

AK STEEL HOLDING CORPORATION
First Quarter 2018
(unaudited)

Non-GAAP Financial Measures

In certain of our disclosures, we have reported adjusted EBITDA and adjusted EBITDA margin that exclude the effects of noncontrolling interests. EBITDA is an acronym for earnings before interest, taxes, depreciation and amortization. It is a metric that is sometimes used to compare the results of different companies by removing the effects of different factors that might otherwise make comparisons inaccurate or inappropriate. For purposes of this report, we have made adjustments to EBITDA to exclude the effect of noncontrolling interests. The adjusted results, although not financial measures under generally accepted accounting principles in the United States (“GAAP”) and not identically applied by other companies, facilitate the ability to analyze our financial results in relation to those of our competitors and to our prior financial performance by excluding items that otherwise would distort the comparison. Adjusted EBITDA and adjusted EBITDA margin are not, however, intended as alternative measures of operating results or cash flow from operations as determined in accordance with GAAP and are not necessarily comparable to similarly titled measures used by other companies.

Neither current nor potential investors in our securities should rely on adjusted EBITDA or adjusted EBITDA margin as a substitute for any GAAP financial measure, and we encourage current and potential investors to review the following reconciliations of adjusted EBITDA.

Reconciliation of Adjusted EBITDA

	Three Months Ended March 31,	
	2018	2017
Net income (loss) attributable to AK Holding	\$ 28.7	\$ 84.4
Net income attributable to noncontrolling interests	16.1	16.2
Income tax expense (benefit)	(4.9)	—
Interest expense	37.6	39.4
Interest income	(0.2)	(0.4)
Depreciation	54.9	55.1
Amortization	6.4	3.8
EBITDA	138.6	198.5
Less: EBITDA of noncontrolling interests (a)	19.9	20.3
Adjusted EBITDA	\$ 118.7	\$ 178.2
Adjusted EBITDA margin	7.2%	11.6%

(a) The reconciliation of EBITDA of noncontrolling interests to net income attributable to noncontrolling interests is as follows:

	Three Months Ended March 31,	
	2018	2017
Net income attributable to noncontrolling interests	\$ 16.1	\$ 16.2
Depreciation	3.8	4.1
EBITDA of noncontrolling interests	\$ 19.9	\$ 20.3