

Third quarter 2018
October 30th, 2018

aperam

Disclaimer

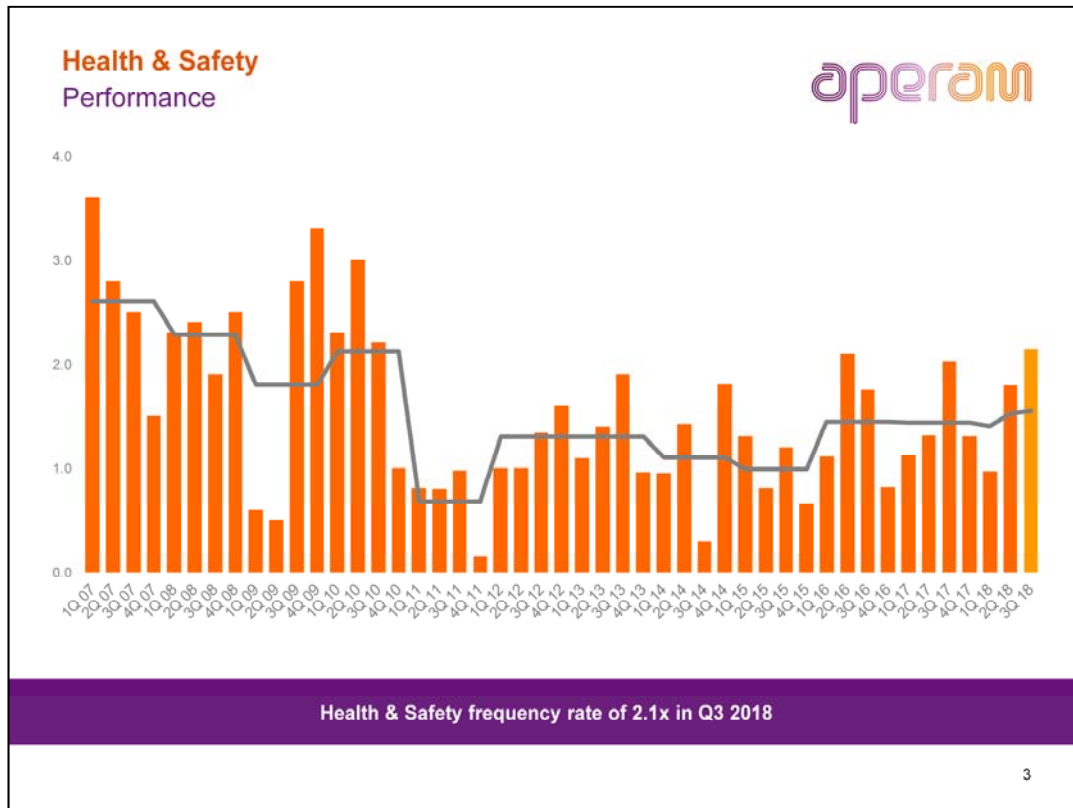


Forward-Looking Statements

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.

Tim Di Maulo, CEO

Good afternoon and thank you very much for attending Aperam's earnings conference call. Next to me is Sandeep Jalan, Aperam's CFO, and together we will present the Company's Third Quarter 2018 results.




Tim Di Maulo, CEO

Starting with our top priority which is Health & Safety of our employees, you will see that our frequency rate was 2.1 in the third quarter, compared to 1.8x previous quarter. My conviction is that the safer a company is and the more safety-oriented its employees are, the more performant and sustainable the company will be ultimately.

I can assure you that we are putting all efforts in to become a zero accident company.

Q3 2018 Highlights

Strong operational results despite challenging conditions



| | |
|--|--|
| <div>+</div> <p>Best ever Q3 EBITDA and a substantial EPS increase yoy</p> | <div>-</div> <p>Ineffective and late EU safeguards delay easing of import pressure</p> |
| <div>+</div> <p>Continued Leadership journey gains at annualized EUR 30 m</p> | <div>-</div> <p>Sliding raw material prices amplify the inventory cycle</p> |
| <div>+</div> <p>Brazil market continues to improve steadily</p> | |
| <div>+</div> <p>Stable operating cash flow despite higher working capital</p> | |
| <div>+</div> <p>Solid EUR166 m cash return to shareholders YTD via dividends and share buyback</p> | |

Improving operations in Brazil and self-help measures in Europe compensated the pressure from record high imports into Europe

4

Tim Di Maulo, CEO

We are pleased to report that Aperam is delivering a strong Q3 2018 results - actually the best Q3 we ever achieved - despite challenging market conditions in Europe.

Both EBITDA and net income are up versus the same quarter last year and in line with expectations despite a very high import pressure into Europe.

We are happy with the recovery in Brazil which continued to progress during the quarter. Thanks to our self-help and our robust business model we were able to achieve these results despite the adverse market conditions I just described to you.

The current market environment demonstrates the importance of the Leadership Journey® - the Transformation Program - very clearly. As a reminder, here we are addressing the next challenges of our market and anticipate the needs of our customers to offer best-in-class products and services in the most competitive way.

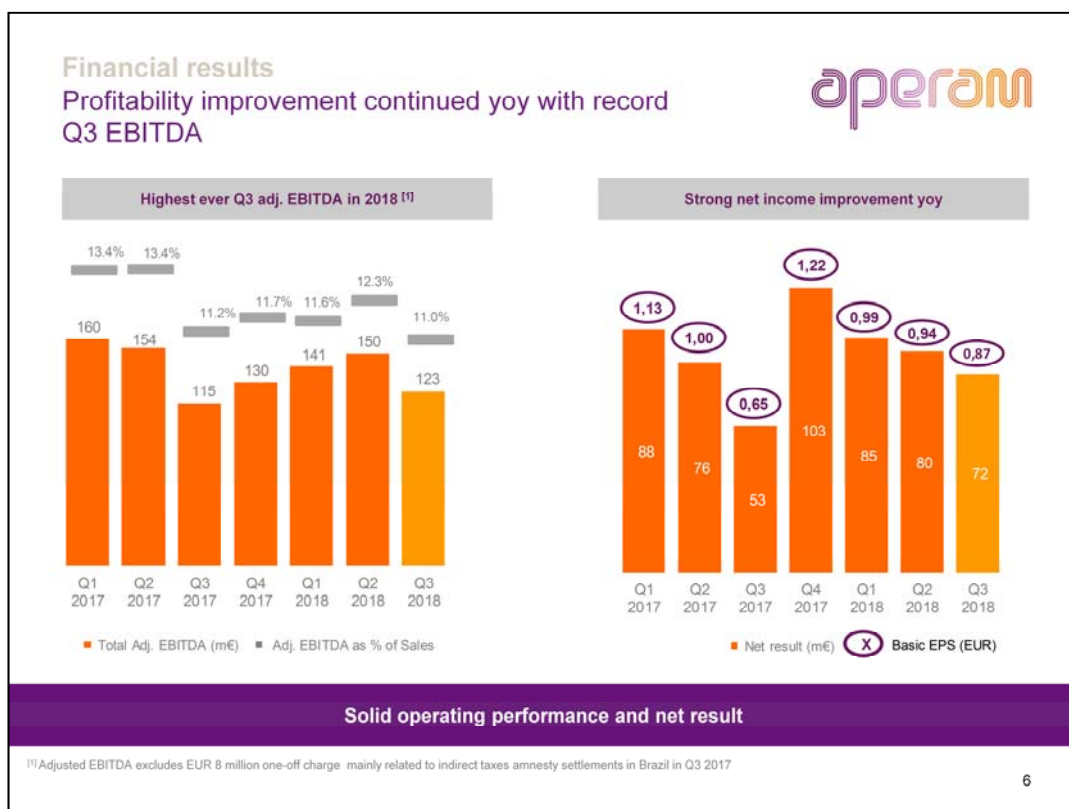
We are happy to report that Phase 3 of the program is progressing as planned with annualized gains of EUR 30 million at end of Q3. We made good progress on all identified pillars.

Our solid operating cash flow and our strong balance sheet enabled us to invest EUR 49 million as well as reward shareholders with EUR 48 million cash return in Q3 2018, via EUR 33 million dividends and EUR 15 million share buybacks. This concludes the buyback program after buying back 1.8 million shares with total of Euro 70m buyback executed.

Third quarter 2018



Financial results

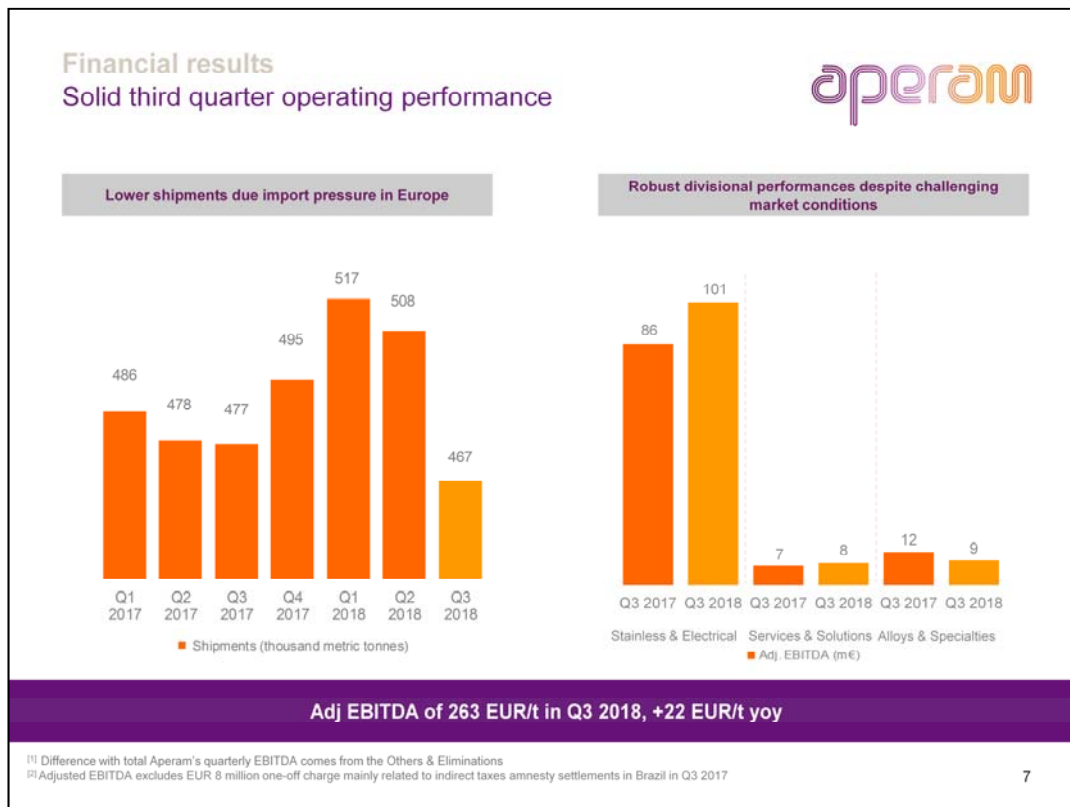


Sandeep Jalan, CFO

Aperam achieved a record EBITDA of EUR 123 million in Q3 2018, up from EUR 115 million in Q3 2017. In a quarter on quarter perspective the decline versus the EUR 150m achieved in Q2 was mainly due to the usual seasonal summer slowdown in Europe. The EBITDA margin remained at a respectable 11%.

We believe this demonstrates a robust operational performance and tight cost control in a challenging environment, especially in Europe where high import pressure over the quarter has put significant pressure on base prices.

Our net income during this quarter was EUR 72 million, leading to basic EPS of 0.87 in Q3 2018.



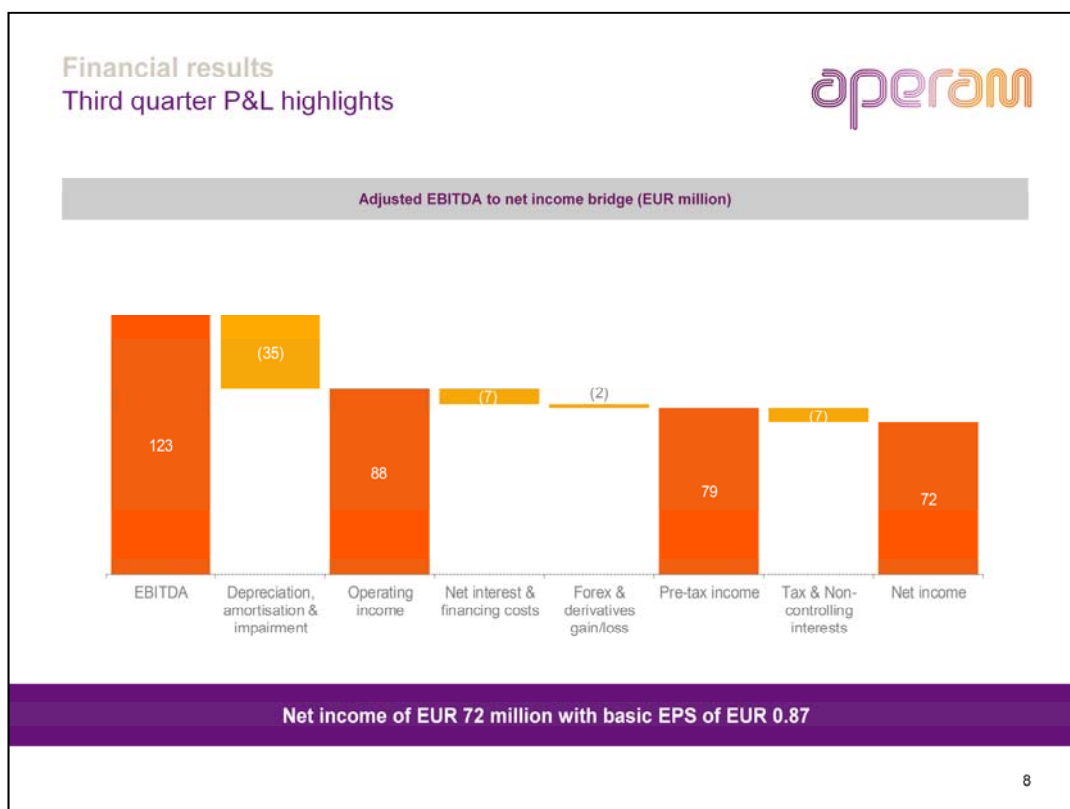
Sandeep Jalan, CFO

Q3 2018 shipments declined slightly versus Q3 last year which reflects the negative effects from record high import pressure in Europe and sliding raw material costs. However, thanks to our Top Line strategy and a better mix we were able to improve the EBITDA/t by 22 EUR/t compared to Q3 of last year.

Looking at the Segments in more detail: In the Stainless & Electrical steel division EBITDA improved from EUR 86 million in Q3 2017 to EUR 101 million in the third quarter 2018. This increase was the net result of seasonally stable volumes and import induced price pressure in Europe which was compensated by opposite effects in South America. Positively Brazil remains in a recovery mode including positive effects from weaker BRL. Our Top Line strategy and contributions from the Leadership Journey® lend additional support.

Services and Solutions EBITDA increased from EUR 7 million in Q3 2017 to EUR 8 million in Q3 2018. The increase in EBITDA was mainly due to a better mix.

The Alloys & Specialties EBITDA for Q3 2018 reduced year over year to EUR 9 million from EUR 12 million in the same quarter last year, caused mainly by some effects from product mix and cost pressures



Sandeep Jalan, CFO

In Q3 2018, Aperam recorded an EBITDA of EUR 123 million.

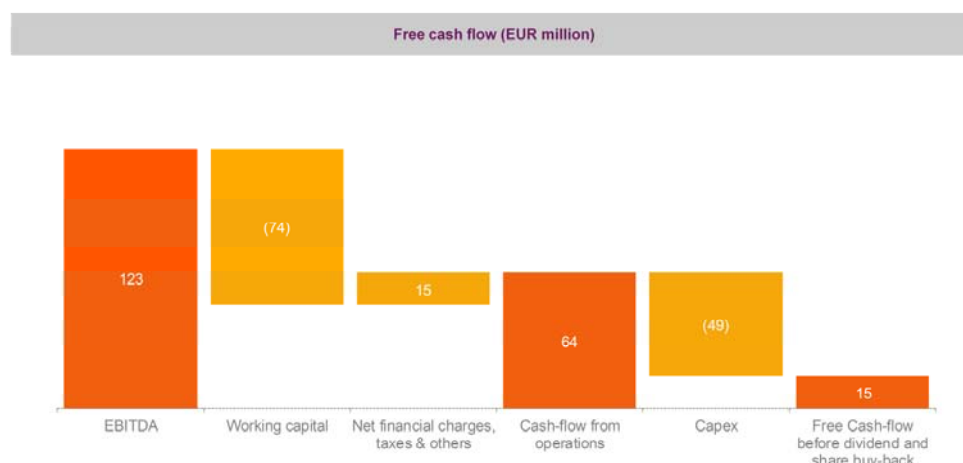
Depreciation remained stable at EUR 35 million.

Net interest expense and other financing costs for the third quarter of 2018 were EUR 7 million. Realized and unrealized foreign exchange and derivative losses were EUR 2 million for the Q2 2018.

Income tax for the third quarter of 2018 was rather low at EUR 7 million as we had some positive tax effects in Brazil and a number of smaller one-off items.

As a result, we recorded a net income of EUR 72 million for the third quarter of 2018.

Financial results
Third quarter cash flow highlights



**Stable operating cash flow yoy despite higher working capital.
Positive Free cash flow despite substantial capex for efficiency improvements**

* 2018 cash utilization is indicating yearly guidance for capex, announced dividend, executed volume of Share Buy Back and Convertible Bond 2021 repurchase until July 31, 2018

9

Sandeep Jalan, CFO

During the quarter, cash flow from operations was positive at EUR 64 million, despite a temporary working capital increase of EUR 74 million.

CAPEX and other investments for the third quarter were EUR 49 million including EUR 11 million for Phase 3 of the leadership journey. Free cash flow before dividends and share buy-back for the third quarter of 2018 amounted to 15 million Euro.

During the third quarter of 2018, the cash returns to shareholders amounted to EUR 48 million, consisting of EUR 15 million of share buy-back and EUR 33 million of dividend.

The cumulative cash returns to shareholders amounted to Euro 166m consisting of Euro 96m as Dividends and Euro 70m as share buyback.

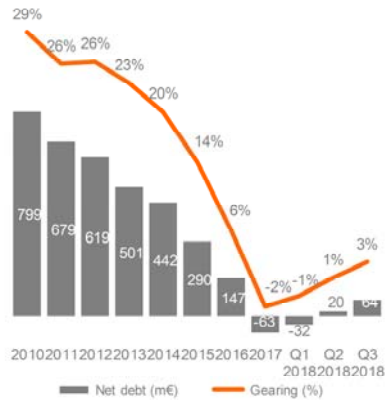
During Q3, Aperam also re-purchased Convertible Bonds 2021 with a nominal amount of USD 11.2 million (EUR 9.6 million) for a total consideration of EUR 11.5 million. Since the beginning of the repurchase program, Aperam has repurchased a total nominal value of USD 37 million for a total consideration of Eur 38.4m.

Financial results

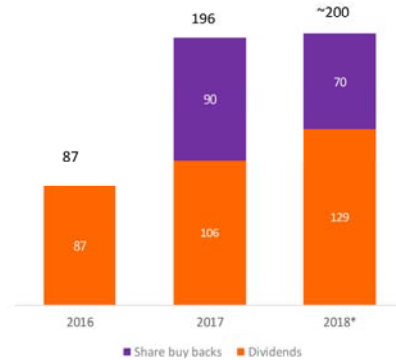
Net debt and financial ratios: Investment grade rating by both S&P and Moody's



From a substantial net debt position to a sound balance sheet that supports the company transformation



Recurring high cash returns to shareholders



A low net debt company with sustainable and resilient cash flow generation that rewards shareholders

* Approximate 2018 total dividend payment, final number will depend on EUR/USD rate on the day of payment

10

Sandeep Jalan, CFO

Aperam continues to have a solid balance sheet. We consider this to be an outcome of our financial discipline and an asset that we can build on.

Net financial debt at the end of the quarter amounted to EUR 64 million, up from EUR 20 million as of June 30, 2018. Gearing at 3% remains negligible and we are ready to takeover VDM once we get clearance from the European Commission. We assume you have seen that we filed the detailed Form CO notification with the DG Competition of EU Commission on 23rd October and a Phase 1 decision is due by 29th November

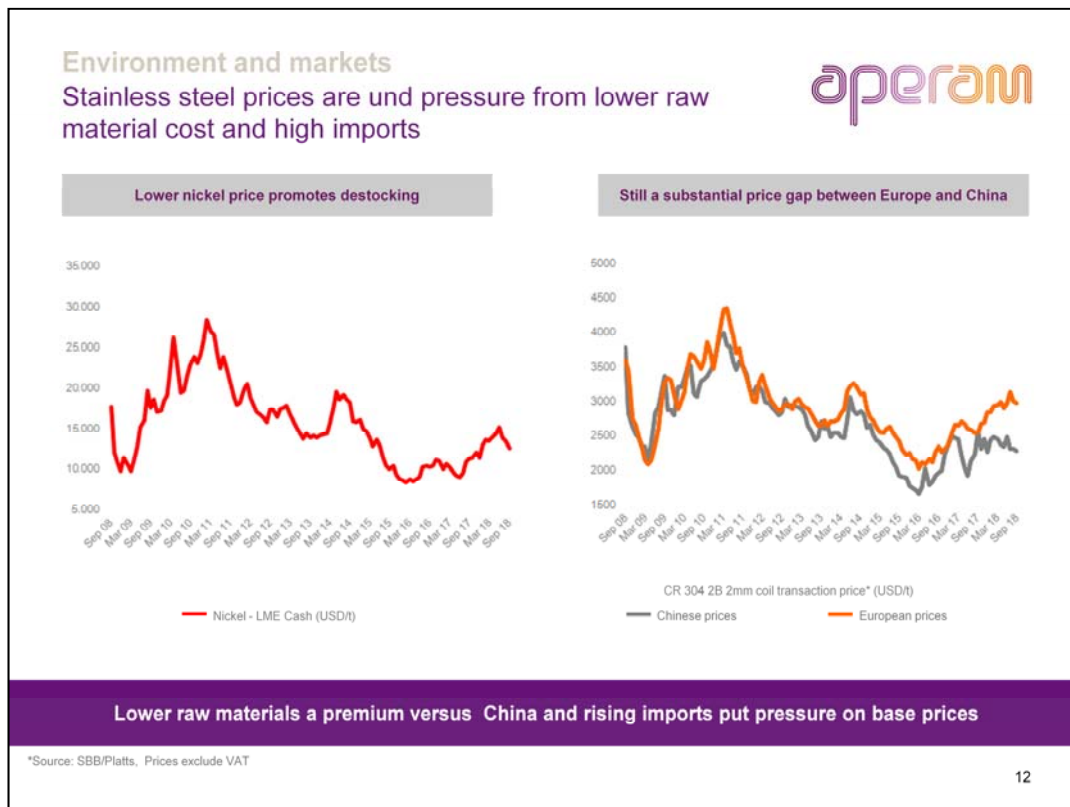
The slight net debt increase of EUR 44 million quarter over quarter is partly due to the already mentioned temporary increase in working capital but mainly due to continued good cash returns to shareholders at EUR 48 million during Q3.

Assuming stable exchange rates hold till the end of the year we will hand close to EUR 200 million cash back to our shareholders.

Third quarter 2018

aperam

Environment and markets



Tim Di Maulo, CEO

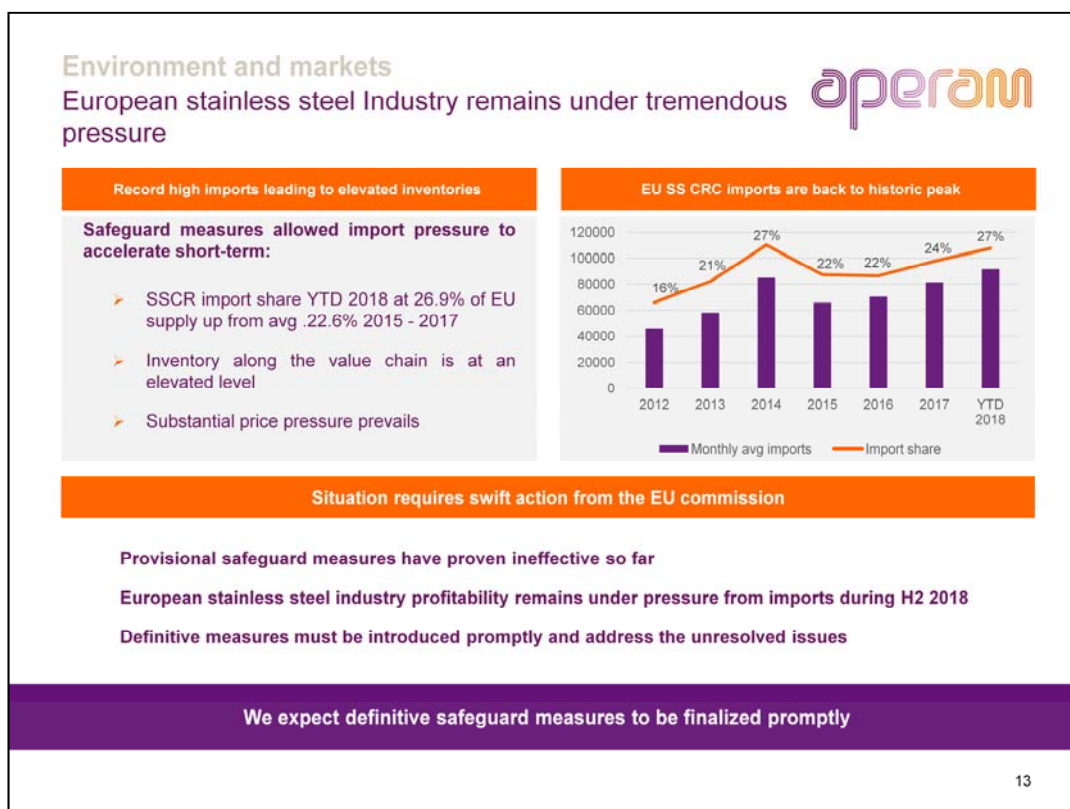
Nickel prices, remained volatile, with a general downward trend during the quarter. Starting the quarter around 15,000 USD the price dropping to 12,500 USD towards the end of the quarter. It has remained weak since then.

Regarding Ferro-Chrome, the European benchmark price declined from U.S.\$1.42 per pound of chrome in Q2 2018 to U.S.\$1.38 per pound of chrome in Q3 2018. The Q4 benchmark is at U.S. \$1.24 per pound of chrome.

To anticipate provisional safeguard measures, and despite their further implementation, imports have so far remained at an extremely high and record level, with some inventories build-up.

In a context of high import pressure, it is no surprise that lower raw material prices started to spill over to stainless steel prices, as this combination temporarily promotes customer destocking. Taking all factors together put tremendous pressure on base prices.

Nevertheless we believe that the downside has been exhausted at the current level and that we have reached a trough during Q4.



Tim Di Maulo, CEO

Slide 13 shows how a slow EU response kept the market wide open to imports. While we are happy that the European Commission shares our view that safeguards are necessary and appropriate, we think that market data proves that actual measures taken were too soft and too slow. EU measures looked good on paper but had as a consequence an inventory build-up cycle at short term. Especially some items like an exemption for material on the water, exemption for smaller countries and lack of periodic quotas, created a rush to send as much material as possible outright.

We take the view that the EU Commission has noticed these concerns, and we've asked the support of European Commission to put definitive safeguard measures in place promptly which should then gradually ease pressure as destocking progresses.

We therefore see the current situation as temporary and are confident that Q4 2018 marks the trough.

Third quarter 2018

aperam

Outlook

Financial outlook for Q4 2018:

- EBITDA in Q4 2018 is expected to decrease versus Q3 2018
 - temporary high import pressure until the introduction of definitive measures
 - due to the traditional seasonal slowdown in Europe
 - Destocking from elevated inventories and lower raw material prices
- Net financial debt remains at a low level in Q4 2018

Other items:

- Formal notification to EU Commission filed for VDM acquisition
- Confirm Leadership Journey gains at EUR 150 million by 2020
- Maintain 2018 Capex guidance at EUR 185 - 200 million
- Cash return to shareholders at ~EUR200 million 2018

Q4 2018 at a trough due to pricing pressure resulting from high imports

15

Tim Di Maulo, CEO

While we expect volumes to slightly pick up seasonally in Europe this will not make up for the severe pressure on base prices. Volumes in Brazil continue to recover compared to Q4 last year but we expect the usual seasonal slow down sequentially versus Q3 2018.

We expect Q4 results to decrease under the effect of the temporary trough market conditions generated by the wave of imports, combined with destocking in a context of falling raw material prices, and with a significant negative P&L impact on inventory valuation. Nevertheless we expect an **adjusted** EBITDA around EUR 500 million for 2018.

We are convinced that Q4 2018 marks the trough and looking further ahead we expect the situation to progressively improve as definitive safeguard measure come into force.

In addition we are very happy that the VDM acquisition is progressing. As already mentioned we filed the notification to the European Commission on October 23, 2018 for merger approval and expect an outcome during Q4.

With regards to net debt we expect this to remain at a low level (excluding effects of VDM acquisition). We are expecting a good free cash flow generation during Q4 due to seasonal effects and release of working capital including from effect of lower raw material prices.

All other items remain unchanged:

- Phase 3 of the Leadership journey remains on track and we confirm the total target of EUR 150 million annualized EBITDA gains till the end of 2020
- We continue into the sustainable improvement of our facilities and our capex guidance remains unchanged at EUR 185 million - EUR 200 million for 2018
- The total cash return to shareholders announced and paid year to date amounts to EUR 166 million. Adding the Q4 dividend of 45 US cents per share we will hand back approximately EUR 200 million to our shareholders.

Q&A



Appendix

Third quarter 2018



Aperam's value strategy: Customer focus and self-help

Aperam's value strategy
Being a sustainably safe and profitable company



**Solid execution
of self help strategy**

Leadership Journey®
Phase 1: Restructuring
Phase 2: Asset upgrade
Phase 3: Transformation

Top Line strategy

End-user focus

**Cost leading
footprint**

Optimized and sustainable
European asset base

Sole flat stainless steel
producer in South America

Lean organization

Leading industry margins
and returns

**Cash generation and
financial discipline**

Strong cash generation
through the cycle

Strongest balance sheet in
industry

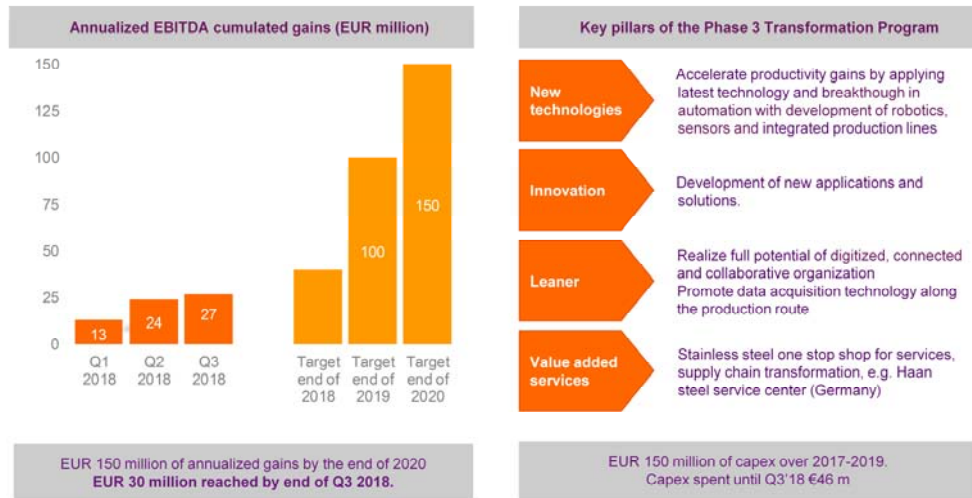
Progressive dividend

Strong shareholder returns
(payout 50-100%)

**Value accretive opportunities
(VDM, Genk footprint)**

**Solid cash generation with strong shareholders' return.
Sensible M&A, new projects and self help to further improve Aperam's productivity and profitability**

Aperam's value strategy
Being a sustainably safe and profitable company



Transformation Program remains on track with good progress on all pillars

Aperam's value strategy

Leadership Journey continues to strengthen efficiency



Transform the company to achieve the next structural profitability improvement

Aperam's value strategy

Financial policy: preserves credit profile while maximizing long-term growth and value accretion for shareholders



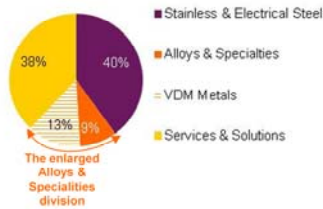
| Financial Policy | | 2018 |
|---|---|--|
| Company Sustainability | <ul style="list-style-type: none"> Invest in sustaining and upgrading the company's assets base to continuously reinforce Transformation Program and Top Line Strategy | CAPEX 2018 reaffirmed at EUR 185 - 200 million |
| Value Accretive growth & M&A | <ul style="list-style-type: none"> Compelling growth and M&A opportunities with high hurdle rate | VDM Purchase Price EUR 438 million |
| Dividend policy | <ul style="list-style-type: none"> A base dividend, anticipated to progressively increase over time (as the company continues to benefit from its strategic actions and capture growth opportunities) Target NFD/EBITDA ratio of <1x (through the cycle) In the (unlikely) event that NFD/EBITDA exceeds 1x the company will review the dividend policy | Dividend of USD 1.80 per share |
| Extra cash utilization | <ul style="list-style-type: none"> Remaining excess cash will be utilized in the most optimal way | Share buyback of USD 82 m / 1.8 million shares Repurchase of convertible bonds 2021 EUR 38.4m (until 30 th September 2018) |

Aperam captures value accretive opportunities while continuing a solid financial policy with a strong balance sheet and attractive total payouts to shareholders between 50% to 100%

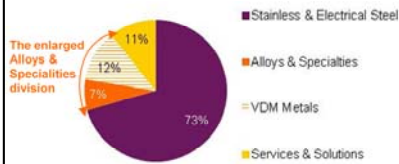
Aperam's value strategy
Reinforcing our industry-leading asset portfolio



Proforma Revenue by division ^{1, 2} (FY17)



Proforma EBITDA by Division (FY 17)



A global, diversified and integrated platform

1. Aperam figures based on last audited FY2017 ending December 31, 2017 and VDM figures based on last Audited FY2017 ending September 30, 2017
2. Revenues based on VDM net sales from alloys production and other activities, but excluding Nickel trading sales

Aperam's value strategy

New investment projects to further transform Aperam's European footprint



Genk AOD converter , cold rolling and annealing & pickling line

A total ~EUR 200 m CAPEX for Genk improvements with planned completion during H1 2020

- Investment in a new Cold Rolling, Annealing and Pickling Line (30.01.2018)
 - This investment project drives the further transformation of Aperam
 - state of the art technology upgrades our product range to the most demanding applications
 - improves lead-time and flexibility to the market demand,
 - increases efficiency and cost competitiveness
 - enhances our health, safety and environmental impact
- Investment in an Argon Oxygen Decarburization (AOD) converter, auxiliaries & utilities (31.07.2018)
 - strengthens cost competitiveness including energy, yield
 - Improves productivity and flexibility

2018 CAPEX budget confirmed within guidance of EUR 185 - 200m

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
- Superior access to scrap supply

Logistics

- Best location to serve the biggest consumption areas of Europe
- Performant logistics between sites results in industry leading working capital management

Production

- Full range of products with flexible capacity
- Increase scrap recycling to minimize environmental impact
- Aim to become cost leader in the key products

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

Bio Energia

Cost competitive & environmentally friendly charcoal from own cultivated forests is used to heat blast furnace



Range of products

Stainless steel

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



Grain oriented electrical steel

Grain oriented electric steel* for use eg in stationary machines eg transformers



Non-grain oriented electrical steel

Non-grain oriented electric steel** for use in electric motors and generators



Special Carbon Steel

Alloyed, high, medium & other special carbon steel are completing product portfolio



**The sole flat stainless steel producer in South America
with a complete range of products, and a flexible production set-up**

*Grain oriented steel (GO & HGO) has the magnetic properties optimized in one direction during hot rolling
**Non-grain oriented steel (NGO) has identical magnetic properties in all directions

Aperam's value strategy

Flexibility and Agility to manage profitable operations in Brazil



Key pillars

Portfolio management

- A wide range of products and geographical sales enables further optimization of capacity utilization and product mix
- Upgrade product portfolio: Develop new grades with higher value added (stainless substitution, HGO)

Domestic share gains

- Preferred supplier plan with best in class deliveries
- Performant logistics with integrated service centers
- Support stainless steel usage in South America

Cost competitive

- Sustain the cost benchmark in its main markets
- Leadership Journey® on-going to improve productivity
- Continuous improvement to at least compensate the inflation

Aperam's assets optimisation in South America

Product mix

Timoteo meltshop 900kt capacity

- Stainless steel
- Electrical steel
 - Non grain oriented
 - Grain oriented
 - High grain oriented
- Special carbon

Geographical mix

Exports

Brazilian share gains

- Brazilian asset running at optimal utilization rate with the current demand
- On-going debottlenecking of the cold rolling operations
- Upgrade Grain Oriented products via the development of HGO
- Continuous margin optimization between product mix and deliveries in South America

Sustained solid double digit EBITDA margin proves that flexibility & agility has enabled to largely offset the negative impacts of the economic downturn since 2015

Aperam's value strategy

Specialty alloys is a growing and premium niche segment



- R&D intensive industry to offer innovative solutions and anticipate new applications
- Deeply rooted culture of close collaboration between research and industrialisation

Key R&D figures (based on FY17)

| | aperam | uvm | Combined |
|--------------------------|--------|-----|----------|
| Cooperation contracts | 37 | 56 | 93 |
| Total registered patents | 188 | 407 | 595 |
| Sales of new products | 9% | 10% | ~10% |

Innovation is core to premium specialties...

- Higher growth end applications
- "Kilogram" market: unique products designed to answer precise and high-tech needs globally
- Strong end-market diversity with increasing and evolving requirements underpinned by **positive mega-trends**

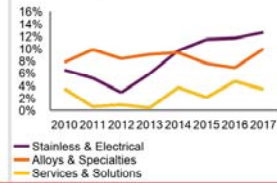
Key end-markets / application types



...as sector is driven by highly sophisticated and evolving needs...

- Less exposed to commodity cycles as cost of raw materials passed through to customers
- Long-standing client relationships providing good visibility on volumes, and outlook with high proportion of recurring revenue

EBITDA margins by Aperam division

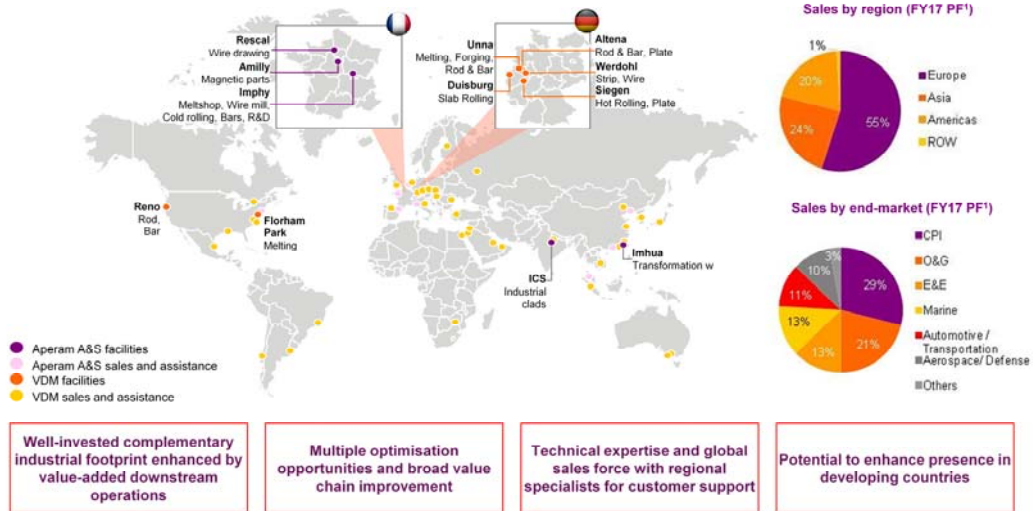


...providing growth opportunities and margin stability

Benchmark customers in advanced industries drive tailored, certified and highly sophisticated solutions

Aperam's value strategy

A global specialty alloys producer



A global, high value added business within the Group's portfolio

Notes:

1. Aperam Alloys figures based on last Audited FY2017 ending December 31, 2017 and VDM figures based on last Audited FY2017 ending September 30, 2017

Aperam's value strategy

VDM Metals: a transformative transaction



Structure

- 100% of VDM Metals Holding GmbH and related entities

Value consideration

- Total Enterprise Value of €596m incl. €123m of pension liabilities, €35m net financial debt, purchase price €438m
- Equivalent to 7.8x EV/EBITDA before synergies, based on audited year-ended 30 September 2017 EBITDA €76m (LTM 28 February 2018 EBITDA was €81m)
- Book value of €225m for Operating Working Capital as of 30 September 2017
- Locked Box as of 30 September 2017: VDM's subsequent economic results and cash flows to buyer's account

Financing

- All cash and debt financed
- Aperam will continue to maintain a strong balance sheet consistent with investment grade ratios with a pro forma NFD/EBITDA of 0.7x as of 31 December 2017

Conditions precedent

- Standard regulatory approvals including merger control approvals
- Transaction approved by the Board of Directors

Timetable

- Expected closing during second half of 2018

Value accretive deal

- The right price & right timing
- Targeting about €20m per annum of synergies by 2020
- Acquisition to be EPS and FCF enhancing from year 1 (with synergies to come on top)
- Maintain existing shareholder payout policy (between 50% to 100% of EPS) with progressive dividends
- Aperam believes its enlarged Alloys & Specialties division should be valued at a premium multiple to stainless steel

**A transforming and value-unlocking transaction for Aperam
while maintaining a strong balance sheet consistent with investment grade ratios**

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.

- **LITFR : 1.42** (vs. 1.46 in 2016) - target at 1 (all employees).
- **84%** of our employees **recommend Aperam as a good place to work**, which confirms our rating among **Brazilian top employers**.^[1]
- **Absenteeism: 2.19** (as in 2016) - target at 2.
- 2017 **Performance review: 99%** of Exempts, **84%** of White collars, 68% of Blue collars - target at 100%.
- 2017 Training hours **+4%** (vs. 2016)

Environment

 We provide the "greenest steels" and constantly reduce our production costs and impacts.

- **CO₂ intensity^[2] reduction >34%** - almost at target to -35% by 2020 vs. 2007, thanks to maximal usage of own charcoal.
- **Energy intensity^[2] reduction: >8%** (from 6% in 2016) - on track towards our target at -10% by 2020 vs. 2012
- **93% reuse/recycle** performance - target at 100%.
- **95.3% of water in closed circuits** (stable vs. 2015)
- **Steep decrease in Dust emissions >22%** vs. 2015 due to a strong action plan.

Governance

 We lead by example and maintain constant engagement with all our Stakeholders in quest of mutually beneficial solutions.

- **Best practice in Corporate Governance** reflected in our:
 - > **Board composition**
 - > **Risk management approach**
 - > **Extensive Compliance plan**
- Strong **Customer & Innovation** focus with **+20 pt in % of sales in new products** vs. 2015
- **CSR indicators** cascaded within the entire organisation.
- Leadership/Excellence level 2017 **ESG ratings**







^[1] For the seventh 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

Third quarter 2018 roadshow



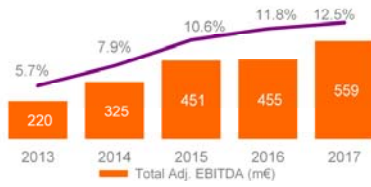
Aperam's performance

Aperam's performance

Aperam has a convincing performance track record



Visible improvement in the operating performance



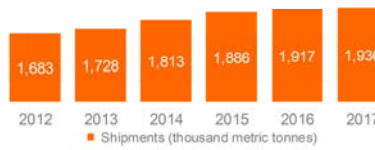
From net loss to fast growing net income since 2013



Over EUR500m cost improvement since the carve out



Stable volume growth +15% since 2012



Agility and Flexibility make Aperam the most profitable and cash generative stainless company

Aperam's performance

High & stable free cash flow enabled investment grade rating



Consistent operating cash flow through the cycle



High cash return to shareholders despite re-investments



Solid average 7% free cash flow yield



Debt free balance sheet supports portfolio improvements

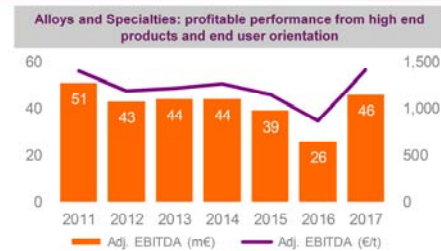
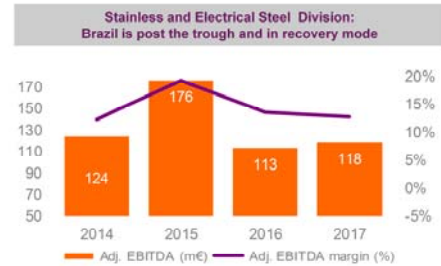


Consistent cash generation through the cycle. Euro 196 million returned to shareholders in 2017

* 2018 cash utilization is indicating yearly guidance for capex, announced dividend, executed volume of Share Buy Back and Convertible Bond 2021 repurchase until July 31, 2018

Aperam's performance

Operational performance by division



A robust operational performance despite challenging market conditions based on self help measures

* Full time equivalent excluding Bioenergia
 ** Quarterly average

35

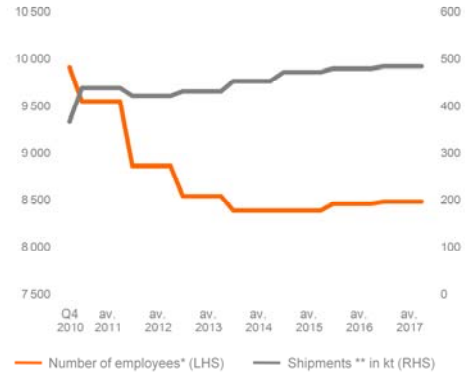
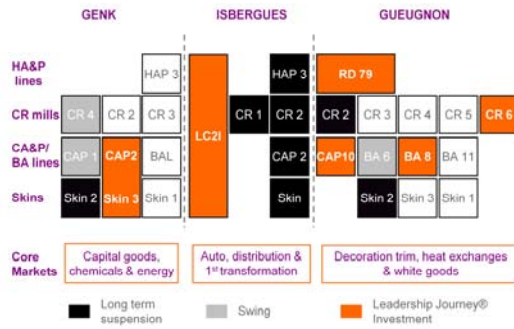
Aperam's performance

Stainless & Electrical Steel Europe: Streamlined footprint and enhanced productivity



Aperam Europe downstream rationalization from 29 tools to 17 tools

Aperam total productivity evolution, average



Aperam capacity utilization and productivity has significantly improved through the Leadership Journey®

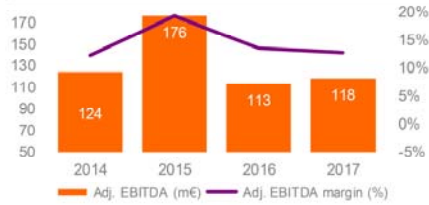
* Full time equivalent excluding Bioenergia
 ** Quarterly average

Aperam's performance

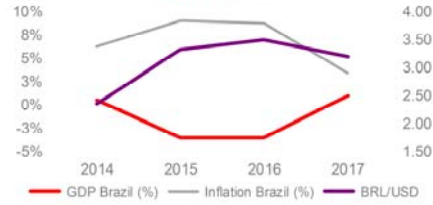
S&E Steel South America: strong recovery potential



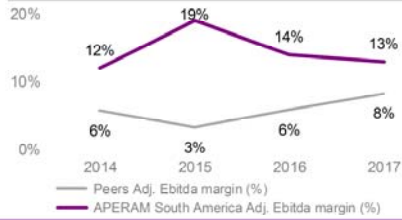
Continued solid margins despite economic slowdown



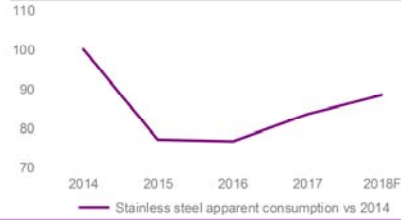
Brazil economy recovers, weak FX improves competitiveness*



South America adj. EBITDA margin consistently beats peers**



Brazil Stainless steel demand in recovery mode post crisis



With consistent double digit EBITDA margins, Brazil is a robust contributor to Aperam's results
Economic growth and currency weakness are expected to provide additional upside potential

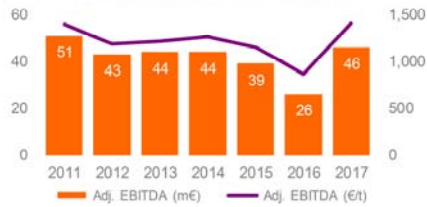
In 2014, €43m related to the sale of electricity surplus have been excluded from Adjusted EBITDA of Stainless & Electrical Steel South America.
 *Source: GDP and inflation: IMF **Peers being average of Outokumpu and Acerinox (total)

Aperam's performance

Alloys & Specialties: attractive market with high margins



Alloys and Specialties profitable performance from high end products & end user orientation



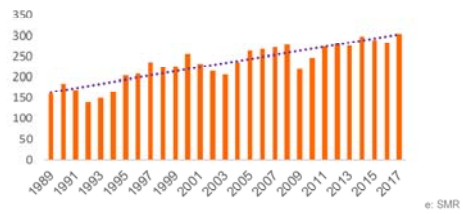
Strong R&D capability to serve higher growth end applications



Alloys & Specialties shipments evolution



Nickel Alloys a growing and premium niche market*



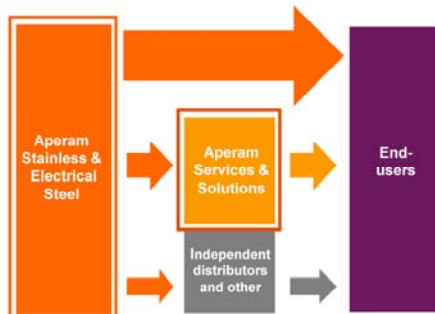
Aperam Alloys & Specialties, well-positioned in the global niche added value nickel alloys business

Aperam's performance

Services & Solutions: stronger partnership with customers enhances margins



A majority of "in house" exposure to end users to best serve their needs and provide best services & solutions



A profitable Services & Solutions thanks to its focus on services and end-users



Increasing focus on downstream value added services and solutions

Third quarter 2018 roadshow



Environment and markets

Environment and markets

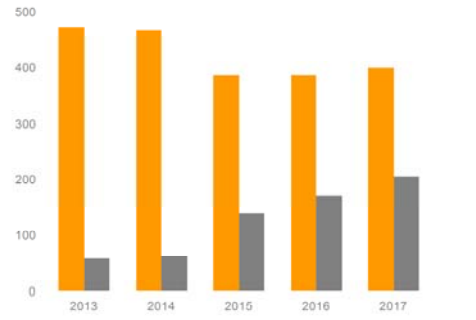
Diminishing raw material advantage of Chinese players



Chinese cost competitiveness linked to NPI production is decreasing



Chinese reduced NPI production requires higher Ferro-Nickel Imports



Price equivalent of Nickel contained in NPI (USD/t) LME Nickel price (USD/t) Chinese NPI production (kt) Ferro-nickel imports (Ni content - kt)

Lower Chinese NPI production increases Chinese production costs

Source: LME, Ferroyalloys.net, China customs, Aperam estimates

Environment and markets

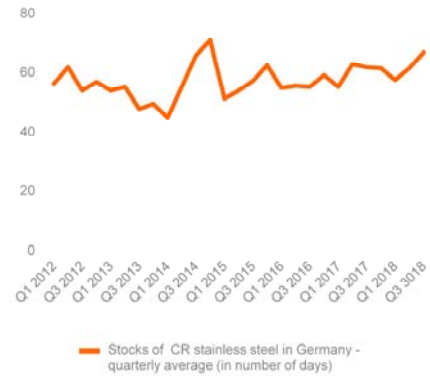
Stainless steel demand in Europe continuous growth



European stainless steel flat slab equivalent demand growing at a healthy pace



European stocks remain at normal levels



Good demand and normal inventories

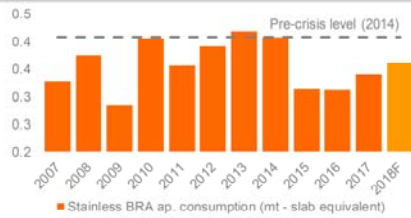
Source: CRU, Aperam estimates, Eurofer

Environment and markets

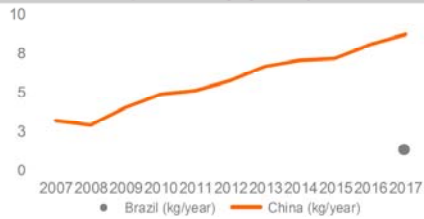
Opportunities emerge in Brazil again



Brazilian market recovery



Tremendous growth prospects for per capita stainless steel consumption in emerging country Brazil



Brazil opportunities:

- ✓ **Automotive:** strong growth of 7% pa expected** surpassing 3m vehicles - Aperam is closely linked with majors car makers
- ✓ **White Goods:** good growth potential due to very low penetration level
- ✓ **Capital Goods:** high growth potential. Eg O&G, Energy, Pulp & Paper, Sugar Industry
- ✓ **Agrobusiness:** Bright Spot with Growth above GDP expected until 2022

Largest global producer of:

- Coffee
- Orange
- sugarcane and sugar
- second in soy beans

Largest global exporter of:

- meat
- Poultry
- sugar
- ethanol

Examples of stainless steel solutions in the Agrobusiness:



Equipment for the transport and sterilization of Palm fruits



Equipment for washing gases from biomass burning



Slats of metallic conveyor belt for the transport of sugarcane

A Brazilian market in recovery mode with growth potential and opportunities for the stainless steel market

Sources: CRU, Aperam estimates, World bank data
**Anteva forecast

| Type of products | Import duties status | Anti-dumping status |
|--|--|--|
| Stainless Steel Flat Products | ✓ Normal import duties are 14% | ✓ AD duties starting October 4 th , 2013 for 5 years from 236 USD/t to 1,077 USD/t for CR 304 and 430, in thicknesses between 0.35mm and 4.75mm from China, Finland, Germany, South Korea, Taiwan and Vietnam. |
| Stainless Steel Welded Tubes | ✓ 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 for imports from China and Taiwan. Renewal investigation launched on July 16th, 2018 ✓ AD duties starting June 13, 2018, for 5 years from U.S.\$367/t up to U.S.\$888/t for imports from Malaysia, Thailand and Vietnam. |
| Electrical steel – Non Grain Oriented | ✓ 14% of Import duties on NGO. | <ul style="list-style-type: none"> ✓ AD duties starting July 17th 2013 for 5 years from 133 USD/t to 567 USD/t for imports from China, South 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 ✓ Renewal investigation launched on July 16, 2018. An investigation has also been launched against Germany on May 09, 2018. |
| Electrical steel – Grain Oriented | ✓ Normal import duties are also 14% | |

Tariff measures to support fair market environment in Brazil

Sources: SBB/Platts, Steelfirst

Environment and markets

European Union measures since 2014



Anti-dumping development in Europe

March 25, 2015: European Commission implemented provisional anti-dumping duties of 24-25% for China and 10-12% for Taiwan. Duties were applicable during this period with regularisation to be done once final decision would be taken

August 27, 2015, the European Commission regulation implemented largely confirmed existing provisional measures and imposed definitive anti-dumping duty rates of up to 25.3% on SSCR imports from China, and up to 6.8% on imports from Taiwan

August 11, 2016, the European commission announced to initiated an absorption reinvestigation concerning imports of stainless steel cold-rolled flat products originating in Taiwan. On April 11, 2017, the European Commission confirmed the duties against Taiwan until at least August 2020.

Safeguard Measures in Europe

Pursuant to the safeguard investigation launched on 26 March 2018, the European Commission on 18 July 2018 imposed provisional safeguard measures on imports of stainless steel products (CR and HR) into the EU in form of tariffs of 25%

Tariffs are imposed once imports exceed the quota (average of imports over the last three years)

The provisional safeguard measures will remain in place for a maximum of 200 days with the European Commission to take final conclusion, at the latest by early 2019

If all conditions are met, definitive safeguard measures will be imposed as a result

"The US tariffs on steel products are causing trade diversion, which may result in serious harm to EU steelmakers and workers in this industry. We are left with no other choice than to introduce provisional safeguard measures to protect our domestic industry against a surge of imports. These measures nevertheless ensure that the EU market remains open, and will maintain traditional trade flows."

Said Commissioner for Trade Cecilia Malmström, July 18, 2018

The recent provisional safeguard measures demonstrate the European will to fight against unfair trade behaviour

Link: European Commission imposes provisional safeguard measures on imports of steel products (July 18, 2018)

Aperam's Leadership Team

