

Ranshofen, July 30, 2020

AMAG Austria Metall AG: Solid H1 in difficult environment

- **COVID-19 significantly impacts customer demand, especially in aircraft, automotive and distribution sectors**
- **Revenue of EUR 463.8 million down 16 % year-on-year reflecting both volume and price factors**
- **Fixed and structural costs largely adjusted to lower capacity utilisation due to COVID-19**
- **EBITDA of EUR 59.3 million compared with previous year's EUR 72.0 million**
- **Net income after taxes positive in both H1 and Q2, despite COVID influence**
- **Operating cash flow up year-on-year to EUR 70.6 million (H1/2019: EUR 63.7 million)**
- **Outlook 2020: EBITDA range between EUR 80 million and EUR 100 million**

Global economic growth in the first half of 2020 was considerably affected by the COVID-19 pandemic, leading to a major slowdown in the global economy and significantly affecting price and demand trends for AMAG's products (primary aluminium, recycling cast alloys and aluminium rolled products). The average price of aluminium (3-month LME) decreased by -12.3 % to USD 1,622 per tonne in a half-yearly comparison.

Gerald Mayer, CEO of AMAG: *"After a good start to 2020, the COVID-19 pandemic was reflected in the second quarter mainly by a lower level of orders from the transport sector. AMAG's broadly diversified product portfolio, with its focus on specialty products and sustainability, also exerts a stabilising effect in times such as these. In difficult market conditions, in the second quarter of 2020 we benefited above all from our successful adjustment of structural costs to reflect lower capacity utilization."*

Revenue decreased by -16.4 % to EUR 463.8 million due to lower shipments compared with the first half of 2019 (203,200 tonnes compared with 226,000 tonnes in the previous year) and the lower aluminium price (1,622 compared with 1,850 USD/t).

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to a total of EUR 59.3 million in the first half of 2020, compared with EUR 72.0 million in the prior-year period. The decrease mainly reflects lower demand as a consequence of COVID-19, especially in the transport sector in the Rolling and Casting divisions. The Metal Division had a positive effect on Group earnings thanks to stable production at low raw material costs.

Including depreciation and amortisation of EUR 41.7 million, the **EBIT operating result** amounted to EUR 17.6 million in the reporting period (H1/2019: EUR 31.3 million).

Net income after taxes in the first six months of the current year amounted to EUR 12.4 million (H1/2019: EUR 18.9 million).

Cash flow from operating activities improved from EUR 63.7 million to EUR 70.6 million compared with the first half of the previous year, especially thanks to positive working capital changes. As cash flow from investing activities reduced by EUR -24.8 million compared to H1/2019 (EUR -39.0 million), free cash flow increased significantly from EUR 24.7 million in H1/2019 to EUR 45.8 million in the current reporting period.

Net financial debt also reported a positive trend to stand at EUR 248.4 million as of June 30, 2020, compared with EUR 292.9 million as of December 31, 2019.

The AMAG Group's **equity** of EUR 641.9 million (December 31, 2019: EUR 619.3 million) and the **equity ratio of 39.1 %** (December 31, 2019: 41.2 %) also underscore the solid balance sheet structure of AMAG Austria Metall AG.

Outlook 2020:

AMAG Austria Metall AG is strategically very well positioned and covers various sectors with an extremely broadly diversified product portfolio. Demand growth in these industries differs greatly owing to COVID-19.

The current high level of uncertainty regarding the further course of the economy makes it considerably more difficult to forecast earnings for 2020 as a whole. Experience shows that prices for aluminium and alumina can also exhibit high volatility over the course of the year. The short-time working arrangements introduced at AMAG on April 1, 2020 were initially fixed until September 30, 2020.

Gerald Mayer, CEO of AMAG: *“Subdued market expectations, especially in the automotive and aircraft industries, do not alter the positive medium and long-term global demand trend for aluminium. The sustainability aspect will gain in importance at an accelerated pace, and offers a promising basis for AMAG’s successful development and growth.”*

After a solid H1 and based on the AMAG Group’s current order book position, EBITDA in a range of EUR 80 million to EUR 100 million in FY 2020 is considered probable according to current estimates.

AMAG – key figures:

EUR millions	Q2/2020	Q2/2019	Change	H1/2020	H1/2019	Change
Shipments in tonnes	103,600	114,500	-9.5 %	203,200	226,000	-10.1 %
of which external shipments in tonnes	94,500	105,200	-10.2 %	188,100	208,200	-9.7 %
Revenue	217.5	280.1	-22.4 %	463.8	554.6	-16.4 %
EBITDA	22.9	38.9	-41.2 %	59.3	72.0	-17.5 %
EBIT	2.1	18.5	-88.5 %	17.6	31.3	-43.7 %
Net income after taxes	0.9	11.3	-91.6 %	12.4	18.9	-34.3 %
Cash flow from operating activities	55.7	56.4	-1.2 %	70.6	63.7	10.8 %
Cash flow from investing activities	-9.8	-17.1	42.9 %	-24.8	-39.0	36.5 %
Employees ¹⁾	1,967	1,991	-1.2 %	1,980	1,983	-0.2 %

EUR millions	June 30, 2020	December 31, 2019	Change
Equity	641.9	619.3	3.6 %
Equity ratio	39.1 %	41.2 %	
Gearing	38.7 %	47.3 %	

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 percent interest, produces high-quality primary aluminium, while safeguarding an exemplary net ecological impact.

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Note

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