



Alumetal Group
2020 financial results

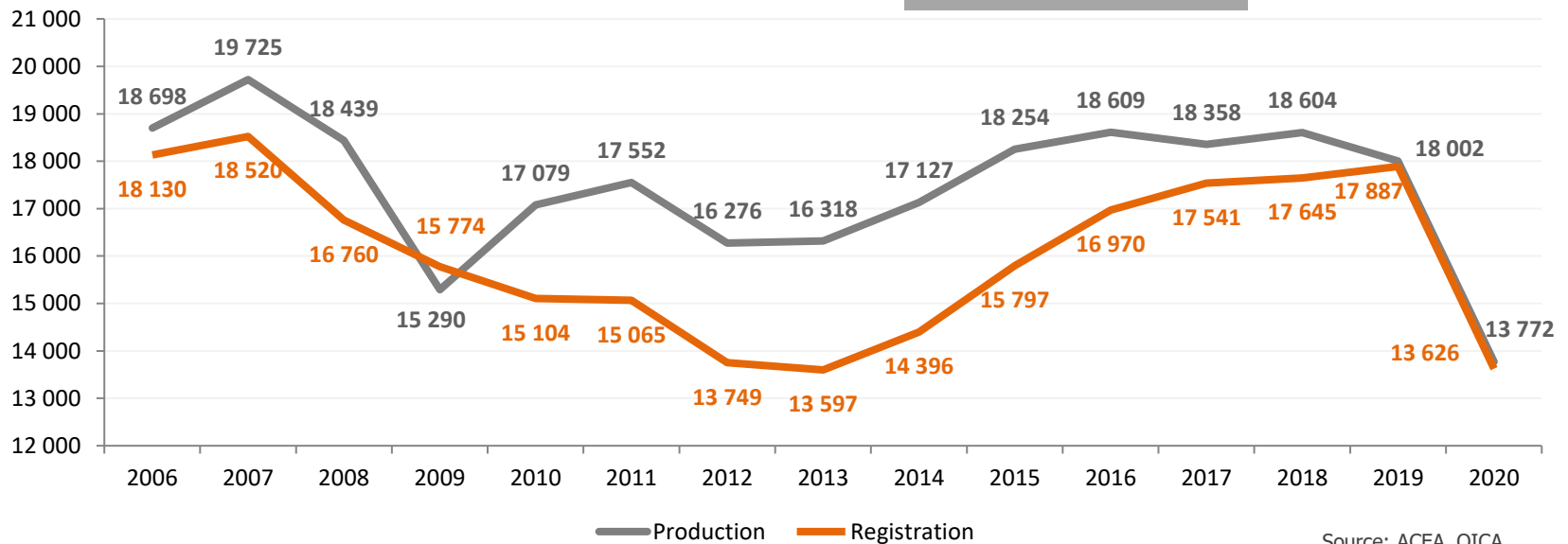
23 March 2021

alumetal

FY 2020 at glance

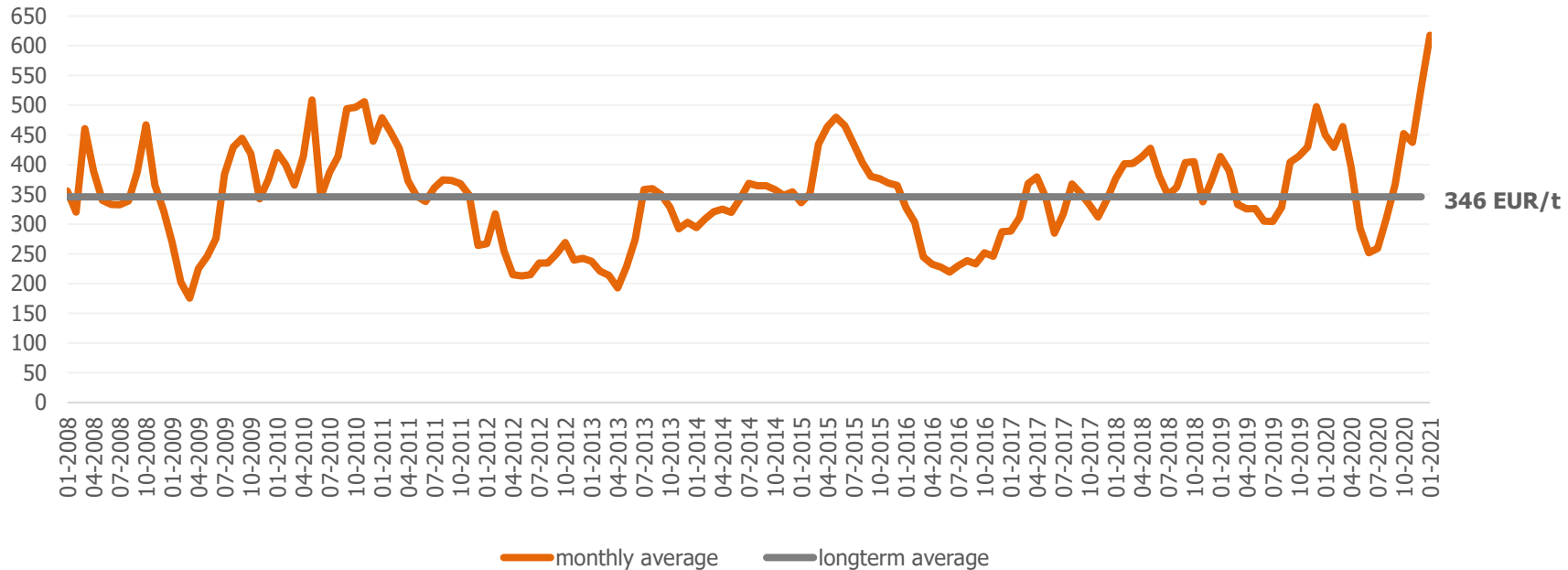
- ⊕ **Solid financial results** despite SARS-CoV-2 pandemic
- ⊕ **153k tons sales volume** (21% decrease yoy) effect of decrease in demand due to COVID-19
- ⊕ **PLN 98 mn EBITDA** (3% increase yoy), due to an increase in added value per ton and optimization measures
- ⊕ **PLN 65,1 mn normalized consolidated net profit** (4% increase yoy) as a consequence of EBITDA increase
- ⊕ **PLN 15,2 mn operating cash flow** due to increase in net working capital level (significant increase in inventories in the context of expected sales growth)
- ⊕ **PLN 80,1 mn net debt** (0,8x EBITDA'20), increase in debt as a result of increased demand for net working capital and capex

Motor vehicle production and sales in the EU and UK in thou. units



- ✦ In 2020, motor vehicle registrations in the EU and UK decreased by 23,8% (-26,3% in 1Q'20, -51,5% in 2Q'20, -5,3% in 3Q'20 and -7,3% in 4Q'20) while production decreased by 23,5%
- ✦ In 2020, sales volume of motor vehicles in the EU and UK were only 2% higher than the worst 2013 and production was about 10% lower than the 2009
- ✦ COVID-19 has accelerated the megatrend of hybridization and electrification of passenger cars in Europe. HEV and ECV share in total sales increased from 8,9% in 2019 to 22,8% in 2020

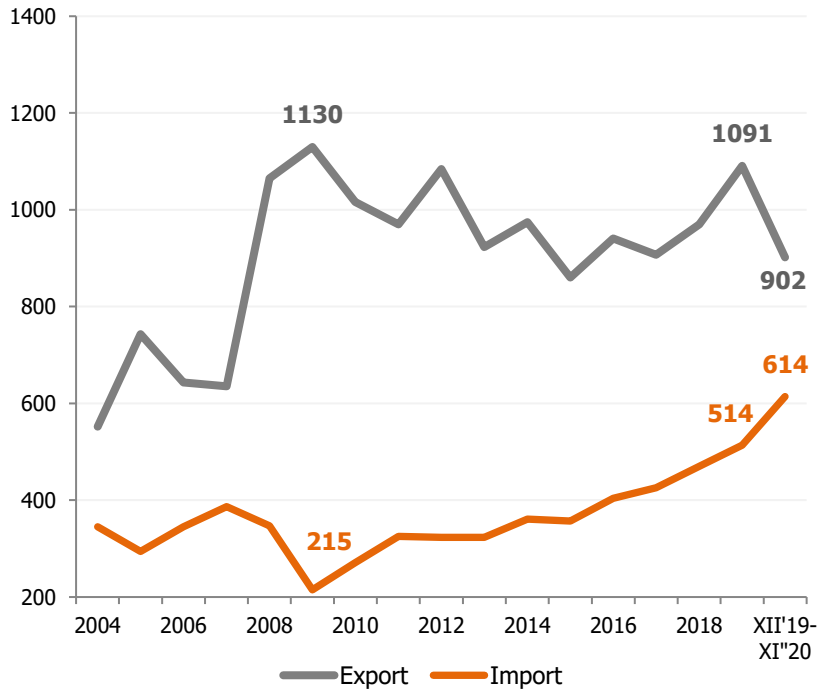
Metal Bulletin 226 alloy spread in EUR per ton



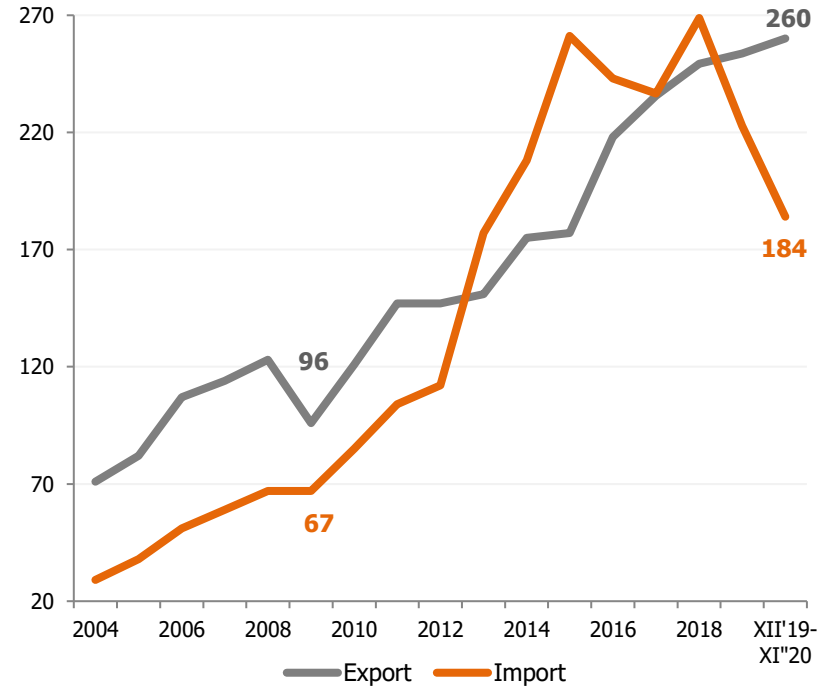
- ✦ In 2020 average margin amounted to 387 EUR/t and it was 4% higher than 2019 and 12% higher than the long-term average which amounts to 346 EUR/t
- ✦ The benchmark margin from a good level in Q1 2020 (448 EUR/t), fell sharply in Q2 2020 (313 EUR/t) and remained at that level in Q3 2020 (312 EUR/t), followed by a strong rebound in Q4 2020 (473 EUR/t)
- ✦ In Q1 2021 margin remains high (January 618 EUR/t, February 537 EUR/t)

Export/import of aluminium scrap from/to the EU and Poland

Export/import of Al scrap from/to UE in k tons*



Export/import of Al scrap from/to Poland in k tons

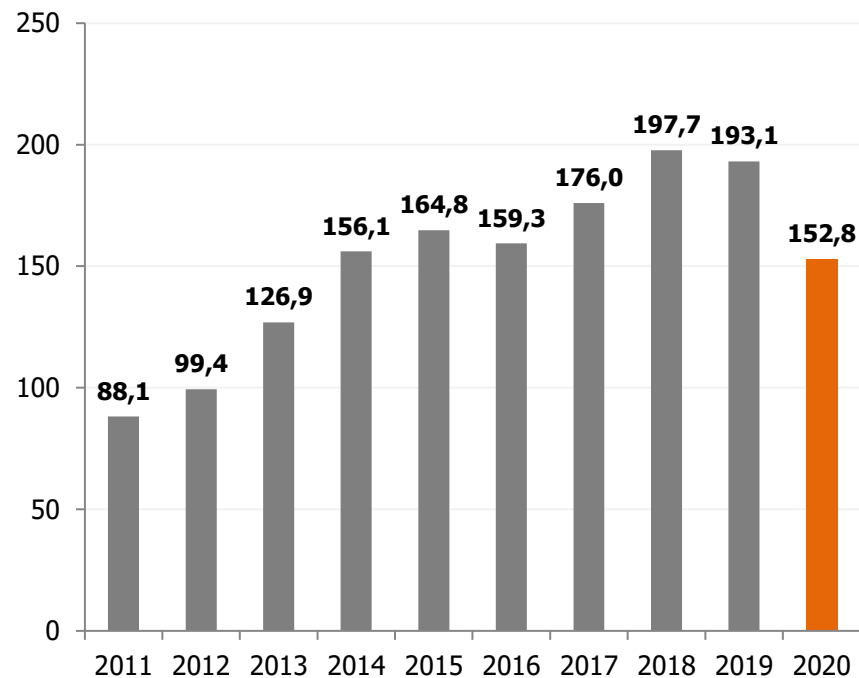
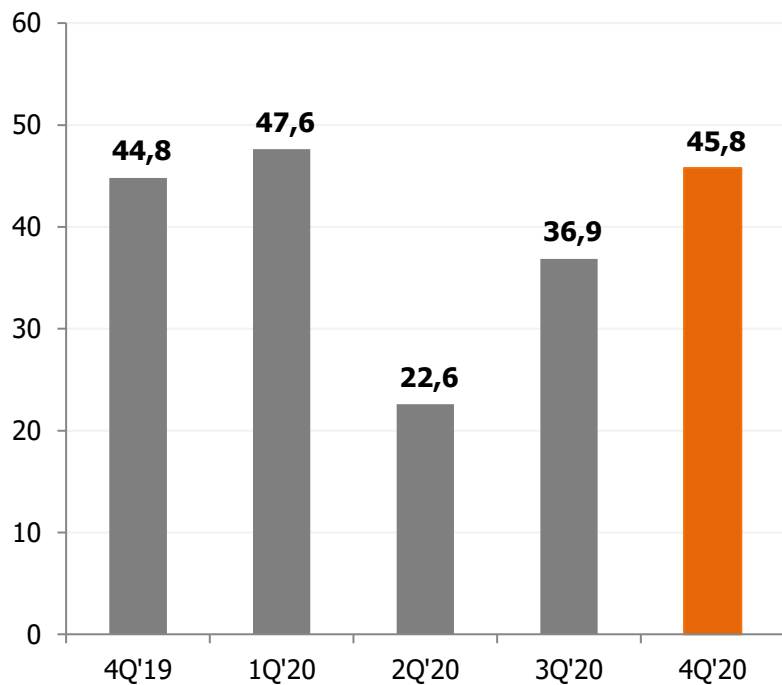


Source: Eurostat

*Note: data up to 2019 include UK data, in 2020 no UK data available of Eurostat

- ⊕ Net export of scrap from EU fell from 1.091k tons in 2019 to 902k tons in 2020, i.e. by 17%. Export to China and India fell from 607k tons in 2019 to the level of 381k tons in 2020
- ⊕ Net export of scrap from Poland increased from 31k tons in 2019 up to 76k tons in 2020

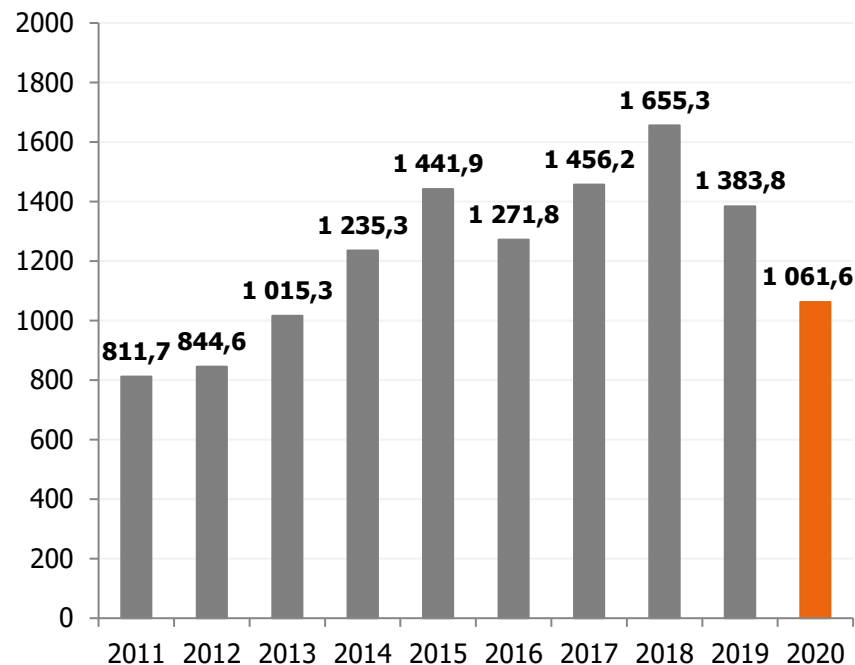
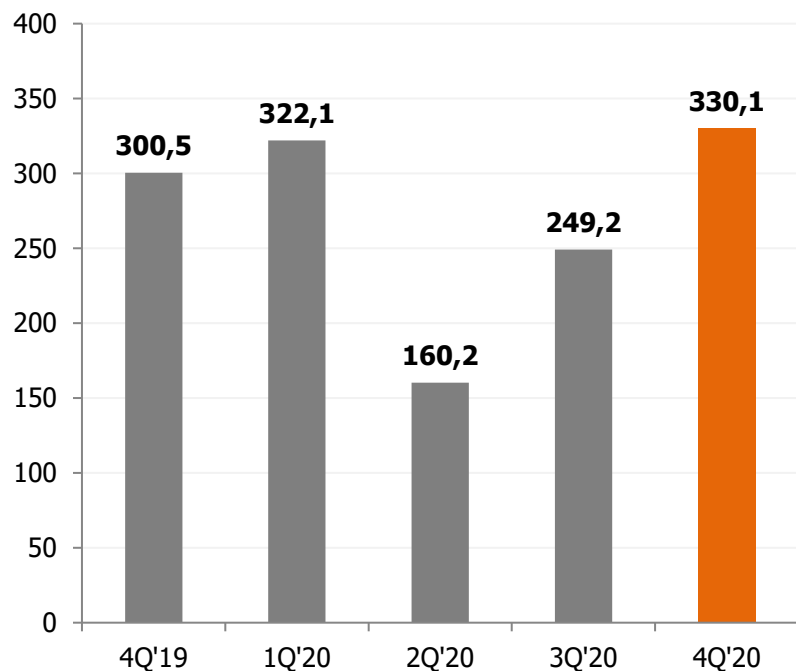
Sales volume in thou. tons



✦ In Q4 2020 sales volume increased by 2% yoy to 45,8k tons

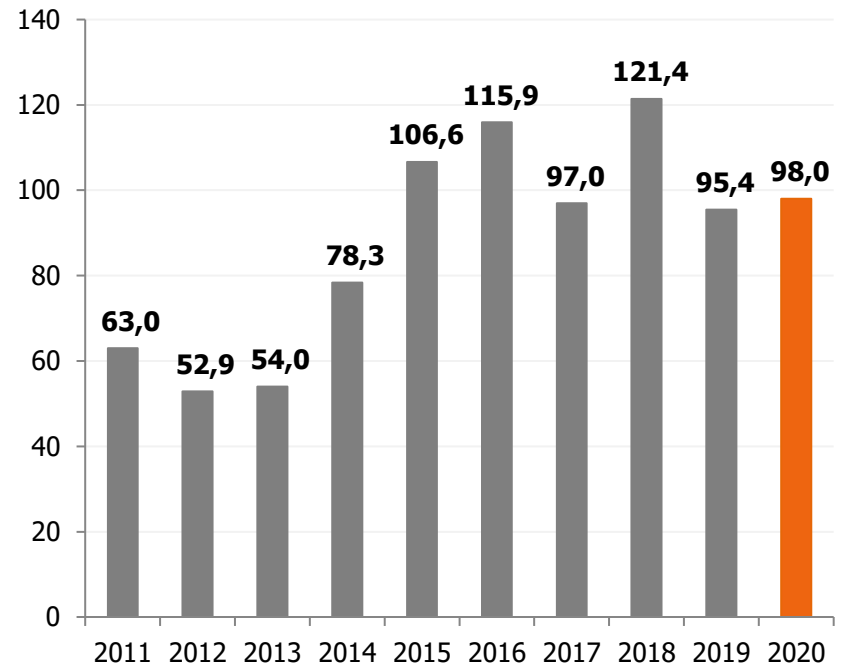
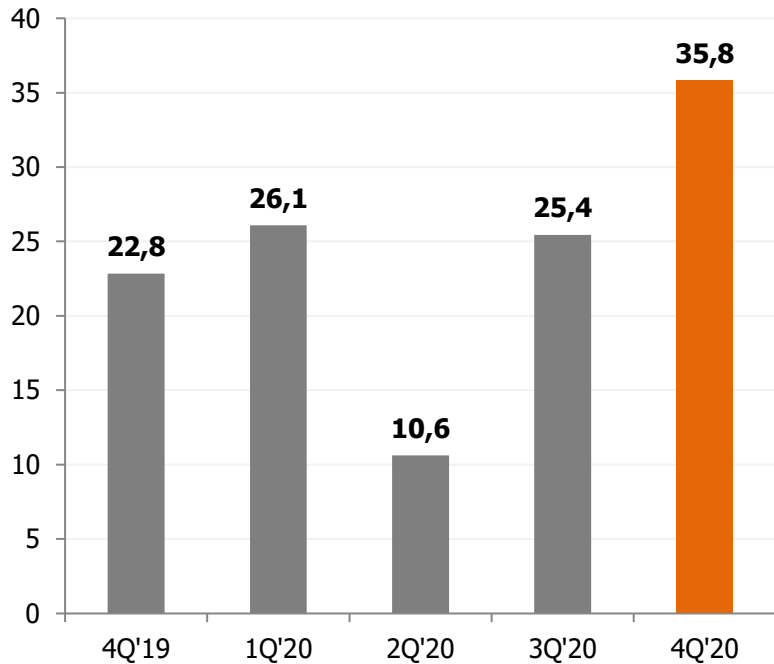
✦ In 2020 sales volume decreased by 21% yoy to 152,8k tons

Sales revenue in mn PLN



- ⊕ In Q4 2020 sales revenue increased by 10% yoy to PLN 330,1 mn
- ⊕ In 2020 sales revenue decreased by 23% yoy to PLN 1 061,6 mn

EBITDA in mn PLN

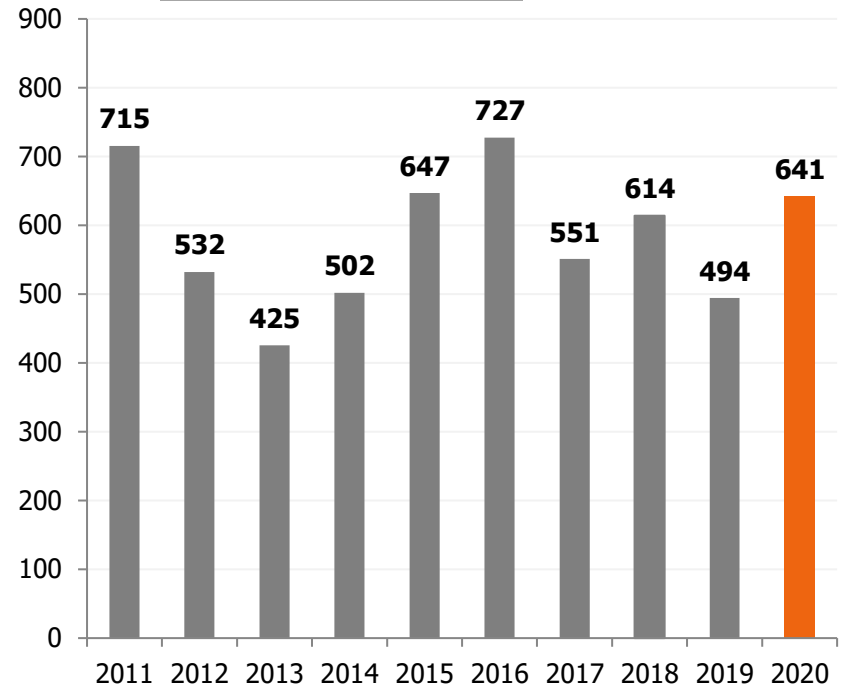
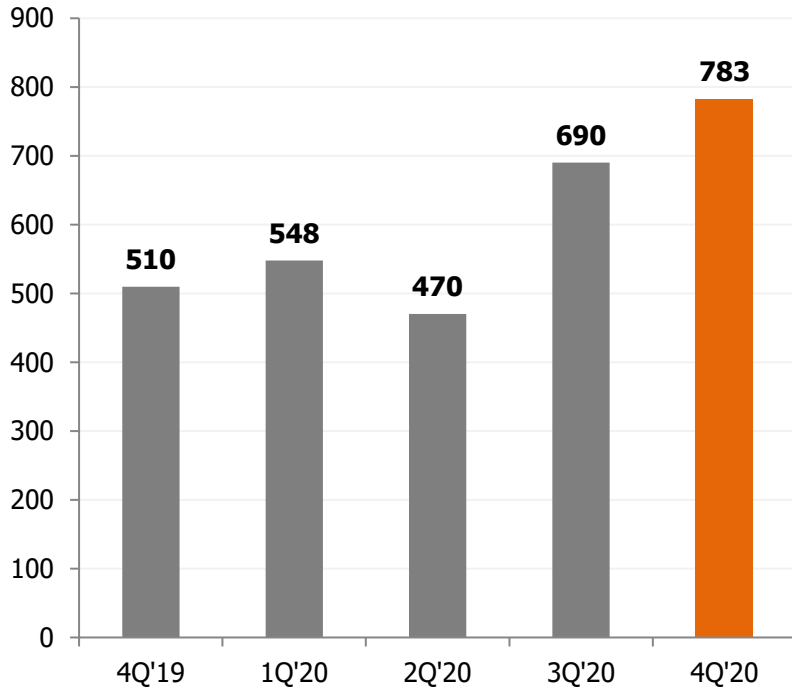


⊕ In Q4 2020 EBITDA increased by 57% yoy to PLN 35,8 mn

⊕ In 2020 EBITDA increased by 3% yoy to PLN 98,0 mn



EBITDA per ton in PLN

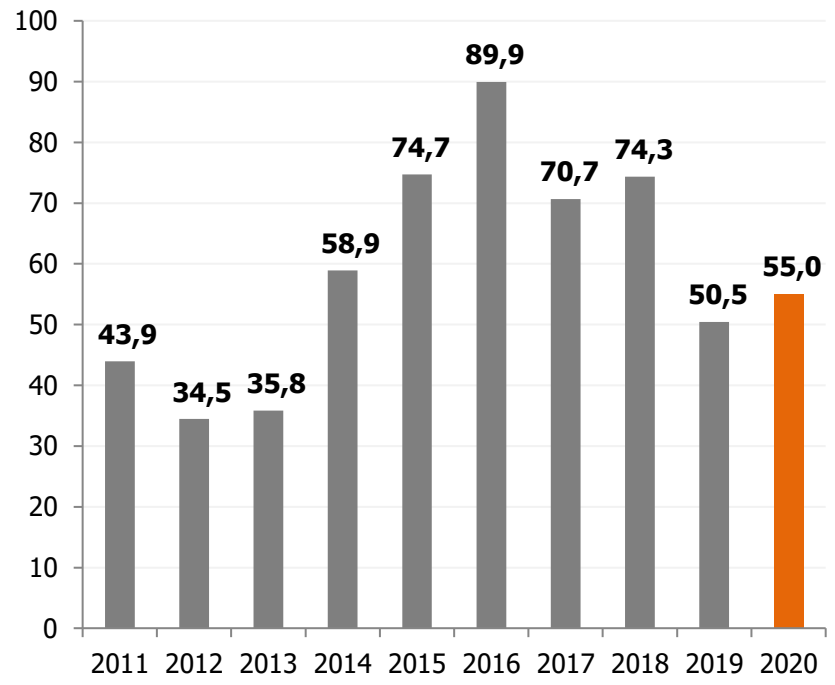
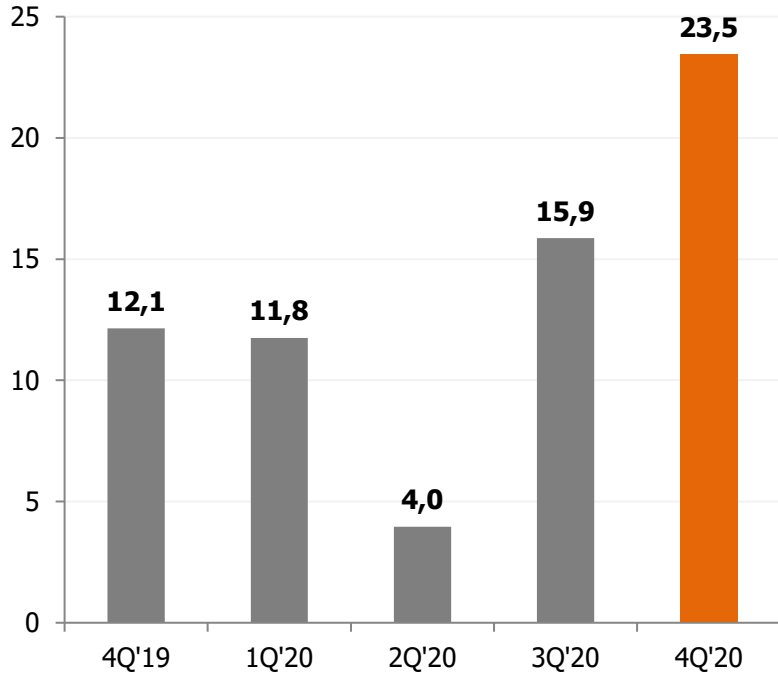


✦ In Q4 2020 EBITDA per ton increased by 54% yoy to 783 PLN/t

✦ In 2020 EBITDA per ton increased by 30% yoy to 641 PLN/t



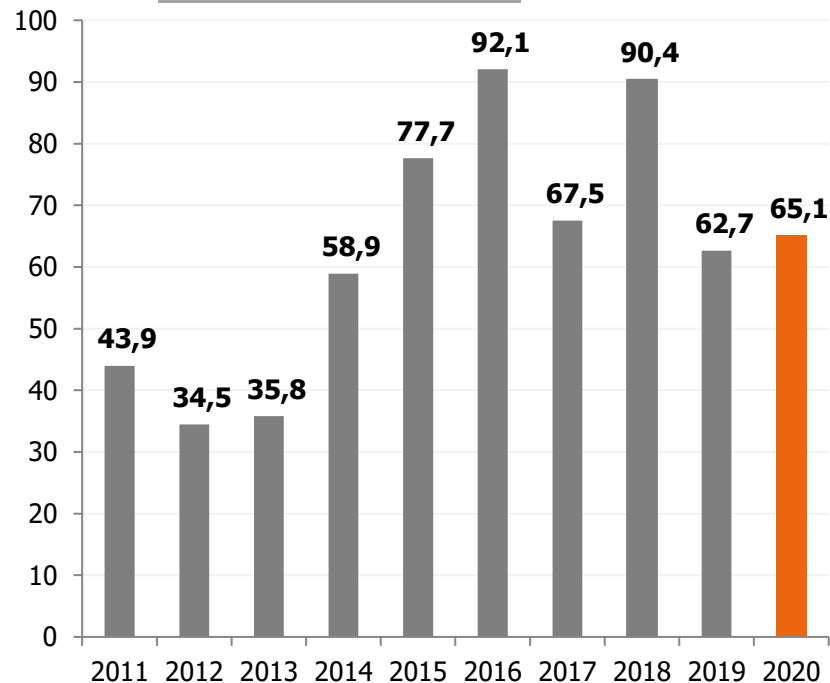
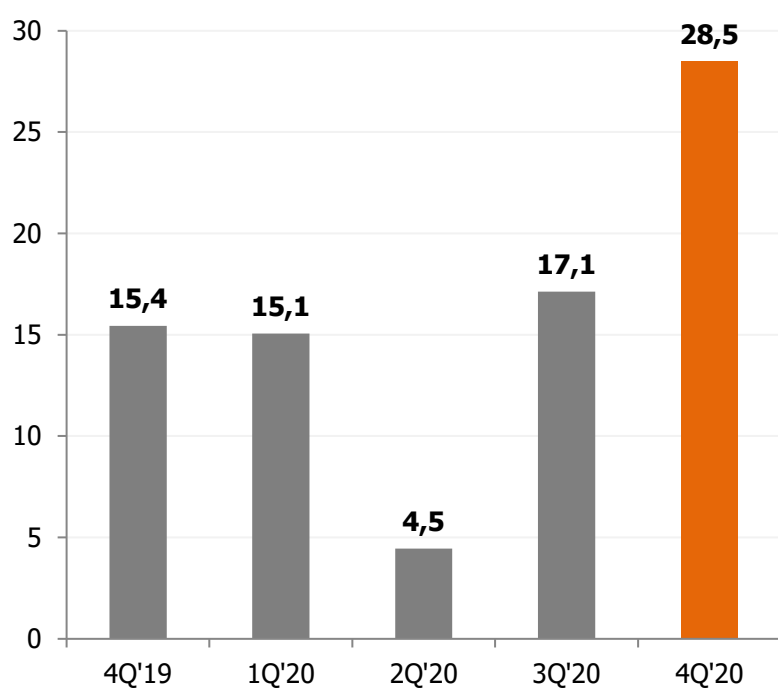
Net profit in mn PLN



- ⊕ In Q4 2020 net profit increased by 93% yoy to PLN 23,5 mn
- ⊕ In 2020 net profit increased by 9% yoy to PLN 55,0 mn



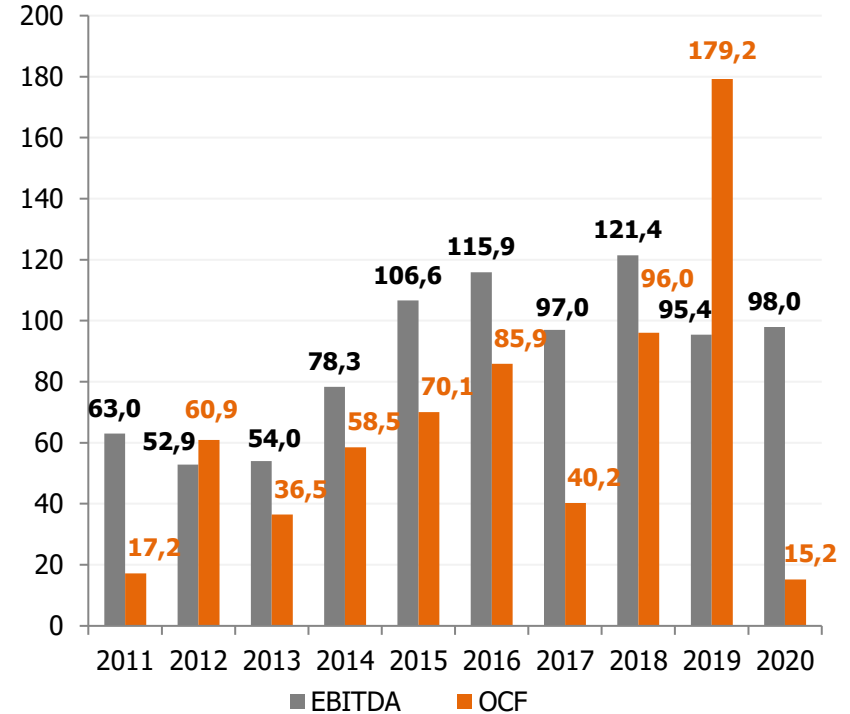
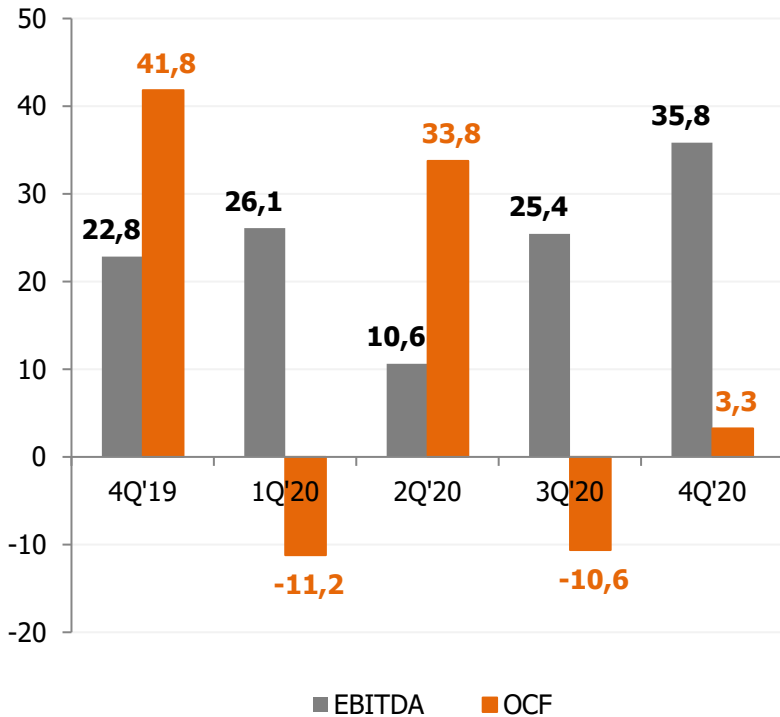
Normalized net profit in mn PLN



⊕ In Q4 2020 normalized net profit increased by 85% yoy to PLN 28,5 mn

⊕ In 2020 normalized net profit increased by 4% yoy to PLN 65,1 mn

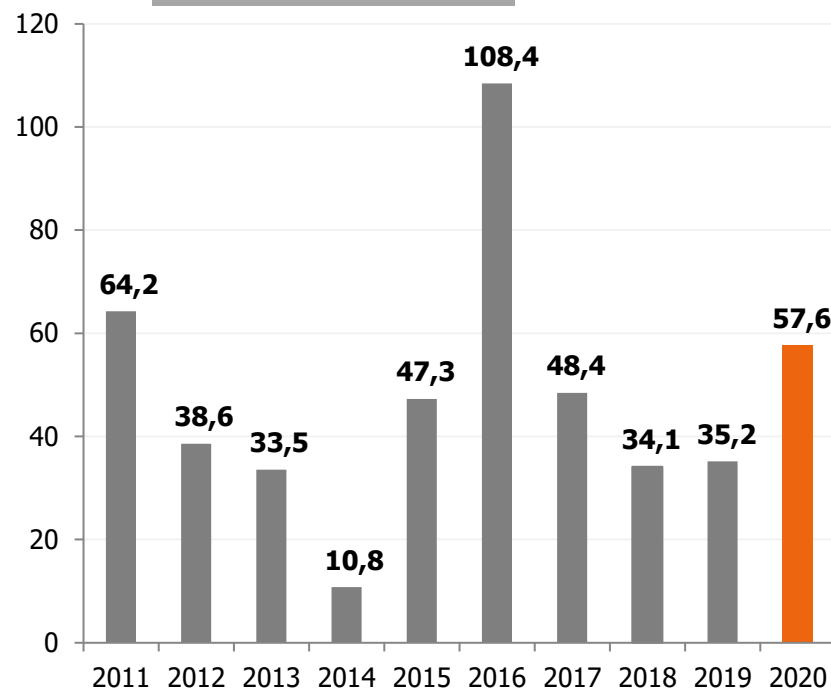
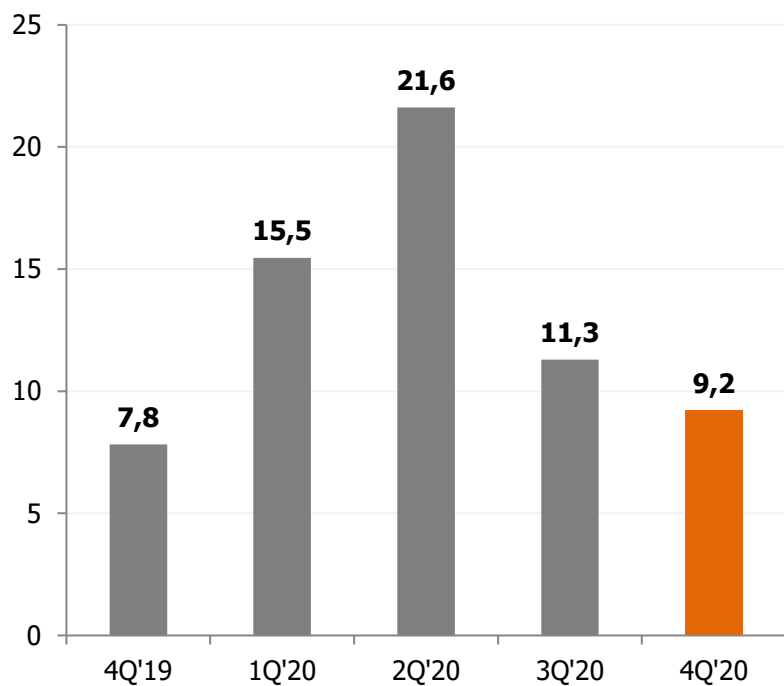
EBITDA vs OCF in mn PLN



- ✦ In Q4 2020 OCF amounted to PLN 3,3 mn vs PLN 35,8 mn of EBITDA
- ✦ In 2020 OCF amounted to PLN 15,2 mn vs PLN 98,0 mn of EBITDA

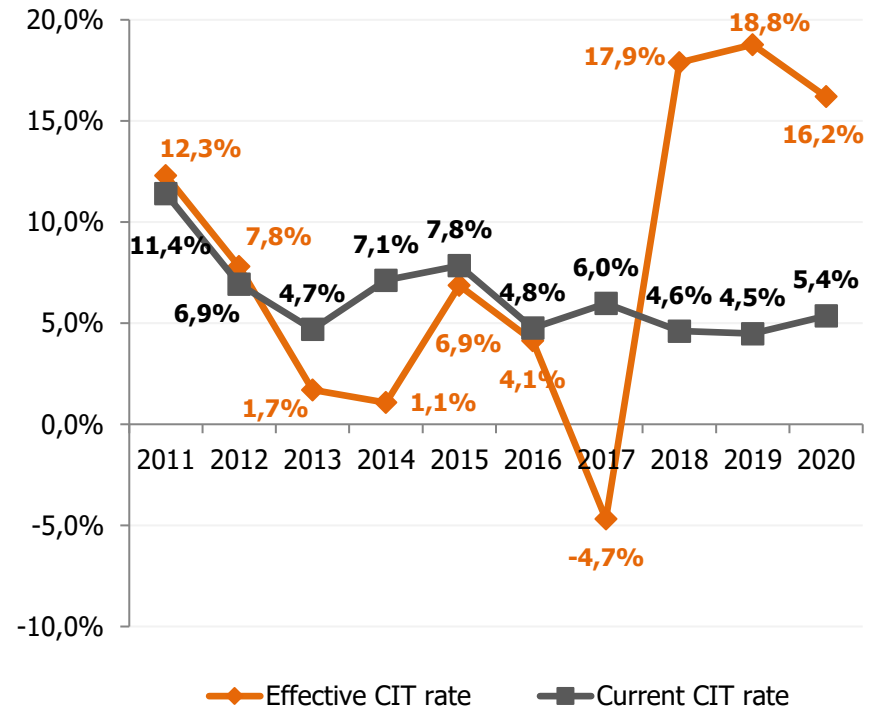
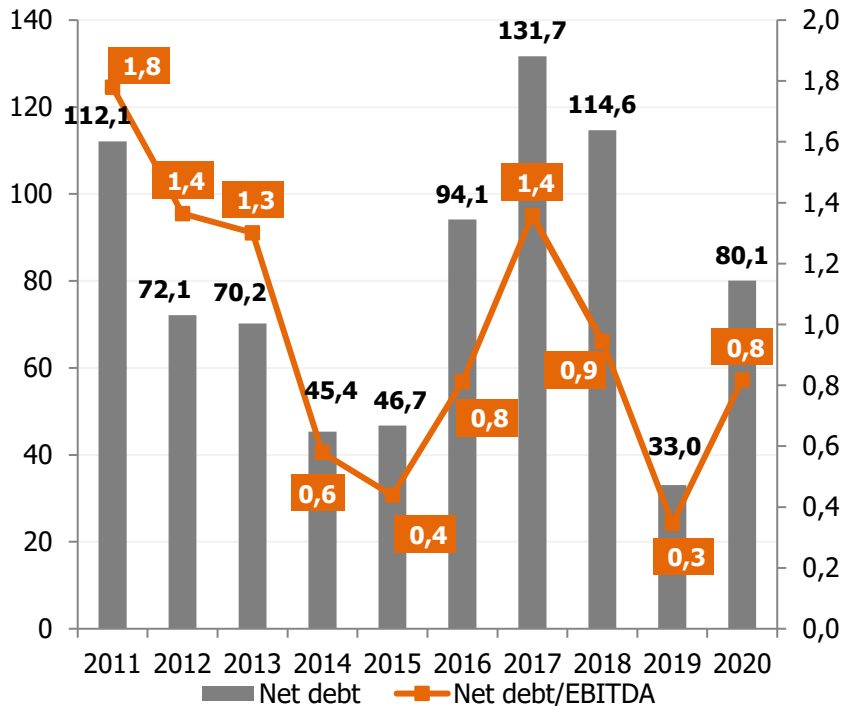


Capex in mn PLN



- ✦ In 2020 capex increased by 64% yoy to PLN 57,6 mn of which:
- PLN 7,9 mn maintenance capex
 - PLN 49,7 mn development capex (mainly modernization of the Kęty plant)

Net debt and effective CIT rate



- At the end of 2019 net debt increased to PLN 80,1 mn, and Net debt/EBITDA ratio increased from the level 0,3x at the end of 2019 to 0,8x at the end of 2020
- In 2020 effective CIT rate (ratio of CIT from P&L to gross profit) was 16,2% and current CIT rate (ratio of CIT payment to gross profit) was 5,4%

Kęty plant modernization

- ⊕ The budget of the entire project is PLN 67,8 mn. Cumulative capex from the beginning of the project to the end of 2020 amounted to PLN 60,9 mn. The remaining part will be spent in 2021
- ⊕ In Q4 2020 the assembly of machines and equipment and most of the construction work were finished
- ⊕ In Q4 2020 there was commissioning and testing of the production line with associated equipment. In 1Q 2021 full production capacity was achieved
- ⊕ The modernization increased Alumetal Group production capacity by 20k tons to 270k tons annually, improved energy efficiency and productivity per employee which consequently improves cash production costs per unit
- ⊕ The project completed on time and budget

Management Board proposal of the net profit distribution

- ⊕ PLN 65,1 mn of normalized consolidated net profit in 2020
- ⊕ Management Board profit distribution proposal
 - PLN 45,5 mn for the payment dividend for shareholders
 - PLN 19,2 mn for supplementary capital
 - PLN 0,41 mn for employees' social fund
- ⊕ PLN 2,92 proposed dividend per share (dividend yield at 5,0%)
- ⊕ Planned dividend record date on 8 June 2021 and planned dividend payment date on 28 June 2021

FY 2020 summary

- ✦ In 2020 Alumetal Group achieved very good financial results in extremely challenging and volatile market conditions. During the pandemic period, we strengthened our competitive advantages and market position
- ✦ In the third, last year of the Incentive Programme III, only the market price performance parameter was achieved, meaning that up to 51,598 incentive shares will be taken up by eligible employees in 2023
- ✦ One-time suspension of dividend policy in 2020 due to coronavirus pandemic
- ✦ Modernization of the Kęty plant completed on time and budget, we observe a positive impact of the modernization on the financial results in Q1 2021 already
- ✦ We uphold our strategic goal of 250k tons sales volume in 2022 (in 2021 sales volume will significantly exceed 200k tons)

