

# Second Quarter 2023 Earnings Call

July 26, 2023





# 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; the Russian war on Ukraine; the inability to meet customer demand and quality requirements; the loss of key customers, suppliers or other business relationships; supply disruptions; excessive inflation; 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 VAR, 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. VAR, 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

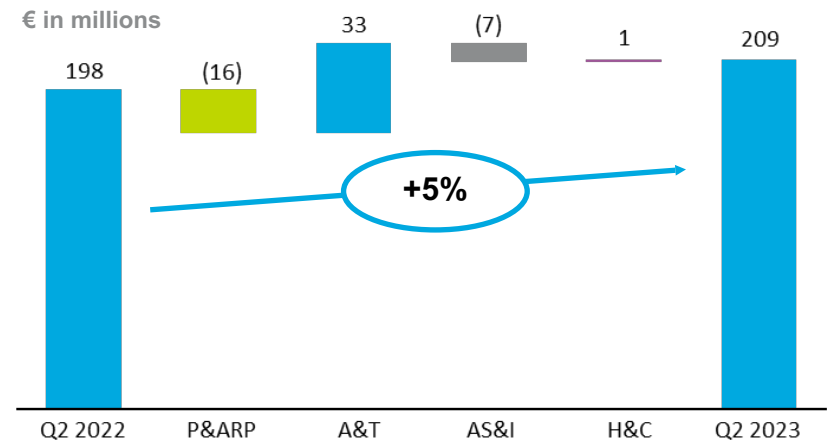


# Q2 2023 Highlights

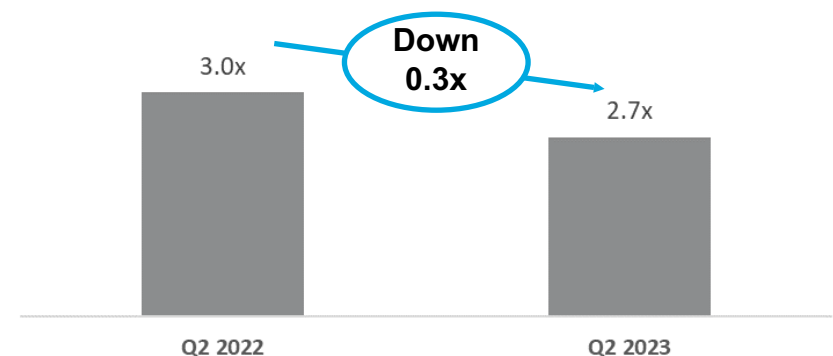
- **Safety:** YTD recordable case rate<sup>(1)</sup> of 1.9
- **Shipments:** 398kt (-6% YoY)
- **Revenue:** €2.0 billion (-14% YoY)
- **Value-Added Revenue:** €785 million (+11% YoY)
- **Net income:** €32 million
- **Record Adjusted EBITDA:** €209 million (+ 5% YoY)
  - Record Adjusted EBITDA in A&T
- **Cash from Operations:** €133 million
- **Free Cash Flow:** €68 million
- **Leverage:** 2.7x at June 30, 2023
- Announced sale of our soft alloy extrusion business in Germany for cash consideration of €48.8 million

<sup>(1)</sup> Recordable case rate measures the number of fatalities, serious injuries, lost-time injuries, restricted work injuries, or medical treatments per one million hours worked.

## Adjusted EBITDA Bridge



## Net Debt / LTM Adjusted EBITDA



**Very strong Q2 results despite significant inflationary headwinds**

**Jack Guo**

Chief Financial Officer

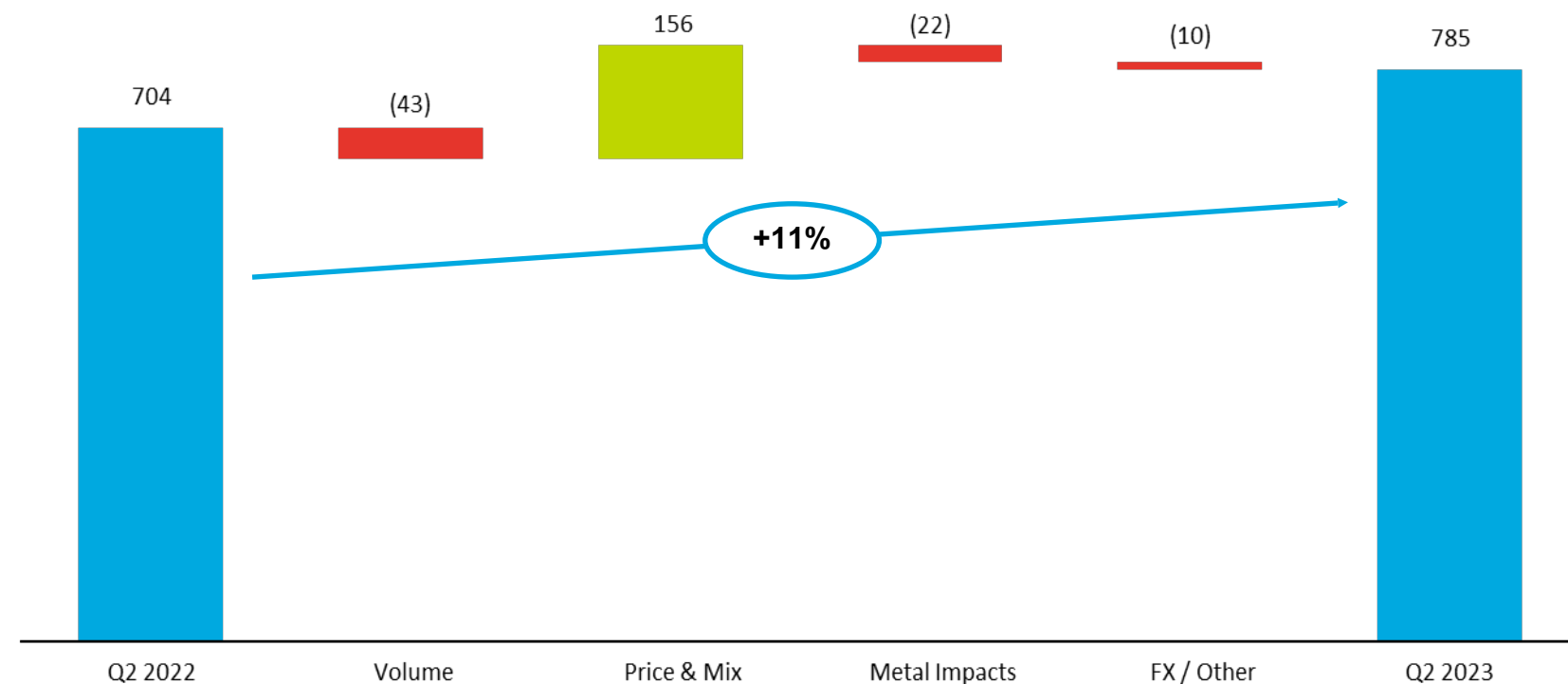




# Value-Added Revenue Bridge

## Q2 2023 vs. Q2 2022

€ millions



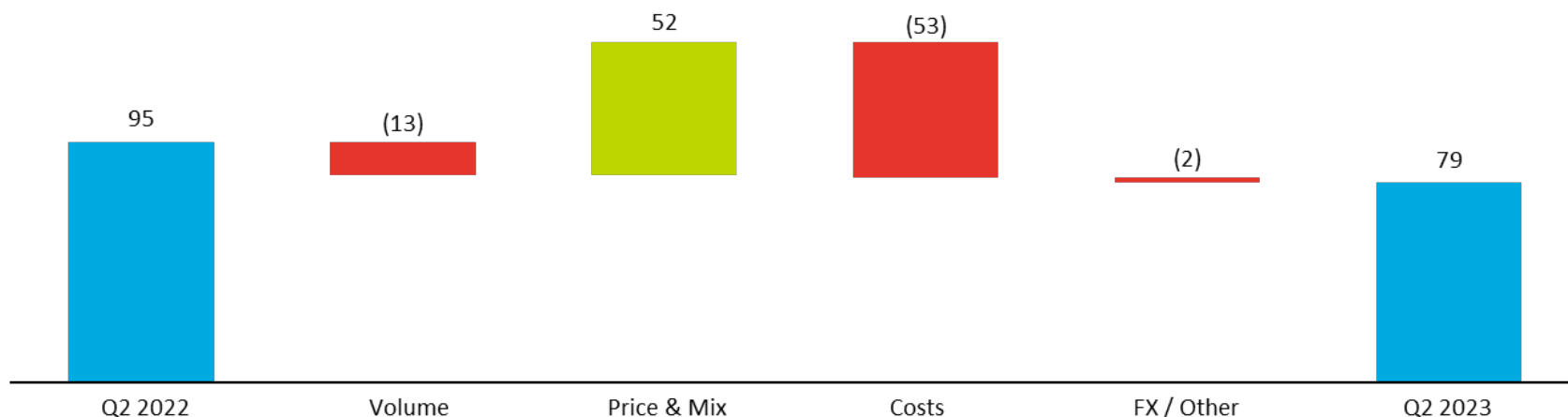
# Packaging & Automotive Rolled Products

## Q2 2023 Performance

- Adjusted EBITDA of €79 million
- Higher automotive shipments; lower packaging and specialty shipments
- Improved price and mix
- Higher operating costs mainly due to inflation, operating challenges at Muscle Shoals and unfavorable metal costs

	Q2 2023	Q2 2022	%Δ
Shipments (kt)	272	292	(7)%
Revenue (€m)	1,049	1,348	(22)%
Adj. EBITDA (€m)	79	95	(17)%
Adj. EBITDA (€ / t)	291	327	(11)%

## Q2 Adjusted EBITDA Bridge





# Aerospace & Transportation

## Q2 2023 Performance

- Adjusted EBITDA of €96 million
- Higher aerospace shipments; lower TID shipments
- Improved price and mix
- Higher operating costs mainly due to inflation and increased activity levels

	Q2 2023	Q2 2022	%△
Shipments (kt)	60	60	—%
Revenue (€m)	464	461	1%
Adj. EBITDA (€m)	96	63	53%
Adj. EBITDA (€ / t)	1,613	1,056	53%

## Q2 Adjusted EBITDA Bridge



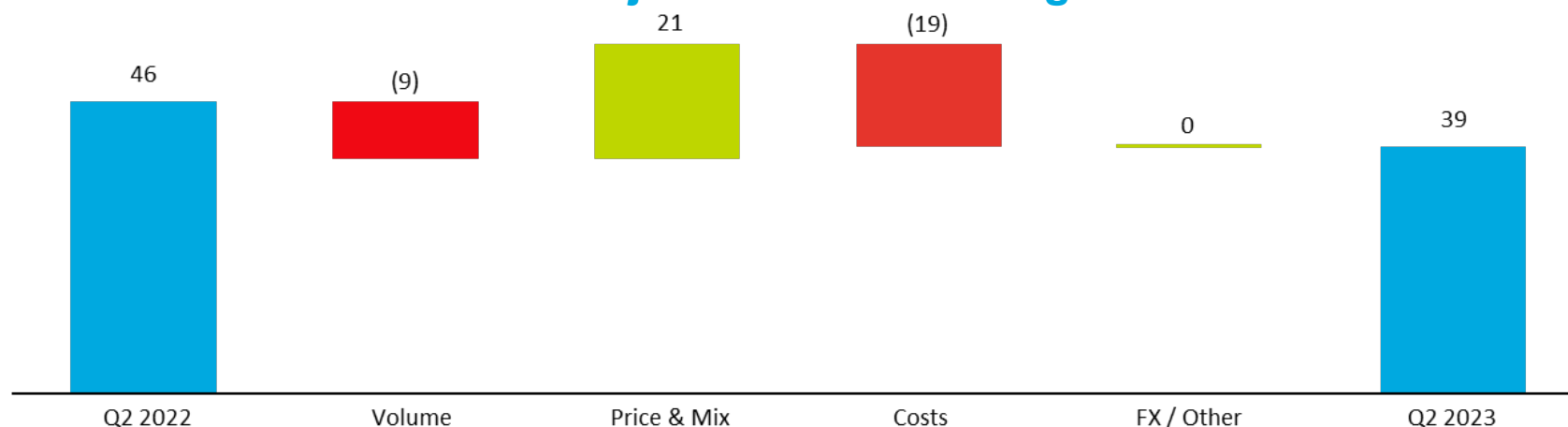
# Automotive Structures & Industry

## Q2 2023 Performance

- Adjusted EBITDA of €39 million
- Higher automotive shipments; lower industry shipments
- Improved price and mix
- Higher operating costs mainly due to inflation

	Q2 2023	Q2 2022	%△
Shipments (kt)	66	72	(8)%
Revenue (€m)	443	501	(12)%
Adj. EBITDA (€m)	39	46	(15)%
Adj. EBITDA (€ / t)	597	641	(7)%

## Q2 Adjusted EBITDA Bridge



# Managing the Current Inflationary Environment

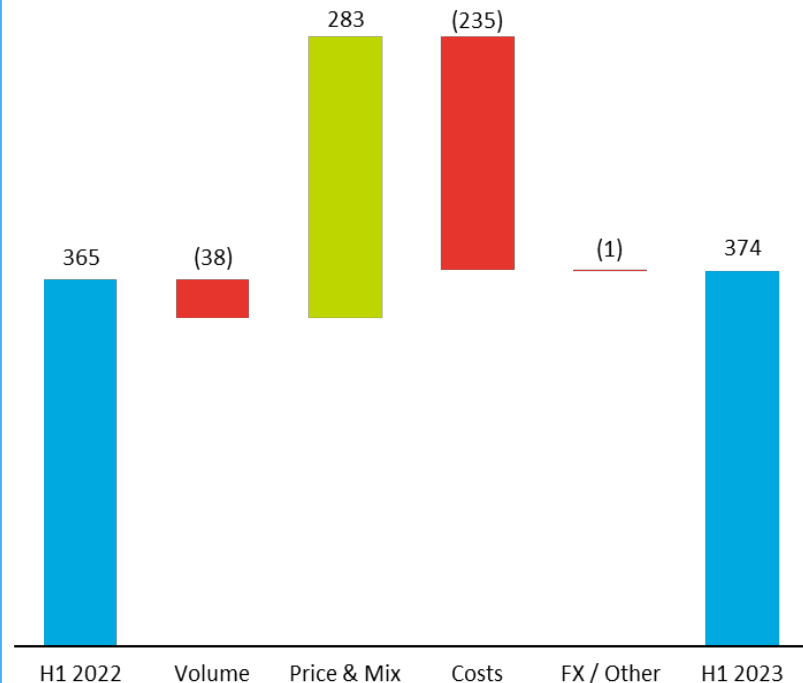
## Cost Pressures and Mitigants

- Broad based and significant inflationary pressures expected to continue throughout 2023
  - Metal supply remains tight
  - Higher costs for alloying elements
  - Labor and other non-metal costs higher, particularly European energy
- A number of tools working to offset inflation:
  - Solid cost control by businesses, including Vision '25 initiatives
  - Inflationary protections (i.e. PPI inflators)
  - Contracts with better pricing and better protections

## Addressing Inflationary Pressures

### YTD Adjusted EBITDA Bridge (2023 vs. 2022)

€ millions



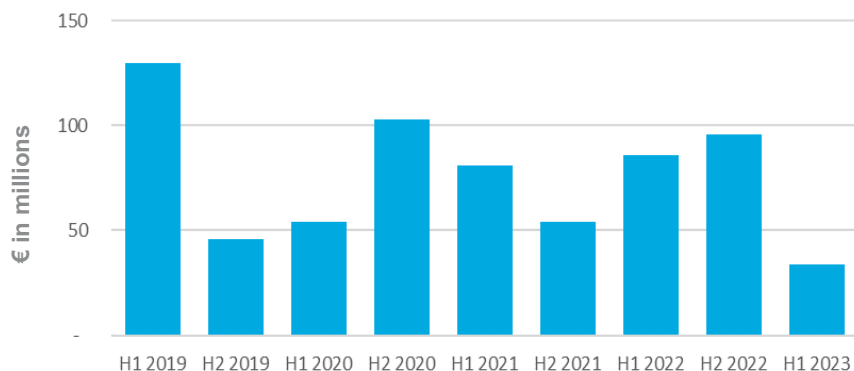
**Inflation is significant but manageable;  
largely offset by improved pricing and our relentless focus on cost control**

# Free Cash Flow

## H1 2023 Free Cash Flow Highlights

- Free Cash Flow of €34 million
- Strong Adjusted EBITDA
- Higher capital expenditures
- Increase in working capital
- Higher cash interest
- Lower cash taxes

## Track Record of Free Cash Flow Generation



## H1 2023

## H1 2022

€ in millions

Net cash flows from operating activities	167	169
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Purchases of property, plant and equipment, net of grants received	(133)	(83)
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<b>Free Cash Flow</b>	<b>34</b>	<b>86</b>
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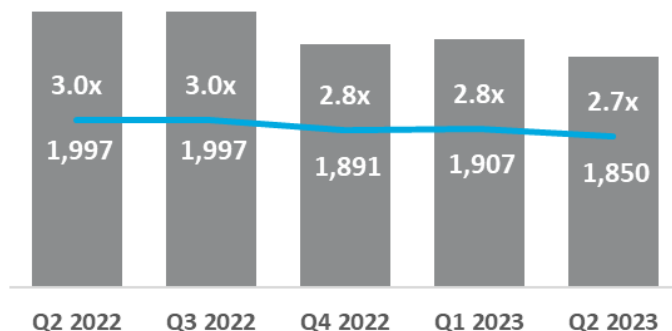
## Current 2023 Expectations

- Free Cash Flow: >€150 million
- Capex: €340-350 million
- Cash interest: ~€120 million
- Cash taxes: ~€30 million
- TWC: modest use of cash

# Net Debt and Liquidity

## Net Debt and Leverage

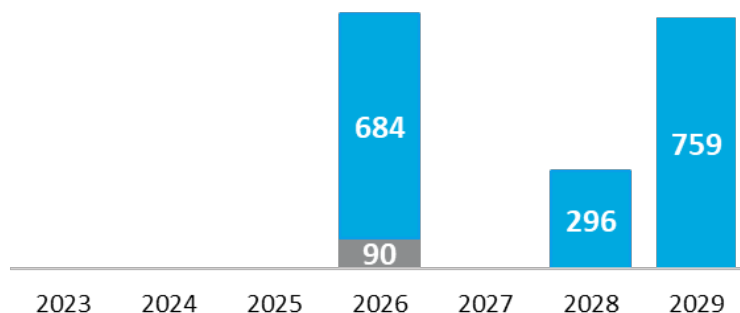
€ in millions



Leverage: Net Debt / LTM Adjusted EBITDA

## Maturity Profile<sup>(1)</sup>

€ in millions

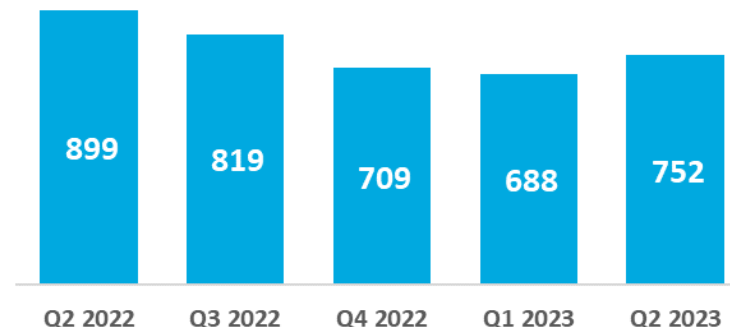


## Debt / Liquidity Highlights

- Leverage at 2.7x, a multi-year low
  - Balance sheet approaching target leverage of 2.5x; long-term target leverage range of 1.5x to 2.5x
  - Completed redemption of \$50 million of 2026 bonds in July 2023
- No near-term bond maturities
- Strong liquidity position

## Liquidity

€ in millions



**Strong balance sheet and improved financial flexibility give us confidence to manage varying business conditions**

# Jean-Marc Germain

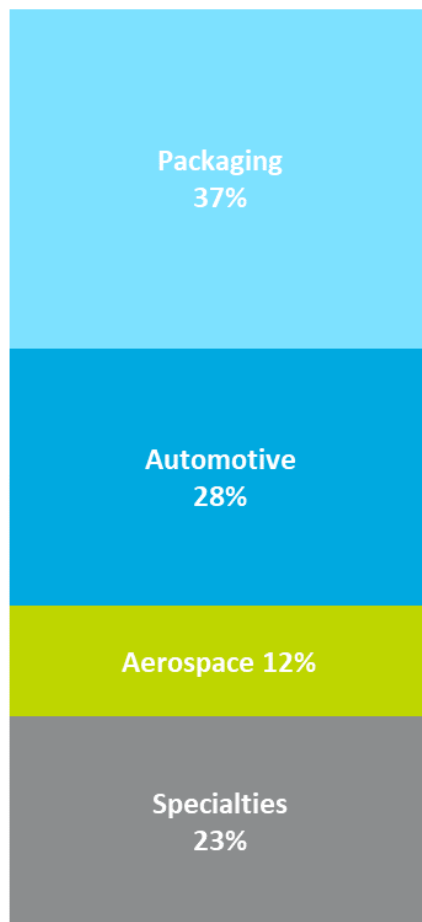
Chief Executive Officer



# End Market Updates

## A Diversified Platform

### LTM Revenue by End Market



Market	Commentary
<b>Packaging</b>	<ul style="list-style-type: none"> <li>Inventory adjustments continue in North America and Europe</li> <li>Still seeing signs of demand weakness in both regions given current inflationary environment, lack of promotional activity and following the multi-year period of rapid growth during COVID</li> <li>Long-term trends remain in place with low to mid single digit growth expected in both North America and Europe</li> </ul>
<b>Automotive</b>	<ul style="list-style-type: none"> <li>Production of light vehicles remains well below pre-COVID levels; shipments have improved though uncertainty remains in order books</li> <li>Dealer inventories remain low; consumer demand for luxury cars, light trucks, and SUVs remains strong</li> <li>Lightweighting megatrend driving increased demand for rolled and extruded products; electrification trend gaining momentum</li> </ul>
<b>Aerospace</b>	<ul style="list-style-type: none"> <li>Major OEMs have announced narrow body build rate increases; recovery continued in 2Q 2023 with shipments up 30% YoY, though still below pre-COVID levels</li> <li>Long-term trends expected to remain intact, including increased passenger traffic and higher build rates for narrow and wide body aircraft</li> <li>Demand strong in business/regional jet, defense and space</li> </ul>
<b>Other Specialties</b>	<p><u>Transportation, Industry and Defense (Rolled):</u></p> <ul style="list-style-type: none"> <li>Demand remains strong in markets like defense and North America transportation</li> <li>Continued weakness in other markets; demand in North America more stable than Europe</li> </ul> <p><u>Industry (Extrusions):</u></p> <ul style="list-style-type: none"> <li>Europe: Demand still strong in sectors like solar; demand weak in other markets</li> </ul>



# Key Messages and Guidance

## Strong performance in 2Q 2023

- Record Adjusted EBITDA despite a number of challenges including significant inflationary pressures
- Aerospace and automotive shipments continued to rebound
- Solid operational performance and strong cost control
- Leverage of 2.7x at quarter-end, a multi-year low

## Exciting future ahead with opportunities to grow our business and enhance profitability and returns

- Diversified portfolio serving resilient end markets
- Durable, sustainability-driven secular growth trends driving increased demand for our products
- Infinitely recyclable aluminium is part of the circular economy
- Substantial value creation opportunities remain longer term; planting the seeds today for future growth and profitability
- Execution focused with proven ability to flex costs
- Balance sheet rapidly approaching target leverage with improved financial flexibility

### Targets

**2023 Adjusted EBITDA:**  
€700 to €720 million

**2023 Free Cash Flow:**  
>€150 million

**Long-Term Adjusted EBITDA:**  
>€800 million by 2025

**Long-Term Leverage:**  
1.5x - 2.5x

**Focused on executing our strategy, delivering our long-term EBITDA guidance, achieving our ESG objectives and increasing shareholder value**



# Appendix



# VAR Reconciliation

(in millions of Euros)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Revenue	1,950	2,275	3,906	4,254
Hedged cost of alloyed metal	(1,188)	(1,550)	(2,398)	(2,777)
Revenue from incidental activities	(7)	(5)	(14)	(11)
Metal price lag	30	(16)	45	(110)
<b>VAR</b>	<b>785</b>	<b>704</b>	<b>1,539</b>	<b>1,356</b>
Adjusted EBITDA	209	198	374	365
VAR Margin	26.6%	28.1%	24.3%	26.9%



# Reconciliation of Net Income to Adjusted EBITDA

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<i>(in millions of Euros)</i>				
<b>Net income / (loss)</b>	<b>32</b>	<b>(32)</b>	<b>54</b>	<b>147</b>
Income tax expense / (benefit)	12	(4)	17	35
<b>Income / (loss) before tax</b>	<b>44</b>	<b>(36)</b>	<b>71</b>	<b>182</b>
Finance costs - net	35	32	70	62
<b>Income / (loss) from operations</b>	<b>79</b>	<b>(4)</b>	<b>141</b>	<b>244</b>
Depreciation and amortization	72	70	144	136
Unrealized losses on derivatives	20	141	28	84
Unrealized exchange losses from the remeasurement of monetary assets and liabilities - net	1	2	—	1
Share based compensation costs	7	5	10	9
Metal price lag	30	(16)	45	(110)
Losses on disposal	—	—	6	1
<b>Adjusted EBITDA</b>	<b>209</b>	<b>198</b>	<b>374</b>	<b>365</b>



# Free Cash Flow Reconciliation

(in millions of Euros)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net cash flows from operating activities	133	111	167	169
Purchases of property, plant and equipment, net of grants received	(65)	(51)	(133)	(83)
<b>Free Cash Flow</b>	<b>68</b>	<b>60</b>	<b>34</b>	<b>86</b>

(in millions of Euros)

	H2 2022	H1 2022	H2 2021	H1 2021
Net cash flows from operating activities	282	169	209	148
Purchases of property, plant and equipment, net of grants received	(186)	(83)	(155)	(67)
<b>Free Cash Flow</b>	<b>96</b>	<b>86</b>	<b>54</b>	<b>81</b>

(in millions of Euros)

	H2 2020	H1 2020	H2 2019	H1 2019
Net cash flows from operating activities	182	152	187	260
Purchases of property, plant and equipment, net of grants received	(79)	(98)	(141)	(130)
<b>Free Cash Flow</b>	<b>103</b>	<b>54</b>	<b>46</b>	<b>130</b>



# Net Debt Reconciliation

(in millions of Euros)

	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Borrowings	2,028	2,099	2,056	2,169	2,158
Fair value of net debt derivatives, net of margin calls	—	1	1	(1)	(5)
Cash and cash equivalents	(178)	(193)	(166)	(171)	(156)
<b>Net Debt</b>	<b>1,850</b>	<b>1,907</b>	<b>1,891</b>	<b>1,997</b>	<b>1,997</b>
LTM Adjusted EBITDA	682	672	673	672	655
Leverage	2.7x	2.8x	2.8x	3.0x	3.0x

# Reconciliation of Net Income to Adjusted EBITDA

(in millions of Euros)

	Twelve months ended				
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
<b>Net income</b>	<b>215</b>	<b>151</b>	<b>308</b>	<b>285</b>	<b>253</b>
<b>Income tax (benefit) / expense</b>	(123)	(139)	(105)	(100)	57
<b>Income before tax</b>	<b>92</b>	<b>12</b>	<b>203</b>	<b>185</b>	<b>310</b>
Finance costs - net	139	136	131	139	137
<b>Income from operations</b>	<b>231</b>	<b>148</b>	<b>334</b>	<b>324</b>	<b>447</b>
Depreciation and amortization	295	293	287	281	275
Restructuring costs	1	1	1	—	—
Unrealized (gains) / losses on derivatives	(10)	111	46	97	93
Unrealized exchange losses / (gains) from the remeasurement of monetary assets and liabilities - net	—	1	1	2	1
(Gains) / losses on pension plan amendments	(47)	(47)	(47)	30	30
Share based compensation costs	19	17	18	17	17
Metal price lag	184	139	29	(83)	(212)
Losses on disposals	9	9	4	4	4
<b>Adjusted EBITDA</b>	<b>682</b>	<b>672</b>	<b>673</b>	<b>672</b>	<b>655</b>



# Borrowings Table

	At June 30, 2023						At December 31, 2022
(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)	\$ 97	Floating	89	—	1	90	81
Senior Unsecured Notes							
<i>Issued November 2017 and due 2026</i>	\$ 300	5.875%	276	(2)	6	280	285
<i>Issued November 2017 and due 2026</i>	€ 400	4.250%	400	(3)	7	404	403
<i>Issued June 2020 and due 2028</i>	\$ 325	5.625%	299	(4)	1	296	301
<i>Issued February 2021 and due 2029</i>	\$ 500	3.750%	460	(5)	4	459	467
<i>Issued June 2021 and due 2029</i>	€ 300	3.125%	300	(4)	4	300	300
Lease liabilities			157	—	—	157	168
Other loans			42	—	—	42	51
<b>Total Borrowings</b>			<b>2,023</b>	<b>(18)</b>	<b>23</b>	<b>2,028</b>	<b>2,056</b>
Of which non-current						1,831	1,908
Of which current						197	148