

Third quarter 2016

November 7th, 2016

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Disclaimer



Forward-Looking Statements

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

Introduction & overview



Highlights:

- Health and Safety frequency rate of 1.8x in Q3 2016 compared to 2.1x in Q2 2016
- Shipments of 457 thousand tonnes in Q3 2016, compared to shipments of 520 thousand tonnes in Q2 2016.
- EBITDA of USD 124 million in Q3 2016, compared to EBITDA of USD 123 million in Q2 2016
- Record Q3 net income of USD 54 million in Q3 2016, compared to a net income of USD 53 million in Q2 2016
- Basic earnings per share of USD 0.69 in Q3 2016, compared to basic earnings per share of USD 0.68 in Q2 2016
- Cash flow from operations amounted to USD 103 million in Q3 2016, compared to cash flow from operations of USD 112 million in Q2 2016
- Record Q3 free cash flow before dividend of USD 70 million in Q3 2016, compared to free cash flow before dividend of USD 87 million in Q2 2016
- Net debt of USD 241 million as of September 30, 2016, representing a gearing of 10% compared to a net debt of USD 280 million as of June 30, 2016

Prospects:

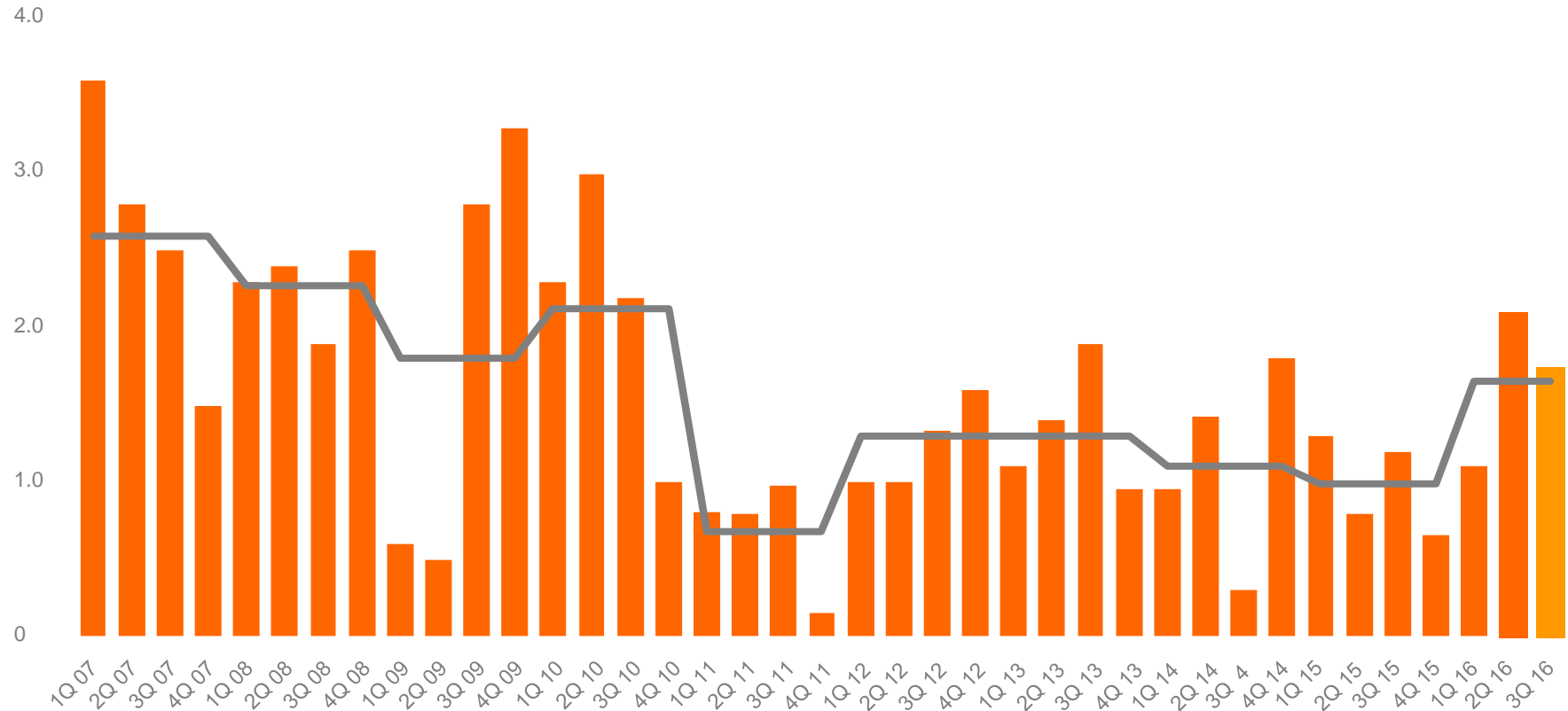
- EBITDA in Q4 2016 is expected to slightly increase compared to EBITDA in Q3 2016
- Net debt to decrease in Q4 2016

“Despite the traditional seasonal effect and slow ramp up post annual maintenance, Aperam continues to improve its performance, delivering the best net income and free cash flow in a third quarter since its inception.”

Health & Safety Performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 1.8x in Q3 2016

* WorldSteel-standard: Fr = lost time Injuries per 1.000.000 worked hours; based on own personnel and contractors

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Environment and markets

Environment and markets

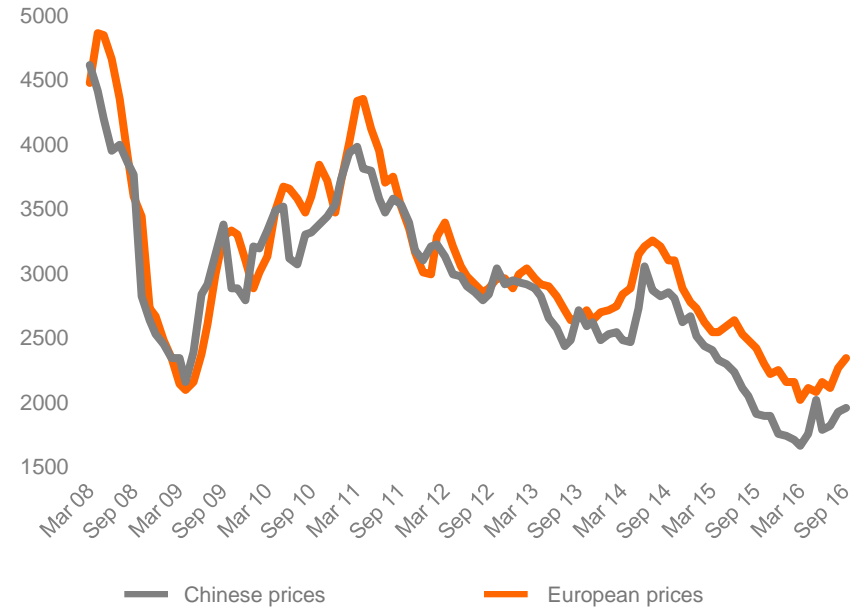
Stainless steel prices



Nickel - LME Cash*
(USD/t)



Chinese versus European CR 304 2B 2mm coil transaction price*
(USD/t)



Stainless steel selling prices have continued to recover throughout Q3

*Source: SBB/Platts

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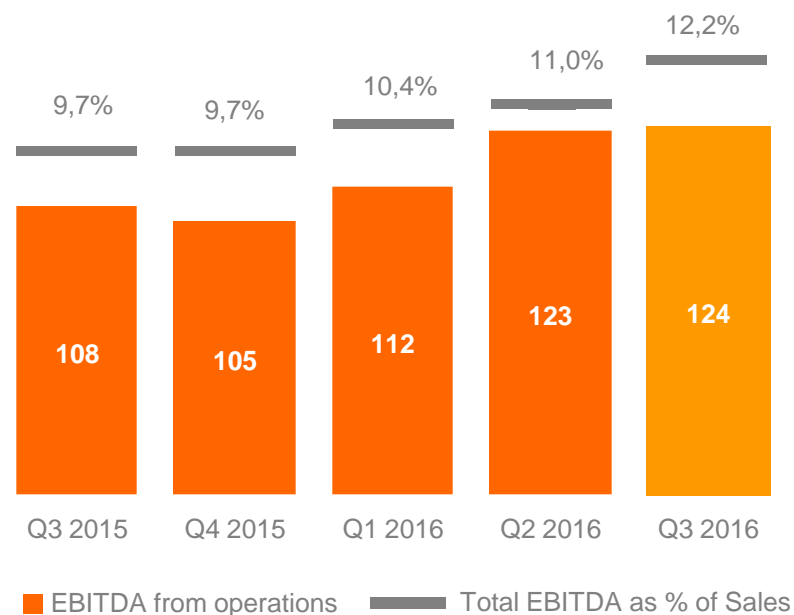
Performance and prospects

Performance and prospects

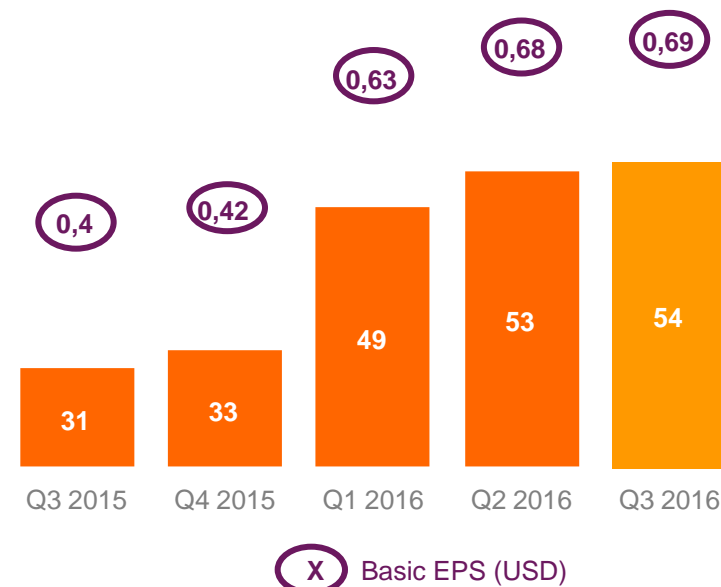
Solid evolution of profitability



Quarterly EBITDA evolution (USD m.)



Quarterly Net income evolution (USD m.)



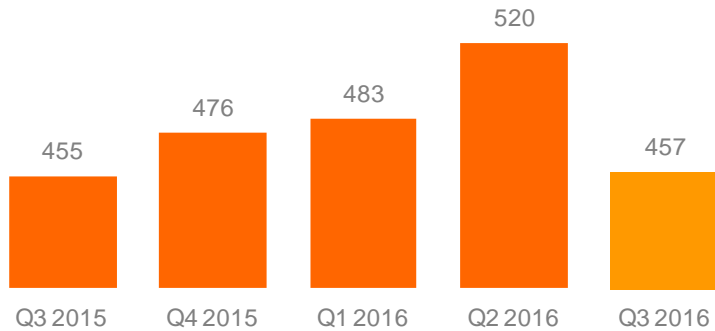
Despite the European seasonal effects, Aperam continues to improve its profitability with EBITDA margin increasing to 12.2%

Performance and prospects

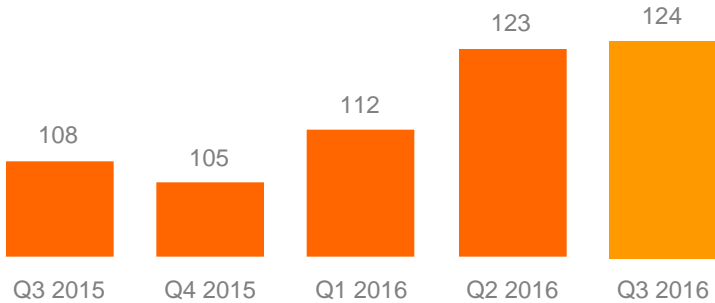
Third quarter operating performance



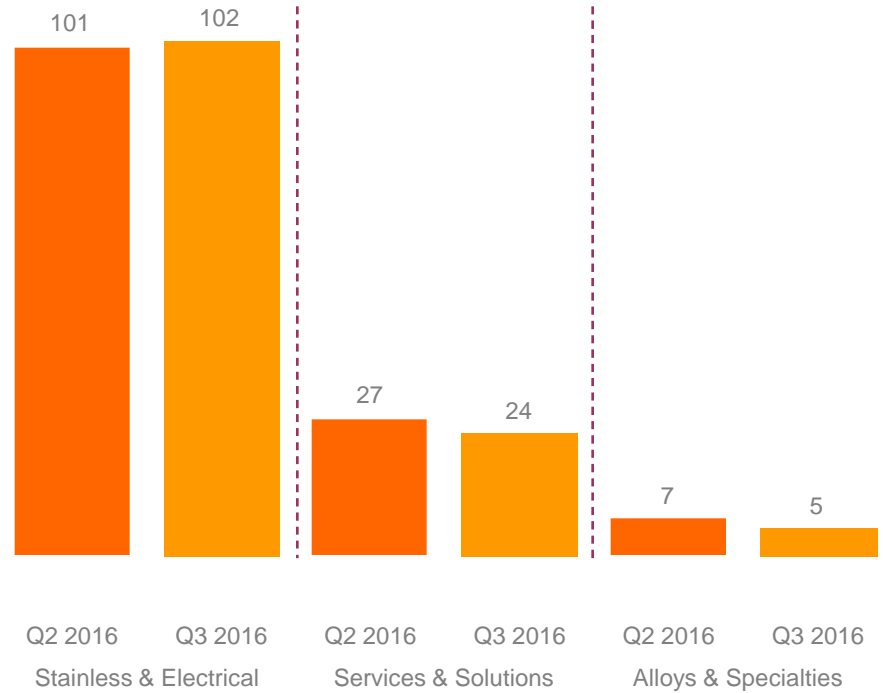
Shipments ('000t)



EBITDA (USD million)



Q3 2016 EBITDA per division (USD million) ^[1]



EBITDA of 271 USD/t in Q3 2016 compared to 237 USD/t in Q2 2016

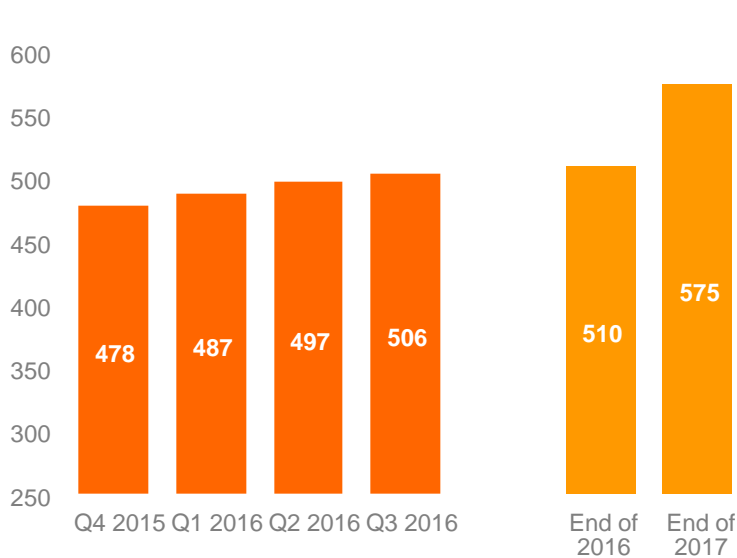
^[1] Difference with total Aperam's quarterly EBITDA comes from the Others & Eliminations.

Performance and prospects

Leadership Journey®



Cumulated gains (USD million)



Asset upgrade program launched on best performing assets

Tranche	Capex	Period	Status	
Tranche 1	USD52m of Capex	2014 – 2015	Completed ✓	
Tranche 2	USD30m of Capex	2015 – 2016	<ul style="list-style-type: none"> Productivity improvement of the downstream facilities in Genk (CAP2), Gueugnon (CAP10) and Timoteo (Sendzimir Mill #1). Upgrade of the Wire Rod mill in Imphy Upgrade of GO operations in Timoteo with development of HGO 	Completed ✓
			<ul style="list-style-type: none"> Breakthrough on productivity increase: <ul style="list-style-type: none"> ✓ Upgrading further CAP 2 in Genk ✓ Upgrading LC2i in Isbergues 	On track ✓
Tranche 3	USD30m of Capex	2015 – 2017	On track ✓	
			<ul style="list-style-type: none"> Efficiency and competitiveness improvement of the lines CR6 and BA8 in Gueugnon Upgrade of compact box annealing furnaces of the Wire Rod mill in Imphy 	On track ✓

Leadership Journey gains reached USD 506 million at the end of Q3 2016, well on track with the announced targets

Third quarter 2016



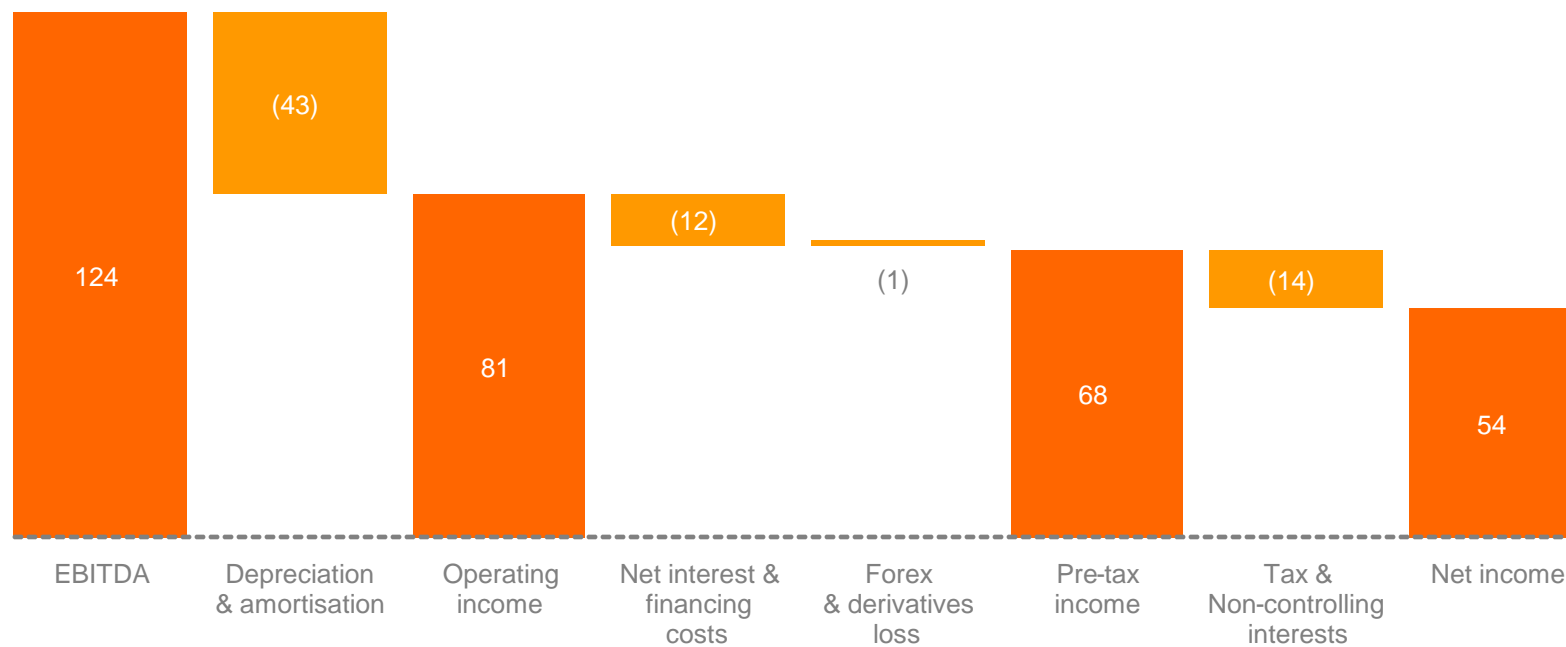
Financial results

Financial results

Third quarter P&L highlights



EBITDA to net income (USD million)



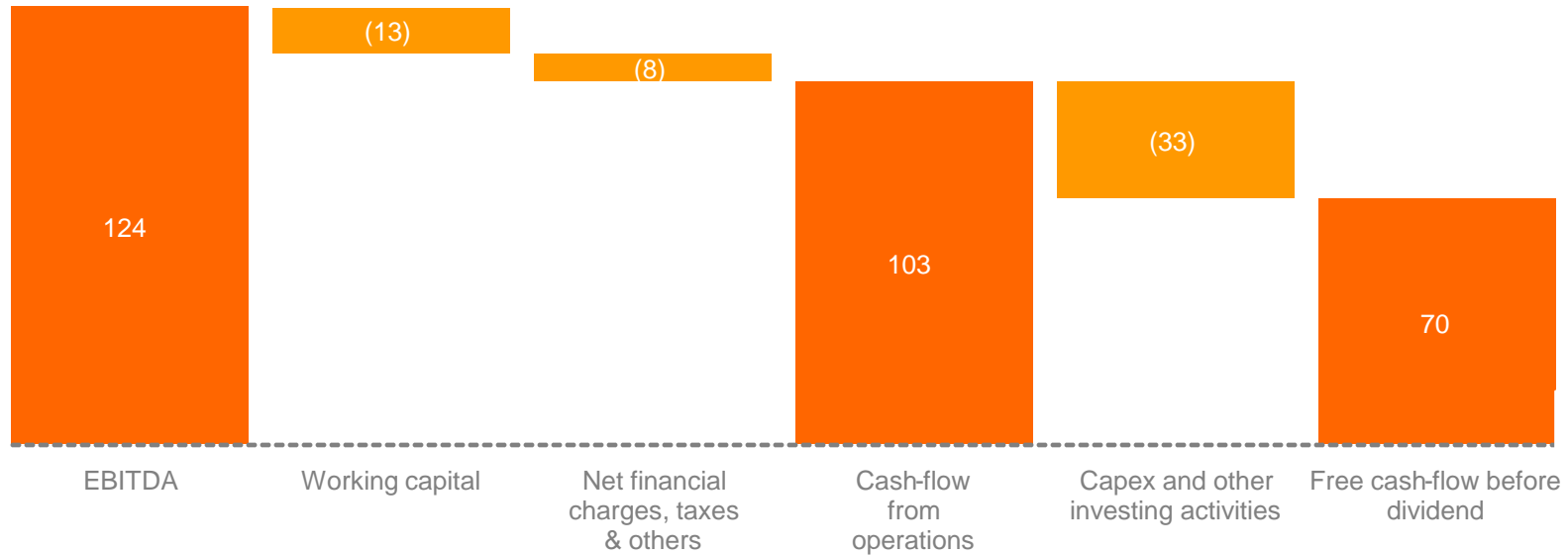
Record third quarter net income with basic EPS of USD 0.69

Financial results

Third quarter cash flow highlights



Free cash flow (USD million)



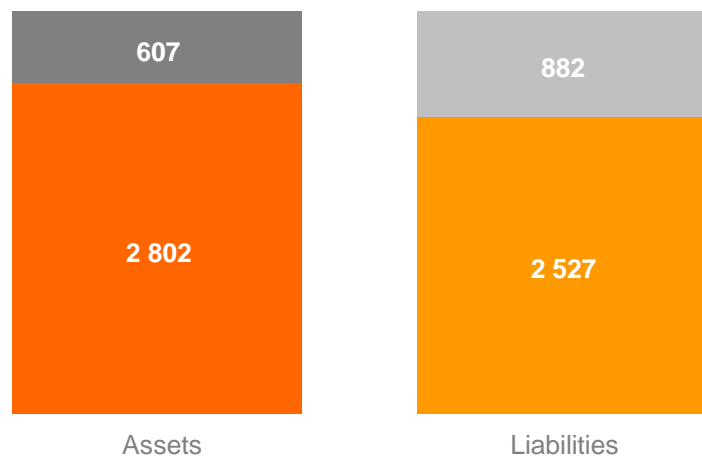
Record third quarter free cash flow generation since spin-off with USD 70 million

Financial results

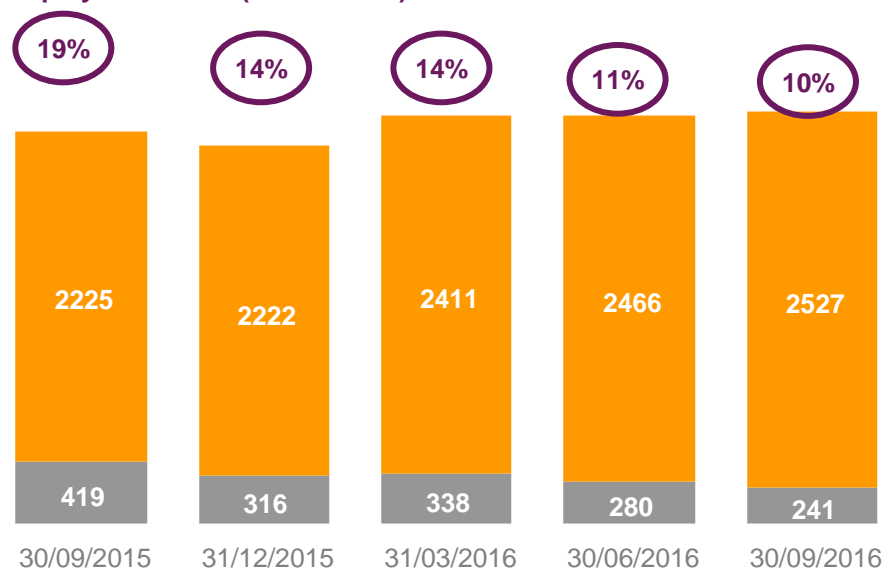
Third quarter balance sheet highlights



Assets & liabilities (USD million)



Equity & net debt (USD million)



■ Non-current assets ■ Shareholders' equity
■ Working capital ■ Other net liabilities

■ Net Debt ■ Equity x% Gearing

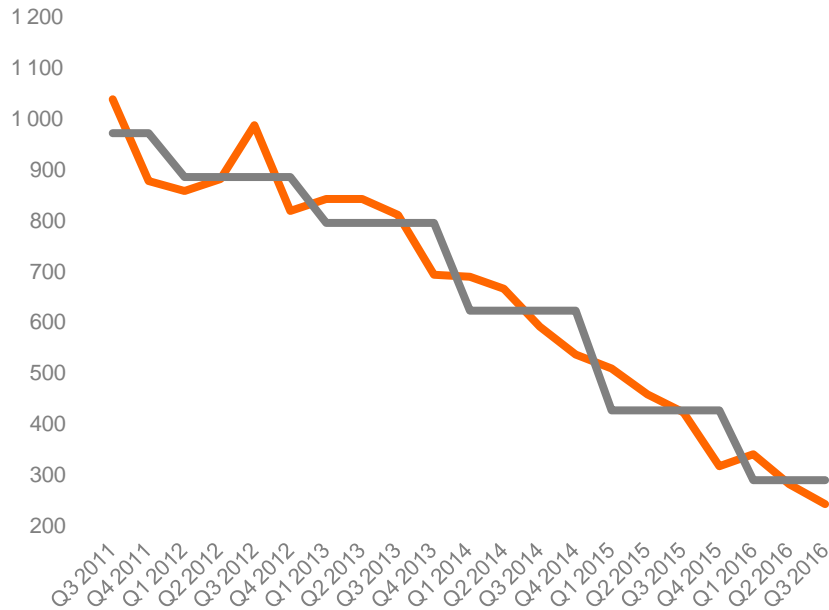
Very strong balance sheet with a gearing of 10% and net debt of USD 241 million

Financial results

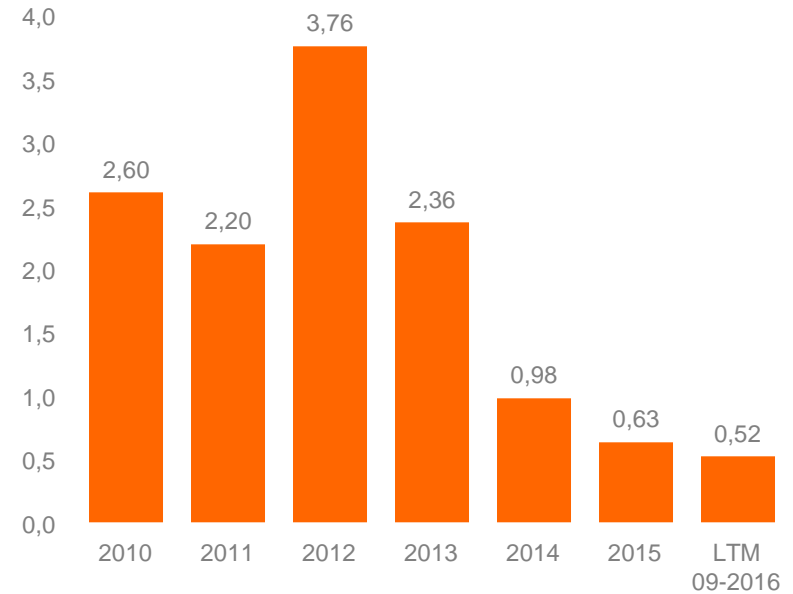
Balance sheet and financial ratios



Quarterly net debt evolution
(USD million)



Net debt to EBITDA (LTM)



Continuous cash flow generation further strengthening Aperam's debt ratio

Arc Iris, Waste Reception Center, Perpignan, France - © Luc Arsène-Henry Jr
Aperam Stainless Steel used: 316L, Uginox Top

