



# **Alumetal Group**

## **1Q 2021 financial results**

*18 May 2021*

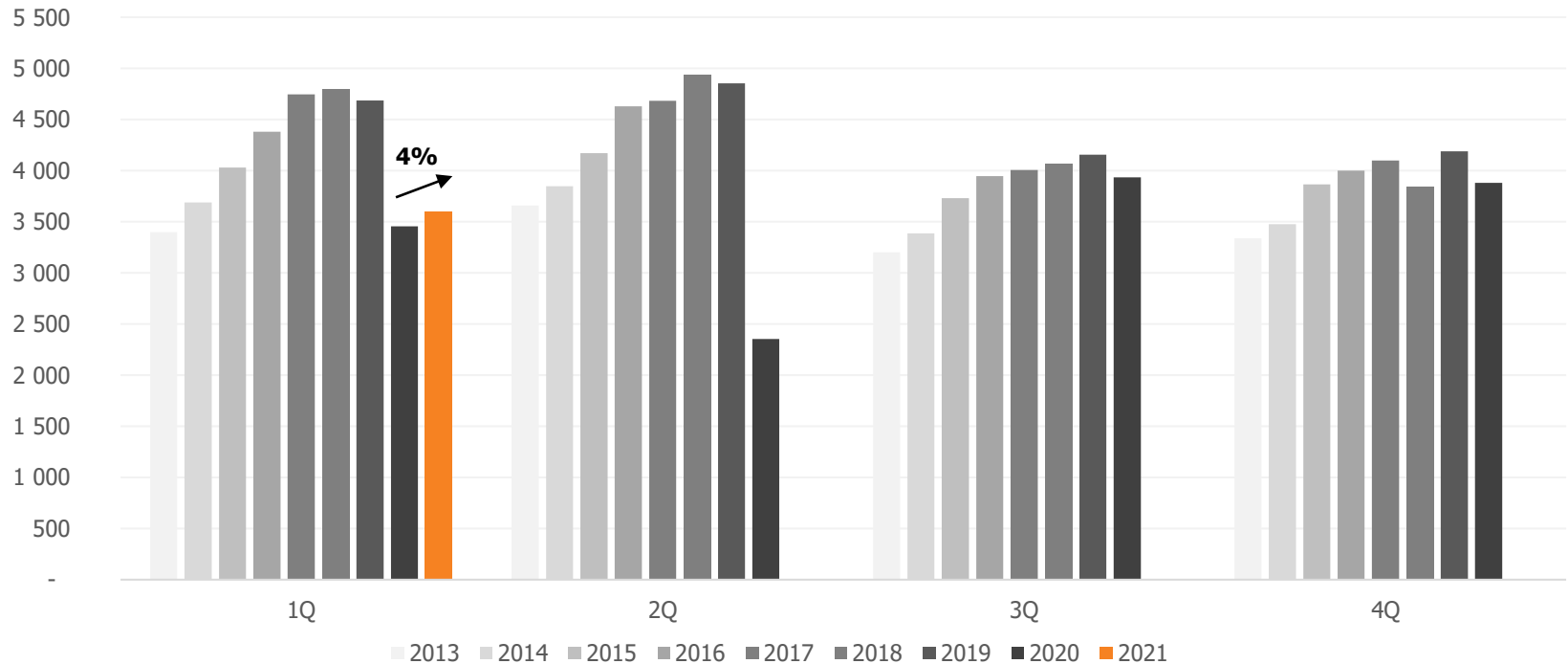


## 1Q 2021 and LTM at glance

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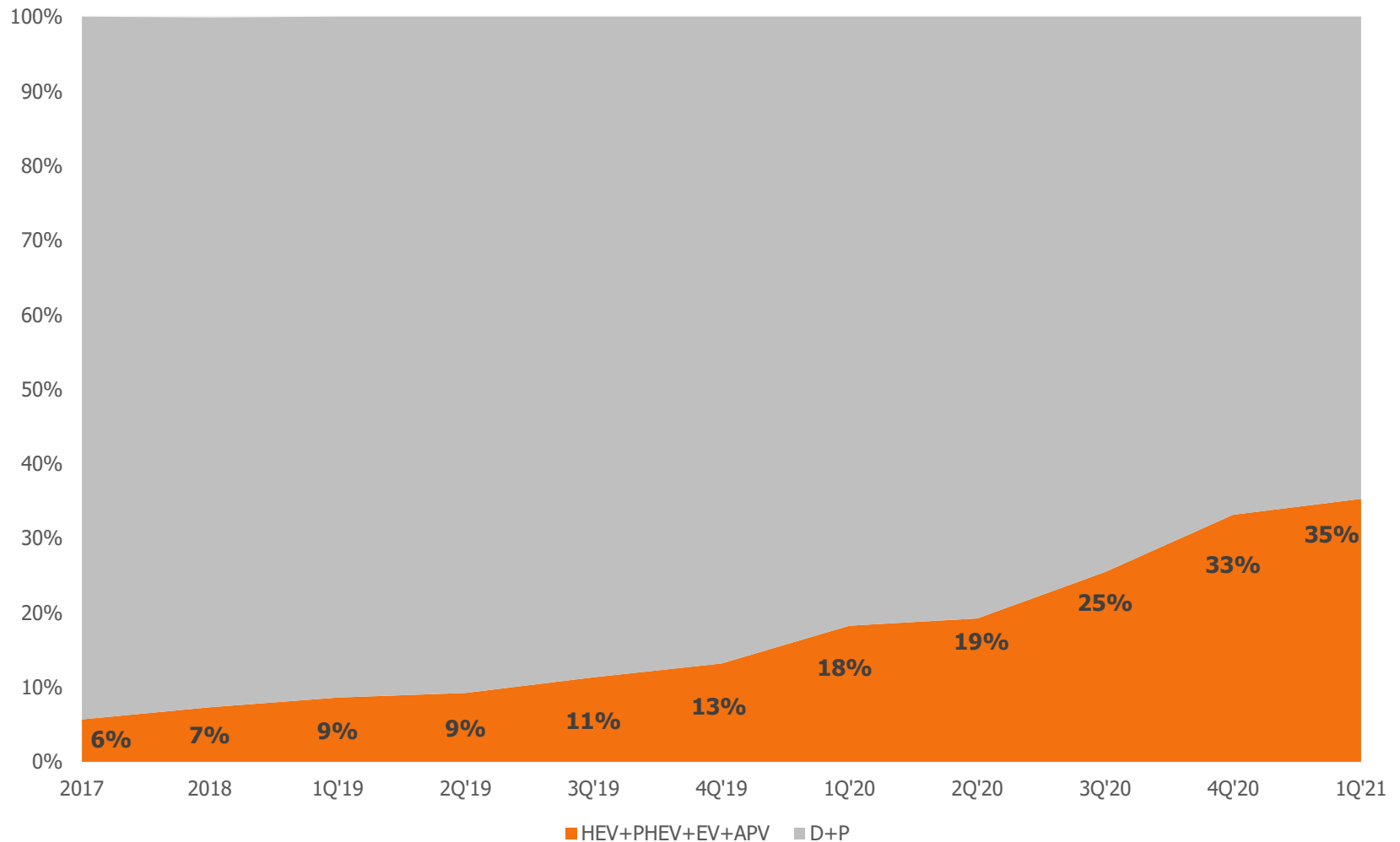
- ⊕ Volume sales – **63,0 k tons** in 1Q 2021 and **170,3 k tons** in LTM
- ⊕ EBITDA – **PLN 65,0 mn** in 1Q 2021 and **PLN 136,9 mn** in LTM
- ⊕ Normalized net profit – **PLN 49,5 mn** in 1Q 2021 and **PLN 99,6 mn** in LTM
- ⊕ Operating cash flow – **PLN minus 12,7 mn** in 1Q 2021 and **PLN 13,7 mn** in LTM
- ⊕ Net debt – **PLN 102,7 mn** (0,8x EBITDA)

## Motor vehicle registrations in the EU and UK in thou. units

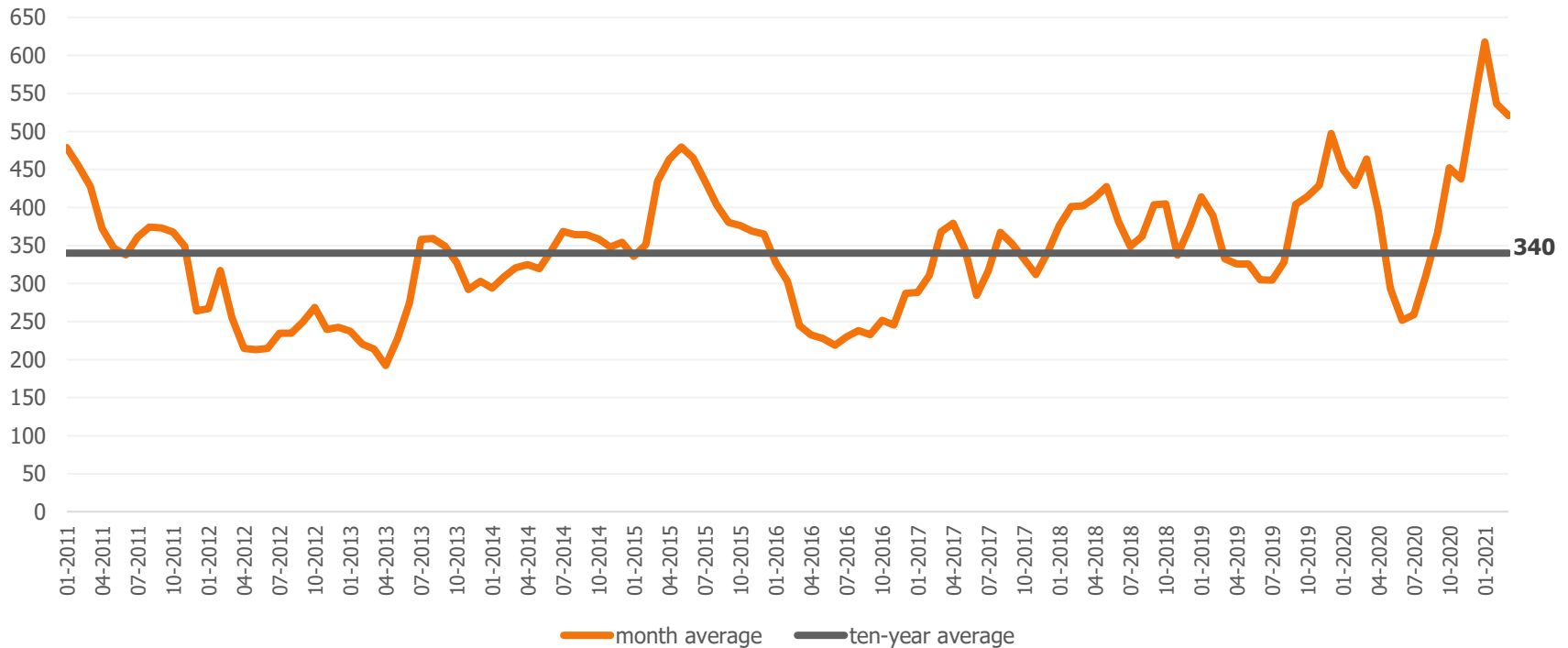


- ✦ In 1Q 2021 new motor vehicle registrations in the EU and UK increased by 4% yoy, passenger car (PC) registrations increased by 1% and commercial vehicle (CV) increased by 24%
- ✦ In LTM sales volume of motor vehicles in the EU and UK increased by 1% in comparison to 2020 to the level of 13,77 mn units (increase in PC sales by 0.2% and CV sales by 5.7%)

# Changing structure of passenger car sales in the EU and UK

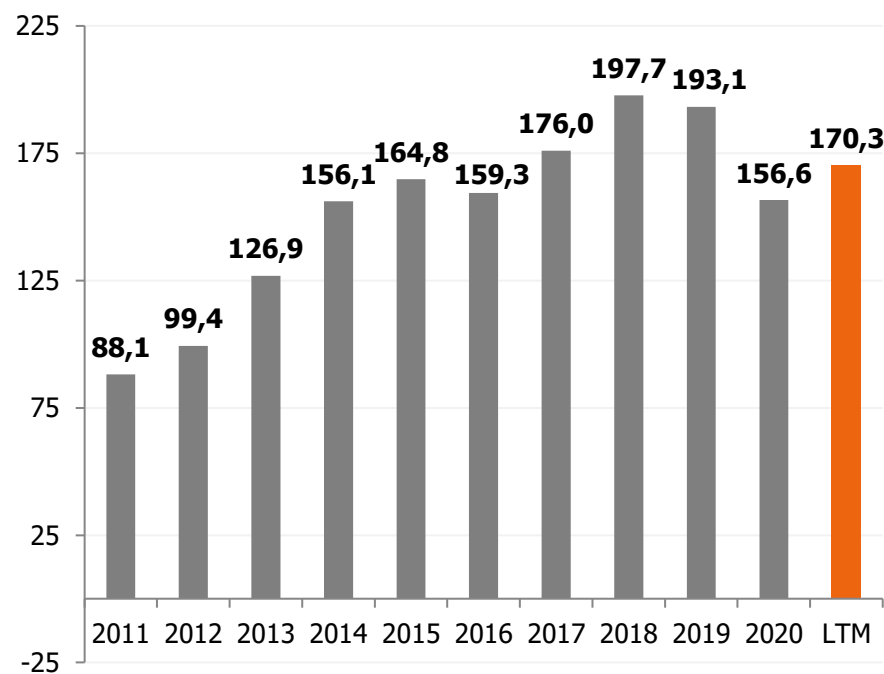
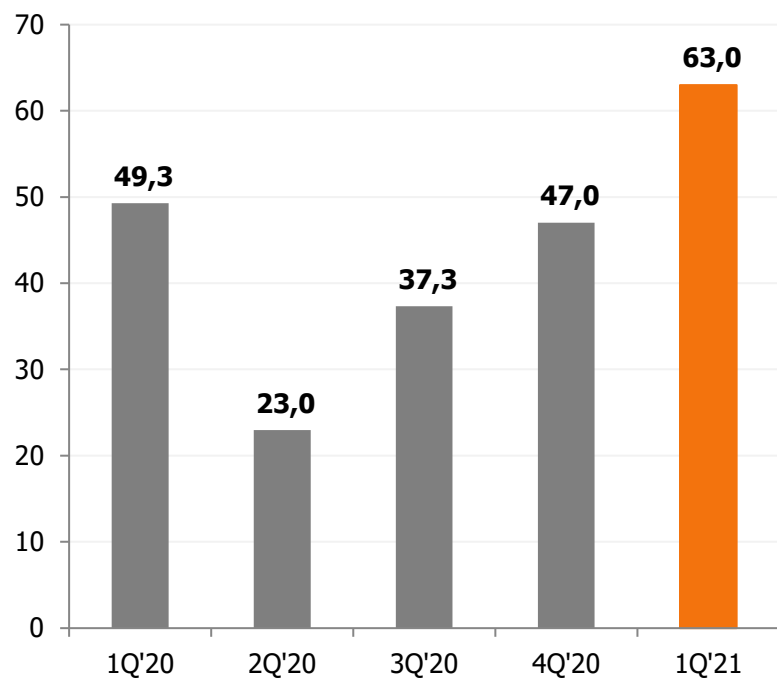


# Metal Bulletin 226 alloy spread in EUR/t



- ✦ In 1Q 2021 average margin amounted to 558 EUR/t and it was 44% higher than the average margin in 2020 and 64% higher than the ten-year average
- ✦ From February 2021, we have seen a gradual reduction in the margin. In April 2021, the benchmark margin level was at 413 EUR/t, 21% above the average of the last 10 years

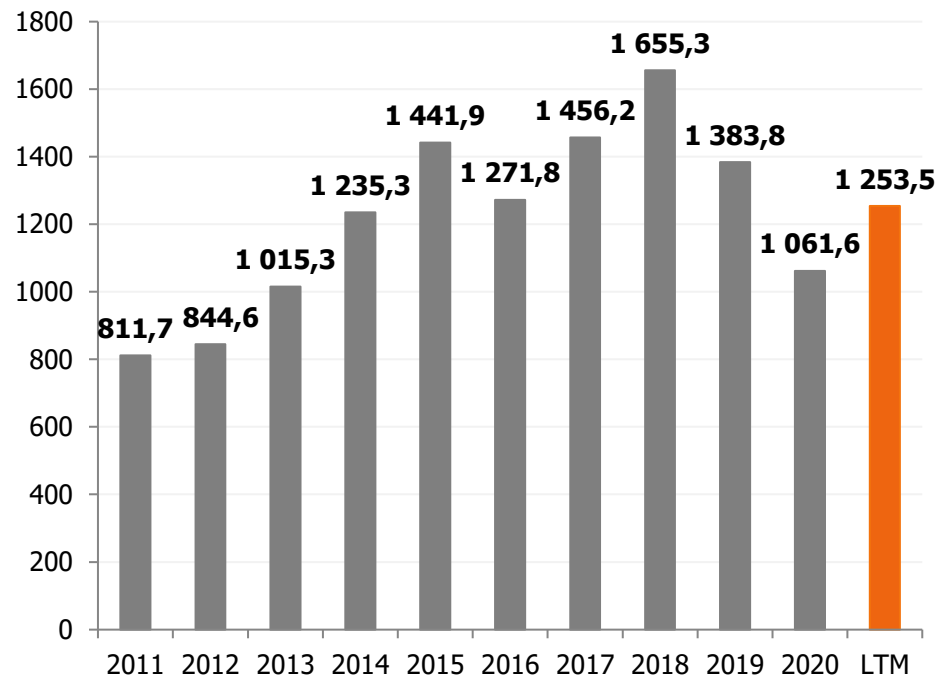
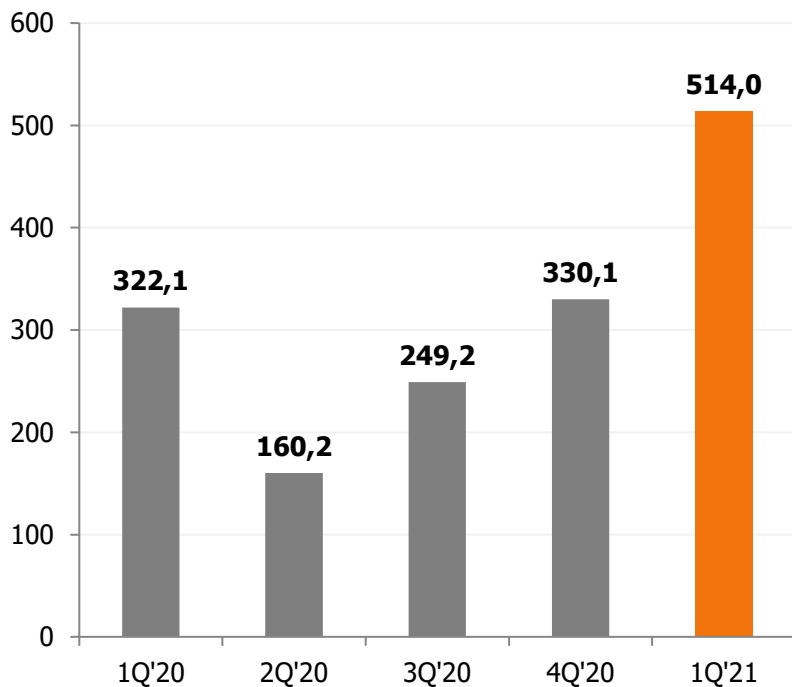
## Volume sales in thou. tons



✦ In 1Q 2021 sales volume increased by 28% yoy to 63,0 k tons

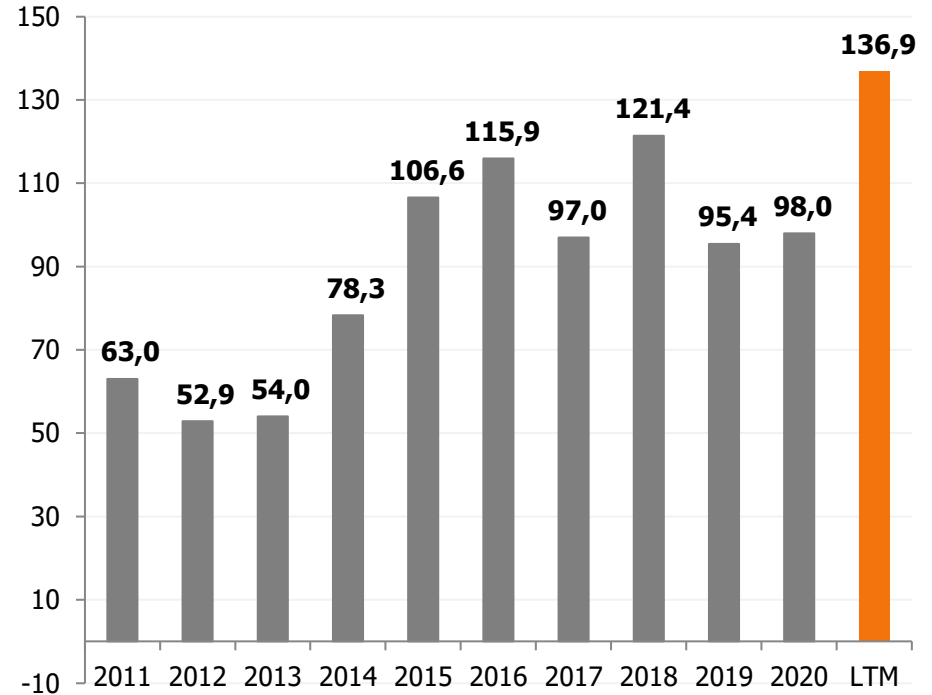
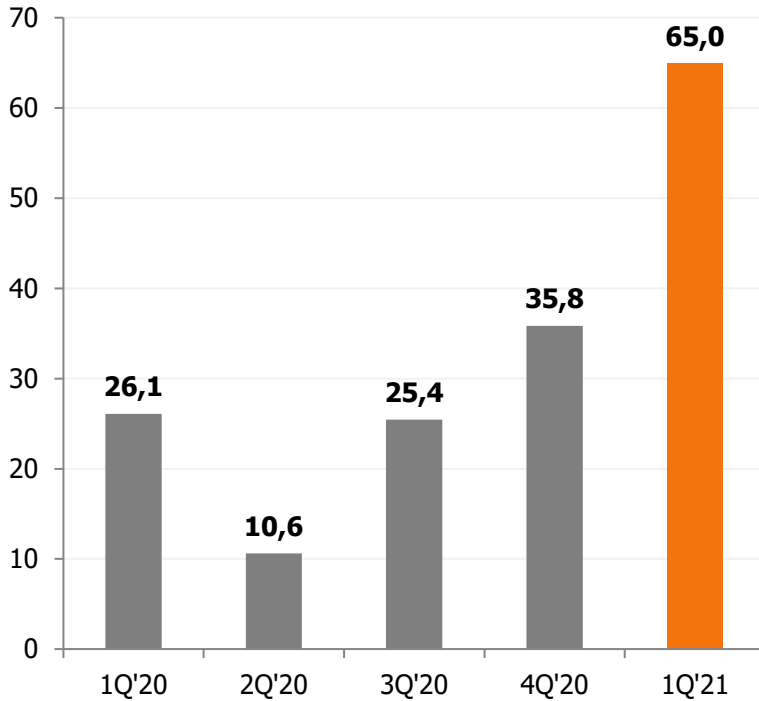
✦ In LTM sales volume amounted to 170,3 k tons, increase by 9% in comparison to 2020

## Sales revenue in mn PLN



- ✦ In 1Q 2021 sales revenue increased by 60% yoy to PLN 514 mn
- ✦ In LTM sales revenue amounted to PLN 1,25 bn, increase by 18% in comparison to 2020

# EBITDA in mn PLN

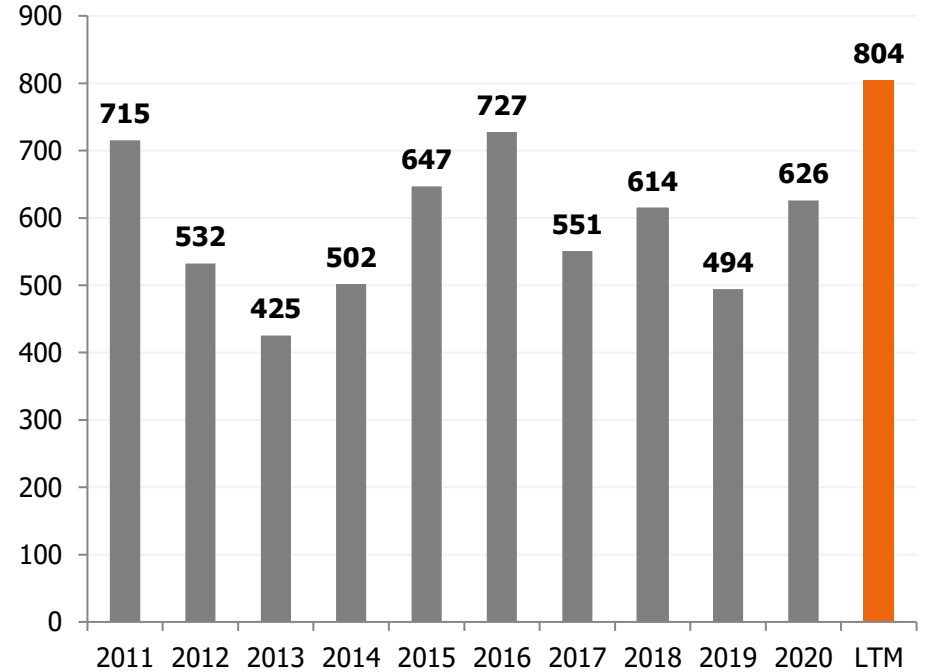
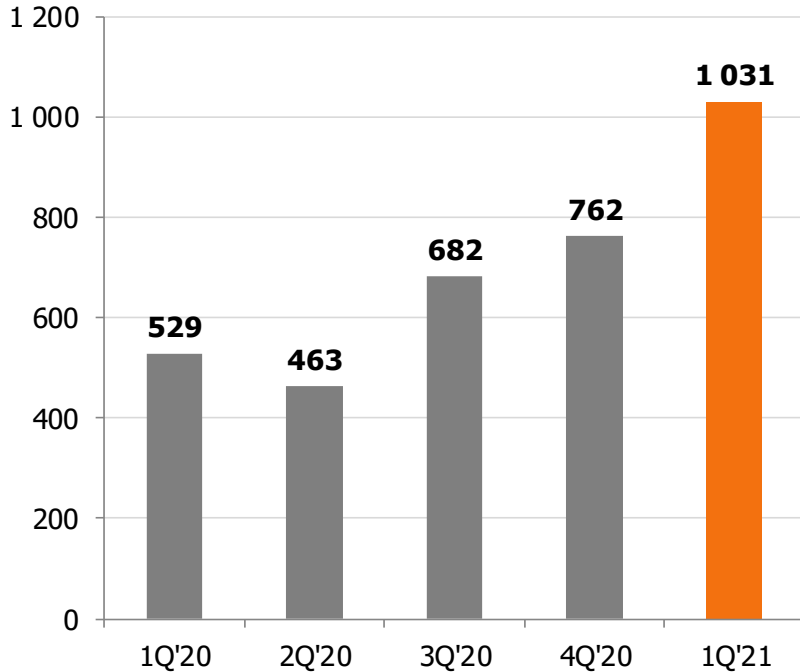


- ✦ In 1Q 2021 EBITDA increased by 149% yoy to PLN 65,0 mn
- ✦ In LTM EBITDA amounted to PLN 136,9 mn, increase by 40% in comparison to 2020





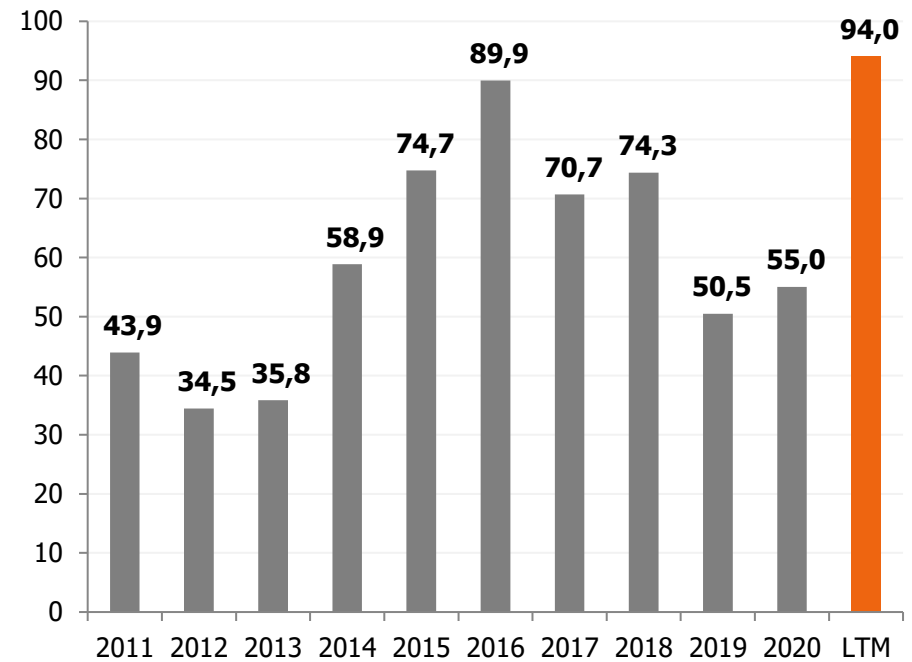
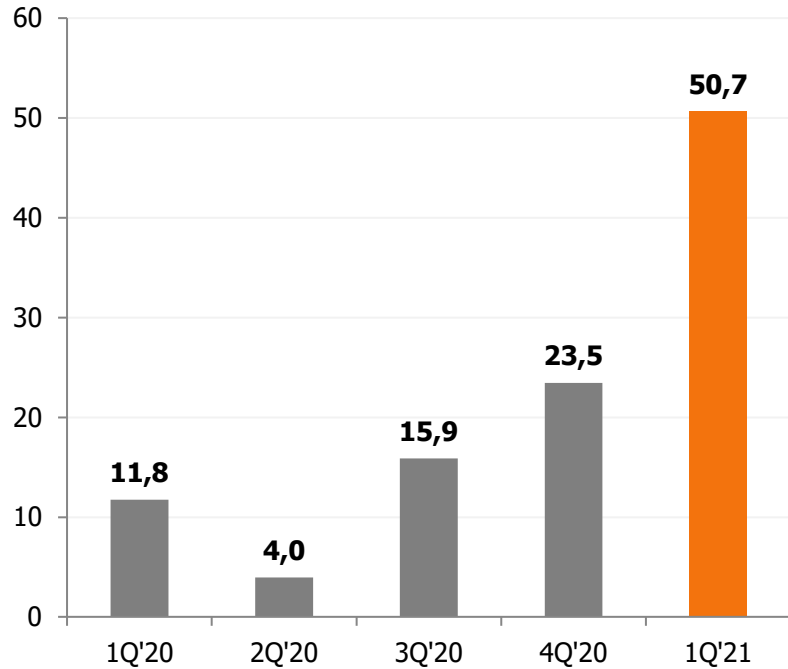
# EBITDA per ton in PLN



✦ In 1Q 2021 EBITDA per ton increased by 95% yoy to 1 031 PLN/t

✦ In LTM EBITDA per ton amounted to 804 PLN/t, increase by 28% in comparison to 2020

# Net profit in mn PLN

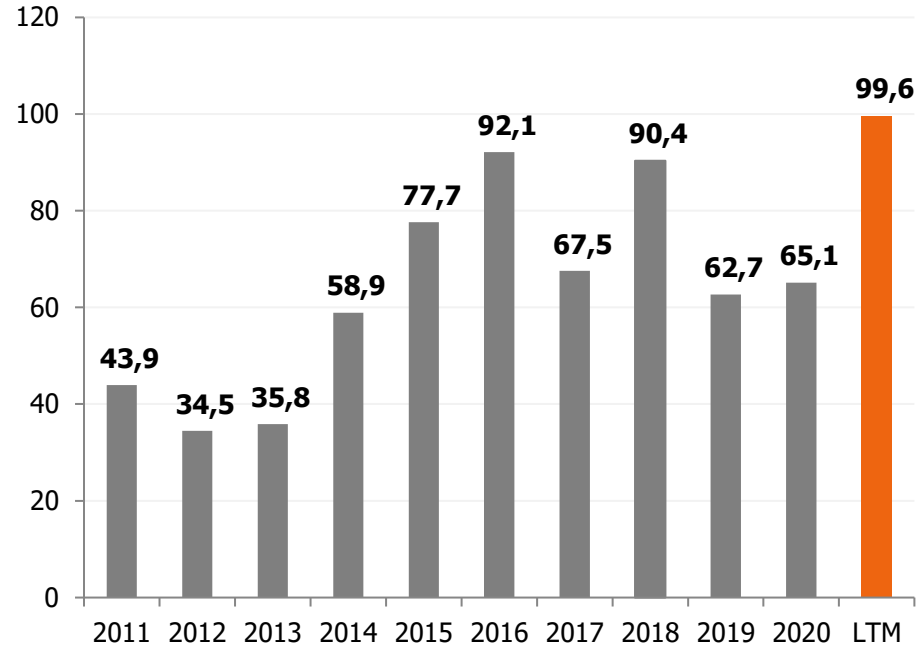
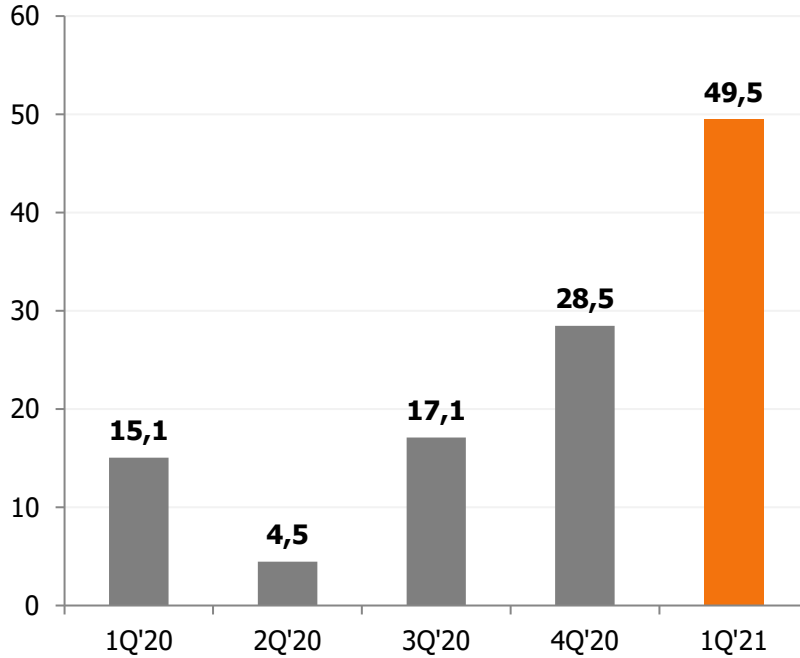


✦ In 1Q 2021 net profit increased by 331% yoy to PLN 50,7 mn

✦ In LTM net profit amounted to PLN 94,0 mn, increase by 71% in comparison to 2020

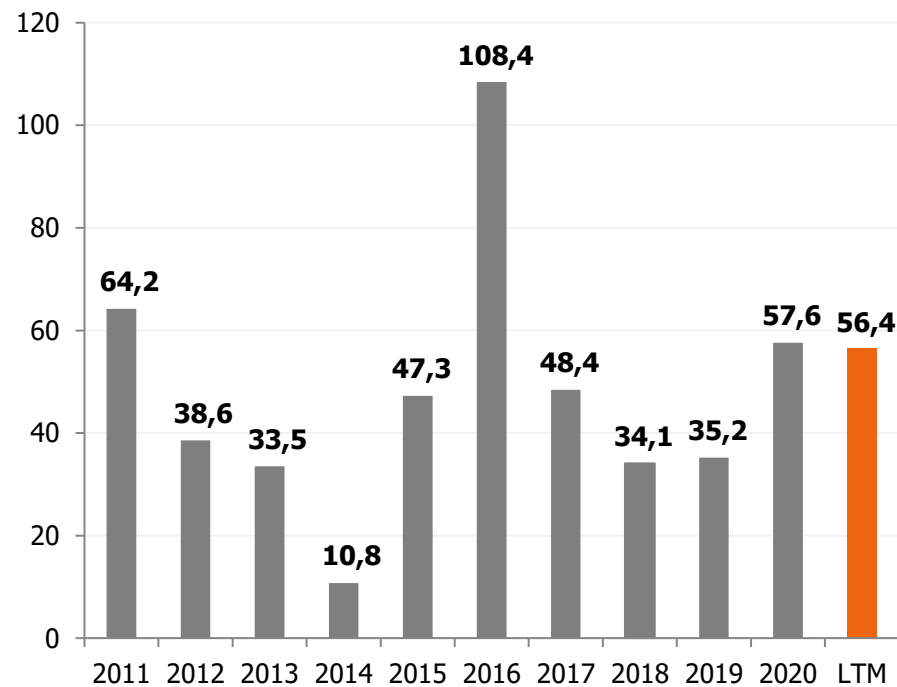
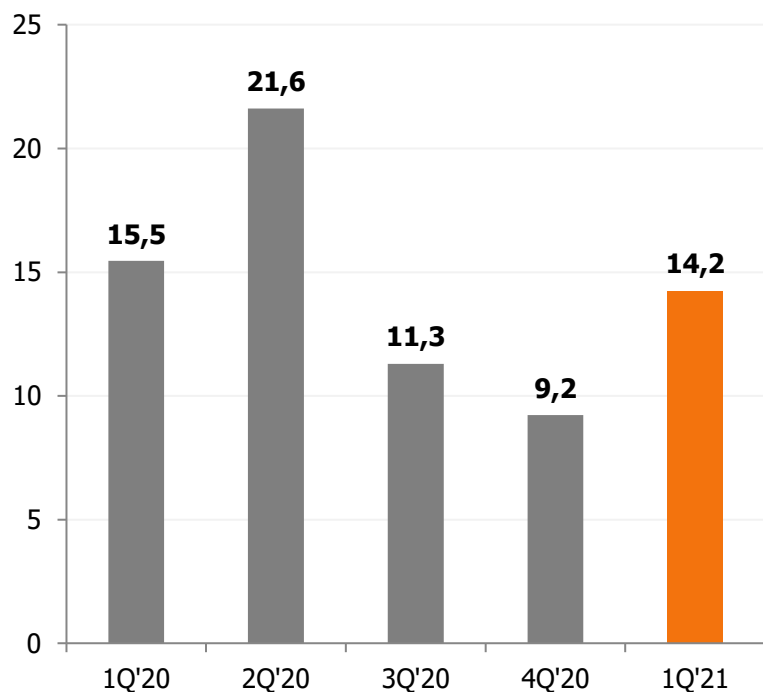


# Normalized net profit in mn PLN



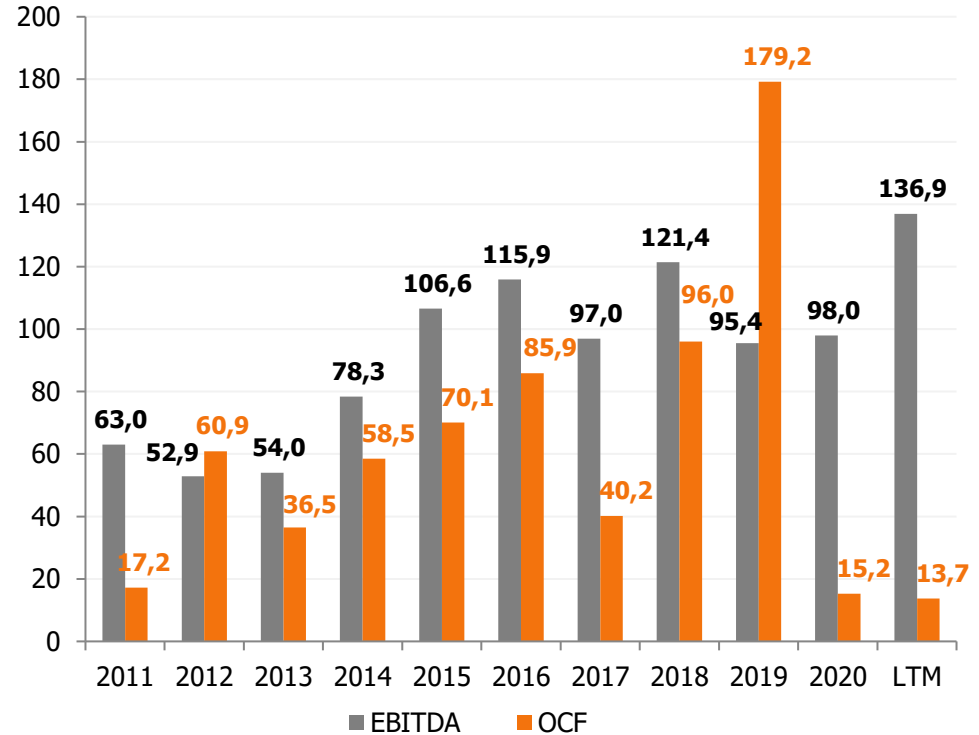
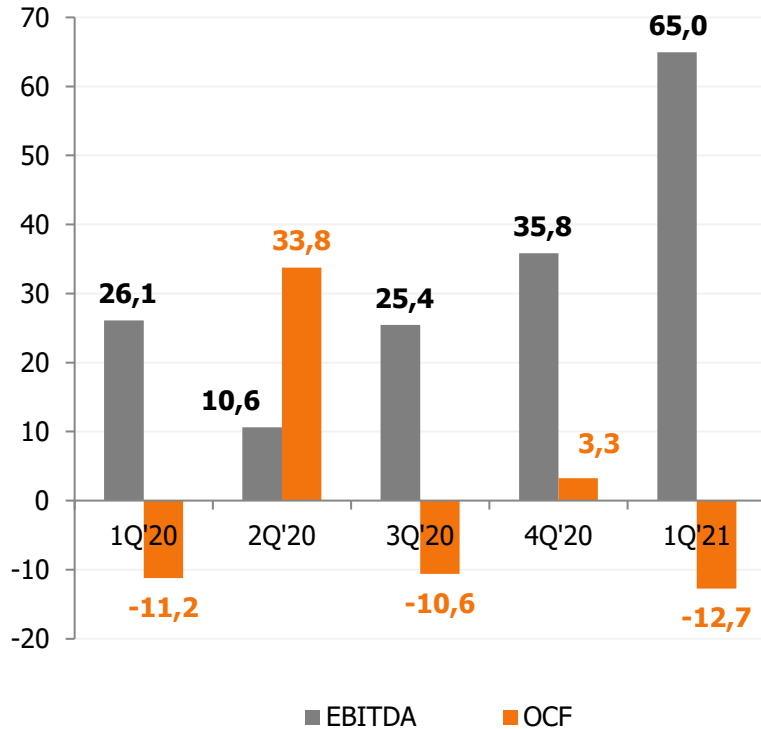
- ✦ In 1Q 2021 normalized net profit increased by 229% yoy to PLN 49,5 mn
- ✦ In LTM normalized net profit amounted to PLN 99,6 mn, increase by 53% in comparison to 2020

# Capex in mn PLN



- ⊕ In 1Q 2021 capex amounted to PLN 14,2 mn
  - PLN 2,1 mn maintenance capex
  - PLN 12,1 mn development capex
- ⊕ In LTM capex amounted to PLN 56,4 mn, decrease by 2% in comparison to 2020

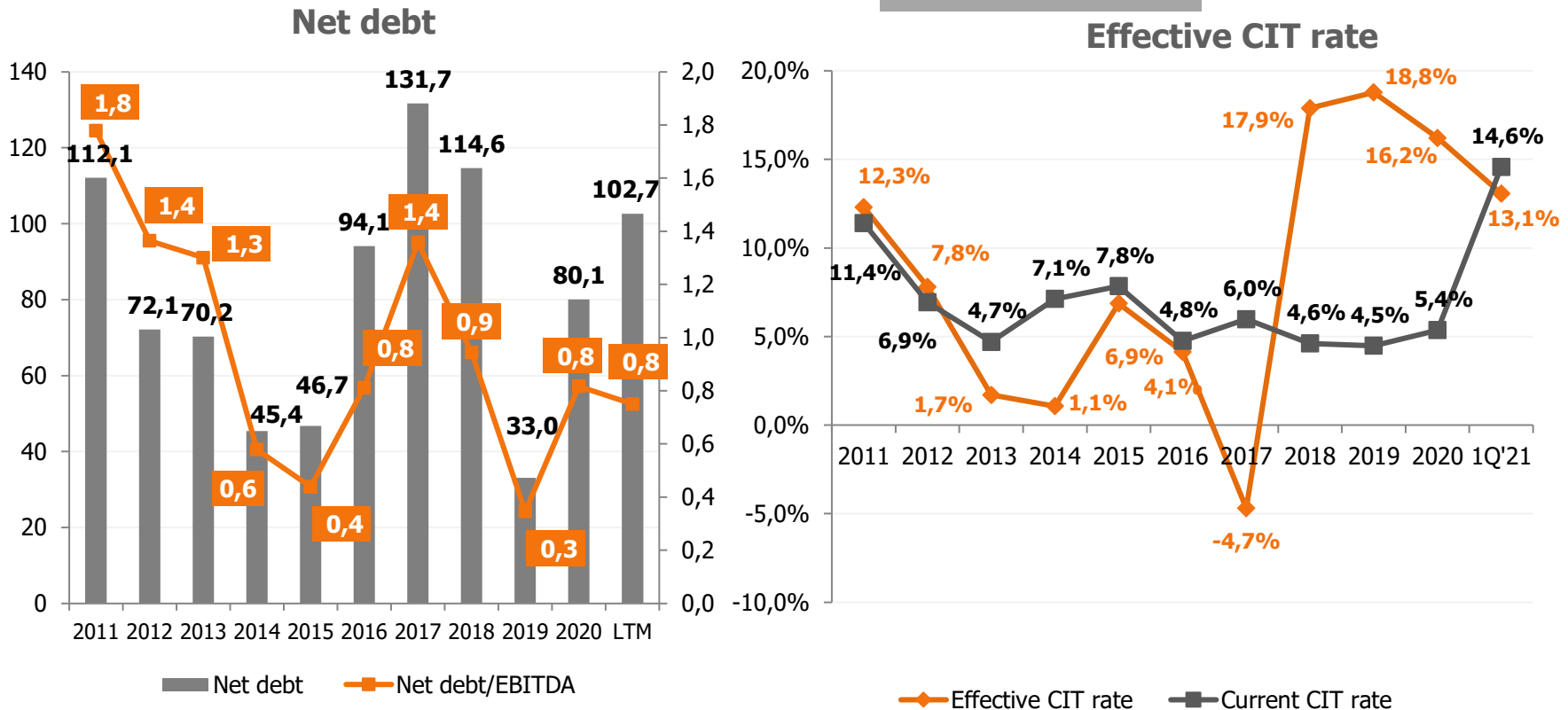
# EBITDA vs OCF in mn PLN



- ✦ In 1Q 2021 OCF amounted to PLN -12,7 mn vs PLN 65,0 mn of EBITDA
- ✦ In LTM OCF amounted to PLN 13,7 mn vs PLN 136,9 mn of EBITDA



# Net debt and effective CIT rate



- At the end of 1Q 2021 net debt amounted to PLN 102,7 mn, and Net debt/EBITDA ratio at the end of March remained at the level of 0,8x
- Effective CIT rate in 1Q 2021 amounted to 13,1% and current CIT rate amounted to 14,6%



## Expansion of the scrap metal processing department in Nowa Sól

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- ⊕ In January 2021 we received a decision from the KSSSE regarding CIT allowance (tax allowance at the level of 35% of eligible expenses)
- ⊕ In 1Q 2021, we acquired plots located adjacent to the current plant, obtained environmental conditions and conducted negotiations with suppliers of key machinery and equipment
- ⊕ In 1Q 2021, we started the design process, in 2Q 2021 we are conducting preparatory work on the project sites, and in 3Q 2021 we plan to start construction
- ⊕ The planned capex of the project amounts to PLN 78 mn, of which PLN 11,6 mn was spent by the end of 1Q 2021
- ⊕ We plan to complete the project and start production in 4Q 2022

# Summary

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- ⊕ After four quarters of declines, in 1Q 2021 new motor vehicle sales in the EU and UK increased by 4% yoy
- ⊕ A significant change in the structure of new passenger car registrations (sales of HEV+PHEV+EV+APV accounted for 9% in 1Q'19, 18% in 1Q'20 and 35% in 1Q'21). Alumetal Group actively participates in the transformation of the automotive industry, increasing its share in the European market
- ⊕ High increase in sales volume (63 k tons, increase by 28% yoy)
- ⊕ EBITDA at record level (PLN 65 mn, increase by 149% yoy)
- ⊕ Low net debt despite a significant increase in net working capital requirements resulting from volume and price increases (PLN 102,7 mn, 0,8x EBITDA)
- ⊕ Good prospects for the Company in the coming quarters resulting from the market situation and sustainable changes in our organization (modernized largest plant in Kęty, improvement of cost efficiency and productivity in the whole Alumetal Group, development of sales of master alloys)