



AMAG
AUSTRIA METALL

FY 2016 Presentation

February 28, 2017

Disclaimer

Note

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Highlights, Market

Highlights

- **EBITDA of EUR 143.0 million up 15 % year-on-year**
- **Volume and earnings growth** underscore company's growth path and acceptance among customers
- **Significant increase in aluminium price since start of 2016**
- **"AMAG 2020" expansion project running on budget and on schedule**
- **Proposed dividend of EUR 1.20** unchanged compared with the previous year
- **Positive market outlook** for aluminium products, especially for transport applications

2016 aluminium price trends

Aluminium price up more than 10% in the course of the year

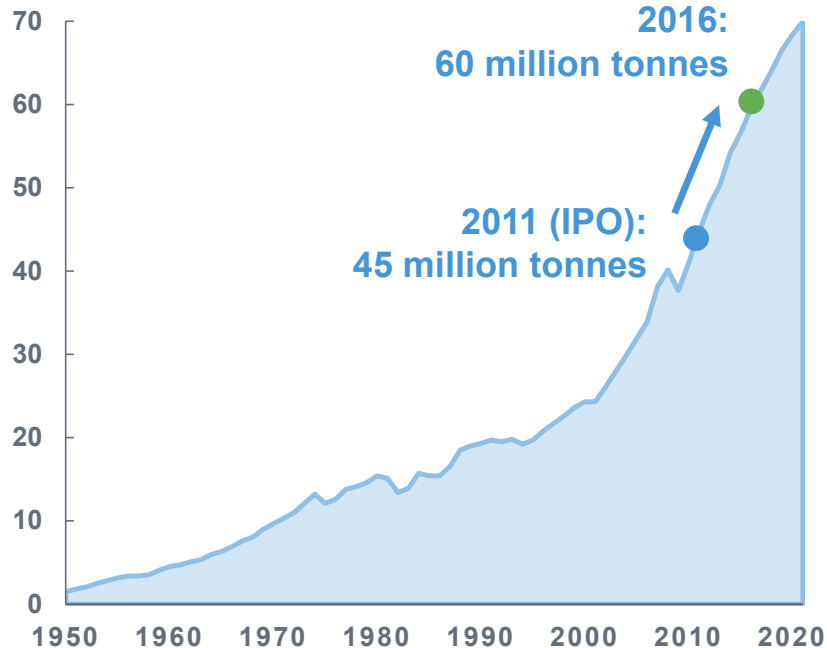
3-month LME in USD / t



Primary aluminium: rising demand

Growth trend forecast also confirmed in 2016

[in millions of tonnes]

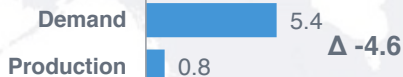


- **Global growth in 2016:**
+ 5 % to around 60 million tonnes
- **Expected growth up to 2021:**
~ 3 % p.a.

Primary aluminium: high import demand in the key markets USA and Western Europe

2016 figures in millions of tonnes

USA



Western Europe



Russia



China



Other



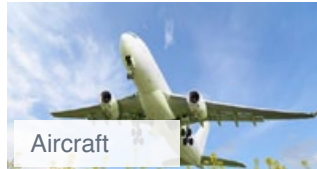
Alouette smelter:
Short transportation routes to USA and Western Europe

Aluminium rolled products: AMAG outpaces global market

	2016	2017
Global demand: (Change year-on-year)	+4 %	+4 %
AMAG rolled products: (Change year-on-year)	+13 %	ca. +8 %

Development of strategic growth areas

AMAG expects above-market growth



**AMAG rolled products:
shipments in 2016
(year-on-year comparison)**

+24 %

+44 %

+13 %

**Global demand until
2021 (CAGR):**

+4 % p.a.

+17 % p.a.

+3 % p.a.

Long-term contracts with major customers secure implementation of AMAG strategy

- Multi-year contract agreed with Airbus
- Long-term contracts agreed with renowned automotive customers
- Further multi-year contracts in negotiations, including significant volume growth



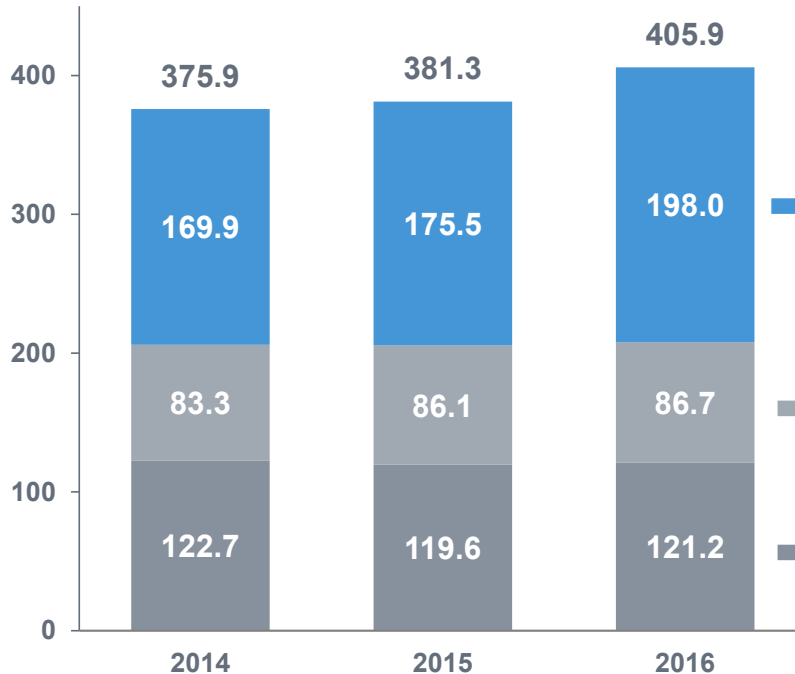


**Plant expansion,
operative development**

Further shipments record in 2016

Total shipments growth in all divisions

[’000 tonnes]



Rolling: +13 %

➔ Additional capacity from new hot rolling mill translates into higher shipments, as planned

Casting: +1 %

➔ Productivity gains (full utilisation)

Metal: +1 %

➔ Productivity gains (full utilisation)

Organic growth in Ranshofen

"AMAG 2014" project



EUR 220 million
Investments

September 2014
First commissioning

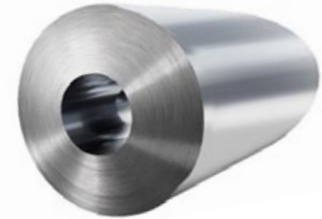


"AMAG 2020" project



> EUR 300 million
Investments

June 2017
Commissioning planned



Capacity increase for aluminium rolled products to more than 300,000 tonnes

"AMAG 2020" expansion project

Project running on schedule and on budget

- Commissioning in June 2017
- Implementing **state-of-the-art** digitalisation **methods**
- Significant **productivity enhancement**



Industry 4.0 at a AMAG

Advantage through digitalisation

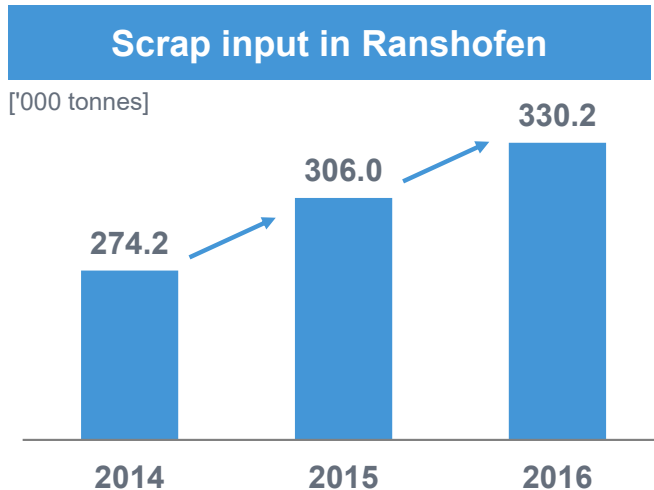
- **Developing products by simulation** along the entire process chain
- **Productivity benefits** from automated plants
- **Digitalisation in logistics** (autonomous goods transport)
- Automatic **scrap sorting**



Aluminium scrap recycling

New aluminium scrap input record in Ranshofen

- High scrap input ratio of 75 to 80% maintained during volume growth
- Automatic scrap sorting plant commissioned successfully in 2016



Expansion of research & development activities

Innovations to secure growth strategy

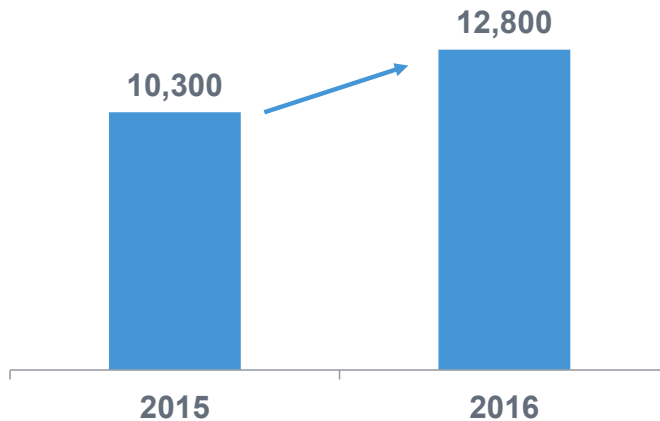
- **Cooperation with recognised universities and research partners** (e.g. ETH Zürich, Leoben University, JKU Linz, TU Vienna, TU Graz, Friedrich Alexander University Erlangen-Nuremberg, RWTH Aachen, TU Bergakademie Freiberg, LKR Ranshofen)
- Approximately **100 staff** employed in research and innovation area
- **Development projects with customers from widely diverging industries**, such as aircraft, automotive, packaging and architecture



Continuous improvement process (CIP / KVP)

New record in number of suggestions submitted

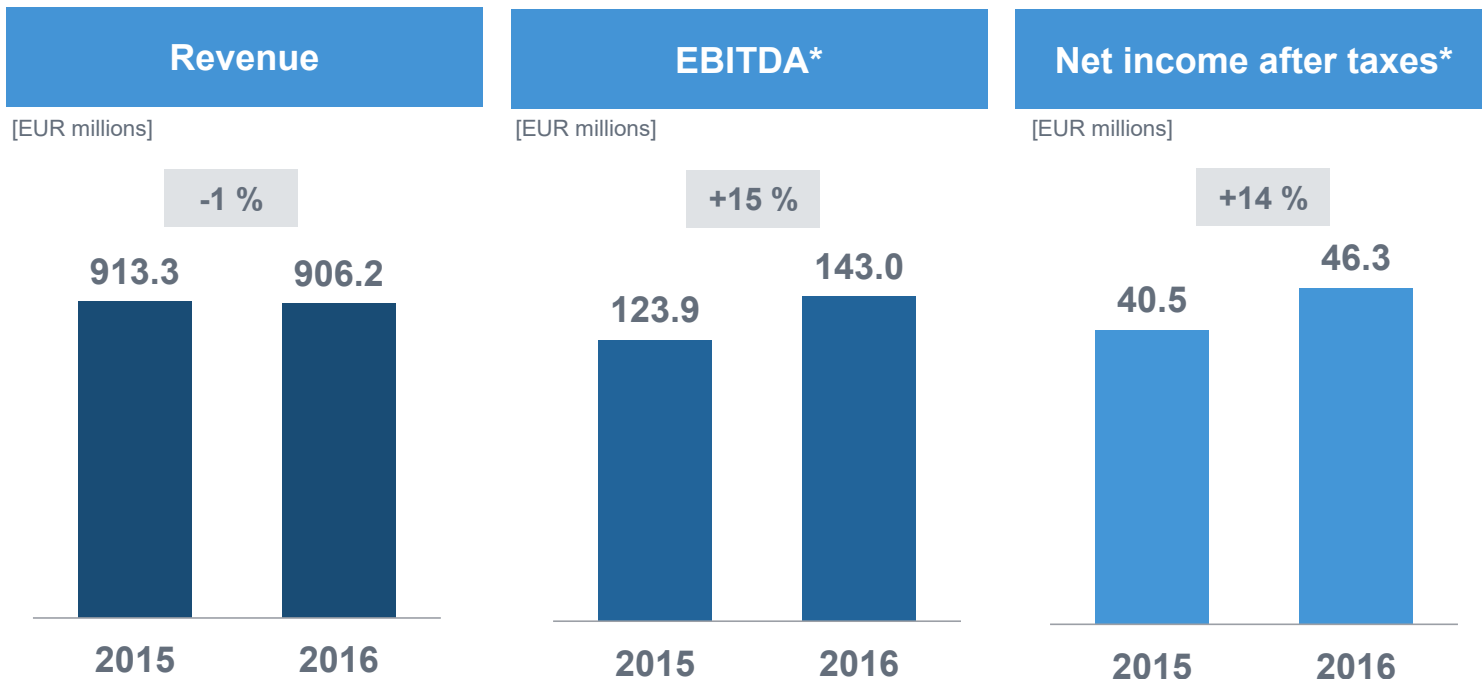
Number of suggestions submitted



- Around 30 improvements implemented per day

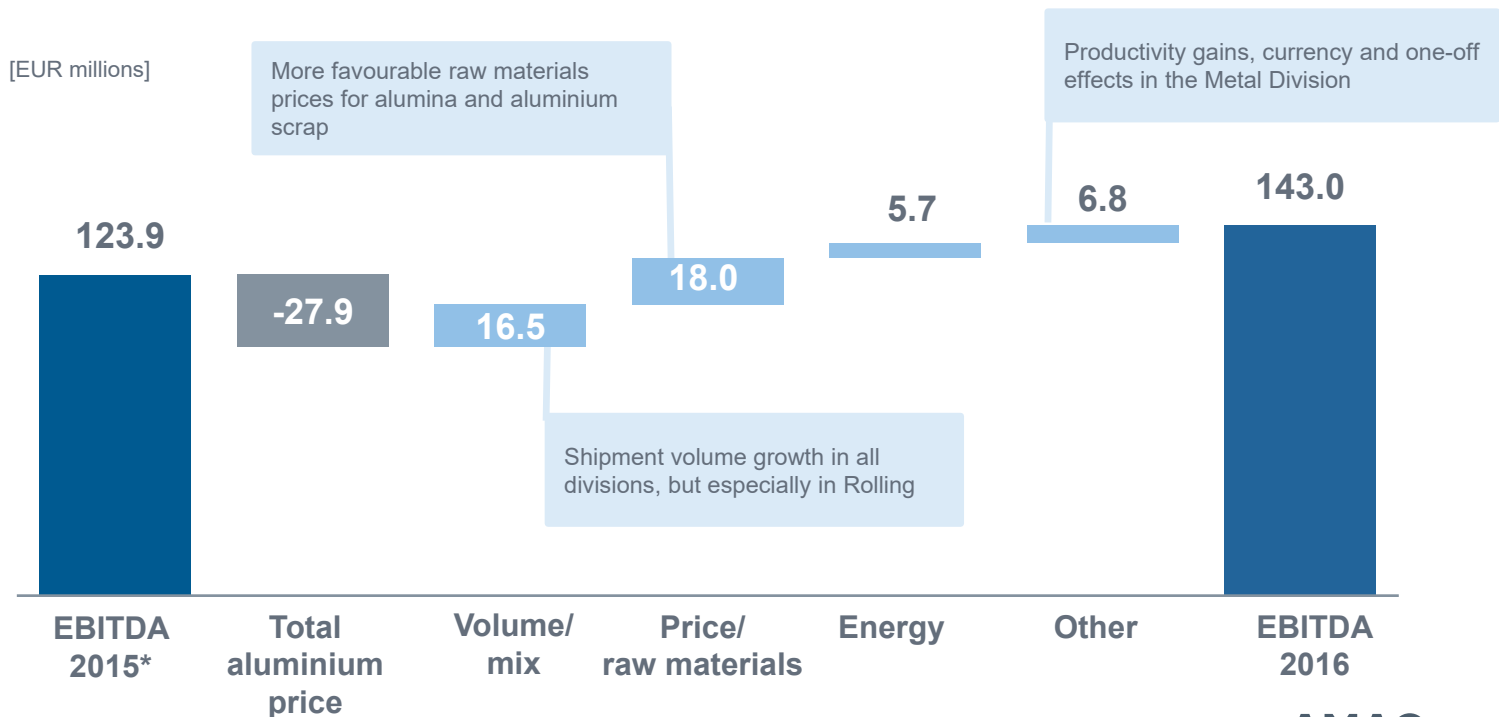
2016 results

Double-digit percentage earnings growth



2016 EBITDA reconciliation

Aluminium price effect more than offset



Metal Division: increase in earnings at low aluminium price

Positive earnings contributions from:

- **Cost optimisation program**
- **More favourable raw materials costs**



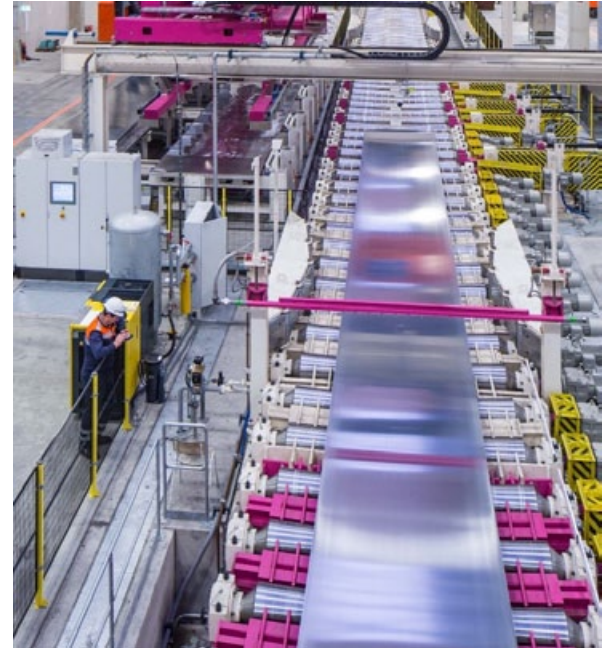
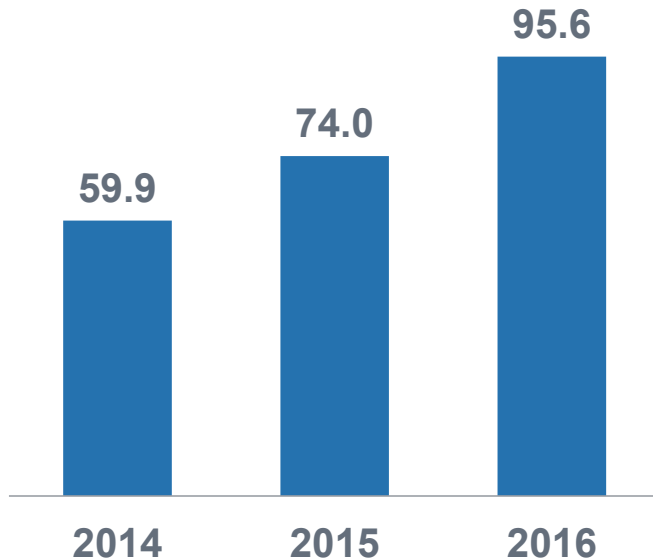
	2015	2016	Difference
Ø aluminium price (3-month LME in USD/t)	1,680	1,610	-4%
Metal Division EBITDA (EUR millions)	33.3	37.9	+14%

Rolling Division: new EBITDA record

Successful ramp-up leads to earnings growth

Rolling Division EBITDA

[EUR millions]



AMAG Group – key figures (1/2)

	Q4 2016	Q4 2015*	+/- (%)	2016	2015*	+/- (%)
Shipments, total [in tonnes]	96,900	91,200	+6 %	405,900	381,300	+6 %
Revenue [EUR millions]	219.1	208.8	+5 %	906.2	913.3	-1 %
Gross profit [EUR millions]	34.6	19.7	+75 %	150.4	120.7	+25 %
EBITDA [EUR millions]	33.3	21.8	+53 %	143.0	123.9	+15 %
EBITDA margin [in %]	15.2 %	10.4 %	-	15.8 %	13.6 %	-
EBIT [EUR millions]	14.3	4.4	+225 %	73.0	54.7	+33 %
EBIT margin [in %]	6.5 %	2.1 %	-	8.1 %	6.0 %	-
Net income after taxes [EUR millions]	7.8	7.0	+10 %	46.3	40.5	+14 %
Earnings per share [EUR]	0.22	0.20	+10 %	1.31	1.15	+14 %

AMAG Group – key figures (2/2)

	Q4 2016	Q4 2015	+/- (%)	2016	2015	+/- (%)
Cash flow from operating activities [EUR millions]	13.4	32.3	-58 %	114.9	109.9	+5 %
Cash flow from investing activities [EUR millions]	-58.0	-35.7	-63 %	-185.4	-91.2	-103 %
Employees ¹	1,790	1,708	+5 %	1,762	1,704	+3 %
	31.12.2016			31/12/2015*		+/-
Net financial debt ² [EUR millions]	225.8			113.8		+98 %
Gearing [in %]	35.8 %			17.8 %		-
Equity ratio [in %]	45.4 %			57.8 %		-

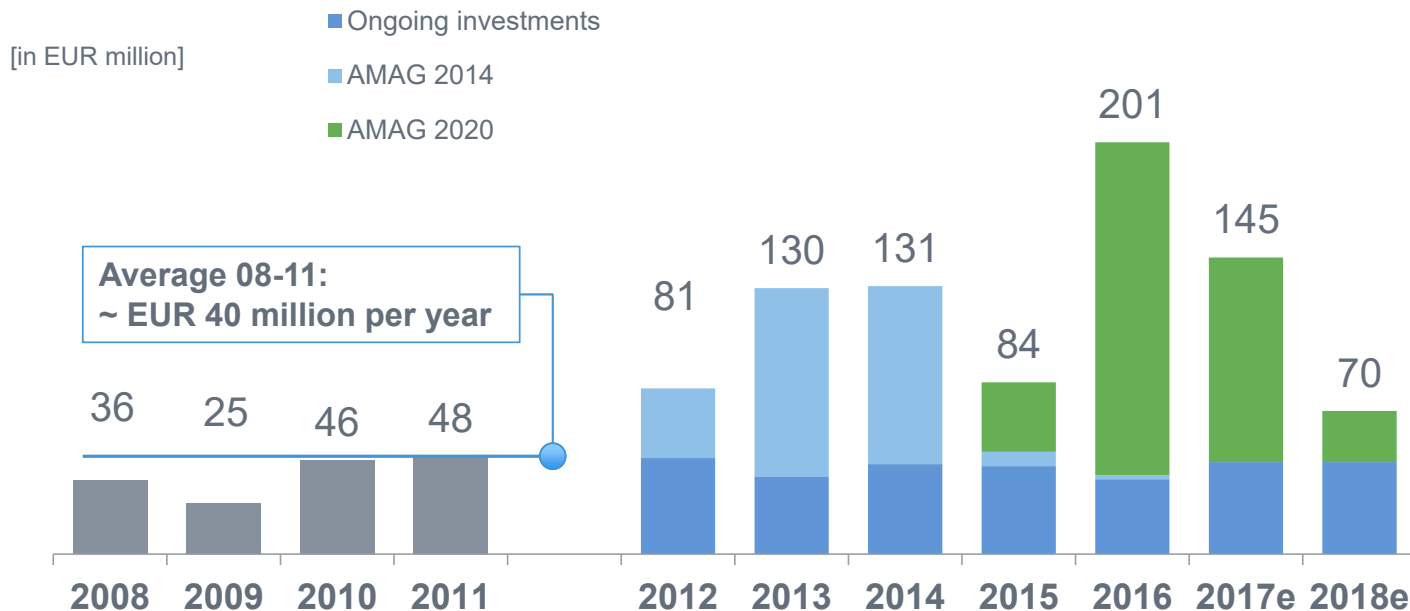
1) Average number of employees (full-time equivalents) including temporary help workers, excluding apprentices; includes

20 % share of number of employees at interest held in Alouette smelter

2) Net balance of liquid assets and financial receivables, less financial liabilities

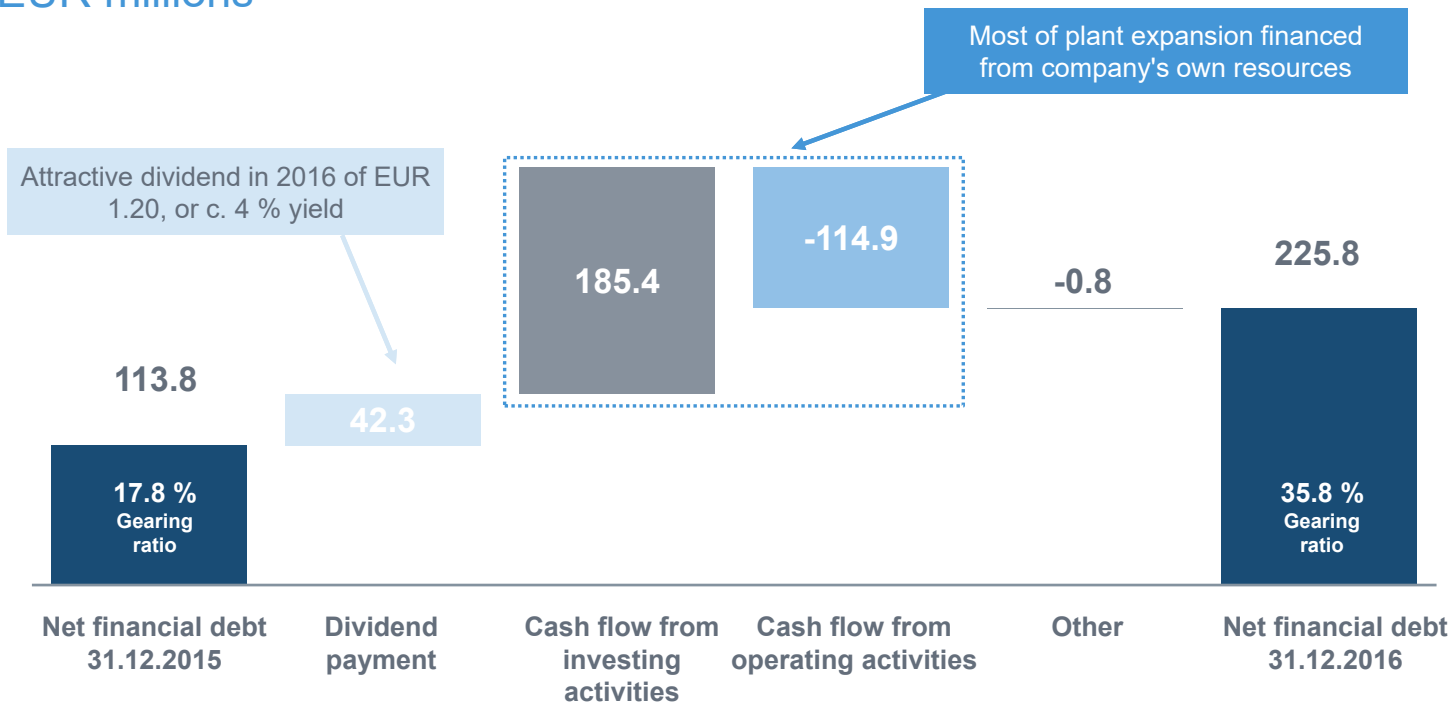
Capex 2016

Ambitious investment plan successfully implemented



Net financial debt

EUR millions



Metal Division

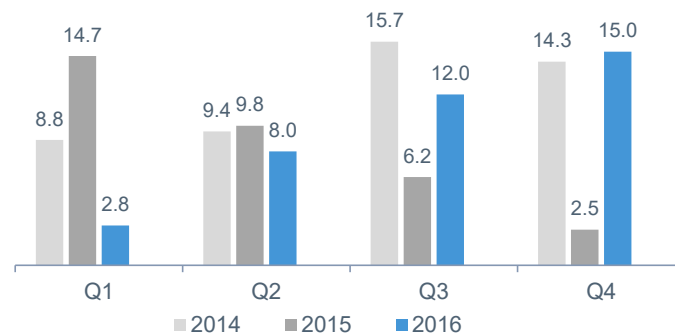
Higher EBITDA on lower aluminium price



	Q4 2016	Q4 2015	+/- (%)	2016	2015	+/- (%)
Shipments, total [in tonnes]	30,700	29,500	+4 %	121,200	119,600	+1 %
Revenue [EUR millions]	145.9	147.2	-1 %	611.1	647.6	-6 %
EBITDA [EUR millions]	15.0	2.5	+489 %	37.9	33.3	+14 %
EBITDA margin	10.3 %	1.7 %	-	6.2 %	5.1 %	-
Employees ¹	193	200	-4 %	195	203	-4 %

¹ Average number of employees (full-time equivalents), including temporary help workers and excluding apprentices. This includes a 20% share of the number of employees at interest held in Alouette smelter.

EBITDA
(in EUR millions)



- **Increase in shipments and production** year-on-year
- Fixed cost reduction through **consistent cost management**
- **Additional earnings contribution** from more favourable raw materials costs and positive one-off effect

New electricity contract for Alouette smelter

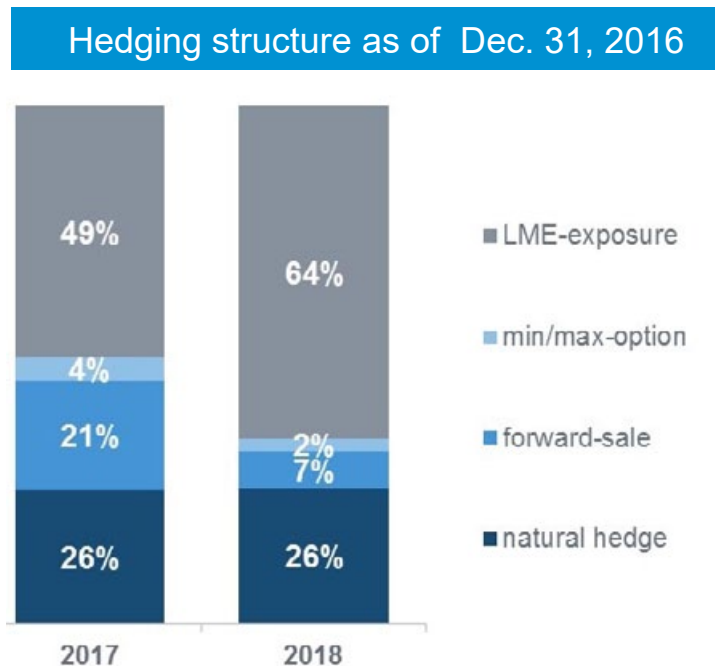
AMAG benefits from more favourable electricity terms from 2017

- Electricity contracts signed in October 2016
- **Electricity price based on aluminium price:**
 - **Natural hedge** against aluminium price fluctuations
 - **Improved risk profile** in relation to CAD currency fluctuations
 - **Expected cost benefit** in 2017 compared with previous year: around EUR 5 million*
- **IFRS accounting of electricity contract:**
 - **Total assets increase** by around EUR 115 million
 - **Volatility** in equity in future accounting periods due to measurement fluctuations (depending on aluminium price trend)

Hedging structure in the Metal Division

Higher natural hedge compared with previous year

- **Natural hedge** increases to 26% due to new electricity contract
- **Reduction of aluminium price risk**
- Aluminium price change of +/- 100 USD/t leads to an EBITDA effect of around +/- EUR 5 million



Casting Division

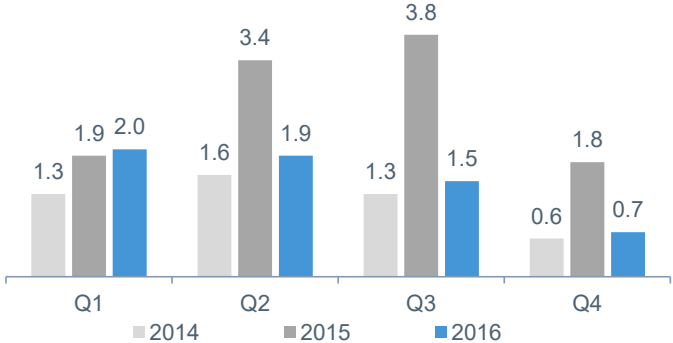
Margin pressure reduces earnings



	Q4 2016	Q4 2015	+/- (%)	2016	2015	+/- (%)
Shipments, total [in tonnes]	22,100	20,600	+7	86,700	86,100	+1 %
Revenue [EUR millions]	26.5	29.9	-11 %	112.1	137.5	-18 %
EBITDA [EUR millions]	0.7	1.8	-60 %	6.1	10.9	-44 %
EBITDA margin	2.7 %	5.9 %	-	5.5 %	7.9 %	-
Employees ¹	123	127	-3 %	125	123	+2 %

¹ Average number of employees (full-time equivalents) including temporary help workers and excluding apprentices

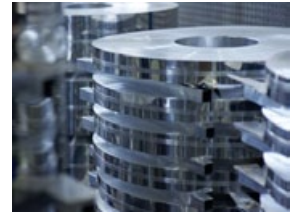
EBITDA
(in EUR millions)



- **Shipment and production volume** reports further year-on-year rise
- Internal shipments to Rolling Division of 24,700 tonnes (2015: 19,000 tonnes)
- **Margin level** for recycling foundry alloys down significantly year-on-year due to market pressure

Rolling Division

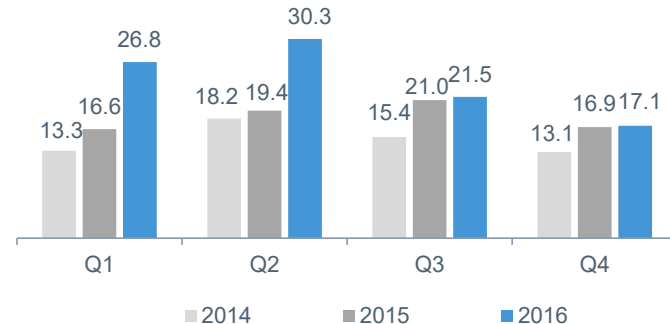
EBITDA growth due to volume increase



	Q4 2016	Q4 2015*	+/- (%)	2016	2015*	+/- (%)
Shipments, total [in tonnes]	44,100	41,200	+7 %	198,000	175,500	+13
Revenue [EUR millions]	155.5	155.6	-0 %	702.2	693.0	+1 %
EBITDA [EUR millions]	17.1	16.9	+1 %	95.6	74.0	+29 %
EBITDA margin	11.0 %	10.9 %	-	13.6 %	10.7 %	-
Employees ¹	1,339	1,249	+7 %	1,309	1,243	+5 %

¹⁾ Average number of employees (full-time equivalents) including temporary help workers and excluding apprentices

EBITDA
(in EUR millions)



- **Volume growth** due to scheduled ramp-up of new hot rolling mill
- Price pressure offset by **productivity improvements**
- **Start-up costs** due to hiring for "AMAG 2020" project

Outlook

FY 2017 outlook

AMAG Austria Metall AG

- Continued **attractive growth rate of around 4 %** in global consumption of primary aluminium¹ and rolled products² expected **for 2017**
- Metal Division results depend mainly on **future price trend for aluminium and raw materials**
- Rolling Division to benefit from **scheduled ramp-up of new equipment**

FY 2017 outlook

AMAG Austria Metall AG

- Commissioning of Europe's most modern rolling mill in June 2017



Cold rolling mill



Continuous heat treatment line

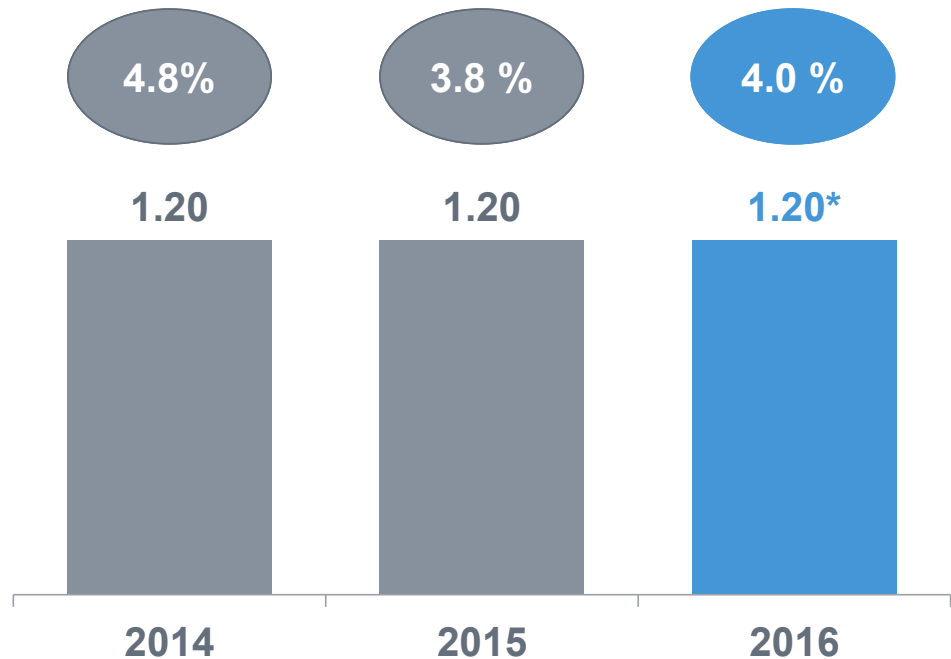
Dividend and share

Proposed dividend

Attractive dividend yield to be continued for FY 2016

Dividend yield
(based on year-average share price)

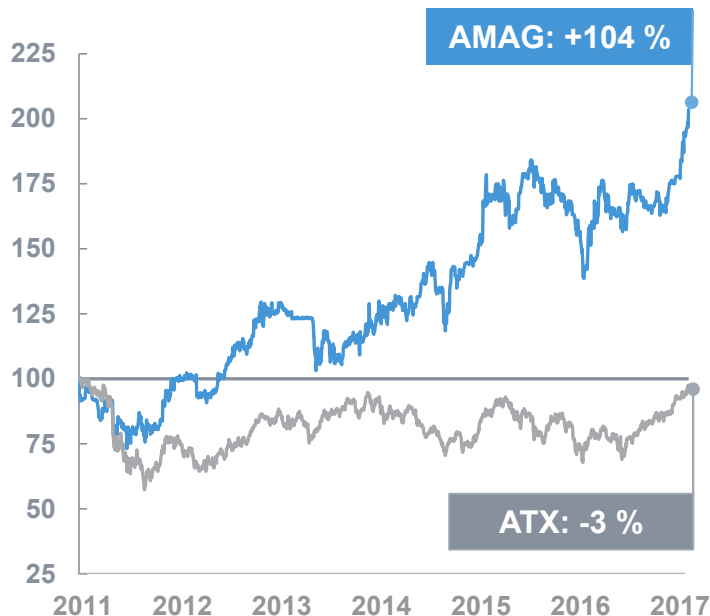
Dividend in EUR per share
(for the respective financial year)



AMAG share

Significant outperformance since IPO

[Performance up to February 17, 2017 in %]



Shareholder structure

B&C Industrieholding GmbH²⁾

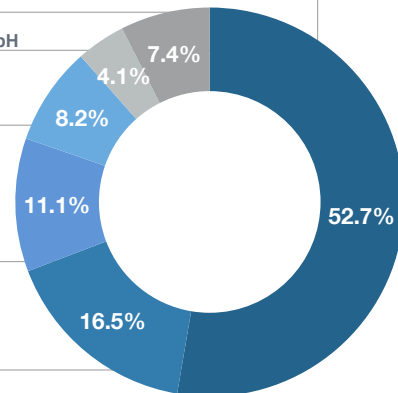
Free float

Esola Beteiligungsverwaltungs GmbH

Treibacher Industrieholding GmbH

AMAG Arbeitnehmer Privatstiftung

RLB OÖ Alu Invest GmbH^{1), 2)}



1) RLB OÖ Alu Invest GmbH is a wholly-owned subsidiary of Raiffeisenlandesbank Oberösterreich AG

2) B&C Industrieholding GmbH and Raiffeisenlandesbank Oberösterreich concluded an investment agreement on April 1, 2015

IR information

Information about the AMAG share	
ISIN	AT00000AMAG3
Ticker symbol: Vienna Stock Exchange	AMAG
Indices	ATX Prime, ATX BI, ATX GP, VÖNIX, WBI
Reuters	AMAG.VI
Bloomberg	AMAG AV
Number of shares in issue	35,264,000
Share price ¹⁾	EUR 38.67

2017 financial calendar

February 28, 2017	2016 annual financial statements
April 19, 2017	Annual General Meeting
April 28, 2017	Dividend payment date
May 3, 2017	Q1 2017 report
August 2, 2017	H1 2017 report
October 31, 2017	9M 2017 report

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Competence in Aluminium

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