



# aperam

**Sustainable by Design  
Made for Life**

**Aperam Value Strategy**

# 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 in particular, the length and severity of the COVID-19 (coronavirus) outbreak, including its impacts in the markets, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include those discussed or identified in Aperam’s filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier).

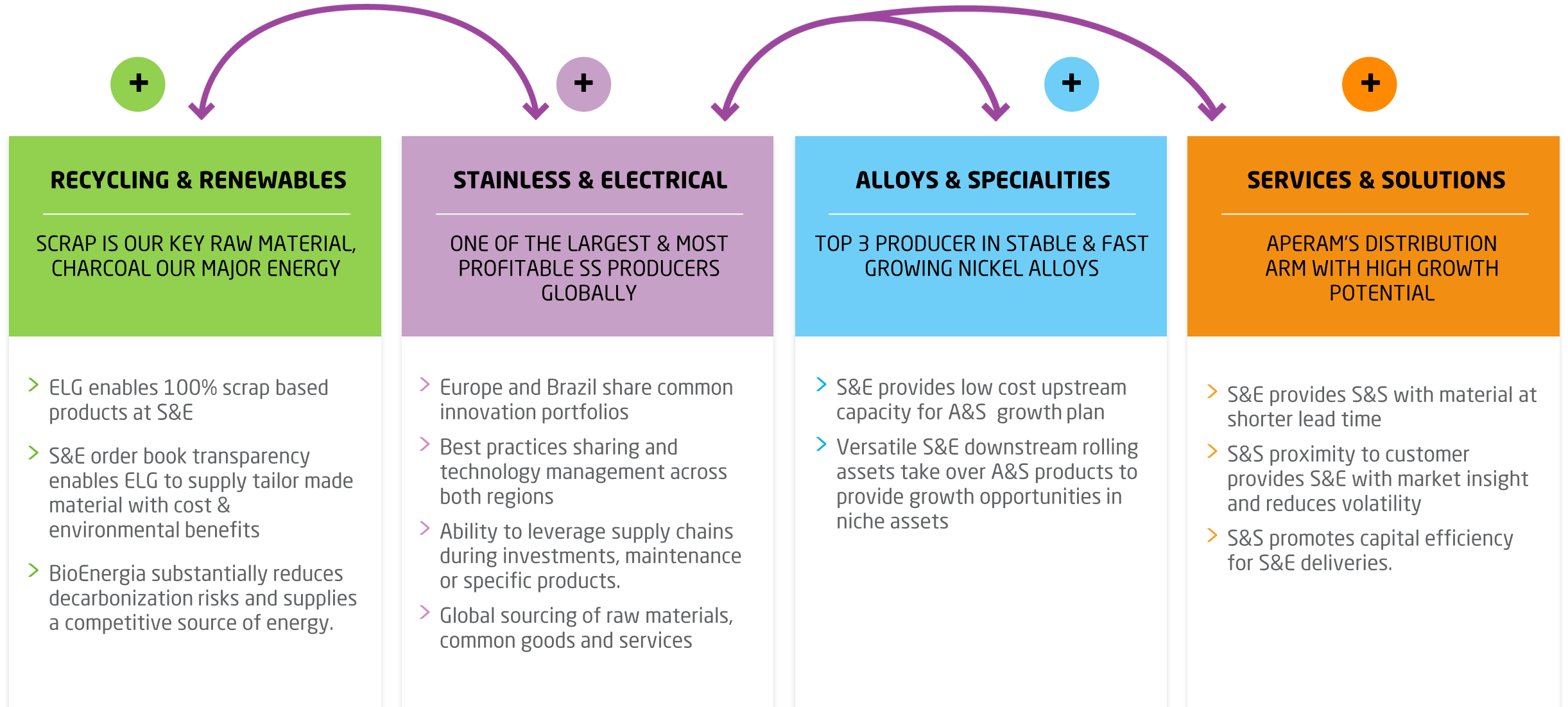
The information is valid only at the time of release and Aperam does not assume any obligation to update or revise its forward-looking statements on the basis of new information, future, events, subject to applicable regulation.





## A DIFFERENTIATED VALUE CHAIN

# With cost, margin and cash synergies across the value chain



**Superior synergistic value chain = Higher Quality of Earnings**

# 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

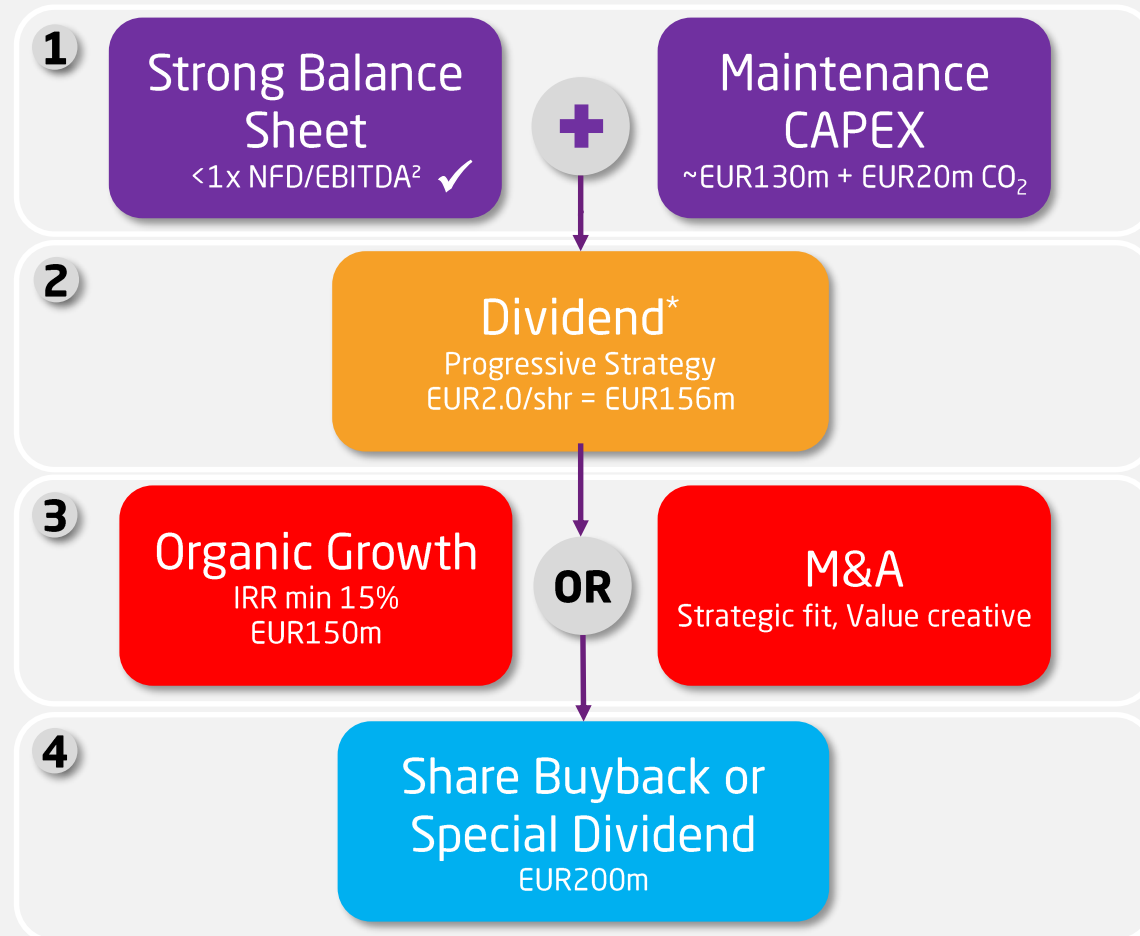
- Sustainable attractive shareholder returns across the cycle
- Low maintenance capex & strict criteria for growth
- Return of excess cash



## OPPORTUNITIES

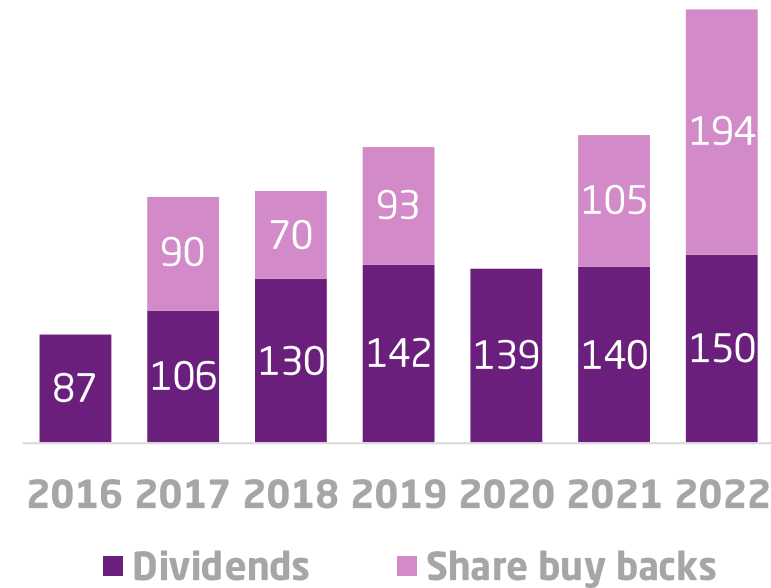
- M&A option
- Strategic capex
- Strengthening international presence in niches

# Clear & Consistent Financial Policy is Matched by Real Action



## APERAM CASH RETURN TO SHAREHOLDERS

(EURm)

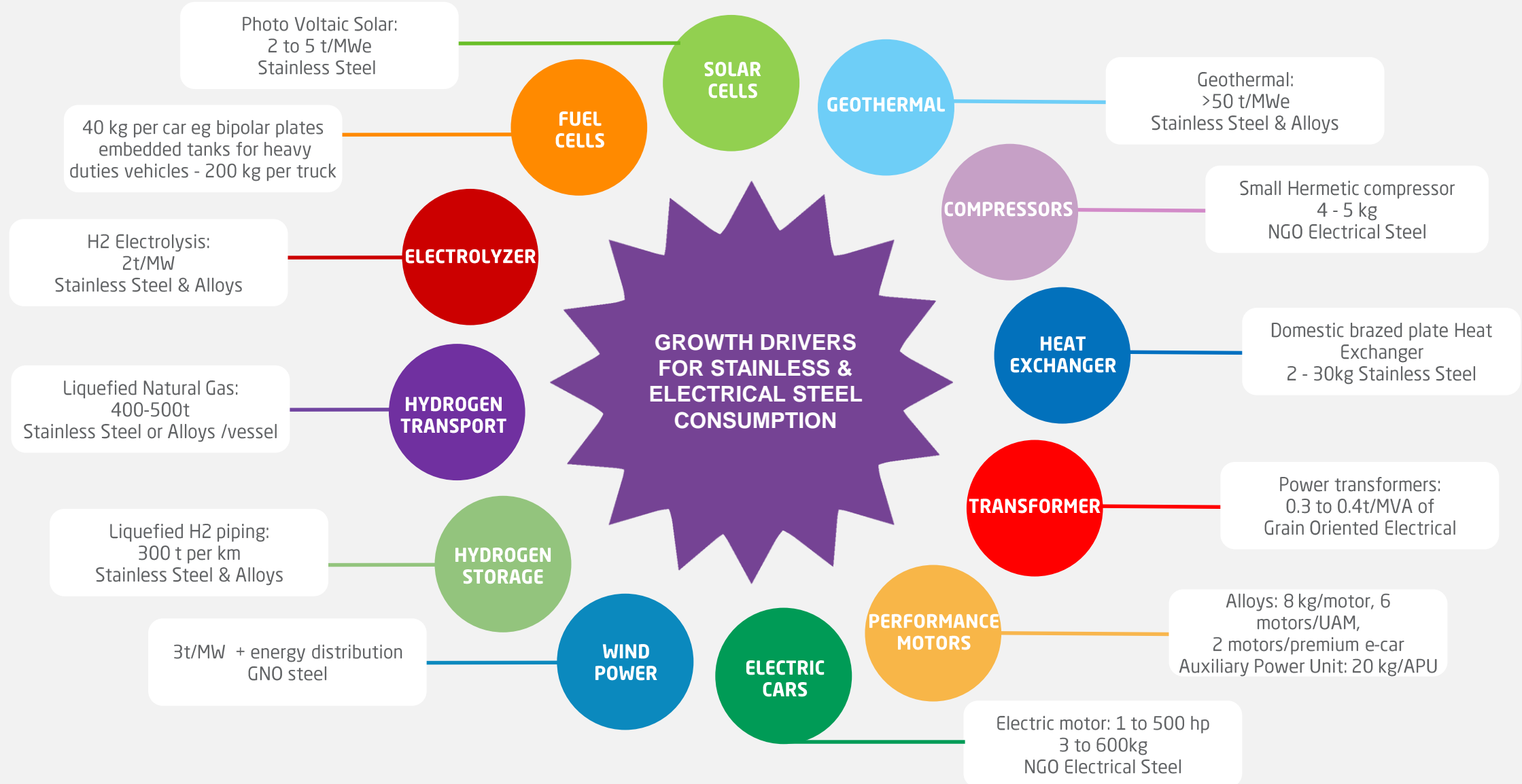


\*Base dividend review in the (unlikely) event that NFD/EBITDA exceeds 1x <sup>2</sup> through the cycle

**In the interest of shareholders we target a strong yet efficient balance sheet**

GROWTH

# No Progress Without Stainless, Electrical Steel & Special Alloys



## PERFORMANCE

# The Leadership Journey® - 4 Distinct Phases in Response to a Changing Market

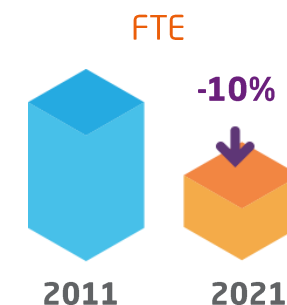
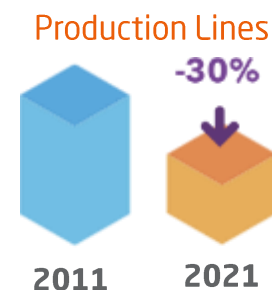
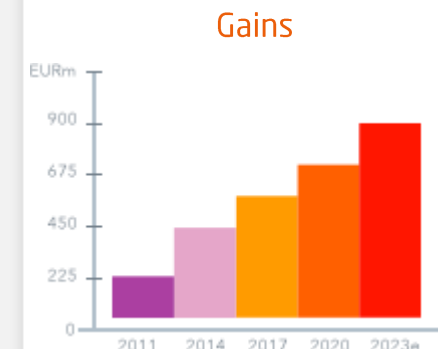
PHASE 1 (USD350M) 2011-13 Restructuring	PHASE 2 (USD225M) 2014-17 Asset upgrade	PHASE 3 (EUR200M) 2018-20 Transformation	PHASE 4 (EUR150M) 2021-23 Footprint & Growth
<ul style="list-style-type: none"> <li>▶ Footprint change</li> <li>▶ SG&amp;A reduction</li> <li>▶ Asset upgrade</li> <li>▶ Energy mix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

▶ Headcount related upgrade

▶ Other cost measure

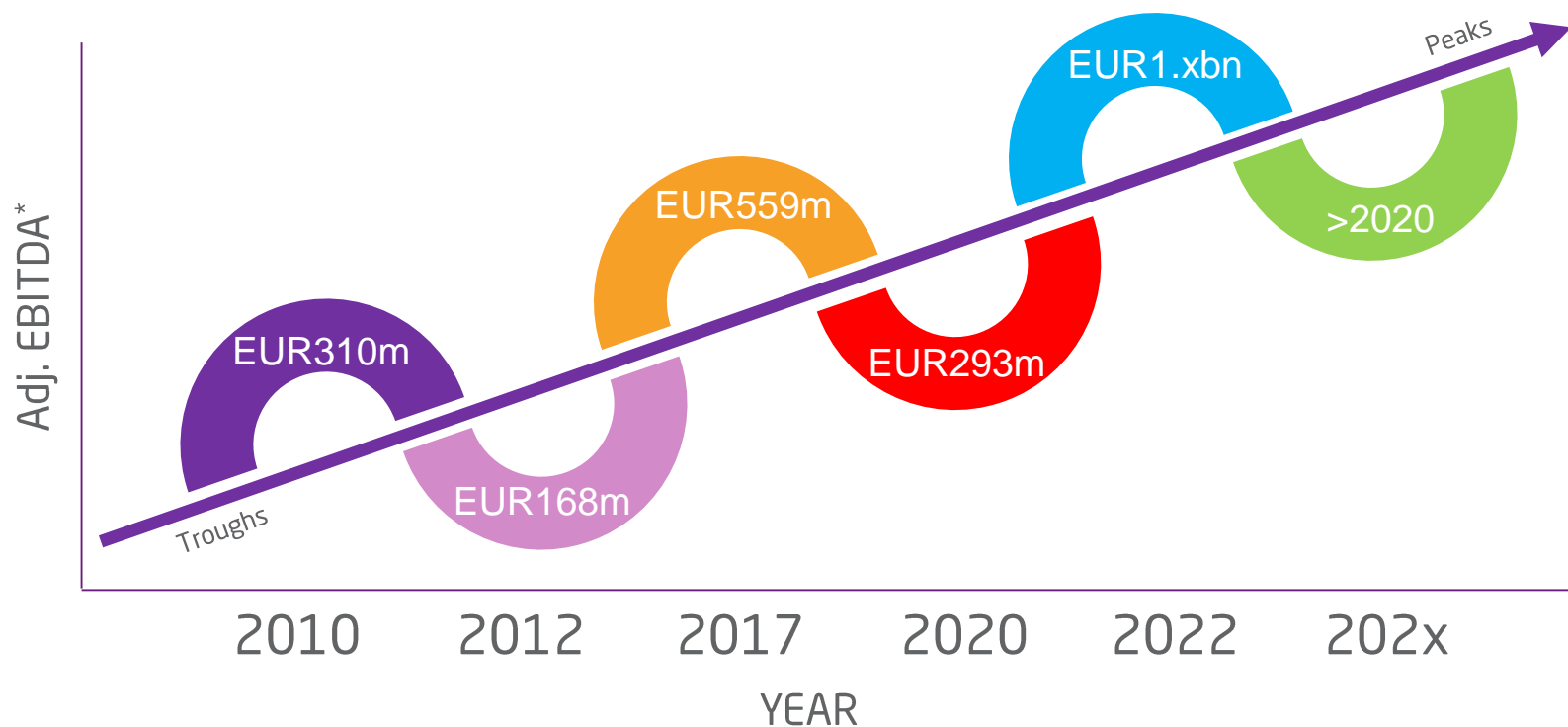
▶ Growth measure

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



# Leadership Journey® Raises Peaks and Troughs over Time

Schematic



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

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

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

Price support

- > ELG Contribution

\*Schematic

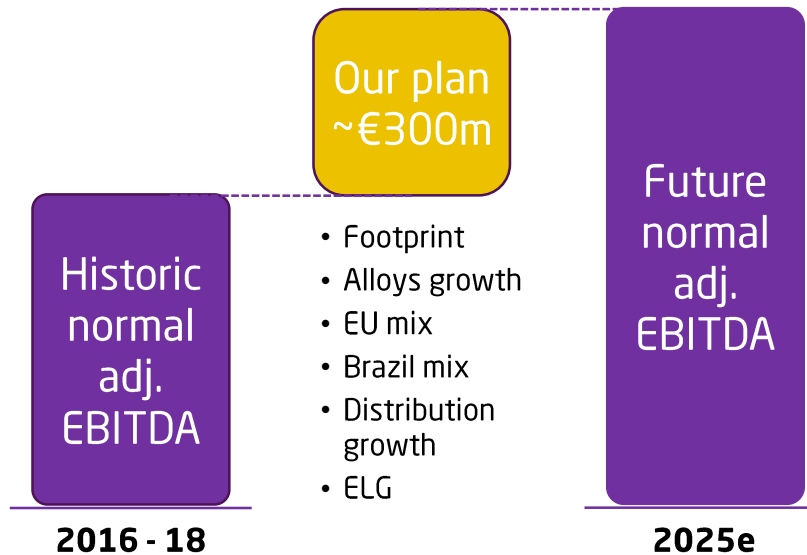
<sup>2</sup>Realized LJ gains totaled EUR133m since Q3-20 to Q2-22

2020 trough reflects lowest ever pricing in Europe



# 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

# Convincing Reasons to Look at APERAM from an ESG Perspective

## Products

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

## Process

We have ambitious ESG targets and a convincing track record

## Environment

We are recycling champion and >48% of our energy intake is renewable

## Climate change

We have a best in class CO<sub>2</sub> footprint in the industry globally\*

## Social

We value our diverse workforce, invest in training, 83% rate us a good employer

## Governance

The majority of our board is independent

## Ethics

We have a robust compliance framework and a zero tolerance policy

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

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

## 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