

Ranshofen, April 30, 2020

## AMAG Austria Metall AG reports earnings growth in Q1 2020

- **Profitability up compared to first quarter of the previous year**
  - Revenue of EUR 246.4 million below previous year's EUR 274.4 million
  - Operating result (EBITDA) grows to EUR 36.5 million, mainly thanks to lower raw material costs (Q1 2019: EUR 33.0 million)
  - Net income after taxes at EUR 11.5 million, 51 % higher than in Q1 2019 (EUR 7.6 million)
- **Since mid-March, first effects from COVID-19 pandemic**
- **Outlook 2020: Noticeable decrease in earnings expected due to COVID-19 pandemic; extent of this reduction cannot be forecast at present due to high level of market uncertainties**

AMAG Austria Metall AG made a successful start to 2020. Profitability has increased significantly compared with Q1 2019. Earnings figures rose at all levels, while **revenue** decreased by around 10 % from EUR 274.4 million to EUR 246.4 million.

In addition to the lower aluminium price, the main reason for the decrease in revenues was an 11 % reduction in **shipment volumes** (99,600 tonnes compared with 111,600 tonnes in Q1 2019), mainly due to a weather-related delay of primary aluminium in Canada. Deliveries of aluminium rolled products to the automotive and aerospace sectors grew compared with Q1 2019. Shipments of rolled products for the distribution area decreased due to the market conditions.

The **AMAG Group's earnings before interest, taxes, depreciation and amortisation (EBITDA)** increased from EUR 33.0 million to EUR 36.5 million in a quarter-on-quarter comparison, which is mainly thanks to the positive performance in the Metal Division.

EBITDA in the Metal Division increased from EUR 0.1 million to EUR 13.4 million. A high production level at the Canadian smelter participation Alouette and more favourable raw material and energy costs exerted a positive impact, which more than offset the effect of the lower aluminium price.

In the Casting Division, EBITDA reduced slightly from EUR 1.9 million in Q1 2019 to EUR 1.4 million due to market conditions.

EBITDA in the Rolling Division amounted to EUR 22.1 million, compared with EUR 32.1 million in Q1 2019. In addition to market-related lower price and shipment volume levels, this reduction also reflected valuation effects in connection with the lower price of aluminium.

EBITDA in the Service Division improved slightly quarter-on-quarter from EUR -1.1 million to EUR -0.4 million.

Thanks to the positive operative performance, the AMAG Group recorded a 21 % increase in **earnings before interest and taxes (EBIT)** from EUR 12.8 million to EUR 15.5 million. Depreciation and amortisation changed only marginally in a quarter-on-quarter comparison, from EUR 20.2 million to EUR 21.0 million.

**Net income after taxes** increased by 51 % from EUR 7.6 million to EUR 11.5 million compared to the first quarter of 2019.

Thanks to the positive earnings trend and the lower aluminium price, improvements were also achieved in **cash flow from operating activities**, which almost doubled from EUR 7.8 million to EUR 14.9 million in a quarter-on-quarter comparison. **Cash flow from investing activities** amounted to EUR -15.0 million, compared with EUR -21.9 million in the previous year's quarter. Free cash flow improved from EUR -14.1 million in Q1 2019 to EUR -0.1 million.

**Net financial debt** was reduced further, amounting to EUR 290.9 million as of March 31, 2020, compared with EUR 292.9 million as of December 31, 2019 and EUR 328.7 million as of March 31, 2019. **Liquidity** remains at a high level in a multi-

year comparison, standing at EUR 267.6 million as of March 31, 2020, an almost unchanged level compared to the end of 2019.

## **Outlook for 2020:**

After a good start to 2020, further trends are strongly influenced by the COVID-19 pandemic. It is unclear how long and to what extent this situation will last, thereby rendering economic consequences unforeseeable at present. Raw material and currency markets are currently characterised by high volatility, with very low visibility and reduced customer demand, especially in the automotive and aircraft industries. On April 1, 2020, short-time working was introduced at the Ranshofen site in order to respond flexibly to fluctuations in capacity utilisation.

Gerald Mayer, CEO of AMAG Austria Metall AG: “Our broad positioning forms a key cornerstone of our strategy and is particularly effective as a stabilising factor in the current market environment. Thanks to our diversified product and customer portfolio with a large number of special products, dependency on individual key customers and industries is comparatively low. The raw material supply with aluminium scrap is well secured. With the investments made in recent years, we were quick to focus on making the supply of raw materials for the Ranshofen site largely independent of regions outside Europe.”

Due to the market environment affected by COVID-19, the Management Board expects a noticeable decrease in earnings compared to 2019. The extent of this reduction cannot be forecast at present owing to the high level of market uncertainty.

## AMAG – key figures:

| EUR millions                          | Q1/2020 | Q1/2019 | Change  |
|---------------------------------------|---------|---------|---------|
| Shipments in tonnes                   | 99,600  | 111,600 | -10.7 % |
| of which external shipments in tonnes | 93,600  | 103,000 | -9.2 %  |
| Revenue                               | 246.4   | 274.4   | -10.2 % |
| EBITDA                                | 36.5    | 33.0    | 10.4 %  |
| EBIT                                  | 15.5    | 12.8    | 21.2 %  |
| Net income after taxes                | 11.5    | 7.6     | 50.6 %  |
| Cash flow from operating activities   | 14.9    | 7.8     | 91.0 %  |
| Cash flow from investing activities   | -15.0   | -21.9   | 31.6 %  |
| Employees <sup>1)</sup>               | 1,992   | 1,976   | 0.8 %   |

| EUR millions | 31/03/2020 | 31/12/2019 | Change |
|--------------|------------|------------|--------|
| Equity       | 620.3      | 619.3      | +0.2 % |
| Equity ratio | 39.6 %     | 41.2 %     |        |
| Gearing      | 46.9 %     | 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 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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