

First quarter 2017

May 11th, 2017

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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: LTI frequency rate of 1.1x in Q1 2017 compared to 0.8x in Q4 2016.
- Steel Shipments of 486 thousand tonnes in Q1 2017, a 7% increase compared to steel shipments of 457 thousand tonnes in Q4 2016.
- EBITDA of USD 171 million in Q1 2017, compared to USD 133 million in Q4 2016.
- Net income of USD 93 million in Q1 2017, compared to USD 58 million in Q4 2016.
- Basic earnings per share of USD 1.20 in Q1 2017, compared to USD 0.75 in Q4 2016.
- Cash flow from operations amounted to USD 27 million in Q1 2017, compared to USD 163 million in Q4 2016.
- Free cash flow before dividend and share buy-back of USD (15) million in Q1 2017, compared to USD 125 million in Q4 2016.
- Net debt of USD 220 million as of March 31, 2017, representing a gearing of 9% compared to a net debt of USD 154 million as of December 31, 2016, representing a gearing of 6%.

Prospects:

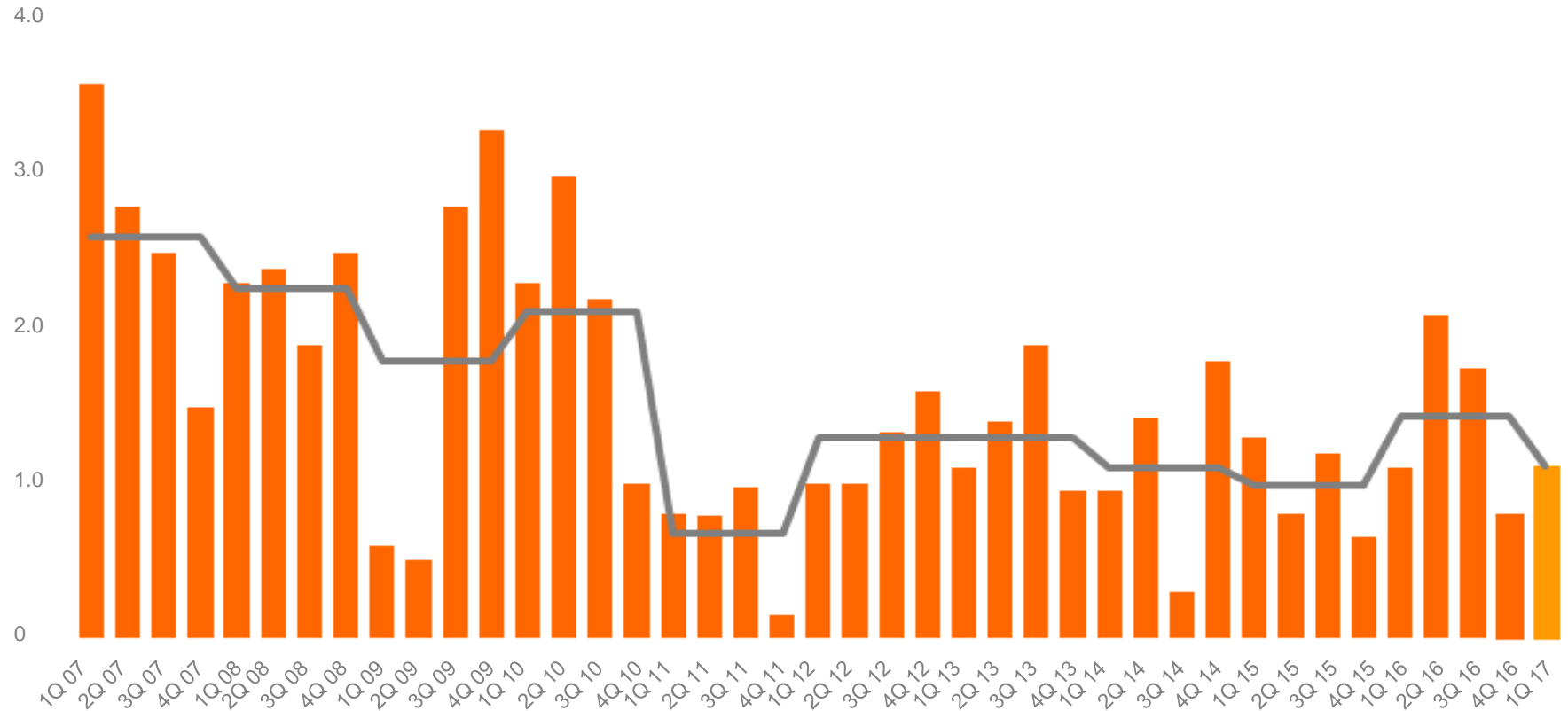
- EBITDA in Q2 2017 is expected to be comparable to EBITDA in Q1 2017.
- Net debt to be comparable in Q2 2017 compared to net debt in Q1 2017, post dividend and share buy-back effect.

“Despite the traditional seasonal effect in Brazil, Aperam releases record Q1 results since Aperam’s creation thanks to better market conditions and healthy real demand in Europe as well as the solid execution of its strategy.”

Health & Safety Performance



Lost Time Injury Frequency rate*



Health & Safety frequency rate of 1.1x in Q1 2017

* 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

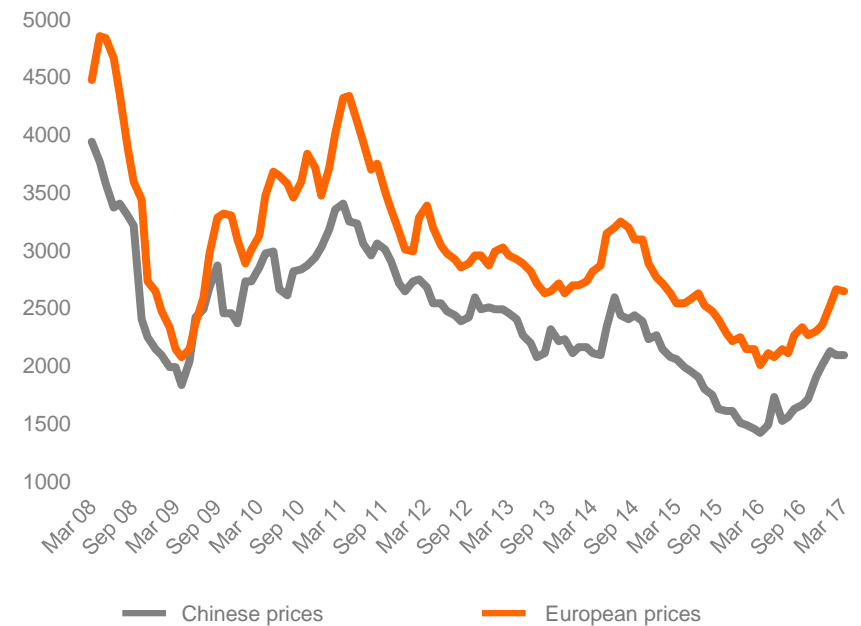
Stainless steel prices



Nickel - LME Cash (USD/t)



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



Stainless steel selling prices show sign of stabilisation following 3 consecutive quarters of recovery

Source: SBB/Platts
* Prices exclude VAT

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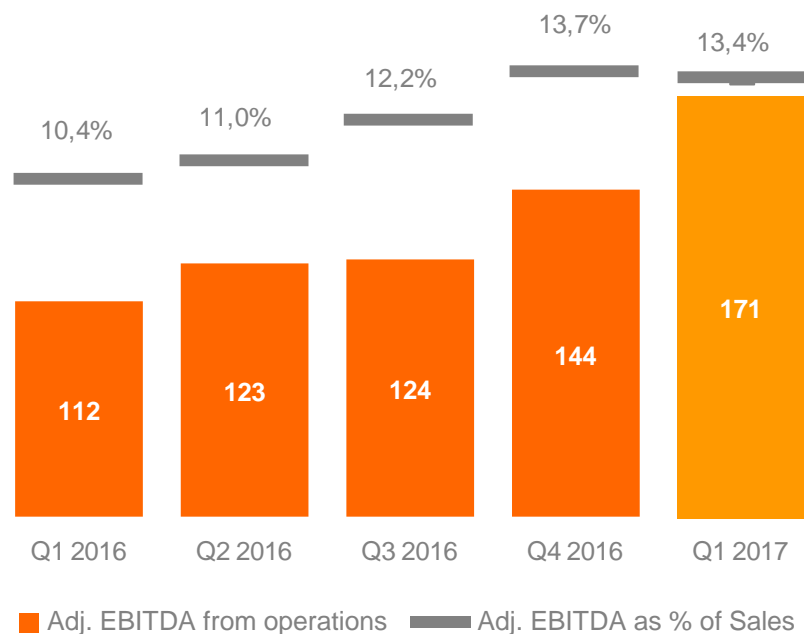
Performance and prospects

Financial results

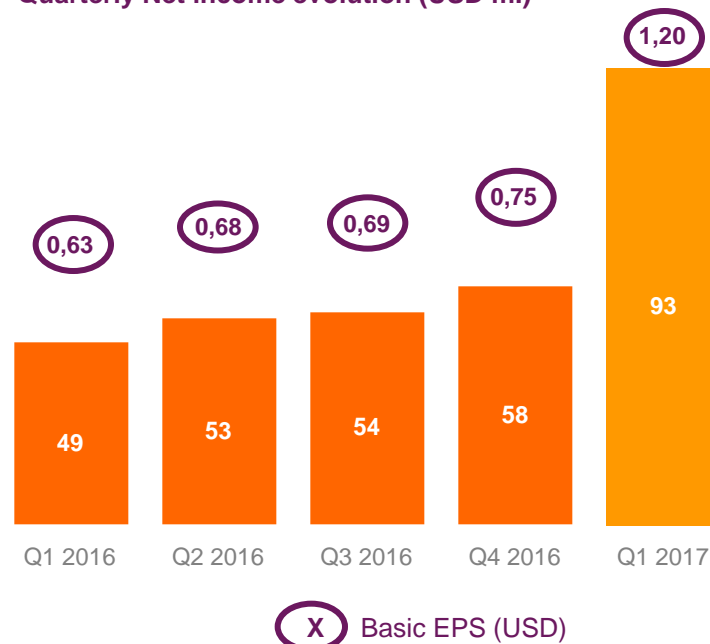
Solid evolution of profitability



Quarterly adjusted EBITDA^[1] evolution (USD m.)



Quarterly Net income evolution (USD m.)



Highest quarterly EBITDA and net income since the spin-off with profitability again above 13%

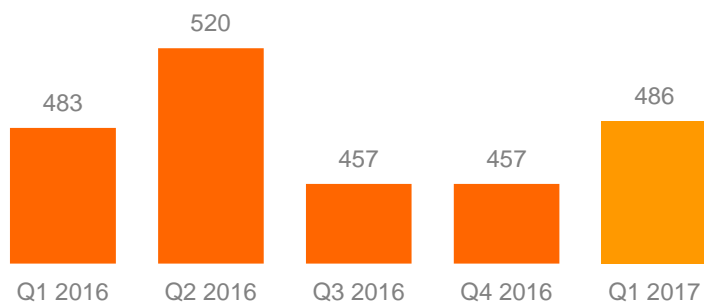
^[1] Adjusted EBITDA excludes a USD 11 million non-recurring charge related to the divestment of Aperam's French tubes subsidiary recorded in Q4 2016

Performance and prospects

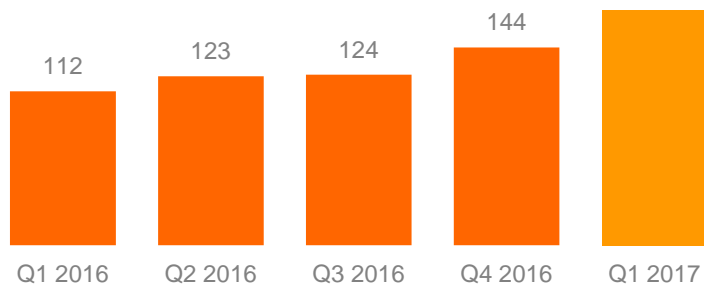
First quarter operating performance



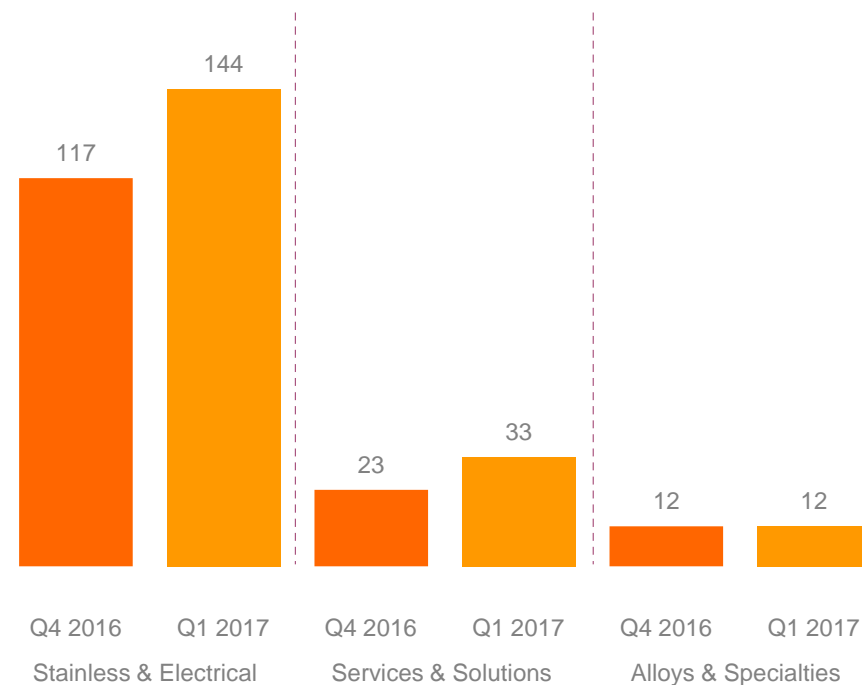
Shipments ('000t)



Adjusted EBITDA* (USD million)



Q1 2017 adjusted EBITDA* per division (USD million) ^[1]



EBITDA of 352 USD/t in Q1 2017 compared to 315 USD/t in Q4 2016

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

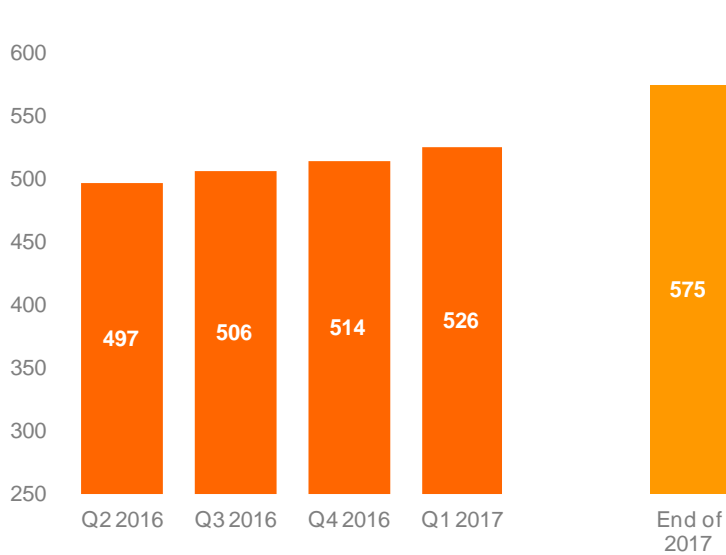
*Adjusted EBITDA excludes a USD 11 million non-recurring and non-cash charge related to the intended divestment of Aperam's French tube activities in Q4 2016

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	Completed
Tranche 3	USD30m of Capex	2015 – 2017	On track

- 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
- Breakthrough on productivity increase:
 - ✓ Upgrading further CAP 2 in Genk
 - ✓ Upgrading LC2i in Isbergues
- 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

Leadership Journey gains amounted to USD 526 million in Q1 2017, targeting USD 575 million by the end of 2017

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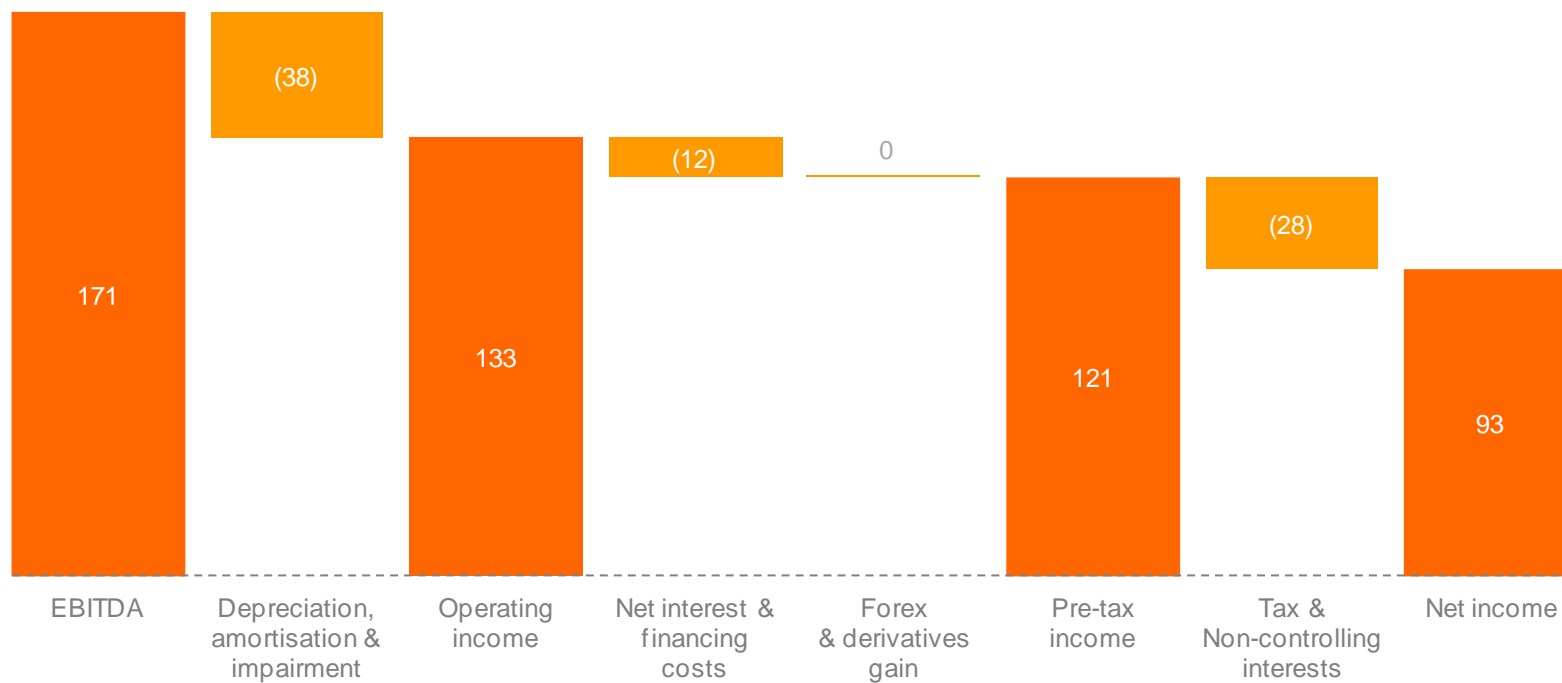
Financial results

Financial results

First quarter P&L highlights



EBITDA to net income (USD million)



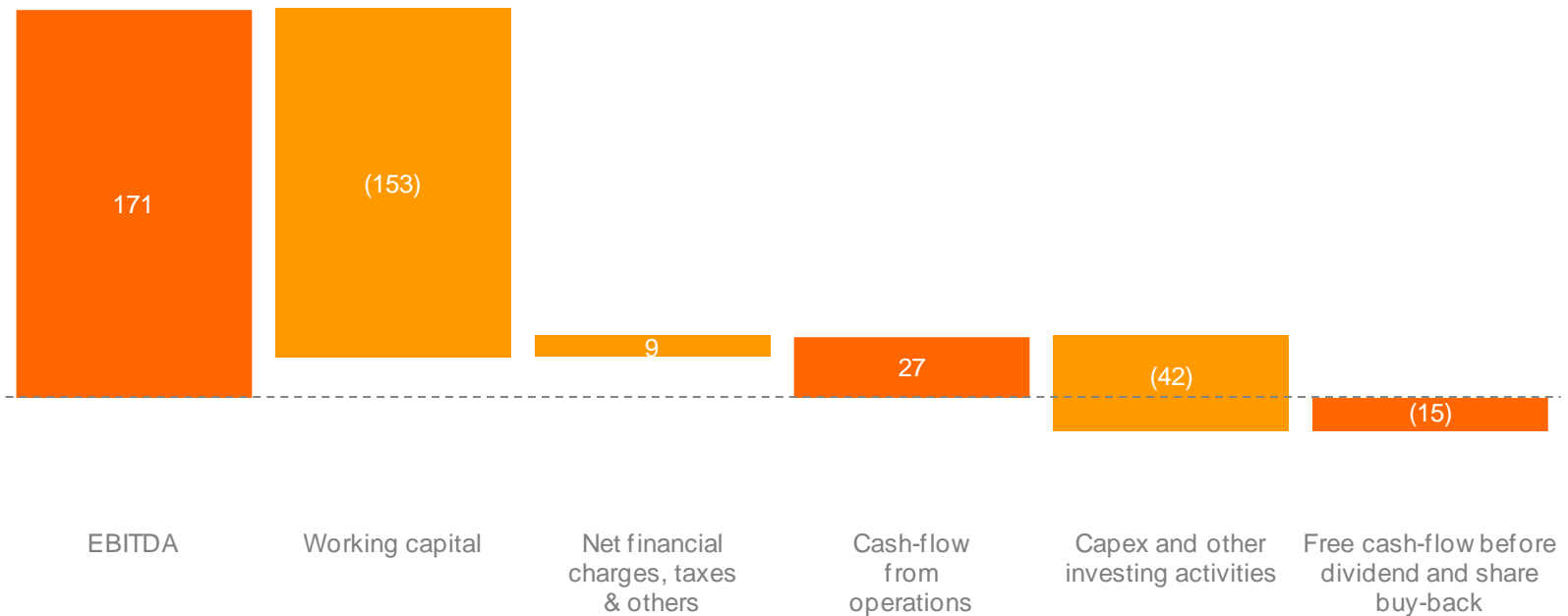
Record quarterly net income with basic EPS of USD 1.20

Financial results

First quarter cash flow highlights



Free cash flow (USD million)



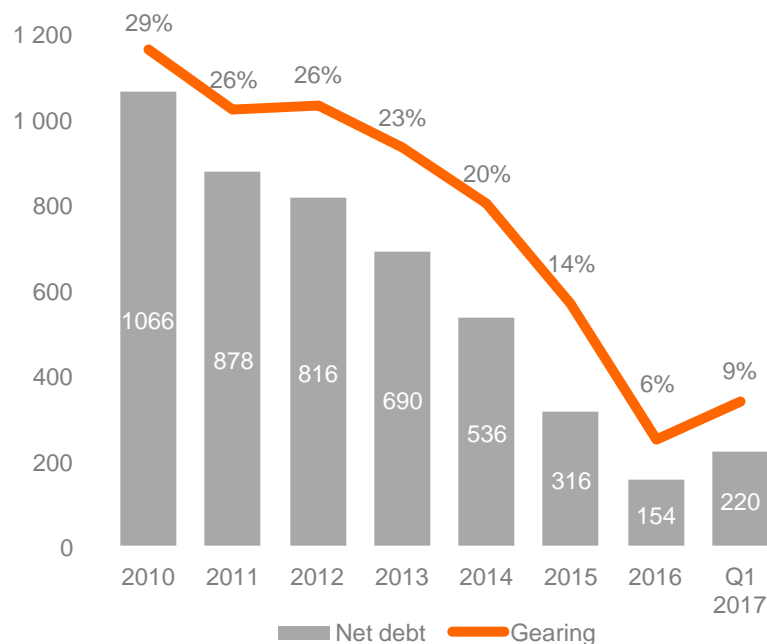
Cash flow from operations amounted to USD 27m despite significant working capital build-up

Financial results

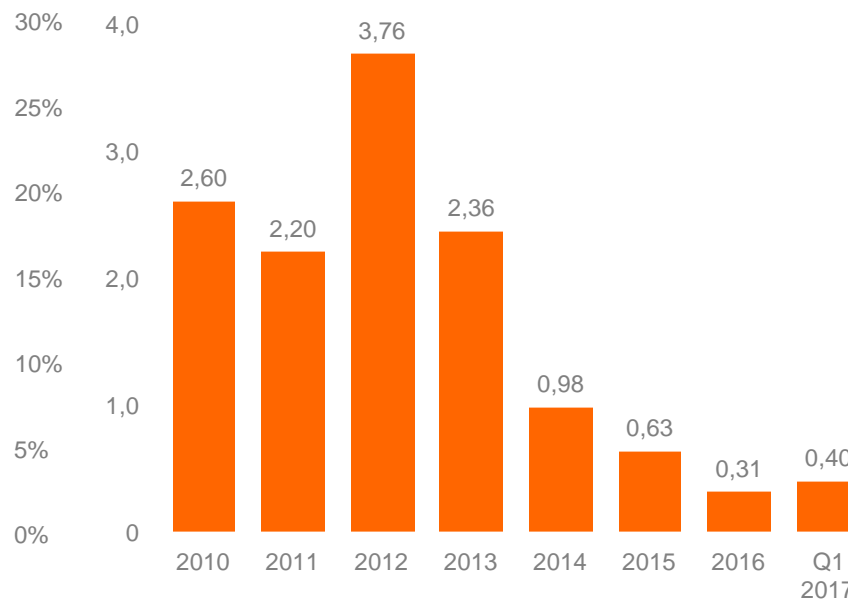
Net debt and financial ratios



Net debt and gearing^[1] evolution
(USD million)



Net Debt / EBITDA^[2] evolution



Strong and continuous focus on debt control

^[1] Debt Gearing defined as Net Debt divided by Equity.

^[2] Net Debt / EBITDA is equal to Net Debt at end of the years divided by last 12 month rolling EBITDA

First quarter 2017



Aperam's value proposition

Aperam value strategy

A solid and growing value, sustainably profitable



1. Attractive outlook

- Diminishing raw material advantages in China
- European stainless steel market restructured
- Tariff measures in both Brazil and Europe
- Brazilian growth potential

2. Cost leading footprint

- Optimized industrial footprint centrally located in Europe
- Unique and flexible asset base in South America
- Sustainable end-users focus

3. Solid execution

- Leadership Journey and Top Line contributions
- Strongest balance sheet and continuous cash generation
- Solid financial policy with progressive dividend
- Intention for payout to shareholders between 50 to 100% of EPS

Solid cash generator



Rotterdam Central, Pays Bas
Team CS: Benthem Crouwel Architecten, Amsterdam MVSA Meyer en Van
Schooten Architecten, A'dam West 8, Rotterdam © Jannes Linders
Nuance 316L d'aspect Uginox Mat

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Appendix

First quarter 2017

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Aperam's value strategy:

A customer driven
company focused on its
self-help story

Aperam value strategy



Unlocking value of Aperam’s best performing assets through the Leadership Journey®

Leadership Journey® initiatives: Enhancing the potential of best performing assets

- Restructuring**

Launched at the early stage of the program, the restructuring initiatives are focused on the closure or mothballing of non-competitive capacities and the reduction of fixed costs through, in particular, process simplification
- Cost cutting projects**

In parallel to the restructuring initiatives, major cost cutting investments have been launched with the goal to improve the industrial footprint and to reduce the number of tools.
- Performance projects & upgrading**

Several performance projects have been launched in order to reinforce the existing continuous improvement program and accelerate cost reduction. In particular, specific action plans have been implemented for sourcing, IT and SG&A.

Asset upgrade program launched on best performing assets

	Status
Tranche 1 USD52m of Capex 2014 – 2015 <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 High Grain Oriented (Electrical) 	<p>✓</p> <p>Completed</p>
Tranche 2 USD30m of Capex 2015 – 2016 <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 	<p>✓</p> <p>Completed</p>
Tranche 3 USD30m of Capex 2015 – 2017 <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 	<p>On track</p>

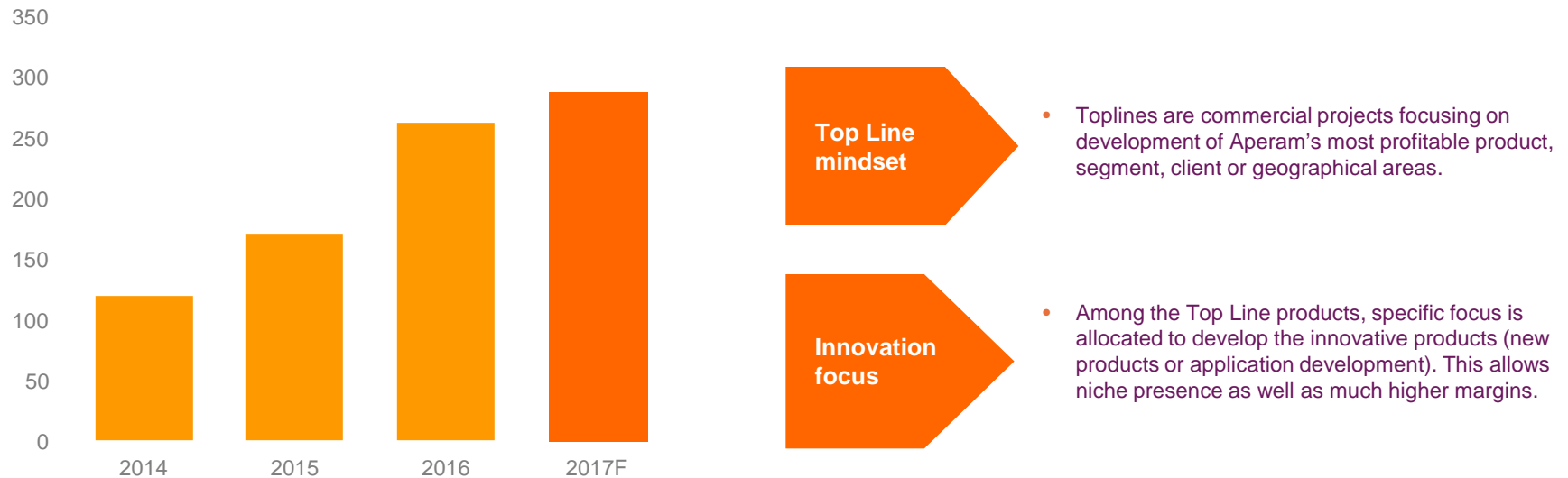
The Leadership Journey targets additional gains of USD 60 million over 2017

Aperam value strategy



Strengthening product and service differentiation through the Top Line strategy

Shipments of Top Line products developments in kT



Good progress on Top Line development and innovation plan to support European growth and mitigate the impact of the current Brazilian environment

Aperam value strategy



Leverage Aperam's unique position in Europe

European stainless steel industry footprint after restructuring



Key strengths of the European operations of Aperam

- Sourcing**
 - The only integrated upstream operations in the heart of Europe, with the best access to scrap supply
- Logistics**
 - Best location to serve the biggest consumption areas of Europe
 - Performant logistics between sites for a working capital management at the benchmark of the industry
- Production**
 - Full range of products
 - Flexibility and available capacity
 - A strategy to be a cost benchmark on the key products of Aperam

The closest location to the scrap generating regions in Europe as well as the major stainless consumers

Aperam value strategy

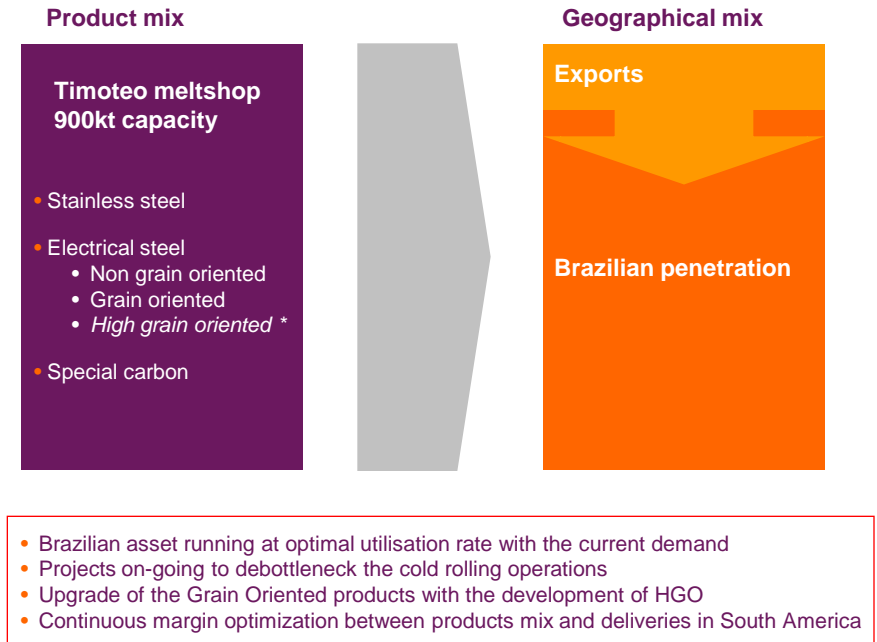


Optimise value creation in South America thanks to a perfectly adapted asset base and flexible sales management

Key pillars of the mitigation plan in Brazil



Aperam’s assets optimisation in South America



The mitigation plan put in place by Aperam South America has enabled to fully offset the negative impacts in 2016 and further develop loyalty of domestic customers

Aperam value strategy



A financial policy to maximize the long term growth of the company and the value accretion for its shareholders while maintaining a strong Balance Sheet consistent with Investment Grade Financial ratios.

	Financial Policy	2017
Company sustainability	Invest in sustaining and upgrading the company's assets base to continuously reinforce Leadership Journey and Top Line Strategy	CAPEX 2017 \$140m - \$150 m
Value Accretive Growth & M&A	Compelling Growth and M&A opportunities with high hurdle rate	Best positioned to explore M&A opportunities, incl. synergies focus
Dividend Policy	A base dividend, anticipated to progressively increase over time (as the company continues to benefit from its strategic actions and capture growth opportunities). The company targets a NFD/EBITDA ratio of <1x (through the cycle). In the (unlikely) event that NFD/EBITDA exceeds 1x then the company will review the dividend policy.	Dividend per share increase from USD1.25 to USD 1.50
Extra Cash Utilization	Remaining excess cash will be utilized in the most optimal way	Share buy back program up to USD 100 million.

Company declares its intention to maintain a total payout to shareholders between 50% to 100% of EPS