

## First quarter 2017 - results<sup>1</sup>

Luxembourg, May 11, 2017

### Highlights

- Health and Safety: LTI frequency rate<sup>2</sup> 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<sup>3</sup> 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<sup>4</sup> of USD (15) million in Q1 2017, compared to USD 125 million in Q4 2016.
- Net debt<sup>5</sup> of USD 220 million as of March 31, 2017, representing a gearing<sup>6</sup> of 9% compared to a net debt of USD 154 million as of December 31, 2016, representing a gearing of 6%.

**Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Brussels, Luxembourg, Paris: APAM and NYRS: APEMY), announced today results for the three month period ending March 31, 2017**

Timoteo Di Maulo, CEO of Aperam, commented:

“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.

Looking forward, we remain highly focused on our strategy based on self help measures to sustain Aperam’s competitiveness and further improve its operational performance”

### 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.

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

(USDm) unless otherwise stated	Q1 '17	Q4 '16	Q1 '16
Sales	1,276	1,053	1,076
EBITDA	171	133	112
Operating income	133	83	73
Net income	93	58	49
Free cash flow before dividend and share buy-back	(15)	125	6
Steel shipments (000t)	486	457	483
EBITDA/tonne (USD)	352	291	232
Basic earnings per share (USD)	1.20	0.75	0.63
Diluted earnings per share (USD)	1.10	0.70	0.57

## Health & Safety results analysis

Health and Safety performance based on Aperam personnel figures and contractors lost time injury frequency rate<sup>2</sup>, was 1.1x in the first quarter of 2017 compared to 0.8x in the fourth quarter of 2016.

## Financial results analysis for the three months period ending March 31, 2017

Sales for the first quarter of 2017 increased by 21% to USD 1,276 million compared to USD 1,053 million for the fourth quarter of 2016. Steel shipments for the first quarter of 2017 increased by 6% at 486 thousand tonnes compared to 457 thousand tonnes for the fourth quarter of 2016.

EBITDA was USD 171 million for the first quarter of 2017 compared to EBITDA of USD 133 million for the fourth quarter of 2016. Despite the traditional seasonal effect in Brazil, EBITDA increased quarter-on-quarter as a result of continued improved market conditions, the Leadership Journey® contribution and the Top Line strategy as well as positive stock effects related to the raw material prices evolution. The Leadership Journey®<sup>5</sup> has continued to progress over the quarter and has contributed a total amount of USD 526 million to EBITDA since the beginning of 2011.

Depreciation and amortization expense for the first quarter of 2017 was USD 38 million.

Aperam had an operating income for the first quarter of 2017 of USD 133 million compared to an operating income of USD 83 million for the previous quarter.

Net interest expense and other financing costs for the first quarter of 2017 were USD 12 million, including financing costs of USD 3 million. Realized and unrealized foreign exchange and derivative losses were nil for the first quarter of 2017.

The Company recorded a net income of USD 93 million, inclusive of an income tax expense of USD 28 million, for the first quarter of 2017.

Cash flows from operations for the first quarter were positive at USD 27 million, with a working capital increase of USD 153 million. CAPEX<sup>8</sup> for the first quarter was USD 42 million.

As of March 31, 2017, shareholders' equity was USD 2,587 million and net financial debt was USD 220 million (gross financial debt as of March 31, 2017 was USD 483 million and cash and cash equivalents were USD 263 million).

The Company had liquidity of USD 716 million as of March 31, 2017, consisting of cash and cash equivalents of USD 263 million and undrawn credit lines<sup>9</sup> of USD 453 million.

## Operating segment results analysis

### Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of USD 1,061 million for the first quarter of 2017. This represents a 20% increase compared to sales of USD 883 million for the fourth quarter of 2016. Steel shipments during the first quarter were 465 thousand tonnes, a 3% increase compared to steel shipments for the fourth quarter of 2016 of 452 thousand tonnes. Despite the traditional summer seasonal impact in Brazil, volumes increased due to the seasonal recovery in Europe. A technical outage at the Chatelet hot strip mill (Belgium) occurred during the first quarter. After necessary repairs, the mill is now working in stable mode, however this interruption is leading to some shortfall in shipments and results during the first semester of 2017. A mitigation plan has been promptly implemented enabling a good recovery of sales. Overall, average selling prices for the Stainless & Electrical Steel segment slightly increased compared to the previous quarter.

The segment had EBITDA of USD 144 million for the first quarter of 2017 compared to USD 117 million for the fourth quarter of 2016. Despite the volume loss and higher costs incurred as a consequence of a technical outage at Chatelet plant as well as the traditional seasonal effect in Brazil, profitability increased thanks to better market conditions, stronger demand in Europe, and contributions from the Leadership Journey® and Top Line strategy. EBITDA for the first quarter is inclusive of a non-recurring item of USD 5 million which is a part of the total expected insurance indemnification confirmed to be received in relation to the technical outage.

Depreciation and amortization expense was USD 34 million for the first quarter of 2017.

The Stainless & Electrical Steel segment had an operating income of USD 110 million during the first quarter of 2017 compared to an operating income of USD 80 million during the fourth quarter of 2016.

## Services & Solutions

The Services & Solutions segment had a 29% increase in sales during the first quarter, from USD 472 million for the fourth quarter of 2016 to USD 607 million for the first quarter of 2017. In the first quarter of 2017, steel shipments were 218 thousand tonnes compared to 187 thousand tonnes in the previous quarter. The Services & Solutions segment had higher average steel selling prices during the quarter.

The segment had EBITDA for the first quarter of 2017 of USD 33 million compared to EBITDA of USD 12 million for the fourth quarter of 2016, which included a one-off non-cash charge of USD 11 million related to the divestment of the French stainless steel welded tubes unit. The increase in EBITDA was mainly driven by seasonal recovery in Europe, better market conditions, the contribution of Top Line strategy as well as positive stock effects related to prices evolution.

Depreciation and amortization expense was USD 2 million for the first quarter of 2017.

The Services & Solutions segment had an operating income of USD 31 million for the first quarter of 2017 compared to an operating income of USD 1 million for the fourth quarter of 2016.

## Alloys & Specialties

The Alloys & Specialties segment had sales for the first quarter of 2017 of USD 119 million, representing an increase of 10% compared to USD 108 million for the fourth quarter of 2016. Steel shipments increased for the first quarter of 2017 to 9 thousand tonnes compared to 8 thousand tonnes for the fourth quarter of 2016. Average steel selling prices increased over the quarter.

The Alloys & Specialties segment achieved EBITDA of USD 12 million for the first quarter of 2017 compared to USD 12 million for the fourth quarter of 2016.

Depreciation and amortization expense for the first quarter of 2017 was USD 2 million.

The Alloys & Specialties segment had an operating income of USD 10 million for the first quarter of 2017 compared to an operating income of USD 11 million for the fourth quarter of 2016.

## Recent developments

- On February 13, 2017, Aperam announced that it has applied for a listing on Euronext Brussels with the cross listing to become effective on February 16, 2017.
- On February 15, 2017, Aperam announced that its Long Term Issuer rating has been upgraded to Investment Grade by Moody's, in recognition of its sustainable financial performance. Aperam's Long Term Issuer rating by Moody's is at Baa3, with stable outlook.
- On February 28, 2017, Aperam announced the publication of its 2016 Annual Report.
- On March 20, 2017, Aperam was included in BEL 20 index by Euronext..
- On April 4, 2017, Aperam announced the completion of the divestment of Aperam Stainless Services & Solutions Tubes Europe.
- On April 7, 2017, Aperam announced the publication of the convening notice for its Annual General Meeting and Extraordinary General Meetings of shareholders to be held on May 10, 2017.
- On April 21, 2017, Aperam announced the publication of its "made for life" report for 2016, which constitutes Aperam's sustainability performance report.
- On May 10, 2017, Aperam announced that the Annual and Extraordinary General Meetings of Shareholders of Aperam held in Luxembourg on May 10, 2017 approved all resolutions on the agenda by a large majority.

## New developments

- On May 11, 2017, Aperam announces the resignation of Mrs. Johanna Van Sevenant, CEO Services & Solutions, effective July 1, 2017 to realize a personal project. Mr. Timoteo Di Maulo, CEO, would take the interim responsibilities for Services & Solutions as from that date until a successor has been appointed.

## Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the first quarter 2017 financial performance at the following time:

Date	New York	London	Luxembourg
Thursday, May 11, 2017	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33(0)1 76 77 22 21); USA (+1 646 254 3363); and international (+44(0)20 3427 1911). The participant access code is: 2444276#.

A replay of the conference call will be available until May 17th, 2017: France (+33 (0)1 74 20 28 00); USA (+1 347 366 9565) and international (+44 (0)20 3427 0598). The participant access code is 2444276#.

## Contacts

Corporate Communications / Laurent Beauloye: +352 27 36 27 27

Investor Relations / Romain Grandsart: +352 27 36 27 36

## About Aperam

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

Aperam has 2.5 million tonnes of flat Stainless and Electrical steel capacity in Brazil and Europe and is a leader in high value specialty products. Aperam has a highly integrated distribution, processing and services network and a unique capability to produce stainless and specialty from low cost biomass (charcoal). Its industrial network is concentrated in six production facilities located in Brazil, Belgium and France.

In 2016, Aperam had sales of USD 4.3 billion and steel shipments of 1.92 million tonnes.

For further information, please refer to our website at [www.aperam.com](http://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.

## APERAM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in million of U.S. dollars)	March 31, 2017	December 31, 2016	March 31, 2016
<b>Non current assets</b>	<b>2,811</b>	<b>2,773</b>	<b>2,771</b>
Goodwill and intangible assets	575	565	587
Property, plant and equipments (incl. Biological assets)	1,706	1,691	1,729
Investments & Other	530	517	455
<b>Current assets &amp; working capital<sup>10</sup></b>	<b>1,065</b>	<b>955</b>	<b>812</b>
Inventories, trade receivables and trade payables <sup>10</sup>	682	517	595
Prepaid expenses and other current assets <sup>10</sup>	91	89	87
Cash & cash equivalents (C)	263	325	130
Assets held for sale	29	24	-
<b>Shareholders' equity</b>	<b>2,587</b>	<b>2,485</b>	<b>2,411</b>
Group share	2,582	2,481	2,406
Non-controlling interest	5	4	5
<b>Non current liabilities</b>	<b>800</b>	<b>768</b>	<b>900</b>
Long-term debt, net of current portion (A)	278	275	454
Deferred employee benefits	174	173	191
Provisions and other	348	320	255
<b>Current liabilities (excluding trade payables)<sup>10</sup></b>	<b>489</b>	<b>475</b>	<b>272</b>
Short-term debt and current portion of long-term debt (B)	205	204	14
Accrued expenses and other current liabilities <sup>10</sup>	258	247	258
Liabilities held for sale	26	24	-
<b>Net Debt (D = A+B-C )</b>	<b>220</b>	<b>154</b>	<b>338</b>

## APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
<b>Sales</b>	<b>1,276</b>	<b>1,053</b>	<b>1,076</b>
<b>Adjusted EBITDA<sup>11</sup> (F = D - E)</b>	<b>171</b>	<b>144</b>	<b>112</b>
<i>Adjusted EBITDA margin<sup>12</sup> (%)</i>	<i>13.4%</i>	<i>13.7%</i>	<i>10.4%</i>
Other items <sup>14</sup> (E)	-	(11)	-
<b>EBITDA (D = A - B - C)</b>	<b>171</b>	<b>133</b>	<b>112</b>
<i>EBITDA margin<sup>13</sup> (%)</i>	<i>13.4%</i>	<i>12.6%</i>	<i>10.4%</i>
Depreciation & amortisation (B)	(38)	(42)	(39)
Impairment (C)	-	(8)	-
<b>Operating income (A)</b>	<b>133</b>	<b>83</b>	<b>73</b>
<i>Operating margin (%)</i>	<i>10.4%</i>	<i>7.9%</i>	<i>6.8%</i>
Net interest expense and other net financing costs	(12)	(9)	(9)
Foreign exchange and derivative gains / (losses)	-	4	(3)
<b>Income before taxes</b>	<b>121</b>	<b>78</b>	<b>61</b>
Income tax expense	(28)	(20)	(12)
<i>Effective tax rate %</i>	<i>22.8%</i>	<i>25.6%</i>	<i>19.7%</i>
<b>Net income</b>	<b>93</b>	<b>58</b>	<b>49</b>

On December 31, 2016, assets and liabilities of the French tubes business have been classified as "Assets and Liabilities held for sale" as per IFRS 5 and are, therefore, presented separately in the consolidated statements of financial position. The application of IFRS 5 triggered a non-recurring and non-cash charge of USD 22 million that has been recognised in the consolidated statements of operations as follows: USD 11 million in EBITDA (Other items), USD 8 million in Impairment and USD 3 million in Income tax expense.

## APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of U.S. dollars)	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
Net income	93	58	49
Depreciation, amortisation and impairment	38	50	39
Change in working capital <sup>10</sup>	(153)	65	(94)
Other operating activities (net) <sup>10</sup>	49	(10)	45
<b>Net cash provided by operating activities (A)</b>	<b>27</b>	<b>163</b>	<b>39</b>
Purchase of PPE, intangible and biological assets (CAPEX)	(42)	(39)	(33)
Other investing activities (net)	-	1	-
<b>Net cash used in investing activities (B)</b>	<b>(42)</b>	<b>(38)</b>	<b>(33)</b>
(Payments to) / proceeds from banks and long term debt	(2)	(3)	(4)
Purchase of treasury stock	(19)	-	-
Dividends paid	(29)	(24)	(24)
<b>Net cash used in financing activities</b>	<b>(50)</b>	<b>(27)</b>	<b>(28)</b>
Effect of exchange rate changes on cash	3	(7)	4
<b>Change in cash and cash equivalent</b>	<b>(62)</b>	<b>91</b>	<b>(18)</b>
<b>Free cash flow before dividend and share buy-back (C = A+B)</b>	<b>(15)</b>	<b>125</b>	<b>6</b>

## Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
Frequency Rate	1.1	0.8	1.1

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

Quarter Ended March 31, 2017	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	465	218	9	(206)	486
Steel selling price (USD/t)	2,219	2,664	13,321		2,558
<b>Financial information</b>					
Sales (USDm)	1,061	607	119	(511)	1,276
Adjusted EBITDA (USDm)	144	33	12	(18)	171
EBITDA (USDm)	144	33	12	(18)	171
Depreciation, amortisation & impairment (USDm)	(34)	(2)	(2)	-	(38)
Operating income / (loss) (USDm)	110	31	10	(18)	133

Quarter Ended December 31, 2016	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	452	187	8	(190)	457
Steel selling price (USD/t)	1,904	2,524	12,688		2,277
<b>Financial information</b>					
Sales (USDm)	883	472	108	(410)	1,053
Adjusted EBITDA (USDm)	117	23	12	(8)	144
EBITDA (USDm)	117	12	12	(8)	133
Depreciation, amortisation & impairment (USDm)	(37)	(11)	(1)	(1)	(50)
Operating income / (loss) (USDm)	80	1	11	(9)	83



## Terms and definitions

---

<sup>1</sup> 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 in the following footnotes.

<sup>2</sup> Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors.

<sup>3</sup> EBITDA is defined as operating income before depreciation and impairment expenses.

<sup>4</sup> Free cash flow before dividend and share buy-back is defined as net cash provided by operating activities less net cash used in investing activities.

<sup>5</sup> Net debt refers to long-term debt, plus short-term debt, less cash and cash equivalents (including short-term investments) and restricted cash.

<sup>6</sup> Gearing is defined as Net Debt out of Equity

<sup>7</sup> The Leadership Journey® is an initiative launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement. Aperam targets a contribution to EBITDA of a total amount of USD 575 million by end of 2017, since the beginning of 2011.

<sup>8</sup> CAPEX relates to capital expenditures and is defined as purchase of tangible assets, intangible assets and biological assets, net of change in amount payables on these acquisitions.

<sup>9</sup> Includes borrowing base facility of USD 400 million (subject to eligible collateral available) and EIB financing of EUR 50 million.

<sup>10</sup> Effective Q1 2017, the Company modified the presentation of assets and liabilities related to the TSR programs to more appropriately reflect the nature of these items. The comparative amount in the condensed consolidated statement of financial position was reclassified for consistency, which resulted in a net amount of USD 42 million and nil being reclassified from "prepaid expenses and other current assets/accrued expenses and other current liabilities" to "inventories, trade receivables and trade payables" as of December 31, 2016 and March 31, 2016, respectively. In addition, amounts in the condensed consolidated statement of cash flows were similarly reclassified, which resulted in USD 56 million and USD (54) million being reclassified from "other operating activities (net)" to "change in working capital" for the three months period ended December 31, 2016 and March 31, 2016, respectively.

<sup>11</sup> Adjusted EBITDA is defined as operating income before depreciation and impairment expenses and other items<sup>14</sup>.

<sup>12</sup> Adjusted EBITDA margin is defined as operating income before depreciation and impairment expenses and other items divided by sales.

<sup>13</sup> EBITDA margin is defined as operating income before depreciation and impairment expenses divided by sales.

<sup>14</sup> Other items consists of (i) inventory write-downs equal to or exceeding 10% of total related net inventories values before write-down at the considered quarter end (ii) restructuring charges/(gains) equal to or exceeding USD 10 million for the considered quarter, (iii) capital loss/(gain) equal to or exceeding USD 10 million for the considered quarter or (iv) other non-recurring items equal to or exceeding USD 10 million for the considered quarter.