

Eramet: Strong growth in Q3 2021 turnover, forecast EBITDA revised upwards close to €1bn over the year

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PRESS RELEASE

Eramet: Strong growth in Q3 2021 turnover, forecast EBITDA revised upwards close to €1bn over the year

- Turnover of €1.1bn (+34% vs. Q3 2020), with growth of more than 40% in the Mining and Metals division
- Good operating performance in the Mining and Metals division in all entities except New Caledonia:
 - Increase in manganese alloys volumes produced (+11%) with a favourable mix and continued organic growth in manganese ore production in Gabon (+27%)
 - Excellent growth dynamics in Weda Bay nickel ore production with nearly 4 Mwmt over the quarter, representing nearly 11 Mwmt year-on-year at end-September
 - Increase in mineral sands production in Senegal (+11%)
 - Decrease in ferronickel production in New Caledonia (-19%), notably resulting from the deterioration in the health situation in the territory since early September; cash cost¹ at \$7/lb in Q3 2021, despite the increase in exported nickel ore volumes (+49%)
- Very favourable price environment in Q3 2021, particularly for manganese alloys; however, the cost of freight largely absorbed the ore price increases. The impact of the increase in energy costs on the Group's activities remains limited to date
- Decline in Aubert & Duval ("A&D") turnover (-14%) in an aerospace market environment which is still depressed and factoring in the impact of the fire that occurred in a workshop of the Pamiers plant in early September; increase in Erasteel sales (+40%)
- 2021 Outlook:
 - Favourable market momentum in Q4
 - Mining production targets confirmed in Gabon and revised upwards for Weda Bay Nickel; nickel ore export target and ferronickel production revised downwards in New Caledonia
 - Forecast EBITDA revised up over the year: considering the excellent dynamics for manganese alloys and a revised consensus for 2021 of average manganese ore (CIF China 44%) prices at \$5.1/dmtu and LME nickel prices at \$8.3/lb², forecast EBITDA would be close to €1bn in 2021

Christel Bories, *Eramet group Chair and CEO*:

"Our organic growth strategy is paying off, with good operating performances in the Mining and Metals division: the very strong increase in the turnover of this division is driven by sustained demand in our main markets and a very favourable price environment, particularly for manganese alloys.

However, the situation in New Caledonia remains a concern: this is a decisive moment for SLN, which has suffered multiple disruptions since the start of the year and is pending crucial decisions to fully implement its rescue plan.

Furthermore, we continue to implement our strategic roadmap with the repositioning of our portfolio on Mining and Metals activities, including the development of key metals in the energy transition to strengthen the Group's growth potential."

- CSR commitments

The total recordable injury rate (TRIR³) was 2.2 year-on-year at end-September 2021. It was significantly down once again (-46% from 2020) and is nearer to the benchmark of the best players in the mining and metallurgy sector. The Group is focusing all of its efforts on the elimination of High Potential Incidents.

Since the start of September, a strengthened health protocol was introduced in New Caledonia to enable the sites to continue their activity in a context of strong epidemic development.

In August 2021, Eramet obtained a score of 26.2 from extra-financial rating agency, Sustainalytics, which assesses the level of ESG risk. This score ranks the Group 6th out of 117 companies in the Mining and Metals sector.

In September, Eramet continued its decarbonisation efforts with the signing of an agreement to build and operate a hybrid solar power station with energy storage batteries which will ensure part of the supply of its mineral sands production site in Senegal.

● Eramet group turnover by activity

(Millions of euros) ¹	Q3 2021	Q3 2020	Change ² (%)	9m 2021	9m 2020	Change ² (%)
MINING & METALS DIVISION						
Manganese BU	598	420	+42%	1,485	1,259	+18%
Nickel BU	300	216	+39%	815	582	+40%
Mineral Sands BU	93	63	+47%	231	202	+15%
<i>Total Division</i>	<i>991</i>	<i>699</i>	<i>+42%</i>	<i>2,532</i>	<i>2,043</i>	<i>+24%</i>
HIGH-PERFORMANCE ALLOYS DIVISION						
A&D and Erasteel	151	154	-2%	488	499	-2%
HOLDING COMPANY & ELIMINATIONS	0	(3)	n/a	1	(5)	n/a
ERAMET GROUP	1,142	850	+34%	3,020	2,537	+19%

¹ Data rounded to the nearest million.

² Data rounded to higher or lower %.

N.B.: all the commented changes in third-quarter 2021 ("Q3 2021") are calculated with respect to third-quarter 2020 ("Q3 2020"), unless otherwise specified. Similarly, commented year-on-year changes relating to the first nine months of the year ("9m 2021") are calculated in relation to the previous year ("9m 2020").

The Group's Q3 2021 turnover totalled €1.1bn, up 34% (+38% at constant scope and exchange rates⁴, factoring in a negative currency effect of -3%). This growth was driven by the Mining and Metals division with a price effect of +39% and a volume/mix effect of +7%. Turnover for the High-Performance Alloys division was stable: growth in Erasteel sales was absorbed by the decline in A&D sales.

● Mining & Metals division

The activities of the Mining and Metals division benefitted from market momentum which remained positive in Q3 2021 with continued price increases despite a slowdown in steel production in China. However, freight cost and input costs continued to increase over the quarter.

Manganese BU

The Manganese BU continued to record excellent operating performance in Q3 2021. Ore production amounted to nearly 2 Mt (+27%).

Turnover, which represents more than 50% of the Group's consolidated turnover, totalled €598m in Q3 2021, up +42%. This increase is mainly attributable to the strong increase in manganese alloys selling

prices combined with a favourable mix. CIF prices for manganese ore also increased, essentially driven by the very strong increase in the cost of freight. FOB prices increased only very slightly.

Market trends & prices

After reaching historic levels in H1 2021, global carbon steel production, the main end-product for manganese, remained stable in Q3 2021, at nearly 480 Mt⁵, with a contrasting trend for each geography. Production in China, which accounts for more than 50% of global production, was down -11%⁵ due to government restrictions on energy consumption and environmental measures. Production in the rest of the world continued its rebound (+16%⁵), particularly in Europe and North America, edging nearer to pre-health crisis levels. Year-on-year at end-September 2021, production levels stood at 1.5 billion tonnes⁵, up +9%⁵.

In this context, Q3 2021 manganese ore consumption ended at 5 Mt⁵, down -4%⁵. Global ore production was also down -9%⁵ to 5.2 Mt^{5,6} over the same period, following production and transport difficulties in South Africa and Brazil.

The supply/demand balance, which was in deficit in H1, remains uncertain in H2; Chinese port ore inventories were relatively stable.

The average CIF China 44% manganese ore price stood at \$5.4/dmtu^{7, 8} in Q3 2021, up +28% (+6% from H1). It mainly reflects the increase in the cost of freight on the Gabon-China route, up 40%⁹ versus H1 2021 (representing an increase of nearly 90%⁹ year-on-year over the first nine months of the year).

Driven by the strong demand in the steel market in Europe and the United States, manganese alloys prices in Europe continued to increase very considerably in Q3 2021. In September, they reached new heights on the history of the last ten years, particularly for refined alloys (+92% for MC Ferromanganese in Europe) but also for standard alloys (see appendix 3). Given the one quarter lag on average between changes in market prices and those in sales contracts, the increase in prices in Q3 will have a very favourable impact on the BU's turnover in Q4.

Activities

Thanks to the mine expansion programme in Gabon, Comilog's manganese ore production increased +27% to 2.0 Mt in Q3 2021, ending at 5.1 Mt year-on-year at end-September 2021.

Transported volumes stood at 1.8 Mt (+13%), representing an average of 610 kt per month over the quarter, up +19% from Q2 2021. This reflects more favourable seasonality in H2 and the progress made in the operations of the railway line. Factoring in the strong consumption of the Group's alloys plants during the quarter, external sale volumes stood at 1.6 Mt in Q3 2021 (+7%), representing sale volume of 4.1 Mt at end-September 2021 (+6%).

Manganese alloys production amounted to 189 kt in Q3 2021, up 11% on Q3 2020 whose production levels had been revised downwards to adapt to market conditions.

The margin for manganese alloys continued to increase very significantly in Q3 2021, driven by the strong increase in selling prices, while the cost of manganese ore consumed by the plants declined over the period (considering an average lag of 4 to 6 months between the entry of ore in inventories and the sale of alloys).

Outlook

Global carbon steel production is expected to decline in Q4 2021 due to production cutbacks in China, and despite production remaining sustained in the rest of the world. However, this situation should not weigh on manganese alloys prices, supported by strong reductions in supply not only in China, but also in some Western countries, driven by the increase in energy prices.

Sea freight rates are expected to remain high due to port congestion and robust transport demand.

As part of the organic manganese ore growth programme, the production target is confirmed at 7 Mt for 2021. Transported and shipped volumes are also confirmed at more than 6.5 Mt.

In September, the Group signed an agreement with Meridiam and the Gabonese State with a view to their acquired stake of Setrag, operator of the Transgabonese railway line. These operations will be finalised in the very near coming weeks, in particular the share capital increase of c. \$364,300m, which will enable the investment fund to become a shareholder with a 40% stake in the subsidiary.

Nickel BU

Mine operations at Weda Bay Nickel continued their ramp up with nearly 4 Mwmt produced over the quarter, and a very significant contribution to Group Free Cash-Flow.

SLN experienced production difficulties, factoring in disruptions again; as a result, ferronickel production and sales were down over the period, while growth in ore export volumes remained constrained.

Nickel BU turnover amounted to \$364,300m in Q3 2021 (+39%), of which \$364,212m for SLN¹⁰, with very favourable price momentum over the quarter.

Market trends & prices

Global stainless steel production, which is the main end-market for nickel, amounted to 14.2 Mt¹¹ in Q3 2021, reflecting a decrease of -4.5% from Q2 2021 which was particularly high. The slowdown is attributable to the decline in production in China (-7% to 8 Mt¹¹ in Q3 2021), in line with the government measures on energy consumption. The rest of global production increased over the period (+32%¹¹), notably driven by Indonesia (+81%¹¹). For the first nine months of 2021, production stood at 43.5 Mt¹¹, up +20%¹¹.

Global demand for primary nickel increased overall in Q3 2021 (+10%¹¹), but recorded a marked slowdown compared with H1 2021. In the first nine months of 2021, demand ended at 2.1 Mt¹¹ (+20%¹¹), driven by demand for primary nickel in stainless steel (+20%¹¹) and strong growth in the batteries sector (+77%¹¹).

Global primary nickel production was also up in Q3 2021 (+9%¹¹ on Q3 2020), reaching 2 Mt¹¹ over the first nine months of 2021 (+11%¹¹). This increase notably reflects the ramp-up in Indonesian NPI¹² production (+70%¹¹ vs. 9m 2020), whereas Chinese NPI production continued to decline (-15%¹¹ vs. 9m 2020). Traditional nickel production declined slightly over the same period (-3%¹¹), in line with the difficulties experienced by some producers in their operations, despite a recovery in Q3.

At end-September, the supply/demand balance thus remained in deficit year-on-year (-80 kt¹¹). LME¹³ and SHFE¹³ nickel inventories declined to 162 kt, equivalent to approximately 5 weeks' consumption¹⁴.

LME nickel prices averaged \$8.7/lb in Q3 2021 (+35%), thereby confirming the good momentum of prices in H1. Ferronickel selling prices were also up significantly over the period (+44%), with a lower discount versus the LME.

1.8% CIF China nickel ore prices continued to evolve at high levels in Q3 2021 (c.\$109/wmt¹⁵ on average, +15% vs. H1 2021), up very significantly on Q3 2020 (+35%). The nickel ore market remained tight during the period, due to sustained demand as well as reduced ore supply, notably from New Caledonia. The increase in prices has however been largely offset by higher freight costs.

In Indonesia, the official domestic price index for nickel ore ("HPM Nickel") averaged approximately \$41/wmt in Q3 2021, for nickel ore with 1.8% nickel content and 35% moisture content.

Activities

At Weda Bay, in Indonesia, mining production reached nearly 11 Mwmt at end-September, enabling the supply of the Joint Venture's plant, but also the sale of more than 6 Mwmt of ore to other Indonesian producers located on the industrial site of Halmahera.

Over the quarter, the nickel ferroalloys plant continued to operate at maximum capacity for a total of more than 9 kt-Ni produced (30 kt-Ni at end-September). Trading activity (off-take contract) contributed up to €8364,48m to Group turnover.

The excellent operating performance of Weda Bay was again reflected in a substantial contribution to Group FCF over the period.

In New Caledonia, activities in the mine and the Doniambo plant were penalised by new disruptions, notably linked to the explosion of Covid-19 cases. SLN mining production amounted to 1.7 Mwmt in Q3 2021 (+5%). The increase in low-grade nickel ore exports was constrained, reaching 0.9 Mwmt over the period and 2 Mwmt year-on-year at end-September. The plant was the most affected by the disruptions, ferronickel production declined (by -19% to 10 kt-Ni), as well as sold volumes (-23%).

Thus, cash cost¹ amounted to \$7/lb on average in Q3 2021, mainly reflecting the strong decline in ferronickel production volumes, but also the increase in energy costs, as well as an unfavourable currency impact.

The current health context has reinforced the critical situation at SLN, whose business fundamentals and cash position deteriorated further in Q3 despite a nickel market up significantly.

This again highlights the need for SLN to not only be able to operate its mines and its plant under normal conditions, but also to be in a position to fully implement all of the levers identified in the rescue plan which has proven its relevance. SLN is still pending authorisation from the competent New Caledonian authorities: supply of energy at a competitive price and authorisation to export non-recoverable ore locally to 6 Mwmt per year with demand obtained for an additional 2 Mwmt.

At the Sandouville plant, nickel salt and high-purity metal production reached 2.4 kt in Q3 2021, an increase of +51% from Q3 2020, which was very affected by the health crisis. Sales volumes also increased very significantly to 2.3 kt (+76%) thanks to the recovery in high-purity nickel markets and good production levels. Turnover for the quarter thus stood at €8364,40m.

Outlook

Global stainless steel production for end-2021 could be impacted by production cutbacks linked to energy restrictions introduced in China. Demand for nickel in the batteries sector remains strong and should continue to increase.

NPI production is expected to continue its growth in Indonesia but it could be impacted by production cutbacks in China. Traditional primary nickel production should continue its recovery.

At Weda Bay in Indonesia, the mine production target is revised up to approximately 14 Mwmt¹⁶ and that of nickel ferroalloys is maintained.

In New Caledonia, considering the social disruptions and uncertainties regarding developments in the health situation, SLN's nickel ore export target is revised down to more than 3 Mwmt in 2021. In addition, ferronickel production should be limited to approximately 40 kt-Ni this year.

Following the end-July announcement of the proposed sale of the Sandouville plant to Sibanye-Stillwater, a

consultation process was launched with works councils and has now entered its final stage. The operation should be completed early next year, subject to the waiver of conditions precedent which are administrative; the sale is not subject to approval by the competition authorities.

Mineral Sands BU

Factoring in a favourable market environment whose prices now reflect the deficit in supply, the Mineral Sands BU posted Q3 2021 turnover up considerably to €8364.93m (+47%).

Market trends & prices

Global demand for zircon confirmed its rebound in 2021 versus 2020, thanks to the recovery in the global economy. This increase mostly results from the ceramics sector (approximately 50% of the end-product) in China and Europe. Parallel to this, zircon production increased at a slower pace, given the operating difficulties encountered by several producers, notably in South Africa, which are currently leading to shortages. The supply/demand balance is thus expected to be in deficit in 2021.

Zircon market prices ended at \$1,530/t FOB¹⁷ in Q3 2021, with a significant increase of +16%.

Global demand for titanium-based products¹⁸ continued to be very substantial at end-September and should reach records in 2021, thanks to global economic growth and in particular the rebound in the TiO₂ pigments market¹⁹, the main end-market for titanium-based products. Again, energy limitations in China have impacted both TiO₂ pigment and titanium-based product producers. Factoring in the difficulties encountered by some producers, a marked deficit in supply is expected in 2021, thereby resulting in tight demand, notably for CP titanium dioxide slag as produced by TiZir in Norway.

This tight demand was finally reflected in selling prices in Q3 2021. The latter amounted to \$800/t FOB²⁰, up +4%.

Activities

In Senegal, mineral sands production²¹ remained at a high level in Q3 2021 at 204 kt, up +11% from Q3 2020, thanks to very good operating performance as well as an improvement in average content in the area mined over the quarter. Zircon production was up +22% to 17 kt with sales up by +29% to 17 kt (compared to low level of sales in Q3 2020).

In Norway, titanium slag production stood at 52 kt, a stable level compared with Q3 2020 (-1%). Conversely, sales declined -12%, ending at 45 kt, factoring in delays in shipping.

Outlook

Demand for zircon is expected to remain sustained in Q4 2021 and thus should enable a further price increase.

Similarly, the market for titanium dioxide slag should continue to benefit in Q4 2021 from strong demand driven by the rebound in the TiO₂ pigments sector, pushing prices up again at year-end.

However, the uncertain energy situation in China and Europe could weigh on these two markets at year-end.

● High-Performance Alloys Division

The High-Performance Alloys division posted turnover of €8364.151m in Q3 2021, down slightly by -2%.

Penalised by the shutdown in activity resulting from the fire at the Pamiers site in September, and the aerospace market environment, which is still depressed, Aubert & Duval ("A&D") sales²² were down -14% to €106m. Erasteel sales stood at €45m, up +40%, reflecting an increase in volumes as well as a positive price effect.

Market trends & prices

The aerospace sector, which accounts for approximately 70% of A&D's turnover (pre-crisis level), still remains very significantly lagging behind, particularly for long-range aircraft. While air traffic picked up in summer 2021, notably on domestic flights, it remains well below its pre-crisis level, with the exception of a few domestic markets such as China and the United States.

National sovereign markets (defence and nuclear) as well as energy markets continued the good trends of the start of the year. Indeed, they have slightly suffered the effects of the health crisis, notably thanks to large-scale public investment programmes that support demand.

The automotive industry, which represents nearly half of Erasteel's sales, saw its production fall in Q3 2021, resulting largely from delays in supplies, in particular semiconductors. However, industrial production continued to grow vigorously, particularly in Europe, during the quarter.

Activities

A&D's aerospace sector turnover declined -20% to €65m in Q3 2021. Sales continue to suffer the effects of the slowdown in the aerospace industry as production rates for the main programmes, notably long-range aircraft (70% of aerospace sales) remained at low levels. In addition, the fire that destroyed the surface treatment workshop at the Pamiers plant in September weighed significantly on Q3 sales (by €9m) factoring in disruptions in the production process. Subcontracting solutions are currently being implemented and will continue until a new workshop is rebuilt.

Turnover in the Energy and Defence sectors continued to increase (+7%) to €32m in Q3 2021, reflecting the continued ramp-up in volumes of deliveries to GE of parts for land-based turbines started in H1.

Moreover, the Work Organisation Adjustment Plan²³, which is aimed at a net reduction of 327 positions, was completed at end-September for an overall estimated cost of €27m. Departures are staggered over H2 and mainly in 2022.

At Erasteel, turnover increased +40% to €45m, linked to the global economic recovery and new market share gains in Asia and the United States for products made from powder metallurgy. Growth in sold volumes was also supported by the positive effect of re invoicing the raw material price increase to customers. Recycling activity also continued to grow (+33% to €4m).

Outlook

In the aerospace sector, the announcements of a recovery in production rates for single-aisle aircraft are of little concern to A&D, which is predominantly present in long-range aircraft, where the outlook for recovery remains very uncertain.

As regards Erasteel's markets, order intake should continue to benefit from robust demand in various industry segments, despite the difficulties in the automotive sector.

The impact of the fire at the Pamiers plant is estimated at -c.€50m on A&D's Free Cash-Flow in 2021, considering the lengthening of production cycles which limits invoicing and results in a significant deterioration in WCR. However, this impact should be partially recovered in 2022.

The sale of A&D, which is strategic to the aerospace sector, remains the Group's preferred option.

- Outlook

The Group factors in the good operations dynamics and the buoyant market context of the Mining and Metals division which should continue into Q4, with a favourable price environment. However, the high freight costs and logistics issues are set to continue until year-end.

The impact of the current increase observed in the gas and electricity prices markets should remain limited in 2021 considering the Group's supply mix and contracts.

Mining production targets for 2021 are maintained in Gabon (at 7 Mt of manganese ore) and revised up in Indonesia (to approximately 14 Mwmt²⁴ of nickel ore). SLN nickel ore export targets are revised down to more than 3 Mwmt; ferronickel production should be limited to approximately 40 kt-Ni.

Capital expenditure should amount to less than €400m over the year.

Forecast EBITDA is revised up over the year in 2021: considering the excellent dynamics for manganese alloys and a revised consensus for 2021 of average manganese ore (CIF China 44%) prices at \$5.1/dmtu and LME nickel prices at \$8.3/lb²⁵, forecast EBITDA would be close to €1bn in 2021.

Calendar

23.02.2022: Publication of 2021 Group annual results

28.04.2022: Publication of 2022 Group first-quarter turnover

ABOUT ERAMET

Eramet transforms the Earth's mineral resources to provide sustainable and responsible solutions to the growth of the industry and to the challenges of the energy transition.

Its 13,000 employees are committed to this through their civic and contributory approach in all the countries where the mining and metallurgical group is present.

Manganese, nickel, mineral sands, lithium, and cobalt: Eramet recovers and develops metals that are essential to the construction of a more sustainable world.

As a privileged partner of its industrial clients, the Group contributes to making robust and resistant infrastructures and constructions, more efficient means of mobility, safer health tools and more efficient telecommunications devices.

Fully committed to the era of metals, Eramet's ambition is to become a reference for the responsible transformation of the Earth's mineral resources for living well together.

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APPENDICES

Appendix 1: Quarterly turnover

€ million¹

MINING & METALS DIVISION

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Manganese BU	598	498	389	440	420	480	359
Nickel BU	300	277	238	323	216	215	151
Mineral Sands BU	93	82	56	74	63	69	70
Total Division	991	857	683	837	699	764	580

HIGH-PERFORMANCE ALLOYS DIVISION

A&D and Erasteel	151	182	155	181	154	149	196
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GROUP

Holding company & eliminations	0	1	0	(2)	(3)	0	(2)
Eramet group published IFRS financial statements ²	1,142	1,040	838	1,016	850	913	774

¹ Data rounded to the nearest million.² Application of IFRS standard 11 "Joint Arrangements".

Appendix 2: Productions and shipments

In thousands of tonnes

MANGANESE BU

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Manganese ore and sinter production	1,951	1,597	1,512	1,503	1,537	1,615	1,615
Manganese ore and sinter transportation (produced and transported)	1,832	1,542	1,377	1,535	1,615	1,615	1,615
External manganese ore sales	1,602	1,314	1,212	1,393	1,492	1,492	1,492
Manganese alloy production	189	173	194	186	170	170	170
Manganese alloy sales	158	183	174	208	162	162	162

NICKEL BU

Nickel ore production (*in thousands of wet tonnes*)

SLN	1,682	1,254	1,050	1,599	1,603	1,603	1,603
Weda Bay Nickel (100%)	3,952	3,996	3,001	1,572	573	573	573
Ferronickel production - SLN (kt-Ni)	10.4	8.5	10.0	11.3	12.8	12.8	12.8
Nickel ferroalloy production - Weda Bay Nickel (kt-Ni - 100%)	9.4	10.0	10.1	10.6	8.4	8.4	8.4

Nickel ore sales

(in thousands of wet tonnes)

SLN	875	684	433	832	589	76
Weda Bay Nickel (100%)	2,386	2,967	1,205	236	182	-
Ferronickel sales - SLN (kt-Ni)	9.8	10.0	8.8	11.7	12.8	14
Nickel ferroalloy sales - Weda Bay Nickel/Off-take Eramet (kt-Ni)	3.0	4.1	4.3	5.4	0.8	-
Nickel salt and high purity nickel production	2.4	2.6	2.3	2.1	1.6	2.
Nickel salt and high purity nickel sales	2.3	2.6	2.1	2.4	1.3	2.
MINERAL SANDS BU						
Mineral Sands production	204	191	171	208	183	18
Zircon production	17	15	13	16	14	15
Titanium dioxide slag production	52	55	48	49	52	50
Zircon sales	17	16	14	16	13	16
Titanium dioxide slag sales	45	71	42	45	51	48

Appendix 3: Price and index

	Q3 2021	H1 2021	H2 2020	Q3 2020	H1 2020	Chg. Q3 2021/Q3 2020 ⁶	Chg. Q3 2021/H1 2021
MANGANESE BU							
Mn CIF China 44% (\$/dmu) ¹	5.38	5.06	4.19	4.21	4.98	+28%	+6%
Ferromanganese MC - Europe (EUR/t) ¹	2,512	1,886	1,311	1,306	1,422	+92%	+33%
Silico-manganese - Europe (EUR/t) ¹	1,504	1,191	870	863	949	+74%	+26%
NICKEL BU							
Ni LME (\$/lb) ²	8.67	7.93	6.85	6.45	5.65	+35%	+9%
Ni LME (\$/t) ²	19,125	17,485	15,092	14,213	12,455	+35%	+9%
Ni ore CIF China 1.8% (\$/wmt) ³	109.4	95.4	91.0	81.1	68.5	+35%	+15%
MINERAL SANDS BU							
Zircon (\$/t) ⁴	1,530	1,338	1,310	1,320	1,355	+16%	+14%
CP grade titanium dioxide (\$/t) ⁵	800	753	775	770	798	+4%	+6%

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" 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.

Turnover at constant scope and exchange rates

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

The scope effect is calculated as follows: for the companies acquired during the financial year, by eliminating

the turnover for the current period and for the companies acquired during the previous period by integrating, in the previous period, the full-year turnover; for the companies sold, by eliminating the turnover during the period considered and during the previous comparable period.

The exchange rate effect is calculated by applying the exchange rates of the previous financial year to the turnover for the financial 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 (including exports and nickel ore) 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.

Appendix 5: Sensitivities of Group EBITDA

Sensitivities	Change	Impact on EBITDA (+/-)
Manganese ore prices (CIF China 44%)	+\$1/dmtu	c. €210m ¹
Manganese alloys prices	+\$100/t	c. €60m ¹
Nickel prices (LME)	+\$1/lb	c. €80m ¹
Nickel ore prices (CIF China 1.8%)	+\$10/wmt	c. €30m ¹
Exchange rates	-\$/€0.1	c. €160m
Oil price per barrel (Brent)	+\$10/bbl	c. €(15m) ¹

¹ For an exchange rate of \$/€1.22

1 See Financial glossary in Appendix 4.

2 Compared to the consensus for 2021 for average manganese ore prices at \$5.01/dmtu and LME nickel prices at \$7.9/lb in July 2021.

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

4 See Financial glossary in Appendix 4.

5 Eramet estimations based on Worldsteel production data available at end-September 2021.

6 Manganese content

7 Quarterly average market prices, Eramet calculations and analysis.

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

9 Unit freight cost calculated on the basis of the S5 Maritime Route of the Baltic Supramax Time Charter Average (Eramet estimate)

10 SLN, ENI and others.

11 Eramet estimates

12 Nickel Pig Iron: low-grade nickel ferroalloys.

13 LME: London Metal Exchange; SHFE: Shanghai Futures Exchange.

14 Including producers' inventories.

15 CNFEOL (China FerroAlloy Online) prices

16 Pending administrative approval

17 Source Zircon premium: Eramet analysis.

18 Titanium dioxide slag, ilmenite, leucoxene and rutile.

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

20 Source: Market consulting, Eramet analysis.

21 Titanium-related ore (ilmenite, rutile and leucoxene) and zircon.

22 Aubert & Duval, EHA and others.

23 This plan also includes the extension of the Long-Term Part-Time Work scheme (Activité Partielle Longue Durée, "APLD") until end-2022.

24 Pending administrative approval

25 Compared to the consensus for 2021 for average manganese ore prices at \$5.01/dmtu and LME nickel prices at \$7.9/lb in July 2021.

Attachment

- Eramet CP T3 2021_ENG VF clean

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