

Third quarter 2017

November 8th, 2017

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Disclaimer



Forward-Looking Statements

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Introduction & overview



Highlights:

- Health and Safety: LTI frequency rate of 2.0x in Q3 2017 compared to 1.3x in Q2 2017.
- Steel Shipments of 477 thousand tonnes in Q3 2017, stable compared to steel shipments of 478 thousand tonnes in Q2 2017.
- EBITDA of USD 125 million in Q3 2017 compared to USD 169 million in Q2 2017.
- Net income of USD 62 million in Q3 2017, compared to USD 85 million in Q2 2017.
- Basic earnings per share of USD 0.76 in Q3 2017, compared to USD 1.10 in Q2 2017.
- Cash flow from operations amounted to USD 82 million in Q3 2017, compared to USD 100 million in Q2 2017.
- Free cash flow before dividend and share buy-back of USD 50 million in Q3 2017, compared to USD 63 million in Q2 2017.
- Net financial debt of USD 116 million as of September 30, 2017 compared to USD 235 million as of June 30, 2017.

Prospects:

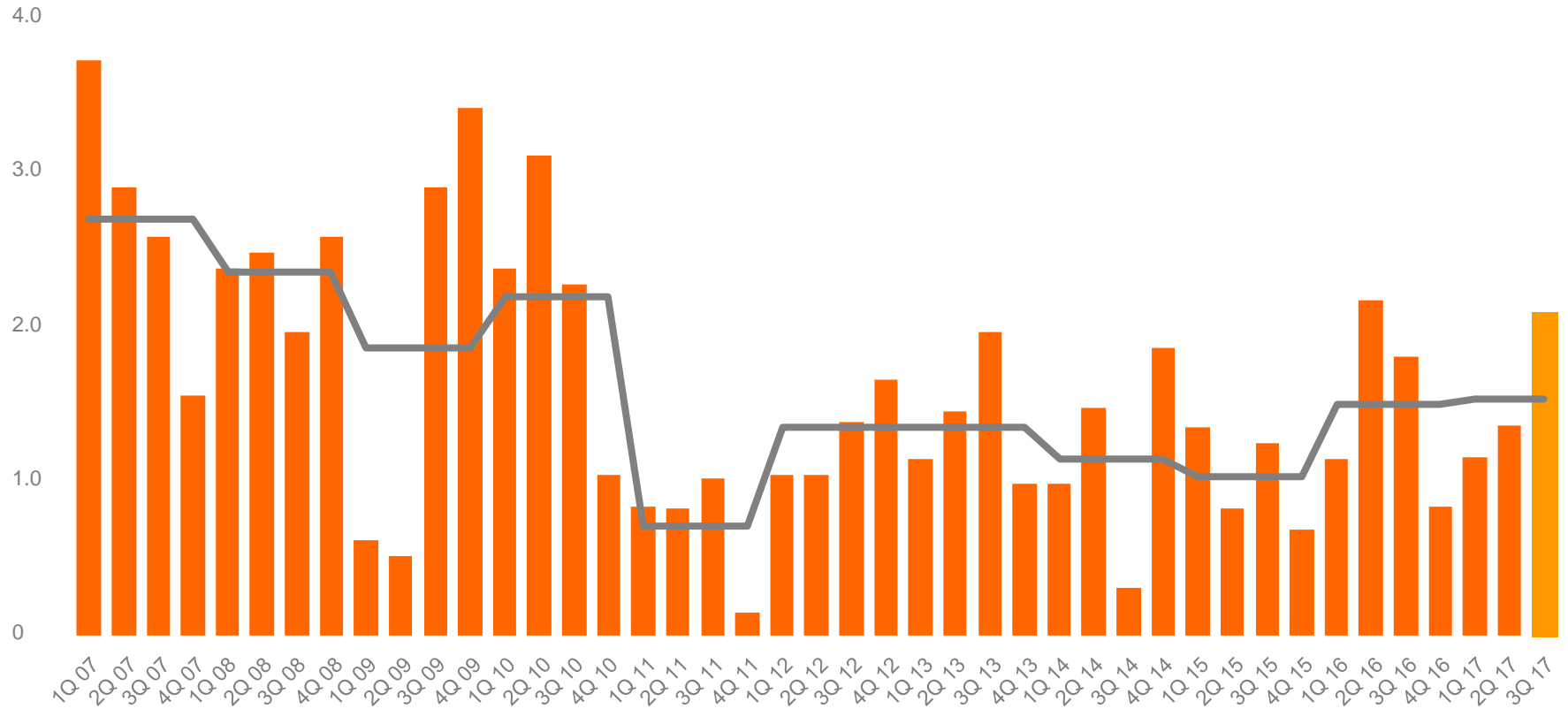
- EBITDA in Q4 2017 is expected to increase compared to Q3 2017 .
- Net debt to decrease in Q4 2017.

“Aperam has been able to deal with a challenging macro environment in the third quarter and deliver a solid financial performance thanks to its agility and its resilient business model.”

Health & Safety Performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 2.0x in Q3 2017 and 1.5x in 9M 2017.

* WorldSteel-standard: Fr = lost time Injuries per 1.000.000 worked hours; based on own personnel and contractors

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Environment and markets

Environment and markets

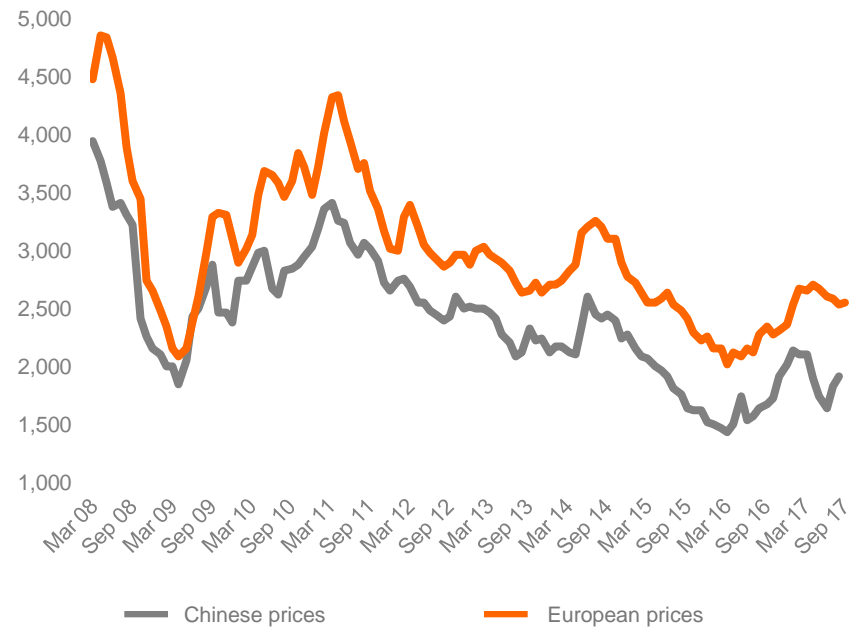
Stainless steel prices



Nickel - LME Cash (USD/t)



Chinese versus European CR 304 2B 2mm coil transaction price* (USD/t)



— Chinese prices

— European prices

After declining at the beginning of the quarter, stainless steel prices are recovering, mainly driven by the increase in raw material price

Source: SBB/Platts
* Prices exclude VAT

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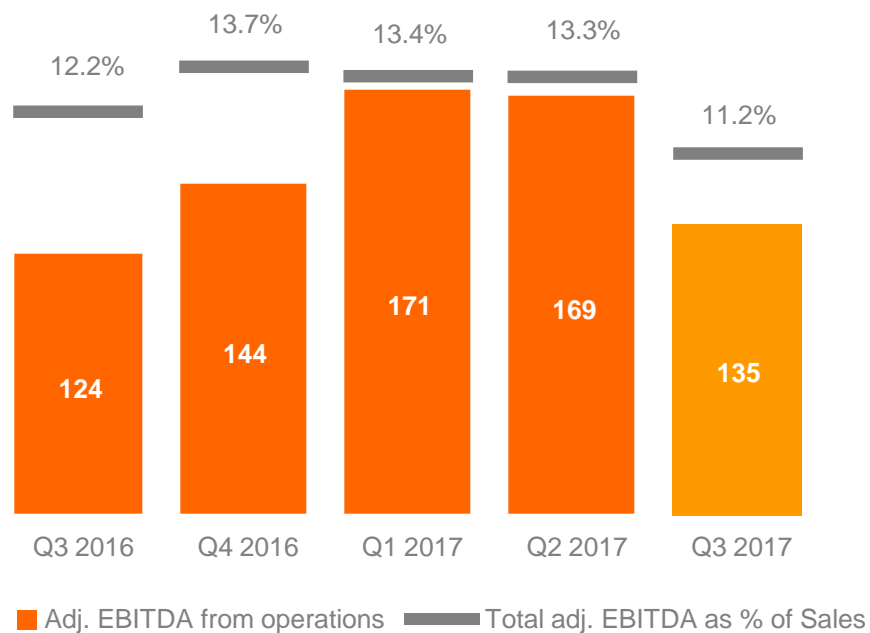
Performance and prospects

Performance and prospects

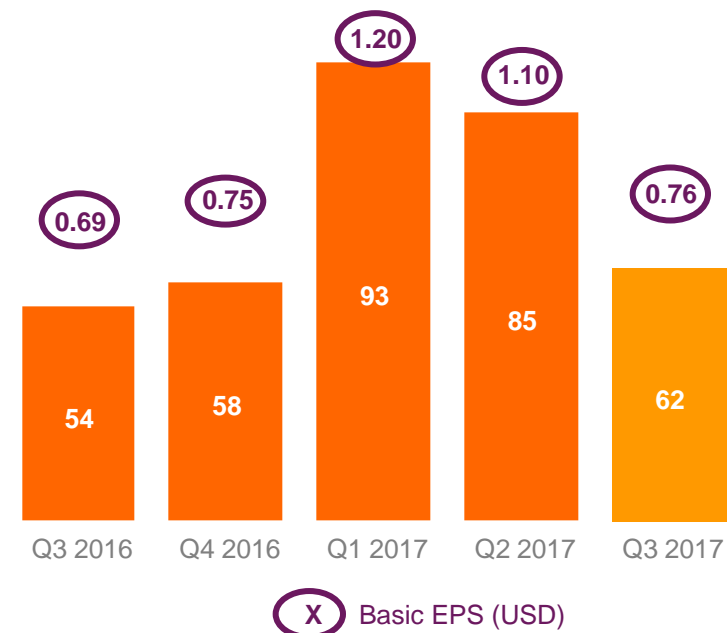
Solid evolution of profitability



Quarterly adjusted EBITDA^[1] evolution (USD m.)



Quarterly Net income evolution (USD m.)



Resilient EBITDA and net income in the third quarter of 2017

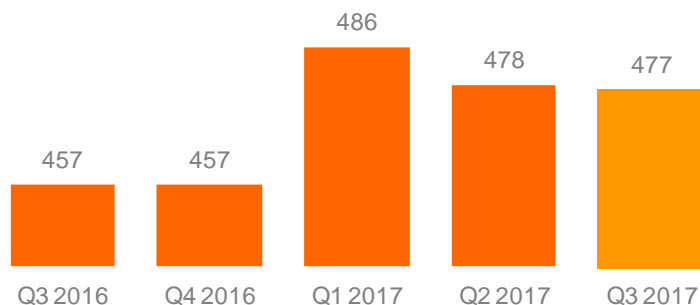
^[1] Adjusted EBITDA excludes a USD 11 million non-recurring charge related to the divestment of Aperam's French tubes subsidiary recorded in Q4 2016 and a USD 10m one-off charge mainly related to indirect taxes amnesty settlements in Brazil in Q3 2017

Performance and prospects

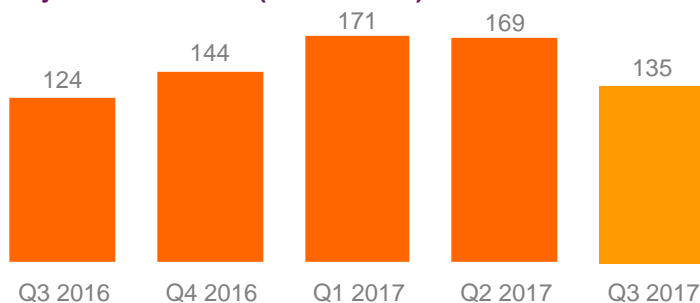
Third quarter operating performance



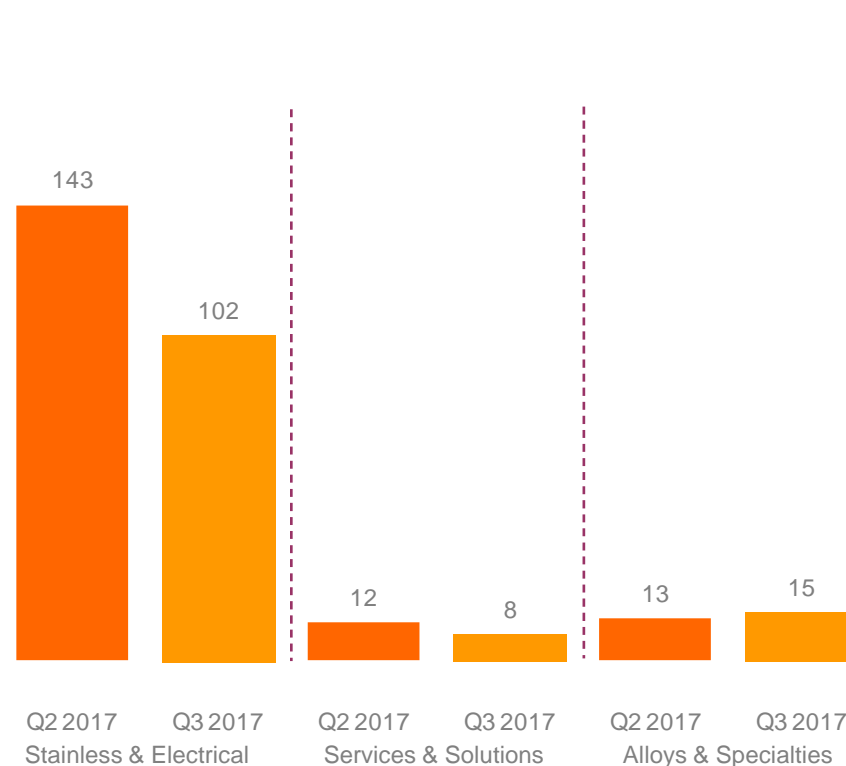
Shipments ('000t)



Adjusted EBITDA^[2] (USD million)



Q3 2017 adjusted EBITDA per division (USD million) ^[1]



Adjusted EBITDA of 283 USD/t in Q3 2017 compared to 354 USD/t in Q2 2017

^[1] Difference with total Aperam's quarterly EBITDA comes from the Others & Eliminations

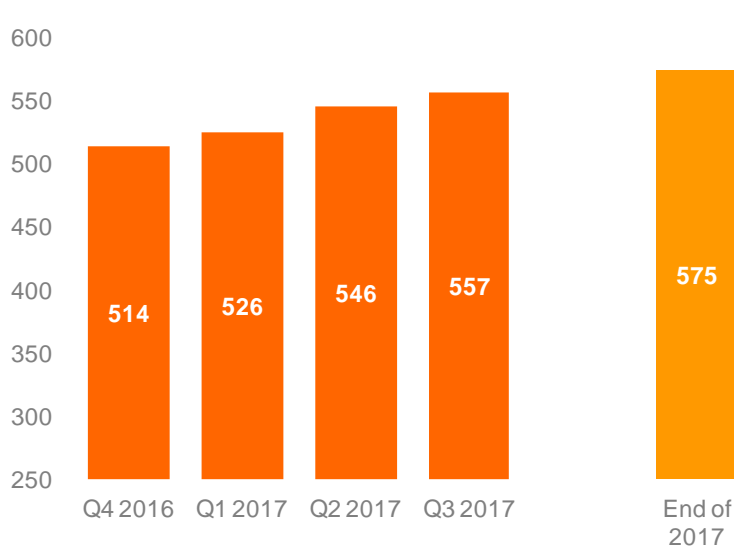
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Performance and prospects

Leadership Journey®



Cumulated gains (USD million)



Asset upgrade program launched on best performing assets

Tranche	Capex	Period	Status
Tranche 1	USD52m of Capex	2014 – 2015	Completed ✓
Tranche 2	USD30m of Capex	2015 – 2016	Completed ✓
Tranche 3	USD30m of Capex	2015 – 2017	On track ✓

- Productivity improvement of the downstream facilities in Genk (CAP2), Gueugnon (CAP10) and Timoteo (Sendzimir Mill #1).
- Upgrade of the Wire Rod mill in Imphy
- Upgrade of GO operations in Timoteo with development of HGO
- Breakthrough on productivity increase:
 - ✓ Upgrading further CAP 2 in Genk
 - ✓ Upgrading LC2i in Isbergues
- Efficiency and competitiveness improvement of the lines CR6 and BA8 in Gueugnon
- Upgrade of compact box annealing furnaces of the Wire Rod mill in Imphy

Leadership Journey gains amounted to USD 557 million by end of Q3 2017

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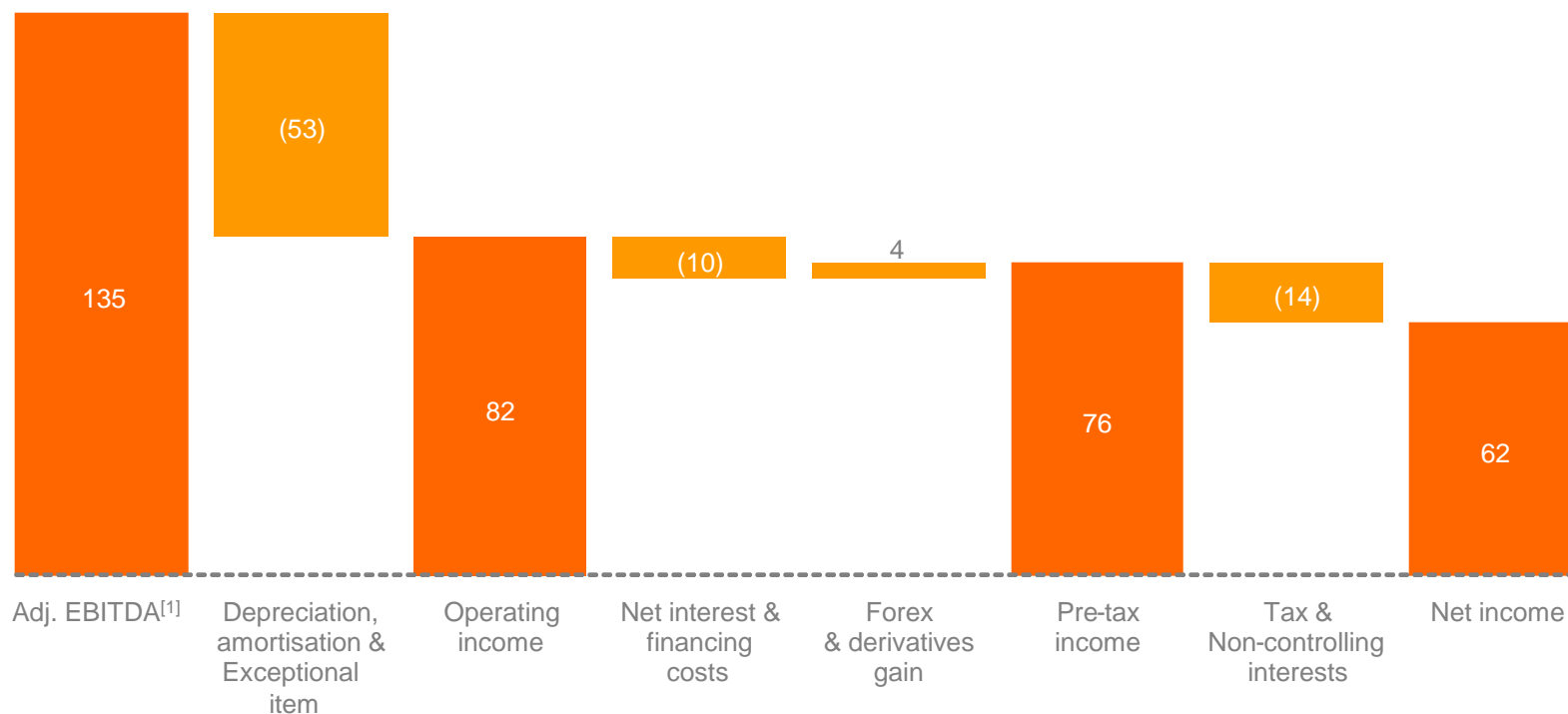
Financial results

Financial results

Third quarter P&L highlights



Adjusted EBITDA^[1] to net income (USD million)



Resilient quarterly net income with basic EPS of USD 0.76

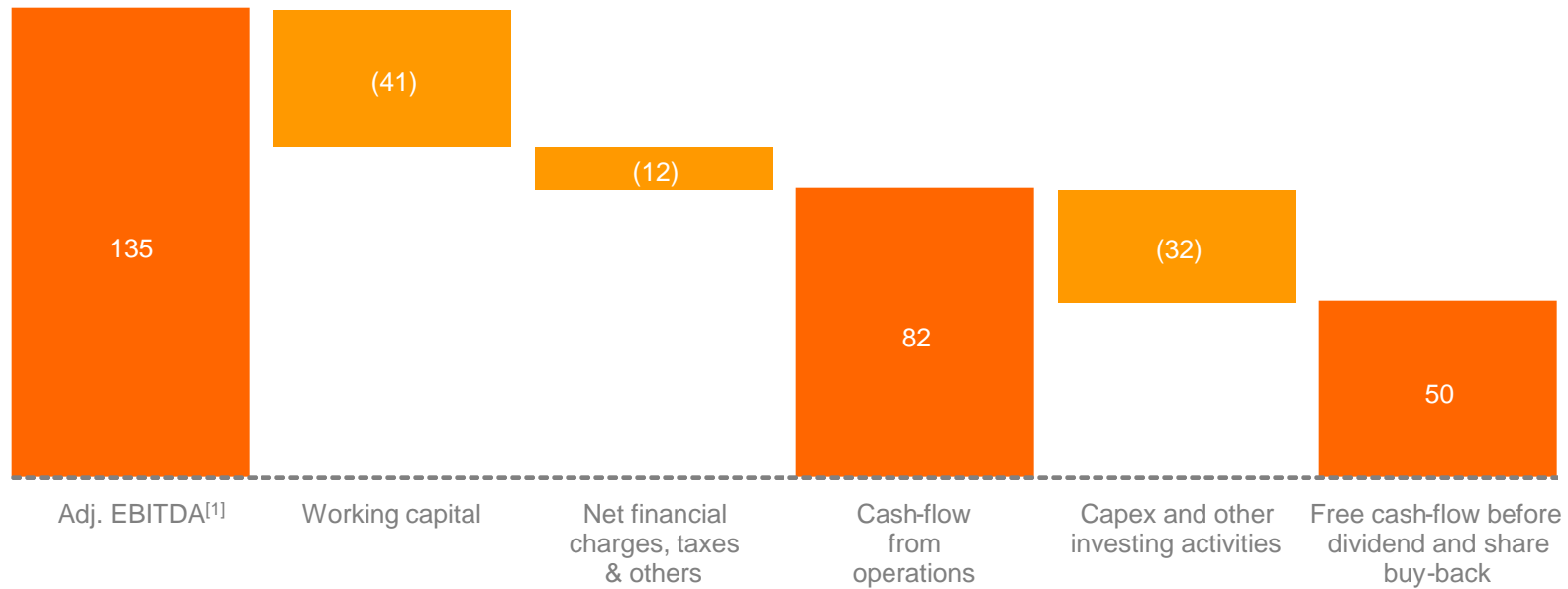
^[1] Adjusted EBITDA excludes a USD 10m one-off charge mainly related to indirect taxes amnesty settlements in Brazil in Q3 2017

Financial results

Third quarter cash flow highlights



Free cash flow (USD million)



Despite seasonal working capital increase of USD 41 million, free cash flow amounted to USD 50 million

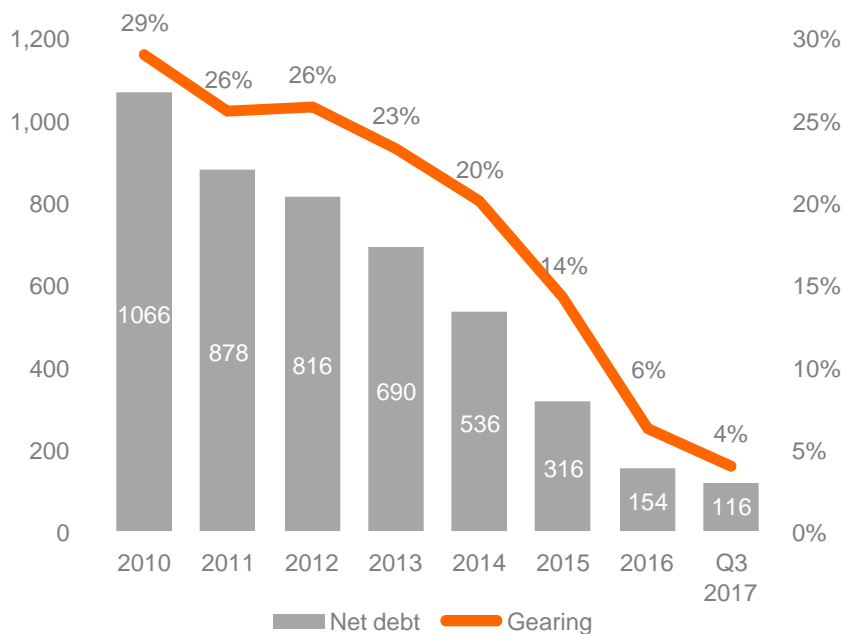
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Financial results

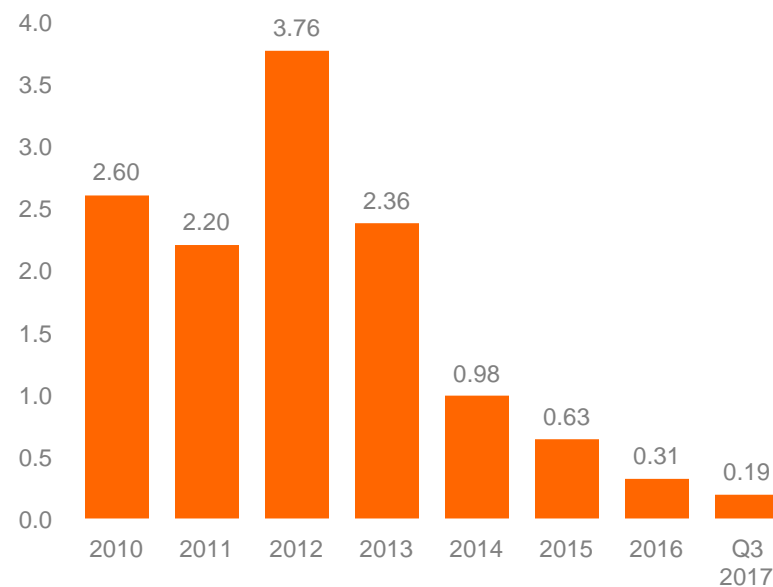
Net debt and financial ratios



Net debt and gearing^[1] evolution
(USD million)



Net Debt / EBITDA^[2] evolution



Solid balance sheet

^[1] Debt Gearing defined as Net Debt divided by Equity.

^[2] Net Debt / EBITDA is equal to Net Debt at end of the years divided by last 12 month rolling EBITDA



Conservation centre for the departmental archives of the Nord region in Lille, France
de Alzuav / ZigZag Architecture © Sergio Grazia
Aperam Stainless Steel used: 304, Ugnox Matt

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Appendix

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Aperam's value proposition

Aperam value strategy

Being a sustainably safe and profitable company



Aperam's investment case

Solid execution of self help strategy

Leadership Journey®

Phase 1: Restructuring

Phase 2: Asset upgrade

Phase 3: Transformation

Top Line strategy

End-user focus

Cost Leading footprint

Optimized and sustainable European asset base

Sole flat stainless steel producer in South America

Lean organization

Leading industry margins and returns

Cash generation and financial discipline

Strong cash generation through the cycle

Strongest balance sheet in industry

Progressive dividend

Strong shareholder returns (payout 50-100%)

Solid cash generation with strong shareholders' return, thanks to consistent execution of self help strategy and financial discipline. Transformation Program to further improve Aperam's productivity and profitability.

Financial Policy – Cash Allocation



A financial policy to maximize the long term growth of the company and the value accretion for its shareholders while maintaining a strong Balance Sheet consistent with Investment Grade Financial ratios.

	Financial Policy	2017
Company sustainability	Invest in sustaining and upgrading the company's assets base to continuously reinforce Leadership Journey® and Top Line Strategy	CAPEX 2017 USD 180 - 190m.
Value Accretive Growth & M&A	Compelling Growth and M&A opportunities with high hurdle rate	-
Dividend Policy	A base dividend, anticipated to progressively increase over time (as the company continues to benefit from its strategic actions and capture growth opportunities). The company targets a NFD/EBITDA ratio of <1x (through the cycle). In the (unlikely) event that NFD/EBITDA exceeds 1x then the company will review the dividend policy.	Dividend per share of USD 1.50 per share
Extra Cash Utilization	Remaining excess cash will be utilized in the most optimal way	Share buyback of USD 98m / 2 million shares in H1 2017

Company's intention to maintain a total payout to shareholders between 50% to 100% of EPS

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Aperam's value strategy:

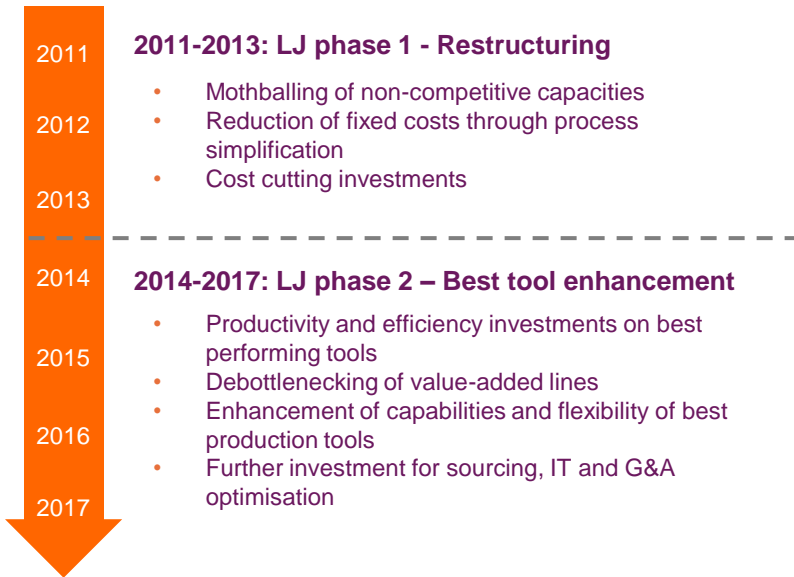
A customer driven
company focused on its
self-help story

Aperam's value strategy

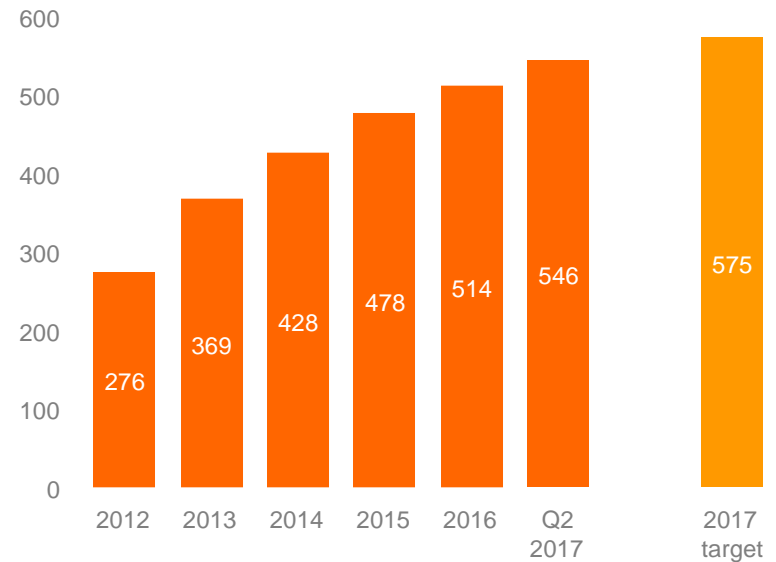


Unlocking value of Aperam's best performing assets through the Leadership Journey®

Leadership Journey® initiatives: from restructuring to Asset upgrade



Leadership Journey® annualized recurring gains (USD million)



The Leadership Journey® has evolved from a cost cutting to an asset upgrade strategy. Aperam has announced a new phase, the Transformation Program, based on the latest technologies.

Aperam's value strategy



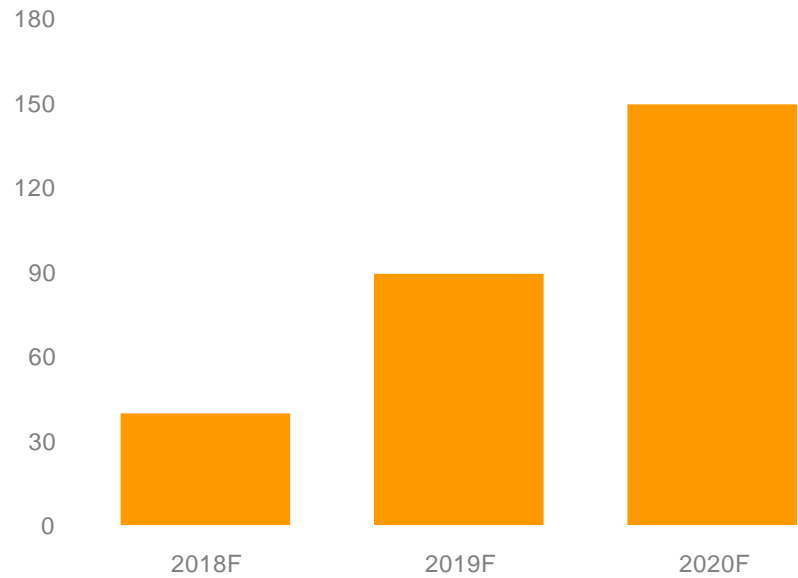
Phase 3 – the Transformation Program targets

Key pillars of the Phase 3 Transformation Program

- New technologies** Accelerate productivity gains by implementation of latest technology and breakthrough in automation with development of robotics, sensors and integrated production lines
- Innovation** Development of new applications and solutions.
- Leaner** Realize full potential of digitized, connected and collaborative organization
Promote data acquisition technology along the production route
- Value added Services** Stainless steel one stop shop for services, supply chain transformation

USD 150 m of capex over 2017-2019 on top of maintenance capex and remaining phase 2 capex

Annualized EBITDA cumulated gains from (USD million)



USD 150 m of annualized gains by the end of 2020

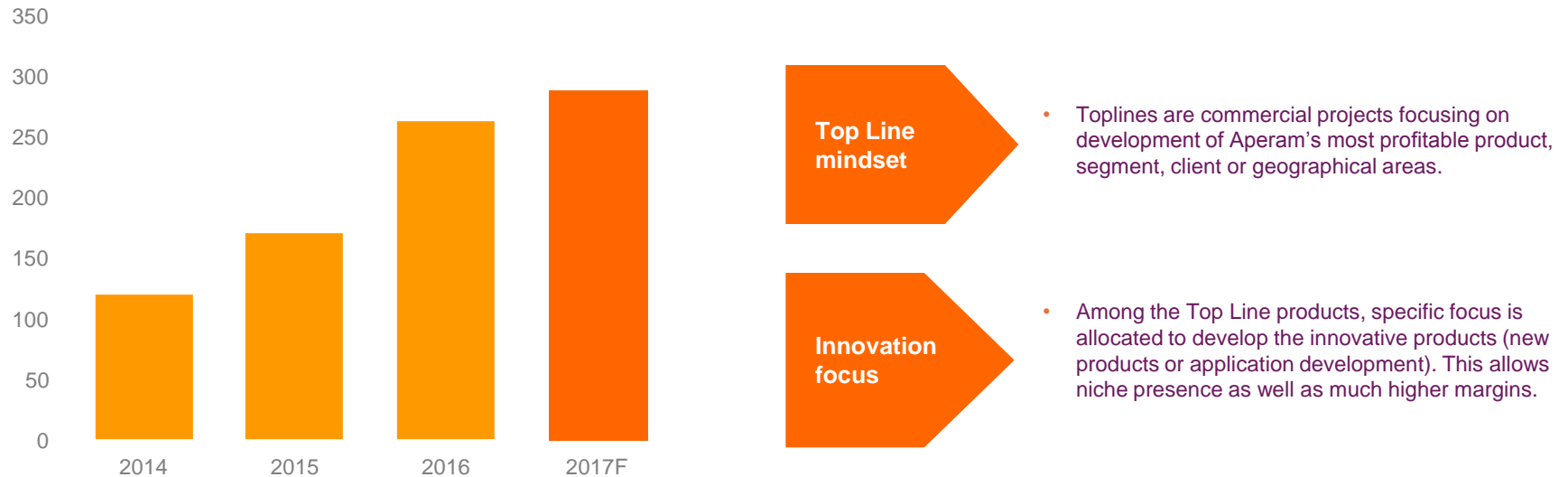
USD 150m additional annualized gains targeted over the next 3 years, on top of USD 575m target by end of 2017

Aperam's value strategy



Strengthening product and service differentiation through the Top Line strategy

Shipments of Top Line products developments in kT



Good progress on Top Line development and innovation plan to support European growth and mitigate the impact of the current Brazilian environment

Aperam's value strategy

Leverage Aperam's unique position in Europe



European stainless steel industry footprint after restructuring



Key strengths of the European operations of Aperam

- Sourcing**
 - The only integrated upstream operations in the heart of Europe, with the best access to scrap supply
- Logistics**
 - Best location to serve the biggest consumption areas of Europe
 - Performant logistics between sites for a working capital management at the benchmark of the industry
- Production**
 - Full range of products with flexible capacity
 - Enhancing recycling with scrap in line with objectives of circular economy
 - A strategy to be a cost benchmark on the key products of Aperam

Closest location to major scrap generating regions as well as major stainless consumers in Europe

Aperam value strategy

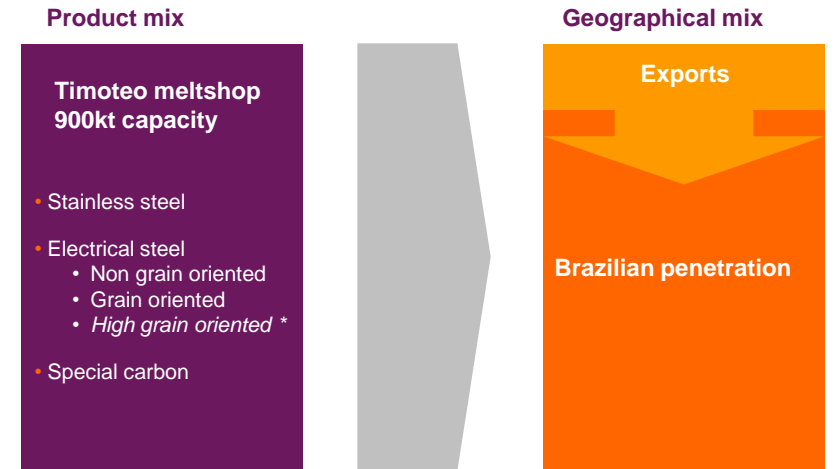


Optimise value creation in South America thanks to a perfectly adapted asset base and flexible sales management

Key pillars of the mitigation plan in Brazil



Aperam’s assets optimisation in South America



- Brazilian asset running at optimal utilisation rate with the current demand
- Projects on-going to debottleneck the cold rolling operations
- Upgrade of the Grain Oriented products with the development of HGO
- Continuous margin optimization between products mix and deliveries in South America

The mitigation plan put in place by Aperam South America has enabled to fully offset the negative impacts since 2015 and further develop loyalty of domestic customers

Aperam's value strategy



Sustainability is fully embedded in Aperam Strategy



Social

Our People are our greatest asset.

Their Safety is our priority, their development is a key to our success

- **LTIFR : 1.46** (vs. 0.98 in 2015) due to isolated under-performance at two sites – [target at 1, all employees]
- **Absenteeism: 2.19** (vs. 2.26 in 2015) – [target at 2]
- 2016 **Performance review: 95%** of Exempts, **90%** of White collars, 71% of Blue collars – [target at 100%]
- 2016 Training hours **+10%** (vs. 2015)
- Among **Brazilian top companies to work for** ^[1]



Environnement

We provide one of the “greenest steels” and constantly reduce our production costs and impacts

- **CO₂ intensity^[2] reduction vs 2007 >20%** - [target at -35% by 2020] due to maximum usage of charcoal
- **Energy intensity^[2] reduction vs 2012: -6%** [target at -10% by 2020]
- **93% re-use/recycle** performance - [target at 100%]
- 96% of water in closed circuits (+1 pt vs. 2015)
- Increased focus on Dust



Governance

We lead by example with strong sense of ethics & integrity and maintain constant engagement with all our Stakeholders

- Best practice in Board composition with a **majority of independent directors** (4 out of 7 members)
- CSR indicators (H&S) in full staff personal objectives
- **Full Compliance plan deployment** with 1st external Compliance risk assessment and focus in Brazil
- Strong Customer & Innovation focus
- Aperam's **internal assurance, risk management & forensic services** recognized as 'best in class'^[3]

A clear program strengthening Aperam strategic objectives and sustainability

^[1] For the sixth consecutive year, Aperam South 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.

^[2] Per ton of crude steel

^[3] by the Institute of Internal Auditors certification.