

Resilient performance in challenging conditions; quarterly EBITDA of \$607m in 2Q'21

- Strong performance underpinned by robust global demand and recent resurgence in domestic market
- 2Q'21 crude steel production remained stable at 1.8Mt despite Covid-19 headwinds
- EBITDA grew by 50% quarter on quarter, from \$403m in 1Q'21 to \$607m in 2Q'21

Mumbai, 29 July 2021: ArcelorMittal Nippon Steel India (AM/NS India), a joint venture between ArcelorMittal and Nippon Steel, reports strong performance for the three months ended 30 June 2021, with EBITDA of \$607m (vs. \$107m in 2Q'20), a year on year increase of more than 450%. The company's crude steel production increased to 1.8Mt in 2Q'21 (vs. 1.2Mt in Q2'20), with annualized production unchanged from 1Q'21, at 7.3 Mt.

AM/NS India's primary focus during the quarter has been to support the critical healthcare response to the second wave of the pandemic and protecting our employees and communities across the country. Key relief-related initiatives in the past few months included:

- **Vaccination programme:** Successfully vaccinated all our employees, their family and business associates with the first dose while the drive for the second dose is under way; launched mass awareness campaign to encourage the public to vaccinate.
- **Medical supplies:** During the peak of the second wave, we swiftly mobilised the supply of 7000 units of medical grade oxygen cylinders and 2000 units of flow meters to the Governments. We converted nitrogen tankers to transport oxygen and supplied 260 metric tonnes of medical-grade oxygen each day from our Hazira plant to medical facilities across Gujarat and neighbouring states in this particular quarter.
- **Health infrastructure:** We set up a 250-bed COVID-19 hospital near our plant in Hazira in 72 hours, equipped to receive uninterrupted supplies of oxygen from the plant. This was quickly ramped up to 600 beds and is scalable to 1000.
- **Employee assistance:** We stood by the families of our team members, who unfortunately succumbed to the virus, offering support measures, including comprehensive financial assistance.

Operationally, the business continued to respond swiftly to external market conditions during the quarter, mitigating the negative impact of the second wave on domestic steel demand by redirecting steel supply to serve a buoyant export market. Towards the end of the quarter, the business saw encouraging signs of domestic demand revival, particularly from the automotive, white goods and infrastructure sectors. As a result, crude steel production in 2Q'21 remained stable at 1.8 MTPA, close to the levels achieved 1Q'21.

Mr. Aditya Mittal, Chairman AM/NS India and CEO ArcelorMittal, said: “We have focused our energies on supporting India and our communities to mitigate the effects of the second wave of the pandemic. We worked with state governments and the country’s healthcare systems to protect our workforce and local societies by providing them with timely and critical medical aid. The safe and secure operation of our plants, too, has been paramount to ensure minimal disruption as domestic demand recovers. AM/NS India’s progress in the 18 months since its inception is an excellent foundation to advance our plans to pursue both organic expansion and strategic opportunities in support of India’s growing economy. Its solid operational and financial performance is testament to our management’s and employees’ ability to adapt and respond with agility during an extraordinarily challenging period for the entire country.”

Progressing strategic initiatives

- At Odisha, we are nearing the completion of doubling the capacity of our pellet plant to 12 MTPA; commissioning is expected in 3Q’21. With this addition, the overall pellet capacity of AM/NS India in the country will increase from 14 MTPA to 20 MTPA
- Operations at our Sagasahi iron ore mine in Odisha are due to come on stream in 3Q’21
- We continue to advance plans to expand steelmaking capacity in India to up to 30 MTPA:
 - Doubling of steel production capacity at Hazira, Gujarat, to 18 MTPA. Debottlenecking of existing operations is under way to achieve 8.4 MTPA; medium and long-term plans to ramp up capacity to 14 MTPA and 18 MTPA respectively remain in place.
 - We have also signed an MoU with state government of Odisha to set up a 12 MTPA greenfield integrated steel plant.

AM/NS India’s strong cash generation and balance sheet strength will continue to support the funding requirements of our long-term growth plans.

About AM/NS India:

AM/NS India is a joint venture between ArcelorMittal and Nippon Steel, two of the world’s leading steel manufacturing organisations. A leading integrated flat carbon steel producer in India, the company has an achievable crude steel capacity of around 9 million tonnes per annum. It produces a full diversified range of flat steel products, including value-added steel, and has a pellet capacity of 14 million tonnes with another 6 million tonnes expansion plan in the pipeline.

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