

Full year and fourth quarter 2014

February 12, 2015

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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 1.1x in 2014 compared to 1.3x in 2013.
- Shipments of 1,813 thousand tonnes in full year 2014, a 5% increase compared to shipments of 1,728 thousand tonnes in full year 2013.
- EBITDA of USD 547 million in full year 2014, compared to EBITDA of USD 292 million in full year 2013.
- EBITDA of USD 117 million in Q4 2014, compared to EBITDA of USD 137 million in Q3 2014.
- Net income of USD 95 million in full year 2014, compared to net loss of USD 100 million in full year 2013.
- Basic earnings per share of USD 1.21 in 2014.
- Cash flow from operations amounted to USD 240 million in 2014.
- Net debt of USD 536 million on December 31, 2014, representing a gearing of 20% compared to a net debt of USD 690 million on December 31, 2013.

Prospects:

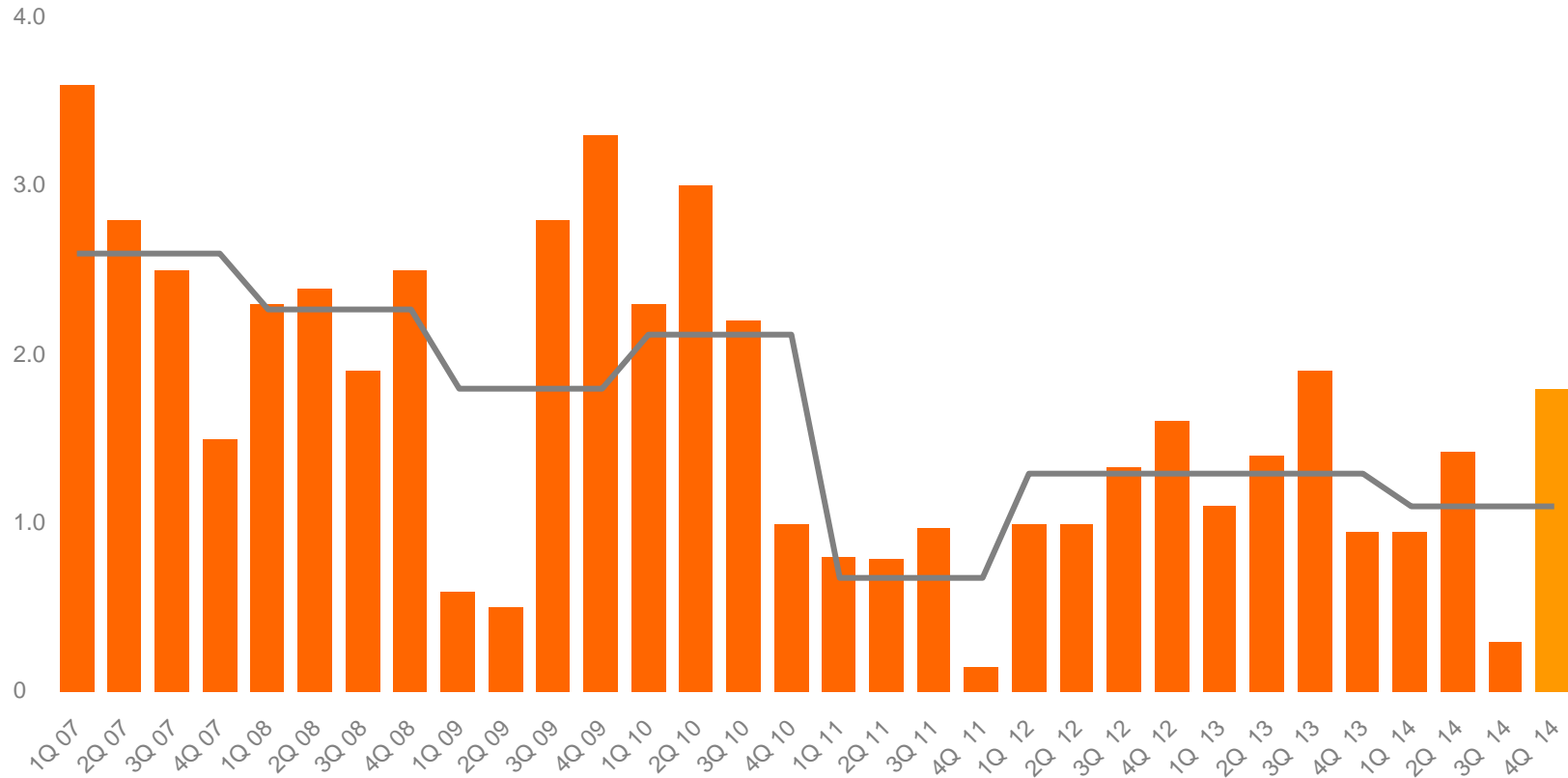
- EBITDA in Q1 2015 is expected to increase compared to EBITDA in Q4 2014.
- Net debt to slightly decrease in Q1 2015.

“In 2014, despite a historically high level of stainless steel imports in Europe, we were able to return to positive net result and reduce our net debt level thanks to the contribution of the Leadership Journey® and the Top Line strategy.”

Health & Safety Performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 1.1x in 2014

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

Fourth quarter 2014



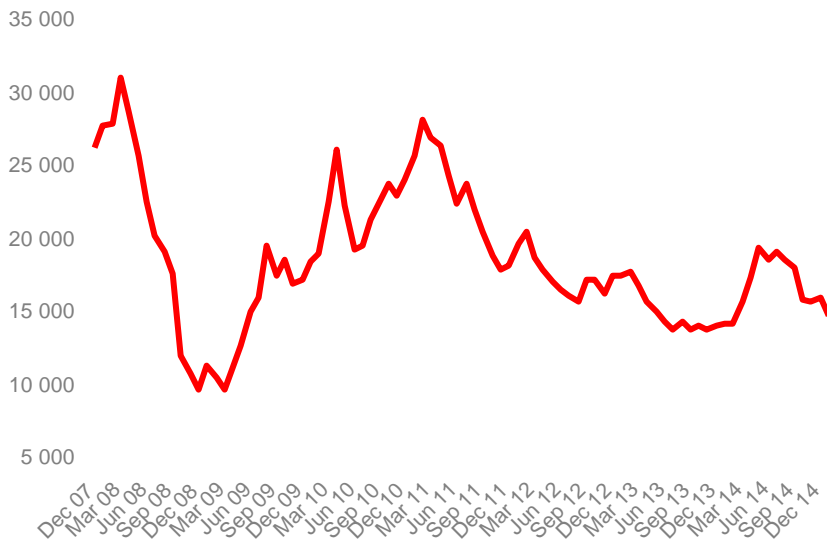
Environment and markets

Environment and markets

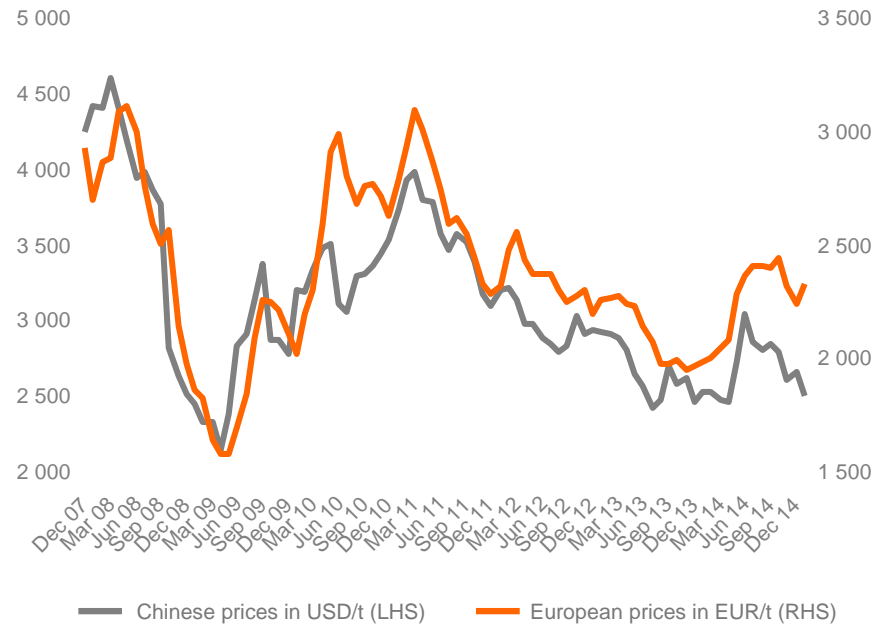
Stainless steel prices



Nickel - LME Cash (USD/t)



Chinese versus European CR 304 2B 2mm coil transaction price



The level of imports, nickel price evolution and customers' destocking have put pressure on stainless steel market at the end of 2014

*Source: SBB/Platts

Fourth quarter 2014



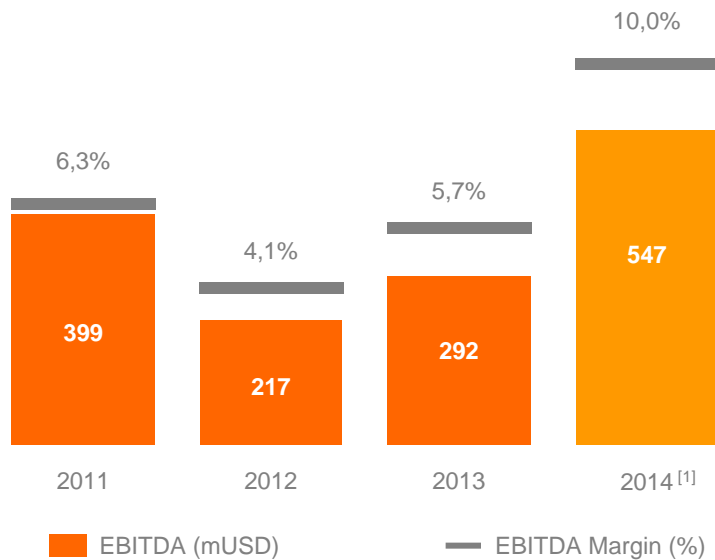
Performance and prospects

Performance and prospects

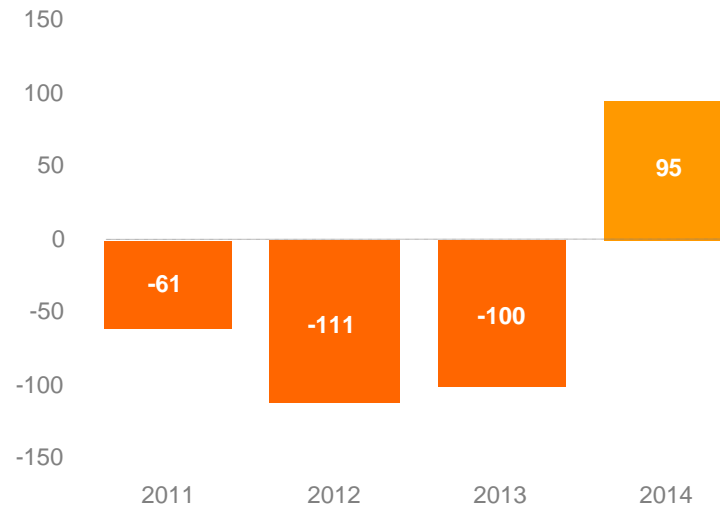
Yearly evolution of profitability



Ebitda evolution



Net result evolution (mUSD)



Improving operating performance as well as net result

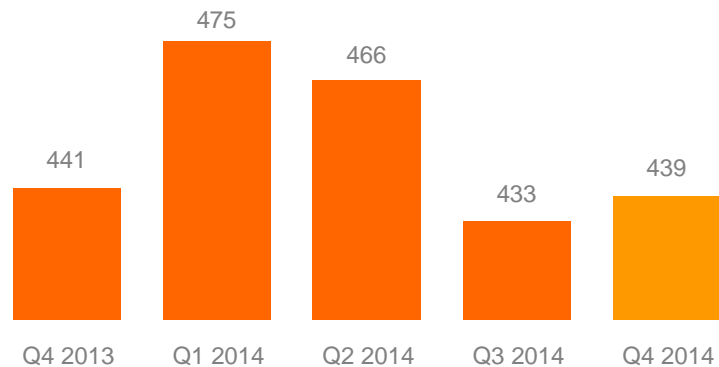
^[1] including USD 57 million positive results from the sale of electricity surplus. Without this positive impact 2014 EBITDA is USD490m and 2014 EBITDA Margin is 8.9%

Performance and prospects

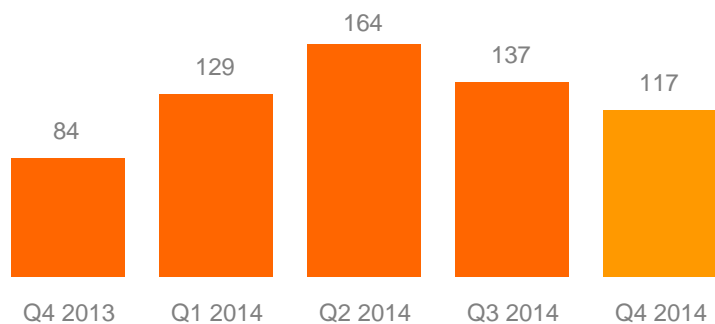
Fourth quarter operating performance



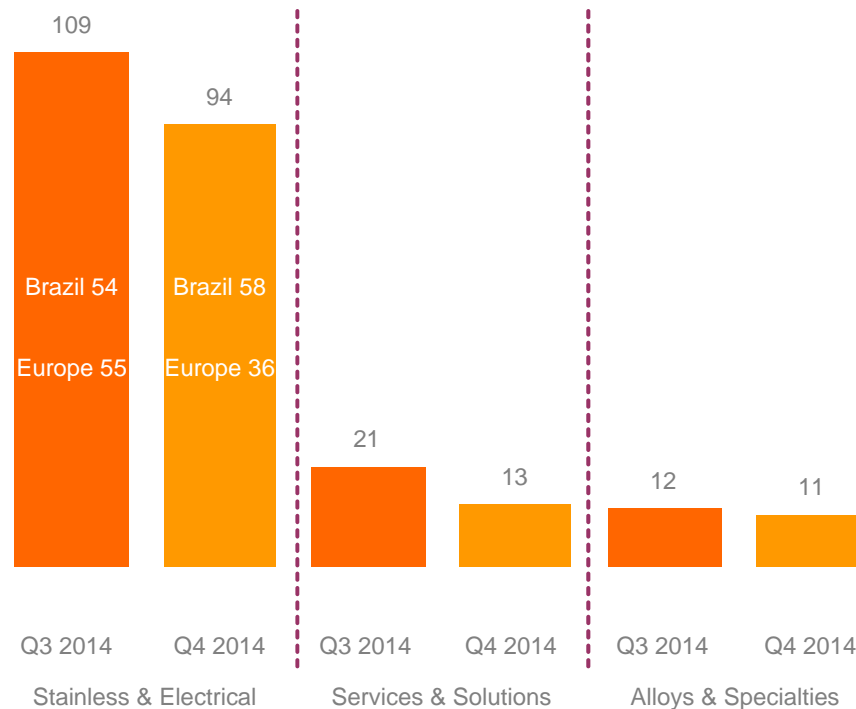
Shipments ('000t)



EBITDA (USD million)



Q4 2014 EBITDA per division (USD million) ^[1]



EBITDA of 267 USD/t in Q4 2014 compared to 316 USD/t in Q3 2014

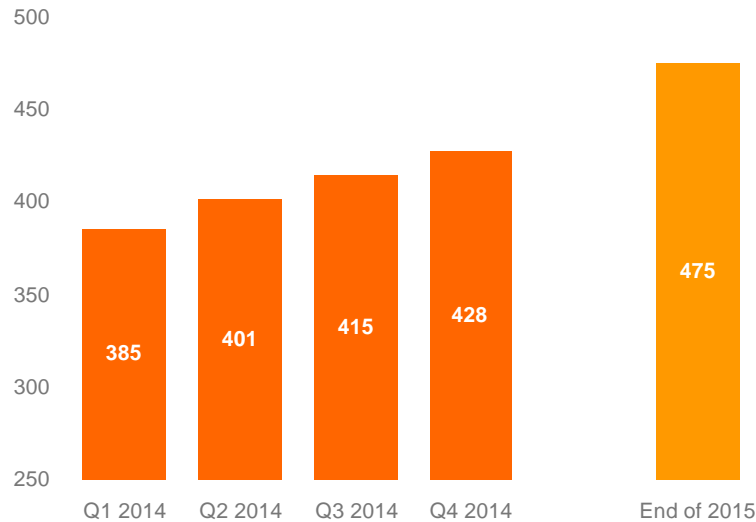
^[1] Difference with total Aperam's quarterly Ebitda comes from the Others & Eliminations division.

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[®]

*VSS – Voluntary Separation Scheme

Fourth quarter 2014



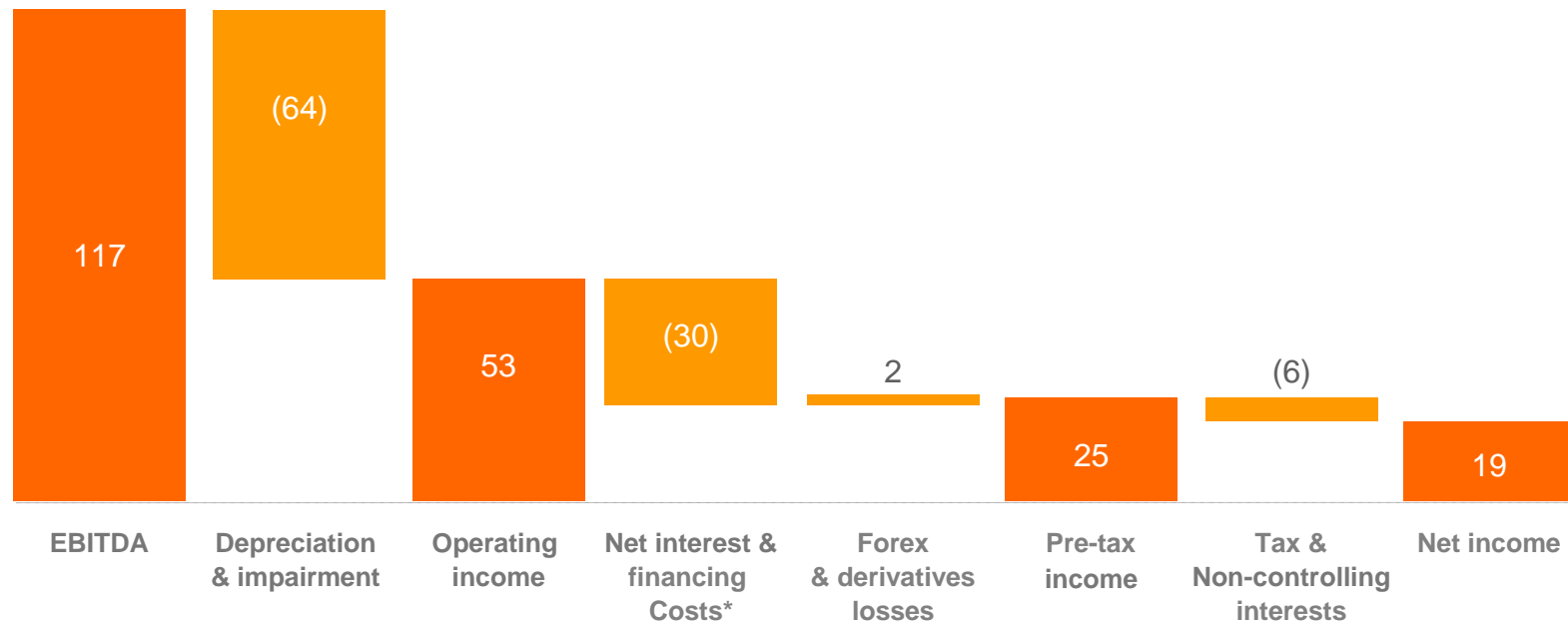
Financial results

Financial results

Fourth quarter P&L highlights



EBITDA to net income (USD million)



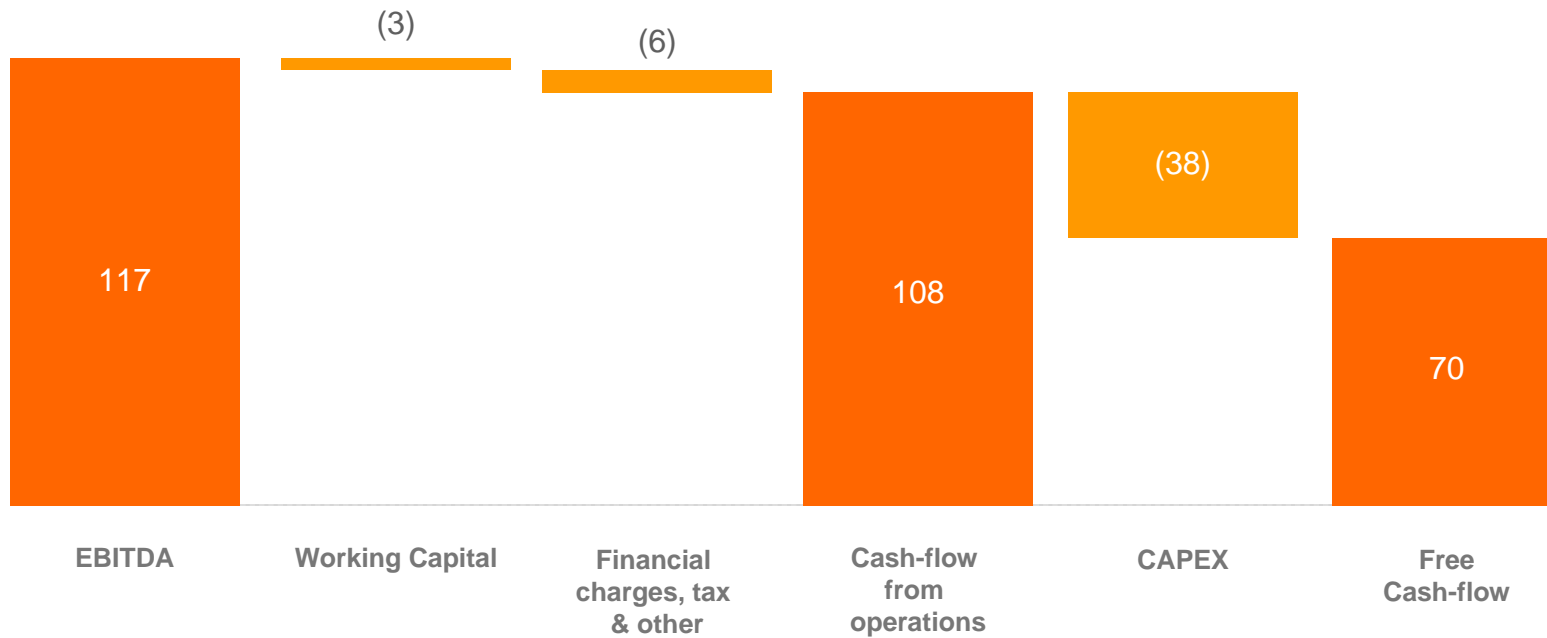
Basic earnings per share of USD 0.24 in the fourth quarter of 2014

Financial results

Fourth quarter cash flow highlights



Free cash flow (USD million)



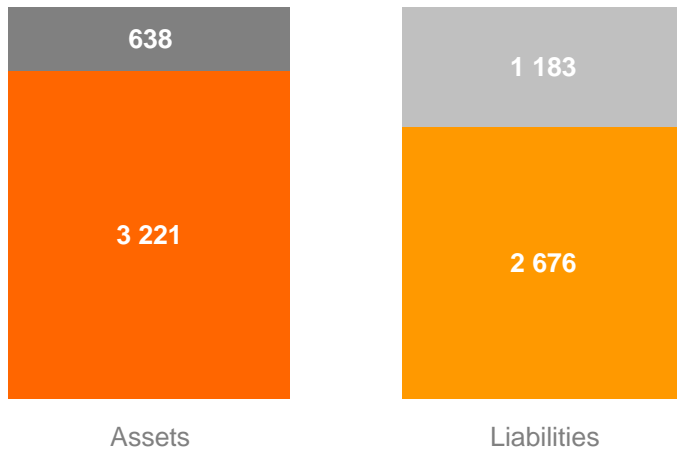
USD 108 million of cash from operations in Q4 2014

Financial results

Fourth quarter balance sheet highlights

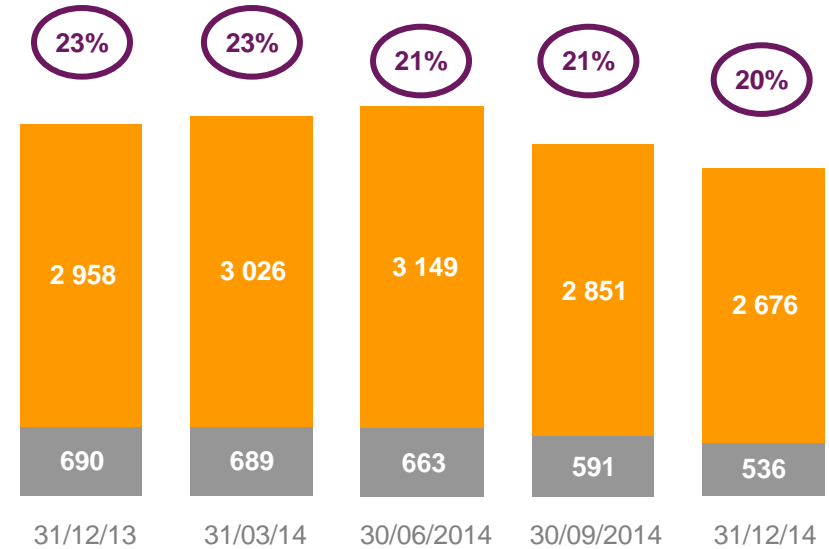


Assets & liabilities (USD million)



- Non-current assets
- Shareholders' equity
- Working capital
- Other net liabilities

Equity & net debt (USD million)



- Net Debt
- Equity
- x% Gearing

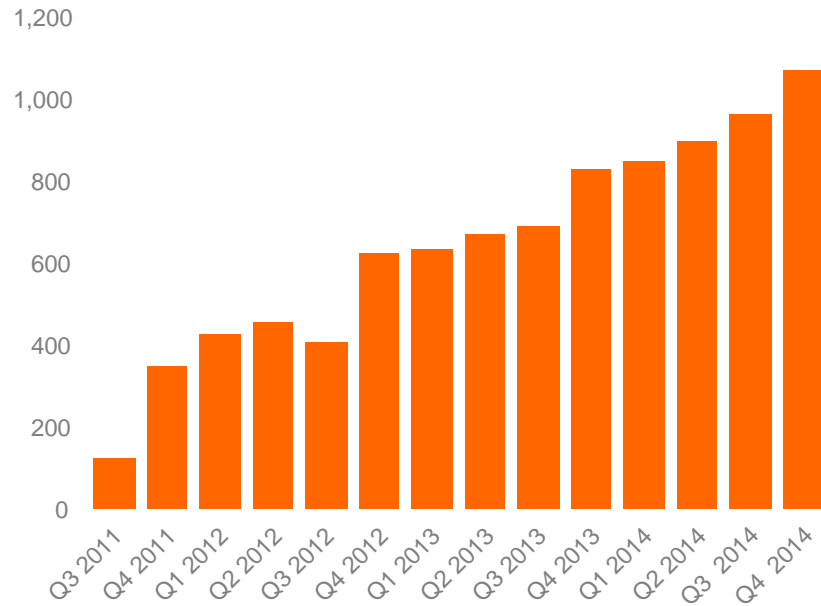
Net debt of USD 536 million, representing a gearing of 20%

Financial results

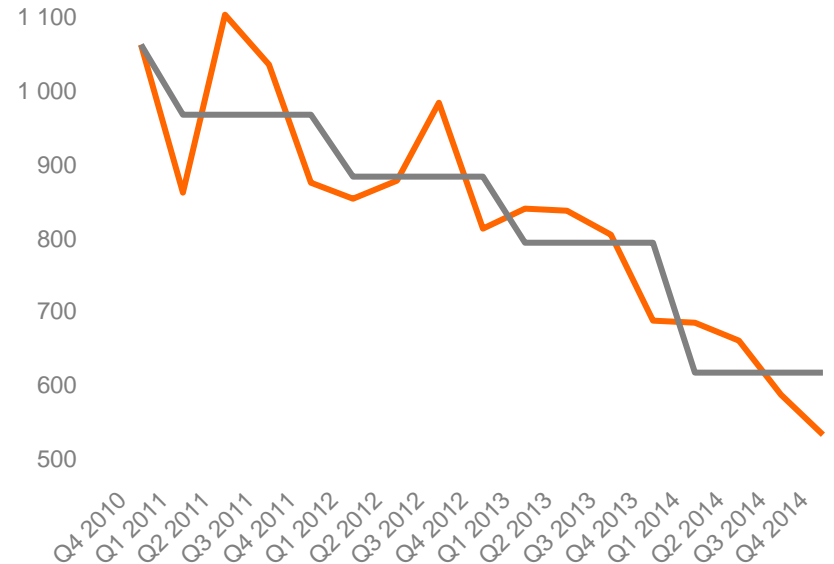


Sustainable cash flow from operations across the cycles

Cumulated net cash provided by operating activities (USD million)



Quarterly net debt of Aperam evolution (USD million)



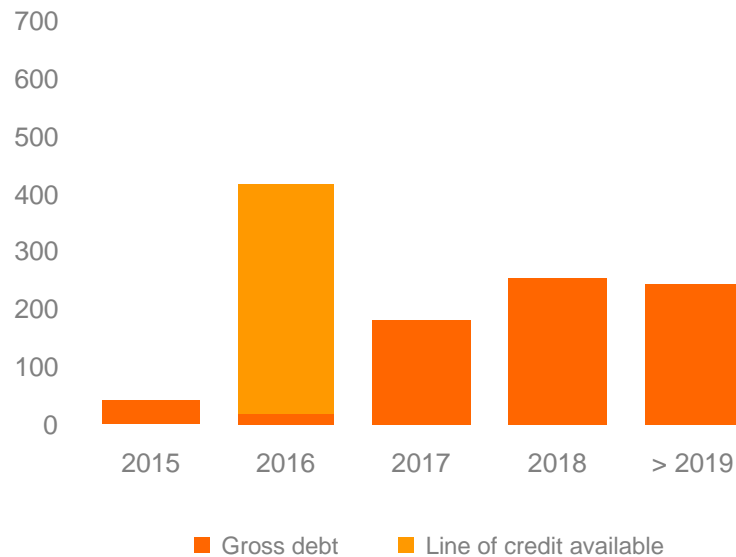
Aperam remains focused on strengthening its balance sheet

Financial results

Debt restructuring



Debt maturity profile (USD million) as of December 31, 2014 ^[1]



Debt restructuring actions in 2014

- Convertible Bond Orname of USD300m issued in June 2014 at coupon of 0.625% and premium of 32.5%
- BBF reduced by half during 2014 to USD400m
- High Yield Bonds of USD250m with coupon of 7.375%, maturing in 2016 reimbursed as of 1st October 2014

Debt restructuring actions in 2015

- Aperam announces its intention to redeem High Yield Bonds of USD250m with coupon of 7.75%, maturing in 2018 during second quarter of 2015
- In-principle agreement with banks to set up a USD500m Secured Borrowing Base Revolving Credit Facility (maturing in 2018) replacing existing facility of USD400m

Target towards a competitive cost of financing

^[1] Assuming convertible bonds 2017 & 2019 reimbursement



Wind Arena, Rouen (France)