



# Disclaimer

### **Forward-Looking Statements**

This document may contain forward-looking information and statements about ArcelorMittal and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words "believe", "expect", "anticipate", "target" or similar expressions. Although ArcelorMittal's management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ArcelorMittal's securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of ArcelorMittal, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier) and the United States Securities and Exchange Commission (the "SEC") made or to be made by ArcelorMittal, including ArcelorMittal's latest Annual Report on Form 20-F on file with the SEC. ArcelorMittal undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events, or otherwise.

### **Non-GAAP/Alternative Performance Measures**

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# 1Q 2021 a strong start to the year

Significantly improved operating performance reflecting strong (and improving) operating environment

- \$3.2bn EBITDA, the strongest quarter in a decade
- 6.5% sequential increase in steel shipments (scope adjusted)\*
- \$2.3bn of net income includes \$0.5bn share of JV and associates income\*\* reflecting strong performance at AMNS India and AMNS Calvert
- \$0.3bn of free cash flow\* despite \$1.6bn investment in working capital, reflecting seasonal as well as market factors
- **\$5.9bn** net debt  $\rightarrow$  lowest level since the merger

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- + Launched XCarb<sup>™</sup> and detailed concept plans to dramatically reduce CO2 emissions in France and Germany
- + ILVA partnership completed: Formation of public-private partnership with Invitalia completed
- Consistent returns: \$650m share buyback completed in Q1 with further \$570m to be completed by year end; \$0.30/share dividend to be paid in 2Q

### EBITDA improving (\$bn)



### Net debt declining (\$bn)





# Sustainable value creation

A strong platform for consistent (and growing) returns to shareholders

# Sustainability leadership

- Safety as the priority
- Promoting diversity
- Global leadership on decarbonization
- Delivering green steel and driving technology solutions

### Cost advantage

- Structural improvement
- Leaner, more efficient corporate office
- Enhanced productivity
- Optimized footprint

### Strategic growth

- Organic high-return projects
- Higher growth markets
  / product categories
- Leveraging existing infrastructure to develop iron ore resource
- R&D advantage

### **Consistent returns**

- Strong balance sheet
- Consistent record of free cash flow generation
- Progressive base dividends
- Buybacks linked to free cash flow



# Safety is our priority: committed to reach zero harm Health & Safety of the Company's workforce is of paramount importance

### **Successful response to COVID-19 pandemic**

- Ongoing strict adherence to WHO and specific government guidelines have been followed and implemented
- Continued extensive monitoring and strict sanitation practices, enforcing social distancing and providing correct PPE equipment

### Renewed efforts to strengthen safety of our workforce

- Formation of revised H&S Council of COOs from each business, chaired by CEO of segment
- Despite a low LTIF rate, the rate of improvement has plateaued → Company in need of a reinvigorated effort to eradicate accidents and fatalities









\* LTIF = Lost time injury frequency defined as Lost Time Injuries per 1.000.000 worked hours; based on own personnel and contractors; A Lost Time Injury (LTI) is an incident that causes an injury that prevents the person from returning to his/her next scheduled shift or work period. Figure presented for LTIF rates exclude ArcelorMittal Italia in its entirety and for 1Q'21 exclude ArcelorMittal USA following its disposal in December 2020. (Prior period figures have not been recast for the ArcelorMittal USA disposal)

# Gender diversity: New target to double women in management to 25% by 2030 Diversity strategy launched to drive greater awareness and gender balance

- Women make up higher % of our workforce vs industry peers
- New target to double % of women in our leadership positions
- Launch of new diversity strategy May 2021 designed to:
  - Raise awareness of the importance of greater diversity
  - Build inclusive culture to support women's career progression
  - Increase focus on female talent in recruitment
  - Increase focus on gender balance in leadership positions

### Our Speakers

Meet your talented colleagues who are inventing smarter steels for a better world



ArcelorMit

# Driving material efficiency in construction industry through intelligent design

Steligence® business is offering customers solutions to enhance their contribution to a low carbon and circular economy

- Demand for steel as alternative to competing materials is accelerating among construction stakeholders.
- Increasingly, embodied CO2 and environmental optimization are key drivers for stakeholder expectations.
- Stronger steel grades  $\rightarrow$  less steel required  $\rightarrow$  lower costs and embodied CO<sub>2</sub>
- **Steligence**<sup>®</sup> launched in June 2019 enables architects and engineers to design building solutions that minimise material use and embodied CO2, while maximising space, flexibility and end of life recyclability.
- Strong performance to date: Q1 2021 Steligence<sup>®</sup> sales saw 19% increase in Europe and 28% in Brazil vs Q1 2020

The intelligent construction choice Steligence 24%

saving in construction costs due to construction speeds twice as fast as concrete equivalents



39% **foundation cost** savings due to steel foundation solutions, weighting less than half equivalent structures



Union Station Tower, Chicago: First use of Grade 80 steel in US. Achieved 20% reduction in volume of structural steel used. This and strong CO<sub>2</sub> performance in steel production cut embodied CO<sub>2</sub> in structural steel by 38%.



**Arcelor**Mittal

# Net zero by 2050: 3 key technologies to achieve decarbonization

ArcelorMittal is committed to becoming net zero by 2050 with a broad and flexible innovation strategy



Both Smart Carbon and Innovative DRI CO2 savings enhanced with hydrogen

ArcelorMitta

# Low emissions technology plans across Europe

Developing net zero concept plans for every integrated site

- Developing technology designs to take each integrated site to net zero e.g. Bremen, Eisenhüttenstadt, Dunkirk
- Realising viable low emissions technologies for smart carbon (e.g. gas injection, Carbalyst) and innovative DRI
- Both the smart carbon and innovative DRI routes can be enhanced with Hydrogen



**Belgium:** Ghent to start industrial scale production with Carbalyst and Torero smart carbon technologies in 2022 saving 350,000 tonnes CO2

**France:** Partnership with Air Liquide to supply hydrogen and CCS availability; in support of the Smart Carbon technology and the planned DRI installations. (CO2 savings of 2.85Mt by 2030 possible)

**Spain:** Successful blast furnace gas injection project at Asturias with further projects at several other integrated sites to enable higher rate of hydrogen coming from captive coke gas and later complemented with external H2. (Reduction of 125,000 tonnes CO2 a year) **Germany:** Flagship project in Hamburg (Europe's only operating DRI module). To be the first producer of DRI using 100% hydrogen. The commercial scale pilot could be operational in 2023-2025.

Bremen and Eisenhüttenstadt have prepared concept plans for decarbonisation via DRI and EAF. (More than 5.0Mt CO2 savings by 2030 possible).

### Grüner Stahl

### ArcelorMittal legt konkretes Konzept für grünen Stahl aus Eisenhüttenstadt und Bremen vor

Traditionelle Hochöfen haben langfristig ausgedient. Das wird auch klar bei dem jetzt vorgelegten Konzept für grünen Stahl aus Eisenhüttenstadt und Bremen von ArcelorMittal.

05. März 2021, 15:31 Uhr+Eisenhüttenstad Von lanet Neiser





# ESG embedded in marketing and finance strategies

XCarb<sup>™</sup> First three initiatives under the XCarb<sup>™</sup> umbrella launched and credit facility costs linked to ESG

### Marketing

XCarb<sup>™</sup> communicates to our stakeholders that ArcelorMittal is continuously working to meet society's need for steel with an ever-decreasing carbon footprint. XCarb projects help the company reach its net zero target by 2050.



 Two products that respond to customer demand for low carbon steel, covering both primary and secondary steelmaking:



XCarb™ green steel certificates

Our industry-first green steel certificates allow customers to report an equivalent reduction in their Scope 3 emissions, in accordance with the Greenhouse Gas Protocol.



XCarb™ recycled and renewably produced

XCarb<sup>™</sup> recycled and renewably produced steel is made from recycled steel using 100% renewable electricity in an Electric Arc Furnace.  A strategic investment fund to accelerate our decarbonisation



XCarb™ innovation fund

ArcelorMittal's XCarb™ innovation fund will invest in companies developing breakthrough technologies that will accelerate the steel industry's transition to carbon neutral steelmaking.

### Finance

ArcelorMittal amends its \$5.5bn Revolving Credit Facility to align with its sustainability strategy linking to CO2 reduction and ResponsibleSteel site certification



### Working to drive alignment across steel industry

ArcelorMittal is partnering in initiatives with industry and civil society to develop pathways to net zero



# Nission Possible Partnership

**Core Partners** 

















# Our approach to sustainable development: governance

Sustainable development underpins the Company's purpose: Inventing smarter steels for a better world

- Sustainability progress overseen each quarter by the Board's Appointments, Remuneration, Corporate Governance & Sustainability Committee (ARCGS) → three independent directors, chaired by lead independent director.
- Five sustainability themes used to ensure focus on all aspects of sustainability over the year, via dashboards and progress reports.
- Coordination of sustainability strategy is led by an Executive Officer, reporting directly to the CEO office.
- Materiality assessed on ongoing basis through bottom up and top down processes. Key issues flagged to ARCGS. Safety, climate and diversity are currently the priority areas of focus.
- ResponsibleSteel and IRMA certification programme to drive consistent standards of governance across key sites.



### Our 10 SD outcomes

- 1. Safe, healthy, quality working lives for our people
- 2. Products that accelerate more sustainable lifestyles
- 3. Products that create sustainable infrastructure
- 4. Efficient use of resources and high recycling rates
- 5. Trusted user of air, land and water
- Responsible energy user that helps create a lower carbon future
- 7. Supply chains that our customers trust
- 8. Active and welcomed member of the community
- 9. Pipeline of talented scientists and engineers for tomorrow
- Our contribution to society measured, shared and valued Underpinned by transparent good governance

10 SD outcomes = our equivalent of 17 UN SDGs



# Strong record of disclosure on sustainability, focusing on our material issues

- Integrated Annual Review framed around material issues:
  - Health and safety
  - Strategic plan / achieving financial value
  - Innovating smarter steels
  - Climate change
  - Environmental and social sustainability
- Factbook: >150 ESG metrics published each year



- Leadership in climate disclosure and reporting
- Global report on industry parameters for climate transition
- Europe report with roadmap to 30% reduction by 2030
- Second global report published 2021





### **Integrated Annual Review**

**Factbook** 





**European Climate Action Report** 



Climate Action Report

# Inventing smarter steels for a better world

- Our innovations offer our customers solutions to enhance their contribution to a low carbon and circular economy
- Steligence<sup>®</sup> enables architects and engineers to design building solutions that minimise material use while maximising space, flexibility and end of life recyclability
- Our new S-in motion<sup>®</sup> customizable chassis steel solutions enable carmakers to extend range and enhance safety at the most affordable cost.
- Magnelis<sup>®</sup> offers enhanced corrosion resistance for solar projects in harsh conditions, even in deserts and on water







# S-in motion<sup>®</sup> suite of automotive design solutions

ArcelorMittal's answer to the new automotive market challenges

ArcelorMittal generic steel solutions include **BIW**, **closures**, **chassis parts** and seats for all vehicle segments New ArcelorMittal initiatives were launched to answer current automotive market challenges:

- Continuous safety/customer requirements performance increase
- Reduction of CO<sub>2</sub> emissions and Recycling & Life Cycle Assessment
- Emergence of new powertrains & vehicle electrification (PHEV, BEV,...)

### ArcelorMittal BIW solutions for ICE developed over the last 10 years



S-in motion<sup>®</sup>

**B-Segment** 

S-in motion<sup>®</sup> S-in motion® Mid-size Sedan **C-Segment** 

S-in motion® Mid-size SUV

S-in motion® Light Commercial





- US - EV market share - Europe - EV market share - China - EV market share - EV Global share of sales

Electrification to sharply increase pushed by

Ex: China NEV 50% sales by 2035 ; UK ICE

2018

019 3 21 8 8 ŝ 9

legislations and carmakers vehicles offer.

Climate change target, regional C02

2016 2017



ArcelorMittal new solutions for vehicle

electrification (started in '18)

8



Mid-size SUV Mid-size SUV PHEV **BEV** 

Outlook for EV market share by major region

phase out in 2030.

2011 2013 2014 2015

Source: Deloitte analysis, IHS Markit, EV-Volumes.com<sup>1</sup>

50%

40%

30%

20%

10%

010

S-in motion® **Battery Pack** for **BEV** 

S-in motion<sup>®</sup> Rear Chassis for BEV

ArcelorMittal is able to propose high performing steel solutions to meet the challenge of car makers and the electrification, and deploy the solutions in co-design activities with OEMs



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# Steel is essential in the transition to a low emissions world

• Steel intensity in energy sector is increasing with the transition to low carbon sources of energy generation





Steel is a permanent material, recycled again and again and again ...

• Steel is very easy to recycle – our recycle rate outperforms the materials we compete with







# Primary steel will continue to be needed to meet global demand until 2100

 Availability of scrap is limited due to its "finite" nature, dependent on disposal at end of life of products, equipment and buildings. Decarbonisation efforts must focus on primary steelmaking.



- Amount of secondary sources will increase over the coming decades; electricity will become green over this period
- Still, the world will continue to rely on primary sources to produce steel in 2050
- Today we use coal and natural gas as energy; steel industry will have to transition to clean energy sources



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# Making carbon-neutral steel: Smart Carbon technologies at mature stage



# Innovative hydrogen DRI Advanced experience of DRI in Europe gives ArcelorMittal an advantage

### Hydrogen DRI plans across Europe

### Germany:

 Bremen and Eisenhüttenstadt have prepared concept plans for decarbonization via DRI and EAF

### France:

 Partnership with Air Liquide to supply H2 and CCS availability; in support of the Smart Carbon technology and the planned DRI installations



### Hydrogen in Hamburg, Germany

- DRI plant in Hamburg is the sole example of DRI production experience in Europe
- Plans for conversion of Hamburg plant to climate-neutral steel production in four steps by 2030, starting with industrial scale demonstration, producing DRI via 100% hydrogen to produce 100,000t sponge iron pa
- Announcement of the Hamburg Hydrogen Network (HHN) formation with 11 other companies, to progress local electrolysis, sea-side imports and connection to the emerging European hydrogen network



# Cost of decarbonising to net zero by 2050 for ArcelorMittal Europe

ArcelorMittal is committed to being net zero by 2050 with a broad and flexible innovation strategy, but role of policy is critical

### Estimated range of costs of reaching net zero by 2050

(using either Smart Carbon or Hydrogen DRI routes)

	Capital investment needed		Production cost
	Clean energy infrastructure (external investment)	ArcelorMittal Europe (capex)	(Capex + opex)
Smart Carbon	€15-165¹ bn	€15-25bn	+30-60% <sup>1</sup>
Hydrogen DRI route	€40-200² bn	€30-40bn	+50%-80% <sup>2</sup>

- 1. Lower end of range leverages bioenergy and carbon capture storage (CCS) infrastructure; high end of range leverages green hydrogen infrastructure
- 2. Lower end of range leverages carbon capture storage (CCS) and blue hydrogen infrastructure; high end of range leverages green hydrogen infrastructure



# Carbon-neutral steel: Company has clear position on its decarbonization needs ArcelorMittal is committed to becoming net zero by 2050; broad and flexible innovation strategy, but policy will play a key part

### Policy support is vital for 1.5°C alignment

- Companies need to make large scale investments and bear higher opex costs to reach 1.5°C alignment
- European steel disadvantaged vs. rest of world due to carbon price of EU ETS
- Strong policy support required to transition to net zero
  - Creating conditions where net zero steel is more cost competitive than steel which is not e.g. ETS or carbon tax
  - ✓ A fair competitive landscape that accounts for the global nature of the steel market, ensuring domestic, imports and exports are subject to equivalent CO₂ regulations
  - ✓ Financial support to innovate and make long-term investments e.g. contracts for difference
  - Access to clean energy and infrastructure at affordable prices e.g. bioenergy, CCS, green hydrogen
  - Incentives for consumers to adopt net zero steel in favour of business as usual

### Creating an environment where carbon-neutral steel is more competitive than steel that is not carbon-neutral





# Mapping of membership associations – climate policy



Report on the climate-related policy positions of ArcelorMittal's membership associations:

Preliminary report

May 2020

- Report represents the results of our first mapping exercise of the position of our membership organisations, as of December 2019
- Contents reviewed by members of the Climate Change & Environment Committee and approved by the Executive officer responsible for climate change



- As the position of either ArcelorMittal or our membership associations evolves, we will update this report with oversight from the Appointments, Corporate Governance and Sustainability Committee of the Board.
- Next mapping planned Q2-3 2021.



# ResponsibleSteel

A new global sustainability standard for the steel industry

- Providing a multi-stakeholder forum to build trust and achieve consensus;
- Developing standards, certification and related tools;
- Driving positive change through the recognition and use of responsible steel makers and products.





ResponsibleSteel Standard Version 1.0

5 November 2019



- Multi-stakeholder standard
- Independent assurance and oversight
- Intended to drive up standards over time
- Value to customer and steelmaker



### Full Members (voting rights)

**Business Members** Anglo-American Aperam ArcelorMittal Australian Steel Mill Services Pty Ltd BHP Bilecik demir celik BlueScope BMW **Carport Central Inc** CLN Group S.p.A Daimler AG Ferrexpo Plc HARSCO Grimshaw Global Heathrow HSBC Hyundai Steel Lendlease outokumpu Tata Steel Teck VAMA voestalpine US Steel

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**Civil Society Members** Bio Regional CDP Clean Air Task Force (CATF) Fauna & Flora International IndustriALL IUCN MERG Mighty Earth The Climate Group We Mean Business

### Associate Members (non-voting)

HERA

ACRS Afnor Group **AURA Financial** Australian Steel Institute Australian Supply Chain Sustainability School **Better Coal** Carbon Chain CARES **Challenge Sustainability Climate Bond Initiative Cobalt Institute CSR** Europe **DNV GL** EGGA Equitable Origin ERM **ERM CVS** European Outdoor Group Exova – BM Trada GCL International Green Building Council of Australia (GBCA) GUTcert GmbH Hatch UK

International Manganese Institute (IMnI) International Tin Association (ITA) International Zinc Association (IZA) IRMA Levin Sources Lloyd's Register MAC-TSM Mineria Responsable Consultores MobileGlobal Nickel Institute Pacific Institute People Planet Profit UG Russian Academy of Sciences – Institute of Geography **Russian Green Building Council** SCS Global Sourcemap Steel Research & Technology Mission of India Sustainability Assurance Services (SAS) Global GmbH Sustainable Steel Council SRI Quality Systems TERI Track Record Global United Certification Systems (UCS) University of Waterloo



Governance Principles

1. Corporate Leadership

# 2. Social, Environmental, Governance Management Systems

Social Principles

- 3. Occupational Health and Safety
- 4. Labour Rights
- 5. Human Rights
- 6. Local Communities
- 7. Stakeholder Engagement and Communication

# Environment Principles

- 8. Climate Change and Greenhouse Gas Emissions
- 9. Noise, Emissions, Effluents and Waste
- 10. Water Stewardship
- 11. Biodiversity



12. Decommissioning and Closure

Relationship between certified mine sites, certified steelmaking sites and certified steel products





# ArcelorMittal commits to ResponsibleSteel Site Certification





ArcelorMittal Commitment: All Europe Flat sites to be ResponsibleSteel certified



### ArcelorMittal Mining target: IRMA certification of all marketable mines by 2025



ArcelorMittal Mining Canada has already achieved assurance against TSM



We have asked our top suppliers of coal and iron ore to join one of these schemes.



"Responsible production techniques and standards have become increasingly important to our customers and consumers. It's at the heart of how we do business, giving our customers the reassurance that we meet their sustainability expectations."

Geert Van Poelvoorde CEO ArcelorMittal Europe Our approach to Human rights: through the lens of management control



# **ArcelorMittal Contacts**











5 November 2019

Daniel Fairclough – Global Head Investor Relations daniel.fairclough@arcelormittal.com +44 207 543 1105

Hetal Patel – UK/European Investor Relations hetal.patel@arcelormittal.com +44 207 543 1128 Maureen Baker – Fixed Income/Debt IR maureen.baker@arcelormittal.com +33 1 71 92 10 26

Donna Pugsley – Investor Relations Assistant Donna.pugsley@arcelormittal.com +44 203 214 2893

