

**Site visit 2017 – Genk plant**

June 7<sup>th</sup>, 2017



apera

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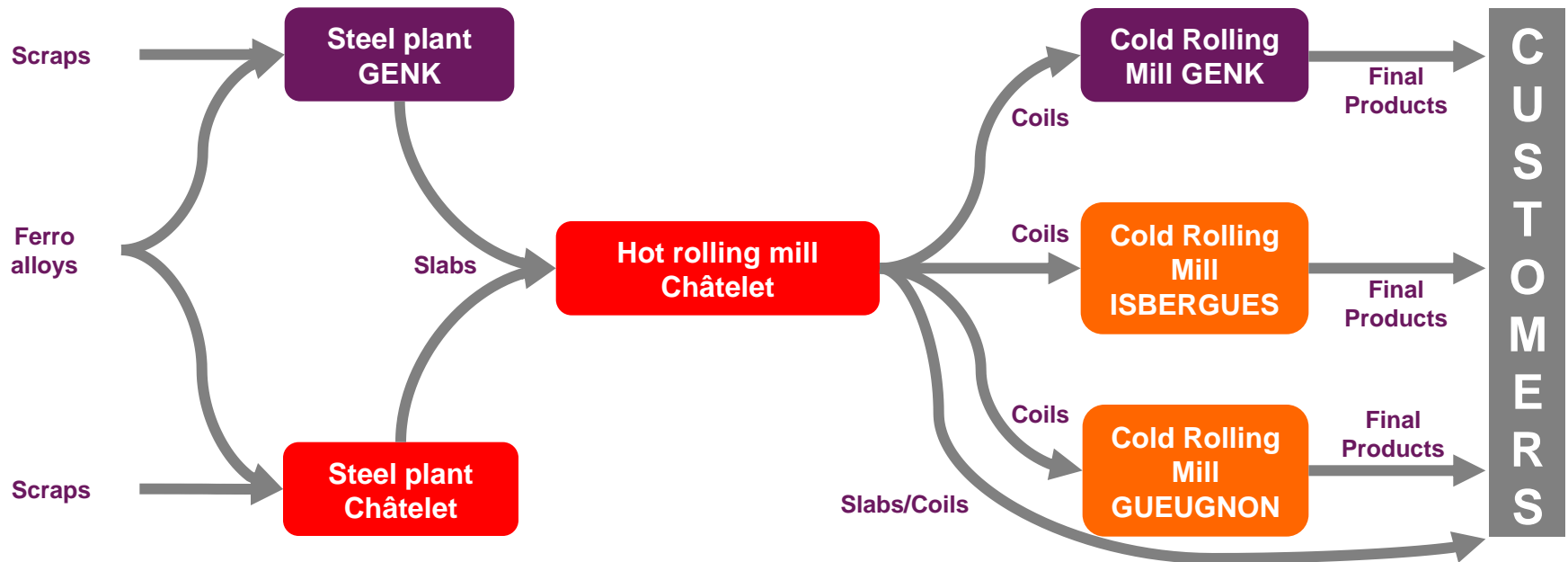
# Aperam Operations Europe

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## Material flows between Stainless Europe plants in Europe



Production flow of Aperam Stainless & Electrical division in Europe (excluding Precision)



Full ownership of the entire flow of the stainless steel production

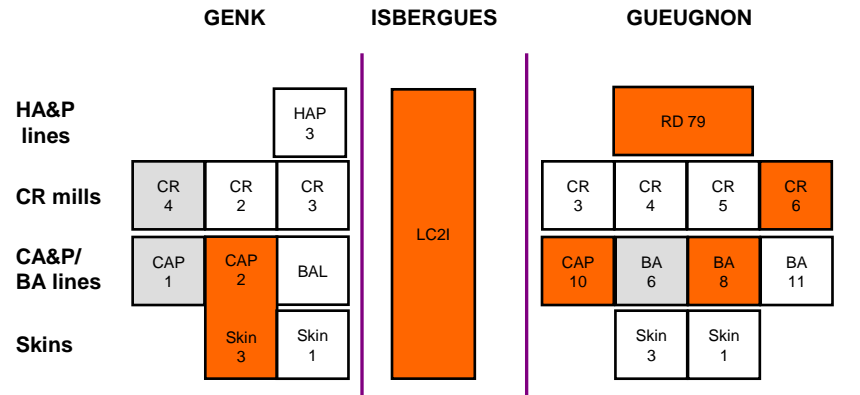
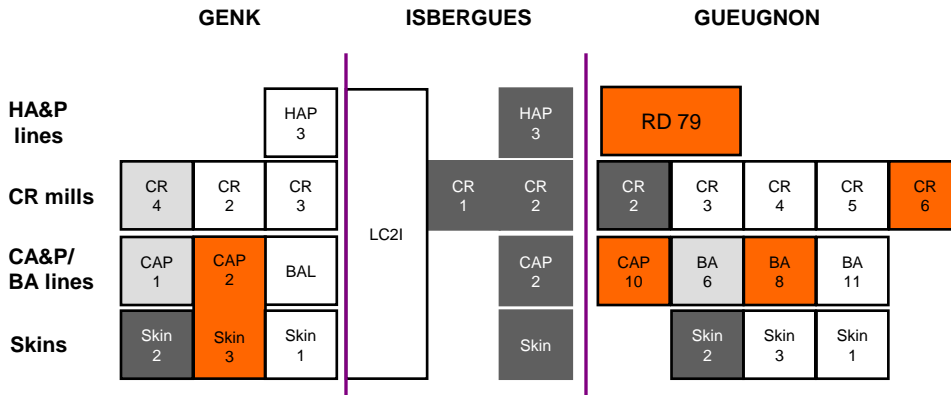
# Aperam Operations Europe

3 years of active restructuring for a footprint best in class



From 29 to 17 tools by focusing on the most efficient tools and investing “a state of the art” HAP line in Gueugnon

Focusing Capex on the most efficient tools and using swing tools to manage demand variation



**Core Markets**

- Capital goods, chemicals & energy
- Auto, distrib. & 1<sup>st</sup> transformation
- Decoration trim, heat exchanges & white goods

Suspension
  Swing
  Investment

Good loading of most efficient assets benefiting from well-advanced restructuring

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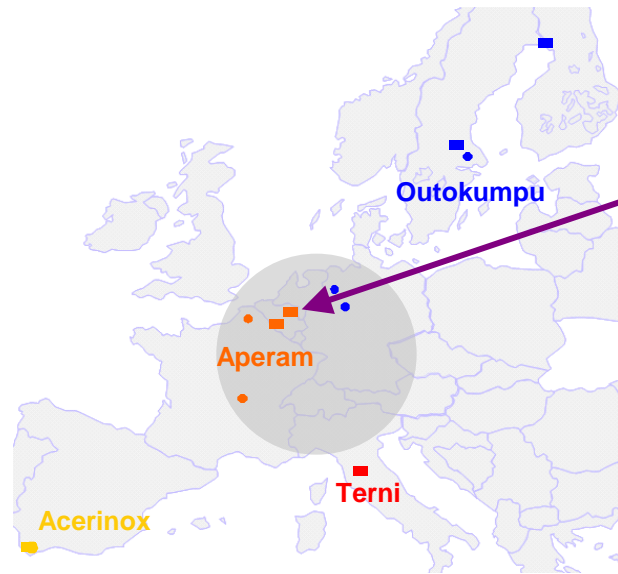
# Aperam Genk

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Genk: One site, two plants located in the heart of Europe



European stainless steel industry footprint



Genk plant



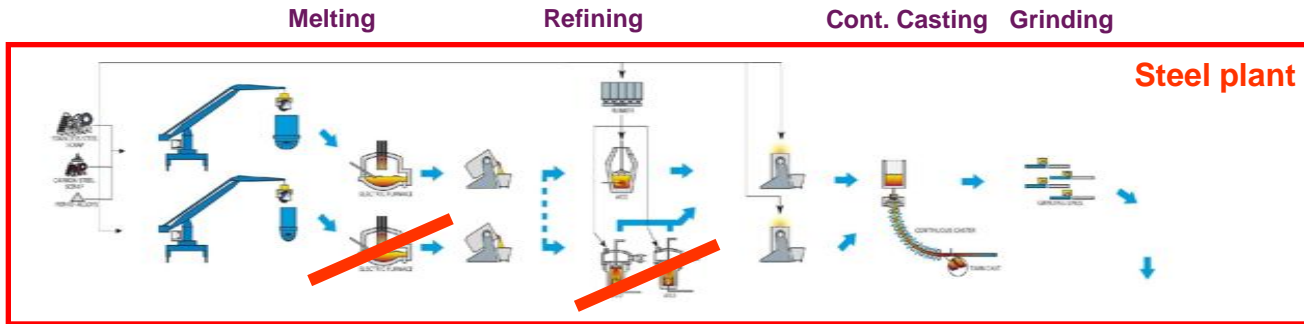
Ideally located at 2h drive from German Ruhr area - Europe's best customer market & scrap generation areas

# Aperam Genk

From scrap to finished product



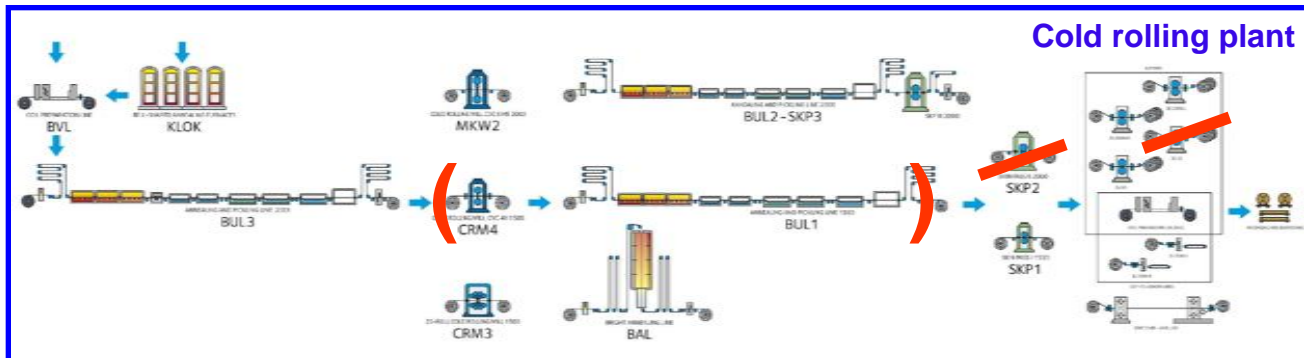
Genk



Hot rolling mill  
Châtelet



Genk



First A&P

Cold Rolling

Final A (&P)

Finishing (excl. SSC Benelux)

With Châtelet HRM, Genk is forming an integrated site to produce stainless steel flat products  
Finishing synergies have been developed with integrated SSC Benelux nearby the plant

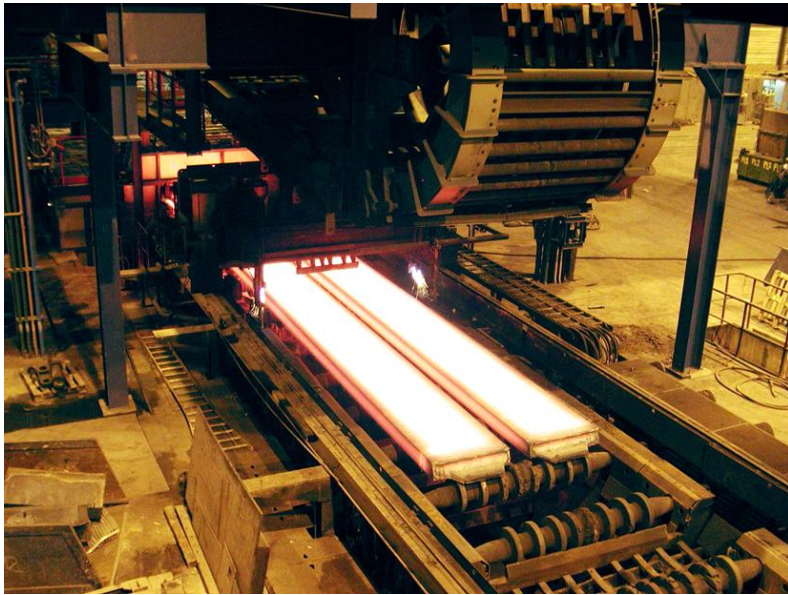


## Aperam Genk



Different worldwide process innovations have been introduced in Genk

Steel Plant – casting up to 2m and twin casting



Cold Rolling up to 2m at MKW2



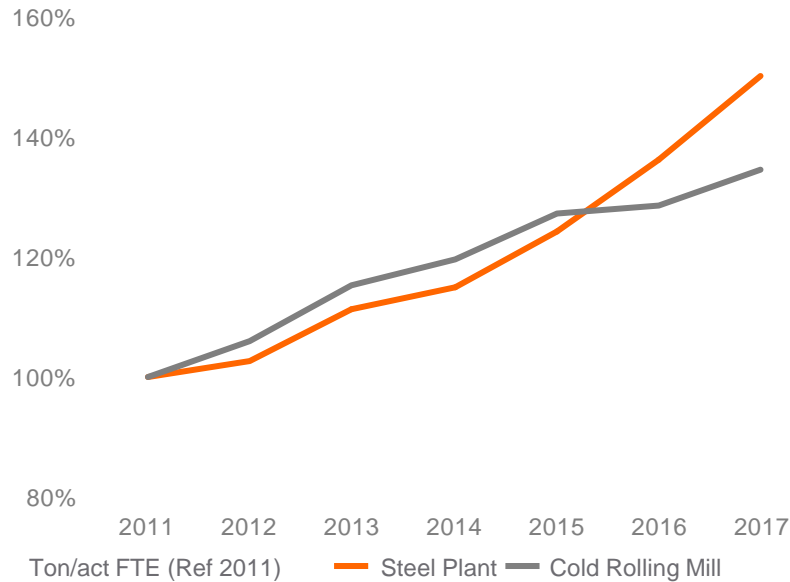
Most of the process equipments are at state-of-the-art productivity

# Aperam Genk



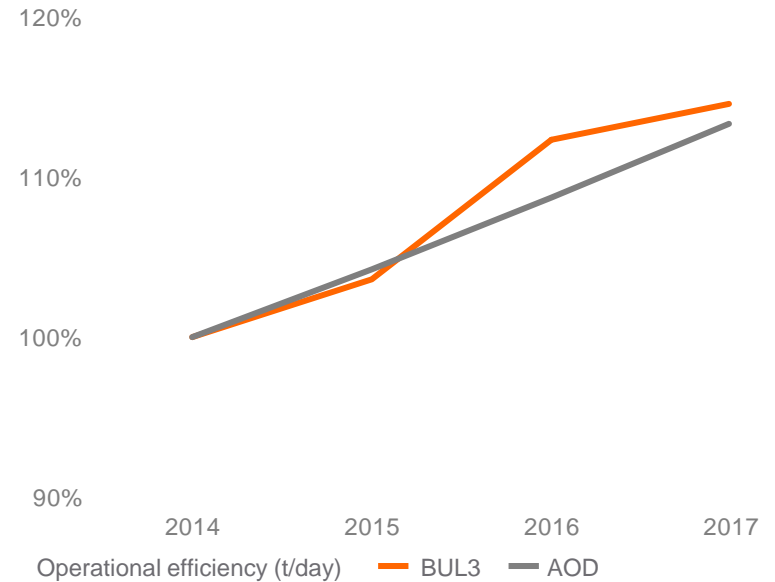
Leadership journey, launched in 2011, leads to high rhythm of operational efficiency improvement

**Labor productivity evolution in Genk Steel Plant and Cold Rolling Mill**



Labor productivity improves by 5-7% per year, independent of volume and despite more difficult mix

**Genk plant line productivity evolution - example**



Continuous improvement continues, including on equipment (e.g. AOD, BUL3) that is at best-in-class productivity

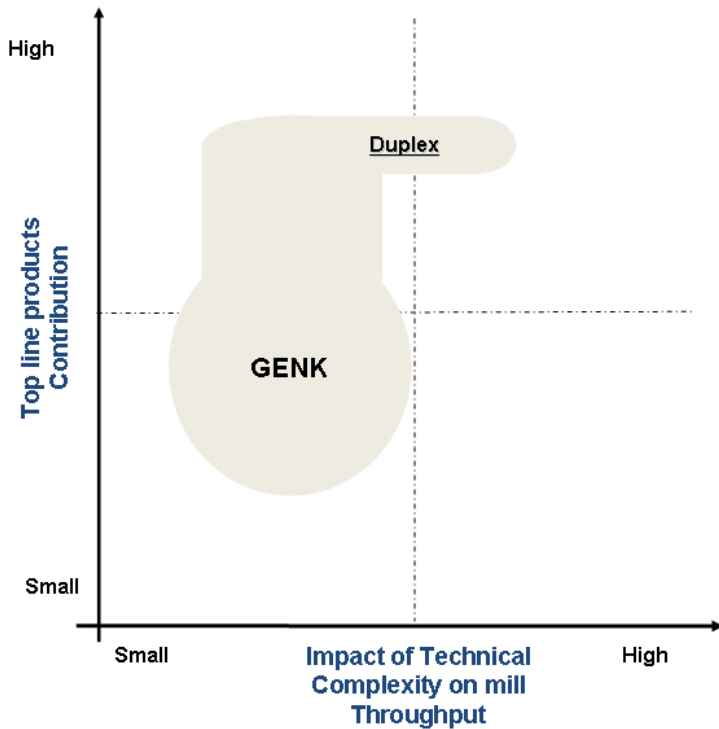
**Genk largely contributes to Aperam strategy for competitiveness**

# Aperam Genk

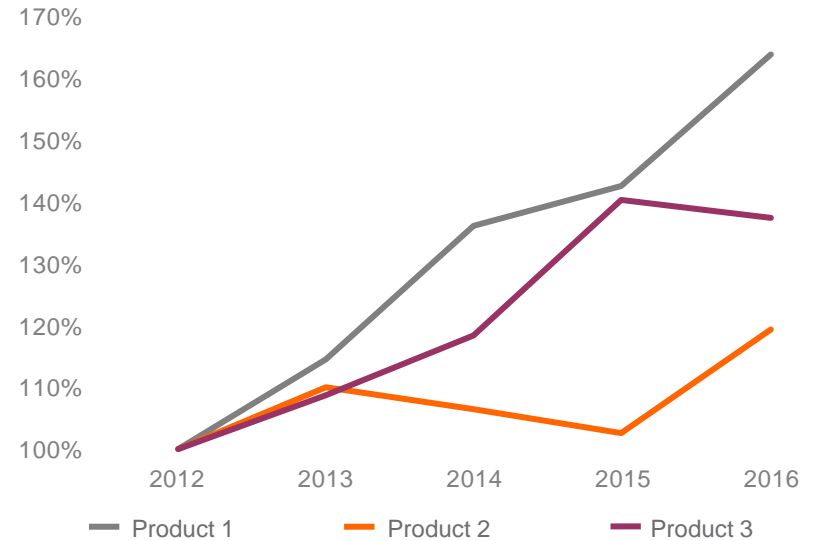


An optimal mix between top line and complexity with strong culture of support to the development and growth of top line products

Production of the mill



Sales evolution of top line products from Genk



Throughput and capacity optimized thanks to the closed monitoring of mix and Top Line volumes under the constraint of technical complexity

Top line product growth is faster than average growth in commodities

**A well balanced portfolio**  
**Top line product development in close collaboration between production and sales teams**