

**Third quarter 2014**

November 6, 2014

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# Disclaimer



## 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, 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.

## Introduction & overview



### Highlights:

- Health and Safety frequency rate of 0.3x in Q3 2014 compared to 1.4x in Q2 2014
- Shipments of 433 thousand tonnes in Q3 2014, a 7% decrease compared to shipments of 466 thousand tonnes in Q2 2014
- EBITDA of USD 137 million in Q3 2014, compared to EBITDA of USD 164 million in Q2 2014
- Basic earnings per share of USD 0.27 in Q3 2014
- Cash flow from operations amounted to USD 65 million in Q3 2014
- Net debt of USD 591 million on September 30, 2014, representing a gearing of 21% compared to a net debt of USD 663 million on June 30, 2014

### Prospects:

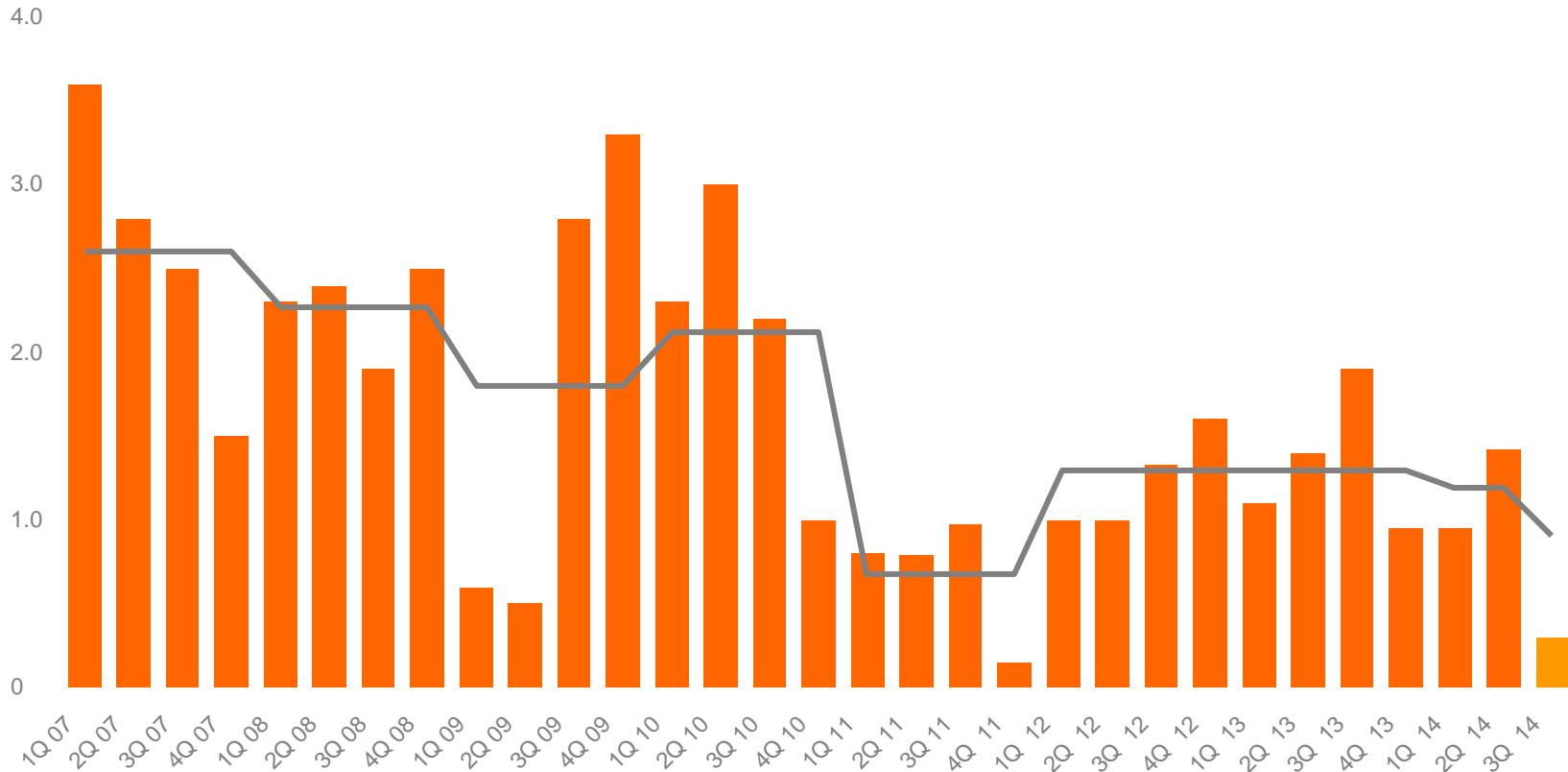
- EBITDA in Q4 2014 is expected to decrease compared to EBITDA in Q3 2014.
- Net debt to decrease in Q4 2014

**“Aperam has continued to deliver solid results. Q3 performance highlights once again the strength of our strategy, which consists of Leadership Journey®, Top Line and cash focus.”**

# Health & Safety Performance



Lost Time Injury Frequency rate\*



**Health & Safety frequency rate of 0.3x in Q3 2014**

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

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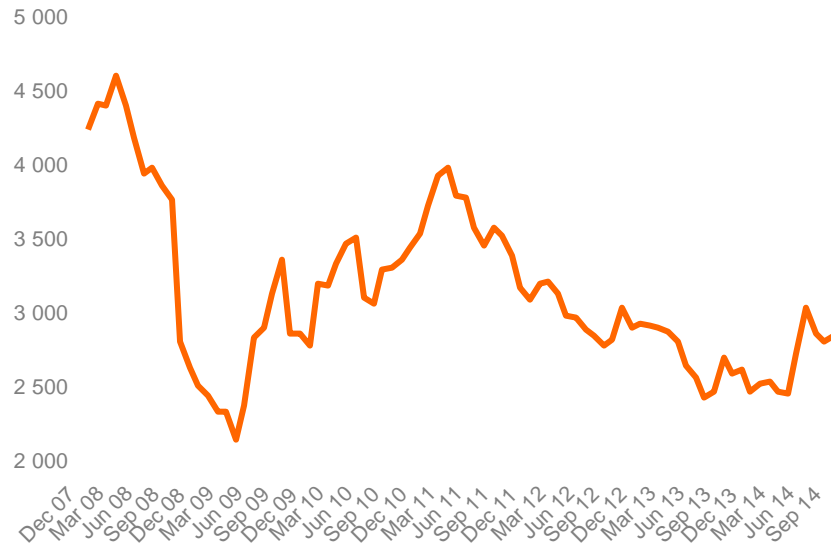
# Environment and markets

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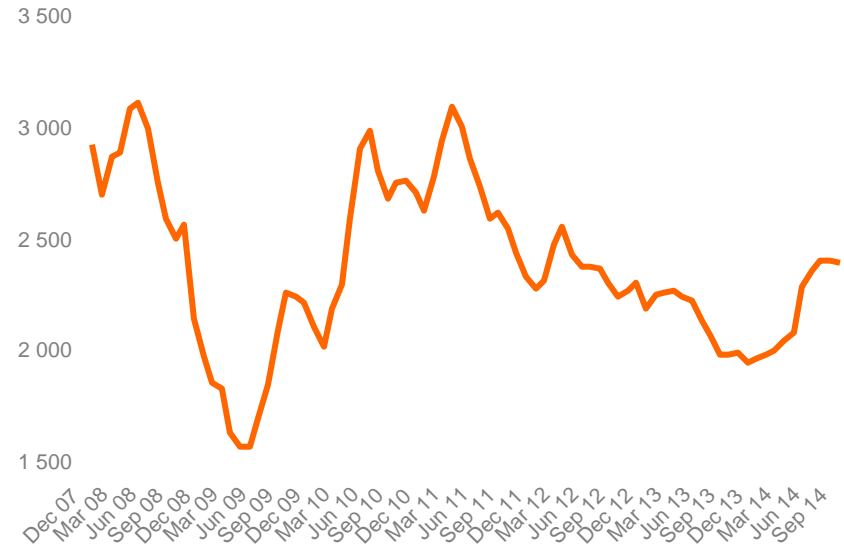
## Stainless steel prices



China - CR 304 2B 2mm coil transaction price (USD/t)\*



Southern Europe - CR 304 2B 2mm coil transaction price (€/t)\*



Price increase was initiated in 2014

but movement was halted under the pressure of imports and recent sharp nickel price decrease

\*Source: SBB/Platts

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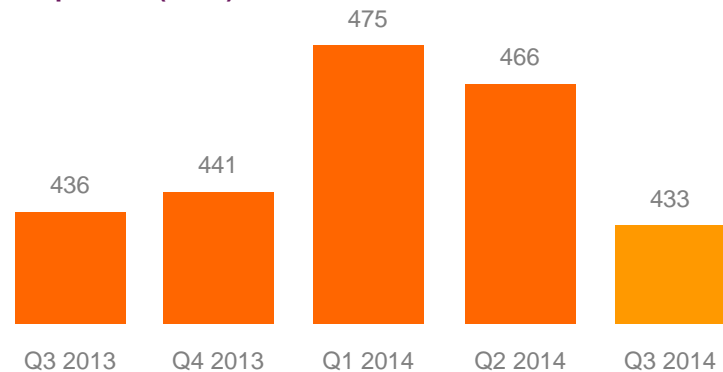
# Performance and prospects

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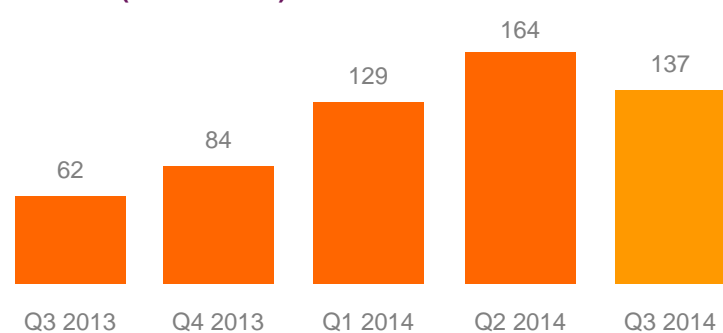
## Third quarter operating performance



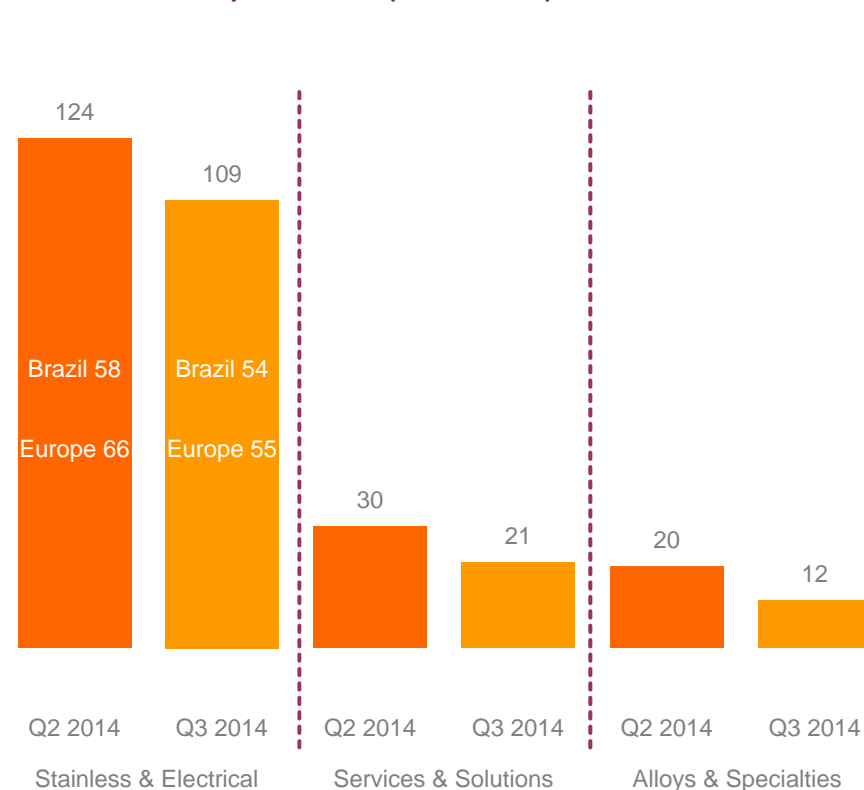
Shipments ('000t)



EBITDA (USD million)



Q3 2014 EBITDA per division (USD million) <sup>[1]</sup>



**EBITDA of 316 USD/t in Q3 2014 compared to 352 USD/t in Q2 2014**

<sup>[1]</sup> Difference with total Aperam's quarterly Ebitda comes from the Others & Eliminations division.

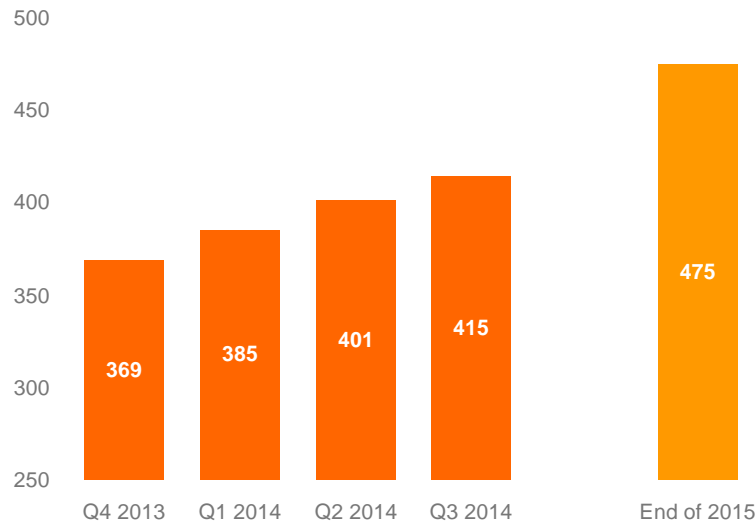


# Performance and prospects

## Leadership Journey®



### Cumulated gains (USD million)



### Key projects completed since beginning of 2011

- In Brazil, VSS\*, switch from LPG to natural gas and conversion of blast furnace number 2 from coke to biomass.
- In Europe,
  - Suspension of traditional cold roll mill in Isbergues
  - Completion of the new hot annealing and pickling line in Gueugnon
  - Industrial optimization and rationalization (from 29 to 17 tools)
- In Services & Solutions, Service Center expansion in Campinas
- Alloys & Speciality, completion of the Imphy meltshop enhancement
- Closure of Firminy (Precision)

### Key projects progressing

- Yield and Quality improvement, Sourcing initiative, SG&A reduction through organisation simplification
- Debottlenecking the finishing line of the Imphy Wire Rod mill (A&S)
- Productivity increase of the downstream facilities in Genk, Gueugnon and Timoteo
- Upgrade of the Grain Oriented Electrical Steel operations in Timoteo

Continuous solid progress of the Leadership Journey®

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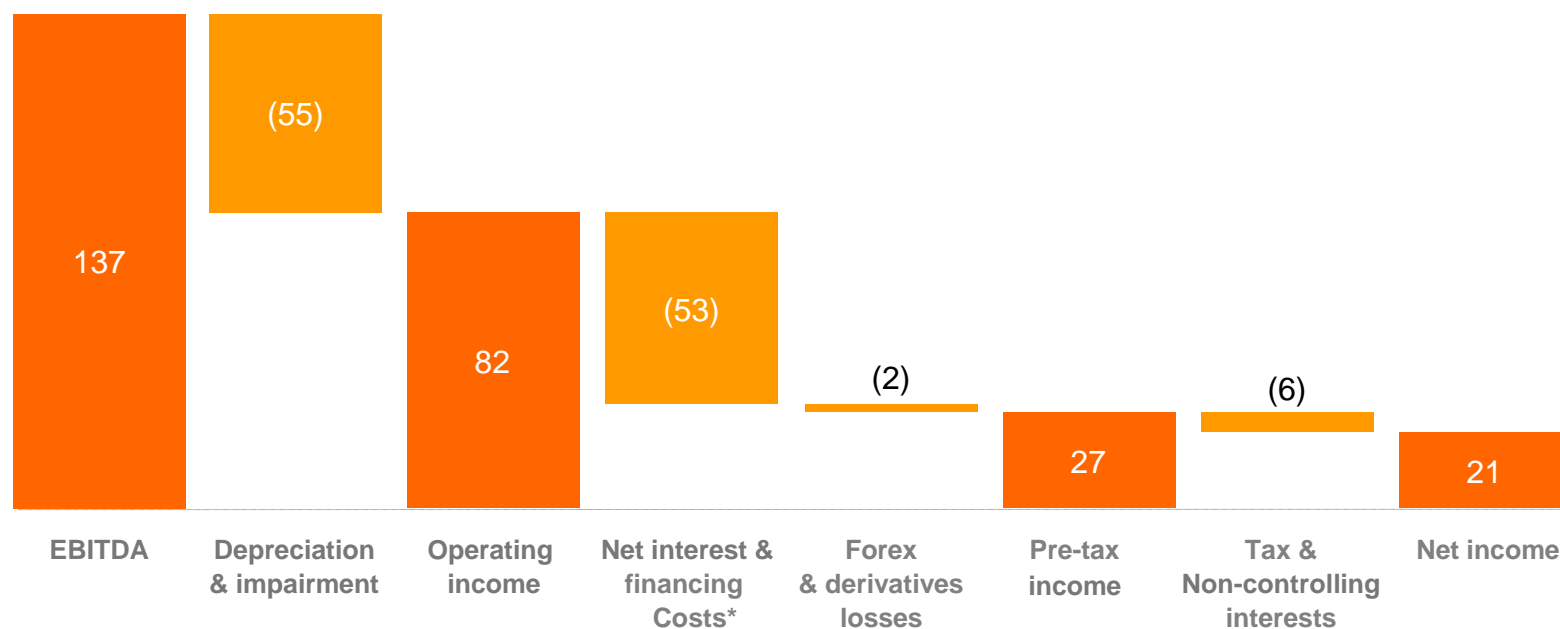
# Financial results

## Financial results

### Third quarter P&L highlights



#### EBITDA to net income (USD million)



**Basic earnings per share of USD 0.27 in the third quarter of 2014**

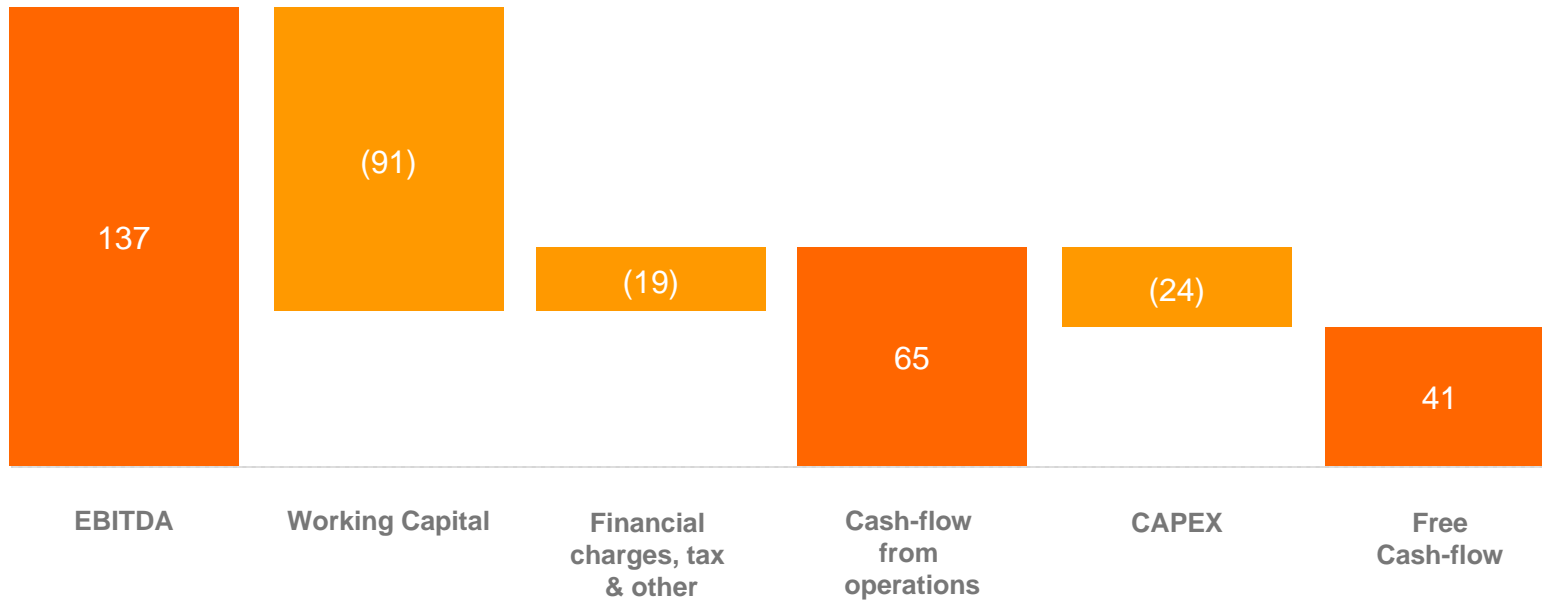
\* Including USD 17 million in the third quarter of 2014, related to an impairment loss of USD 14 million booked on the minority stake it holds in Gerdau and USD 3 million booked on the minority stake it holds in General Moly.

# Financial results

## Third quarter cash flow highlights



Free cash flow (USD million)



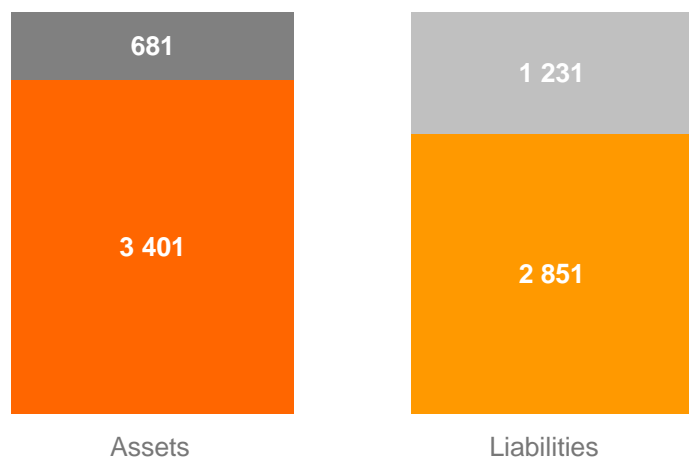
USD 65 million of cash from operations in Q3 2014

# Financial results

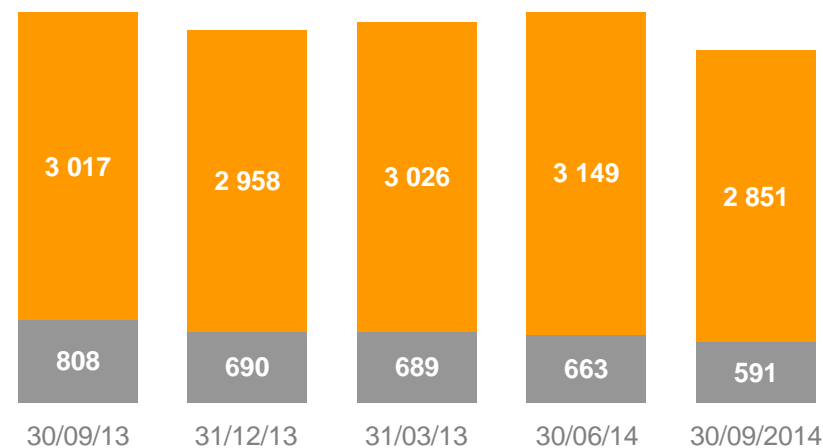
## Third quarter balance sheet highlights



Assets & liabilities (USD million)



Equity & net debt (USD million)



■ Non-current assets  
■ Working capital

■ Shareholders' equity  
■ Other net liabilities

■ Net Debt ■ Equity

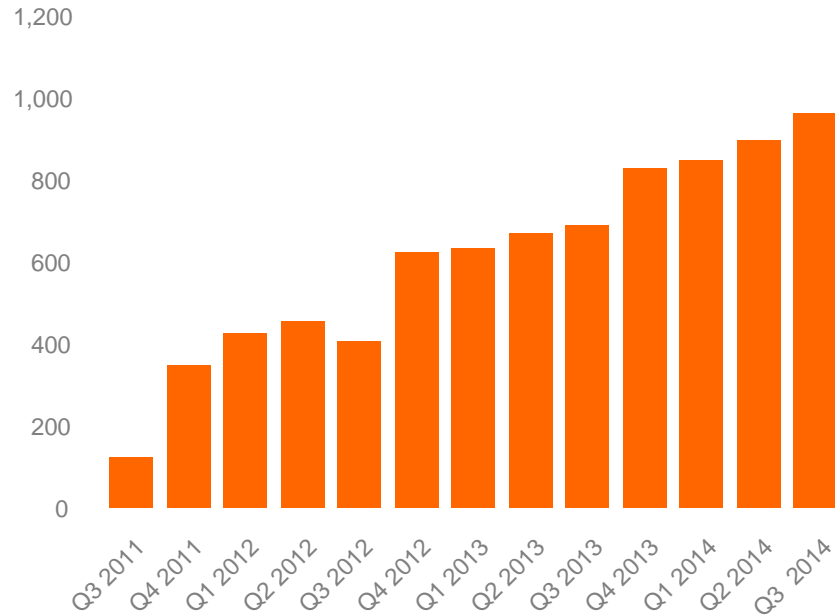
**Net debt of USD 591 million, representing a gearing of 21%**

# Financial results

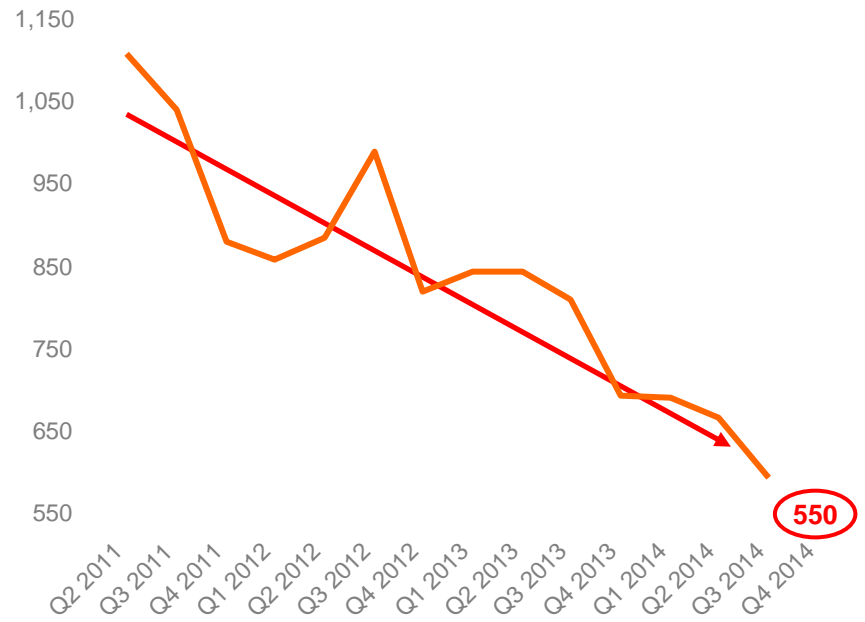
## Cash focus



Cumulated net cash provided by operating activities (USD million)



Quarterly net debt of Aperam evolution (USD million)



Continuous progress of the Net Debt reduction program with a target of USD 550 million by year end



Bodega Barbastro, Huesca (Spain)