

Global Steel and Mining Conference, Credit Suisse

September 12th, 2016



aperram

Timoteo Di Maulo – Chief Executive Officer

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.

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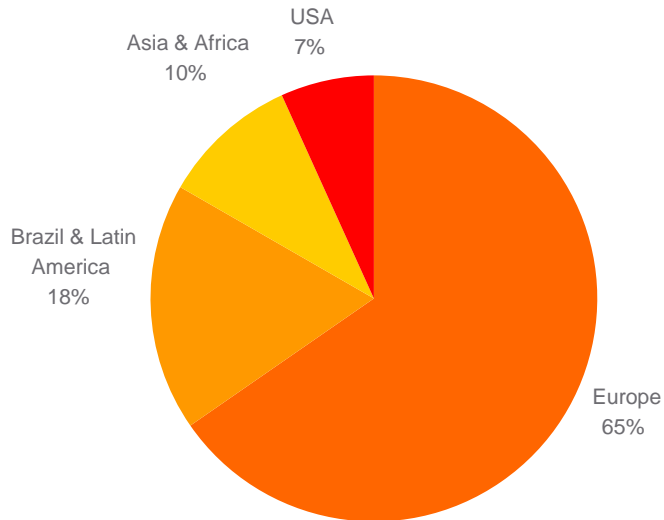
Aperam's fundamentals

Aperam's fundamentals

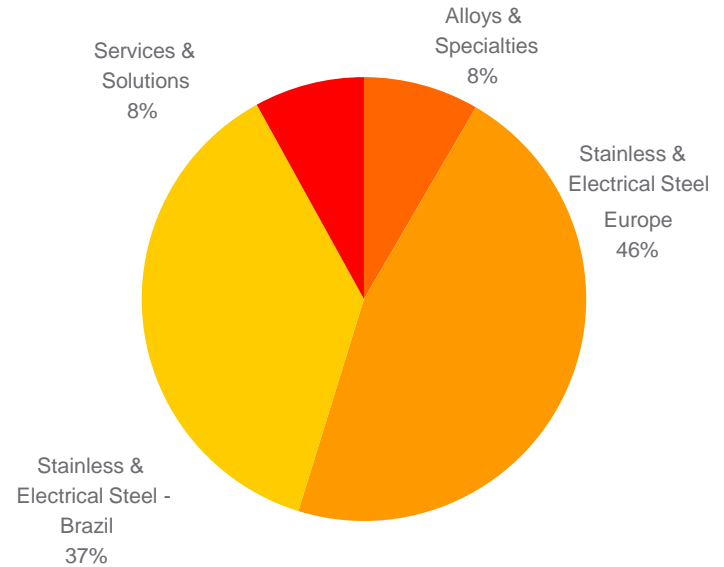
Solid and diversified sources of profitability



Aperam sales breakdown by destination (FY 2015)



Aperam EBITDA breakdown (FY 2015)



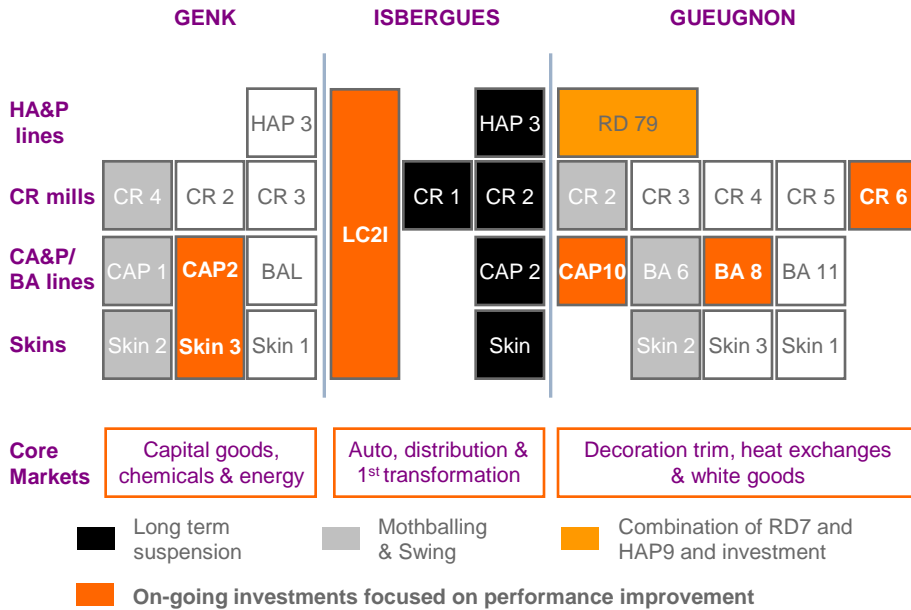
Aperam is number 1 in South America, number 2 in Europe in stainless steel and world number 4 in Nickel Alloys

Aperam's fundamentals

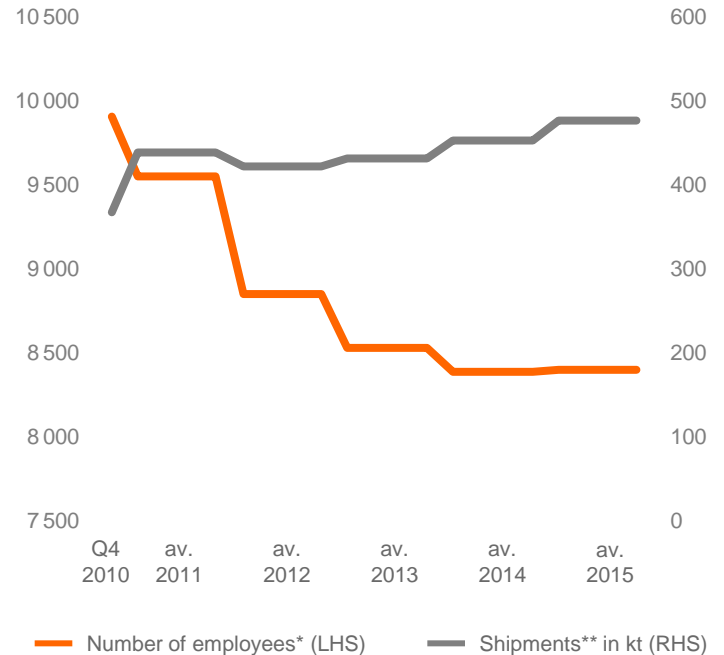
A restructured and efficient European footprint able to seize market opportunities



Aperam downstream rationalization in EU from 29 tools to 17 tools



Aperam productivity evolution, average



Aperam is well positioned in the core markets in Europe, with optimal loading of its most efficient assets

* Full time equivalent excluding Bioenergia

** Quarterly average

Aperam's fundamentals

Unique asset base in South America well adapted to the market



South American Footprint



Range of products

Stainless steel

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



Grain oriented electrical steel

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 electrical steel

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



Special carbon steel

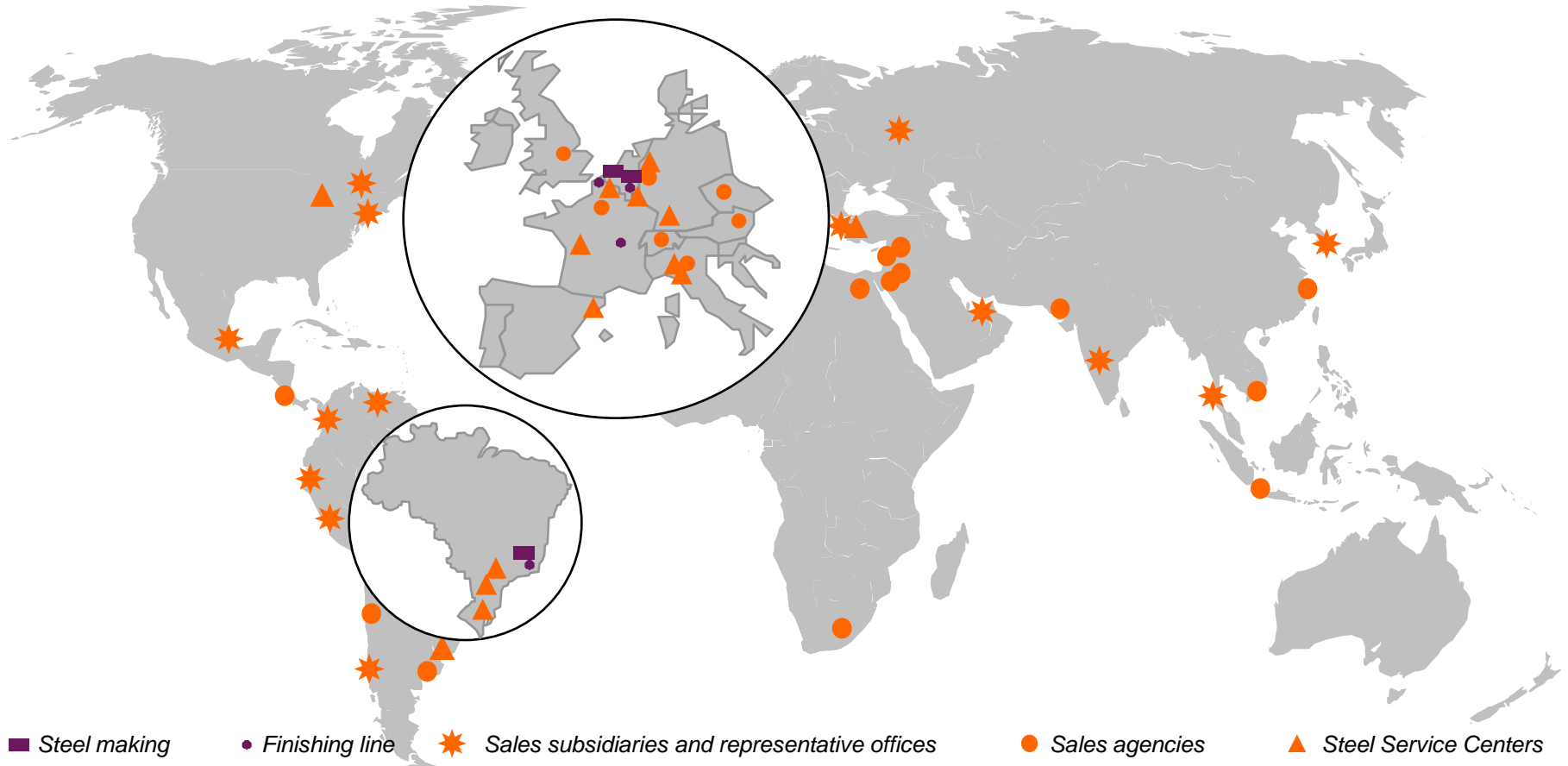
Completing product portfolio with alloyed, high, medium other special carbon steel.



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

Aperam's fundamentals

An industrial footprint in Europe and South America, perfectly complemented with global service centres and sales network



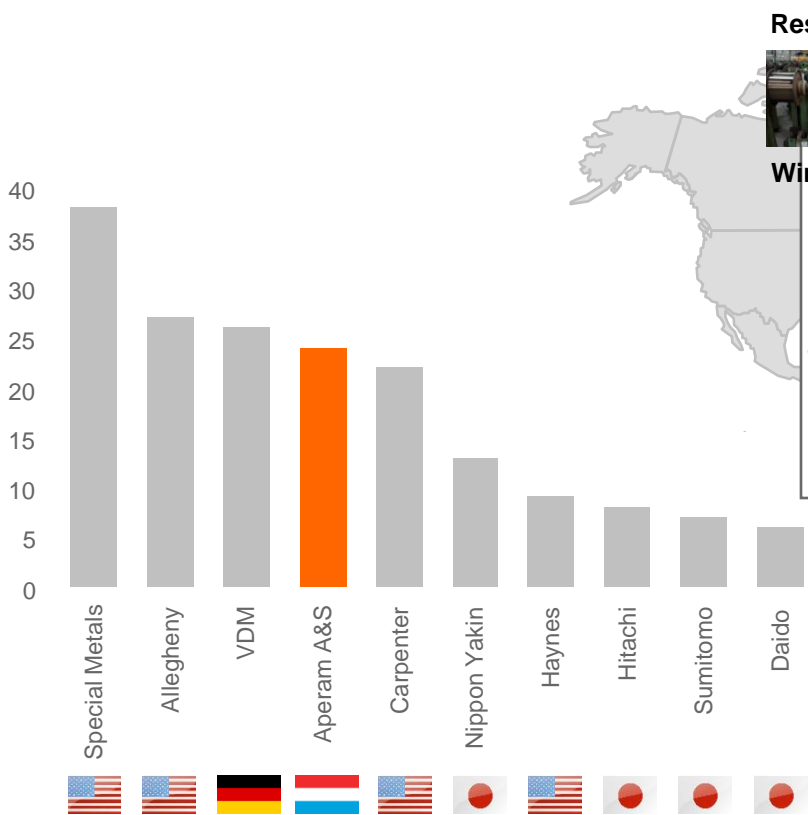
Services & Solutions Division offers a key competitive advantage to sustain market share and capture growth opportunities

Aperam's fundamentals

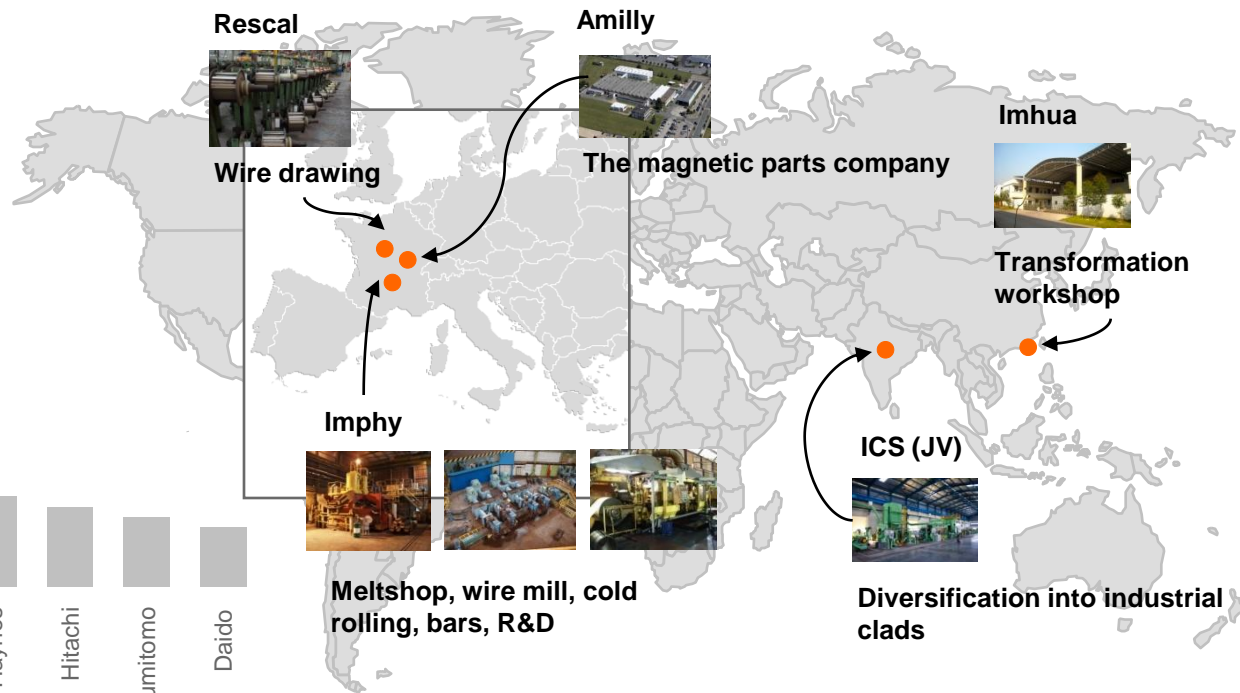
A leading position in nickel alloys



Global nickel alloys producers (kt in 2014)



Aperam Alloys & Specialties geographical footprint



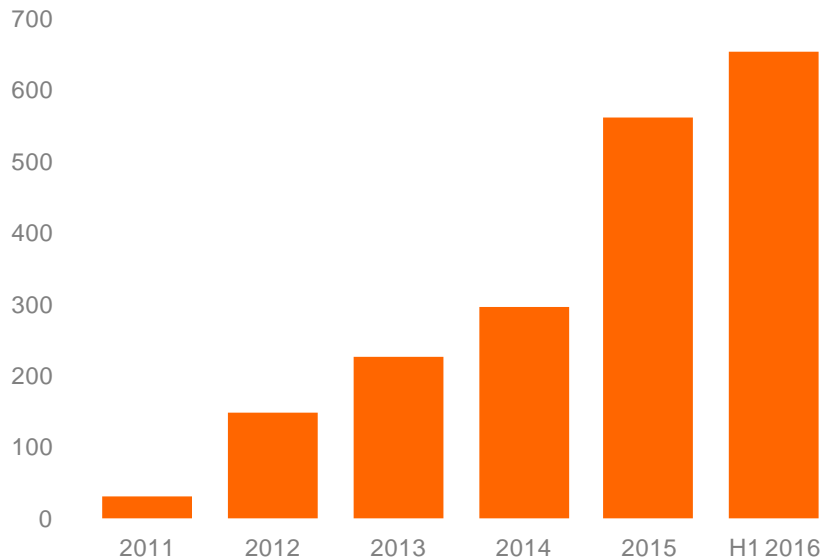
World #4 in nickel alloys, the largest on Wire Rods

Aperam's fundamentals

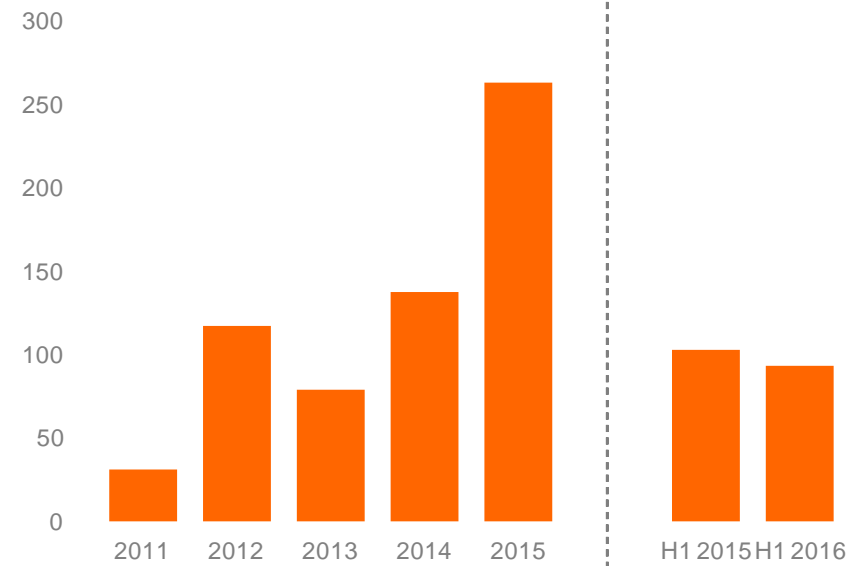
Strong cash generation throughout the cycle



Cumulative free cash flow 2011-H1'16 (USD million)



Free cash flow evolution (USD million)



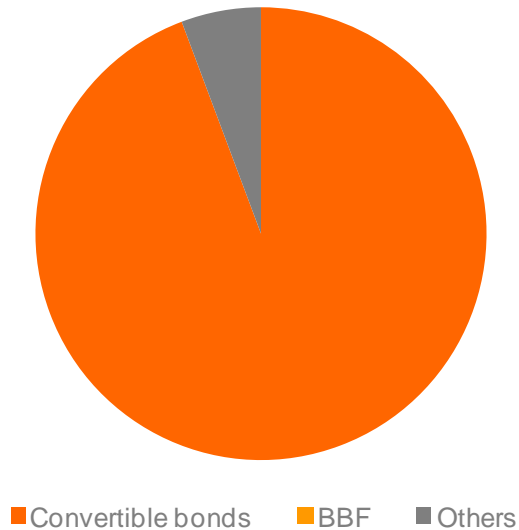
Aperam has generated positive Free Cash flow in each of the year since its spin-off despite challenging market conditions and continues to generate strong positive free cash flow

Aperam's fundamentals

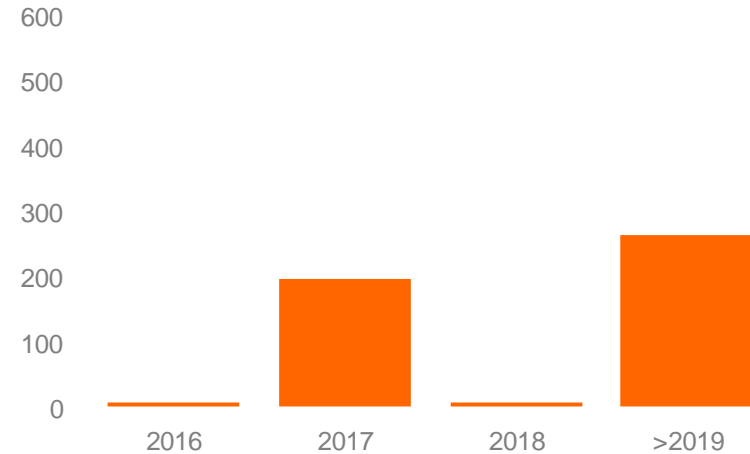
A solid Balance Sheet



Total Financial Debt breakdown as of June 30, 2016 ^[1]



Financial Debt maturity profile (USD million) as of June 30, 2016 ^[1]



A robust balance sheet and debt structure, mainly represented with Convertible Bonds

^[1] Assuming convertible bonds 2017 & 2019 reimbursement. BBF fully undrawn at end of Q2 2016.

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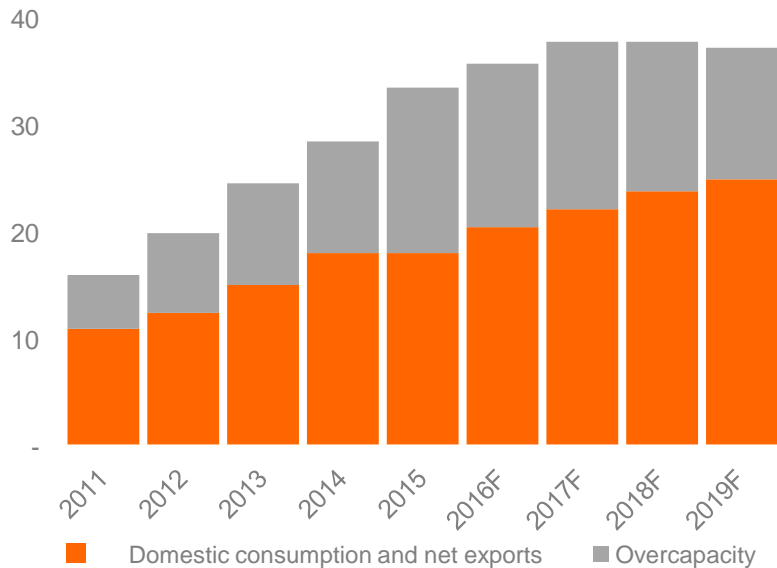
Environment and markets

Environment and markets

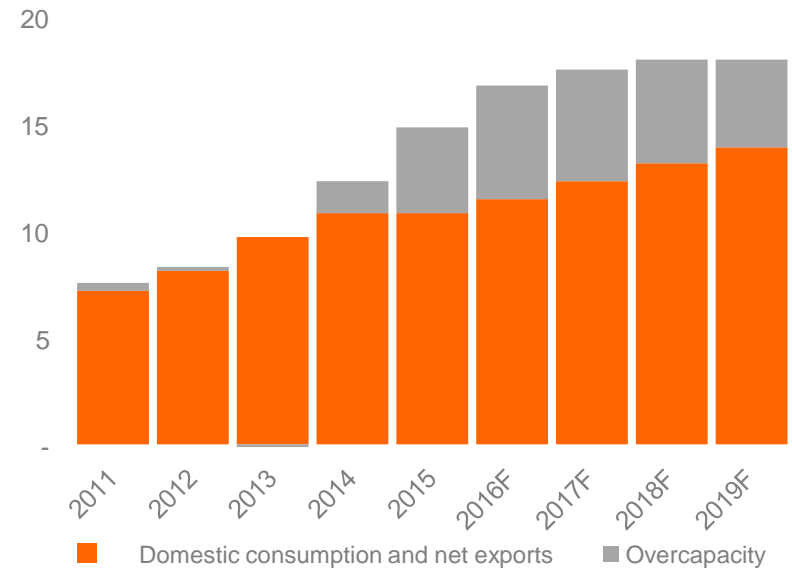
Asian stainless steel overcapacity remains



Upstream operational capacity of the Chinese industry (in million tonnes)



Downstream operational capacity of the Chinese industry (in million tonnes)



Pace of new production capacities coming onstream is slowing down while demand is expected to continue growing

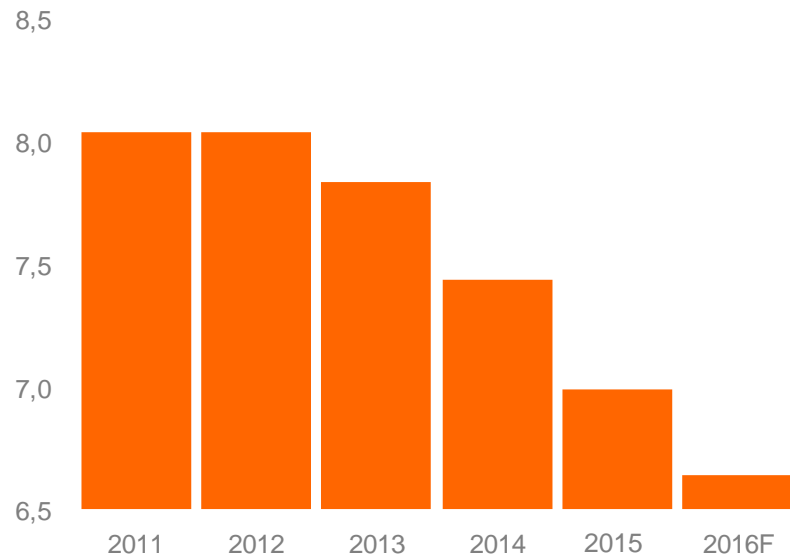
Source: CRU and Aperam estimates

Environment and markets

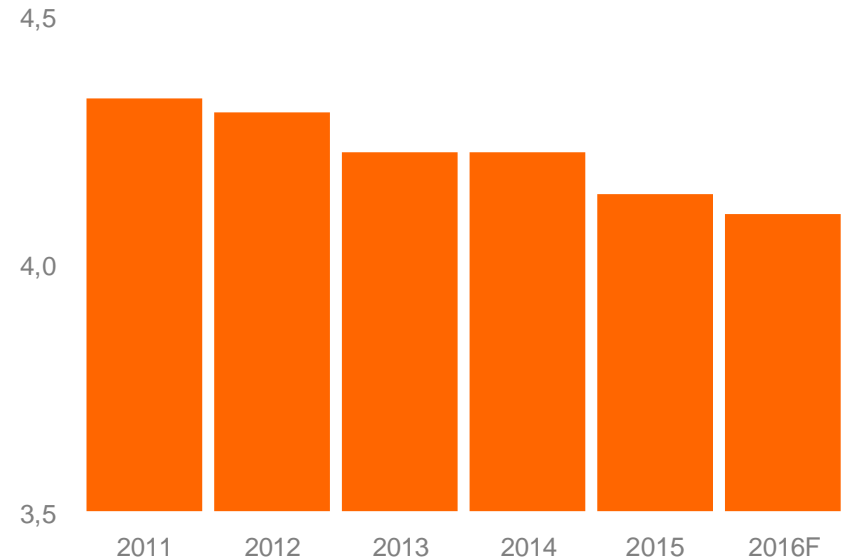
European restructuring is completed



Upstream operational capacity of the European industry (in million tonnes)



Downstream operational capacity of the European industry (in million tonnes)



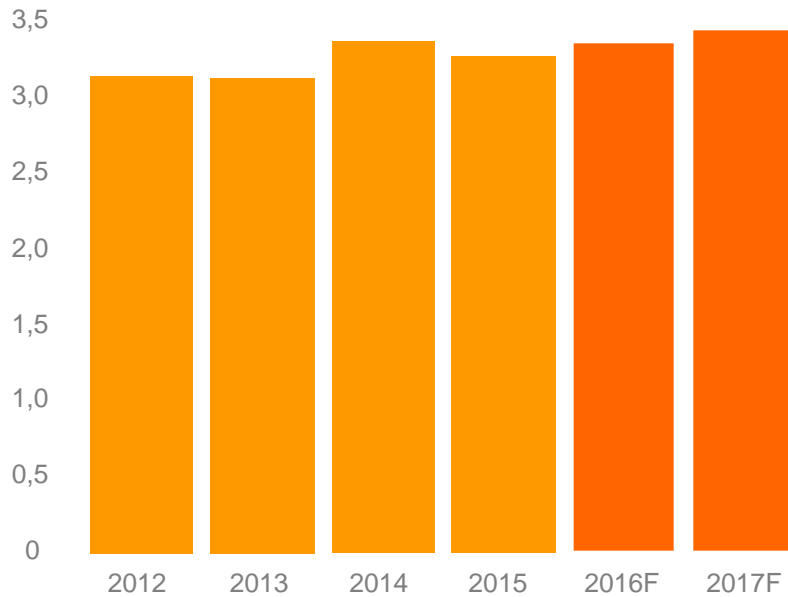
European capacity is now adapted to the European stainless steel flat market

Environment and markets

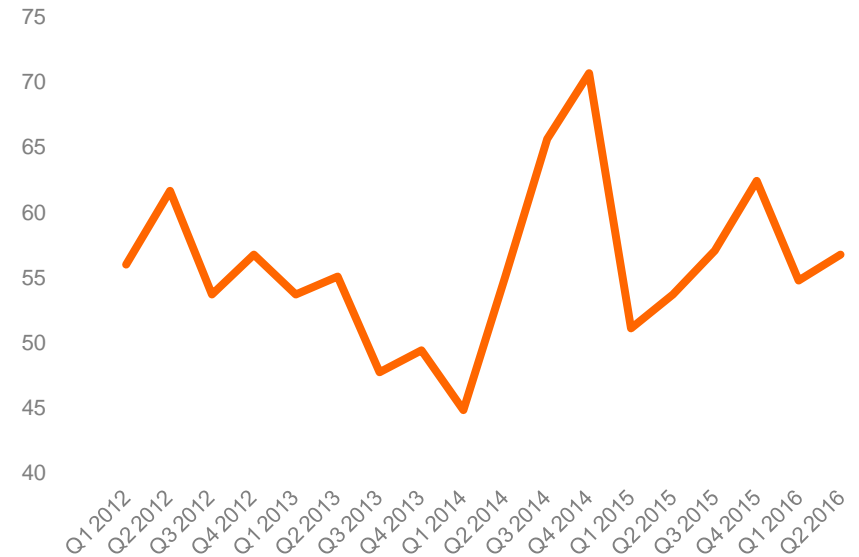
European stainless steel apparent demand is improving



CR stainless steel European apparent consumption (in million tonnes)



Stocks of CR stainless steel in Germany – quarterly average (in number of days)



European demand is reasonably healthy and level of stocks are fairly balanced

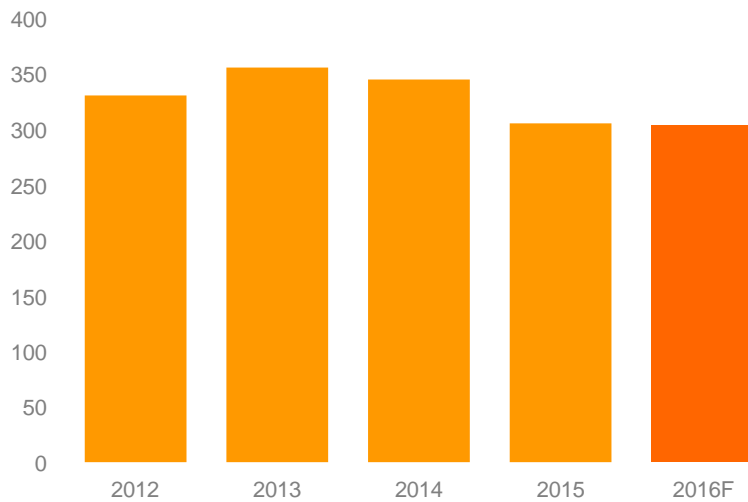
Source: CRU, German distributor and producers

Environment and markets

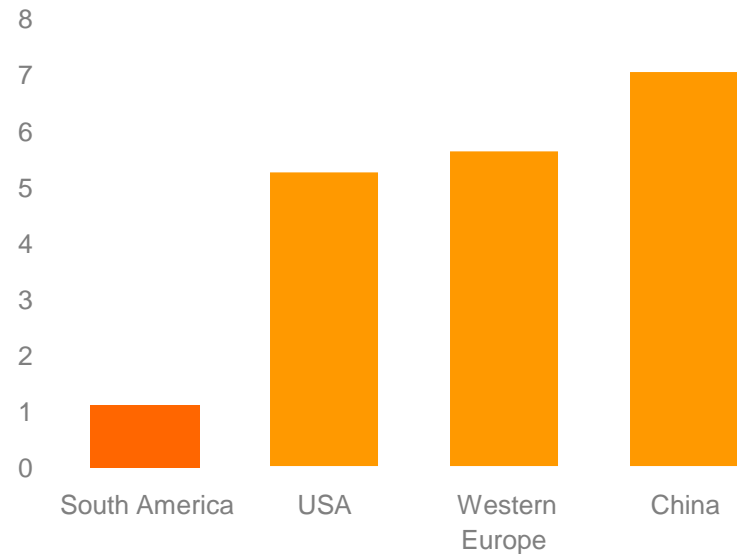
South American stainless steel apparent demand remains stable at 2015 level



Stainless steel Brazilian apparent consumption (in thousand tonnes)



Stainless steel flat stainless steel consumption per capita (kg/year)



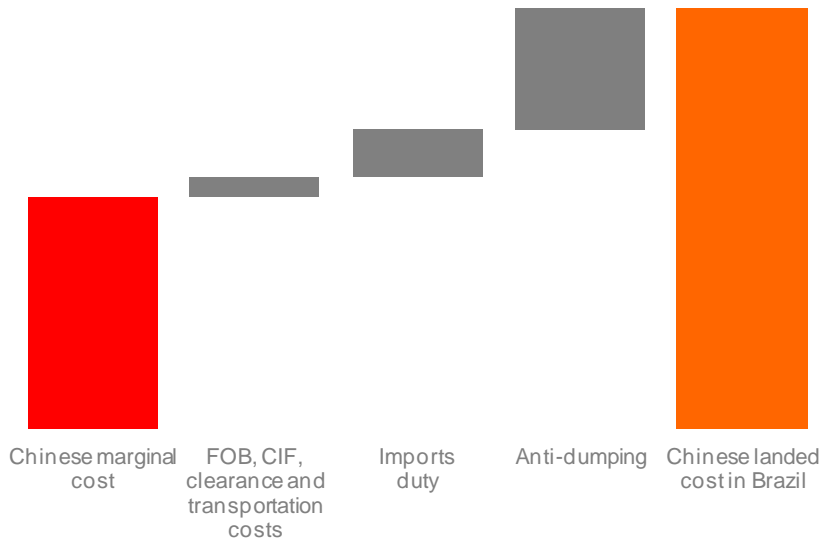
Demand has stabilized during 2016 while long term growth fundamentals remain promising in South America

Environment and markets

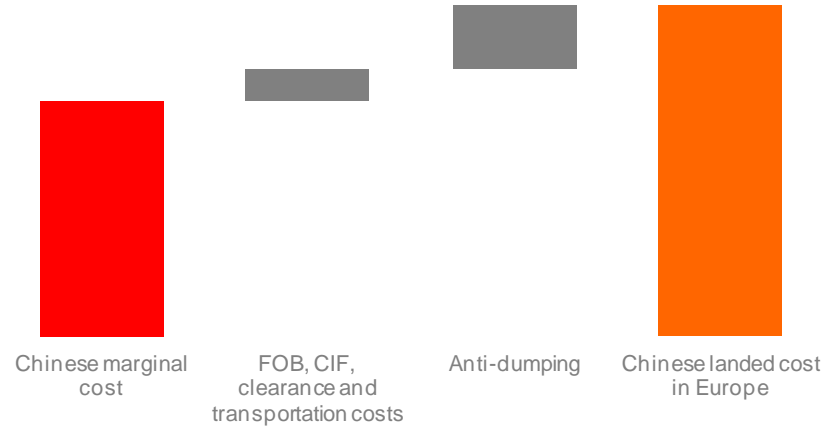


Both domestic markets of Aperam have tariff measures

Chinese marginal cost player to landed costs in Brazil (USD/t)



Chinese marginal cost player to landed costs in Europe (USD/t)



- 14% of imports duties on all products categories of Aperam.
- Anti-dumping ranging from 133 up to 1077USD/t on Stainless and non-grain oriented electrical steel products

- Anti-dumping duty rates of up to 25.3% on SSCR imports from China, and up to 6.8% on imports from Taiwan.

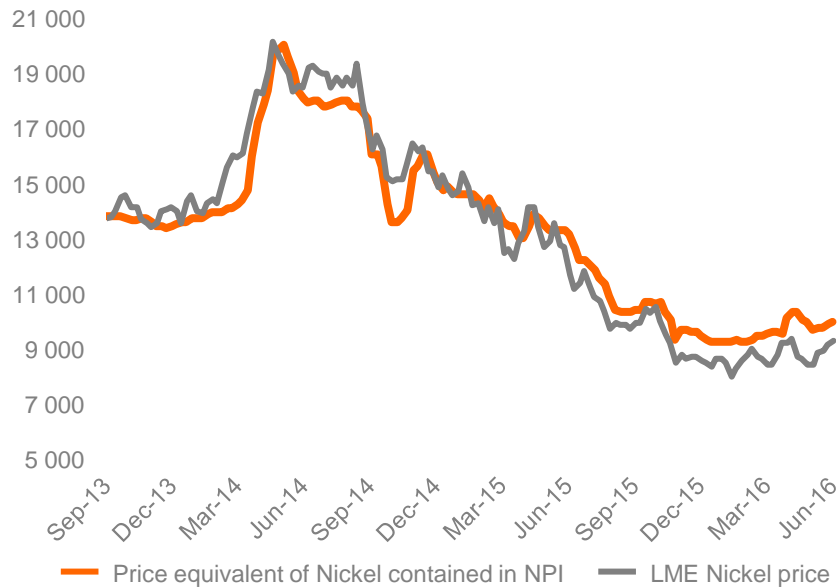
Anti-dumping in both Europe and Brazil against unfair market behaviour were announced for a period of 5 years

Environment and markets

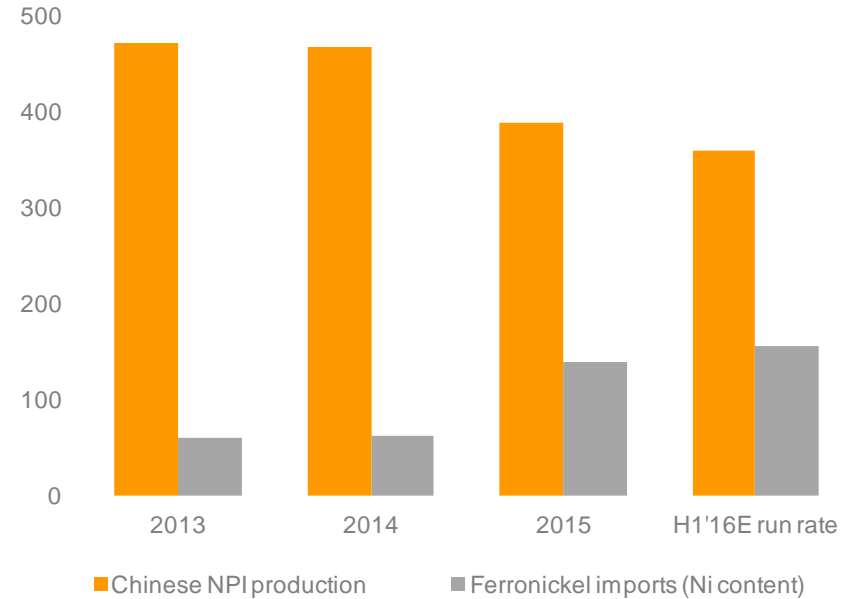
Diminishing raw material advantage of Chinese players



Price equivalent of Nickel contained in NPI vs. LME Nickel price (USD/t)



Breakdown of Chinese nickel imports (in kt)



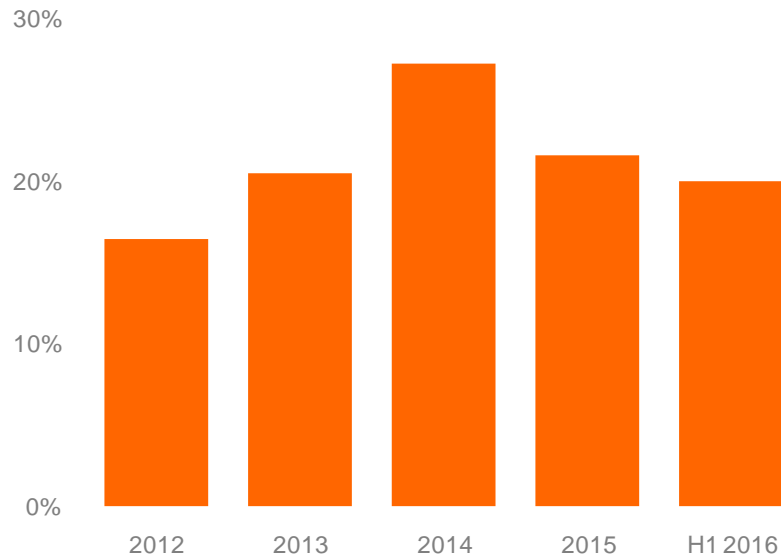
NPI and Ferro Nickel supplies are tightening, affecting China cost competitiveness

Environment and markets

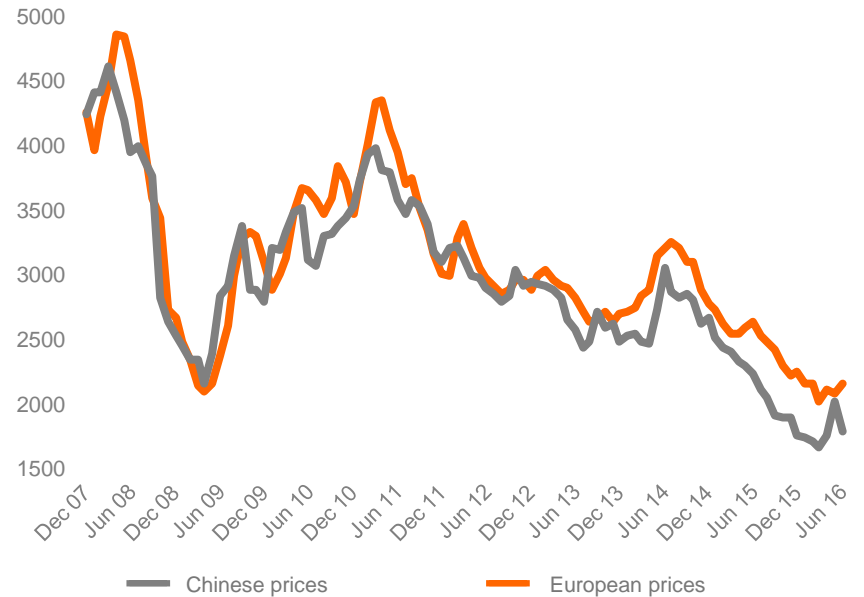
European stainless steel prices have shown the best resilience



CR stainless steel products imports in Europe (in %)



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



Thanks to a healthy supply demand situation in Europe, prices show resilience to Chinese prices

Source: SBB, SPAS, Eurofer and Aperam estimates
* Q2 16 estimate based on Eurofer figures

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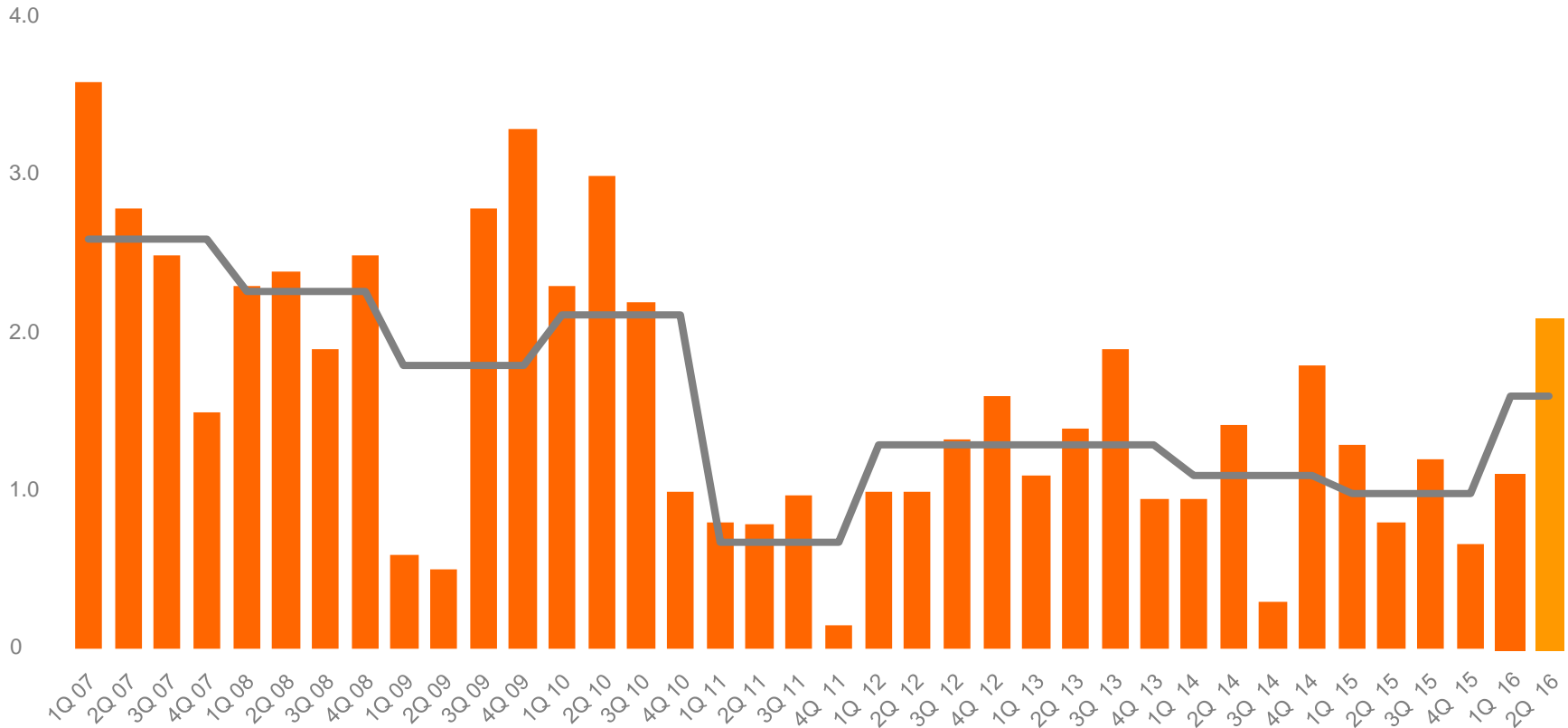
Aperam's performance

Aperam's performance

Health & Safety performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 2.1 in Q2 2016

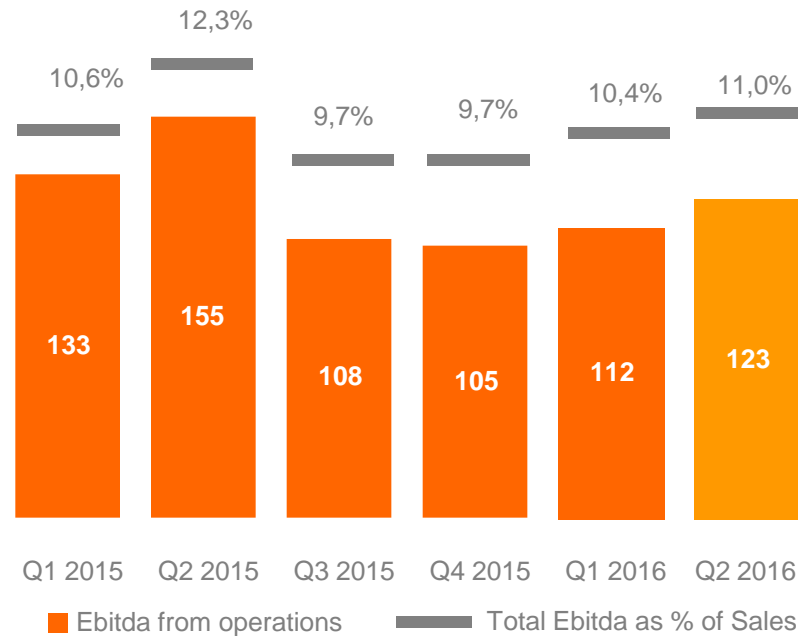
* WorldSteel-standard: Fr = lost time Injuries per 1.000.000 worked hours; based on own personnel and contractors

Aperam's performance

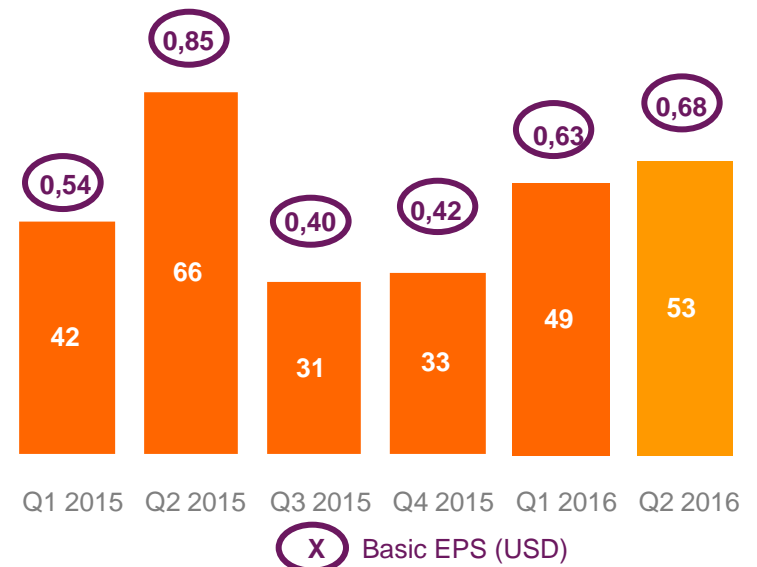
Solid evolution of profitability



Ebitda evolution
(USD million)



Net result evolution
(USD million)



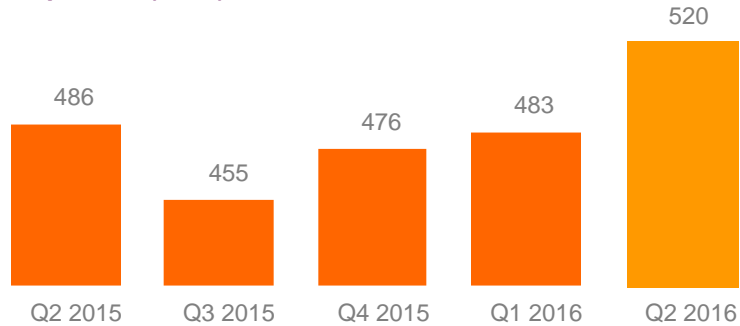
Aperam continues to improve its profitability despite the current domestic market headwinds

Aperam's performance

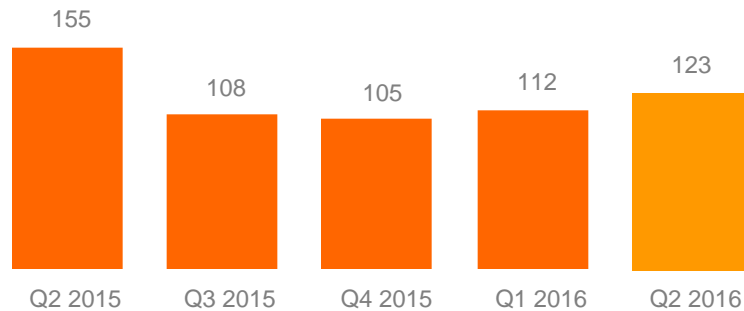
Second quarter operating performance



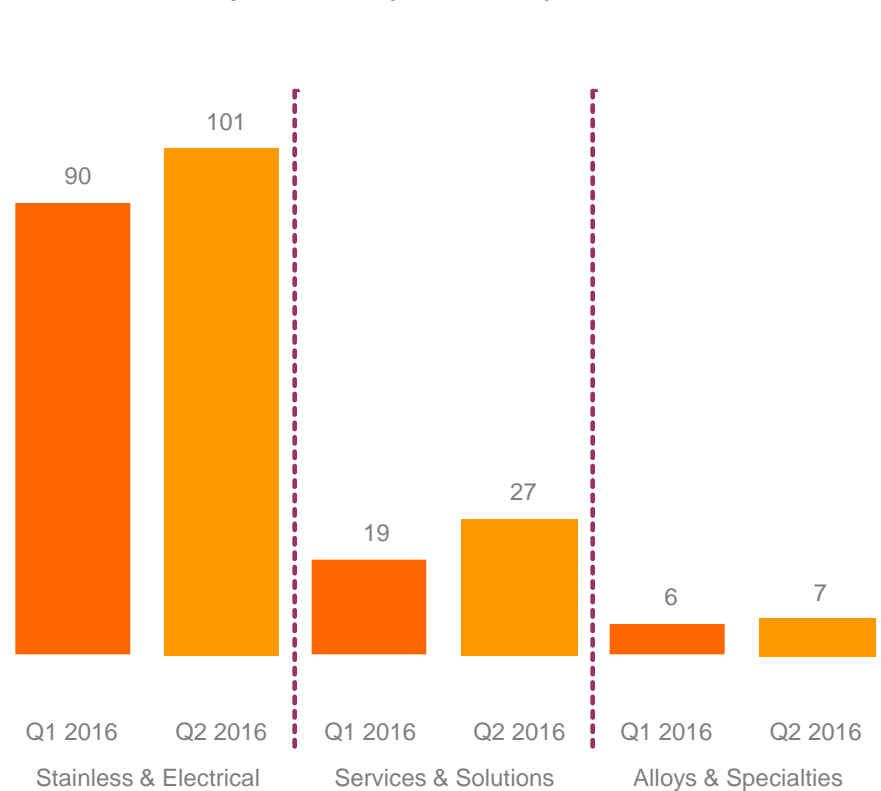
Shipments ('000t)



EBITDA (USD million)



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



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

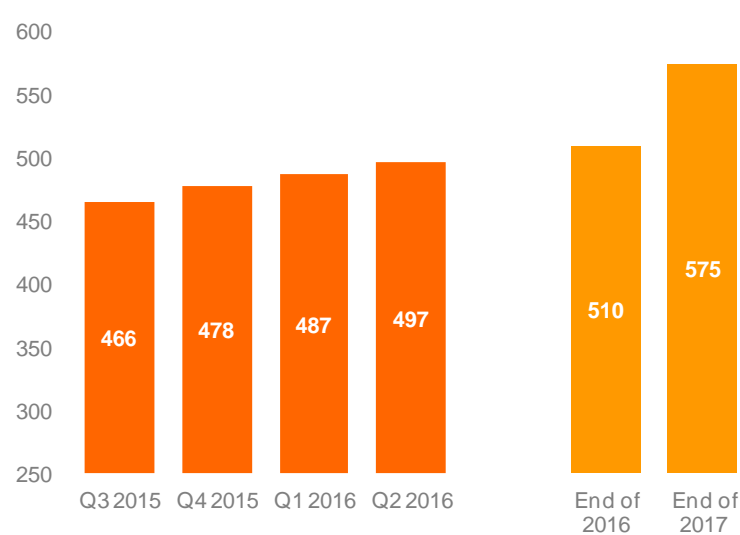
^[1] Difference with total Aperam's quarterly Ebitda comes from the Others & Eliminations division.

Aperam's performance

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

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 High Grain Oriented (Electrical) 	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 	On track ✓
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 	On track ✓

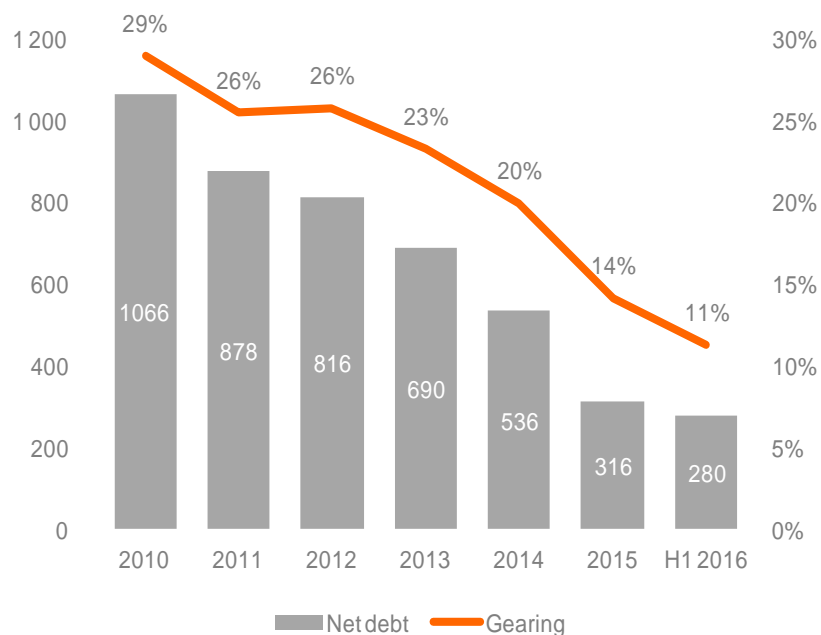
Continuous solid progress on the Leadership Journey reaching USD 497 million at the end of June 2016

Financial results

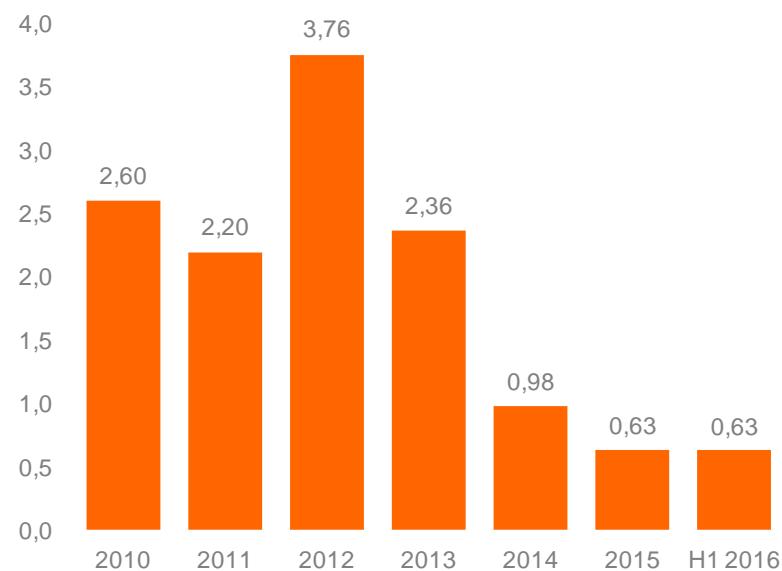
Sustainable cash flow from operations



Aperam net debt and gearing^[1] evolution (USD million)



Aperam Net Debt / Ebitda evolution, x



Sustainable cash flow generation and net debt to EBITDA ratio

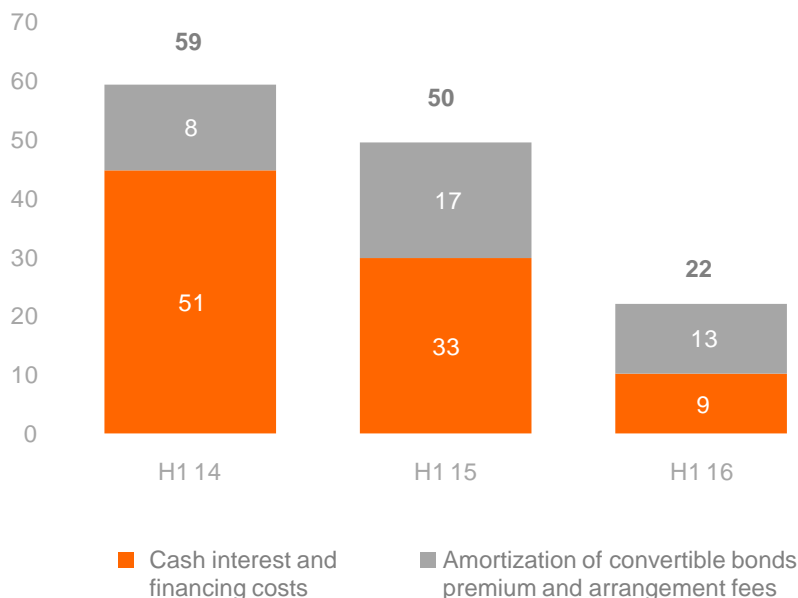
[1] Debt Gearing defined as Net Debt divided by Equity.
Net Debt / EBITDA is equal to Net Debt at end of the years divided by last 12 month rolling EBITDA

Financial results

Steep reduction in net interest and financing costs



Net interest & financing costs (USD million)



Aperam Debt restructuring actions

Strong decrease of net interest and financing costs, especially cash interest costs, thanks to the financing restructuring actions taken since 2014, adding to further strong momentum on EPS and Free cash flow generation capacity of Aperam:

- Convertible Bond Orname of USD300m issued in June 2014 at coupon of 0.625% and premium of 32.5%
- Borrowing Base Facility fully undrawn
- High Yield Bonds of USD250m with coupon of 7.375%, maturing in 2016 reimbursed as of 1st October 2014
- 3 notches rating improvement since end of 2014
- Financing facility of €50m from European Investment Bank towards R&D and upgrade of Chatelet & Isbergues

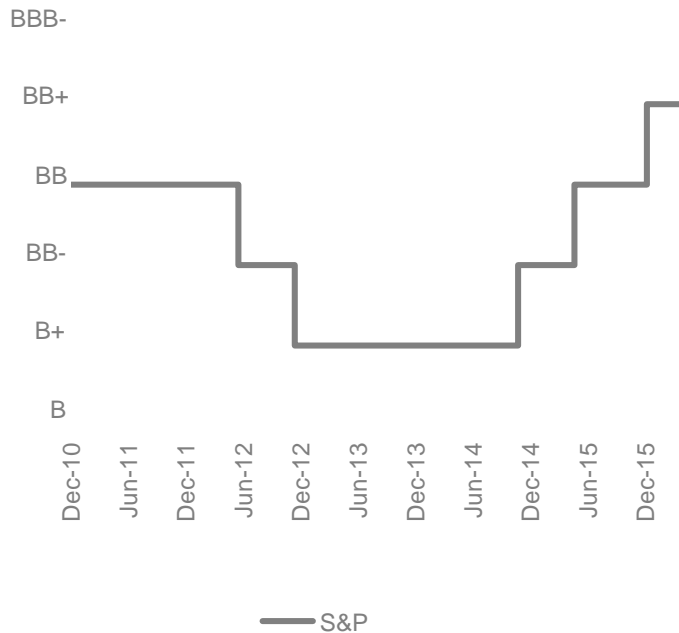
Net interest and financing cost strongly reduced by 60% in H1'16 compared to H1'14, while cash interest and financing costs were reduced by more than 80%.

Financial results

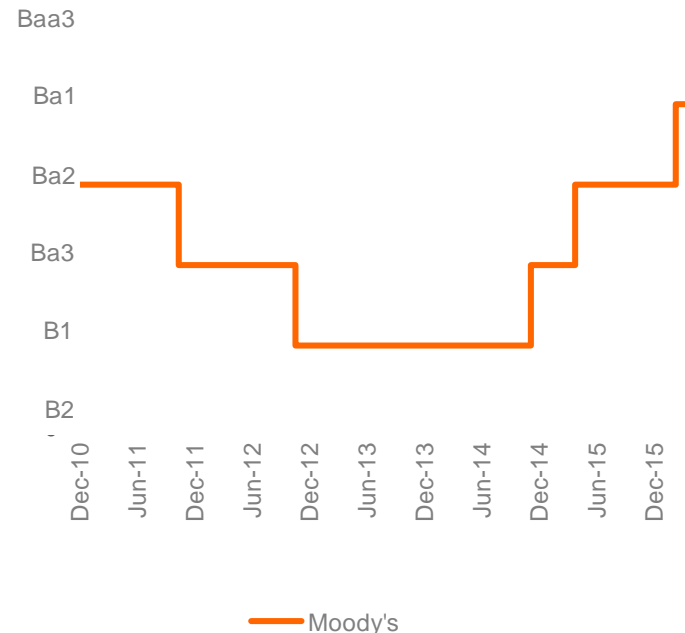
Credit Rating: one of the fastest re-rating



Aperam rating evolution with S&P



Aperam rating evolution with Moody's



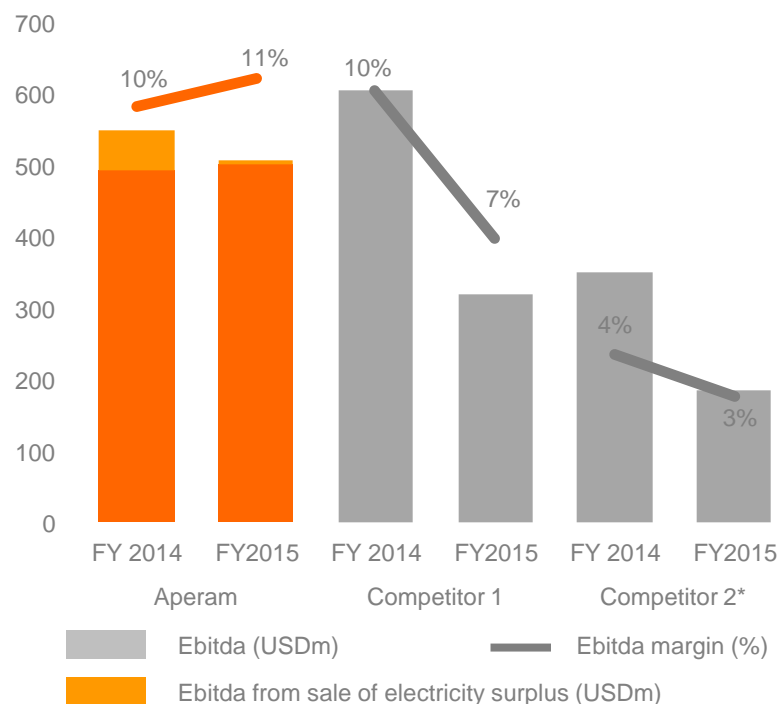
One of the fastest re rating reaching crossover with both rating agencies with stable outlook.
Aperam is one notch away from Investment Grade

Aperam's performance

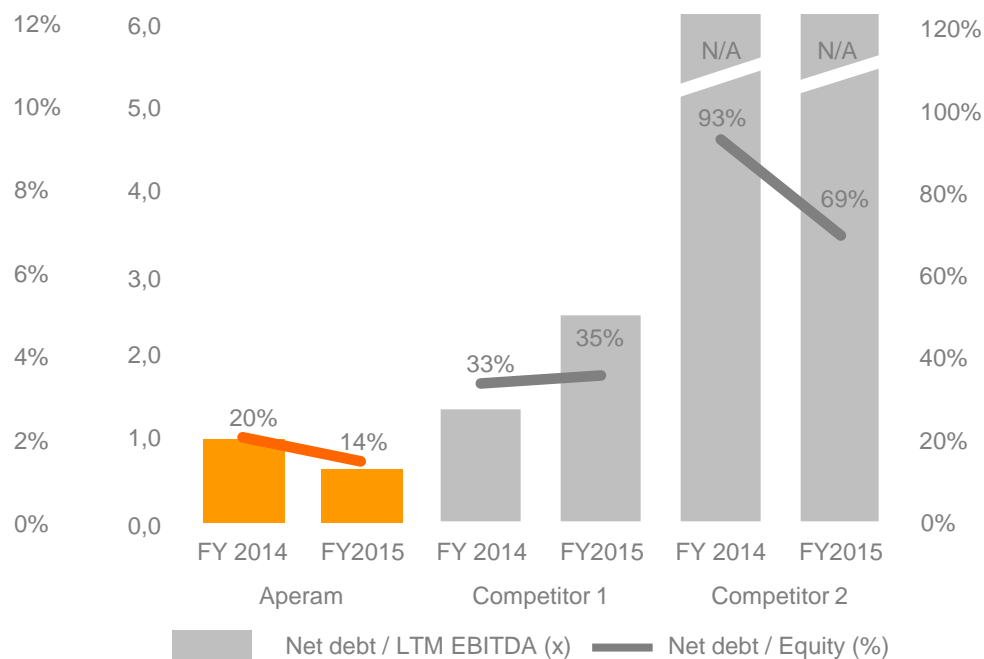
Solid financial ratios



Profitability ratio



Debt ratio



Aperam has the most solid ratio in the industry

Source: Company FY 2014 and FY 2015 earning release reports
 *EBITDA excluding non recurring items

Aperam's value strategy:

A customer driven
company focused on its
self-help story

Aperam's value strategy



Unlocking Aperam's potential through Leadership Journey & Top line strategy

Leadership Journey® initiatives (Enhancing the potential of best performing assets)

Restructuring

Launched at the early stage of the program, the restructuring initiatives are focused on the closure or mothballing of non-competitive capacities and the reduction of fixed costs through, in particular, process simplification

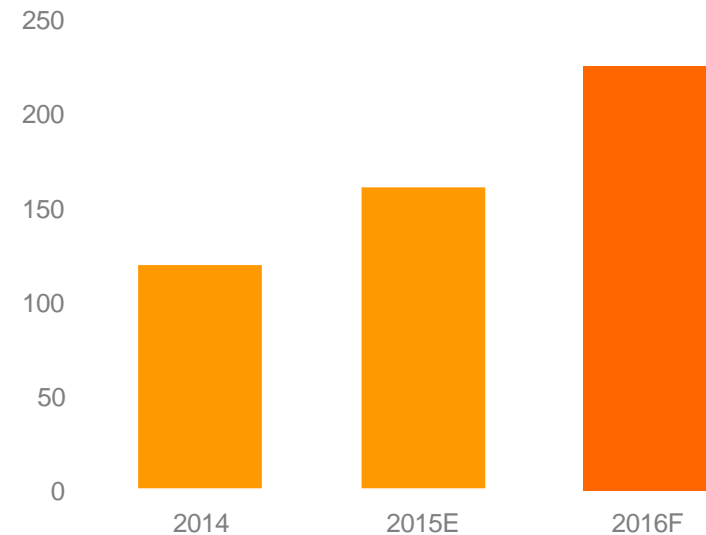
Cost cutting projects

In parallel to the restructuring initiatives, major cost cutting investments have been launched with the goal to improve the industrial footprint and to reduce the number of tools.

Performance projects & upgrading

Several performance projects have been launched in order to reinforce the existing continuous improvement program and accelerate cost reduction. In particular, specific action plans have been implemented for sourcing, IT and SG&A.

Top Line development plan (shipment in kt) (Product & Service Differentiation)



- Commercial development focus on Aperam's most profitable product, segment, client or geographical areas.
- Develop niche presence and margin through the development of innovative products (new products or application development).

The Leadership Journey® and the Top line strategy are the two pillars of Aperam strategy

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

- Sourcing**
 - The only integrated upstream operations in the heart of Europe, with the best access to scrap supply
- Logistics**
 - 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
- Production**
 - Full range of products
 - Flexibility and available capacity
 - A strategy to be a cost benchmark on the key products of Aperam

The closest location to the scrap generating regions in Europe as well as the major stainless consumers

Aperam's value strategy

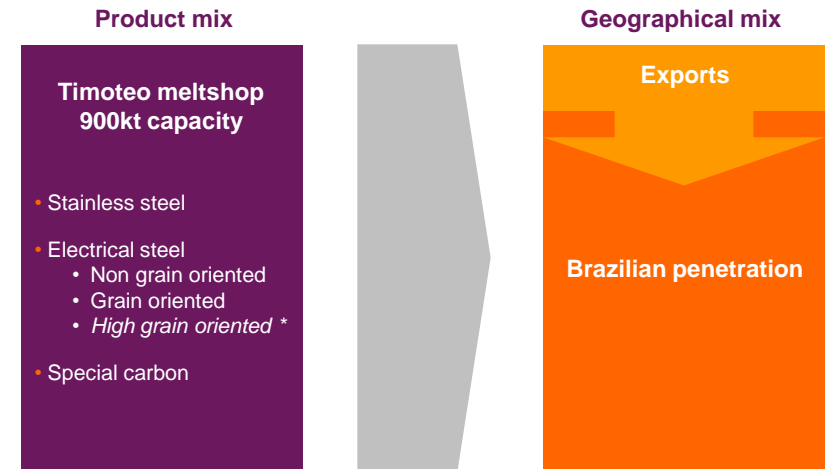


Optimise value creation in South America thanks to a perfectly adapted asset base and flexible sales management

Key pillars of the mitigation plan in Brazil



Aperam's assets optimisation in South America



- Brazilian asset running at optimal utilisation rate with the current demand
- Projects on-going to debottleneck the cold rolling operations
- Upgrade of the Grain Oriented products with the development of HGO
- Continuous margin optimization between products mix and deliveries in South America

The mitigation plan put in place by Aperam South America has enabled to fully offset the negative impacts in 2015 and further develop loyalty of domestic customers

Aperam's value strategy



Priority on maintaining a strong Balance Sheet consistent with Investment Grade Financial ratios. Cash resources to be allocated to:

Company sustainability

Invest in sustaining and upgrading the company's assets base to continuously reinforce Leadership Journey and Top Line Strategy

Dividend Policy

A base dividend of \$1.25/sh (subject to AGM approval), 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 suspend the cash dividend.”

Value Accretive Growth & M&A

Compelling Growth and M&A opportunities with high hurdle rate

Extra Cash Utilization

Remaining excess cash will be utilized in the most optimal way

A financial policy to maximize the long term growth of the company and the value accretion for its shareholders

Q&A

aperam



Environment and markets

Brazilian protections against unfair market behaviour



Type of products	Import duties status	Anti-dumping status
Stainless Steel Flat Products	<ul style="list-style-type: none"> ✓ Normal import duties are 14% 	<ul style="list-style-type: none"> ✓ AD duties starting October 4th, 2013 for 5 years from 236 USD/t to 1,077 USD/t. The case involves CR 304 and 430, in thicknesses between 0.35mm and 4.75mm from China, Finland, Germany, Korea, Taiwan and Vietnam.
Stainless Steel Welded Tubes	<ul style="list-style-type: none"> ✓ 14% of Import duties Stainless Steel welded tubes. 	<ul style="list-style-type: none"> ✓ AD duties starting July 29th, 2013 for 5 years and up to 911USD/t. Countries involved are China and Taiwan.
Electrical steel – Non Grain Oriented	<ul style="list-style-type: none"> ✓ 14% of Import duties on NGO. 	<ul style="list-style-type: none"> ✓ AD duties imposed for NGO on July 17th 2013 with fixed USD/t values ranging from 133 USD/t to 567 USD/t for 5 years. The countries involved are China, Korea and Taiwan. ✗ On August 15, 2014, Camex released NGO AD partially, giving 45Kt of imports in the next 12 months without AD penalties. ✓ On November 4, 2015, Brazilian authorities decided to end up the existing quota of imports without AD and fixed the AD duties from 90 USD/t to 132,5 USD/t
Electrical steel – Grain Oriented	<ul style="list-style-type: none"> ✓ Normal import duties are also 14% 	

Tariff measures to support fair market environment in Brazil

Environment and markets



Definitive European anti-dumping duties on China and Taiwan stainless steel imports from August 27, 2015

Anti-dumping development

- On May 13, 2014, Eurofer filed an antidumping complaint to European Commission
- On June 26, 2014, European Commission started investigation on CR imports from China and Taiwan
- On March 25, European Commission implemented provisional duties from 24-25% for China and 10-12% for Taiwan. Anti-dumping duties were applicable during this period with regularisation to be done once final decision would be taken.
- On August 27, 2015, the European Commission Implementing Regulation largely confirmed existing provisional measures and imposes definitive anti-dumping duty rates of up to 25.3% on SSCR imports from China, and up to 6.8% on imports from Taiwan.
- On August 11, 2016, the European Commission initiated an absorption investigation concerning imports of stainless steel cold rolled flat products from Taiwan

“China and Taiwan have a structural overcapacity problem, and have been using the openness of the EU market to shed their excess production. This dumping has seriously undermined the profitability of the European stainless steel industry, and has ensured that European producers have not faced a level playing field for their products.”

Said EUROFER Director General Axel Eggert.

Recent anti-dumping measures should create a stable and fair European market environment for next 5 years