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AMAG reports higher operating earnings and record cash flow trend in FY 2019

- **Shipments +4 % to 440,300 tonnes**
- **Revenue at EUR 1,066.0 million, slightly below previous year's EUR 1,101.6 million due to price factors**
- **EBITDA grows to EUR 143.0 million in challenging market environment (2018: EUR 141.0 million)**
- **Net income after taxes at EUR 38.6 million compared with EUR 44.5 million in the previous year**
- **Records for cash flow from operating activities and free cash flow**
- **Proposal of a stable dividend of EUR 1.20 per share**
- **Guidance: too early for earnings forecast due to uncertain market environment**

In the 2019 financial year, AMAG Austria Metall AG grew its operating earnings and posted new records for cash flow from operating activities and free cash flow.

Gerald Mayer, CEO of AMAG comments: *“Our very good operating earnings and cash flow trends confirm the position we have adopted – with our broadly diversified product portfolio, a high proportion of specialty products and our focus on aluminium recycling.”*

The 2019 financial year was characterised by a challenging market environment. Trade conflicts, especially between the USA and China, as well as the economic slowdown and the weakening automotive industry led to lower price levels and, in some markets, to lower demand than expected. The price of aluminium decreased by an average of 14 % year-on-year.

AMAG nonetheless grew its **shipments** by 4 % year-on-year to 440,300 tonnes. Growth was achieved in all divisions.

In terms of revenue, this volume increase partially offset the lower price level. As a consequence, **revenue** reduced only slightly, by 3 % to EUR 1,066.0 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) grew year-on-year from EUR 141.0 million to EUR 143.0 million. Main reasons for the increase included lower raw material and energy costs as well as higher shipment volumes. As a result, the effect on earnings from the lower price level was more than offset.

With an **operating result (EBIT)** of EUR 61.1 million, the previous year's result (2018: EUR 60.6 million) was also slightly exceeded for the reasons already described. **Net income after taxes** reduced from EUR 44.5 million to EUR 38.6 million due to a less favourable net financial result as well as higher income taxes.

Cash flow from operating activities climbed to a record EUR 139.9 million, representing a 48 % increase compared with the previous year (2018: EUR 94.3 million). **Cash flow from investing activities** amounted to EUR -76.4 million, compared with EUR -82.8 million in the previous year. At EUR 63.5 million, **free cash flow** also reached a new record in the history of AMAG Austria Metall AG (2018: EUR 11.5 million).

This positive development also contributed to an improvement in the balance sheet ratios compared to the previous year. **Net financial debt** decreased from EUR 311.3 million at the end of 2018 to EUR 292.9 million, and the **gearing ratio** from 50.1 % to 47.3 %. The equity ratio rose from 39.8 % to 41.2 %.

Dividend proposal:

The Management Board will propose to the Shareholders' Annual General Meeting a year-on-year unchanged dividend of EUR 1.20 per share. This corresponds to a dividend yield of around 4 % in relation to the year-end closing price of the AMAG share of EUR 30.50. The Annual General Meeting will take place on April 15, 2020, in Linz. The dividend payment date is April 22, 2020.

Outlook:

According to current estimates by the CRU market research institute, average growth rates of 2 to 3 % are expected for global demand for primary aluminium and aluminium rolled products in the coming years. In 2020, the increase should amount to around 2 % in each case.

Gerald Mayer, CEO of AMAG: *“Growth prospects for the coming years are positive, although the current market environment is challenging. After completion of the site expansion programme we are very well positioned, can drive our innovative strength even more and we will be launching a veritable fireworks display of new products in 2020.”*

It is still too early to provide an earnings forecast for the 2020 financial year. In particular, business performance in 2020 will depend on the future price trends for aluminium and raw materials, the currency situation and the general economic situation.

Annual Report 2019:

The 2019 annual report is immediately available for downloading from the investor relations area of the AMAG website. This report is subdivided into a magazine, which contains the most important information on AMAG and its 2019 business performance, and the financial report.

AMAG – key figures:

EUR millions	2019	2018	Change
Shipments in tonnes	440,300	424,600	3.7 %
of which external shipments in tonnes	406,600	397,500	2.3 %
Revenue	1,066.0	1,101.6	-3.2 %
EBITDA	143.0	141.0	1.4 %
EBIT	61.1	60.6	0.7 %
Net income after taxes	38.6	44.5	-13.2 %
Cash flow from operating activities	139.9	94.3	48.3 %
Cash flow from investing activities	-76.4	-82.8	7.7 %
Employees ¹⁾	2,000	1,959	2.1 %

EUR millions	31-Dec-19	31-Dec-18	Change
Equity	619.3	620.9	-0.3 %
Equity ratio	41.2 %	39.8 %	-
Gearing	47.3 %	50.1 %	-

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 aviation, automotive, sports equipment, lighting, mechanical engineering, construction and packaging industries. The Canadian smelter Alouette, in which AMAG holds a 20 percent interest, produces high-quality primary aluminium, while safeguarding an exemplary net ecological impact.

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Note

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