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## PRESS RELEASE

# Eramet: Fully committed to face the Covid-19 health situation

In the current context of the Coronavirus pandemic marked by the uncertainty in the global economy, Eramet is fully committed to tackling developments in the situation.

The Group has two priorities:

- Protecting the health of all its employees as well as their family, and contributing to containing the pandemic, while complying with all health safety measures imposed by relevant authorities
- Ensuring, to the extent possible, business continuity by adapting organisations, working closely with employees, suppliers and customers.

A crisis meeting is held on a daily basis to coordinate actions in all the Group's locations. A health protocol compliant with authorities' recommendations is being rolled out across all sites.

Considering the uncertainty surrounding the length of the pandemic as well as its scale and impact on the Group's supplies and markets, Eramet is currently not in a position to accurately measure its impact on production and performance targets for 2020. As a result, the Group decided to suspend guidance for 2020 production and EBITDA as communicated to the market in its press release of 19 February 2020. Once there is more visibility on the impact of the pandemic, Eramet will provide an update on its outlook for the current financial year.

The Group's liquidity level - €2.3bn at 31 December 2019, which includes lines of liquidity that had not been drawn down at that date for €1.5bn - remains high. All credit lines have since been drawn down as a precaution. Cash preservation measures have also been strengthened and accelerated in order to preserve Group liquidity and financing capacity; main levers include cost and capital expenditures cutting to a strict minimum, as well as new measures put in place to closely control invoicing flows and cash collection processes.

As regards the Mining and Metals division, in a fast-changing environment, it is still too soon to assess the pandemic's overall impact in the quarters ahead. There is still considerable uncertainty about how the pandemic will affect the outlook for end-markets, notably the carbon steel and the stainless steel industries and the entire value chain. Some countries, including South Africa and India, have temporarily suspended their mining and metallurgy activities. Parallel to this, business activity is gradually resuming in China, the main global consumer of manganese, nickel and raw materials overall. Nonetheless, Chinese producers have built up large carbon and stainless steel inventories that are likely to weigh on demand for raw materials eventually. In Europe, steel industry players have announced a number of slowdowns and temporary suspensions in production, especially impacting products in the automotive sector.

Mining and metallurgy production have not been significantly impacted to date (Gabon, New Caledonia, Senegal, mainland France, Norway and the United States). However, the situation could change rapidly. First-quarter order intakes are still at a normal level, particularly in Asia, which accounts for more than half of the division's sales. As it stands, the division's mines and metallurgical plants are in a position to provide the volume ordered.

In Indonesia, as announced end-February, the low-grade nickel ferroalloy (NPI) plant that the Group is developing in a joint venture should start operations in first-half 2020.

Moreover, manganese ore market prices<sup>1</sup> observed since early 2020 are above those of fourth-quarter 2019 on average. Conversely, nickel prices at the LME are down approximately 17% on average since the start of the year versus fourth-quarter 2019.

Regarding the High Performance Alloys division, as a result of the health protocol being rolled out across all sites, the division is currently reorganising its plants' production lines to ensure continuity in its industrial operations. This adaptation results in a temporary shutdown or suspension for some activities in France. With half of its activity driven by the aerospace sector, the division expects to start operations again gradually in line with the rebound in business for large accounts in the sector.

Moreover, the Group has set up a systematic teleworking system for service functions.

**Christel Bories**, Chairman and CEO of Eramet, commented:

« In the current context of the Coronavirus pandemic, Eramet is continuing to closely monitor developments of the situation. Our priority is to safeguard the health of our employees and of their family. We would like also to express our full solidarity with the local people and communities affected by the pandemic. We are confident in the strength of our financial position and in the ability of our teams to pull together to address this crisis in order to adapt our industrial and commercial activities in a fast and agile way. »



## Calendar

28/04/2020: Publication of 2020 first-quarter sales

26/05/2020: General Shareholders' meeting

30/07/2020: Publication of 2020 half-year results

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<sup>1</sup> Eramet estimations

## ABOUT ERAMET

Eramet, a global mining and metallurgical group, is a key player in the extraction and valorisation of metals (manganese, nickel, mineral sands) and the elaboration and transformation of alloys with a high added value (high-speed steels, high-performance steels, superalloys, aluminium and titanium alloys).

The Group supports the energy transition by developing activities with high growth potential, including recycling and the extraction and refining of lithium.

Eramet positions itself as the privileged partner of its customers in sectors that include carbon and stainless steel, aerospace, pigments, energy, and new battery generations.

Building on its operating excellence, the quality of its investments and the expertise of its employees, the Group leverages an industrial, managerial and societal model that is virtuous and value-accretive. As a contributive corporate citizen, Eramet strives for a sustainable and responsible industry.

Eramet employs around 13,000 people in more than 20 countries with sales of approximately €4 billion in 2019.

For further information, go to [www.eramet.com](http://www.eramet.com)

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