



INVESTOR PRESENTATION

4 November 2019

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Summary

- 1 – Introduction to Eramet
 - 2 – Solid business fundamentals: focus on the Group's assets and markets
 - 3 – A company geared to deliver value-accretive growth through the cycle
 - 4 – Focused strategy and targeted growth plans
 - 5 – Conclusion
- Appendix

1



Introduction to Eramet

A global and diversified mining and metallurgical leader

ERAMET IN NUMBERS IN 2018

- **€3.8bn sales**
- **22% EBITDA margin**
- 13,000 employees
- €581m operating income
- Presence in 20 countries
- **€2.5bn financial liquidity**
- €1,216m market cap. at 31-Oct 2019
- 38% gearing

UNDISPUTED LEADERSHIP POSITION

- **#2** largest producer of high-grade Mn ore
- **#1** producer of high-grade ferronickel
- **#5** largest producer of titanium raw materials
- **#2** largest producer of Mn alloys
- **#1** producer of refined alloys
- **#2** largest producer of high-power closed-die forged parts

SALES BREAKDOWN BETWEEN 2 MAIN DIVISIONS

Diversified and balanced business model



COVERING THE ENTIRE VALUE CHAIN



GLOBAL LEADER ACROSS ALL AREAS OF THE EXTRACTIVE METALLURGY VALUE CHAIN WITH WORLD-CLASS ASSETS

World-class mining assets: long life, first quartile cash cost and scalable



- ▶ **Gabon: 269 Mt resources, >40 years remaining life**
 - > High-grade oxide commercial ore
 - > Fully de-risked activity: operated for 50 years

All weather cash generative

- ▶ Cycle proof cash generation
- ▶ Long life, 1st quartile production



- ▶ **New Caledonia: 190 Mt resources**
 - > SLN mines: high-grade ore and very significant resources
 - > Fully de-risked activity: operated for 130 years

Two game changers

- ▶ 1st quartile mining operations
- ▶ Rescue plan starting to deliver
- ▶ Indonesian ban: a game changer

- ▶ **Indonesia – Weda Bay: 635 Mt resources¹**
 - > One of the largest nickel oxidized deposits in the world on Halmahera island

Leveraging massive potential

- ▶ 1st quartile mining operations
- ▶ 2nd quartile NPI production



- ▶ **Senegal: 25.7 Mt resources (HMC²), >30 years**
 - > Zircon and ilmenite production
 - > Successful operations ramp up since 2014

Diversification

- ▶ Late-cycle commodities



Under study

- ▶ **Argentina: 9.9 Mt drainable resources (LCE³), >50 years**
 - > Key features: Long life, low cost, scalable project

Growth and diversification

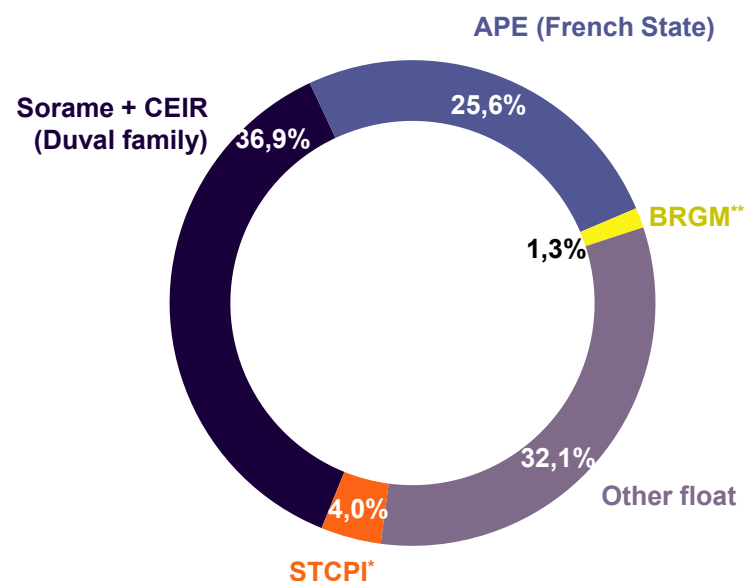
- ▶ Energy storage and increased needs for batteries

Notes:

- 1 9 Mt Nickel content (held at 43% by Eramet)
- 2 Heavy Minerals Concentrate (HM sands content)
- 3 LCE: Lithium Carbonate Equivalent

A long-term strategy supported by a strong shareholding structure

SHAREHOLDING STRUCTURE AS OF JUNE 30TH, 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

ADDITIONAL FLEXIBILITY GRANTED BY SHAREHOLDERS

Family and state-owned group

- > French State: shareholder for 40 years (25.6%)
- > Duval family: shareholder since 1999 (36.9%)

Shareholding stability

- > Concert party agreement signed between the two main shareholders since 1999
- > Long-term investment approach aligned with group strategy and business environment

Time tested shareholding commitment

- > **2016:** French state: 8-year maturity €200m loan to SLN
- > **2016:** €100m ODIRNAN subscribed at >80% by the French state and the Duval family
- > *Equity conversion if needed*

INTIMATE SUPPORT FROM TWO LONG TERM SHAREHOLDERS; STRONG ANCHOR TO THE FRENCH PUBLIC SECTOR

An experienced leadership with an established track-record

EXECUTIVE COMMITTEE



Christel BORIES
Chairman and CEO



Kléber SILVA
Deputy CEO in charge of
the Mining and Metals
Division



Jérôme FABRE
Deputy CEO in charge of
the High Performance
Alloys Division



Thomas DEVEDJIAN
Deputy CEO in charge of
Finances and Digital



Michel CARNEC
Executive Vice President
Human Resources, Health,
Safety, and Security¹



Virginie de CHASSEY
Executive Vice President,
Communication and
Sustainable Development



Philippe GUNDERMANN
Executive Vice President
Strategy, Innovation and
Investor Relations



Jean de L'HERMITE
Group General Counsel

PROVEN MANAGEMENT TRACK-RECORD

1 Christel BORIES granted the "*Prix des 100 jours*" award



2 Thomas DEVEDJIAN is awarded the "*Prix de la Transformation*"



3 Winner Of The BFM Business "*Prize for Digital Acceleration in the Industry 4.0 category*" and in the category "*Meilleur Projet d'Accelération Digitale 2019*"



An increasingly more committed, contributive and recognized corporate citizen

1 Societal engagement aligned with strategic vision

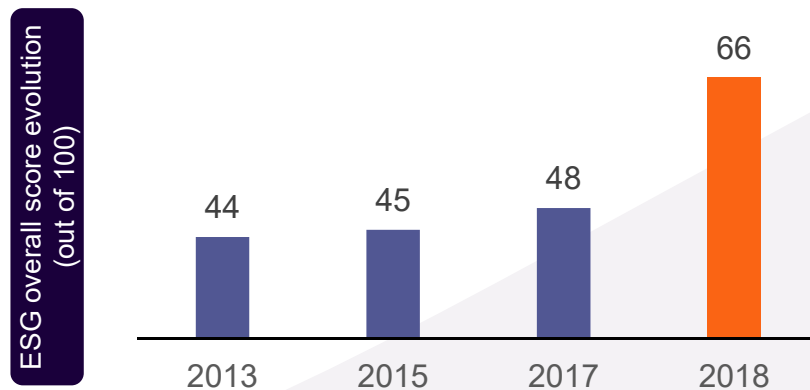
- A 2018-2023 CSR roadmap to structure and set the pace for our action plans
- Compliant with the United Nations' Sustainable Development Goals

2 Contribute to the communities in which sites are implemented

- First risk of the Mining and Metals sector: **license to operate**. Eramet's DNA has always been to associate the main countries and territories where it operates
- Beyond mining operation, **contribute to the local development and preserve the environment**

3 Ranked 3rd out of 43 mining and metals corporates for its CSR performance by Vigeo-Eiris

- "Advanced" performance level
- Eramet's best performance since first participating in 2011



ESG OVERALL SCORE



Rank in Sector	3/43
Rank in Region	30/1599
Rank in Universe	31/4900
Company Reporting Rate	95%
Sector Average Reporting Rate	74%
Cooperation level	Proactive



Key credit strengths

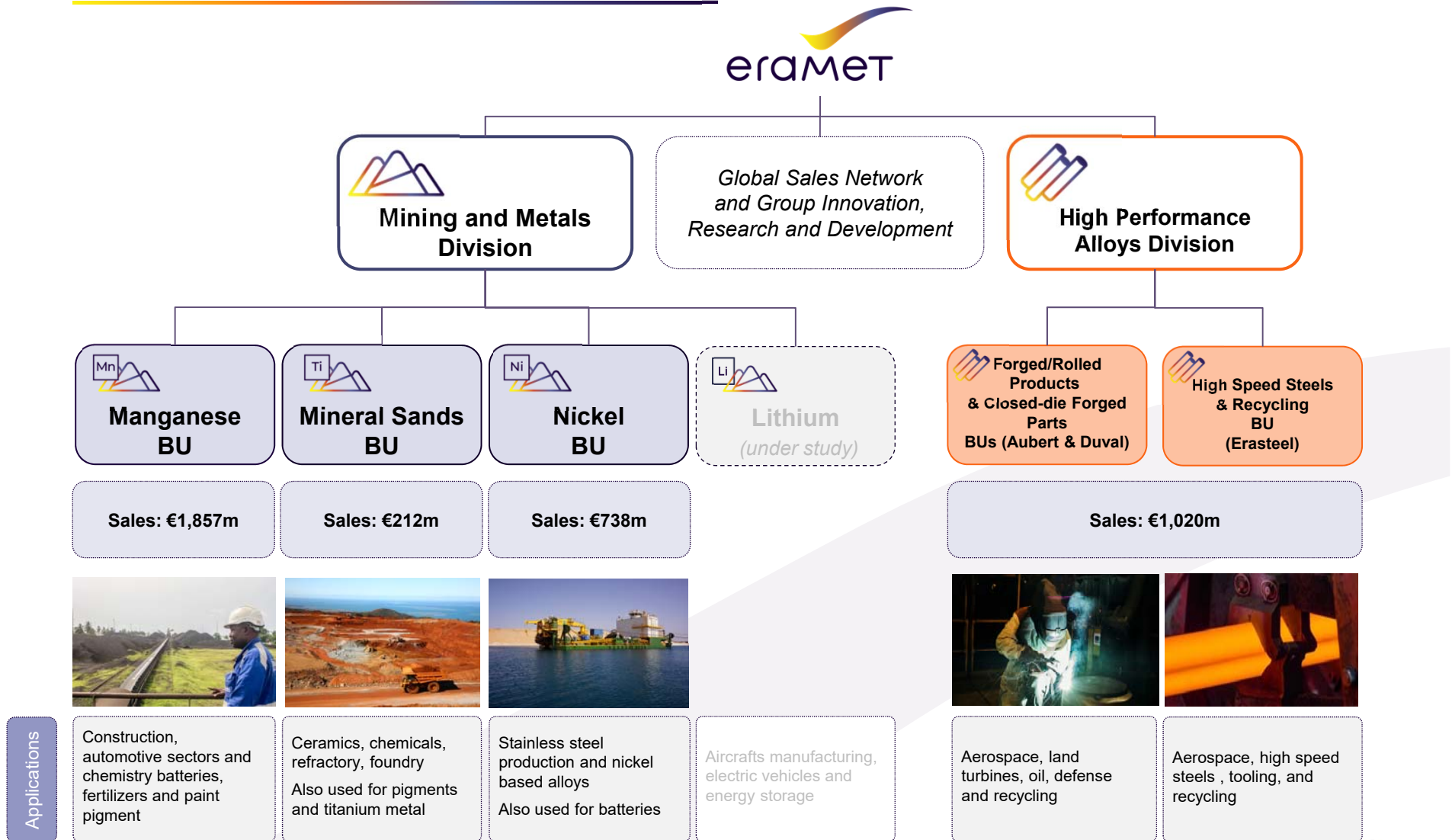


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Solid business fundamentals: focus on the Group's assets and markets

Two main divisions; five business units





Mining and Metals Division

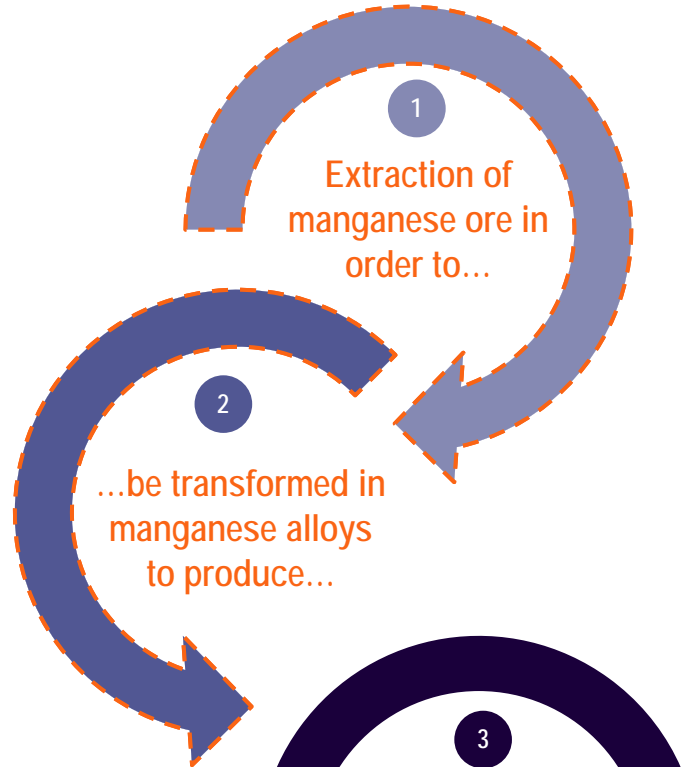


Manganese

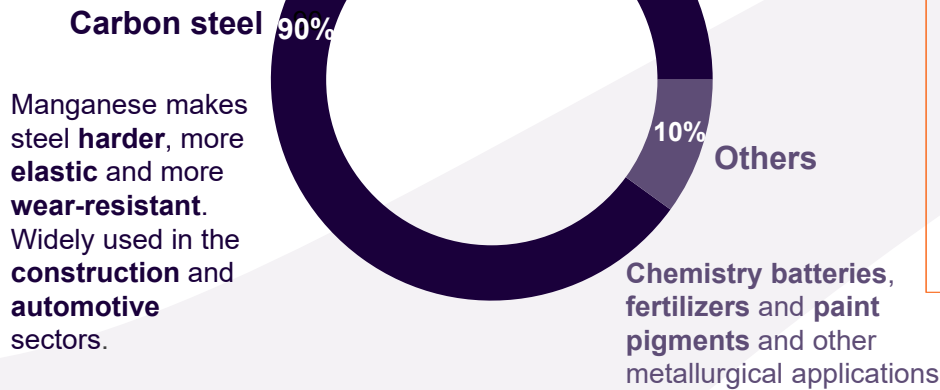
Manganese BU: world-class competitiveness



Eramet's activities



Clients' activities



Key features

- **A highly competitive manganese mine in Gabon** (Moanda), operated by Comilog
 - > High-grade oxide ore 44%
 - > First quartile cash cost
- **Two units of local transformation** in Gabon for high grade manganese metal production and manganese alloys
- **6 pyrometallurgical industrial plants** in Europe (1 in **France**, 3 in **Norway**), in **Gabon** and in the **USA**
- Ore transportation in Gabon operated by a **100% owned railway company** (Transgabonais)

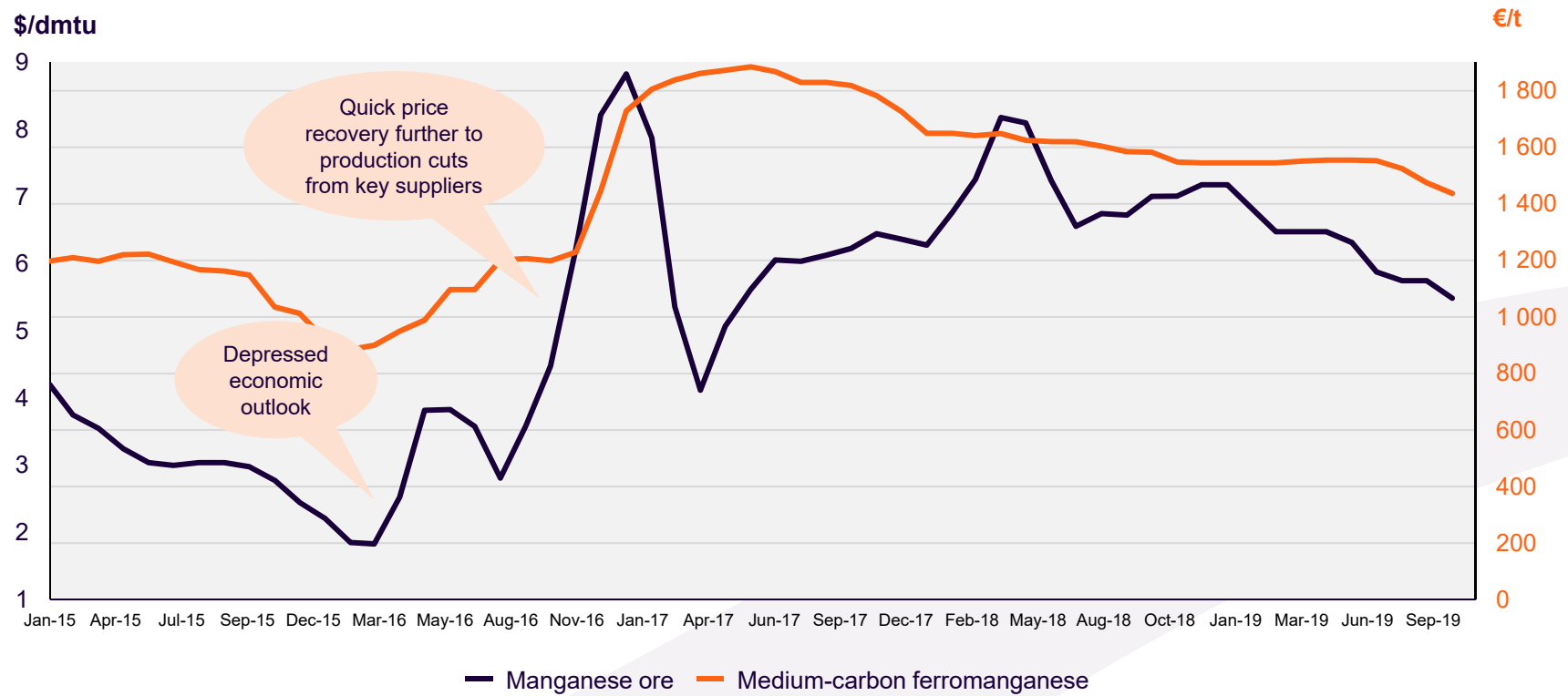
Main customers



Manganese ore prices decreasing from H1 2019 high levels



MONTHLY CHANGE IN MANGANESE ORE AND MEDIUM-CARBON FERROMANGANESE (REFINED) PRICES¹



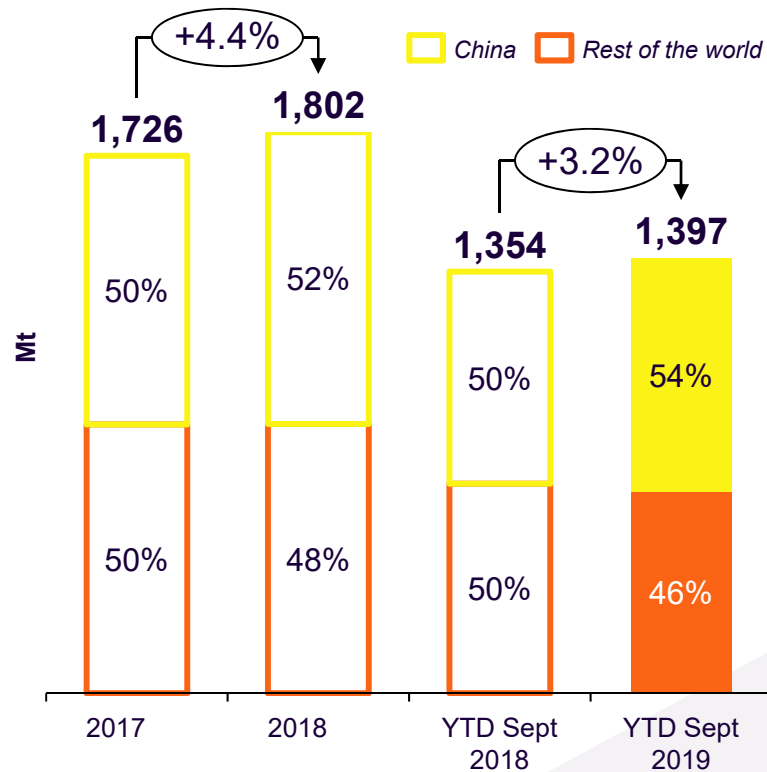
AVERAGE MANGANESE ORE PRICES ABOVE LONG TERM CRU PRICE FORECASTS

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

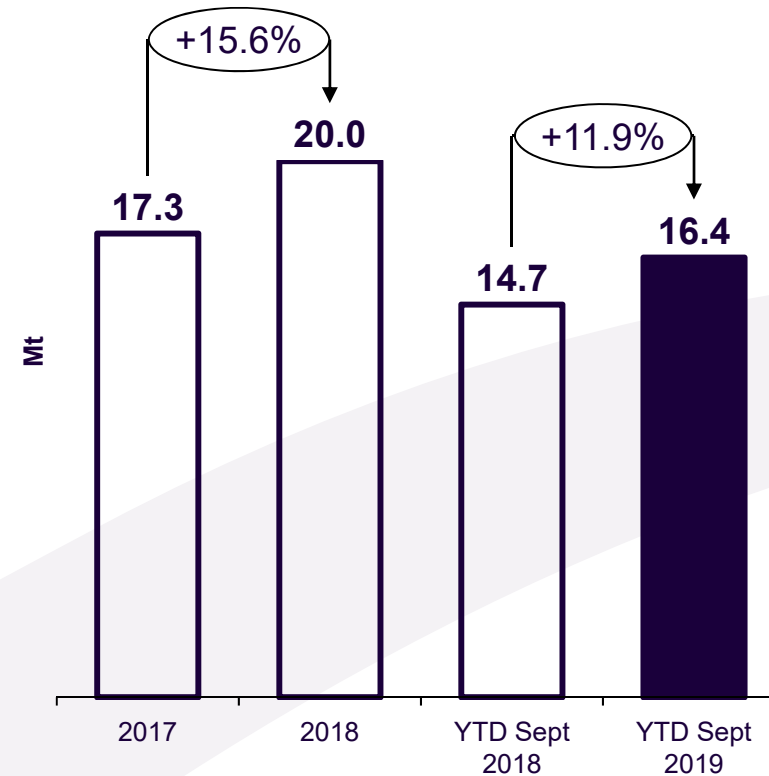
Further to H1 record in steel production, ore supply expected to adjust to new demand environment



DEMAND: GLOBAL CARBON STEEL PRODUCTION



SUPPLY: GLOBAL MANGANESE ORE PRODUCTION¹



- > STEADY INCREASE OF GLOBAL CARBON STEEL PRODUCTION
- > MARKET EXPECTED TO ADJUST PRODUCTION - MARGINAL PRODUCERS CLOSE TO BREAK-EVEN

Manganese BU – financial overview



€m (unless otherwise stated)	2016	2017	2018	1H18	1H19
Sales	1 439	1 919	1 857	928	904
Ore and sinter					
• Production (in Kt)	3 413	4 163	4 330	1 995	2 117
• Pricing* (in \$/dmu)	4,3	6,0	7,2	7	6
Manganese alloys					
• Production (in Kt)	703	716	719	356	376
• Pricing** (in €/t)	1 161	1 814	1 551	1 568	1 551
EBITDA	358	861	784	390	316
EBITDA margin (%)	25%	45%	42%	42%	35%
Current operating income	219	738	699	331	271
Capex	104	89	140	43	78

*CRU CIF China 44% average yearly price
 **CRU MCFeMn average yearly price

- **Price recovery:** for both manganese ore and alloys
 - Volatile ore market vs. resilient high alloys prices
- **Volumes increase:** Strong growth in ore production
- **Successful action plans:** Increased productivity and margins
- Normalised capex with increase driven by the trans-Gabon railway network renovation

- **Price:** high price environment in H1 2019 albeit lower than H1 2018
- **Volumes:** H1 2019 record production in both ore and alloys

Notes:
 Excluding the Mineral Sands BU, which was part of the Manganese BU until 2017

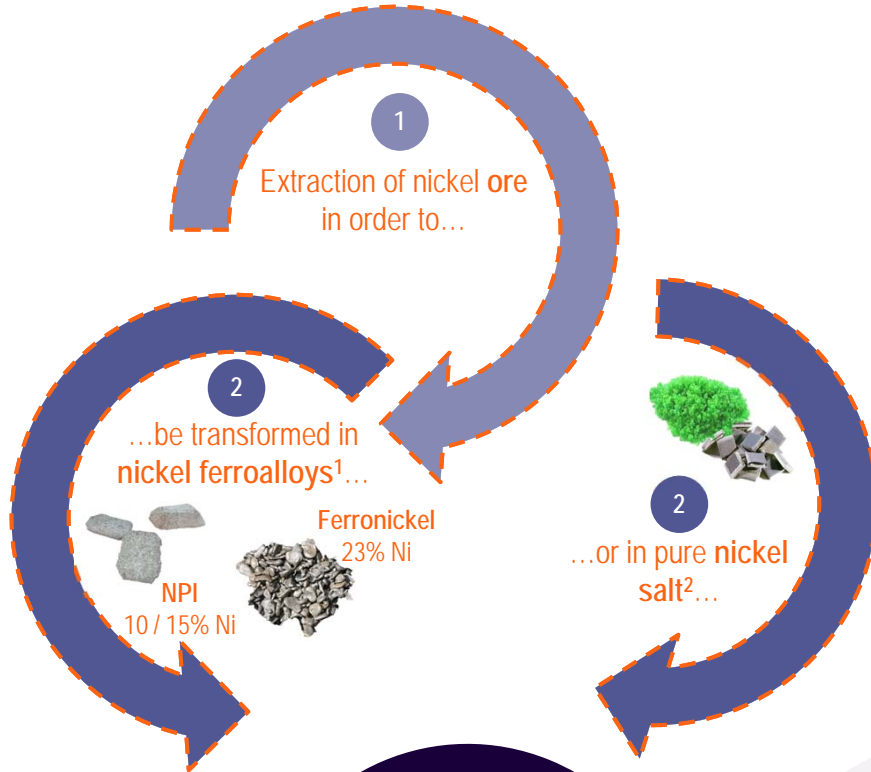


Nickel

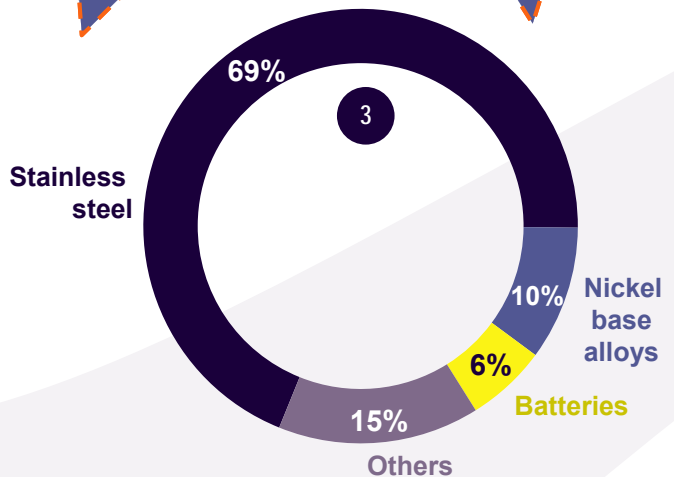
Nickel BU: a thorough transformation underway



Eramet's activities



Clients' activities



Key features

- Implementation of new business model in New Caledonia with 5 operated mines and one pyrometallurgical plant
- Ramp up of Weda Bay nickel
 - > One of the world's largest undeveloped nickel deposits with huge mining potential
 - > Project being developed in partnership with Tsingshan, #1 global stainless steel producer
 - > NPI production start in H1 2020 in parallel to mining development, 13 kt offtake for Eramet
- Ramp-up of the high purity nickel refinery in Sandouville, France
 - > Production of nickel salts and high-purity nickel

Main customers



¹ Ferronickel and NPI through pyrometallurgical process
² Nickel salt and nickel metal through hydrometallurgical process



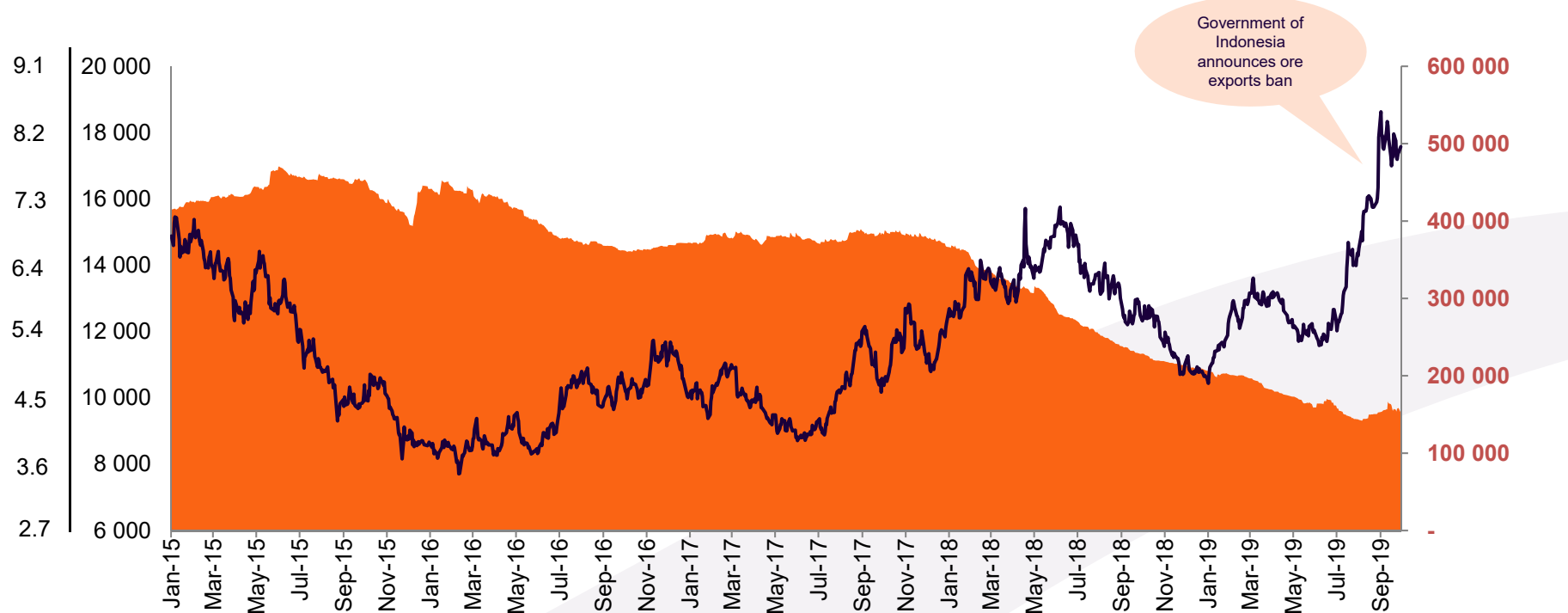
Nickel best performing base metal YTD further to the Indonesian ore export ban announcement



NICKEL SPOT PRICE VS. AVAILABLE STOCKS

LME Nickel price
USD/lb USD/tonne

Nickel stocks
(tonnes)

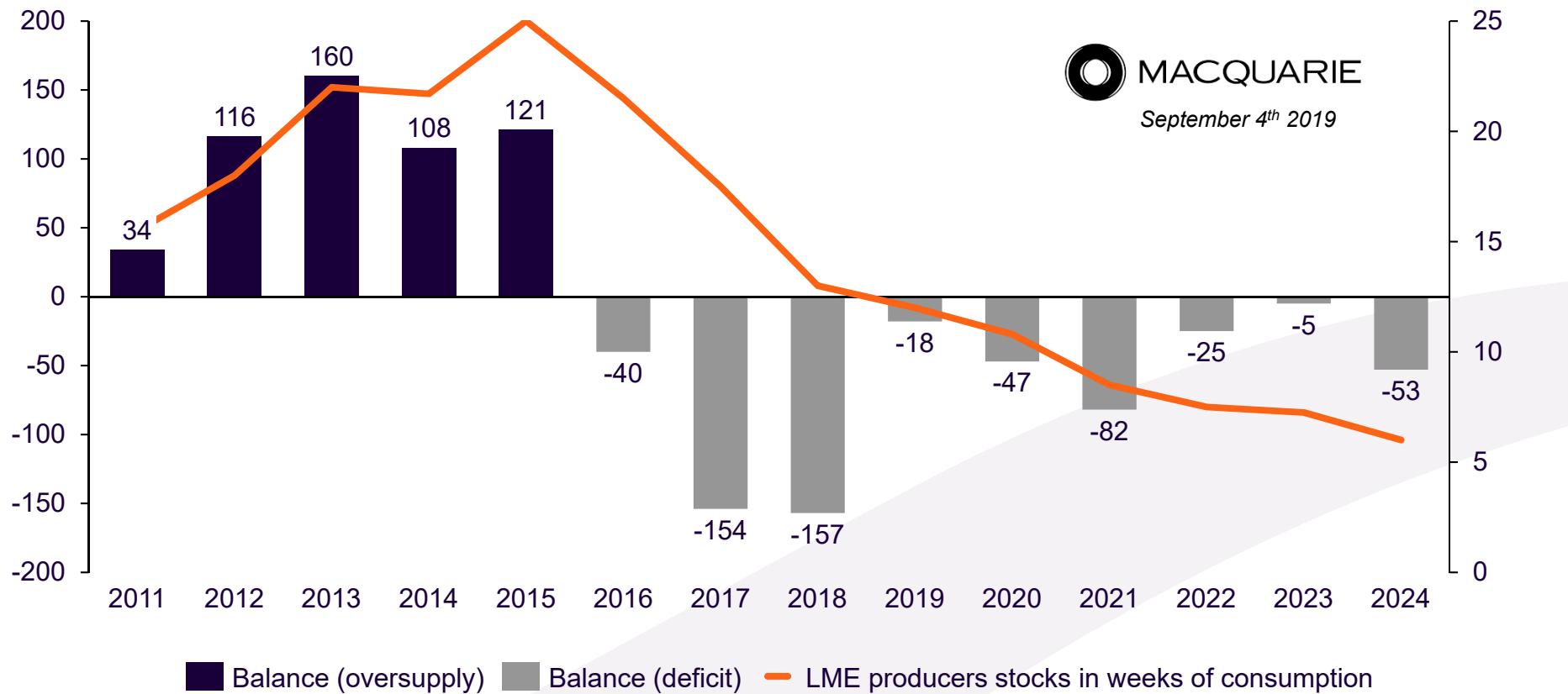


MARKET IN DEFICIT SINCE 2016: LOWEST STOCK LEVELS SINCE 2012
SOLID LONG TERM GROWTH DRIVERS (IN PARTICULAR WITH EV TRANSITION) COMBINED WITH HIGH BARRIERS TO ENTRY



Solid supply/demand equilibrium prospects

GLOBAL SUPPLY/DEMAND BALANCE VS. TOTAL MARKET STOCKS



STOCK LEVELS EXPECTED TO REACH CRITICAL LEVELS AS SOON AS EARLY 2020

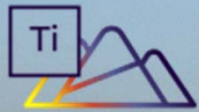
Nickel BU – financial overview: a new business model being implemented

€m (unless otherwise stated)	2016	2017	2018	1H18	1H19
Sales	595	644	738	365	346
Ferronickel <ul style="list-style-type: none"> • Production (in Kt) • Pricing* (in \$/lb) 	56	57	54	27	24
	4,4	4,7	5,9	6,3	5,6
EBITDA	(24)	(44)	(18)	22	(25)
EBITDA margin (%)	n.m	n.m	n.m	6%	n.m
Current operating income	(119)	(125)	(111)	(22)	(70)
Capex	56	80	57	32	10

*Nickel LME average yearly price

- **Prices:** rebound in 2018 from subdued levels in the context of sharply declining stocks
- **Contained impact on profitability** following successful efficiency plan but penalized by one-offs (ramp-up of Sandouville refinery and social and societal disruptions in New Caledonia)
- **Strict investment policy:** Stable capex reflecting strict investment criteria

- **Strong demand:** Global primary nickel demand up 2.9% in H1 2019, notably supported by battery development (+25%)
- **Profitability:** SLN actions leading the way to cash cost reduction in Q4 2019
- **SLN starting to contribute positively to cash flow generation with ore exports**



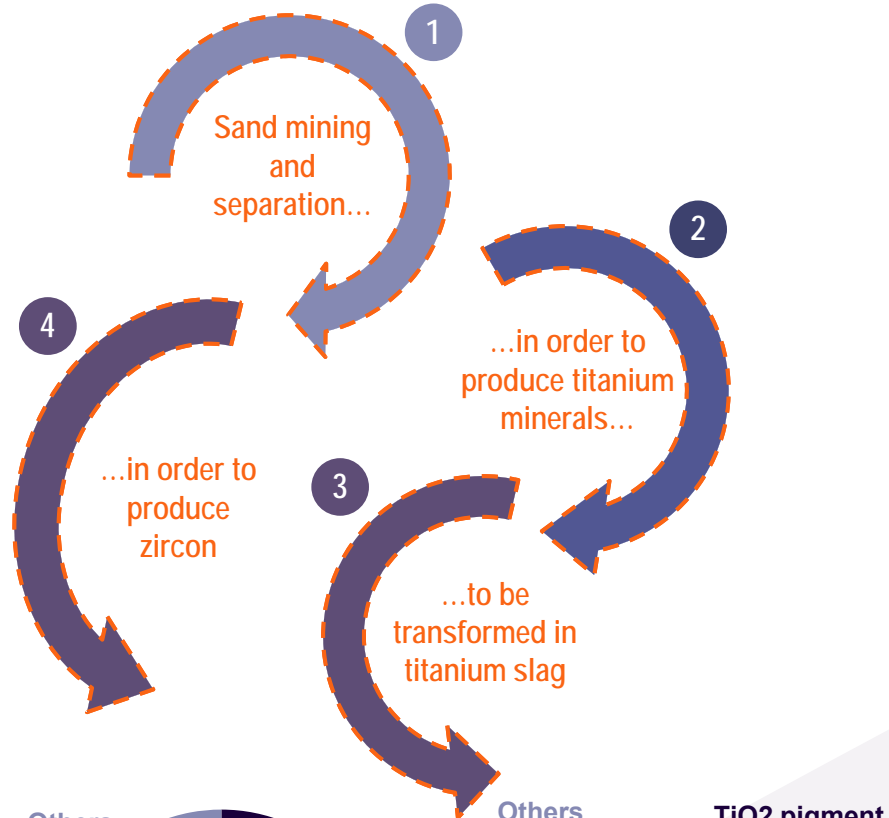
Mineral sands



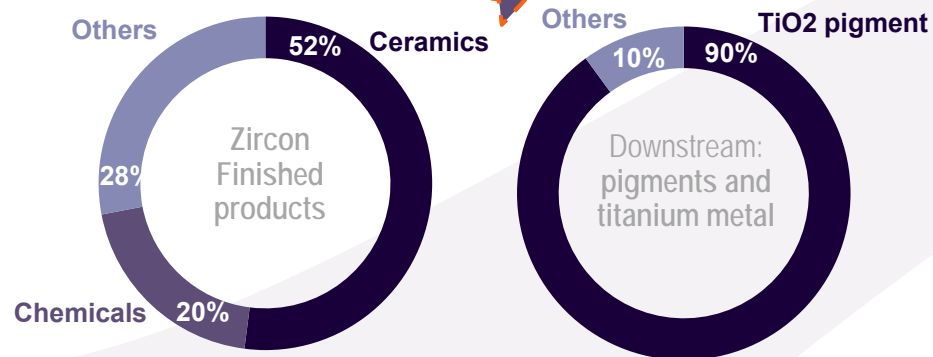
Mineral Sands BU: world-class mining operations in Senegal and downstream operations in Norway



Eramet's activities



Clients' activities



Key features

- **TiZir Senegal:**
 - > Extraction of heavy mineral rich sands ~700-750kt per annum with the world largest single dredge mineral sands operation
 - > Of which ~500kt of ilmenite (titanium-iron oxide) and the remainder is leucoxene, rutile and zircon
- **Ore rail transportation from the mine to the port of Dakar** operated by TiZir
- **TiZir Norway:** Transformation of ilmenite (metallurgical valorization) into titanium slag and pig iron

Main competitors



Favourable long-term perspectives for titanium products with slight price erosion after increase in H1 2019



MONTHLY CHANGE IN CP GRADE TITANIUM DIOXIDE SLAG PRICES¹



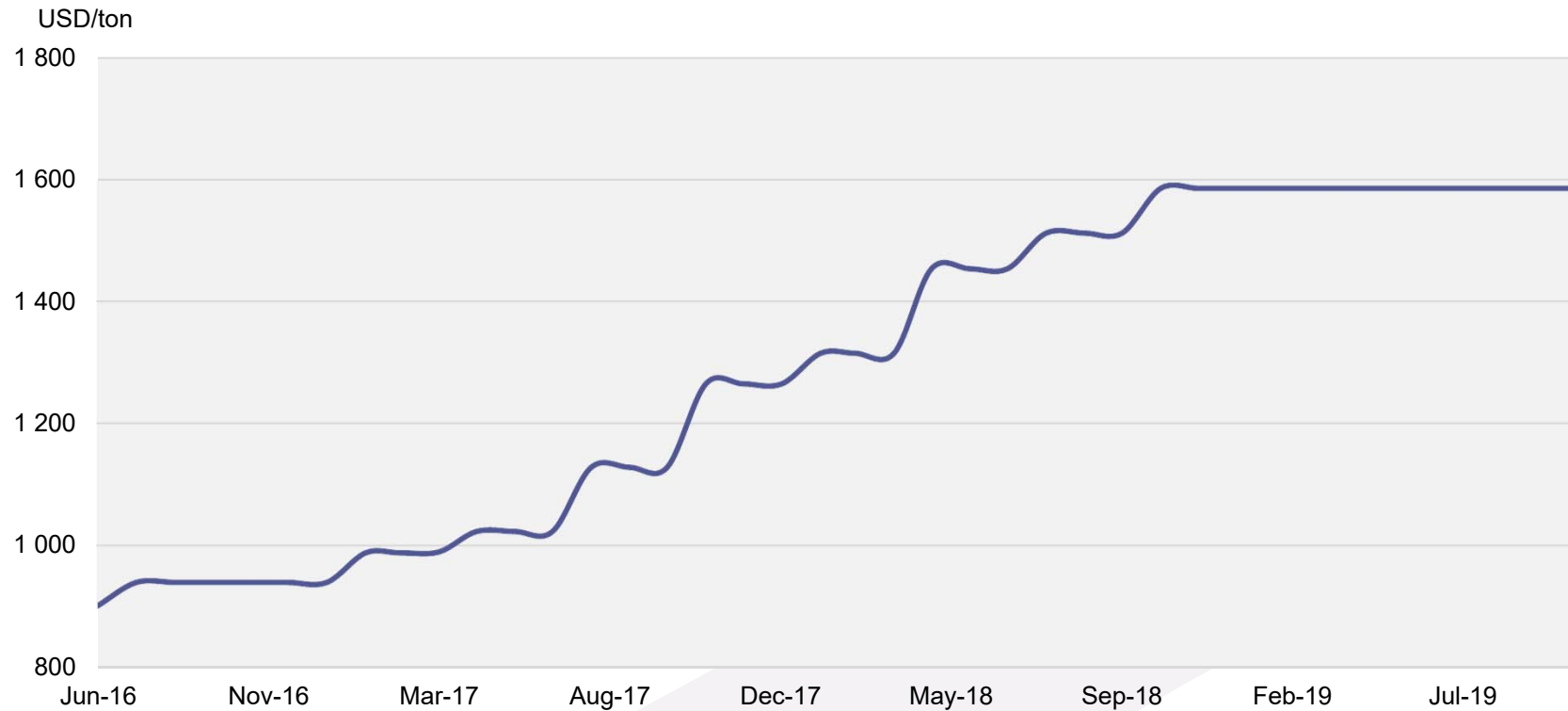
GROWTH OF PIGMENT MARKET – 90% OF TITANIUM-BASED END-PRODUCTS²

¹ Source CP slag: Market consulting, Eramet analysis
² Titanium dioxide slag, ilmenite, leucoxene and rutile

Solid zircon products market environment despite slowdown in Q3 2019



MONTHLY ZIRCON PREMIUM PRICES¹



SUPPLY/DEMAND BALANCE FOR ZIRCON EXPECTED TO BE SLIGHTLY IN EXCESS IN 2019, WITH A STRUCTURAL FORECAST DEFICIT IN THE MEDIUM / LONG TERM

¹ Source Zircon premium: FerroAlloyNet.com, Eramet analysis

Mineral Sands BU – financial overview



€m (unless otherwise stated)	2017	2018	1H18	1H19
Sales	100	212	58	139
Heavy Mineral Concentrates	725	774	374	378
CP grade titanium dioxide slag	181	189	85	101
EBITDA	34	62	17	52
EBITDA margin (%)	34%	29%	29%	37%
Current operating income	19	35	10	30
Capex	5	12	3	3

*Zircon premium average yearly price: FerroAlloyNet.com

**CP slag average yearly price: Market consulting

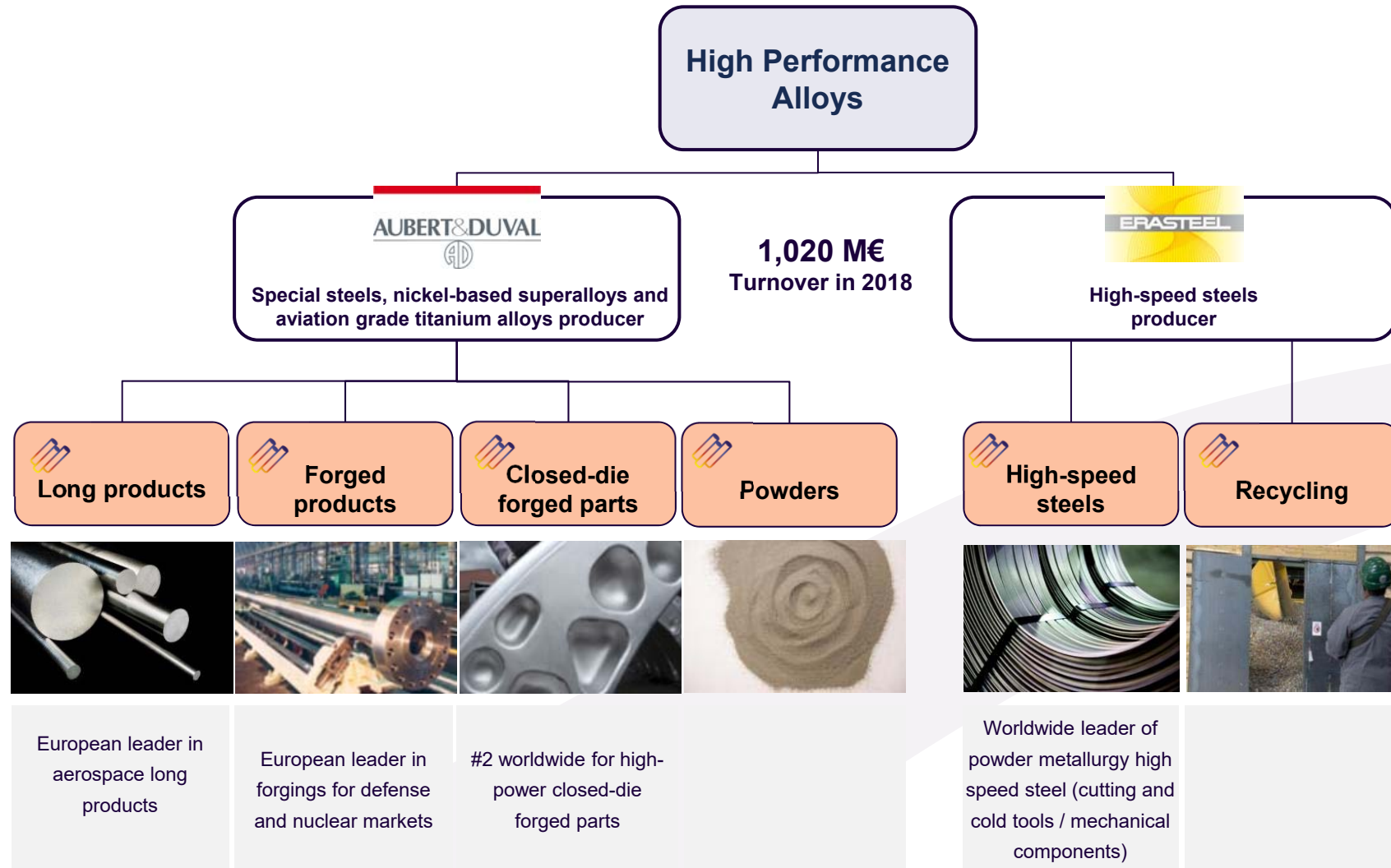
- **Firm demand environment:**
 - Average CP titanium slag price up +12% in 2018
 - Resilient increase in zircon prices with an average annual growth of c.35% over 2017-18
- **Profitable business** with resilient margins
- **Low sustaining CAPEX** following activity ramp-up

- **Solid demand drivers despite recent market price erosion:**
 - Ongoing robust global titanium demand from pigments producers for high-end TiO2 intermediates
 - Slightly reduced global demand for zircon in H1 2019, particularly in China for ceramics
 - Market balance for zircon expected to be slightly in excess in 2019, with a structural forecast deficit in the medium / long term
- **Continued increase in margin ratio in H1**
 - To be noted: Q3 impacted by a nearly one month furnace shutdown in Norway, following a metal tapping incident



High Performance Alloys Division

High Performance Alloys: a key supplier with unique know-how dedicated to strategic industries



Aubert & Duval recent operational issues clearly identified and strict action plan being rolled out

On December 8th Eramet announces taking corrective actions as part of a quality process review within its Alloys division

Situation overview

- Non compliances identified in the quality management systems **with no impact to date on the safety of the products in use...**
- Taking into account **accumulated technical metallurgical expertise** but with non conformances in quality processes
- The issue came under the spotlight further to **audits launched under the newly appointed Group management**

Losses incurred / Financial impacts

- Non-current provision of **€65m** booked in 2018 for Aubert & Duval, for the **cost of the quality process review**
- H1 net debt impacted by **-€107m one-off effect of which €70m in working capital to be unwound**
- COI in H1 2019 of EUR -27m affected by **operational consequences of the quality review process** (delivery delays, supply chain issues, additional costs, ...)

Measures taken

- Non compliant processes were **terminated immediately** and **sanctions swiftly imposed**
- Self-disclosure to clients of the quality review process** and **remediation plans** were implemented in **close cooperation** with them
- Production routines revised** including **additional test and controls**, resulting in slowdown in production flows and delaying sales
- Additional sales delays due to **customer reviewing and validating new production routines**

Looking forward

- All sites returned to a normal billing rate in September**, except Les Ancizes, **where the teams are fully involved towards achieving this objective** in the coming months
- AD has recently signed long term contracts and short term order book is **unaffected** (book to bill > 1)
- Remedies actions are in place with a new organization that should better position the division**

CURRENT FOCUS FOR ERAMET IS TO COMPLETE RETURN TO NORMAL OPERATIONS

High performance alloys Division – financial overview

Alloys					
€m (unless otherwise stated)	2016	2017	2018	1H18	1H19
Sales	949	1 087	1 020	520	423
EBITDA	74	84	46	43	(5)
EBITDA margin (%)	8%	8%	5%	8%	n.m
Current operating income	27	32	(8)	10	(27)
Capex	55	59	63	31	26

- **Stable and solid aerospace market environment** resulting in resilient margins
- Erasteel recovery in high-speed steels, mainly driven by raw material prices

- **Decline in AD margins:** sales still adversely impacted by delivery delays due to bringing into conformity quality processes
- Erasteel High speed steel sales strongly impacted by **sharp slowdown in automotive**

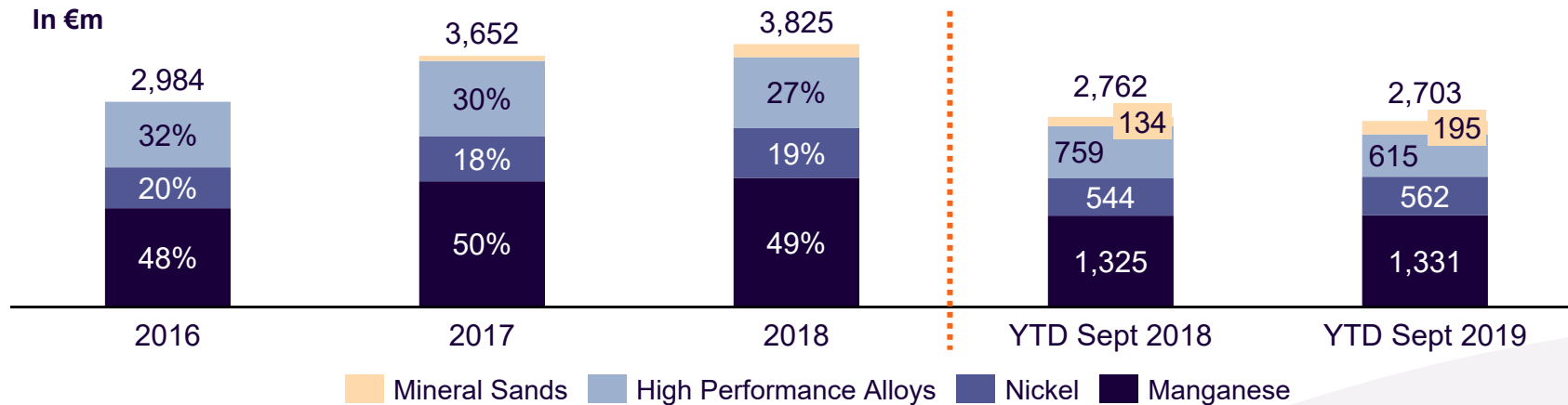
3



A company geared to deliver value-accretive growth through the cycle

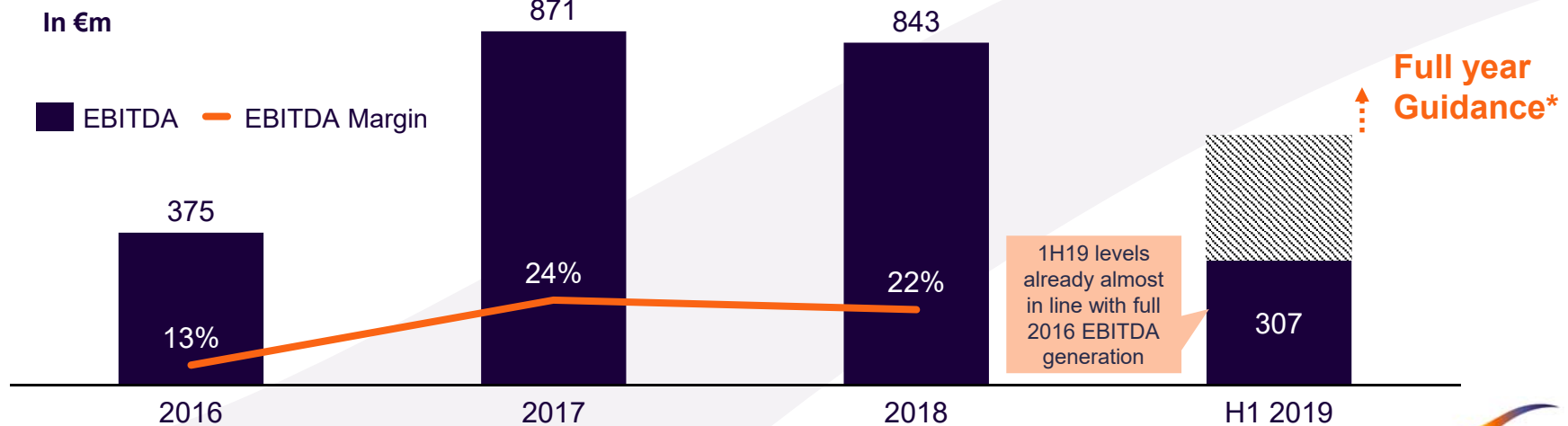
Resilient performance through the cycle with recently improved margins following optimization program

SALES EVOLUTION BY BUSINESS (€M): ABILITY TO MAINTAIN SALES LEVEL AT OR ABOVE €3.0BN

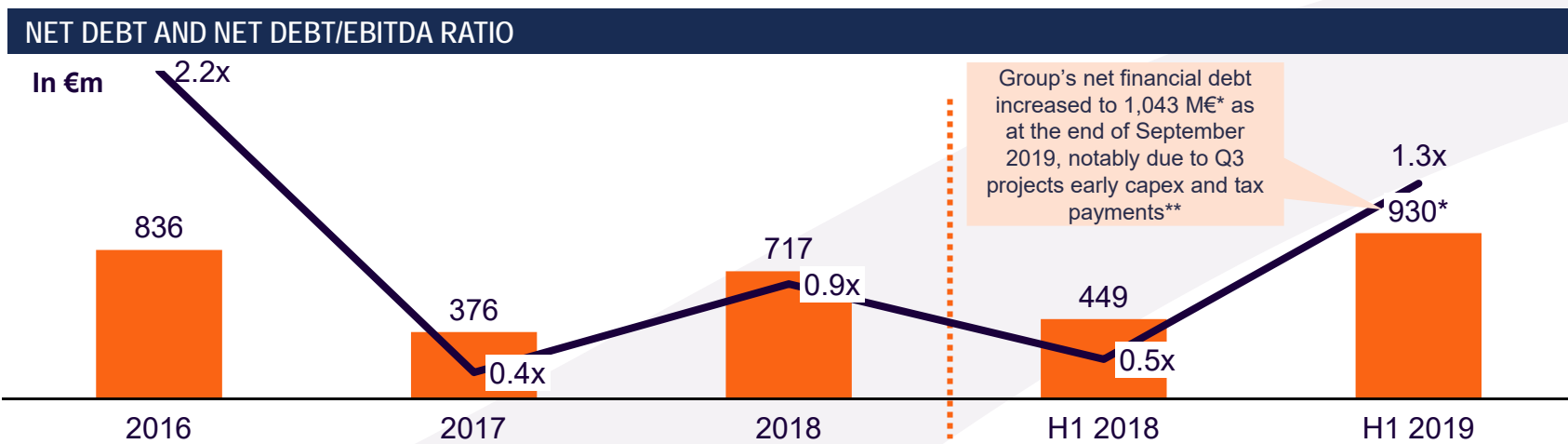
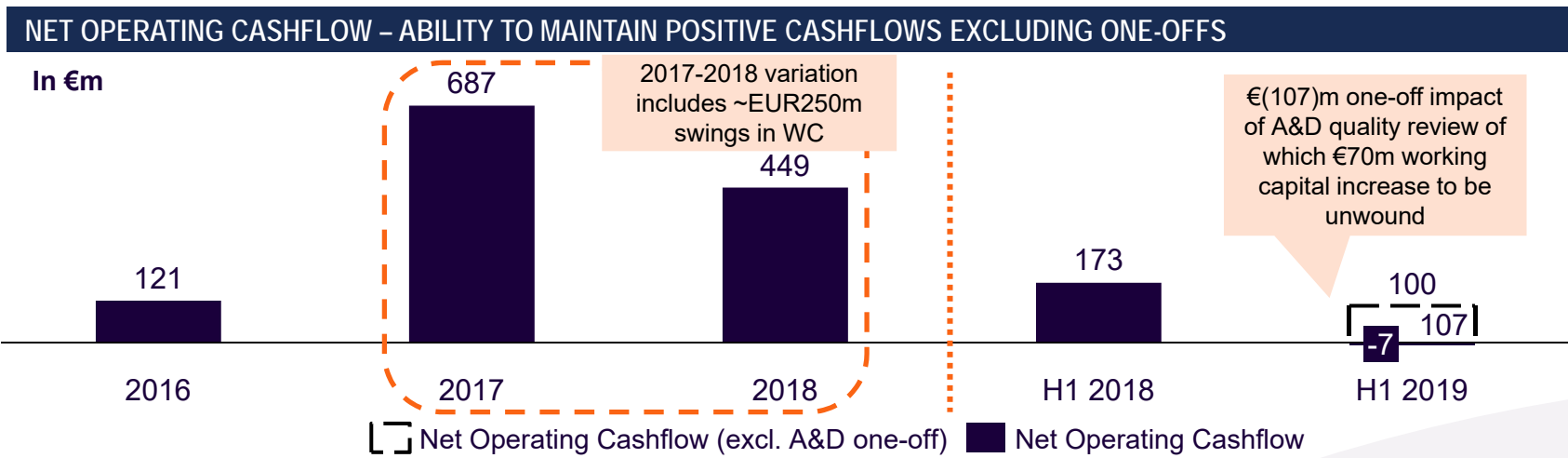


Breakdown by divisions excluding holding and eliminations

EBITDA : STRUCTURAL STEP UP WITH 2019 GUIDANCE SIGNIFICANTLY ABOVE 2016 LEVELS



Recurring cashflow generation

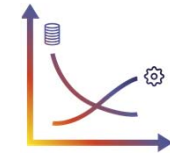


PROVEN TRACK-RECORD OF DELEVERAGING AND CONSERVATIVE FINANCIAL POLICY TO MAINTAIN LEVERAGE AT ACCEPTABLE LEVEL

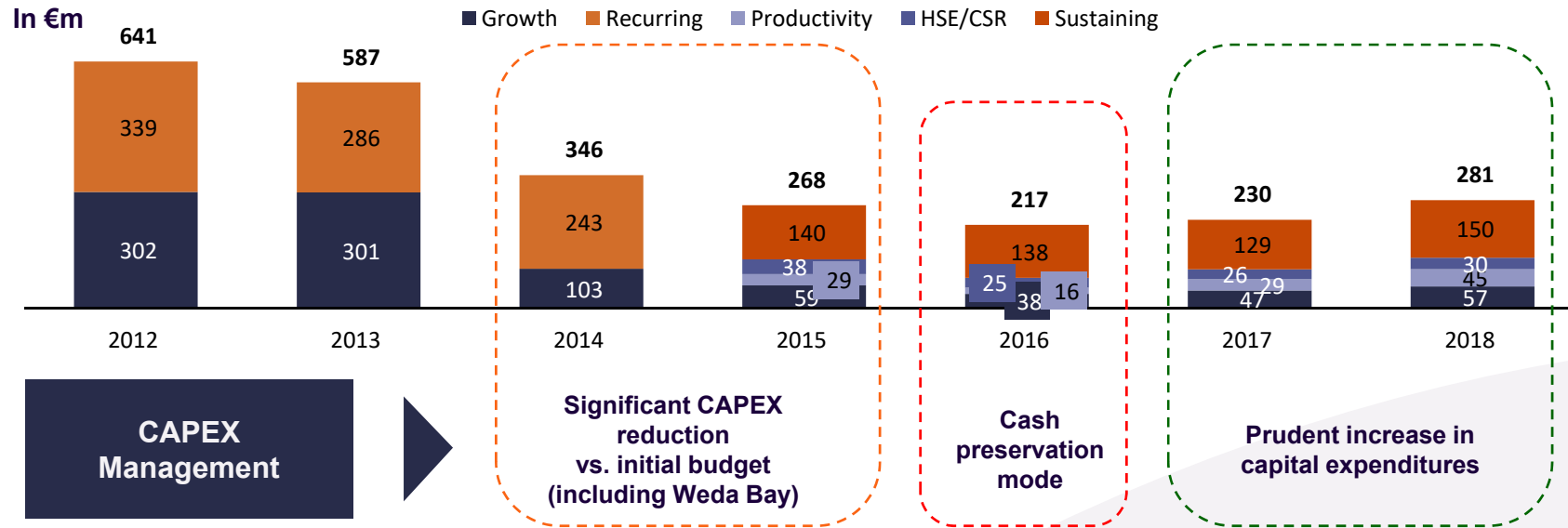
*Excluding the impact of IFRS16.

**The increase is notably due to (i) early capex regarding the Group's manganese ore expansion project in Gabon and the Group's lithium development project in Argentina and (ii) payment of tax debts.

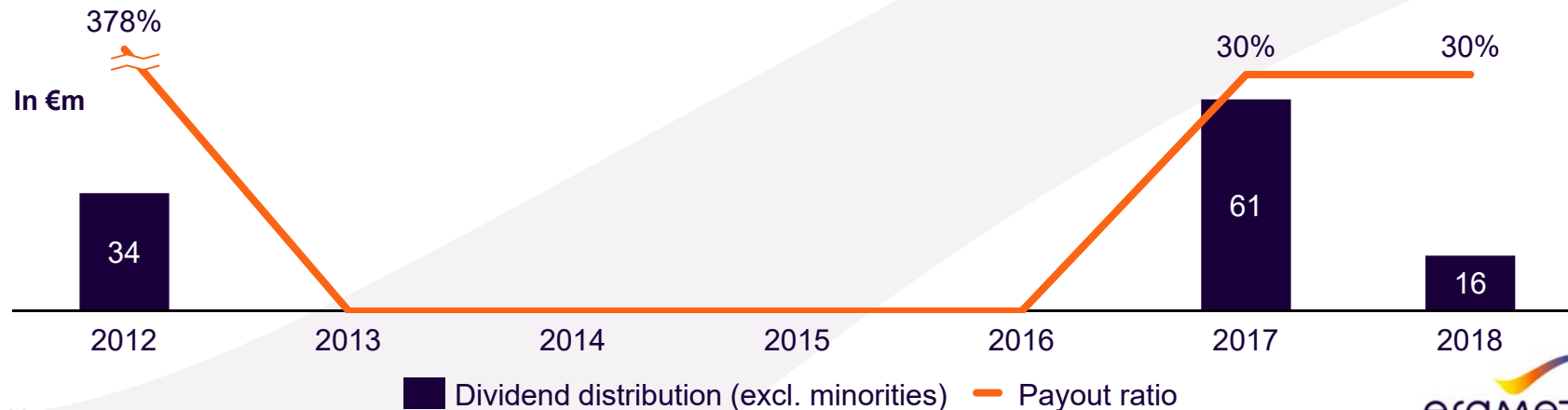
Appropriate toolbox to preserve a strong financial profile



GROUP CAPEX EVOLUTION 2012 – 2018: C. €150M RECURRING CAPEX ONLY

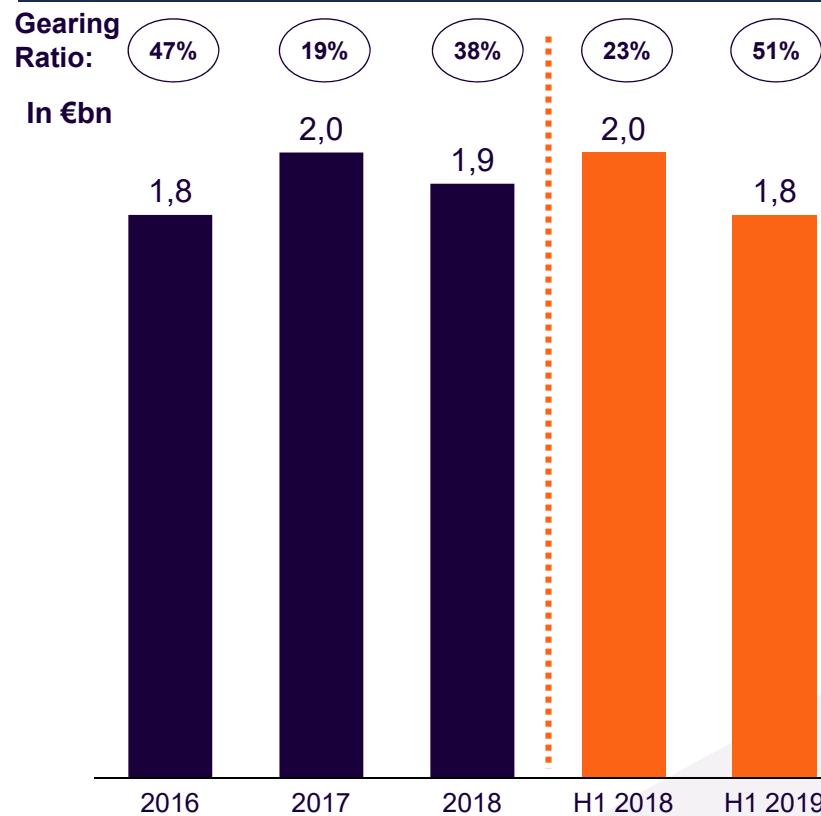


DIVIDEND DISTRIBUTION ADJUSTED IN LINE WITH CASH GENERATION TO PRESERVE LIQUIDITY



A strong balance sheet and high liquidity

EQUITY AND GEARING RATIO



TRACK RECORD OF STRONG LIQUIDITY LEVELS

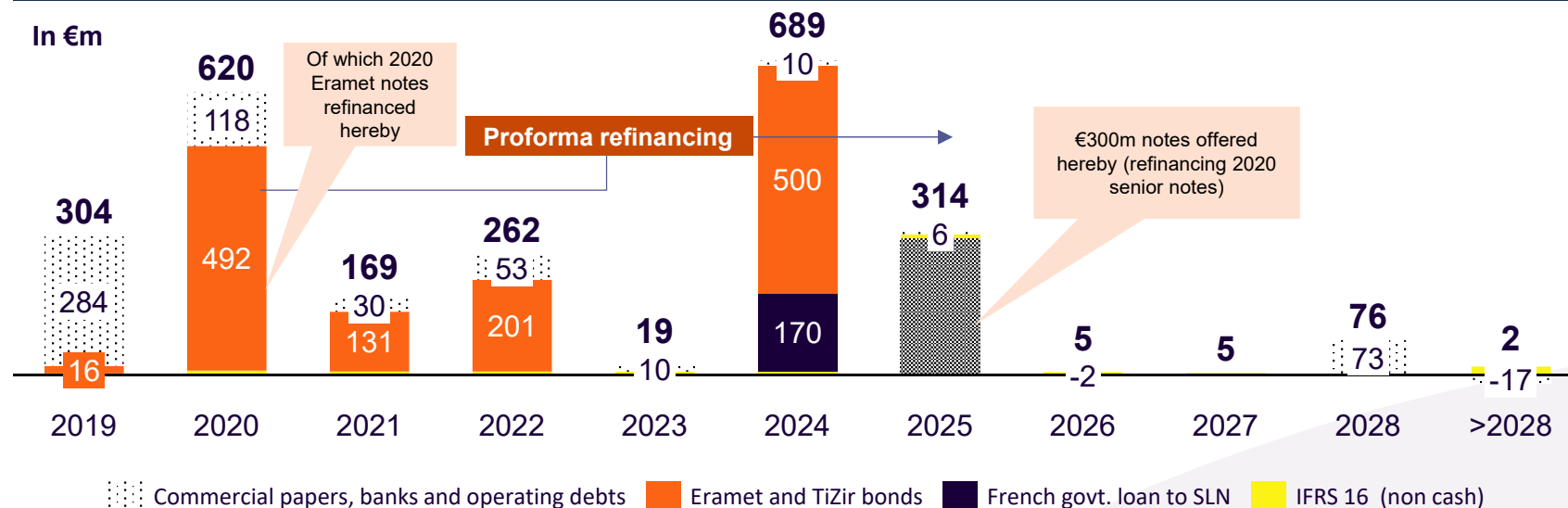


TARGETED MINIMUM 20% COVENANT HEADROOM UNDER GEARING RATIO; STRONG LIQUIDITY PROFILE AT ALL TIMES

*Revolving Credit Facility ("RCF")
 **European Investment Bank ("EIB") :
 → 120m loan granted in October 2018 with a 10-year maturity
 → Intended to support R&D expenditure, modernization and digital transformation

A back ended debt repayment profile with no major upcoming maturity pro-forma of ongoing refinancing

DEBT MATURITY PRO-FORMA TO 2020 MATURITY REFINANCING, AS OF JUNE 30, 2019

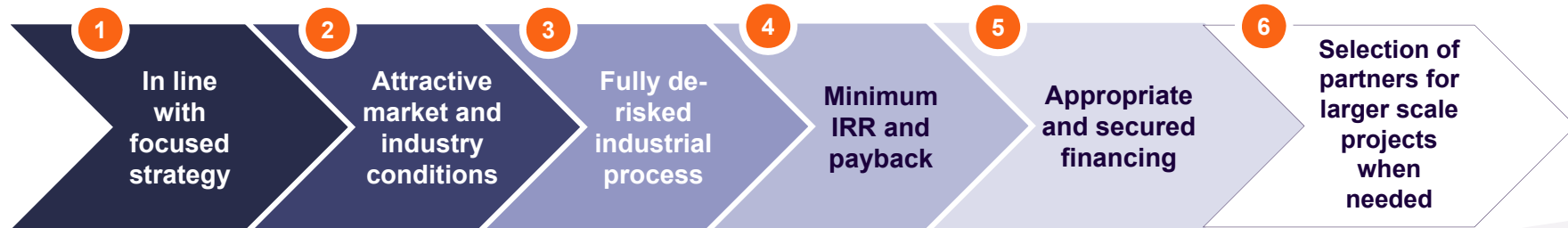


BROAD AND DIVERSIFIED ACCESS TO LIQUIDITY

- **No major repayment before 2024 post-refinancing 2020 bond**
- **Broad access to liquidity, with recently**
 - > EUR225M general corporate purposes financing to be implemented with three relationship banks (initial 2-year maturity with an option that can be exercised by Eramet to extend it to January 2024)
 - > Ongoing mandate with IFC to syndicate the financing of COMILOG 2020

Strict investment framework applied in all our investment decisions to deliver value-accretive growth

KEY PILLARS DRIVING OUR WELL DEFINED AND CAUTIOUS INVESTMENT DECISION PROCESS



- Track record in successful project development (e.g. TiZir successful takeover, Weda Bay fast mine development managed by Eramet)

- Track record of postponing or amending projects while keeping flexibility of schedule rephasing (e.g. COMILOG with quicker ramp up and lower CAPEX in the short term)

PROJECT EXECUTION CAPABILITIES CONSIDERABLY REINFORCED IN THE LAST TWO YEARS

Prudent and strict financial policy

1

Conservative financial policy

- **Maintain significant liquidity at all time**
- Maintain minimum covenant headroom of at least 20%
- Anticipate debt repayment

2

Strong focus on profitability improvement and cash generation

- **Ongoing action plans to deliver productivity gains in 2019**
- **Capital expenditure monitoring**
 - > **Flexibility to adjust investments schedule** depending on market conditions
 - > COMILOG expansion reviewed to **deliver higher marginal EBITDA at lower CAPEX**
- **Close monitoring of working capital needs, target WC requirement reduction, especially in High Performance Alloys**
- **Continuous optimization of the asset portfolio through potential asset disposals**

3

Long-term support from Eramet's shareholders

- **Context-adjusted dividend distribution**
 - > Pay-out ratio of less than 30% on average since 2010
- **Ability to adapt distributions to Eramet's situation:**
 - > No dividend over 2013 – 2016
- **8-year maturity €200m loan from the French State to support SLN in 2016**
- **Option to reimburse ODIRNAN in stocks if necessary**

4



Focused strategy and targeted growth plans

Group strategic transformation: increasing cash generation and portfolio diversification



1

FIX / REPOSITION our least performing assets

- **Nickel :**
 - SLN: Eramet has already accomplished a large part of its turnaround plan
 - Sandouville : break-even in EBITDA target to be achieved after Q4 annual maintenance shutdown
- **High Performance Alloys :**
 - AD: quality issues identified and being fixed – one off, no security hit
 - AD and Erasteel: reorganization to increase performance
 - Ongoing portfolio review

2

GROWING in our attractive businesses

- **Manganese ore:** growth in volumes in Gabon through dry process and opening of new plateau
- **Mineral sands:** successful takeover bid for MDL: first step in growth
- **Weda Bay Nickel:**
 - Fast track development of the mine to supply growing market, based on massive mining potential
 - NPI plant start up ahead of schedule with first tons expected in H1 2020

3

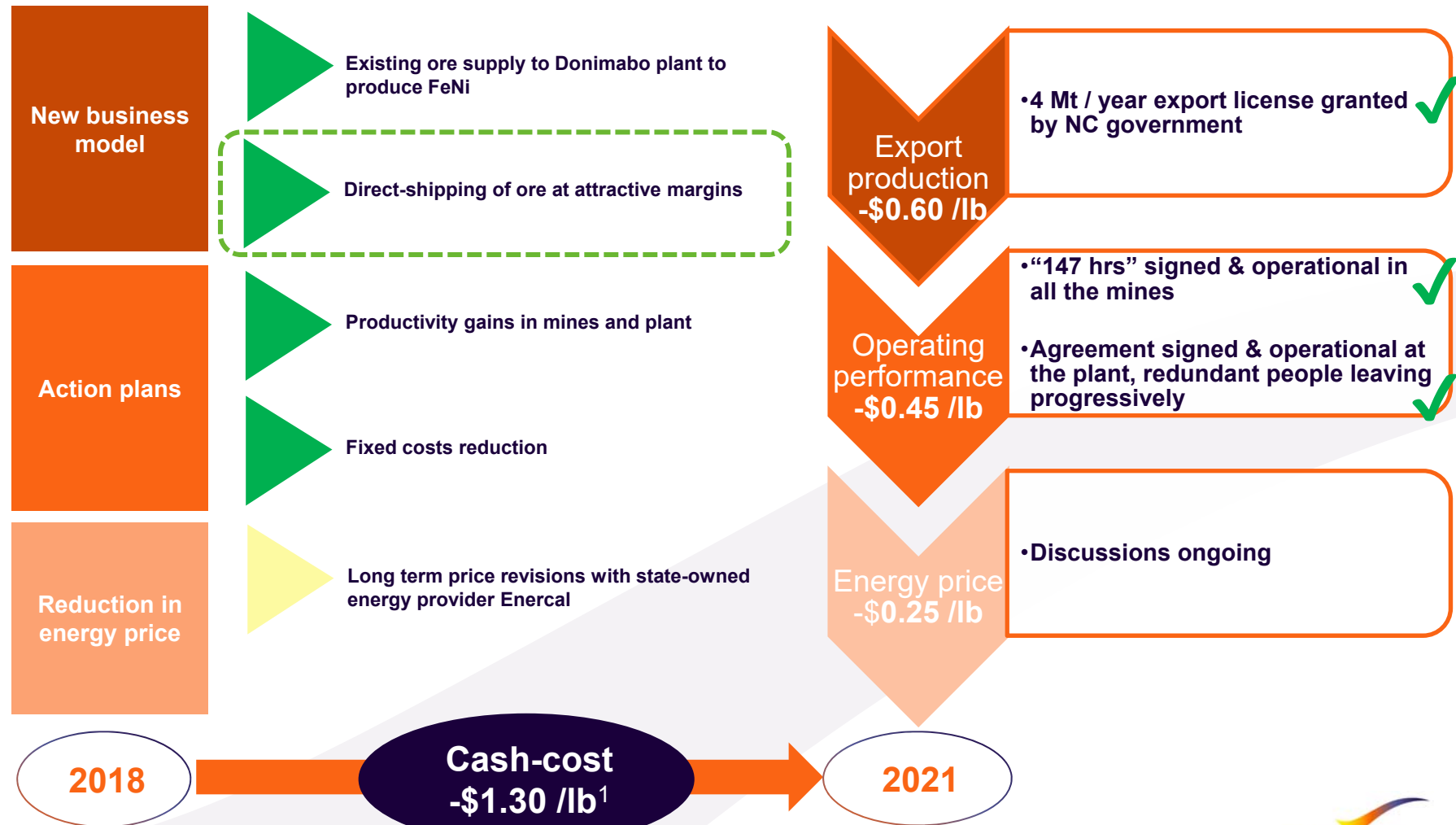
EXPAND our portfolio in metals for the energy transition

- **Lithium:** Deposit development in Argentina
- **Nickel and cobalt salts:** Study of Weda Bay diversification towards products for EV batteries
- **Li-ion batteries' recycling:** R&D programme

1 SLN action plan: decisive breakthroughs for two levers already achieved



NO FURTHER CASH INVESTMENT FROM ERAMET, CURRENTLY POSITIVE CASH CONTRIBUTION TO THE BUSINESS



¹ As of 2018 year-end, kick-start of the action plan

1

Sandouville plant: on its way to deliver nameplate capacity and capitalize on demand momentum



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

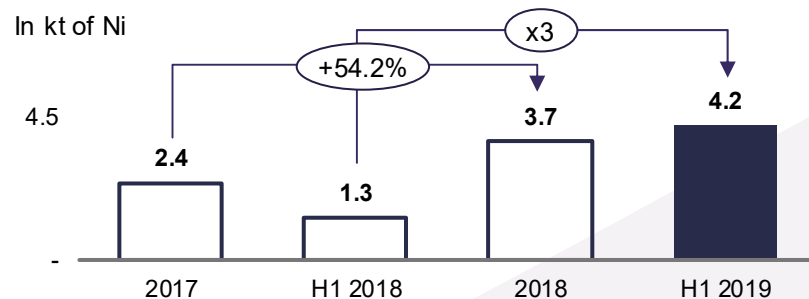
- High purity nickel production more than tripled to 4kt in H1 2019, above FY 2018 production; high purity nickel sales volume up to 4kt (vs 1kt in H1 2018)
- Focus on high-value nickel salts with high margins, improving the global product mix of the plant

...reflected 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)



BREAK-EVEN IN EBITDA TARGET TO BE ACHIEVED AFTER Q4 ANNUAL MAINTENANCE SHUTDOWN

1 Aubert & Duval reasserts itself as a strategic European supplier for sovereignty industries (aerospace, nuclear, defense...)

Our ambition

- Recover competitiveness through development of products for **strategic markets and users**
- Pursue the **securitization of the strategic materials supply**
- Bring **innovative solutions to bluechip customers**



2 2019 targets confirmed: Mining and Metals Division establishing new records YTD September 2019



Record production in manganese ore:

- **3.5 Mt** of ore produced at Comilog in Gabon, +8%
- Target ore production 2019: **4.5 Mt**



Record¹ nickel ore production from SLN:

- **3.3 Mt** of nickel ore, +12%
- Target ore exports 2019: **1.5 Mt**

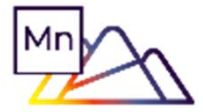


H1 record production from TiZir:

- **378 kt** of HMC² (zircon & ilmenite) in Senegal, +1%
- Target HMC production 2019: **720 kt** despite lower grades being mined

2

COMILOG 2020: Extract full potential of our world-class manganese asset in Gabon



WHAT IS MOANDA?

- **A highly competitive mine operated by Comilog for 50 years**
- **Strong quality:** high-grade oxide commercial ore 46%
- **Deep reserves:** 269 Mt resources, representing several decades
- **Profitable 1st quartile asset with strong cash flow generation**

RECENT TOPICS

- **Enhance production in Bangombé**
- **Development of Okouma plateau:** dry processing, followed by beneficiation process
- **Renovation of the railway line:** transport capacity x2
- **Strong commitment to E&S:** employment, biodiversity, water

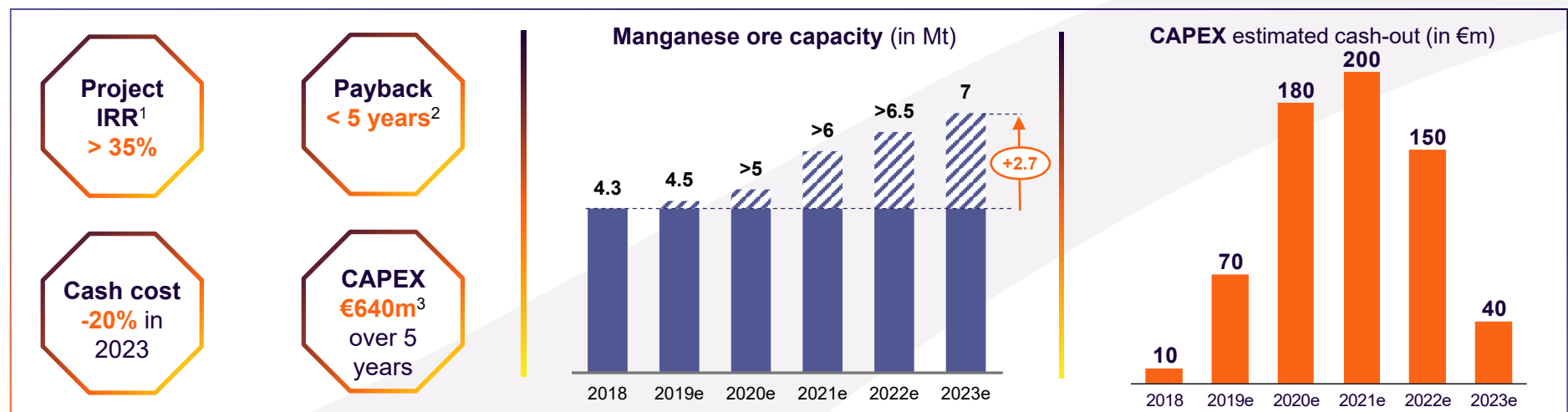
MOANDA IN 2023

- 7 Mt manganese ore production in 2023: +50% vs 2018
- Cash-cost 20% decrease in 2023
- Double ore railway transportation capacity by 2023

STATUS UPDATE

- Final Investment Decision subject to:**
- Satisfactory legal and fiscal framework
 - Dedicated new financing

FINANCIAL HIGHLIGHTS

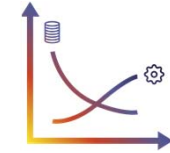


¹ Internal Rate of Return
² From 1st year of production (2020)
³ 2019 value



3

Attractive growth opportunity: the Centenario Project a world-class lithium project in Argentina under study



KEY PROJECT HIGHLIGHTS

- ▶ **Long life low cost and scalable project**, c.10 Mt LCE¹ drainable resources, c. 50 years of resources
- ▶ **Battery grade lithium** carbonate production (24 kt LCE¹)
- ▶ **Fully secured perpetual mining rights**
- ▶ Assembled team **with strong technical and project development / execution experience** in the lithium industry
- ▶ **Fully derisked** “direct extraction” process with short lead time and reduced environmental footprint

ATTRACTIVE METRICS

Payback
3 to 5 years

IRR
17% to 25%

Cash Cost
\$3.5k/t
1st quartile

CAPEX
c. €525m

STATUS UPDATE

Still need to validate the following investment criteria prior to launch:

- ▶ Satisfactory legal and fiscal framework
- ▶ Find adequate financing



The Mine 4.0 and Open Innovation: new productivity levers




Targeted investment
~ 10 %
 of current CAPEX

Innovation is spreading to create value

Topographic measurements

Drones, platforms, edge computing

From 3,000 ha to 300,000 ha covered / year
> 50 To collected / year

Railway operations optimization

Apps, IoT, softwares

Filing time divided by 2
720 IoT sensors

Production control in real time

OEE in real time, Digital Twin, Integrated Remote Centers (IROC)

Autonomous inspection and supervision

IoT and autonomous drones

24 flies / day / drone

Fuel management

4% decrease in consumption

Anti-collision and anti-fatigue management

1 event detected every 300 hours

Fleet optimization

Fleet Management System, predictive maintenance

20% productivity gains

Remote expertise

Augmented reality

Target: >40 connected experts with the field

Geology modeling

Artificial Intelligence (IA)

Speed of modeling multiplied by 15



5



Conclusion

Key Investment Highlights

A WORLD LEADER...

- **World class mining assets with competitive mines** and significant resources (long life, **almost all first quartile cost** and scalable)
- World leading position in all divisions
- **Strategy focused on cash generation and diversification**

...WITH HIGH GROWTH PROSPECTS

- **Solid long term prospects in all Eramet main end-markets** (infrastructure, household appliances, energy transition, aeronautics and sovereignty industries)
- Upcoming investment plan to **generate more cash flow and make the Group more robust to cycles**
- **Prudent growth strategy** with a **strict decision-making** process for projects

...DEMONSTRATED TURNAROUND CAPABILITIES

- **SLN starting to contribute positively to cash flow**
- Sandouville: paving the way to EBITDA breakeven
- **Successful cost reduction plan 2014-2017**

...A SOLID BALANCE SHEET

- **Solid shareholders' equity and strong liquidity profile**
- **Support from long-term shareholders**, with a **strong anchor to the French public sector** and a stable banking pool, in line with the capital intensity and development cycle time of the mining and metals sector
- **Strong financial flexibility and proven nimbleness when needed** with an **agile CAPEX policy and context-adjusted dividend distributions**

...AND A COMMITTED COMPANY

- Leading the pack on **energy transition**
- **Excellent CSR metrics** coupled with **ambitious targets**
- **Strong innovative capabilities**

Summary term sheet

Issuer	ERAMET
Rating	Unrated
Notional Amount	EUR 300m+
Issue Type	Fixed
Status of the Notes	Senior, Unsecured, Unsubordinated
Form of the Notes	Bearer dematerialized
Maturity	Long 5 to 6 year
Documentation	Standalone / Change of Control / Make Whole Call / 3 month par call / Clean-Up Call (80%)
Governing Law	French
Listing	Euronext Paris
Denominations	€100,000 + €100,000
Use of Proceeds	2020 senior notes refinancing and General Corporate Purposes
Targeted bonds	EUR 525m 4.500% bonds due 6 November 2020 (ISIN: FR0011615699) of which 460.1m is outstanding
Tender Price	104.500%
Offer period	4 November - 12 November 4pm CET
Priority allocation	tendering bondholders must contact the dealer managers to request an allocation code to receive priority allocation in the new issue



Committed to women and men



Committed to our planet



A responsible economic player

A socially responsible, committed and contributive corporate citizen

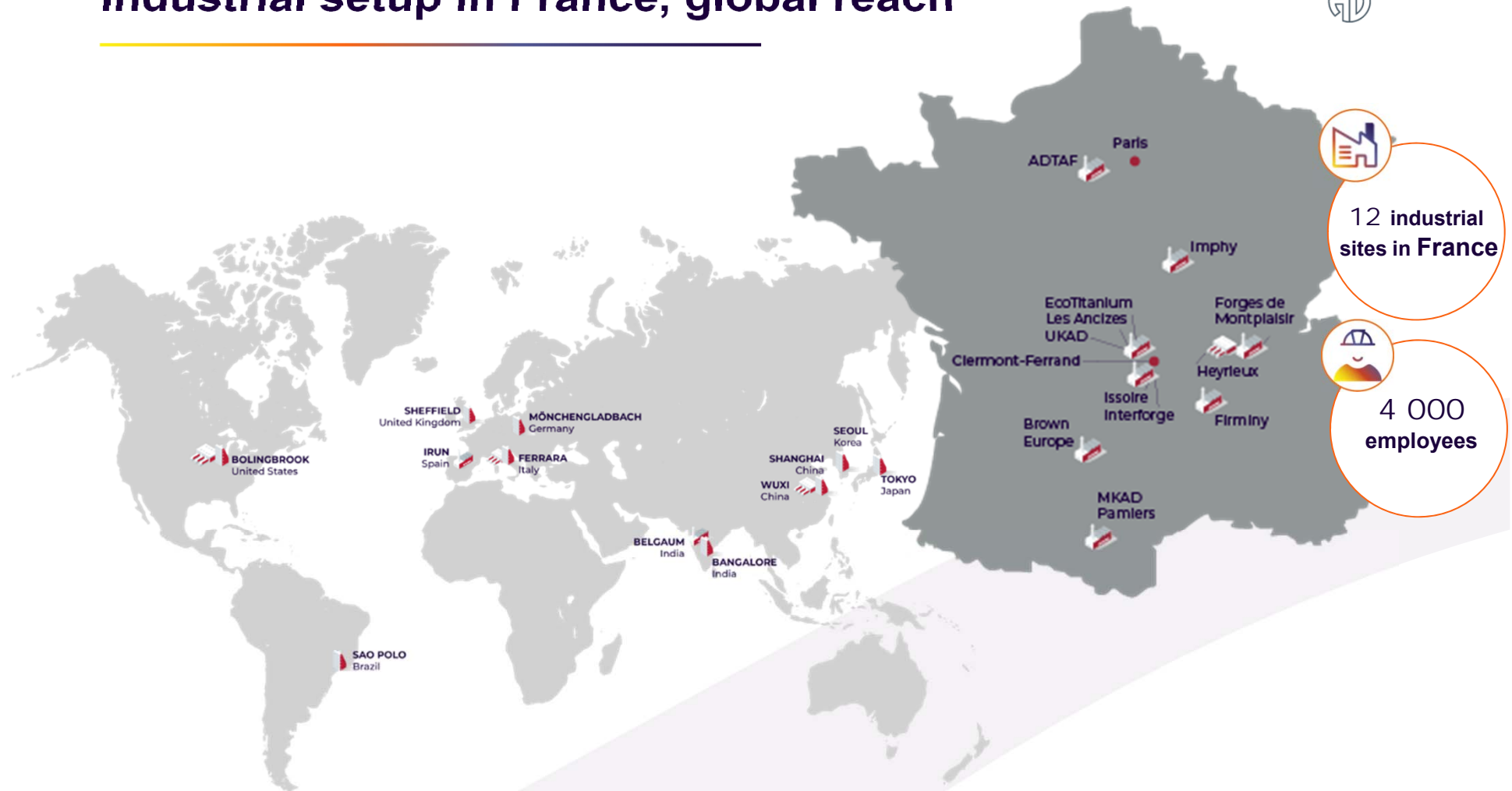




Appendix – Business Model and Strategy



Industrial setup in France, global reach



14
industrial sites



9 sales points
(commercial presence in 42 countries)



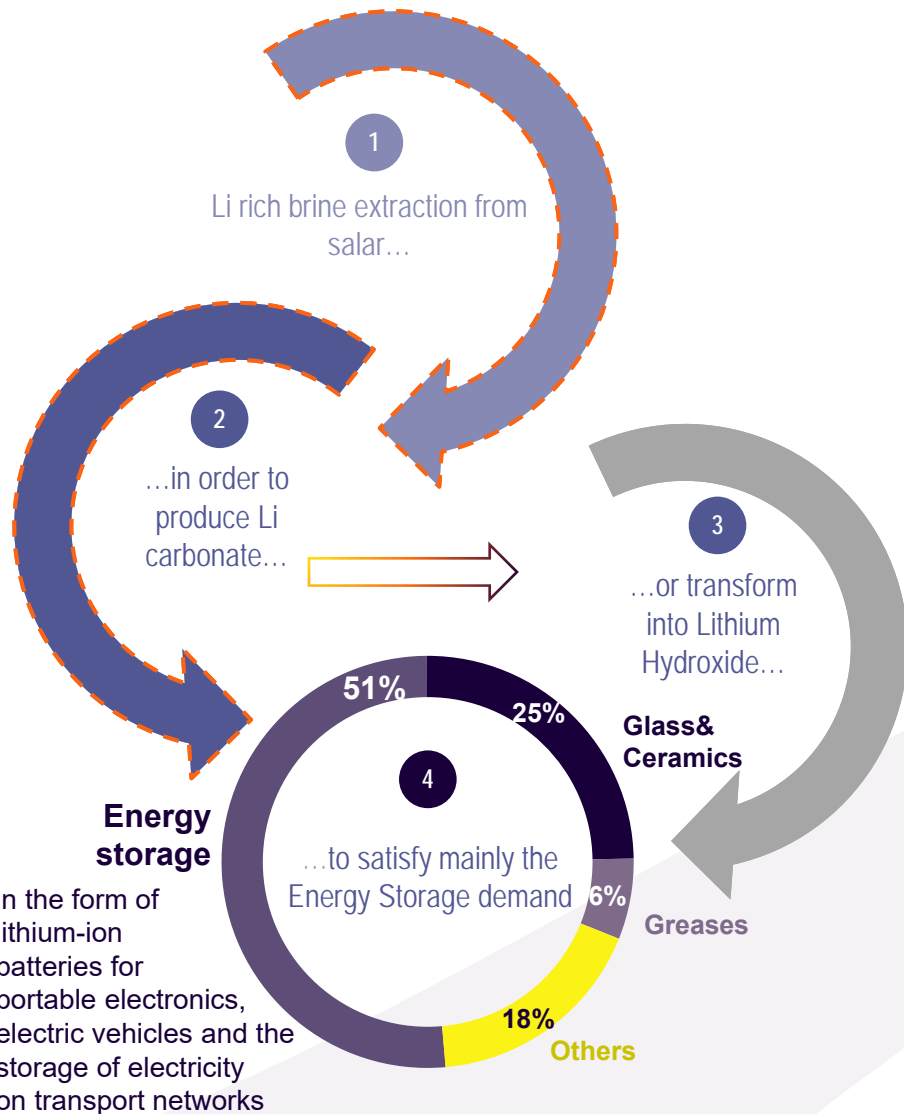
4 distribution centers

Lithium main growth drivers: energy storage, including Li-on EV battery



Eramet's activities

Clients' activities



Key features

- 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 2018-2025 period¹

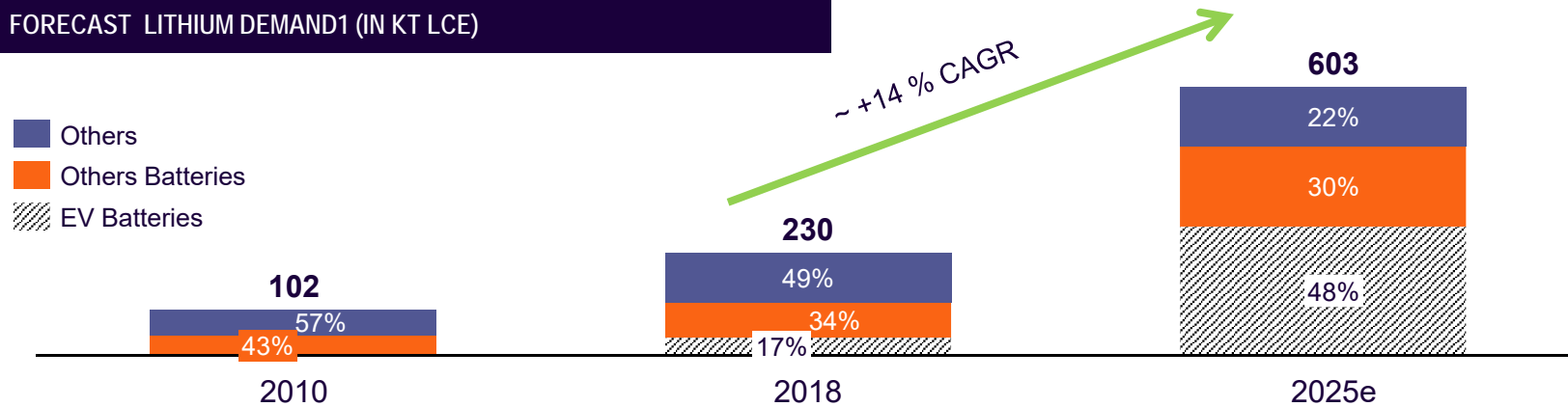
Potential customers





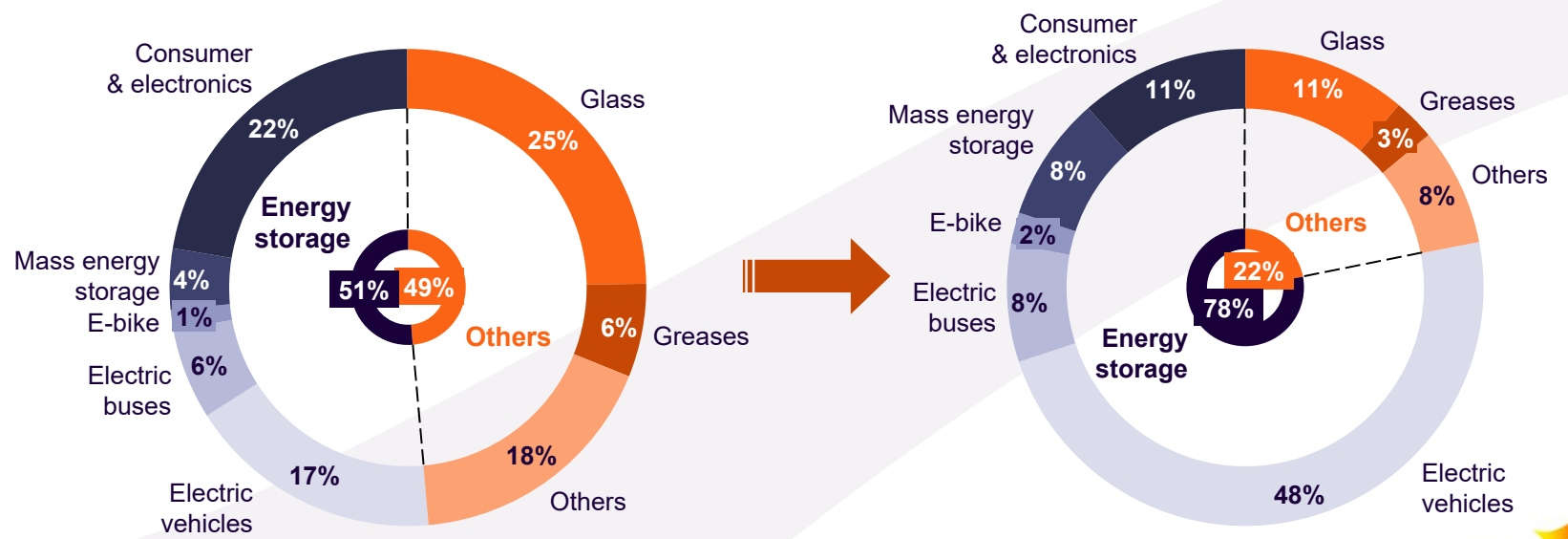
A booming lithium market over the next years

FORECAST LITHIUM DEMAND¹ (IN KT LCE)



2018¹

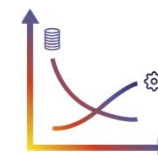
2025





Appendix - Financials

Sensitivities in H1 2019



SENSITIVITIES	CHANGE (+/-)	ANNUAL IMPACT ON COI (+/-)
Manganese ore prices	+\$1/dmtu	~€130m
Manganese alloys' prices	+\$100/t	~€70m
Nickel prices	+\$1/lb	~€100m
Exchange rates	+\$/€0.1	~€105m
Oil price per barrel	+\$10/bbl	~€(16)m

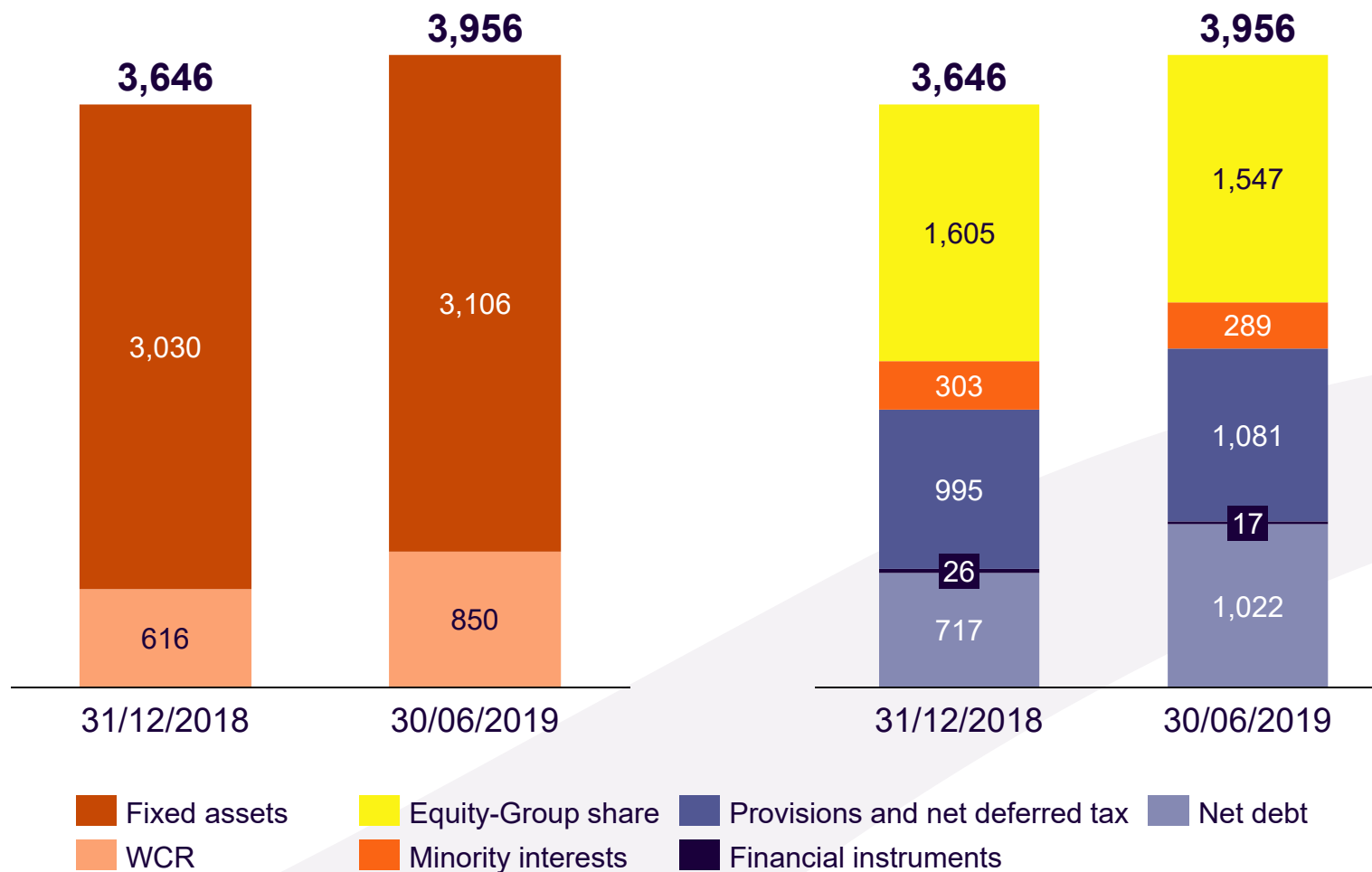
Group income statement

€m	H1 2019	H1 2018
Sales	1,809	1,813
EBITDA	307	432
<i>% Sales</i>	<i>17%</i>	<i>24%</i>
Current operating income	169	294
<i>% Sales</i>	<i>9%</i>	<i>15%</i>
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)	(150)	(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)

Group Balance Sheet at 30 June, 2019



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