ATI Inc. (ATI)

$108.66 (Stock Price as of 12/16/2025)

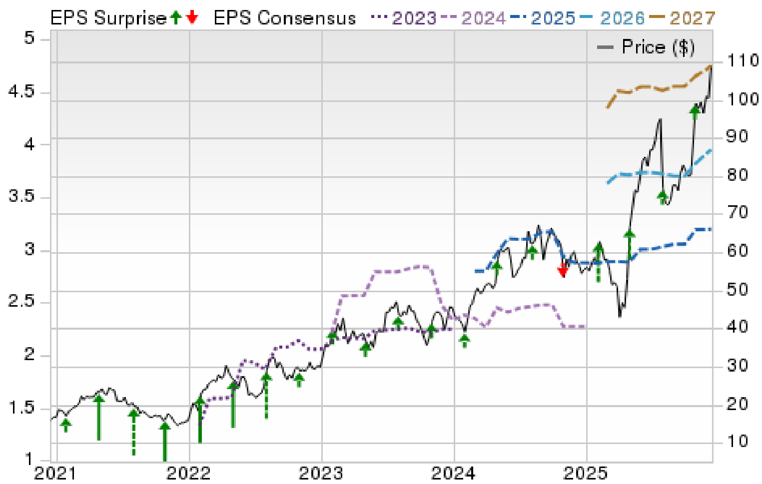
Price Target (6-12 Months): **$116.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 08/12/25) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**2-Buy**
	Zacks Style Scores:	VGM: B
	Value: C | Growth: C | Momentum: A	

Summary

ATI's third-quarter earnings surpassed the Zacks Consensus Estimate, while sales missed. The company is benefiting from strong momentum in the aerospace and defense sectors. ATI is actively implementing measures to ensure its sustainability amid a challenging economic landscape. The company is in the process of finishing several self-funded capital projects to help augment organic growth and its cost structure. However, the company is exposed to challenges caused by demand weakness in certain markets. If supply chain issues persist, the orders dependent on Airbus and Boeing might not be realized. Lower cash levels may adversely impact the company's ability to meet its debt obligations.

Price, Consensus & Surprise[1]



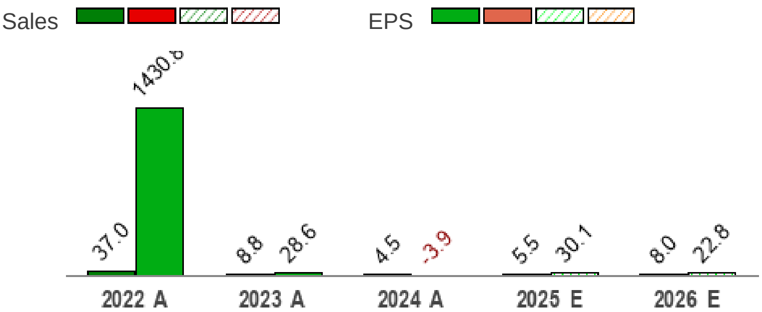
Data Overview

52 Week High-Low	**$111.22 - $39.23**
20 Day Average Volume (sh)	**1,414,181**
Market Cap	**$14.8 B**
YTD Price Change	**97.4%**
Beta	**1.08**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Aerospace - Defense Equipment**
Zacks Industry Rank	**Top 40% (97 out of 243)**

Last EPS Surprise	**13.3%**
Last Sales Surprise	**-1.3%**
EPS F1 Est- 4 week change	**1.5%**
Expected Report Date	**02/03/2026**
Earnings ESP	**0.4%**

P/E TTM	**35.1**
P/E F1	**34.0**
PEG F1	**1.3**
P/S TTM	**3.2**

Sales and EPS Growth Rates (Y/Y %)[1]



Sales Estimates (millions of $)[1]

	Q1	Q2	Q3	Q4	Annual*
2026	1,182 E	1,223 E	1,241 E	1,336 E	4,967 E
2025	1,144 A	1,140 A	1,126 A	1,190 E	4,600 E
2024	1,043 A	1,095 A	1,051 A	1,173 A	4,362 A

EPS Estimates[1]

	Q1	Q2	Q3	Q4	Annual*
2026	0.85 E	0.91 E	0.99 E	1.11 E	3.93 E
2025	0.72 A	0.74 A	0.85 A	0.88 E	3.20 E
2024	0.48 A	0.60 A	0.60 A	0.79 A	2.46 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/16/2025.
(2) The report's text and the price target are as of 12/12/2025.

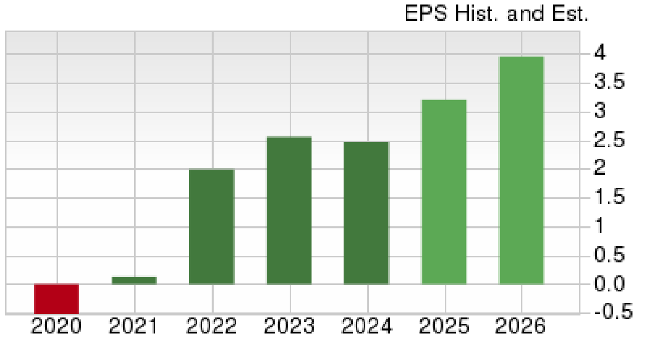
Overview

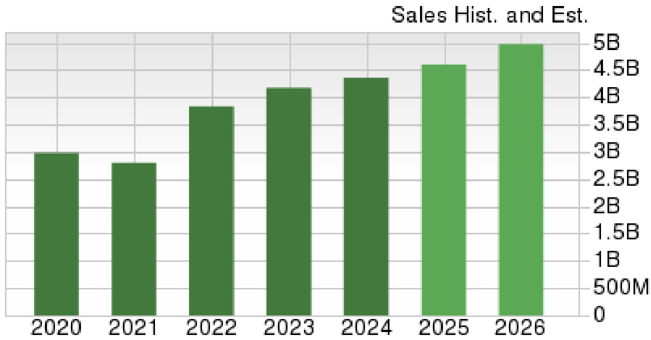
Pittsburgh, PA-based ATI Inc. is a diversified specialty materials producer. The company was created in November 1999 when Allegheny Teledyne spun out Teledyne Technologies and Water Pik Technologies into standalone companies.

ATI originally had three main business segments: Flat-Rolled Products (FRP), High Performance Metals and Engineered Products. However, the company, in October 2013, announced the restructuring of its Engineered Products segment.

The restructuring includes the integration of the specialty steel forgings business into ATI Ladish's forgings operations in the High-Performance Metals and Components division and the integration of the precision titanium and specialty alloy flat-rolled finishing business into ATI Allegheny Ludlum's specialty plate business in the Flat-Rolled Products segment. Other businesses that comprised the Engineered Products division have been classified as discontinued operations, including the tungsten materials business and the iron castings and fabricated components businesses.

ATI completed the sale of its tungsten materials business to Latrobe, PA-based wear-resistant products company Kennametal Inc. for $605 million.
The company started operating under two revised business segments: High-Performance Materials & Components (HPMC) and Advanced Alloys & Solutions (AA&S), effective Jan. 1, 2020.

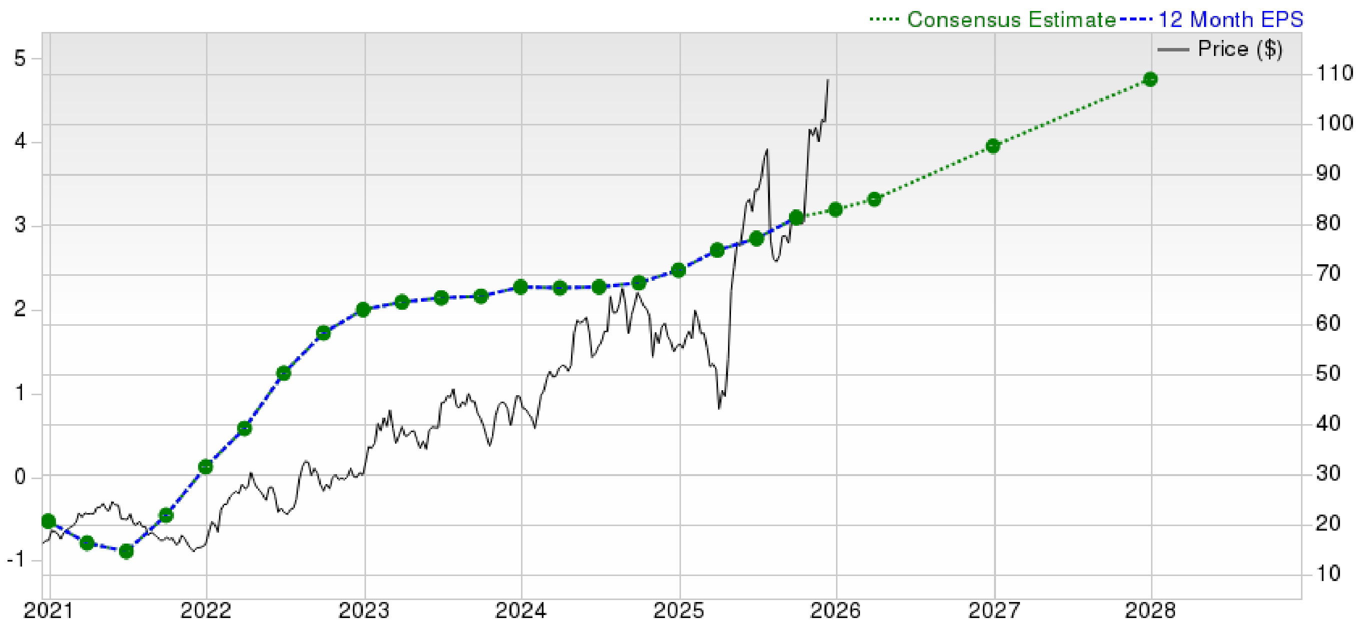




As of 12/16/2025

The AA&S segment (46% of 2024 sales) is focused on delivering high-value flat products, mainly to the energy, aerospace, and defense end-markets that account for around 50% of its revenues. It combines the Specialty Alloys & Components business with the company's former FRP business segment that included the FRP business, the 60%-owned STAL joint venture and the Uniti and A&T Stainless 50%-owned joint ventures.

The HPMC segment (54%) consists of specialty materials and forged products businesses and ATI Europe distribution operations. The segment is primarily focused on maximizing aero-engine materials and components growth. Nearly 80% of its revenues are derived from the aerospace and defense markets.



As of 12/16/2025

Reasons To Buy:

- ATI is benefiting from strong momentum in the aerospace and defense sectors. It expects EBITDA margins to keep improving, driven by higher volumes from aerospace platforms. This upside is expected to be fueled by increasing demand from every segment, opportunities in Airbus ramp rates and isothermal forgings. Robust aftermarket demand and increased customer diversification are driving jet engine revenues. MRO and the GTF engine overhaul program, along with OEM build rates, are also driving heavy engine demand. ATI continues to actively support this program and expects sales to increase 50% in 2025.

- ATI is actively implementing measures to ensure its sustainability amid a challenging economic landscape. By diligently reducing costs, the company is strategically positioning itself to capitalize on the global economic recovery, particularly within the commercial aerospace industry. It is dedicated to improving operational efficiency, with expectations of continued cost reductions stemming from transformative initiatives. Also, the adept management of capital expenditures enabled the company to realign its spending by revising demand levels, further bolstering its achievements. Moreover, continued investments in equipment reliability and AI technology are enabling the prediction of potential issues and proactively correcting them before they occur.

ATI should benefit from the strength in its HPMC unit driven by the aerospace and defense sectors. The HRPF facility and efforts to improve operational efficiency will also contribute to its performance.

- The company is in the process of finishing several self-funded capital projects, some of which have already been completed, to help augment organic growth and its cost structure. The company's $1.2 billion Hot-Rolling and Processing Facility (HRPF) is now fully integrated into daily operations and is producing high-value and standard flat-rolled products in wider, longer and thinner coils. The HRPF remains at the core of ATI's FRP division, with a nominal capacity to roll up to 1.9 million tons per year. ATI's innovative joint venture with Tsingshan Group Company will help utilize HRPF and its previously-idled Direct Roll Anneal and Pickle (DRAP) line in Midland, PA. The company signed the first significant HRPF-enabled carbon steel conversion agreement with NLMK USA. The deal will open up an additional growth opportunity of 15-20% in HRPF utilization.

Reasons To Sell:

Weak demand, trade uncertainties, and aerospace delays threaten ATI’s 2025 targets, while lower cash levels raise debt obligations.

- The AA&S segment showed improved performance in the third quarter, with sales up 5% year over year and adjusted EBITDA rising to $90.4 million, primarily driven by a 34% increase in aerospace and defense sales. The segment still faces headwinds from softness in general industrial markets, electronics demand and trade-related uncertainties. However, the latest results indicate that these challenges are less prominent, as lower sales in industrial and specialty energy products were offset by strong aerospace and defense growth. In particular, the industrial market (representing roughly 20% of ATI’s business) demand is likely to remain subdued in the near future, exacerbated by trade-related uncertainties stemming from announced tariffs.

- If supply chain issues persist, the orders dependent on Airbus and Boeing might not arise. The guidance provided by ATI for 2025 is significantly based on this assumption. This increases the risk of missing the guidance if unfavorable circumstances continue to ail the market. Any potential delay in the recovery of the commercial aerospace supply chain and delay in the ramp-up of build rates by Boeing and Airbus might affect the company’s ability to achieve its 2025 targets.

- The company's low cash level raises concerns. In third-quarter 2025, cash and cash equivalents amounted to $372.2 million compared with the previous-year figure of $407 million. This is mainly because the company has recorded high levels of outflow as investments. Lower cash levels may adversely impact the company’s ability to meet its debt obligations.

Last Earnings Report

ATI's Q3 Earnings Beat Estimates, Full-Year EBITDA Raised

FY Quarter Ending	12/31/2024
Earnings Reporting Date	Oct 28, 2025
Sales Surprise	-1.25%
EPS Surprise	13.33%
Quarterly EPS	0.85
Annual EPS (TTM)	3.10

ATI recorded a profit of $110 million or 78 cents per share for the third quarter of 2025, up from the year-ago quarter's profit of $82.7 million or 57 cents.

ATI posted adjusted earnings of 85 cents, up 42% from the year-ago quarter’s figure of 60 cents. Adjusted earnings exceeded the Zacks Consensus Estimate of 75 cents.

The company’s net sales in the third quarter were $1,125.5 million, missing the Zacks Consensus Estimate of $1,139.8 million. Net sales increased by approximately 7% year over year. ATI experienced strong year-over-year sales growth in the aerospace and defence sector.

Segment Highlights

HPMC reported sales of $602.9 million in the third quarter, up 9% year over year. However, the figure fell short of the consensus estimate of $623 million. HPMC's segment EBITDA rose 18.3% year over year to $145.8 million.

Advanced Alloys & Solutions (AA&S) recorded sales of $522.6 million, up approximately 4.8% from the prior-year figure of $498.8 million. The figure surpassed the consensus estimate of $507 million. The segment's EBITDA for the quarter was $90.4 million, down 23% year over year.

Financials

In third-quarter 2025, cash and cash equivalents amounted to $372.2 million, down 8.6% year over year. The company's long-term debt was $1,715.2 million, down 7.6% from the prior-year level.

Outlook

For the fourth quarter of 2025, adjusted EBITDA is expected to range between $221 million and $231 million, while full-year 2025 guidance is within $848 million-$858 million, up from the prior range of $810 million to $840 million. Adjusted earnings per share are projected at 84-90 cents for the fourth quarter and $3.15 to $3.21 for the full year, up from $2.90-$3.07 expected earlier. Adjusted free cash flow for the full year is estimated between $330 million and $370 million. Capital expenditures are anticipated to be in the range of $260 million to $280 million.

Valuation

ATI’s shares are up 95.9% over the trailing 12-month period. Over the past year, the Zacks Steel - Specialty industry and Zacks Basic Materials sector are up 26.2% and up 25.4%, respectively.

The S&P 500 index is up 17.6% in the past year.

The stock is currently trading at 8.23X trailing 12-month tangible book value, which compares to 16.31X for the Zacks sub-industry, 6.9X for the Zacks sector, and 8.57X for the S&P 500 index.

In the past five years, the stock has traded as high as 8.23X and as low as 1.1X, with a five-year median of 4.22X.

Our Neutral recommendation indicates that the stock will perform in line with the market. Our $116 price target reflects 8.63X tangible book value.

The table below shows a summary of valuation data for ATI:

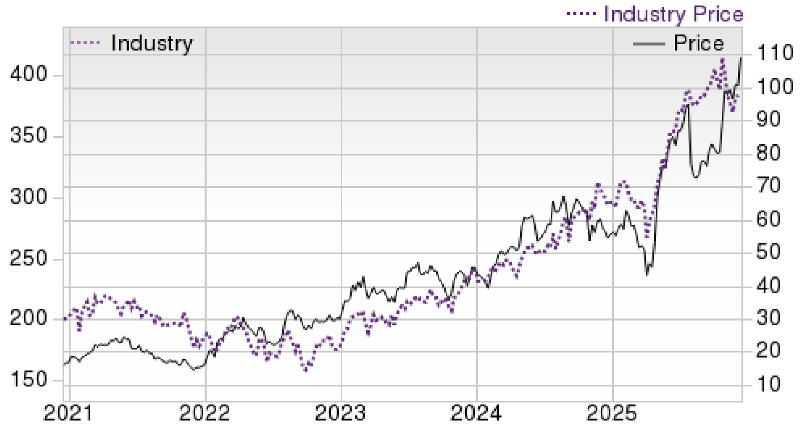
Valuation Multiples - ATI

		Stock	Sub-Industry	Sector	S&P 500
P/B TTM	Current	8.23	16.31	6.9	8.57
	5-Year High	8.23	17.68	7.32	9.16
	5-Year Low	1.1	6.83	2.68	6.6
	5-Year Median	4.22	9.37	3.43	8.05
EV/EBITDA TTM	Current	20.01	70.32	28.93	18.77
	5-Year High	65.75	73.77	31.43	22.41
	5-Year Low	6.76	27.12	12.8	13.87
	5-Year Median	16.26	43.57	21.38	17.96
P/S TTM	Current	3.39	11.33	3.17	6.02
	5-Year High	3.39	11.91	3.37	6.17
	5-Year Low	0.61	4.29	1.51	4
	5-Year Median	1.47	6.87	2.29	5.36

As of 12/11/2025 *Source: Zacks Investment Research*

Industry Analysis[1]

Zacks Industry Rank: Top 40% (97 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
Commercial Metals Co...**(CMC)**	Outperform	1
Carpenter Technology...**(CRS)**	Neutral	3
L.B. Foster Company **(FSTR)**	Neutral	4
Nucor Corporation **(NUE)**	Neutral	3
Reliance, Inc. **(RS)**	Neutral	3
Voestalpine AG **(VLPNY)**	Neutral	2
Valmont Industries, ...**(VMI)**	Neutral	3
Worthington Steel, I...**(WS)**	Neutral	3

Industry Comparison[1]

Industry: Aerospace - Defense Equipment | Industry Peers

	ATI	X Industry	S&P 500	CRS	MTUS	WS
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	3	3	3
VGM Score	B	-	-	C	D	A
Market Cap	14.76 B	7.85 B	38.58 B	16.02 B	763.84 M	1.80 B
# of Analysts	4	3	22	5	1	1
Dividend Yield	0.00%	0.00%	1.42%	0.25%	0.00%	1.80%
Value Score	C	-	-	D	C	A
Cash/Price	0.03	0.03	0.04	0.01	0.25	0.04
EV/EBITDA	21.60	23.70	14.55	25.20	11.54	8.02
PEG Ratio	1.29	2.29	2.20	1.34	2.00	NA
Price/Book (P/B)	8.09	4.13	3.33	8.38	1.10	1.46
Price/Cash Flow (P/CF)	30.60	29.33	15.10	30.90	9.78	10.28
P/E (F1)	34.02	35.43	19.71	31.92	30.07	13.04
Price/Sales (P/S)	3.22	3.15	3.09	5.54	0.68	0.58
Earnings Yield	2.94%	2.60%	5.06%	3.13%	3.33%	7.67%
Debt/Equity	0.94	0.27	0.57	0.36	0.00	0.04
Cash Flow ($/share)	3.55	1.87	8.99	10.40	1.88	3.45
Growth Score	C	-	-	B	D	C
Hist. EPS Growth (3-5 yrs)	62.94%	18.88%	8.16%	182.14%	-46.67%	NA
Proj. EPS Growth (F1/F0)	30.08%	19.58%	8.57%	34.63%	7.02%	25.93%
Curr. Cash Flow Growth	-2.50%	17.55%	6.75%	33.76%	-45.86%	-25.74%
Hist. Cash Flow Growth (3-5 yrs)	9.88%	8.00%	7.43%	14.31%	20.40%	NA
Current Ratio	2.50	2.86	1.18	4.44	1.90	1.66
Debt/Capital	48.44%	22.70%	38.01%	26.69%	0.00%	10.64%
Net Margin	9.71%	6.97%	12.78%	14.30%	-0.73%	3.80%
Return on Equity	23.34%	11.11%	17.00%	22.68%	2.94%	10.11%
Sales/Assets	0.90	0.66	0.53	0.85	1.01	1.62
Proj. Sales Growth (F1/F0)	5.50%	10.09%	5.79%	6.70%	8.90%	9.70%
Momentum Score	A	-	-	A	C	A
Daily Price Chg	-0.06%	-0.41%	-0.24%	-0.66%	0.99%	0.03%
1 Week Price Chg	8.52%	2.44%	-0.59%	4.72%	4.66%	-0.25%
4 Week Price Chg	10.67%	3.99%	2.76%	-0.32%	16.82%	15.39%
12 Week Price Chg	39.15%	-3.03%	2.15%	34.52%	11.42%	7.29%
52 Week Price Chg	96.67%	36.98%	12.39%	86.31%	17.19%	-9.95%
20 Day Average Volume	1,414,181	272,543	2,743,646	900,597	286,017	189,988
(F1) EPS Est 1 week change	0.07%	0.00%	0.00%	0.19%	0.00%	0.00%
(F1) EPS Est 4 week change	1.50%	0.00%	0.00%	0.19%	0.00%	0.00%
(F1) EPS Est 12 week change	4.67%	0.38%	0.69%	5.85%	3.39%	-1.81%
(Q1) EPS Est Mthly Chg	1.11%	0.00%	0.00%	0.00%	0.00%	0.00%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	C
Momentum Score	A
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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