

Fourth Quarter and Full Year 2019 Earnings Call

February 20, 2020





Forward-looking statements

Certain statements contained in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This press release 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; 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





FY 2019 Highlights

- ▶ **Total Shipments** of 1.6 million tons, up 4% YoY
- ▶ **Revenue** increased 4% YoY to €5.9 billion
- ▶ **Net income** of €64 million compared to net income of €190 million in 2018
- ▶ **Adjusted EBITDA** of €562 million increased 13% YoY
- ▶ **Cash from Operations** of €447 million in 2019
- ▶ **Free Cash Flow** of €175 million in 2019
- ▶ **Net Debt / LTM Adjusted EBITDA** of 3.9x
- ▶ **Project 2019** run rate cost savings of €78 million

Strong Adjusted EBITDA growth and significant Free Cash Flow generation in 2019



Q4 2019 Highlights

- ▶ **Total Shipments** of 368 thousand tons, comparable to Q4 2018
- ▶ **Revenue** decreased 2% YoY to €1.4 billion
- ▶ **Net income** of €22 million compared to net loss of €57 million in Q4 2018
- ▶ **Adjusted EBITDA** of €121 million increased 15% YoY
- ▶ **Cash from Operations** of €107 million in Q4 2019
- ▶ **Free Cash Flow** of €18 million in Q4 2019

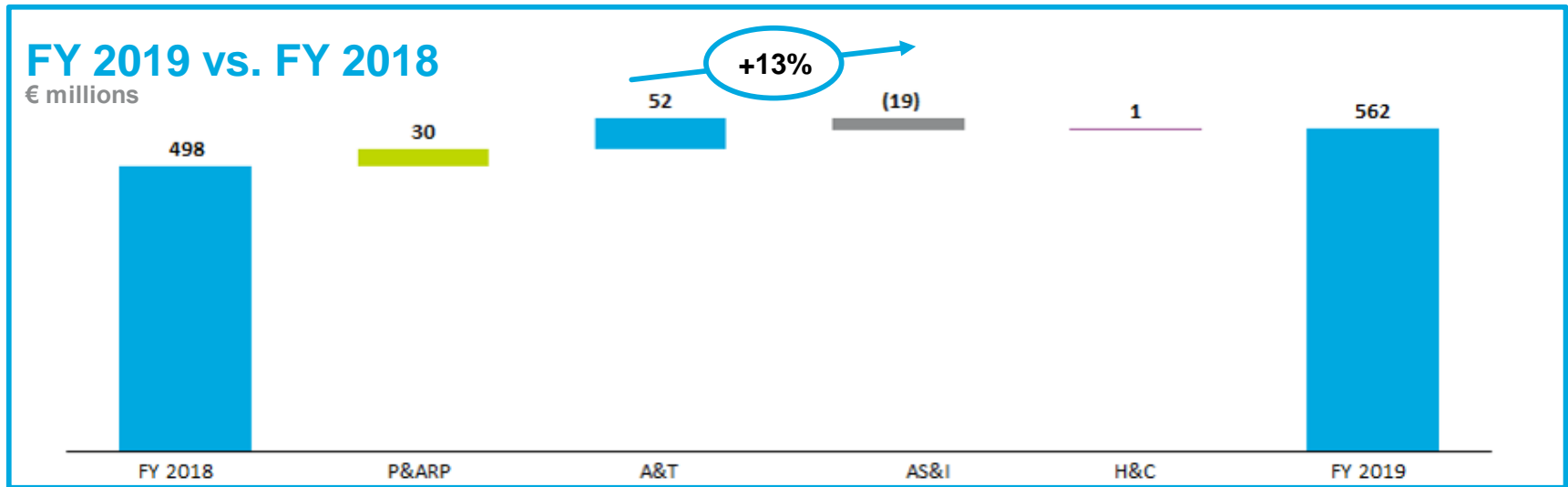
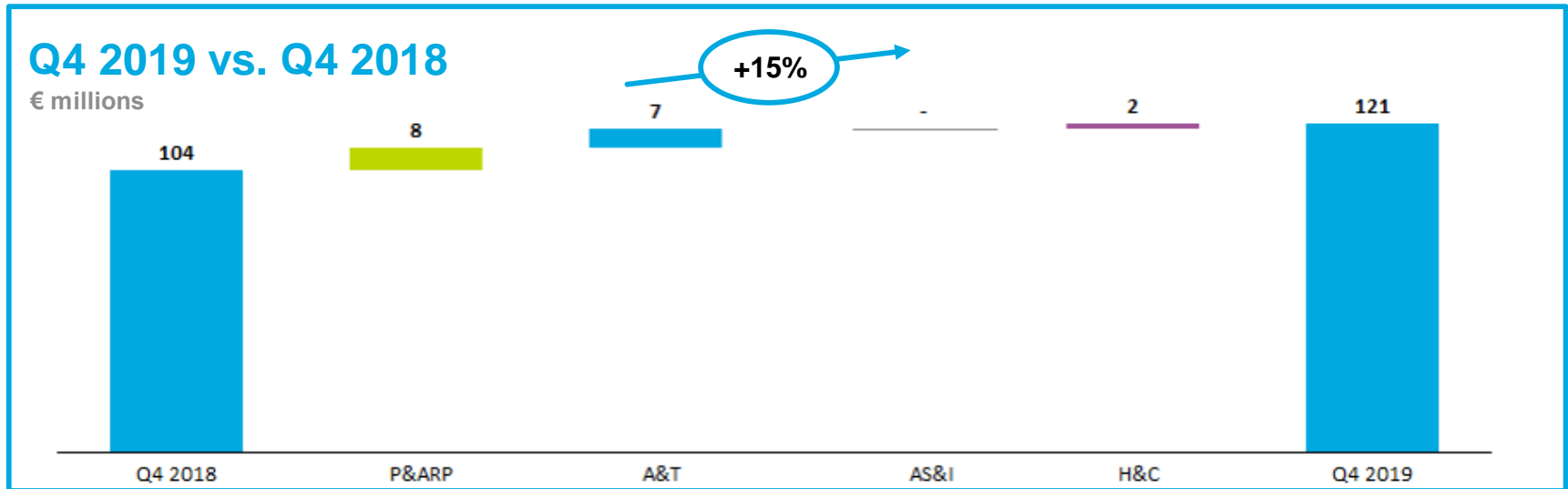
Solid results; fourth consecutive quarter of positive Free Cash Flow generation

Peter Matt

Chief Financial Officer



Adjusted EBITDA Bridges



Packaging and Automotive Rolled Products

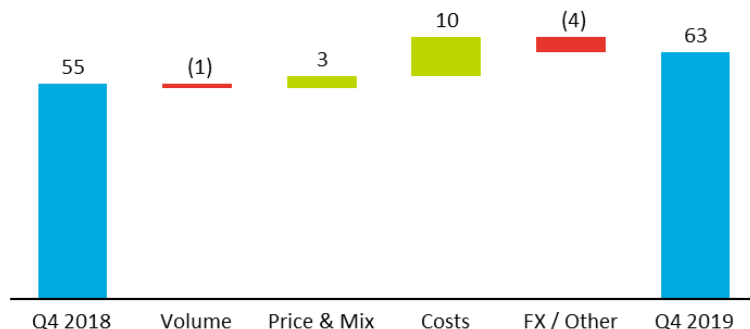
Q4 2019 Performance

- Adjusted EBITDA of €63 million
- Higher automotive shipments offset by lower packaging shipments
- Improved price and mix
- Favorable metal costs, partially offset by higher costs from the ramp up of automotive programs

	Q4 2019	Q4 2018	Var.
Shipments (kt)	255	254	1%
Revenues (€m)	711	737	(3)%
Adj. EBITDA (€m)	63	55	13%
Adj. EBITDA (€ / t)	245	219	12%

Q4 Adjusted EBITDA Bridge

€ in millions



FY Adjusted EBITDA Bridge

€ in millions * Record Adjusted EBITDA in 2019



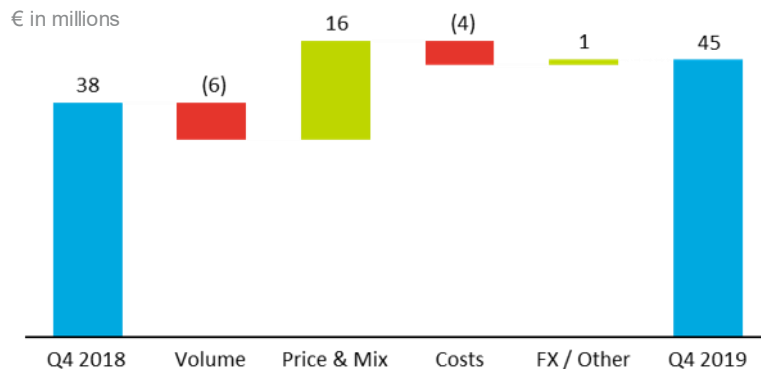
Aerospace and Transportation

Q4 2019 Performance

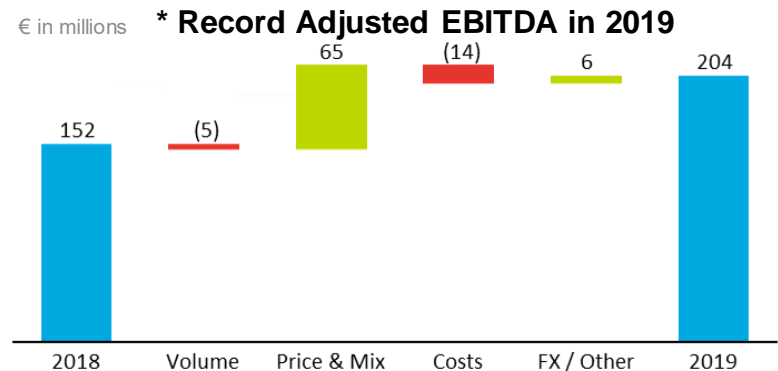
- Adjusted EBITDA of €45 million
- Lower TID shipments partially offset by higher Aerospace shipments
- Improved price and mix from both TID and Aerospace
- Higher costs, primarily labor and energy

	Q4 2019	Q4 2018	Var.
Shipments (kt)	56	59	(6)%
Revenues (€m)	350	349	0%
Adj. EBITDA (€m)	45	38	18%
Adj. EBITDA (€ / t)	807	643	26%

Q4 Adjusted EBITDA Bridge



FY Adjusted EBITDA Bridge



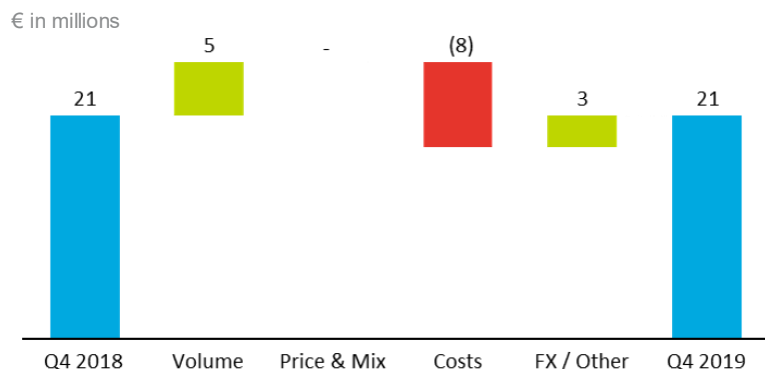
Automotive Structures and Industry

Q4 2019 Performance

- Adjusted EBITDA of €21 million
- Executing on growth plan with higher Automotive shipments, offset by lower Industry shipments
- Continued elevated costs related to our footprint expansion and operational challenges on some of our newer automotive programs

	Q4 2019	Q4 2018	Var.
Shipments (kt)	57	57	1%
Revenues (€m)	324	324	0%
Adj. EBITDA (€m)	21	21	2%
Adj. EBITDA (€ / t)	369	367	0%

Q4 Adjusted EBITDA Bridge



FY Adjusted EBITDA Bridge





Project 2019

Three Pillars	Cost Reduction	<ul style="list-style-type: none"> ▶ €78 million of annual run rate cost savings achieved as of December 31, 2019 ▶ Exceeded €75 million Project 2019 target ▶ Confident in ability to realize further cost savings over time
	Working Capital Improvement	<ul style="list-style-type: none"> ▶ Strong working capital performance on improved operational performance and increased discipline ▶ Significant contributor to Free Cash Flow in 2019 ▶ Continue to expect working capital investments related to the ramp up of growth projects
	Capital Discipline	<ul style="list-style-type: none"> ▶ €271 million of capital spending in 2019 is €84 million below the 2016 spending peak

Successful completion of Project 2019; launching "Horizon 2022"

Free Cash Flow

	FY19	FY18
Net cash flows from operating activities	447	66
Purchases of property, plant and equipment	(271)	(277)
Equity contributions and loans to joint-ventures	—	(24)
Other investing activities	(1)	10
Free Cash Flow	175	(225)

2019 Free Cash Flow Highlights

- Free Cash Flow generation of €175 million in 2019
- Significant improvement from 2018
- Four consecutive quarters of FCF
- Strong trade working capital performance
- Delivers on a financial target originally set in March 2017

Current 2020 Expectations

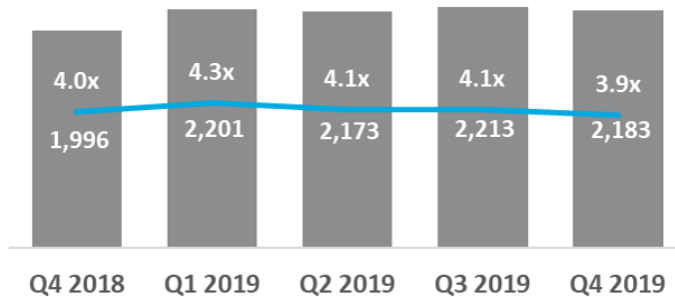
- Free Cash Flow: €125-175 million
- Capex: €250 million
- Cash interest: €140-150 million
- Cash taxes: €10-20 million

Strong Free Cash Flow performance in 2019

Net Debt and Liquidity

Net Debt and Leverage

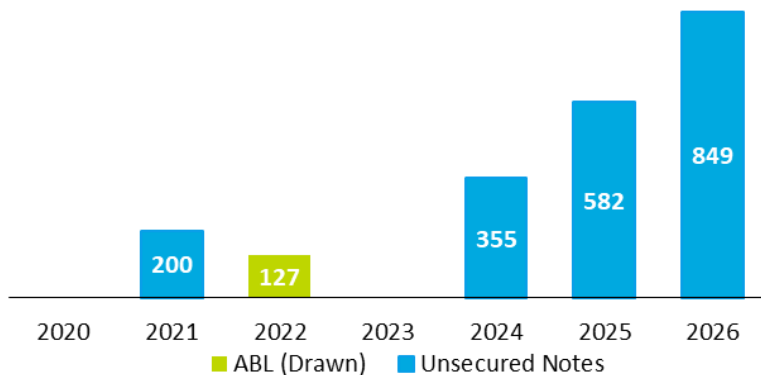
€ in millions



Leverage: Net Debt / LTM Adjusted EBITDA

Maturity Profile

€ in millions

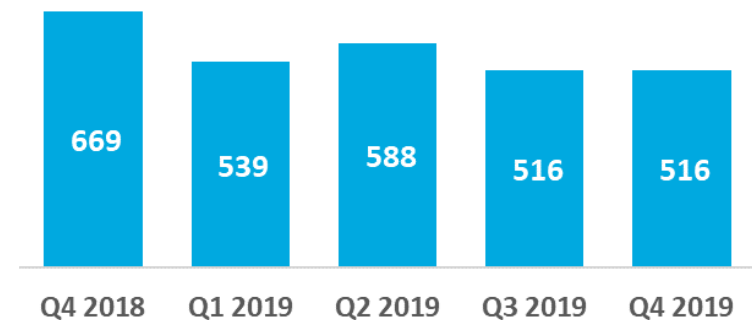


Debt / Liquidity Highlights

- Committed to deleveraging
 - Leverage at 3.9x at year end
 - Repaid leases at Bowling Green in Q1 and €100 million of 2021 notes in Q3
- Ample liquidity of over €500 million

Liquidity

€ in millions



Reduced leverage, ample liquidity and no bond maturities until 2021

Jean-Marc Germain

Chief Executive Officer





End Market Updates

Market	Highlights	% LTM Revenue
Packaging	<ul style="list-style-type: none"> ▶ Market strong in North America and in Europe ▶ Focus on sustainability driving increased demand for aluminium cans ▶ Conversions to ABS to help North American market over the medium to long term ▶ Conversion from steel to aluminium continues in Europe 	37%
Automotive	<ul style="list-style-type: none"> ▶ Aluminium penetration driving increased demand for rolled and extruded products ▶ Demand for luxury cars, light trucks, and SUVs remains strong ▶ Pockets of weakness in broader automotive market persist 	27%
Aerospace	<ul style="list-style-type: none"> ▶ Long-term secular growth trend intact with passenger traffic expected to grow ▶ OEM backlogs remain strong ▶ Near-term demand remains strong despite 737-MAX uncertainty 	15%
Other Specialties	<p>Transportation, Industry and Defense:</p> <ul style="list-style-type: none"> ▶ North America: Strong defense market; weak transportation and industry markets ▶ Europe: Strong defense market; stable industry market at a low base <p>Industry (Extrusions)</p> <ul style="list-style-type: none"> ▶ Europe: Stable demand with strong rail market 	21%

Diversified end market exposure; primarily targets secular growth markets

Financial Guidance and Outlook

Targets for 2020 :

- ▶ Adjusted EBITDA growth of 6% to 9%
- ▶ Free Cash Flow of €125 million to €175 million

Targets for 2022:

- ▶ Adjusted EBITDA of over €700 million
- ▶ Net Debt / Adjusted EBITDA of 2.5x

Focused on delivering on our strategy and increasing shareholder value

Q&A

Appendix



Net Debt Reconciliation

€ millions	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Borrowings	2,361	2,370	2,378	2,421	2,151
Fair value of cross currency basis swaps, net of margin calls	6	(5)	8	2	9
Cash and cash equivalents	(184)	(152)	(213)	(222)	(164)
Cash pledged for issuance of guarantees	—	—	—	—	—
Net Debt	2,183	2,213	2,173	2,201	1,996
LTM Adjusted EBITDA	562	545	524	512	498
Leverage	3.9x	4.1x	4.1x	4.3x	4.0x

Reconciliation of Net Income to Adjusted EBITDA

€ millions	Three months ended December 31, 2019	Three months ended December 31, 2018
Net income / (loss)	22	(57)
Income tax expense	(10)	2
Income before income tax	12	(55)
Finance costs – net	40	32
Share of loss / (income) of joint-ventures	3	10
Income from operations	55	(13)
Depreciation and amortization	73	56
Restructuring costs	2	—
Unrealized (gains) / losses on derivatives	(20)	31
Unrealized exchange losses / (gains) from remeasurement of monetary assets and liabilities – net	—	—
(Gains) / Losses on pension plans amendments	(2)	3
Share based compensation costs	4	3
Metal price lag	6	13
Start-up and development costs	3	5
Losses / (gains) on disposals	1	5
Bowling Green one-time costs related to the acquisition	(1)	—
Other	—	1
Adjusted EBITDA	121	104

Reconciliation of Net Income to Adjusted EBITDA

€ millions	Twelve months ended December 31, 2019	Twelve months ended September 30, 2019	Twelve months ended June 30, 2019	Twelve months ended March 31, 2019	Twelve months ended December 31, 2018
Net income / (loss)	64	(16)	200	238	190
Income tax expense	18	30	27	43	32
Income before income tax	82	14	227	281	222
Finance costs – net	175	167	160	157	149
Share of loss / (income) of joint-ventures	(2)	6	16	25	33
Income from operations	255	187	403	463	404
Depreciation and amortization	256	239	224	210	197
Restructuring costs	4	2	2	1	1
Unrealized (gains) / losses on derivatives	(33)	18	24	(1)	84
Unrealized exchange losses / (gains) from remeasurement of monetary assets and liabilities – net	—	—	1	—	—
(Gain) / loss on pension plan amendments	(1)	4	(36)	(36)	(36)
Share based compensation costs	16	15	13	12	12
Metal price lag	46	53	55	22	—
Start-up and development costs	11	13	17	19	21
Losses / (Gains) on disposals	3	7	(187)	(185)	(186)
Bowling Green one-time costs related to the acquisition	5	6	6	6	—
Other	—	1	2	1	1
Adjusted EBITDA	562	545	524	512	498



Borrowings Table

€ millions	December 31, 2019							December 31, 2018
	Nominal Value in Currency	Nominal Rate	Effective Rate	Nominal Value in Euros	(Arrangement fees)	Accrued Interests	Carrying Value	Carrying Value
Secured Pan US ABL (due 2022)	\$142	Floating	4.2%	127	—	—	127	—
Secured Inventory Based Facility (due 2021)	—	Floating	—%	—	—	—	—	—
Senior Unsecured Notes								
<i>Constellium SE (Issued May 2014, due 2024)</i>	\$400	5.75%	6.26%	356	(3)	2	355	348
<i>Constellium SE (Issued May 2014, due 2021)</i>	€200	4.63%	5.16%	200	(1)	1	200	300
<i>Constellium SE (Issued February 2017, due 2025)</i>	\$650	6.63%	7.13%	579	(10)	13	582	568
<i>Constellium SE (Issued November 2017, due 2026)</i>	\$500	5.88%	6.26%	445	(6)	10	449	440
<i>Constellium SE (Issued November 2017, due 2026)</i>	€400	4.25%	4.57%	400	(6)	6	400	399
Unsecured Revolving Credit Facility (due 2021)	—	Floating	—%	—	—	—	—	—
Lease liabilities	—	—	—	187	—	1	188	73
Other loans	—	—	—	59	—	1	60	23
Total Borrowings				2,353	(26)	34	2,361	2,151
<i>Of which non-current</i>							2,160	2,094
<i>Of which current</i>							201	57