



Alumetal Group
H1 2015 financial results

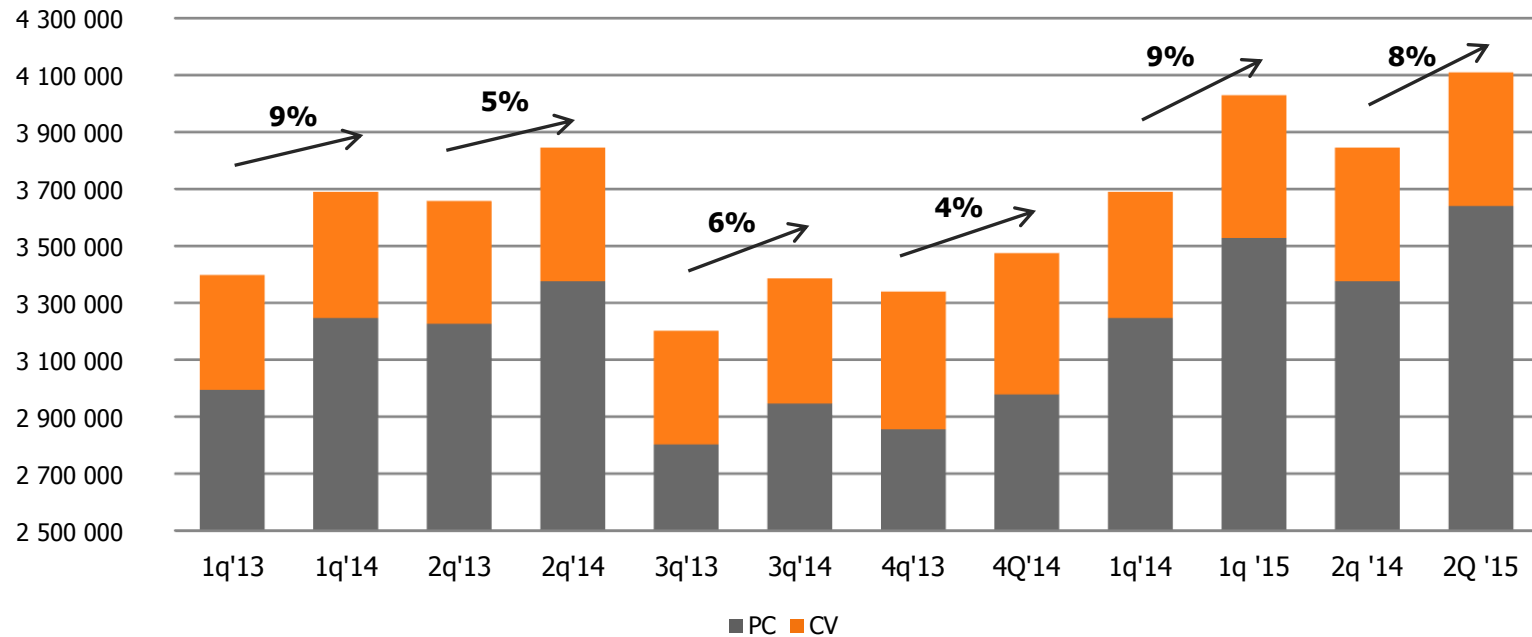
18 August 2015

alumetal

H1 2015 and LTM at glance

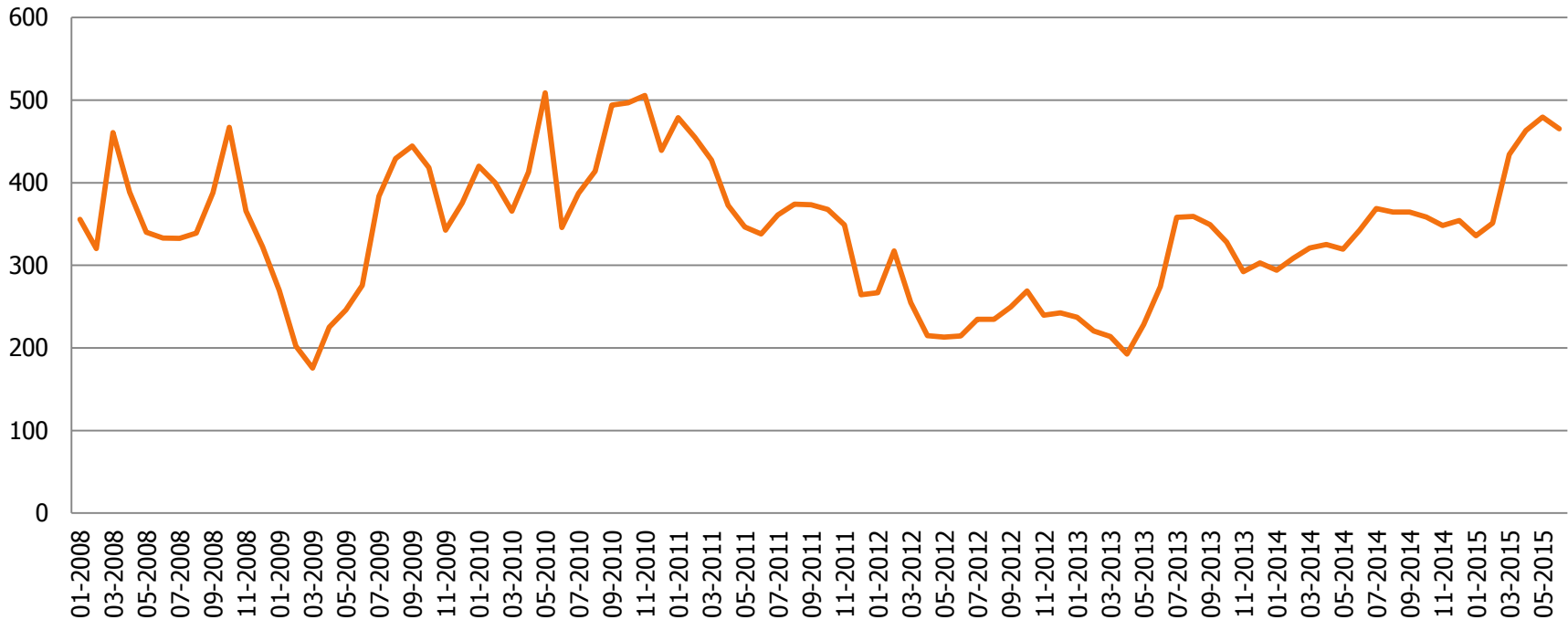
- ⊕ Volume sales **86,7k tons** in H1 2015 and **163k tons in LTM**
- ⊕ EBITDA **PLN 47,4 mn** in H1 2015 and **PLN 89,5 mn** in LTM
- ⊕ Net profit **PLN 31,3 mn** in H1 2015 and **PLN 62,3 mn** in LTM
- ⊕ Payment of dividend **PLN 29,4 mn** on 29 June 2015
- ⊕ Net debt **PLN 84,4 mn** and net debt/EBITDA **x0,9**

Motor vehicle registrations in the EU in thou. units



- ✦ In H1 2015 motor vehicles registrations in the EU increased by 8,8% yoy (1q'15 – 4,03 mn units, 2q'15 – 4,17 mn units, 1h'15 – 8,20 mn units)
- ✦ In H1 2015 passenger cars sales went up by 8,2% yoy and commercial vehicles sales increased by 12,9% yoy

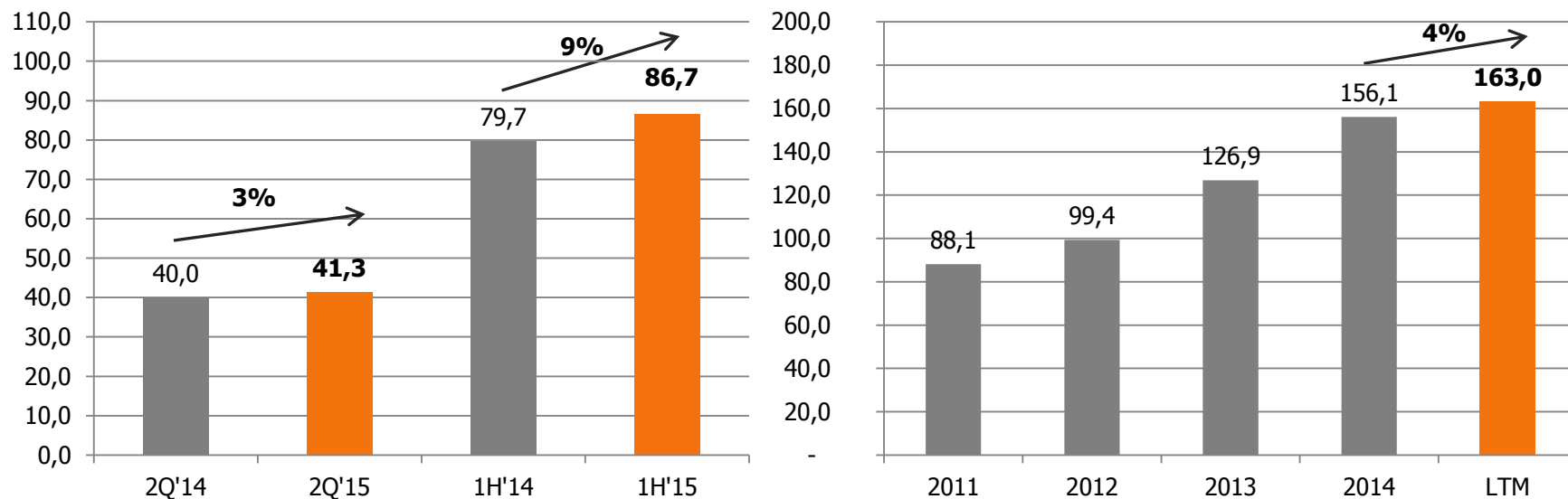
Metal Bulletin 226 alloy spread in EUR/t



⊕ Benchmark margin in H1 2015 stood at 422 EUR/t vs. 319 EUR/t in H1 2014

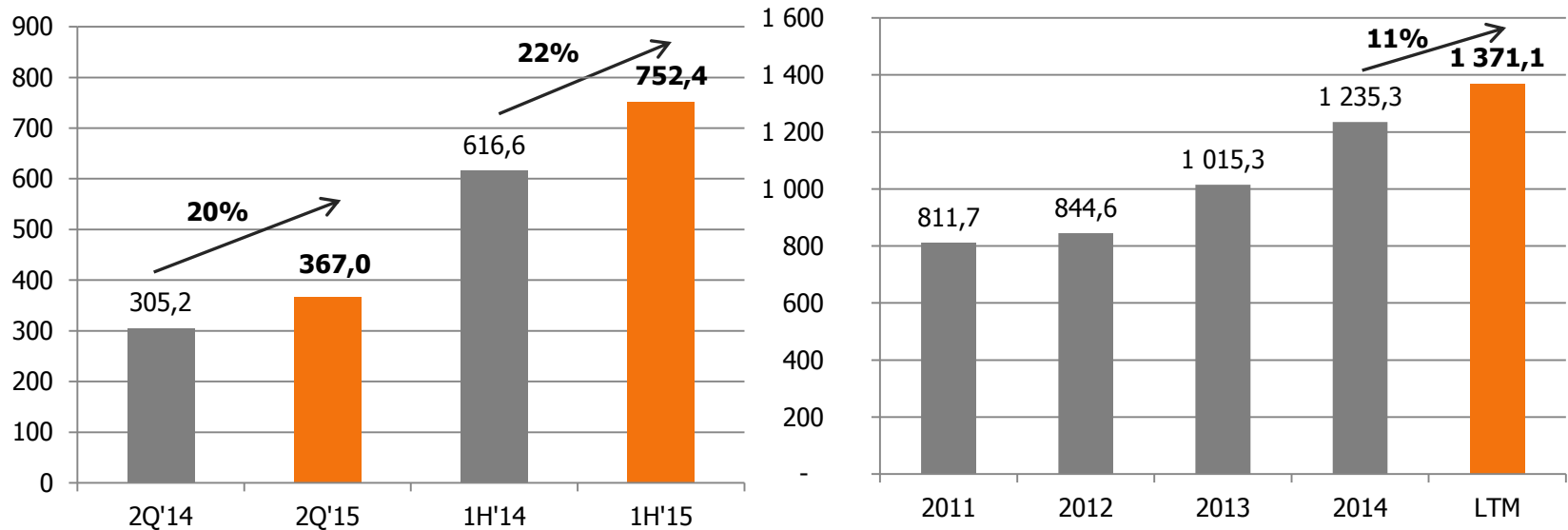
⊕ In Q2 2015 margin amounted to 469 EUR/t vs. 329 EUR/t in Q2 2014

Volume sales in thou. tons



- ✦ In H1 2015 volume sales increased by 9% to 86,7k tons
- ✦ In LTM vs. 2014 volume sales increased by 4% to 163k tons

Sales revenue in mn PLN

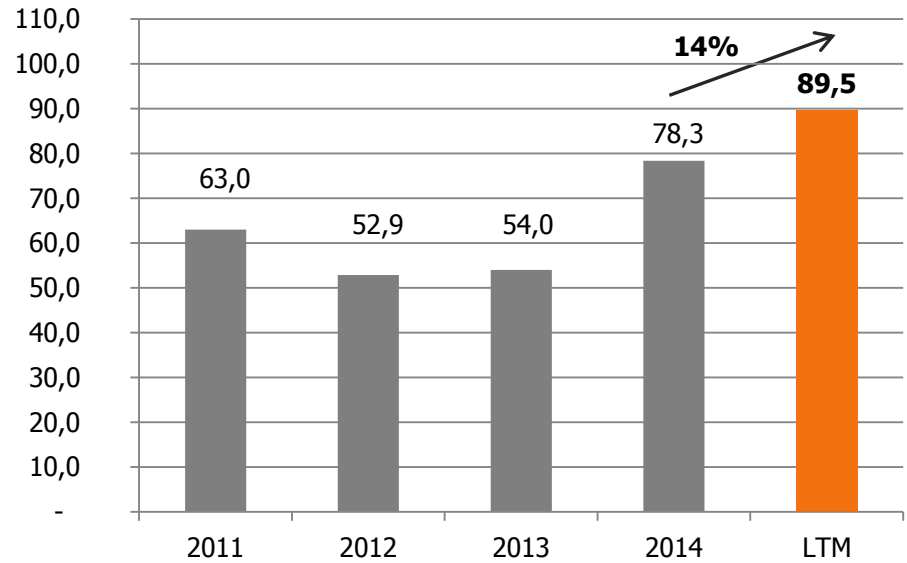
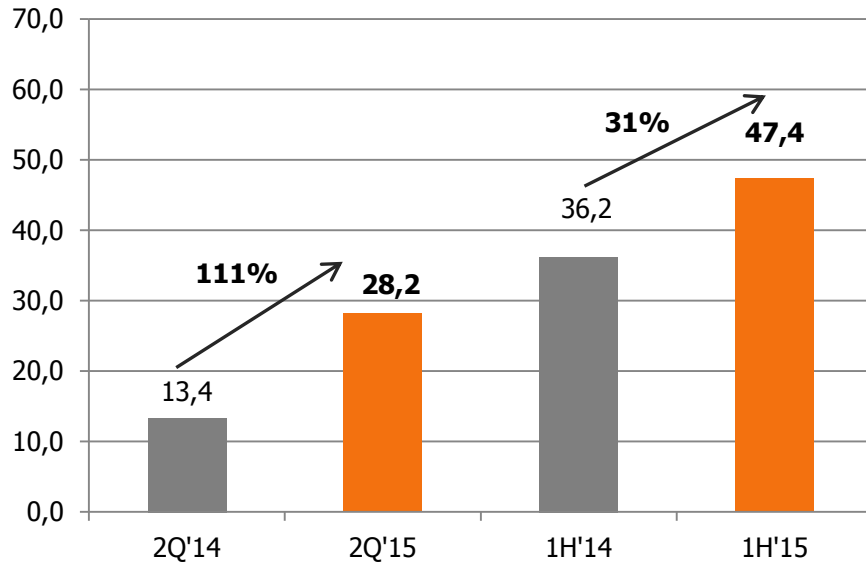


⊕ In H1 2015 sales revenue increased by 22% to PLN 752 mn

⊕ In LTM vs. 2014 sales revenue increased by 11% to PLN 1.371 mn

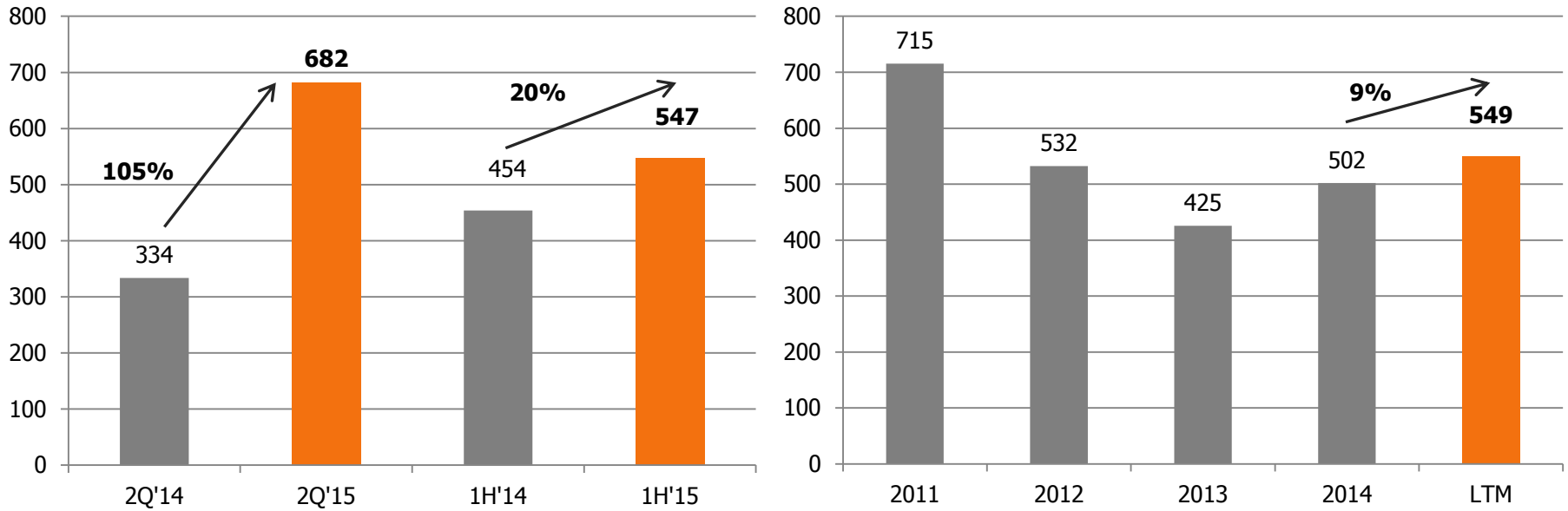


EBITDA in mn PLN



- ⊕ In H1 2015 EBITDA increased by 31% to PLN 47,4 mn
- ⊕ In LTM vs. 2014 EBITDA increased by 14% to PLN 89,5 mn

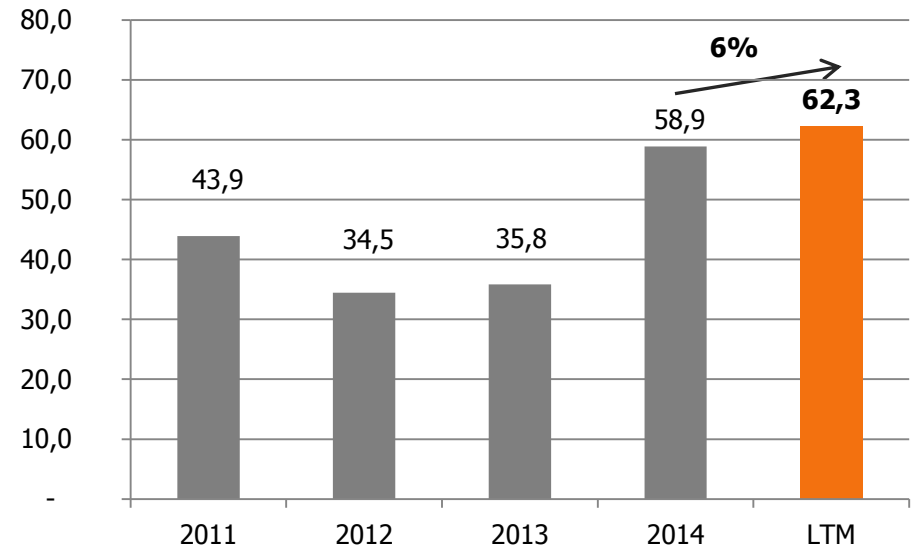
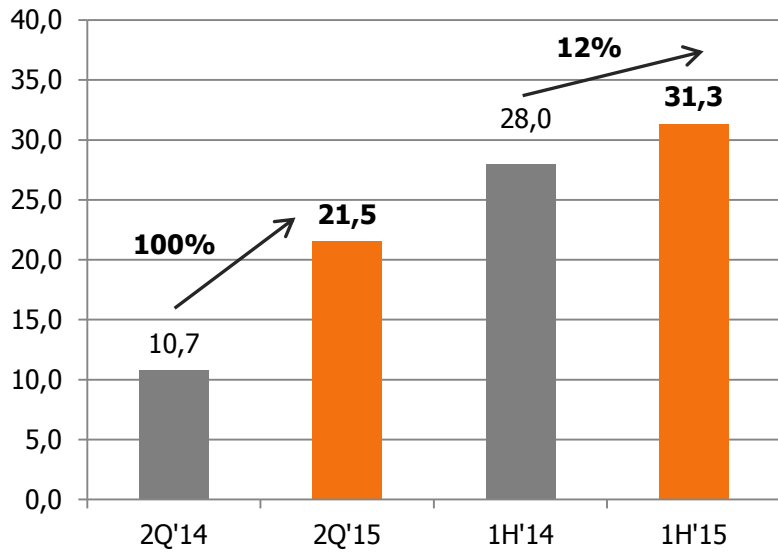
EBITDA per ton in PLN



⊕ In H1 2015 EBITDA per ton increased by 20% to PLN 547

⊕ In LTM vs. 2014 EBITDA per ton increased by 9% to PLN 549

Net profit in mn PLN



⊕ In H1 2015 net profit increased by 12% to PLN 31,3 mn

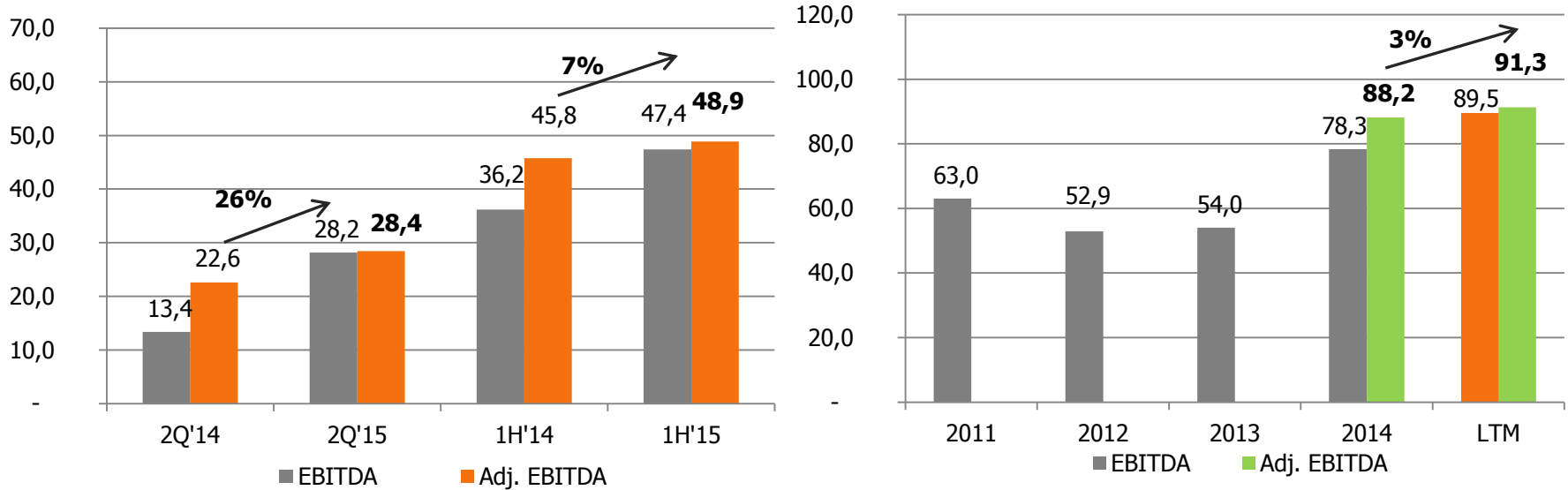
⊕ In LTM vs. 2014 net profit increased by 6% to PLN 62,3 mn



The impact of one-off events on financial results in thou. PLN

	1Q 2014	2Q 2014	1H 2014	1Q 2015	2Q 2015	1H 2015
Increase in valuation of management option scheme				-1 205	-265	-1 470
IPO costs	-347	-597	-944			
VAT – reversal of provision		1 106	1 106			
CIMOS – creation of provision		-9 757	-9 757			
Impact on EBITDA	-347	-9 249	-9 596	-1 205	-265	-1 470
VAT – reversal of provision + interest		884	884			
CIT	66	1 967	2 033			
Impact on net profit	-281	-6 398	-6 679	-1 205	-265	-1 470

Adjusted EBITDA in mn PLN

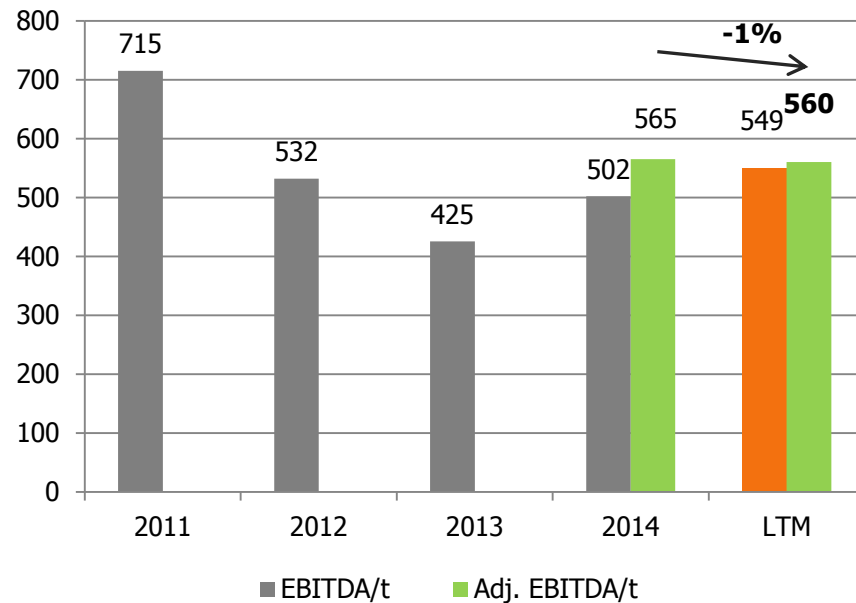
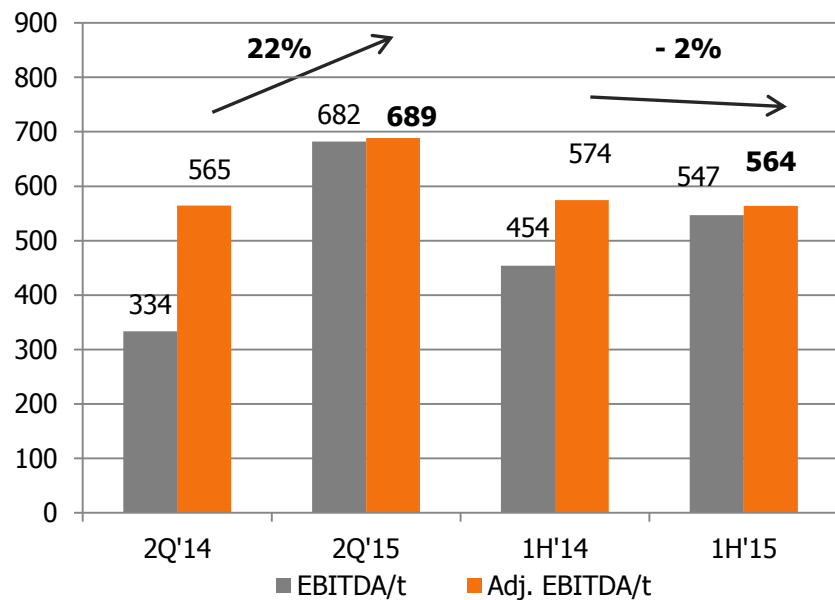


⊕ In H1 2015 adjusted EBITDA increased by 7% to PLN 48,9 mn

⊕ In LTM vs. 2014 adjusted EBITDA increased by 3% to PLN 91,3 mn

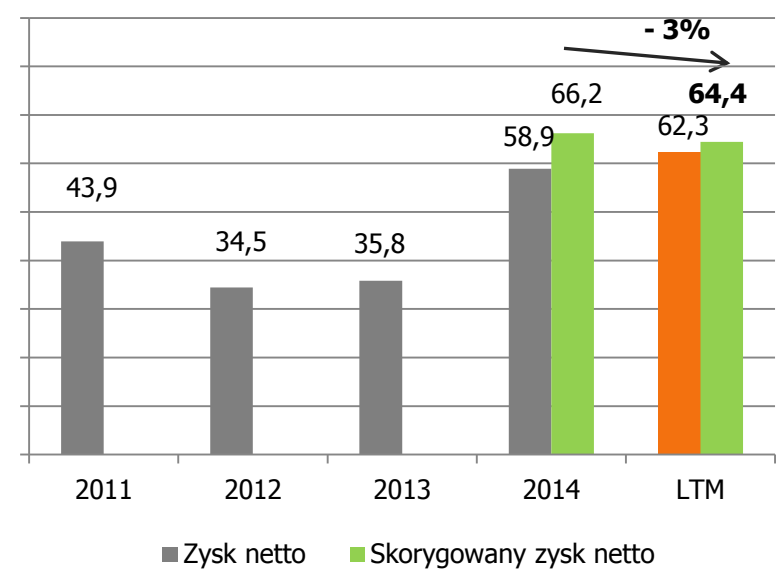
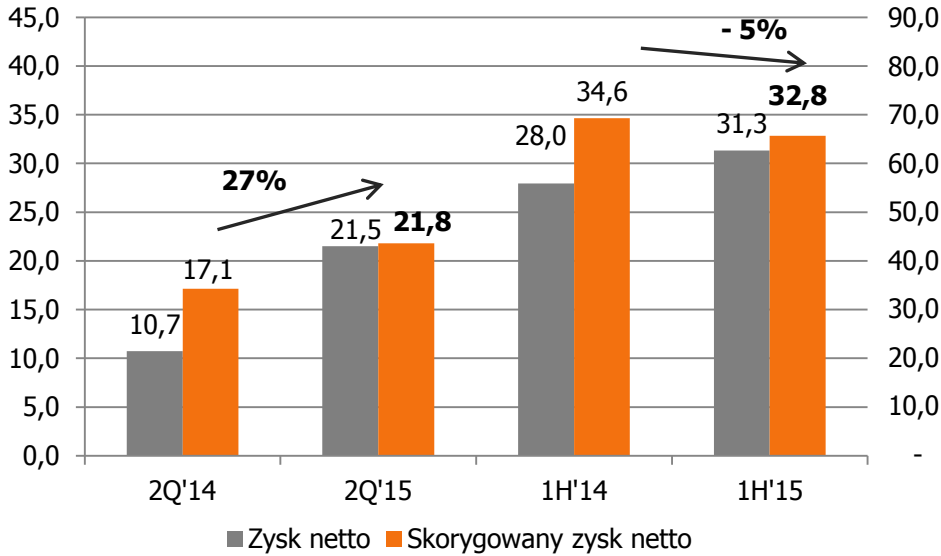


Adjusted EBITDA per ton in PLN



- ⊕ In H1 2015 adjusted EBITDA per ton decreased by 2% to PLN 564
- ⊕ In LTM vs. 2014 adjusted EBITDA per ton decreased by 1% to PLN 560

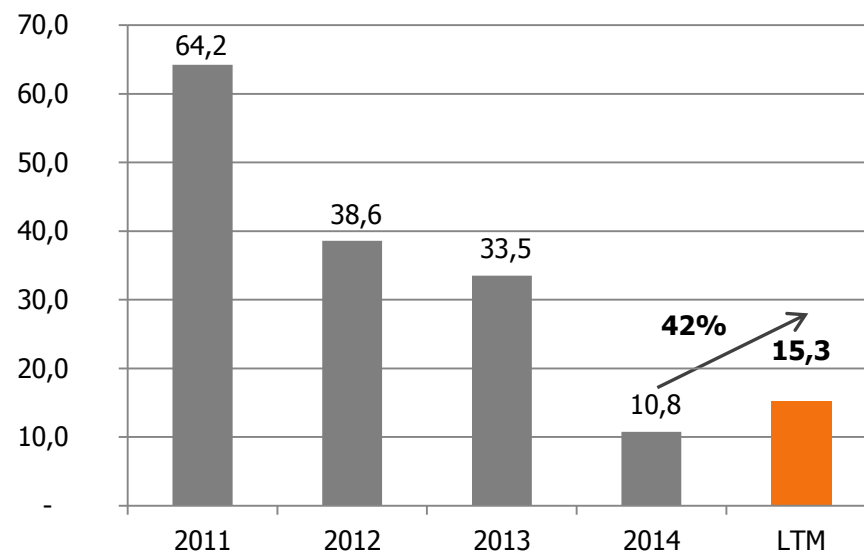
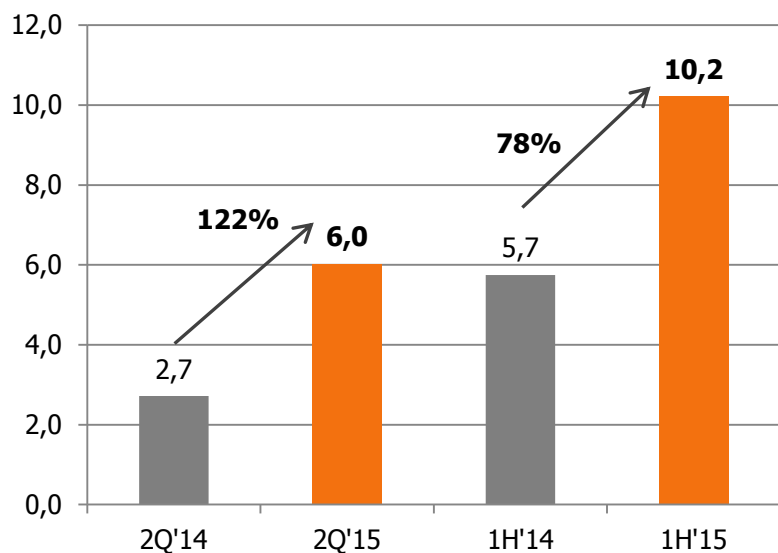
Adjusted net profit mn PLN



- ⊕ In H1 2015 adjusted net profit decreased by 5% to PLN 32,8 mn
- ⊕ In LTM vs. 2014 adjusted net profit decreased by 3% to PLN 64,4 mn

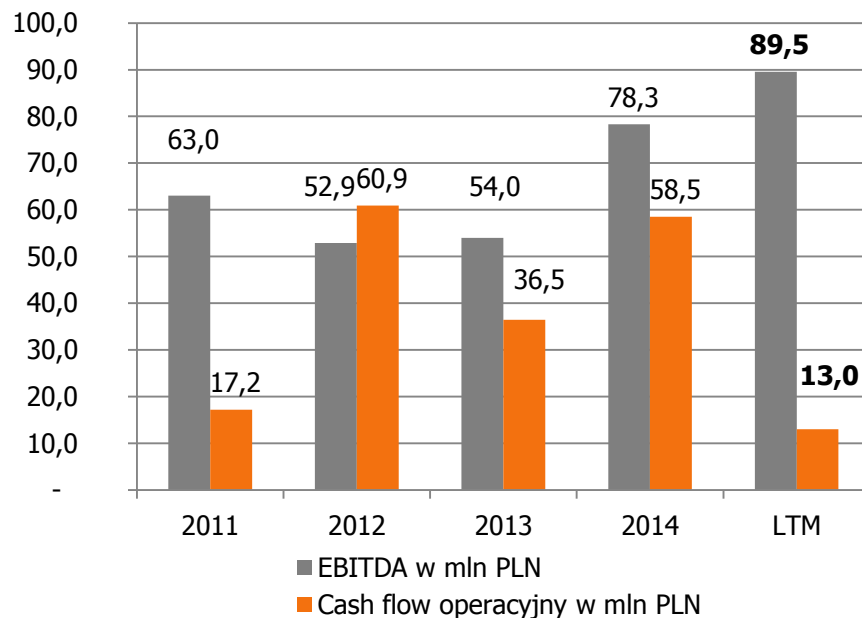
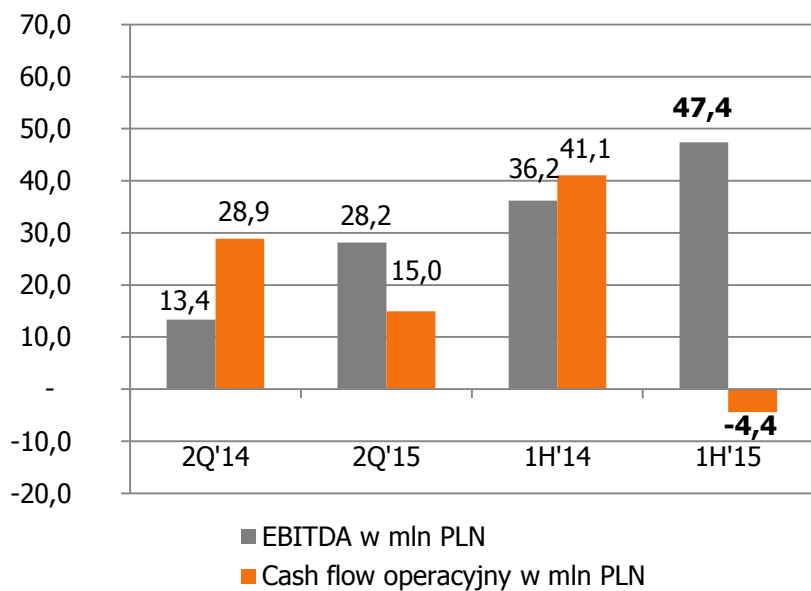


Capex in mn PLN



- ⊕ In H1 2015 capex increased by 78% to PLN 10,2 mn
 - PLN 3,5 mn maintenance
 - PLN 3,6 mn metal management
 - PLN 3,1 mn product mix (liquid metal)/production capacity increase (Hungary)
- ⊕ In LTM vs. 2014 capex went up by 42% to PLN 15,3 mn

OCF vs EBITDA in mn PLN



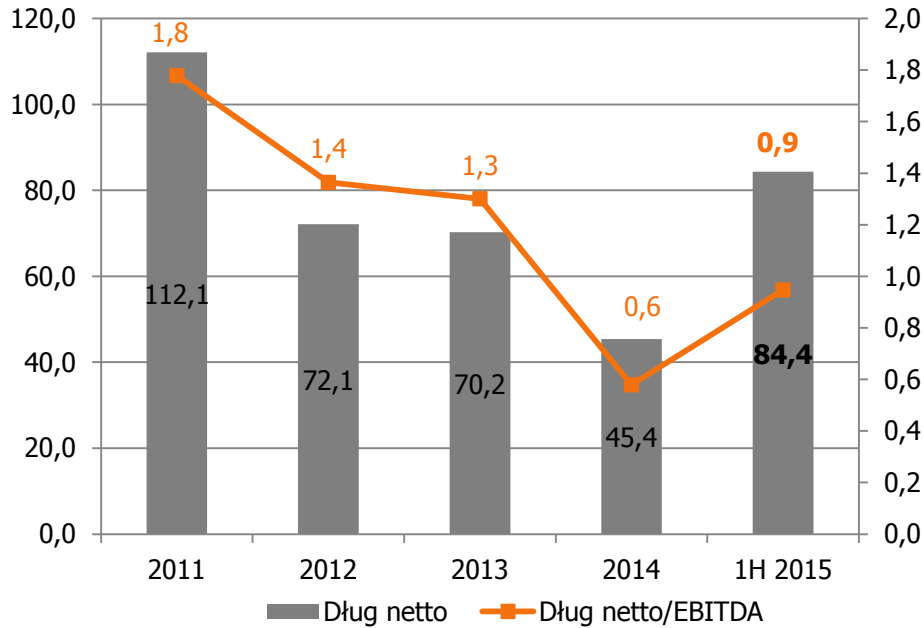
- ⊕ In H1 2015 OCF amounted to minus PLN 4,4 mn vs. EBITDA PLN 47,4 mn
- ⊕ In LTM OCF amounted to PLN 13 mn vs. EBITDA PLN 89,5 mn

Analysis of operating cash flow

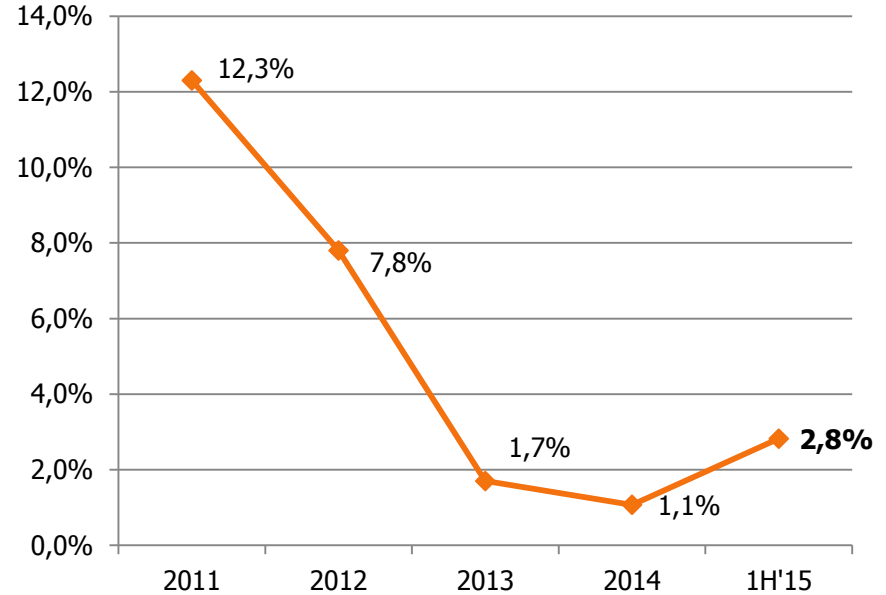
- ⊕ The average monthly increase in sales revenues in Q2 2015 in comparison to Q4 2015 amounted to PLN 13,5 mn or 12,4% (volume growth of 5,3% and average prices increase by 6,8%) – ca. PLN 24 mn increase of net working capital
- ⊕ In Q2 2015, due to environment of rising prices, the scrap stock and concluded contracts for the purchase of scrap increased in order to secure the operating margin which resulted in prolongation of working capital turnover from 54 to 61 days – ca. PLN 24 mn increase of net working capital
- ⊕ Lower volume sales (holiday breaks in automotive industry in August and December), declining prices of alloys and scrap, reduction of scrap inventory will have positive affect on OCF in H2 2015

Net debt and effective CIT rate

Net debt



Effective CIT rate



⊕ At the end of June 2015 net debt amounted to PLN 84,4 mn and Net debt/EBITDA ratio increased from 0,6x at the end of 2014 to 0,9x in mid-2015 due to PLN 29,4 mn dividend payment

⊕ Effective CIT rate amounted 2,8% in H1 2015

Status of project in Hungary

- ⊕ Cash grant – last negotiations of the incentive agreement with the Hungarian government (current status – binding offer of the Hungarian government was accepted by Alumetal Hungary Kft.), CIT allowance is secured
- ⊕ 18 June 2015 adoption of the equity increase in Alumetal Hungary Kft. from HUF 130 mn to HUF 2,8 bn. In July and August HUF 700 mn was brought to the company (ca. PLN 9,45 mn)
- ⊕ June 2015 – Alumetal investment in Komarom acquired the status of investment of particular importance for the Hungarian economy (VIP investor)
- ⊕ July 2015 – obtained valid IPPC permit and construction permit
- ⊕ July 2015 – definitive agreement for the purchase of land
- ⊕ The process of selecting the general constructor has started, general constructor selection and signing of the contract in September 2015
- ⊕ The project is on time (production beginning in Q4 2016) and budget (capex at PLN 120 mn)



Summary

- ⊕ Favorable market environment – increase in demand for alloys from the automotive industry and significant increase of the benchmark margins
- ⊕ Very good profitability in Q2 2015, in line with the management expectations. The Management Board is counting on realization of financial conditions necessary for disbursement of second tranche of managerial option (in 2015 growth of EBITDA and net profit of at least 12,5% per share)
- ⊕ Sales revenue growth (increase of volume and prices) and increasing stock of scrap affected the OCF. The Management Board expects a significant improvement of OCF in H2 2015
- ⊕ Hungarian project on time and budget