

## Full year and fourth quarter 2018 results<sup>1</sup>

### *“Achieving solid 2018 results despite an extremely challenging market environment”*

Luxembourg, February 6, 2019 (07:00 CET) - Aperam (referred to as “Aperam” or the “Company”) (Amsterdam, Luxembourg, Paris, Brussels: APAM, NYRS: APEMY), announced today results for the three months and full year ending December 31, 2018

#### Highlights

- Health and Safety: LTI frequency rate of 1.4x in 2018 compared to 1.4x in 2017
- Steel shipments of 1,972 thousand tonnes in 2018, 1.9% increase compared to steel shipments of 1,936 thousand tonnes in 2017
- EBITDA of EUR 504 million in 2018, compared to EUR 551 million in 2017
- EBITDA of EUR 90 million in Q4 2018, compared to EUR 123 million in Q3 2018
- Net income of EUR 286 million in 2018, compared to EUR 320 million in 2017
- Basic earnings per share of EUR 3.39 in 2018, compared to EUR 4.00 in 2017
- Cash flow from operations amounted to EUR 295 million in 2018, compared to EUR 374 million in 2017
- Free cash flow before dividend and share buy-back of EUR 108 million in 2018, compared to EUR 211 million in 2017
- Net financial debt of EUR 48 million as of December 31, 2018, compared to net cash position of EUR (63) million as of December 31, 2017

#### Strategic initiatives

- **Leadership Journey®<sup>2</sup> Phase 3:** The annualized gains target has been increased by EUR 50 million to EUR 200 million by year end 2020. Realized Leadership Journey® gains reached EUR 33 million in 2018
- **Investment projects:** The previously announced investment in an AOD converter at Genk (Belgium) has been put on hold. The investment in a new Cold Rolling and Annealing and Pickling Line at Genk is on track.

#### Prospects

- EBITDA in Q1 2019 is expected to be comparable to Q4 2018 EBITDA
- Net financial debt is expected to remain at low levels in Q1 2019.

#### Cash Deployment

In coherence to its Financial Policy, Aperam is announcing two actions regarding cash deployment:

- Aperam increases its base dividend from EUR 1.53 per share to EUR 1.75 per share (subject to AGM approval).
- Aperam announces a share buyback program of up to EUR 100 million.

#### **Timoteo Di Maulo, CEO of Aperam, commented:**

“Aperam achieved solid 2018 results despite an extremely challenging market environment in Europe caused by unprecedented import pressure in wake of ineffective provisional EU safeguard measures. Despite strong headwinds in the second half, the substantial progress of our Brazil operations and Aperam’s self-help measures remain the ingredients for our results. Looking ahead stock valuation effects and destocking are expected to end in Q1 2019, while Aperam’s solid balance sheet and sustainable cash generation give us the ability to continue to reward our shareholders.”

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

(EURO million) unless otherwise stated	Q4 18	Q3 18	Q4 17	12M 18	12M 17
Sales	1,120	1,123	1,108	4,677	4,481
Operating income	52	88	88	361	399
Net income attributable to equity holders of the parent	49	72	103	286	320
Basic earnings per share (EUR)	0.59	0.87	1.22	3.39	4.00
Diluted earnings per share (EUR)	0.37	0.87	1.10	3.03	3.80
Free cash flow before dividend and share buy-back	35	15	132	108	211
Net Financial Debt / (Net Cash) (at the end of the period)	48	64	(63)	48	(63)
Adj. EBITDA	90	123	130	504	559
Exceptional items	-	-	-	-	(8)
EBITDA	90	123	130	504	551
Adj. EBITDA/tonne (EUR)	188	263	263	256	289
Steel shipments (000t)	480	467	495	1,972	1,936

## Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate was 0.8x in the fourth quarter of 2018 compared to 2.1x in the third quarter of 2018.

## Financial results analysis for full year period ending December 31, 2018

Sales for the year ended December 31, 2018 increased by 4.4%, at EUR 4,677 million compared to EUR 4,481 million for the year ended December 31, 2017, mainly due to higher stainless steel selling prices. Steel shipments in 2018 increased by 1.9% at 1,972 thousand tonnes compared to 1,936 thousand tonnes in 2017.

EBITDA reached EUR 504 million for the year ended December 31, 2018 compared to EBITDA of EUR 551 million for the year ended December 31, 2017. Group EBITDA declined by 10% despite improving market conditions in Brazil, the positive effect from the Leadership Journey<sup>®4</sup>, and the Top Line strategy because of extremely challenging market conditions in Europe. Here, unprecedented high import volumes due to ineffective preliminary safeguard measures compressed margins especially during the second half of the year compromised our ability to pass on higher input costs to end customers.

Phase 3 of the Leadership Journey<sup>®</sup> - the Transformation Program - continued to progress over the year with an annualized contribution of EUR 33 million to EBITDA.

Depreciation and amortization was EUR (143) million for the year ended December 31, 2018.

Aperam had an operating income for the year ended December 31, 2018 of EUR 361 million compared to an operating income of EUR 399 million for the year ended December 31, 2017.

Net interest expense and other financing costs for the year ended December 31, 2018 were EUR (6) million, including cash cost of financing of EUR (9) million, including an exceptional financial gain of EUR 18 million related to the remaining part of the convertible bonds due 2021.

Income tax expense for the year ended December 31, 2018 was EUR (71) million.

The Company recorded a net income of EUR 286 million for the year ended December 31, 2018.

Cash flows from operations for the year ended December 31, 2018 were positive at EUR 295 million, despite a working capital increase of EUR 197 million. CAPEX for the year ended December 31, 2018 was EUR 192 million.

Free cash flow before dividend and share buy-back for the year 2018 amounted to EUR 108 million.

As of December 31, 2018, shareholders' equity was EUR 2,519 million and net financial debt was EUR 48 million (gross financial debt as of December 31, 2018 was EUR 247 million and cash and cash equivalents were EUR 199 million).

Total cash returns to shareholders in 2018 amounted to EUR 200 million consisting of EUR 70 million of share buy-back and EUR 130 million of dividend.

During 2018, the Company repurchased Convertible Bonds 2021 with a nominal amount of USD 62.0 million (EUR 53.6 million) for a total consideration of EUR 60.3 million.

On October 16, 2018, Aperam has drawn the EUR 50 million amortizing loan signed on June 27, 2016 with the European Investment Bank ("EIB") with final maturity date on October 16, 2028.

The Company had liquidity of EUR 499 million as of December 31, 2018, consisting of cash and cash equivalents of EUR 199 million and undrawn credit lines<sup>3</sup> of EUR 300 million.

### **Financial results analysis for the three-month period ending December 31, 2018**

Sales for the fourth quarter of 2018 decreased by 0.3% to EUR 1,120 million compared to EUR 1,123 million for the third quarter of 2018. Steel shipments increased from 467 thousand tonnes in the third quarter of 2018, to 480 thousand tonnes in the fourth quarter of 2018.

EBITDA has decreased over the quarter to EUR 90 million for the fourth quarter of 2018 from EUR 123 million for the third quarter of 2018. In addition to a seasonally weaker quarter in Brazil the seasonal increase in Europe was rather soft. High import volumes in Europe caused elevated inventory levels which weighed on margins. Sliding prices of raw materials additionally triggered negative effects on valuation of inventories.

Depreciation and amortization was EUR (38) million for the fourth quarter of 2018.

Aperam had an operating income for the fourth quarter of 2018 of EUR 52 million compared to an operating income of EUR 88 million for the previous quarter.

Net interest expense and other financing costs for the fourth quarter of 2018 were a gain of EUR 11 million, including cash cost of financing of EUR (2) million. Convertible Bond 2021 holders exercised their put option for an amount of USD 72.4 million in December 2018, which were redeemed in January 2019. The remaining Bonds (USD 164.6 million) have been reclassified as long-term financial liability. The USD 20.6 million (EUR 18 million) difference between the carrying value (USD 144 million) and the nominal value (USD 164.6 million) has been booked as an exceptional gain in the P&L (net financing costs), to be amortized over time until the final maturity of the bonds in July 2021.

Income tax expense for the fourth quarter of 2018 was EUR (16) million.

The Company recorded a net income of EUR 49 million for the fourth quarter of 2018.

Cash flows from operations for the fourth quarter of 2018 were positive at EUR 88 million, with a working capital decrease of EUR 12 million. CAPEX for the fourth quarter was EUR 55 million.

Free cash flow before dividend and share buy-back for the fourth quarter of 2018 amounted to EUR 35 million.

During the fourth quarter of 2018, the cash returns to shareholders amounted to EUR 34 million, consisting fully of dividend. During the fourth quarter of 2018, the Company repurchased Convertible Bonds 2021 with a nominal amount of USD 25.8 million (EUR 22.7 million) for a total consideration of EUR 22.8 million.

## Operating segment results analysis

### Stainless & Electrical Steel <sup>(1)</sup>

(in millions of Euros, unless otherwise stated)	Q4 18	Q3 18	Q4 17	12M 18	12M 17
Sales	913	917	953	3,840	3,723
Adjusted EBITDA	87	101	119	422	470
Exceptional items	-	-	-	-	(8)
EBITDA	87	101	119	422	462
Depreciation & amortisation	(34)	(31)	(37)	(126)	(133)
Operating income	53	70	82	296	329
Steel shipments (000t)	470	449	499	1,914	1,882
Average steel selling price (EUR/t)	1,859	1,983	1,848	1,942	1,918

(1) Amounts are shown prior to intra-group eliminations

The Stainless & Electrical Steel segment had sales of EUR 913 million for the fourth quarter of 2018. This represents a 0.4% decrease compared to sales of EUR 917 million for the third quarter of 2018. Steel shipments during the fourth quarter were 470 thousand tonnes. This is an increase of 4.7% compared to shipments of 449 thousand tonnes during the previous quarter. The volume increase was mainly due to the traditional albeit soft seasonal recovery in Europe following the summer lull. Overall, average steel selling prices for the Stainless & Electrical Steel segment declined compared to the previous quarter.

The segment had EBITDA of EUR 422 million (of which EUR 260 million from Europe and EUR 162 million from South America) for the year 2018 compared to EUR 462 million (of which EUR 352 million from Europe and EUR 110 million from South America) for the year 2017. A gradual improvement in the market environment in Brazil supported slightly higher volumes. Together with the successful implementation of the Top Line strategy and Leadership Journey® this yielded a substantially improved result for our operations in Brazil. However, the improvement in Brazil was not sufficient to fully compensate for an extremely challenging market environment in Europe. Despite healthy demand conditions that enabled higher volumes, margins came under pressure from high import volumes due to ineffective preliminary safeguard measures especially during the second half of the year which also compromised our ability to pass on higher costs on to customers.

The segment had EBITDA of EUR 87 million for the fourth quarter of 2018 compared to EUR 101 million for the third quarter of 2018. This was mainly due to a seasonally weak quarter in Brazil, extremely challenging market conditions in Europe and negative valuation effects on inventories due to lower raw material prices.

Depreciation and amortisation expense was EUR (34) million for the fourth quarter of 2018.

The Stainless & Electrical Steel segment had an operating income of EUR 53 million for the fourth quarter of 2018 compared to an operating income of EUR 70 million for the third quarter of 2018.

## Services & Solutions<sup>(1)</sup>

(in millions of Euros, unless otherwise stated)	Q4 18	Q3 18	Q4 17	12M 18	12M 17
Sales	467	489	475	2,066	2,041
EBITDA	(3)	8	21	43	70
Depreciation & amortisation	(3)	(2)	(3)	(9)	(10)
Operating income / (loss)	(6)	6	18	34	60
Steel shipments (000t)	181	191	195	819	818
Average steel selling price (EUR/t)	2,513	2,436	2,319	2,428	2,397

(1) Amounts are shown prior to intra-group eliminations

The Services & Solutions segment had sales of EUR 467 million for the fourth quarter of 2018, representing a decrease of 4.5% compared to sales of EUR 489 million for the third quarter of 2018. For the fourth quarter of 2018, steel shipments were 181 thousand tonnes compared to 191 thousand tonnes during the previous quarter. The Services & Solutions segment had higher average steel selling prices during the period compared to the previous period.

The segment recorded EBITDA of EUR 43 million for the year 2018 compared to EUR 70 million for the year 2017. The lower result despite almost unchanged volumes is attributable to a severe margin pressure due to high imports.

The segment generated a negative EBITDA for the fourth quarter of 2018 at EUR (3) million compared to EBITDA of EUR 8 million for the third quarter of 2018. EBITDA decreased mainly due to seasonally lower volumes which declined by 5% quarter on quarter, a severe margin compression on the back of high import volumes and negative valuation effects on inventories due to lower raw material prices.

Depreciation and amortisation was EUR (3) million for the fourth quarter of 2018.

The Services & Solutions segment had an operating loss of EUR (6) million for the fourth quarter of 2018 compared to an operating income of EUR 6 million for the third quarter of 2018.

## Alloys & Specialties<sup>(1)</sup>

(in millions of Euros, unless otherwise stated)	Q4 18	Q3 18	Q4 17	12M 18	12M 17
Sales	138	136	121	554	458
EBITDA	7	9	11	46	46
Depreciation & amortisation	(1)	(2)	(2)	(6)	(6)
Operating income	6	7	9	40	40
Steel shipments (000t)	9	8	9	36	33
Average steel selling price (EUR/t)	14,989	15,521	13,290	14,635	13,279

(1) Amounts are shown prior to intra-group eliminations

The Alloys & Specialties segment had sales of EUR 138 million for the fourth quarter of 2018, representing an increase of 2% compared to EUR 136 million for the third quarter of 2018. Steel shipments were higher during the fourth quarter of 2018 at 9 thousand tonnes compared to 8 thousand tonnes during the third quarter of 2018. Average steel selling prices decreased over the quarter.

The segment EBITDA at EUR 46 million for the year 2018 remained unchanged from the year 2017. This is mainly due to higher volumes as well as the contribution of the Top Line strategy that were compensated by higher input costs.

The Alloys & Specialties segment achieved EBITDA of EUR 7 million for the fourth quarter of 2018 compared to EUR 9 million for the third quarter of 2018. The decrease in EBITDA was mainly due to lower product prices and higher input costs.

Depreciation and amortisation expense for the fourth quarter of 2018 was EUR (1) million.

The Alloys & Specialties segment had an operating income of EUR 6 million for the fourth quarter of 2018 compared to an operating income of EUR 7 million for the third quarter of 2018.

## Recent developments

- On November 14, 2018 Aperam announced that notifications of share transactions by Designated Persons (i.e. Directors or Executive Officers) are available in the Luxembourg Stock Exchange's electronic database OAM on [www.bourse.lu](http://www.bourse.lu) and on Aperam's web site [www.aperam.com](http://www.aperam.com) under Investors > Corporate Governance > Share Transactions by Management: [Link](#)
- On November 30, 2018 Aperam confirmed that the European Commission has initiated a Phase II review regarding the proposed acquisition of VDM Metals.
- On December 13, 2018 Aperam announced its financial calendar for 2019.
- On December 21, 2018 Aperam announced the termination of the Share Purchase Agreement with Lindsay Goldberg to acquire VDM Metals following objections by the European Commission.
- On January 8, 2019, Aperam redeemed an amount of USD 72.4 million towards redemption of Net Share Settled Convertible Bonds due July 2021 at their principal amount plus accrued interest, pursuant to exercise of Convertible Bondholders' early redemption rights. In addition, Aperam has bought back Convertible Bonds 2021 for a total principal amount of USD 63 million. As a consequence, the remaining nominal value of the Convertible Bonds 2021 in issue and held by third parties as of 6 February 2019 is USD 164.6 million
- In January 2019, Aperam had drawn its program of NEU commercial papers for an amount of EUR 105 million out of a maximum outstanding amount of EUR 200 million.

## New developments

- On February 6, 2019 Aperam announced its detailed dividend payment schedule for 2019. The Company also proposes to increase its base dividend from EUR 1.53 per share to EUR 1.75, subject to shareholder approval at the 2019 Annual General Meeting, as the Company continues to improve its sustainable profitability benefiting from its strategic actions. The schedule is available on Aperam's website [www.aperam.com](http://www.aperam.com) under Investors > Equity Investors > Dividends: [Link](#).
- On February 6, 2019, Aperam announced a share buyback program of up to EUR 100 million, and a maximum of 3.7 million shares under the authorization given by the annual general meeting of shareholders held on 5 May 2015 and, or under any renewal of such authorization at the May 7, 2019 annual general meeting of shareholders. The details of the program are available in a separate Press Release.
- On February 6, 2019, Aperam announced that the scope of the Leadership Journey® (Phase 3 - Transformation Program) was extended with the annualized gains target by 2020 increased from EUR 150 million to EUR 200 million and planned capex decreased from EUR 150 million to EUR 100 million. Under the new scope of Phase 3 - Transformation Program, additional focus will be on cost reductions including general procurement and raw material savings.
- On February 6, 2019, Aperam announced that, the previously announced investment in an AOD converter (Argon Oxygen Decarburization) at Genk has been put on hold.

## Investor conference call

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

Date	New York	London	Luxembourg
Wednesday, February 6, 2019	8:00 am	13:00 pm	14:00 pm

The dial-in numbers for the call are: France (+33 (0) 1707 00781); USA (+1 646 741 3167); and international (+44 (0) 2071 928338). The participant access code is: 2296859#.

A replay of the conference call will be available until February 13, 2018: France (+33 (0) 170950348); USA (+1 (917) 677-7532) and international (+44 (0) 3333 009785). The participant access code is 2296859#.

## Contacts

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## 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 spread in six production facilities located in Brazil, Belgium and France.

In 2018, Aperam had sales of EUR 4,677 million and steel shipments of 1.97 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 EURO)	December 31, 2018	September 30, 2018	December 31, 2017
<b>ASSETS</b>			
Cash & cash equivalents (C)	199	169	306
Inventories, trade receivables and trade payables	744	753	603
Prepaid expenses and other current assets	77	81	82
<b>Total Current Assets &amp; Working Capital</b>	<b>1,020</b>	<b>1,003</b>	<b>991</b>
Goodwill and intangible assets	490	480	509
Property, plant and equipments (incl. Biological assets)	1,589	1,518	1,573
Investments in associates, joint ventures and other	32	36	32
Deferred tax assets	160	174	197
Other non-current assets	92	141	167
<b>Total Assets (net of Trade Payables)</b>	<b>3,383</b>	<b>3,352</b>	<b>3,469</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Short-term debt and current portion of long-term debt (B)	66	227	5
Accrued expenses and other current liabilities	270	290	246
<b>Total Current Liabilities (excluding Trade Payables)</b>	<b>336</b>	<b>517</b>	<b>251</b>
Long-term debt, net of current portion (A)	181	6	238
Deferred employee benefits	148	153	159
Deferred tax liabilities	131	130	139
Other long-term liabilities	68	113	138
<b>Total Liabilities (excluding Trade Payables)</b>	<b>864</b>	<b>919</b>	<b>925</b>
Equity attributable to the equity holders of the parent	2,515	2,429	2,540
Non-controlling interest	4	4	4
<b>Total Equity</b>	<b>2,519</b>	<b>2,433</b>	<b>2,544</b>
<b>Total Liabilities (excluding Trade Payables) and Shareholders' Equity</b>	<b>3,383</b>	<b>3,352</b>	<b>3,469</b>
<b>Net Financial Debt / (Net Cash) (D = A+B-C)</b>	<b>48</b>	<b>64</b>	<b>(63)</b>



## APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<b>Sales</b>	<b>1,120</b>	<b>1,123</b>	<b>1,108</b>	<b>4,677</b>	<b>4,481</b>
<b>Adjusted EBITDA (E = C-D)</b>	<b>90</b>	<b>123</b>	<b>130</b>	<b>504</b>	<b>559</b>
<i>Adjusted EBITDA margin (%)</i>	<i>8.0%</i>	<i>11.0%</i>	<i>11.7%</i>	<i>10.8%</i>	<i>12.5%</i>
Exceptional items (D)	-	-	-	-	(8)
<b>EBITDA (C = A-B)</b>	<b>90</b>	<b>123</b>	<b>130</b>	<b>504</b>	<b>551</b>
<i>EBITDA margin %</i>	<i>8.0%</i>	<i>11.0%</i>	<i>11.7%</i>	<i>10.8%</i>	<i>12.3%</i>
Depreciation & amortisation (B)	(38)	(35)	(42)	(143)	(152)
<b>Operating income (A)</b>	<b>52</b>	<b>88</b>	<b>88</b>	<b>361</b>	<b>399</b>
<i>Operating margin %</i>	<i>4.6%</i>	<i>7.8%</i>	<i>7.9%</i>	<i>7.7%</i>	<i>8.9%</i>
Result from other investments and associates	-	-	(3)	1	(3)
Net interest expense and other net financing gains / (costs)	11	(7)	(8)	(6)	(40)
Foreign exchange and derivative gains / (losses)	2	(2)	-	1	(1)
<b>Income before taxes</b>	<b>65</b>	<b>79</b>	<b>77</b>	<b>357</b>	<b>355</b>
Income tax (expense) / benefit	(16)	(7)	26	(71)	(35)
<i>Effective tax rate %</i>	<i>24.7%</i>	<i>8.4%</i>	<i>-33.8%</i>	<i>19.8%</i>	<i>9.8%</i>
<b>Net income</b>	<b>49</b>	<b>72</b>	<b>103</b>	<b>286</b>	<b>320</b>
Basic earnings per share (EUR)	0.59	0.87	1.22	3.39	4.00
Diluted earnings per share (EUR)	0.37	0.87	1.10	3.03	3.80
Weighted average common shares outstanding (in thousands)	83,560	83,546	84,991	84,345	80,012
Diluted weighted average common shares outstanding (in thousands)	87,958	84,232	93,802	89,052	88,535

## APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<b>Operating income</b>	<b>52</b>	<b>88</b>	<b>88</b>	<b>361</b>	<b>399</b>
Depreciation & amortisation	38	35	42	143	152
Change in working capital	12	(74)	73	(197)	(162)
Income tax paid	(7)	(8)	(13)	(36)	(30)
Interest paid, (net)	(1)	(2)	(1)	(5)	(8)
Other operating activities (net)	(6)	25	5	29	23
<b>Net cash provided by operating activities (A)</b>	<b>88</b>	<b>64</b>	<b>194</b>	<b>295</b>	<b>374</b>
Purchase of PPE, intangible and biological assets (CAPEX)	(55)	(49)	(62)	(192)	(164)
Other investing activities (net)	2	-	-	5	1
<b>Net cash used in investing activities (B)</b>	<b>(53)</b>	<b>(49)</b>	<b>(62)</b>	<b>(187)</b>	<b>(163)</b>
Proceeds (payments) from payable to banks and long term debt	27	(14)	(4)	(13)	(11)
Purchase of treasury stock (share buy back)	-	(15)	-	(70)	(90)
Dividends paid	(34)	(33)	(27)	(130)	(106)
Other financing activities (net)	(1)	-	-	(1)	-
<b>Net cash used in financing activities</b>	<b>(8)</b>	<b>(62)</b>	<b>(31)</b>	<b>(214)</b>	<b>(207)</b>
Effect of exchange rate changes on cash	3	(1)	(3)	(1)	(6)
<b>Change in cash and cash equivalent</b>	<b>30</b>	<b>(48)</b>	<b>98</b>	<b>(107)</b>	<b>(2)</b>
<b>Free cash flow before dividend and share buy-back (C = A+B)</b>	<b>35</b>	<b>15</b>	<b>132</b>	<b>108</b>	<b>211</b>

## Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended			Year Ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Frequency Rate	0.8	2.1	1.3	1.4	1.4

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

Year Ended December 31, 2018	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	1,914	819	36	(797)	1,972
Average steel selling price (EUR/t)	1,942	2,428	14,635		2,305
<b>Financial information (EURm)</b>					
Sales	3,840	2,066	554	(1,783)	4,677
EBITDA	422	43	46	(7)	504
Depreciation & amortisation	(126)	(9)	(6)	(2)	(143)
Operating income / (loss)	296	34	40	(9)	361

Note a: Stainless & Electrical Steel shipments of 1,914kt of which 647kt were from South America and 1,267kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of EUR 422m of which EUR 162m were from South America and EUR 260m were from Europe

Year Ended December 31, 2017	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	1,882	818	33	(797)	1,936
Average steel selling price (EUR/t)	1,918	2,397	13,297		2,240
<b>Financial information (EURm)</b>					
Sales	3,723	2,041	458	(1,741)	4,481
Adjusted EBITDA	470	70	46	(27)	559
Exceptional items (EURm)	(8)	-	-	-	(8)
EBITDA	462	70	46	(27)	551
Depreciation & amortisation	(133)	(10)	(6)	(3)	(152)
Operating income / (loss)	329	60	40	(30)	399

Note a: Stainless & Electrical Steel shipments of 1,882kt of which 629kt were from South America and 1,253kt were from Europe

Note b: Stainless & Electrical Steel Adjusted EBITDA of EUR 470m of which EUR 118m were from South America and EUR 352m were from Europe

Quarter Ended December 31, 2018	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	470	181	9	(180)	480
Average steel selling price (EUR/t)	1,859	2,513	14,989		2,280
<b>Financial information (EURm)</b>					
Sales	913	467	138	(398)	1,120
EBITDA	87	(3)	7	(1)	90
Depreciation & amortisation	(34)	(3)	(1)	-	(38)
Operating income / (loss)	53	(6)	6	(1)	52

Quarter Ended September 30, 2018	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	449	191	8	(181)	467
Average steel selling price (EUR/t)	1,983	2,436	15,521		2,320
<b>Financial information (EURm)</b>					
Sales	917	489	136	(419)	1,123
EBITDA	101	8	9	5	123
Depreciation & amortisation	(31)	(2)	(2)	-	(35)
Operating income	70	6	7	5	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:

**Adjusted EBITDA:** operating income before depreciation, amortization and impairment expenses and exceptional items.

**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.

**Exceptional items:** consists of (i) inventory write-downs equal to or exceeding 10% of total related inventories values before write-down at the considered quarter end (ii) restructuring (charges)/gains equal to or exceeding EUR 10 million for the considered quarter, (iii) capital (loss)/gain on asset disposals equal to or exceeding EUR 10 million for the considered quarter or (iv) other non-recurring items equal to or exceeding EUR 10 million for the considered quarter.

**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.

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<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 under Appendix 2 "Terms & definitions".

<sup>2</sup> 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 - was initially targeting EUR 150 million of additional EBITDA gains per year by end of 2020. In February 2019, the annualized gains target has been increased by EUR 50 million to reach EUR 200 million by year end 2020.

<sup>3</sup> Includes revolving credit facility of EUR 300 million.