



Aperam update on Q2 2024 market & financial trends

Luxembourg, July 1, 2024 (07:00 CET) - In preparation of the quarterly results release scheduled for 1 August 2024, we would like to remind market participants of the standing guidance, earnings drivers and events that should be considered.

The Q2 outlook, as specified in the Q1 presentation, the management podcast and during the conference call was:

- Q2 group adj. EBITDA higher than Q1-24 (EUR55m) but below Bloomberg consensus at the time of the earnings release on 3 May 2024. This was based on slightly higher volumes, the segment trends stated in the table below and stable commodity prices resulting in a neutral inventory valuation.
- This compares to the Aperam compiled Q2 adj. EBITDA consensus at EUR73m currently. The consensus is updated & published at <https://www.aperam.com/investors/news-contacts/results/>

Recycling & Renewables:	Normalised annual EBITDA of EUR80-85m. We projected Q2 to be a normal quarter for the segment.
Stainless & Electrical Europe	For Q2 we projected the segment to benefit from a neutral inventory valuation and a seasonal volume improvement in Europe. This will be partly offset by a price / cost squeeze in Europe.
Stainless & Electrical Brazil	The delayed ramp-up of the hot rolling mill was followed by operational instability. This will fully impact Q2 with ~EUR10m.
Alloys & Specialties:	For Q2 we expected a somewhat lower EBITDA in line with Q4-23 after completion of a one off project.
Services & Solutions:	Assuming no further distortion from raw material prices, we expected a comparable EBITDA in Q2 and the year should demonstrate a clear step towards the 2025 improvement target.
Others & Eliminations	Q1 was consistent with the normal high single digit negative EBITDA that should be expected. For Q2, it could be a negative low double digit number.
Cash Flow & Net Fin. Debt:	NWC: EUR120m release till YE-24 with some release in Q2. Capex EUR150m for 2024, Q2 capex lower than Q1 (EUR81m) and within the EUR150m capex guidance for 2024. Q2 net debt: Lower due to the release of net working capital.

Please note that forward guidance for adj. EBITDA, cash flow and net debt is always provided on a stable commodity price assumption.



Commodity prices & FX:

		MAR 24	APR 24	MAY 24	JUN 24
Nickel LME	USD/t	17,409	18,204	19,605	17,602
Ferrochrome	USD/t	3,483	3,218	3,174	3,163
Stainless Scrap	USD/t	1,478	1,463	1,552	1,538
Stainless CR 2mm 304	USD/t	2,889	2,944	3,040	3,191
USD/EUR	x	1.09	1.07	1.08	1.08
USD/BRL	x	4.98	5.13	5.14	5.38

Source: Bloomberg, Fastmarkets

Other items:

Seasonality:	In a normal market, Q2 is the seasonal peak in Europe while Q3 marks the peak quarter in Brazil.
Leadership Journey Phase 5:	On track to realise the target gains of EUR75m in 2024.
Commodity prices & inventory valuation:	At face value, the commodity price development would indicate a positive high single digit / very low double digit inventory valuation. It should remain consistent with the EBITDA ceiling guided for Q2.
Brazil hot rolling mill:	The mill is operating normally and no further impact is expected post Q2.
Distributor Inventory:	Marked a new post GFC all time low.
Current trading:	A positive price / volume correlation can be observed more recently. However, it remains open if this is the start of a sustained recovery or short lived pre-buying ahead of the summer holiday season
Restructuring:	Negotiations with our workforce are ongoing.

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