



Jefferies 2015 Global Industrials Conference, New York

MOVING TO ADVANCED ALLOYS

August 13, 2015

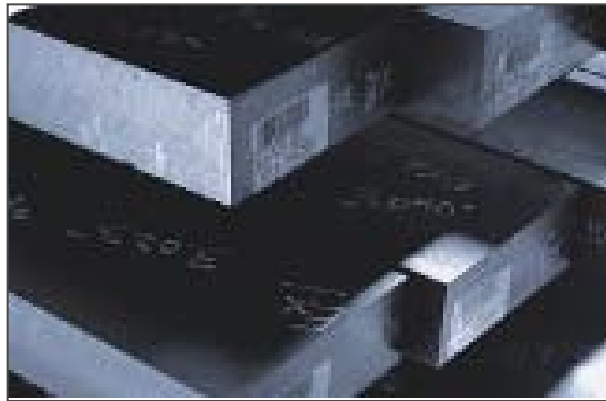
NASDAQ: USAP

univstainless.com

Forward Looking Statement



Except for historical information contained herein, the statements in this presentation are forward-looking statements that are made pursuant to the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from forecasted results. Those risks include, among others, the concentrated nature of the Company's customer base to date and the Company's dependence on its significant customers; the receipt, pricing and timing of future customer orders; changes in product mix; the limited number of raw material and energy suppliers and significant fluctuations that may occur in raw material and energy prices; risks related to property, plant and equipment, including the Company's reliance on the continuing operation of critical manufacturing equipment; risks associated with labor matters; the Company's ongoing requirement for continued compliance with laws and regulations, including applicable safety and environmental regulations; the ultimate outcome of the Company's current and future litigation and matters; risks related to acquisitions that the Company may make; and the impact of various economic, credit and market risk uncertainties. Many of these factors are not within the Company's control and involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to be materially different from any future performance suggested herein. Any unfavorable change in the foregoing or other factors could have a material adverse effect on the Company's business, financial condition and results of operations. Further, the Company operates in an industry sector where securities values may be volatile and may be influenced by economic and other factors beyond the Company's control. Certain of these risks and other risks are described in the Company's filings with the Securities and Exchange Commission (SEC) over the last 12 months, copies of which are available from the SEC or may be obtained upon request from the Company.



Fully integrated operations – single manufacturing system

Wide range of semi-finished and finished specialty steel products

Moving to technologically-advanced, higher margin alloys with North Jackson acquisition & plant upgrades

Relentless focus on operational improvement, customer service and safety

Prudent capital investment to optimize market position and drive profitable growth

Experienced management team, strong balance sheet

Integrated Operations: High Quality Products



Semi-Finished



Ingots



Reroll or Forging Billet



Plate

Bridgeville

Finished



Bloom Bar

Bridgeville



Forged Bar

North Jackson



Bar

Dunkirk



Rod and Wire



Special Shapes

Titusville

Company History: Transformational Acquisitions



1994 – Bridgeville, PA Facility – Purchase Price: \$3.7 Million

Established Company – with capability for melting and rolling semi-finished specialty steel products

1995 – Titusville, PA Facility – Purchase Price: \$1.8 Million

Expanded production capability for aerospace and power generation applications

2002 – Dunkirk Specialty Steel, Dunkirk, NY Facility – Purchase Price: \$4.1 Million

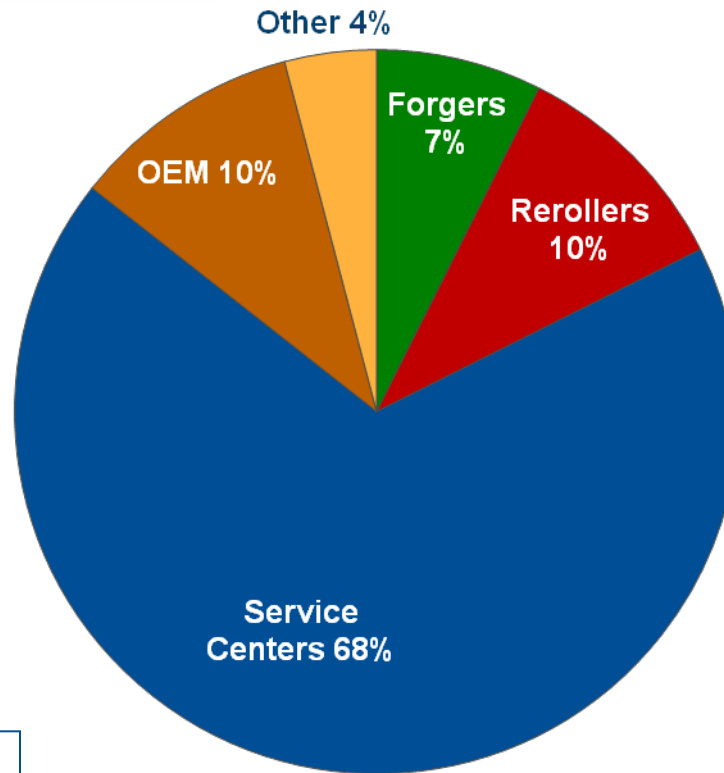
Finishing facility - transformed Company into fully integrated manufacturer of specialty steel products

2011 – North Jackson, Ohio Facility – Purchase Price: \$104.5 Million

Construction-stage facility with state-of-art Radial forge, Vacuum Induction Melting (**VIM**) furnace, Vacuum Arc Remelting (**VAR**) furnaces and other heat treating/finishing equipment

Fast-tracks Company move to technologically-advanced alloys for aerospace, power generation and oil & gas markets, accelerated profit growth

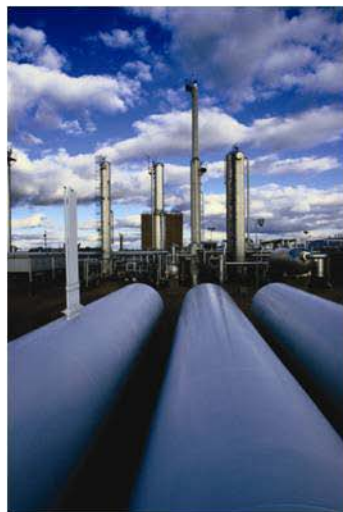
Universal Stainless Today: Sales by Customer Category – YTD 2015*



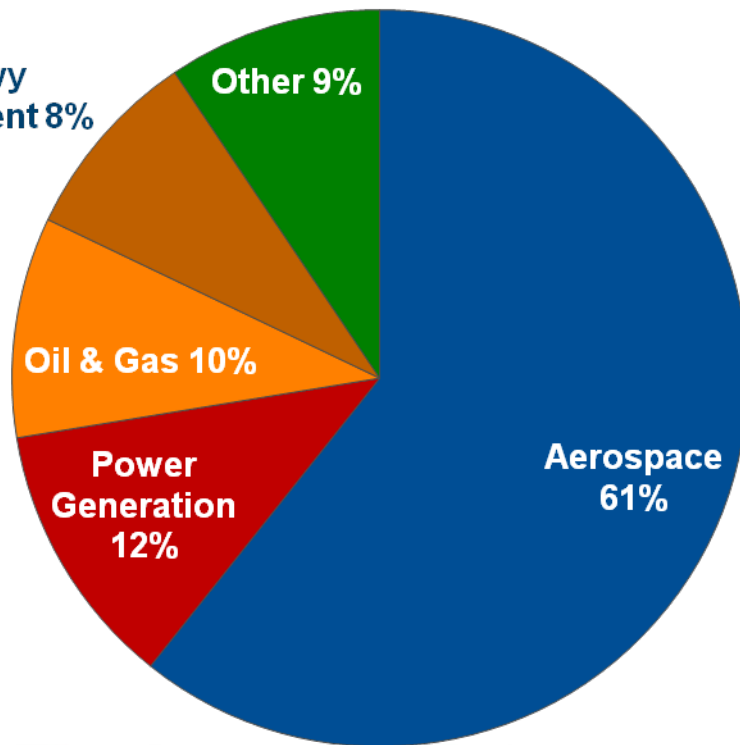
* For six months ended 6/30/15



Universal Stainless Today: Sales by End Market – YTD 2015*



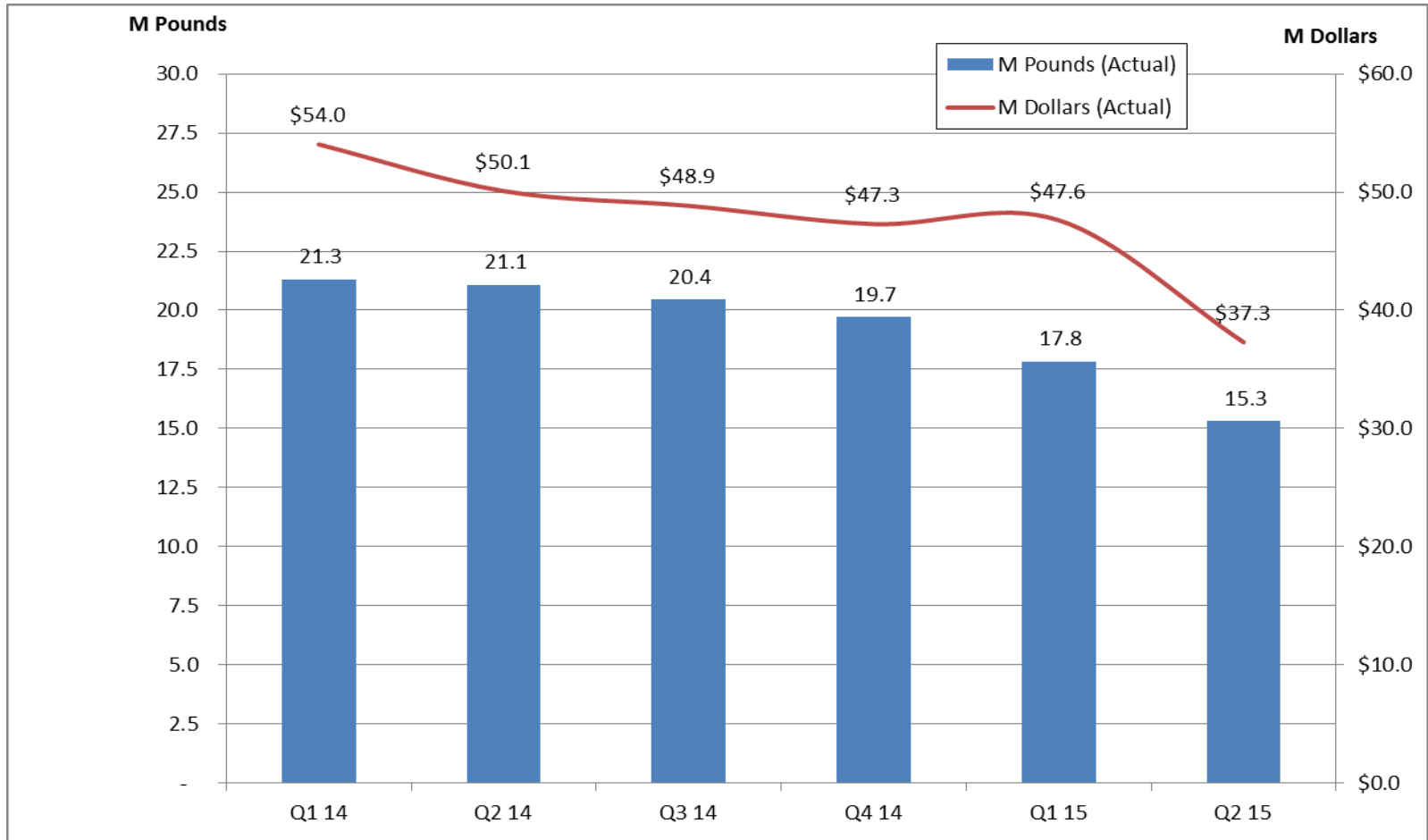
Heavy
Equipment 8%



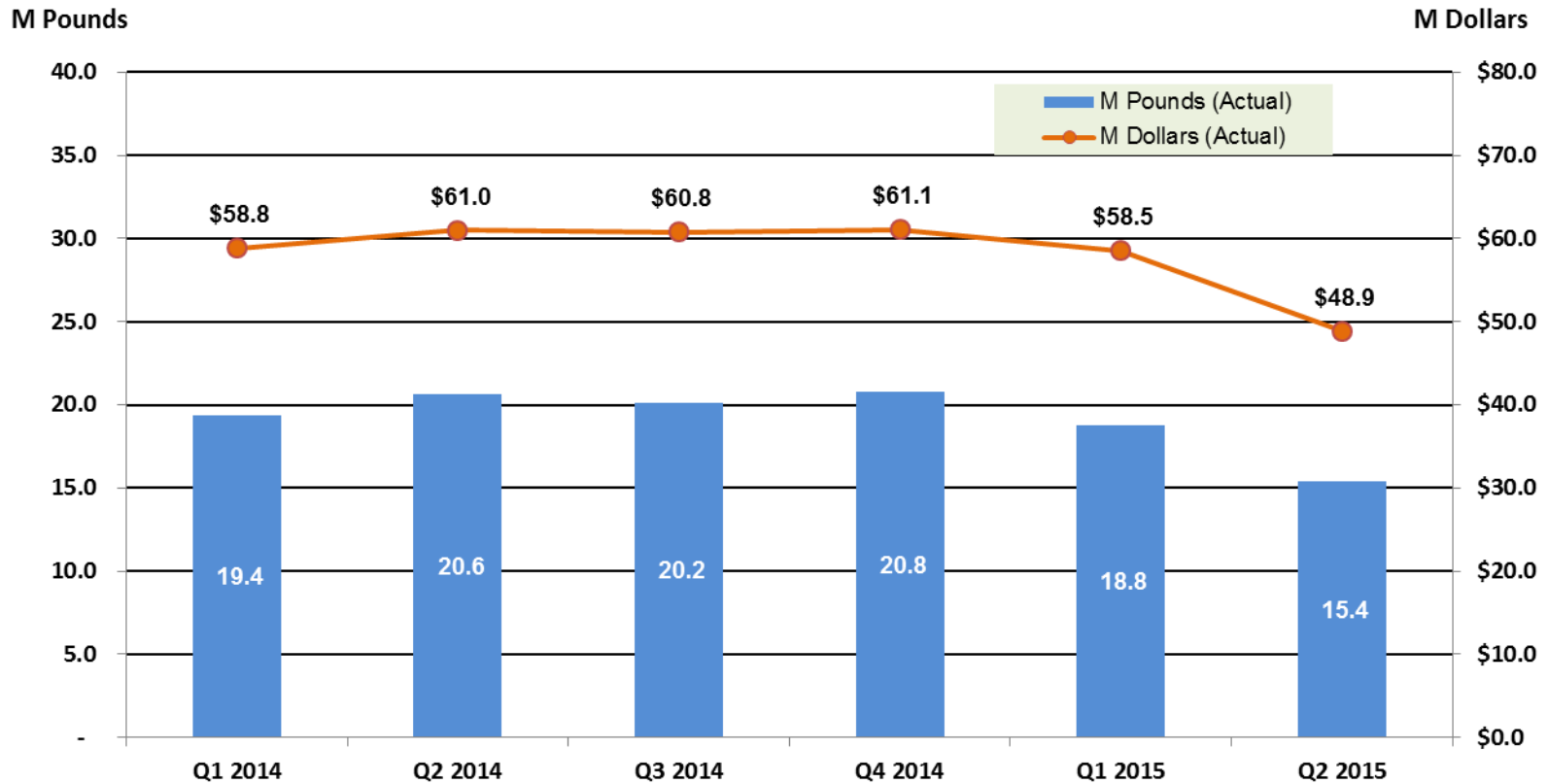
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Bookings Dropped Due to Commodity Price Head Winds



Backlog Fell on Lower Bookings



Demand Drivers:

- Growth in revenue passenger miles (RPM's)
- Next generation aircraft with lower fuel costs/other efficiencies/benefits = higher ROI for airlines
- Environmental concerns
- Aging fleets

Points to Consider:

- World passenger traffic expected to grow an average 5% annually over next 20 years
- Load factors now over 80.0%
- Annual airplane demand is projected to increase 35-40% over next decade
- Boeing & Airbus have 7-year backlogs
- 35,080 Total Deliveries (2014 – 2035)

USAP Opportunity:

- Expanded capabilities through the addition of North Jackson facility:
 - More USAP metal per aircraft
 - Higher value USAP alloys per aircraft
- Attaining qualified supplier status from OEM's expands potential customer base



Demand Drivers:

- Rapid growth of middle classes
- Availability & cost of natural gas
- Renewable energy support
- Technological advancements
- Environmental regulation

Points to Consider:

- Anemic new turbine business since 2006 = pent-up demand
- Natural gas has exceeded coal as fuel source
- GE PG Services growing 10-15%

USAP Opportunity:

- Expanding share in quick-turn maintenance market



Demand Drivers:

- Global demand for energy will continue to grow
- Growth in natural gas and renewables
- Implementation of advanced drilling technologies
- Increase in hostile drilling environments
- Fossil fuels still providing 78% of energy in 2035

Points to Consider:

- Sharp downturn in oil demand/pricing/E&P budgets
- Supply/demand dynamics off track
- Drop in demand for oil & gas grade metals = excess supply channel inventory
- Spillover effect into other metal grades/forms/markets

USAP Opportunity:

- North Jackson had expanded product offering, positioned to seize opportunities
- USAP YTD 2015 sales to oil & gas market up 6%



Demand Drivers:

- Automotive market: new models, model change-overs
- Off-road equipment: mining, agriculture, earth-moving construction

Points to Consider:

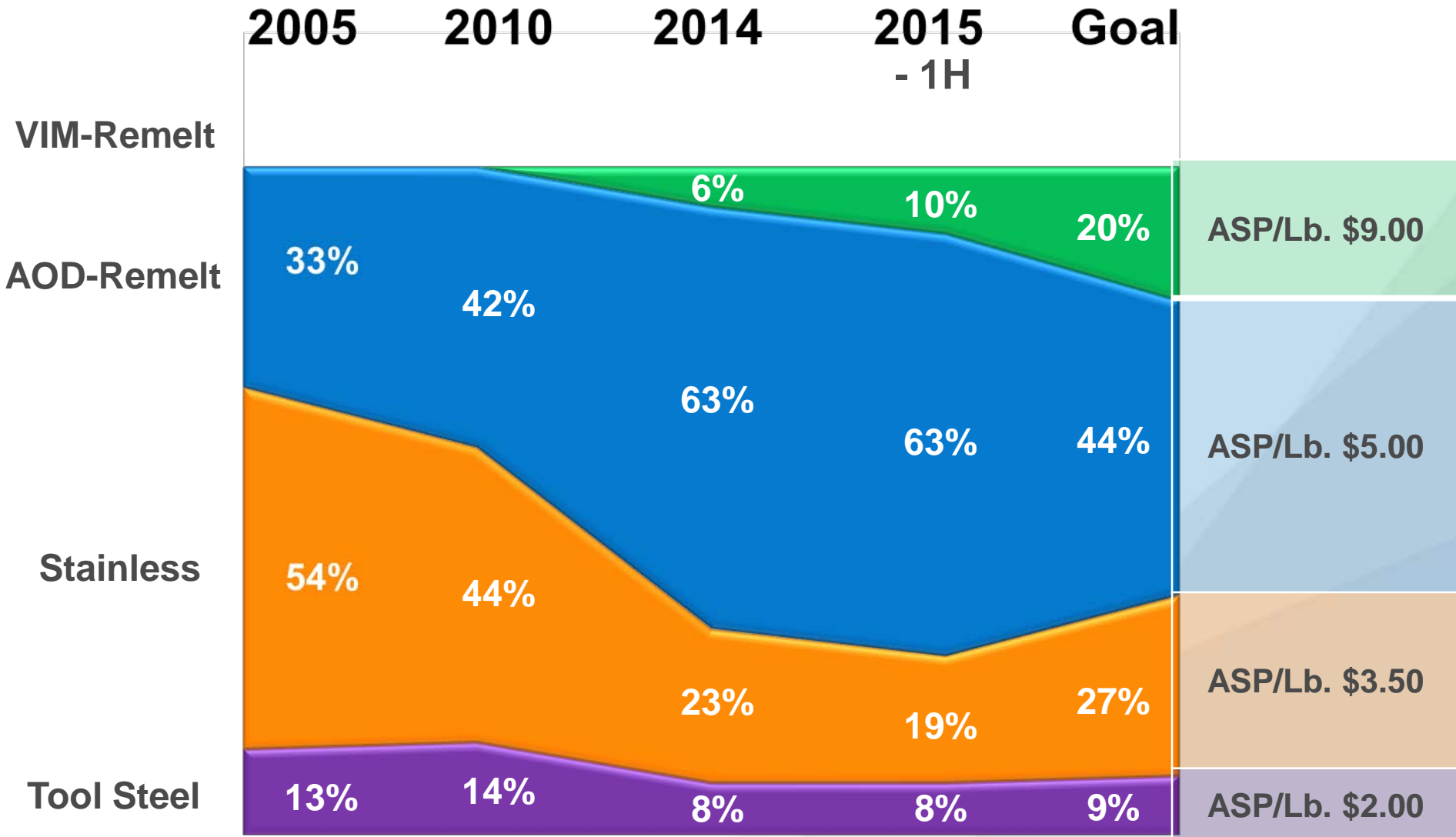
- U.S. light vehicle sales up 5.3% in July
- Light trucks and crossovers lead sales on lower gas prices/favorable credit
- GM has best July retail sales since 2007; Ford has best July U.S. sales since 2006



USAP Opportunity:

- USAP's ability to service the tool steel plate market with speed and reliability is yielding results despite import penetration

Universal Stainless Plan for Growth: Transform Product Portfolio



➔ **Increase USAP Margins**

- Improve cycle times, yields company-wide
- Reduce 3rd party costs with internal forge & finish capability
- Eliminate capacity constraints in re-melting
- Move up value chain with Vacuum Induction Melting (VIM) of technologically advanced premium metals
- Expand product and tolling reach with advanced radial hydraulic forging technology

➔ **Expand Addressable Markets**

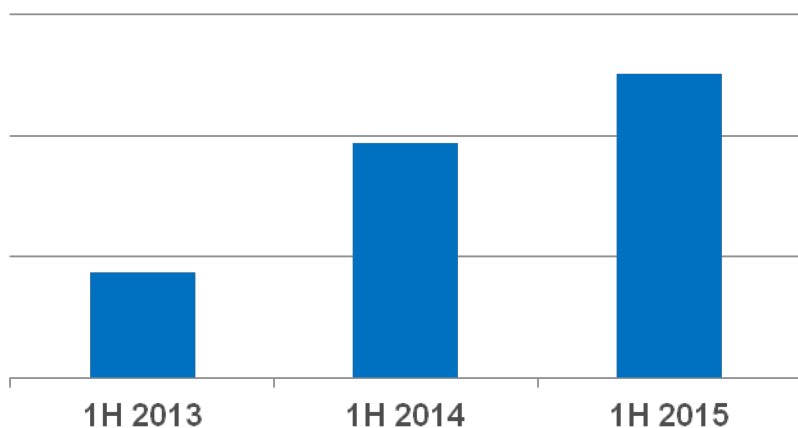
- Selected premium alloy markets in aerospace, power generation and oil & gas
- Larger and longer squares, rounds, bars and custom shapes
- International markets

➔ **Excel in Industry Lead-times and Customer Service**

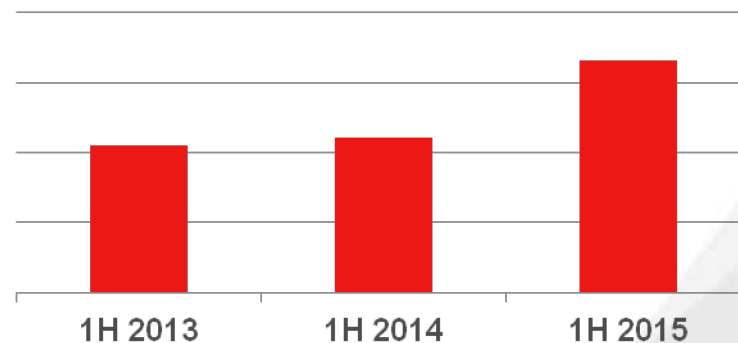
North Jackson Production and Premium Shipment Growth



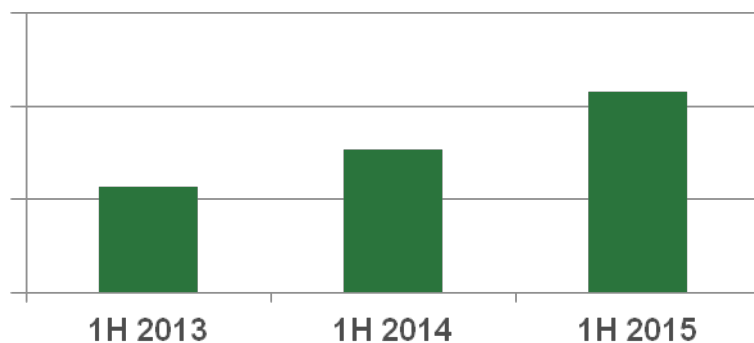
Forging



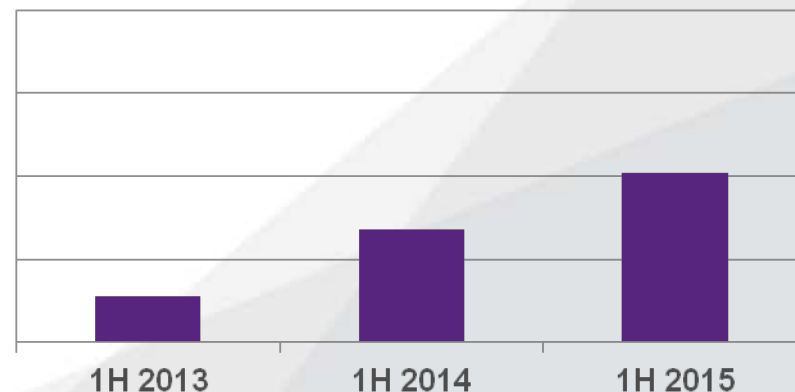
Heat Treating



VIM Melting



Premium Shipment



Forty Two Month Status Report:

New Customer Approvals: 40

New Products Commercialized: 37

New Products Currently Under Development: 10

Employee Growth: +30% with Focus on Advanced Alloy Technology

Premium Products as Percentage of Sales – YTD 2015: 8.7%

Manage through challenging business conditions

Secure targeted customer approvals for new products

**Advance Universal's single manufacturing system =
Legacy + North Jackson**

**Increase market share through customer service & new products
to existing/new customers**

**Continue to develop the organization for employee & USAP
growth**



Q2 Financial Results – Sales Down, Gross Profit Compression Due to Surcharge, Material Cost Misalignment



<i>(in millions, except for EPS)</i>	Q2 2015	Q1 2015	Q2 2014		1H 2015	1H 2014
Shipment Lbs	17.8	19.8	19.8		37.6	38.5
Sales (\$)	\$49.6	\$56.0	\$52.3		\$105.6	\$98.9
Gross Profit (\$)	\$5.2	\$5.7	\$8.4		\$10.9	\$14.5
% of Sales	10.5%	10.2%	16.1%		10.3%	14.6%
Operating Profit (\$)	\$0.2	\$1.0	\$3.2		\$1.2	\$4.7
Net Income (\$)	\$(0.4)	\$0..1	\$1.4		\$(0.2)	\$1.0
EPS (\$)	\$(0.05)	\$0.02	\$0.20		\$(0.03)	\$0.13

Balance Sheet Highlights



<i>(in millions)</i>	<i>June 30, 2015</i>	<i>March 31, 2015</i>	<i>Dec 31, 2014</i>
<i>Managed Working Capital</i>	\$110.0	\$108.7	\$105.8
<i>% of Annualized Sales</i>	55.4%	48.5%	49.6%
<i>Capital Spending</i>	\$2.8	\$3.0	\$11.1
<i>D& A</i>	\$4.6	\$4.6	\$17.5
<i>Tangible Net Assets</i>	\$184.5	\$184.2	\$183.4
<i>Tangible Net Assets/Share</i>	\$26.13	\$25.97	\$24.38
<i>Total Debt</i>	\$92.7	\$91.8	\$86.9
<i>Debt / Total Capital</i>	31.2%	31.0%	29.9%

Universal Stainless: Advancing Our Position to Serve Clients and Achieve Profitable Growth



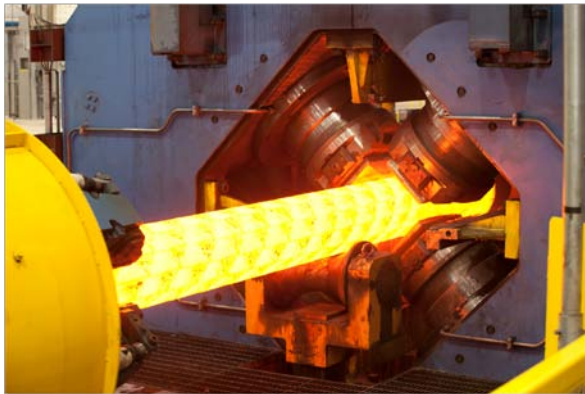
Successful progress in strategy execution has strengthened operations, expanded product offerings

Transformative acquisition of North Jackson expands addressable markets + moving up value chain in products

Growing ability to capture aerospace and oil & gas opportunities and better serve all end markets

Commitment to capital investment supported by solid operating cash flow and balance sheet

Experienced **management team relentlessly focused** on operational improvement, customer service, profitable growth





Questions & Answers

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Thank You

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