

Q1 2020 results

6 May 2020

aperam

The sustainable top yielding company in Euro Materials

Forward-Looking Statements

This document may contain forward-looking information and statements about Aperam and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “target” or similar expressions. Although Aperam’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Aperam’s securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of Aperam, in particular, the length and severity of the recent COVID-19 (coronavirus) outbreak, including its impacts in the sector, macroeconomic conditions and in Aperam’s principal local markets, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in Aperam’s filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier). Aperam undertakes no obligation to publicly update its forward-looking statements or information, whether as a result of new information, future events, or otherwise.

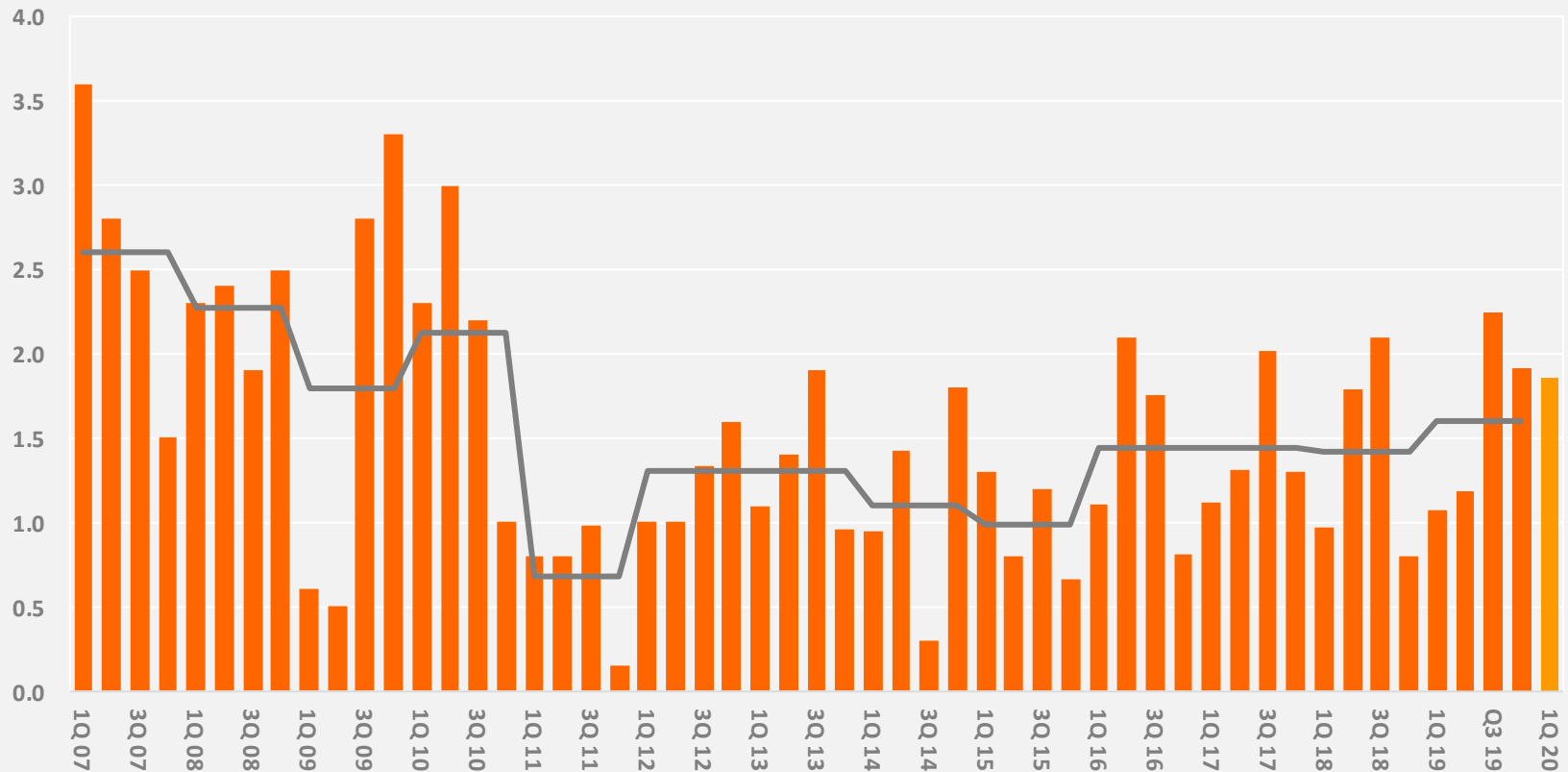
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Health & Safety Performance



Health & Safety frequency rate of 1.9 in Q1 2020



Health & Safety of our people is our prime objective

Q1 2020 Operational highlights

Q1 was a seasonally normal quarter till the second half of March when COVID related disruptions resulted in extra costs



Q1 2020 key developments



adj EBITDA was impacted by COVID related costs and higher inventory valuation effects. Solid cash flow despite seasonal increase in working capital



All major plants are operational post the Q1 stop for the H&S upgrade. Capacity is fully aligned with demand



Leadership Journey® gains are on track with EUR23m additional annualized gains in Q1 (cum. total EUR146m)



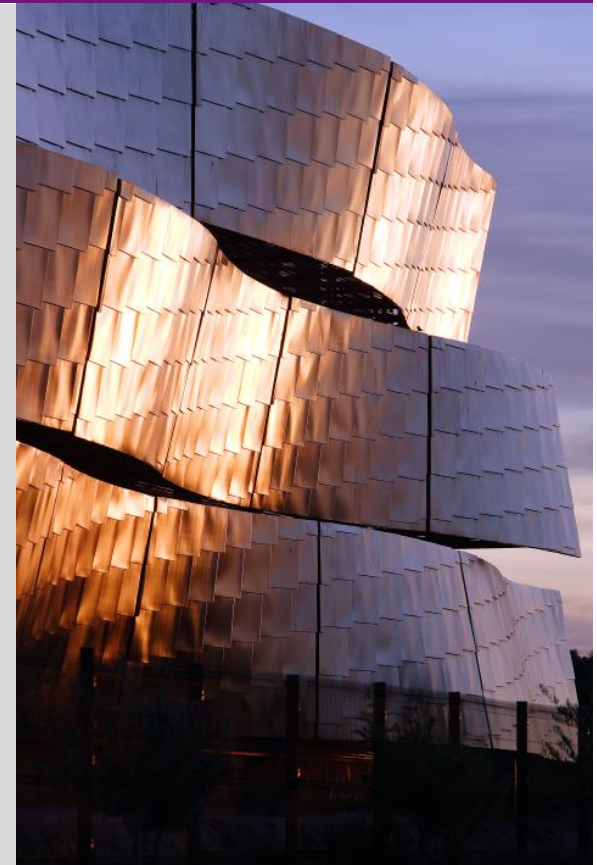
Anti-dumping duties on HR from China, Indonesia and Taiwan since April. Countervailing duty case progresses



Stainless prices remained under pressure despite the seasonal volume increase



Order book started to reflect COVID induced demand drop towards the end of the quarter



Aperam is fully prepared to master the COVID impact

Q1 2020 Financial highlights

Inventory devaluation and COVID costs caused qoq adj EBITDA decrease



Solid free cash flow despite seasonally higher working capital

EURm	Q1 20	Q4 19	qoq	Q1 19	yoy
Sales	1,049	1,000	5%	1,178	-11%
adj. EBITDA	70	85	-18%	81	-14%
EBITDA	70	102	-31%	81	-14%
Basic EPS (EUR)	0.36	0.36	-1%	0.30	20%
Steel shipments (000t)	438	402	9%	501	-13%
adj EBITDA/tonne (EUR)	160	211	-24%	162	-1%
adj EBITDA margin	6.7%	8.5%	-21%	6.9%	-3%
Operating cash flow	63	162	-61%	71	-11%
CAPEX	-45	-52	-13%	-47	-4%
Other investing CF**	0	30	NM	0	NM
Free cash flow*	18	140	-87%	24	-25%
Dividends paid	-32	-35	-9%	-33	-3%
Net financial debt	108	75	44%	106	2%

Q1 key comments

- Seasonal pick up in shipments was supported by full import quotas
- Adj EBITDA decreases qoq due to neg inventory valuation and COVID related production disruptions
- Stable EPS qoq due to a EUR26m deferred tax asset impairment in Q4
- Strong operating cash flow with 90% EBITDA cash conversion despite seasonal working capital build
- Q1 CAPEX in line with the guidance. Genk project is on track
- Very strong balance sheet with 0.3x NFD/EBITDA despite slight increase in net financial debt
- Comfortable liquidity position ~EUR600m (~50% cash / 50% RCF)

Reliable strong cash generator in the sector with a strong balance sheet

*before dividend and share buyback

**divestment of Gerdau stake in Q4-19

Aperam is a resilient company

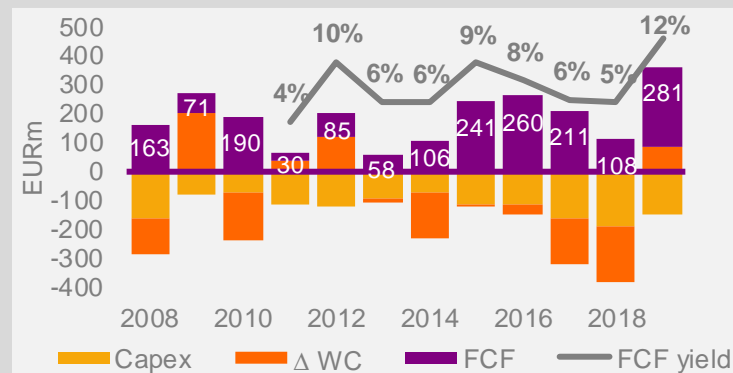
Our solid balance sheet forms the basis for weathering the pandemic



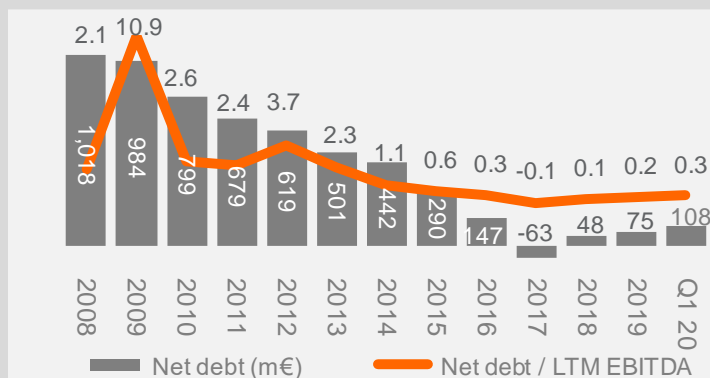
Convincing financial scorecard

- Solid balance sheet with 0.3x NFD/EBITDA
- No earnings related covenants in any financing arrangement
- First major debt redemption in 2023 only
- Liquidity on hand ~EUR600m end of Q1
- Progressive dividend policy was confirmed by the AGM
- Share buyback postponed by 6 months

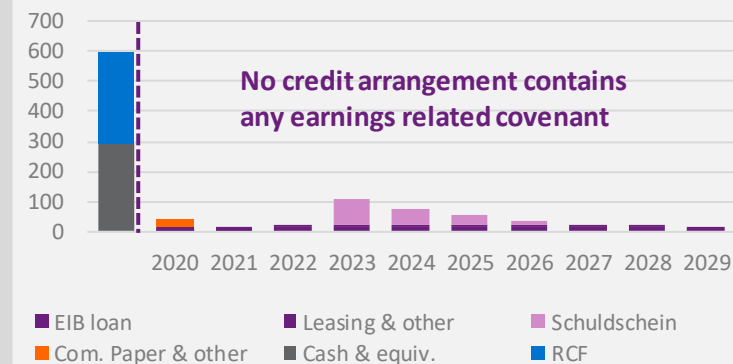
Aperam was FCF positive in every year since 2008



Balance sheet has been cleaned up



High liquidity on hand and favorable debt maturity profile

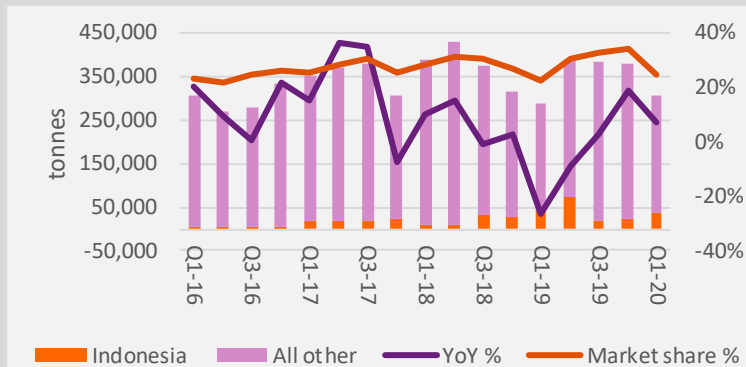


Environment & markets

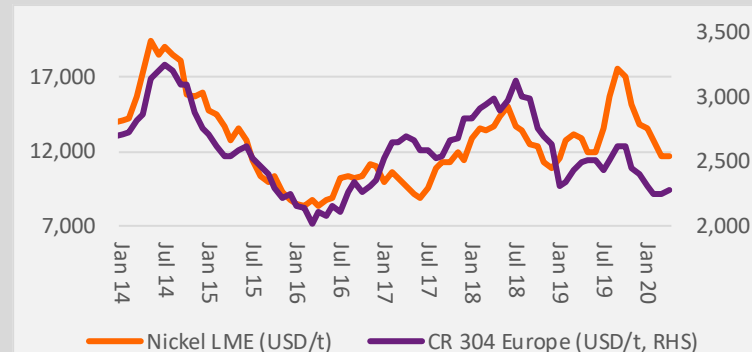
Market share of imports has contracted but remains elevated.
Inventory and price premium versus Asia are both in normal range



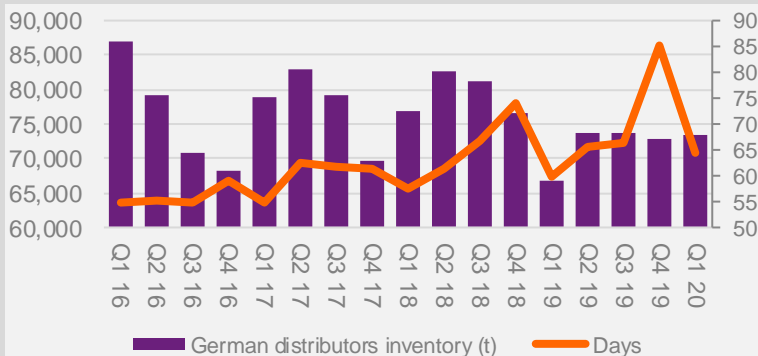
Market share of imports drops to 24.6% - stable CR, clearly lower HR



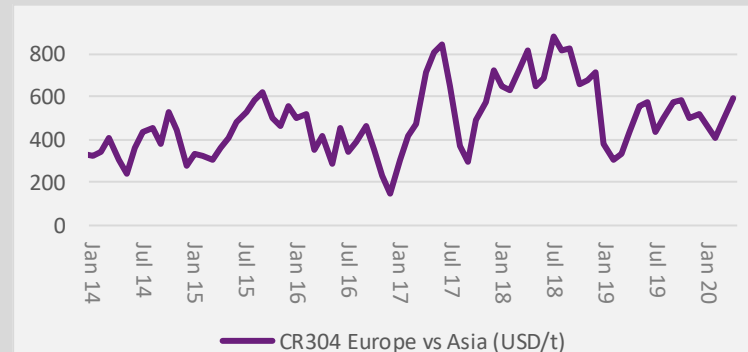
Nickel spike has completely reversed and stainless price followed



Inventory in (t) is seasonally normal and inventory days have normalized



Stainless price premium vs Asia is in the normal range



Source: Bloomberg, Metal Bulletin, Edelstahlhandelsvereinigung, Eurofer

*Countries with a SS Hot Rolled quota: China, S. Korea, Taiwan, USA
all other countries if not exempt fall under the residual quota

Countries with a SS CR quota: S. Korea, Taiwan, India, USA, Turkey, Malaysia, Vietnam

Outlook & COVID response

Quick & decisive action has been taken



Operational & financial measures

- Health & safety measure in all plants to keep our employees safe
- Capacity is aligned with demand. All production plants are operating without bottlenecks
- Raw material supply is fully secured
- Maximum of costs are being variabilized (temp. unemployment in all plants & headquarter / termination of temp. contracts). Fixed cost reduction in line with volume development
- All non-essential & discretionary expenses have been frozen
- Capex has been frozen. New 2020 guidance ~EUR100m (was EUR110-120m) of which half is for Genk and the Leadership Journey

Q2 2020 outlook

- Q2 2020 shipments are expected to further contract by up to 25% qoq. Order book is holding up well considering the environment.
- Adj EBITDA is expected to decrease and to include again a negative inventory valuation effect
- Net financial debt is expected to increase slightly despite positive free cash flow

Aperam is prepared to withstand a worse than GFC scenario

Post Q1 2020 schedule

- 12. May Investor calls France Oddo
- 12. May 2020 Global Metals, Mining and Steel conf. Bank of America
- 13. May 2020 Global Metals, Mining and Steel conf. Bank of America
- 14. May Investor calls France Oddo
- 15. May Investor calls UK & Ireland JP Morgan
- 18. May Investor calls Germany, Switzerland & Italy Exane
- 19. May Investor calls Benelux & Spain Degroof Petercam
- 28. May SG Nice conference Societe Generale

We are looking forward to keep up the dialogue with you

Financial Results



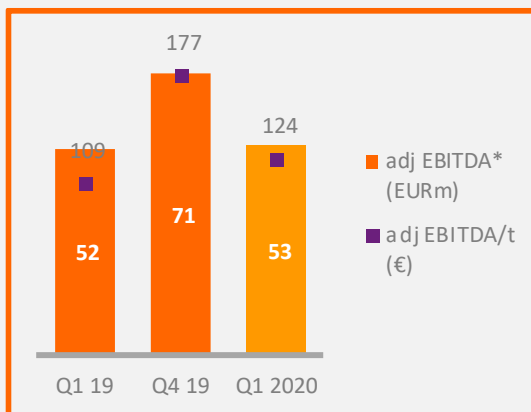
Middle East Training Center, Beirut Rafic Hariri International Airport, Lebanon - Khatib & Alami Executed using grade316L with Uginox Meca 8ND fini

Financial results

Q1 2020: Negative inventory valuation and COVID costs conceal a good start to the year

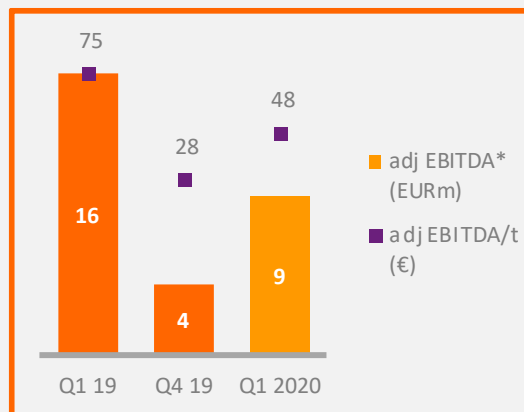


Stainless & Electrical Steel



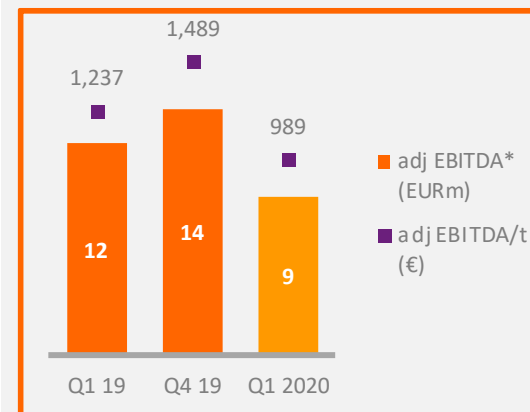
- Shipments increased seasonally qoq from a low base despite of soft demand and destocking in Europe & Brazil
- QoQ: Europe adj EBITDA reflects higher volumes and a margin expansion that overcompensated by inventory valuation losses and COVID costs. Brazil declined seasonally
- YoY: comparable adj EBITDA as a price/ cost expansion compensated for COVID costs and lower volumes

Services & Solutions



- Shipments increased seasonally qoq and full quotas turned distributors towards domestically produced material
- QoQ higher adj EBITDA qoq reflects increasing volumes that more than compensated for a neg valuation effect and COVID costs
- YoY: lower adj EBITDA due to lower volumes and COVID related costs

Alloys & Specialties



- Shipments remained stable qoq
- QoQ & YoY: lower adj EBITDA was driven by significant COVID related costs and negative inventory valuation effects

Adj. EBITDA of 160 EUR/t in Q1 2020 flat yoy due to COVID-19 related costs

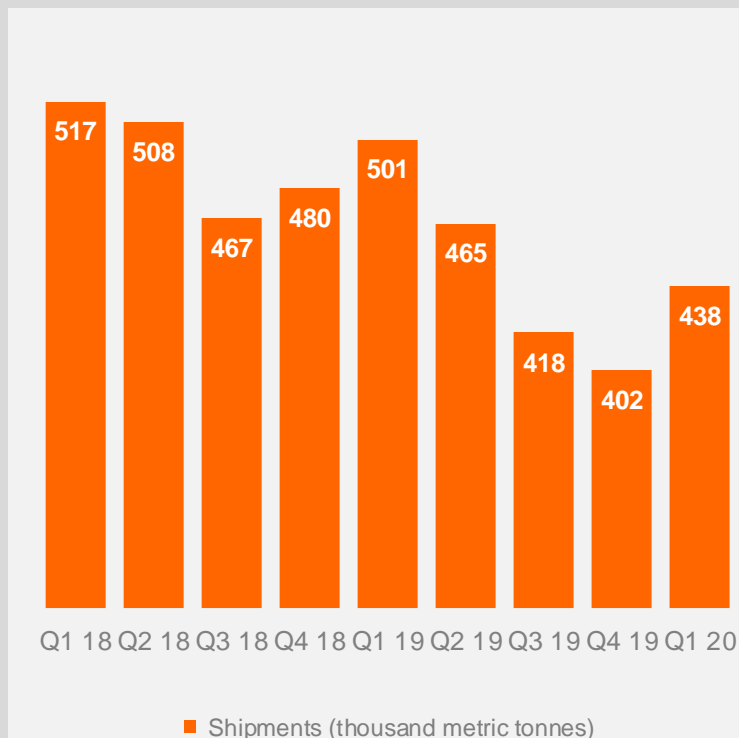
* Difference with total Aperam's quarterly adj EBITDA due to Others & Eliminations line

Financial results

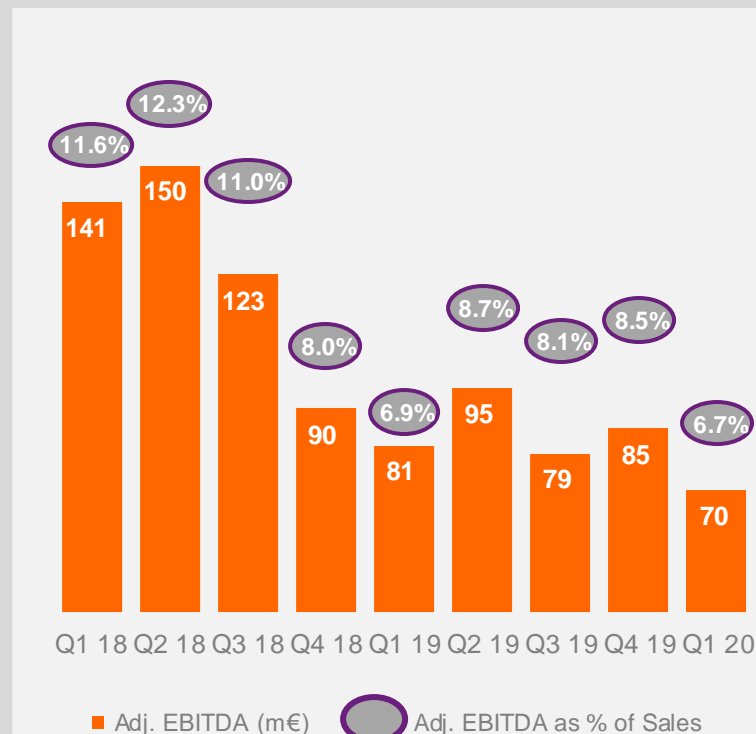
Q1 2020: Volumes rebound seasonally but price pressure remained high and COVID shutdown added costs



Shipments rebound seasonally and benefitted from quota restrictions



Q1 adj. EBITDA reflects negative inventory valuation and COVID-19 related costs



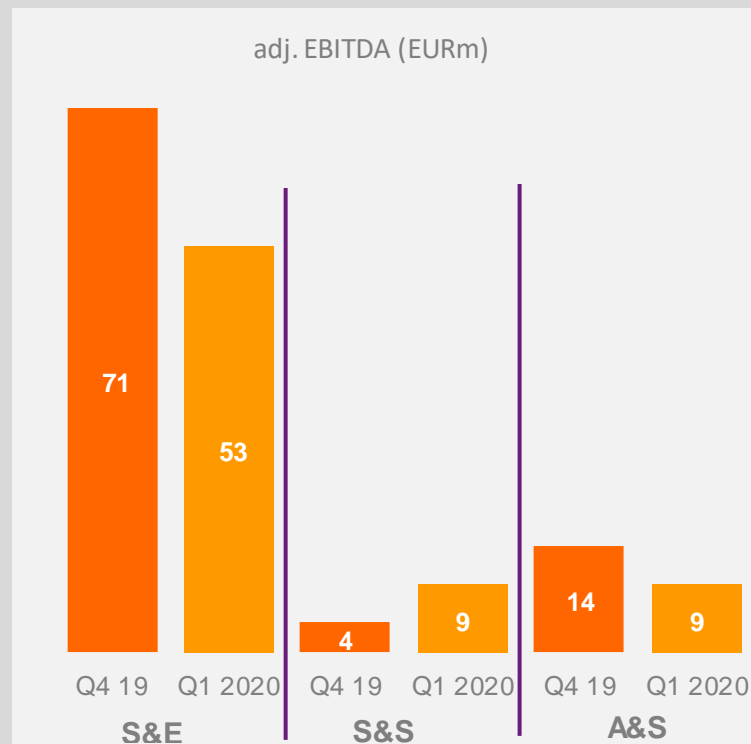
Q1 2020 underlying profitability improved qoq

Financial results

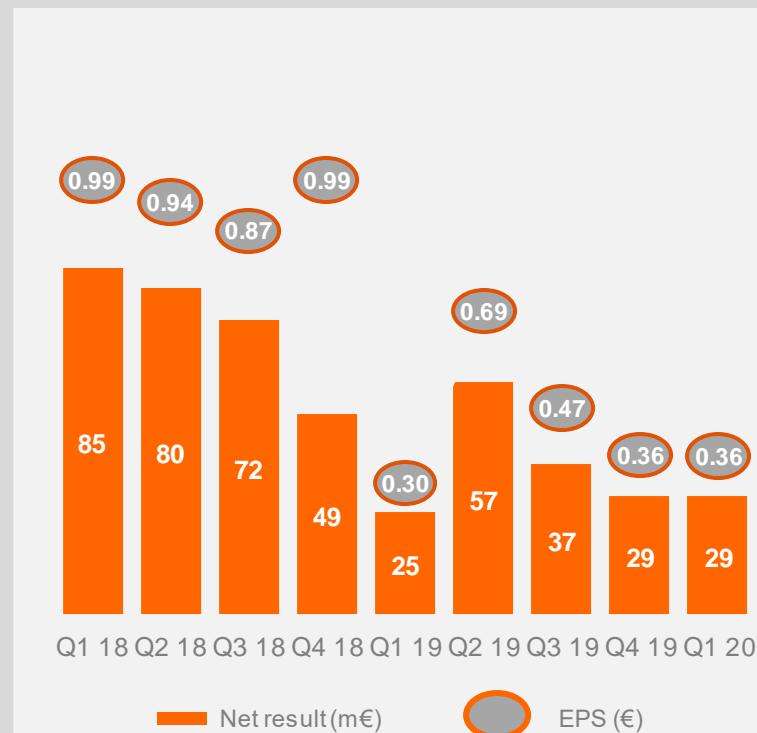
Q1 2020: Upstream reflects COVID related plant shutdown costs and neg valuation. S&S benefits from higher volumes



One-off items hide a good start to the year



EPS: taxes balanced lower EBITDA



Pricing remained below the historic seasonal average

*Q4 2018: Financial results includes a EUR18m gain related to the convertible bond due to the expiry of put option by bondholders

*Q1 2019: Financial results includes a EUR11m charge related to the convertible bond due to accelerated amortization of the premium (reversal of the Q4-18 gain)

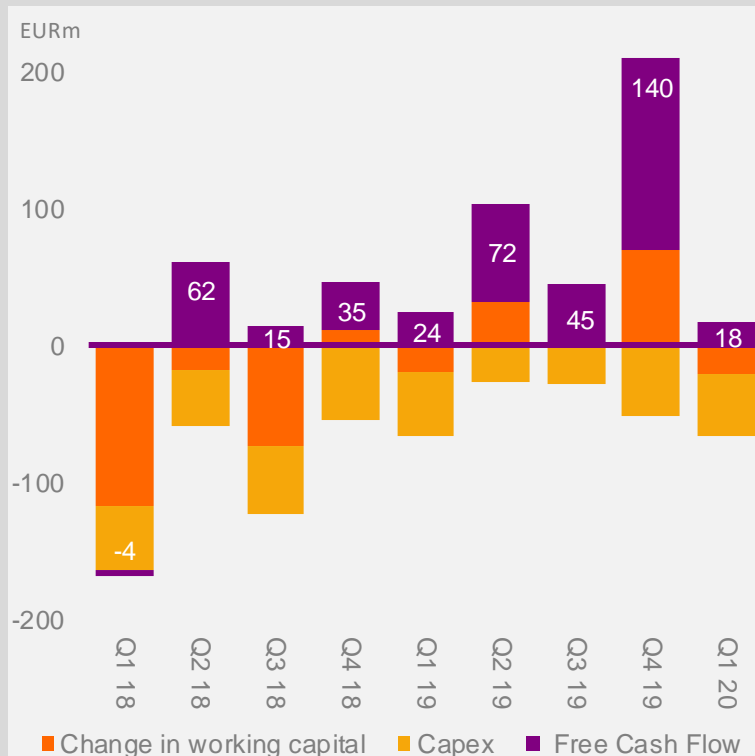
*Q4 2019: Income tax expense contains a EUR26m impairment of the deferred tax asset

Financial results

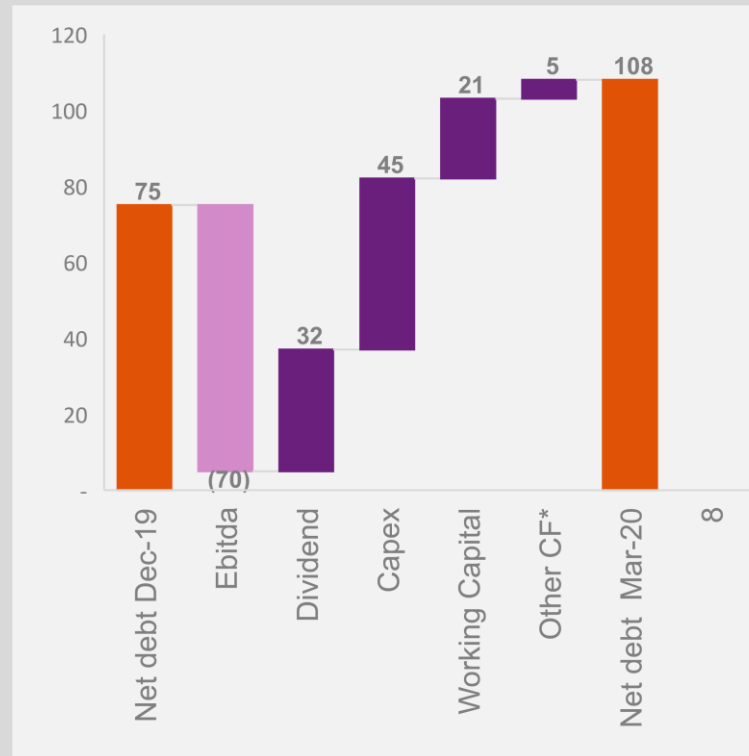
Q1 2020: Solid cash generation with 90% cash conversion.
Seasonally higher working capital in line with higher volumes



Solid FCF despite volume driven working capital build



Minor net debt increase due to increase in working capital and dividend payment



Aperam's dividend rests on a solid balance sheet and a structurally high FCF generation

* Includes interest, taxes and other items

Value Strategy



Adobe stock

Investment case & value strategy

Guiding principle: Being a sustainable safe and profitable company



Aperam foundation

Industry leading
cash flow &
financial discipline

Lowest cost footprint
in Europe
& sole producer
in S. America

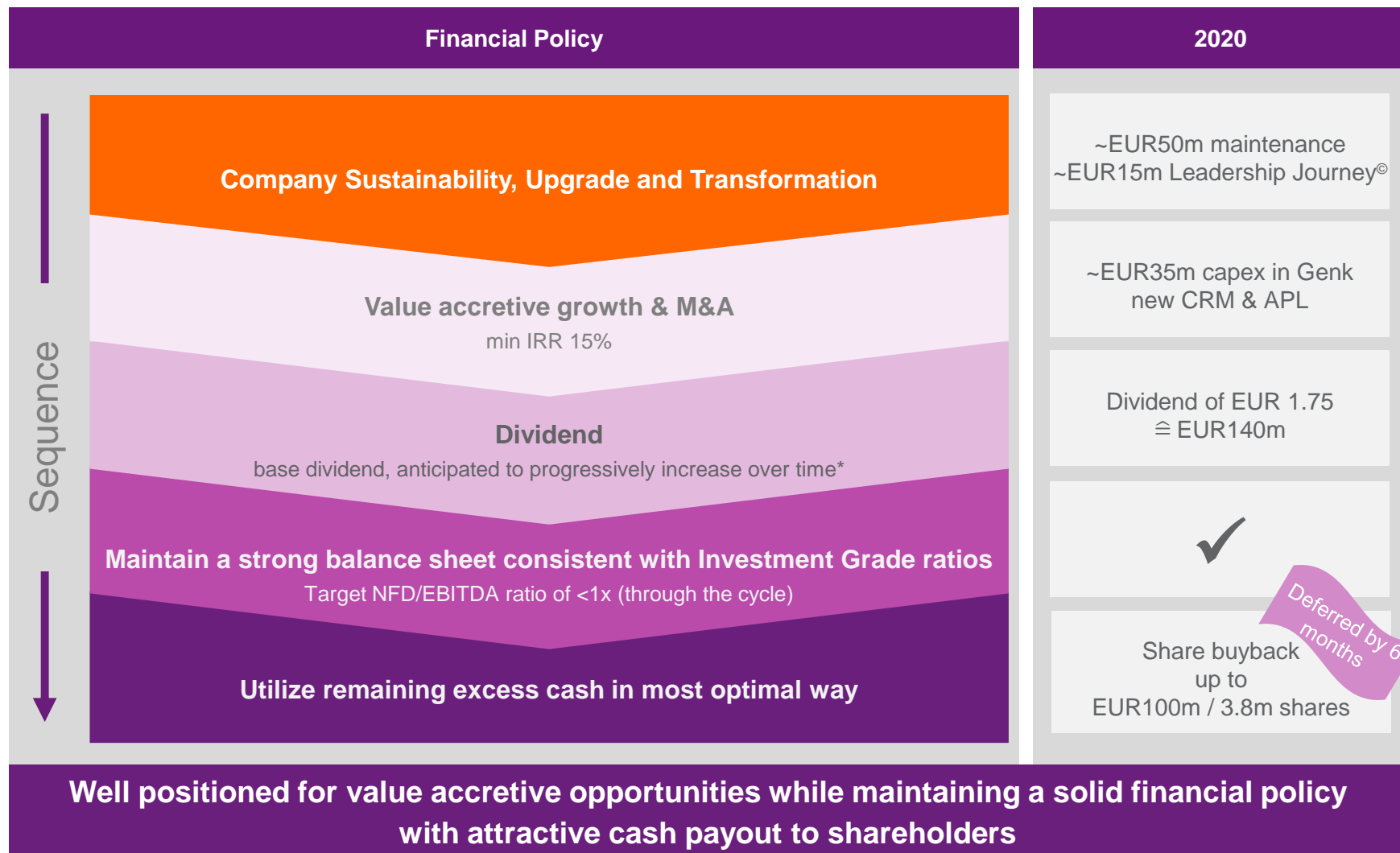
Strong balance sheet
& highest dividend
yield

Self help strategy
(Leadership Journey®)

Solid cash generation with strong shareholders' return.
New projects and Leadership Journey® will further improve Aperam's profitability

Investment case & value strategy

Financial policy: Strong balance sheet, investment in long term growth & sustainability and solid cash returns to shareholders



*Base dividend review in the (unlikely) event that NFD/EBITDA exceeds 1x.

Investment case & value strategy

Leadership Journey® Self help has turned Aperam into a resilient, profitable and cash generative company

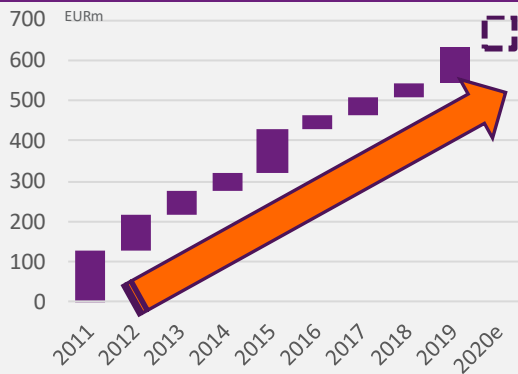


Phase 1 (USD350m):
2011-13 Restructuring

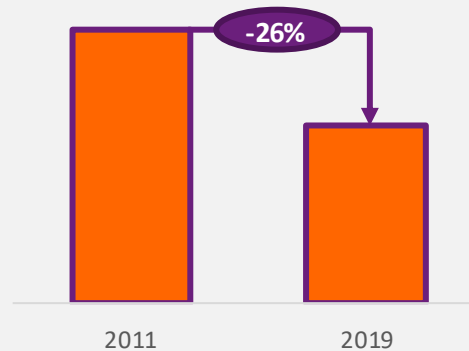
Phase 2 (USD225m):
2014-17 Asset upgrade

Phase 3 (EUR200m):
2018-20 Transformation

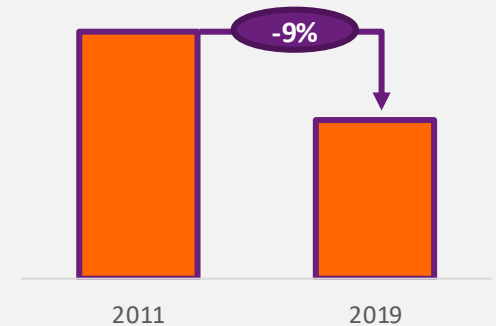
Realized cost savings



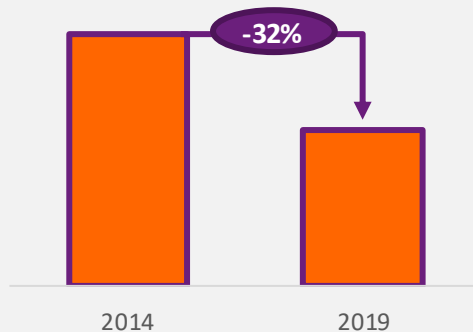
Number of production lines



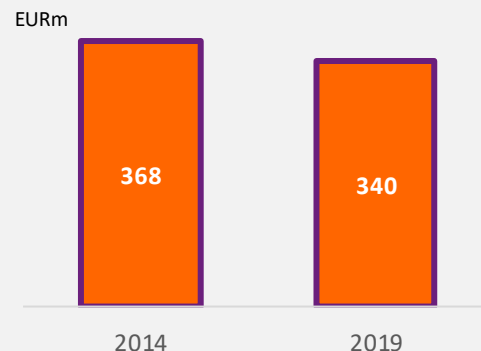
Headcount



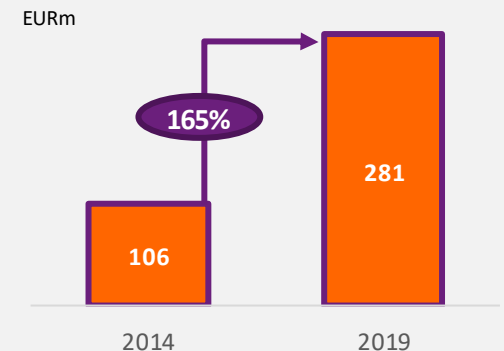
Base price



Adj EBITDA



Free cash flow



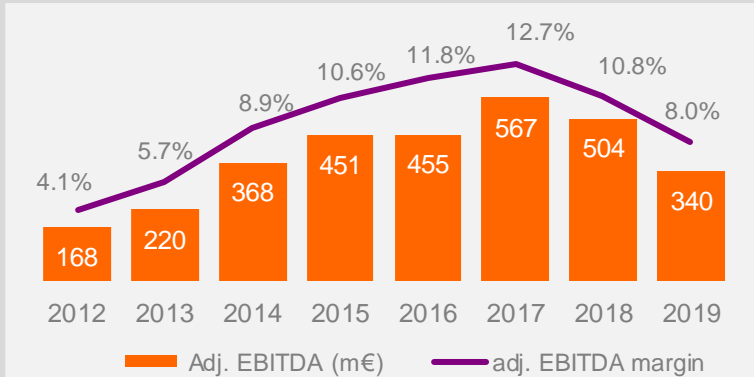
Source: CRU (base price), Aperam accounting data

Investment case & value strategy

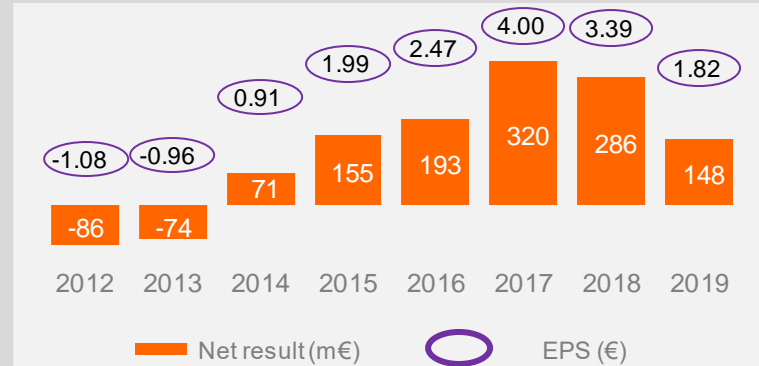
Track record: Aperam a solid performer even in challenging times



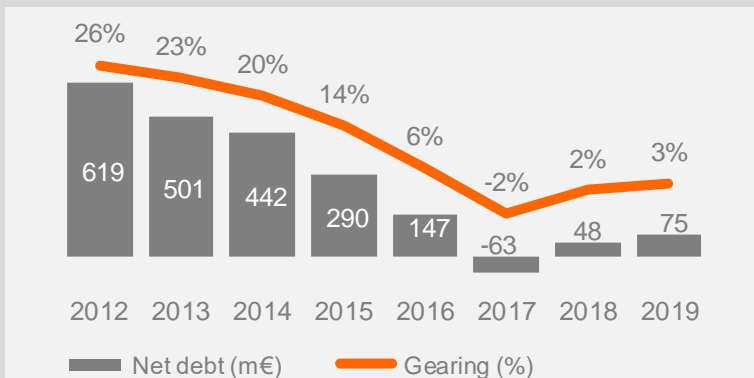
Solid operating performance despite market headwind



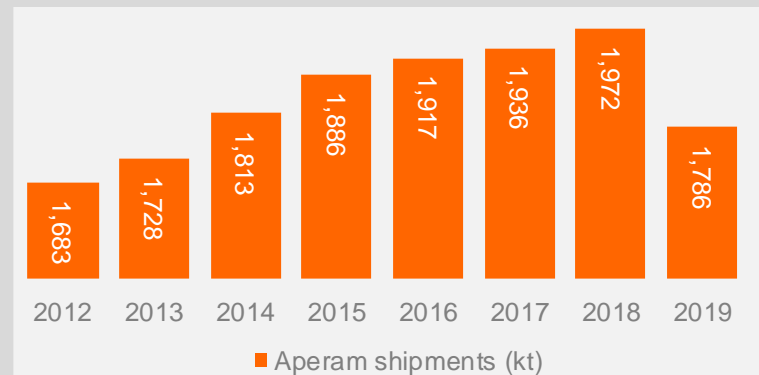
Transformation yields a positive net income even in a recessionary market environment



A strong balance sheet is corporate policy



2019 volumes reflect soft real demand in both EU and Brazil and trade war induced imports

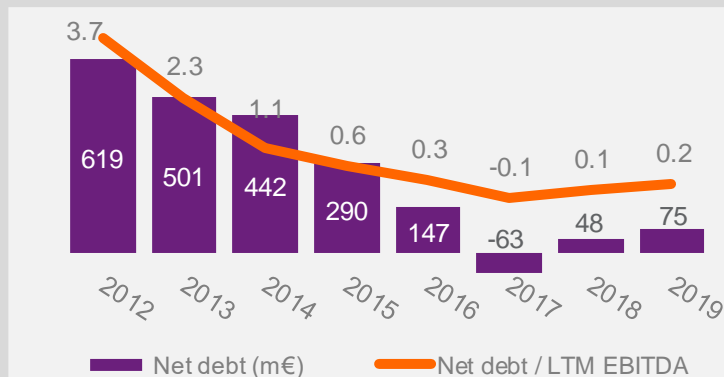


Investment case & value strategy

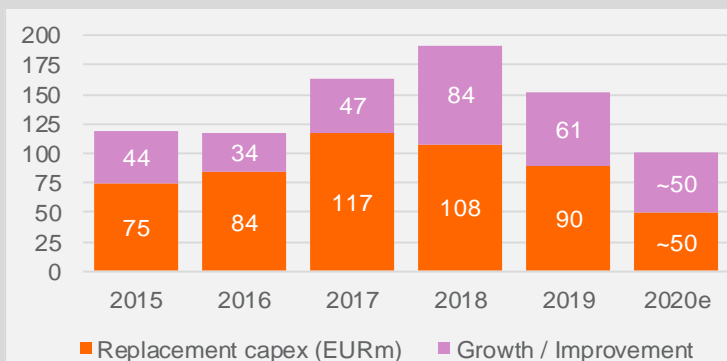
Resilience: Strong balance sheet, high liquidity and low maintenance capex



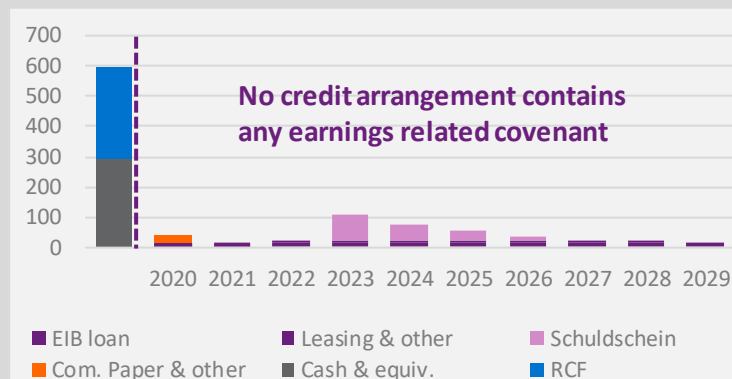
A strong balance sheet forms a solid base in a volatile industry*



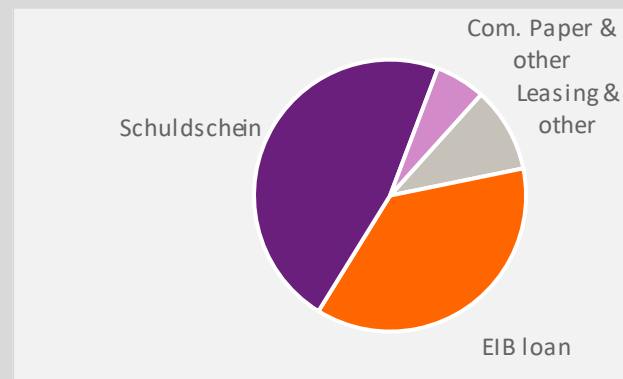
Low maintenance capex + solid investment in growth improvement



Balanced maturity profile & ample liquidity



Flexible mix and broad range of financing instruments²



*Aperam intends to maintain a strong balance sheet that is consistent with investment grade ratios and contains no pledges of assets or earnings covenants

²Financing documentation is in line with investment grade standards and

Investment case & value strategy

Shareholder focus: We care about investors and can support it due to a high & stable FCF

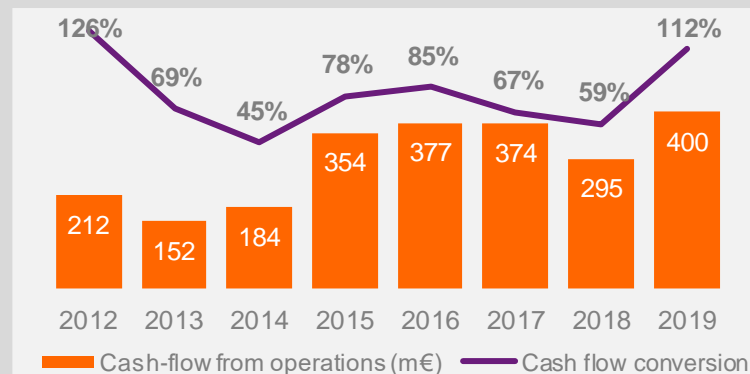


Solid cash generation through the cycle

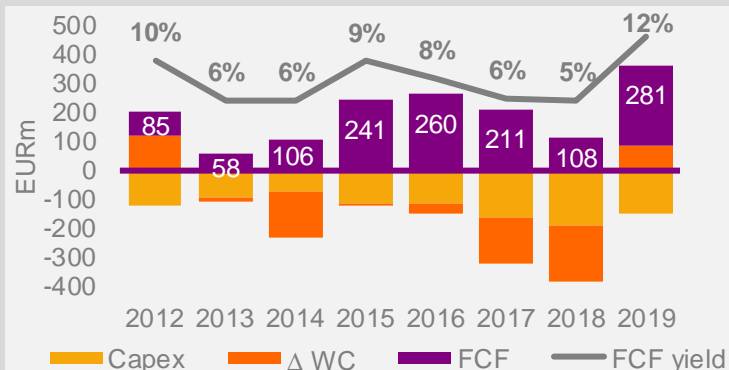
High profitability

Low cash taxes*

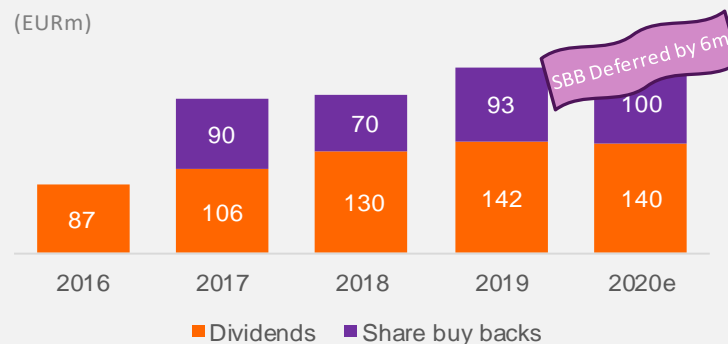
Low cash interest



Solid average 8% free cash flow yield*

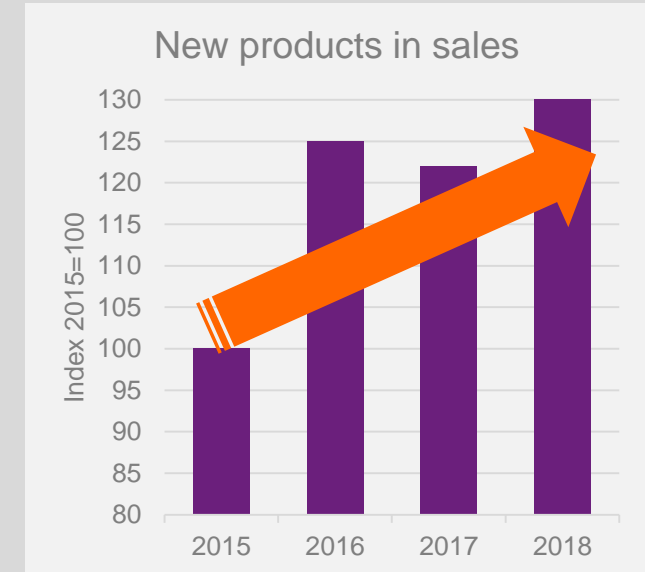
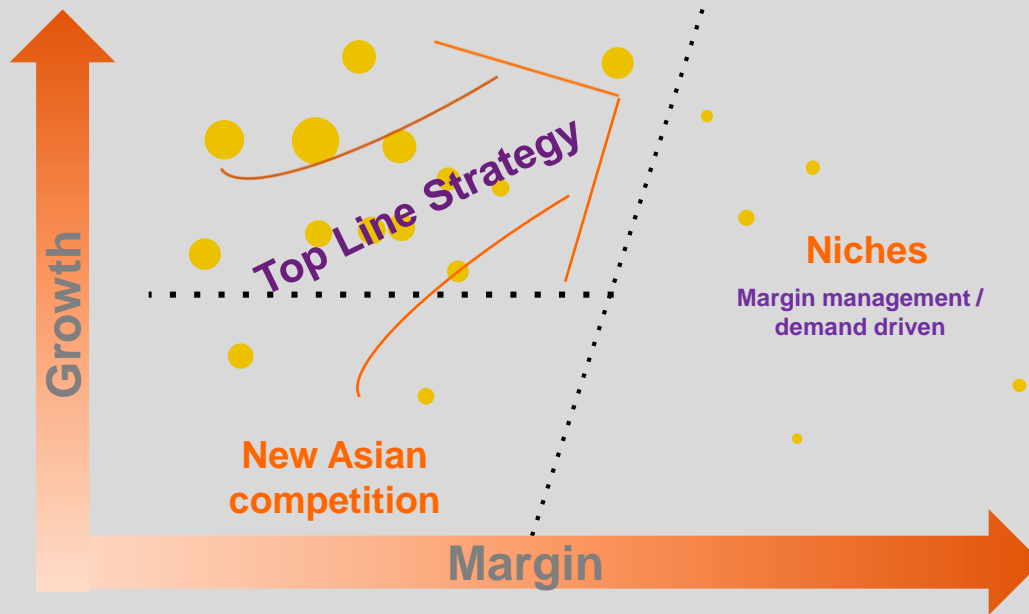


Best in class cash distribution to shareholders



*at year end 2019 the recognized deferred tax asset on tax losses amounted to EUR144m and the unrecognized deferred tax asset amounted to EUR438m

Constant innovation to shift portfolio into attractive growth / margin segments



Guiding principle: strengthen product & service differentiation

- Increase competitiveness against other materials by improving existing solutions
- Innovate and apply existing solutions to new target markets
- Develop innovative new products
- Optimize product & customer mix
- Redefine distribution channels

Investment case & value strategy

ESG excellence: Take a look at Aperam from an ESG perspective



Our mission is to produce reliable, 100% recyclable, green stainless steel

Products

Non toxic, long lifespan and 100% indefinitely recyclable without loss of quality

Climate change

We have the lowest CO₂ footprint in the stainless industry globally

Environment

We are recycling champion and 33% of our energy intake is renewable

Process

We have ambitious ESG targets and a convincing track record

Social

We value our diverse workforce, invest in training & 86% rate us a good employer

Governance

The majority of our board is independent

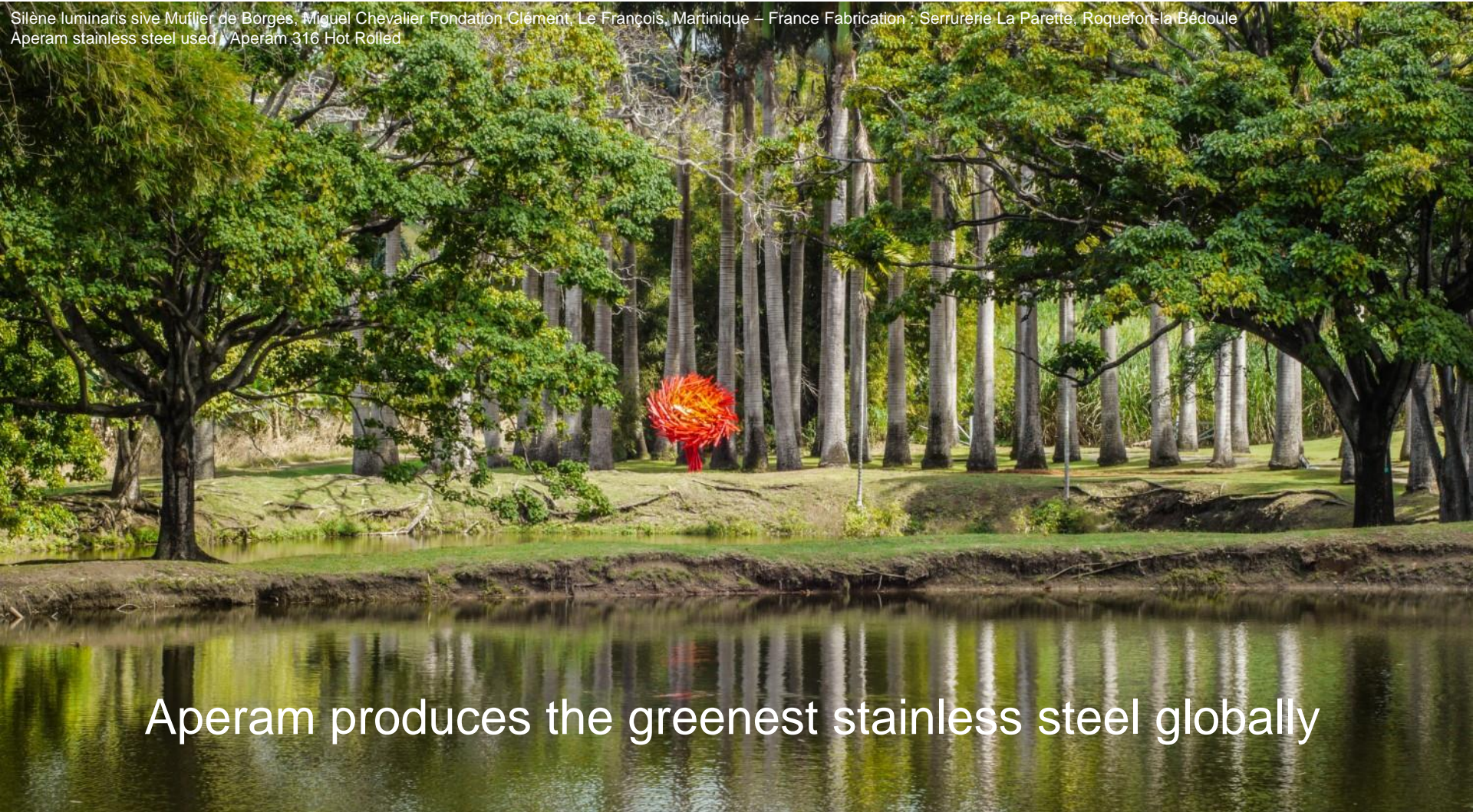
Compliance

We have a robust compliance framework and a zero tolerance policy

Please find our complete ESG presentation & report at: www.aperam.com/sustainability



Silène luminaris sive Muflier de Borges, Miguel Chevalier Fondation Clément, Le François, Martinique – France Fabrication : Serrurerie La Parette, Roquefort-la-Bédoule
Aperam stainless steel used / Aperam 316 Hot Rolled

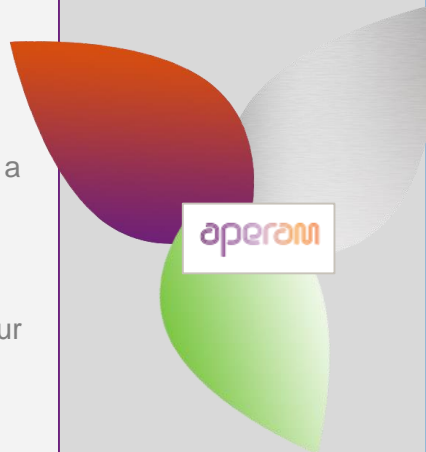


Aperam produces the greenest stainless steel globally

We take E, S and G seriously

Governance & Stakeholders

- Our **high ethical standards** are reflected in our robust corporate governance and structured compliance program with a zero tolerance policy for non compliant behavior
- our **Board of directors** is composed of a majority of independent directors
- Board Committees are independent members only
- We aim to be a **partner of choice** for our customers and suppliers
- Our **Corporate Responsibility** is reflected by local programs and stakeholder engagement



Social

- Our people are colleagues with whom we share values and a common future
 - Their **safety** is our non-negotiable priority
 - Their **motivation** and creativity is our greatest asset
 - Their **development** is a key to our success.
- We actively promote **diversity**
- We believe in a positive dialogue and have collective labour agreements in place throughout Aperam

Environment

- As an energy-intensive company, we consider environmental consciousness as a necessary prerequisite to our sustainable profitability
- Recycle: Our products are infinitely recyclable and our main input in Europe is recycled scrap
- We have an industry leading CO₂ footprint with the greenest” stainless steel globally due to our FSC-certified forest in Brazil
- We have clear targets in place to improve our environmental performance and are a member of Responsible Steel®

Our mission is to produce reliable, 100% recyclable, green stainless steel

- Our stainless & alloy products are 100% recyclable - without any loss of quality
- Our products have a very long useful life – they support and enable a sustainable global development
- Our products are non toxic in production and usage
- We are the only stainless steel mill using 100% charcoal instead of coal based coke in our BF's
- Our European production is predominantly based on scrap recycling: >80% of raw material
- Our product is 'Green Steel' because it is produced from a clean and renewable energy source
By doing so, we maintain a relationship of respect with the surrounding environment



Recycling



Mechanical
properties



Resistance
to fire



Corrosion
resistance

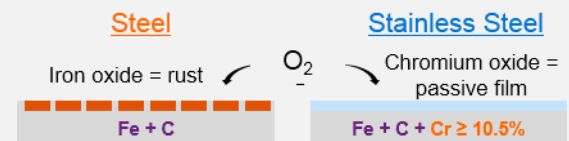


Cleanability



Aesthetics

Steel is an alloy of iron and carbon. Stainless steel additionally contains at least **10.5% chromium**. Stainless steels' corrosion resistance and mechanical properties can be further enhanced by adding other elements, (eg **nickel, molybdenum, titanium, niobium, manganese**, etc) and through mechanical & thermal treatment



Our mission is to produce reliable, 100% recyclable, green stainless steel



Renewable energy



Recycling

In our **BioEnergia unit**, based in Brazil, we produce **charcoal** from our FSC-certified **sustainably cultivated eucalyptus forests in Minas Gerais**

Charcoal is used in our steel-making process as a natural and renewable substitute for fossil fuels (coke). We managed to eradicate entirely the use of coal based coke in our blast furnaces which gives us a sector leading CO₂ footprint

In Europe, our main input is recycled scrap (>80%). We truly believe in and work to promote the circular economy

We are true promoters of the circular economy, with a 100%-owned Recyco unit dedicated to the recycling of melting shop dust and sludges in Europe

ESG summary

Aperam supports the United Nations' Sustainable Development Goals



We take broad responsibility: our Products and Environmental and Social action

3 GOOD HEALTH AND WELL-BEING



Health & Safety is Aperam's primary concern and the priority in all our proceedings

5 GENDER EQUALITY



Gender balance is ranked highly on our priority list as from 2017 and has received a special commitment from management, who decided to set up specific objectives for creating more gender balance in our workforce

6 CLEAN WATER AND SANITATION



In our forestry, located on hydric-stressed areas like our other plants, lowering water consumption and improving the quality of discharge are key elements of our environmental strategy

7 AFFORDABLE AND CLEAN ENERGY



More than 30% of Aperam's energy comes from renewables as biomass (charcoal) and, via pilot projects, wind and solar

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Research & Development and innovation are top priorities for Aperam. We also help our customers adapt their own processes (welding, stamping, etc.) to make the most of their tools

11 SUSTAINABLE CITIES AND COMMUNITIES



Aperam is committed to a sustainable cohabitation with our neighboring communities, allowing host cities to thrive and addressing inhabitants' legitimate requests

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Aperam is a recycling champion: We use the maximum amount of recycled material (not only scrap) in our production and also take good care to leverage wastes and by-products in line with our zero-waste target

13 CLIMATE ACTION



Our BioEnergia cultivated forest produces charcoal which prevents use of met coal & coke and acts as a FSC certified carbon sink. Our plants are constantly reducing their energy consumption and participate in our climate action plan

16 PEACE, JUSTICE AND STRONG INSTITUTIONS





Ethics are a key component to Aperam's values. We comply with all applicable regulations, interact transparently with authorities and support the fight against corruption, money laundering and anti-competitive practices - among others

ESG summary

Social: Our people are our asset



Criteria	2020 Target	Aperam 2019 status	Steel industry 2017*
Lost-time injury frequency rate	<1	1.7 	2.93
Employee satisfaction ¹	N/A	86% 	78%
Diversity	Increase	Women 12% of staff 20% of exempts	
Training hours/FTE	Increase	35.5	
Absenteeism	2.0	3.1	

Safety always comes first at Aperam. We rely on our people to transform our company from a traditional industry into a connected, agile and innovative organization






* Heavy manufacturing, Worldsteel 1 For the seventh consecutive year, Aperam S America was selected as one of the best companies to work for by Guia Você S/A, in recognition of our work on employee health and wellbeing

ESG summary

Environment: A best in class footprint²

We aim to become carbon neutral by 2050 in Europe



Criteria	Target 2030	Aperam 2019 status	Steel industry 2017
Energy intensity*	12.1 GJ/t -5% vs 2015	13.3 GJ/t +4% 	
CO ₂ intensity**	0.45 t/t -15% vs 2015	0.48 t/t -11% 	0.95 t/t ²
Water consumption	5.9 m ³ /t -40% vs 2015	11.8 m ³ /t +16% 	
Dust intensity	70 g/t -70% vs 2015	84 g/t -65% 	
Zero Waste target	>97% reused / recycled	94.3% +0.8pp 	

Lower production volumes hurt some KPI's in 2019

We aim to exceed environmental legislation and are committed to continuous improvement

*amounts to -11% on electricity & natural gas the incentive for CO₂ savings ²per ton of slab

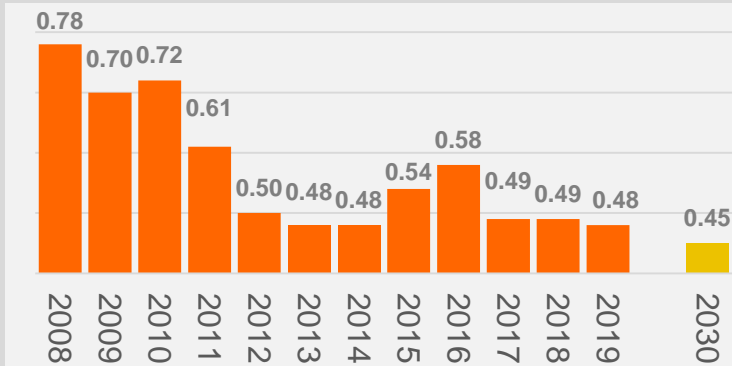
**Scope 1+2. An internal CO₂ price of €30/t is applied to all investments. We review and adjust this if necessary to maintain

ESG summary

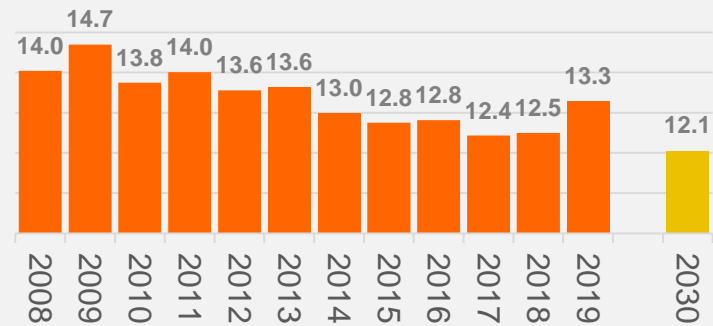
Environment: Aperam has a convincing environmental track record and clear improvement targets. Low volumes impacted 2019



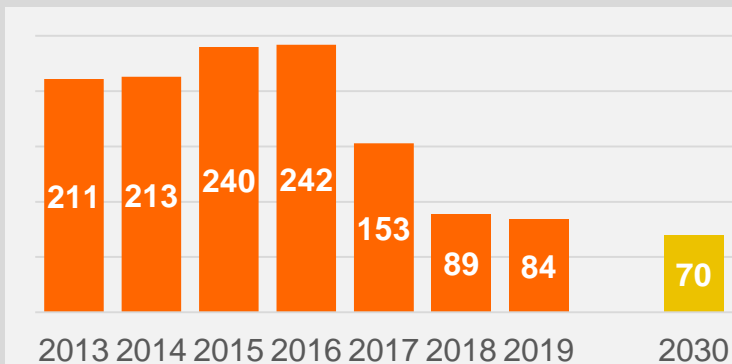
CO₂ emissions (t/t crude steel)*



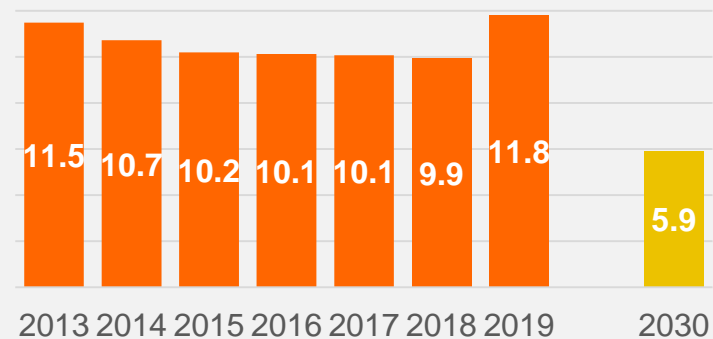
Energy consumption (GJ/t crude steel)



Dust emissions (g/t crude steel)



Water intake (m³/t)



target ●

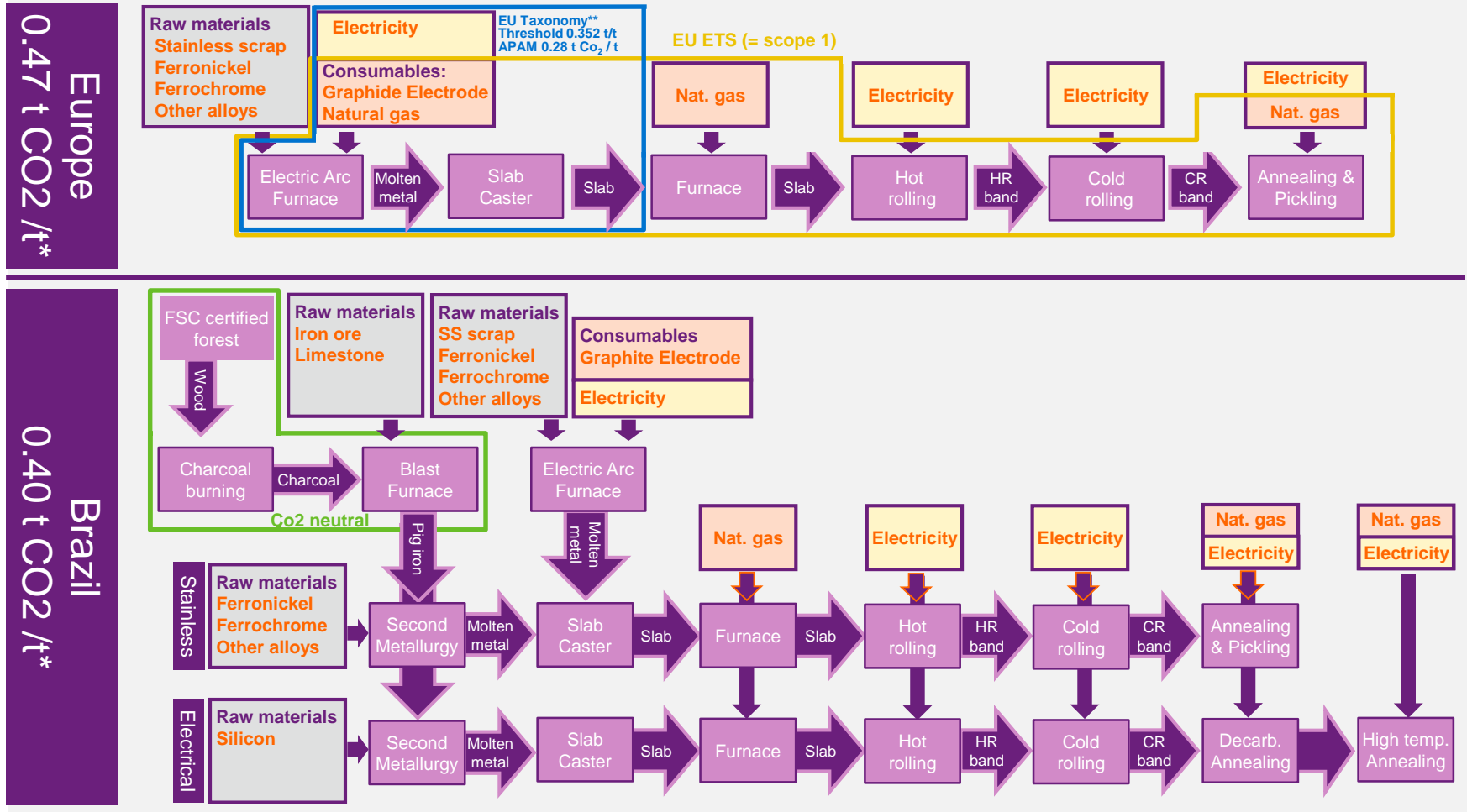
Actual ●

*scope 1 & 2

Aperam's CO₂ footprint: Aperam has a industry leading CO₂ footprint and produces the greenest stainless steel globally



Aperam has a convincing track record and clear improvement targets set for 2030

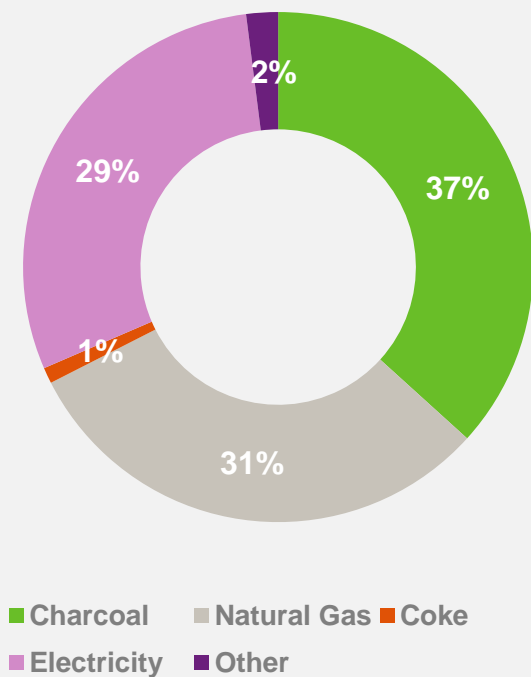


ESG summary

Environment: Bio Energia & recycling give Aperam a best in class climate change footprint

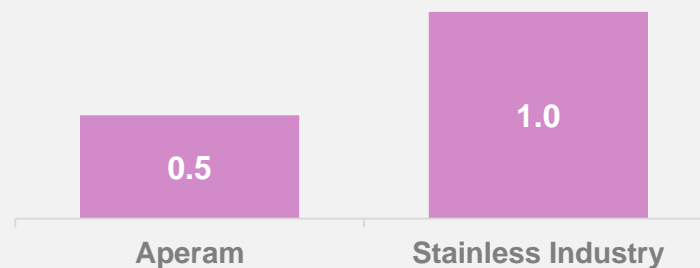


Aperam energy mix 2019

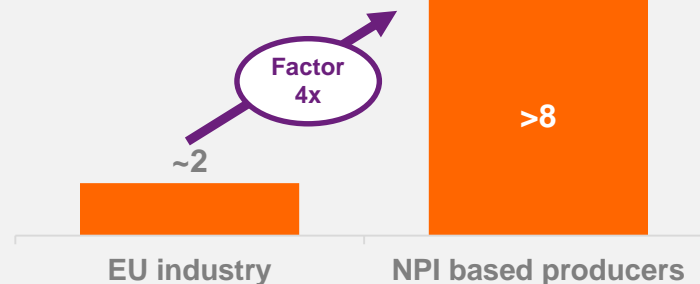


Aperam's has the smallest CO₂ footprint in the industry*

CO₂ t/t scope 1+2



CO₂ t/t **



Our sustainably cultivated forest in Brazil is a unique asset

Source: Aperam estimates & calculation, ISSF data, CRU

**scope 1+ 2 + total raw material emissions and transport

*Data is for austenitic HR steel, scope 1+2

Key facts & compensation

- Entrusted with day-to-day management of the Company
- Appointed by the Board of Directors
- Experience and industry know how
- Average age: 49 / 6 Nationalities
- CEO: responsible for Aperam's sustainability performance and compliance
- CTO, is also Head of Health, Safety & Environment
- Compensation aligned with long term interest of the Company and its stakeholders
 - ✓ Multiplier for performance related bonus includes H&S factors (1 year plan)
 - ✓ Long term incentive plans based on EPS and TSR evolution (3 year plan) vs relevant peers and index

A diverse & experienced team

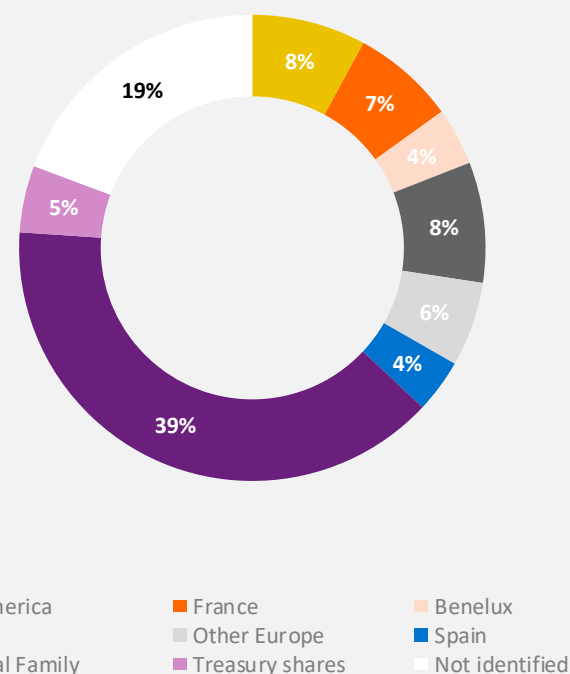


Aperam benefits from the experience and industry know-how of its Leadership Team

Principles of our board

- Responsible for strategic direction and oversight of the business, as well as for appointing senior management
- Election subject to shareholder approval. Directors are elected for 3 year terms
- Chairman: Mr. Lakshmi N. Mittal
- 7 members with a majority of independent directors (4 independent directors out of 7)
- 2 Board Committees composed of 100% of independent directors and reporting to the Board of Directors:
 - Audit and Risk Management Committee covering also ESG matters ; Chair: Ms. Bernadette Baudier
 - Remuneration, Nomination and Corporate Governance Committee ; Chair: Mr. Alain Kinsch

Shareholder structure



Diverse skills, backgrounds, knowledge, experience, geographic locations, nationalities and gender are reflected on our board and ensure effective governance

Business overview





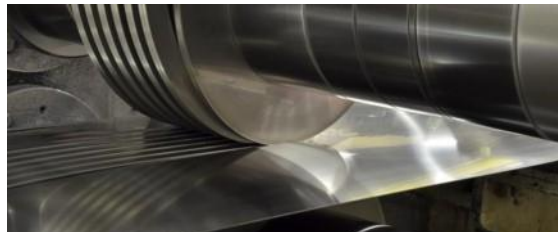
Musée des Confluences in Lyon, France. Architect: Coop Himmelb(l)au © Sergio Pirrone. Stainless steel used: Aperam 316L/1.4404 with Uginox Me

Group segments & corporate structure

Business overview

Group: Segments & corporate structure*









Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties
<p>2.5mt production capacity</p> <p>1.7mt of gross shipments</p> <p>73% of group adj EBITDA</p>	<p>706kt of gross shipments</p> <p>13% of group adj EBITDA</p>	<p>40 kt production capacity</p> <p>36kt of gross shipments</p> <p>14% of group adj EBITDA</p>
<p>One of the largest global producers of stainless steel**</p> <p>Europe:</p> <p>2 Electric Arc Furnaces use scrap as major input material</p> <p>Stainless steel flat product output</p> <p>South America:</p> <p>2 blast furnace use iron ore and charcoal produced from own forests</p> <p>2 EAF use recycled scrap</p> <p>Stainless flat products & electrical steel</p>	<p>Aperam sells and distributes its products through the S&S segment, which provides value added and customized steel solutions through further processing to meet specific customer requirements. S&S core activities:</p> <ul style="list-style-type: none">• direct sale of Aperam products to end users• distribution of Aperam and third party material• transformation services, according to specific customer requirements	<p>Fourth largest producer of nickel alloys globally</p> <p>Aperam specializes in nickel alloys and specific stainless steels</p> <p>Our products take the form of bars, semis, cold-rolled strips, wire and wire rods, and plates, and are offered in a wide range of grades</p> <p>High value items that are often sold on a kg basis</p>
		
<p>Aperam covers the complete stainless value chain with industry leading assets in Europe and Brazil</p>		

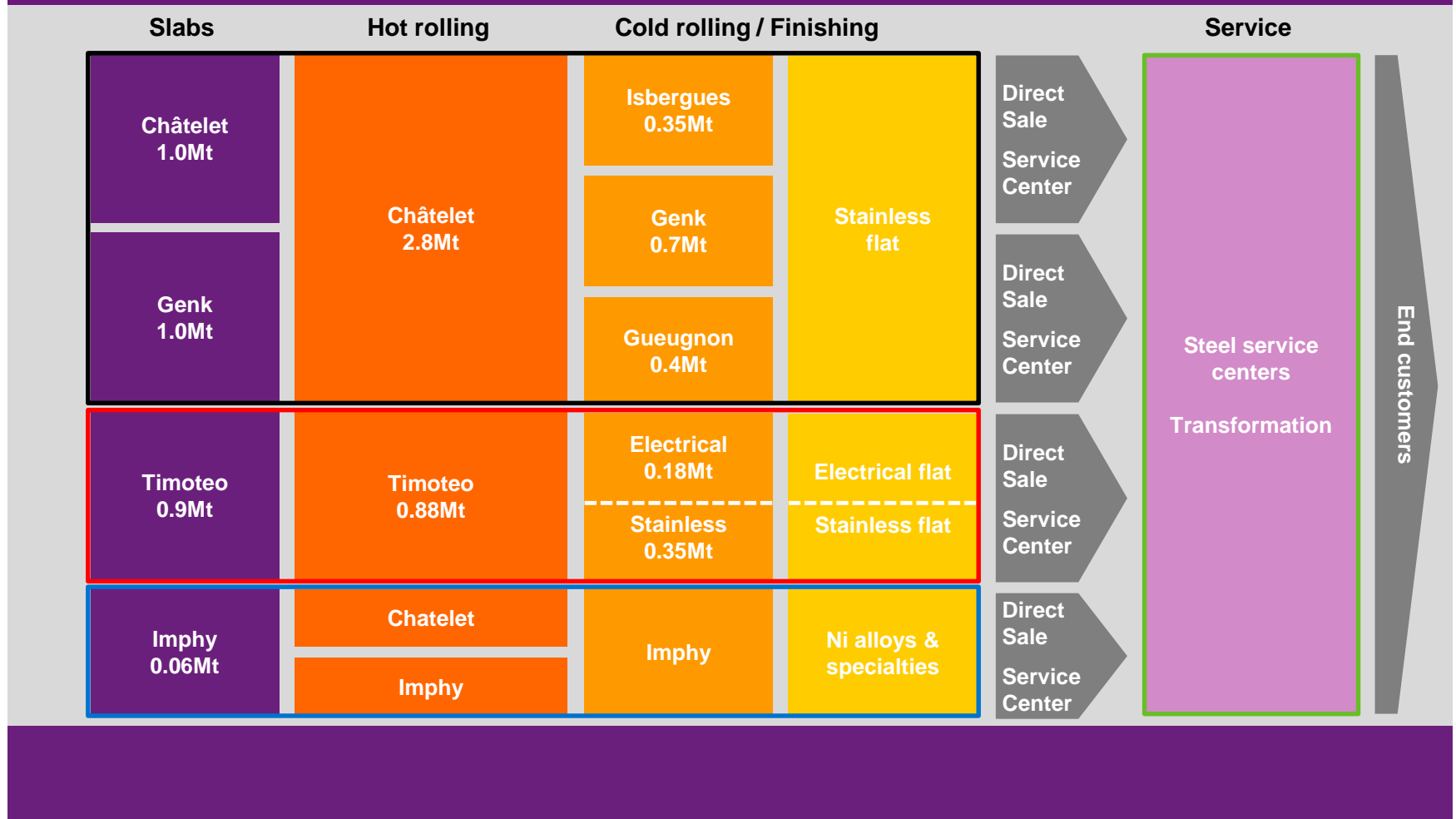
*gross shipments and adj EBITDA are before eliminations

** By production capacity

Production assets in Europe and South America

Châtelet, Belgium	Genk, Belgium	Gueugnon, France	Isbergues, France	Timóteo, Brazil	Imphy, France
					
Location & facts Melt shop Hot rolling mill	Location & facts Melt shop Cold-rolling mill Finishing	Location & facts Cold-rolling mill Finishing	Location & facts Cold-rolling mill Finishing	Location & facts Melt shop Cold-rolling mill Finishing	Location & facts Melt shop Cold-rolling mill Finishing
Capacity Slabs 1,000 kt HSM 2,800 kt	Capacity Slabs 1,000 kt 2 m wide capacity 316 and duplex grades Cold-rolling 700 kt	Capacity Finished 400 kt Specialized in Bright Annealing (BA) products and stabilized ferritics.	Capacity Finished 350 kt LC2i: integrated line	Capacity* Slabs 900kt Stainless finished 350kt Electrical CR: Grain oriented 60kt Non GO 170kt SP Carbon 200kt <small>*some lines are flexibly used for different products</small>	Capacity EAF 60kt 1 VIM, 2 VAR, Rotary continuous Caster for long products Wire hot rolling mill: 40kt 6 Cold rolling mills

Aperam's value chain



Stainless & Electrical Steel Europe
 Stainless & Electrical Steel South America

} Stainless & Electrical Steel

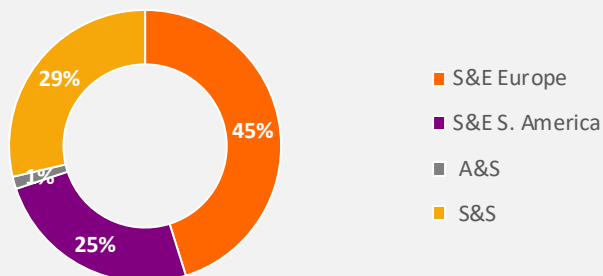
Alloys & Specialties
 Services & Solutions

Business overview

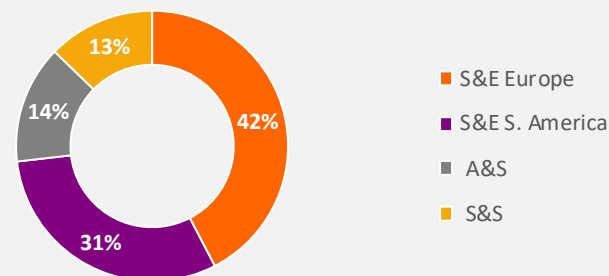
Group: A balanced risk profile and customer structure



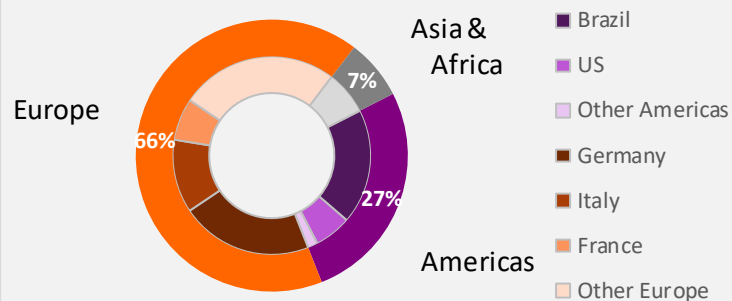
Shipment split by segment 2019*



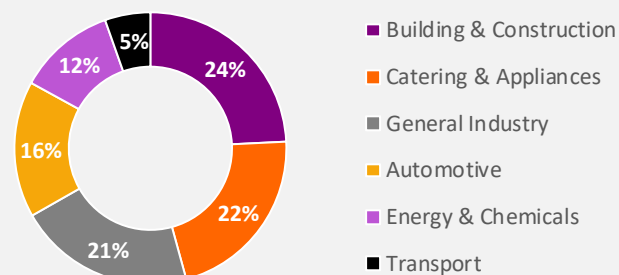
Adj EBITDA contribution by segment 2019*



Revenue by region 2019



Revenue by customer industry 2019



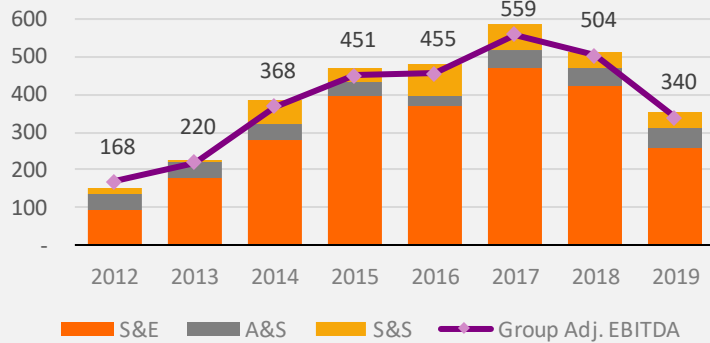
* Calculated on segmental data before eliminations

Business overview

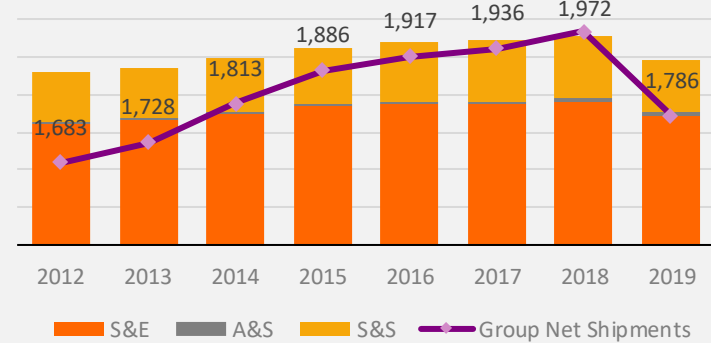
Group: Self help has transformed the group. Higher cash generation and profitability even in adverse market conditions



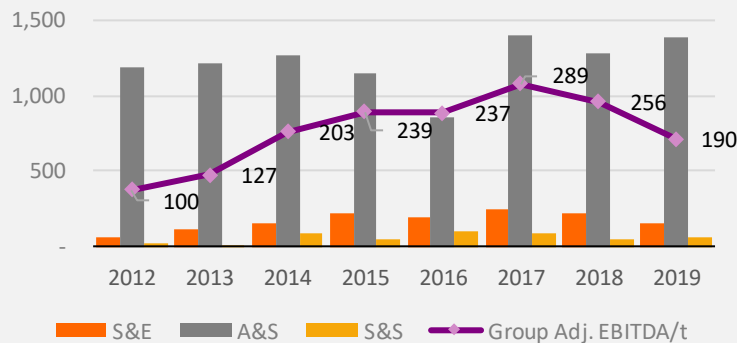
Adj EBITDA by segment (EURm)



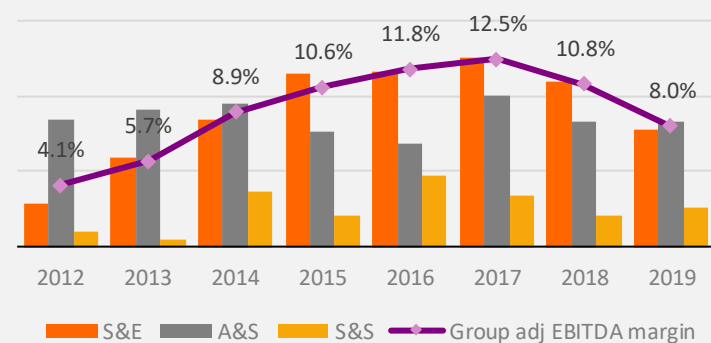
Shipment by segment (kt)



Adj EBITDA/t (EUR)



Adj EBITDA margin



Stainless & Electrical Steel

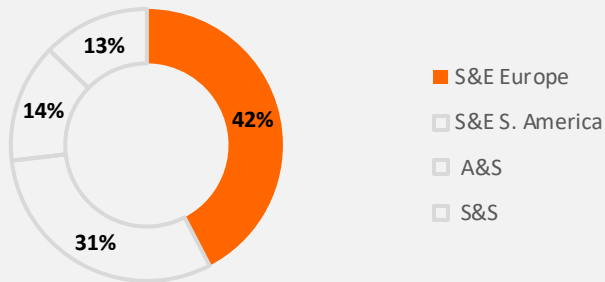
Europe

Business overview

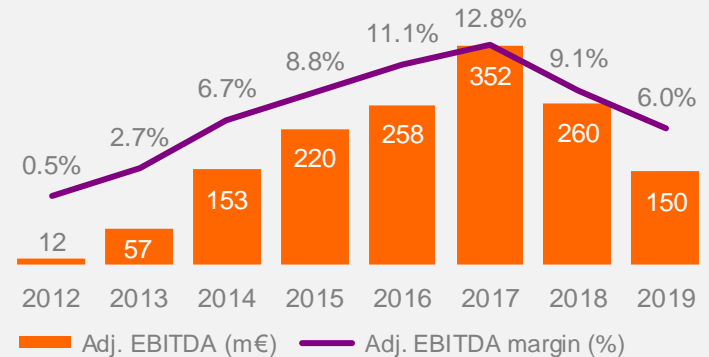
S&E Steel Europe: Self-help measures yield a robust operational performance despite a price and volume squeeze



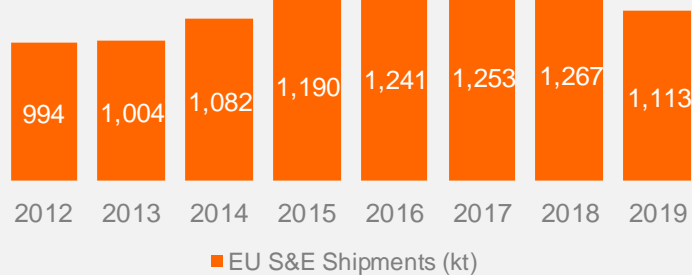
Major adj EBITDA contributor 2019



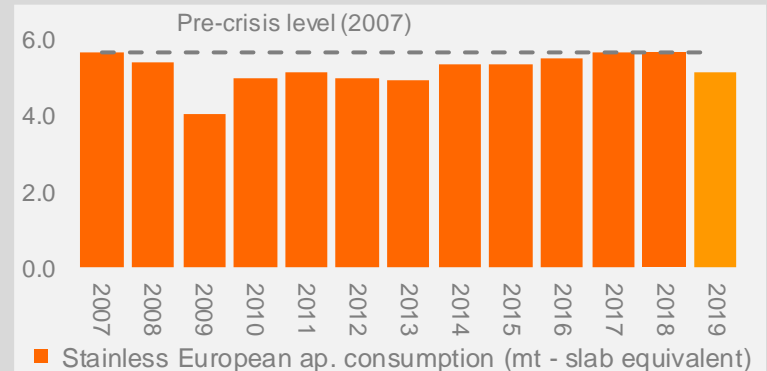
Robust profitability capitalizing on restructuring



European shipments reflect import pressure, destocking and weak real demand



European stainless steel demand came under cyclical pressure in 2019



Business overview

S&E Steel Europe: Leverage Aperam's unique position



European stainless steel industrial footprint



Aperam key competitive advantage

Sourcing

- The only integrated upstream operations in the heart of Europe
- Superior access to scrap supply

Logistics

- Best location to serve the biggest consumption areas of Europe
- Efficient logistics between sites results in industry leading working capital management

Production

- Full range of products with flexible capacity
- Increase scrap recycling to minimize environmental impact
- Aim to become cost leader in the key products

Located in the heart of European scrap generation and stainless consumption

EU trade action update

Further actions against unfair trade have been initiated in addition to the existing Safeguard



NEW

	Safeguard	Anti-dumping (AD)	Countervailing duties (CVD)
Aim	<ul style="list-style-type: none"> Maintain traditional trade flows Volume focused 	<ul style="list-style-type: none"> Duty on imports that are <u>priced below fair market value</u>** Price focused 	<ul style="list-style-type: none"> Neutralize effect of <u>subsidies</u> that benefit certain imports Price focused
Countries affected	<ul style="list-style-type: none"> All countries globally (if not explicitly exempt) Effective since February 2019 (Indonesia included from 1 Oct. 2019) 	<ul style="list-style-type: none"> Hot rolled: <u>preliminary duties set</u> against China, Indonesia, Taiwan since 8 April 2020 	<ul style="list-style-type: none"> Hot rolled: <u>Case opened</u> by EU commission in October 2019 against China, Indonesia Decision expected by mid 2020²
Measure	<ul style="list-style-type: none"> HR quota 354kt pa* CR quota 836kt pa* Largest importers have a country quota. A residual quota for all others 25% duty for shipments > quota 	<ul style="list-style-type: none"> Hot rolled duty on every tonne entering the European market China: 14.5% - 18.9% Indonesia: 17.0% Taiwan: 6.0% - 7.5% 	<ul style="list-style-type: none"> Hot rolled: duty to be determined according to unfair advantage granted Registration of HR imports from China & Indonesia since 25 Jan
Impact	<ul style="list-style-type: none"> HR imports: FY 2018: 470 kt FY 2019: 499 kt CR imports: FY 2018: 1,044 kt FY 2019: 931 kt 	<ul style="list-style-type: none"> LTM HR share of imports: China 59%, Indonesia 13%, Taiwan 8% Q1 2020 HR imports from affected countries – 76% qoq 	<ul style="list-style-type: none"> HR: impact to be determined LTM HR share of imports: China 59%, Indonesia 16%

Existing AD on cold rolled against China (25.3% duty) and Taiwan (6.8% duty) since 2015:
China CR import share dropped from 32% in 2014 to negligible post AD was imposed

We expect new measures against unfair trade to become effective during Q2

*Effective quota from 1 July 2019 to 30 June 2020. Quota relaxes by 3% on 1 July 2020 / annual for country quotas, quarterly for residual / SS Hot Rolled country quotas: China, S. Korea, Taiwan, USA SS CR: country quotas S. Korea, Taiwan, India, USA, Turkey, Malaysia, Vietnam **could be difference between domestic market price and export price or cost based ²preliminary duties

Stainless & Electrical Steel

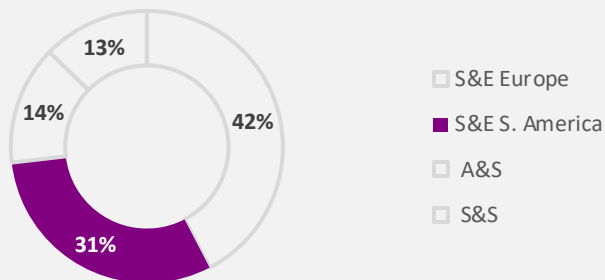
South America

Business overview

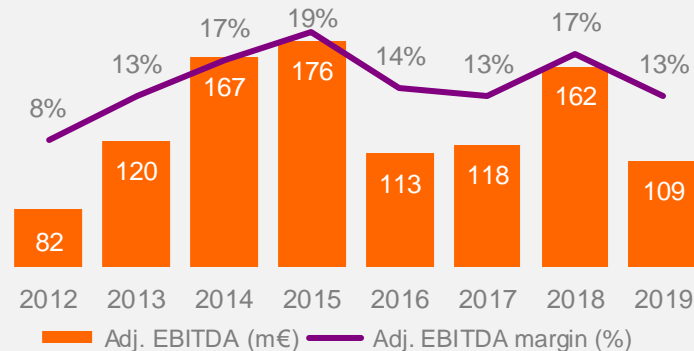
S&E Steel South America: A flexible, agile and highly profitable asset



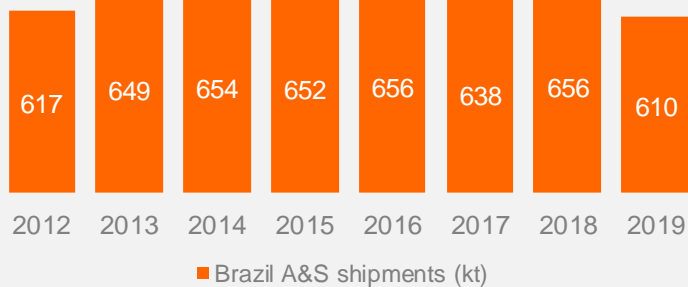
A significant adj EBITDA contributor 2019 despite demanding conditions



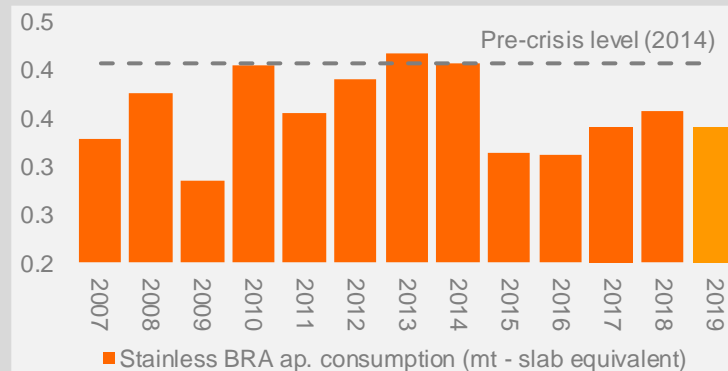
Earnings reflect weak domestic economic environment



Stable shipments due to mix of domestic and exports



Weak economic growth continues to weigh on stainless steel consumption in Brazil

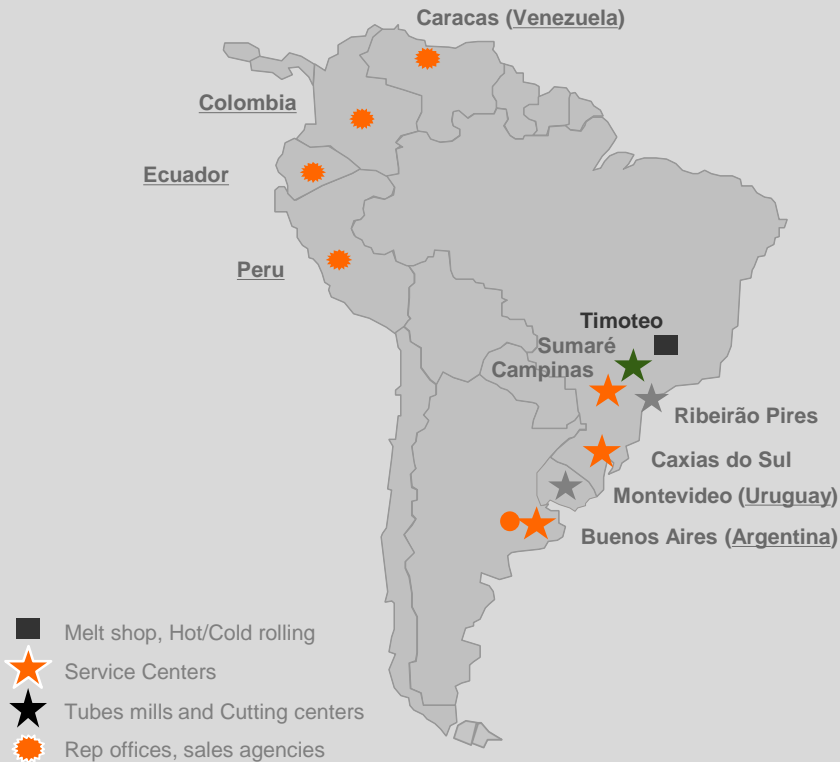


Business overview

S&E Steel South America: Our Brazil asset is unique – the only stainless steel producer in South America



Aperam South America footprint



Upstream integration

Bio Energia

Cost competitive & environmentally friendly charcoal from own cultivated forests is used to heat the blast furnace



Range of products

Stainless Steel

A complete range of stainless steel grades (austenitics, ferritics, duplex, martensitics)



Grain oriented electrical steel

Grain oriented electric steel* for use eg in stationary machines eg transformers



Non grain oriented electrical steel

Non-grain oriented electric steel** for use in electric motors and generators



Special carbon steel

Alloyed, high, medium & other special carbon steel are completing product portfolio



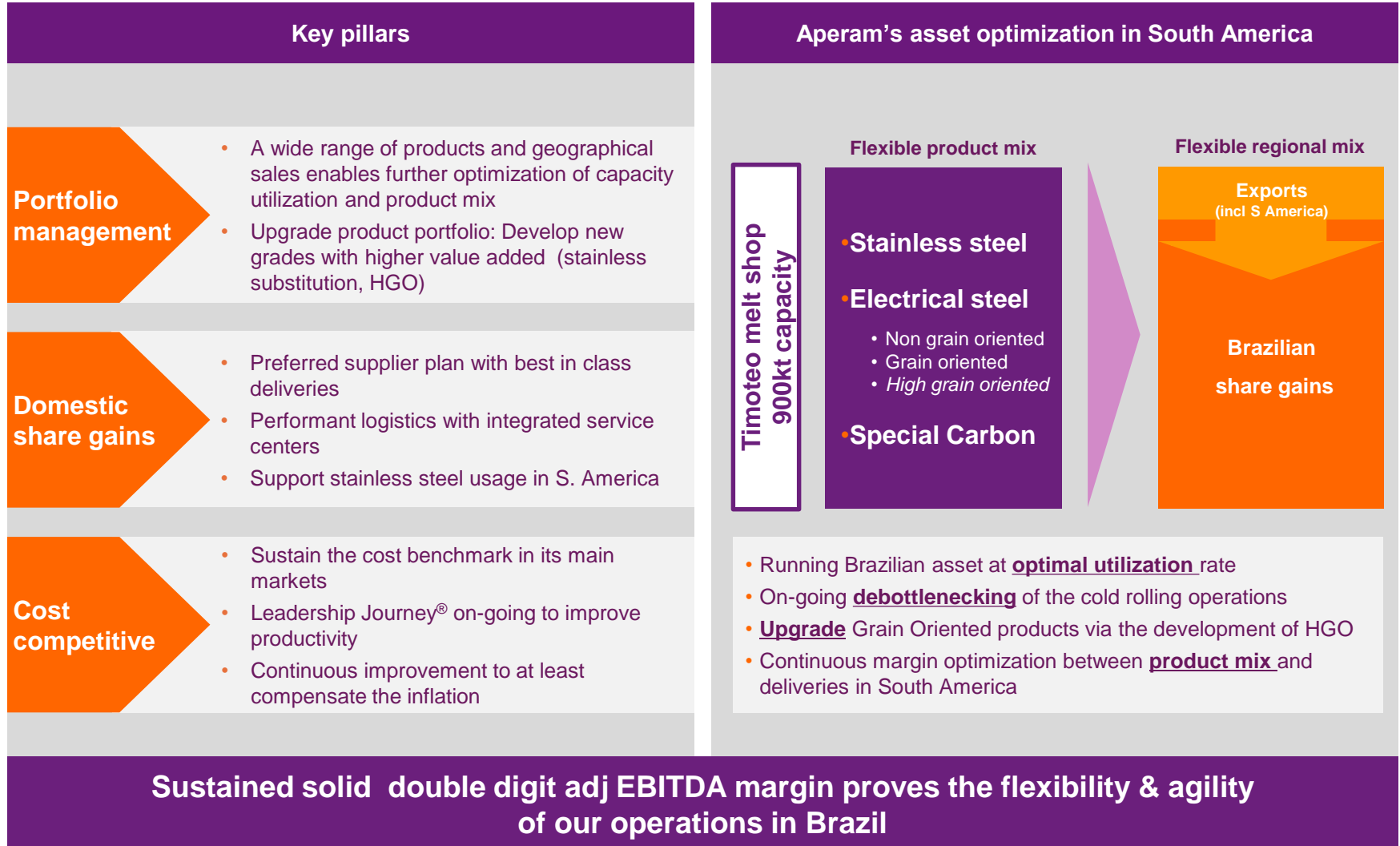
The sole flat stainless steel producer in South America with a complete range of products, and a flexible production set-up

*Grain oriented steel (GO & HGO) has the magnetic properties optimized in one direction during hot rolling.

**Non-grain oriented steel (NGO) has identical magnetic properties in all directions

Business overview

S&E Steel South America: Brazil can switch flexibly between products and markets to maximize profitability

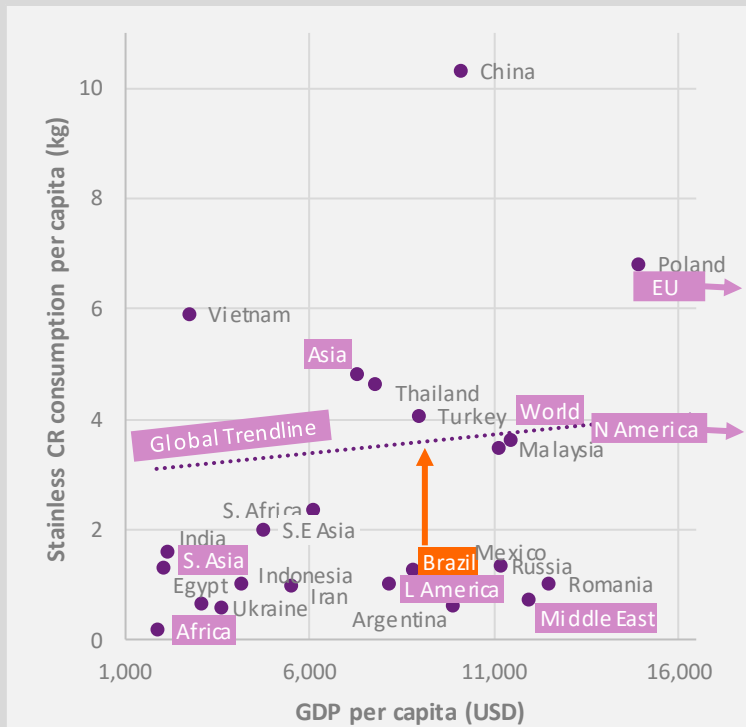


Business overview

S&E Steel South America: Brazil offers ample opportunity for both cyclical and structural growth



Brazil consumes substantially below the global trend line



Brazil opportunities

- ✓ **Short term:** reviving the normal investment cycle in the economy. Large scale infrastructure & energy projects have been missing
- ✓ **Medium term:** Tax reform, followed by a change of import duties. Reforms that put our customers in a position to compete on a global level will drive volume and yield a positive mix effect
- ✓ **Long term:** Higher standard of living will drive stainless steel consumption. Currently Brazil at 1.4kg / capita vs China >9kg/capita and a GDP implied consumption of >3.5kg/capita

Examples of stainless steel solutions in the Agrobusiness:



Equipment for the transport and sterilization of Palm fruits



Equipment for washing gases from biomass burning



Slats of metallic conveyor belt for the transport of sugarcane

Largest global producer of:

- Coffee
- Orange
- Sugarcane and sugar

Largest global exporter of:

- Meat
- Poultry
- Sugar
- Ethanol

Brazil has tremendous potential for volume & mix improvement

S&E Steel South America: Brazilian protections against unfair market behaviour



Type of products	Import duties status	Anti-dumping status
Stainless Steel Flat Products	✓ Normal import duties are 14%	<ul style="list-style-type: none"> ✓ China, Taiwan ✓ AD duties starting October 4th, 2019 for 5 years ✓ China USD175/t – USD629/t, Taiwan USD93/t – USD705/t
Stainless Steel Welded Tubes	✓ Normal import duties are 14%	<ul style="list-style-type: none"> ✓ China and Taiwan: AD duties since July 29th, 2013 for 5 years and up to USD911/t. Renewal investigation launched on July 16th, 2018 ✓ Malaysia, Thailand and Vietnam: AD duties starting June 13, 2018, for 5 years from USD367/t up to USD888/t
Electrical steel – Non Grain Oriented	✓ Normal import duties are 14%	<ul style="list-style-type: none"> ✓ China, South Korea, Taiwan, Germany: AD duties from 15 July 2019 for 5 years from USD90/t – USD166.3/t ✓ Re-evaluation after 12 months
Electrical steel – Grain Oriented	✓ Normal import duties are 14%	

Tariff measures to support fair market environment in Brazil

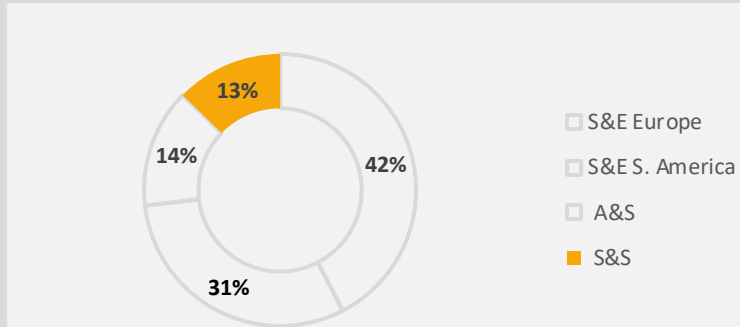
Services & Solutions

Business overview

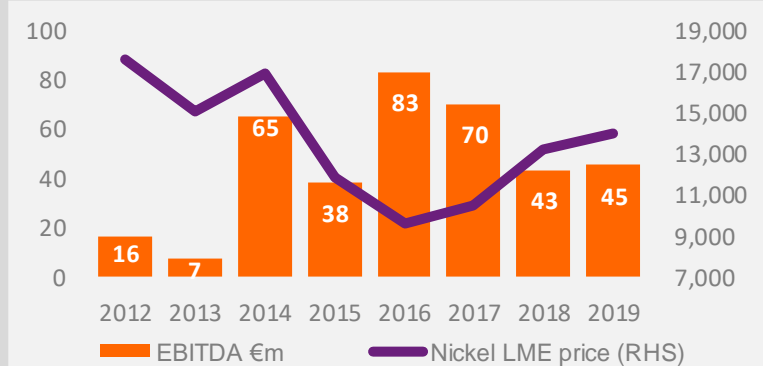
Services & Solutions: stronger partnership with customers enhances margins



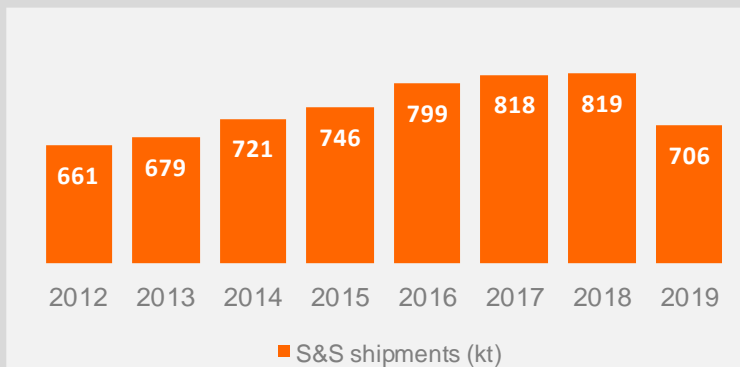
A significant adj EBITDA contributor 2019 despite tough conditions



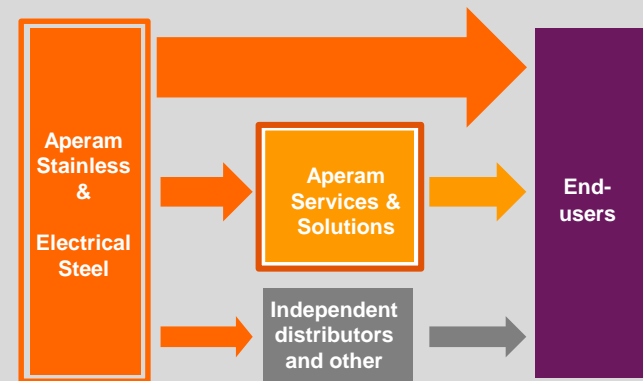
A profitable Services & Solutions thanks to its focus on service oriented customers



Increasing focus on downstream value added services and solutions

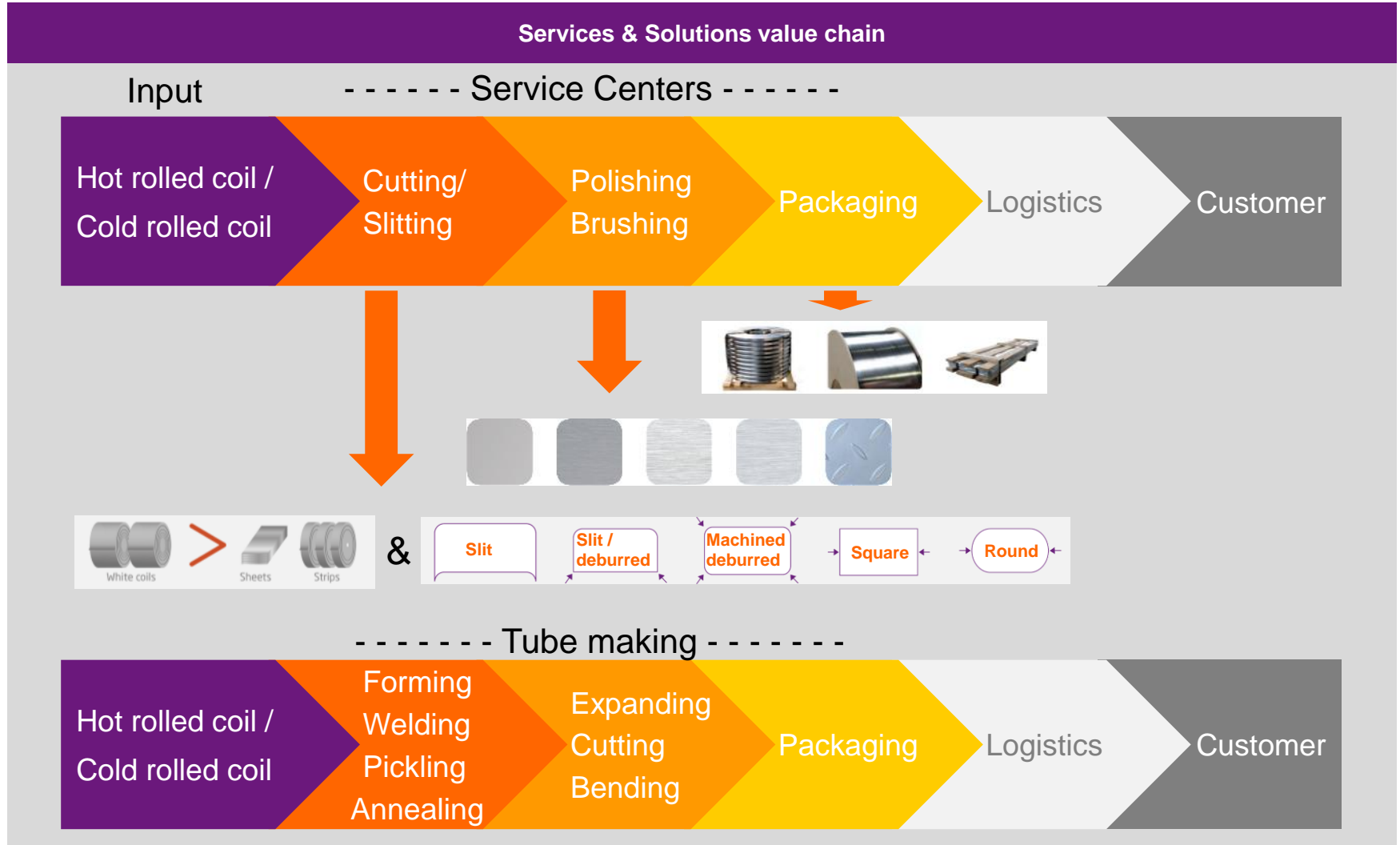


A majority of “in house” exposure to end users to best serve their needs and provide best services & solutions



Business overview

Services & Solutions: Adding value downstream



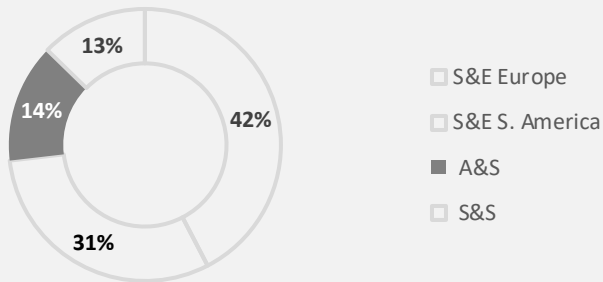
Alloys & Specialties

Business overview

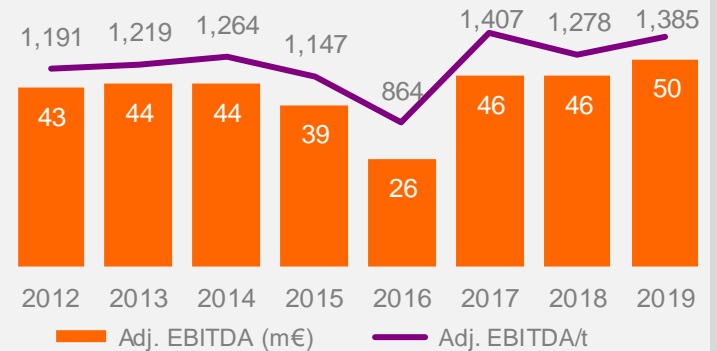
Alloys & Specialties: attractive niche market with high margins



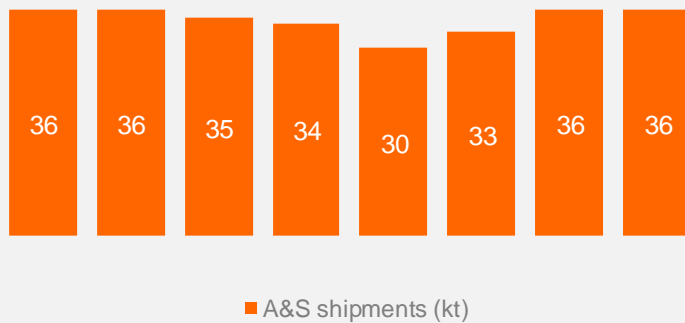
Aperam's high value-added segment 2019



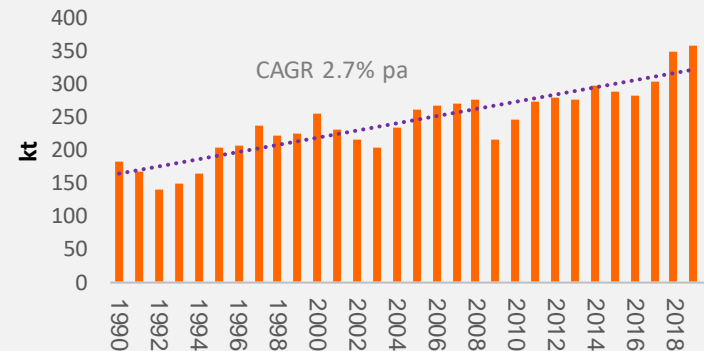
High profitability due to end products & end user orientation



Stable shipments but markedly improved mix



Nickel Alloys a growing and premium niche market

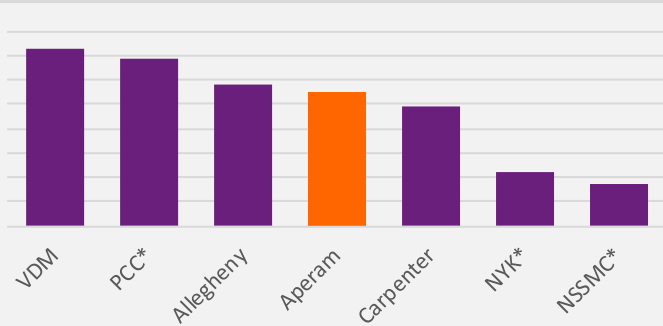


Business overview

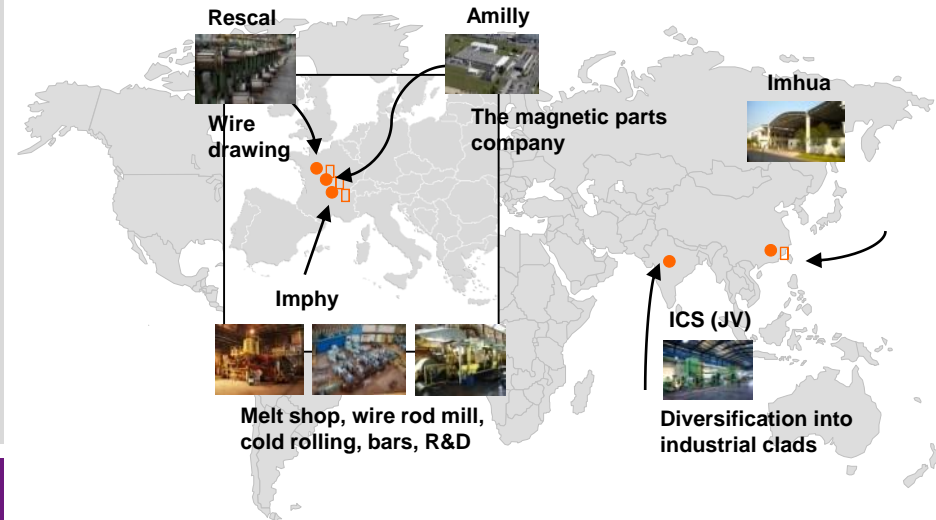
Alloys & Specialties: attractive niche market with high margins



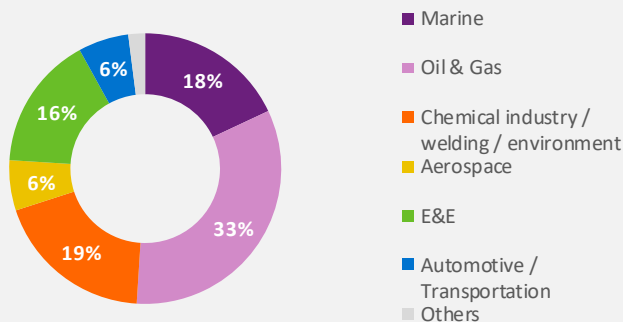
Aperam is global top player in nickel alloys and strong in long products (kt)



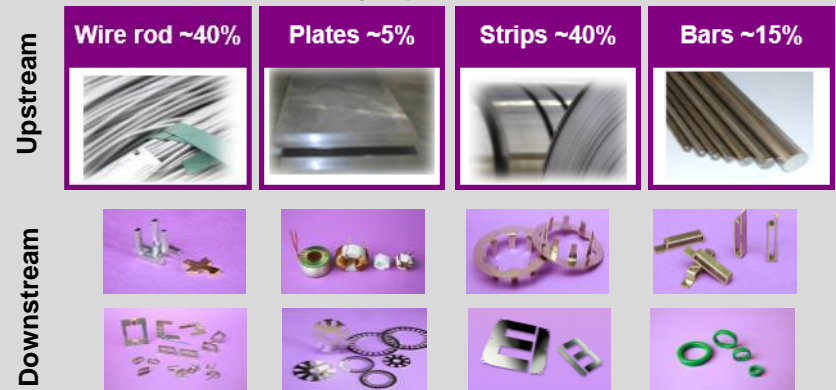
Aperam Alloys & Specialties geographical footprint



Alloys & Specialties sales by industry 2019



Major products



Source: SMR, Aperam

*PCC (Special Metals) NYK (Nippon Yakin Kogyo)

Business overview

Alloys & Specialties: Specialty alloys add stability and profitable growth element



Innovation is key for premium specialties...

R&D intensive industry

- Substantial market entry barriers
- Benchmark customers in advanced industries require tailored, certified and highly sophisticated solutions

Key R&D figures (based on 2019)



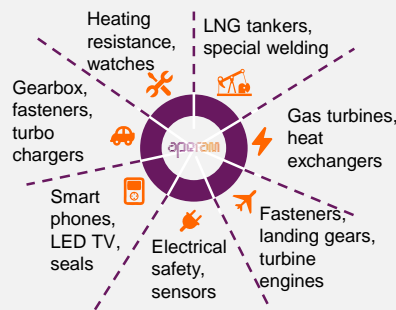
Cooperation contracts	26
Total registered patents	341
Sales of new products	14%

...to cater for highly sophisticated and evolving needs...

High growth end market applications

- "Kilogram" market: unique products designed to enable precision and high-tech solutions globally
- Highly diversified end-markets

Key end-markets / application types

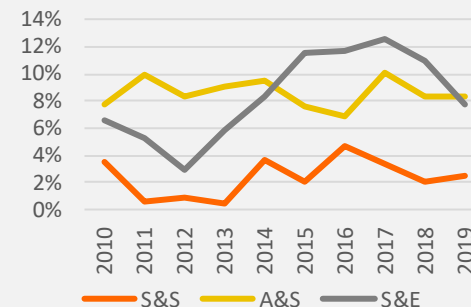


...yielding growth opportunities and margin stability

Less exposed to commodity cycles

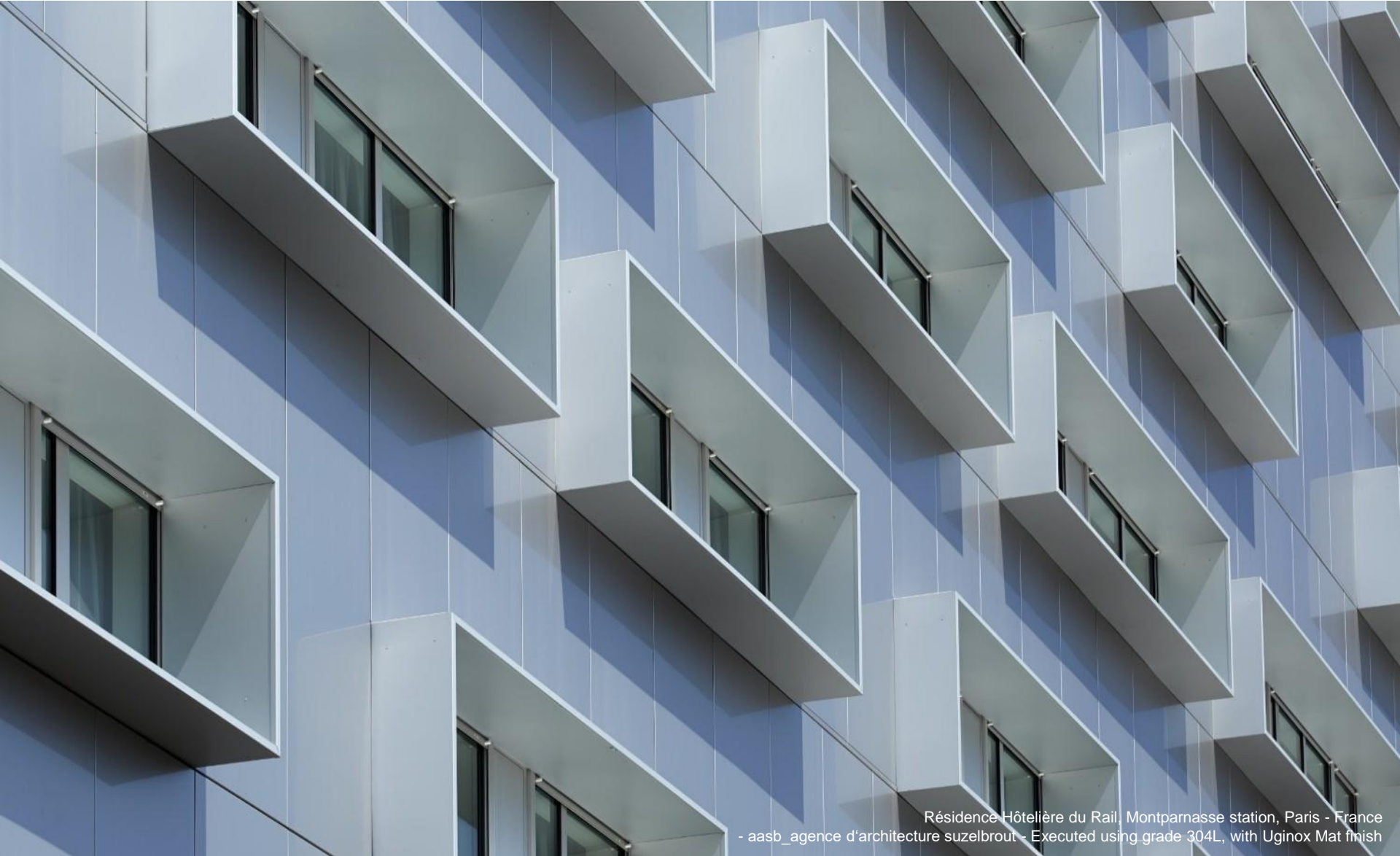
- Cost of raw materials passed through to customers
- Long-standing client relationships
- Good visibility on volumes with high proportion of recurring revenue

EBITDA margins by Aperam division



A very profitable, growing and stable niche market

Appendix



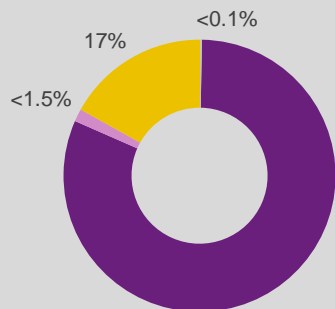
Résidence Hôtelière du Rail, Montparnasse station, Paris - France
- aasb_agence d'architecture suzelbrout - Executed using grade 304L, with Uginox Mat finish

Appendix

Key stainless product categories by alloy content

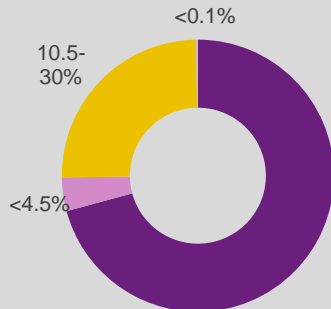


Martensitic



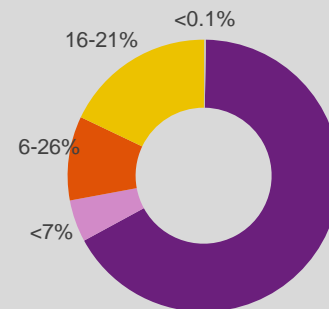
Cutlery, cutting tools, construction tools...

Ferritic (400 series)



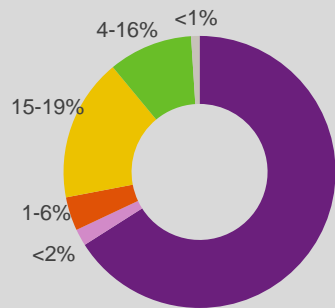
Car exhausts, conveyor chains, cooking utensils, boilers, electrical appliances, trim, dishware, heating, tanks, tubes...

Austenitic (300 series)



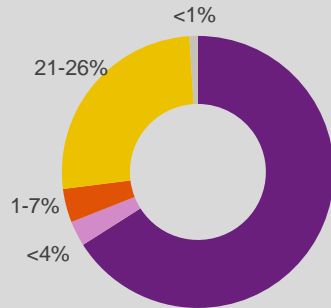
Boiler, aeronautics, electronic components, railway equipment, tubes, chemical tanks, food vats, marine applications, furnace, heating...

Austenitic with Manganese (200 series)



Asphalt tankers, tubes, food containers, silos, conveyor chains, safety soles...

Austeno-ferritics (Duplex)



Oil & gas equipment, papermaking, pulp, desalination sector, chemical plants...

By weight

