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AMAG Austria Metall AG: Solid trend in the first three quarters of 2023 due to broad positioning

- **Product and sector diversity as well as the interest held in the smelter in Canada secure solid earnings trend within a challenging environment**
- **Continued positive trend in demand from the aircraft sector; stable development in the automotive industry; sports and architectural products as well as industrial applications still at a low level**
- **Revenue of EUR 1,142.8 million significantly exceeds EUR 1 billion level (Q1-Q3/2022: EUR 1,353.9 million)**
- **EBITDA at EUR 166.0 million due to overall good performance in the operating divisions (Q1-Q3/2022: EUR 217.4 million)**
- **Net income after taxes at a solid level of EUR 69.7 million (Q1-Q3/2022: EUR 106.7 million)**
- **Significant growth in cash flow from operating activities to EUR 157.0 million (Q1-Q3/2022: EUR 40.5 million)**
- **Guidance for FY 2023: EBITDA range between EUR 175 million and EUR 195 million**

Thanks to its broad positioning, AMAG Group recorded solid revenue and earnings trends in the first three quarters of 2023. With demand from the aircraft and automotive sectors remaining positive, significant reductions in industrial applications, sports and architectural products were flexibly offset. The satisfactory profitability of the smelter in Canada also exerted a compensatory effect.

Gerald Mayer, CEO of AMAG Austria Metall AG, comments: *"With an operating result significantly above the pre-crisis level from 2019, we look back on a satisfactory earnings development overall. Nevertheless, the current recession is not sparing AMAG. The significant decline in demand, particularly for industrial applications, could only be partially compensated for by the AMAG Group's broad positioning, its interest in Canada and its high flexibility. Order intake from the aircraft sector continues to be positive."*

AMAG Group's **revenues** clearly exceeded the EUR 1 billion level in the first three quarters of 2023 at EUR 1,142.8 million (Q1-Q3/2022: EUR 1,353.9 million). Compared with the previous year, the lower aluminium price and especially the reduction in shipments of aluminium rolled products had a noticeable impact. AMAG Group's **total shipments** amounted to 327,700 tonnes (Q1-Q3/2022: 341,500 tonnes).

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to EUR 166.0 million in the period under review, compared with EUR 217.4 million in the prior-year period. The Metal Division continued to benefit from stable production levels at the interest held in Canada's Alouette smelter, given lower aluminium prices overall. In the Casting Division, the continued stable market environment in the automotive industry was leveraged to best effect. In the Rolling Division, the market-related decrease in demand from the mentioned industries was optimally offset thanks to the high level of sector and product diversity.

Depreciation and amortisation decreased to EUR 63.8 million in the first three quarters (Q1-Q3/2022: EUR 65.7 million). At EUR 102.2 million, **operating profit (EBIT)** once again exceeded the EUR 100 million level (Q1-Q3/2022: EUR 151.6 million). **Net income after income taxes** for the first nine months amounted to EUR 69.7 million (Q1-Q3/2022: EUR 106.7 million).

The positive trend in **cash flow from operating activities** continued successfully in the third quarter of 2023. After nine months, operating cash flow of EUR 157.0 million was generated (Q1-Q3/2022: EUR 40.5 million). This was particularly due to the high level of operating profit as well as working capital reduction. **Capital expenditure** amounted to a total of EUR 75.4 million (Q1-Q3/2022: EUR 48.8 million). Accordingly, **free cash flow** improved significantly to EUR 81.6 million in the period under review (Q1-Q3/2022: EUR -8.3 million).

Net financial debt stood at EUR 369.3 million as of September 30, 2023, compared with EUR 393.3 million as of the end of the 2022 financial year. **Equity** grew from EUR 710.3 million at the end of 2022 to EUR 749.4 million as of the end of the third quarter. The **equity ratio** rose to 42.7 % (December 31, 2022: 39.6 %).

Earnings trends in the third quarter of 2023

Total shipments in the third quarter of 2023 amounted to 106,500 tonnes (Q3/2022: 116,400 tonnes). The average aluminium price decreased quarter-on-quarter from 2,358 USD/tonne to 2,200 USD/tonne. Overall, this reduced AMAG Group **revenue** to EUR 346.4 million (Q3/2022: EUR 449.6 million).

EBITDA again reached a solid level of EUR 48.2 million (Q3/2022: EUR 60.8 million). Earnings in the Metal Division remained stable. The Casting Division maintained shipment volumes at a high level compared to the same quarter of the previous year. In the Rolling Division, market turbulence was optimally countered by its broad portfolio.

Including depreciation and amortisation of EUR 21.4 million (Q3/2022: EUR 22.0 million), **EBIT** of EUR 26.8 million was generated in the third quarter of 2023 (Q3/2022: EUR 38.8 million). **Net income after taxes** amounted to EUR 18.7 million (Q3/2022: EUR 28.3 million). **Cash flow from operating activities** was again very positive in the third quarter of 2023 at EUR 89.0 million (Q3/2022: EUR 124.6 million).

Outlook for 2023:

Overall, current forecasts¹ of demand trends confirm growth in demand for aluminium products in the medium and long term. In the short term (2023), demand for aluminium rolled products will diminish across all industries, with the exception of the transport sector. AMAG Group's diverse setup exerts a particularly balancing and stabilising effect within this market environment.

The Metal Division has benefited for many years from the efficient smelter operations in Canada. Depending on the further trend in aluminium and raw materials prices, earnings are also anticipated to remain stable in the fourth quarter of 2023. The Casting Division is also expected to achieve a high level of capacity utilisation and consequently a solid earnings performance during the remainder of 2023. The Rolling Division can successfully participate in rising build rates in the aircraft industry and stable demand for

¹ Commodity Research Unit, Aluminium Market Outlook, July 2023, and Aluminium Rolled Products Market Outlook, August 2023

automotive products to date. The subdued market environment is having a particularly strong impact on industrial applications and on the sport and architecture sectors.

Geopolitical conflicts as well as interest rate and inflation trends, in particular, are continuing to represent major uncertainties leading to rapid changes in the market environment.

From today's perspective and on the basis of current price assumptions, the AMAG Management Board expects EBITDA of between EUR 175 million and EUR 195 million for the 2023 financial year.

AMAG – key figures:

	Q3/2023	Q3/2022	Change	Q1-Q3/2023	Q1-Q3/2022	Change
Shipments in tonnes	106,500	116,400	-8.5 %	327,700	341,500	-4.0 %
of which external shipments in tonnes	98,300	107,600	-8.6 %	303,700	319,200	-4.9 %
Revenue in EUR million	346.4	449.6	-23.0 %	1,142.8	1,353.9	-15.6 %
EBITDA in EUR million	48.2	60.8	-20.7 %	166.0	217.4	-23.6 %
EBIT in EUR million	26.8	38.8	-31.0 %	102.2	151.6	-32.6 %
Net income after taxes in EUR million	18.7	28.3	-34.0 %	69.7	106.7	-34.7 %
Cash flow from operating activities in EUR million	89.0	124.6	-28.6 %	157.0	40.5	+287.6 %
Cash flow from investing activities in EUR million	-24.8	-19.1	-29.9 %	-75.4	-48.8	-54.5 %
Employees in FTE ¹⁾	2,272	2,240	+1.4 %	2,249	2,218	+1.4 %

	September 30, 2023	December 31, 2022	Change
Equity in EUR million	749.4	710.3	+5.5 %
Equity ratio in %	42.7 %	39.6 %	
Gearing in %	49.3 %	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.

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Note

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