



Q2 2019 results

31 July 2019

apera

The sustainable top yielding company in Euro Materials

Disclaimer



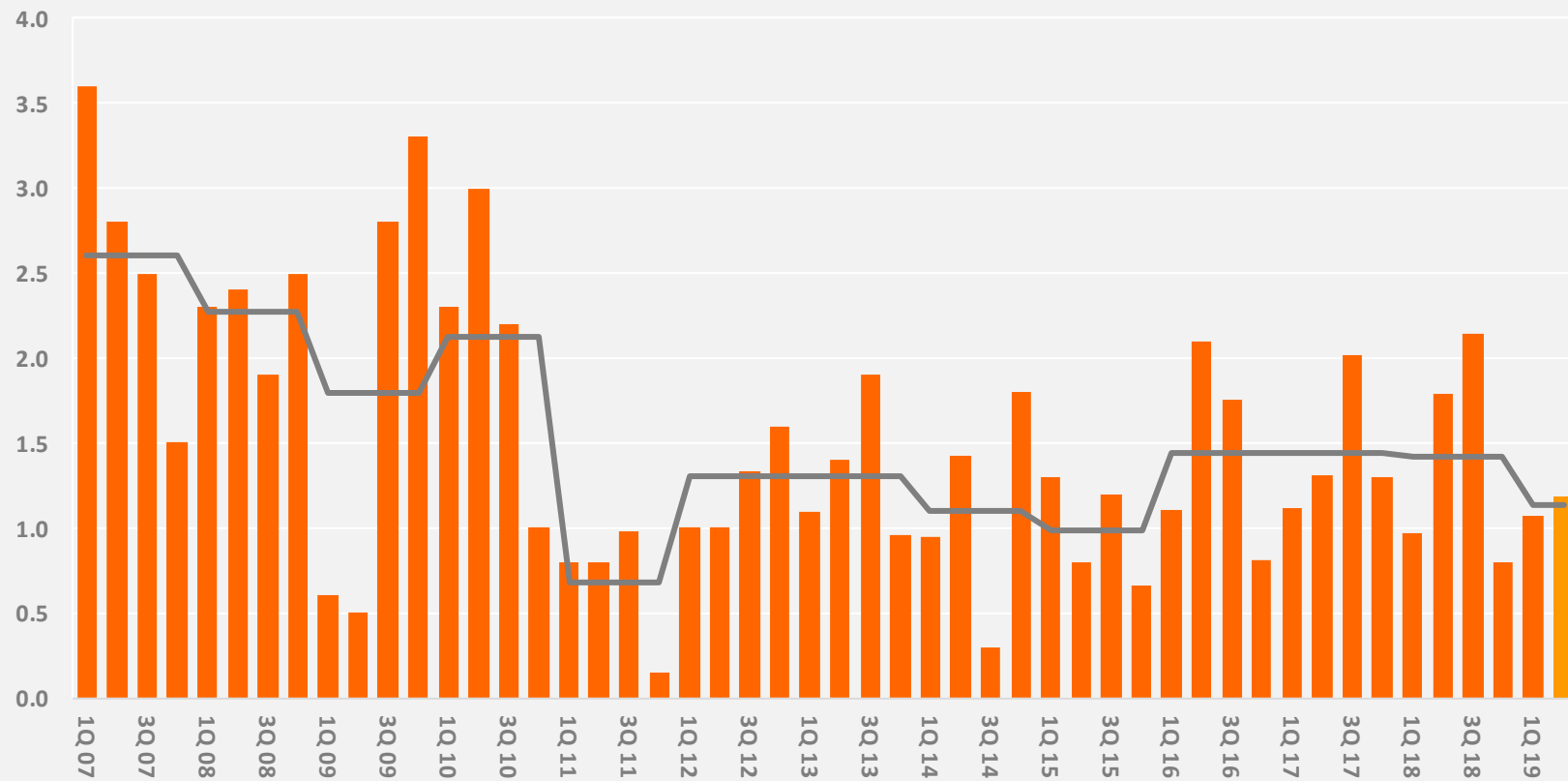
Forward-Looking Statements

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.

Health & Safety Performance



Health & Safety frequency rate of 1.19 in Q2 2019



Health & Safety is our prime objective

Q2 2019 Operational highlights

Earnings improvement despite persistent market headwind



Q2 2019 key developments



Sequential EBITDA improvement driven by seasonality and a partial base price recovery



Leadership journey[®] gains on track with EUR22m additional annualized gains in Q2 (cum. total EUR89m)



2019 share buyback completed (3.7m shares / EUR92.6m) 79.8m shares outstanding*



Slow economic growth in Europe and Brazil causes weak demand



Rising imports create a challenging pricing environment



The competitive environment remains very challenging

Q2 2019 Financial highlights

Earnings, cash flow and shareholder returns improve despite market headwind



Key financial metrics demonstrate resilience in an adverse environment

EURm	Q2 19	Q1 19	qoq	Q2 18	yoy
Sales	1,090	1,178	-7%	1,218	-11%
EBITDA	95	81	17%	150	-37%
Basic EPS (EUR)	0.69	0.30	131%	0.94	-27%
Steel shipments (000t)	465	501	-7%	508	-8%
EBITDA/tonne (EUR)	204	162	26%	295	-31%
EBITDA margin	8.7%	6.9%	27%	12.3%	-29%
Operating cash flow	97	71	37%	101	-4%
CAPEX	-26	-47	-45%	-41	-37%
Free cash flow*	72	24	200%	62	16%
Dividends paid	-39	-33	18%	-35	11%
Share buyback	-93	0	NA	-55	69%
Net financial debt	176	106	66%	20	NM

Q2 key comments

- Noticeable sequential drop in shipments
- EBITDA benefits from a partial recovery in base prices and lack of neg. inventory effects. Brazil faces higher input costs 2019
- EPS increases qoq due to higher earnings, positive tax rate (tax benefit for prior period)**
- Good operating cash flow with 102% cash conversion due to first release of working capital
- 2019 capex guidance lowered to EUR150m. Genk project is on track
- Strong balance sheet. Net fin. debt increase due to share buyback (3.7m shares / EUR92.6m)

Reinforced cost control and cash generation remain in focus

*before dividend and share buyback

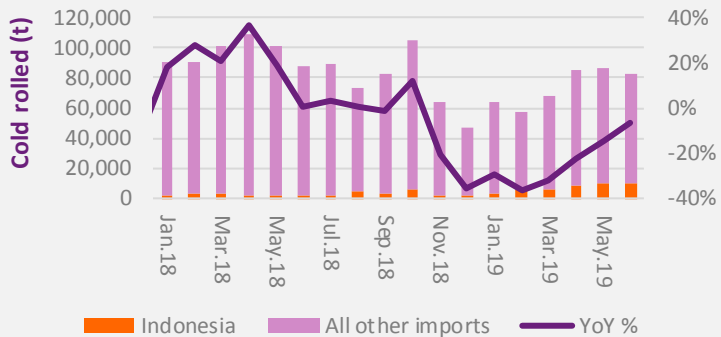
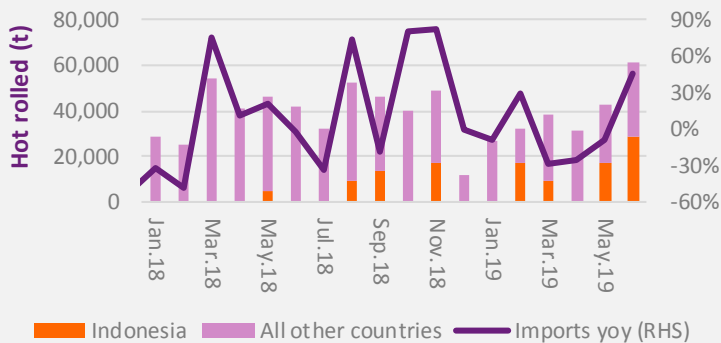
**Q1-19 EPS included a negative EUR9c impact from the convertible tender offer

EU Safeguard update

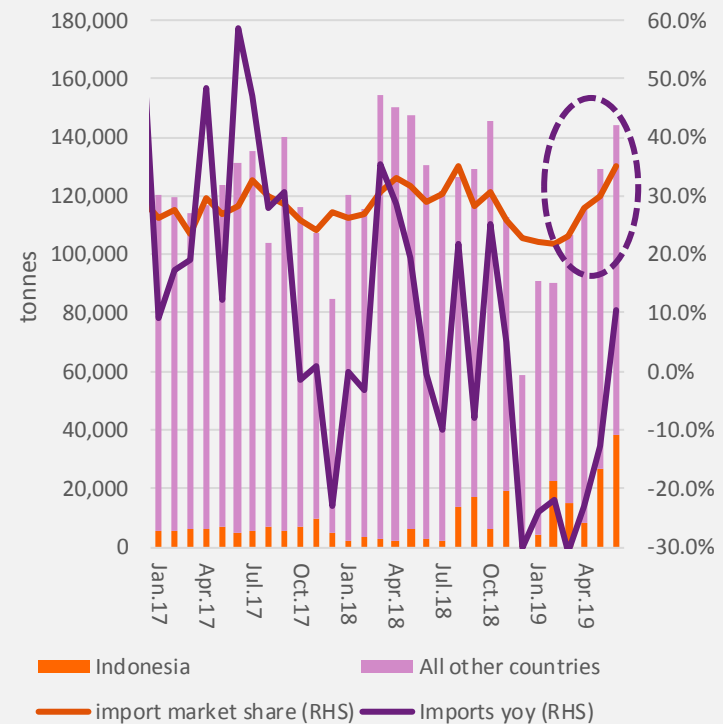
Imports continue to flood and demand weakness pushes import share to a very high level



HR imports are flooding into Europe ...



...and market share of imports is back to the peak



Safeguard urgently needs to address developing countries and quota relaxation

Source: Eurofer, Aperam

Countries with a SS Hot Rolled quota: China, S. Korea, Taiwan, USA
all other countries if not exempt fall under the residual quota

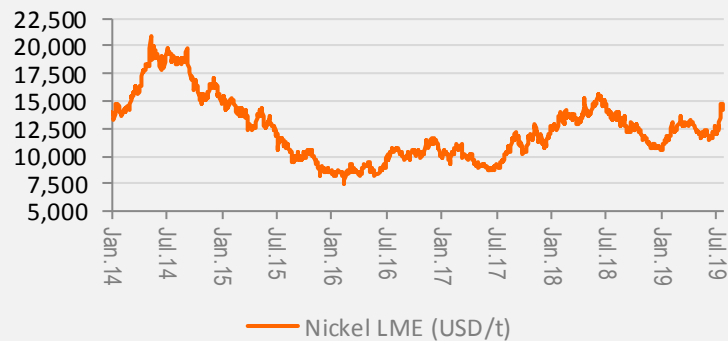
Countries with a SS CR quota: S. Korea, Taiwan, India, USA, Turkey, Malaysia, Vietnam

Environment and markets

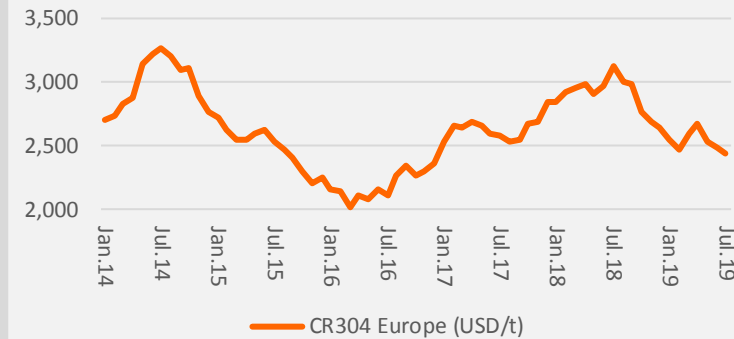
Q2 brought higher base prices and low inventory for this time of year but demand has been very soft



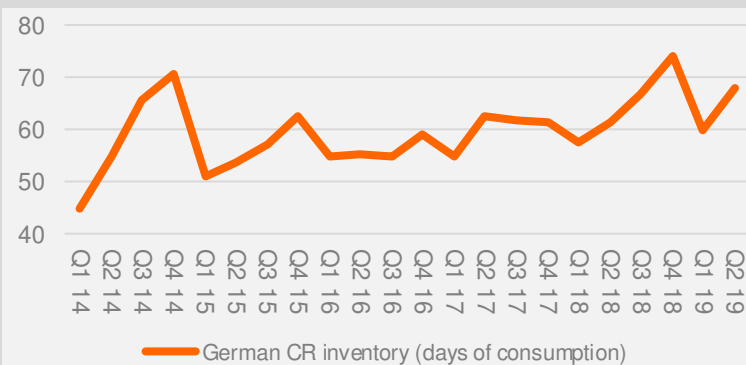
Nickel: moving in a rather narrow range



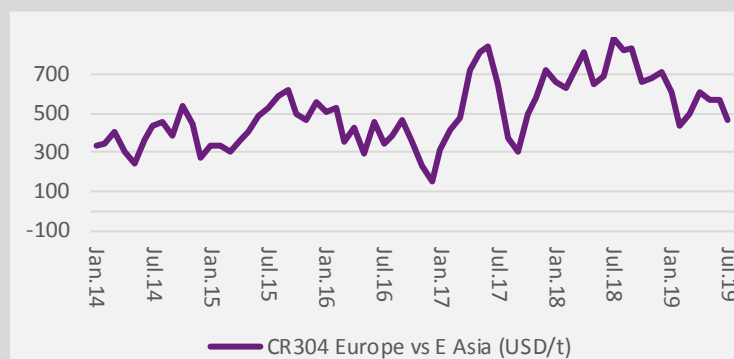
Stainless steel price is weakening



Weak demand drives up European SS cold rolled days of consumption



Stainless price premium versus Asia has narrowed



Source: Bloomberg, Metal Bulletin, Edelstahlhandelsvereinigung

Leadership Journey[©]

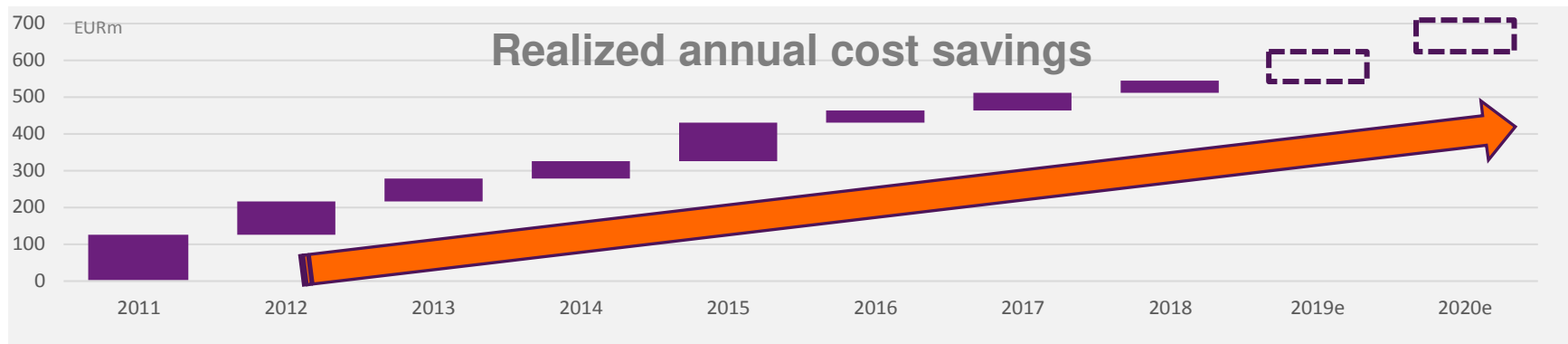
Self help has turned Aperam into a resilient, profitable and cash generative company



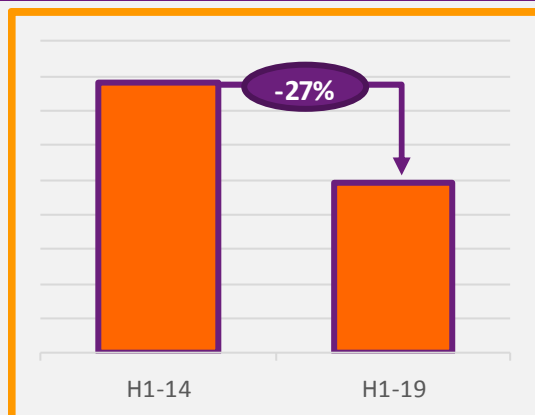
Phase 1 (USD350m) :
Restructuring

Phase 2 (USD225m):
Asset upgrade

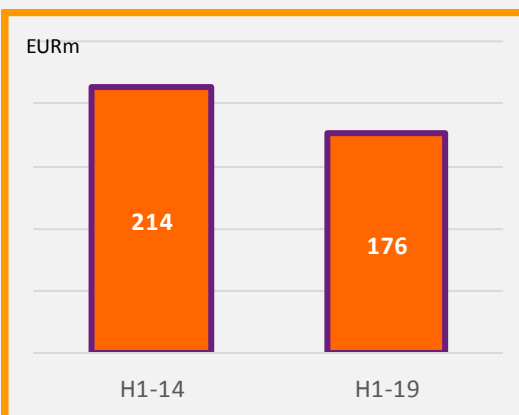
Phase 3 (EUR200m):
Cost & Transformation



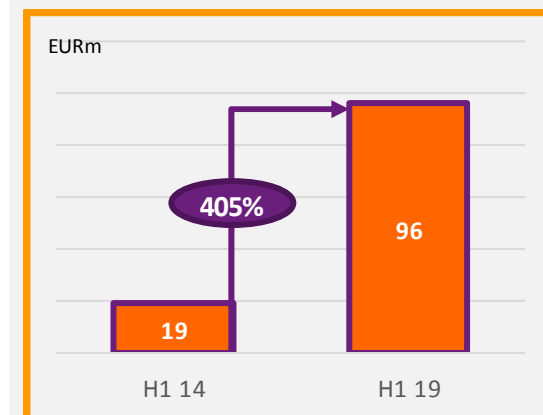
Base Price



Adj. EBITDA



Free cash flow



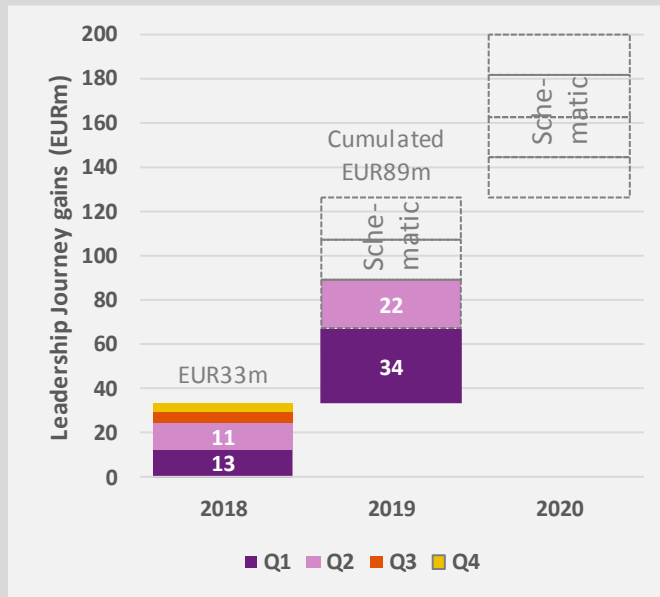
Source: CRU (base price), Aperam accounting data

Leadership Journey[®] update

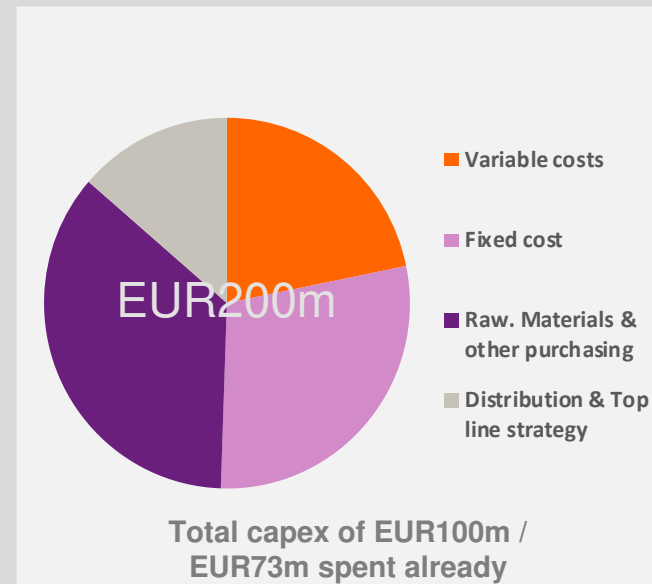
Very good progress on accelerated Leadership Journey[®] to defend Aperam's position as lowest cost producer in Europe



Progress & target phase 3 (recurring annualized gains)



Target savings composition



New technology

Automation / robotics / sensors

Innovation

New applications & solutions

Leaner

Digitized, connected & collaborative

Value added services

One stop shop + supply chain efficiency

Procurement

General procurement / Raw material

Q2 2019 cumulated annualized gains at EUR89m vs total target of EUR 200 million by end of 2020

Outlook

Q3 2019 guidance & other forward looking items



Financial outlook Q3 2019:

- **EBITDA is expected to decrease versus Q2 2019**
 - Seasonally weaker quarter in Europe
 - Weak demand, high imports and low international prices
 - Negative valuation effects induced by sliding FeCr price
- **Net financial debt to remain stable at a low level**

Other items:

- **2019 capex has been revised to ~EUR150m from EUR175m**
 - ✓ Includes Leadership Journey® capex
 - ✓ Genk downstream capex (project on track)
- **Leadership Journey® Phase 3: EUR200m savings target by end of 2020**

We continue to take all necessary measures to withstand a very challenging 2019

Corporate access



August / September 2019 schedule

- | | | | |
|-------------|---------------|------------|---------------------|
| • 01.08 | Paris | Roundtable | Oddo |
| • 03.09 | Zurich | Roadshow | Baader / Alphavalue |
| • 05.09 | Frankfurt ESG | Roadshow | HSBC |
| • 09.09 | London | Conference | Credit Suisse |
| • 10.09 | London | Conference | JP Morgan |
| • 12.09 | Paris | Conference | Kepler Cheuvreux |
| • 23.09 | Brussels | Roadshow | Degroof Petercam |
| • 26./27.09 | Munich | Conference | Baader / Alphavalue |
| • 30.09 | Netherlands | Roadshow | ING |

We are looking forward to meet you there

Financial results

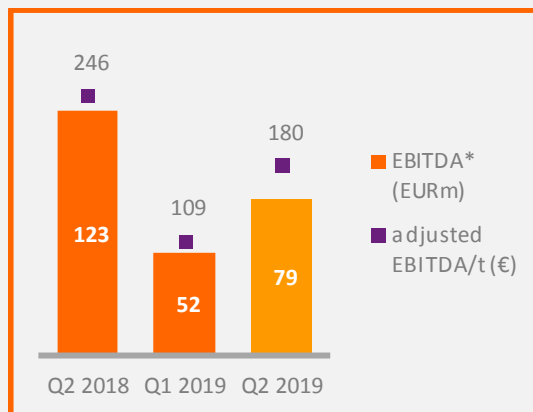


Financial results

Q2 2019: EBITDA recovery driven by partial base price recovery but capped by soft demand

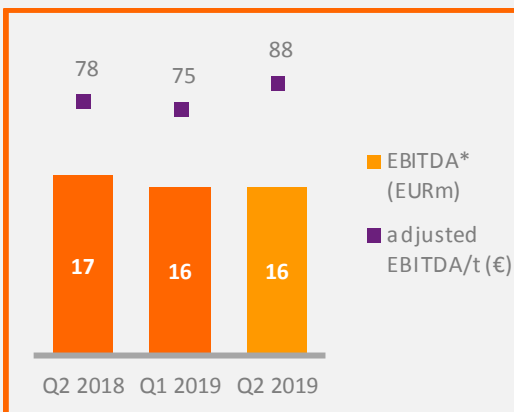


Stainless & Electrical Steel



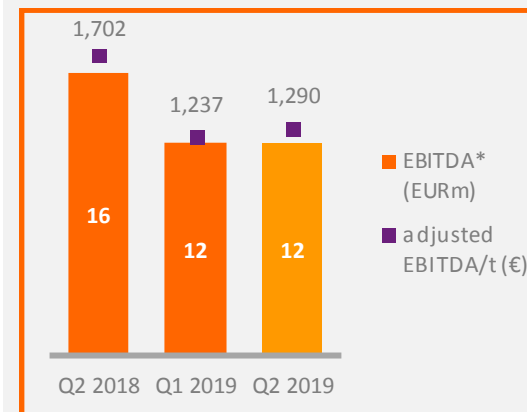
- Unusual large qoq drop in shipments due to soft economy in Europe & Brazil
- Europe with soft seasonal EBITDA upturn qoq due to weak demand and only a partial recovery of base prices
- Brazil's seasonal EBITDA increase is impacted by temporarily higher input costs
- The yoy drop in EBITDA despite lower costs is due to substantially lower volumes and lower prices

Services & Solutions



- Shipments suffer from weak demand
- EBITDA remains at good Q1 level as normalizing market conditions and lack of valuation effects compensate for lower volumes
- EBITDA declines marginally yoy mainly due to lower volumes

Alloys & Specialties



- Shipments decline seasonally qoq
- Flat EBITDA qoq due to a positive price/mix effect but lower volume
- The yoy EBITDA decline is largely due to higher costs and inventory effects
- Underlying EBITDA was flat yoy

Adj. EBITDA of 204 EUR/t in Q2 2019 reflects higher imports paired with soft demand

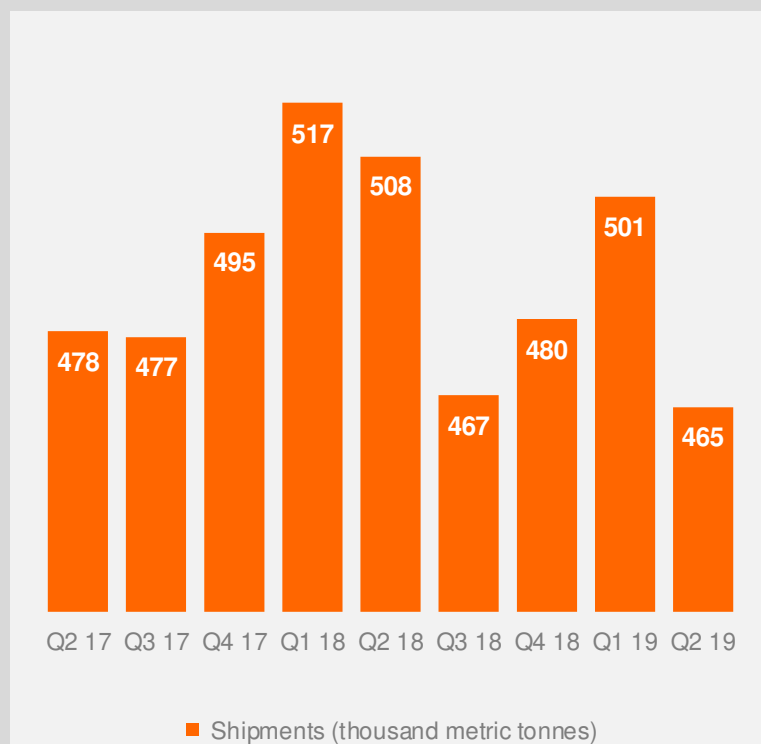
* Difference with total Aperam's quarterly EBITDA due to Others & Eliminations line

Financial results

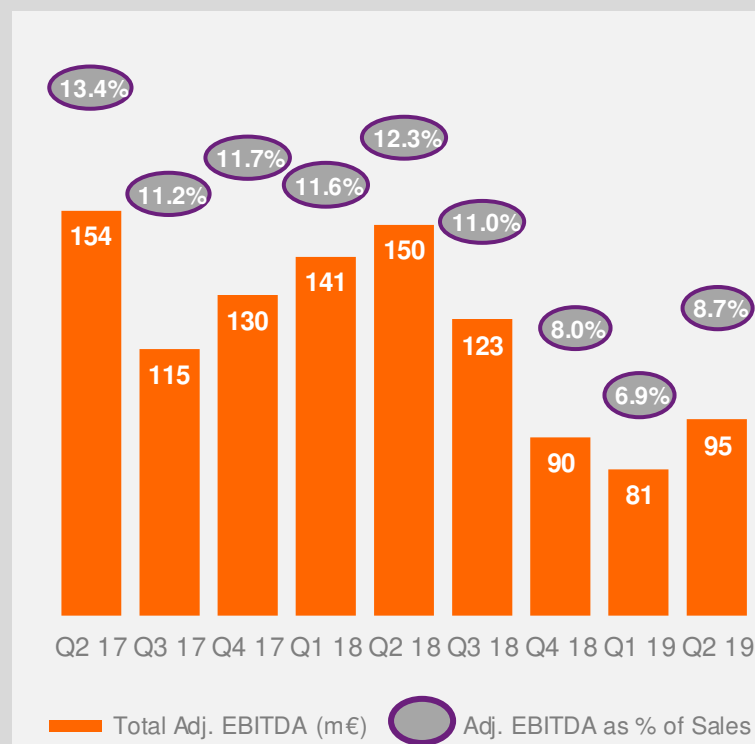
Q2 2019: Seasonally unusual drop in shipments due to weak demand. Base price recovery benefits EBITDA



Weak European economy and imports weigh on shipments



Q2 adj. EBITDA increases due to the partial base price recovery and the lack of valuation effects



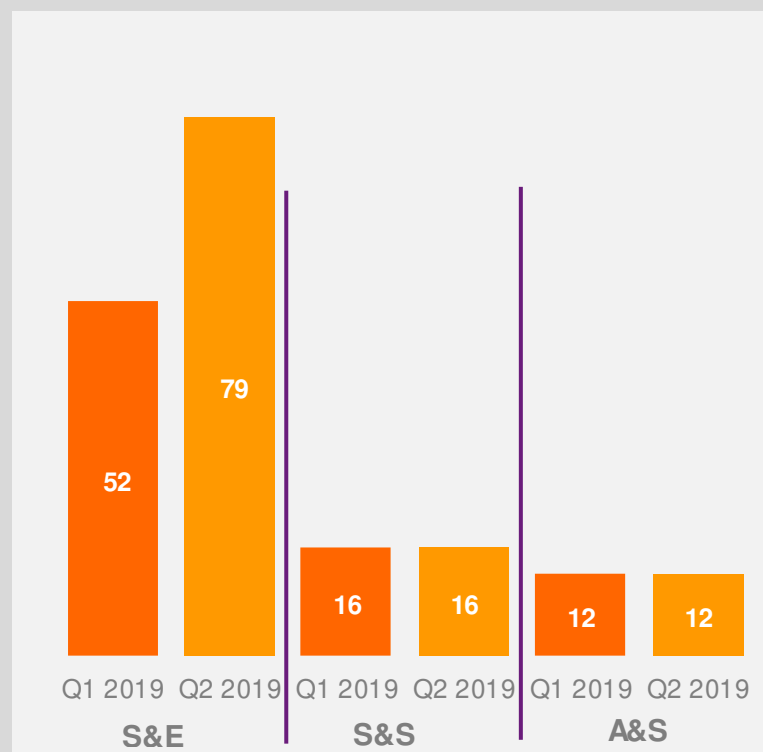
Q2 2019 with a comparatively soft seasonal improvement

Financial results

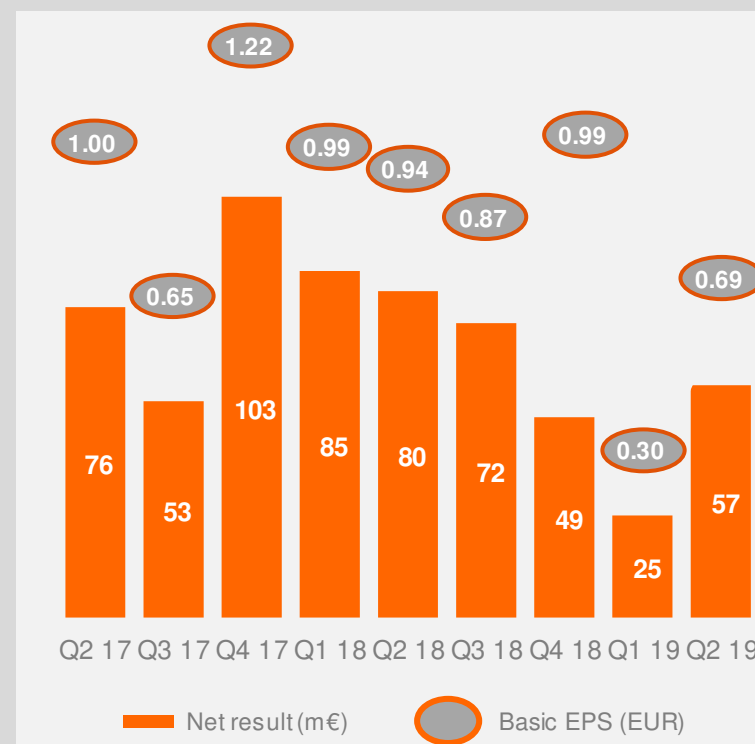
Q2 2019: S&E benefits from higher base price and absence of valuation effects - S&S and A&S with normal performance



Unusual soft seasonal improvement & from very low base



EPS benefits from higher EBITDA and a favorable tax rate



Both pricing and volumes are clearly below the historic seasonal average

*Q4 2018: Financial results includes a EUR18m gain related to the convertible bond due to the expiry of put option by bondholders

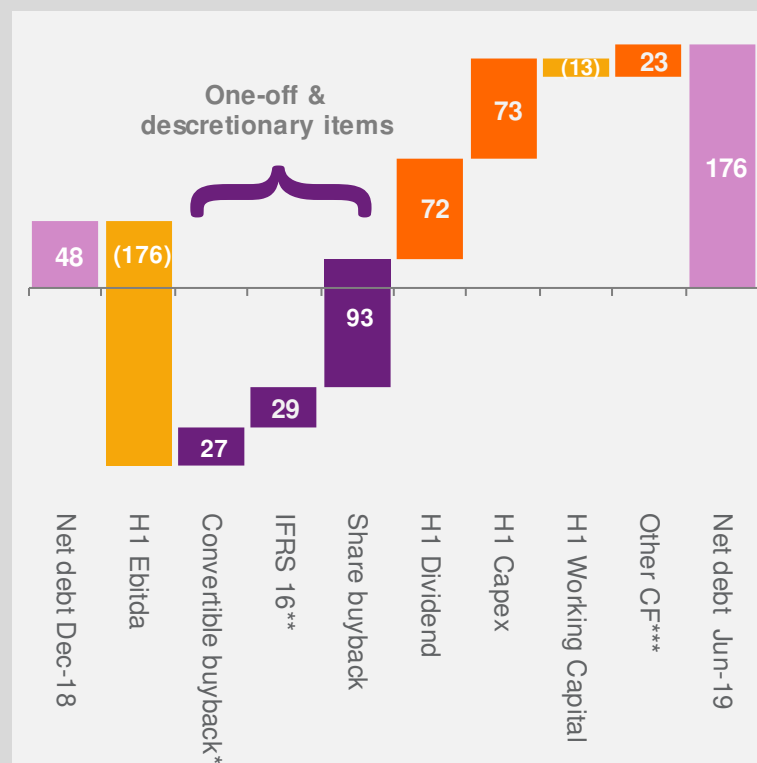
*Q1 2019: Financial results includes a EUR11m charge related to the convertible bond due to accelerated amortization of the premium (reversal of the Q4-18 gain)

Financial results

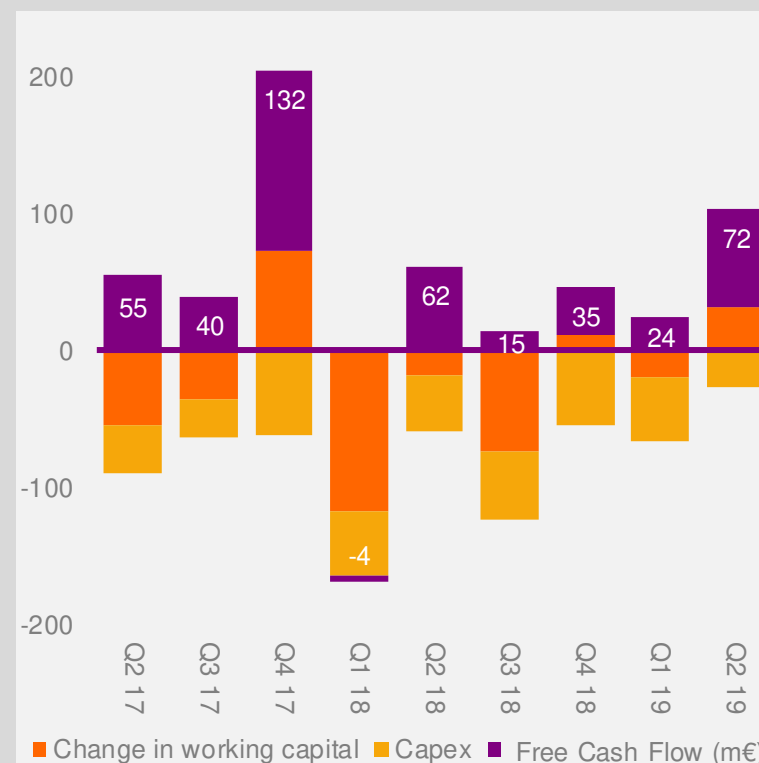
Q2 2019: Successful release of working capital - Share buyback and accounting effects adds to net financial debt



Net financial debt increases due to one-off items



FCF benefits from working capital release



Solid balance sheet and cash generation

* Of which EUR18m were non cash **non cash item
 *** Includes interest, taxes and other items

Value Strategy



Investment case & value strategy

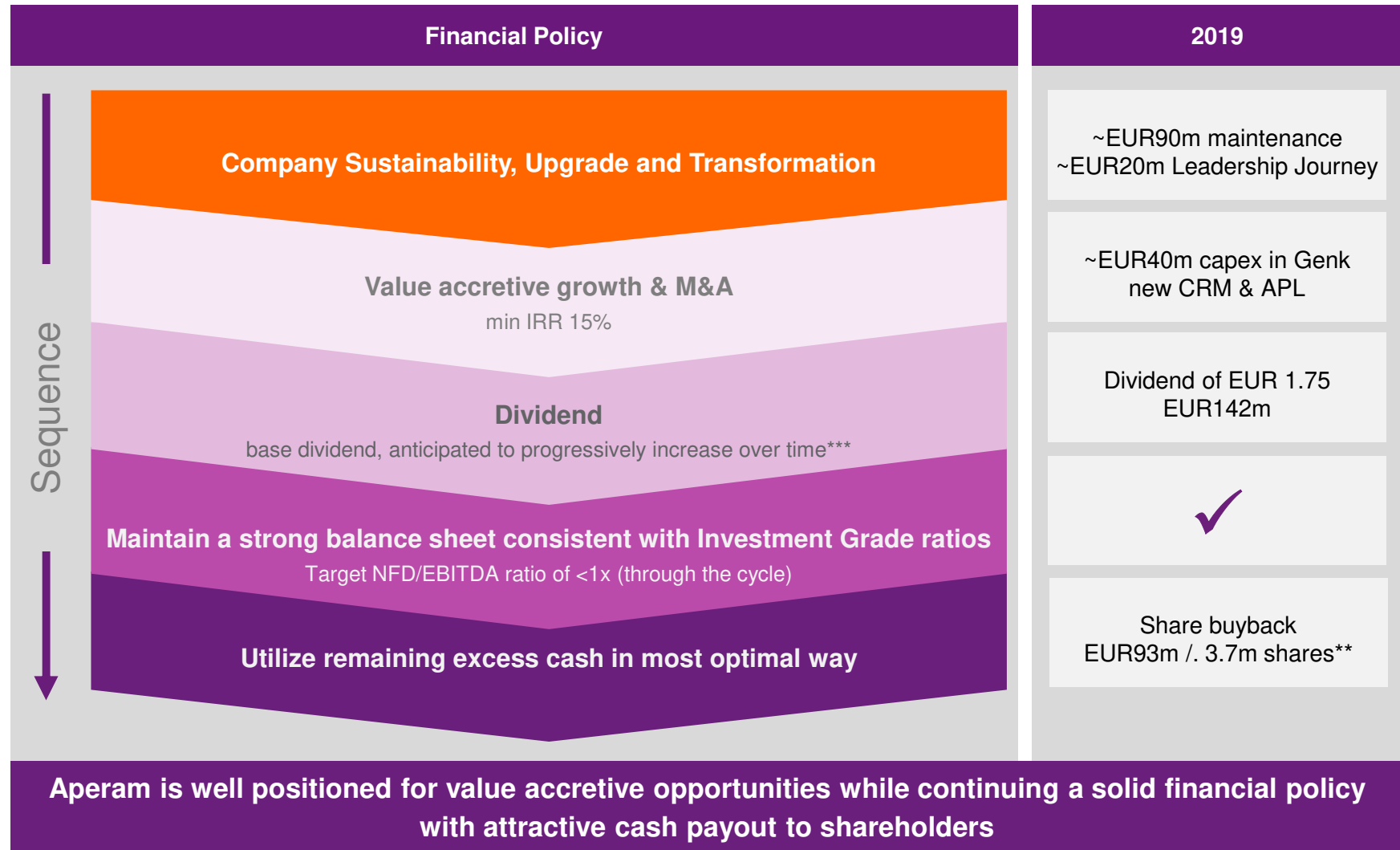
Guiding principle: Being a sustainably safe and profitable company



Self help strategy	Cost leading footprint	Cash generation and financial discipline
<hr/> Leadership Journey® Phase 1: Restructuring Phase 2: Asset upgrade Phase 3: Transformation <hr/> Top Line strategy <hr/> End-user & service focus	<hr/> Optimized and sustainable European asset base <hr/> Only flat stainless steel producer in South America <hr/> Lean organization <hr/> Leading industry margins and returns <hr/>	<hr/> Strong cash generation through the cycle <hr/> Strongest balance sheet in industry <hr/> Progressive dividend <hr/> Strong shareholder returns (payout 50-100%) <hr/> Value accretive opportunities (Genk CRM, M&A)
Solid cash generation with strong shareholders' return. New projects and self help strategy to further improve Aperam's profitability		

Investment case & value strategy

Financial policy: Strong balance sheet, investment in long term growth & sustainability and solid cash returns to shareholders



*Base dividend review in the (unlikely) event that NFD/EBITDA exceeds 1x. **completed in Q2-19

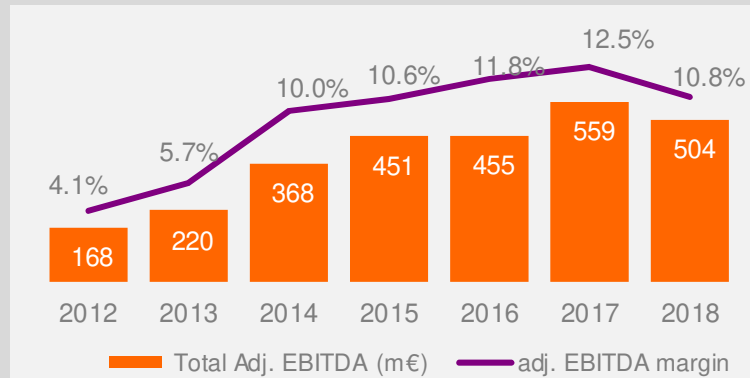
***Aperam intends to maintain a total cash payout to shareholders between 50-100% of EPS.

Investment case & value strategy

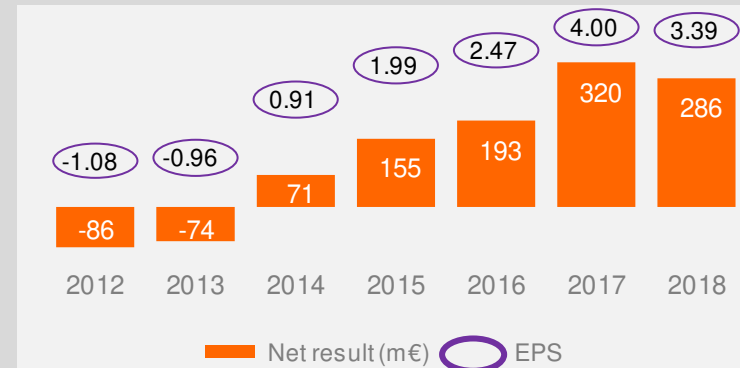
Track record: Aperam a solid performer even in challenging times



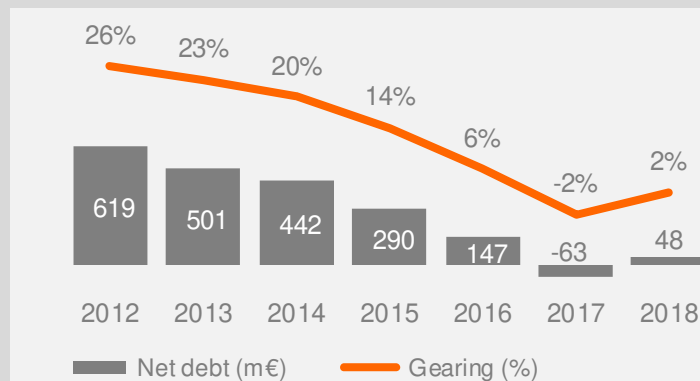
Solid operating performance despite market headwind



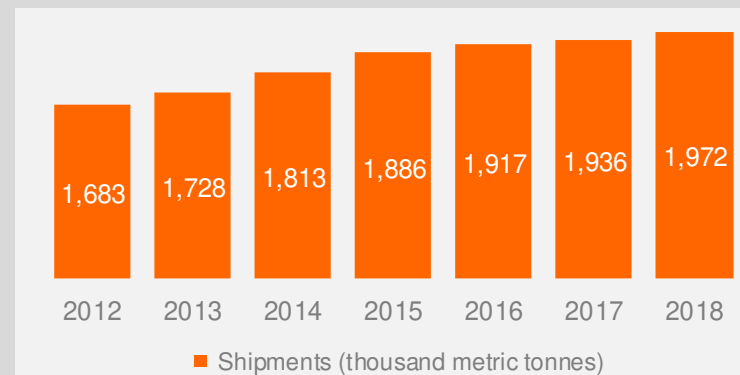
From net loss to fast growing net income since 2013



Strong balance sheet

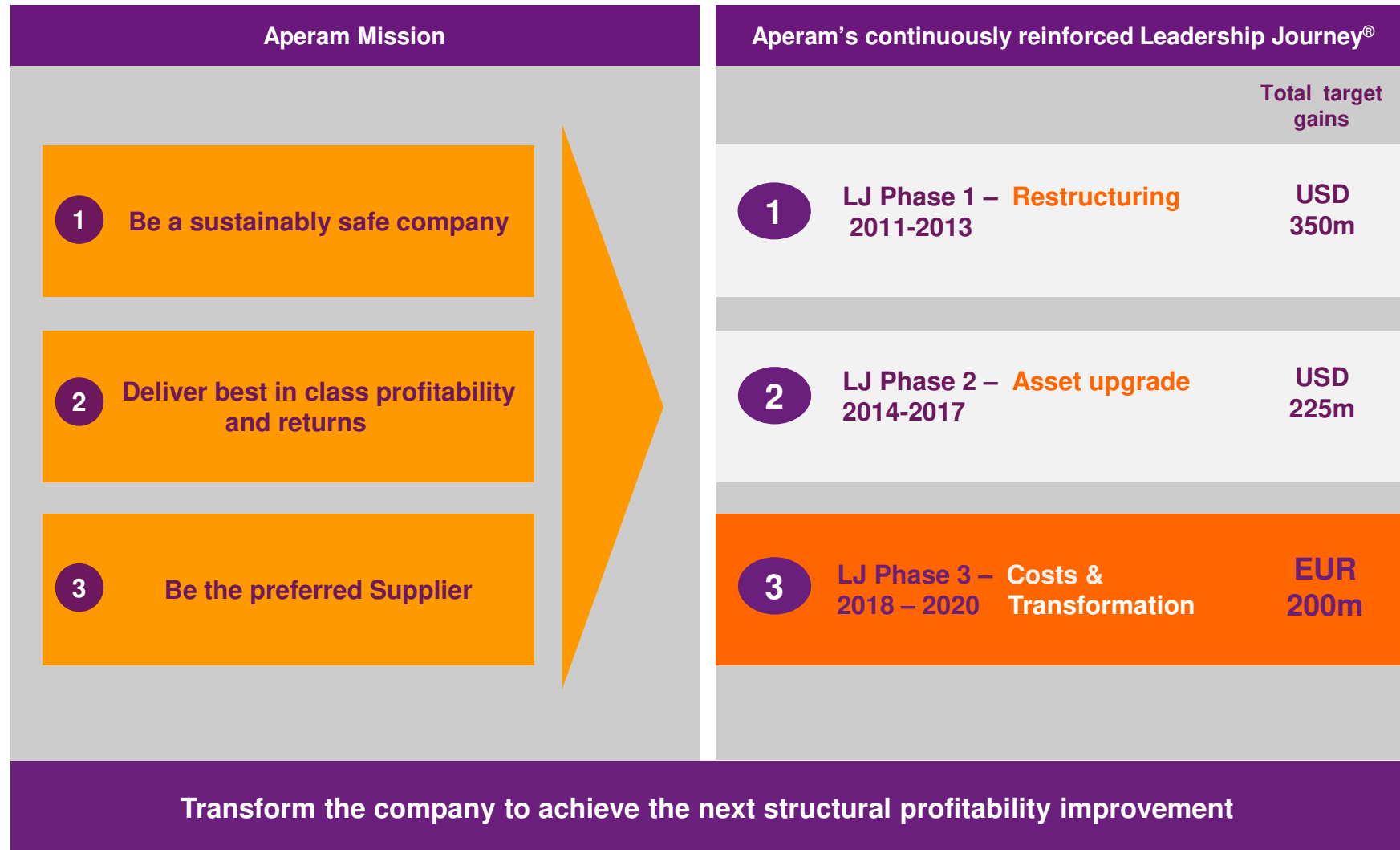


Attractive volume growth since 2012



Investment case & value strategy

Self help: Leadership journey[®] has a clear and visibly positive impact

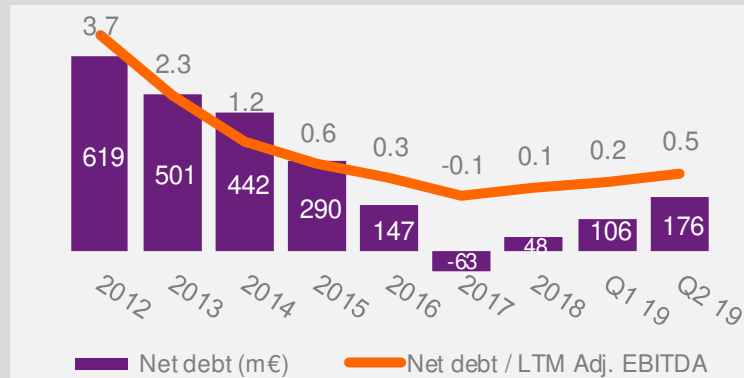


Investment case & value strategy

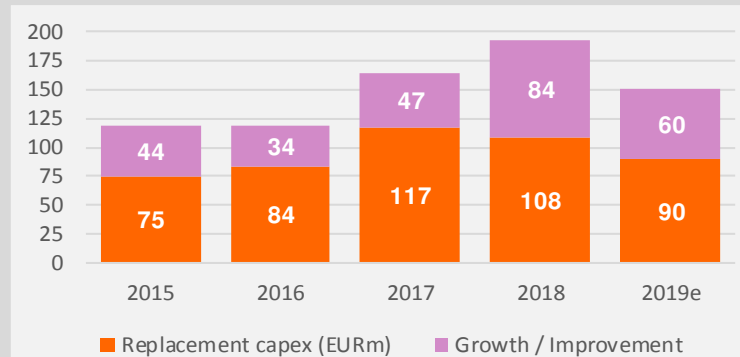
Resilience: Strong balance sheet, high liquidity and low maintenance capex



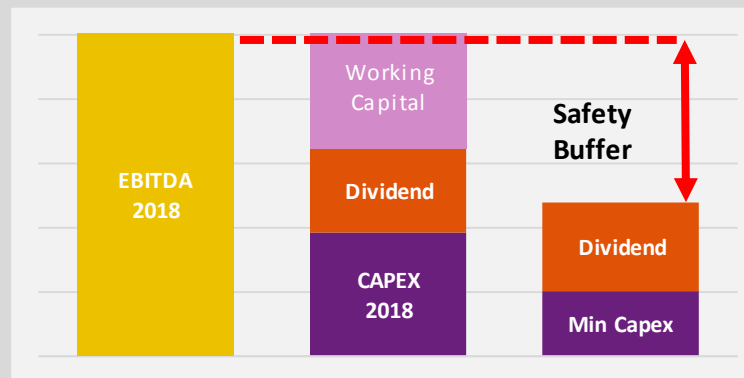
A strong balance sheet for a volatile industry*



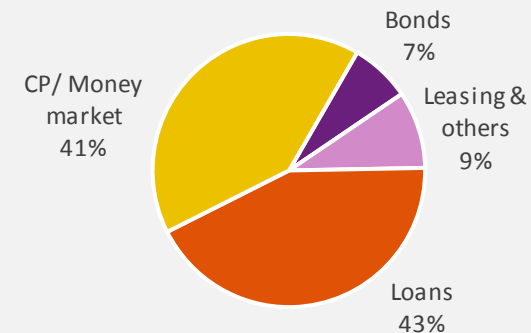
Low maintenance capex + solid investment in growth improvement



Low CAPEX need, spending discipline and high flexibility



Flexible mix and broad range of financing instruments**



*Aperam intends to maintain a strong balance sheet that is consistent with investment grade ratios

**Financing documentation is in line with investment grade standards and contains no pledges of assets or earnings covenants

Investment case & value strategy

Shareholder focus: We care about investors and can afford it due to a high & stable FCF

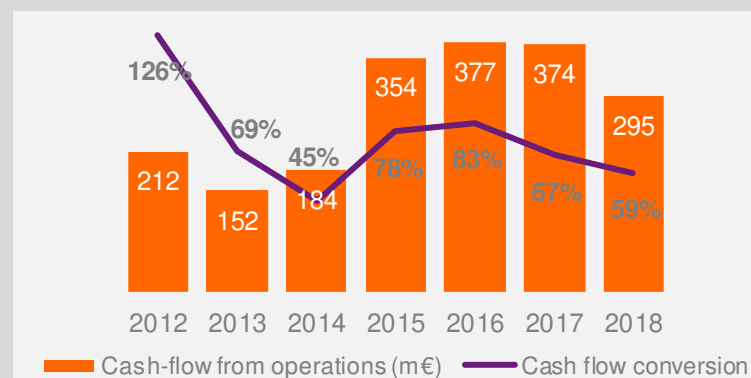


Solid cash generation through the cycle

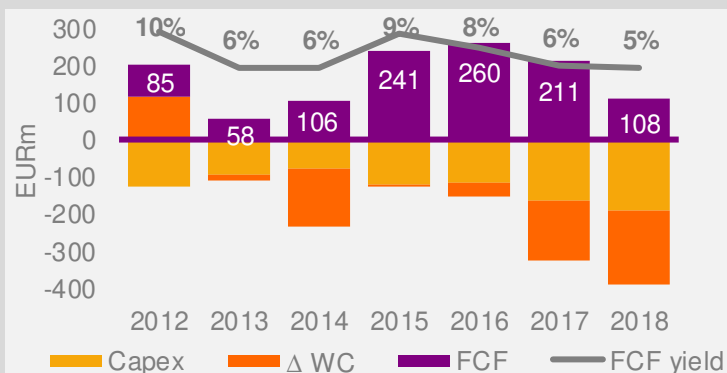
High profitability

Low cash taxes*

Low cash interest payment



Solid average 7% free cash flow yield*



Best in class cash distribution to shareholders



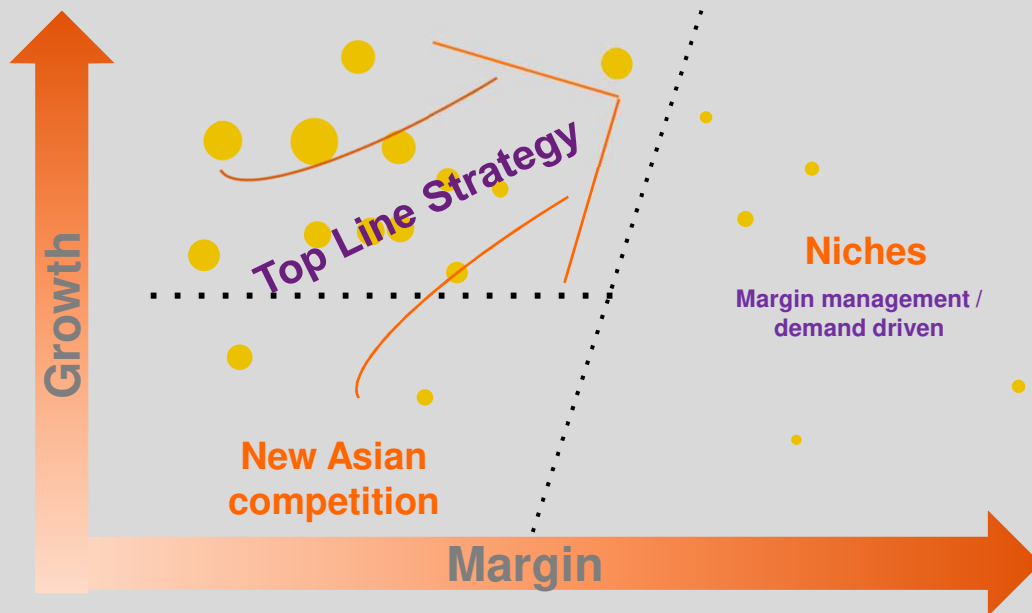
*at year end 2018 the recognized deferred tax asset amounted to EUR186m and the unrecognized deferred tax asset amounted to EUR365m

Investment case & value strategy

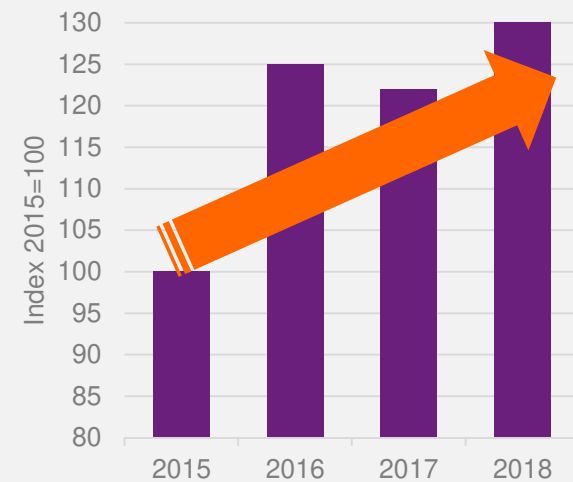
Portfolio improvement: Top line strategy



Constant innovation to shift portfolio into attractive growth / margin segments



New products in sales



Guiding principle: strengthen product & service differentiation

- Increase competitiveness against other materials by improving existing solutions
- Innovate and apply existing solutions to new target markets
- Develop innovative new products
- Optimize product & customer mix
- Redefine distribution channels

● Aperam product areas (size indicates volumes)

Investment case & value strategy

ESG excellence: Take a look at Aperam from an ESG perspective



Our mission is to produce reliable, 100% recyclable, green stainless steel

Products

Non toxic, long lifespan and 100% indefinitely recyclable without loss of quality

Climate change

We have the lowest CO₂ footprint in the stainless industry globally

Environment

We are recycling champion and 33% of our energy intake is renewable

Process

We have ambitious ESG targets and a convincing track record

Social

We value our diverse workforce, invest in training & 94% rate us a good employer

Governance

The majority of our board is independent

Compliance

We have a robust compliance framework and a zero tolerance policy

Please find our complete ESG presentation & report at: www.aperam.com/sustainability

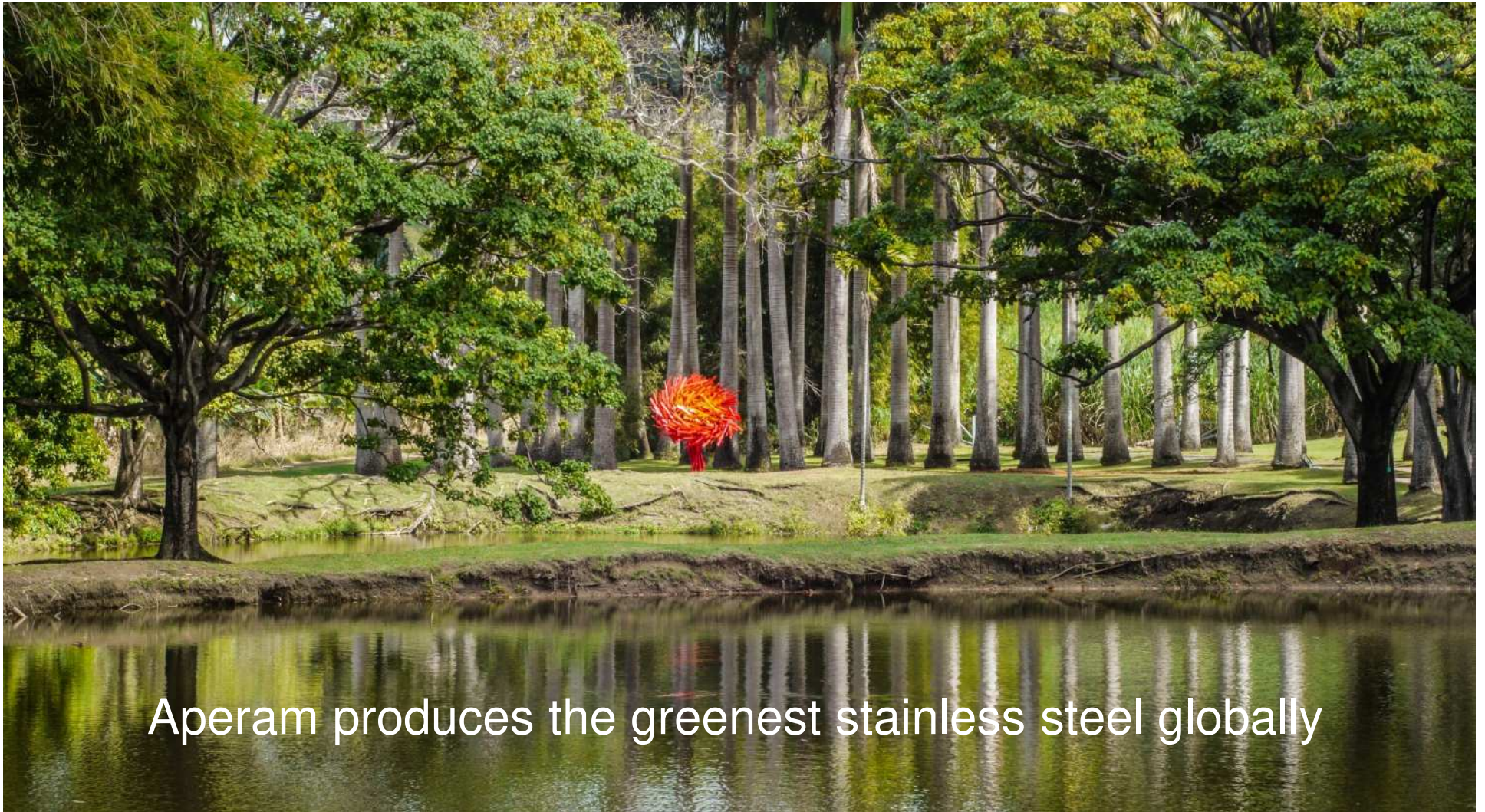


INVESTMENT MANAGEMENT



ESG

aperam



Aperam produces the greenest stainless steel globally

ESG summary

ESG is core at Aperam and starts at the top



We take E, S and G seriously

Governance & Stakeholders

- Our **high ethical standards** are reflected in our robust corporate governance and structured compliance program with a zero tolerance policy for non compliant behavior
- our **Board of directors** is composed of a majority of independent directors
- Board Committees are independent members only
- We aim to be a **partner of choice** for our customers and suppliers
- Our **Corporate Responsibility** is reflected by local programs and stakeholder engagement



Social

- Our people are colleagues with whom we share values and a common future
 - Their **safety** is our non-negotiable priority
 - Their **motivation** and creativity is our greatest asset
 - Their **development** is a key to our success.
- We promote **diversity**
- We believe in a positive dialogue and have collective labour agreements in place throughout Aperam

Environment

- As an energy-intensive industry, we consider environmental consciousness as a necessary prerequisite to our sustainable profitability
- Recycle: Our products are infinitely recyclable and our main input in Europe is recycled scrap
- We have an industry leading CO2 footprint with the greenest” stainless steel globally due to our FSC-certified forest in Brazil
- We have clear targets in place to improve our environmental performance

ESG summary

Our products are environmentally friendly



Our mission is to produce reliable, 100% recyclable, green stainless steel

- Our stainless & alloy products are 100% recyclable - without any loss of quality
- Our products have a very long useful life – they support and enable a sustainable global development
- Our products are non toxic in production and usage
- We are the only stainless steel mill using 100% charcoal instead of coal based coke in our BF's
- Our European production is predominantly based on scrap recycling: >80% of raw material
- Our product is 'Green Steel' because it is produced from a clean and renewable energy source
By doing so, we maintain a relationship of respect with the surrounding environment



Recycling



Mechanical
properties



Resistance
to fire



Corrosion
resistance

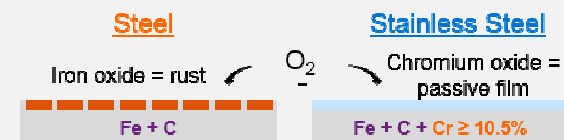


Cleanability



Aesthetics

Steel is an alloy of iron and carbon. Stainless steel additionally contains at least **10.5% chromium**. Stainless steels' corrosion resistance and mechanical properties can be further enhanced by adding other elements, (eg **nickel, molybdenum, titanium, niobium, manganese**, etc) and through mechanical & thermal treatment



ESG summary

Aperam produces sustainably and responsibly



Our mission is to produce reliable, 100% recyclable, green stainless steel



Renewable energy



Recycling

In our **BioEnergia unit**, based in Brazil, we produce **charcoal** from our FSC-certified **sustainably cultivated eucalyptus forests in Minas Gerais**

Charcoal is used in our steel-making process as a natural and renewable substitute for fossil fuels (coke). We managed to eradicate entirely the use of coal based coke in our blast furnaces which gives us a sector leading CO2 footprint

In Europe, our main input is recycled scrap (>80%). We truly believe in and work to promote the circular economy

Best practice forest management, recognized by the Forest Stewardship Council's (FSC®) certification, which standards and principles conciliate ecological protection (flora and fauna, but also water reserves) with social benefits and economic feasibility. Our forests are made of selected cloned saplings which are considered among the best on the market 29 and they are separated by firewalls and strips of natural vegetation to take into account both fire-prevention, biodiversity preservation and local development (beekeeping).

ESG summary

Aperam supports the United Nations' Sustainable Development Goals



We take broad responsibility: our Products and Environmental and Social action



Health & Safety is Aperam's primary concern and the priority in all our proceedings



Gender balance is ranked highly on our priority list as from 2017 and has received a special commitment from management, who decided to set up specific objectives for creating more gender balance in our workforce



In our forestry, located on hydric-stressed areas like our other plants, lowering water consumption and improving the quality of discharge are key elements of our environmental strategy



More than 30% of Aperam's energy comes from renewables as biomass (charcoal) and, via pilot projects, wind and solar



Research & Development and innovation are top priorities for Aperam. We also help our customers adapt their own processes (welding, stamping, etc.) to make the most of their tools



Aperam is committed to a sustainable cohabitation with our neighbouring communities, allowing host cities to thrive and addressing inhabitants' legitimate requests



Aperam is a recycling champion: We use the maximum amount of recycled material (not only scrap) in our production and also take good care to leverage wastes and by-products in line with our zero-waste target



Our BioEnergia cultivated forest produces charcoal which prevents use of met coal & coke and acts as a FSC certified carbon sink. Our plants are constantly reducing their energy consumption and participate in our climate action plan





Ethics are a key component to Aperam's values. We comply with all applicable regulations, interact transparently with authorities and support the fight against corruption, money laundering and anti-competitive practices - among others

ESG summary

Social: Our people are our asset



Criteria	2020 Target	Aperam 2018 status	Steel industry 2017*
Lost-time injury frequency rate	<1	1.43 	2.93
Employee satisfaction ¹	N/A	86% 	78%
Diversity	Increase	Women 12% of staff 20% of exempts	
Training hours/FTE	Increase	34	
Absenteeism	2.0	2.29	

At Aperam, safety always comes first. We rely on our people to transform our company from a traditional industry into a connected, agile and innovative organisation

* Heavy manufacturing, Worldsteel

ESG summary

Environment: A best in class footprint²



Criteria	Target**	Aperam 2018 status	Steel industry 2017
Energy intensity	12.2 GJ/t -10% vs 2012	12.5 GJ/t -8%	
CO2 intensity*	0.49 t/t -35% vs 2008	0.49 t/t -35%	0.95 t/t ²
Water consumption	5.6 m ³ /t -43% vs 2015	9.9 m ³ /t -1%	
Dust intensity	70 g/t -20% vs 2018	89 g/t -63%	
Zero Waste target	100% reused, recycled or stored	93.3%	

We aim to exceed environmental legislation and are committed to continuous improvement

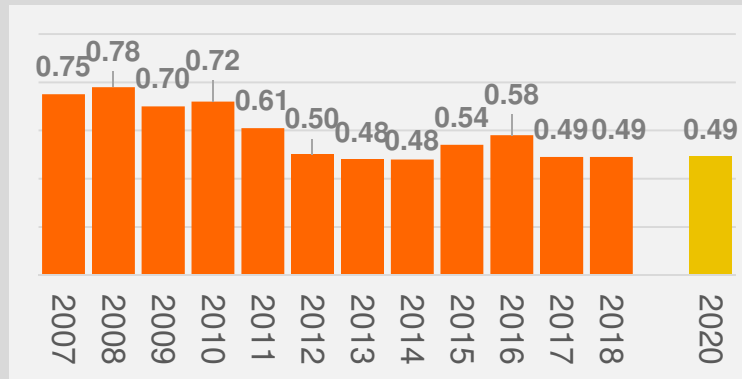
*Scope 1+2. An internal CO₂ price of €30/t is applied to all investments. We review and adjust this if necessary to maintain the incentive for CO₂ savings **2030 targets for dust emissions and water consumption, 2020 CO₂ target and energy intensity target. 2030 targets are currently in preparation ²per ton of slab

ESG summary

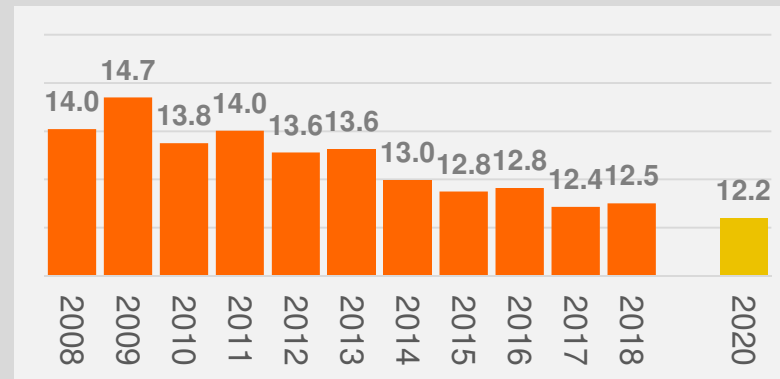
Environment: Aperam has a convincing environmental track record and clear improvement targets



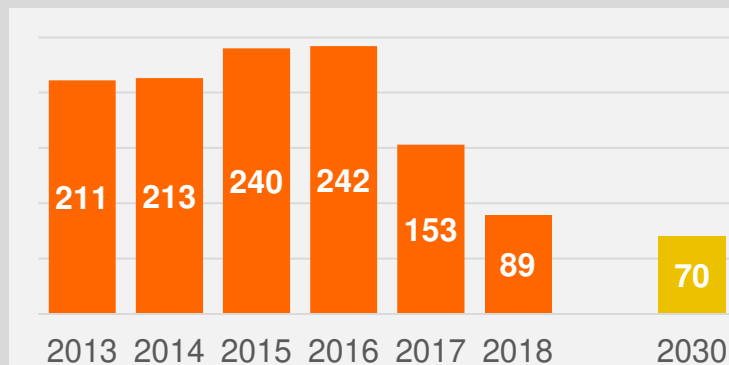
CO2 emissions (t/t crude steel)*



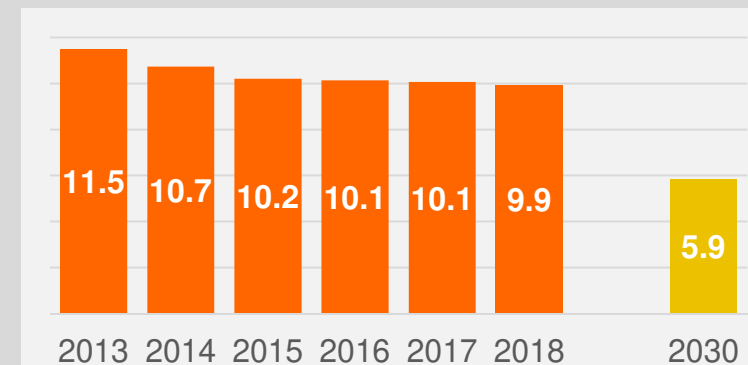
Energy consumption (GJ/t crude steel)



Dust emissions (g/t crude steel)



Water intake (m³/t)



Target ●

Actual ●

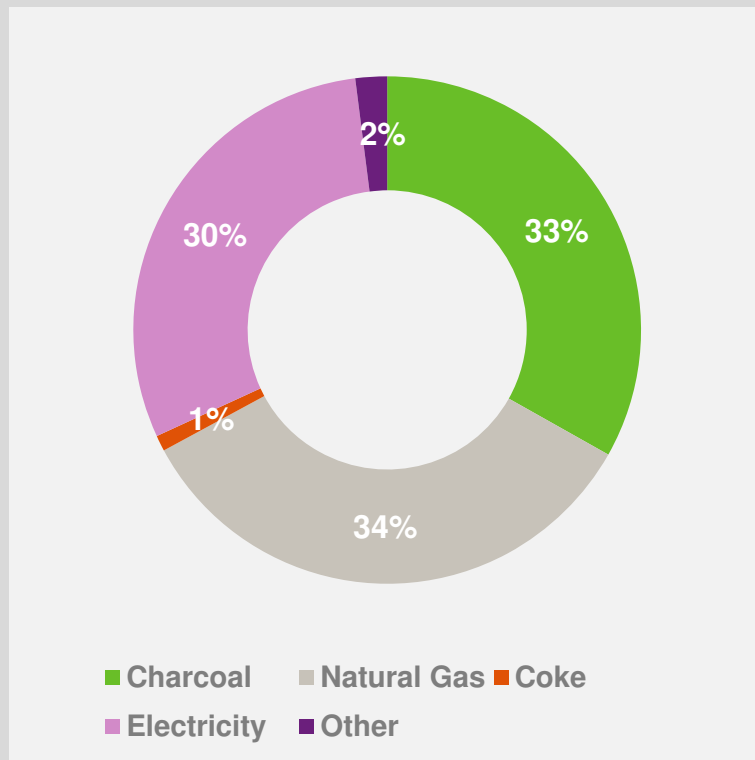
*scope 1 & 2

ESG summary

Environment: Bio Energia & recycling give Aperam a best in class climate change footprint

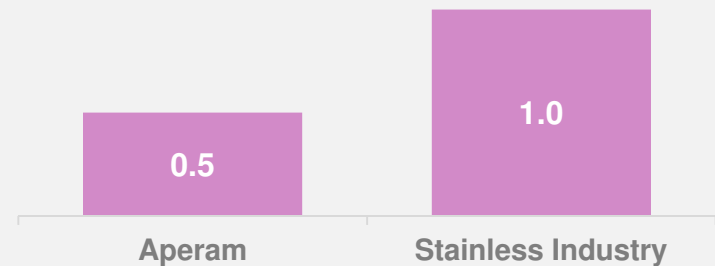


Aperam energy mix 2018

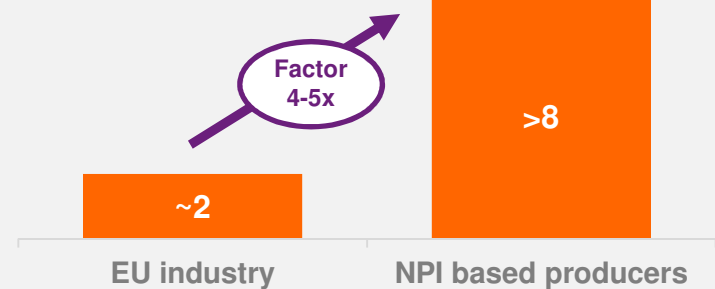


Aperam's has the smallest CO₂ footprint in the industry

CO₂ t/t scope 1+2



CO₂ t/t scope 1+2+3



Our sustainably cultivated forest in Brazil is a unique asset

Source: Aperam estimates & calculation, ISSF data, CRU

*Data is for austenitic HR steel

ESG summary

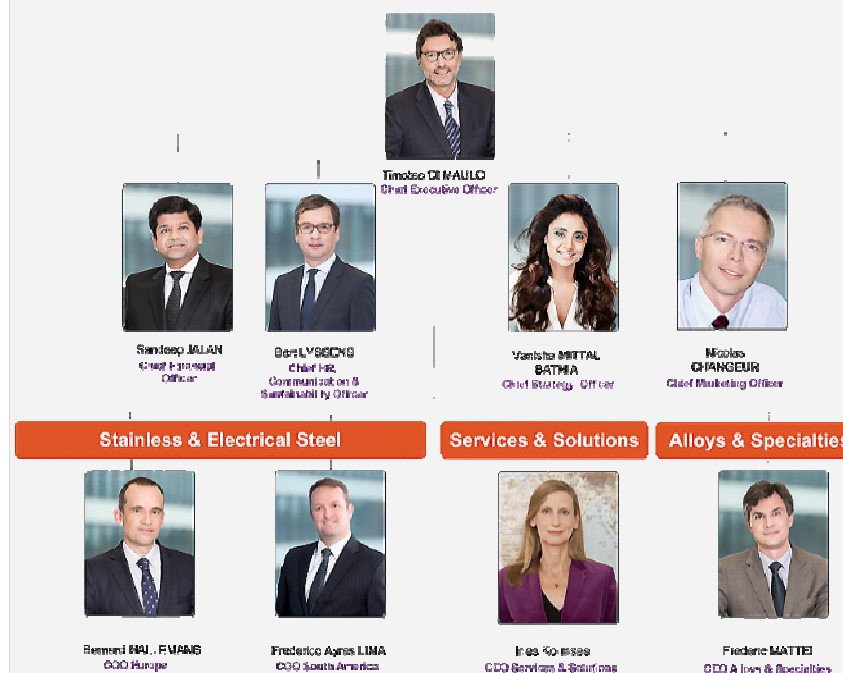
Governance: Our leadership team



Key facts & compensation

- Entrusted with day-to-day management of the Company
- Appointed by the Board of Directors
- Experience and industry know how
- Average age: 48 / 6 Nationalities
- CEO: responsible for Aperam's sustainability performance and compliance
- CHRO, Head of Communication and Sustainability
- Compensation aligned with long term interest of the Company and its stakeholders
 - ✓ Multiplier for performance related bonus includes H&S factors (1 year plan)
 - ✓ Long term incentive plans based on EPS and TSR evolution (3 year plan) vs relevant peers and index

A diverse & experienced team



Aperam benefits from the experience and industry know-how of its Leadership Team

ESG summary

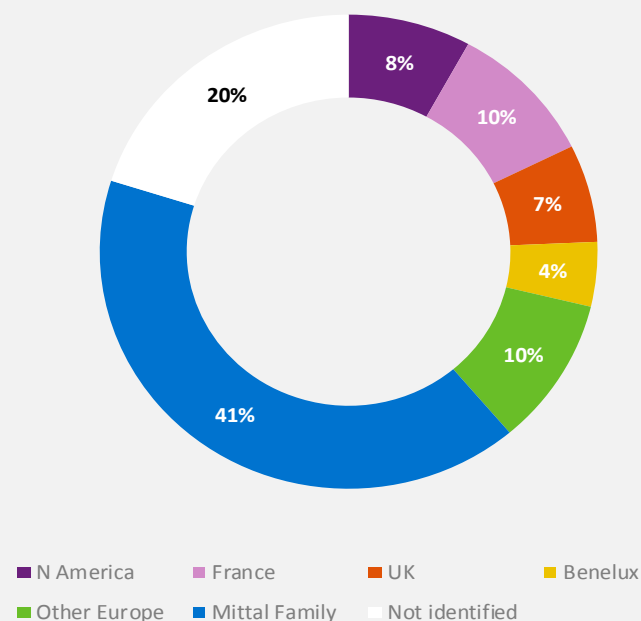
Governance: Board of directors and shareholder structure



Principles of our board

- Responsible for strategic direction and oversight of the business, as well as for appointing senior management
- Election subject to shareholder approval. Directors are elected for 3 year terms
- Chairman: Mr. Lakshmi N. Mittal
- Lead Independent Director: Mr. Romain Bausch
- 7 members with a majority of independent directors (4 independent directors out of 7)
- 2 Board Committees composed of 100% of independent directors and reporting to the Board of Directors:
 - Audit and Risk Management Committee covering also ESG matters ; Chair: Ms. Bernadette Baudier*
 - Remuneration, Nomination and Corporate Governance Committee ; Chair: Mr. Romain Bausch

Shareholder structure



Diverse skills, backgrounds, knowledge, experience, geographic locations, nationalities and gender are reflected on our board and ensure effective governance

Business overview






Group segments & corporate structure

Business overview

Group: Segments & corporate structure*



Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties
2.5mt production capacity 1.9mt of gross shipments 83% of group EBITDA	819kt of gross shipments 8% of group EBITDA	40 kt production capacity 36kt of gross shipments 9% of group EBITDA
<p>One of the largest global producers of stainless steel**</p> <p>Europe: 2 Electric Arc Furnaces use scrap as major input material Stainless steel flat product output</p> <p>South America: 2 blast furnace use iron ore and charcoal produced from own forests 2 EAF use recycled scrap Stainless flat products & electrical steel</p>	<p>Aperam sells and distributes its products through the S&S segment, which provides value added and customized steel solutions through further processing to meet specific customer requirements. S&S core activities:</p> <ul style="list-style-type: none"> • direct sales of Aperam products to end users • distribution of Aperam and third party material • transformation services, according to specific customer requirements 	<p>Fourth largest producer of nickel alloys globally</p> <p>Aperam specializes in nickel alloys and specific stainless steels</p> <p>Our products take the form of bars, semis, cold-rolled strips, wire and wire rods, and plates, and are offered in a wide range of grades</p> <p>High value items that are often sold on a kg basis</p>
		
Aperam covers the complete stainless value chain with industry leading assets in Europe and Brazil		

*gross shipments and EBITDA are before eliminations







** By production capacity

Business overview

Group: Segments & corporate structure II

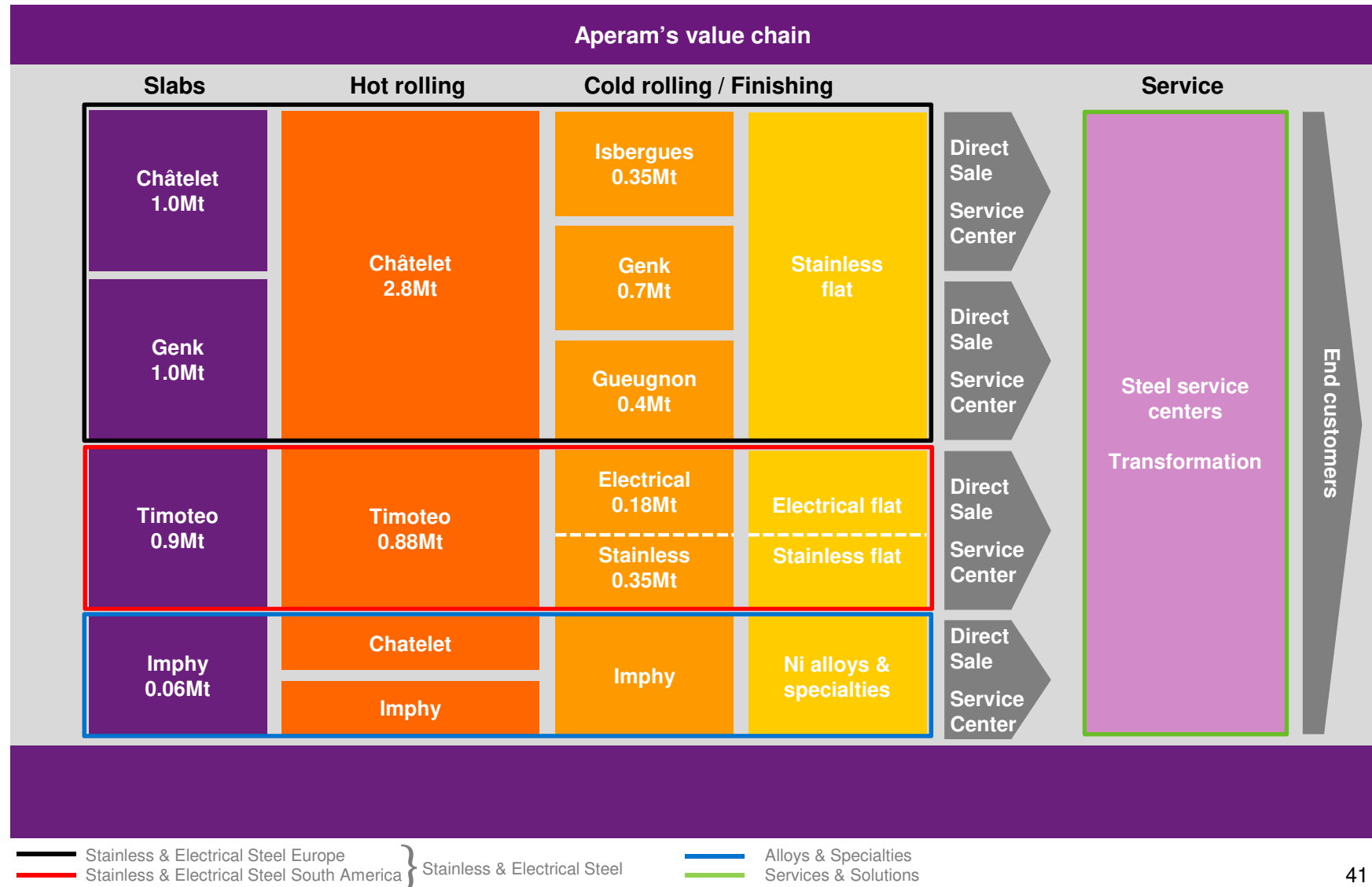


Production assets in Europe and South America

Châtelet, Belgium	Genk, Belgium	Gueugnon, France	Isbergues, France	Timóteo, Brazil	Imphy, France
					
Location & facts Melt shop Hot rolling mill	Location & facts Melt shop Finishing	Location & facts Cold-rolling mill Finishing	Location & facts Cold-rolling mill Finishing	Location & facts Melt shop Finishing	Location & facts Melt shop Finishing
Capacity Slabs 1,000 kt HSM 2,800 kt	Capacity Slabs 1,000 kt 2 mm wide capacity 316 and duplex grades Cold-rolling 700 kt	Capacity Finished 400 kt Specialized in Bright Annealing (BA) products and stabilized ferritics.	Capacity Finished 350 kt LC2i: integrated line	Capacity* Slabs 900kt Stainless finished 350kt Electrical CR: Grain oriented 60kt Non GO 170kt SP Carbon 200kt <small>*some lines are flexibly used for different products</small>	Capacity EAF 60kt 1 VIM, 2 VAR, Rotary continuous Caster for long products Wire hot rolling mill: 40kt 6 Cold rolling mills

Business overview

Group: Segments & corporate structure III

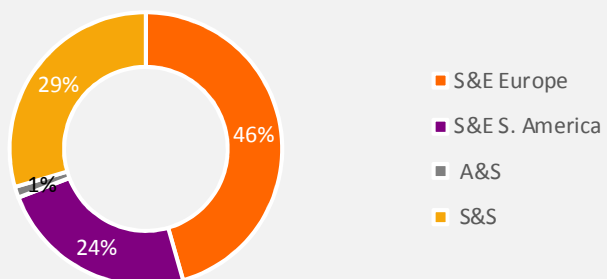


Business overview

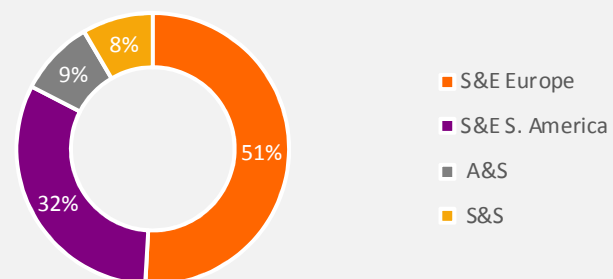
Group: A balanced risk profile and customer structure



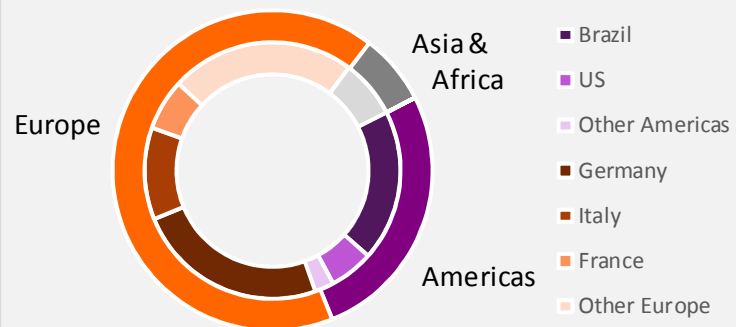
Shipment split by segment 2018*



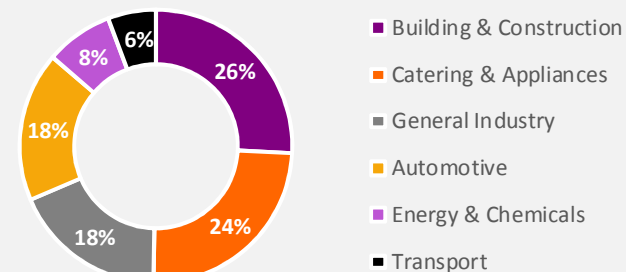
EBITDA contribution by segment 2018*



Revenue by region 2018



Revenue by customer industry



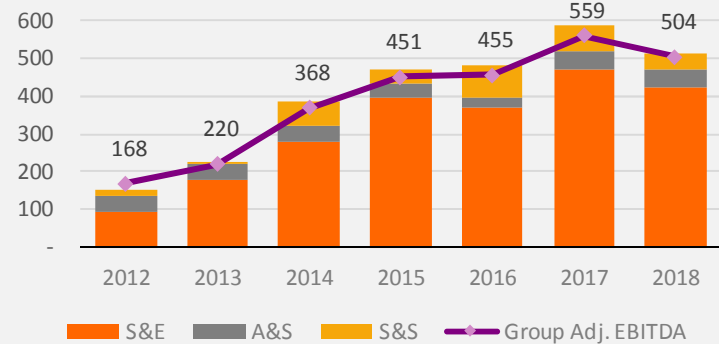
* Calculated on segmental data before eliminations

Business overview

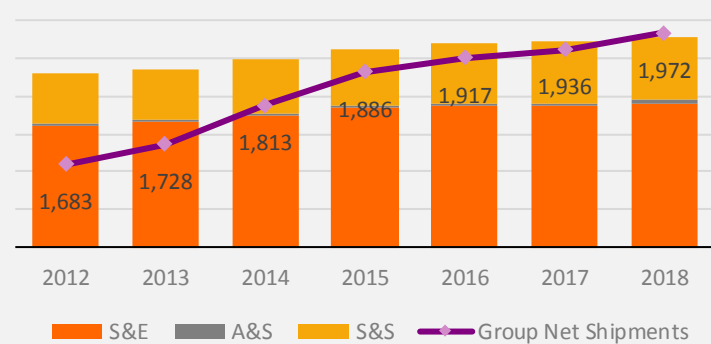
Group: Substantial improvement in KPIs over time as self-help supports earnings



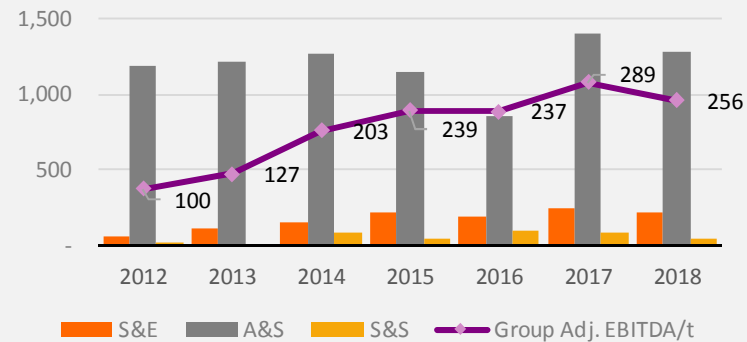
EBITDA by segment (EURm)



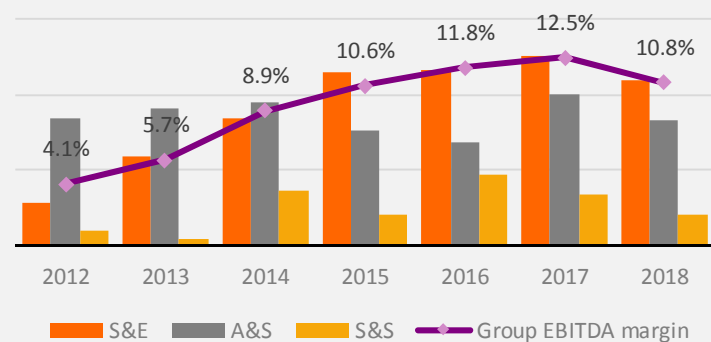
Shipment by segment (kt)



EBITDA/t (EUR)



EBITDA margin





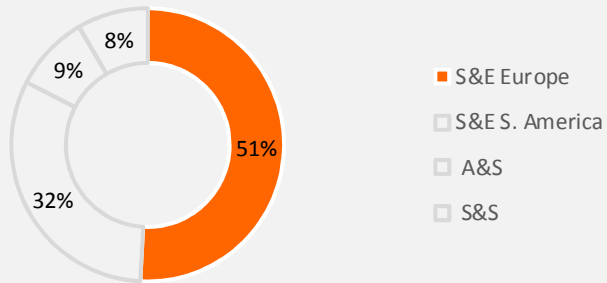
Stainless & Electrical Steel Europe

Business overview

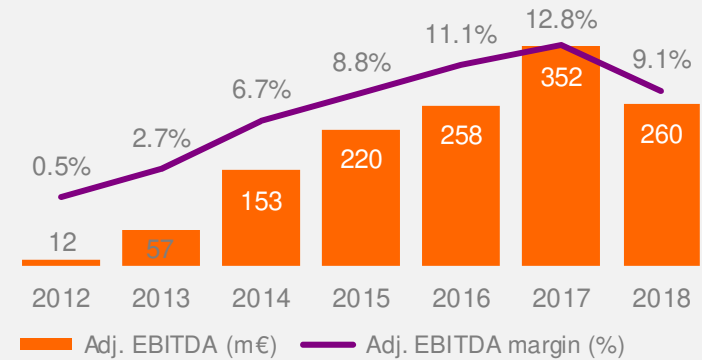
S&E Steel Europe: Self-help measures yield a robust operational performance



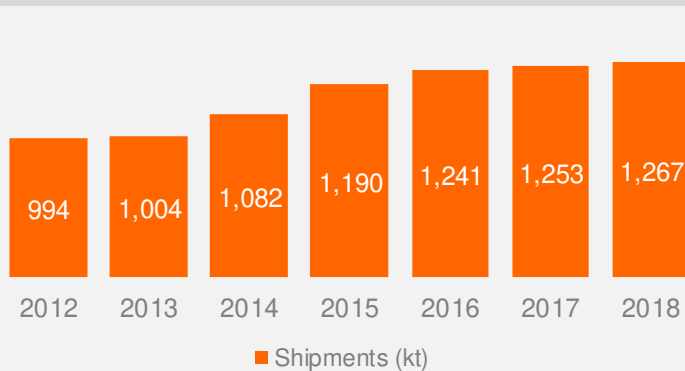
Major EBITDA contributor 2018



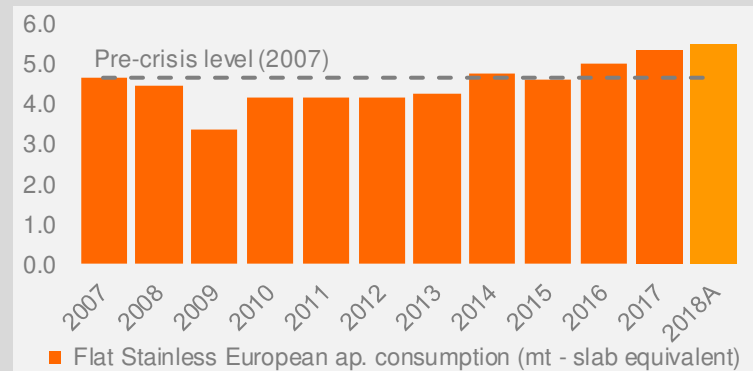
Robust profitability capitalizing on restructuring



European shipments grew by more than 3% pa



European stainless steel demand has recovered



Business overview

S&E Steel Europe: Leverage Aperam's unique position



European stainless steel industrial footprint



Aperam key competitive advantage

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
- Efficient 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

Business overview

S&E Steel Europe: European Union measures against unfair trade

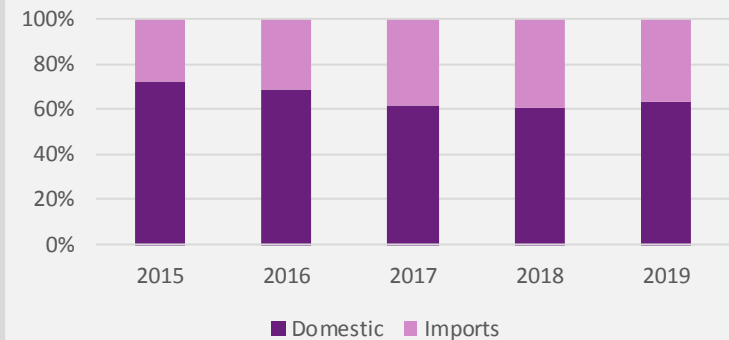


Definitive safeguards run from 2 Feb 2019 – 30 June 2021

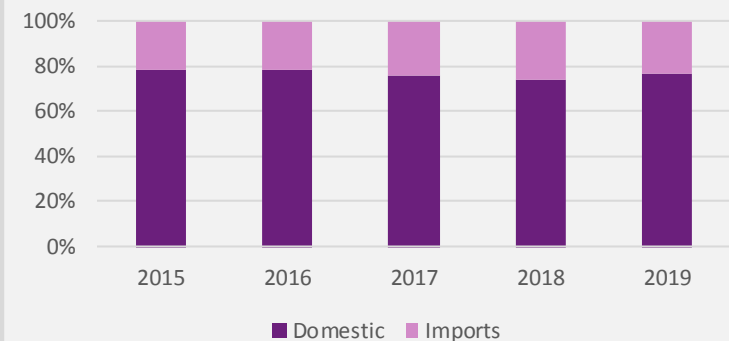
Quota	Avg. 2015 - 2017 import level Growing by 5% pa vs preliminary
Country quota¹	Country based quota is allocated yearly Taps residual quota in Q4 if country quota is filled
Residual quota²	Allocated quarterly / unused portion is transferred to next quarter
Tariff	25% for volumes above the quota
Exemption	Certain developing countries remain exempt (eg Indonesia / S. Africa), no “on the water clause”

- ✚ **Country based and quarterly quota**
- ✚ **25% deposit when quota is at 90%**
- ✚ **EU Commission reacts to new data: Inclusion of Thailand**
- ✚ **Review to be completed by Sep 2019 (country exemption & quota needs to be addressed)**
- ✚ **Anti-dumping duty of 25.3% on SSCR imports from China, and 6.8% on Taiwan remain in place³**

EU hot rolled import / domestic split



EU cold rolled import / domestic split



The safeguard measures and anti-dumping duties demonstrate that the EU fights against unfair trade behavior and reacts to significant changes in import flow

Source: Eurofer, Aperam

¹ SS Hot Rolled : China, S. Korea, Taiwan, USA

SS CR: S. Korea, Taiwan, India, USA, Turkey, Malaysia, Vietnam

² all other countries if not exempt

³ since 2015



Stainless & Electrical Steel

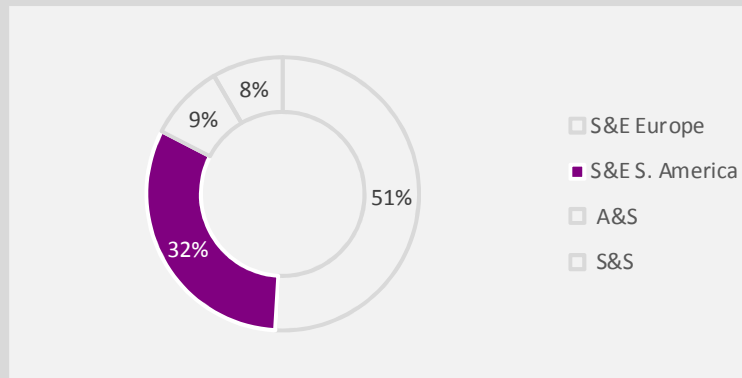
South America

Business overview

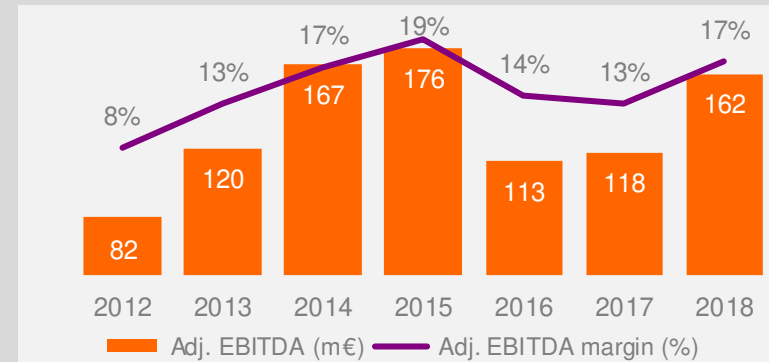
S&E Steel South America: A flexible, agile and highly profitable asset



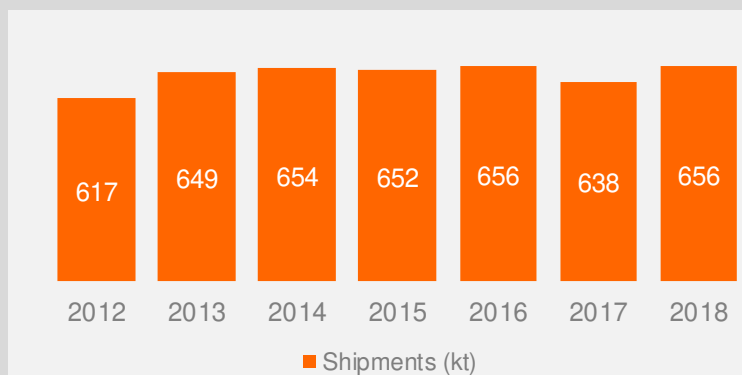
A significant EBITDA contributor 2018 despite demanding conditions



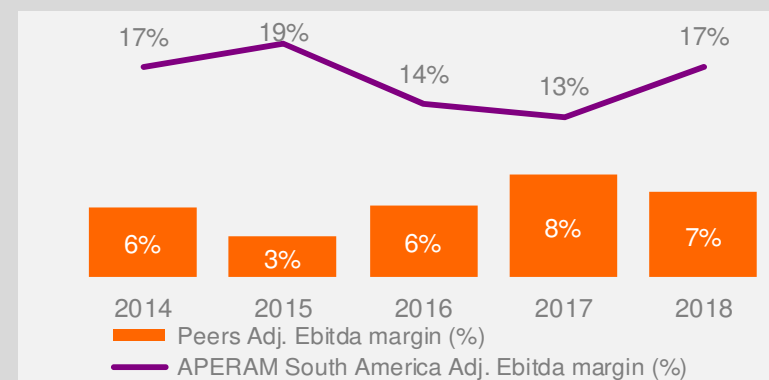
Earnings recovered post the recession



Stable shipments due to mix of domestic and exports



S. America EBITDA margin consistently above peers



Business overview

S&E Steel South America: Our Brazil asset is unique – the only stainless steel producer in South America



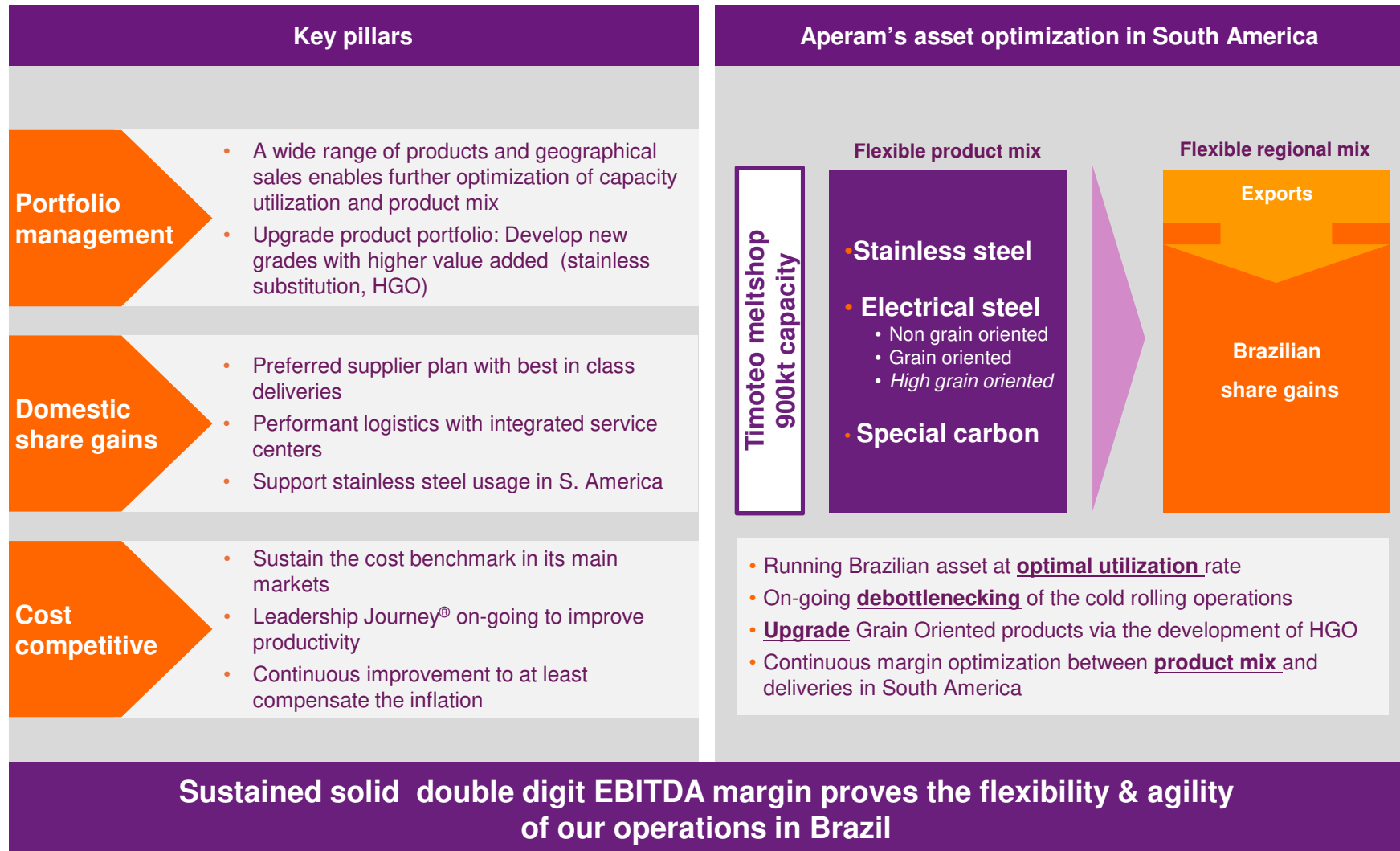
Aperam South America footprint	Upstream integration
	Bio Energia Cost competitive & environmentally friendly charcoal from own cultivated forests is used to heat the blast furnace
	Range of products
	Stainless Steel A complete range of stainless steel grades (austenitics, ferritics, duplex, martensitics)
	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

Business overview

S&E Steel South America: Brazil can switch flexibly between products and markets to maximize profitability

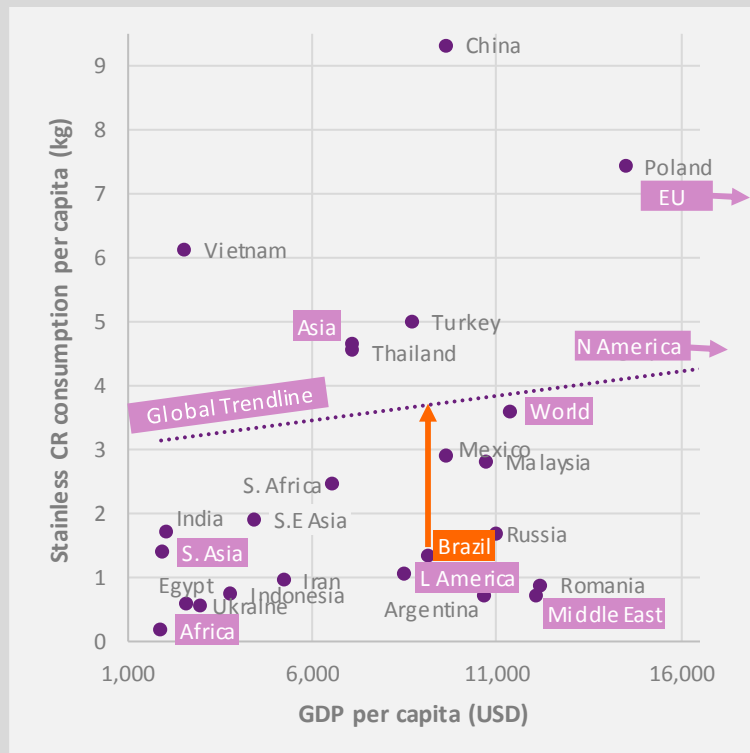


Business overview

S&E Steel South America: Brazil offers ample opportunity for both cyclical and structural growth



Brazil consumes substantially below the global trendline



Brazil opportunities

- ✓ **Short term:** reviving the normal investment cycle in the economy. Large scale infrastructure & energy projects have been missing
- ✓ **Medium term:** Tax reform, followed by a change of import duties. Reforms that put our customers in a position to compete on a global level will drive volume and yield a positive mix effect
- ✓ **Long term:** Higher standard of living will drive stainless steel consumption. Currently Brazil at 1.4kg / capita vs China >9kg/capita and a GDP implied consumption of >3.5kg/capita

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

Largest global producer of:

- Coffee
- Orange
- Sugarcane and sugar

Largest global exporter of:

- Meat
- Poultry
- Sugar
- Ethanol

Brazil has tremendous potential for volume & mix improvement

Business overview

S&E Steel South America: Brazilian protections against unfair market behaviour



Type of products	Import duties status	Anti-dumping status
Stainless Steel Flat Products	✓ Normal import duties are 14%	<ul style="list-style-type: none"> ✓ China, Taiwan, South Korea, Vietnam, Finland, Germany ✓ AD duties starting October 4th, 2013 for 5 years ✓ Renewal investigation launched on 3 October 2018. Existing AD duties remain in place during the investigations
Stainless Steel Welded Tubes	✓ Normal import duties are 14%	<ul style="list-style-type: none"> ✓ China and Taiwan: AD duties since July 29th, 2013 for 5 years and up to USD911/t. Renewal investigation launched on July 16th, 2018 ✓ Malaysia, Thailand and Vietnam: AD duties starting June 13, 2018, for 5 years from USD367/t up to USD888/t
Electrical steel – Non Grain Oriented	✓ Normal import duties are 14%	<ul style="list-style-type: none"> ✓ China, South Korea, Taiwan, Germany: AD duties from 15 July 2019 for 5 years from USD90/t – USD166.3/t ✓ Re-evaluation after 12 months
Electrical steel – Grain Oriented	✓ Normal import duties are 14%	
Tariff measures to support fair market environment in Brazil		

Sources: SBB/Platts, Steelfirst



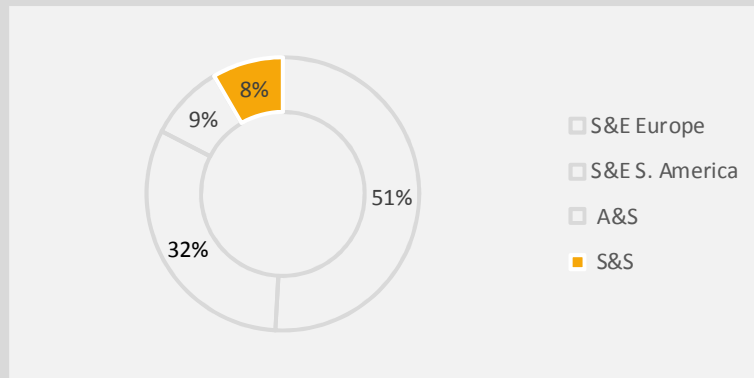
Services & Solutions

Business overview

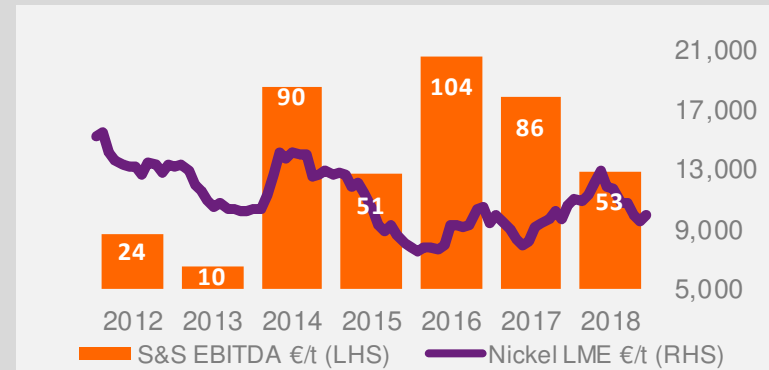
Services & Solutions: stronger partnership with customers enhances margins



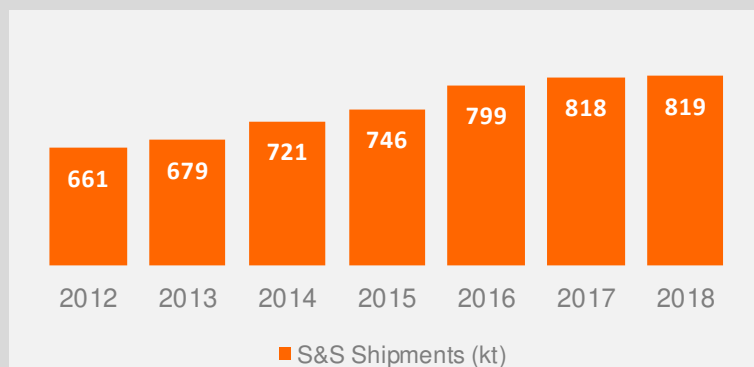
A significant EBITDA contributor 2018 despite tough conditions



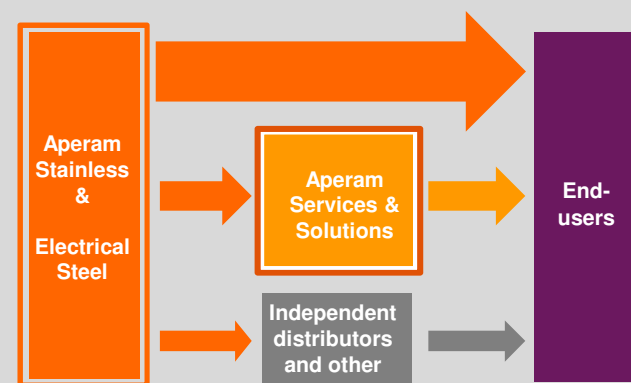
A profitable Services & Solutions thanks to its focus on service oriented customers



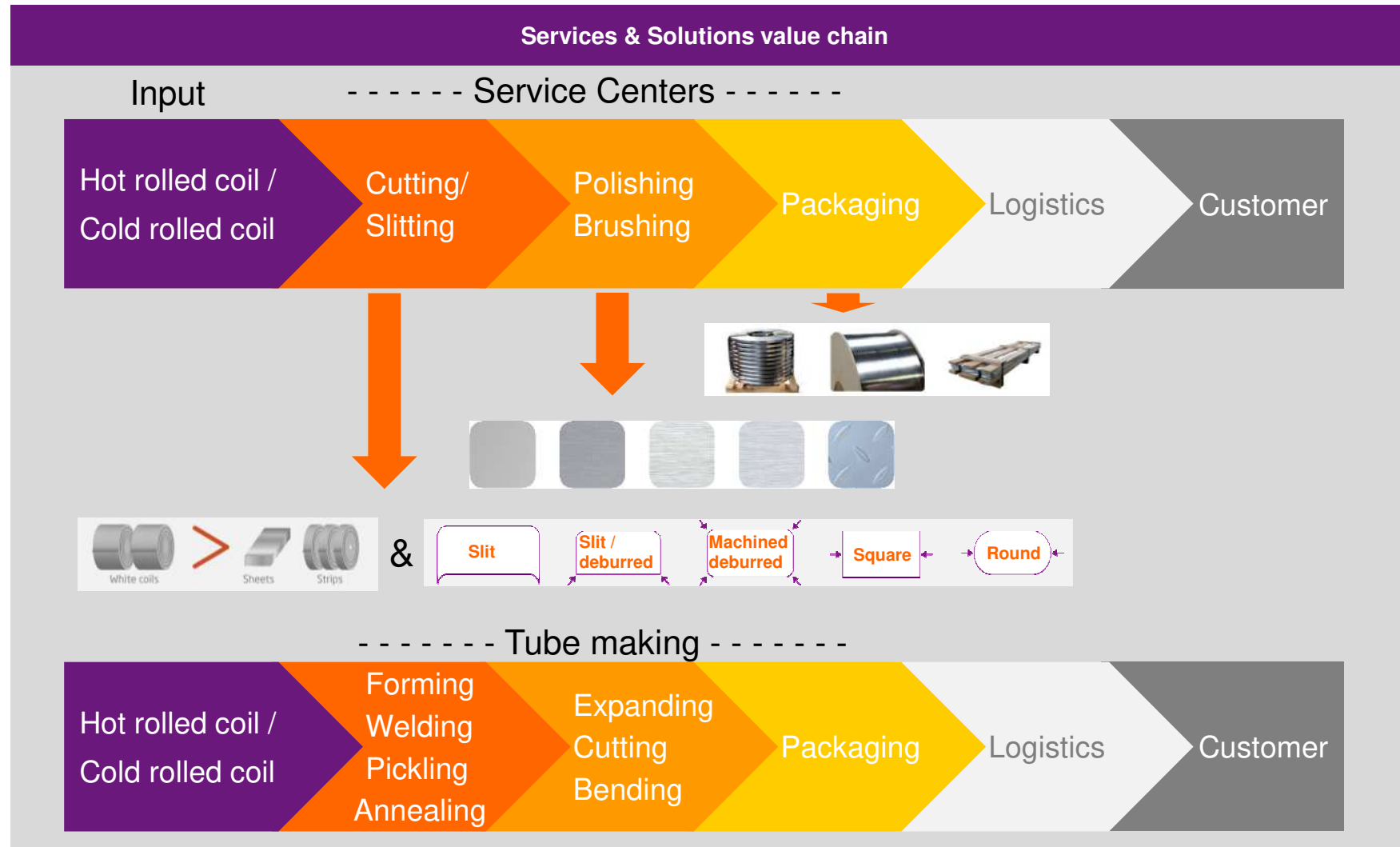
Increasing focus on downstream value added services and solutions



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



Services & Solutions: Adding value downstreams





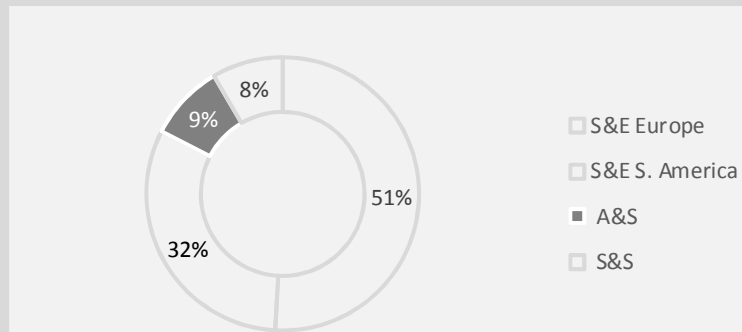
Alloys & Specialties

Business overview

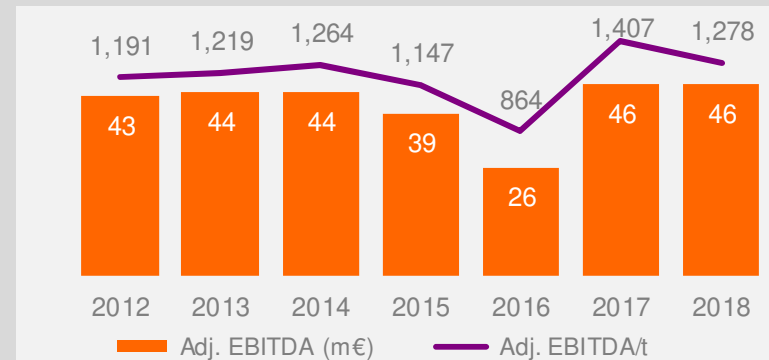
Alloys & Specialties: attractive niche market with high margins



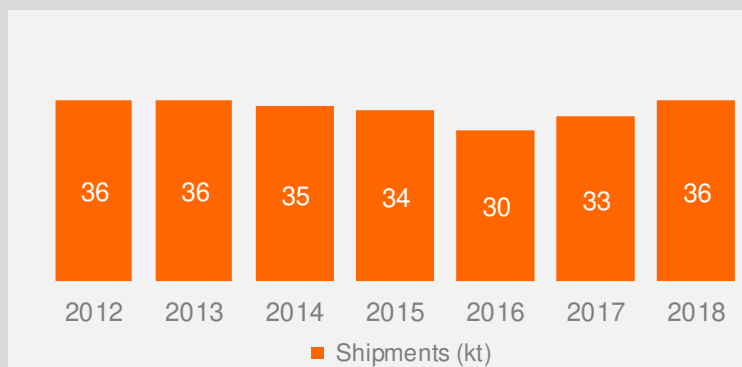
Aperam's high value added segment 2018



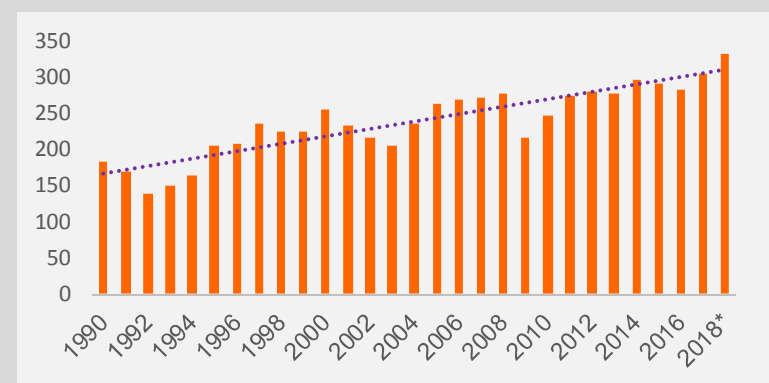
High profitability due to end products & end user orientation



Stable shipments but markedly improved mix



Nickel Alloys a growing and premium niche market



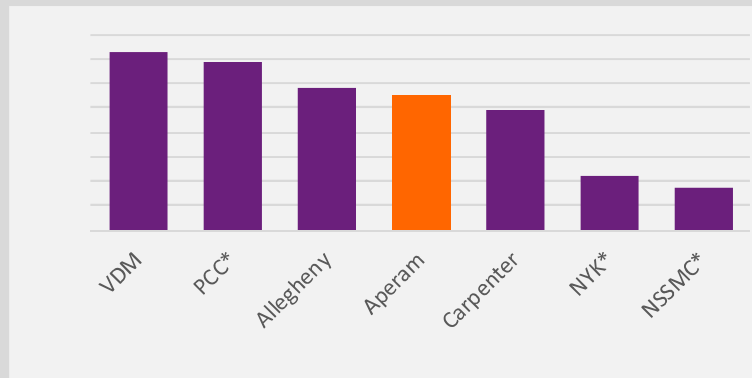
Source: SMR, Aperam

Business overview

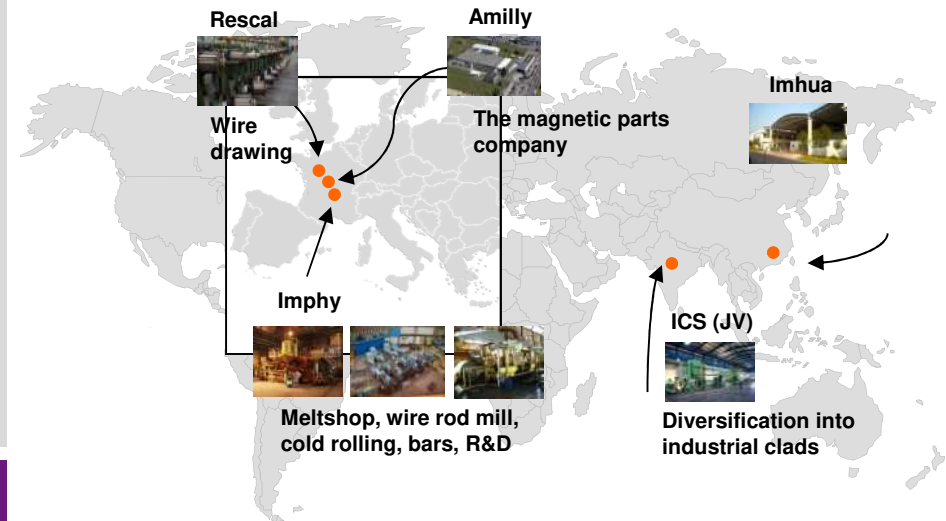
Alloys & Specialties: attractive niche market with high margins



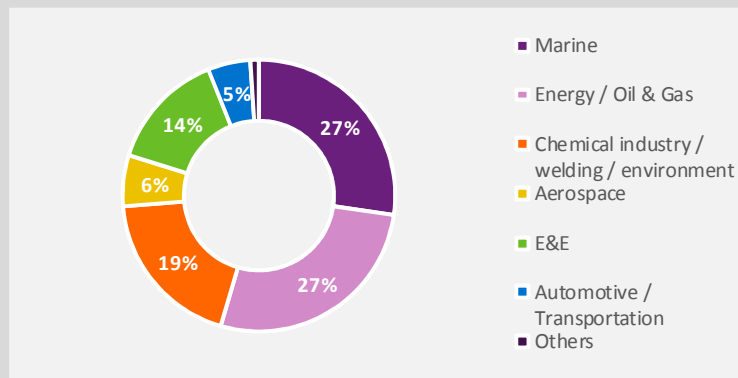
Aperam is global top player in nickel alloys and strong in long products (kt)



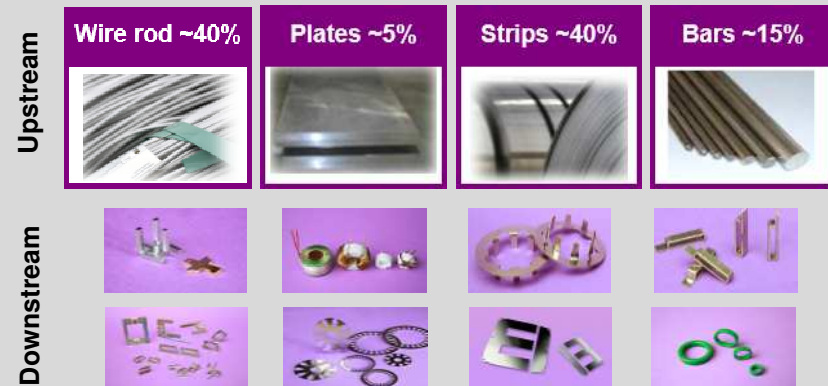
Aperam Alloys & Specialties geographical footprint



Alloys & Specialties sales by industry 2017



Major products



Source: SMR, Aperam

*PCC (Special Metals) NYK (Nippon Yakin Kogyo)

Business overview

Alloys & Specialties: Specialty alloys add stability and profitable growth element



Innovation is key for premium specialties...

R&D intensive industry

- Substantial market entry barriers
- Benchmark customers in advanced industries require tailored, certified and highly sophisticated solutions

Key R&D figures (based on FY17)



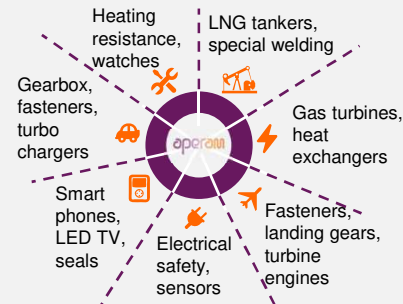
Cooperation contracts	37
Total registered patents	188
Sales of new products	9%

...to cater for highly sophisticated and evolving needs...

High growth end market applications

- “Kilogram” market: unique products designed to enable precision and high-tech solutions globally
- Highly diversified end-markets

Key end-markets / application types

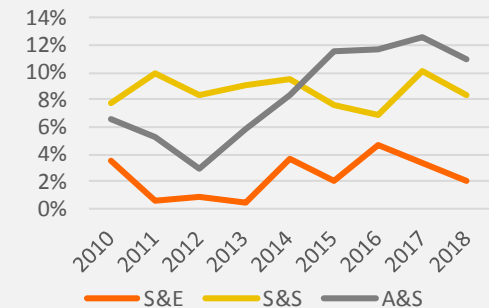


...yielding growth opportunities and margin stability

Less exposed to commodity cycles

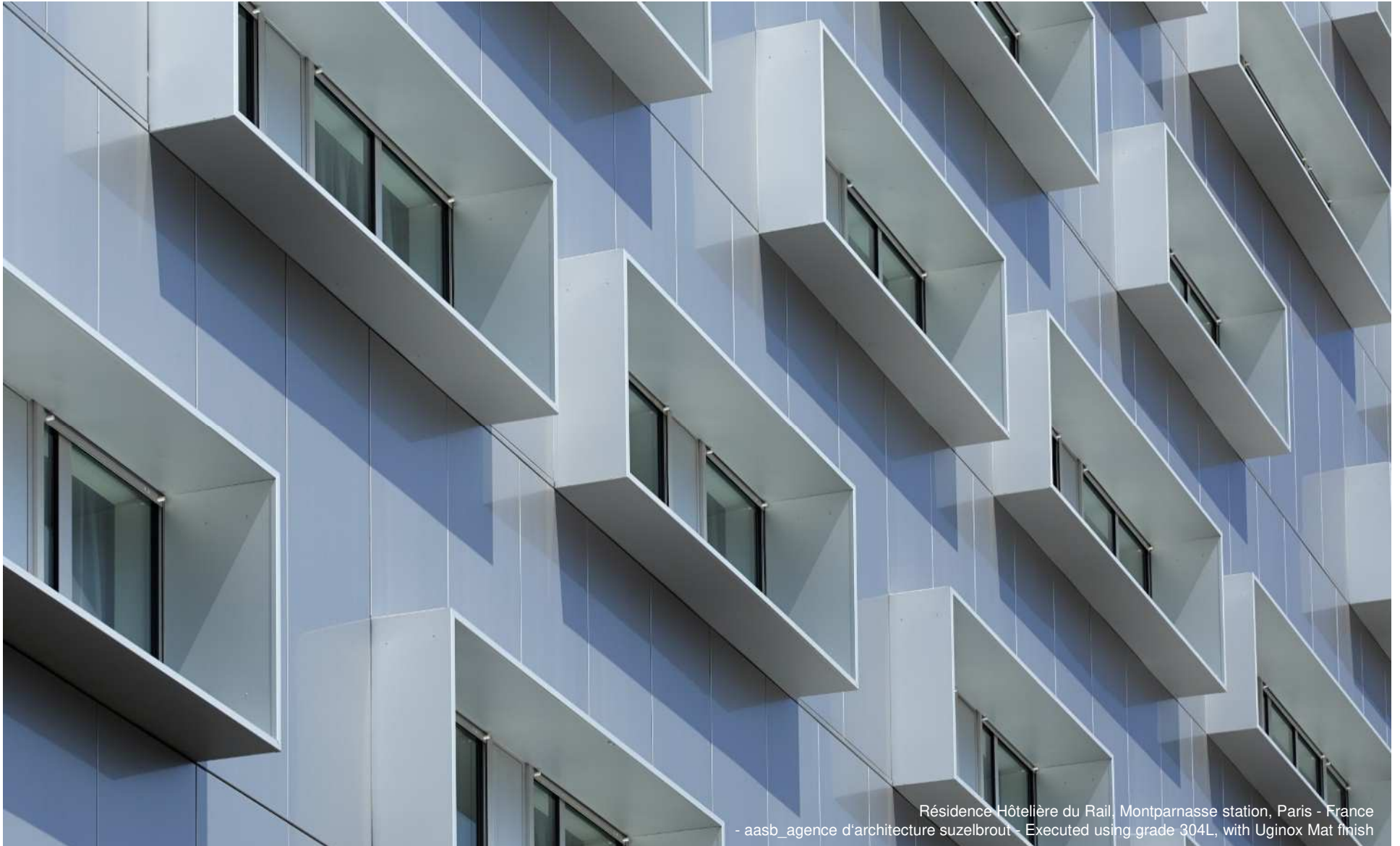
- Cost of raw materials passed through to customers
- Long-standing client relationships
- Good visibility on volumes with high proportion of recurring revenue

EBITDA margins by Aperam division



A very profitable, growing and stable niche market

Appendix



Résidence Hôtelière du Rail, Montparnasse station, Paris - France
- aasb_agence d'architecture suzelbrout - Executed using grade 304L, with Uginox Mat finish

Appendix

Key stainless product categories by alloy content

