

# FY 2017 Presentation

27 February 2018

# Disclaimer

## Note

- AMAG compiled the forecasts, budgets and forward-looking assessments and statements contained in this presentation on the basis of information available to the Group at the time the report was prepared. In the event that the assumptions underlying these forecasts prove to be incorrect, targets are missed, or risks materialise, actual results may depart from those currently anticipated. We are not obliged to revise these forecasts in light of new information or future events.
- This presentation was prepared and the data contained in it verified with the greatest possible care. Nevertheless, misprints and rounding and transmission errors cannot be entirely ruled out. This presentation is also available in German. In cases of doubt, the German-language version shall be authoritative.

# Highlights, Market

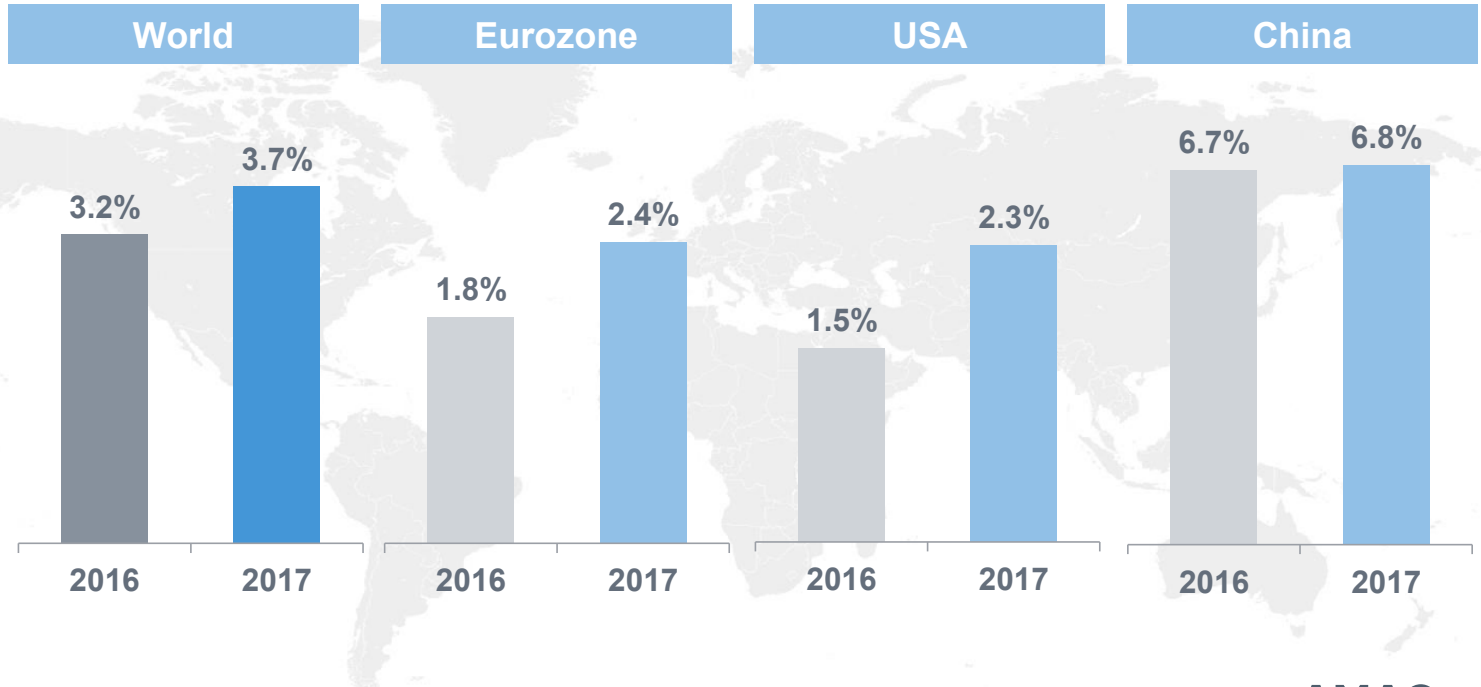
# Highlights

- Market: high demand growth worldwide, significant increase in the aluminium price
- New cold rolling mill commissioned on schedule
- New records in shipments, revenue and operating result
- Proposed dividend of EUR 1.20 unchanged compared with the previous year

## Key figures 2017 (compared to 2016)

<b>Shipments</b> (tonnes)	<b>421,700</b>	<b>+4%</b>
<b>Revenue</b> (EUR millions)	<b>1,036.2</b>	<b>+14%</b>
<b>EBITDA</b> (in EUR millions)	<b>164.5</b>	<b>+15%</b>
<b>Net income after taxes</b> (in EUR millions)	<b>63.2</b>	<b>+36%</b>
<b>Employees</b>	<b>1,881</b>	<b>+7%</b>

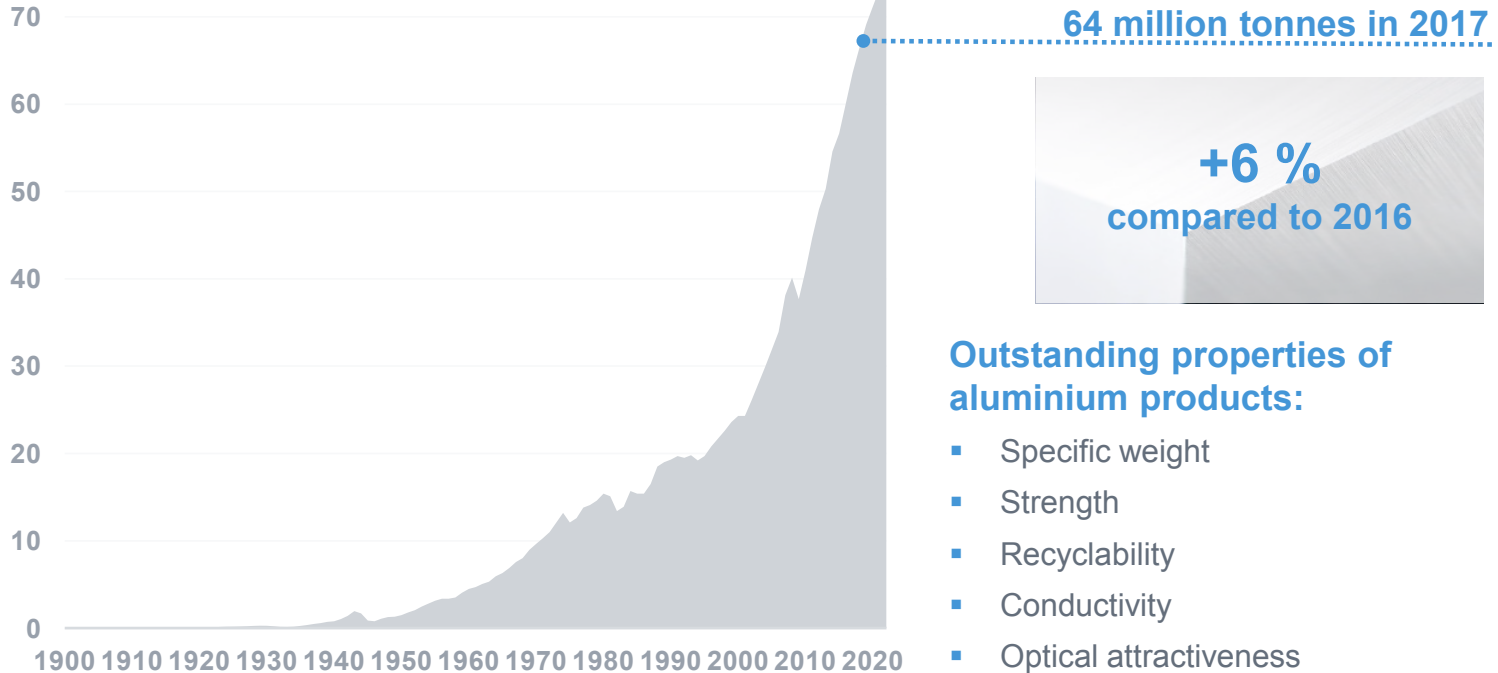
# World economy reports faster growth



# High demand increase for aluminium

## High growth in demand for primary aluminium worldwide

[in millions of tonnes]

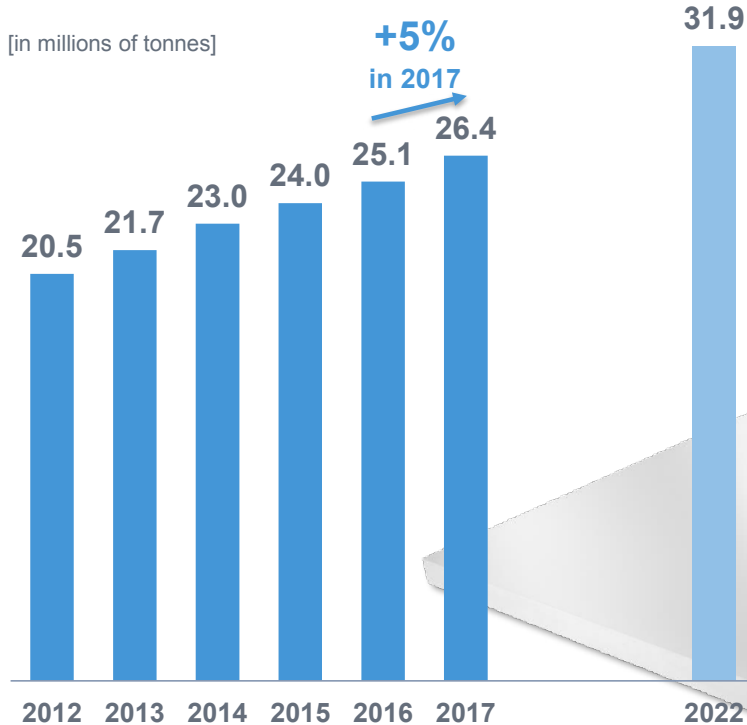


### Outstanding properties of aluminium products:

- Specific weight
- Strength
- Recyclability
- Conductivity
- Optical attractiveness

# Demand for aluminium rolled products rises to new record high

[in millions of tonnes]



## Annual growth forecast up to 2022:

World:

+4% p.a.

Western Europe:

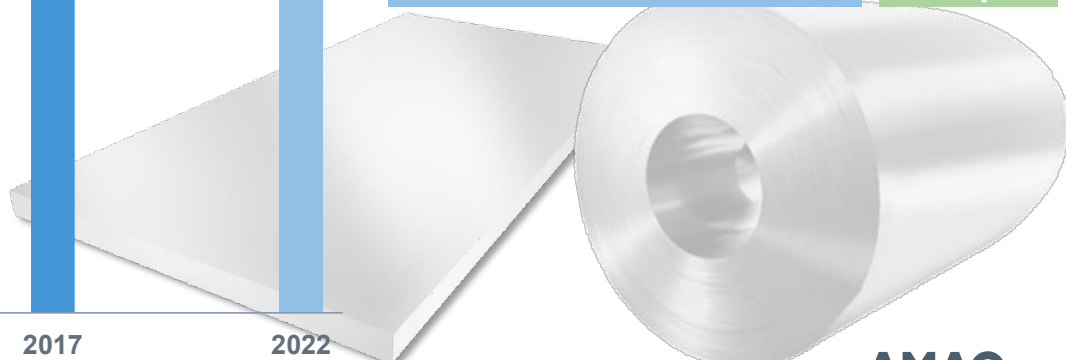
+3% p.a.

North America:

+3% p.a.

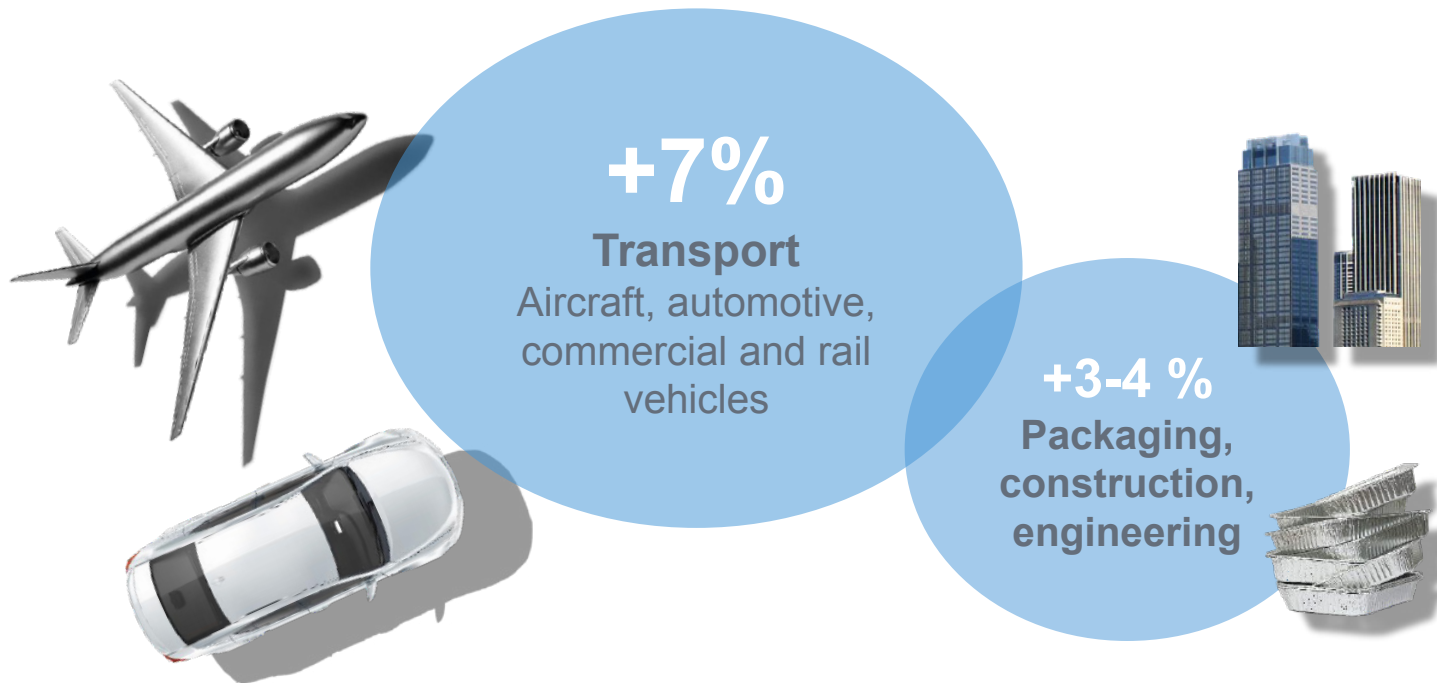
China:

+4% p.a.



# Growth in aluminium rolled products

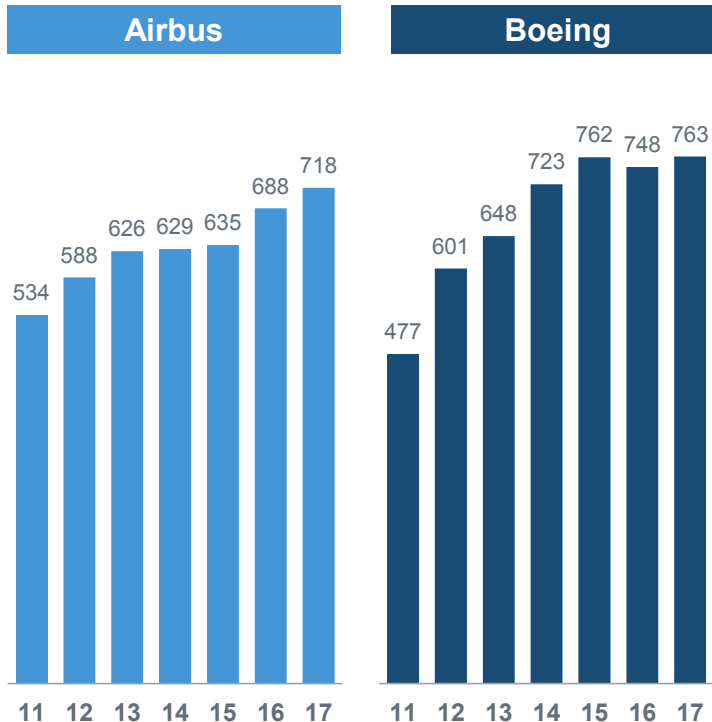
Annual global growth 2017 to 2022 (CAGR)





# Aircraft producers report new record deliveries

Commercial aircraft deliveries register further increase

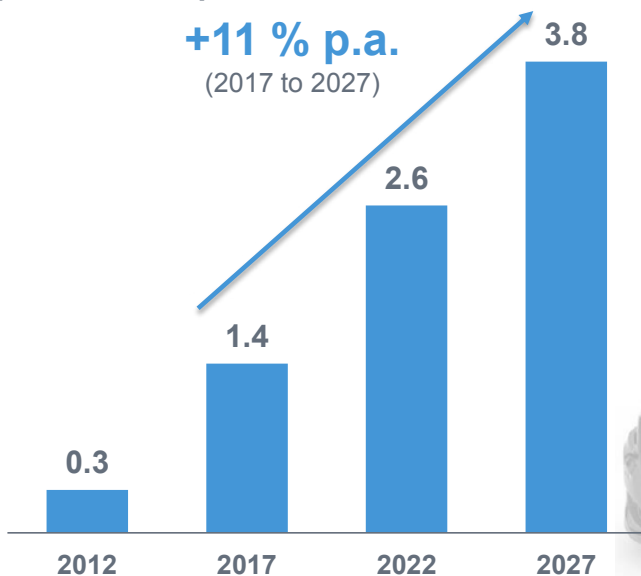


# Aluminium sheets for automotive industry

Lightweight design deploying aluminium reduces weight and emissions

## Worldwide demand for aluminium body sheets for hang-on-parts

[in millions of tonnes]



## Deploying aluminium sheets in cars: Europe as an example

	2017	2027
Engine hood:	27 %	67 %
Fenders:	16 %	29 %
Doors:	9 %	18 %



# AMAG sheets for cars

High-quality AMAG aluminium sheets in the Alfa Romeo Stelvio



# Site expansion

# Commissioning of Europe's most state-of-the-art aluminium rolling mill



Continuous heat treatment line



Slitting line



Annealing furnaces



Cold rolling mill





# Expanding the product range

Cold-rolled and heat-treated aluminium sheets with larger dimensions

Existing plant:

Maximum width 1,600 mm

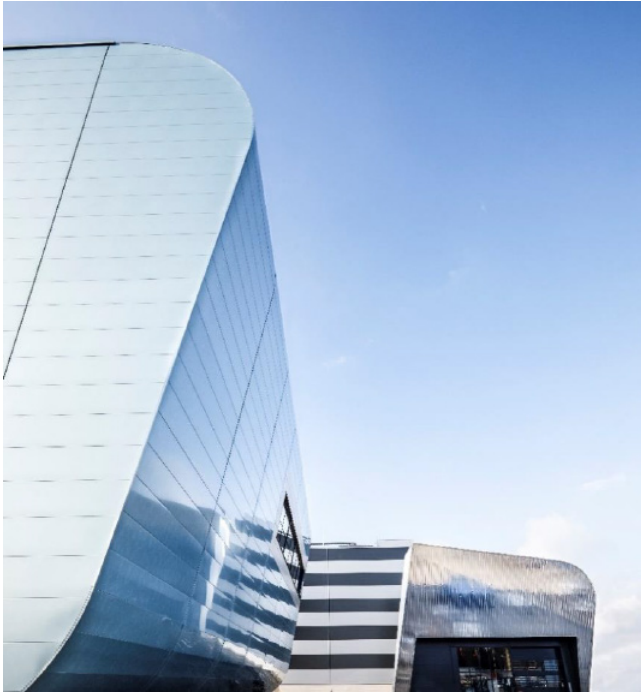
New plant:

Maximum width 2,250 mm

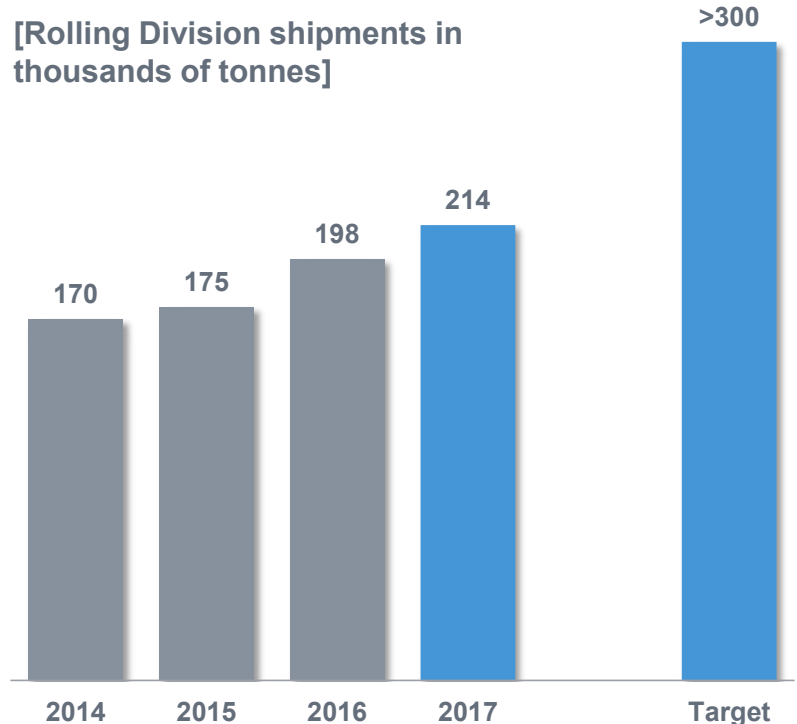


# Organic growth in rolled products

Further volume growth as part of the multi-year ramp-up



[Rolling Division shipments in thousands of tonnes]



# Further growth potentials from targeted investments





# Operating trends

# Record shipments in 2017

Growth track continued successfully

## Metal Division



[in tonnes]

-1 %

121,200

120,400

2016

2017

## Casting Division



+1 %

86,700

87,400

2016

2017

## Rolling Division



+8 %

198,000

213,900

2016

2017

## AMAG Group

**AMAG**  
AUSTRIA METALL

+4 %

405,900

421,700

2016

2017

**AMAG**  
AUSTRIA METALL

# Rolling Division: growth in many areas

Significant shipment increase in strategic growth areas



**+13%**  
compared to 2016



**+8%**  
compared to 2016



**+4 %**  
compared to 2016

# Expanding research & development activities

## R&D a significant factor behind innovative strength

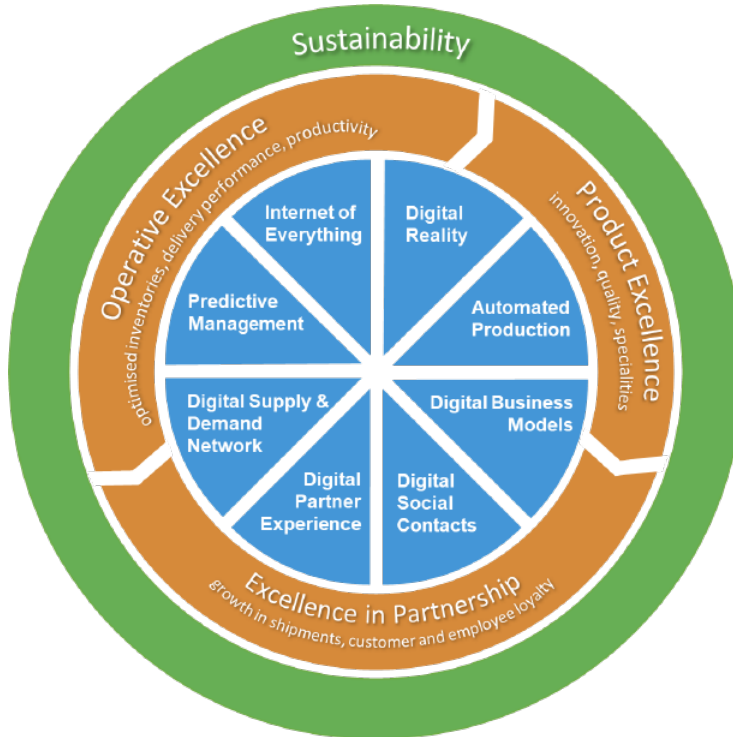
- Expanding R&D expertise centre due to **personnel increase**
- **Extending simulation expertise** and further developing the value chain's digital twin
- **Alloy development and optimisation** of rolled products

### Cooperation with recognised universities and research partners



# Digitalisation strategy and objectives

Tool for innovation and optimisation



## Primary objective:

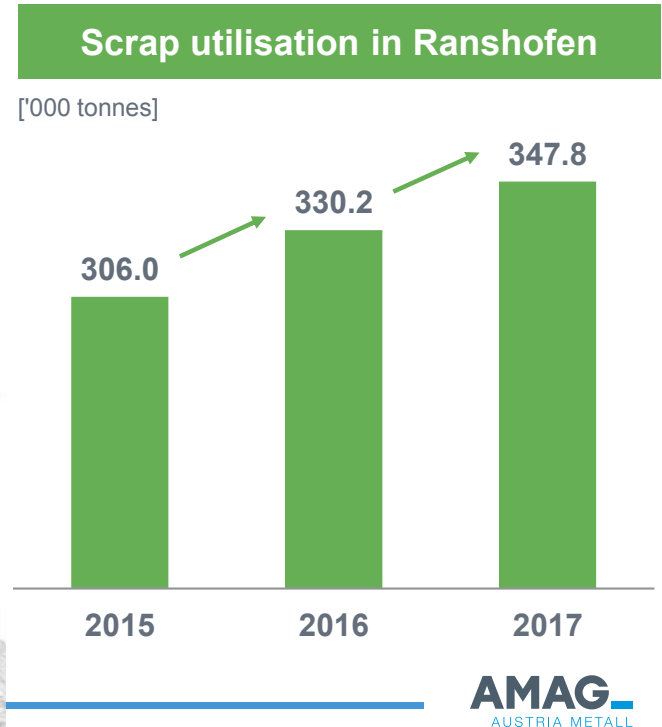
Sustainability of all measures in the economic, ecological and social area:

- Operative excellence
- Product excellence
- Excellence in partnership

# Aluminium scrap recycling

## New aluminium scrap deployment record in Ranshofen

- High **scrap utilisation rate of 75 to 80%** maintained during volume growth
- Recycling requires **up to 95% less energy** than primary metal production



# Heat recovery in Ranshofen

AMAG receives the Upper Austria "Energy Star 2017" award

- Utilising waste heat from casting plants to heat halls and buildings
- Up to 35% reduction in natural gas required for heating

**Saving corresponds to:**

CO<sub>2</sub> emissions of  
2,000 cars per  
year

or

Energy demand  
of 700  
households per  
year



# Adding value through appreciation

## AMAG integrates non-financial statement into 2017 Annual Report



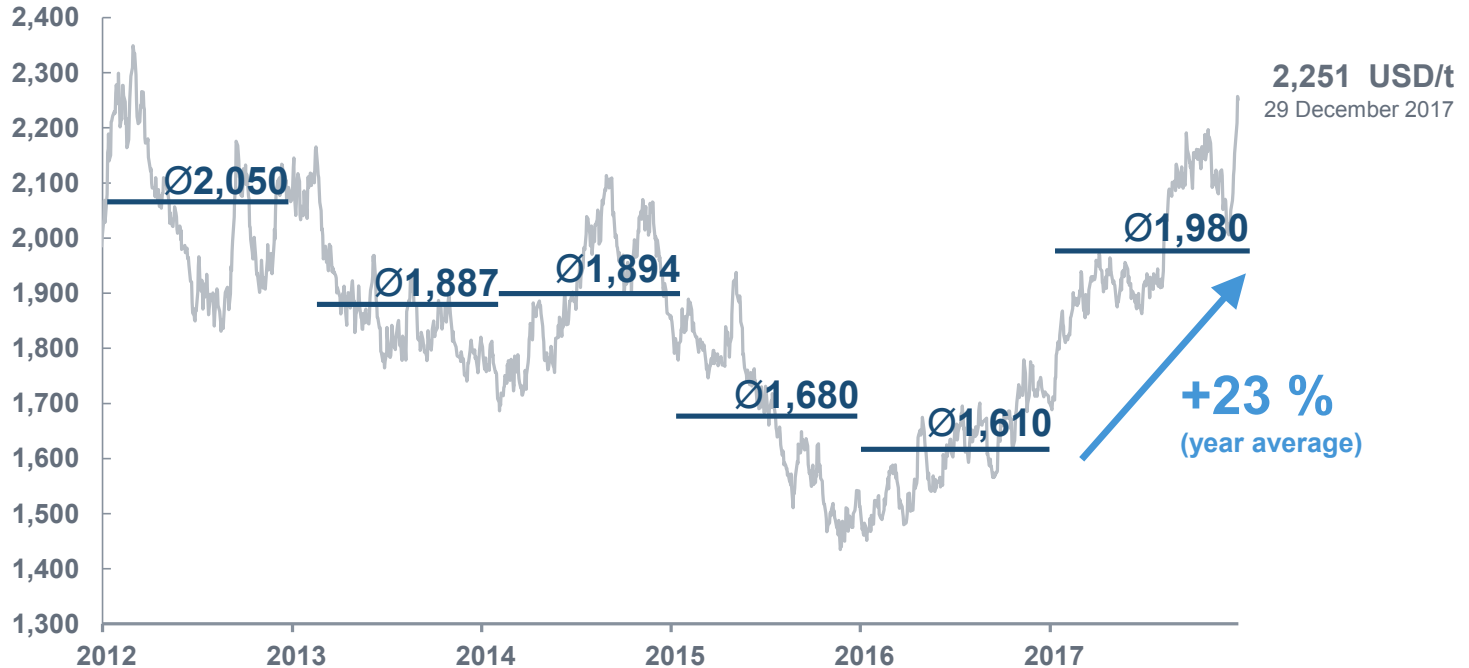


# Results

# Aluminium price trends

## Aluminium price at highest level since more than five years

3-month LME in USD / t

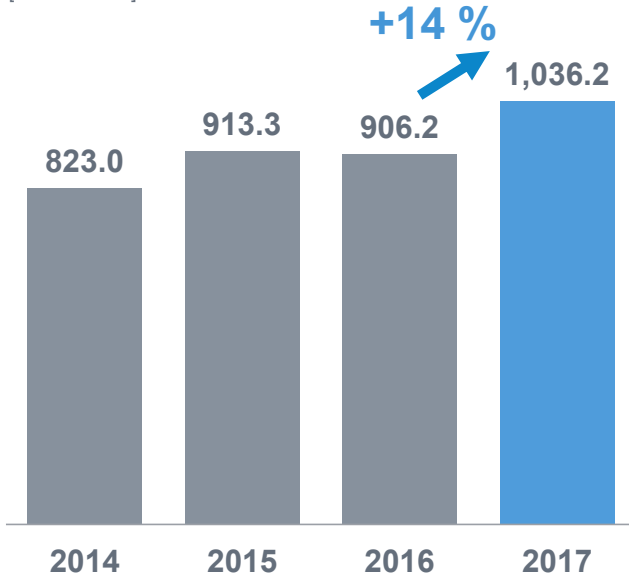


# Revenue record

Revenue exceeds EUR 1 billion level for the first time

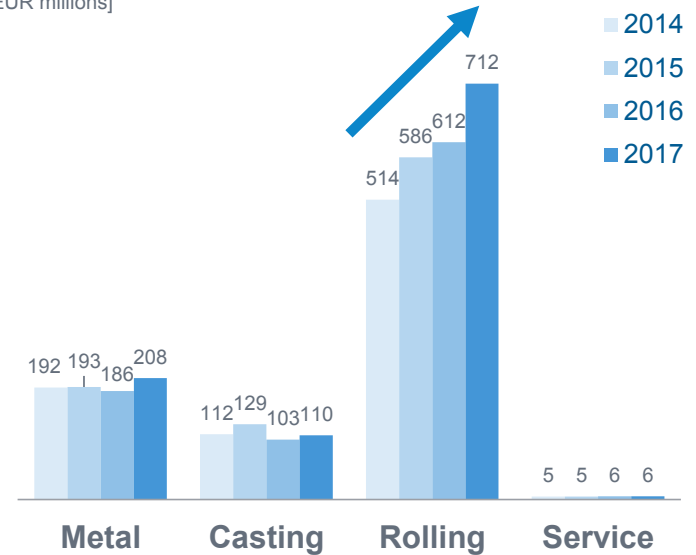
## Revenue

[EUR millions]



## External revenue by segment: significant growth in the Rolling Division

[EUR millions]



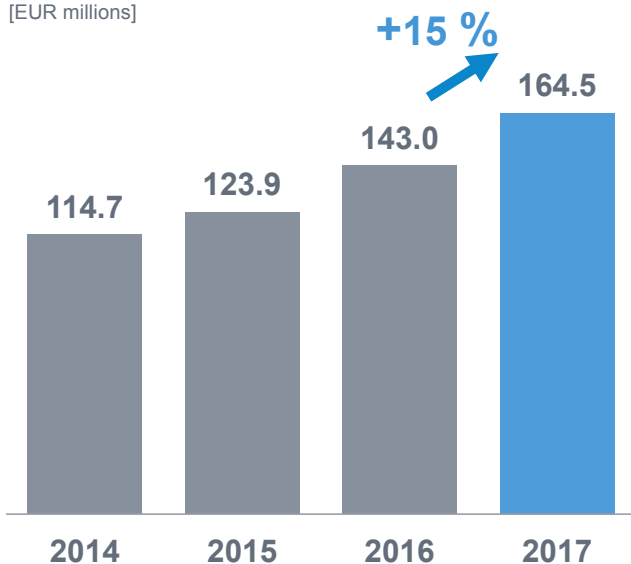
# Record operating result (EBITDA)

Growing earnings contribution from the Rolling Division thanks to investments in growth

## EBITDA

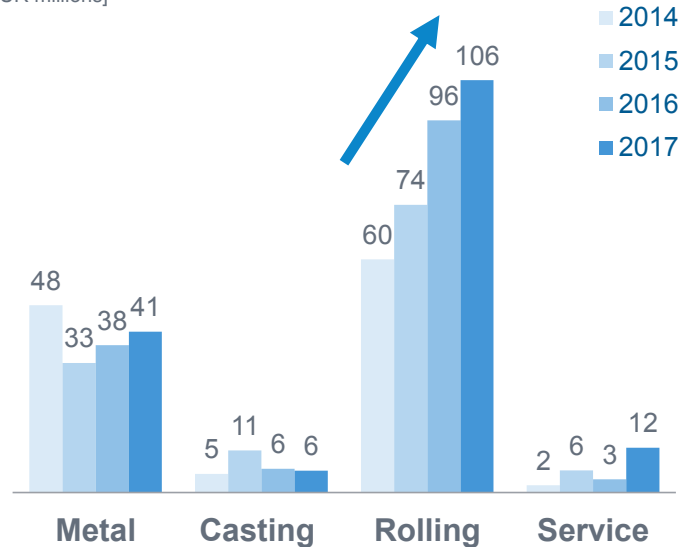
(Earnings before interest, tax, depreciation and amortisation)

[EUR millions]



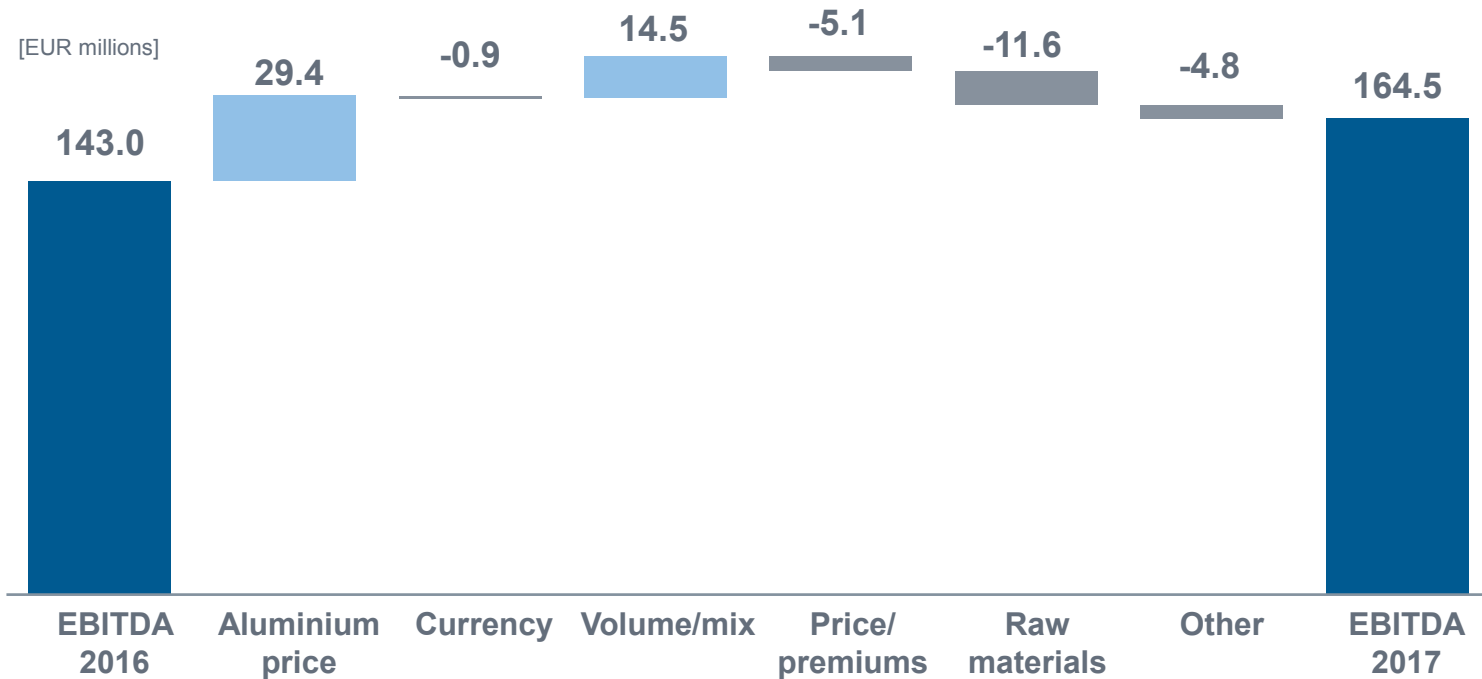
## EBITDA trends by segment

[EUR millions]



# 2017 EBITDA reconciliation

Increase due to organic growth and higher aluminium price

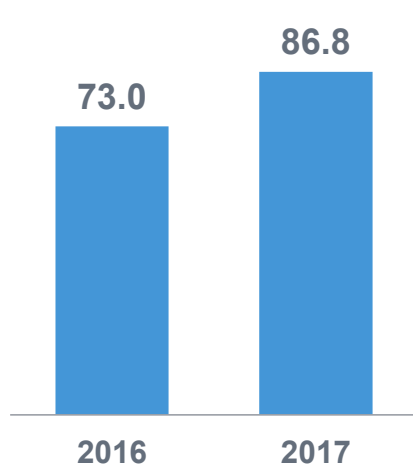


# Growth in key earnings figures

## EBIT (Earnings before interest and tax)

[EUR millions]

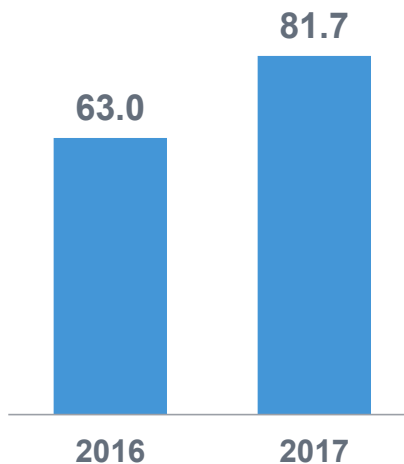
**+19 %**



## EBT (Earnings before tax)

[EUR millions]

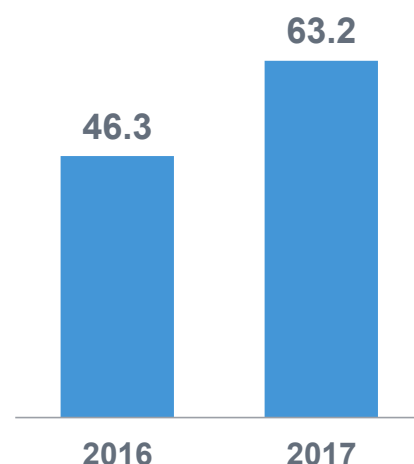
**+30 %**



## Net income after taxes

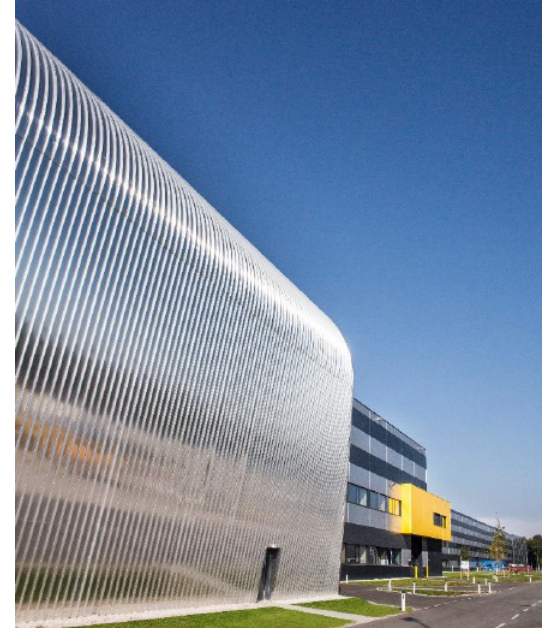
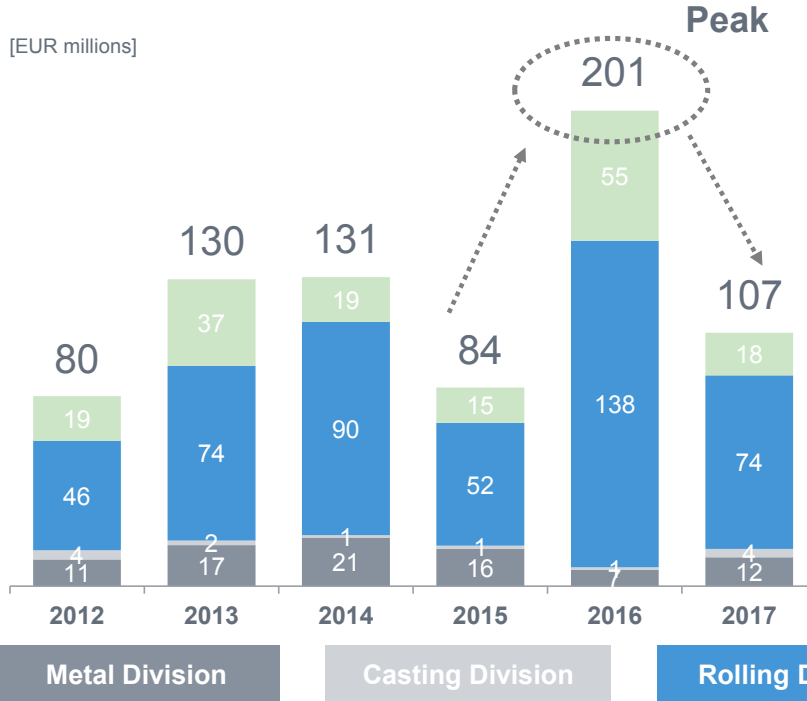
[EUR millions]

**+36 %**



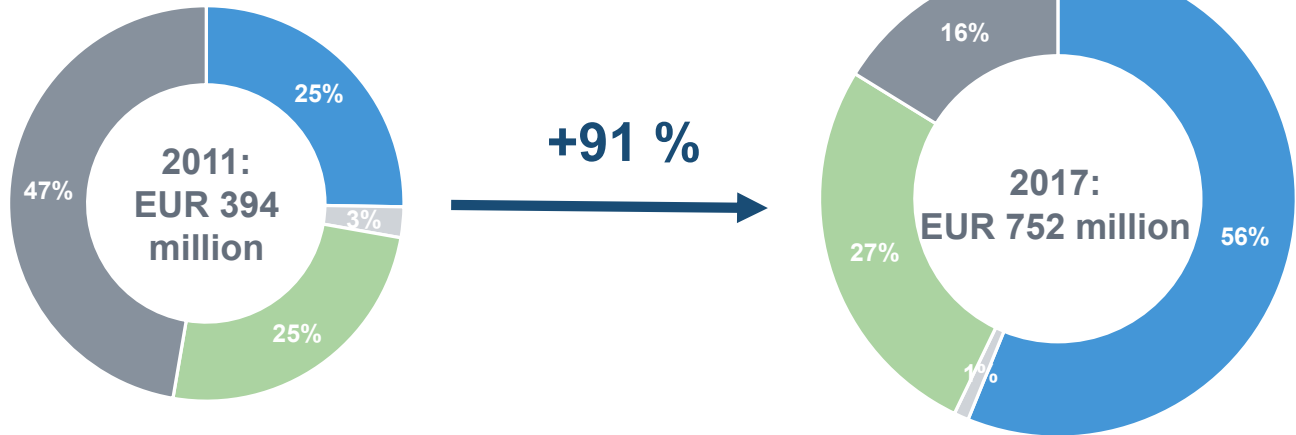
# Investment plan successfully implemented

Decrease in investments after commissioning of plants



# Assets in property, plant and equipment

Significant increase due to strategic investments in the site expansion in Ranshofen



Metal Division



Casting Division



Rolling Division



Service Division



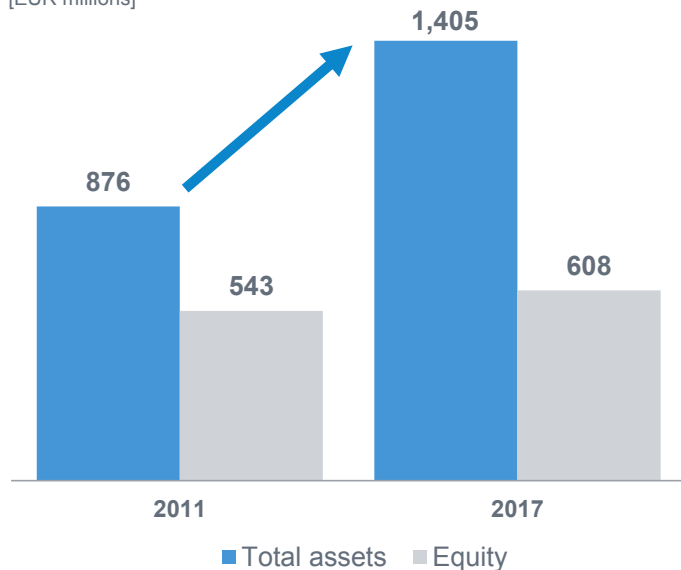


# Balance sheet

Solid balance and financing structure retained during high investment activity

## Total assets and equity

[EUR millions]



## Key figures at the end of 2017

Equity ratio:

43.3 %

Net financial debt / EBITDA

1.7

Gearing

46.4 %

# AMAG Group – key figures (1/2)

	Q4 2017	Q4 2016	+/- (%)	2017	2016	+/- (%)
<b>Shipments, total</b> [in tonnes]	102,800	96,900	+6	421,700	405,900	+4
<b>Revenue</b> [EUR millions]	246.0	219.1	+12	1,036.2	906.2	+14
<b>EBITDA</b> [EUR millions]	35.5	33.3	+7	164.5	143.0	+15
<b>EBITDA margin</b> [in %]	14.4 %	15.2 %	-	15.9 %	15.8 %	-
<b>EBIT</b> [EUR millions]	14.8	14.3	+3	86.8	73.0	+19
<b>EBIT margin</b> [in %]	6.0 %	6.5 %	-	8.4 %	8.1 %	-
<b>Net income after taxes</b> [EUR millions]	14.5	7.8	+87	63.2	46.3	+36
<b>Earnings per share</b> [EUR]	0.41	0.22	+87	1.79	1.31	+36

# AMAG Group – key figures (2/2)

	Q4 2017	Q4 2016	+/-	2017	2016	+/-
<b>Cash flow from operating activities</b> [EUR millions]	35.1	13.4	+162	101.8	114.9	-11
<b>Cash flow from investing activities</b> [EUR millions]	-20.8	-58.0	+64	-108.2	-185.4	+42
<b>Employees <sup>1</sup></b>	1,909	1,790	+7	1,881	1,762	+7

	31/12/2017	31/12/2016	+/-
<b>Net financial debt <sup>2</sup></b> [EUR millions]	282.4	225.8	+25
<b>Gearing</b> [in %]	46.4 %	35.8 %	-
<b>Equity ratio</b> [in %]	43.3 %	45.4 %	-

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

- **Cash flow from operating activities** down year-on-year mainly due to the higher aluminium price and higher level of tax payments
- **Capital expenditure down** in line with start of commissioning of new plants
- **Increase in workforce** reflects organic growth path in Ranshofen

# Metal Division

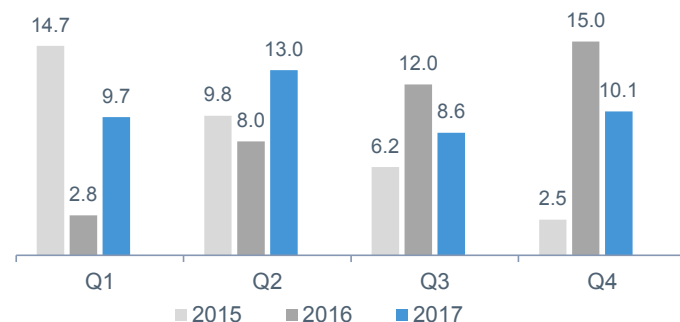
## Earnings growth due to higher aluminium price



	Q4 2017	Q4 2016	+/- (%)	2017	2016	+/- (%)
<b>Shipments, total</b> [in tonnes]	30,900	30,700	+1	120,400	121,200	-1
<b>Revenue</b> [EUR millions]	171.3	145.9	+17	730.9	611.1	+20
<b>EBITDA</b> [EUR millions]	10.1	15.0	-33	41.3	37.9	+9
<b>EBITDA margin</b>	5.9 %	10.3 %	-	5.7 %	6.2 %	-
<b>Employees <sup>1</sup></b>	185	193	-4	190	195	-3

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)



- Shipment volumes in 2017 down slightly year-on-year due to higher level of pot relining activities
- Significant increase in raw materials costs and weakening of US dollar during 2017
- EBITDA growth mainly due to higher aluminium price

# Casting Division

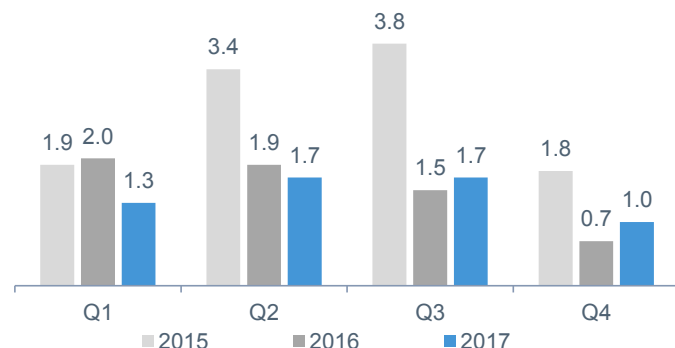
## Slight decrease in operating result



	Q4 2017	Q4 2016	+/- (%)	2017	2016	+/- (%)
<b>Shipments, total</b> [in tonnes]	20,400	22,100	-8	87,400	86,700	+1
<b>Revenue</b> [EUR millions]	27.0	26.5	+2	119.5	112.1	+7
<b>EBITDA</b> [EUR millions]	1.0	0.7	+41	5.7	6.1	-8
<b>EBITDA margin</b>	3.7 %	2.7 %	-	4.7 %	5.5 %	-
<b>Employees <sup>1</sup></b>	129	123	+5	126	125	+1

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

**EBITDA**  
(in EUR millions)



- Higher shipment volume mainly reflects ongoing productivity improvements
- Internal shipments to Rolling Division of 25,800 tonnes (2016: 24,700 tonnes)
- 2017 results down slightly year-on-year primarily due to expenses connected with the plant modernisation launched in Q4/2017

# Rolling Division

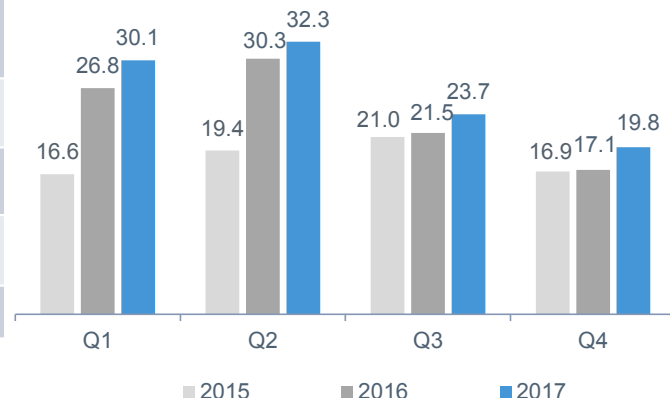
## Record shipments and result



	Q4 2017	Q4 2016	+/- (%)	2017	2016	+/- (%)
<b>Shipments, total</b> [in tonnes]	51,400	44,100	+17	213,900	198,000	+8
<b>Revenue</b> [EUR millions]	193.0	155.5	+24	809.6	702.2	+15
<b>EBITDA</b> [EUR millions]	19.8	17.1	+16	105.9	95.6	+11
<b>EBITDA margin</b>	10.3 %	11.0 %	-	13.1 %	13.6 %	-
<b>Employees <sup>1</sup></b>	1,455	1,339	+9	1,424	1,309	+9

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

**EBITDA**  
(in EUR millions)



- Significant rise in shipment volume in line with organic growth path
- Improvement in product mix and higher share of special products
- Significant year-on-year earnings improvement, despite additional ramp-up costs for new cold rolling mill

# Outlook

# FY 2018 outlook

## AMAG Austria Metall AG

- **Market: Attractive growth rate of around 4 %** in global consumption of primary aluminium<sup>1</sup> and rolled products<sup>2</sup> expected **for 2018**
- **Metal Division:** 2018 business trends depend on future market price development for aluminium, raw materials and the currency situation
- **Casting Division:** Solid earnings trend expected, productivity gains from H2 2018 following plant modernisation
- **Rolling Division:** Continuation of extensive qualifications and ramp-up of new plants

**AMAG will continue to benefit from its growth path in 2018**



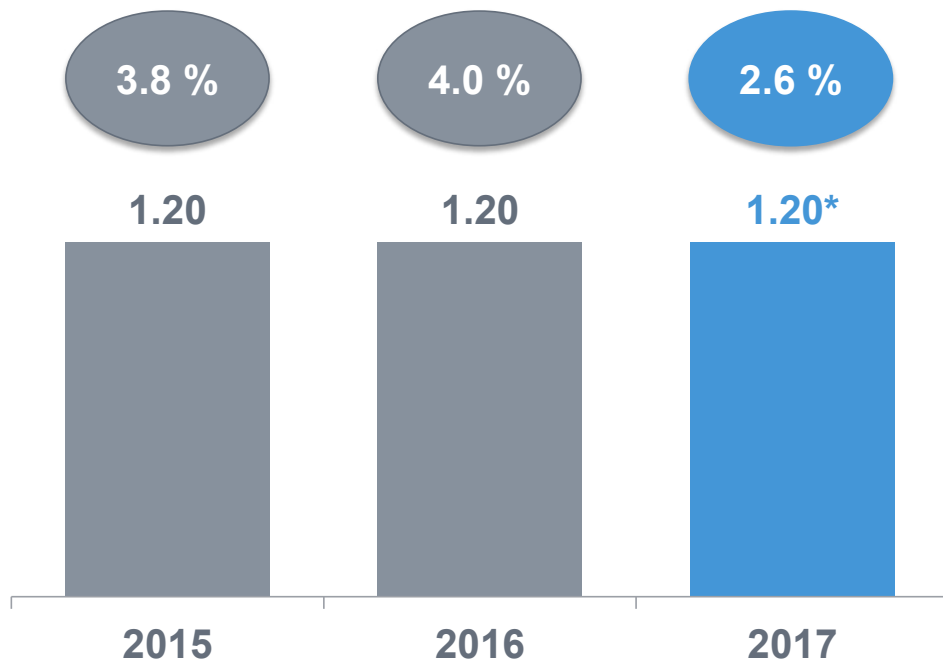
# The AMAG share

# Proposed dividend

Stable dividend year-on-year

**Dividend yield**  
(based on year-average share price)

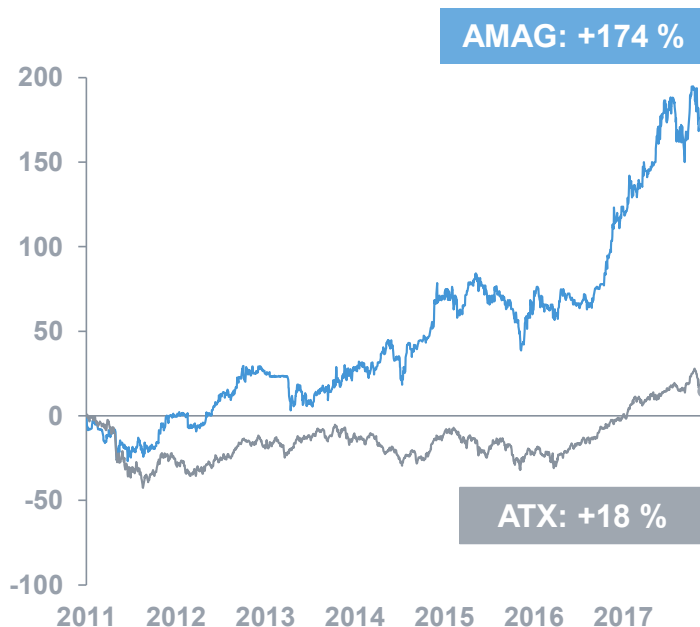
**Dividend in EUR per share**  
(for the respective financial year)



# AMAG share

## Significant outperformance since IPO

[Performance until February 16, 2018 in %]



## Shareholder structure

B&C Industrieholding GmbH <sup>2)</sup>

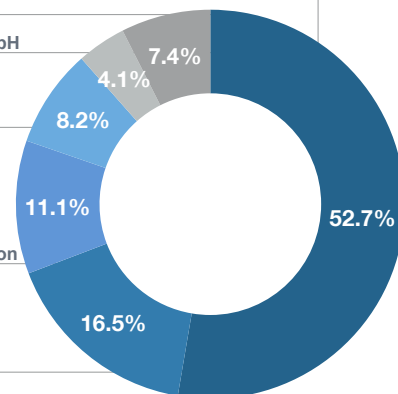
Free float

Esola Beteiligungsverwaltungs GmbH

Treibacher Industrieholding GmbH

AMAG Employees Private Foundation

RLB ÖÖ Alu Invest GmbH <sup>1), 2)</sup>



1) RLB ÖÖ 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 1 April 2015

# IR information

Information about the AMAG share	
ISIN	AT00000AMAG3
Ticker symbol: Vienna Stock Exchange	AMAG
Indices	ATX-Prime, ATX BI, ATX GP, ATX TD, VÖNIX, WBI
Reuters	AMAG.VI
Bloomberg	AMAG AV
Number of shares in issue	35,264,000
Share price <sup>1)</sup>	EUR 52.00

2018 financial calendar	
27 February 2018	2017 annual financial statements
17 April 2018	Annual General Meeting
26 April 2018	Dividend payment date
3 May 2018	Q1/2018 report
2 August 2018	H1/2018 report
31 October 2018	Q3/2018 report

## IR contact

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