

UBS European conference

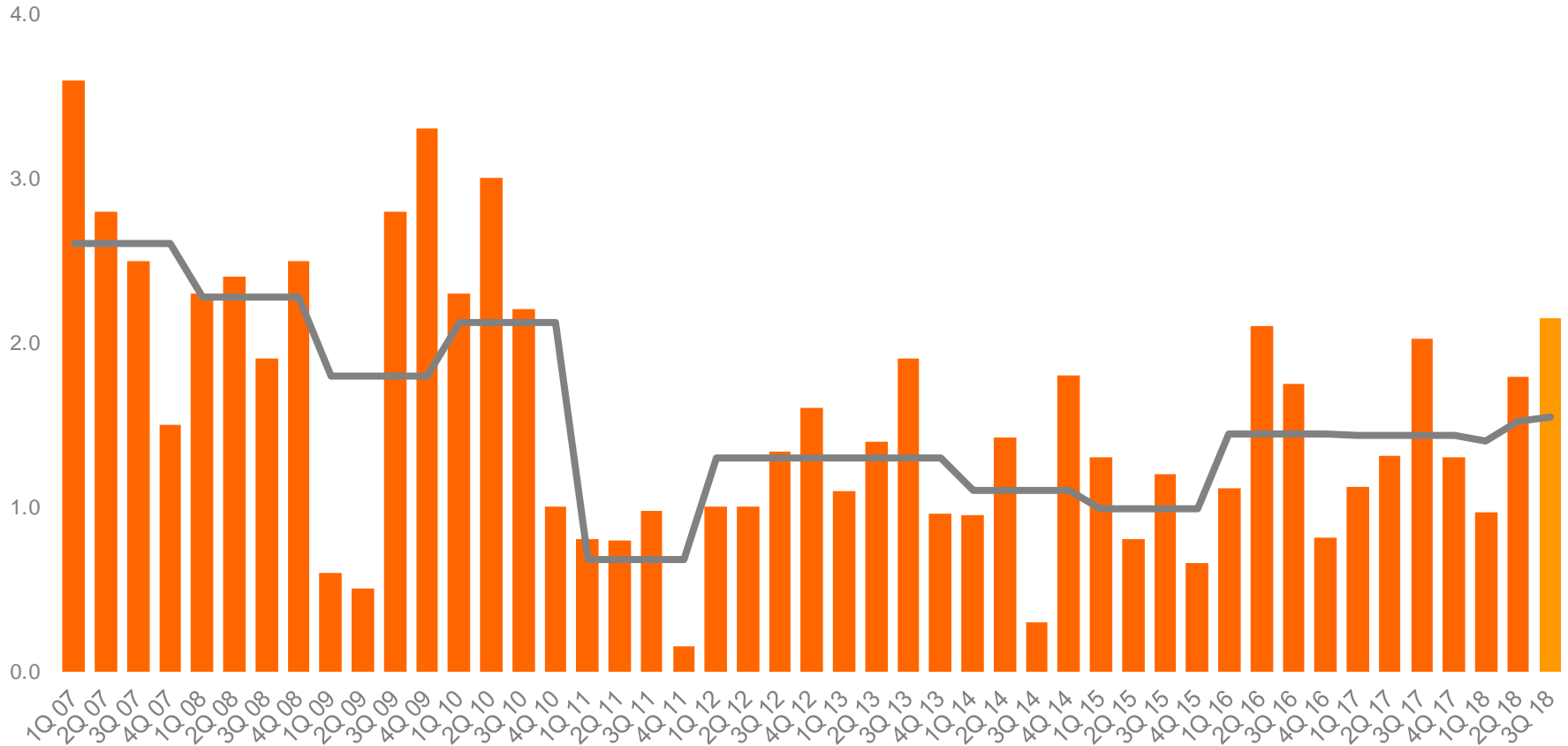
November 13th, 2018

aperam

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.

Health & Safety Performance



Health & Safety frequency rate of 2.1x in Q3 2018

Q3 2018 Highlights

Strong operational results despite challenging conditions



Best ever Q3 EBITDA and a substantial EPS increase yoy



Continued Leadership journey gains at annualized EUR 30 m



Brazil market continues to improve steadily



Stable operating cash flow despite higher working capital



Solid EUR166 m cash return to shareholders YTD via dividends and share buyback



Ineffective and late EU safeguards delay easing of import pressure



Sliding raw material prices amplify the inventory cycle

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

Third quarter 2018



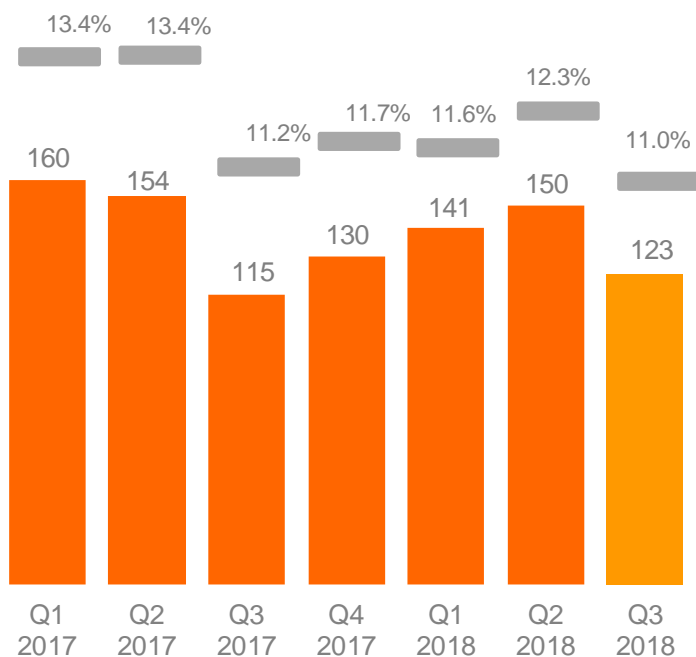
Financial results

Financial results

Profitability improvement continued yoy with record Q3 EBITDA

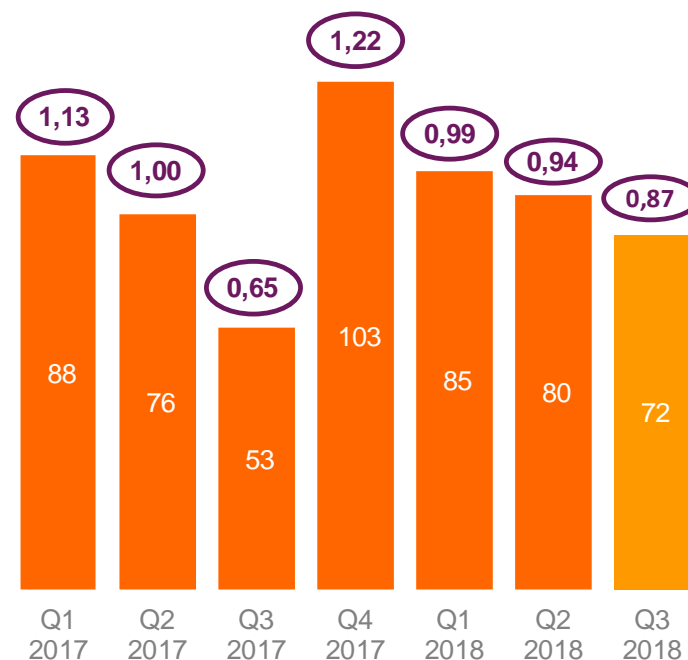


Highest ever Q3 adj. EBITDA in 2018 ^[1]



■ Total Adj. EBITDA (m€) ■ Adj. EBITDA as % of Sales

Strong net income improvement yoy



■ Net result (m€) (X) Basic EPS (EUR)

Solid operating performance and net result

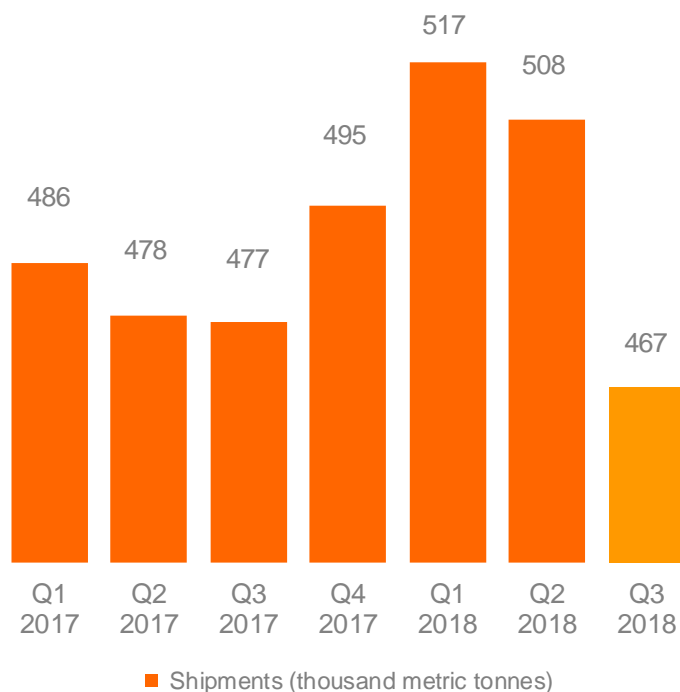
^[1] Adjusted EBITDA excludes EUR 8 million one-off charge mainly related to indirect taxes amnesty settlements in Brazil in Q3 2017

Financial results

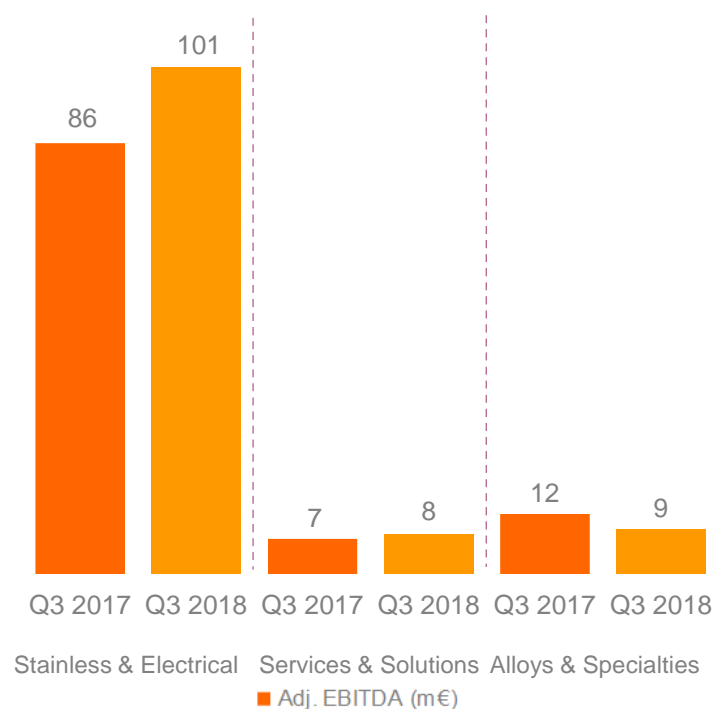
Solid third quarter operating performance



Lower shipments due import pressure in Europe



Robust divisional performances despite challenging market conditions



Adj EBITDA of 263 EUR/t in Q3 2018, +22 EUR/t yoy

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

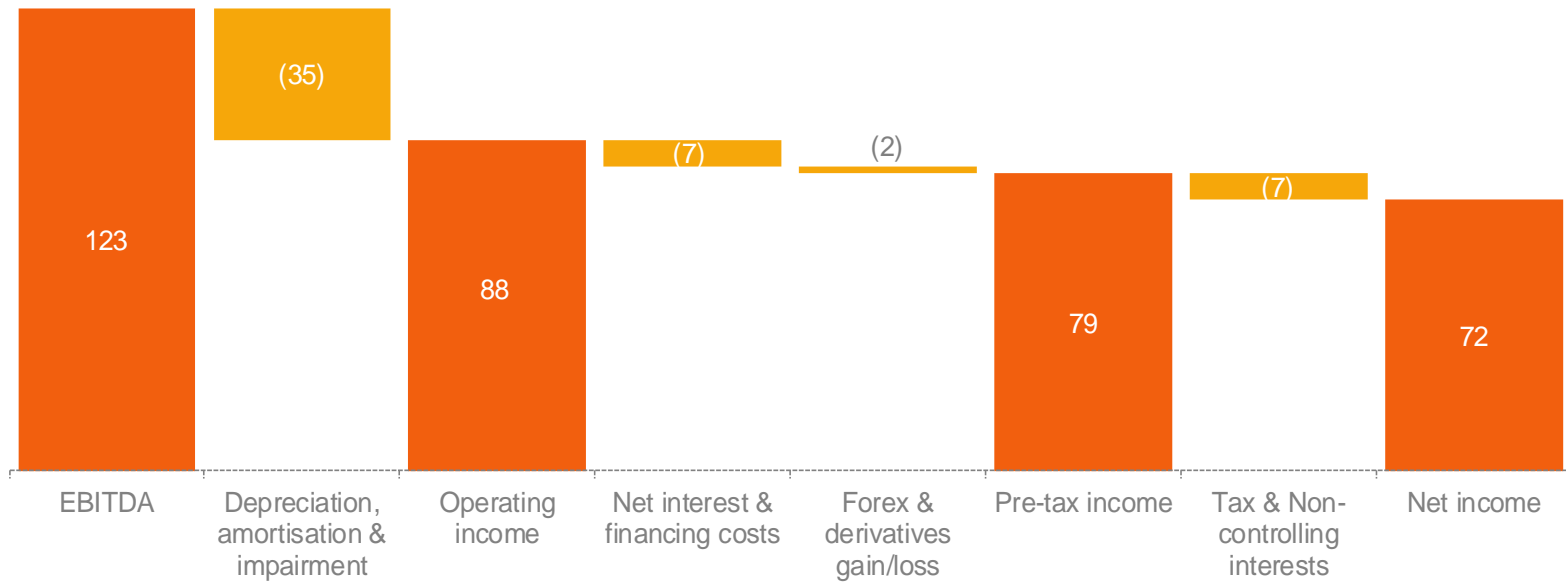
^[2] Adjusted EBITDA excludes EUR 8 million one-off charge mainly related to indirect taxes amnesty settlements in Brazil in Q3 2017

Financial results

Third quarter P&L highlights



Adjusted EBITDA to net income bridge (EUR million)



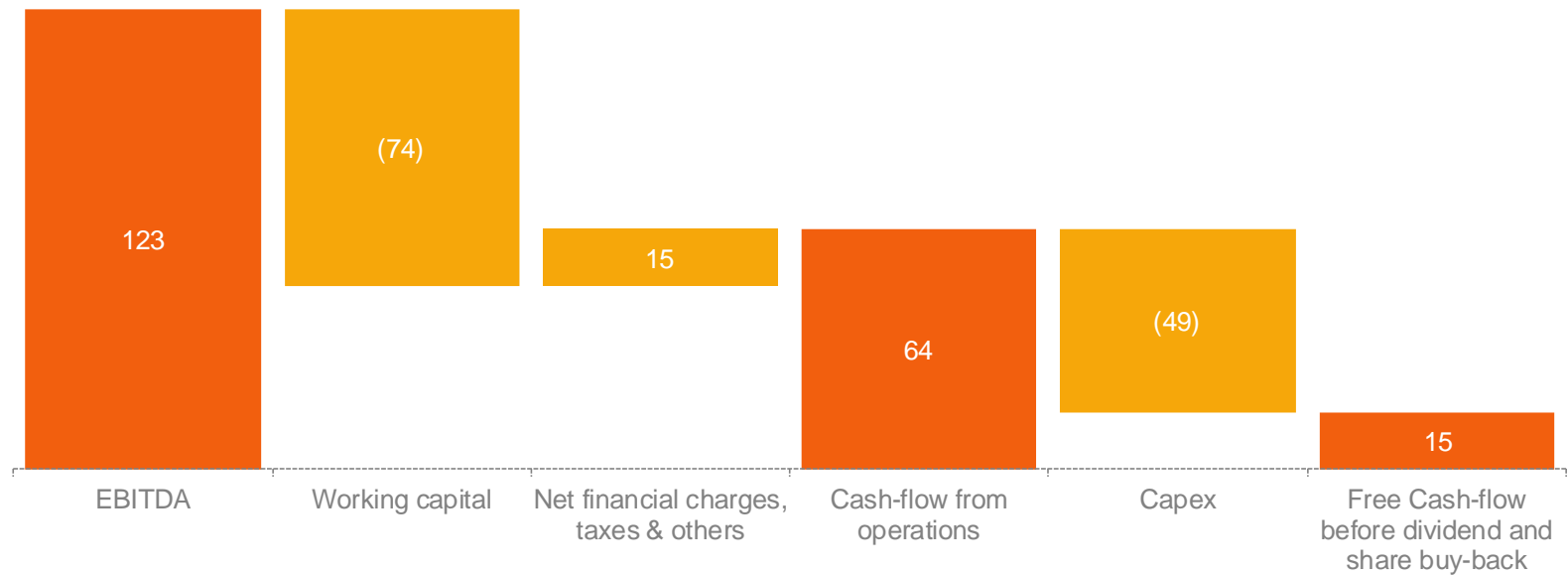
Net income of EUR 72 million with basic EPS of EUR 0.87

Financial results

Third quarter cash flow highlights



Free cash flow (EUR million)



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

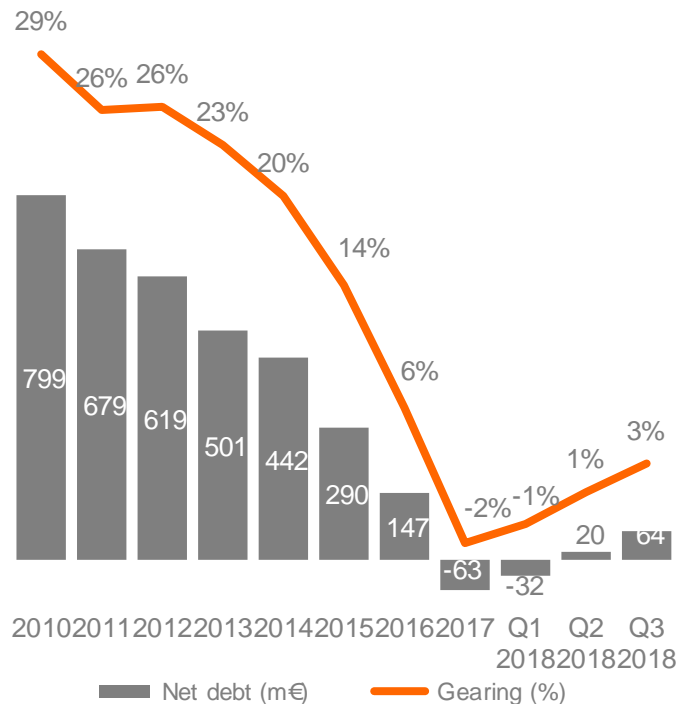
* 2018 cash utilization is indicating yearly guidance for capex, announced dividend, executed volume of Share Buy Back and Convertible Bond 2021 repurchase until July 31, 2018

Financial results

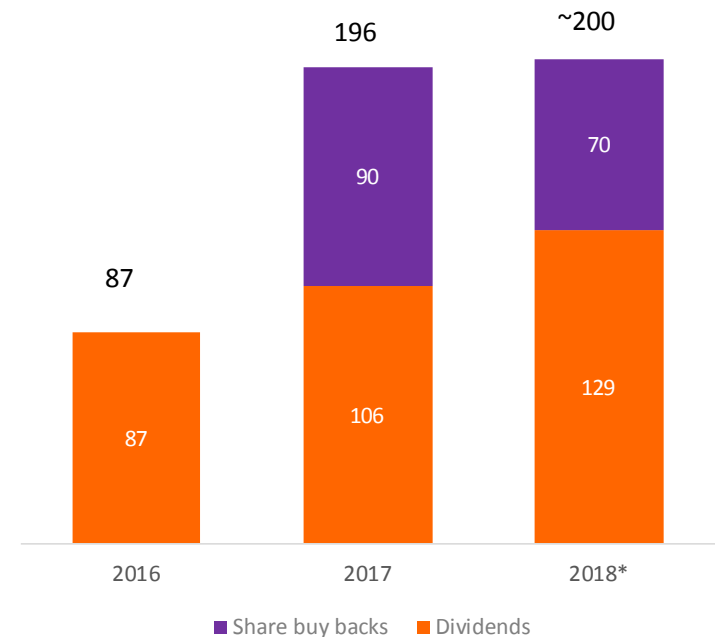
Net debt and financial ratios: Investment grade rating by both S&P and Moody's



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

Third quarter 2018



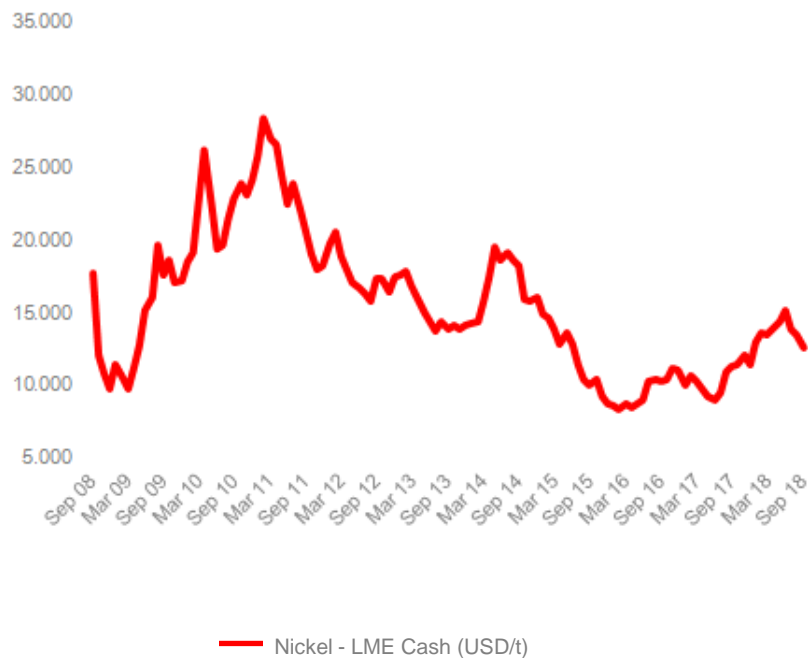
Environment and markets

Environment and markets

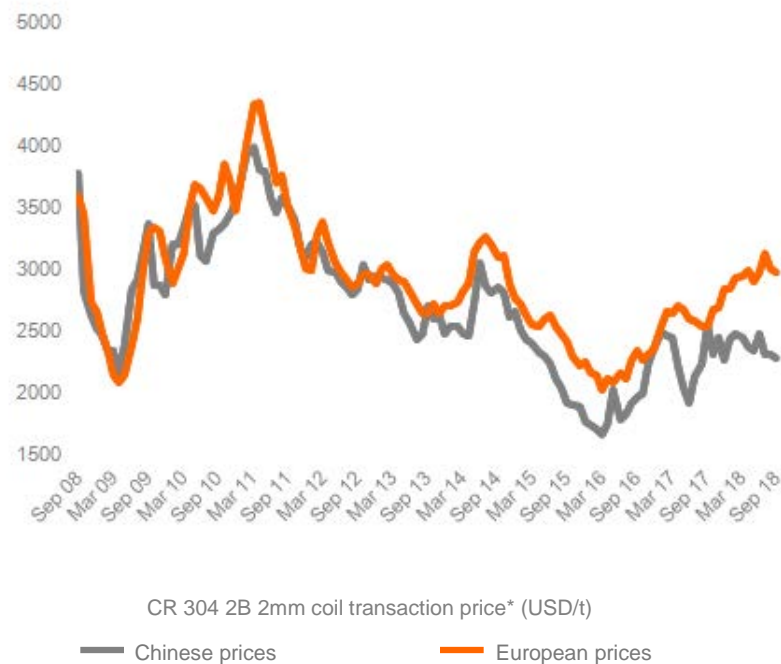
Stainless steel prices are under pressure from lower raw material cost and high imports



Lower nickel price promotes destocking



Still a substantial price gap between Europe and China



Lower raw materials, a high premium versus China and rising imports put pressure on base prices

European stainless steel Industry remains under tremendous pressure

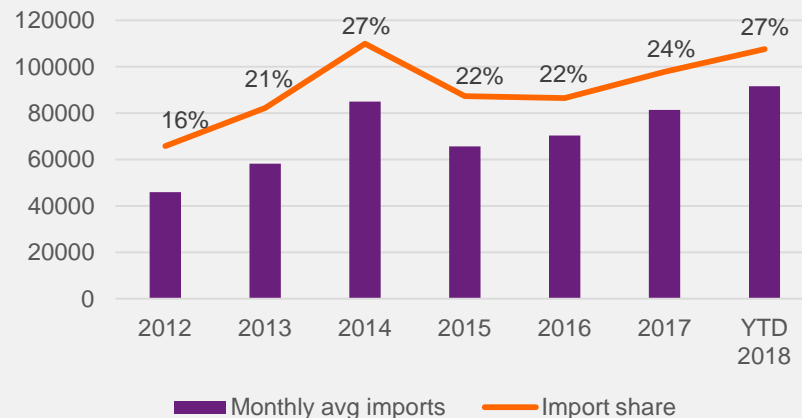


Record high imports leading to elevated inventories

Safeguard measures allowed import pressure to accelerate short-term:

- SSCR import share YTD 2018 at 26.9% of EU supply up from avg .22.6% 2015 - 2017
- Inventory along the value chain is at an elevated level
- Substantial price pressure prevails

EU SS CRC imports are back to historic peak



Situation requires swift action from the EU commission

Provisional safeguard measures have proven ineffective so far

European stainless steel industry profitability remains under pressure from imports during H2 2018

Definitive measures must be introduced promptly and address the unresolved issues

We expect definitive safeguard measures to be finalized promptly

Third quarter 2018



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

Q&A



Third quarter 2018



Appendix

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)**

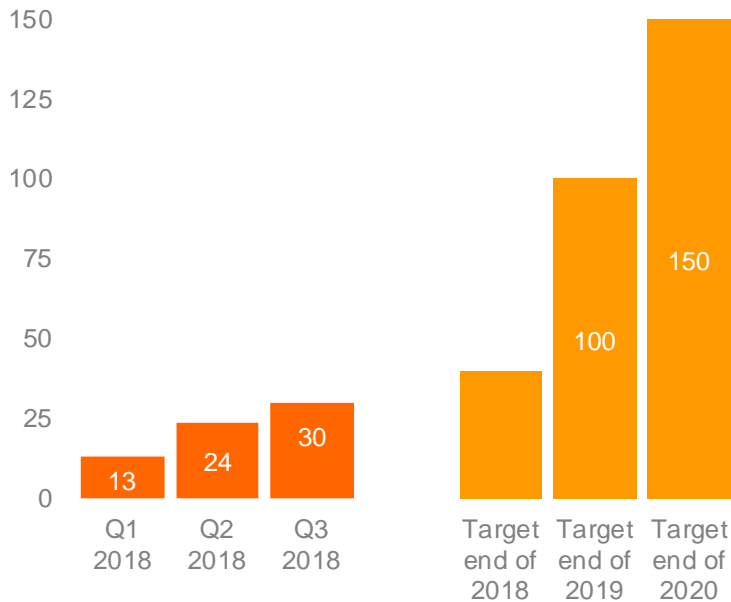
**Solid cash generation with strong shareholders' return.
Sensible M&A, new projects and self help to further improve Aperam's productivity and profitability**

Aperam's value strategy

Being a sustainably safe and profitable company



Annualized EBITDA cumulated gains (EUR million)



EUR 150 million of annualized gains by the end of 2020
EUR 30 million reached by end of Q3 2018

Key pillars of the Phase 3 Transformation Program

New technologies

Accelerate productivity gains by applying latest technology and breakthrough in automation with development of robotics, sensors and integrated production lines

Innovation

Development of new applications and solutions.

Leaner

Realize full potential of digitized, connected and collaborative organization
Promote data acquisition technology along the production route

Value added services

Stainless steel one stop shop for services, supply chain transformation, e.g. Haan steel service center (Germany)

EUR 150 million of capex over 2017-2019
Capex spent until Q3'18 €46 m

Transformation Program remains on track with good progress on all pillars

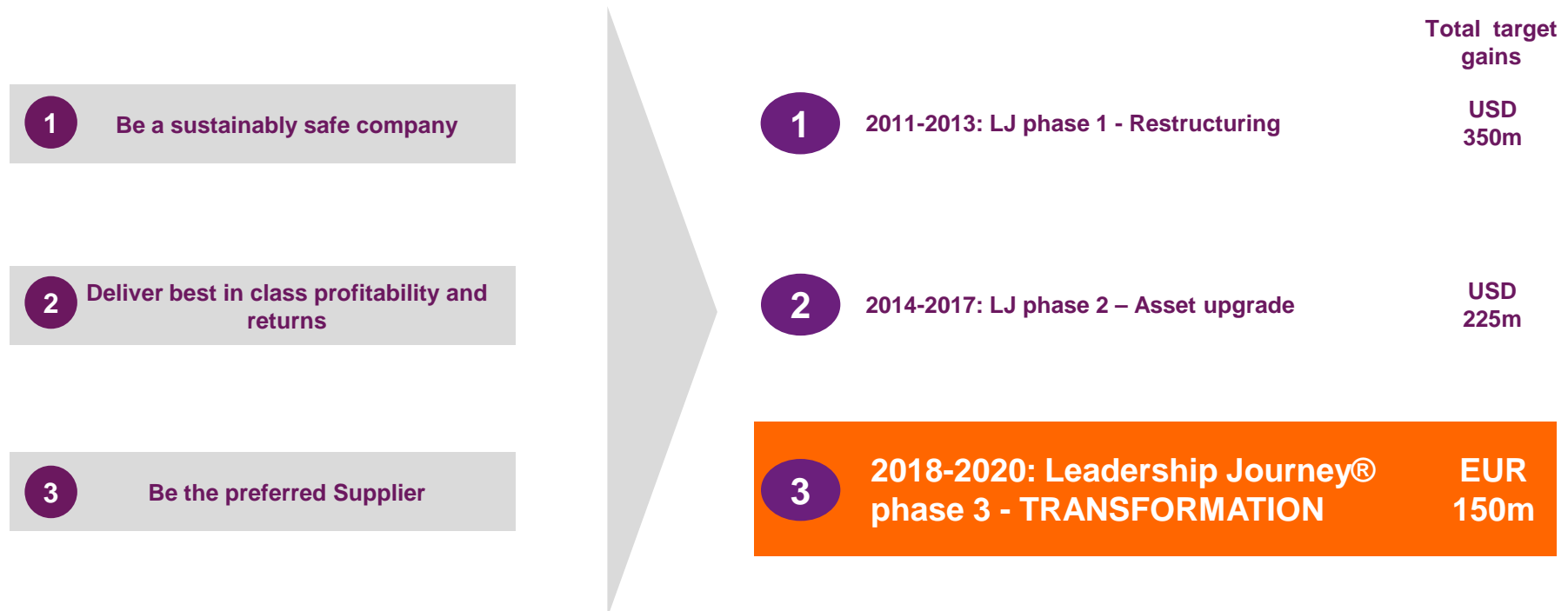
Aperam's value strategy

Leadership Journey continues to strengthen efficiency



Aperam Mission

Aperam continuously reinforced Leadership Journey®



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)

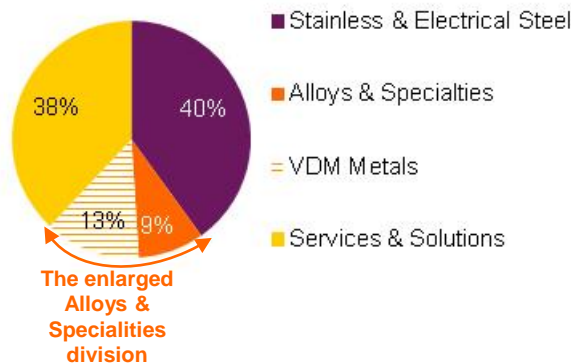
Aperam captures value accretive opportunities while continuing a solid financial policy with a strong balance sheet and attractive total payouts to shareholders between 50% to 100%

Aperam's value strategy

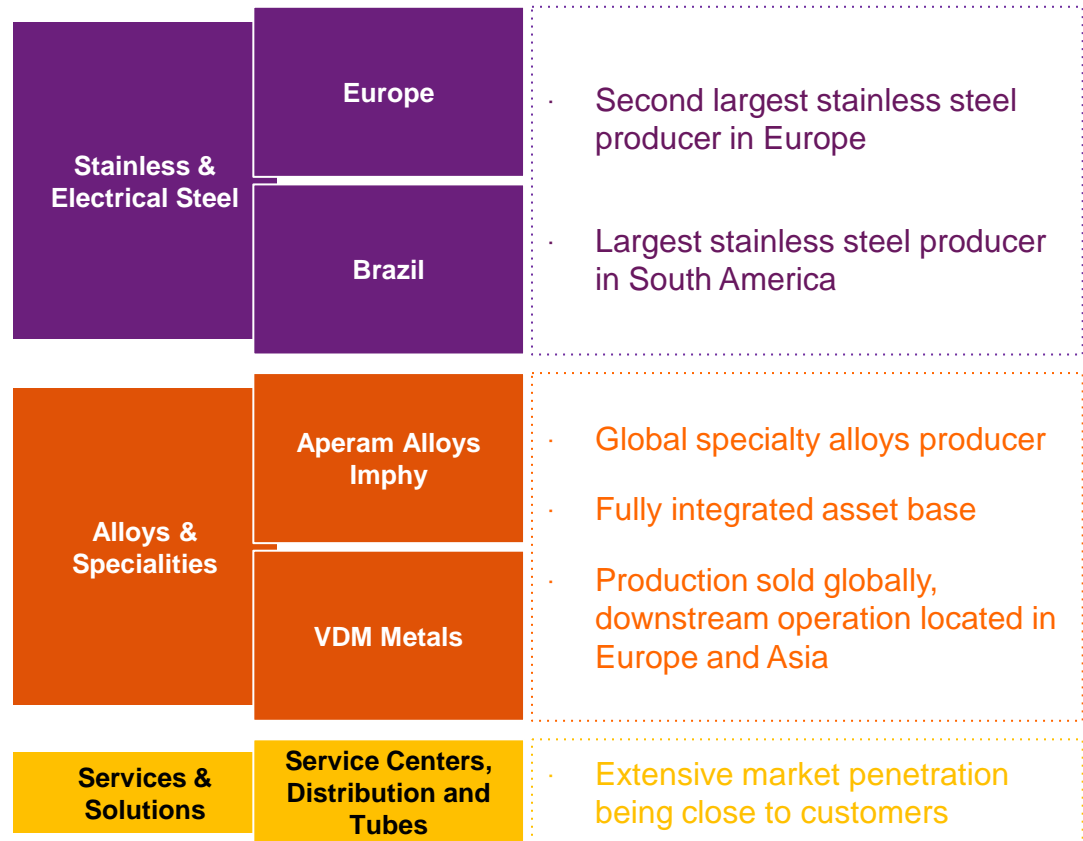
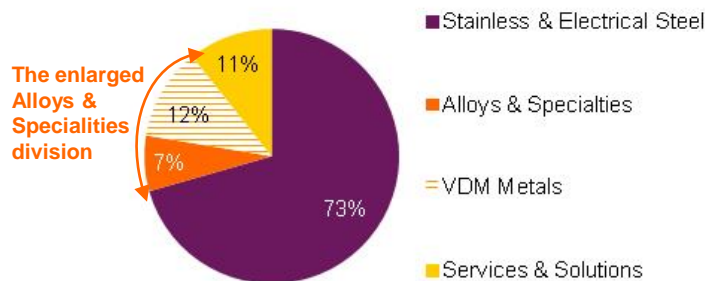
Reinforcing our industry-leading asset portfolio



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

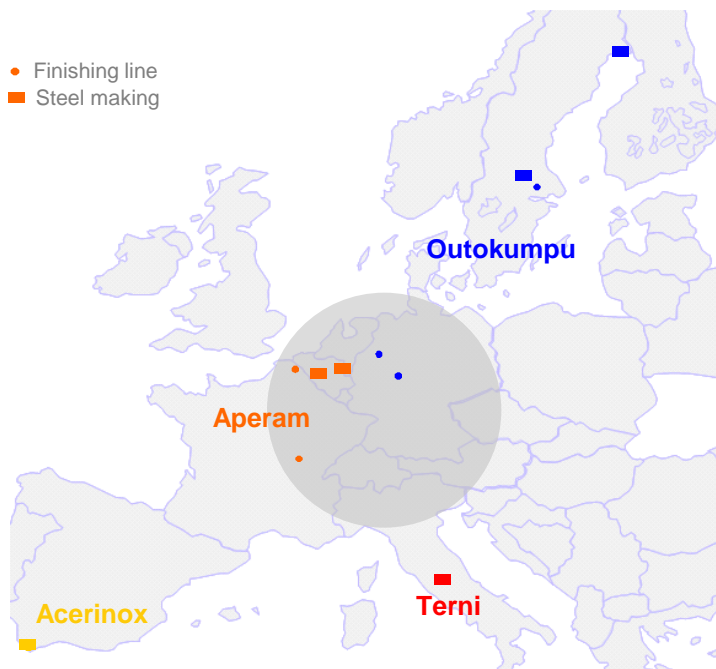
2018 CAPEX spend confirmed within guidance of EUR 185 - 200m

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

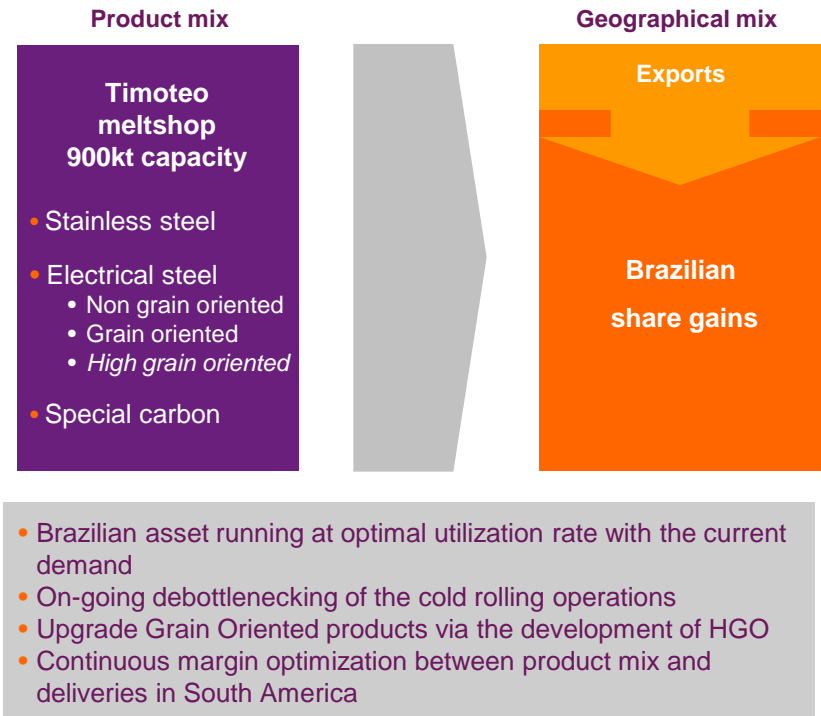
Flexibility and Agility to manage profitable operations in Brazil



Key pillars



Aperam's assets optimisation 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

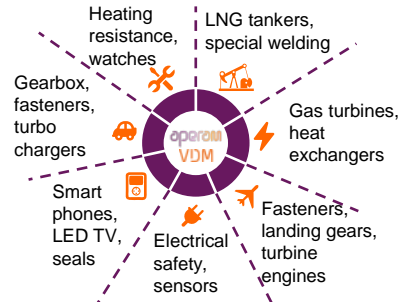
Key R&D figures (based on FY17)

	aperam	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

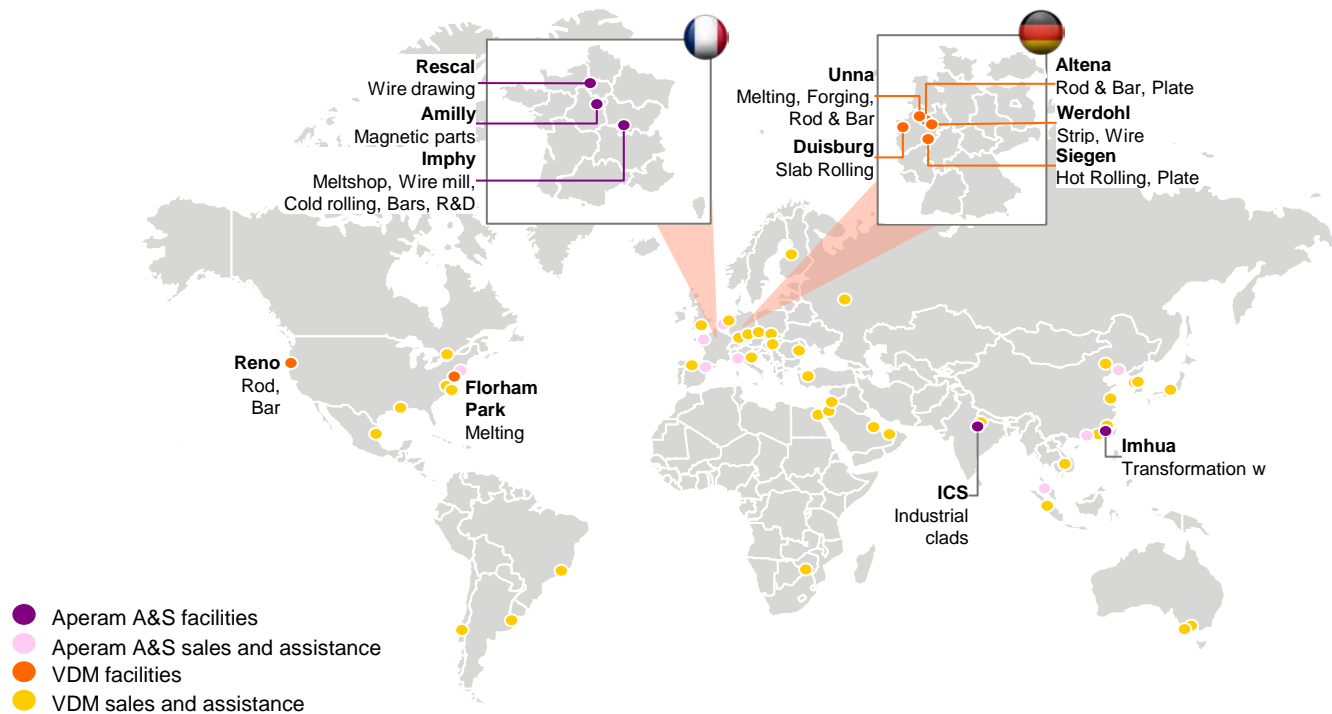


...providing growth opportunities and margin stability

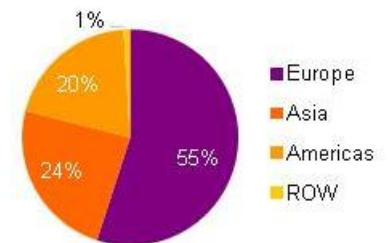
Benchmark customers in advanced industries drive tailored, certified and highly sophisticated solutions

Aperam's value strategy

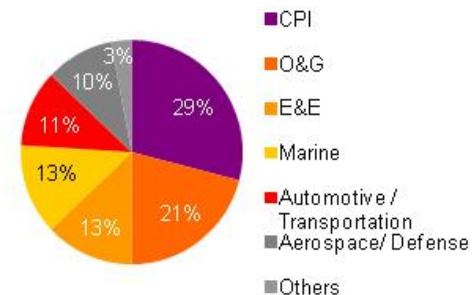
A global specialty alloys producer



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



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 & 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

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

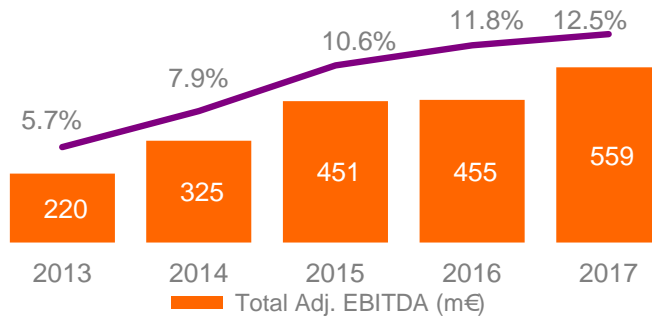
Aperam's performance

Aperam's performance

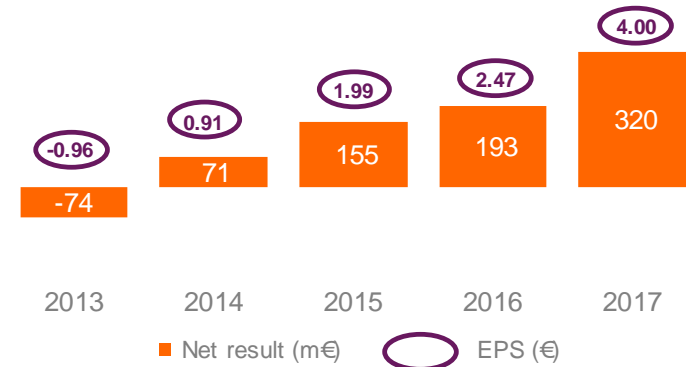
Aperam has a convincing performance track record



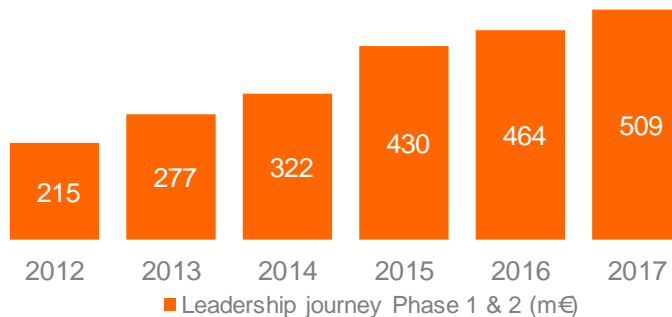
Visible improvement in the operating performance



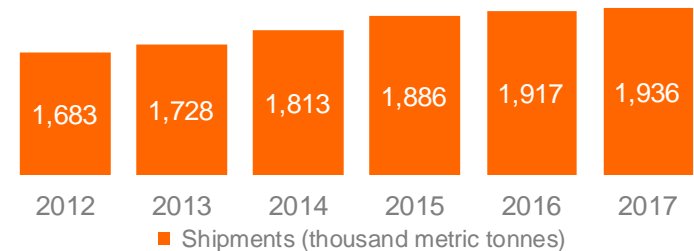
From net loss to fast growing net income since 2013



Over EUR500m cost improvement since the carve out



Stable volume growth +15% since 2012



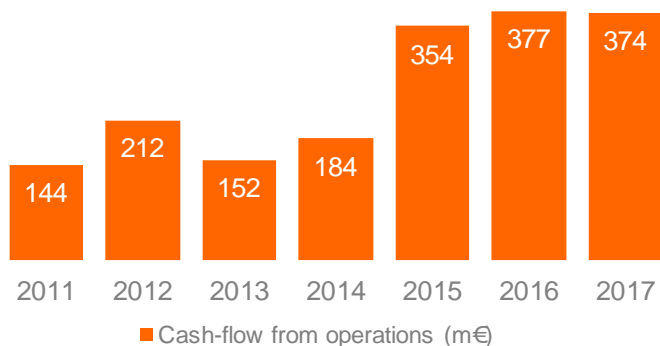
Agility and Flexibility make Aperam the most profitable and cash generative stainless company

Aperam's performance

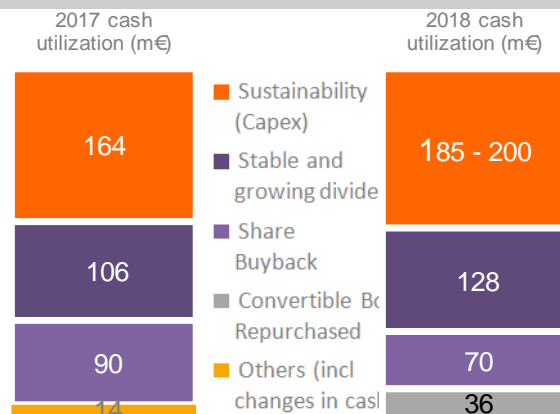
High & stable free cash flow enabled investment grade rating



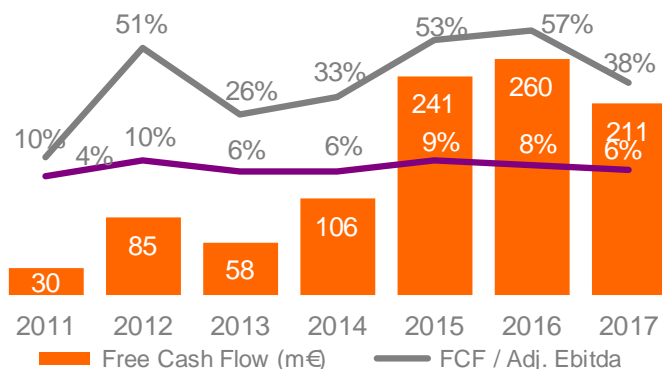
Consistent operating cash flow through the cycle



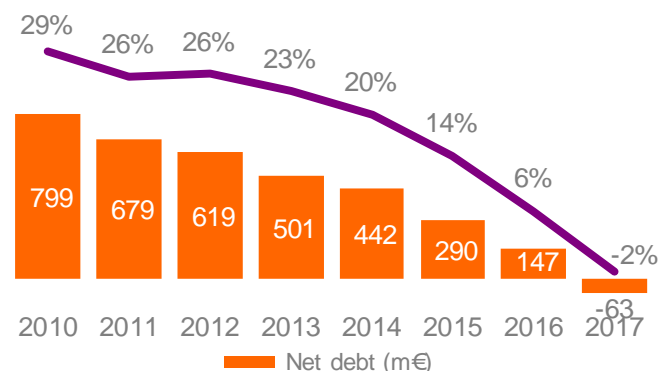
High cash return to shareholders despite re-investments



Solid average 7% free cash flow yield



Debt free balance sheet supports portfolio improvements



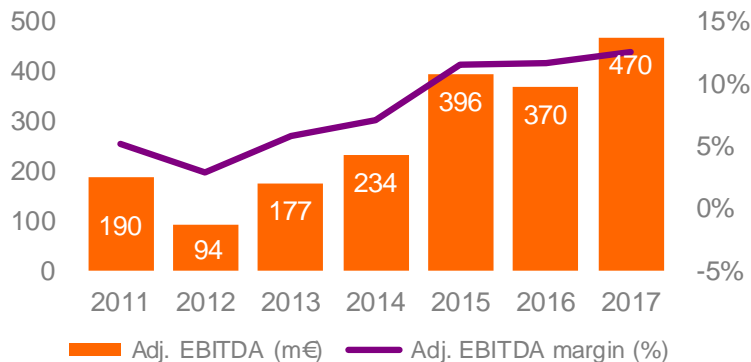
Consistent cash generation through the cycle. Euro 196 million returned to shareholders in 2017

Aperam's performance

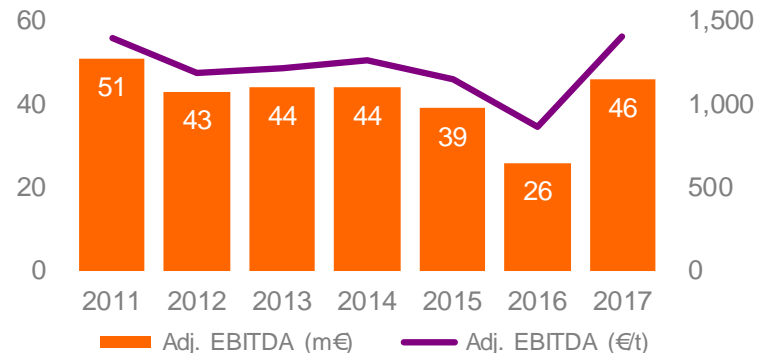
Operational performance by division



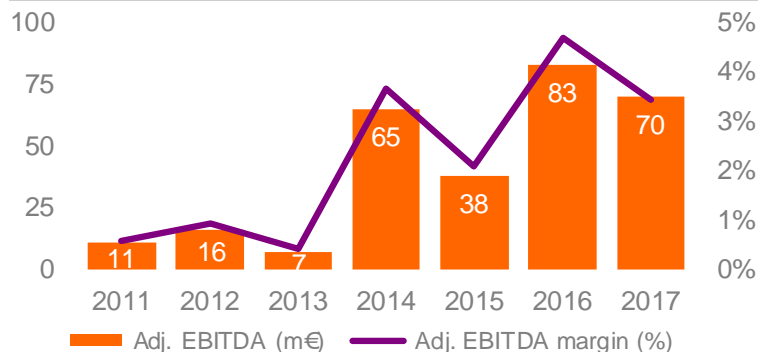
Stainless and Electrical Steel Division:
robust profitability capitalizing on early restructuring



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



Services & Solutions: profitable performance despite high imports' pressure



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

* Full time equivalent excluding Bioenergia

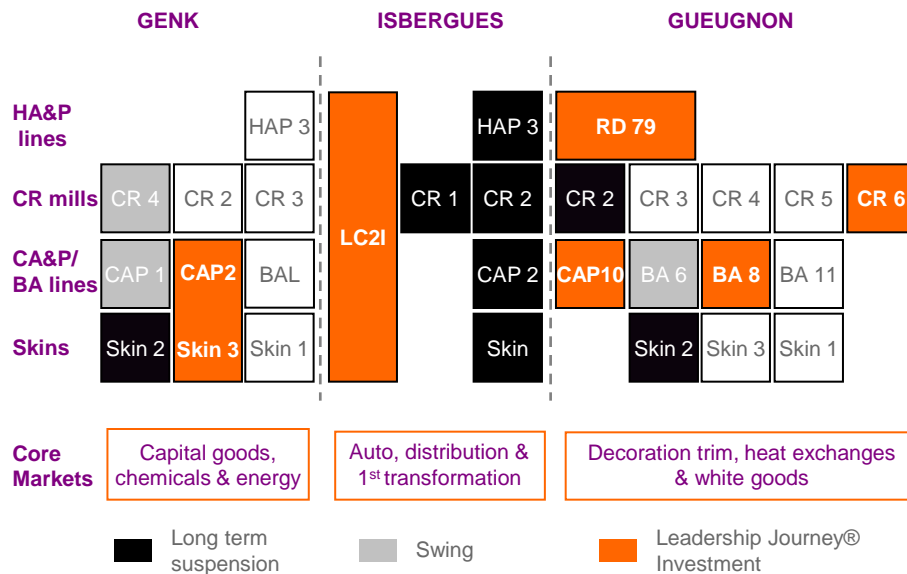
** Quarterly average

Aperam's performance

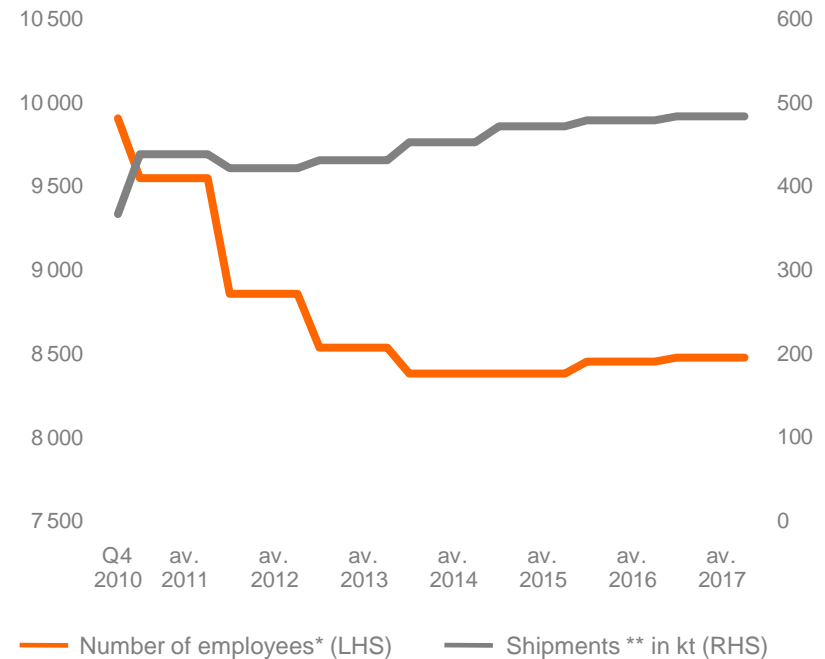
Stainless & Electrical Steel Europe: Streamlined footprint and enhanced productivity



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

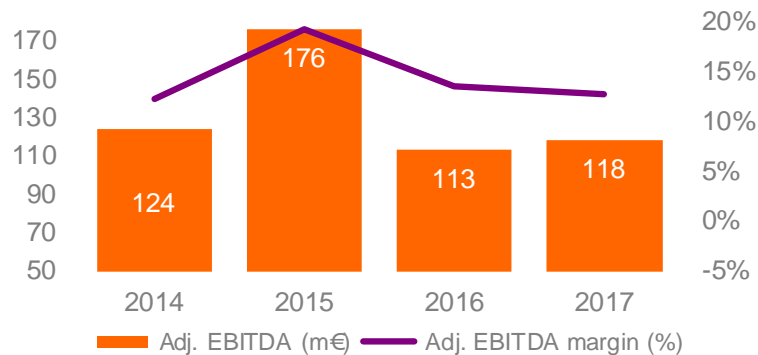
** Quarterly average

Aperam's performance

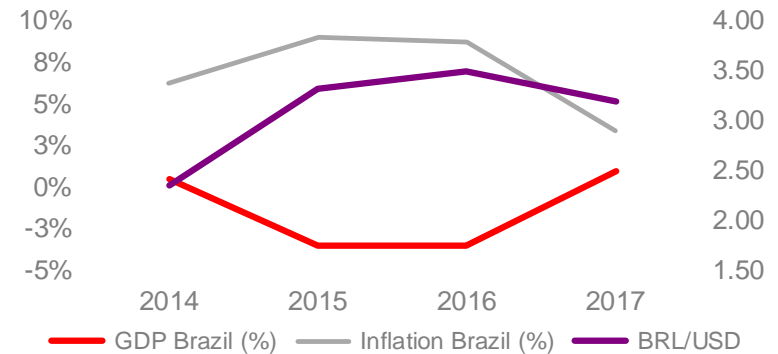
S&E Steel South America: strong recovery potential



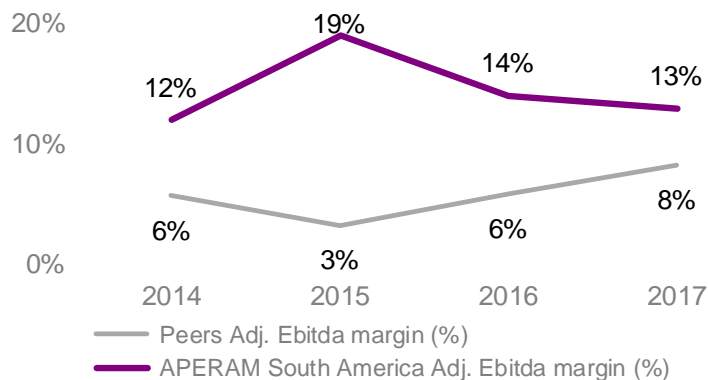
Continued solid margins despite economic slowdown



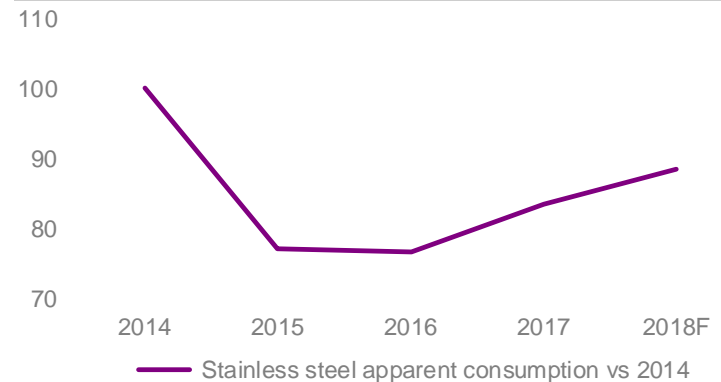
Brazil economy recovers, weak FX improves competitiveness*



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.

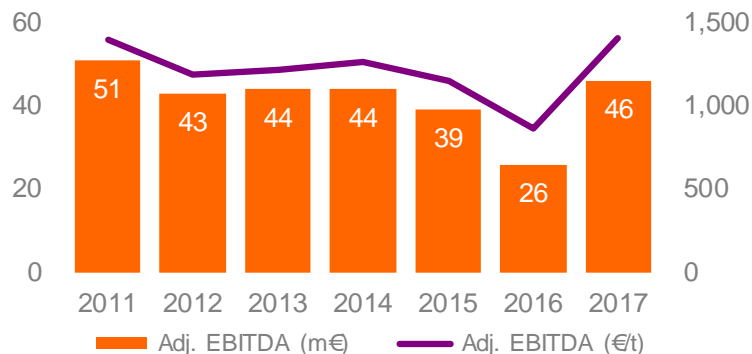
*Source: GDP and inflation: IMF **Peers being average of Outokumpu and Acerinox (total)

Aperam's performance

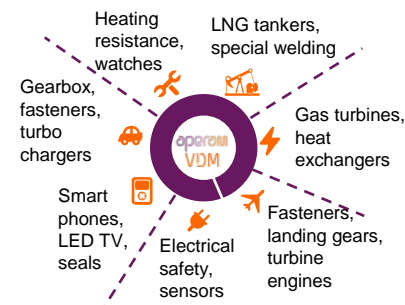
Alloys & Specialties: attractive market with high margins



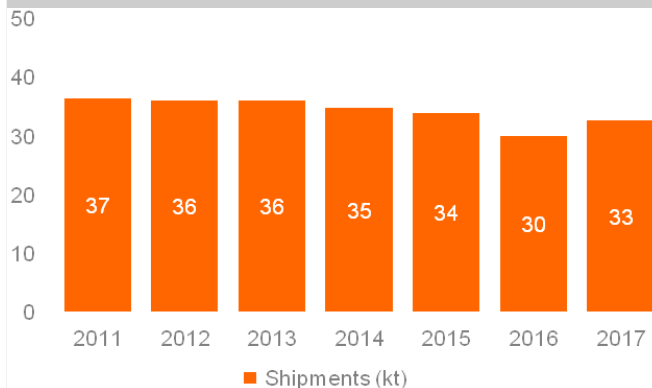
Alloys and Specialties profitable performance from high end products & end user orientation



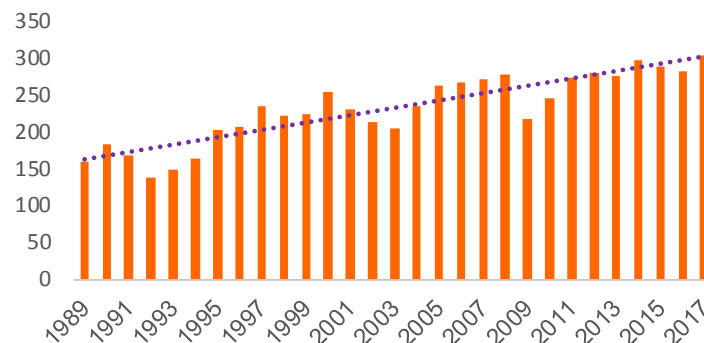
Strong R&D capability to serve higher growth end applications



Alloys & Specialties shipments evolution



Nickel Alloys a growing and premium niche market*



e: SMR

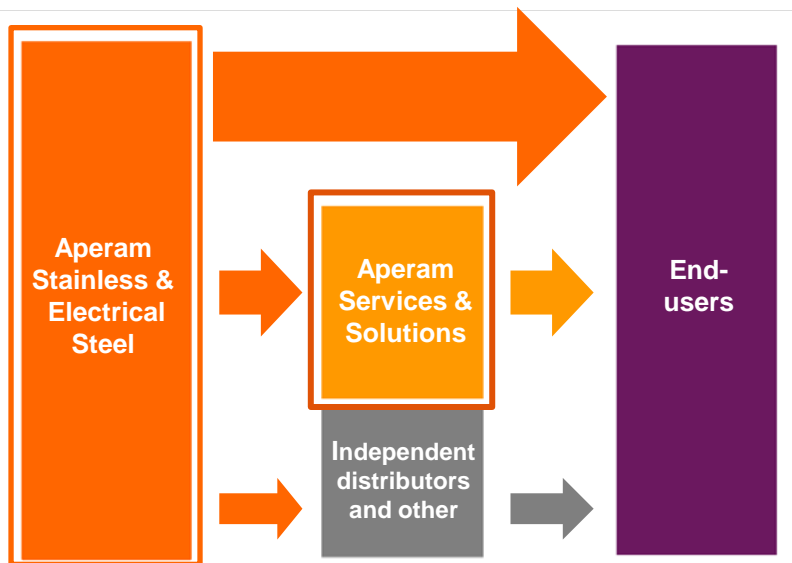
Aperam Alloys & Specialties, well-positioned in the global niche added value nickel alloys business

Aperam's performance

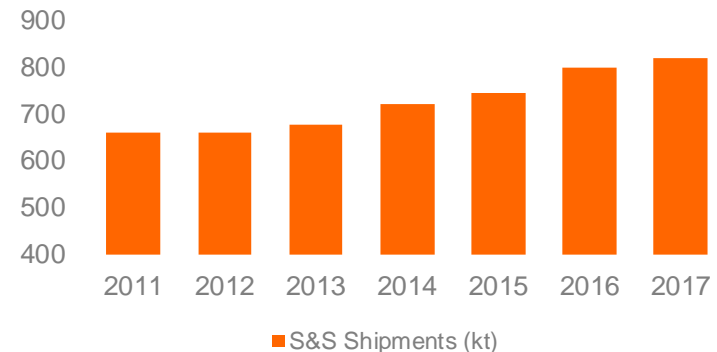
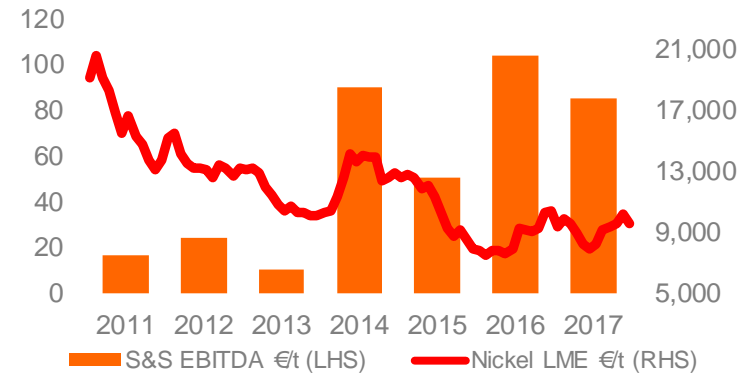
Services & Solutions: stronger partnership with customers enhances margins



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

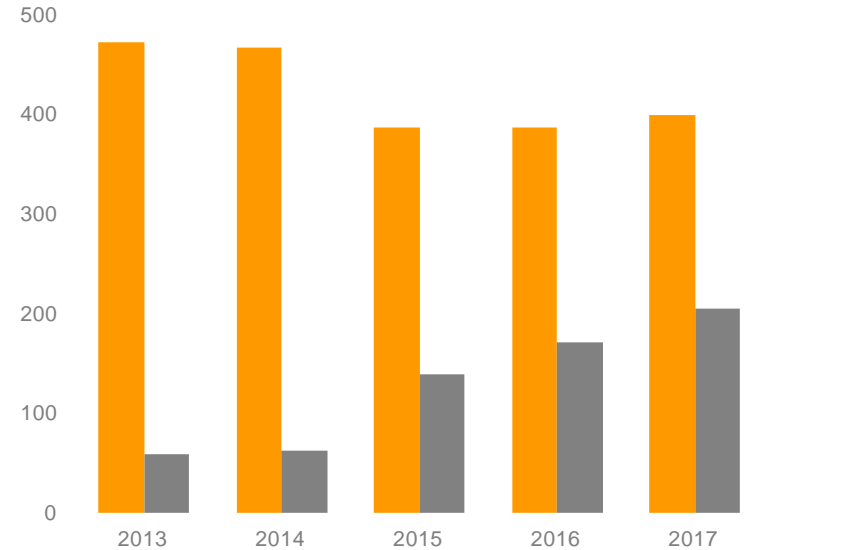
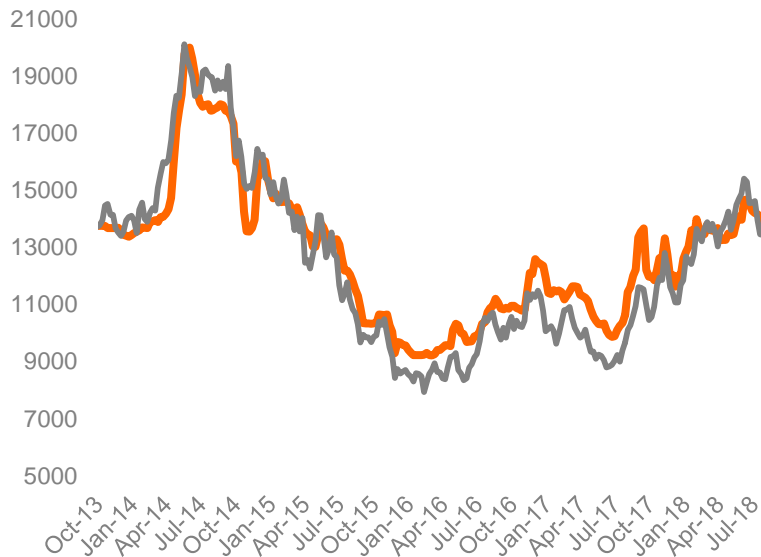


Increasing focus on downstream value added services and solutions

Environment and markets

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)

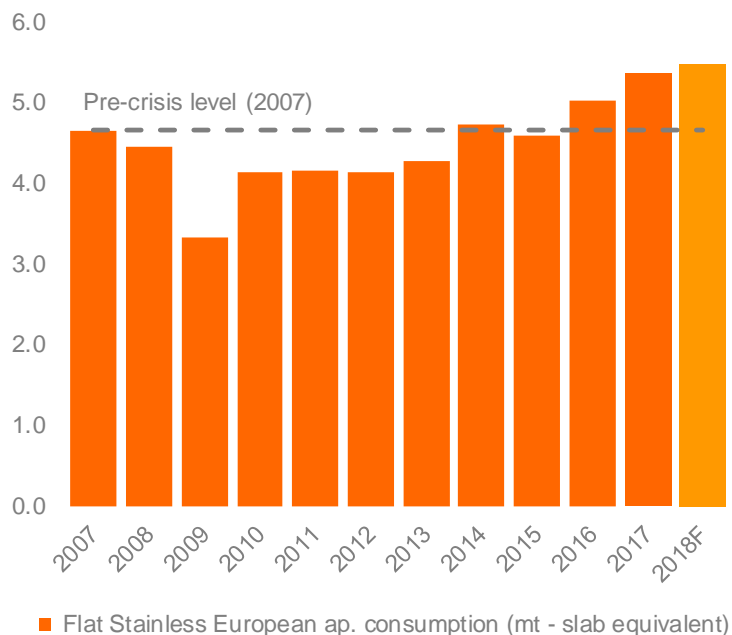
— LME Nickel price (USD/t)

■ Chinese NPI production (kt)

■ Ferronickel imports (Ni content - kt)

Lower Chinese NPI production increases Chinese production costs

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

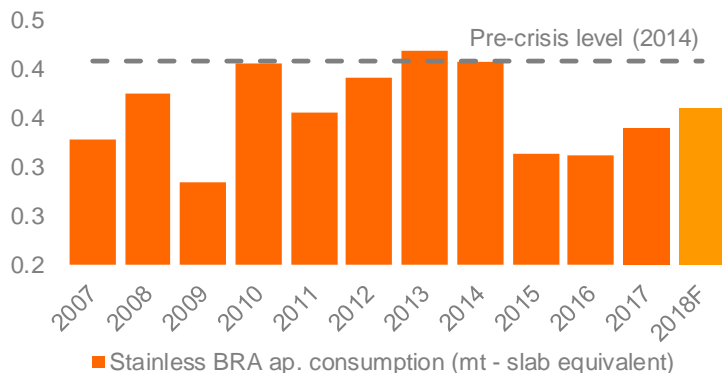


European stocks are at elevated levels

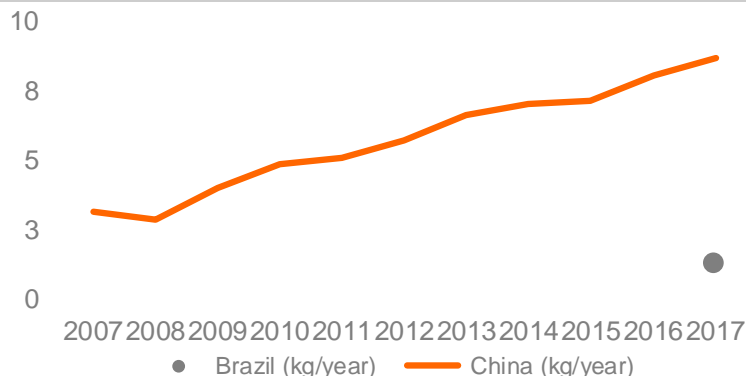


Slightly elevated inventories despite good demand

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

Type of products	Import duties status	Anti-dumping status
Stainless Steel Flat Products	✓ 14% import duties	<ul style="list-style-type: none"> ✓ AD duties starting October 4th, 2013 for 5 years ✓ Duties range 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. ✓ Renewal investigation launched on October 3, 2018. Existing duties remain in place until the review has been completed
Stainless Steel Welded Tubes	✓ 14% 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% 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	✓ 14% import duties on GO	

Tariff measures to support fair market environment in Brazil

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

Aperam's Leadership Team

