

Second quarter 2016

July 27, 2016

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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 2.1x in Q2 2016 compared to 1.1x in Q1 2016
- Shipments of 520 thousand tonnes in Q2 2016, compared to 483 thousands tonnes in Q1 2016
- EBITDA of USD 123 million in Q2 2016, compared to USD 112 million in Q1 2016
- Net income of USD 53 million in Q2 2016, compared to USD 49 million in Q1 2016
- Basic earnings per share of USD 0.68 in Q2 2016 compared to USD 0.63 in Q1 2016
- Cash flow from operations amounted to USD 112 million in Q2 2016, compared to USD 39 million in Q1 2016
- Free cash flow before dividend amounted to USD 87 million in Q2 2016, compared to USD 6 million in Q1 2016
- Net debt of USD 280 million as of June 30, 2016, representing a gearing of 11% compared to a net debt of USD 338 million as of March 31, 2016

Prospects:

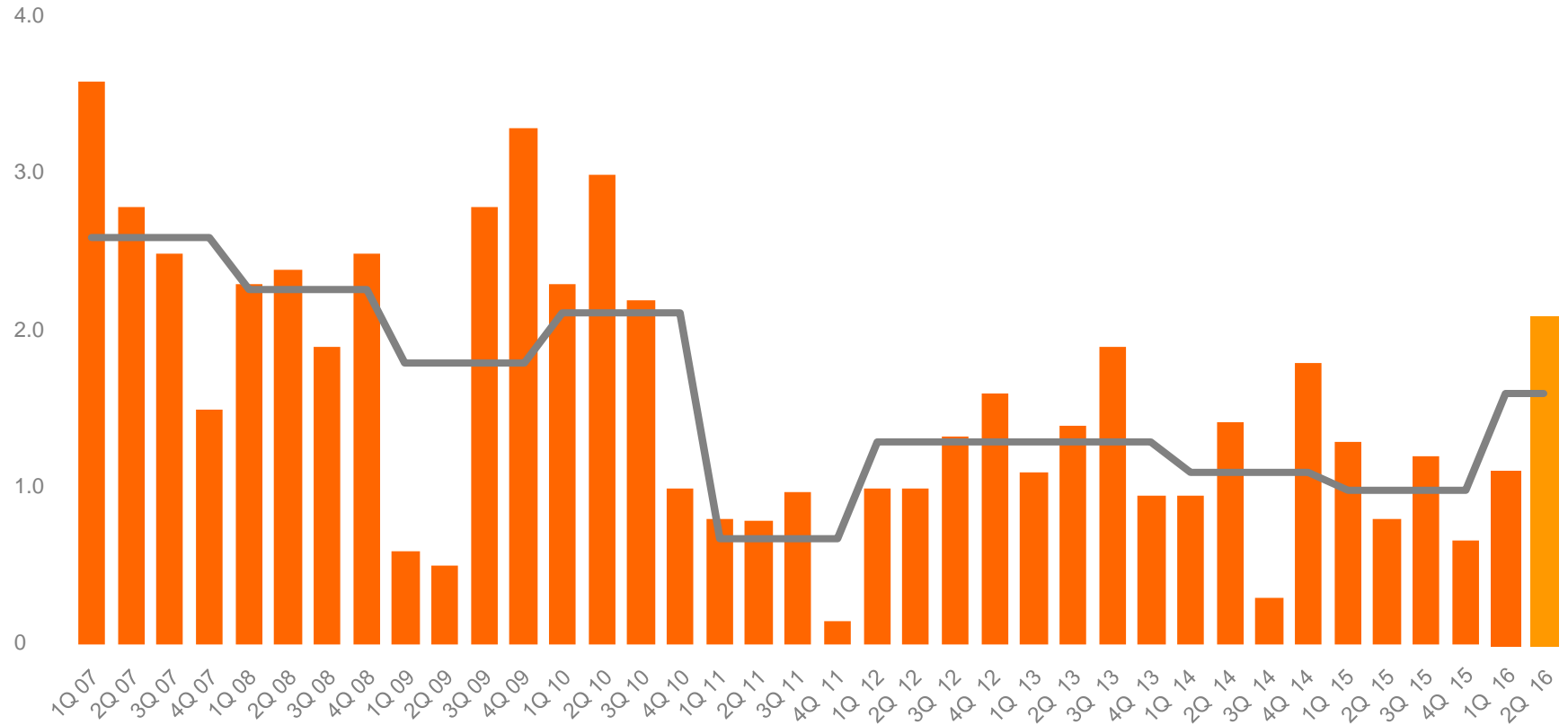
- EBITDA in Q3 2016 is expected to be comparable to EBITDA in Q2 2016
- Net debt to decrease in Q3 2016

“Despite headwinds from the current market conditions, Aperam continues to improve its operational performance, delivering a record high of operating cash flow generation over a second quarter.”

Health & Safety Performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 2.1x in Q2 2016

* 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

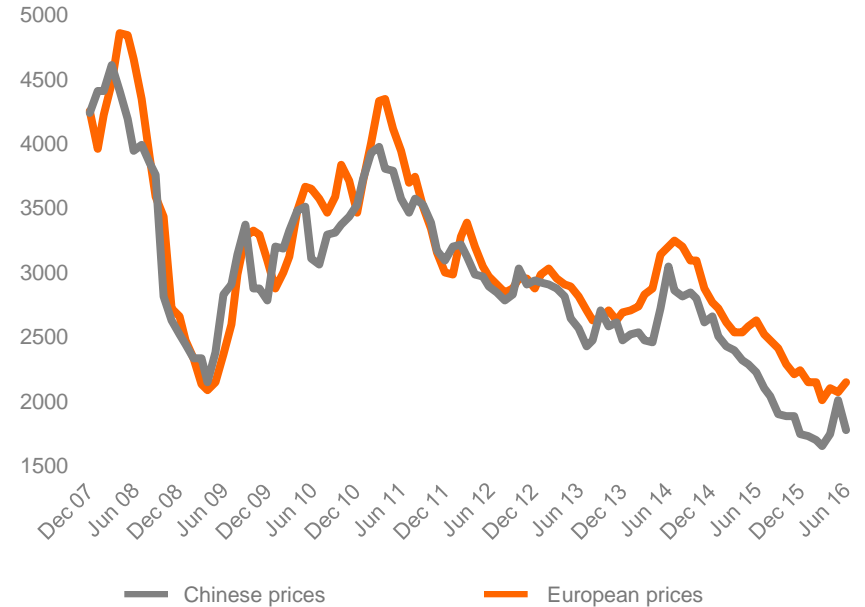
Stainless steel prices



Nickel - LME Cash (USD/t)



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



Stainless steel selling prices have started to stabilise during Q2 and gained further momentum from the recent nickel price increase

*Source: SBB/Platts

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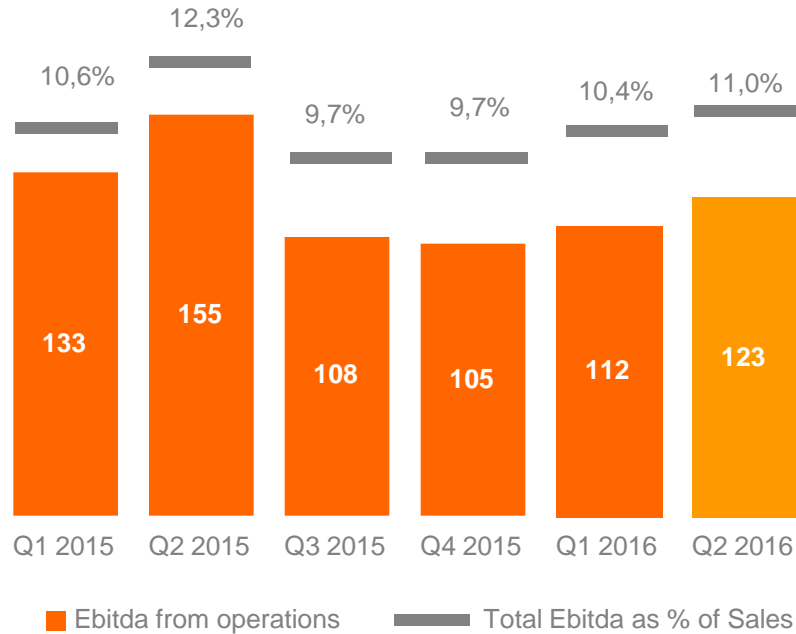
Performance and prospects

Financial results

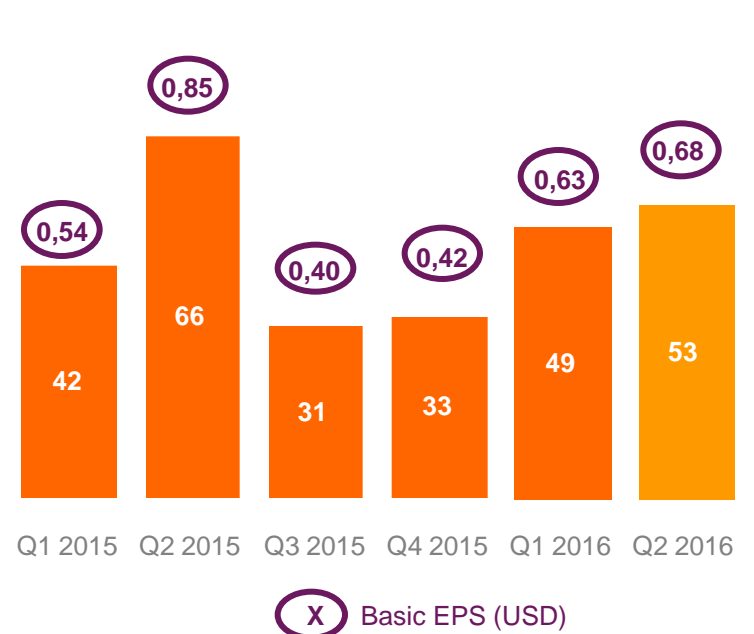
Solid evolution of profitability



Quarterly Ebitda evolution (mUSD)



Quarterly Net income evolution (mUSD)



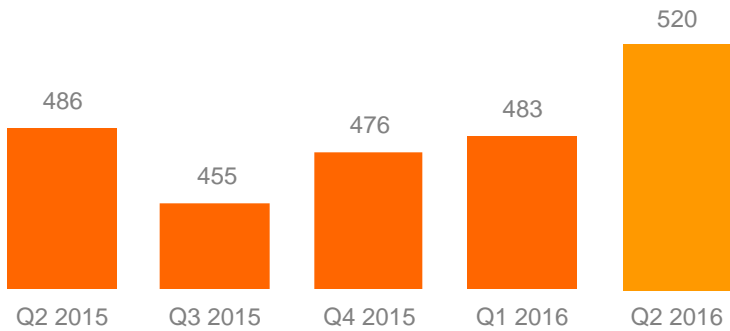
Aperam continues to improve its profitability despite the current domestic market headwinds

Performance and prospects

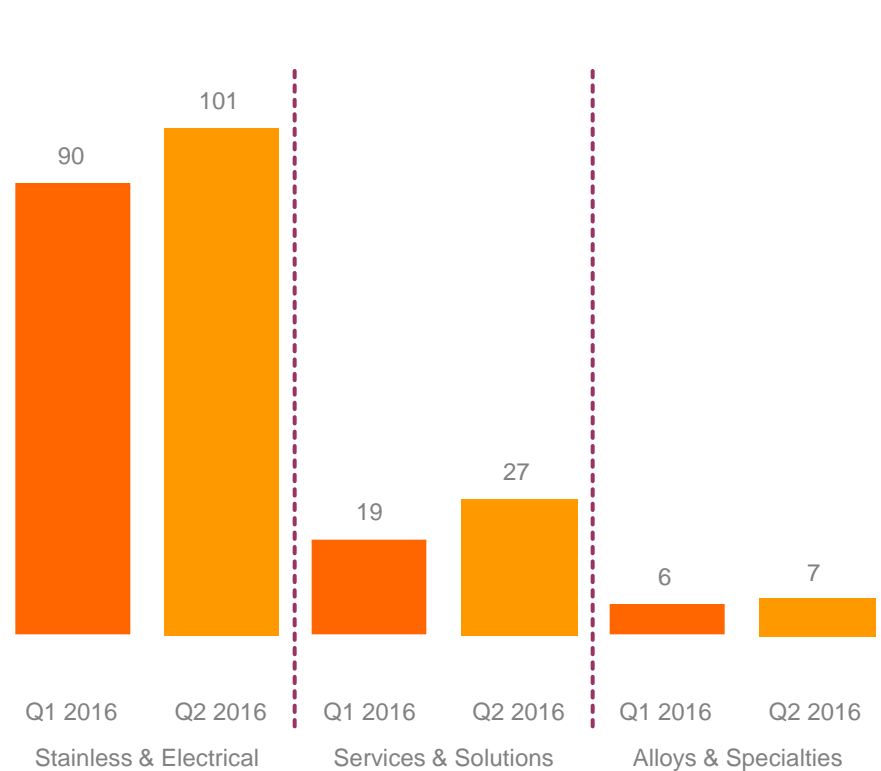
Second quarter operating performance



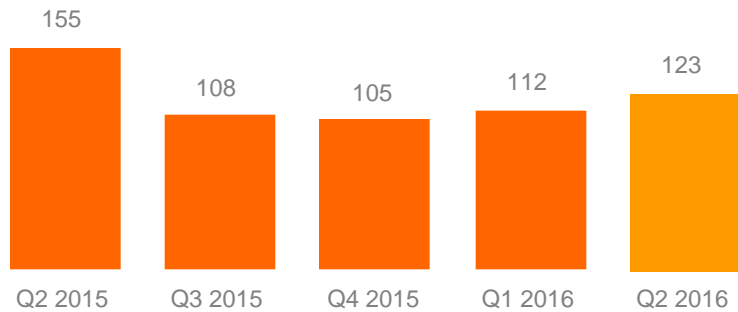
Shipments ('000t)



Q2 2016 EBITDA per division (USD million) ^[1]



EBITDA (USD million)



EBITDA of 237 USD/t in Q2 2016 compared to 232 USD/t in Q1 2016

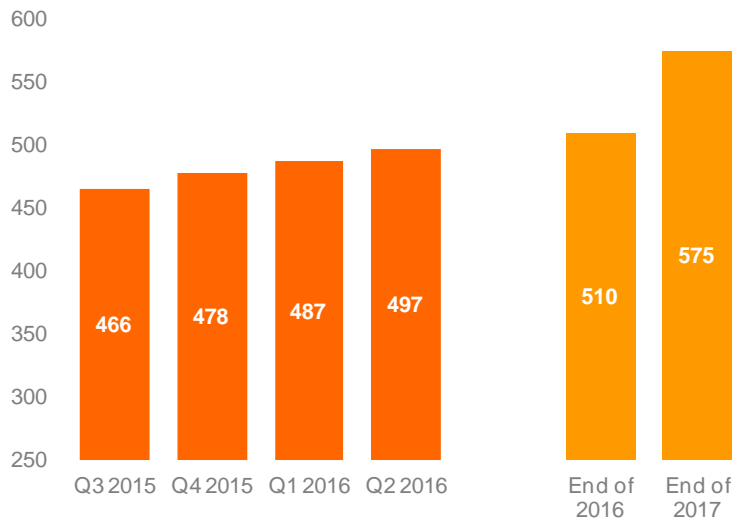
^[1] Difference with total Aperam's quarterly Ebitda comes from the Others & Eliminations.

Performance and prospects

Leadership Journey®



Cumulated gains (USD million)



Asset upgrade program launched on best performing assets

Tranche	Capex	Period	Status
Tranche 1	USD52m of Capex	2014 – 2015	Completed
Tranche 2	USD30m of Capex	2015 – 2016	On track
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 reached USD 497 million at the end of Q2 2016

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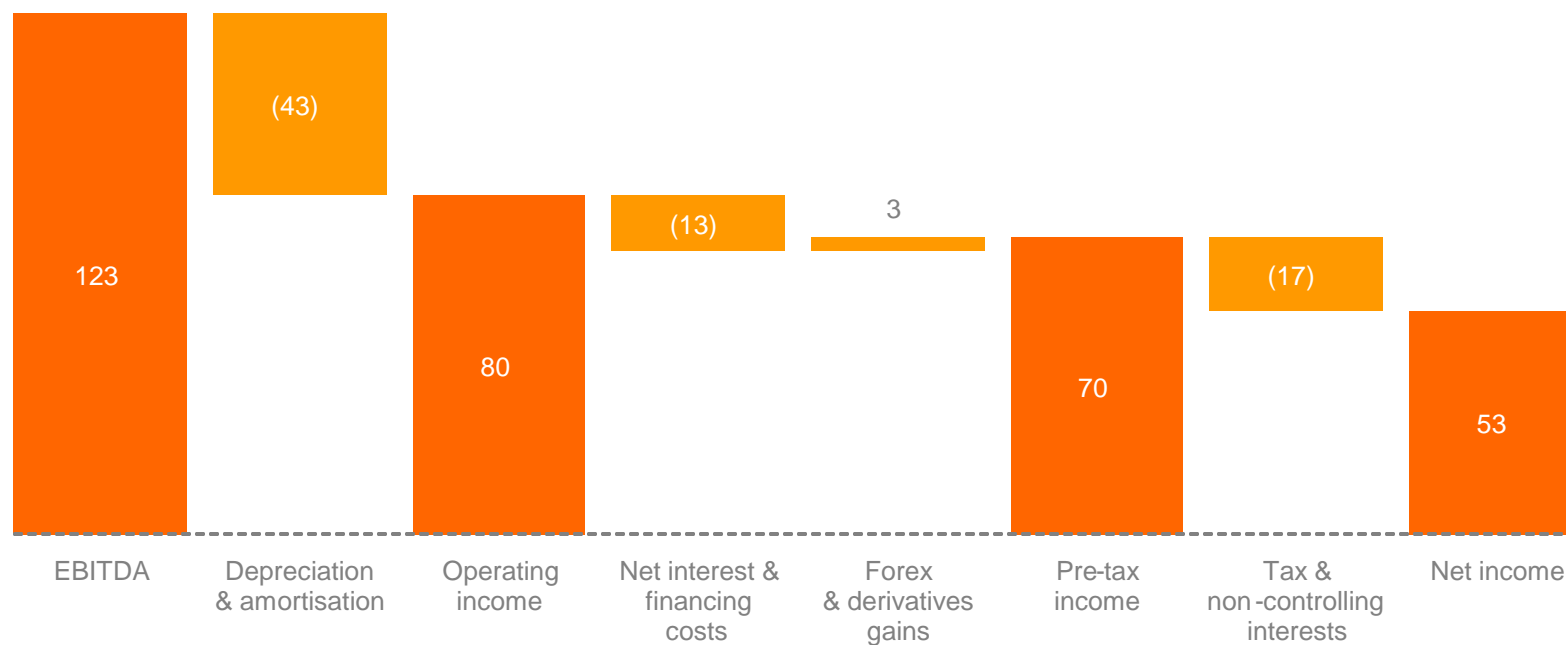
Financial results

Financial results

Second quarter P&L highlights



EBITDA to net income (USD million)



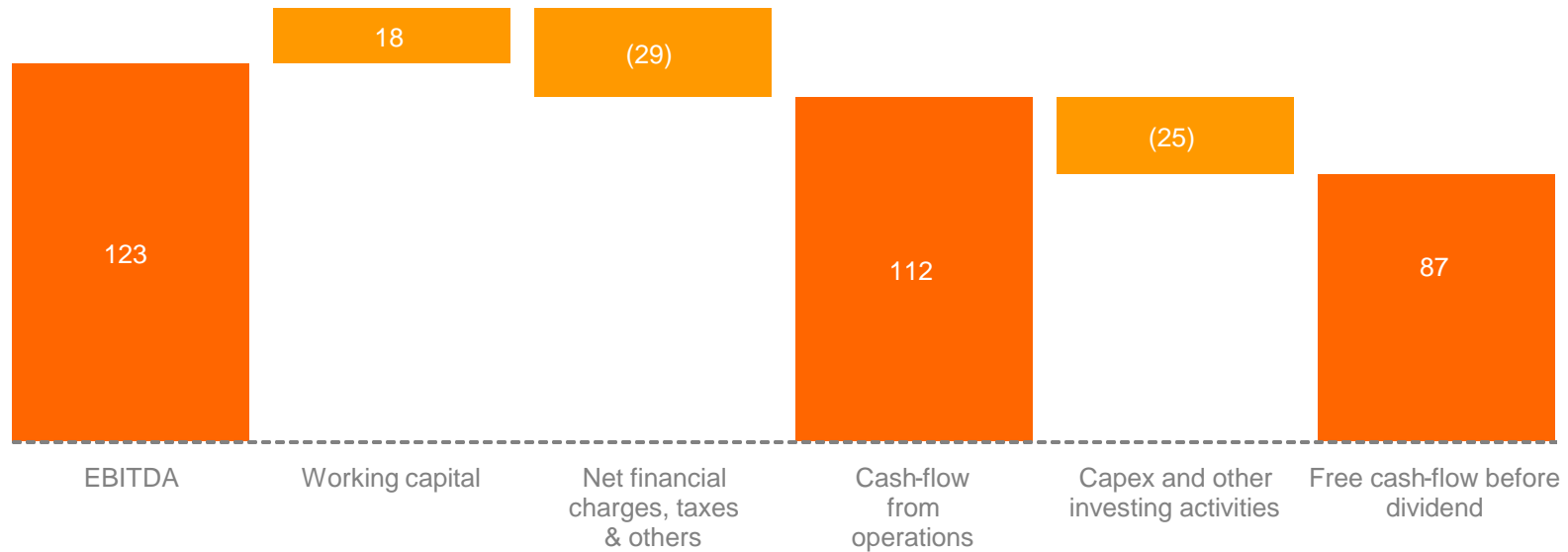
Continued solid performance on results with basic EPS of USD 0.68

Financial results

Second quarter cash flow highlights



Free cash flow (USD million)



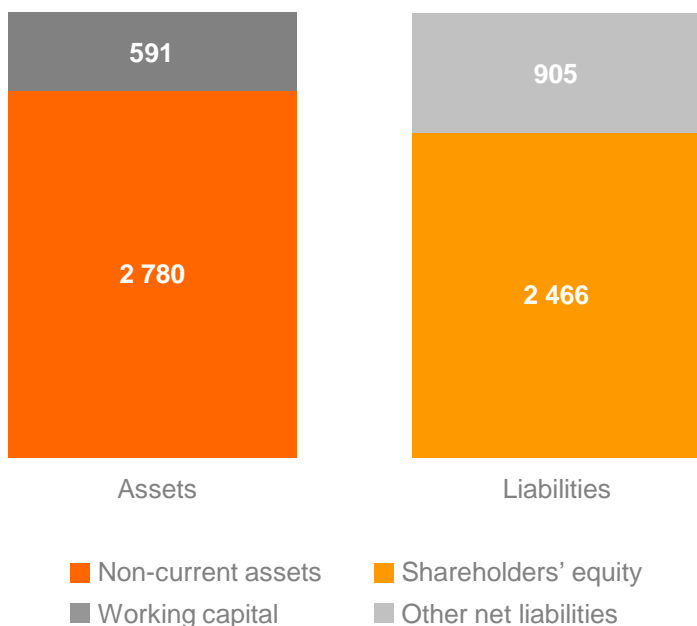
Record second quarter free cash flow generation since spin-off with USD 87 million

Financial results

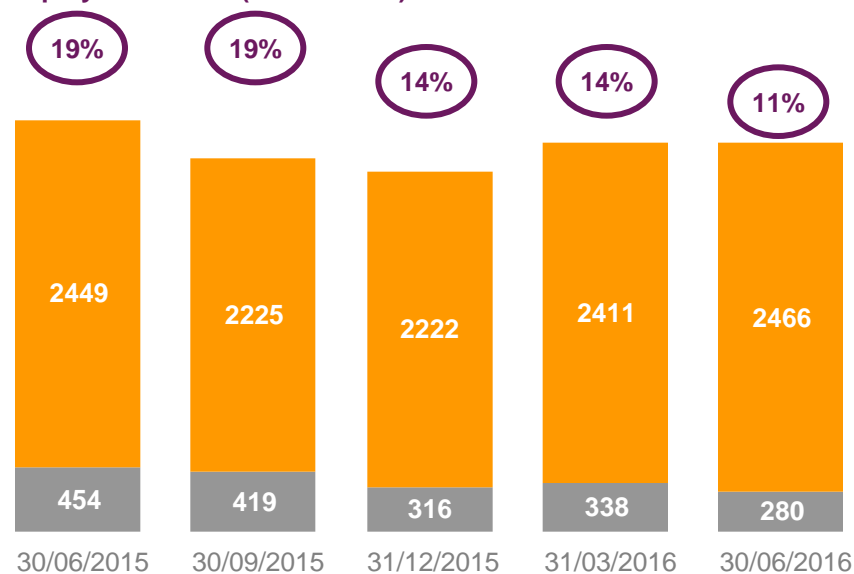
Second quarter balance sheet highlights



Assets & liabilities (USD million)



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



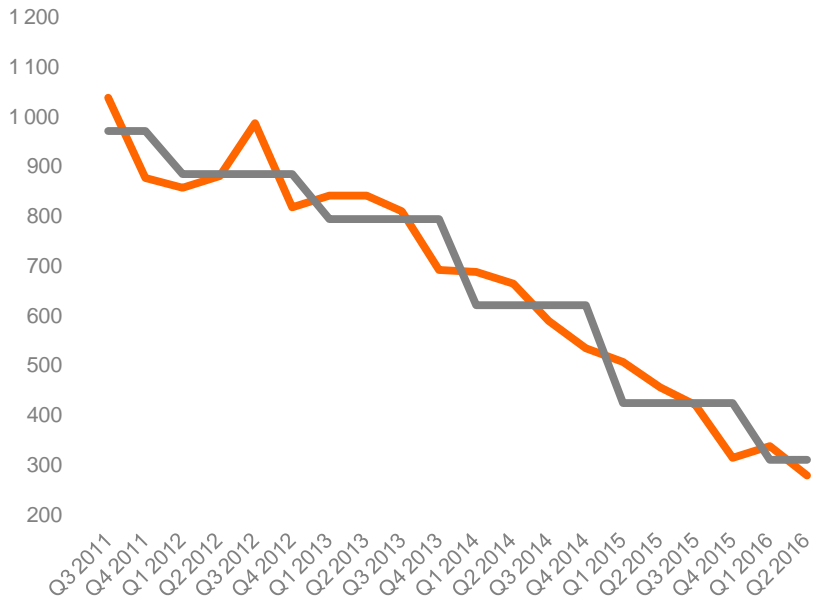
Continued balance sheet strengthening with net debt of USD 280 million, representing a gearing of 11%

Financial results

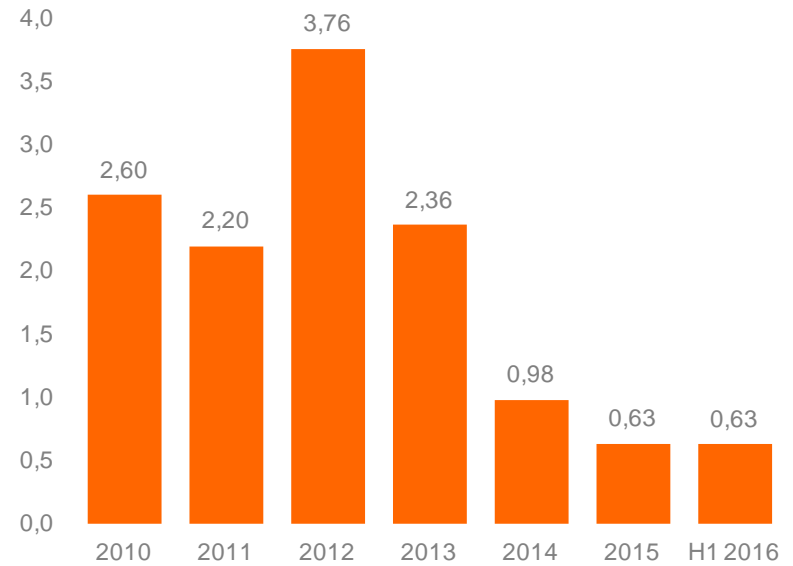
Balance sheet and financial ratios



Quarterly net debt evolution
(USD million)



Net debt to EBITDA (LTM)



Continuous and solid cash flow generation throughout market cycles



City hall of Illkirch Graffenstaden, France
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