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AMAG: Solid result in a year impacted by COVID

- Revenue of EUR 904.2 million below prior-year level due to volume, mix and price factors (2019: EUR 1,066.0 million)
- EBITDA of EUR 108.2 million in a challenging market environment (2019: EUR 143.0 million)
- Successful adjustment of material and structural costs to capacity utilisation
- Net income after taxes clearly positive at EUR 11.6 million (2019: EUR 38.6 million)
- Cash flow from operating activities of EUR 107.3 million at the level of EBITDA (2019: EUR 139.9 million)
- Free cash flow of EUR 45.1 million at a high level
- Proposed dividend of EUR 0.50 per share
- Consistent strategy implementation: Acquisition of Aircraft Philipp, market launch of new products
- Outlook for 2021: Too early for earnings forecast due to uncertain market environment

After a satisfactory start to the first quarter, the 2020 financial year of AMAG Austria Metall AG was significantly affected by the COVID-19 pandemic. Considerable reductions in demand in the second quarter were followed by a slight recovery over the summer months. Before the end of the year, a tangible recovery in the order situation was recorded in all AMAG customer segments – with the exception of the aircraft area.

Gerald Mayer, CEO of AMAG: *“The year 2020 highlighted in particular the importance of a solid business model and a stable financial position. We have achieved a lot during a challenging period, successfully adjusting structural costs to lower capacity utilisation in the short term, as well as developing the company strategically during the crisis. We have, for example, achieved initial marketing successes with around 30 new products, and by investing in Aircraft Philipp we have seized the opportunity to extend our value chain.”*

Overall, the COVID-19 pandemic was reflected in significantly lower demand, especially from the transport area and from distribution. The AMAG Group’s total shipment volume of 404,800 tonnes was around 8 % below the previous year’s level. AMAG’s revenue trends were also affected by the aluminium price being around 4 % lower on average

(USD 1,730/tonne compared with USD 1,811/tonne in 2019) as well as a stronger EUR against the USD. After EUR 1,066 million in the previous year, **revenue** of EUR 904.2 million was achieved in the 2020 financial year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) decreased year-on-year from EUR 143.0 million to EUR 108.2 million. This reduction particularly reflects lower shipment volumes in the Rolling and Casting divisions as well as changes in the product mix as a consequence of the COVID-19 pandemic. The Metal Division benefited especially from lower raw material costs and the higher shipment volume.

For the reasons outlined, the **operating result (EBIT)** amounted to EUR 25.3 million in the 2020 financial year, compared with EUR 61.1 million in the previous year. At EUR 11.6 million, a clearly positive **net result after taxes** was achieved (2019: EUR 38.6 million).

After **record cash flow from operating activities** of EUR 139.9 million in the 2019 financial year, high cash flow of EUR 107.3 million was also achieved in the 2020 reporting year. Taking into account **cash flow from investing activities** of EUR -62.2 million (2019: EUR -76.4 million), **free cash flow** remained at a high level of EUR 45.1 million (2019: EUR 63.5 million).

The key balance sheet figures reflect AMAG's stable position. **Net financial debt** stood at EUR 316.8 million as of December 31, 2020, compared with EUR 292.9 million as of the end of the 2019 financial year. **Cash and cash equivalents** rose from EUR 267.3 million as of the end of the 2019 financial year to EUR 304.9 million as of December 31, 2020. **Equity** stood at EUR 601.4 million as of the end of the 2020 financial year (December 31, 2019: EUR 619.3 million), while the **gearing ratio** amounted to 52.7 % (December 31, 2019: 47.3 %).

Proposed dividend:

The Management Board will propose to the Shareholders' Annual General Meeting a year-on-year unchanged dividend of EUR 0.50 per share. This corresponds to a dividend yield of around 2 % in relation to the year-end closing price of the AMAG share of EUR 29.90. As in the previous year, the Annual General Meeting will be held in virtual form on April 13, 2021. The dividend payment date is April 20, 2021.

Outlook:

Current economic activity continues to be affected by the COVID-19 pandemic, despite increasing improvements in recent months.

Gerald Mayer, CEO of AMAG: *“Due to the encouraging trend in new order intake from many industries relevant to AMAG, we expect good capacity utilisation of our plants in the first months of 2021. Above all, thanks to our high level of innovation as well as our business model, which is geared towards sustainability, we are well equipped for the expected market recovery and upcoming challenges, despite remaining uncertainties.”*

Market research institute CRU expects significant growth rates in global demand for both primary aluminium and aluminium rolled products in the coming years. In 2021, the decrease in demand from 2020 is to be offset by an increase of around 7 % in each case.

Business trends for the full year 2021 will depend to a large extent on the further course of the COVID-19 pandemic and associated effects on the industries relevant to AMAG. For this reason, it is still too early to provide a forecast for earnings in the 2021 financial year.

Annual Report 2020:

The 2020 annual report is available for downloading from the investor relations area of the AMAG website from now on. This consists of the comprehensive financial report including the non-financial statement as well as a magazine summarising the most important information on 2020 business performance.

AMAG – key figures:

EUR millions	2020	2019	Change
Shipments in tonnes	404,800	440,300	-8.1 %
of which external shipments in tonnes	378,200	406,600	-7.0 %
Revenue	904.2	1,066.0	-15.2 %
EBITDA	108.2	143.0	-24.3 %
EBIT	25.3	61.1	-58.5 %
Net income after taxes	11.6	38.6	-69.9 %
Cash flow from operating activities	107.3	139.9	-23.3 %
Cash flow from investing activities	-62.2	-76.4	18.6 %
Employees ¹⁾	1,991	2,000	-0.5 %

EUR millions	December 31, 2020	December 31, 2019	Change
Equity	601.4	619.3	-2.9 %
Equity ratio	38.8 %	41.2 %	-
Gearing	52.7 %	47.3 %	-

1) Average number of employees (full-time equivalents) including temporary help workers and excluding apprentices. Includes the respective share of personnel from the interests in the Alouette smelter (20 %) and Aircraft Philipp (70 %).

About the AMAG Group

AMAG is a leading Austrian premium supplier of high-quality aluminium cast and flat rolled products for highly varied industries such as the aircraft, automotive, sports equipment, lighting, mechanical engineering, construction and packaging industries. The Canadian smelter Alouette, in which AMAG holds a 20 % interest, produces high-quality primary aluminium, while safeguarding an exemplary net ecological impact. In addition, AMAG holds a 70 % stake in the German company Aircraft Philipp based in Übersee am Chiemsee, an established manufacturer of ready-to-install metal parts for the aerospace industry.

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Note

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