



**AMAG**  
AUSTRIA METALL

# Presentation: Q1-Q3/2017

October 31, 2017

# 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 in Q1-Q3/2017

- **Market: growing demand, aluminium price up significantly year-on-year**
- **Start of ramp-up of new cold rolling mill**
- **Double-digit growth** in revenue and earnings
- **Earnings forecast upgrade** for FY 2017

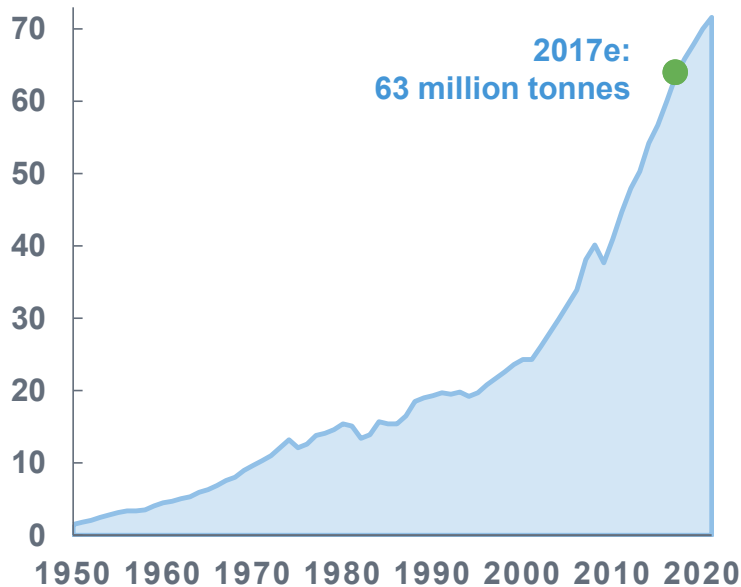
## Key figures Q1-Q3/2017 (compared to Q1-Q3/2016)

<b>Shipments</b> (tonnes)	<b>318,900</b>	
<b>Revenue</b> (EUR millions)	<b>790.2</b>	
<b>EBITDA</b> (in EUR millions)	<b>129.0</b>	
<b>Net income after taxes</b> (in EUR millions)	<b>48.6</b>	
<b>Employees</b>	<b>1,866</b>	

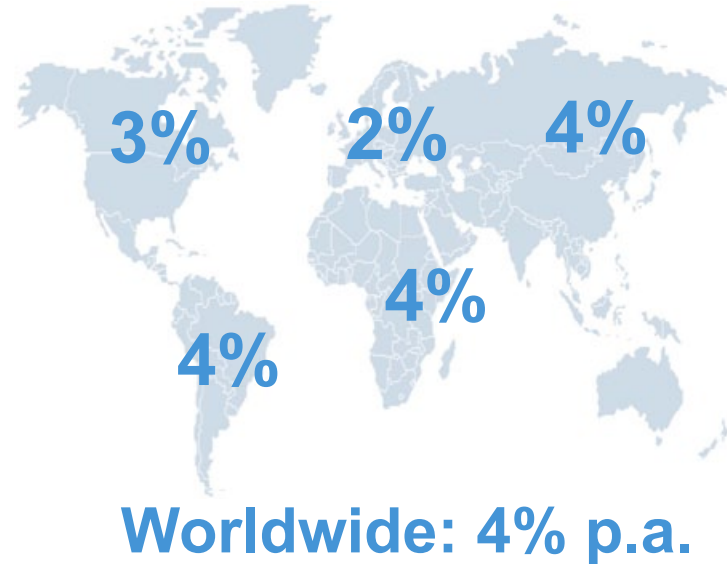
# Primary aluminium: high demand growth

## Demand growth continues worldwide

[in millions of tonnes]

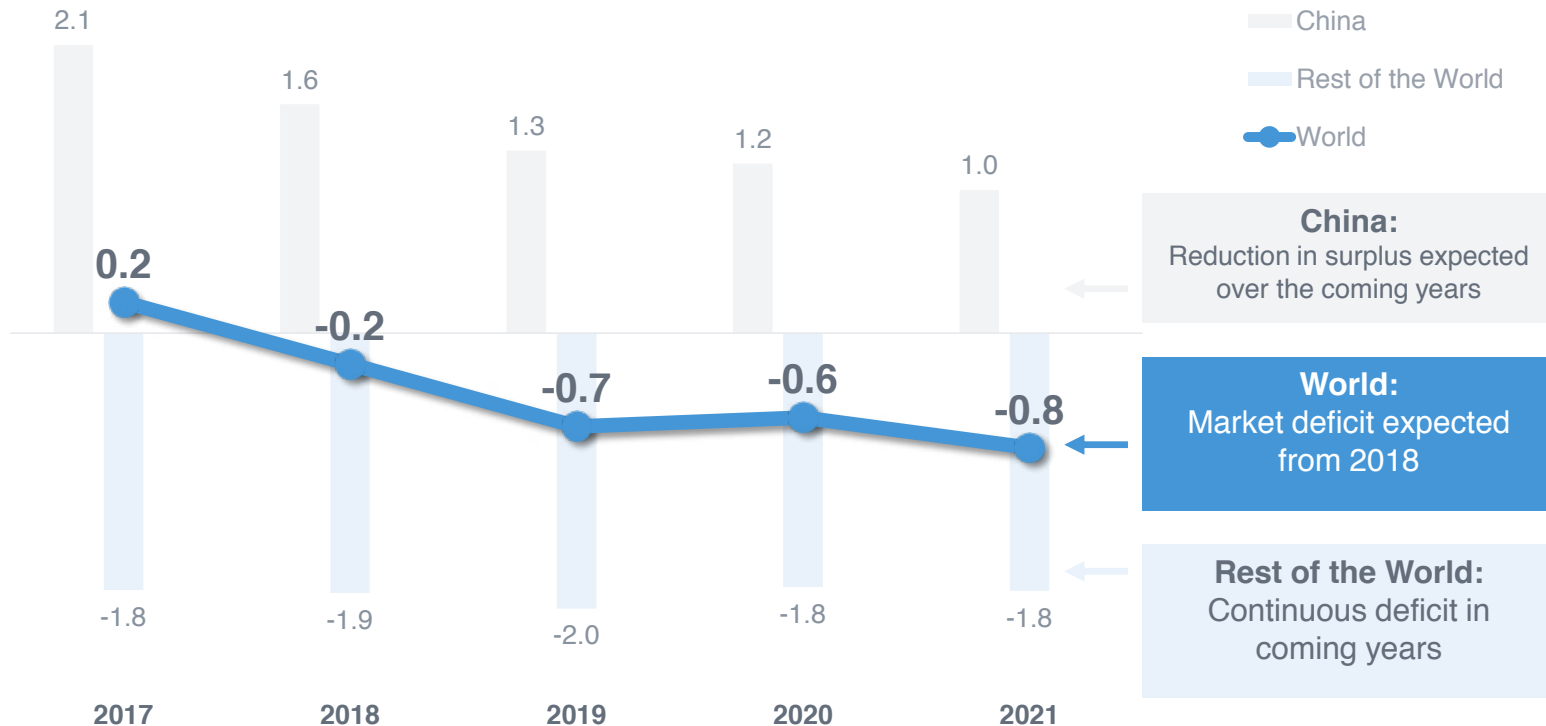


## Attractive growth rates in all regions (CAGR: 2016-2021)



# Market balance: primary aluminium

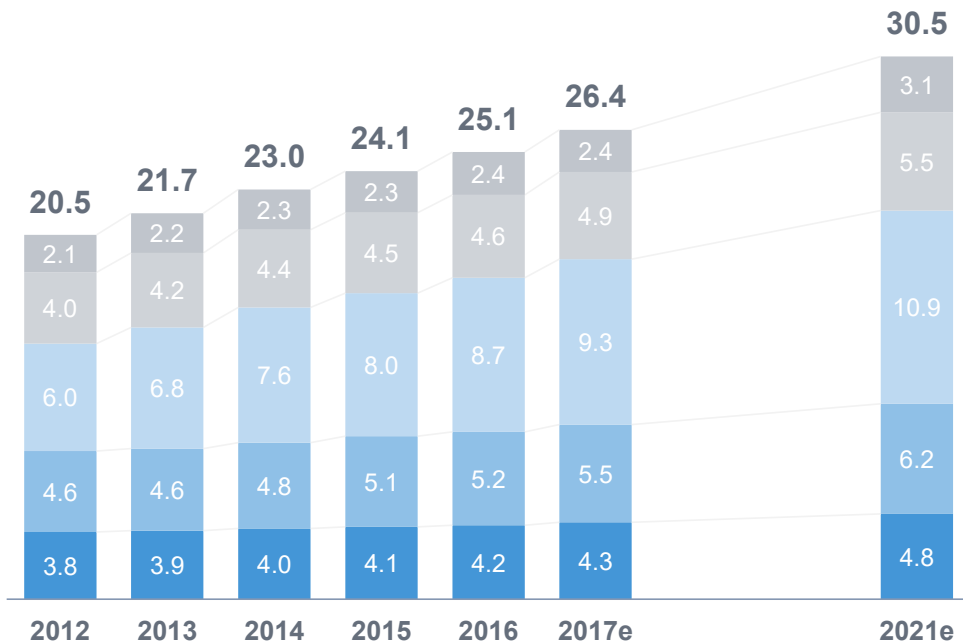
Forecast in millions of tonnes



# Rolled products with high growth rates

Global consumption growing annually by around 4 %

[in millions of tonnes]

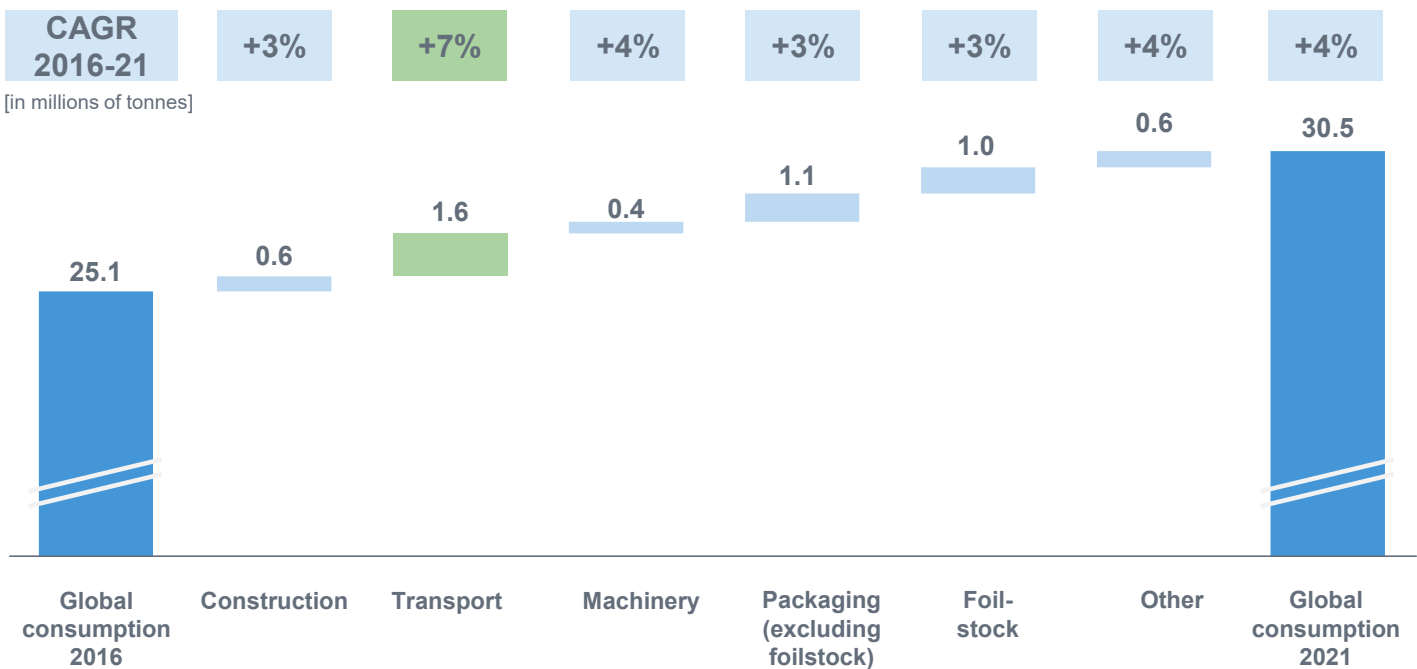


Growth forecast  
2016-21e in % p.a.:

World	+4%
Rest of the World	+4%
Asia (excl. China)	+4%
China	+5%
North America	+3%
Western Europe	+3%

# Rolled products by end-applications

High consumption growth expected in transport industry



# Aluminium sheets for automotive industry

Lightweight construction with aluminium reduces weight and emissions

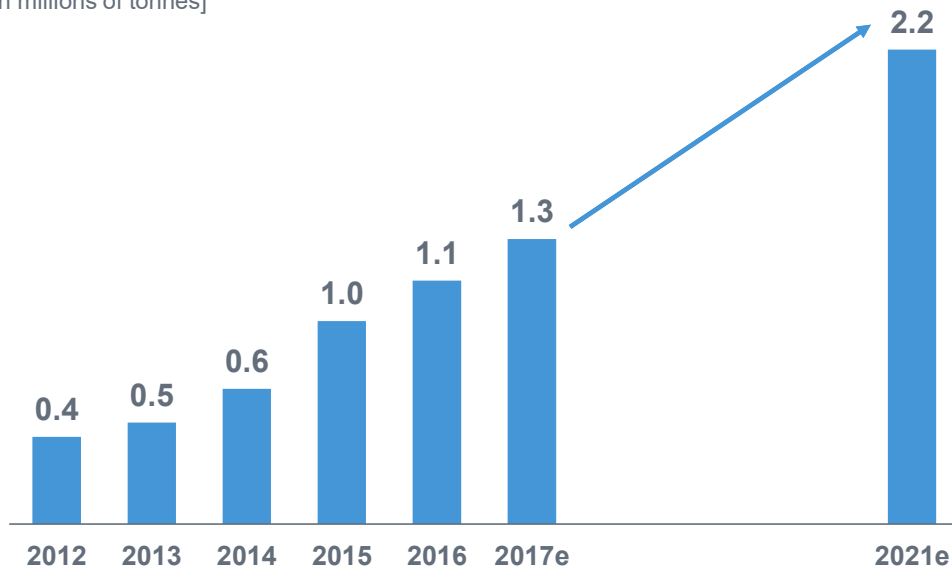
**Forecast for worldwide demand for aluminium sheet for hang-on-parts:**

**+17 %  
in 2017**

**+14 % p.a.  
up to 2021**



[in millions of tonnes]





# "AMAG 2020" expansion project

Start of ramp-up of cold rolling mill and other finishing plants



- Initial products and products for the qualification already shipped to customers
- Extensive product qualifications over entire new process route
- Ramp-up curve planned over several years

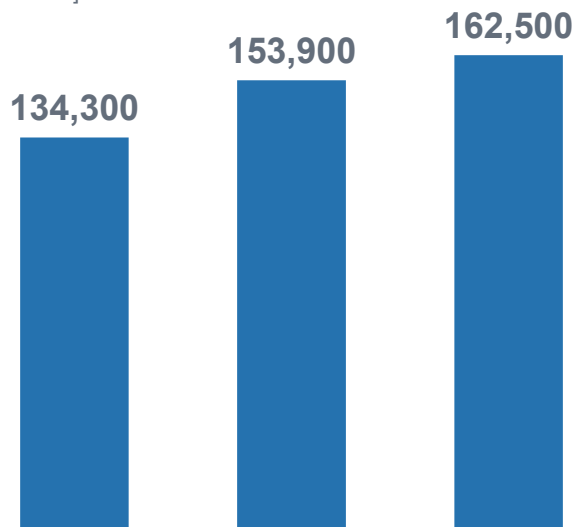


# Organic growth in rolled products

Significant volume growth year-on-year

## Rolling Division shipments

[in tonnes]



Q1-Q3/2015 Q1-Q3/2016 Q1-Q3/2017



## Q1-Q3/2017 results

# Aluminium and alumina price trends

## Aluminium price up significantly

[3-month LME in USD/t]

**+45 %**  
since 1/1/2016



## Alumina price rises even more sharply

[in USD/t]

**+130 %**  
since 1/1/2016

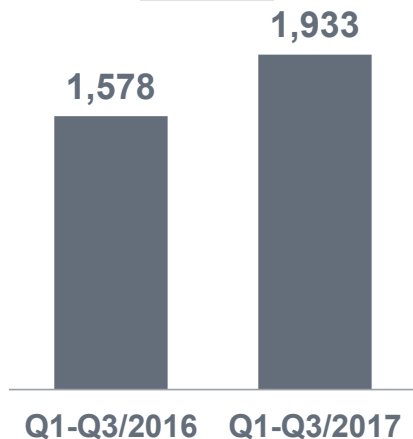


# AMAG revenue at record level

## Aluminium price (3-month LME)

[in USD/t]

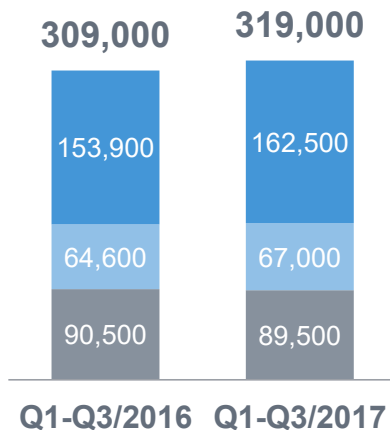
+23 %



## Shipment volumes, total

[in tonnes]

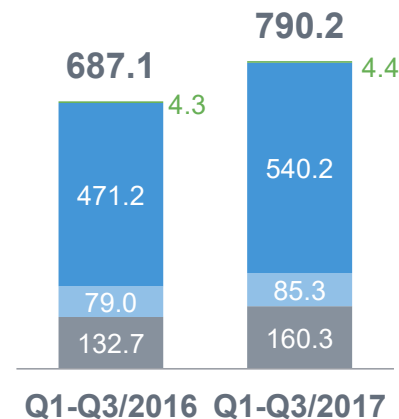
+3 %



## Revenue

[EUR millions]

+15 %



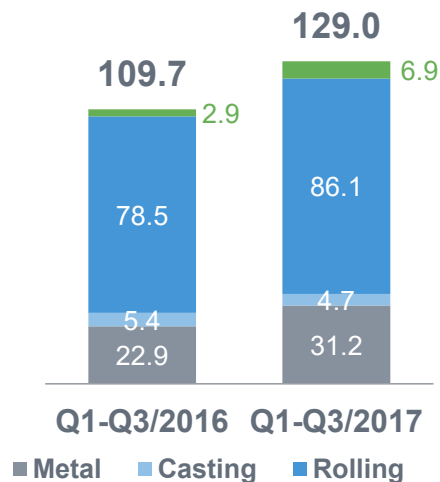
■ Metal ■ Casting ■ Rolling ■ Service

# Growth in key earnings figures

## EBITDA

[EUR millions]

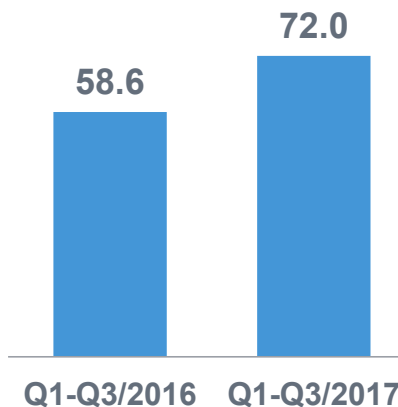
+18 %



## EBIT

[EUR millions]

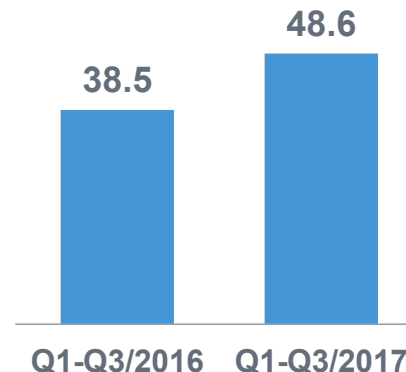
+23 %



## Net income after taxes

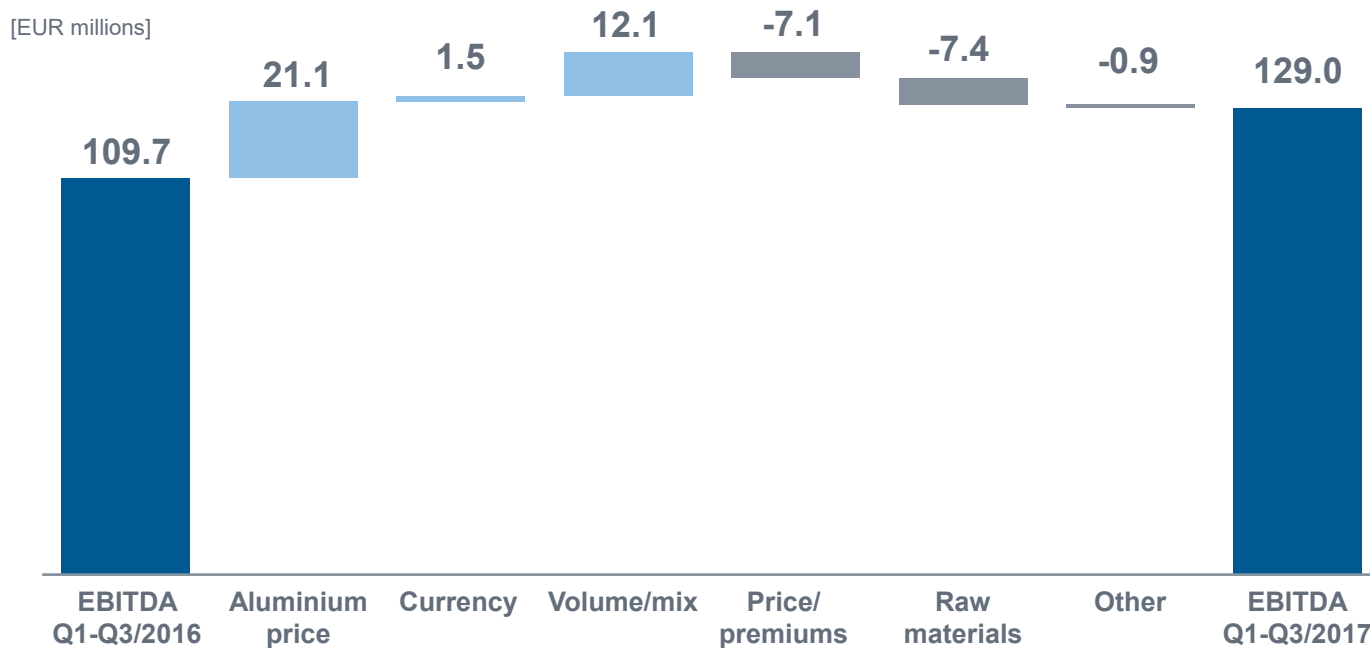
[EUR millions]

+26 %



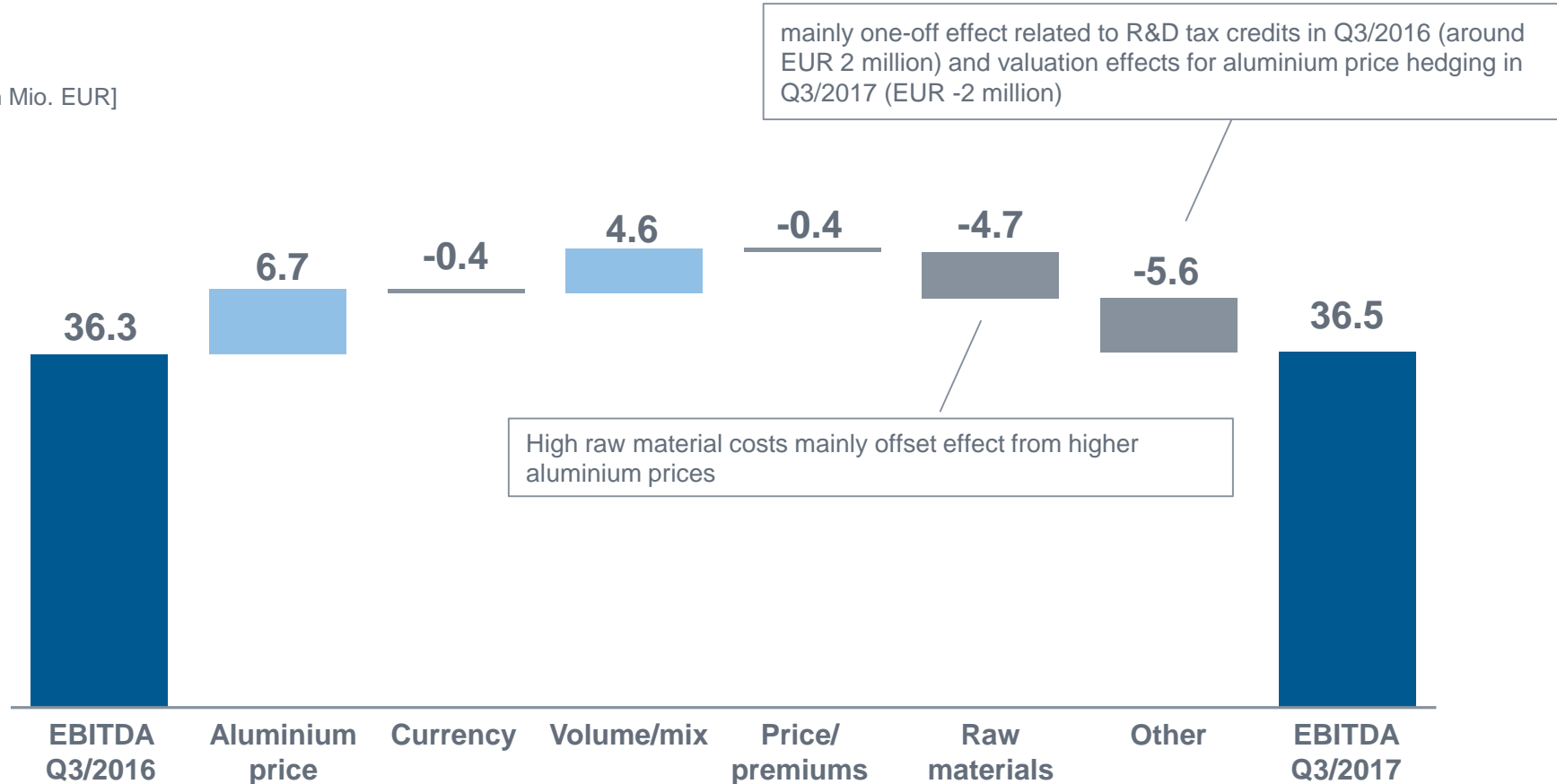
# Q1-Q3/2017 EBITDA reconciliation

Increase due to organic growth and higher aluminium price



# Q3/2017 EBITDA reconciliation

[in Mio. EUR]





# AMAG Group – key figures (1/2)

	Q3 2017	Q3 2016	+/- (%)	Q1-Q3 2017	Q1-Q3 2016	+/- (%)
<b>Shipments, total</b> [in tonnes]	104,100	102,700	+1	318,900	309,000	+3
<b>Revenue</b> [EUR millions]	254.8	225.7	+13	790.2	687.1	+15
<b>Gross profit</b> [EUR millions]	34.5	36.2	-5	126.1	115.8	+9
<b>EBITDA</b> [EUR millions]	36.5	36.3	+1	129.0	109.7	+18
<b>EBITDA margin</b> [in %]	14.3 %	16.1 %	-	16.3 %	16.0 %	-
<b>EBIT</b> [EUR millions]	16.9	19.4	-13	72.0	58.6	+23
<b>EBIT margin</b> [in %]	6.6 %	8.6 %	-	9.1 %	8.5 %	-
<b>Net income after taxes</b> [EUR millions]	11.1	12.7	-13	48.6	38.5	+26
<b>Earnings per share</b> [EUR]	0.31	0.36	-13	1.38	1.09	+26

# AMAG Group – key figures (2/2)

	Q3 2017	Q3 2016	+/-	Q1-Q3 2017	Q1-Q3 2016	+/-
<b>Cash flow from operating activities</b> [EUR millions]	40.0	31.9	+26	66.8	101.5	-34
<b>Cash flow from investing activities</b> [EUR millions]	-20.1	-33.5	+40	-87.5	-127.4	+31
<b>Employees <sup>1</sup></b>	1,915	1,808	+6	1,866	1,752	+7
	30/09/2017			31/12/2016		+/-
<b>Net financial debt <sup>2</sup></b> [EUR millions]	295.4			225.8		+31
<b>Gearing</b> [in %]	47.5 %			35.8 %		-
<b>Equity ratio</b> [in %]	45.2 %			45.4 %		-

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

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

# Metal Division

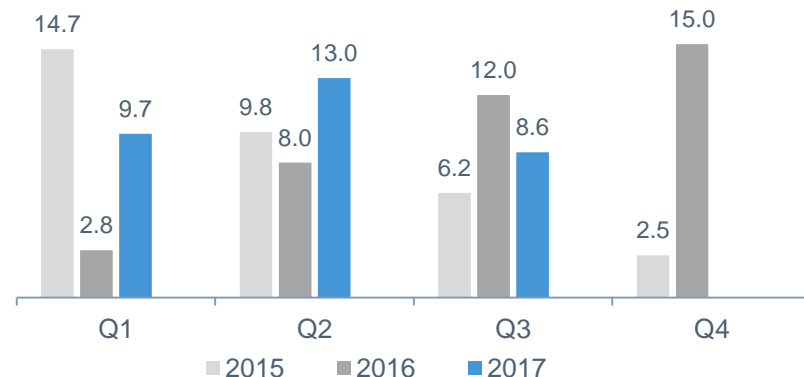
## Earnings growth in first nine months

	Q3 2017	Q3 2016	+/- (%)	Q1-Q3 2017	Q1-Q3 2016	+/- (%)
<b>Shipments, total</b> [in tonnes]	28,900	30,500	-5	89,500	90,500	-1
<b>Revenue</b> [EUR millions]	180.5	159.3	+13	559.6	465.2	+20
<b>EBITDA</b> [EUR millions]	8.6	12.0	-29	31.2	22.9	+36
<b>EBITDA margin</b>	4.7 %	7.6 %	-	5.6 %	4.9 %	-
<b>Employees</b> <sup>1</sup>	190	195	-3	191	196	-3

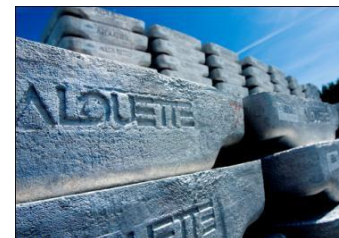
1) Average number of employees (full-time equivalents), including temporary help workers and excluding apprentices. This includes a 20% share of the number of employees at interest held in Alouette smelter.

### EBITDA

(in EUR millions)



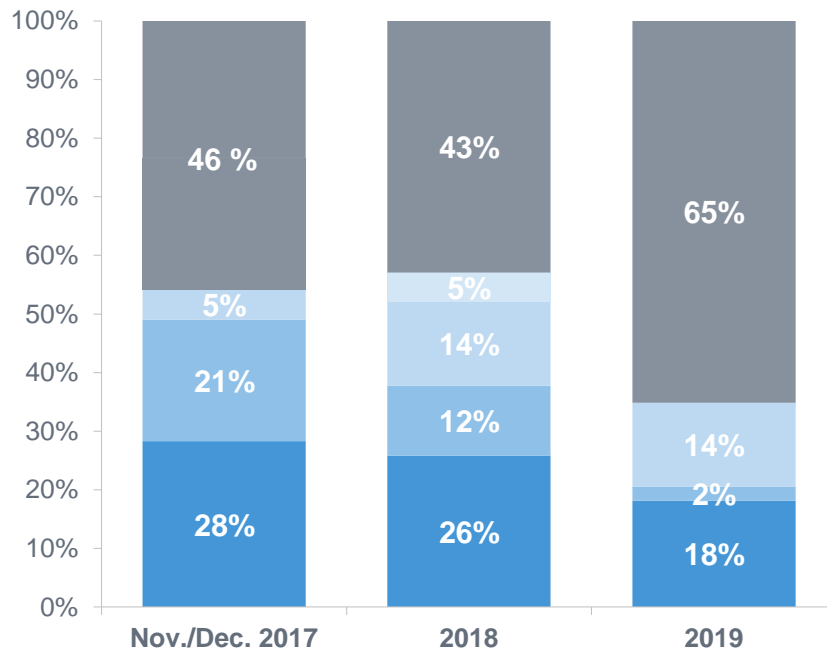
- Shipment volumes in Q3/2017 down year-on-year due to a higher level of relining activities
- Rising aluminium price and premiums, raw materials became considerably more expensive (especially alumina)
- Increase in EBITDA in Q1-Q3/2017 mainly due to higher aluminium price



# Hedging structure in the Metal Division

Partly hedging of the aluminium price risk for 2018 and 2019

Hedging structure as of 30/09/2017



- **Natural hedge** in 2018 almost unchanged compared to 2017
- **Active management of the aluminium price risk**

■ Exposure  
■ Strategic put options  
■ Strategic collar options  
■ Strategic forward sales  
■ Natural hedge

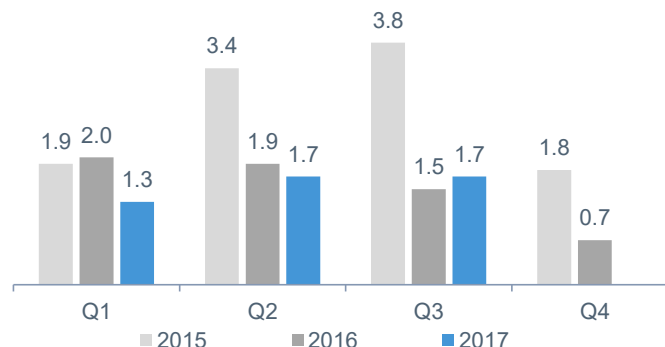
# Casting Division

## Q3/2017 earnings up year-on-year

	Q3 2017	Q3 2016	+/- (%)	Q1-Q3 2017	Q1-Q3 2016	+/- (%)
<b>Shipments, total</b> [in tonnes]	22,400	22,000	+2	67,000	64,600	+4
<b>Revenue</b> [EUR millions]	30.6	28.8	+6	92.5	85.6	+8
<b>EBITDA</b> [EUR millions]	1.7	1.5	+16	4.7	5.4	-14
<b>EBITDA margin</b>	5.6 %	5.1 %	-	5.0 %	6.3 %	-
<b>Employees <sup>1</sup></b>	128	127	1	125	125	0

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

**EBITDA**  
(in EUR millions)



- Further increase in shipments and production volumes due to ongoing productivity improvements
- Internal shipments to Rolling Division of 19,600 tonnes (Q1-Q3/2016: 17,400 tonnes)
- Q3/2017 earnings up year-on-year; cumulatively down year-on-year due to market-induced lower margins

# Rolling Division

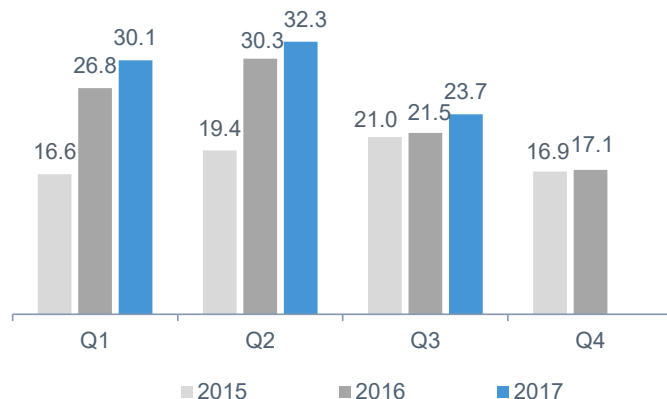
Added volume reflected in earnings



	Q3 2017	Q3 2016	+/- (%)	Q1-Q3 2017	Q1-Q3 2016	+/- (%)
<b>Shipments, total</b> [in tonnes]	52,700	50,200	+5	162,500	153,900	+6
<b>Revenue</b> [EUR millions]	197.5	172.9	+14	616.5	546.7	+13
<b>EBITDA</b> [EUR millions]	23.7	21.5	+11	86.1	78.5	+10
<b>EBITDA margin</b>	12.0 %	12.4 %	-	14.0 %	14.4 %	-
<b>Employees</b> <sup>1</sup>	1,453	1,349	+8	1,409	1,299	+8

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

**EBITDA**  
(in EUR millions)



- Increase in shipments and production year-on-year
- Ramp-up starts at new cold rolling mill and other finishing plants; start of qualifications
- Year-on-year earnings growth: Additional volume and positive effects in product mix more than offset effect from lower price level and start-up costs

# Outlook

# FY 2017 outlook

## AMAG Austria Metall AG

- **Attractive growth rate of around 5 %** in global consumption of primary aluminium<sup>1</sup> and rolled products<sup>2</sup> expected **for 2017**
- **Metal Division** to benefit from higher aluminium price in 2017
- **Casting Division:** solid results but expected down year-on-year due to market conditions
- **Rolling Division:**
  - **Ramp-up of new equipment**
  - **Increase in shipments and earnings** as part of organic growth path

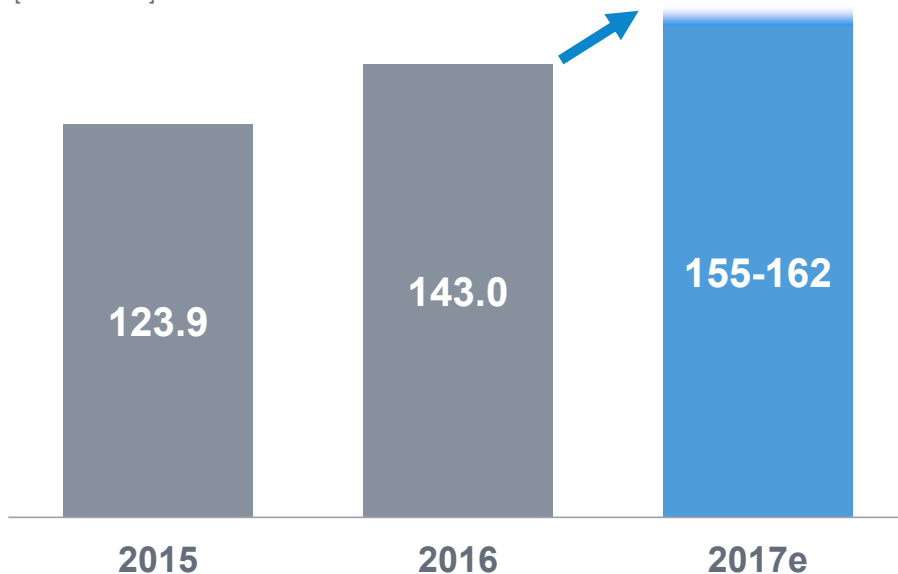


# FY 2017 outlook

AMAG raises range published in August 2017

## Expected EBITDA range for 2017

[EUR millions]



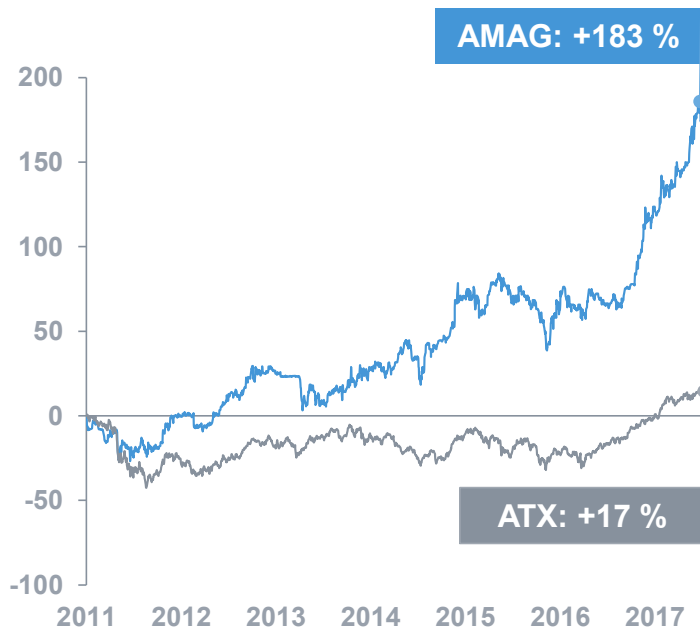
- Forecast reflects market conditions at end-September 2017
- Previous outlook for 2017: EUR 150-160 million\*

# The share

# AMAG share

## Significant outperformance since IPO

[Performance until October 20, 2017 in %]



## Shareholder structure

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

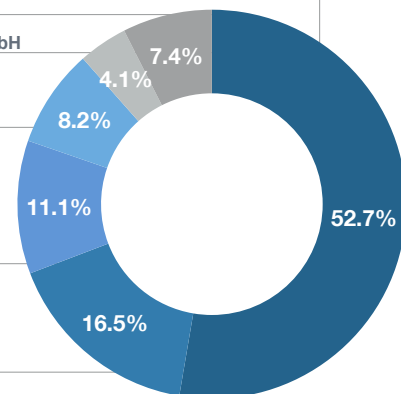
Free float

Esola Beteiligungsverwaltungs GmbH

Treibacher Industrieholding GmbH

AMAG Arbeitnehmer Privatstiftung

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



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 <sup>1)</sup>	EUR 53.78

## 2018 financial calendar

February 27, 2018	2017 annual financial statements
April 17, 2018	Annual General Meeting
April 26, 2018	Dividend payment date
May 3, 2018	Q1/2018 report
August 2, 2018	H1 2018 report
October 31, 2018	9M 2018 report

## IR contact

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