



**FerroGlobe**



Advancing Materials Innovation

NASDAQ: GSM

# Business Update

*April 2018*

# Forward-Looking Statements and non-IFRS Financial Metrics

This presentation contains forward-looking statements within the meaning of Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended. Forward-looking statements are not historical facts but are based on certain assumptions of management and describe our future plans, strategies and expectations. Forward-looking statements can generally be identified by the use of forward-looking terminology, including, but not limited to, "may," "could," "seek," "guidance," "predict," "potential," "likely," "believe," "will," "expect," "anticipate," "estimate," "plan," "intend," "forecast," or variations of these terms and similar expressions, or the negative of these terms or similar expressions.

Forward-looking statements contained in this presentation are based on information presently available to Ferroglobe PLC ("we," "us," "Ferroglobe," the "Company" or the "Parent") and assumptions that we believe to be reasonable, but are inherently uncertain. As a result, our actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements, which are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control.

You are cautioned that all such statements involve risks and uncertainties, including without limitation, risks that Ferroglobe will not successfully integrate the businesses of Globe Specialty Metals, Inc. and Grupo FerroAtlántica SAU, that we will not realize estimated cost savings, value of certain tax assets, synergies and growth, and/or that such benefits may take longer to realize than expected. Important factors that may cause actual results to differ include, but are limited to: (i) risks relating to unanticipated costs of integration, including operating costs, customer loss and business disruption being greater than expected; (ii) our organizational and governance structure; (iii) the ability to hire and retain key personnel; (iv) regional, national or global political, economic, business, competitive, market and regulatory conditions including, among others, changes in metals prices; (v) increases in the cost of raw materials or energy; (vi) competition in the metals and foundry industries; (vii) environmental and regulatory risks; (viii) ability to identify liabilities associated with acquired properties prior to their acquisition; (ix) ability to manage price and operational risks including industrial accidents and natural disasters; (x) ability to manage foreign operations; (xi) changes in technology; (xii) ability to acquire or renew permits and approvals; (xiii) changes in legislation or governmental regulations affecting Ferroglobe; (xiv) conditions in the credit markets; (xv) risks associated with assumptions made in connection with critical accounting estimates and legal proceedings; (xvi) Ferroglobe's international operations, which are subject to the risks of currency fluctuations and foreign exchange controls; and (xvii) the potential of international unrest, economic downturn or effects of currencies, tax assessments, tax adjustments, anticipated tax rates, raw material costs or availability or other regulatory compliance costs. The foregoing list is not exhaustive.

You should carefully consider the foregoing factors and the other risks and uncertainties that affect our business, including those described in the "Risk Factors" section of our Registration Statement on Form F-1, Annual Reports on Form 20-F, Current Reports on Form 6-K and other documents we file from time to time with the United States Securities and Exchange Commission. We do not give any assurance (1) that we will achieve our expectations or (2) concerning any result or the timing thereof, in each case, with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies, earnings or revenue trends or future financial results. Forward-looking financial information and other metrics presented herein represent our key goals and are not intended as guidance or projections for the periods presented herein or any future periods.

We do not undertake or assume any obligation to update publicly any of the forward-looking statements in this presentation to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this presentation.

EBITDA, adjusted EBITDA, adjusted diluted profit (loss) per ordinary share and adjusted profit (loss) attributable to Ferroglobe are, we believe, pertinent non-IFRS financial metrics that Ferroglobe utilizes to measure its success. The Company has included these financial metrics to provide supplemental measures of its performance. We believe these metrics are important because they eliminate items that have less bearing on the Company's current and future operating performance and highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures.

For additional information, including a reconciliation of the differences between such non-IFRS financial measures and the comparable IFRS financial measures, refer to the press release dated February 26, 2018 accompanying this presentation, which is incorporated by reference herein.



**Well Positioned for a Strong 2018**



**Ferroglobe**

# Opening Remarks

2017 represented the successful turnaround of Ferroglobe

Q1 2018 confirms positive fundamentals across our business

Acceleration of free cash flow in 2018 provides the ability to focus on growth and value creation

# 2017 Results Represented A Turnaround

Disciplined **execution** of commercial strategy

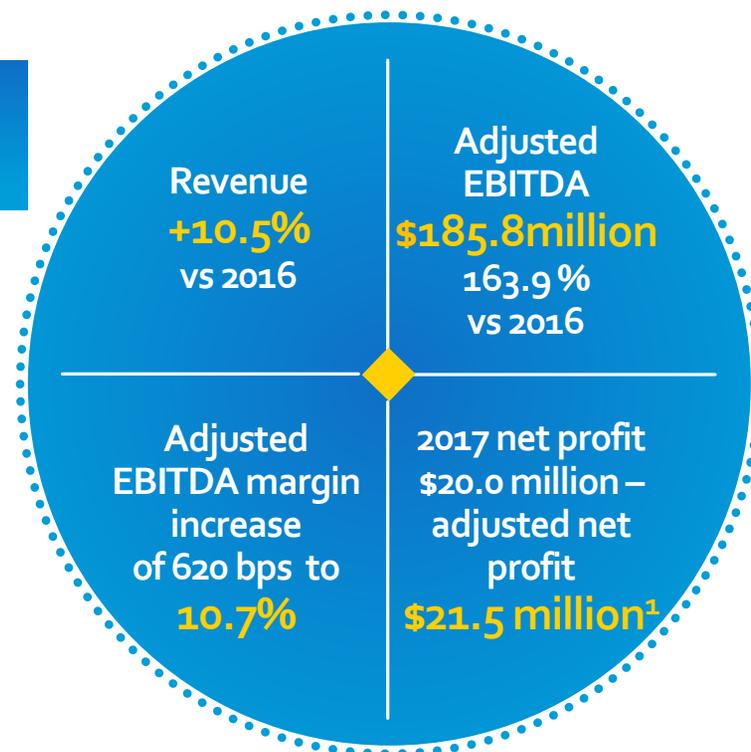
(ASP increase vs 2016)

- Si Metal +3.1%
- Si alloys +14.9%
- Mn alloys +60.7%

Optimization of **Product Mix**

(Volume change vs 2016)

- Si Metal -4.5%
- Si alloys -4.9%
- Mn alloys +1.4%



**Global**  
business platform

- Optionality in:
  - Geography
  - Foreign exchange
  - Product mix
- Doubled the size of Manganese assets
- Actively managing production capacity

Note:

<sup>1</sup> Adjusted net profit attributable to the Parent

# Significant Financial Improvement In 2017

Balance sheet strength provides flexibility and supports ability to pursue strategic initiatives

(\$m)	CY 2017	CY 2016
Revenue	1,741.7	1,576.0
Operating Profit	66.4	-373.1
Profit Attributable to the Parent	25.2	-338.4
Adjusted EBITDA	185.8	70.4
Adjusted EBITDA Margin	10.7%	4.5%
Free Cash Flow <sup>1</sup>	82.0	45.1

(\$m)	12/31/2017 <sup>1</sup>	12/31/2016
Total Assets	2,027.0	2,019.3
Net Debt <sup>2</sup>	386.9	405.0
Book Equity	970.8	892.0
Working Capital	288.0	368.4
Net Debt <sup>2</sup> / Adjusted EBITDA	2.08x	5.76x
Net Debt <sup>2</sup> / Total Assets	19.1%	20.1%
Net Debt <sup>2</sup> / Capital	28.5%	31.2%

Notes:  
<sup>1</sup> Free cash flow defined as "Net cash provided by operating activities" minus "Payments for property, plant and equipment."  
<sup>2</sup> Excludes Accounts Receivable Securitization program for comparison purposes

# Ferroglobe Is Well Positioned For A Strong 2018

## Ferroglobe is stronger than ever...

- **Strong balance sheet** presents flexibility and the ability to pursue growth initiatives
- **Best practices** drive cost management and continuous improvement
- **Successful execution of raw material procurement**, including electrodes, allows for security of supply
- **Booked business** at attractive prices in 2018 provides a floor for revenues
- **Cash-flow generation** allows deleveraging and return of value to shareholders



## ...and well positioned to capitalize on strong market fundamentals

- **Strong fundamentals** in all end markets, supported by megatrends that are requiring increased supply of advanced materials
- **Solid pull-through demand** across all core products and geographies
- **Favorable structural supply/demand** dynamics in our markets
- **Balanced product portfolio** with unrivalled capabilities
- **Leveraging optionality of global production** footprint to capitalize on market opportunities

# End Market Dynamics: Stronger For Longer

## Aluminum / Auto



### Recent Trends:

- Aluminum inventory levels have fallen to nine-year lows on the back of strong demand recently
- Capacity utilization rates stable around 75% globally
- Continued benefit from megatrends (EV vehicles, light weighting)



## Steel and Specialty Metal



### Recent Trends:

- Favorable impact from Chinese shutdown in capacity; more to come
- World steel capacity utilization remains at healthy and stable levels
- Inventory levels remain at 5 year lows
- Growth in North America stands to benefit from a new infrastructure spending program



## Chemicals / Silicones

### Recent Trends:

- Current global growth estimates ahead of 2017
- North American market is running strong with both participants running at capacity. Incremental impact of residential construction following hurricanes
- Chemical sector will follow GDP growth projected at 2.0+% in Eurozone for 2018



## Polysilicon / Electronics

### Recent Trends:

- More than 100 GW of new global PV installations expected in 2018
- North American volumes of PV materials remain under pressure following Chinese dumping actions against polysilicon; new demand regions emerging. Electronics demand continues to be strong
- PV market in Europe expected to grow by 35% in 2018, which will support the polysilicon industry



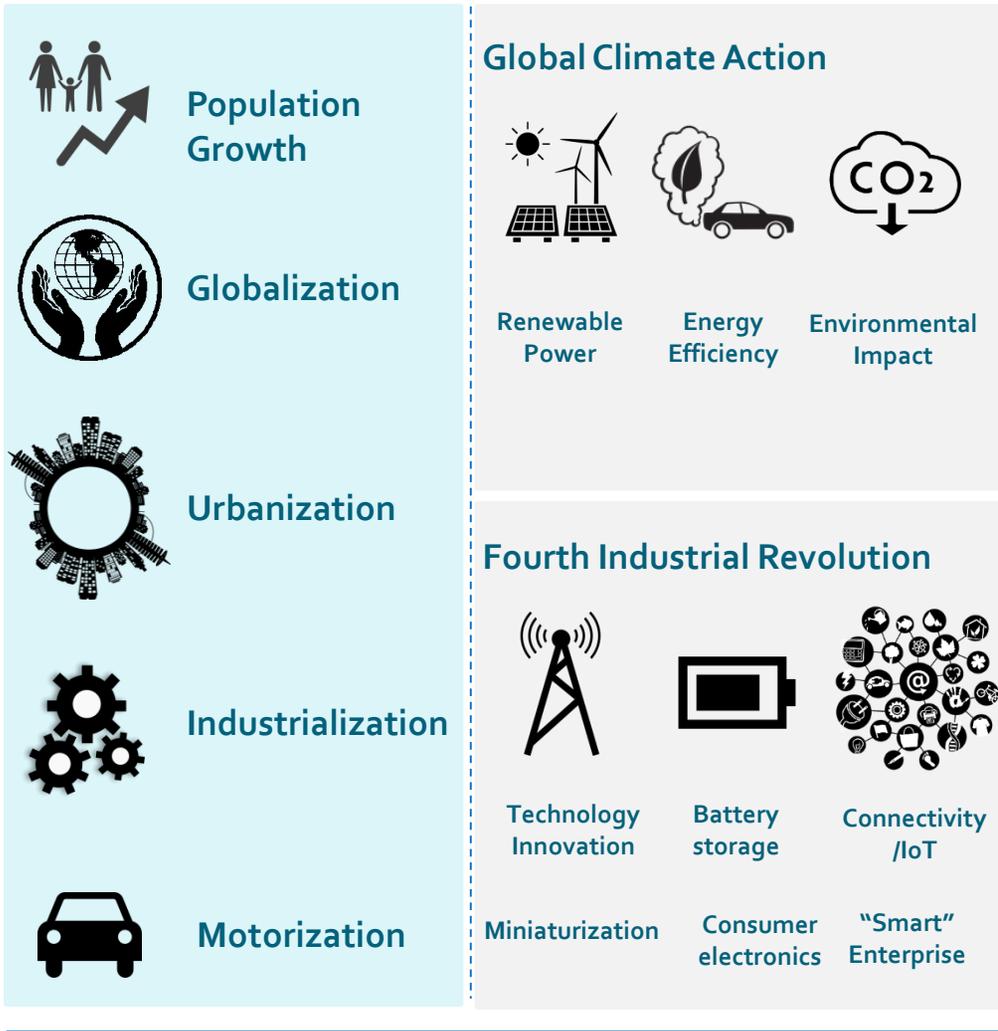
# Trends Fueling Growth For Ferroglobe Products

Growing need for new advanced materials...

...supported by favorable supply dynamics

## Ongoing Trends

## Emerging Trends

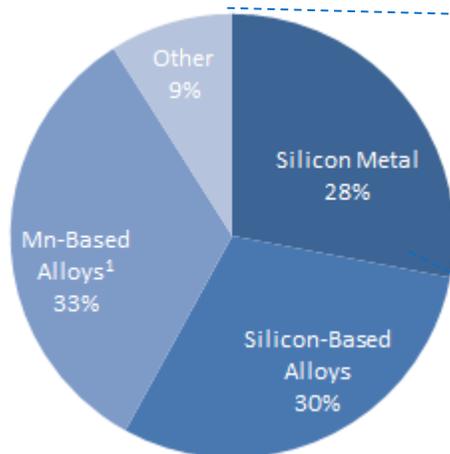


- Conversion of capacity vs. incremental capacity: SiMe to FeSi and FeSi to SiMe
- New greenfield projects have faced significant challenges (shutdown/bankruptcy)
- Increasing raw material costs discouraging capacity restarts; sets near-term floor on pricing

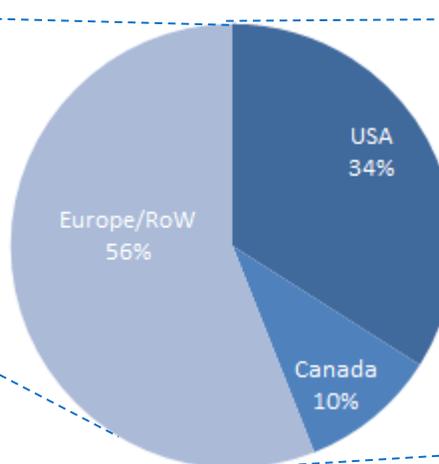
# Ferroglobe Enjoys a Balanced Portfolio of Products With Exposure To A Diversified Range of End Markets

In 2017 the U.S. silicon metal business represented ~15% of Ferroglobe's Sales and ~10% of EBITDA

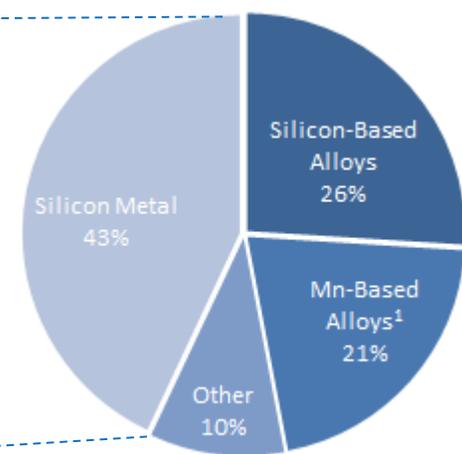
2017 EBITDA (\$mm)  
(by Product Category)



Silicon Metal Volume Production  
(by Geography)



2017 Revenues (\$mm)  
(by Product Category)

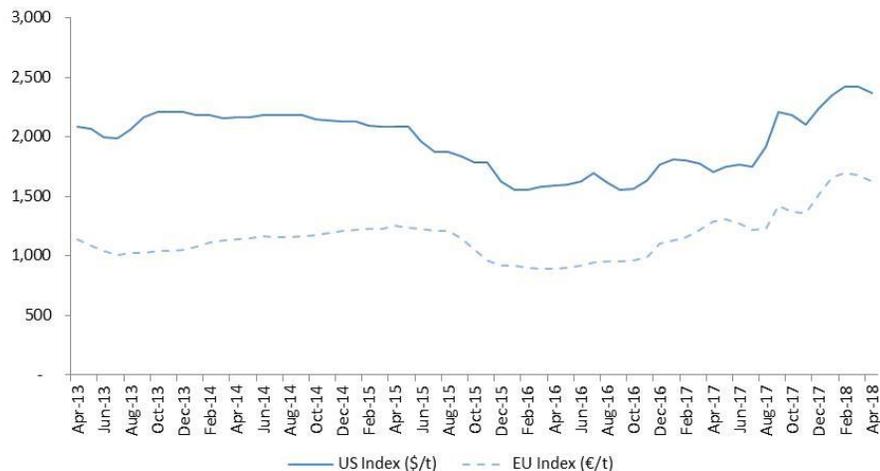


Notes:

<sup>1</sup> Mn-based alloys does not include two facilities acquired in France and Norway. Pro forma for the two acquired manganese facilities, the Mn-alloys business would have contributed 45-50% of total EBITDA, and 25-30% of total revenues in 2017

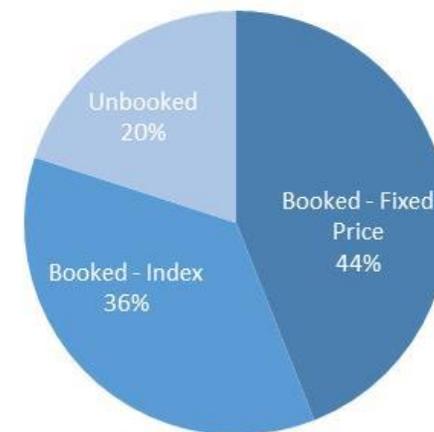
# Silicon-Based Alloys Snapshot

## Ferrosilicon Pricing Trends

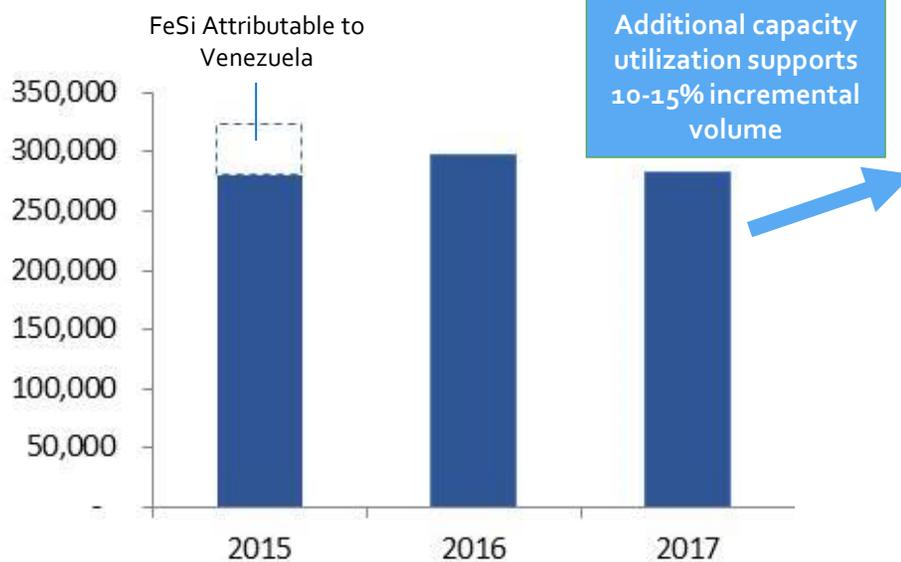


Source: CRU

## Ferroglobe 2018 Ferrosilicon Order Book



## Ferroglobe Volume Trend



## Outlook for 2018

### Pricing:

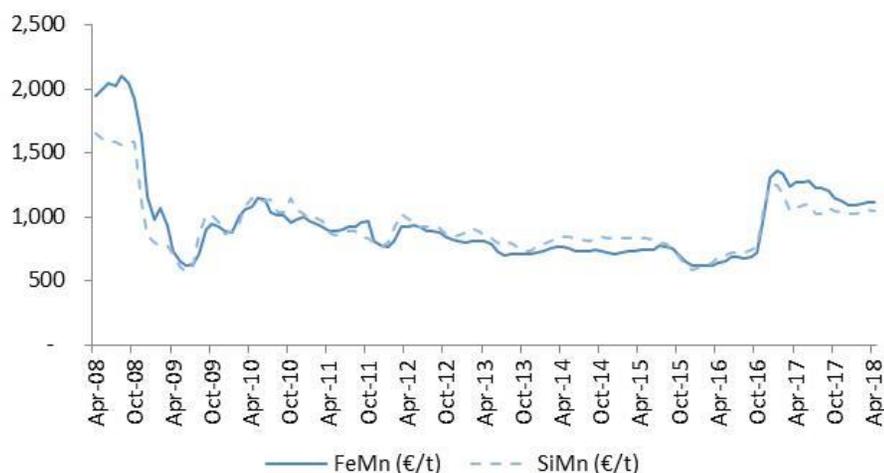
- Strong start to 2018 benefiting Q1 and Q2-2018. FeSi pricing remains near multi-year high; expect selling prices to decrease gradually in H2-2018
- Overall, pricing levels remain above our expectations year-to-date

### Volumes:

- Steel demand benefiting from strength in global economics
- 2018 volumes will outpace 2017 levels
- Constantly monitoring alternatives to increase switch from SiMe to FeSi

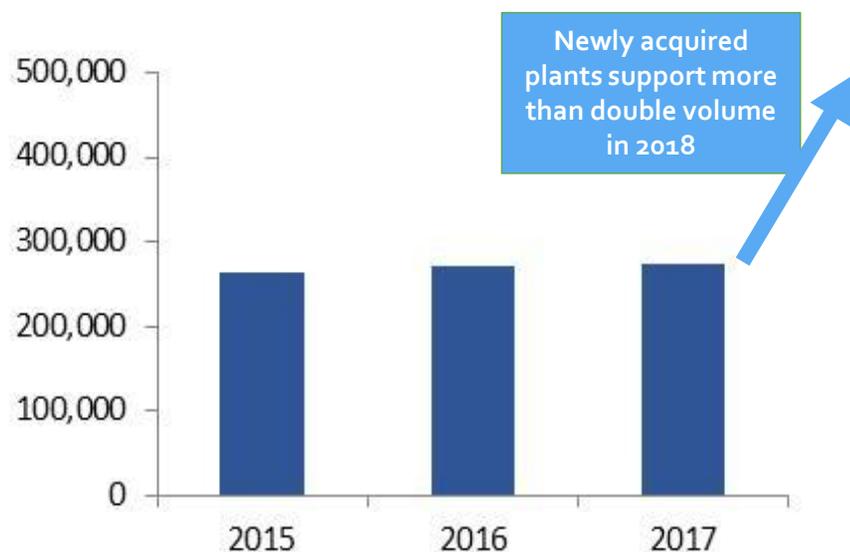
# Manganese-Based Alloys Snapshot

## Mn Alloys Pricing Trends

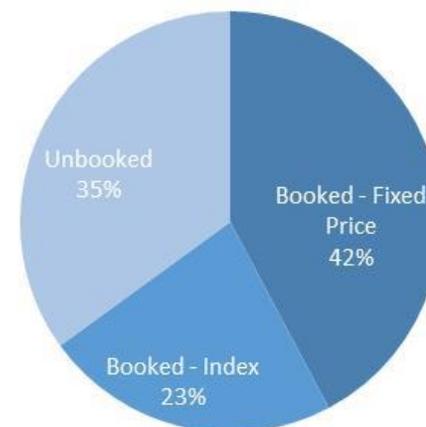


Source: CRU

## Ferroglobe Volume Trend



## Ferroglobe 2018 Order Book



## Outlook for 2018

### Pricing:

- Recent price decline in-line with expectations
- Expect Mn ore prices to decrease gradually or Mn alloy prices to increase, resulting in spreads in-line with historical levels

### Volumes:

- Growth primarily driven by recent acquisition
- Up to 5% growth y/y (excl. acquisitions) on the back of high steel utilization rates globally

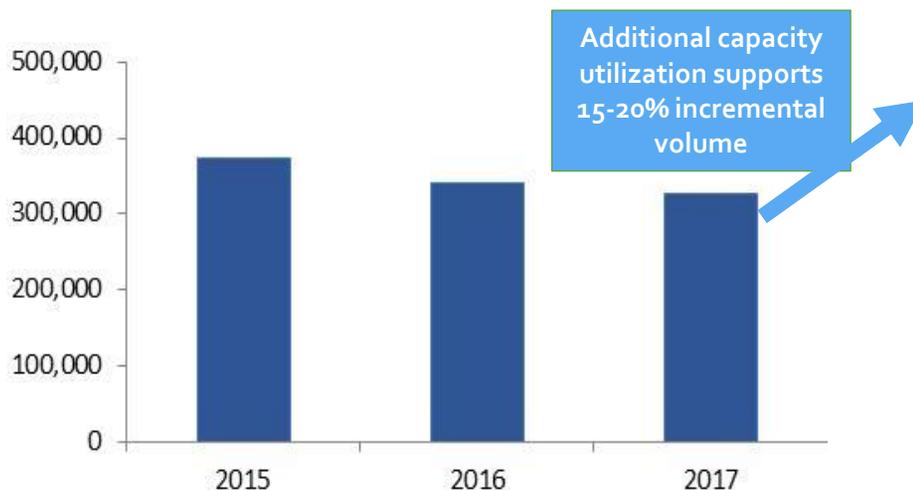
# Silicon Metal Snapshot

## Silicon Metal Pricing Trends



Source: CRU

## Ferroglobe Volume Trends



## Ferroglobe 2018 Order Book



## Outlook for 2018

### Pricing:

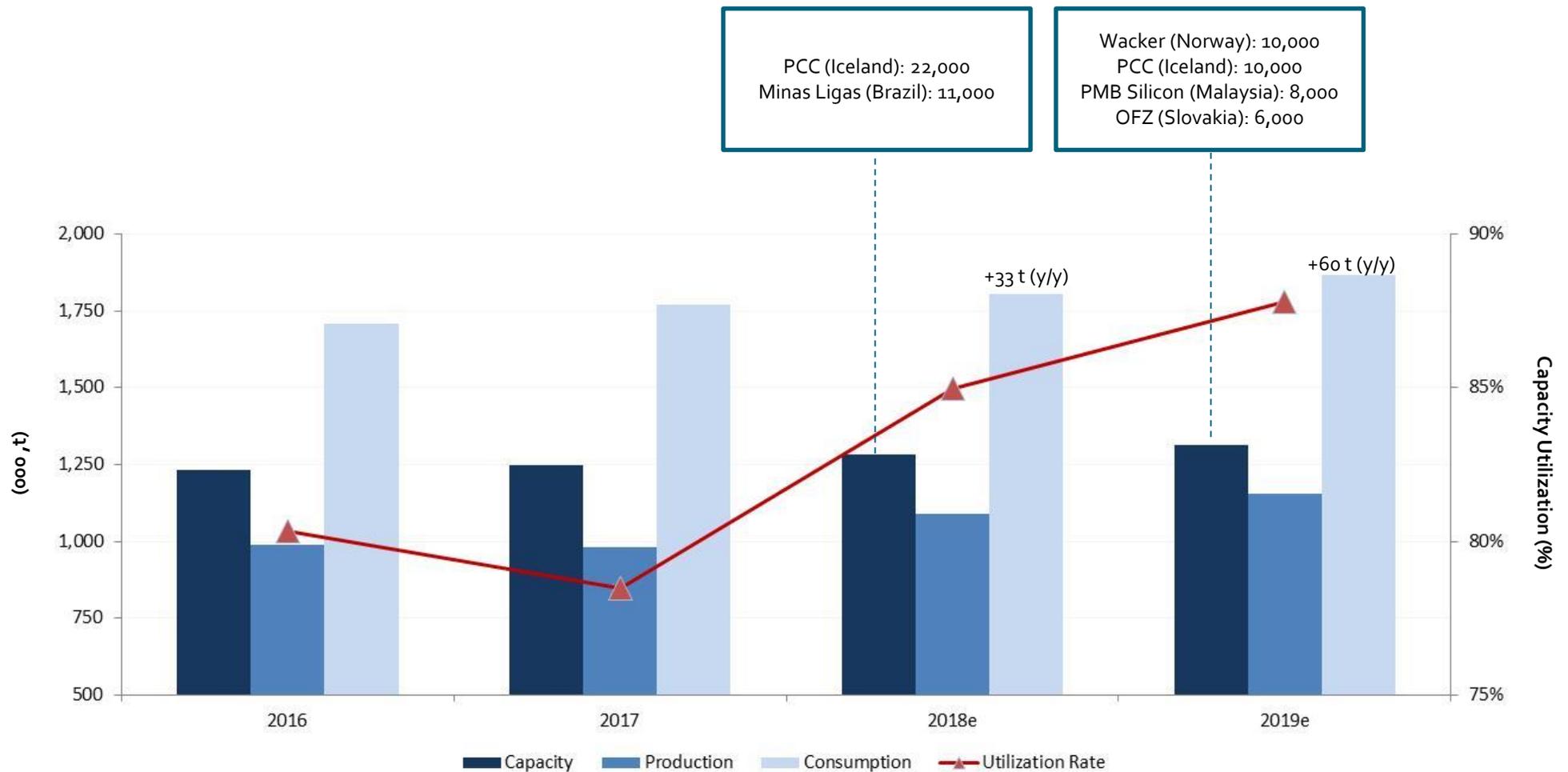
- U.S.: potential pricing pressure in H2-2018, but limited decrease due to robust supply/demand fundamentals
- EU: stable at current levels; potential upside in H2-2018 (dependent on flows to U.S. and Chinese pricing)

### Volumes:

- Strong pull-through demand across all major product categories
- We expect meaningful increase in volumes over 2017
- Constantly monitoring alternatives to increase switch from SiMe to FeSi

# Global Silicon Metal (ex. China) Demand Outpaces New Capacity Increases

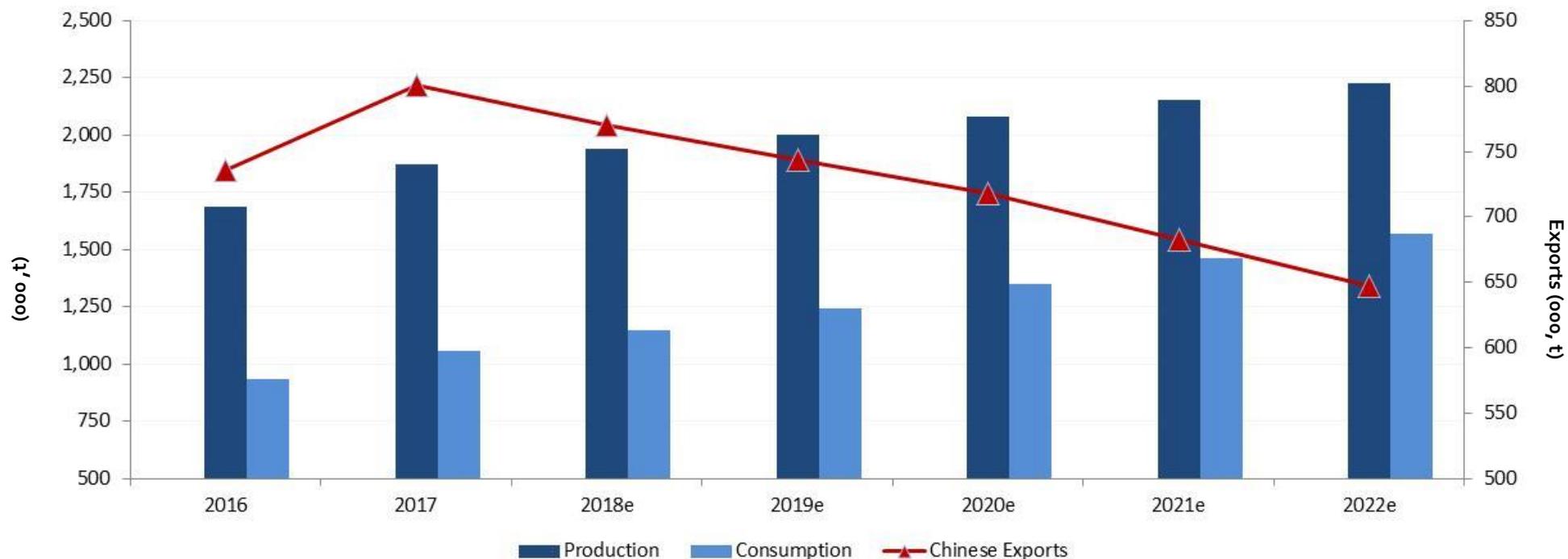
## Silicon Metal Trends — Global (ex. China)



Source: Estimates based on Company data and CRU

# Current Supply/Demand Trends in China Expected to Benefit the Silicon Metal Market in the Rest of the World

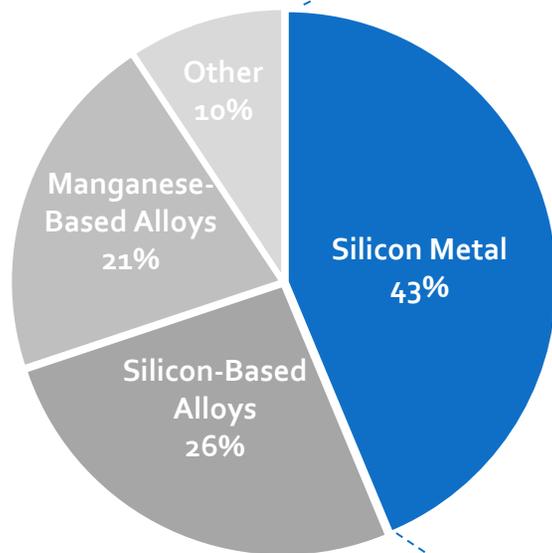
Silicon Metal Trends — China



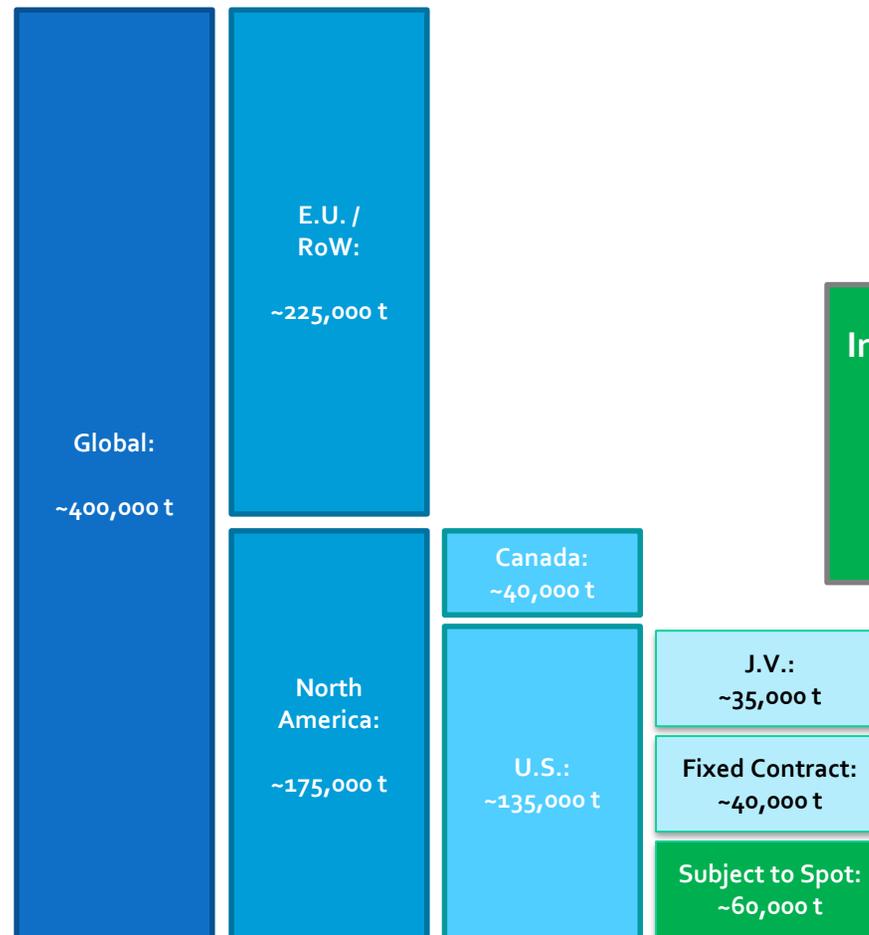
Source: Estimates based on Company data and CRU

# Impact of U.S. Trade Case Is Limited Given Our Global Platform

2017 Revenue Split by Product



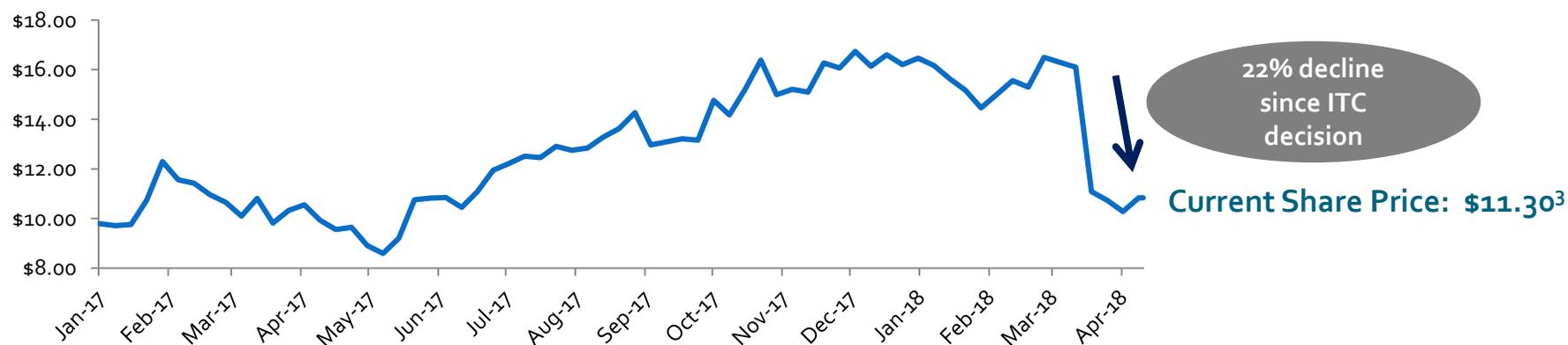
Illustrative 2018 Shipment Volumes (t)



In 2018, U.S. Silicon Metal sales subject to spot prices represent ~15% of total SiMe ~5% of total shipments

# Illustrative Impact From The Trade Case Outcome Does Not Support The Share Price Decline

Analyst and Industry Consultant Scenarios: <sup>1</sup>	Low	Base	High
Illustrative Near-Term Impact on SiMe Pricing (\$/lb):	-0.10	-0.125	-0.15
SiMe Tonnage Subject to Pricing changes (t):	60,000	60,000	60,000
<b>Illustrative Impact on Revenue (\$mm):</b>	<b>(13.2)</b>	<b>(16.5)</b>	<b>(19.8)</b>
<b>Illustrative Impact as % of 2018 Consensus EBITDA:<sup>2</sup></b>	<b>2.9%</b>	<b>3.6%</b>	<b>4.4%</b>
Illustrative Near-Term Impact on SiMe Pricing (\$/lb):	-0.10	-0.125	-0.15
Total U.S. SiMe Tonnage (t):	100,000	100,000	100,000
<b>Illustrative Impact on Revenue (\$mm):</b>	<b>(22.0)</b>	<b>(27.6)</b>	<b>(33.1)</b>
<b>Illustrative Impact as % of 2018 Consensus EBITDA:<sup>2</sup></b>	<b>4.9%</b>	<b>6.1%</b>	<b>7.3%</b>



Notes:

- 1 The illustration is based on 3<sup>rd</sup> party views on the U.S. silicon metal pricing impact and does not explicitly reflect Ferroglobe's view or expectation on pricing
- 2 Source: Bloomberg, as of April 13, 2018. 2018 EBITDA Consensus of \$454.2 million
- 3 As of market close on April 13, 2018



# Executing A Strategy Centered On Sustainable Growth and Value Creation



**Ferroglobe**

# Ferroglobe's Strategy For Growth



Commitment to be **best-in-class**



Developing our **leadership** in core products



Leveraging our silicon metal **technology**

- Disciplined value creation through the cycle for all stakeholders
- Current initiatives expected to contribute an incremental 20%-30% in EBITDA over 24 months <sup>1,2</sup>
- Deliver value to shareholders through a dividend policy

## Notes:

<sup>1</sup> Announced at the Ferroglobe Investor Day (October 17, 2017)

<sup>2</sup> The incremental 20% - 30% increase in EBITDA is based on the existing business portfolio as of October 17, 2017

# Commitment to be best-in-class — Optimizing locally in order to compete globally

Production flexibility

Production optionality

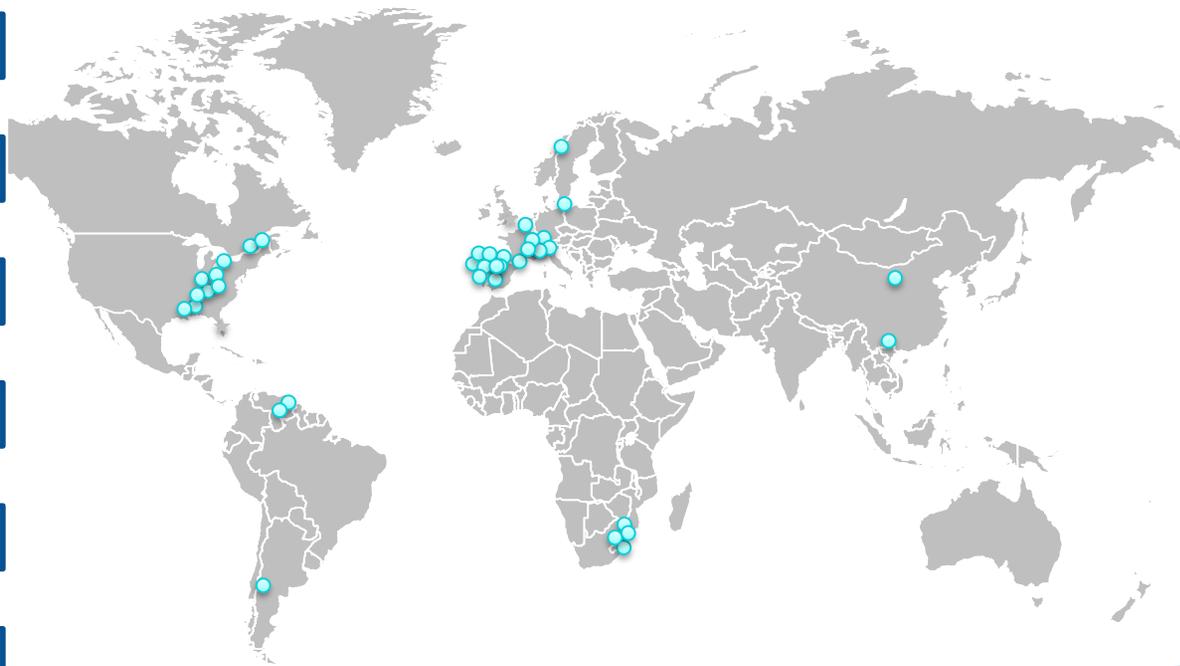
Natural F/X hedge

Broadest product range

Global customer reach

Low cost operations

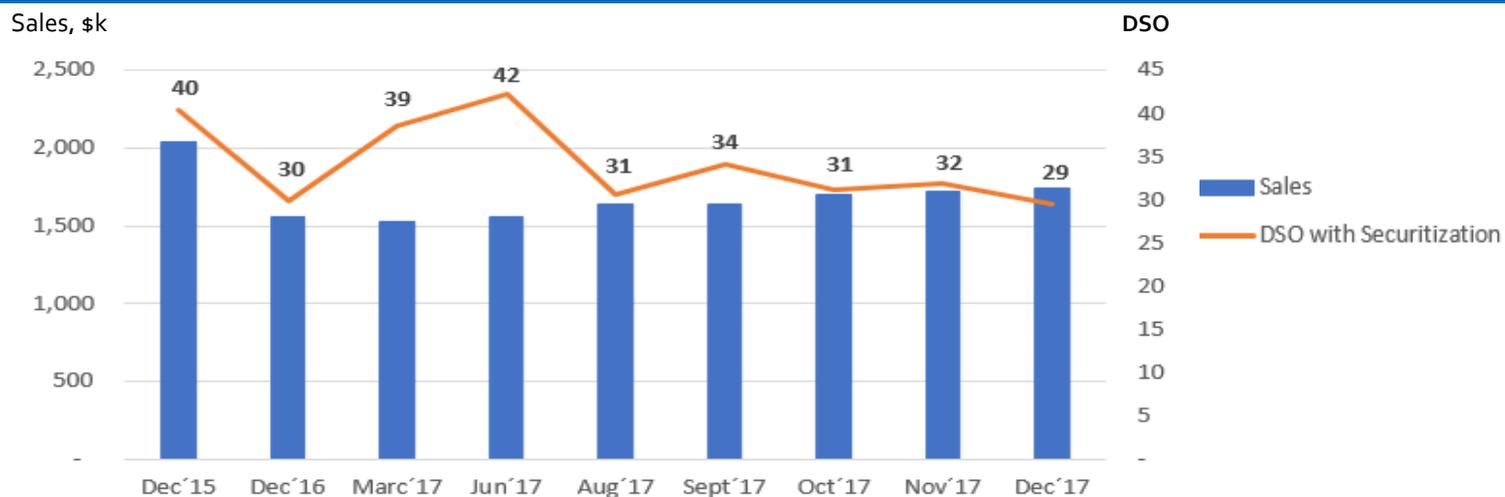
High barriers to entry



Drives our ability  
to remain a  
market leader

# Management Remains Focused On Operational Excellence

## Improvement in DSO through different parts of the cycle

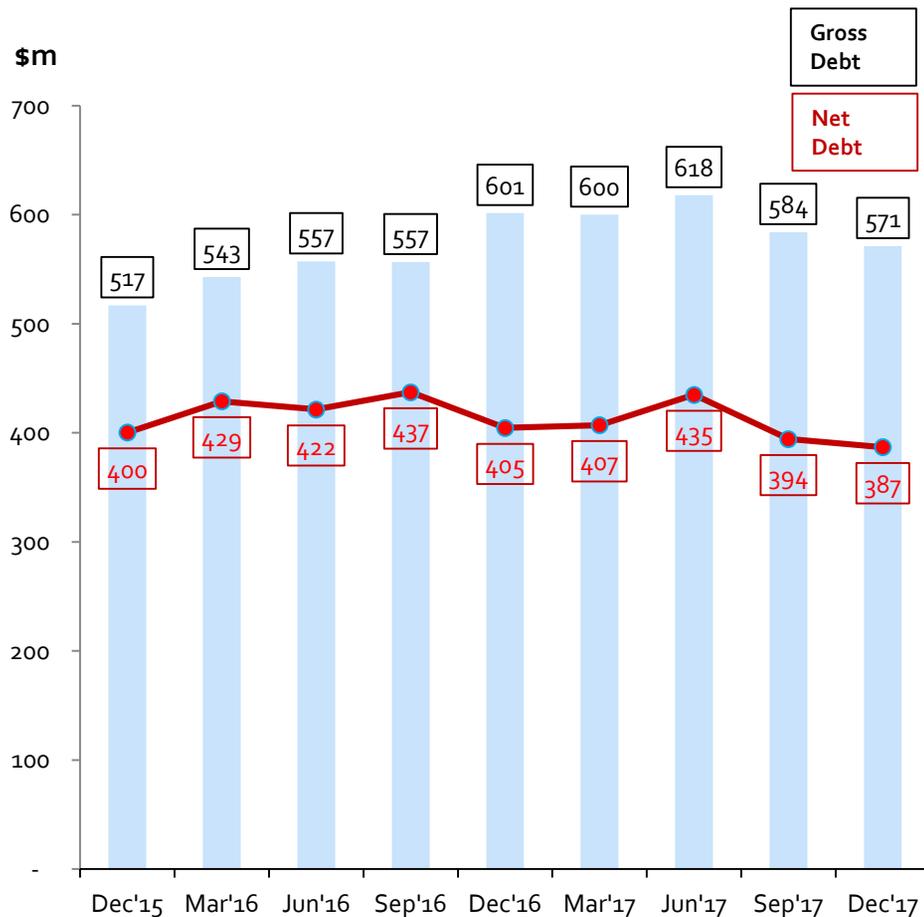


## Operational fixed costs (Staff and Other operating expenses) reduced from 2015



# Strong Balance Sheet provides Optionality & Flexibility to Pursue Strategic Growth Initiatives

## Quarterly Debt Evolution



- Conservative capital structure — company positioned to pursue growth opportunities
  - Focus on deleveraging the balance sheet
  - Leverage target of below 2x
  - Successful refinancing has simplified the debt structure and improved solvency with regard to covenants

**Bond** => **STABILITY** across the cycle  
**Securitization** => **FASTER CASH CONVERSION**

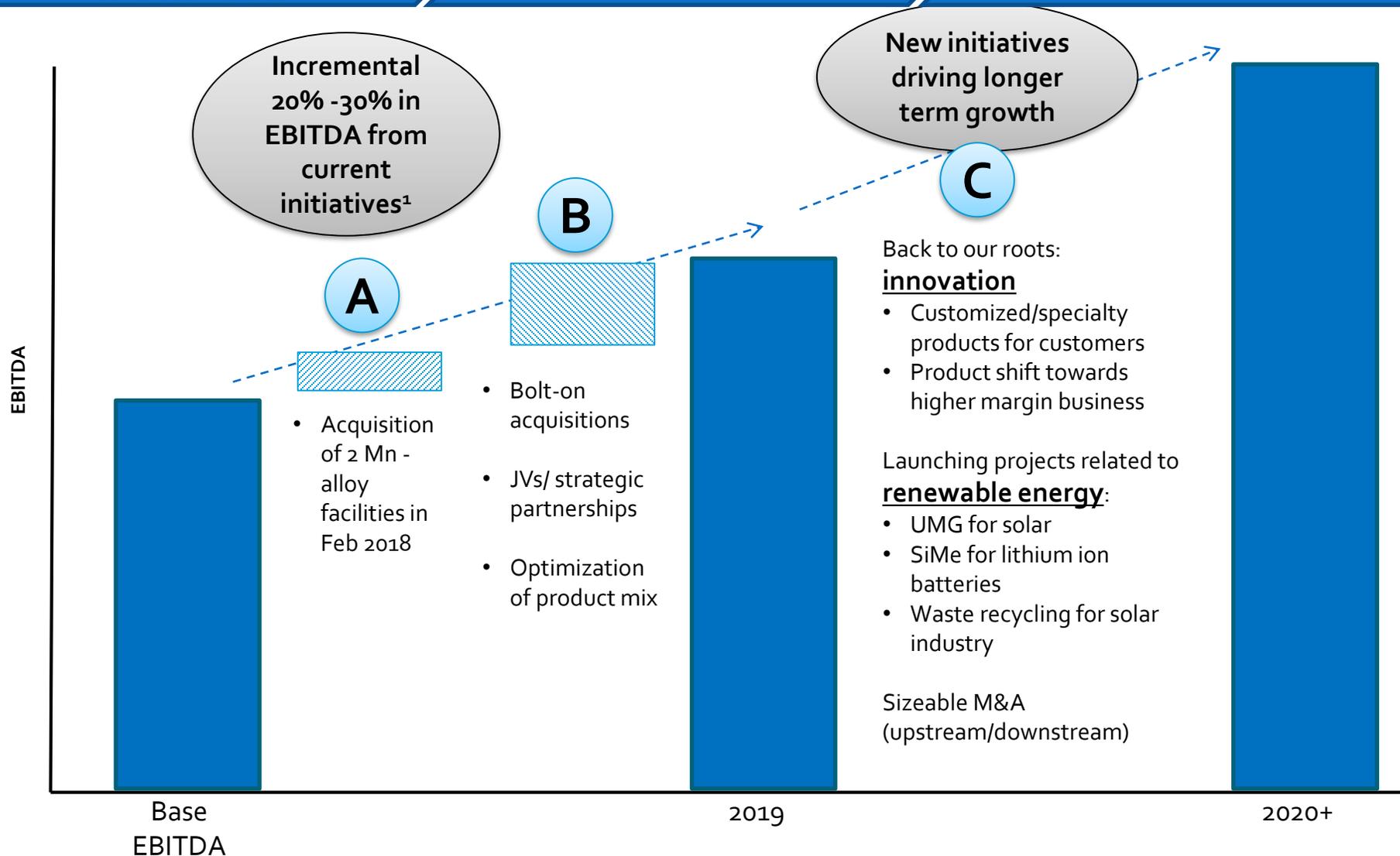
- Business decisions, including M&A and CapEx, are made with a focus on financial metrics – targeting immediately accretive transactions

# Ferroglobe's Path to Sustainable Value Creation

Extend and defend core businesses

Build emerging businesses

Shape the future



Note:

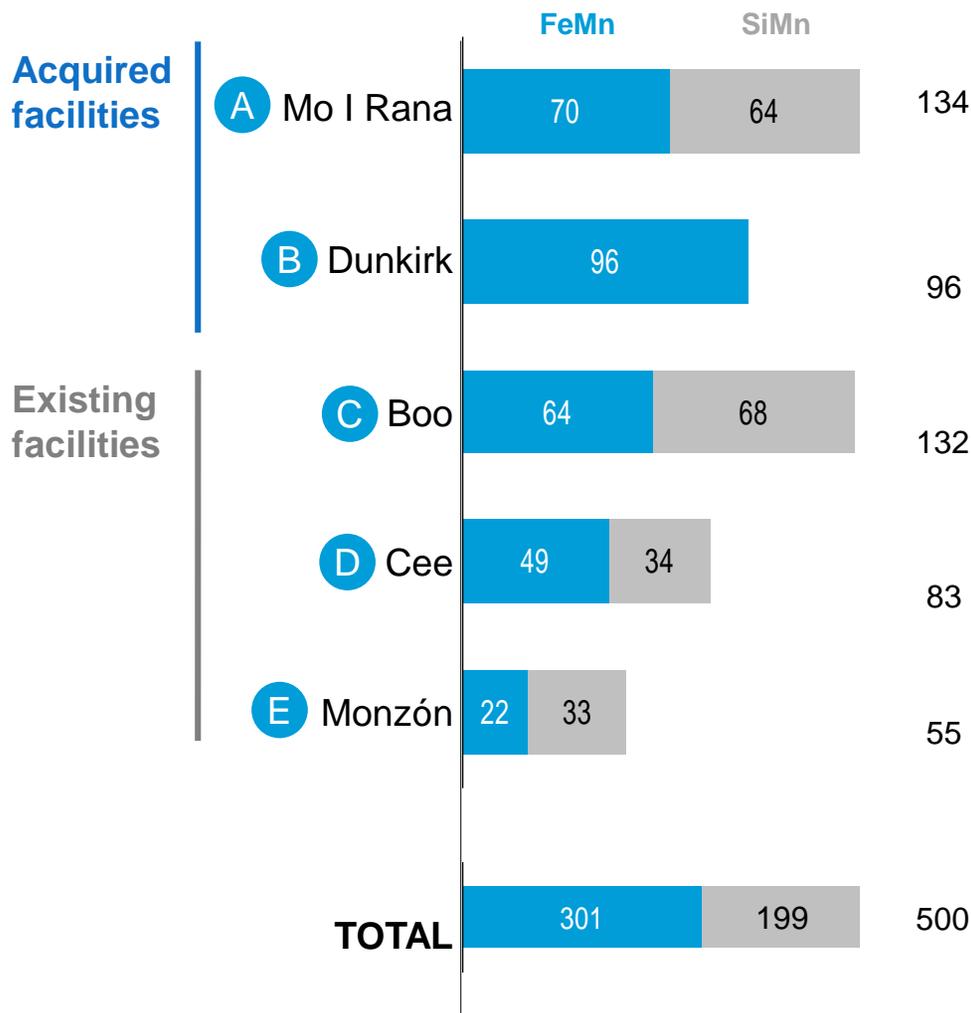
<sup>1</sup> Announced at the Ferroglobe Investor Day (October 17, 2017). The incremental 20% - 30% increase in EBITDA is based on existing business portfolio as of the announcement.

# A

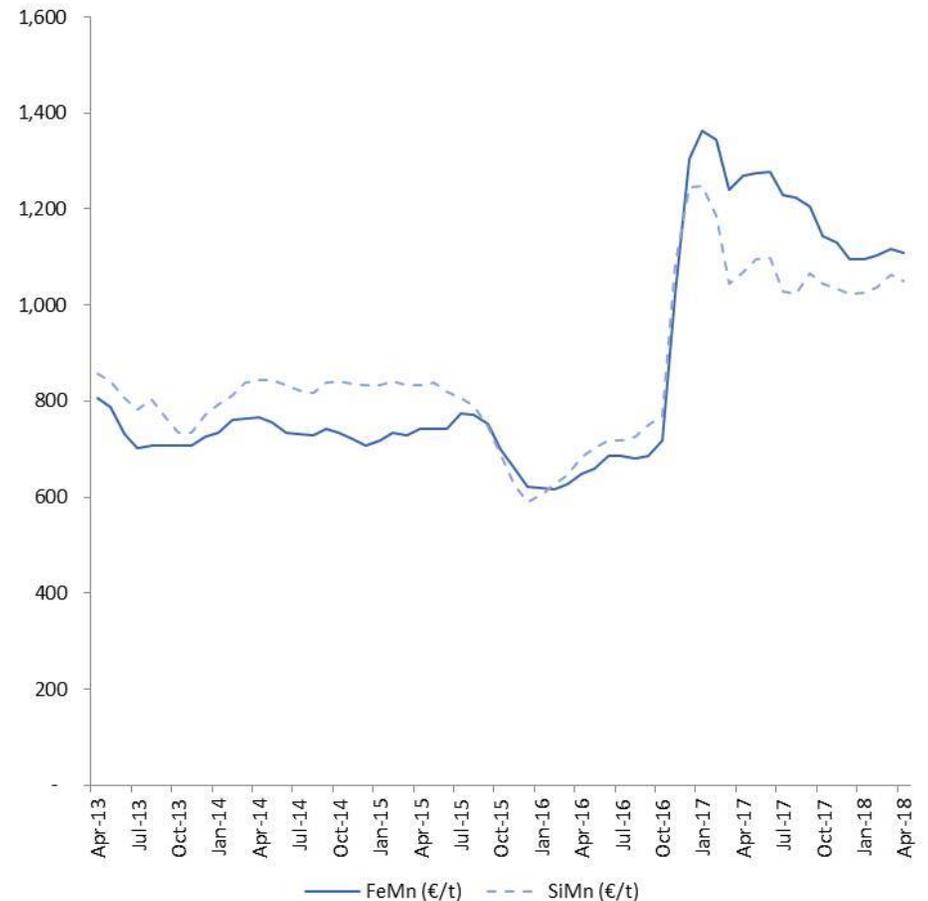
## Recently Acquired Plants Expand the Breadth and Depth of Manganese-Based Alloys Operations

Over US\$300 million of incremental revenues (based on current Mn-alloy pricing)

Ferroglobe and Glencore Europe production in 2017 (kt)



Mn-Alloys Pricing Trends (€/t)



# B

## Incremental Growth Over the Next 12-18 Months Supported by Strategic Acquisitions

Ferroglobe is committed to executing accretive M&A deals as part of its growth strategy

	Silicon Metal	Silicon Based Alloys	Manganese Based Alloys
Growth Drivers	<b>Strategic M&amp;A / Partnerships</b> ✓✓ Entrance into new geographies/markets	<b>Consolidation (M&amp;A / Partnerships)</b> ✓✓ Selective acquisition of facilities to penetrate specific markets	<b>Consolidation (M&amp;A / Partnerships)</b> ✓ Selective acquisition of facilities to penetrate specific markets
	<b>Opportunistic M&amp;A</b> ✓ Pursuing distressed assets which can be additive to the platform	<b>New Product Development</b> New R&D initiatives in collaboration with customers to provide customized solutions	
	<b>Leveraging Silicon Technology</b> Commitment to R&D to develop silicon products targeting high growth markets (ie, solar, lithium ion batteries)		
Active Opportunities	3	5	3

Transaction sizes vary, geographies vary, stages of discussion vary

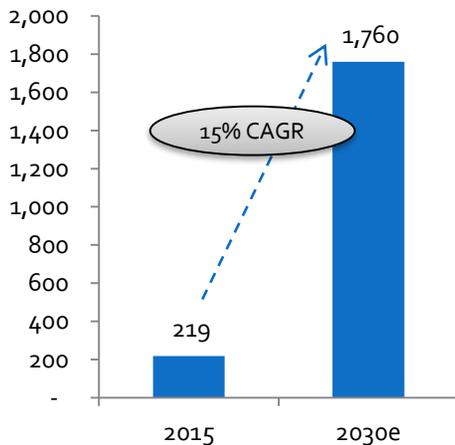


# Leveraging Our Silicon Technology To Target High Growth, Next Generation Products

## Solar

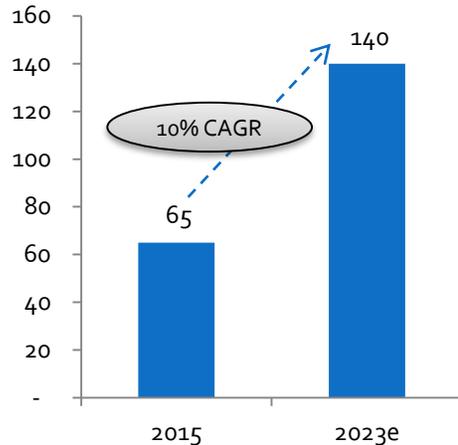
## Electric Vehicles / Consumer Electronics

Global Solar PV Capacity (GW)



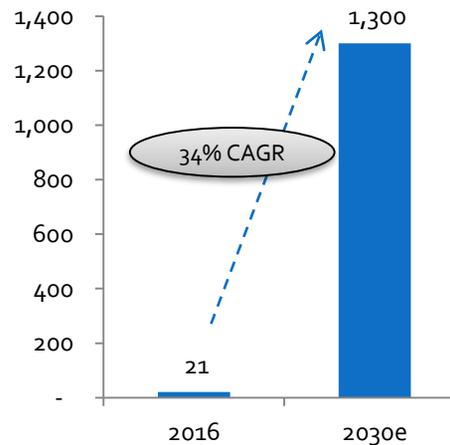
Source: Int'l Renewable Energy Association

Global Solar Energy Market (\$ billion)



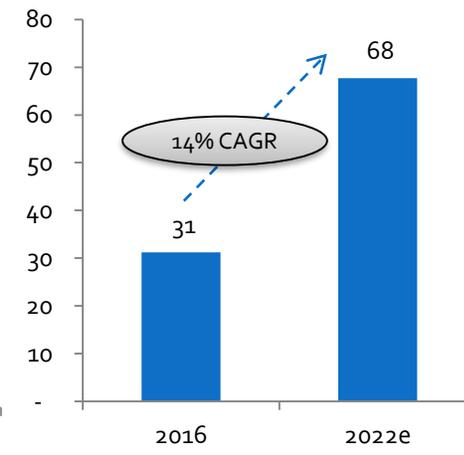
Source: Global Market Insights

Lithium-Ion Battery Demand From EVs (Gwh)



Source: Bloomberg New Energy Finance

Global Lithium-Ion Battery Market (\$ billion)



Source: Bloomberg New Energy Finance



UMG solar Si



Puertollano, Spain



### Benefit of Silicon Metal:

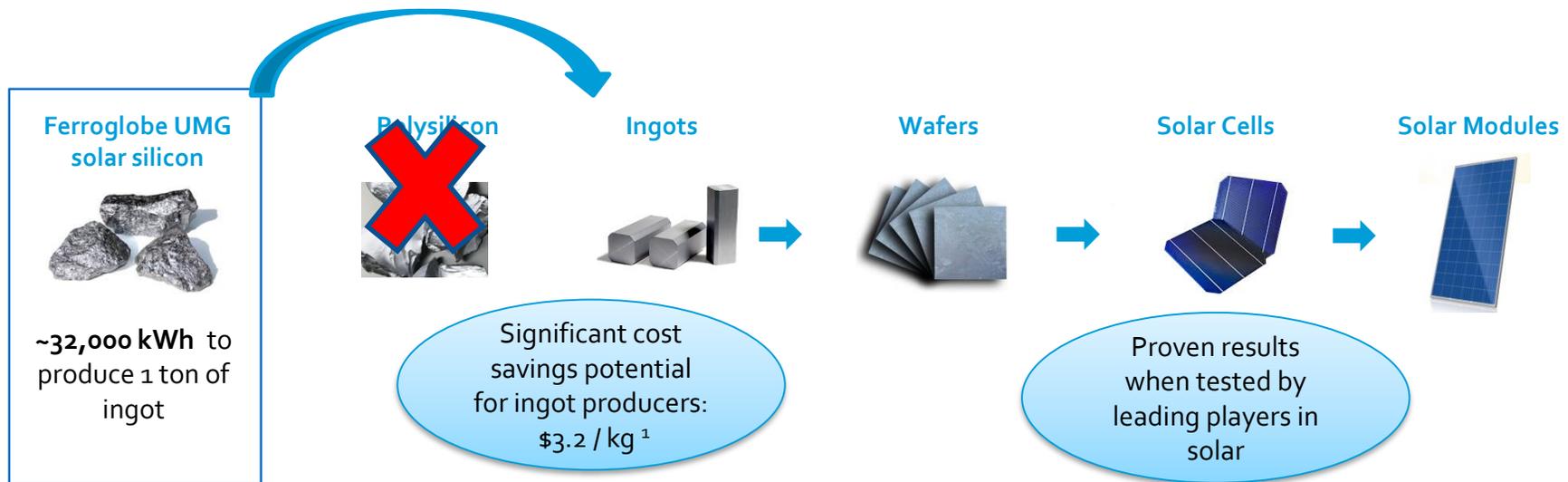
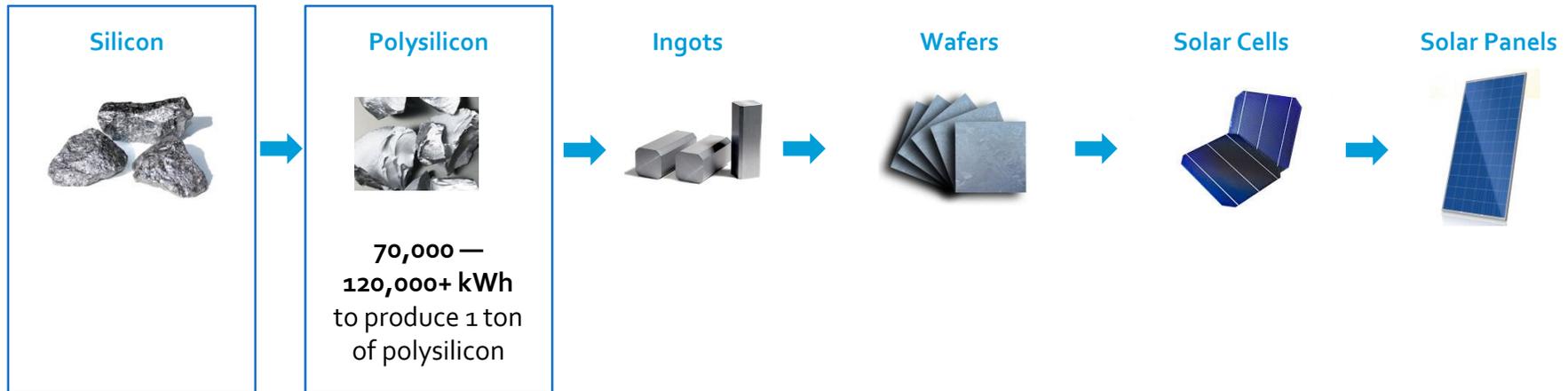
Size/Weight:



Storage Capacity:



# Ferroglobe Remains Focused On Disrupting The Solar Value Chain



Note:

1 Illustration assumes 85,000 x \$40 MWh

# Ferroglobe is Well Positioned for Growth

Capacity optimization positions Ferroglobe to take advantage of strong fundamentals

Strong balance sheet provides opportunity for strategic growth initiatives

Pipeline of exciting innovations focused on high growth markets such as solar and battery technology



**FerroGlobe**



Advancing Materials Innovation

NASDAQ: GSM

# Business Update

*April 2018*