

1 June 2020

ADJUSTMENT OF FLAT PRODUCTS EXTRAS FROM 01 JULY 2020

Dear Valued Customer,

A year has passed since ArcelorMittal South Africa last made changes to its extras for flat steel products and there have been numerous developments in that time. Apart from benchmarking product extras in various domestic markets around the world, the dynamics of market factors within South Africa are also reviewed such as the general inflationary pressures in the economy. For example, a retrospective look at 2019 shows that the PPI was 4.6% and the exchange rate weakened by 9%. The on-going COVID-19 pandemic has also caused significant disruption to the economic environment, globally and locally, resulting in higher dollar-based raw-material costs, a significantly weaker rand and increasing input costs.

Following a review of our extras for flat steel products, we have concluded that certain of our extras should be adjusted with effect from July 1st, 2020. The width/thickness and quality extras of all product families will be adjusted, with the average increase of an extra being circa 15% or roughly 1% of the final product price. Naturally the impact of the changes will vary based on the specific products purchased and will be higher or lower than this.

Given that each specific item will be affected differently, we recommend that you contact your Account Manager to enquire about your specific products and to determine how they will be impacted. Trusting that these changes can be implemented with the minimum of inconvenience to you.

Please feel free to contact your Account Manager for further details.

Yours faithfully



Colin Hautz
Chief Marketing Officer