

Ranshofen, August 2, 2018

AMAG Austria Metall AG reports solid results in volatile market environment

- **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**
- **As expected, EBITDA down year-on-year to EUR 86.2 million due to higher raw materials 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**

AMAG Austria Metall AG successfully continued on its organic growth track during the first half of 2018. The market environment – which is characterised by annual demand growth for primary aluminium and aluminium rolled products – was particularly impacted by special factors. The US administration introduced additional import tariffs for aluminium, which, following a second postponement, now also affect deliveries from the European Union and Canada from June 1, 2018. Capacity cuts by Brazilian authorities to the world's largest alumina refinery as well as US sanctions against Russia led to market concerns about supply shortages in aluminium and alumina. High price fluctuations were the consequence.

Helmut Wieser, CEO of AMAG: *"Especially in such turbulent times, it becomes clear that AMAG, with its integrated site in Ranshofen and its 20 % interest in the Alouette smelter in Canada, is very well positioned strategically. The ability to make recourse to the company's own primary aluminium produced in Canada and our own casting and recycling capacities ensure a high level of supply security for our Ranshofen site."*

The AMAG Group achieved **shipments** of 204,700 tonnes in the first half of 2018. This level was down 5 % compared with the previous year (H1 2017: 214,800 tonnes), particularly reflecting the planned modernisation activities in the Metal and Casting divisions. Shipment volumes in the Rolling Division registered further growth compared with the first half of the previous year, in line with the strategic growth program.

Revenue in the first half of 2018 amounted to EUR 539.5 million, slightly above the previous year's level of EUR 535.4 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to a total of EUR 86.2 million in the first half of 2018, slightly below the previous year's level of EUR 92.4 million, as expected. This reduction mainly reflected higher raw materials costs and the higher start-up costs for the site expansion in Ranshofen.

AMAG achieved an operating result (**EBIT**) of EUR 46.0 million in the first half of 2018, compared with EUR 55.1 million in the first half of 2017. **Net income after tax** amounted to EUR 33.0 million during the first six months of 2018 (H1 2017: EUR 37.6 million).

Cash flow from operating activities, which was affected by the rising aluminium price, as in the previous year, stood at EUR 19.2 million in the first half of 2018 (H1 2017: EUR 26.8 million). Cash flow from investing activities amounted to around EUR -37.3 million during the first half of 2018 (H1 2017: EUR -67.4 million). Free cash flow improved from EUR -40.6 million to EUR -18.2 million accordingly.

Even after the payout of the attractive dividend of EUR 42.3 million, equity of EUR 608.6 million was stable compared with the 2017 year-end (EUR 607.9 million), thereby standing at a solid level.

2018 outlook:

As in recent years, attractive market growth in aluminium and its products is anticipated for 2018. The ramp-up of the new plants and facilities will make additional production capacities available in the second half of the year. As a result, significant volume growth in the Rolling Division is anticipated for 2018 and in the subsequent years.

Helmut Wieser, CEO of AMAG: *"The organic growth track at the Ranshofen site was successfully continued during the first half of 2018. Along with the R&D casting plant for rolling slabs and the new cladding station in the Rolling Division, a new melting furnace for foundry alloy products was also commissioned. The ramp-up of the new plants and facilities from the "AMAG 2020" expansion project ran successfully and we achieved important qualifications for different products during the first half of the year."*

Given a market environment impacted by special factors as described above, raw material markets are currently exposed to high price fluctuations, thereby making it only possible to issue an earnings forecast for 2018 in the form of a wide range. The additional US import tariffs on aluminium will influence the 2018 earnings of AMAG negatively in a mid-single-digit range in millions of euros. Taking into consideration the market conditions over the past weeks, the Management Board expects the EBITDA of the AMAG Group for the 2018 financial year to be recorded in a range between EUR 150 million and EUR 170 million.

AMAG – key figures:

EUR millions	Q2/2018	Q2/2017	Change	H1/2018	H1/2017	Change
Shipments in tonnes	103,700	107,800	-3.8 %	204,700	214,800	-4.7 %
of which external shipments in tonnes	97,700	101,800	-4.0 %	194,800	201,900	-3.5 %
Revenues	276.3	277.9	-0.6 %	539.5	535.4	0.8 %
EBITDA	47.2	49.0	-3.6 %	86.2	92.4	-6.7 %
EBIT	27.5	30.4	-9.8 %	46.0	55.1	-16.5 %
Net income after taxes	20.2	21.0	-3.9 %	33.0	37.6	-12.0 %
Cash flow from operating activities	5.1	19.1	-73.1 %	19.2	26.8	-28.5 %
Cash flow from investing activities	-15.6	-22.8	31.6 %	-37.3	-67.4	44.6 %
Employees ¹⁾	1,955	1,864	4.9 %	1,937	1,841	5.2 %

EUR millions	30/06/2018	31/12/2017	Change
Equity	608.6	607.9	0.1 %
Equity ratio	40.9 %	43.3 %	-
Gearing	56.2 %	46.4 %	-

1) Average number of employees (full-time equivalents) including temporary help workers and excluding apprentices. The figure includes a 20 percent pro rata share of the labour force at the Alouette smelter, in line with the equity holding.

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 achieving an exemplary net ecological impact.

Investor contact

Dipl.-Kfm. Felix Demmelhuber
Head of Investor Relations
AMAG Austria Metall AG
Lamprechtshausenerstrasse 61
5282 Ranshofen, Austria
Tel.: +43 (0) 7722-801-2203
Email: investorrelations@amag.at

Press contact

Dipl.-Ing. Leopold Pöcksteiner
Head of Strategy, Communication, Marketing
AMAG Austria Metall AG
Lamprechtshausenerstrasse 61
5282 Ranshofen, Austria
Tel.: +43 (0) 7722-801-2205
Email: publicrelations@amag.at

Website: www.amag.at

Note

AMAG compiled the forecasts, budgets and forward-looking assessments and statements contained in this publication 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 publication 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 publication is also available in German. In cases of doubt, the German-language version is authoritative.