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Aperam update on Q3 2024 market & financial trends

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Luxembourg, September 30, 2024 (07:00 CET) - In preparation of the upcoming quarterly results release scheduled for Friday, 8 November 2024, we would like to remind market participants of the standing guidance, earnings drivers and events that should be considered.

The Q3 outlook, as specified in the Q2 presentation, the management podcast and during the conference call was:

- Q3 group adjusted. EBITDA slightly higher than Q2-24 (EUR86m). This was based on stable volumes in a seasonally softer quarter balanced by the improvement in the Brazil hot rolling mill, the segment trends stated in the table below and stable commodity prices resulting in a slightly less positive inventory valuation qoq.
- This compares to the Aperam compiled Q3 adjusted EBITDA consensus at EUR93m (average) 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 Q3 with a slightly lower result qoq (Q2 adj. EBITDA: €20m) as scrap volumes incur seasonal low in an already low market while BioEnergia is stable
Stainless & Electrical Europe	For Q3 we projected a lower adj. EBITDA qoq due to the seasonal summer slowdown in volumes.
Stainless & Electrical Brazil	Q3 adj EBITDA is expected at a higher level qoq due to seasonally slightly higher volumes and the absence of the hot rolling mill related costs
Alloys & Specialties	We expected a lower adj EBITDA qoq mainly due to seasonal summer maintenance. The EUR80m guidance for 2024 remains valid
Services & Solutions	We expected a lower adj EBITDA qoq in Q3 due to the seasonal summer slowdown in volumes

Cash Flow & Net Fin. Debt

NWC: For Q3 we projected an increase in net working capital mainly due to a technicality as purchasing and payables drop in the summer quarter. Guidance for the year for NWC release is unchanged

Capex EUR150m for 2024 of which EUR103m were spent during H1.

Q3 net debt: Higher due to the higher net working capital.

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

Commodity prices & FX

		JUN 24	JUL 24	AUG 24	SEP 24*
Nickel LME	USD/t	17,572	16,325	16,270	16,097
Ferrochrome	USD/t	3,175	3,263	3,241	3,153
Stainless Scrap	USD/t	1,527	1,534	1,511	1,311
Stainless CR 2mm 304	USD/t	3,191	3,119	3,025	3,047
USD/EUR	x	1.08	1.09	1.10	1.11
USD/BRL Source: Bloomberg, Fastmarkets *up to 29. September	x	5.40	5.54	5.55	5.54

Other items**Volume seasonality**

In a normal market, Q3 is the weakest quarter, but the performance improvement in the refurbished Brazil hot rolling mill will compensate the seasonal effect

	low but tonnage remains significantly below normal
Current trading	The pre-summer price volume improvement has been maintained during the vacation period without significant changes in either direction. Assuming stable raw material price this points to an unusual seasonality with a higher H2 adj. EBITDA versus H1. It needs to be seen if the recent deterioration of the manufacturing PMI will have any effect in Q4.

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