

# FY 2018 Presentation

February 28, 2019

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## Note

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# FY 2018 highlights

- **Market:** rising global demand for aluminium; environment in 2018 characterised by several special effects
- **New record for shipments and revenue**
- **EBITDA** influenced mainly by higher raw material costs
- **Proposed dividend per share of EUR 1.20 unchanged compared with the previous year**

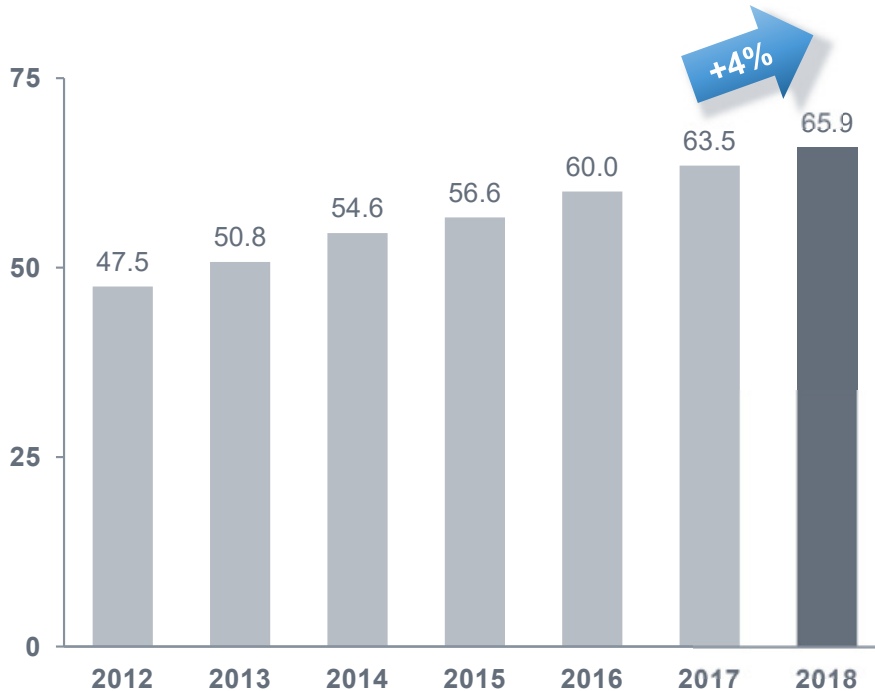
## Key figures 2018 (compared to 2017)

<b>Total revenue</b> (tonnes)	<b>424,600</b>	<b>+1%</b> 
<b>Revenue</b> (EUR millions)	<b>1,101.6</b>	<b>+6%</b> 
<b>EBITDA</b> (in EUR millions)	<b>141.0</b>	<b>-14 %</b> 
<b>Employees</b>	<b>1,959</b>	<b>+4%</b> 

# Primary aluminium

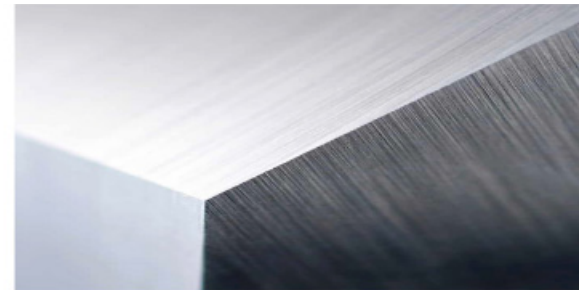
## Worldwide demand at record high

[in millions of tonnes]



## Outstanding properties of aluminium products:

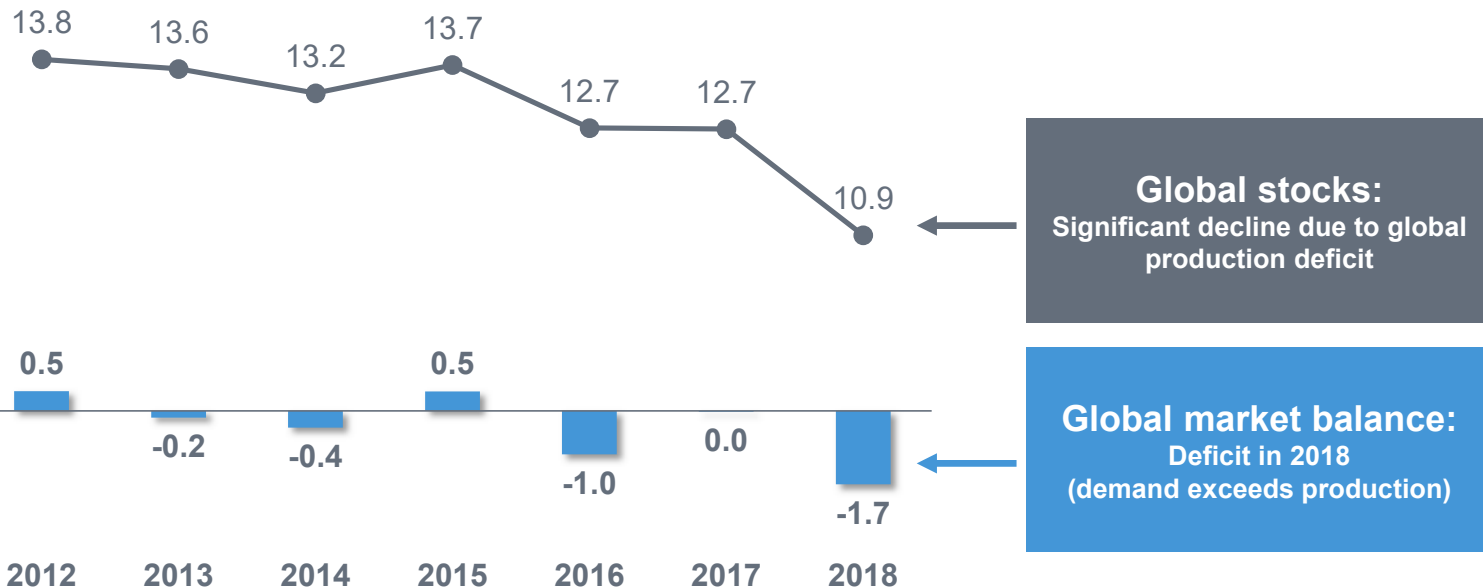
- Low specific weight
- Strength
- Recyclability
- Conductivity
- Visual attractiveness



# Primary aluminium stocks worldwide


## Decline due to global production deficit

[in millions of tonnes]



# Aluminium rolled products

High growth momentum in global demand



**+4%**  
**Growth**  
compared to 2017

Global demand growth by sector in 2018

Transport industry

+7%

Packaging

+4%

Construction

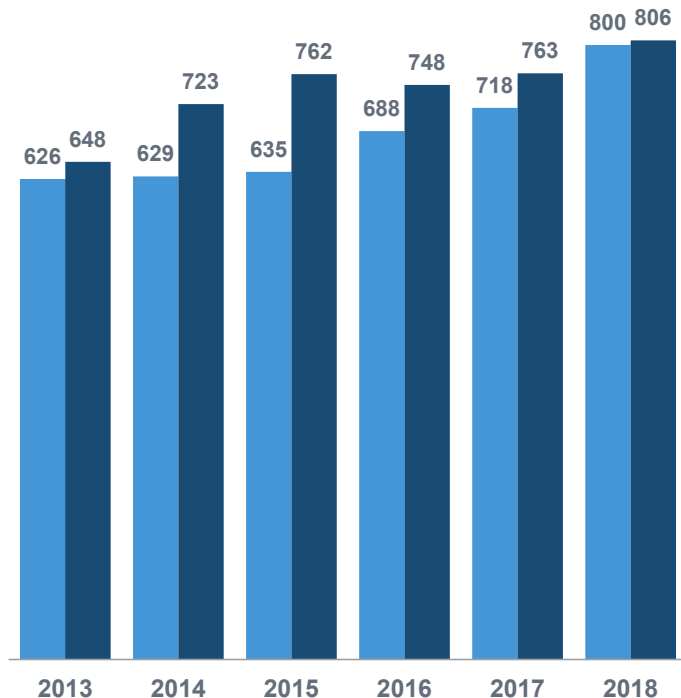
+3%



**Forecast up to 2023: +4 % p.a.**

# Aircraft manufacturers report record sales

Boeing and Airbus with around 800 deliveries each



Airbus

**+11 %**

compared to 2017

Boeing

**+6 %**

compared to 2017

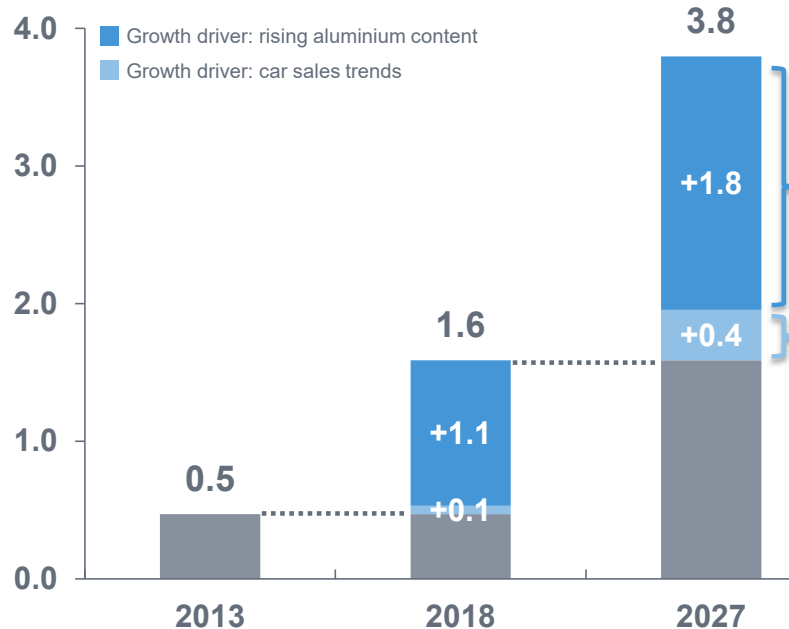


# Aluminium outer skin applications for cars

High growth in demand due to substitution by aluminium

## Worldwide demand for auto body sheets

[in millions of tonnes]



thanks to rising aluminium content in cars

thanks to expected growth in car sales



# Review of recent years

# Continuation of the growth strategy in the Rolling Division

2014



2019

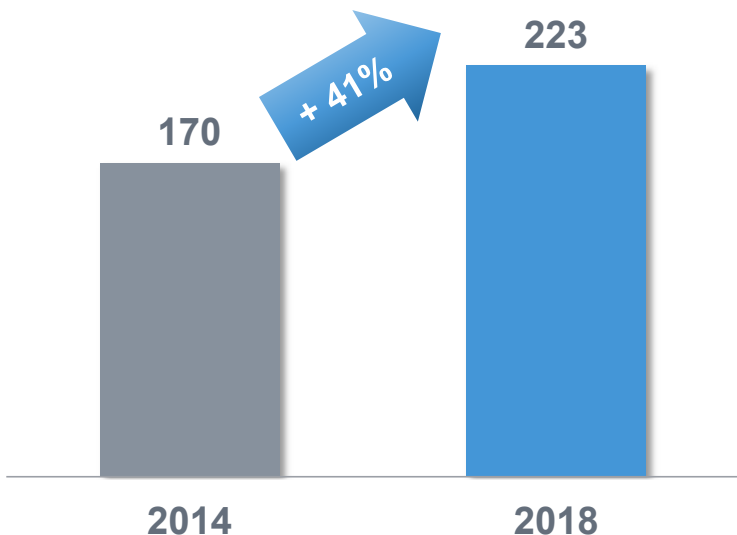


"AMAG 2020" investment program

# Successful continuation of growth strategy focused on special products

## Rolling Division shipments

[in '000 tonnes]



## Shipments of strategic business areas in the Rolling Division

[change compared to 2014 in %]



Aircraft



Automotive



Packaging

+ 87%

+ 93%

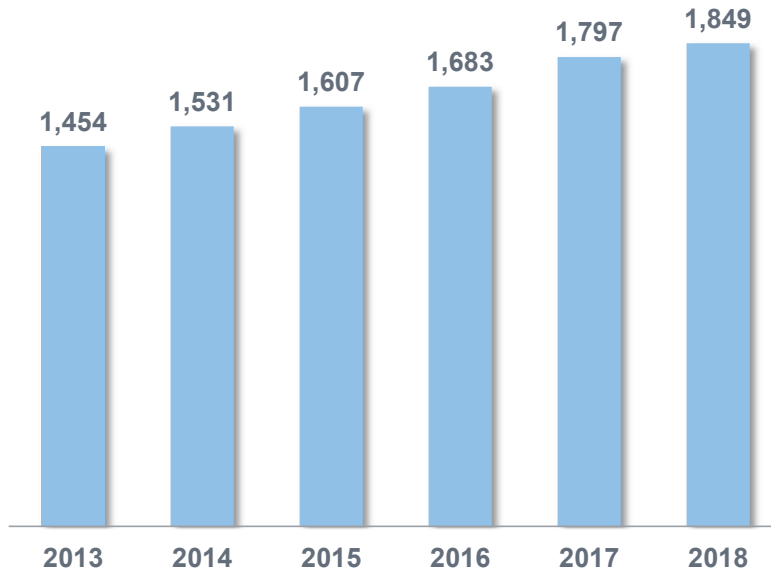
+ 27%

# Additional jobs reflect growth

Around 400 new jobs since the end of 2013

## Employees in Ranshofen

[Employees at year-end]



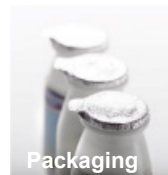
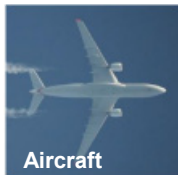
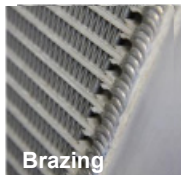
## 2018 operating trends

# "AMAG 2020" expansion project

## Positive progress in ramp-up of new plants

- Optimisation of process parameters for new plants and products
- Demanding qualifications across the entire value chain
- Scheduled production of first series products

**Successful completion of qualifications for further growth in 2019**



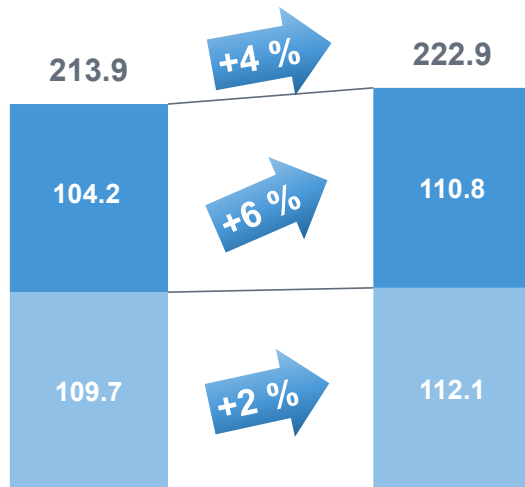
# Organic growth in rolled products

Ramp-up gathered momentum in 2018

## Rolling Division shipments

[in '000 tonnes]

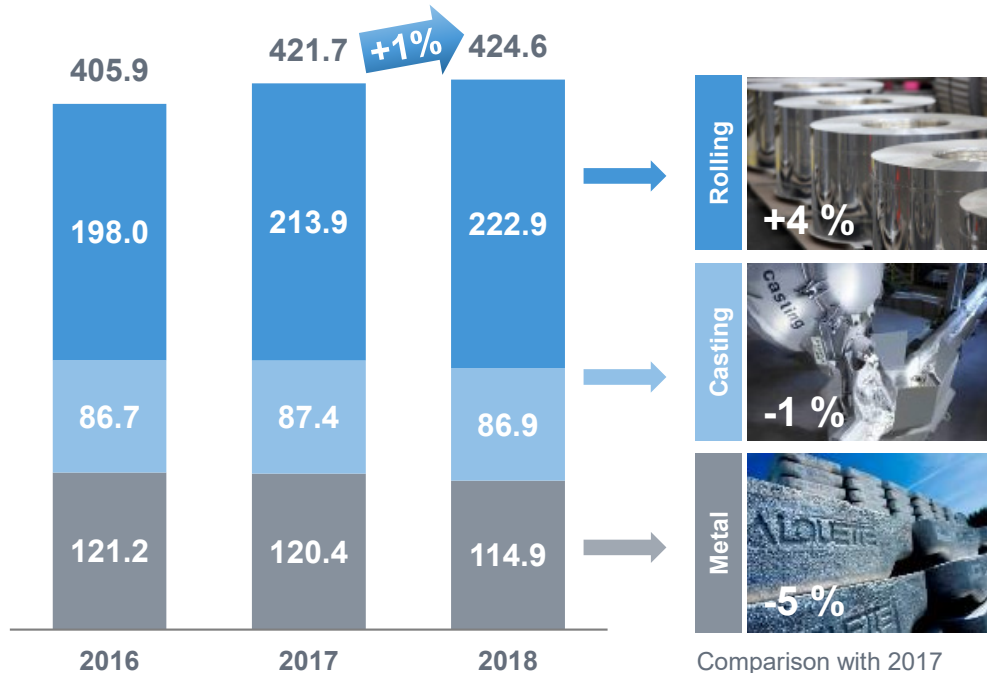
■ H1 ■ H2



# Total shipments

Growth in the Rolling Division leads to new AMAG shipments record

[in '000 tonnes]



- Continuation of strategic growth program
- Shipments reach previous year's level despite H1 modernisation activities
- Decline mainly due to relining of electrolysis cells

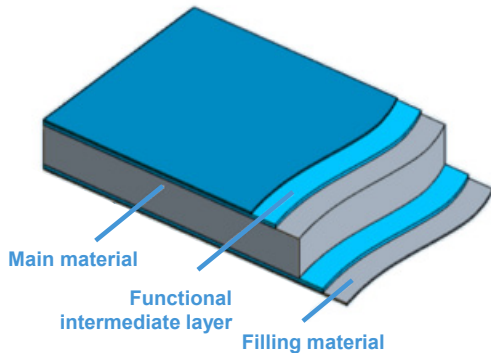


# Strategic investments (1/4)

## New cladding station for heat exchanger and aircraft products

### Brazing products

- Composite material with various aluminium alloys
- Composition of a five-layer composite material:



### New cladding station

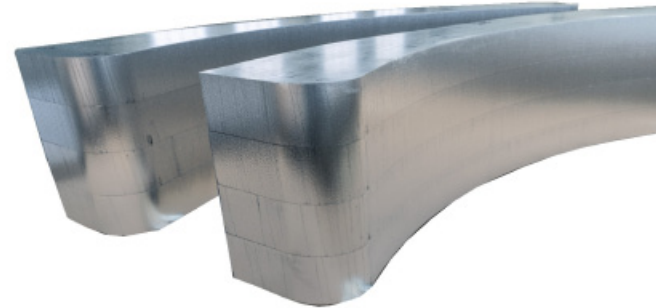
- Portfolio expansion for brazing products to include larger formats
- Significant growth in the aircraft sector
- Qualifications required



# Strategic investments (2/4)

## Contour cutting plant for aluminium rolled plates

- Increase in added value
- Expansion of the product portfolio to include contour cuts
- Products for the aircraft industry to improve the buy-to-fly ratio
  - Transport: weight and cost savings
  - Recycling of cuttings and sawdust by type



# Strategic investments (3/4)

## R&D casting plant to develop new products and optimise existing products

- Material development for the entire alloy and format range without significantly impairing ongoing production
- Production of special products in smaller volumes in order to react even more quickly and flexibly to specific customer requirements



# Strategic investments (4/4)

## Expansion of recycling and melting capacities

### LIBS sorting plant for mixed scrap

- Separation of mixed scrap by type based on laser technology
- Industry 4.0 in recycling operation
- Optimized material usage protects the environment and saves costs



### New tilting-rotary melting furnace

- Replacement of two existing melting units
- Productivity gains and volume growth while conserving resources in the Casting Division



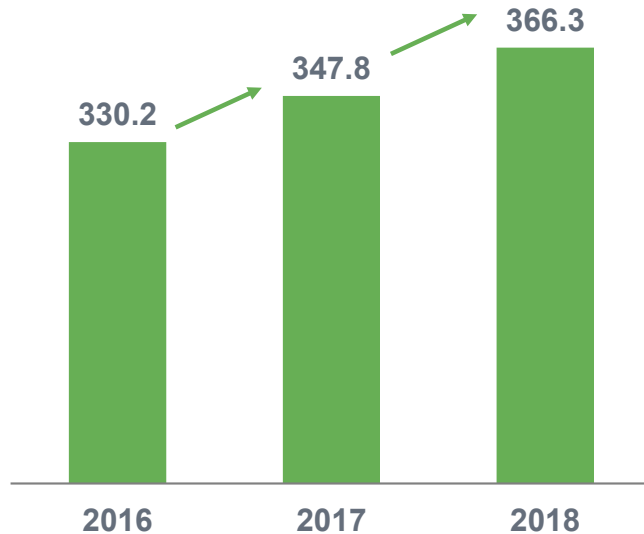


# New aluminium recycling record

Recycling requires up to 95% less energy than primary metal production

## Scrap input in Ranshofen

[in '000 tonnes]



# ASI Performance Standard certification

Aluminium Stewardship Initiative (ASI): Award for sustainable production

- **First integrated company** worldwide with rolling mill, casthouse and recycling **certified according to the ASI Performance Standard**
- Certification includes **many sustainability aspects**
- Special recognition of strategic **focus on aluminium recycling**



# 2018 results

# Market environment affected by special factors



## **Additional US import tariff of 10 % on aluminium**

After two postponements, since June 2018 also affects shipments from the EU and Canada

## **High price volatility and higher prices of alumina as a result of:**

- **US sanctions** against one of the largest alumina and primary aluminium producers in Russia
- **Production cut ordered by the authorities** at the world's largest alumina refinery in Brazil



# Aluminium price trends

Volatile price trend, down during H2/2018

[3-month LME in USD / t]

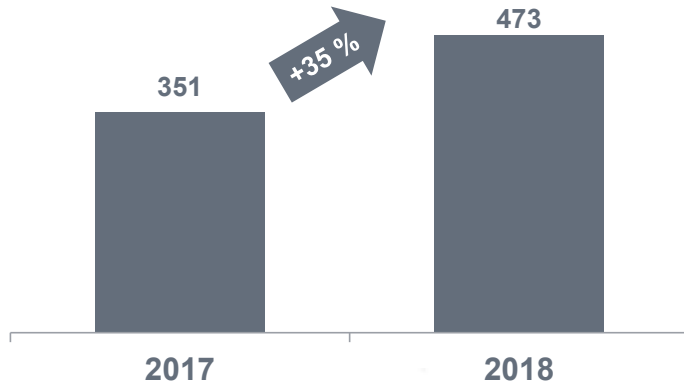


# Alumina and aluminium price trends

Considerable increase in alumina price compared to aluminium

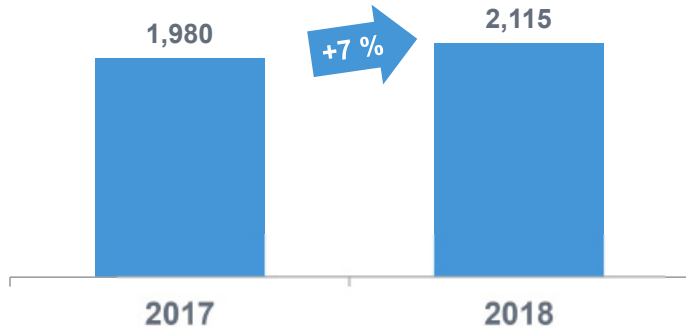
## Alumina price

[Year-average in USD/t]



## Aluminium price

[3-month LME annual average in USD/t]



Input: around 2 tonnes



Smelter

Production: 1 tonne

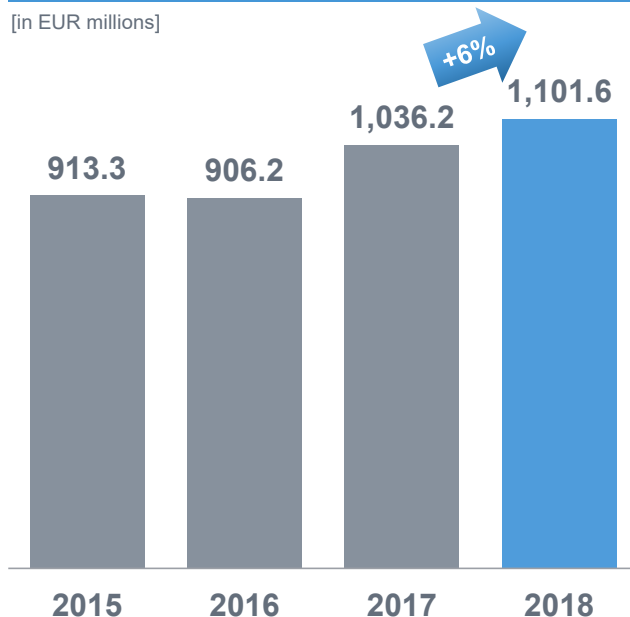


# Revenue record

Revenue growth mainly due to the positive trend in the Rolling Division

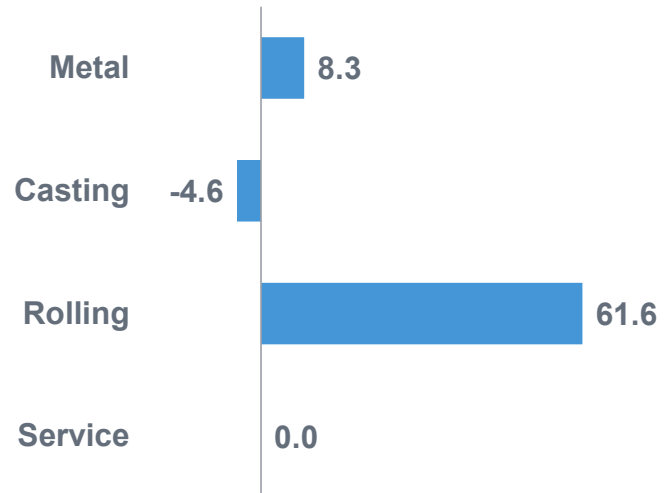
## Revenue

[in EUR millions]



## Change in revenue by division

[difference in EUR millions compared with 2017]

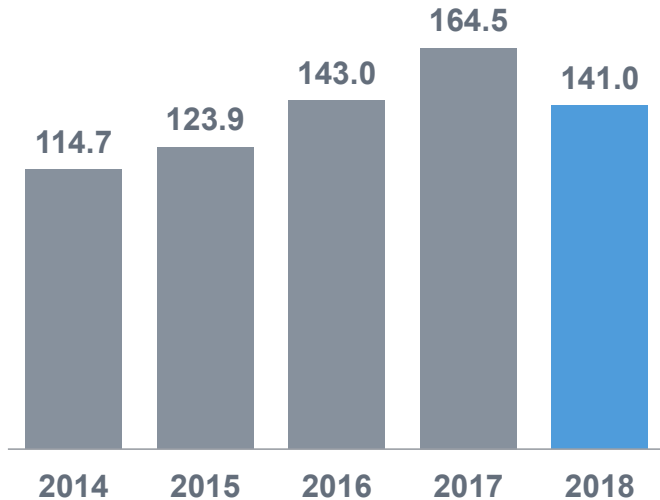


# EBITDA particularly affected by higher raw material costs in the Metal Division

## EBITDA

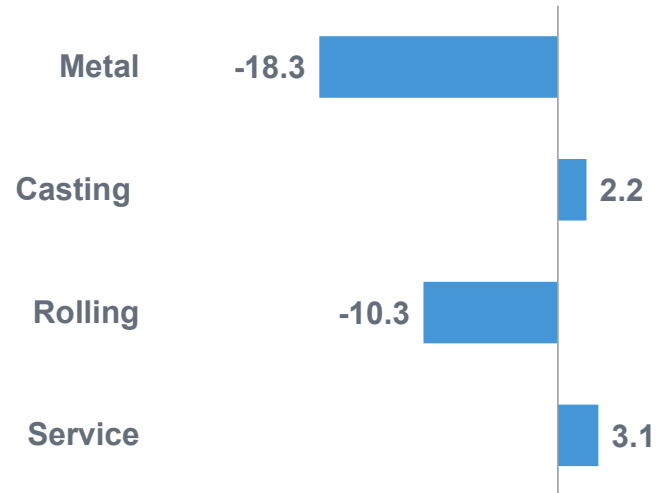
(Earnings before interest, tax, depreciation and amortisation)

[in EUR millions]



## Change in EBITDA by division

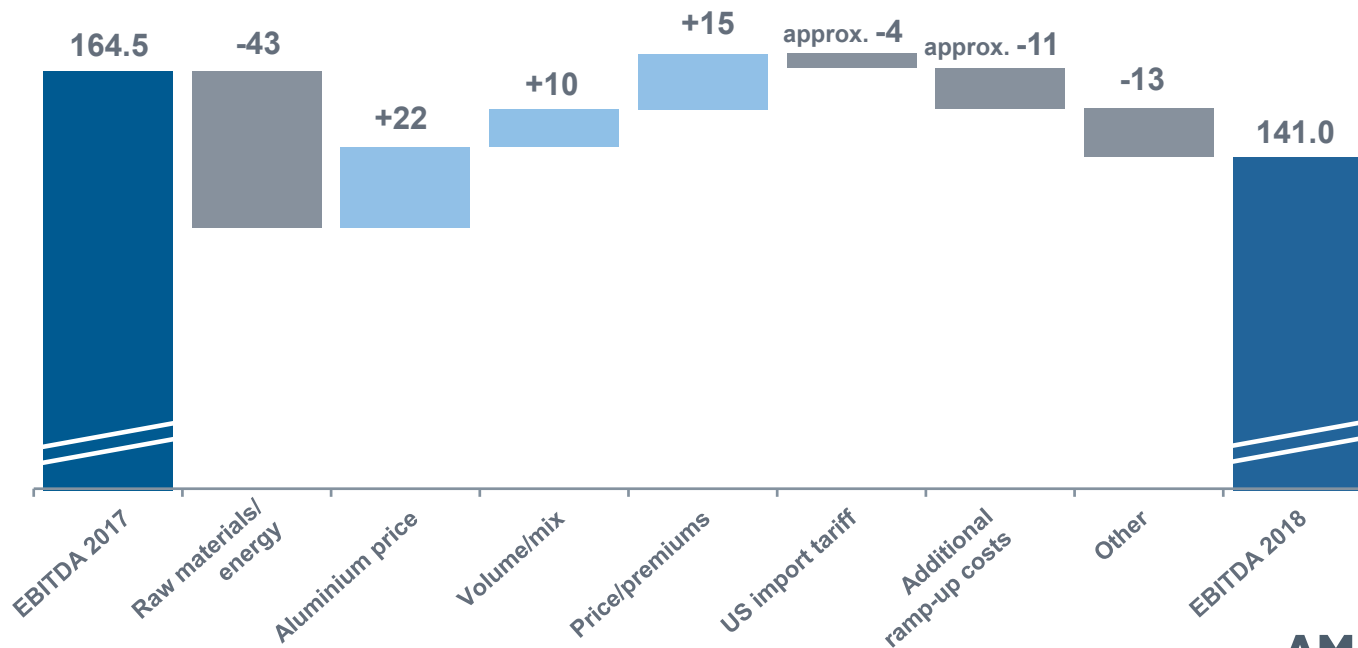
[difference in EUR millions compared with 2017]



# FY 2018 EBITDA reconciliation

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

[in EUR millions]



# Metal Division

## Raw materials costs significantly affect results



	Q4 2018	Q4 2017	+/- (%)	2018	2017	+/- (%)
<b>Shipments, total</b> [in tonnes]	29,500	30,900	-5	114,900	120,400	-5
<b>Revenue</b> [in EUR millions]	184.0	171.3	7	785.6	730.9	7
<b>EBITDA</b> [in EUR millions]	-0.7	10.1	-107	23.0	41.3	-44
<b>EBITDA margin</b>	-0.4 %	5.9 %	-	2.9 %	5.7 %	-
<b>Employees <sup>1</sup></b>	184	185	0%	188	190	-1

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)



- Reduction in shipment volume especially reflects higher level of pot relining activity
- Higher raw materials prices (especially alumina and petroleum coke) not fully compensated by slightly higher aluminium price
- Unfavourable valuation effects in Q4 2018 especially in connection with alumina price trends at the year-end

# Casting Division

## Significant earnings growth in 2018

	Q4 2018	Q4 2017	+/- (%)	2018	2017	+/- (%)
<b>Shipments, total</b> [in tonnes]	25,100	20,400	23	86,900	87,400	-1
<b>Revenue</b> [in EUR millions]	31.0	27.0	15	114.2	119.5	-4
<b>EBITDA</b> [in EUR millions]	2.2	1.0	121	7.8	5.7	38
<b>EBITDA margin</b>	7.2 %	3.7 %	-	6.8 %	4.7 %	
<b>Employees <sup>1</sup></b>	122	130	-6	124	126	-2

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

**EBITDA**  
(in EUR millions)



- 2018 shipments at previous year's level despite modernization activities
- Significant earnings growth especially due to improved margin level in 2018

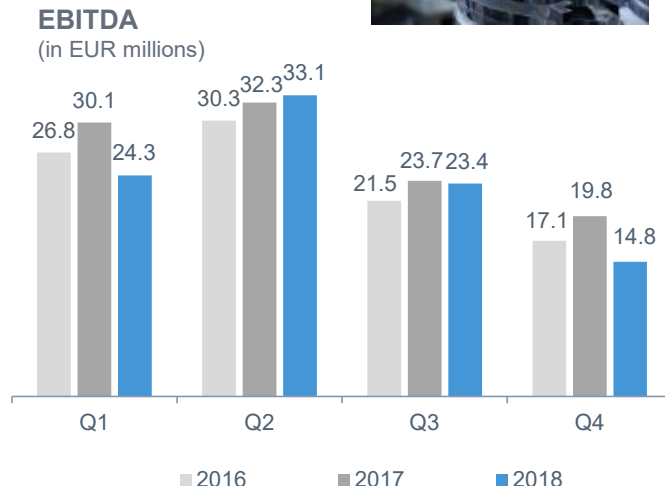
# Rolling Division

Earnings affected by US import tariffs and ramp-up costs



	Q4 2018	Q4 2017	+/- (%)	2018	2017	+/- (%)
<b>Shipments, total</b> [in tonnes]	54,300	51,400	6	222,900	213,900	4
<b>Revenue</b> [in EUR millions]	219.4	193.0	14	892.4	809.6	10
<b>EBITDA</b> [in EUR millions]	14.8	19.8	-25	95.6	105.9	-10
<b>EBITDA margin</b>	6.8 %	10.3 %	-	10.7 %	13.1 %	-
<b>Employees <sup>1</sup></b>	1,501	1,455	+3	1,500	1,424	+6

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



- Year-on-year shipment volume growth, especially in H2
- EBITDA down year-on-year mainly due to higher ramp-up costs and additional US import tariffs



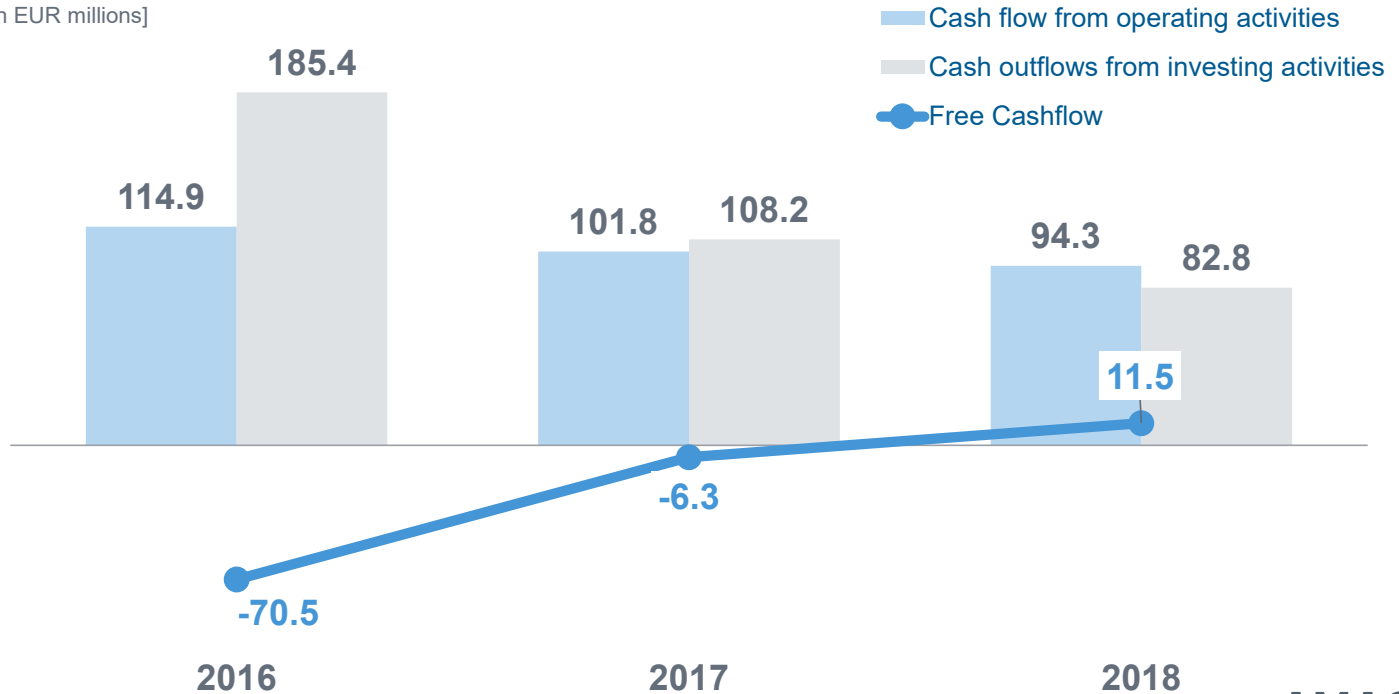
# AMAG Group – key figures

	Q4 2018	Q4 2017	+/- (%)	2018	2017	+/- (%)
<b>Shipments, total</b> [in tonnes]	108,900	102,800	6	424,600	421,700	1
<b>Revenue</b> [in EUR millions]	276.6	246.0	12	1,101.6	1,036.2	6
<b>EBITDA</b> [in EUR millions]	20.9	35.5	-41	141.0	164.5	-14
<b>EBITDA margin</b> [in %]	7.5 %	14.4 %	-	12.8 %	15.9 %	-
<b>EBIT</b> [in EUR millions]	0.6	14.8	-96	60.6	86.8	-30
<b>EBIT margin</b> [in %]	0.2 %	6.0 %	-	5.5 %	8.4 %	-
<b>Net income after taxes</b> [in EUR millions]	1.2	14.5	-92	44.5	63.2	-29
<b>Earnings per share</b> [in EUR]	0.03	0.41	-92	1.26	1.79	-29

# Cash flow trends

## Positive free cash flow in FY 2018

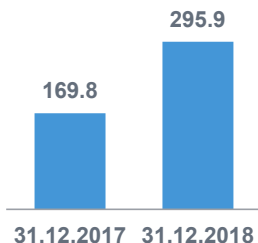
[in EUR millions]



# Solid key balance sheet figures

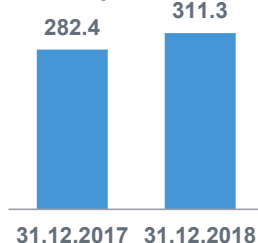
## Cash and cash equivalents

[in EUR millions]



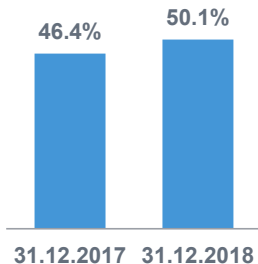
## Net financial debt

[in EUR millions]



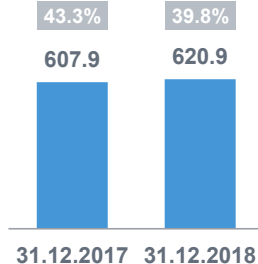
## Gearing ratio

[in %]



## Equity and equity ratio

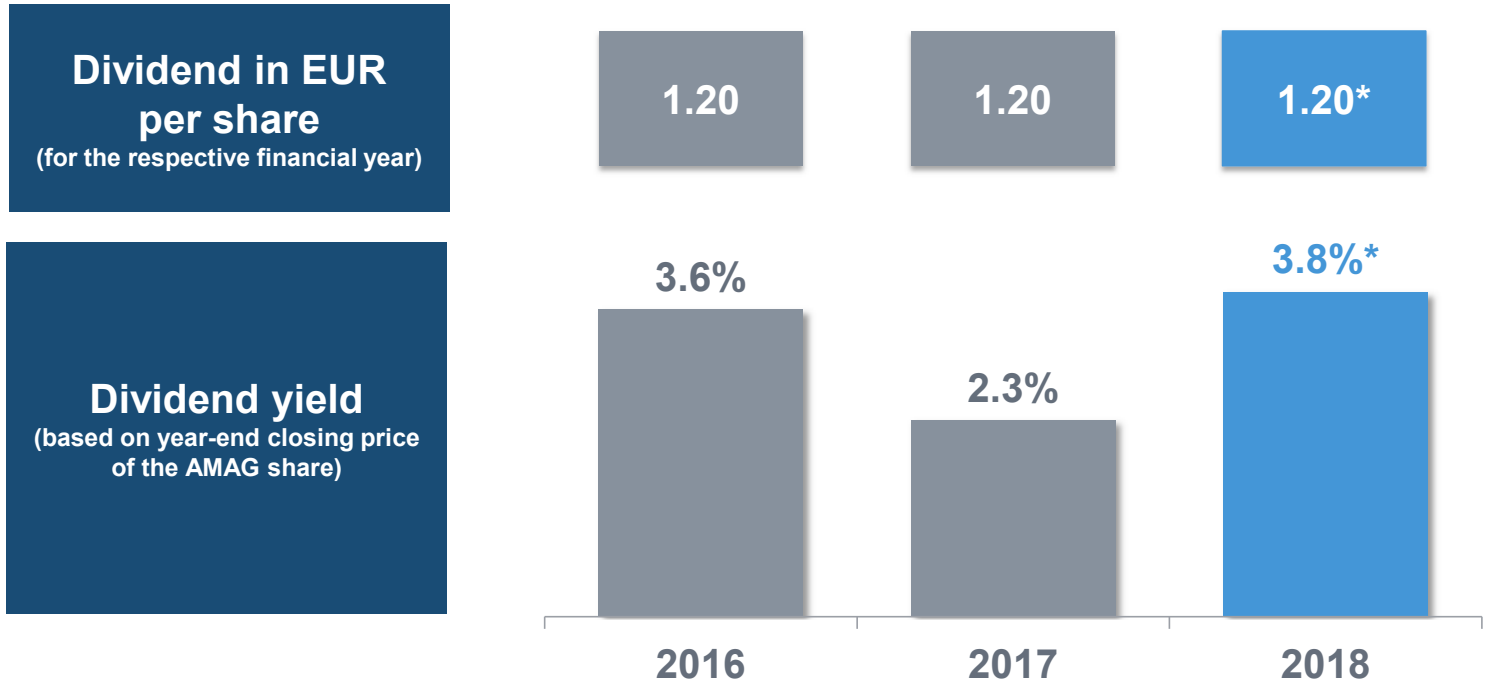
[in EUR millions or %]



- Successful placement of **of a promissory note loan** in the amount of EUR 200 million
- **Increase in equity** due to earnings and positive effects in currency translation
- **Increase in total assets** leads to a mathematical decline in the **equity ratio**
- **Solid gearing ratio** almost unchanged compared to the previous year

# Stable dividend as proposal to AGM

Dividend yield rises to around 4 %



# Outlook

# FY 2019 outlook

## AMAG Austria Metall AG

- **Attractive market growth** with expected increase of around 3 and 4 % respectively in global consumption of primary aluminium and rolled products<sup>1)</sup>
- 2019 business trends mainly influenced by future **market price trends for aluminium, raw materials and the currency situation**; increasing economic uncertainties, e.g. in connection with the exit of the UK from the EU and the car sales market
- New accounting standard IFRS 16 "Leases": no material impact on AMAG EBITDA, but shifts in individual segments anticipated
- **AMAG will continue to benefit from its growth path in 2019; however, it is still too early to issue an earnings forecast**

# 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

## IR contact

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[Felix.Demmelhuber@amag.at](mailto:Felix.Demmelhuber@amag.at)

## Ownership structure as of February 15, 2019

B&C Industrieholding GmbH <sup>2) 3)</sup>

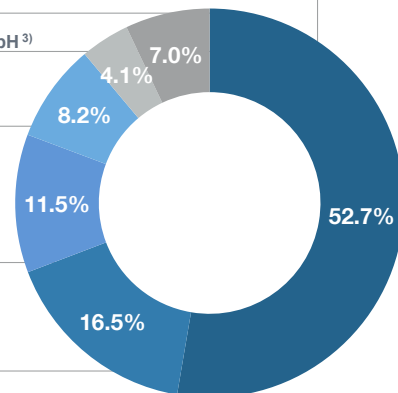
Free float

Esola Beteiligungsverwaltungs GmbH <sup>3)</sup>

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 1 April 2015

3) B&C Industrieholding GmbH and Esola Beteiligungsverwaltungs GmbH concluded a participation agreement on February 14, 2019



# Competence in Aluminium

**AMAG**  
AUSTRIA METALL