

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

April 26, 2018

TIMKENSTEEL CORPORATION

(Exact name of registrant as specified in its charter)

Ohio

1-36313

46-4024951

(State or Other Jurisdiction of Incorporation)

(Commission File Number)

(I.R.S. Employer Identification No.)

1835 Dueber Avenue, SW, Canton, OH 44706

(Address of Principal Executive Offices) (Zip Code)

(330) 471-7000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter) .

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On April 26, 2018 , TimkenSteel Corporation (the “Company”) issued a press release announcing results for the first quarter of 2018 . A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by this reference.

Additionally on April 26, 2018 , the Company posted to the investor relations section of its website at <http://timkensteel.com> a presentation of first quarter 2018 earnings supporting information.

The information contained in Item 2.02 of this Current Report, including exhibit 99.1, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of TimkenSteel Corporation dated April 26, 2018.

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 hereunto duly authorized.

TIMKENSTEEL CORPORATION

Date: April 26, 2018

By: /s/ Christopher J. Holding

Christopher J. Holding

Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of TimkenSteel Corporation dated April 26, 2018.



NEWS RELEASE

TimkenSteel Announces First-Quarter 2018 Results; Expects Continued Improvement in Second Quarter

CANTON, Ohio: April 26, 2018 -TimkenSteel (NYSE: TMST, timkensteel.com), a leader in customized alloy steel products and services, today reported first-quarter net sales of \$380.8 million, compared with net sales of \$309.4 million in the same quarter last year and \$341.4 million in the fourth quarter of 2017. The company reported a net loss of \$1.9 million or minus \$0.04 per share for the first quarter of 2018, compared with a net loss of \$ 5.3 million or minus \$0.12 per share in the same quarter last year, and a net loss of \$33.9 million or minus \$0.76 per share in the fourth quarter of 2017.

EBITDA ⁽¹⁾ for the first quarter was \$21.3 million including \$3.7 million of non-recurring costs, compared with EBITDA ⁽¹⁾ of \$17.5 million in the same quarter last year, and adjusted EBITDA ⁽¹⁾ of \$8.2 million in the fourth quarter of 2017.

“The year is off to a good start. We improved lead times, reduced past-due orders, won new business for differentiated products and realized improvements in our financial performance,” said Tim Timken, chairman, CEO and president. “This year is about executing a strategy to gain advantages beyond the market recovery and set us on a path to grow. We’re focused on improving the mix of products we sell, driving fair market pricing and gaining advantages from our unique set of assets. Our financial results in the first quarter are beginning to reflect the impact of this work.”

FIRST-QUARTER 2018 FINANCIAL SUMMARY

First-quarter net sales increased \$71.4 million or 23.1 percent year over year, and \$39.4 million or 11.5 percent sequentially.

- Ship tons were approximately 300,000, an increase of 7.1 percent over the first quarter of 2017 and an increase of 4.9 percent sequentially, due to strong end-market demand.
- Prior-year and sequential gains were from increased volume, higher prices, and improved product mix.
- Surcharge revenue of \$90.7 million increased 55.6 percent from the prior-year quarter as a result of a 21 percent increase in the No. 1 Busheling Index and higher volumes. Compared with the fourth-quarter 2017, surcharge revenue increased 16.9 percent.

⁽¹⁾ Please see discussion of non-GAAP financial measures in this news release.

TimkenSteel Corporation

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EBIT⁽¹⁾ was \$2.8 million , compared with an EBIT⁽¹⁾ loss of \$1.4 million for the same period a year ago and an adjusted EBIT⁽¹⁾ loss of \$10.3 million for fourth-quarter 2017.

- EBIT⁽¹⁾ improved both year over year and sequentially due to raw material spread as a result of the rising No. 1 Busheling Index, and better price/mix.
- Included in first-quarter EBIT⁽¹⁾ is \$3.7 million of non-recurring legal costs and employee benefit claims.
- Melt utilization was 77 percent for the quarter driven by improved demand across all end markets, compared with 71 percent in first-quarter 2017 and 68 percent in fourth-quarter 2017.

SECOND-QUARTER 2018 OUTLOOK

- Shipments are expected to be between 5 percent and 10 percent higher than first-quarter 2018 from improving end markets.
- Net income is projected to be between \$8 million and \$18 million .
- EBITDA is projected to be between \$30 million and \$40 million .
- Raw material spread is expected to be a headwind of about \$6 million.

Other Guidance

- 2018 capital spending is projected to be \$40 million.

The company will host a conference call at 9 a.m. ET on Friday, April 27, to discuss its financial performance with investors and securities analysts. The financial results and conference call materials will be available online at investors.timkensteel.com.

TimkenSteel Earnings Call Information:

Conference Call	Friday, April 27, 2018 9 a.m. ET Toll-free dial-in: 866-393-4306 International dial-in: 734-385-2616 Conference ID: 5047779
Conference Call Replay	Replay dial-in available through May 4, 2018 855-859-2056 or 404-537-3406 Replay passcode: 5047779

⁽¹⁾ Please see discussion of non-GAAP financial measures in this news release.



About TimkenSteel Corporation

TimkenSteel (NYSE:TMST, timkensteel.com) creates tailored steel products and services for demanding applications, helping customers push the bounds of what's possible within their industries. The company reaches around the world in its customers' products and leads North America in large alloy steel bars (up to 16 inches in diameter) and seamless mechanical tubing made of its special bar quality (SBQ) steel, as well as supply chain and steel services. TimkenSteel operates warehouses and sales offices in five countries and has made its steel in America for more than 100 years. The company posted sales of \$1.3 billion in 2017. Follow us on Twitter [@TimkenSteel](https://twitter.com/TimkenSteel) and on Instagram.

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NON-GAAP FINANCIAL MEASURES

TimkenSteel reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”) and corresponding metrics as non-GAAP financial measures. This earnings release includes references to the following non-GAAP financial measures: EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA. These are important financial measures used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting these non-GAAP financial measures is useful to investors as these measures are representative of the Company’s performance and provide improved comparability of results. See the attached schedules for definitions of the non-GAAP financial measures referred to above and corresponding reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measures, as well as supplemental financial data. Non-GAAP financial measures should be viewed as additions to, and not as alternatives for, TimkenSteel's results prepared in accordance with GAAP. In addition, the non-GAAP measures TimkenSteel uses may differ from non-GAAP measures used by other companies, and other companies may not define the non-GAAP measures TimkenSteel uses in the same way.

FORWARD-LOOKING STATEMENTS

This news release includes “forward-looking” statements within the meaning of the federal securities laws. You can generally identify the company’s forward-looking statements by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “outlook,” “intend,” “may,” “possible,” “potential,” “predict,” “project,” “seek,” “target,” “could,” “may,” “should” or “would” or other similar words, phrases or expressions that convey the uncertainty of future events or outcomes. The company cautions readers that actual results may differ materially from those expressed or implied in forward-looking statements made by or on behalf of the company 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 the company conducts business, including additional adverse effects from global economic slowdown, terrorism or hostilities, including political risks associated with the potential instability of governments and legal systems in countries in which the company or its customers conduct business, and changes in currency valuations; the effects of fluctuations in



customer demand on sales, product mix and prices in the industries in which the company operates, including the ability of the company to respond to rapid changes in customer demand, the effects of customer bankruptcies or liquidations, the impact of changes in industrial business cycles, and whether conditions of fair trade exist in U.S. markets; 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 the company's products are sold or distributed; changes in operating costs, including the effect of changes in the company's manufacturing processes, changes in costs associated with varying levels of operations and manufacturing capacity, availability of raw materials and energy, the company's ability to mitigate the impact of fluctuations in raw materials and energy costs and the effectiveness of its 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 the company's operating plans, announced programs, initiatives and capital investments (including the jumbo bloom vertical caster and advanced quench-and-temper facility), the ability to integrate acquired companies, the ability of acquired companies to achieve satisfactory operating results, including results being accretive to earnings, and the company's ability to maintain appropriate relations with unions that represent its 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, and environmental issues and taxes, among other matters; the availability of financing and interest rates, which affect the company's cost of funds and/or ability to raise capital, the company's pension obligations and investment performance, and/or customer demand and the ability of customers to obtain financing to purchase the company's products or equipment that contain its products; the amount of any dividend declared by the company's Board of Directors on the company's common shares; and the overall impact of mark-to-market accounting. Additional risks relating to the company's business, the industries in which the company operates or the company's common shares may be described from time to time in the company's filings with the SEC. All of these risk factors are difficult to predict, are subject to material uncertainties that may affect actual results and may be beyond the company's control. Readers 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, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.



CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share data) (Unaudited)	Three Months Ended,		
	March 31,	December 31,	
	2018	2017	2017
Net sales	\$380.8	\$309.4	\$341.4
Cost of products sold	359.7	292.4	332.9
Gross Profit	21.1	17.0	8.5
Selling, general & administrative expenses (SG&A)	24.7	22.9	22.8
Impairment and restructuring charges	—	—	0.7
Other income (expense), net	6.4	4.5	(14.8)
Earnings (Loss) Before Interest and Taxes (EBIT) ⁽¹⁾	2.8	(1.4)	(29.8)
Interest expense	4.6	3.6	3.8
Loss Before Income Taxes	(1.8)	(5.0)	(33.6)
Provision (benefit) for income taxes	0.1	0.3	0.3
Net Loss	(\$1.9)	(\$5.3)	(\$33.9)
Net Loss per Common Share:			
Basic loss per share	(\$0.04)	(\$0.12)	(\$0.76)
Diluted loss per share ⁽²⁾	(\$0.04)	(\$0.12)	(\$0.76)
Dividends per share	\$—	\$—	\$—
Weighted average shares outstanding	44.5	44.3	44.4
Weighted average shares outstanding - assuming dilution	44.5	44.3	44.4

⁽¹⁾ EBIT is defined as net loss before interest expense and income taxes. EBIT is an important financial measure used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting EBIT is useful to investors as this measure is representative of the Company's performance.

⁽²⁾ Common share equivalents, which include shares issuable for equity-based awards and upon the conversion of outstanding convertible notes, were excluded from the computation of diluted loss per share because the effect of their inclusion would have been anti-dilutive.



CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions) (Unaudited)	March 31, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	\$35.4	\$24.5
Accounts receivable, net of allowances	181.1	149.8
Inventories, net	252.8	224.0
Deferred charges and prepaid expenses	3.5	3.9
Other current assets	7.6	8.0
Total Current Assets	480.4	410.2
Property, Plant and Equipment, net	691.9	706.7
Other Assets		
Pension assets	17.4	14.6
Intangible assets, net	18.8	19.9
Other non-current assets	5.9	5.2
Total Other Assets	42.1	39.7
Total Assets	\$1,214.4	\$1,156.6
LIABILITIES		
Accounts payable, trade	\$171.0	\$135.3
Salaries, wages and benefits	29.1	32.4
Accrued pension and postretirement costs	11.5	11.5
Other current liabilities	19.4	27.6
Total Current Liabilities	231.0	206.8
Convertible notes, net	71.1	70.1
Other long-term debt	130.0	95.2
Accrued pension and postretirement costs	209.2	210.8
Deferred income taxes	—	0.3
Other non-current liabilities	11.1	12.7
Total Non-Current Liabilities	421.4	389.1
SHAREHOLDERS' EQUITY		
Additional paid-in capital	842.6	843.7
Retained deficit	(239.3)	(238.0)
Treasury shares	(34.6)	(37.4)
Accumulated other comprehensive loss	(6.7)	(7.6)
Total Shareholders' Equity	562.0	560.7
Total Liabilities and Shareholders' Equity	\$1,214.4	\$1,156.6



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions) (Unaudited)	Three Months Ended March 31,	
	2018	2017
CASH PROVIDED (USED)		
Operating Activities		
Net Loss	(\$1.9)	(\$5.3)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	18.5	18.9
Amortization of deferred financing fees and debt discount	1.8	1.2
Deferred income taxes	(0.3)	0.3
Stock-based compensation expense	2.2	1.6
Pension and postretirement expense	(1.4)	0.8
Pension and postretirement contributions and payments	(2.5)	(1.6)
Changes in operating assets and liabilities:		
Accounts receivable, net	(31.3)	(56.3)
Inventories, net	(28.8)	(26.7)
Accounts payable, trade	35.7	39.4
Other accrued expenses	(13.2)	2.9
Deferred charges and prepaid expenses	0.4	(0.3)
Other, net	1.4	(1.2)
Net Cash Provided by Operating Activities	(19.4)	(26.3)
Investing Activities		
Capital expenditures	(2.2)	(2.7)
Net Cash Used by Investing Activities	(2.2)	(2.7)
Financing Activities		
Proceeds from exercise of stock options	0.1	0.2
Shares surrendered for employee taxes on stock compensation	(0.7)	(1.2)
Revenue Refunding Bonds repayment	(30.2)	—
Credit Agreement repayments	(65.0)	—
Amended Credit Agreement borrowings	130.0	25.0
Debt issuance costs related to the amended credit agreement	(1.7)	—
Net Cash Provided (Used) by Financing Activities	32.5	24.0
Increase (decrease) In Cash and Cash Equivalents	10.9	(5.0)
Cash and cash equivalents at beginning of period	24.5	25.6
Cash and Cash Equivalents at End of Period	\$35.4	\$20.6

Reconciliation of Earnings (Loss) Before Interest and Taxes (EBIT) ⁽¹⁾, Adjusted EBIT ⁽³⁾, Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA) ⁽²⁾ and Adjusted EBITDA ⁽⁴⁾ to GAAP Net Loss:

This reconciliation is provided as additional relevant information about the Company's performance. EBIT, Adjusted EBIT, EBITDA, and Adjusted EBITDA are important financial measures used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting EBIT, Adjusted EBIT, EBITDA, and Adjusted EBITDA is useful to investors as these measures are representative of the Company's performance. Management also believes that it is appropriate to compare GAAP net income (loss) to EBIT, Adjusted EBIT, EBITDA and Adjusted EBITDA.

(Dollars in millions) (Unaudited)	Three Months Ended		
	March 31,	December 31,	
	2018	2017	2017
Net Loss	(\$1.9)	(\$5.3)	(\$33.9)
Provision (benefit) for income taxes	0.1	0.3	0.3
Interest expense	4.6	3.6	3.8
Earnings (Loss) Before Interest and Taxes (EBIT) ⁽¹⁾	\$2.8	(\$1.4)	(\$29.8)
EBIT Margin ⁽¹⁾	0.7%	(0.5)%	(8.7)%
Depreciation and amortization	18.5	18.9	18.5
Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA) ⁽²⁾	\$21.3	\$17.5	(\$11.3)
EBITDA Margin ⁽²⁾	5.6%	5.7 %	(3.3)%
Loss from remeasurement of benefit plans	—	—	(19.5)
Adjusted EBIT ⁽³⁾	\$2.8	(\$1.4)	(\$10.3)
Adjusted EBITDA ⁽⁴⁾	\$21.3	\$17.5	\$8.2

⁽¹⁾ EBIT is defined as net loss before interest expense and income taxes. EBIT Margin is EBIT as a percentage of net sales.

⁽²⁾ EBITDA is defined as net loss before interest expense, income taxes, depreciation and amortization. EBITDA Margin is EBITDA as a percentage of net sales.

⁽³⁾ Adjusted EBIT is defined as EBIT excluding the loss from remeasurement of benefit plans.

⁽⁴⁾ Adjusted EBITDA is defined as EBITDA excluding the loss from remeasurement of benefit plans.



Reconciliation of Total Debt to Net Debt and the Ratio of Total Debt and Net Debt to Capital:

This reconciliation is provided as additional relevant information about the Company's financial position. Capital, used for the ratio of total debt to capital and net debt to capital, is defined as total debt plus total equity. Management believes net debt is useful to investors as it is an important measure of the Company's financial position due to the amount of cash and cash equivalents.

(Dollars in millions) (Unaudited)	March 31, 2018	December 31, 2017
Convertible notes, net	\$71.1	\$70.1
Other long-term debt	130.0	95.2
Total long-term financing	201.1	165.3
Less: Cash and cash equivalents	35.4	24.5
Net Debt	\$165.7	\$140.8
Total Equity	\$562.0	\$560.7
Ratio of Total Debt to Capital	26.4%	22.8%
Ratio of Net Debt to Capital	21.7%	19.4%

Reconciliation of Free Cash Flow to GAAP Net Cash Provided by Operating Activities:

This reconciliation is provided as additional relevant information about the Company's financial position. Free cash flow is an important financial measure used in the management of the business. Management believes that free cash flow is useful to investors because it is a meaningful indicator of cash generated from operating activities available for the execution of its business strategy.

(Dollars in millions) (Unaudited)	Three Months Ended March 31,	
	2018	2017
Net Cash Provided by Operating Activities	(\$19.4)	(\$26.3)
Less: Capital expenditures	(2.2)	(2.7)
Free Cash Flow	(\$21.6)	(\$29.0)



Reconciliation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) ⁽¹⁾ to GAAP Net Income:

This reconciliation is provided as additional relevant information about the Company's second quarter guidance. EBITDA is an important financial measure used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting EBITDA is useful to investors as this measure is representative of the Company's performance. Management also believes that it is appropriate to compare GAAP net income (loss) to EBITDA.

(Dollars in millions) (Unaudited)	Three Months Ended June 30,	
	2018	2018
	Low	High
Net income	\$8.0	\$18.0
Provision (benefit) for income taxes	0.3	0.3
Interest expense	3.5	3.5
Depreciation and amortization	18.2	18.2
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) ⁽¹⁾	\$30.0	\$40.0

⁽¹⁾ EBITDA is defined as net income (loss) before interest expense, income taxes, depreciation and amortization.