



ArcelorMittal

ArcelorMittal South Africa Limited

(Incorporated in the Republic of South Africa)

(Registration Number 1989/002164/06)

Share Code: ACL ISIN: ZAE000134961

("ArcelorMittal South Africa" or "the Company")

TRADING STATEMENT AND BUSINESS UPDATE FOR THE YEAR ENDED 31 DECEMBER 2020

In terms of the JSE Limited Listings Requirements (the "**Listings Requirements**"), the Company is required to publish a trading statement as soon as there is a reasonable degree of certainty that the financial results for the year ended 31 December 2020 ("**the period**") to be released on the Johannesburg Stock Exchange News Service ("**SENS**") on 11 February 2021, are expected to differ by at least 20% from those of the previous corresponding reporting period ("**the comparative period**").

Based on information currently available, shareholders are advised that the Company expects:

- headline loss for the period to decrease by at least R1 000 million (headline loss for 2019 was R3 265 million), resulting in a decrease in headline loss per share by at least 91 cents or 30%.
- an attributable loss for the period to decrease by at least R2 200 million (loss for 2019 was R4 676 million), resulting in a decrease in loss per share by at least 200 cents or 47%.

The financial information on which this trading update is based has not been reviewed and reported on by the Company's external auditors.

A further trading statement will be released as soon as the Company has reasonable certainty on the expected headline earning per share and attributable loss per share ranges for the period as required by the Listings Requirements.

BUSINESS UPDATE

2020 proved to be an exceptionally difficult year with unprecedented challenges. Despite this, the year also proved to be highly transformative with constructive learnings, best demonstrated through the Company's return to EBITDA profitability in the second half of the year, in sharp contrast to the significant first half loss materially influenced by the hard-economic lockdown. The pandemic necessitated the accelerated implementation of the Company's ongoing restructuring program realising sustainable cost benefits.

Almost without exception, major steel making economies around the globe struggled to respond to meet demand in a timely manner. Internationally, this restoration effort remains a work-in-progress. Against the backdrop of a difficult 2020 resulting in temporary backlogs (which are being progressively addressed) due to the hard lockdown and consequent production interruptions, as well as destocking in downstream steel market inventories, the decision was made to restart the second blast furnace at Vanderbijlpark in December 2020 to support flat steel supply. It was also decided that the electric arc furnace at Vereeniging, which

was scheduled to be placed under care and maintenance in the third quarter of 2020, will continue to operate for the foreseeable future in support of long steel supply.

Rising international steel prices, particularly in the fourth quarter of 2020, were the consequence of global supply steel shortages due to a sharper than expected recovery in virtually all international markets, nine-year-high iron ore prices, and increasing scrap and other raw material prices. By late December 2020 and into early January 2021, international steel prices rose to levels last seen in 2008.

ArcelorMittal South Africa's preliminary reviewed condensed consolidated financial statements for the year ended 31 December 2020 will be released on SENS on 11 February 2021 with a virtual presentation on the same day. The presentation will be available for all stakeholders on the Company's website at www.arcelormittalsa.com.

Vanderbijlpark
29 January 2021

For further information please contact:
Company Secretary
FluidRock Co Sec (Pty) Ltd
016 -889 4077

Tami Didaza: Manager: Corporate Communications
Tel: (016) 889 2549

Sponsor to ArcelorMittal South Africa Limited
Absa Bank Limited (acting through its Corporate and Investment Banking division)

