



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 SIX MONTHS ENDED 30 JUNE 2022

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements ("JSE Listing Requirements"), a listed company is required to publish a trading statement as soon as the Company is satisfied that a reasonable degree of certainty exists that the financial results for the six months ended 30 June 2022 ("the period") are expected to differ by at least 20% or more from the financial results for the previous corresponding period ("the comparative period").

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

- The earnings per share to improve from R2.02 profit per share for the comparative period to a profit within a range of R2.66 and R2.86 per share for the period (representing an improvement between 32% and 42% when compared to the comparative period).
- The headline earnings per share are expected to improve from R2.23 headline profit per share for the comparative period to a headline profit per share within a range of R2.61 and R2.81 per share for the period (representing an improvement between 17% and 26% when compared to the comparative period).

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

BUSINESS UPDATE

On 10 February 2022, at the announcement of the Company's 2021 full year financial results, the outlook for the coming six months was overall positive, though with demand returning to more normal levels and steel pricing generally being supported by raw material pricing trends. Central banks' responses to rising inflation was flagged as a risk.

Broadly assessed, the Company has successfully delivered against its predicted outlook and, in some instances, outperformed its own expectation. That said, the specifics of the delivery were far more complicated given the unavailability of the rail service; the impact on customers of the destructive flooding in KwaZulu-Natal; a two-week labour strike and unnecessary associated violence, intimidation, criminality and misconduct; and severe electricity load shedding which is proving to be particularly disruptive to suppliers and customers.

In the wake of the global pandemic and reverberating effects of the Russia-Ukraine conflict, global economic activity is expected to slow to 2.3% in 2022. After a substantial increase in international steel prices in May 2022, prices started correcting from June. In developing economies, the positivity in the near-term improvement in some commodity exports more than offsets headwinds of global inflation and tighter monetary policy. Growth in these regions has been reduced to 3.0%.

Understandably therefore, slowing economic growth and the heightened risk of a global recession present challenges for the outlook of commodities and steel demand in the next 12 to 18 months. In China, the world's largest steelmaker, plants are being idled to reduce high inventories and address weak orders. Inflation is at its highest levels in decades across many parts of the world. Inflationary pressures are expected to continue at least through 2022. It is against this backdrop that the Company is intensifying its Value Plan Programme in preparation for the more difficult trading environment which lies ahead.

More positively, and of particular importance, is that the long-term investment case for steel remains intact given steel's inherently vital role in the transition to a low carbon, circular economy.

ArcelorMittal South Africa's results for the six months ended 30 June 2022 will be released on SENS on 28 July 2022, 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
20 July 2022

For further information please contact:
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Company Secretary: FluidRock Co Sec (Pty) Ltd

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

