

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 10-Q**

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended March 31, 2022

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: 1-36313



**TIMKENSTEEL CORPORATION**

(Exact name of registrant as specified in its charter)

**Ohio**  
(State or other jurisdiction of  
incorporation or organization)

**1835 Dueber Avenue SW, Canton, OH**  
(Address of principal executive offices)

**46-4024951**  
(I.R.S. Employer  
Identification No.)

**44706**  
(Zip Code)

**330.471.7000**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading symbol	Name of exchange in which registered
Common shares	TMST	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 has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 reporting 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2022
Common Shares, without par value	46,626,025

**TimkenSteel Corporation**  
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**Part I. Financial Information****Item 1. Financial Statements****TimkenSteel Corporation  
Consolidated Statements of Operations (Unaudited)**

	Three Months Ended March 31,	
	2022	2021
<i>(Dollars in millions, except per share data)</i>		
Net sales	\$ 352.0	\$ 273.6
Cost of products sold	292.0	242.9
<b>Gross Profit</b>	<b>60.0</b>	<b>30.7</b>
Selling, general and administrative expenses	18.5	19.5
Restructuring charges	0.4	0.5
Loss (gain) on sale or disposal of assets, net	0.1	—
Impairment charges	—	8.2
Interest expense	1.2	1.9
Loss on extinguishment of debt	17.0	—
Other (income) expense, net	(15.2)	(9.4)
<b>Income (Loss) Before Income Taxes</b>	<b>38.0</b>	<b>10.0</b>
Provision (benefit) for income taxes	0.9	0.2
<b>Net Income (Loss)</b>	<b>\$ 37.1</b>	<b>\$ 9.8</b>
<b>Per Share Data:</b>		
<b>Basic earnings (loss) per share</b>	<b>\$ 0.80</b>	<b>\$ 0.22</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ 0.70</b>	<b>\$ 0.20</b>

See accompanying Notes to the unaudited Consolidated Financial Statements.

**TimkenSteel Corporation**  
**Consolidated Statement of Comprehensive Income (Loss) (Unaudited)**

	Three Months Ended March 31,	
	2022	2021
<i>(Dollars in millions)</i>		
Net income (loss)	\$ 37.1	\$ 9.8
Other comprehensive income (loss), net of tax of \$0.1 million for the three months ended March 31, 2022		
Foreign currency translation adjustments	(0.8)	0.1
Pension and postretirement liability adjustments	(1.1)	(1.5)
Other comprehensive income (loss), net of tax	(1.9)	(1.4)
<b>Comprehensive Income (Loss), net of tax</b>	<b>\$ 35.2</b>	<b>\$ 8.4</b>

See accompanying Notes to the unaudited Consolidated Financial Statements.

**TimkenSteel Corporation**  
**Consolidated Balance Sheets (Unaudited)**

	March 31, 2022	December 31, 2021
<i>(Dollars in millions)</i>		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 239.9	\$ 259.6
Accounts receivable, net of allowances (2022 - \$2.1 million; 2021 - \$1.9 million)	135.1	100.5
Inventories, net	230.1	210.9
Deferred charges and prepaid expenses	3.6	3.9
Assets held for sale	4.3	4.3
Other current assets	2.2	3.1
<b>Total Current Assets</b>	<b>615.2</b>	<b>582.3</b>
Property, plant and equipment, net	500.8	510.2
Operating lease right-of-use assets	13.8	14.5
Pension assets	48.2	43.1
Intangible assets, net	6.1	6.7
Other non-current assets	1.9	2.1
<b>Total Assets</b>	<b>\$ 1,186.0</b>	<b>\$ 1,158.9</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 168.5	\$ 141.9
Salaries, wages and benefits	21.2	37.9
Accrued pension and postretirement costs	2.6	4.3
Current operating lease liabilities	5.7	5.7
Current convertible notes, net	35.2	44.9
Other current liabilities	13.0	16.1
<b>Total Current Liabilities</b>	<b>246.2</b>	<b>250.8</b>
Credit Agreement	—	—
Non-current operating lease liabilities	8.1	8.8
Accrued pension and postretirement costs	217.3	223.0
Deferred income taxes	2.1	2.2
Other non-current liabilities	9.1	9.5
<b>Total Liabilities</b>	<b>482.8</b>	<b>494.3</b>
<b>Shareholders' Equity</b>		
Preferred shares, without par value; authorized 10.0 million shares, none issued	—	—
Common shares, without par value; authorized 200.0 million shares; issued 2022 - 46.9 million shares and 2021 - 46.3 million shares	—	—
Additional paid-in capital	840.3	832.1
Retained deficit	(151.1)	(188.2)
Treasury shares - 2022 - 0.2 million; 2021 - None	(4.8)	—
Accumulated other comprehensive income (loss)	18.8	20.7
<b>Total Shareholders' Equity</b>	<b>703.2</b>	<b>664.6</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,186.0</b>	<b>\$ 1,158.9</b>

See accompanying Notes to the unaudited Consolidated Financial Statements.

**TimkenSteel Corporation**  
**Consolidated Statements of Shareholders' Equity (Unaudited)**

*(Dollars in millions)*

	Common Shares Outstanding	Additional Paid-in Capital	Retained Deficit	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance at December 31, 2021</b>	46,268,855	\$ 832.1	\$ (188.2)	\$ —	\$ 20.7	\$ 664.6
Net income (loss)	—	—	37.1	—	—	37.1
Other comprehensive income (loss)	—	—	—	—	(1.9)	(1.9)
Stock-based compensation expense	298,648	2.1	—	—	—	2.1
Stock option activity	406,750	6.3	—	—	—	6.3
Purchase of treasury shares	(169,816)	—	—	(3.4)	—	(3.4)
Shares surrendered for taxes	(91,853)	(0.2)	—	(1.4)	—	(1.6)
<b>Balance at March 31, 2022</b>	46,712,584	\$ 840.3	\$ (151.1)	\$ (4.8)	\$ 18.8	\$ 703.2

	Common Shares Outstanding	Additional Paid-in Capital	Retained Deficit	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance at December 31, 2020</b>	45,164,308	\$ 843.4	\$ (363.4)	\$ (12.9)	\$ 40.4	\$ 507.5
Net income (loss)	—	—	9.8	—	—	9.8
Other comprehensive income (loss)	—	—	—	—	(1.4)	(1.4)
Adoption of new accounting standard	—	(10.6)	4.2	—	—	(6.4)
Stock-based compensation expense	—	1.8	—	—	—	1.8
Stock option activity	—	2.5	—	—	—	2.5
Issuance of treasury shares	580,248	(12.4)	—	12.4	—	—
Shares surrendered for taxes	(72,174)	—	—	(0.5)	—	(0.5)
<b>Balance at March 31, 2021</b>	45,672,382	\$ 824.7	\$ (349.4)	\$ (1.0)	\$ 39.0	\$ 513.3

See accompanying Notes to the unaudited Consolidated Financial Statements.

**TimkenSteel Corporation**  
**Consolidated Statements of Cash Flows (Unaudited)**

**Three Months Ended March 31,**  
**2022**                      **2021**

<i>(Dollars in millions)</i>		
<b>CASH PROVIDED (USED)</b>		
<b>Operating Activities</b>		
Net income (loss)	\$ 37.1	\$ 9.8
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	14.6	17.6
Amortization of deferred financing fees	0.2	0.3
Loss on extinguishment of debt	17.0	—
Loss (gain) on sale or disposal of assets, net	0.1	—
Impairment charges	—	8.2
Deferred income taxes	(0.1)	—
Stock-based compensation expense	2.1	1.8
Pension and postretirement (benefit) expense, net	(10.7)	(4.7)
Changes in operating assets and liabilities:		
Accounts receivable, net	(34.4)	(33.0)
Inventories, net	(19.0)	(28.2)
Accounts payable	28.3	48.1
Other accrued expenses	(20.1)	(2.4)
Pension and postretirement contributions and payments	(3.7)	(1.6)
Deferred charges and prepaid expenses	0.3	0.3
Other, net	1.6	(3.0)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>13.3</b>	<b>13.2</b>
<b>Investing Activities</b>		
Capital expenditures	(6.5)	(2.3)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(6.5)</b>	<b>(2.3)</b>
<b>Financing Activities</b>		
Purchase of treasury shares	(3.4)	—
Proceeds from exercise of stock options	6.3	2.5
Shares surrendered for employee taxes on stock compensation	(1.6)	(0.5)
Repayments on convertible notes	(26.8)	—
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>(25.5)</b>	<b>2.0</b>
<b>Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	<b>(18.7)</b>	<b>12.9</b>
Cash, cash equivalents, and restricted cash at beginning of period	259.6	102.8
<b>Cash, Cash Equivalents, and Restricted Cash at End of Period</b>	<b>\$ 240.9</b>	<b>\$ 115.7</b>

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows:

Cash and cash equivalents	\$ 239.9	\$ 115.7
Restricted cash reported in other current assets	1.0	—
<b>Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows</b>	<b>\$ 240.9</b>	<b>\$ 115.7</b>

See accompanying Notes to the unaudited Consolidated Financial Statements.

**TimkenSteel Corporation**  
**Notes to Unaudited Consolidated Financial Statements**  
*(dollars in millions, except per share data)*

**Note 1 - Basis of Presentation**

The accompanying unaudited Consolidated Financial Statements have been prepared by TimkenSteel Corporation (the "Company" or "TimkenSteel") in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) and disclosures considered necessary for a fair presentation have been included. For further information, refer to TimkenSteel's audited Consolidated Financial Statements and Notes included in its Annual Report on Form 10-K for the year ended December 31, 2021.

Certain items previously reported in specific financial statement captions have been reclassified to conform with current year presentation.

The Company's restricted cash balance represents an imprest cash account used for the funding of employee healthcare costs. Funding of this account began during the first quarter of 2022 when the Company changed its healthcare plan administrator. The balance of restricted cash as of March 31, 2022 was \$1.0 million, which is included in other current assets on the Consolidated Balance Sheets.

**Note 2 - Recent Accounting Pronouncements**

***Adoption of New Accounting Standards***

The Company did not adopt any Accounting Standard Updates ("ASU") in the first quarter of 2022. Additionally, there are no current ASUs issued, but not adopted, that are expected to have an impact on the Company.

As of January 1, 2021, the Company early adopted ASU 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40), using the modified retrospective method of transition. The standard simplifies the accounting for convertible instruments, as well as the diluted net income per share calculation. The standard also removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception.

Upon adoption of ASU 2020-06 as of January 1, 2021, all outstanding Convertible Notes were fully classified as a liability, there was no longer a separate equity component and the Convertible Notes no longer have a debt discount that is amortized. This resulted in a decrease of \$10.6 million to additional paid-in capital and an increase of \$1.1 million and \$5.3 million to current convertible notes, net and non-current convertible notes, net, respectively, on the Consolidated Balance Sheets as of January 1, 2021. Additionally, retained deficit was reduced by \$4.2 million in the Consolidated Balance Sheets as of January 1, 2021 to remove amortization expense recognized in prior periods. The adoption of this standard did not have an effect on the Company's cash flows, liquidity, or the methodology used for the earnings per share calculation. Refer to "Note 10 – Financing Arrangements" for additional information on the Convertible Notes.

***Legislation related to the COVID-19 Pandemic***

Due to a provision in the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, the Company was able to defer the employer share of Social Security payroll taxes for a specified time during 2020. During the year ended December 31, 2020, the Company deferred \$6.4 million in cash payments and recorded reserves for such deferred payroll taxes in salaries, wages and benefits on the Consolidated Balance Sheets, to be paid in two equal installments. The first installment in the amount of \$3.2 million was paid during the fourth quarter of 2021. The second installment is due on December 31, 2022.

The CARES Act also provided for an employee retention credit ("Employee Retention Credit"), which is a refundable tax credit against certain employment taxes. The Company qualified for the tax credit in the second and third quarters of 2020 and accrued a benefit of \$2.3 million in the fourth quarter of 2020 related to the Employee Retention Credit in other (income) expense, net on the Consolidated Statements of Operations. The Company filed for this credit in the second quarter of 2021 and received a portion of the proceeds from the Internal Revenue Service ("IRS") in the amount of \$0.5 million during the fourth quarter of 2021. The Company received the remaining \$1.8 million of cash proceeds in the first quarter of 2022.

### Note 3 - Revenue Recognition

The following table provides the major sources of revenue by end-market sector for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Mobile	\$ 144.1	\$ 133.6
Industrial	175.0	124.7
Energy	25.0	7.7
Other <sup>(1)</sup>	7.9	7.6
<b>Total Net Sales</b>	<b>\$ 352.0</b>	<b>\$ 273.6</b>

<sup>(1)</sup> "Other" sales by end-market sector relates to the Company's scrap sales.

The following table provides the major sources of revenue by product type for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Bar	\$ 236.4	\$ 173.2
Tube	46.5	36.1
Manufactured components <sup>(3)</sup>	61.2	56.7
Other <sup>(2)</sup>	7.9	7.6
<b>Total Net Sales</b>	<b>\$ 352.0</b>	<b>\$ 273.6</b>

<sup>(2)</sup> "Other" sales by product type relates to the Company's scrap sales.

<sup>(3)</sup> Formerly known as the "Value-add" product type.

### Note 4 - Restructuring Charges

Over the past several years, TimkenSteel has made numerous organizational changes to enhance profitable and sustainable growth. These company-wide actions included the restructuring of its business support functions, the reduction of management layers throughout the organization and other domestic and international actions to further improve the Company's overall cost structure. Restructuring charges totaled \$0.4 million and \$0.5 million for the three months ended March 31, 2022 and March 31, 2021, respectively.

Restructuring charges for the three months ended March 31, 2022 were \$0.4 million related to severance and employee-related benefits as a result of organizational changes. Restructuring charges for the three months ended March 31, 2021 amounted to \$0.5 million, including \$0.3 million related to the transition of customers to other TimkenSteel manufacturing equipment due to the discontinuation of specific small-diameter seamless mechanical tube manufacturing and the indefinite idling of our Harrison melt and casting activities (refer to "Note 5 – Disposition of Non-Core Assets" for additional information). The remaining \$0.2 million related to severance and employee-related benefits as a result of organizational changes.

TimkenSteel recorded reserves for such restructuring charges as other current liabilities on the Consolidated Balance Sheets. The reserve balance at March 31, 2022 is expected to be substantially used in the next twelve months.

The following is a summary of the restructuring reserve for the three months ended March 31, 2022 and 2021:

<b>Balance at December 31, 2021</b>	\$	4.7
Expenses		0.4
Payments		(1.0)
<b>Balance at March 31, 2022</b>	<b>\$</b>	<b>4.1</b>
<b>Balance at December 31, 2020</b>	<b>\$</b>	<b>1.5</b>
Expenses		0.5
Payments		(1.4)
<b>Balance at March 31, 2021</b>	<b>\$</b>	<b>0.6</b>

**Note 5 - Disposition of Non-Core Assets*****TimkenSteel Material Services Facility***

During the first quarter of 2020, management completed its previously announced plan to close the Company's TimkenSteel Material Services ("TMS") facility in Houston and began selling the assets at the facility.

During the first quarter of 2021, the remaining associated machinery and equipment that was classified as held for sale was fully impaired as there was no longer an expected market value for these assets. This resulted in impairment charges of \$0.3 million.

The remaining \$4.3 million of land and buildings associated with TMS are classified as assets held for sale on the Consolidated Balance Sheets as of March 31, 2022 and December 31, 2021, as it is probable that these assets will be sold within the next 12 months.

***Small-Diameter Seamless Mechanical Tubing Machinery and Equipment***

In the third quarter of 2020, TimkenSteel informed customers that as of December 31, 2020 the Company would discontinue the commercial offering of specific small-diameter seamless mechanical tubing products. As a result, accelerated depreciation of \$1.5 million was recognized in the first quarter of 2021 in alignment with the ramp down of this machinery and equipment. Spare parts related to this machinery and equipment of \$0.5 million were also written down in the first quarter of 2021, as management determined there was no alternative use.

***Harrison Melt and Casting Assets***

On February 16, 2021, management announced a plan to indefinitely idle its Harrison melt and casting assets, which was completed in the first quarter of 2021. All of the Company's melt and casting activities now take place at the Faircrest location. The Company worked collaboratively with employees, suppliers and a number of customers to ensure a well-organized and efficient transition. The Company's rolling and finishing operations at Harrison were not impacted by this action.

The Company recognized non-cash charges of \$9.5 million related to the write-down of the associated Harrison melt and casting assets in the first quarter of 2021. These charges include \$7.9 million related to the impairment of the associated machinery and equipment, which is classified as impairment charges on the Consolidated Statements of Operations, as well as a write-down of spare parts of \$1.6 million, which is included in cost of products sold in the Consolidated Statements of Operations, as management determined there was no alternative use. The Company did not incur any cash expenditures related to these charges.

***TimkenSteel (Shanghai) Corporation Limited***

On March 31, 2021, the Company entered into an agreement pursuant to which Daido Steel (Shanghai) Co., Ltd. agreed to acquire all of the Company's ownership interest in TimkenSteel (Shanghai) Corporation Limited in an all-cash transaction. The sale closed on July 30, 2021 and net cash proceeds of \$6.2 million were received in the third quarter of 2021. As a result of this transaction, a loss on sale of consolidated subsidiary of \$1.1 million was recognized on the Consolidated Statements of Operations during the third quarter of 2021. TimkenSteel's consolidated financial statements include activity for TimkenSteel (Shanghai) Corporation Limited through July 30, 2021.

**Note 6 – Other (Income) Expense, net**

The following table provides the components of other (income) expense, net for the three months ended March 31, 2022 and 2021:

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Pension and postretirement non-service benefit (income) loss	\$ (8.7)	\$ (9.6)
Loss (gain) from remeasurement of benefit plans	(6.5)	0.2
<b>Total other (income) expense, net</b>	<b>\$ (15.2)</b>	<b>\$ (9.4)</b>

Non-service related pension and other postretirement benefit income, for all years, consists of the interest cost, expected return on plan assets and amortization components of net periodic cost.

The Supplemental Pension Plan of TimkenSteel Corporation ("Supplemental Plan") and the TimkenSteel Corporation Retirement Plan ("Salaried Plan") have a provision that permits employees to elect to receive their pension benefits in a lump sum upon retirement. In the

first quarter of 2022, the cumulative cost of all lump sum payments exceeded the sum of the service cost and interest cost components of net periodic pension cost for the Supplemental Plan. Additionally, the cumulative costs of all lump sum payments were projected to exceed the sum of the service costs and interest cost components of net periodic pension cost in 2022 for the Salaried Plan. As a result, the Company completed a full remeasurement of its pension obligations and plan assets associated with the Supplemental Plan and Salaried Plan during the first quarter of 2022, and is required to complete a full remeasurement of both plans each quarter for the remainder of 2022.

A total gain of \$6.5 million from the remeasurement of these benefit plans was recognized in the first quarter of 2022. This gain was primarily driven by a \$25.6 million decrease in the liability due to the change in discount rate during the first quarter of 2022, partially offset by \$19.1 million of investment losses on plan assets.

A full remeasurement of the pension obligations and plan assets associated with the Salaried Plan was also required during each quarter of 2021. For more details on the remeasurement refer to “Note 11 - Retirement and Postretirement Plans.”

#### Note 7 - Income Tax Provision

TimkenSteel’s provision for income taxes in interim periods is computed by applying the appropriate estimated annual effective tax rates to income or loss before income taxes for the period. In addition, non-recurring or discrete items, including interest on prior-year tax liabilities, are recorded during the periods in which they occur.

	Three Months Ended March 31,	
	2022	2021
Provision (benefit) for incomes taxes	\$ 0.9	\$ 0.2
Effective tax rate	2.4 %	2.0 %

Income tax expense for the three months ended March 31, 2022 was calculated using forecasted multi-jurisdictional annual effective tax rates to determine a blended annual effective tax rate. The effective tax rate is lower than the U.S. federal statutory rate of 21% primarily due to the valuation allowance the Company has on deferred tax assets in the U.S. This is partially offset by state, local, and foreign taxes.

Due to TimkenSteel’s historical operating performance in the U.S., the Company assessed its U.S. deferred tax assets and concluded, based upon all available evidence, that it was more likely than not that it would not realize the assets. As a result, the Company maintains a full valuation allowance against its deferred tax assets in the U.S. and applicable foreign countries until sufficient positive evidence exists to conclude that a valuation allowance is not necessary. Going forward, the need to maintain valuation allowances against deferred tax assets in the U.S. and other affected countries may cause variability in the Company’s effective tax rate. The majority of TimkenSteel’s income taxes are derived from domestic state and local taxes.

The effective tax rate of 2.4% for the three months ended March 31, 2022 was higher than the rate of 2.0% for the three months ended March 31, 2021, primarily due to increased projected income in the U.S., causing higher state and local tax expenses.

#### Note 8 - Earnings (Loss) Per Share

Basic earnings (loss) per share is computed based upon the weighted average number of common shares outstanding. Diluted earnings (loss) per share is computed based upon the weighted average number of common shares outstanding plus the dilutive effect of common share equivalents calculated using the treasury stock method or if-converted method. For the Convertible Notes, the Company utilizes the if-converted method to calculate diluted earnings (loss) per share. Under the if-converted method, the Company adjusts net earnings to add back interest expense (including amortization of debt issuance costs) recognized on the Convertible Notes and includes the number of shares potentially issuable related to the Convertible Notes in the weighted average shares outstanding. Treasury shares are excluded from the denominator in calculating both basic and diluted earnings (loss) per share.

#### Equity-based Awards

Common share equivalents for shares issuable for equity-based awards amounted to 4.3 million shares for the three months ended March 31, 2022. For the three months ended March 31, 2022, 0.9 million shares were excluded from the computation of diluted earnings (loss) per share, primarily related to options with exercise prices above the average market price of our common shares (i.e., “underwater” options), because the effect of their inclusion would have been anti-dilutive. The difference between the remaining 3.4 million shares and 1.2 million

shares assumed purchased with potential proceeds for the three months ended March 31, 2022, were included in the denominator of the diluted earnings (loss) per share calculation.

Common share equivalents for shares issuable for equity-based awards amounted to 5.1 million shares for the three months ended March 31, 2021. For the three months ended March 31, 2021, 2.3 million shares were excluded from the computation of diluted earnings (loss) per share, primarily related to options with exercise prices above the average market price of our common shares (i.e., “underwater” options), because the effect of their inclusion would have been anti-dilutive. The difference between the remaining 2.8 million shares and 1.6 million shares assumed purchased with potential proceeds for the three months ended March 31, 2021, were included in the denominator of the diluted earnings (loss) per share calculation.

#### Convertible Notes

Common share equivalents for shares issuable upon the conversion of outstanding Convertible Notes were included in the computation of diluted earnings (loss) per share for the three months ended March 31, 2022 and 2021 as these shares would be dilutive.

In the first quarter of 2022, TimkenSteel repurchased \$10.0 million of outstanding principal related to the Convertible Notes. The Convertible Notes repurchase reduced weighted average diluted shares outstanding by approximately 0.7 million shares in the first quarter of 2022. Refer to “Note 10 – Financing Arrangements” for additional information on the Convertible Notes.

The following table sets forth the reconciliation of the numerator and the denominator of basic and diluted earnings (loss) per share for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
<b>Numerator:</b>		
Net income (loss), basic	\$ 37.1	\$ 9.8
Add convertible notes interest	0.7	1.3
Net income (loss), diluted	\$ 37.8	\$ 11.1
<b>Denominator:</b>		
Weighted average shares outstanding, basic	46.4	45.4
Dilutive effect of stock-based awards	2.2	1.2
Dilutive effect of convertible notes	5.2	9.1
Weighted average shares outstanding, diluted	53.8	55.7
<b>Basic earnings (loss) per share</b>	<b>\$ 0.80</b>	<b>\$ 0.22</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ 0.70</b>	<b>\$ 0.20</b>

#### Note 9 - Inventories

The components of inventories, net of reserves as of March 31, 2022 and December 31, 2021 were as follows:

	March 31,	December 31,
	2022	2021
Manufacturing supplies	\$ 29.4	\$ 29.3
Raw materials	38.4	37.3
Work in process	111.9	89.3
Finished products	50.9	55.8
Gross inventory	230.6	211.7
Allowance for inventory reserves	(0.5)	(0.8)
<b>Total inventories, net</b>	<b>\$ 230.1</b>	<b>\$ 210.9</b>

**Note 10 - Financing Arrangements**

For a detailed discussion of the Company's long-term debt and credit arrangements, refer to "Note 14 - Financing Arrangements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

The following table summarizes the current and non-current debt as of March 31, 2022 and December 31, 2021.

	March 31, 2022	December 31, 2021
Credit Agreement	\$ —	\$ —
Convertible Senior Notes due 2025	35.2	44.9
<b>Total debt</b>	<b>\$ 35.2</b>	<b>\$ 44.9</b>
Less current portion of debt	35.2	44.9
<b>Total non-current portion of debt</b>	<b>\$ —</b>	<b>\$ —</b>

**Amended Credit Agreement**

On October 15, 2019, the Company, as borrower, and certain domestic subsidiaries of the Company, as subsidiary guarantors, entered into a Third Amended and Restated Credit Agreement (the "Amended Credit Agreement"), with JP Morgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), Bank of America, N.A., as syndication agent, and the other lenders party thereto (collectively, the "Lenders"), which further amended and restated the Company's Second Amended and Restated Credit Agreement dated as of January 26, 2018. As of March 31, 2022, the amount available under the Amended Credit Agreement was \$282.9 million, reflective of the Company's asset borrowing base with no outstanding borrowings. Additionally, the Company is in compliance with all covenants outlined in the Amended Credit Agreement.

**Convertible Senior Notes due 2021**

The Convertible Senior Notes due 2021 were settled on June 1, 2021 with cash payment of \$38.9 million and issuance of shares of 0.1 million, as most noteholders exercised the conversion option prior to the date of maturity. For details regarding method of settlement for noteholders who exercised their conversion option prior to maturity, refer to the Indenture for the Convertible Senior Notes due 2021 filed as an exhibit to a Form 8-K on May 31, 2016 and incorporated by reference in our most recent 10-K filing. The final cash payment for interest was also made to noteholders on June 1, 2021 in the amount of \$1.2 million.

**Convertible Senior Notes due 2025**

The principal amount of the Convertible Senior Notes due 2025 upon issuance was \$46.0 million. Transaction costs related to the Convertible Senior Notes due 2025 incurred upon issuance were \$1.5 million. These costs are amortized to interest expense over the term of the notes. The Convertible Senior Notes due 2025 mature on December 1, 2025. The Convertible Senior Notes due 2025 are convertible at the option of holders in certain circumstances and during certain periods into the Company's common shares, cash, or a combination thereof, at the Company's election.

The Indenture for the Convertible Senior Notes due 2025 provides that notes will become convertible during a quarter when the share price for 20 trading days during the final 30 trading days of the immediately preceding quarter was greater than 130% of the conversion price. This criterion was met during the first quarter of 2022 and as such the notes can be converted at the option of the holders beginning April 1 through June 30, 2022. Whether the notes will be convertible following such period will depend on if this criterion, or another conversion condition, is met in the future. As such, the Convertible Senior Notes due 2025 are classified as a current liability in the Consolidated Balance Sheets as of March 31, 2022. This criterion was also met as of December 31, 2021.

For details regarding all conversion mechanics and methods of settlement, refer to the Indenture for the Convertible Senior Notes due 2025 filed as an exhibit to a Form 8-K on December 15, 2020 and incorporated by reference in our most recent 10-K filing.

The components of the Convertible Senior Notes due 2025 as of March 31, 2022 and December 31, 2021 were as follows:

	March 31, 2022	December 31, 2021
Principal	\$ 36.0	\$ 46.0
Less: Debt issuance costs, net of amortization	(0.8)	(1.1)
<b>Convertible Senior Notes due 2025, net</b>	<b>\$ 35.2</b>	<b>\$ 44.9</b>

In the first quarter of 2022, TimkenSteel repurchased a total of \$10.0 million aggregate principal amount of its Convertible Senior Notes Due 2025. Total cash paid to noteholders was \$26.8 million. A loss on extinguishment of debt was recognized in the first quarter of 2022 in the amount of \$17.0 million, which includes a charge of \$0.2 million for unamortized debt issuance costs related to the portion of debt extinguished, as well as the related transaction costs.

#### **Convertible Notes Interest Expense**

The following table sets forth total interest expense recognized related to the Convertible Notes:

	Three Months Ended March 31,	
	2022	2021
Contractual interest expense	\$ 0.6	\$ 1.2
Amortization of debt issuance costs	0.1	0.1
<b>Total</b>	<b>\$ 0.7</b>	<b>\$ 1.3</b>

#### **Fair Value Measurement**

The fair value of the Convertible Senior Notes due 2025 was approximately \$107.9 million as of March 31, 2022. The fair value of the Convertible Senior Notes due 2025, which falls within Level 2 of the fair value hierarchy as defined by applicable accounting guidance, is based on a valuation model primarily using observable market inputs and requires a recurring fair value measurement on a quarterly basis.

TimkenSteel's Credit Facility is variable-rate debt. As such, any outstanding carrying value is a reasonable estimate of fair value as interest rates on these borrowings approximate current market rates. This valuation falls within Level 2 of the fair value hierarchy and is based on quoted prices for similar assets and liabilities in active markets that are observable either directly or indirectly. There were no outstanding borrowings on the Credit Facility as of March 31, 2022.

#### **Cash Interest Paid**

The total cash interest paid for the three months ended March 31, 2022 and 2021 was \$0.4 million and \$0.3 million, respectively.

#### **Treasury Shares**

On December 20, 2021, TimkenSteel announced that its Board of Directors authorized a share repurchase program under which the Company may repurchase up to \$50.0 million of its outstanding common shares. The share repurchase program is intended to return capital to shareholders while also offsetting dilution from annual equity compensation awards. The share repurchase program does not require the Company to acquire any dollar amount or number of shares and may be modified, suspended, extended or terminated by the Company at any time without prior notice. For the three months ended March 31, 2022, the Company repurchased approximately 0.2 million common shares at an aggregate cost of \$3.4 million in the open market, which equates to an average repurchase price of \$20.27 per share. As of March 31, 2022, the Company had a balance of \$46.6 million remaining on its previously approved \$50.0 million share repurchase program.

In April 2022, the Company repurchased approximately 0.1 million common shares at an aggregate cost of \$3.0 million, which equates to an average repurchase price of \$21.88 per share. As of April 30, 2022, the Company had \$43.6 million remaining under its previously approved \$50.0 million share repurchase program.

**Note 11 - Retirement and Postretirement Plans**
**Plan Amendments**
*TimkenSteel Corporation Bargaining Unit Pension Plan ("Bargaining Plan")*

On October 29, 2021, the United Steelworkers ("USW") Local 1123 voted to ratify a new four-year contract (the "Contract"). The Contract is in effect until September 27, 2025 and resulted in several changes to the Bargaining Plan which increased the pension liability by \$14.2 million in 2021. These plan amendments were recognized in other comprehensive income (loss) in 2021 and have begun to be amortized as part of the pension net periodic benefit cost in the first quarter of 2022. The primary change that drove the increase in the pension liability was the addition of a full lump sum form of payment for participants commencing benefits on or after January 1, 2022. In addition, the plan is now closed to new entrants effective January 1, 2022.

*TimkenSteel Corporation Retirement Plan ("Salaried Plan")*

During the fourth quarter of 2021, termination of the Salaried Plan was approved by the TimkenSteel Board of Directors. Participants were notified in January 2022 and the plan was terminated effective March 31, 2022, subject to regulatory approval. The purchase of an annuity from an insurance company is expected to occur in 2023, after which time the insurance company selected will be responsible for all participant benefit payments.

**Pension Net Periodic Benefit Cost (Income)**

The components of net periodic benefit cost (income) for the three months ended March 31, 2022 were as follows:

	Pension							Total Pension	Postretirement Plans
	United States of America			United Kingdom	Mexico	Total Pension	Postretirement Plans		
	Bargaining Plan	Salaried Plan	Supplemental Plan	Pension Scheme	Pension Plan				
Service cost	\$ 4.1	\$ 0.1	\$ —	\$ —	\$ —	\$ 4.2	\$ 0.3		
Interest cost	7.5	1.4	0.1	0.4	—	9.4	0.8		
Expected return on plan assets	(14.4)	(1.5)	—	(0.9)	—	(16.8)	(0.9)		
Amortization of prior service cost	0.3	—	—	—	—	0.3	(1.5)		
Net remeasurement losses (gains)	—	(4.0)	(2.5)	—	—	(6.5)	—		
<b>Net Periodic Benefit Cost (Income)</b>	<b>\$ (2.5)</b>	<b>\$ (4.0)</b>	<b>\$ (2.4)</b>	<b>\$ (0.5)</b>	<b>\$ —</b>	<b>\$ (9.4)</b>	<b>\$ (1.3)</b>		

The components of net periodic benefit cost (income) for the three months ended March 31, 2021 were as follows:

	Pension							Total Pension	Postretirement Plans
	United States of America			United Kingdom	Mexico	Total Pension	Postretirement Plans		
	Bargaining Plan	Salaried Plan	Supplemental Plan	Pension Scheme	Pension Plan				
Service cost	\$ 4.3	\$ 0.1	\$ —	\$ —	\$ —	\$ 4.4	\$ 0.3		
Interest cost	7.1	1.5	0.2	0.3	—	9.1	0.8		
Expected return on plan assets	(12.9)	(3.5)	—	(0.8)	—	(17.2)	(0.9)		
Amortization of prior service cost	0.1	—	—	—	—	0.1	(1.5)		
Net remeasurement losses (gains)	—	0.2	—	—	—	0.2	—		
<b>Net Periodic Benefit Cost (Income)</b>	<b>\$ (1.4)</b>	<b>\$ (1.7)</b>	<b>\$ 0.2</b>	<b>\$ (0.5)</b>	<b>\$ —</b>	<b>\$ (3.4)</b>	<b>\$ (1.3)</b>		

The Supplemental Plan and Salaried Plan have a provision that permits employees to elect to receive their pension benefits in a lump sum upon retirement. In the first quarter of 2022, the cumulative cost of all lump sum payments exceeded the sum of the service cost and interest cost components of net periodic pension cost for the Supplemental Plan. Additionally, the cumulative costs of all lump sum payments were projected to exceed the sum of the service costs and interest cost components of net periodic pension cost in 2022 for the Salaried Plan. As a

result, the Company completed a full remeasurement of its pension obligations and plan assets associated with the Supplemental Plan and Salaried Plan during the first quarter of 2022, and is required to complete a full remeasurement of both plans each quarter for the remainder of 2022. A full remeasurement of the pension obligations and plan assets associated with the Salaried Plan was also required during each quarter of 2021.

**Note 12 – Stock-Based Compensation**

During the three months ended March 31, 2022 the Board of Directors granted 292,773 time-based restricted stock units and 178,467 performance-based restricted stock units, which relates to the annual grant to our employees.

Time-based restricted stock units are issued with the fair value equal to the closing market price of TimkenSteel common shares on the date of grant. These restricted stock units do not have any performance conditions for vesting. Expense is recognized over the service period, adjusted for any forfeitures that should occur during the vesting period. The fair value of the restricted stock units granted during the three months ended March 31, 2022 was \$17.74 per share.

Performance-based restricted stock units issued in 2022 vest based on achievement of a total shareholder return (“TSR”) metric. The TSR metric is considered a market condition, which requires TimkenSteel to reflect it in the fair value on grant date using an advanced option-pricing model. The fair value of each performance share was therefore determined using a Monte Carlo valuation model, a generally accepted lattice pricing model under ASC 718 – Stock-based Compensation. The Monte Carlo valuation model, among other factors, uses commonly-accepted economic theory underlying all valuation models, estimates fair value using simulations of future share prices based on stock price behavior and considers the correlation of peer company returns in determining fair value. The fair value of the performance-based restricted stock units granted during the three months ended March 31, 2022 was \$25.04 per share.

TimkenSteel recognized stock-based compensation expense of \$2.1 million for the three months ended March 31, 2022, compared to \$1.8 million for the three months ended March 31, 2021. Future stock-based compensation expense related to the unvested portion of all awards is approximately \$17.4 million. The future expense is expected to be recognized over the remaining vesting periods through 2025.

**Note 13 - Accumulated Other Comprehensive Income (Loss)**

Changes in accumulated other comprehensive income (loss) for the three months ended March 31, 2022 and 2021 by component were as follows:

	Foreign Currency Translation Adjustments		Pension and Postretirement Liability Adjustments		Total
<b>Balance as of December 31, 2021</b>	\$	(5.1)	\$	25.8	\$ 20.7
Other comprehensive income (loss) before reclassifications, before income tax		<b>(0.8)</b>		—	<b>(0.8)</b>
Amounts reclassified from accumulated other comprehensive income (loss), before income tax		—		<b>(1.2)</b>	<b>(1.2)</b>
Tax effect		—		<b>0.1</b>	<b>0.1</b>
Net current period other comprehensive income (loss), net of income taxes		<b>(0.8)</b>		<b>(1.1)</b>	<b>(1.9)</b>
<b>Balance as of March 31, 2022</b>	\$	<b>(5.9)</b>	\$	<b>24.7</b>	\$ <b>18.8</b>

	Foreign Currency Translation Adjustments		Pension and Postretirement Liability Adjustments		Total
<b>Balance at December 31, 2020</b>	\$	(5.4)	\$	45.8	\$ 40.4
Other comprehensive income (loss) before reclassifications, before income tax		0.1		—	0.1
Amounts reclassified from accumulated other comprehensive income (loss), before income tax		—		(1.5)	(1.5)
Tax effect		—		—	—
Net current period other comprehensive income (loss), net of income taxes		0.1		(1.5)	(1.4)
<b>Balance as of March 31, 2021</b>	\$	<b>(5.3)</b>	\$	<b>44.3</b>	\$ <b>39.0</b>

The amount reclassified from accumulated other comprehensive income (loss) in the three months ended March 31, 2022 and 2021 for the pension and postretirement liability adjustment was included in other (income) expense, net in the unaudited Consolidated Statements of Operations.

#### Note 14 – Contingencies

TimkenSteel has a number of loss exposures incurred in the ordinary course of business, such as environmental claims, product warranty claims, employee-related matters, and other litigation. Establishing loss reserves for these matters requires management's estimate and judgment regarding risk exposure and ultimate liability or realization. These loss reserves are reviewed periodically and adjustments are made to reflect the most recent facts and circumstances. Accruals related to environmental claims represent management's best estimate of the fees and costs associated with these claims. Although it is not possible to predict with certainty the outcome of such claims, management believes that their ultimate dispositions should not have a material adverse effect on our financial position, cash flows or results of operations. As of March 31, 2022 and December 31, 2021, TimkenSteel had a \$0.4 million and a \$0.3 million contingency reserve, respectively, related to loss exposures incurred in the ordinary course of business.

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

*(dollars in millions, except per share data)*

### **Business Overview**

We manufacture alloy steel, as well as carbon and micro-alloy steel, with an annual melt capacity of approximately 1.2 million tons and shipment capacity of approximately 0.9 million tons. Our portfolio includes special bar quality ("SBQ") bars, seamless mechanical tubing ("tubes"), manufactured components (formerly known as the "value-add" product type) such as precision steel components, and billets. In addition, we supply machining and thermal treatment services and manage raw material recycling programs, which are also used as a feeder system for our melt operations. Our products and services are used in a diverse range of demanding applications in the following market sectors: automotive; oil and gas; industrial equipment; mining; construction; rail; defense; heavy truck; agriculture; power generation; and oil country tubular goods ("OCTG").

SBQ steel is made to restrictive chemical compositions and high internal purity levels and is used in critical mechanical applications. We make these products from nearly 100% recycled steel, using our expertise in raw materials to create custom steel products. We focus on creating tailored products and services for our customers' most demanding applications. Our engineers are experts in both materials and applications, so we can work closely with each customer to deliver flexible solutions related to our products as well as to their applications and supply chains.

The SBQ bar, tube, and billet production processes take place at our Canton, Ohio manufacturing location. This location accounts for all of the SBQ bars, seamless mechanical tubes and billets we produce and includes three manufacturing facilities: the Faircrest, Harrison, and Gambrinus facilities. Our production of manufactured components takes place at two downstream manufacturing facilities: Tryon Peak (Columbus, North Carolina) and St. Clair (Eaton, Ohio). Many of the production processes are integrated, and the manufacturing facilities produce products that are sold in all of our market sectors. As a result, investments in our facilities and resource allocation decisions affecting our operations are designed to benefit the overall business, not any specific aspect of the business.

The lead time for our products varies based on product type and specifications. As of the date of this filing, lead times for SBQ bars and tubes are through the end of the third quarter of 2022.

We conduct our business activities and report financial results as one business segment. The presentation of financial results as one reportable segment is consistent with the way we operate our business and is consistent with the manner in which the CODM evaluates performance and makes resource and operating decisions for the business as described above. Furthermore, the Company notes that monitoring financial results as one reportable segment helps the CODM manage costs on a consolidated basis, consistent with the integrated nature of our operations.

### **Impact of Raw Material Prices**

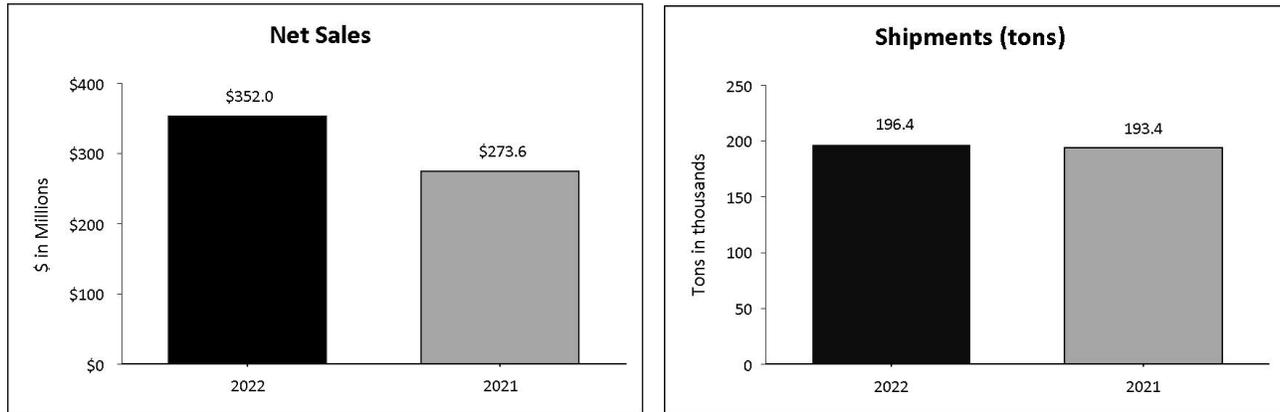
In the ordinary course of business, we are exposed to the volatility of the costs of our raw materials. For example, the current Russia-Ukraine conflict could exacerbate inflationary pressures throughout the global economy and lead to potential market disruptions, such as significant volatility in commodity prices and supply chain disruptions. Although our business has not been materially impacted by this conflict to date, it is difficult to predict the extent to which our operations, or those of our suppliers, will be impacted in the future.

Whenever possible, we manage our exposure to commodity risks primarily through the use of supplier pricing agreements that enable us to establish the purchase prices for certain inputs that are used in our manufacturing process. We utilize a raw material surcharge mechanism when pricing products to our customers, which is designed to mitigate the impact of increases or decreases in raw material costs, although generally with a lag effect. This timing effect can result in raw material spread whereby costs can be over- or under-recovered in certain periods. While the surcharge generally protects gross profit, it has the effect of diluting gross margin as a percent of sales.

**Results of Operations**

**Net Sales**

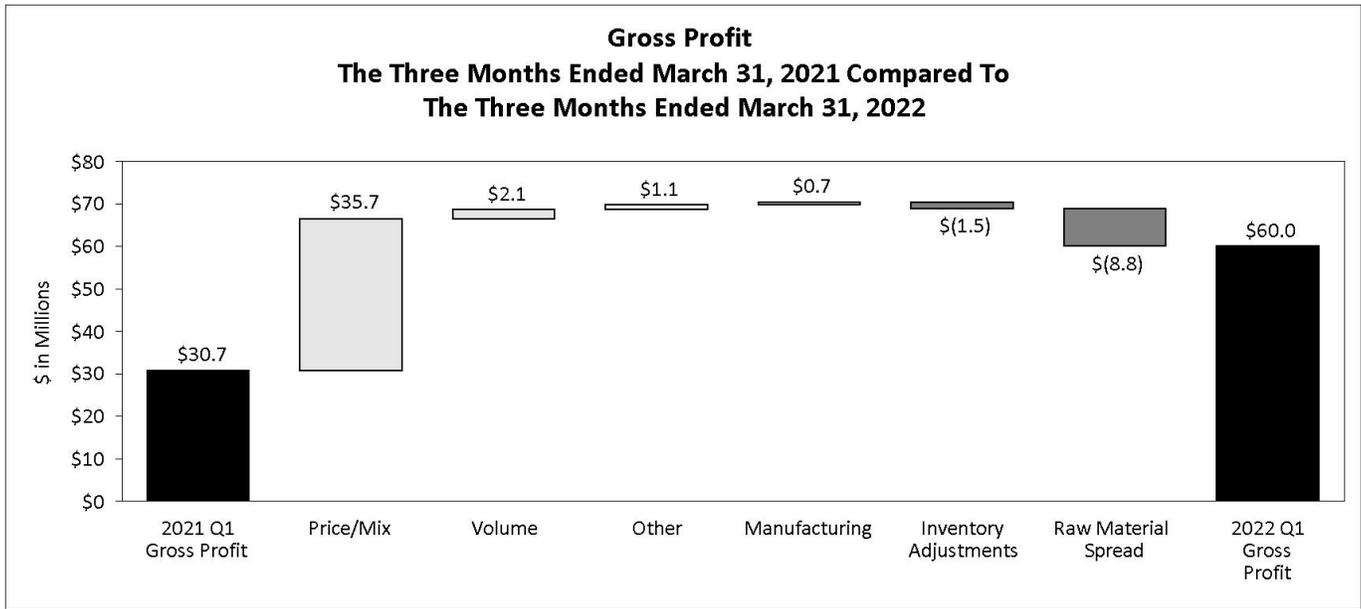
The charts below present net sales and shipments for the three months ended March 31, 2022 and 2021.



Net sales for the three months ended March 31, 2022 were \$352.0 million, an increase of \$78.4 million, or 28.7% compared with the three months ended March 31, 2021. The increase in net sales was driven by an increase in surcharges, favorable price/mix, and higher volumes. The increase in surcharges of \$41.0 million was due to higher market prices for scrap and alloys. Favorable price/mix of \$32.2 million was primarily due to higher base prices across all end-market sectors, as well as an improvement of mix within all end-market sectors. Higher volumes of three thousand ship tons resulted in a net sales increase of \$5.2 million, primarily due to increased customer demand in the industrial and energy end-market sectors. The overall increase in volume was partially offset by decreased ship tons in the mobile end-market sector, primarily driven by the semiconductor chip shortage, which caused an approximate six thousand ton decrease in expected ship tons for the three months ended March 31, 2022. Excluding surcharges, net sales increased \$37.4 million or 18.2%.

**Gross Profit**

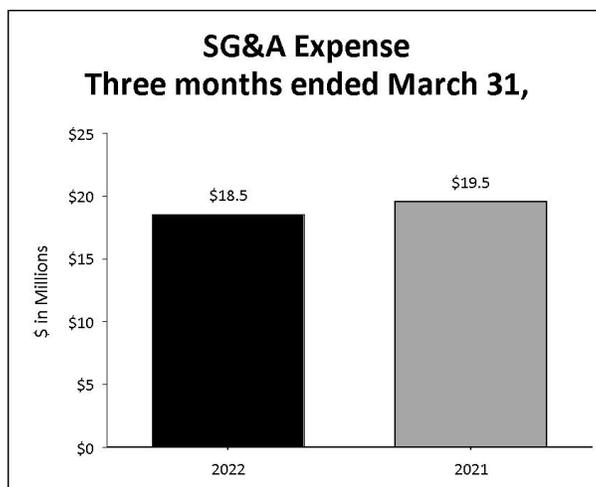
The chart below presents the drivers of the gross profit variance from the three months ended March 31, 2021 to March 31, 2022.



Gross profit for the three months ended March 31, 2022 increased \$29.3 million, or 95.4% compared with the three months ended March 31, 2021. The increase was driven by favorable price/mix and increased volume, partially offset by unfavorable raw material spread. Favorable price/mix was due to higher base prices across all end-market sectors, as well as an improvement of mix within all end-market sectors. The increase in volume was due to higher customer demand in the industrial and energy end-market sectors, partially offset by lower mobile end-market shipments, primarily driven by the semiconductor chip shortage. These increases were partially offset by unfavorable raw material spread due to lower scrap and alloy spreads.

**Selling, General and Administrative Expenses**

The charts below present selling, general and administrative (“SG&A”) expense for the three months ended March 31, 2022 and 2021.



SG&A expense for the three months ended March 31, 2022 decreased by \$1.0 million, or 5.1% compared with the March 31, 2021. This decrease was primarily due to lower employee expense as a result of prior restructuring actions.

**Restructuring Charges**

Over the past several years, TimkenSteel has made numerous organizational changes to enhance profitable and sustainable growth. These company-wide actions included the restructuring of its business support functions, the reduction of management layers throughout the organization and other domestic and international actions to further improve the Company’s overall cost structure. Restructuring charges totaled \$0.4 million for the three months ended March 31, 2022 compared with restructuring charges of \$0.5 million for the three months ended March 31, 2021. Refer to “Note 4 - Restructuring Charges” in the Notes to the unaudited Consolidated Financial Statements for additional information.

**Impairment Charges**

TimkenSteel recorded no impairment charges for the three months ended March 31, 2022. For the three months ended March 31, 2021, the Company recorded \$8.2 million of impairment charges driven by \$7.9 million related to the indefinite idling of our Harrison melt and casting assets. Other impairment charges in the prior year included \$0.3 million related to the disposition of assets at our former TMS facility.

Refer to “Note 5 - Disposition of Non-Core Assets” in the Notes to the unaudited Consolidated Financial Statements for additional information.

**Interest Expense**

Interest expense for the three months ended March 31, 2022 was \$1.2 million, a decrease of \$0.7 million, compared with the three months ended March 31, 2021. The decrease was due to a reduction in average outstanding borrowings. Refer to “Note 10 - Financing Arrangements” in the Notes to the unaudited Consolidated Financial Statements for additional information.

**Other (Income) Expense, net**

	Three Months Ended March 31,			
	2022	2021	2021	\$ Change
Pension and postretirement non-service benefit (income) loss	\$ (8.7)	\$ (9.6)	\$ (9.6)	\$ 0.9
Loss (gain) from remeasurement benefit plan	(6.5)	0.2	0.2	(6.7)
<b>Total other (income) expense, net</b>	<b>\$ (15.2)</b>	<b>\$ (9.4)</b>	<b>\$ (9.4)</b>	<b>\$ (5.8)</b>

Non-service related pension and other postretirement benefit income, for all years, consists of the interest cost, expected return on plan assets and amortization components of net periodic cost.

The Supplemental Pension Plan of TimkenSteel Corporation ("Supplemental Plan") and the TimkenSteel Corporation Retirement Plan ("Salaried Plan") have a provision that permits employees to elect to receive their pension benefits in a lump sum upon retirement. In the first quarter of 2022, the cumulative cost of all lump sum payments exceeded the sum of the service cost and interest cost components of net periodic pension cost for the Supplemental Plan. Additionally, the cumulative costs of all lump sum payments were projected to exceed the sum of the service costs and interest cost components of net periodic pension cost in 2022 for the Salaried Plan. As a result, the Company completed a full remeasurement of its pension obligations and plan assets associated with the Supplemental Plan and Salaried Plan during the first quarter of 2022, and is required to complete a full remeasurement of both plans each quarter for the remainder of 2022. A full remeasurement of the pension obligations and plan assets associated with the Salaried Plan was also required during each quarter of 2021. For more details on the remeasurement refer to "Note 6 - Other (Income) Expense, net" and "Note 11 - Retirement and Postretirement Plans" in the Notes to the unaudited Consolidated Financial Statements.

**Provision for Income Taxes**

	Three Months Ended March 31,				
	2022		2021		\$ Change
Provision (benefit) for income taxes	\$	0.9	\$	0.2	\$ 0.7
Effective tax rate		2.4%		2.0%	0.4%

The majority of the Company's income tax expense is derived from domestic state and local taxes. The Company remains in a full valuation for the U.S. jurisdiction for the three months ended March 31, 2022 and March 31, 2021.

**Non-GAAP Financial Measures**
**Net Sales, Excluding Surcharges**

The table below presents net sales by end-market sector, adjusted to exclude surcharges, which represents a financial measure that has not been determined in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). We believe presenting net sales by end-market sector adjusted to exclude raw material and natural gas surcharges provides additional insight into key drivers of net sales such as base price and product mix.

*(dollars in millions, tons in thousands)*

	Three Months Ended March 31, 2022				
	Mobile	Industrial	Energy	Other	Total
Tons	88.9	94.9	12.6	—	196.4
Net Sales	\$ 144.1	\$ 175.0	\$ 25.0	\$ 7.9	\$ 352.0
Less: Surcharges	45.7	54.9	8.0	—	108.6
Base Sales	\$ 98.4	\$ 120.1	\$ 17.0	\$ 7.9	\$ 243.4
Net Sales / Ton	\$ 1,621	\$ 1,844	\$ 1,984	\$ —	\$ 1,792
Surcharges / Ton	\$ 514	\$ 578	\$ 635	\$ —	\$ 553
Base Sales / Ton	\$ 1,107	\$ 1,266	\$ 1,349	\$ —	\$ 1,239

	Three Months Ended March 31, 2021				
	Mobile	Industrial	Energy	Other	Total
Tons	103.5	84.4	5.5	—	193.4
Net Sales	\$ 133.6	\$ 124.7	\$ 7.7	\$ 7.6	\$ 273.6
Less: Surcharges	32.8	32.7	2.1	—	67.6
Base Sales	\$ 100.8	\$ 92.0	\$ 5.6	\$ 7.6	\$ 206.0
Net Sales / Ton	\$ 1,291	\$ 1,477	\$ 1,400	\$ —	\$ 1,415
Surcharges / Ton	\$ 317	\$ 387	\$ 382	\$ —	\$ 350
Base Sales / Ton	\$ 974	\$ 1,090	\$ 1,018	\$ —	\$ 1,065

## Liquidity and Capital Resources

### ***Amended Credit Agreement***

On October 15, 2019, the Company entered into a Third Amended and Restated Credit Agreement (the “Amended Credit Agreement”) with JP Morgan Chase Bank, N.A., as administrative agent, Bank of America, N.A., as syndication agent, and the other lenders party thereto, which further amended and restated the Company’s Second Amended and Restated Credit Agreement dated as of January 26, 2018.

For additional details regarding the Amended Credit Agreement please refer to “Note 14 - Financing Arrangements” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

### ***Convertible Notes***

In May 2016, the Company issued \$75.0 million aggregate principal amount of Convertible Senior Notes due 2021, plus an additional \$11.3 million principal amount to cover over-allotments.

In December 2020, the Company entered into separate, privately negotiated exchange agreements with a limited number of holders of the Company’s then outstanding Convertible Senior Notes due 2021. Pursuant to the exchange agreements, the Company exchanged \$46.0 million aggregate principal amount of Convertible Senior Notes due 2021 for \$46.0 million aggregate principal amount of its new Convertible Senior Notes due 2025. The Company did not receive any cash proceeds from the issuance of the Convertible Senior Notes due 2025.

The remaining Convertible Senior Notes due 2021 matured on June 1, 2021 and were settled with a combination of cash of \$38.9 million and 0.1 million shares, as most noteholders exercised their conversion option prior to maturity. The final cash payment for interest was also made to noteholders on June 1, 2021 in the amount of \$1.2 million.

The Convertible Senior Notes due 2025 bear cash interest at a rate of 6.0% per year, payable semiannually on June 1 and December 1, beginning on June 1, 2021. The Convertible Senior Notes due 2025 will mature on December 1, 2025, unless earlier repurchased or converted. The net amount of this exchange was \$44.5 million, after deducting the initial underwriters’ fees and paying other transaction costs.

The Convertible Senior Notes due 2025 are convertible at the option of holders in certain circumstances and during certain periods into the Company’s common shares, cash, or a combination thereof, at the Company’s election. The Indenture for the Convertible Senior Notes due 2025 provides that notes will become convertible during a quarter when the share price for 20 trading days during the final 30 trading days of the immediately preceding quarter was greater than 130% of the conversion price. This criterion was met during the first quarter of 2022 and as such the notes can be converted at the option of the holders beginning April 1 through June 30, 2022. Whether the notes will be convertible following such period will depend on if this criterion, or another conversion condition, is met in the future. To date, no holders have elected to convert their notes during any optional conversion periods.

In the first quarter of 2022, TimkenSteel repurchased a total of \$10.0 million aggregate principal amount of its Convertible Senior Notes Due 2025. Total cash paid to noteholders was \$26.8 million. A loss on extinguishment of debt was recognized in the first quarter of 2022 in the amount of \$17.0 million, which includes a charge of \$0.2 million for unamortized debt issuance costs related to the portion of debt extinguished, as well as the related transaction costs.

For additional details regarding the Convertible Notes please refer to “Note 14 - Financing Arrangements” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

**Additional Liquidity Considerations**

The following represents a summary of key liquidity measures under the Amended Credit Agreement as of March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 239.9	\$ 259.6
<b>Credit Agreement:</b>		
Maximum availability	\$ 400.0	\$ 400.0
Suppressed availability <sup>(1)</sup>	(111.7)	(143.5)
Availability	288.3	256.5
Amount borrowed	—	—
Letter of credit obligations	(5.4)	(5.4)
Availability not borrowed	\$ 282.9	\$ 251.1
<b>Total liquidity</b>	<b>\$ 522.8</b>	<b>\$ 510.7</b>

<sup>(1)</sup> As of March 31, 2022, and December 31, 2021, TimkenSteel had less than \$400 million in collateral assets to borrow against.

Our principal sources of liquidity are cash and cash equivalents, cash flows from operations and available borrowing capacity under our Amended Credit Agreement. As of March 31, 2022, taking into account our view of mobile, industrial, and energy market demand for our products, and our 2022 operating and long-range plan, we believe that our cash balance as of March 31, 2022, projected cash generated from operations, and borrowings available under the Amended Credit Agreement, will be sufficient to satisfy our working capital needs, capital expenditures and other liquidity requirements associated with our operations, including servicing our debt and pension and postretirement benefit obligations, for at least the next twelve months.

To the extent our liquidity needs prove to be greater than expected or cash generated from operations is less than anticipated, and cash on hand or credit availability is insufficient, we would seek additional financing to provide additional liquidity. We regularly evaluate our potential access to the equity and debt capital markets as sources of liquidity and we believe additional financing would likely be available if necessary, although we can make no assurance as to the form or terms of any such financing.

We continue to evaluate the best use of our liquidity which would allow us to invest in profitable growth, maintain a strong balance sheet, and return capital to shareholders. We continue to anticipate capital expenditures to be approximately \$40 million in 2022, with over half of this budget allocated to profitability improvement projects.

During the first quarter of 2022, we privately negotiated the early repurchase of \$10.0 million aggregate principal amount of our Convertible Senior Notes Due 2025. In addition to reducing outstanding debt and generating \$0.6 million of annual interest savings, the convertible notes repurchase will have the effect of reducing diluted shares outstanding by a total of approximately 1.3 million shares beginning in the second quarter of 2022.

On December 20, 2021, TimkenSteel announced that its Board of Directors authorized a share repurchase program under which the Company may repurchase up to \$50.0 million of its outstanding common shares. Our share repurchase program is intended to return capital to shareholders while also offsetting dilution from annual equity compensation awards. The Company may utilize various methods to repurchase shares, which could include open market repurchases, including repurchases through Rule 10b5-1 plans, privately-negotiated transactions or by other means. The actual timing, number and value of shares repurchased under the program will depend on a number of factors, including the price of the Company's shares, general market and economic conditions, capital needs and other factors. The share repurchase program does not require the Company to acquire any dollar amount or number of shares and may be modified, suspended, extended or terminated by the Company at any time without prior notice. For the three months ended March 31, 2022, the Company repurchased approximately 0.2 million common shares at an aggregate cost of \$3.4 million in the open market, which equates to an average repurchase price of \$20.27 per share. As of March 31, 2022, the Company had a balance of \$46.6 million remaining on its previously approved \$50.0 million share repurchase program.

In April 2022, the Company repurchased approximately 0.1 million common shares at an aggregate cost of \$3.0 million, which equates to an average repurchase price of \$21.88 per share. As of April 30, 2022, the Company had \$43.6 million remaining under its previously approved \$50.0 million share repurchase program.

#### *Coronavirus Aid, Relief, and Economic Security Act*

Due to a provision in the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, the Company was able to defer the employer share of Social Security payroll taxes for a specified time during 2020. During the year ended December 31, 2020, the Company deferred \$6.4 million in cash payments and recorded reserves for such deferred payroll taxes in salaries, wages and benefits on the Consolidated Balance Sheets, to be paid in two equal installments. The first installment in the amount of \$3.2 million was paid during the fourth quarter of 2021. The second installment is due on December 31, 2022.

The CARES Act also provided for an employee retention credit ("Employee Retention Credit"), which is a refundable tax credit against certain employment taxes. The Company qualified for the tax credit in the second and third quarters of 2020 and accrued a benefit of \$2.3 million in the fourth quarter of 2020 related to the Employee Retention Credit in other (income) expense, net on the Consolidated Statements of Operations. The Company filed for this credit in the second quarter of 2021 and received a portion of the proceeds from the Internal Revenue Service ("IRS") in the amount of \$0.5 million during the fourth quarter of 2021. The Company received the remaining \$1.8 million of cash proceeds in the first quarter of 2022.

#### **Cash Flows**

The following table reflects the major categories of cash flows for the three months ended March 31, 2022 and 2021. For additional details, please refer to the unaudited Consolidated Statements of Cash Flows included in this quarterly report.

	Three Months Ended March 31,	
	2022	2021
Net cash provided (used) by operating activities	\$ 13.3	\$ 13.2
Net cash provided (used) by investing activities	(6.5)	(2.3)
Net cash provided (used) by financing activities	(25.5)	2.0
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (18.7)</b>	<b>\$ 12.9</b>

#### *Operating activities*

Net cash provided by operating activities for the three months ended March 31, 2022 was \$13.3 million compared to net cash provided of \$13.2 million for the three months ended March 31, 2021. The increase in net cash provided by operating activities is due to an increase in profitability during the first quarter of 2022 compared to the first quarter of 2021. This is partially offset by an increased use of cash for working capital purposes and an increase in the cash payment related to variable compensation earned in 2021 compared to 2020, which is paid out in the first quarter of the subsequent year.

#### *Investing activities*

Net cash used by investing activities for the three months ended March 31, 2022 was \$6.5 million compared to net cash used of \$2.3 million for the three months ended March 31, 2021. The change was due to higher capital expenditures in the first quarter of 2022 compared to the first quarter of 2021.

#### *Financing activities*

Net cash used by financing activities for the three months ended March 31, 2022 was \$25.5 million compared to net cash provided of \$2.0 million for the three months ended March 31, 2021. The change was due to the early repurchase of a portion of the Convertible Senior Notes due 2025 and the repurchase of common shares in the first quarter of 2022 under the share repurchase program, which is discussed in more detail in "Note 10 - Financing Arrangements". This is partially offset by increased proceeds from the exercise of stock options in the first quarter of 2022 compared to the first quarter of 2021.

#### **Critical Accounting Policies and Estimates**

Our financial statements are prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We review our critical accounting policies throughout the year.

### **New Accounting Guidance**

See “Note 2 - Recent Accounting Pronouncements” in the Notes to the unaudited Consolidated Financial Statements.

### **Forward-Looking Statements**

Certain statements set forth in this Quarterly Report on Form 10-Q (including our forecasts, beliefs and expectations) that are not historical in nature are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, Management’s Discussion and Analysis of Financial Condition and Results of Operations contains numerous forward-looking statements. Forward-looking statements generally will be accompanied by words such as “anticipate,” “aspire,” “believe,” “could,” “estimate,” “expect,” “forecast,” “outlook,” “intend,” “may,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “strategic direction,” “strategy,” “target,” “will,” “would,” or other similar words, phrases or expressions that convey the uncertainty of future events or outcomes. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Form 10-Q. We caution readers that actual results may differ materially from those expressed or implied in forward-looking statements made by or on behalf of us due to a variety of factors, such as:

- deterioration in world economic conditions, or in economic conditions in any of the geographic regions in which we conduct business, including additional adverse effects from global economic slowdown, terrorism or hostilities. This includes: political risks associated with the potential instability of governments and legal systems in countries in which we or our customers conduct business, and changes in currency valuations;
- climate-related risks, including environmental and severe weather caused by climate changes, and legislative and regulatory initiatives addressing global climate change or other environmental concerns;
- the effects of fluctuations in customer demand on sales, product mix and prices in the industries in which we operate. This includes: our ability to respond to rapid changes in customer demand including but not limited to changes in customer operating schedules due to supply chain constraints; the effects of customer bankruptcies or liquidations; the impact of changes in industrial business cycles; and whether conditions of fair trade exist in the U.S. markets;
- the potential impact of the COVID-19 pandemic on our operations and financial results, including cash flows and liquidity;
- whether we are able to successfully implement actions designed to improve profitability on anticipated terms and timetables and whether we are able to fully realize the expected benefits of such actions;
- competitive factors, including changes in market penetration; increasing price competition by existing or new foreign and domestic competitors; the introduction of new products by existing and new competitors; and new technology that may impact the way our products are sold or distributed;
- changes in operating costs, including the effect of changes in our manufacturing processes; changes in costs associated with varying levels of operations and manufacturing capacity; availability of raw materials and energy; our ability to mitigate the impact of fluctuations in raw materials and energy costs and the effectiveness of our surcharge mechanism; changes in the expected costs associated with product warranty claims; changes resulting from inventory management, cost reduction initiatives and different levels of customer demands; the effects of unplanned work stoppages; and changes in the cost of labor and benefits;
- the success of our operating plans, announced programs, initiatives and capital investments; and our ability to maintain appropriate relations with the union that represents our associates in certain locations in order to avoid disruptions of business;
- unanticipated litigation, claims or assessments, including claims or problems related to intellectual property, product liability or warranty, employment matters, and environmental issues and taxes, among other matters;
- cyber-related risks, including information technology system failures, interruptions and security breaches;
- the Company's ability to achieve its environmental, social, and governance (“ESG”) goals, including its 2030 ESG goals;
- the availability of financing and interest rates, which affect our cost of funds and/or ability to raise capital, including our ability to refinance and/or repay prior to or at maturity the Convertible Notes due December 1, 2025; our pension obligations and investment

performance; and/or customer demand and the ability of customers to obtain financing to purchase our products or equipment that contain our products;

- the overall impact of the pension and postretirement mark-to-market accounting;
- the effects of the conditional conversion feature of the Convertible Senior Notes due 2025, which, if triggered, entitles holders to convert the notes at any time during specified periods at their option and therefore could result in potential dilution if the holder elects to convert and the Company elects to satisfy a portion or all of the conversion obligation by delivering common shares instead of cash;
- the impacts from any repurchases of our common shares, including the timing and amount of any repurchases; and
- those items identified under the caption Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2021.

You are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, and that the above list should not be considered to be a complete list. Except as required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Further, this report includes our current policy and intent and is not intended to create legal rights or obligations. Certain standards of measurement and performance contained in this report are developing and based on assumptions, and no assurance can be given that any plan, objective, initiative, projection, goal, mission, commitment, expectation, or prospect set forth in this report can or will be achieved. Inclusion of information in this report is not an indication that the subject or information is material to our business or operating results.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

#### **Interest Rate Risk**

Our borrowings include both fixed and variable-rate debt. The variable debt consists principally of borrowings under our Credit Agreement. We are exposed to the risk of rising interest rates to the extent we fund our operations with these variable-rate borrowings. As of March 31, 2022, we have \$35.2 million of aggregate debt outstanding. None of our outstanding debt as of March 31, 2022 has variable interest rates, thus a rise in interest rates would not impact our interest expense at this point in time.

#### **Foreign Currency Exchange Rate Risk**

Fluctuations in the value of the U.S. dollar compared to foreign currencies may impact our earnings. Geographically, our sales are primarily made to customers in the United States. Currency fluctuations could impact us to the extent they impact the currency or the price of raw materials in foreign countries in which our competitors operate or have significant sales.

#### **Commodity Price Risk**

In the ordinary course of business, we are exposed to market risk with respect to commodity price fluctuations, primarily related to our purchases of raw materials and energy, principally scrap steel, other ferrous and non-ferrous metals, alloys, natural gas and electricity. Additionally, the current Russia-Ukraine conflict could also exacerbate inflationary pressures throughout the global economy and lead to potential market disruptions, such as significant volatility in commodity prices and supply chain disruptions. Although our business has not been materially impacted by this conflict to date, it is difficult to predict the extent to which our operations, or those of our suppliers, will be impacted in the future.

Whenever possible, we manage our exposure to commodity risks primarily through the use of supplier pricing agreements that enable us to establish the purchase prices for certain inputs that are used in our manufacturing business. We utilize a raw material surcharge as a component of pricing steel to pass through the cost increases of scrap, alloys and other raw materials, as well as natural gas. From time to time, we may use financial instruments to hedge a portion of our exposure to commodity price risk. In periods of stable demand for our products, the surcharge mechanism has worked effectively to reduce the normal time lag in passing through higher raw material costs so that we can maintain our gross margins. When demand and cost of raw materials are lower, however, the surcharge impacts sales prices to a lesser extent.

**Item 4. Controls and Procedures****(a) Disclosure Controls and Procedures**

As of the end of the period covered by this quarterly report, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)). Based upon that evaluation, the principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

**(b) Changes in Internal Control Over Financial Reporting**

During the Company's most recent fiscal quarter, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Part II. Other Information****Item 1. Legal Proceedings**

We are involved in various claims and legal actions arising in the ordinary course of business. In the opinion of our management, the ultimate disposition of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

**Item 1A. Risk Factors**

We are subject to various risks and uncertainties in the course of our business. The discussion of such risks and uncertainties may be found under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC.

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

The table below provides information concerning our repurchase of common shares for the three months ended March 31, 2022.

<i>(Dollars in millions, except shares and per share data)</i>	<b>Total number of shares purchased<sup>(1)</sup></b>	<b>Average price paid per share<sup>(3)</sup></b>	<b>Total number of shares purchased as part of publicly announced plans or programs<sup>(1)</sup></b>	<b>Maximum dollar value of shares that may yet be purchased under the plans or programs<sup>(2)</sup></b>
Beginning shares available				\$ 50.0
January, 2022	—	\$ —	—	\$ 50.0
February, 2022	—	\$ —	—	\$ 50.0
March, 2022	169,816	\$ 20.27	169,816	\$ 46.6
<b>Quarter-to-date</b>	<b>169,816</b>	<b>\$ 20.27</b>	<b>169,816</b>	<b>\$ 46.6</b>

<sup>(1)</sup> On December 20, 2021, TimkenSteel announced that its Board of Directors authorized a share repurchase program under which the Company may repurchase up to \$50.0 million of its outstanding common shares. All of the shares purchased during the three months ended March 31, 2022 were purchased as of part of this share repurchase program. The share repurchase program does not require the Company to acquire any dollar amount or number of shares and does not have an expiration date.

<sup>(2)</sup> The Company may utilize various methods to repurchase shares, which could include open market repurchases, including repurchases through Rule 10b5-1 plans, privately-negotiated transactions or by other means. The actual timing, number and value of shares repurchased under the program will depend on a number of factors, including the price of the Company's shares, general market and economic conditions, capital needs and other factors.

<sup>(3)</sup> The average price paid per share excludes any broker commissions.

**Item 6. Exhibits**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.1*	<a href="#">Form of Performance-Based Restricted Share Unit Agreement</a>
10.2*	<a href="#">TimkenSteel Corporation Amended and Restated Annual Performance Award Plan</a>
31.1*	<a href="#">Certification of the Chief Executive Officer pursuant to Rule 13a-14 of the Exchange Act, as adopted, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of the Chief Financial Officer pursuant to Rule 13a-14 of the Exchange Act, as adopted, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Furnished herewith.

**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.

TIMKENSTEEL CORPORATION

Date: May 4, 2022

/s/Kristopher R. Westbrooks

Kristopher R. Westbrooks  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

## TIMKENSTEEL CORPORATION

Performance-Based Restricted Share Unit Agreement

WHEREAS, \_\_\_\_\_ (“**Grantee**”) is an employee of TimkenSteel Corporation (the “**Company**”) or a Subsidiary thereof; and

WHEREAS, the grant of performance-based Restricted Share Units evidenced hereby was authorized by a resolution of the Compensation Committee (the “**Committee**”) of the Board and the execution of a performance-based Restricted Share Unit agreement in the form hereof (this “**Agreement**”) was authorized by a resolution of the Committee.

NOW, THEREFORE, pursuant to the TimkenSteel Corporation Amended and Restated 2020 Equity and Incentive Compensation Plan (the “**Plan**”) and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby confirms to Grantee the grant, effective \_\_\_\_\_, 2022 (the “**Date of Grant**”), of \_\_\_\_\_ performance-based Restricted Share Units (the “**PRSUs**”). All terms used in this Agreement with initial capital letters that are defined in the Plan and not otherwise defined herein will have the meanings assigned to them in the Plan. Subject to the attainment of the Management Objectives described in Section 3 and Exhibit A of this Agreement, Grantee may earn from 0% to 200% of the PRSUs.

1. Payment of PRSUs. The PRSUs will become payable in accordance with the provisions of Section 6 of this Agreement if the Restriction Period lapses and Grantee’s right to receive payment for the PRSUs becomes nonforfeitable (“**Vest**,” “**Vesting**” or “**Vested**”) in accordance with Section 3 and Section 4 of this Agreement.
  2. PRSUs Not Transferrable. None of the PRSUs nor any interest therein or in any Common Shares underlying such PRSUs is transferable prior to payment other than by will or the laws of descent and distribution upon the death of the Grantee.
  3. Vesting of PRSUs.
    - (a) Subject to the terms and conditions of Section 4 and Section 5 of this Agreement, the PRSUs will be earned and Vest on the basis of the relative achievement of the Management Objectives approved by the Committee on or before the Date of Grant (the “**Performance Metrics**”) for the period from January 1, 2022 through December 31, 2024, inclusive (the “**Performance Period**”), as set forth on Exhibit A of this Agreement. The Vesting of the PRSUs pursuant to this Section 3 or pursuant to Section 4 is contingent upon a determination of the Committee that the Performance Metrics have been satisfied and the PRSUs have been earned, as described in this Section 3 and set forth in Exhibit A.
    - (b) If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, the manner in which it conducts business or other events or circumstances render the Performance Metrics specified in this Section 3 to be unsuitable, the Committee may modify such Performance Metrics or the goals or actual levels of achievement regarding the Performance Metrics, in whole or in part, as the Committee deems appropriate.
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(c) Subject to **Section 3(a)** and **Section 3(b)**, the PRSUs earned with respect to the Performance Period will Vest if Grantee is in the continuous employ of the Company or a Subsidiary from the Date of Grant through the last day of the Performance Period. For purposes of this Agreement, the continuous employment of Grantee with the Company or a Subsidiary will not be deemed to have been interrupted, and Grantee will not be deemed to have ceased to be an employee of the Company or a Subsidiary, by reason of the transfer of Grantee's employment among the Company and its Subsidiaries or if Grantee is absent on leave approved by a duly constituted officer of the Company or its Subsidiaries.

4. **Alternative Vesting of PRSUs.** Notwithstanding the provisions of **Section 3** of this Agreement, and subject to the payment provisions of **Section 6** hereof, some or all of the PRSUs will Vest under the following circumstances:

(a) **Death or Disability:** If Grantee dies or become permanently disabled while in the employ of the Company or a Subsidiary, then Grantee will Vest in a number of PRSUs equal to the product of (i) the number of PRSUs in which Grantee would have Vested in accordance with the terms and conditions of **Section 3** if Grantee had remained in the continuous employ of the Company or a Subsidiary from the Date of Grant until the end of the Performance Period or the occurrence of a Change in Control to the extent a Replacement Award is not provided, whichever occurs first, multiplied by (ii) a fraction (in no case greater than 1) the numerator of which is the number of whole months from the first day of the Performance Period through the date of such death or permanent disability and the denominator of which is 36. PRSUs that Vest in accordance with this **Section 4(a)** will be paid as provided for in **Section 6** of this Agreement. As used herein, "**permanently disabled**" means that Grantee has qualified for long-term disability benefits under a disability plan or program of the Company or a Subsidiary or, in the absence of a disability plan or program of the Company or a Subsidiary, under a government-sponsored disability program, and is "**disabled**" within the meaning of Section 409A(a)(2)(C) of the Code. As used in this Agreement, "**Code**" means the Internal Revenue Code of 1986, as amended, including any regulations or any other formal guidance promulgated by the U.S. Department of the Treasury or the Internal Revenue Service with respect to the Sections of the Code referenced in this Agreement.

(b) **Retirement:** If Grantee retires with the Company's consent, then Grantee will Vest in a number of PRSUs equal to the product of (i) the number of PRSUs in which Grantee would have Vested in accordance with the terms and conditions of **Section 3** if Grantee had remained in the continuous employ of the Company or a Subsidiary from the Date of Grant until the end of the Performance Period or the occurrence of a Change in Control to the extent a Replacement Award is not provided, whichever occurs first, multiplied by (ii) a fraction (in no case greater than 1) the numerator of which is the number of whole months from the first day of the Performance Period through the date of such retirement and the denominator of which is 36. PRSUs that Vest in accordance with this **Section 4(b)** will be paid as provided for in **Section 6** of this Agreement. As used herein, "**retire with the Company's consent**" means: (i) the retirement of Grantee prior to age 62 and when eligible to retire under a retirement plan of the Company or a Subsidiary, if the Board or the Committee determines that his or her retirement is for the convenience of the Company or a Subsidiary; or (ii) the retirement of Grantee at or after age 62 and when eligible to retire under a retirement plan of the Company or a Subsidiary.

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(c) Change in Control:

- (i) Upon a Change in Control occurring during the Restriction Period while Grantee is an employee of the Company or a Subsidiary or during the period that Grantee is deemed to be in the continuous employ of the Company or a Subsidiary pursuant to Section 4(a), 4(b), 4(d) or 4(e), to the extent the PRSUs have not been forfeited, then, notwithstanding any provision of this Agreement (including Exhibit A) to the contrary, (A) the Committee as constituted immediately before such Change in Control will determine and certify the number of earned PRSUs in accordance with Exhibit A to this Agreement which will be equal to the greater of (I) the actual achievement of the Performance Metrics as of the date of the Change in Control or (II) the target performance level of the PRSUs (the greater of clause (I) or (II), the "Change in Control Payout Level"), and (B) a number of the PRSUs will Vest (except to the extent that a Replacement Award is provided to Grantee for the PRSUs to continue, replace or assume the PRSUs covered by this Agreement) equal to the number of PRSUs earned at the Change in Control Payout Level, but in no event may negative discretion be exercised with respect to the number of PRSUs Vested. Any PRSUs that are not earned and do not Vest in accordance with this Section 4(c)(i) will terminate and be forfeited (except to the extent that a Replacement Award is provided). PRSUs that Vest in accordance with this Section 4(c)(i) will be paid as provided for in Section 6 of this Agreement.
- (ii) As used in this Agreement, a "Replacement Award" means an award (A) of service-based restricted share units with no performance-based vesting requirements, (B) that has a value at least equal to the value of the PRSUs earned at the Change in Control Payout Level, (C) that relates to publicly traded equity securities of the Company or its successor in the Change in Control (or another entity that is affiliated with the Company or its successor following the Change in Control), (D) the tax consequences of which, under the Code, if Grantee is subject to U.S. federal income tax under the Code, are not less favorable to Grantee than the tax consequences relative to the PRSUs, (E) that Vests in full (i.e., in a number that is no less than the Change in Control Payout Level) upon a termination of Grantee's employment with the Company or a Subsidiary or their successors in the Change in Control (or another entity that is affiliated with the Company or a Subsidiary or their successors following the Change in Control) (as applicable, the "Successor") for Good Reason by Grantee or without Cause by such employer or upon the death of Grantee or Grantee becoming permanently disabled (as defined in Section 4(a)), in each case prior to the end of the Performance Period and within a period of two years after the Change in Control, and (F) the other terms and conditions of which are not less favorable to Grantee than the terms and conditions of the PRSUs (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it conforms to the requirements of Treasury Regulation 1.409A-3(i)(5)(iv)(B) or otherwise does not result in the PRSUs or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the PRSUs if the requirements of the preceding sentence are satisfied. The determination of whether the conditions of this Section 4(c)(ii) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.
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- (iii) For purposes of **Section 4(c)(ii)**, “Cause” will be defined not less favorably with respect to Grantee than: any intentional act of fraud, embezzlement or theft in connection with the Grantee’s duties with the Successor, any intentional wrongful disclosure of secret processes or confidential information of the Successor, or any intentional wrongful engagement in any competitive activity that would constitute a material breach of Grantee’s duty of loyalty to the Successor, and no act, or failure to act, on the part of Grantee will be deemed “intentional” unless done or omitted to be done by Grantee not in good faith and without reasonable belief that Grantee’s action or omission was in or not opposed to the best interest of the Successor; provided, that for any Grantee who is party to an individual severance or employment agreement defining Cause, “Cause” will have the meaning set forth in such agreement. Also for purposes of **Section 4(c)(ii)**, “Good Reason” means: a material reduction in the nature or scope of the responsibilities, authorities or duties of Grantee attached to Grantee’s position held immediately prior to the Change in Control, or a change of more than 60 miles in the location of Grantee’s principal office immediately prior to the Change in Control, or a material reduction in Grantee’s remuneration upon or after the Change in Control; provided, that, no later than 90 days following an event constituting Good Reason, Grantee gives notice to the Successor of the occurrence of such event and the Successor fails to cure the event within 30 days following the receipt of such notice.
- (iv) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding PRSUs which at the time of the Change in Control are not subject to a “substantial risk of forfeiture” (within the meaning of Section 409A of the Code) will be deemed to be Vested at the time of such Change in Control and will be paid as provided for in **Section 6** of this Agreement.
- (d) **Divestiture:** If Grantee’s employment with the Company or a Subsidiary terminates as the result of a divestiture, then Grantee will Vest in a number of PRSUs equal to the product of (i) the number of PRSUs in which Grantee would have Vested in accordance with the terms and conditions of **Section 3** if Grantee had remained in the continuous employ of the Company or a Subsidiary from the Date of Grant until the end of the Performance Period or the occurrence of a Change in Control to the extent a Replacement Award is not provided, whichever occurs first, multiplied by (ii) a fraction (in no case greater than 1) the numerator of which is the number of whole months from the first day of the Performance Period through the date of such termination and the denominator of which is 36. PRSUs that Vest in accordance with this **Section 4(d)** will be paid as provided for in **Section 6** of this Agreement. As used herein, the term “divestiture” means a permanent disposition to a Person other than the Company or any Subsidiary of a plant or other facility or property at which Grantee performs a majority of Grantee’s services, whether such disposition is effected by means of a sale of assets, a sale of Subsidiary stock or otherwise.
- (e) **Layoff:** If (i) Grantee’s employment with the Company or a Subsidiary terminates as the result of a layoff and (ii) Grantee is entitled to receive severance pay pursuant to the terms of any severance pay plan of the Company in effect at the time of Grantee’s termination of employment that provides for severance pay calculated by multiplying Grantee’s base compensation by a specified severance period, then Grantee will Vest in a number of PRSUs equal to the product of (x) the number of PRSUs in which Grantee would have Vested in accordance with the terms and conditions of **Section 3** if Grantee had remained in the continuous employ of the Company or a Subsidiary from the Date of Grant until the end of the Performance Period or the occurrence of a Change in Control to the extent a
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Replacement Award is not provided, whichever occurs first, multiplied by (y) a fraction (in no case greater than 1) the numerator of which is the number of whole months from the first day of the Performance Period through the end of the specified severance period and the denominator of which is 36. PRSUs that Vest in accordance with this **Section 4(e)** will be paid as provided for in **Section 6** of this Agreement. As used herein, “**layoff**” means the involuntary termination by the Company or any Subsidiary of Grantee’s employment with the Company or any Subsidiary due to (A) a reduction in force leading to a permanent downsizing of the salaried workforce, (B) a permanent shutdown of the plant, department or subdivision in which Grantee works, (C) an elimination of position; or (D) any or no reason, except for Cause, at the Company’s discretion; provided that a termination under clause (D) will constitute a “**layoff**” for purposes of this Agreement only (i) upon the prior approval of the Compensation Committee in the case of an executive officer, or (ii) upon the prior approval of the Executive Vice President—Human Resources and Corporate Relations or the Executive Vice President, General Counsel and Secretary in the case of any other terminated Grantee.

5. **Forfeiture of PRSUs.** Any PRSUs that have not Vested pursuant to **Section 3** or **Section 4** at the end of the Performance Period will be forfeited automatically and without further notice after the end of the Performance Period (or earlier if, and on such date that, Grantee ceases to be an employee of the Company or a Subsidiary prior to the end of the Performance Period for any reason other than as described in **Section 4**).
  6. **Form and Time of Payment of PRSUs.**
    - (a) **General.** Subject to **Section 5**, **Section 6(b)**, and **Section 6(c)**, payment for Vested PRSUs will be made in cash or Common Shares (as determined by the Committee) in the year following the last day of the Performance Period but in no event later than March 15 of that year.
    - (b) **Change in Control.** Notwithstanding **Section 6(a)**, to the extent PRSUs are Vested on the date of a Change in Control, Grantee will receive payment for Vested PRSUs in cash or Common Shares (as determined by the Committee) on the date of the Change in Control; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and where Section 409A of the Code applies to such distribution, Grantee will receive the corresponding payment on the date that would have otherwise applied pursuant to this **Section 6**.
    - (c) **Payment Following a Change in Control.** Notwithstanding **Section 6(a)**, if, during the two-year period following a Change in Control, Grantee experiences a “separation from service” (within the meaning of Treasury Regulation section 1.409A-1(h)), the PRSUs that are Vested as of the date of such separation from service will be paid in cash or Common Shares (as determined by the Committee) within 10 days of the separation from service to the extent they have not been previously paid to Grantee; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and where Section 409A of the Code applies to such distribution, Grantee will receive the corresponding payment on the date that would have otherwise applied pursuant to this **Section 6**.
  7. **Dividend Equivalents.** Grantee will be credited with cash per PRSU equal to the amount of each cash dividend paid by the Company (if any) to holders of Common Shares generally with a record date occurring on or after the Date of Grant and prior to the time when the PRSUs are paid in accordance with **Section 6** hereof. Any amounts credited pursuant to the immediately preceding sentence will be subject to the same applicable terms and conditions (including
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earning, Vesting, payment, and forfeitability) as apply to the PRSUs based on which the dividend equivalents were credited, and such amounts will be paid in either cash or Common Shares, as determined by the Committee in its sole discretion, at the same time as the PRSUs to which they relate. If such amounts are paid in Common Shares, the number of shares so paid will be rounded down to the nearest whole number and will be determined by dividing such credited amounts by the Market Value per Share on the payment date.

8. Detrimental Activity and Recapture.

- (a) Notwithstanding anything in this Agreement to the contrary, in the event that, as determined by the Committee, Grantee engages in Detrimental Activity during employment with the Company or a Subsidiary, the PRSUs will be forfeited automatically and without further notice at the time of that determination. As used herein, "**Detrimental Activity**" means:
- (i) engaging in any activity, as an employee, principal, agent, or consultant, for another entity that competes with the Company in any actual, researched, or prospective product, service, system, or business activity for which Grantee has had any direct responsibility during the last two years of his or her employment with the Company or a Subsidiary, in any territory in which the Company or a Subsidiary manufactures, sells, markets, services, or installs such product, service, or system, or engages in such business activity;
  - (ii) soliciting any employee of the Company or a Subsidiary to terminate his or her employment with the Company or a Subsidiary;
  - (iii) the disclosure to anyone outside the Company or a Subsidiary, or the use in other than the Company's or one of its Subsidiary's business, without prior written authorization from the Company, of any confidential, proprietary or trade secret information or material relating to the business of the Company and its Subsidiaries, acquired by Grantee during his or her employment with the Company or its Subsidiaries or while acting as a director of or consultant for the Company or its Subsidiaries thereafter;
  - (iv) the failure or refusal to disclose promptly and to assign to the Company upon request all right, title and interest in any invention or idea, patentable or not, made or conceived by Grantee during employment by the Company and any Subsidiary, relating in any manner to the actual or anticipated business, research or development work of the Company or any Subsidiary or the failure or refusal to do anything reasonably necessary to enable the Company or any Subsidiary to secure a patent where appropriate in the United States and in other countries;
  - (v) activity that results in Termination for Cause. For purposes of this **Section 8(a)(v)**, "**Termination for Cause**" means a termination: (A) due to Grantee's willful and continuous gross neglect of his or her duties for which he or she is employed; or (B) due to an act of dishonesty on the part of Grantee constituting a felony resulting or intended to result, directly or indirectly, in his or her gain for personal enrichment at the expense of the Company or a Subsidiary; or
  - (vi) any other conduct or act determined to be injurious, detrimental or prejudicial to any significant interest of the Company or any Subsidiary unless Grantee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company.
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Nothing in this Agreement prevents Grantee from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity, Grantee is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

- (b) If a Restatement occurs and the Committee determines that Grantee is personally responsible in whole or in part for causing the Restatement as a result of Grantee's personal misconduct or any fraudulent activity on the part of Grantee, then the Committee has discretion to, based on applicable facts and circumstances and subject to applicable law, cause the Company to recover all or any portion (but no more than 100%) of the PRSUs (plus dividend equivalent payments) earned or payable to Grantee for some or all of the years covered by the Restatement. The amount of any earned or payable PRSUs (and dividend equivalent payments) recovered by the Company will be limited to the amount by which such earned or payable PRSUs (and dividend equivalent payments) exceeded the amount that would have been earned by or paid to Grantee had the Company's financial statements for the applicable restated fiscal year or years been initially filed as restated, as reasonably determined by the Committee. The Committee also will determine whether the Company will effect any recovery under this **Section 8(b)** by: (i) seeking repayment from Grantee; (ii) reducing, except with respect to any non-qualified deferred compensation under Section 409A of the Code, the amount that would otherwise be payable to Grantee under any compensatory plan, program or arrangement maintained by the Company (subject to applicable law and the terms and conditions of such plan, program or arrangement); (iii) by withholding, except with respect to any non-qualified deferred compensation under Section 409A of the Code, payment of future increases in compensation (including the payment of any discretionary bonus amount) that would otherwise have been made to Grantee in accordance with the Company's compensation practices; or (iv) by any combination of these alternatives. As used herein, "**Restatement**" means a restatement (made within 24 months of the publication of the financial statements that are required to be restated) of any part of the Company's financial statements for any fiscal year or years beginning with the year in which the Date of Grant occurs due to material noncompliance with any financial reporting requirement under the U.S. securities laws applicable to such fiscal year or years. Notwithstanding anything in this Agreement to the contrary, Grantee acknowledges and agrees that this Agreement and the award described herein (and any settlement thereof) are subject to the terms and conditions of the Company's clawback policy (if any) as may be in effect from time to time, including specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Common Shares are traded) (the "**Compensation Recovery Policy**"), and that this **Section 8** will be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.
9. **Compliance with Law.** The Company will not be obligated to issue any of the Common Shares covered by this Agreement if the issuance thereof would result in violation of any law or regulation to which the Company is subject.
10. **Adjustments.** Subject to **Section 11** of the Plan, the Committee will make or provide for such adjustments in the number of and kind of Common Shares covered by the PRSUs, or in other award terms, as the Committee, in its sole discretion, exercised in good faith, determines is equitably required to prevent dilution or enlargement of Grantee's rights under this Agreement that otherwise would result from any (a) extraordinary cash dividend, stock dividend, stock split,
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combination of shares, recapitalization or other change in the capital structure of the Company, (b) merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities involving the Company or (c) any other transaction or event having an effect similar to any of those referred to in **Section 10(a)** or **10(b)** hereof.

11. **Withholding Taxes.** If the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with Grantee's right to receive Common Shares or cash under this Agreement, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of any such Common Shares or cash (or the realization of any other benefit provided for under this Agreement) that Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts. Grantee may satisfy such tax obligation by paying the Company cash via personal check. Alternatively, unless otherwise determined by the Committee, Grantee may elect that all or any part of such tax obligation be satisfied by the Company's retention of a portion of the Common Shares provided for under this Agreement or by Grantee's surrender of a portion of the Common Shares that he or she has owned. In no event, however, shall the Company accept Common Shares for payment of taxes in excess of required tax withholding rates (unless such higher withholding amounts would not result in adverse accounting implications for the Company and the additional withholding amount is authorized by the Committee). If Grantee's benefit is to be received in the form of Common Shares, and Grantee fails to make arrangements for the payment of required taxes or other amounts, then, unless otherwise determined by the Committee, the Company will withhold Common Shares having a value equal to the amount required to be withheld. Further, notwithstanding anything in this Section 11 to the contrary, if at any time (a) Grantee is subject to reporting as a Director or an "officer" for purposes of Section 16 of the Exchange Act, (b) withholding is required with respect to the award evidenced by this Agreement, and (c) Grantee is subject to trading restrictions pursuant to a periodic or special closed trading window for the Company under its insider trading policies, then the Company shall withhold Common Shares otherwise payable to Grantee under this award in order to satisfy such withholding, with the number of Common Shares withheld having a value equal to the amount required to be withheld. The Common Shares used for tax withholding will be valued at an amount equal to the fair market value of such Common Shares on the date the applicable benefit is to be included in Grantee's income.
  12. **Rights as a Shareholder.** Grantee will not have any rights as a Shareholder with respect to any Common Shares granted to him or her under this Agreement prior to the date as of which he or she is actually recorded as the holder of such Common Shares upon the share records of the Company.
  13. **Right to Terminate Employment.** Nothing in this Agreement limits in any way whatsoever any right the Company or a Subsidiary may otherwise have to terminate the employment of Grantee at any time.
  14. **Relation to Other Benefits.** Any economic or other benefit to Grantee under this Agreement or the Plan will not be taken into account in determining any benefits to which Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and will not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.
  15. **Amendments.** Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent the amendment is applicable to this Agreement; provided, however, that (a) no amendment will adversely affect in a material manner the rights of Grantee with respect to the
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Common Shares or other securities covered by this Agreement without Grantee's consent and (b) Grantee's consent will not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 10D of the Exchange Act. Notwithstanding the foregoing, the limitation requiring the consent of Grantee to certain amendments will not apply to any amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code.

16. Severability. In the event one or more of the provisions of this Agreement is unenforceable or is invalidated for any reason by a court of competent jurisdiction, such provision will be deemed to be separable from the other provisions of this Agreement, construed or deemed amended or limited in scope to conform to the applicable laws or, in the discretion of the Committee, such provision will be stricken and the remaining provisions of this Agreement will continue to be valid and fully enforceable.
17. Governing Law. This Agreement is made under, and will be construed in accordance with, the internal substantive laws of the State of Ohio.
18. Compliance with Section 409A of the Code. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to Grantee. This Agreement and the Plan will be administered in a manner consistent with this intent. Notwithstanding any provision of the Agreement to the contrary, if, at the time of Grantee's separation from service (within the meaning of Section 409A of the Code), (a) Grantee is a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (b) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the first business day of the seventh month after Grantee's separation from service.

[SIGNATURES ON FOLLOWING PAGE]

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The undersigned Grantee hereby acknowledges receipt of an executed original of this Agreement and accepts the award of PRSUs covered hereby, subject to the terms and conditions of the Plan and the terms and conditions herein above set forth.

\_\_\_\_\_  
Grantee

Date: \_\_\_\_\_

This Agreement is executed by the Company on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

TimkenSteel Corporation

By \_\_\_\_\_

Kristine C. Syrvalin  
Executive Vice President, General Counsel & Secretary

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## Exhibit A

### Statement of Management Objectives

This Statement of Management Objectives applies to the PRSUs granted to the Grantee on the Date of Grant memorialized the Agreement. Capitalized terms used in the Agreement that are not specifically defined in this Statement of Management Objectives have the meanings assigned to them in the Agreement or in the Plan, as applicable.

Section 1. Definitions. For purposes hereof:

- (a) **“Peer Group”** means, of a benchmark group of 16 entities, the names of which are attached hereto as Annex A, those entities that remain in the Peer Group as of the end of the Performance Period (or the date of the Change in Control if Section 1(e)(ii) of this Exhibit A is applicable) after application of the Peer Group Adjustment Protocol.
  - (b) **“Peer Group Adjustment Protocol”** means: (i) if an entity listed in Annex A files for bankruptcy and/or liquidation, is operating under bankruptcy protection, or is delisted from its primary stock exchange because it fails to meet the exchange listing requirement, then such entity will remain in the Peer Group, but RTSR for the Performance Period will be calculated as if such entity achieved Total Shareholder Return placing it at the bottom (chronologically, if more than one such entity) of the Peer Group; (ii) if, by the last day of the Performance Period (or the date of the Change in Control if Section 1(e)(ii) of this Exhibit A is applicable), an entity listed in Annex A has been acquired, or has announced that it has entered into a definitive agreement the consummation of which will result in such entity’s acquisition, and/or the entity is no longer existing as a public company that is traded on its primary stock exchange (other than for the reasons as described in subsection (i) above), then such entity will not remain in the Peer Group and RTSR for the Performance Period will be calculated as if such entity had never been a member of the Peer Group; and (iii) except as otherwise described in subsection (i) and (ii) above, for purposes of this Statement of Management Objectives, for each of the entities listed in Annex A, such entity will be deemed to include any successor to all or substantially all of the primary business of such entity at end of the Performance Period.
  - (c) **“Relative Total Shareholder Return”** or **“RTSR”** means the percentile rank of the Company’s Total Shareholder Return among the Total Shareholder Returns of all members of the Peer Group (including the Company), ranked in descending order, at the end of each of the first year, first two years and full three years, respectively, of the Performance Period, as applicable (each, a “Nested Period”) (or the date of the Change in Control if Section 1(e)(ii) of this Exhibit A is applicable).
  - (e) **“Total Shareholder Return”** means, for each Nested Period, with respect to each of the Common Shares and the common stock of each of the members of the Peer Group, a rate of return reflecting stock price appreciation, plus the reinvestment of dividends in additional shares of stock, from the beginning of the Performance Period through the end of such Nested Period. Total Shareholder Return will be calculated as follows:
    - (i) Except as provided in clause (ii), for each Nested Period, Total Shareholder Return will be calculated for the Company and each member of the Peer Group by measuring the ending stock price for the applicable calendar year against the beginning price at the start of the Performance Period. For purposes of calculating Total Shareholder Return for each of the Company and the members of the Peer Group, the beginning stock price will be based on the average closing stock price for the 20 trading days immediately preceding the first day of the Performance Period on the principal stock exchange on which the stock then traded and the ending stock price for the applicable calendar year during the Nested Period will be based on the average closing stock
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price for the 20 trading days ending on December 31 of such applicable calendar year in the Nested Period on the principal stock exchange on which the stock then trades.

(ii) If a Change in Control occurs during the Restriction Period, and **Section 4(c)** of the Agreement applies to the PRSUs, (A) for purposes of determining Total Shareholder Return, the last day of the Performance Period will be the date of the Change in Control, and (B) Total Shareholder Return for the last Nested Period during the Performance Period will be calculated for the Company and each member of the Peer Group using a beginning stock price based on the average closing stock price for the 20 trading days immediately preceding the first day of the Performance Period on the principal stock exchange on which the stock then traded, and the ending stock price for the Company will be the "Sale Price" (as defined below) and for each member of the Peer Group will be based on the average closing stock price for the 20 trading days ending on the date of the Change in Control on the principal stock exchange on which the stock then traded. The "**Sale Price**" will be the amount of consideration per Common Share that shareholders of the Company receive upon consummation of the Change in Control (including the fair market value, as determined by the Committee, of any non-cash consideration); provided that if the Change in Control is not the result of a transaction in which shareholders receive consideration, the "**Sale Price**" will be the closing price of a Common Share on the last trading day immediately preceding the date of the Change in Control.

Section 2. Performance Matrices.

For each Nested Period during the Performance Period, from 0% to 200% of the PRSUs will be deemed to be the payout percentage ("Payout Percentage") for such Nested Period based on achievement of the Management Objectives measured by RTSR performance during the Nested Period, in each case as follows (with the percentage of PRSUs (rounded to the nearest whole PRSU) earned for the entire Performance Period (including in the event of a Change in Control occurring during the Restriction Period) determined by averaging (rounded to two decimal places) the Payout Percentages calculated for the Nested Periods occurring during the Performance Period; provided, however, notwithstanding the percentage determined by averaging the Payout Percentages calculated for the Nested Periods, if RTSR performance for the full three-years of the Performance Period is negative, the percentage of PRSUs earned for the entire Performance Period will be limited to and may not exceed 150% ):

Performance Level	Relative Total Shareholder Return	Payout Percentage
Below Threshold	Ranked below 25th percentile	0%
Threshold	Ranked at 25th percentile	50%
Target	Ranked at 50th percentile	100%
Above Target	Ranked at or above 75th percentile	150%
Maximum	Ranked at or above 90th percentile	200%

Section 3. Number of PRSUs Earned. The Committee will determine whether and to what extent the goals relating to the Management Objectives described herein have been satisfied for the Performance Period and will determine the number of PRSUs that will become earned hereunder and under the Agreement on the basis of the following:

- (a) Below Threshold. If, upon the conclusion of a Nested Period, RTSR for the Nested Period falls below the threshold level, as set forth in the Performance Matrices, the Payout Percentage will be zero for such Nested Period.
  - (b) Threshold. If, upon the conclusion of a Nested Period, RTSR for the Nested Period equals the threshold level, as set forth in the Performance Matrices, 50% will be the Payout Percentage for such Nested Period.
  - (c) Between Threshold and Target. If, upon the conclusion of a Nested Period, RTSR for the Nested Period exceeds the threshold level, but is less than the target level, as set forth in the
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Performance Matrices, a percentage between 50% and 100% (determined on the basis of straight-line mathematical interpolation) will be the Percentage Payout for such Nested Period.

- (d) Target. If, upon the conclusion of a Nested Period, RTSR for the Nested Period equals the target level, as set forth in the Performance Matrices, 100% will be the Payout Percentage for such Nested Period.
  - (e) Between Target and Above Target. If, upon the conclusion of a Nested Period, RTSR for the Nested Period exceeds the target level, but is less than the above target level, as set forth in the Performance Matrices, a percentage between 100% and 150% (determined on the basis of straight-line mathematical interpolation) will be the Payout Percentage for such Nested Period.
  - (f) Above Target. If, upon the conclusion of a Nested Period, RTSR for the Nested Period equals the above target level, as set forth in the Performance Matrices, 150% will be the Payout Percentage for such Nested Period.
  - (g) Between Above Target and Maximum. If, upon the conclusion of a Nested Period, RTSR for the Nested Period exceeds the above target level, but is less than the maximum level, as set forth in the Performance Matrices, a percentage between 150% and 200% (determined on the basis of straight-line mathematical interpolation) will be the Payout Percentage for such Nested Period.
  - (f) Equals or Exceeds Maximum. If, upon the conclusion of a Nested Period, RTSR for the Nested Period equals or exceeds the maximum level, as set forth in the Performance Matrices, 200% will be the Payout Percentage for such Nested Period.
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## 2022 Peer Group

Company Name	Ticker Symbol
Allegheny Technologies Incorporated	ATI
Ampco-Pittsburgh Corporation	AP
Carpenter Technology Corporation	CRS
Commercial Metals Company	CMC
Friedman Industries, Incorporated	FRD
Haynes International, Inc.	HAYN
Nucor Corporation	NUE
Olympic Steel, Inc.	ZEUS
Reliance Steel & Aluminum Company	RS
Ryerson Holding Corporation	RYI
Schnitzer Steel Industries	SCHN
Steel Dynamics, Inc.	STLD
Synalloy Corporation	SYNL
United States Steel Corporation	X
Universal Stainless & Alloy Products, Inc.	USAP
Worthington Industries, Inc.	WOR

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**TIMKENSTEEL CORPORATION**  
**AMENDED AND RESTATED**  
**ANNUAL PERFORMANCE AWARD PLAN**  
**(Effective as of January 1, 2022)**

**Purpose**

The purpose of the TimkenSteel Corporation Annual Performance Award Plan (the “Plan”) is to promote the profitable growth of TimkenSteel Corporation (the “Company”) by:

- Recognizing corporate, business unit (if applicable) and individual performance achievement.
- Attracting, motivating and retaining superior talent.

**Administration**

It is the responsibility of senior management of the Company to execute the provisions of the Plan (except for such responsibilities as are specifically reserved by the Plan for the Compensation Committee). The Compensation Committee (the “Committee”) approves financial goals, participation, target incentive awards, actual incentive awards, timing of payment and other actions necessary to the administration of the Plan.

**Participation**

The participant group includes Company executive officers and other key employees of the Company and its subsidiaries who are designated as participants by the Committee or its designee.

**Incentive Opportunity**

Each position is assigned a target incentive expressed as a percentage of annual base salary. The targets are based on market data for companies that are similar for compensation purposes, including companies of similar size and similar industries. The targets are reviewed annually by management, and the Committee will approve all target incentives for executive officers.

The full target incentive opportunity represents an appropriate incentive award if performance standards are met for corporate, business unit (if applicable) and individual results.

Incentive funds for the established components—corporate and business unit (if applicable) — will be developed independently based on performance achievement versus the goal(s) for each component. The actual value of each component can range from 0% to 200% of target based on performance.

The Committee may also utilize certain performance metrics as a “modifier” (for example, a safety modifier), which will have the effect of increasing or decreasing the total payout achieved on the corporate and business unit (if applicable) metrics if such performance metric modifier is achieved or not achieved, respectively.

For most participants, the total incentive will be the sum of the amounts for corporate and business unit (if applicable) results, as adjusted for any applicable performance metric modifier, multiplied by the individual results. The weightings for each component can vary dependent on the assigned grades for participants.

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The allocations to corporate, business unit (if applicable) and individual performance will be reviewed annually and changes to the allocations will be determined by senior management (or with respect to any changes to allocations applicable to executive officer incentive opportunities, by the Committee).

## **Performance Measures**

### ***Corporate and Business Unit Components***

At the beginning of each year (or, in the case of the year in which this Plan becomes effective, no later than the 60th day after the initial effective date of the Plan), the Committee will specify the financial or non-financial performance measures to be used to evaluate corporate and business unit (if applicable) performance for the coming year. Potential performance measures include, but are not limited to:

- Cash flow (including free cash flow)
- Comparisons with various stock market indices
- Continuous improvement
- Cost of capital
- Customer service
- Debt reduction
- Earnings growth (including earnings per share, earnings before interest and taxes and earnings before interest, taxes, depreciation and amortization)
- Financial performance exceeding that of peer/competitor companies
- Gross profits
- Improvement of shareholder return
- Inventory management
- Net income
- Productivity improvement
- Profit after taxes
- Quality
- Recruitment and development of excellent employees with emphasis on diversity
- Reduction of fixed costs
- Return on assets
- Return on equity
- Return on invested capital (EBIT/BIC)
- Safety
- Sales from new products
- Sales growth
- Successful start-up of new facility
- Successful acquisition/divestiture
- Working capital
- Economic profit

For the corporate and business unit (if applicable) components of the Plan, the size of the award will be determined by the degree to which targets are achieved for each measure within that component. Awards for corporate and business unit (if applicable) performance that falls between threshold, target and maximum will be interpolated unless established otherwise at the beginning of the plan year.

If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, the manner in which it conducts business or other events or circumstances render the performance

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objectives to be unsuitable, the Committee may modify such performance objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate.

### ***Individual Component***

Individual performance goals will be established for each participant consistent with the Company's performance management process. The participant's supervisor (or with respect to executive officer participants, the Committee) will assess the participant's performance against these goals and the final performance rating category assigned to the employee will then determine the individual multiplier to be applied to the sum of the corporate and business unit (if applicable) awards. While the individual multiplier can range from 0% to 130% for a specific individual, the sum of all individual incentive awards for all participants must not exceed 100% of the final total fund.

### **Award Determination**

A participant's incentive award will be determined by adding the value of each of the applicable components (corporate and business unit (if applicable)) times the individual multiplier once performance is considered. The sum of all participant incentive determinations will equal the total fund.

### **Incentive Payments**

At the end of the year, senior management will determine whether corporate performance has exceeded the minimum performance requirement for paying incentives. Senior management will recommend to the Committee the total fund based on its assessment of performance achievement at corporate and business unit (if applicable) levels. The Committee may make further adjustments to such management recommendations based on its assessment of financial and non-financial performance.

For the avoidance of doubt, the Committee will determine and measure achievement of corporate and individual goals and objectives for executive officers under the Plan.

Awards under the Plan will be paid in cash as soon as practicable after the Committee's determination of the award payments. For U.S. participants, in no event will the awards be paid later than two and one-half months after the close of the last fiscal year of the Company to which the award relates.

For U.S. participants, one hundred percent of awards under the Plan will be included in earnings for the purpose of calculating 401(k) plan benefits. Awards will not be included for purposes of any other employee benefits plans, except long-term disability.

### **Recovery of Incentive Payments**

If any restatement of any part of the Company's financial statements for any fiscal year or years due to material noncompliance with any financial reporting requirement under the U.S. securities laws applicable to such fiscal year or years occurs (a "Restatement") and the Committee determines that a participant is personally responsible for causing the Restatement as a result of the participant's personal misconduct or any fraudulent activity on the part of the participant, then the Committee has discretion to, based on applicable facts and circumstances and subject to applicable law, cause the Company to recover all or any portion (but no more than 100%) of the incentive payments paid or payable to the participant for some or all of the years covered by the Restatement. The amount of any incentive payments recovered by the Company shall be limited to the amount by which such incentive payments exceeded the amount that would have been paid to or received by the participant had the Company's financial statements for the applicable restated fiscal year or years been initially filed as restated, as reasonably determined by the Committee. Unless otherwise required by applicable law or regulation, the Company may seek recovery of any incentive payments under this Plan only if the restatement occurs within thirty-six (36) months of the publication of the financial statements that are required to be restated.

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The Committee shall also determine whether the Company shall effect any recovery by: (a) seeking repayment from the participant; (b) reducing, except with respect to any non-qualified deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended, the amount that would otherwise be payable to the participant under any compensatory plan, program or arrangement maintained by the Company (subject to applicable law and the terms and conditions of such plan, program or arrangement); (c) by withholding, except with respect to any non-qualified deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended, payment of future increases in compensation (including the payment of any discretionary bonus amount) that would otherwise have been made to the participant in accordance with the Company's compensation practices; or (d) by any combination of these alternatives.

**No Right to Bonus or Continued Employment**

Neither the establishment of the Plan, the provision for or payment of any amounts hereunder nor any action of the Company, the Board of Directors of the Company or the Committee with respect to the Plan shall be held or construed to confer upon any person (a) any legal right to receive, or any interest in, an incentive payment or any other benefit under the Plan or (b) any legal right to continue to serve as an officer or employee of the Company or any subsidiary thereof.

**Withholding**

The Company shall have the right to withhold, or require a participant to remit to the Company, an amount sufficient to satisfy any applicable federal, state, local or foreign withholding tax requirements imposed with respect to the payment of any incentive payment.

**Nontransferability**

Except as expressly provided by the Committee, the rights and benefits under the Plan shall not be transferable or assignable other than by will or the laws of descent and distribution.

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## CERTIFICATION

I, Michael S. Williams, certify that:

I have reviewed this quarterly report on Form 10-Q of TimkenSteel Corporation;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
2. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
3. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
4. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2022

/s/ Michael S. Williams

Michael S. Williams

Chief Executive Officer and President  
(Principal Executive Officer)

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## CERTIFICATION

I, Kristopher R. Westbrooks, certify that:

I have reviewed this quarterly report on Form 10-Q of TimkenSteel Corporation;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
2. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
3. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
4. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2022

/s/ Kristopher R. Westbrooks

Kristopher R. Westbrooks  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

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**CERTIFICATION**  
**Pursuant to 18 U.S.C. Section 1350,**  
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of TimkenSteel Corporation (the "Company") on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Date: May 4, 2022

/s/ Michael S. Williams  
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Michael S. Williams  
Chief Executive Officer and President  
(Principal Executive Officer)

Date: May 4, 2022

/s/ Kristopher R. Westbrooks  
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Kristopher R. Westbrooks  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

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