Press Release

First quarter 2018 - results[1]

Luxembourg, May 9, 2018

Highlights

- Health and Safety: LTI frequency rate of 1.0x in Q1 2018 compared to 1.3x in Q4 2017
- Steel Shipments of 517 thousand tonnes in Q1 2018, a 4% increase compared to steel shipments of 495 thousand tonnes in Q4 2017.
- EBITDA of EUR 141 million in Q1 2018, compared to EUR 130 million in Q4 2017.
- Net income of EUR 85 million in Q1 2018, compared to EUR 103 million in Q4 2017.
- Basic earnings per share of EUR 0.99 in Q1 2018, compared to EUR 1.22 in Q4 2017.
- Cash flow from operations amounted to EUR 42 million in Q1 2018, compared to EUR 194 million in Q4 2017.
- Free cash flow before dividend and share buy-back of EUR (4) million in Q1 2018, compared to EUR 132 million in Q4 2017.
- Net cash position of EUR 32 million as of March 31, 2018, compared to EUR 63 million as of December 31, 2017.

Strategic initiatives

- **Disciplined and value accretive M&A:** signature of a share purchase agreement for VDM Metals, creating a global specialty alloys producer.
- **Transforming our footprint with state of the art equipments:** recently announced investment project in Genk (Belgium) is progressing well.
- **Leadership Journey®[2] (Phase 3 - Transformation Program):** additional annualized gains target by 2020 increased from EUR 125 million to EUR 150 million. Gains starting to ramp-up with EUR 13 million at end Q1 2018.

Prospects

- EBITDA in Q2 2018 is expected to slightly increase compared to EBITDA in Q1 2018.
- Net financial debt to remain at low levels in Q2 2018, post dividend and share buy-back effect.

Aperam (referred to as "Aperam" or the "Company") (Amsterdam, Luxembourg, Paris, Brussels: APAM and NYRS: APEMY), announced today results for the three months ending March 31, 2018

Timoteo Di Maulo, CEO of Aperam, commented:

"Despite the traditional seasonal effect in Brazil, Aperam announces another strong set of results in line with a healthy real demand in Europe as well as thanks to the solid execution of our Leadership Journey®.

In coherence with our Top Line strategy, we are very pleased to have signed a share purchase agreement for the acquisition of VDM Metals to further grow in the high added value segment of speciality alloys.

Looking ahead, we remain highly focused on our operational excellence, customer focus and financial discipline while taking Aperam to a next phase of development based on our strategic initiatives."

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

(in million of EURO, unless otherwise stated)	Q1 18	Q4 17	Q1 17
Sales	1,216	1,108	1,198
EBITDA	141	130	160
Operating income	106	88	124
Net income	85	103	88
Free cash flow before dividend and share buy-back	(4)	132	(16)
Steel shipments (000t)	517	495	486
EBITDA/tonne (EUR)	279	263	329
Basic earnings per share (EUR)	0.99	1.22	1.13
Diluted earnings per share (EUR)	0.83	1.10	1.03

Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate was 1.0x in the first quarter of 2018 compared to 1.3x in the fourth quarter of 2017.

Financial results analysis for the three-month period ending March 31, 2018

Sales for the first quarter of 2018 increased by 10% to EUR 1,216 million compared to EUR 1,108 million for the fourth quarter of 2017. Steel shipments increased from 495 thousand tonnes in the fourth quarter of 2017, to 517 thousand tonnes in the first quarter of 2018.

EBITDA was EUR 141 million for the first quarter of 2018 compared to EUR 130 million for the fourth quarter of 2017. Despite the traditional seasonal effect in Brazil and rising input costs, EBITDA increased quarter-on-quarter as a result of seasonal recovery in Europe, the Leadership Journey® contribution and the Top Line strategy. The phase 3 of the Leadership Journey® - the Transformation Program - has started to materialise over the quarter with a contribution of EUR 13 million to EBITDA since the beginning of 2018. Under this new phase of the Leadership Journey®, Aperam aims at EUR 150 million of additional annualized EBITDA gains over the period 2018 to 2020.

Depreciation and amortisation was EUR 35 million for the first quarter of 2018.

Aperam had an operating income for the first quarter of 2018 of EUR 106 million compared to an operating income of EUR 88 million for the previous quarter.

Net interest expense and other financing costs for the first quarter of 2018 were EUR 5 million, including cash cost of financing of EUR 2 million. Realized and unrealized foreign exchange and derivative gains were EUR 4 million for the first quarter of 2018.

Income tax result for the first quarter of 2018 was an income tax expense of EUR 20 million.

The Company recorded a net income of EUR 85 million for the first quarter of 2018.

Cash flows from operations for the first quarter of 2018 were positive at EUR 42 million, with a working capital increase of EUR 117 million mainly due to higher prices and activity. CAPEX for the first quarter was EUR 47 million.

Free cash flow before dividend and share buy-back for the first quarter of 2018 amounted to EUR (4) million.

As of March 31, 2018, shareholders' equity was EUR 2,575 million and net cash position was EUR 32 million (as of March 31, 2018, gross financial debt was EUR 242 million and cash and cash equivalents were EUR 274 million).

The Company had liquidity of EUR 624 million as of March 31, 2018, consisting of cash and cash equivalents of EUR 274 million and undrawn credit lines[3] of EUR 350 million.

Operating segment results analysis

Stainless & Electrical Steel

The Stainless & Electrical Steel segment had sales of EUR 994 million for the first quarter of 2018. This represents a 4% increase compared to sales of EUR 953 million for the fourth quarter of 2017. Steel shipments during the first quarter were 496 thousand tonnes. This is a decrease of 1% compared to shipments of 499 thousand tonnes during the previous quarter. The traditional summer seasonal impact in Brazil has been nearly compensated for by the seasonal recovery and a healthy demand in Europe. Overall, average steel selling prices for the Stainless & Electrical Steel segment increased compared to the previous quarter.

The segment had EBITDA of EUR 111 million for the first quarter of 2018 compared to EUR 119 million for the fourth quarter of 2017. The traditional seasonal effect in Brazil and rising input costs was partly offset by the seasonal recovery in Europe, and the contribution of the Leadership Journey®.

Depreciation and amortisation expense was EUR 30 million for the first quarter of 2018.

The Stainless & Electrical Steel segment had an operating income of EUR 81 million for the first quarter of 2018 compared to an operating income of EUR 82 million for the fourth quarter of 2017.

Services & Solutions

The Services & Solutions segment had sales of EUR 562 million for the first quarter of 2018, representing an increase of 18% compared to EUR 475 million for the fourth quarter of 2017. For the first quarter of 2018, steel shipments were 230 thousand tonnes compared to 195 thousand tonnes during the previous quarter. The Services & Solutions segment had slightly higher average steel selling prices during the period compared to the previous period.

The segment had EBITDA of EUR 21 million for the first quarter of 2018, similar to EUR 21 million for the fourth quarter of 2017. Despite higher shipments and average selling prices, EBITDA remained stable quarter on quarter primarily due to some stock and mix effects.

Depreciation and amortisation was EUR 3 million for the first quarter of 2018.

The Services & Solutions segment had an operating income of EUR 18 million for the first quarter of 2018, similar to EUR 18 million for the fourth quarter of 2017.

Alloys & Specialties

The Alloys & Specialties segment had sales of EUR 131 million for the first quarter of 2018, representing an increase of 8% compared to EUR 121 million for the fourth quarter of 2017. Steel shipments were higher during the first quarter of 2018 at 10 thousand tonnes compared to 9 thousand tonnes during the fourth quarter of 2017. Average steel selling prices decreased over the quarter.

The Alloys & Specialties segment achieved an EBITDA of EUR 14 million for the first quarter of 2018 compared to EUR 11 million for the fourth quarter of 2017. The increase in EBITDA was mainly due to higher shipments.

Depreciation and amortisation expense for the first quarter of 2018 was EUR 2 million.

The Alloys & Specialties segment had an operating income of EUR 12 million for the first quarter of 2018 compared to an operating income of EUR 9 million for the fourth quarter of 2017.

Recent developments

- On February 27, 2018, Aperam announced the publication of its Annual Report 2017 (Link).
- On April 6, 2018, Aperam announced the publication of the convening notice for its Annual General Meeting and Extraordinary General Meeting of shareholders to be held on May 9, 2018 (Link).
- On April 11, 2018, Aperam announced the signing of a Share Purchase Agreement with Lindsay Goldberg to acquire VDM Metals (Link).

- On April 18, 2018, Aperam announced the publication of its “made for life” report for 2017, which constitutes Aperam’s sustainability performance report (Link).

New developments

- On May 9, 2018, Aperam announced that the Annual and Extraordinary General Meetings of Shareholders of Aperam held in Luxembourg on May 9, 2018 approved all resolutions on the agenda by a large majority.

Investor conference call

Aperam management will host a conference call for members of the investment community to discuss the first quarter of 2018 financial performance at the following time:

Date	New York	London	Luxembourg
Wednesday, May 9, 2018	12:30 pm	5:30 pm	6:30 pm

The dial-in numbers for the call are: France (+33 (0)1 76 77 22 57); USA (+1 720 452 9275) and international (+44 (0)330 336 9411). The participant access code is: 6756806#.
A replay of the conference call will be available until May 16, 2018: France (+33 (0) 1 70 48 00 94); USA (+1 719 457 0820) and international (+44 (0) 207 660 0134). The participant access code is 6756806#.

Contacts

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

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 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 2017, Aperam had sales of EUR 4.5 billion and steel shipments of 1.94 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.

APERAM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of EURO)	March 31, 2018	December 31, 2017	March 31, 2017
Non current assets	**2,435**	**2,478**	**2,629**
Goodwill and intangible assets	503	509	538
Property, plant and equipments (incl. biological assets)	1,553	1,573	1,596
Investments & other	379	396	495
Current assets & working capital	**1,061**	**990**	**996**
Inventories, trade receivables and trade payables	706	603	638
Prepaid expenses and other current assets	81	81	85
Cash and cash equivalents (C)	274	306	246
Assets held for sale	-	-	27
Shareholders' equity	**2,575**	**2,544**	**2,420**
Group share	2,571	2,540	2,415
Non-controlling interest	4	4	5
Non current liabilities	**420**	**673**	**748**
Long-term debt, net of current portion (A)	2	238	260
Deferred employee benefits	157	159	163
Provisions and other	261	276	325
Current liabilities (excluding trade payables)	**501**	**251**	**457**
Short-term debt and current portion of long-term debt (B)	240	5	192
Accrued expenses and other current liabilities	261	246	241
Liabilities held for sale	-	-	24
Net Financial Debt / (Net cash) (D = A+B+C)	**(32)**	**(63)**	**206**

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions of EURO)	Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Sales	**1,216**	**1,108**	**1,198**
EBITDA (C = A-B)	**141**	**130**	**160**
EBITDA margin (%)	*11.6%*	*11.7%*	*13.4%*
Depreciation & amortisation (B)	(35)	(42)	(36)
Operating income (A)	**106**	**88**	**124**
Operating margin (%)	*8.7%*	*7.9%*	*10.4%*
Result from other investments and associates	-	(3)	-
Net interest expense and other net financing costs	(5)	(8)	(12)
Foreign exchange and derivative gains	4	-	1
Income before taxes	**105**	**77**	**113**
Income tax (expense) benefit	(20)	26	(25)
Effective tax rate (%)	*19,4%*	*-33,8%*	*22,7%*
Net income	**85**	**103**	**88**

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of EURO)	Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Net income	85	103	88
Depreciation & amortisation	35	42	36
Change in working capital	(117)	73	(145)
Other operating activities (net)	39	(24)	44
Net cash provided by operating activities (A)	**42**	**194**	**23**
Purchase of PPE, intangible and biological assets (CAPEX)	(47)	(62)	(39)
Other investing activities (net)	1	-	-
Net cash used in investing activities (B)	**(46)**	**(62)**	**(39)**
Proceeds (payments) from payable to banks and long term debt	1	(4)	(2)
Purchase of treasury stock	-	-	(17)
Dividend paid	(28)	(27)	(27)
Net cash used in financing activities	**(27)**	**(31)**	**(46)**
Effect of exchange rate changes on cash	(1)	(3)	-
Change in cash and cash equivalent	**(32)**	**98**	**(62)**
Free cash flow before dividend and share buy-back (C = A+B)	**(4)**	**132**	**(16)**

Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Frequency Rate	1.0	1.3	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, 2018	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & eliminations	Total
Operational information					
Steel Shipment (000t)	496	230	10	(219)	517
Average steel selling price (EUR/t)	1,949	2,353	12,973		2,286
Financial information (EURm)					
Sales	994	562	131	(471)	1,216
EBITDA	111	21	14	(5)	141
Depreciation & amortisation	(30)	(3)	(2)	-	(35)
Operating income / (loss)	81	18	12	(5)	106

Quarter Ended December 31, 2017	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & eliminations	Total
Operational information					
Steel Shipment (000t)	499	195	9	(208)	495
Average steel selling price (EUR/t)	1,848	2,319	13,290		2,156
Financial information (EURm)					
Sales	953	475	121	(441)	1,108
EBITDA	119	21	11	(21)	130
Depreciation & amortisation	(37)	(3)	(2)	-	(42)
Operating income / (loss)	82	18	9	(21)	88

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:

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.
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 and / or Net cash: 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.

---

[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] The Leadership Journey® is an initiative launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement. The third phase of the Leadership Journey® - the Transformation Program - is targeting EUR 150 million of additional EBITDA gains per year by end of 2020.
[3] Includes revolving credit facility of EUR 300 million and EIB financing of EUR 50 million.