

Fourth quarter 2017

January 30th, 2018

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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: LTI frequency rate of 1.4x in 2017 compared to 1.4x in 2016.
- Steel Shipments of 1,936 thousand tonnes in 2017, a 1% increase compared to steel shipments of 1,917 thousand tonnes in 2016.
- EBITDA of USD 619 million, including an exceptional charge of USD 10 million, in 2017, compared to EBITDA of USD 492 million, including an exceptional charge of USD 11 million, in 2016.
- EBITDA of USD 154 million in Q4 2017, compared to USD 125 million in Q3 2017.
- Net income of USD 361 million in 2017, compared to USD 214 million in 2016.
- Basic earnings per share of USD 4.51 in 2017, compared to USD 2.75 in 2016.
- Cash flow from operations amounted to USD 440 million in 2017, compared to cash flow from operations of USD 417 million in 2016.
- Free cash flow before dividend and share buy-back of USD 255 million in 2017, compared to free cash flow before dividend and share buy-back of USD 288 million in 2016.
- Net cash position of USD 75 million as of December 31, 2017 compared to a net financial debt of USD 154 million as of December 31, 2016.

Prospects:

- EBITDA in Q1 2018 is expected to slightly increase compared to EBITDA in Q4 2017.
- Net financial debt to be at low levels in Q1 2018.

Financial Policy - Cash Deployment:

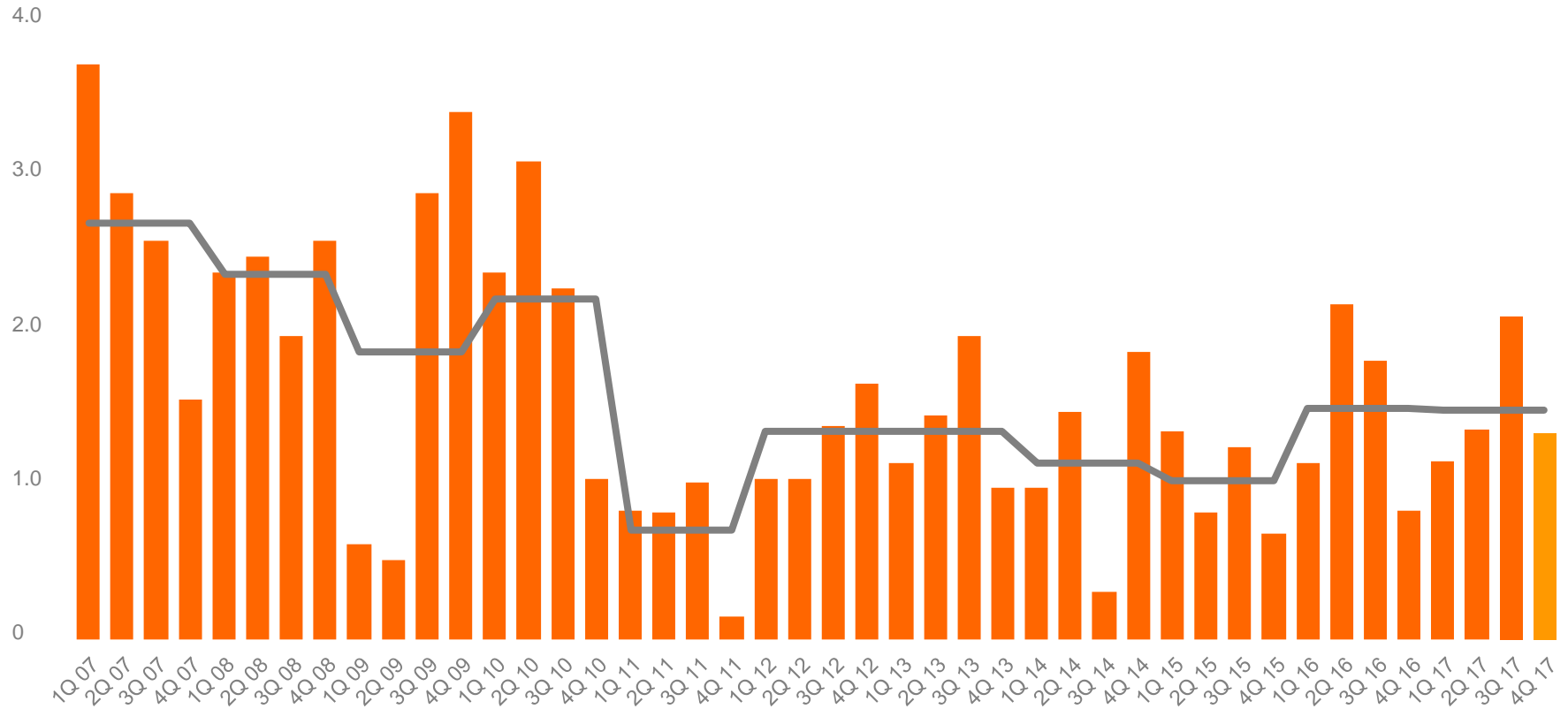
- Aperam increases its base dividend from USD 1.50 to USD 1.80 (subject to AGM approval).
- Aperam announces a share buyback program of up to USD 100 million.

“In 2017, despite challenges in its environment, Aperam continued to significantly increase its performance and profitability, delivering once again record yearly Ebitda and Net Income.”

Health & Safety Performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 1.3x in Q4 2017 and 2.0x in Q3 2017.

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

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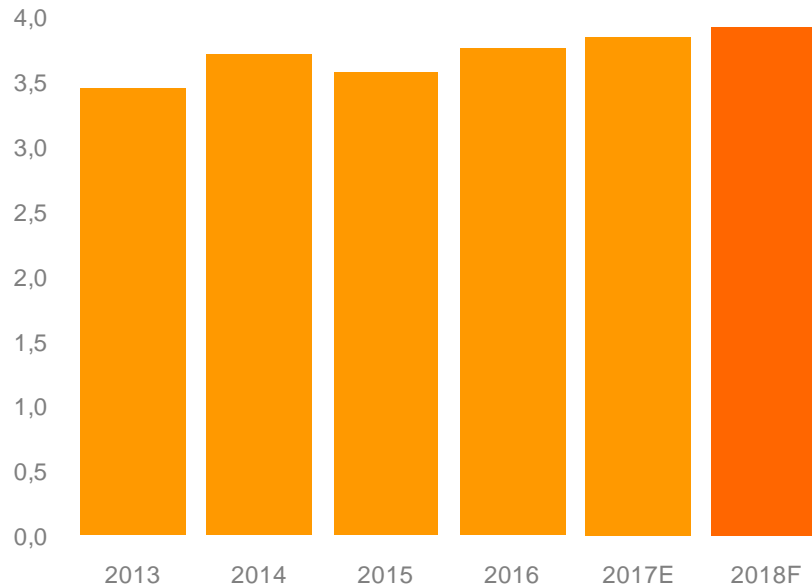
Environment and markets

Environment and markets

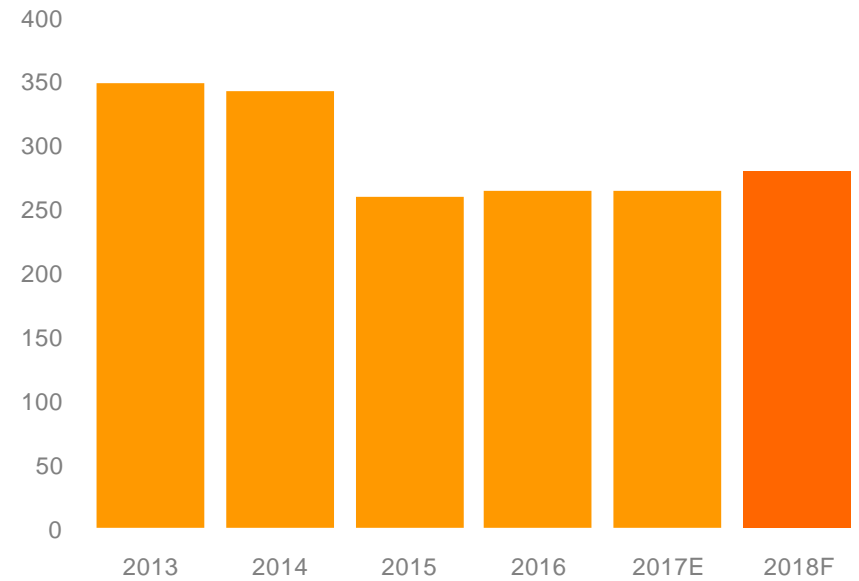
Stainless steel demand



CR stainless steel European apparent demand (in million tonnes)



Stainless steel Brazilian apparent demand (in thousand tonnes)



European demand continues to be healthy while demand in Brazil starts to show signs of recovery

Environment and markets

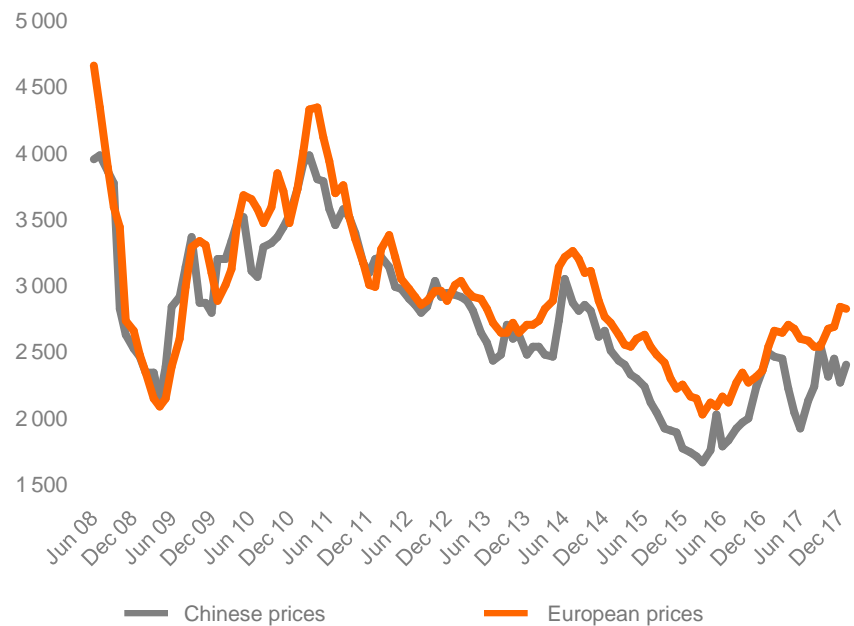
Stainless steel prices



Nickel - LME Cash (USD/t)



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



Following pressure from raw material prices volatility mid 2017, the stainless steel prices showed signs of recovery in the fourth quarter.

Source: SBB/Platts
* Prices exclude VAT

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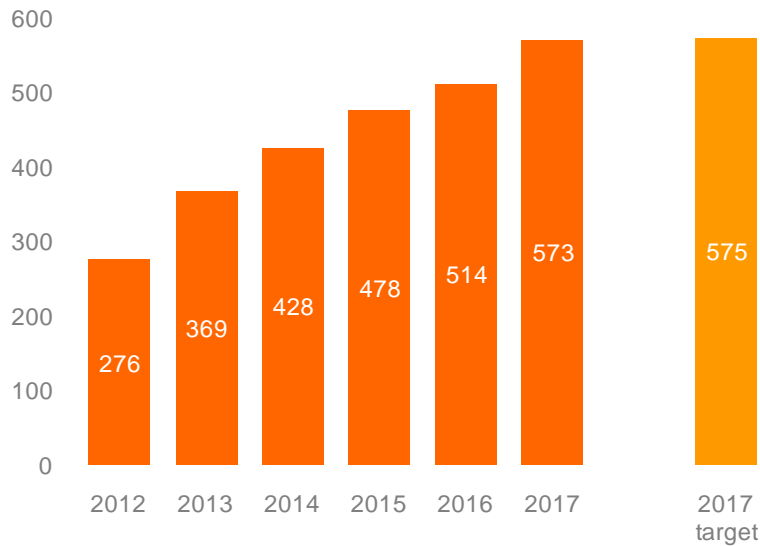
Performance and prospects

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	Completed

Tranche	Details	Status
Tranche 1	<ul style="list-style-type: none"> 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 	Completed
Tranche 2	<ul style="list-style-type: none"> Breakthrough on productivity increase: <ul style="list-style-type: none"> Upgrading further CAP 2 in Genk Upgrading LC2i in Isbergues 	Completed
Tranche 3	<ul style="list-style-type: none"> 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 	Completed

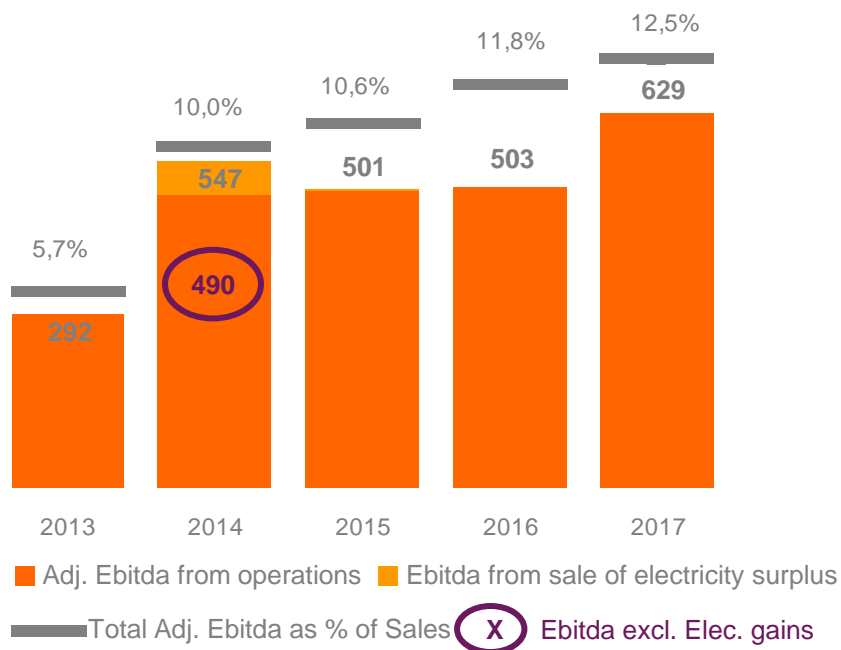
The first two phases of Leadership Journey® have been successfully realized contributing a total of USD 573 million to EBITDA at the end of 2017

Performance and prospects

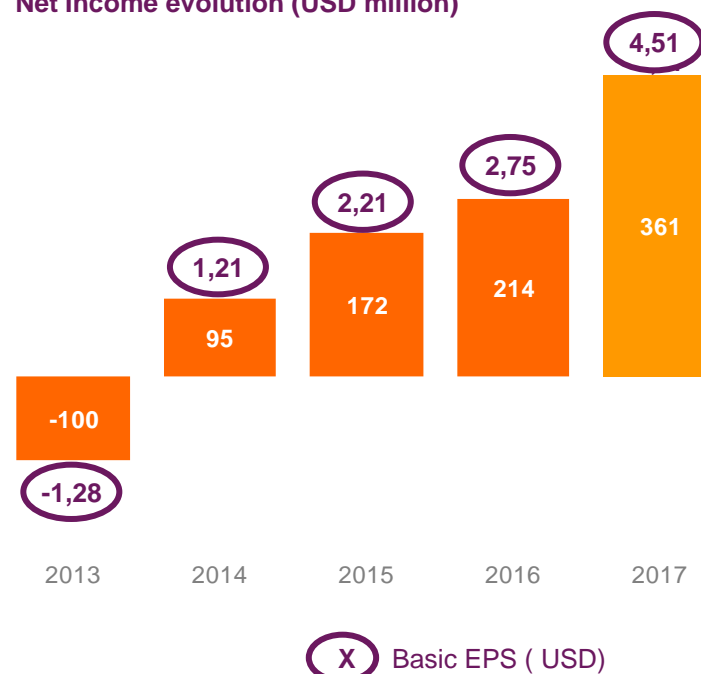
Year on Year evolution of profitability



Adj. EBITDA evolution^[1] (USD million)



Net Income evolution (USD million)



Continuous solid improvement of the operating performance leading to a new yearly high record of profitability

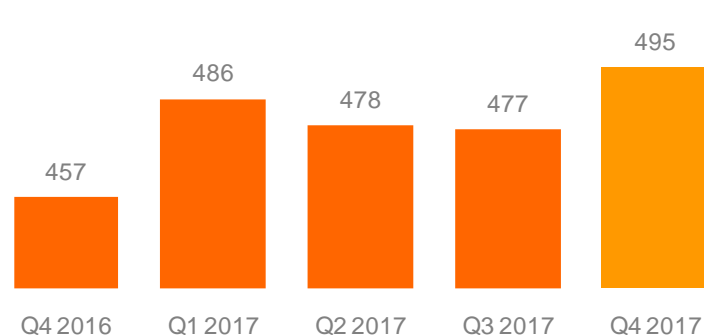
^[1] 2016 adj. EBITDA excludes a USD 11 million non-recurring and non-cash charge related to the intended divestment of Aperam's French tubes subsidiary

Performance and prospects

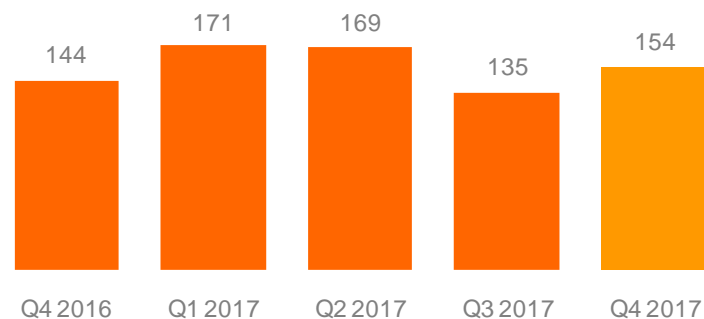
Fourth quarter operating performance



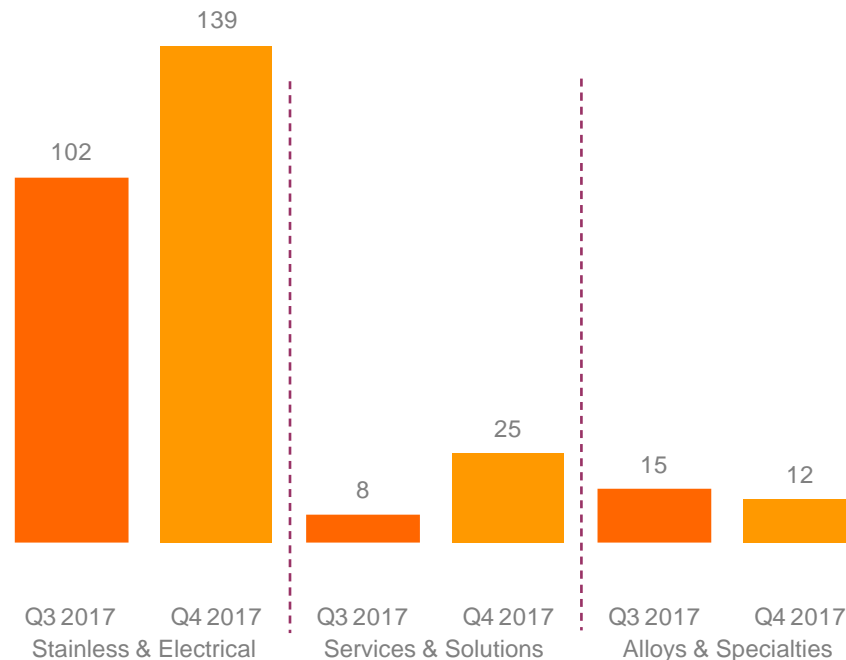
Shipments ('000t)



Adjusted EBITDA^[2] (USD million)



Q4 2017 adjusted EBITDA per division (USD million) ^[1]



Adjusted EBITDA of 311 USD/t in Q4 2017 compared to 283 USD/t in Q3 2017

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

^[2] Adjusted EBITDA excludes 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

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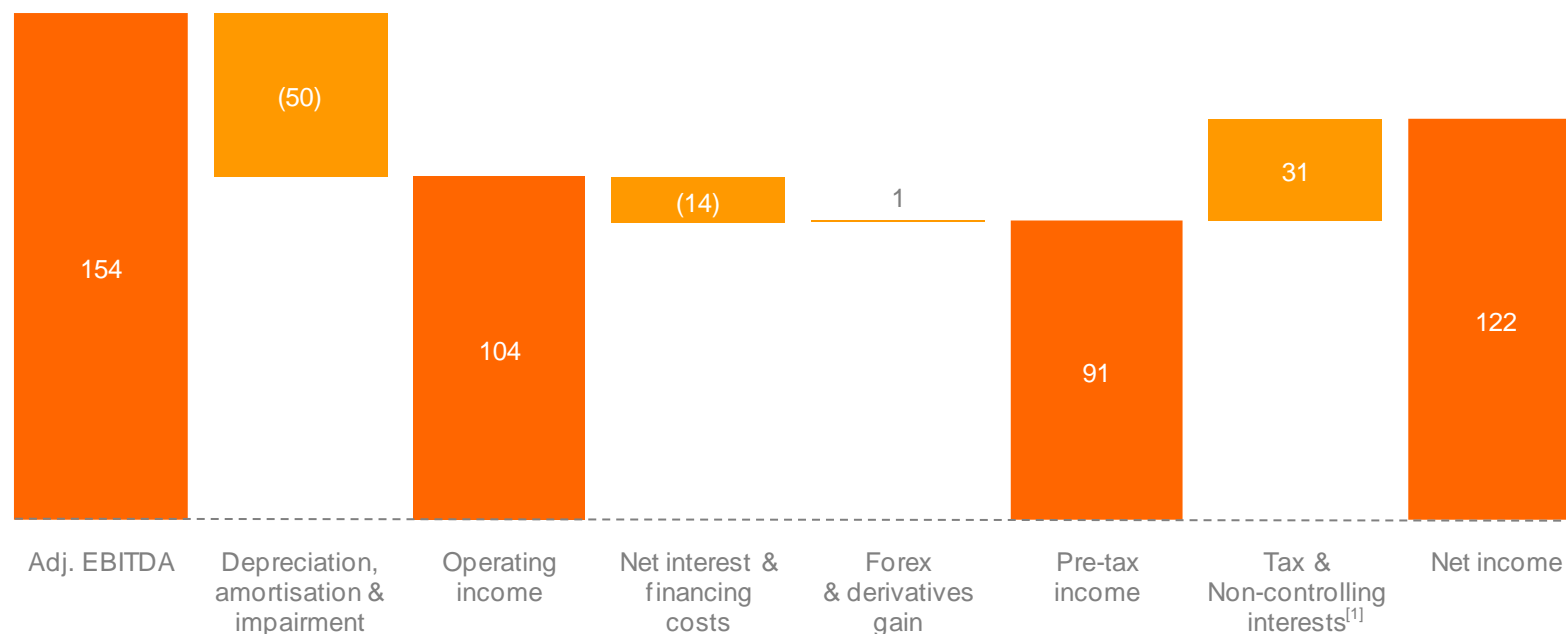
Financial results

Financial results

Fourth quarter P&L highlights



Adjusted EBITDA to net income (USD million)



Strong financial performance with high record Q4 Adj. EBITDA and net income

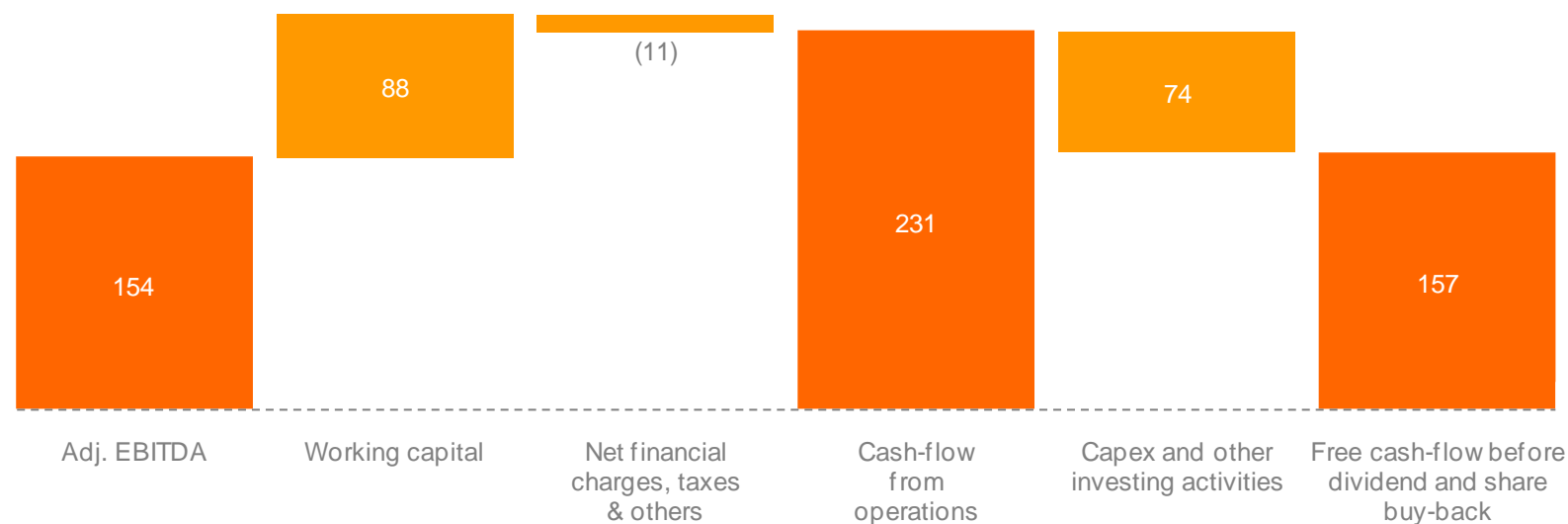
^[1] Q4 2017 Tax & Non-controlling interests include USD 47 million one-off deferred tax income due to accounting consequences of changes in tax rates in some jurisdictions

Financial results

Fourth quarter cash flow highlights



Free cash flow (USD million)



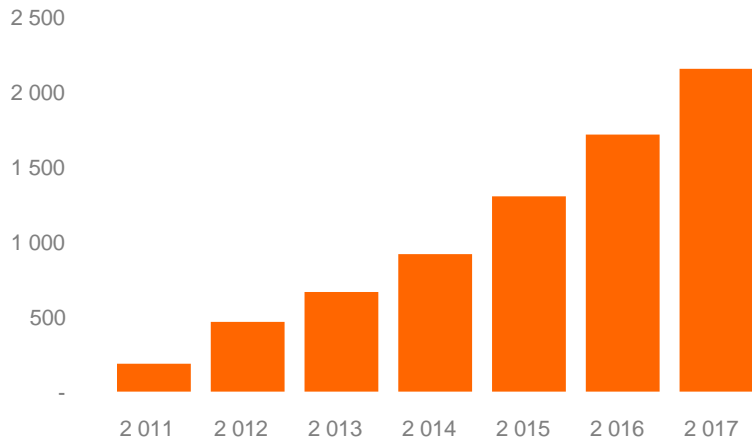
Free cash flow amounted to USD 157 million, including working capital release of USD 88 million

Financial results

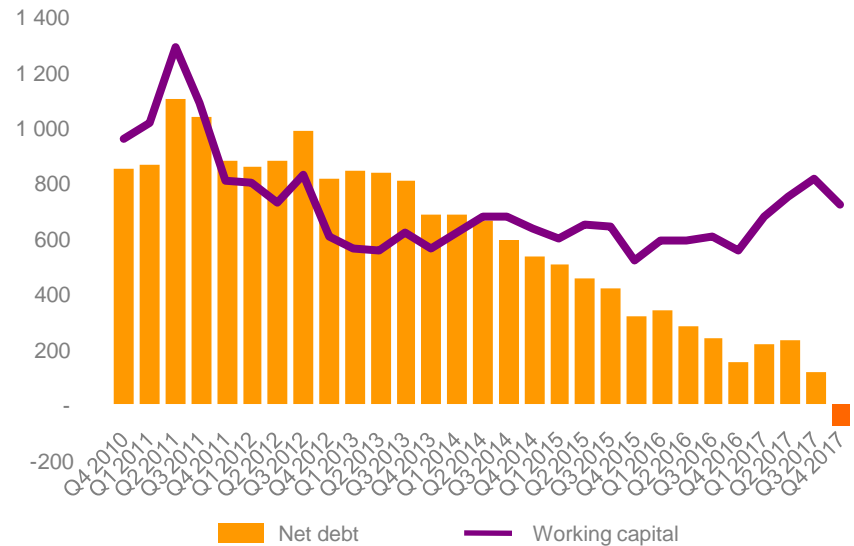
Solid and continuously improving balance sheet



Cumulated net cash provided by operating activities (USD million)



Net debt and working capital levels (USDm)



A net cash company with sustainable and resilient cash flow generation over cycle, with Investment Grade rating from both Moody's and S&P

Fourth quarter 2017



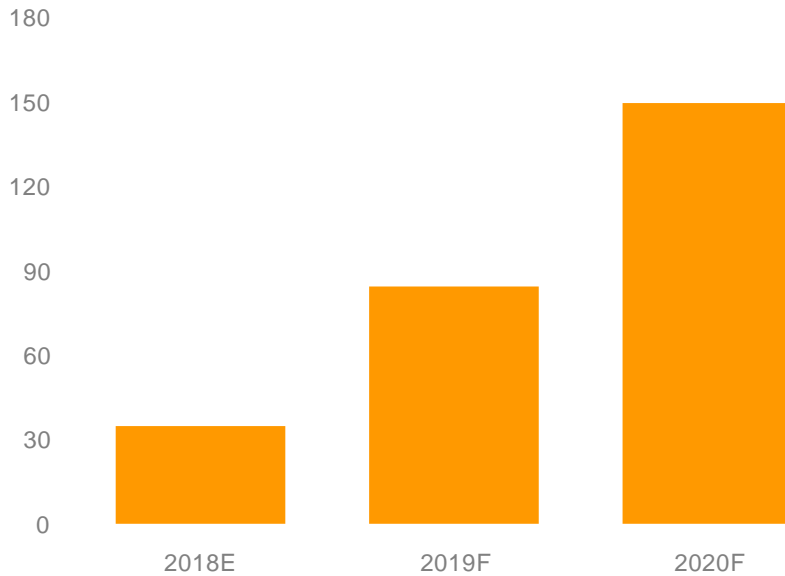
Aperam's value proposition

Aperam's value proposition

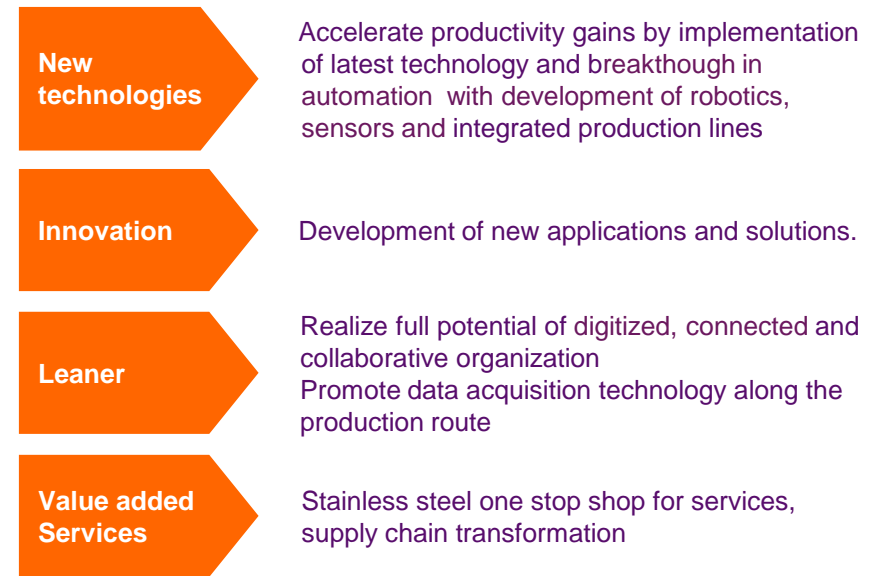
The Transformation Program



Annualized EBITDA cumulated gains from (USD million)



Key pillars of the Phase 3 Transformation Program



USD 150 m of annualized gains by the end of 2020

USD 150 m of capex over 2017-2019 on top of maintenance capex

USD 150m additional annualized gains targeted over the next 3 years

Aperam's value proposition

New investment projects



Genk cold rolling and annealing line

- On January 30, 2018, Aperam announced a new investment project in its Genk plant (Belgium) consisting in new Cold Rolling and Annealing and Pickling Lines.
- The investment project targets to further facilitate transformation of our business with state of the art modern lines using latest technology, to enlarge our product range to the most demanding applications, to improve lead-time and flexibility to the market demand, to increase efficiency and cost competitiveness of our assets, and to continuously enhance our health, safety and environmental impact.
- Investment project to be completed by early 2020

German Service Center

- Aperam announces an investment to transfer its German Service Center from Duisburg to Haan.
- The investment will enable to further improve our supply chain, reduce Working Capital and decrease our costs while continuously improving our health and safety environment.
- Investment to be completed by end of 2019

Two investment projects to further transform Aperam's footprint.

Aperam's value proposition



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	2018
Company sustainability	Invest in sustaining and upgrading the company's assets base to continuously reinforce Transformation Program and Top Line Strategy	CAPEX 2018 USD 220 – 240 million
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 1.80 per share
Extra Cash Utilization	Remaining excess cash will be utilized in the most optimal way	Share buyback of USD 100 million / 1.8 million shares in 2018

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

Q&A



PANEUM
WUNDERKAMMER DES BROTES

PANEUM - Wunderkammer des Brotes (House of Bread II) Asten, Austria, © Markus Pillhofer, COOP HIMMELB(L)AU Wolf D. Prix & Partner ZT GmbH. Aperam stainless steel used Uginox Meca 8ND

Fourth quarter 2017



Appendix

Fourth quarter 2017



Aperam's value strategy:

A customer driven
company focused on its
self-help story

Aperam's value strategy

Being a sustainably safe and profitable company



Aperam's investment case

Solid execution of self help strategy	Cost Leading footprint	Cash generation and financial discipline
<p>Leadership Journey®</p> <p>Phase 1: Restructuring</p> <p>Phase 2: Asset upgrade</p> <p>Phase 3: Transformation</p> <hr/> <p>Top Line strategy</p> <hr/> <p>End-user focus</p>	<p>Optimized and sustainable European asset base</p> <hr/> <p>Sole flat stainless steel producer in South America</p> <hr/> <p>Lean organization</p> <hr/> <p>Leading industry margins and returns</p>	<p>Strong cash generation through the cycle</p> <hr/> <p>Strongest balance sheet in industry</p> <hr/> <p>Progressive dividend</p> <hr/> <p>Strong shareholder returns (payout 50-100%)</p>

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.

Aperam's value strategy

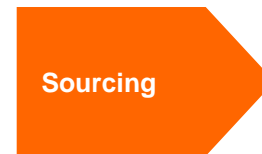
Leverage Aperam's unique position in Europe



European stainless steel industry footprint after restructuring



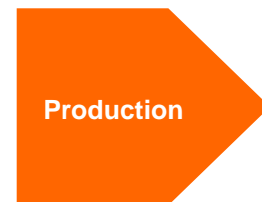
Key strengths of the European operations of Aperam



- The only integrated upstream operations in the heart of Europe, with the best access to scrap supply



- 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



- 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's value strategy



Unique asset base in South America well adapted to the market

South American Footprint



Upstream integration



Blast furnace fuel needs fully covered through cost competitive and environment friendly captive charcoal from our cultivated forests



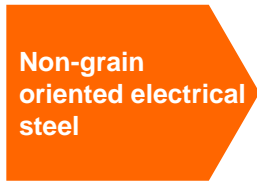
Range of products



A complete range of stainless steel grades (austenitics, ferritics, duplex, martensitics)



Grain oriented electric steel (GO & HGO) has the magnetic properties optimized in the rolling direction, aiming its use in stationary machines such as transformers.



Non-grain oriented electric steel (NGO) has similar magnetic properties in all directions, aiming its use in electric motors and generators with moving parts.



Completing product portfolio with alloyed, high, medium other special carbon steel.

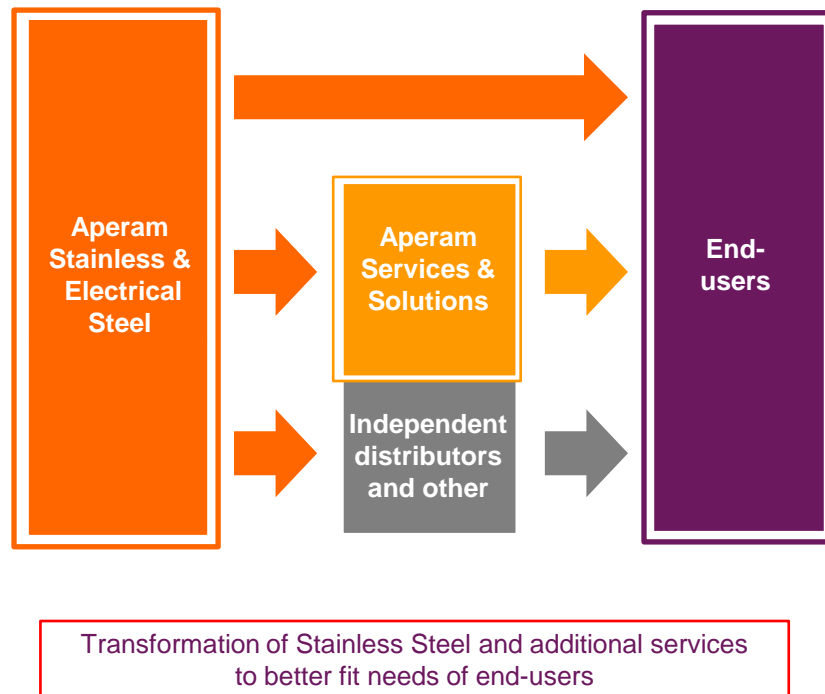


The sole flat stainless steel producer in South America with a complete range of products, including Electrical and Special Carbon Steel, and flexibility between production routes to adapt to market needs

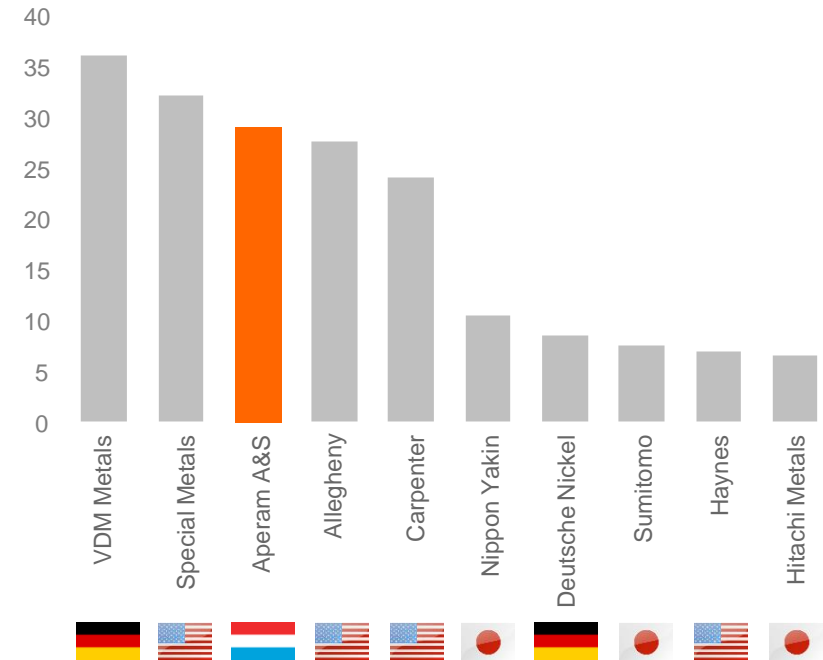
Aperam's value strategy

Products and services differentiation

Services & Solutions division



Alloys & Specialties division – ranked number 3 amongst global nickel alloys producers (kt in 2015)*



Enhanced our partnership with customers through focus on downstream added value services and solutions. Alloys & Specialties division caters to highly profitable niche product ranges.

* Source: SMR

Aperam's value strategy

The Transformation Program



Aperam Missions

- 1 Be a sustainably safe company
- 2 Deliver best in class profitability and returns
- 3 Be the preferred Supplier

Aperam continuously reinforced Leadership Journey®

	Total target gains
1 2011-2013: LJ phase 1 - Restructuring	USD 350m
2 2014-2017: LJ phase 2 – Asset upgrade	USD 225m
3 2018-2020: Leadership Journey® phase 3 - TRANSFORMATION	USD 150m

Transform the company to achieve the next structural profitability improvement through its new strategic phase, the Transformation Program

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.