

Paris, 28 October 2020, 7:30 a.m.

PRESS RELEASE

Eramet: Third-quarter 2020 turnover stable, the sales of the Mining and Metals division offset the impact of the profound aerospace crisis

- **Sales** of €850m (-5% on third-quarter 2019)
- **Significant decline in Aubert & Duval sales:** -18% from 2019, -34% over two years
- **Excellent production and sales performance from mining activities**, driven by the rebound in Chinese steel production in a disrupted market environment:
 - Increase in Q3 20 manganese ore volumes produced (+15%) and sold (+65%)
 - Increase in nickel ore volumes produced (+20%) and exported (+6%), leading to a significant improvement in SLN cash cost to \$5.24/lb in the third quarter
 - Swift ramp-up in nickel ferroalloys production at Weda Bay, with 13 kt Ni since its launch in May
 - Increase in mineral sands production (+13%), at a pace of 730 kt per year
- **Raw material sales prices sharply down overall:** -26% for manganese ore and -17% for ferronickel; conversely, very strong growth in the price of nickel ore (+35%)
- **2020 Outlook:**
 - Manganese ore production target raised to 5.8 Mt (+22% vs 2019)
 - Opening of new mining plateau in Gabon in October, enabling gradual ramp-up in production towards a capacity of 7 Mt in manganese ore by 2022
 - Nickel ore exports confirmed at 2.5 Mwmt (+54% vs 2019)
- Factoring in the operational improvements, in particular the increased mining production, **forecast EBITDA** is expected to strongly improve in the second half of 2020 compared to the first half. Nevertheless, it will be significantly lower on a full-year basis.



Christel Bories, *Eramet Group Chairman and CEO*:

« We achieved a remarkable third-quarter performance in terms of mining production in a still very volatile economic environment.

Our mining activities pursue their successful growth momentum, specifically in Gabon, which reported a manganese ore production at a pace of more than 6 Mt per year. In New Caledonia, growth in nickel ore exports took on a new dimension, up by nearly 60%. However, SLN remains fragile and the success of its rescue plan is now more crucial than ever; we are counting on the commitment of all stakeholders.

The High-Performance Alloys division was adversely affected by the collapse of air transport and its impact across the aerospace supply chain. Drastic cost adjustment measures have been taken. Moreover, with respect to its strategic review, the Group is seeking for the best solutions for Aubert & Duval's activity, a strategic company for the sector; all options being considered.

All the Group's teams manage business as closely as possible to their markets and customers and remain fully focused on preserving cash. »

◆ Safety and preventive measures to face the pandemic

The Group remains fully committed to ensuring safety in the workplace. At end-September 2020, the total recordable injury rate (TRIR¹) was 4.1 year to date, steadily down -24% from 2019.

Regular reviews are conducted regarding the health protocol, implemented on all of the Group's sites, in an effort to anticipate pandemic developments and to comply with the recommendations of local authorities. Under these circumstances, all our activities operated without any disruptions in Q3 2020.

◆ Eramet group's sales by activity

(Millions of euros) ¹	Q3 2020	Q3 2019	Change ² (%)	9m 2020	9m 2019	Change ² (%)
MINING & METALS DIVISION						
Manganese BU	420	427	-2%	1,259	1,331	-5%
Nickel BU	216	216	-	582	562	+4%
Mineral Sands BU	63	62	+2%	202	201	+0%
<i>Division total</i>	699	705	-1%	2,043	2,094	-2%
HIGH-PERFORMANCE ALLOYS DIVISION						
A&D and Erasteel	154	192	-20%	499	615	-19%
HOLDING COMPANY & ELIMINATIONS	(3)	(2)	n/a	(5)	(6)	n/a
ERAMET GROUP	850	895	-5%	2,537	2,703	-6%

¹ Data rounded up to nearest million.

² Data rounded up to higher or lower %.

N.B.: all changes in third-quarter 2020 ("Q3 2020") performance are calculated in relation to third-quarter 2019 ("Q3 2019"), unless otherwise indicated. Similarly, year-to-date changes relating to the first nine months of the year ("9m 2020") are calculated in relation to the previous year ("9m 2019").

The Group's Q3 2020 sales totalled €850m, down -5%. Currency effects came to -3%, owing to the weakening of the US dollar against the euro. At constant scope and exchange rates², sales were down by -2%, mainly due to the impact of the aerospace crisis on activity at Aubert & Duval.

At 30 September 2020, the Group's cash position remains high.

A dividend of €8m was paid out in October to Comilog's minority shareholders for the 2019 financial year.

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

² See Financial glossary in Appendix 4

▪ Mining & Metals Division

Manganese BU

Ore production in Gabon achieved a pace of more than 6Mt per year in Q3 2020, with ore volume sales up nearly +65%. Alloys volumes produced and sold were down, reflecting the downturn in the steel sector. Despite a decline versus both Q3 2019 and H1 2020, ore prices levelled off at \$4.2/dmtu on average over the quarter.

Manganese BU sales, which accounted for slightly over 49% of the Group's total consolidated sales, came to €420m, down very slightly (-1.6%) versus Q3 2020. Growth in ore sale volumes offset price declines and the contraction in alloys sales.

Market trends & prices

In Q3 2020, global production of carbon steel, the main end-market for manganese, was up +0.9%³ ending at 475Mt. Production in China, which represents c.57% of global production, grew significantly (+9.6%³), mainly driven by the construction of infrastructure to kick-start the economy. Record-breaking highs were set in Q3. As for the rest of the world, production slowed considerably (-9.6%³), owing to the decline in demand in Europe (-20.8%³) and North America (-22.5%³), which were hard hit by the health crisis.

During the first nine months of the year, carbon steel production reached 1.36 bn tonnes, down -3.8%³ on the same period in 2019.

Despite the contraction in demand, global manganese ore production increased by +8.3% in Q3, boosted by solid Q2 price levels and the increased contribution from South Africa, following mine closures in Q2. The supply/demand balance thus remained in surplus with Chinese port ore inventories totalling 6.6Mt⁴ at end-September 2020 (equivalent to approximately 11.5 weeks' consumption versus 9 weeks' consumption at end-June 2020).

The average CIF China 44% manganese ore price stood at approximately \$4.2/dmtu⁵ in Q3 2020, down c.-26%^{6,7} from Q3 2019 (\$5.7/dmtu⁶).

In Q3 2020, manganese alloy prices in Europe recorded a marked decline, particularly for refined alloys (medium-carbon ferromanganese at approximately €1,306/t⁶, representing -12% from Q3 2019) but also for standard alloys (silicomanganese at approximately €863/t⁶, i.e. -10%).

Activities

In Gabon, Comilog's manganese ore production was up +15% to 1.5Mt in Q3 2020 (4.3Mt year to date at end-September). Transported ore volumes also increased (+24%), in line with the record level delivered in Q2 2020. The mine's and logistics' good performance reflects operational improvement achieved. The latter, together with lower internal sales (to the Group's manganese alloys plants), led to an increase in external ore sales volumes of nearly 65%, ending at 1.5Mt in Q3 20 (3.9Mt year to date at end-September).

Quarterly production at manganese alloys plants continued to adapt to demand in a market affected by the sharp slowdown in steel production in Europe and the United States. This drove

³ Eramet forecasts based on World Steel Association (WSA) production data

⁴ Source: CNFEOL (China FerroAlloy Online)

⁵ Quarterly average market prices, Eramet calculations and analysis

⁶ Manganese ore: CRU CIF China 44% spot price; Manganese alloys: CRU Western Europe spot price

⁷ Adjusted for unfavourable currency effects (appreciation of the euro versus the US dollar), the decline in price in euros was -29% on a comparable quarterly basis

a -16% drop in production in Q3 2020 (511kt year to date at end-September). However, sales volumes decreased more moderately to 162kt (-8%) over the same period.

Electrolysis activity used to produce metal manganese in Gabon was definitively stopped in Q3. The silico-manganese production activity is maintained.

Outlook

Taking account of the good end-September performance, and thanks to the roll-out of the optimised, modular manganese ore growth programme, the 2020 target is again raised to 5.8Mt of volumes produced (i.e. more than +20% versus 2019).

The opening of the new Okouma plateau in October, and its start of production according to a modular and flexible approach should enable a gradual ramp up with a targeted capacity of 7 Mt in manganese ore by 2022.

Capital expenditure is estimated at approximately €85m in 2020 to support this highly profitable growth with a quick payback.

With respect to carbon steel production, a continued strong activity in China, and a beginning of restart in the rest of the world is expected in Q4 2020, albeit with disparities in growth between geographies.

Nickel BU

The Nickel BU markets were strongly affected by the sharp slowdown in the stainless steel industry over the first nine months of the year, coupled with declining LME nickel prices. Nonetheless, nickel ore export growth, both driven by volumes and a substantial price increase, enabled the BU to post stable turnover in Q3 2020.

SLN Q3 2020 sales were up slightly (+1%) to €194m. Sandouville's plant sales remained affected by the loss of value-added markets in light of the pandemic, and decreased by -5%, at €22m.

Market trends & prices

The stainless steel industry (2/3 of world nickel demand) experiences a historic shock in 2020 with global production down by -7.6%⁸ to 35.9Mt over the first nine months of the year, despite a marginal drop in Q3 2020 (-1.6%⁸) thanks to China. Chinese production, accounting for nearly 65% of global output, recorded a substantial growth in Q3 2020 (+6.9%⁸), influenced by government stimuli to support infrastructure, transportation and construction. Conversely, the rest of the world saw a very sharp decline over the period (-14.2%⁸). Indonesia posted growth of 19.0%³ in Q3 2020, following the unprecedented decline in H1 volumes.

Demand for primary nickel thus showed signs of recovery in Q3 2020, with an increase of +1.2%⁸.

Global primary nickel production stood stable at 0.6 Mt⁸ in Q3 2020, bolstered by continued growth in nickel ferroalloys production in Indonesia (+52.9%⁸), offsetting the decline in traditional production.

On the basis of a nickel supply/demand balance with a strong surplus in H1 2020, breakeven was almost achieved in Q3. Nickel stocks at the LME⁹ and SHFE⁹ slightly increased compared with

⁸ International Stainless Steel forum (ISSF) and Eramet estimations

⁹ LME: London Metal Exchange; SHFE: Shanghai Futures Exchange

end-June (+1.2%), standing at 266 kt at end-September 2020. They now equal 8 weeks' consumption¹⁰, which is still a low level.

In Q3 2020, the average LME price was \$6.45/lb (\$14,213/t), down on Q3 2019 (-9%¹¹), but up sharply from H1 2020 (+14%). Ferronickel prices decreased by -16.5% in Q3 2020. They did, however, show improvement (+22%) on H1 2020. Given the upturn in demand for stainless steel, quarterly ferronickel sales prices were at a lower discount versus the LME than in H1.

Conversely, the average for nickel ore prices (1.8% CIF China) came out at \$81.1/wmt¹², up significantly (+35%) versus an average of \$60.2/wmt¹² in Q3 2019. This is attributable to the effective ban on nickel ore exports from Indonesia since January 2020, which constrains supply to China. Nickel ore stocks in Chinese ports¹³, slightly up from end-June, totalled 8.8 Mwmt at end-September 2020, corresponding to approximately 8 weeks' consumption.

Activities

In New Caledonia, SLN's Q3 2020 mining production rose +20% to 1.6Mwmt¹⁴ (3.8Mwmt year to date at end-September, up +15%).

Q3 2020 low-grade nickel ore exports ended at 0.6 Mwmt, up +6% on Q3 2019. Based on September's figure, annual exports grow at a pace of more than 3.5Mwmt per year. Nine-month total volumes of exported ore were 1.7Mwmt year to date (+61% from the same period in 2019).

Q3 2020 ferronickel production jumped +15% to 13kt (+5% to 37kt year to date over a nine-month period). Q3 2020 sales volumes also rose +10% to 13kt (+9% to 39kt year to date at end-September).

The increase in nickel ore exports and the positive impact of external factors resulted in a significantly improved cash cost. The latter averaged \$5.24/lb in Q3 2020, down from \$5.65/lb in H1 2020 and \$5.76/lb in Q3 2019. Cash cost should continue to improve in Q4, mainly thanks to the considerable increase in ore prices. To date, ore prices recorded an additional upswing of more than +20% from the Q3 average¹⁵.

Achieving all the objectives of the rescue plan remains a necessary condition for the sustainability of SLN, in particular obtaining the authorisation from the government of New-Caledonia to export an additional 2Mwmt of low-grade ore (increasing from 4Mwmt to 6Mwmt of annual exports).

In Normandy, after being particularly affected by the health crisis in H1, the Sandouville plant saw its production and sales fell again in Q3 2020 compared with Q3 2019, notably due to the technical stop of production in July, in a still-deteriorated market environment.

In Indonesia, the fast ramp-up of the mining operations and of the low-grade nickel ferroalloys production is a success. Since its opening in October 2019, the mine has produced close to 2.3Mwmt of ore. Chinese customers purchased an initial load from Eramet offtake agreement, which was shipped in September. The plant is now operating at optimised capacity (35 kt Ni per year). Year to date production volumes amounted to 13 kt Ni at end-September, with a highly competitive production cash cost.

¹⁰ Including producers' stocks

¹¹ Restated for the favourable currency effect, the price increase in euros was 13% on a comparable quarterly basis

¹² CIF China price 1.8% "Other mining countries" in Q3 2020 (CNFEOL) and "Philippines" in 2019 and H1 2020 (SMM)

¹³ Stocks excluding Inland China (Mysteel 12 ports)

¹⁴ Mwmt: millions of wet metric tonnes; kwmt: thousands of wet metric tonnes

¹⁵ 1.8% CIF China prices "Other mining countries" (CNFEOL)

Outlook

SLN's nickel ore export volume target is confirmed at 2.5Mwmt. Similarly, ferronickel production at the Doniambo plant should reach nearly 50kt in 2020.

2020 production at the Weda Bay Nickel mine and plant is expected to deliver respectively more than 2.5Mwmt and 20kt of low-grade nickel ferroalloys (Ni content).

Stainless steel production (and thus demand for nickel in stainless steel) should remain sustained in the coming months, thanks to the various recovery plans for the global economy, especially in China.

Mineral Sands BU

The Mineral Sands BU reported Q3 2020 sales up +1.6% to €63m, faced with an unfavourable market environment.

In a deteriorated price environment, Grande Côte (GCO) sales in Senegal fell -21% to €27m, while those of the TTI plant in Norway increased by +32% to €37m on the low level recorded in Q3 2019.

Market trends & prices

Ceramics, the main end-product for zircon¹⁶, were hard hit by the pandemic. Moreover, industrial demand for zircon was still low in all sectors and geographies. Global demand for zircon was down in Q3 2020 but showed a slight rebound on Q2 2020.

Despite a decrease in production from main producers, the zircon supply/demand balance should thus be in surplus in 2020. The subsequent average zircon price increased to \$1,320/t¹⁷ in Q3 2020. It was down by -3% on H1 2020 and -17%¹⁸ from Q3 2019.

Global demand for TiO₂ 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). Demand improved in Q3 2020. At the same time, the titanium-based products supply should also decrease in 2020, allowing the supply/demand balance for titanium-based products to show a very slight surplus in 2020.

The average price of high value-added CP²¹ titanium dioxide slag fell by -3% to \$770/t²² in Q3 2020 versus H1 2020. At the same time, it drove a +1%¹⁸ increase compared to Q3 2019. Improving demand for TiO₂ pigments observed in Q3 2020, mainly in China, has indeed driven demand for sulphate-grade titanium dioxide slag.

Activities

In Senegal, mineral sands production²³ grew +13% to 183kt in Q3 2020 (+3% to 554kt year to date at end-September), reflecting the good operational performance. Q3 2020 zircon sales volumes dropped -5% to 13 kt, owing to logistics shipping delays recorded in Q4.

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 -21% and -4% respectively on a comparable quarterly basis

¹⁹ Titanium dioxide slag, ilmenite, leucosene and rutile

²⁰ c.90% of titanium-based end-products

²¹ For the manufacture of chloride pigments ("CP slag")

²² Source: Market consulting, Eramet analysis

²³ Zircon and titanium ore (ilmenite, leucosene and rutile)

In Norway, quarterly titanium slag production ran at a normal level, up +40% to 52kt, factoring in the low Q3 2019 comparative basis. Sales volumes also increased by 49% to 51kt.

Outlook

The annual 2020 target for mineral sands production amounts to 730kt, in line with 2019.

The agreement for the sale of TiZir's Norwegian plant to Tronox remains subject to the satisfaction of regulatory approvals. This process is currently underway.

Mineral sands markets are closely correlated to global GDP, as the use of pigments and ceramics is linked to the dynamics of urbanisation and modernisation of economies. In the coming months, the various stimulus packages should sustain demand for mineral sands.

▪ **High-Performance Alloys division**

The collapse of the aerospace sector and the steep downturn in the automotive sector continued to weigh heavily on the High-Performance Alloys division in Q3 2020. The division's sales were down -20% to €154m (-36% over two years).

Aubert & Duval's ("A&D")²⁴ sales declined by -18% to €122m over the period, while Erasteel's sales were down -26% to €32m.

Market trends & prices

The aerospace sector, which represents approximately 70% of A&D's sales, is very hard hit by the Covid-19 crisis, with an extremely marked slowdown in air transport. The impacts on the aerospace supply chain are of an unprecedented scale. Boeing has reported that the market will require a ten-year recovery period following the pandemic.

Commercial aircraft deliveries have reached an all-time low this year, and the outlook from industry analysts points to a possible further deterioration in the coming months. In particular, at end-September, Airbus announced that it had delivered 341 aircraft since the beginning of the year. This accounts for a near -40% reduction compared with the same period in 2019 (571 aircraft deliveries).

The defence, energy and nuclear markets are stable, particularly thanks to public investment programs.

The automotive industry, which accounts for nearly half of Erasteel's sales, remained very depressed over the quarter, with the exception of a marked rebound in China.

Activities

In this context, A&D's aerospace turnover amounted to €81m. Sales fell by -31% in Q3 2020 and -21% year to date over the first nine months of the year, compared with an already low level in the previous year, representing -37% over two years.

Excluding the aerospace sector, sales significantly increased (+31%), notably those of disks for land-based turbines.

²⁴ Aubert & Duval, EHA and others

Over the quarter, A&D adjusted the level of production site by site thanks to labour measures in force. Thus, the objective is to aim for a level of activity adjusted to the order book for each product line, workshop by workshop.

The French government approved a request for a long-term part-time work agreement (“APLD”), effective 1 October. It should allow to significantly reduce working hours over the next six months.

Erasteel’s production and sales were also penalised by the continuing depressed market environment. Production set-up was also thoroughly adjusted to meet customers’ needs.

Outlook

Based on low 2019 comparatives, the drop in A&D’s 2020 sales could amount to approximately - 15%. Over two years, this decline should reach almost -34% in total.

Aircraft manufacturers continue to adjust their production rate to demand. The impacts could be deeper and more extended for the wide-body aircraft.

A return to 2019 activity levels in the aerospace sector is forecasted for 2025.

The rebound could take place as early as next year for the automotive sector.

Against this new backdrop, the Group is continuing the strategic review of A&D. All options are being considered, including a divestment. The top priority is to find the best solutions for the subsidiary’s activity, a strategic company for the aerospace sector.

◆ Outlook

In the second half of the year, the level of manganese ore and nickel ore production, together with related operational improvements, should further improve the Group’s intrinsic performance.

Forecast EBITDA is expected to strongly improve in the second half of 2020 compared to the first half. Nevertheless, it will be significantly lower on a full-year basis.

As a result of the global crisis, the market and price environment are still however particularly uncertain and volatile.

A horizontal bar with a color gradient from yellow to blue.

Calendar

16/02/2021: Publication of 2020 annual results

26/04/2021: Publication of 2021 first-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 around 13,000 people in more than 20 countries, with sales of approximately €4 billion in 2019.

For further information, go to www.eramet.com

INVESTOR CONTACT

Executive VP Strategy and Innovation - Investor Relations

Philippe Gundermann
T. +33 1 45 38 42 78

Investor Relations Manager

Sandrine Nourry-Dabi
T. +33 1 45 38 37 02

PRESS CONTACT

Communications Director

Pauline Briand
T. +33 1 45 38 31 76
pauline.briand@eramet.com

Image 7

Marie Artzner
T. +33 1 53 70 74 31 | M. +33 6 75 74 31 73
martzner@image7.fr

APPENDICES

▪ Appendix 1: Sales

In millions of euros (€ million) ¹	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
MINING & METALS DIVISION							
Manganese BU	420	480	359	434	427	470	434
Nickel BU	216	215	151	216	216	182	164
Mineral Sands BU	63	69	70	85	62	80	59
HIGH-PERFORMANCE ALLOYS DIVISION							
A&D and Erasteel	154	149	196	232	192	206	217
GROUP							
Holding company & eliminations	(3)	0	(2)	1	(2)	(3)	(1)
Eramet group published IFRS financial statements²	850	913	774	968	895	935	873

¹ Data rounded up to the nearest million.

² Application of IFRS standard 11 "Joint Arrangements".

▪ Appendix 2: Productions and shipments

<i>In thousands of tonnes</i>	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	9m 2020	9m 2019
-------------------------------	------------	------------	------------	------------	------------	------------	------------	------------	------------

MANGANESE BU									
Manganese ore and sinter production	1,537	1,475	1,288	1,309	1,340	1,112	1,004	4,300	3,456
Manganese ore and sinter transportation¹	1,615	1,620	1,242	1,306	1,303	1,022	996	4,478	3,321
External manganese ore sales	1,492	1,418	1,000	1,322	911	861	776	3,910	2,548
Manganese alloys production	170	146	196	163	201	185	191	511	577
Manganese alloys sales	162	165	181	190	175	193	175	508	543

NICKEL BU									
Nickel ore production (<i>in thousands of wet metric tonnes</i>)									
SLN	1,603	1,286	918	1,356	1,331	1,096	872	3,806	3,299
Weda Bay Nickel (100%)	579	827	397	470	0	0	0	1,803	0
Ferronickel production - SLN	12.8	11.7	12.1	12.5	11.1	11.6	12.2	36.6	34.9
Low grade nickel ferroalloys production - Weda Bay Nickel (kt of Ni content – 100%)	8.4	4.5	0	0	0	0	0	12.9	0
Nickel ore sales (<i>in thousands of wet metric tonnes</i>)									
SLN	589	760	331	578	556	254	235	1,680	1,045
Weda Bay Nickel (100%)	182	0	0	0	0	0	0	182	0
Ferronickel sales - SLN	12.8	14.3	11.6	11.4	11.6	12.0	12.0	38.7	35.6
Low grade nickel ferroalloys production - Weda Bay Nickel/Off-take Eramet (kt of Ni content – 100%)	0.8	0	0	0	0	0	0	0.8	0
Nickel salts and high purity nickel production	1.6	2.2	1.5	0.8	2	2.3	1.8	5.2	6.1
Nickel salts and high purity nickel sales	1.3	2.1	1.6	1.1	1.6	2.4	1.6	5.0	5.6

MINERAL SANDS BU									
Mineral Sands production	183	183	188	195	162	207	171	554	540
Zircon production	14	15	14	15	12	16	15	43	43
Titanium dioxide slag production	52	50	48	51	37	48	53	150	138
Zircon sales	13	16	17	15	14	16	13	46	43
Titanium dioxide slag sales	51	48	52	49	34	58	39	150	131

¹ Produced and transported

▪ Appendix 3: Price and index

	Q3 2020	H1 2020	H2 2019	Q3 2019	H1 2019	Chg. Q3 2020/Q3 2019 ⁶	Chg. Q3 2020/H1 2020 ⁶
--	------------	------------	------------	------------	------------	---	---

MANGANESE BU

Mn CIF China 44% (USD/dmtu) ¹	4.21	4.98	4.85	5.66	6.42	-25.7%	-15.5%
Ferromanganese MC - Europe (EUR/t) ¹	1,306	1,422	1,417	1,479	1,551	-11.7%	-8.1%
Silico-manganese - Europe (EUR/t) ¹	863	949	921	955	976	-9.6%	-9.1%

NICKEL BU

Ni LME (USD/lb) ²	6.45	5.65	7.03	7.08	5.59	-8.9%	14.1%
Ni LME (USD/t) ²	14,213	12,455	15,489	15,606	12,315	-8.9%	14.1%
Ni ore CIF China 1.8% (USD/wmt) ³	81.1	68.5	66.3	60.2	50.7	34.7%	18.4%

MINERAL SANDS BU

Zircon (USD/t) ⁴	1,320	1,355	1,565	1,585	1,585	-16.7%	-2.6%
CP grade titanium dioxide (USD/t) ⁵	770	798	758	761	746	1.2%	-3.4%

¹ Quarterly average for market prices, Eramet calculations and analysis

² LME (London Metal Exchange) prices

³ CNFEOL (China FerroAlloy Online), "Other mining countries" in Q3 2020 and SMM (Shanghai Metals Market) "Philippines" in 2019 and H1 2020

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: 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 5: Sensitivities of Group EBITDA

Sensitivities	Change	Impact on EBITDA (+/-)
Manganese ore prices (CIF China 44%)	+\$1/dmtu	c.€185m ¹
Manganese alloy prices	+\$100/t	c.€60m ¹
Nickel prices (LME)	+\$1/lb	c.€100m ¹
Nickel ore prices (CIF China 1.8%)	+\$10/wmt	c.€20m ¹
Exchange rates	-\$/€0.1	c.€145m
Oil price per barrel (Brent)	+\$10/bbl	c.€(20)m ¹

¹ For an exchange rate of \$/€1.13