

Aperam S.A.



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## Full year and fourth quarter 2021 results - 'Closing out a record year with a successful entry into Recycling'

Aperam S.A. / Key word(s): Annual Results

Full year and fourth quarter 2021 results - 'Closing out a record year with a successful entry into Recycling'

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**Luxembourg, February 11, 2022 (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 ended December 31, 2021.

### Highlights

Health and Safety: LTI frequency rate of 2.3x in 2021 compared to 1.5x in 2020

Steel shipments of 1,819 thousand tonnes in 2021, 8.5% increase compared to steel shipments of 1,677 thousand tonnes in 2020

EBITDA of EUR 1,186 million in 2021, including an exceptional gain of EUR 126 million, compared to an EBITDA of EUR 343 million in 2020, including a net exceptional gain of EUR 50 million

EBITDA of EUR 462 million in Q4 2021, including an exceptional gain of EUR 117 million<sup>2</sup>, compared to EUR 159 million in Q4 2020, including a net exceptional gain of EUR 50 million

Net income of EUR 968 million in 2021, compared to EUR 175 million in 2020

Basic earnings per share of EUR 12.21 in 2021, compared to EUR 2.19 in 2020

Cash flow from operations amounted to EUR 550 million in 2021, compared to EUR 303 million in 2020

Free cash flow before dividend and share buy-back of EUR 367 million in 2021, after EUR (30) million paid for the acquisition of ELG, compared to EUR 195 million in 2020

Net financial debt of EUR 466 million, added from the ELG acquisition as of December 31, 2021, compared to EUR 67 million as of December 31, 2020

### Strategic initiatives

**Leadership Journey(R)<sup>3</sup> Phase 4:** Gains reached EUR 7 million in Q4 2021. Aperam realized cumulative gains of EUR 40 million in the first year of the program. This compares to cumulative target gains of EUR 150 million over the period 2021 to 2023

### Cash deployment

In coherence to its Financial Policy, Aperam is announcing:

2022 Dividend: increase from €1.75 per share to €2.00 per share (subject to AGM approval)

2022 Share Buyback: up to €100 million

### Prospects

Q1 2022 adj. EBITDA is expected at a slightly higher level versus the record Q4 2021 base

We guide for slightly higher Q1 2022 net financial debt

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

"In the fourth quarter we realized the fourth record results in a row. This is a reflection

of the positive market environment, but also proof of the substantial improvements that we have realized over the past years. We have opened the next chapter in Aperam's transformation with the acquisition of ELG - a leading recycling company for stainless steel scrap and superalloys. Looking ahead, our long order book signals a good first half. This allows us to invest in realizing Aperam's growth & improvement strategy to 2025 and sustaining attractive shareholder returns at the same time."

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

(in millions of Euros, unless otherwise stated)	Q4 21	Q3 21	Q4 20	12M 21	12M 20
Sales	1,396	1,257	916	5,102	3,624
Operating income	426	241	118	1,042	199
Net income attributable to equity holders of the parent	438	201	101	968	175
Basic earnings per share (EUR)	5.56	2.53	1.26	12.21	2.19
Diluted earnings per share (EUR)	5.53	2.53	1.26	12.16	2.19
Free cash flow before dividend and share buy-back	132	90	88	367	195
Net Financial Debt (at the end of the period)	466	59	67	466	67
Adj. EBITDA	345	278	109	1,060	293
Exceptional items	117	-	50	126	50
EBITDA	462	278	159	1,186	343
Adj. EBITDA/tonne (EUR)	814	660	253	583	175
EBITDA/tonne (EUR)	1,090	660	369	652	205
Steel shipments (000t)	424	421	431	1,819	1,677

#### Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate was 2.1x in the fourth quarter of 2021 compared to 1.8x in the third quarter of 2021. For 2021 the lost time injury frequency rate was 2.3x after 1.5x in 2020.

#### Financial results analysis for full year period to December 31, 2021

Sales for the year ended December 31, 2021 increased by 40.8%, at EUR 5,102 million compared to EUR 3,624 million for the year ended December 31, 2020, mainly due to higher shipments and higher prices. Steel shipments in 2021 increased by 8.5% at 1,819 thousand tonnes compared to 1,677 thousand tonnes in 2020.

EBITDA reached EUR 1,186 million for the year ended December 31, 2021 (including exceptional gains of EUR 126 million made of a bargain gain on ELG acquisition of EUR 117 million and PIS/Cofins tax credits related to prior periods recognized in Brazil for EUR 9 million), compared to EUR 343 million for the year ended December 31, 2020 (including net exceptional gains of EUR 50 million made of PIS/Cofins tax credits related to prior periods recognized in Brazil for EUR 65 million, partly offset by social costs and restructuring charges related to asset optimization in Europe for EUR (15) million). Group Adjusted EBITDA increased by 262% as higher demand supported a pricing recovery in both Europe and South America. Additional contributions were realized from inventory valuation gains. Phase 4 of the Leadership Journey(R) - the Transformation Program - realized EUR 40 million gains in 2021.

Depreciation, amortization and impairment was EUR (144) million for the year ended December 31, 2021.

Aperam had an operating income for the year ended December 31, 2021 of EUR 1,042 million compared to an operating income of EUR 199 million for the year ended December 31, 2020.

Financing costs including the FX and derivatives result for the year ended December 31, 2021 were positive at EUR 2 million, including cash cost of financing of EUR (7) million and exceptional interest income of EUR 6 million in Brazil for PIS/Cofins tax credits related to prior periods.

Income tax expense for the year ended December 31, 2021 was EUR (74) million.

The Company recorded a net income of EUR 968 million for the year ended December 31, 2021.

Cash flows from operations for the year ended December 31, 2021 were positive at EUR 550 million, despite a working capital increase of EUR 485 million. CAPEX for the year ended December 31, 2021 was EUR (152) million.

Free cash flow before dividend and share buy-back for the year 2021 amounted to EUR 367 million.

As of December 31, 2021, total equity amounted to EUR 2,953 million and net financial debt was EUR 466 million, of which EUR 499 million net financial debt was added from the acquisition of ELG. Gross financial debt as of December 31, 2021 was EUR 990 million. Cash & cash equivalents were EUR 524 million.

Total cash returns to shareholders in 2021 amounted to EUR 245 million, consisting of EUR 105 million of share buy-back<sup>4</sup> and EUR 140 million of dividend (of which EUR 1 million paid to non-controlling interests).

The Company had liquidity of EUR 932 million as of December 31, 2021, consisting of cash and cash equivalents of EUR 524 million and undrawn credit lines<sup>5</sup> of EUR 408 million.

### Financial results analysis for the three-month period to December 31, 2021

Sales for the fourth quarter of 2021 increased by 11.1% to EUR 1,396 million compared to EUR 1,257 million for the third quarter of 2021. Steel shipments increased from 421 thousand tonnes in the third quarter of 2021, to 424 thousand tonnes in the fourth quarter of 2021.

EBITDA increased during the quarter to EUR 462 million (including an exceptional gain of EUR 117 million related to the bargain gain on ELG acquisition) from EUR 278 million for the third quarter of 2021. The underlying improvement was mainly driven by higher volumes and higher prices that outweighed higher energy costs compared to the previous quarter.

Depreciation, amortisation and impairment was EUR (36) million for the fourth quarter of 2021.

Aperam had an operating income for the fourth quarter of 2021 of EUR 426 million compared to an operating income of EUR 241 million for the previous quarter.

Financing costs, net, including the FX and derivatives result for the fourth quarter of 2021 were EUR (6) million, including cash cost of financing of below EUR 1 million.

Income tax benefit for the fourth quarter of 2021 was EUR 19 million.

The Company recorded a net income of EUR 438 million for the fourth quarter of 2021.

Cash flows from operations for the fourth quarter of 2021 were positive at EUR 219 million, despite a working capital increase of EUR 71 million. CAPEX for the fourth quarter was EUR (58) million.

Free cash flow before dividend and share buyback for the fourth quarter of 2021 amounted to EUR 132 million.

During the fourth quarter of 2021, the cash returns to shareholders amounted to EUR 34 million, consisting fully of dividend.

### Operating segment results analysis

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

(in millions of Euros, unless otherwise stated)	Q4 21	Q3 21	Q4 20	12M 21	12M 20
Sales	1,249	1,065	774	4,369	2,897
Adjusted EBITDA	318	226	89	896	227
Exceptional items	-	-	50	-	50
EBITDA	318	226	139	896	277
Depreciation, amortisation & impairment	(31)	(31)	(34)	(122)	(118)
Operating income	287	195	105	774	159
Steel shipments (000t)	432	409	432	1,796	1,639
Average steel selling price (EUR/t)	2,806	2,525	1,723	2,360	1,705

<sup>(1)</sup> Amounts are shown prior to intra-group eliminations

The Stainless & Electrical Steel segment had sales of EUR 1,249 million for the fourth quarter of 2021. This represents a 17.3% increase compared to sales of EUR 1,065 million for the third quarter of 2021. Steel shipments during the fourth quarter were 432 thousand tonnes, an increase of 5.6% compared to shipments of 409 thousand tonnes during the previous quarter. Volumes in Europe increased seasonally while volumes in Brazil decreased seasonally quarter on quarter. Average steel selling prices for the Stainless & Electrical Steel segment increased by 11.1% compared to the previous quarter.

The segment recorded EBITDA of EUR 896 million (of which EUR 459 million were generated in Europe and EUR 437 million in South America) for the year 2021 compared to EUR 277 million (of which EUR 88 million from Europe, including EUR (13) million of social costs in France related to asset optimization and EUR 189 million from South America, including EUR 64 million due to PIS/Cofins tax credits related to prior periods and EUR (1) million of social costs in Brazil) for the year 2020. Adjusted EBITDA improved by 295% as both regions benefited from higher prices, higher volumes, inventory valuation gains and the successful implementation of the Top Line strategy and Leadership Journey(R).

The segment generated EBITDA of EUR 318 million for the fourth quarter of 2021 compared to EUR 226 million for the third quarter of 2021. Profitability increased due to higher prices and higher volumes which compensated higher input costs.

Depreciation, amortisation and impairment was EUR (31) million for the fourth quarter of 2021.

The Stainless & Electrical Steel segment had an operating income of EUR 287 million for the fourth quarter of 2021 compared to an operating income of EUR 195 million for the third quarter of 2021.

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

(in millions of Euros, unless otherwise stated)	Q4 21	Q3 21	Q4 20	12M 21	12M 20
Sales	578	561	381	2,212	1,513
Adjusted EBITDA	51	53	14	199	38
Exceptional items	-	-	1	9	1
EBITDA	51	53	15	208	39
Depreciation & amortisation	(3)	(3)	(3)	(12)	(13)
Operating income	48	50	12	196	26
Steel shipments (000t)	158	171	163	726	646
Average steel selling price (EUR/t)	3,471	3,167	2,224	2,922	2,242

<sup>(1)</sup> Amounts are shown prior to intra-group eliminations

The Services & Solutions segment had sales of EUR 578 million for the fourth quarter of 2021, representing an increase of 3.0% compared to sales of EUR 561 million for the third quarter of 2021. For the fourth quarter of 2021, steel shipments were 158 thousand tonnes compared to 171 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 208 million for the year 2021, including EUR 9 million in Brazil due to PIS/Cofins tax credits related to prior periods, compared to EUR 39 million for the year 2020, including EUR 1 million in Brazil due to PIS/Cofins tax credits related to prior periods. The higher result was mainly attributable to higher shipments, higher prices and inventory valuation gains.

The segment generated EBITDA of EUR 51 million for the fourth quarter of 2021 compared to EBITDA of EUR 53 million for the third quarter of 2021. Higher prices and higher inventory valuation gains did not fully compensate for seasonally lower volumes.

Depreciation, amortisation and impairment was EUR (3) million for the fourth quarter of 2021.

The Services & Solutions segment had an operating income of EUR 48 million for the fourth quarter of 2021 compared to an operating income of EUR 50 million for the third quarter of 2021.

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

(in millions of Euros, unless otherwise stated)	Q4 21	Q3 21	Q4 20	12M 21	12M 20
Sales	149	112	103	518	511
EBITDA	19	11	15	58	45
Depreciation & amortisation	(2)	(2)	(2)	(8)	(9)
Operating income	17	9	13	50	36
Steel shipments (000t)	8	7	7	30	31
Average steel selling price (EUR/t)	17,464	16,745	15,122	16,600	16,061

<sup>(1)</sup> Amounts are shown prior to intra-group eliminations

The Alloys & Specialties segment had sales of EUR 149 million for the fourth quarter of 2021, representing an increase of 33.0% compared to EUR 112 million for the third quarter of 2021. Steel shipments increased by 26.2% during the fourth quarter of 2021 at 8 thousand tonnes. Average steel selling prices were higher during the quarter.

The segment recorded EBITDA of EUR 58 million for the year 2021 compared to EUR 45 million for the year 2020. The increase is mainly attributable, a positive contribution from inventory valuation gains and cost savings through the Leadership Journey(R).

The Alloys & Specialties segment achieved EBITDA of EUR 19 million for the fourth quarter of 2021 compared to EUR 11 million for the third quarter of 2021. The EBITDA increase was mainly driven by higher volumes, higher prices and higher inventory valuation gains.

Depreciation and amortisation expense for the fourth quarter of 2021 was EUR (2) million.

The Alloys & Specialties segment had an operating income of EUR 17 million for the fourth quarter of 2021 compared to an operating income of EUR 9 million for the third quarter of 2021.

#### Recent developments during the quarter

On November 26, 2021, Aperam, announced that the pending acquisition of ELG, a global leader in stainless and alloys recycling, has been approved by the European Commission.

On December 7, 2021, Aperam announced its financial calendar for 2022.

On December 27, 2021, Aperam announced the completion of the acquisition of ELG. The acquisition of ELG received all necessary regulatory approvals and will further strengthen Aperam's competitiveness and ESG (Environmental-Social-Governance) leadership position in the industry.

On January 7, 2022, Aperam announced a shareholding notification with reference to Transparency Law.

#### New developments

On February 11, 2022, Aperam announced having entered into a 5+1+1 years sustainably linked senior unsecured revolving credit facility of EUR 500 million with a syndicate of 16 banks. Such facility replaces the existing senior unsecured revolving credit facility of EUR 300 million signed in June 2017. In addition, Aperam announced having entered into a 6 years sustainably linked amortizing fixed rate term facility of EUR 300 million with a syndicate of 10 banks. The revolving credit facility is for general corporate purposes and the term loan is dedicated to the refinancing of maturing debts of ELG. BNP Paribas, ING Bank N.V. and Intesa Sanpaolo S.p.A. arranged the new facilities, with Credit Agricole Corporate & Investment Bank acting as Sustainability and Facility Agent.

On February 11, 2022 Aperam announced its detailed dividend payment schedule for 2022. The Company proposes to increase its base dividend from €1.75 per share to €2.00 per share, subject to shareholder approval at the 2022 Annual General Meeting. The schedule is available on Aperam's website [www.aperam.com](http://www.aperam.com) under Investors > Equity Investors > Dividends.

On February 11, 2022, Aperam announced a share buyback program of up to EUR 100 million, and a maximum of 2.5 million shares under the authorization given by the annual general meeting of shareholders held on 7 May 2019. Such shareholder resolution is to be renewed at the May 4, 2022 annual general meeting of shareholders. The details of the program are available in a separate Press Release

#### Investor conference call / webcast

Pre-recorded management comments are available as from publication of this earnings release on

our website at [www.aperam.com](http://www.aperam.com), section Investors > Reports & Presentations > Quarterly results > Q4-2021 ([Link](#)).

Aperam management will host a conference call / webcast for members of the investment community to discuss the full year and fourth quarter 2021 financial performance at the following time:

Date	New York	London	Luxembourg
Friday, February 11, 2022	08:00 am	01:00 pm	02:00 pm

Link to the webcast [https://channel.royalcast.com/landingpage/aperam/20220211\\_1/](https://channel.royalcast.com/landingpage/aperam/20220211_1/)

The dial-in numbers for the call are: France : +33 (0) 1 7037 7166; USA: +1 212 999 6659; UK: +44 (0) 33 0551 0200

The conference password is Aperam.

## Contacts

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## About Aperam

Aperam is a global player in stainless, electrical and specialty steel, with customers in over 40 countries. As from 31 December 2021, the business is organised in four primary reportable segments: Stainless & Electrical Steel, Services & Solutions, Alloys & Specialties and Recycling.

Aperam has a flat Stainless and Electrical steel capacity of 2.5 million tonnes in Brazil and Europe and is a leader in high value specialty products. In addition to its industrial network, spread over six production facilities in Brazil, Belgium and France, Aperam has a highly integrated distribution, processing and services network and a unique capability to produce stainless and special steels from low cost biomass (charcoal made from its own FSC-certified forestry). With ELG, Aperam is also a global leader in collecting, trading, processing and recycling of stainless steel scrap and high performance alloys, delivering~ 1.2 m tonnes of materials annually.

In 2021, Aperam had sales of EUR 5,102 million and steel shipments of 1.82 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. In particular, the length and severity of the COVID-19 (coronavirus) outbreak, including its impacts in the sector, macroeconomic conditions and in Aperam's principal local markets may cause our actual results to be materially different than those expressed in our forward-looking statements.

## APERAM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 31, 2021 <sup>6</sup>	September 30, 2021	December 31, 2020
(in million of EURO)			

**ASSETS**

Cash & cash equivalents (C)	524	359	358
Inventories, trade receivables and trade payables	1,688	1,032	616
Prepaid expenses and other current assets	94	101	151
<b>Total Current Assets &amp; Working Capital</b>	<b>2,306</b>	<b>1,492</b>	<b>1,125</b>

Goodwill and intangible assets	439	427	429
Property, plant and equipment (incl. Biological assets)	1,726	1,512	1,522
Investments in associates, joint ventures and other	4	4	2
Deferred tax assets	135	88	94
Other non-current assets	101	62	83
<b>Total Assets (net of Trade Payables)</b>	<b>4,711</b>	<b>3,585</b>	<b>3,255</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Short-term debt and current portion of long-term debt (B)	271	38	53
Accrued expenses and other current liabilities	382	370	317
<b>Total Current Liabilities (excluding Trade Payables)</b>	<b>653</b>	<b>408</b>	<b>370</b>

Long-term debt, net of current portion (A)	719	380	372
Deferred employee benefits	186	147	148
Deferred tax liabilities	132	115	117
Other long-term liabilities	68	45	44
<b>Total Liabilities (excluding Trade Payables)</b>	<b>1,758</b>	<b>1,095</b>	<b>1,051</b>

Equity attributable to the equity holders of the parent	2,945	2,486	2,200
Non-controlling interest	8	4	4
<b>Total Equity</b>	<b>2,953</b>	<b>2,490</b>	<b>2,204</b>

<b>Total Liabilities and Shareholders' Equity (excluding Trade Payables)</b>	<b>4,711</b>	<b>3,585</b>	<b>3,255</b>
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<b>Net Financial Debt (D = A+B-C)</b>	<b>466</b>	<b>59</b>	<b>67</b>
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**APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Sales</b>	<b>1,396</b>	<b>1,257</b>	<b>916</b>	<b>5,102</b>	<b>3,624</b>
<b>Adjusted EBITDA (E = C-D)</b>	<b>345</b>	<b>278</b>	<b>109</b>	<b>1,060</b>	<b>293</b>
<i>Adjusted EBITDA margin (%)</i>	<i>24.7%</i>	<i>22.1%</i>	<i>11.9%</i>	<i>20.8%</i>	<i>8.1%</i>
Exceptional items (D)	117	-	50	126	50
<b>EBITDA (C = A-B)</b>	<b>462</b>	<b>278</b>	<b>159</b>	<b>1,186</b>	<b>343</b>
<i>EBITDA margin (%)</i>	<i>33.1%</i>	<i>22.1%</i>	<i>17.4%</i>	<i>23.2%</i>	<i>9.5%</i>
Depreciation, amortisation & impairment (B)	(36)	(37)	(41)	(144)	(144)
<b>Operating income (A)</b>	<b>426</b>	<b>241</b>	<b>118</b>	<b>1,042</b>	<b>199</b>
<i>Operating margin (%)</i>	<i>30.5%</i>	<i>19.2%</i>	<i>12.9%</i>	<i>20.4%</i>	<i>5.5%</i>
Results from associates and other investments	-	(1)	(1)	(1)	(1)
Financing costs, (net)	(6)	10	42	2	40



<b>Income before taxes and non-controlling interests</b>	<b>420</b>	<b>250</b>	<b>159</b>	<b>1,043</b>	<b>238</b>
Income tax benefit (expense)	19	(49)	(58)	(74)	(63)
<i>Effective tax rate %</i>	<i>(4.5) %</i>	<i>19.7 %</i>	<i>35.8 %</i>	<i>7.1 %</i>	<i>26.2 %</i>
<b>Income before non-controlling interests</b>	<b>439</b>	<b>201</b>	<b>101</b>	<b>969</b>	<b>175</b>
Non-controlling interests	(1)	-	-	(1)	-
<b>Net income attributable to equity holders of the parent</b>	<b>438</b>	<b>201</b>	<b>101</b>	<b>968</b>	<b>175</b>
Basic earnings per share (EUR)	5.56	2.53	1.26	12.21	2.19
Diluted earnings per share (EUR)	5.53	2.53	1.26	12.16	2.19
Weighted average common shares outstanding (in thousands)	78,723	79,805	79,895	79,241	79,836
Diluted weighted average common shares outstanding (in thousands)	79,040	80,123	80,204	79,557	80,145

#### APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Operating income</b>	<b>422</b>	<b>241</b>	<b>118</b>	<b>1,038</b>	<b>199</b>
Depreciation, amortisation & impairment	36	37	41	144	144
Change in working capital	(71)	(175)	(6)	(485)	(22)
Income tax paid	(42)	(8)	(1)	(56)	(4)
Interest paid, (net)	1	(2)	(1)	(4)	(7)
Exceptional items	(117)	-	(50)	(126)	(50)
Other operating activities (net)	(14)	17	5	35	43
<b>Net cash provided by operating activities (A)</b>	<b>219</b>	<b>110</b>	<b>106</b>	<b>550</b>	<b>303</b>
Purchase of PPE, intangible and biological assets (CAPEX)	(58)	(21)	(19)	(152)	(109)
Other investing activities (net)	(29)	1	1	(31)	1
<b>Net cash used in investing activities (B)</b>	<b>(87)</b>	<b>(20)</b>	<b>(18)</b>	<b>(183)</b>	<b>(108)</b>
Proceeds (payments) from payable to banks and long term debt	71	(1)	(29)	57	(37)
Purchase of treasury stock (share buy back)	-	(100)	-	(105)	-
Dividends paid	(34)	(35)	(35)	(140)	(139)
Other financing activities (net)	(2)	(3)	(2)	(9)	(9)
<b>Net cash used in financing activities</b>	<b>35</b>	<b>(139)</b>	<b>(66)</b>	<b>(197)</b>	<b>(185)</b>
Effect of exchange rate changes on cash	(2)	(9)	1	(4)	(27)
<b>Change in cash and cash equivalent</b>	<b>165</b>	<b>(58)</b>	<b>23</b>	<b>166</b>	<b>(17)</b>
<b>Free cash flow before dividend and share buy-back (C = A+B)</b>	<b>132</b>	<b>90</b>	<b>88</b>	<b>367</b>	<b>195</b>



## Appendix 1a - Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	December 31, 2021	September 30, 2021	June 30, 2021
Frequency Rate	2.1	1.8	2.3

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 Ending December 31, 2021	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Others & Eliminations <sup>7</sup>	Total
<b>Operational information</b>					
Steel Shipment (000t)	1,796	726	30	(733)	1,819
Average steel selling price (EUR/t)	2,360	2,922	16,600		2,737
<b>Financial information (EURm)</b>					
Sales	4,369	2,212	518	(1,997)	5,102
Adjusted EBITDA	896	199	58	(93)	1,060
Exceptional items	-	9	-	117	126
EBITDA	896	208	58	24	1,186
Depreciation, amortisation & impairment	(122)	(12)	(8)	(2)	(144)
Operating income	774	196	50	22	1,042

Note a: Stainless & Electrical Steel shipments of 1,796kt of which 626kt were from South America and 1,170kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of EUR 896m of which EUR 437m were from South America and EUR 459m were from Europe

Year Ending December 31, 2020	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	1,639	646	31	(639)	1,677
Average steel selling price (EUR/t)	1,705	2,242	16,061		2,096
<b>Financial information (EURm)</b>					
Sales	2,897	1,513	511	(1,297)	3,624
Adjusted EBITDA	227	38	45	(17)	293
Exceptional items	50	1	-	(1)	50
EBITDA	277	39	45	(18)	343
Depreciation, amortisation & impairment	(118)	(13)	(9)	(4)	(144)
Operating income / (loss)	159	26	36	(22)	199

Note a: Stainless & Electrical Steel shipments of 1,639kt of which 591kt were from South America and 1,048kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of EUR 277m of which EUR 189m were from South America and EUR 88m were from Europe

Quarter Ending December 31, 2021	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations <sup>7</sup>	Total
<b>Operational information</b>					
Steel Shipment (000t)	432	158	8	(174)	424
Average steel selling price (EUR/t)	2,806	3,471	17,464		3,204
<b>Financial information (EURm)</b>					
Sales	1,249	578	149	(580)	1,396
Adjusted EBITDA	318	51	19	(43)	345
Exceptional items	-	-	-	117	117
EBITDA	318	51	19	74	462
Depreciation, amortisation & impairment	(31)	(3)	(2)	-	(36)
Operating income	287	48	17	74	426

Quarter Ending September 30, 2021	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Others & Eliminations	Total
<b>Operational information</b>					
Steel Shipment (000t)	409	171	7	(166)	421
Average steel selling price (EUR/t)	2,525	3,167	16,745		2,928
<b>Financial information (EURm)</b>					
Sales	1,065	561	112	(481)	1,257
EBITDA	226	53	11	(12)	278
Depreciation & Amortisation	(31)	(3)	(2)	(1)	(37)
Operating income / (loss)	195	50	9	(13)	241

## Appendix 2 - Terms and definitions<sup>8</sup>

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, amortisation and impairment expenses and exceptional items.

**Adjusted EBITDA/tonne:** calculated as Adjusted EBITDA divided by total steel shipments.

**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.

**Financing income (costs):** Net interest expense, other net financing costs and foreign exchange and derivative results.

**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:** 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.

<sup>2</sup> The exceptional gain of EUR 117 million in Q4 2021 relates to a bargain purchase gain on ELG acquisition. This includes a net amount of EUR 36 million after tax related to revalued inventory at closing prices. This will negatively impact the EBITDA in Q1 2022.

<sup>3</sup> The Leadership Journey(R) is an initiative launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement. The fourth phase of the Leadership Journey(R) is targeting EUR 150 million gains for the period 2021 - 2023 via a combination of cost, growth and mix improvement measures.

<sup>4</sup> EUR 105 million of share buy-back during the year 2021 is composed of (1) EUR 100 million related to the share buy-back program announced on July 30, 2021 and completed during the third quarter of 2021 with the acquisition of 1.96 million shares and (2) EUR 5 million related to the acquisition of 0.10 million shares from a related party during the second quarter of 2021.

<sup>5</sup> Includes a revolving credit facility of EUR 300 million at Aperam S.A.level and undrawn committed credit lines of EUR 108 million at ELG level.

<sup>6</sup> Aperam condensed consolidated statement of financial position as of 31 December 2021 includes the following ELG contribution: €169 million of property, plant & equipment, €580 million of working capital and €499 million of net financial debt.

<sup>7</sup> As announced on December 27, 2021, ELG has been fully consolidated into the Aperam Group's statement of financial position as of December 31, 2021 under a new segment "Recycling". The bargain gain of EUR 117 million accounted for by the Company as of December 31, 2021 was the only transaction considered as an exceptional item recognized in the operating income of this new segment "Recycling". As a consequence, we have included it in the segment "Others & Eliminations". The performance of the new segment "Recycling" will be disclosed as from the first quarter of 2022.

<sup>8</sup> 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".

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