

Second quarter 2015

July 29, 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 0.8x in Q2 2015 compared to 1.3x in Q1 2015.
- Shipments of 486 thousand tonnes in Q2 2015 compared to 469 thousand tonnes in Q1 2015.
- EBITDA of USD 155 million in Q2 2015, compared to USD 133 million in Q1 2015.
- Net Income of USD 66 million in Q2 2015, compared to USD 42 million in Q1 2015.
- Basic earnings per share of USD 0.85 in Q2 2015, compared to USD 0.54 per share in Q1 2015.
- Cash flow from operations amounted to USD 78 million in Q2 2015, compared to USD 80 million in Q1 2015.
- Net debt of USD 454 million (with gearing of 19%) as of June 30, 2015, compared to net debt of USD 508 million as of March 31, 2015.

Prospects:

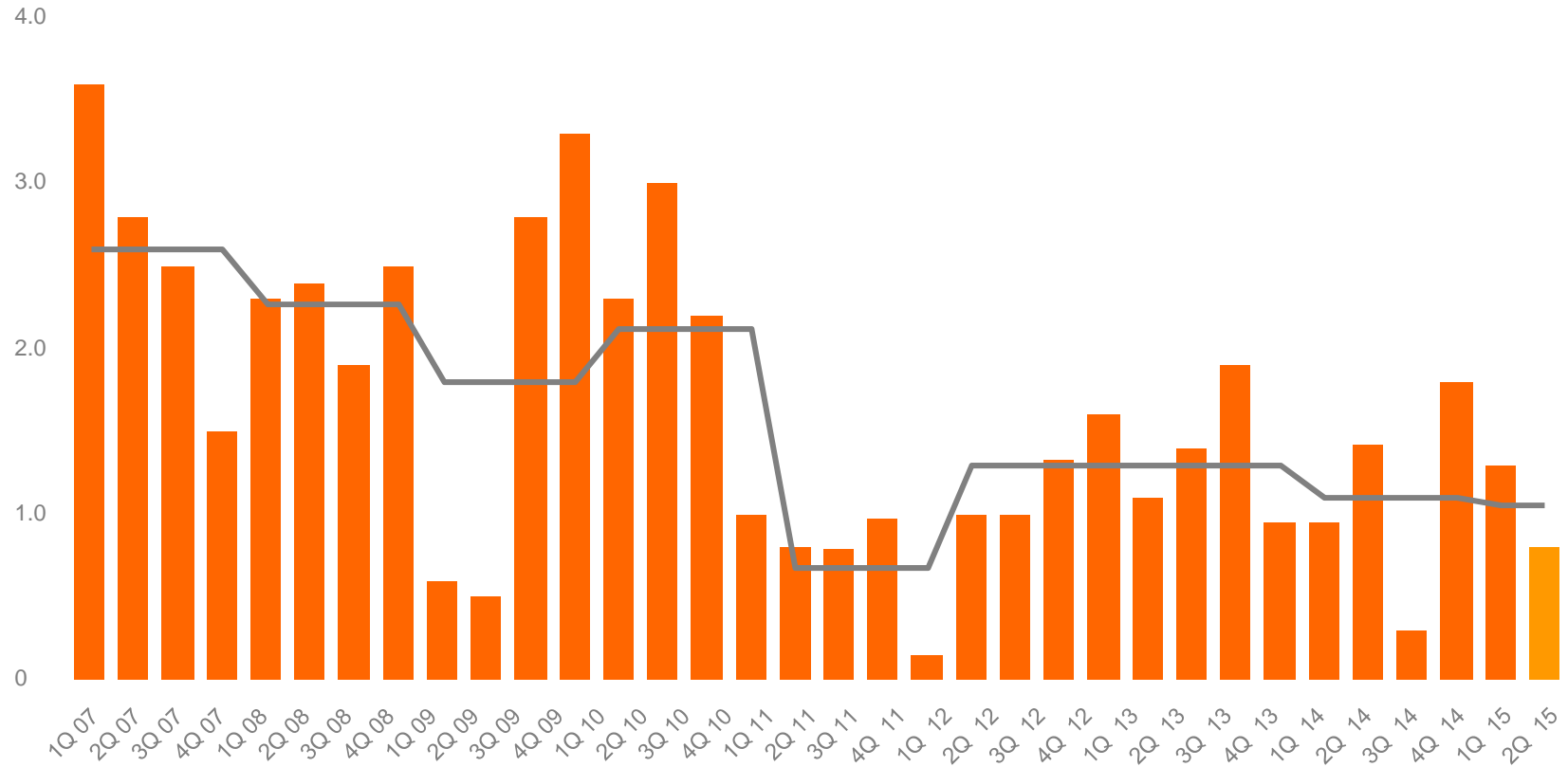
- EBITDA in Q3 2015 is expected to be lower compared to EBITDA in Q2 2015 due to the traditional seasonal slowdown and current economic environment.
- Net debt to slightly decrease in Q3 2015.

“We are pleased to have continued to enhance our net income in the second quarter thanks to the Leadership Journey and the Top Line strategy and also due to the recent actions to optimise Aperam’s cost of debt.”

Health & Safety Performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 0.8x in Q2 2015

* 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

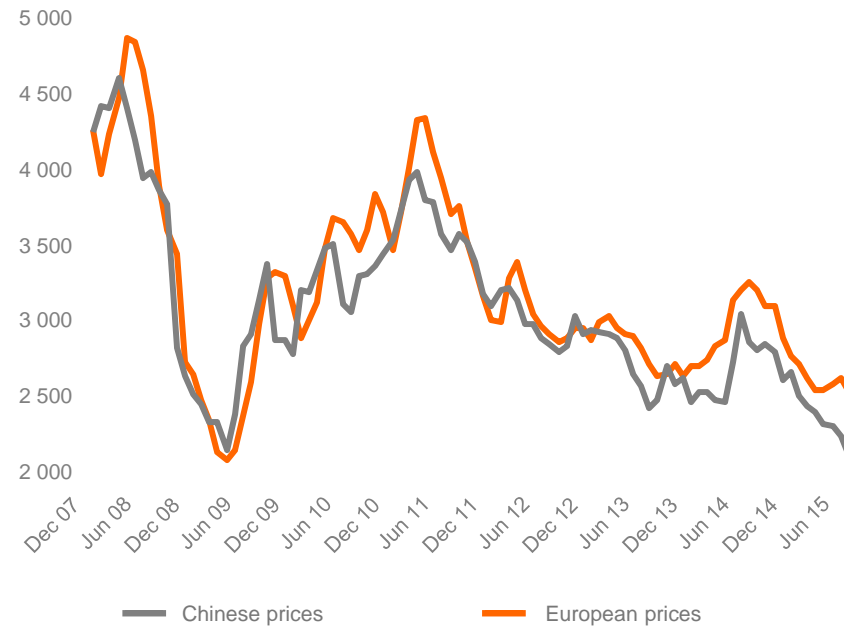
Stainless steel prices



Nickel - LME Cash (USD/t)



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



With the recent fall in nickel prices falling and Asian overcapacity, transaction prices in China seem to reach a level below 2009, while European base prices have remained stable during the first semester

*Source: SBB/Platts

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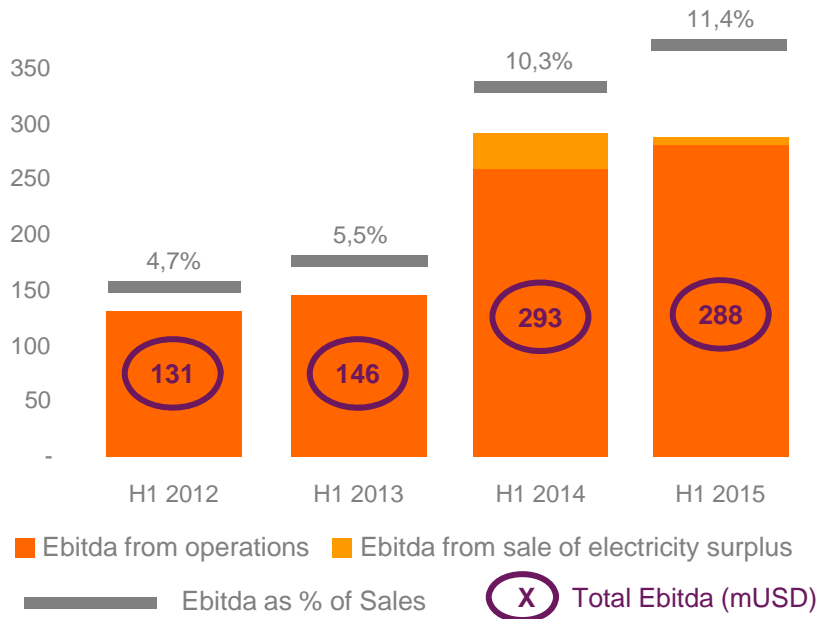
Performance and prospects

Performance and prospects

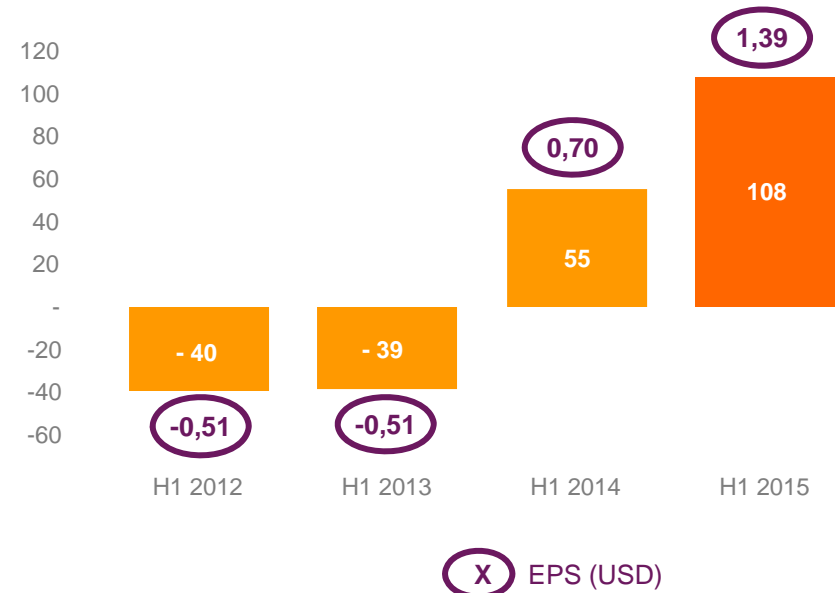
Year on Year evolution of profitability



Ebitda evolution (mUSD)



Net result evolution (mUSD)



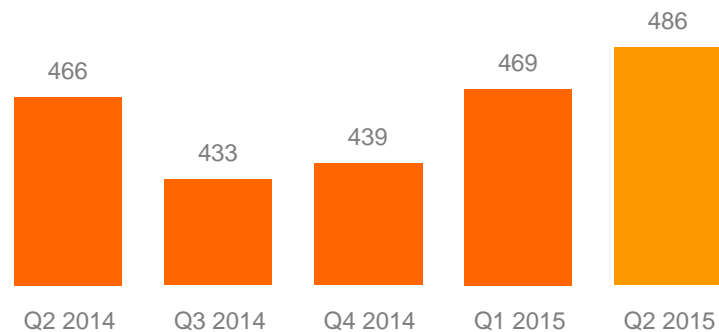
Continuous solid improvement of the operating performance as well as the net result

Performance and prospects

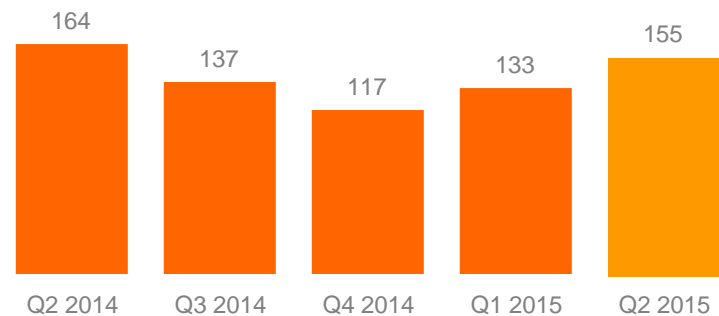
Second quarter operating performance



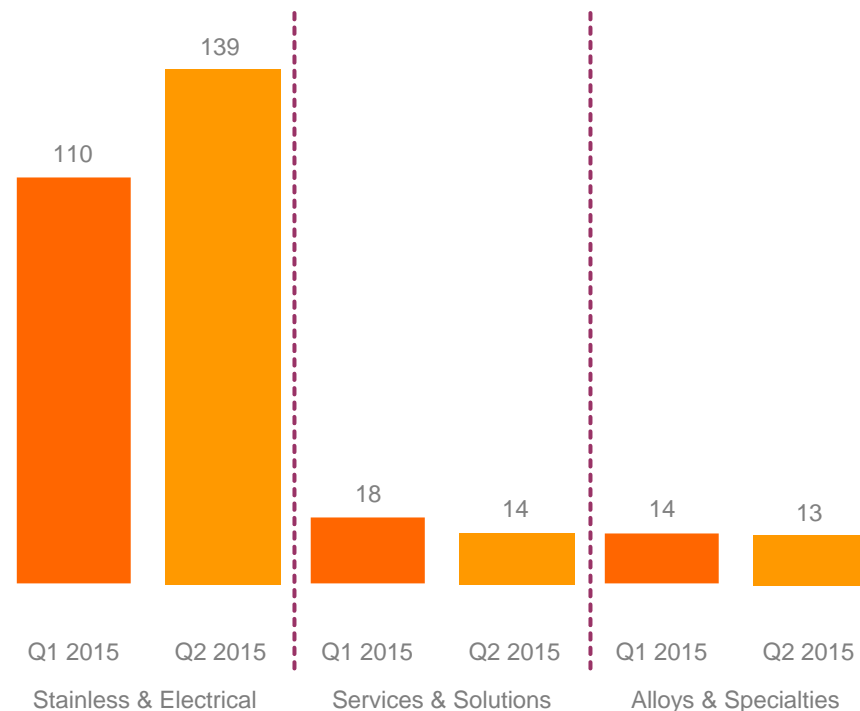
Shipments ('000t)



EBITDA (USD million)



Q2 2015 EBITDA per division (USD million) ^[1]



EBITDA of 319 USD/t in Q2 2015 compared to 284 USD/t in Q1 2015

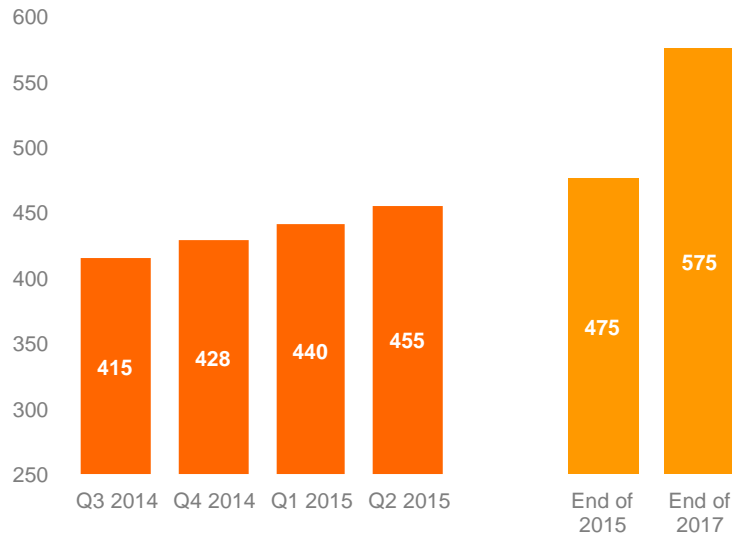
^[1] Difference with total Aperam's quarterly Ebitda comes from the Others & Eliminations.

Performance and prospects

Leadership Journey®



Cumulated gains (USD million)



Asset upgrade program launched on best performing assets

- Tranche 1**
USD52m of Capex
2014 - 2015
 - Productivity improvement of the downstream facilities in Genk (CAP2), Gueugnon (CAP10) and Timoteo (Sendzimir Mill #1).
 - Upgrade of the Wire Rod mill in A&S, step 1
 - Upgrade of GO operations in Brazil with development of HGO
- Tranche 2**
USD30m of Capex
2015 - 2016
 - Upgrade of CAP 2 in Genk
 - Upgrade of LC2i in isbergues
- Tranche 3**
USD30m of Capex
2015 - 2017
 - Efficiency and competitiveness improvement of the lines CR6 and BA8 in Gueugnon
 - Upgrade of compact box annealing furnaces of the Wire Rod mill in A&S

Leadership Journey program on track to reach the 2015 target of USD 475 million

Second quarter 2015



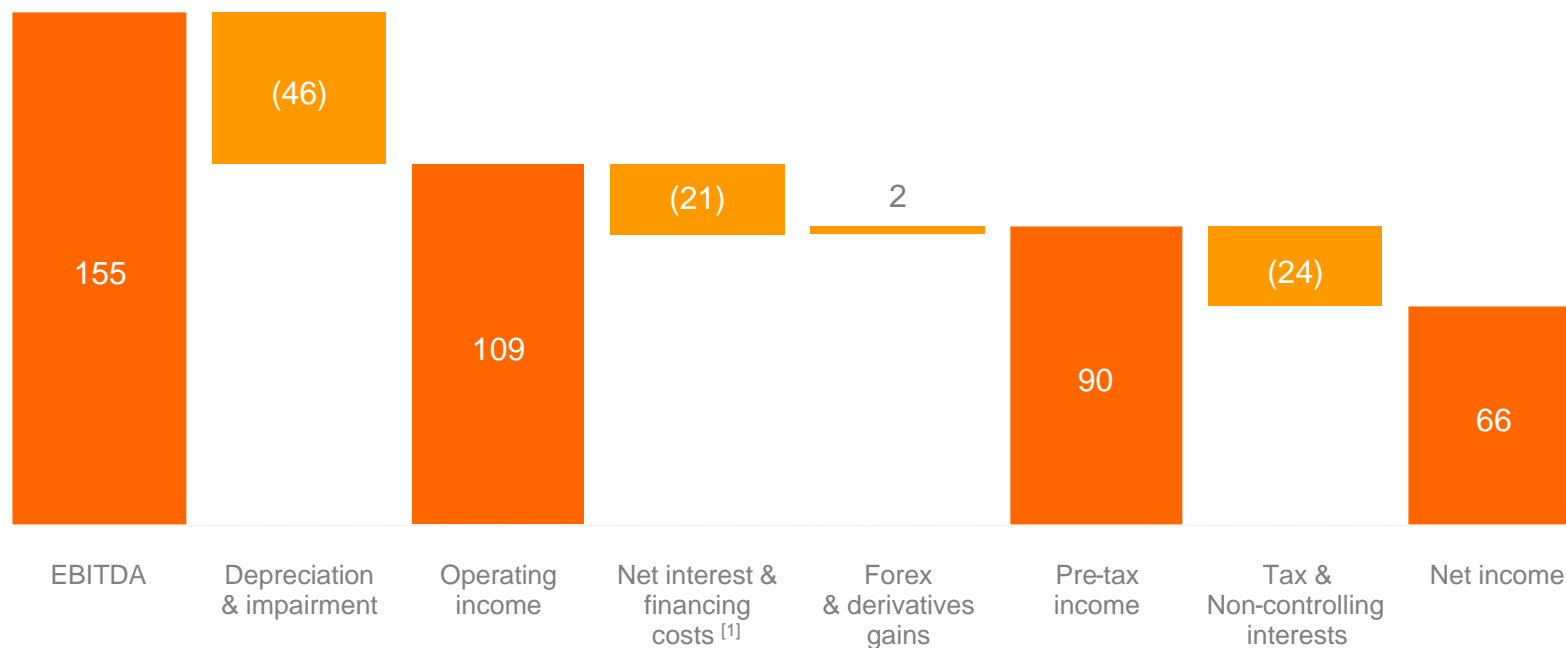
Financial results

Financial results

Second quarter P&L highlights



EBITDA to net income (USD million)



Solid progress on results with EPS of USD 0.85

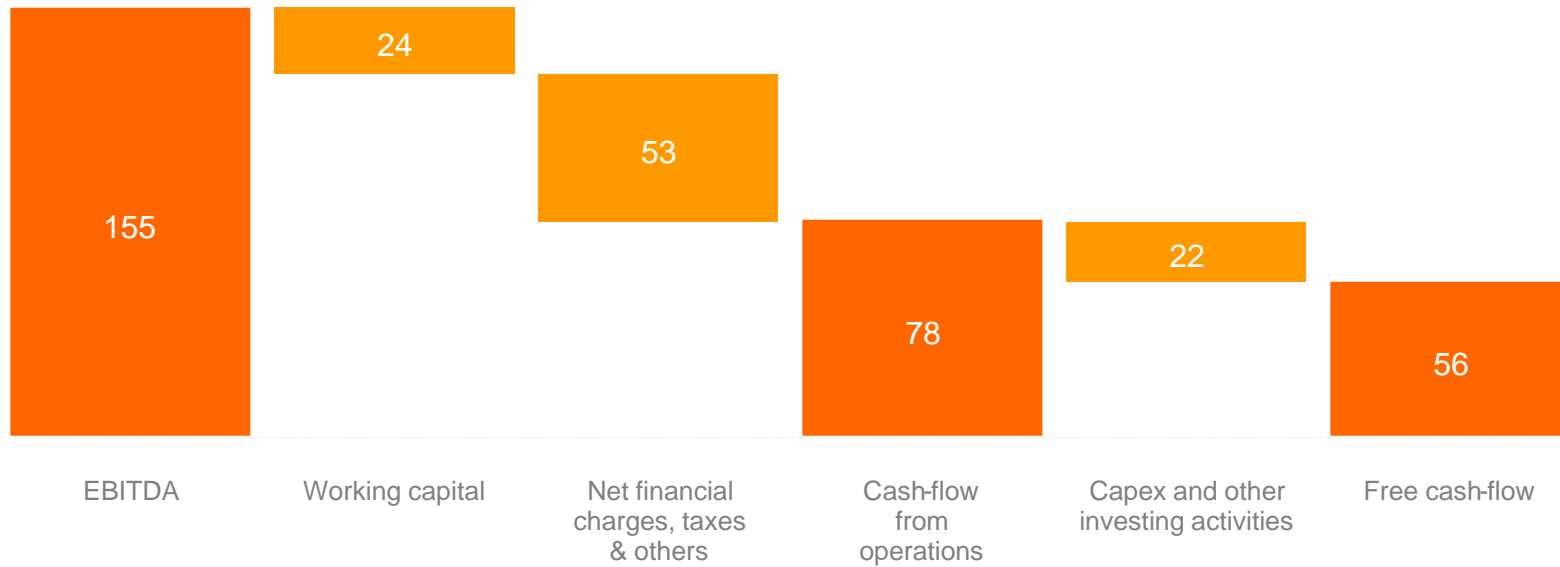
^[1] Including a loss from other investments of USD 6 million booked on Aperam's minority stake it holds in Gerdau.

Financial results

Second quarter cash flow highlights



Free cash flow (USD million)



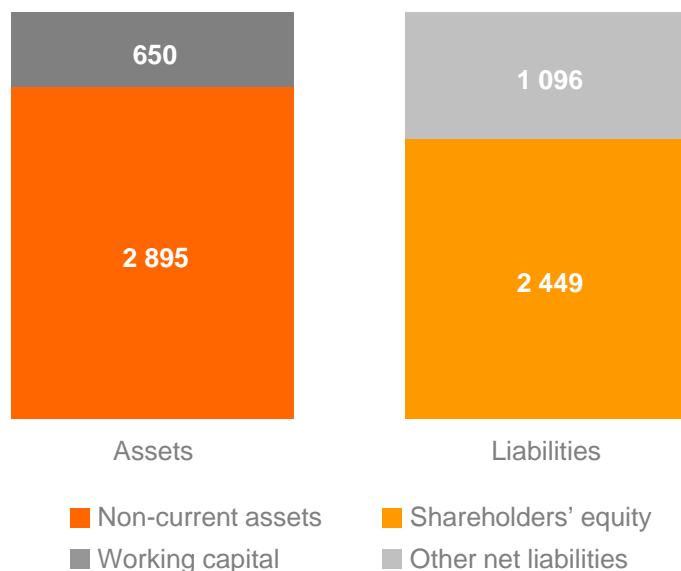
Continued focus on cash with USD 78 million of cash from operations

Financial results

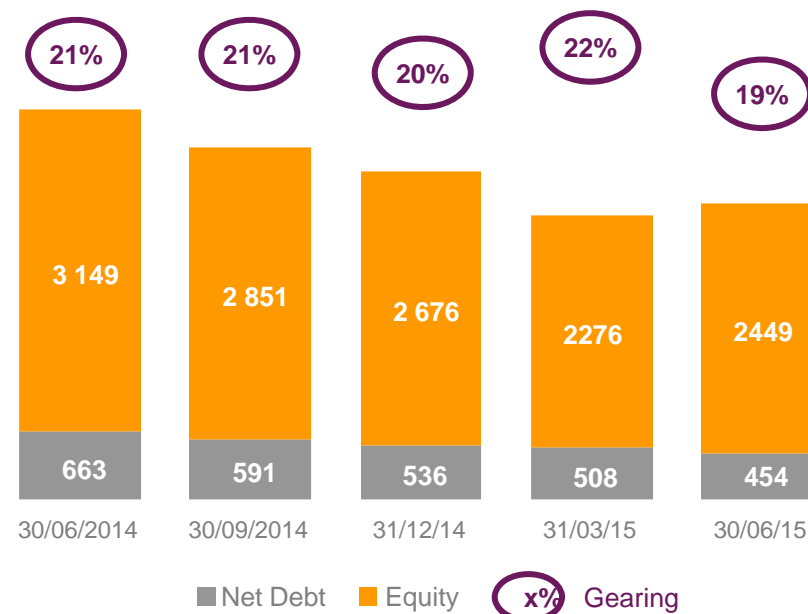
Second quarter balance sheet highlights



Assets & liabilities (USD million)



Equity & net debt (USD million)^[1]



Net debt of USD 454 million, representing a gearing of 19%

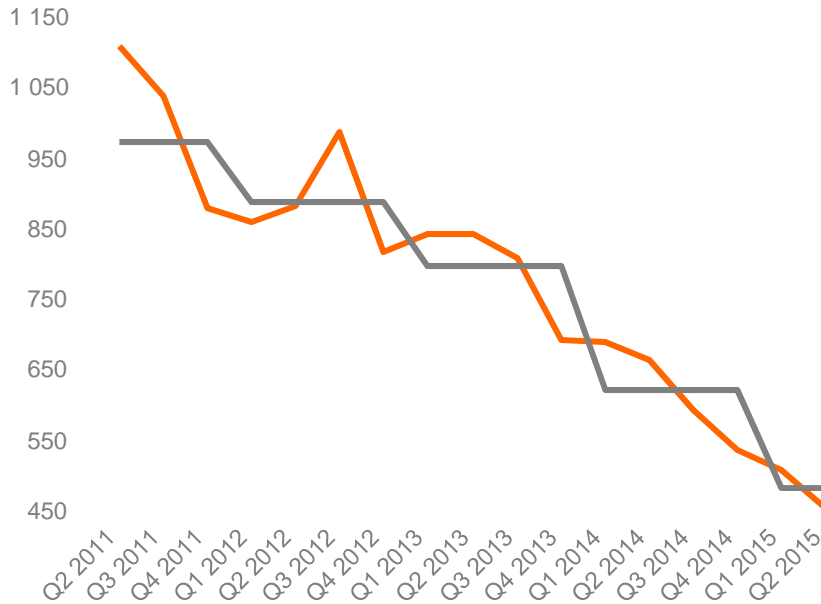
^[1] The variation of Equity between 2014 and 2015 is mainly due to translation effects of Aperam's assets which are mostly in EUR and BRL.

Financial results

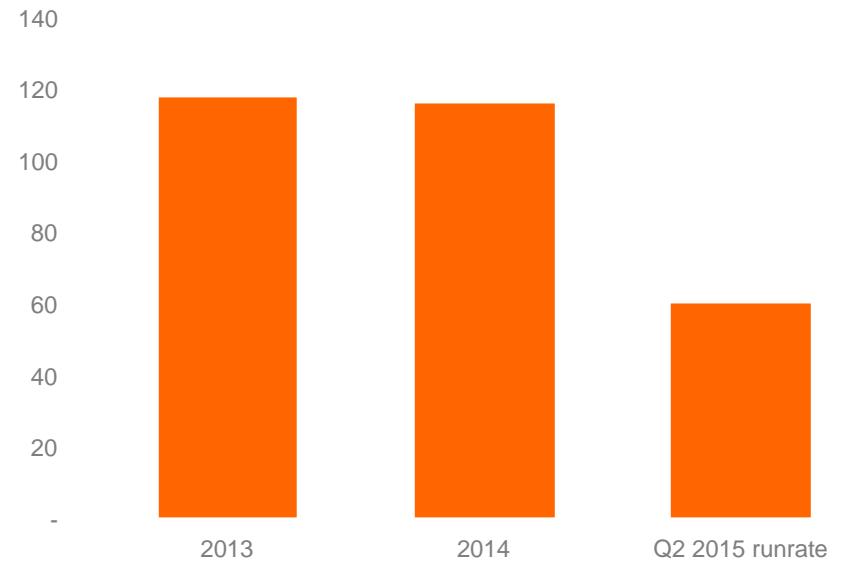
Balance sheet strengthening and debt restructuring



Quarterly net debt evolution (USD million)



Net interest expense and other financing costs evolution (USD million)



Interest and other financing costs have been nearly halved with recent debt restructuring actions



Musée des Confluences in Lyon, France
Architect: Coop Himmelb(l)au
© Sergio Pirrone

600t of 3mm stainless steel sheets were used for the façade and 50t of 3mm stainless steel sheets for the interior decoration; in total over 17.000 sheets of stainless steel were used for this project.