Paris, 29 July 2020, 6:45 pm

PRESS RELEASE

Eramet: Substantial growth in mining activities, EBITDA declined significantly in first-half 2020 owing to prices and aerospace crisis

- **Raw material sales prices adversely affected:** -22% for manganese ore, -10% for ferronickel
- **Brutal and deep impact of aerospace crisis** on results for the High-Performance Alloys division, with cash consumption of €156m during the period at Aubert & Duval ("A&D")
- **Acceleration of portfolio review of least performing assets,** all options being considered, including possible A&D divestment
- **Resilient mining activities,** in the context of a crisis of unprecedented scale, with an excellent operating performance, thereby confirming the success of the Group's organic growth strategy:
  - Increase in manganese ore volumes: 2.8 Mt produced, +31% vs. H1 2019
  - Increase in nickel ore volumes at SLN: 2.2 Mwmt produced (+12%) and 1.1 Mwmt exported (+120%)
  - Successful start-up of four production lines at Weda Bay
- **Sharp decline in EBITDA** to **€120m** owing to the decline in raw material prices and the aerospace crisis at A&D, despite **intrinsic progress of more than €120m**
- **Negative net income, Group share** of **-€623m** impacted by a non-recurring expense of €459m, mainly due to crisis, of which €197m for A&D asset impairment and €142m related to the mothballing of lithium project
- **High cash level** at **€1.9bn**, with strengthened cash control plan measures, and before proceeds from the sale of the TTI plant, subject to ongoing regulatory approvals
- **Net debt** of **€1.5bn**, corresponding to a gearing[1] of 113%, before impairment; suspension of calculation of Covenants granted for June and December 2020

Christel Bories, *Eramet Chairman and CEO:*

« The Covid-19 health crisis has put our industries to the test, profoundly impacting our ecosystems. Above all, it has led to the biggest crisis ever seen in the aerospace sector. Against this background, we have strengthened our cash preservation measures and speeded up the review of our asset portfolio.
We still must overcome a highly volatile and uncertain market environment for all sectors of activity.

I want to pay tribute to the incredible commitment of our employees who have been responsive and resourceful in ensuring optimal business continuity while stringently complying with health protection protocol.

We have pursued our organic growth strategy in mining activities as well as the optimization of our operations in order to bounce back as soon as the global outlook and markets improve.»

[1]Net debt-to-equity ratio measured before impairment, including IFRS 16 impact

Eramet Board of Directors of 29 July 2020, under the chairmanship of Christel Bories, examined the accounts for H1 2020.

♦ Eramet group key figures

(Millions of euros)[1]	H1 2020	H1 2019	Change (M€)	Change[2] (%)
Sales	1,687	1,809	(122)	-7%
EBITDA	120	307	(187)	-61%
Current operating income (COI)	(32)	169	(201)	n/a
Net income, Group share	(623)	(37)	(586)	n/a
Free Cash-Flow	(210)	(165)	(45)	-27%
	30/06/20	**31/12/19**	**Change (M€)**	**Change[2] (%)**
Net debt	1,536	1,304	232	+18%
Shareholders' equity	982	1,639	(657)	-40%
Gearing[3], before impairment	113%	78%	+35 pts	n/a
ROCE (COI/capital employed[4] for previous year)	n/a	12%	n/a	n/a

[1] Data rounded up to the nearest million.

[2] Data rounded up to higher or lower %.

[3] Net debt-to-equity ratio including IFRS 16 impact.

[4] Total shareholders' equity, net debt, restoration provisions, restructuring and other social risks, less long-term investments, excluding Weda Bay Nickel capital employed. At 30 June 2020, ROCE is calculated on a 12-months rolling basis.

N.B.: all the commented changes in H1 2020 are calculated with respect to H1 2019, unless otherwise specified.

The Group's H1 2020 **sales** totalled **€1.7bn**, down 7%. At constant scope and exchange rates[2], sales declined 9%, mainly owing to the strong impact of the health crisis on the Group's markets.

Despite intrinsic progress of more than €120m in H1 2020, Group **EBITDA** totalled **€120m**, down -€187m, of which approximately -€280m of price effect (mainly manganese ore and ferronickel) and approximately -€80m owing to the impact of Covid on Eramet's activities.

Income before tax declined to -€566m and **net income** Group share ended at **-€623m,** particularly reflecting crisis-related asset impairments, mainly A&D (€197m) and the lithium development project (€142m), which has been mothballed.

As part of the cash control plan, current capex-related disbursements were down -15% in H1 2020. To support organic growth in Gabonese manganese production, which is highly value-accretive with a short-term return on investment period, the Group invested €25m in H1 2020.

[2] See Financial glossary in Appendix 5

Furthermore, investments already made in early 2020 for the lithium project, mothballed in early April, accounted for €58m. Thus, **capex cash** amounted to **€199m** at end-June, of which €96m in current capex.

Free cash-flow (FCF) came out at **-€210m**, of which -€156m for A&D and -€80m for the lithium project. Excluding this impact, FCF benefitted from the cash control plan, specifically in terms of WCR control and current investment. FCF stood at +€65m for the Mining and Metals division, excluding the lithium project.

Net debt ended at **€1,536m** at 30 June 2020. This included the impact of €94m due to application of IFRS 16. Gearing was at 113%[3] before impairment. The Group was granted suspension of calculation of Covenants ("Covenant holidays") for June and December 2020.

Eramet's **cash** level remained high at **€1,941m.**

♦ Current Group situation facing the impacts of health crisis

In the Mining and Metals division, all mines and plants are running as normal. Only manganese alloys plants have revised their production to adapt to the lower demand from Europe and the United States.

In Gabon, Comilog and Setrag operations have delivered an outstanding performance. The health protocols in place ensures activities continue as the country stays extremely vigilant in light of the pandemic.

In New Caledonia, the effects of pandemic have been limited locally to date, with no impact on operations.

In Senegal, solid production level was continuously maintained thanks to specific lockdown measures for people working at the mine, thereby incurring non-recurring costs.

In Indonesia, the health measures adopted in operations made it possible to ensure service continuity in mining activities and start up the Weda Bay nickel ferroalloys plant ahead of schedule.

In the High-Performance Alloys division, the sharp slowdown in the aerospace sector weighs significantly on A&D. The subsidiary's sites thus saw a sudden decline in business in Q2 20 and production rates for each production workshop are revised based on market downturns.
Production in end-markets for Erasteel, specifically automotive, also trended downwards in Q2 20.

[3] Includes IRFS 16 impact

♦ Safety and preventive measures to face the pandemic

Throughout this first-half, the Group has remained highly focused on accidents in the workplace. The rate (TRIR[4]) stood at 4.3 year-on-year at end-June 2020, steadily declining for several quarters (-20% versus 2019).

Eramet fully committed to protecting the health of all of its employees as well as their families. The Group is also committed to ensuring business continuity by adapting organisations and working closely with employees, suppliers and customers.

Eramet adopted health protocol across all its sites to fully control the risk of infection in the workplace. Highly stringent instructions currently remain in place to ensure health protocol is respected.

The Group quickly executed a solidarity plan, fuelled by an exceptional budget of €1.5m and redirected initiatives to support communities around Eramet's mining and metallurgical sites. In all, Eramet will be able to spend around €10m to fund practical efforts to combat the spread and consequences of the pandemic through health care projects (prevention and support for the health services sector) as well as economic and social support adapted for each of its locations.
In Gabon, the Transgabonese railway played a pivotal role in supplying the country with medicine and food products. In support for local teams, the Group also provided the Amissa Bongo hospital in Franceville with a medical team dedicated to fighting Covid-19.

[4] TRIR (total recordable injury rate) = number of lost time and recordable injury accidents for 1 million hours worked (employees and subcontractors)

♦ Key figures by activity

(Millions of euros)[1]		H1 2020	H1 2019	Change (€m)	Change[2] (%)
MINING AND METALS DIVISION					
Manganese BU	Sales	839	904	(65)	-7%
	EBITDA	234	316	(82)	-26%
Nickel BU	Sales	366	346	20	+6%
	EBITDA	(70)	(25)	(45)	-180%
Mineral Sands BU	Sales	139	139	(0)	0%
	EBITDA	44	52	(8)	-15%
Division total	*Sales*	*1,344*	*1,389*	*(45)*	*-3%*
	EBITDA	*208*	*343*	*(135)*	*-39%*
HIGH-PERFORMANCE ALLOYS DIVISION					
A&D and Erasteel	Sales	345	423	(78)	-18%
	EBITDA	(66)	(5)	(61)	n/a

[1] Data rounded up to the nearest million.
[2] Data rounded up to higher or lower %.

▪ Mining and Metals Division

Manganese BU

Ore sales production saw robust growth and alloys' results were solid, despite the downturn in the steel sector. The impact of the sharp decline in ore prices was thus limited in H1 2020: sales and EBITDA were down 7% and 26% to €839m and €234m respectively.

The Group confirms its organic growth strategy in Gabon. The very significant increase - since beginning of 2018 - in manganese ore volumes has already generated c.€120m in free cash-flow.

Market trends & prices

In H1 2020, global production for carbon steel, the main outlet for manganese, was significantly down -6.1%[5] ending at 881 Mt. Production in China, which accounts for c.57% of global production, grew slightly (+1.1%[5]), propelled by the restart in activity in Q2. As for the rest of the world, production slowed considerably (-13.9%[5]), owing to the decline in demand in Europe (- 17.0%[5]) and North America (-16.2%[5]).

[5] Eramet estimations based on World Steel Association ("WSA") production data

Given the lower demand, global manganese ore production also declined by -9.5%, following the near-one-month closure of mines in South Africa and their gradual restart. However, the supply/demand balance remains slightly in surplus with Chinese port ore inventories totalling 5.1 Mt[6] at end-June 2020 (equivalent to approximately 9 weeks' consumption), up 0.4 Mt on end-2019.

The average CIF China 44% manganese ore price stood at approximately $5.0/dmtu[7] in H1 2020, down c.22%[8,9] from H1 2019 ($6.4/dmtu[7]).

In H1 2020, manganese alloy prices in Europe continued to trend downwards, particularly for refined (carbon ferromanganese average at approximately €1,420/t[7,] representing -8%[8]) and standard alloys (silicomanganese at approximately €950/t[7], representing -3%[8]).

Activities

In Gabon, with 2.8 Mt produced in H1 2020 (+31%), the mine in **Moanda** now accounts for more than 15% of global production ("seaborne"). This performance reflects continued operating breakthroughs and flexibility as a result of a new modular approach to the mine's expansion project.
In H1 2020, produced and transported volumes also increased by +42% to 2.9 Mt. Transport capacity indeed achieved a key milestone thanks to the increased reliability of equipment combined with progress in operational management. As a result, external sales were up nearly 50%, ending at 2.4 Mt.

In an especially difficult market environment **in Europe and the United States** in Q2 20, the decrease in manganese alloy production was limited to -9% in H1 2020 (342 kt) and sales volumes to -6% (346 kt), driven by new market share gains. Resilience in activity was also fuelled by the furnaces' fast adaptation in production (c.20/30% reduction in May/June).
Against this difficult background, electrolysis activity for metal manganese production in Gabon was shut down in April. Remaining local metallurgical transformation activities continue operations.

Outlook

As part of an initiative to drive modular and optimal manganese ore growth, the 2020 target for produced and transported volumes was raised to more than 5.5 Mt (representing over 15% versus 2019). As a reminder, mine reserves in Moanda, Gabon, allow, in the long-term, a manganese ore production capacity of approximately 7 Mt on an annual basis.

To support such profitable growth with fast turnaround, capex of c.€85m, of which €25m cashed-out in H1 2020, is expected to be made during the year in order to open the new Okouma plateau in H2 20.

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6 Source: CNFEOL (China FerroAlloy Online)
7 Half-year average for market prices, Eramet calculations and analysis
8 Manganese ore: CRU CIF China 44% spot price; Manganese alloys: CRU Western Europe spot price
9 Adjusted for the favourable currency effect (appreciation of the dollar against the euro), the decrease in price in euros was -21% on a comparable half-year basis.

Nickel BU

The Nickel BU markets were strongly affected by the continued slowdown in the stainless-steel industry over the first six months of the year. Despite sales that were up 7%, buoyed by growth in nickel ore exports, SLN[10] EBITDA was down sharply to -€49m (vs. -€15m in H1 2019). Parallel to this, the impact of the crisis at the Sandouville plant caused a loss in EBITDA of -€21m (vs. -€10m).

Market trends & prices

The stainless-steel industry experienced an historical shock. In H1 2020, global production declined by -11.8%[11] to 22.6 Mt. China, which represents nearly 60% of global production, declined substantially (-6.0%[11]), with even more marked contraction for the rest of the world (- 18.8%[11]). For the first time in 3 years, and despite the start-up of locally integrated stainless steel production, volumes also decreased in Indonesia (-3.6%[11]). Nevertheless, order intake for stainless steel producers in China remained high in July and August.

In H1 2020, demand for primary nickel was down 13.1%[11] to 1.0 Mt, hampered by the decline in demand for stainless steel excluding scrap and also for batteries.

Conversely, global primary nickel production increased slightly to 1.1 Mt[11] in H1 2020, bolstered by continued growth in nickel ferroalloys production in Indonesia (+57.8%[11]), which more than offset the decline in traditional production.

Considering a nickel supply/demand balance with a high deficit in H1 2019, the decrease in demand and slight increase in production reversed the trend. The balance now reports an oversupply of c.110 kt in nickel in H1 2020. Nickel stocks at the LME[12] and SHFE[12] thus increased by more than 35% on end-2019 (representing a low level), reaching 260 kt at end-June 2020 and now accounting for 9 weeks' consumption[13].

In H1 2020, the average LME price totalled $5.65/lb ($12,455/t), up slightly on H1 2019 (+1%[14]). However, given the soft demand for stainless steel, ferronickel sales prices were at a large discount to the LME over the half year (zero in H1 2019), declining by more than 10% over the period.

Conversely, the average for nickel ore prices (1.8% CIF China) came out at $67.7/wmt[15], up bullishly (+34%[15]) versus an average of $50.7/wmt[15] in H1 2019. This is attributable to the effective ban on nickel ore exports from Indonesia since January 2020. Nickel ore stocks in Chinese ports, down 29% from end-2019, amounted to 20 Mwmt at end-June 2020, corresponding to approximately 4 months' consumption.

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[10]SLN, ENI and others
[11]International Stainless-Steel forum (ISSF) and Eramet estimations.
[12] LME: London Metal Exchange; SHFE: Shanghai Futures Exchange.
[13] Including producers' stocks
[14]Restated for the favourable currency effect, the decrease in price in euros was +3% on a comparable half-year basis.
[15] CNFEOL Price (China FerroAlloy Online)

Activities

In New Caledonia, in SLN, mining production surged 12% to 2.2 Mwmt. Low-grade nickel ore exports more than doubled, reaching 1.1 Mwmt in H1 2020, reflecting a production pace of more than 2 Mwmt per year (3 Mwmt pace based on Q2).

Societal difficulties in some mining centres on the east coast have continued to adversely affect available ore grade and chemistry to feed the Doniambo plant's furnaces, unfavourably impacting productivity. As a result, ferronickel volumes produced remained low at 24 kt, stable year-on-year. Nonetheless, sales volumes increased 8% to 26 kt.

In light of the societal disruptions on the east coast, and mainly in Kouaoua, SLN is reorganising its activities to refocus on supplying its furnaces using other deposits in an effort to partially limit the impact on ferronickel production.

In H1 2020, average cash cost[2] amounted to $5.65/lb ($5.39/lb in June) down 7% from H1 2019 ($6.05/lb) and 4% on FY 2019 ($5.91/lb). The increase is owing to the implementation of the new business model, delivering growth in ore exports and leveraging favourable exchange rate effects and a decrease in fuel oil prices.

However, the Covid-related decline in ferronickel prices curbed the ongoing recovery, combined with societal disruptions and electricity prices that remain too high.
Getting all stakeholders onboard is key to creating the conditions for a successful rescue plan. This especially applies to the request to authorise 2 Mwmt in additional exports filed in April, coupled with an electricity price reduction provided by Enercal.
At end-June 2020, only €74m remained undrawn on the €525m of total loans granted by Eramet and the French government in 2015 and 2016. Now more than ever, SLN needs other shareholders to contribute financing, due to deteriorated market environment and obstacles to achieving the rescue plan.

In Normandy, the Sandouville plant was particularly impacted by the health crisis in H1 2020, particularly owing to margin squeeze reflecting nickel price. Results fell also substantially with a temporary Q1 shutdown to implement health protocols and the loss of high value-added markets, particularly in Asia, due to the fall in electronics market. A continued recovery, which started in Q2, will be critical for the future of the site.

In Indonesia, in Weda Bay, the nickel ferroalloys plant started up successfully, despite health crisis-related difficulties. The four production lines have been operational since May, generating production of 4.2 kt (Ni content) year-to-date at end-June. Ramp-up is expected to reach nominal capacity during H2. Moreover, 1.6 Mwmt of nickel ore has been produced since October 2019, with a current production pace of approximately 3 Mwmt/year, in line with the capacity needed to supply the plant.

Outlook

In a market expected to remain heavily impacted by the effects of the crisis, the discount to the LME in ferronickel prices should remain material in H2 2020, although lower than in H1 2020.

SLN nickel ore export volumes forecast for FY2020 (approximately 2.5 Mwmt) stands 50% above the FY2019 level. Ferronickel production at the Doniambo plant will however remain penalised, as long as the situation does not return to normal on the east coast or an alternative solution is found.

Mineral Sands BU

Against the backdrop of contrasting trends in end markets in H1 2020, the Mineral Sands BU posted stable sales of €139m and EBITDA down -15% to €44m, notably owing to one-off expenses incurred by GCO as a result of the health crisis.

Market trends & prices

Global demand for zircon was down significantly in H1 2020. This reflected market trends in ceramics, the main end-product for zircon[16], which was hard hit by the pandemic. Q2 industrial demand for zircon was reduced in all sectors and geographies. However, initial fears of shortages accelerated import volumes.

Despite a decrease in production from main producers, it should result in a zircon supply/demand balance in oversupply in 2020. As a result, average zircon prices rose to $1,355/t[17] in H1 2020, a decline of 15%[18].

Global demand for TiO_2 pigments, the main end-market for titanium-based products[19], [20], also saw a sharp slowdown in H1 2020, notably impacted by the pandemic (construction industry shut down for several weeks, automotive sector declining). In parallel, supply was only slightly reduced (- 2%). The supply/demand balance for titanium-based products should show an oversupply in 2020.

Despite the outlook of an oversupply during the year, the average price of high value-added CP titanium dioxide slag increased by 7%[18] to $798/t[21] in H1 2020.

[16] c.50% of Zircon's end-products
[17] Source Zircon premium: FerroAlloyNet.com, Eramet analysis
[18] Given the favourable currency effect, price increases in zircon and CP grade titanium dioxide slag were down -13% and up +9% respectively on a comparable half-year basis.
[19] Titanium dioxide slag, ilmenite, leucoxene and rutile
[20] c.90% of titanium-based end-products
[21] Source: Market consulting, Eramet analysis

Activities

Upstream, **in Senegal**, Grande Côte (GCO) kept up its excellent operating performance[22] as in 2019. The site produced[23] 371 kt of mineral sands (down -2%), owing to a slightly lower grade in the deposit area currently being mined.

Zircon production volumes decreased by 6% to 29 kt while sales were up by 13% to 33 kt, reflecting healthy demand in GCO products despite the market environment.

Downstream, in the Tyssedal **Norwegian plant**, titanium dioxide slag production totalled 98kt, down 3%. Sales volumes grew 3% to 100 kt.

Outlook

In May, Eramet signed an agreement to sell TiZir's Norwegian plant to Tronox. The transaction is still subject to regulatory approvals. Process is currently ongoing and could still last several months. Proceeds from the sale, payable on the transaction's completion date, is approximately $300m. If the sale is completed by the year-end, the impact on the Group's net debt would be approximately $250m, after deconsolidating the cash on TTI's balance sheet at end-2020.

- ## High-Performance Alloys division

The sharp slowdown in the aerospace sector and the steeper downturn in the automotive sector weigh significantly on the High-Performance Alloys Division's performance, after a 2019 year already significantly impacted by quality non-conformances at A&D.
A&D's[24] H1 2020 sales thus declined by -13% to €268m, reporting an operating loss of -€52m (vs. -€4m in H1 2019). As a result, FCF was negative at -€156m during the period.
At Erasteel, sales also fell by 34% to €76m, recording an operating loss of -€15m (versus an operating loss of -€2m in H1 2019).

Market trends & prices

The aerospace sector, which represents approximately 70% of A&D's sales, has been hard hit by the Covid-19 crisis. The latter has impact of an unprecedented scale on the aerospace supply chain.

In Q2 20, commercial airplanes deliveries reached an all-time low. More specifically, Airbus announced the delivery of 196 aircraft in H1 2020, down 50% on H1 2019.

The automotive sector, Erasteel's main market, had already performed below expectations in 2019. It has also been seriously disrupted by Covid-19, with a global decline in production of approximately -35% in H1 2020.

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[22] OEE: Overall Equipment Efficiency reflects the intensity of mining production
[23] Titanium-related ore (ilmenite, rutile and leucoxene) and zircon
[24] Aubert & Duval, EHA and others

Activities

In this context, **A&D** faced order cancellation requests for nearly a third of its aerospace activity. In H1 2020, the subsidiary's sales fell further versus already low level in H1 2019, affected by quality non-conformances.

However, in recent months, key aerospace contracts have been won or confirmed in the aerospace sector. This will positively impact the Group's medium-term outlook.

Excluding aerospace, sales contracted 6% to €79m despite growth in land turbine revenues (up +38% to €22m). Defence and national sovereign-related order book remains high.

Order cancellations and postponements led to a significant deterioration in operating working capital[25] of around 135 days of sales over the half year, thereby significantly impacting negatively cash for the period. Eramet has implemented a specific action plan focusing on drastic reduction in raw material supplies, halving temporary staff numbers, short time working measures and a more effective overdue trade receivables collection process…

The impact of the decline in sales weighed heavily on the subsidiary's results, considering the payroll weight in A&D's current cost structure.

In early July, a collective performance agreement was signed with the unions in respect to this issue. It will focus on the roll-out of short-term measures, tailoring sites' production rates to the substantial decline in orders from leading aerospace players. The agreement is based on the development of polyvalence and flexibility, with a scheduled training programme. To date, the number of temporary staff has already been halved, i.e. around 200 people.

The scale of the aerospace crisis will not, however, allow this performance agreement to offset the significant cost of overstaffing at A&D. In order to adjust the payroll to the decline in activity, and as part of a responsible social dialogue with employee representative bodies the objective is to activate, all the levers for adaptation, in particular those proposed by the French government in response to the Covid-19 crisis.

Erasteel production was largely affected by the downturn in the automotive and aerospace markets, which account for c.60% of sales. A strategic review is currently ongoing. During first-half 2020, high quality high-speed steel products made from powder metallurgy - of which Erasteel is a global leader - proved resilient against declining markets.

In addition, in a deteriorated market environment, Erasteel effectively managed its costs, WCR, notably operating[25] (down 29 days), and capex to limit FCF burn to -€9m over the first half of the year.

Outlook

Based on order planning data from leading aerospace players (Airbus, Boeing, Safran notably), the aerospace market downturn is estimated at 40-50%[26] in H2, continuing into 2021. In aerospace, the current consensus does not expect a return to 2019 volumes until 2025.

Latest estimates suggest A&D's sales should decline by approximately 20% in 2020 versus 2019, significantly impacting the subsidiary's results.

[25] Sum of accounts receivables, inventories, and accounts payables
[26] Based on monthly rates estimated as a number of aircraft, Eramet estimations

A comprehensive strategic review of A&D is underway with all options being considered, including a possible divestment.

♦ Outlook

In the context of a global economic crisis, the effects on market balances and customer activity remain volatile and difficult to anticipate.

In light of this uncertainty, Eramet continues to suspend its guidance for 2020 consolidated EBITDA, regardless of the announced forecasts for manganese ore production and nickel ore exports.

Webcast and presentation of 2020 half-year results

A live Internet webcast of the 2020 annual results presentation will take place on Thursday 30 July 2020 at 10:30am (Paris time), on our website: www.eramet.com. Presentation documentation will be available before the webcast.

Calendar

28/10/2020 Publication of 2020 third-quarter sales

ABOUT ERAMET

Eramet, a global mining and metallurgical group, is a key player in the extraction and valorisation of metals (manganese, nickel, mineral sands) and the elaboration and transformation of alloys with a high added value (high-speed steels, high-performance steels, superalloys, aluminium and titanium alloys).

The Group supports the energy transition by developing activities with high growth potential. These include lithium extraction and refining, and recycling.

Eramet positions itself as the privileged partner of its customers in sectors that include carbon and stainless steel, aerospace, pigments, energy, and new battery generations.

Building on its operating excellence, the quality of its investments and the expertise of its employees, the Group leverages an industrial, managerial and societal model that is virtuous and value-accretive. As a contributive corporate citizen, Eramet strives for a sustainable and responsible industry.

Eramet employs almost 13,000 people in more than 20 countries, with sales of ~€4 billion in 2019.

For further information, go to www.eramet.com

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APPENDICES

Appendix 1: Sales

Sales (€m)[1]	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
MINING AND METALS DIVISION						
Manganese BU	480	359	434	427	470	434
Nickel BU	215	151	216	216	182	164
Mineral Sands BU	69	70	85	62	80	59
HIGH-PERFORMANCE ALLOYS DIVISION						
A&D and Erasteel	149	196	232	192	206	217
GROUP						
Holding company & eliminations	0	(2)	1	(3)	(2)	(1)
Eramet group published IFRS financial statements[2]	**913**	**774**	**968**	**894**	**936**	**873**

[1] Data rounded up to the nearest million.

[2] Application of IFRS standard 11 "Joint Arrangements".

Appendix 2: Productions and shipments

In thousands of tonnes	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
MANGANESE BU						
Manganese ore and sinter production	1,475	1,288	1,309	1,340	1,112	1,005
Manganese ore and sinter transportation[1]	1,620	1,242	1,306	1,303	1,022	996
External manganese ore sales	1,418	1,000	1,322	911	861	776
Manganese alloys production	146	196	163	201	185	191
Manganese alloys sales	165	181	190	175	193	175
NICKEL BU						
Nickel ore production *(in thousands of humid tonnes)*	1,286	918	1,356	1,331	1,096	872
Ferronickel production	11.7	12.1	12.5	11.1	11.6	12.2
Nickel salts and high-purity nickel metal production	2.2	1.5	0.8	2.0	2.3	1.8
Ferronickel sales	14.3	11.6	11.4	11.6	12.0	12.0
Nickel salts and high-purity nickel metal sales	2.1	1.6	1.1	1.6	2.4	1.6
Nickel ore sales *(in thousands of wet metric tonnes)*	760	331	578	556	254	235
MINERAL SANDS BU						
Mineral Sands production	183	188	195	162	207	171
Zircon production	15	14	15	12	16	15
Titanium dioxide slag production	50	48	51	37	48	53
Zircon sales	16	17	15	14	16	13
Titanium dioxide sales	48	52	49	34	58	39

[1] Produced and transported

Appendix 3: Price and index

	H1 2020	H2 2019	H1 2019	Chg. H1 2020 – H1 2019[6]	Chg. H1 2020 – H2 2019[6]
Mn CIF China 44% (USD/dmtu)[1]	4.98	4.85	6.42	-22.4%	2.7%
Ferromanganese MC - Europe (EUR/t)[1]	1,422	1,417	1,551	-8.3%	0.3%
Silico-manganese - Europe (EUR/t)[1]	949	921	976	-2.8%	3.0%
Ni LME (USD/lb)[2]	5.65	7.03	5.59	-1.1%	-19.6%
Ni LME (USD/t)[2]	12,455	15,489	12,315	-1.1%	-19.6%
Ni ore CIF China 1.8% (USD/wmt)[3]	68.5	66.3	50.5	35.6%	3.3%
Zircon (USD/t)[4]	1,355	1,565	1,585	*-14.5%*	*-13.4%*
CP grade titanium dioxide (USD/t)[5]	798	758	746	*6.9%*	*5.2%*

[1] Quarterly average for market prices, Eramet calculations and analysis
[2] LME (London Metal Exchange) prices
[3] CNFEOL (China FerroAlloy Online)
[4] TZMI, Eramet analysis (premium zircon)
[5] Market analysis, Eramet analysis
[6] Eramet calculation (based on CRU monthly price index for manganese ore and alloys only), rounded to the nearest decimal

Appendix 4: Performance indicators

Operating performance by division

(€ million)	Mines and metals				Alloys high performance:	Holding and eliminations	Total
	Manganese	Nickel	Sands Mineral sands	Lithium			
H1 2020							
Revenue	839	366	139	-	345	(2)	**1 687**
EBITDA	234	(70)	44	(2)	(66)	(20)	**120**
Current operating income	179	(114)	22	(2)	(93)	(24)	**(32)**
Net cash flow from operating activities	200	(47)	40	(23)	(135)	(25)	**10**
Capital expenditure (intangible assets and property, plant & eq	73	21	6	34	20	9	**163**
H1 2019							
Revenue	904	346	139	-	423	(3)	**1 809**
EBITDA	316	(25)	52	-	(5)	(31)	**307**
Current operating income	271	(70)	30	-	(27)	(35)	**169**
Net cash flow from operating activities	129	(59)	25	(4)	(48)	(50)	**(7)**
Capital expenditure (intangible assets and property, plant & eq	78	10	3	9	26	5	**131**
Financial year 2019							
Revenue	1 765	778	286	-	847	(5)	**3 671**
EBITDA	560	38	106	-	(26)	(48)	**630**
Current operating income	459	(58)	64	-	(68)	(56)	**341**
Net cash flow from operating activities	206	(17)	55	(13)	(84)	(61)	**86**
Capital expenditure (intangible assets and property, plant & eq	234	35	12	101	53	20	**455**

Sales and investments by region

(€ million)	France	Europe	Americas Northern	Asia	Oceania	Africa	Americas Southern	Total
Revenue (destination of Sales)								
H1 2020	141	489	226	738	10	51	32	**1 687**
H1 2019	315	516	308	589	22	37	22	**1 809**
Financial year 2019	320	1 274	599	1 309	37	86	46	**3 671**
Capital expenditure (intangible assets and property, plant & equipment)								
H1 2020	31	9	1	-	19	69	34	**163**
H1 2019	32	11	1	-	8	70	9	**131**
Financial year 2019	76	42	8	-	30	198	101	**455**

Consolidated performance indicators – Income statement

(€ million)	H1 2020	H1 2019	Financial year 2019
Revenue	**1 687**	**1 809**	**3 671**
EBITDA	**120**	**307**	**630**
Amortisation and depreciation of non-current assets	(145)	(136)	(284)
Provisions for liabilities and charges	(7)	(2)	(5)
Current operating income	**(32)**	**169**	**341**
Asset depreciation and impairment losses	(381)	-	(25)
Other operating income and expenses	(78)	(25)	(93)
Operating income	**(491)**	**144**	**223**
Financial profit (loss)	(82)	(54)	(134)
Share of income from joint ventures and associates	7	(4)	(7)
Income tax	(73)	(101)	(227)
Net income for the period	**(639)**	**(16)**	**(145)**
- attributable to non-controlling interests	(16)	21	39
- attributable to equity holders of the parent company	**(623)**	**(37)**	**(184)**
Basic earnings per share (€)	(23,48)	(1,38)	(6,93)

Consolidated performance indicators – Net financial debt flow table

(€ million)	H1 2020	H1 2019	Financial year 2019
Operating activities			
EBITDA	120	307	630
Cash impact of items below EBITDA	(177)	(142)	(420)
Cash flow from operations	**(57)**	**165**	**210**
Change in WCR	67	(172)	(124)
Net cash flow generated by operating activities (A)	**10**	**(7)**	**86**
Investing activities			
Capital expenditure	(163)	(131)	(455)
Other investment cash flows	(57)	(27)	11
Net cash from investing activities (B)	**(220)**	**(158)**	**(444)**
Net cash from equity transactions	**(3)**	**(45)**	**(117)**
Exchange-rate impact and miscellaneous	(9)	(1)	(6)
Vesting of rights of use IFRS16	(7)	-	(12)
(Increase)/Decrease in net financial debt	**(229)**	**(211)**	**(493)**
Financial debt net of activities held for sale [1]	(3)	-	-
Opening (net financial debt)	**(1 304)**	**(811)**	**(811)**
Closing (net financial debt)	**(1 536)**	**(1 022)**	**(1 304)**
Free Cash Flow (A) + (B)	**(210)**	**(165)**	**(358)**

(1) In accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, the assets and liabilities of the company TTI are presented in the consolidated balance sheet at June 30, 2020 as "assets held for sale ".

Consolidated performance indicators – Balance sheet

(€ million)	30 June 2020	31 December 2019
Non-current assets	**2 870**	**3 294**
Inventories	1 007	1 098
Trade receivables	379	362
Trade payables	(463)	(458)
Simplified Working Capital	**923**	**1 002**
Other Working Capital items	(236)	(242)
Total Working Capital Requirement (WCR)	**687**	**760**
Derivatives	**-**	**-**
Assets held for sale	**134**	**-**
TOTAL ASSETS	**3 691**	**4 054**

(€ million)	30 June 2020	December 31 2019
Shareholders' equity - Group share	757	1 398
Non-controlling interests	225	241
Shareholders' equity	**982**	**1 639**
Cash and cash equivalents and other current financial assets	(1 941)	(920)
Borrowings	3 477	2 224
Net financial debt	**1 536**	**1 304**
Provisions and employee-related liabilities	**904**	**877**
Net deferred tax	**228**	**214**
Derivatives	**14**	**20**
Liabilities associated with assets held for sale	**27**	**-**
TOTAL LIABILITIES	**3 691**	**4 054**

Appendix 5: Financial glossary

Consolidated performance indicators

The consolidated performance indicators used for the financial reporting of the Group's results and economic performance and presented in this document are restated data from the Group's reporting and are monitored by the Executive Committee.

Sales at constant scope and exchange rates

Sales at constant scope and exchange rates corresponds to sales adjusted for the impact of the changes in scope and the fluctuations in the exchange rate from one year to the next.

The scope effect is calculated as follows: for the companies acquired during the financial year, by eliminating the sales for the current period and for the companies acquired during the previous period by integrating, in the previous period, the full-year sales; for the companies sold, by eliminating the sales during the period considered and during the previous comparable period.

The exchange rate effect is calculated by applying the exchange rates of the previous year to the sales for the year under review.

EBITDA ("Earnings before interest, taxes, depreciation and amortisation")

Earnings before financial revenue and other operating expenses and income, income tax, contingencies and loss provision, and amortisation and impairment of property, plant and equipment and tangible and intangible assets.

SLN's cash-cost

SLN's cash-cost is defined as all production and fixed costs (R&D including exploration geology, administrative expenses, logistical and commercial expenses), net of by-products credits and local services, which cover all the stages of industrial development of the finished product until delivery to the end customer and which impact the EBITDA in the company's financial statements, over tonnage sold.

SLN break-even cost

The break-even cost of SLN is defined as SLN's cash-cost as defined above, plus capex (projected capex for the current year versus the projected tonnage for the current year) non-recurring income and charges and financial expenses (recognised in SLN's corporate financial statements).

Appendix 6: Sensitivities to Group's EBITDA

SENSITIVITIES	Change	Annual impact on EBITDA (+/-)
Manganese ore prices (CIF China 44%)	+$1/dmtu	**c.€175m[1]**
Manganese alloys' prices	+$100/t	c.€60m[1]
Nickel prices (LME)	+$1/lb	**c.€100m[1]**
Nickel ore prices (CIF China 1.8%)	+$10/wmt	c.€15m[1]
Exchange rates	-$/€0.1	c.€140m
Oil price per barrel	+$10/bbl	c.€(20)m[1]

[1] For an exchange rate of $/€1.13