



Investor Presentation

**2021 BofA Global Metals, Mining & Steel
Conference**

18-20 MAY 2021

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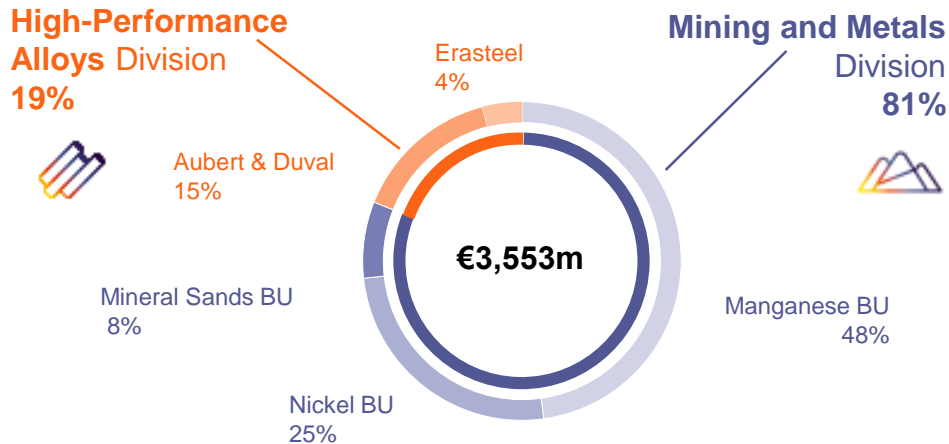
Conclusion and outlook



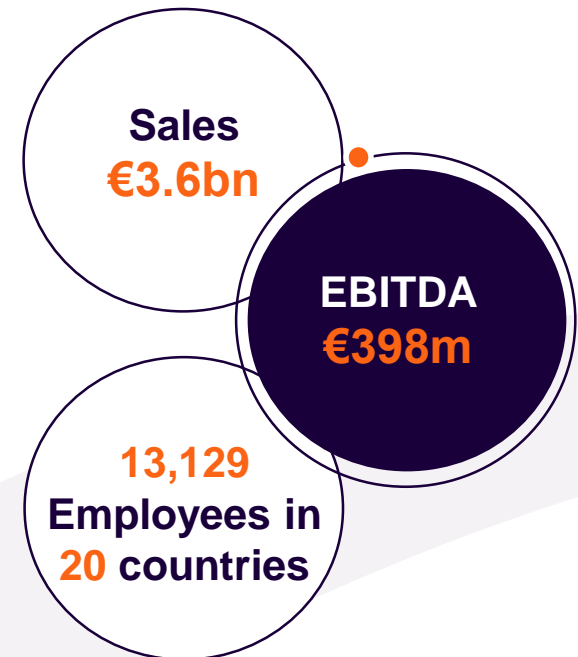
Eramet at a glance

A global leading mining and metallurgical Group

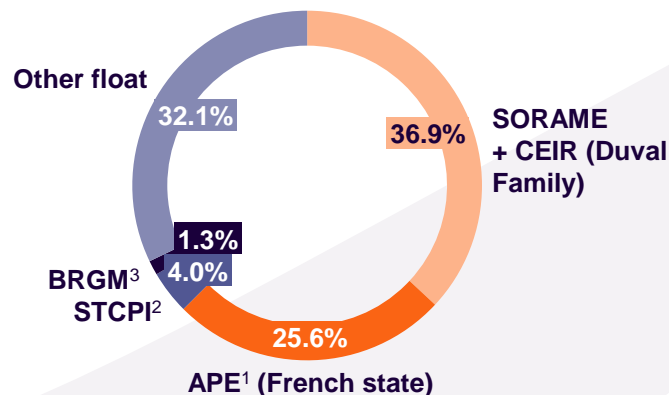
2 divisions with global leading positions



2020 KPIs



Long term and stable shareholders



€1.6bn

Market capitalisation end-April 2021

¹ APE (Agence des Participations de l'Etat)

² STCPI (Société Territoriale Calédonienne de Participation Industrielle): entity owned by the New Caledonian provinces

³ BRGM (Bureau de Recherches Géologiques et Minières): the French Geological Survey Office

A diversified Mining and Metals Division with significant resources and highly competitive mines

Manganese BU

- Gabon: **107 Mt** resources of manganese content
- Resources' lifetime > **40 years**
- Operated for 50 years

Nickel BU

- New Caledonia: **19.4 Mt** resources of nickel content
- Indonesia: **9.3 Mt** resources of nickel content
- Resources' lifetime ~ **50 years**
- Operated for ~130 years (NC)

Mineral Sands BU

- Senegal (Zircon & Ilmenite): **32.1 Mt** resources (HMC)
- Resources' lifetime > **30 years**
- Operated since 2014

Resources

Lithium BU (project in Argentina): **10 Mt** drainable resources (LCE¹) – currently mothballed

Industrial set-up

- **Gabon**: highly competitive manganese mine with very high-grade ore (44%)
- **Europe, USA, Gabon**: 6 pyro-metallurgical plants

- **New Caledonia**: highly competitive mines and 1 pyro metallurgical plant:
- **Indonesia**: a world-class deposit and 1 low-grade nickel ferroalloys² plant
- **Normandy (France)**: high purity nickel refinery

- **Senegal**: world's largest single dredge mineral sands operation
- **Norway**: 1 metallurgical plant

2020 Key figures

- **5.8 Mt** manganese ore produced
- **c.700 kt** manganese alloys produced

- **New-Caledonia**: **5.4 Mwmt** of nickel ore produced o/w **2.5 Mwmt** exported; **48 kt** of ferronickel produced
- **Indonesia**: **3.4 Mwmt** of nickel ore produced ; **c.24 kt-Ni** of low-grade nickel ferroalloys produced

- **c.760 kt** of HMC³ produced
- **c.200 kt** of titanium dioxide slag produced

¹ Lithium Carbonate Equivalent

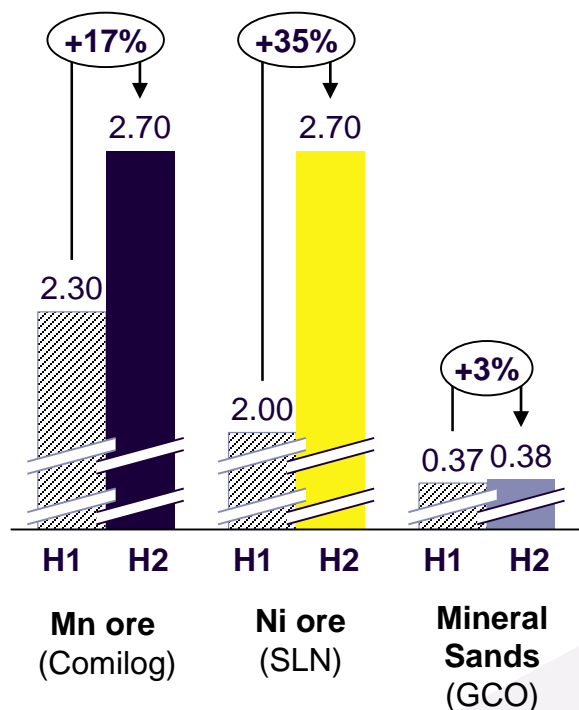
² 43% owned by Eramet in a joint-venture with Tsingshan, the leading global producer of stainless steel

³ Heavy Minerals Concentrate (HM sands content)

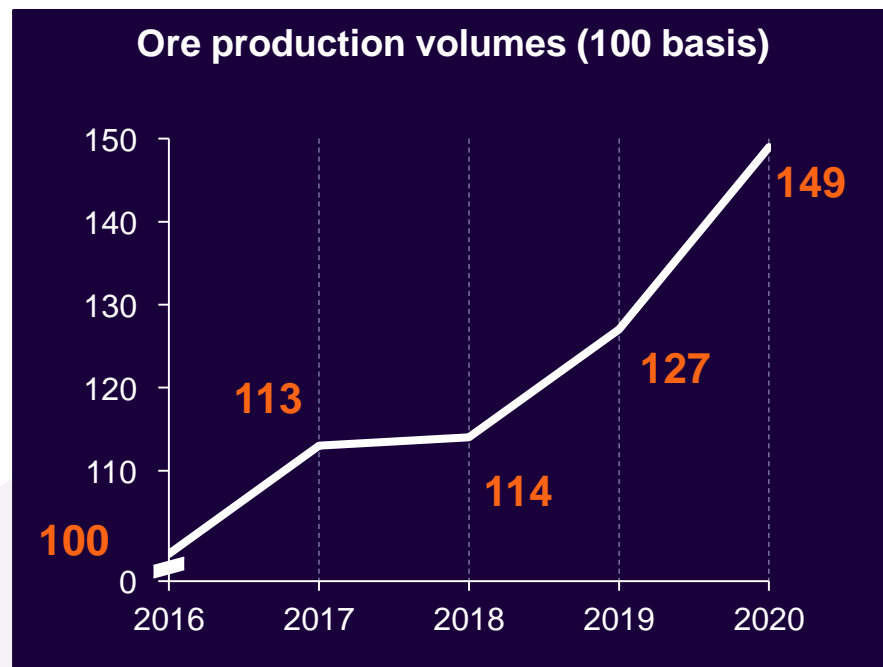
High seasonality in mining operations, strengthened by organic growth

High seasonality of key mining operations...

3-yrs average ore production (Mwmt)



...and increasing share of mining business in Eramet's portfolio



A 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
- Aligned with the United Nations' Sustainable Development Goals

2 Contributing to the communities in which sites are located

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

2 Reducing energy/climate footprint

- **On-track** to achieve our **2023** reduction target in products CO₂ intensity¹ (**-26%** vs 2018 ref)
- New **climate targets** set in 2020 > **-40%** Reduction target in absolute CO₂ emissions **2035** (vs 2019)
> **Carbon neutrality** (scopes 1 and 2) **2050**

3 Continued improvement in extra-financial rating

2021 MSCI
Overall score

A

among the top 30% of
the mining and
metals² panel

2020 ISS ESG
Overall score

B-

« Prime » status

First decile of the mining
and metals panel

2020 CDP³
Overall score⁴

B

among the leading
companies in the
mining and metals
sector

¹ CO₂ tonnes per tonne of outgoing product

² Non-precious metals

³ Climate Disclosure Project (CDP)

⁴ Ranking in the Climate Change survey

Q1 2021 Key trends



Mining & Metals division: positive momentum in all markets at the start of the year as recovery from pandemic continues

Manganese BU



- **Demand for ore well oriented**, supported by the positive momentum in carbon steel sector in China
- Strong recovery in ore supply
- Actual steel and Mn alloys output restrictions in China leading to sliding Mn ore prices
- **Strong demand for Alloys**, especially in China
- Due to supply shortage, **alloys market prices** up significantly in Q1

Nickel BU



- **Strong demand in Q1 2021** driven by Chinese and Indonesian stainless steel sector, as well as the rising EV batteries sector
- **Supply keeps rising**, boosted by new NPI production in Indonesia
- **LME and nickel seaborne ore prices²** are on the rise in Q1
- Still **significant LME discounts** in ferronickel selling prices

Mineral Sands BU



- **Zircon production up** in Q1 2021, but still cannot meet the **strong rebound in demand** as the **ceramics market recovers**
- **Demand for titanium-based products also up**, driven by the economic recovery ; supply followed the same trajectory
- Positive momentum not yet reflected on market prices

High-Performance alloys division: aerospace sector still deeply affected by pandemic, recovery in the automotive sector in China

Aubert & Duval



- After a brutal drop in 2020 due to the pandemic, **aerospace** sector, A&D major end-market (c.60% of sales), still significantly impacted as air traffic down by **85%** compared to its pre-crisis levels
- Net bookings slowly picking up** at Airbus and Boeing, the sector's largest players
- Defense and energy** markets weathered the crisis thanks to large public investments

Erasteel



- Global automotive sales up by **16%** in Q1 2021 in China, signs of an **oncoming recovery** in a sector that represents nearly half of Erasteel's sales
- Strong activity recovery** in the market of high-quality **powder metallurgy high speed steels**

Very good operating performance in Q1, driven by the mining activities, in a quarter with traditionally unfavourable seasonality

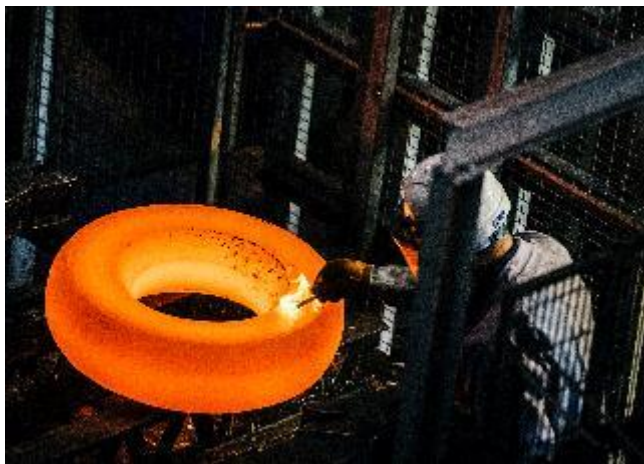
Mining and Metals division

Strong growth momentum in Q1 2021 versus Q1 2020

- > **1.5 Mt** in manganese ore produced (+17%)
- > **1.1 Mwmt** in nickel ore produced (+14%) in New-Caledonia, despite societal & weather disruptions
- > **3.0 Mwmt** in nickel ore produced in Weda Bay (Indonesia)

Overall sales volume up +9% in Q1 2021

- > **1.2 Mt** (+21%) in manganese ore external sales
- > **433 kwmt** (+31%) in nickel ore exports from New-Caledonia
- > **4.3 kt-Ni** of low-grade ferroalloys sold (Eramet's 43% off-take in Weda Bay plant's production)



High Performance Alloys division

- Q1 2021 **A&D aerospace** sales, **down 39% to €70m**, compared to a Q1 2020 barely affected by the crisis; sales up **40% to €30m** in **energy and defence sectors**
- Stable sales at Erasteel (€41m)** as high-speed steel volume sold recovered to their Q1 2020 levels, in addition to improvement in the recycling business; **significant increase in order intake** thanks to new market share gains

Significant rise in manganese alloys market prices which should reflect on selling prices in Q2

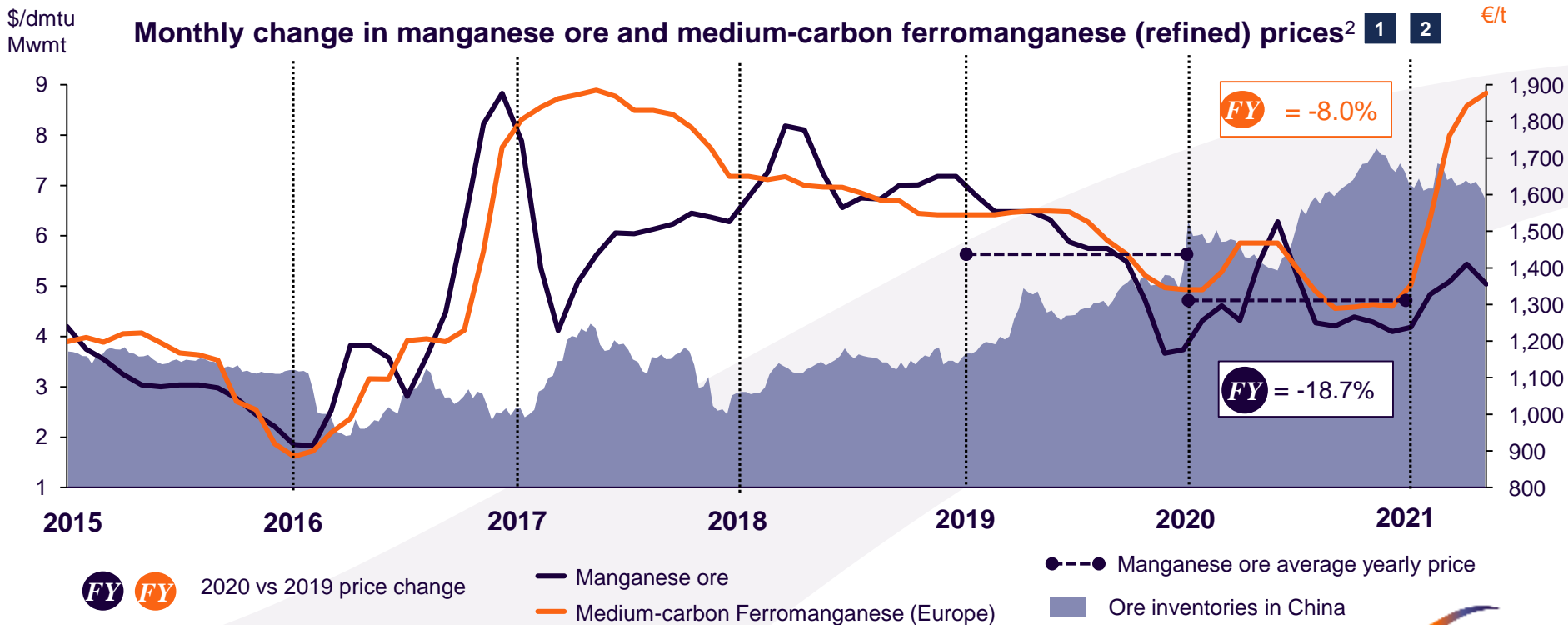
1 Mn ore CIF China 44% at c. **\$5.1/dmtu** in Q1 2021, up 17%¹ (+7% in €), thanks to strong demand from China

Index however **shifted upwards compared to real transactions** as some were concluded in Dec. 2020

Inventories at Chinese ports slightly down (<**12 weeks** of consumption)

2 Average Mn alloys prices **up substantially due to a supply shortage** in Q1 2021: MC FeMn at **€1,713/t** (+22%); SiMn at **€1,053/t** (+14%)

Full impact on turnover expected in Q2, given the **one quarter lag between market prices and sales contracts**

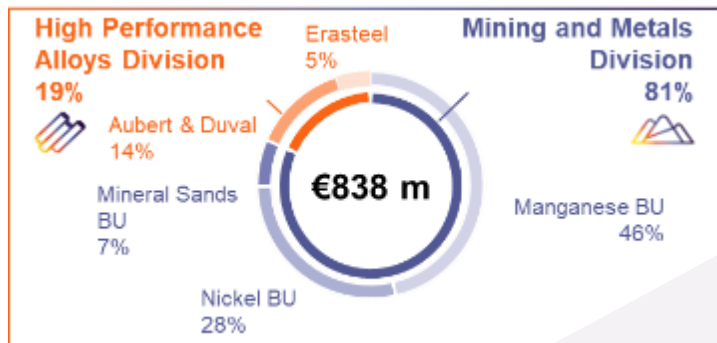


¹ Compared to Q1 2020

² Manganese ore: CRU CIF China 44%; Medium-carbon FerroMn: CRU Western Europe spot price

Q1 2021 Group turnover up 8%, driven by strong growth of Mining & Metals division (+18%)

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



Positive volume and price effect (in €) of +9% each in M&M division

- **Manganese ore prices** (CIF China 44%) up in Q1 2021
- Significant rise in **manganese alloys prices** to reflect on selling prices in Q2; very **positive squeeze impact¹** on alloys margins expected in 2021
- **LME nickel prices** averaged **\$8.0/lb** in Q1 2021 (**+27%** in euro); ferronickel still sold at a **10% discount**
- Average price of **nickel seaborne ore** (CIF China 1.8%) up to nearly **USD 100/wmt** in Q1 2021, as high-quality ore volumes are scarce
- Price impact **partially mitigated** by **negative currency impact**

HPA division hard hit by aerospace crisis

- **Negative impact on A&D sales** due to adjustments on aerospace programs impacting sales of structural and engine parts
- Continued **adjustment of A&D cost structure: target of c.- €50m** of decrease in labour costs on a full year basis

Delivering on our strategic roadmap, in a favourable price environment partially mitigated by input costs (1/2)

Operational performance

Strong progression in mining operational performance

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

Mixed impact of external factors

- **Positive price impact** to be fully reflected in Q2 for M&M division
- **Increase in input costs**, mainly freight and energy costs in Q1

Costs & cash control

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

- **Cash preservation**
- **Investment discipline:** strict control over Capex, favouring investment with short payback
- **Continued adjustment of A&D cost structure to degraded aerospace sector**

Delivering on our strategic roadmap, in a favourable price environment partially mitigated by input costs (2/2)

CSR achievements

Progress on the CSR roadmap

✔ Significant safety progress:

> **-24% in accident frequency rate** in 2020 (TRIR¹ at **4.1** year-on-year at end-December 2020)

✔ **- 25.4%** reduction in tCO₂/t outgoing products in 2020 (vs. 2018)

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

Strategic roadmap

2021 operational targets confirmed in M&M division

✔ **Manganese ore organic growth** confirmed in Gabon: **7 Mt** ore produced in 2021

✔ **Nickel ore exports** volume target confirmed: **>3.5Mwmt**

✔ **Weda Bay** mine production target revised upwards to **>10Mwmt**

Ongoing strategic review of A&D

✔ Sale of the asset still the Group's preferred option in time

2020 Financial results



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



Sales **€3,553m**

↘ -3% vs 2019

↗ +11% in H2 vs H1



FCF - **€36m**

↗ vs - €358m in 2019

↗ +€174m in H2 (vs - €210m in H1)



EBITDA **€398m**

↘ -37% vs 2019

↗ €278m in H2 (vs €120m in H1)

COI **€106m**

(Current Operating Income)



Net debt **€1,333m**

→ stable vs 2019 (vs €1,536m in H1)



Net income – Group share

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

→ - €52m in H2 (vs - €623m in H1)



Gearing for covenant purpose¹
106%

Covenant holidays for June and December 2020

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

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

→ **C.- €540m** EBITDA impact

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

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

→ **C.+ €250m** EBITDA impact

€554m
EBITDA
Mining & Metals¹

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

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

High cash position at €1.9bn

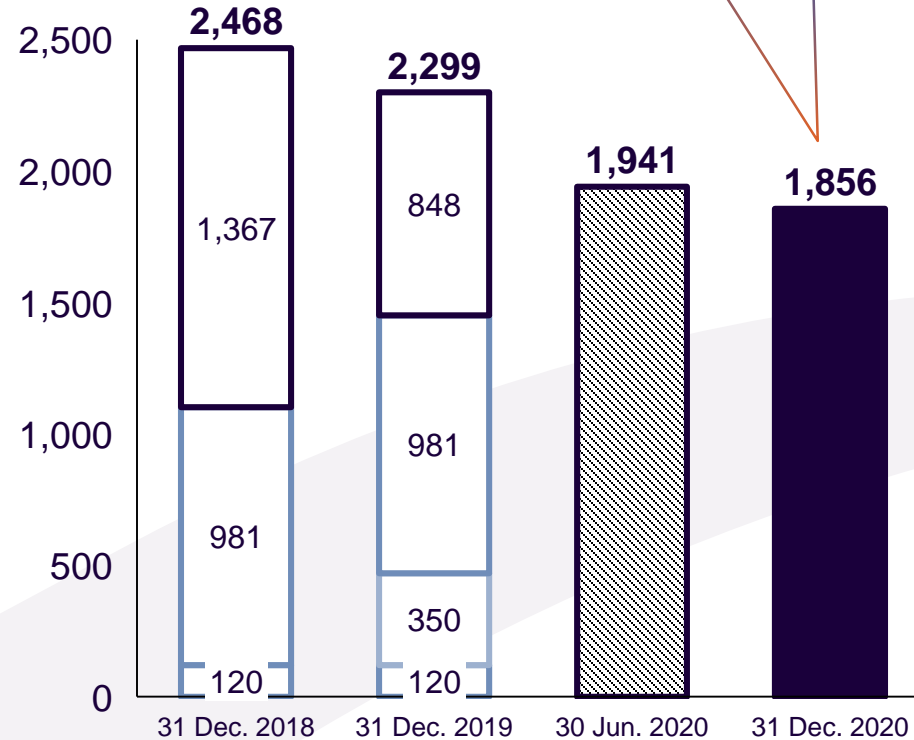
Drawdown lines as of 31 December 2020:

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

Gearing "Covenant holidays":

- June and December 2020

Group financial liquidity (€m)

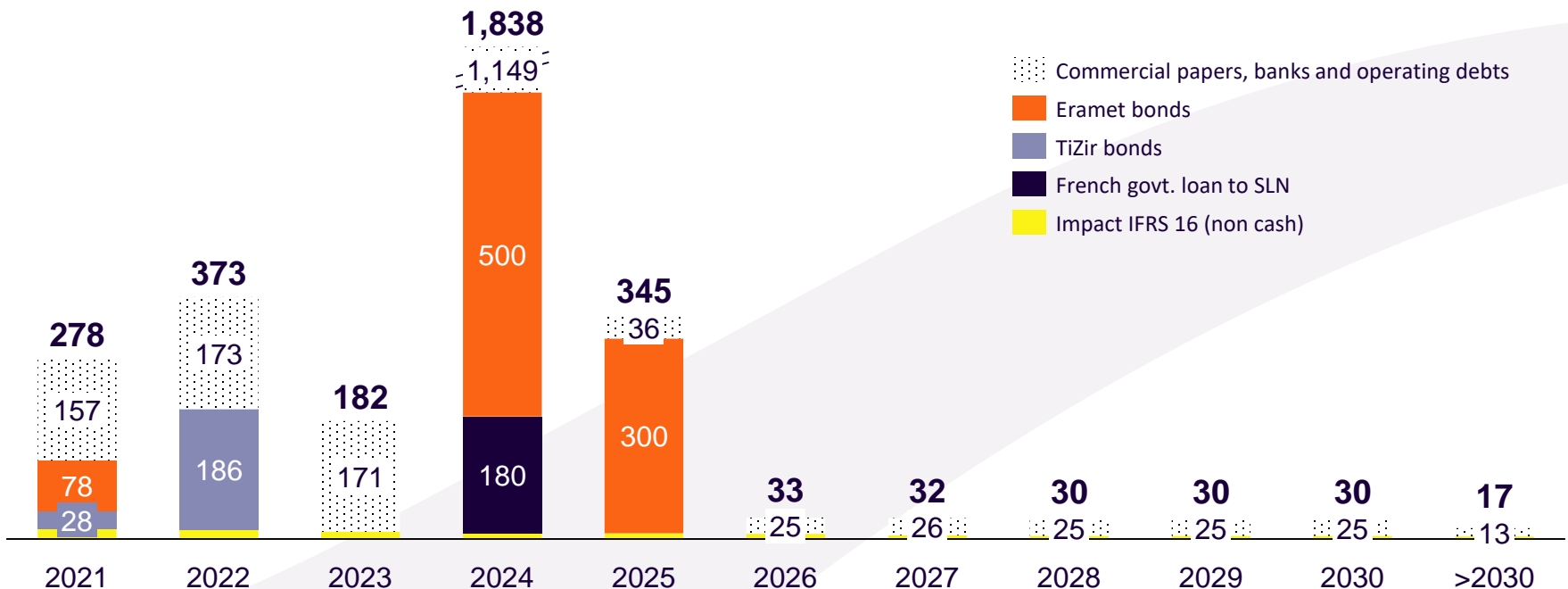


- ▬ Available cash
- ▬ Drawdown line in H1 2020: RCF
- ▬ Drawdown line in H1 2020: Term Loan
- ▬ Drawdown line in H1 2020: BEI

No major debt maturity until 2024

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

Debt maturity at 31 December 2020 (€m)



3

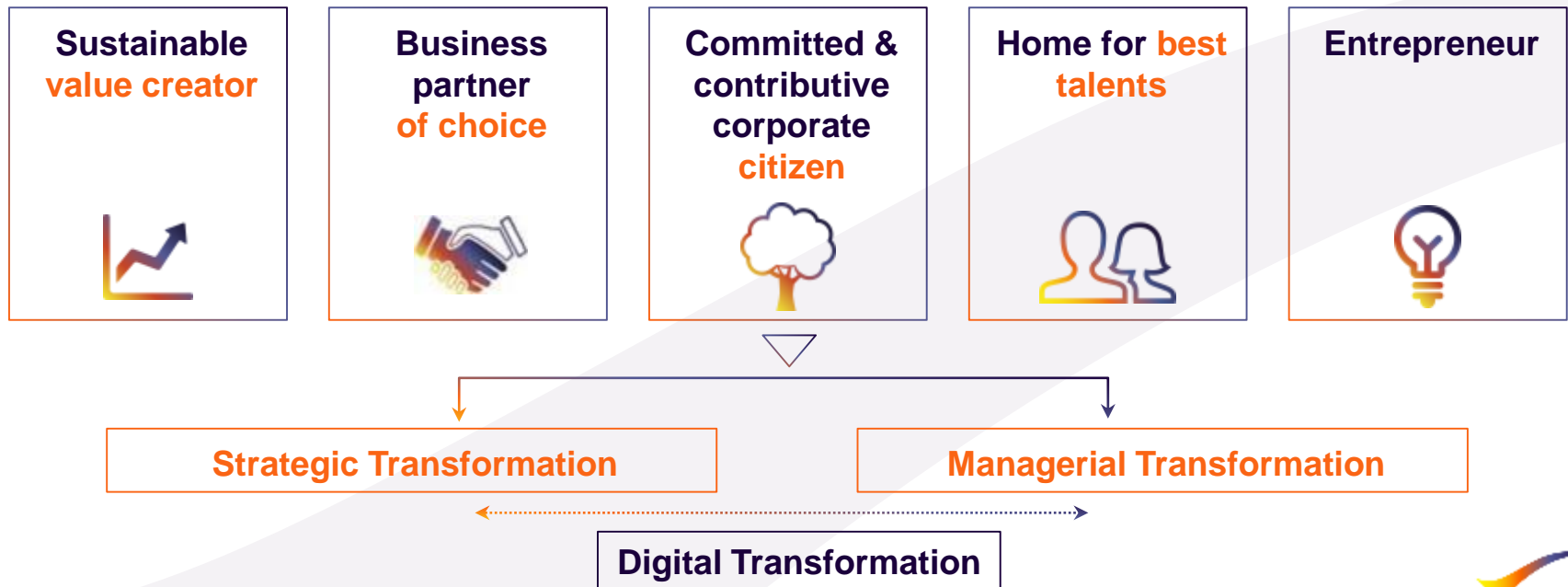
Strategic transformation

Our vision

Build a sustainable and recognised global player, a reference in responsible mining and metallurgy, and in the energy transition

- Develop a **selective portfolio of value-accretive mining and metallurgical activities**
- Be among the best in each of our businesses, in terms of **performance, profitability and innovation**
- **Be admired** for our strategic model, our management system and our societal commitment

OUR STRATEGIC VISION IN 5 YEARS



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

2021 critical outcome

1

FIX / REPOSITION our least performing assets

SLN

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

A&D

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

Sandouville

- > Strategic review

Erasteel

- > Strategic review

Strong cash-generating growth

2

GROW in our attractive businesses

Manganese ore

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

Weda Bay Nickel (Indonesia)

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

Mineral sands

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

No cash outflows in the short term

3

EXPAND our portfolio in metals for the energy transition

Lithium

- > Project temporary **mothballed**

Nickel and cobalt salts

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

Li-ion battery recycling

- > R&D programme ongoing



Ore production volumes up c.50% over the 2017-2020 period

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

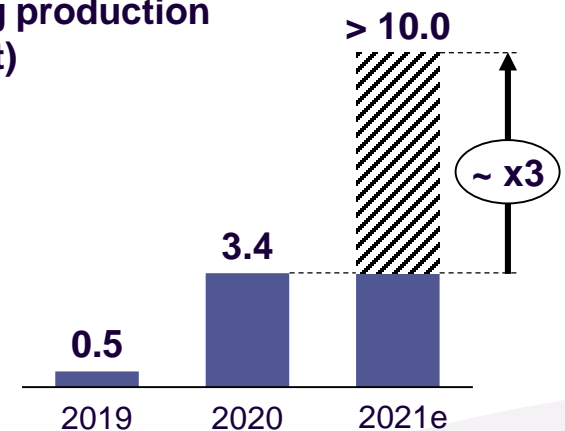
Weda Bay Nickel balanced business model: mining and metallurgy

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

2021 outlook

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

Mining production (Mwmt)



CSR commitment in 2020: responsible crisis management

Moving forward on the 2018-2023 CSR Roadmap

High CSR Performance in 2020:

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

Key CSR figures

85% of industrial sites ISO14001 certified since April 2021



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

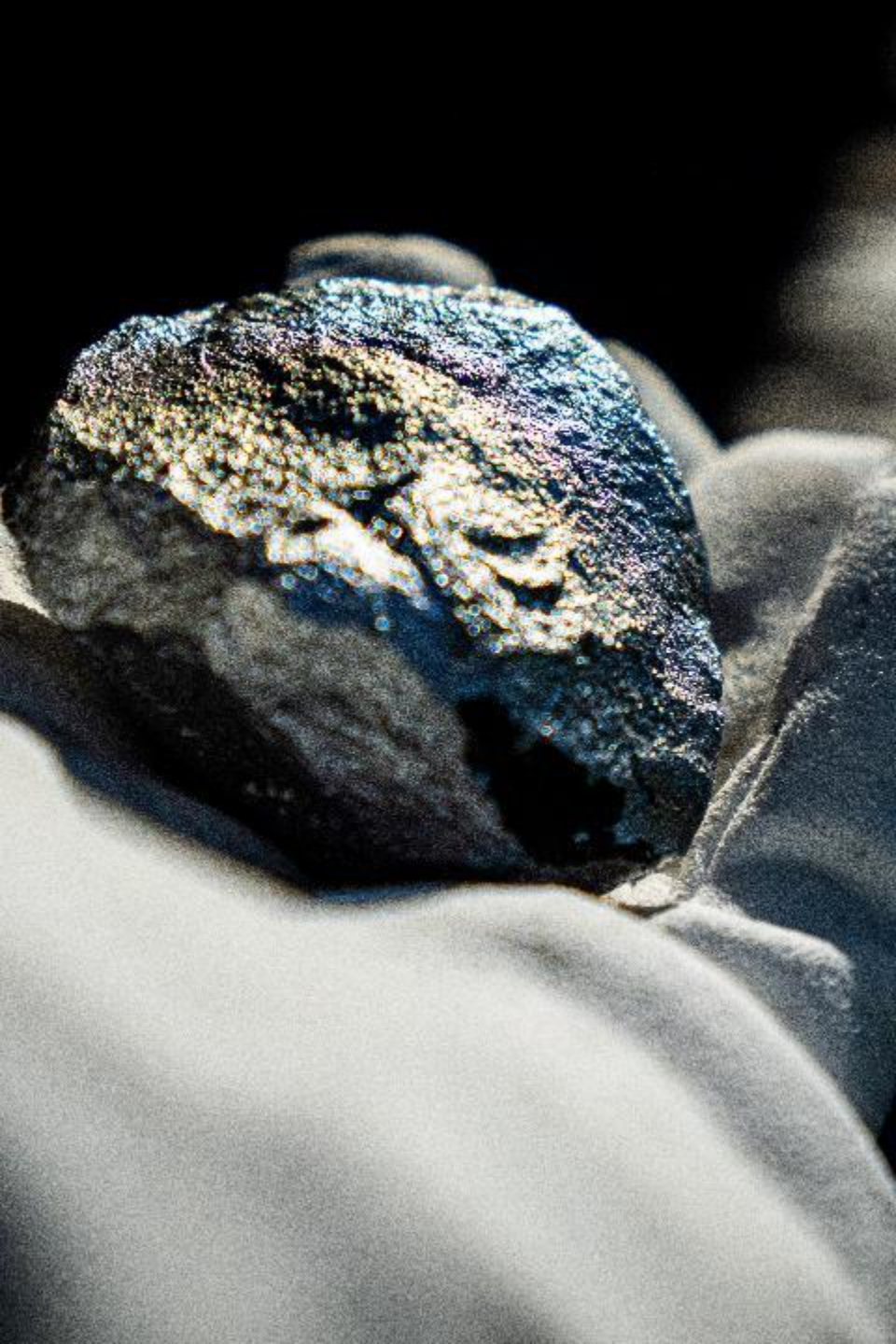


-25.4% decrease in products CO₂ intensity¹, close to 2023 target

-67% reduction in serious accidents



€21.4m spent on community investment & charity including €10m on Covid-19 solidarity



Conclusion and outlook

Confirming our path to transformation for profitable growth

- **Further organic growth** of the Mining & Metals activities in 2021, with Comilog and Weda Bay mining production expansion **delivering strong cash generation**
- Strong focus on **SLN rescue plan** for which the commitment of all stakeholders and normalised conditions of operations are needed in New Caledonia
- c.€300m of **current capex** and c.€200m of **growth capex** forecast in 2021 to support the very profitable mining organic growth, mainly in manganese
- **Continued strict cash control** at Group level
- **Strategic review for the future of Aubert & Duval**, with a sale being the Group's preferred option in time ; in the meantime, continued adjustment of cost structure to aerospace order book

2021 outlook

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

Appendices





Q1 2021 appendices

Uneven recovery in global carbon steel market



1

Global carbon steel production up **7.2%** in Q1 2021, thanks to a **good momentum in Chinese economy** supporting production (**+13%**)

Slight decrease in Europe (-0.4%) and **decline in the US, down -7%**

Ore consumption up +9%

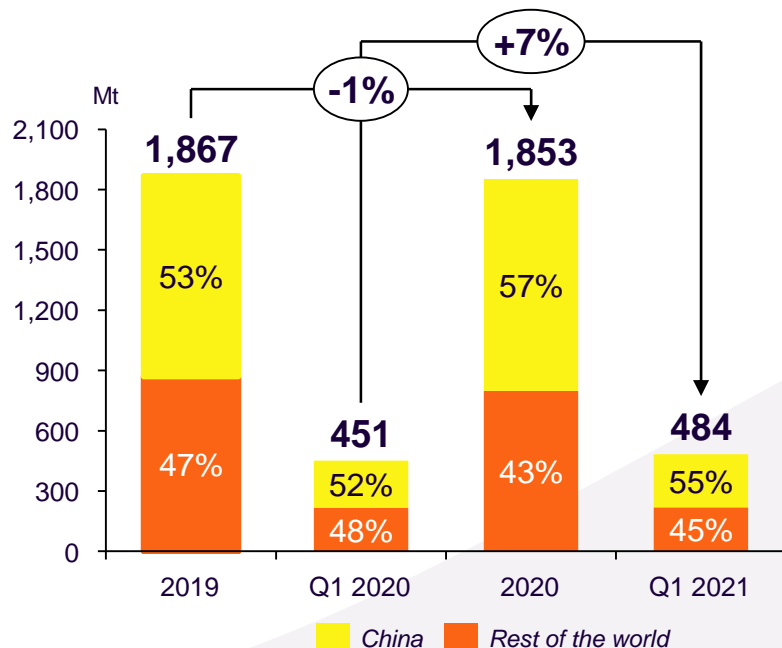
2

Global manganese ore production up **18%** at **5.2 Mt** in Q1 2021, supported by growth volumes in Gabon and the return of production in Ghana

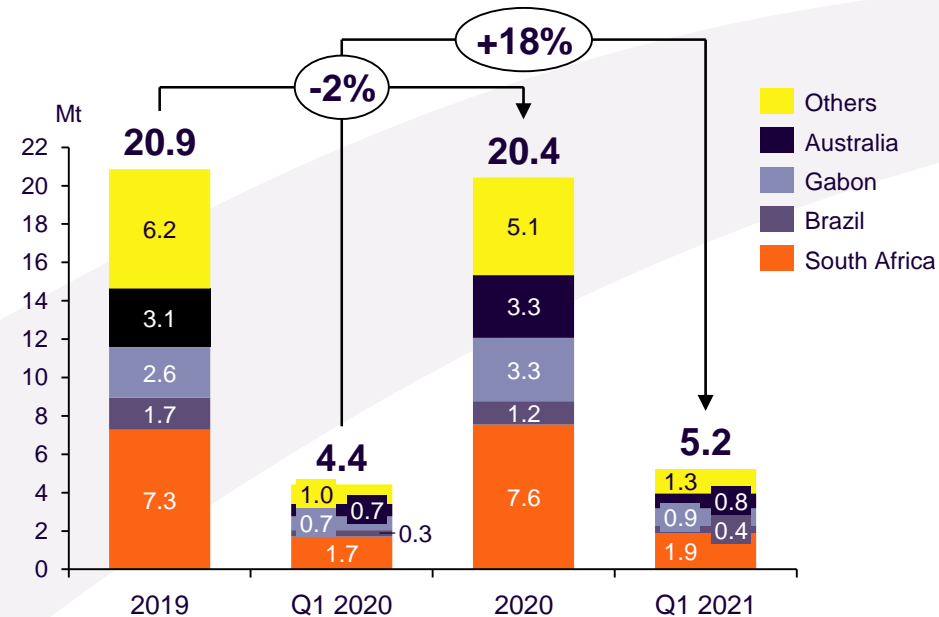
Supply and demand are nearly balanced

Supply and demand are nearly balanced

Global carbon steel production 1



Global manganese ore production (manganese content) 2



Global stainless steel production up significantly in Q1 2021; Indonesian NPI keeps on rising



1

Strong increase for global stainless steel production in Q1 2021 (+24.2%) driven by growth in China (+41% in Q1) and Indonesia (+113%)

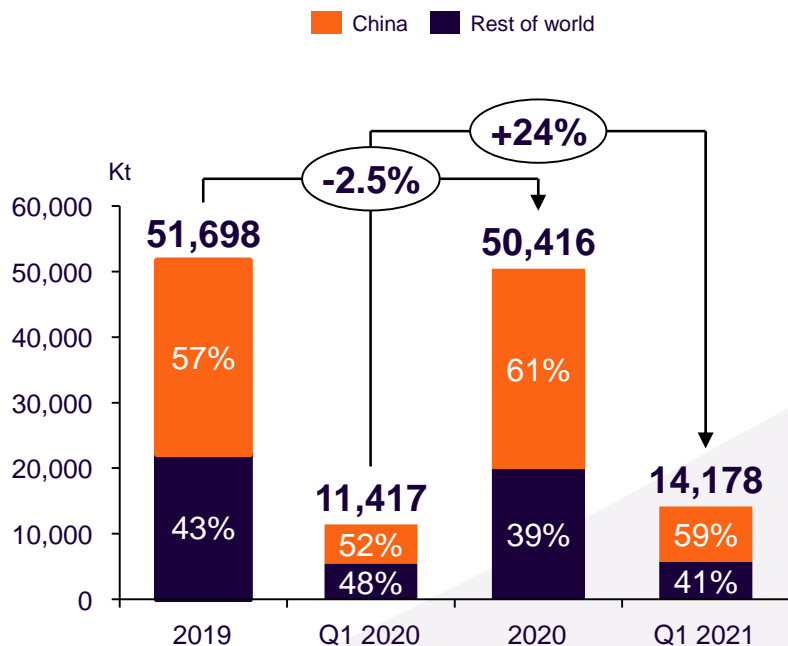
Primary nickel demand up +24.2%

2

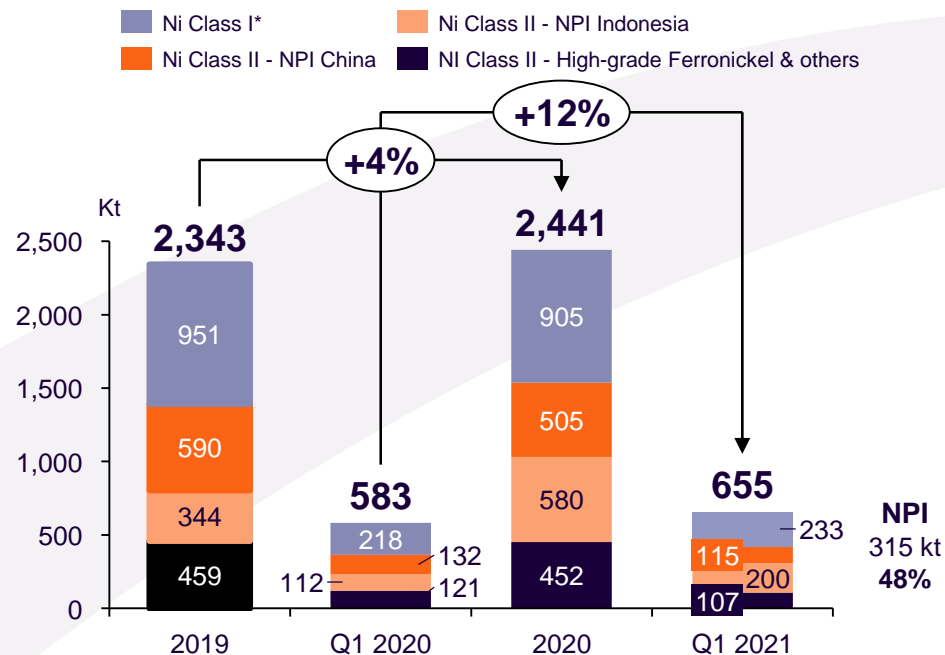
Global primary nickel production up 12.3% in Q1 2021 as **Indonesian NPI** continues to break records (+80% vs Q1 2020)

Market balance in slight surplus in Q1 (+19kt)

Global stainless steel production 1



Global primary nickel production (excl. recycling) 2



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

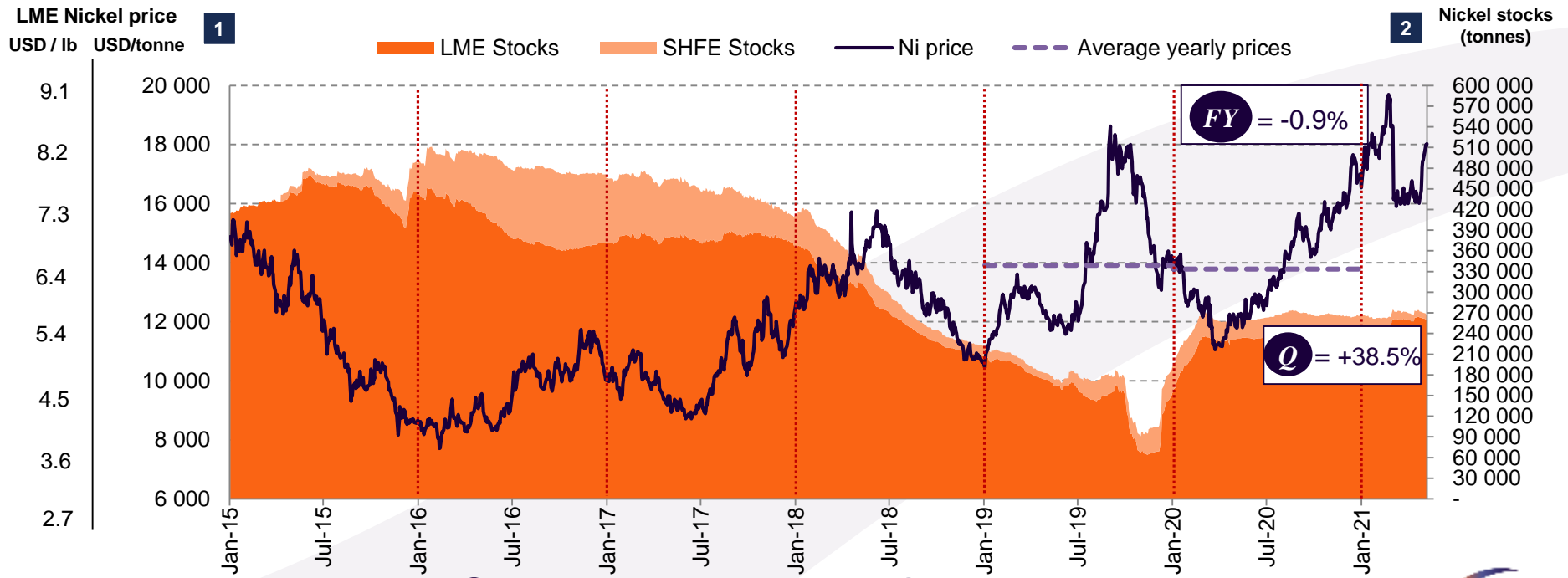
Strong rise in LME prices in Q1 2021, discounts in FeNi selling price



1 Q1 2021 average LME prices at **\$8.0/lb**, up **38%** vs Q1 2020. High prices driven by Chinese demand and batteries perspectives

Ferronickel prices up 40% (+30% in euros) in Q1, but still post a strong discount vs LME prices

2 **LME and SHFE inventories** at 269 kt (~**9 weeks** of consumption¹), stable since Q2 2020



¹: Including producers' stocks



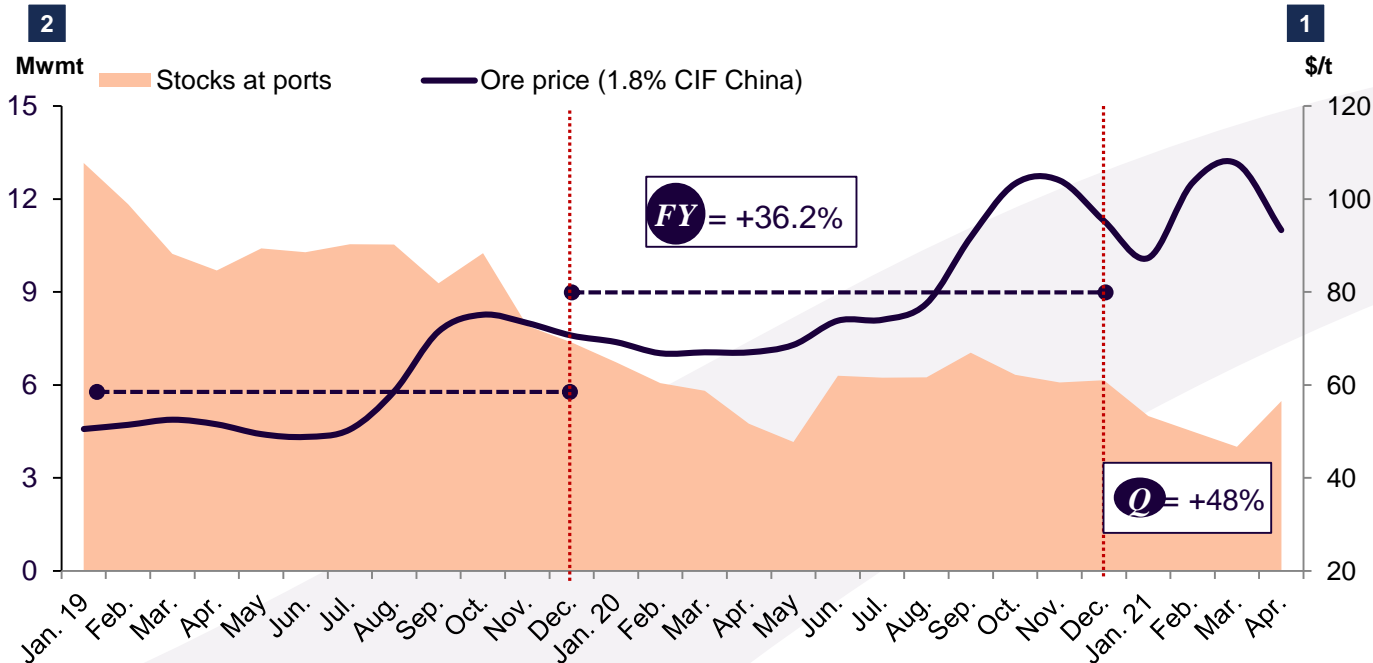
Strong price levels for ore exports as supply is limited

1 1.8% nickel ore prices remained at high levels in Q1 2021 as availability of high-grade nickel ore is limited, with New-Caledonia its main source

Prices rose **+48%** vs Q1 2020 to nearly **\$100/wmt**

2 Ore stocks in Chinese ports still at a low level, but stocks should rise as Philippines exports should ramp up in the coming months

Ore prices¹ (\$/t) and usable ore stocks in Chinese ports (Mwmt)



Q Q1 2021 vs Q1 2020 price change

FY FY 2020 vs FY 2019 price change

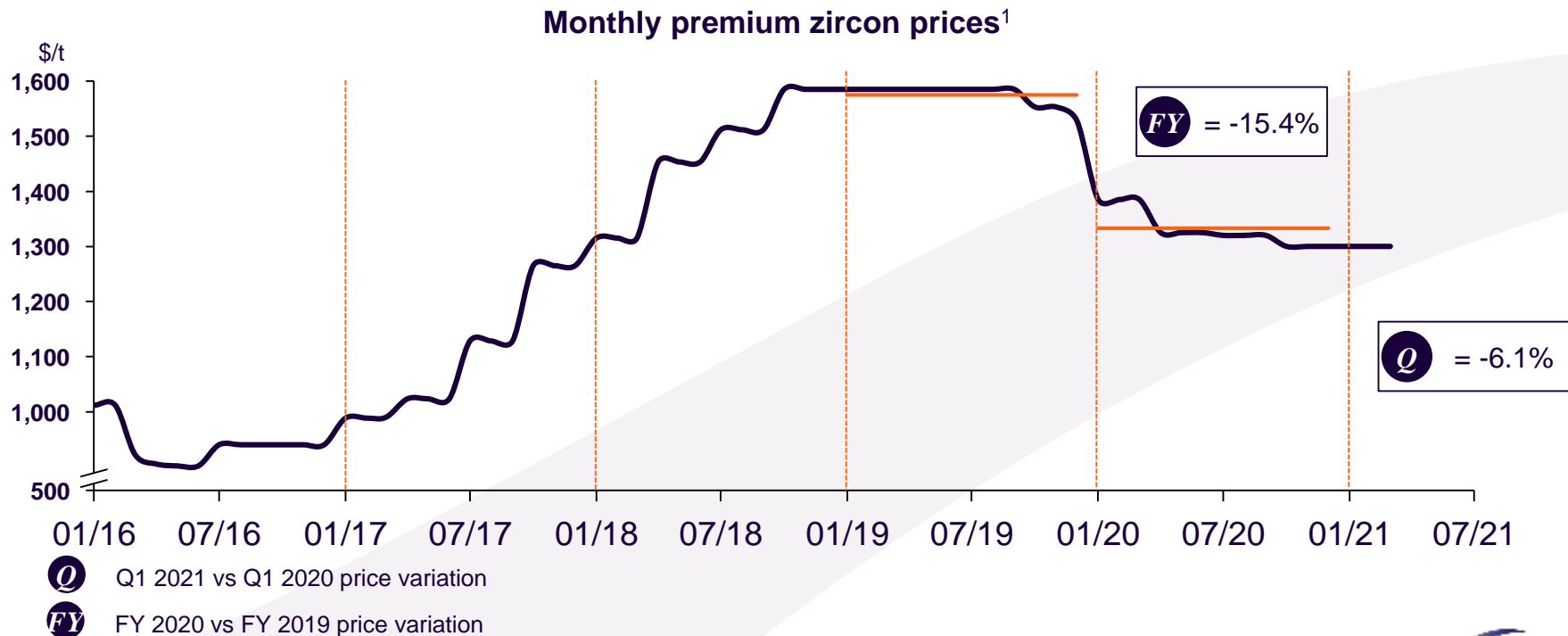
¹ CIF China price 1.8% "Other mining countries" in H2 2020 (CNFEOL) and "Philippines" in 2019 and H1 2020 (SMM)

Zircon prices down 6% in 2020 despite rise in demand



Average price of zircon at **\$1,300/t** in Q1 2021, down **-6%** vs Q1 2020 (**-14%** in euros), based on quarterly negotiations led at end-2020

Global demand for zircon **rebounded strongly** thanks to the recovery in ceramics market; **supply progressed in Q1** without being able to meet the strong demand, leaving the market in **deficit**



Robust high-grade feedstock demand in an undersupplied market not yet reflected on prices

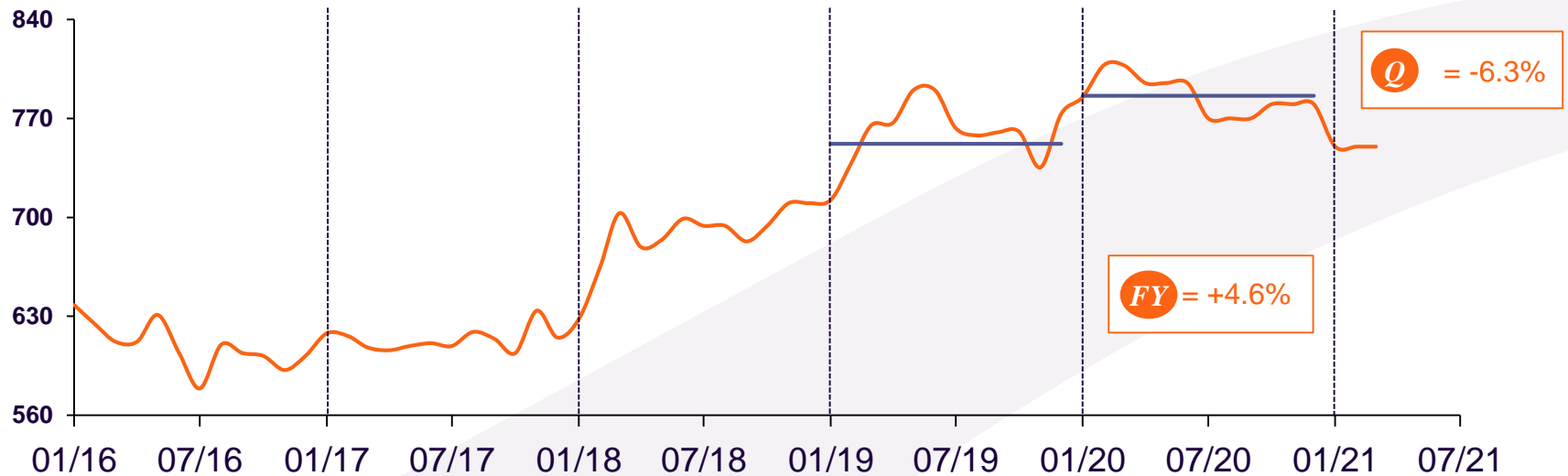


Global demand for TiO₂ pigments is up in Q1 2021, driven by the global economic recovery

Global production rose as well, meaning that the **supply deficit** remained relatively stable

Tight demand for **CP¹ grade titanium slag** is not reflected yet on prices, which are down **-6%** (-14% in euros) at **\$750/t** in Q1

Monthly change in CP grade titanium dioxide slag prices²



Q Q1 2021 vs Q1 2020 price variation

FY FY 2020 vs FY 2019 price variation

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