



Alumetal Group

1Q 2019 financial results

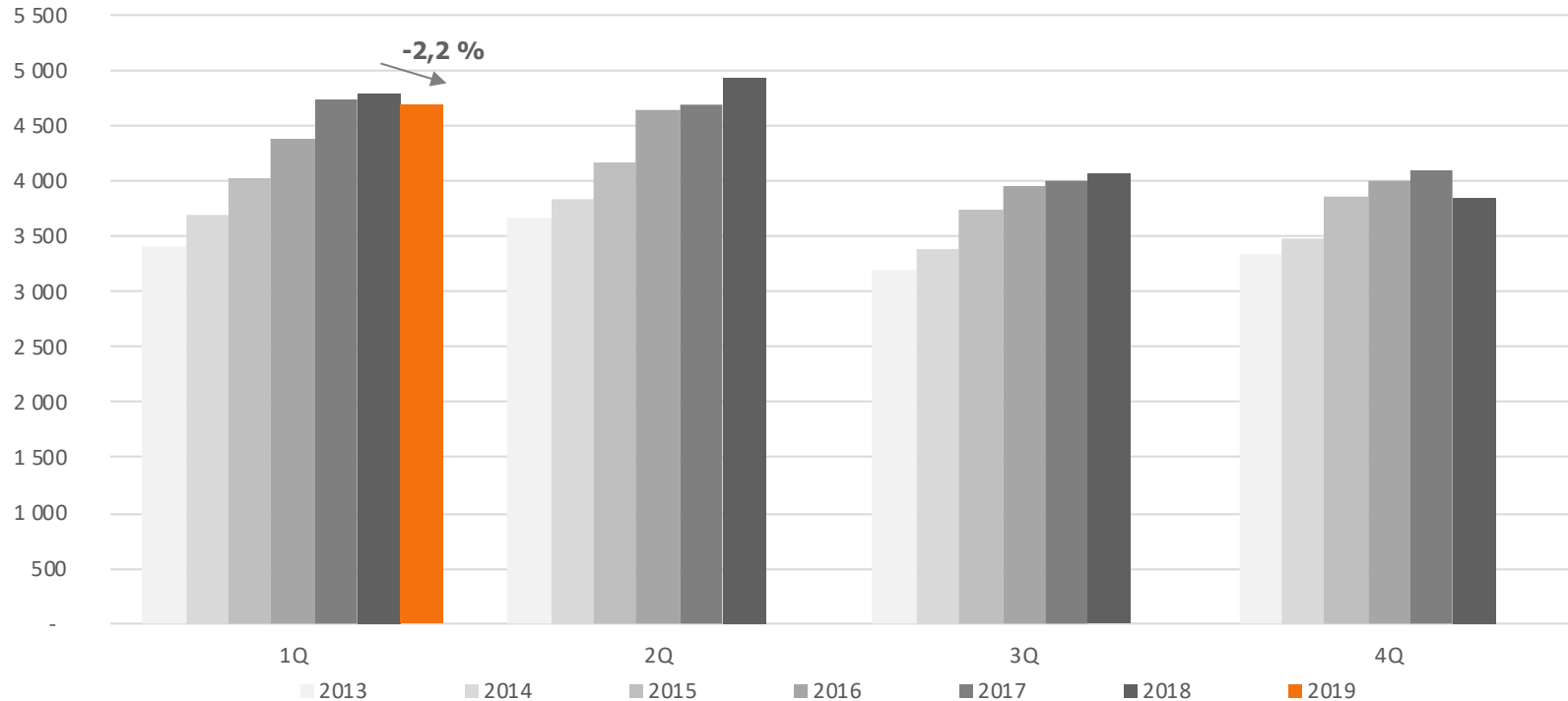
17 May 2019

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1Q 2019 and LTM at glance

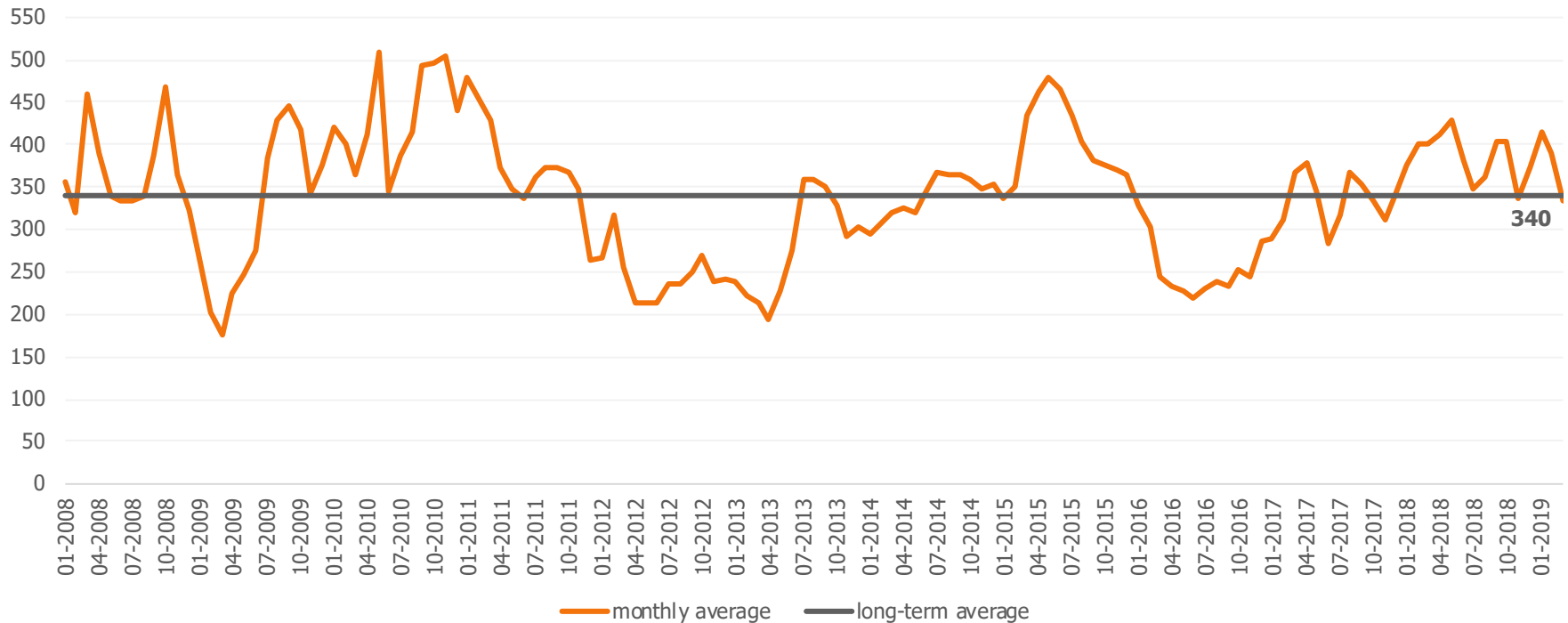
- ⊕ Volume sales – **54,4 k tons** in 1Q 2019 and **201 k tons** in LTM
- ⊕ EBITDA – **PLN 24,8 mn** in 1Q 2019 and **PLN 115,9 mn** in LTM
- ⊕ Normalized net profit – **PLN 16,9 mn** in 1Q 2019 and **PLN 84,6 mn** in LTM
- ⊕ Operating cash flow – **PLN 33,2 mn** in 1Q 2019 and **PLN 123 mn** in LTM
- ⊕ Net debt – **PLN 88,6 mn** (0,8x EBITDA)

Motor vehicle registrations in the EU in k units



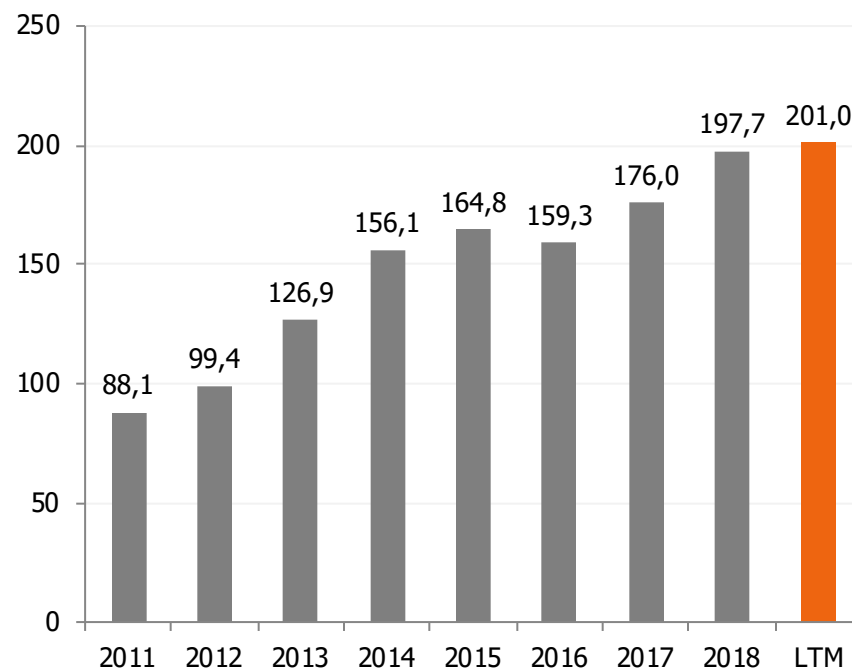
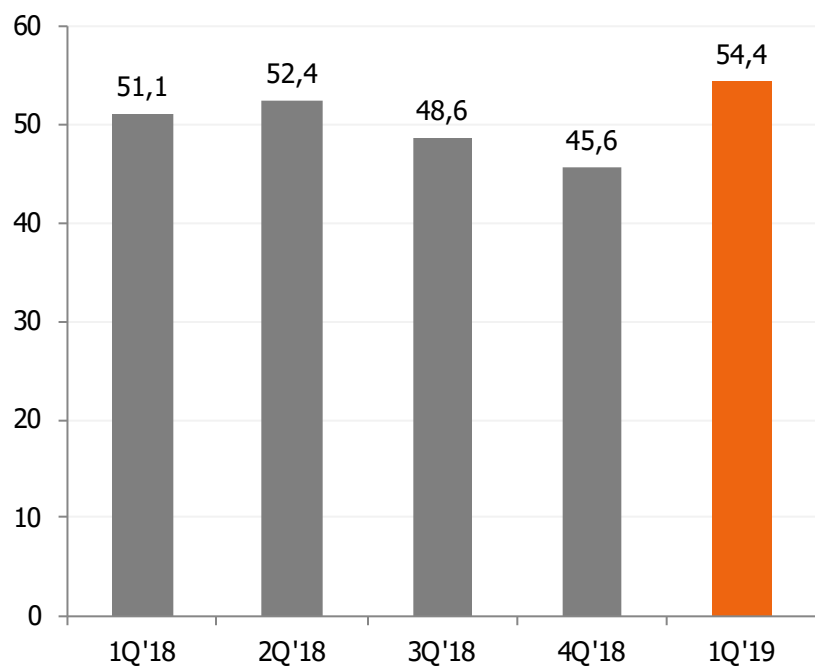
- ⊕ In 1Q 2019 motor vehicle registration in EU decreased by 2,2%, of which passenger cars (PC) decreased by 3,3% and commercial vehicles (CV) increased by 5,1%
- ⊕ In LTM sales volume of motor vehicles in EU decreased by 0,6% yoy to the level of 17,5 mn units (decrease of 0,9% in PC and increase of 1,3% in CV)

Metal Bulletin 226 alloy spread in EUR/t



- ✦ In 1Q 2019 average margin amounted to 379 EUR/t and was 2% lower than the average margin in 2018 and 11% higher than the long-term average
- ✦ In 1Q 2019 decrease of benchmark margin from 414 EUR/t in January to 333 EUR/t in March (2% below the long-term average)

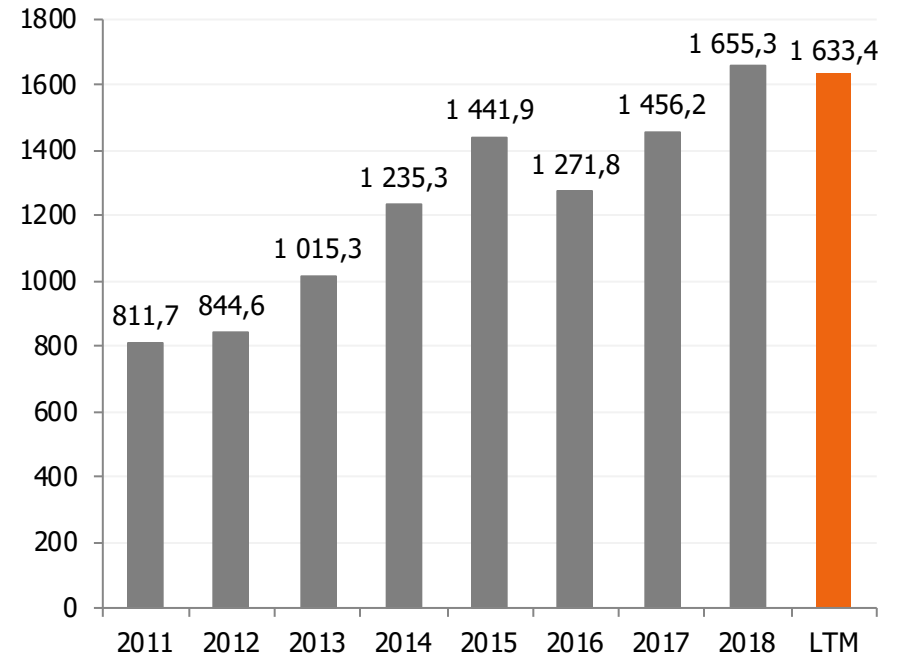
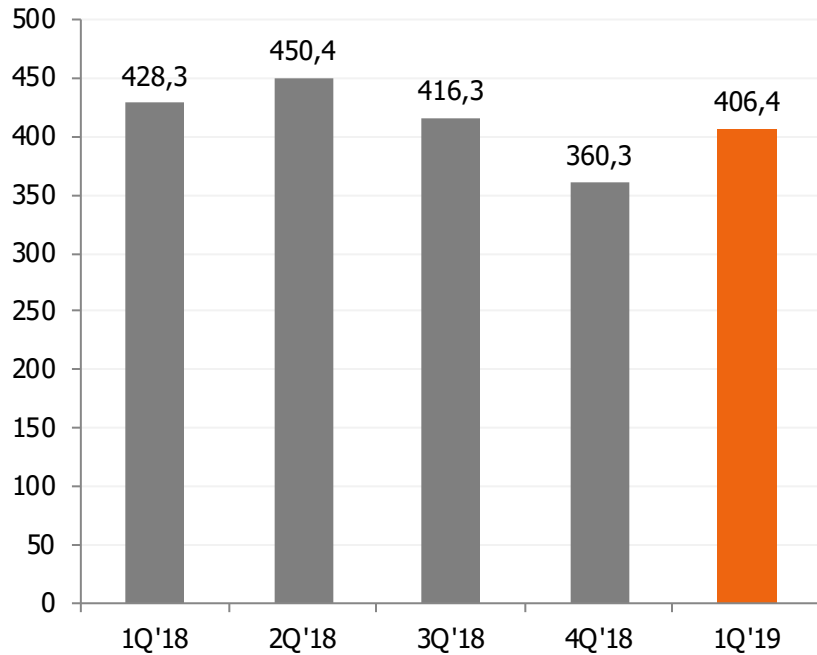
Volume sales in thou. tons



✦ In 1Q 2019 sales volume increased by 6% yoy to 54,4 k tons

✦ In LTM sales volume amounted to 201 k tons which is 2% increase in comparison 2018

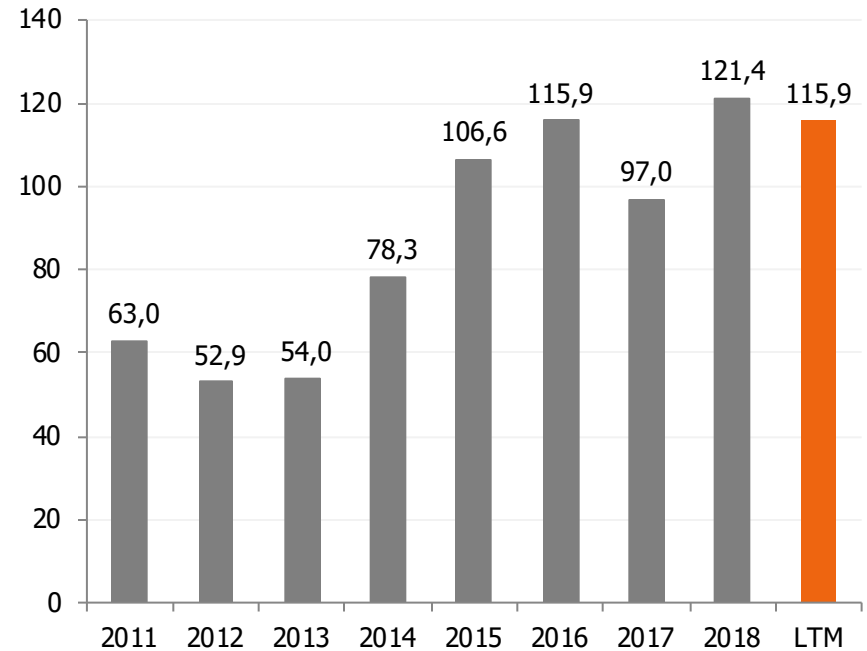
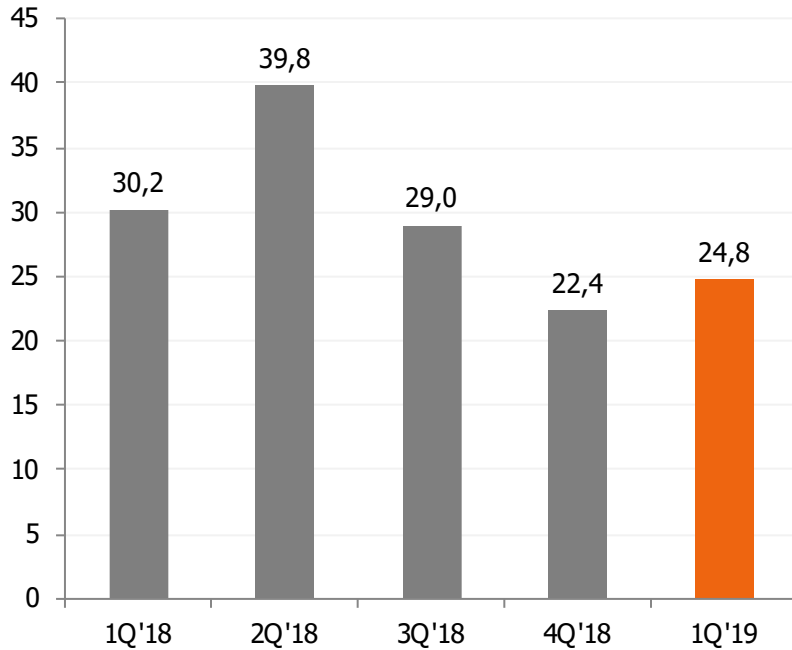
Sales revenue in mn PLN



⊕ In 1Q 2019 sales revenue decreased by 5% yoy to PLN 406,4 mn

⊕ In LTM sales revenue amounted to PLN 1,63 bn which is 1% decrease in comparison to 2018

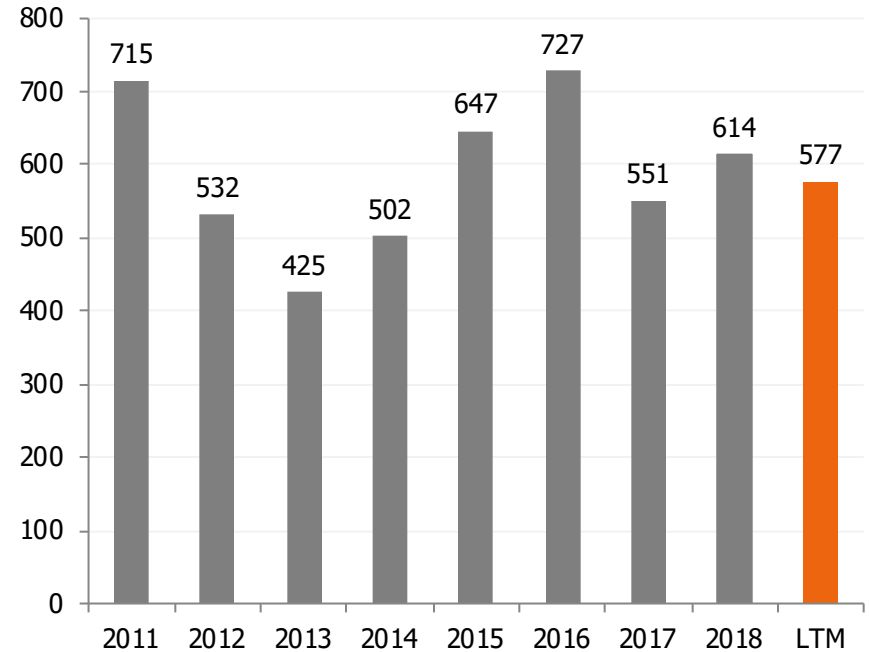
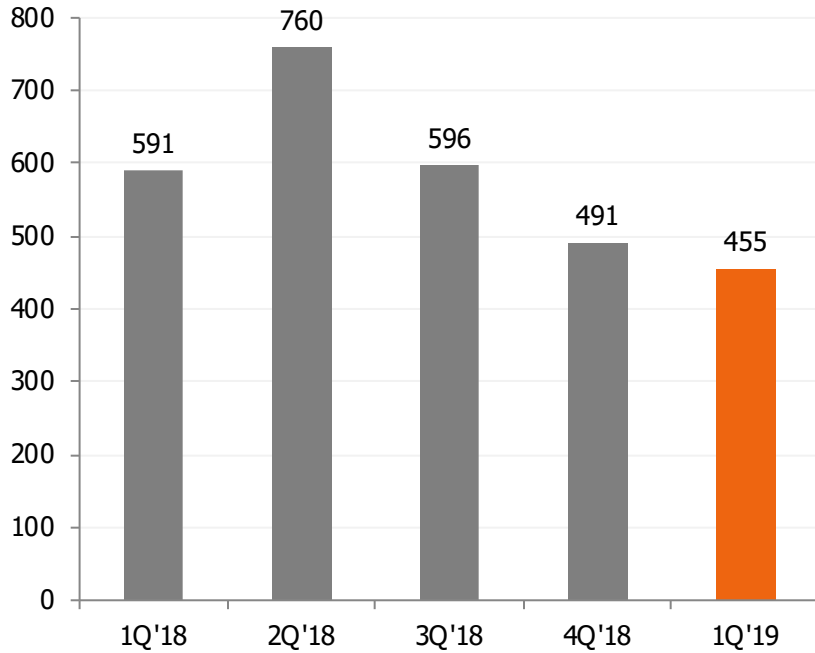
EBITDA in mn PLN



⊕ In 1Q 2019 EBITDA decreased by 18% yoy to PLN 24,8 mn

⊕ In LTM EBITDA amounted to PLN 115,9 mn which is 4% decrease in comparison to 2018

EBITDA per ton in PLN

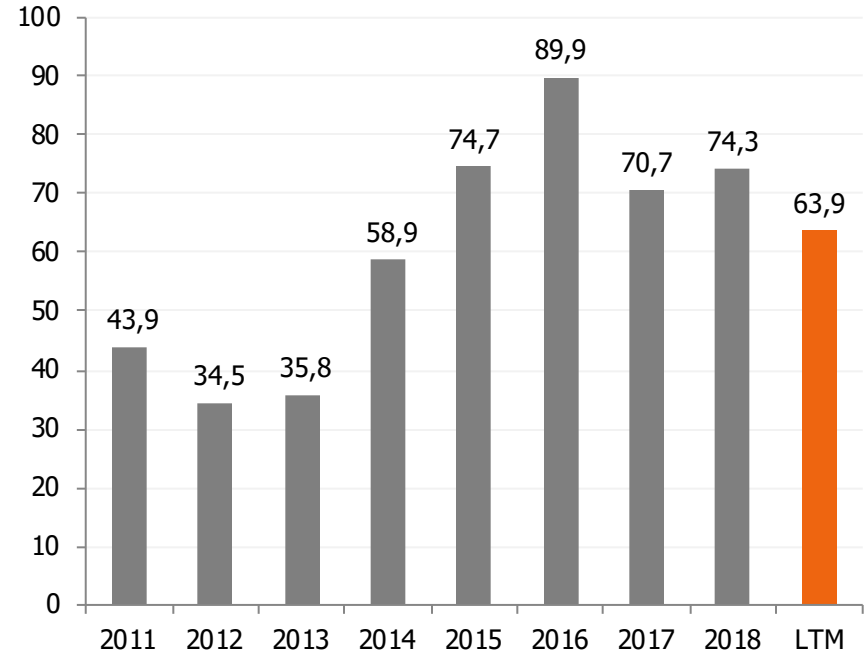
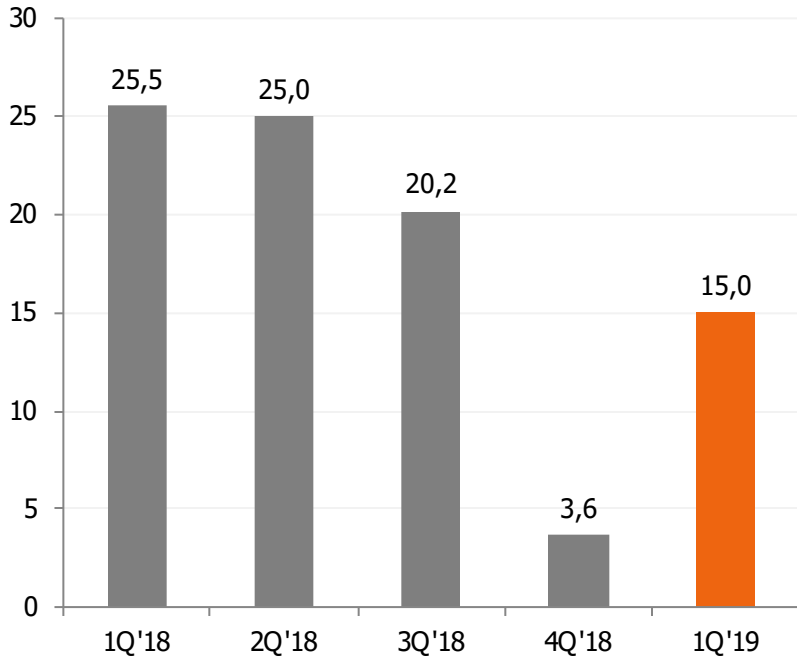


✦ In 1Q 2019 EBITDA per ton decreased by 23% yoy to 455 PLN/t

✦ In LTM EBITDA per ton amounted to 577 PLN/t which is 6% decrease in comparison to 2018



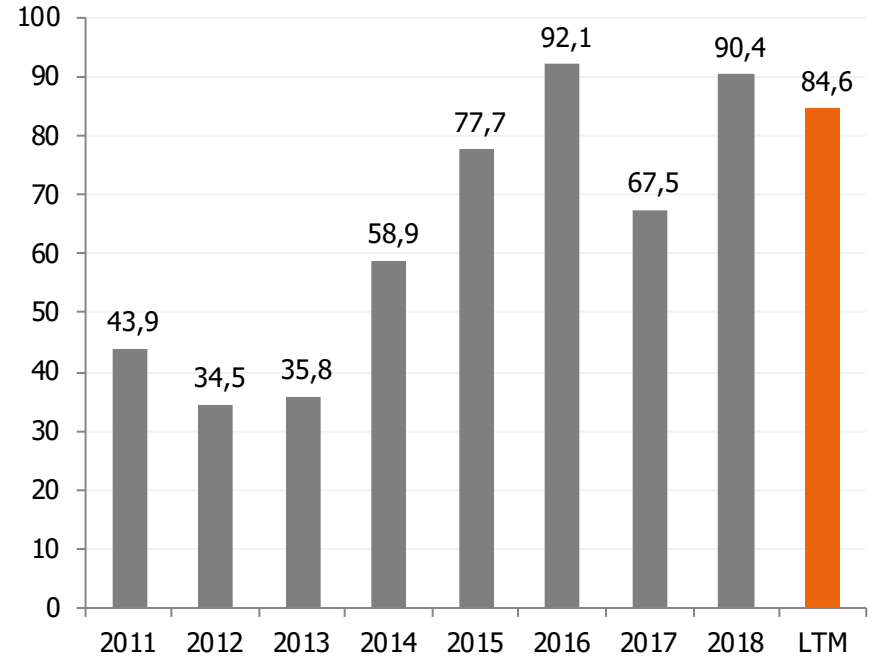
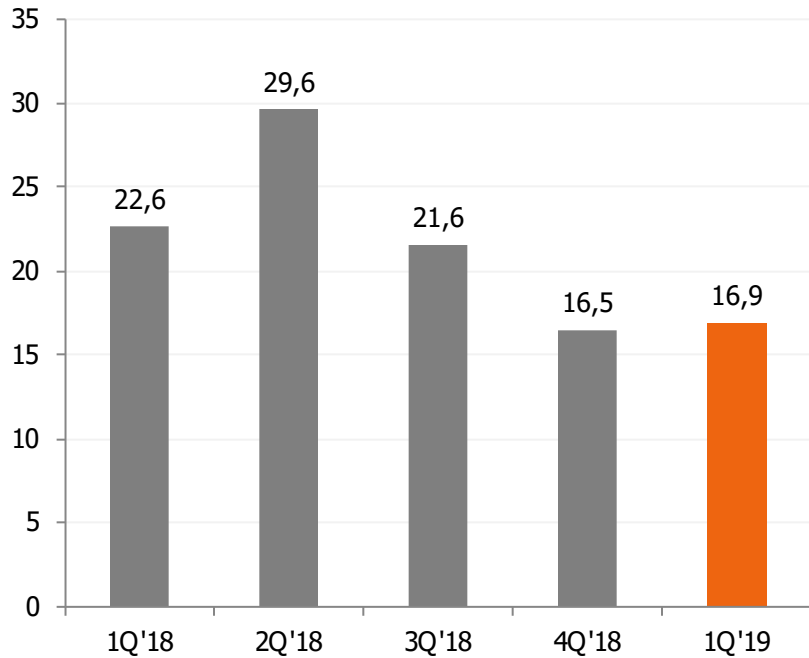
Net profit in mn PLN



⊕ In 1Q 2019 net profit decreased by 41% yoy to PLN 15,0 mn

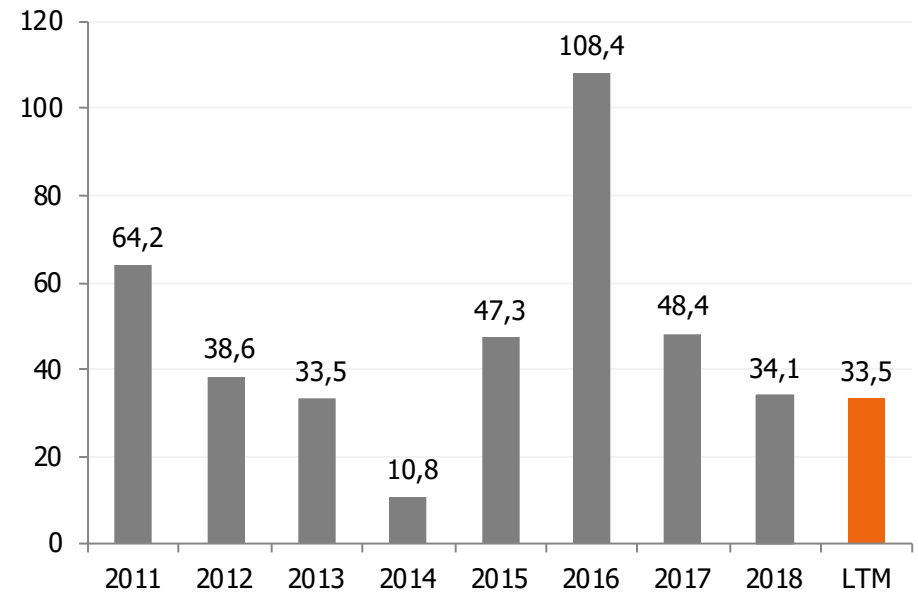
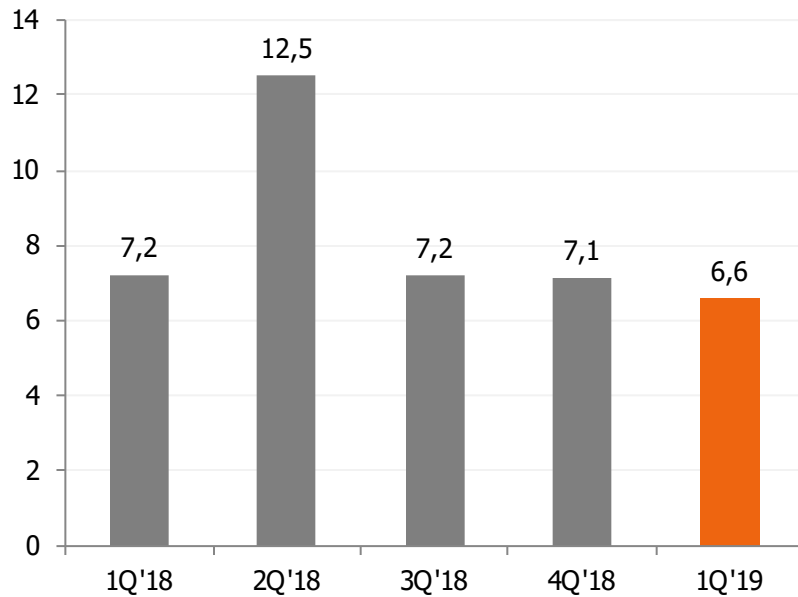
⊕ In LTM net profit amounted to PLN 63,9 mn which is 14% decrease in comparison to 2018

Normalized net profit in mn PLN



- ✦ In 1Q 2019 normalized net profit decreased by 25% yoy to PLN 16,9 mn
- ✦ In LTM normalized net profit amounted to PLN 84,6 mn which is 6% decrease in comparison to 2018

Capex in mn PLN

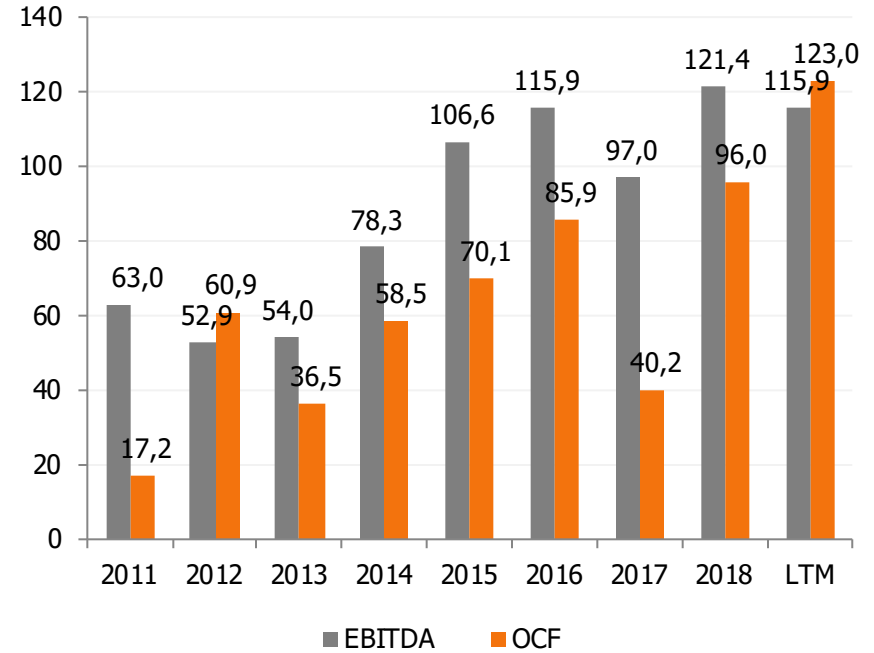
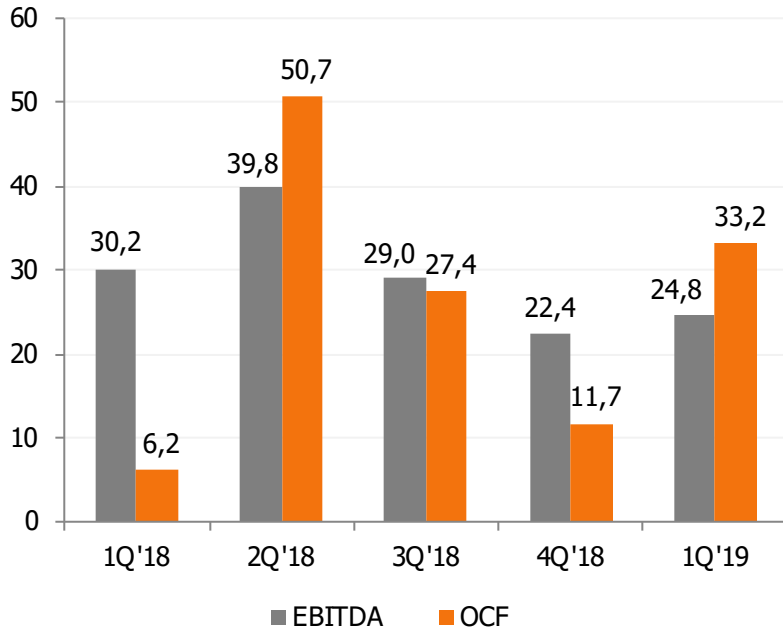


⊕ In 1Q 2019 capex amounted to PLN 6,6 mn:

- PLN 1,7 mn maintenance capex
- PLN 4,9 mn product mix/capacity increase

⊕ In LTM capex amounted to PLN 33,5 mn which is 2% decrease in comparison to 2018

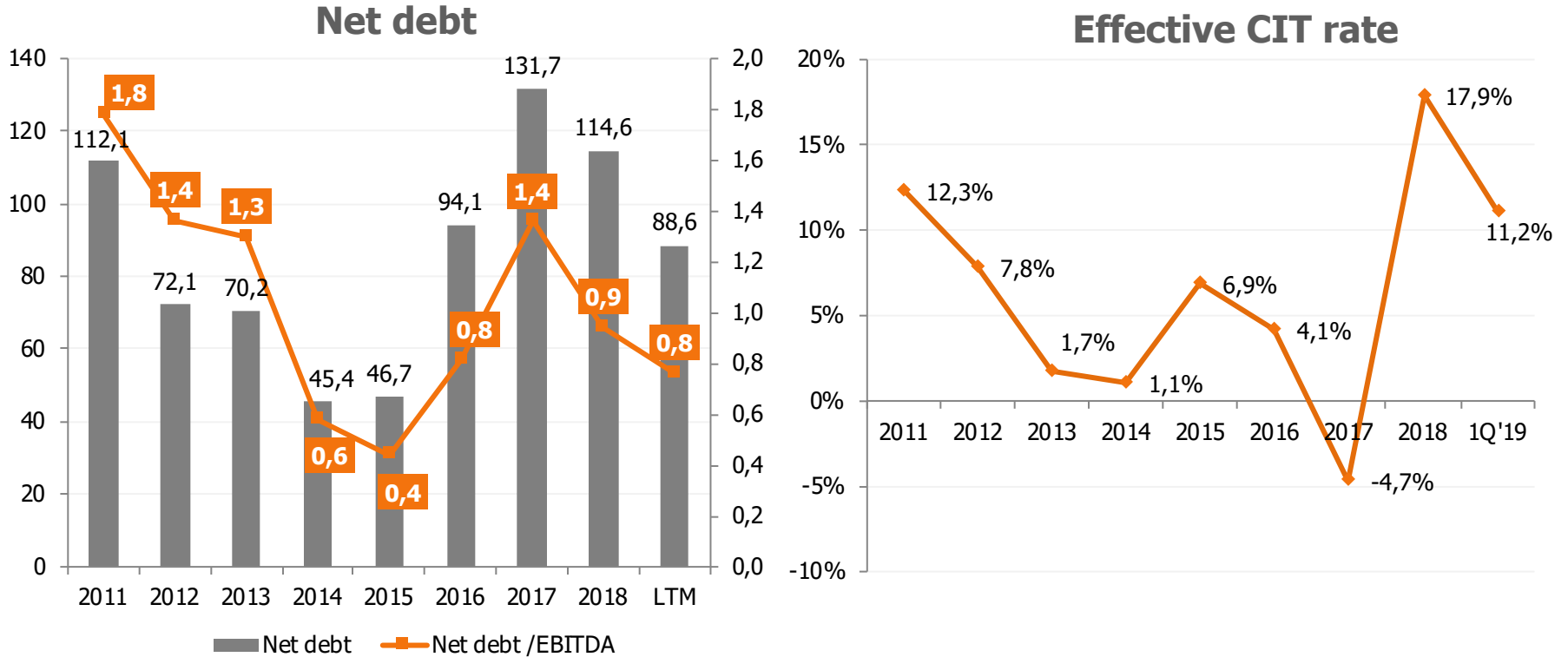
EBITDA vs OCF in mn PLN



⊕ In 1Q 2019 OCF amounted to PLN 33,2 mn vs PLN 24,8 mn of EBITDA

⊕ In LTM OCF amounted to PLN 123,0 mn vs PLN 115,9 mn of EBITDA

Net debt and effective CIT rate



⊕ At the end of 1Q 2019 net debt amounted to PLN 88,6 mn, and Net debt/EBITDA ratio decreased from the level of 0,9x at the end of 2018 to 0,8x at the end of March 2019

⊕ Effective CIT rate in 1Q 2019 was 11,2%



Kęty plant modernization

- ⊕ 1Q 2019 – completion of contracting of the main machinery and equipment
- ⊕ May 2019 – expected date of obtaining of the building permit
- ⊕ May/June 2019 – commencement of construction tenders and selection of contractors
- ⊕ The investment process is proceeding according to the schedule

Summary

- ⊕ Second consecutive quarter of decrease in vehicle registrations in the EU
- ⊕ Market margins under pressure due to the situation of the automotive industry in the EU
- ⊕ Record sales volume in 1Q 2019 and LTM (we are gaining market share in the European market of secondary aluminium casting alloys)
- ⊕ Despite the increase in sales volumes, financial results were below expectations due to the downward trend in the automotive industry, which has negative impact on profitability. Pressure on margins also in 2Q 2019, which reduces the likelihood of achieving the financial goals in the managerial option for 2019
- ⊕ The Kęty plant modernization is proceeding according to the plan