



Combined General Shareholders' Meeting

28 mai 2021



Presentation of the Group in 2020 and its outlook

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Chair & CEO

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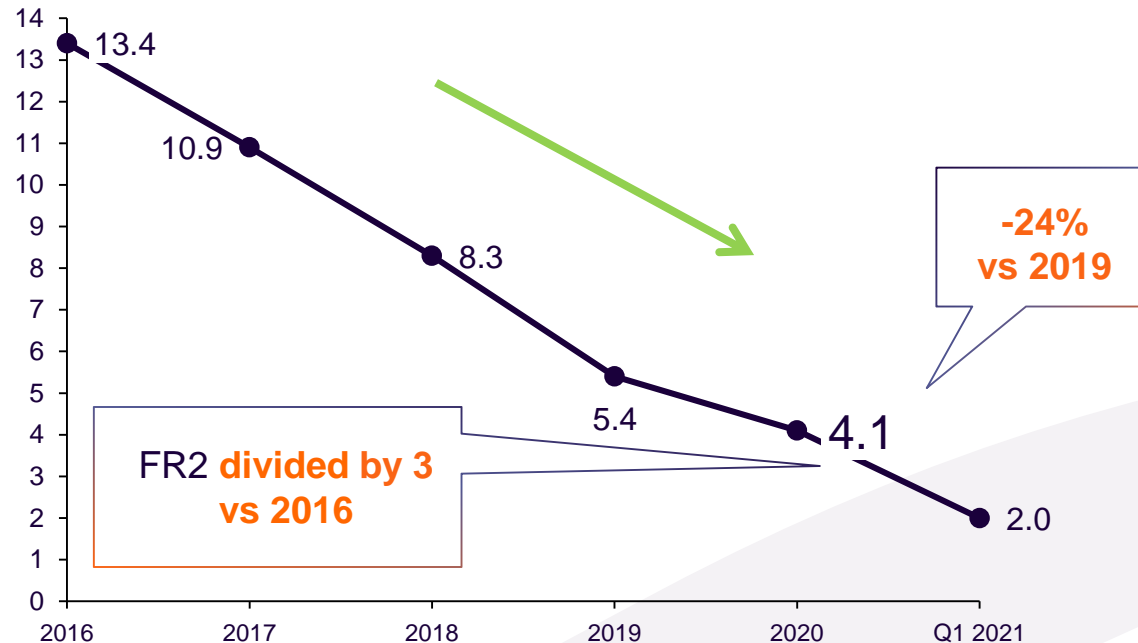
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2020: 4th consecutive year of significant safety improvements

Eramet accident frequency rate (FR2¹)



Strong Group commitment towards safety

- **Strong focus on any risk situation with rigorous root cause analysis**

Tackling the pandemic

- **Strict sanitary protocol adopted at all Group's sites since March 2020**

Remarkable operational performance, in the context of a global health crisis...

Operating performance

Strong progression in mining operational performance in Mining & Metals division

- ✔ Continued **organic growth in manganese ore production** in Gabon
 - > **+22%** in 2020 (5.8 Mt); **+17%** in Q1 2021 (1.5 Mt)
- ✔ Ongoing **increase in nickel ore exports** in New-Caledonia
 - > **+55%** in 2020 (2.5 Mwmt); **+31%** in Q1 2021 (433 kt)
- ✔ **Exceptional progress** in mining operations at **Weda Bay** in Indonesia
 - > **3.4 Mwmt** in 2020; **3.0 Mwmt** in Q1 2021

Profound impact of aerospace crisis weighing on the High-Performance Alloys division

- ✔ Decline in aerospace turnover, the main market of A&D
 - > **-24%** in 2020 (vs. 2019); **-39%** in Q1 2021 (vs. Q1 2020 hardly affected by the crisis)

Costs and cash control

Strict costs & cash control in 2020 to be maintained in 2021

- ✔ **Cash preservation** with structural progress, particularly in WCR
- ✔ **Investment discipline:** strict control over Capex, favouring investment with short payback
- ✔ **Continued adjustment of A&D cost structure** to a durably degraded aerospace sector

... and major milestones achieved to deliver on our strategic roadmap

CSR achievements

Significant progress on the CSR roadmap

Significant safety progress

- > -24% in accident frequency rate in 2020 (TRIR¹ at 4.1 at end-December 2020)
- -25.4% reduction in tCO₂/t outgoing products in 2020 (vs. 2018)
- 100% of mining sites **certified ISO14001** since April 2021 (85% of total industrial sites)

Strategic roadmap

2021 operational targets confirmed in M&M division

- **Manganese ore organic growth** confirmed in Gabon
- **Relevance** of mine/plant **business model** demonstrated at **SLN**; future outlook for the subsidiary **subject to the execution of all of the plan's levers**
- **Success** in the **ramp-up** of mining and metallurgical operations at **Weda Bay** in Indonesia, with a strong contribution to the Group's FCF
- Roll-out of **A&D strategic review**; the **sale** of this asset remains the Group's **preferred option** in time

2020 financial results

Outstanding operational achievements in 2020, in a major global crisis environment

- ▶ Eramet's **end-markets** hard hit by pandemic in 2020, with a drop in metal prices, mainly manganese ore (-19% vs. 2019), and A&D penalised by aerospace crisis

→ **C.- €540m** EBITDA impact

- ▶ In such a disrupted and difficult environment, a **responsible crisis management**:

- > Priority given to the **protection of employees**, both in terms of health and safety, **continuous progress of the CSR roadmap**
- > Unprecedented **operating performance** driven by **significant organic growth in mining operations**, resulting in record-high intrinsic progress

→ **C.+ €250m** EBITDA impact

- ▶ **Strong success of cash control plan**: significant improvement in WCR at Group level, investment discipline, costs savings

→ **€1.3bn** Net Debt at 31 Dec. 2020, stable vs. 2019

Significant increase in EBITDA in H2, together with a reduction in net debt vs H1



Sales **€3,553m**

↘ -3% vs 2019

↗ +11% in H2 vs H1



EBITDA **€398m**

↘ -37% vs 2019

↗ €278m in H2 (vs €120m in H1)

COI **€106m**

(Current Operating Income)



Net income – Group share

- **€675m**, o/w - €498m of assets impairment

➔ - €52m in H2 (vs - €623m in H1)

High Performance Alloys division 19%



Aubert & Duval 15%

Mineral Sands BU 8%

Nickel BU 25%

Erasteel 4%

Mining & Metals division 81%



Manganese BU 48%

€3,553m

FCF - **€36m**

↗ vs - €358m in 2019

↗ +€174m in H2 (vs - €210m in H1)



Net debt **€1,333m**

➔ stable vs 2019 (vs €1,536m in H1)

Gearing¹ **106%**

Net income significantly impacted by asset impairments (~€500m), closures or mothballed projects

€m	2020	2019
Sales	3,553	3,671
EBITDA	398	630
<i>% Sales</i>	<i>11%</i>	<i>17%</i>
Current operating income	106	341
<i>% Sales</i>	<i>3%</i>	<i>9%</i>
Net income – Group share	(675)	(184)

€m	31/12/2020	31/12/2019
Net debt	(1,333)	(1,304)
Shareholders' equity	997	1,639
Gearing (Net debt-to-equity ratio)	134%	80%
Gearing for covenant purpose (Net debt-to-equity ratio, excl. IFRS 16 impact and French government loan to SLN)	106%	63%
ROCE (COI / capital employed¹ for previous 12 rolling months)	3%	12%

¹ Sum of shareholders' equity, net debt, provisions for site rehabilitation, restructuring and other social risks, less financial fixed assets, excluding Weda Bay Nickel capital employed.

High cash position at €1.9bn

Drawdown lines as of 31 December 2020:

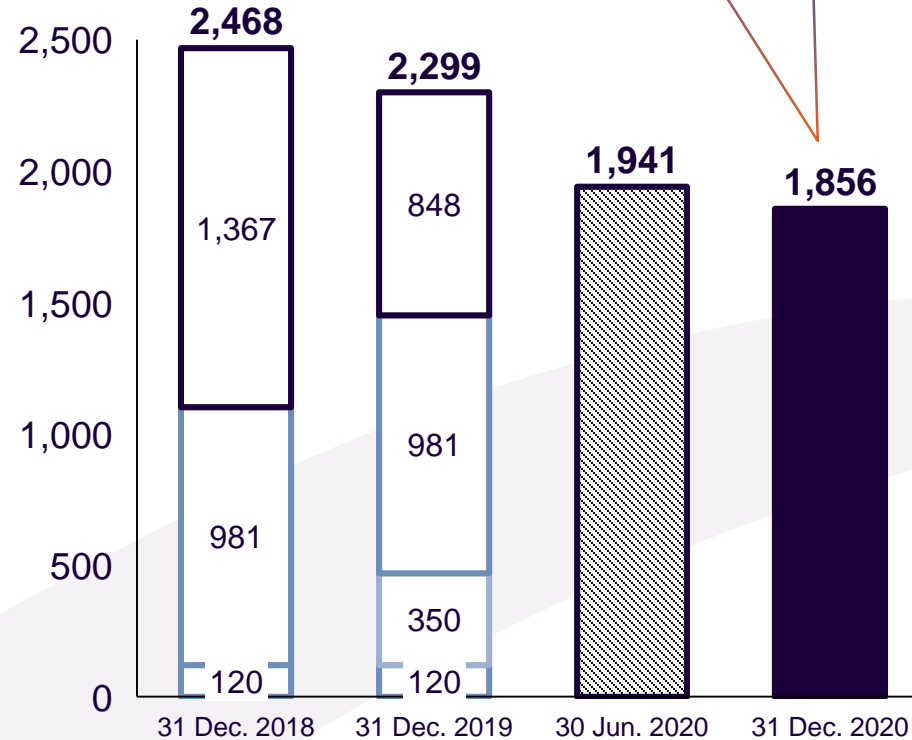
- **Revolving credit facility ("RCF")**
 - > €981m RCF maturing in 2024
- **Term loan**
 - > €350m loan granted in December with a 2-year maturity and an option to extend to January 2024 at Eramet hand
 - > Intended for general purposes and investment
- **European Investment Bank ("EIB") financing**
 - > €120m loan maturing in 2030
 - > Intended to support R&D expenditure, modernisation and digital transformation

Gearing "Covenant holidays":

- June and December 2020

Incl. reimbursement of €233m of 2020 Eramet bond

Group financial liquidity (€m)

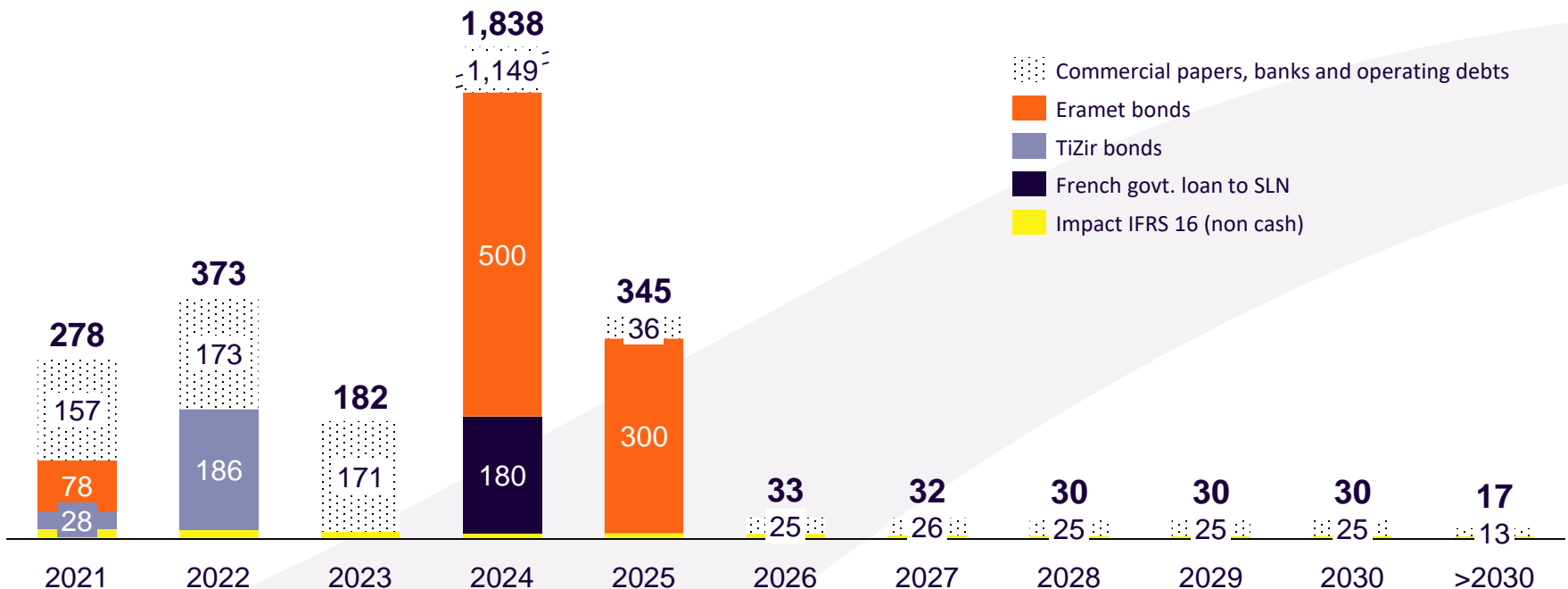


- ▬ Available cash
- ▬ Drawdown line in H1 2020: RCF
- ▬ Drawdown line in H1 2020: Term Loan
- ▬ Drawdown line in H1 2020: BEI

No major debt maturity until 2024

- Group gross debt including IFRS16 equal to **€3,189m** at 31 December 2020
- **€278m** maturing in 2021 out of which:
 - > €106m of bond repayment
 - > €124m of WC financing debt, commercial paper and overdrafts to be rolled over
- **Average maturity** of Group's **3-year** debt
- More than **80%** at a **fixed rate (excluding RCF)**

Debt maturity at 31 December 2020 (€m)

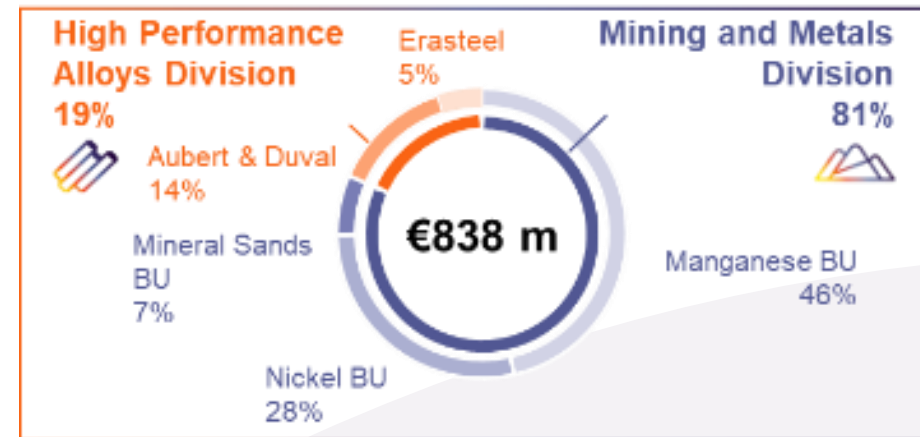


Situation update - Q1 2021



Q1 2021 Group turnover up 8%

In €m	Q1 2021	Change vs. Q1 2020
Mining and metals division	683	+18%
Manganese BU	389	+8%
Nickel BU	238	+58%
Mineral Sands BU	56	-20%
High Performance Alloys division	155	-21%
Aubert & Duval	114	-27%
Erasteel	41	+2%
Group	838	+8%



Mining & Metals division

- Favourable volume and price (€) impacts (+9% each)



High-Performance Alloys division

- Profound impact of the aerospace crisis

Very good operating performance in Q1, driven by the mining activities...

Mining & Metals division

- **Strong growth momentum in production in Q1 2021**, in a quarter with traditionally unfavourable seasonality
- **Overall sales volume up +9% in Q1 2021**
 - > **1.2 Mt** (+21%) in manganese ore external sales
 - > **433 kwmt** (+31%) in nickel ore exports from New Caledonia, despite societal and weather disruptions
 - > **4.3 kt-Ni** of low-grade ferroalloys sold (Eramet's 43% off-take in Weda Bay plant's production)



High-Performance Alloys division

- **A&D aerospace sales down 39% to €70m**, compared to a Q1 2020 barely affected by the crisis; sales up **40% to €30m** in **energy and defence sectors**
- **Stable sales at Erasteel (€41m)** as high-speed steel volume sold recovered to their Q1 2020 levels, in addition to improvement in the recycling business; **significant increase in order intake** thanks to new market share gains



...with a favourable price effect in the Mining and Metals division, partly offset by a negative currency effect

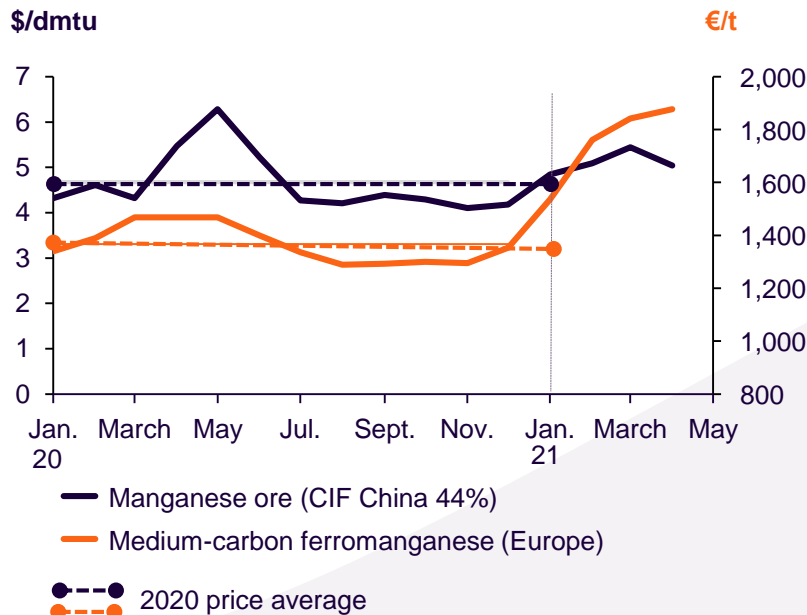


- Increase in **Mn ore prices** (CIF China 44%) in Q1 2021 (+17% in USD, +7% in €)
- Considerable increase in **Mn alloys prices** with a **very positive** effect expected from Q2 2021

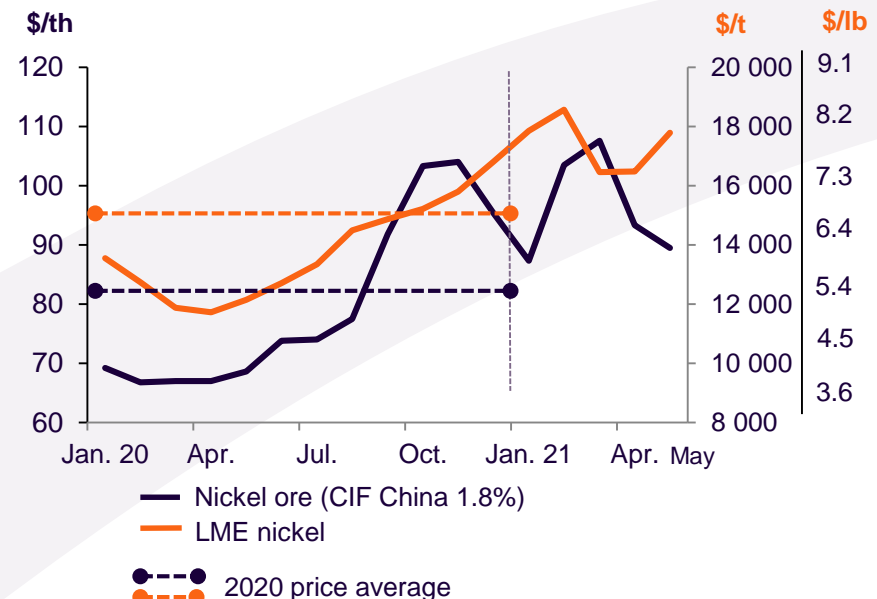


- **LME Ni prices** up significantly in Q1 2021 (+38% in USD, +27% in €) but ferronickel still sold at a **major discount**
- Average price of **Ni seaborne ore** (CIF China 1.8%) up as high-quality ore volumes are scarce

Price¹ of Manganese ore and medium-carbon ferromanganese (refined)



Price² of nickel ore and LME nickel



¹ Mn ore: CRU CIF China 44%; medium-carbon FeMn: CRU Western Europe spot price
² CIF China price 1.8% "Other mining countries" as of H2 2020 (CNFEOL) and "Philippines" in H1 2020 (SMM)

3

Strategic transformation

Major milestones achieved in 2020; the Group continues its strategic repositioning in 2021

2021: critical outcome

1

FIX / REPOSITION our least performing assets

SLN

- > Relevance of business model
- > Need to be granted the terms of the Rescue plan

A&D

- > Sale of the asset remains the preferred option, subject to satisfactory offer

Sandouville

- > Strategic review

Erasteel

- > Strategic review

Strong cash-generating growth

2

GROW in our attractive businesses

Manganese ore in Gabon

- > **+c.20%** production in 2020
- > **+c.20%** production target in 2021

Weda Bay Nickel (Indonesia)

- > Targeted capacity achieved at mining & metallurgical operations
- > Target mining capacity of more than **10 Mwmt**, to supply ore sales to third parties

Mineral Sands

- > Operations' optimisation and debottlenecking both at GCO & TTI in 2021

No cash outflows in the short term

3

EXPAND our portfolio in metals for the energy transition

Lithium

- > Project temporarily **mothballed**

Nickel and cobalt salts

- > Weda Bay diversification towards battery products
- ➔ Partnership signed with BASF, pre-feasibility study in 2021

Li-ion battery recycling

- > R&D programme ongoing

➔ **+50%¹ growth in mining production** in 4 years, with increased Group sensitivity to **activity seasonality**, more favourable in H2

Success of exceptional ramp-up at Weda Bay in Indonesia: c.€60m contribution to Group FCF in H2 2020

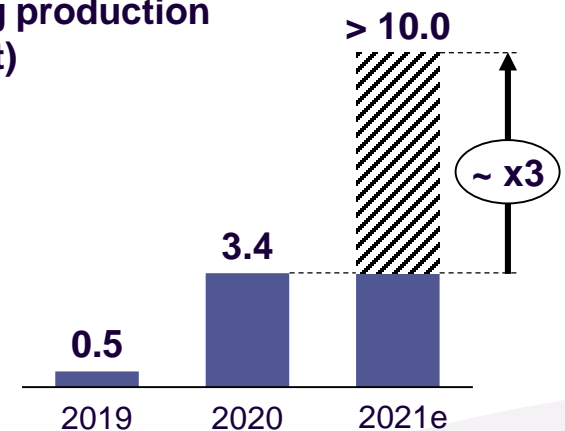
Weda Bay Nickel balanced business model: mining and metallurgy

- First mining production started in October 2019 to supply several metallurgical plants on Halmahera island, o/w JV plant
- 3.4 Mwmt of nickel ore produced in 2020, already at a pace of 6 Mwmt/year
- 1st metal tapping in April 2020
- 23.5 kt-Ni of nickel ferroalloys produced in 2020
- Highly competitive mining & metallurgical operations

2021 outlook

- Target metallurgical production of c.40 kt-Ni, based on 2021 ore grade
- Target mining capacity of more than 10 Mwmt, to supply ore sales to third parties ; 3 Mwmt already produced in Q1

Mining production (Mwmt)



CSR commitments in 2020: responsible crisis management

Moving forward on the 2018-2023 CSR Roadmap

High CSR Performance in 2020:

- > **13** medium-term objectives monitored with results published on annual basis
- > Index **102** (target 100) with a positive momentum since 2018

New climate targets

- > Target to reduce CO₂ emissions by **-40%** **2035** (vs. 2019)
- > **Carbon neutrality** (scopes 1 and 2) **2050**

Key CSR figures



100% of mining sites certified ISO14001 since April 2021 (85% of total industrial sites)



-67% reduction in serious accidents in 2020



990 kt of low-grade incidental ores and tailings recovered thanks to the circular economy plan



€21.4m spent on community investment & charity in 2020

-25.4% decrease in products CO₂ intensity, close to 2023 target of -26% (2018 ref)

20 new social impact indicators for operating excellence

Confirmed progress in CSR performance

2021 MSCI Corporate rating

- **A score** (BBB in 2017)
- **Among the top 30%** in the Mining & Metals panel¹



2020 ISS ESG Corporate rating

- **Prime status** for the 1st time
- **First decile** in ISS ESG Mining & Metals group
- **B- score** (C in 2017)



2020 CDP Climate change

- **B score** (D in 2019)
- **Among the leading companies** in its sector



Our purpose, our reason for acting

« Become a reference for the responsible transformation of the Earth's mineral resources for living well together. »



Our purpose sets a course. Conveying both our DNA and our collective ambition, it fuels our vision and the daily actions of all employees and stakeholders .



Conclusion & outlook

Building on the successes of 2020, we continue our transformation towards profitable growth

- **Acceleration of profitable organic growth** in the Mining and Metals activities. This growth is highly cash generative.

Approximately €200m of growth capex planned in 2021 to support this organic growth, mainly in manganese

- **Decisive year for the assets to be fixed / repositioned:**

- > **SLN:** the commitment of the authorities and all stakeholders is necessary in New Caledonia to make the rescue plan succeed
- > **Aubert & Duval:** a sale remains the preferred option for the Group in time; continued adjustment of the cost structure to the aerospace order book: target of reducing labour costs by approximately - **€50m** on a full year basis

- **Work on restarting expansion projects** as soon as conditions allow

- **Continued strict cash control** at Group level

- Adoption of the **Group's purpose**, reflecting the vision and strategic transformation undertaken over the past 4 years

“Become a reference for the responsible transformation of the Earth's mineral resources for living well together”

2021 seems well oriented...

- **Markets of the Mining & Metals division well oriented in Q2** thanks to the momentum of the Chinese economy and an improved short-term outlook in Europe and the United States ; in particular, a positive outlook in manganese alloys
- **High-Performance Alloys division** should continue to be strongly affected in its major market by the **aerospace crisis**, but **outlook is more positive** in its other **minor markets**, such as Energy, Defence and High-Speed Steels
- **2021 volume targets confirmed:**
 - > **7 Mt ore manganese produced** (+20% vs. 2020) thanks to growth capex with very quick payback
 - > More than **3.5 Mwmt** (> 40%) **of nickel ore exports** at SLN
 - > More than **10 Mwmt** (~x3) **of nickel ore produced** at Weda Bay

Conclusion

- ▶ **Good resilience** in 2020 thanks to the ongoing transformation and responsible crisis management
 - In 2020, Eramet delivered its best historic operational progress
- ▶ **Significant progress** on the strategic roadmap and CSR...
- ▶ ...which continues in 2021, in a **more favourable economic context**



Eramet is well positioned in buoyant assets to fully benefit from the recovery in the economy and the energy transition



erammet

*Okouma plateau, Moanda,
Gabon*