quarter ended September 28, 2025 include $7.2 million of start-up and transaction-related costs, which are primarily included within cost of sales on the consolidated statements of operations. These charges also include $3.6 million of transformation-related costs and $2.5 million of losses on the sale of accounts receivables, which are included within selling and administrative expenses on the consolidated statements of operations. These charges were partially offset by credits of $0.4 million due to a reduction in severance-related reserves for a previous restructuring in the AA&S segment. Restructuring and other charges of $25.9 million for the year-to-date period ended September 28, 2025 include $17.2 million of start-up and transaction related costs, which are primarily included within cost of sales on the consolidated statements of operations, $4.7 million of transformation-related costs and $5.7 million of losses on the sale of accounts receivable, which are included within selling and administrative expenses on the consolidated statements of operations. These charges were partially offset by credits of $1.7 million due to a reduction in severance-related reserves for a previous restructuring in the AA&S segment.

Certain additional information regarding the Company's business segments is presented below:

	Quarter ended		Year-to-date period ended	
(In millions)	**September 27, 2026**	**September 28, 2025**	**September 27, 2026**	**September 28, 2025**
Depreciation and amortization:				
High Performance Materials & Components	**$ 21.1**	$ 21.2	**$ 61.3**	$ 61.8
Advanced Alloys & Solutions	**21.9**	19.7	**67.4**	58.3
Other	**1.9**	1.7	**5.2**	4.9
Total depreciation and amortization	**$ 44.9**	$ 42.6	**$ 133.9**	$ 125.0
Capital expenditures:				
High Performance Materials & Components	**$ 64.9**	$ 36.9	**$ 138.5**	$ 111.5
Advanced Alloys & Solutions	**25.9**	25.2	**72.6**	74.4
Corporate	**2.0**	0.4	**5.5**	2.0
Total capital expenditures	**$ 92.8**	$ 62.5	**$ 216.6**	$ 187.9

(In millions)		
Identifiable assets:	**September 27, 2026**	**December 28, 2025**
High Performance Materials & Components	**$ 2,487.6**	$ 2,368.6
Advanced Alloys & Solutions	**2,600.7**	2,249.1
Corporate:		
Deferred Taxes	**31.4**	33.5
Cash and cash equivalents and other	**447.1**	448.4
Total assets	**$ 5,566.8**	$ 5,099.6

(in millions)	**September 27, 2026**	**Percent of total**	**December 28, 2025**	**Percent of total**
Total assets:				
United States	**$ 5,032.0**	**90 %**	$ 4,544.4	89 %
China	**336.6**	**6 %**	321.8	6 %
Other	**198.2**	**4 %**	233.4	5 %
Total Assets	**$ 5,566.8**	**100 %**	$ 5,099.6	100 %

Note 12. Retirement Benefits

The Company has defined contribution retirement plans or defined benefit pension plans covering substantially all employees. Company contributions to defined contribution retirement plans are generally based on either a percentage of eligible pay or on hours worked. Benefits under the defined benefit pension plans are generally based on years of service and/or final average pay. The Company funds the U.S. pension plans in accordance with the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code of 1986, as amended. The Company also sponsors several postretirement plans covering certain collectively bargained salaried and hourly employees. The plans provide health care and life insurance benefits for eligible retirees. In most retiree

health care plans, Company contributions towards premiums are capped based on the cost as of a certain date, thereby creating a defined contribution. All defined benefit pension and retiree health care plans are closed to new entrants.

For the quarters ended September 27, 2026 and September 28, 2025, the components of pension and other postretirement benefit expense for the Company's defined benefit plans included the following:

(In millions)	Pension Benefits Quarter ended		Other Postretirement Benefits Quarter ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Service cost - benefits earned during the year	$ 1.4	$ 1.3	$ 0.1	$ 0.1
Interest cost on benefits earned in prior years	4.8	4.4	2.2	2.5
Expected return on plan assets	(4.1)	(4.0)	—	—
Amortization of prior service cost (credit)	0.1	0.1	(0.1)	(0.3)
Amortization of net actuarial loss	—	—	1.3	1.2
Total retirement benefit expense	$ 2.2	$ 1.8	$ 3.5	$ 3.5

For the year-to-date periods ended September 27, 2026 and September 28, 2025, the components of pension and other postretirement benefit expense for the Company's defined benefit plans included the following:

(In millions)	Pension Benefits Year-to-date period ended		Other Postretirement Benefits Year-to-date period ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Service cost - benefits earned during the year	$ 4.3	$ 4.0	$ 0.3	$ 0.3
Interest cost on benefits earned in prior years	14.4	13.0	6.7	7.4
Expected return on plan assets	(12.3)	(11.9)	—	—
Amortization of prior service cost (credit)	0.3	0.3	(0.2)	(0.7)
Amortization of net actuarial loss	—	—	3.9	3.8
Total retirement benefit expense	$ 6.7	$ 5.4	$ 10.7	$ 10.8

Note 13. Income Taxes

For the quarter and year-to-date periods ended September 27, 2026, the Company's effective tax rate was 21.0% and 18.5%, respectively, resulting in an income tax provision of $51.5 million and $106.2 million, respectively. For the quarter and year-to-date periods ended September 28, 2025, the Company's effective tax rate was 21.4% and 20.4%, respectively, resulting in an income tax provision of $31.0 million and $81.3 million, respectively. The effective tax rate for the quarter ended September 27, 2026 included discrete tax benefits of $0.8 million, primarily for the release of a foreign valuation allowance, while the effective tax rate for the quarter ended September 28, 2025 includes discrete tax expense of $2.8 million, primarily related to return-to-provision adjustments for limitations of permanent benefits due to decreased taxable income.

For the year-to-date periods ended September 27, 2026 and September 28, 2025, discrete tax benefits were $13.9 million and $1.7 million, respectively. The discrete tax benefits for both periods were primarily related to share-based compensation.

On July 4, 2025, the One Big Beautiful Bill Act, which included permanent extensions of most expiring Tax Cuts and Jobs Act provisions and international tax changes, was enacted. Pursuant to ASC 740, Income Taxes, the effects of changes in tax law were recognized in the period of enactment, the impact of which were not material and were reflected in the Company's effective tax rate in the quarter and year-to-date periods ended September 28, 2025. The impacts related to the tax law changes will be favorable in the current year and to future years' cash tax payments due to changes in bonus depreciation, domestic research expensing and certain international provisions.

Note 14. Per Share Information

The following table sets forth the computation of basic and diluted income per common share:

(in millions, except per share amounts):	Quarter ended		Year-to-date period ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Numerator:				
Numerator for basic income per common share –				
Net income attributable to ATI	$ 189.8	$ 110.0	$ 459.0	$ 307.7
Denominator:				
Denominator for basic net income per common share – weighted average shares	136.1	137.0	136.4	139.5
Effect of dilutive securities:				
Share-based compensation	2.3	3.5	2.1	3.1
Denominator for diluted net income per common share – adjusted weighted average shares and assumed conversions	138.4	140.5	138.5	142.6
Basic net income attributable to ATI per common share	$ 1.39	$ 0.80	$ 3.37	$ 2.21
Diluted net income attributable to ATI per common share	$ 1.37	$ 0.78	$ 3.31	$ 2.16

Periodically, the Company's Board of Directors authorizes the repurchase of ATI common stock (the Share Repurchase Program), most recently authorizing the repurchase of up to $700 million, as announced in September 2024, and an additional $500 million, as announced in February 2026. Repurchases under these programs are made in the open market or in privately negotiated transactions, with the amount and timing of repurchases depending on market conditions and corporate needs. Open market repurchases are structured to occur within the pricing and volume requirements of SEC Rule 10b-18. In the quarter and year-to-date periods ended September 27, 2026, ATI used $70.0 million and $195.0 million to repurchase 0.4 million shares and 1.2 million shares, respectively, of its common stock under the Share Repurchase Program. At September 27, 2026, the Company has utilized all of the $700 million in repurchase authority announced in September 2024, and $75 million of the $500 million in repurchase authority announced in February 2026. As of September 27, 2026, total share repurchase authorization remaining under the Company's active Share Repurchase Program was $425 million. In the quarter and year-to-date periods ended September 28, 2025, ATI used $150.0 million and $470.0 million to repurchase 2.0 million and 6.4 million, respectively, of its common stock under the Share Repurchase Program.

The Company's share repurchases are subject to a 1% excise tax due to the Inflation Reduction Act of 2022. Excise taxes incurred on share repurchases represent direct costs of the repurchase and are recorded as part of the cost basis of the shares within treasury stock. The cost of share repurchases for the quarter and year-to-date periods ended September 27, 2026 of $70.7 million and $195.7 million, respectively, differs from the repurchases of common stock amounts in the consolidated statements of cash flows due to these excise taxes.

Note 15. Accumulated Other Comprehensive Income (Loss)

The changes in AOCI by component, net of tax, for the quarter ended September 27, 2026 were as follows:

(In millions)	Post-retirement benefit plans	Currency translation adjustment	Derivatives	Deferred Tax Asset Valuation Allowance	Total
Attributable to ATI:					
Balance, June 28, 2026	$ (30.1)	$ (55.6)	$ (2.4)	$ 23.3	$ (64.8)
OCI before reclassifications	—	0.5	(1.7)	—	(1.2)
Amounts reclassified from AOCI	(a) 1.0	—	(b) 0.9	—	1.9
Net current-period OCI	1.0	0.5	(0.8)	—	0.7
Balance, September 27, 2026	$ (29.1)	$ (55.1)	$ (3.2)	$ 23.3	$ (64.1)
Attributable to noncontrolling interests:					
Balance, June 28, 2026	$ —	$ 15.7	$ —	$ —	$ 15.7
OCI before reclassifications	—	1.7	—	—	1.7
Amounts reclassified from AOCI	—	—	—	—	—
Net current-period OCI	—	1.7	—	—	1.7
Balance, September 27, 2026	$ —	$ 17.4	$ —	$ —	$ 17.4

he changes in AOCI by component, net of tax, for the year-to-date period ended September 27, 2026 were as follows:

n millions)	Post-retirement benefit plans	Currency translation adjustment	Derivatives	Deferred Tax Asset Valuation Allowance	Total
ttributable to ATI:					
alance, December 28, 2025	$ (32.2)	$ (52.1)	$ 0.6	$ 23.3	$ (60.4)
CI before reclassifications	—	(3.0)	(2.2)	—	(5.2)
mounts reclassified from AOCI	(a) 3.1	—	(b) (1.6)	—	1.5
et current-period OCI	3.1	(3.0)	(3.8)	—	(3.7)
alance, September 27, 2026	$ (29.1)	$ (55.1)	$ (3.2)	$ 23.3	$ (64.1)
ttributable to noncontrolling interests:					
alance, December 28, 2025	$ —	$ 12.0	$ —	$ —	$ 12.0
CI before reclassifications	—	5.4	—	—	5.4
mounts reclassified from AOCI	—	—	—	—	—
et current-period OCI	—	5.4	—	—	5.4
alance, September 27, 2026	$ —	$ 17.4	$ —	$ —	$ 17.4

(a) Amounts were included in net periodic benefit cost for pension and other postretirement benefit plans (see Note 12).
(b) Amounts related to derivatives are included in sales, cost of goods sold or interest expense in the period or periods the hedged item affects earnings (see Note 9).

The changes in AOCI by component, net of tax, for the quarter ended September 28, 2025 were as follows:

(In millions)	Post-retirement benefit plans	Currency translation adjustment	Derivatives	Deferred Tax Asset Valuation Allowance	Total
Attributable to ATI:					
Balance, June 29, 2025	$ (28.8)	$ (52.0)	$ 1.0	$ 23.3	$ (56.5)
OCI before reclassifications	—	(2.2)	(2.5)	—	(4.7)
Amounts reclassified from AOCI	(a) 0.9	(b) —	(d) 1.4	—	2.3
Net current-period OCI	0.9	(2.2)	(1.1)	—	(2.4)
Balance, September 28, 2025	$ (27.9)	$ (54.2)	$ (0.1)	$ 23.3	$ (58.9)
Attributable to noncontrolling interests:					
Balance, June 29, 2025	$ —	$ 8.7	$ —	$ —	$ 8.7
OCI before reclassifications	—	0.6	—	—	0.6
Amounts reclassified from AOCI	—	(c) —	—	—	—
Net current-period OCI	—	0.6	—	—	$ 0.6
Balance, September 28, 2025	$ —	$ 9.3	$ —	$ —	$ 9.3

The changes in AOCI by component, net of tax, for the year-to-date period ended September 28, 2025 were as follows:

(In millions)	Post-retirement benefit plans	Currency translation adjustment	Derivatives	Deferred Tax Asset Valuation Allowance	Total
Attributable to ATI:					
Balance, December 29, 2024	$ (30.5)	$ (79.8)	$ (2.5)	$ 23.3	$ (89.5)
OCI before reclassifications	—	20.5	(1.0)	—	19.5
Amounts reclassified from AOCI	(a) 2.6	(b) 5.1	(d) 3.4	—	11.1
Net current-period OCI	2.6	25.6	2.4	—	30.6
Balance, September 28, 2025	$ (27.9)	$ (54.2)	$ (0.1)	$ 23.3	$ (58.9)
Attributable to noncontrolling interests:					
Balance, December 29, 2024	$ —	$ 5.7	$ —	$ —	$ 5.7
OCI before reclassifications	—	3.6	—	—	3.6
Amounts reclassified from AOCI	—	(c) —	—	—	—
Net current-period OCI	—	3.6	—	—	$ 3.6
Balance, September 28, 2025	$ —	$ 9.3	$ —	$ —	$ 9.3

(a) Amounts were included in net periodic benefit cost for pension and other postretirement benefit plans (see Note 12).
(b) Amounts were included in gain/loss of asset sales and sales of businesses, net, as part of the loss on sale of the Birmingham, UK and Dusseldorf, Germany operations (see Note 5).
(c) No amounts were reclassified to earnings.
(d) Amounts related to derivatives are included in sales, cost of goods sold or interest expense in the period or periods the hedged item affects earnings (see Note 9).

Other comprehensive income (loss) amounts (OCI) reported above by category are net of applicable income tax expense (benefit) for each period presented. Income tax expense (benefit) on OCI items is recorded as a change in a deferred tax asset or liability. Amounts recognized in OCI include the impact of any deferred tax asset valuation allowances, when applicable. Foreign currency translation adjustments, including those pertaining to noncontrolling interests, are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries.

Reclassifications out of AOCI for the quarter and year-to-date periods ended September 27, 2026 and September 28, 2025 were as follows:

(In millions)	Quarter ended		Year-to-date period ended			
Details about AOCI Components *(In millions)*	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025		Affected line item in the statements of operations
Postretirement benefit plans						
Prior service (cost) credit	$ —	$ 0.2	$ (0.1)	$ 0.4	(a)	
Actuarial losses	(1.3)	(1.2)	(3.9)	(3.8)	(a)	
	(1.3)	(1.0)	(4.0)	(3.4)	(d)	Total before tax
	(0.3)	(0.1)	(0.9)	(0.8)		Tax benefit (e)
	$ (1.0)	$ (0.9)	$ (3.1)	$ (2.6)		Net of tax
Currency translation adjustment	$ —	$ —	$ —	$ (5.1)	(b,d)	
Derivatives						
Nickel and other raw material contracts	$ (0.2)	$ (1.4)	$ 1.8	$ (4.3)	(c)	
Natural gas contracts	(1.1)	(0.4)	(0.2)	(0.2)	(c)	
Foreign exchange contracts	0.1	—	0.5	0.1	(c)	
	(1.2)	(1.8)	2.1	(4.4)	(d)	Total before tax
	(0.3)	(0.4)	0.5	(1.0)		Tax benefit (e)
	$ (0.9)	$ (1.4)	$ 1.6	$ (3.4)		Net of tax

(a) Amounts are reported in nonoperating retirement benefit expense (see Note 12).
(b) Amounts in 2025 were included in gain/loss on asset sales and sales of businesses, net, as part of the loss on sale of the Birmingham, UK and Dusseldorf, Germany operations (see Note 5).
(c) Amounts related to derivatives are included in sales or cost of goods sold in the period or periods the hedged item affects earnings.
(d) For pre-tax items, positive amounts are income and negative amounts are expense in terms of the impact to net income. Tax effects are presented in conformity with ATI's presentation in the consolidated statements of operations.
(e) These amounts exclude the impact of any deferred tax asset valuation allowances, when applicable.

Note 16. Commitments and Contingencies

The Company is subject to various domestic and international environmental laws and regulations that govern the discharge of pollutants and disposal of wastes, and which may require that it investigate and remediate the effects of the release or disposal of materials at sites associated with past and present operations. The Company could incur substantial cleanup costs, fines, and civil or criminal sanctions, third party property damage or personal injury claims as a result of violations or liabilities under these laws or noncompliance with environmental permits required at its facilities. The Company is currently involved in the investigation and remediation of a number of its current and former sites, as well as third party sites.

Environmental liabilities are recorded when the Company's liability is probable and the costs are reasonably estimable. In many cases, however, the Company is not able to determine whether it is liable or, if liability is probable, to reasonably estimate the loss or range of loss. Estimates of the Company's liability remain subject to additional uncertainties, including the nature and extent of site contamination, available remediation alternatives, the extent of corrective actions that may be required, and the number, participation, and financial condition of other potentially responsible parties (PRPs). The Company adjusts its accruals to reflect new information as appropriate. Future adjustments could have a material adverse effect on the Company's consolidated results of operations in a given period, but the Company cannot reliably predict the amounts of such future adjustments.

At September 27, 2026, the Company's reserves for environmental remediation obligations totaled approximately $15 million, of which $7 million was included in other current liabilities. The reserve includes estimated probable future costs of $3 million for federal Superfund and comparable state-managed sites; $6 million for formerly owned or operated sites for which the Company has remediation or indemnification obligations; and $6 million for owned or controlled sites at which Company operations have been or plan to be discontinued. The timing of expenditures depends on a number of factors that vary by site.

The Company expects that it will expend present accruals over many years and that remediation of all sites with which it has been identified will be completed within thirty years. The Company continues to evaluate whether it may be able to recover a portion of past and future costs for environmental liabilities from third parties and to pursue such recoveries where appropriate.

Based on currently available information, it is reasonably possible that costs for recorded matters may exceed the Company's recorded reserves by as much as $21 million. Future investigation or remediation activities may result in the discovery of additional hazardous materials, or potentially higher levels of contamination than discovered during prior investigation, and may impact costs associated with the success or lack thereof in remedial solutions. Therefore, future developments, administrative actions or liabilities relating to environmental matters could have a material adverse effect on the Company's consolidated financial condition or results of operations and cash flows.

A number of other lawsuits, claims and proceedings have been or may be asserted against the Company relating to the conduct of its currently and formerly owned businesses, including those pertaining to product liability, environmental, health and safety matters and occupational disease (including as each relates to alleged asbestos exposure), as well as patent infringement, commercial, government contracting, construction, employment, employee and retiree benefits, taxes, environmental, and stockholder and corporate governance matters. While the outcome of litigation cannot be predicted with certainty, and some of these lawsuits, claims or proceedings may be determined adversely to the Company, management does not believe that the disposition of any such pending matters is likely to have a material adverse effect on the Company's financial condition or liquidity, although the resolution in any reporting period of one or more of these matters could have a material adverse effect on the Company's consolidated results of operations for that period.

The Company received employee retention tax credits under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) during the fiscal year ended December 31, 2022. Due to the complex nature of the employee retention credit computations, the Company deferred recognition of a portion of the tax credits pending the completion of any potential audit or examination, or the expiration of the related statute of limitations. During the year-to-date period ended September 27, 2026, the Company did not recognize a benefit related to these credits. As of September 27, 2026, the Company has approximately $5 million of remaining deferred retention tax credits, with statute of limitations expirations in 2028.

In August 2024, the Company received notice that it and certain of its affiliates are parties to two lawsuits captioned (1) *William L. Schoen, Mary J. Nesbit, Robin L. Rosewicz, George E. Poole and James E. Swartz, Jr., individually and as representatives of a class of participants and beneficiaries of the Allegheny Technologies Incorporated Pension Plan v. ATI Inc., The Allegheny Technologies Incorporated Pension Plan Administrative Committee, State Street Global Advisors Trust Co., and John Does 1-5 (Case No. 2:24-cv-01109)* and (2) J*ohn Souza and Karen Souza, individually and as representatives on behalf of a class of similarly situated persons v. ATI Inc. and State Street Global Advisors Trust Co. (Case No. 2:24-cv-01214)*, both of which are filed in federal district court for the Western District of Pennsylvania (the District Court). These lawsuits, which were consolidated in late 2024, assert various claims associated with the Company's October 2023 purchase of group annuity contracts to transfer a portion of its U.S. qualified defined benefit pension plan obligations to Athene Annuity and Life Company and Athene Annuity & Life Assurance of New York. The Company filed a Motion to Dismiss the consolidated claims in January 2025. Following an August 2025 hearing on the Motion to Dismiss, the magistrate judge overseeing the Motion issued a report recommending that all of the plaintiffs' claims be dismissed for lack of standing. In July 2026, the District Court granted the Company's Motion to Dismiss. In August 2026, Plaintiffs noticed an appeal of the District Court's decision to the Court of Appeals for the Third Circuit. The Company disputes and intends to vigorously defend against these claims but cannot predict their outcome or estimate any range of reasonably possible loss at this time.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

ATI produces specialty materials, highly differentiated by our materials science expertise and advanced process technologies. Aerospace & defense, our largest end markets, represented 69% of sales for the year-to-date period ended September 27, 2026, led by products for jet engines and airframes in addition to a wide range of defense applications. Additionally, we have a strong presence in the specialty energy market and serve customers in several other markets including conventional energy, medical, electronics and other industrial markets.

We operate in two business segments: High Performance Materials & Components (HPMC) and Advanced Alloys & Solutions (AA&S). HPMC produces a wide range of high performance materials, components, and advanced metallic powder alloys. These products are made from nickel-based alloys and superalloys, titanium and titanium-based alloys, and a variety of other specialty materials. HPMC's capabilities range from cast/wrought and powder alloy development to production of highly engineered finished components, and 3D-printed aerospace products. The HPMC segment's primary focus is on maximizing jet engine materials and components growth, with approximately 93% of its revenue derived from the aerospace & defense markets, including approximately 72% from products for commercial jet engines.

The AA&S segment produces nickel-based alloys, titanium and titanium-based alloys, and specialty alloys, including zirconium, hafnium, and niobium, in a variety of forms including plate, sheet, and strip products. AA&S focuses on high-value materials that are utilized in technically challenging and extreme environments, which require materials that can withstand extreme heat, radiation and corrosion. Sales to the aerospace & defense markets comprise approximately 44% of total AA&S sales. AA&S also serves customers across several other markets, notably specialty energy and conventional energy, as well as electronics and certain industrial markets.

ATI follows a 4-4-5 or 5-4-4 fiscal calendar, whereby each fiscal quarter consists of thirteen weeks grouped into two four-week months and one five-week month, and its fiscal year ends on the Sunday closest to December 31. Unless otherwise stated, references to years and quarters in this Quarterly Report on Form 10-Q relate to fiscal years and quarters, rather than calendar years and quarters.

Results of Operations

Sales

Third quarter 2026 sales increased approximately 26% to $1.42 billion, compared to $1.13 billion of sales for the third quarter 2025, primarily due to higher pricing and strong demand in the aerospace & defense markets, particularly for commercial jet engine and government defense products that increased by 39% and 34%, respectively. Commercial airframe products also increased by 11%. In aggregate, ATI's aerospace & defense sales increased 25% to $994.5 million, or 69% of total sales in the third quarter 2026, compared to $792.7 million, or 70% of total sales in the third quarter 2025. Further, sales to other markets increased $96.4 million in the third quarter 2026 compared to the third quarter 2025, due to higher demand across various industrial markets, including specialty energy, conventional energy and automotive.

Sales for the year-to-date period ended September 27, 2026 increased approximately 12% to $3.84 billion, compared to $3.41 billion of sales for the year-to-date period ended September 28, 2025, primarily due to increased demand and favorable pricing in the aerospace & defense markets. On a year-to-date basis, commercial jet engine and defense sales increased 22% and 16%, respectively. In aggregate, ATI's aerospace & defense sales increased 15% to $2.65 billion, or 69% of total sales in the year-to-date period ended September 27, 2026, compared to $2.31 billion, or 68% of total sales in the year-to-date period ended September 28, 2025. On a year-to-date basis, sales to other markets increased by $81 million, or 7%, primarily for specialty energy, appliances and automotive.

Comparative information regarding our overall sales by end market, and their respective percentages of total sales for the quarters and year-to-date periods ended September 27, 2026 and September 28, 2025, is shown below:

(In millions)	Quarter ended			
	September 27, 2026		September 28, 2025	
Aerospace & Defense:				
Jet Engines- Commercial	$ 603.2	42 %	$ 433.6	38 %
Airframes- Commercial	219.4	15 %	197.7	18 %
Defense	171.9	12 %	161.4	14 %
Total Aerospace & Defense	994.5	69 %	792.7	70 %
Other Markets:				
Specialty Energy	80.4	6 %	53.9	5 %
Medical	25.6	2 %	30.9	3 %
Electronics	46.5	3 %	48.4	4 %
Conventional Energy	82.3	6 %	56.8	5 %
Automotive	78.9	6 %	61.3	6 %
Construction/Mining	39.4	3 %	36.8	3 %
Other	76.1	5 %	44.7	4 %
Total Other Markets	$ 429.2	31 %	$ 332.8	30 %
Total	$ 1,423.7	100 %	$ 1,125.5	100 %

(In millions)	Year-to-date period ended			
	September 27, 2026		September 28, 2025	
Aerospace & Defense:				
Jet Engines- Commercial	$ 1,583.5	41 %	$ 1,302.8	38 %
Airframes- Commercial	597.7	16 %	598.7	18 %
Defense	472.9	12 %	407.4	12 %
Total Aerospace & Defense	2,654.1	69 %	2,308.9	68 %
Other Markets:				
Specialty Energy	201.2	5 %	167.9	5 %
Medical	76.1	2 %	112.2	3 %
Electronics	113.0	3 %	131.7	4 %
Conventional Energy	270.0	7 %	271.5	8 %
Automotive	212.7	6 %	186.7	5 %
Construction/Mining	113.3	3 %	103.0	3 %
Other	195.9	5 %	128.4	4 %
Total Other Markets	$ 1,182.2	31 %	$ 1,101.4	32 %
Total	$ 3,836.3	100 %	$ 3,410.3	100 %

For the third quarter 2026, international sales increased to $488 million, or 34% of total sales, from $445 million, or 40% of total sales, in the third quarter 2025.

For the year-to-date period ended September 27, 2026, international sales decreased to $1,410 million, or 37% of total sales, from $1,436 million, or 42% of total sales, in the year-to-date period ended September 28, 2025.

Comparative information regarding our major products, based on their percentages of sales are shown below. Hot-Rolling and Processing Facility (HRPF) conversion service sales in the AA&S segment are excluded from this presentation.

	Quarter ended		Year-to-date period ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Nickel-based alloys and specialty alloys	52 %	44 %	51 %	47 %
Precision forgings, castings and components	17 %	22 %	18 %	21 %
Titanium and titanium-based alloys	16 %	19 %	16 %	18 %
Precision rolled strip products	5 %	6 %	5 %	5 %
Zirconium and related alloys	10 %	9 %	10 %	9 %
Total	100 %	100 %	100 %	100 %

Gross Profit

Gross profit for the third quarter 2026 was $380.2 million, or 26.7% of sales, compared to $255.3 million, or 22.7% of sales, for the third quarter 2025. Third quarter 2026 gross profit includes $1.2 million of start-up costs, which are excluded from Adjusted EBITDA. Third quarter 2025 gross profit includes $7.0 million of start-up and transaction-related costs.

Our gross profit was $952.9 million, or 24.8% of sales, for the year-to-date period ended September 27, 2026, compared to $733.6 million, or 21.5% of sales for the year-to-date period ended September 28, 2025. Year-to-date period ended September 27, 2026 gross profit includes start-up and transaction-related costs of $15.3 million and $1.1 million of restructuring-related costs, which are excluded from Adjusted EBITDA. Year-to-date period ended September 28, 2025 gross profit includes a benefit of $7.2 million related to the recognition of previously deferred employee retention tax credits, of which $4.4 million related to the HPMC segment and $2.8 million related to the AA&S segment. Year-to-date period ended September 28, 2025 gross profit also includes $17.0 million of start-up and transaction costs.

Selling and Administrative Expenses

Selling and administrative expenses for the third quarter 2026 were $107.7 million, an increase of 13.8% compared to $94.6 million for the third quarter 2025. The increase was due to higher compensation costs, professional fees, and transformation and transaction-related costs. Third quarter 2026 and third quarter 2025 include $9.4 million and $3.8 million of transformation and transaction-related costs, respectively.

Selling and administrative expenses for the year-to-date period ended September 27, 2026 were $295.5 million, an increase of 12.6% compared to $262.4 million for the year-to-date period ended September 28, 2025. The increase was primarily due to higher transformation and transaction-related costs and compensation costs. Year-to-date periods ended September 27, 2026 and September 28, 2025 include $28.3 million and $4.9 million of transformation and transaction-related costs, respectively. These periods also include $7.9 million and $5.7 million of losses on the sale of customer accounts receivable, respectively.

Restructuring Charges (Credits)

Third quarter 2026 included a restructuring-related impairment charge of $0.9 million due to the rationalization of certain facilities initiated in second quarter 2026. Third quarter 2025 included a credit of $0.4 million due to a reduction in severance-related reserves based on revised workforce reduction estimates.

The year-to-date period ended September 27, 2026 included restructuring-related severance, impairment, and other costs of $11.8 million due to the rationalization of certain facilities. The year-to-date period ended September 28, 2025 included a credit of $1.7 million, due to a reduction in severance-related reserves based on revised workforce reduction estimates.

Gain/Loss on Asset Sales and Sales of Businesses, net

The gain on asset sales and sales of businesses, net of $0.3 million during the quarter ended September 27, 2026 was primarily attributable to the sale of certain immaterial fixed assets. Third quarter 2025 included a gain on asset sales and sales of businesses net of $1.3 million, primarily for a $1.1 million gain on the sale of an immaterial, non-core operation that was part of the HPMC segment.

The gain on asset sales and sales of businesses, net of $10.1 million during the year-to-date period ended September 27, 2026 was primarily attributable to the sale of a previously closed manufacturing facility during the second quarter of 2026, which

was part of the AA&S segment. The loss on asset sales and sales of businesses, net of $2.6 million, during the year-to-date period ended September 28, 2025 was primarily attributable to the sale of certain immaterial, non-core operations in the HPMC segment.

Interest Expense, Net

Interest expense, net decreased to $22.6 million in the third quarter of 2026 compared to $26.1 million in the third quarter of 2025. The decrease in interest expense, net was primarily related to the year-over-year increase in interest capitalization on strategic capital projects. Capitalized interest reduced interest expense by $3.9 million in the third quarter 2026 and $2.4 million in the third quarter 2025.

Interest expense, net decreased to $70.2 million in the year-to-date period ended September 27, 2026 compared to $74.5 million in the year-to-date period ended September 28, 2025. The decrease in interest expense, net was primarily due to lower rates on our outstanding debt and an increase in interest capitalization on strategic capital projects. Capitalized interest reduced interest expense by $10.1 million in the year-to-date period ended September 27, 2026 and $7.6 million in the year-to-date period ended September 28, 2025.

Other Income, Net

Other income, net for the third quarter 2026 decreased to $0.9 million compared to $12.2 million in the third quarter 2025. Other income, net for the year-to-date period ended September 27, 2026 decreased to $2.8 million compared to $15.5 million in the year-to-date period ended September 28, 2025. The change in both the quarter and year-to-date periods is primarily due to a $10.5 million gain from the sale of certain oil and gas rights in the prior year.

Income Taxes

Our third quarter 2026 effective tax rate was 21.0%, which was relatively unchanged from our effective tax rate for the third quarter 2025 of 21.4%. The effective tax rate for the third quarter of 2026 includes discrete tax benefits of $0.8 million, primarily for the release of a foreign valuation allowance, while the effective tax rate for the third quarter of 2025 includes discrete tax expense of $2.8 million, primarily related to return-to-provision adjustments for limitations of permanent benefits due to decreased taxable income.

For the year-to-date periods ended September 27, 2026 and September 28, 2025, our effective tax rates before discrete items were 20.9% and 20.8%, respectively. Our effective tax rate, including discrete items, for the year-to-date period ended September 27, 2026 was 18.5%, which was lower than the 20.4% effective rate in the prior year comparative period. The year-to-date period ended September 27, 2026 includes discrete tax benefits of $13.9 million, while the effective tax rate for the year-to-date period ended September 28, 2025 includes discrete tax benefits of $1.7 million. The discrete tax benefits in both periods were primarily for share-based compensation.

Net Income

Net income attributable to ATI was $189.8 million, or $1.37 per share, in the third quarter 2026, compared to $110.0 million, or $0.78 per share, for the third quarter 2025.

Net income attributable to ATI was $459.0 million, or $3.31 per share, in the year-to-date period ended September 27, 2026, compared to $307.7 million, or $2.16 per share, in the year-to-date period ended September 28, 2025.

Business Segment Results

Comparative financial information for our segments and corporate operations for the quarterly and year-to-date periods ended September 27, 2026 and September 28, 2025 is shown below.

(In millions)	Quarter ended		Year-to-date period ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Sales:				
High Performance Materials & Components	$ 721.4	$ 602.9	$ 1,972.8	$ 1,795.8
Advanced Alloys & Solutions	702.3	522.6	1,863.5	1,614.5
Total external sales	**$ 1,423.7**	**$ 1,125.5**	**$ 3,836.3**	**$ 3,410.3**
Segment EBITDA[(a)]:				
High Performance Materials & Components	$ 167.3	$ 145.8	$ 473.7	$ 420.8
% of Sales	23.2 %	24.2 %	24.0 %	23.4 %
Advanced Alloys & Solutions	181.3	90.4	425.9	250.5
% of Sales	25.8 %	17.3 %	22.9 %	15.5 %
Corporate, Closed Operations and Other (income) expense[(b)]:				
Corporate expense	$ 18.8	$ 15.6	$ 50.7	$ 48.4
Closed operations and other (income) expense	1.9	(4.5)	4.9	(4.5)
Total Corporate, Closed Operations and Other expense	**$ 20.7**	**$ 11.1**	**$ 55.6**	**$ 43.9**
Depreciation & Amortization				
High Performance Materials & Components	$ 21.1	$ 21.2	$ 61.3	$ 61.8
Advanced Alloys & Solutions	21.9	19.7	67.4	58.3
Other	1.9	1.7	5.2	4.9
Total depreciation & amortization	**$ 44.9**	**$ 42.6**	**$ 133.9**	**$ 125.0**

(a) The Company's Chief Operating Decision Maker (CODM) utilizes Segment EBITDA as a key metric to evaluate segment performance. Our measure of Segment EBITDA, which we use to analyze the performance and results of our business segments, excludes net interest expense, income taxes, depreciation and amortization, special charges, unallocated corporate expenses, closed operations and other income (expense). See Note 11 for the reconciliation of Segment EBITDA to Income before taxes.

(b) Amounts exclude depreciation and amortization.

High Performance Materials & Components Segment

Third quarter 2026 sales were $721.4 million, an increase of $118.5 million, or 20%, compared to the third quarter 2025, primarily due to sales growth in the aerospace & defense markets, which increased $121.5 million, or 22%. This increase was primarily driven by strong demand and pricing for commercial jet engine products, which grew more than 34% on a year-over-year basis.

Comparative information for our HPMC segment revenues by market and their respective percentages of the segment's overall revenues for the quarters ended September 27, 2026 and September 28, 2025 is as follows:

(in millions)	Quarter ended		Quarter ended	
Markets	September 27, 2026		September 28, 2025	
Aerospace & Defense:				
Jet Engines- Commercial	$ 535.9	74 %	$ 399.3	66 %
Airframes- Commercial	77.2	11 %	71.0	12 %
Defense	62.5	9 %	83.8	14 %
Total Aerospace & Defense	675.6	94 %	554.1	92 %
Other Markets:				
Specialty Energy	17.4	2 %	19.4	3 %
Medical	4.1	1 %	11.8	2 %
Construction/Mining	11.6	2 %	5.3	1 %
Automotive	2.1	— %	1.7	— %
Conventional Energy	1.6	— %	1.1	— %
Other	9.0	1 %	9.5	2 %
Total Other Markets	45.8	6 %	48.8	8 %
Total	$ 721.4	100 %	$ 602.9	100 %

International sales represented 36% of total segment sales for the third quarter 2026, compared to 44% in the prior year period. Comparative information for the HPMC segment's major product categories, based on their percentages of revenue for the quarters ended September 27, 2026 and September 28, 2025, is as follows:

	Quarter ended	
	September 27, 2026	September 28, 2025
Nickel-based alloys and specialty alloys	51 %	44 %
Precision forgings, castings and components	33 %	40 %
Titanium and titanium-based alloys	16 %	16 %
Total	100 %	100 %

Segment EBITDA in the third quarter 2026 was $167.3 million, or 23.2% of total sales, compared to $145.8 million, or 24.2% of total sales, for the third quarter 2025. The decrease in segment EBITDA margin rate was primarily due to higher manufacturing and period costs, including costs associated with the transitioning a new nickel-based superalloy into commercial production. These increases were partially offset by increased volume and favorable pricing and mix.

Sales for the year-to-date period ended September 27, 2026 were $2.0 billion, an increase of $177.0 million, or 10%, compared to the year-to-date period ended September 28, 2025, primarily due to sales growth in the aerospace & defense markets, which increased $184.0 million, or 11%. The growth in the aerospace & defense markets was primarily driven by strong demand and pricing for commercial jet engine products, which grew more than 17% on a year-over-year basis.

Comparative information for our HPMC segment revenues by market and their respective percentages of the segment's overall revenues for the year-to-date periods ended September 27, 2026 and September 28, 2025 is as follows:

(in millions)	Year-to-date period ended		Year-to-date period ended	
Markets	September 27, 2026		September 28, 2025	
Aerospace & Defense:				
Jet Engines- Commercial	$ 1,428.9	72 %	$ 1,216.2	68 %
Airframes- Commercial	230.4	12 %	230.1	13 %
Defense	175.0	9 %	204.0	11 %
Total Aerospace & Defense	1,834.3	93 %	1,650.3	92 %
Other Markets:				
Specialty Energy	48.3	2 %	46.5	3 %
Medical	21.5	1 %	43.0	2 %
Construction/Mining	34.2	2 %	20.5	1 %
Automotive	3.8	— %	5.9	— %
Conventional Energy	6.2	— %	4.2	— %
Other	24.5	2 %	25.4	2 %
Total Other Markets	138.5	7 %	145.5	8 %
Total	$ 1,972.8	100 %	$ 1,795.8	100 %

International sales as a percentage of total segment sales represented 40% for the year-to-date period ended September 27, 2026, compared to 44% in the prior year period. Comparative information for the HPMC segment's major product categories, based on their percentages of revenue for the year-to-date periods ended September 27, 2026 and September 28, 2025, is as follows:

	Year-to-date period ended	
	September 27, 2026	September 28, 2025
Nickel-based alloys and specialty alloys	49 %	43 %
Precision forgings, castings and components	35 %	39 %
Titanium and titanium-based alloys	16 %	18 %
Total	100 %	100 %

Segment EBITDA in the year-to-date period ended September 27, 2026 increased to $473.7 million, or 24.0% of total sales, compared to $420.8 million, or 23.4% of total sales, for the year-to-date period ended September 28, 2025. The increase in segment EBITDA margin rate was primarily due to favorable pricing and mix, partially offset by higher manufacturing and period, including costs associated with transitioning a new nickel-based superalloy into commercial production and inefficiencies related to capacity expansion projects.

The Company continues to invest in capacity and to improve work-flow processes and operations. HPMC results for third quarter 2026 reflected year-over-year improved operating leverage and pricing as we continued to experience strong demand in our key aerospace & defense markets, particularly for commercial jet engine products. We believe our long-term agreements with aerospace market OEMs and backlog for our specialty materials, including powders, parts and components, position the HPMC segment for continued growth.

Advanced Alloys & Solutions Segment

Third quarter 2026 sales were $702.3 million, an increase of $179.7 million, or 34%, compared to third quarter 2025, primarily driven by higher sales to the aerospace & defense and specialty energy markets. On a year-over-year basis, aerospace & defense sales grew by 34%, as sales of commercial jet engine products almost doubled and defense sales increased by 41%, reflecting higher demand and pricing. Aerospace & defense sales were 45% of the total AA&S sales in the third quarter 2026 compared to 46% in third quarter 2025. Sales to other industrial markets also increased on stronger demand, including conventional energy and automotive.

Comparative information regarding our AA&S segment revenues by market and their respective percentages of the segment's overall revenues for the quarters ended September 27, 2026 and September 28, 2025 is shown below.

(in millions)	Quarter ended		Quarter ended	
Markets	September 27, 2026		September 28, 2025	
Aerospace & Defense:				
Jet Engines- Commercial	$ 67.3	10 %	$ 34.3	7 %
Airframes- Commercial	142.2	20 %	126.7	24 %
Defense	109.4	16 %	77.6	15 %
Total Aerospace & Defense	318.9	45 %	238.6	46 %
Other Markets:				
Electronics	46.5	7 %	48.4	9 %
Specialty Energy	63.0	9 %	34.5	7 %
Medical	21.5	3 %	19.1	3 %
Automotive	76.8	11 %	59.6	11 %
Conventional Energy	80.7	11 %	55.7	11 %
Construction/Mining	27.8	4 %	31.5	6 %
Other	67.1	10 %	35.2	7 %
Total Other Markets	383.4	55 %	284.0	54 %
Total	$ 702.3	100 %	$ 522.6	100 %

International sales represented 33% of total segment sales for the third quarter of 2026, compared to 35% in the prior year's third quarter. Comparative information regarding the AA&S segment's major product categories, based on their percentages of revenue for the quarters ended September 27, 2026 and September 28, 2025, is presented in the following table. HRPF conversion service sales are excluded from this presentation.

	Quarter ended	
	September 27, 2026	September 28, 2025
Nickel-based alloys and specialty alloys	53 %	45 %
Titanium and titanium-based alloys	16 %	22 %
Zirconium and related alloys	21 %	20 %
Precision rolled strip products	10 %	13 %
Total	100 %	100 %

Segment EBITDA was $181.3 million, or 25.8% of sales, for the third quarter 2026, compared to segment EBITDA of $90.4 million, or 17.3% of sales, for the third quarter 2025. The increase in the segment EBITDA margin rate was primarily due to higher volume and pricing as well as a favorable sales mix.

Sales for the year-to-date period ended September 27, 2026 were $1.9 billion, an increase of $249.0 million, or 15%, compared to the year-to-date period ended September 28, 2025, primarily due to sales growth in the aerospace & defense markets, which increased $161.2 million, or 25%. This increase was primarily driven by sales growth to the defense market, which grew by 46%, as well as strong demand and pricing for commercial jet engine products, which grew 79% on a year-over-year basis. Sales to the specialty energy market also increased by 26% on demand for nuclear related products.

Comparative information for our AA&S segment revenues by market and their respective percentages of the segment's overall revenues for the year-to-date periods ended September 27, 2026 and September 28, 2025 is as follows:

(in millions)	Year-to-date period ended		Year-to-date period ended	
Markets	September 27, 2026		September 28, 2025	
Aerospace & Defense:				
Jet Engines- Commercial	$ 154.6	8 %	$ 86.6	5 %
Airframes- Commercial	367.3	20 %	368.6	23 %
Defense	297.9	16 %	203.4	13 %
Total Aerospace & Defense	819.8	44 %	658.6	41 %
Other Markets:				
Electronics	113.0	6 %	131.7	8 %
Specialty Energy	152.9	8 %	121.4	8 %
Medical	54.6	3 %	69.2	4 %
Automotive	208.9	11 %	180.8	11 %
Conventional Energy	263.8	14 %	267.3	17 %
Construction/Mining	79.1	5 %	82.5	5 %
Other	171.4	9 %	103.0	6 %
Total Other Markets	1,043.7	56 %	955.9	59 %
Total	$ 1,863.5	100 %	$ 1,614.5	100 %

International sales as a percentage of total segment sales declined to 33% for the year-to-date period ended September 27, 2026, compared to 40% the prior year period. Comparative information for the AA&S segment's major product categories, based on their percentages of revenue for the year-to-date periods ended September 27, 2026 and September 28, 2025, is presented in the following table. HRPF conversion service sales are excluded from this presentation.

	Year-to-date period ended	
	September 27, 2026	September 28, 2025
Nickel-based alloys and specialty alloys	53 %	51 %
Titanium and titanium-based alloys	16 %	19 %
Zirconium and related alloys	21 %	19 %
Precision rolled strip products	10 %	11 %
Total	100 %	100 %

Segment EBITDA in the year-to-date period ended September 27, 2026 increased to $425.9 million, or 22.9% of total sales, compared to $250.5 million, or 15.5% of total sales, for the year-to-date period ended September 28, 2025. The increase in segment EBITDA margin rate, compared to the prior year period was primarily due to higher volume and pricing as well as a favorable sales mix. Results for the year-to-date period September 28, 2025 include a benefit of $2.8 million from the recognition of previously deferred employee retention tax credits and a benefit of $2.6 million due to a customer recovery for previously reserved accounts receivable.

Corporate Items

Corporate expenses for the third quarter of 2026 increased to $18.8 million, compared to $15.6 million for the third quarter 2025. The increase was primarily due to higher professional fees and insurance costs. For the year-to-date period ended September 27, 2026, corporate expenses were $50.7 million, compared to $48.4 million for the year-to-date period ended September 28, 2025. The increase in expenses was primarily due to higher insurance and employee benefit costs.

Closed operations and other income/expense for the third quarter 2026 was expense of $1.9 million, compared to income of $4.5 million for the third quarter 2025. For the year-to-date period ended September 27, 2026, closed operations and other income/expense was expense of $4.9 million, compared to income of $4.5 million. Closed operations and other income/expense for the quarter and year-to-date periods ended September 28, 2025 benefited from a $10.5 million gain from the sale of oil and gas rights.

Managed Working Capital

As part of managing the performance of our business, we focus on Managed working capital, a non-GAAP financial measure that we define as gross accounts receivable, short-term contract assets and gross inventories, excluding the effects of reserves for uncollectible accounts receivable and inventory valuation reserves, less accounts payable and short-term contract liabilities. Managed working capital is not intended to replace working capital or other GAAP financial measures or to be used as a measure of liquidity. Management believes this non-GAAP financial measure focuses on the assets and liabilities most closely attributable to our core operations, allowing Management to quantify and evaluate the asset intensity of our business. Further, Management believes this non-GAAP financial measure provides investors with additional insights into the Company's effectiveness in balancing the need to maintain appropriate asset levels to support sales growth and operations while deploying our cash effectively.

We employ several strategies to actively manage our Managed working capital. Our strategies include, but are not limited to, taking advantage of favorable customer and supplier payment terms, participating in supplier financing programs, accounts receivable factoring arrangements and other customer financing programs, managing the timing of purchases of raw materials, and leveling manufacturing process throughput and shipping. We assess Managed working capital performance as a percentage of the prior three months annualized sales.

At September 27, 2026, Managed working capital increased as a percentage of annualized sales to 32.9% compared to 32.5% at December 28, 2025. The increase in Managed working capital as a percentage of annualized sales was primarily due to seasonal inventory builds to support increased operating levels and the timing of shipments. As a result, gross inventory turns, which measures how many times we turn over our inventory relative to cost of sales in a year, did not change at September 27, 2026 compared to December 28, 2025. Days sales outstanding, which measures actual collection timing for accounts receivable, improved by 10% as of September 27, 2026 compared to December 28, 2025.

The computations of Managed working capital at September 27, 2026 and December 28, 2025 reconciled to the financial statement line items as computed under U.S. GAAP, were as follows.

(In millions)	September 27, 2026	December 28, 2025
Accounts receivable	$ 733.4	$ 686.1
Short-term contract assets	112.8	72.8
Inventory	1,657.2	1,403.2
Accounts payable	(632.1)	(568.2)
Short-term contract liabilities	(127.4)	(146.4)
Subtotal	1,743.9	1,447.5
Allowance for doubtful accounts	4.7	4.2
Inventory reserves	125.6	80.4
Net managed working capital held for sale	—	—
Managed working capital	$ 1,874.2	$ 1,532.1
Annualized prior 3 months sales	$ 5,694.7	$ 4,708.2
Managed working capital as a % of annualized sales	32.9 %	32.5 %

Liquidity and Financial Condition

The Company's amended Asset Based Lending (ABL) Credit Facility, which is collateralized by the accounts receivable and inventory of our operations, consists of a $200 million term loan (Term Loan) and a $600 million revolving credit facility, which includes a letter of credit sub-facility of up to $200 million and a swing loan facility of up to $60 million. The ABL facility also provides us with the option of including certain machinery and equipment as additional collateral for purposes of determining availability under the facility. The ABL term runs through June of 2030.

2033 Senior Notes

On June 3, 2026, the Company issued $450 million aggregate principal amount of 5.875% Senior Notes due 2033 (2033 Notes). Interest on the 2033 Notes is payable semi-annually in arrears at a rate of 5.875% per year. The 2033 Notes will mature on June 15, 2033. Net proceeds were $443.1 million from this issuance, of which approximately $350 million was used for the redemption of the Company's 5.875% Senior Notes due 2027 (2027 Notes), and the remainder was used for liquidity and general corporate purposes.

The Company incurred underwriting fees and other third-party expenses related to the issuance of the 2033 Notes totaling $6.9 million, which were recorded as a reduction to the carrying value of the debt and are being amortized over the 7-year term of the 2033 Notes. The 2033 Notes are unsecured and unsubordinated obligations of the Company and equally ranked with all its

existing and future senior unsecured debt. The 2033 Notes restrict the Company's ability to incur certain liens, enter into sale leaseback transactions, guarantee certain indebtedness and consolidate or merge with or into another entity or sell, transfer or lease all, or substantially all, of its assets.

Prior to June 15, 2029, the Company has the option to redeem the 2033 Notes, as a whole or in part, at any time or from time to time, at redemption prices specified in the 2033 Notes. The 2033 Notes are subject to redemption upon the occurrence of a change in control repurchase event (as defined in the 2033 Notes) at a redemption price in cash equal to 101% of the aggregate principal amount of the Notes repurchased, plus any accrued and unpaid interest on the 2033 Notes repurchased.

Redemption of 2027 Senior Notes

On June 8, 2026, the Company exercised its right to redeem the entire outstanding $350 million aggregate principal amount of its 5.875% Notes due 2027 (2027 Notes), and The Bank of New York Mellon, as trustee, issued a notice of redemption to registered holders of the 2027 Notes. The 2027 Notes were fully redeemed on July 8, 2026 using a portion of the proceeds from the sale of the Company's 2033 Notes. The Company incurred debt extinguishment costs of approximately $1.2 million associated with the write-off of the related unamortized debt issuance costs.

As of September 27, 2026, there were no outstanding borrowings under the revolving portion of the ABL facility, and $29.3 million was utilized to support the issuance of letters of credit. At September 27, 2026, we had $442.3 million of cash and cash equivalents, and available additional liquidity under the ABL facility of approximately $570 million. Our next significant debt maturity is $325.0 million of 4.875% Senior Notes in the fourth quarter of fiscal year 2029.

Periodically, our Board of Directors authorizes the repurchase of ATI common stock (the "Share Repurchase Program"), most recently authorizing the repurchase of up to $700 million, as announced in September 2024, and an additional $500 million announced in February 2026. Repurchases under these programs are made in the open market or in privately negotiated transactions, with the amount and timing of repurchases depending on market conditions and corporate needs. Open market repurchases are structured to occur within the pricing and volume requirements of SEC Rule 10b-18. In the quarter and year-to-date periods ended September 27, 2026, ATI used $70.0 million and $195.0 million, respectively, to repurchase 0.4 million and 1.2 million, respectively, of its common stock under the Share Repurchase Program. At September 27, 2026, the Company has utilized all of the $700 million in repurchase authority announced in September 2024 and $75 million of the additional repurchase authority announced in February 2026. As of September 27, 2026, total share repurchase authorization remaining under the active Share Repurchase Program was $425 million.

We believe that internally generated funds, current cash on hand and available borrowings under the ABL facility will be adequate to meet our liquidity needs. In the event we decide to obtain additional financing, the cost and terms and conditions of such borrowings may be influenced by our credit rating. In addition, we regularly review our capital structure, various financing alternatives, and conditions in the debt and equity markets in order to opportunistically enhance our capital structure. As a result, we may seek to refinance or retire existing indebtedness, incur new or additional indebtedness or issue equity or equity-linked securities, in each case, depending on market and other conditions. We have no off-balance sheet arrangements as defined in Item 303(a)(4) of SEC Regulation S-K.

In managing our overall capital structure, we focus on the ratio of both total and net debt to Adjusted EBITDA (Adjusted EBITDA Leverage ratios), which we use as a measure of our ability to repay our incurred debt. We define total debt as the total principal balance of our outstanding indebtedness including deferred financing costs. Net debt is defined as the total principal balance of our outstanding indebtedness excluding deferred financing costs, net of cash, at the balance sheet date. See below for our definition of Adjusted EBITDA, which is a non-GAAP measure and is not intended to represent, and should not be considered more meaningful than, or as an alternative to, a measure of operating performance as determined in accordance with U.S. GAAP. We calculate the Adjusted EBITDA Leverage ratios based on total or net debt at the balance sheet date and Adjusted EBITDA for the trailing twelve-month period from the balance sheet date.

Our Total Debt to Adjusted EBITDA Leverage Ratio and Net Debt to Adjusted EBITDA Leverage Ratio at September 27, 2026 improved as compared to December 28, 2025, primarily due to higher earnings. The reconciliations of our Adjusted EBITDA Leverage ratios to the balance sheet and income statement amounts as reported under U.S. GAAP are as follows:

(in millions)	Quarter ended		Trailing 12-month period ended	Year ended
	September 27, 2026	September 28, 2025	September 27, 2026	December 28, 2025
Net income attributable to ATI	$ 189.8	$ 110.0	$ 555.6	$ 404.3
Net income attributable to noncontrolling interests	3.5	3.6	13.0	14.3
Net income	193.3	113.6	568.6	418.6
Interest expense	22.6	26.1	94.3	98.6
Depreciation and amortization	44.9	42.6	177.0	168.1
Income tax provision	51.5	31.0	128.6	103.7
Pension remeasurement loss	—	—	18.6	18.6
Restructuring and other charges	14.4	12.9	87.3	48.8
(Gain) loss on sales of business, net	—	(1.1)	0.3	2.9
Debt extinguishment charge	1.2	—	1.2	—
Adjusted EBITDA	$ 327.9	$ 225.1	$ 1,075.9	$ 859.3
Debt			$ 1,857.5	$ 1,749.4
Add: Debt issuance costs			15.2	11.6
Total debt			1,872.7	1,761.0
Less: Cash			(442.3)	(416.7)
Net debt			$ 1,430.4	$ 1,344.3
Total Debt to Adjusted EBITDA			1.74	2.05
Net Debt to Adjusted EBITDA			1.33	1.56

Cash Flow

Cash provided by operations was $414.6 million in the year-to-date period ended September 27, 2026, a significant improvement compared to cash provided by operating activities of $298.5 million in the year-to-date period ended September 28, 2025. The increase in cash provided by operations was primarily due to higher income, which was partially offset by changes in working capital balances, primarily inventory. Working capital balances, and consequently cash from operations, can fluctuate throughout any operating period based upon the timing of receipts from customers and payments to vendors.

Cash used in investing activities was $195.8 million in the year-to-date period ended September 27, 2026, which included $216.6 million for capital expenditures primarily for various growth projects to support the aerospace & defense markets. Cash used in investing activities was $149.0 million in the year-to-date period ended September 28, 2025, reflecting $187.9 million in capital expenditures. We expect to fund our capital expenditures with cash on hand and cash flow generated from our operations and, if needed, borrowings under the ABL facility.

Cash used in financing activities was $194.5 million in the year-to-date period ended September 27, 2026, which included $450.0 million for the issuance of the 2033 Notes. This inflow was offset by $375.7 million in payments on long-term debt and finance lease obligations, which includes $350.0 million for the redemption of the 2027 Senior Notes, $195.0 million to repurchase 1.2 million shares of ATI stock under our Share Repurchase Program, and $82.2 million to repurchase shares associated with income tax withholdings on share-based compensation. For the year-to-date period ended September 28, 2025, cash used in financing activities was $512.6 million, which included $470.0 million to repurchase 6.4 million shares of ATI stock under our Share Repurchase Program.

At September 27, 2026, cash and cash equivalents on hand totaled $442.3 million, an increase of $25.6 million from year end 2025. Cash and cash equivalents held by our foreign subsidiaries was $173.2 million at September 27, 2026, of which $106.1 million was held by the STAL joint venture.

Reconciliation of Adjusted EBITDA to Net Income

ATI utilizes Adjusted EBITDA, which is a non-GAAP financial measure, to assist in assessing operating performance on a consistent basis across multiple reporting periods by removing the impact of special items, which can vary from period to period, that management does not believe are directly reflective of the Company's core operations. The Company defines special items as significant non-recurring or non-operational charges or credits, including restructuring charges or credits, gains or losses on the sale of accounts receivable, strike related costs, goodwill and long-lived asset impairments, debt extinguishment charges, pension remeasurement gains and losses, other postretirement/pension curtailment and settlement gains and losses, and gains or losses on sales of businesses.

We define Adjusted EBITDA as net income, excluding net interest expense, income taxes, depreciation and amortization, and special items.

Management believes presenting this non-GAAP financial measure is useful to investors because it (1) provides investors with meaningful supplemental information regarding financial and operating performance by excluding certain items management believes do not directly impact the Company's core operations, (2) permits investors to view performance using the same metrics that management uses to forecast, evaluate performance, and make operating and strategic decisions, and (3) provides additional information useful to investors on a period-to-period consistent basis that are commonly used to analyze companies' operating performance. Management believes that consideration of Adjusted EBITDA, together with Net Income, and the corresponding reconciliation, provides investors with additional understanding of the Company's performance and trends that would be absent such disclosures.

Non-GAAP financial measures should be viewed in addition to, and not superior to or as an alternative for, the Company's reported results prepared in accordance with GAAP. The following table provides the reconciliation of net income attributable to ATI to the Adjusted EBITDA non-GAAP financial measures:

(in millions)	Quarter ended		Year-to-date period ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net income attributable to ATI	$ 189.8	$ 110.0	$ 459.0	$ 307.7
Net income attributable to noncontrolling interests	3.5	3.6	9.1	10.4
Net income	193.3	113.6	468.1	318.1
(+) Depreciation and amortization	44.9	42.6	133.9	125.0
(+) Interest expense	22.6	26.1	70.2	74.5
(+) Income tax provision	51.5	31.0	106.2	81.3
EBITDA	$ 312.3	$ 213.3	$ 778.4	$ 598.9
Adjustments for special items, pre-tax:				
(+) Restructuring and other charges [(a)]	14.4	12.9	64.4	25.9
(-/+) (Gain) loss on sales of businesses, net [(b)]	—	(1.1)	—	2.6
(+) Debt extinguishment charge[(c)]	1.2	—	1.2	—
Adjusted EBITDA	$ 327.9	$ 225.1	$ 844.0	$ 627.4
Adjusted EBITDA as a % of sales	23.0 %	20.0 %	22.0 %	18.4 %

(a) Third quarter 2026: Restructuring and other charges of $14.4 million include $2.2 million of start-up and transaction-related costs, which are primarily included within cost of sales on the consolidated statements of operations. These charges also include $0.9 million of restructuring-related impairment costs for facility rationalization activities, $8.4 million of transformation-related costs, and $2.9 million for losses on the sale of accounts receivable, which are reported in selling and administrative expenses on the consolidated statements of operations.

Third quarter 2025: Restructuring and other charges of $12.9 million include $7.2 million of start-up and transaction-related costs, which are primarily reported within cost of sales on the consolidated statements of operations, and $3.6 million of transformation-related costs and $2.5 million for losses on sale of accounts receivable, which are reported in selling and

administrative expense on the consolidated statements of operation. These charges were partially offset by credits of $0.4 million due to a reduction in severance-related reserves for restructuring in the AA&S segment.

Year-to-date 2026: Restructuring and other charges of $64.4 million include $23.4 million of start-up and transaction-related costs and $1.1 million of restructuring-related costs, which are primarily included within cost of sales on the consolidated statements of operations, and $20.2 million of transformation-related costs, $11.8 million of restructuring-related severance, impairment, and other costs, and $7.9 million for losses on sale of accounts receivable, which are reported in selling and administrative expense on the consolidated statements of operations.

Year-to-date 2025: Restructuring and other charges of $25.9 million include $17.2 million of start-up and transaction-related costs, which are primarily included within cost of sales on the consolidated statements of operations, and $4.7 million of transformation-related costs and $5.7 million for losses on the sale of accounts receivable, which are reported in selling and administrative expenses on the consolidated statements of operations. These charges were partially offset by credits of $1.7 million due to a reduction in severance-related reserves for a previous restructuring in the AA&S segment.

(b) (Gain) loss on sales of businesses, net, for the third quarter of 2025 includes a $1.1 million gain on the sale of a non-core operation in the HPMC segment. (Gain) loss on sales of businesses, net of $2.6 million for the year-to-date period ended September 28, 2025 also includes a $3.7 million loss on the sale of certain non-core European operations from the HPMC segment.

(c) Third quarter and year-to-date 2026 includes a pre-tax debt extinguishment charge of $1.2 million for the write-off of unamortized debt issuance costs related to the redemption of the $350 million of 5.875% Senior Notes due 2027.

Critical Accounting Policies

Our critical accounting policies are discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations and in Note 1 to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 28, 2025.

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles requires us to make judgments, estimates and assumptions regarding uncertainties that affect the reported amounts of assets and liabilities. Significant areas of uncertainty that require judgments, estimates and assumptions include the accounting for derivatives, retirement plans, income taxes, environmental and other contingencies, as well as asset impairment, inventory valuation and collectability of accounts receivable. We use historical and other information that we consider to be relevant to make these judgments and estimates. However, actual results may differ from those estimates and assumptions that are used to prepare our financial statements.

Pending Accounting Pronouncements

See Note 1 of the Notes to Consolidated Financial Statements for information on new and pending accounting pronouncements.

Forward-Looking and Other Statements

From time to time, we have made and may continue to make "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements in this report relate to future events and expectations and, as such, constitute forward-looking statements. Forward-looking statements include those containing such words as "anticipates," "believes," "estimates," "expects," "would," "should," "will," "will likely result," "forecast," "outlook," "projects," and similar expressions. Forward-looking statements are based on management's current expectations and include known and unknown risks, uncertainties and other factors, many of which we are unable to predict or control, that may cause our actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include: (a) material adverse changes in economic or industry conditions generally, including global supply and demand conditions and prices for our specialty materials and changes in international trade duties and other aspects of international trade policy; (b) material adverse changes in the markets we serve; (c) our inability to achieve the level of cost savings, productivity improvements, synergies, growth or other benefits anticipated by management, from strategic investments and the integration of acquired businesses; (d) volatility in the price and availability of the raw materials that are critical to the manufacture of our products; (e) declines in the value of our defined benefit pension plan assets or unfavorable changes in laws or regulations that govern pension plan funding; (f) labor disputes or work stoppages; (g) equipment outages; (h) the risks of business and economic disruption associated with extraordinary events beyond our control, such as war, terrorism, international conflicts, public health issues, such as epidemics or pandemics, natural disasters and climate-related events that may arise in the future; and (i) other risk factors summarized in our Annual Report on Form 10-K for the year ended December 28, 2025, and in other reports filed with the Securities and Exchange Commission. We assume no duty to update our forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As part of our risk management strategy, we utilize derivative financial instruments, from time to time, to hedge our exposure to changes in energy and raw material prices, foreign currencies, and interest rates. We monitor the third-party financial institutions which are our counterparties to these financial instruments daily and diversify our transactions among counterparties to minimize exposure to any one of these entities. Fair values for derivatives were measured using exchange-traded prices for the hedged items including consideration of counterparty risk and the Company's credit risk. Our exposure to volatility in interest rates is presently not material, as nearly all of our debt is at fixed interest rates.

Volatility of Interest Rates. We may enter into derivative interest rate contracts to maintain a reasonable balance between fixed- and floating-rate debt. Any gain or loss associated with this hedging arrangement was included in interest expense. There are no outstanding derivative interest rate contracts at September 27, 2026.

Volatility of Energy Prices. Energy resource markets are subject to conditions that create uncertainty in the prices and availability of energy resources. The prices for and availability of electricity, natural gas, oil and other energy resources are subject to volatile market conditions. These market conditions often are affected by political and economic factors beyond our control. Increases in energy costs, or changes in costs relative to energy costs paid by competitors, have and may continue to adversely affect our profitability. To the extent that these uncertainties cause suppliers and customers to be more cost sensitive, increased energy prices may have an adverse effect on our results of operations and financial condition. We use approximately 6 to 8 million MMBtu's of natural gas annually, depending upon business conditions, in the manufacture of our products. These purchases of natural gas expose us to the risk of higher gas prices. For example, a hypothetical $1.00 per MMBtu increase in the price of natural gas would result in increased annual energy costs of approximately $6 to $8 million. We use several approaches to minimize any material adverse effect on our results of operations or financial condition from volatile energy prices. These approaches include incorporating an energy surcharge on many of our products and using financial derivatives to reduce exposure to energy price volatility.

At September 27, 2026, the outstanding financial derivatives used to hedge our exposure to energy cost volatility consisted of natural gas hedges covering approximately 80% of our forecasted domestic requirements for natural gas for the remainder of 2026, approximately 55% for 2027, and approximately 15% for 2028. At September 27, 2026, the net mark-to-market valuation of the outstanding natural gas hedges was an unrealized pre-tax loss of $2.7 million, comprised of $0.2 million in prepaid expenses and other current assets, $0.5 million in other long-term assets, $3.0 million in other current liabilities and $0.4 million in other long-term liabilities on the balance sheet. For the quarter ended September 27, 2026, natural gas hedging activity increased cost of sales by $1.1 million.

Volatility of Raw Material Prices. We use raw material surcharge and index mechanisms to offset the impact of increased raw material costs; however, competitive factors in the marketplace can limit our ability to institute such mechanisms, and there can be a delay between the increase in the price of raw materials and the realization of the benefit of such mechanisms. For example, in 2025, we used approximately 70 million pounds of nickel; therefore a hypothetical change of $1.00 per pound in nickel prices would result in increased costs of approximately $70 million. While we enter into raw materials futures contracts from time-to-time to hedge exposure to price fluctuations, such as for nickel, we cannot be certain that our hedge position adequately reduces exposure. We believe that we have adequate controls to monitor these contracts, but we may not be able to accurately assess exposure to price volatility in the markets for critical raw materials.

The majority of our products are sold utilizing raw material surcharges and index mechanisms. However, as of September 27, 2026, we had entered into financial hedging arrangements, primarily at the request of our customers, related to firm orders, for an aggregate notional amount of approximately 5 million pounds of nickel with hedge dates through 2027. The aggregate notional amount hedged is approximately 7% of a single year's estimated nickel raw material purchase requirements. These derivative instruments are used to hedge the variability of a selling price that is based on the London Metal Exchange (LME) index for nickel, as well as to hedge the variability of the purchase cost of nickel based on this LME index. Any gain or loss associated with these hedging arrangements is included in sales or cost of sales, depending on whether the underlying risk being hedged was the variable selling price or the variable raw material cost, respectively. At September 27, 2026, the net mark-to-market valuation of our outstanding raw material hedges was an unrealized pre-tax loss of $2.5 million, comprised of $1.0 million in prepaid expenses and other current assets and $3.5 million in other current liabilities on the balance sheet.

Foreign Currency Risk. Foreign currency exchange contracts are used, from time-to-time, to limit transactional exposure to changes in currency exchange rates. We sometimes purchase foreign currency forward contracts that permit us to sell specified amounts of foreign currencies we expect to receive from our export sales for pre-established U.S. dollar amounts at specified dates. In addition, we may also hedge forecasted capital expenditures and designate cash balances held in foreign currencies as hedges of forecasted foreign currency transactions. At September 27, 2026, we had no material outstanding foreign currency forward contracts.

We may also use derivative instruments that are not designated as hedges to protect our results from certain fluctuations in foreign exchange rates, as well as to offset a portion of the foreign currency gains and losses generated by the remeasurement of certain assets and liabilities denominated in non-functional currencies. Changes in the fair value of these foreign exchange contract derivatives not designated as hedging instruments are recorded in cost of sales or selling, general and administrative expenses on the consolidated statement of operations. We recognized $0.8 million of expense, net for settled foreign currency forward contracts that were not designated as hedges during the quarter ended September 27, 2026, and we recognized $1.8 million of expense, net for settled foreign currency forward contracts that were not designated as hedges during the year-to-date period ended September 27, 2026. We recognized $0.6 million and $2.3 million, respectively, of income, net, during the quarter and year-to-date periods ended September 28, 2025, which offset foreign currency gains/losses in the relevant currency. We have no significant outstanding hedges that are not designated as of September 27, 2026.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of September 27, 2026, and they concluded that these disclosure controls and procedures are effective.

(b) Changes in Internal Controls

There was no change in our internal controls over financial reporting identified in connection with the evaluation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of September 27, 2026 conducted by our Chief Executive Officer and Chief Financial Officer, that occurred during the quarter ended September 27, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

A number of lawsuits, claims and proceedings have been or may be asserted against the Company relating to the conduct of its currently or formerly owned businesses, including those pertaining to product liability, environmental, health and safety matters and occupational disease (including as each relates to alleged asbestos exposure), as well as patent infringement, commercial, government contracting, construction, employment, employee and retiree benefits, taxes, environmental, and stockholder and corporate governance matters. Certain of such lawsuits, claims and proceedings are described in our Annual Report on Form 10-K for the year ended December 28, 2025, and addressed in Note 16 to the unaudited interim financial statements included herein. While the outcome of litigation cannot be predicted with certainty, and some of these lawsuits, claims or proceedings may be determined adversely to the Company, management does not believe that the disposition of any such pending matters is likely to have a material adverse effect on the Company's financial condition or liquidity, although the resolution in any reporting period of one or more of these matters could have a material adverse effect on the Company's results of operations for that period.

Pension Annuitization Litigation. In August 2024, the Company received notice that it and certain of its affiliates are parties to two lawsuits captioned (1) *William L. Schoen, Mary J. Nesbit, Robin L. Rosewicz, George E. Poole and James E. Swartz, Jr., individually and as representatives of a class of participants and beneficiaries of the Allegheny Technologies Incorporated Pension Plan v. ATI Inc., The Allegheny Technologies Incorporated Pension Plan Administrative Committee, State Street Global Advisors Trust Co., and John Does 1-5 (Case No. 2:24-cv-01109)* and (2) J*ohn Souza and Karen Souza, individually and as representatives on behalf of a class of similarly situated persons v. ATI Inc. and State Street Global Advisors Trust Co. (Case No. 2:24-cv-01214)*, both of which are filed in federal district court for the Western District of Pennsylvania (the District Court). These lawsuits, which were consolidated in late 2024, assert various claims associated with the Company's October 2023 purchase of group annuity contracts to transfer a portion of its U.S. qualified defined benefit pension plan obligations to Athene Annuity and Life Company and Athene Annuity & Life Assurance of New York. The Company filed a Motion to Dismiss the consolidated claims in January 2025. Following an August 2025 hearing on the Motion to Dismiss, the magistrate judge overseeing the Motion issued a report recommending that all of the plaintiffs' claims be dismissed for lack of standing. In July 2026, the District Court granted the Company's Motion to Dismiss. In August 2026, Plaintiffs noticed an appeal of the District Court's decision to the Court of Appeals for the Third Circuit. The Company disputes and intends to vigorously defend against these claims but cannot predict their outcome or estimate any range of reasonably possible loss at this time.

Item 1A. Risk Factors

The following is an update to and should be read in conjunction with Item 1A. Risk Factors contained in the Company's Annual Report on Form 10-K for the year ended December 28, 2025. In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10- K for the year ended December 28, 2025, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

The conflict between the United States, Israel, and Iran and related geopolitical instability may adversely affect our business and results of operations.

In February 2026, the United States and Israel launched coordinated military strikes against Iran, which retaliated with missile attacks across the region. Although we do not have material operations in the Middle East, the ongoing conflict and any further escalation, including additional military actions, retaliatory measures, sanctions, disruptions to trade or transportation routes, cyberattacks, or other governmental or market responses, could lead to significant disruption of global energy supplies and increases in global energy prices, heighten inflationary pressures on our input costs and supply chain, adversely affect global supply chains, energy markets, commodity prices, currency exchange rates, financial markets and overall macroeconomic conditions, and adversely impact customer spending patterns in markets in which we operate. While we do not expect the impacts of conflict between the United States, Israel, and Iran to have a significant effect on our business, financial condition and results of operations, we are unable to predict the extent or nature of potential future impacts at this time.

Risks Associated with Current or Future Litigation and Claims.

A number of lawsuits, claims and proceedings have been or may be asserted against us relating to the conduct of our currently and formerly owned businesses, including those pertaining to product liability, patent infringement, commercial disputes, government contracting, employment matters, employee and retiree benefits, taxes, environmental matters, personal injury and health and safety and occupational disease, and stockholder and corporate governance matters. Due to the uncertainties of litigation, we can give no assurance that we will prevail on all claims made against us in the lawsuits that we currently face or that additional claims will not be made against us in the future. While the outcome of litigation cannot be predicted with certainty, and some of these lawsuits, claims or proceedings may be determined adversely to us, we do not believe that the disposition of any such pending matters is likely to have a material adverse effect on our financial condition or liquidity. However, the resolution in any reporting period of one or more of these matters could have a material adverse effect on our results of operations for that period. Also, we can give no assurance that any other claims brought in the future will not have a material effect on our financial condition, liquidity or results of operations.

In August 2024, the Company received notice that it and certain of its affiliates are parties to two lawsuits, filed in federal district court for the Western District of Pennsylvania (the District Court), that assert various claims associated with the Company’s October 2023 purchase of group annuity contracts to transfer a portion of its U.S. qualified defined benefit pension plan obligations to Athene Annuity and Life Company and Athene Annuity & Life Assurance of New York. These two lawsuits were consolidated in late 2024, and in January 2025, we filed a motion to dismiss the consolidated claims. Following an August 2025 hearing on the motion to dismiss, the magistrate judge covering the Motion issued a report recommending that all of the plaintiffs’ claims be dismissed for lack of standing. In July 2026, the District Court granted the Company’s Motion to Dismiss. In August 2026, Plaintiffs noticed an appeal of the District Court's decision to the Court of Appeals for the Third Circuit. The Company disputes and intends to vigorously defend against these claims but cannot predict their outcome or estimate any range of reasonably possible loss at this time.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Set forth below is information regarding the Company's stock repurchases during the period covered by this report, comprised of shares repurchased by ATI under the $700 million Share Repurchase Program authorized by the Company's Board of Directors in September 2024 shares repurchased by ATI under the additional $500 million in repurchase authority announced in February 2026, and shares repurchased by ATI from employees to satisfy employee-owed taxes on share-based compensation. The Company's current Stock Repurchase Program has no time limit, does not obligate the Company to repurchase any specific number of shares, and may be modified, suspended, or terminated at any time by the Board of Directors without prior notice.

Period	Total Number of Shares (or Units) Purchased (a)	Average Price Paid per Share (or Unit) (b) (c)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
June 29, 2026 - August 2, 2026	1,089	$ 193.72	—	$ 495,001,556
August 3, 2026 - August 30, 2026	1,173	$ 188.20	—	$ 495,001,556
August 31, 2026 - September 27, 2026	350,920	$ 199.62	350,691	$ 425,001,759
Total	353,182	$ 199.57	350,691	$ 425,001,759

(a) Includes shares repurchased by ATI from employees to satisfy employee-owed taxes on share based compensation.

(b) Share repurchases are inclusive of amounts for any relevant commissions.

(c) Excludes excise taxes incurred on share repurchases

Item 5. Other Information

Rule 10b5-1 Plan Elections

During the fiscal quarter ended September 27, 2026, none of the Company's directors or officers, as defined in Section 16 of the Securities Exchange Act of 1934 (the Exchange Act), adopted or terminated any "Rule 10b5-1 trading arrangements," as such term is defined in Item 408(c) of Regulation S-K under the Exchange Act.

Item 6. Exhibits

(a) Exhibits

31.1	Certification of Chief Executive Officer required by Securities and Exchange Commission Rule 13a – 14(a) or 15d – 14(a) (filed herewith).
31.2	Certification of Chief Financial Officer required by Securities and Exchange Commission Rule 13a – 14(a) or 15d – 14(a) (filed herewith).
32.1	Certification pursuant to 18 U.S.C. Section 1350 (furnished herewith).
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ATI INC.
(Registrant)

Date: October 29, 2026

By /s/ James Robert Foster

James Robert Foster

Senior Vice President, Finance and Chief Financial Officer
(Principal Financial Officer)

Date: October 29, 2026

By /s/ Michael B. Miller

Michael B. Miller

Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer)