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First quarter 2022 results: "Another Record Quarter Despite Market Turmoil"

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First quarter 2022 results: "Another Record Quarter Despite Market Turmoil"

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Luxembourg, May 6, 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 ended March 31, 2022.

Highlights

Health and Safety: LTI frequency rate of 2.4x in Q1 2022 compared to 2.1x in Q4 2021

Shipments of 673 thousand tonnes, including the addition of Recycling & Renewables in Q1 2022. Comparable shipments of 452 thousand tonnes in Q1 2022 versus 424 thousand tonnes in Q4 2021

Adjusted EBITDA of EUR 363 million in Q1 2022, compared to Adjusted EBITDA of EUR 345 million in Q4 2021

Adjusted Net income of EUR 219 million in Q1 2022, compared to EUR 244 million in Q4 2021

Adjusted Basic earnings per share of EUR 2.83 in Q1 2022, compared to EUR 3.10 in Q4 2021

Cash flow used by operations amounted to EUR (57) million in Q1 2022, compared to cash flow from operations of EUR 219 million in Q4 2021

Free cash flow before dividend and share buy-back of EUR (103) million in Q1 2022, compared to EUR 132 million in Q4 2021

Net financial debt of EUR 666 million, as of March 31, 2022, compared to EUR 466 million as of December 31, 2021

Strategic initiatives

Leadership Journey®² Phase 4: Gains reached EUR 7 million in Q1 2022 and a cumulative EUR 47 million compared to target gains of EUR 150 million over the period 2021 to 2023. Additional gain of EUR 7 million from Brazil electrical steel investment by accelerating the Leadership Journey® Phase 5 within the 2025 growth plan.

Cash deployment

In coherence to its Financial Policy, Aperam is announcing:

2022 Share Buyback increased by up to another EUR 100 million for a total of up to EUR 200 million. EUR 100 million completed on April 19, 2022.

Prospects

Q2 2022 Adj. EBITDA is expected at a higher level versus the record Q1 2022 base

We guide for slightly lower Q2 2022 net financial debt

Timoteo Di Maulo, CEO of Aperam, commented:

"Q1 was the fifth adjusted EBITDA record in a row and we are aiming for another record in Q2 to make good on our promise of a strong first half. Strong balance sheets will be a cornerstone in the current environment and Aperam is pleased to increase the 2022 share buyback by another EUR 100 million. I am proud that our 2021 ESG report confirms Aperam's best in class CO₂ footprint, which includes an added sustainability value dimension of our FSC

certified forest. Aperam is further significantly investing into growing this unique strategic asset.”

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

| (in millions of Euros, unless otherwise stated) | Q1 22 | Q4 21 | Q1 21 |
|---|-------|-------|-------|
| Sales | 2,265 | 1,396 | 1,177 |
| Operating income | 266 | 426 | 140 |
| Net income attributable to equity holders of the parent | 187 | 438 | 116 |
| Basic earnings per share (EUR) | 2.41 | 5.56 | 1.45 |
| Diluted earnings per share (EUR) | 2.40 | 5.53 | 1.45 |
| Free cash flow before dividend and share buy-back | (103) | 132 | 58 |
| Net Financial Debt (at the end of the period) | 666 | 466 | 56 |
| Adj. EBITDA | 363 | 345 | 175 |
| Exceptional items | (53) | 117 | – |
| EBITDA | 310 | 462 | 175 |
| Adj. EBITDA/tonne (EUR) | 539 | 814 | 355 |
| EBITDA/tonne (EUR) | 461 | 1,090 | 355 |
| Shipments (000t) | 673 | 424 | 493 |

Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors’ lost time injury frequency rate was 2.4x in the first quarter of 2022 compared to 2.1x in the fourth quarter of 2021.

Financial results analysis for the three-month period ending March 31, 2022

Sales for the first quarter of 2022 increased by 62% to EUR 2,265 million compared to EUR 1,396 million for the fourth quarter of 2021. Shipments increased from 424 thousand tonnes in the fourth quarter of 2021, to 673 thousand tonnes in the first quarter of 2022, thanks to seasonally strong stainless sales in Europe and the addition of Recycling & Renewables.

EBITDA decreased during the quarter to EUR 310 million (including an exceptional loss of EUR (53) million related to the reversal of the inventory step-up of EUR (48) million recognized in the 2021 bargain purchase gain on ELG acquisition and a final bargain purchase gain adjustment on this acquisition for EUR (5) million) from EUR 462 million (including an exceptional gain of EUR 117 million related to the preliminary bargain purchase gain on ELG acquisition) for the fourth quarter of 2021. Q1 2022 Adjusted EBITDA improved to EUR 363 million from EUR 345 million in Q4 2021. Higher realized prices, higher inventory valuation gains and higher volumes were the main drivers.

Depreciation and amortization expense was EUR (44) million for the first quarter of 2022.

Aperam had an operating income for the first quarter of 2022 of EUR 266 million compared to an operating income of EUR 426 million for the previous quarter, including a bargain gain reversal of EUR (53) million compared to a bargain gain income of EUR 117 million for the previous quarter.

Financing costs, net, including the FX and derivatives result for the first quarter of 2022 were EUR (24) million, including cash cost of financing of EUR (5) million.

Income tax expense for the first quarter of 2022 was EUR (55) million.

The Company recorded a net income of EUR 187 million for the first quarter of 2022.

Cash flows used by operations for the first quarter of 2022 were negative at EUR (57) million, including a working capital increase of EUR 369 million. CAPEX for the first quarter was EUR

(46) million.

Free cash flow before dividend and share buyback for the first quarter of 2022 amounted to EUR (103) million.

During the first quarter of 2022, the cash returns to shareholders amounted to EUR 113 million, consisting of EUR 74 million of share buy-back and EUR 39 million of dividend.

Operating segment results analysis

Stainless & Electrical Steel ⁽¹⁾

| (in millions of Euros, unless otherwise stated) | Q1 22 | Q4 21 (2) | Q1 21 (2) |
|---|-------|--------------|-----------|
| Sales | 1,523 | 1,243 | 978 |
| EBITDA | 272 | 305 | 135 |
| Depreciation, amortization & impairment | (25) | (25) | (23) |
| Operating income | 247 | 280 | 112 |
| Steel shipments (000t) | 445 | 432 | 483 |
| Average steel selling price (EUR/t) | 3,355 | 2,806 | 1,969 |

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

⁽²⁾ Due to the transfer of the entity Aperam Bioenergia from the segment 'Stainless & Electrical Steel' to the segment 'Recycling & Renewables' starting Q1 2022, segmented figures for Q4 2021 and Q1 2021 have been recast for the sake of comparison.

The Stainless & Electrical Steel segment had sales of EUR 1,523 million for the first quarter of 2022. This represents a 23% increase compared to sales of EUR 1,243 million for the fourth quarter of 2021. Steel shipments during the first quarter were 445 thousand tonnes, an increase of 3% compared to shipments of 432 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 20% compared to the previous quarter.

The segment generated an EBITDA of EUR 272 million for the first quarter of 2022 compared to EUR 305 million for the fourth quarter of 2021. EBITDA declined slightly due to seasonally lower volumes in Brazil and the input cost spike in Europe. These were not fully compensated by higher sales prices and higher inventory valuation gains.

Depreciation and amortization expense was EUR (25) million for the first quarter of 2022.

The Stainless & Electrical Steel segment had an operating income of EUR 247 million for the first quarter of 2022 compared to an operating income of EUR 280 million for the fourth quarter of 2021.

Services & Solutions ⁽¹⁾

| (in millions of Euros, unless otherwise stated) | Q1 22 | Q4 21 | Q1 21 |
|---|-------|-------|-------|
| Sales | 845 | 578 | 531 |
| EBITDA | 73 | 51 | 45 |
| Depreciation & amortization | (3) | (3) | (3) |
| Operating income | 70 | 48 | 42 |
| Steel shipments (000t) | 199 | 158 | 208 |
| Average steel selling price (EUR/t) | 4,084 | 3,471 | 2,448 |

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

The Services & Solutions segment had sales of EUR 845 million for the first quarter of 2022, representing an increase of 46% compared to sales of EUR 578 million for the fourth quarter of

2021. For the first quarter of 2022, steel shipments were 199 thousand tonnes compared to 158 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 generated an EBITDA of EUR 73 million for the first quarter of 2022 compared to an EBITDA of EUR 51 million for the fourth quarter of 2021. Higher prices and higher inventory valuation gains were the main drivers.

Depreciation and amortization expense was EUR (3) million for the first quarter of 2022.

The Services & Solutions segment had an operating income of EUR 70 million for the first quarter of 2022 compared to an operating income of EUR 48 million for the fourth quarter of 2021.

Alloys & Specialties⁽¹⁾

| (in millions of Euros, unless otherwise stated) | Q1 22 | Q4 21 | Q1 21 |
|---|--------|--------|--------|
| Sales | 148 | 149 | 125 |
| EBITDA | 21 | 19 | 12 |
| Depreciation & amortization | (2) | (2) | (2) |
| Operating income | 19 | 17 | 10 |
| Steel shipments (000t) | 7 | 8 | 7 |
| Average steel selling price (EUR/t) | 20,064 | 17,464 | 17,330 |

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

The Alloys & Specialties segment had sales of EUR 148 million for the first quarter of 2022, representing a decrease of 1% compared to EUR 149 million for the fourth quarter of 2021. Steel shipments decreased by 14% during the first quarter of 2022 at 7 thousand tonnes. Average steel selling prices were higher during the quarter.

The Alloys & Specialties segment achieved EBITDA of EUR 21 million for the first quarter of 2022 compared to EUR 19 million for the fourth quarter of 2021. The EBITDA increase was mainly driven by higher inventory valuation gains.

Depreciation and amortization expense for the first quarter of 2022 was EUR (2) million.

The Alloys & Specialties segment had an operating income of EUR 19 million for the first quarter of 2022 compared to an operating income of EUR 17 million for the fourth quarter of 2021.

Recycling & Renewables³

| (in millions of Euros, unless otherwise stated) ⁽¹⁾ | Q1 22 | Q4 21 ⁽²⁾ (3) | Q1 21 ⁽²⁾ (3) |
|--|-------|-----------------------------|-----------------------------|
| Sales | 735 | 582 | 493 |
| Adjusted EBITDA | 14 | 19 | 34 |
| Exceptional items | (53) | 117 | — |
| EBITDA | (39) | 136 | 34 |
| Depreciation & amortization | (13) | (11) | (11) |
| Operating income / (loss) | (52) | 125 | 23 |
| Shipments (000t) | 395 | 372 | 443 |
| Average selling price (EUR/t) | 1,861 | 1,565 | 1,113 |

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

⁽²⁾ Due to the transfer of the entity Aperam Bioenergia from the segment 'Stainless & Electrical Steel' to the segment 'Recycling & Renewables' starting Q1 2022, segmented figures for Q4 2021 and Q1 2021 have been recast for the sake of comparison.

⁽³⁾ Pro Forma information including ELG for the sake of comparison.

The Recycling & Renewables segment had sales of EUR 735 million for the first quarter of 2022, representing an increase of 26% compared to EUR 582 million pro forma sales for the fourth quarter of 2021. Shipments increased by 6% during the first quarter of 2022 at 395 thousand tonnes. Average selling prices were higher during the quarter.

EBITDA decreased during the quarter to EUR (39) million due to a bargain gain reversal of EUR (53) million compared to an EBITDA of EUR 136 million in Q4 2021 including a bargain purchase gain of EUR 117 million. The Recycling & Renewables segment achieved Adjusted EBITDA of EUR 14 million for the first quarter of 2022 compared to pro forma Adjusted EBITDA of EUR 19 million for the fourth quarter of 2021. The EBITDA decrease was mainly due to one-off costs related to the nickel price volatility in March.

Depreciation and amortization expense for the first quarter of 2022 was EUR (13) million.

The Recycling & Renewables segment had an operating loss of EUR (52) million for the first quarter of 2022 compared to a pro forma operating income of EUR 125 million for the fourth quarter of 2021.

Recent developments during the quarter

On March 24, 2022, Aperam announced the publication of its Annual Report 2021 ([Link](#)).

On April 4, 2022, Aperam announced the publication of the convening notice for its Annual General Meeting and Extraordinary General Meeting of shareholders to be held on May 4, 2022.

On April 19, 2022, Aperam announced the completion of its share buyback program announced on February 11, 2022 (hereafter the "Program"). In aggregate, 2,311,849 shares were bought under this Program, representing an equivalent amount of EUR 100 million.

On May 4, 2022, Aperam announced that the Annual and Extraordinary General Meetings of Shareholders of Aperam held on May 4, 2022 approved all resolutions on the agenda by a large majority.

New developments

On May 6, 2022, Aperam announced an additional share buyback program of up to EUR 100 million (for a total of up to EUR 200 million in 2022, with EUR 100 million completed on April 19, 2022), and a maximum of 3.5 million shares under the authorization given by the annual general meeting of shareholders held on May 4, 2022. The details of the program are available in a separate Press Release.

BioEnergia - our FSC certified forest - is a key asset for reaching Aperam's CO₂ emission intensity reduction target of 0.30t CO₂e/ton of crude steel in 2030 down from 0.54t CO₂e/tcs in 2015 and to become carbon neutral by 2050. We are therefore increasing our forestry area by another 20% via acquiring additional rights. In line with our financial policy the project has an Internal Rate of Return of above 15%. Additionally, it will contribute towards reaching Aperam's goal of net zero by 2050.

Investor conference call / webcast

Pre-recorded management comments are available as from publication of this earnings release on our website at www.aperam.com, section Investors > Reports & Presentations > Quarterly results > Q1-2022 ([Link](#)).

Aperam management will host a conference call / webcast for members of the investment community to discuss the first quarter 2022 financial performance at the following time:

| Date | New York | London | Luxembourg |
|------------------------|----------|--------|------------|
| Friday, May 6, 2022 | 08:00 | 13:00 | 14:00 |

Link to the webcast: https://channel.royalcast.com/aperam/#!/aperam/20220506_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

Corporate Communications / Laurent Beauloye: +352 27 36 27 103; laurent.beauloye@aperam.com

About Aperam

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

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 low carbon footprint stainless and special steels from biomass, stainless steel scrap and high performance alloys scrap. With Bioenergia and its unique capability to produce charcoal made from its own FSC-certified forestry and with ELG, a global leader in collecting, trading, processing and recycling of stainless steel scrap and high performance alloys, Aperam's places sustainability at the heart of its business, helping customers worldwide to excel in the circular economy.

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.

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

| | March 31, 2022 | December 31, 2021 ⁴ | March 31, 2021 |
|---|----------------------|--------------------------------------|----------------------|
| (in million of EURO) | | | |
| ASSETS | | | |
| Cash & cash equivalents (C) | 450 | 524 | 367 |
| Inventories, trade receivables and trade payables | 2,049 | 1,688 | 737 |
| Prepaid expenses and other current assets | 278 | 94 | 109 |
| Total Current Assets & Working Capital | 2,777 | 2,306 | 1,213 |
| Goodwill and intangible assets | 460 | 439 | 422 |
| Property, plant and equipment (incl. Biological assets) | 1,775 | 1,726 | 1,503 |
| Investments in associates, joint ventures and other | 4 | 4 | 2 |
| Deferred tax assets | 133 | 135 | 87 |
| Other non-current assets | 112 | 101 | 78 |
| Total Assets (net of Trade Payables) | 5,261 | 4,711 | 3,305 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Short-term debt and current portion of long-term debt (B) | 352 | 271 | 47 |
| Accrued expenses and other current liabilities | 625 | 382 | 331 |
| Total Current Liabilities (excluding Trade Payables) | 977 | 653 | 378 |
| Long-term debt, net of current portion (A) | 764 | 719 | 376 |

| | | | |
|--|--------------|--------------|--------------|
| Deferred employee benefits | 184 | 186 | 148 |
| Deferred tax liabilities | 123 | 132 | 112 |
| Other long-term liabilities | 76 | 68 | 45 |
| Total Liabilities (excluding Trade Payables) | 2,124 | 1,758 | 1,059 |
| Equity attributable to the equity holders of the parent | 3,130 | 2,945 | 2,242 |
| Non-controlling interest | 7 | 8 | 4 |
| Total Equity | 3,137 | 2,953 | 2,246 |
| Total Liabilities and Shareholders' Equity (excluding Trade Payables) | 5,261 | 4,711 | 3,305 |
| Net Financial Debt (D = A+B-C) | 666 | 466 | 56 |

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

| (in million of EURO) | Three Months Ended | | |
|---|--------------------|-------------------|----------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| Sales | 2,265 | 1,396 | 1,177 |
| Adjusted EBITDA (E = C-D) | 363 | 345 | 175 |
| <i>Adjusted EBITDA margin (%)</i> | <i>16.0%</i> | <i>24.7%</i> | <i>14.9%</i> |
| Exceptional items (D) | (53) | 117 | — |
| EBITDA (C = A-B) | 310 | 462 | 175 |
| <i>EBITDA margin (%)</i> | <i>13.7%</i> | <i>33.1%</i> | <i>14.9%</i> |
| Depreciation, amortization & impairment (B) | (44) | (36) | (35) |
| Operating income (A) | 266 | 426 | 140 |
| <i>Operating margin (%)</i> | <i>11.7%</i> | <i>30.5%</i> | <i>11.9%</i> |
| Financing costs, (net) | (24) | (6) | 4 |
| Income before taxes and non-controlling interests | 242 | 420 | 144 |
| Income tax (expense) benefit | (55) | 19 | (28) |
| <i>Effective tax rate %</i> | <i>22.9%</i> | <i>(4.5)%</i> | <i>19.5%</i> |
| Income before non-controlling interests | 187 | 439 | 116 |
| Non-controlling interests | — | (1) | — |
| Net income attributable to equity holders of the parent | 187 | 438 | 116 |
| Basic earnings per share (EUR) | 2.41 | 5.56 | 1.45 |
| Diluted earnings per share (EUR) | 2.40 | 5.53 | 1.45 |
| Weighted average common shares outstanding (in thousands) | 77,522 | 78,723 | 79,895 |
| Diluted weighted average common shares outstanding (in thousands) | 77,839 | 79,040 | 80,203 |

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| (in million of EURO) | Three Months Ended | | |
|----------------------|--------------------|-------------------|----------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |

| | | | |
|--|--------------|-------------|-------------|
| Operating income | 266 | 426 | 140 |
| Depreciation, amortization & impairment | 44 | 36 | 35 |
| Change in working capital | (369) | (71) | (121) |
| Income tax paid | (21) | (42) | (2) |
| Interest paid, (net) | (1) | 1 | (2) |
| Exceptional items | 53 | (117) | — |
| Other operating activities (net) | (29) | (14) | 56 |
| Net cash (used in) provided by operating activities (A) | (57) | 219 | 106 |
| Purchase of PPE, intangible and biological assets (CAPEX) | (46) | (58) | (46) |
| Other investing activities (net) | — | (29) | (2) |
| Net cash used in investing activities (B) | (46) | (87) | (48) |
| Proceeds (payments) from payable to banks and long term debt | 125 | 71 | (6) |
| Purchase of treasury stock (share buy back) | (74) | — | — |
| Dividends paid | (39) | (34) | (35) |
| Other financing activities (net) | (3) | (2) | (3) |
| Net cash provided by (used in) financing activities | 9 | 35 | (44) |
| Effect of exchange rate changes on cash | 20 | (2) | (5) |
| Change in cash and cash equivalent | (74) | 165 | 9 |
| Free cash flow before dividend and share buy-back (C = A+B) | (103) | 132 | 58 |

Appendix 1a - Health & Safety statistics

| Health & Safety Statistics | Three Months Ended | | |
|----------------------------|--------------------|-------------------|----------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| Frequency Rate | 2.4 | 2.1 | 2.6 |

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 Ending March 31, 2022 | Stainless & Electrical Steel | Services & Solutions | Alloys & Specialties | Recycling & Renewables | Others & Eliminations | Total |
|-------------------------------------|------------------------------|----------------------|----------------------|------------------------|-----------------------|-------|
| Operational information | | | | | | |
| Shipment (000t) | 445 | 199 | 7 | 395 | (373) | 673 |
| Average selling price (EUR/t) | 3,355 | 4,084 | 20,064 | 1,861 | | 3,366 |
| Financial information (EURm) | | | | | | |
| Sales | 1,523 | 845 | 148 | 735 | (986) | 2,265 |
| Adjusted EBITDA | 272 | 73 | 21 | 14 | (17) | 363 |
| Exceptional items | — | — | — | (53) | — | (53) |
| EBITDA | 272 | 73 | 21 | (39) | (17) | 310 |
| Depreciation & | (25) | (3) | (2) | (13) | (1) | (44) |

| | | | | | | |
|---------------------------|-----|----|----|------|------|-----|
| amortization | | | | | | |
| Operating income / (loss) | 247 | 70 | 19 | (52) | (18) | 266 |

| Quarter Ending December 31, 2021 (1) (2) | Stainless & Electrical Steel | Services & Solutions | Alloys & Specialties | Recycling & Renewables | Others & Eliminations | Total |
|--|------------------------------------|-------------------------|-------------------------|---------------------------|--------------------------|-------|
| Operational information | | | | | | |
| Shipment (000t) | 432 | 158 | 8 | 372 | (323) | 647 |
| Average selling price (EUR/t) | 2,806 | 3,471 | 17,464 | 2,387 | | 2,847 |
| | | | | | | |
| Financial information (EURm) | | | | | | |
| Sales | 1,243 | 578 | 149 | 582 | (709) | 1,843 |
| Adjusted EBITDA | 305 | 51 | 19 | 19 | (43) | 351 |
| Exceptional items | — | — | — | 117 | — | 117 |
| EBITDA | 305 | 51 | 19 | 136 | (43) | 468 |
| Depreciation, amortization & impairment | (25) | (3) | (2) | (11) | — | (41) |
| Operating income / (loss) | 280 | 48 | 17 | 125 | (43) | 427 |

⁽¹⁾ Due to the transfer of the entity Aperam Bioenergia from the segment 'Stainless & Electrical Steel' to the segment 'Recycling & Renewables' starting Q1 2022, segmented figures for Q4 2021 have been recast for the sake of comparison.

⁽²⁾ Pro Forma information including ELG for the sake of comparison.

Appendix 2 - Adjusted Net Income and Adjusted Basic Earnings per Share

| (in million of EURO) | Three Months Ended | | |
|--|--------------------|----------------------|-------------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| Net income | 187 | 438 | 116 |
| Exceptional items | 53 | (117) | — |
| Reversal of provision for liabilities and charges | — | (8) | — |
| Recognition of deferred tax assets on tax losses carried forward | (9) | (37) | — |
| Reversal of current income tax on interest on PIS/Cofins in Brazil | — | (32) | — |
| Deferred tax effect on Exceptional items | (12) | — | — |
| Adjusted Net income | 219 | 244 | 116 |
| | | | |
| Basic earnings per share (EUR) | 2.41 | 5.56 | 1.45 |
| Adjusted Basic earnings per share (EUR) | 2.83 | 3.10 | 1.45 |

Appendix 3 - Terms and definitions⁵

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.

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

Adjusted Net Income: refers to reported net income less exceptional items, reversal of provisions, recognition of deferred tax assets on tax losses, reversal of current income tax on interest on PIS/Cofins in Brazil and deferred tax effect on Exceptional items.

Adjusted Basic Earnings per Share: refers to Adjusted Net Income divided by Weighted average common shares outstanding.

Average selling prices: calculated as sales divided by 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, amortization and impairment expenses.

EBITDA/tonne: calculated as EBITDA divided by total 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.

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.

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 fourth phase of the Leadership Journey® is targeting EUR 150 million gains for the period 2021 - 2023 via a combination of cost, growth and mix improvement measures. The next phase, Phase 5, of the Leadership Journey® is currently being defined, while some investments, as announced in 2021, have been accelerated to achieve earnings growth already in 2022.

³ "Recycling" segment created in Q4 2021 with ELG acquisition has been further developed into "Recycling & Renewables" segment that represents Aperam's position at the core of the circular economy. This new segment includes ELG, ASB Recycling/Recyco and Aperam Bioenergia.

⁴ 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.

⁵ 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 3 "Terms & definitions".

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