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# NEWS RELEASE

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*Moving forward.*

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FOR IMMEDIATE RELEASE  
CARNEGIE, PA  
September 28, 2018

## **Ampco-Pittsburgh Corporation Announces Closing of a Real Estate Sale and Leaseback Transaction and Provides Outlook for its Third Quarter 2018 Earnings**

Carnegie, PA, September 28, 2018 – Ampco-Pittsburgh Corporation (NYSE: AP) today announced that it has closed on a sale and leaseback transaction, which provided gross proceeds of \$19.0 million, and is providing preliminary estimates of selected operating results for its third fiscal quarter ending September 30, 2018.

### **Sale and Leaseback Transaction**

The Corporation closed today on a key financing transaction with a leading institutional real estate investor for the sale and leaseback of certain properties of its subsidiary, Union Electric Steel Corporation (“Union Electric”), for gross proceeds of \$19.0 million. In connection with the sale, Union Electric entered into a long-term lease agreement under which it will lease the sold properties for an initial term of 20 years, with renewal options totaling another 20 years and a repurchase option. The proceeds of the transaction will be used to reduce debt under Ampco-Pittsburgh’s revolving credit and security agreement and to repay a portion of the amounts outstanding under promissory notes maturing on March 3, 2019.

### **Third Quarter 2018 Earnings Estimates**

The Corporation also announced today preliminary estimates of net sales and loss from operations for the current fiscal quarter ending September 30, 2018. The Corporation is expecting net sales for the quarter ending September 30, 2018, to be in the range of \$106 million to \$112 million, compared to net sales of \$104 million in the fiscal quarter ended September 30, 2017, and \$127 million in the fiscal quarter ended June 30, 2018. Loss from operations is expected to be in the range of \$5.5 to \$7.2 million, compared to a loss from operations of \$3.2 million in the fiscal quarter ended September 30, 2017 and \$1.6 million in the fiscal quarter ended June 30, 2018. The larger net loss in the third quarter of 2018 is being driven primarily by the full-quarter effect of the tariffs imposed by the United States, effective June 1, 2018, on U.S. imports of steel products from Canada, which has had a significant negative impact on the Corporation’s Canadian subsidiary, ASW Steel Inc. In addition, results have been negatively impacted by continued equipment reliability issues caused by a limitation of available maintenance capital, which have resulted in sales delays, higher maintenance costs and lack of labor and fixed cost absorption. Further, a decline in frac

block sales and production due to inventory adjustments in the supply chain, as well as continued cost increases for key production materials and transportation, have also negatively impacted results.

The ranges for net sales and loss from operations for the third fiscal quarter of 2018 are preliminary estimates because the quarter has not been completed, the Corporation's financial closing procedures for the quarter remain to be performed, and other developments may arise by the time the financial results for the quarter are completed. As a result, there is a possibility that final results will not be within the ranges the Corporation currently estimates. The Corporation expects to release its fiscal third quarter operating results on November 8, 2018 and file its Form 10-Q for the quarter on November 9, 2018. The Corporation undertakes no responsibility to update this outlook in the interim.

### **Improved Liquidity Position and Operational Improvement**

Remarking on these developments, Brett McBrayer, Ampco-Pittsburgh's Chief Executive Officer, said, "The sale and leaseback transaction is a significant positive step forward in building our liquidity position. This action helps prepare us for the retirement of the promissory notes due March 2019 and supports our current capital maintenance needs. The investment in key assets is a critical component of our operational improvement strategy and one of many steps our team is taking to strengthen our business and meet the current and future needs of our customers."

### **About Ampco-Pittsburgh Corporation**

Ampco-Pittsburgh Corporation, through its operating subsidiary, Union Electric Steel Corporation, is a leading producer of forged and cast rolls for the worldwide steel and aluminum industries, as well as ingot and open die forged products for the oil and gas, aluminum, and plastic extrusion industries. Ampco-Pittsburgh is also a producer of air and liquid processing equipment, primarily custom-engineered finned tube heat exchange coils, large custom air handling systems and centrifugal pumps. The Corporation operates manufacturing facilities in the United States, Canada, United Kingdom, Sweden, Slovenia, and China. Sales offices are located in North and South America, Asia, Europe, and the Middle East. Corporate headquarters is located in Carnegie, Pennsylvania.

### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. Words such as "expects", "believes", "anticipates", "intends", "estimates", "seeks" and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect Ampco-Pittsburgh's management's current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements, including, without limitation, our potential inability to complete the proposed rights offering. For more information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the applicable offering document related to the proposed rights offering filed by the Company and, in the case of the registration statement, the documents incorporated by reference therein. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.