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## Aperam S.A.

### Full year and fourth quarter 2022 results

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

Full year and fourth quarter 2022 results

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## Full year and fourth quarter 2022 results<sup>1</sup>

*“Resilient in the cyclical trough quarter”*

**Luxembourg, February 10, 2023 (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, 2022.

### Highlights

- Health and Safety: LTI frequency rate of 1.8x in 2022 compared to 2.3x in 2021
- Shipments of 2,309 thousand tonnes, including the addition of Recycling & Renewables in 2022. Comparable shipments of 1,635 thousand tonnes in 2022 versus 1,819 thousand tonnes in 2021
- EBITDA of EUR 1,076 million in 2022, including an exceptional loss of EUR (53) million, compared to EBITDA of EUR 1,186 million in 2021, including an exceptional gain of EUR 126 million
- EBITDA of EUR 129 million in Q4 2022, compared to EUR 235 million in Q3 2022 and EUR 462 million in Q4 2021, including an exceptional gain of EUR 117 million
- Net income of EUR 625 million in 2022, compared to EUR 968 million in 2021
- Basic earnings per share of EUR 8.33 in 2022, compared to EUR 12.21 in 2021
- Free cash flow before dividend and share buy-back amounted to EUR 345 million in 2022, compared to EUR 367 million in 2021, after EUR (30) million paid for the acquisition of ELG
- Net financial debt of EUR 468 million, as of December 31, 2022, compared to EUR 466 million, added from the ELG acquisition as of December 31, 2021

### Strategic initiatives

- **Leadership Journey<sup>®2</sup> Phase 4:** Gains reached EUR 25 million in Q4 2022 and a cumulative EUR 122 million compared to target gains of EUR 150 million over the period 2021 to 2023.

### Cash deployment

- Dividend of EUR 2.00 per share (subject to AGM approval) and Share Buy Back to continue in line with financial policy

### Prospects

- Q1 2023 EBITDA is expected at a higher level versus Q4 2022
- We guide for comparable Q1 2023 net financial debt

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

"Q4 has been a demanding quarter. Destocking and recession fear affected demand while cost inflation and valuation effects additionally burdened earnings. We think that we crossed the cyclical trough. It proved again the value and resilience of our differentiated business model. The integration of raw materials and distribution activities enable us to react without delay to market changes. Q4 is a further proof point that our value chain and our progress on the Leadership Journey® will continue help us weather external shocks and deliver higher value as we transform Aperam towards 2025"

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

(in millions of Euros, unless otherwise stated)	Q4 22	Q3 22	Q4 21	12M 22	12M 21
Sales	1,616	1,818	1,396	8,156	5,102
Operating income	81	187	426	890	1,042
Net income attributable to equity holders of the parent	—	121	438	625	968
Basic earnings per share (EUR)	—	1.66	5.56	8.33	12.21
Diluted earnings per share (EUR)	—	1.64	5.53	8.29	12.16
Free cash flow before dividend and share buy-back	69	209	132	345	367
Net Financial Debt (at the end of the period)	468	482	466	468	466
Adj. EBITDA	129	235	345	1,129	1,060
Exceptional items	—	—	117	(53)	126
EBITDA	129	235	462	1,076	1,186
Adj. EBITDA/tonne (EUR)	262	463	814	489	583
EBITDA/tonne (EUR)	262	463	1,090	466	652

Shipments (000t)	493	508	424	2,309	1,819

## Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate was 1.4x in the fourth quarter of 2022 compared to 1.0x in the third quarter of 2022. For 2022 the lost time injury frequency rate was 1.8x after 2.3x in 2021.

## Financial results analysis for full year period to December 31, 2022

Sales for the year ended December 31, 2022 increased by 59.9%, at EUR 8,156 million compared to EUR 5,102 million for the year ended December 31, 2021, mainly due to the first time consolidation of ELG and higher realized prices. Shipments in 2022 increased by 26.9% at 2,309 thousand tonnes compared to 1,819 thousand tonnes in 2021.

EBITDA reached EUR 1,076 million for the year ended December 31, 2022 (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), compared to 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). Group Adjusted EBITDA increased by 6.5% as the first time consolidation of ELG and higher realized prices compensated lower demand, cost inflation and significant inventory valuation charges. Phase 4 of the Leadership Journey® – the Transformation Program – realized EUR 82 million gains in 2022.

Depreciation, amortization and impairment was EUR (186) million for the year ended December 31, 2022.

Aperam had an operating income for the year ended December 31, 2022 of EUR 890 million compared to an operating income of EUR 1,042 million for the year ended December 31, 2021.

Financing costs including the FX and derivatives result for the year ended December 31, 2022 were EUR (137) million, including cash cost of financing of EUR (9) million. These negative results were mainly driven by unrealized results on nickel derivatives and realized FX derivatives that were compensated by revenues in foreign currency.

Income tax expense for the year ended December 31, 2022 was EUR (126) million.

The Company recorded a net income of EUR 625 million for the year ended December 31, 2022.

Cash flows from operations for the year ended December 31, 2022 were positive at EUR 642 million, despite a working capital increase of EUR 258 million. CAPEX for the year ended December 31, 2022 was EUR (296) million.

Free cash flow before dividend and share buy-back for the year 2022 amounted to EUR 345 million.

As of December 31, 2022, total equity amounted to EUR 3,392 million and net financial debt was EUR 468 million. Gross financial debt as of December 31, 2022 was EUR 925 million. Cash & cash equivalents were EUR 457 million.

Total cash returns to shareholders in 2022 amounted to EUR 345 million, consisting of EUR 194 million of share buy-back and EUR 151 million of dividend (of which EUR 1 million paid to non-controlling interests).

The Company had liquidity of EUR 984 million as of December 31, 2022, consisting of cash and cash equivalents of EUR 457 million and undrawn credit lines<sup>3</sup> of EUR 527 million.

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

Sales for the fourth quarter of 2022 decreased by 11% at EUR 1,616 million compared to EUR 1,818 million for the third quarter of 2022. Shipments decreased from 508 thousand tonnes in the third quarter of 2022 to 493 thousand tonnes in the fourth quarter of 2022, due to pronounced destocking by customers in Europe.

EBITDA decreased during the quarter to EUR 129 million from EUR 235 million predominantly due to negative inventory valuation, lower volumes and a price/cost squeeze.

Depreciation, amortization and impairment was EUR (48) million for the fourth quarter of 2022.

Aperam had an operating income for the fourth quarter of 2022 of EUR 81 million compared to an operating income of EUR 187 million for the previous quarter.

Financing costs, net, including the FX and derivatives result for the fourth quarter of 2022 were EUR (116) million. The negative result was mainly driven by unrealized results on nickel derivatives. Cash cost of financing was nil during the quarter as interest expenses paid have been offset by interest income received on cash and cash equivalents.

Income tax benefit was EUR 35 million during the fourth quarter of 2022, notably due to EUR 17 million additional net deferred tax assets recognized on tax losses carried forward.

The net result recorded by the Company was nil for the fourth quarter of 2022, compared to a net income of EUR 121 million for the third quarter of 2022.

Cash flows from operations for the fourth quarter of 2022 were at EUR 209 million, including a working capital decrease of EUR 197 million. CAPEX for the fourth quarter was EUR (143) million.

Free cash flow before dividend and share buyback for the fourth quarter of 2022 amounted to EUR 69 million, compared to EUR 209 million for the third quarter of 2022.

During the fourth quarter of 2022, cash returns to shareholders amounted to EUR 44 million, consisting of EUR 8 million of share buy-back and EUR 36 million of dividend.

## Operating segment results analysis

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

(in millions of Euros, unless otherwise stated)	Q4 22	Q3 22	Q4 21 <sup>(2)</sup>	12M 22	12M 21 <sup>(2)</sup>
Sales	1,158	1,186	1,243	5,510	4,352
EBITDA	38	153	305	791	872
Depreciation & amortization	(27)	(25)	(25)	(102)	(98)
Operating income	11	128	280	689	774
Steel shipments (000t)	371	352	432	1,600	1,796
Average steel selling price (EUR/t)	3,035	3,271	2,806	3,358	2,360

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

<sup>(2)</sup> 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 12M 2021 have been recast for the sake of comparison.

The segment recorded EBITDA of EUR 791 million (of which EUR 393 million were generated in Europe and EUR 398 million in South America) for the year 2022, compared to EBITDA of EUR 872 million (of which EUR 454 million were generated in Europe and EUR 418 million in South America) for the year 2021. EBITDA decreased by 9% due to the combined effect of lower volumes, negative inventory valuation and input cost inflation.

The Stainless & Electrical Steel segment had sales of EUR 1,158 million for the fourth quarter of 2022. This represents a 2.4% decrease compared to sales of EUR 1,186 million for the third quarter of 2022. Steel shipments during the fourth quarter were 371 thousand tonnes, an increase of 5.4% compared to shipments of 352 thousand tonnes during the previous quarter. Shipments in Brazil were seasonally softer but remained at a high level. In Europe shipments improved seasonally from a low level. Average steel selling prices for the Stainless & Electrical Steel segment decreased by 7.2% compared to the previous quarter.

The segment generated an EBITDA of EUR 38 million for the fourth quarter of 2022 compared to EUR 153 million for the third quarter of 2022. EBITDA decreased as higher volumes and a less negative inventory valuation were offset by a price/cost squeeze.

Depreciation and amortization expense was EUR (27) million for the fourth quarter of 2022.

The Stainless & Electrical Steel segment had an operating income of EUR 11 million for the fourth quarter of 2022 compared to an operating income of EUR 128 million for the third quarter of 2022.

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

(in millions of Euros, unless otherwise stated)	Q4 22	Q3 22	Q4 21	12M 22	12M 21
Sales	518	584	578	2,779	2,212
Adjusted EBITDA	(4)	(21)	51	93	199
Exceptional items	—	—	—	—	9
EBITDA	(4)	(21)	51	93	208
Depreciation & amortization	(4)	(4)	(3)	(14)	(12)
Operating income / (loss)	(8)	(25)	48	79	196
Steel shipments (000t)	133	138	158	642	726
Average steel selling price (EUR/t)	3,712	4,113	3,471	4,164	2,922

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

The segment recorded EBITDA of EUR 93 million for the year 2022, compared to EUR 208 million for the year 2021, including EUR 9 million in Brazil due to PIS/Cofins tax credits related to prior periods. The lower result was mainly attributable to lower shipments, inventory valuation charges and an unfavorable price/cost development.

The Services & Solutions segment had sales of EUR 518 million for the fourth quarter of 2022, representing a decrease of 11% compared to sales of EUR 584 million for the third quarter of 2022. For the fourth quarter of 2022, steel shipments were 133 thousand tonnes compared to 138 thousand tonnes during the previous quarter. Average steel selling prices for the Services & Solutions' segment were 10% lower during the fourth quarter of 2022 compared to the third quarter of 2022.

The segment generated a negative EBITDA of EUR (4) million for the fourth quarter of 2022 compared to a negative EBITDA of EUR (21) million for the third quarter of 2022. EBITDA increased despite lower volumes due to a less negative inventory valuation and a favorable price / cost development.

Depreciation and amortization expense was EUR (4) million for the fourth quarter of 2022.

The Services & Solutions segment had an operating loss of EUR (8) million for the fourth quarter of 2022 compared to an operating loss of EUR (25) million for the third quarter of 2022.

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

(in millions of Euros, unless otherwise stated)	Q4 22	Q3 22	Q4 21	12M 22	12M 21
Sales	184	171	149	665	518
EBITDA	12	5	19	53	58

Depreciation & amortization	(1)	(3)	(2)	(9)	(8)
Operating income	11	2	17	44	50
Steel shipments (000t)	7	6	8	27	30
Average steel selling price (EUR/t)	24,619	26,165	17,464	23,518	16,600



The segment recorded EBITDA of EUR 53 million for the year 2022 compared to EUR 58 million for the year 2021. The decrease is mainly attributable to inventory valuation charges, lower shipments and a price / cost squeeze.

The Alloys & Specialties segment had sales of EUR 184 million for the fourth quarter of 2022, representing an increase of 8% compared to EUR 171 million for the third quarter of 2022. Steel shipments increased by 14% during the fourth quarter of 2022 at 7 thousand tonnes. Average steel selling prices for the Alloys & Specialties' segment were 6% lower during the fourth quarter.

The Alloys & Specialties segment achieved EBITDA of EUR 12 million for the fourth quarter of 2022 compared to EUR 5 million for the third quarter of 2022. EBITDA increased due to higher shipments, higher prices and the absence of severe weather conditions that impacted the previous quarter.

Depreciation and amortization expense for the fourth quarter of 2022 was EUR (1) million.

The Alloys & Specialties segment had an operating income of EUR 11 million for the fourth quarter of 2022 compared to an operating income of EUR 2 million for the third quarter of 2022.



## Recycling & Renewables <sup>(1)</sup>

(in millions of Euros, unless otherwise stated)	Q4 22	Q3 22	Q4 21 <sup>(2) (3)</sup>	12M 22	12M 21 <sup>(2) (3)</sup>
Sales	437	468	582	2,428	2,114
Adjusted EBITDA	55	31	19	139	92
Exceptional items	—	—	117	(53)	117
EBITDA	55	31	136	86	209
Depreciation, amortization and impairment	(15)	(16)	(11)	(59)	(45)
Operating income / (loss)	40	15	125	27	164
Shipments (000t)	322	278	372	1,358	1,614

Average selling price (EUR/t)	1,357	1,683	1,565	1,788	1,310
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<sup>(2)</sup> 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 12M 2021 have been recast for the sake of comparison.

<sup>(3)</sup> Pro Forma information including ELG for the sake of comparison.

The segment recorded an EBITDA of EUR 86 million, including a bargain gain reversal of EUR (53) million, for the year 2022 compared to EUR 209 million for the year 2021, including EUR 117 million made from a bargain gain on ELG acquisition.

The Recycling & Renewables segment had sales of EUR 437 million for the fourth quarter of 2022, representing a decrease of 7% compared to EUR 468 million sales for the third quarter of 2022. Shipments increased by 16% during the fourth quarter of 2022 to 322 thousand tonnes. Average selling prices for the Recycling & Renewables' segment were 19% lower during the fourth quarter.

EBITDA increased during the quarter to EUR 55 million compared to EBITDA of EUR 31 million in the third quarter of 2022. EBITDA increased due to a favorable price / cost development and positive inventory valuation effects.

Depreciation, amortization and impairment for the fourth quarter of 2022 was EUR (15) million.

The Recycling & Renewables segment had an operating income of EUR 40 million for the fourth quarter of 2022 compared to an operating income of EUR 15 million for the third quarter of 2022.

## Recent developments during the quarter

- On December 6, 2022, Aperam announced its financial calendar for 2023.

## New developments

- On December 1, 2022, Aperam announced changes at the Leadership Team level to support our clear roadmap towards becoming a competitive and diversified actor in the circular economy. In this context, Bernard Hallemans took over the current CTO organisation, with the ESG team and projects at its core, Aperam Recycling also being part of his perimeter; and Geert Verbeeck was appointed CEO of Stainless Europe. Geert's extensive experience in leading and transforming

strengthen our European operations.

## 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 > Q4-2022 ([Link to management podcast](#)).

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

Date	New York	London	Luxembourg
Friday, 10 February 2023	08:00	13:00	14:00

Link to the webcast: [https://channel.royalcast.com/landingpage/aperam/20230210\\_1/](https://channel.royalcast.com/landingpage/aperam/20230210_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.

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## About Aperam



Aperam is a global player in stainless, electrical and specialty steel and recycling, with customers in over 40 countries. Starting from 1 January 2022, 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 2022, Aperam had sales of EUR 8,156 million and shipments of 2.31 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, 2022	September 30, 2022	December 31, 2021 <sup>4</sup>
<b>ASSETS</b>			
Cash & cash equivalents (C)	457	467	524
Inventories, trade receivables and trade payables	1,871	2,090	1,688
Prepaid expenses and other current assets	167	152	94
<b>Total Current Assets &amp; Working Capital</b>	<b>2,495</b>	<b>2,709</b>	<b>2,306</b>
Goodwill and intangible assets	451	458	439
Property, plant and equipment (incl. Biological assets)	1,910	1,806	1,726
Investments in associates, joint ventures and other	3	3	4
Deferred tax assets	101	96	135
Other non-current assets	122	124	101
<b>Total Assets (net of Trade Payables)</b>	<b>5,082</b>	<b>5,196</b>	<b>4,711</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Short-term debt and current portion of long-term debt (B)	258	269	271
Accrued expenses and other current liabilities	426	472	382
<b>Total Current Liabilities (excluding Trade Payables)</b>	<b>684</b>	<b>741</b>	<b>653</b>



Long-term debt, net of current portion (A)	667	680	719
Deferred employee benefits	136	154	186
Deferred tax liabilities	131	127	132
Other long-term liabilities	72	75	68
<b>Total Liabilities (excluding Trade Payables)</b>	<b>1,690</b>	<b>1,777</b>	<b>1,758</b>
Equity attributable to the equity holders of the parent	3,385	3,411	2,945
Non-controlling interest	7	8	8
<b>Total Equity</b>	<b>3,392</b>	<b>3,419</b>	<b>2,953</b>
<b>Total Liabilities and Shareholders' Equity (excluding Trade Payables)</b>	<b>5,082</b>	<b>5,196</b>	<b>4,711</b>
<b>Net Financial Debt (D = A+B-C)</b>	<b>468</b>	<b>482</b>	<b>466</b>

## APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<b>Sales</b>	<b>1,616</b>	<b>1,818</b>	<b>1,396</b>	<b>8,156</b>	<b>5,102</b>
<b>Adjusted EBITDA (E = C-D)</b>	<b>129</b>	<b>235</b>	<b>345</b>	<b>1,129</b>	<b>1,060</b>
<i>Adjusted EBITDA margin (%)</i>	<i>8.0%</i>	<i>12.9%</i>	<i>24.7%</i>	<i>13.8%</i>	<i>20.8%</i>
Exceptional items (D)	—	—	117	(53)	126
<b>EBITDA (C = A-B)</b>	<b>129</b>	<b>235</b>	<b>462</b>	<b>1,076</b>	<b>1,186</b>
<i>EBITDA margin (%)</i>	<i>8.0%</i>	<i>12.9%</i>	<i>33.1%</i>	<i>13.2%</i>	<i>23.2%</i>
Depreciation, amortization & impairment (B)	(48)	(48)	(36)	(186)	(144)
<b>Operating income (A)</b>	<b>81</b>	<b>187</b>	<b>426</b>	<b>890</b>	<b>1,042</b>
<i>Operating margin (%)</i>	<i>5.0%</i>	<i>10.3%</i>	<i>30.5%</i>	<i>10.9%</i>	<i>20.4%</i>
Results from associates and other investments	—	(1)	—	(1)	(1)
Financing costs, (net)	(116)	(65)	(6)	(137)	2
<b>Income (loss) before taxes and non-controlling interests</b>	<b>(35)</b>	<b>121</b>	<b>420</b>	<b>752</b>	<b>1,043</b>
Income tax benefit / (expense)	35	1	19	(126)	(74)
<i>Effective tax rate %</i>	<i>99.7%</i>	<i>(1.0)%</i>	<i>(4.5)%</i>	<i>16.7%</i>	<i>7.1%</i>
<b>Income including non-controlling interests</b>	<b>—</b>	<b>122</b>	<b>439</b>	<b>626</b>	<b>969</b>
Non-controlling interests income	—	(1)	(1)	(1)	(1)

<b>Net income attributable to equity holders of the parent</b>	—	<b>121</b>	<b>438</b>	<b>625</b>	<b>968</b>
Basic earnings per share (EUR)	—	1.66	5.56	8.33	12.21
Diluted earnings per share (EUR)	—	1.64	5.53	8.29	12.16
Weighted average common shares outstanding (in thousands)	72,194	74,900	78,723	75,062	79,241
Diluted weighted average common shares outstanding (in thousands)	72,535	75,241	79,040	75,403	79,557



## APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<b>Operating income</b>	<b>81</b>	<b>187</b>	<b>422</b>	<b>890</b>	<b>1,038</b>
Depreciation, amortization & impairment	48	48	36	186	144
Change in working capital	197	36	(71)	(258)	(485)
Income tax paid	(31)	(45)	(42)	(118)	(56)
Interest paid, (net)	5	(1)	1	3	(4)
Exceptional items	—	—	(117)	53	(126)
Other operating activities (net)	(91)	42	(14)	(114)	35
<b>Net cash provided by (used in) operating activities (A)</b>	<b>209</b>	<b>267</b>	<b>219</b>	<b>642</b>	<b>550</b>
Purchase of PPE, intangible and biological assets (CAPEX)	(143)	(58)	(58)	(296)	(152)
Other investing activities (net)	3	—	(29)	(1)	(31)

<b>Net cash used in investing activities (B)</b>	<b>(140)</b>	<b>(58)</b>	<b>(87)</b>	<b>(297)</b>	<b>(183)</b>
Proceeds (payments) from payable to banks and long term debt	(16)	(108)	71	(60)	57
Purchase of treasury stock (share buy back)	(8)	(86)	—	(194)	(105)
Dividends paid	(36)	(37)	(34)	(151)	(140)
Other financing activities (net)	(4)	(4)	(2)	(14)	(9)
<b>Net cash used in financing activities</b>	<b>(64)</b>	<b>(235)</b>	<b>35</b>	<b>(419)</b>	<b>(197)</b>
Effect of exchange rate changes on cash	(15)	8	(2)	7	(4)
<b>Change in cash and cash equivalent</b>	<b>(10)</b>	<b>(18)</b>	<b>165</b>	<b>(67)</b>	<b>166</b>
<b>Free cash flow before dividend and share buy-back (C = A+B)</b>	<b>69</b>	<b>209</b>	<b>132</b>	<b>345</b>	<b>367</b>

### Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	December 31, 2022	September 30, 2022	June 30, 2022
Frequency Rate	1.4	1.0	2.1

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

### Appendix 1b – Key operational and financial information

Year Ending December 31, 2022	Stainless & Electrical Steel <sup>a,b</sup>	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others & Eliminations	Total
<b>Operational information</b>						
Shipment (000t)	1,600	642	27	1,358	(1,318)	2,309
Average selling price (EUR/t)	3,358	4,164	23,518	1,788		3,532

<b>Financial information (EURm)</b>						
Sales	5,510	2,779	665	2,428	(3,226)	8,156
Adjusted EBITDA	791	93	53	139	53	1,129
Exceptional items	—	—	—	(53)	—	(53)
EBITDA	791	93	53	86	53	1,076
Depreciation, amortization & impairment	(102)	(14)	(9)	(59)	(2)	(186)
Operating income	689	79	44	27	51	890

Note a: Stainless & Electrical Steel shipments of 1,600kt of which 582kt were from South America and 1,018kt were from Europe

Note b: Stainless & Electrical Steel EBITDA of EUR 791m of which EUR 398m were from South America and EUR 393m were from Europe

<b>Year Ending December 31, 2021 <sup>(1)</sup></b>	<b>Stainless &amp; Electrical Steel<sup>a,b</sup></b>	<b>Services &amp; Solutions</b>	<b>Alloys &amp; Specialties</b>	<b>Recycling &amp; Renewables</b>	<b>Others &amp; Eliminations</b>	<b>Total</b>
<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	4,352	2,212	518	117	(2,097)	5,102
Adjusted	872	199	58	24	(93)	1,060

EBITDA						
Exceptional items	—	9	—	117	—	126
EBITDA	872	208	58	141	(93)	1,186
Depreciation, amortization & impairment	(98)	(12)	(8)	(24)	(2)	(144)
Operating income	774	196	50	117	(95)	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 872m of which EUR 418m were from South America and EUR 454m were from Europe

<sup>(1)</sup> 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 2021 have been recast for the sake of comparison.

Quarter Ending December 31, 2022	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others & Eliminations	Total
<b>Operational information</b>						
Shipment (000t)	371	133	7	322	(340)	493
Average selling price (EUR/t)	3,035	3,712	24,619	1,357		3,278
<b>Financial information (EURm)</b>						
Sales	1,158	518	184	437	(681)	1,616
Adjusted EBITDA	38	(4)	12	55	28	129
Exceptional items	—	—	—	—	—	—
EBITDA	38	(4)	12	55	28	129

Depreciation, amortization & impairment	(27)	(4)	(1)	(15)	(1)	(48)
Operating income / (loss)	11	(8)	11	40	27	81

Quarter Ending September 30, 2022	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others & Eliminations	Total
<b>Operational information</b>						
Shipment (000t)	352	138	6	278	(266)	508
Average selling price (EUR/t)	3,271	4,113	26,165	1,683		3,579
<b>Financial information (EURm)</b>						
Sales	1,186	584	171	468	(591)	1,818
Adjusted EBITDA	153	(21)	5	31	67	235
Exceptional items	—	—	—	—	—	—
EBITDA	153	(21)	5	31	67	235
Depreciation & amortization	(25)	(4)	(3)	(16)	—	(48)
Operating income / (loss)	128	(25)	2	15	67	187

## Appendix 2 – Adjusted Net Income and Adjusted Basic Earnings per Share

(in million of EURO)	Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<b>Net income</b>	—	<b>121</b>	<b>438</b>	<b>625</b>	<b>968</b>
Exceptional items	—	—	(117)	53	(126)
Reversal of provision for liabilities and charges	—	—	(8)	—	(11)
(Recognition) / derecognition of deferred tax assets on tax losses carried forward	(17)	(25)	(37)	(51)	(63)
Reversal of current income tax on interest on PIS/Cofins in Brazil	—	—	(32)	—	(32)
Deferred tax effect on exceptional items	—	—	—	(12)	3
<b>Adjusted Net income</b>	<b>(17)</b>	<b>96</b>	<b>244</b>	<b>615</b>	<b>739</b>
Basic earnings per share (EUR)	—	1.66	5.56	8.33	12.21
Adjusted Basic earnings per share (EUR)	(0.23)	1.31	3.10	8.19	9.33

## Appendix 3 – Terms and definitions<sup>5</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 and amortization expenses, impairment losses 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 for liabilities and charges, recognition of deferred tax assets on tax losses carried forward, 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 property plant and equipment, intangible assets and biological assets.

**EBITDA:** operating income before depreciation and amortization expenses and impairment losses.

**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 costs, (net):** 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 (i) Recycling & Renewables and Stainless & Electrical Steel (ii) 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 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. Some additional investments, as announced in 2021 as part of the Strategy 2025 program, have been accelerated to achieve earnings growth already in 2022 contributing to the ongoing Leadership Journey Phase 4.

<sup>3</sup> Includes a revolving credit facility of EUR 500 million at Aperam S.A. level

<sup>4</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>5</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 3 "Terms & definitions".

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