

ArcelorMittal South Africa Limited

("ArcelorMittal South Africa", "the company" or "the group")

Registration number: 1989/002164/06

Share code: ACL

ISIN: ZAE 000134961

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Unaudited operational information for the quarter ended 30 September 2019

Salient features

- Liquid steel production down by 18%
- Local sales deteriorated 17%, whilst exports increased.
- Lost time injury frequency rate of 0.20
- Volatility in the rand/US dollar exchange rate continues to impact the business significantly

The analysis relates to the three months ended 30 September 2019 (current period) compared to the three months ended 30 September 2018 (prior period) except where otherwise indicated.

Operational information

		For the quarter ended		
		30-Sep 2019	30-Sep 2018	% change
Liquid Steel production		1 063	1 299	-18.2%
Capacity utilisation		65	85	-23.5%
Steel sales				
- Local	000 tons	737	887	-16.9%
- Export	000 tons	324	215	50.7%
- Total	000 tons	1 061	1 102	-3.7%
Coke and Chemicals				
- Commercial coke produced	000 tons	80	43	86.0%
- Commercial coke sales	000 tons	20	42	-50.4%
- Tar sales	000 tons	17	19	-10.5%

Safety

Safety remains our number one priority. LTIFR increased from 0.18 to 0.20, while total injury frequency rate improved to 5.41 from 7.07.

Production

Liquid steel production was lower by 236 000 tonnes (-18.2%), mainly due to 185,000 tonnes lower production at Vanderbijlpark Works. This is largely as a result of a planned production curtailment to adjust volumes to lower demand. Accordingly, capacity utilisation for Q3 2019 decreased to 65% compared to 85% in the comparable period.

Sales

Local sales were 150 000 tonnes (16.9%) lower as the result of weak local demand, higher imports by ca. 9% and customers driving down their stock levels given contraction in domestic demand.

Estimated Apparent steel consumption decreased by ca. 11% with Flat Products down ca. 10% and Long Products down by ca. 13% compared to the corresponding period in 2018.

AMSA's export sales increased by 109 000 tonnes (+50.7%) mainly from Newcastle at 113 000 tonnes.

Commercial coke sales were 22 000 tonnes (-50.4%) lower and tar sales also down by 2 000 tonnes or 10.5% due to lower demand and high stock levels at customers.

This report is available on ArcelorMittal South Africa's website at: <http://www.arcelormittalsa.com>

By order of the Board
7 November 2019

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Sponsor: Absa Bank Limited (acting through its Corporate and Investment Banking division)

