

Aperam S.A.

Aperam – Third quarter 2024 results: "Footprint upgrade starts to make a positive impact"

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

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Third quarter 2024 results¹

"Footprint upgrade starts to make a positive impact"

Luxembourg, November 8, 2024 (07:00 CET) – Aperam S.A. (referred to as "Aperam" or the "Company") (Amsterdam, Luxembourg, Paris, Brussels: APAM, NYRS: APEMY), announced today results for the three months ended September 30, 2024.

Highlights

- Health and Safety: LTI frequency rate of 2.4x in Q3 2024 compared to 2.0x in Q2 2024
- Shipments of 617 thousand tonnes in Q3 2024 increased by 5.5% versus shipments of 583 thousand tonnes in Q2 2024
- Adjusted EBITDA of EUR 99 million in Q3 2024, compared to Adjusted EBITDA of EUR 86 million in Q2 2024
- Net income of EUR 179 million in Q3 2024, compared to net income of EUR 59 million in Q2 2024
- Basic earnings per share of EUR 2.47 in Q3 2024, compared to EUR 0.82 in Q2 2024
- Free cash flow before dividends amounted to EUR 9 million in Q3 2024, compared to EUR 111 million in Q2 2024
- Net financial debt of EUR 641 million as of September 30, 2024, compared to EUR 607 million as of June 30, 2024

Strategic initiatives

- **Leadership Journey®² Phase 5:** Gains reached EUR 27 million in Q3 2024, the third quarter of the 2024 – 2026 program with target gains of EUR 200 million.

Prospects^{[1]a}

- Q4 2024 EBITDA is expected at a higher level versus Q3 2024
- Net financial debt to decrease till year end 2024

Timoteo Di Maulo, CEO of Aperam, commented:

"The summer quarter with its seasonal trough in Europe has benefitted from Brazil returning to smooth operations post the hot rolling mill upgrade. Despite a soft market environment, we have reached a historic normal profitability per ton as we leverage the capabilities of our modernized footprint resulting in a better product mix. Phase 5 of the Leadership Journey® is

picking up speed, which will strengthen our cost leadership position in Europe. Our focus is now on reducing net financial debt towards the end of the year as we prepare for consolidating Universal Stainless, which will open the US and the aerospace market for us."

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

(in millions of Euros, unless otherwise stated)	Q3 24	Q2 24	Q3 23	9M 24	9M 23
Sales	1,493	1,634	1,463	4,784	5,041
Operating income / (loss)	49	19	(36)	65	99
Net income / (loss) attributable to equity holders of the parent	179	59	(42)	219	133
Basic earnings per share (EUR)	2.47	0.82	(0.59)	3.03	1.84
Diluted earnings per share (EUR)	2.44	0.82	(0.58)	3.00	1.83
Free cash flow before dividend	9	111	(135)	(21)	(49)
Net Financial Debt (at the end of the period)	641	607	646	641	646
Adj. EBITDA	99	86	19	240	249
Exceptional items	8	(8)	—	—	—
EBITDA	107	78	19	240	249
Adj. EBITDA/tonne (EUR)	160	148	37	134	150
EBITDA/tonne (EUR)	173	134	37	134	150
Shipments (000t)	617	583	516	1,785	1,657

Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate was 2.4x in the third quarter of 2024 compared to 2.0x in the second quarter of 2024.

Financial results analysis for the three-month period ending September 30, 2024

Sales for the third quarter of 2024 decreased by 8.6% at EUR 1,493 million compared to EUR 1,634 million for the second quarter of 2024. Shipments increased by 5.5% at 617 thousand tonnes in the third quarter of 2024 compared to 583 thousand tonnes in the second quarter of 2024, due to negative seasonality in Europe while Brazil benefited from the full capacity of the new hot rolling mill.

Adjusted EBITDA reached EUR 99 million (excluding an exceptional gain of EUR 8 million made of PIS/Cofins tax credits related to prior periods recognized in Brazil) during the third quarter 2024 compared to EUR 86 million (excluding an exceptional loss of EUR (8) million, related to a voluntary redundancy program) in the second quarter of 2024. Higher results in Stainless & Electrical Steel with a strong development in Brazil, higher prices and the positive impact from the Leadership Journey® could more than compensate for a negative inventory valuation effect and lower steel volumes.

Depreciation and amortization expense was EUR (58) million for the third quarter of 2024.

Aperam had an operating income for the third quarter of 2024 of EUR 49 million compared to an operating income of EUR 19 million for the previous quarter.

Financing costs, net, including the FX and derivatives result for the third quarter of 2024 were EUR (12) million. Cash cost of financing was EUR (8) million during the quarter.

Income tax benefit was EUR 142 million during the third quarter of 2024, due to the recognition of net deferred tax assets on tax losses carried forward for EUR 155 million.

The net result recorded by the Company was an income of EUR 179 million for the third quarter of 2024, compared to an income of EUR 59 million for the second quarter of 2024.

Cash flows from operations for the third quarter of 2024 were EUR 33 million, including a working capital increase of EUR 100 million. CAPEX for the third quarter was EUR (22) million.

Free cash flow before dividend for the third quarter of 2024 amounted to EUR 9 million, compared to EUR 111 million for the second quarter of 2024.

During the third quarter of 2024, cash returns to shareholders amounted to EUR 36 million, consisting fully of dividend.

Operating segment results analysis

Stainless & Electrical Steel ⁽¹⁾

(in millions of Euros, unless otherwise stated)	Q3 24	Q2 24	Q3 23	9M 24	9M 23
Sales	933	1,058	931	3,013	3,214
Adjusted EBITDA	68	59	(6)	133	126
Exceptional items	8	(8)	—	—	—
EBITDA	76	51	(6)	133	126
Depreciation & amortization	(28)	(28)	(27)	(83)	(78)
Operating income / (loss)	48	23	(33)	50	48
Steel shipments (000t)	391	419	371	1,225	1,143
Average steel selling price (EUR/t)	2,279	2,412	2,414	2,351	2,710

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

The Stainless & Electrical Steel segment had sales of EUR 933 million for the third quarter of 2024. This represents an 11.8% decrease compared to sales of EUR 1,058 million for the second quarter of 2024. Steel shipments during the third quarter were 391 thousand tonnes, a decrease of 6.7% compared to steel shipments of 419 thousand tonnes during the previous quarter. While Brazil has full capacity available after the delayed hot rolling mill ramp-up, shipments in Europe were seasonally weak in a soft market. Average steel selling prices for the Stainless & Electrical Steel segment decreased by 5.5% compared to the previous quarter.

The segment generated an adjusted EBITDA of EUR 68 million (excluding an exceptional gain of EUR 8 million made of PIS/Cofins tax credits related to prior periods recognised in Brazil) for the third quarter of 2024 compared to an adjusted EBITDA of EUR 59 million (excluding an exceptional loss of EUR (8) million, related to a voluntary redundancy program) for the second quarter of 2024. Seasonally lower volumes and a negative inventory valuation effect was more than compensated by higher prices, Leadership Journey[®] cost improvements as well as the positive development in Brazil.

Depreciation and amortization expense was EUR (28) million for the third quarter of 2024.

The Stainless & Electrical Steel division had an operating income of EUR 48 million for the third quarter of 2024 compared to an operating income of EUR 23 million for the second quarter of 2024.

Services & Solutions ⁽¹⁾

(in millions of Euros, unless otherwise stated)	Q3 24	Q2 24	Q3 23	9M 24	9M 23
Sales	575	638	510	1,829	1,720
EBITDA	5	16	1	36	7
Depreciation & amortization	(4)	(3)	(3)	(11)	(10)
Operating income / (loss)	1	13	(2)	25	(3)
Steel shipments (000t)	174	195	157	570	487
Average steel selling price (EUR/t)	3,164	3,113	3,125	3,066	3,407

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

The Services & Solutions segment had sales of EUR 575 million for the third quarter of 2024, representing a decrease of 9.9% compared to sales of EUR 638 million for the second quarter of 2024. For the third quarter of 2024, steel shipments were 174 thousand tonnes compared to 195 thousand tonnes during the previous quarter. Average steel selling prices for the Services & Solutions' segment were 1.6% higher during the third quarter of 2024 compared to the second quarter of 2024.

The segment generated an EBITDA of EUR 5 million for the third quarter of 2024 compared to an EBITDA of EUR 16 million for the second quarter of 2024. EBITDA decreased due to lower volumes, lower margins and a negative inventory valuation effect.

Depreciation and amortization expense was EUR (4) million for the third quarter of 2024.

The Services & Solutions segment had an operating income of EUR 1 million for the third quarter of 2024 compared to an operating income of EUR 13 million for the second quarter of 2024.

Alloys & Specialties ⁽¹⁾

(in millions of Euros, unless otherwise stated)	Q3 24	Q2 24	Q3 23	9M 24	9M 23
Sales	181	238	177	701	647
EBITDA	11	21	2	56	30

Depreciation, amortization & impairment	(2)	(5)	(3)	(10)	(8)
Operating income	9	16	(1)	46	22
Steel shipments (000t)	8	9	6	28	24
Average steel selling price (EUR/t)	21,443	23,820	28,684	23,762	25,725

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

The Alloys & Specialties segment had sales of EUR 181 million for the third quarter of 2024, representing a decrease of 23.9% compared to EUR 238 million for the second quarter of 2024. Steel shipments decreased by 14.9% during the third quarter of 2024 at 8 thousand tonnes.

The Alloys & Specialties segment achieved EBITDA of EUR 11 million for the third quarter of 2024 compared to EUR 21 million for the second quarter of 2024. EBITDA decreased due to seasonally lower volumes, a softer mix and a negative inventory valuation effect.

Depreciation and amortization expense for the third quarter of 2024 was EUR (2) million.

The Alloys & Specialties segment had an operating income of EUR 9 million for the third quarter of 2024 compared to an operating income of EUR 16 million for the second quarter of 2024.

Recycling & Renewables ⁽¹⁾

(in millions of Euros, unless otherwise stated)	Q3 24	Q2 24	Q3 23	9M 24	9M 23
Sales	507	556	430	1,546	1,521
EBITDA	16	20	17	54	91
Depreciation & amortization	(24)	(22)	(21)	(70)	(52)
Operating income / (loss)	(8)	(2)	(4)	(16)	39
Shipments (000t)	412	397	310	1,152	1,036
Average selling price (EUR/t)	1,231	1,401	1,387	1,342	1,468

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

The Recycling & Renewables segment had sales of EUR 507 million for the third quarter of 2024, representing a decrease of 8.8% compared to EUR 556 million sales for the second quarter of 2024. Shipments increased by 3.8% during the third quarter of 2024 to 412 thousand tonnes. Average selling prices for the Recycling & Renewables' segment were 12.1% lower during the third quarter of 2024.

EBITDA decreased during the quarter at EUR 16 million compared to EBITDA of EUR 20 million in the second quarter of 2024 resulting from seasonally lower volumes and lower selling prices.

Depreciation and amortization expense for the third quarter of 2024 was EUR (24) million.

The Recycling & Renewables segment had an operating loss of EUR (8) million for the third quarter of 2024 compared to an operating loss of EUR (2) million for the second quarter of 2024.

Recent developments during the quarter

- On August 1, 2024, Aperam released its 2024 Half-Year Report.
- On September 30, 2024, in preparation of the upcoming quarterly results release scheduled for Friday, 8 November 2024, the Company reminded market participants of the standing guidance, earnings drivers and events that should be considered.
- On October 17, 2024 Aperam announced the signing of a definitive agreement to acquire Universal Stainless & Alloy Products, Inc. (Universal) [Nasdaq: USAP], a leading manufacturer of specialty steel products for critical Aerospace & Industrial applications in the U.S., at a price of \$45.00 per share in an all-cash transaction. The transaction values Universal at an enterprise value of approximately \$539 million. This acquisition is a key milestone in Aperam's strategy to strengthen its market position, broaden its geographic presence and product range by expanding its presence in high-growth sectors such as aerospace and industrial applications. The deal is another major step in Aperam's ongoing transformation of its value chain, offering a more differentiated and resilient portfolio to reduce cyclical risk and better respond to market demands, particularly in the United States. The transaction, which has been unanimously approved by the board of directors of both Aperam and Universal, is expected to close during the first half of 2025, subject to obtaining majority vote of Universal's shareholders, receipt of regulatory approvals and other customary closing conditions.
- Reflecting expanding requirements through the CSRD and combined reporting, in addition to the oversight of the Board of Directors, the scope of the Audit & Risk Management Committee has been extended to directly include ESG matters. The name of the Committee has been updated to Audit, Risk & Sustainability Committee. The composition and Chair of the Committee remain unchanged.

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 > Q3-2024 ([Link to Q3 2024 management podcast](#)).

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

Date	New York	London	Luxembourg
Friday, 8 November 2024	08:00	13:00	14:00

Link to the webcast: https://channel.royalcast.com/landingpage/aperam/20241108_1/

The dial-in numbers for the call are: **France** : +33 (0) 1 7037 7166 **USA**: +1 786 697 3501
UK: +44 (0) 33 0551 0200 **Belgium**: +32 (0) 2 789 8603
Germany: +49 (0) 30 3001 90612 **Netherlands** +31 (0) 20 708 5073

The conference password is: Aperam.

Contacts

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About Aperam

Aperam is a global player in stainless, electrical & specialty steel and recycling, with customers in over 40 countries. 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 5 of its main 6 facilities certified ResponsibleSteel™, 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 2023, Aperam had sales of EUR 6,592 million and shipments of 2.20 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

(in million of EURO)	September 30, 2024	June 30, 2024	September 30, 2023
ASSETS			
Cash & cash equivalents (C)	199	279	285
Inventories, trade receivables and trade payables	1,655	1,571	1,931
Prepaid expenses and other current assets	137	163	176
Total Current Assets & Working Capital	1,991	2,013	2,392
Goodwill and intangible assets	434	436	454
Property, plant and equipment (incl. Biological assets)	2,020	2,058	2,003
Investments in associates, joint ventures and other	7	7	3
Deferred tax assets	396	263	106
Other non-current assets	129	131	119
Total Assets (net of Trade Payables)	4,977	4,908	5,077
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term debt and current portion of long-term debt (B)	311	325	340
Accrued expenses and other current liabilities	439	479	406
Total Current Liabilities (excluding Trade Payables)	750	804	746
Long-term debt, net of current portion (A)	529	561	591
Deferred employee benefits	152	152	137
Deferred tax liabilities	76	85	132
Other long-term liabilities	64	63	62

Total Liabilities (excluding Trade Payables)	1,571	1,665	1,668
Equity attributable to the equity holders of the parent	3,398	3,235	3,401
Non-controlling interest	8	8	8
Total Equity	3,406	3,243	3,409
Total Liabilities and Shareholders' Equity (excluding Trade Payables)	4,977	4,908	5,077
Net Financial Debt (D = A+B-C)	641	607	646

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended			Nine Months Ended	
(in million of EURO)	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Sales	1,493	1,634	1,463	4,784	5,041
Adjusted EBITDA (E = C-D)	99	86	19	240	249
<i>Adjusted EBITDA margin (%)</i>	6.6%	5.3%	1.3%	5.0%	4.9%
Exceptional items (D)	8	(8)	—	—	—
EBITDA (C = A-B)	107	78	19	240	249
<i>EBITDA margin (%)</i>	7.2%	4.8%	1.3%	5.0%	4.9%
Depreciation, amortization and impairment (B)	(58)	(59)	(55)	(175)	(150)
Operating income / (loss) (A)	49	19	(36)	65	99
<i>Operating margin (%)</i>	3.3%	1.2%	(2.5%)	1.4%	2.0%
Loss from associates, joint ventures and other investments	—	(1)	—	(1)	—
Financing income / (costs), (net)	(12)	(16)	(19)	(44)	66
Income / (loss) before taxes and non-controlling interests	37	2	(55)	20	165
Income tax benefit / (expense)	142	57	13	200	(31)
<i>Effective tax rate %</i>	n/a	n/a	23.7%	n/a	18.8%
Net income / (loss) including non-controlling interests	179	59	(42)	220	134
Non-controlling interests	—	—	—	(1)	(1)
Net income / (loss) attributable to equity holders of the parent	179	59	(42)	219	133

Basic earnings per share (EUR)	2.47	0.82	(0.59)	3.03	1.84
Diluted earnings per share (EUR)	2.44	0.82	(0.58)	3.00	1.83
Weighted average common shares outstanding (in thousands)	72,264	72,254	72,249	72,288	72,213
Diluted weighted average common shares outstanding (in thousands)	72,801	72,792	72,776	72,826	72,776

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of EURO)	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Operating income / (loss)	49	19	(36)	65	99
Depreciation, amortization & impairment	58	59	55	175	150
Change in working capital	(100)	92	(21)	(89)	(41)
Income tax paid	—	(5)	(2)	(12)	(31)
Interest paid, (net)	(9)	(6)	(4)	(20)	(8)
Exceptional items	(8)	8	—	—	—
Other operating activities (net)	43	(31)	(40)	(11)	(16)
Net cash provided by (used in) operating activities (A)	33	136	(48)	108	153
Purchase of PPE and intangible assets (CAPEX)	(22)	(26)	(55)	(125)	(157)
Purchase of biological assets and other investing activities (net)	(2)	1	(32)	(4)	(45)
Net cash used in investing activities (B)	(24)	(25)	(87)	(129)	(202)
(Payments to) / Proceeds from payable to banks and long term debt	(44)	8	38	(90)	3
Dividends paid	(36)	(37)	(37)	(109)	(109)
Other financing activities (net)	(5)	(4)	(4)	(13)	(12)
Net cash used in financing activities	(85)	(33)	(3)	(212)	(118)
Effect of exchange rate changes on cash	(4)	(6)	(6)	(11)	(5)
Change in cash and cash equivalent	(80)	72	(144)	(244)	(172)

Free cash flow before dividend (C = A+B)	9	111	(135)	(21)	(49)
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Appendix 1a – Health & Safety statistics

Health & Safety Statistics	Three Months Ended		
	September 30, 2024	June 30, 2024	March 31, 2024
Frequency Rate	2.4	2.0	1.5

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 September 30, 2024	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others & Eliminations	Total
Operational information						
Shipment (000t)	391	174	8	412	(368)	617
Average selling price (EUR/t)	2,279	3,164	21,443	1,231		2,420
Financial information (EURm)						
Sales	933	575	181	507	(703)	1,493
Adjusted EBITDA	68	5	11	16	(1)	99
Exceptional items	8	—	—	—	—	8
EBITDA	76	5	11	16	(1)	107

Depreciation, amortization & impairment	(28)	(4)	(2)	(24)	—	(58)
Operating income / (loss)	48	1	9	(8)	(1)	49

Quarter Ending June 30, 2024	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others & Eliminations	Total
Operational information						
Shipment (000t)	419	195	9	397	(437)	583
Average selling price (EUR/t)	2,412	3,113	23,820	1,401		2,803
Financial information (EURm)						
Sales	1,058	638	238	556	(856)	1,634
Adjusted EBITDA	59	16	21	20	(30)	86
Exceptional items	(8)	—	—	—	—	(8)
EBITDA	51	16	21	20	(30)	78
Depreciation, amortization & impairment	(28)	(3)	(5)	(22)	(1)	(59)
Operating income / (loss)	23	13	16	(2)	(31)	19

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

(in million of EURO)	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net income / (loss)	179	59	(42)	219	134
Exceptional items	(8)	8	—	—	—
Recognition of deferred tax assets on tax losses carried forward	(155)	(56)	—	(215)	—
Deferred tax effect on exceptional items	3	(2)	—	1	—
Adjusted Net income / (loss)	19	9	(42)	5	134
Basic earnings per share (EUR)	2.47	0.82	(0.59)	3.03	1.84
Adjusted Basic earnings per share (EUR)	0.25	0.13	(0.59)	0.06	1.84

Appendix 3 – Terms and definitions

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 / (loss) less exceptional items, recognition of deferred tax assets on tax losses carried forward 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 and intangible 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: 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.

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® targeted 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 Leadership Journey® Phase 4. We concluded

Phase 4 of the Leadership Journey® above target with EUR 186 million gains. We announced targeted gains of EUR 200 million for Phase 5 to be realized over the period 2024 – 2026. Gains will come from a combination of variable and fixed cost savings, as well as purchasing and mix improvements. Phase 5 includes a structural cost reduction plan of EUR 50 million. To the extent that this plan would affect employment we will consult with our social partners on the social impact.

³ 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".

[1]^a The outlook for the quarter depends on the future development of metal and product prices. Both are assumed as constant at their current level.

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