



# H1 2022 results

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# Contents

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## Introduction

**1 – Financial performance**

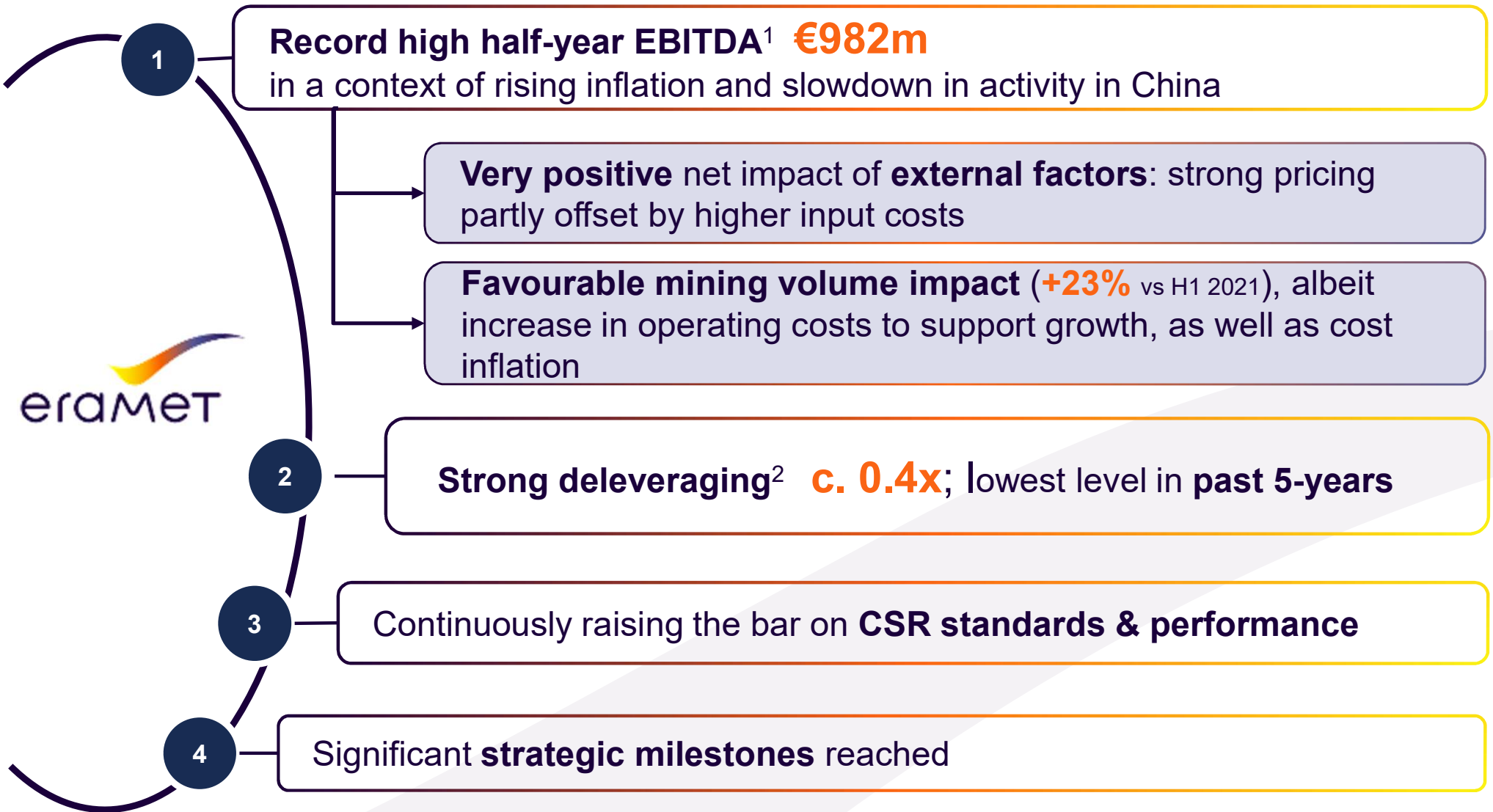
**2 – Operational performance**

**3 – Strategic transformation**

## Conclusion and outlook

# Introduction

# H1 record high EBITDA, supporting further deleveraging



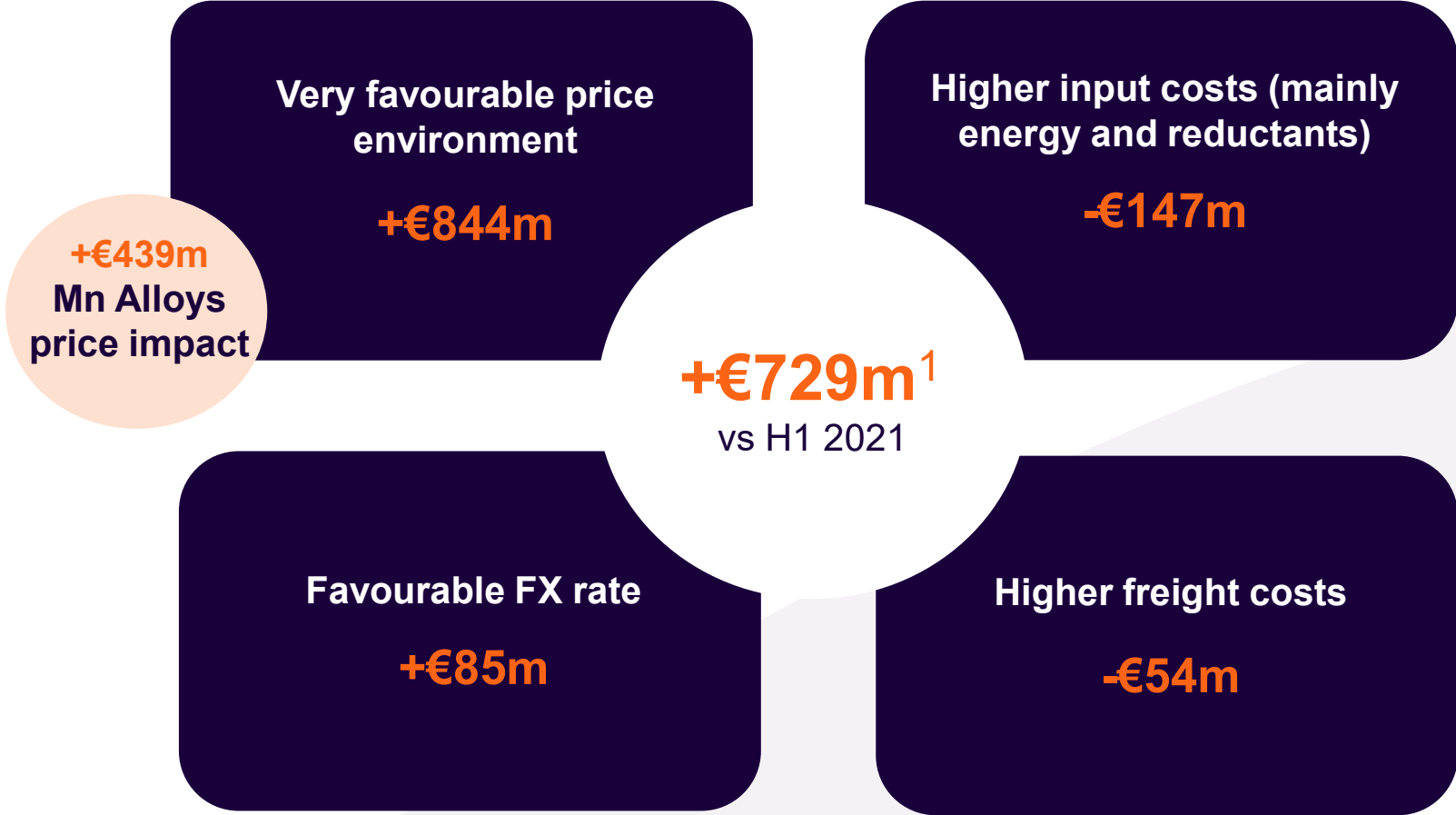
<sup>1</sup> Reflecting new Eramet scope, excl. discontinued operations

<sup>2</sup> Net debt / EBITDA, rolling 12 months at 30 June



# Particularly favourable price environment, yet higher input costs

## Net EBITDA impact of external factors



<sup>1</sup> Including "Other" net impact of €1m



# Continuously raising the bar on CSR standards & performance

## Some of H1 achievements



### Safety

**-19%** in accident frequency rate vs. 2021  
(TRIR<sup>1</sup> at **1.8** YTD June 2022)

### Climate



**ISO 50001**: all Group mining and metallurgical sites **certified**

### Benchmark CSR standards

Completion of CSR performance self-assessment at **Centenario** site in Argentina, according to **IRMA** standard



### Extra-financial ratings



**EcoVadis 2022**: score of 73/100, **Gold level**

Ranked among **top 3%** of companies in the sector

**Positioning Eramet as a reference in its industry for sustainability**

# Engaged to support local communities and protect biodiversity



## Social Impact / communities

- **Renewed agreement** with host communities in Argentina as the lithium project construction starts
- **2 CSR funds created in Gabon in 2021** (€11.2 m endowed in 2022) with substantial impact on local infrastructures and economic activities
- Launch of "**Women for Future**", a program to promote women's entrepreneurship in Gabon



## Rehabilitation / Biodiversity

- **Aligned with CSR roadmap and Eramet commitment** to mine rehabilitation:
  - > **Plant nurseries** on each mining site
  - > **0.98 ratio** between rehabilitated areas and cleared areas in H1 2022, close to target >1.0 (1.09 over FY19-H12022)



# Significant milestones reached towards delivering the strategic roadmap

## Group portfolio rationalisation almost completed

ALMOST COMPLETED

- **Closing** of Sandouville sale 
- **Binding agreement** for Aubert & Duval sale signed in June 
- Erasteel **sale process** to start in weeks ahead 

## New energy transition projects moving forward

ONGOING

- Centenario plant **construction started** (Lithium project in Argentina), on schedule
- Sonic Bay project **progressing well** with BASF: accelerating towards potential decision end-2022/early 2023

**On track to become a leading player in the new age of metals**

# Financial performance

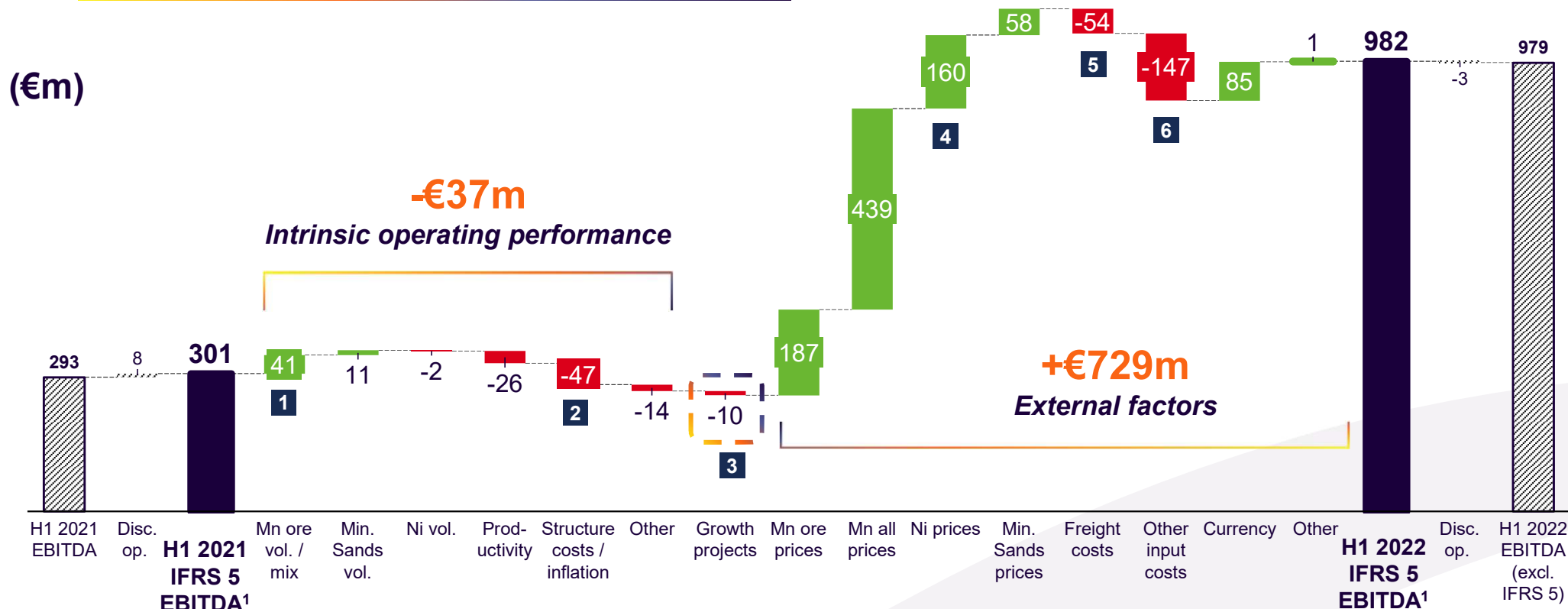
Unless otherwise specified, financial figures are presented in accordance with IFRS 5 - Non-currents Assets Held for Sale and Discontinued Operations -, in line with Eramet's new scope

# Robust financials in H1 2022

€m	H1 2022	H1 2021
Sales	2,635	1,471
EBITDA	982	301
% Sales	37%	20%
Current operating income	853	175
% Sales	32%	12%
Net income – Continuing operations	783	123
Net income – Discontinued operations	(13)	(53)
Net income – Group share	677	53

€m	30/06/2022	31/12/2021
Net debt	(748)	(936)
Shareholders' equity	2,155	1,335
Leverage (net debt / EBITDA) <sup>1</sup>	0.4	0.9

# H1 2022 EBITDA increased threefold, driven by strong price environment and favourable €/€ FX rate



**1** Positive impact of volume, net of costs incurred to support organic growth

**2** Mainly inflation and external expenses (support & maintenance) in Gabon and structure costs at plant and mines in New Caledonia

**3** o/w Lithium project (-€7m) and Nickel/Cobalt project in partnership with BASF (-€3m)

**4** o/w FeNi (+€135m) and Ni ore (+€25m)

**5** o/w increase in freight costs for Comilog (-€37m), for the manganese alloys (-€11m) and SLN (-€6m)

**6** o/w higher energy costs<sup>2</sup> (-€70m) and reductant costs (-€67m, notably coke)

<sup>1</sup> Application of IFRS 5 i.e. excl. A&D, Erasteel and Sandouville  
<sup>2</sup> Including the increase in fuel costs used to produce electricity (mainly at SLN)



# Net income – Group share of €677m

€m	H1 2022	H1 2021
<b>Sales</b>	<b>2,635</b>	<b>1,471</b>
<b>Current operating income</b>	<b>853</b>	<b>175</b>
Other operating income and expenses	(3)	(1)
Financial result	(56)	(71)
Share in income from associated companies <b>1</b>	147	77
<b>Pre-tax result</b>	<b>941</b>	<b>181</b>
Income tax <b>2</b>	(158)	(57)
<b>Net income – Continuing operations</b>	<b>783</b>	<b>123</b>
Net income – Discontinued operations <b>3</b>	(13)	(53)
Minority interests' share <b>4</b>	(93)	(17)
<b>Net income – Group share</b>	<b>677</b>	<b>53</b>

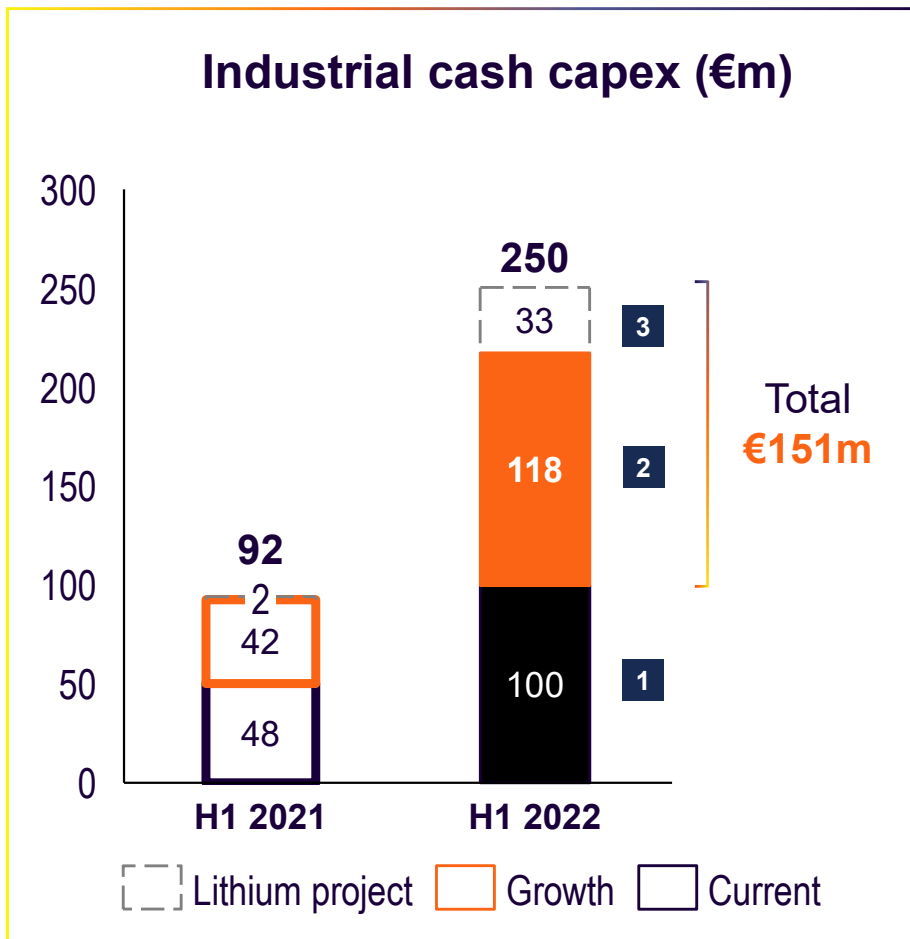
**1** Eramet share in Weda Bay H1 2022 net income (+€147m)

**3** Net loss of discontinued operations (A&D, Erasteel and Sandouville)

**2** o/w current income taxes mainly for manganese ore and alloys activities (o/w -€73m in Gabon)

**4** o/w Comilog SA (€77m) and SLN (€17m) in H1 2022

# Capex of €217m in H1 (excluding Lithium), 2022 guidance revised slightly down



**1** Increase in current capex in H1 2022 in line with our capex requirements

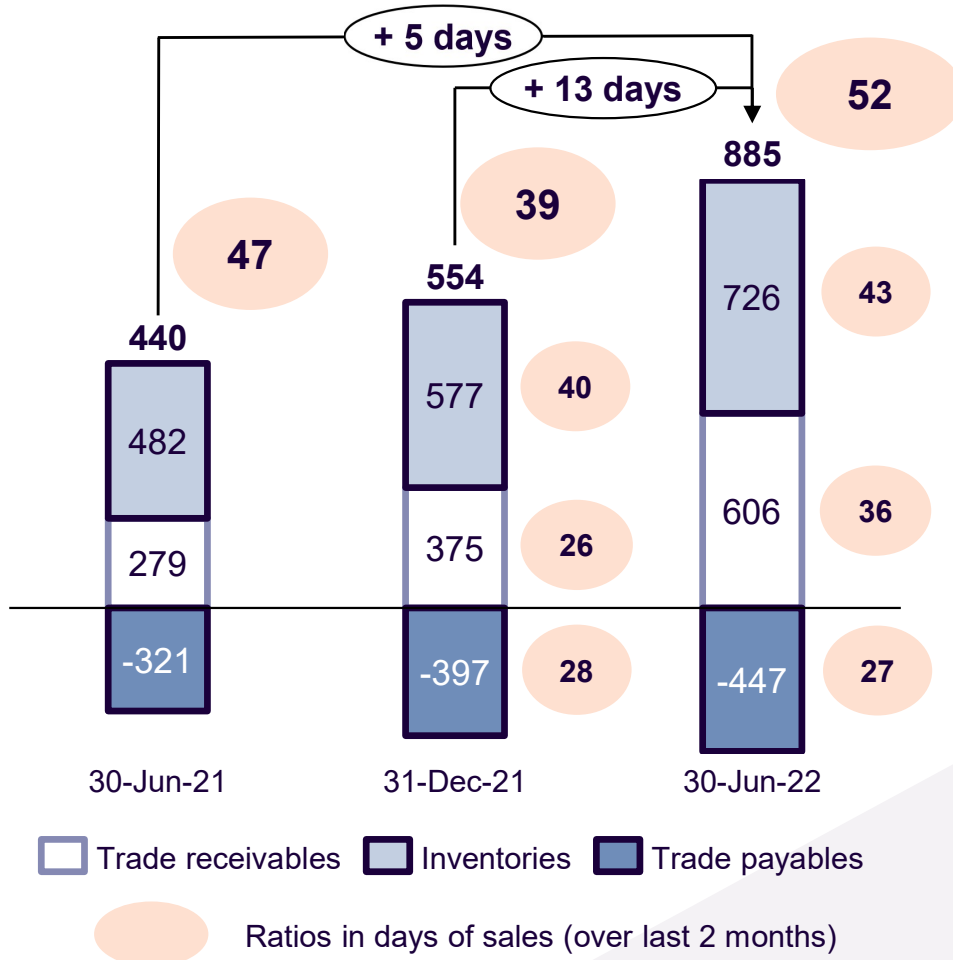
**2** 100% organic growth with limited risk:  
**€82m** Manganese ore  
**€19m** Transgabonese Renovation Programme

**3** Strategic greenfield projects:  
**€33m** of capex for the Lithium project, fully funded by a capital increase from Tsingshan

**2022 Guidance**, incl. discontinued operations:  
 c. **€500m** (excl. Lithium capex) o/w **€250m** current capex and c. **€200m** growth capex in Gabon

# Higher WCR, mostly due to volume growth and price impact

## Mining & Metals activities operating WCR (€m)



**c. -€361m**  
 of cash consumption at **Group level**<sup>1</sup>  
 in H1 2022



### Seasonality impact vs End-December

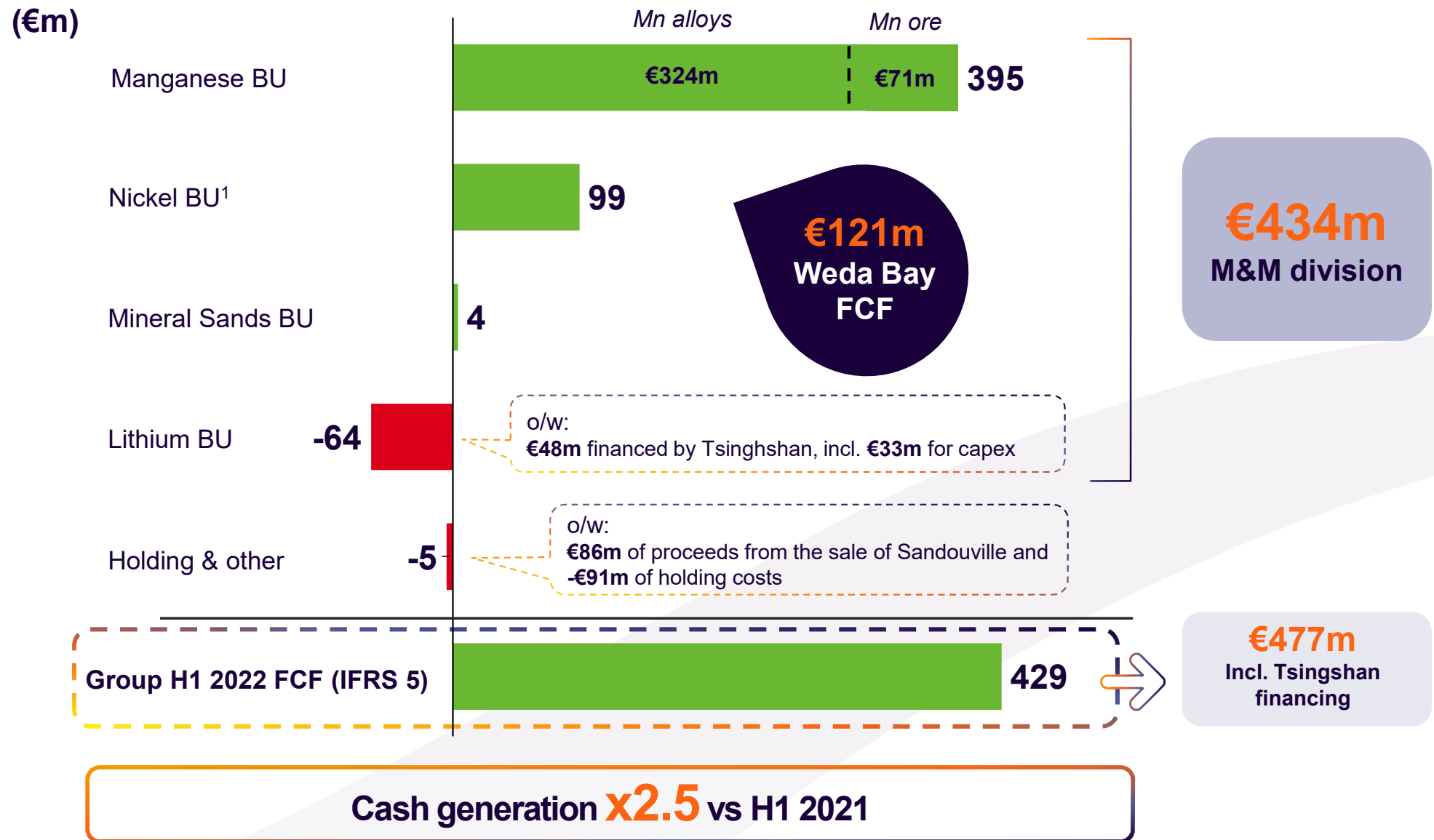
**55%** volume growth and price impact (both selling and raw material prices) impacting inventories and trade receivables

### 45% Days of Sales impacts, o/w:

- > c. **25%** related to higher inventories (mostly due to lower demand in Mn alloys and low levels at TTI at 2021 year-end)
- > c. **15%** related to trade receivables (10-days increase in DSO mostly reflecting delays in China due to administrative issues in connection with lockdowns)

**WCR expected to improve by year-end thanks to strict control**

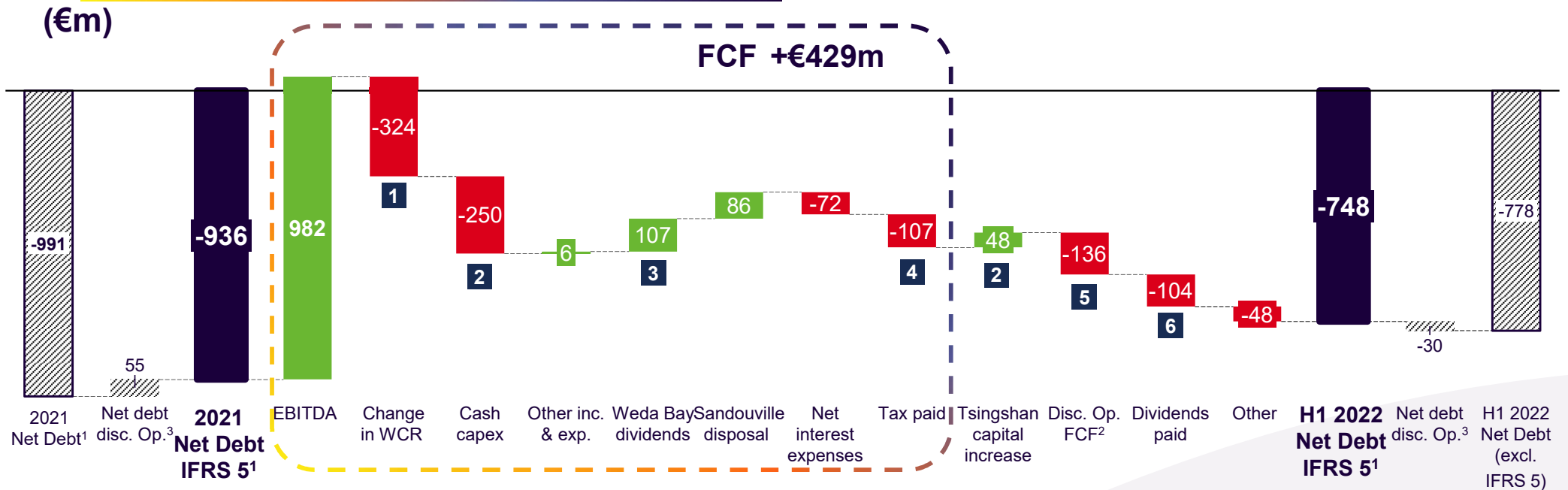
# Very strong Free Cash-flow from continuing operations, significant contribution from Weda Bay



<sup>1</sup> -€22m difference between Nickel BU FCF (€99m) and Weda Bay contribution (€121m) mostly relate to Consolidated IFRS adjustments to social SLN accounts and Sonic Bay expenses



# Continued deleveraging of balance sheet



**1** o/w change in operating WCR (-€361m), offset by social and fiscal change in WCR (+€37m)

**2** Including -€33m related to Lithium, more than offset by a €48m capital increase from Tsingshan

**5** o/w -€127m related to A&D and Erasteel, reflecting (i) higher WCR (prices of energy and RM) and (ii) A&D divestment process cash outflows (-€38m)

**3** Dividends received from Weda Bay of €107m, additional €14m cash inflow from trading activity included in M&M operating CF resulting in a total Weda Bay FCF contribution of €121m

**4** Mainly relating to manganese ore and alloys activities (o/w Comilog remaining 2021 income tax balance for -€56m)

**6** o/w dividends paid to Eramet shareholders for FY 2021 results (-€72m) and dividends paid to Comilog minority shareholders for FY 2021 (-€32m)

<sup>1</sup> Incl. IFRS 16 non-cash impact of €89m at 30 June 2022

<sup>2</sup> Discontinued operations' FCF including -€124m related to A&D, Erasteel and Sandouville at stand-alone level and -€12m of flows supported by the Group and reinvoiced to discontinued operations

<sup>3</sup> Corresponding to opening and closing debt associated with discontinued operations

# Very high liquidity at 30 June 2022

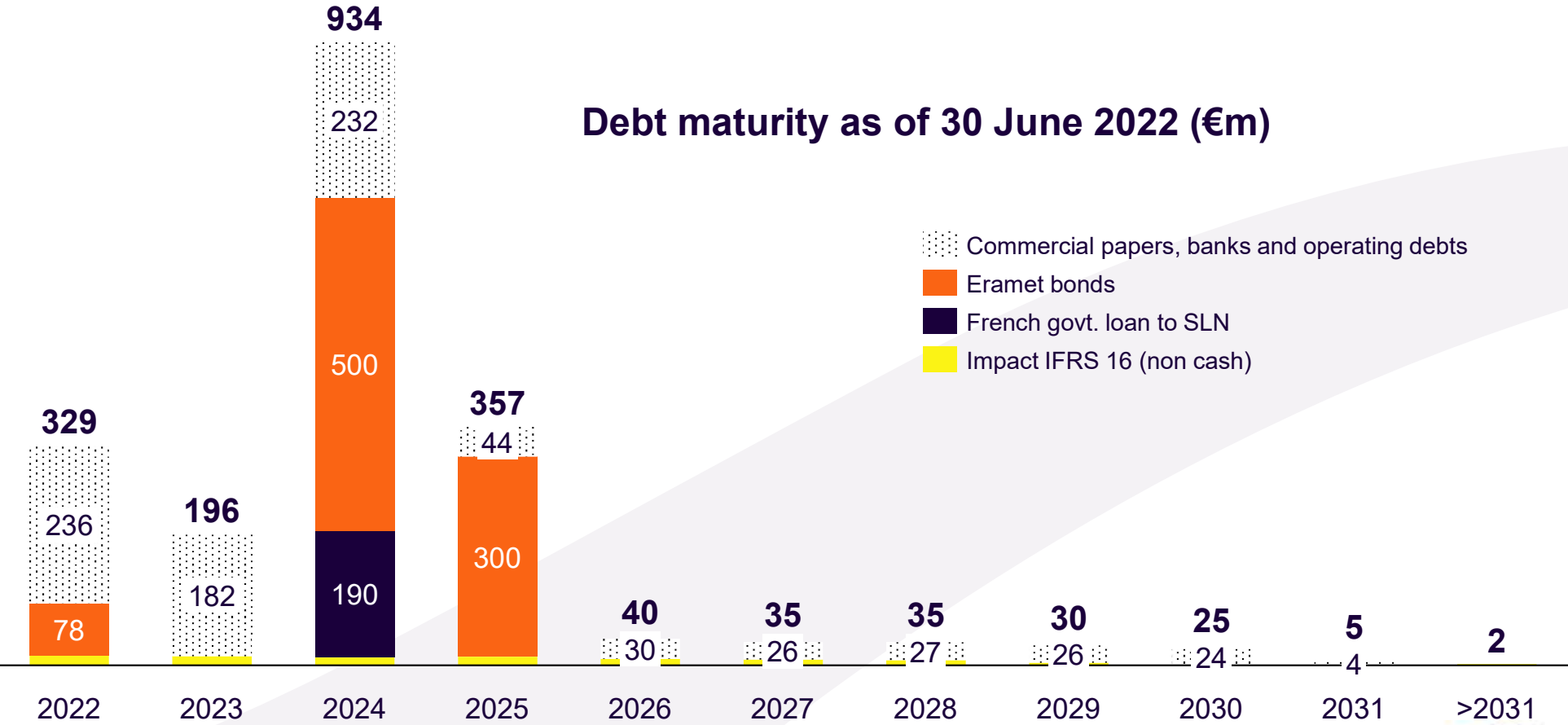
Group financial liquidity (€m)



- ▶ **RCF** refinancing with a new pool of banks
  - > **5 years** maturity (**2027**)
  - > **2 yearly extension options** in June 2023 and June 2024 to further push maturity (**2029**)
  - > Margin adjustment mechanism included in relation to **2 CSR KPIs** (Scope 1 & 2 and Scope 3 emissions)

# No major debt maturity until 2024

- Group gross debt including IFRS16 equal to **€1,988m** at 30 June 2022
- Group's **average debt maturity** of **2.1 years**
- About **80%** of debt (excluding RCF) at a **fixed rate**



# Cash well allocated, rewarding the Group's shareholders

H1  
2022



Maintaining cash reserves of ~€300m on average over the cycle

<sup>1</sup> Net debt / EBITDA  
<sup>2</sup> Net debt reduction before IFRS 5 application  
<sup>3</sup> in respect of FY 2021








A photograph of an industrial facility, likely a steel mill, at night. The facility is illuminated by various lights, with some smoke or steam rising from the buildings. In the foreground, there is a body of water with ice floes. The sky is dark blue, and there are some power lines and a tower visible on the left side. A large white number '2' is in the top right corner.

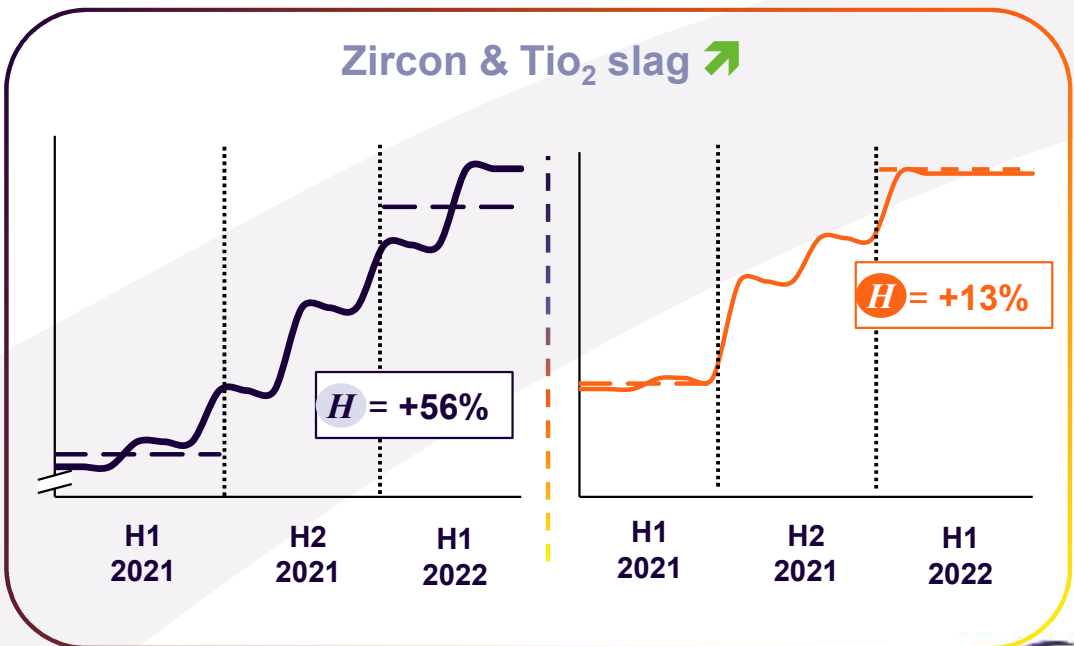
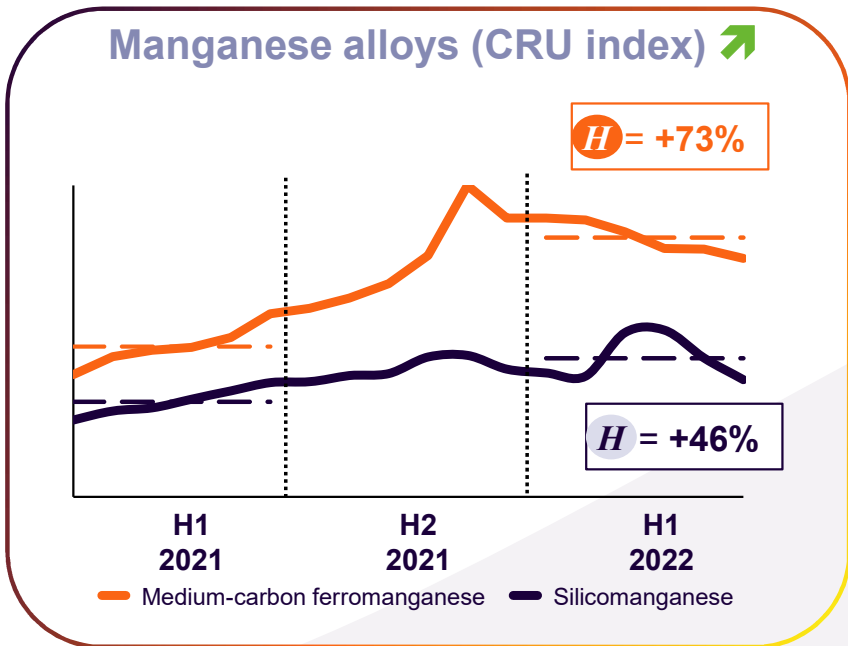
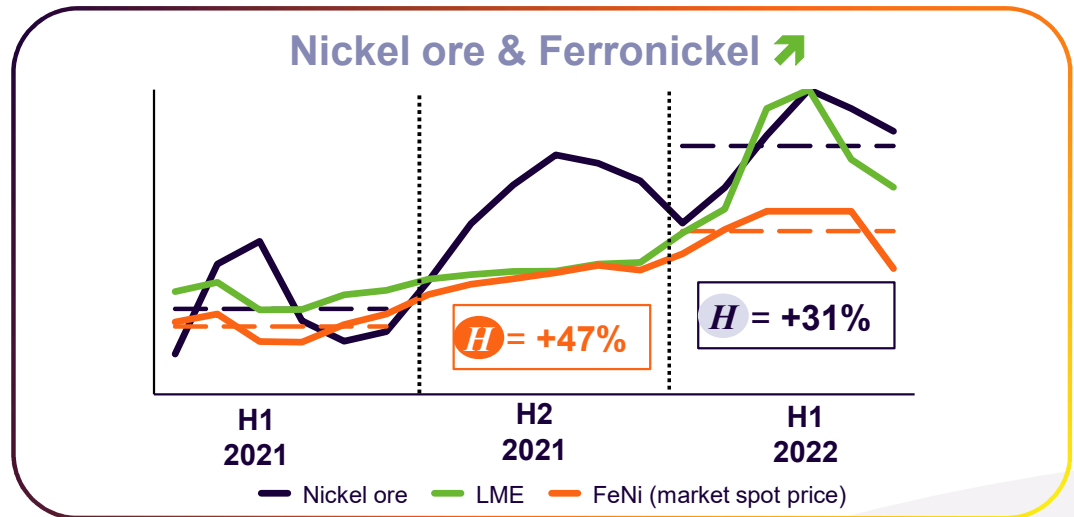
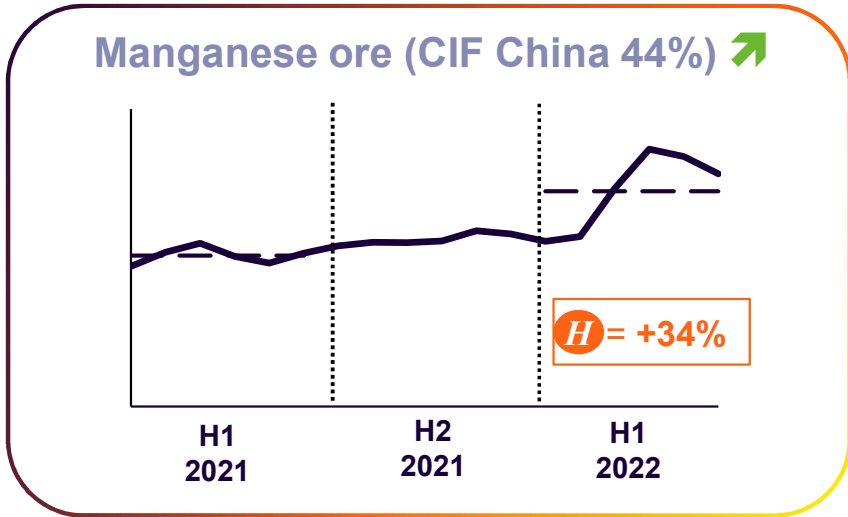
2

# Operational performance

# Continued strong increase in mining production in H1 2022

Manganese BU	Nickel BU	Mineral Sands BU
<p style="text-align: center;"><b>Ore</b></p> <p style="text-align: center;"><b>Continuous incremental growth</b></p>  <p style="text-align: right;"><b>3.6 Mt</b> ore produced <b>+17%</b> vs. H1 2021</p>	<p style="text-align: center;"><b>Weda Bay</b></p> <p style="text-align: center;"><b>Strong growth performance</b></p>  <p style="text-align: right;"><b>8.1 Mwmt<sup>1</sup></b> ore produced <b>+33%</b> <b>20 kt-Ni<sup>1</sup></b> ferroalloys produced</p>	<p style="text-align: center;"><b>Very good operational performance</b></p> 
<p style="text-align: center;"><b>Alloys</b></p> <p style="text-align: center;"><b>Solid operational performance</b></p>  <p style="text-align: right;"><b>381 kt</b> alloys produced, o/w <b>50%</b> refined</p>	<p style="text-align: center;"><b>SLN</b></p> <p style="text-align: center;"><b>Difficulties to operate &amp; adverse weather conditions</b></p>  <p style="text-align: right;"><b>2.4 Mwmt</b> ore produced <b>+6%</b> <b>1.5 Mwmt</b> ore exported <b>+31%</b> <b>20 kt-Ni</b> ferronickel produced</p>	<p style="text-align: right;"><b>386 kt</b> mineral sands produced <b>+7%</b>  <b>100 kt</b> TiO<sub>2</sub> slag produced</p>

# Favourable price environment in H1 2022, downward trend started in Q2 to accelerate in H2



# Input costs prices still on the rise

## Higher energy and reductant costs in H1 2022

- > European Mn alloys plants and TTI: exposed to reductants, notably metallurgical coke and thermal coal
- > SLN: exposed to electricity and brent for its power production, as well as thermal coal

**80%**

of power purchases  
protected through LT supply  
agreements, notably in Norway

**Brent  
prices**

**+61%**

vs H1 21

**Nut coke  
spot prices**

**+78%**<sup>1</sup>

vs H1 21  
in Europe

**Thermal coal  
spot prices**

**>x3**<sup>2</sup>

vs H1 21

**Overall, input costs should continue to impact Eramet significantly in H2 2022**

<sup>1</sup> Source: Resources-net CAMR, Nut coke spot price, Europe

<sup>2</sup> Both in Europe (Source: Argus, thermal coal spot price, ARA, Europe) and Australia (Source: GlobalCoal, Newcastle, Thermal coal, Australia)

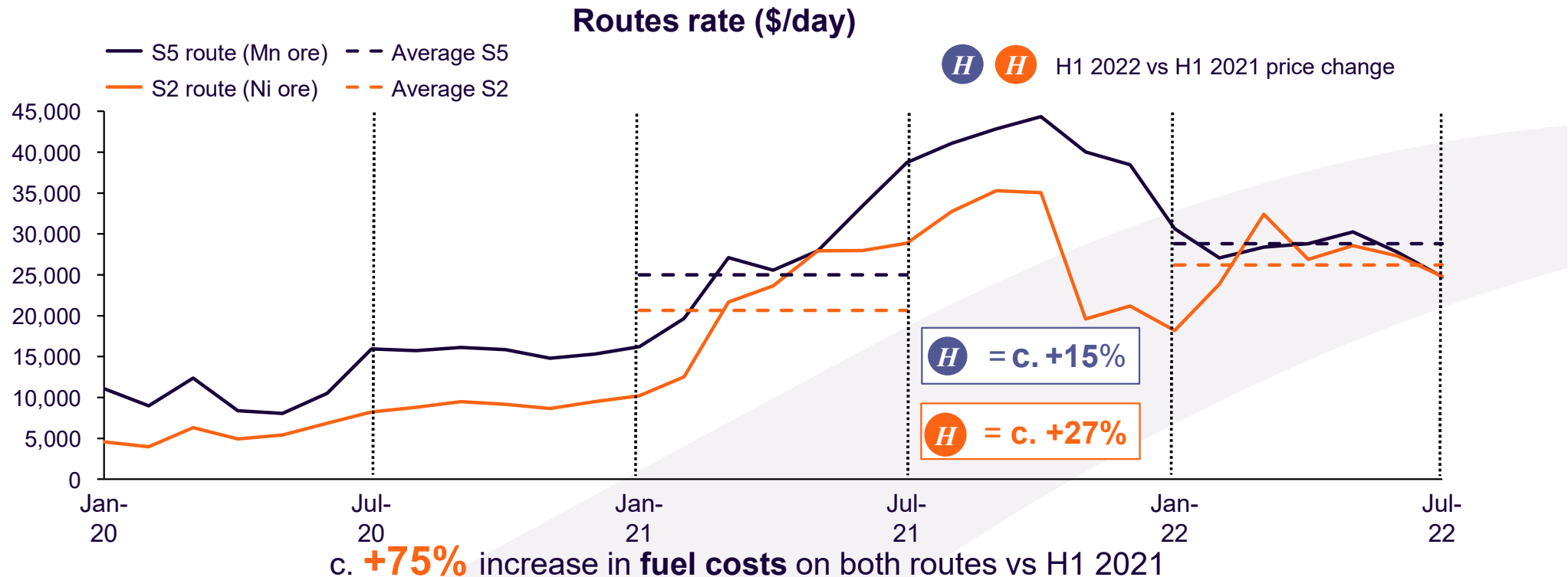


# Freight costs at records high, albeit decreasing

Higher freight cost weighing on manganese and nickel ore margin

Current downward trend, but **still at historically high levels** compared to recent years' average (spot price **x4** for containers and **x2.5** for bulk)

Freight costs include **chartering costs** (based on Routes time charter rate<sup>1</sup>) and transportation **fuel costs**



**Freight costs impact should be reduced by loading of larger vessels in Gabon in 2022**

<sup>1</sup> Incl. mainly vessel hiring costs (>90% of chartering costs), as well as broker payment and port fees

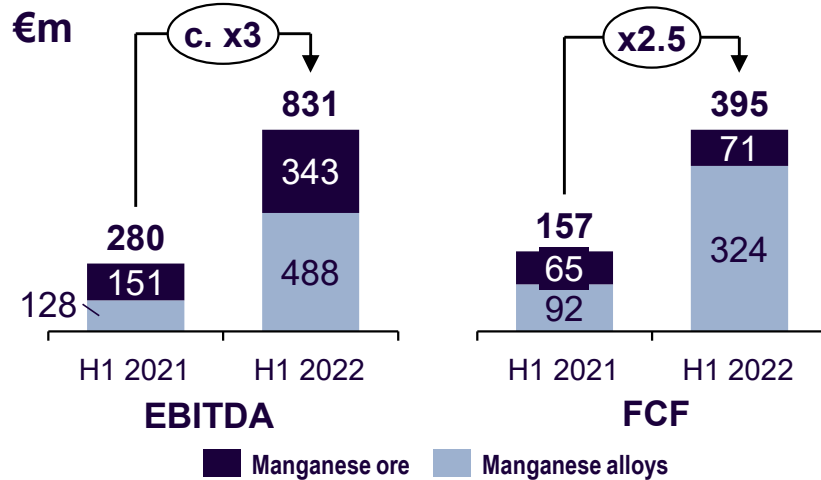


# Manganese BU

# Strong increase of financial performance driven by organic growth in Gabon & sharp rise in alloys selling prices in H1



## Manganese BU financial performance



Refined alloys invoiced prices<sup>1</sup>  
(based on MC FeMn CRU index in Europe)

**+128%** in H1 2022 vs. H1 2021

*based on a quarter lag<sup>1</sup>*



Manganese ore  
production

**3.6 Mt** (+17%)

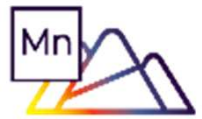
Manganese alloys  
production

**381 kt** (+4%)

o/w **50%** refined

**Significant positive impact** on manganese alloys margin in H1

# Global carbon steel production down, high grade ore price significantly up in H1, with a premium to 37% ore



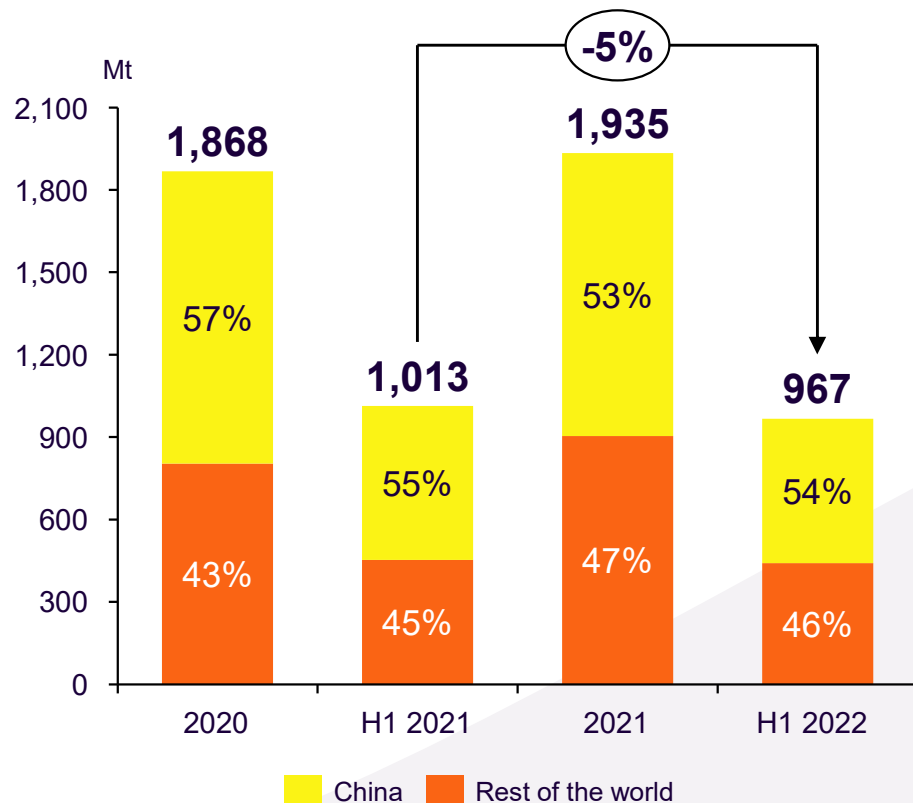
**Global carbon steel production down** reflecting the decline in production in China (-6%)

**Ore production almost stable:** Gabon and SA up, Rest of World down, particularly Australia and Brazil

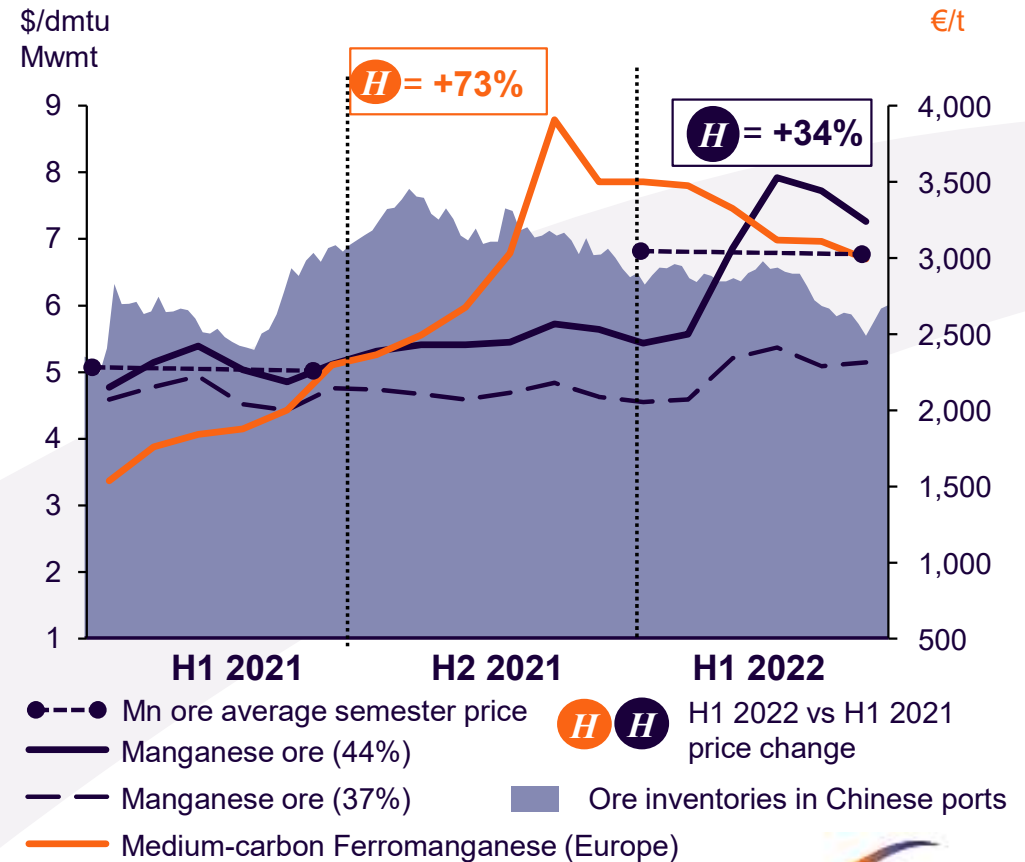
**Supply/demand balance still in deficit** ; 9 months of consumption in inventories at Chinese ports

**Strong price environment:** alloys prices still high, ore prices up, **both currently on a downward trend**

**Global carbon steel production**

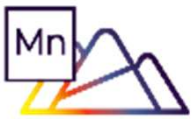


**Manganese ore and MC FeMn (refined) prices<sup>1</sup>**

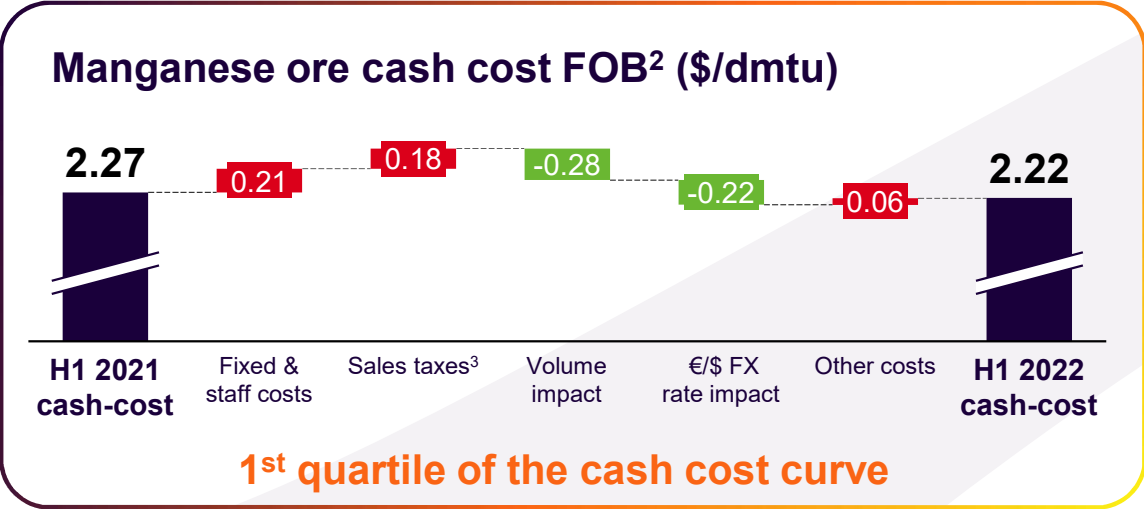
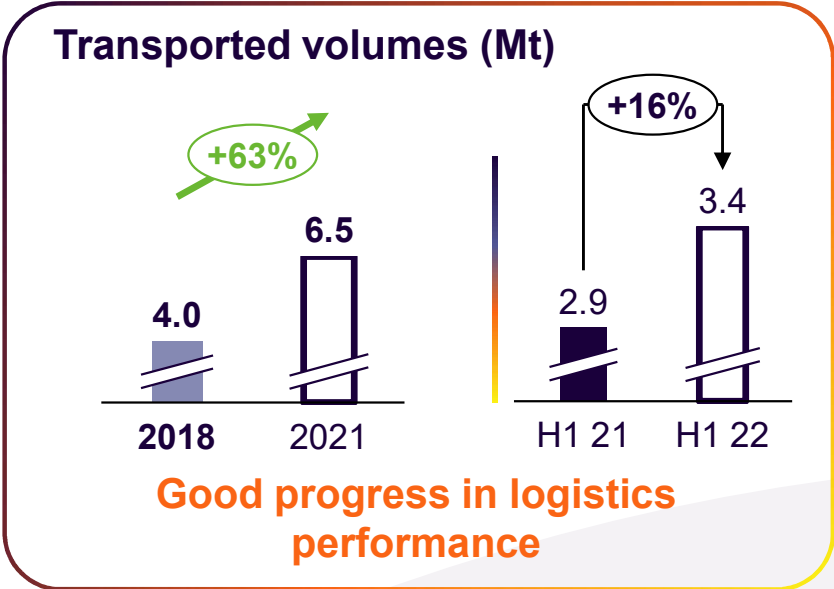
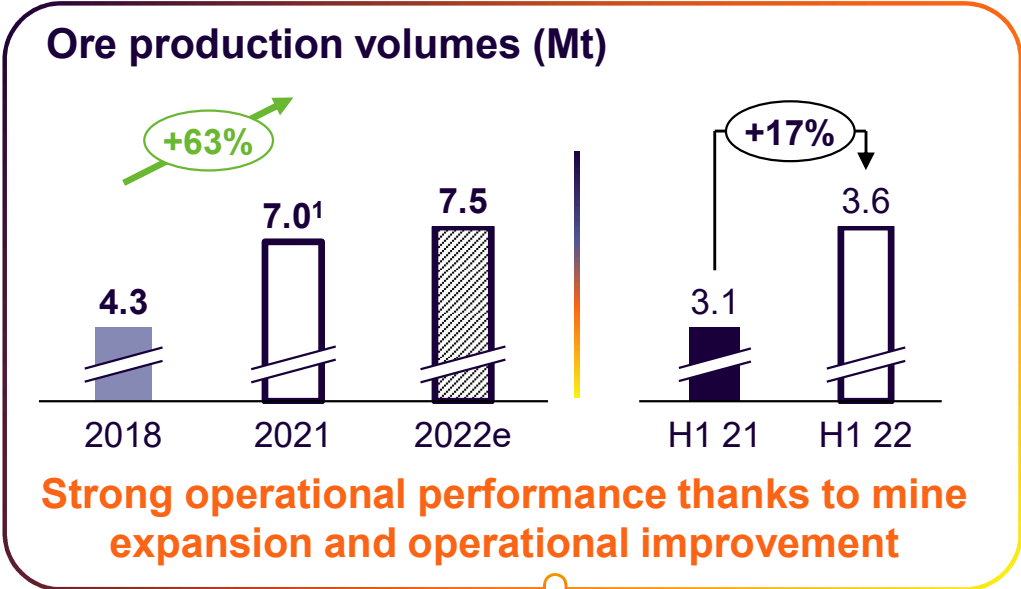


<sup>1</sup> Manganese ore: CRU CIF China 44%  
Medium-carbon FerroMn: CRU Western Europe spot price



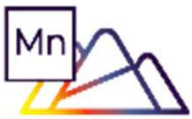


# Moanda: the world's leading high-grade manganese ore mine with a very competitive cash cost



<sup>1</sup> O/w c. 100 kt consumed on site  
<sup>2</sup> Cash cost excl. freight and marketing costs (€160m in H1 2022 vs. €97m in H1 2021), related to freight costs  
<sup>3</sup> Proportional mining royalties and export duties





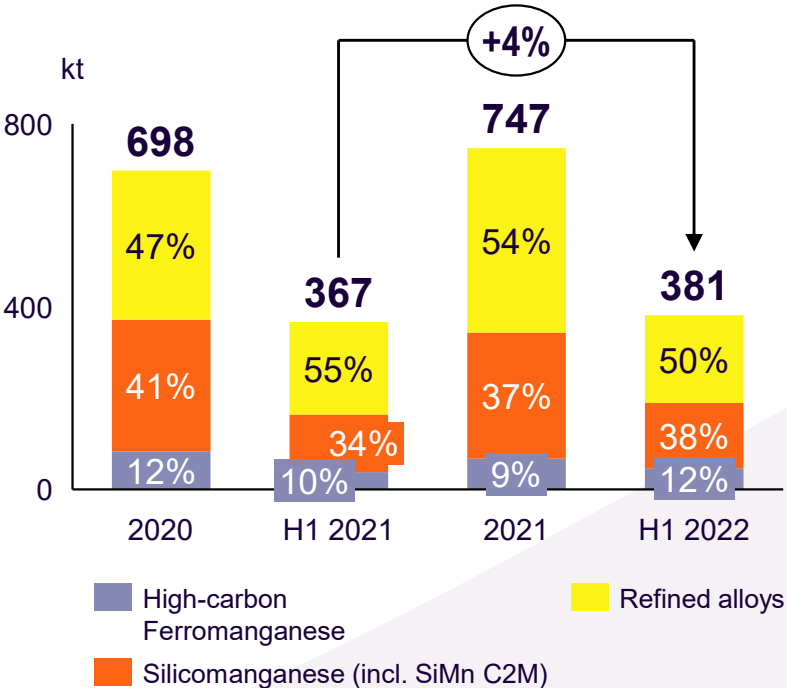
# Manganese alloys production up in H1 with a less favorable mix, sharp drop in prices starting June

Sales volumes down **-4%** to **342 kt**, due to falling demand in Q2

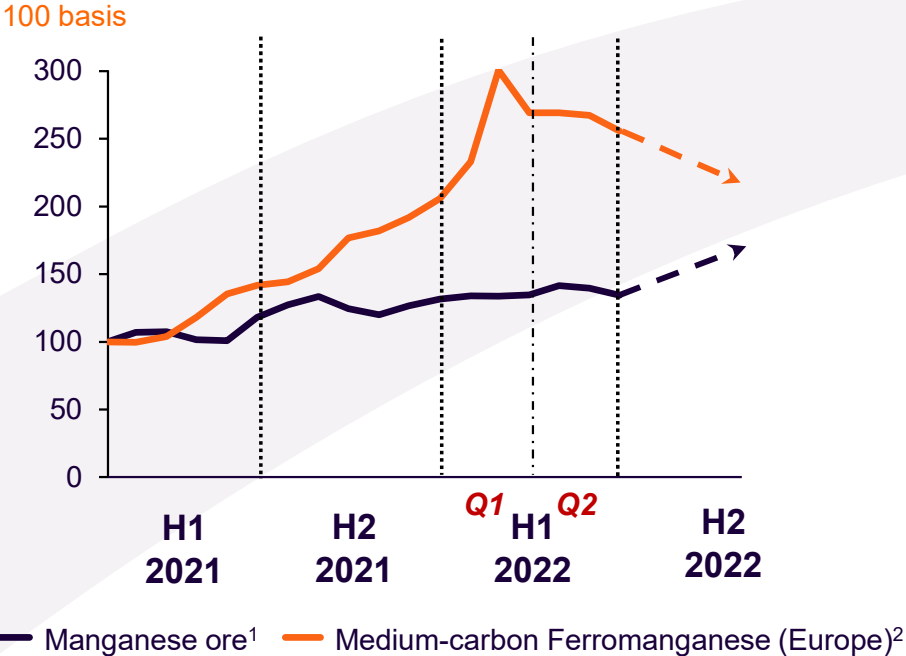
**Very favorable selling prices in H1**, albeit **significant trend reversal expected in H2**, with 2022 prices still higher than 2021 on average

**Q2 margin down vs Q1**, driven by stability of selling prices, combined with the continued increase in input costs and a less favourable mix. This trend should accelerate in Q3

**Manganese alloys production**



**Manganese ore consumed and MC FeMn invoiced prices (for illustrative purposes)**



<sup>1</sup> Manganese ore: CRU CIF China 44% with a 5 months lag reflecting the lag between the entry of ore in inventories and the sale of alloys  
<sup>2</sup> Medium-carbon FerroMn: CRU Western Europe spot price with a 3 months lag reflecting the lag between market prices and sales contracts



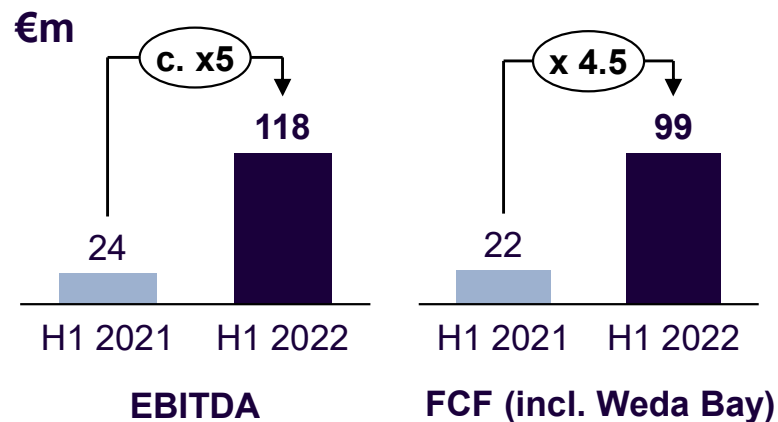


# Nickel BU



# Excellent operational performance, strong FCF contribution from Weda Bay

## Nickel BU financial performance<sup>1</sup>



## Nickel prices

**+47%** Ferronickel spot price  
(at a discount vs LME prices)

**+31%** Ni ore price<sup>2</sup>

Weda Bay nickel ore  
production

**8.1 Mwmmt**  
(+33%)

SLN nickel ore  
production

**2.4 Mwmmt**  
(+6%)

Weda Bay FCF

**€121m**

o/w €107m dividend / loan repayment



# Global primary nickel demand up despite decrease in stainless steel production; nickel prices normalizing



Global **stainless steel production** down **-3.5 %** (China **-7%** and ROW **+1%**) leading to lower demand for class II FeNi

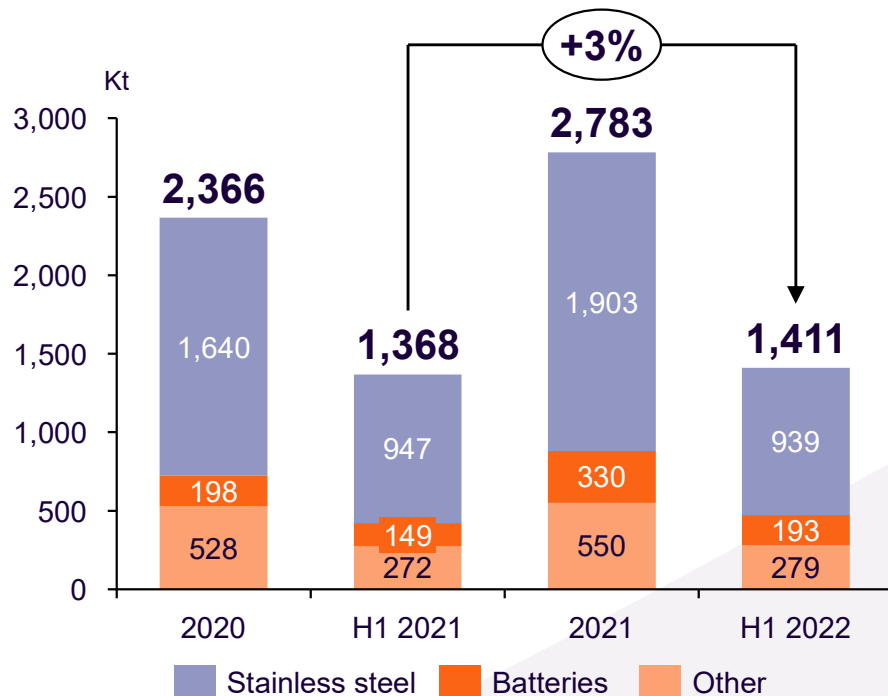
**Batteries demand** growing **29%** vs. H1 2021

Average nickel LME prices at **\$27,575/t** in H1

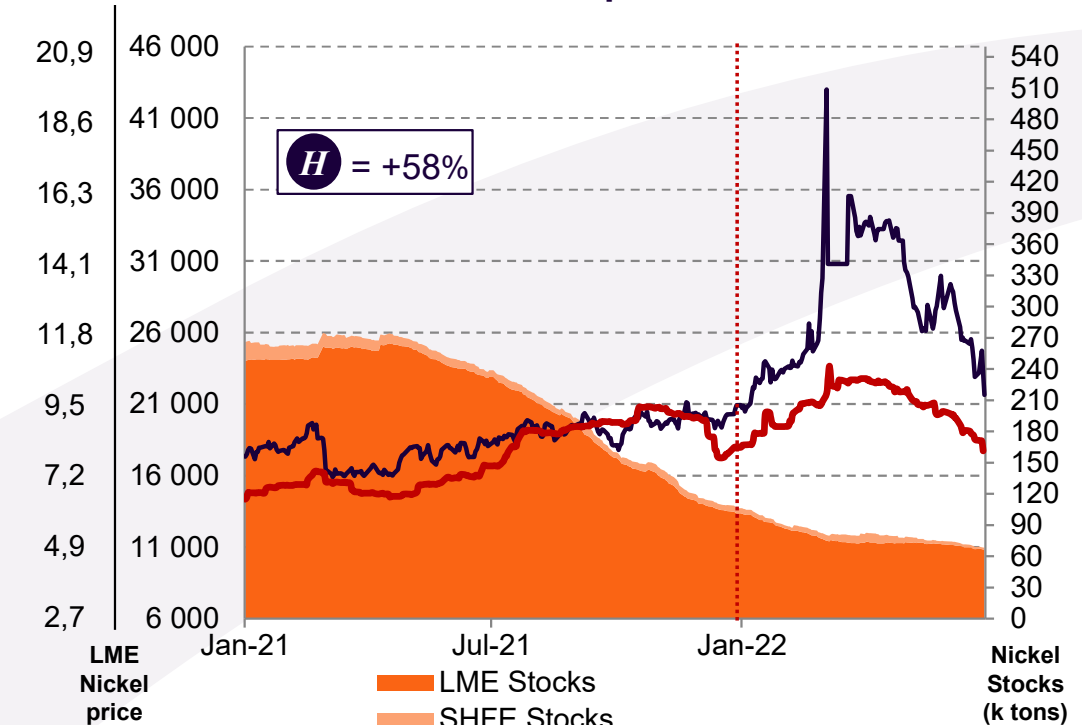
Both LME and ferronickel **realigning with market fundamentals** ; ferronickel price expected to be **well below LME** nickel price **from Q2 onwards**

**Significant decrease** in LME and SHFE inventories

### Global primary nickel demand



### Nickel LME prices

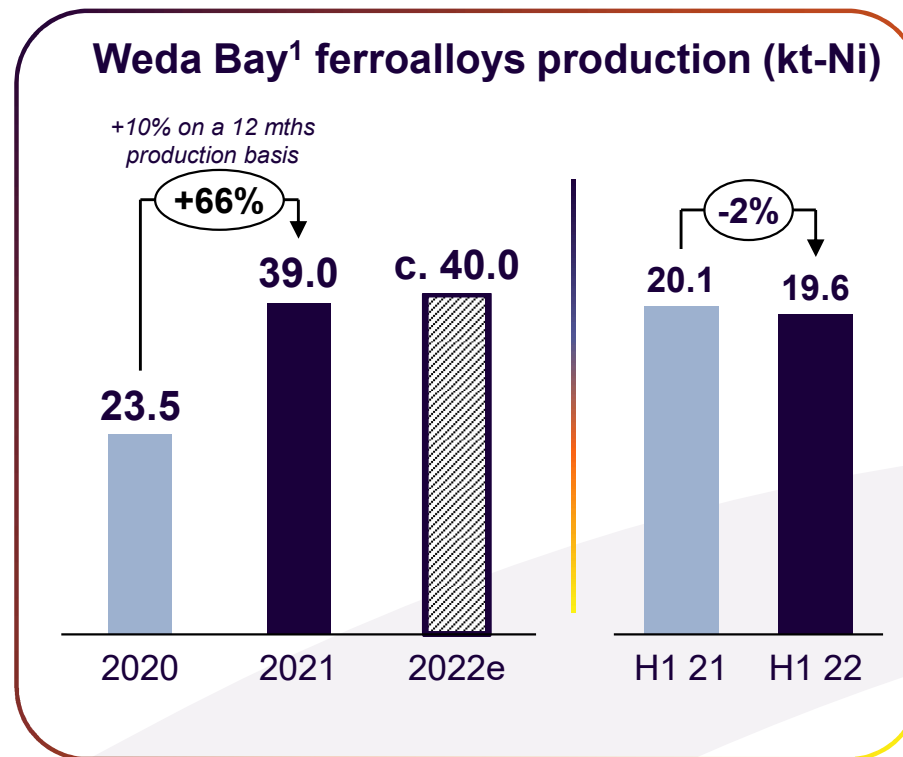
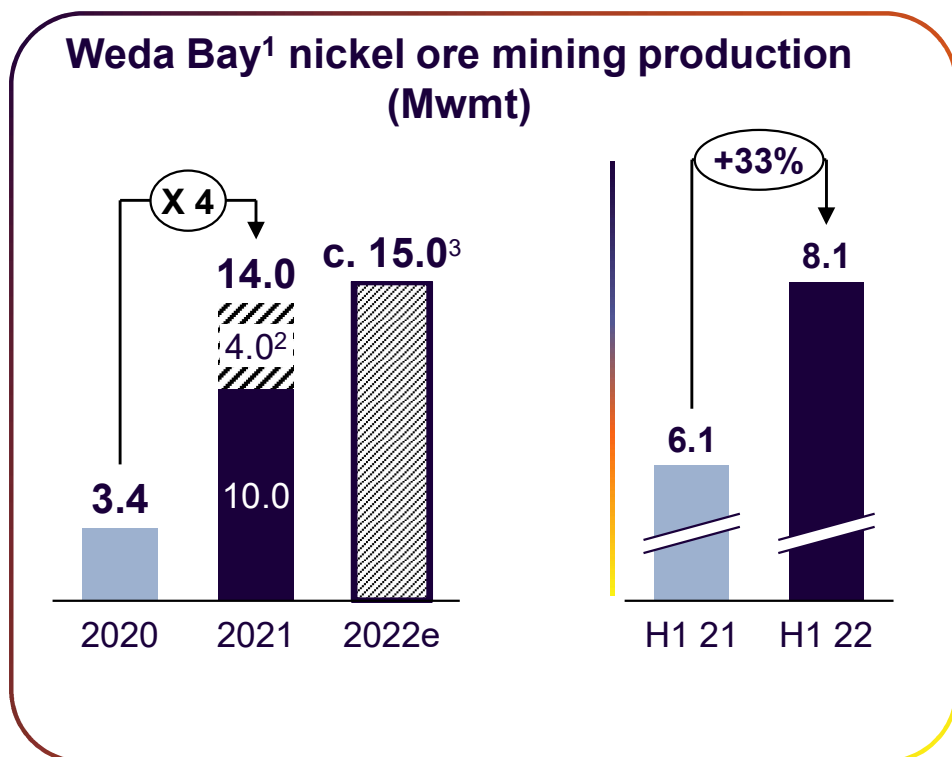


**H** H1 2022 vs H1 2021 variation  
**H** = +58%  
 — NPI (SMM 8-12%)  
 — LME





# Excellent growth performance at Weda Bay



**Excellent operational performance in a favourable price environment (SMM 8-12% index representative of prices of the ferroalloys produced at Weda Bay), partly offset by the increase in input costs (particularly energy).**

<sup>1</sup> On a 100% production basis. Eramet holds a 43% stake in Strand Minerals Pte. Ltd, the holding company which owns 90% of PT Weda Bay Nickel, booked under the equity method and not fully consolidated in the Group's financial statements

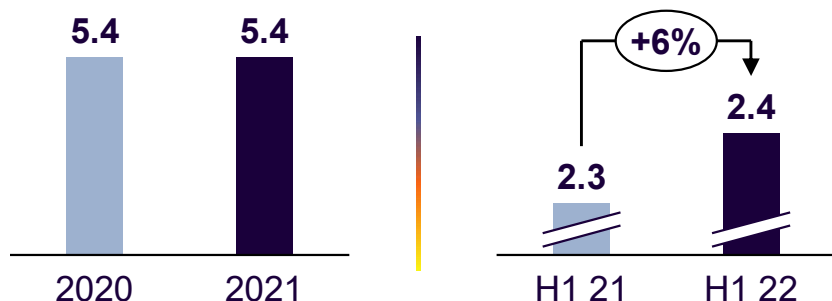
<sup>2</sup> Non-recoverable and non-marketable at this stage

<sup>3</sup> Subject to finalisation of administrative approval for increase in production capacity

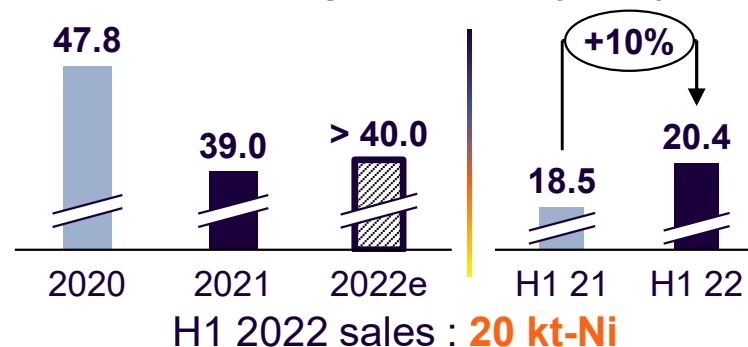


# Adverse weather conditions, and power sourcing issues at SLN

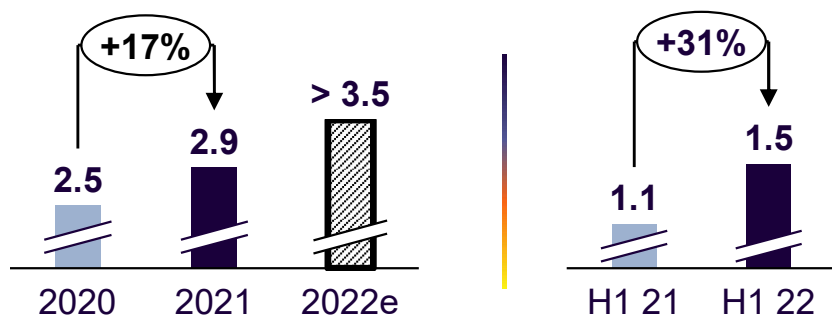
### SLN ore production (Mwmt)



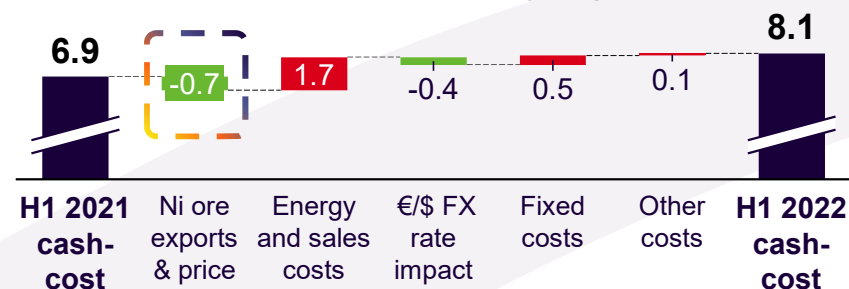
### SLN ferronickel production (kt-Ni)



### SLN ore export (Mwmt)



### SLN's cash cost (\$/lb)



- 2<sup>nd</sup> year of heavy rains, **50% higher than last 6 years average**, with number of days of rain up **13%** vs. H1 2021
- Persistent difficulties in sourcing from the New Caledonian electricity grid, which will not be solved before the arrival of “Temporary Offshore Power Plant” scheduled in **early September**

➔ **Access to competitive power remains critical**



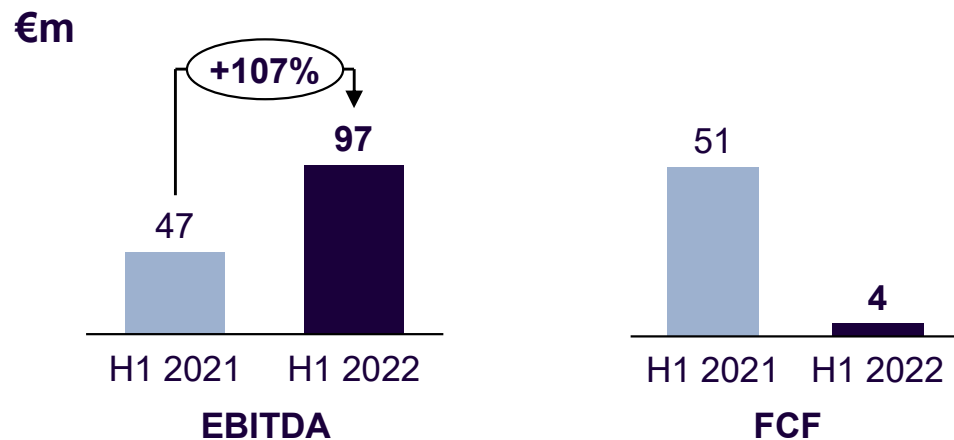
# Mineral Sands BU





# Very good operational performance in a favourable price environment, partly offset by higher input costs

## Mineral sands BU financial performance



## Zircon prices in Europe

**+56%**

## CP slag prices in Europe

**+13%**

**FCF** decrease driven by WCR consumption:  
Mostly reflecting **rebuilding of inventory at TTI**

⇒ **WCR expected to improve in H2**

## HMC production

**386 Kt**

(+7%)

## Zircon production

**30 Kt**

(+7%)

## TiO<sub>2</sub> Slag production

**100 Kt**

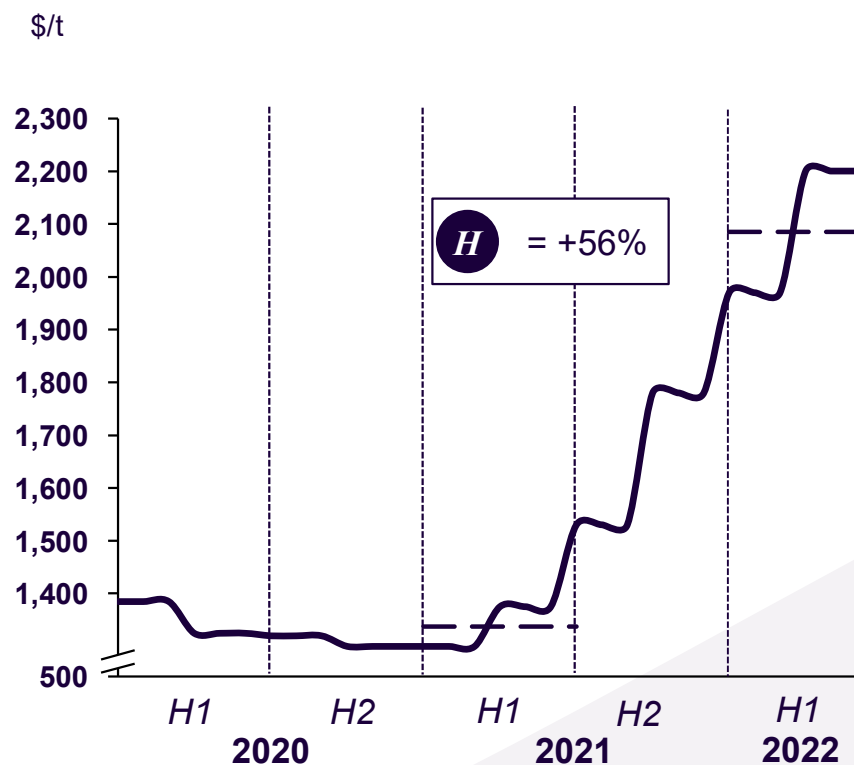
(-3%)



# Sustained global demand for zircon and TiO<sub>2</sub> pigments

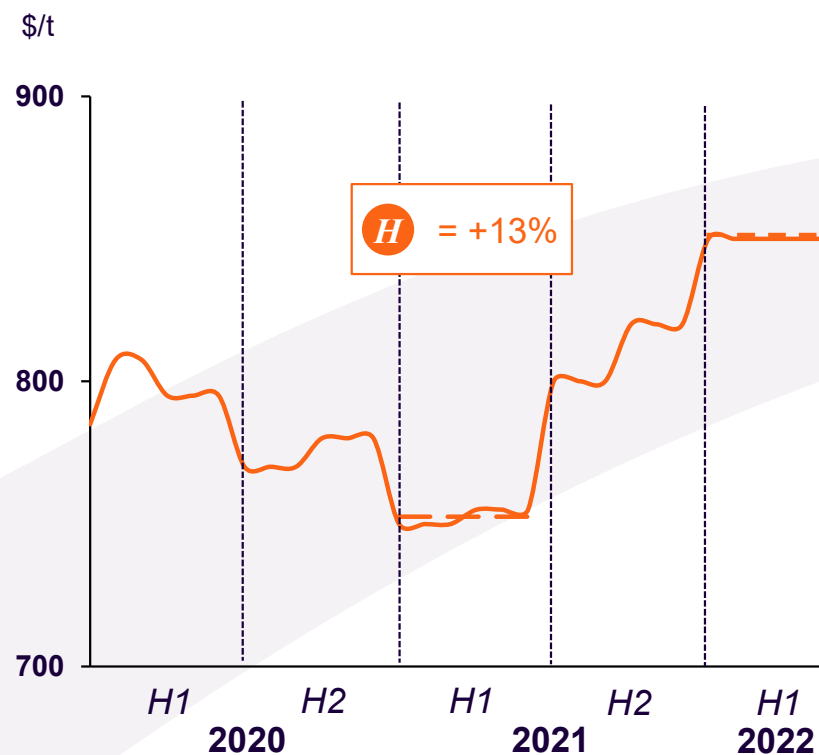
Although affected by the war in Ukraine and the health situation in China, **the demand remains robust**  
**Favourable price environment**, resulting from **undersupplied markets**

### Monthly premium zircon prices<sup>1</sup>



**H** H2 2021 vs H1 2021 price change

### Monthly change in CP grade titanium dioxide slag prices<sup>1</sup>

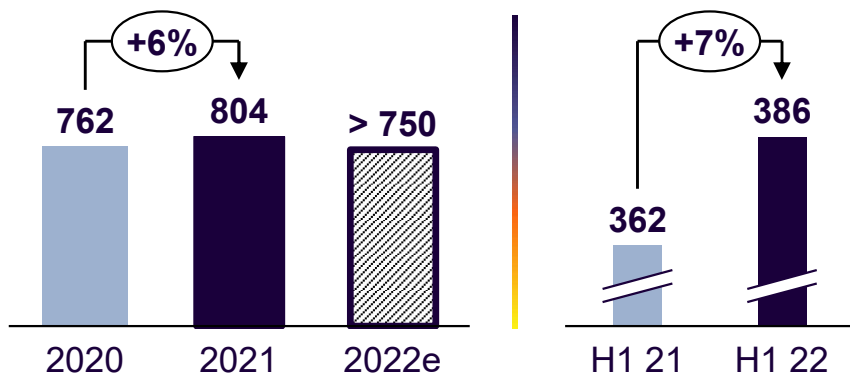


**H** H2 2021 vs H1 2021 price change



# Strong production for mineral sands and titanium slag

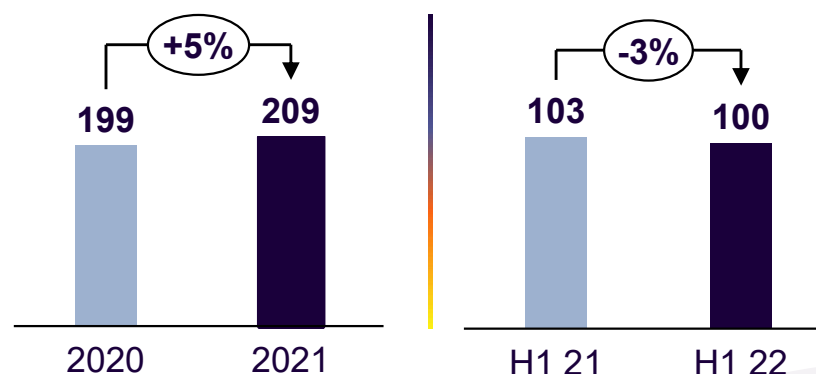
### GCO HMC<sup>1</sup> production (Senegal, kt)



**Higher average content** in the area mined compared to H1 2021

**Decline in average content** started in May 2022, expected to continue in H2 2022

### TTI Titanium dioxide production (Norway, kt)



**Maintenance operations** at plant in May



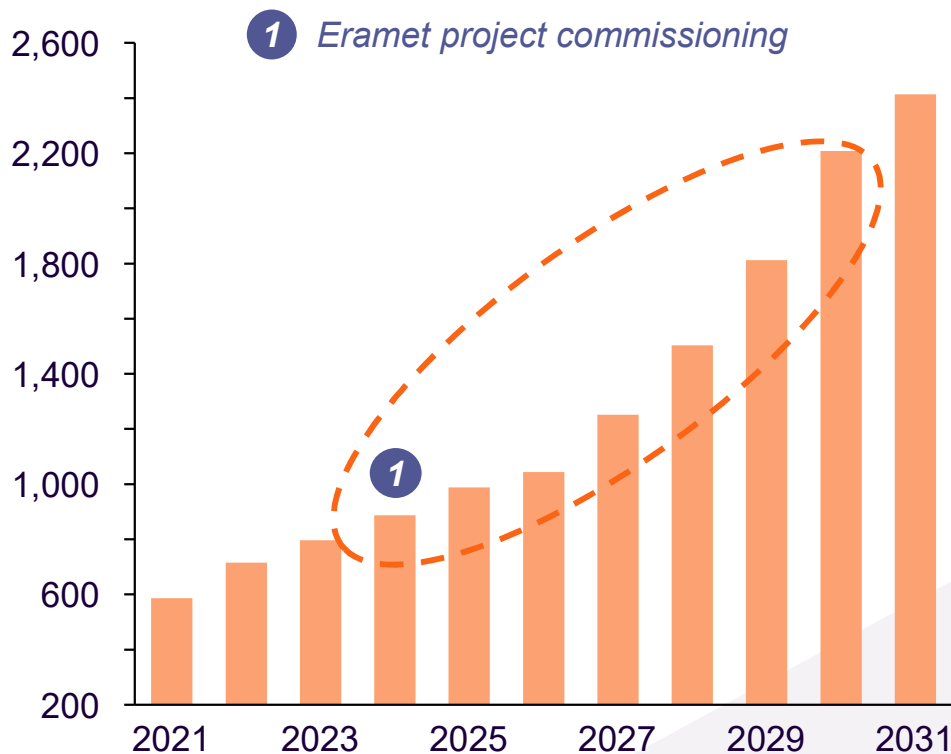
# Lithium BU



# Continued strong growth momentum for lithium demand, still reflected in current prices



Forecasted lithium market demand<sup>1</sup> (in kt LCE)



LiCO<sub>3</sub> CIF Asia (in US\$/kg LCE<sup>2</sup>)



- 1** Price increase: x10 since January 2021
- 2** Eramet long-term price assumption: 12,700 US\$ CIF per tone LCE



# Centenario: Tier 1 lithium project in Argentina

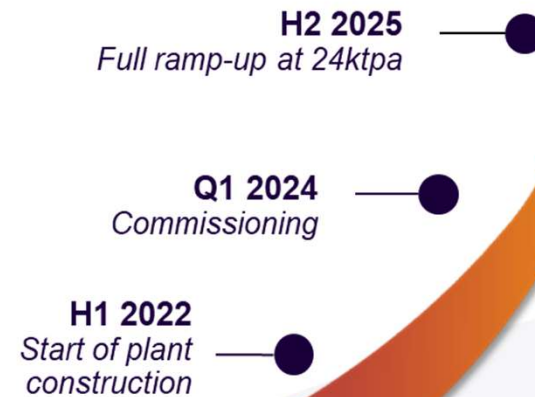
**Yearly production<sup>1</sup>**  
**24,000 kt-LCE<sup>2</sup>**  
(after ramp-up)

**EBITDA**  
at full ramp-up<sup>1,3,4</sup>  
**c. US\$200m**  
Based on a \$12,700/t LCE  
LT consensus CIF price

- **H1 2022 capex (c.US\$36m)** fully financed by a capital increase by Tsingshan (**US\$50m**)
- Due to continuing rise in the price of materials and freight, **additional project capex funding requirement** estimated to **US\$150m**:
  - > to be contributed by both shareholders on a *prorata* basis
- Very high **internal rate of return**

## Plant construction already engaged

Potential for further development



In-house **DLE<sup>5</sup>** process:

**c.90%** recovery rate

**1 week** lead time

Implementation of the most stringent local regulations as well as Eramet's environmental & social standards and policies

<sup>1</sup> On a 100% basis  
<sup>2</sup> Lithium Carbonate Equivalent  
<sup>3</sup> Assuming a cash cost (ex-works) of 3,500 US\$/t  
<sup>4</sup> EBITDA inclusive of royalties and logistics costs  
<sup>5</sup> Direct Lithium Extraction

3

# Strategic transformation

# Becoming a leading player in the new age of metals

Pure player in Mining and Metals contributing to a sustainable future

Grow in metals supporting  
global economic development



Resilient markets

MANGANESE ORE & ALLOYS



NICKEL



MINERAL SANDS



Develop critical metals for  
energy transition

Fast-growing markets



LITHIUM



NICKEL/COBALT SALTS



BATTERY RECYCLING

Demonstrated leadership and continuous  
value-accretive organic growth

Huge potential to benefit from energy  
transition

GREEN PRODUCT OFFERING

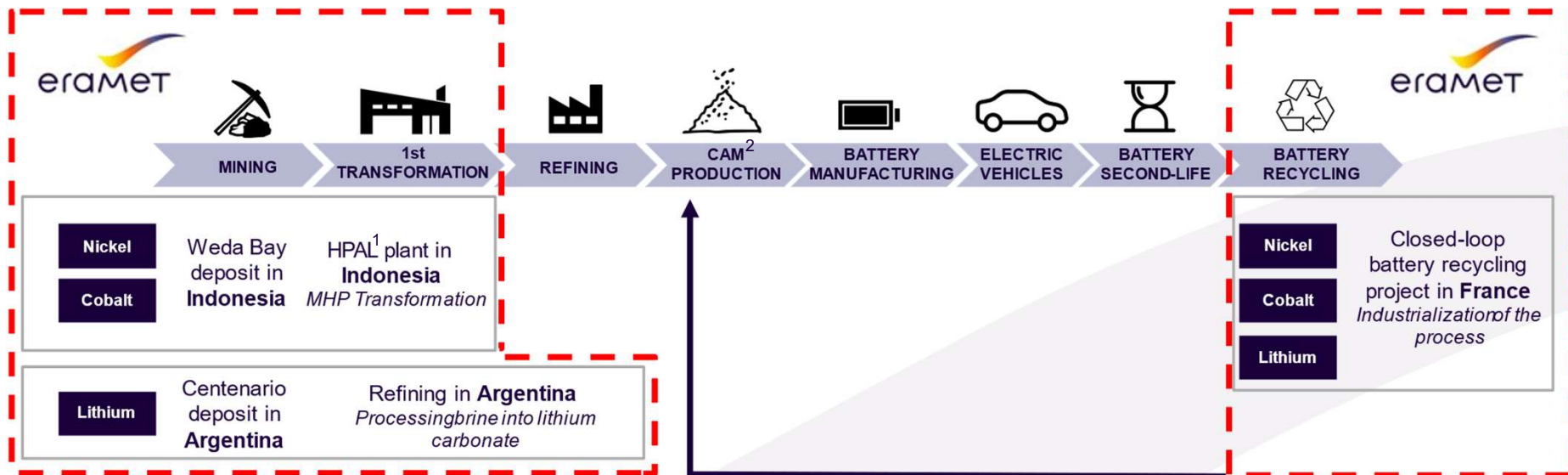
ATTRACTIVE and SUSTAINABLE POSITIONING,

CASH-GENERATING BUSINESS

# Providing metals for the energy transition is core to Eramet's strategy



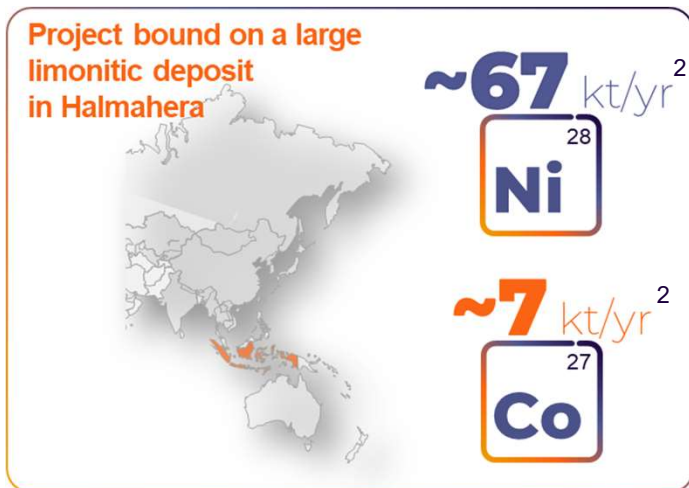
Eramet offers a unique solution to sustainably secure the metal supply for the battery industry





# Battery-grade Ni/Co project co-developed with BASF

- Project of production of nickel & cobalt inputs for batteries taking advantage of the Weda Bay deposit's rich mining resources
- Partnership with **BASF**:
  - Ore from **Weda Bay deposit** (Indonesia)
  - Hydro-metallurgical complex with a high-pressure acid leach ("**HPAL**") unit, to produce MHP<sup>1</sup>
- Highest CSR standards**:
  - Implementation of **Eramet's global environmental & social standards and policies**
  - No deep-sea tailings disposal



## Project ownership structure (%)

ERAMET	BASF
<b>51 %</b>	<b>49 %</b>

**Early 2026**

Expected start of production, subject to FID

In line with Eramet's ambitions to position itself as a key European player in the EV BATTERY VALUE CHAIN

# Entering pre-industrialization studies for the battery recycling project



## Major progress in the Li-ion battery recycling project

- **An innovative closed-loop process** fully piloted in 2020-2021 within Eramet Research & Innovation Center
- **Partnership with SUEZ** to produce “black mass” (a metal concentrate of nickel, cobalt, manganese, lithium and graphite) from end-of-life lithium-ion battery recycling
  - > 2022-2024: initiating the pre-industrial phase, based on maturity achieved over several years of R&D
  - > **2024**: estimated target date for the **start of blackmass production in France**
- **Industrialization studies** to produce **battery grade metals from blackmass** and other scrap refining in France
  - > A **100% stand-alone** Eramet’s project
  - > **2022-2024**: construction and operation of a **pre-industrial demo-plant** at Eramet Research & Innovation center in Trappes
  - > **2025-2026**: estimated target date for **start of refining operation in France**

**STRATEGIC METAL RECYCLING: a virtuous circular economy approach, key for European sovereignty and responsible supply**

# Conclusion & outlook



# 2022 guidance revised upward in a H2 challenging context

- **Strong financial performance in H1** and continuous **increase in mining production**
- **Markets uncertainty in H2** regarding global demand (notably for Mn alloys and FeNi) resulting from mitigated macroeconomic environment, current geopolitical context in Europe & slow rebound in China
- **Production targets confirmed, except for SLN**
  - > **7.5 Mt** manganese ore in Gabon
  - > Around **15 Mwmt**<sup>1</sup> nickel ore production at Weda Bay
  - > More than **3.5 Mwmt** nickel ore export in New Caledonia (revised down)
- **Cash capex**<sup>2</sup> guidance **revised slightly down** to c. **€500m**
- Disciplined focus on **costs control** and **cashflow optimisation**
- Despite a challenging context, **EBITDA target revised up** to around **€1.6bn** based on:
  - > an estimated effective €/€ exchange rate of **1.09** in 2022
  - > a **positive** impact of **intrinsic** performance in H2 with **favorable seasonality**
  - > a **strongly negative** impact of **external** factors in H2<sup>3</sup>
- **Further significant deleveraging** by year-end

<sup>1</sup> Subject to finalisation of administrative approval

<sup>2</sup> Excluding lithium capex financed by Tsingshan, incl. IFRS 5 discontinued operations' capex

<sup>3</sup> Sharp drop in manganese alloys selling prices expected in H2,

Average consensus for manganese ore price of **\$6.4/dmtu** (down 6 \$/dmtu in H2)

Average consensus for LME nickel price of **25,600\$/t** (down 24,500\$/t in H2); FeNi price well below the LME nickel price

Input costs maintained at high levels in H2



# Q&A

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

# Appendices

# H1 2022 results

# Group EBITDA sensitivity to market prices

SENSITIVITIES	Change	Annual impact on EBITDA
Manganese ore prices (CIF China 44%)	+\$1/dmtu	c.€250m <sup>1</sup>
Manganese alloy prices	+\$100/t	c.€70m <sup>1</sup>
Nickel prices (LME)	+\$1/lb	c.€80m <sup>1</sup>
Nickel ore prices (CIF China 1.8%)	+\$10/wmt	c.€35m <sup>1</sup>
Exchange rates	-\$/€0.1	c.€265m
Oil price per barrel	+\$10/bbl	c.€(15)m <sup>1</sup>



# Manganese BU – Key figures

In €m	H1 2022	H1 2021
Sales	1,647	887
EBITDA	831	280
Current Operating Income	765	219
Cash Capex	(153)	(71)
Operating cash flow <sup>1</sup>	497	218
FCF	395	157

# Nickel BU – Key figures (IFRS 5)

In €m	H1 2022 <sup>1</sup>	H1 2021 <sup>1</sup>
Sales	762	438
EBITDA	118	24
Current Operating Income	78	(16)
Cash Capex	(34)	(10)
Operating cash flow <sup>2</sup>	33	(11)
FCF	99	22

# Mineral Sands BU – Key figures

In €m	H1 2022	H1 2021
Sales	224	138
EBITDA	97	47
Current Operating Income	76	25
Cash Capex	(26)	(8)
Operating cash flow <sup>1</sup>	13	53
FCF	4	51



# Lithium BU – Key figures

In €m	H1 2022	H1 2021
Sales	-	-
EBITDA	(8)	(2)
Current Operating Income	(8)	(2)
Cash Capex	(33)	(2)
Operating cash flow <sup>1</sup>	(66)	(8)
FCF	(64)	(13)

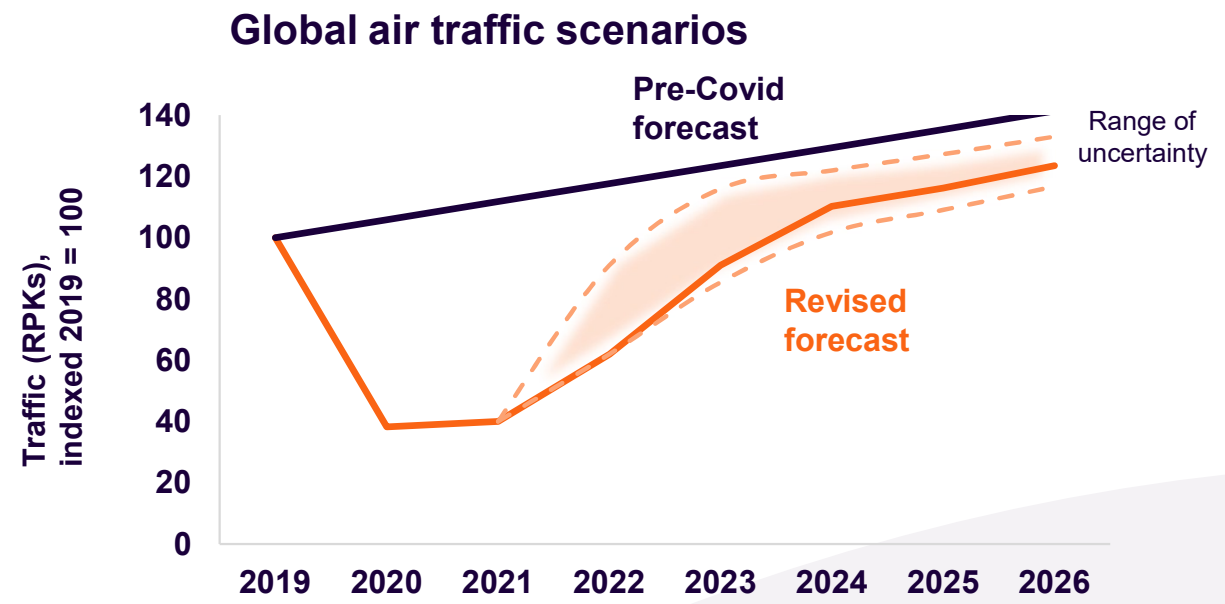
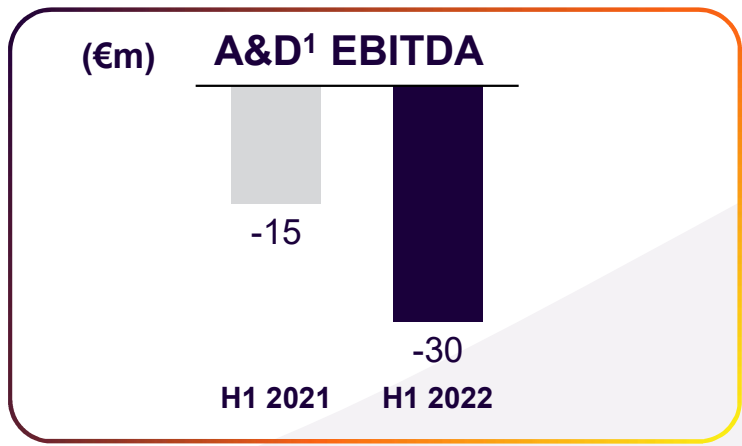
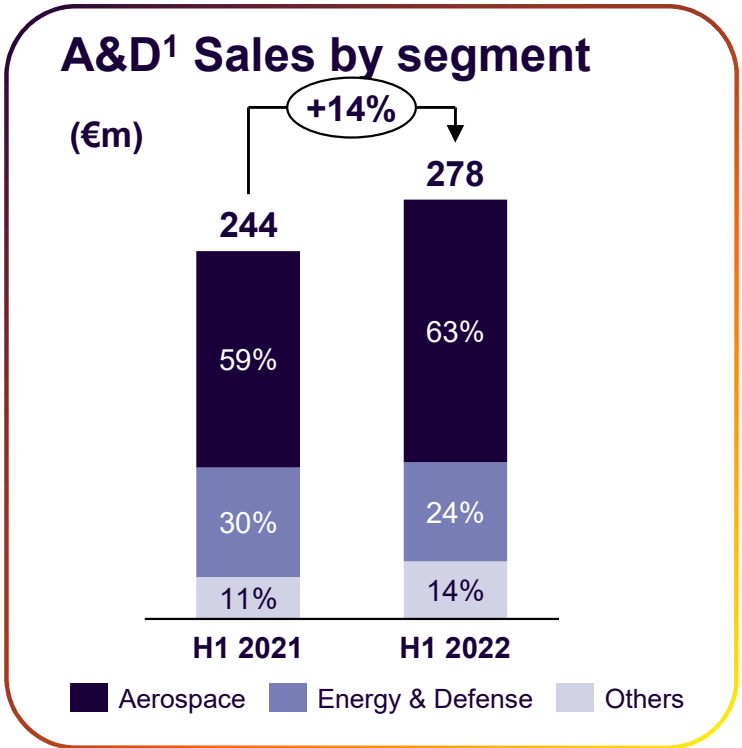
# High-Performance Alloys division - Key figures (IFRS 5)

## A&D and Erasteel

In €m	H1 2022 <sup>1</sup>	H1 2021 <sup>1</sup>
<b>Sales</b>	<b>416</b>	<b>330</b>
<b>EBITDA</b>	<b>(18)</b>	<b>(12)</b>
<b>Current Operating Income</b>	<b>(25)</b>	<b>(18)</b>
<b>Cash Capex</b>	<b>(21)</b>	<b>(15)</b>
<b>Operating cash flow<sup>2</sup></b>	<b>(61)</b>	<b>(40)</b>
<b>FCF</b>	<b>(127)</b>	<b>(60)</b>



# A&D H1 2022 KPIs (IFRS 5)



**Higher sales (+14%)** due to growth of aerospace segment (+21%) reflecting the rebound in activity

**EBITDA** down mainly due to the very strong increase in energy expenses (gas and electricity in France) as well as the price increase for all industrial supplies

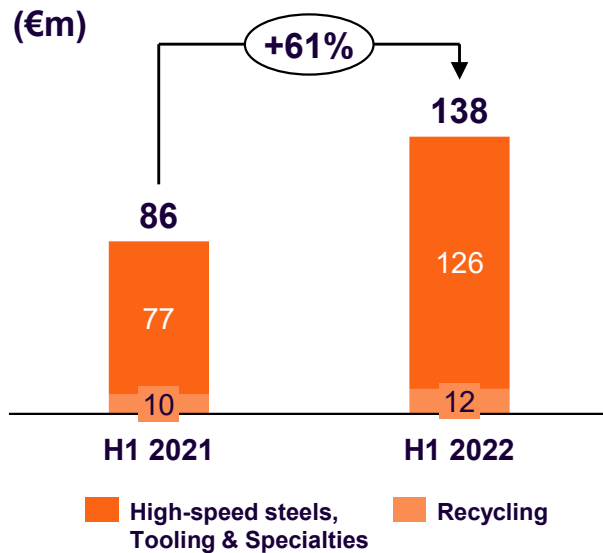
**Negative FCF of -€107m**, o/w -€38m related to A&D divestment process (clearance of Quality applications and restructuring plan), as well as -€37m squeeze due to higher prices of energy and raw materials



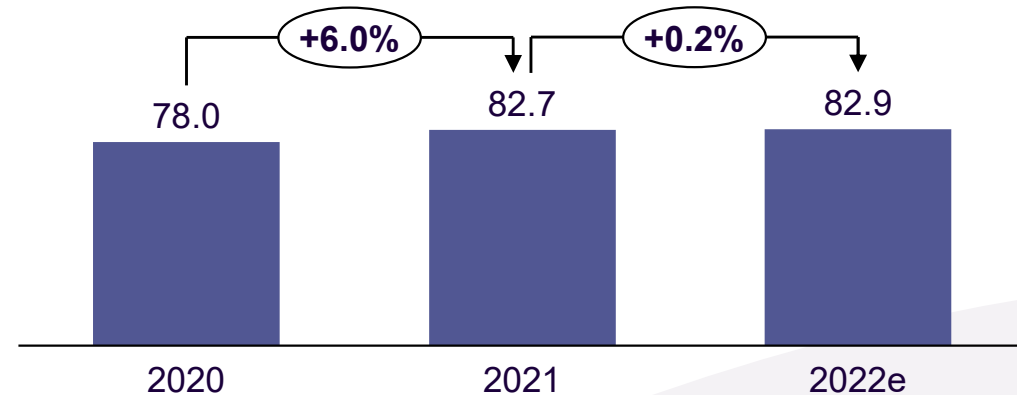


# Erasteel H1 2022 KPIs (IFRS 5)

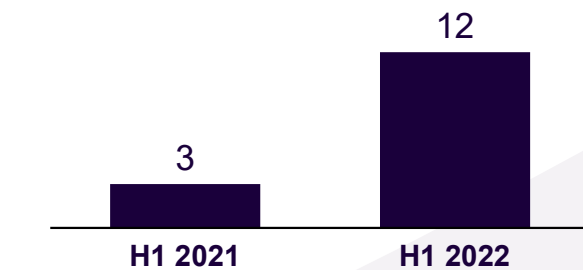
## Erasteel sales by segment



## Yearly light vehicles sales (in million units)



## Erasteel EBITDA



**Strong turnover improvement (+61%)** driven by gains in market shares and positive effect of re invoicing raw material and energy price increases to customers

**Strong EBITDA improvement (x4)** reflecting the very good sales momentum and price increases

**Negative FCF (-€20m)** due to increase in WCR resulting from very strong increase in material prices

# SPA signed on 20 June 2022 for the divestment of Aubert & Duval

## Transaction scope

- Divestment of **100% of Aubert & Duval shares**
- Scope including all Aubert & Duval sites in France, Interforge, activities in Spain and India, and titanium alloys activities

## Acquiring entity

- Consortium comprising of **Airbus, Safran and Tikehau ACE Capital**
- French State to have a golden share in Aubert & Duval

## Value consideration

- Enterprise value of €95m
- Eramet agreeing to a set of specific guarantees in addition to usual guarantees
- Estimated –€340m impact (subject to closing adjustments) accounted for in FY21 net income, of which €40m reversal related to costs incurred in H1 2022

## Next steps

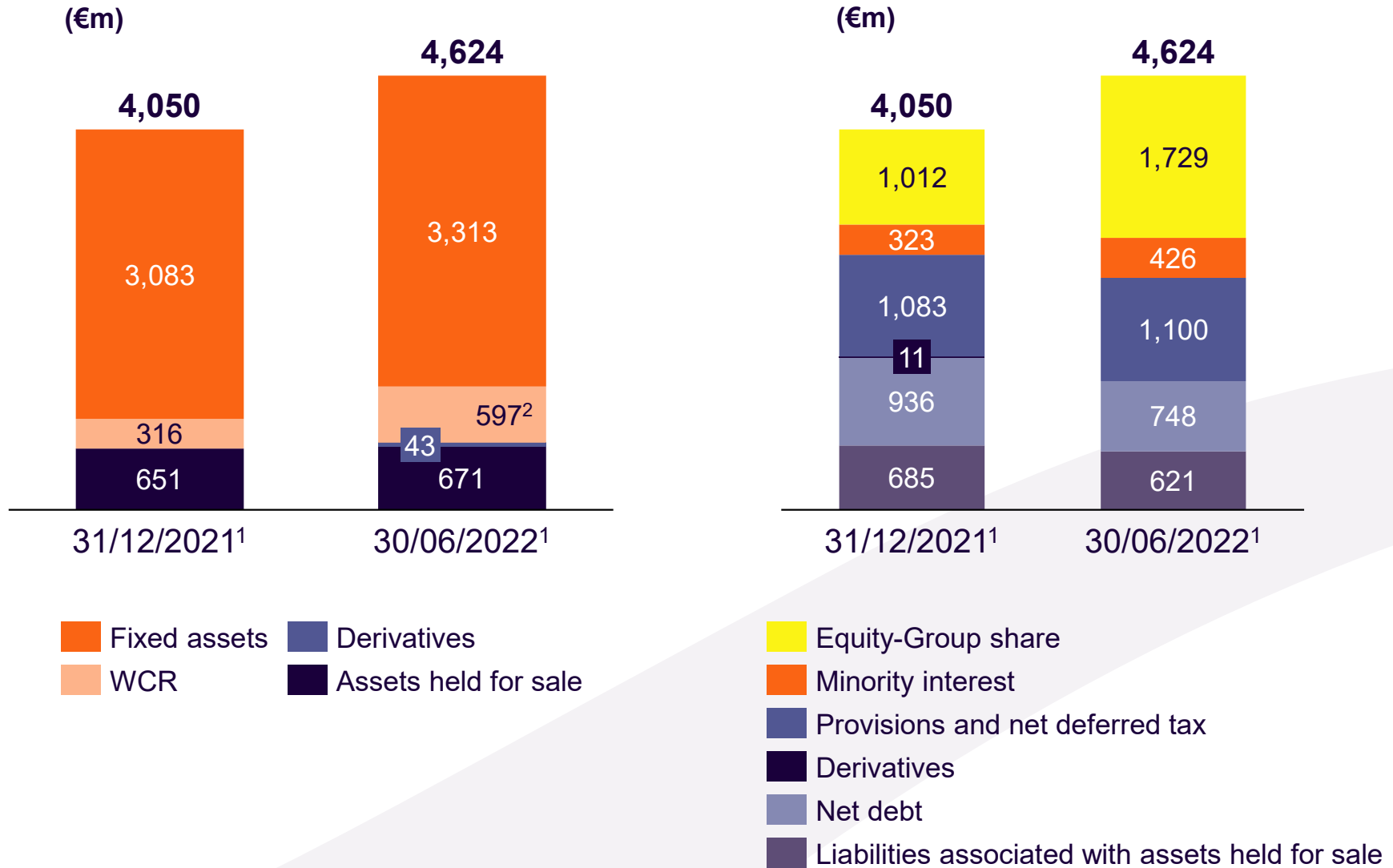
- Transaction completion submitted to the satisfaction of certain conditions, including necessary regulatory approvals

**Transaction expected to close by end-2022**

# Cash-flow table (IFRS 5)

€m	H1 2022 <sup>1</sup>	H1 2021 <sup>1</sup>
<b>Operating activities</b>		
EBITDA	982	301
Cash impact of below EBITDA items	(220)	(107)
<b>Cash-flow from operations</b>	<b>762</b>	<b>193</b>
Change in WCR	(273)	1
<b>Net cash generated by operating activities (1)</b>	<b>489</b>	<b>194</b>
<b>Investing activities</b>		
Industrial investments	(240)	(93)
Other investment flows	180	65
<b>Net cash used in investing activities (2)</b>	<b>(60)</b>	<b>(28)</b>
<b>Free Cash Flow (1) + (2)*</b>	<b>429</b>	<b>166</b>
<b>Net cash used in financing activities</b>	<b>(55)</b>	<b>(8)</b>
Impact of fluctuations in exchange rates and other	(10)	(9)
Acquisition of IFRS 16 rights of use	(14)	(5)
Change in net financial debt of assets held for sale <sup>1</sup>	(138)	(57)
<b>(Increase)/Decrease in net financial debt</b>	<b>212</b>	<b>87</b>
Opening (net financial debt) of continuing operations	(936)	(1,378)
Opening (net financial debt) of discontinued operations	(54)	n.a.
<b>Closing (net financial debt) of continuing operations</b>	<b>(748)</b>	<b>(1,289)</b>
<b>Closing (net financial debt) of discontinued operations</b>	<b>(30)</b>	<b>n.a.</b>

# Group Balance Sheet at 30 June 2022



<sup>1</sup> Application of IFRS 5 i.e. excl. A&D, Erasteel and Sandouville

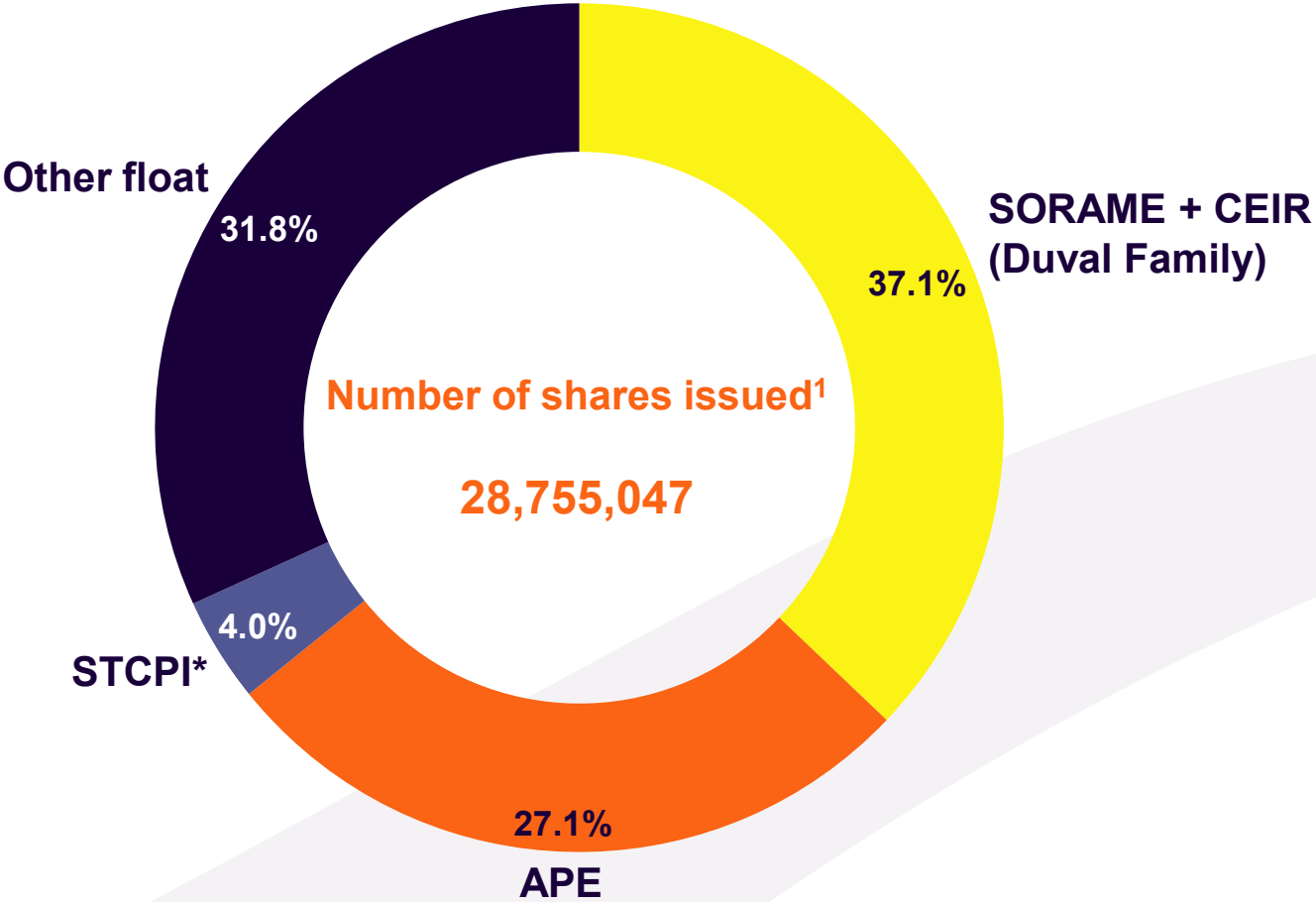
<sup>2</sup> 2021 WCR: €872m (operating WCR) - €275m (Other items of WCR, incl. Tax & payroll payables and receivables, other assets & liabilities, tax liabilities & receivables due and liabilities on non-current assets), for a net amount of €597m

# Bond maturities

€m	Currency	Initial amount	Amount at 30/06/2022 (in m)	Initial Maturity date	Coupon
<b>September 2017 bond issue</b>	€	500	<b>500</b>	February 2024	4.20%
<b>November 2019 bond issue</b>	€	300	<b>300</b>	May 2025	5.88%



# Shareholding at 31 May 2022



\*STCPI (Société Territoriale Calédonienne de Participation Industrielle): entity owned by the New Caledonian provinces  
<sup>1</sup> Capital and number of shares' increase due to the Odianan conversion

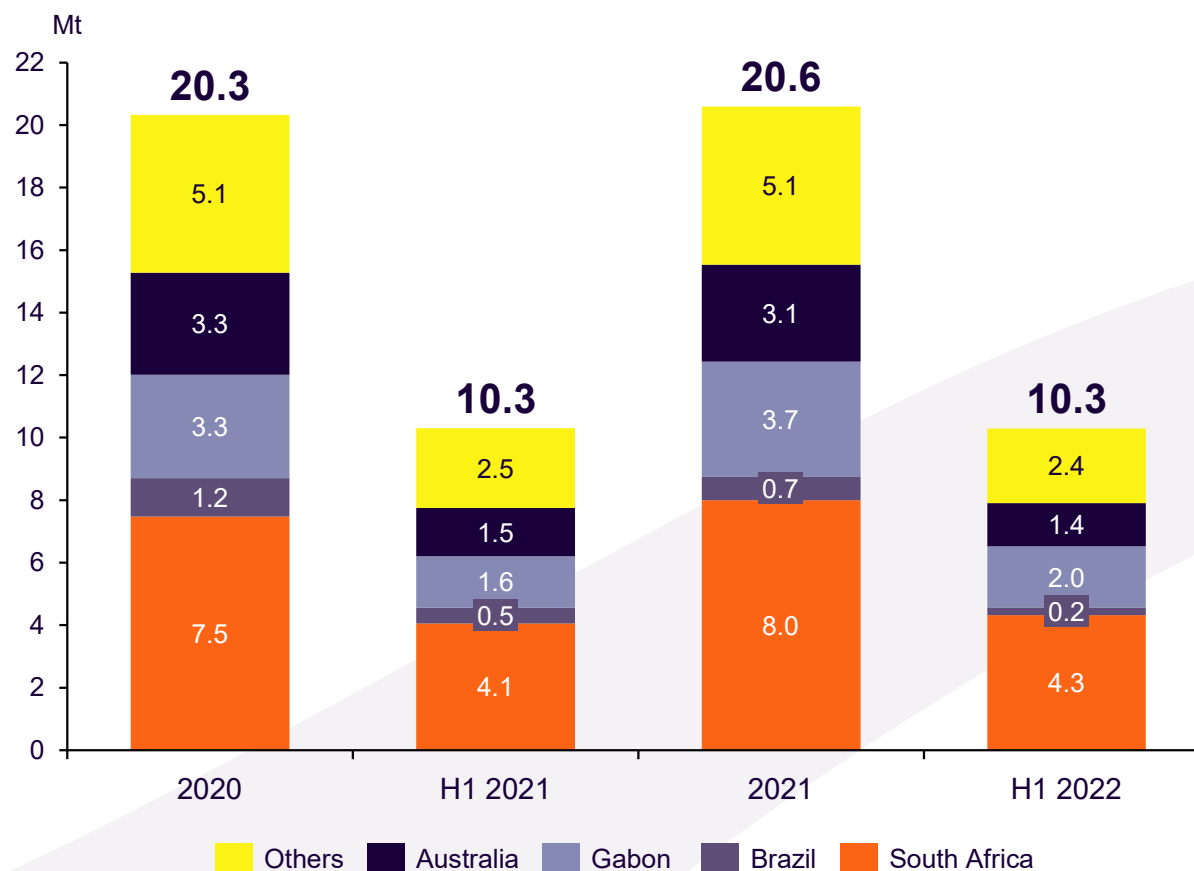


# Operational performance



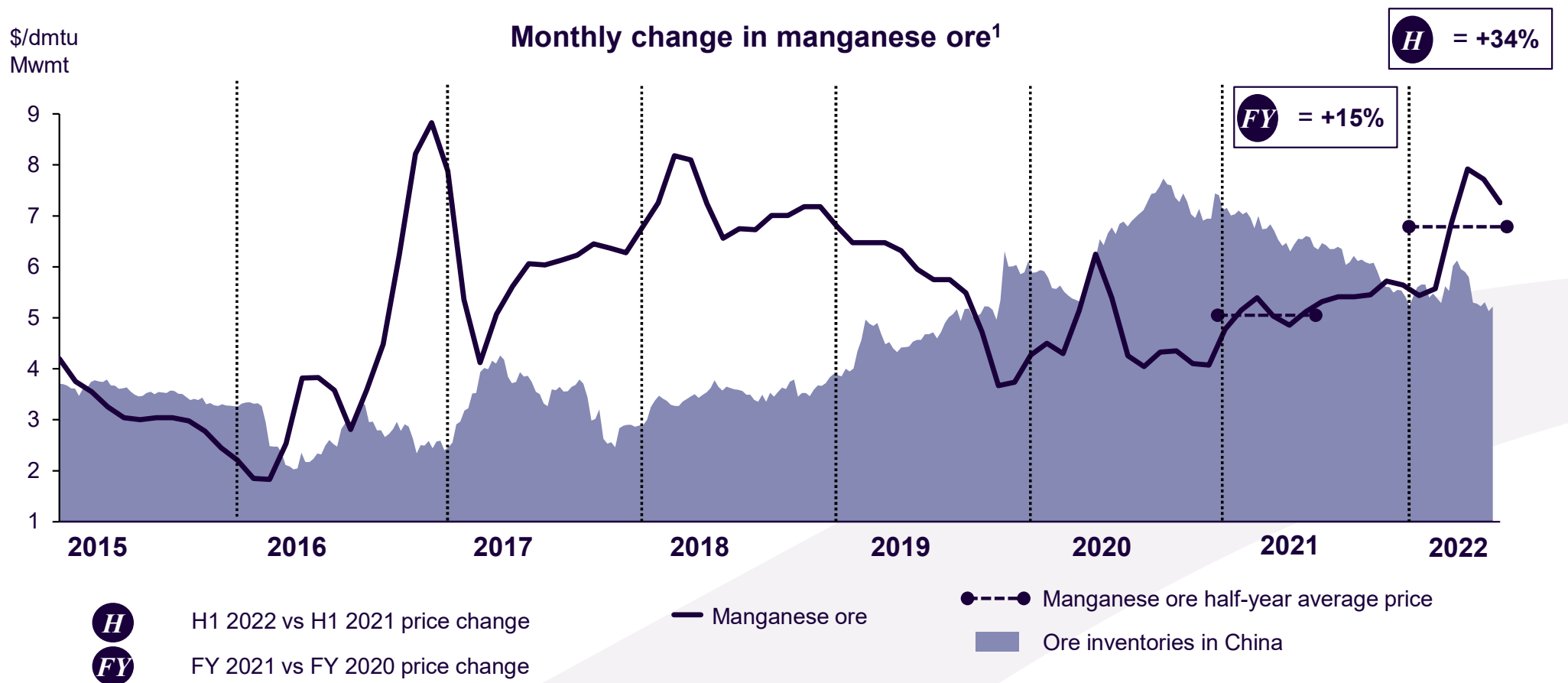
# 2020-2021-H1 2022 Global manganese ore production

Global manganese ore production  
(manganese content)



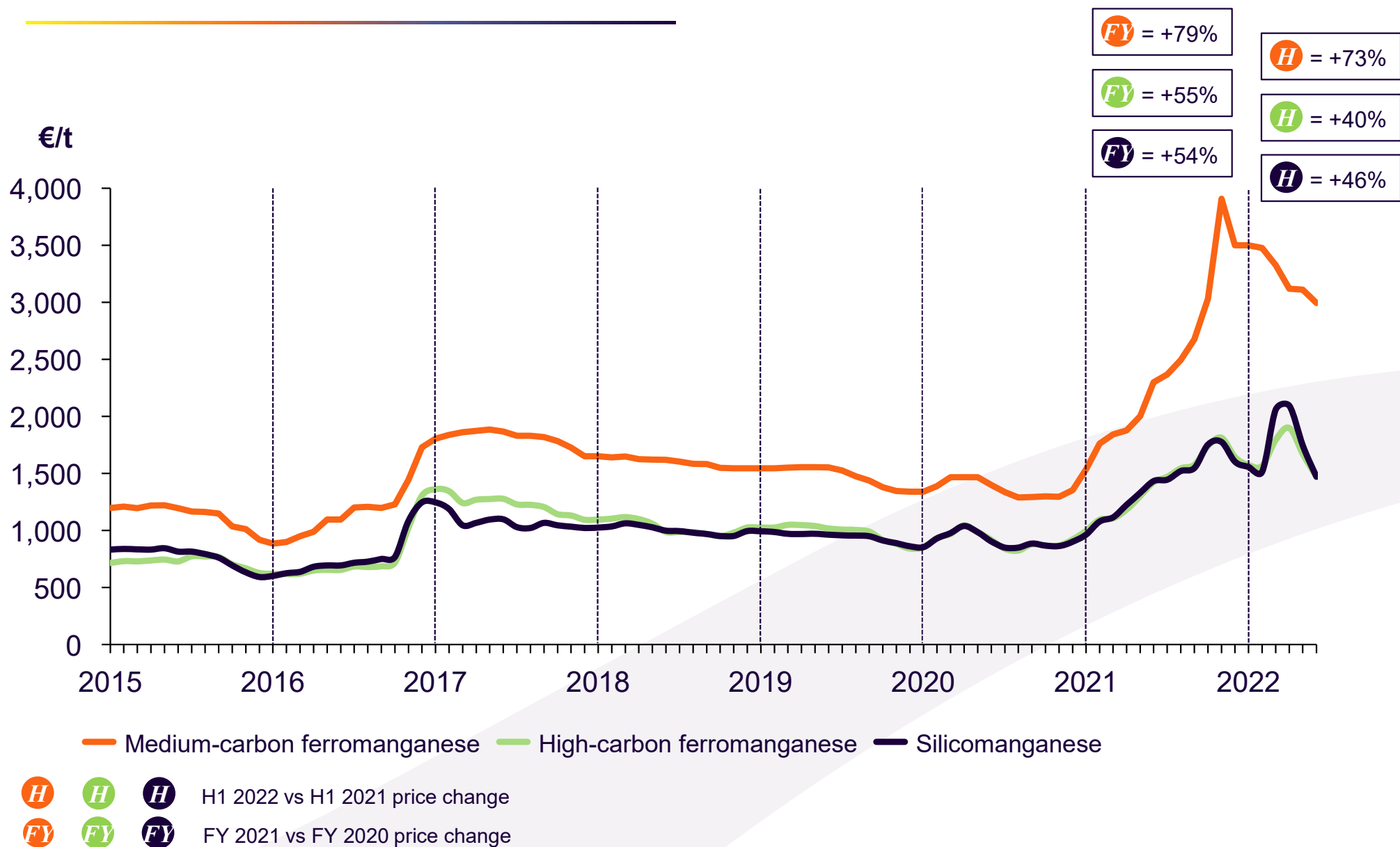


# Manganese ore historical CRU index price trends



<sup>1</sup> Manganese ore CRU CIF China 44%

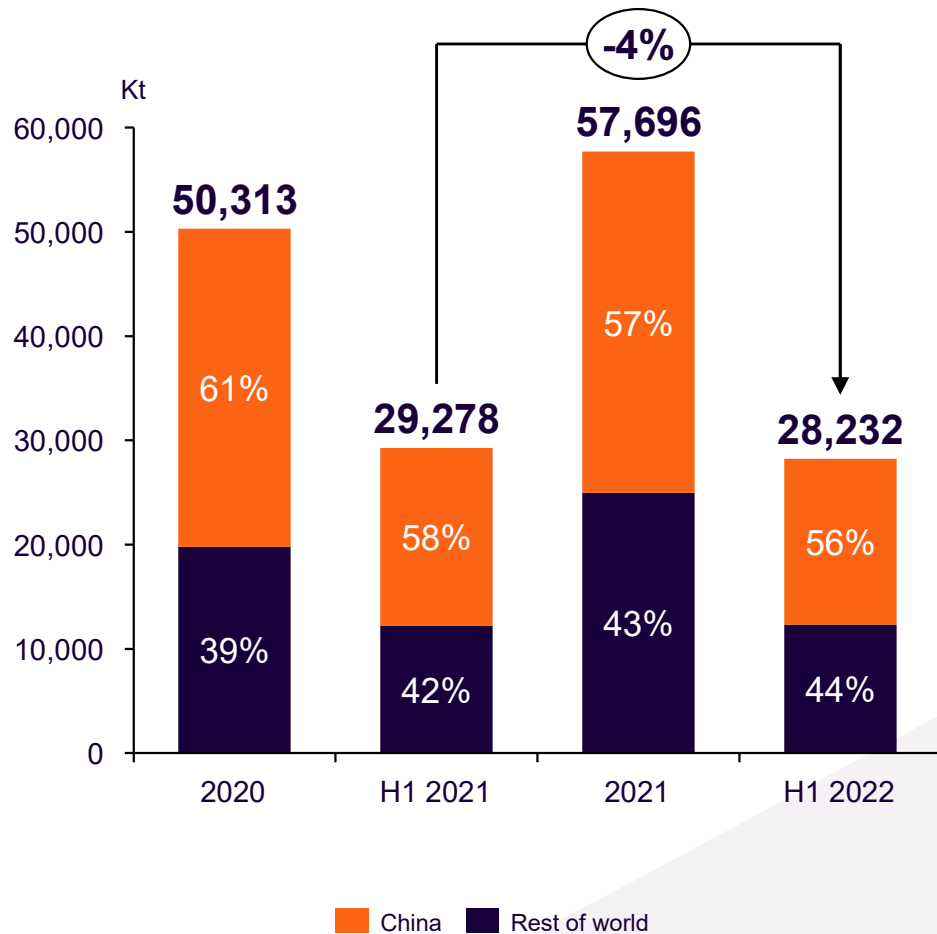
# Manganese alloys (refined and standard in Europe) CRU index price trends



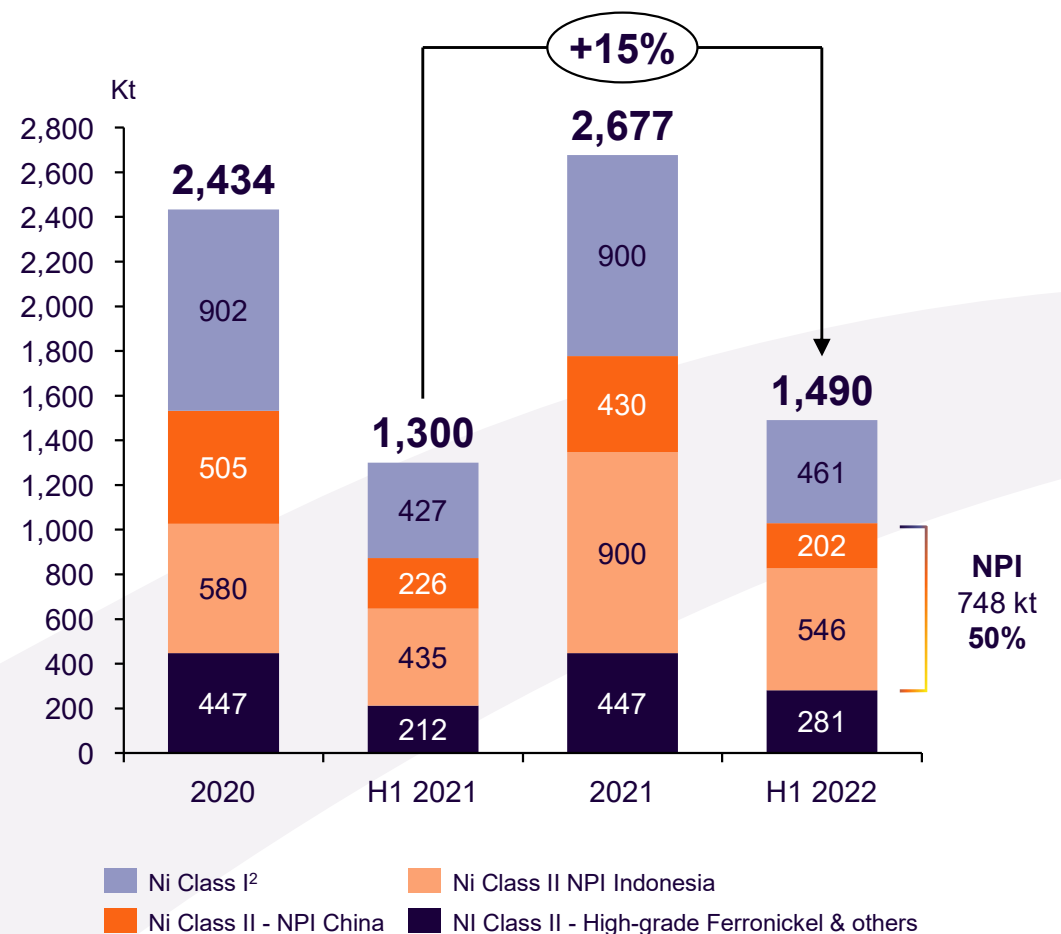
# 2020-2021-H1 2022 Global stainless steel and primary nickel production



## Global stainless steel production<sup>1</sup>



## Global primary nickel production<sup>1</sup> (excl. recycling)

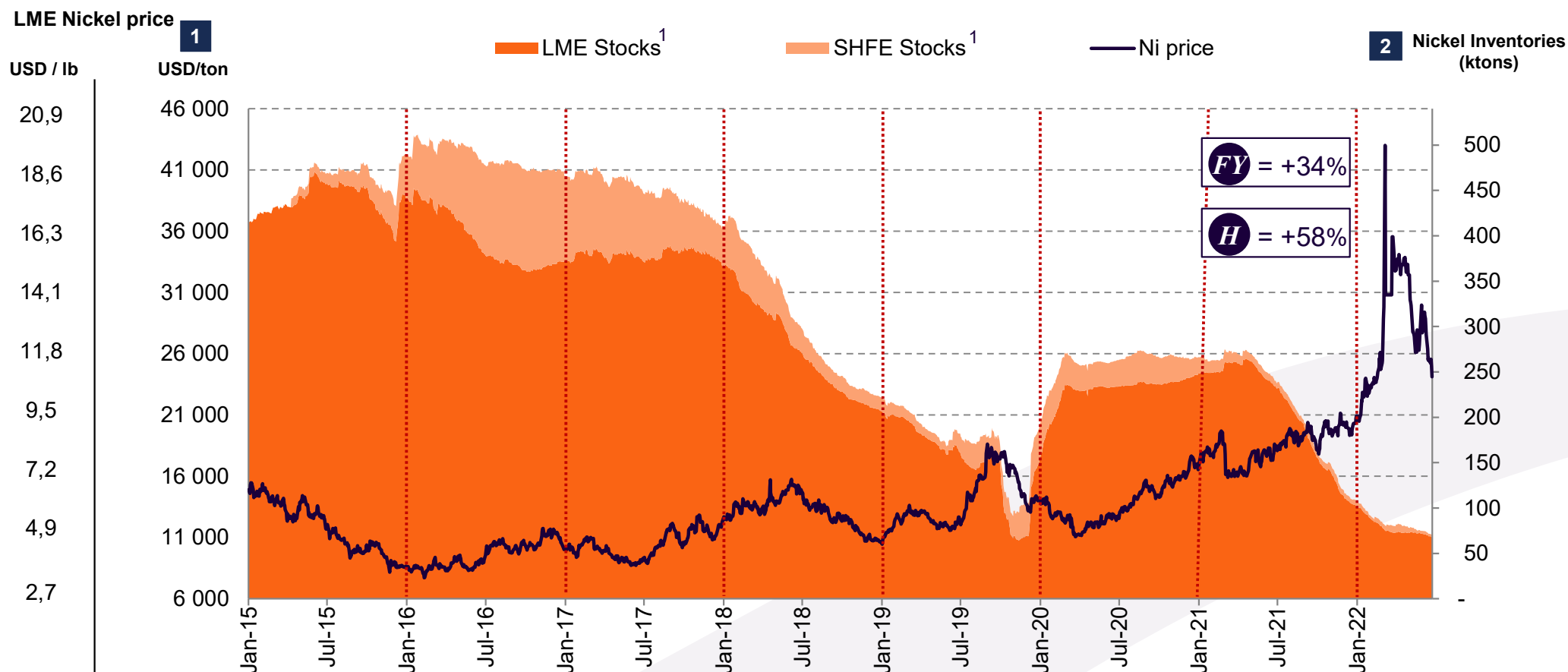


<sup>1</sup> Eramet estimates

<sup>2</sup> Class I: product with nickel content of 99% or more



# Nickel LME historical price



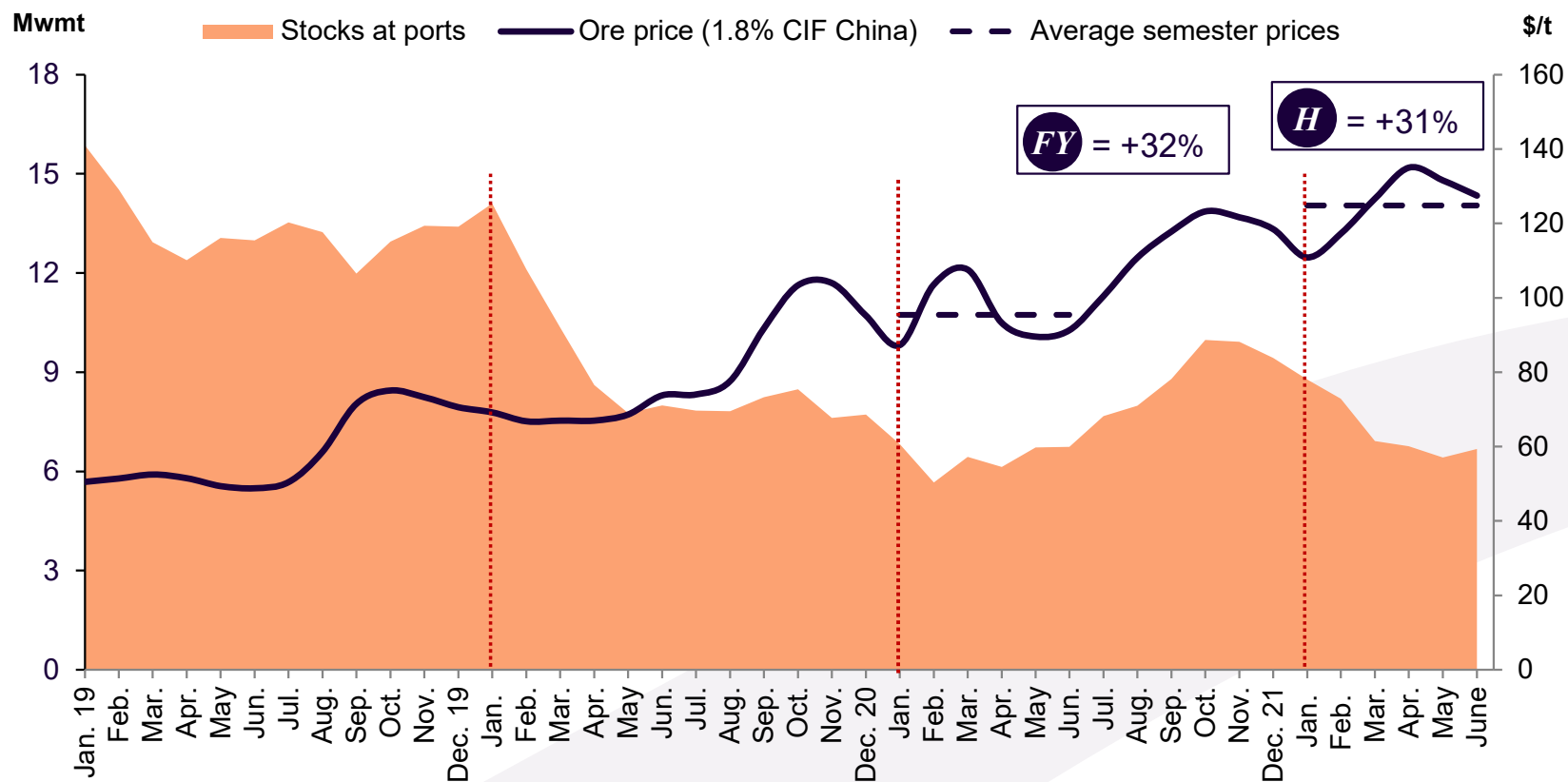
**H** H2 2021 vs H1 2021 variation

**FY** FY 2021 vs FY 2020 price variation



# Nickel ore historical price

Ore price<sup>1</sup> (\$/t) and usable ore inventories in Chinese ports (Mwmt)



**H** H1 2022 vs H1 2021 price change

**FY** FY 2021 vs FY 2020 price change

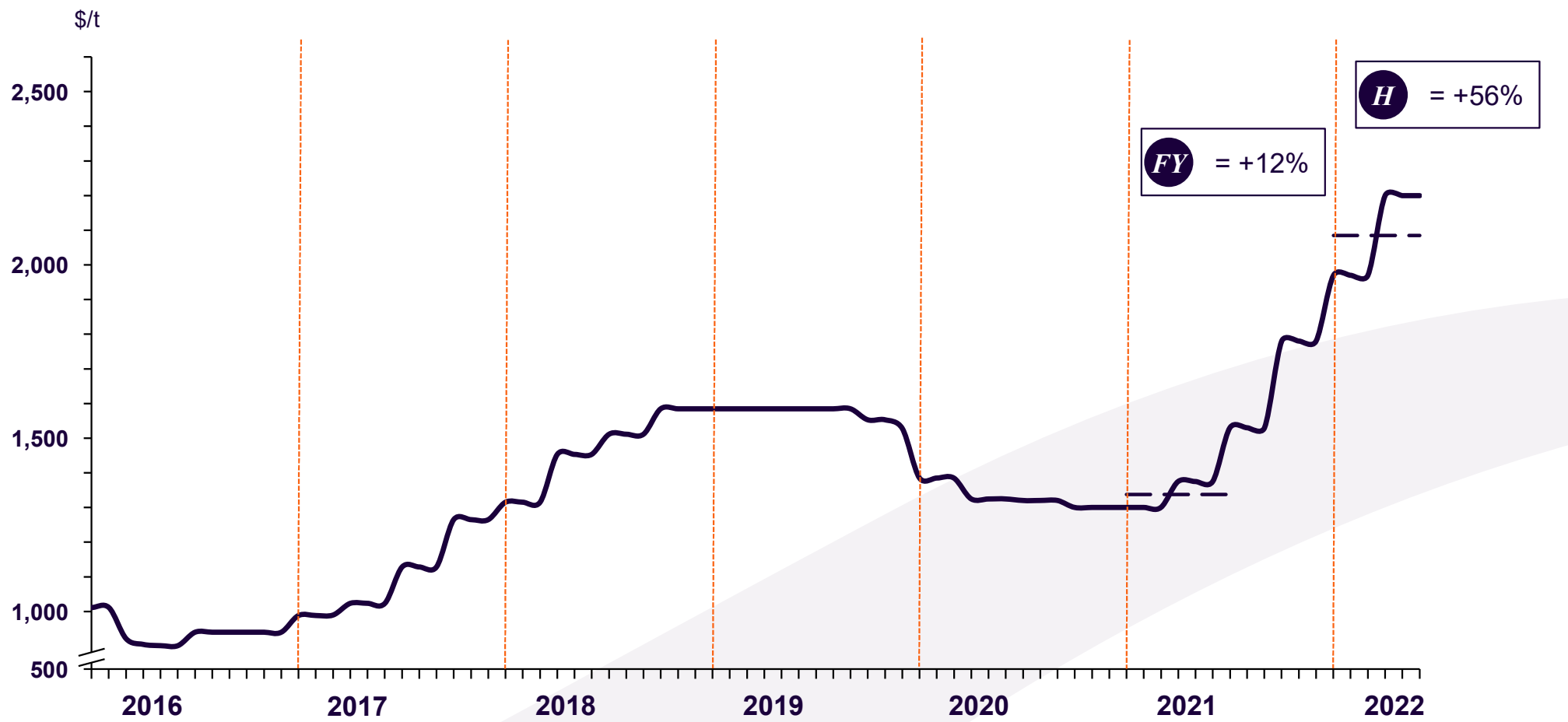
<sup>1</sup> CIF China price 1.8% "Other mining countries" since H2 2020 (CNFEOL) and "Philippines" in 2019 and H1 2020 (SMM)





# Zircon historical price

## Monthly premium zircon price<sup>1</sup>



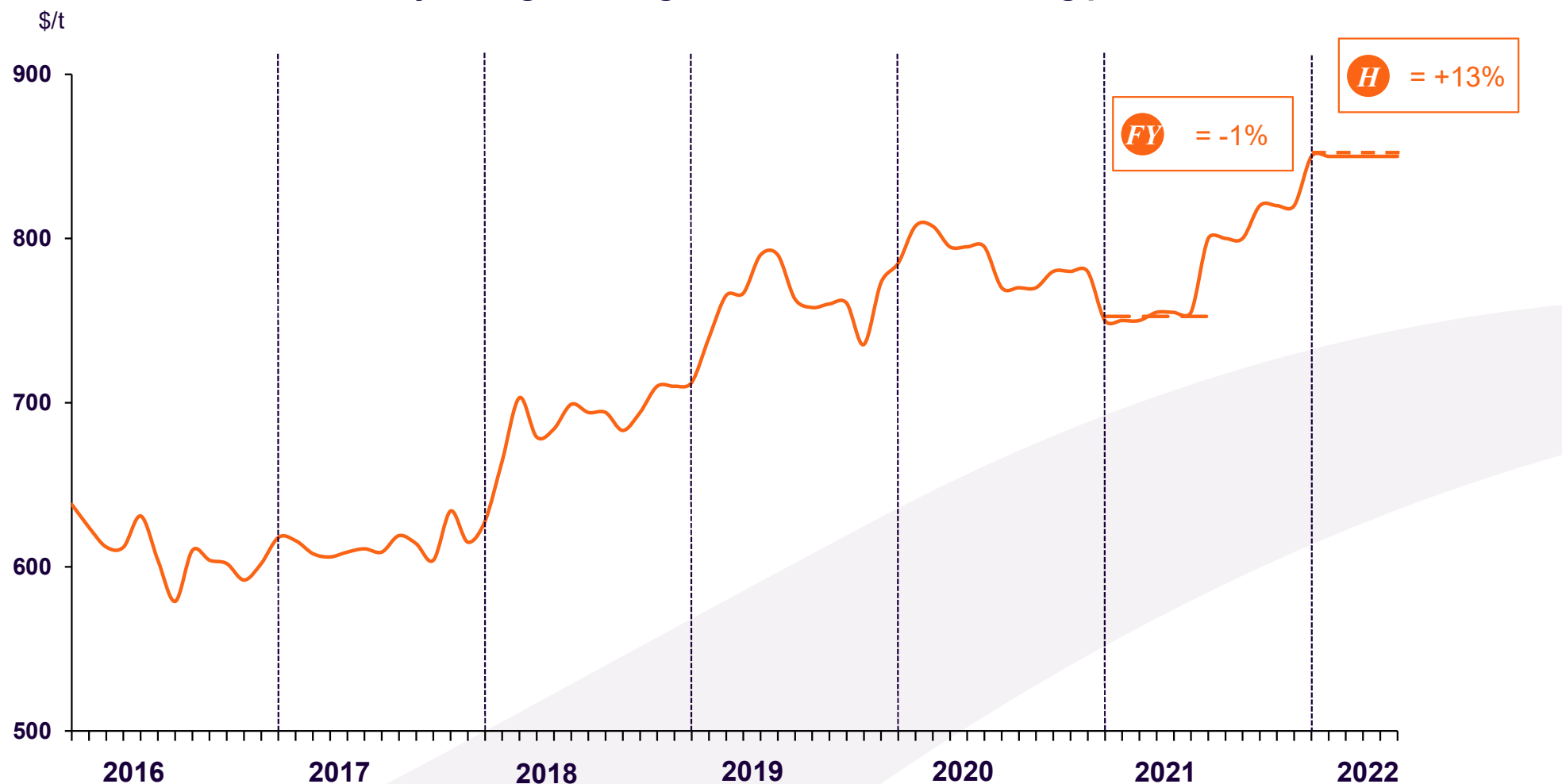
**H** H1 2022 vs H1 2021 price change

**FY** FY 2021 vs FY 2020 price change



# CP slag historical price

## Monthly change in CP grade titanium dioxide slag price<sup>1</sup>



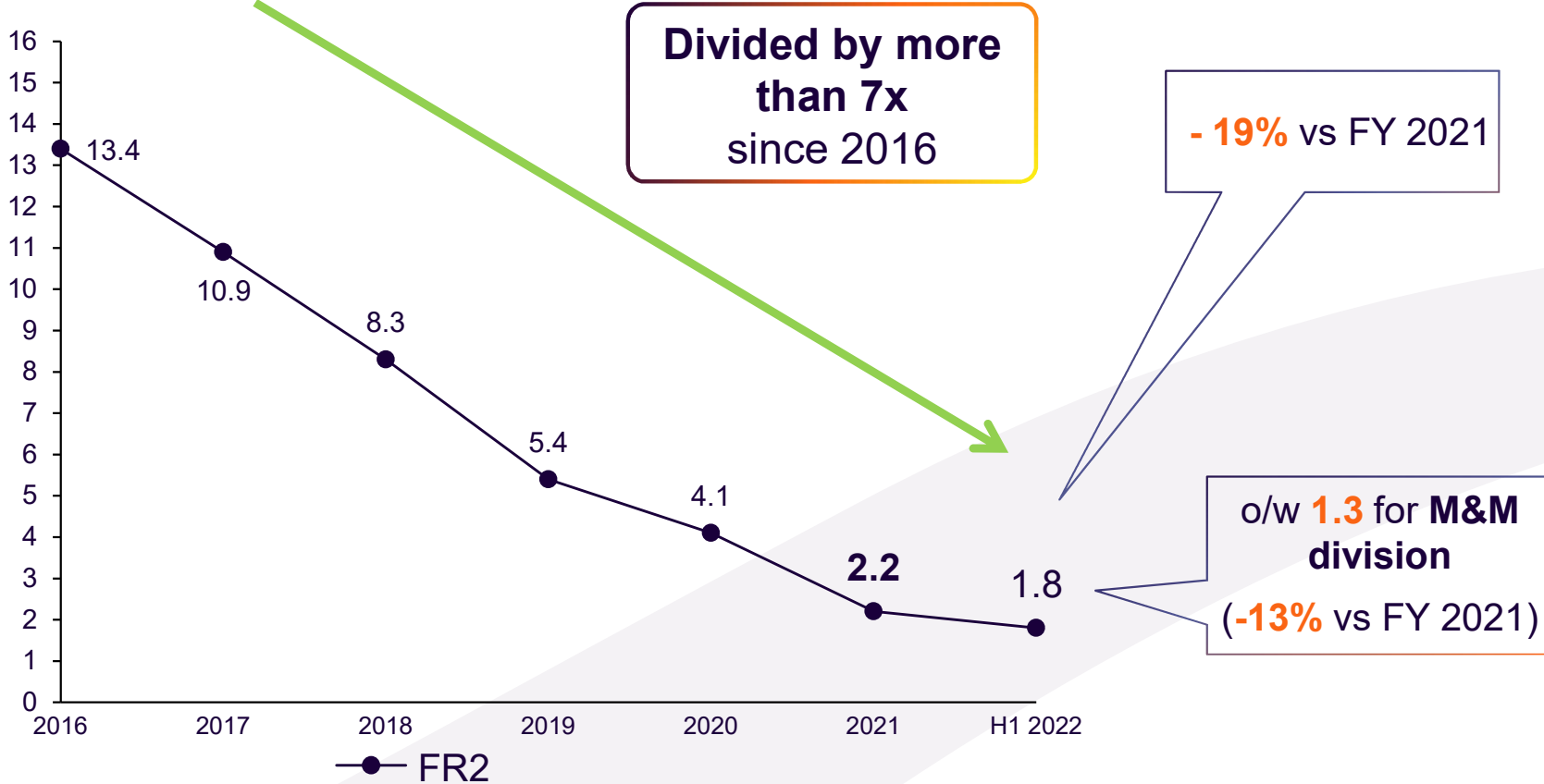
**H** H1 2022 vs H1 2021 price change

**FY** FY 2021 vs FY 2020 price change

# CSR achievements

# Safety

### Eramet accident frequency rate (FR2<sup>1,2</sup>)



<sup>1</sup> FR2 = number of lost-time and recordable injury accidents for 1 million hours worked  
<sup>2</sup> Including employees and subcontractors since 2016



# Gabon CSR fund: projects to address community priorities and contribute to local economic development

- Projects selected from **development priorities of concerned municipalities, managed by impact in terms of number of beneficiaries** and contributing to local economic development

**€21.7m**

**2021-2022 endowment**

**Local communities development fund:**

€5.1m in 2022 (€5m in 2021)

**CSR fund:** €6.1m in 2022 (€5.5m in 2021)

## Main projects since 2021

- Improvement to public space surrounding the Moanda mine:
  - Renovation of secondary axes (**60,000** beneficiaries in 2021)
  - Renovation of public lighting (**77,000** beneficiaries)
  - Improvement to drinking water access – (**13,000** beneficiaries)
- Support for professional training using the local workforce (**381** people trained in construction and civil engineering in 2021)
- Strong focus on education
  - Construction and inauguration of a training centre for digital professions in Moanda (FabLab, **26** students)
  - Partnership signed in 2021 with JFD (*Journée de la Femme Digitale*) to train **500** young women in digital technologies within 3 years

# Rehabilitation and biodiversity

**In line with axis 12 of the CSR road map and our commitment to mine rehabilitation**

**In H1 2022, a ratio of 0.98** between rehabilitated areas and cleared areas (In H1 2021, a ratio of 0.71)

**In order to help nature to regenerate**

**Nurseries** on each mining site

Several **revegetation methods** in place:

- Planting
- Hydraulic seeding
- Drone seeding

**Launch in 2021 of a nursery in Gabon in partnership with the University of Franceville**

Successful multiplication in nursery for 9 fruit species

**First trials in the field in H1 2022**

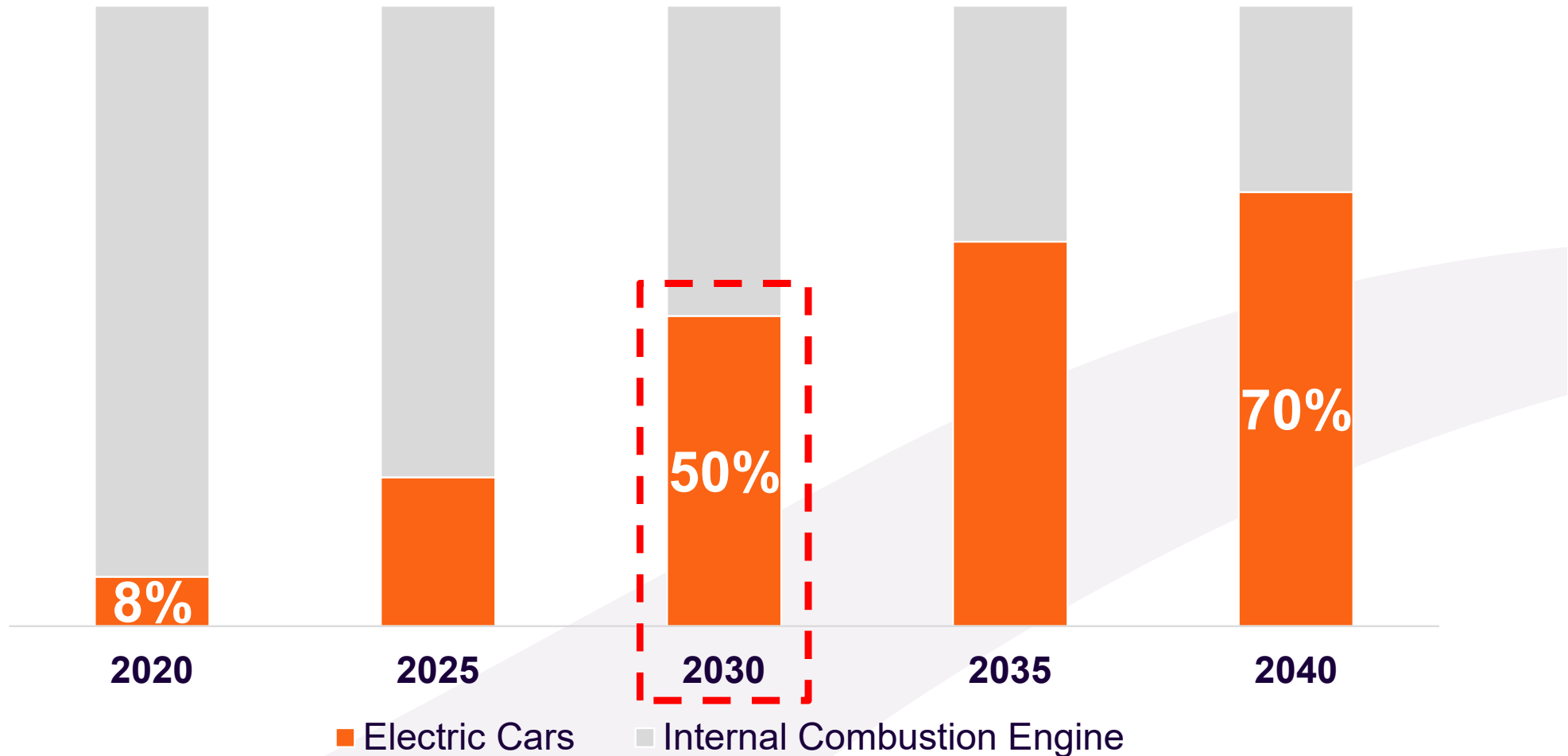


# Decarbonation roadmap



# The future is electric

Half of the cars sold globally in 2030 should be fully or partially electric



*Electric cars = BEV (Battery Electric Vehicles) + PHEV (Plug-in Hybrid Electric Vehicles) + HEV (Hybrid Electric Vehicles)*



# Nickel, cobalt and lithium are the critical metals used in batteries for e-mobility



*for a 70kWh BEV with a NMC<sup>1</sup> 811 battery*



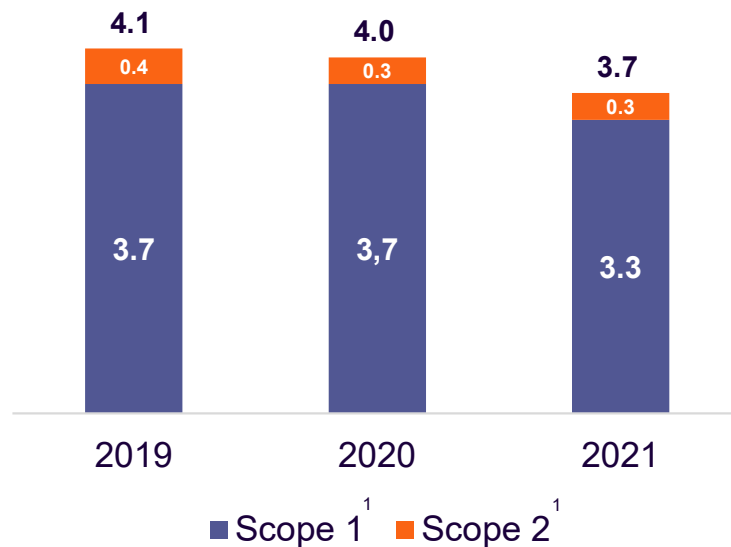
Source: Eramet analysis



# Eramet has a strong commitment to climate

Validation of the Group's CO<sub>2</sub> emissions reduction target “well below 2°C” by the SBTi

## Eramet global CO<sub>2</sub> emissions in 2021



- c.40% carbon intensity reduction over the last 3 years
- 2023 target already reached

## CO<sub>2</sub> emission reduction targets in absolute value (vs. 2019)

2035

-40%

2050

Carbon neutrality

# Decarbonation projects ongoing on mining and metallurgical operations



## Use of renewables energy



- Already **26% renewable energy** in 2021
- **Solar plant** at Grande Côte in Senegal
  - > CO<sub>2</sub> reduction target **~20%**

## Electrification of mining engines



- Electric trucks
- Use of electric conveyors



## Sourcing of CO<sub>2</sub> free power for pyrometallurgy operations



- In Norway: historical existing **long-term hydro supply** ; PPA signed for **long term wind power supply** allowing large windmills farms to develop

## Energy efficiency improvement



- In New-Caledonia: installation of a **docked temporary power plant** to replace old SLN's oil-fired power plant, expected by the end of 2022
- In Norway: installation of a pilot facility in 2021 to **generate heat and electricity** from the **gases** produced by furnace activity





# Breakthrough innovation is key for decarbonation

## Use of bio reductant in pyrometallurgical furnaces



- Bio reductant produced from biomass (such as wood waste) developed by Eramet's R&D
- Industrial scale testing in Norway in 2022 (to confirm technical feasibility)



## Use of hydrogen for titanium ore reduction

- Substitution of coal with hydrogen in the production process
- **Pilot tests** development in dedicated facilities in Norway in 2022 / 2023

## CCS<sup>1</sup> development, a must to carbon neutrality



- Capture and deep underground storage of CO<sub>2</sub>
- **Ongoing** partnership for a pilot process on one of our manganese alloys furnaces in Norway



## CONTACTS

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