

3 May 2023

# Q1 2023 Results

# Disclaimer

## Forward Looking Statements

This document may contain forward-looking information and statements about Aperam SA 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).

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## Q1 2023 HIGHLIGHTS

# Solid Results Despite Market Headwind Enhanced Trade Defense



Europe: Destocking continued, inventory valuation charge and strike related disruptions in France. Seasonal trough quarter in South America. Strong business in R&R and Alloys



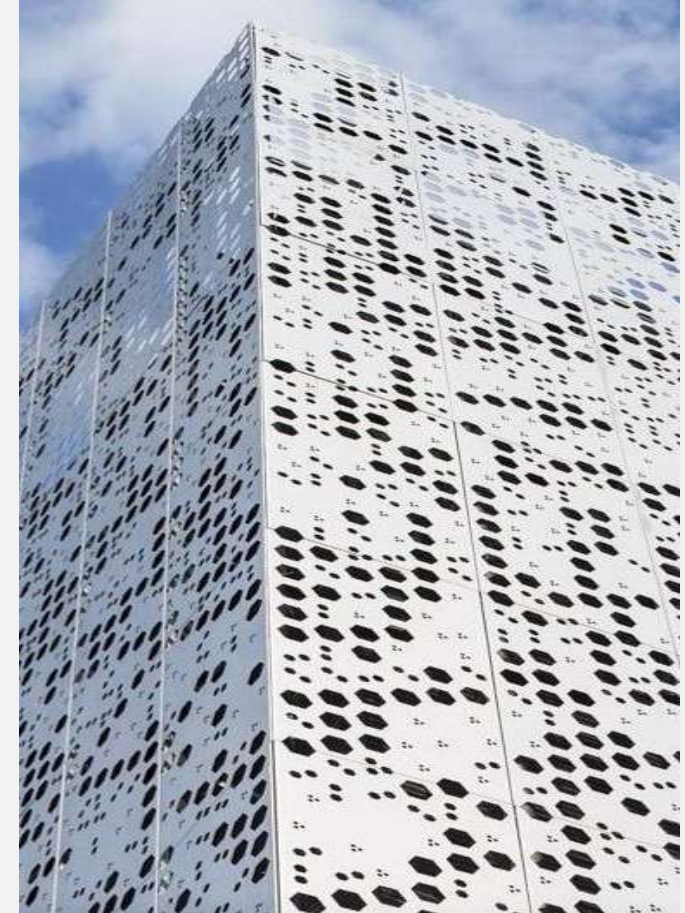
- Import market share dropped to 17% in Europe
- New anti-circumvention duty on Turkish hot rolled material (17.3%) in Europe



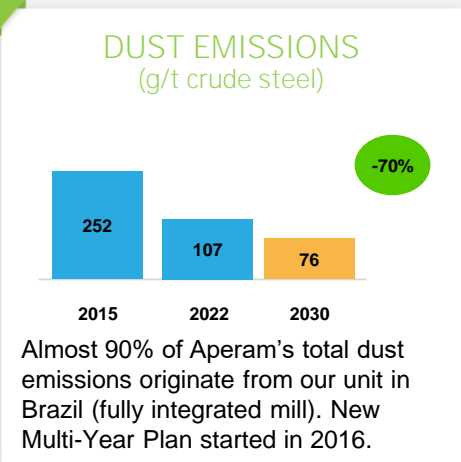
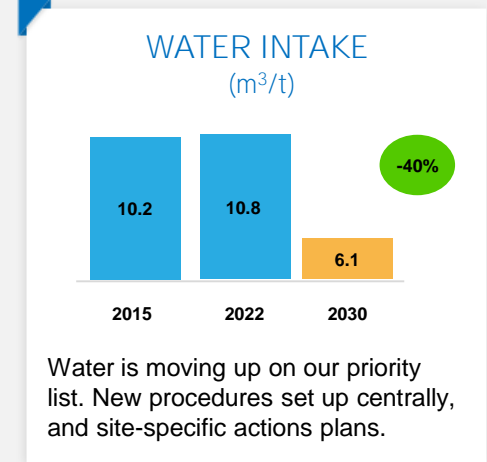
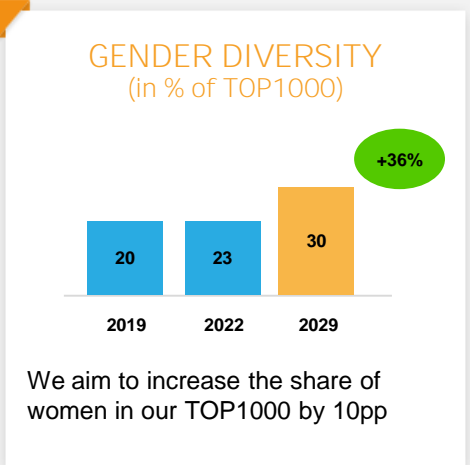
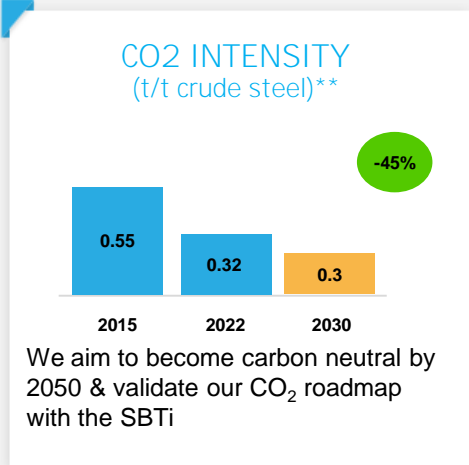
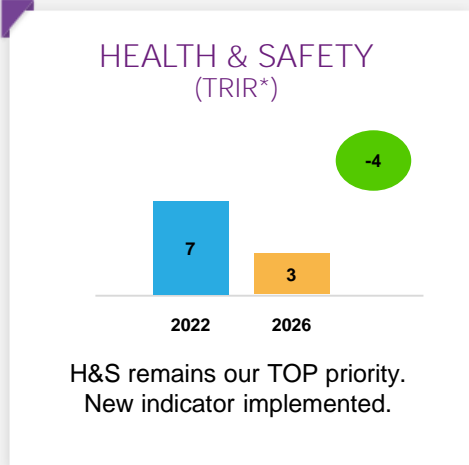
Leadership Journey® realized EUR12m gains in Q1 2023 (Σ EUR134m since Q1-21)



2022 Aperam ESG Report has been published with good progress on several key KPIs



## Good progress in 2022 on Key ESG Targets Despite Adverse Effect from Low Production Volumes During H2-22



- We make good progress towards the set goals that are also reflected in management compensation<sup>2</sup>
- 81% of 2022 revenues are EU Taxonomy aligned
- Gender diversity improved in line with target by ~1pp pa
- Good progress in Decarbonization, Dust emissions (esp. in Brazil) and Water intake (-5% YoY in absolute terms). Low H2 production volumes impact intensities on a per tonne basis
- Biodiversity: 1/3 of BioEnergia land is natural habitat. Clearly above the 20% legal requirement. Bio-diversity plans & monitoring rolled out at all main plants

\*Total Recordable Incident Rate

\*\* Scope 1+2

\*\*\* 2030 Company Targets

= reflected in management long term incentive plan <sup>2</sup>ESG data now includes ELG

# Heavy Destocking Dominates Q1 Demand Imports Run at a Low Level

## CONSTRUCTION



- Declining property prices, high product inventory and cost inflation weigh on demand
- Similar trends in Brazil

## CONSUMER GOODS



- Reduced consumer spending and elevated inventory in Europe
- Low consumer demand in Brazil but white goods demand is good

## AUTOMOTIVE & TRANSPORT



- Demand recovery during Q1. Backlog supports demand
- Brazil: softer auto demand but good transport demand

## FOOD, HEALTH & CATERING



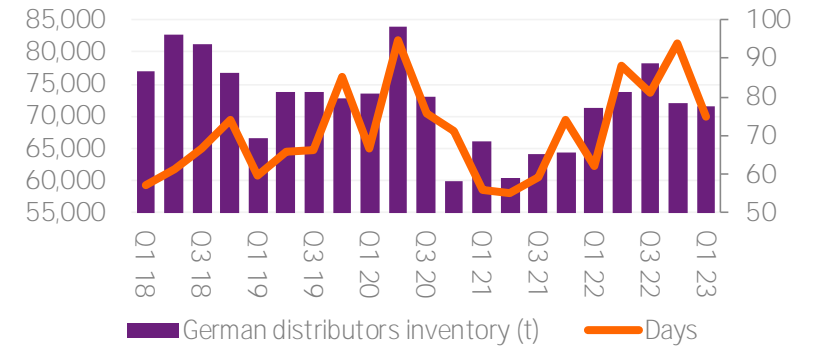
- Low restaurant activity weighs on food, beverage & catering demand

## Industry, Energy, Chemical

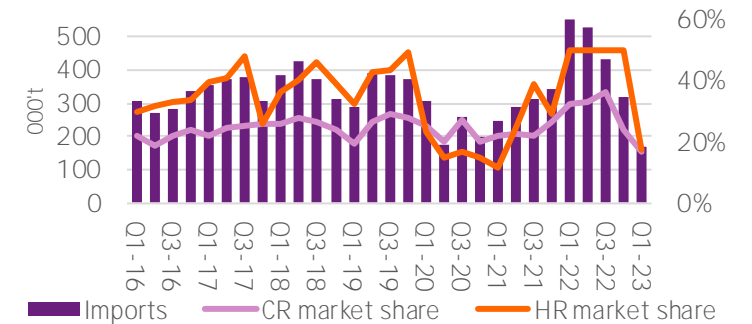


- Energy sector and O&G demand is recovering
- Brazil capital goods demand is softening from a high base

## NORMALIZING DISTRIBUTOR INVENTORY



## IMPORTS ARE AT A LOW LEVEL



## Q1 2023 FINANCIAL HIGHLIGHTS

# Resilient EBITDA Turn into Strong Cash Flow

EURm	Q1 23	Q4 22	qoq	Q1 22	yoy
Sales	1,876	1,616	16%	2,265	-17%
Adj. EBITDA	127	129	-2%	363	-65%
EBITDA	127	129	-2%	310	-59%
Basic EPS (EUR)	1.83	0.00	NA	2.41	-24%
Shipments (000t)	591	493	20%	673	-12%
Adj EBITDA/t (EUR) <sup>2</sup>	215	421	-49%	788	-73%
Adj EBITDA margin <sup>2</sup>	5.8%	11.4%	-5.6pp	20.4%	-14.6pp
Operating cash flow	138	209	-34%	-57	-342%
CAPEX	-52	-143	-64%	-46	13%
Free cash flow*	85	69	23%	-103	-183%
Share buyback	0	-8	NA	-74	N/A
Dividends paid	-36	-36	0%	-39	-8%
Net financial debt	419	468	-10%	666	-37%

### Q1-23 KEY COMMENTS

- **Shipments:** Seasonal improvement qoq but strong de-stocking in Europe throughout the quarter
- **Adj EBITDA:** higher volumes and a less negative inventory valuation were compensated by lower prices
- **Exceptional items :** None
- **Fin. Result :** Contains EUR98m FX & derivative valuation gains
- **Tax:** 21% tax rate in line with guidance
- **EPS:** Reflects the derivative gain (+EUR1.06/shr)
- **Cash Flow:** Strong cash conversion of 109% despite slight seasonal NWC build yields solid FCF of EUR85m
- **Net Fin. Debt:** 10% NFD reduction leaves a solid & efficient balance sheet at 0.5x NFD/LTM adj. EBITDA

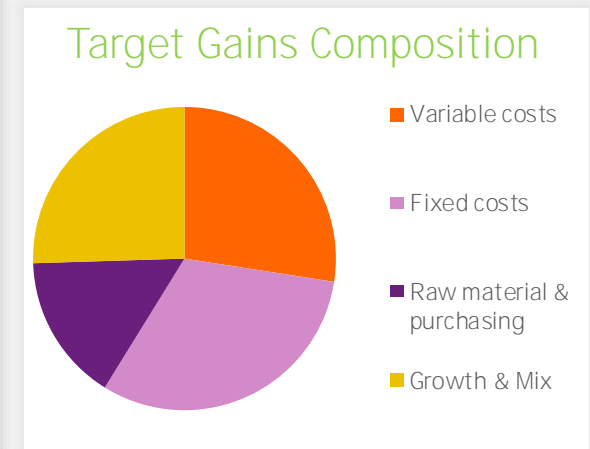
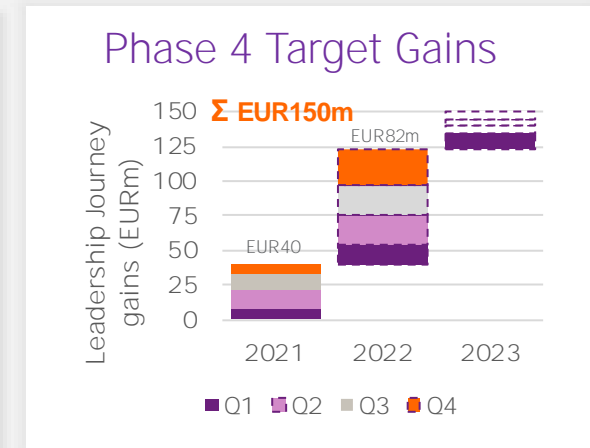
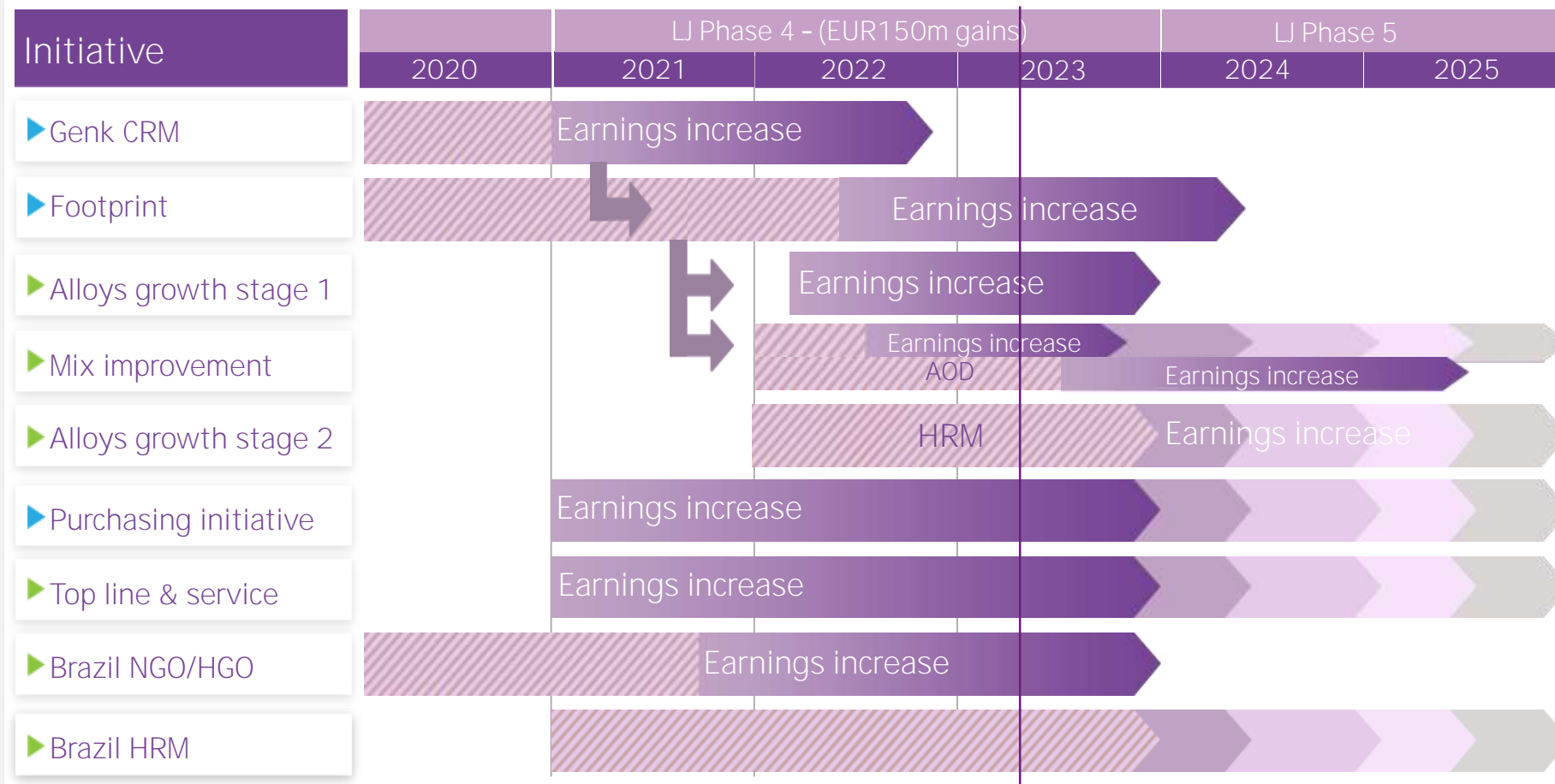
\* Before dividend, share buyback & M&A

<sup>2</sup> based on steel shipments

# IMPROVEMENT & GROWTH



## Leadership Journey<sup>®</sup> Phase 4 Progresses Well. Phase 5 in preparation EUR12m Gains Added in Q1 (Σ EUR134m since Q1-21)

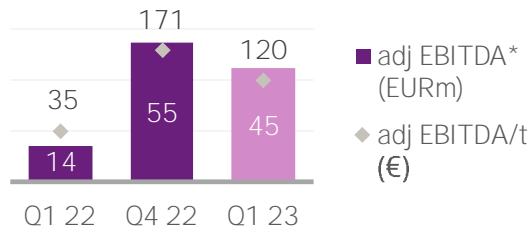


▶ Cost measure    
 ▶ Growth measure    
  CAPEX / Implementation    
  Earnings contribution not included in Phase 4



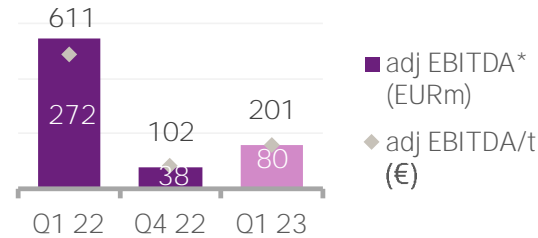
# R&R Remains Strong, A&S stable excl. inventory valuation, S&S normalizes, S&E reflects Genk, strike & BRA seasonality

## Recycling & Renewables adj. EBITDA (EURm)



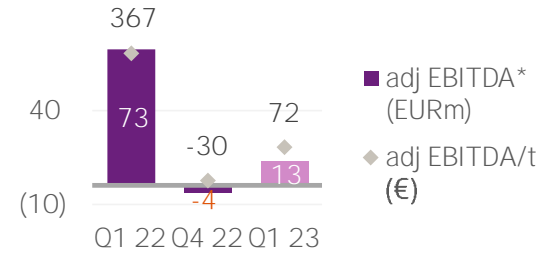
- Shipments +16% qoq, -5% YoY. Both scrap and charcoal shipments increased qoq
- QoQ: Adj. EBITDA decreased despite higher volumes and better prices due to the absence of positive valuation effects included in Q4-22
- YoY: Adj EBITDA increased due to higher margins and the absence of a significant negative LME related effect contained in Q1-22

## Stainless & Electrical Steel adj. EBITDA (EURm)



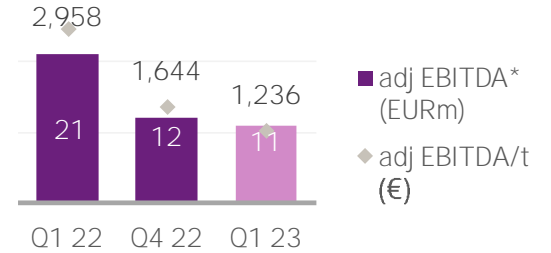
- Shipments: +9% qoq, +1% yoy seasonally softer Brazil, Europe seasonally stronger from a low level
- QoQ: Adj. EBITDA increased as higher volumes and a less negative inventory valuation more than compensated for a price/cost squeeze, the Genk downstream maintenance and strike related costs
- YoY: Adj EBITDA decreased due to lower prices, a price cost squeeze and a negative inventory valuation effect

## Services & Solutions adj. EBITDA (EURm)



- Shipments +35% qoq, -10% yoy. Seasonal recovery from a low level. Destocking continued.
- QoQ: adj EBITDA normalized due to higher volumes and a less negative inventory valuation
- YoY: adj EBITDA decreased due to lower shipments, lower prices and a negative inventory valuation effect

## Alloys & Specialties adj. EBITDA (EURm)



- Shipments: +23% qoq, +27% yoy
- QoQ: Adj. EBITDA decreased slightly solely due to a negative inventory valuation effect (Ni, Co, Mo) that erased the positive volume effect.
- YoY: Adj. EBITDA decreased due to a negative inventory valuation effect versus a positive one a year ago

# Q1 Guidance & Other Forward Looking Items



## Q2 2023 OUTLOOK

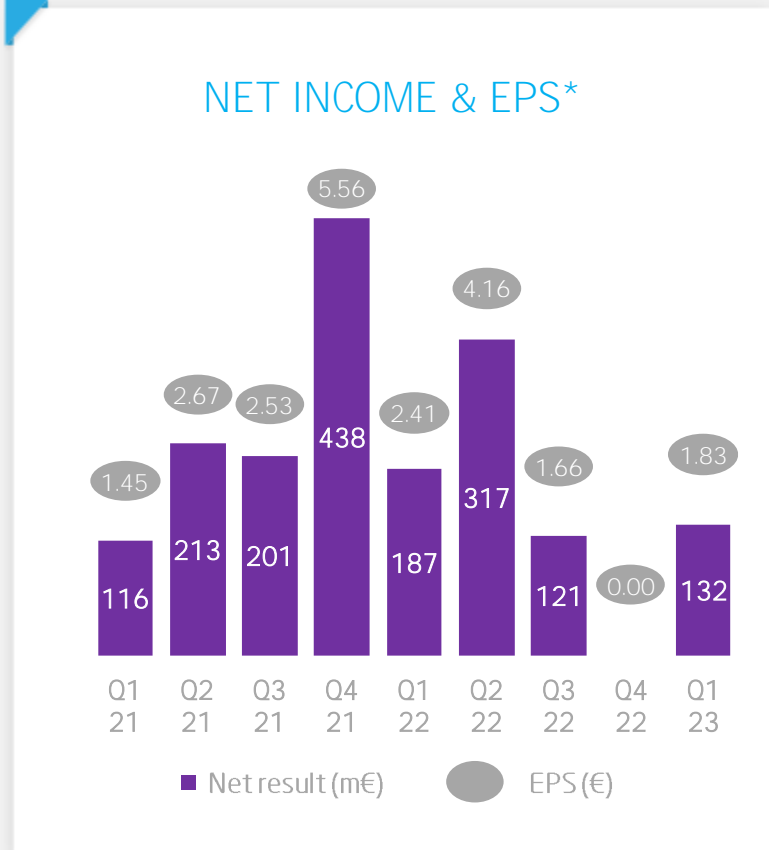
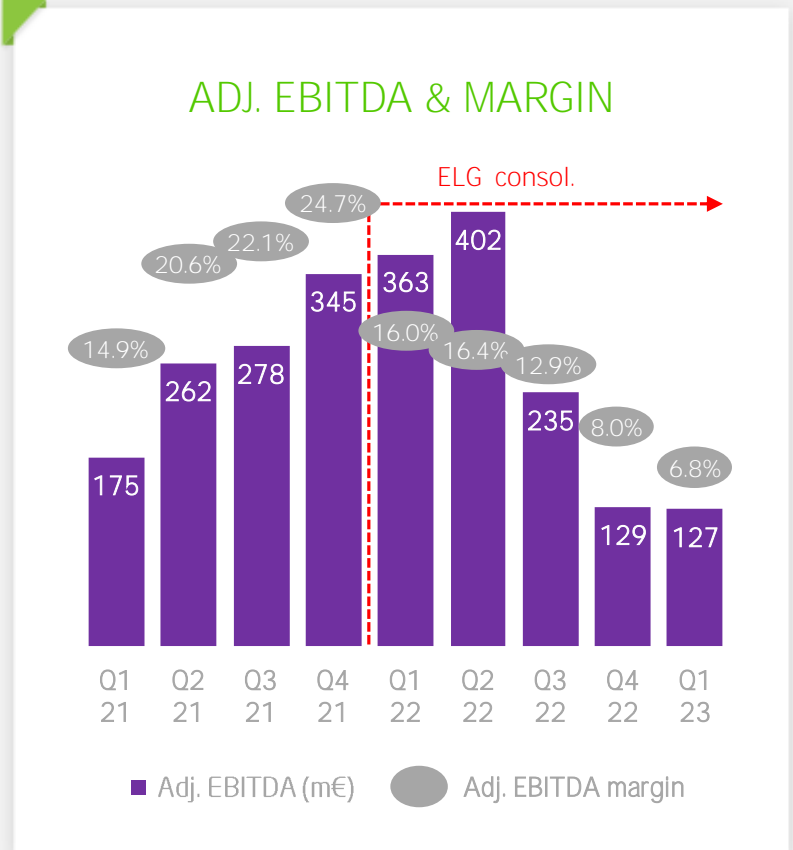
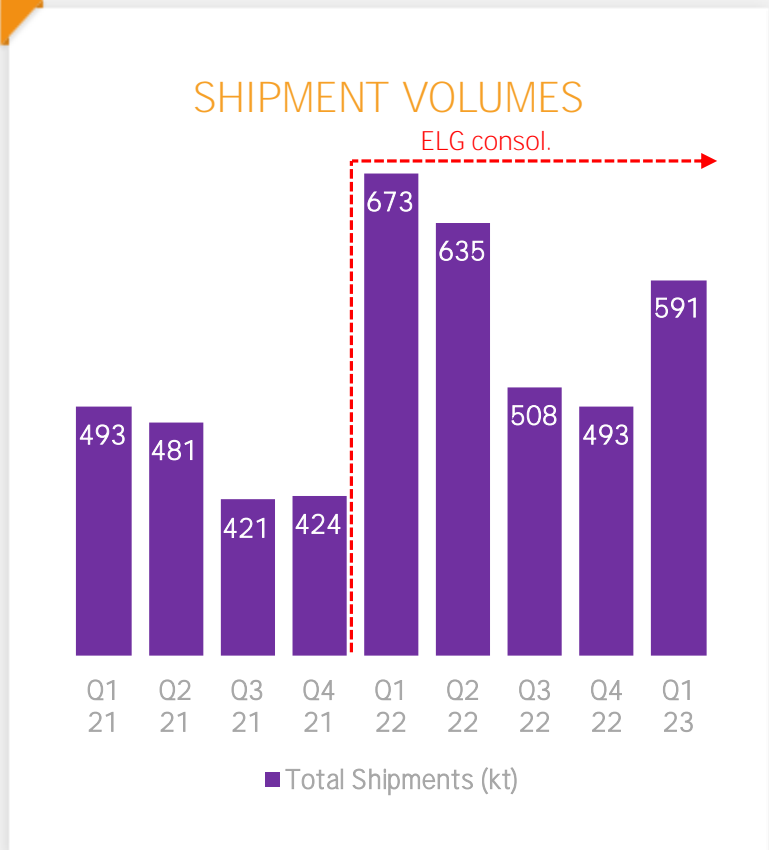
- Q2 shipments are expected at a seasonally higher level qoq
- Q2 adj. EBITDA is expected at a slightly higher level versus Q1 2023
  - Unchanged negative low- to mid double digit inventory valuation
  - Lower prices globally & softer Brazil mix
  - + Lower input prices
- We guide for marginally higher Q2 net financial debt \*
  - Higher NWC to buffer a planned maintenance standstill in Q3

## OTHER ITEMS

- FY 2023 base dividend stable at EUR2.00/shr (~EUR144 million)
- Additional cash return to shareholders in line with the financial policy
- FY 2023 group capex ~EUR300m due to accelerated Leadership Journey® investments
- FY 2023 P&L effective tax rate expected at 20-25%
- Leadership Journey® Phase 4: EUR150 million savings target by end of 2023

*\*Depending on the raw material price development during Q2*

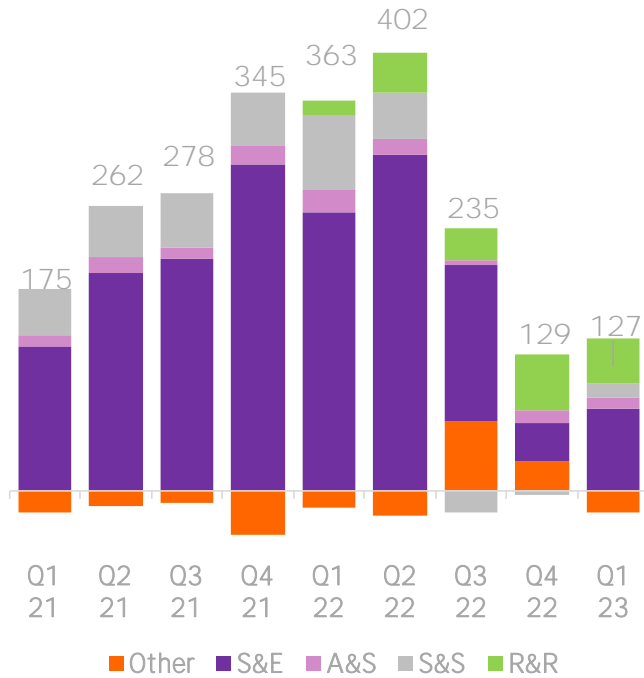
Q1 Volumes Capped by EU Destocking & BRA Seasonal Trough. Resilient EBITDA but margin reflects Cost Inflation & Lower price



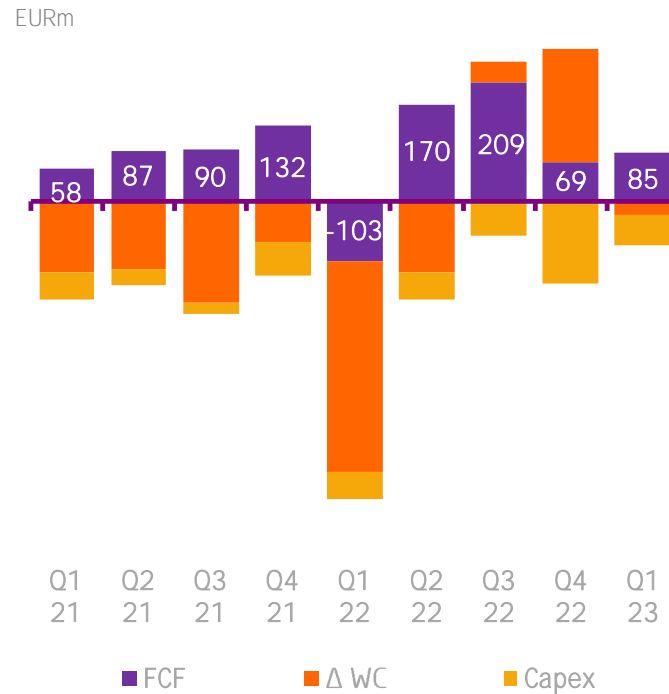
\*Q2-21 contains a EUR10m PIS/Cofins gain and a EUR32m DTA from tax loss carry forwards \*Q4-21 contains EUR2.41 exceptional items & deferred tax \*Q1-22 contains -EUR0.42 exceptional items \*Q3-22 contains +EUR0.35 DTA from tax losses \*Q4-22 EUR114m derivative losses impact EPS by -EUR1.18 \*Q1-23 EUR98m derivative gain boost EPS by EUR1.06

# R&R EBITDA Shines Again, Group Still Burdened by Inventory Valuation, High Cash Conversion Allows Some Deleveraging

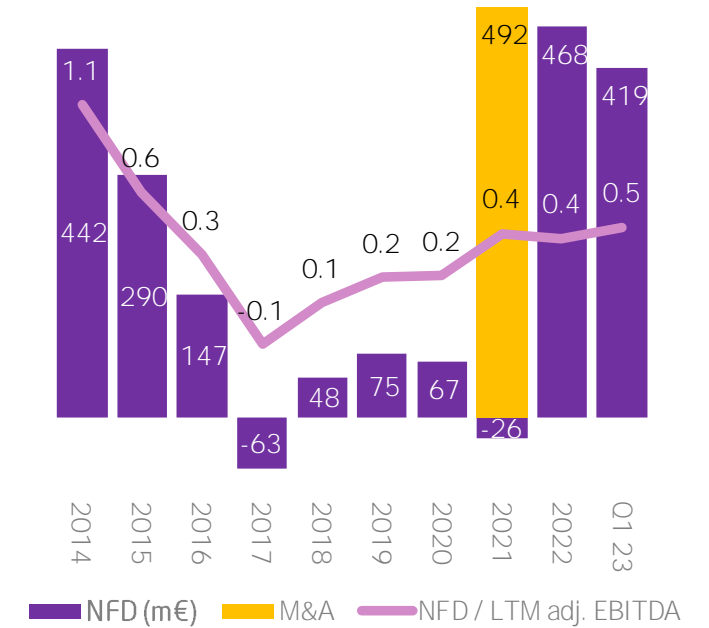
ADJ. EBITDA BY SEGMENT



CASH FLOW



NET FINANCIAL DEBT DEVELOPMENT



\* Includes interest, taxes and other items



## Events Post Q1 2023 Results

### EVENT

10 May	Paris SMID Megatrends Conference
16 May	Madrid Roadshow
17 May	Barcelona Materials Conference
23 May	London Materials Conference
24 May	Amsterdam Benelux Conference
1 June	The Nice Conference
12/13 June	Scandinavia Roadshow

### ORGANIZATION

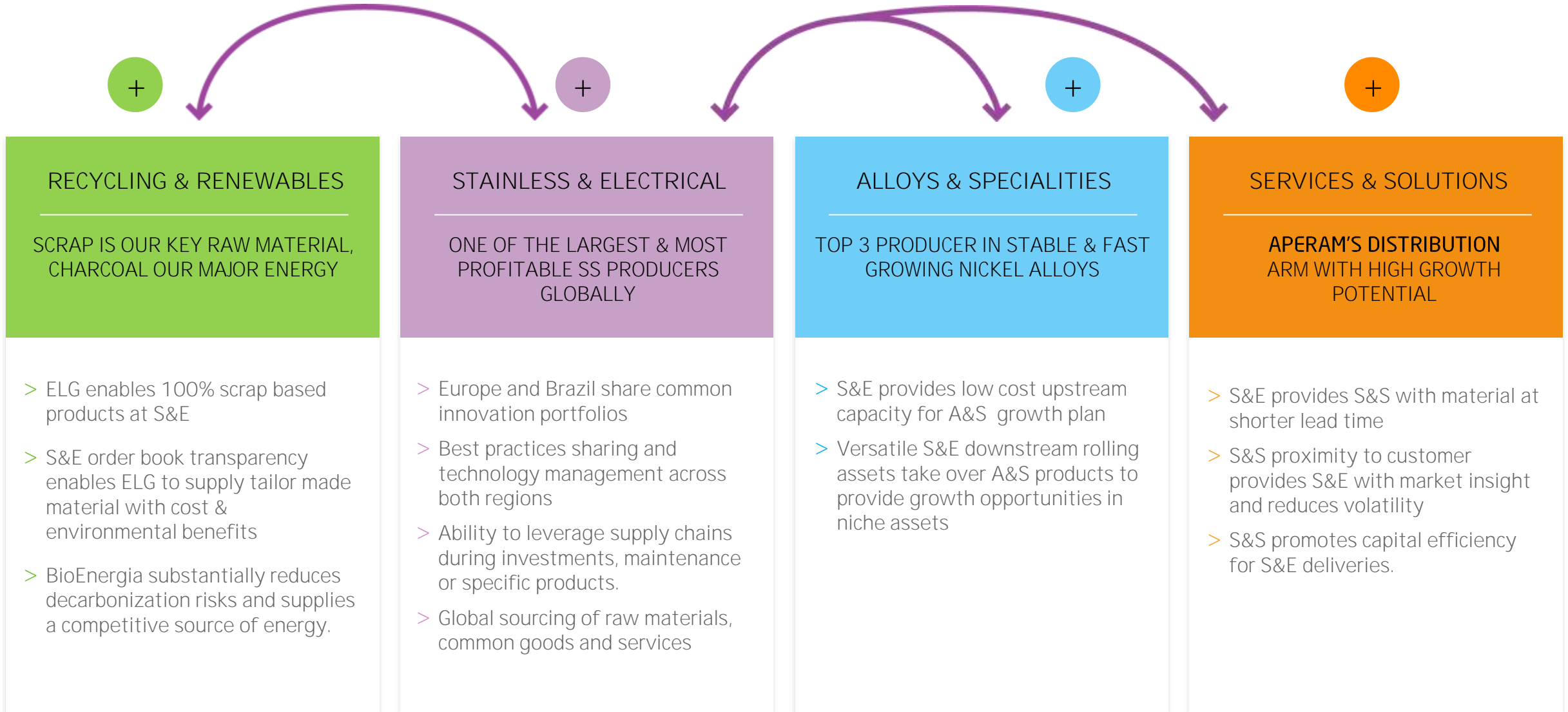
Kepler Cheuvreux
Degroof Petercam
Bank of America
J.P. Morgan
Oddo / ABN Amro
Societe Generale
Kepler Cheuvreux

VALUE STRATEGY



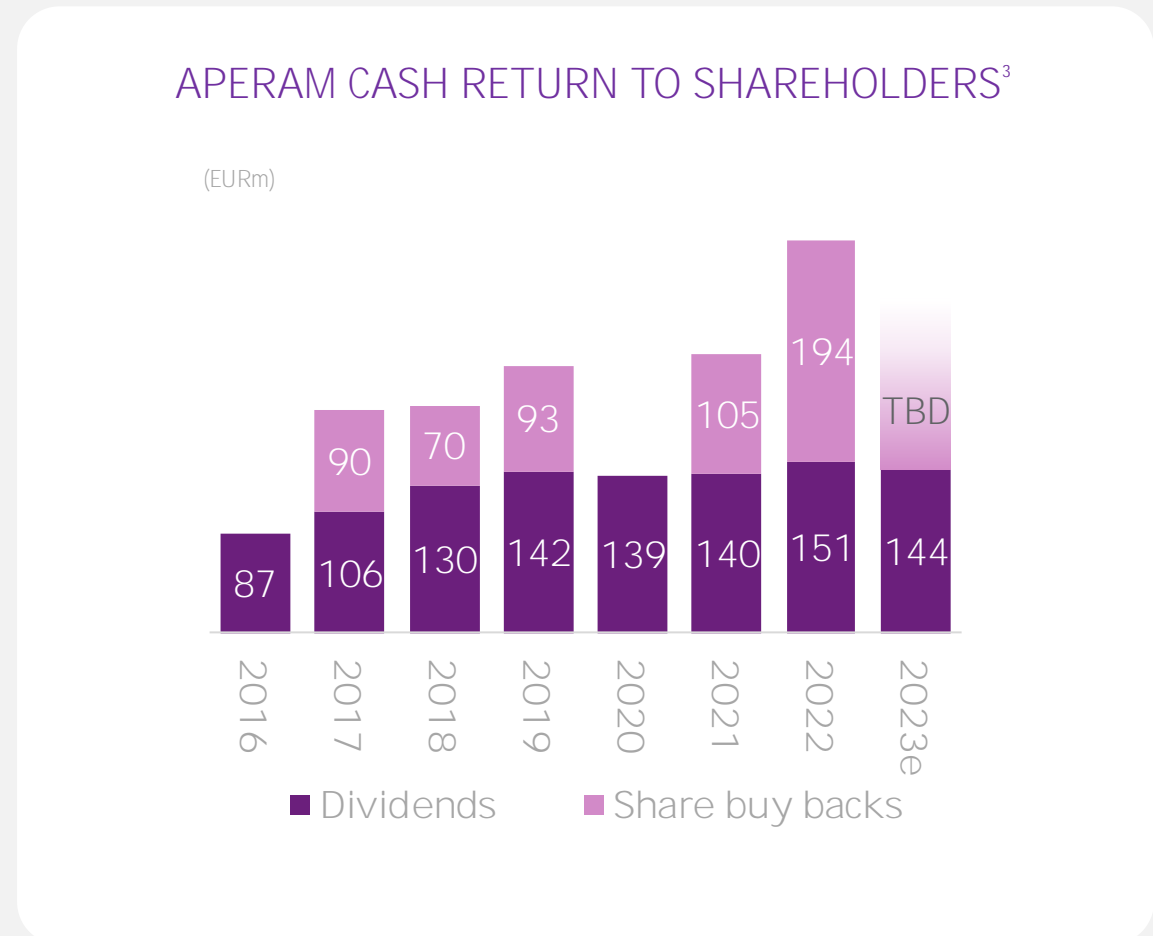
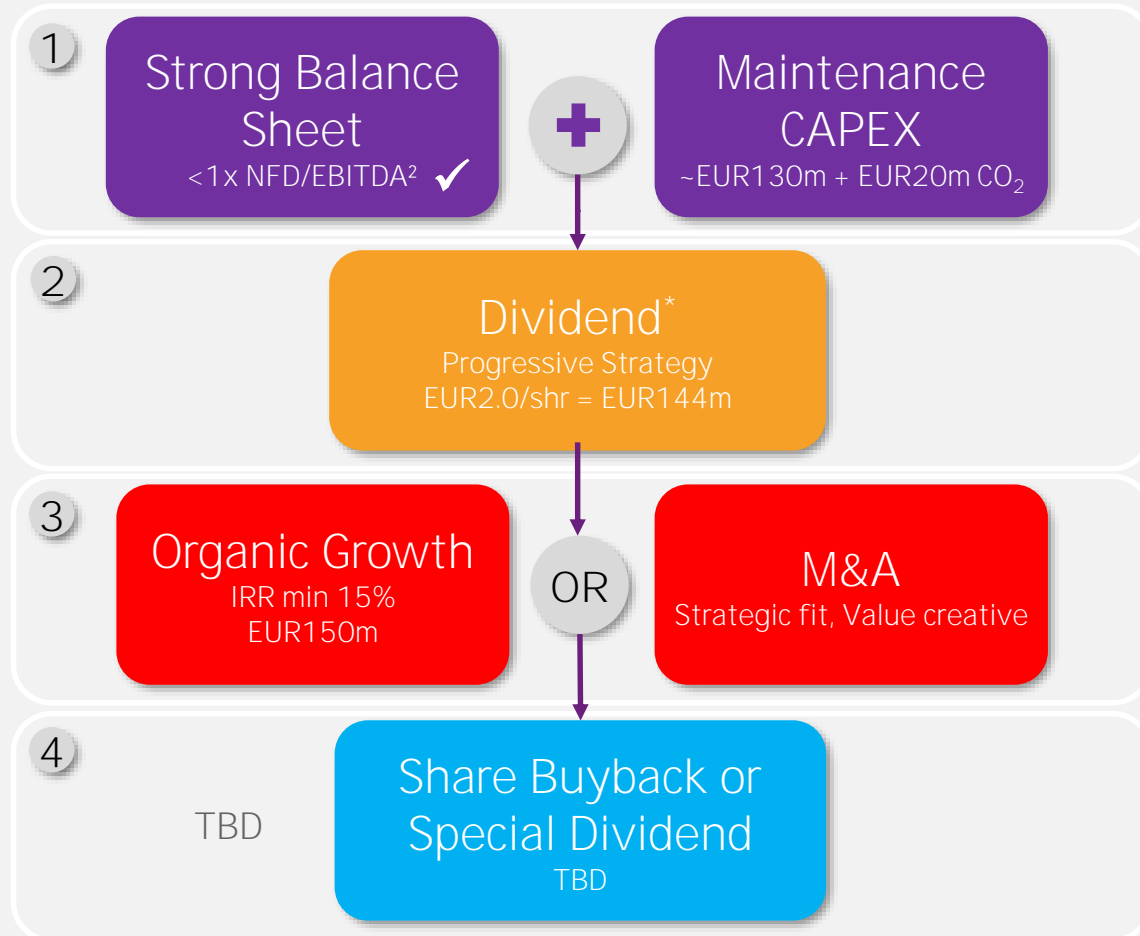
# A DIFFERENTIATED VALUE CHAIN

With cost, margin and cash synergies across the value chain



Superior synergistic value chain = Higher Quality of Earnings

# Financial Policy Balances Growth Opportunities and Shareholder Returns



\*Base dividend review in the (unlikely) event that NFD/EBITDA exceeds 1x

<sup>2</sup> through the cycle

<sup>3</sup>2023 schematic



# Value Creation in a Circular, Clean Economy Via Agility

We are ambitious  
to grow Aperam into a more sustainable and profitable company



## COST IMPROVEMENT

- > Lowest cost position in our core markets
- > Leadership Journey® Phase 4 (2021-23)
- > Leadership Journey® Phase 5 (from 2024)



## MIX IMPROVEMENT

- > Leverage materials competency to deliver next generation solutions
- > Stainless Alloys
- > Electrical Steels



## ESG

- > Build on industry leading position
- > Clear improvement targets
- > Benefit from growth of the circular economy



## PERFORMANCE

- > Sustainable attractive shareholder returns across the cycle
- > Low maintenance capex & strict criteria for growth
- > Return of excess cash



## OPPORTUNITIES

- > M&A option
- > Strategic capex
- > Strengthening international presence in niches

GROWTH

# No Progress Without Stainless, Electrical Steel & Special Alloys



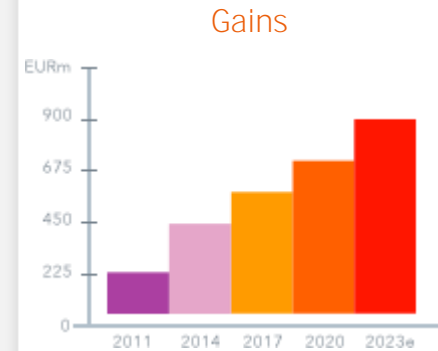
# PERFORMANCE

## The Leadership Journey<sup>®</sup> - 4 Distinct Phases in Response to a Changing Market

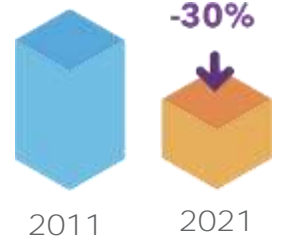
PHASE 1 (USD350M) 2011-13 Restructuring	PHASE 2 (USD225M) 2014-17 Asset upgrade	PHASE 3 (EUR200M) 2018-20 Transformation	PHASE 4 (EUR150M) 2021-23 Footprint & Growth
<ul style="list-style-type: none"> <li>▶ Footprint change</li> </ul>	<ul style="list-style-type: none"> <li>▶ Asset upgrades*</li> </ul>	<ul style="list-style-type: none"> <li>▶ New technology Automation / sensors</li> </ul>	<ul style="list-style-type: none"> <li>▶ Footprint change</li> </ul>
<ul style="list-style-type: none"> <li>▶ SG&amp;A reduction</li> </ul>	<ul style="list-style-type: none"> <li>▶ Automation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Raw material purchasing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sourcing &amp; Procurement</li> </ul>
<ul style="list-style-type: none"> <li>▶ Asset upgrade</li> </ul>	<ul style="list-style-type: none"> <li>▶ Quality &amp; Yield</li> </ul>	<ul style="list-style-type: none"> <li>▶ Digital transformation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Brazil product portfolio</li> </ul>
<ul style="list-style-type: none"> <li>▶ Energy mix Brazil</li> </ul>	<ul style="list-style-type: none"> <li>▶ De-bottlenecking</li> </ul>	<ul style="list-style-type: none"> <li>▶ Procurement</li> </ul>	<ul style="list-style-type: none"> <li>▶ Specialty products</li> </ul>
<ul style="list-style-type: none"> <li>▶ EU product portfolio</li> </ul>	<ul style="list-style-type: none"> <li>▶ Brazil product portfolio</li> </ul>	<ul style="list-style-type: none"> <li>▶ Distribution growth &amp; top line</li> </ul>	<ul style="list-style-type: none"> <li>▶ Alloys growth</li> </ul>

▶ Headcount related upgrade    
 ▶ Other cost measure    
 ▶ Growth measure

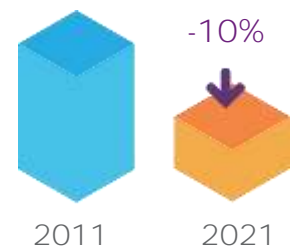
\*e.g. A&S wire rod mill, Brazil downstream, Genk & Gueugnon downstream upgrade, Isbergues LC2i upgrade



Production Lines

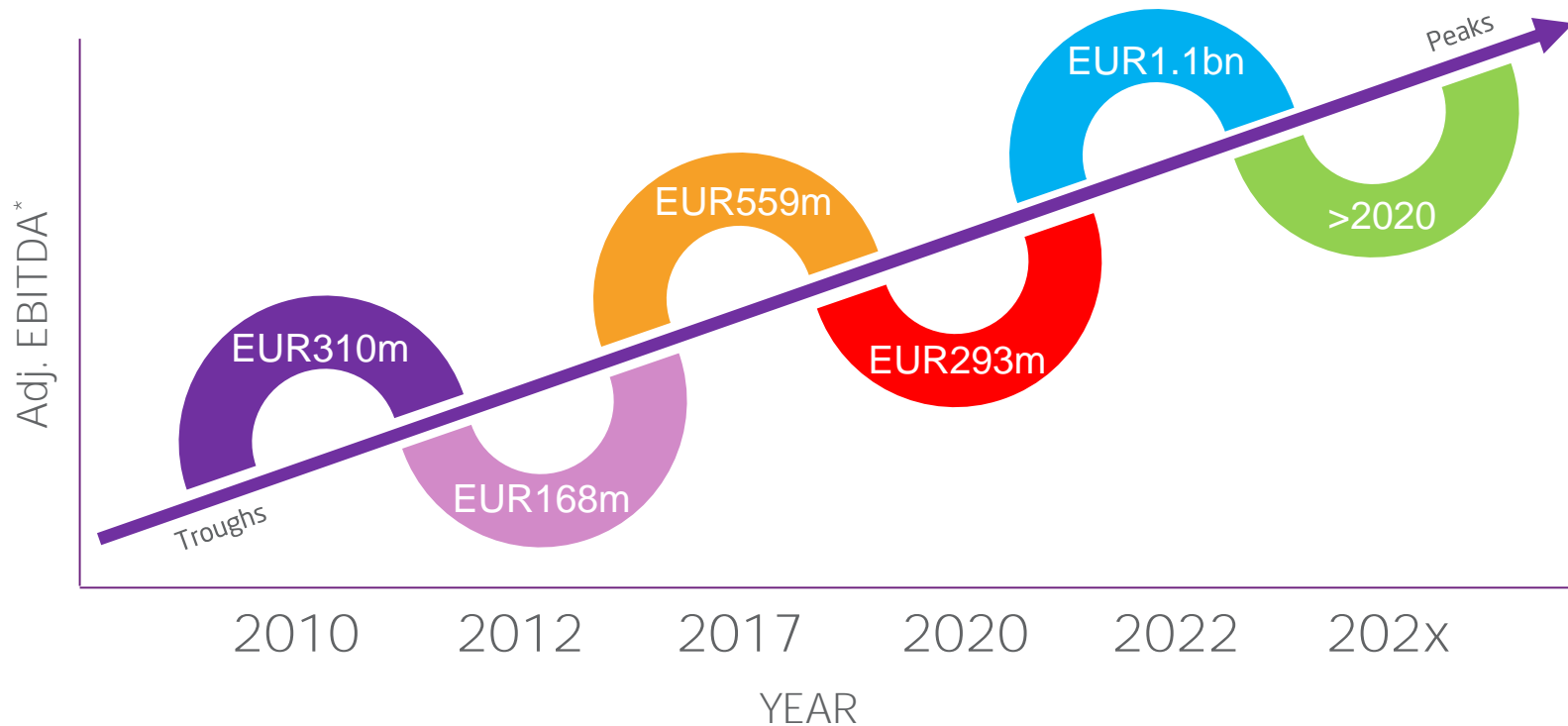


FTE



# Leadership Journey<sup>®</sup> Raises Peaks and Troughs over Time<sup>2</sup>

Schematic



## BETTER SUPPORT THAN 2020<sup>2</sup>

- > Leadership Journey<sup>®</sup>
  - EUR150m gains target 2021-23
  - Fixed cost variabilization

- > Trade protection limits price disruption of imports by preventing dumping effectively
- > De-risking value chains & minimizing lead time

Price support

- > ELG Contribution

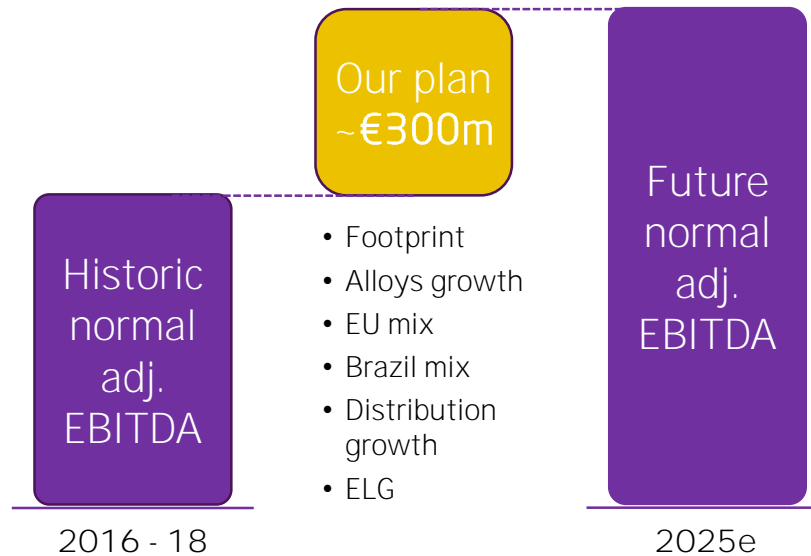
\*Schematic

<sup>2</sup>Realized LJ gains 2020-22 totaled EUR217m

# The Leadership Journey<sup>®</sup> is our Main Lever to Turn Aperam into a more Resilient and Profitable Company



OUR PLAN TRANSITIONS APERAM TO A HIGHER NORMALIZED EARNINGS LEVEL\*



More Profitable

Our industrial plan will create significant value

Cash Generative

Higher profitability will transfer into higher free cash flow

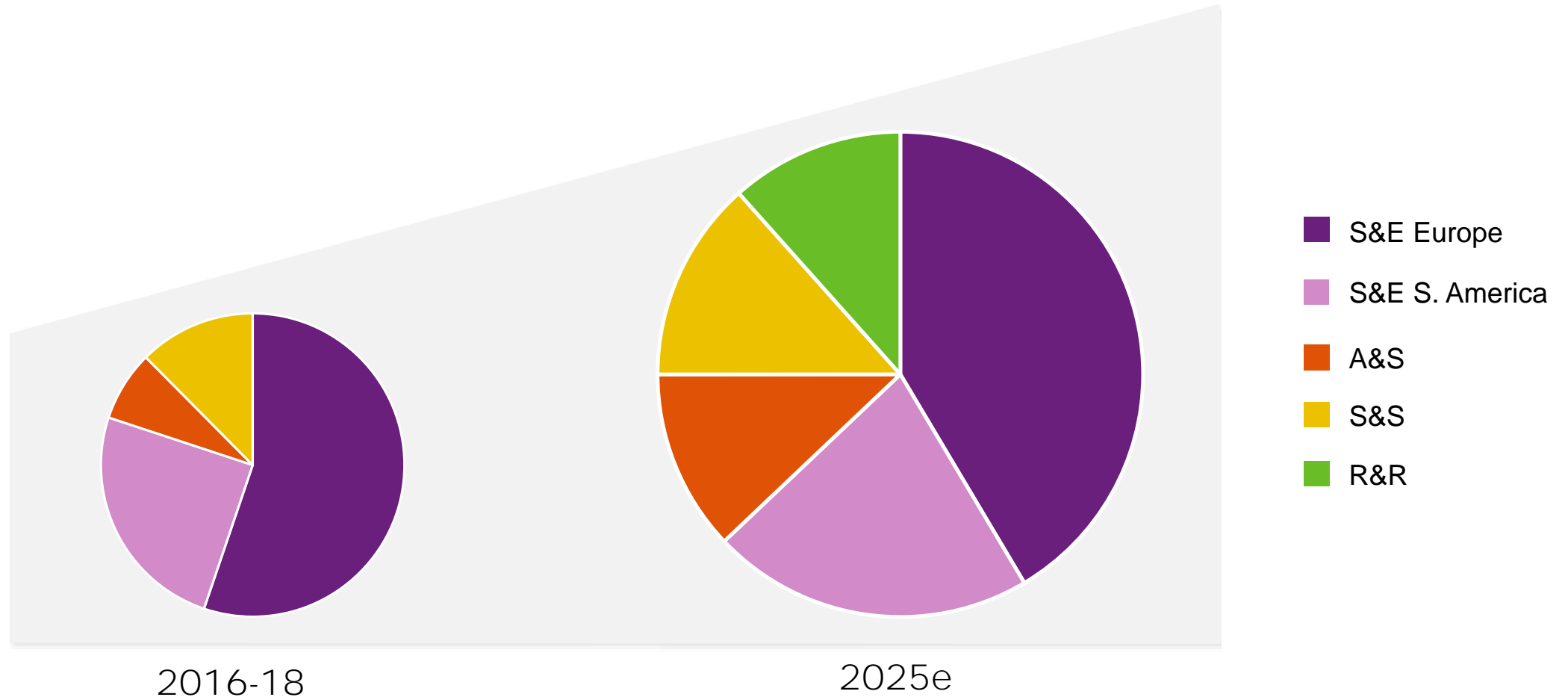
Stable

We are committed to a solid balance sheet and lower earnings volatility

\* Assumes normalized markets

# ADJ EBITDA COMPOSITION\*

Our Value Chain Evolves to Contribute to a Higher Share of Aperam EBITDA



\*adj EBITDA before Others & Eliminations, assuming normalized markets

# Convincing Reasons to Look at APERAM from an ESG Perspective

<b>Products</b>	Non toxic, long lifespan and 100% infinitely recyclable without loss of quality
<b>Process</b>	We have ambitious ESG targets and a convincing track record
<b>Environment</b>	We are recycling champion and >48% of our energy intake is renewable
<b>Climate change</b>	We have a best in class CO <sub>2</sub> footprint in the industry globally*
<b>Social</b>	We value our diverse workforce, invest in training, 83% rate us a good employer
<b>Governance</b>	The majority of our board is independent
<b>Ethics</b>	We have a robust compliance framework and a zero tolerance policy

\* Scope 1 (on-biogenic) + scope 2 (market-based)

## WHY TO INVEST IN APERAM



### 1 | Our products will serve the future

Our responsible - produced solution are best positioned to serve customers in an environmentally conscious economy

### 2 | A team with a track record

Diverse, experienced with a proven track record of mastering growth and volatility

### 3 | Agility is our mantra

We focus on adapting quickly to changing business environments and continuously challenge ourselves

### 4 | We have a plan

How to grow Aperam into a more profitable, cash generative and resilient company

### 5 | Our focus on the balance sheet

Our financial stability will continue to be the cornerstone of our way forward

### 6 | Value creation is our USP

We follow strict criteria for capital allocation and project execution that ensure value creation for our stakeholders



ESG



*Silène luminaris sive Mufler 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 Approaches ESG Holistically



## ENVIRONMENT

- Best in class CO<sub>2</sub>e footprint
- Clear improvement targets
  - Waste
  - Air
  - Water
  - Energy
- Production is based on recycled materials
- FSC® certified forest provides renewable energy
- Committed to net zero 2050 and SBTi-validated roadmap
- Superior product supporting the energy transition

## SOCIAL

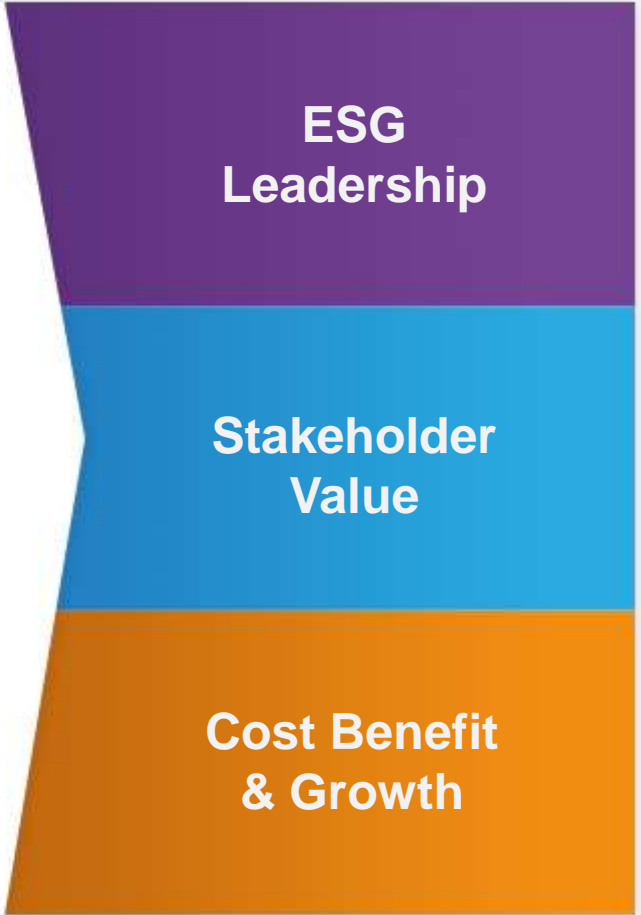
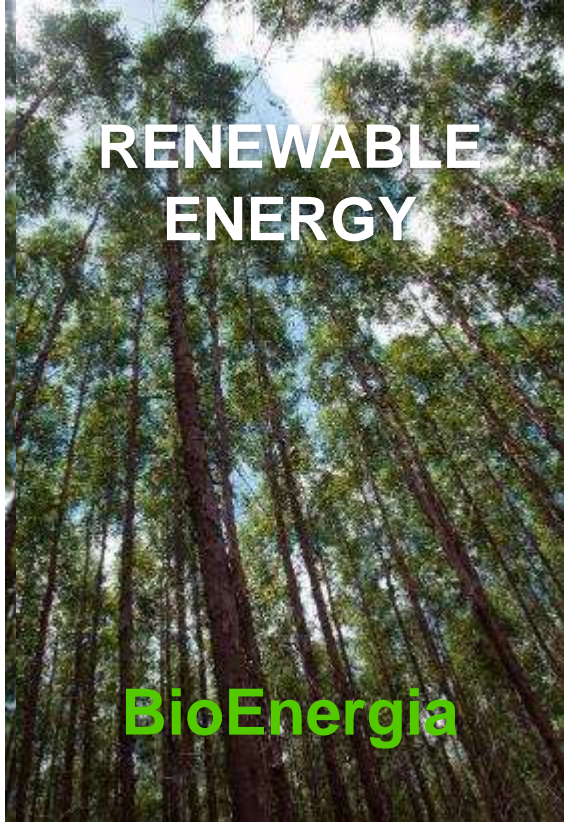
- Health & Safety is our prime objective
- Human Rights, Inclusion & diversity
- Training & development
- Positive social dialogue & responsible variabilization
- Quality of life at work and employee satisfaction

## GOVERNANCE

- High ethical standards with zero tolerance
- Responsible supply chain
- Majority of Board is independent
- Committees are exclusively independent
- Corporate responsibility expressed in stakeholder engagement

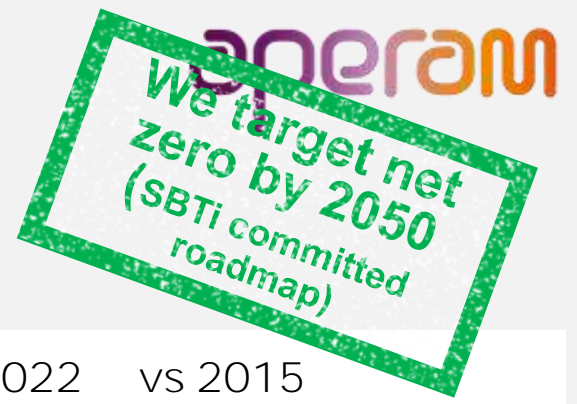


# ~30% of Aperam's Workforce Create Value from Working in Recycling and Renewables Upstream Today



## ESG STATUS & TARGETS

# A Best in Class Footprint & Clear Improvement Targets<sup>2</sup>



CRITERIA	2030 TARGET	APERAM 2022	vs 2015	
Energy intensity <sup>1</sup>	6.9 GJ/tcs <sup>2</sup> -11% vs 2015	8.0* GJ/tcs <sup>2</sup>	+3%	⚠
CO <sub>2</sub> intensity <sup>3</sup>	0.30 te/tcs <sup>2</sup> New objective	0.32* te/tcs <sup>2</sup>	-41%	✅
Water consumption	6.1 m <sup>3</sup> /tcs <sup>2</sup> -40% vs 2015	10.8* m <sup>3</sup> /tcs <sup>2</sup>	+6%	⚠
Dust intensity	70 g/tcs <sup>2</sup> -70% vs 2015	107* g/tcs <sup>2</sup>	-57%	✅
Zero waste target	>97% reused / recycled	92.4%	-1.1pp	⚠
Health & Safety	TRIR<3 in 2026	7 (new indicator)		⚠
Diversity	30% of exempts in 2029	Women 14.7% of staff 7.9% blue collar, 22.8% of exempts		
Digital Learning	30% of total learning hrs in 2029	19%		
Employee Satisfaction	>80% of Sustainable Engagement	75%		

(1) only electricity, LPG and natural gas, (2) per ton of slab (internal/external), (3) Scope 1+2, including yearly removals for our forestry. An internal CO<sub>2</sub> price of €100/t is applied to all investments. We review and adjust this if necessary to maintain the incentive for CO<sub>2</sub> savings. (4) Using comparable methodologies, our 2021 CO<sub>2</sub>e intensity decreased by 2%, but the 0.34t/tcs includes methodological updates rendering the comparison with 2020 irrelevant. \* Data having received external assurance

PRODUCT & PROCESS

# Aperam Produces a Superior Product in a Sustainable and Responsible Way

SUPERIOR PRODUCT

- Very long useful life
- Corrosion resistant
- Abrasion resistant
- 100% recyclable
- Acid resistant
- Aesthetic
- Non toxic
- Fire proof
- Mechanically strong



RENEWABLE ENERGY

Our blast furnace in Brazil uses 100% charcoal as fuel - produced from our sustainably cultivated FSC-certified forests



RECYCLING

Aperam's main input in Europe is scrap & recycled materials (>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 and they are separated by firewalls and strips of natural vegetation to take into account both fire-prevention, biodiversity preservation and local development (beekeeping).*

# We are Part of the Solution



## e-Mobility solutions

Aperam's solutions enable e-vehicle components such as converters, inverters, onboard-charges, motors, EPS, cooling systems, air conditioning systems, current sensors, charging stations, fuel cells and battery packs



## Clean air

Stainless and alloys help the marine transport sector minimizing emissions. Aperam offers scrubbing systems that remove over 90% of Sulphur and 80% of particles. Corrosion resistance grades with high mechanical properties are required



## Cryogenic applications

They require a material that can withstand very low temperatures. Aperam solutions (stainless and INVAR M93 LNG tanker) are specially designed for cryogenic storage; transporting natural gas, ethane, or ethylene; and handling liquefied air gases like nitrogen, oxygen and argon



## Sustainable water supply

Due to its inert nature, stainless is the material of choice for water supply (e.g. tanks and fountains, water boilers, sanitary piping systems, etc.) and water treatment (e.g. sewerage, distillation, desalination) applications



## Solar power

Alloys are resistant to heat, corrosion, fatigue, and creep. It is the ideal material for the receiver tubes used to ensure the flow of molten salt and for glass metal sealing. Stainless, is the material of choice for the structural and fixing elements used in solar power systems



## Renewable energy

- Electrical steels enable high performing wind generators due to their high permeability.
- The magnetic properties of alloys convert and shape an electrical signal from generation to end use
- Anemometric towers built of stainless steel enjoy an increased life span, reduced maintenance costs, better safety



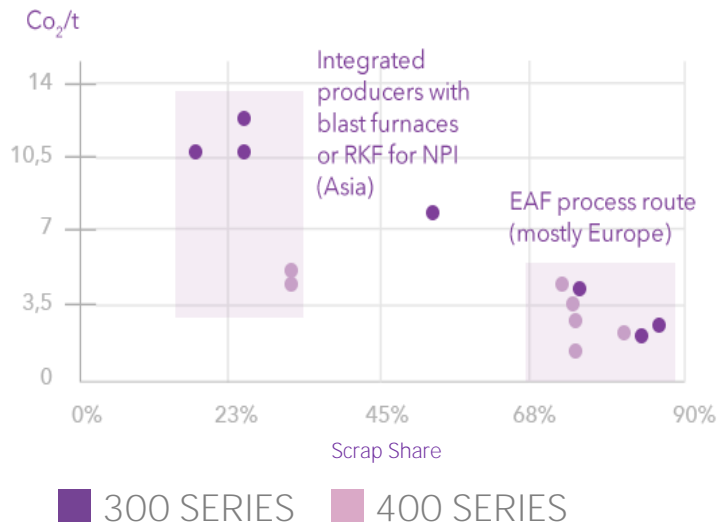
## The hydrogen economy

Stainless steel and alloys are already used in a number of important hydrogen applications eg fuel cells, production and storage installations, and transportation\*. Aperam is a big supporter of the shift to hydrogen and a proud member of HydrogenEurope

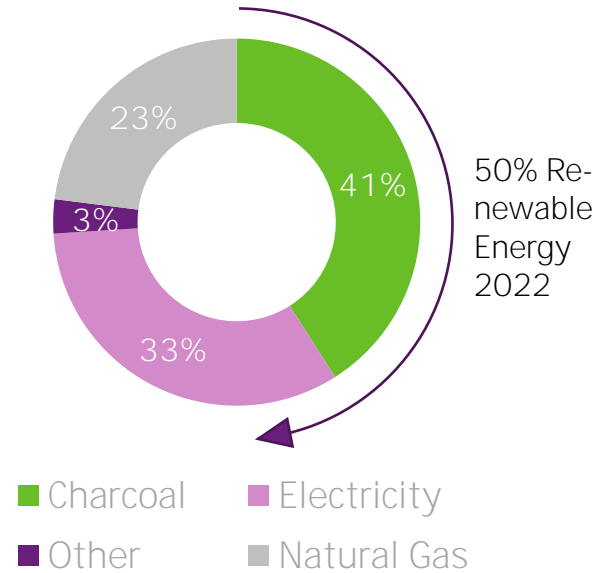
*\*Eg electrodes in alkaline electrolyzers, catalysts for steam methane reforming, storage and transportation*

# Recycling Content & Renewable Share puts Aperam in a Best-in-Class Position

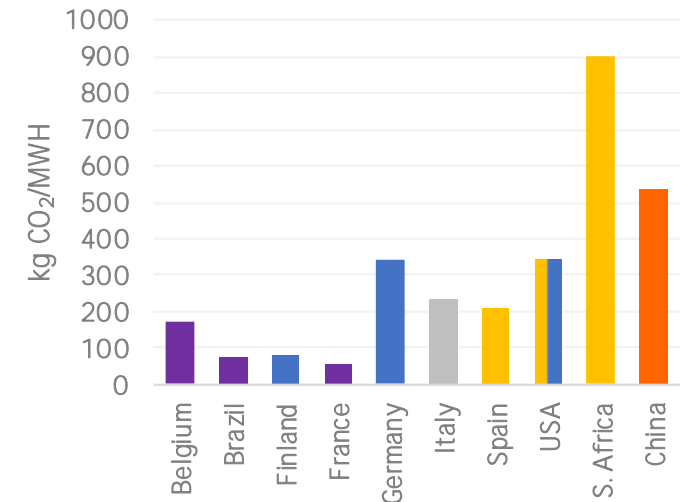
## SCRAP USAGE REDUCES CO<sub>2</sub> EMISSIONS SUBSTANTIALLY\*



## APERAM ENERGY MIX 2022

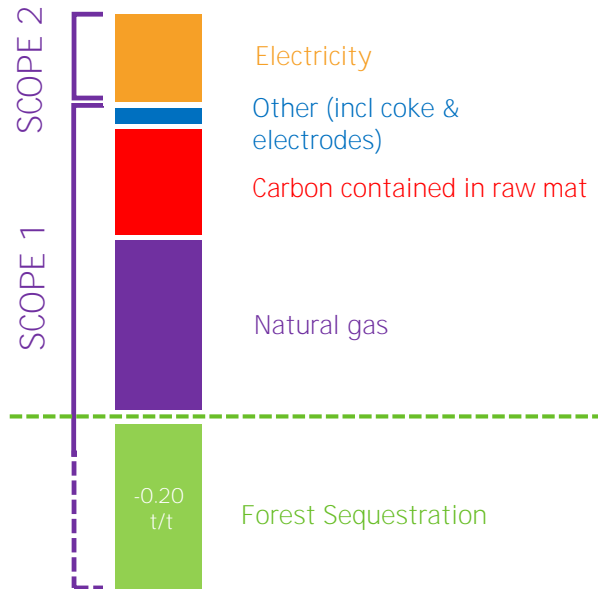


## ELECTRICITY IS KEY FOR DECARBONIZING

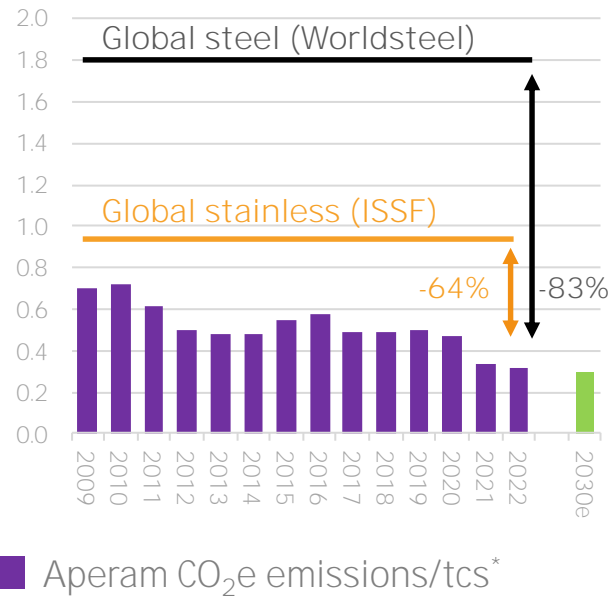


# Aperam has a Transparent & Realistic Plan for Realizing 0.30 tCO<sub>2</sub>e/tcs by 2030 and Carbon Neutrality by 2050

## APERAM CO<sub>2</sub> EMISSION BY SCOPE 0.32 te/tcs\*



## APERAM CO<sub>2</sub>e EMISSION ROADMAP\*



## MEASURES & CAPEX

Target: <0.3 tCO<sub>2</sub>e/tcs in 2030<sup>2</sup>

- ~33% are based on energy efficiency projects and heat recuperation
- ~33% are based on the decarbonization of energy
- ~33% gains in direct CH<sub>4</sub> emissions
- Capex for 2030 targets ~EUR20m pa<sup>\*\*</sup>
- FSC certified forest operations play a key role for reaching net zero by 2050

\*Scope 1 (non-biogenic) + scope 2 (market-based); for change in methodology please refer to Aperam's 2022 ESG report


<sup>2</sup>versus 2015 (0.54 tCO<sub>2</sub>e/tcs)

\*\* Mainly covered by normal annual maintenance & growth capex budget. 2020-30 total spend ~EUR200m



# 50% of our Energy is from Carbon Neutral Sources


Natural Gas : ~41%



- > Efficiency increase
- > Electrification (renewable electricity)
- > Hydrogen

Technical feasibility: **Medium**  
 Production cost: **High**


~21% Electricity



- > Efficiency increase
- > Asset replacement (~30-40% lower consumption)
- > Renewable energy

Technical feasibility: **High**  
 Production cost: **Low**

~26% Raw Materials



- > Higher recycling content
- > Procure low carbon containing raw material
- > Increase yield

Technical feasibility: **High**  
 Production cost: **Low**

~12% Others



- > No replacement technology available today  
 → Carbon offset via BioEnergia

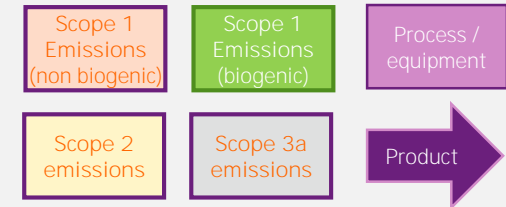
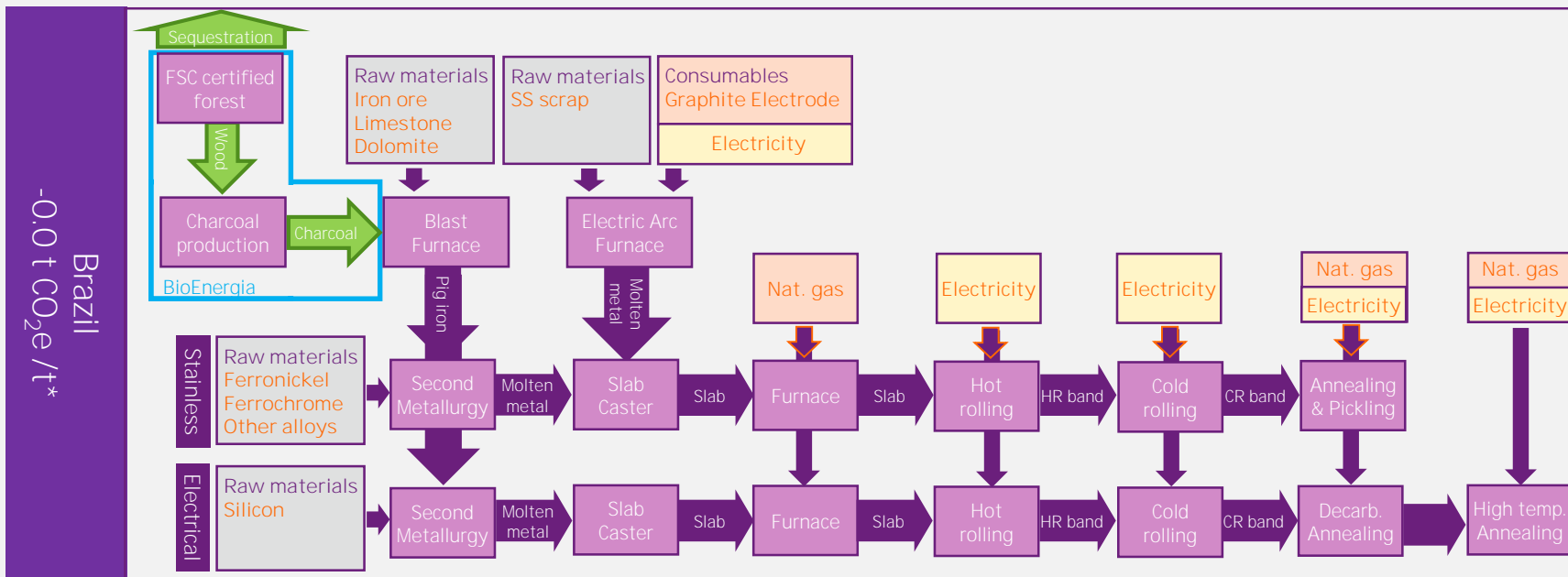
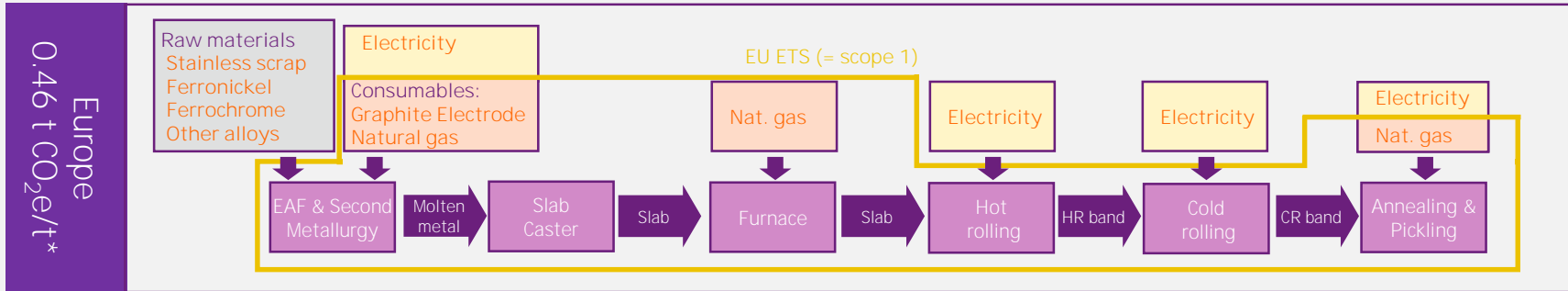
Technical feasibility: **Low**  
 Production cost: **Medium**

# APERAM'S CO<sub>2</sub> FOOTPRINT



Aperam has an industry leading CO<sub>2</sub>e footprint<sup>1</sup>

**We target net zero by 2050**  
(SBTi committed roadmap)



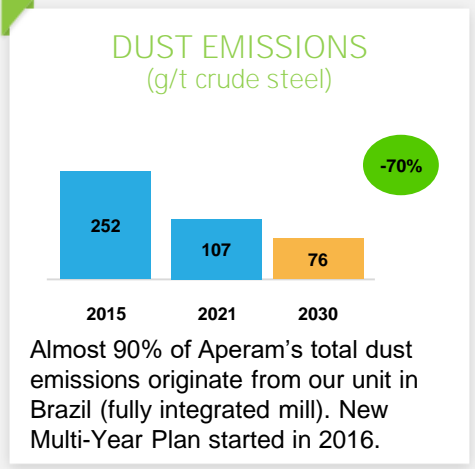
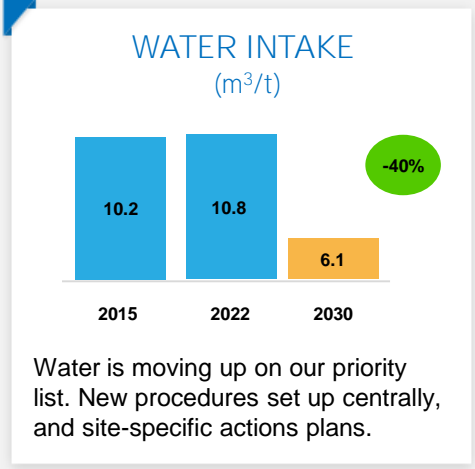
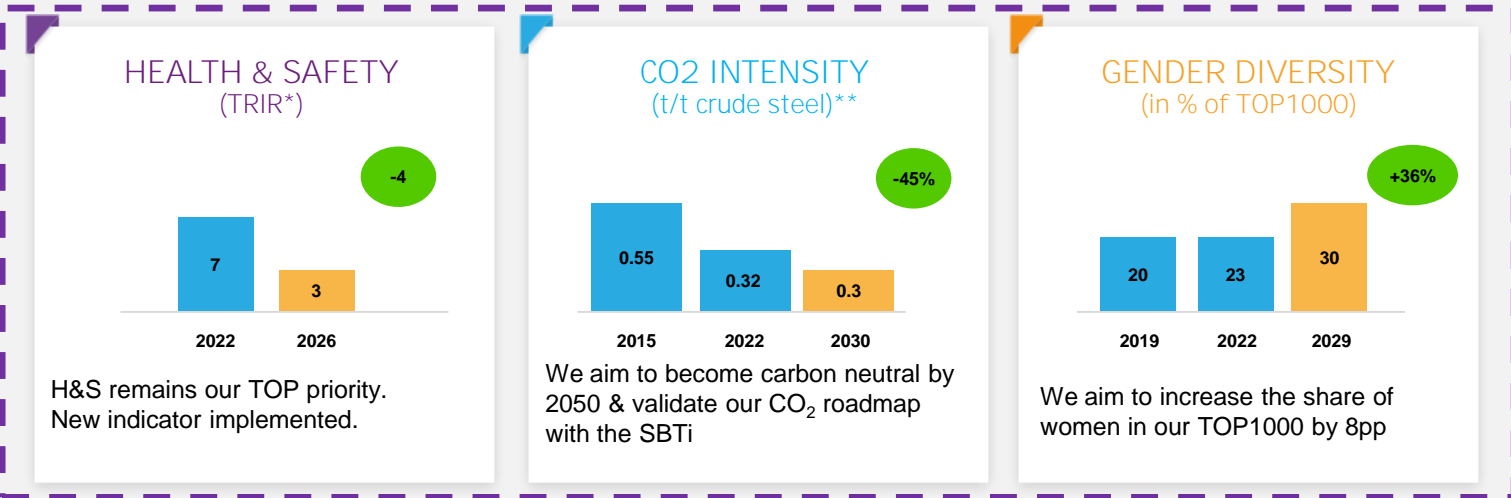
**Scope 1** - All Direct Emissions from the activities of an organization or under their control. 0.41 tCO<sub>2</sub>e/tcs - less sequestration 0.21 tCO<sub>2</sub>e/tcs = 0.2 tCO<sub>2</sub>e/tcs

**Scope 2** - Indirect Emissions from electricity purchased and used by the organization. 0.11 tCO<sub>2</sub>e/tcs

**Scope 3** - All Other Indirect Emissions from activities of the organization, occurring from sources that they do not own or control. (3a: Upstream, ie mostly raw materials 2 tCO<sub>2</sub>e/tcs

1) per tonne of slab, scope 1 + 2 (Scope 1 non-biogenic, Scope 2 "market-based") based on ISO14404 (incl. purchased tons processed internally and hire-work)

## Targets Have Been Linked to Management Compensation



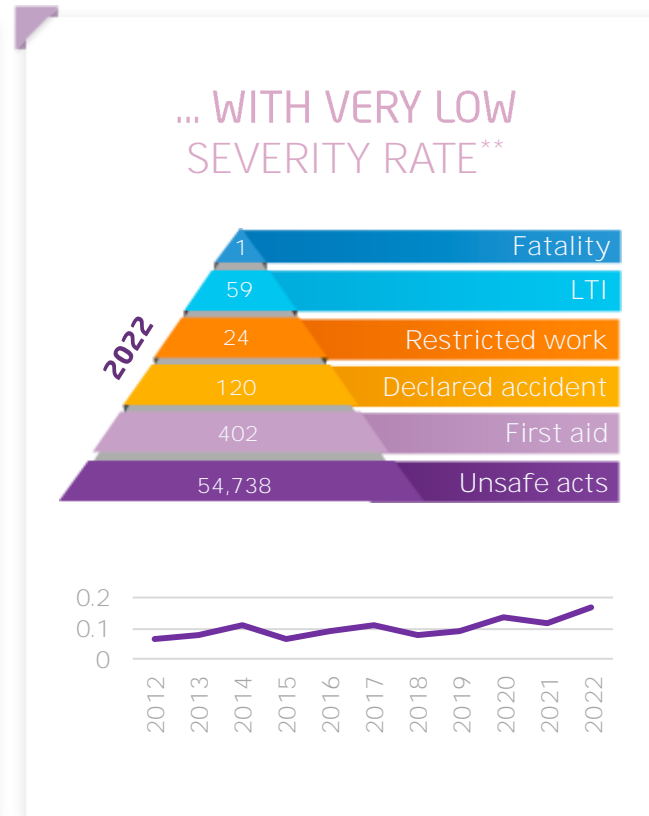
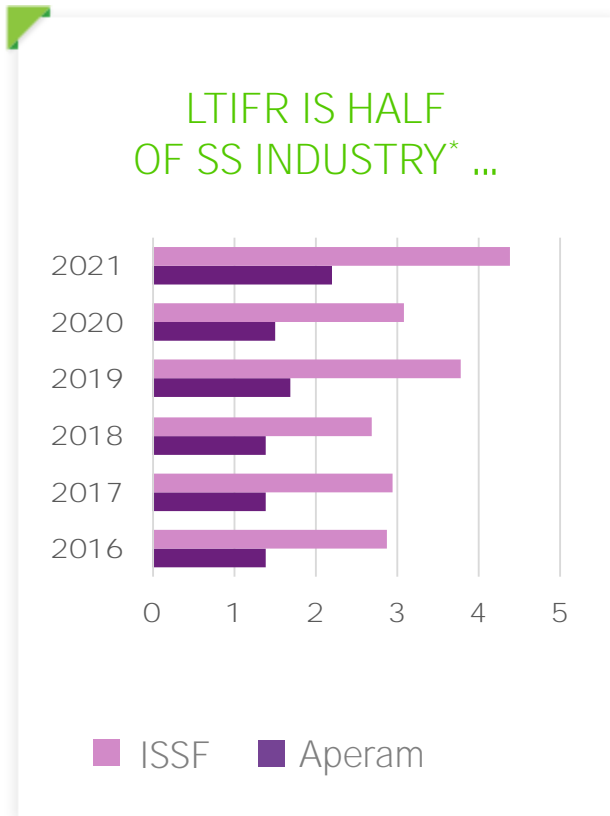
\*Total Recordable Incident Rate

\*\* Scope 1+2

\*\*\* 2030 Company Targets

# HEALTH & SAFETY

## Our Prime Objective



### ROADMAPS WITH 3 STRATEGIC AXES

- Prevent and control the risk of fatal and severe accidents
  - Detailed improvement plan post a H&S audit of each site
  - Monthly monitoring
- Identify cultural maturity
  - Uses external framework to assess and improve H&S at each site individually



- Support and coordinate transversal actions
  - Launch of single incident reporting and investigation tool

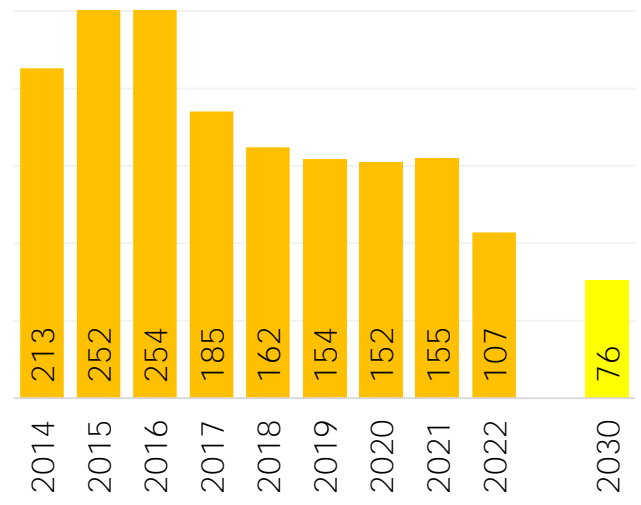
\* Lost time injury frequency rate = number of injuries resulting in lost time per million working hours - 2021: Aperam 2.2 versus ISSF average 4.3, ISSF 2022 data will be published in late May 2023

\*\* Severity rate = total number of days lost for accidents/total/hours worked x 1,000,000.

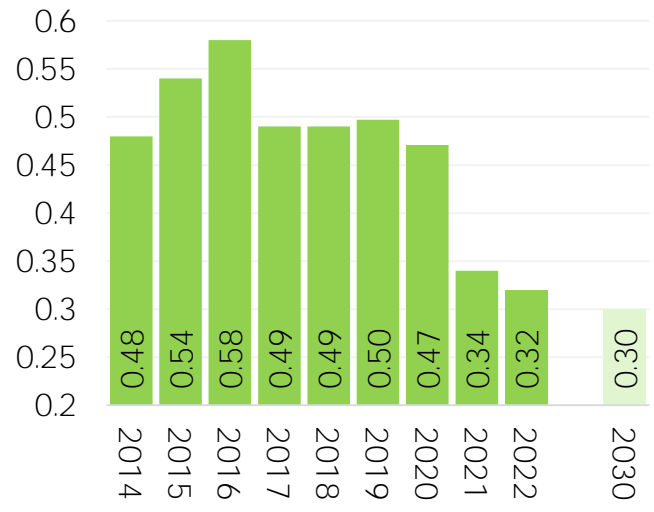
# ENVIRONMENT

Aperam has a convincing environmental track record and clear improvement targets

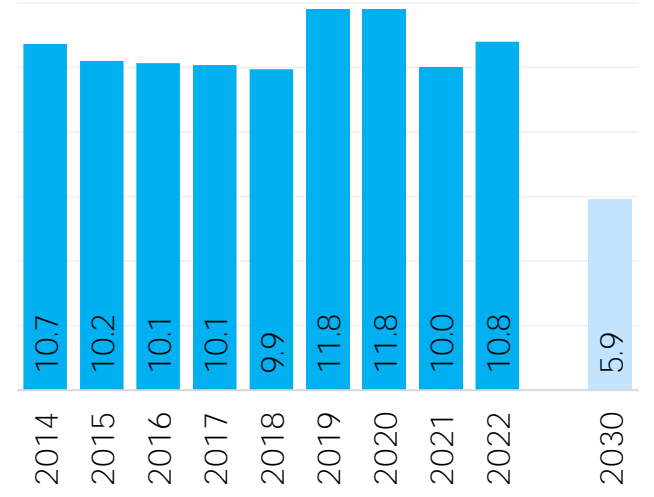
Dust emissions (g/t crude steel)



CO<sub>2</sub> emissions (t/t crude steel)\*












Water intake (m<sup>3</sup>/t crude steel)



2030 Represents Aperam's targets

\* Scope 1 (on-biogenic) + scope 2 (market-based), for change in methodology in 2021 please refer to our ESG report

# Aperam supports the United Nations' Sustainable Development Goals, in Particular:

 <p>Health &amp; Safety is Aperam's primary concern and the priority in all our proceedings</p>	 <p>Gender balance ranks highly on our priority list since 2017 with a special commitment from Management. Aperam established specific objectives for creating more gender balance in our workforce</p>	 <p>Lowering water consumption and improving the quality of discharge are key elements of our environmental strategy</p>
 <p>Almost 50% of Aperam's energy comes from renewables, mainly as biomass (charcoal) and increasingly also, wind and solar</p>	 <p>Research &amp; 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</p>	 <p>Aperam is committed to a sustainable cohabitation with our neighboring communities, allowing host cities to thrive and accommodating inhabitants' legitimate requests</p>
 <p>Aperam is a recycling champion: We use the maximum amount of recycled material in our production (eg +85% in Europe) and also recycle wastes and by-Products in line with our zero-waste target</p>	 <p>Our blast furnace uses charcoal, produced from our FSC certified forest which also acts as a carbon sink. We have ambitious reduction targets to 2030 and target carbon neutrality by 2050</p>	 <p>Ethics are a key 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</p>

# Our Leadership Team: Diverse & Experienced

## 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: 50 / 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 ESG targets, EPS, TSR evolution (3 year plan) vs relevant peers and index

\* incl. Aperam Recycling



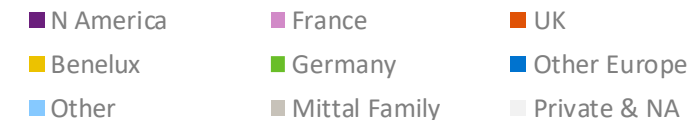
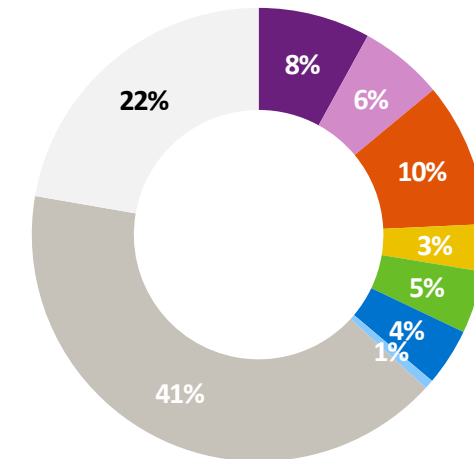
## GOVERNANCE

# Our Diverse Board of Directors Ensures Effective Governance

### 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 male, 3 female board members
- Mrs. Ros Rivaz is lead independent director
- 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





BUSINESS OVERVIEW

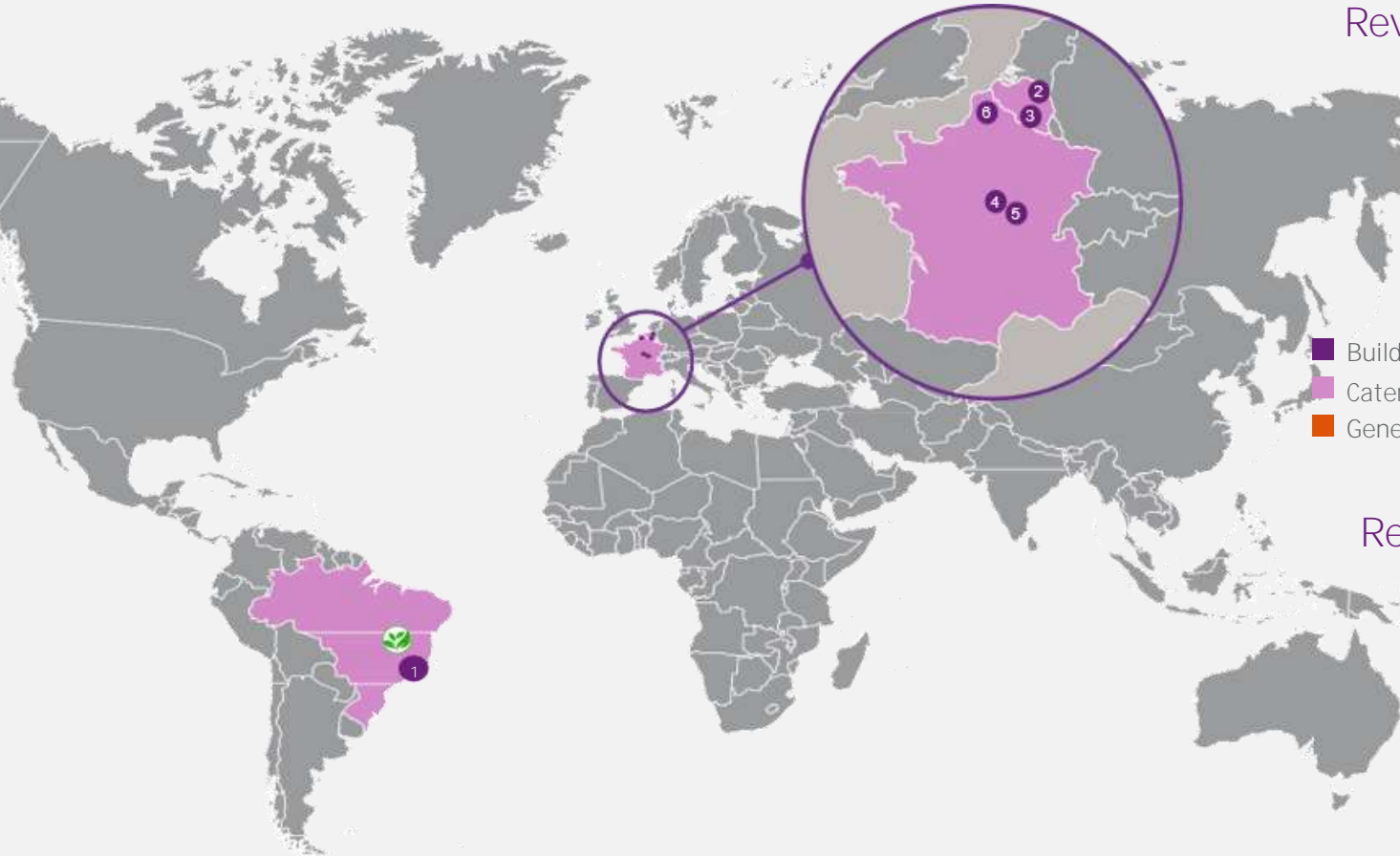


# BUSINESS OVERVIEW

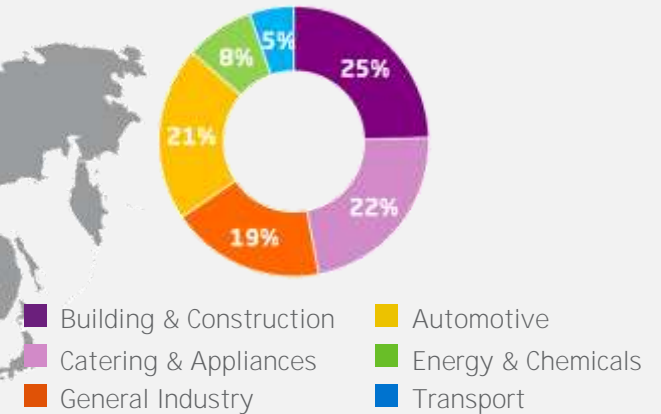


Aperam is active in Stainless, Electrical & Specialty Steel & Scrap  
 #2 in Europe and the Only Producer in S. America

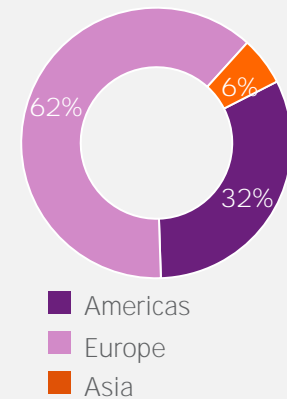
- €8.2bn Sales\*
- ~10,700 Employees
- 2.5mt Capacity
- 51 Recycling Locations
- ~1.2mt Scrap
- FSC Certified Forest in Brazil
- 14 steel service centers



Revenue by industry 2022



Revenue by region 2022



- 1 Timóteo, Brazil
- 2 Genk, Belgium
- 3 Châtelet, Belgium
- 4 Imphy, France
- 5 Gueugnon, France
- 6 Isbergues, France
- BioEnergia, Brazil
- \*excl ELG

# BUSINESS OVERVIEW

## Group Segments\*

### RECYCLING & RENEWABLES

1.3mt Scrap & Charcoal shipments  
13% of group adj EBITDA

Scrap is our key raw material,  
Charcoal our major energy

- ELG is a global leader in the trading, processing and recycling of scrap for the stainless steel industry & market leader in the recycling of high performance materials such as superalloys and titanium mainly for aerospace
- BioEnergia produces wood and charcoal from FSC certified eucalyptus forests (128,000 ha)
- Recyco recycles metal from dust, mud, residues, ashes etc

### STAINLESS & ELECTRICAL

2.5mt production capacity  
1.6mt of gross shipments  
74% of group adj EBITDA

Amongst the largest producers of stainless steel globally\*\*

#### Europe:

- 2 Electric Arc Furnaces use scrap as major input material
- Stainless steel flat product output

#### South America:

- 2 blast furnace use iron ore and charcoal produced from own forests
- 2 EAF use recycled scrap
- Stainless flat products & electrical steel

### SERVICES & SOLUTION

642kt of gross shipments  
9% of group adj EBITDA

#### Aperam's distribution arm

- S&S provides value added and customized solutions through further processing according to specific customer requirements. S&S core activities:
- direct sale of Aperam products to end users
- distribution of Aperam and third party material
- transformation services, according to specific customer requirements

### ALLOYS & SPECIALTIES

40 kt production capacity  
27kt of gross shipments  
5% of group adj EBITDA

Top 3 producer of nickel alloys globally

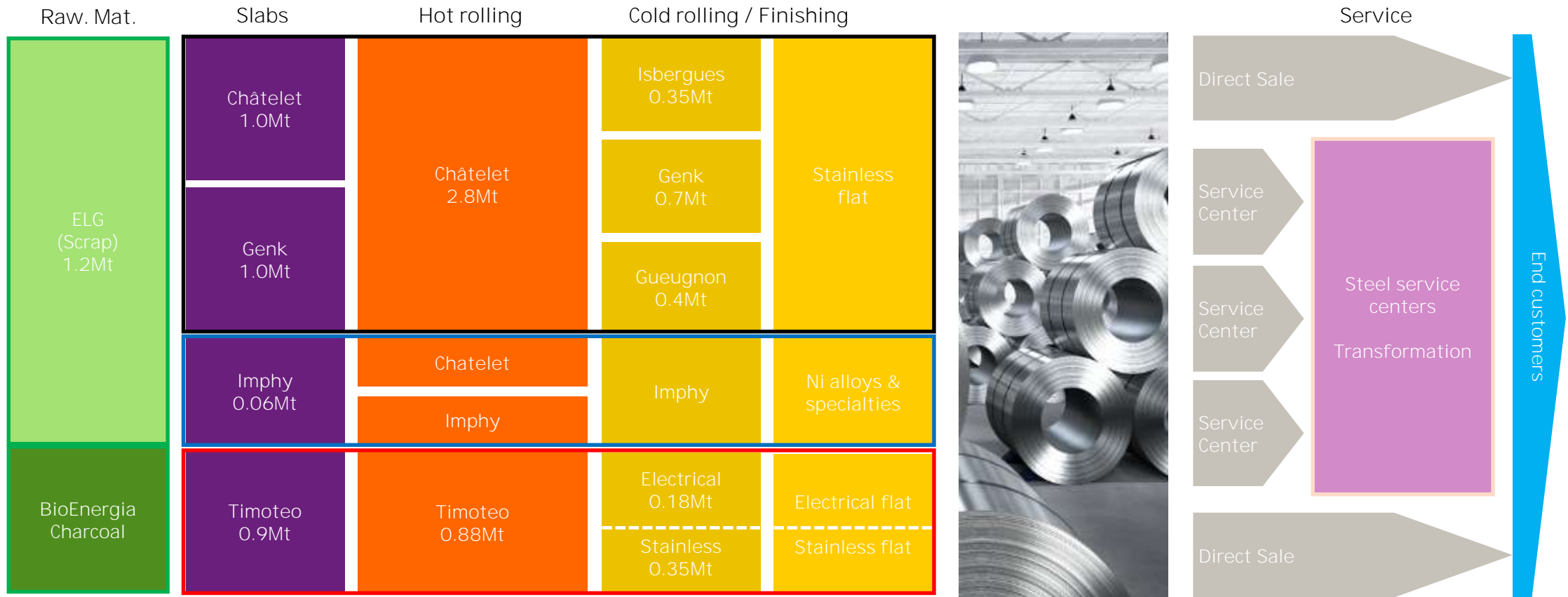
- Aperam specializes in nickel alloys and specific stainless steels
- Our products take the form of bars, semis, cold-rolled strips, wire and wire rods, and plates, and are offered in a wide range of grades
- High value items that are often sold on a kg basis

\*gross shipments and adj EBITDA are before eliminations

\*\* By production capacity

<sup>2</sup>ELG was acquired in 2021 and consolidated from 2022, BioEnergia was accounted in S&E in 2021

# Aperam Value Chain and how it Splits into Segments



— Stainless & Electrical Steel Europe

— Stainless & Electrical Steel South America

} Stainless & Electrical Steel

— Alloys & Specialties

— Services & Solutions

— Recycling & Renewables

# BUSINESS OVERVIEW

## Main Production Sites

### Châtelet, Belgium



#### Location & facts

Melt shop  
Hot rolling mill

#### Capacity

Slabs 1,000 kt  
HSM 2,800 kt

### Genk, Belgium



#### Location & facts

Melt shop  
Cold-rolling mill  
Finishing

#### Capacity

Slabs 1,000 kt  
2 m wide capacity  
316 and duplex grades  
Cold-rolling 700 kt

### Gueugnon, France



#### Location & facts

Cold-rolling mill  
Finishing

#### Capacity

Finished 400 kt  
Specialized in Bright  
Annealing (BA) products  
and stabilized ferritics

### Isbergues, France



#### Location & facts

Cold-rolling mill  
Finishing

#### Capacity

Finished 350 kt  
LC2i: integrated line

### Timóteo, Brazil



#### Location & facts

Melt shop  
Cold-rolling mill  
Finishing

#### Capacity\*

Slabs 900kt  
Stainless finished 350kt  
Electrical CR:  
Grain oriented 60kt  
Non GO 170kt  
SP Carbon 200kt

\*some lines are flexibly used for different products

### Imphy, France



#### Location & facts

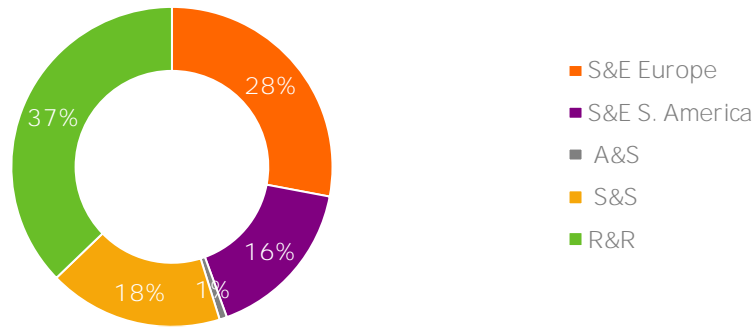
Melt shop  
Cold-rolling mill  
Finishing

#### Capacity

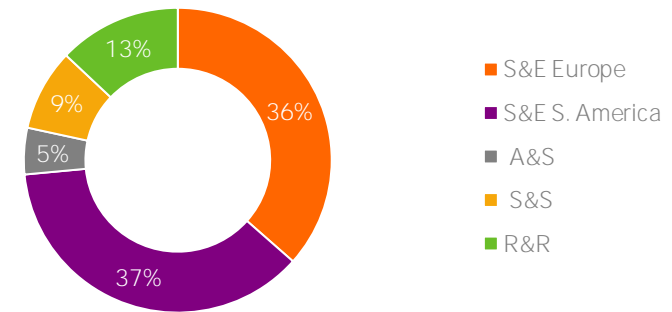
EAF 60kt  
1 VIM, 2 VAR, Rotary  
continuous Caster for  
long products  
Wire hot rolling mill: 40kt  
6 Cold rolling mills

# A Balanced Risk Profile and Customer Structure

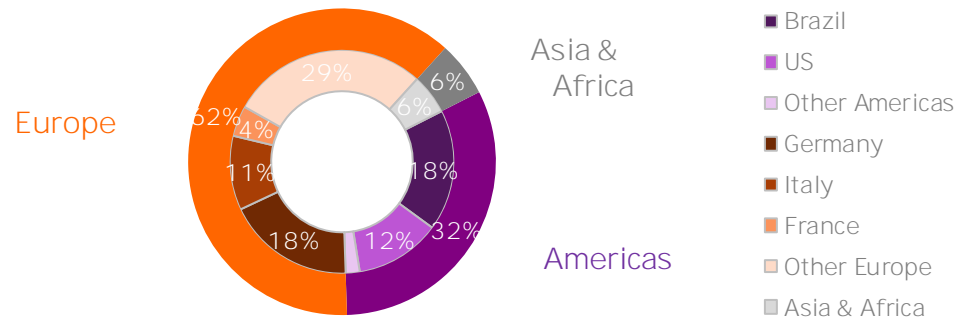
SHIPMENT BY SEGMENT 2022\*



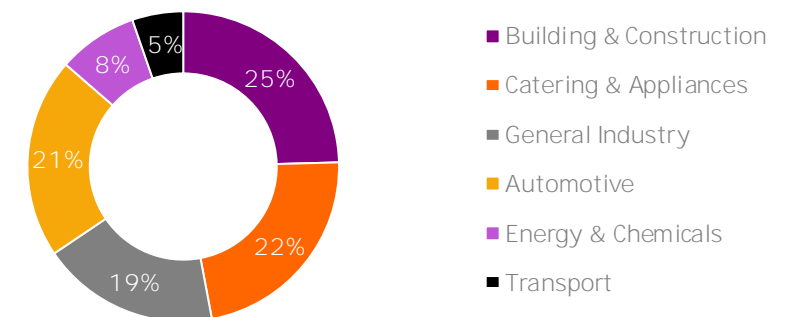
ADJ. EBITDA BY SEGMENT 2022\*



REVENUE BY REGION 2022



REVENUE BY CUSTOMER INDUSTRY 2022

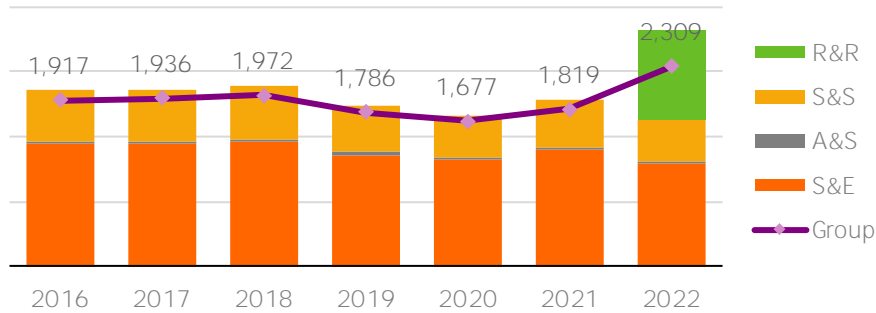


\* Gross data before eliminations

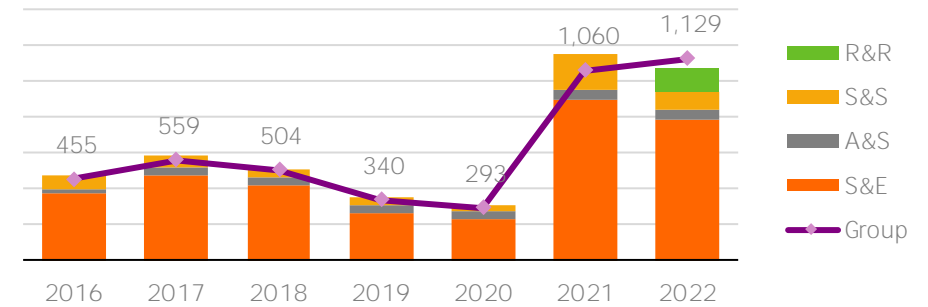
# BUSINESS OVERVIEW

## Self-help has Transformed the Group

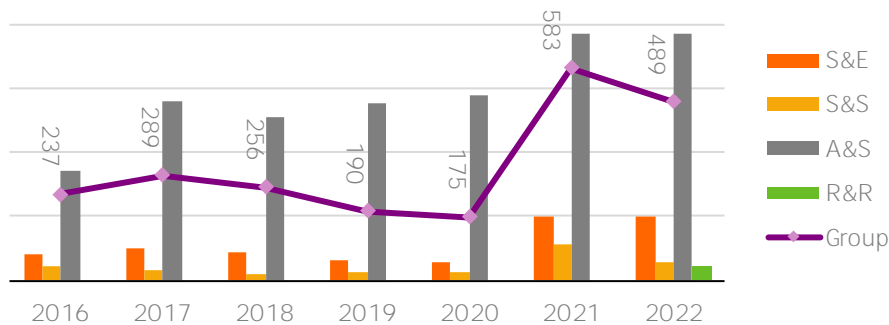
### SHIPMENT BY SEGMENT (KT)



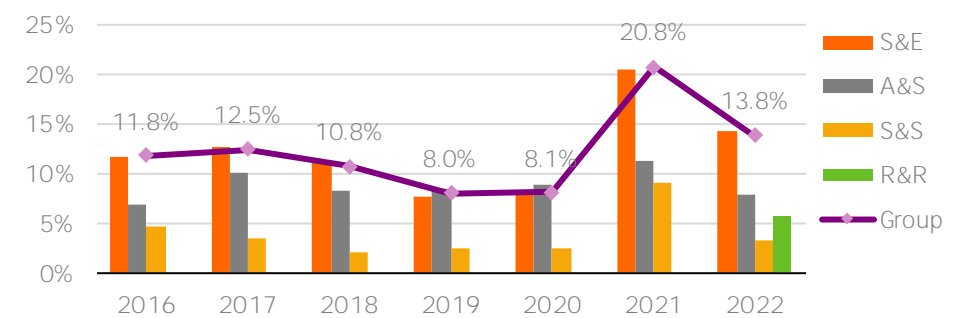
### ADJ. EBITDA BY SEGMENT (EURm)



### ADJ. EBITDA/t (EUR)



### ADJ. EBITDA MARGIN



STAINLESS & ELECTRICAL EUROPE



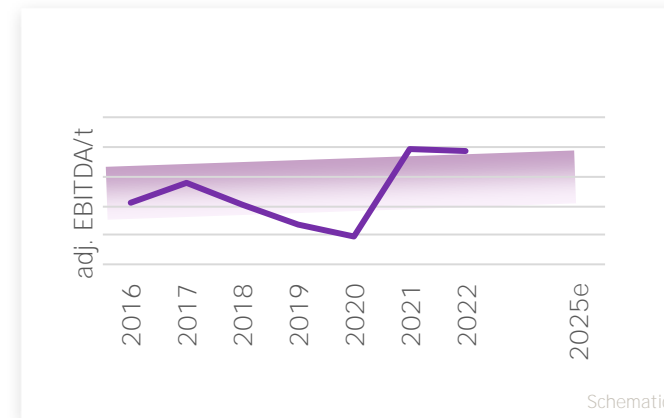
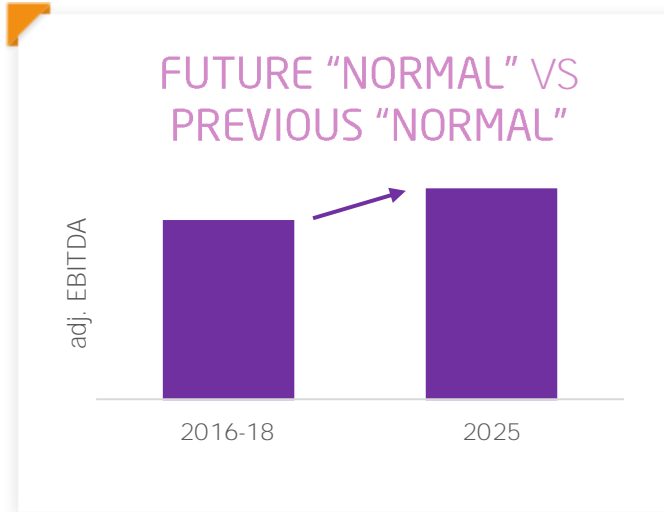


# Adding Product Differentiation to Cost Leadership



## DIFFERENTIATORS

- > European cost leader
  - Efficient footprint
  - Logistics advantages
- > Flexible production set up
- > Volatility reducing downstream integration into distribution
- > Recycling backbone (post ELG closing\*)
- > Leading ESG position with future-proof footprint



## EARNINGS GROWTH & VALUE DRIVERS

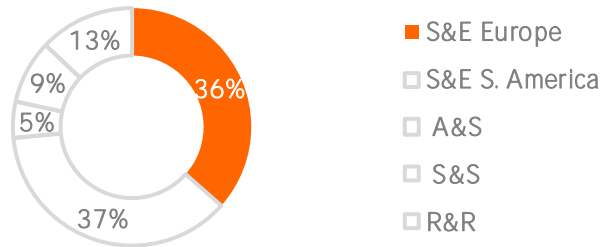
- > Genk downstream ramp-up
- > Footprint improvement & debottlenecking
- > Product portfolio upgrade
  - Specialization
  - New product categories
- > Synergies with ELG
- > Organic growth
- > Capex intensity
- > NWC need



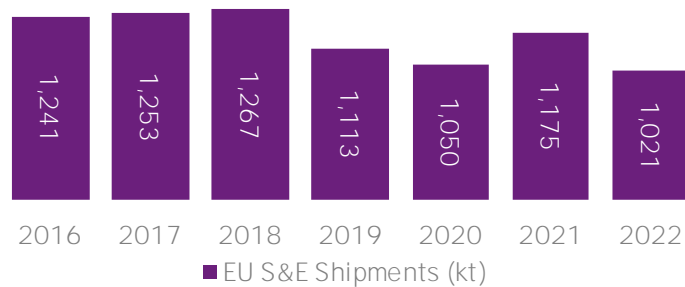
## S&E EUROPE TRACK RECORD

# Self-help Measures Yield a Robust Operational Performance Despite a Price and Volume Squeeze

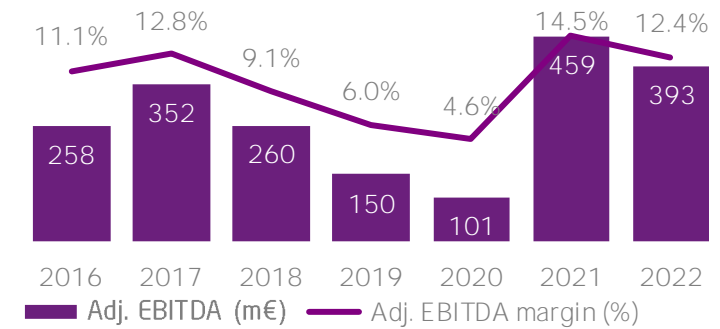
Major adj EBITDA contributor 2022



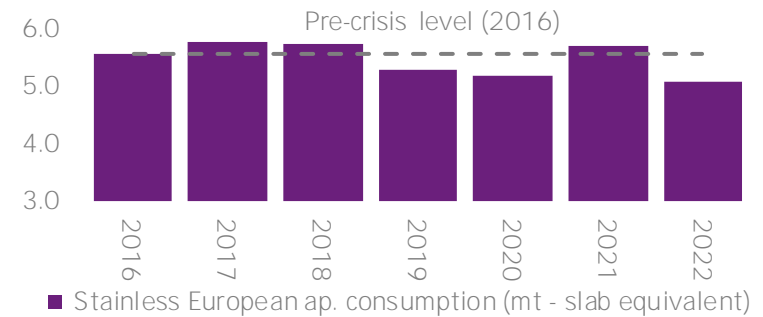
European Shipments Reflect the H2-22 Inventory Cycle



Robust profitability capitalizing on continuous improvement



Cost Inflation and Recession Fear Impacted Stainless Steel Demand

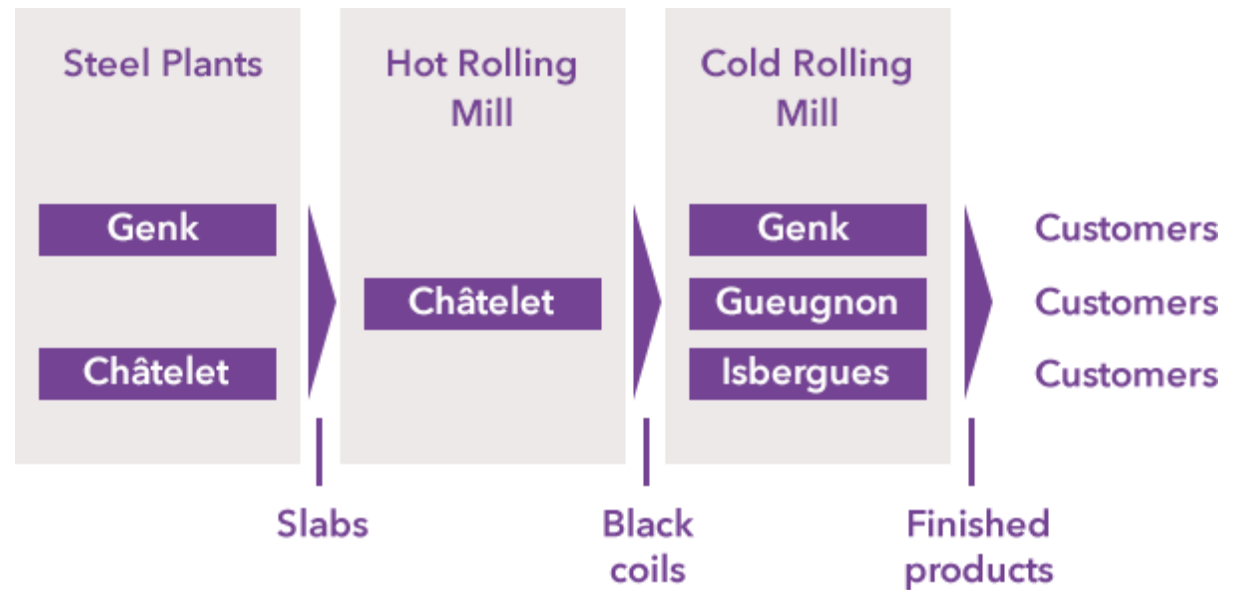


# Highly Flexible Integrated Multi-Plant Footprint with Superior Inbound and Outbound Logistics

LOCATED IN THE EU INDUSTRIAL CORE



FLEXIBLE, EFFICIENT AND RISK MINIMIZING FOOTPRINT



# Footprint Improvement through Leadership Journey<sup>®</sup> 4 Strengthens our Core Strategic Pillars

1

COST LEADER

We aim to be the European cost leader in every product we deliver  
Footprint changes will realize additional cost leadership potential

2

TOP LINE

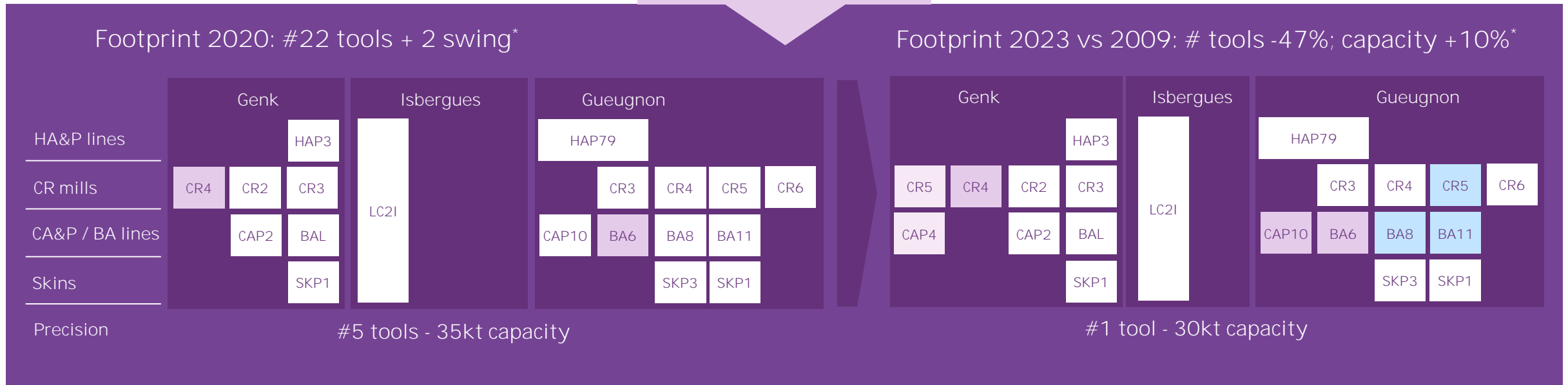
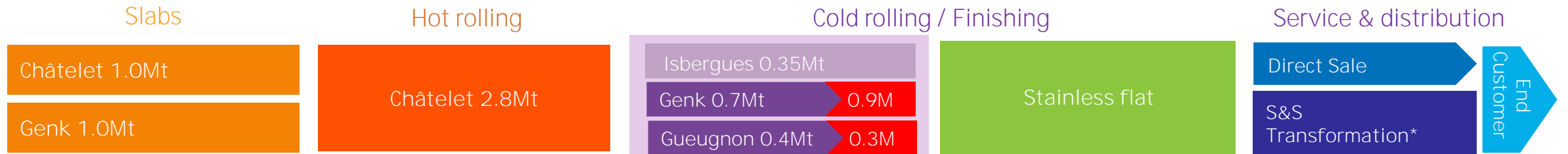
We continuously improve our mix by increasing our special products portfolio  
Next footprint steps will enable substantial additional value creation

3

GHG

We aim to further drastically improve our already best in class CO<sub>2</sub> position  
All footprint evolutions includes a CO<sub>2</sub> reduction component

# Product Flow Optimization Secures Cost Leadership Positions & enables mix improvement in Genk and Gueugnon



Core Swing New Tool Revamp

# Targeting European Cost Leadership Position in all Standard & Top Line Products

Cost leading footprint 2020			Improved footprint post LJ4 in 2023		
Market	Standard products	Top line products	Market	Standard products	Top line products
Capital goods	Austenitic HR	Duplex 2000 wide	Capital goods	Austenitic HR	Duplex 2000 wide
	Austenitic CR thick	Aust. 2000 wide		Austenitic CR thick	Aust. 2000 wide
Consumer goods	Austenitic CR thin	Martensitic	Consumer goods	Austenitic CR thin	Martensitic
	Austenitic BA	Precision strip		Austenitic BA	Precision strip
	Ferritic CR thin			Ferritic CR thin	
	Ferritic BA			Ferritic BA	
Automotive	Ferritic CR thick	Precision strip	Automotive	Ferritic CR thick	Precision strip

HR: HOT ROLLED

CR: COLD ROLLED

BA: BRIGHT ANNEALED

Strong cost position

Cost leading position

Cost improvement also drives mix improvement

## EU TRADE ACTION

# Effective Measures against unfair Trade have been put into Place

	Safeguard	Anti-dumping duties (AD)	Countervailing duties (AS)
Aim	<ul style="list-style-type: none"> <li>Maintain traditional trade flows</li> <li>Volume focused</li> </ul>	<ul style="list-style-type: none"> <li>Duty on imports that are <u>priced below fair market value</u></li> <li>Price focused</li> </ul>	<ul style="list-style-type: none"> <li>Neutralize effect of <u>subsidies</u> that benefit certain imports</li> <li>Price focused</li> </ul>
Countries affected	<ul style="list-style-type: none"> <li>All countries globally (if not explicitly exempt)</li> <li>Effective since February 2019 till July 2024</li> </ul>	<ul style="list-style-type: none"> <li>Hot rolled: China, Indonesia, Taiwan since Oct. 2020 for 5 years, Turkey since Apr. 2023 for 5 years</li> <li>Cold rolled: China, Taiwan since 2015, Indonesia, India since May 21</li> </ul>	<ul style="list-style-type: none"> <li>Cold rolled: India, Indonesia since March 2022 for 5 years<sup>2</sup></li> </ul>
Measure	<ul style="list-style-type: none"> <li>HR quota 364kt pa* CR quota 861kt pa*</li> <li>Largest importers have a country quota. A residual quota for all others</li> <li>25% duty for shipments &gt; quota</li> </ul>	<ul style="list-style-type: none"> <li>HR: China 9.2% - 19.5%, Indonesia 17.3%, Taiwan 4.1% - 7.5%. Turkey 17.2% (04.2023)</li> <li>CR: China 25.3%, Taiwan 6.8% (extended for 5 years to 09/2026)</li> <li>CR: India (13.6-34.6%), Indonesia (10%-20.2%)</li> </ul>	<ul style="list-style-type: none"> <li>Cold rolled:                             <ul style="list-style-type: none"> <li>India (4.3 - 7.5%)</li> <li>Indonesia (0% - 21.4%)</li> </ul> </li> </ul>

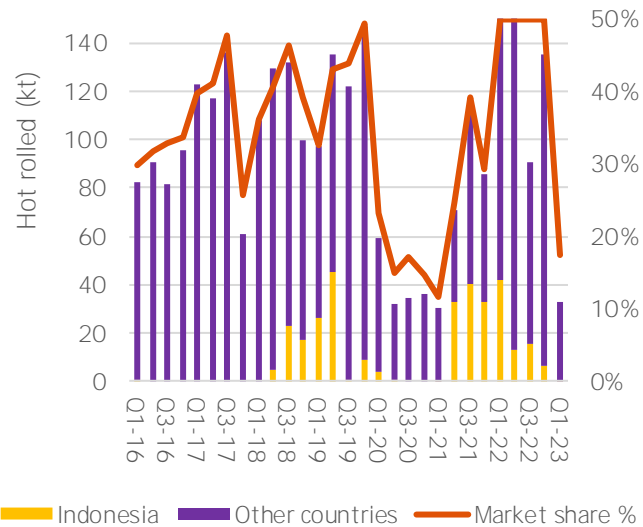


\*Effective quota from 1 July 2021 to 30 June 2022. Quotas are quarterly from 07/20. There is one global SS Hot Rolled quotas since July 2020 SS CR: country quotas S. Korea, Taiwan, India, USA, Turkey, Malaysia, Vietnam \*\*could be difference between domestic market price and export price or cost based <sup>2</sup>according to Article 18 of Regulation (EU) 2016/1037

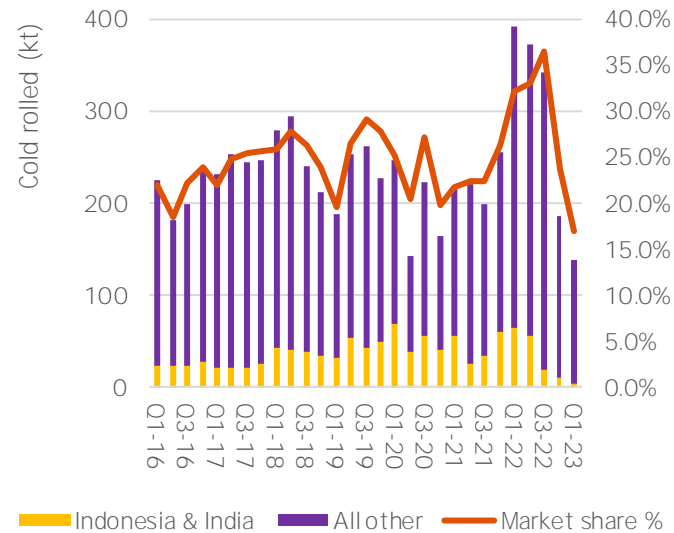
# EU STAINLESS STEEL IMPORTS

## Anti-dumping Measures are Effective in Limiting Price Distortions

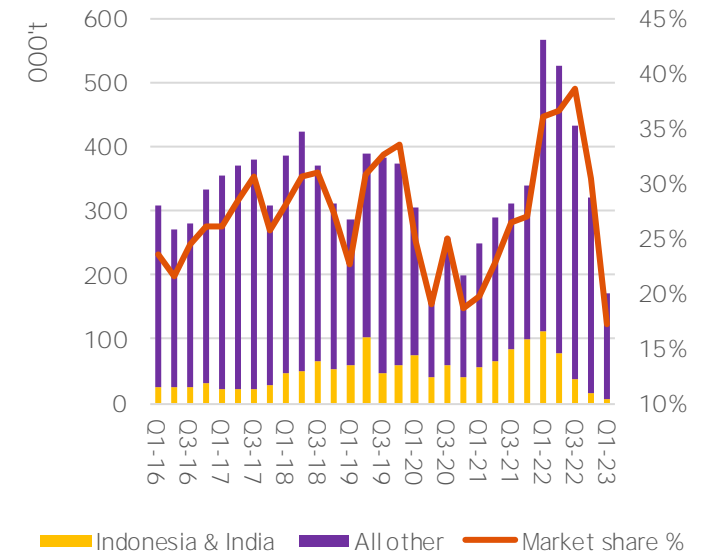
### HOT ROLLED IMPORTS & MARKET SHARE



### COLD ROLLED IMPORTS & MARKET SHARE



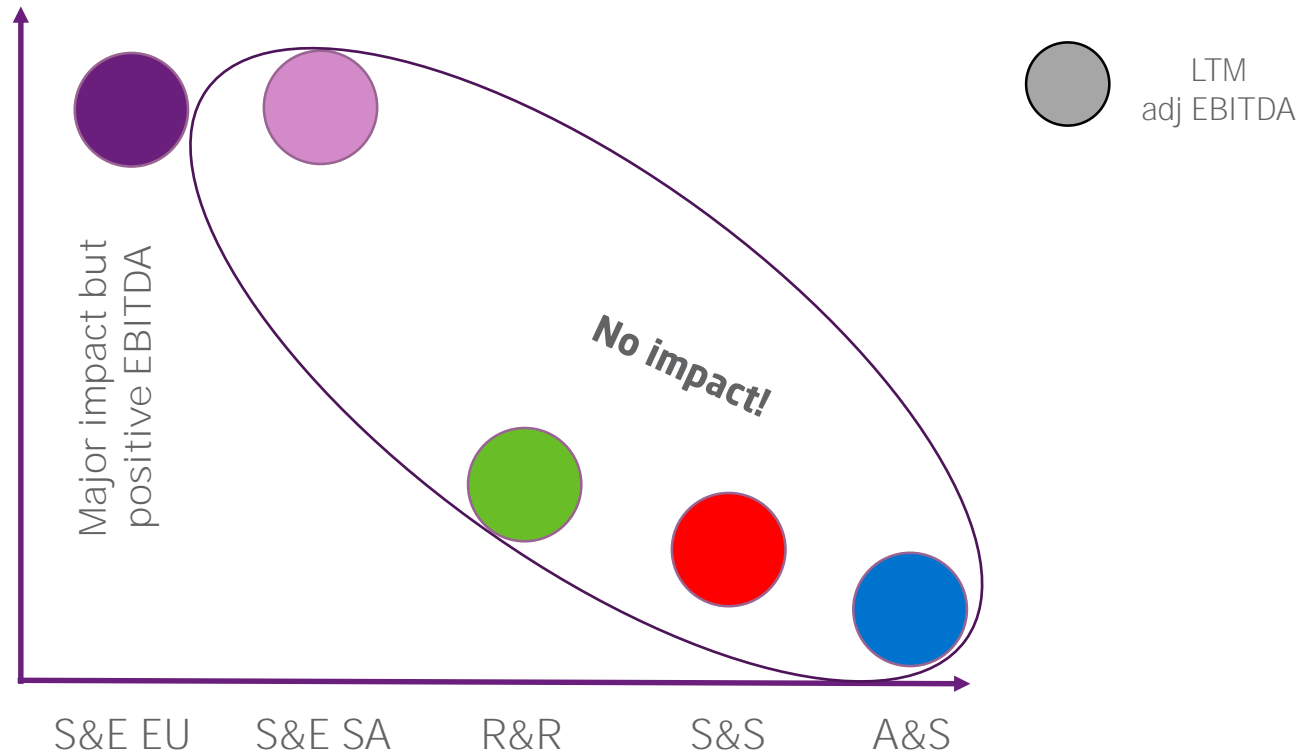
### TOTAL STAINLESS IMPORTS & MARKET SHARE





# 4 out of 5 Segments with Minimal Energy Cost Impact

ENERGY COST ARE IMPACTING S&E EUROPE MAINLY\*



- Belgium (Chatelet, Genk) and France (Imphy, Gueugnon) are main EU electricity consumers
- In Europe we buy from the grid both spot & forward
- Germany: S&S (Haan) and ELG (Duisburg, Karlsruhe) are energy light
- Brazil is unaffected due to an energy mix of domestic gas, hydro based electricity and charcoal
- Additional indirect effects will depend **how customers' business is impacted by elevated energy costs**

\* Schematic

STAINLESS & ELECTRICAL BRAZIL

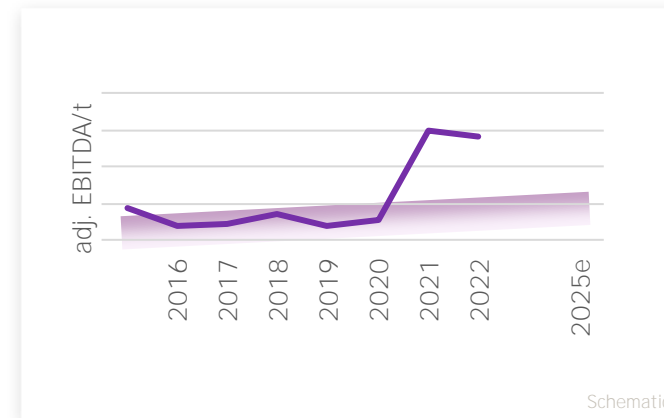
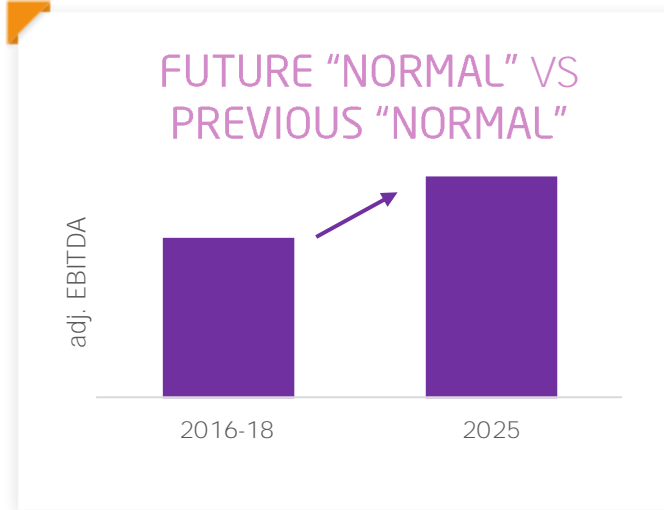


# A Resilient, Profitable Business with Substantial Development Potential



## DIFFERENTIATORS

- > Unique market position
- > Very competitive cost position
  - Local raw material supply
  - Local cost in BRL
- > Flexible multi-product business adapts to demand fluctuations
- > Located in a generic growth market
- > Excellent logistics & distribution
- > Future-proof environmental set-up



## EARNINGS GROWTH & VALUE DRIVERS

- > Debottlenecking & upgrade investments:
  - GO upgrade to HGO
  - HRM upgrade
  - Wide strip
  - Cold rolling

Natural market growth with GDP

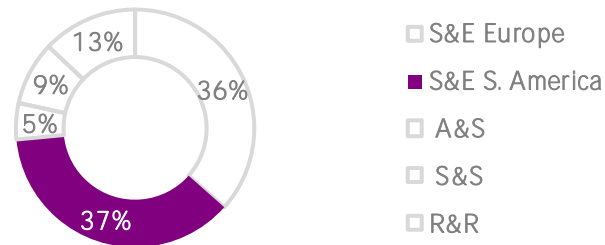
- > Organic growth
- Capex intensity
- NWC need



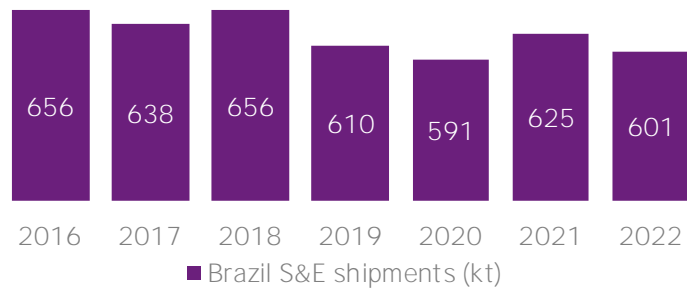
# S&E SOUTH AMERICA TRACK RECORD

## A Flexible, Agile & highly Profitable Asset

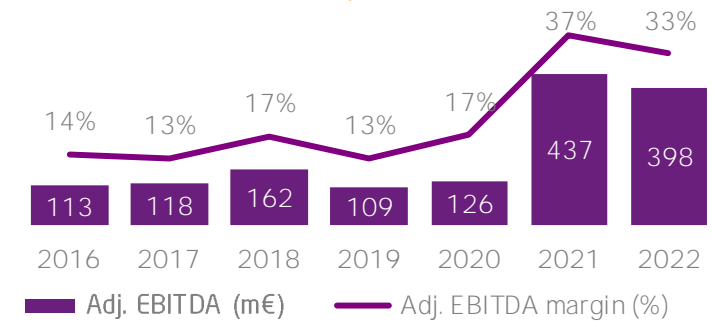
### Brazil is a Consistent High Earnings Contributor



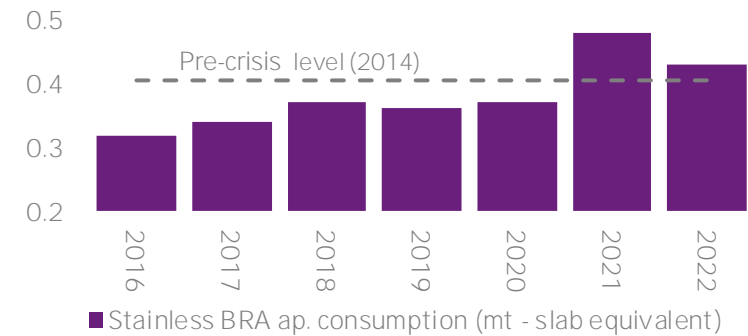
### Slightly Lower Stable Shipments but a Better Mix



### Earnings Reflect a Better Favorable Price/Cost Development



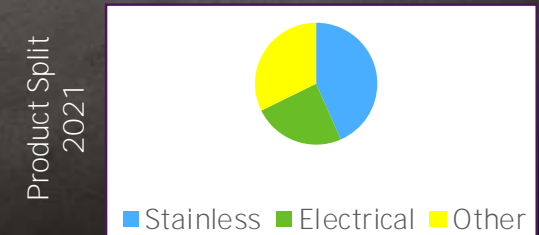
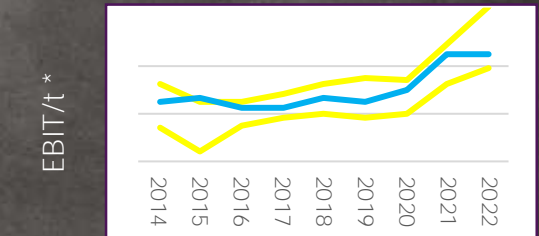
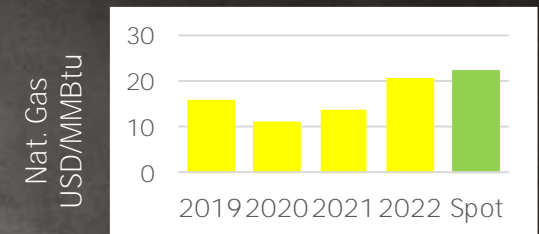
### Stainless Steel Demand was Driven by Infrastructure and Industrial Demand



# Brazil is an Extremely Cost Competitive Assets Globally With Significant Near and Medium Term Growth Options

## BRAZIL WORKS DIFFERENTLY

- ✓ Low & stable energy costs support excellent profitability
- ✓ Resilient & very profitable even during the crisis years
- ✓ Electrification, agriculture & energy as major demand drivers



\*EBIT/t Aperam South America (blue line) vs North American Peers

<sup>2</sup>Scope 1+2

# Our Brazil Footprint is Unique - Flexibly Switches Between Products and Markets to Maximize Profitability

## Aperam South America footprint



## Upstream integration

### Raw material:

BioEnergia<sup>2</sup>

Cost competitive & CO<sub>2</sub> neutral charcoal from our FSC certified forests heats the blast furnace



### Product range:

Stainless Steel

Complete stainless steel range austenitic, ferritic, duplex, martensitic



Grain oriented electrical steel

used eg in stationary machines and transformers due to its magnetic properties\*



Non grain oriented electrical steel

used in electric motors and generators\*\*



Special carbon steel

High or medium alloyed & other specialties complete the product portfolio

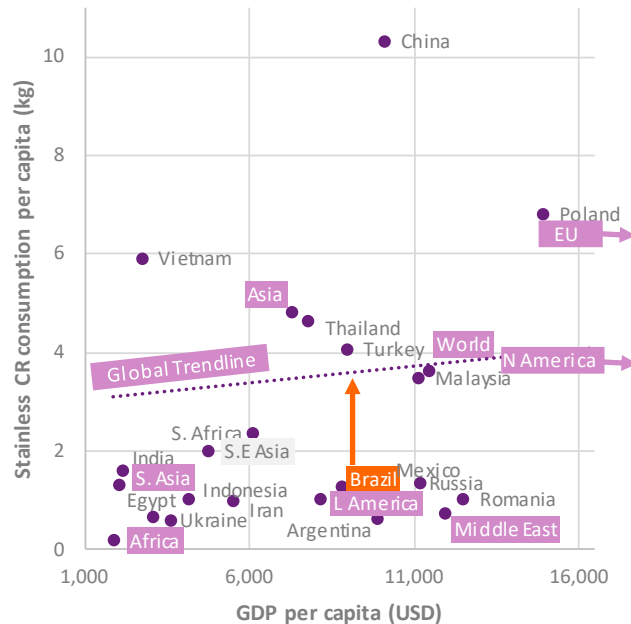


\*Grain oriented steel (GO & HGO) has the magnetic properties optimized in one direction during hot rolling. \*\*Non-grain oriented steel (NGO) has identical magnetic properties in all directions  
<sup>2</sup>schematic only     <sup>2</sup>BioEnergia is reported within the Recycling & Renewables Segment from Q1-22 onwards

# S&E SOUTH AMERICA GROWTH

## Brazil offers ample opportunity for both cyclical and structural growth

Brazil consumes substantially below the global trend line



### OPPORTUNITIES

- ✓ **Short term:**  
Reviving the economy. Large scale infrastructure & energy projects are still missing
- ✓ **Medium term:**  
Aperam Leadership Journey® phase 4 includes a dedicated growth strategy for Brazil. It is based on investment into high margin products (eg HGO)
- ✓ **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 USAGE IN THE AGRO BUSINESS



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

**BRAZIL is the largest global producer of:**

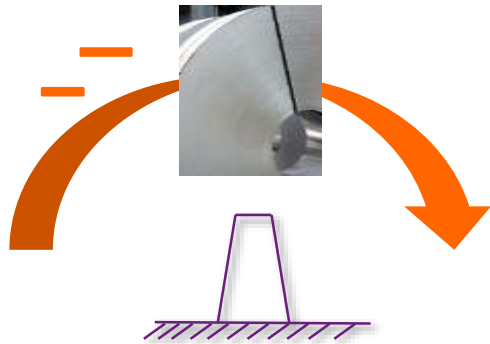
- > Coffee
- > Orange
- > Sugarcane / sugar

**Largest global exporter of:**

- > Meat
- > Poultry
- > Sugar
- > Ethanol

# Three pillars of trade protection against unfair market behavior

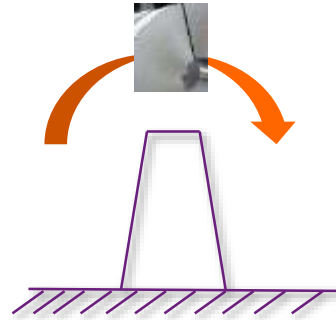
## IMPORT DUTY



General import duty:

- 12.6% import duty on all stainless steel imports irrespective of origin

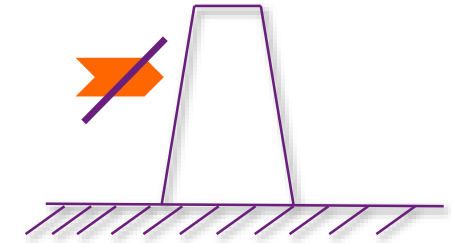
## LOGISTICS



	Brazil		EU 28
Area (mn km <sup>2</sup> )	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



Stainless flat products (for 5 years):

- China: up to USD629/t, Taiwan up to USD705/t since Oct.19, Indonesia CR 18,79% Nov.22

Stainless steel welded tubes:

- China & Taiwan: up to USD911/t since Jul.13 for 5 years. Renewal investigation launched Jul.18
- Malaysia, Thailand and Vietnam: USD367/t up to USD888/t since Jun.18, for 5 years

Electrical steel (non grain oriented, for 5 yrs):

- China, South Korea, Taiwan, Germany: USD90/t - USD166.3/t since Jul.19



SERVICES & SOLUTIONS

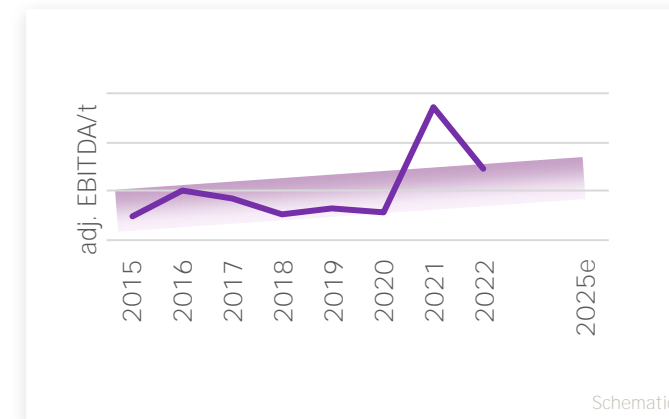
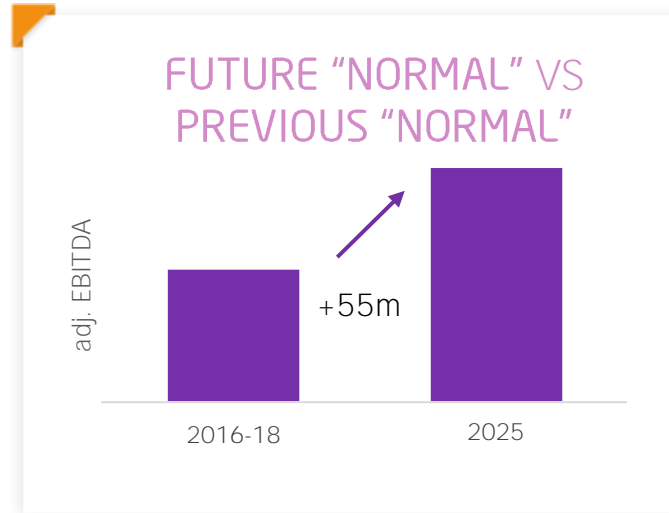


# Technology & Service Based Growth



## DIFFERENTIATORS

- > Largest and most profitable integrated stainless distributor
- > Secure supply & largest product range due to upstream integration
- > Quasi 100% recycled / carbon free offering
- > Leading BtB platform in the industry
- > Leading digital presence in the stainless industry



## EARNINGS GROWTH & VALUE DRIVERS

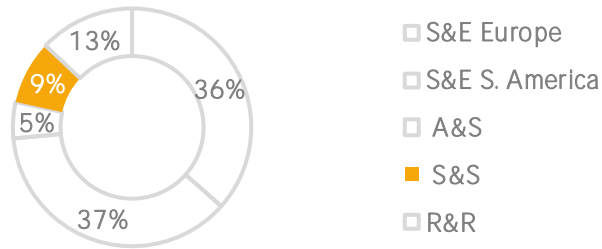
- > Expand successful business model: lowest cost to serve and lowest OWCR
- > Strengthen e-Aperam and e-marketing/digital to accelerate and user capture
- > Leverage on 100% recycling / carbon free offering and megatrends
- > Organic growth
- > Capex intensity
- > NWC need



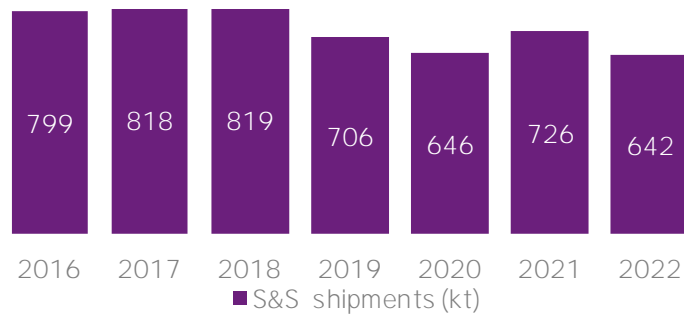
# S&S TRACK RECORD

## Stronger Partnership With Customers Enhances Margins

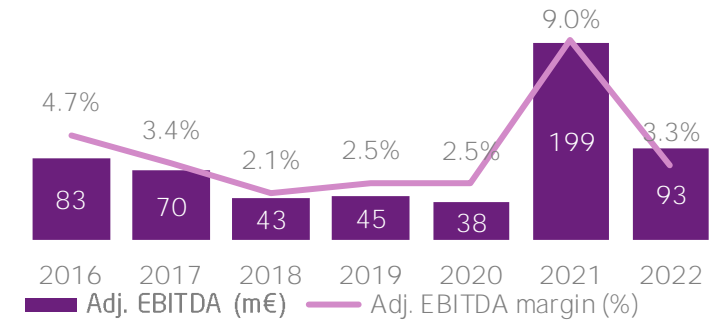
A significant contributor to group adj EBITDA



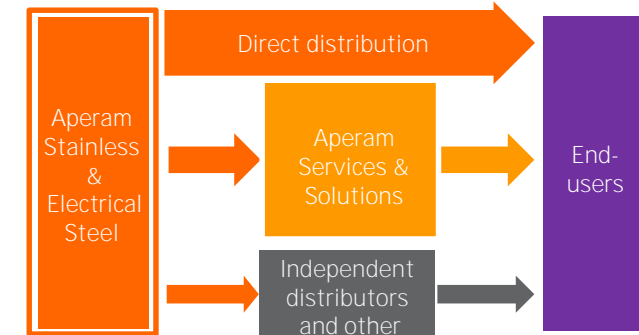
Volumes in H2 2022 Were Burdened  
By A Strong Inventory Cycle



Mix Improvement Strategy Supports Results  
Even in Softer Market



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



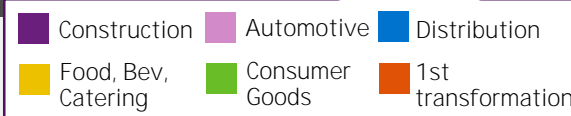
# Aperam's Downstream Distribution Arm



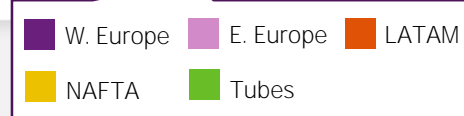
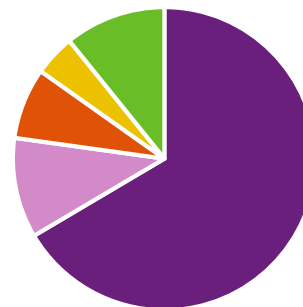
## WE ARE

- > Aperam's distribution arm, ~1,500 FTE
- > 20 service centers, 15 agencies & rep offices in 36 countries
- > 6000+ active customers worldwide sell 40% of Aperam's mill production
- > Largest online shop for stainless steel

### REVENUE BY INDUSTRY



### REVENUE BY COUNTRY



## WE DO

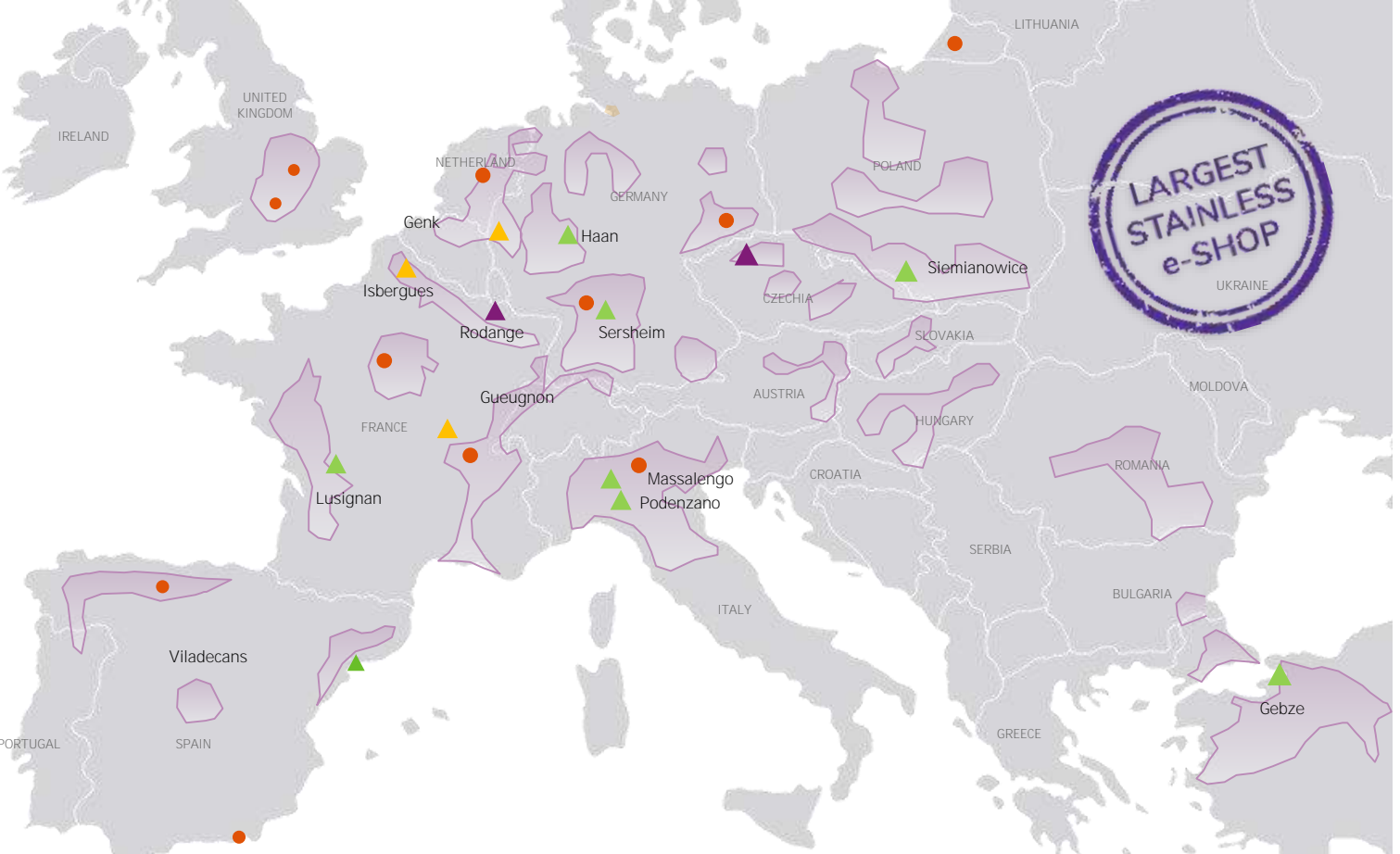
- > Cutting, slitting, polishing, just in time
- > We provide market intelligence and leadership for the group
- > Deep & wide customer reach protects the mills from volatility
- > Integrated supply chain allows to operate with half the NWC of an independent distributor
- > EUR80/t EBITDA mid cycle on a very lean capital base generates very attractive returns:
  - worst year ROCE 9% ✓
  - best year ROCE 42% ✓✓

# S&S's WIDE NETWORK CONNECTS APERAM WITH ALL INDUSTRIAL CENTERS

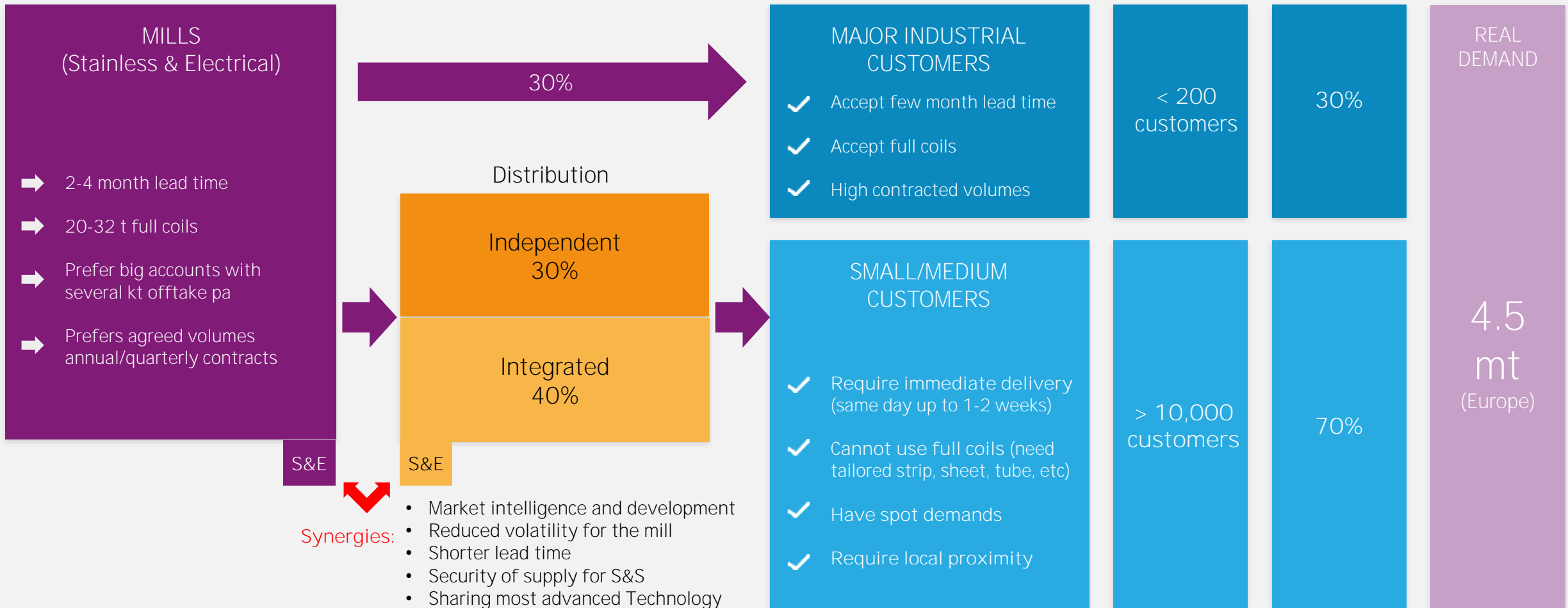
## EFFICIENT DISTRIBUTION PHYSICALLY & ONLINE

- > Aperam has the biggest and most profitable integrated distribution network in the stainless steel industry
- > Strong assets in all major industrial clusters across Europe
- > Service center presence in USA and South America

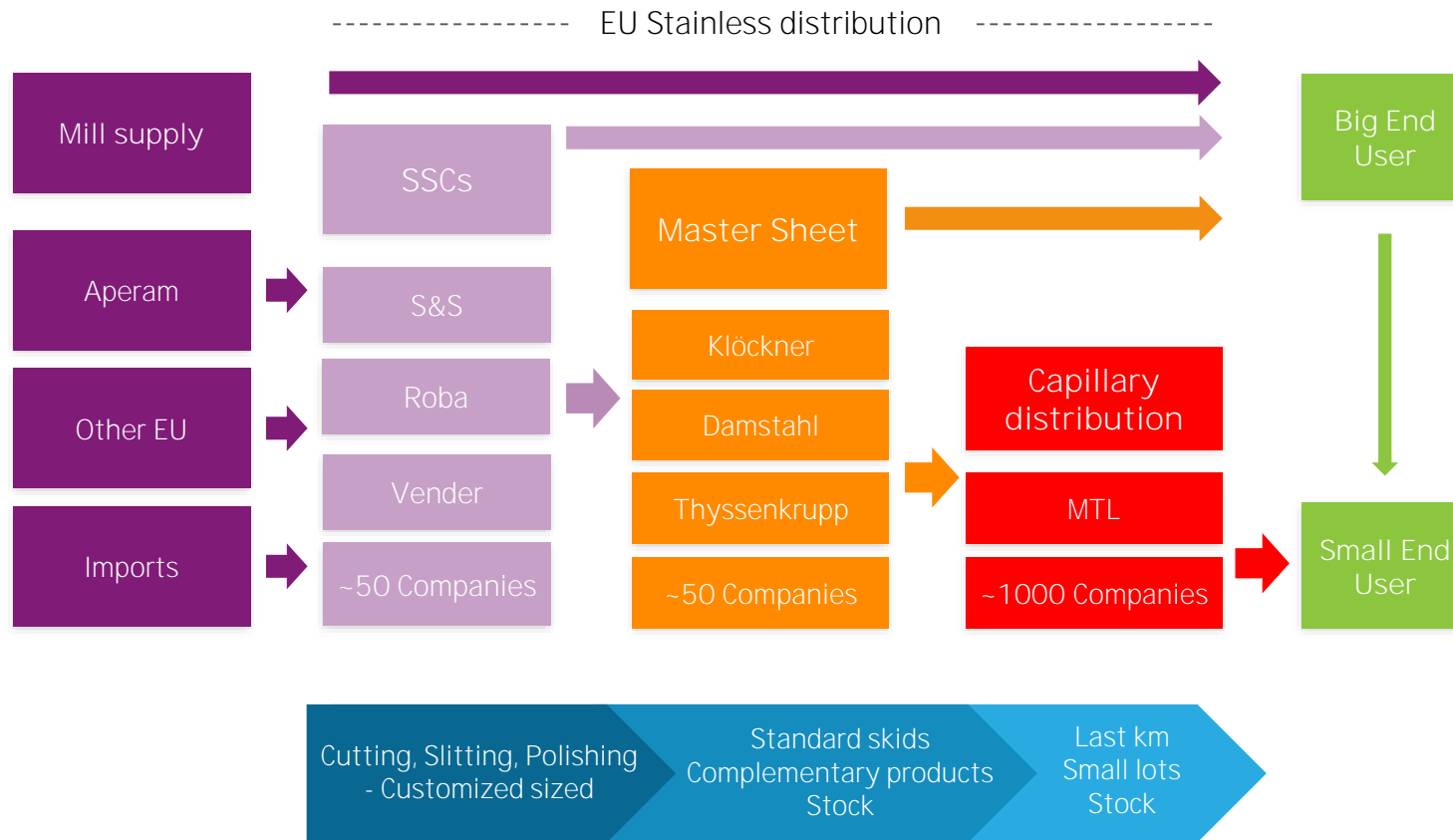
Main concentration of industrial customers  
 Mill Fin.     Tube Mill  
 SSC     ELG Yard



# Distribution is the main route to 70% of our market



# Stainless Steel Distribution is still fragmented



**SSCs characteristic**

- Have number of transformation tools
- Provide wide product offer in grades, finishing and forms
- Focus on big-midsize and/or contracts end users

**Master Sheet distributors characteristic**

- Sheet distributors, mainly focused on commodities, often multi-products & multi-forms
- Could have their own distribution local network

**Capillary distributors characteristic**

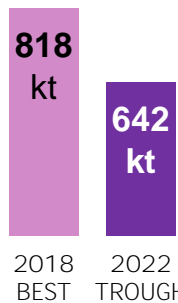
- Local distribution, short lead time, small quantities
- Commodities sheet oriented, often multi-products and multi material (one-stop shopping)
- Spot business

- Value added:**
- Delivery time
  - Product Volume
  - Risk mitigation
  - Warehousing
  - Cutting & Slitting
  - Trading & hedging

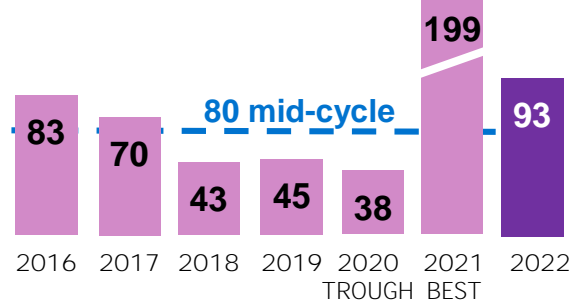
# EARNINGS GROWTH

S&S is a strong contributor  
we provide stability, depth and wide reach

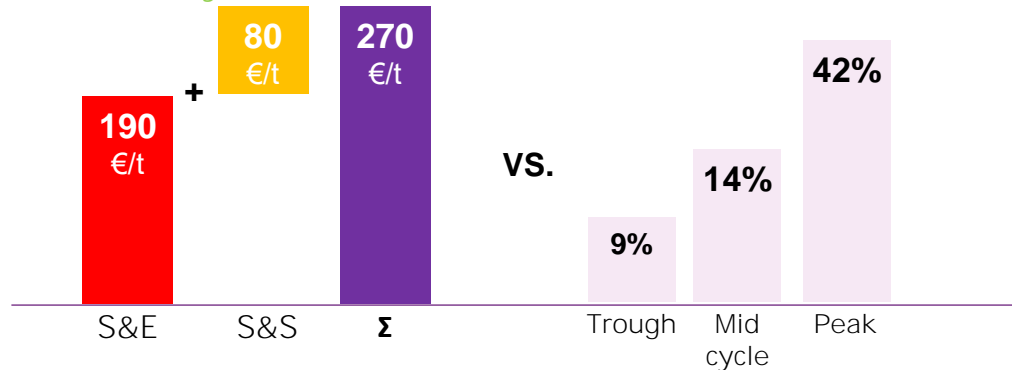
S&S Shipments (kt)



EBITDA adjusted (€m)



Mid-Cycle EBITDA Performance (2016-2020)



## IMPROVING OUR SALES MIX IS OUR KEY GROWTH DRIVER

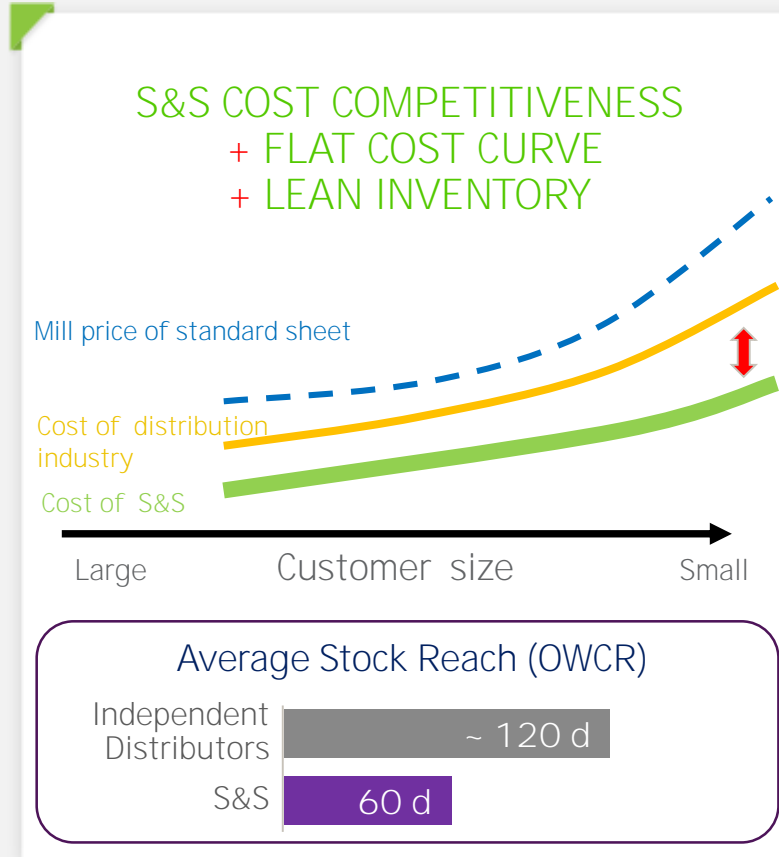
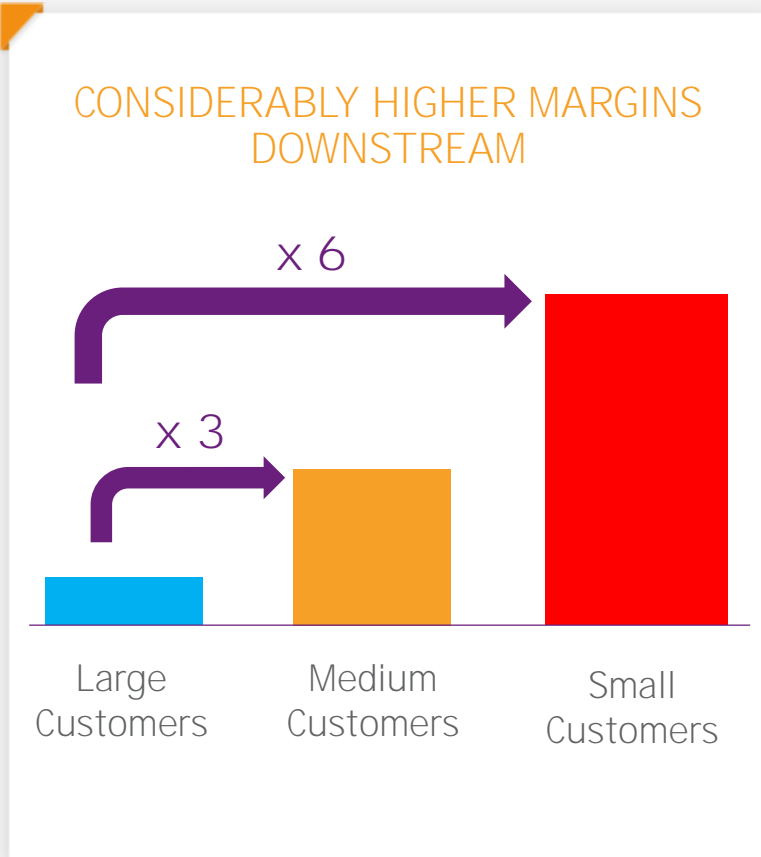
- > Improve our sales mix with more 'service' customers
- > Innovate and apply existing solutions to new target markets. Accompany megatrends
- > Invest in growing market geography and / or capture growth spotting market inefficiencies

Strong Competitive Advantage generates EUR80/t mid cycle on a very lean capital base



# EARNINGS GROWTH

## We Pursue a Profitable Development Strategy Based on a Strong Business Model



- + RIGHT STRATEGY
- > Further expand industry benchmark cost to serve per ton & lower OWCR
  - > Accelerate acquisition of small and medium sized customers
  - > Leverage online sales via e-Aperam web shop
- “ Our aim is to deliver in 24 hours one sheet anywhere at no increased cost and half of the OWCR of our competition ”

ALLOYS & SPECIALTIES

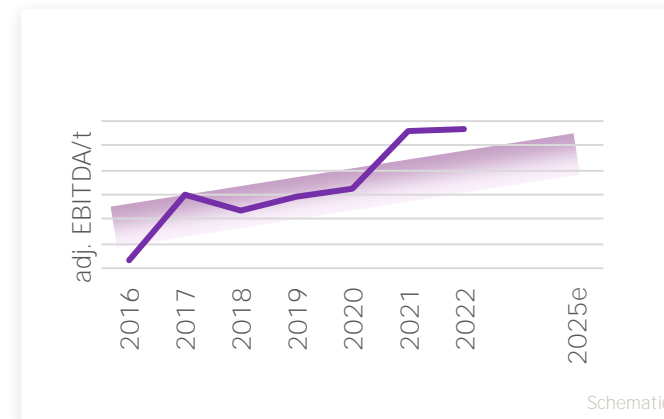
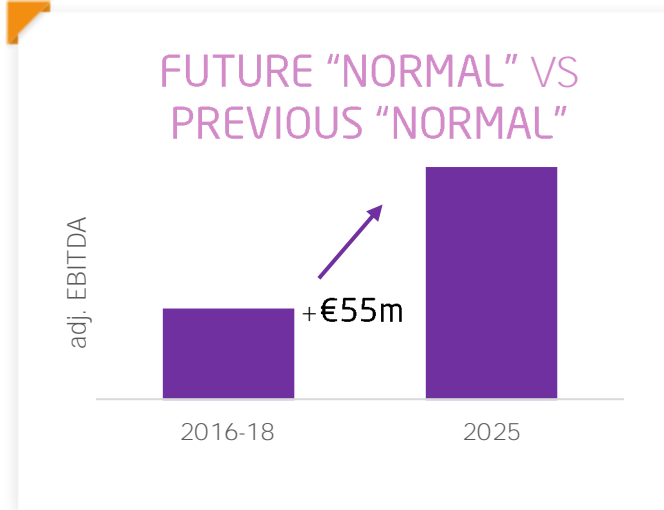


# Differentiated Assets, Products and Debottlenecking make it our Highest Growth Segment



## DIFFERENTIATORS

- Technology competence : A&S solves problems for customers
- Very strong position in cryogenic market (INVAR® grades)
- Market & technology leader in wire rod
- Stable business model with high resilience in downturns
- International business: 50% exports and plants in China and India



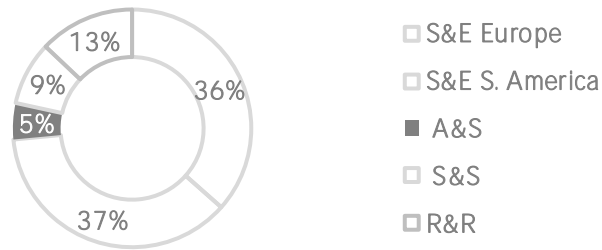
## EARNINGS GROWTH & VALUE DRIVERS

- Debottlenecking of operations in flat products
- Hot rolling mill upgrade further strengthens and differentiates long products
- Market growth in new energies, e-mobility, OLEDs
- Organic growth
- Capex intensity
- NWC need

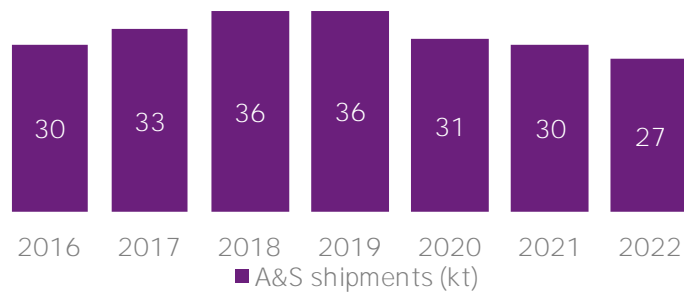


# Stable Niche Market with High Margins

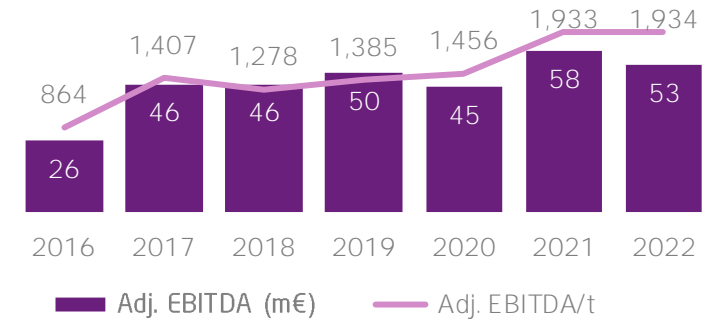
## EBITDA Contribution of Aperam's High Value-Added Segment 2022



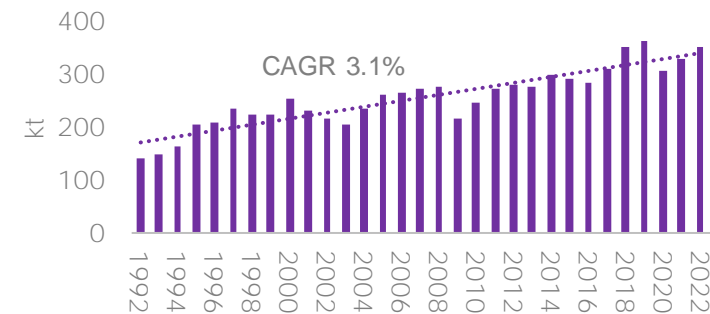
## Stable Shipments but Continuously Improving Mix



## Value Added Products & End User Orientation Drive Profitability



## Nickel Alloys are a Growing and Premium Niche Market



A&S LOCATIONS

A Truly Global Footprint



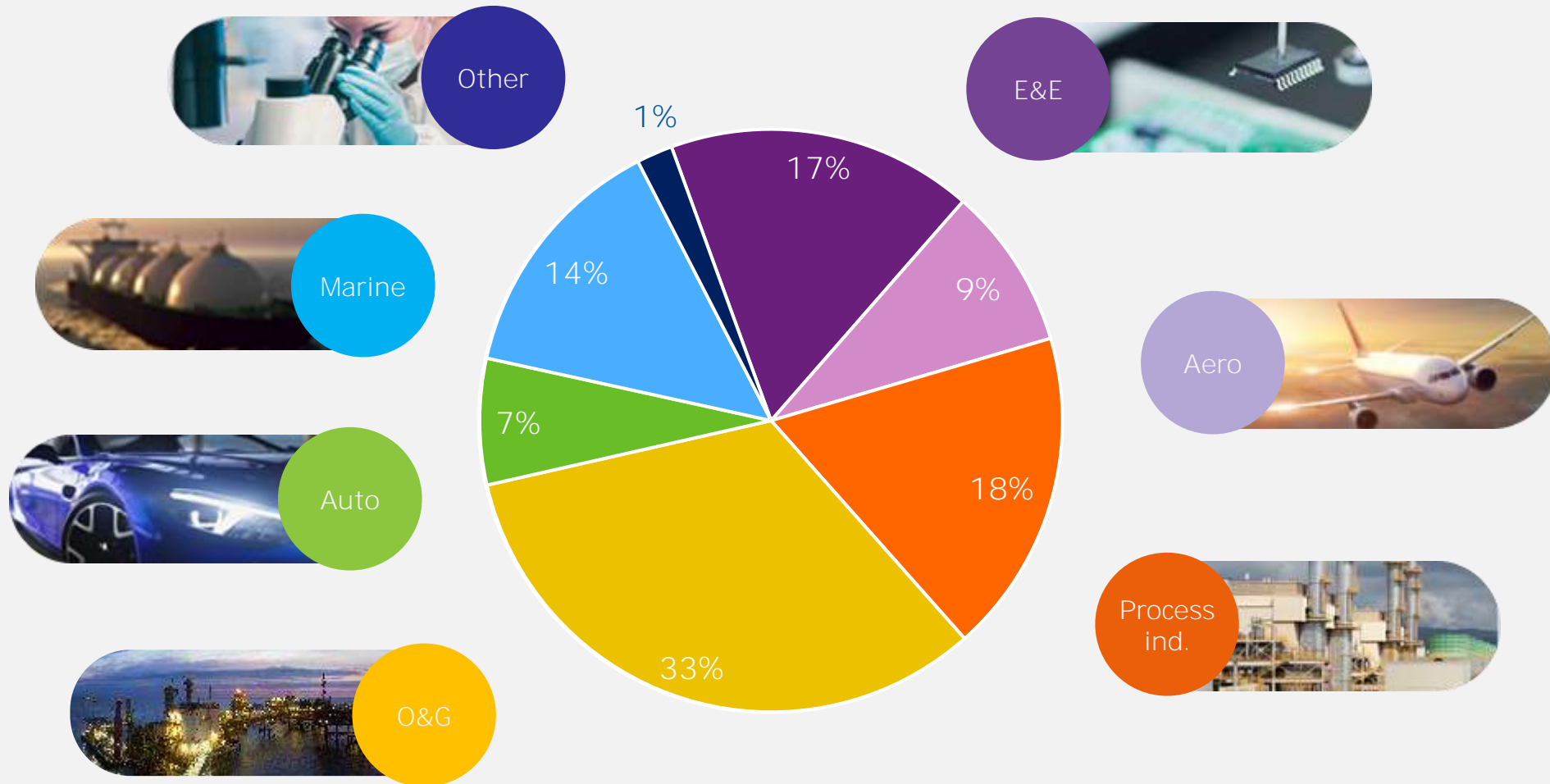
● *Aperam sales office*

● *Other representation*

	Industrial sites	Products
Imphy	 Imphy (Fr) Head office	
	 Amilly (Fr)	
Downstream	 Epône (Fr)	
	 Foshan (PRC)	
	 Pithampur (In)	

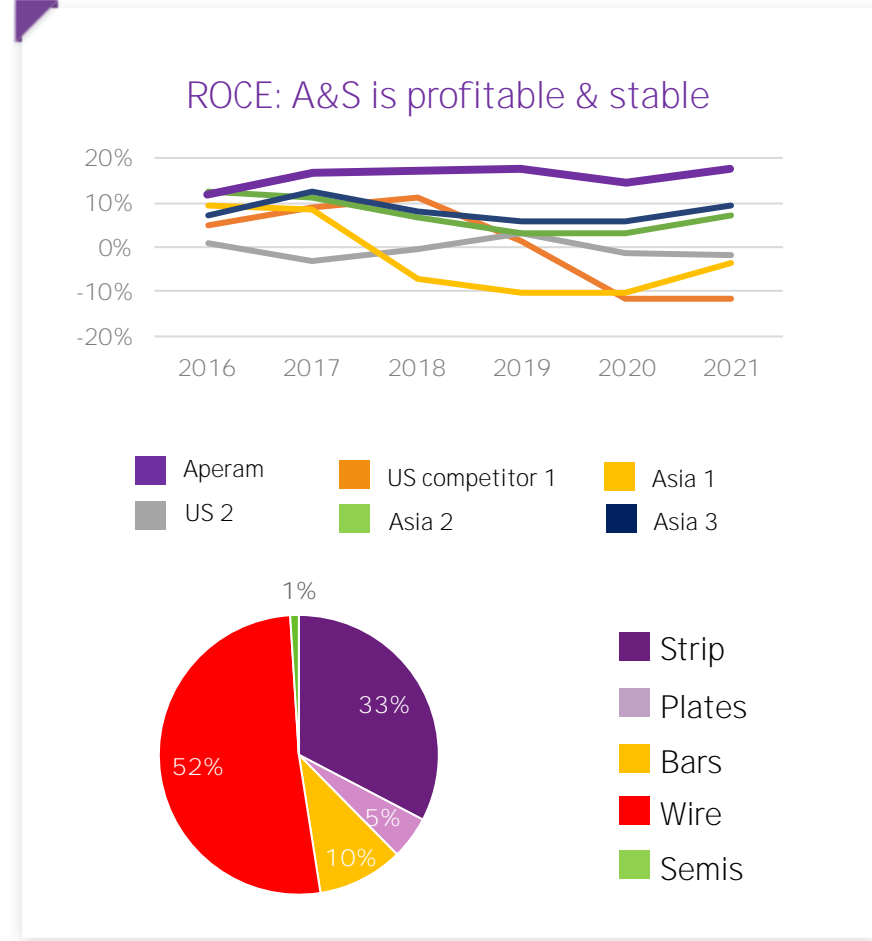
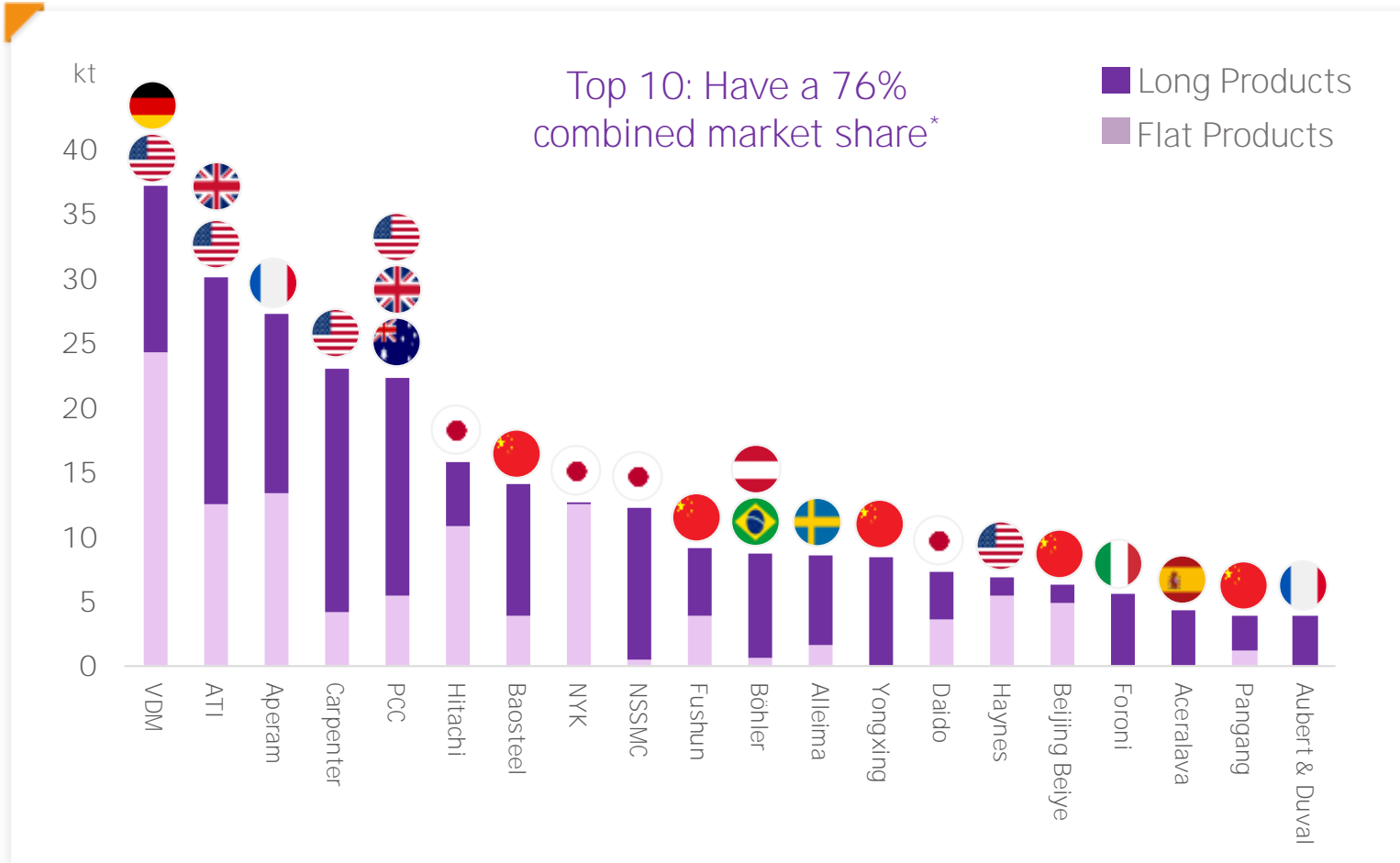
# A&S SALES SPLIT

## Supplying a Highly Diversified Range of Industries



# A&S COMPETITIVE POSITION

## A&S Grew organically into a Top 3 Alloys Producer Globally

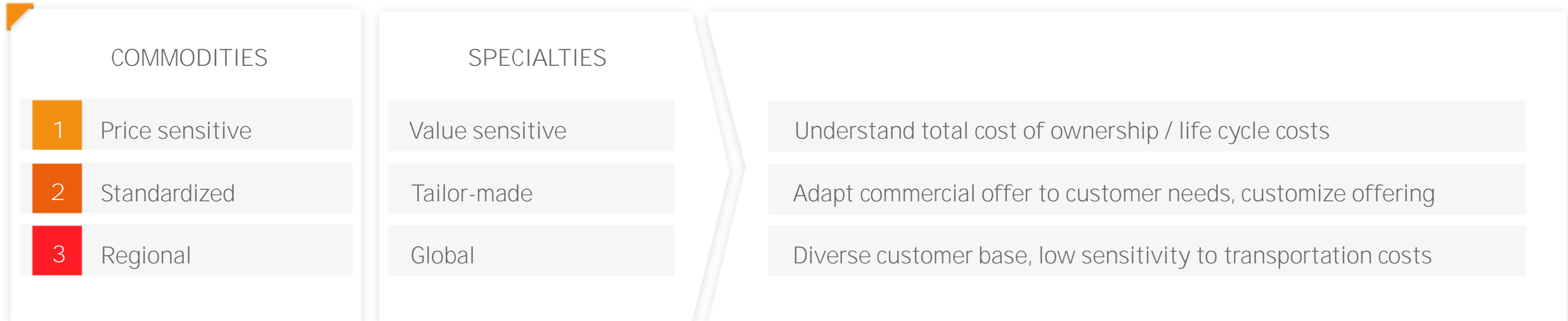


\* 2021 data, Aperam market intelligence

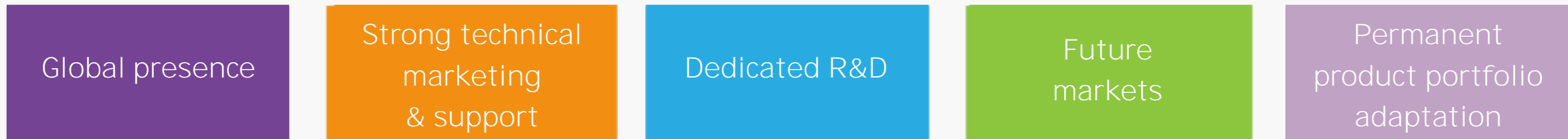
# COMMODITIES VS. SPECIALTIES



A speciality provides a particular feature (e.g. size, physical properties, ...)  
and is perceived by the customer as bringing a specific value above its primary purpose (e.g. service, image, ...)



## A&S IS FULLY SPECIALTY ORIENTED



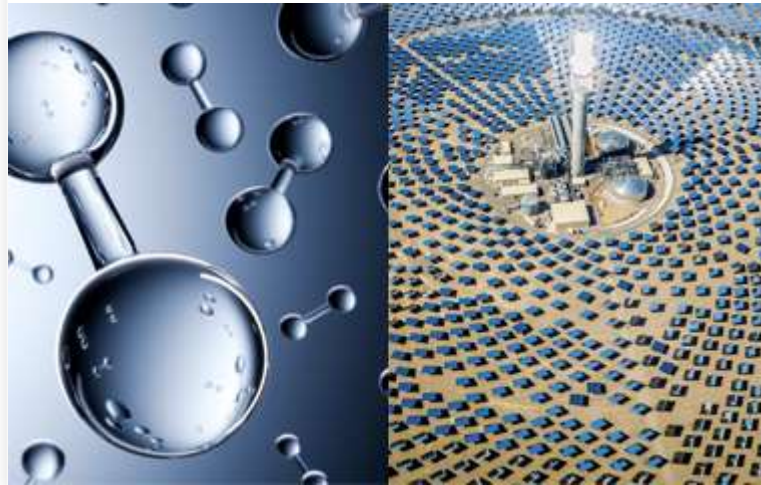


# E-mobility, New Energies and OLEDs are A&S Growth Markets

Meet technical requirements of electrification for cars, trains, flying taxis or planes, focusing on the efficiency of the drivetrain or the extended use of electrical control systems.



Contribute to the challenge of efficiency yield in future power generation equipment for renewable energies, including H2.

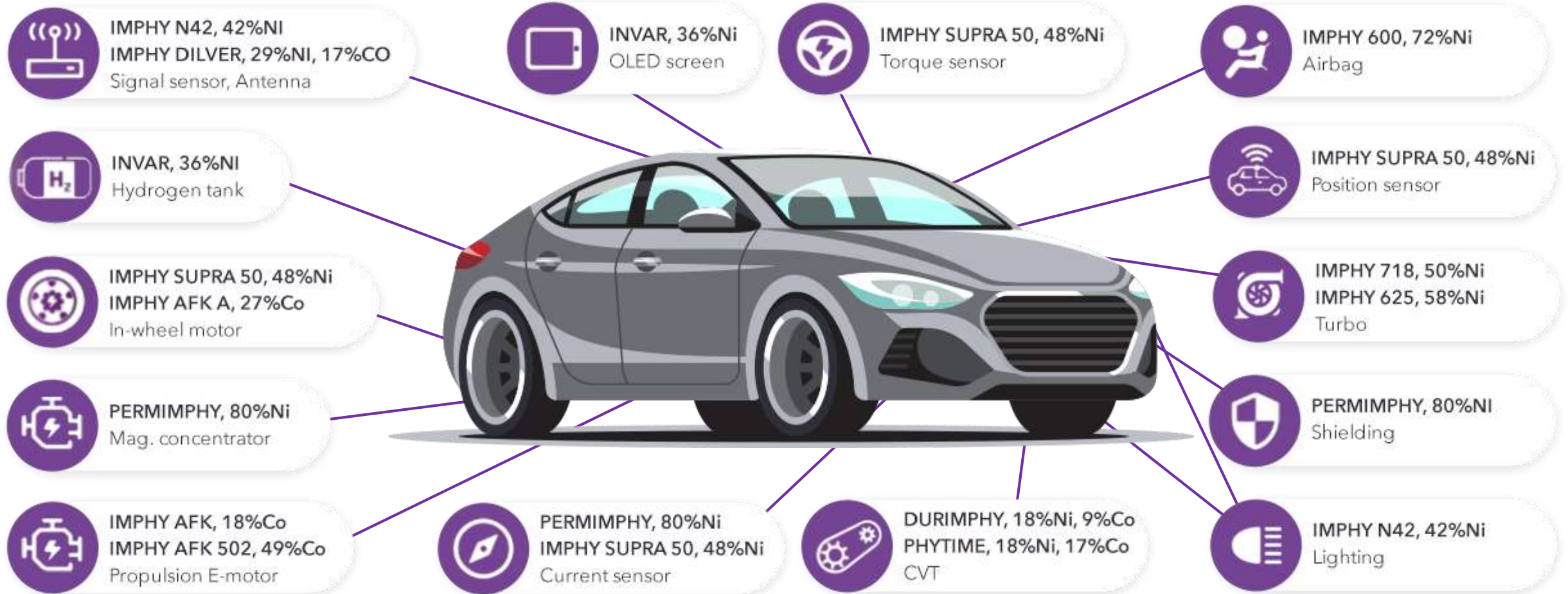


Respond to the high precision required for the production of new display devices such as Oled screens.

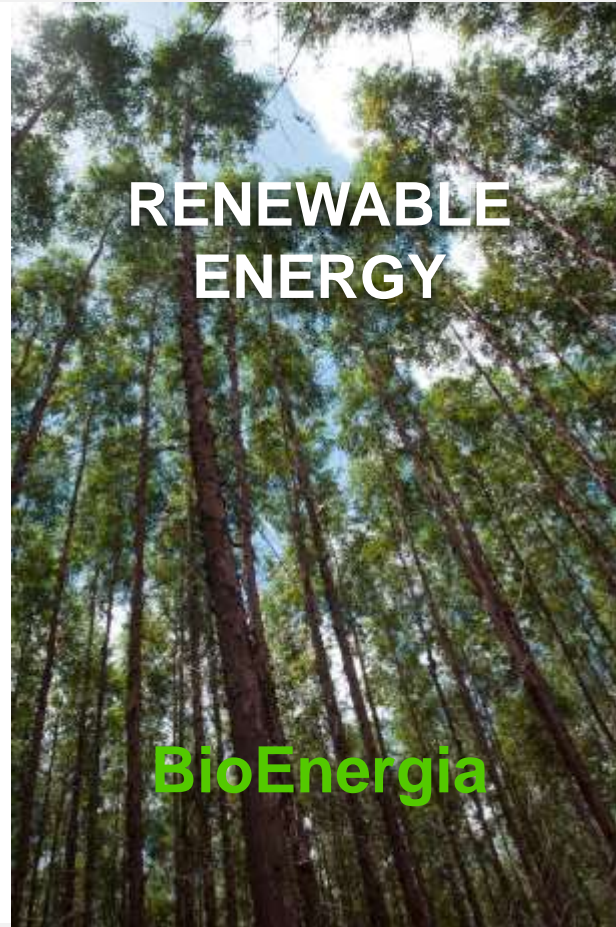


Ni alloys increase efficiency or enable advanced technologies by making them technologically or economically viable

# APERAM ALLOY GRADES (e-)Mobility Solutions



RECYCLING & RENEWABLES

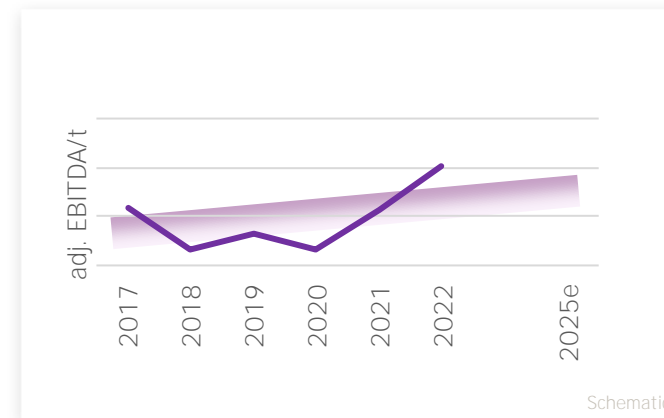
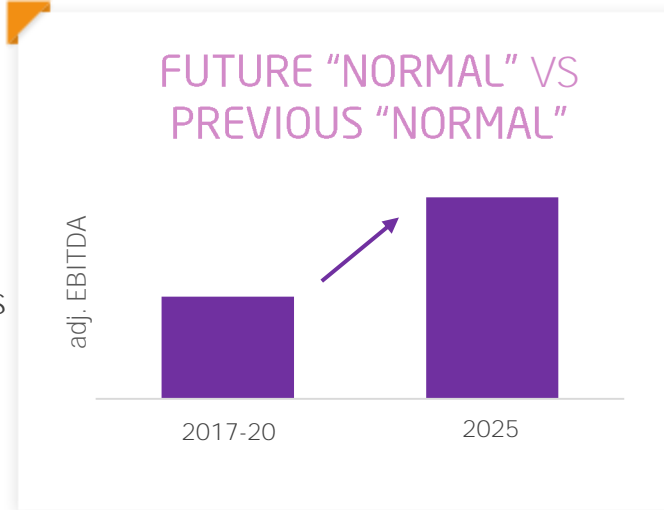


# Circular Economy & Strategic Supply



## DIFFERENTIATORS

- Strong global Platform:
  - Top 3 in EU SS scrap
  - US: leading position
  - Global leader in superalloys
- Leading experience in Probing, Quality Management & Certification
- Capability to recycle & process a broad range of materials
- Excellent Reputation & Longstanding Customer Relationships
- State of the Art Sustainable Forest Management



## EARNINGS GROWTH & VALUE DRIVERS

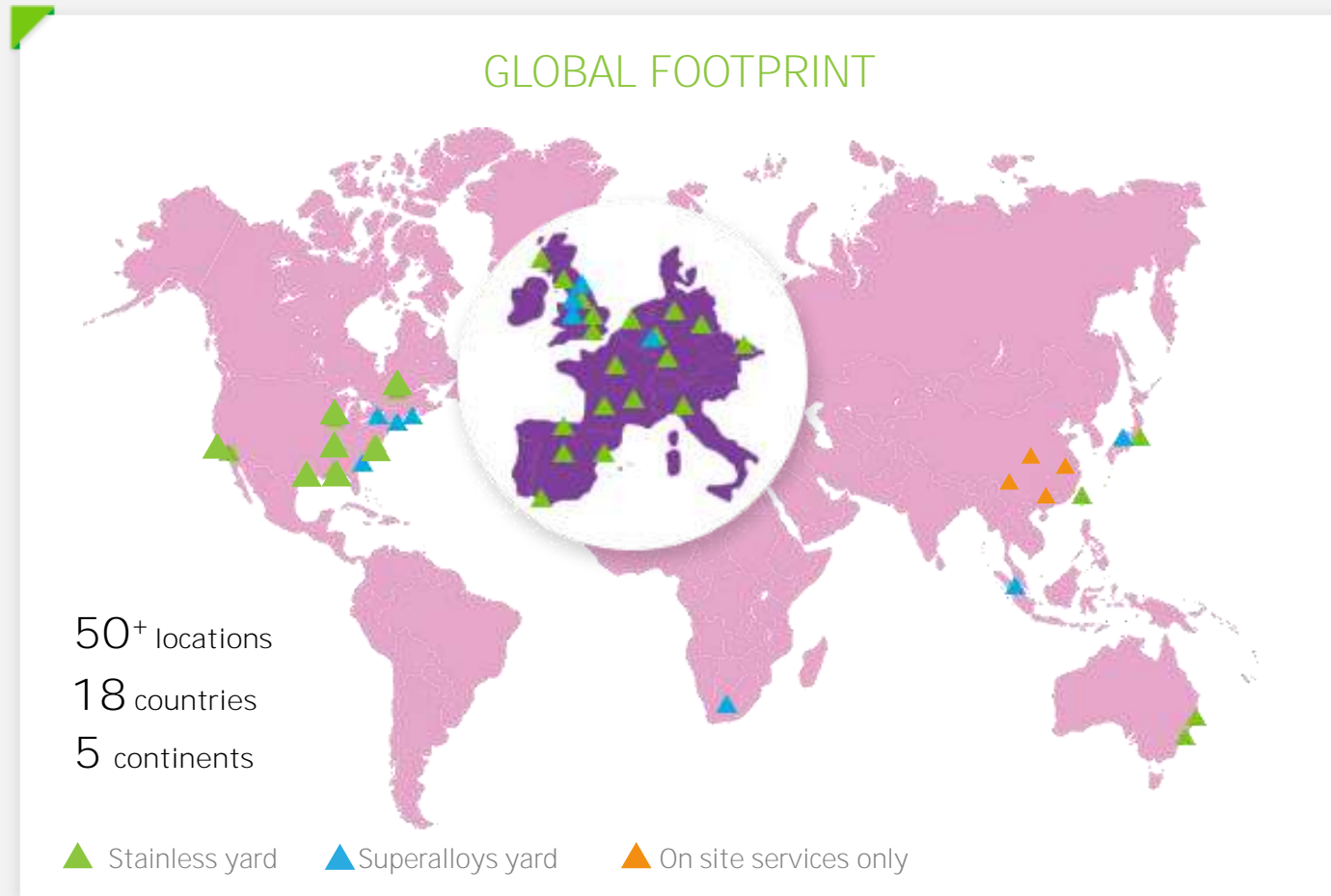
- Natural growth of recycling volumes worldwide
- Superalloys to Benefit from Aerospace Recovery
- Higher CO<sub>2</sub> pricing
- New Areas: Closing Recycling Loops, ELG & A&S Link
- BioEnergia Growth (forest size & density)
- Organic growth
- Capex intensity
- NWC need



Aperam Recycling



# ELG is a Global Leader in Trading, Processing of Resources for Stainless Steel as well as High Performance Materials



[1] Reflecting ~95% of group shipments

Delivering value by identifying the best usage of collected resources and processing for the most suitable application

STAINLESS STEEL  
AMER | EMEA | APAC



- Activities
- > Trading, processing and recycling of alloyed and stainless steel scraps
  - > Shipping of homogenous raw material

Materials treated

- > Stainless steel, 300 and 400 series
- > Cr, CrNi, CrNiMo alloys
- > Tool and High speed steels
- > Tungsten, Tungsten Carbide
- > Ni, NiCo, Co Alloys

- Resources Recovered
- > Nickel
  - > Iron
  - > Cobalt
  - > Chrome
  - > Moly
  - > Tungsten

SUPERALLOYS  
UTICA ALLOYS



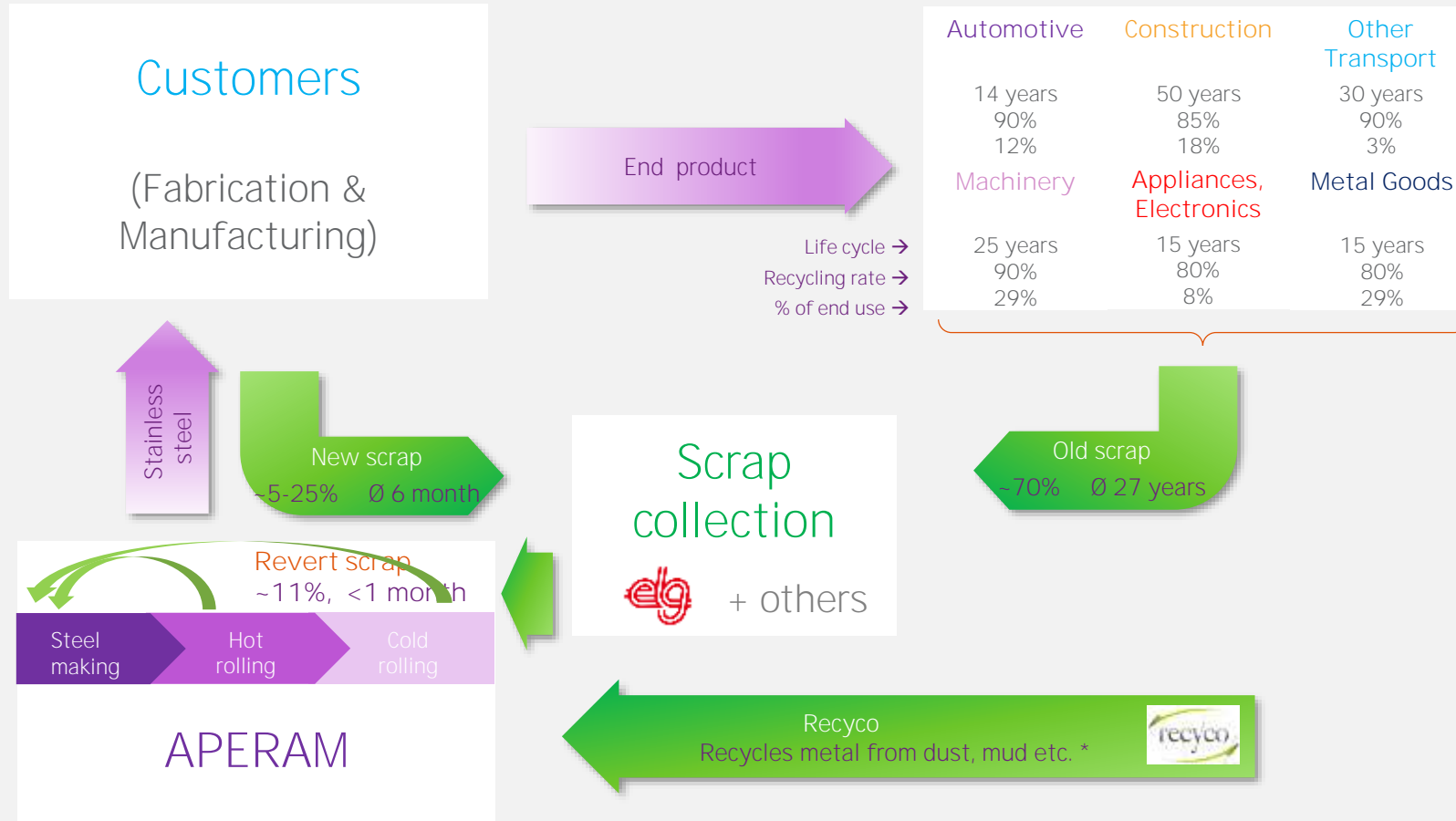
- > Revert management of, trading, processing and recycling of titanium, Ti-based & Ni-based superalloys
- > Focus on the aerospace supply chain

- > Ni-, Fe-, Co-based superalloys
- > Titanium and Titanium Alloys
- > Ni, NiCo, Co Alloys
- > Pures
- > Others

- > Nickel
- > Titanium
- > Tungsten
- > Chrome
- > Cobalt
- > Moly
- > Niobium
- > Others

# CIRCULAR ECONOMY

## Aperam is at the Heart of the European Circular Economy. Scrap & Recycled Material are our Dominating Input



- > Aperam uses ~90% scrap in its austenitic grades
- > Scrap is sourced regionally in Europe
- > Aperam's location at the heart of Europe minimizes transportation costs & environmental impact



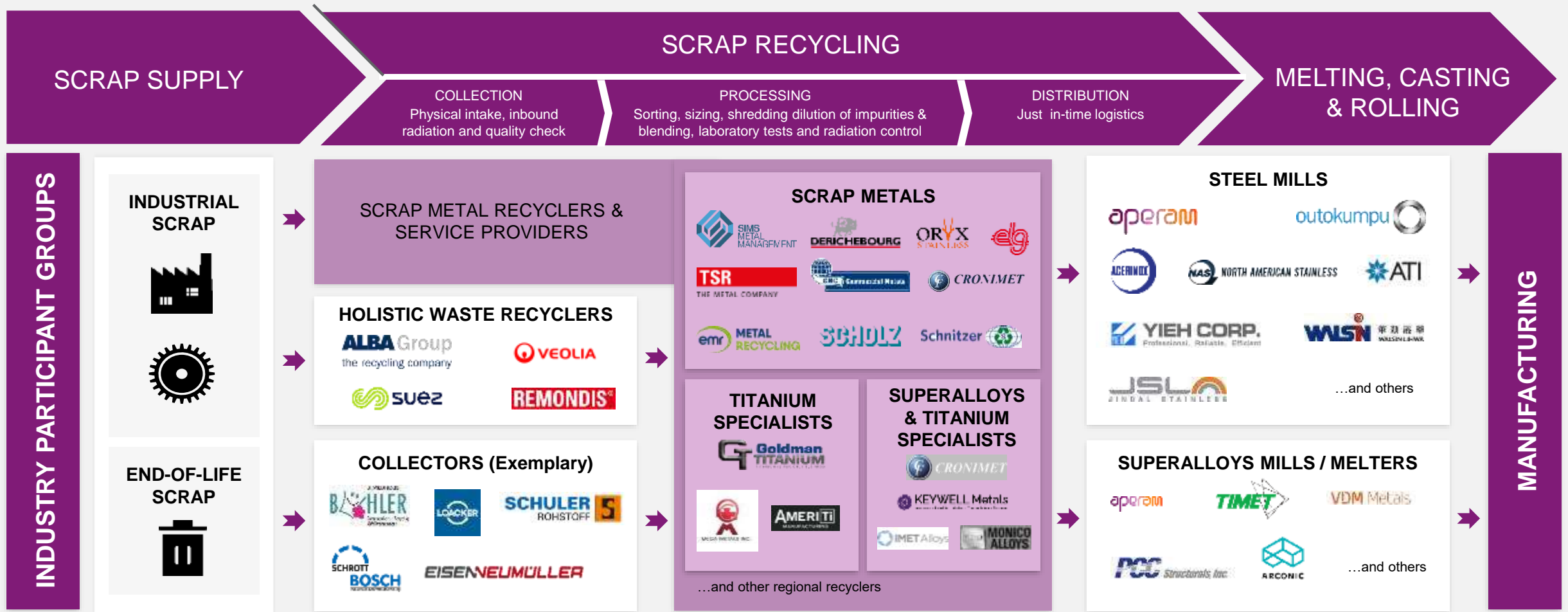
- > Recyco recovers metal content from waste material\*

Source: Aperam, SMR, ISSF

\* see 2020 Sustainability report p.35-37 for detail



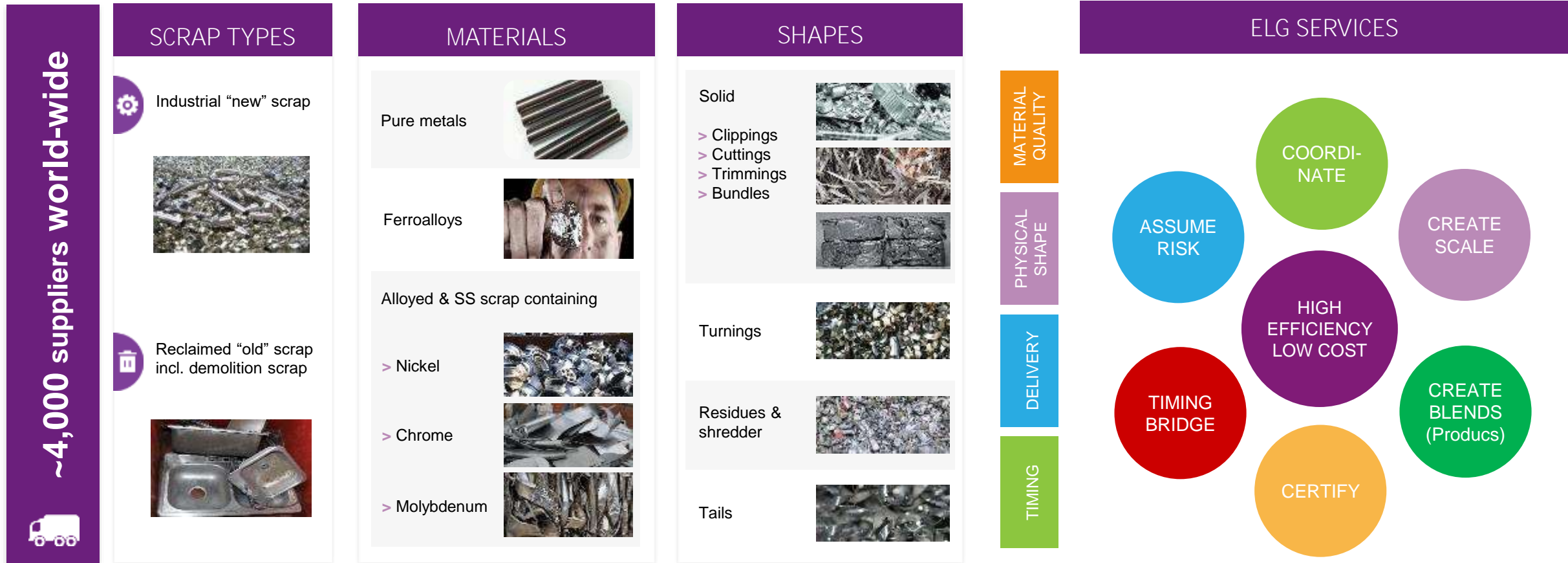
# ELG takes a key role in the value chain to supply high quality secondary raw materials



Note: [1] Chemical, petrochemical, and energy industries [2] Separately mentioned due to its relevance for Superalloys business; included in transportation for Stainless Steel

# INPUT MATERIAL MIX

## Stainless Scrap is Complex: Various Shapes & Alloys Make it a Value Adding Business



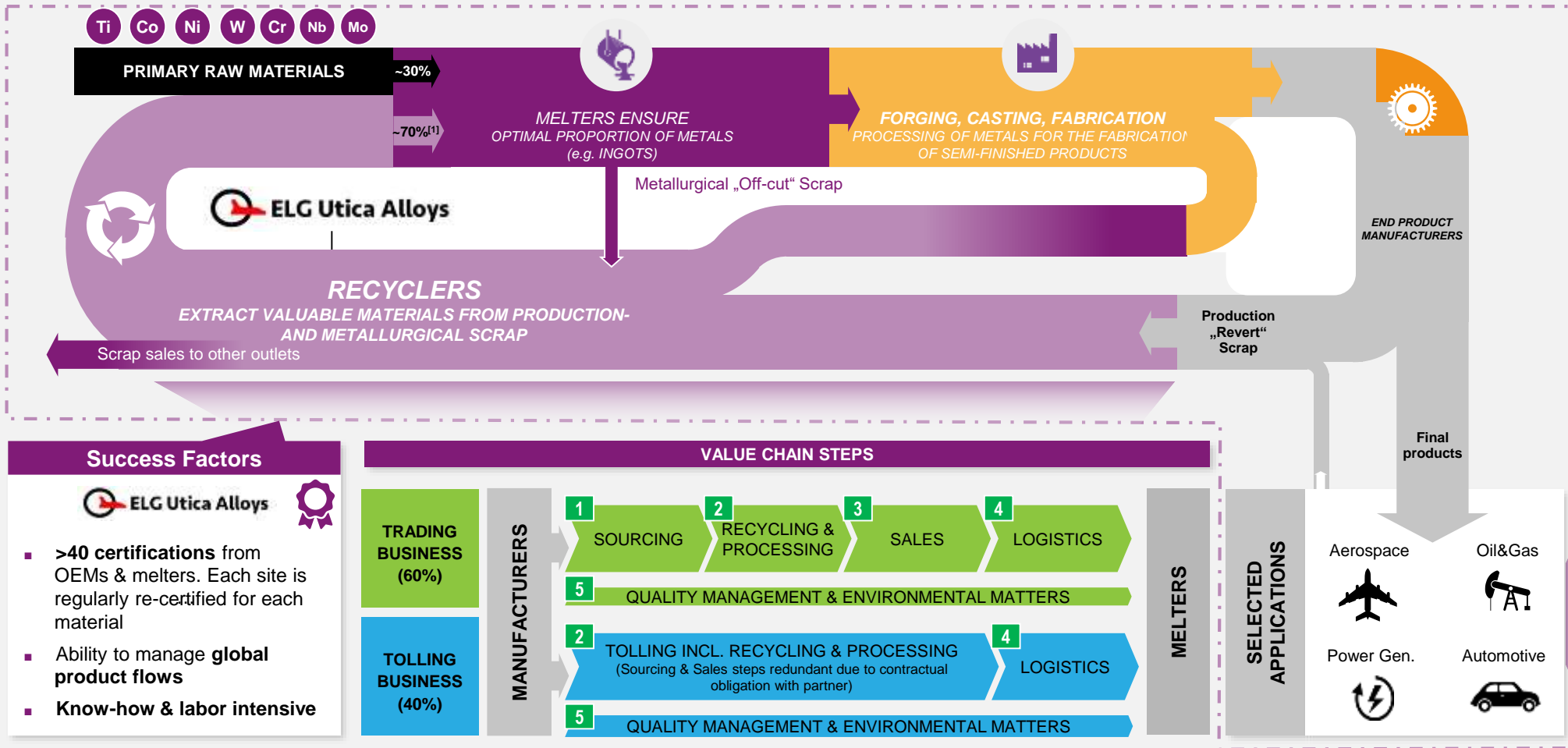
Note: [1] Elements having a detrimental effect on steel quality like copper, phosphor, lead

Stainless steel scrap needs substantial processing in order to be usable by steel mills

# SUPERALLOYS



ELG Utica Alloys operates a trading model with a classical value chain and a tolling model



### COMPETITORS

Super Alloy & Titanium Specialists

- KEYWELL Metals
- CRONMET
- MONICO ALLOYS
- IMET Alloys

Titanium Specialists

- Goldman TITANIUM
- AMERITI
- ATI

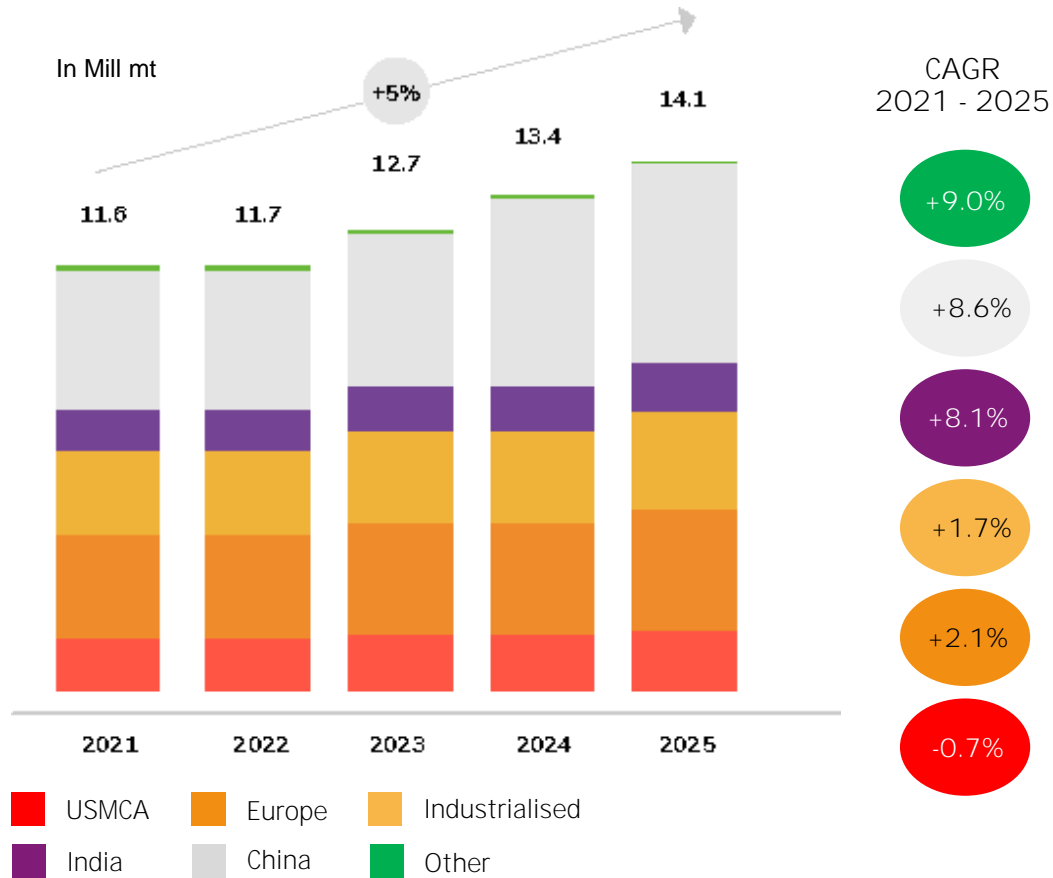
### CUSTOMERS

- BOEING
- HOWMET AEROSPACE
- WYMAN GORDON
- SPECIAL METALS
- CALLEDONIAN ALLOYS
- TIMET
- ATI
- CARPENTER TECHNOLOGY

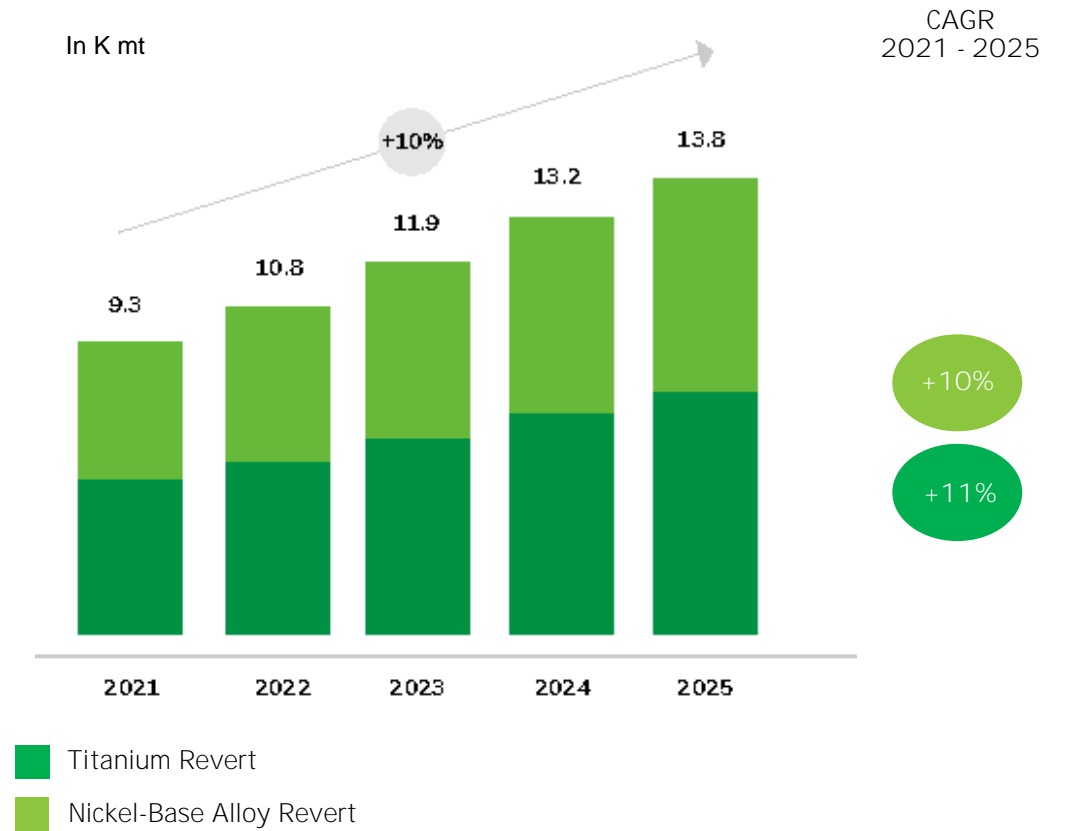
Certifications are the foundation of the business in the Zero defect Aerospace Industry

# We Actively Tap Global Growth Via our Strong Presence in Europe and the Americas - the Two Major Market Segments

## EXTERNAL STAINLESS SCRAP DEMAND



## RECOVER FROM THE AEROSPACE SUPPLY CHAIN

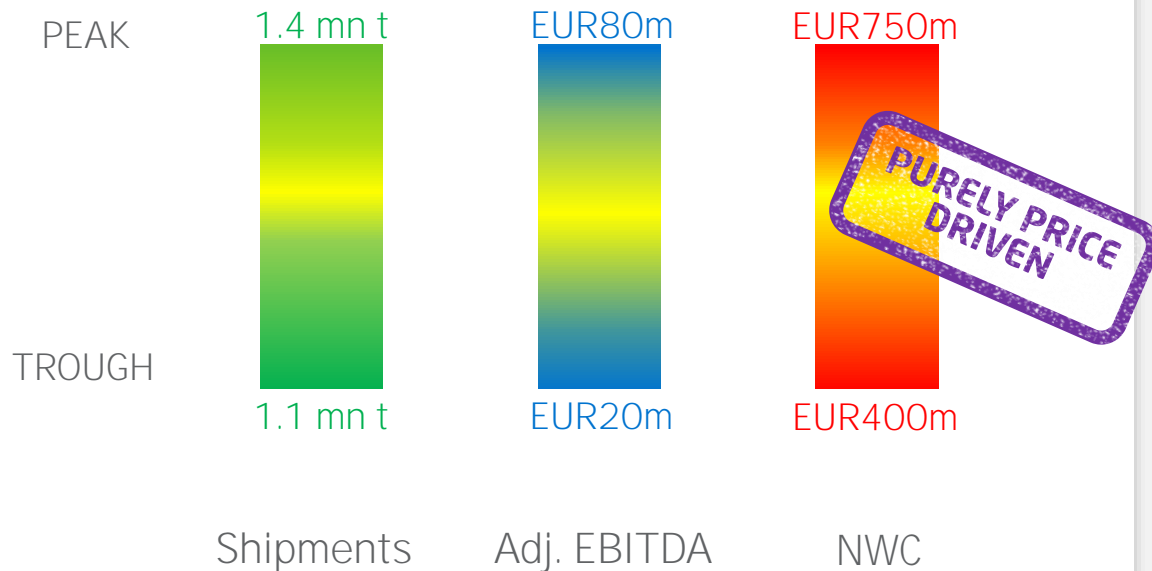


Stainless Scrap: Aug 2022; Industrialized Asia: Japan, South Korea, Taiwan; all data above referring to 300 series stainless steel scrap Aerospace revert generated: Dec 2021 / Source: ELG Analysis

# SYNERGIES

## Re-defining the Scrap/mill Interface Unlocks EUR24m pa after three years

### FINANCIAL PERFORMANCE FOLLOWS THE STAINLESS STEEL CYCLE



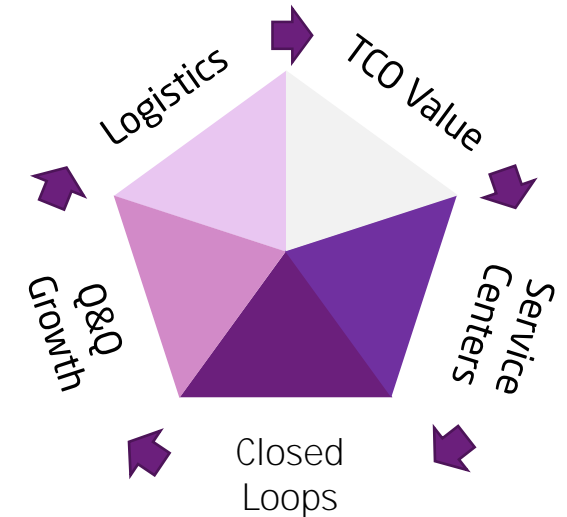
### WORKING WITH S&E and S&S CREATES UNIQUE SYNERGIES

#### TCO\* Value Creation:

- Optimize monetary benefits along the value chain
- Increase scrap quality
- Match scrap quality with final product
- Source Specifically

#### Quality & Quantity Growth:

- Close loops and increase the internal material flow
- Higher volumes & economies of scale



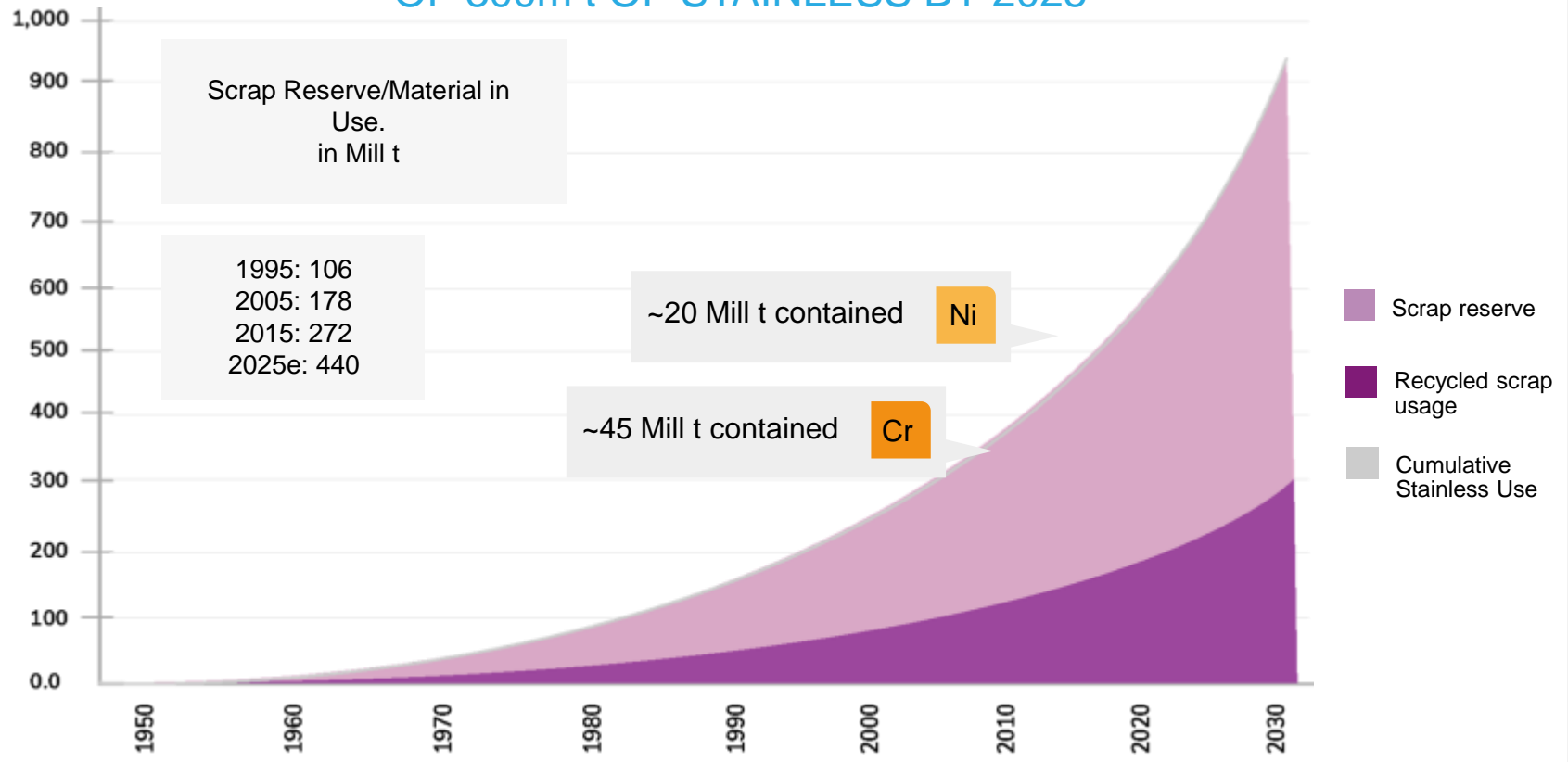
\*Total Cost Of Ownership

Average 9-10% margin over NWC

Synergies will mainly accrue at S&E Europe

# Growing Use of Stainless Means Growing Scrap Reserve For Future Recycling

## GLOBAL SCRAP RESERVE CONTINUES TO GROW DESPITE RECYCLING OF 300m t OF STAINLESS BY 2025



[1] Basis 300 series austenitic / Sources: ELG Analysis

Cumulative stainless usage to exceed 700 Mil t in 2025

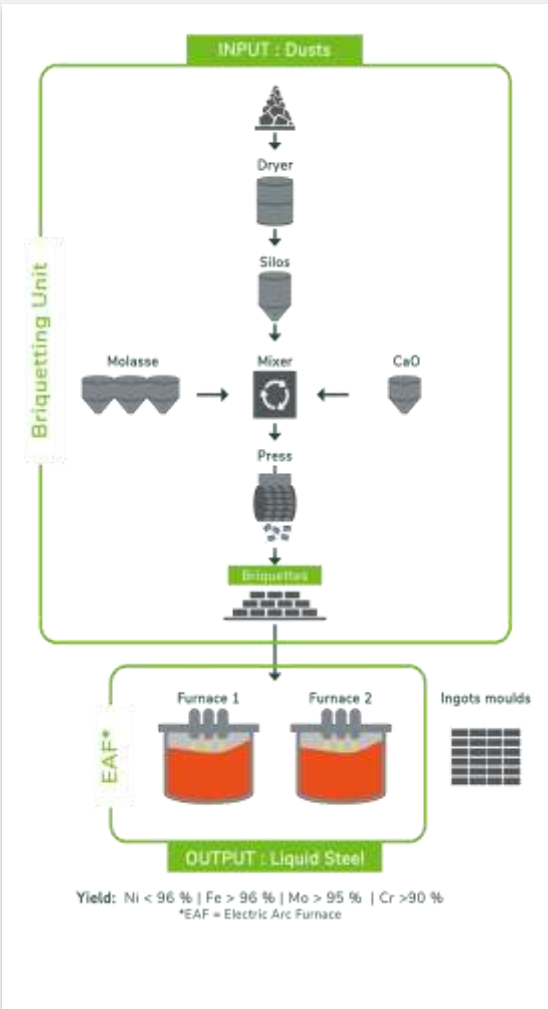
America	Europe	China
~15%	~33%	~25%

Strong recycled scrap usage reaching 300 Mil t in 2025

RECYCO




# Nickel Recycling With Substantial Growth Potential




### PRODUCTION PROCESS

- > Recyco uses waste (sludge, shot, powdered dust) to produce metallic rich **ferro-alloys**
- > **Circular-recycling process** for Aperam and tolling for external customers
- > Equipped with a Briquetting unit, 2 EAFs and Ingot casting
- > Capacity of 68kt/year




### BENEFITS

- > Environmentally friendly re-use of otherwise obsolete steel plant
- > A **sustainable** alternative to landfilling and mining
- > Cost effective pyro-metallurgical recovery of valuable metals from waste
- > Secures employment in an economically weak region



### GROWTH

- > Higher input flexibility and broader scope of treatable products
- > Higher value stream of input material
- > Position shielded by CAPEX & legal requirements





Sustainability  
Innovation  
Efficiency



# Large Scale, Sustainable Forest Operations



Subsidiary of Aperam  
South America

126 k ha

76k ha planting 50k ha native  
+ others



World leader in  
charcoal

450k ton/year 06 charcoal  
production units



1,000  
employees

Directly employed

Measurable positive impact  
on regional prosperity

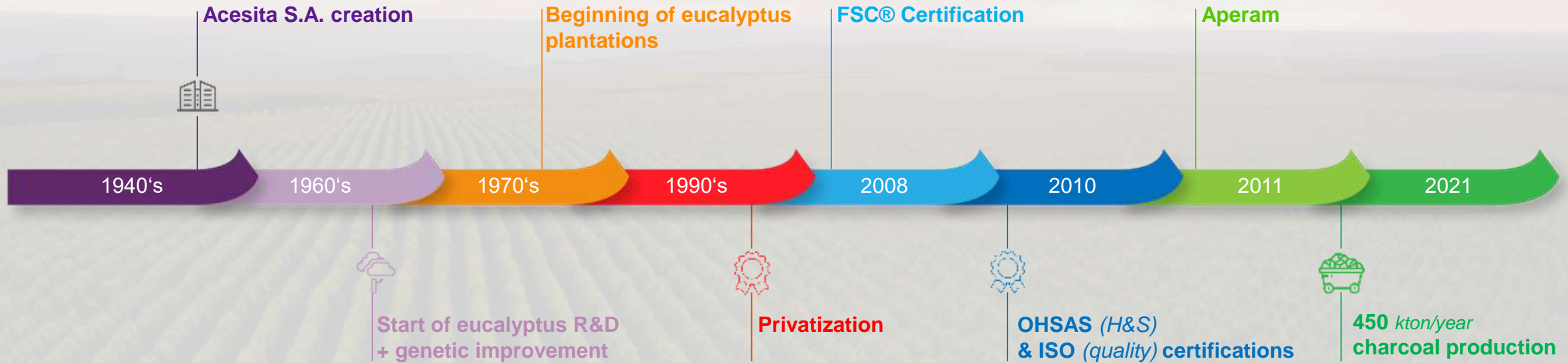


+45 patents

on genetic material and  
carbonization technologie  
with R&D area

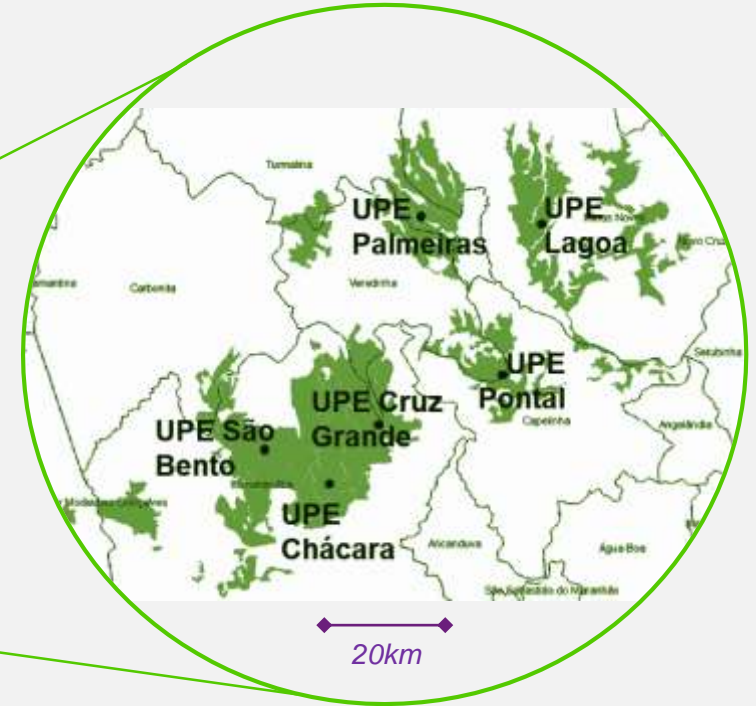
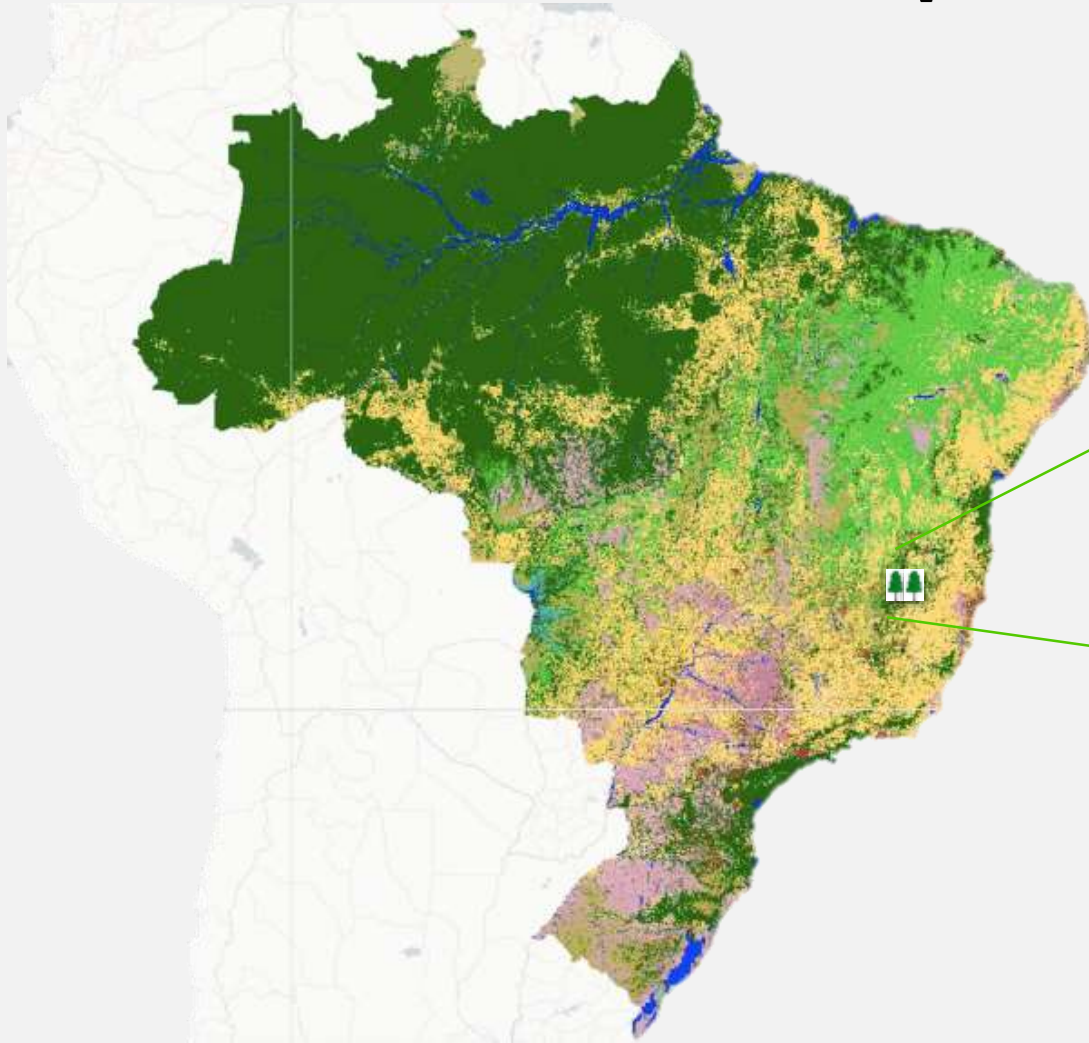
# BIO ENERGIA TIME LINE

## More Than 40 Years of History



BIOENERGIA

**Operation's location**



**Aperam BioEnergia**  
Vale do Jequitinhonha Region

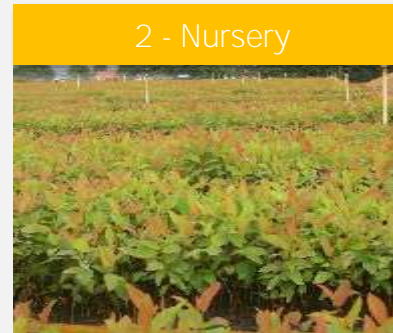
**Distance: 350 km**  
**Travel time: ~5 hours**

**Aperam South America**  
Timóteo City

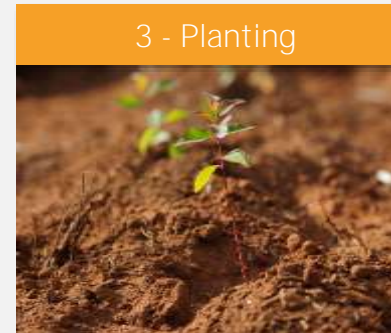
# Know-how and Technology Driven Forestry Operations:



Forest R&D activities focused on the development of new high productivity eucalyptus clones, resistant to plagues, diseases, lack of water.



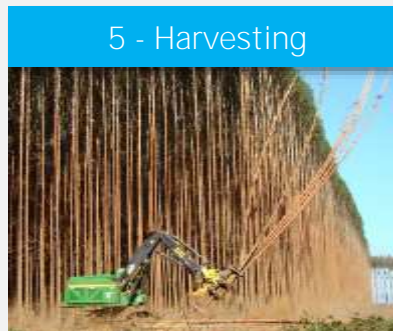
High quality seedling production (30 MM/year capacity), both for internal usage and external sale to the market.



Yearly planting of ~6.500 ha with modern techniques and sustainable water usage, by executing this activities only on rainy season.



Forest care and maintenance to achieve highest productivity with the use of high-tech equipment and a strong fire-fighting and surveillance structure.



100% mechanized activity with use of modern and high productivity equipment, remotely monitored by central operation control room.



Own wood transportation fleet, monitored by central operational control room (gamification, big data, IA, etc.)



State of the art technology used for high quality charcoal production, with benchmark yield and productivity process indicators



Green steel production with Aperam's BF's using renewable zero emission charcoal as a thermo-reducer

# BioEnergia is a critically important carbon offset asset\*

<p>FOREST SEQUESTERS LARGE AMOUNTS OF CO<sub>2</sub></p>	<p>Forest management to produce charcoal (biomass) is reducing ~1 mt of CO<sub>2</sub>e pa</p> <p>The 7 years cycle from planting to harvesting is absorbing more CO<sub>2</sub>e than steelmaking emits</p>	<p>Biomass density growth increases the CO<sub>2</sub>e storage capacity, resulting in an additional CO<sub>2</sub>e sequestration ~400 kt CO<sub>2</sub>e/yr (~600kg CO<sub>2</sub>e/tcs)</p>
<p>126,000 ha of forest 76,000 ha of Eucalyptus trees 50,000 ha of native forest to protect the biodiversity</p>	<p>Growth: Increase wood density by 25% till 2050 + acquisition of rights to additional 26k ha</p>	<p>Aperam BioEnergia forests represents a total CO<sub>2</sub>e storage of 7.8 million tons CO<sub>2</sub>e that have been removed from the atmosphere</p>

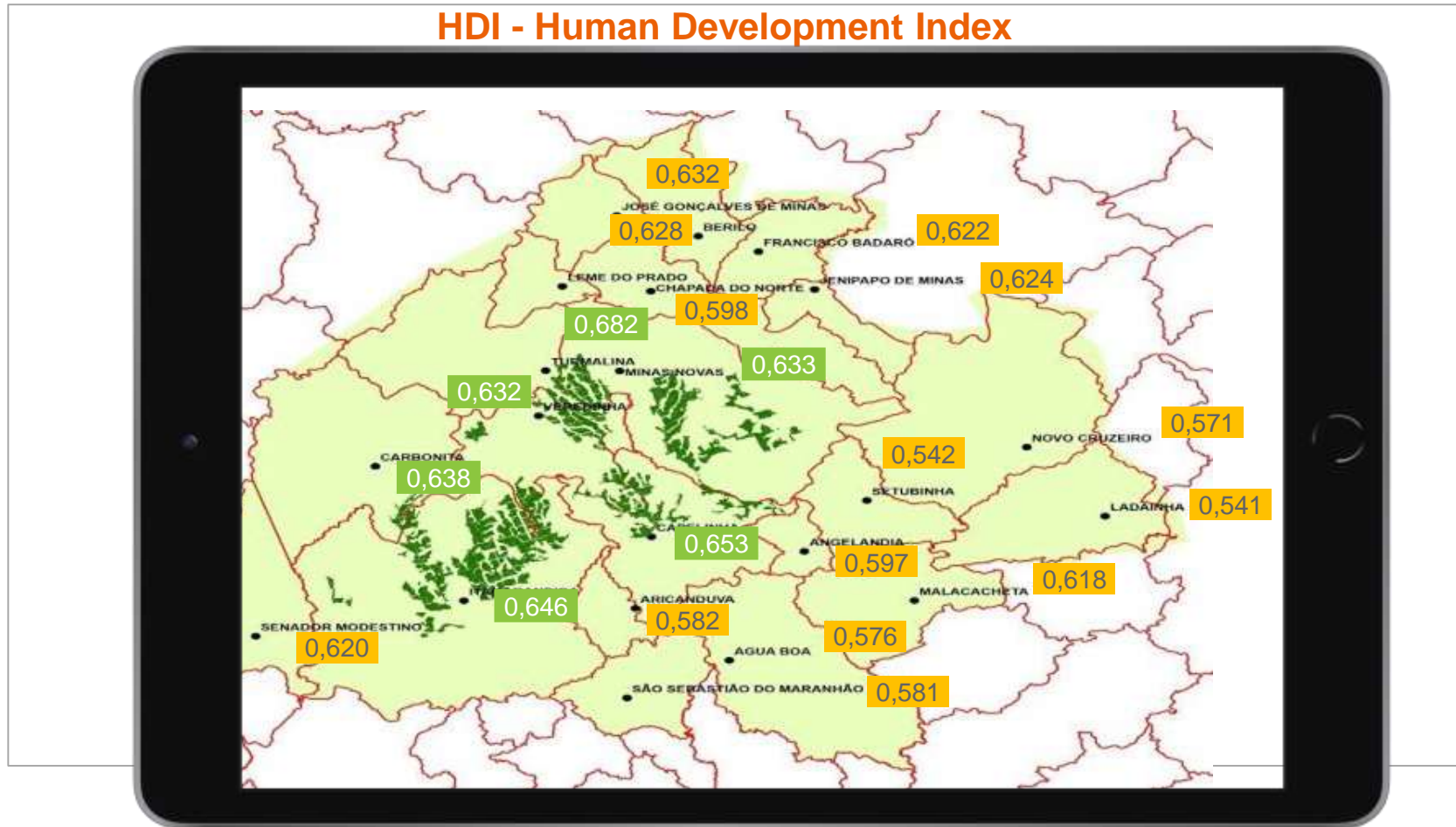
\*Natural CCUS

# Our Brazil operations are carbon neutral TODAY

<b>Charcoal</b>	Since the beginning charcoal was used as fuel. 100% since 2012 in both BFs
<b>FSC Certification</b>	Sustainable forest management guarantees long term benefit can be maintained
<b>Electricity</b>	More than 80% of Brazilian Electricity comes from renewable sources (hydro, wind and solar)
<b>Scrap</b>	Less in % than Europe but growing and ahead of other developing regions
<b>Sequestration</b>	Our forests are capturing and storing carbon. Total stock of ~8 million tons of CO <sub>2</sub> e assured on 2021 inventory
<b>Efficiency</b>	Initiatives have been taken to reduce emissions (led lights, inverters and motors) and to boost carbon removals (wood density, productivity, etc.)

\* Scope 1 (on-biogenic) + scope 2 (market-based)

# Our Activities have a Visible Positive Impact on Regional Prosperity





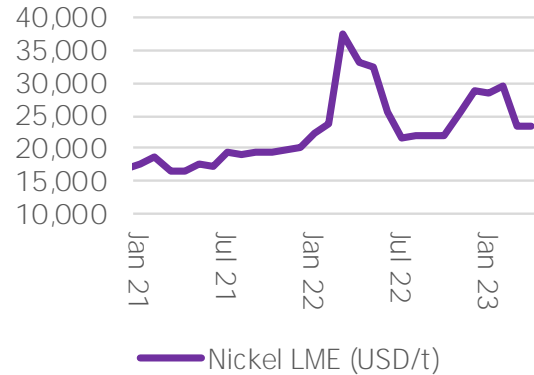
APPENDIX



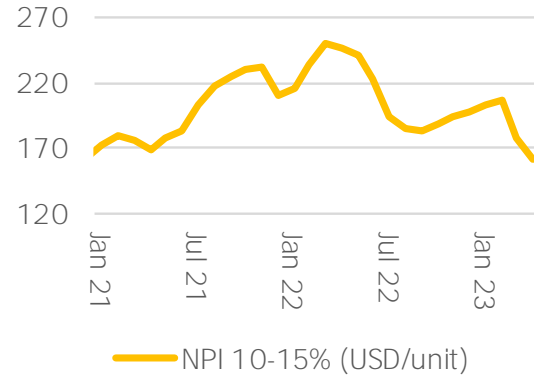
APPENDIX

# Key Prices & Exchange Rates

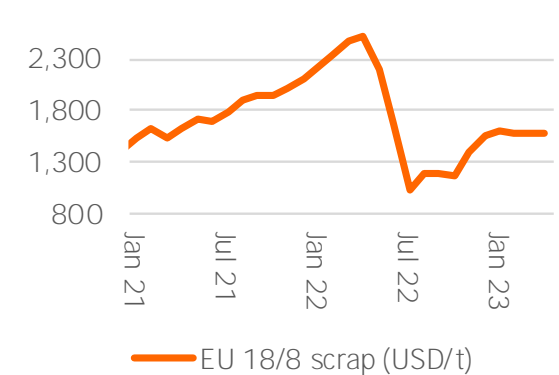
NICKEL



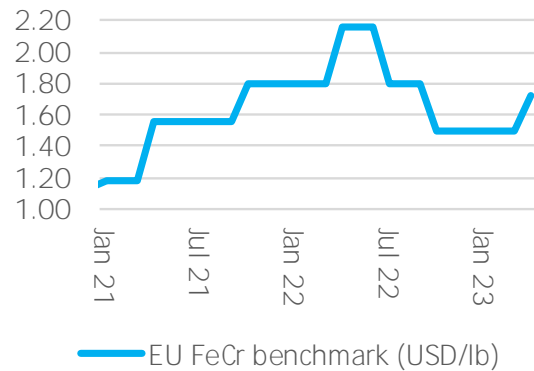
NICKEL PIG IRON



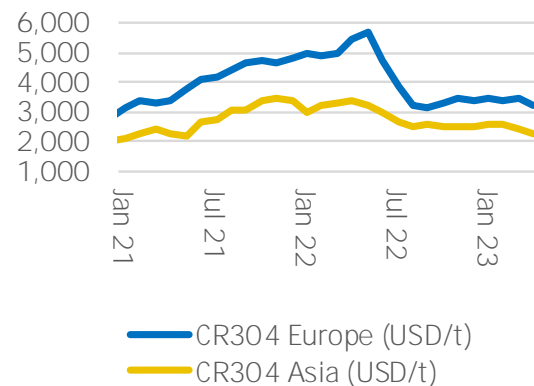
STAINLESS SCRAP



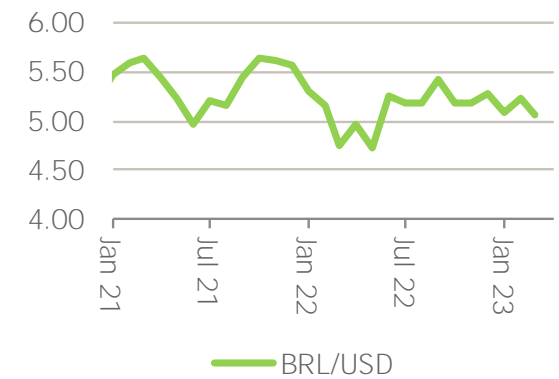
FERROCHROME



STAINLESS STEEL PRICE

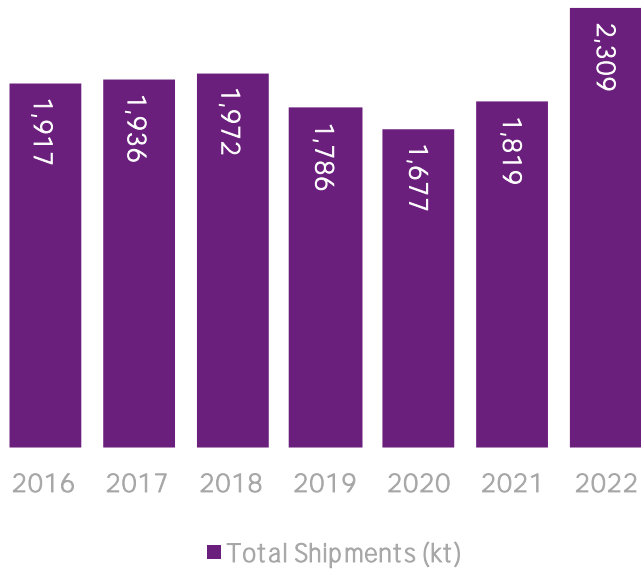


BRL/USD

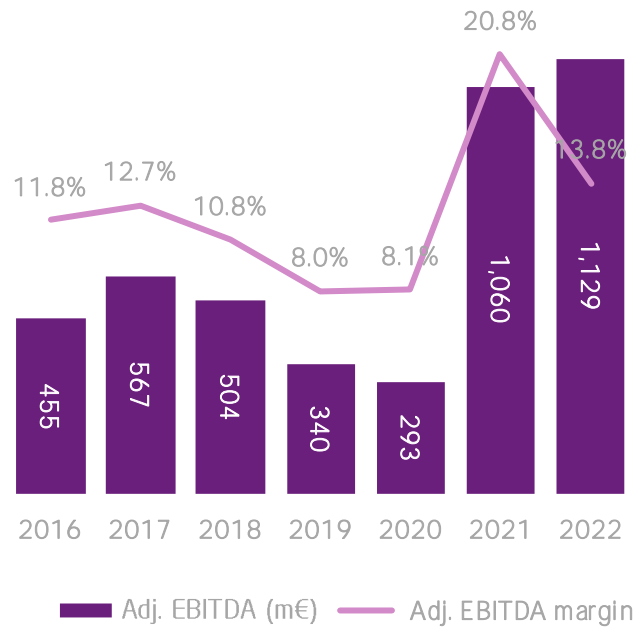


# Aperam is a Solid Performer in every Phase of the Cycle

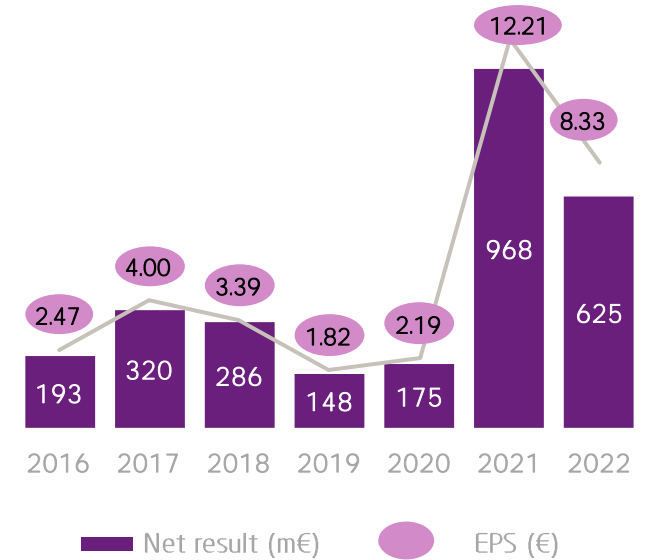
2021 VOLUMES REFLECT THE ECONOMIC RECOVERY



A LEAN ORGANIZATION BENEFITS FROM A JOINT PRICE & VOLUME RECOVERY



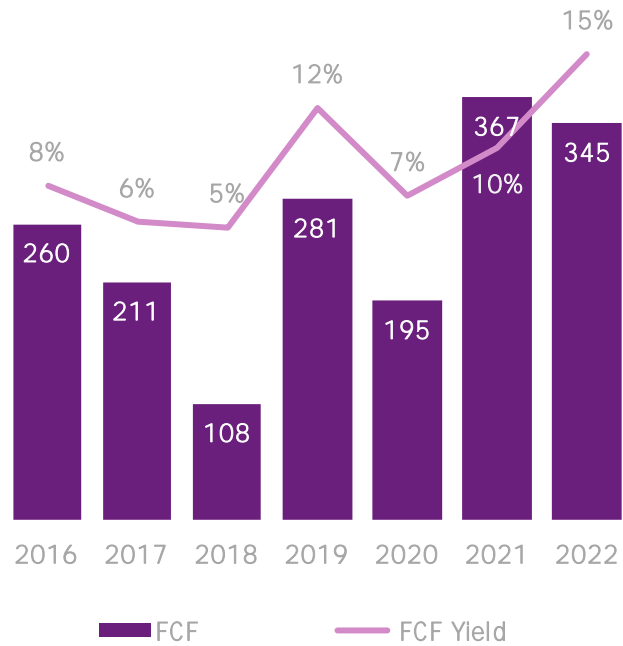
HIGHER MARGINS AND EXCEPTIONS GAINS TRIPLE HISTORIC PEAK EPS



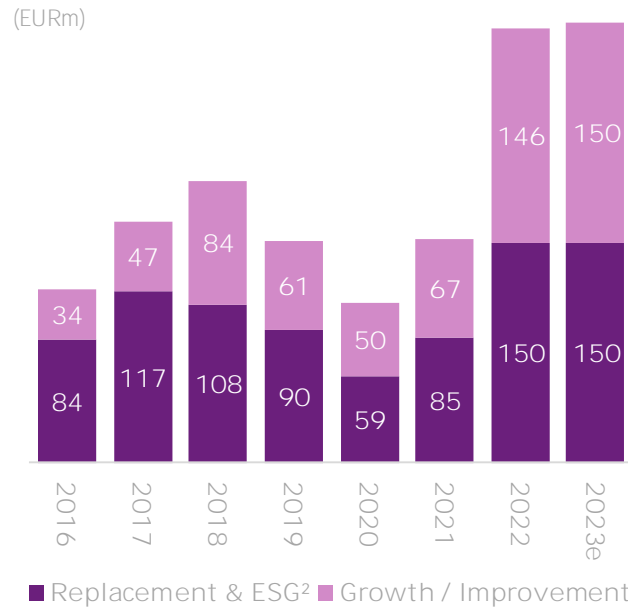
# APERAM TRACK RECORD

## High Cash Flow, Low Maintenance CAPEX and High Cash Returns to Shareholders

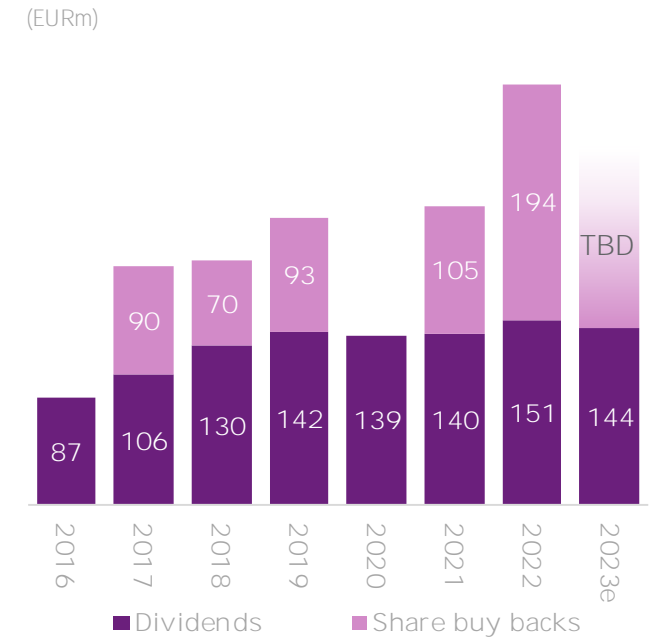
SOLID AVERAGE 8% FREE CASH FLOW YIELD\*



CAPEX: LOW MAINTENANCE + SOLID INVESTMENT IN GROWTH



BEST IN CLASS DISTRIBUTION TO SHAREHOLDERS<sup>3</sup>



\*calculated on year end market cap

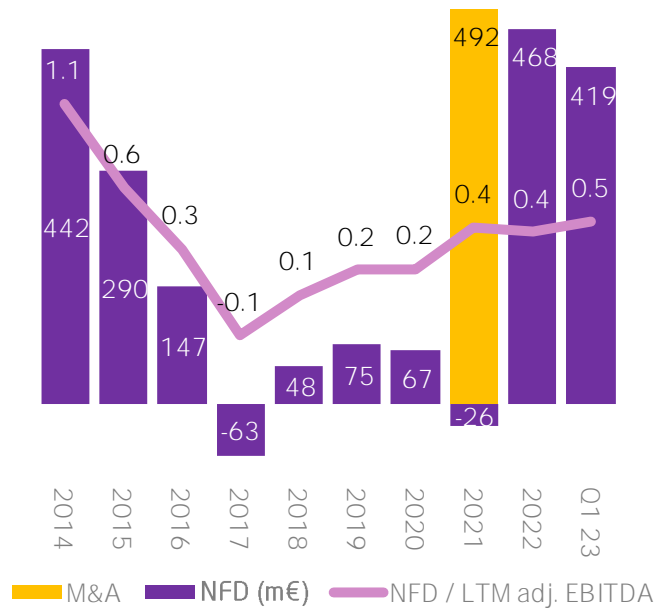
<sup>2</sup> including ELG, De-carbonization (EUR20m) other environment and social capex (EUR20m)

<sup>3</sup>2023 schematic

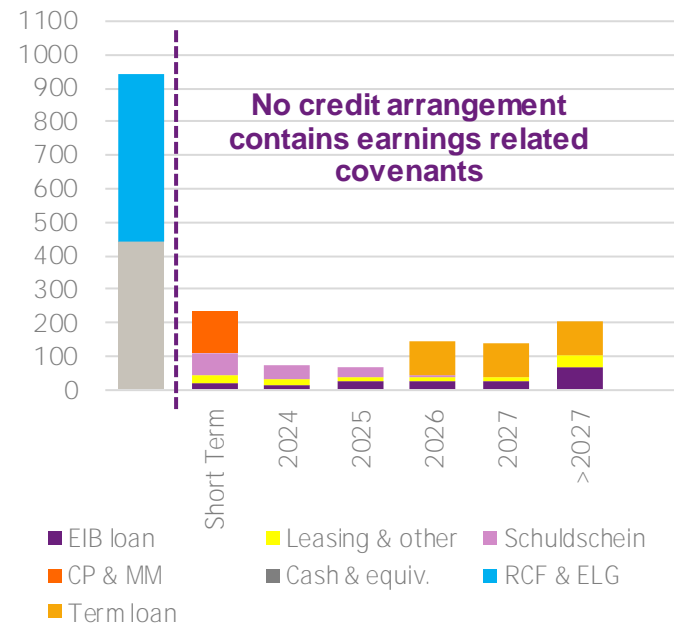
# APERAM TRACK RECORD

## Maintaining a solid Balance Sheet forms the Basis of our Financial Policy

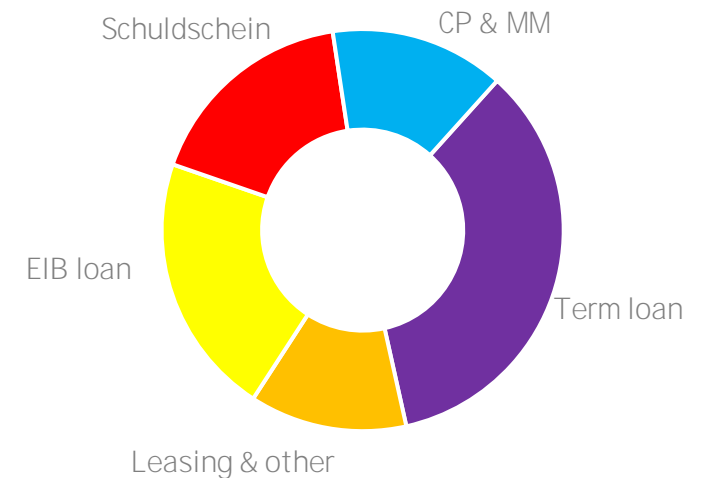
### A STRONG BALANCE SHEET ADDS SAFETY IN A VOLATILE INDUSTRY\*



### BALANCED MATURITY PROFILE & AMPLE LIQUIDITY<sup>2</sup>



### A SOLID MIX OF FINANCING INSTRUMENTS

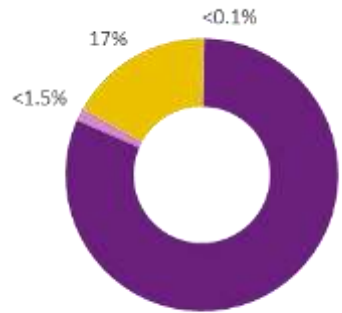


\* Aperam intends to maintain a strong balance sheet that is consistent with investment grade ratios <sup>2</sup>Financing documentation is in line with investment grade standards and contains no pledges of assets or earnings covenants

# APPENDIX

## Key Stainless Product Categories by Alloy Content

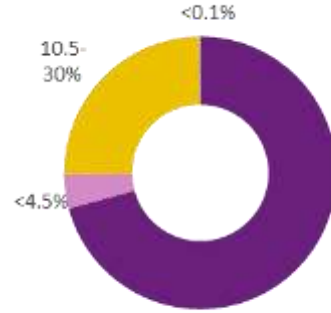
### MARTENSITIC



Exceptionally hard steel

Cutlery, razor blades, cutting tools, surgical instruments, construction tools...

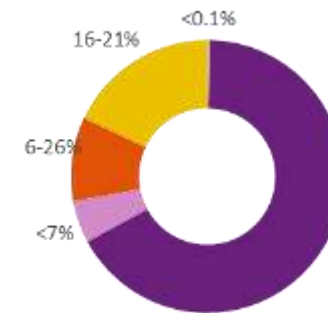
### Ferritic (400 SERIES)



Resistant to stress corrosion & cheap

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

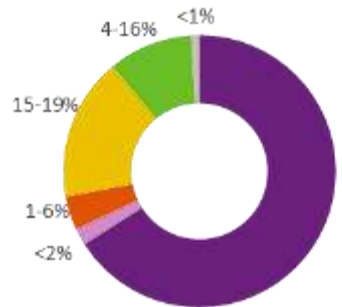
### AUSTENITIC (300 SERIES)



Tough & strong in a wide temperature range

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

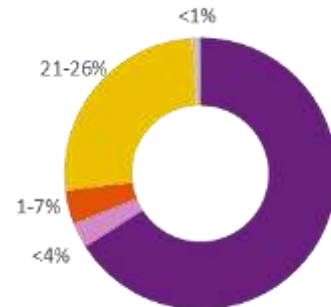
### AUSTENITIC WITH MANGANESE (200 SERIES)



High strength applications

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

### AUSTENO-FERRITICS (DUPLEX)



Extreme corrosion resistance

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

### LEGEND

