



# Investor Presentation

**BofA C-Suite SMID Cap Conference 2023**

**10-12 JANUARY 2023**

# Disclaimer

---

Certain information contained in this presentation including any information on Eramet's plans or future financial or operating performance and any other statements that express management's expectations or estimates of future performance, constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. Eramet cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Eramet to be materially different from the company's estimated future results, performance or achievements expressed or implied by those forward-looking statements.

Past performance information given in this presentation is solely provided for illustrative purposes and is not necessarily a guide to future performance. No representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this presentation is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or future performance of Eramet.

Nothing in this presentation should be construed as either an offer to sell or a solicitation to buy or sell securities nor shall there be any offer or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of any such jurisdiction.



# Eramet at a glance

# Our purpose, our reason for acting

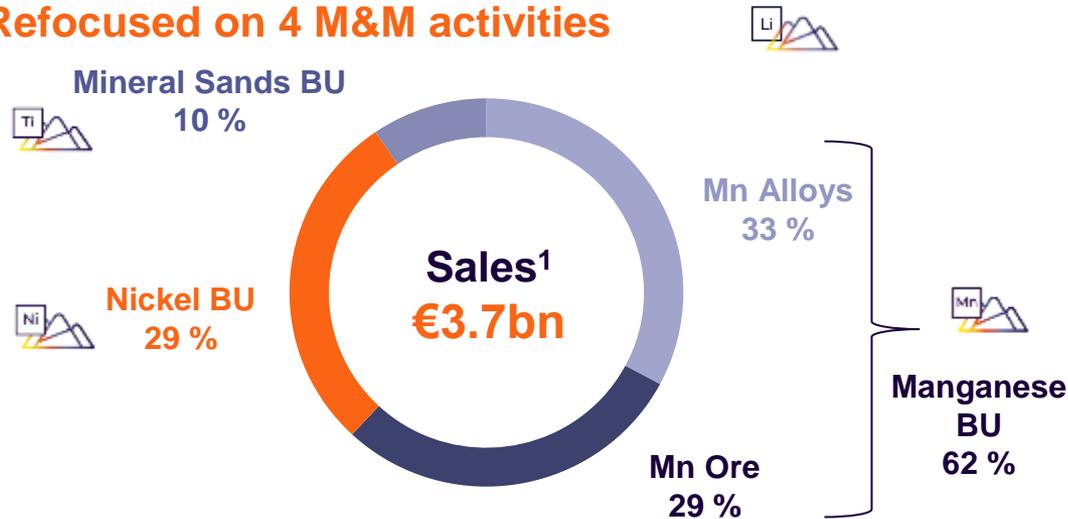
---



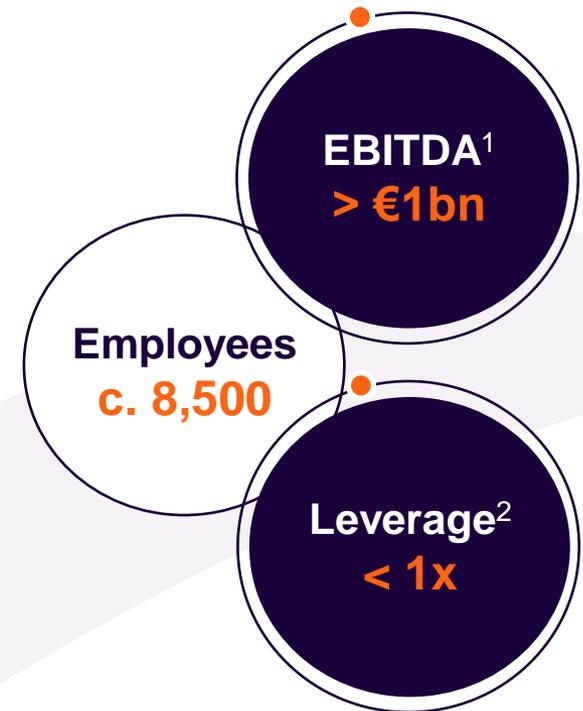
**Our purpose sets a course. Conveying both our DNA and our collective ambition, it fuels our vision and the daily actions of all employees and stakeholders.**

# A global pure player in Mining & Metals

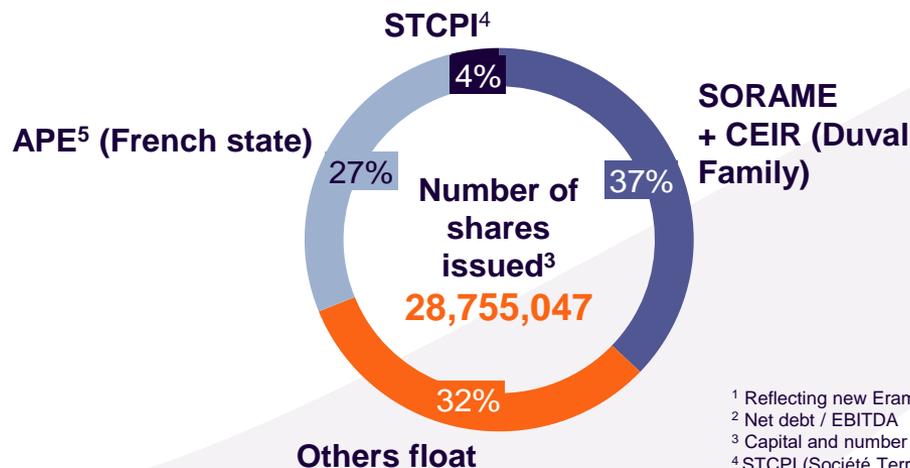
## Refocused on 4 M&M activities



## Strong financials results in 2021



## Long term and stable shareholders



<sup>1</sup> Reflecting new Eramet scope, excl. discontinued operations in accordance with IFRS5

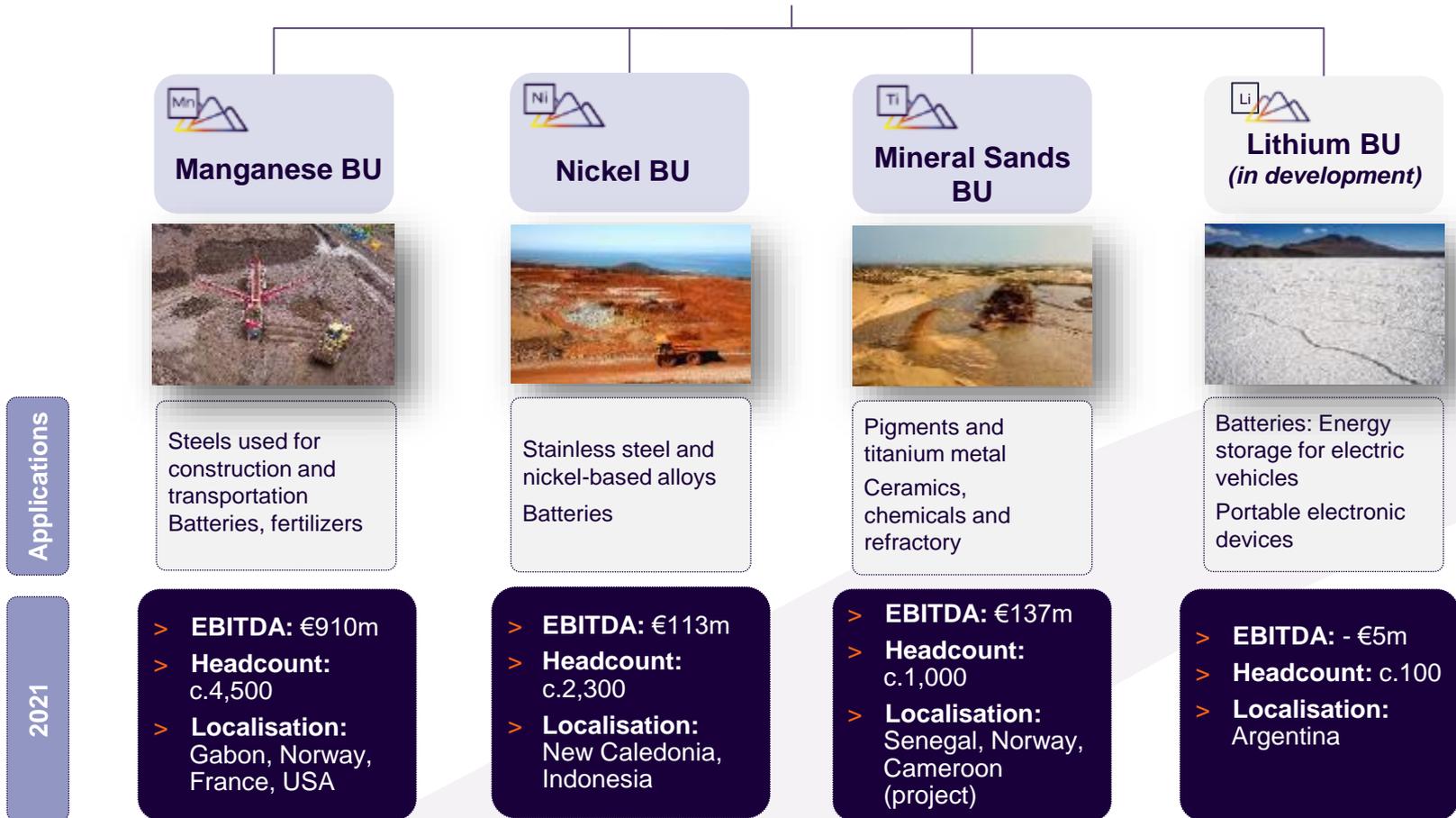
<sup>2</sup> Net debt / EBITDA

<sup>3</sup> Capital and number of shares' increase due to the Odirman conversion

<sup>4</sup> STCPI (Société Territoriale Calédonienne de Participation Industrielle): entity owned by the New Caledonian provinces

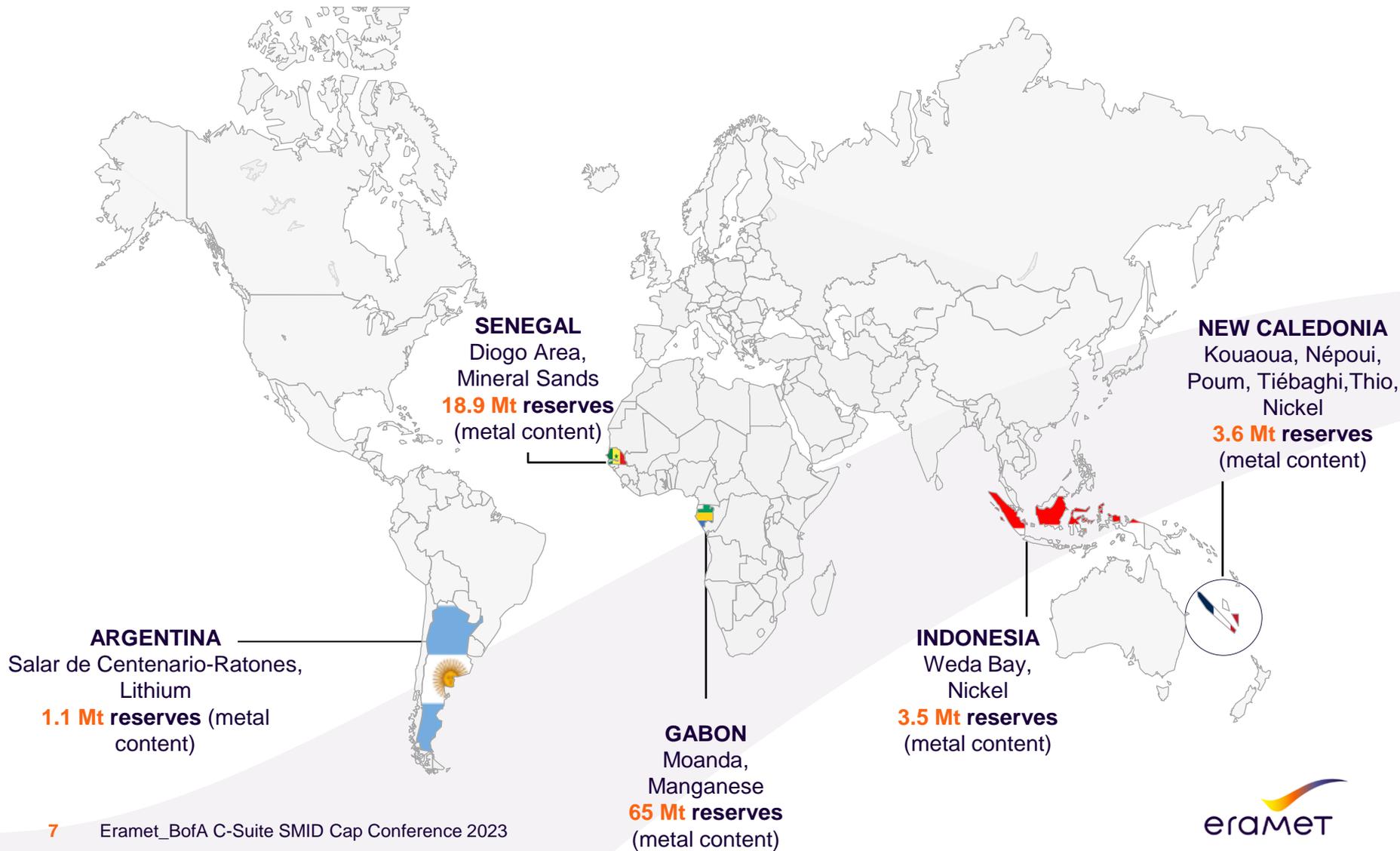
<sup>5</sup> APE (Agence des Participations de l'Etat)

# Operations in manganese, nickel, mineral sands Development in lithium, nickel & cobalt, EV batteries recycling



<sup>1</sup> Reflecting new Eramet scope, excl. discontinued operations in accordance with IFRS 5: Sandouville (divested in Feb. 2022), Aubert & Duval (SPA signed in June 2022, closing expected early 2023) and Erasteel (divestment process ongoing)

# Long-life high-grade deposits positioned on the first quartile of their respective cost curves



# A committed, contributive and recognised corporate citizen...

1

**Societal engagement embedded in the strategic vision**



- **Our Purpose drives our ways of working**
- **A 2018-2023 CSR roadmap** to structure and set the pace for our action plans
- Aligned with **the United Nations' Sustainable Development Goals**

2

**Contributing to communities' lives**



- **License to operate:** Partnering with the countries and territories where we operate is in our DNA
- Beyond mining operation, we **contribute to the local development and take care of the environment**

3

**Reducing energy/climate footprint**



- **Validation** of the Group's CO<sub>2</sub> emissions reduction target **“well below 2°C” by the SBTi<sup>1</sup>:**
  - **2035: -40%** Reduction target in absolute CO<sub>2</sub> emissions (vs 2019)
  - **2050: Contributing to carbon neutrality** (scopes 1 and 2)

# ...becoming a leading player in the new age of metals

Pure player in Mining and Metals contributing to a sustainable future

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

Demonstrated leadership and continuous value-accretive organic growth

Huge potential to benefit from energy transition

GREEN PRODUCT OFFERING

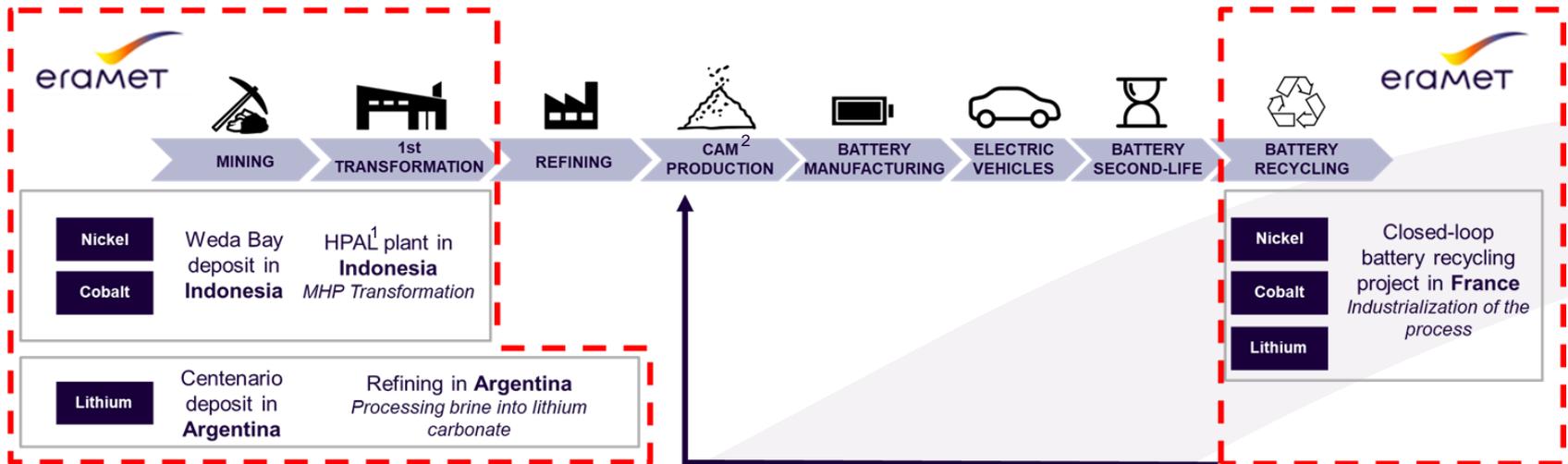
ATTRACTIVE and SUSTAINABLE POSITIONING,

CASH-GENERATING BUSINESS

# Providing metals for the energy transition is core to Eramet's strategy



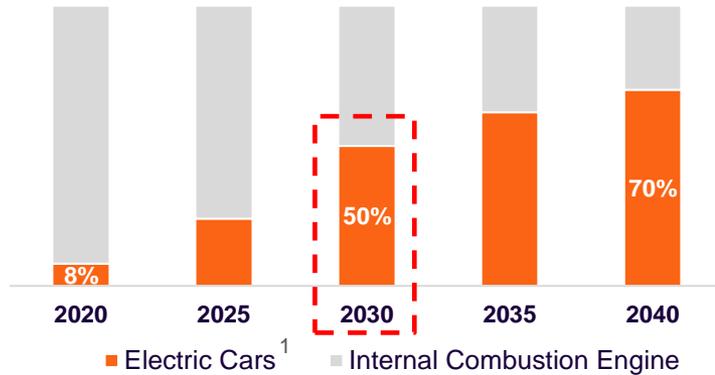
Eramet offers a unique solution to sustainably secure the metal supply for the battery industry



# A world-class asset in the Group's portfolio in a momentum of mega boost in metals for energy transition



Electric cars (fully or partially) to represent half of global sales in 2030...

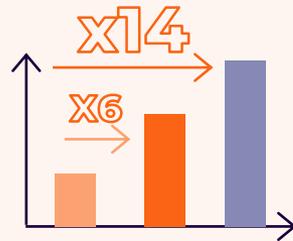


...with batteries requiring significant amount of lithium



**45kg LCE<sup>2</sup>**  
c. 25,000 l of brine

Average requirement for a standard Li-ion EV battery



Global demand<sup>2</sup> in 2020 vs. 2030 vs. 2040 (in k-tonnes<sup>3</sup>)

## Centenario-Ratones: Tier 1 lithium project

Salta, Argentina



- Life-of-Mine of **40 years<sup>4</sup>**
- Resources** estimated at c. 10 Mt LCE (providing further upside potential)
- Eramine Sudamerica (50.1% Eramet) owns **100%** of the entire salar with **perpetual mining rights**
- Construction in **partnership with Tsingshan**

**Eramet to control and operate the project**

<sup>1</sup> Electric cars = Battery Electric Vehicles + Plug-in Hybrid Electric Vehicles + Hybrid Electric Vehicles

<sup>2</sup> Battery-grade Lithium demand for all applications

<sup>3</sup> LCE (Lithium Carbonate Equivalent)

<sup>4</sup> Based on proven and probable reserves at the Ratones deposit (1.1Mt LCE), and on a project designed for 24ktpa LCE



# Centenario: Tier 1 lithium project in Argentina

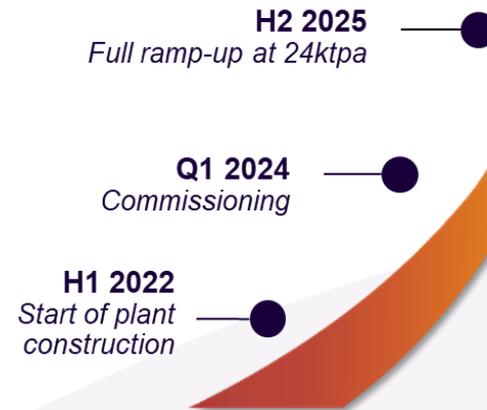
Yearly production<sup>1</sup>  
**24,000 kt-LCE<sup>2</sup>**  
(after ramp-up)

EBITDA  
at full ramp-up<sup>1,3,4</sup>  
**c. US\$220m**  
Based on a \$14,100/t LCE  
LT consensus CIF price

- **H1 2022 capex (c.US\$36m)** fully financed by a capital increase by Tsingshan (**US\$50m**)
- **US\$ 550m estimated remaining project capex<sup>2</sup>** funding requirement, **o/w:**
  - > Initial US\$ 400m **to be contributed by Tsingshan up to US\$ 375m** and by Eramet up to US\$ 25m
  - > Additional US\$ 150m (due to continuing rise in the price of materials and freight), to be contributed by both shareholders on a prorata basis (50.1%/49.9%)
- Very high **internal rate of return**

## Plant construction already engaged

*Potential for further development: prefeasibility study into the potential for a Phase 2, doubling annual production capacity*



In-house **DLE<sup>5</sup>** process:

**c.90%** recovery rate

**1 week** lead time

Implementation of the most stringent local regulations as well as Eramet's environmental & social standards and policies

<sup>1</sup> On a 100% basis

<sup>2</sup> Lithium Carbonate Equivalent

<sup>3</sup> Assuming a cash cost (ex-works) of 3,500 US\$/t

<sup>4</sup> EBITDA inclusive of royalties and logistics costs

<sup>5</sup> Direct Lithium Extraction



# Battery-grade Ni/Co project co-developed with BASF

- Project of production of nickel & cobalt inputs for batteries taking advantage of the Weda Bay deposit's rich mining resources
- Partnership with **BASF**:
  - Ore from **Weda Bay deposit** (Indonesia)
  - Hydro-metallurgical complex with a high-pressure acid leach (“**HPAL**”) unit, to produce MHP<sup>1</sup>
- Highest CSR standards**:
  - Implementation of **Eramet's global environmental & social standards and policies**
  - No deep-sea tailings disposal

Project bound on a large limonitic deposit in Halmahera



~**67** kt/yr<sup>2</sup>



~**7** kt/yr<sup>2</sup>



## Project ownership structure (%)

ERAMET	BASF
<b>51 %</b>	<b>49 %</b>

**Early 2026**

Expected start of production, subject to FID

In line with Eramet's ambitions to position itself as a key European player in the EV BATTERY VALUE CHAIN

# Entering pre-industrialization studies for the battery recycling project



## Major progress in the Li-ion battery recycling project

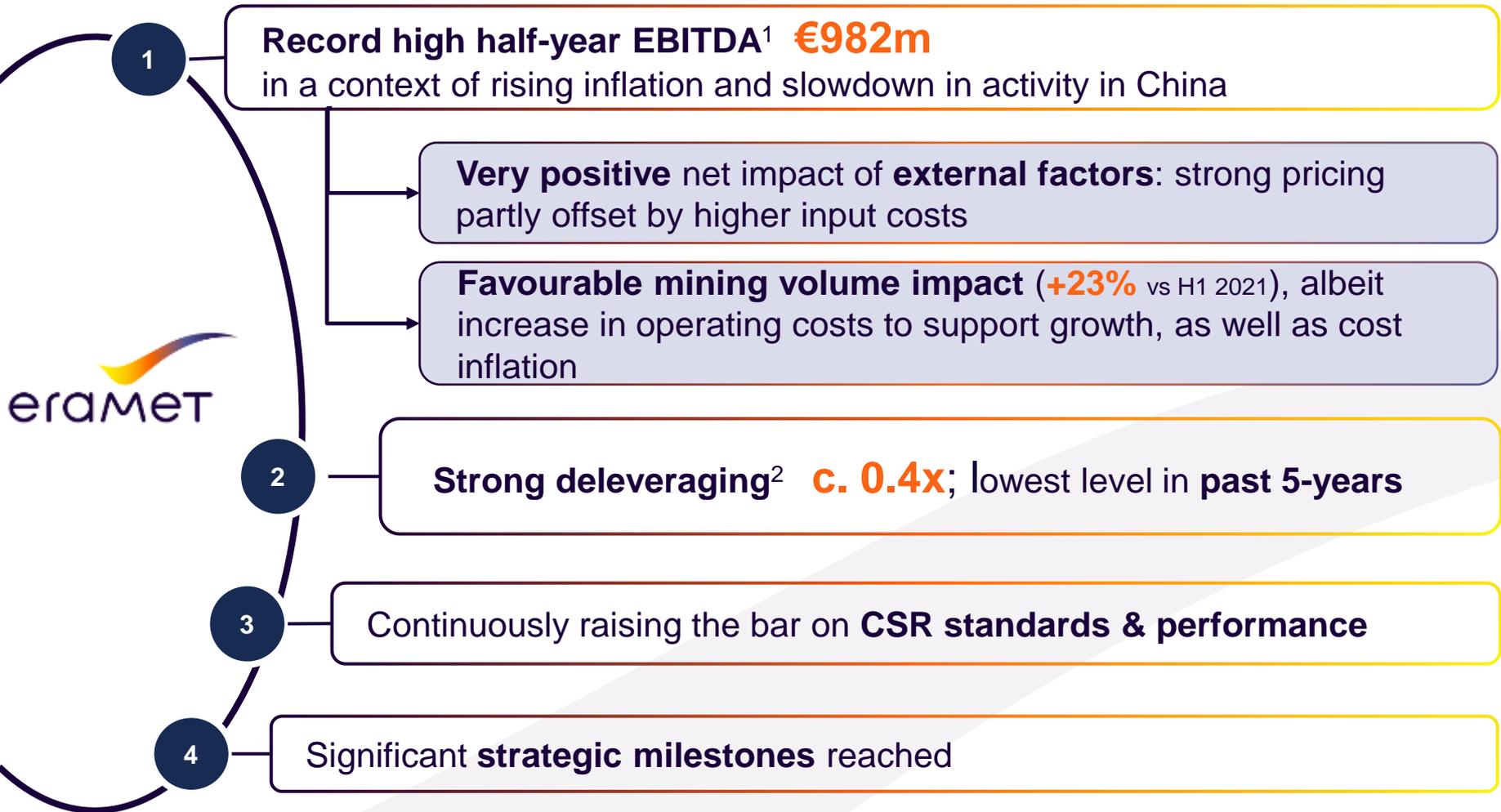
- **An innovative closed-loop process** fully piloted in 2020-2021 within Eramet R&I<sup>1</sup> Center
- **Partnership with SUEZ** to produce “black mass” (a metal concentrate of nickel, cobalt, manganese, lithium and graphite) from end-of-life lithium-ion battery recycling
  - > **2022-2024**: initiating the pre-industrial phase, based on maturity achieved over several years of R&D
  - > **2024**: estimated target date for the **start of blackmass production in France**
- **Industrialization studies** to produce **battery grade metals from blackmass** and other scrap refining in France
  - > A **100% stand-alone** Eramet’s project
  - > **2022-2024**: construction and operation of a **pre-industrial demo-plant** at Eramet Research & Innovation center in Trappes
  - > **2025-2026**: estimated target date for **start of refining operation in France**
- **External confidence towards Eramet’s technology**: material financial grants recently awarded by the European Union Innovation Fund and the French state’s “Appel à Projet Métaux Critiques”
- **Ongoing discussions** to reserve a location for an initial battery recycling facility in the Dunkirk port area

**STRATEGIC METAL RECYCLING: a virtuous circular economy approach, key for European sovereignty and responsible supply**

An aerial photograph of a large industrial facility, likely a refinery or chemical plant, situated in a vast, arid desert landscape. The facility features numerous large, rectangular buildings with light-colored roofs, several tall distillation columns, and extensive piping. The surrounding terrain is flat and sandy, with some sparse vegetation. In the far distance, a range of rugged mountains with patches of snow is visible under a clear blue sky. A diagonal graphic element consisting of a yellow line transitioning into a red line is present in the upper left corner of the image.

# H1 2022 results, 9m 2022 update

# H1 record high EBITDA, supporting further deleveraging



<sup>1</sup> Reflecting new Eramet scope, excl. discontinued operations

<sup>2</sup> Net debt / EBITDA, rolling 12 months at 30 June

# Continued strong increase in mining production in 9m 2022, with a 1<sup>st</sup> quartile positioning on the cash cost curve of the industry

## Manganese BU

### Ore

#### Continuous incremental growth



**5.7 Mt**  
ore produced  
**+12%**  
(vs. 9m 2021)

### Alloys

#### Optimisation of production adjusting to demand and energy prices



**545 kt**  
alloys produced  
with a higher % of  
standard products

## Nickel BU

### Weda Bay

#### Production records at the mine



**11.6 Mwmt<sup>1</sup>**  
ore produced  
**+25%**  
**29 kt-Ni<sup>1</sup>**  
ferroalloys produced

### SLN

#### Difficulties to operate & adverse weather conditions



**3.9 Mwmt**  
ore produced  
**-2%**  
**2.0 Mwmt**  
ore exported  
**+2%**  
**30 kt-Ni**  
ferronickel produced

## Mineral Sands BU

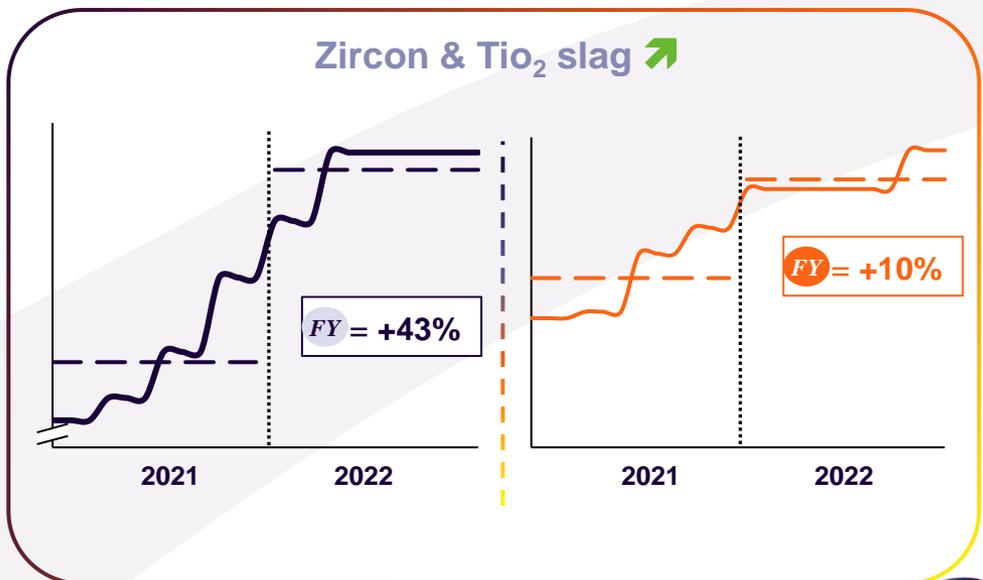
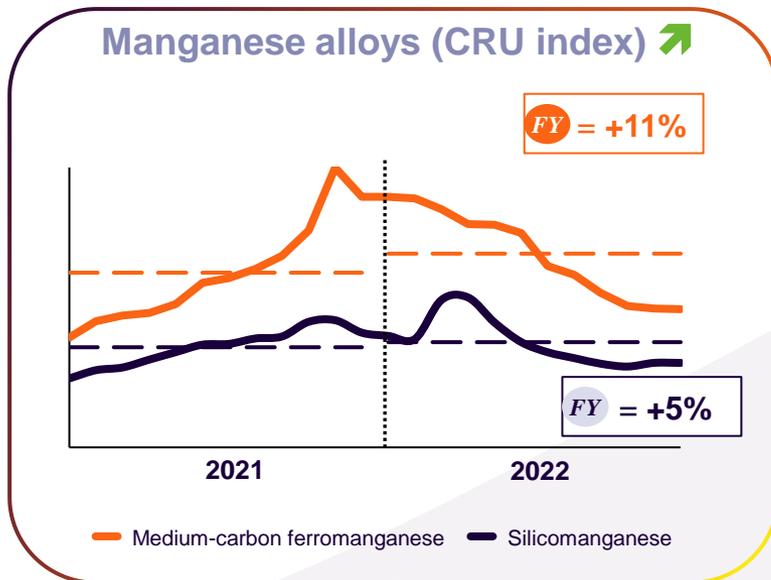
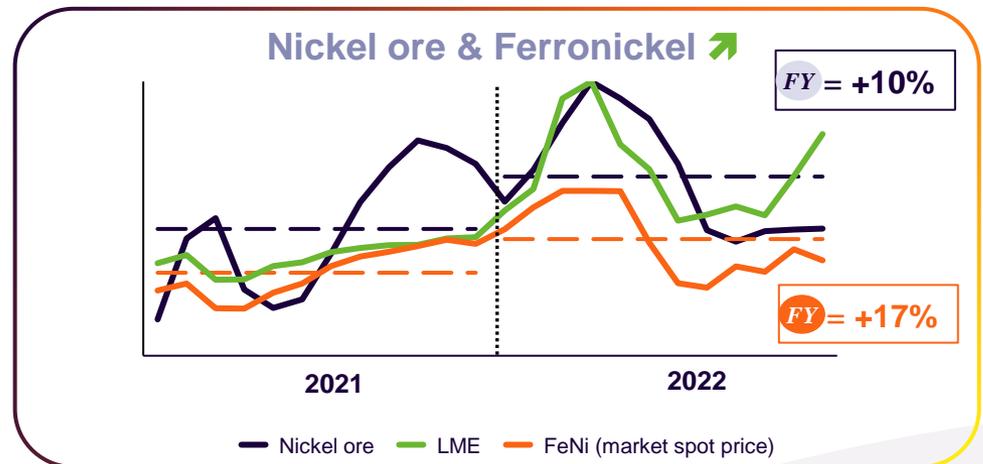
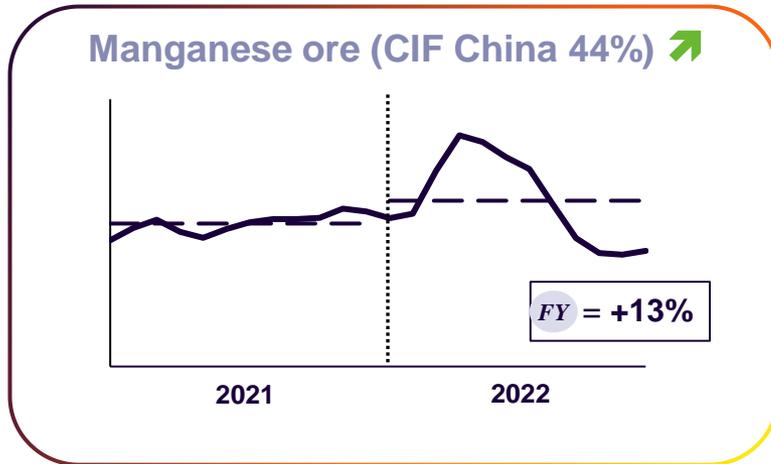
### Solid operational performance



**556 kt**  
mineral sands produced  
**-2%**  
due to lower content in the  
area mined

**148 kt**  
TiO<sub>2</sub> slag produced  
**-4%**  
adjusting to energy prices

# Weakening demand and prices in H2 2022, weighing on the Group's markets



# Continuously raising the bar on CSR standards & performance

## Some of 2022 achievements to date



### Safety

**-27%** in accident frequency rate vs. 2021  
(TRIR<sup>1</sup> at **1.6** YTD September 2022)

### Benchmark CSR standards

Completion of CSR performance self-assessment at **Centenario** site in Argentina, according to **IRMA** standard



### Climate



**ISO 50001:** all Group mining and metallurgical sites **certified**

### 2022 extra-financial ratings



**EcoVadis:** score of 73/100, **Gold level**  
Ranked among **top 3%** of companies in the sector

**Sustainalytics:** risk rating score of 26.1  
Ranked **9<sup>th</sup>** out of 144 companies in the M&M sector



**CDP Climate Change:** score **A-** (B in 2021) among **the best** in the industry

**CDP Water Security:** score **B-** (1<sup>st</sup> time rating)

**Positioning Eramet as a reference in its industry for sustainability**

# Significant milestones reached towards delivering the strategic roadmap

## Group portfolio rationalisation almost completed

ALMOST COMPLETED

- **Closing** of Sandouville sale 
- **Binding agreement** for Aubert & Duval sale signed in June, closing early 2023, subject to ongoing waver of certain condition precedent 
- **Competitive process** underway regarding Erasteel sale project 

## New energy transition projects moving forward

ONGOING

- **Lithium** project in Argentina: Centenario plant **construction started**, on schedule ; launch of prefeasibility study to **double lithium production capacity**
- **Sonic Bay** project **progressing well** with BASF: accelerating towards investment decision expected during H1 2023, plant commissioning and start of production planned in early 2026
- **Battery recycling**: ongoing **pre-feasibility study** into the potential establishment of a Li-Ion Battery Recycling facility in France

# Clear capital allocation policy: sustainable financial structure to support the Group's long-term strategy



Maintaining cash reserves of ~€300m on average over the cycle

1 Net debt / EBITDA

2 Net debt reduction before IFRS 5 application

# 2022 EBITDA guidance of around €1.5bn in a challenging context

- **Strong financial performance in H1** and continuous **increase in mining production in Q3**
- **Markets uncertainty** regarding global demand (notably for Mn alloys and FeNi) resulting from mitigated macroeconomic environment, current geopolitical context in Europe & slow rebound in China
- **Production targets revised up for the year, except for SLN:**
  - > More than **7.5 Mt** manganese ore production in Gabon
  - > More than **16 Mwmt** high-grade marketable nickel ore production at Weda Bay
  - > Around **3 Mwmt** nickel ore export and around **40 kt-Ni** ferronickel production in New Caledonia (revised down)
- **Cash capex<sup>1</sup> guidance confirmed at €500m**
- Disciplined focus on **costs control** and **cashflow optimisation**
- In a persisting inflationary context and factoring in decreasing selling prices, **EBITDA target revised slightly down** to around **€1.5bn** based on:
  - > an estimated effective €/€ exchange rate of **1.08** in 2022
  - > a **positive** impact of **intrinsic** performance
  - > **negative** impact of **external** factors<sup>2</sup>
- **Further significant deleveraging** by year-end

<sup>1</sup> Excluding lithium capex financed by Tsingshan, incl. IFRS 5 discontinued operations' capex

<sup>2</sup> Strong decrease in manganese alloys invoiced selling prices in Q4,

Average consensus for manganese ore price of approximately **\$6/dmtu**

FeNi price well below the LME nickel price, with the latter expected at **\$25,000/t** for the year

Input costs maintained at high levels in Q4, albeit downward trend in freight and reductant prices

# Q&A