

BofAML Global Metals, Mining & Steel Conference
May 15 & 16, 2018



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.

Aperam's investment case

Being a sustainably safe and profitable company



Aperam's investment case

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
CRAP)**

Solid cash generation with strong shareholders' return, thanks to consistent execution of self help strategy and financial discipline.

VDM transaction, new project of Genk and Transformation Program to further improve Aperam's productivity and profitability.

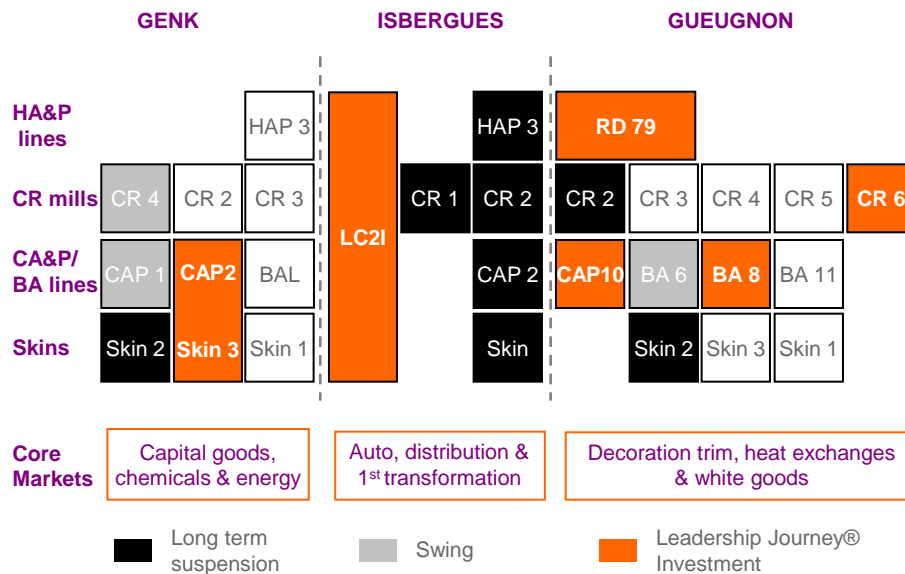
Aperam's fundamentals

Aperam's fundamentals

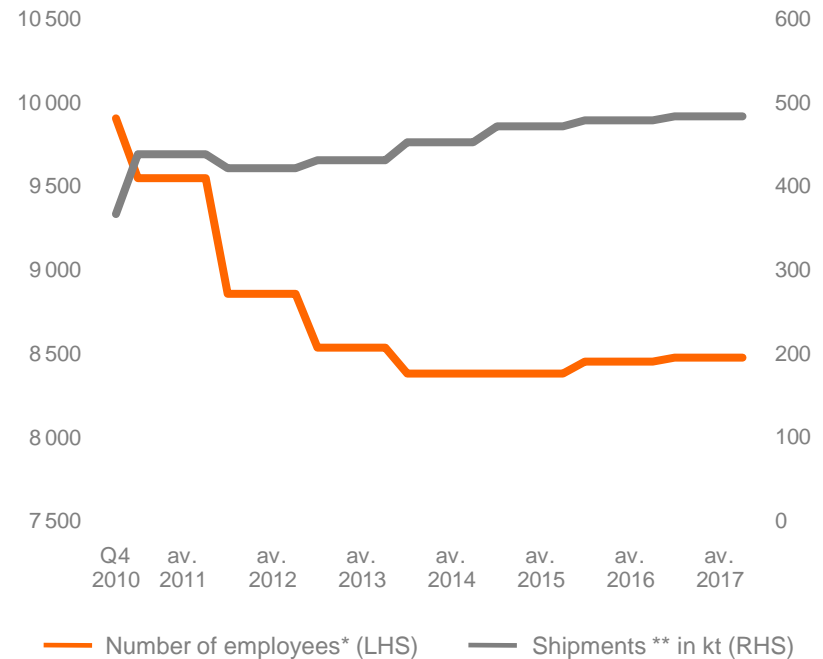
Footprint and productivity breakthrough



Aperam downstream rationalization in EU from 29 tools to 17 tools



Aperam productivity evolution, average



Aperam capacity utilization and productivity has significantly improved with Leadership Journey®

* Full time equivalent excluding Bioenergia

** Quarterly average

Aperam's fundamentals



Unique asset base in South America well adapted to the market

South American Footprint



Upstream integration

Bio Energia

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



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.



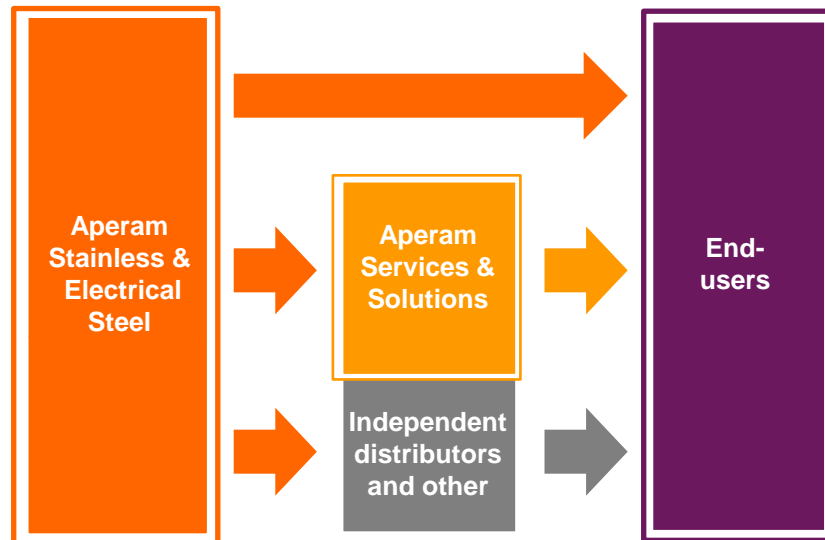
The sole flat stainless steel producer in South America with a complete range of products, including Electrical and Special Carbon Steel, and flexibility between production routes to adapt to market needs

Aperam's fundamentals

Products and services differentiation

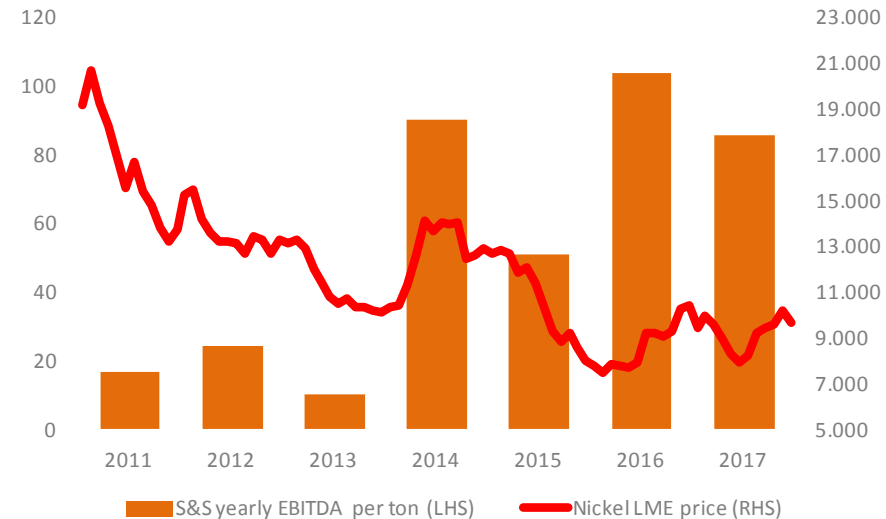


Services & Solutions division



Transformation of Stainless Steel and additional services to better fit needs of end-users

Services & Solutions adjusted EBITDA per shipments (EUR/t)



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

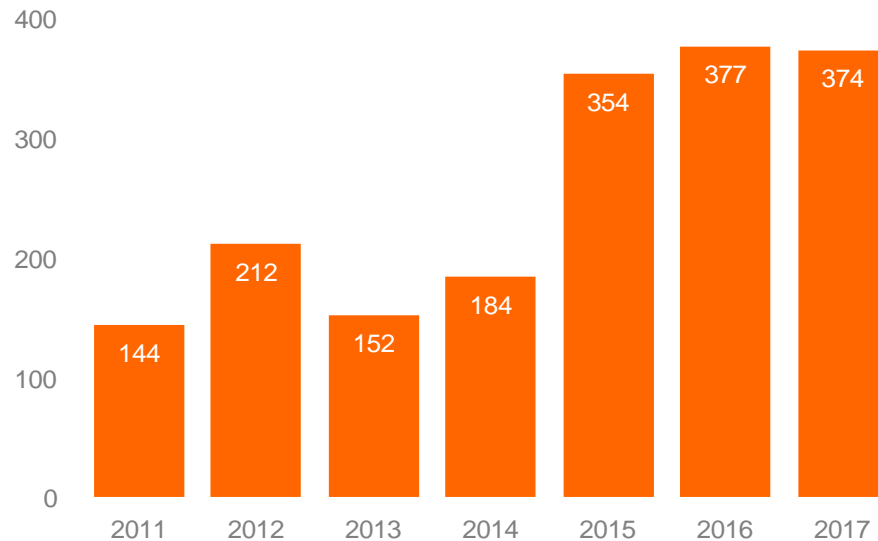
Enhanced partnership with customers through focus on downstream added value services and solutions.

Aperam's fundamentals

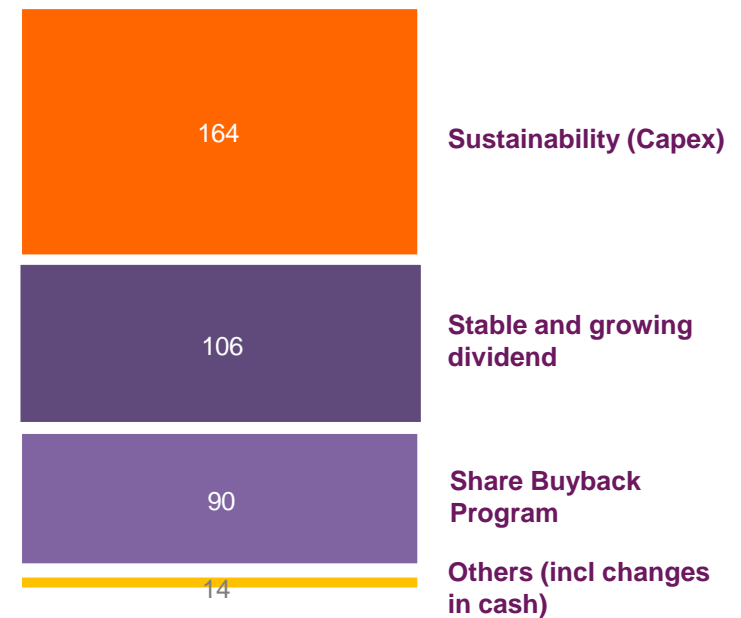
Strong cash generator through the cycle



Cash-flow from operations (EUR million)



Cash utilization in 2017 (EUR million)



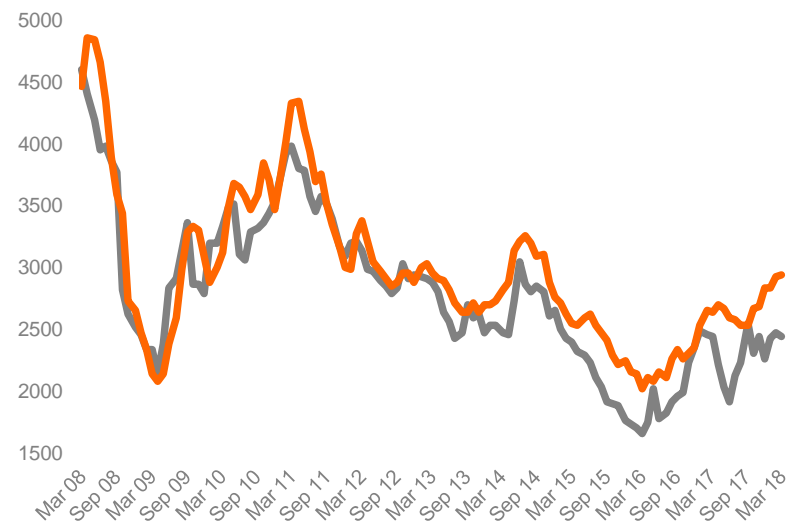
Consistent cash generation through the cycle. Euro 196 million returned to shareholder in 2017.

Environment and markets

**Nickel - LME Cash
(USD/t)**

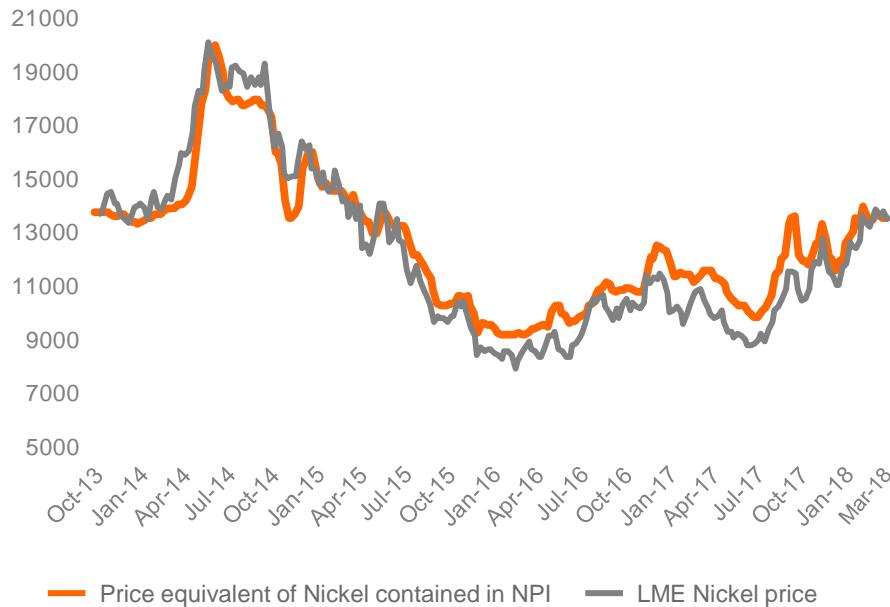


**Chinese versus European CR 304 2B 2mm coil transaction price*
(USD/t)**

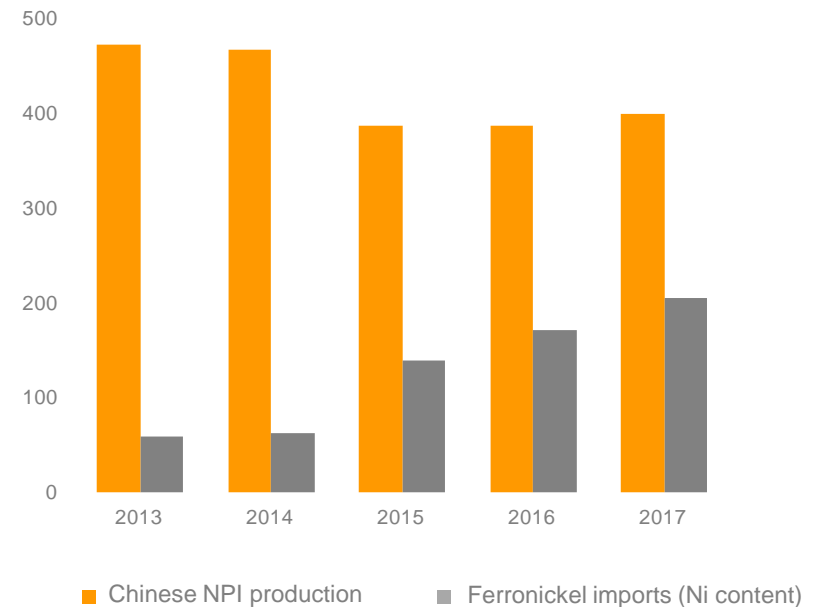


European Stainless steel prices continued to rise in the first quarter driven by raw materials, however increasing gap with China

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



Chinese reduced NPI production leading to increased Ferro-Nickel Imports (in kt)



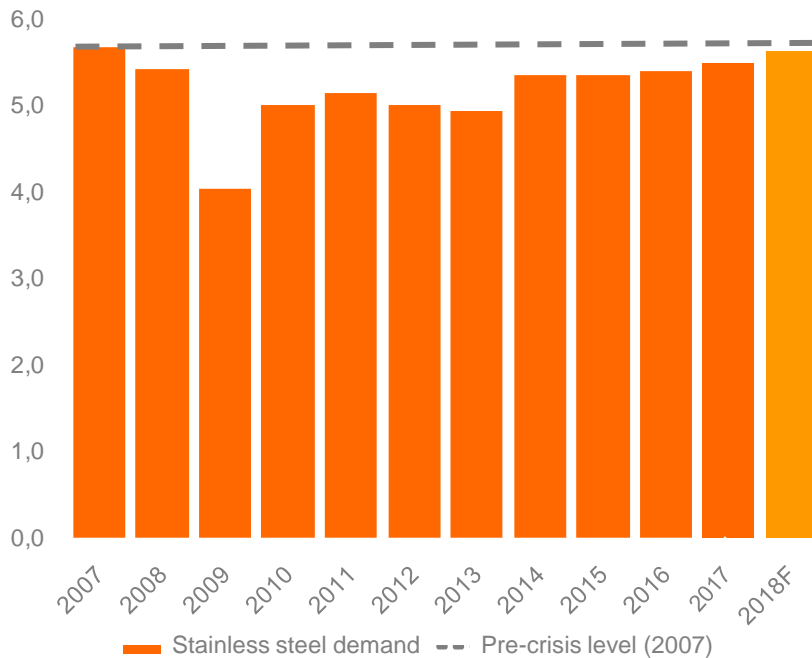
Chinese NPI production has reduced, affecting Chinese cost competitiveness

Environment and markets

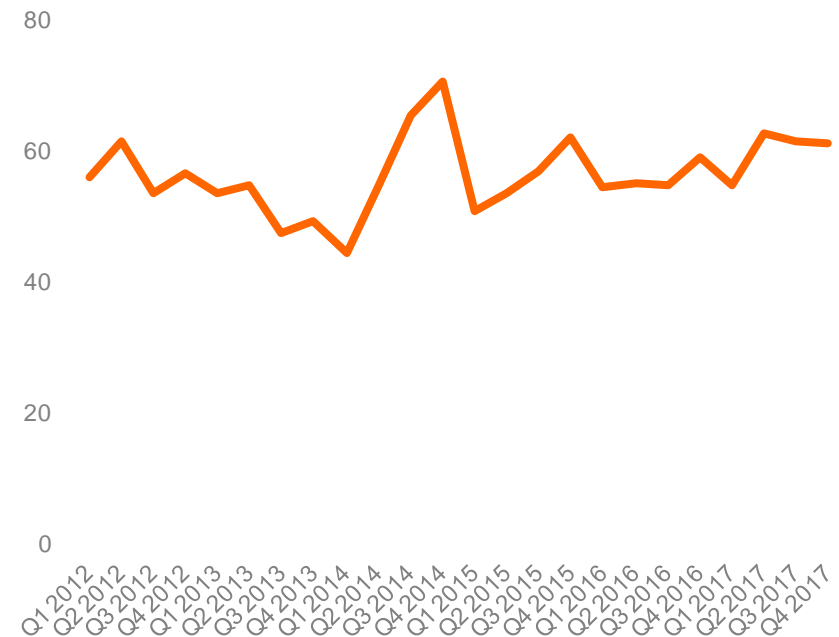
Stainless steel demand in Europe



European stainless steel demand
(in million tonnes - slab equivalent)



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



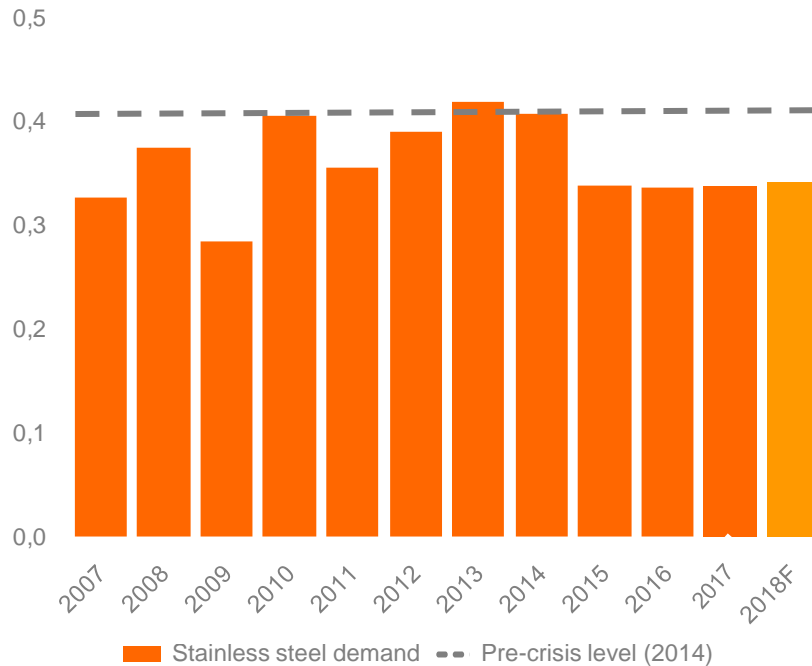
European demand continues to be healthy

Environment and markets

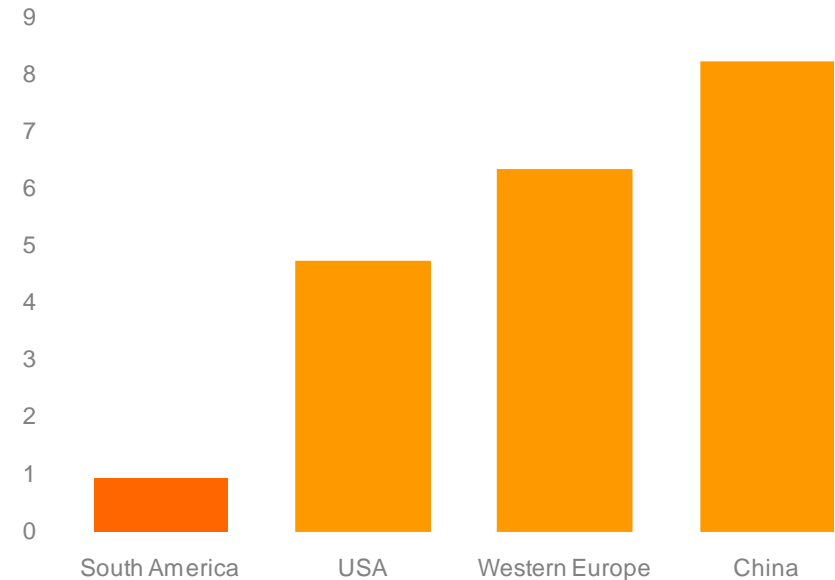
Brazilian opportunities



**Stainless steel Brazilian apparent consumption
(in million tonnes – slab equivalent)**



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



Demand in Brazil starts to show signs of recovery

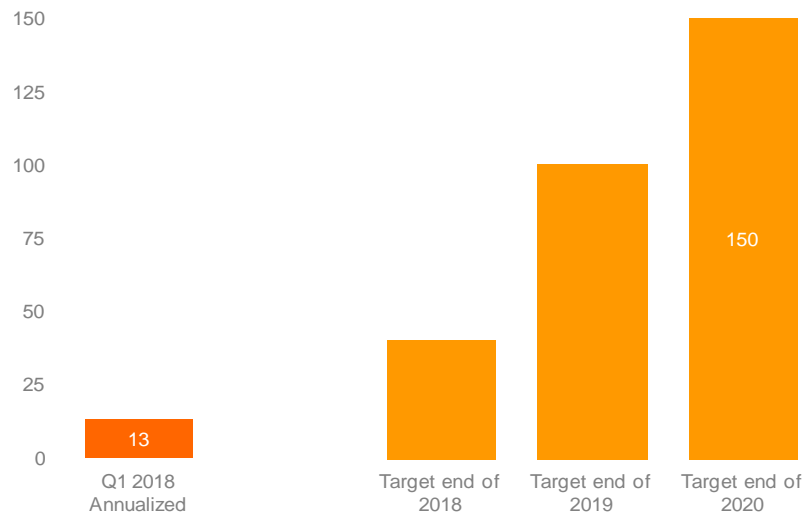
Aperam's performance

Aperam's performance

The Transformation Program

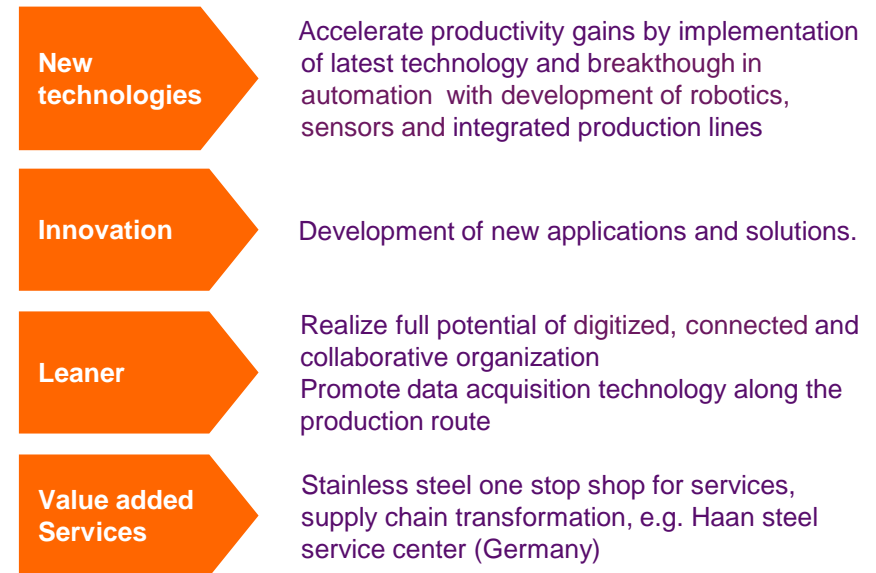


Annualized EBITDA cumulated gains (EUR million)



EUR 150 million of annualized gains by the end of 2020
EUR 13 million reached by end of Q1 2018.
Good progress on all axis

Key pillars of the Phase 3 Transformation Program



EUR 150 million of capex over 2017-2020.
Capex spent until Q1'18 EUR 20 million

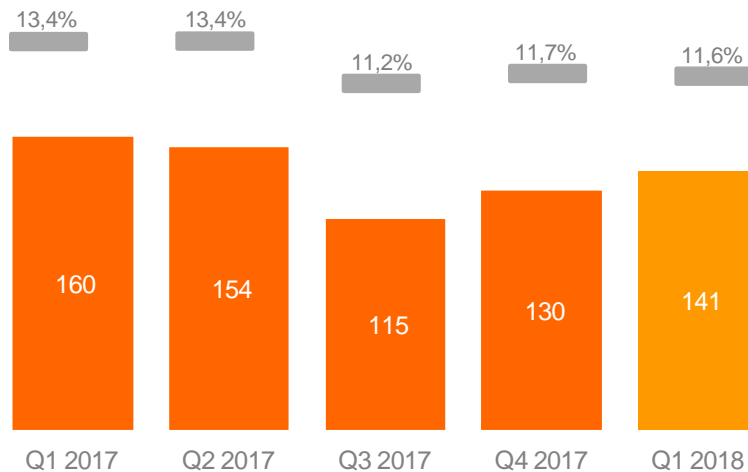
Additional annualized gains target by 2020 increased from EUR 125 million to EUR 150 million
Capex increased from EUR 125 million to EUR 150 million

Aperam's performance

Quarter on Quarter evolution of profitability

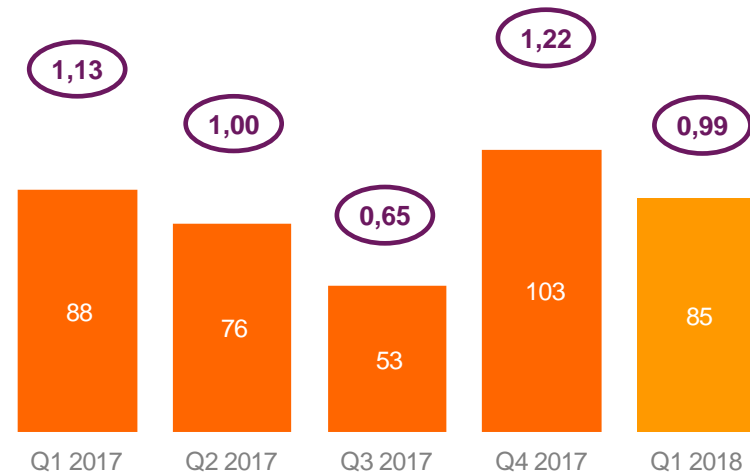


Adj. EBITDA evolution^[1] (EUR million)



■ Adj. EBITDA from operations ■ Adj. EBITDA as % of Sales

Net Income evolution (EUR million)



(X) Basic EPS (USD)

Solid operating performance and net result

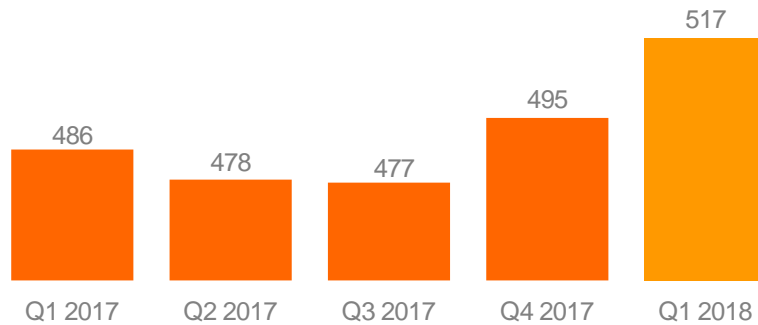
^[1] Adjusted EBITDA excludes EUR 8 million one-off charge mainly related to indirect taxes amnesty settlements in Brazil in Q3 2017

Aperam's performance

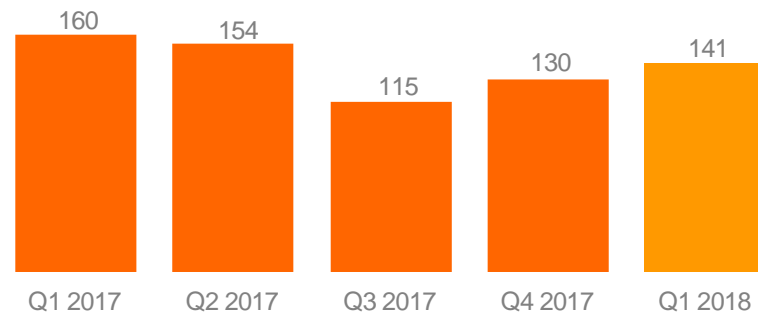
First quarter operating performance



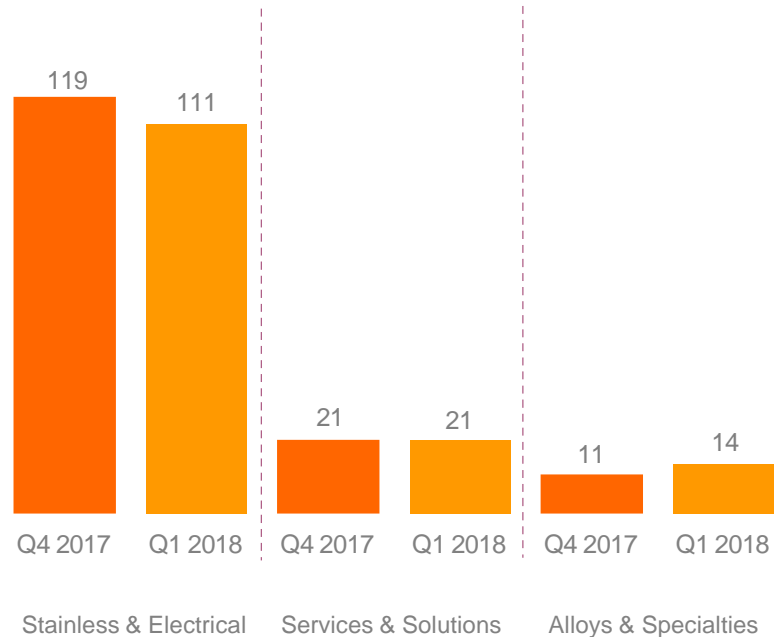
Shipments ('000t)



Adjusted EBITDA^[2] (EUR million)



Q1 2018 EBITDA per division (EUR million) ^[1]



EBITDA of 273 EUR/t in Q1 2018, higher than 263 EUR/t in Q4 2017

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

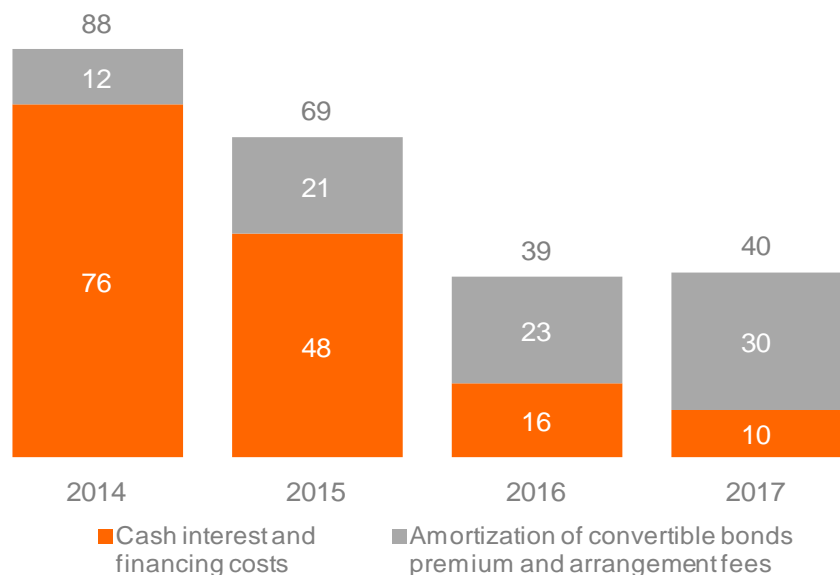
^[2] Adjusted EBITDA excludes EUR 8 million one-off charge mainly related to indirect taxes amnesty settlements in Brazil in Q3 2017

Aperam's performance

Strong balance sheet with significantly improved financing costs



Net interest & financing costs (EUR million)



Aperam debt reduction / restructuring actions

Strong decrease of net interest and financing costs, especially cash interest costs, thanks to strong cash flows and debt reduction / restructuring actions taken since 2014, adding to further strong momentum on EPS and free cash flow generating capability of Aperam:

- Convertible Bond Orname of USD300m issued in June 2014 at coupon of 0.625% and premium of 32.5%
- High Yield Bonds of USD250m with coupon of 7.375%, maturing in 2016 reimbursed as of 1st Oct 2014,
- High Yield Bonds of USD250m with coupon of 7.75%, maturing in 2018 reimbursed as of 1st Apr 2015,
- Switch from Secured Borrowing Base Facility (3 year) of USD 400m to Unsecured Revolving Credit Facility (5 year) of EUR 300m
- Convertible Bonds 2020 (Face value USD 198 million) have been converted by mid October 2017 resulting in issuance of 9.4m new shares. Bonds amounting to USD 2 million were redeemed at par.

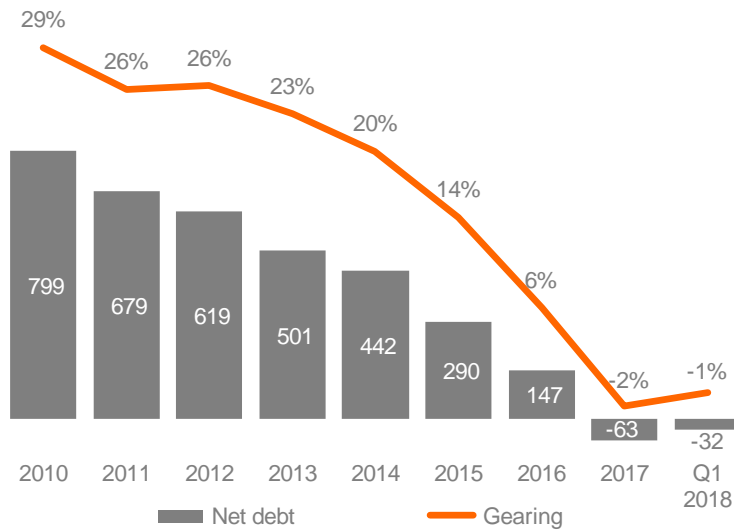
**Steep decline in financing costs thanks to a fully restructured balance sheet.
Convertible bonds 2020 converted into shares by mid October 2017.**

Aperam's performance

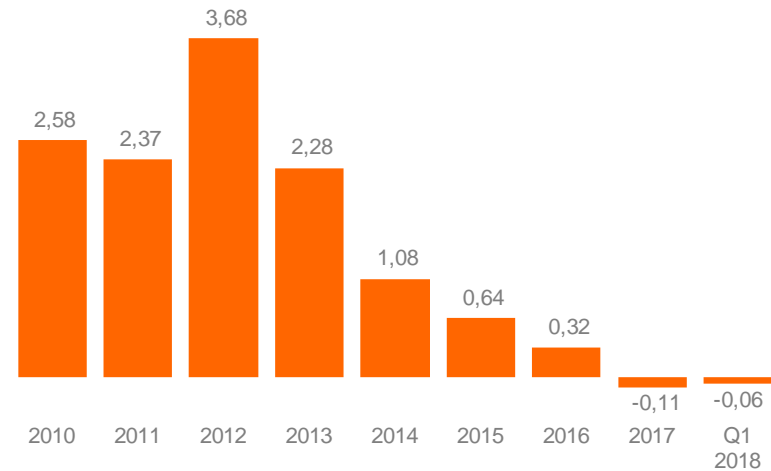
Solid and continuously improving balance sheet



Net debt and gearing evolution
(EUR million)



Aperam Net Debt / LTM Ebitda evolution, x



A net cash company with sustainable and resilient cash flow generation

Aperam's value strategy:

A customer driven
company focused on its
self-help story

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	EUR 150m

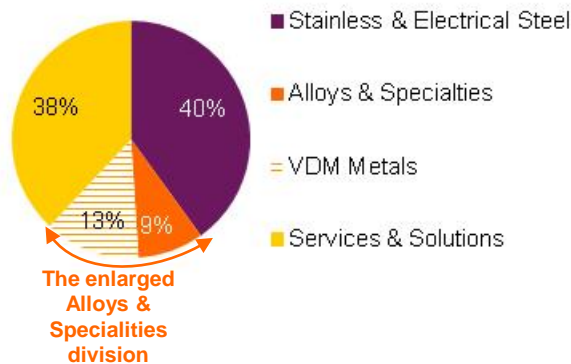
Transform the company to achieve the next structural profitability improvement through its new strategic phase, the Transformation Program

Aperam's value strategy

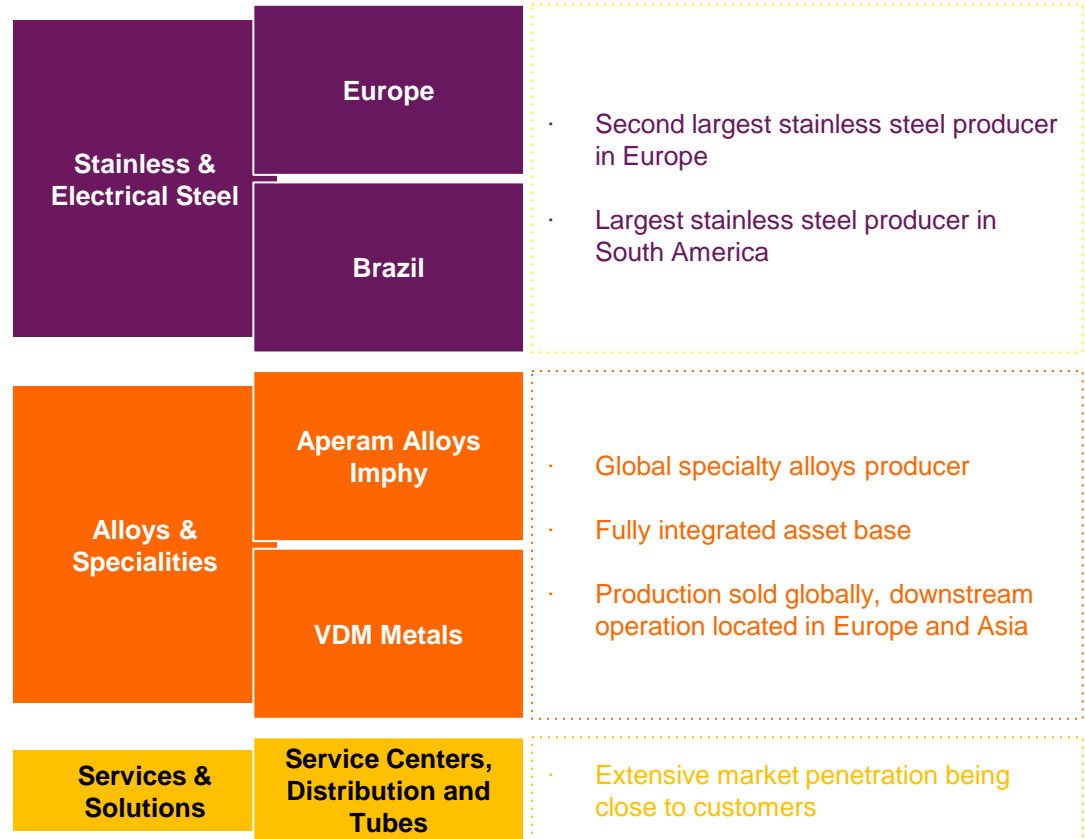
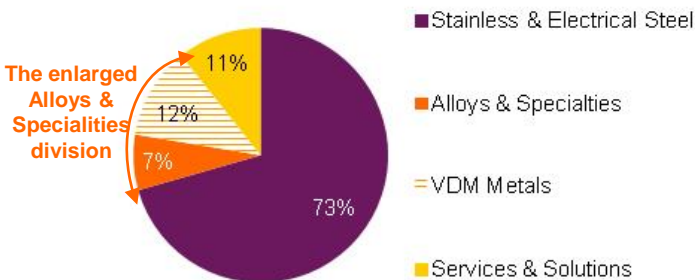
Reinforcing our industry-leading asset portfolio



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

VDM Metals: a transformative acquisition

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 is €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 & Specialities 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

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

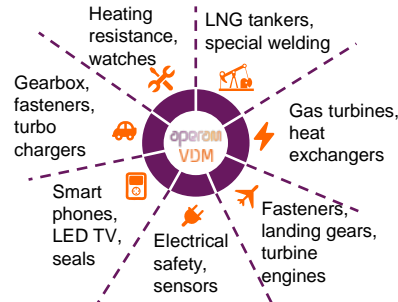
Key R&D figures (based on FY17)

	aperam	VDM	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

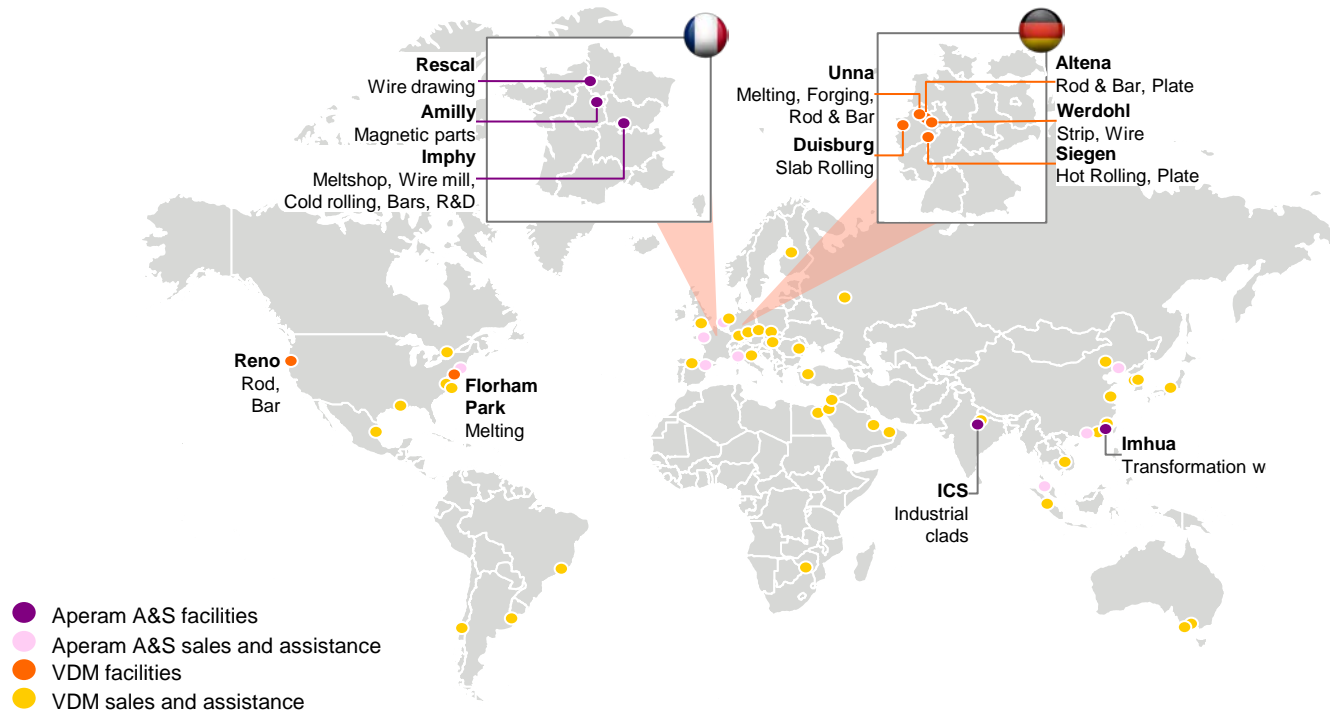


...providing growth opportunities and margin stability

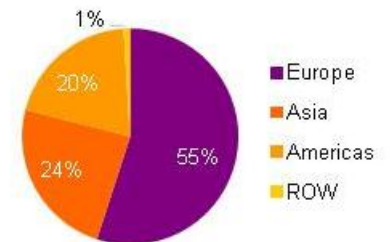
A select suite of customers in advanced industries requesting tailored, certified and highly sophisticated solutions

Aperam's value strategy

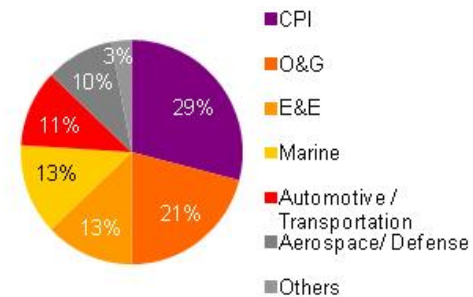
A global specialty alloys producer



Sales by region (FY17 PF¹)



Sales by end-market (FY17 PF¹)



Well-invested complementary industrial footprint enhanced by value-added downstream operations

Multiple optimisation opportunities and broad value chain improvement

Technical expertise and global sales force with regional specialists for customer support

Potential to enhance presence in developing countries

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

Investment project



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 Line.
- 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.
- An investment of about EUR 100 million, completion expected by early 2020

Investment project to further transform Aperam's footprint

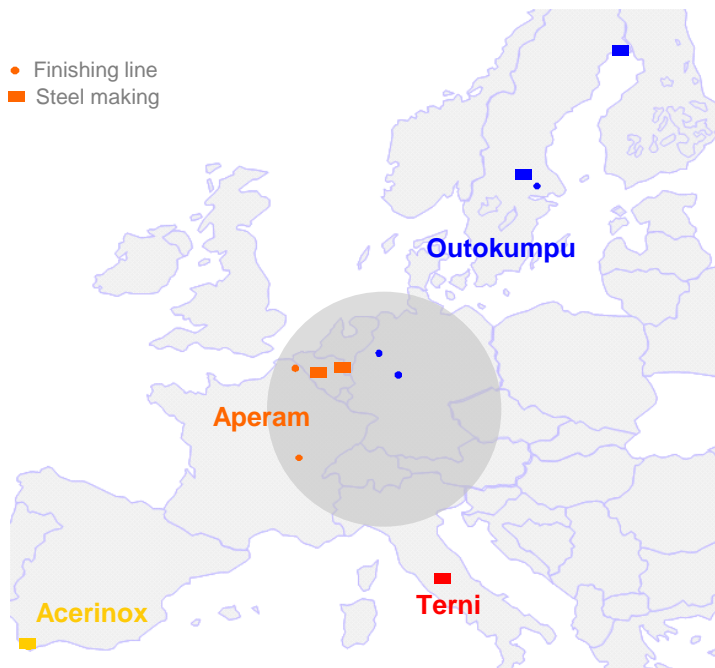
2018 CAPEX spend remains within earlier global guidance range between EUR 185 million to EUR 200 million

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 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

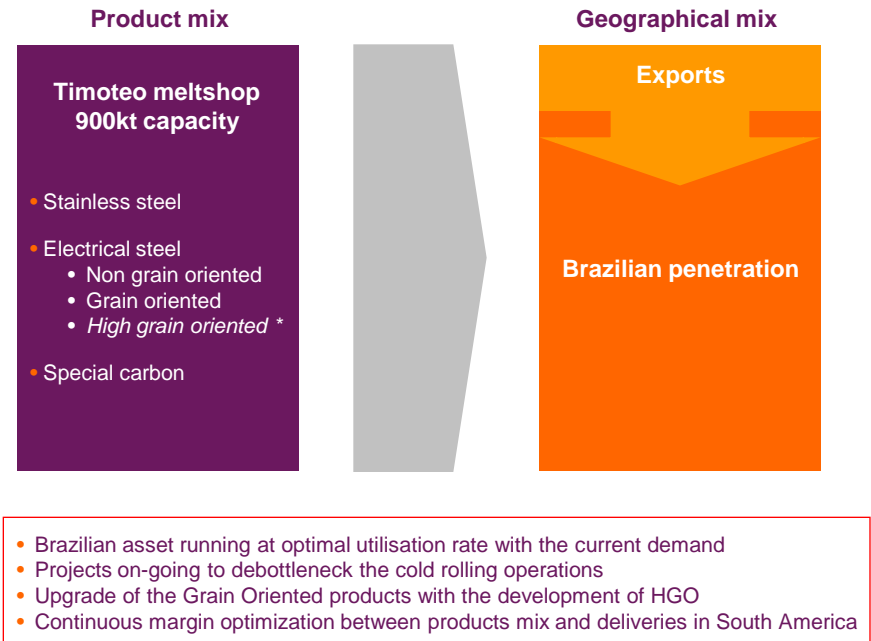
Active mitigation of the Brazilian economic situation



Key pillars of the mitigation plan in Brazil



Aperam's assets optimisation in South America



The mitigation plan has enabled to largely offset the negative impacts of the economic trough since 2015 with continued solid double digit EBITDA margin (much higher than most of USA players)

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

Aperam's value strategy

Aperam preserves its financial policy and strong credit profile while maximising the long-term growth and value accretion for shareholders



	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 reaffirmed at EUR 185 - 200 million
Value accretive growth & M&A	Compelling growth and M&A opportunities with high hurdle rate	VDM Purchase Price EUR 438 million
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

Aperam captures value accretive opportunities while continuing a solid financial policy with a strong balance sheet and while maintaining a total payout to shareholders between 50% to 100% of EPS

BofAML Global Metals, Mining & Steel Conference



Q&A

Brazilian protections against unfair market behaviour

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. 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	✓ 14% of Import duties Stainless Steel welded tubes.	✓ AD duties starting July 29 th , 2013 for 5 years and up to 911USD/t. Countries involved are China and Taiwan.
Electrical steel – Non Grain Oriented	✓ 14% of Import duties on NGO.	✓ AD duties imposed for NGO on July 17 th 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	✓ Normal import duties are also 14%	

Tariff measures to support fair market environment in Brazil

European Union measures since 2014

Anti-dumping development in Europe

- 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 announced that they 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

- The European Commission on 26 March 2018 initiated a safeguard investigation on imports of steel products into the EU from all origins. It will in principle be concluded within 9 months; should provisional measures prove necessary, they can be adopted at short notice

“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 reinvestigation shows the European will to fight against unfair trade behaviour