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AMAG in FY 2017: Records in shipments, revenue and operating result

- **Market: high demand growth worldwide, significant increase in aluminium price**
- **New cold rolling mill commissioned on schedule in 2017**
- **Total shipment volumes up 4 % to 421,700 tonnes**
- **Double-digit revenue and earnings growth:**
 - **Revenue: +14 % to EUR 1,036.2 million**
 - **EBITDA: +15 % to EUR 164.5 million**
 - **Net income after taxes: +36 % to EUR 63.2 million**
- **Proposed dividend of EUR 1.20 unchanged compared with the previous year**

AMAG Austria Metall AG continued successfully on its growth track in the 2017 financial year, achieving its best operating result historically and reaching an important milestone for further organic growth with the commissioning of its new cold rolling mill and further finishing plants.

Total shipments were up by 4 % to 421,700 tonnes in the 2017 financial year, driven by rising demand for aluminium products worldwide.

Helmut Wieser, CEO of AMAG: *"The good operating result of AMAG confirm the path we have adopted. We achieved new historic records in many areas in 2017 due to the strong demand from our customers, the positive market conditions and additional production capacities, and we exceeded the EUR 1 billion revenue level for the first time in the history of AMAG."*

The revenue of the AMAG Group rose from EUR 906.2 million in the previous year to EUR 1,036.2 million, an increase of 14 %. Along with higher shipment volumes in line with the organic growth path, this increase also reflected the rise in the aluminium price,

with the year average of 1,980 USD/t up by around 23 % compared with the previous year's average.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 15 % to a record level of EUR 164.5 million thanks mainly to the rise in shipment volumes and the higher aluminium price (2016: EUR 143.0 million).

EBIT of the AMAG Group was up by 19 %, from EUR 73.0 million to EUR 86.8 million, while depreciation and amortisation increased from EUR 70.0 million in the previous year to EUR 77.7 million due to the commissioning of the new plants.

Net income after taxes improved by 36 %, from EUR 46.3 million to EUR 63.2 million. Earnings per share for the 2017 financial year amount to EUR 1.79, compared with EUR 1.31 in the previous year.

Cash flow from operating activities stood at EUR 101.8 million (2016: EUR 114.9 million), almost fully covering the **cash flow from investing activities** of EUR -108.2 million (2016: EUR -185.4 million). **Free cash flow** improved year-on-year from EUR -70.5 million to EUR -6.3 million.

Correspondingly, AMAG continues to report a **solid balance sheet and financing structure** as of the end of 2017. With **equity** of EUR 607.9 million (December 31, 2016: EUR 630.5 million) and **total assets** of EUR 1,404.9 million (December 31, 2016: EUR 1,389.7 million), the **equity ratio** stands at 43.3 % (December 31, 2016: 45.4 %). **Gearing** at the end of December 2017 amounted to 46.4 % (December 31, 2016: 35.8 %).

2018 outlook:

Growth in demand for aluminium products is set to continue in 2018, according to the latest forecasts from the CRU market research institute. Demand for both primary aluminium and aluminium rolled products is predicted to increase by around 4 %.

Helmut Wieser, CEO of AMAG: *"We aim to continue our successful growth and development in the coming years and create sustainable value. A stable ownership structure, a solid balance sheet, attractive market prospects and investments in the site expansion have created a good basis for this. We will benefit from a larger product portfolio, rising shipment volumes and productivity gains over the next years."*

The ramp-up of the new plants is planned over several years. Additional growth potentials will be tapped in 2018 through specific targeted investments to extend the vertical range of production in the Rolling Division and through modernising the plant park in the Casting Division.

Business trends in the Metal Division in 2018 will depend primarily on the future development of the market prices of aluminium and the related requisite raw materials, as well as the currency situation. For the Casting Division, the Management Board expects a solid earnings performance for 2018 at the level of the 2017 financial year. In the Rolling Division, the Management Board expects further growth, driven chiefly by the investments that have been made. The related prerequisites include the successful continuation of the ramp-up of the new plants and the achievement of the requisite customer qualifications.

It is still too early to issue a revenue and earnings forecast for the 2018 financial year as experience shows that commodity and currency markets prove to be very volatile. The Management Board is confident, however, of continuing to benefit in 2018 from the growth course that has been adopted in the Rolling Division.

2017 annual report including non-financial statement

The 2017 annual report is immediately available for downloading from the investor relations area of the AMAG website. For the first time, the annual report includes extensive non-financial information and meets the requirements of the now-effective Austrian Sustainability and Diversity Improvement Act (NaDiVeG). The aim is a comprehensive presentation of corporate performance taking into consideration the interactions between financial, ecological and social factors.

AMAG – key figures:

EUR millions	Q4 2017	Q4 2016	Change	2017	2016	Change
Shipments in tonnes	102,800	96,900	6.1 %	421,700	405,900	3.9 %
of which external shipments in tonnes	96,600	89,600	7.8 %	395,900	375,200	5.5 %
Revenue	246.0	219.1	12.3 %	1,036.2	906.2	14.3 %
EBITDA	35.5	33.3	6.6 %	164.5	143.0	15.0 %
EBIT	14.8	14.3	2.8 %	86.8	73.0	19.0 %
Net income after taxes	14.5	7.8	87.4 %	63.2	46.3	36.4 %
Cash flow from operating activities	35.1	13.4	161.6 %	101.8	114.9	-11.3 %
Cash flow from investing activities	-20.8	-58.0	64.2 %	-108.2	-185.4	41.6 %
Employees ¹⁾	1,909	1,790	6.6 %	1,881	1,762	6.8 %

EUR millions	31/12/2017	31/12/2016	Change
Equity	607.9	630.5	-3.6 %
Equity ratio	43.3 %	45.4 %	-
Gearing	46.4 %	35.8 %	-

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 safeguarding an exemplary net ecological impact.

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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 were 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.