

# Fourth Quarter and Full Year 2013 – Earnings Call

March 20, 2014





## 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 certain 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. Others are more specific to our business and operations. These risks and uncertainties include, but are not limited to, those set forth under the heading “Risk Factors” in our most recent Form F-1 Registration Statement, and 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 publicly 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

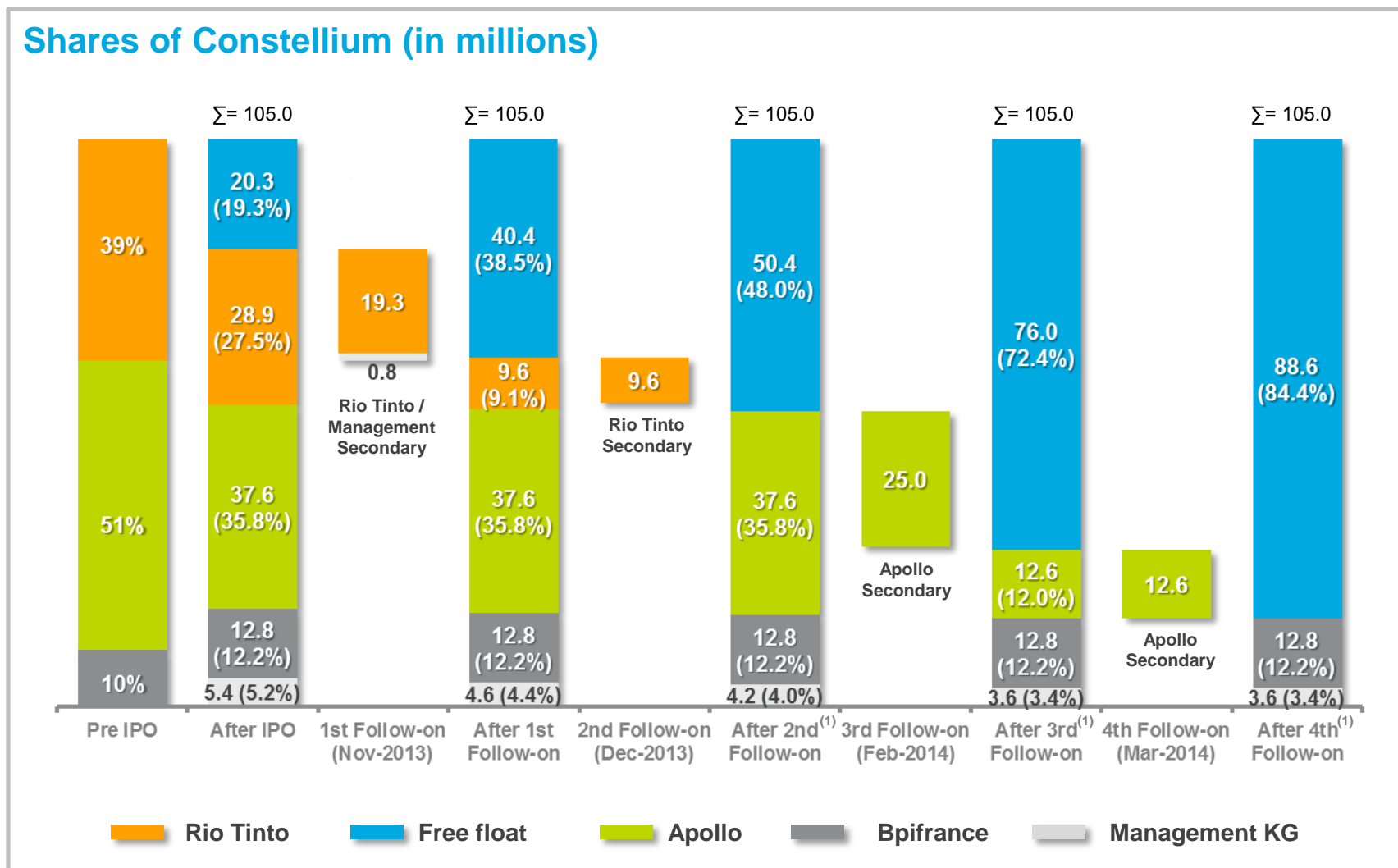
*This presentation includes information regarding certain non-GAAP financial measures, including Management Adjusted EBITDA, Adjusted EBITDA, Adjusted EBITDA per metric ton, Adjusted Free Cash Flow and Net Debt. These measures are presented because management uses this information to monitor and evaluate 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. Management Adjusted EBITDA, Adjusted EBITDA, Adjusted EBITDA per Metric Ton, Adjusted 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.*



## 2013 highlights: strong performance in all business segments

- 2013 was a transformational year for Constellium
- Adjusted EBITDA: €280m, up €57 million (+26% YoY), driven by new business in Aerospace and Automotive markets
- Adjusted EBITDA per metric ton: €273, up €57 (+26% YoY) reflecting a richer product mix and continuing productivity and cost improvement
- Volume: stable at 1,025k metric tons; Revenues: €3,495m, up 4% on a comparable basis, reflecting our continuing global mix enrichment
- Public float recently increased to 84% of shares outstanding

# Continuing our Evolution by Expanding Our Free Float

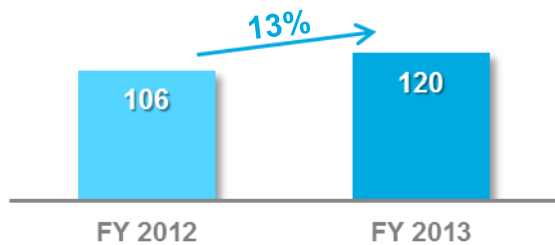


(1) From time to time, including upon departure from Constellium, participants in Management KG may withdraw their shares from Management KG and hold them for their own account.

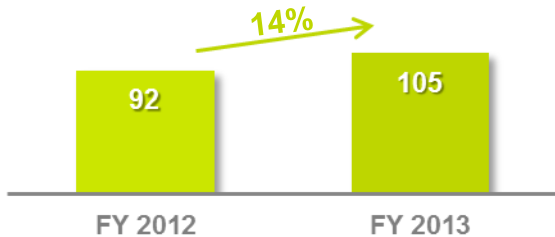
# 2013 Segment Performance

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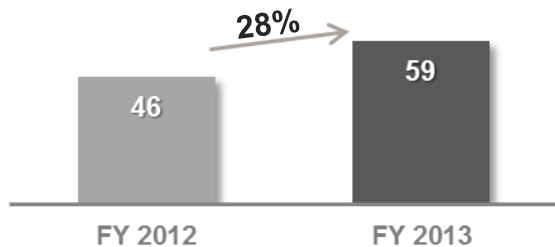
Adjusted EBITDA (€m)



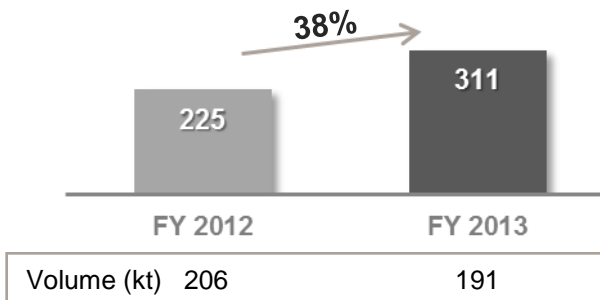
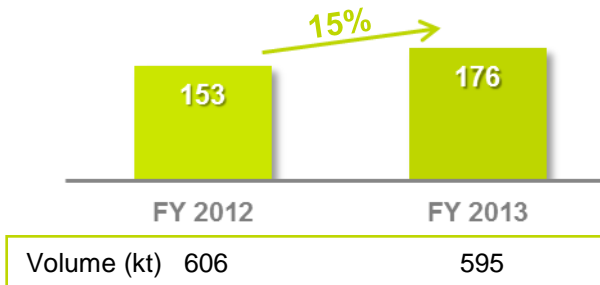
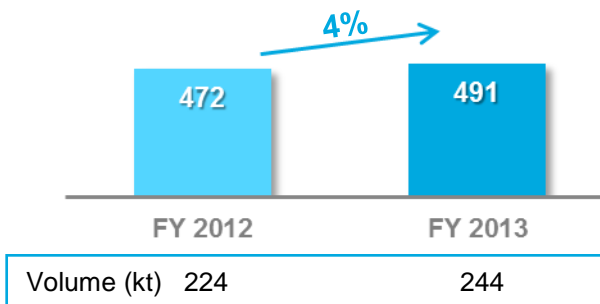
P&ARP



AS&I



Adjusted EBITDA per metric ton



Source: Company earnings reports

# Aerospace Market: Strong Long Term Outlook

## Market context

- Implemented new 5 year contract with Airbus consolidating #1 global aerospace plate position
- Constellium is increasing market share
- High Inventory levels in the downstream supply chain
- However, 90% of our aerospace business under long term contracts; low spot market exposure

## Constellium recent developments

- 2013 was a record year for plate and sheet production
- Signed new contract with Boeing, starts January 2014
- Adoption and capacity of AIRWARE®
  - Demand stronger than expected
  - Volume ramp-up to accelerate in 2015-2016



# Automotive Rolled Market: investing in new BiW Capacity in Europe and in the U.S.

## Market context

- European BiW demand increasing as aluminum goes into new models and more parts per vehicle
- US BiW demand a true “game changer”; production capacity below projected long term demand

## Constellium recent developments

- 2013 Auto Body Sheet volume increased +24%
- Announced BiW capacity expansion in Europe of 140k metric tons; total capital of €200 million
  - Phase one: 40k metric tons expansion by 2016 ahead of plan; current capacity of 60k metric tons
  - Neuf-Brisach expansion already producing at higher level, Singen expansion over 2014-2016
  - Phase two: 100k metric tons expansion to begin ramp up by end of 2016
- Announced plans for a JV in the U.S. with UACJ to have a total of 100k metric tons of BiW capacity in 2016. JV investment of \$150 million, Constellium ownership 51%





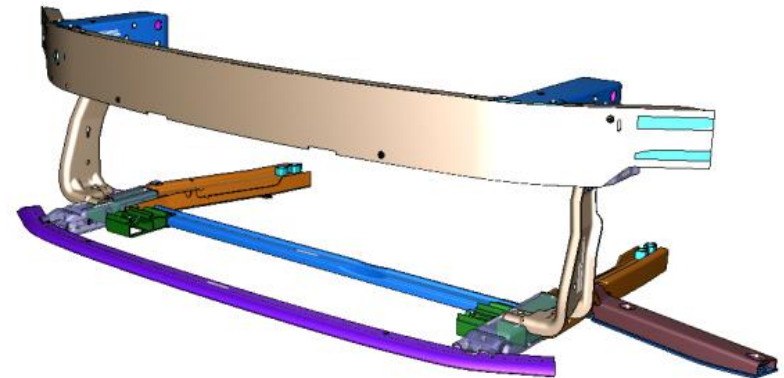
# Automotive Extrusions Market: Constellium is a leader in new Crash Management Systems (CMS)

## Market context

- ➔ Automotive Structures volume has increased +17%
- ➔ Strong visibility into orders with over 6 years of production at current rates

## Constellium recent developments

- ➔ In February 2014 we launched a newly developed alloy for CMS
- ➔ New systems are 15% lighter/ 10% stronger than current CMS systems
- ➔ Industry analysts project 20% U.S., 30% European, potential penetration of these new systems by 2018



## Packaging Market: Maintained good performance at slightly lower volumes

### Market context

- Can body stock; #1 in Europe
- Closure stock; #1 worldwide
- European market is 78% aluminum, compared with 100% in U.S.
- Lower growth in 2013 due to adverse weather
- Some customers adjusted production and inventory levels in Q4

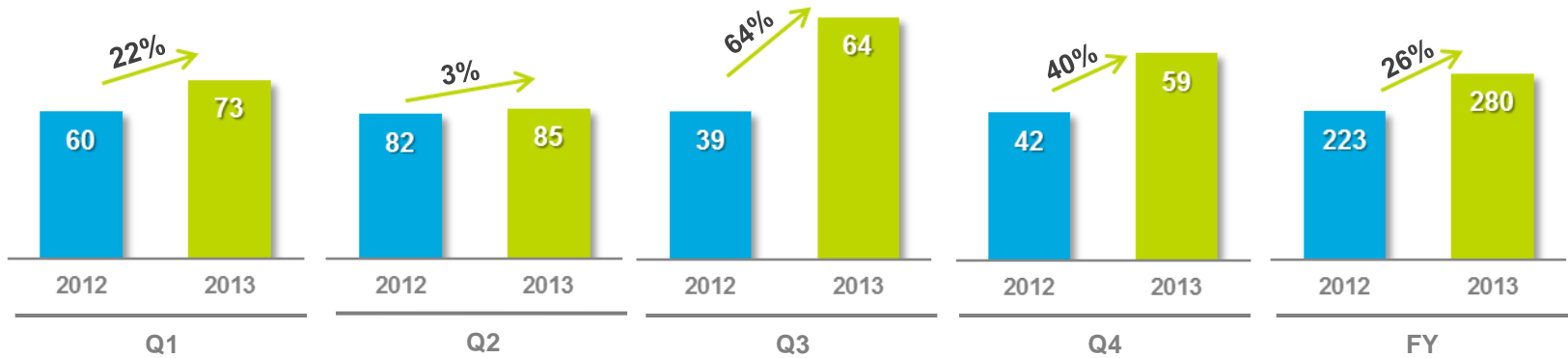
### Constellium recent developments

- Renewed multiyear contract with several key customers
  - Strong demand in Foilstock where we are the largest European non-integrated supplier
- Scrap margins will have a limited impact on 2014 profitability
- Solid cash flow generation

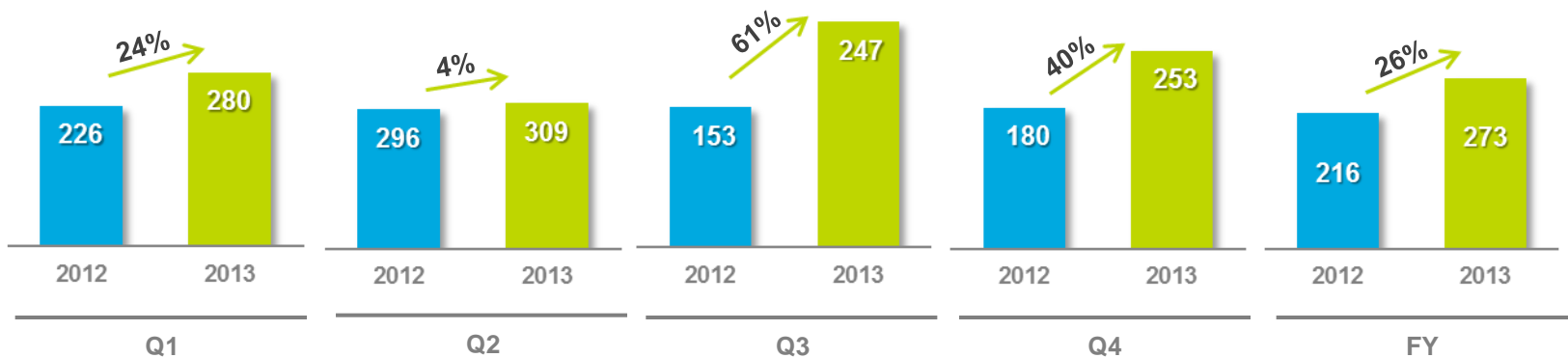


# Consistent Year Over Year Improvement

## Adjusted EBITDA (€mm)



## Adjusted EBITDA / Ton (€ / t)



**Strong performance and consistent improvement in every quarter**

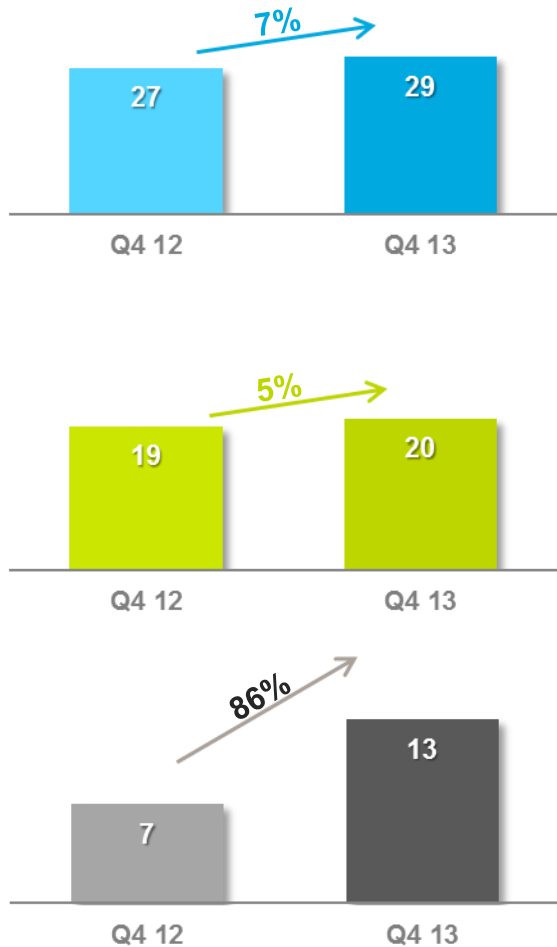
# Q4 2013 Segment Performance

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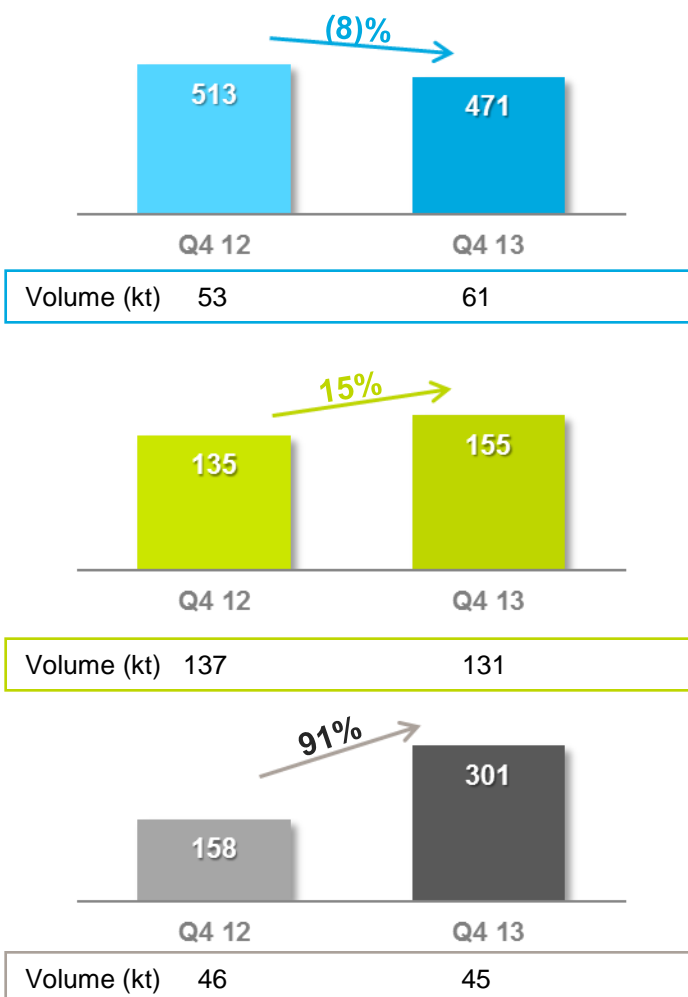
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Adjusted EBITDA (€m)



Adjusted EBITDA per metric ton

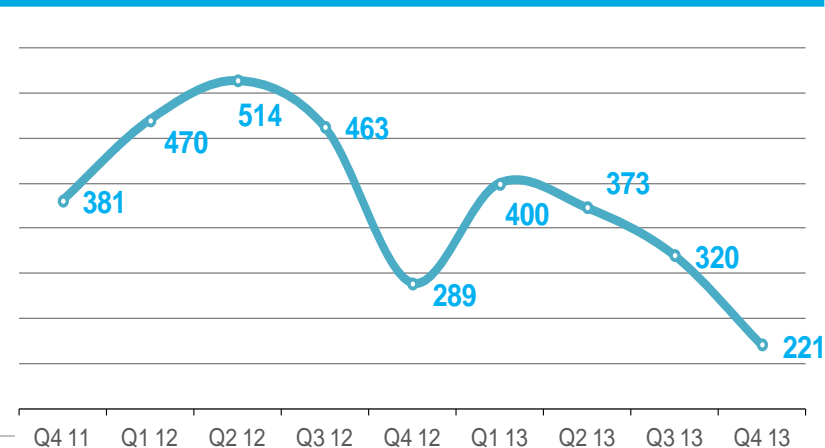


Source: Company earnings reports

# Adjusted Free Cash Flow – Continuing Improvement in Trade Working Capital

€ millions	December 31, 2013	December 31, 2012	Change	Insight
Cash flow from operating activities	184	246	(62)	IPO fees (27) Decrease in TWC Improvement (25)
Margin calls included in cash flow from operating activities	(4)	(7)	3	
Capital expenditure	(144)	(126)	(18)	Investing for the future (18)
<b>Adjusted Free Cash Flow</b>	<b>36</b>	<b>113</b>	<b>(77)</b>	

Operating Trade Working Capital (€ millions)



- ➔ TWC Improves €68 million in 2013, €160 million since 2011
- ➔ TWC Improves to 25 days of sales in 2013, down from 32 in 2012 and 43 in 2011
- ➔ Reduction is driven by improved inventory levels

## Strong balance sheet with no near term maturities

€ millions	December 31, 2013
Total Debt <sup>(*)</sup>	365
Cash and Cash Equivalents	233
<b>Net Debt</b>	<b>132</b>
<b>Net Debt/ LTM Adjusted EBITDA</b>	<b>0.5x</b>
<b>Liquidity<sup>(**)</sup></b>	<b>392</b>

## Average Debt Life - 5 Years

<sup>(\*)</sup> Including fair value of cross currency interest swap and cash pledged for issuance of guarantees

<sup>(\*\*)</sup> Liquidity measured as the sum of Cash and Cash Equivalents and availability under long-term facilities



## Key Takeaways

- Strong Year Over Year performance across all reporting segments
- Strong cash flow from Packaging activities
- Solid performance in Aerospace and Automotive markets
- New investments in the European and U.S. BiW
- Public float now over 84%

# Q & A



# IFRS Statements

## IFRS – Balance Sheet

€ millions	December 31, 2013	December 31, 2012
Non-current assets	674	594
Current assets	1 069	1 037
Assets held for sale	21	
<b>Total Assets</b>	<b>1 764</b>	<b>1 631</b>
Equity	36	(37)
Non-current liabilities	970	923
Current liabilities	749	745
Liabilities held for sale	9	
<b>Total Liabilities</b>	<b>1 764</b>	<b>1 631</b>

## IFRS – Income Statement

€ millions	Year ended December 31, 2013	Year ended December 31, 2012
Revenue	3 495	3 610
<b>Income from operations</b>	<b>209</b>	<b>263</b>
Other expenses	(27)	(3)
Finance costs – net	(50)	(60)
Share of profit (loss) of joint-ventures	3	(5)
<b>Income before income taxes</b>	<b>135</b>	<b>195</b>
Income tax expense	(39)	(46)
<b>Net Income from continuing operations</b>	<b>96</b>	<b>149</b>
Net Income (loss) from discontinued operations	4	(8)
<b>Net income</b>	<b>100</b>	<b>141</b>

# Non-GAAP Measures Reconciliations



# Net Debt

€ millions	As Dec 31, 2013	As Dec 31, 2012
Borrowings	348	158
Fair value of cross currency interest swap	26	14
Cash and cash equivalents	(233)	(142)
Cash pledged for issuance of guarantees	(9)	(13)
<b>Net Debt</b>	<b>132</b>	<b>17</b>



## Adjusted Free Cash Flow

€ millions	Year ended December 31, 2013	Year ended December 31, 2012
Cash flow from operating activities	184	246
Margin calls included in cash flow from operating activities	(4)	(7)
Cash flow from operating activities excluding margin calls	180	239
Capital expenditure	(144)	(126)
<b>Adjusted Free Cash Flow</b>	<b>36</b>	<b>113</b>

# Adjusted EBITDA

€ millions	Year ended December 31, 2013	Year ended December 31, 2012
<b>Shipments</b>	1 025	1033
<b>Revenue</b>	3 495	3 610
<b>Net income from continuing operations</b>	96	149
Income tax expense	39	46
<b>Income before income tax</b>	135	195
Finance costs - net	50	60
Other expenses/share of results of joint-ventures	24	8
<b>Income from operations</b>	209	263
Ravenswood OPEB plans amendment	(11)	(58)
Swiss pension plan settlement		8
Ravenswood CBA renegotiation	-	7
Restructuring costs	8	25
Losses on disposals	5	
Unrealized (gains) on derivatives	(12)	(61)
Unrealized (gains) loss from the re-measurement of monetary assets and liabilities	(2)	1
Depreciation and impairment	32	14
<b>Management Adjusted EBITDA</b>	229	199
Metal lag	29	16
Other	22	8
<b>Adjusted EBITDA</b>	280	223