

Q3 2020 results

4 November 2020

aperam

ESG leader with a sustainable dividend yield

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, in particular, the length and severity of the recent COVID-19 (coronavirus) outbreak, including its impacts in the sector, macroeconomic conditions and in Aperam’s principal local markets, 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.

1. Q3 2020 highlights	page	4
2. Financial results	page	11
3. Value Strategy	page	16
4. ESG	page	25
5. Business Overview	page	38
• Group Segments & corporate structure	page	39
• Stainless & Electrical Steel Europe	page	45
• Stainless & Electrical Steel South America	page	50
• Services & Solution	page	56
• Alloys & Specialties	page	59
• Appendix	page	63



Q3 2020 Operational highlights

Solid results driven by rebounding volumes and tight cost control



Q3 2020 key developments



Strong volumes supported by our flexible multi-product business in Brazil and the recovery in Europe



Intense pricing pressure in Europe



Solid EBITDA and FCF via tight cost control & working capital management



Good Leadership Journey® progress. EUR13m gains* in Q3 (cum. total EUR184m) – Phase 4 has been outlined



EU launched anti-dumping investigation on cold-rolled imports from Indonesia & India (25% of Q3 CR imports)



2020 SBB revoked due to prolonged COVID recession
3.7m shares from 2019 SBB were cancelled in September



Aperam delivers a solid performance in a challenging market environment

* Annualized gains

Q3 2020 Financial highlights

Economic recovery outweighs the usual seasonal headwind



Solid EBITDA, positive net income & positive FCF

EURm	Q3 20	Q2 20	qoq	Q3 19	yoy
Sales	841	818	3%	972	-13%
adj. EBITDA	65	49	33%	79	-18%
EBITDA	65	49	33%	79	-18%
Basic EPS (EUR)	0.30	0.27	13%	0.47	-36%
Steel shipments (000t)	432	376	15%	418	3%
adj EBITDA/tonne (EUR)	150	130	15%	189	-20%
adj EBITDA margin	7.7%	6.0%	29%	8.1%	-5%
Operating cash flow	77	57	35%	70	10%
CAPEX	-22	-23	-4%	-26	-15%
Free cash flow*	55	34	62%	45	22%
Dividends paid	-35	-37	-5%	-35	0%
Net financial debt	111	123	-10%	172	-35%

Q3 key comments

- Shipments were driven by our multi product business in Brazil and the recovery in Europe
- Adj EBITDA benefits from higher volumes and strict cost control despite high pricing pressure in Europe
- EPS increased qoq despite a normalized fin. result and a normalized tax rate
- Strong operating CF with 118% EBITDA to cash conversion. FCF more than covers the dividend
- Balance sheet is strong with 0.4x NFD/EBITDA. Liquidity position improved further to EUR810m (41% cash / 59% undrawn lines)
- Remaining PIS/Cofins EBITDA contribution will be booked pursuant to supreme court decision

Tight cost control and working capital management form the basis for improving results

*before dividend and share buyback

Market update

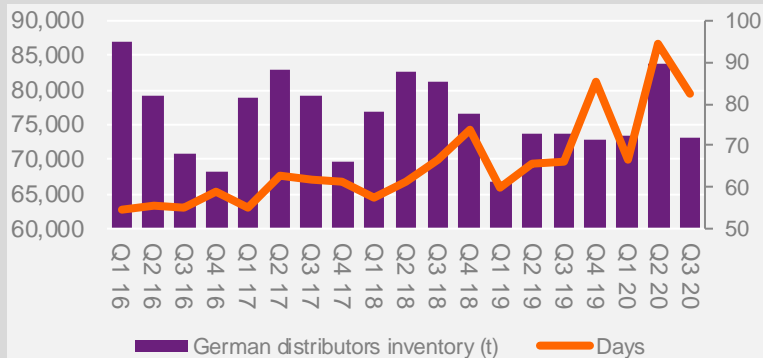
Demand has recovered during Q3 but high price pressure prevails in Europe



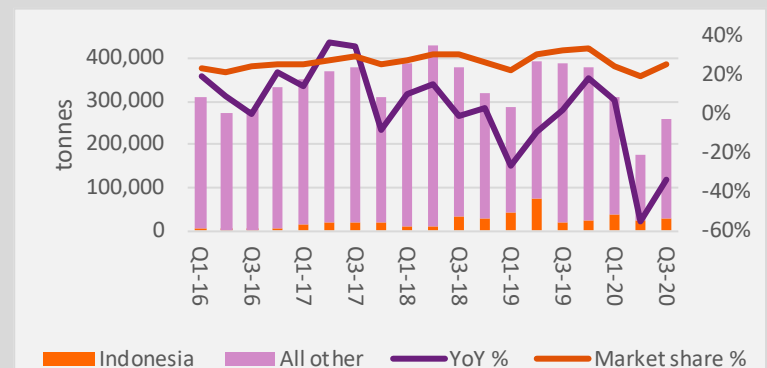
End markets continue to show clearly diverging trends

Automotive & Transport		<ul style="list-style-type: none"> Production gradually resumed both in Europe and Brazil but remains below pre COVID level.
Consumer Goods		<ul style="list-style-type: none"> Demand back to its normal level in Q3 with a stable outlook into Q4
Construction		<ul style="list-style-type: none"> Normal level of activity but pipeline of new projects is still weak
Food, Health & Catering		<ul style="list-style-type: none"> Normal demand except for catering due to COVID effect on tourism & restaurants
Industry, Energy, Chemical		<ul style="list-style-type: none"> Few projects due to low oil price. Pulp & paper is strong in Brazil

Inventory (in t) is down yoy - inventory days remain elevated due to demand drop



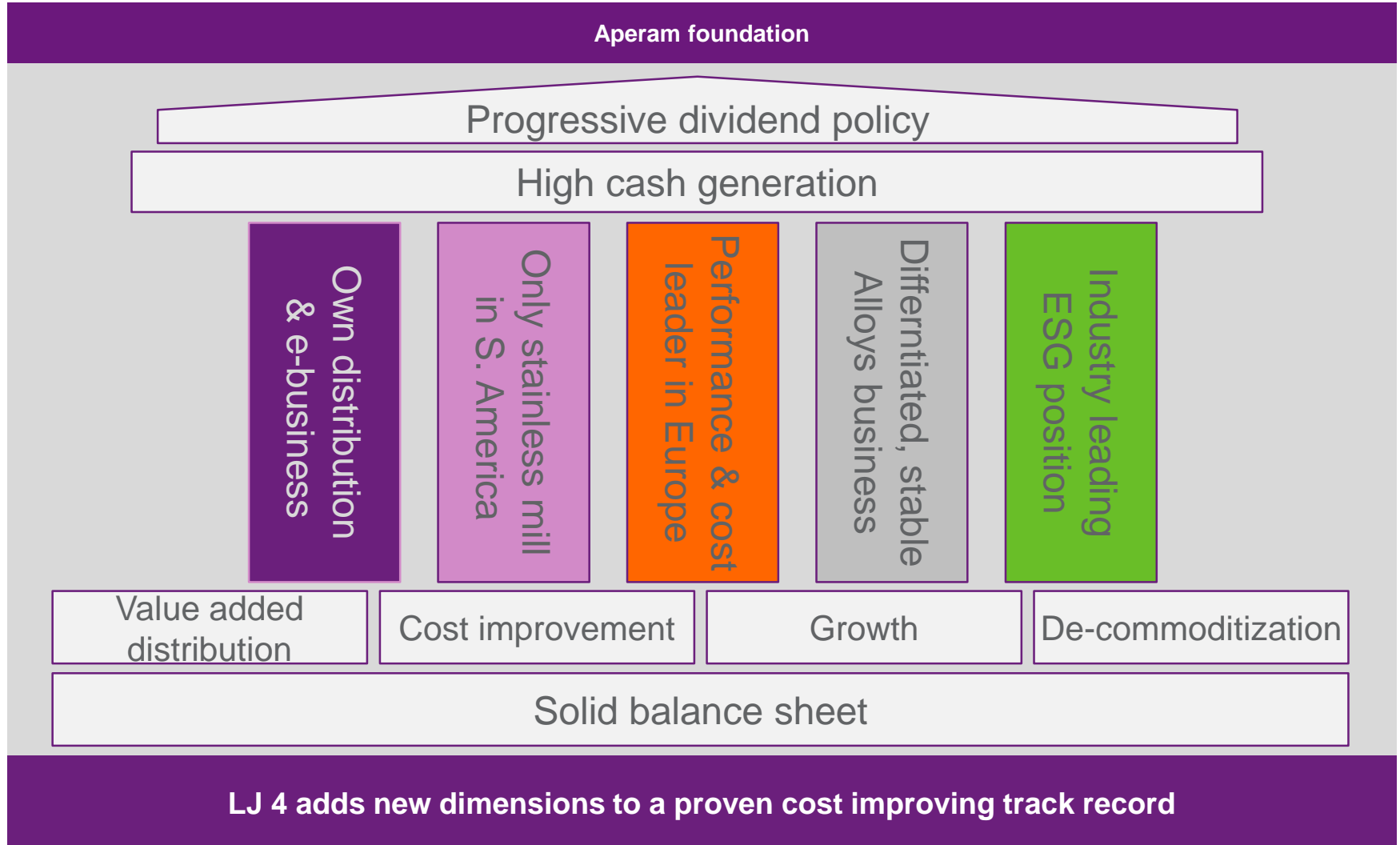
CR imports remain high due to generous safeguard quotas Anti-dumping duties successfully limit HR imports



Weak Normal Strong

Leadership Journey® Phase 4 (2021-2023)

Combining growth, mix and cost improvements to restore a normal level of profitability



Leadership Journey® Phase 4 (2021-2023)

Footprint improvement unlocks structural cost advantages and enables future organic growth options



Addressing the three pillars of value added growth

Structural cost

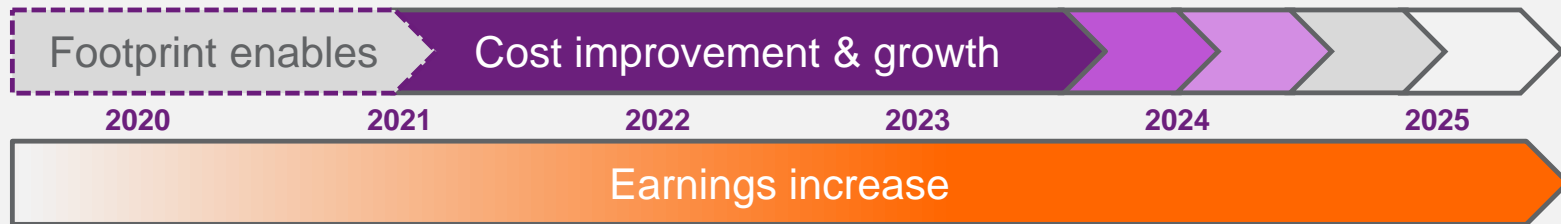
- Cost leadership in Europe
- Leadership journey (Phase 4)
- Genk downstream ramp up
- **New:** Footprint specialization
- **New:** SG&A improvement

Differentiation

- ESG leadership
- Strong balance sheet
- Financial discipline
- Value oriented M&A approach

Growth

- De-commoditization (**accelerates**)
- Distribution growth (**accelerates**)
- **New:** Alloys growth plan
- **New:** Brazil growth



Prel. target gains €150m
2021-23

Total cash out ~€90m
(capex & restr.costs)

Aperam adds mix improvement and growth to a solid foundation of cost leadership

Outlook

Q4 2020 guidance & other forward looking items



Q4 2020 outlook (assuming no second wave of COVID related disruptions):

- Q4 2020 shipments are expected at a slightly higher level qoq
- Adj. EBITDA is expected at a higher level versus a strong Q3 2020 base
 - Seasonally stronger quarter in Europe
 - Robust demand in Brazil and a mix improvement
- Net financial debt is expected to decrease

Other items:

- 2020 group capex is confirmed at ~EUR100m (incl. Leadership Journey[®] and Genk downstream)
- 2020 P&L effective tax rate expected at 10 - 15%

Aperam looks with confidence into Q4

Post Q3 2020 schedule

- | | | |
|-------------|-------------------------------------|----------------|
| • 11. Nov | Global Natural Resources Conference | Goldman Sachs |
| • 12. Nov | Digital Sustainability Forum | Oddo |
| • 16. Nov | Midcap CEO Conference | Exane BNPP |
| • 18. Nov | Investor calls | Deutsche Bank |
| • 19. Nov | Investor calls | Deutsche Bank |
| • 1. Dec | CEO Fire side chat | Morgan Stanley |
| • 7./8. Jan | Oddo BHF Forum 2021 | Oddo BHF |

We are looking forward to keep up the dialogue with you

Financial Results



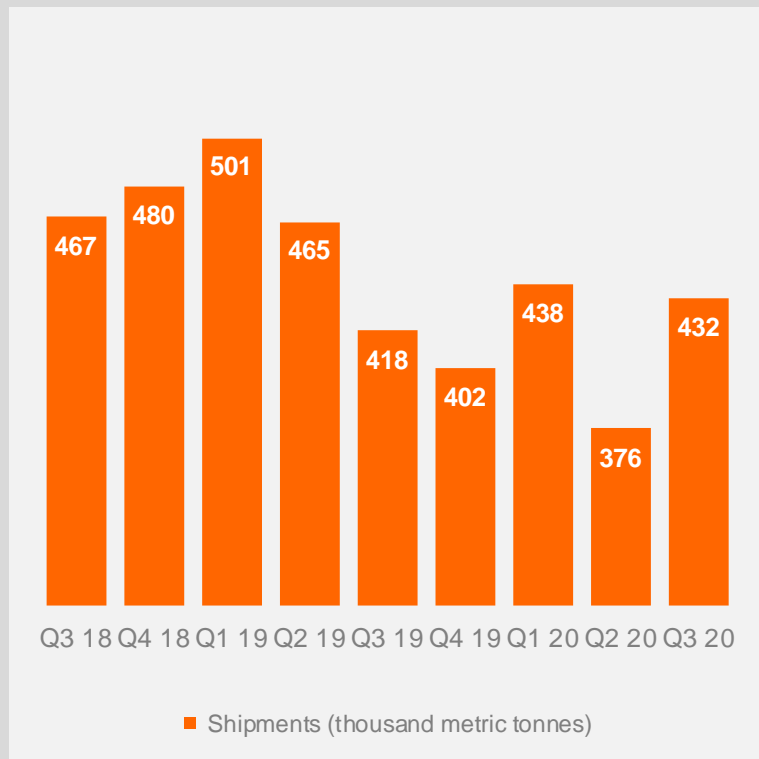
Middle East Training Center, Beirut Rafic Hariri International Airport, Lebanon - Khatib & Alami Executed using grade316L with Uginox Meca 8ND fini

Financial results

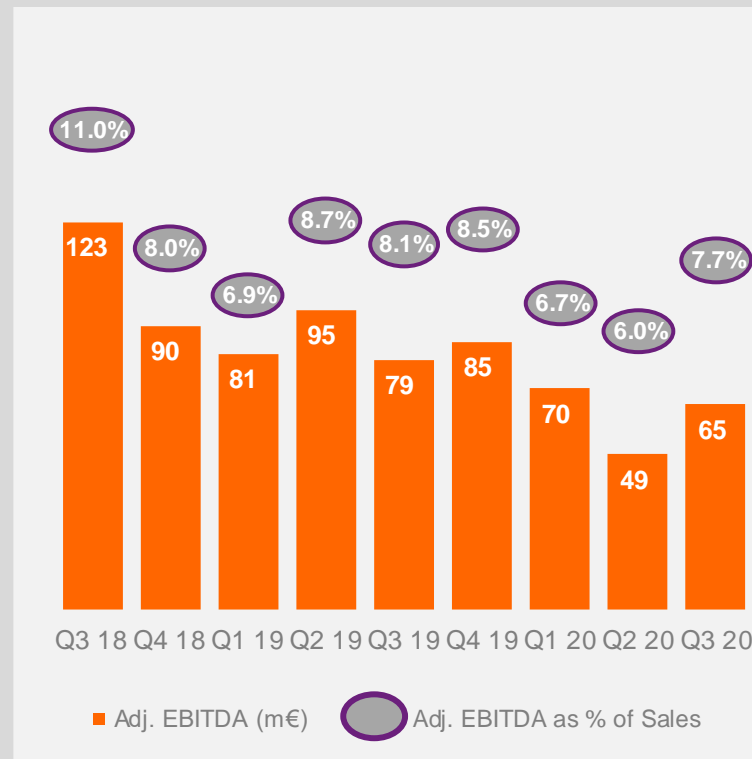
Q3 2020: The volume recovery and strict cost control move
Aperam post the trough



Volumes increase qoq and yoy due to EU recovery and
our multi product business model in Brazil



Q3 adj. EBITDA reflects higher volumes and intense
EU pricing pressure



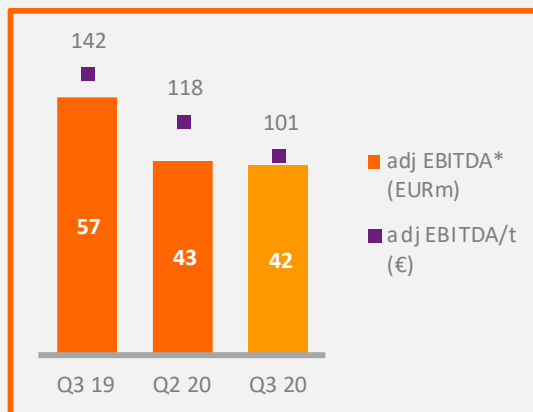
Volumes at the high end of guidance and strict cost discipline enable solid EBITDA

Financial results

Q3 2020: Brazil and A&S add stability amid pricing headwind in upstream Europe. Volumes benefit S&S

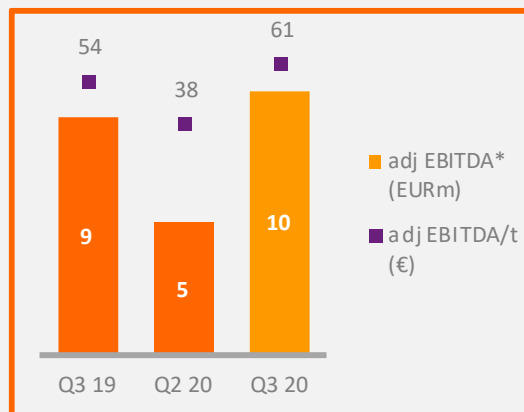


Stainless & Electrical Steel



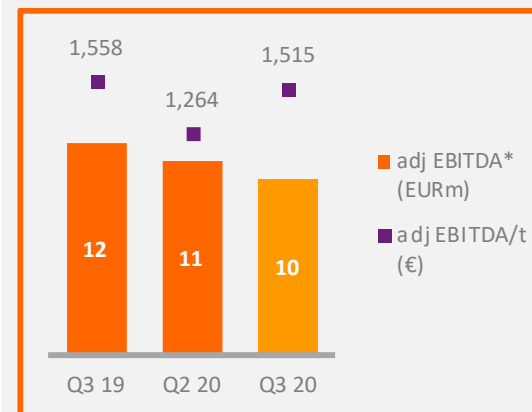
- Shipments increased 4% qoq, 15% yoy due to recovery in Europe and strong demand in Brazil
- QoQ: Europe adj EBITDA reflects higher volumes paired with pricing pressure. Brazil was seasonally strong
- YoY: adj EBITDA declines as stable volumes and lower costs were more than compensated by a deteriorating mix and a price/cost squeeze

Services & Solutions



- Shipments increased by 25% qoq but declined 1% yoy
- QoQ higher adj EBITDA mainly reflects the strong increase in volumes
- YoY: slightly higher adj EBITDA as stable volumes and neg inventory valuations were compensated by better pricing and fixed cost management

Alloys & Specialties



- Shipments decline by 24% qoq and 14% yoy
- QoQ: slightly lower adj. EBITDA was driven by lower volumes. A better mix, strict cost management and a less negative inventory valuation loss partly compensated for this
- YoY: lower adj EBITDA was driven by lower volumes that outweighs better mix, margins and cost improvements

Adj. EBITDA of 150 EUR/t in Q3 2020: up EUR20/t qoq but still down EUR39/t yoy

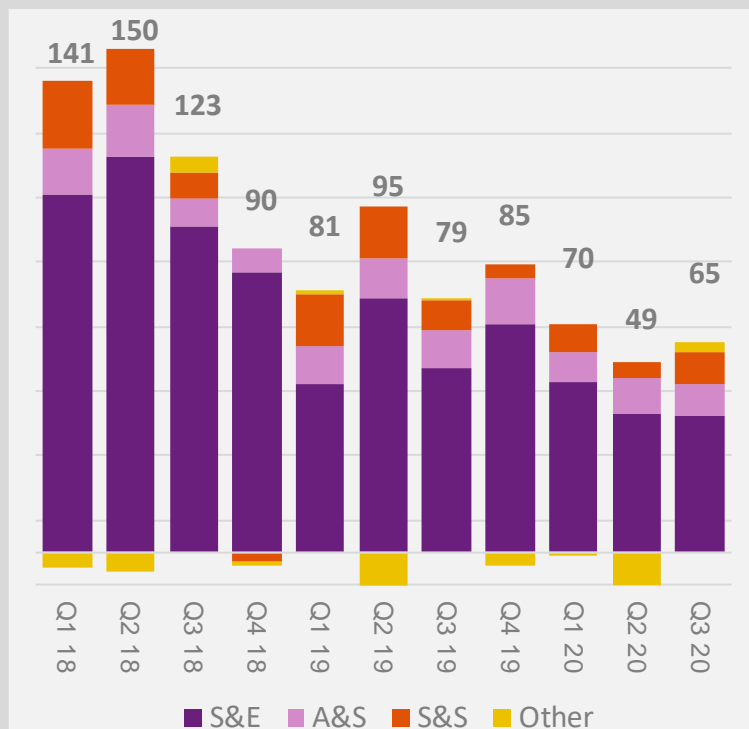
* Difference with total Aperam's quarterly adj EBITDA due to Others & Eliminations line

Financial results

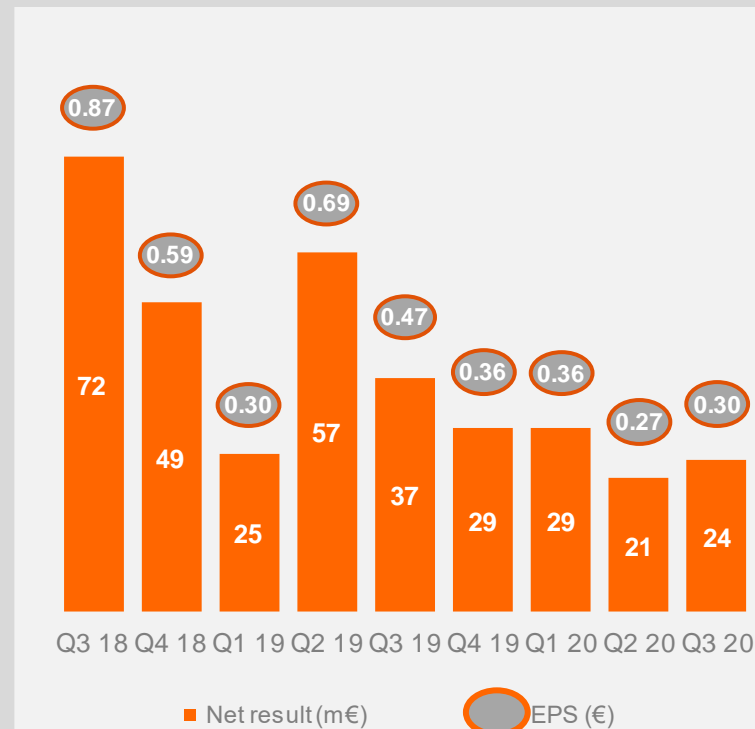
Q3 2020: Brazil is balancing Europe. A&S is stable and S&S has a volume benefit resulting in a solidly positive EPS



Stable upstream, stable alloys, recovering S&S



EPS increase despite normalized financial result and higher tax rate



Positive net income line even in challenging times

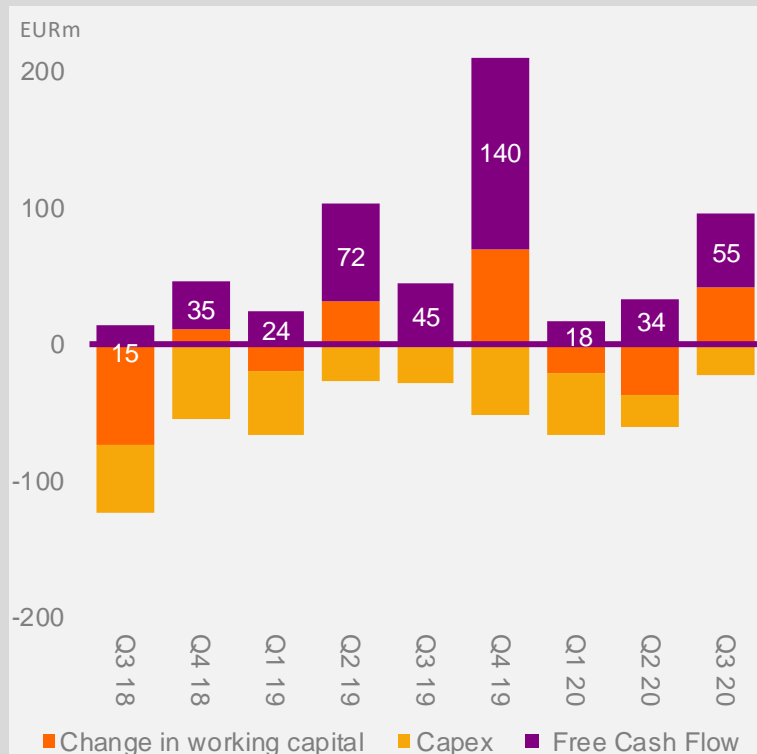
*Q4 2018: Financial results includes a EUR18m gain related to the convertible bond due to the expiry of put option by bondholders *Q1 2019: Financial results includes a EUR11m charge related to the convertible bond due to accelerated amortization of the premium (reversal of the Q4-18 gain) *Q4 2019: Income tax expense contains a EUR26m impairment of the deferred tax asset *Q2 20 Financial result contains a EUR15m interest payment on Brazil PIS/COFINS position

Financial results

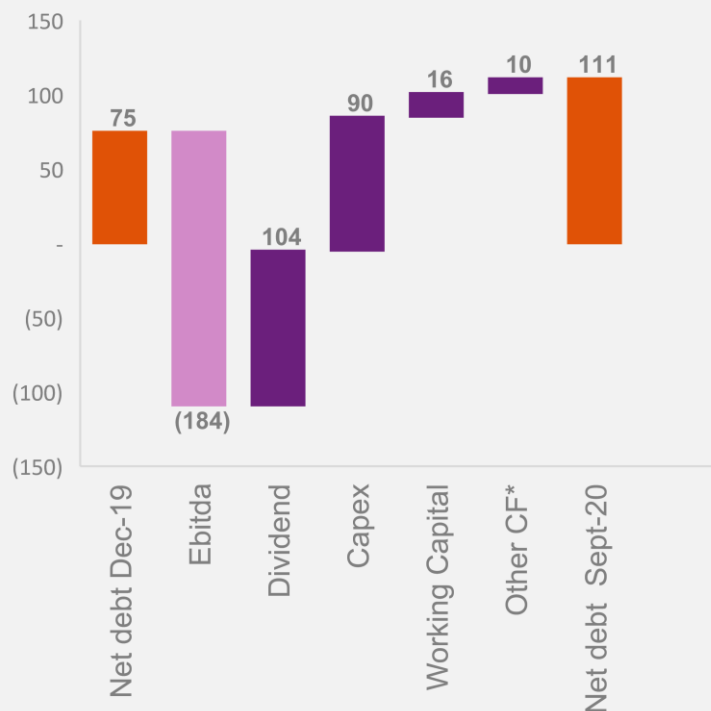
Q3 2020: Solid cash generation with 118% cash conversion due to tight working capital management. NFD drops



Lower working capital despite higher volumes FCF more than covers dividend



NFD decreases qoq but slight increase YTD due to dividend payment



Aperam's dividend rests on a solid balance sheet and a structurally high FCF generation

* Includes interest, taxes and other items

Value Strategy



Adobe stock

Investment case & value strategy

Guiding principle: Being a sustainable safe and profitable company



Aperam foundation

Industry leading
cash flow &
financial discipline

Lowest cost footprint
in Europe
& sole producer
in S. America

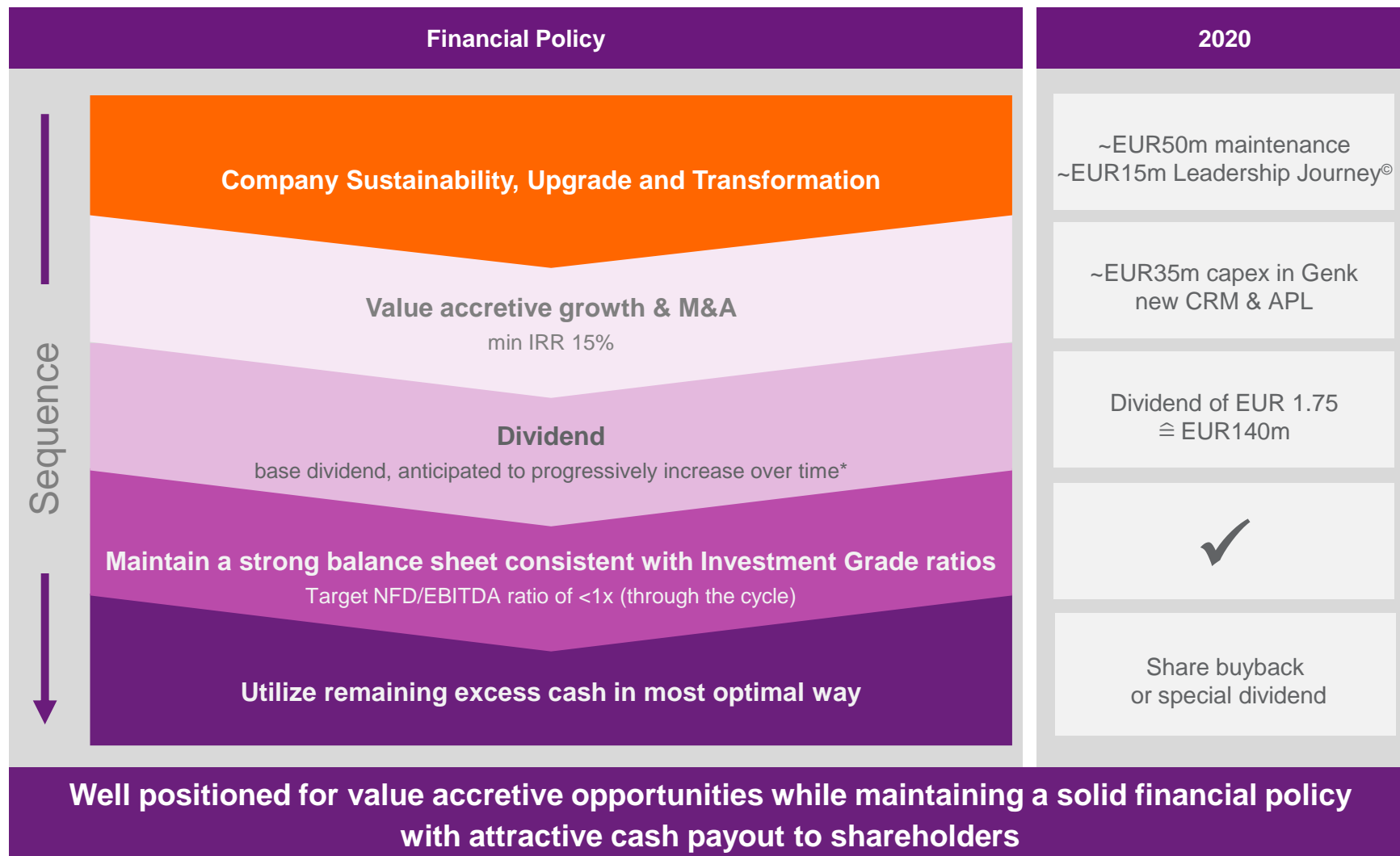
Strong balance sheet
& highest dividend
yield

Self help strategy
(Leadership Journey©)

Solid cash generation with strong shareholders' return.
New projects and Leadership Journey© will 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.

Investment case & value strategy

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

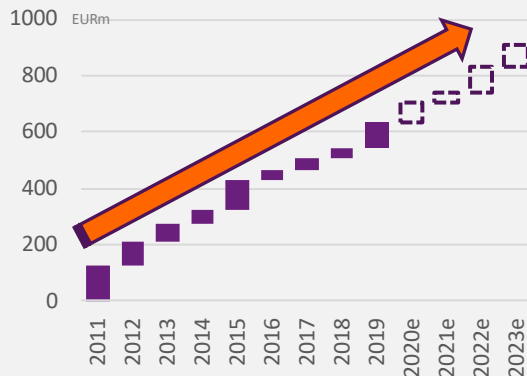


Phase 1 (USD350m):
2011-13 Restructuring

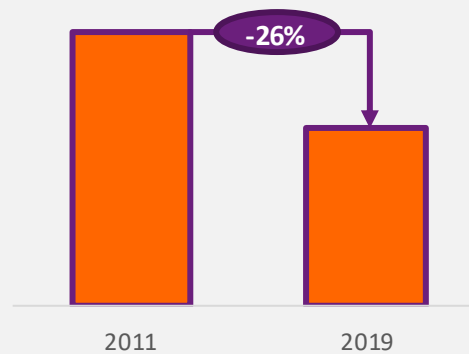
Phase 2 (USD225m):
2014-17 Asset upgrade

Phase 3 (EUR200m):
2018-20 Transformation

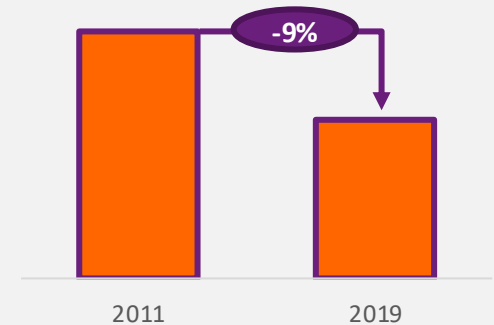
Realized cost savings



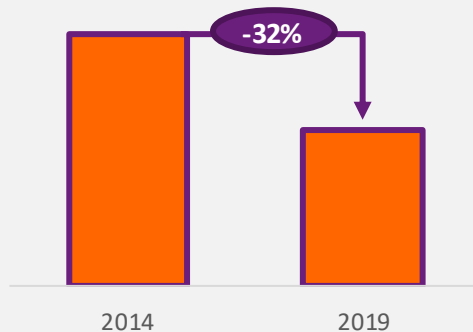
Number of production lines



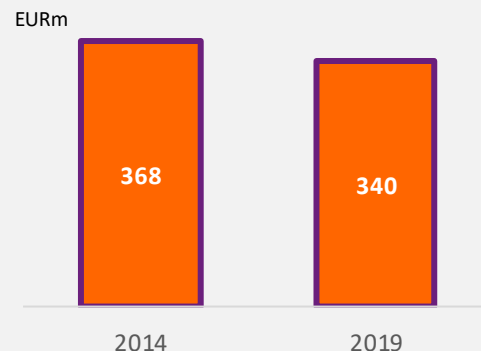
Headcount



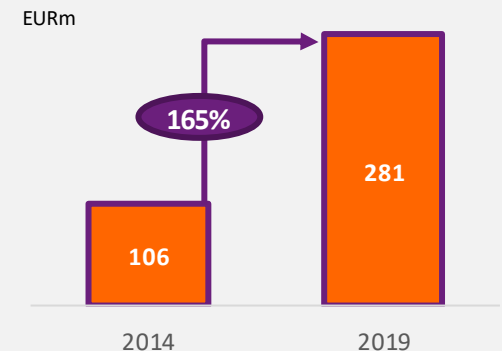
Base price



Adj EBITDA



Free cash flow



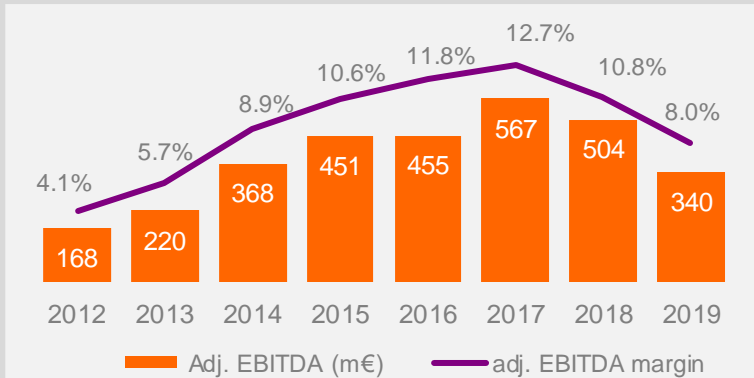
Source: CRU (base price), Aperam accounting data

Investment case & value strategy

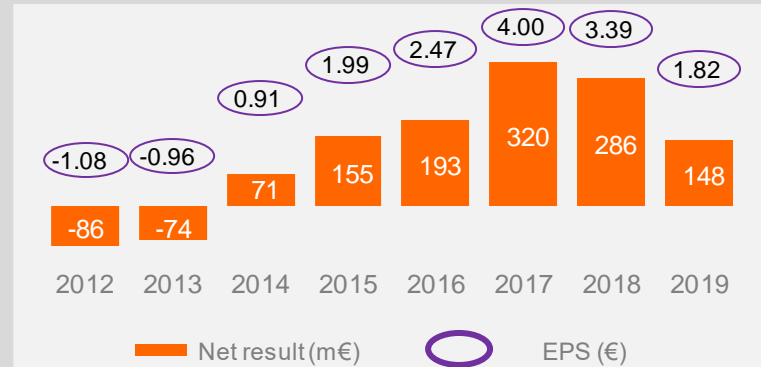
Track record: Aperam a solid performer even in challenging times



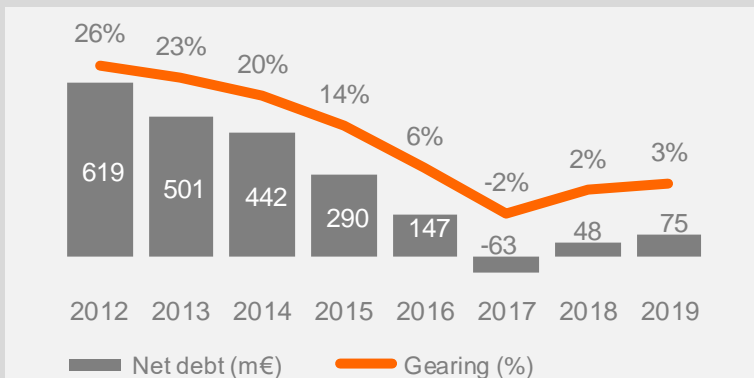
Solid operating performance despite market headwind



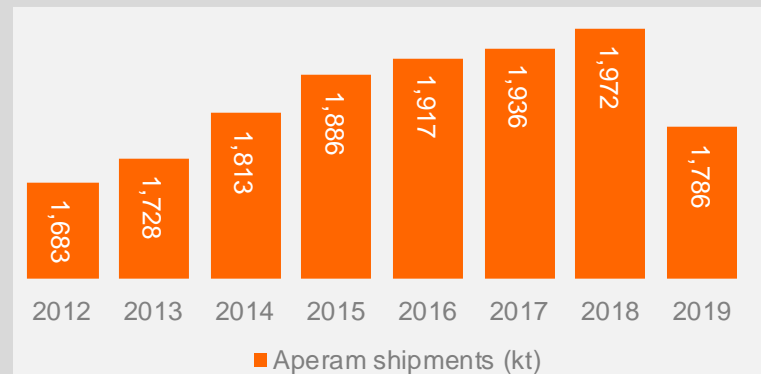
Transformation yields a positive net income even in a recessionary market environment



A strong balance sheet is corporate policy



2019 volumes reflect soft real demand in both EU and Brazil and trade war induced imports

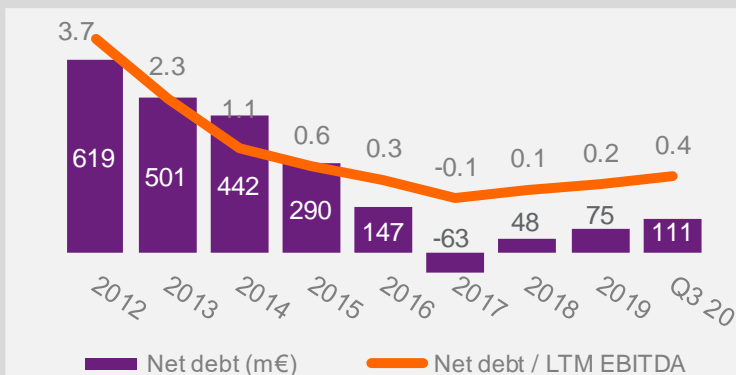


Investment case & value strategy

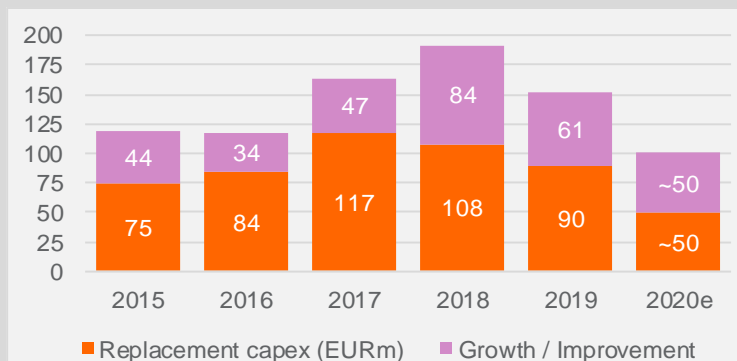
Resilience: Strong balance sheet, high liquidity and low maintenance capex



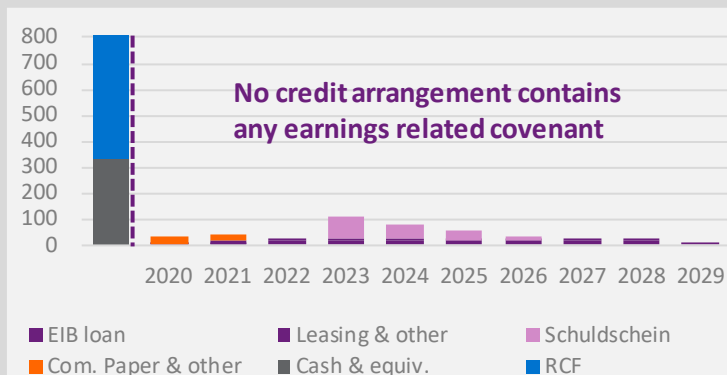
A strong balance sheet forms a solid base in a volatile industry*



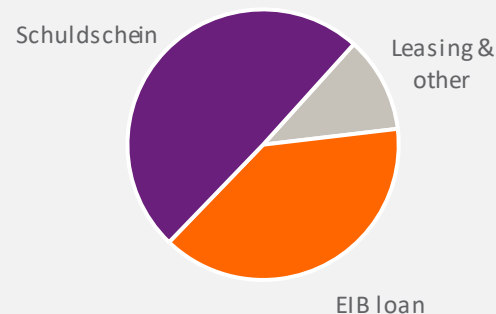
Low maintenance capex + solid investment in growth improvement



Balanced maturity profile & ample liquidity



Flexible mix and broad range of financing instruments²



*Aperam intends to maintain a strong balance sheet that is consistent with investment grade ratios and contains no pledges of assets or earnings covenants

²Financing documentation is in line with investment grade standards and

Investment case & value strategy

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

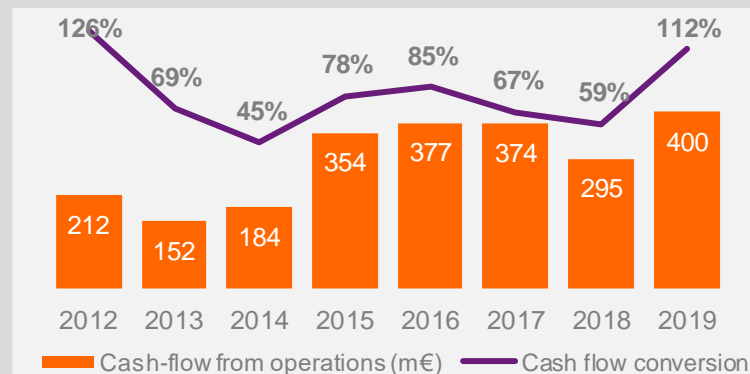


Solid cash generation through the cycle

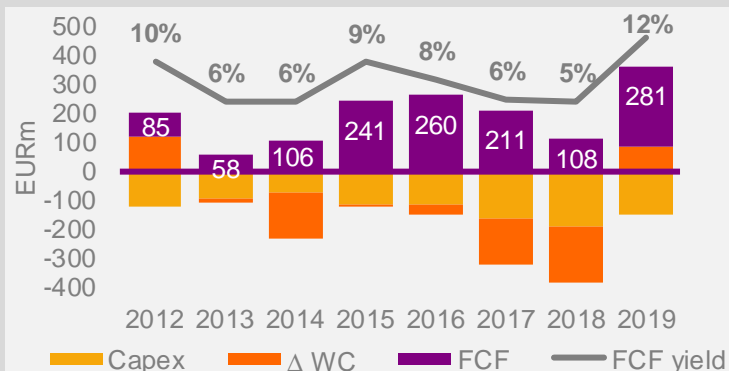
High profitability

Low cash taxes*

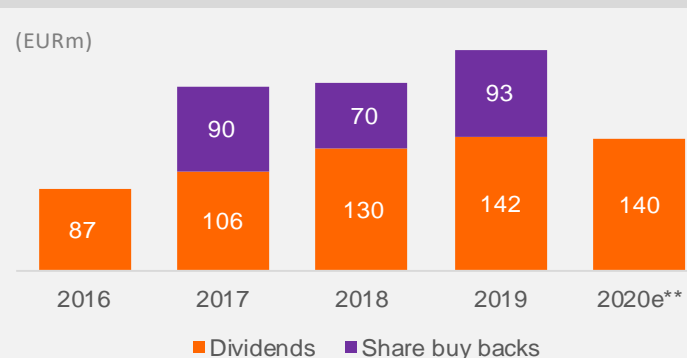
Low cash interest



Solid average 8% free cash flow yield*



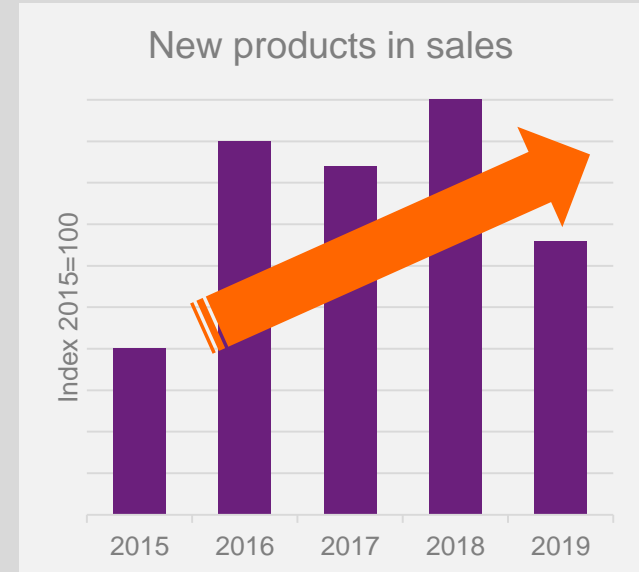
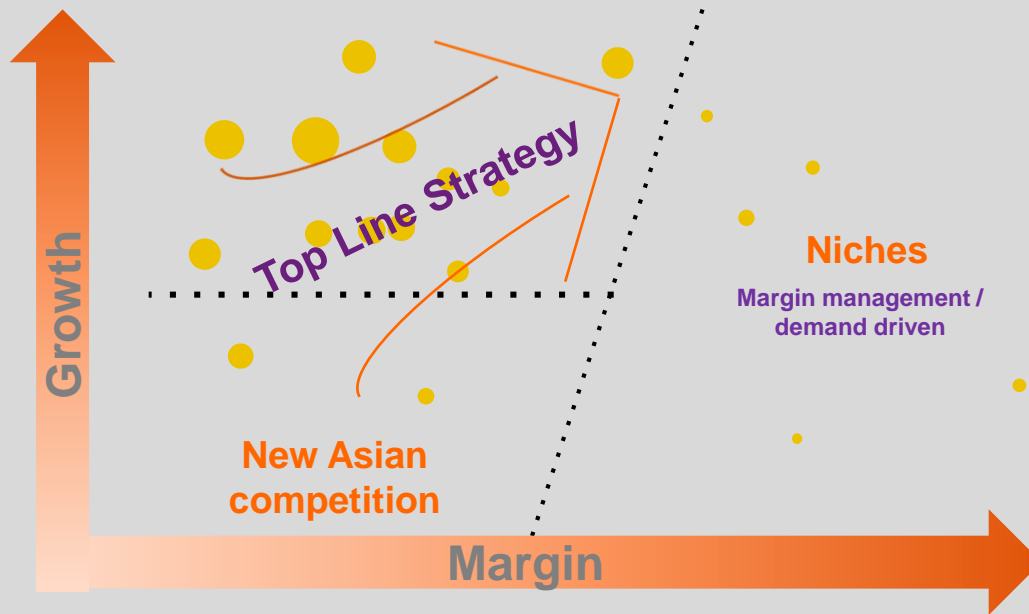
Best in class cash distribution to shareholders



*at year end 2019 the recognized deferred tax asset on tax losses amounted to EUR144m and the unrecognized deferred tax asset amounted to EUR438m

**The EUR100m 2020 SBB was cancelled due to the uncertainty related to the prolonged COVID crisis

Constant innovation to shift portfolio into attractive growth / margin segments



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

Investment case & value strategy

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



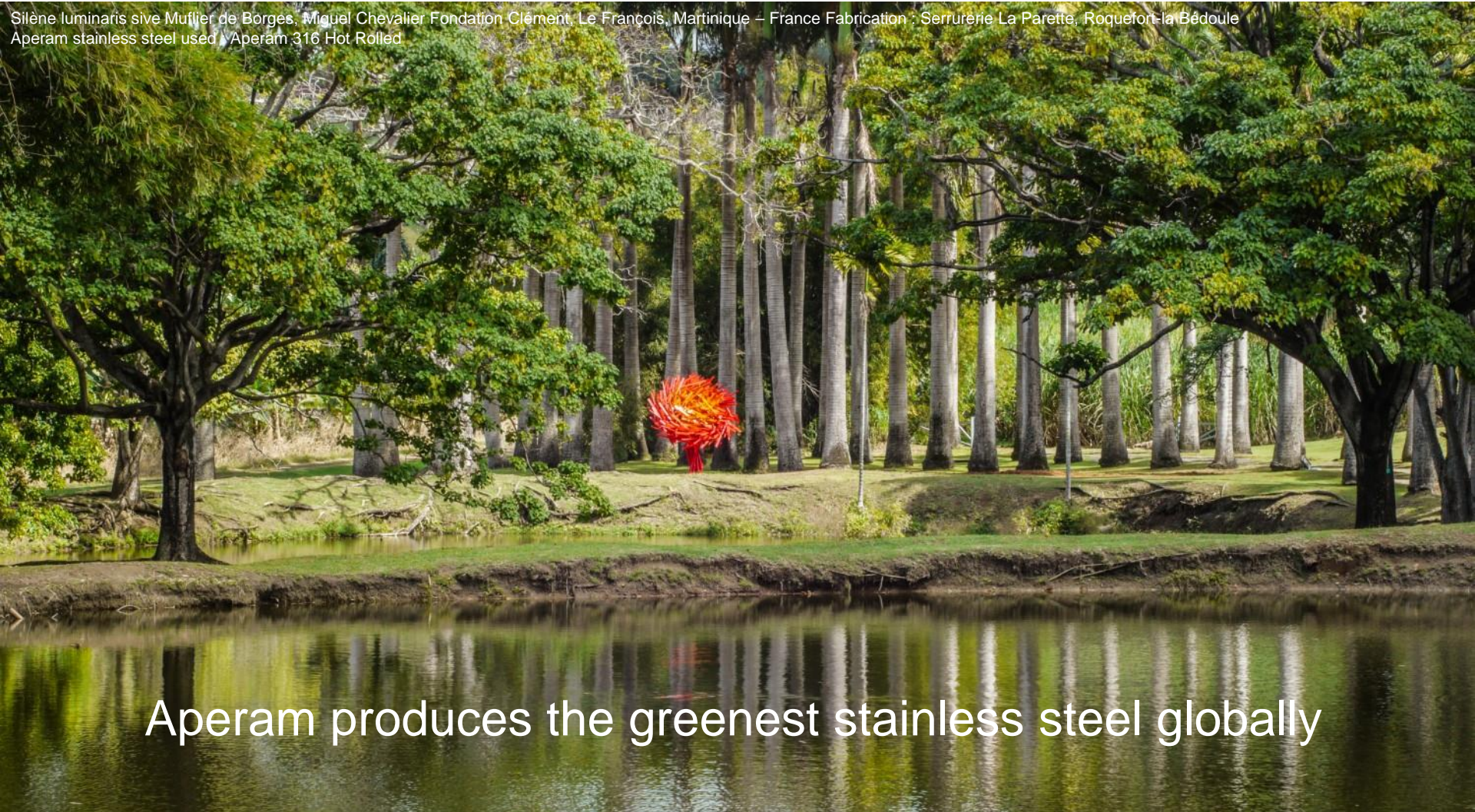
Our mission is to produce reliable, 100% recyclable, green stainless steel

Products	Non toxic, long lifespan and 100% infinitely recyclable without loss of quality
Climate change	We have the lowest CO ₂ 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 & 86% 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



Silène luminaris sive Muflier de Borges, Miguel Chevalier Fondation Clément, Le François, Martinique – France Fabrication : Serrurerie La Parette, Roquefort-la-Bédoule
Aperam stainless steel used / Aperam 316 Hot Rolled



Aperam produces the greenest stainless steel globally

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 actively promote **diversity**
- We believe in a positive dialogue and have collective labour agreements in place throughout Aperam

Environment

- As an energy-intensive company, 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 and are a member of Responsible Steel®

ESG summary

Product & process: Aperam produces a superior product in a sustainable and responsible way



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

Superior product



Renewable energy



Recycling



Very long useful life

100% recyclable

Non toxic

Corrosion resistant

Stainless Steel

Abrasion resistant

Withstands fire & acid

Mechanically strong

Aesthetically pleasing

Renewable energy

Our blast furnace in Brazil uses only charcoal as fuel - produced from our sustainably cultivated FSC-certified forests

Recycling

Aperam's main input in Europe is recycled scrap (>80%)
Our Recyco unit recycles dust, sludges & residues for us and third parties

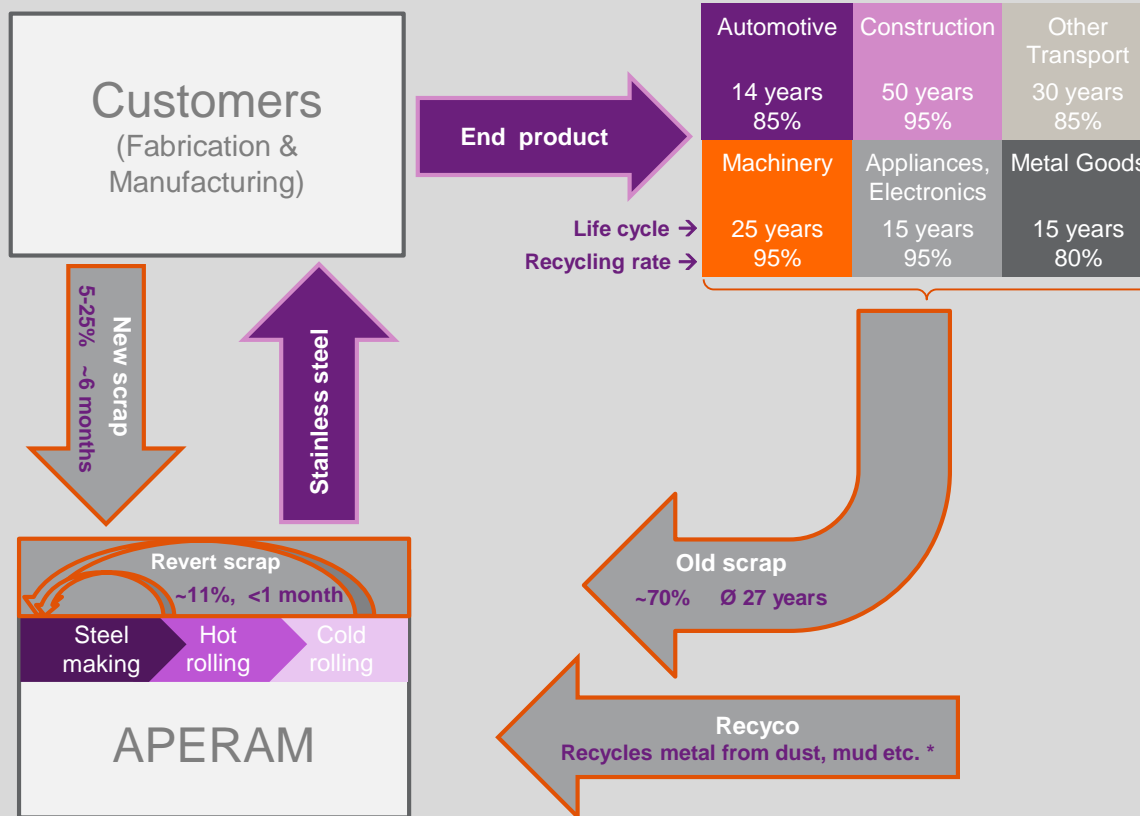
Best practice forest management, recognized by the Forest Stewardship Council's (FSC®) certification, which standards and principles conciliate ecological protection (flora and fauna, but also water reserves) with social benefits and economic feasibility. Our forests are made of selected cloned saplings which are considered among the best on the market 27 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

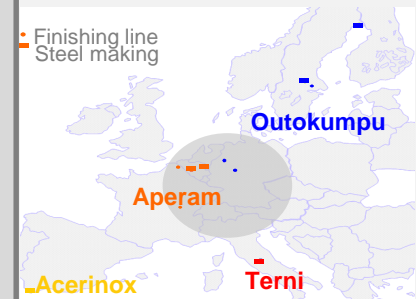
Recycling & scrap: Aperam is at the heart of the European circular economy



Scrap is a closed loop in Europe



- Aperam uses more than 85% scrap in its austenitic grades
- Scrap is sourced regionally in Europe
- Aperam's location at the heart of Europe minimizes transportation costs & environmental impact



- Aperam's Recyco unit recovers metal content from waste material*

Scrap is the primary input in our European operations

Source: Aperam, SMR, ISSF

* see [2019 sustainability report](#) p. 39 for detail

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 ranks highly on our priority list since 2017 and has a special commitment from management. Aperam established 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, mainly as biomass (charcoal) and, via pilot projects, wind and solar



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



Aperam is committed to a sustainable cohabitation with our neighboring 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

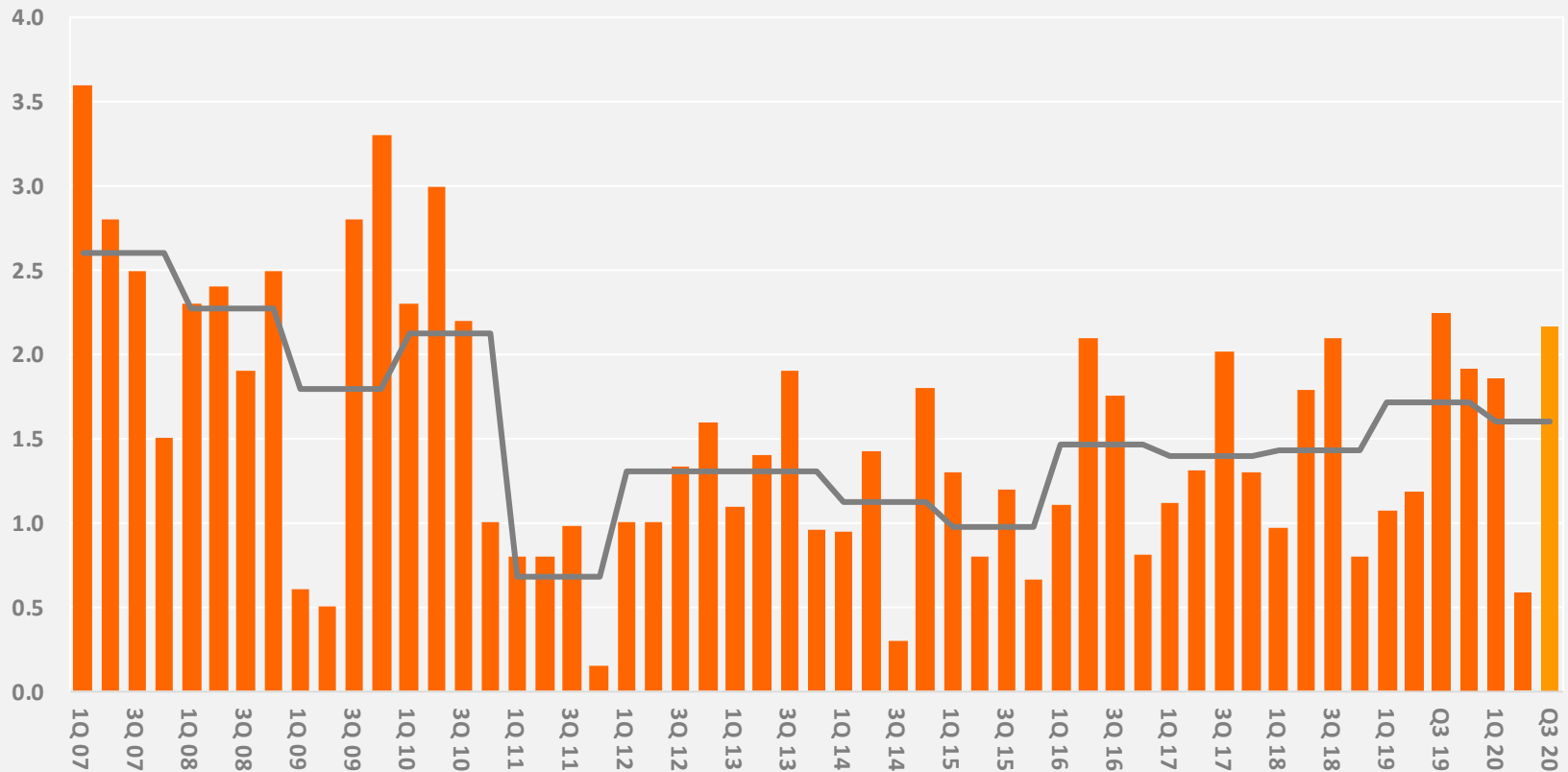


Our BioEnergia cultivated forest produces charcoal which we use instead of met coal & coke. The forest also acts as a FSC certified carbon sink. Aperam plants are constantly reducing their energy consumption and participate in our climate action plan



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

Health & Safety frequency rate of 0.6 in Q3 2020





Health & Safety of our people is our prime objective

ESG summary

Social: Our people are our asset



Criteria	2020 Target	Aperam 2019 status	Steel industry 2017*
Lost-time injury frequency rate	<1	1.7 	2.93
Employee satisfaction ¹	N/A	86% 	78%
Diversity	Increase	Women 12% of staff 20% of exempts	
Training hours/FTE	Increase	35.5	
Absenteeism	2.0	3.1	

Safety always comes first at Aperam. We rely on our people to transform our company from a traditional industry into a connected, agile and innovative organization






* Heavy manufacturing, Worldsteel 1 For the seventh consecutive year, Aperam S 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

ESG summary

Environment: A best in class footprint²

*We aim to become
carbon neutral by 2050
in Europe*



Criteria	Target 2030	Aperam 2019 status	Steel industry 2017
Energy intensity*	12.1 GJ/t -5% vs 2015	13.3 GJ/t +4% 	
CO ₂ intensity**	0.45 t/t -15% vs 2015	0.48 t/t -11% 	0.95 t/t ²
Water consumption	5.9 m ³ /t -40% vs 2015	11.8 m ³ /t +16% 	
Dust intensity	70 g/t -70% vs 2015	84 g/t -65% 	
Zero Waste target	>97% reused / recycled	94.3% +0.8pp 	

Lower production volumes hurt some KPI's in 2019

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

*amounts to -11% on electricity & natural gas
the incentive for CO₂ savings ²per ton of slab

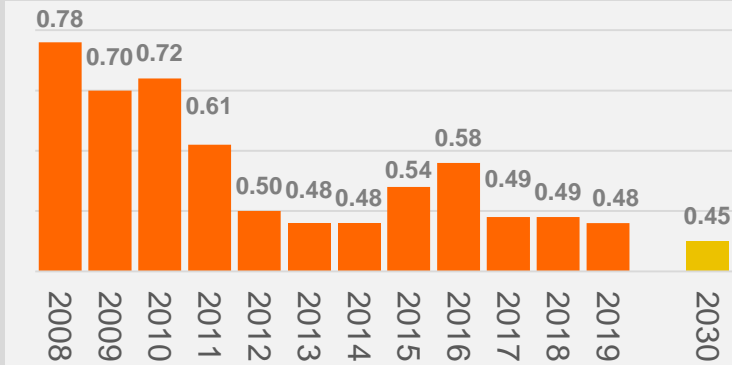
**Scope 1+2. An internal CO₂ price of €30/t is applied to all investments. We review and adjust this if necessary to maintain

ESG summary

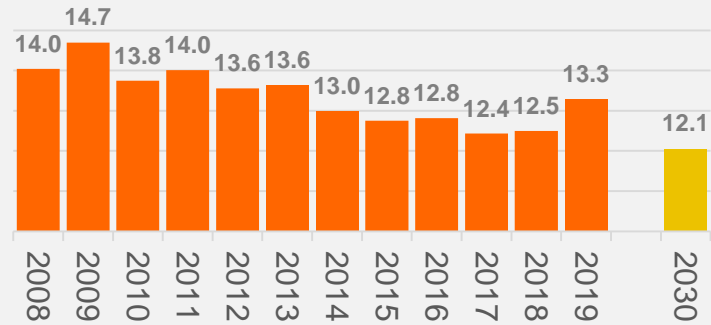
Environment: Aperam has a convincing environmental track record and clear improvement targets. Low volumes impacted 2019



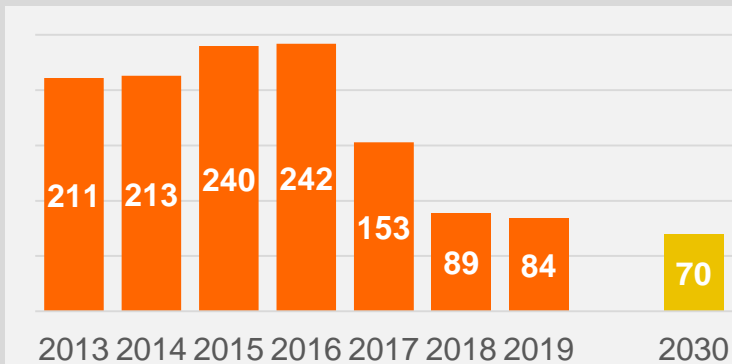
CO₂ emissions (t/t crude steel)*



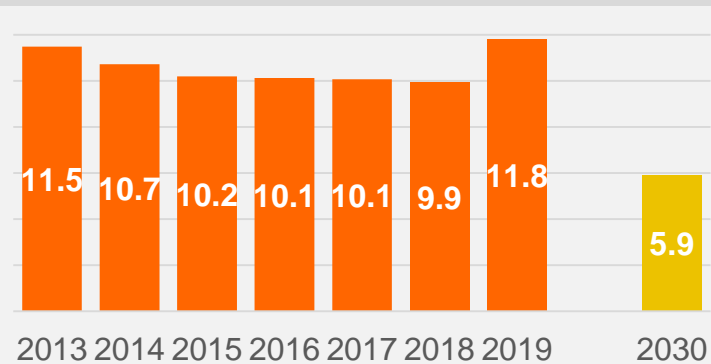
Energy consumption (GJ/t crude steel)



Dust emissions (g/t crude steel)



Water intake (m³/t)



target ●

Actual ●

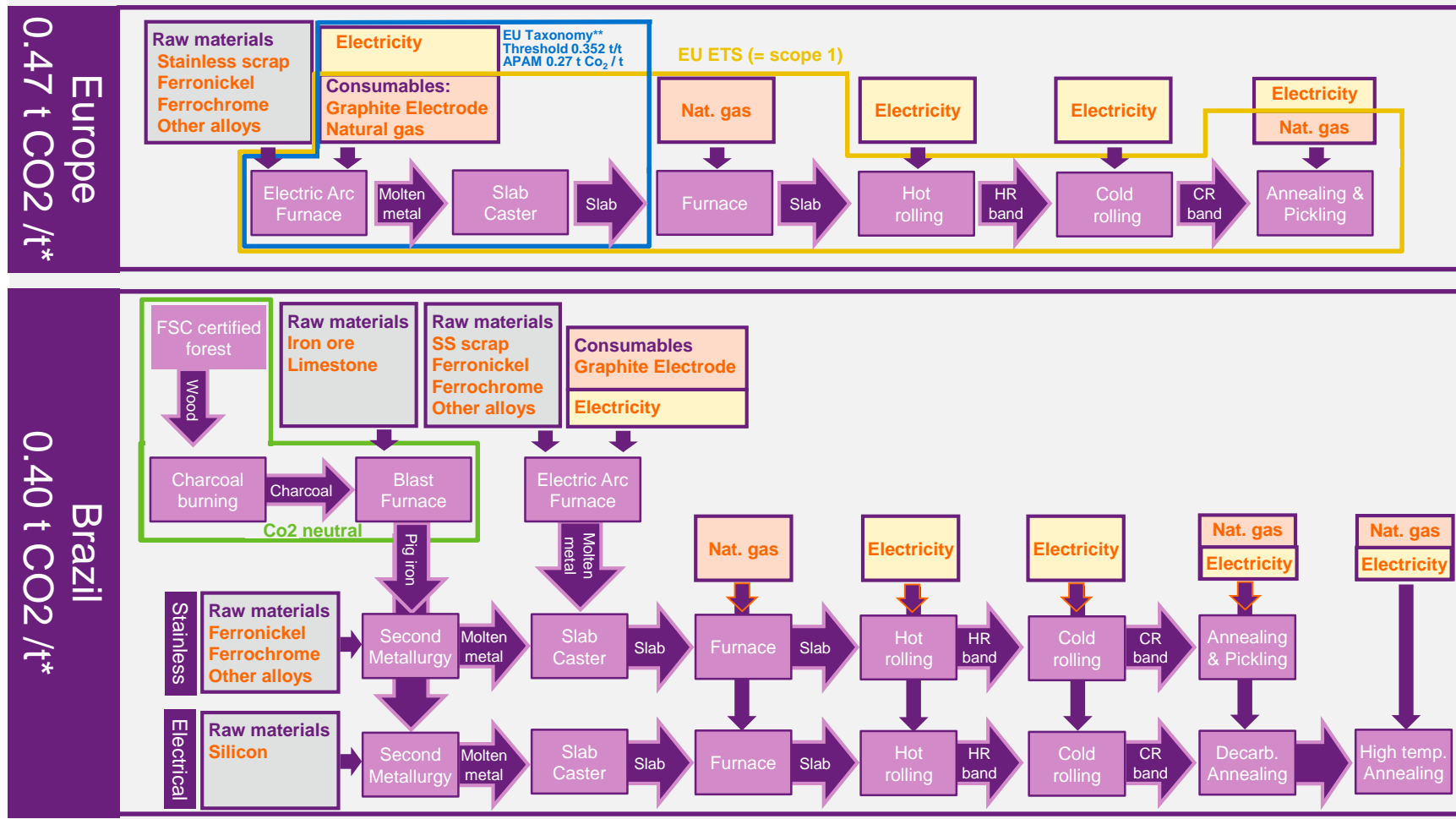
*scope 1 & 2

ESG summary

Aperam's CO₂ footprint: Aperam Europe fulfils the EU Taxonomy = environmentally sustainable economic activity



Aperam has a industry leading CO₂ footprint and produces the greenest stainless steel globally



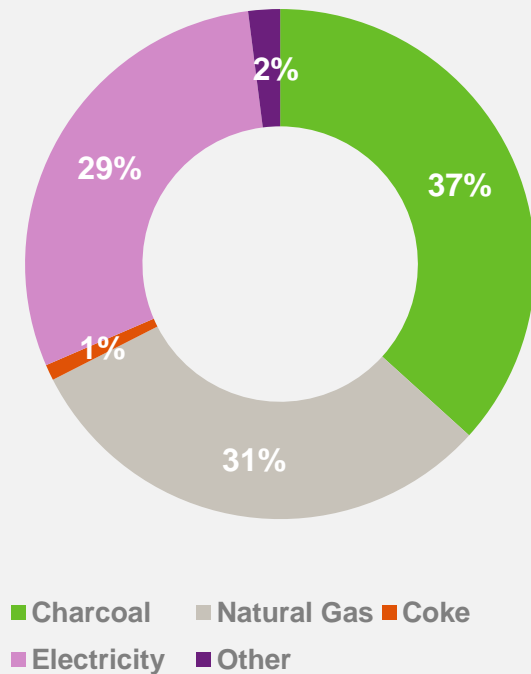
Scope 1 emissions Scope 2 emissions Scope 3 emissions Product Process / equipment
Scope 1 – All Direct Emissions from the activities of an organisation or under their control. Scope 2 – Indirect Emissions from electricity purchased and used by the organisation. Scope 3 – All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control*per tonne of slab, scope 1 + 2 based on ISO14004 **EU Taxonomy* requires 0.352 t CO₂/t scope 1+2 or 90% scrap

ESG summary

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

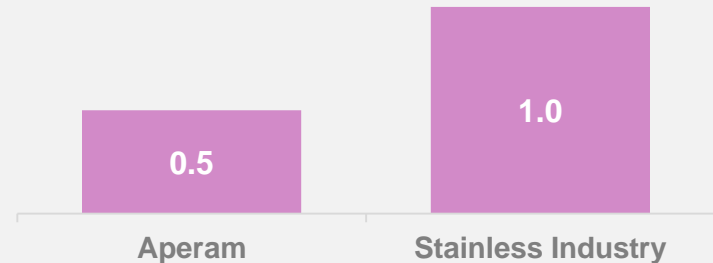


Aperam energy mix 2019

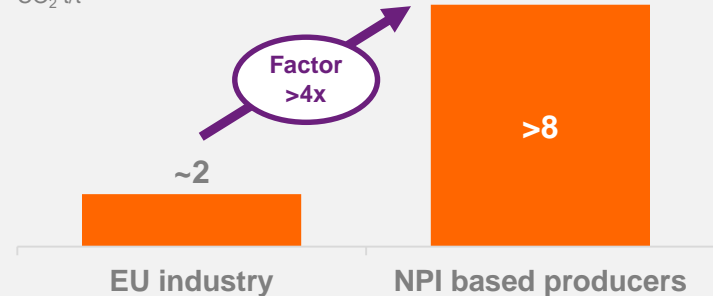


Aperam's has the smallest CO₂ footprint in the industry*

CO₂ t/t scope 1+2



CO₂ t/t **



Our sustainably cultivated forest in Brazil is a unique asset

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: 49 / 6 Nationalities
- CEO: responsible for Aperam's sustainability performance and compliance
- CTO, is also Head of Health, Safety & Environment
- 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

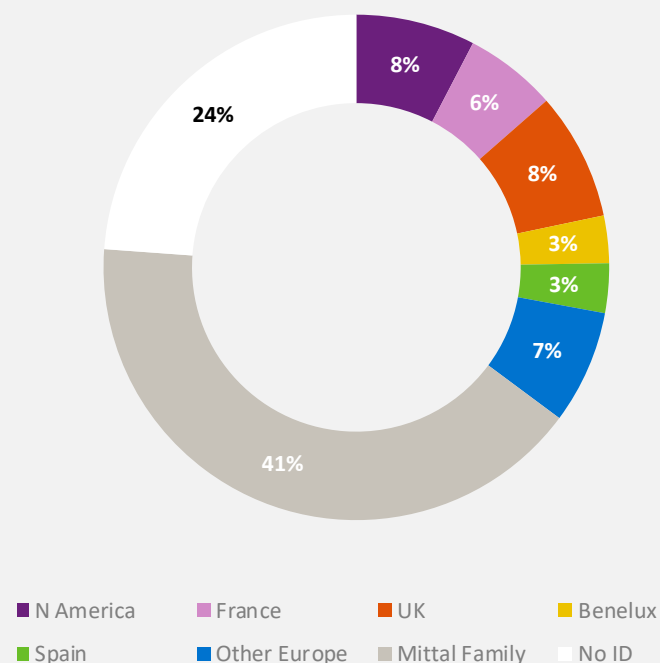


Aperam benefits from the experience and industry know-how of its Leadership Team

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
- 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. Alain Kinsch

Shareholder structure



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

Business overview





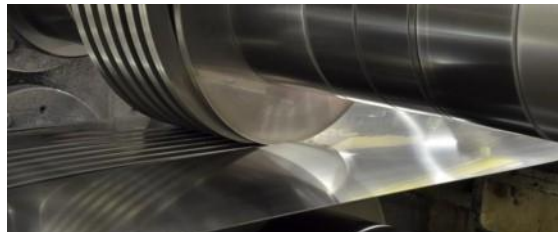
Musée des Confluences in Lyon, France. Architect: Coop Himmelb(l)au © Sergio Pirrone. Stainless steel used: Aperam 316L/1.4404 with Uginox Me

Group segments & corporate structure

Business overview

Group: Segments & corporate structure*









Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties
<p>2.5mt production capacity</p> <p>1.7mt of gross shipments</p> <p>73% of group adj EBITDA</p>	<p>706kt of gross shipments</p> <p>13% of group adj EBITDA</p>	<p>40 kt production capacity</p> <p>36kt of gross shipments</p> <p>14% of group adj EBITDA</p>
<p>One of the largest global producers of stainless steel**</p> <p>Europe:</p> <p>2 Electric Arc Furnaces use scrap as major input material</p> <p>Stainless steel flat product output</p> <p>South America:</p> <p>2 blast furnace use iron ore and charcoal produced from own forests</p> <p>2 EAF use recycled scrap</p> <p>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 sale 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>
		
<p>Aperam covers the complete stainless value chain with industry leading assets in Europe and Brazil</p>		

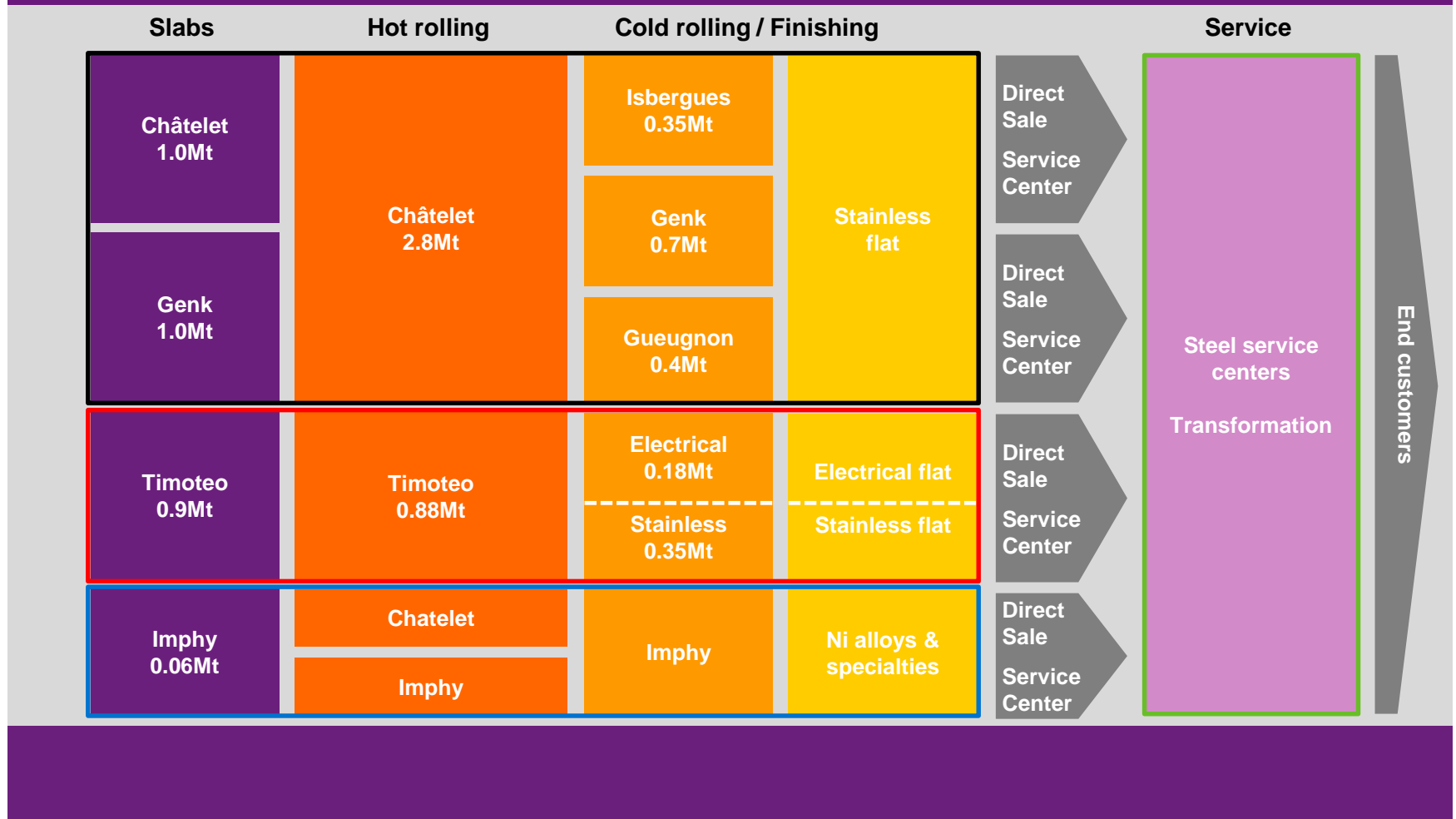
*gross shipments and adj EBITDA are before eliminations

** By production capacity

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 Cold-rolling mill Finishing	Location & facts Cold-rolling mill Finishing	Location & facts Cold-rolling mill Finishing	Location & facts Melt shop Cold-rolling mill Finishing	Location & facts Melt shop Cold-rolling mill Finishing
Capacity Slabs 1,000 kt HSM 2,800 kt	Capacity Slabs 1,000 kt 2 m 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

Aperam's value chain



Stainless & Electrical Steel Europe
 Stainless & Electrical Steel South America

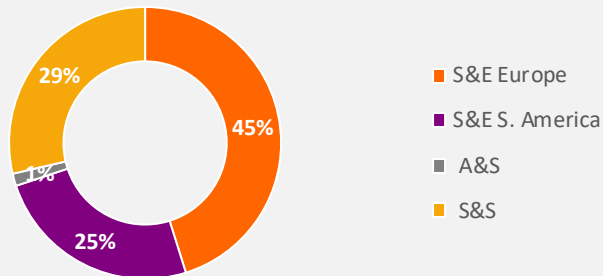
Alloys & Specialties
 Services & Solutions

Business overview

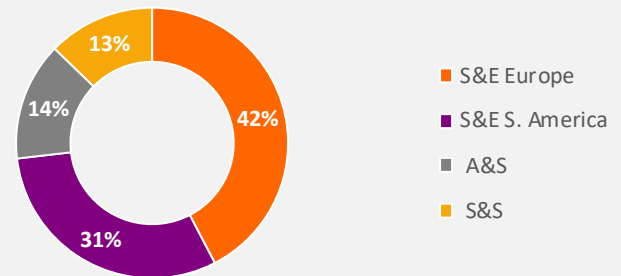
Group: A balanced risk profile and customer structure



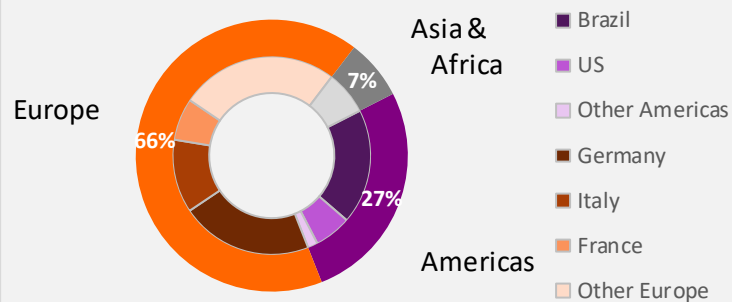
Shipment split by segment 2019*



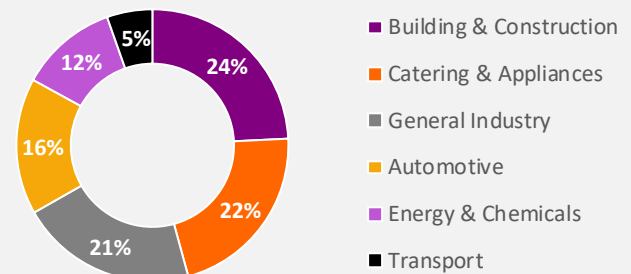
Adj EBITDA contribution by segment 2019*



Revenue by region 2019



Revenue by customer industry 2019



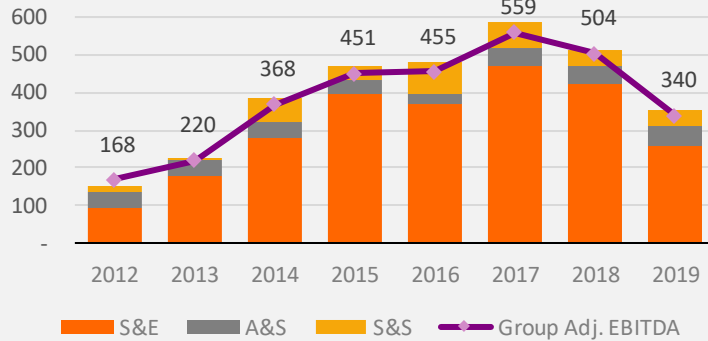
* Calculated on segmental data before eliminations

Business overview

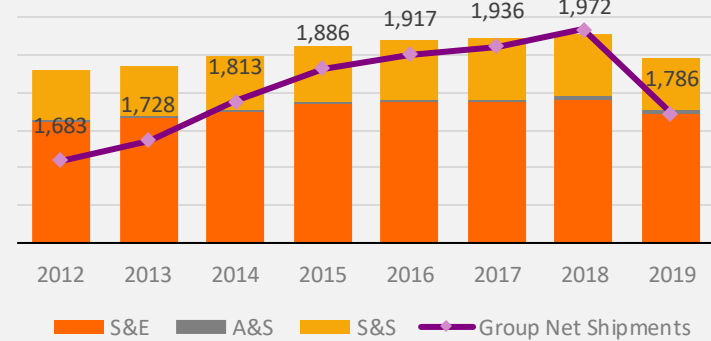
Group: Self help has transformed the group. Higher cash generation and profitability even in adverse market conditions



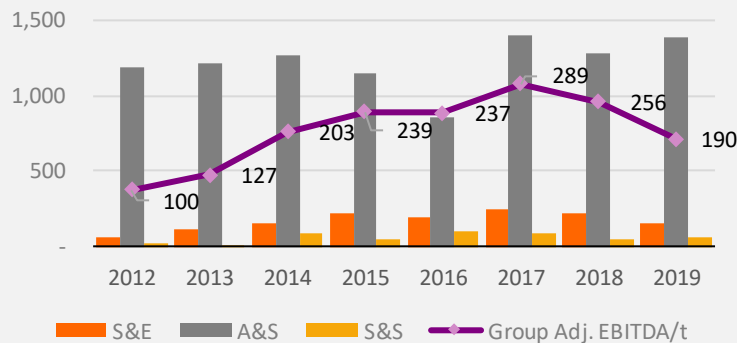
Adj EBITDA by segment (EURm)



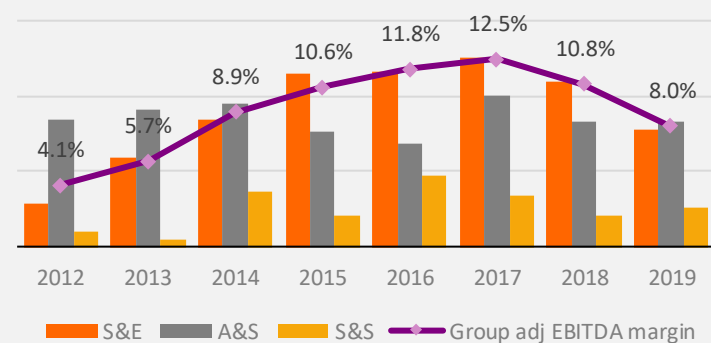
Shipment by segment (kt)



Adj EBITDA/t (EUR)



Adj EBITDA margin



Stainless & Electrical Steel

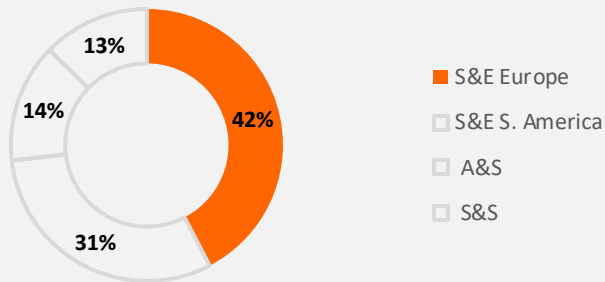
Europe

Business overview

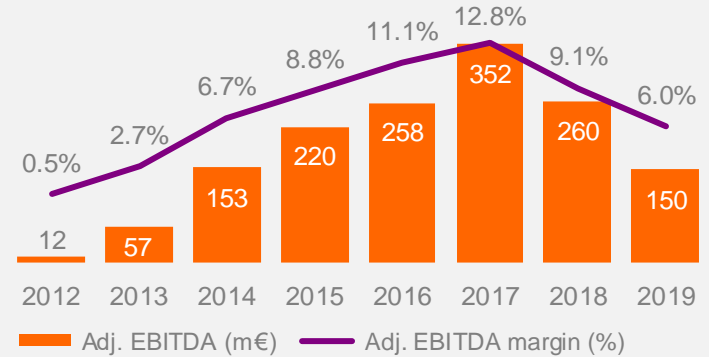
S&E Steel Europe: Self-help measures yield a robust operational performance despite a price and volume squeeze



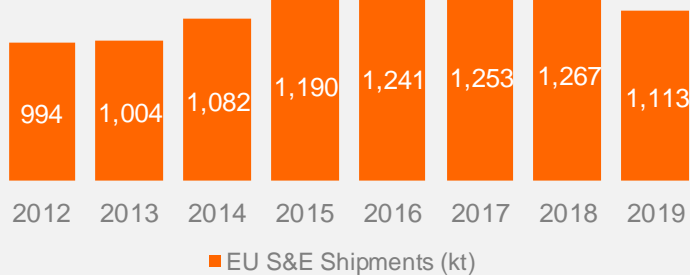
Major adj EBITDA contributor 2019



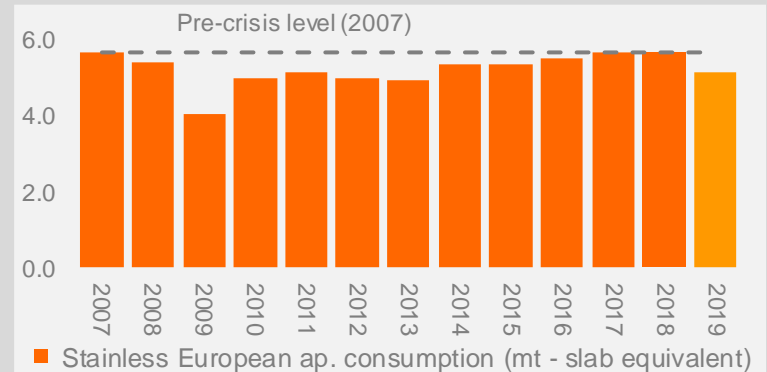
Robust profitability capitalizing on restructuring



European shipments reflect import pressure, destocking and weak real demand



European stainless steel demand came under cyclical pressure in 2019

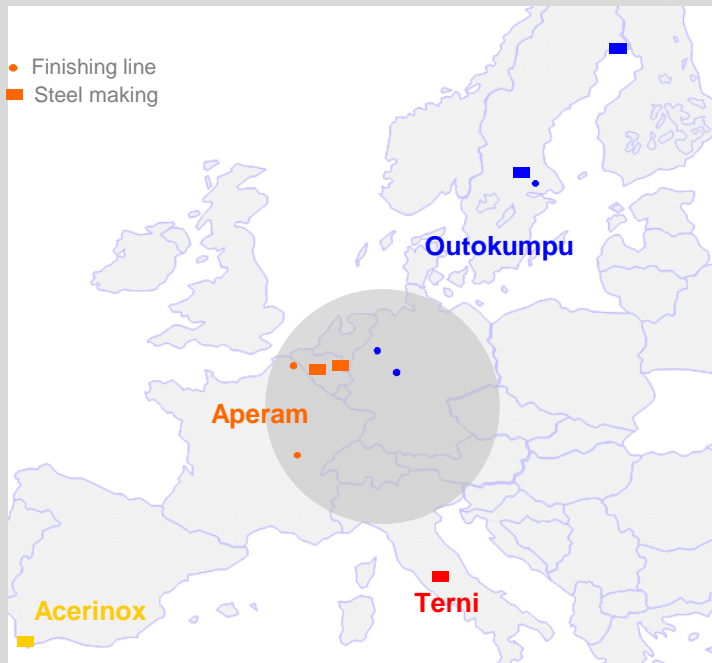


Business overview

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

Located in the heart of European scrap generation and stainless consumption

Business overview

EU trade action: Further actions against unfair trade have been initiated



	Safeguard	Anti-dumping (AD)
Aim	<ul style="list-style-type: none"> Maintain traditional trade flows Volume focused 	<ul style="list-style-type: none"> Duty on imports that are <u>priced below fair market value</u> Price focused
Countries affected	<ul style="list-style-type: none"> All countries globally (if not explicitly exempt) Effective since February 2019 till July 2021 (Indonesia included from 1 Oct. 2019) 	<ul style="list-style-type: none"> Hot rolled: China, Indonesia, Taiwan since 8 October 2020 for 5 years Cold rolled: China , Taiwan since 2015
Measure	<ul style="list-style-type: none"> HR quota 364kt pa* CR quota 861kt pa* Largest importers have a country quota. A residual quota for all others 25% duty for shipments > quota 	<ul style="list-style-type: none"> HR: China 9.2% - 19.5%, Indonesia 17.3%, Taiwan 4.1% - 7.5% CR: China 25.3%, Taiwan 6.8%
New initiatives		<ul style="list-style-type: none"> Renewal: of cold rolled duty against China & Taiwan Initiation: of cold rolled duty against Indonesia & India market share YTD 7.3%

WTO dispute has been lodged officially

Safeguard quotas are excessively generous. AD is effective in levelling the playing field

*Effective quota from 1 July 2020 to 30 June 2021. Quotas are quarterly from 07/20. There is one global SS Hot Rolled quotas since July 2020

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

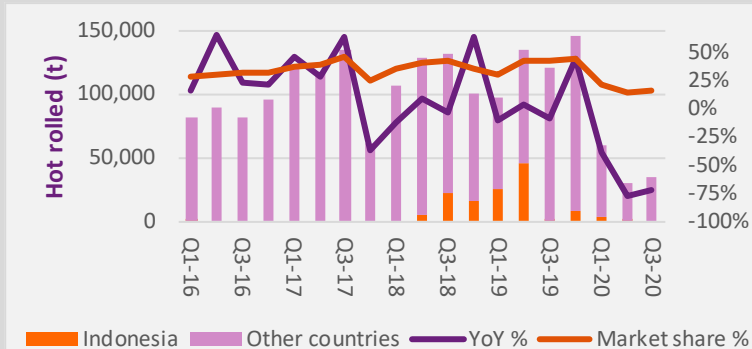
**could be difference between domestic market price and export price or cost based

Business overview

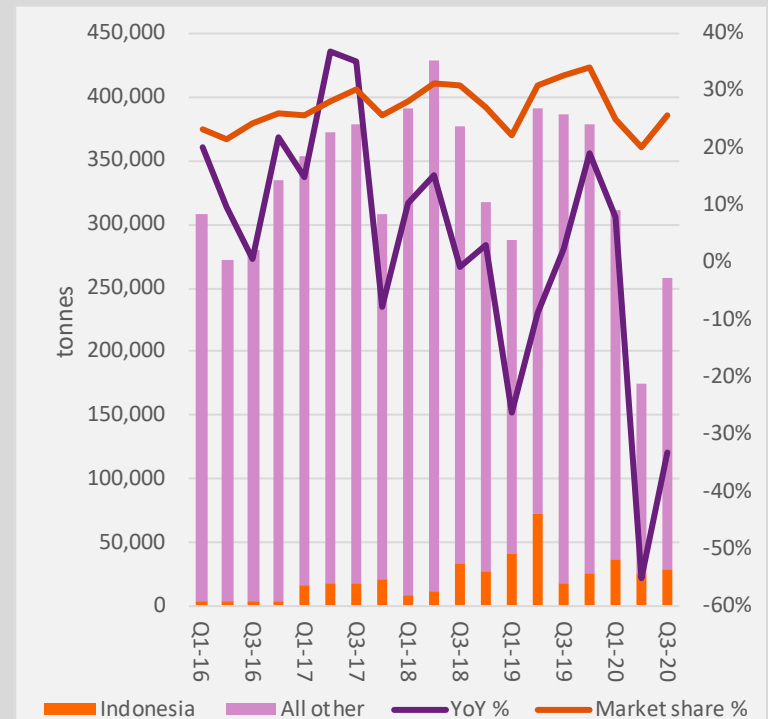
EU stainless steel imports: Anti dumping is effective in HR products. Safeguard with minimal effect only in CR products



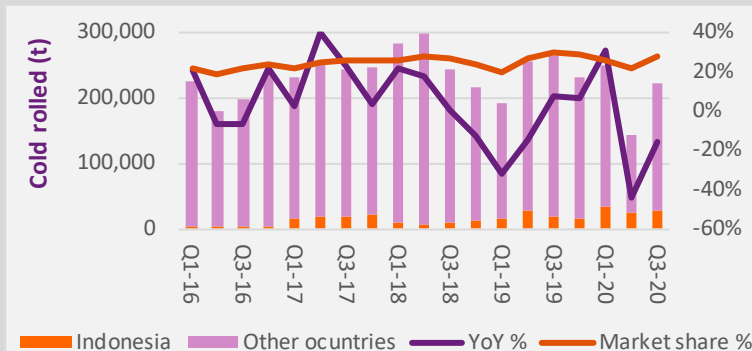
Hot rolled imports, yoy & market share



Total stainless imports, yoy & market share



Cold rolled imports, yoy & market share



SS Hot Rolled products have one global quota. Countries with a SS CR quota: S. Korea, Taiwan, India, USA, Turkey, Malaysia, Vietnam. All other countries if not exempt fall under the residual quota

Stainless & Electrical Steel

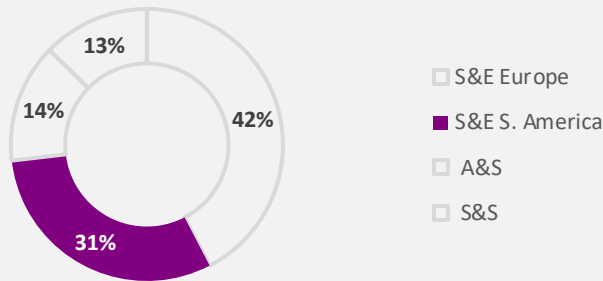
South America

Business overview

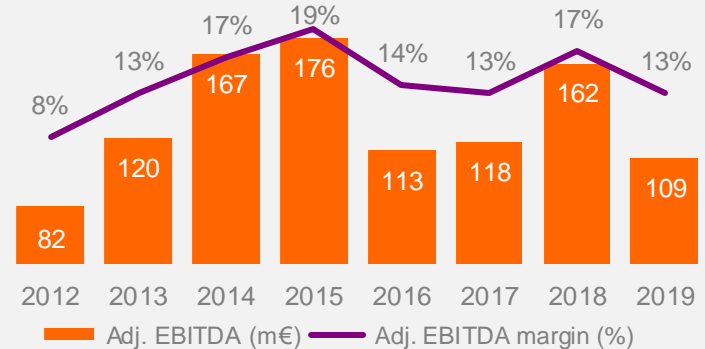
S&E Steel South America: A flexible, agile and highly profitable asset



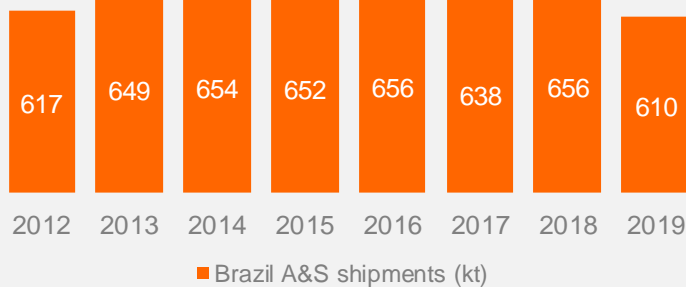
A significant adj EBITDA contributor 2019 despite demanding conditions



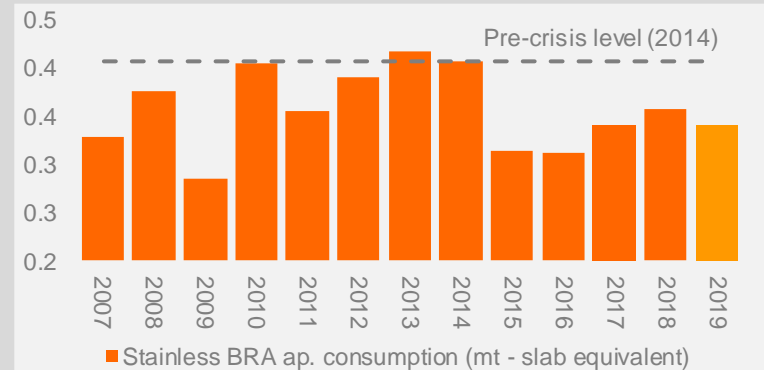
Earnings reflect weak domestic economic environment



Stable shipments due to mix of domestic and exports



Weak economic growth continues to weigh on stainless steel consumption in Brazil

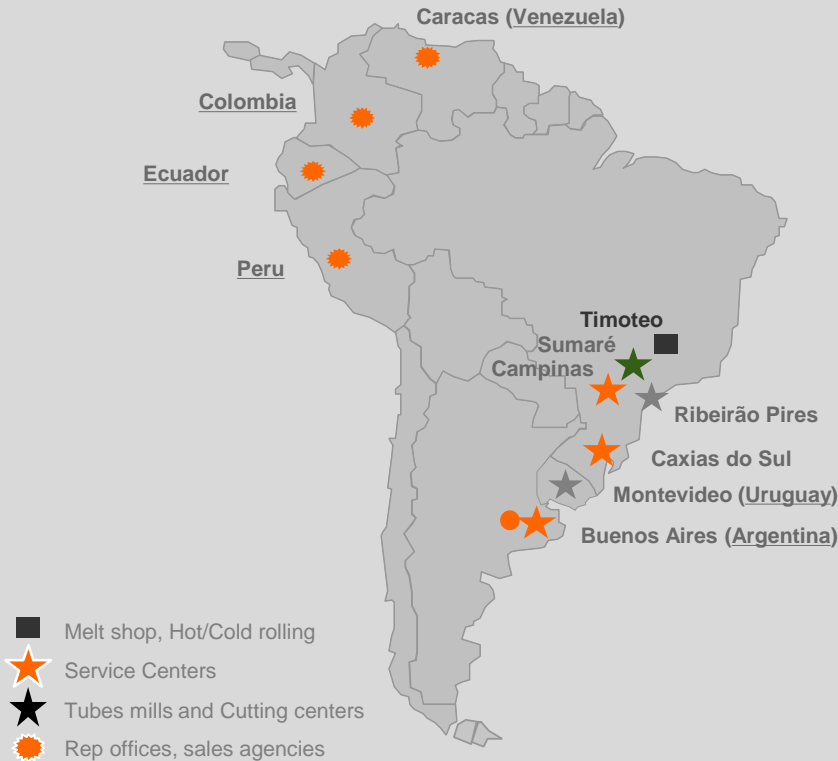


Business overview

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 (austenitic, ferritic, duplex, martensitic)



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



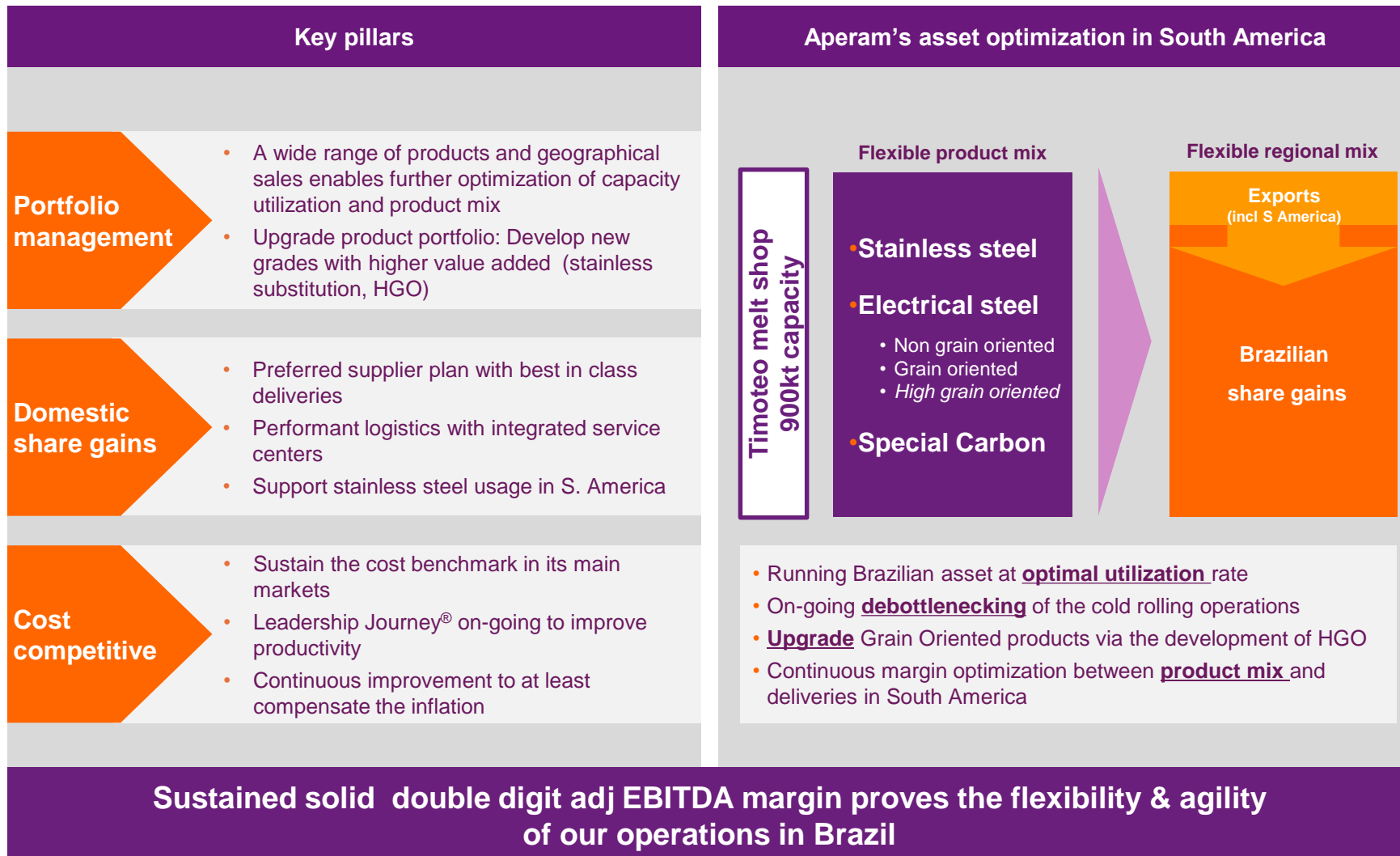
The sole flat stainless steel producer in South America with a complete range of products, and a flexible production set-up

*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

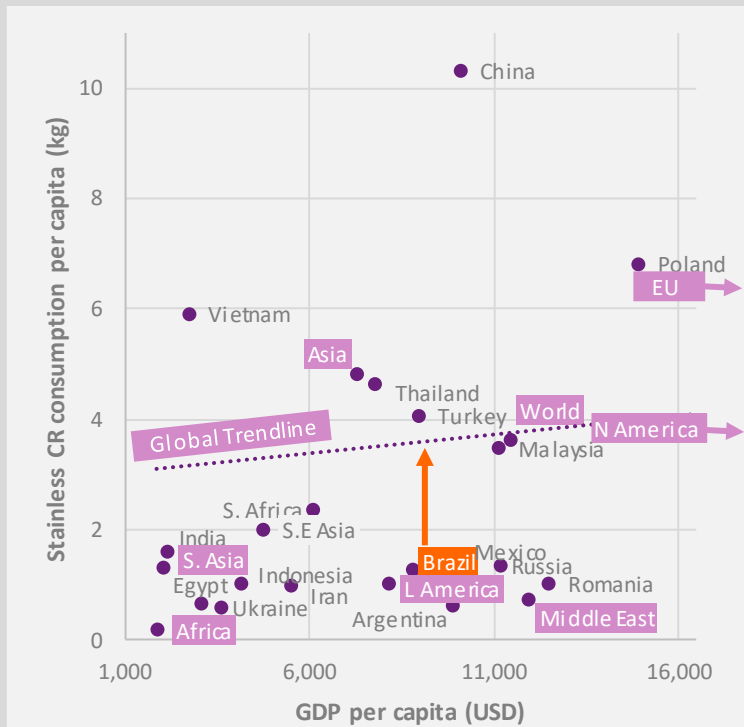


Business overview

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



Brazil consumes substantially below the global trend line



Brazil opportunities

- ✓ **Short term:** reviving the normal investment cycle in the economy. Large scale infrastructure & energy projects have been missing
- ✓ **Medium term:** Tax reform 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

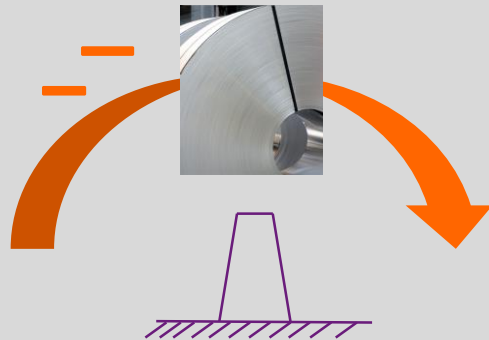
Brazil has tremendous potential for volume & mix improvement

Business overview

S&E Steel South America: 3 pillars of trade protection against unfair market behavior



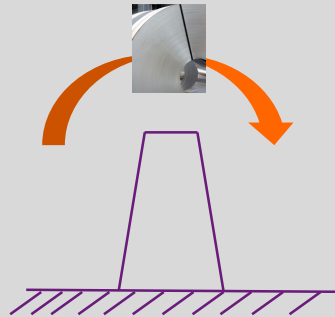
Import duty



General import duty:

- 14% import duty on all stainless steel imports irrespective of origin

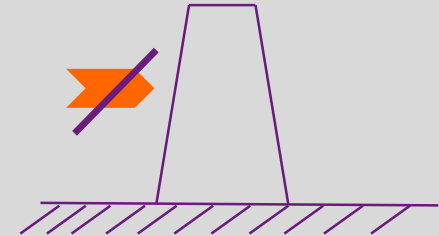
Logistics



	Brazil		EU 28
Area (mn m ²)	8.51	→ -45%	→ 4.66
Consumption (kt)	270	→ x12	→ 3,355

- Costly & time consuming transportation by truck only
- Aperam has the most comprehensive network of service centers and agents in South America

Anti dumping duty



Anti dumping duties:

Stainless flat products:

- China: up to USD629/t, Taiwan up to USD705/t since 4.10.19 for 5 years

Stainless steel welded tubes:

- China & Taiwan: up to USD911/t since 29.07.13 for 5 years. Renewal investigation launched 16.07.18
- Malaysia, Thailand and Vietnam: USD367/t up to USD888/t since 13.06.18, for 5 years

Electrical steel (non grain oriented):

- China, South Korea, Taiwan, Germany: USD90/t – USD166.3/t since 15.07.19 for 5 years

Tariff measures to support fair market environment in Brazil

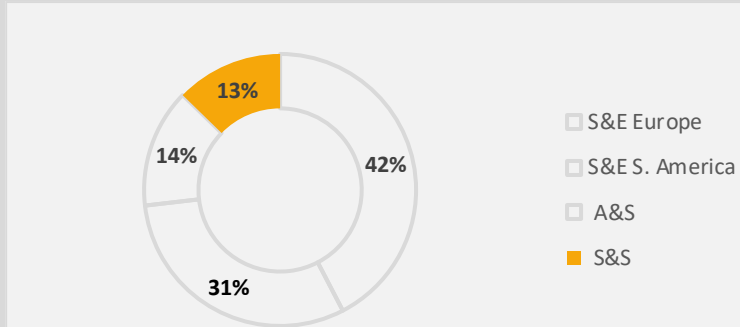
Services & Solutions

Business overview

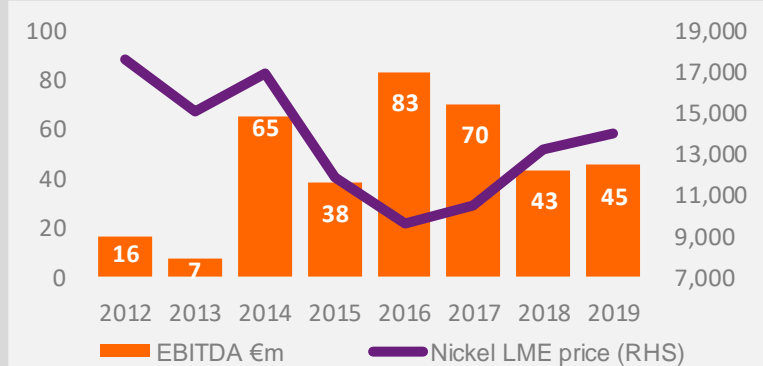
Services & Solutions: stronger partnership with customers enhances margins



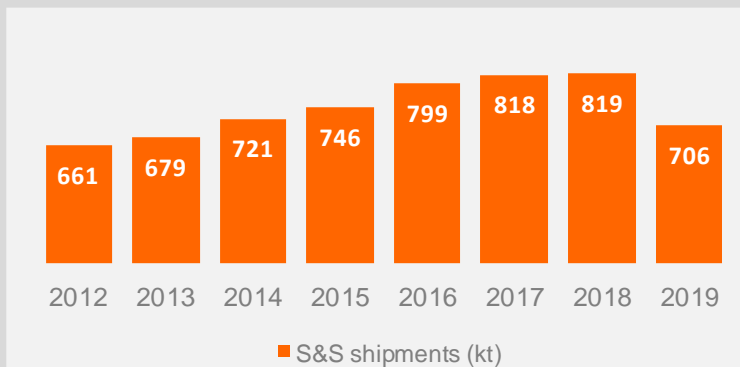
A significant adj EBITDA contributor 2019 despite tough conditions



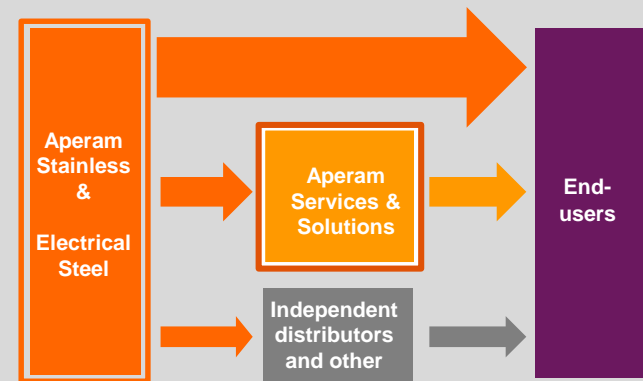
A profitable Services & Solutions thanks to its focus on service oriented customers

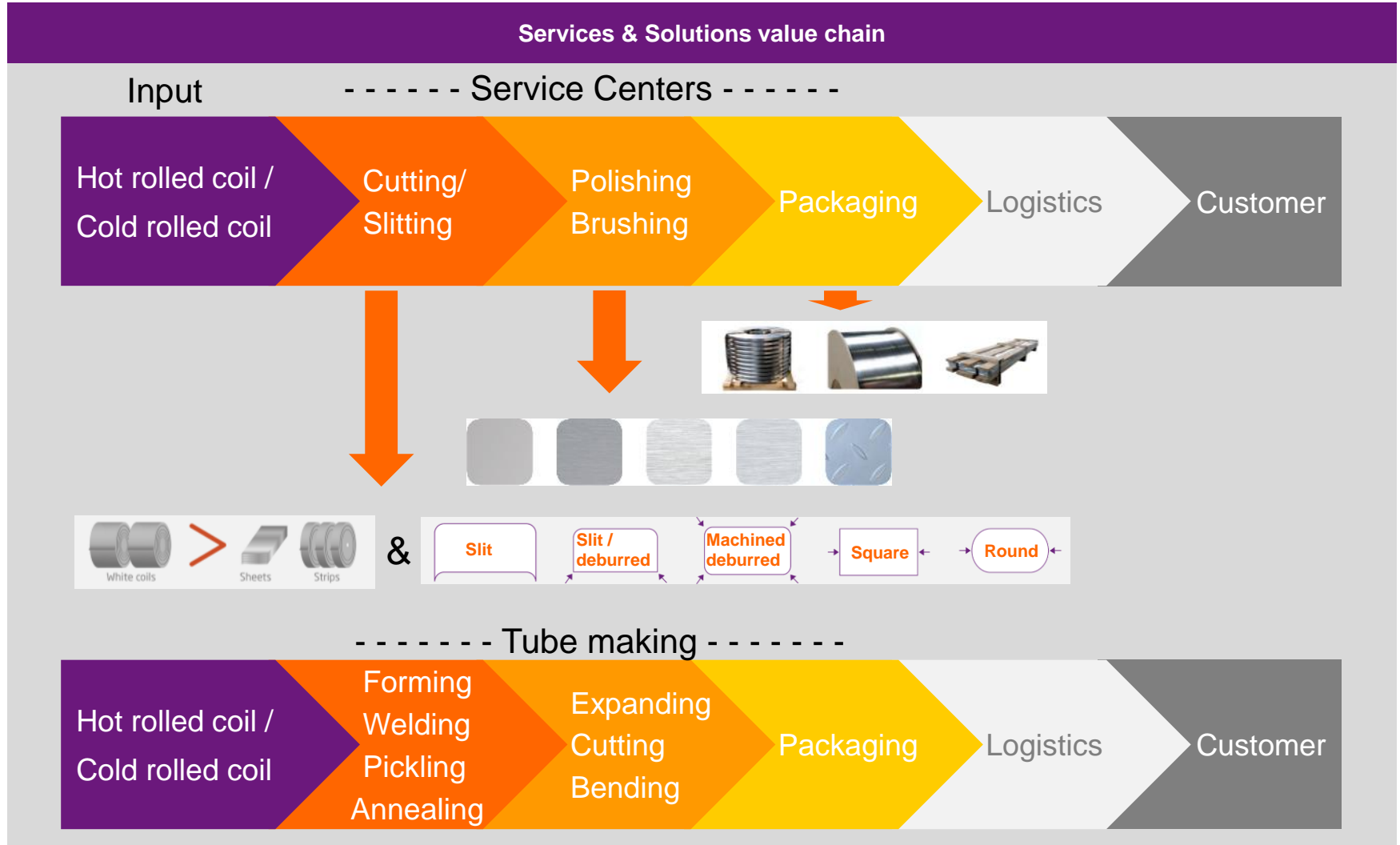


Increasing focus on downstream value added services and solutions



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





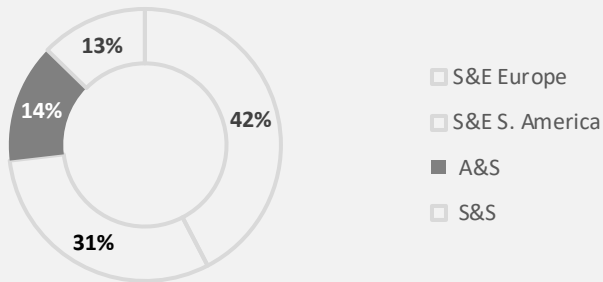
Alloys & Specialties

Business overview

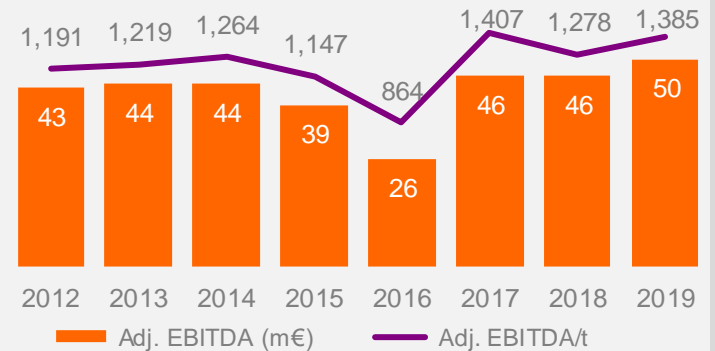
Alloys & Specialties: attractive niche market with high margins



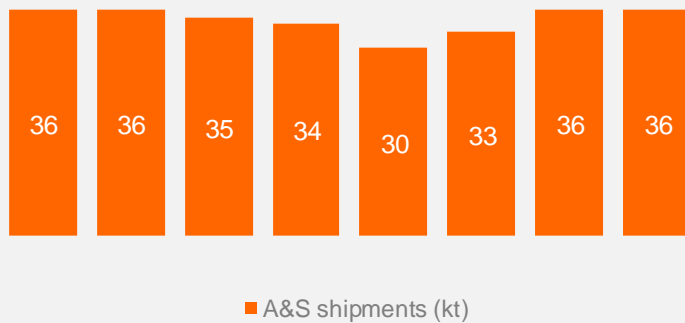
Aperam's high value-added segment 2019



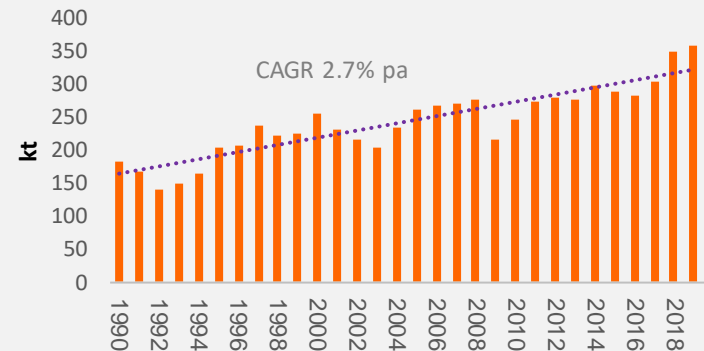
High profitability due to end products & end user orientation



Stable shipments but markedly improved mix



Nickel Alloys a growing and premium niche market

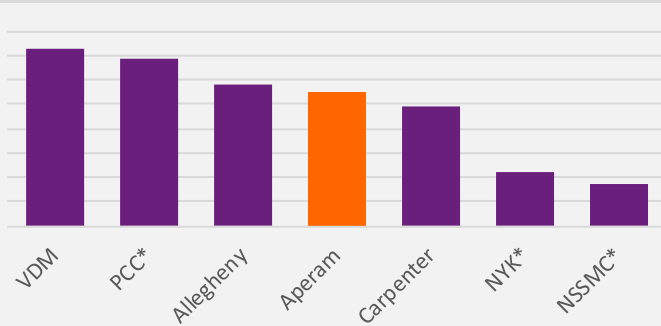


Business overview

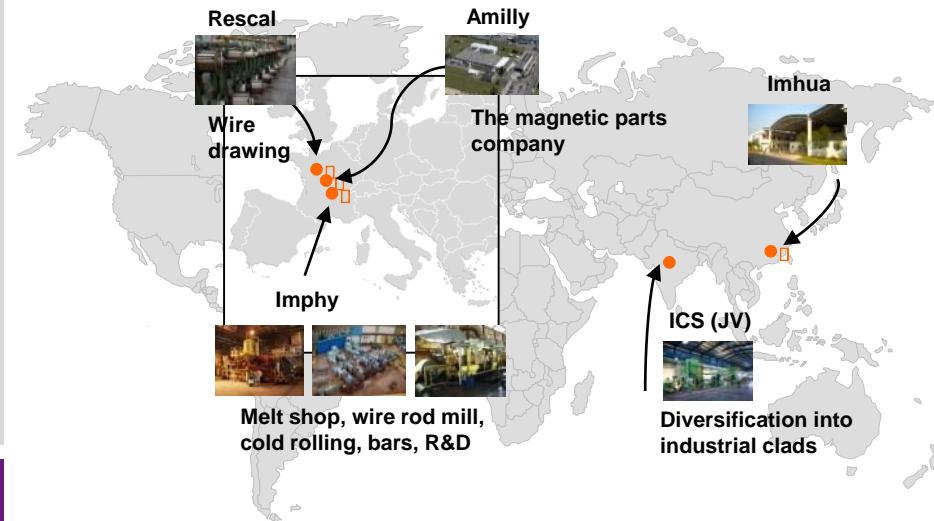
Alloys & Specialties: attractive niche market with high margins



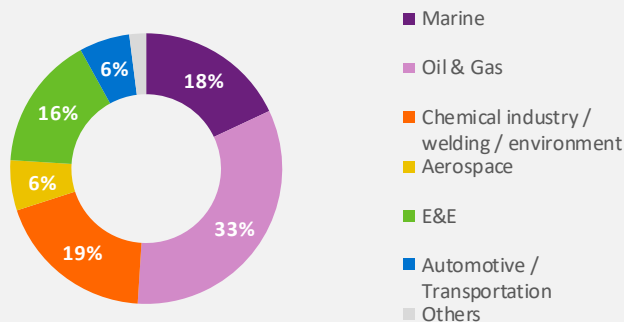
Aperam is global top player in nickel alloys and strong in long products (kt)



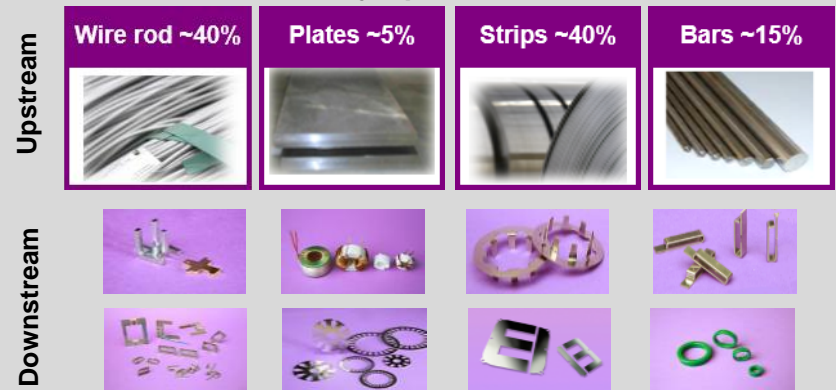
Aperam Alloys & Specialties geographical footprint



Alloys & Specialties sales by industry 2019



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 2019)



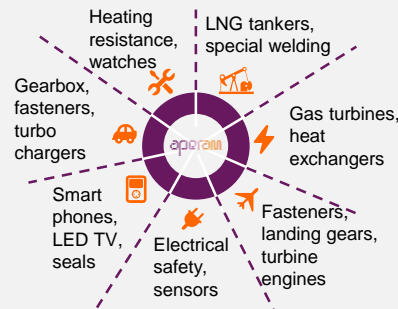
Cooperation contracts	26
Total registered patents	341
Sales of new products	14%

...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

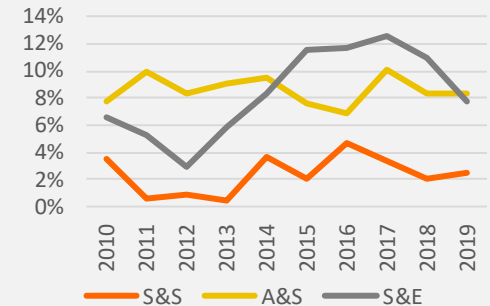


...yielding growth opportunities and margin stability

Less exposed to commodity cycles

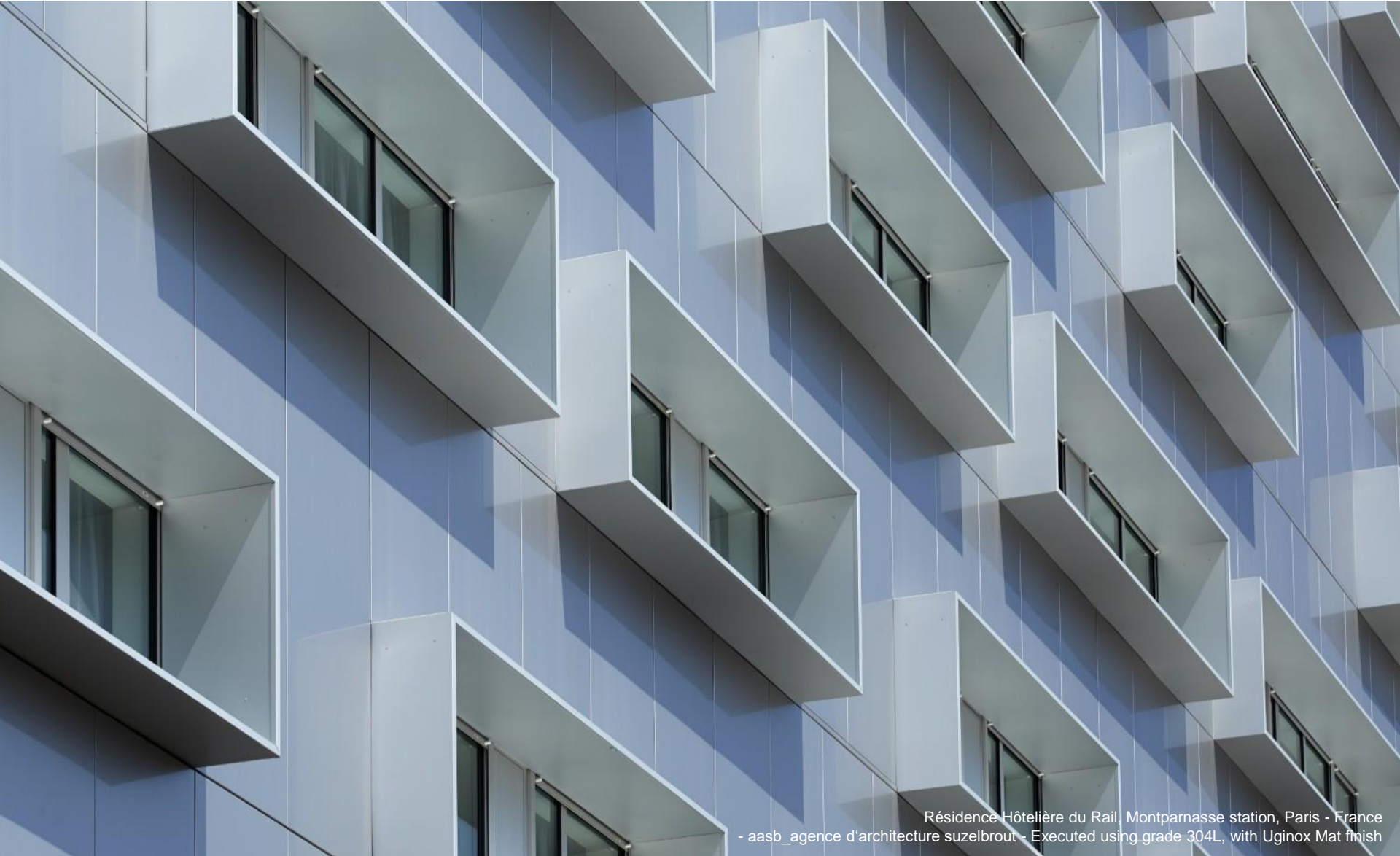
- Cost of raw materials passed through to customers
- Long-standing client relationships
- Good visibility on volumes with high proportion of recurring revenue

EBITDA margins by Aperam division



A very profitable, growing and stable niche market

Appendix



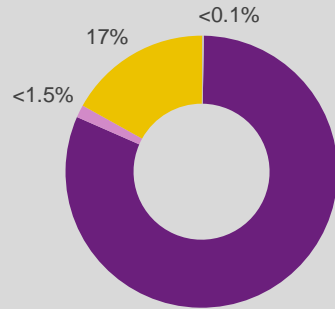
Résidence Hôtelière du Rail, Montparnasse station, Paris - France
- aasb_agence d'architecture suzelbrout - Executed using grade 304L, with Uginox Mat finish

Appendix

Key stainless product categories by alloy content

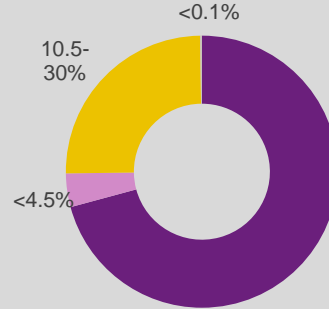


Martensitic



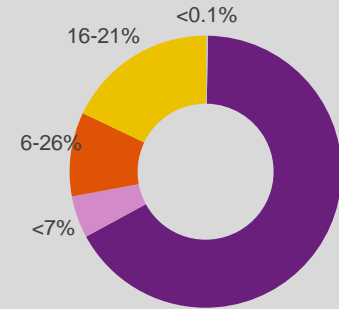
Cutlery, cutting tools, construction tools...

Ferritic (400 series)



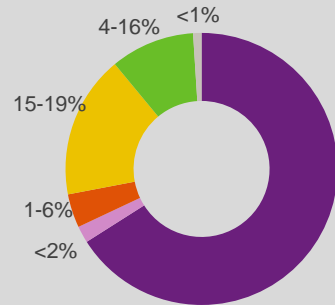
Car exhausts, conveyor chains, cooking utensils, boilers, electrical appliances, trim, dishware, heating, tanks, tubes...

Austenitic (300 series)



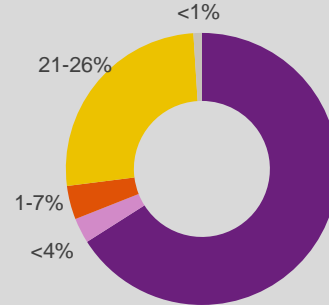
Boiler, aeronautics, electronic components, railway equipment, tubes, chemical tanks, food vats, marine applications, furnace, heating...

Austenitic with Manganese (200 series)



Asphalt tankers, tubes, food containers, silos, conveyor chains, safety soles...

Austeno-ferritics (Duplex)



Oil & gas equipment, papermaking, pulp, desalination sector, chemical plants...

By weight

