Fourth Quarter 2019 and Full Year 2019

Questions and Answers

Forward-Looking Statements

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Operating performance:

1. **How did steel shipments change in the current quarter and vs the comparable period last year?**

Total steel shipments in 4Q 2019 declined by 2.3% to 19.7Mt as compared with 20.2Mt for 3Q 2019 primarily due to:

- 2.1% decline in NAFTA primarily due to a 2.9% decline in flat steel shipments
- 3.3% decline in Brazil primarily due to seasonality and lower exports of long products
- 4.2% decline in steel shipments in Europe, primarily due to lower flat steel shipments (-5.5%) driven by ongoing weak demand driven by macro headwinds including declines in automobile production
- An improvement in ACIS of +9.8%, due to improvements in Kazakhstan post maintenance of the hot strip mill and timing of shipments in Ukraine that impacted 3Q 2019, offset in part by lower shipments in South Africa due to weaker demand

Total steel shipments in 4Q 2019 were 2.5% lower as compared with 20.2Mt for 4Q 2018. Excluding the impact of the ArcelorMittal Italia acquisition and the remedy asset sales, steel shipments were 0.2% lower as compared to 4Q 2018.

2. **What is the latest update on the Group's decision to idle capacity in Europe?**

Given the weak market environment the decision was taken in May 2019 to temporarily reduce our European primary flat steel production. 4.2Mt of annualized production curtailments for 2H'19 were announced, equivalent to >10% of our Europe flats capacity in order to bring supply in line with addressable demand.

These production curtailments that took effect in part in 3Q 2019 was completed as scheduled in 4Q 2019 including Krakow (flat production down 16% vs prior quarter). Europe segment crude steel production decreased by 22.0% to 9.0Mt in 4Q 2019 as compared to 11.6Mt in 4Q 2018 (18.7% lower excluding the impact of ArcelorMittal Italia and sale of remedy assets).

3. **How did steel production change in 4Q 2019 as compared to 3Q 2019 and 4Q 2018?**

Group crude steel production decreased by 11.1% to 19.8Mt in 4Q 2019 from 22.2Mt last quarter. Segment crude steel production details include:

- NAFTA decreased by 7.0% to 5.3Mt in 4Q 2019 as compared to 5.7Mt in 3Q 2019, partly due to planned outages both in flat and long product operations adjusting to weaker demand
- Brazil decreased by 6.7% to 2.5Mt in 4Q 2019 as compared to 2.7Mt for 3Q 2019, primarily due to decline in long products. Flat steel production remained stable following the ongoing

stoppage of ArcelorMittal Tubarão's blast furnace #2 in response to deteriorating export market conditions

- Europe decreased by 13.4% to 9.0Mt in 4Q 2019 as compared to 10.4Mt in 3Q 2019. As previously announced in May 2019, the 4.2Mt annualized flat steel production curtailments to bring supply in line with addressable demand that took effect in part in 3Q 2019 was completed as scheduled in 4Q 2019 including Krakow (flat production down 16% vs prior quarter). Europe segment crude steel production decreased by 22.0% to 9.0Mt in 4Q 2019 as compared to 11.6Mt in 4Q 2018 (18.7% lower excluding the impact of ArcelorMittal Italia and sale of remedy assets).
- ACIS decreased by 13.8% to 3.0Mt as compared to 3.5Mt in 3Q 2019 primarily due to lower production in Ukraine and South Africa following weak market conditions.

Crude steel production in 4Q 2019 decreased by 13.3% to 19.8Mt from 22.8Mt in 4Q 2018, with declines in Brazil (-22.0%), Europe (-22.0%) offset in part by increase in NAFTA (+4.7%). Crude steel production in 4Q 2019 excluding scope impact of remedy asset sales and ArcelorMittal Italia decreased by 11% to 18.7Mt from 21.0Mt in 4Q 2018.

4. How did average steel selling prices change this quarter?

Average steel selling prices (ASP) were -7.0% lower this quarter as compared to 3Q 2019 due to lower ASP across all steel segments: NAFTA (-7.8%); Brazil (-7.2%), Europe (-4.7%) and ACIS (-13.6%).

5. How did market-priced iron ore shipment volumes change versus the previous quarter?

Market-priced iron ore shipments in 4Q 2019 increased by 14.8% to 9.6Mt as compared to 8.4Mt in 3Q 2019, primarily driven by higher shipments in AMMC following production constraints during the prior quarter following an electrical failure which led to a temporary stoppage of the concentrator and seasonal pick up in market-priced iron ore shipments in Liberia.

6. How did operating results change relative to the prior period?

Operating loss for 4Q 2019 was $1.5 billion as compared to an operating income for 3Q 2019 of $297 million and an operating income of $1.0 billion in 4Q 2018. Operating results for 4Q 2019 was impacted by Impairment charges of $830 million related to impairment of the fixed assets of ArcelorMittal USA ($0.7 billion) following impairment assessments performed during the fourth quarter of 2019, primarily resulting from a decrease in the near-term average selling price assumption and $0.1 billion in South Africa and exceptional items of $828 million primarily inventory related charges in NAFTA and Europe following a period of exceptionally weak pricing.

Segment details include:

- NAFTA: Operating loss in 4Q 2019 was $912 million as compared to $24 million in 3Q 2019 due to the negative impact from lower average steel selling prices and steel shipment volumes offset by lower costs following the decline in raw material costs including lower iron ore pellet premiums. In addition, operating results for 4Q 2019 were impacted by impairment charges for 4Q 2019 of $700 million following impairment assessments performed during the fourth quarter of 2019, resulting from a decrease in the near-term average selling price assumption. Exceptional items for 4Q 2019 were $200 million and primarily include inventory related charges following a period of exceptionally weak pricing.
- Brazil: Operating income in 4Q 2019 declined to $177 million as compared to $196 million in 3Q 2019 primarily due to lower steel shipments
- Europe: Operating loss in 4Q 2019 was $649 million as compared to an operating loss in 3Q 2019 of $168 million due to the negative impact from lower volumes and lower average selling prices offset by lower costs, including the benefit of reduced high-cost capacity, the impact of declining raw material basket prices and lower iron ore pellet premium. Operating loss in 4Q 2019 was impacted by impairment charges of $28 million and exceptional items of $456 million primarily inventory related charges following a period of exceptionally weak pricing.
- ACIS: Operating loss in 4Q 2019 was $238 million as compared to operating income of $35 million in 3Q 2019 primarily due to negative price-cost effect offset in part by higher steel shipment volumes. Impairment charges for 4Q 2019 was $102 million primarily related to the fixed assets of Newcastle Works in South Africa following lower domestic volumes. Exceptional charges for 4Q 2019 were $76 million and primarily include closure costs related to Saldanha and retrenchments costs in relation to announced Section 189 process in South Africa.
- Mining: Operating income in 4Q 2019 decreased by 29.0% to $185 million as compared to $260 million in 3Q 2019 primarily due to the impact of lower seaborne iron ore reference price (-12.8%), lower iron ore quality premia, as well as the impact of lower seaborne marketable coking coal prices (-13.5%), offset in part by higher market-priced iron ore shipments (+14.8%).

7. Why did you take further impairments in the quarter?

Impairment charges for 4Q 2019 were $0.8 billion and includes $0.1 billion impairment in South Africa and impairment of the fixed assets of ArcelorMittal USA ($0.7 billion) following impairment assessments performed during the fourth quarter of 2019, primarily resulting from a decrease in the near-term average selling price assumption. As the Company is following the IFRS accounting principles, the standard requires us to conduct at a minimum an impairment test on an annual basis. There is no corresponding impairment under US GAAP accounting in ArcelorMittal USA.

8. How did depreciation change this quarter? What is the full year 2020 expectation?

Depreciation for 4Q 2019 was higher at $802 million as compared to $766 million for 3Q 2019. These charges include the depreciation of right-of-use assets recognized for the first time within property, plant and equipment under IFRS 16 lease accounting, that were previously recorded in cost of sales and selling, general and administrative expenses. As a result of IFRS 16 and the impact of ArcelorMittal Italia net of remedies, depreciation expense for FY 2019 increased to $3.1 billion as compared to $2.8 billion in FY 2018. The Company expects FY 2020 depreciation guidance of approximately $3.0 billion (based on current exchange rates)

9. How did net interest change this quarter and what is the net interest expectation for 2020?

Net interest expense was lower at $607 million for 12M 2019, as compared to $615 million in 12M 2018. The Company expects full year 2020 net interest expense to be approximately $0.50 billion.

10. How did the tax change this quarter?

ArcelorMittal recorded an income tax expense of $125 million in 4Q 2019 as compared to $185 million for 3Q 2019.

Guidance:

11. What is the outlook for steel demand in 2020?

Based on the current economic outlook, ArcelorMittal expects an expansion in global apparent steel consumption ("ASC") in 2020 by +1.0% to +2.0% (versus growth of +1.1% in 2019).

Supply chain destocking constrained demand in our core markets, particularly for flat products, and the Company estimates that World-ex China ASC declined by 0.8% in 2019. China had a better than expected year with ASC estimated to have increased by 3.2%. Whilst acknowledging the risks and uncertainties, ArcelorMittal believes that there are signs that the real demand slowdown is beginning to stabilise, and the supportive inventory environment means that we are more optimistic on the apparent demand outlook for 2020. By region:

- In the US, ASC is expected to grow within a range of +0.0% to +1% in 2020 (versus an estimated -1.7% contraction in 2019), with stronger ASC in flat products offsetting an anticipated decline in ASC for long products.
- In Europe, ASC is expected to grow within a range of +1.0% to +2.0% in 2020 (versus an estimated -4.3% contraction in 2019); although automotive is expected to remain weak, the end of destocking is expected to support improved ASC for flat products, similarly the end of destocking should offset the impact of the slowdown in construction activity on long products ASC.

- In Brazil, ASC is expected to rebound in 2020 with growth expected in the range of +4.0% to +5.0% (versus estimated -2.6% contraction in 2019) following the pronounced destocking of flat products in 2019 and expected growth in construction activity.
- In the CIS, ASC growth in 2020 is expected to slow but remain positive within a range of +0.0% to +1.0% (versus +4.0% estimated growth in 2019).
- As a result, overall World ex-China ASC in 2020 is expected to grow within the range of +2.0% to +2.5% (versus estimated -0.8% contraction in 2019).
- In China, overall demand is expected to grow in 2020 within a range of +0.0% to +1.0% (versus estimated growth of +3.2% in 2019) driven by robust real estate activity and reflect our current view on Coronavirus.

The China and global ASC forecast reflect the Company's base case view of the impact of Coronavirus. Absent a degradation of the situation and/or a further extension of the holiday period, we believe the effect of the Coronavirus will likely have a short-term negative demand impact in China and to a lesser degree elsewhere. Our current view is that the vast majority of the impact on 1Q 2020 demand is expected to be recovered throughout the remainder of the year. Our perspective on the fundamentals of the Chinese steel market remain unchanged.

12. What are your cash needs expectations for 2020?

The Company expects certain cash needs of the business (including capex, interest, cash taxes, pensions and certain other cash costs but excluding working capital changes) to total $4.5 billion (versus $5.0 billion in 2019). Capex is expected to be reduced to $3.2 billion (versus $3.6 billion in 2019) whilst maintaining the continued investment in high returns projects in Mexico and Brazil. Interest is expected to reduce to approximately $0.5 billion (versus $0.6 billion in 2019) while cash taxes, pensions and other cash costs are expected to be stable as compared to 2019 at $0.8 billion.

13. What were working capital movements for 4Q 2019 and expectations for 2020?

During 4Q 2019, ArcelorMittal released $2.6 billion working capital as compared to a working capital investment of $203 million in 3Q 2019 and a working capital release of $430 million in 4Q 2018. The 12M 2019 working capital release of $2.2 billion (versus guidance of $1.0 billion) was driven in part by inventories, sales prices and raw material costs as well as improved receivables. The 12M 2018 working capital investment was $4.4 billion. Whilst we do not at this stage want to give a firm target or specific guidance for working capital needs in 2020 (due to the fact that it is so dependent on operating conditions towards the end of the year), should market conditions remain at current levels then there is the potential to further reduce working capital by approximately $1 billion.

Balance sheet:

14. How has net debt changed this quarter as compared to 3Q 2019?

Net debt decreased by $1.3 billion during 4Q 2019 to a historic low level of $9.3 billion as of December 31, 2019, primarily driven by working capital release ($2.6 billion) and sale of a 50% stake in our shipping business ($0.4 billion) offset in part by payment for ESIL acquisition.

After adjusting for IFRS 16 “Leases”, net debt as of December 31, 2019 was down $2.0 billion versus December 31, 2018.

15. Your results reference that you are on track to achieve $7.0 billion net debt target by end of 2020. What does this assume?

Deleveraging remains a priority and our target of $7.0 billion net debt is within sight. Given the ongoing focus on delivering the $1 billion of identified cost improvement plans in order to fully achieve the Action2020 targets, the potential for circa $1 billion working capital release assuming market conditions remain at current levels, together with further progress on portfolio optimisation efforts, the Company is optimistic that it can achieve its $7.0 billion net debt objectives by year end 2020 which would provide strong foundations for improved shareholder returns going forward

16. Can you provide an update on your liquidity position?

As of December 31, 2019, the Company had liquidity of $10.5 billion, consisting of cash and cash equivalents of $5.0 billion and $5.5 billion of available credit lines.

On December 19, 2018, ArcelorMittal signed a $5,500,000,000 Revolving Credit Facility, with a five-year maturity plus two one-year extension options. During the fourth quarter of 2019, ArcelorMittal executed the option to extend the facility to December 19, 2024. The facility may be further extended for an additional year in December 2020. As of December 31, 2019, the $5.5 billion revolving credit facility was fully available. As of December 31, 2019, the average debt maturity was 5.3 years.

17. Can you provide update on your asset optimization initiative?

As previously announced in the 2Q 2019 results and in line with our ongoing efforts to optimize our asset portfolio, we have identified opportunities to unlock $2 billion of value from the portfolio over the next 2 years. The Company has made good progress to date including stake sale in Gerdau ($0.1 billion) and sale of a 50% interest in the shipping business (total $0.5 billion net debt expected impact), of which $0.4 billion achieved in 4Q’19 and a further $0.1 billion expected early 2020. We remain engaged in active discussions with interested parties on several additional opportunities.

Capital allocation:

18. Can you provide an update on your capital allocation policy and balance sheet targets?

An investment grade credit rating remains ArcelorMittal's financial priority, with a target to reduce net debt to below $7 billion (previous target of $6 billion was adjusted in May 2019 to reflect the impact of IFRS 16), to support solid investment grade metrics through the cycle.

The Company will continue to selectively invest in high return opportunities to enhance future returns, including Mexico hot strip mill (mix improvement) and Vega HAV (Brazil mix improvement).

ArcelorMittal intends to progressively increase the base dividend paid to its shareholders, and, on attainment of the net debt target, the Company is committed to returning a portion of annual FCF to shareholders.

Given the resilient cash flow and improving balance sheet strength, the Board proposes the base dividend for 2020 (in respect of 2019) of $0.30 per share which will be proposed to the shareholders at the Annual General Meeting in May 2020.

Given the focus on delivering a further $1 billion of identified cost improvements in 2020 (in order to fully achieve the Action2020 targets), together with further progress on portfolio optimisation, the Company is optimistic that it can achieve its net debt objectives by year end 2020 which would provide strong foundations for improved shareholder returns going forward

19. Why are you waiting for further deleveraging before a more substantial payout is made?

ArcelorMittal is prioritizing deleveraging so that once it achieves its debt target and begins returning more significant amounts of capital returns to shareholders, the Company believes that shareholders will have greater confidence in the sustainability of those returns.

ArcelorMittal Italia update:

20. What is the update on the current situation at ArcelorMittal Italia?

On December 20, 2019, ArcelorMittal announced that AM InvestCo had signed a non-binding agreement with the government appointed Ilva commissioners that forms a basis to continue negotiations on a new industrial plan for Ilva, including discussions on a substantial equity investment by a government-controlled entity. The new industrial plan would contemplate investments in green technology, including through a new company funded by public and private investors. In light of this, on December 20, 2019 the Civil Court of Milan granted the parties' request to further postpone the hearing of the Ilva commissioners' application for interim measures until February 7, 2020. Negotiations are ongoing; accordingly, it is currently unclear whether the hearing will take place as scheduled or be further postponed. Furthermore, in January 2020, the Taranto court of appeals granted the authorization for blast furnace number 2 at the Ilva site to continue operations, provided that the outstanding prescriptions (mainly the automation of the casting floor operations) are fulfilled within a year.

Trade:

21. What is the current situation regarding trade actions in US?

In the US, we have Anti-Dumping (AD) and Anti Subsidy (AS) duties in place on all four flat product categories: CORE, CRC, HRC and plate. These measures are in place for five years from determination. The Department of Commerce (DOC) made final affirmative determinations in the anti-circumvention investigations for CRC and CORE imported from China (through Vietnam) in May 2018. On June 12, 2018, the US industry filed anti-circumvention petitions with DOC for CRC and CORE imported from Korea and Taiwan (through Vietnam). DOC initiated the investigation on August 2, 2018. Commerce reached affirmative preliminary determinations in these inquiries on July 3, 2019.

On July 30, 2019, the US ITC voted in favour of extending AD/CVD duties on HRC imports from China, India, Indonesia, Taiwan, Thailand and Ukraine for another 5 years. This is the third 5-year review with these orders having been in place since 2001.

Following its Section 232 investigation, the US imposed a 25% tariff on steel imports from most countries on March 23, 2018. Subsequently the US entered negotiations for exemptions of imports by several countries focusing on quotas that will restrain imports, prevent transhipment, and protect the national security. Effective June 1, 2018, quotas were imposed on certain countries (detailed below) and a 25% tariff was imposed on steel products from Europe, Canada and Mexico.

- South Korea: Quota agreed at 70% of 2015-2017 average export volumes into US
- Argentina: Quota agreed at 135% of the 2015-2017 average export volumes into US
- Australia: completely exempt from tariffs and quotas
- Brazil: Quota agreed at 70% of 2015-2017 average export volumes into US for finished products and 100% of 2015-2017 average export volumes into US for semi-finished products
- Turkey: On May 16, 2019, duties lowered back to 25% after having been at 50% since Aug'18
- Canada/Mexico: On May 17, 2019 tariffs removed for Canada and Mexico as well as retaliatory tariffs against the US

22. What is the current situation regarding trade actions in Europe?

In Europe, for the key flat product cases we have final AD duties on CRC against China and Russia, final AD and AD\S duties on HRC against China and final AD duties on QP against China. The European Commission announced in October 2017 fixed AD duties on imports of HRC (duties from

€17.6/t to €96.5/t) from Brazil, Iran, Ukraine and Russia. HDG non-auto final AD duties against China announced in December 2017 ranging from 17.2% to 27.9%.

On January 17, 2019, EU Member states approved the European Commission's (EC's) final safeguard measures on steel with implementation from February 2, 2019. For phase 2 from July 1, 2019, the quota levels increased by 5% across all product categories.

Safeguards have been marginally strengthened, as from October 1, 2019, single countries are limited to 30% of the HRC global quota, and the 5% relaxation reduced to 3%.

We continue to engage with stakeholders to request that the safeguards are strengthened to prevent a further increase in imports as a result of continued global overcapacity and a weakening economy in neighbouring countries including Turkey.

23. What is your latest view on a carbon border equalization in Europe?

A carbon border equalization is an effective and fair way to ensure every country plays its part in reducing global CO2 emissions. Until we have similar carbon emissions legislation and similar carbon costs across the globe, European Union steelmakers will struggle to compete, despite the European steel industry's significant investment in lowering its carbon footprint. This situation benefits no-one: moving steel production to countries where carbon emissions legislation is less strict, and where carbon emissions are therefore higher, means efforts to combat climate change would amount to very little. It means carbon emissions simply shift location.

AMNS India update:

24. Could you please provide us with an update on the acquisition of Essar Steel India Limited?

On December 16, 2019, ArcelorMittal completed the acquisition of Essar Steel India Limited ("ESIL"), and simultaneously established a joint venture with Nippon Steel, called ArcelorMittal Nippon Steel India Limited ("AMNS India"), which will own and operate ESIL. ArcelorMittal holds 60 per cent of AMNS India, with Nippon Steel holding the balance.

25. Flat steel products represent a large portion of AMNS India's product mix. Given that India's steel demand is expected to be mainly for the infrastructure & construction sector, shaped steel products and steel bars are likely to grow the most. Isn't there therefore a mismatch between market demand and AMNS India's product mix?

Flat steel products are used for roofs and walls in civil engineering and construction. AMNS India also produces pipes & tubes as well as color coated steel sheets, which are also used in construction and other areas. The infrastructure & construction sector represents over half of total domestic steel demand in India at present and is expected to continue to do so even in 2030, along with the entire market expansion. We therefore believe that AMNS India will be able to capture sufficient growth in demand.

26. We would like to know AMNS India's current profit level and forecast.

We have been pleased with the interim management team's performance during the insolvency process, with production records having been achieved during the calendar year 2019. Many of the interim management team have been retained in the new JV which will ensure continuity of expertise and knowledge transfer.

The latest January 2020 run-rate EBITDA is ~$600 million with production at the 7.4Mt run rate.