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AMAG Austria Metall AG: Successful first half-year with significant cash flow growth

- **Broad product portfolio, flexible order processing and rapid delivery capability ensured a successful first half of 2023. Demand significantly more subdued in some cases since the second quarter of 2023**
- **Revenue of EUR 796.4 million following a record in the previous year (H1/2022: EUR 904.3 million)**
- **EBITDA of EUR 117.8 million clearly reflects successful first half-year (H1/2022: EUR 156.5 million)**
- **Net income after taxes again at an attractive level of EUR 51.0 million (H1/2022: EUR 78.4 million)**
- **Significant growth in cash flow from operating activities to EUR 68.0 million (H1/2022: EUR -84.1 million)**
- **Outlook for 2023: EBITDA between EUR 160 million and EUR 190 million assuming no unexpected significant deterioration in the economic situation and a continued stable aluminium price**

AMAG Group generated very satisfactory earnings in the first half of 2023 in an increasingly subdued market environment. The basis for this was formed by the company's high level of flexibility in order processing and its broad product portfolio. With EBITDA of EUR 117.8 million, the Group achieved its second highest level of half-year earnings ever.

Gerald Mayer, CEO of AMAG Austria Metall AG, comments: *"All our operating companies exploited the opportunities in the first half of 2023 optimally. In Canada, we continued to benefit from stable production levels. From our fully integrated site in Ranshofen, shipment volumes to the aircraft, automotive and packaging industries recorded further growth. The ongoing economic downturn is evident in the reduction in new order intake, especially in the areas of industrial applications, sports and architecture."*

AMAG Group generated **revenue** of EUR 796.4 million in the first half of 2023 (H1/2022: EUR 904.3 million). This was due particularly to the 23.6 % lower aluminum price and lower **shipment volumes** of 221,200 tonnes (H1/2022: 225,100 tonnes).

At EUR 117.8 million, the second highest half-year earnings in AMAG's history were achieved, following record **EBITDA (earnings before interest, taxes, depreciation and amortisation)** in the previous year (H1/2022: EUR 156.5 million), despite lower shipment volumes. The Metal Division benefited from continued stable production in Canada. However, the significant drop in the aluminium price and a higher alumina price level in relation to the aluminium price had a negative effect on earnings. A high degree of flexibility enabled the Casting and Rolling divisions to leverage the challenging market environment to optimum effect.

Depreciation and amortisation amounted to EUR -42.4 million in the first six months of the reporting year (H1/2022: EUR -43.7 million). The **operating profit (EBIT)** of EUR 75.4 million reflects an overall successful first half of 2023 (H1/2022: EUR 112.8 million).

Net income after taxes amounted to EUR 51.0 million in the reporting period, compared with EUR 78.4 million in the first half of 2022.

Cash flow from operating activities increased significantly to EUR 68.0 million (H1/2022: EUR -84.1 million). In particular, the high operating result (EBITDA) in the first half of 2023 is responsible for this. In the previous year, the main negative factors were the higher aluminium price and the accumulation of reserve stocks. **Cash flow from investing activities** amounted to EUR -50.6 million in the first six months of the reporting year, as budgeted (H1/2022: EUR -29.7 million). This results in **free cash flow** of EUR 17.4 million, compared to EUR -113.9 million in the previous year.

Net financial debt stood at EUR 432.6 million as of June 30, 2023, compared with EUR 393.3 million as of the end of the 2022 financial year. AMAG Group's **equity** grew to EUR 742.5 million as of June 30, 2023 (December 31, 2022: EUR 710.3 million). The **equity ratio** stood at 41.7 % as of the end of June 2023 (December 31, 2022: 39.6 %).

Outlook for 2023:

Following a record half-year result in the previous year, AMAG Group generated its second highest half-year earnings to date within a generally worsening market environment. In this context, demand from various industries has been increasingly subdued, especially since the second quarter of 2023. According to CRU forecasts for 2023, global demand for primary aluminum and aluminum rolled products will continue to expand, although China will be the main growth driver. For Europe, the CRU expects demand to diminish by -4.8 % for primary aluminum and by -2.0 % for aluminum rolled products.¹

The further course of business in 2023 will depend especially on general economic and aluminium price trends. Monetary policy measures and the associated inflation trend are also playing a role. Uncertainties arising from geopolitical conflicts (especially the Ukraine conflict and trade disputes between China and the USA) can rapidly lead to changes in the market environment. Despite the significant easing on markets, supplies of energy and raw materials remain a significant factor of uncertainty.

From today's perspective and based on current price assumptions, the AMAG Management Board expects the Metal Division's earnings to remain stable. Especially in the Rolling Division – based on current market estimates – business is expected to be significantly below the level of the first half of 2023.

Assuming that there is no unexpected significant deterioration in the economic situation, and that energy supplies and aluminium prices remain stable, the AMAG Management Board currently anticipates EBITDA in a range between EUR 160 million and EUR 190 million for the 2023 financial year.

¹ Commodity Research Unit, Aluminium Market Outlook, June 2023, and Aluminium Rolled Products Market Outlook, May 2023

AMAG – key figures:

EUR million	Q2/2023	Q2/2022	Change	H1/2023	H1/2022	Change
Shipments in tonnes	110,700	120,500	-8.1 %	221,200	225,100	-1.7 %
of which external shipments in tonnes	102,600	113,600	-9.7 %	205,400	211,600	-2.9 %
Revenue	391.6	505.4	-22.5 %	796.4	904.3	-11.9 %
EBITDA	57.0	88.5	-35.6 %	117.8	156.5	-24.8 %
EBIT	35.9	66.5	-46.0 %	75.4	112.8	-33.2 %
Net income after taxes	24.2	45.9	-47.3 %	51.0	78.4	-34.9 %
Cash flow from operating activities	32.5	46.1	-29.6 %	68.0	-84.1	+180.8 %
Cash flow from investing activities	-27.1	-14.5	-87.1 %	-50.6	-29.7	-70.3 %
Employees ¹⁾	2,256	2,214	+1.9 %	2,238	2,207	+1.4 %

EUR million	June 30, 2023	December 31, 2022	Change
Equity	742.5	710.3	+4.5 %
Equity ratio	41.7 %	39.6 %	
Gearing	58.3 %	55.4 %	

1) Average number of employees (full-time equivalents), including contract workers and excluding apprentices. Includes personnel from the Alouette smelter (20 %) and of AMAG components.

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 maintaining an exemplary net ecological impact. At AMAG components, based in Übersee am Chiemsee (Germany), ready-to-install metal parts are also manufactured for the aircraft industry.

Investor contact

Christoph M. Gabriel
Head of Investor Relations
AMAG Austria Metall AG
Lamprechtshausener Straße 61
5282 Ranshofen, Austria
Tel.: +43 (0) 7722-801-3821
Email: investorrelations@amag.at

Website: www.amag-al4u.com

Press contact

Leopold Pöcksteiner
Head of Corporate Communications
AMAG Austria Metall AG
Lamprechtshausener Straße 61
5282 Ranshofen, Austria
Tel.: +43 (0) 7722-801-2205
Email: publicrelations@amag.at

Note

The forecasts, budgets and forward-looking assessments and statements contained in this publication were compiled on the basis of all information available to AMAG as of July 14, 2023. In the event that the assumptions underlying these forecasts prove to be incorrect, targets be missed, or risks materialise, actual results may diverge from those currently anticipated. We are not obligated to revise these forecasts in the light of new information or future events.

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