



# A NEW ERA

Investor presentation

May 2024



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- 3 – Sustainably developing critical metals for the energy transition: *Zoom on lithium*
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Appendices



01

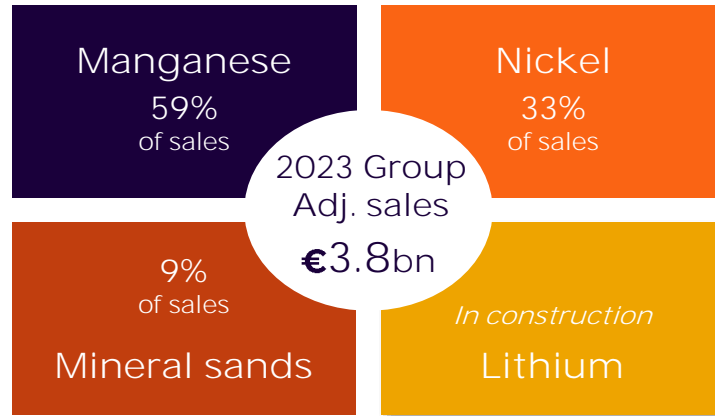
# Eramet at a glance



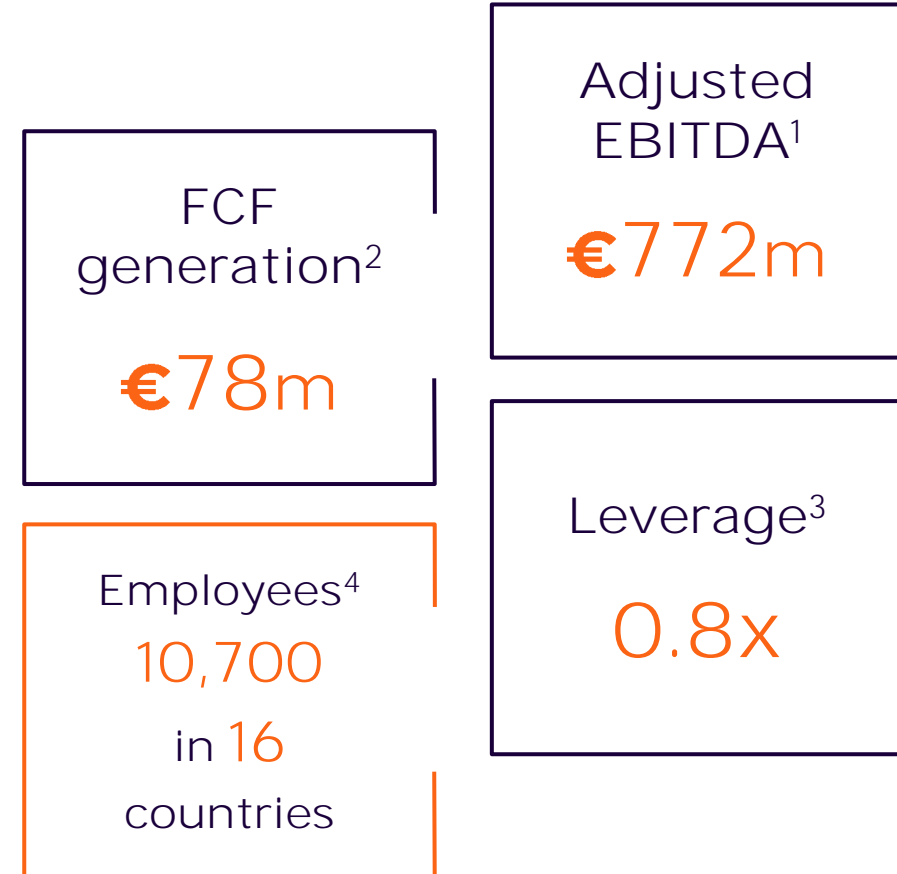


# A global pure-play Metals & Mining Company

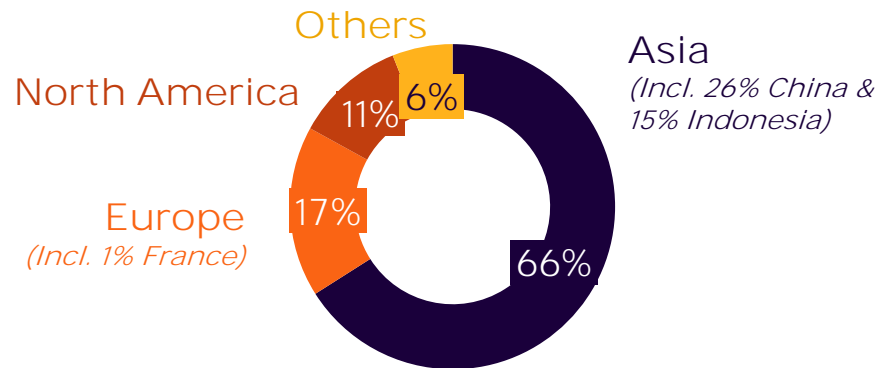
## Refocused on four activities in M&M



## FY 2023 performance



## 2023 adjusted sales by geography



<sup>1</sup> EBITDA including Eramet's share in Weda Bay's EBITDA of €425m

<sup>2</sup> Net of Tsingshan's capital injection to the Centenario project

<sup>3</sup> Net debt / Adjusted EBITDA

<sup>4</sup> Including c.1,500 at Weda Bay

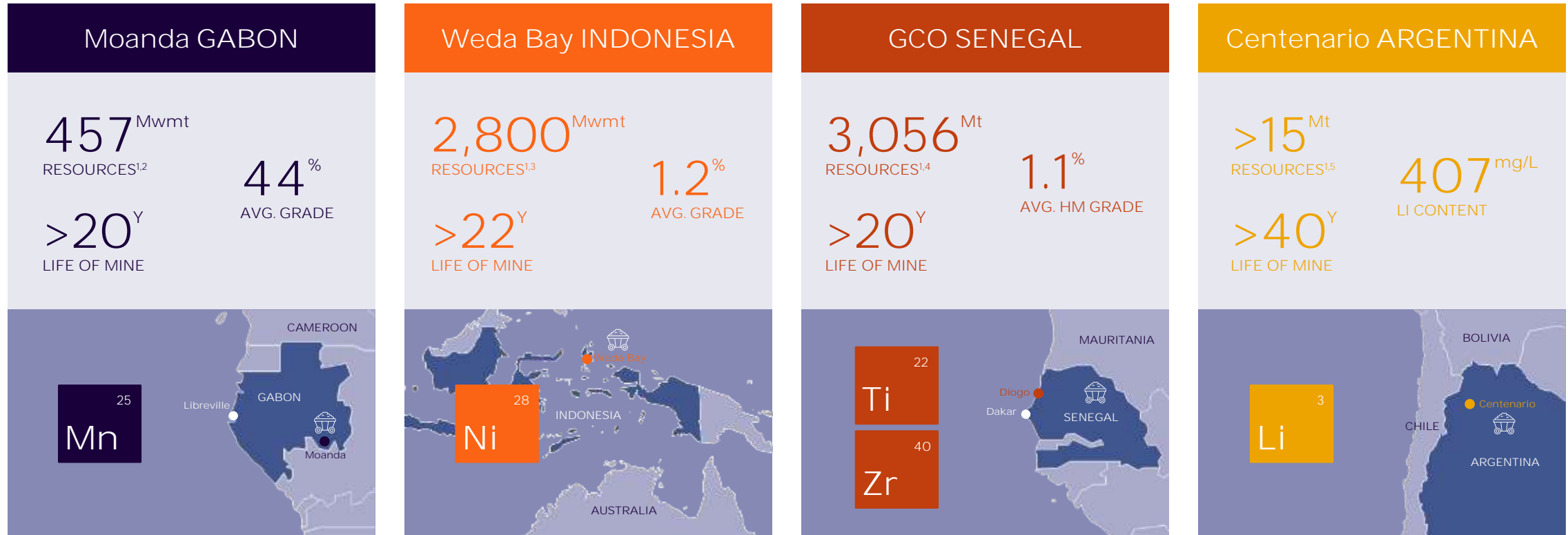
# Operating in manganese, nickel, mineral sands & developing battery-grade lithium

<b>MANGANESE</b> <i>In operation</i>	<b>NICKEL</b> <i>In operation</i>	<b>MINERAL SANDS</b> <i>In operation</i>	<b>LITHIUM</b> <i>Starting summer 2024</i>
			
<p><b>ASSETS</b></p> <p> Ore – Moanda (<i>Gabon</i>) World’s largest manganese mine</p> <p> Alloys 6 metallurgical plants: 1 in France, 1 in Gabon, 3 in Norway &amp; 1 in the US</p>	<p><b>ASSETS</b></p> <p><i>Weda Bay (Indonesia)</i>  World’s largest nickel mine</p> <p> 1 NPI plant</p> <p><i>SLN (New Caledonia)</i> 5 mining sites &amp; 1 ferronickel plant</p>	<p><b>ASSETS</b></p> <p> <i>GCO (Senegal)</i> Titaniferous minerals &amp; zircon extraction</p> <p>World’s largest single dredge operation</p>	<p><b>ASSETS</b></p> <p><i>Centenario (Argentina)</i> Battery-grade Lithium Carbonate</p> <p>Phase 1: start of production in summer 2024</p> <p>Phase 2 (1<sup>st</sup> tranche): conditional FID approved</p>
<p><b>2023 KPIs</b></p> <p>Sales: €1,978m</p> <p>EBITDA: €499m</p> <p>FCF: -€39m</p> <p>Headcounts<sup>2</sup>: 4,705</p>	<p><b>2023 KPIs</b></p> <p>Adj. sales<sup>1</sup>: €1,567m</p> <p>Adj. EBITDA<sup>1</sup>: €305m</p> <p>FCF: €220m</p> <p>Headcounts<sup>2</sup>: 2,381</p>	<p><b>2023 KPIs</b></p> <p>Sales: €275m</p> <p>EBITDA: €105m</p> <p>FCF: €16m</p> <p>Headcounts<sup>2</sup>: 843</p>	<p><b>Project KPIs</b></p> <p>Production capacity (full ramp-up)</p> <p>Phase 1: 24 kt-LCE</p> <p>Phase 2 (1<sup>st</sup> tranche): 30 kt-LCE</p> <p>FY23 Headcounts<sup>2</sup>: 474</p>

<sup>1</sup> Adjusted sales, adjusted EBITDA and adjusted leverage are defined in Appendix 10 Financial Glossary of the FY2023 results press release  
<sup>2</sup> 9,167 total headcount based on Eramet’s new perimeter, incl. 764 at holding level but excl. Weda Bay Nickel’s 1,503 employees

# Large resource, long-life, high-grade, scalable deposits

Mining assets positioned on the 1<sup>st</sup> quartile of their respective industry cost curves



<sup>1</sup> Total mineral resources (“inferred”, “indicated” and “measured”)  
<sup>2</sup> Tonnes for run-of-mine; Mwmt (Million Wet Metric Tons) as of January 01, 2024 (JORC certified)  
<sup>3</sup> Mwmt (Million Wet Metric Tons), incl. 2,193Mwmt JORC certified as of January 01, 2024 & c.2,800Mwmt target in the short-term  
<sup>4</sup> Mt Mineral Sands as of January 01, 2024 (JORC certified)  
<sup>5</sup> LCE (Lithium Carbonate Equivalent); as of January 01, 2024 (JORC certified)



# A strategy tailored to the new era of metals

Two strategic axes aligned with global macro-trends, supported by an ambitious CSR roadmap



GROW IN METALS supporting global economic development

RESILIENT MARKETS



Manganese ore & Alloys



Nickel



Mineral Sands



SUSTAINABLY DEVELOP CRITICAL METALS for the energy transition

FAST-GROWING MARKETS



Lithium



Nickel/Cobalt for batteries



Battery recycling

**AMBITIOUS NEW CSR ROADMAP “ACT FOR POSITIVE MINING”**



# “Act for positive mining”: a new ambitious CSR roadmap

Responsible mining is part of the solutions to support the energy transition

**3 AREAS**  
FOR ACTION TRANSLATED  
INTO **10 AMBITIONS**  
FOR 2026



**3 AMBITIOUS**  
**2035 TARGETS**

Care for people

- 1 Take care of health and safety of people on our sites
- 2 Provide an inclusive environment where everyone can grow
- 3 Accelerate the local & sustainable development for communities

Trusted partner for nature

- 4 Control & optimize water consumption
- 5 Biodiversity preservation
- 6 Mitigate risk of pollution / Reduce environmental impact

Transform our value chain

- 7 Reduce the CO<sub>2</sub> footprint of our value chain
- 8 Optimize mineral resources consumption and contribute to a circular economy
- 9 Develop responsible value chain that respects our Human rights and CSR requirements
- 10 Mining sites assessed<sup>1</sup> by IRMA

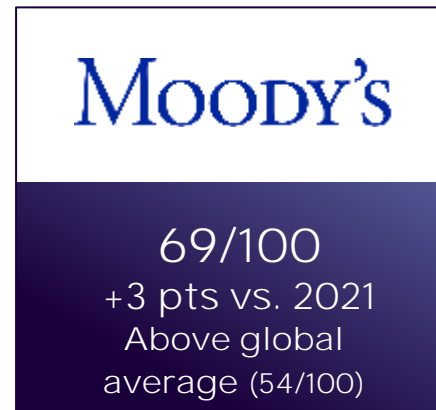
**100%**  
Sites with D&I<sup>2</sup> label

**Biodiversity** towards net positive impact

**-40%** CO<sub>2</sub> emissions reduction scopes 1&2<sup>3</sup>

<sup>1</sup> 100% of mining sites engaged in an independent assessment process  
<sup>2</sup> Diversity & Inclusion  
<sup>3</sup> Absolute target, in tons of CO<sub>2</sub> vs. 2019

# A CSR commitment and performance recognized by leading ESG rating agencies





02

Strategic repositioning: a  
successful turnaround story

# A major refocus by divesting non-core & non-performing assets, achieved in 2023



Cash burn 2018-2023 (€m)



c. -€1bn



Total cash outflows

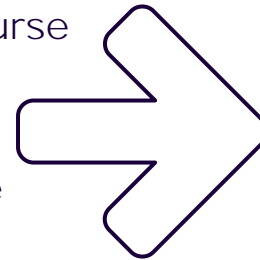


# Agreement with the French State to neutralize SLN's debt and strengthen Eramet's balance sheet

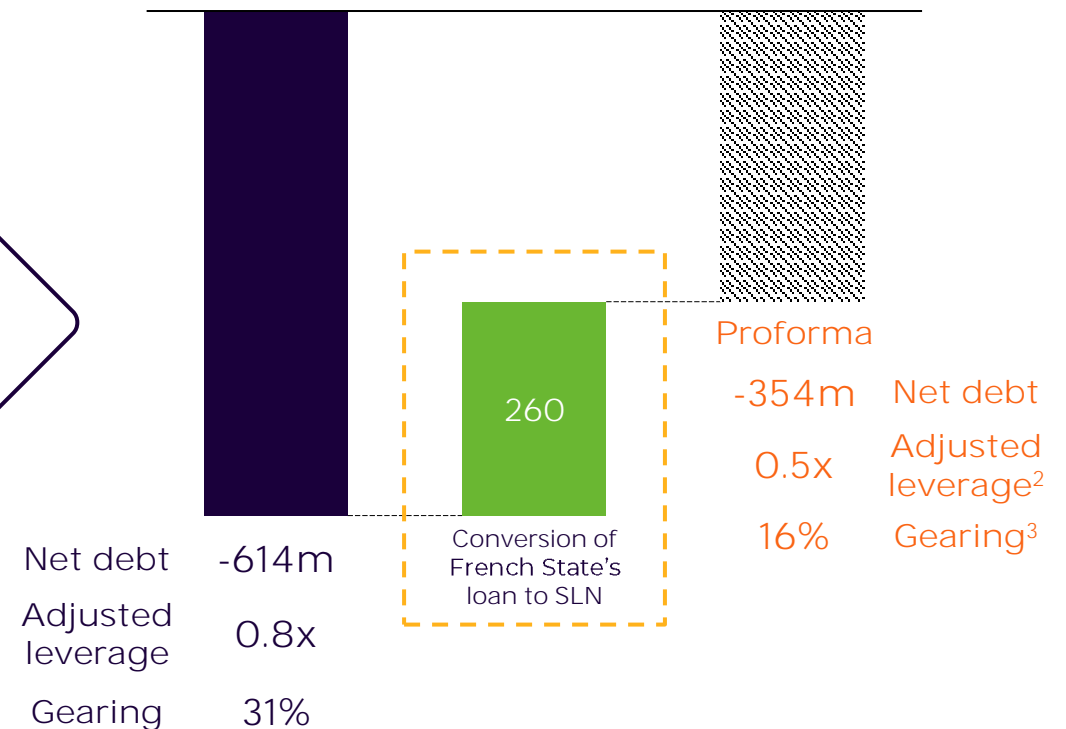
Signature of an agreement between the French State and Eramet in April 2024 to strengthen the Group's balance sheet

- ▶ Conversion of the **French State's existing loans** to SLN (€320m in total as of March 31<sup>st</sup>, 2024) into an instrument akin to equity<sup>1</sup>, without recourse on Eramet
- ▶ As a result, neutralization of SLN debt in the **Group's consolidated accounts**
- ▶ Considered as the most economic view by Fitch in its latest rating report

No new financing to be provided by Eramet



Proforma Net debt, Adjusted leverage<sup>2</sup> & gearing as of 31 December 2023

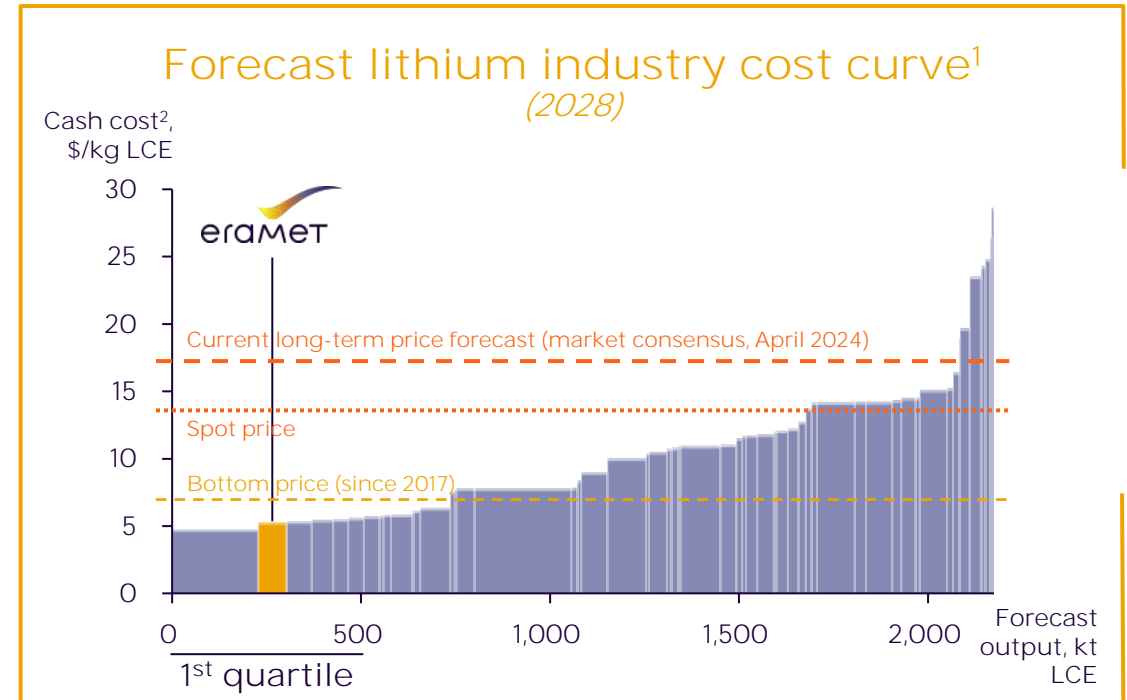
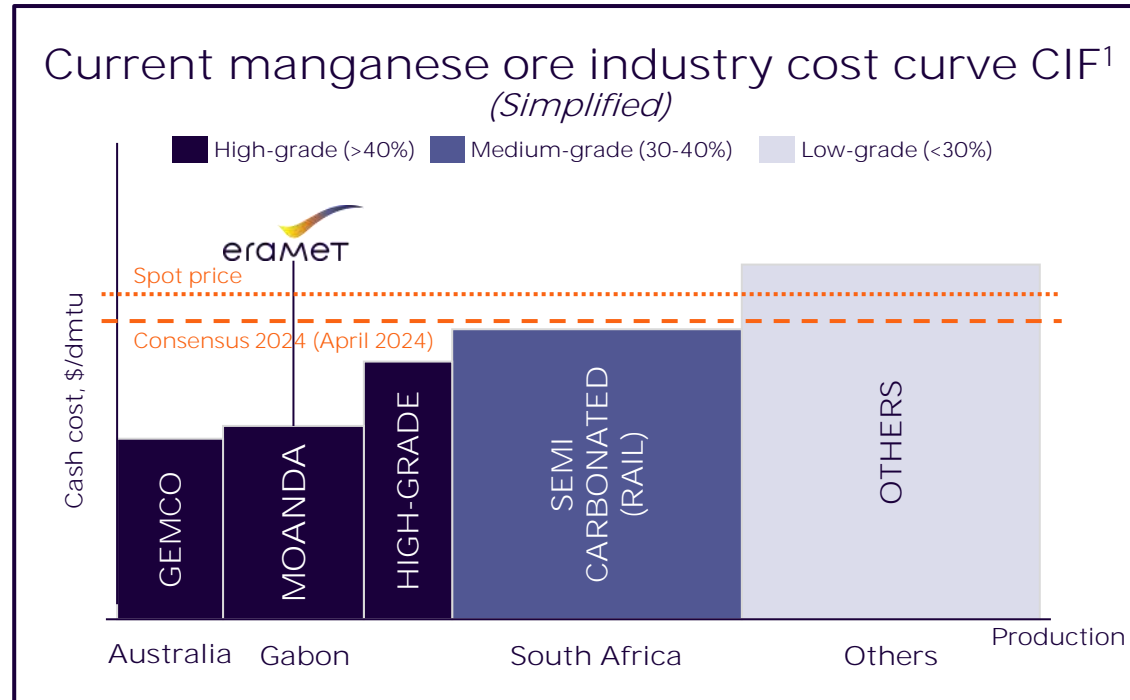


<sup>1</sup> Undated fixed rate deeply subordinated bonds, "TSDI" in French

<sup>2</sup> Proforma Net Debt / Adjusted EBITDA

<sup>3</sup> Proforma Net Debt-to-Shareholders' equity ratio

# Very robust and well positioned assets: profitable at low commodity prices



PT Weda Bay Nickel

1<sup>st</sup> quartile cash cost

World's largest nickel mine

Grande Côte Opérations (GCO)

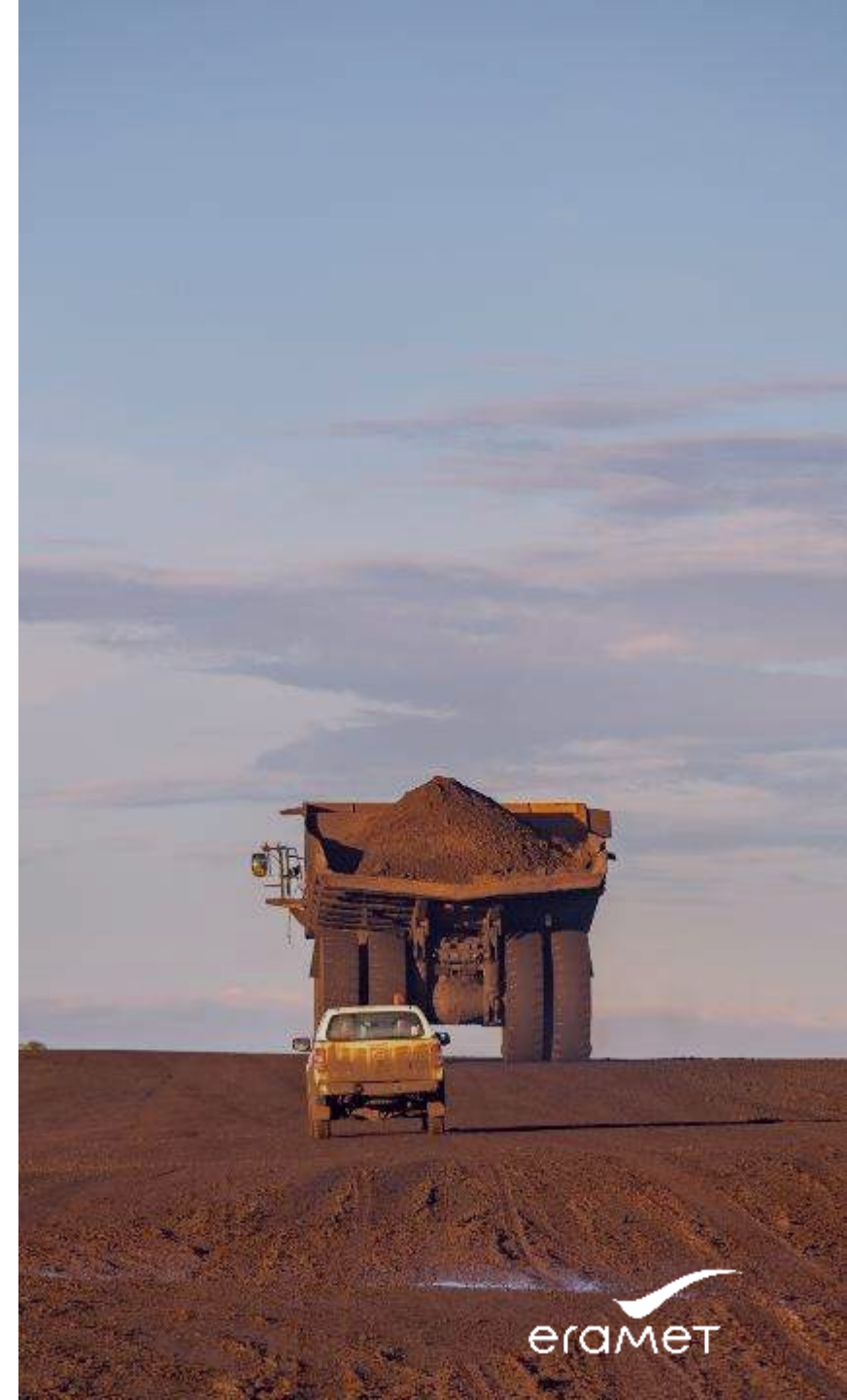
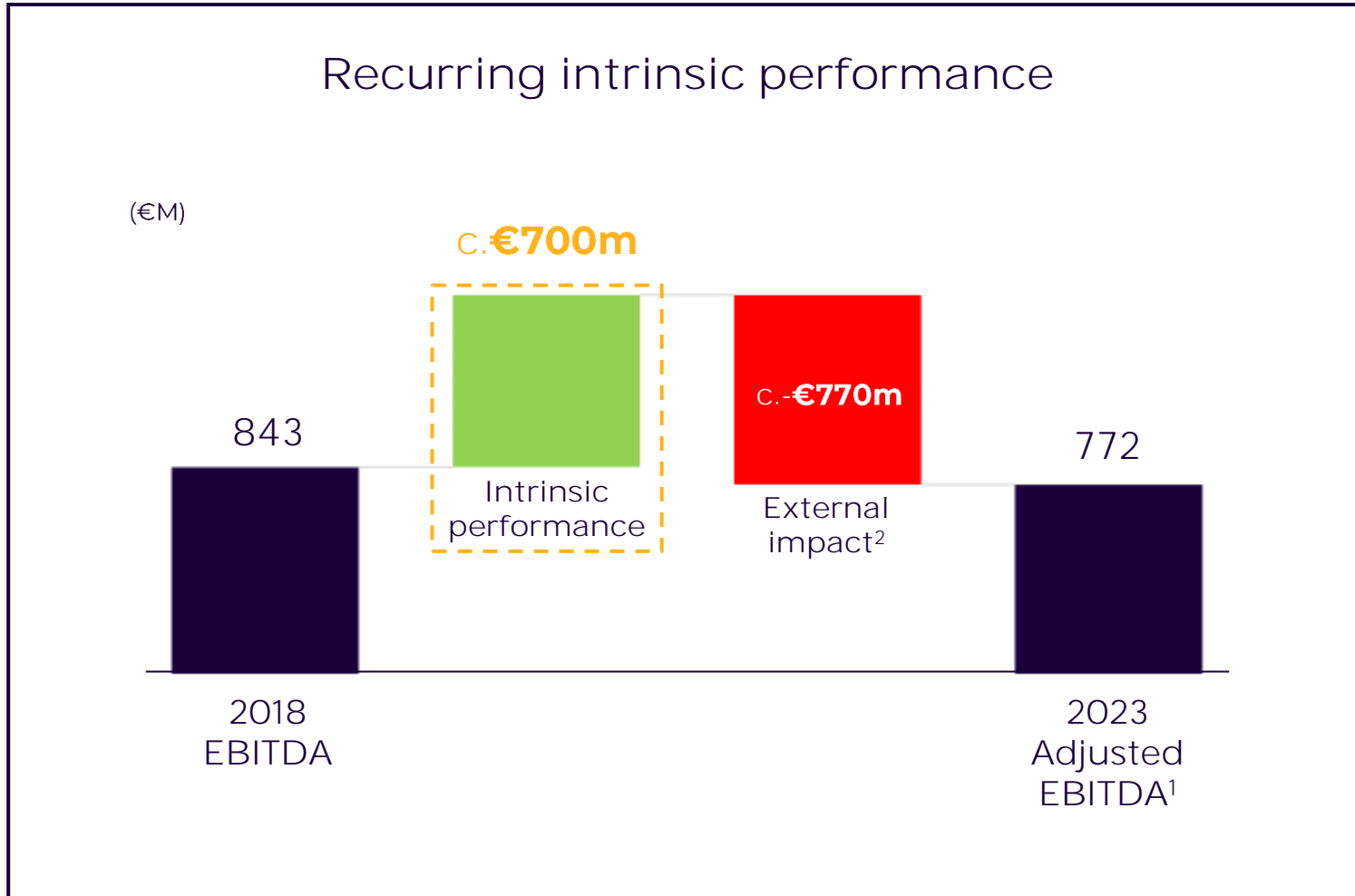
1<sup>st</sup> quartile cash cost

4<sup>th</sup> largest producer of zircon

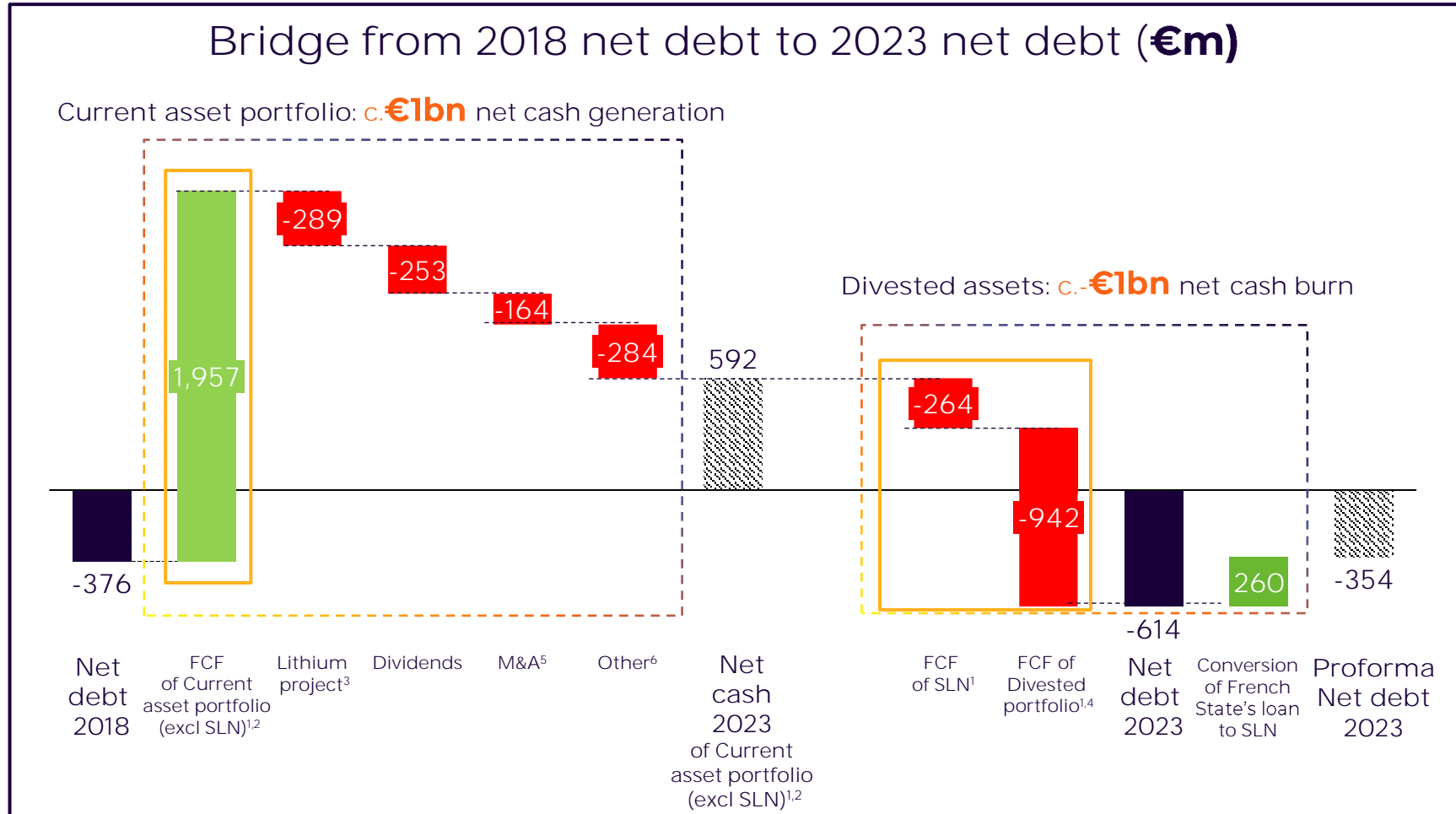
5<sup>th</sup> largest producer of titanium feedstock<sup>3</sup>



# A stronger operational profile to navigate challenging environments & low cycle periods



# Significant cash generation of reshaped asset portfolio over the past 5 years



c.35%

Average cash conversion over the period  
(excl. SLN & divested assets)

- Reshaped asset portfolio having a cash generation profile in line with industry
- Successful portfolio repositioning eliminating high sources of cash burn
- No further financing of SLN

2023 Adjusted leverage  
on a proforma basis

0.5x

<sup>1</sup> Net cash from operations less net cash from investing activities (incl. div paid to non-controlling interests)

<sup>2</sup> Incl. ETI, divested in September 2023 ; <sup>3</sup> Eramet share

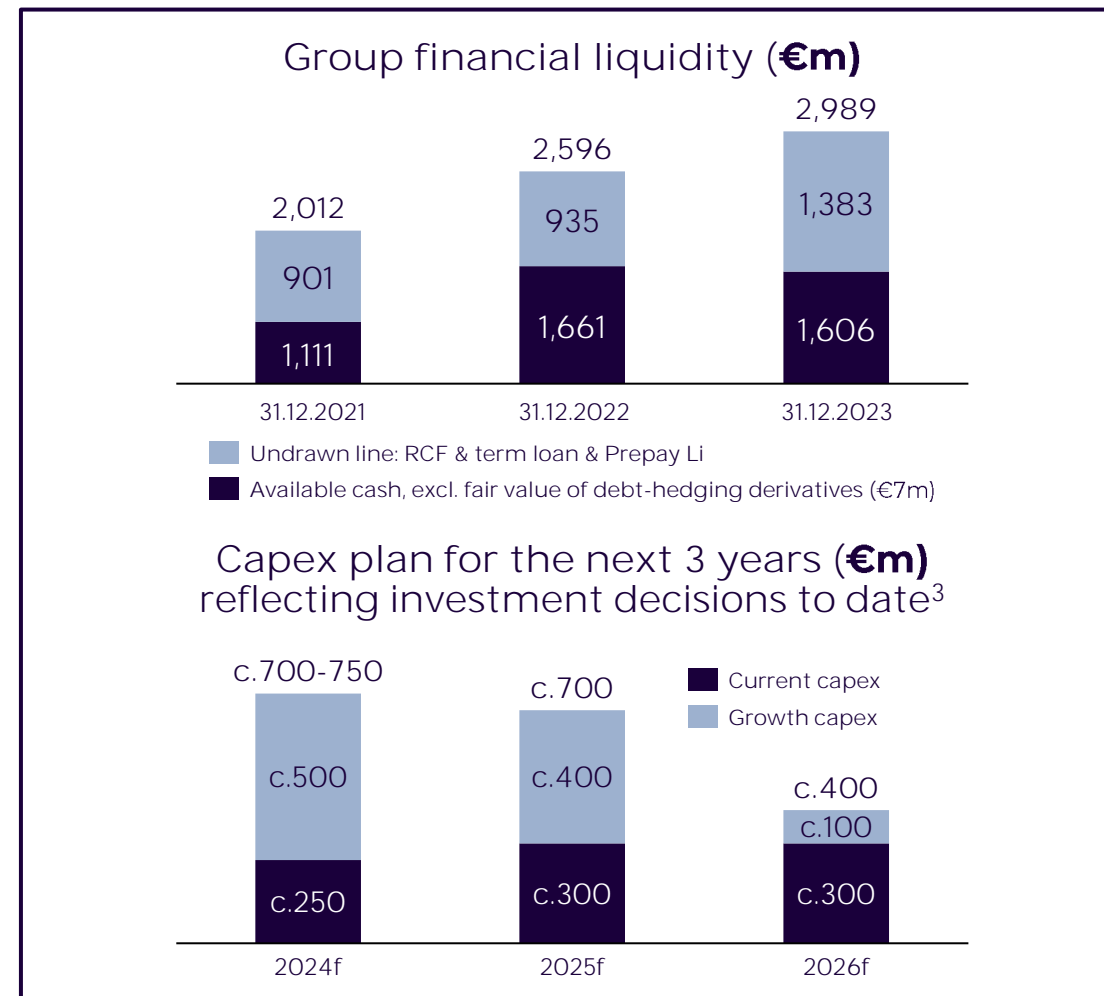
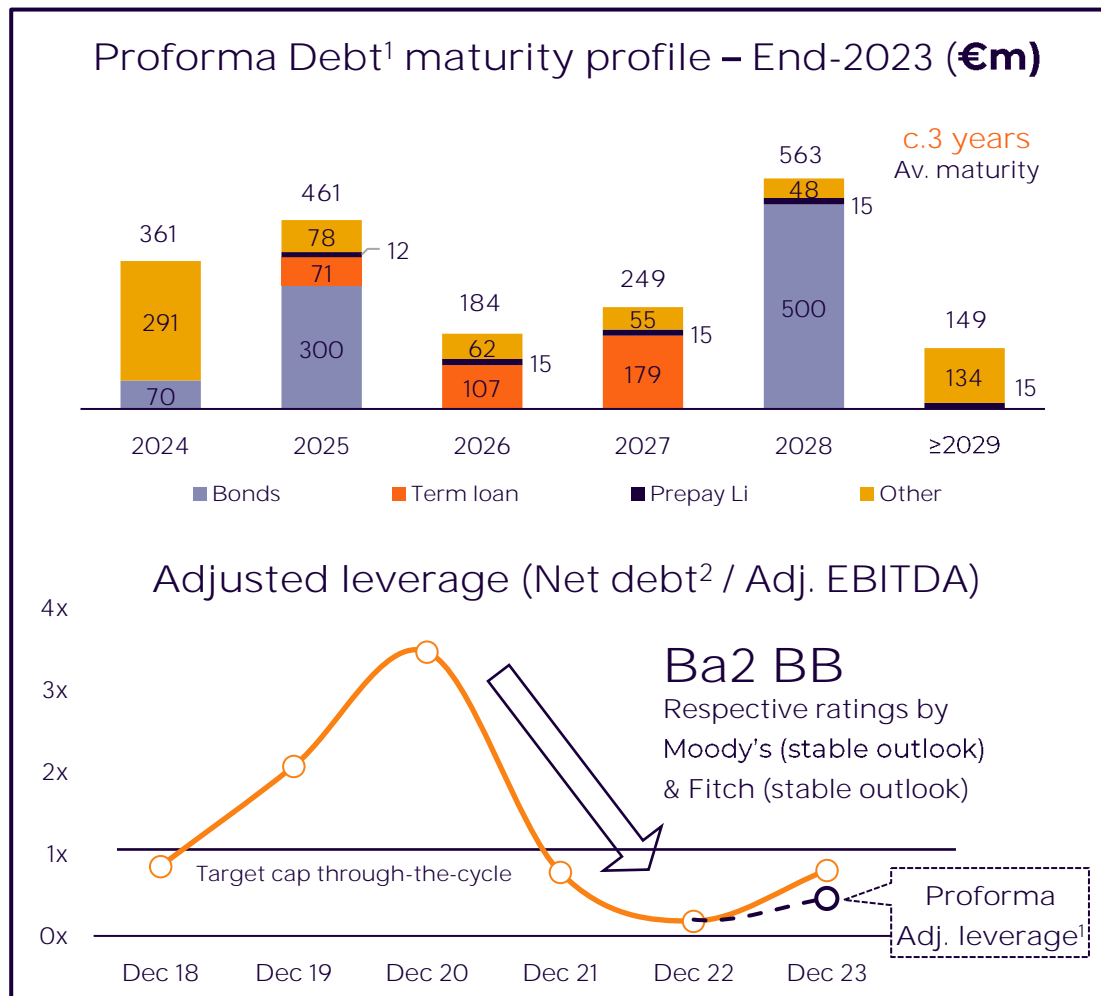
<sup>4</sup> Incl. Eramet Sandouville, Aubert & Duval and Erasteel

<sup>5</sup> Incl. take-over of Mineral Deposits (in 2018), proceeds from the sale of Sandouville (in 2022) & of ETI (in 2023), Chilean concession prepayment (in 2023)

<sup>6</sup> Incl. FX impact, leases impact, fraud & other financing cash flows (ODIRNAN)

<sup>7</sup> Conversion of French State €260m loan to SLN into equity in the Group's consolidated accounts

# Disciplined capital management & commitment to strong balance sheet



<sup>1</sup> Proforma gross debt / net debt excl. the French State €260m loan to SLN (2024 maturity), reflecting its conversion into quasi-equity instrument

<sup>2</sup> Net debt calculated in accordance with the IFRS 5 standards (from H1 2021)

<sup>3</sup> Capex plan not including investments in the Sonic Bay project and the EV Battery recycling project, and net of partners financed share

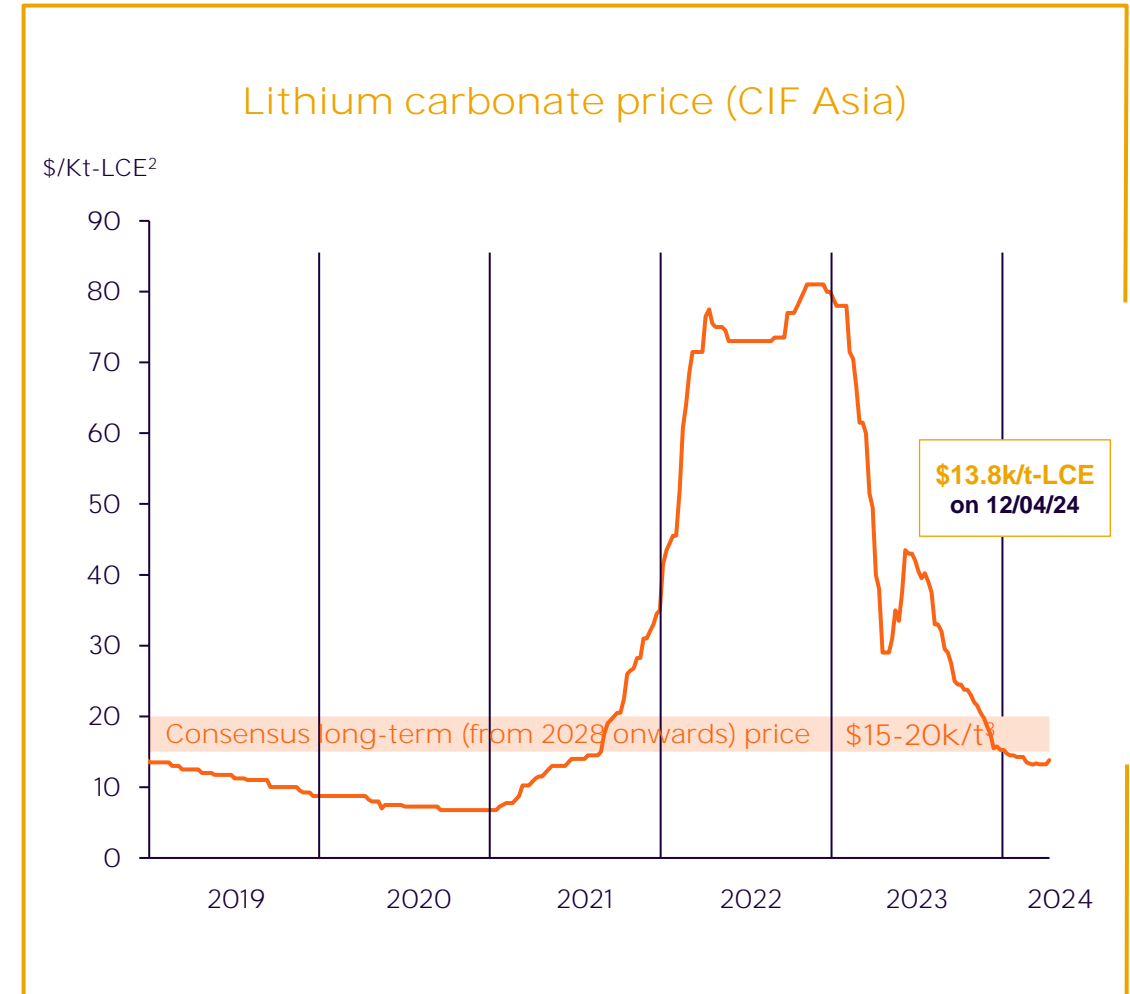
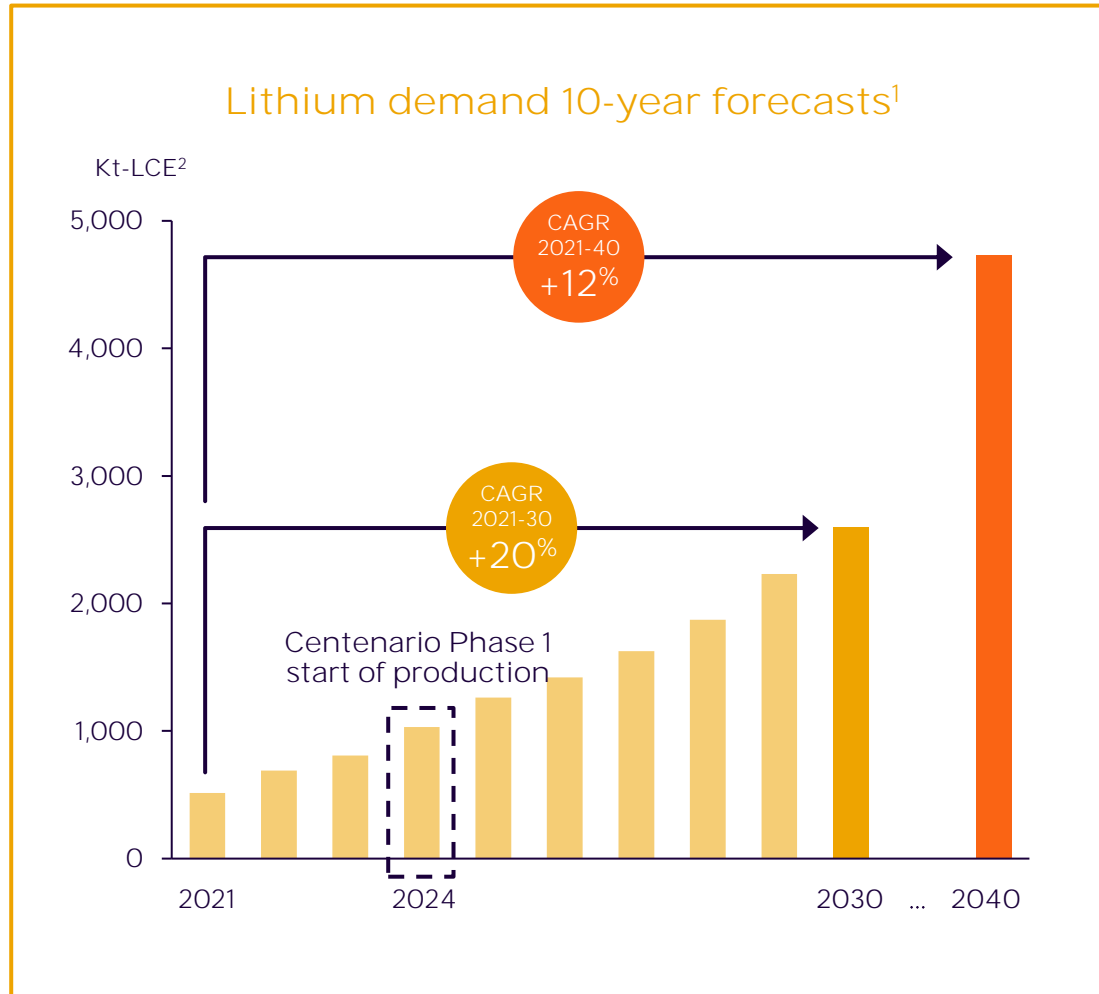


03

Sustainably developing critical metals for  
the energy transition:

*Zoom on lithium*

# Lithium demand forecast & lithium carbonate historical price (5-years)

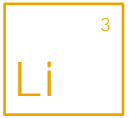


<sup>1</sup> Eramet internal market analysis

<sup>2</sup> LCE: Lithium Carbonate Equivalent ; Eramet analysis (source: Fastmarket lithium carbonate, battery grade, spot price CIF Asia)

<sup>3</sup> Eramet analysis based on a panel of the main sell-side and market analysts

# Centenario: a sustainable & competitive battery-grade DLE technology project coming on-stream shortly



<sup>1</sup> Subject to date of first production

<sup>2</sup> Direct Lithium Extraction

<sup>3</sup> o/w c. \$480m funded by Tsingshan

<sup>4</sup> On a 100% basis, incl. royalties and assuming a long-term price of \$15-20/kg-LCE CIF

<sup>5</sup> Not assuming potential deviations from EPC nominal contract value



# Building a portfolio of lithium projects

## Geothermal lithium in France

Partnership




*DLE technology*      *Permits & geothermal expertise*

- ▶ Lithium extraction from geothermal brine
- ▶ Located in the emerging Rhine Valley (Alsace, France) geothermal lithium field
- ▶ Low-carbon intensity project
- ▶ *PFS commenced*

## Acquisition of exploration & mining concessions in Chile

c.120kHa of exploration & mining concessions

- ▶ Located in the Atacama region
- ▶ Concessions covering a cluster of some of the most promising undeveloped lithium salars in Chile
- ▶ Development of a future project subject to future partnerships with holders of lithium exploration & exploitation permit



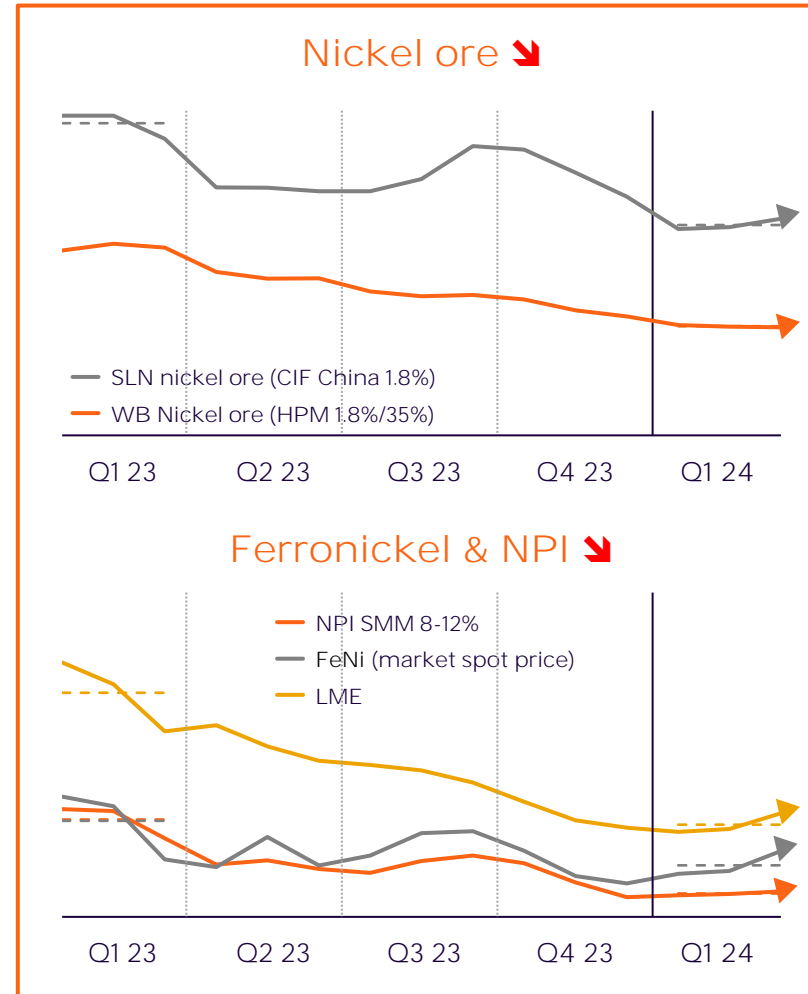
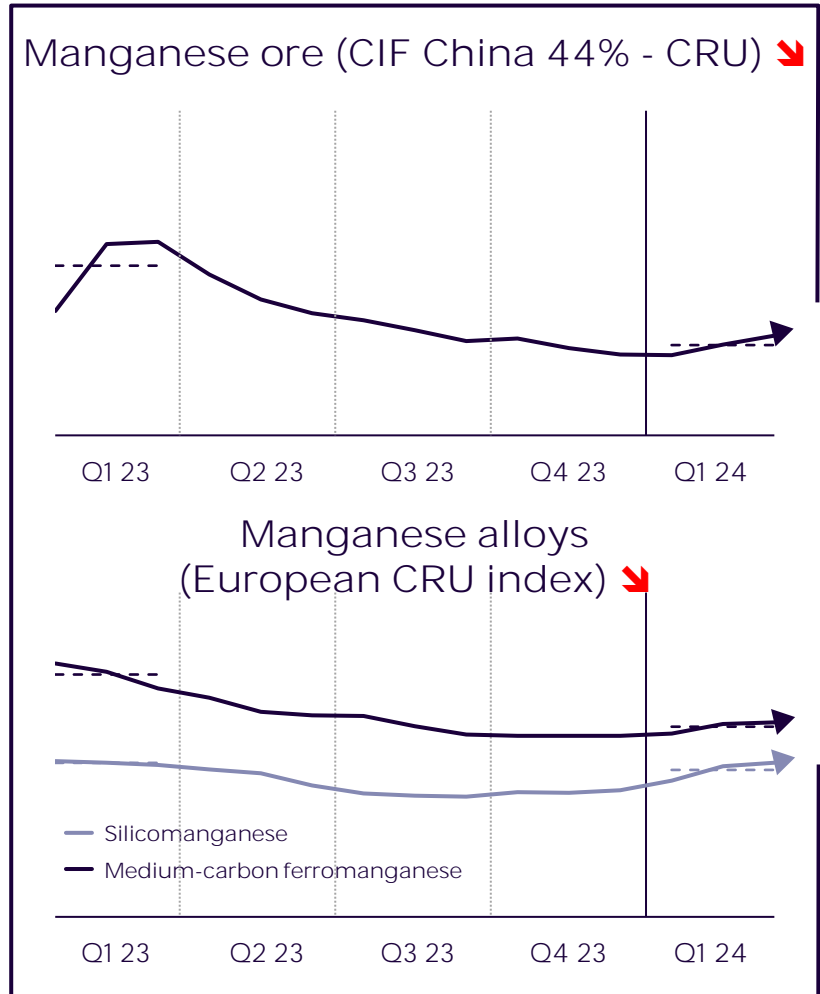


Q1 2024 key trends


04



# Sharp decline in prices in Q1 24 vs. Q1 23, but more optimistic outlook from Q2

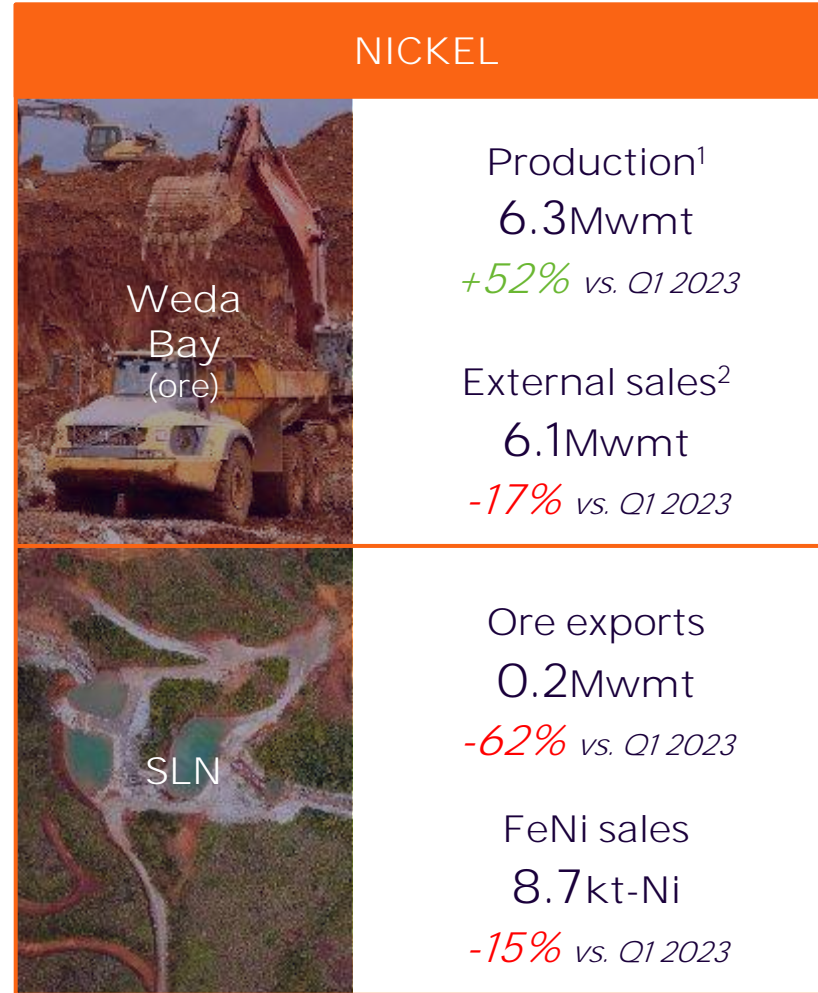
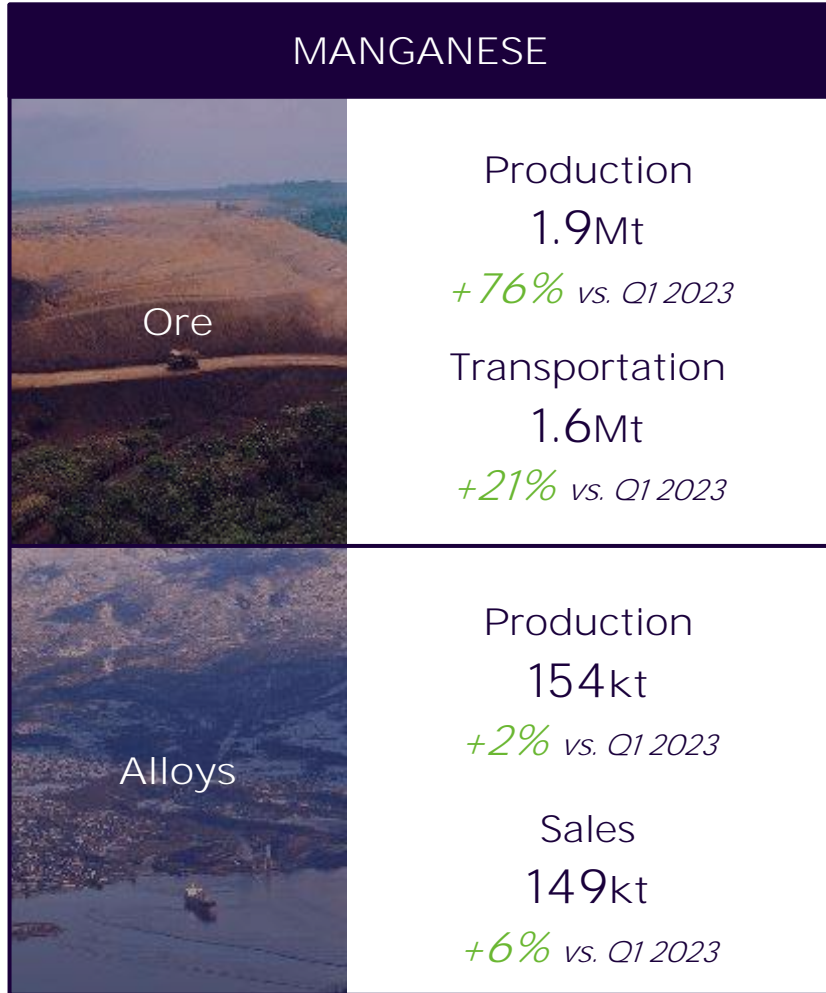


	Var. Q1 vs. Q1
Mn ore	-21%
Mn FeMn	-22%
SiMn	-5%

	Var. Q1 vs. Q1
LME	-36%
Ni ore WB	-42%
Ni ore SLN	-33%
NPI	-31%
FeNi	-19%



# Strong operational performance of the Group's main mining activities vs. Q1 23 unfavourable comparison base

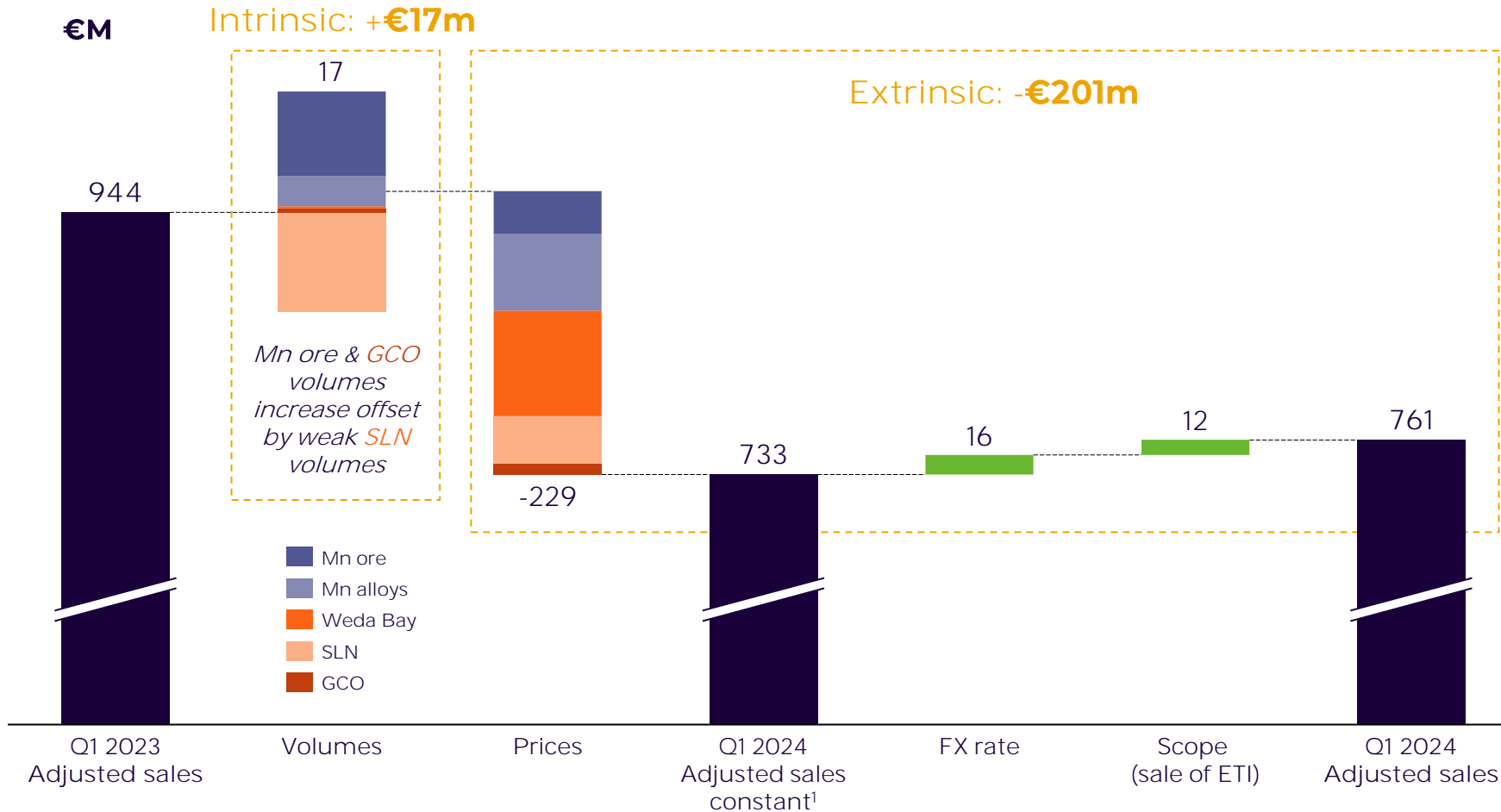


<sup>1</sup> High-grade saprolites


<sup>2</sup> No low-grade saprolites sales in Q1 2024, whose commercialization permit for 2024 is under assessment by the Indonesian government.


<sup>3</sup> External sales and sales to ETI, booked as internal until August and as external from September

# Sales penalized by a strong negative price impact; limited volume impact due to lower volumes sold by SLN



 **-24%**  
Price impact

 **+2%**  
Volume impact

 **+2%**  
Currency impact

05

# Outlook & conclusion





# Lacklustre market environment at start of 2024, but more favourable outlook emerging from Q2

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Demand remains sluggish across all Group markets, expecting a rebound, particularly from China; price levels improving at the start of Q2

Mn ore supply expected to decline significantly in 2024, given the prolonged halt in exports of high-grade ore from Australia:

➔ Sharp rise in high-grade Mn ore prices expected in 2024



Return to normal operations in Gabon; continued renovation and maintenance work on the Transgabonese railway

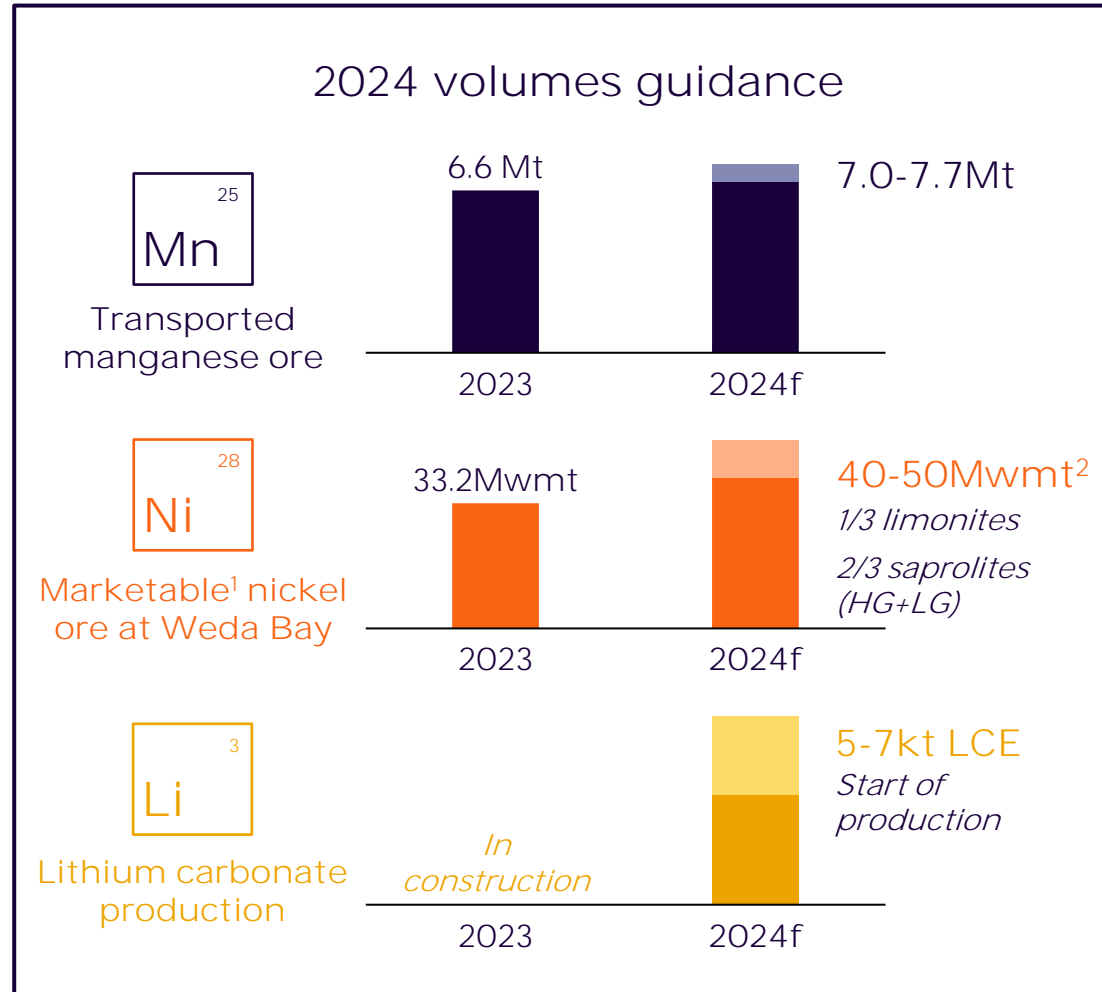
Weda Bay to continue its exceptional ramp-up



Continued production optimization, as well as cost reduction and cash savings plan



# Further growth in mining operations, supported by a controlled capex plan



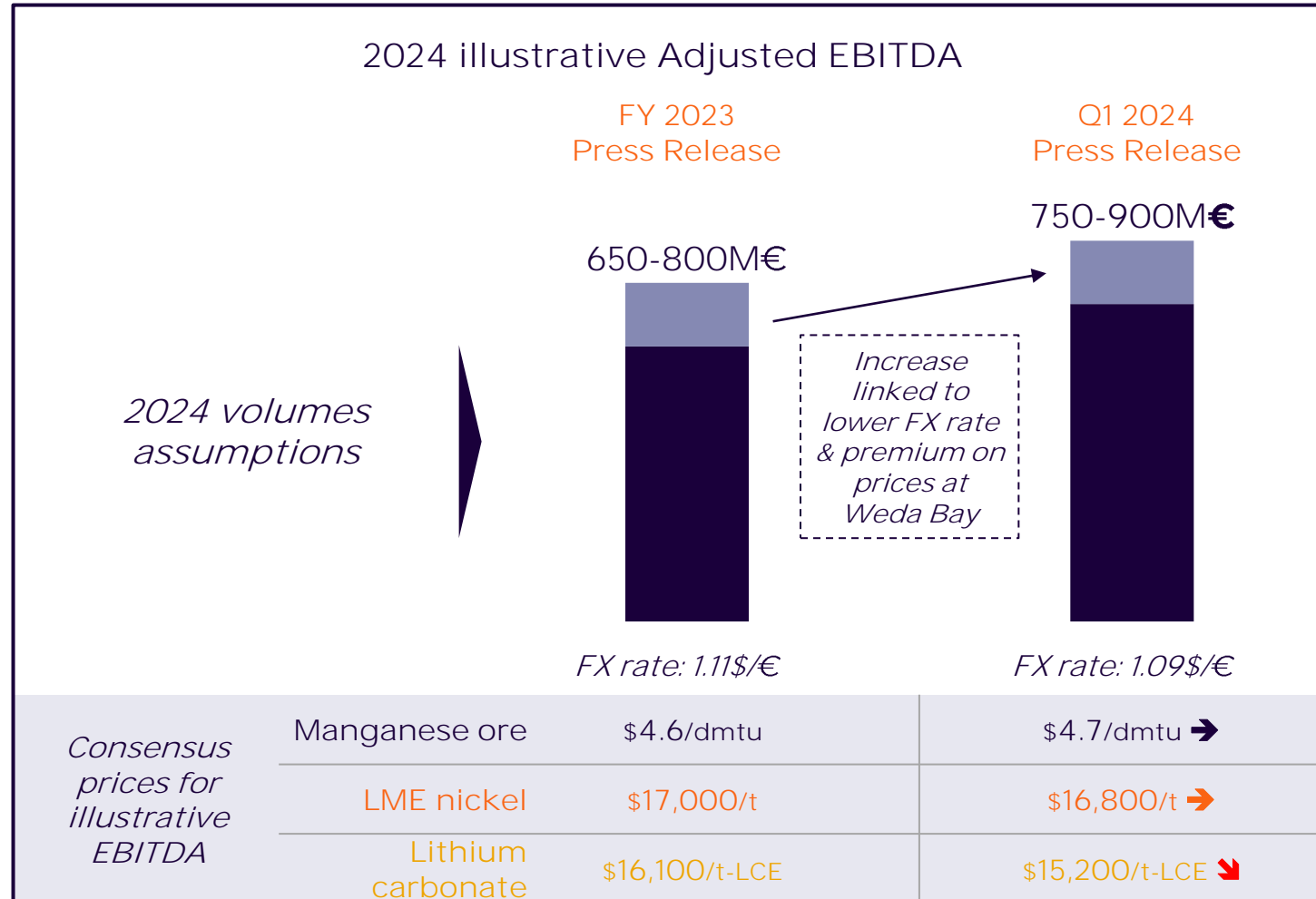
<sup>1</sup> External sales only

<sup>2</sup> Subject to permits currently under review and depending on the schedule for approvals

<sup>3</sup> Excl. capital contributions from Tsingshan for the Centenario project

<sup>4</sup> Incl. organic growth in Gabon (c.€150m), and development of Centenario project in Argentina (c.€250m)

# Supply side shortages of Mn ore give price upside not yet reflected in the current average consensus price for 2024



**Market upside**  
 Manganese high-grade ore

Current spot price<sup>1</sup> **+c.\$1.8/dmtu**  
 (CIF China 44%) vs. Q1 2024<sup>3</sup>

Price yearly sensitivity: +\$1/dmtu  
 Impact on Adjusted EBITDA: c. **€255m<sup>2</sup>**

<sup>1</sup> As of May 6, 2024

<sup>2</sup> For an exchange rate of \$/€1.09

<sup>3</sup> Eramet analysis vs Q1 2024 average for market prices = \$4.3/dmtu



# Eramet perfectly positioned to further unlock value in a new era of metals

Pure-play  
Mining & Metals

Highest CSR  
standards

Well  
positioned  
on attractive  
markets

World-class  
asset base  
with proven  
track record

Robust  
financials  
enabling  
growth



Appendices

## Q1 2024 turnover breakdown

€M	Q1 2024	Q1 2023	Chg. YoY	% change YOY	% of Group adj. turnover
<b>Manganese</b>	<b>448</b>	<b>440</b>	<b>+8</b>	<b>+2%</b>	<b>59%</b>
Manganese ore	254	209	+45	+22%	33%
Manganese alloys	193	231	-38	-16%	25%
<b>Nickel adjusted<sup>1</sup></b>	<b>259</b>	<b>459</b>	<b>-200</b>	<b>-44%</b>	<b>34%</b>
Share in Weda Bay (38.7%, excl. offtake)	106	169	-63	-37%	14%
Weda Bay (offtake Eramet)	32	47	-15	-32%	4%
SLN <sup>2</sup>	121	243	-122	-50%	16%
<b>Mineral sands</b>	<b>52</b>	<b>44</b>	<b>+8</b>	<b>+20%</b>	<b>7%</b>
GCO	52	40	+12	+30%	7%
Intra-group eliminations <sup>3</sup>	0	-12	+12	<i>n.a.</i>	0%
ETI	0	16	-16	<i>n.a.</i>	0%
<b>Holding &amp; eliminations</b>	<b>2</b>	<b>1</b>	<b>+1</b>	<b>+100%</b>	<b>0%</b>
<b>Group adjusted<sup>1</sup> turnover</b>	<b>761</b>	<b>944</b>	<b>-183</b>	<b>-19%</b>	<b>100%</b>

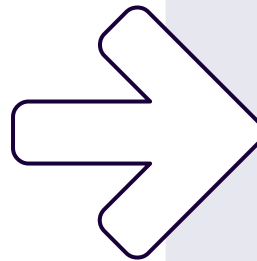
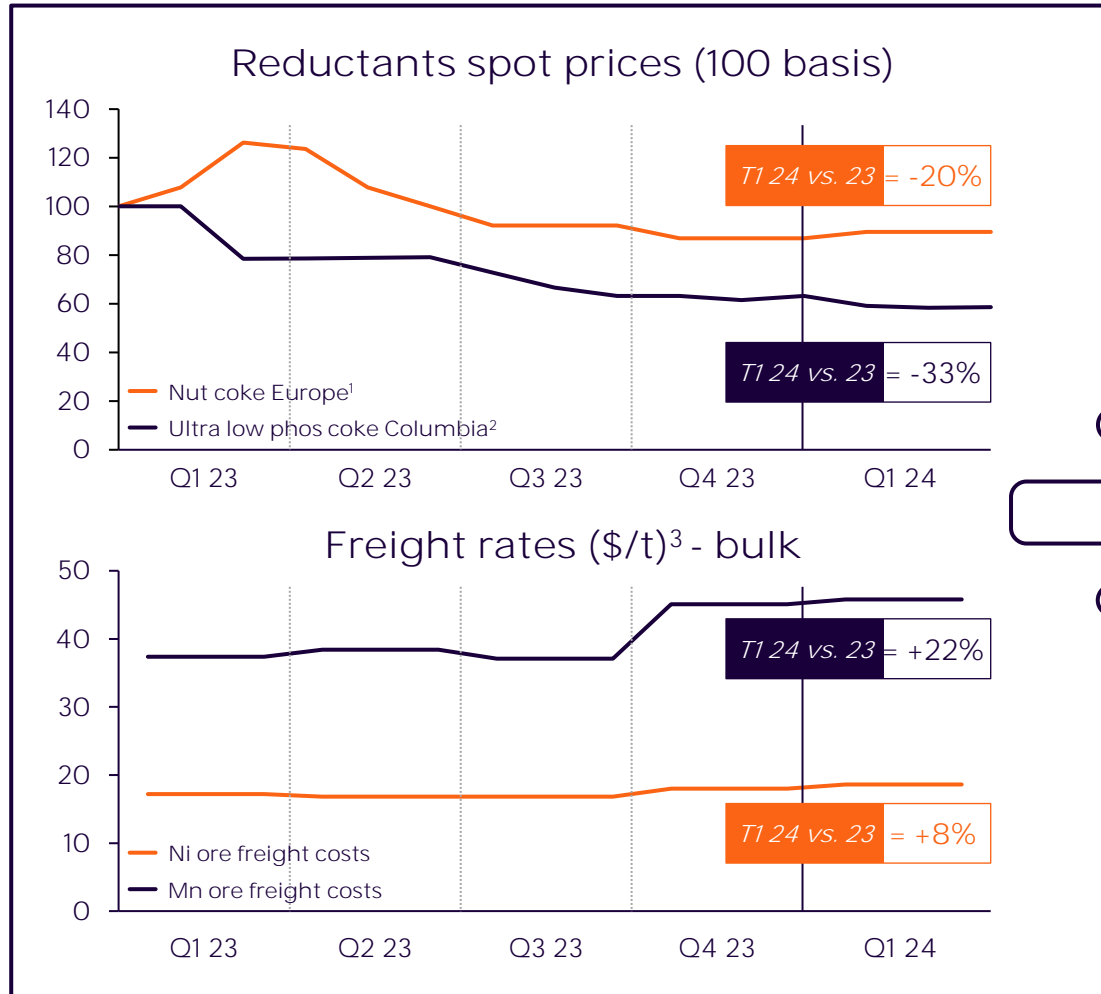
<sup>1</sup> Turnover adjusted to include the proportional turnover of PT Weda Bay Nickel (Eramet's share 38.7%) excluding offtake agreement

<sup>2</sup> SLN & others

<sup>3</sup> Turnover for the sale of ilmenite produced by GCO at ETI



# Lower reductants prices, while sea freight prices under upward pressure



**Reductants**

- ▶ Sharp drop in spot prices for reductants in Q1 24 vs. Q1 23, with a positive impact on manganese alloy margins

**Energy**

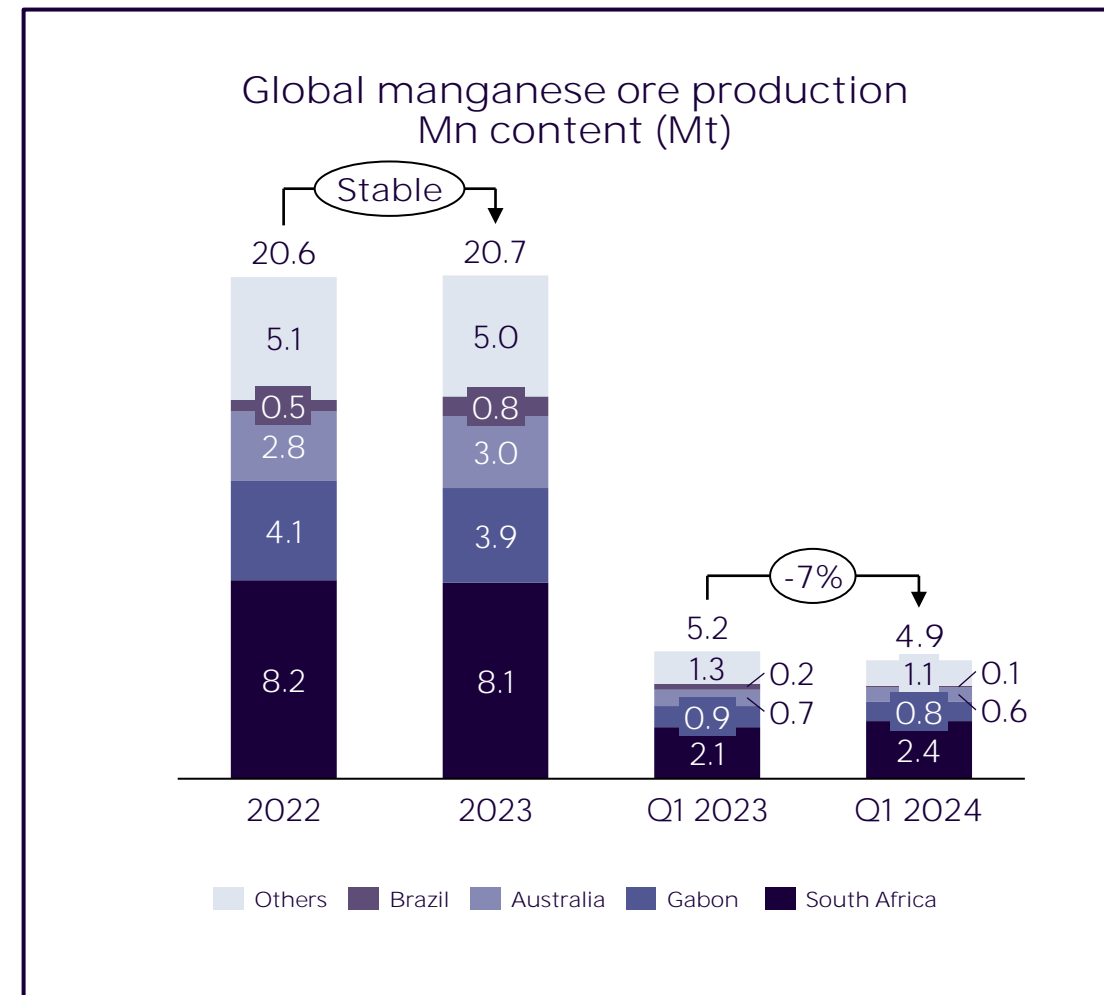
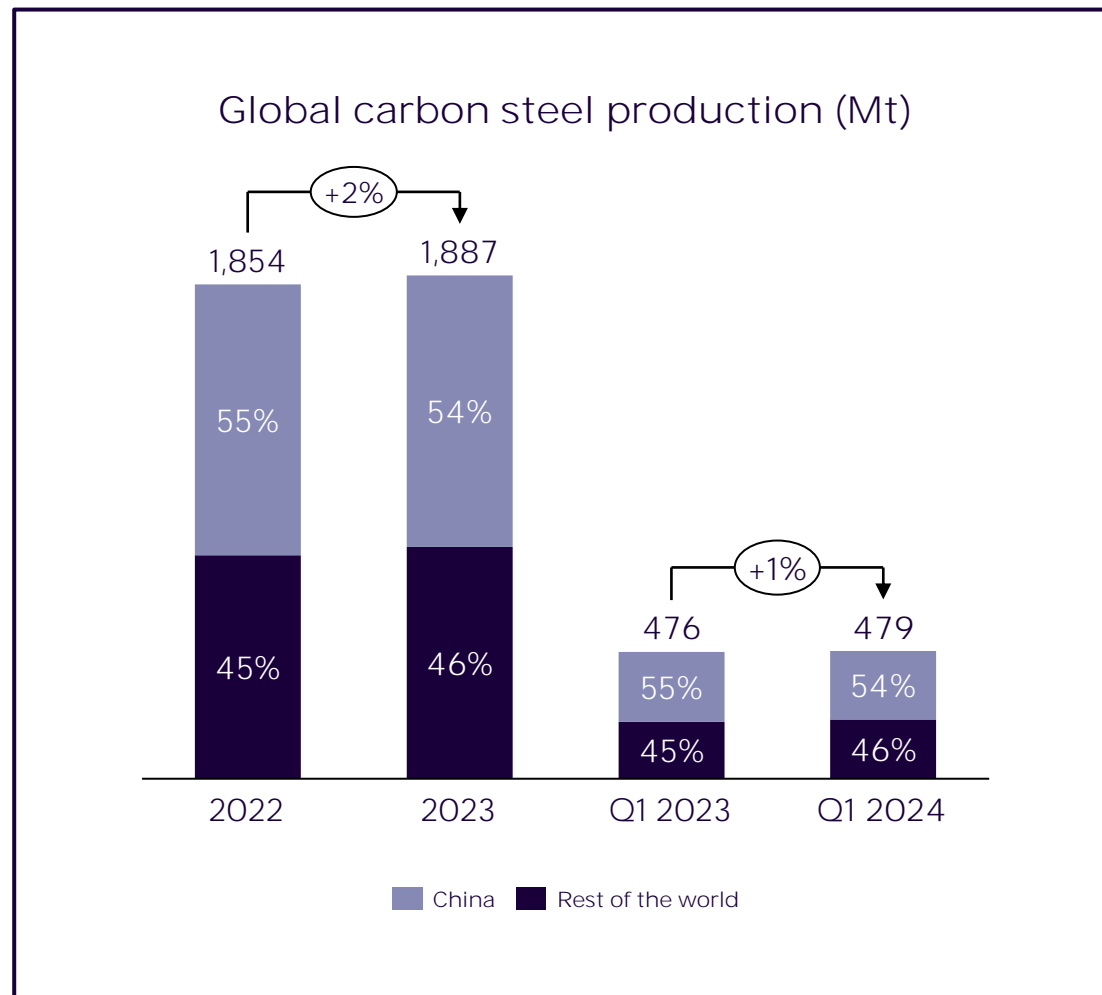
**c.80%** of the Group's electricity needs hedged through long-term supply contracts, especially in Norway

**Freight**

- ▶ Higher sea freight prices vs. Q1 23, particularly for bulk manganese ore, reflecting higher rates and fuel costs

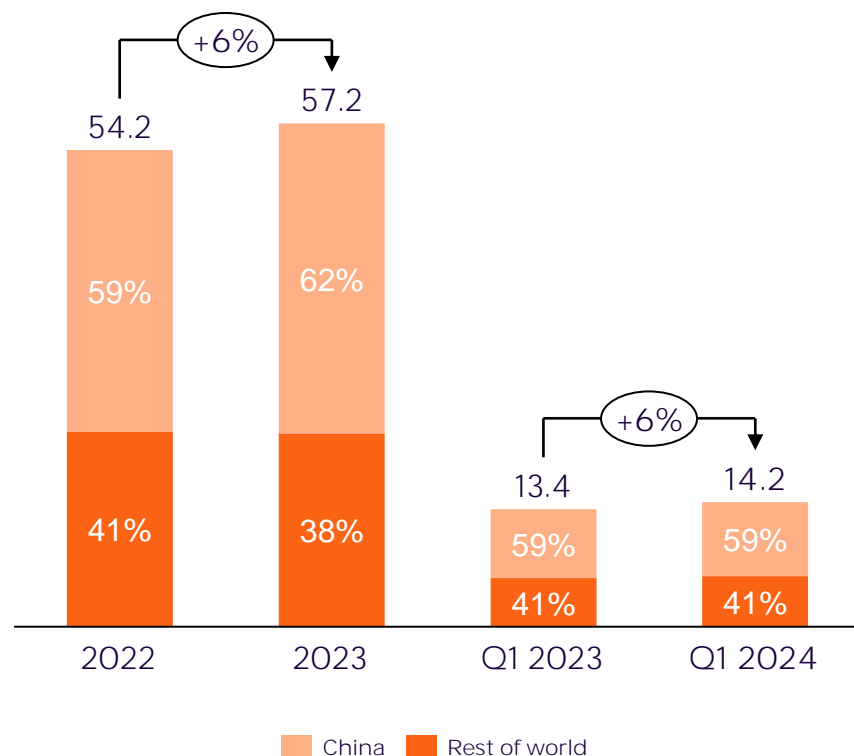
<sup>1</sup> Source: Resources-net CAMR, nut coke spot price, Europe  
<sup>2</sup> No index, data is based on actual price of product as negotiated  
<sup>3</sup> Source: Eramet analysis

# Global carbon steel & manganese ore production

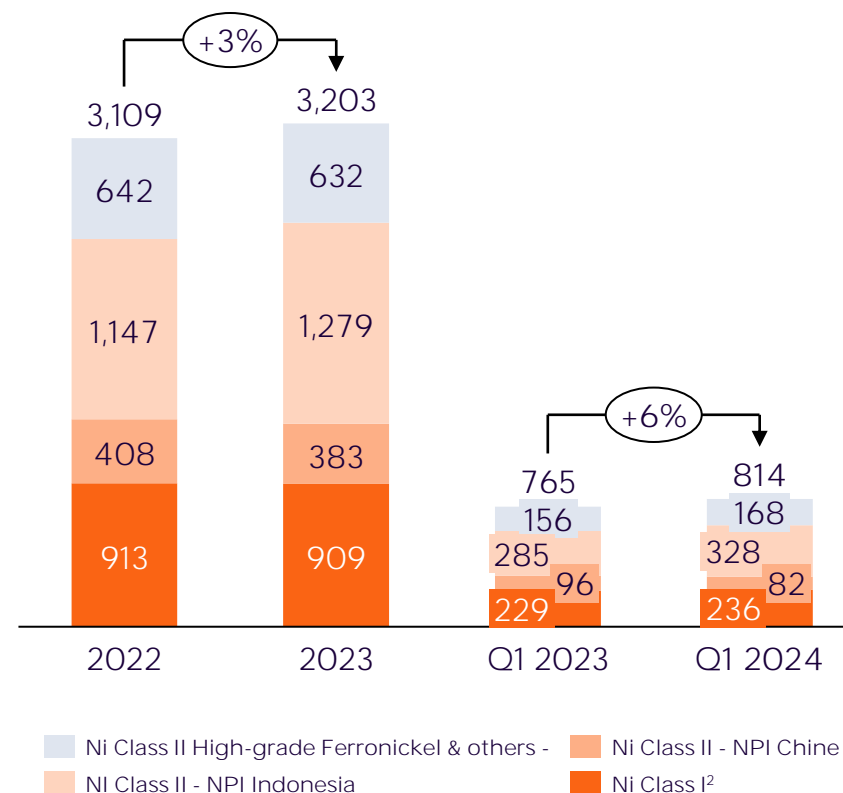


# Global stainless steel & primary nickel production

## Global stainless steel production (Mt)<sup>1</sup>



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



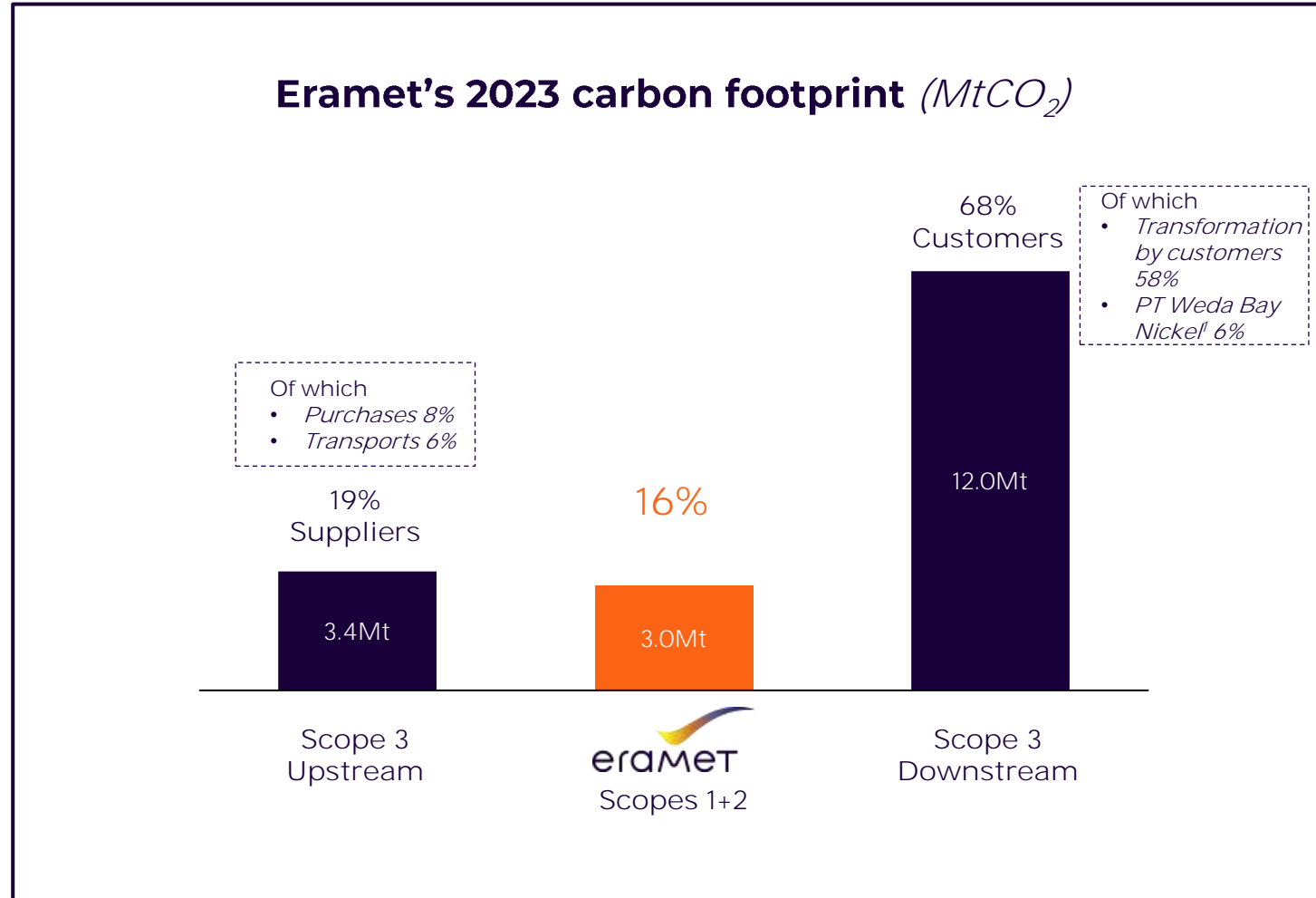


An aerial photograph of a dense, lush green forest. A dirt road winds through the trees in the middle ground. A dark blue, semi-transparent diagonal band runs across the lower half of the image. In the top left corner, there are thin, curved lines in yellow and red. The text "Highly committed for decarbonization through projects & innovations" is centered in white, sans-serif font.

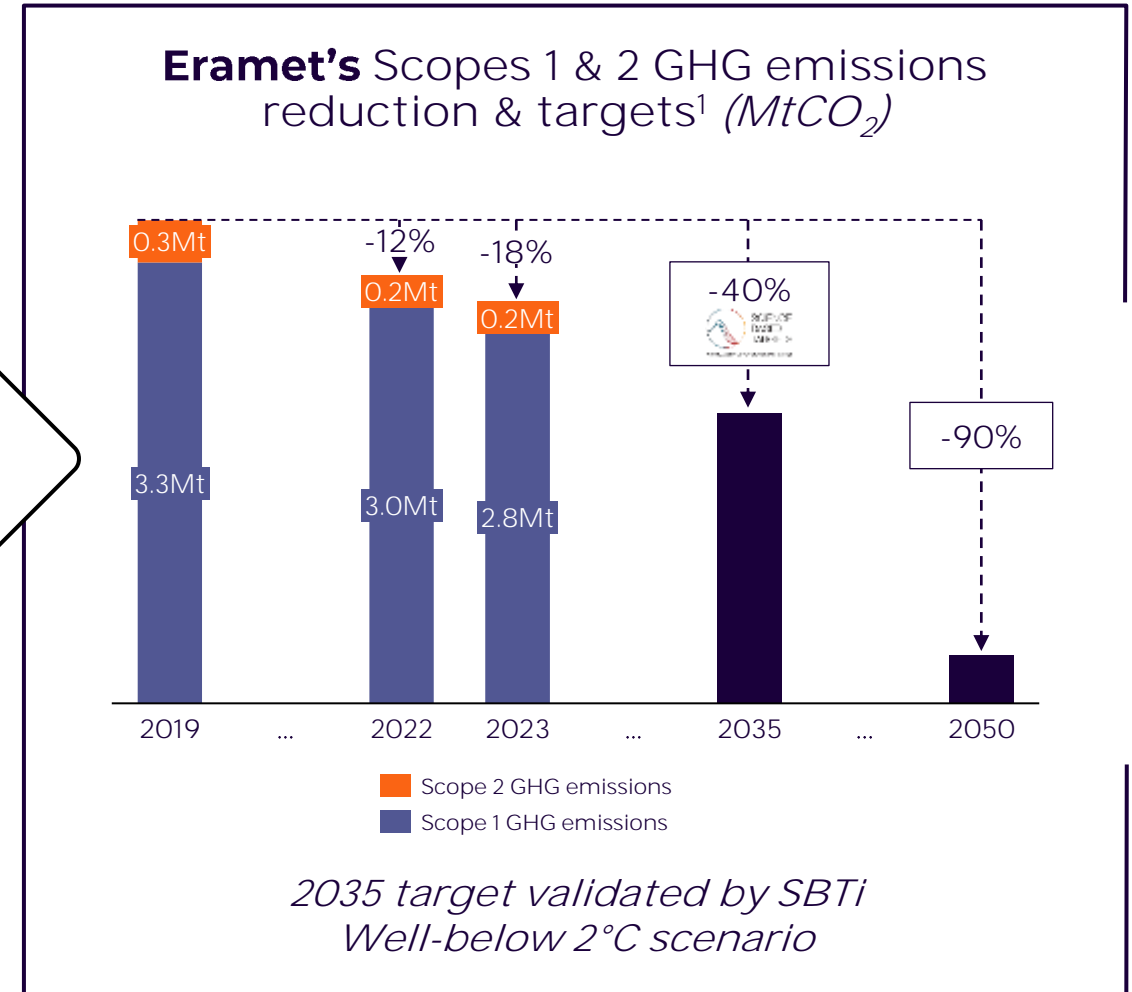
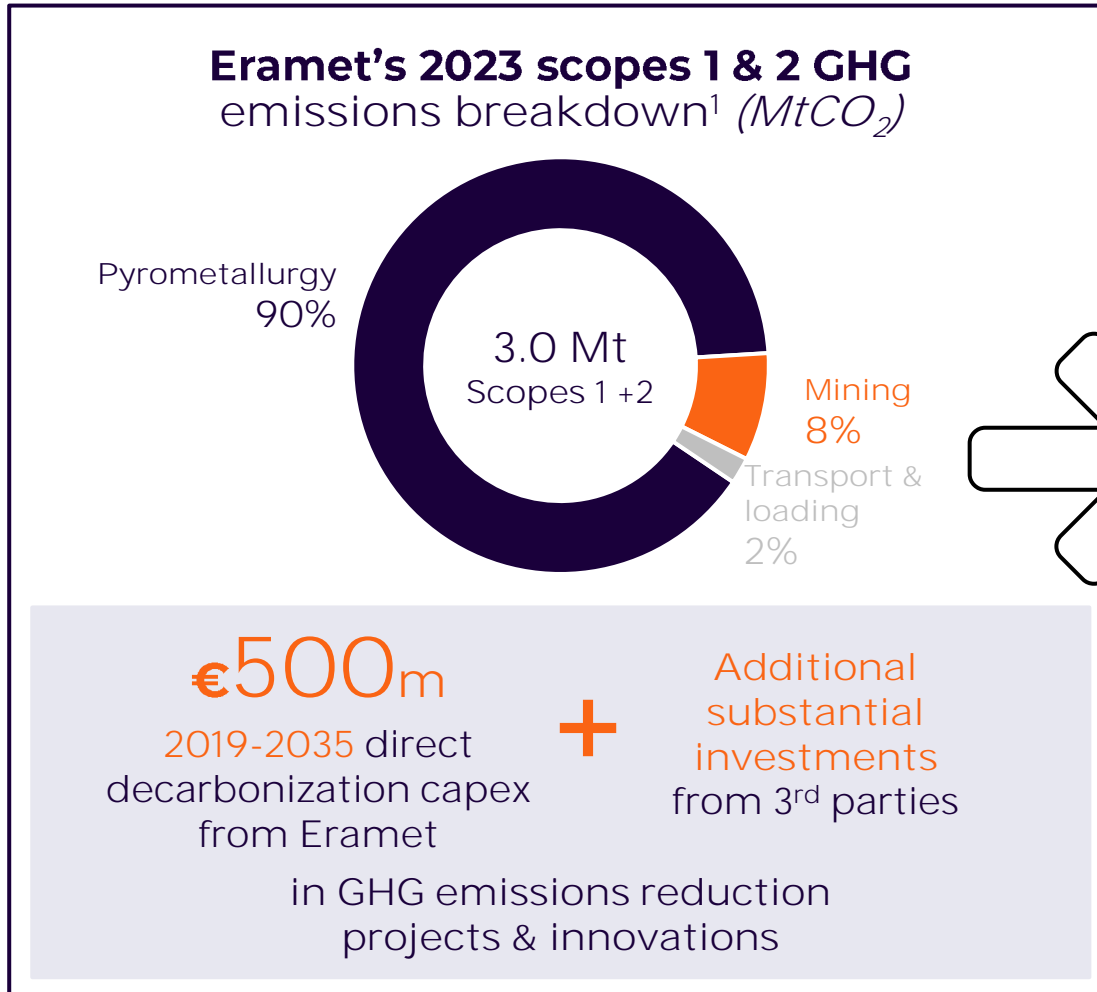
Highly committed for decarbonization  
through projects & innovations



# Eramet's carbon footprint: 84% related to Scope 3



# 90% of the Group's direct GHG emissions come from pyrometallurgy

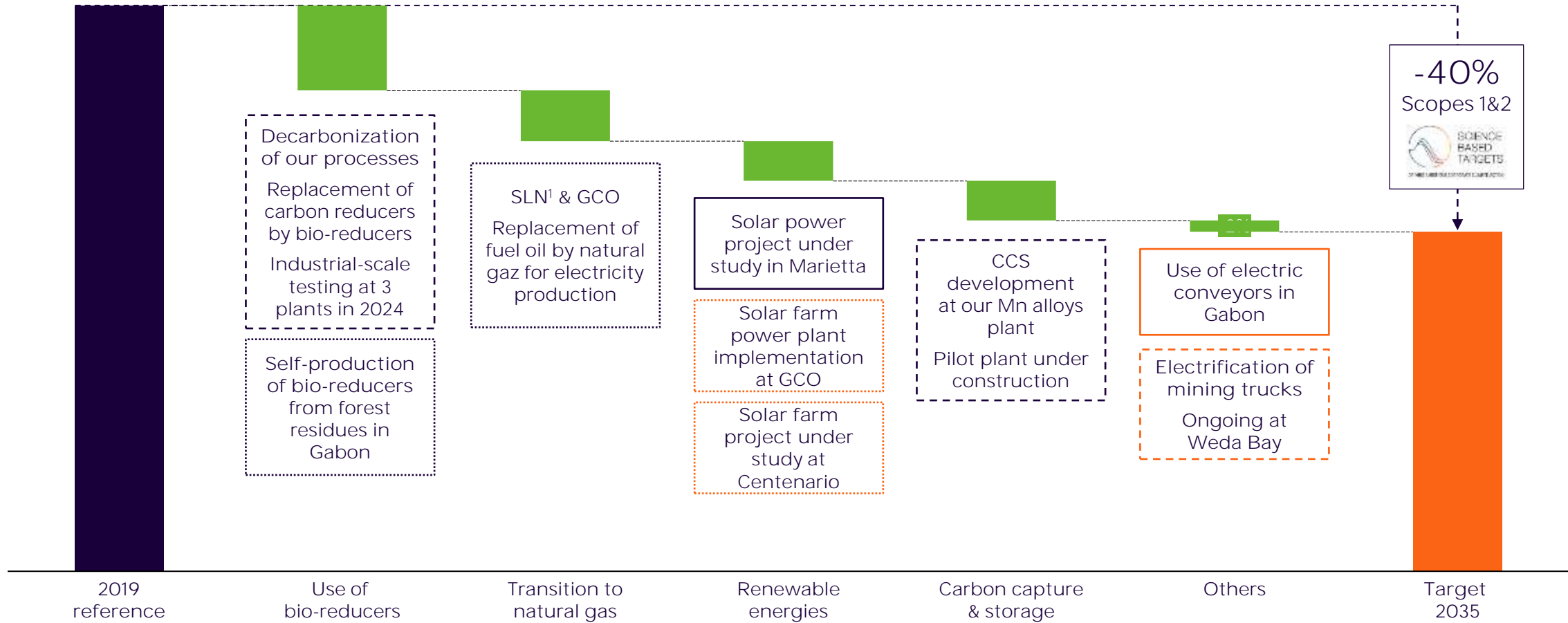




# Decarbonization levers tailored to **Eramet's** challenges

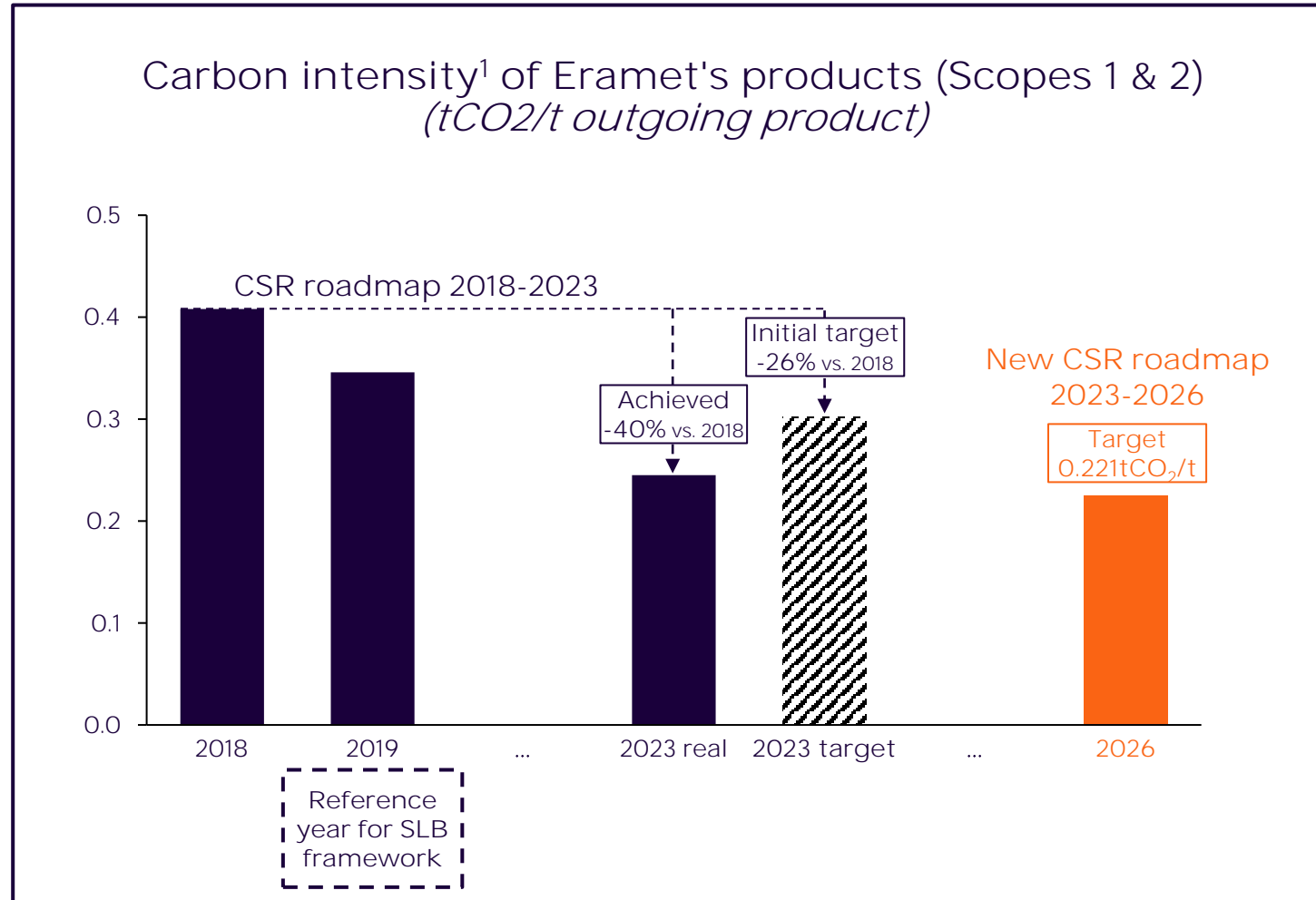
Pyrometallurgy (c.90% of energy consumption & GHG emissions)  
 Mining (c.10% of energy consumption & GHG emissions)

Realized  Implementation / industrialization ongoing  
 Project or under consideration



<sup>1</sup> Projet under study. To be assessed in the context of the Pacte Nickel for New Caledonia

# Significant decrease in the carbon intensity of the Group's products since 2018



➔ 2023 target surpassed

-40% achieved

vs. -26% initial target

▶ Increase of mining activities, less emissive than pyrometallurgy

▶ Improvement thanks to energy efficiency & decarbonization actions

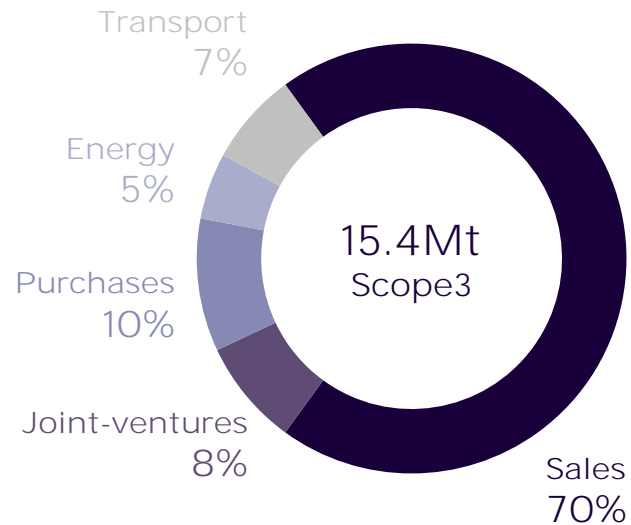
SLB<sup>2</sup> financing framework

-35% target in 2025  
vs. 2019 (Carbon intensity)

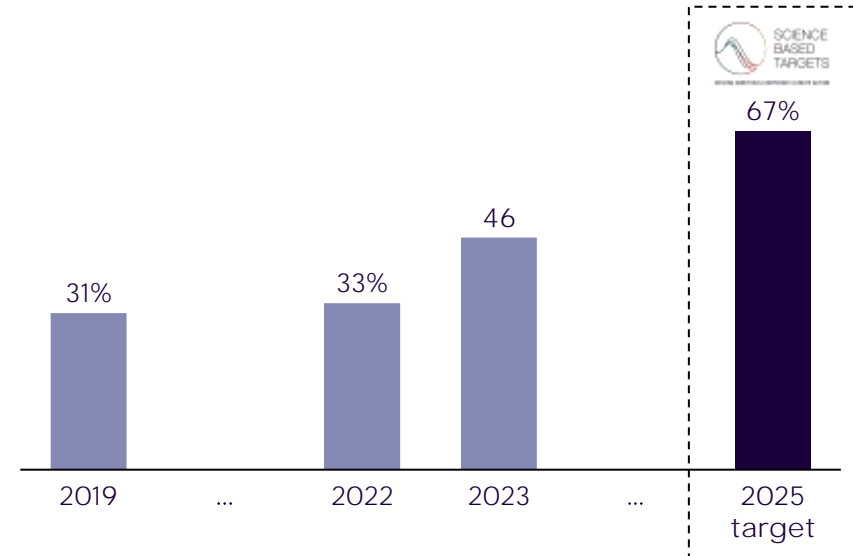
-40% target in 2030  
vs. 2019 (Carbon intensity)

# Supporting **Eramet's** value chain in reducing its emissions

## Eramet's 2023 scope 3 emissions breakdown (MtCO<sub>2</sub>)



## Engaging with our value chain on Scope 3



  
**eramet**  
commitment

67% of its suppliers and customers by emissions to have decarbonization targets consistent with the well-below 2° scenario of the Paris Agreement

 SLB financing framework



## CONTACTS

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