Press Release

Full year and fourth quarter 2020 results[1]

"A strong mix in Brazil, tight cost control and higher volume in Europe yield the best Q4 since the 2017 peak"

Luxembourg, February 10, 2021 (07:00 CET) - Aperam (referred to as "Aperam" or the "Company") (Amsterdam, Luxembourg, Paris, Brussels: APAM and NYRS: APEMY), announced today results for the three months and full year ending December 31, 2020.

Highlights

- Health and Safety: LTI frequency rate of 1.5x in 2020 compared to 1.7x in 2019
- Steel shipments of 1,677 thousand tonnes in 2020, 6.1% decrease compared to steel shipments of 1,786 thousand tonnes in 2019
- EBITDA of EUR 343 million in 2020, including a net exceptional gain[2] of EUR 50 million, compared to an EBITDA of EUR 357 million in 2019, including an exceptional gain[3] of EUR 17 million
- EBITDA of EUR 159 million in Q4 2020, including a net exceptional gain[2] of EUR 50 million, compared to EUR 65 million of EBITDA in Q3 2020
- Net income of EUR 175 million in 2020, compared to EUR 148 million in 2019
- Basic earnings per share of EUR 2.19 in 2020, compared to EUR 1.82 in 2019
- Cash flow from operations amounted to EUR 303 million in 2020, compared to EUR 400 million in 2019
- Free cash flow before dividend and share buy-back of EUR 195 million in 2020, compared to EUR 281 million in 2019, including EUR 30 million from the divestment of the entire Gerdau stake
- Net financial debt of EUR 67 million as of December 31, 2020, compared to EUR 75 million as of December 31, 2019

Strategic initiatives

- **Leadership Journey®[4] Phase 3**: The annualized gains reached EUR 43 million in Q4 2020. Aperam realized cumulative annualized gains of EUR 223 million at the end of 2020, compared to the target of EUR 200 million by the end of 2020
- **Leadership Journey® Phase 4:** Target of EUR 150 million gains for the period 2021 - 2023 via a combination of cost, growth and mix improvement measures

Cash deployment

- In coherence to its Financial Policy, Aperam is announcing to maintain its base dividend at EUR 1.75 per share (subject to AGM approval).

Sustainability

- Sharper CO_2 reduction targets: 2030 CO_2 reduction target doubled to -30% vs 2015
- Internal CO_2 price doubled to EUR60/t to reflect our ESG ambition[6]

Prospects

- Adj. EBITDA is expected at a slightly higher level versus the high Q4 2020 base
- Net financial debt is expected at a comparable level

Timoteo Di Maulo, CEO of Aperam, commented:
"The combined benefits of a strong mix in Brazil, tight cost control and some economic improvement in Europe enabled us to achieve the best fourth quarter result since the 2017 peak despite still challenging market conditions. The positive effects of our cost reduction program - the Leadership Journey® are clearly visible ten years after Aperam's spin-off. Aperam is now a more flexible, stronger and resilient company and will continue to embark on this journey. We are happy to have concluded Phase 3 successfully and above target. We commenced Phase 4 in January which is designed to defend Aperam's cost leadership in Europe but also transform the footprint for specialties, adding a meaningful growth component in high value products. While the coming months will remain challenging we are confident that our actions will aid in restoring a historical normal level."

Financial Highlights (on the basis of financial information prepared under IFRS)

(in millions of Euros, unless otherwise stated)	Q4 20	Q3 20	Q4 19	12M 20	12M 19
Sales	916	841	1,000	3,624	4,240
Operating income	118	33	59	199	207
Net income attributable to equity holders of the parent	101	24	29	175	148
Basic earnings per share (EUR)	1.26	0.30	0.36	2.19	1.82
Diluted earnings per share (EUR)	1.26	0.30	0.36	2.19	1.82
Free cash flow before dividend and share buy-back	88	55	140	195	281
Net Financial Debt (at the end of the period)	67	111	75	67	75
Adj. EBITDA	109	65	85	293	340
Exceptional items	50	—	17	50	17
EBITDA	159	65	102	343	357
Adj. EBITDA/tonne (EUR)	253	150	211	175	190
EBITDA/tonne (EUR)	369	150	254	205	200
Steel shipments (000t)	431	432	402	1,677	1,786

Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate was 1.4x in the fourth quarter of 2020 compared to 1.9x in the third quarter of 2020. For 2020 the lost time injury frequency rate was 1.5x after 1.7x in 2019.

Financial results analysis for full year period ending December 31, 2020

Sales for the year ended December 31, 2020 decreased by 14.5%, at EUR 3,624 million compared to EUR 4,240 million for the year ended December 31, 2019, mainly due to lower shipments and lower prices. Steel shipments in 2020 decreased by 6.1% at 1,677 thousand tonnes compared to 1,786 thousand tonnes in 2019.

EBITDA reached EUR 343 million for the year ended December 31, 2020 (including net exceptional gains of EUR 50 million made of PIS/Cofins tax credits related to prior periods recognized in Brazil for EUR 65 million, partly offset by social costs and restructuring charges related to asset optimization in Europe for EUR (15) million), compared to EUR 357 million for the year ended December 31, 2019 (including exceptional gains of EUR 17 million for PIS/Cofins tax credits related to prior periods recognized in Brazil). Group Adjusted EBITDA declined by 14% as the COVID related lower demand also resulted in a very competitive pricing environment in Europe. Together with a negative inventory valuation, this outweighed the positive effect from the Leadership Journey®[4], the Top Line strategy and the positive earnings development in Brazil.

Phase 3 of the Leadership Journey® - the Transformation Program - was concluded above plan with an additional annualized contribution of EUR 100 million to EBITDA in 2020.

Depreciation, amortization and impairment was EUR (144) million for the year ended December 31, 2020.

Aperam had an operating income for the year ended December 31, 2020 of EUR 199 million compared to an operating income of EUR 207 million for the year ended December 31, 2019.

Financing costs including the FX and derivatives result for the year ended December 31, 2020 were positive at EUR 40 million, including cash cost of financing of EUR (11) million and exceptional interest income of EUR 66 million in Brazil for PIS/Cofins tax credits related to prior periods.

Income tax expense for the year ended December 31, 2020 was EUR (63) million.

The Company recorded a net income of EUR 175 million for the year ended December 31, 2020.

Cash flows from operations for the year ended December 31, 2020 were positive at EUR 303 million, despite a working capital increase of EUR 22 million. CAPEX for the year ended December 31, 2020 was EUR (109) million.

Free cash flow before dividend for the year 2020 amounted to EUR 195 million.

As of December 31, 2020, shareholders' equity was EUR 2,204 million and net financial debt was EUR 67 million (gross financial debt as of December 31, 2020 was EUR 425 million. Cash & cash equivalents were EUR 358 million).

Total cash returns to shareholders in 2020 amounted to EUR 139 million, consisting fully of dividends.

On June 30, 2020, Aperam strengthened its liquidity profile by closing an additional bank credit line for a total commitment of EUR 100 million valid until June 30, 2021. In the context of COVID-19 outbreak, this financing contract is guaranteed by the "*Office du Ducroire Luxembourg*".

On September 30, 2020, Aperam further strengthened its liquidity profile with the signature of a top-up financing contract where the EIB will make available to Aperam an amount of EUR 75 million, in addition to the outstanding loan of EUR 100 million, in relation to the financing of advanced stainless steel manufacturing technologies.

The Company had liquidity of EUR 833 million as of December 31, 2020, consisting of cash and cash equivalents of EUR 358 million and undrawn credit lines[5] of EUR 475 million.

Financial results analysis for the three-month period ending December 31, 2020

Sales for the fourth quarter of 2020 increased by 8.9% to EUR 916 million compared to EUR 841 million for the third quarter of 2020. Steel shipments remained stable at 431 thousand tonnes in the fourth quarter of 2020, compared to 432 thousand tonnes in the third quarter of 2020. Volumes in Europe picked up seasonally while they decreased seasonally in Brazil.

EBITDA increased during the quarter to EUR 159 million (including net exceptional gains of EUR 50 million made of PIS/Cofins tax credits related to prior periods recognized in Brazil for EUR 65 million, partly offset by social costs and restructuring charges related to asset optimization in Europe for EUR (15) million) from EUR 65 million for the third quarter of 2020. The improvement was based on a better mix in Brazil, higher capacity utilization in Europe paired with slightly higher prices, inventory valuation gains and cost improvement via the Leadership Journey®.

Depreciation, amortization and impairment were EUR (41) million for the fourth quarter of 2020.

Aperam had an operating income for the fourth quarter of 2020 of EUR 118 million, including net exceptional gains of EUR 50 million compared to an operating income of EUR 33 million for the previous quarter,.

Financing costs including the FX and derivatives result for the fourth quarter of 2020 were positive at EUR 42 million, including cash cost of financing of EUR (3) million and exceptional interest income of EUR 51 million in Brazil for PIS/Cofins tax credits related to prior periods.

Income tax expense for the fourth quarter of 2020 was EUR (58) million.

The Company recorded a net income of EUR 101 million for the fourth quarter of 2020.

Cash flows from operations for the fourth quarter of 2020 were positive at EUR 106 million, despite a working capital increase of EUR 6 million. CAPEX for the fourth quarter were EUR (19) million.

Free cash flow before dividend for the fourth quarter of 2020 amounted to EUR 88 million.

During the fourth quarter of 2020, the cash returns to shareholders amounted to EUR 35 million, consisting fully of dividend.

Operating segment results analysis

Stainless & Electrical Steel [(1)]

(in millions of Euros, unless otherwise stated)	Q4 20	Q3 20	Q4 19	12M 20	12M 19
Sales	774	664	808	2,897	3,352
Adjusted EBITDA	89	42	71	227	259
Exceptional items	50	—	16	50	16
EBITDA	139	42	87	277	275
Depreciation, amortisation & impairment	(34)	(26)	(34)	(118)	(123)
Operating income	105	16	53	159	152
Steel shipments (000t)	432	417	402	1,639	1,722
Average steel selling price (EUR/t)	1,723	1,536	1,843	1,705	1,879

(1) Amounts are shown prior to intra-group eliminations

The Stainless & Electrical Steel segment had sales of EUR 774 million for the fourth quarter of 2020. This represents a 17% increase compared to sales of EUR 664 million for the third quarter of 2020. Steel shipments during the fourth quarter were 432 thousand tonnes, an increase of 3.6% compared to shipments of 417 thousand tonnes during the previous quarter. Volumes benefitted from seasonal factors and the economic recovery in Europe while Brazil was seasonally weaker. Average steel selling prices for the Stainless & Electrical Steel segment increased by 12% compared to the previous quarter.

The segment had EBITDA of EUR 277 million (of which EUR 88 million from Europe, including EUR (13) million of social costs in France related to asset optimization and EUR 189 million from South America, including EUR 64 million due to PIS/Cofins tax credits related to prior periods and EUR (1) million of social costs in Brazil) for the year 2020 compared to EUR 275 million (of which EUR 150 million from Europe and EUR 125 million from South America, including exceptional gains of EUR 16 million in Brazil for PIS/Cofins tax credits related to prior periods) for the year 2019. Despite the COVID crisis, 2020 Adjusted EBITDA remained resilient at close to 90% of 2019, thanks to the successful implementation of the Top Line strategy and Leadership Journey® and higher earnings in Brazil. Negative effects in Europe where capacity utilization declined on the back of COVID related lower demand were compensated via cost variabilization, but also resulted in additional pricing pressure. Inventory valuation was negative.

The segment generated an EBITDA of EUR 139 million for the fourth quarter of 2020 compared to EUR 42 million for the third quarter of 2020. A strong product mix in Brazil was beneficial as were higher volumes in Europe and inventory valuation gains.

Depreciation, amortisation and impairment expense was EUR (34) million for the fourth quarter of 2020, including an impairment loss of EUR (4) million in Europe related to asset optimization.

The Stainless & Electrical Steel segment had an operating income of EUR 105 million for the fourth quarter of 2020 compared to an operating income of EUR 16 million for the third quarter of 2020.

Services & Solutions[1]

(in millions of Euros, unless otherwise stated)	Q4 20	Q3 20	Q4 19	12M 20	12M 19
Sales	381	372	382	1,513	1,773
Adjusted EBITDA	14	10	4	38	45
Exceptional items	1	—	1	1	1
EBITDA	15	10	5	39	46
Depreciation & amortisation	(3)	(3)	(5)	(13)	(13)
Operating income	12	7	—	26	33
Steel shipments (000t)	163	165	144	646	706
Average steel selling price (EUR/t)	2,224	2,184	2,470	2,242	2,381

(1) Amounts are shown prior to intra-group eliminations

The Services & Solutions segment had sales of EUR 381 million for the fourth quarter of 2020, representing an increase of 2.4% compared to sales of EUR 372 million for the third quarter of 2020. For the fourth quarter of 2020, steel shipments were 163 thousand tonnes compared to 165 thousand tonnes during the previous quarter. The Services & Solutions segment had higher average steel selling prices during the period compared to the previous period.

The segment recorded EBITDA of EUR 39 million for the year 2020, including EUR 1 million in Brazil due to PIS/Cofins tax credits related to prior periods, compared to EUR 46 million for the year 2019, including EUR 1 million in Brazil due to PIS/Cofins tax credits related to prior periods. The lower result was mainly attributable to a lower capacity utilization and negative inventory valuation which was not fully compensated by cost savings.

The segment generated EBITDA of EUR 15 million for the fourth quarter of 2020 compared to EBITDA of EUR 10 million in the third quarter of 2020. EBITDA increased mainly due to higher pricing, cost savings and an inventory valuation gain.

Depreciation and amortisation was EUR (3) million for the fourth quarter of 2020.

The Services & Solutions segment had an operating income of EUR 12 million for the fourth quarter of 2020 compared to an operating income of EUR 7 million for the third quarter of 2020.

Alloys & Specialties[1]

(in millions of Euros, unless otherwise stated)	Q4 20	Q3 20	Q4 19	12M 20	12M 19
Sales	103	111	160	511	597
EBITDA	15	10	14	45	50
Depreciation & amortisation	(2)	(3)	(1)	(9)	(8)
Operating income	13	7	13	36	42
Steel shipments (000t)	7	7	9	31	36
Average steel selling price (EUR/t)	15,122	16,320	16,384	16,061	15,949

(1) Amounts are shown prior to intra-group eliminations

The Alloys & Specialties segment had sales of EUR 103 million for the fourth quarter of 2020, representing a decrease of 7.2% compared to EUR 111 million for the third quarter of 2020. Steel shipments remained stable during the fourth quarter of 2020 at 7 thousand tonnes. Average steel selling prices were lower during the quarter.

The segment recorded EBITDA of EUR 45 million for the year 2020 compared to EUR 50 million for the year 2019. The decrease is mainly attributable to lower volumes which more than compensated cost savings through the Leadership Journey®, price improvements and a positive contribution from inventory valuation.

The Alloys & Specialties segment achieved EBITDA of EUR 15 million for the fourth quarter of 2020 compared to EUR 10 million for the third quarter of 2020. The higher EBITDA was driven by a better mix, strict cost management and an inventory valuation gain.

Depreciation and amortisation expense for the fourth quarter of 2020 was EUR (2) million.

The Alloys & Specialties segment had an operating income of EUR 13 million for the fourth quarter of 2020 compared to an operating income of EUR 7 million for the third quarter of 2020.

Recent developments

- On December 9, 2020, Aperam announced its financial calendar for 2021.

- On December 11, 2020, Aperam announced, with reference to article 14 of the Luxembourg law and the Grand Ducal regulation of 11 January 2008, on transparency requirements for issuers of securities ("Transparency Law"), that the total number of voting rights and capital is available in the Luxembourg Stock Exchange's electronic database OAM on www.bourse.lu and on the company's website under Investors, Equity Investors, Share capital and voting rights.

New developments

- On February 10, 2021 Aperam announced its detailed dividend payment schedule for 2021. The Company proposes to maintain its base dividend at EUR 1.75 per share, subject to shareholder approval at the 2021 Annual General Meeting. The schedule is available on Aperam's website www.aperam.com under Investors > Equity Investors > Dividends.

Investor conference call / webcast

Aperam management will host a conference call / webcast for members of the investment community to discuss the fourth quarter 2020 and full year 2020 financial performance at the following time:

Date	New York	London	Luxembourg
Wednesday, February 10, 2021	09:30 am	2:30 pm	3:30 pm

Link to the webcast: https://channel.royalcast.com/landingpage/aperam/20210210_1/

The dial-in numbers for the call are: international +44 (0) 20 3003 2666 ; USA +1 212 999 6659. The conference password is Aperam.

A replay of the conference call will be available for one year at https://channel.royalcast.com/landingpage/aperam/20210210_1/

Contacts

Corporate Communications / Laurent Beauloye: +352 27 36 27 103
Investor Relations / Thorsten Zimmermann: +352 27 36 27 304

About Aperam

Aperam is a global player in stainless, electrical and specialty steel, with customers in over 40 countries. The business is organised in three primary operating segments: Stainless & Electrical Steel, Services & Solutions and Alloys & Specialties.

Aperam has a flat Stainless and Electrical steel capacity of 2.5 million tonnes in Brazil and Europe and is a leader in high value specialty products. In addition to its industrial network, spread over six production facilities in Brazil, Belgium and France, Aperam has a highly integrated distribution, processing and services network and a unique capability to produce stainless and special steels from low cost biomass (charcoal made from its own FSC-certified forestry).

In 2020, Aperam had sales of EUR 3,624 million and steel shipments of 1.68 million tonnes.

For further information, please refer to our website at www.aperam.com.

Forward-looking statements

This document may contain forward-looking information and statements about Aperam and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “target” or similar expressions. Although Aperam’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Aperam’s securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of Aperam, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in Aperam’s filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier). Aperam undertakes no obligation to publicly update its forward-looking statements or information, whether as a result of new information, future events, or otherwise. In particular, the length and severity of the recent COVID-19 (coronavirus) outbreak, including its impacts in the sector, macroeconomic conditions and in Aperam's principal local markets may cause our actual results to be materially different than those expressed in our forward-looking statements.

APERAM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in million of EURO)	December 31, 2020	September 30, 2020	December 31, 2019
ASSETS			
Cash & cash equivalents (C)	358	335	375
Inventories, trade receivables and trade payables	616	608	655
Prepaid expenses and other current assets	151	78	84
Total Current Assets & Working Capital	**1,125**	**1,021**	**1,114**
Goodwill and intangible assets	429	426	479
Property, plant and equipment (incl. Biological assets)	1,522	1,502	1,653
Investments in associates, joint ventures and other	2	4	4
Deferred tax assets	94	116	128
Other non-current assets	83	51	81
Total Assets (net of Trade Payables)	**3,255**	**3,120**	**3,459**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term debt and current portion of long-term debt (B)	53	77	85
Accrued expenses and other current liabilities	317	282	263
Total Current Liabilities (excluding Trade Payables)	**370**	**359**	**348**
Long-term debt, net of current portion (A)	372	369	365
Deferred employee benefits	148	145	146
Deferred tax liabilities	117	120	130
Other long-term liabilities	44	41	52
Total Liabilities (excluding Trade Payables)	**1,051**	**1,034**	**1,041**
Equity attributable to the equity holders of the parent	2,200	2,082	2,414
Non-controlling interest	4	4	4
Total Equity	**2,204**	**2,086**	**2,418**
Total Liabilities and Shareholders' Equity (excluding Trade Payables)	**3,255**	**3,120**	**3,459**
Net Financial Debt (D = A+B-C)	**67**	**111**	**75**

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Sales	**916**	**841**	**1,000**	**3,624**	**4,240**
Adjusted EBITDA (E = C-D)	**109**	**65**	**85**	**293**	**340**
Adjusted EBITDA margin (%)	*11.9%*	*7.7%*	*8.5%*	*8.1%*	*8.4%*
Exceptional items (D)	50	—	17	50	17
EBITDA (C = A-B)	**159**	**65**	**102**	**343**	**357**
EBITDA margin (%)	*17.4%*	*7.7%*	*10.2%*	*9.5%*	*8.4%*
Depreciation, amortisation & impairment (B)	(41)	(32)	(43)	(144)	(150)
Operating income (A)	**118**	**33**	**59**	**199**	**207**
Operating margin (%)	*12.9%*	*3.9%*	*5.9%*	*5.5%*	*4.9%*
Result from associates and other investments	(1)	—	—	(1)	1
Financing costs, (net)	42	(4)	(2)	40	(23)
Income before taxes	**159**	**29**	**57**	**238**	**185**
Income tax expense	(58)	(5)	(28)	(63)	(37)
Effective tax rate %	*35.8%*	*16.0%*	*50.4%*	*26.2%*	*20.2%*
Net income attributable to equity holders of the parent	**101**	**24**	**29**	**175**	**148**
Basic earnings per share (EUR)	1.26	0.30	0.36	2.19	1.82
Diluted earnings per share (EUR)	1.26	0.30	0.36	2.19	1.82
Weighted average common shares outstanding (in thousands)	79,895	79,816	79,818	79,836	81,172
Diluted weighted average common shares outstanding (in thousands)	80,204	80,125	80,078	80,145	81,432

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Operating income	**118**	**33**	**59**	**199**	**207**
Depreciation, amortisation & impairment	41	32	43	144	150
Change in working capital	(6)	42	70	(22)	81
Income tax paid	(1)	(2)	(6)	(4)	(5)
Interest paid, (net)	(1)	(4)	(1)	(7)	(5)
Other operating activities (net)	(45)	(24)	(3)	(7)	(28)
Net cash provided by operating activities (A)	**106**	**77**	**162**	**303**	**400**
Purchase of PPE, intangible and biological assets (CAPEX)	(19)	(22)	(52)	(109)	(151)
Other investing activities (net)	1	—	30	1	32
Net cash used in investing activities (B)	**(18)**	**(22)**	**(22)**	**(108)**	**(119)**
Proceeds (payments) from payable to banks and long term debt	(29)	59	(84)	(37)	139
Purchase of treasury stock (share buy back)	—	—	—	—	(93)
Dividends paid	(35)	(35)	(35)	(139)	(142)
Other financing activities (net)	(2)	(2)	(3)	(9)	(8)
Net cash used in financing activities	**(66)**	**(22)**	**(122)**	**(185)**	**(104)**
Effect of exchange rate changes on cash	1	(5)	—	(27)	(1)
Change in cash and cash equivalent	**23**	**72**	**18**	**(17)**	**176**
Free cash flow before dividend and share buy-back (C = A+B)	**88**	**55**	**140**	**195**	**281**

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	December 31, 2020	September 30, 2020	June 30, 2020
Frequency Rate	1.4	1.9	0.6

Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors.

Appendix 1b - Key operational and financial information

Year Ending December 31, 2020	Stainless & Electrical Steel[a,b]	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	1,639	646	31	(639)	1,677
Average steel selling price (EUR/t)	1,705	2,242	16,061		2,096
Financial information (EURm)					
Sales	2,897	1,513	511	(1,297)	3,624
Adjusted EBITDA	227	38	45	(17)	293
Exceptional items	50	1	—	(1)	50
EBITDA	277	39	45	(18)	343
Depreciation, amortisation & impairment	(118)	(13)	(9)	(4)	(144)
Operating income / (loss)	159	26	36	(22)	199

Note a: Stainless & Electrical Steel shipments of 1,639kt of which 591kt were from South America and 1,048kt were from Europe
Note b: Stainless & Electrical Steel EBITDA of EUR 277m of which EUR 189m were from South America and EUR 88m were from Europe

Year Ending December 31, 2019	Stainless & Electrical Steel[a,b]	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	1,722	706	36	(678)	1,786
Average steel selling price (EUR/t)	1,879	2,381	15,949		2,297
Financial information (EURm)					
Sales	3,352	1,773	597	(1,482)	4,240
Adjusted EBITDA	259	45	50	(14)	340
Exceptional items	16	1	—	—	17
EBITDA	275	46	50	(14)	357
Depreciation, amortisation & impairment	(123)	(13)	(8)	(6)	(150)
Operating income / (loss)	152	33	42	(20)	207

Note a: Stainless & Electrical Steel shipments of 1,722kt of which 609kt were from South America and 1,113kt were from Europe
Note b: Stainless & Electrical Steel EBITDA of EUR 275m of which EUR 125m were from South America and EUR 150m were from Europe

Quarter Ending December 31, 2020	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	432	163	7	(171)	431
Average steel selling price (EUR/t)	1,723	2,224	15,122		2,049
Financial information (EURm)					
Sales	774	381	103	(342)	916
Adjusted EBITDA	89	14	15	(9)	109
Exceptional items	50	1	—	(1)	50
EBITDA	139	15	15	(10)	159
Depreciation, amortisation & impairment	(34)	(3)	(2)	(2)	(41)
Operating income / (loss)	105	12	13	(12)	118

Quarter Ending September 30, 2020	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
Operational information					
Steel Shipment (000t)	417	165	7	(157)	432
Average steel selling price (EUR/t)	1,536	2,184	16,320		1,890
Financial information (EURm)					
Sales	664	372	111	(306)	841
EBITDA	42	10	10	3	65
Depreciation & amortisation	(26)	(3)	(3)	—	(32)
Operating income	16	7	7	3	33

Appendix 2 – Terms and definitions

Unless indicated otherwise, or the context otherwise requires, references in this earnings release report to the following terms have the meanings set out next to them below:

Adjusted EBITDA: operating income before depreciation, amortization and impairment expenses and exceptional items.
Adjusted EBITDA/tonne: calculated as Adjusted EBITDA divided by total steel shipments.
Average steel selling prices: calculated as steel sales divided by steel shipments.
Cash and cash equivalents: represents cash and cash equivalents, restricted cash and short-term investments.
CAPEX: relates to capital expenditures and is defined as purchase of tangible assets, intangible assets and biological assets.
EBITDA: operating income before depreciation, amortisation and impairment expenses.
EBITDA/tonne: calculated as EBITDA divided by total steel shipments.
Exceptional items: consists of (i) inventory write-downs equal to or exceeding 10% of total related inventories values before write-down at the considered quarter end (ii) restructuring (charges)/gains equal to or exceeding EUR 10 million for the considered quarter, (iii) capital (loss)/gain on asset disposals equal to or exceeding EUR 10 million for the considered quarter or (iv) other non-recurring items equal to or exceeding EUR 10 million for the considered quarter.
Financing costs: Net interest expense, other net financing costs and foreign exchange and derivative results.
Free cash flow before dividend and share buy-back: net cash provided by operating activities less net cash used in investing activities.
Gross financial debt: long-term debt plus short-term debt.
Liquidity: Cash and cash equivalent and undrawn credit lines.
LTI frequency rate: Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors.
Net financial debt: long-term debt, plus short-term debt less cash and cash equivalents.
Net financial debt/EBITDA or Gearing: Refers to Net financial debt divided by last twelve months EBITDA calculation.
Shipments: information at segment and group level eliminates inter-segment shipments (which are primarily between Stainless & Electrical Steel and Services & Solutions) and intra-segment shipments, respectively.
Working capital: trade accounts receivable plus inventories less trade accounts payable.

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[1] The financial information in this press release and Appendix 1 has been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards ("IFRS") as adopted in the European Union. While the interim financial information included in this announcement has been prepared in accordance with IFRS applicable to interim periods, this announcement does not contain sufficient information to constitute an interim financial report as defined in International Accounting Standard 34, "Interim Financial Reporting". Unless otherwise noted the numbers and information in the press release have not been audited. The financial information and certain other information presented in a number of tables in this press release have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this press release reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers. This press release also includes Alternative Performance Measures ("APM" hereafter). The Company believes that these APMs are relevant to enhance the understanding of its financial position and provides additional information to investors and management with respect to the Company's financial performance, capital structure and credit assessment. These non-GAAP financial measures should be read in conjunction with and not as an alternative for, Aperam's financial information prepared in accordance with IFRS. Such non-GAAP measures may not be comparable to similarly titled measures applied by other companies. The APM's used are defined under Appendix 2 "Terms & definitions".
[2] Net exceptional gain of EUR 50 million in 2020 related to PIS/Cofins tax credits related to prior periods recognized in Brazil for EUR 65 million, partly offset by social costs and restructuring charges related to asset optimization in Europe for EUR (15) million.
[3] Exceptional gain of EUR 17 million in 2019 related to PIS/Cofins tax credits related to prior periods recognized in Brazil.
[4] The Leadership Journey® is an initiative launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement. The fourth phase of the Leadership Journey® is targeting EUR 150 million gains for the period 2021 - 2023 via a combination of cost, growth and mix improvement measures.
[5] Includes a revolving credit facility of EUR 300 million, a short term bank credit line of EUR 100 million and a top-up financing contract with EIB of EUR 75 million.
[6] Used for project evaluation