



Alumetal Group
1Q 2018 financial results

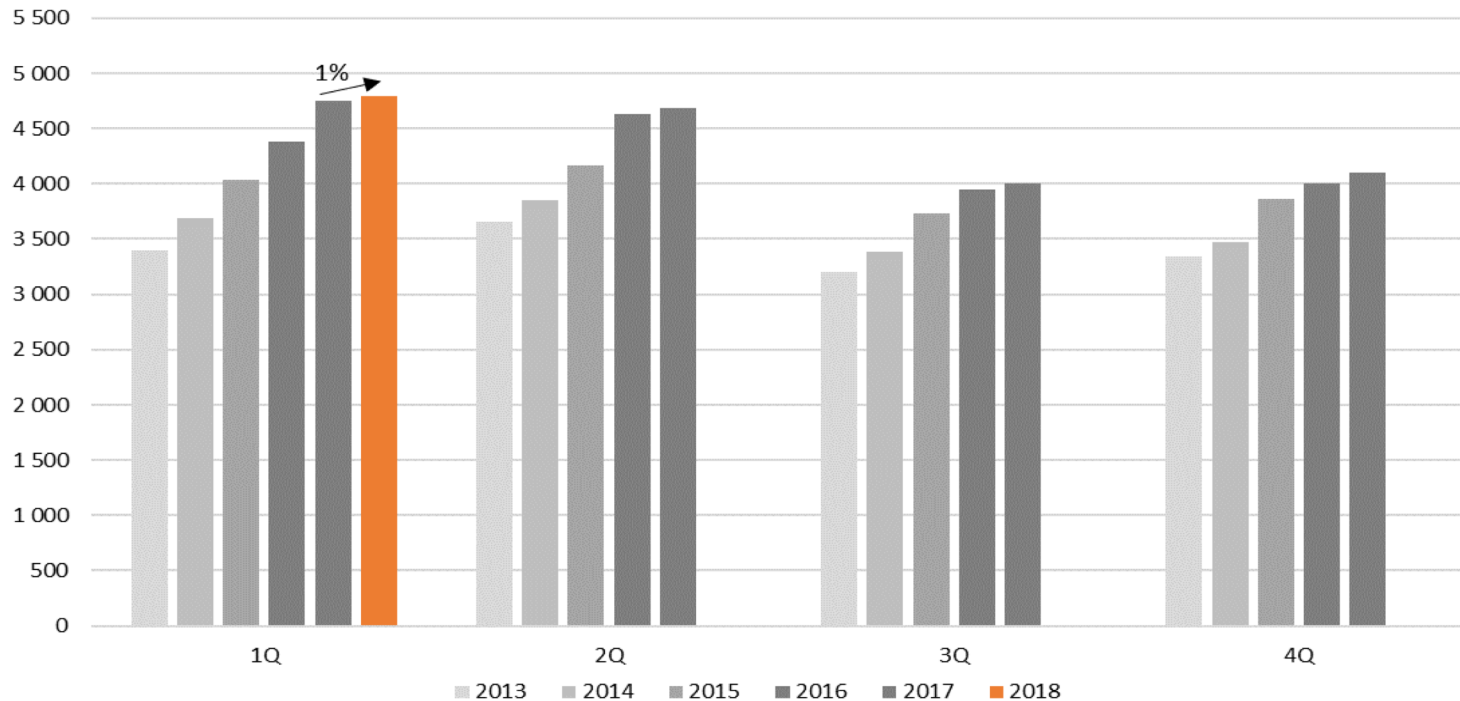
23 May 2018

alumetal

1Q 2018 and LTM at glance

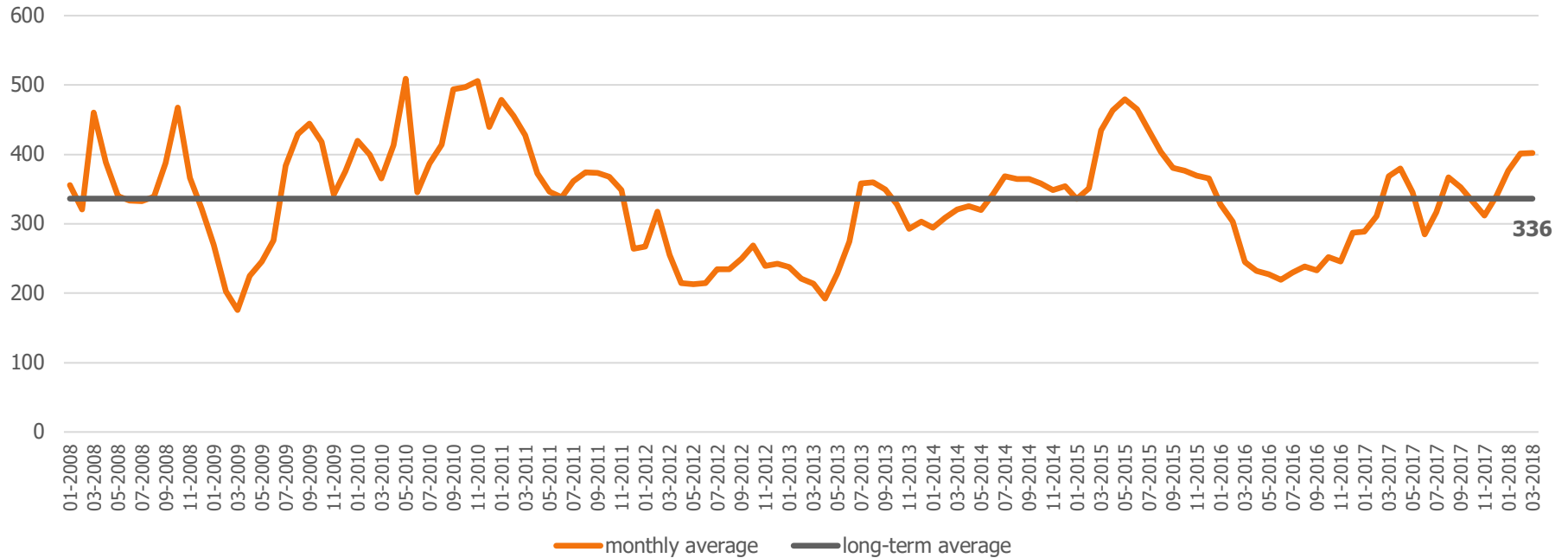
- ⊕ Volume sales – **51,1 k tons** in 1Q 2018 and **181,1 k tons** in LTM
- ⊕ EBITDA – **PLN 30,2 mn** in 1Q 2018 and **PLN 101,7 mn** in LTM
- ⊕ Normalized net profit – **PLN 22,6 mn** in 1Q 2018 and **PLN 72,1 mn** in LTM
- ⊕ Operating cash flow – **PLN 6,2 mn** in 1Q 2018 and **PLN 42,8 mn** in LTM
- ⊕ Net debt – **PLN 131,5 mn** (1,3xEBITDA)

Motor vehicle registrations in the EU in k units



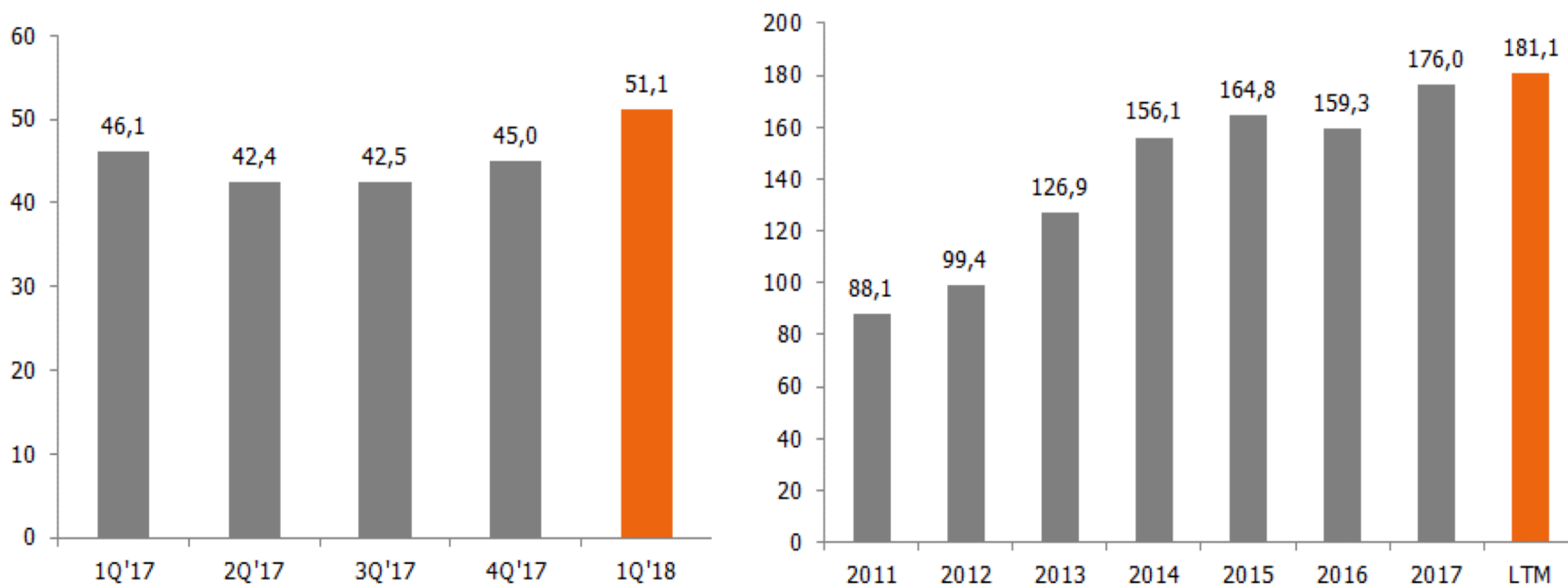
- ⊕ In 1Q 2018 motor vehicle registrations in EU increased by 1,0% yoy, of which passengers cars (PC) by 0,7% and commercial vehicles (CV) by 2,6%
- ⊕ In LTM sales volume of motor vehicles in EU increased by 0,3% yoy to the level of 17,6 mn units (increase of 0,2% in PC and 0,7% in CV)

Metal Bulletin 226 alloy spread in EUR/t



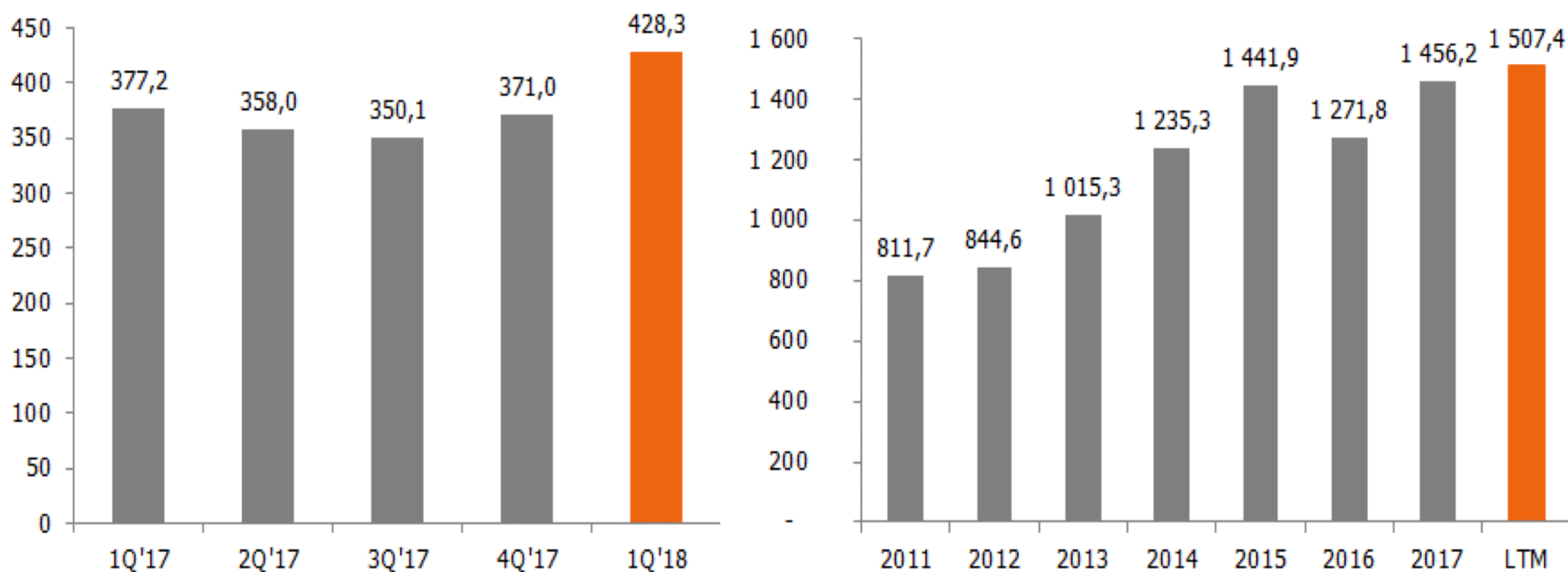
- ✦ In 1Q 2018 average margin amounted to 393 EUR/t. That was 18% higher than in 2017 and 17% higher than the long-term average
- ✦ Since mid 2017 there has been growing trend of 226 alloy margin (in April 2018 margin amounted to 413 EUR/t)

Volume sales in thou. tons



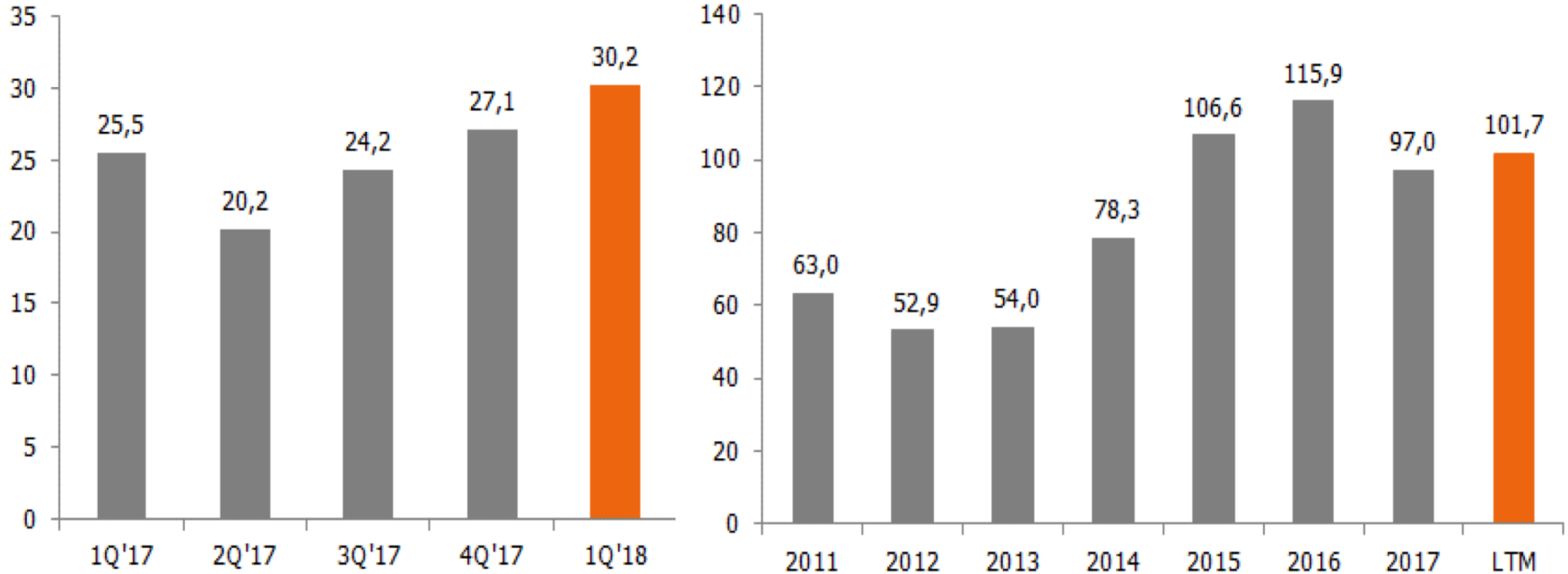
- ⊕ In 1Q 2018 sales volume increased by 11% yoy to 51,1 thou. tons
- ⊕ In LTM sales volume amounted to 181,1 thou. tons which is 3% increase in comparison to 2017

Sales revenue in mn PLN



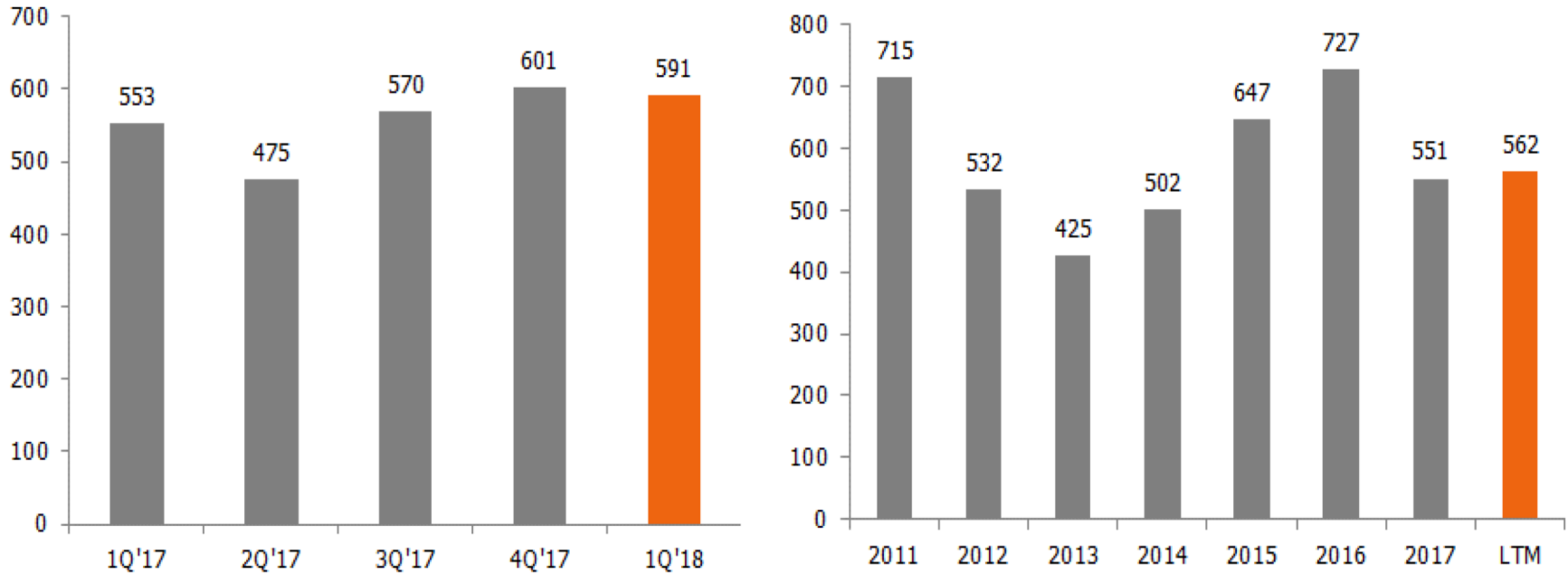
- ⊕ In 1Q 2018 sales revenue increased by 14% yoy to PLN 428 mn
- ⊕ In LTM sales revenue amounted to PLN 1,507 bn which is 4% increase in comparison to 2017

EBITDA in mn PLN



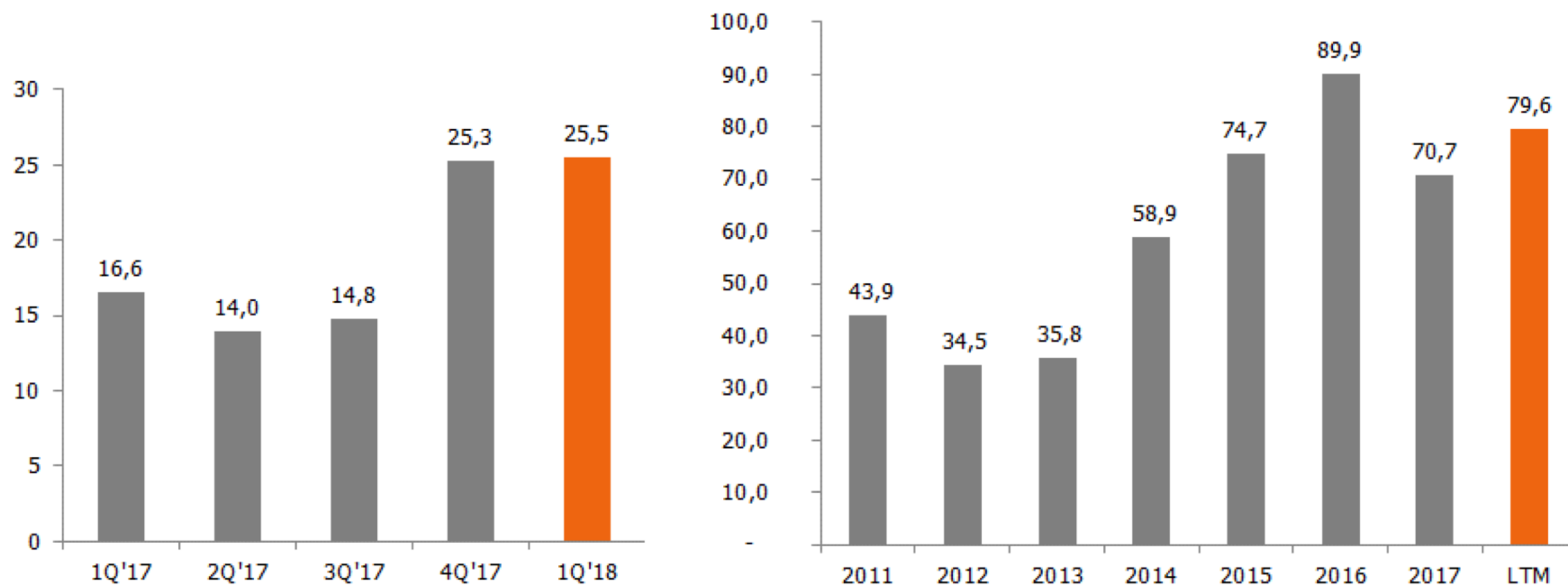
- ⊕ In 1Q 2018 EBITDA increased by 18% yoy to PLN 30,2 mn
- ⊕ In LTM EBITDA amounted to PLN 101,7 mn which is 5% increase in comparison to 2017

EBITDA per ton in PLN



- ⊕ In 1Q 2018 EBITDA per ton increased by 7% yoy to 591 PLN/t
- ⊕ In LTM EBITDA per ton amounted to 562 PLN/t which is 2% increase in comparison to 2017

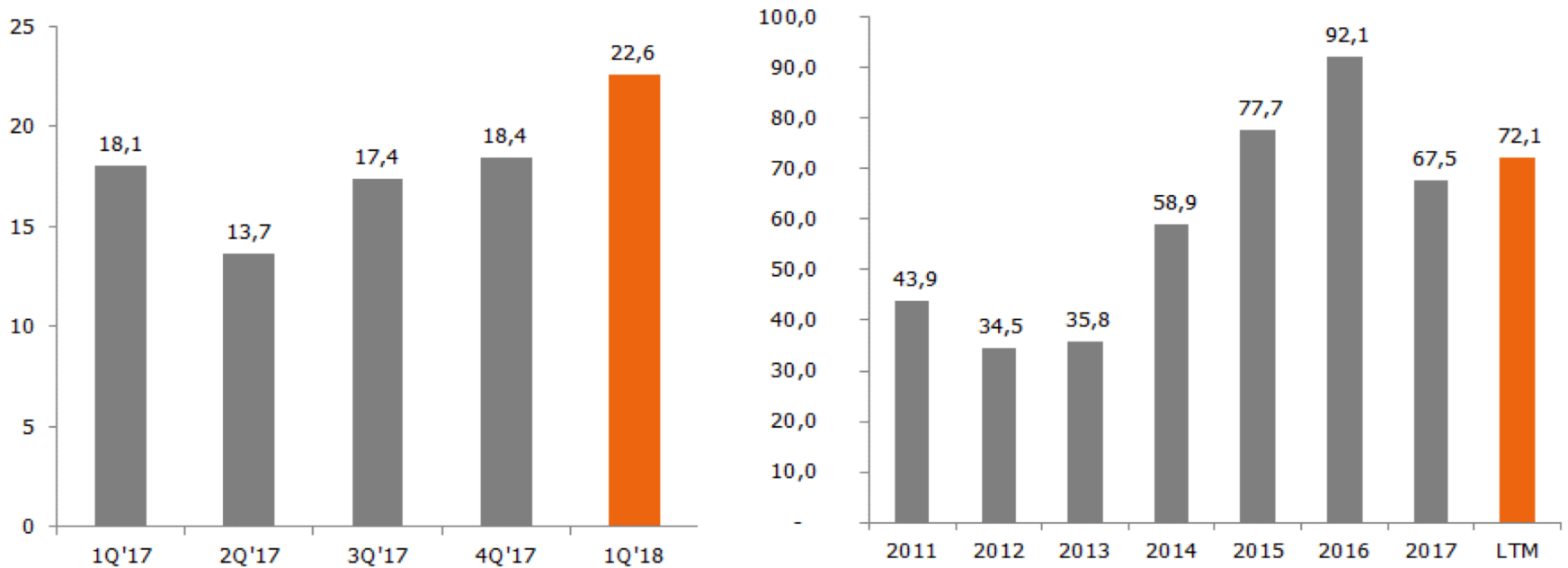
Net profit in mn PLN



⊕ In 1Q 2018 net profit increased by 54% yoy to PLN 25,5 mn

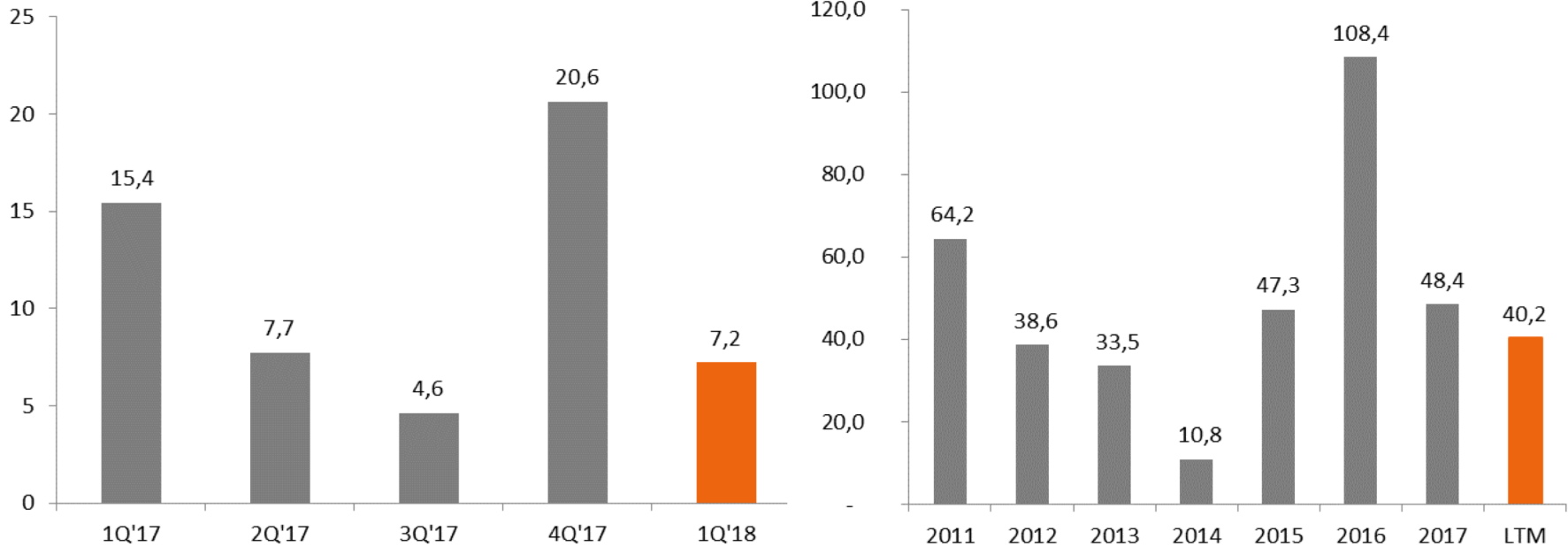
⊕ In LTM net profit amounted to PLN 79,6 mn which is 13% increase in comparison to 2017

Normalized net profit in mn PLN



- ⊕ In 1Q 2018 normalized net profit increased by 25% yoy to PLN 22,6 mn
- ⊕ In LTM normalized net profit amounted to PLN 72,1 mn which is 7% increase in comparison to 2017

Capex in mn PLN

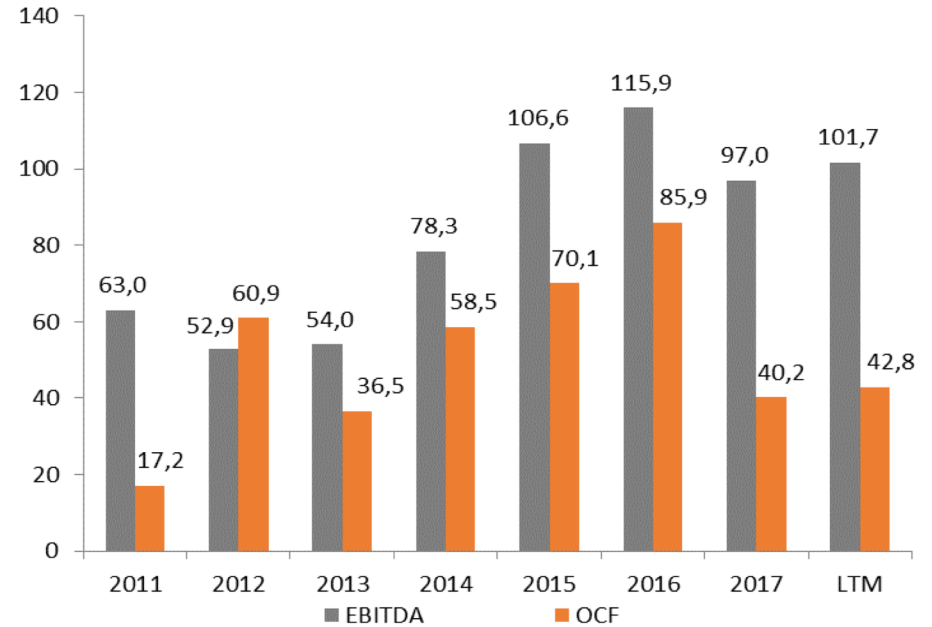
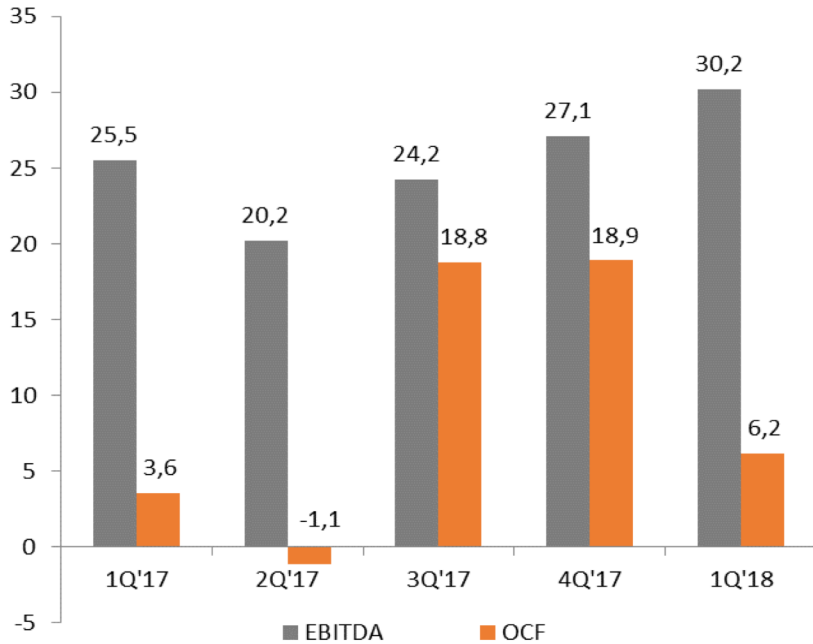


⊕ In 1Q 2018 capex amounted to PLN 7,2 mn:

- PLN 1,5 mn maintenance capex
- PLN 5,7 mn product mix/capacity increase

⊕ In LTM capex amounted to PLN 40,2 mn which is 17% decrease in comparison to 2017

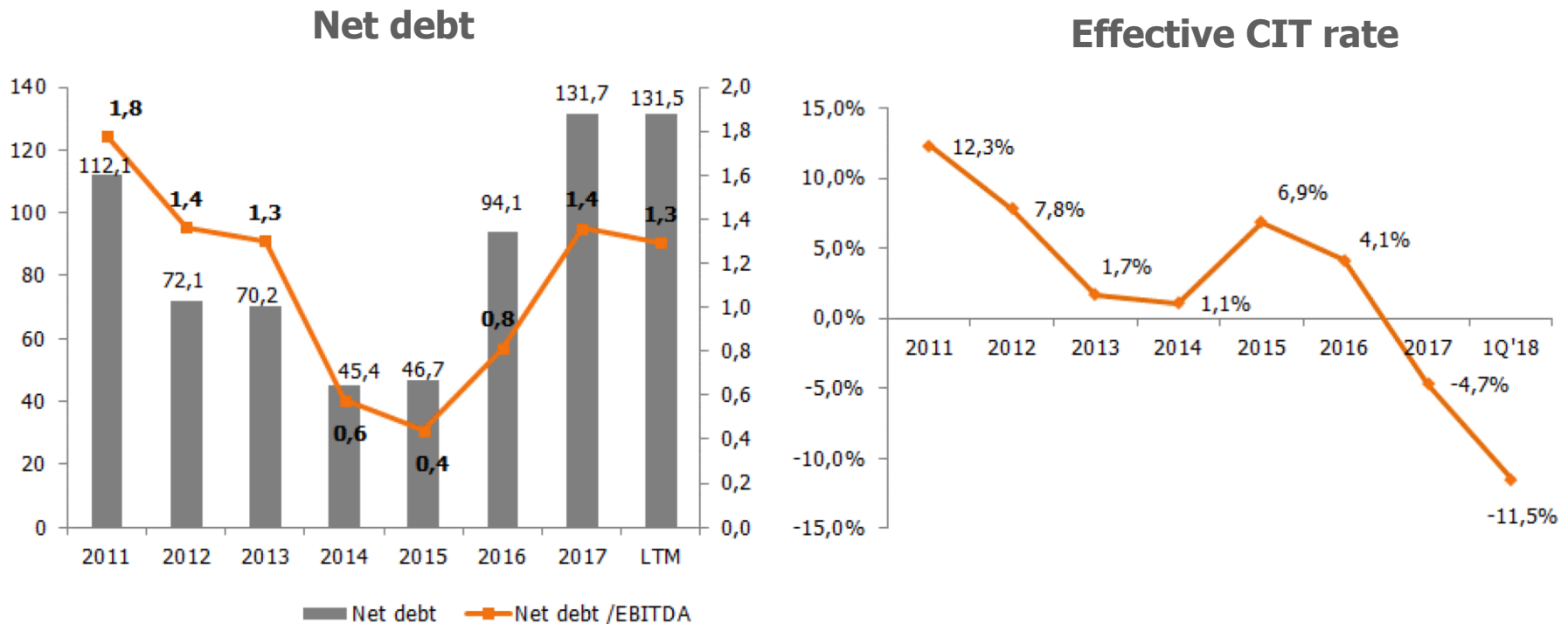
EBITDA vs OCF w mn PLN



⊕ In 1Q 2018 OCF amounted to PLN 6,2 mn vs PLN 30,2 mn of EBITDA

⊕ In LTM OCF amounted to PLN 42,8 mn vs PLN 101,7 mn of EBITDA

Net debt and effective CIT rate



- ⊕ At the end of 1Q 2018 net debt amounted to PLN 131,5 mn and Net debt/EBITDA ratio decreased from the level of 1,4x at the end of 2017 to 1,3x at the end of March 2018
- ⊕ Effective CIT ratio in 1Q 2018 was -11,5%

Master alloys expansion project

- ⊕ On 29 March 2018 IPPC permit was amended
- ⊕ 80% advancement of the construction and 70% advancement of the equipment assembling
- ⊕ In 1Q 2018 capex amounted to PLN 5,5 mn. Cumulative capex from the beginning of the investment amounted to PLN 34,5 mn
- ⊕ The project is realized within updated budget (PLN 63,2 mn) and test production launch is planned in June 2018

Summary

- ⊕ In 1Q 2018 financial results in line with the Management Board expectations – high sales volume and good margins
- ⊕ Strong and favorable market environment in regards to demand for secondary aluminium alloys – increase of motor vehicle sales volume in the European Union and benchmark margin much higher than long-term average
- ⊕ One-off derogation from the implemented dividend policy and dividend payment at the level of 67% of normalized net profit – the dividend date on 7 June 2018 and payment date on 29 August 2018
- ⊕ The project in Hungary is in optimization phase and master alloys expansion project realized on time and updated budget