AMAG
AUSTRIA METALL

Presentation: H1 2018

August 2, 2018

Disclaimer

Note

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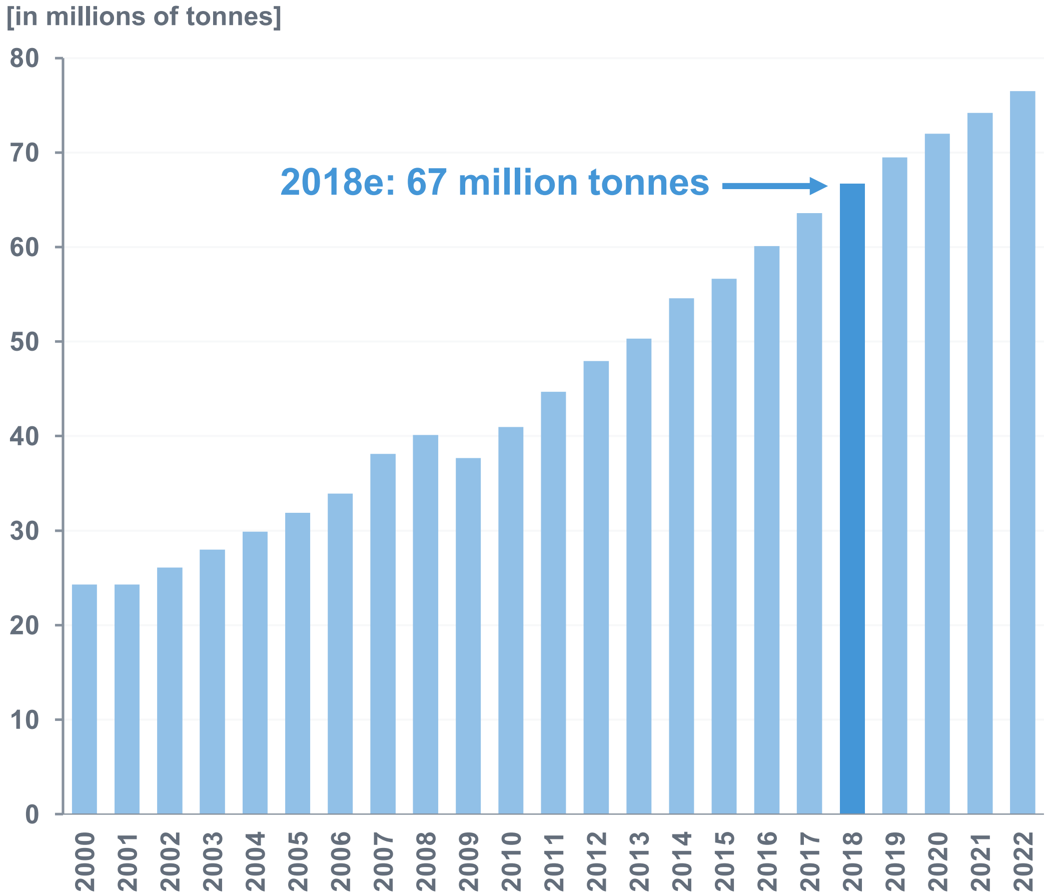
Highlights, Market, Strategy

Highlights of H1 2018

- **Attractive market growth** in primary aluminium and aluminium rolled products
- **Market environment** significantly impacted by special factors
- **Strategic growth track in H1 2018** characterised by qualifications and targeted specific investments
- **Revenue** up 0.8 % to EUR 539.5 million
- **EBITDA** of EUR 86.2 million down year-on-year, as expected, due to higher raw material costs and start-up costs (H1/2017: EUR 92.4 million)
- **2018 outlook:** EBITDA in a range between EUR 150 million and EUR 170 million

Primary aluminium: High demand growth

Demand for primary aluminium in millions of tonnes



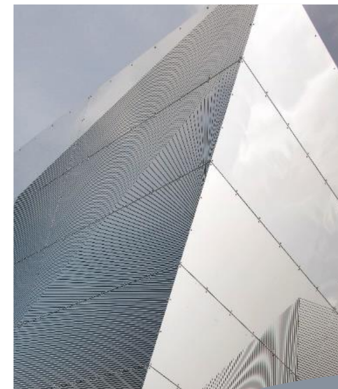
+ 5 %
expected for 2018

+ 4 % p.a.
expected until 2022

Source: CRU, April 2018

Growth in aluminium rolled products

Annual global growth 2017 to 2022 (CAGR)



+7 %

Transport

Aircraft, automotive, commercial and rail vehicles

+3-4 %

Packaging, construction, engineering

Source: See CRU Aluminium Rolled Products Market Outlook, May 2018

Growth drivers for aluminium rolled products

Aluminium auto body sheets for hang-on-parts

Doubling of global demand within the next five years

Aluminium sheets and plates for the aircraft industry

Doubling of the aircraft fleet over the next 20 years

 Sources: CRU, Boeing, Airbus

Multi-year contract with Boeing extended

Long-standing cooperation between AMAG and Boeing expanded

- Widening of product range to include additional larger formats
- AMAG products are deployed in the production of the fuselage and wings in all current Boeing commercial aircraft

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Site expansion in Ranshofen

Focus in H1/2018 on qualifications and ramp-up of new plants

- First **successful customer qualifications** for new plants form good precondition for growth in shipments in H2/2018
- Start-up affects balance sheet and results:
  - around **4,000 tonnes of rolling slabs** used for tests and qualifications in H1/2018
  - **temporary increase in inventories** due to the ramp-up
  - hiring of **around 100 new employees** for future volume growth
  - **additional start-up costs** in H1/2018 of **roughly EUR 6 million** compared with H1/2017

Scheduled commissioning of the new melting furnace in the Casting Division

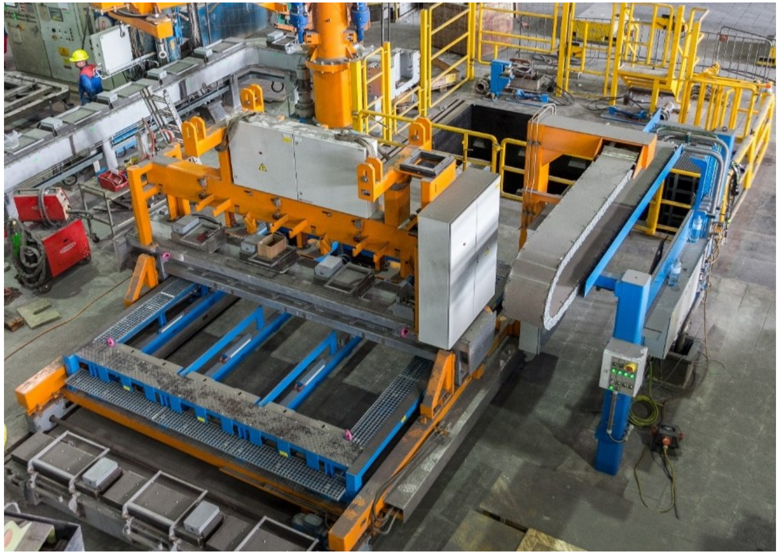
- Modernisation of the plant park and expansion of recycling capacities in the foundry alloys area

Objectives:

- Environmentally friendly and resource-conserving production
- Productivity enhancement
- Profitable growth

Rolling Division: Scheduled implementation of further investments

R&D casting plant for rolling slabs

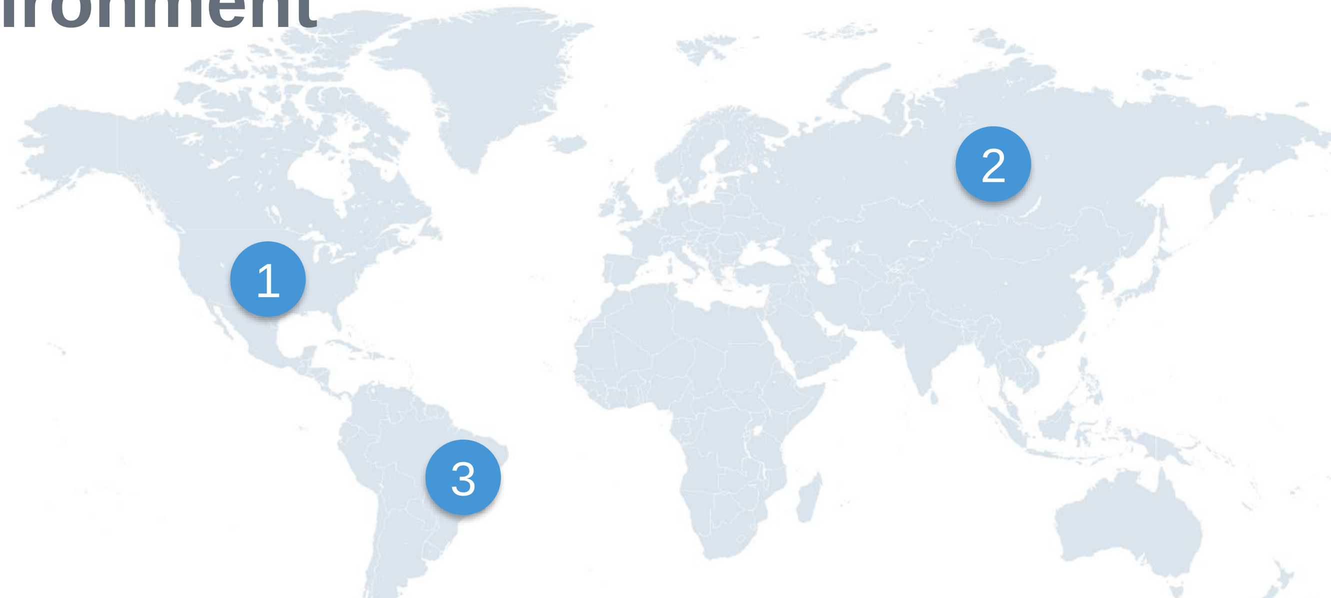


- Unit for the development of new products and optimization of existing products

New cladding station (part of AMAG 2020)

- Expansion of brazing product range to include larger thicknesses and widths

Special factors characterise current market environment



1. Additional **US import tariffs** of 10 % on aluminium
2. **US sanctions against Russia** affect largest primary aluminium producer outside China
3. Officially ordered **production cut at the world's largest alumina refinery** in Brazil

US import tariffs on aluminium

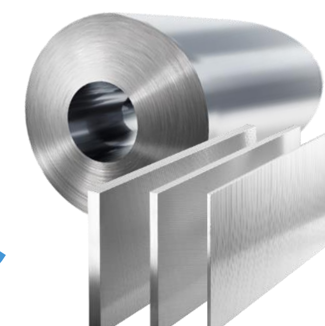
USA required to import aluminium due to high production deficit

Net imports by the USA in 2017

Primary aluminium

around 4.7 million tonnes

Aluminium rolled products



around 0.3 million tonnes

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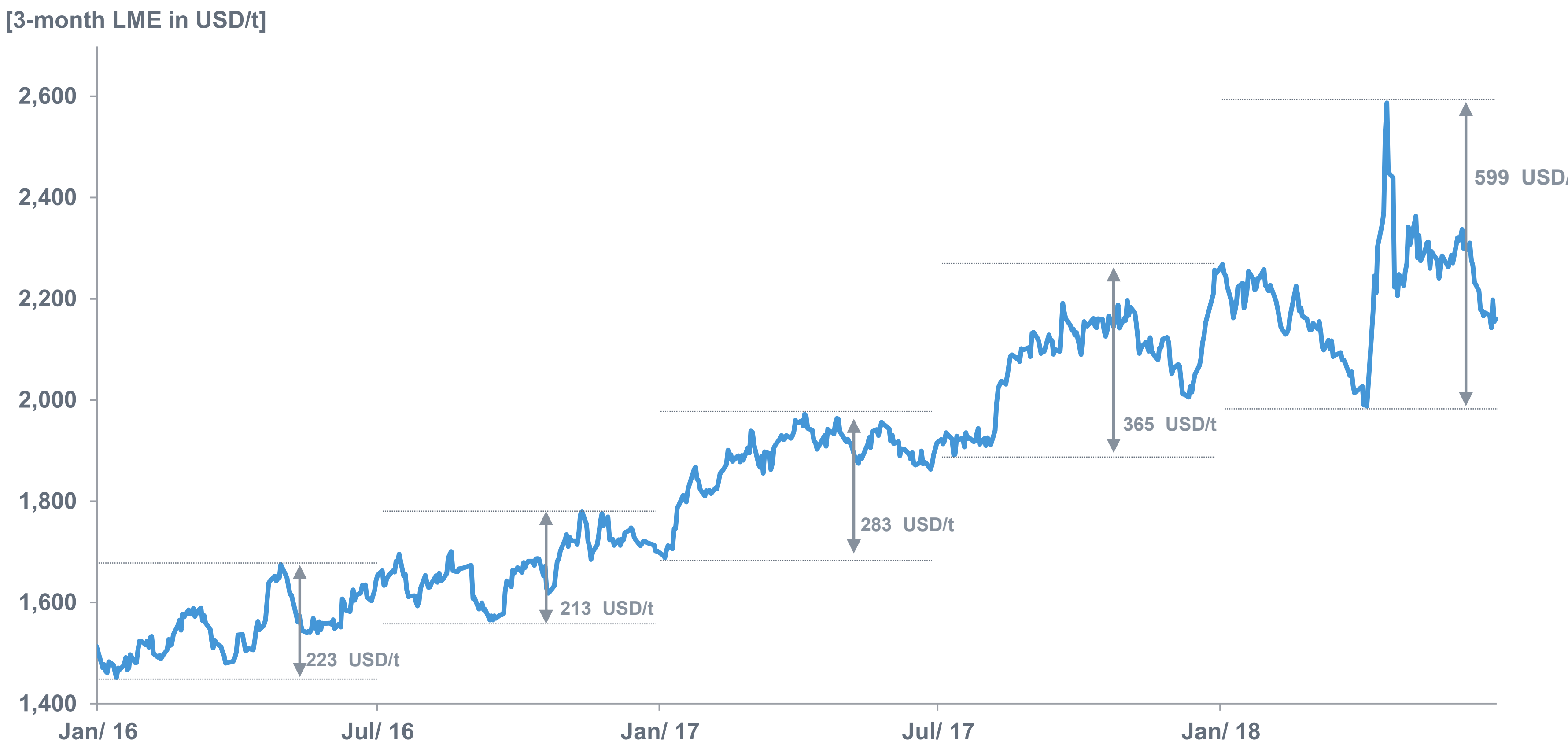
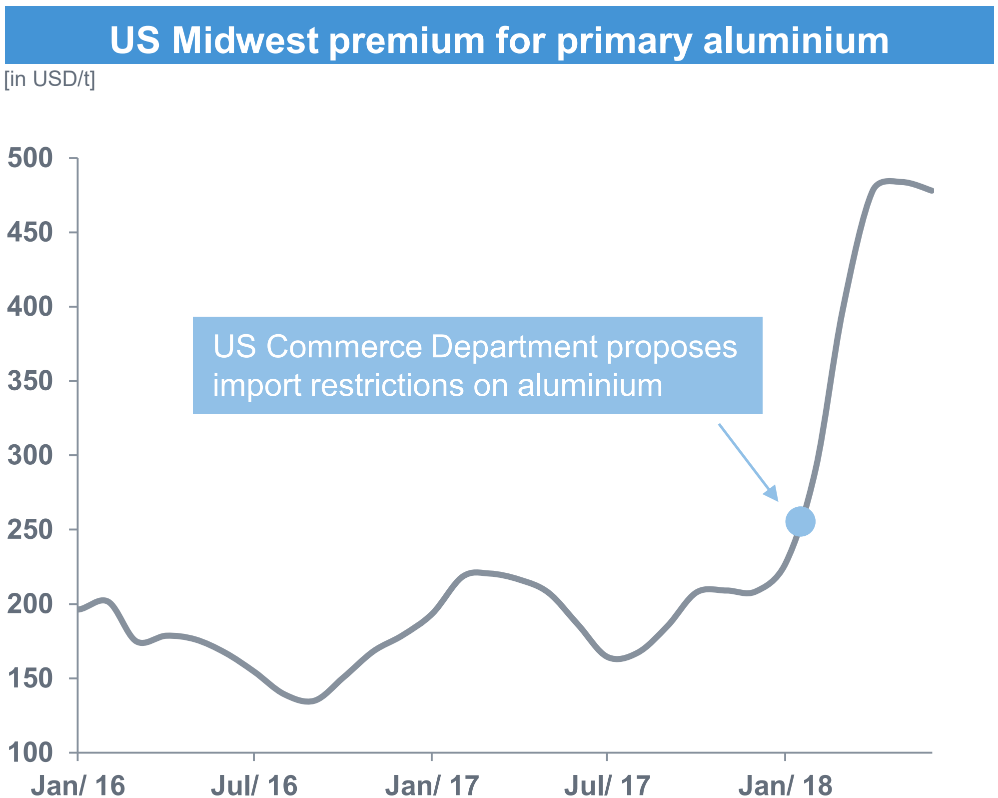
H1/2018 results

Aluminium price trends

High volatility in H1 2018



Marked increase in US Midwest premium



- Marked **increase in the US Midwest premium** since plans announced to introduce tariffs on aluminium imports into the USA
- Compensation of tariff through higher premium in the USA is anticipated due to the **high demand to import** primary aluminium

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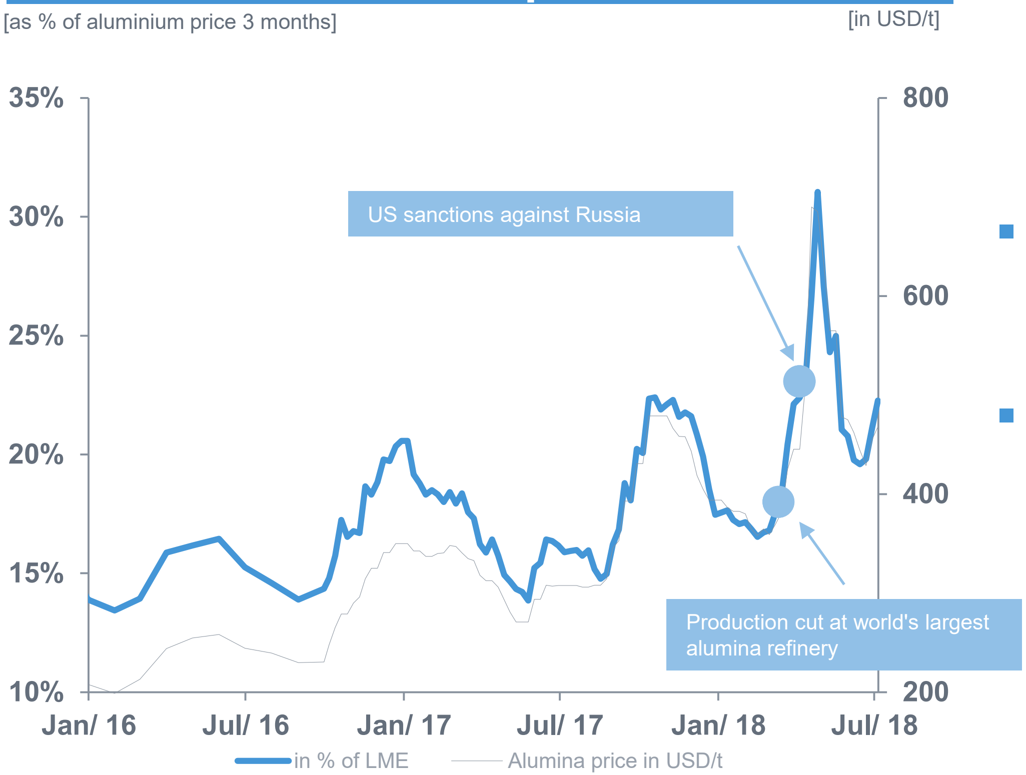
Price rise for alumina

Alumina price

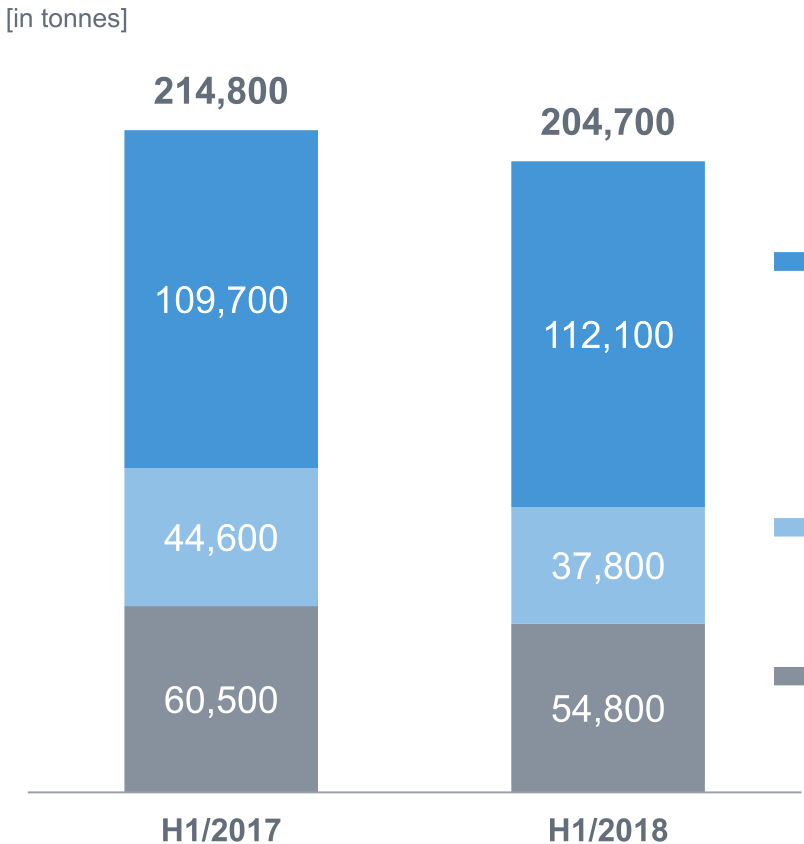


- H1 alumina price in relation to aluminium price **partly significantly above the historic level of 15 to 20 %**
- Price increase mainly due to announcement of US sanctions against Russia
- Around 2 tonnes of alumina are required to produce 1 tonne of primary aluminium

Source: CRU

Shipment volumes

Shipments down compared with H1/2017 mainly due to modernisation activities



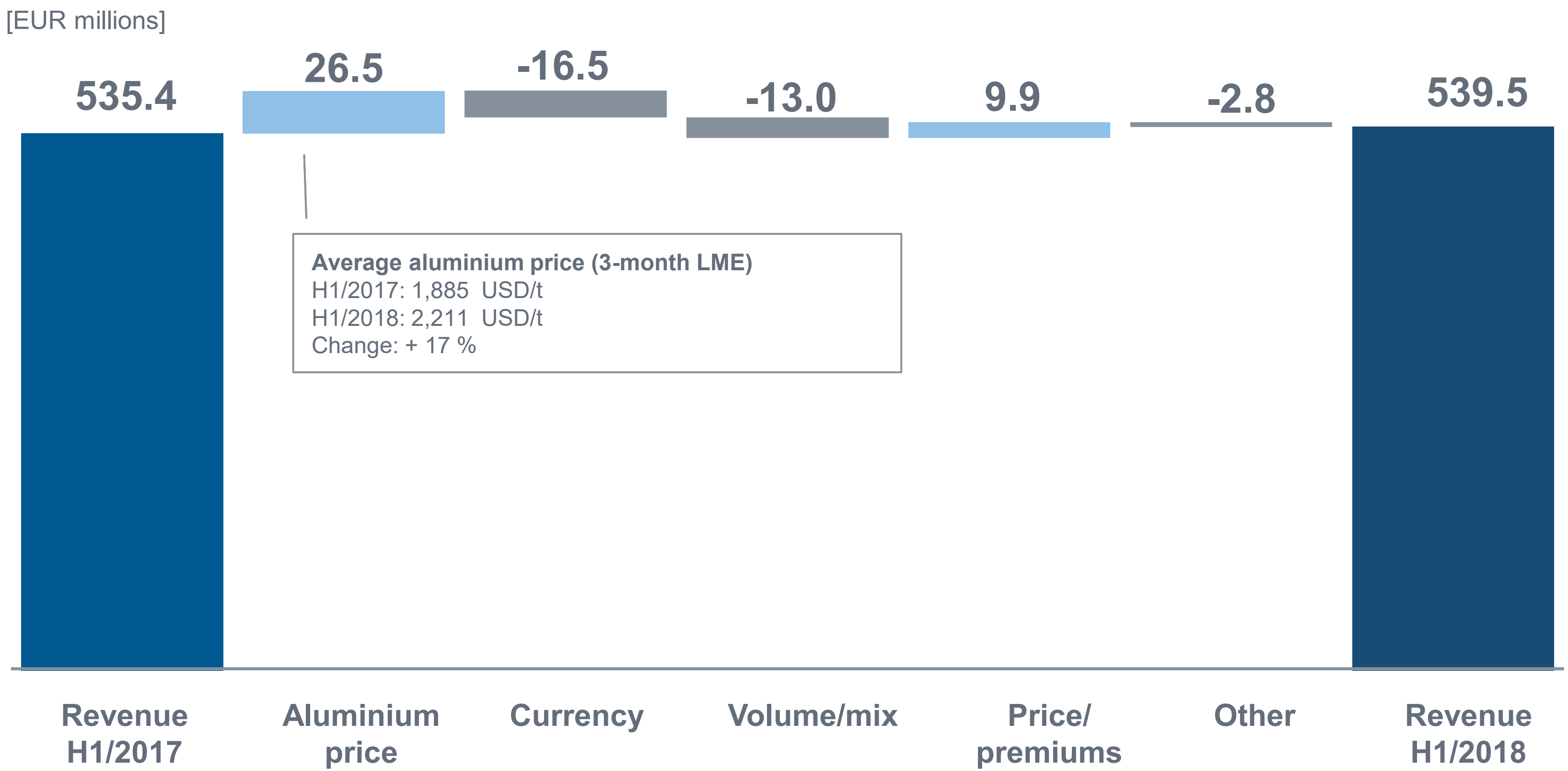
Rolling: +2 %
Organic growth program focuses on ramp-up and qualification of new plants

Casting: -15 %
Planned modernisation activities in H1/2018

Metal: -9 %
Higher pot relining activity and temporary reporting-date effects

Revenue reconciliation

Revenue slightly above previous year's level

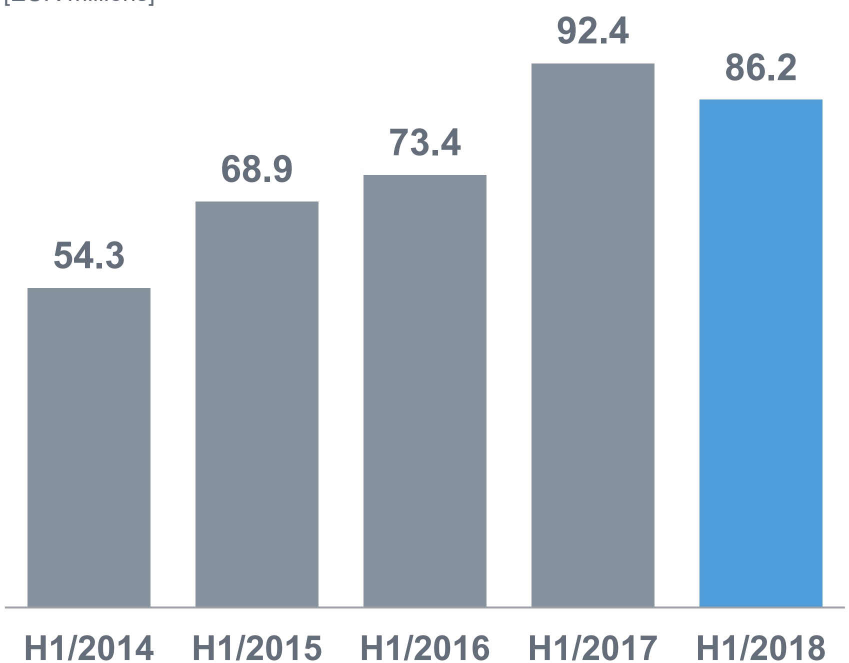


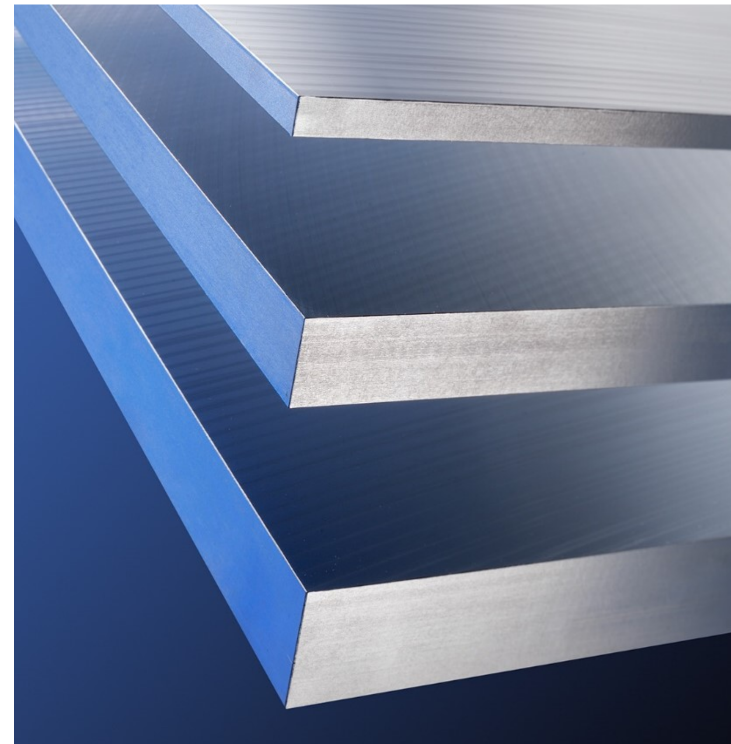
Average aluminium price (3-month LME)
H1/2017: 1,885 USD/t
H1/2018: 2,211 USD/t
Change: + 17 %

EBITDA: Second-best H1 result since IPO

EBITDA
(Earnings before interest, tax, depreciation and amortisation)

[EUR millions]

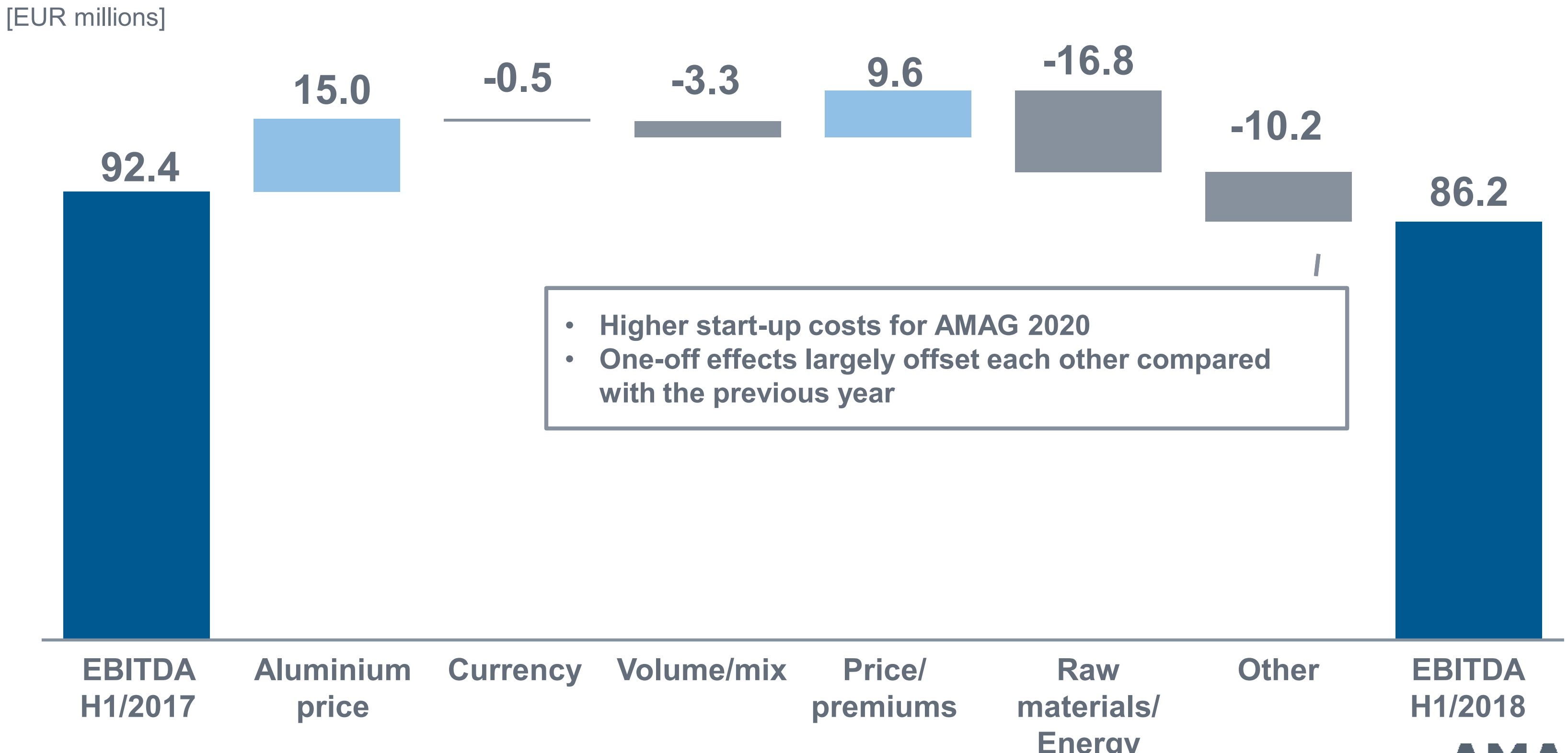




AMAG aluminium plates

H1/2018 EBITDA reconciliation

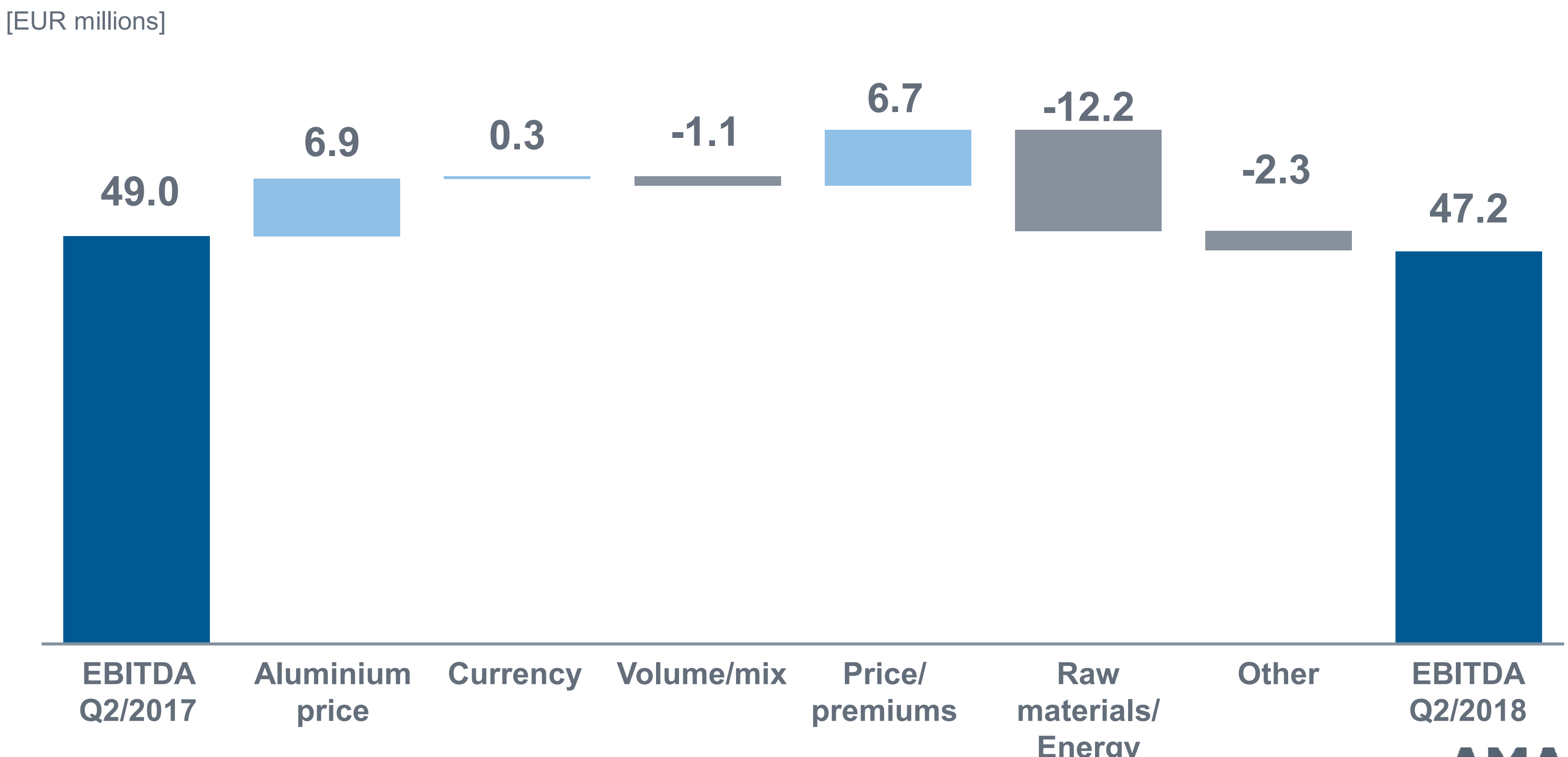
Reduction in results mainly reflects higher raw materials costs and start-up costs for site expansion



- Higher start-up costs for AMAG 2020
- One-off effects largely offset each other compared with the previous year

Q2/2018 EBITDA reconciliation

Higher raw materials costs significantly impact on results



AMAG Group – key figures

	Q2 2018	Q2 2017	+/- (%)	H1 2018	H1 2017	+/- (%)
Shipments, total [in tonnes]	103,700	107,800	-4 %	204,700	214,800	-5 %
Revenues [EUR millions]	276.3	277.9	-1 %	539.5	535.4	1 %
EBITDA [EUR millions]	47.2	49.0	-4 %	86.2	92.4	-7 %
EBITDA margin *[in %]*	17.1 %	17.6 %	-	16.0 %	17.3 %	-
EBIT [EUR millions]	27.5	30.4	-10 %	46.0	55.1	-16 %
EBIT margin *[in %]*	9.9 %	11.0 %	-	8.5 %	10.3 %	-
Net income after taxes [EUR millions]	20.2	21.0	-4 %	33.0	37.6	-12 %
Earnings per share [EUR]	0.57	0.60	-4 %	0.94	1.06	-12 %

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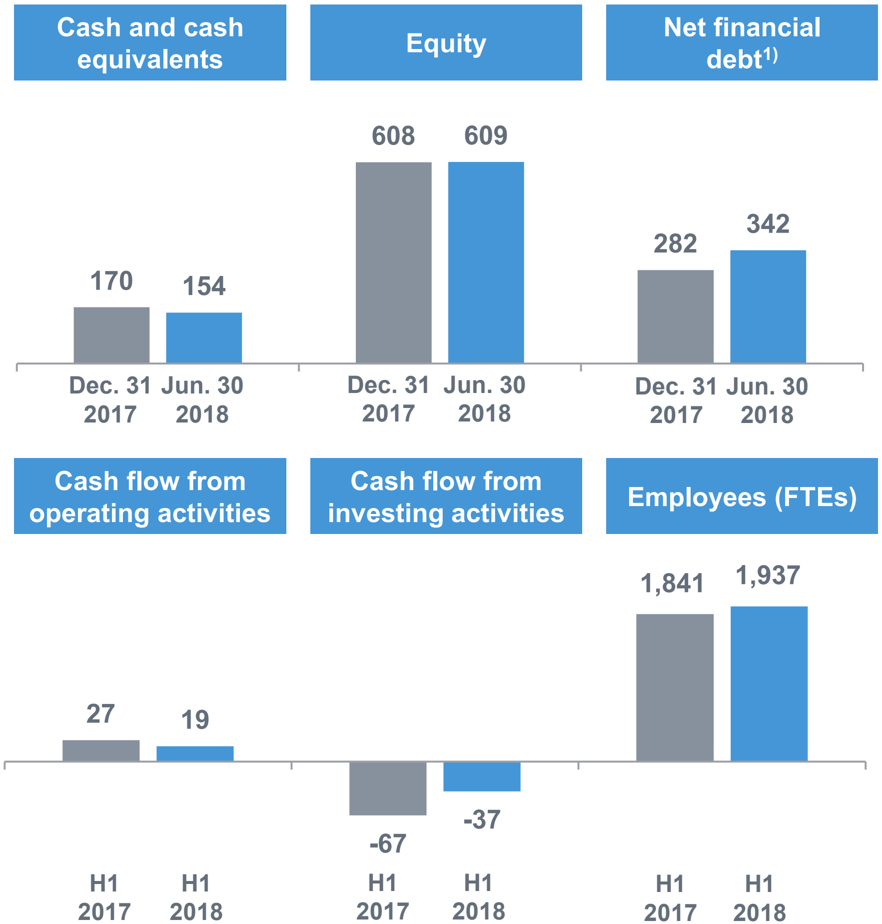
Growth and stability



- Even after EUR 42 million dividend payout in April 2018, equity at 2017 year-end level
- Cash flow from operating activities and net financial debt affected by higher working capital in connection with the higher aluminium price and ramp-up of new plants
- Reduction in investing activities following commissioning of new cold rolling mill in June 2017
- Significant hiring in the context of the organic growth path

1) Net balance of financial liabilities less cash, cash equivalents and financial receivables

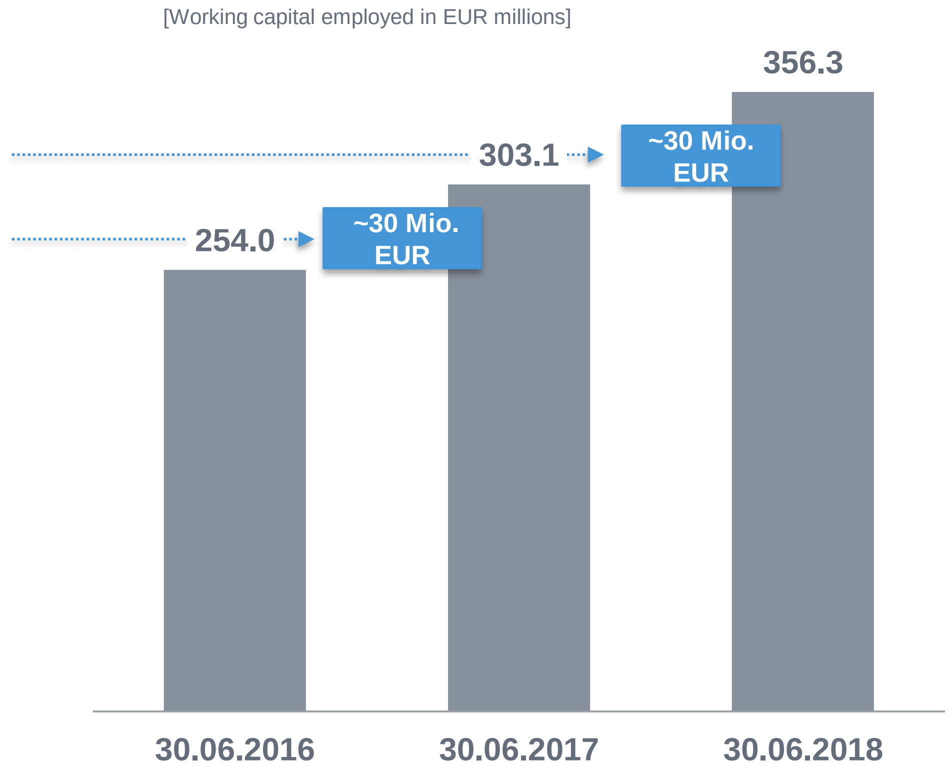
Working capital employed

Marked increase due to aluminium price and growth path

More capital employed due to higher aluminium price

Organic growth and ramp-up of new plants in the Rolling Division

Stock reduction planned for H2



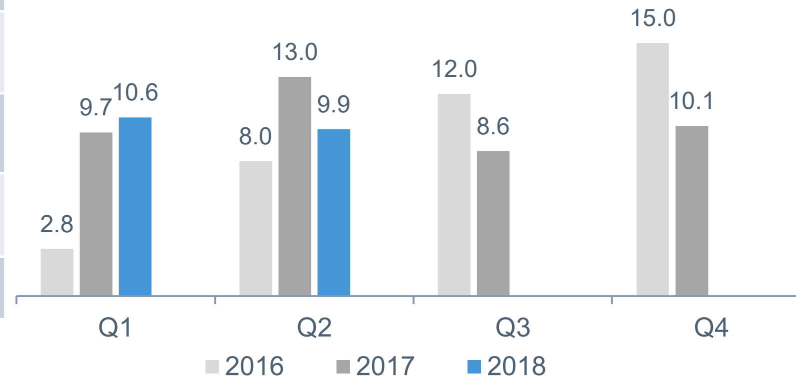
Metal Division

Raw materials costs affect H1/2018 results

	Q2 2018	Q2 2017	+/- (%)	H1 2018	H1 2017	+/- (%)
Shipments, total [in tonnes]	26,600	30,400	-12	54,800	60,500	-9
Revenues [EUR millions]	204.6	190.3	+8	402,0	379.1	+6
EBITDA [EUR millions]	9.9	13.0	-24	20.5	22.7	-10
EBITDA margin	4.8 %	6.8 %	-	5.1 %	6.0 %	-
Employees [1]	193	195	-1	188	192	-2

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)



- Lower shipment volumes mainly due to higher level of pot relining activities and effects relating to the reporting date
- High fluctuations in prices of aluminium and alumina
- Q2/2018 results down year-on-year mainly due to higher raw materials costs and negative valuation effects

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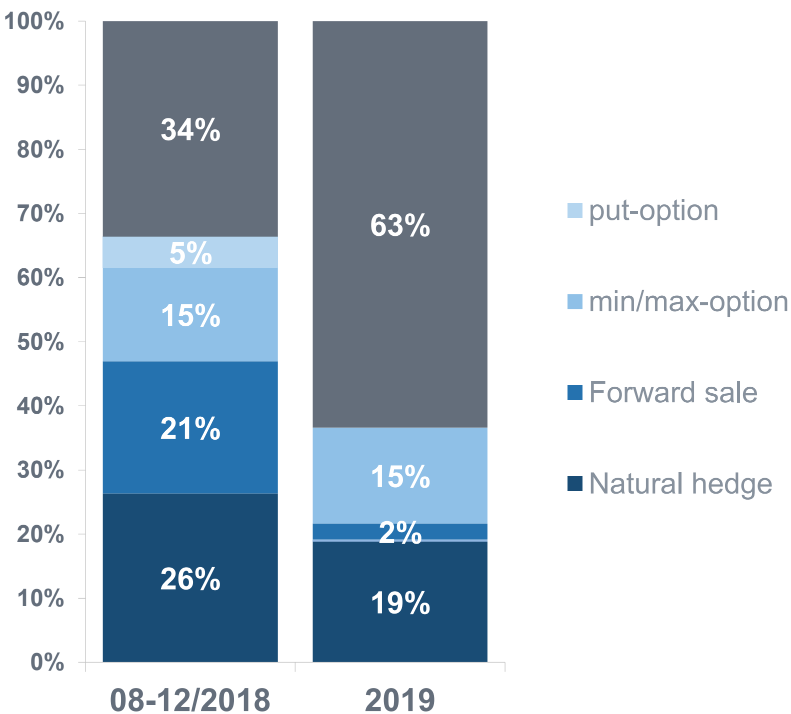
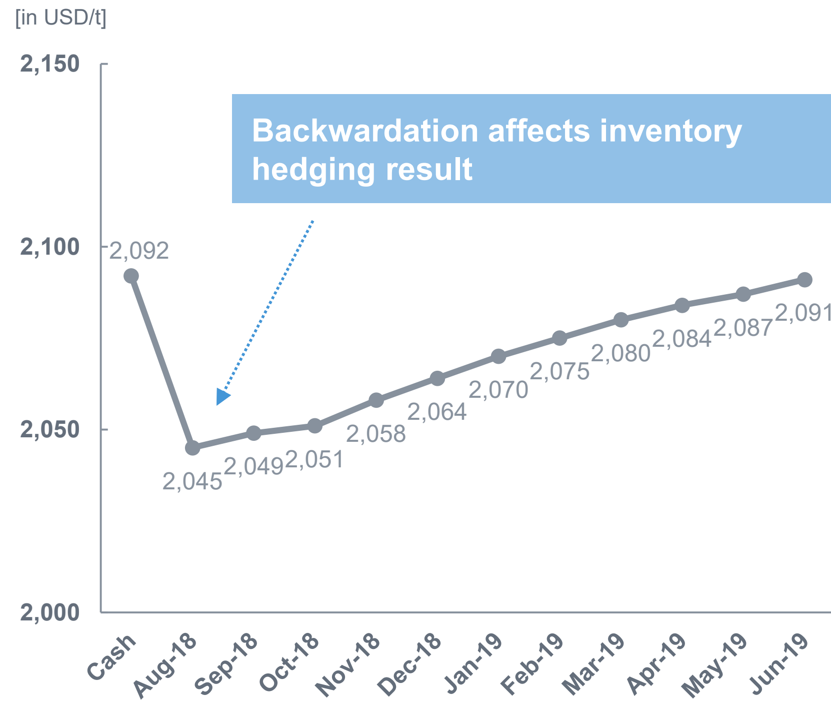
Hedging structure in the Metal Division

Partial hedging of aluminium price risk for 2018 and 2019

Hedging structure as of 30/06/2018



LME forward structure for aluminium



as of July 23, 2018, 8:39 am

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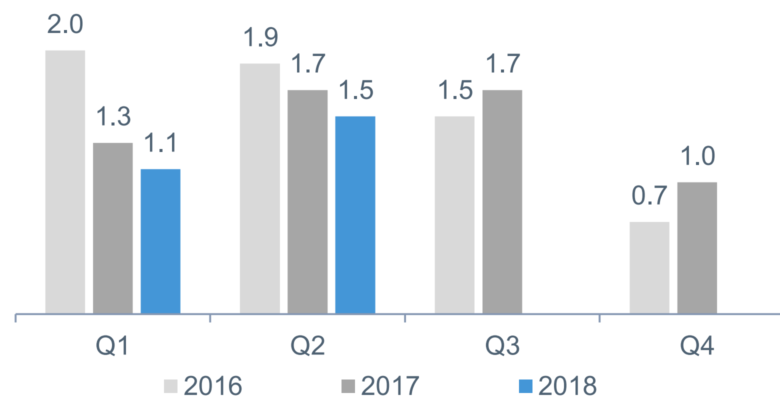
Casting Division

Solid results during modernisation activities

	Q2 2018	Q2 2017	+/- (%)	H1 2018	H1 2017	+/- (%)
Shipments, total [in tonnes]	19,400	22,100	-12	37,800	44,600	-15
Revenues [EUR millions]	25.5	31.8	-20	52.1	61.8	-16
EBITDA [EUR millions]	1.5	1.7	-12	2.6	3.0	-13
EBITDA margin	5.9 %	5.3 %	-	4.9 %	4.8 %	-
Employees [1]	124	125	-1	124	124	0

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

EBITDA
(in EUR millions)



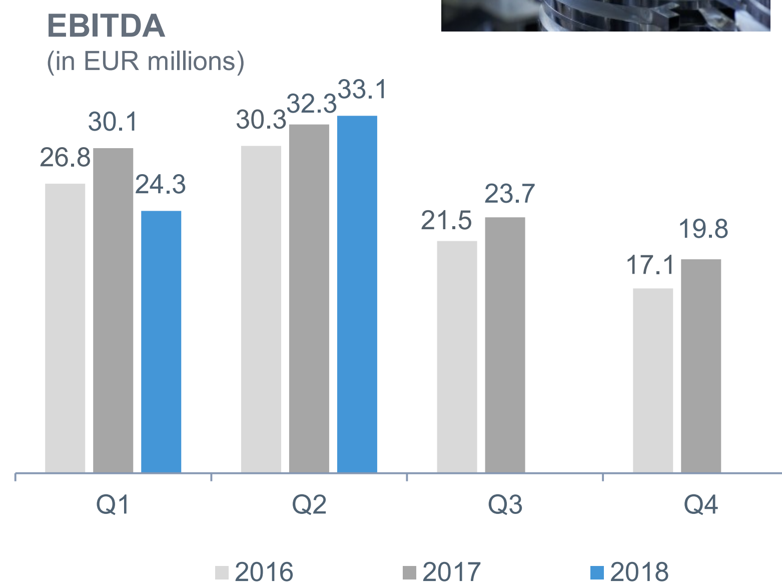
- Shipments down year-on-year due to planned modernisation activities
- Commissioning of new melting furnace; productivity gains expected from H2/2018
- Higher margin level compensates most of the earnings effect resulting from the lower shipment volume

Rolling Division

Growth track continues

	Q2 2018	Q2 2017	+/- (%)	H1 2018	H1 2017	+/- (%)
Shipments, total [in tonnes]	57,700	55,200	+4	112,100	109,700	+2
Revenues [EUR millions]	227.8	217.3	+5	447.9	419.0	+7
EBITDA [EUR millions]	33.1	32.3	+2	57.3	62.4	-8
EBITDA margin	14.5 %	14.8 %	-	12.8 %	14.9 %	-
Employees [1]	1,496	1,405	+7	1,482	1,387	+7

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



- Focus in H1/2018 on ramp-up and qualification of new plants
- Shipment volume growth in Q2/2018 as part of growth track; higher growth expected for H2
- H1 2018 EBITDA down slightly year-on-year mainly due to higher start-up costs for site expansion; Q2/2018 impacted by positive valuation effects

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Outlook

FY 2018 outlook

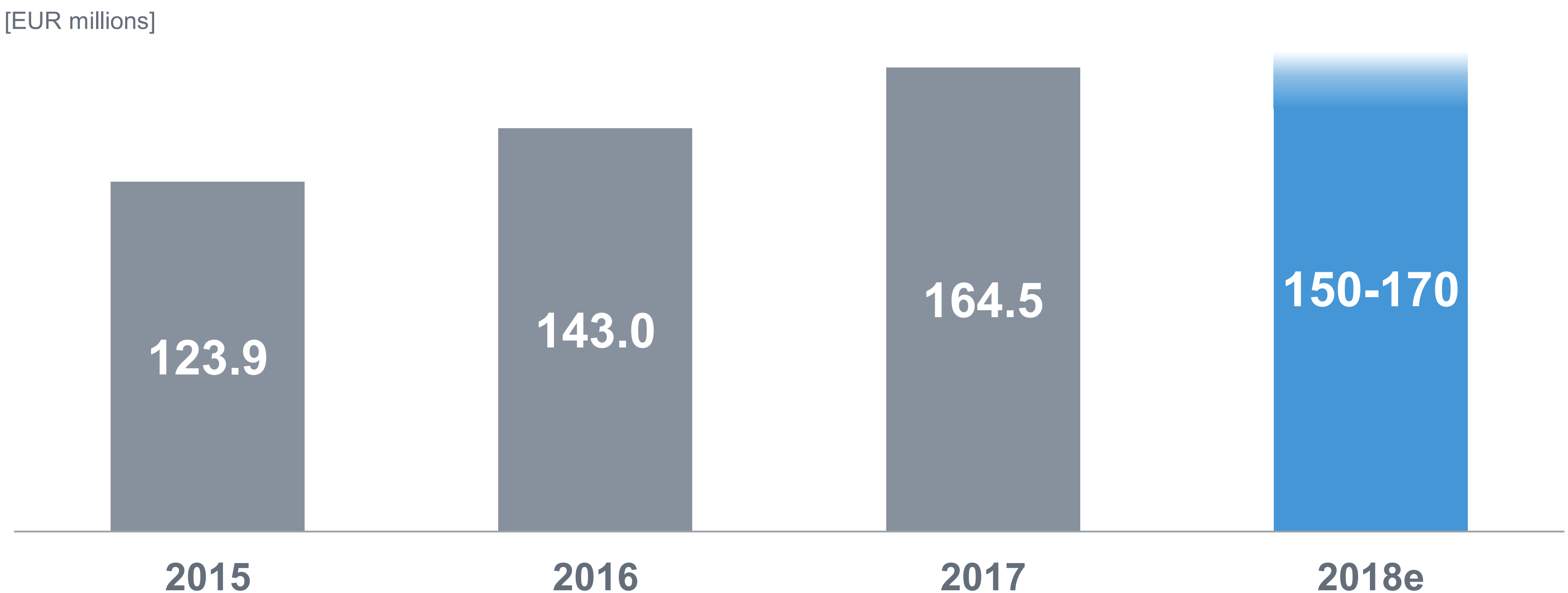
AMAG Austria Metall AG

- **Attractive market growth** with expected increase of around 4 to 5 % in global consumption of primary aluminium and rolled products[1)] in 2018
- **Market environment characterised by special factors:**
  - US sanctions against Russia
  - Capacity reduction at the world's largest alumina refinery
  - US import tariffs on aluminium
  - Trade conflicts could affect global economy
- **Significant volume growth in the Rolling Division due to ramp-up of new plants and achievement of important qualifications**

1) Source: CRU, April/May 2018

FY 2018 outlook

AMAG Group: Expected EBITDA range for 2018



- taking conditions in the past weeks into consideration

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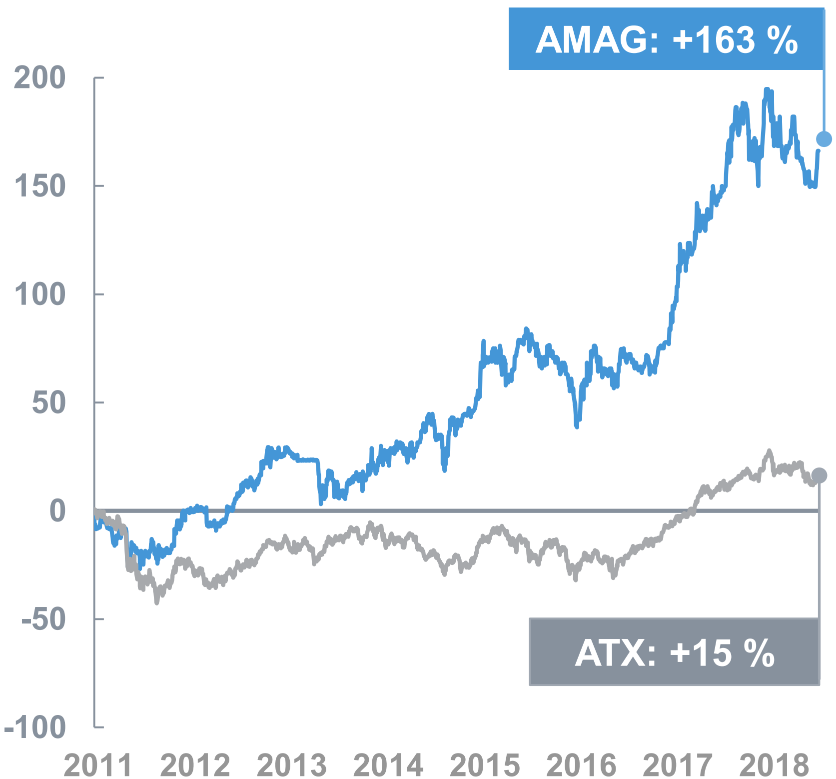
The share

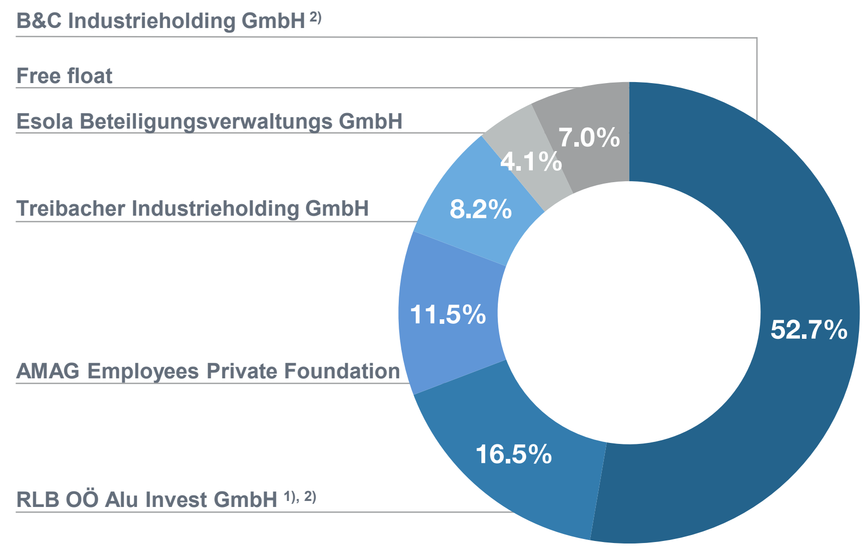
AMAG share

Significant outperformance since IPO

[Performance until July 23, 2018 in %]



Shareholder structure



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 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[1)]	EUR 50.60

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	Q1-Q3/2018 report

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1) as of July 23, 2018

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Competence in Aluminium

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