2019 half-year results

Christel BORIES
Chairman and CEO

25 July 2019

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Contents

H1 2019 results negatively impacted by price environment and Aubert & Duval (A&D) delays in invoicing

Sales **€1,809m**

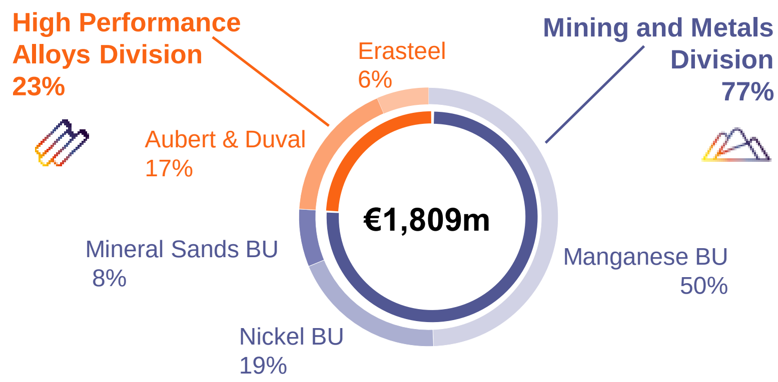
→ vs H1 2018

EBITDA **€307m**

↘ vs H1 2018 (€432m)

COI **€169m**
(Current operating income)

Net debt **€930m** (excl. IFRS 16 non cash impact)



Net income – Group share

- €37m

Gearing[1] **51%**
(excl. IFRS 16 non cash impact)

ROCE[2] **16%**

[1] Net debt-to-equity ratio
[2] COI divided by capital employed for previous year; ROCE at 30 June is calculated based on 12 rolling months

H1 2019 unfavourable price environment despite higher $

- **-13%** decline in average **manganese ore**[1] prices, still high at above **USD 6/dmtu** in H1 2019

-€45m
Impact on
H1 2019 COI

- **-11%** decline in average **nickel** LME prices

-€59m
Impact on
H1 2019 COI

- **Squeeze impact** on manganese alloys' margins

-€40m
Impact on
H1 2019 COI

- **Positive impact** of €/USD exchange rate

+€44m
Impact on
H1 2019 COI

[1] CRU index (manganese ore) : CIF Chine 44%

Operational records for the Mining and Metals division in H1 2019

H1 record production in both manganese ore and alloys:

2.1 Mt of ore produced **at Comilog in Gabon, +6%**

376 Mt[1] of alloys produced worldwide, **+5%**

H1 record[2] **nickel ore production from SLN in New Caledonia, despite 3 operational mining centers only (vs 4 in 2018)**:

1.9 Mt of nickel ore, **+7%**

H1 record production from TiZir:

378 kt of HMC[3] (zircon & ilmenite) **in Senegal**, **+1%**

101 kt of TiO_2 CP slag **in Norway**, **+19%**

[1] H1 record over the past 5 years
[2] Over the past 3 years
[3] Heavy Mineral Concentrates

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A strategy that is beginning to show success and should deliver results in H2 2019

Production targets confirmed for 2019

- **4.5 Mt** in manganese ore
- **1.5 Mt** in nickel ore exports
- **720 kt** in mineral sands concentrate, despite lower grade mined from 2019 onwards (vs previous years)

SLN recovery plan

- **decisive breakthroughs** for two levers since mid-May
- gradual **cash-cost reduction** target to reach **USD -1.30 /lb**[1] in 2021, provided a plan roll-out without disruptions

Continued progress at Sandouville

- **EBITDA break-even target** to be achieved after Q4 annual maintenance

[1] As of 2018 year-end, kick-start of the rescue plan

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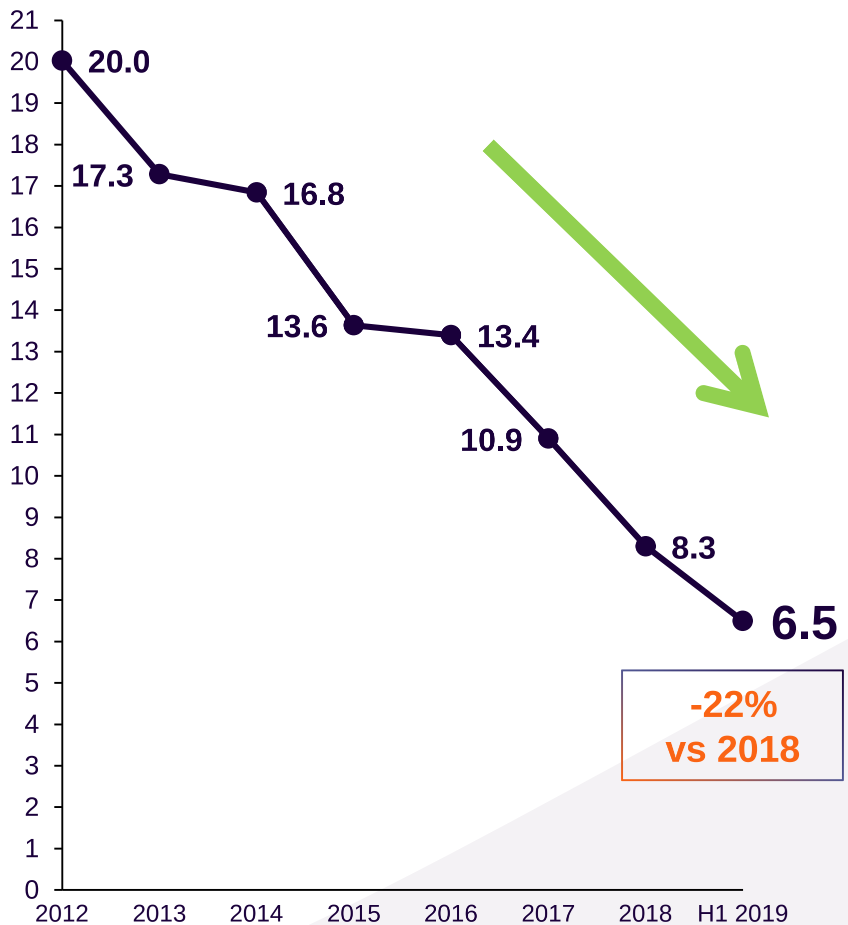
Safety

Decline in accident frequency rate in H1 2019, but still too many severe accidents

Eramet accident frequency rate (TF2[1,2])



Fatal accidents in May 2019 at Setrag:

- 3 fatalities following collision of 2 trains

Increasing safety awareness of all employees and managers, particularly through "on the ground" interactions

Focus on risk analysis and prevention:

- Occupational risk assessment: risk analysis for each job position
- "Take 5" safety initiative: "Take 5" minutes to think before acting

Accelerated roll-out of Essential Safety Requirements to avoid severe accidents

[1] TF2 = number of lost time and recordable injury accidents for 1 million hours worked
[2] Including employees and subcontractors since 2016

2

Financial results

Key financial figures

€m	H1 2019	H1 2018*
Sales	**1,809**	1,813
EBITDA	**307**	432
% Sales	*17%*	*24%*
Current operating income	**169**	294
% Sales	*9%*	*16%*
Earnings before tax	**90**	242
Net income – Group share	**(37)**	94
Net debt (Net cash), excl. IFRS 16 non cash impact	**930**	449
Gearing (Net debt-to-equity ratio), excl. IFRS 16 non cash impact	**51%**	23%
ROCE (COI / capital employed[1] for previous year)	**16%**	22%

** The 2018 data presented and commented on is adjusted data from Group Reporting, in which joint ventures were accounted for using proportionate consolidation. The reconciliation with the published financial statements is presented in the appendices.*

[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; ROCE at 30 June is calculated based on 12 rolling months)

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Profit & loss statement

€m	H1 2019	H1 2018*
Sales	**1,809**	1,813
Current operating income	**169**	294
Other operating income and expenses	(25)	(1)
o/w: Project development - Lithium	*(11)*	*(9)*
Project development - Other	*(5)*	*(5)*
Accrual of asset impairment tests – A&D	*0*	*(200)*
Reversal of asset impairment tests - GCO	*0*	*71*
Capital gain on disposal - Guilin / Weda Bay Nickel	*0*	*163*
Financial result	(54)	(51)
Earnings before tax	**90**	242
Share in income from associated companies	(4)	0
Income tax	(101)	(103)
Net income	**(16)**	139
o/w Minority interests' share	*21*	*45*
Net income – Group share	**(37)**	94

* The 2018 data presented and commented on is adjusted data from Group Reporting, in which joint ventures were accounted for using proportionate consolidation. The reconciliation with the published financial statements is presented in the appendices.

Activities' performances impacted by lower metal prices, except for Mineral Sands

Continued strong contribution from Manganese BU

In €m	H1 2019	H1 2018
Mining and Metals division		
Manganese BU	**271**	321
Nickel BU	**(70)**	(22)
Mineral Sands BU[1]	**30**	10
High Performance Alloys division	**(27)**	10
Group	**169**	294

Income highly sensitive to metal prices

Sensitivities (EBITDA /COI)	Change (+/-)	Annual impact (+/-)
Manganese ore prices	+$1/dmtu	+~€130m[2]
Manganese alloys' prices	+$100/t	+~€70m[2]
Nickel prices	+$1/lb	+~€100m[2]
Exchange rates	+$/€0.1	-~€105m
Oil price per barrel	+$10/bbl	-~€16m[2]

[1] TiZir 50% until 30 June, 2018, 100% from 1st July, 2018
[2] For an exchange rate of $/€1.2

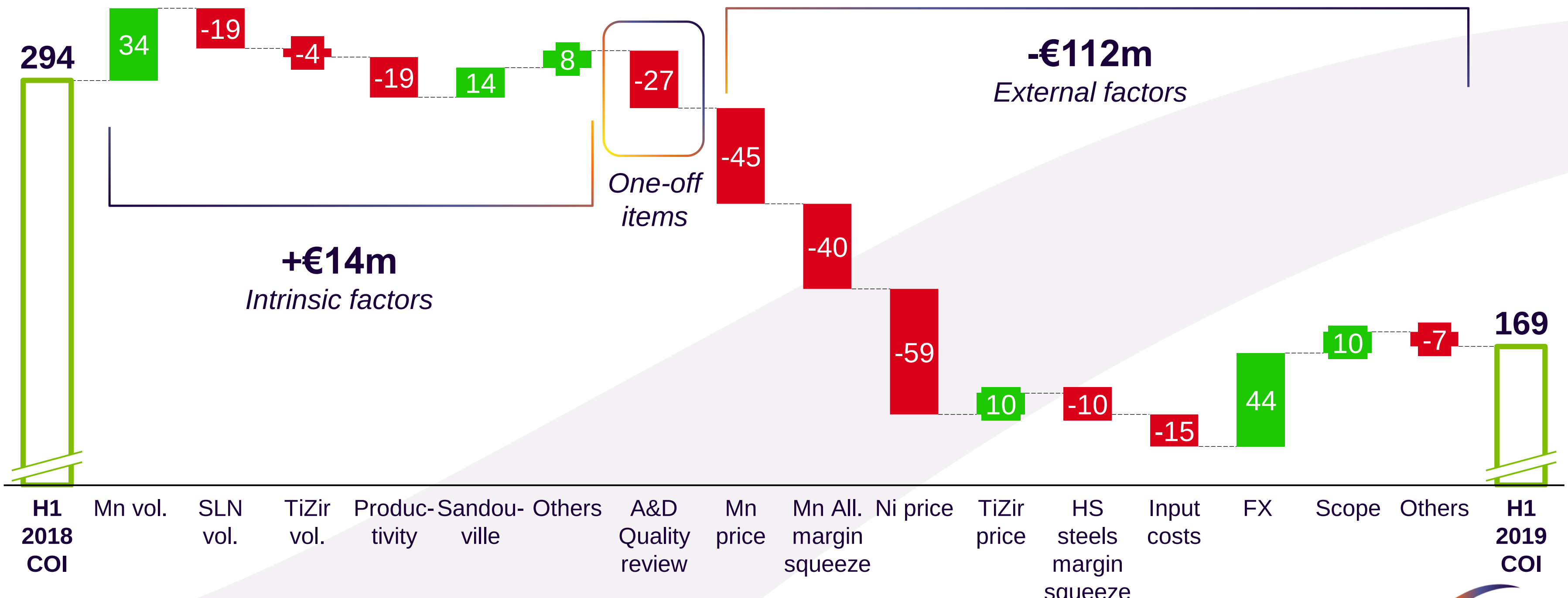
Decrease in H1 2019 COI linked to external factors and one-off items

Unfavorable price environment for metals and raw materials

- **Decrease in** manganese ore and nickel LME **prices** (**-€104m**)
- Negative **squeeze impact on manganese alloys**' margin (**-€40m**)
- Negative **squeeze impact on high-speed steels** margin (**-€10m**)

H1 2019 performance penalised by €27m one-off items related to A&D quality review

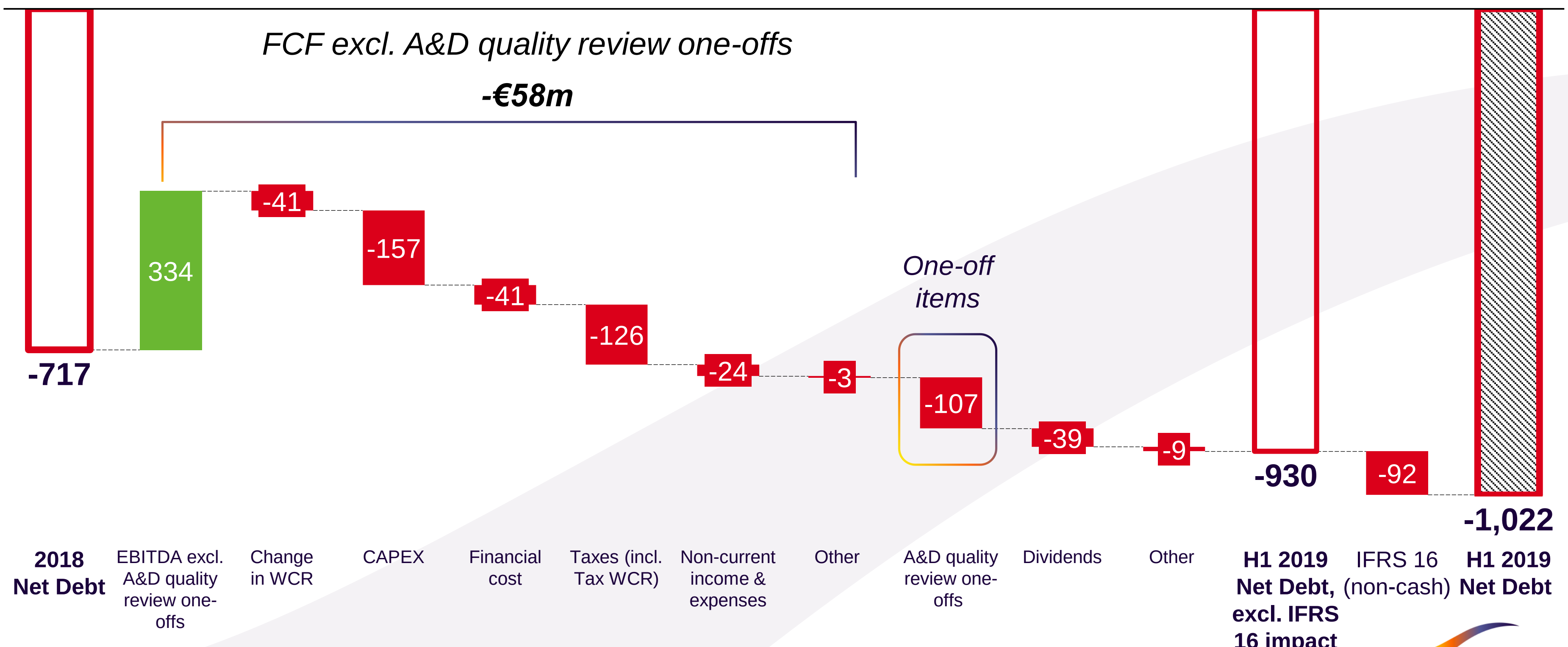
Change in current operating income (COI) (€m)



Net debt impacted by one-off items linked to A&D in H1 2019

- **Higher WCR** resulting mainly higher manganese ore and alloys' inventories (**€70m**)
- **CAPEX**: **€157m**, o/w renewal (€98m) and growth investments (€40m)
- **Taxes** paid in H1 2019 related to 2018 profits mainly in **Gabon** (**€96m**) and **Norway** (**€18m**)
- **A&D quality review one-off items** (**-€107m**) o/w negative impact on H1 2019 EBITDA /COI (**-€27m**) and higher level of inventory at A&D (**€70m**) due to delays in shipments
- **Dividends** paid to Eramet shareholders **(€18m)** and minority shareholders (**€22m**)

Net Debt (€m)



* Current taxes and changes in working capital requirements (WCR) from corporate tax debt

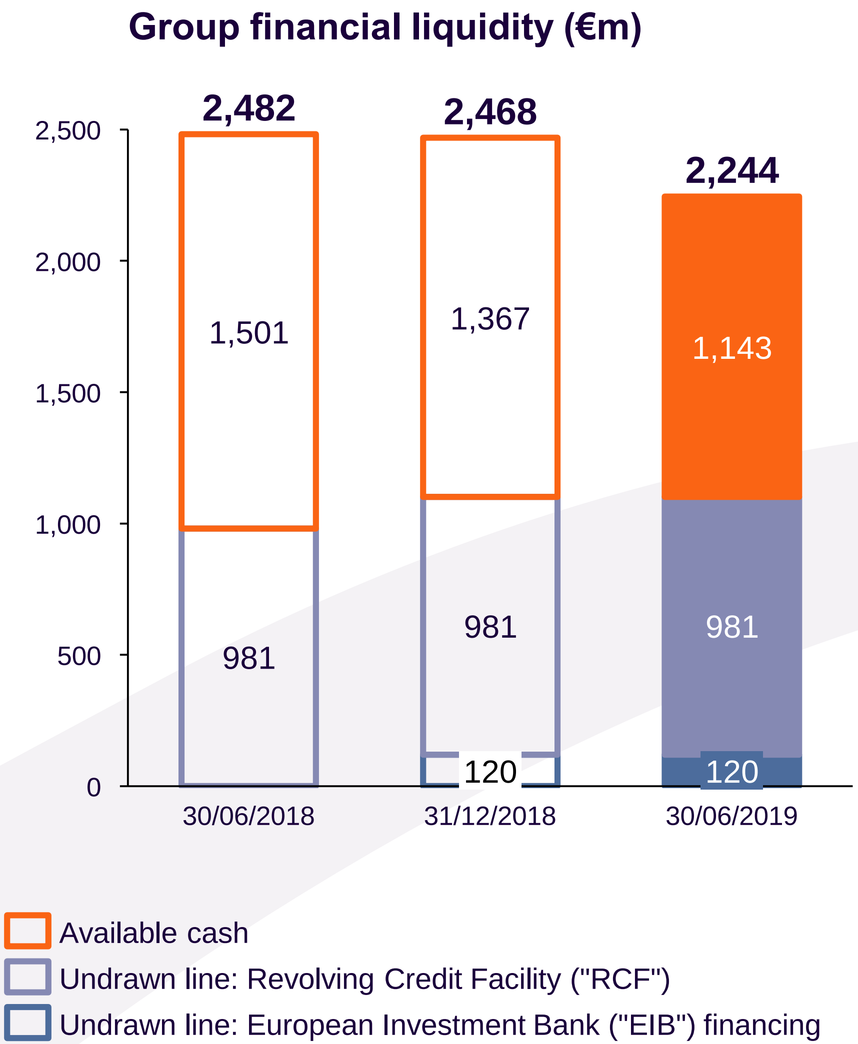
Liquidity remains high at €2.2bn to support the Group's strategic projects

Revolving credit facility ("RCF"):

- €981m RCF with a 5-year maturity (term in 2024)
- Undrawn line to date

European Investment Bank ("EIB") **financing:**

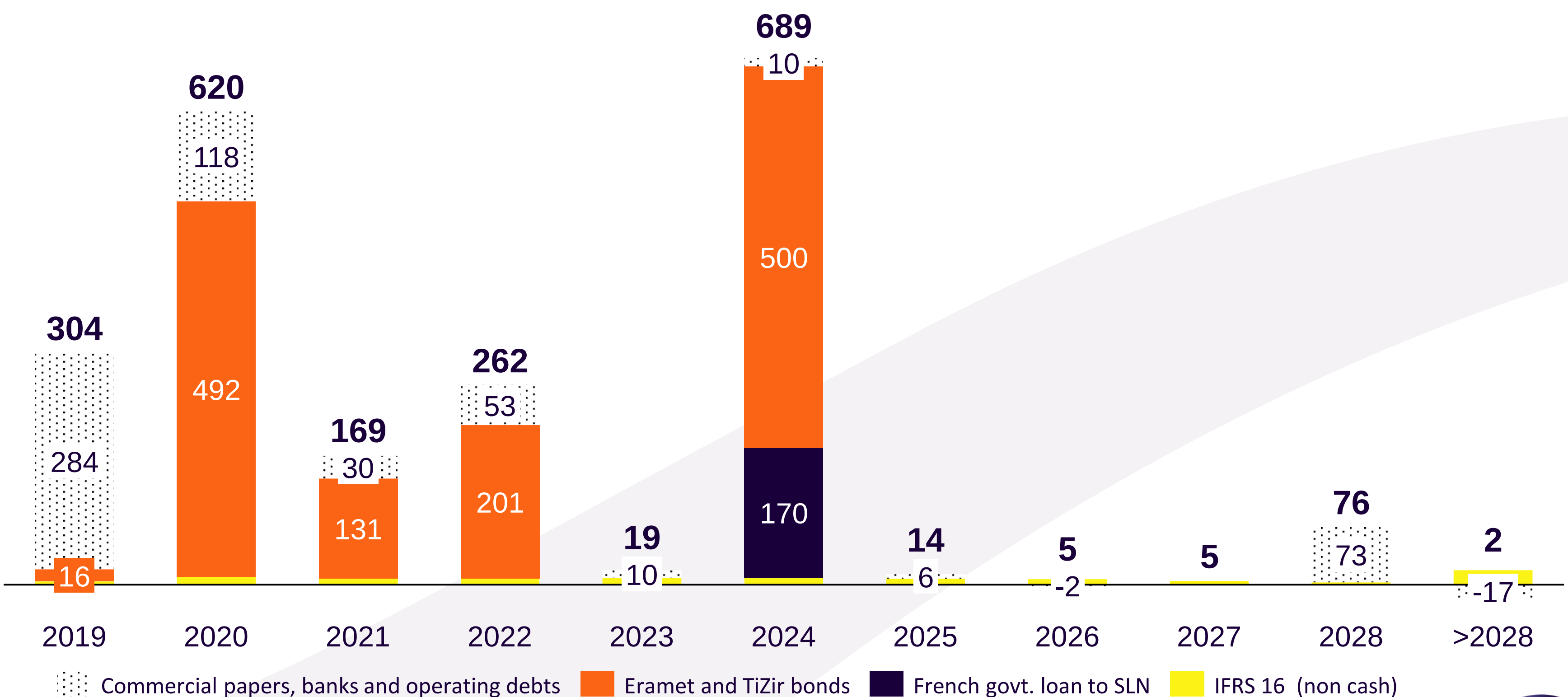
- €120m loan granted in October 2018 with 10-year maturity
- Intended to support R&D expenditure, modernisation and digital transformation
- Undrawn line to date



No major debt maturity in 2019

- Group gross debt at **€2,165m** at 30 June, 2019
- **Average maturity** of Group's **2.5-year** debt
- More than **90%** at a **fixed rate**

Debt maturity at 30 June, 2019 (€m)



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Operational performance

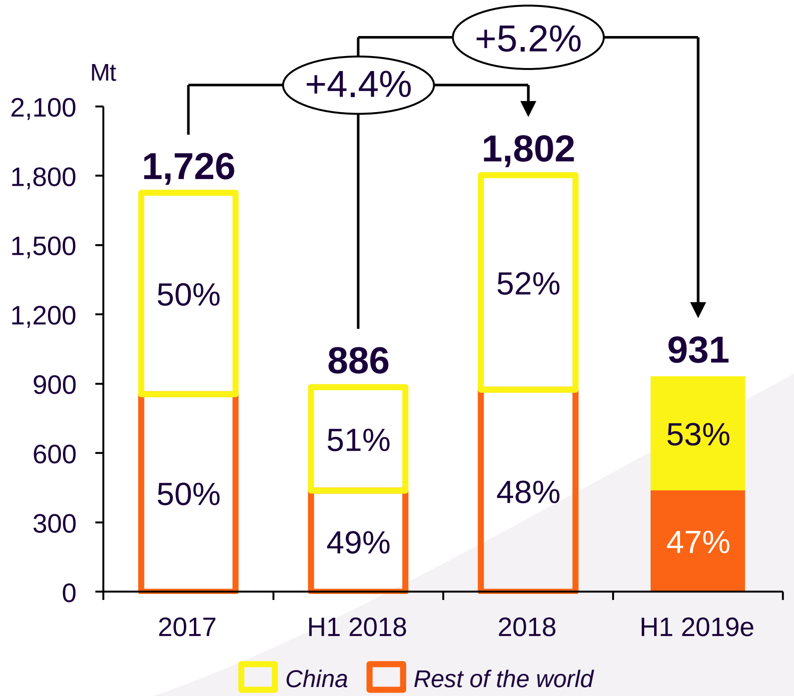
Mining and Metals division

Manganese BU

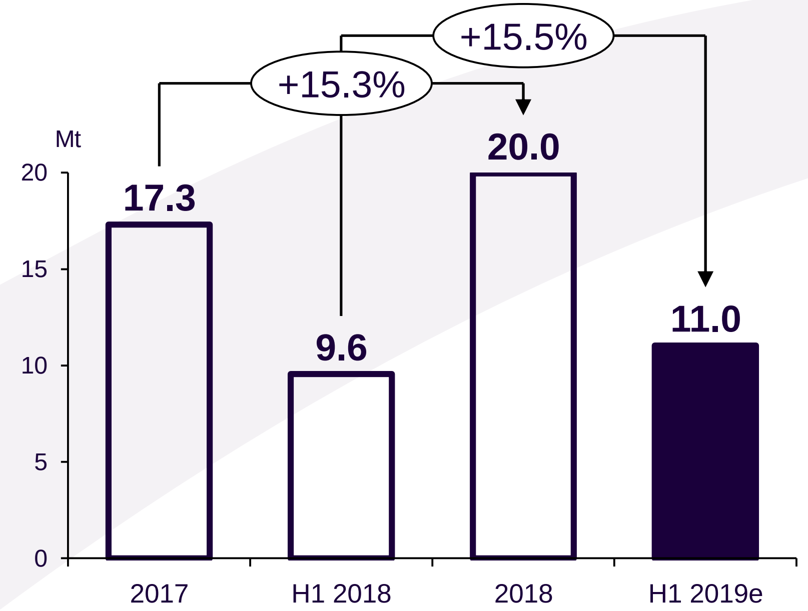
New historical H1 record for global steel carbon production

- **Global carbon steel production** up **5.2%**, almost exclusively driven by **China** (**+9.9%**); rest of world increase (+0.3%) mainly driven by North America (+4.2%), whereas EU production down (-2.6%)
- **Production still at full capacity** of all global **manganese ore producers**
- **Slight surplus in manganese ore supply**: stocks in Chinese ports at **3.9 Mt** at end-June 2019, up **0.8 Mt** since December 2018

Global carbon steel production



Global manganese ore production (manganese content)

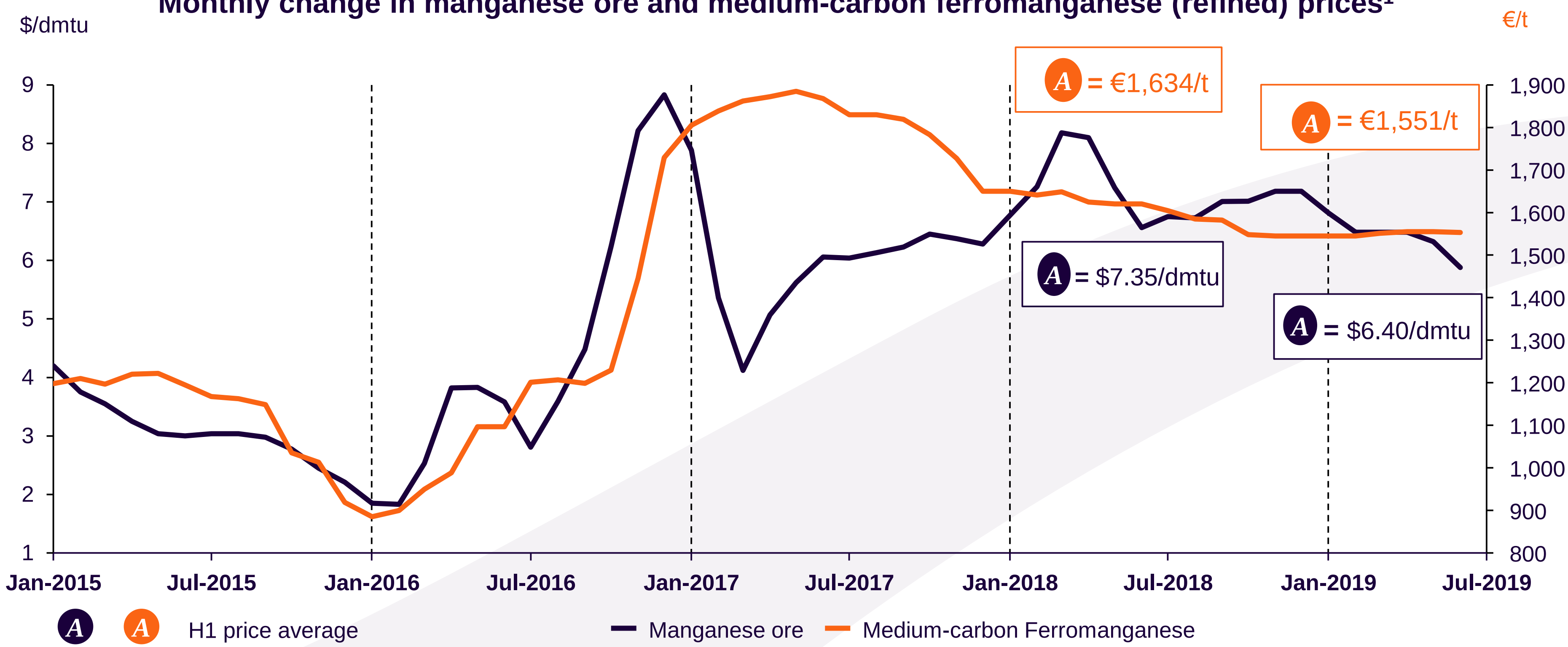


Source: Worldsteel Association / Eramet estimates

Manganese ore prices still high, although down vs H1 2018

- Average **manganese ore prices** still at a **high level**, **USD 6.40/dmtu** in H1 2019 (**-13%** vs H1 2018), but trending down to USD 5.95/dmtu in June
- **Decline in manganese alloys' prices** in Europe (**-5%** for refined ferromanganese), resulting in a continued margin squeeze

Monthly change in manganese ore and medium-carbon ferromanganese (refined) prices[1]

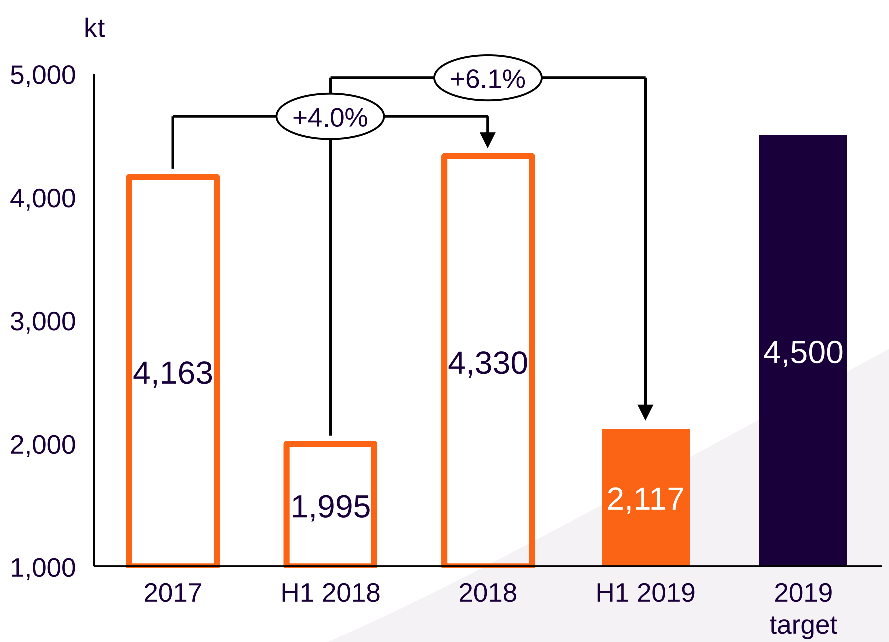


[1] Manganese ore: CIF China CRU 44%
Medium-carbon FerroMn: CRU Western Europe spot price

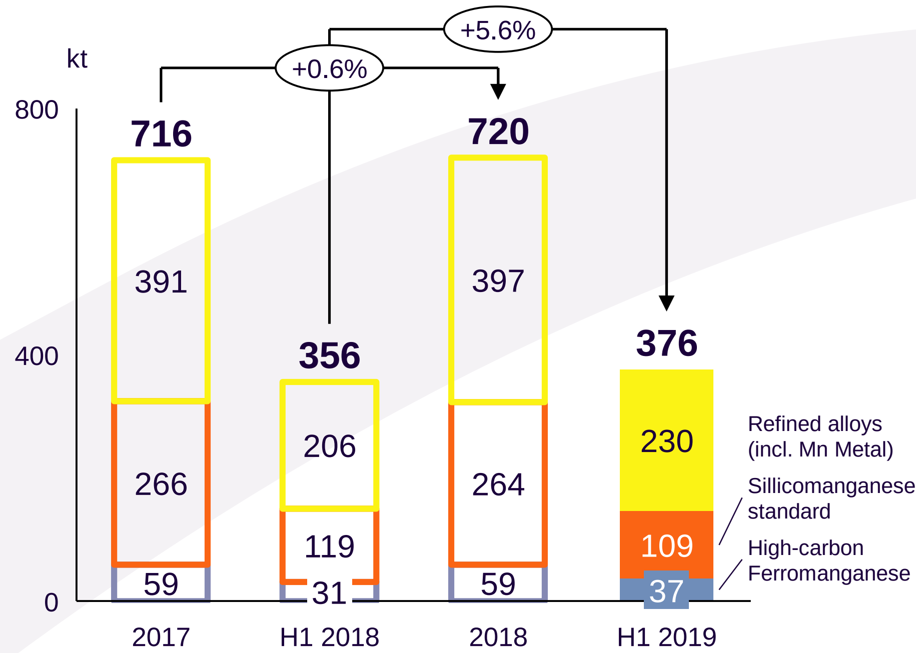
H1 manganese ore production at Comilog >2 Mt for the first time, target of 4.5 Mt in 2019 confirmed

- **Ore volumes transported** at **2 Mt** (**+9%** vs H1 2018), despite logistical incidents; external sales at 1.6 Mt (**+9%** vs H1 2018)
- **Half-year record in manganese alloys' production** at **376 kt**; refined ferromanganese alloys (~60% of total production) up **+12%**, sales at 367 kt (+8%)

Manganese ore production and agglomerates



Manganese alloys' production

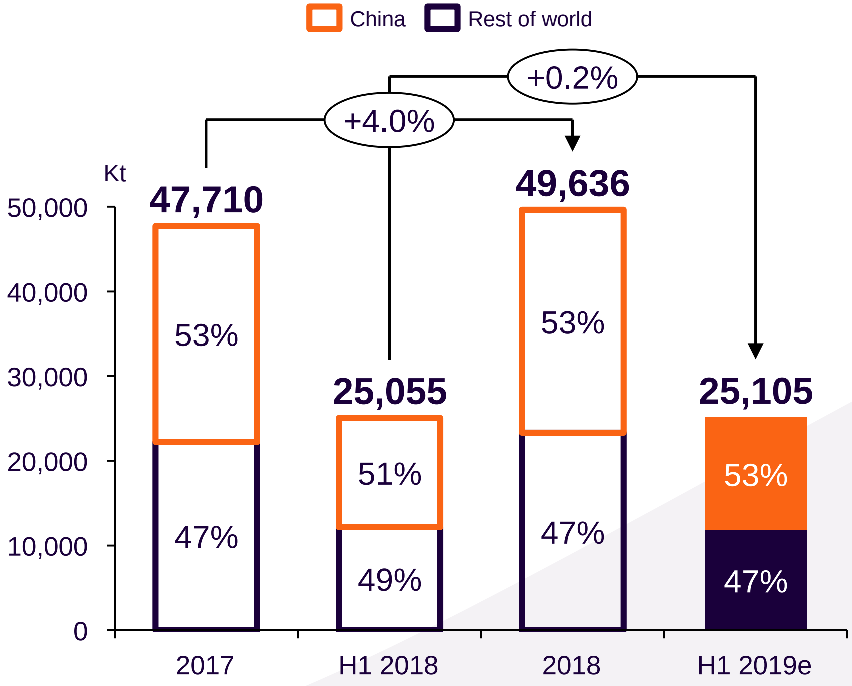


Nickel BU

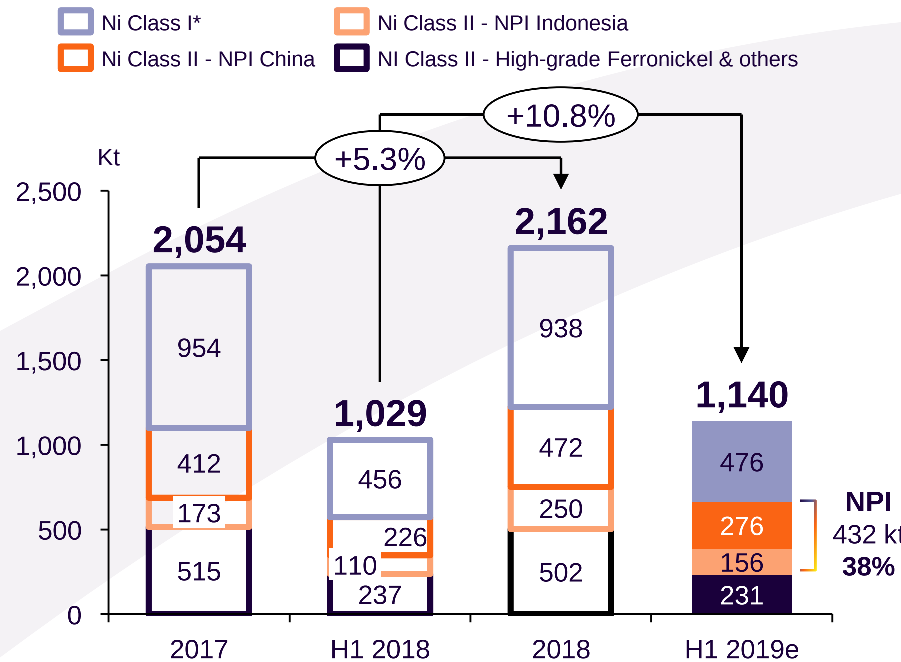
Global stainless steel production stable, at a high level

- **Global stainless steel production stable** (+0.2%) in H1 2019, driven by **growth in China** (+3.3%)
- **Global primary nickel demand** up 2.9%, notably supported by battery development (+25%)
- Increase in **global primary nickel production** (+10.8%)**,** driven by **NPI** (+28.6%), especially in **Indonesia** (+41.8%)

Global stainless steel production



Global primary nickel production (excluding recycling)

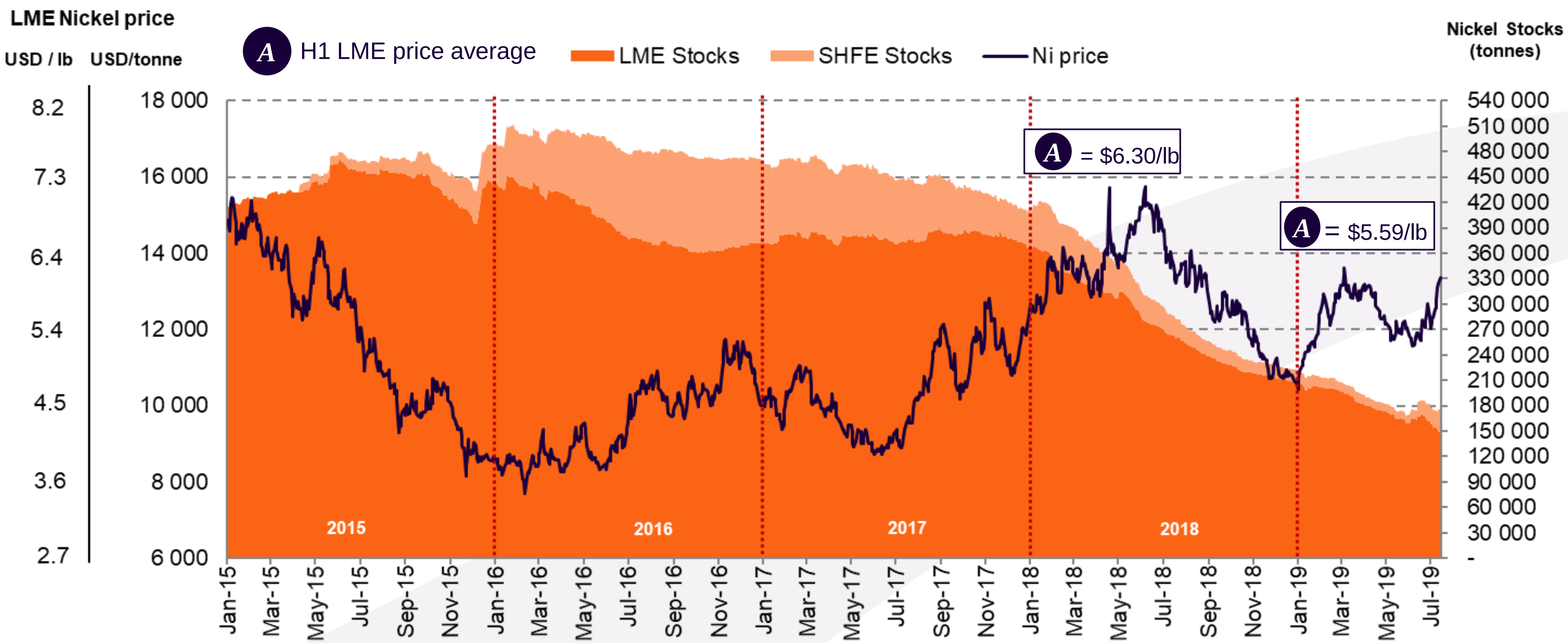


* Class I: product with nickel content of 99% or more

Source: ISSF and Eramet

Nickel prices remained at a lower level vs H1 2018, despite a further decrease in stocks

- **Supply/demand balance** still in **deficit** (estimated at -40 kt in H1 2019)
- **Continued and significant decline in nickel metal stocks** at LME and SHFE (-40 kt to **182 kt** at 30 June, 2019, i.e. **-18%**), representing c. **9 weeks**[1] of consumption, lowest level since 2012
- H1 2019 average of LME prices: USD 5.59/lb (**-11%** vs H1 2018)

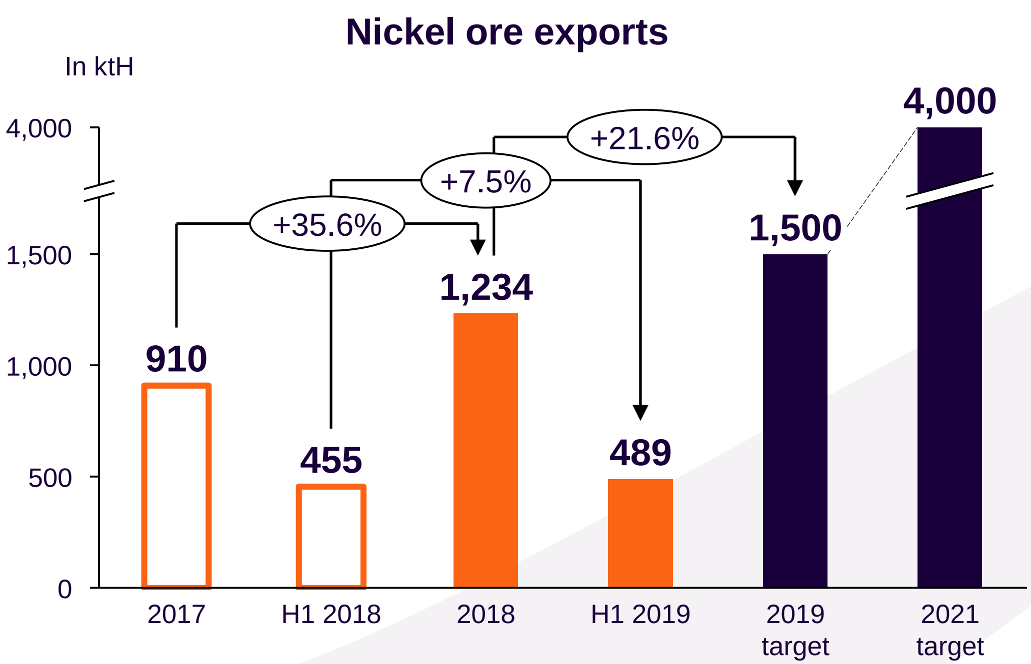


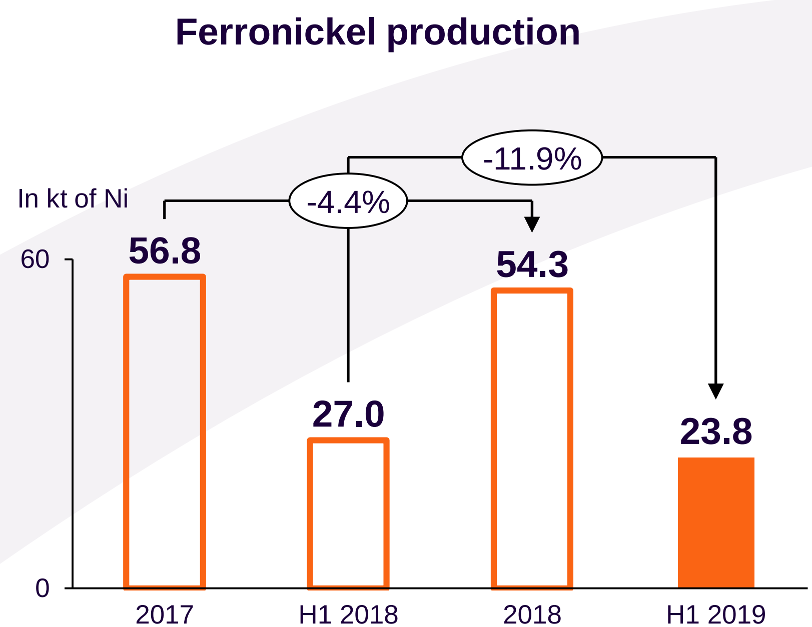
[1] Including stocks at nickel producers

H1 still negatively impacted by disrupted mining operations at East coast centers affecting SLN FeNi production…

- New working hours agreement led to higher **nickel ore production** of **1.9 Mth** (**+7%**)
- **Volumes of exported ore** up 8% to 489 kth in H1 2019; c. 650 kth already exported mid-July
- Target of a pace of **4 Mth per year as early as H2 2020** confirmed

- **Ferronickel production down 12%** in H1 2019, due to lower-grade ore loaded into the furnaces, as a result of disruptions in the East Coast mining centres.
- **Ferronickel sales volumes down 13%** (24 kt)



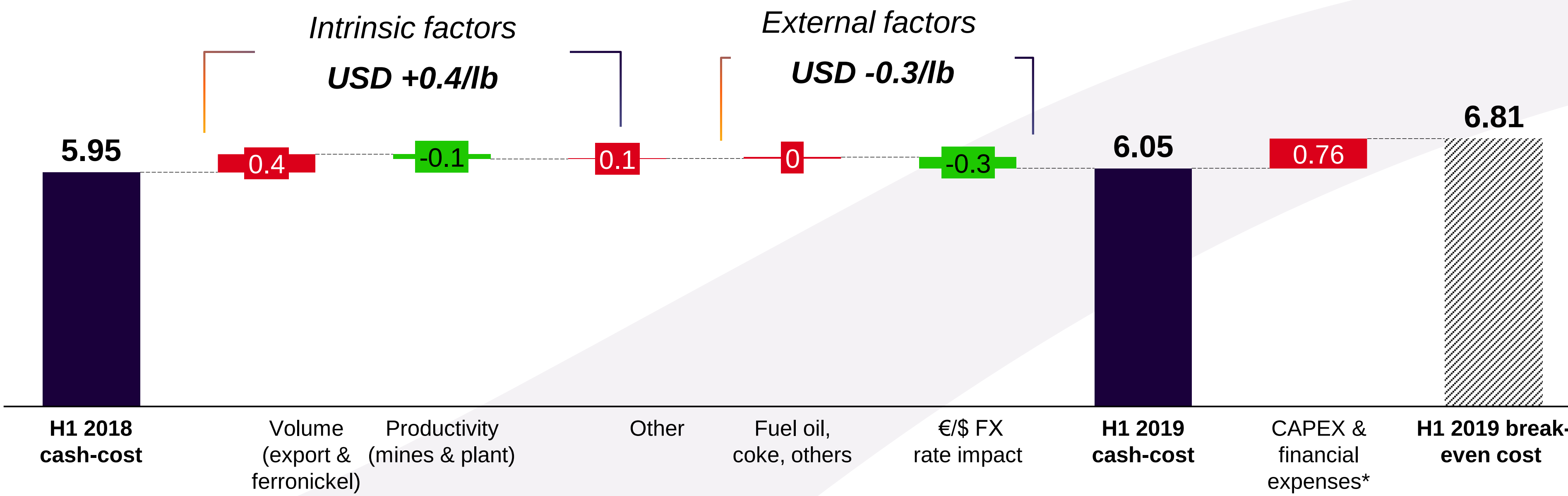


* Over a 3-year period

…resulting in a higher average cash-cost than in H1 2018

- **Cash-cost** at real economic conditions: **USD 6.05/lb** on average in H1 2019
- **Favourable** euro/dollar **exchange rate**
- Cash-cost improved to **USD 5.82/lb in June**

SLN's cash-cost (USD/lb)



* H1 2019 CAPEX related to 2019 tonnage; financial costs booked in SLN's company financial statements

SLN rescue plan: decisive breakthroughs for two levers since mid-May, leading the way to cash cost reduction in H2

Ni

ENABLERS

- New business model for SLN (mining and metallurgy)
  - **4 Mt of ore** exported by **2021**
  - **Ore to supply Doniambo**

Export production **-$0.60 /lb**

- **4 Mt / year export license granted by NC government** ✓

- Productivity gains in mines and plants
- Fixed costs reduction
  - **Plant reorganisation**[1]
  - **147 hrs agreement** worked in mines[2]

Operating performance **-$0.45 /lb**

- **"147 hrs" signed & operational in all the mines** ✓
- **Agreement signed & operational at the plant** ✓

- Reduction in energy price

Energy price **-$0.25 /lb**

- **Discussions ongoing**

2018 → **Cash-cost -$1.30 /lb**[3] → **2021**

[1] Majority agreement signed with unions on 24/04/2019 regarding the transition from 5 to 4 shifts
[2] 147 hours working hours agreement by SLN end-November, creating conditions for 7/7 days and 21/24 hours operations
[3] As of 2018 year-end, kick-start of the rescue plan

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Sandouville plant: significant progress towards break-even in EBITDA

Improved operating rate thanks to support of experts' task force since the start of the year…

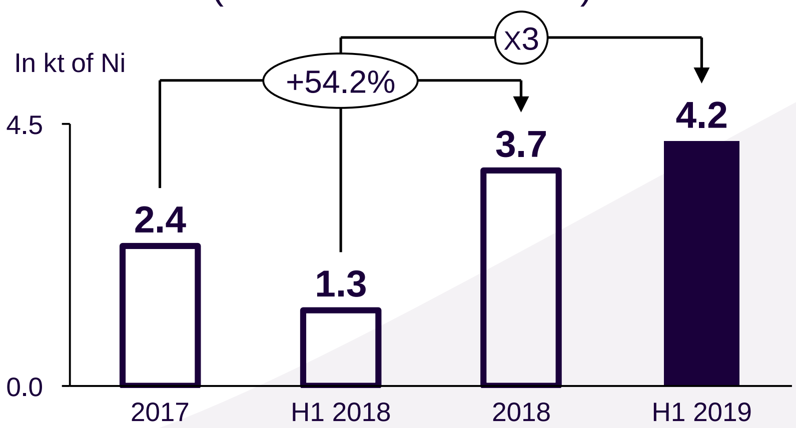
- **High purity nickel production more than tripled** to 4kt in H1 2019, above FY 2018 production; high purity nickel sales volume up to 4kt (vs 1kt in H1 2018)
- Focus on high-value nickel salts with high margins, improving the global product mix of the plant

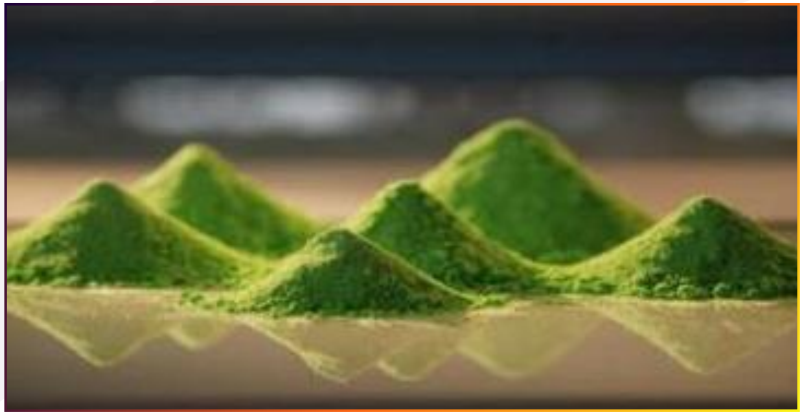
…reflecting into improved key financial indicators

- COI **losses halved to €13m** in H1 2019
- Significant decrease in cash losses (free cash-flow of -€5m vs -€26m)

Break-even in EBITDA target to be achieved after Q4 annual maintenance shutdown

High purity nickel production
(nickel metal and salts)





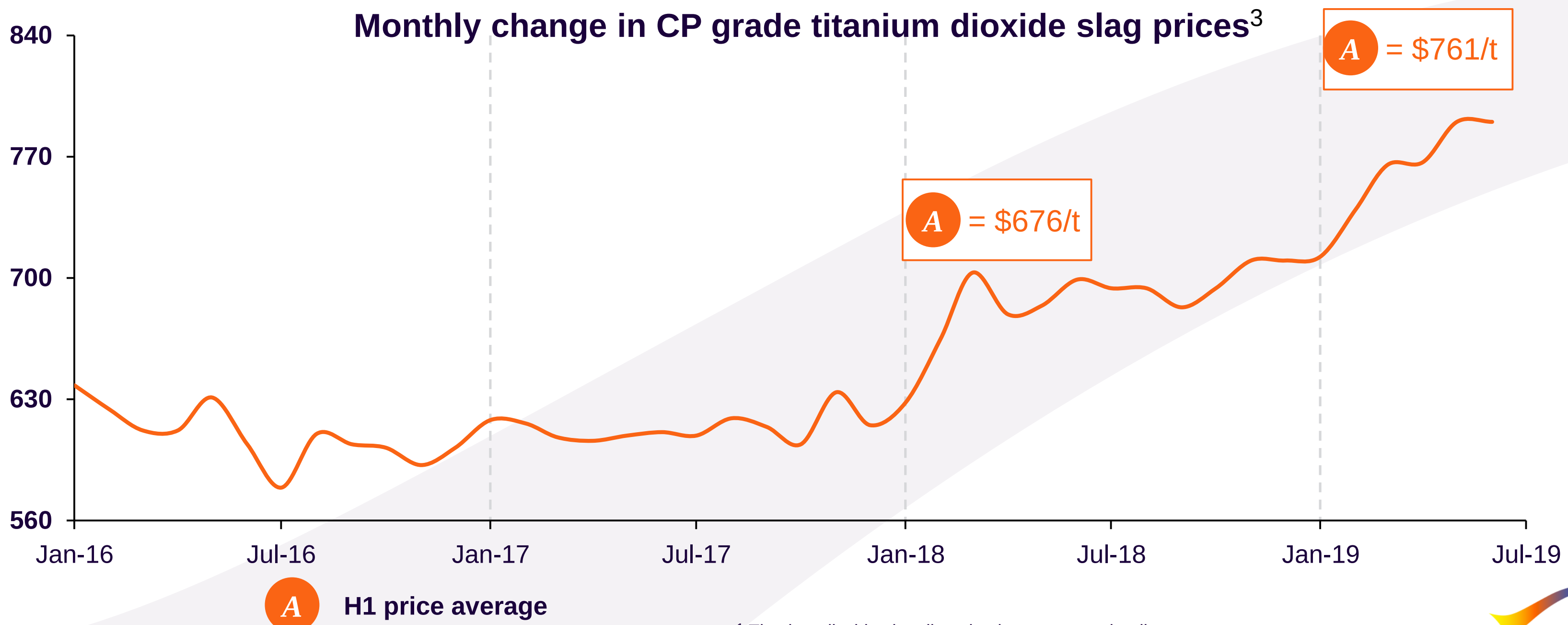
Mineral sands BU

Favourable markets for titanium products with continued price increase

Growth of Pigment market (90% of titanium-based end-products[1])

- **Robust global demand in TiO_2 feedstocks** from Pigments producers in H1 2019 for high-end TiO2 intermediates
- Hence global demand for **CP grade titanium dioxide slag** ("CP slag"[2] produced by Eramet in Norway) **increased** in H1 2019
- Average price of CP slag increased by **12%** to **USD 761/t** in H1 2019 vs H1 2018

Monthly change in CP grade titanium dioxide slag prices[3]

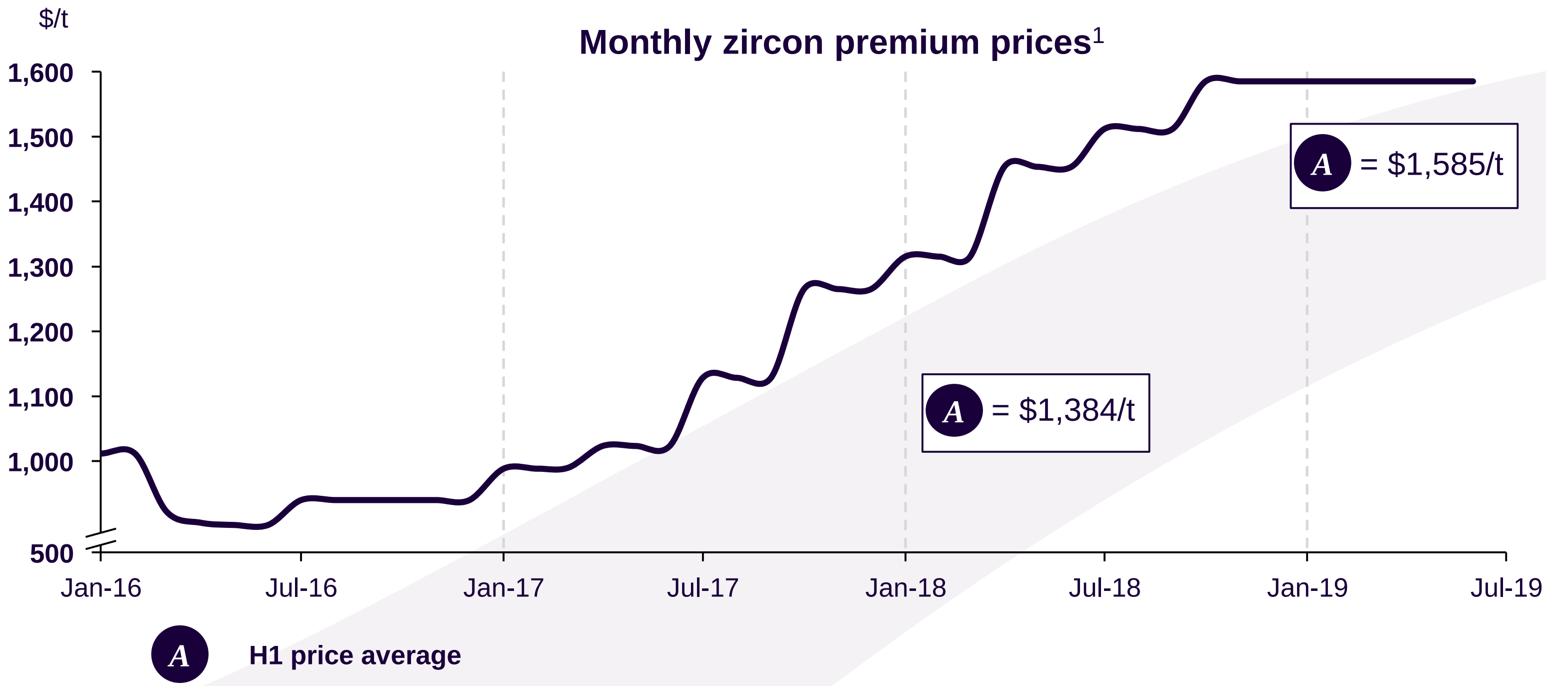


[1] Titanium dioxide slag, ilmenite, leucoxene and rutile
[2] For the production of pigments through chloride process
[3] Source CP slag: Market consulting, Eramet analysis

Zircon product markets: stable prices at a high level despite a slowdown in demand in H1 2019

Ceramics and Chemicals markets (**~50%** and **20%** respectively of zircon's end-uses)

- **Slowdown in global demand for zircon** in all segments in H1 2019, particularly in China for Ceramics
- **Supply/demand balance for zircon** expected to be **slightly in excess in 2019**, with a structural **forecast deficit in the medium / long term**
- Average price of zircon ended at **USD 1,585/t** in H1 2019, up **15%** vs H1 2018



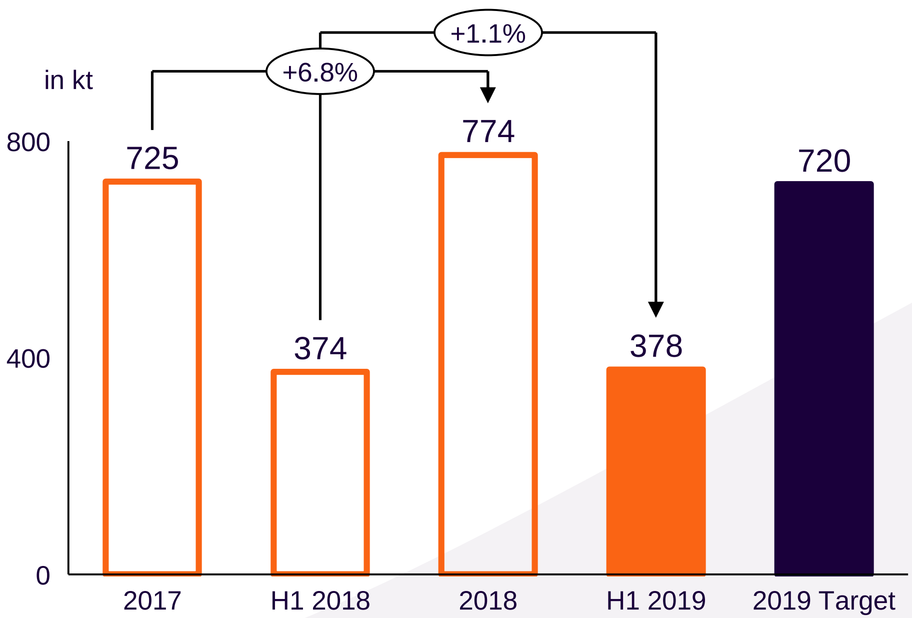
[1] Source Zircon premium: FerroAlloyNet.com, Eramet analysis

TiZir: high level of production in Senegal and Norway

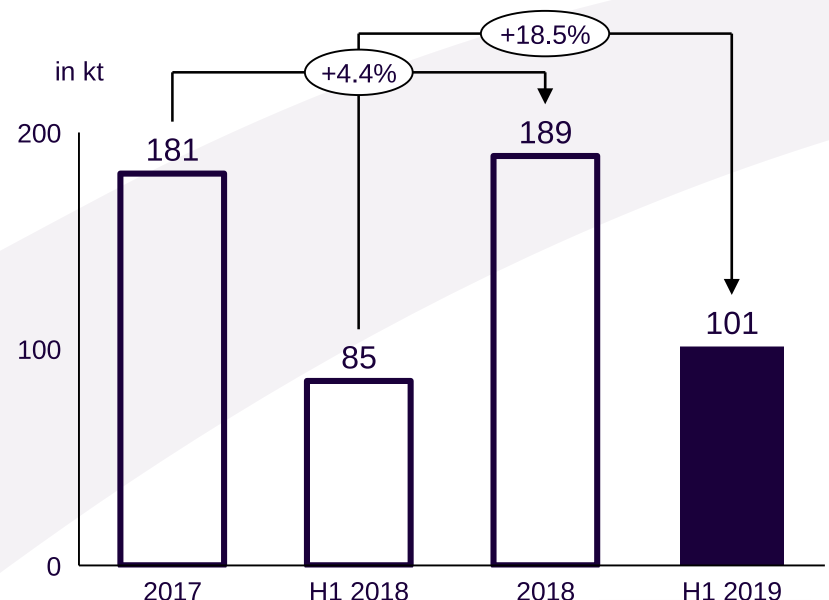
- **HMC[1] production** (titanium ore and zircon): **+1%** to **378 kt**, thanks to record-high operational performance, despite lower grade mined from 2019 onwards (vs previous years)
- **Zircon sales**: **-16%** to 29 kt, reflecting H1 market environment

- **Titanium dioxide slag H1 record production**: **+19%** to 101 kt with Norwegian plant functioning close to nominal capacity
- **CP slag sales' volumes** up **+20%** to 97 kt

HMC production[1, 2] (GCO, Senegal)



Titanium dioxide production[2] (TTI, Norway)



1 HMC: Heavy Mineral Concentrates
2 100% volumes

High Performance Alloys division

A stable aerospace market for the High Performance Alloys division

Stable global aerospace market

- **Airbus** delivered **389 aircraft** in H1 2019 (**+28%** vs H1 2018) offsetting **Boeing's decline (239** delivered only, **-37%**)
- Civil aircraft market adversely impacted by **Boeing's 737 Max crisis:** production of **737 Max planes cut by about a fifth** to 42 jetliners a month in April

Wide-bodies programs still at a moderate production rate

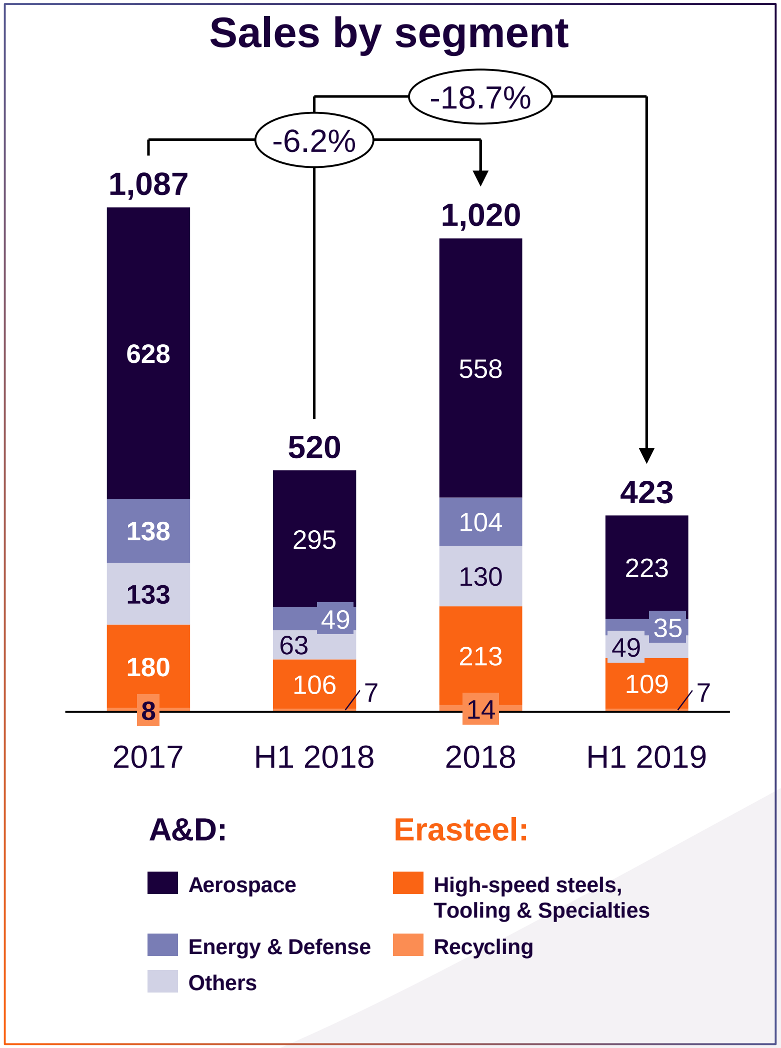
- **Airbus A380** production confirmed to be **terminated in 2021**

Stable global single-aisle production rate

- **Ramp-up** of programs: **A320Neo** (163 aircrafts delivered) and **A321Neo** (71 delivered), offsetting 737 Max decline
- **Launch of A321XLR** (very long-range single-aisle aircraft) at the 2019 Paris airshow, which already recorded 243 commitments, o/w 39 firm orders

[1] Source: Airbus and Boeing websites, Orders & Deliveries

Ongoing delays in invoicing, due to implementation of upgraded quality processes at A & D



A&D sales

-24%
vs H1 2018

- decrease in **aerospace sales** due to delays impacting sales in a stable market environment
- several major **agreements signed with aerospace top-tier customers**, reflecting medium-term growth outlook for single-aisle aircrafts (both engines and structures)

Quality processes review

- Implementation of corrective action plan (in line with highest international standards) **still ongoing**
- Target: **back to normal invoicing level in Q4 2019**
- **No impact on the safety of products in use** to date, based on additional expertise performed for nearly eight months working closely with customers

Erasteel sales

+3%
vs H1 2018

- **+3 %** increase in **high-speed steels sales** in H1 2019, but significant slowdown of global automotive market that will impact H2 2019

High Performance Alloys' results impacted by sales decline at A & D and margin squeeze at Erasteel

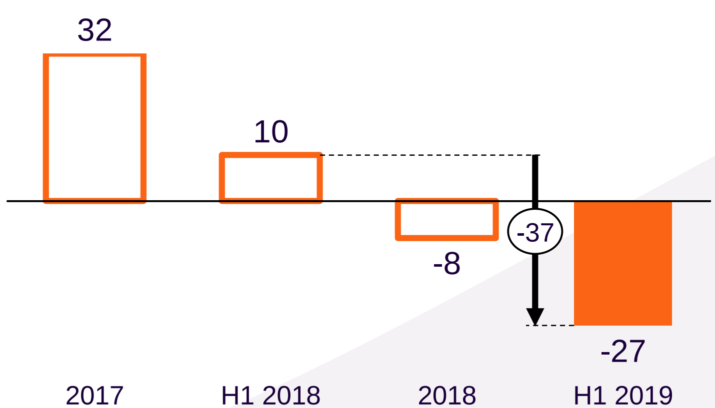
€23m loss incurred at Aubert & Duval in H1 2019

- **Significant slowdown in shipments as expected**, linked to delivery delays resulting from quality processes' conformity review (**-€27m** COI impact)
- **40 kt press breakdown** in Pamiers in Q1 2019: (**-€10m**)**,** catch-up completed in September
- Positive impact of **lower depreciation** after 2018 impairment write-off: (**+€10m**)

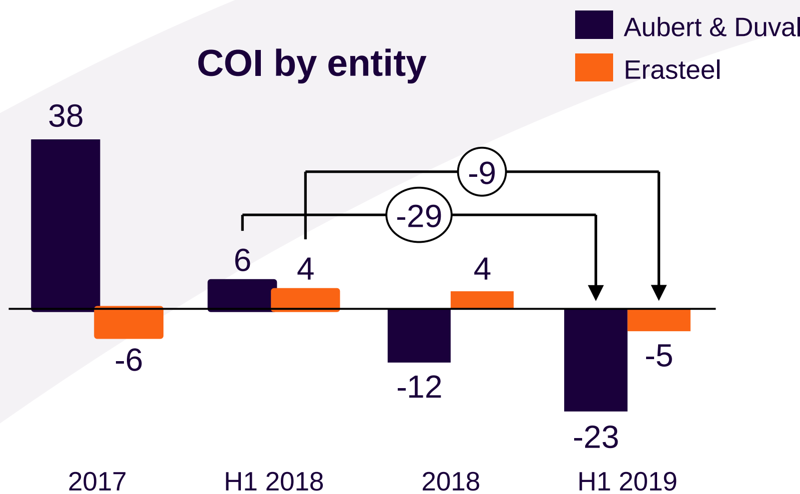
€5m loss incurred by Erasteel

- Negative **squeeze impact on high-speed steels margin** (**-€10m**)

High Performance Alloys division COI



COI by entity



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Strategic development projects

Group strategic transformation: increasing cash generation & portfolio diversification

Increase cash-flow generation…

- thanks to higher profitability of existing assets 1
- by growing the most profitable businesses 2

…and diversify activities

- by strengthening our portfolio thanks to new recurring cash resources 3

1 FIX / REPOSITION our least performing assets

- SLN rescue plan
- Sandouville recovery plan
- Industrial reorganisation of A&D and Erasteel

2 GROWING in our attractive businesses

- **Increase in manganese ore production in Gabon**
- Growth in mineral sands
- Ongoing Nickel Pig Iron (NPI) plant construction in Weda Bay in Indonesia

3 EXPAND our portfolio in metals for the energy transition

- **Development of Centenario lithium deposit in Argentina**
- Nickel and cobalt salts
- Li-ion batteries' recycling

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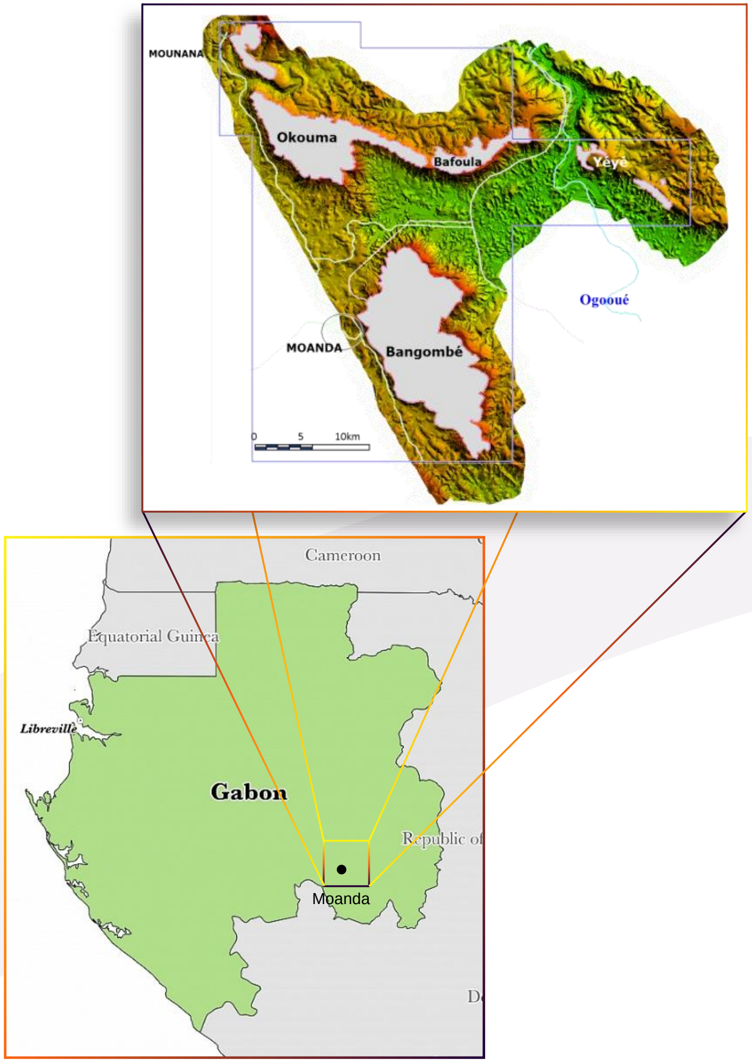
Moanda

A highly cash generative brownfield expansion in manganese ore in Gabon

Moanda: a world-class and highly competitive manganese mine located in Gabon

- A manganese mine in Gabon (Moanda), operated by Comilog for 50 years
  - **High-grade oxide commercial ore 46%**
  - **269 Mt** resources, representing **several decades**
- **Enhanced operation at Bangombé** plateau with dry processing of part of the ore, and 24/7 working time
- **First quartile** of cash-cost curve
- **Profitable profile** and **strong cash flow** generation
- **Strong track-record**: capability to deliver targeted manganese production



Brownfield project: development of the Okouma plateau in parallel with enhanced production at Bangombé

7 Mt manganese ore production capacity in 2023: **+ 50%** vs 2018

Development of **Okouma plateau**: dry processing, followed by beneficiation process

Double ore railway transportation capacity by 2023

Market share (Seaborne[3]) increased from 10% to **15%**

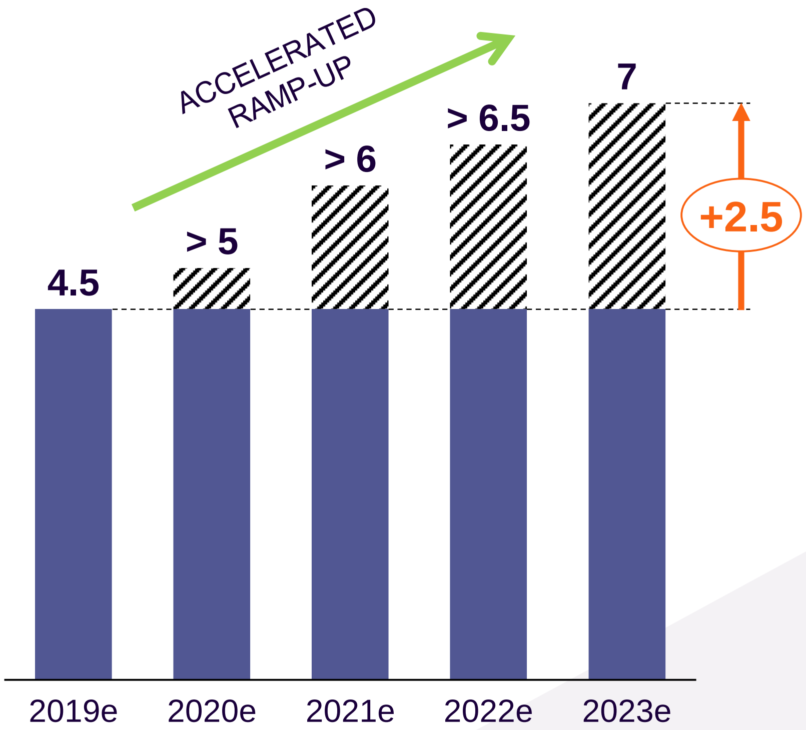
Cash-cost **20% decrease** in 2023

FID[1]: **End of 2019 at the earliest** subject to financing & confirmation of satisfactory regulatory frame

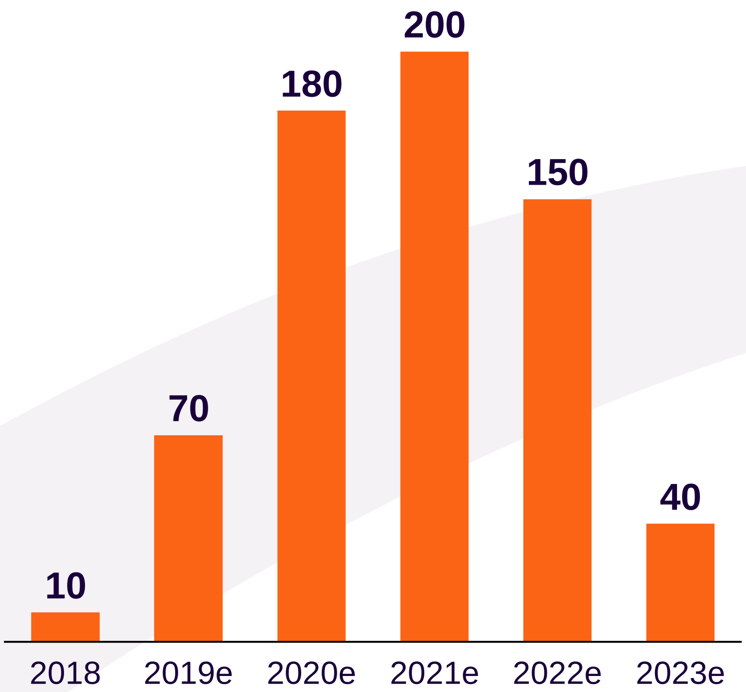
[1] Final Investment Decision
[2] Direct headcount at Comilog
[3] Seaborne: international free ore market

Sharp increase in high grade manganese ore production capacity with improved capex profile

Manganese ore capacity (in Mt)



CAPEX estimated cash-out (in €m)



Attractive return profile, sustainable and robust cash-flow generation

Project IRR[1]
> 35%

Best in class cash cost
-
20% decrease in Cash-cost in 2023

Payback
< 5 years[2]

CAPEX
€640m[3] over 5 years (o/w c. **€70m** for 2019 early works)

[1] Internal Rate of Return
[2] From 1st year of production (2020)
[3] 2019 value

Social and environmental performance: building our social licence to operate

- **Strong contribution through local employment**
  - Eramet **2nd** private employer of Gabon

- **Mine expansion project managed in compliance with IFC standards**
  - High value biodiversity areas preserved
  - Robust run-off water and dust management
  - Livelihood restauration for communities whose agricultural lands are affected

- **Increasing contribution to the development and well-being of communities**
  - **€9m** annually, reinforced by €35m Comilog 2018 – 2020 plan
  - Emphasis on **youth,** with more than **12,000** young people beneficiaries

- **In line with UN Sustainable Development Goals**

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 15 LIFE ON LAND

Manganese expansion development schedule

Manganese ore production capacity

Spring 2019	July 2019	End of 2019 at the earliest	2020	2021	2022	2023
		4.5 Mt	> 5 Mt	> 6 Mt	> 6.5 Mt	7.0 Mt
End of DFS[1] IPV (Internal Project Validation)	First earth works	**FID** (Final Investment Decision) & early works	July: start of extraction process and dry processing at Okouma	Start of new beneficiation plant construction	End of work on shipping logistics (Owendo port and Moanda railway station)	July: start of beneficiation plant

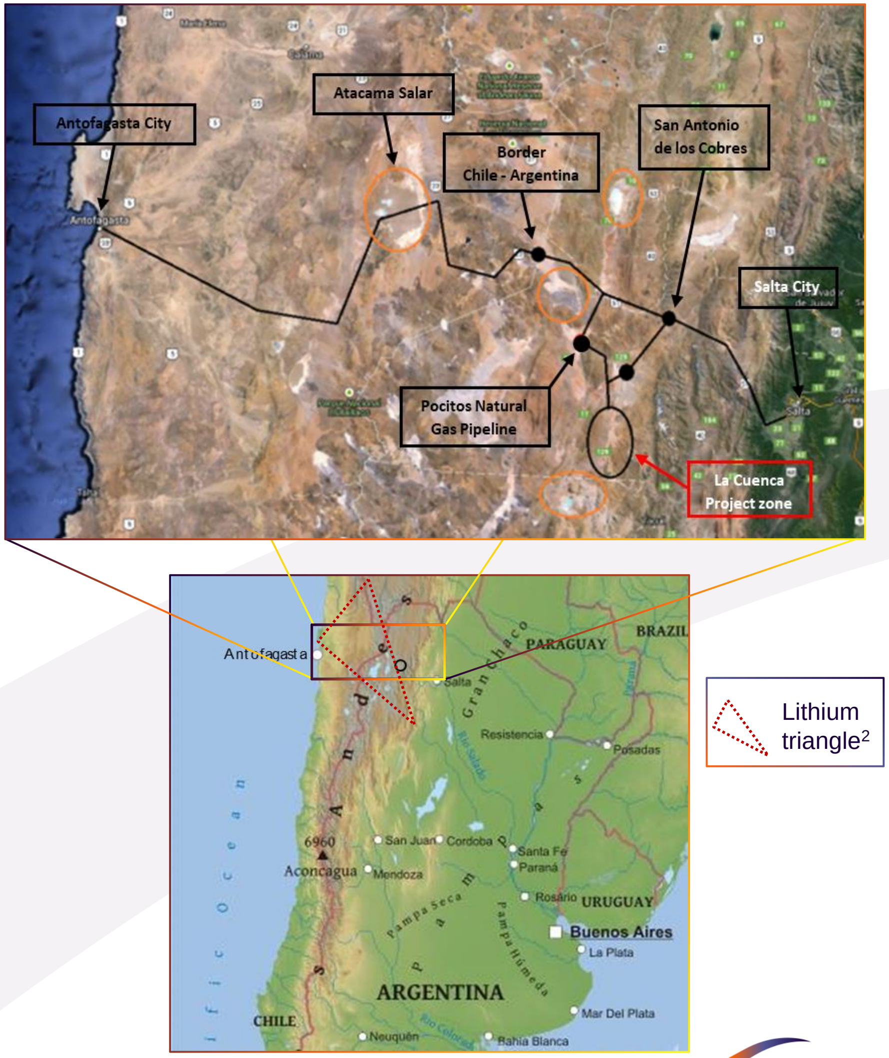
[1] Detailed Feasibility Study

Centenario
A world class lithium project in Argentina

Diversification in metals for energy transition through development of a lithium deposit in Argentina: DFS completed

- **Battery grade lithium** carbonate production (24 kt LCE[1]), greenfield project including all necessary infrastructure
- **Vast long life brine** deposit:
  - c.10 Mt LCE[1] drainable resources, located in Salta province, an attractive mining jurisdiction ; Mine Life
  - c. 50 years
- Mining contract signed in April 2014
- **100% ownership** of the entire salar with **perpetual mining rights**
- Assembled team **with strong technical** and **project development / execution experience** in the lithium industry

Eramet project area



[1] Lithium Carbonate Equivalent
[2] in Bolivia, Chile, Argentina

Low cost direct proprietary extraction process, hence a competitive cash-cost position

- Centenario salar: **c. 400mg/l lithium** with low impurity content, in line with Argentinean deposits

Direct extraction process

- Much better lithium recovery rate (**c.90% vs c.50%** on conventional process)
- Much quicker lead time (**less than 1 week vs 18 months** on conventional process)
- **Reduced environmental footprint**

1st quartile cash-cost

Key differentiating factors: a 50-year mine life and a high lithium yield project

Production capacity:
24 kt LCE / year
(Battery grade)
-
Production to start:
end-2021

Lithium demand forecast
+14% CAGR

Li Yield **c. 90%** thanks to direct extraction process

Post ramp-up Cash Cost
$3.5k/t
1st quartile

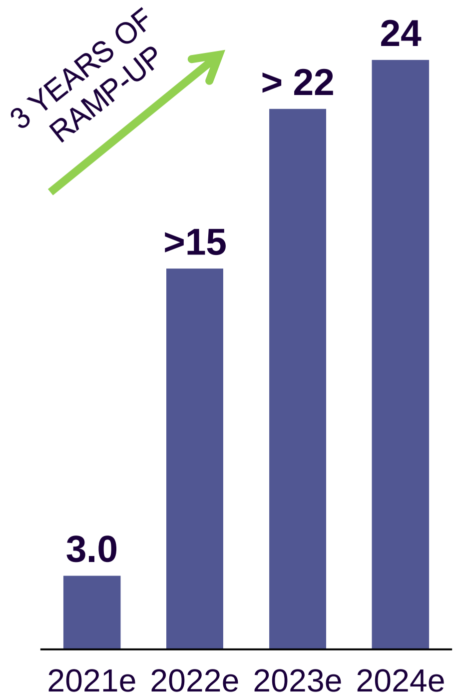
FID[1]:
End of 2019 at the earliest
subject to financing & regulatory frame

Easy access to export **logistics** and **infrastructures**

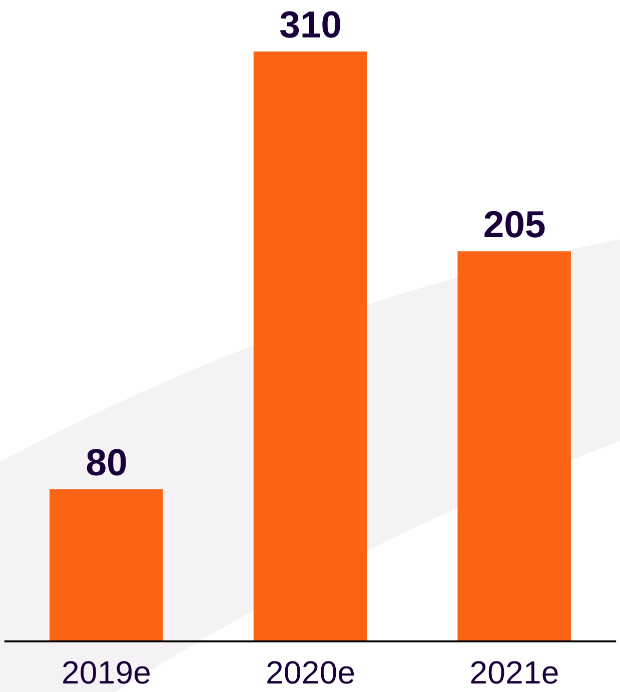
[1] Final Investment Decision

A robust ramp-up, supported by an experienced project and operations team

Lithium production (in kt LCE)



CAPEX estimated cash-out (in $m)



Scalability opportunities, supported by deposit's size

A highly value-accretive project with potential for further profitable development

IRR[1]
17% to 25%
depending on lithium prices assumption

Payback[2]
3 to 5 years

Post ramp-up **Cash Cost**
$3.5k/t
1st quartile

CAPEX
c. €525m[3] over 2019-2021
(o/w c. **€70m** for 2019 early works)

[1] Internal Rate of Return
[2] From 1st year of production (2022)
[3] 2019 value based on €/USD exchange rate of 1.13 (2019 consensus)

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Social and environmental performance: building our social licence to operate

- **Open and constructive relationships with local stakeholders**
  - > Overall positive feedback (2018 survey)
- **Increasing local sourcing and employment**
  - > Multi-stakeholder committee set up to maximize local content
- **Robust environmental programme**
  - > Innovative extraction process: much higher recovery yield / lower impact than conventional extraction processes on the total hydric balance of the salar
  - > Brackish water consumption lowered as much as possible: internal recycling up to more than 60%
- **Contributing to local community development**
  - > Improvement of villages infrastructures (water, waste management, roads)
  - > Quinoa Project: re-introduction of Quinoa farming, processing and commercialization, with 60 direct beneficiaries (4th crop)
- **In line with UN Sustainable Development Goals**

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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FID end of 2019 at the earliest, subject to satisfactory financing conditions and regulatory frame

Li

2010
Start of "lithium triangle"[1] exploration program

2012
Discovery of Centenario-Ratones salar[2]

2014
Perpetual mining rights granted

2017
PFS[3] launch

2018
Semi-industrial scale pilot in Trappes in H1

Start of DFS in July

Spring 2019
End of DFS[4] / IPV (Internal Project Validation)

End of 2019 at the earliest
FID (Final Investment Decision) & early works

End-2021
Commissioning and start of lithium production

High return Expansion potential

[1] Bolivia, Chile and Argentina
[2] Located in Salta, Argentina
[3] Preliminary Feasibility Study
[4] Detailed Feasibility Study

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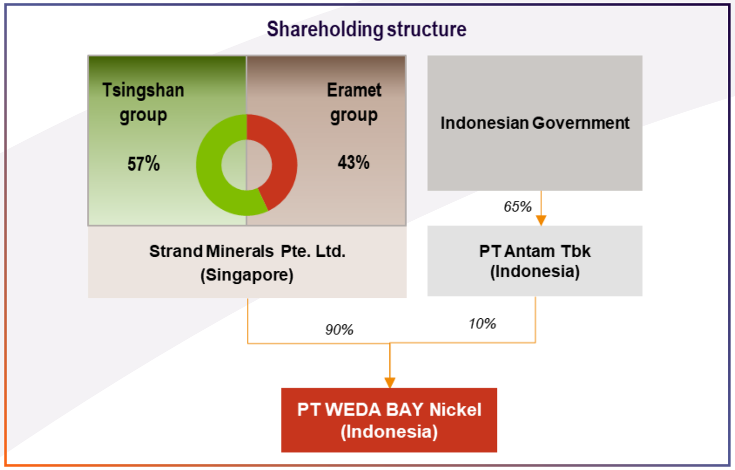
Weda Bay Nickel
A highly competitive NPI project in Indonesia

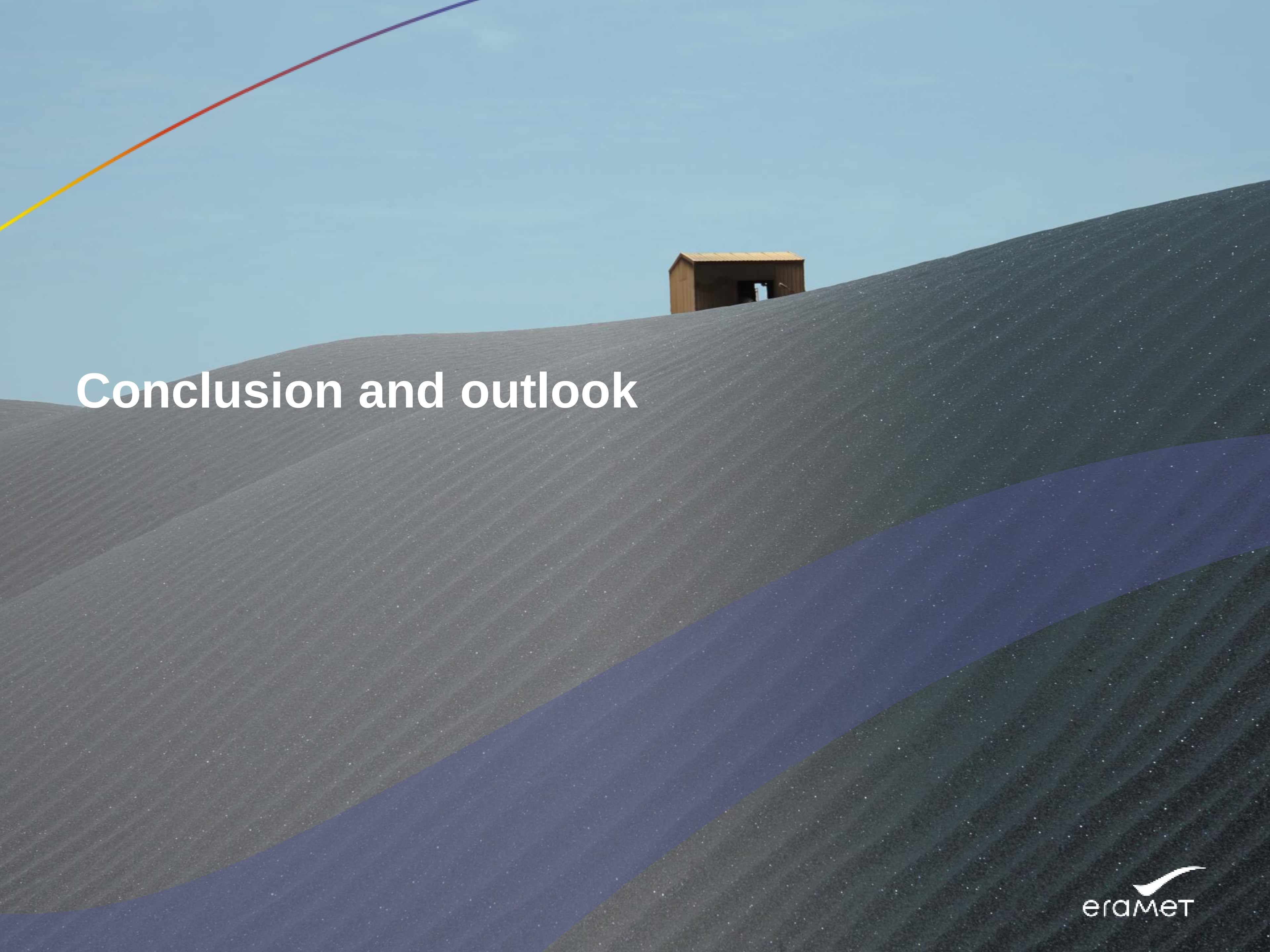
Bringing value to the Weda Bay Nickel deposit

- **One of the largest nickel oxidized deposits in the world** on Halmahera island, Indonesia
- **9 Mt** nickel ressources
- In May 2018, implementation of a **partnership with Tsingshan**, No. 1 global stainless steel producer
- Shareholder structure: **Eramet 43%** / Tsingshan 57% of Strand Minerals Pte, holding company of PT Weda Bay Nickel
- Tsingshan responsible for plant construction and operations, with Eramet overseeing mining operations
- Plant construction ongoing, **ahead of schedule**



Highly competitive NPI production in Indonesia

- Production target of 30 kt / year in nickel content, of which a **13 kt** / a year **off-take** for Eramet
- **First production** expected in **H2 2020** with a swift ramp-up to reach nominal capacity in 2021
- **Highly competitive** NPI production in Indonesia
- **No CAPEX** supported by Eramet for plant construction



Conclusion and outlook

Continued deployment of the strategic roadmap towards improved intrinsic performance forecast in H2 2019

- H1 2019 strongly **penalised by external factors**
- Despite several **operational records,** H1 2019 intrinsic performance impacted by **one–off items:**
  - A&D quality review
  - disruptions in the East Coast mining centres in New Caledonia
- Results expected to be delivered in H2 2019:
  - **2019 production targets** confirmed
  - **SLN gradual cash-cost reduction**, thanks to decisive breakthroughs for 2 of the 3 levers of **rescue plan**
  - **break-even in EBITDA** target to be achieved at **Sandouville** after Q4 maintenance shutdown

Factoring in expected operational gains over the year, and with the assumption of market conditions of June 2019[2], more unfavourable than at the beginning of the year, forecast EBITDA for H2 should be significantly above that of H1, nonetheless leading to full year EBITDA below those of 2018

- **Successful completion of IPV** for development projects in manganese and lithium:
  - **highly value-accretive** projects
  - search for financing actively underway
  - **FID** subject to financing and regulatory frame, **end of 2019 at the earliest**

Eramet's **strategic roadmap on its way: increased cash generation** and **portfolio diversification**

[1] As of 2018 year-end, kick-start of the rescue plan
[2] Notably June monthly average manganese ore price at USD 5.95/dmtu and nickel prices at USD 5.43/lb (USD 11,970/t)

Q&A

Committed to women and men

Committed to our planet

A responsible economic player

A socially responsible, committed and contributory corporate citizen

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Appendices

Manganese BU – Key figures

In €m	H1 2019	H1 2018
Sales	**904**	869
EBITDA	**316**	372
COI	**271**	321
Capex	**78**	40

Nickel BU – Key figures

In €m	H1 2019	H1 2018
Sales	**346**	365
EBITDA	**(25)**	22
COI	**(70)**	(22)
Capex	**10**	32

Mineral sands BU – Key figures

In €m[1]	H1 2019 (100%)	H1 2018 (50%)
Sales	**139**	71
EBITDA	**52**	18
COI	**30**	10
Capex	**3**	3

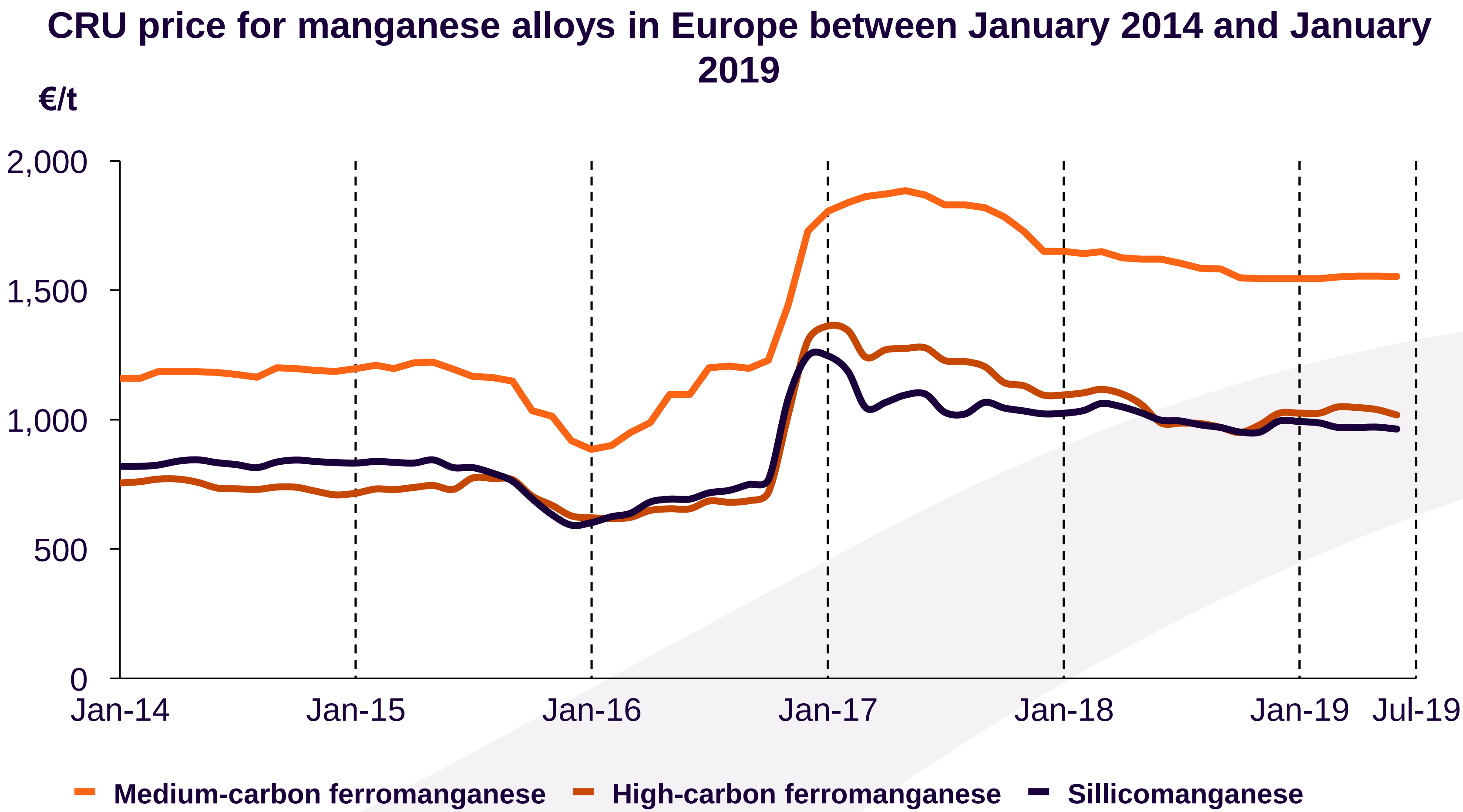
[1] Full consolidation of Mineral Sands activity as of 1st July 2018, following the acquisition of shares in Mineral Deposits Limited, an Australian company that held a 50% stake in TiZir.

High Performance Alloys Division - Key figures

A&D and Erasteel

In €m	H1 2019	H1 2018
Sales	**423**	520
EBITDA	**(5)**	43
COI	**(27)**	10
Capex	**26**	31

CRU price trends in manganese alloys (refined and standard) in Europe



Source: CRU spot Prices Western Europe

Reconciliation Group reporting and published accounts

€m	Half Year 2019 Published[1]	Joint-venture contribution	Half year 2019 Reporting	Half Year 2018 Published[1]	Joint-venture contribution	Half year 2018 Reporting[2]
Sales	1,809	-	**1,809**	1,735	78	**1,813**
EBITDA	307	-	**307**	415	17	**432**
Current operating income	169	-	**169**	285	8	**294**
Operating income	144	-	**144**	223	69	**293**
Net income for the period - Group share	(37)	-	**(37)**	94	-	**94**
Net cash generated by operating activities	(7)	(0)	**(7)**	167	6	**173**
Industrial investments	131	-	**131**	110	2	**112**
(Net financial debt)	(1,022)	0	**(1,022)**	(501)	52	**(449)**
Shareholders' equity	1,836	0	**1,836**	1,971	1	**1,972**
Shareholders' equity - Group share	1,547	(0)	**1,547**	1,697	2	**1,699**

[1] Financial statements prepared under applicable IFRS, in which joint ventures are accounted for using equity method.
[2] Group reporting, in which joint ventures are accounted for using proportionate consolidation

Group income statement

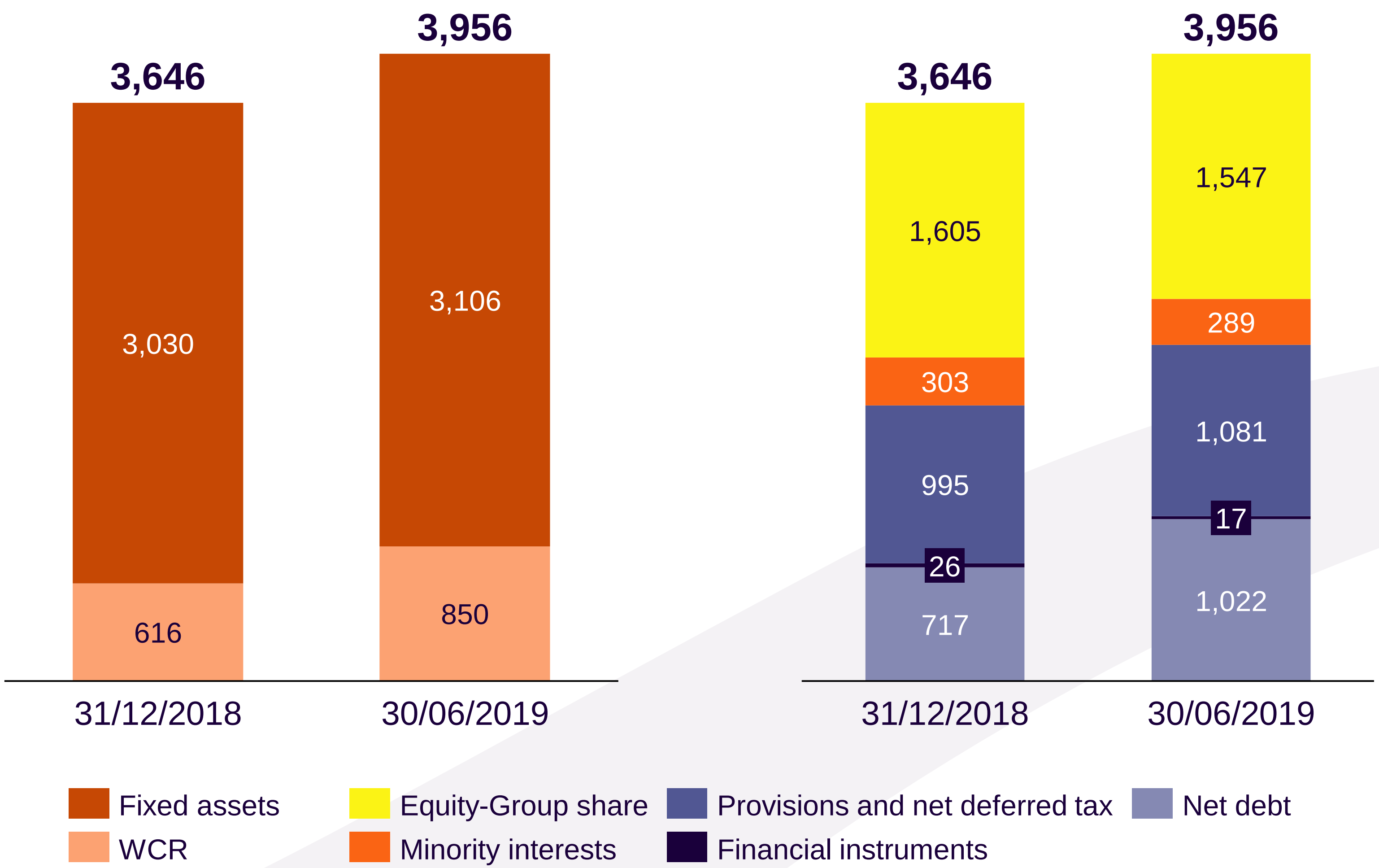
€m	H1 2019	H1 2018
Sales	**1,809**	1,813
EBITDA	**307**	432
% Sales	*17%*	*24%*
Current operating income	**169**	294
% Sales	*9%*	*15%*
Other operating income and expense	(25)	(1)
Operating income	**144**	293
Financial result	(54)	(51)
Pre-tax income	**90**	242
Share of income of equity affiliates	(4)	(0)
Income tax	(101)	(103)
Net income	**(16)**	139
Minority interests	21	45
Net income – Group share	**(37)**	94

Cash-flow table

€m	H1 2019	H1 2018	FY 2018
Operating activities			
EBITDA	307	432	843
Cash impact on items under EBITDA	(142)	(160)	(345)
Cash from operating activities	**165**	272	498
Change in WCR	(172)	(99)	(49)
Net cash generated by operating activities (1)	**(7)**	173	449
Investment activities			
CAPEX	(131)	(112)	(281)
Other investment flows	(27)	(19)	(379)
Net cash from investment activities (2)	**(158)**	(131)	(660)
Free Cash Flow (1) + (2)*	**(165)**	42	(211)
Cash from equity operations	(45)	(122)	(123)
Impact of changes in exchange rates and in accounting methods	(1)	7	(7)
(Increase) / Reduction in net debt	**(211)**	(73)	(341)
(Net debt) at start of period	(717)	(376)	(376)
IFRS 16 impact (non cash)[1]	(94)	-	-
(Adjusted net debt) at start of period	(811)	-	-
(Net debt) at close of period	**(1,022)**	(449)	(717)

[1] 1st application of IFRS 16 accounting principle as of January 1st, 2019

Group Balance Sheet at 30 June, 2019



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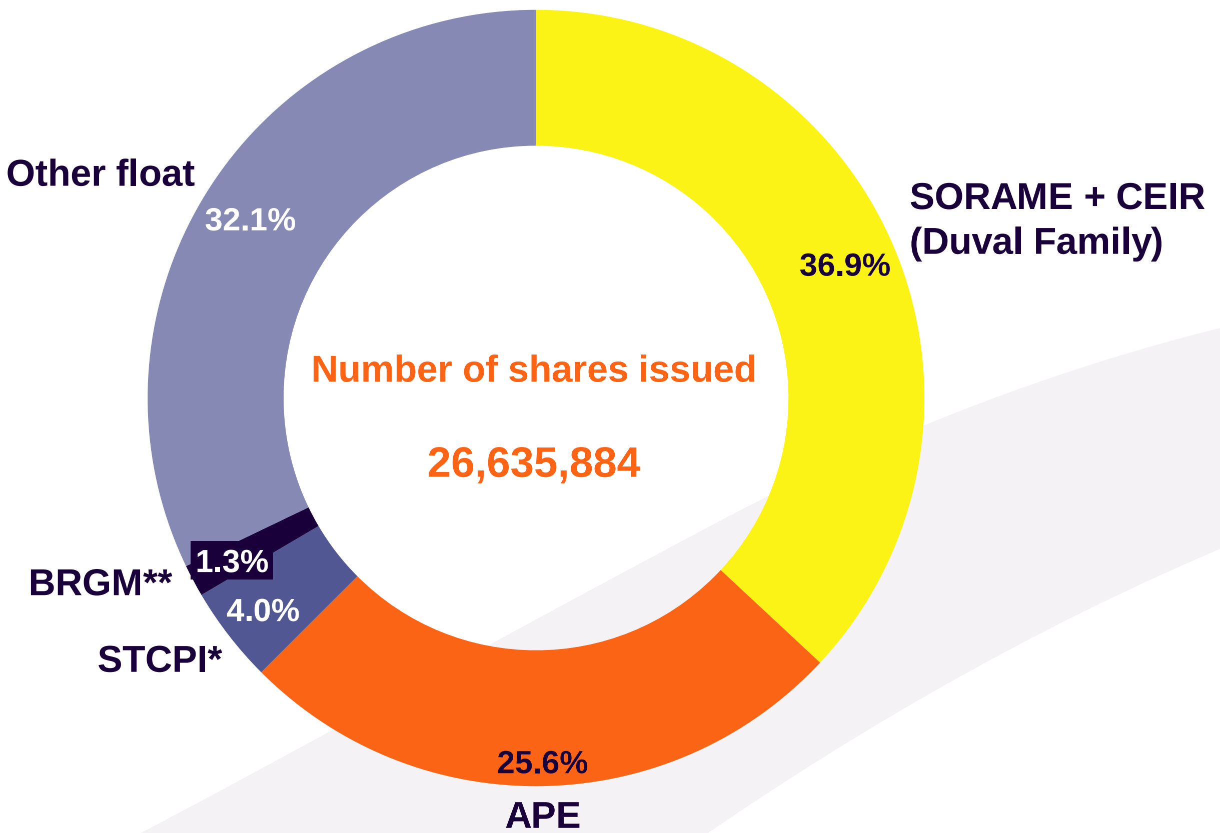
Bond maturities

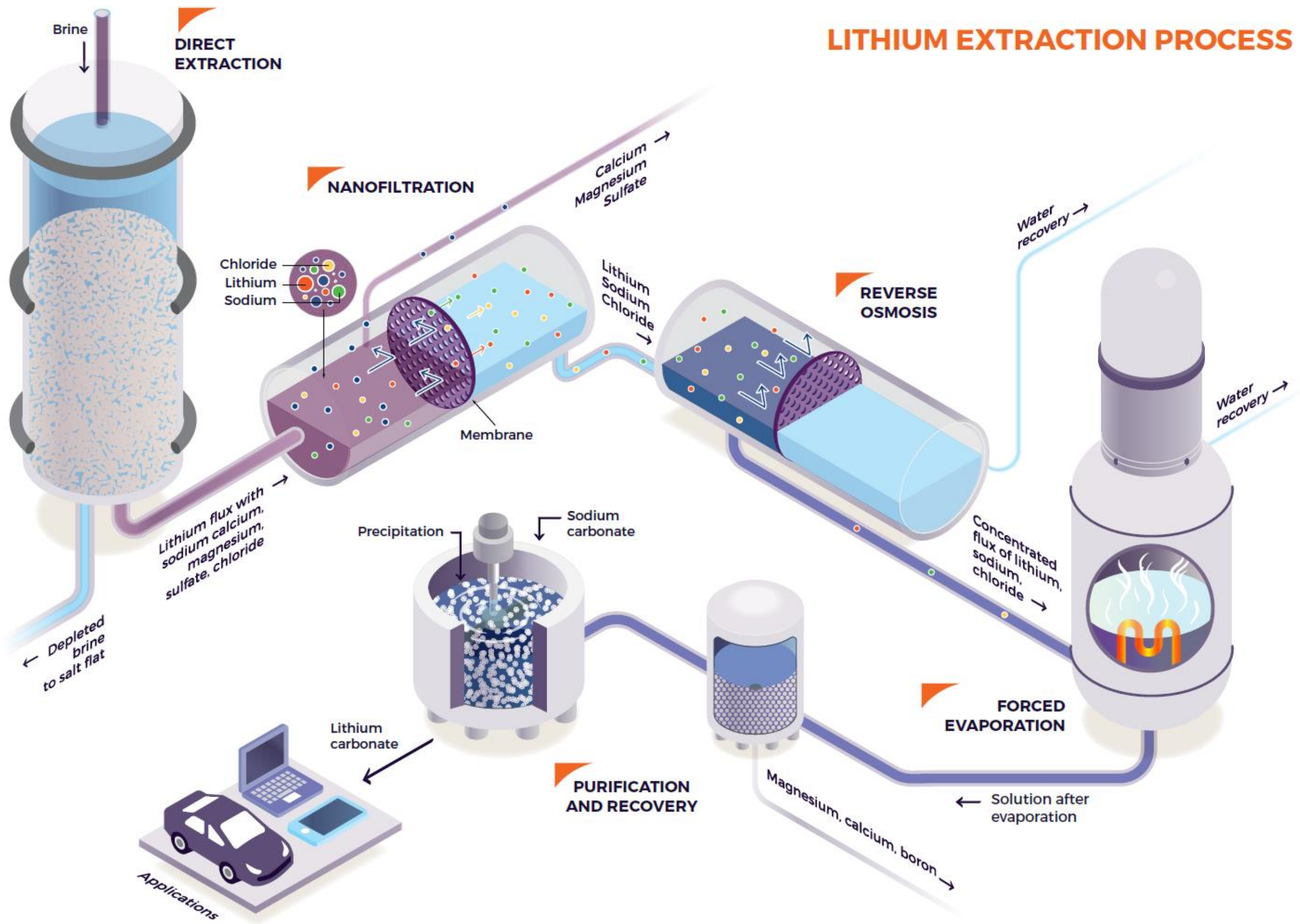
	Currency	Initial amount	Balance at 30/06/2019 (in m)	Maturity date	Interest rate
2013 bond issuance	€	525	**460**	November 2020	4.5%
2016 ODIRNAN bond issuance	€	100	**100**	perpetual	4%
July 2017 TiZir bond renewal	USD	300	**300**	July 2022	9.50%
September 2017 bond issuance	€	500	**500**	February 2024	4.20%

Shareholding on 30 June 2019

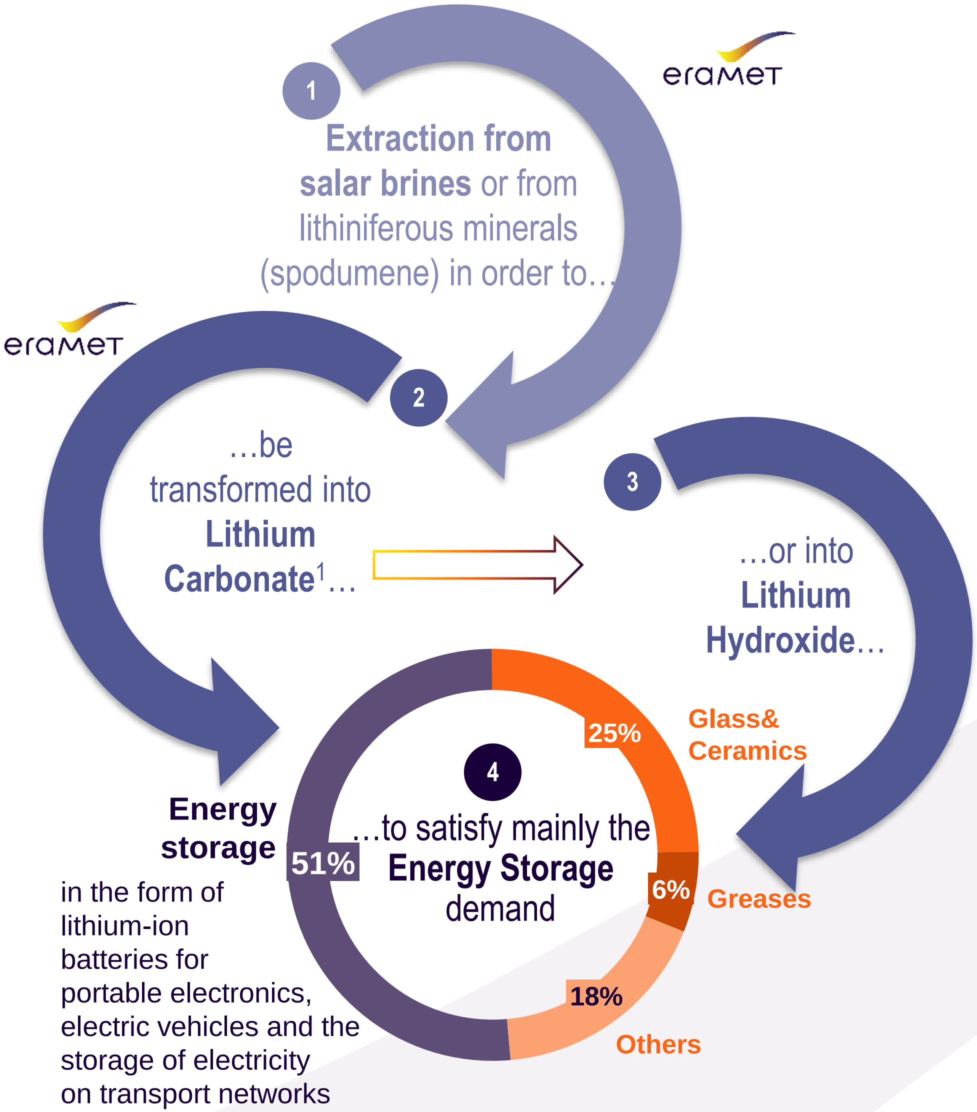


* STCPI (Société Territoriale Calédonienne de Participation Industrielle): entity owned by the New Caledonian provinces
** BRGM (Bureau de Recherches Géologiques et Minières): the French Geological Survey Office

Lithium Extraction process



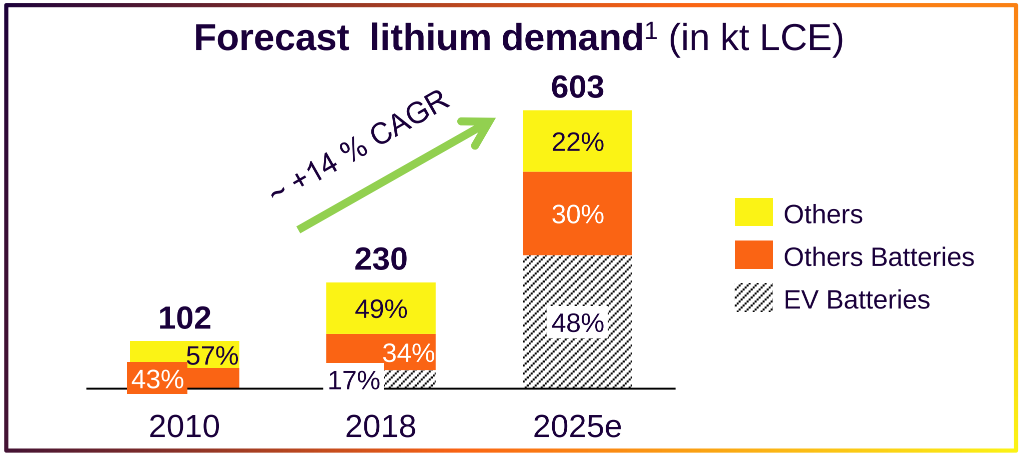
Lithium main growth drivers: energy storage, including Li-on EV battery; +14% pa growth

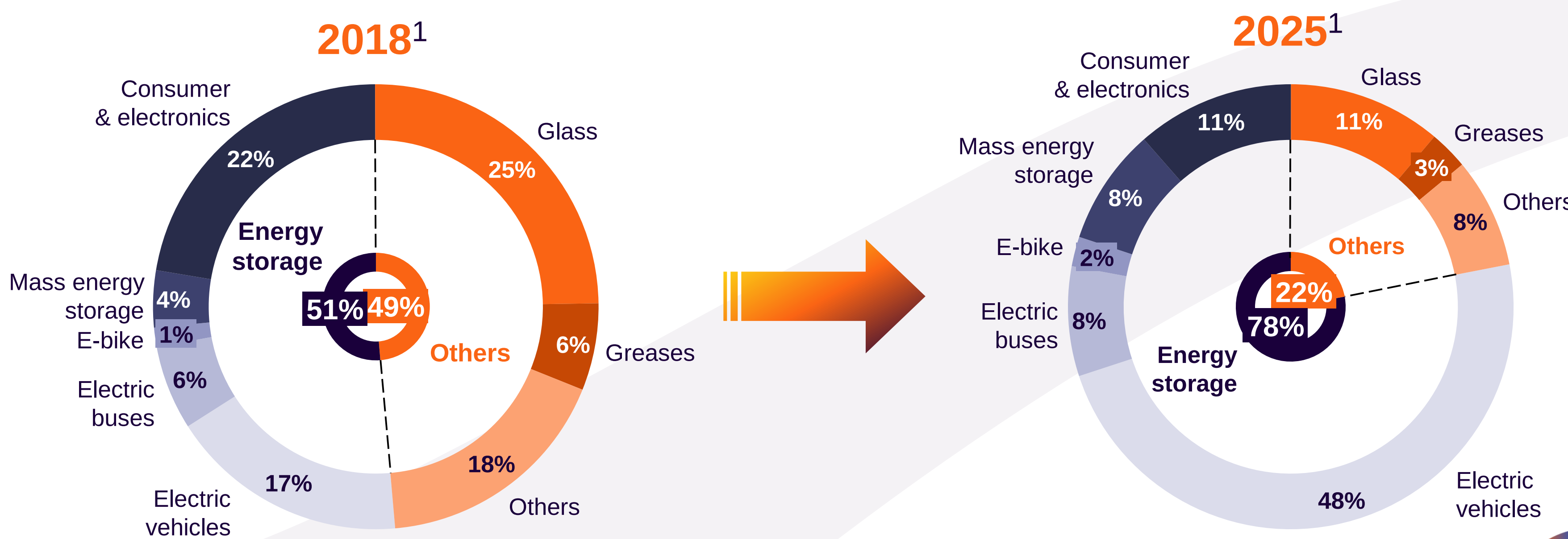


- Energy storage market: mainly driven by environmental regulations, EV sales and mobility development
- Lithium carbonate and lithium hydroxide enter the composition of the Li-ion batteries' cathodes
- Forecast Li-ion battery market in 2025: c. 75%[1] of total demand for lithium, vs 50% in 2018
- Lithium market's estimated annual growth rate: at a minimum of 14% over the 2018-2025e period

[1] Source: Market studies, Eramet

A booming lithium market over the next years





[1] 2018 Registration Document
Source: Eramet and Market consulting estimates

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