

# Third Quarter 2021 Earnings Call

October 27, 2021





# Forward-looking statements

*Certain statements contained in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This presentation may contain “forward-looking statements” with respect to our business, results of operations and financial condition, and our expectations or beliefs concerning future events and conditions. You can identify forward-looking statements because they contain words such as, but not limited to, “believes,” “expects,” “may,” “should,” “approximately,” “anticipates,” “estimates,” “intends,” “plans,” “targets,” likely,” “will,” “would,” “could” and similar expressions (or the negative of these terminologies or expressions). All forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in our industry and markets, while others are more specific to our business and operations. These risks and uncertainties include, but are not limited to: market competition; economic downturn; disruption to business operations, including the length and magnitude of disruption resulting from the global COVID-19 pandemic; the inability to meet customer demand and quality requirements; the loss of key customers, suppliers or other business relationships; the capacity and effectiveness of our hedging policy activities; the loss of key employees; levels of indebtedness which could limit our operating flexibility and opportunities; and other risk factors set forth under the heading “Risk Factors” in our Annual Report on Form 20-F, and as described from time to time in subsequent reports filed with the U.S. Securities and Exchange Commission. The occurrence of the events described and the achievement of the expected results depend on many events, some or all of which are not predictable or within our control. Consequently, actual results may differ materially from the forward-looking statements contained in this press release. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law.*



## Non-GAAP measures

*This presentation includes information regarding certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA per metric ton, Free Cash Flow and Net debt. These measures are presented because management uses this information to monitor and evaluate financial results and trends and believes this information to also be useful for investors. Adjusted EBITDA measures are frequently used by securities analysts, investors and other interested parties in their evaluation of Constellium and in comparison to other companies, many of which present an adjusted EBITDA-related performance measure when reporting their results. Adjusted EBITDA, Adjusted EBITDA per Metric Ton, Free Cash Flow and Net debt are not presentations made in accordance with IFRS and may not be comparable to similarly titled measures of other companies. These non-GAAP financial measures supplement our IFRS disclosures and should not be considered an alternative to the IFRS measures. This presentation provides a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.*

*We are not able to provide a reconciliation of Adjusted EBITDA guidance to net income, the comparable GAAP measure, because certain items that are excluded from Adjusted EBITDA cannot be reasonably predicted or are not in our control. In particular, we are unable to forecast the timing or magnitude of realized and unrealized gains and losses on derivative instruments, metal lag, impairment or restructuring charges, or taxes without unreasonable efforts, and these items could significantly impact, either individually or in the aggregate, our net income in the future.*

# Jean-Marc Germain

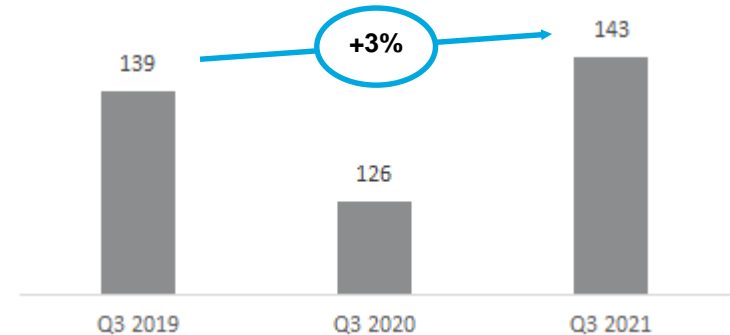
Chief Executive Officer



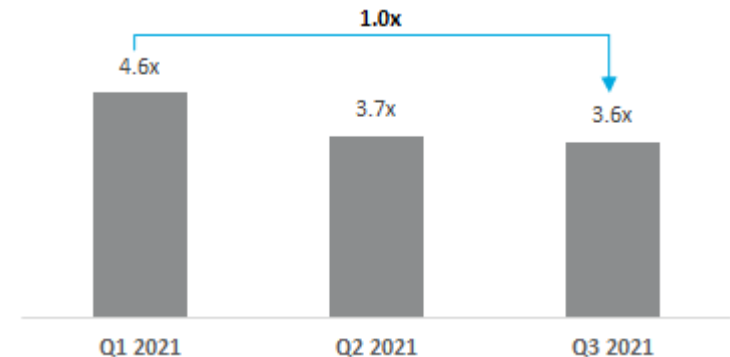
# Q3 2021 Highlights

- **Shipments:** 395kt (+12% YoY)
- **Revenue:** €1.6 billion (+35% YoY)
- **Net income:** €99 million
- **Adj. EBITDA:** €143 million (+14% YoY)
- **Cash from Operations:** €91 million
- **Free Cash Flow:** €40 million
- YTD 2021 FCF: €121 million
- **Leverage:** 3.6x at September 30, 2021
- Redeeming \$200 million of 5.875% Senior Notes due 2026

## Adjusted EBITDA Exceeded 2019 Levels



## Leverage Continues to Decline



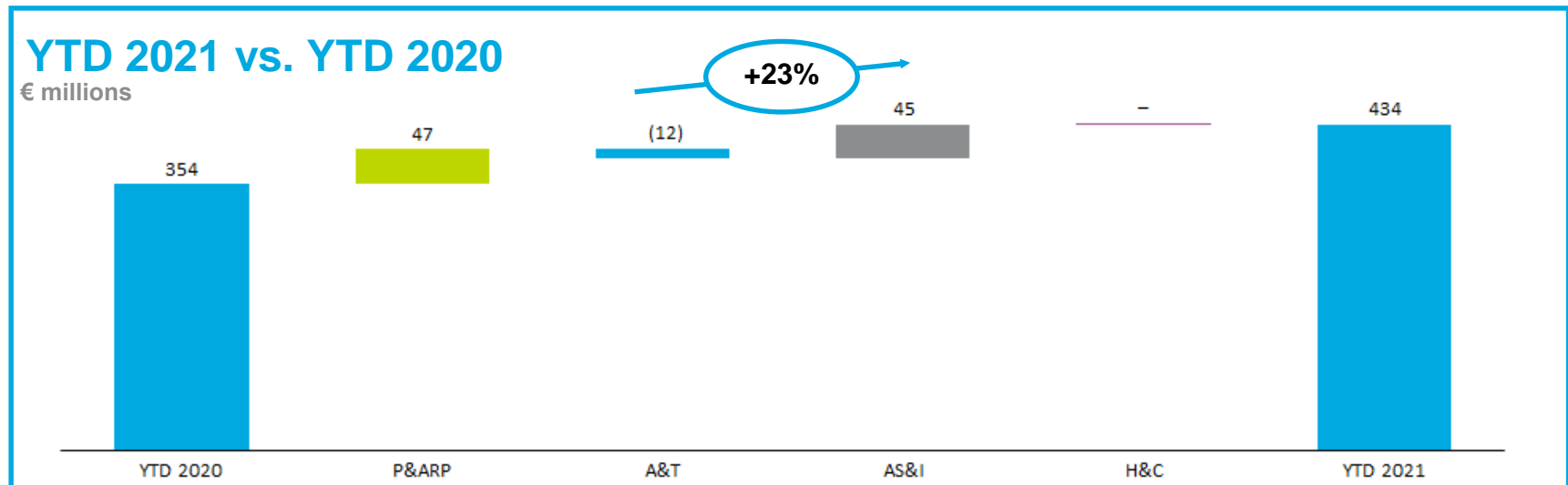
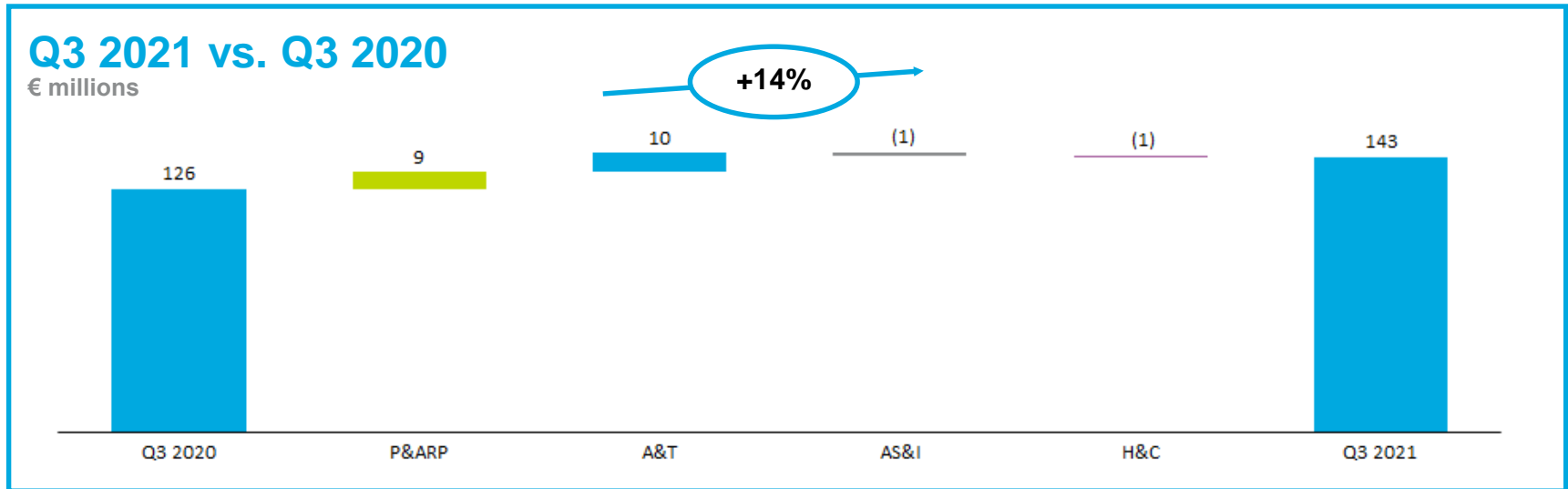
**2021 Guidance: Expect Adjusted EBITDA of €550-560 million and FCF of >€125 million**

**Peter Matt**

Chief Financial Officer



# Adjusted EBITDA Bridges



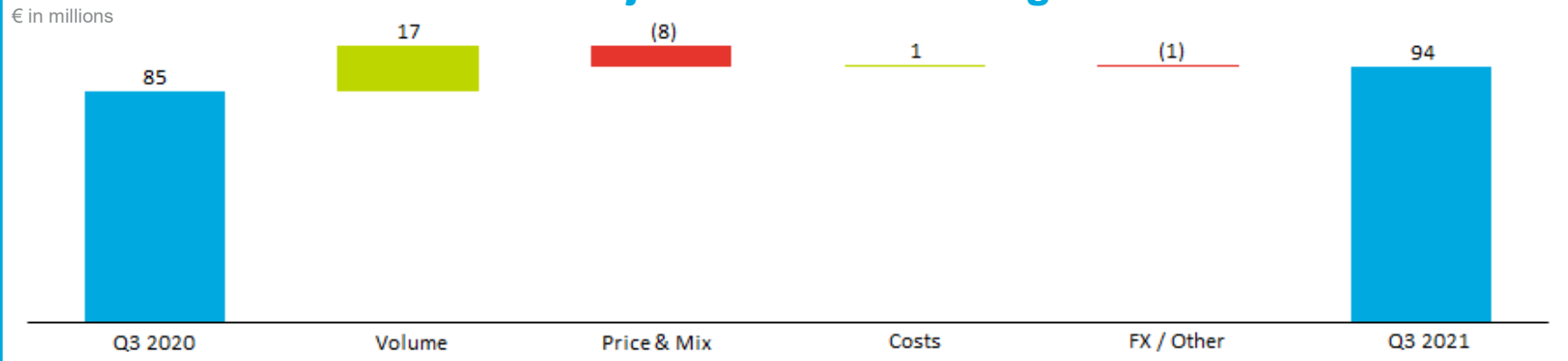
# Packaging & Automotive Rolled Products

## Q3 2021 Performance

- Adjusted EBITDA of €94 million
- Higher packaging shipments on strong demand
- Weaker mix with higher packaging and lower automotive shipments
- Solid cost control as favorable metal costs offset higher maintenance and labor costs

	Q3 2021	Q3 2020	Var.
Shipments (kt)	281	258	9%
Revenue (€m)	988	672	47%
Adj. EBITDA (€m)	94	85	10%
Adj. EBITDA (€ / t)	335	332	1%

## Q3 Adjusted EBITDA Bridge





# Aerospace & Transportation

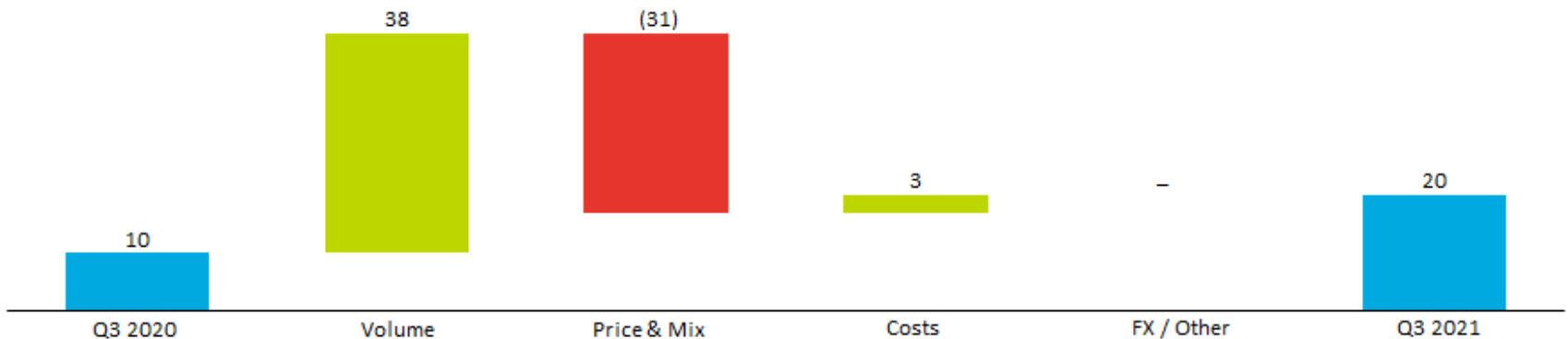
## Q3 2021 Performance

- Adjusted EBITDA of €20 million
- Higher TID shipments, partially offset by lower aerospace shipments
- Weaker mix due to lower aerospace shipments
- Solid cost control

	Q3 2021	Q3 2020	Var.
Shipments (kt)	52	36	45%
Revenue (€m)	289	202	43%
Adj. EBITDA (€m)	20	10	91%
Adj. EBITDA (€ / t)	362	275	32%

## Q3 Adjusted EBITDA Bridge

€ in millions



# Automotive Structures & Industry

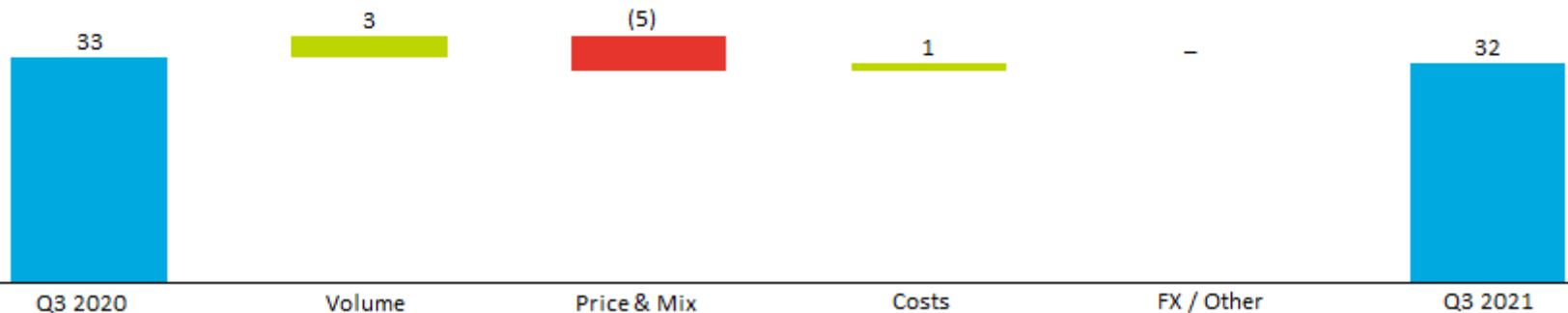
## Q3 2021 Performance

- Adjusted EBITDA of €32 million
- Higher industry shipments, partially offset by lower automotive shipments
- Weaker mix, primarily due to lower automotive shipments
- Solid cost control

	Q3 2021	Q3 2020	Var.
Shipments (kt)	62	60	4%
Revenue (€m)	326	304	7%
Adj. EBITDA (€m)	32	33	(0)%
Adj. EBITDA (€ / t)	528	551	(4)%

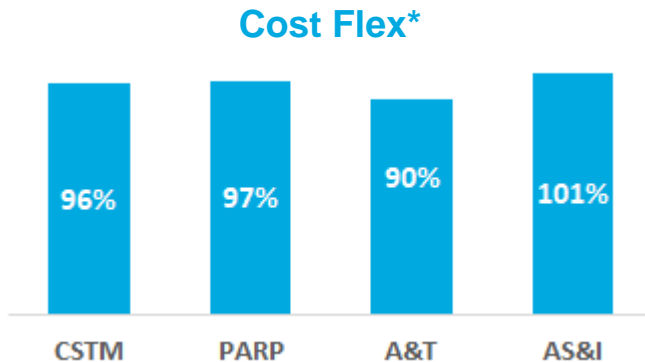
## Q3 Adjusted EBITDA Bridge

€ in millions



# Focus on Costs

## Q3 Cost Performance



- Cost performance remained strong in the third quarter across all three segments
- Structural cost reduction providing solid offset to higher activity levels and inflationary effects across alloys, labor, maintenance, and transportation

## Committed to Strong Cost Management in Current Inflationary Environment

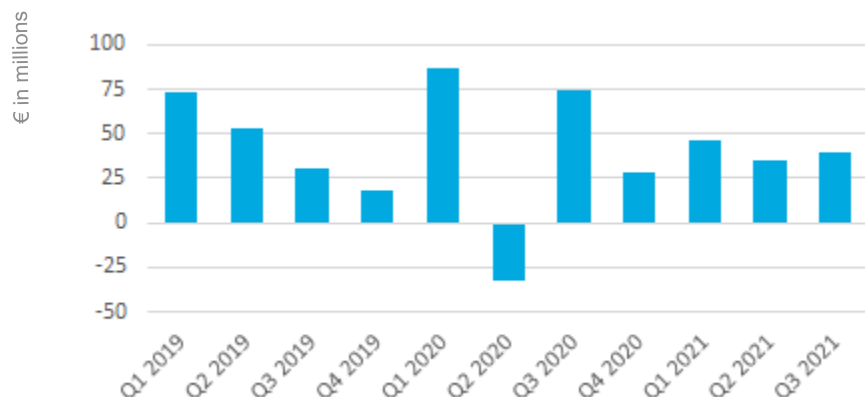
- We have experienced increasing inflationary pressure on the business in 2021, which will have a greater impact in 2022
- Currently working on mitigation strategies for the following areas:
  - Energy prices, more significantly in Europe
  - Alloying elements, including magnesium, manganese and silicon
  - Transportation
  - Labor for select skills and in specific locations
- Many existing contracts have inflationary protection (i.e. annual PPI inflators), working to incorporate in new contracts
- Signing new contracts at higher prices

**Inflation remains manageable and to a large extent offset by higher pricing**

# Free Cash Flow

	YTD 2021	YTD 2020
Net cash flows from operating activities	239	263
Purchases of property, plant and equipment, net of grants	(118)	(134)
Other investing activities	—	—
<b>Free Cash Flow</b>	<b>121</b>	<b>129</b>

## Consistent FCF Generation



## YTD FCF Highlights

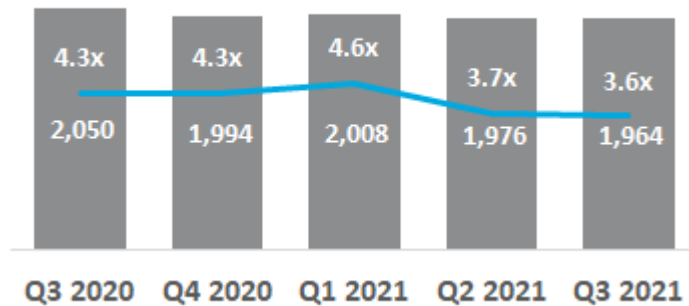
- Free Cash Flow of €121 million YTD 2021, with strong performance in Q3 of €40 million
  - Working capital headwind, notably increased inventory, as businesses rebounded
  - Capex expected to be fourth quarter weighted
- Delivering on our goal of significant and consistent Free Cash Flow generation
  - Over €450 million of Free Cash Flow generated since 2019

**2021 FCF Guidance: >€125 million**

# Net Debt and Liquidity

## Net Debt and Leverage

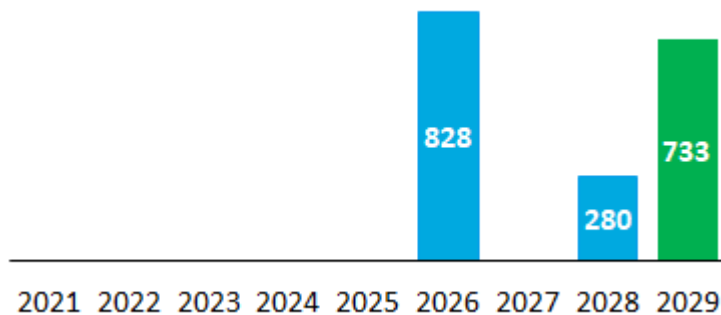
€ in millions



Leverage: Net Debt / LTM Adjusted EBITDA

## Maturity Profile

€ in millions



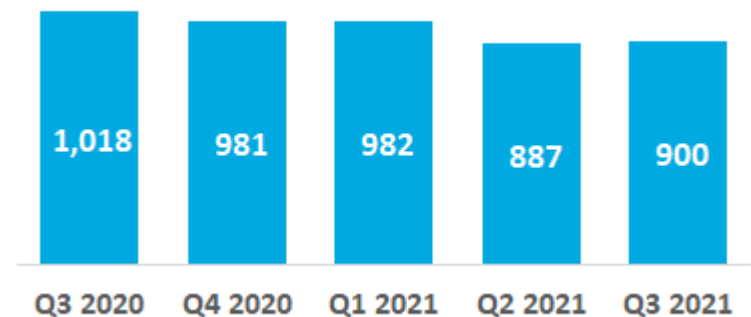
\* Does not include State Loans

## Debt / Liquidity Highlights

- Leverage of 3.6x, a multi-year low
- No near term bond maturities
- Gradually reducing excess liquidity added during the pandemic
- Redeeming \$200 million of 5.875% Senior Notes due 2026 in November, further reducing gross debt
  - Expected to reduce cash interest by ~€8 million and brings the total reduction from 2021 actions to ~€38 million annually

## Liquidity

€ in millions



**Committed to deleveraging with year end leverage expected to be at or below 3.5x**

# Jean-Marc Germain

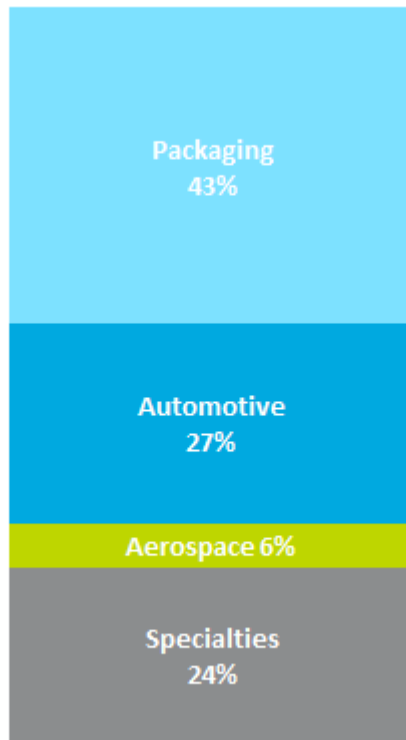
Chief Executive Officer



# End Market Updates

## A Diversified Platform

### LTM Revenue by End Market



Market	Commentary
<b>Packaging</b>	<ul style="list-style-type: none"> <li>Strong market in North America and in Europe</li> <li>Focus on sustainability driving increased demand for aluminium cans</li> <li>Mid-single digit annual demand growth supported by can-maker capacity additions in both North America and Europe</li> </ul>
<b>Automotive</b>	<ul style="list-style-type: none"> <li>Lightweighting mega-trend penetration driving increased demand for rolled and extruded products</li> <li>Consumer demand for luxury cars, light trucks, and SUVs remains strong; inventories are low</li> <li>Demand uncertainty continues as a result of the semiconductor shortage, which is not expected to improve in Q4 2021</li> </ul>
<b>Aerospace</b>	<ul style="list-style-type: none"> <li>Supply chain optimism increasing</li> <li>Destocking appears to be largely complete</li> <li>Long-term trends expected to remain intact, including increased passenger traffic and higher build rates for single aisle aircraft</li> </ul>
<b>Other Specialties</b>	<p><u>Transportation, Industry and Defense (Rolled):</u></p> <ul style="list-style-type: none"> <li>North America: Strong demand</li> <li>Europe: Strong demand</li> </ul> <p><u>Industry (Extrusions):</u></p> <ul style="list-style-type: none"> <li>Europe: Strong demand</li> </ul>

# Broad Exposure to Sustainability Trends

## Favorable Market Trends

	Packaging	Automotive	Aerospace	Specialties
<b>Circular Economy</b>	✓	✓	✓	✓
<b>Lightweighting in Transportation</b>		✓	✓	✓
<b>Electrification in Transportation</b>		✓	✓	✓
<b>Aluminum can as preferred beverage package</b>	✓			
Recession Resilient	✓			
Diversified Cycles				✓

**Green** represents secular megatrend driven by sustainability

## Expanding our Competitive Advantage in Recycling

### European Recycling Center\*

- Investigating an increase in total capacity to ~130kt (previously >60kt)
- Capital expected to be spent over ~3 years

### Strategic Rationale

- Provides greater security of slab supply, including reducing our reliance on virgin alloying materials
- Substantially reduces our Scope 3 emissions footprint
- Meets customer requests for higher recycled content and low CO<sub>2</sub> footprint product
- Satisfies need for more recycling capacity in Europe as aluminium consumption grows, especially in can sheet and automotive sheet



# Key Messages and Guidance

## Solid performance in Q3 2021

- Successfully navigated an environment that was more challenging than expected
- Adj. EBITDA surpassed 2019 level despite reduced contribution from aerospace, continued impact from the semiconductor shortage and increased inflationary pressures
- Continued Free Cash Flow generation and deleveraging

## Delivering in 2021

- Solid operational performance, strong cost control, and consistent Free Cash Flow generation
- Meeting strong demand from our end markets and prepared for a recovery in aerospace
- Committed to deleveraging with expected year end leverage at or below 3.5x

## Prepared for a bright future

- Focused on executing our strategy
- Substantial value creation opportunities remain — planting the seeds for future growth
- Horizon 2022 and pricing initiatives are critical to offset inflationary impacts

### Targets

**2021 Adjusted EBITDA:**  
€550 to €560 million

**2021 Free Cash Flow:**  
>€125 million

**Long-Term Leverage:**  
2.5x

Focused on delivering on our strategy and increasing shareholder value

# Appendix

# Reconciliation of Net Income to Adjusted EBITDA

(in millions of Euros)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<b>Net income / (loss)</b>	<b>99</b>	<b>20</b>	<b>255</b>	<b>(43)</b>
Income tax expense / (benefit)	20	7	53	(12)
<b>Income / (loss) before tax</b>	<b>119</b>	<b>27</b>	<b>308</b>	<b>(55)</b>
Finance costs - net	34	37	126	124
<b>Income from operations</b>	<b>153</b>	<b>64</b>	<b>434</b>	<b>69</b>
Depreciation and amortization	67	64	195	196
Impairment of assets	—	9	—	14
Restructuring costs	—	2	3	13
Unrealized (gains) / losses on derivatives	(23)	(9)	(67)	1
Unrealized exchange gains from the remeasurement of monetary assets and liabilities – net	—	(2)	(1)	(1)
Losses on pension plan amendments	—	—	2	2
Share based compensation costs	4	3	11	11
Metal price lag	(59)	(7)	(144)	33
Start-up and development costs	—	1	—	5
Losses on disposal	1	2	1	2
Other	—	(1)	—	9
<b>Adjusted EBITDA</b>	<b>143</b>	<b>126</b>	<b>434</b>	<b>354</b>



# Free Cash Flow Reconciliation

*(in millions of Euros)*

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net cash flows from operating activities	91	111	239	263
Purchases of property, plant and equipment	(54)	(38)	(128)	(138)
Property, plant and equipment grants received	3	2	10	4
<b>Free Cash Flow</b>	<b>40</b>	<b>75</b>	<b>121</b>	<b>129</b>



# Net Debt Reconciliation

<i>(in millions of Euros)</i>	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Borrowings	2,282	2,257	2,325	2,391	2,456
Fair value of net debt derivatives, net of margin calls	5	9	25	42	26
Cash and cash equivalents	(323)	(290)	(342)	(439)	(432)
<b>Net Debt</b>	<b>1,964</b>	<b>1,976</b>	<b>2,008</b>	<b>1,994</b>	<b>2,050</b>
LTM Adjusted EBITDA	545	528	439	465	475
Leverage	3.6x	3.7x	4.6x	4.3x	4.3x



# Reconciliation of Net Income to Adjusted EBITDA

<i>(in millions of Euros)</i>	Twelve months ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<b>Net income / (loss)</b>	<b>281</b>	<b>202</b>	<b>62</b>	<b>(17)</b>	<b>(21)</b>
Income tax expense / (benefit)	48	35	2	(17)	(22)
<b>Income / (loss) before tax</b>	<b>329</b>	<b>237</b>	<b>64</b>	<b>(34)</b>	<b>(43)</b>
Finance costs - net	161	164	169	159	164
Share of losses of joint ventures	—	—	—	—	3
<b>Income from operations</b>	<b>490</b>	<b>401</b>	<b>233</b>	<b>125</b>	<b>124</b>
Depreciation and amortization	258	255	256	259	269
Impairment of assets	29	38	43	43	14
Restructuring costs	3	5	14	13	15
Unrealized gains on derivatives	(84)	(70)	(97)	(16)	(19)
Unrealized exchange gains from the remeasurement of monetary assets and liabilities - net	(1)	(3)	(5)	(1)	(1)
Losses on pension plan amendments	2	2	2	2	—
Share based compensation costs	15	14	15	15	15
Metal price lag	(169)	(117)	(37)	8	39
Start-up and development costs	—	1	3	5	8
Losses on disposals	3	4	4	4	3
Bowling Green one-time cost related to the acquisition	—	—	—	—	(1)
Other	(1)	(2)	8	8	9
<b>Adjusted EBITDA</b>	<b>545</b>	<b>528</b>	<b>439</b>	<b>465</b>	<b>475</b>

# Borrowings Table

	At September 30, 2021						At December 31, 2020
(in millions of Euros)	Nominal Value in Currency	Nominal Rate	Nominal Value in Euros	(Arrangement fees)	Accrued Interests	Carrying Value	Carrying Value
Secured Pan-U.S. ABL (due 2026)	\$ —	Floating	—	—	—	—	—
Secured U.S. DDTL (expired in 2021)	\$ —	Floating	—	—	—	—	—
Secured PGE French Facility (due 2022)	€ 180	Floating	180	—	—	180	180
Secured German Facility (expired in 2021)	€ —	2.000%	—	—	—	—	—
Secured Inventory Facility (due 2023)	€ —	Floating	—	—	—	—	—
Senior Unsecured Notes							
<i>Issued May 2014 and due 2024</i>	\$ 400	5.750%	—	—	—	—	325
<i>Issued February 2017 and due 2025</i>	\$ 650	6.625%	—	—	—	—	534
<i>Issued November 2017 and due 2026</i>	\$ 500	5.875%	432	(5)	3	430	411
<i>Issued November 2017 and due 2026</i>	€ 400	4.250%	400	(4)	2	398	401
<i>Issued June 2020 and due 2028</i>	\$ 325	5.625%	281	(5)	4	280	260
<i>Issued February 2021 and due 2029</i>	\$ 500	3.750%	432	(7)	10	435	—
<i>Issued June 2021 and due 2029</i>	€ 300	3.125%	300	(5)	3	298	—
Unsecured Revolving Credit Facility (due 2021)	€ —	Floating	—	—	—	—	—
Unsecured Swiss Facility (due 2025)	CHF 17	1.175%	16	—	—	16	18
Unsecured German Facility (expired in 2021)	€ —	2.120%	—	—	—	—	—
Lease liabilities			181	—	1	182	195
Other loans			61	—	2	63	67
<b>Total Borrowings</b>			<b>2,283</b>	<b>(26)</b>	<b>25</b>	<b>2,282</b>	<b>2,391</b>
Of which non-current						2,020	2,299
Of which current						262	92