



Alumetal Group
1Q 2017 financial results

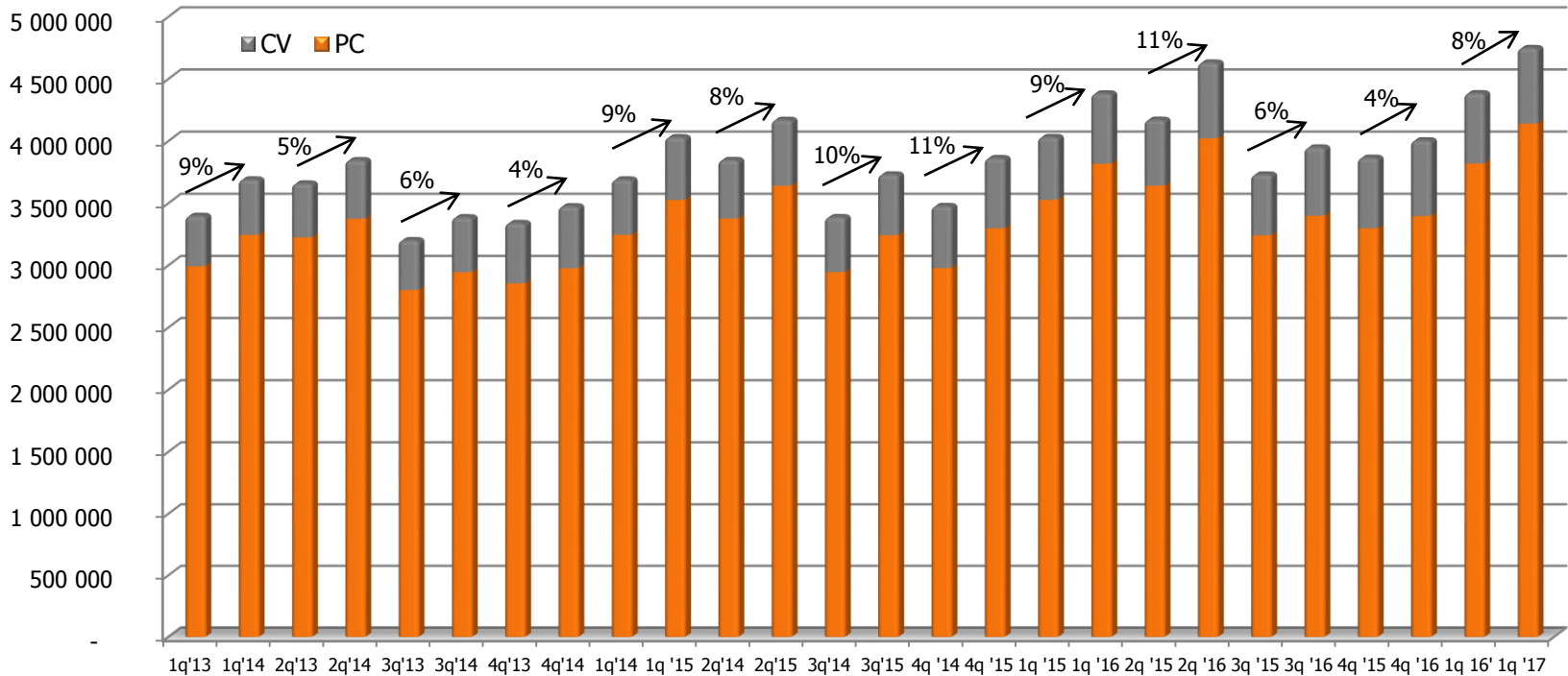
16th May 2017

alumetal

1Q 2017 and LTM at glance

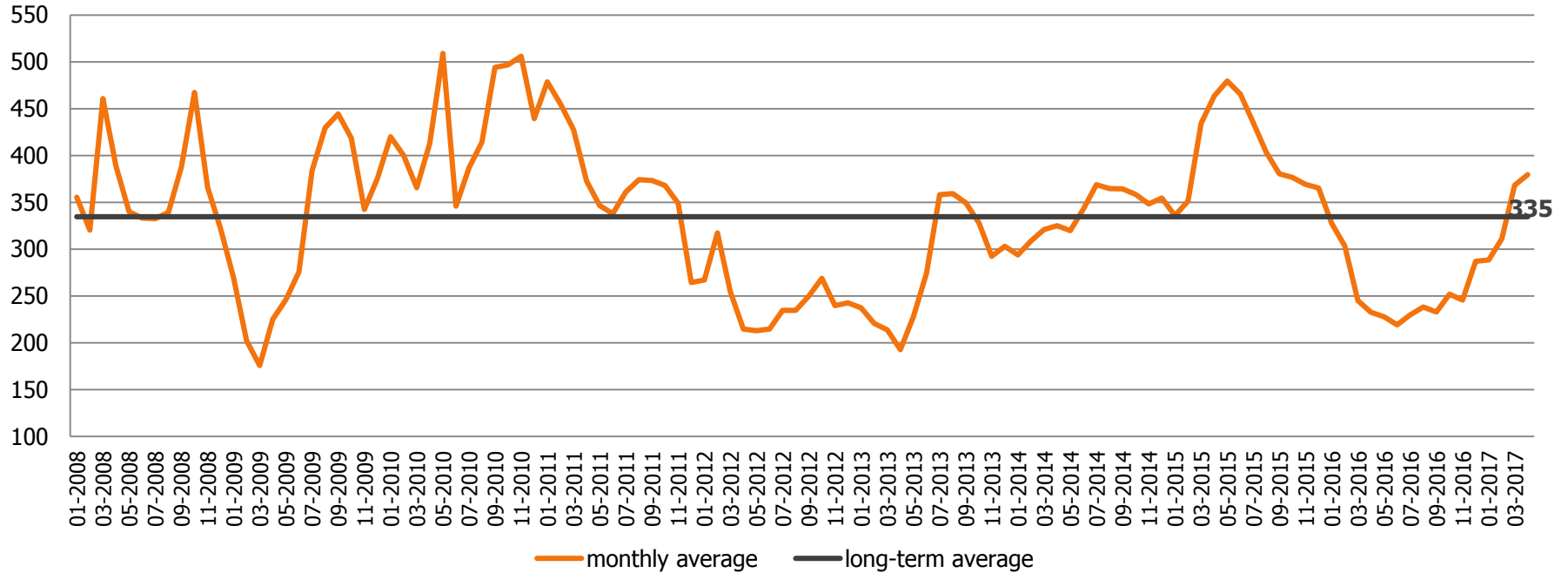
- ⊕ Volume sales – **46,1k tons** in 1Q 2017 and **163k tons** in LTM
- ⊕ EBITDA – **PLN 25,5 mn** in 1Q 2017 and **PLN 106 mn** in LTM
- ⊕ Normalized net profit – **PLN 18,1 mn** in 1Q 2017 and **PLN 81 mn** in LTM
- ⊕ Operating cash flow – **PLN 3,6 mn** in 1Q 2017 and **PLN 78 mn** in LTM
- ⊕ Net debt – **PLN 100,6 mn** (1,0xEBITDA)

Motor vehicle registrations in the EU in units



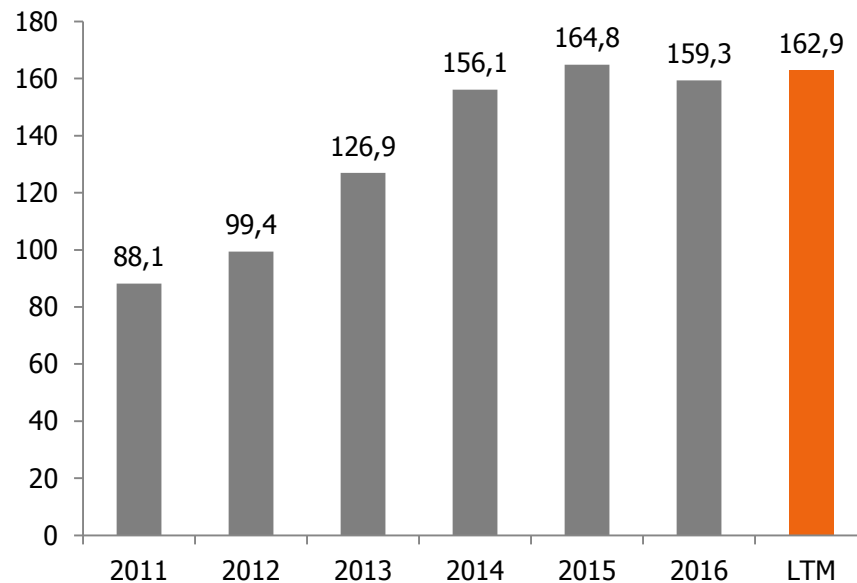
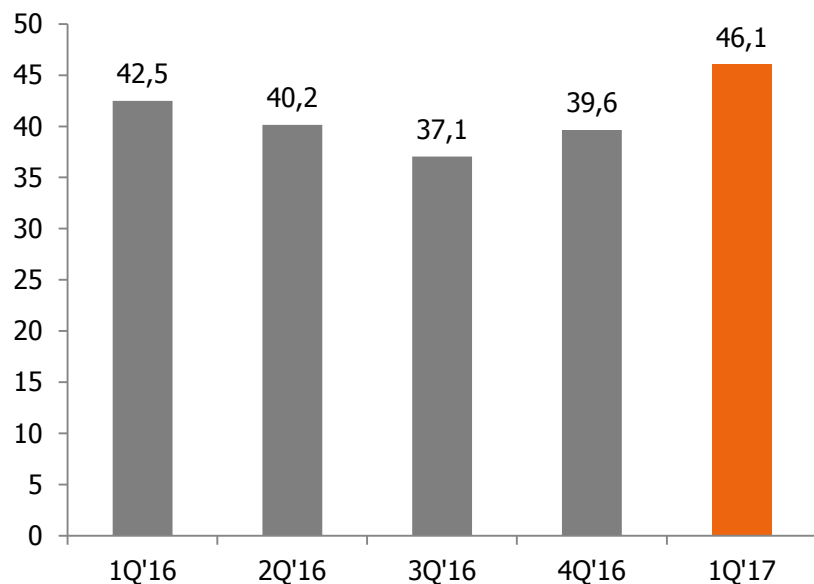
- ✦ In 1Q 2017 motor vehicle registrations in UE increased by 8,3% yoy of which passengers cars (PC) sales increased by 8,4% and commercial vehicles (CV) sales went up by 7,5%
- ✦ In LTM sale volume of motor vehicles in UE increased by 7,3% yoy to the level of 17,33 mn units (6,8% increase in PC and 10,4% increase in CV)

Metal Bulletin 226 alloy spread in EUR/t



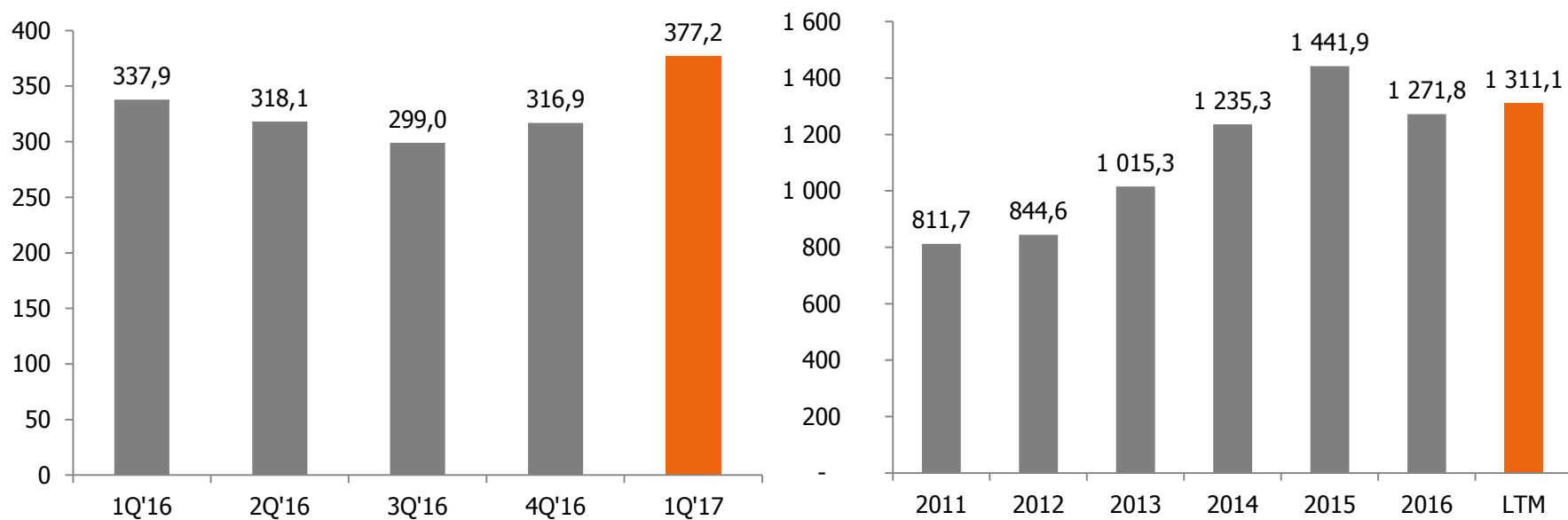
- ✦ In 1Q 2017 average margin amounted to 323 EUR/t. That was 27% higher than in 2016 and 4% lower than the nine-year average
- ✦ The trend in the 226 alloy margin has increased gradually since mid of 2016. In April 2017 margin amounted to 379 EUR/t

Volume sales in thou. tons



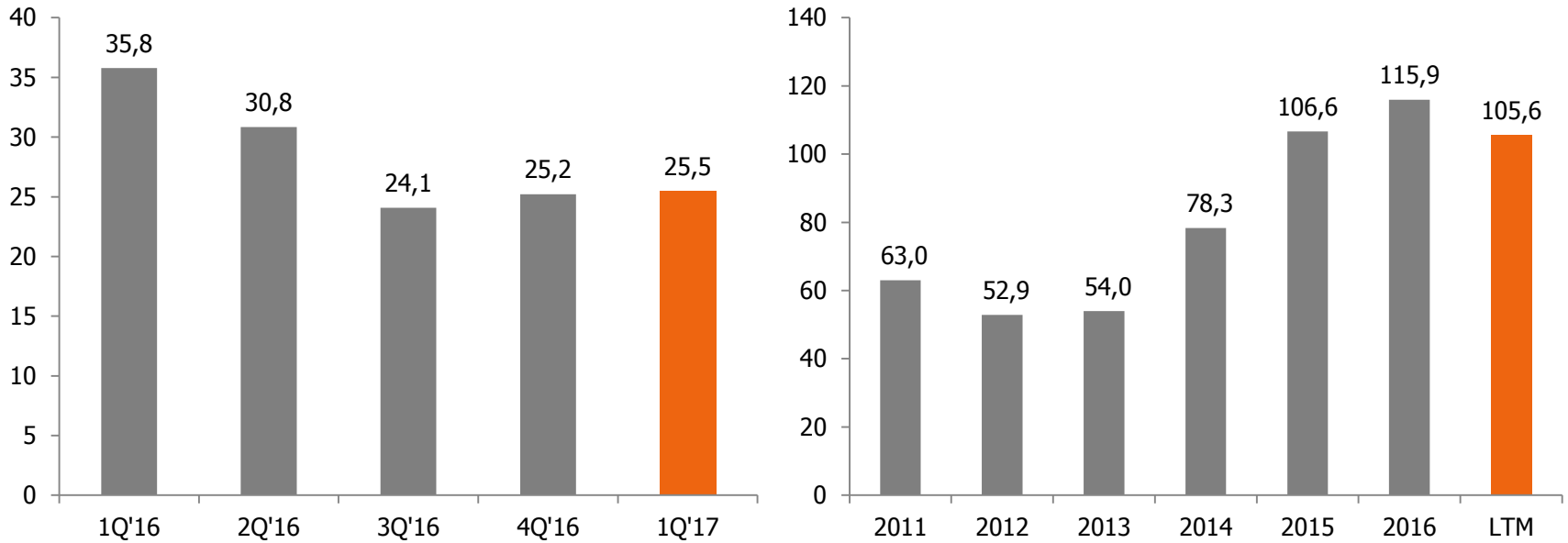
- ✦ In 1Q 2017 sales volume increased by 8% yoy to 46,1 thou. tons
- ✦ In LTM sales volume amounted to 162,9 thou. tons which is 2% increase in comparison to 2016

Sales revenue in mn PLN



- ⊕ In 1Q 2017 sales revenue increased by 12% yoy to PLN 377 mn
- ⊕ In LTM sales revenue amounted to PLN 1,31 bn which is 3% increase in comparison to 2016

EBITDA in mn PLN

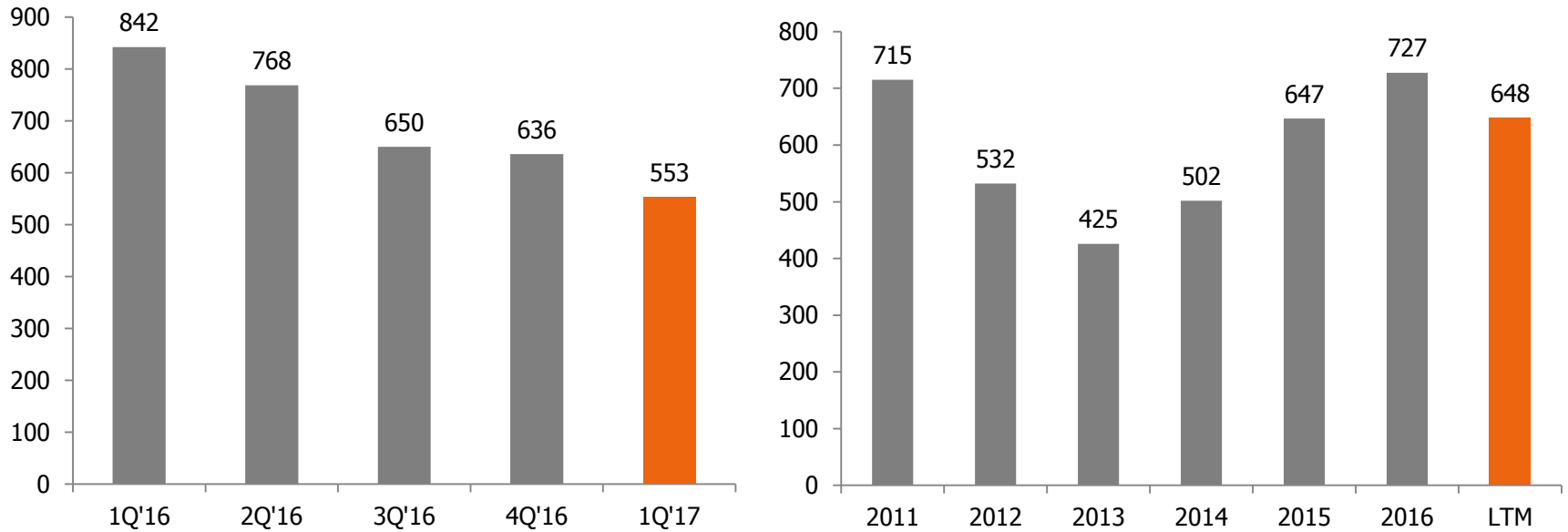


⊕ In 1Q 2017 EBITDA decreased by 29% yoy to PLN 25,5 mn

⊕ In LTM EBITDA amounted to PLN 105,6 mn which is 9% decrease in comparison to 2016

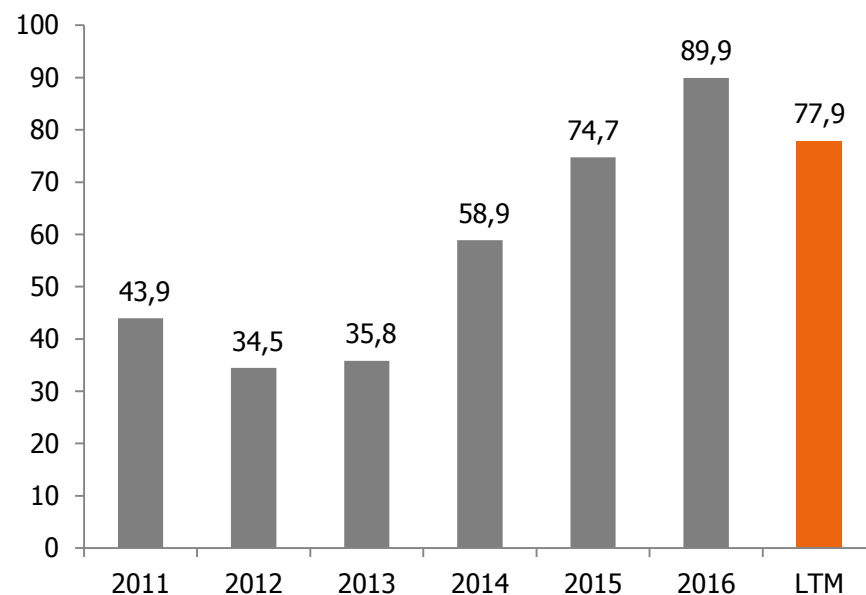
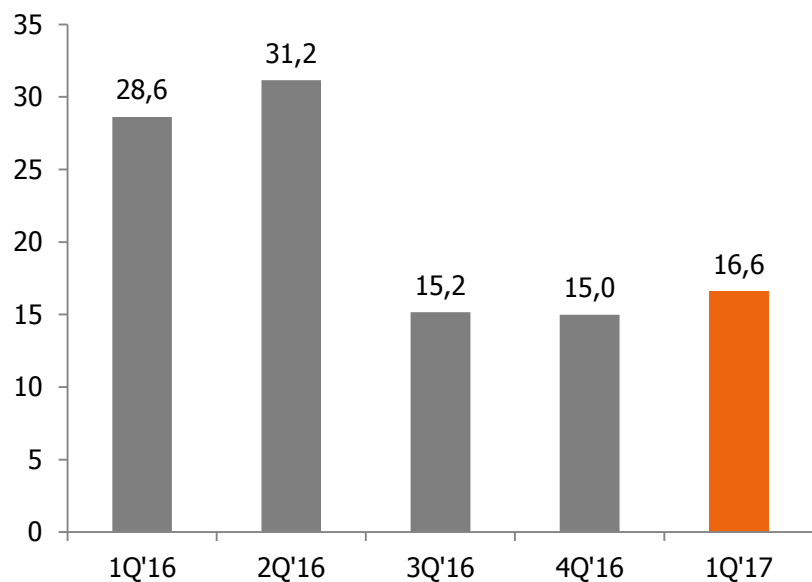


EBITDA per ton in PLN



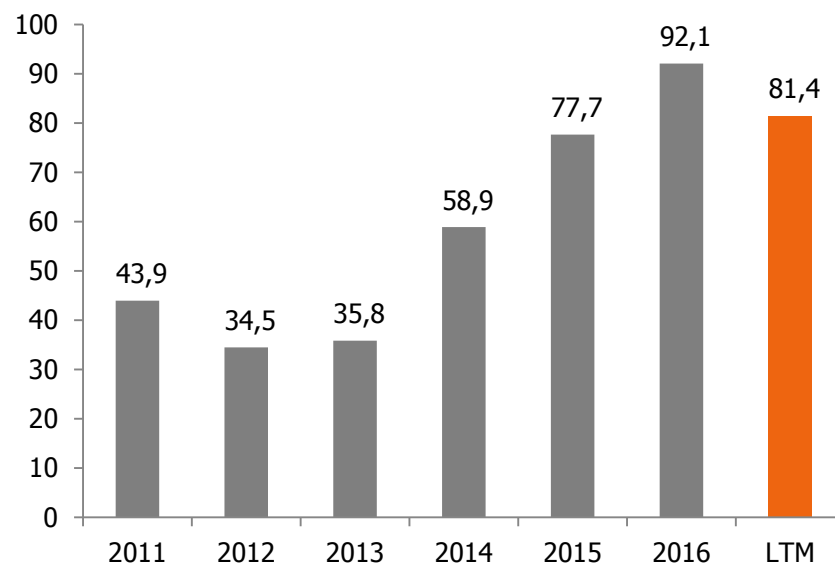
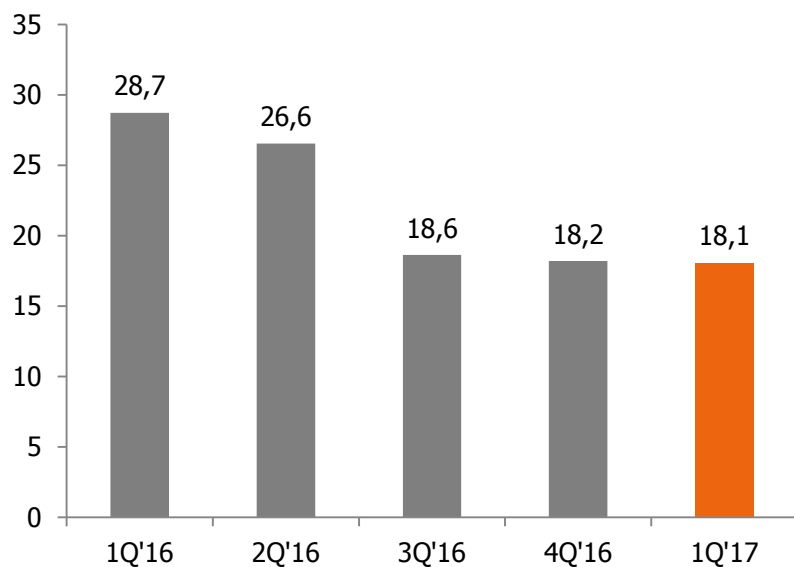
- ✦ In 1Q 2017 EBITDA per ton decreased by 34% yoy to 553 PLN/t
- ✦ In LTM EBITDA per ton amounted to 648 PLN/t which is 11% decrease in comparison to 2016

Net profit in mn PLN



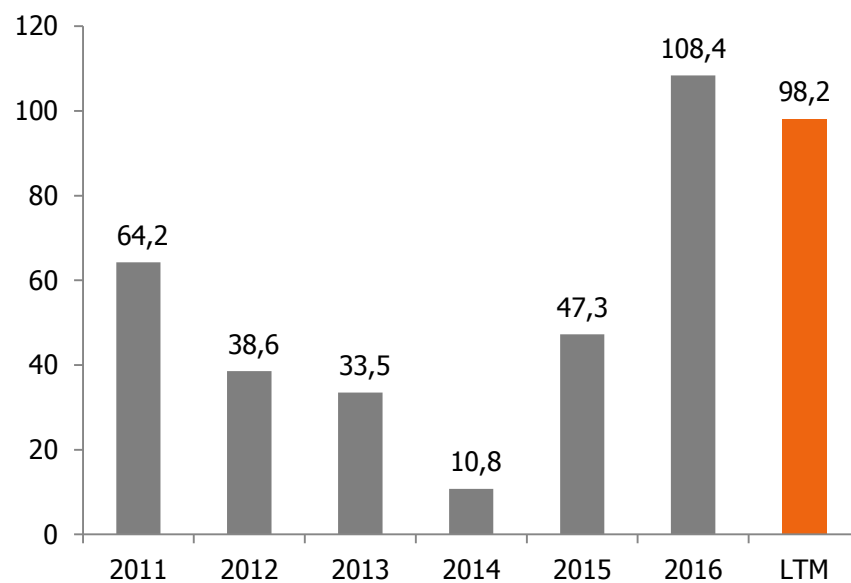
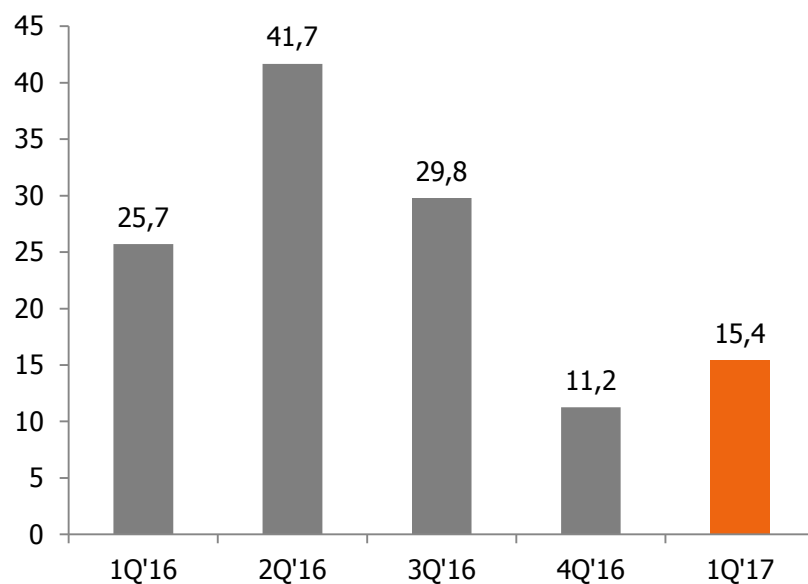
- ⊕ In 1Q 2017 net profit decreased by 42% yoy to PLN 16,6 mn
- ⊕ In LTM net profit amounted to PLN 77,9 mn which is 13% decrease in comparison to 2016

Normalized net profit in mn PLN



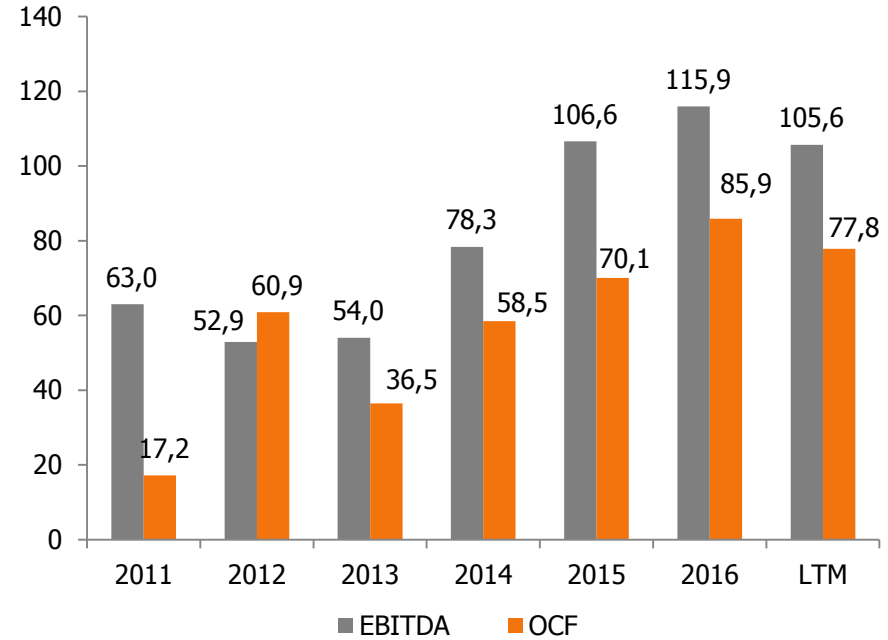
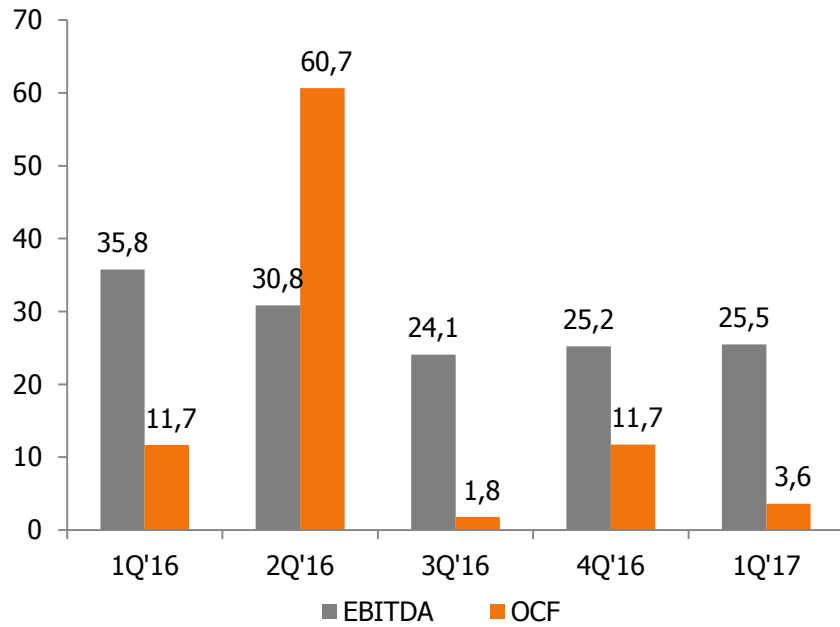
- ⊕ In 1Q 2017 normalized net profit decreased by 37% yoy to PLN 18,1 mn
- ⊕ In LTM normalized net profit amounted to PLN 81,4 mn which is 12% decrease in comparison to 2016

Capex in mn PLN



- ⊕ In 1Q 2017 capex amounted to PLN 15,4 mn of which:
 - PLN 1,8 mn maintenance capex
 - PLN 2,0 mn metal management
 - PLN 11,6 mn product mix/capacity increase
- ⊕ In LTM capex amounted to PLN 98,2 mn which is 9% decrease in comparison to 2016

EBITDA vs OCF w mn PLN

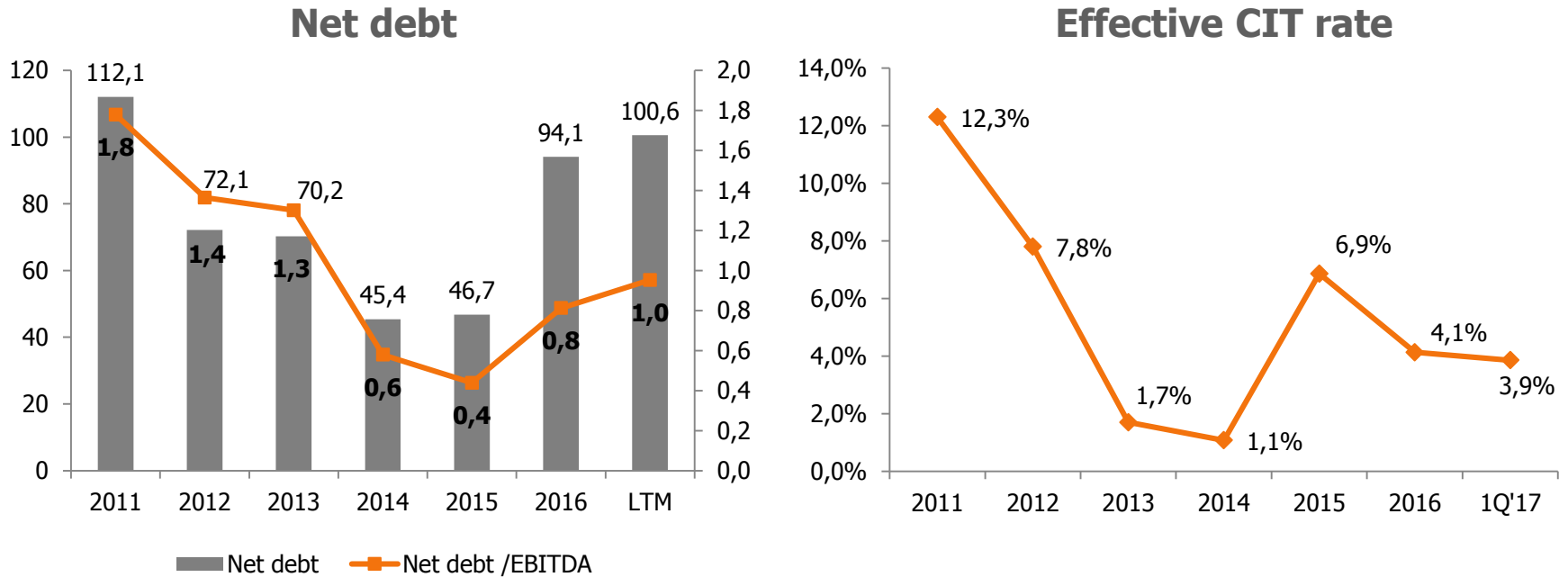


⊕ In 1Q 2017 OCF amounted to PLN 3,6 mn vs PLN 25,5 mn of EBITDA

⊕ In LTM OCF amounted to PLN 77,8 mn vs PLN 105,6 mn of EBITDA



Net debt and effective CIT rate



- ⊕ At the end of 1Q 2017 net debt amounted to PLN 100,6 mn and Net debt/EBIDTA ratio increased from the level of 0,8x at the end of 2016 to 1,0x at the end of 2016
- ⊕ Effective CIT ratio in 1Q 2017 was 3,9%

Master alloys expansion project

- ⊕ Formal issues concerning the obtaining of relevant permits in progress
- ⊕ 90% advancement of the construction part design and 50% advancement of the technology part design
- ⊕ In Q1 2017 capex amounted to PLN 5,9 mn. Cumulative capex from the beginning of the investment until the end of March 2017 amounted to PLN 14,2 mn
- ⊕ The project is on schedule (production begin in 1H 2018) and within the budget (PLN 58,5 mn capex)

Summary

- ⊕ In 1Q 2017 financial results in line with the Management Board expectations – higher sales volume and lower margins
- ⊕ Continuous favorable market environment in regards to demand for secondary aluminium alloys – high growth of motor vehicle sale in UE and benchmark margin came long-term average
- ⊕ Realization of announced dividend policy – AGM resolution, dividend date on 24th May 2017 and dividend payment date on 7th June 2017
- ⊕ The project in Hungary is in optimized phase and master alloys expansion project realized on time and budget