



Alumetal Group

H1 2016 financial results

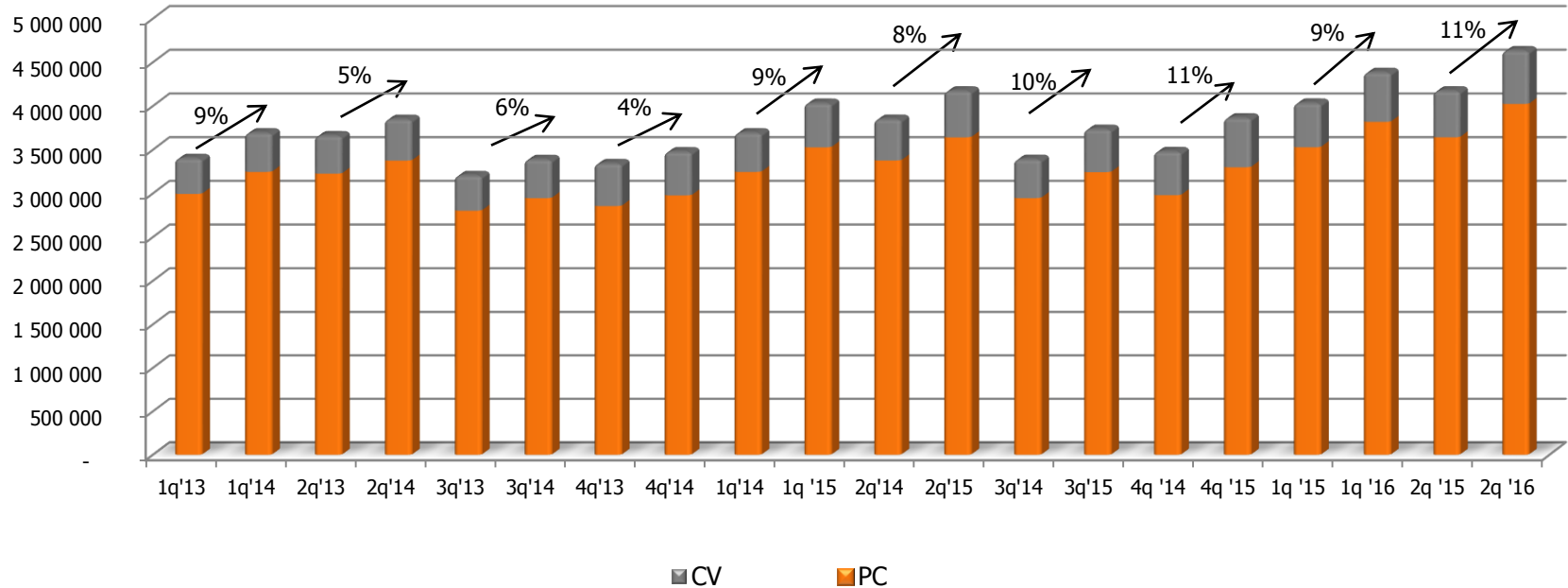
19th August 2016



H1 2016 and LTM at glance

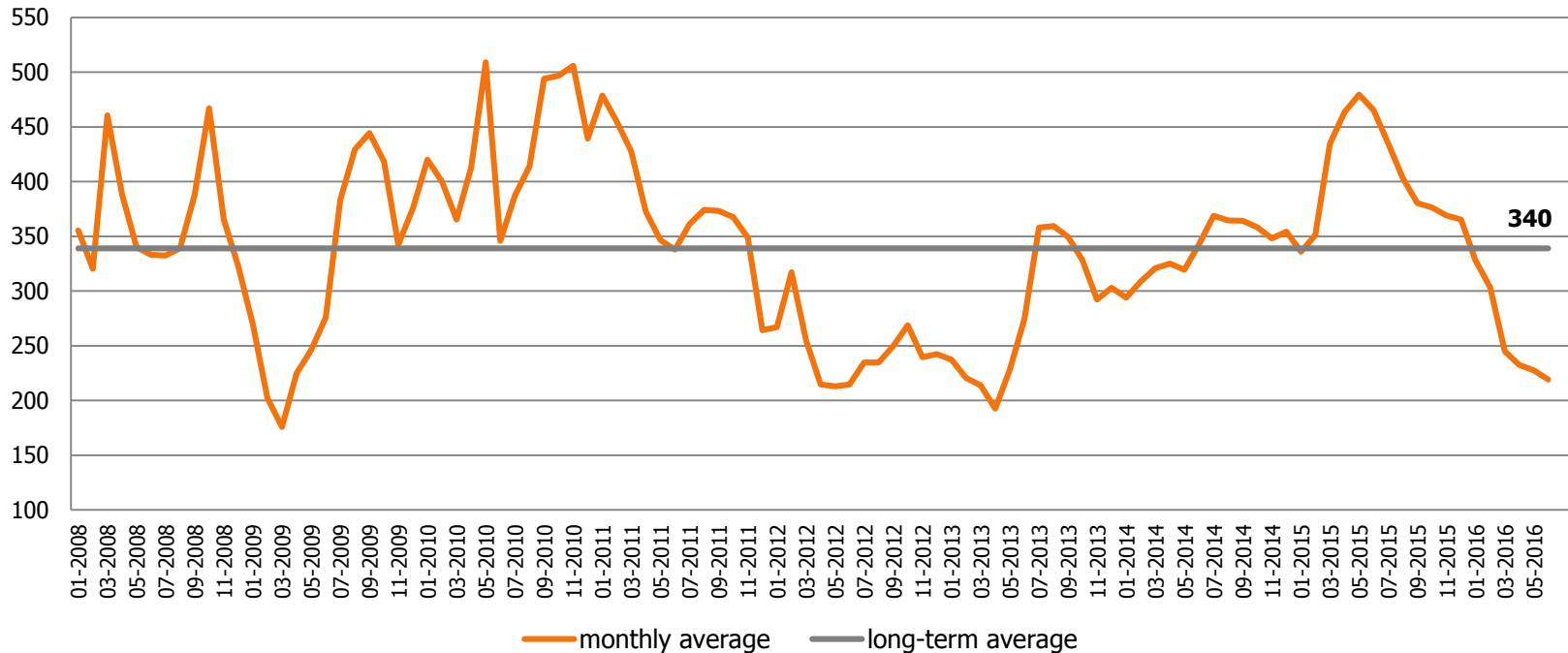
- ⊕ Volume sales – **83k tons** in H1 2016 and **161k tons** in LTM
- ⊕ EBITDA – **PLN 67 mn** in H1 2016 and **PLN 126 mn** in LTM
- ⊕ Net profit – **PLN 55 mn** in H1 2016 and **PLN 102 mn** in LTM
- ⊕ Operational cash flow – **PLN 72 mn** in H1 2016 and **PLN 147 mn** in LTM
- ⊕ Payment of dividend – **PLN 39 mn** on 7th June 2016
- ⊕ Net debt – **PLN 79 mn** (0,6xEBITDA)

Motor vehicle registrations in the EU in thou. units



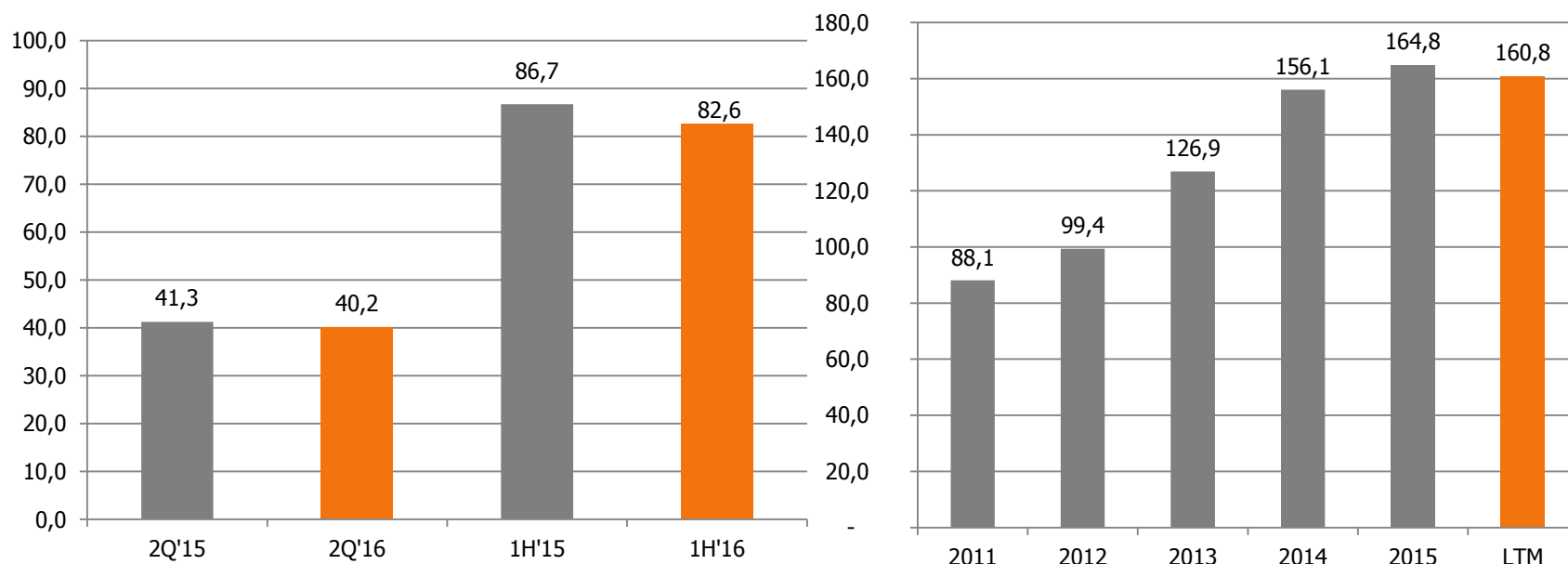
- ✦ In H1 2016 motor vehicles registrations in the UE increased by 8,8% yoy, of which passenger cars (PC) sales increased by 9,4% and commercial vehicles (CV) sales went up by 13,5%
- ✦ In LTM sale volume of motor vehicles in UE increased by 10,2% yoy to the level of 16,6 mn units (9,8% increase in PC and 12,8% increase in CV)

Metal Bulletin 226 alloy spread in EUR/t



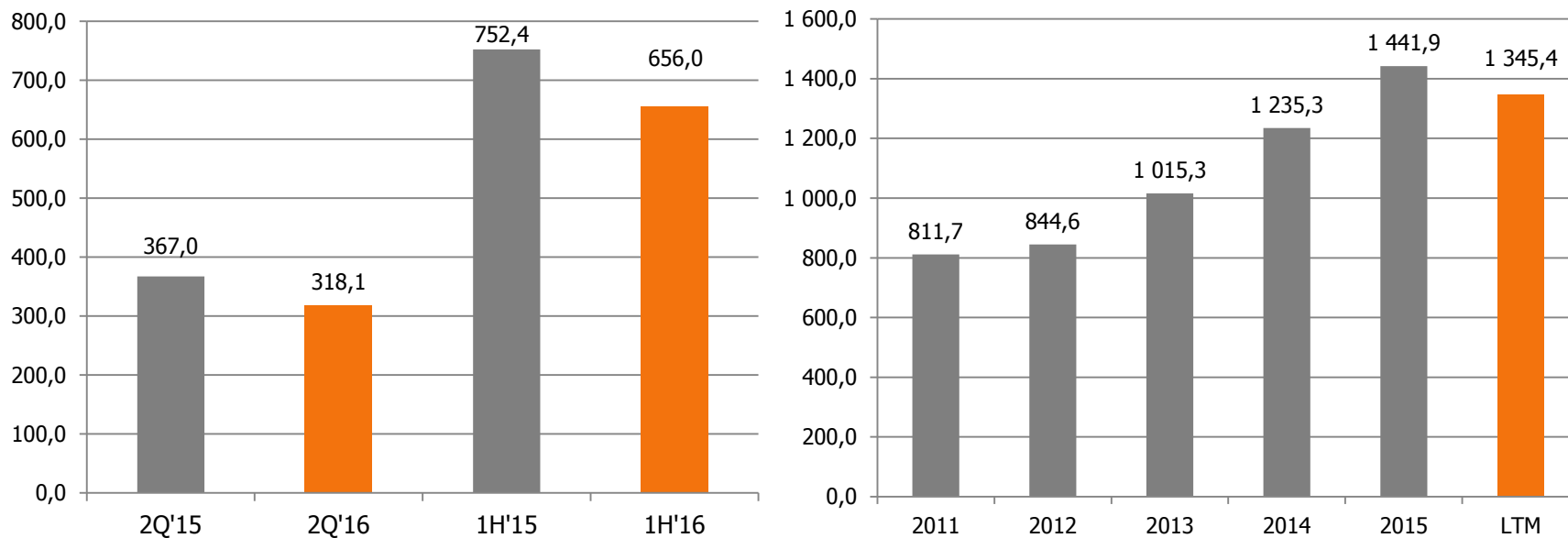
- ⊕ Benchmark margin in H1 2016 was on average level of 259 EUR/t vs. 422 EUR/t in H1 2015
- ⊕ In July 2016 margin amounted to 230 EUR/t vs. 219 EUR/t in June 2016 (the lowest level from April 2013)

Volume sales in thou. tons



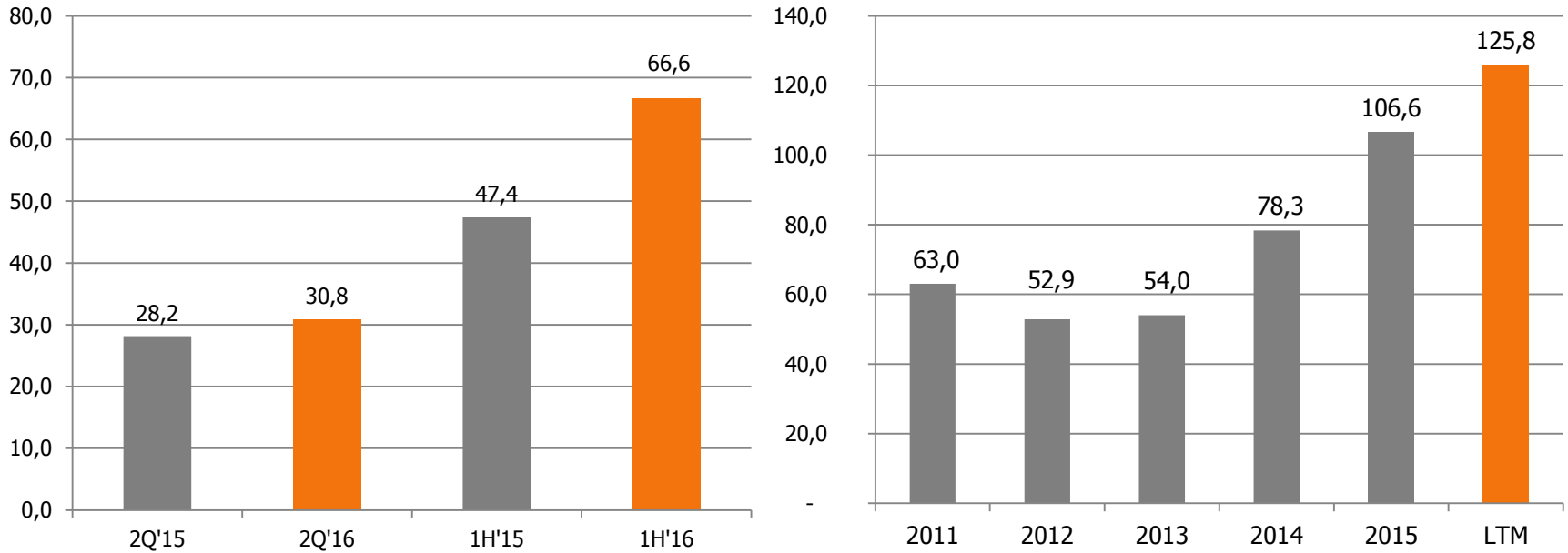
- ✦ In H1 2016 sales volume decreased by 5% yoy to 83 thou. tons
- ✦ In LTM sales volume amounted to 161 thou. tons which is 2% decrease in comparison to 2015

Sales revenue in mn PLN



- ⊕ In H1 2016 sales revenue decreased by 13% yoy to PLN 656 mn
- ⊕ In LTM sales revenue amounted to PLN 1,35 bn which is 7% decrease in comparison to 2015

EBITDA in mn PLN

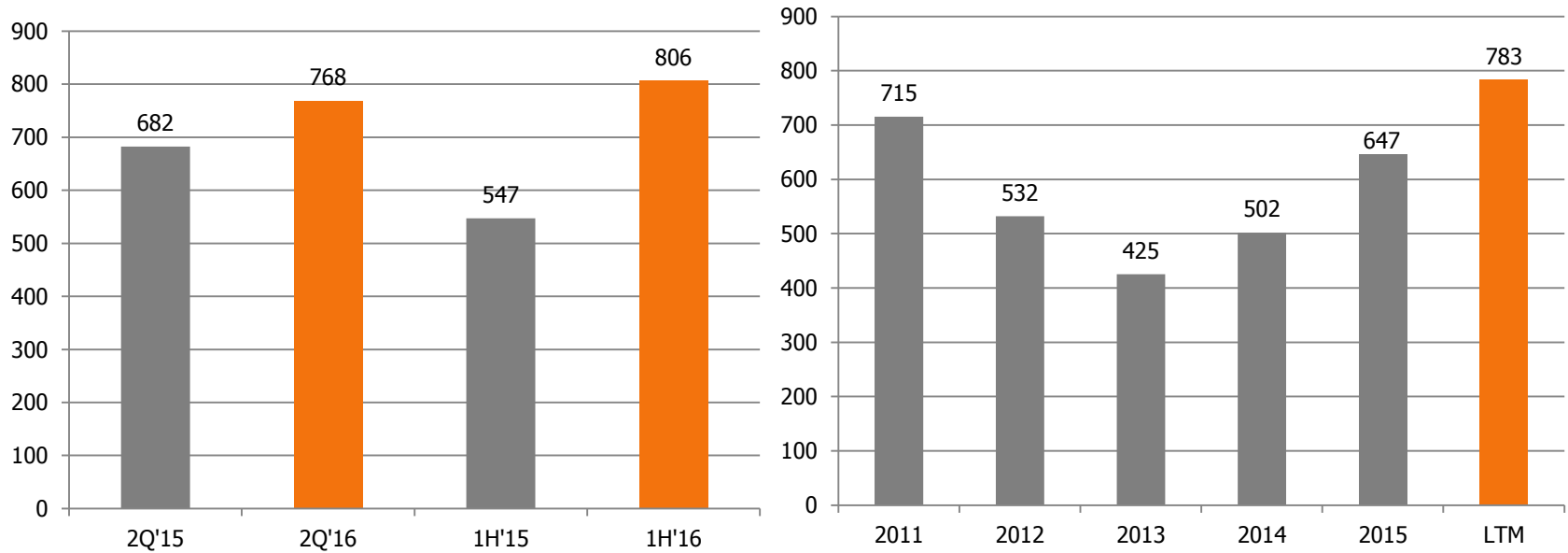


⊕ In H1 2016 EBITDA increased by 41% yoy to PLN 67 mn

⊕ In LTM EBITDA amounted to PLN 126 mn, 18% increase in comparison to 2015



EBITDA per ton in PLN

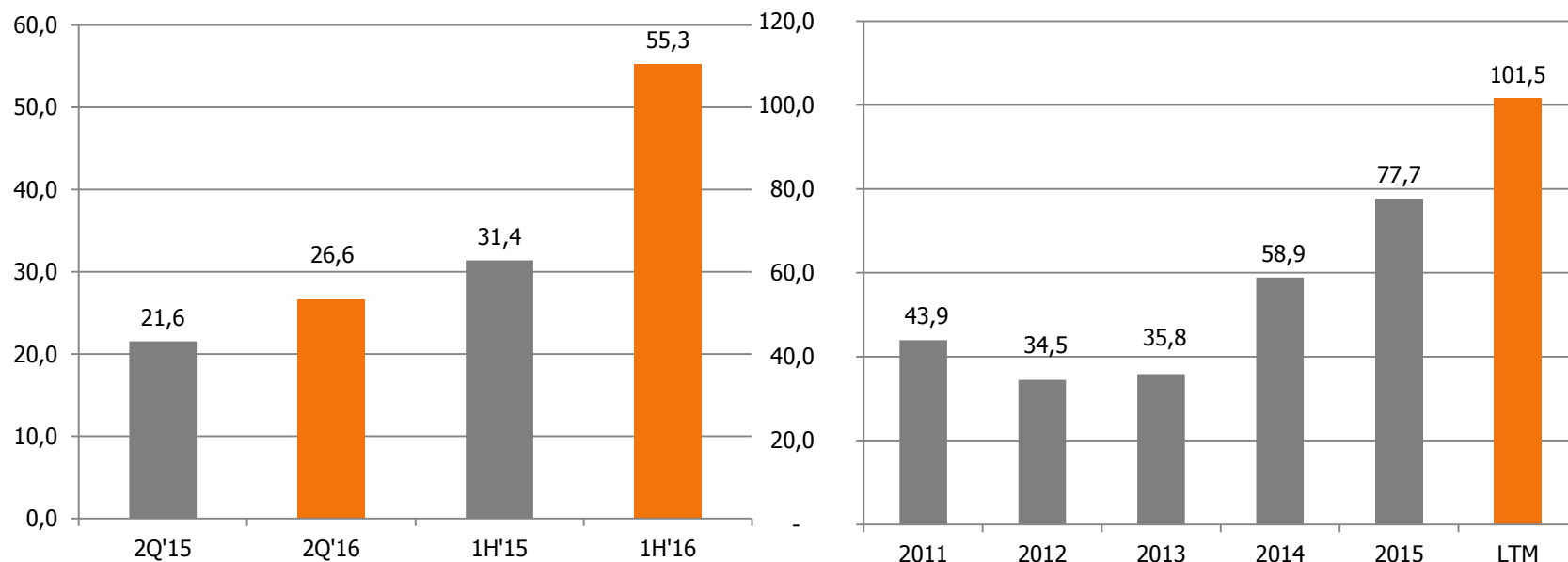


✦ In H1 2016 EBITDA per ton increased by 47% yoy to 806 PLN/t

✦ In LTM EBITDA per ton amounted to 783 PLN/t, 21% increase in comparison to 2015



Net profit in mn PLN

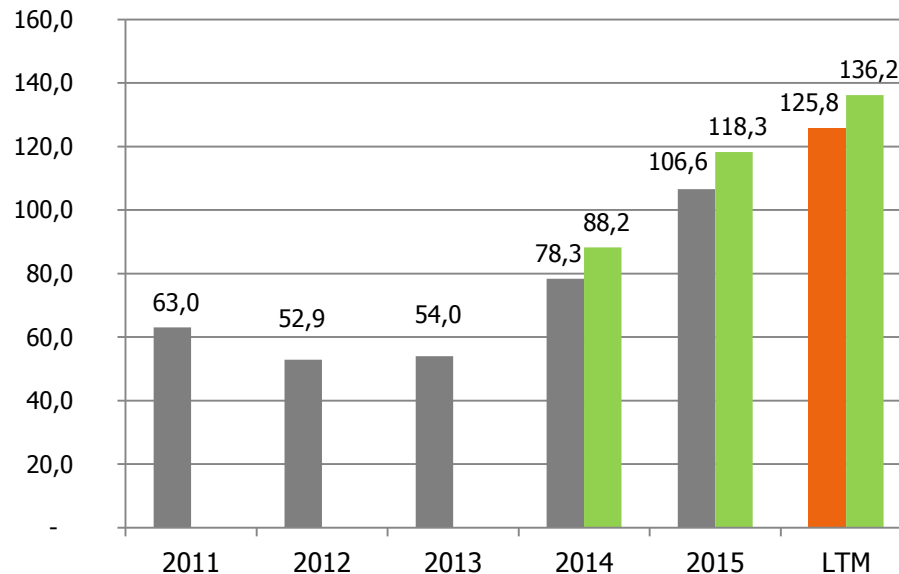
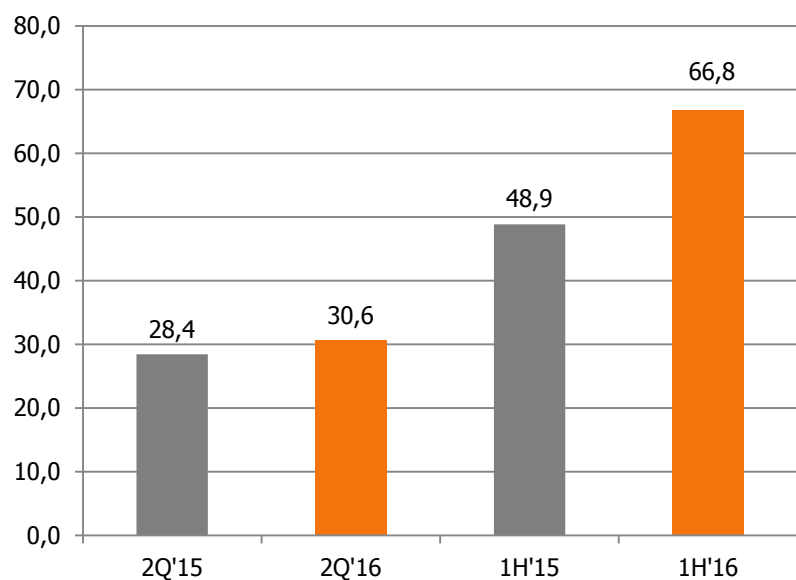


- ✦ In H1 2016 net profit increased by 76% yoy to PLN 55 mn
- ✦ In LTM net profit amounted to PLN 102 mn, 31% increase in comparison to 2015

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

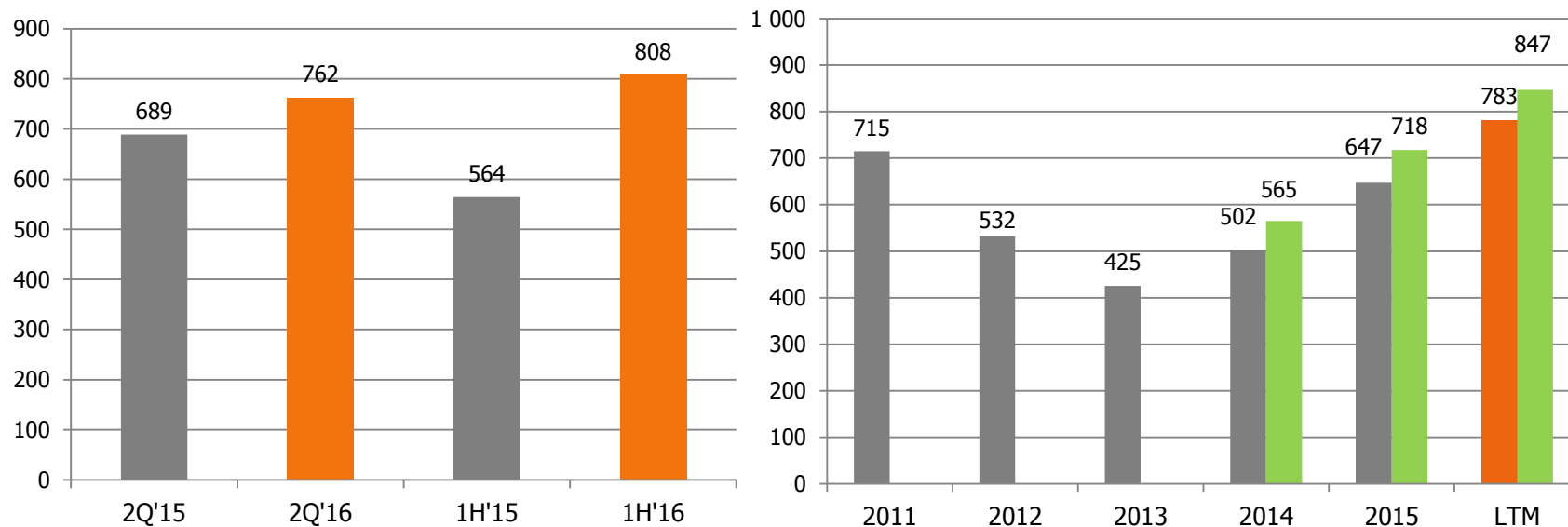
	1Q'15	2Q'15	3Q'15	4Q'15	2015	1Q'16	2Q'16	LTM
Valuation of management option scheme and annual bonus for achieving higher than budgeted results	-1 205	- 265	- 381	- 1 614	-3 465	-394	-130	-2 519
Impairment write-down of equipment				- 867	-867			-867
Net impairment write-down of receivables from entities undergoing corporate recovery proceedings				-7 329	-7 329		366	-6 963
Impact on EBITDA	-1 205	-265	-381	-9 810	-11 660	-394	236	-10 349
Income tax				774	774		-70	704
Impact on net profit	-1 205	-265	-381	-9 037	-10 887	-394	167	-9 644

Adjusted EBITDA in mn PLN



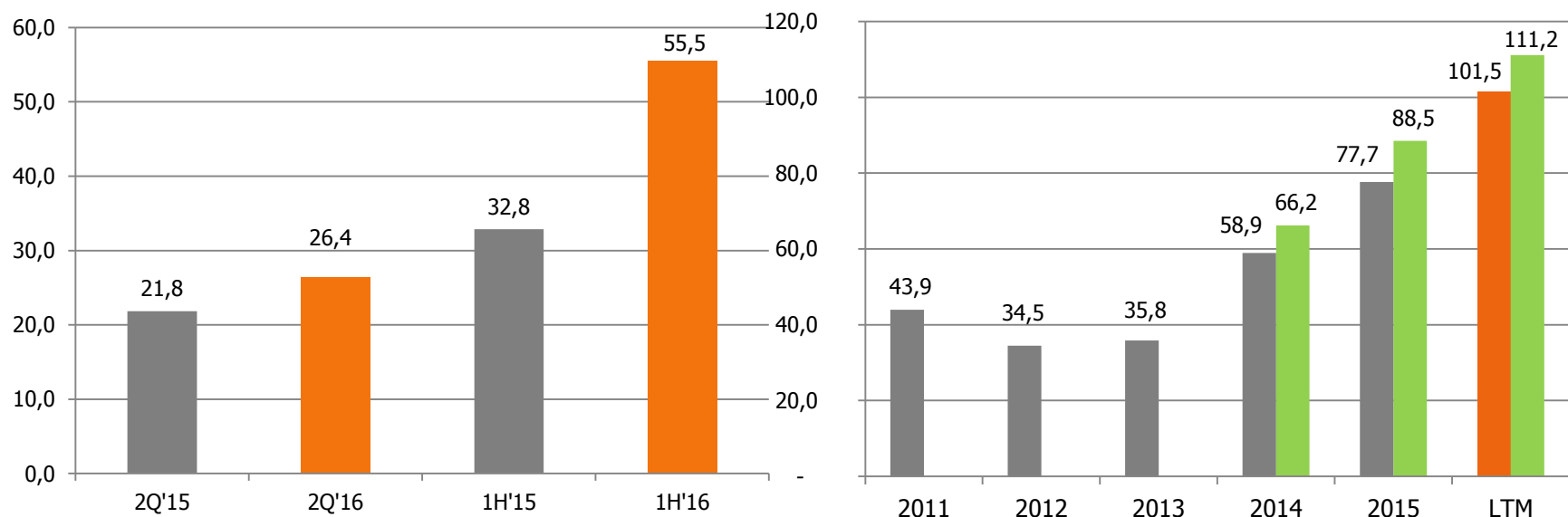
- ⊕ In H1 2016 adjusted EBITDA increased by 37% yoy to PLN 67 mn
- ⊕ In LTM adjusted EBITDA amounted to PLN 136 mn, 15% increase in comparison to 2015

Adjusted EBITDA per ton in PLN



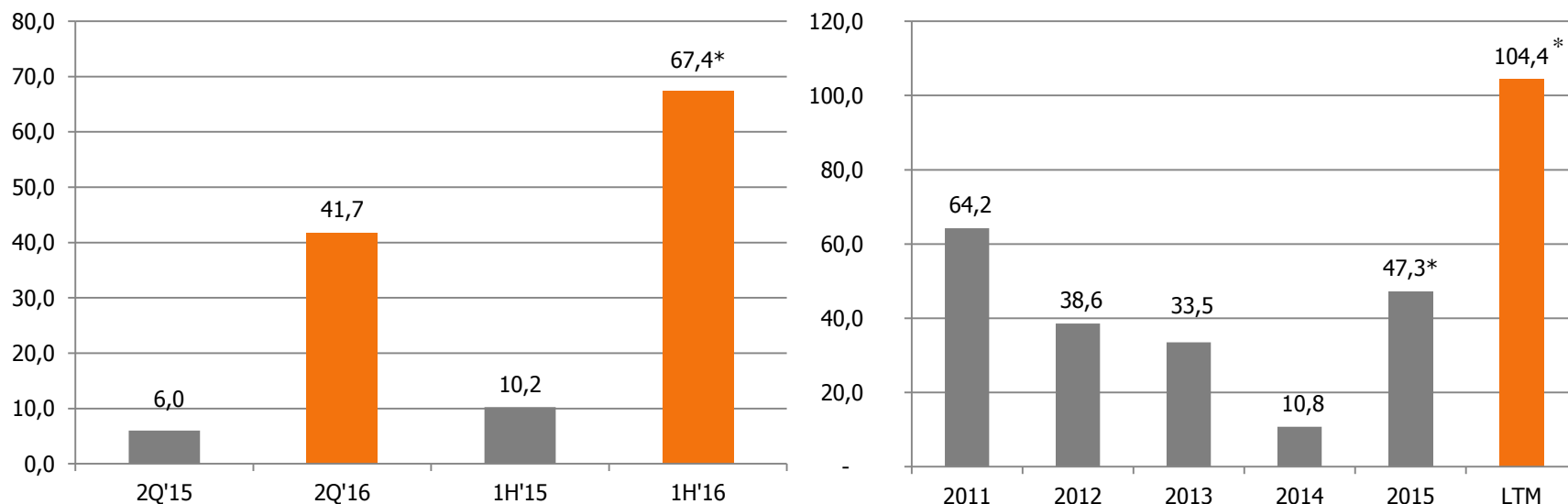
- ✦ In H1 2016 adjusted EBITDA per ton increased by 43% yoy to 808 PLN/t
- ✦ In LTM adjusted EBITDA per ton amounted to 847 PLN/t, 18% increase in comparison to 2015

Adjusted net profit in mn PLN



- ⊕ In H1 2016 adjusted net profit increased by 69% yoy to PLN 55 mn
- ⊕ In LTM adjusted net profit amounted to PLN 111 mn, 26% increase in comparison to 2015

Capex in mn PLN

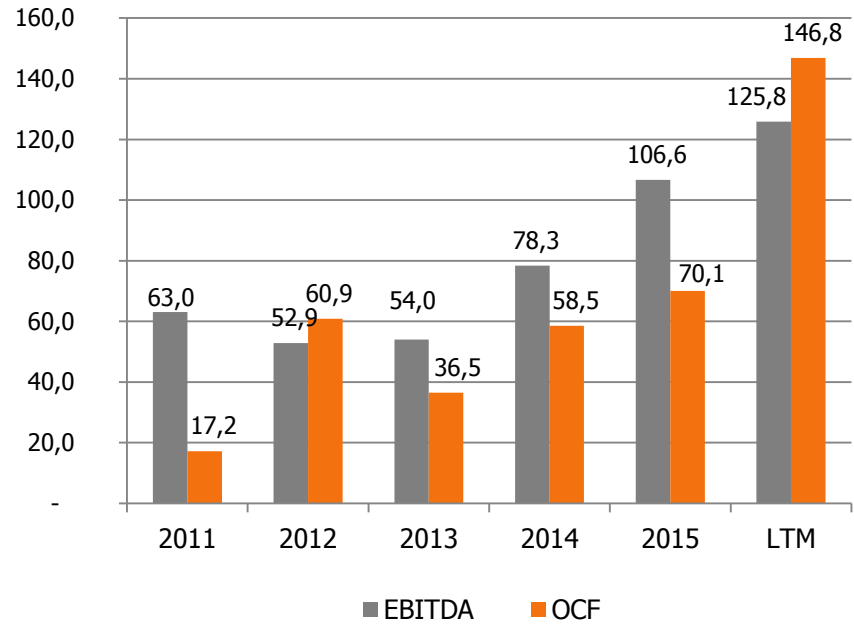
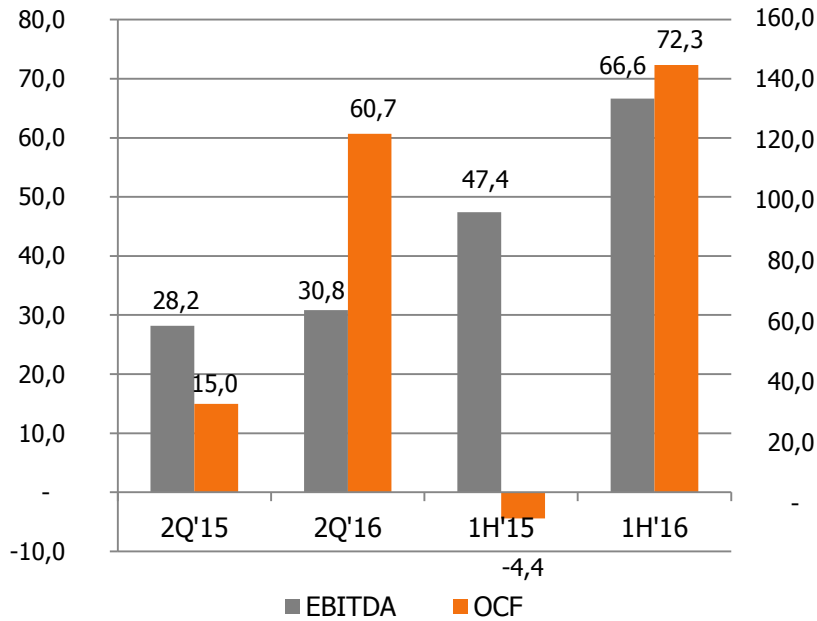


- ⊕ In H1 2016 capex amounted to PLN 67 mn
 - PLN 3,8 mn maintenance capex
 - PLN 2,5 mn metal management
 - PLN 61,1 mn product mix/ production capacity increase (project in Hungary)

- ⊕ In LTM capex amounted to PLN 104 mn which is 121% higher than in 2015

* including cash credited to the account of the collateral manager (construction trustee service)

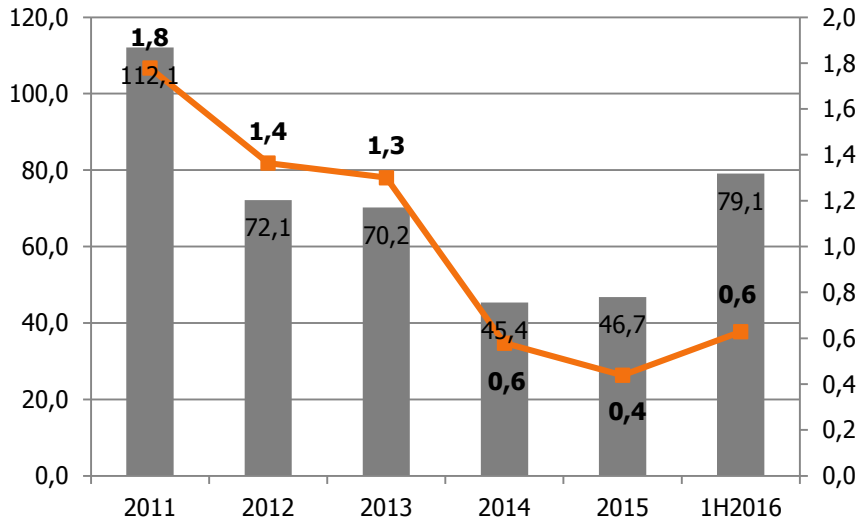
EBITDA vs OCF in mn PLN



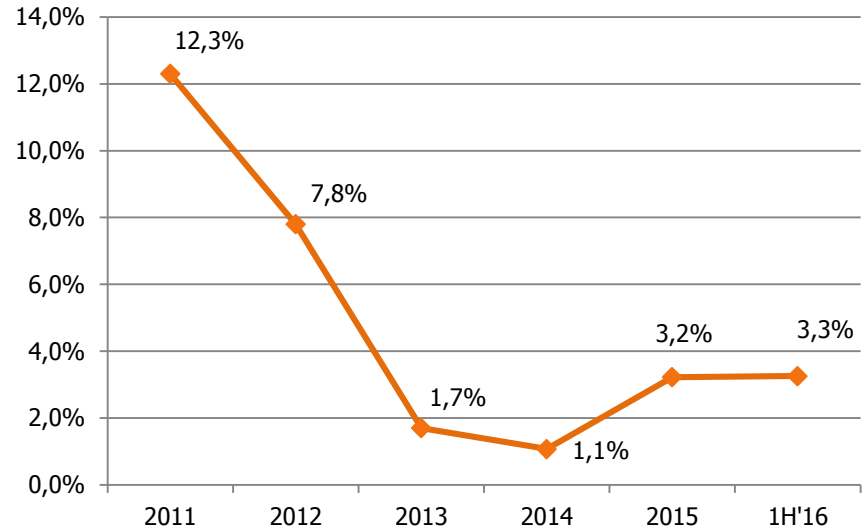
- ✦ In H1 2016 OCF amounted to PLN 72 mn in comparison to EBITDA at PLN 67 mn
- ✦ In LTM OCF amounted to PLN 147 mn in comparison to EBITDA at PLN 126 mn

Net debt and effective CIT rate

Net debt



Effective CIT rate



- ⊕ At the end of H1 2016 net debt amounted to PLN 79 mn and Net debt/EBITDA ratio increased from 0,4 at the end of 2015 to 0,6 at the end of June 2016
- ⊕ Effective CIT rate in H1 2016 amounted to 3,3%

Current status of Hungarian project

- ✦ 18th April 2016 first application for reimbursement of part of the capex was filed to HIPA, accepted on 4th August, payment expected in September
- ✦ 8th July 2016 second application for reimbursement of part of the capex was filed to HIPA
- ✦ 18th July 2016 beginning of purchase and preparation of scrap
- ✦ 5th August 2016 plant usage permit obtained
- ✦ Completion of construction works, the current progress of assembly works at 85%
- ✦ Launching first production line after obtaining necessary permits
- ✦ The process of recruitment and training of employees is in progress
- ✦ The project is on time, capex 2-4% above the budget

Expansion of Master Alloys

- ⊕ Development of infrastructure, purchase and installation of equipment technology – at least doubling the production capacity (currently 7 thous. tons)
- ⊕ Launching new production technology of master alloys
- ⊕ The extension of the product portfolio
- ⊕ Strengthen the Alumetal Group's position on the European market, expansion into new markets
- ⊕ Capex at max PLN 58,5 mn, financing from own resources, CIT allowance
- ⊕ Capex payment in 2016-2018 (mostly in 2017)
- ⊕ Commencement of production in 2Q 2018

Summary

- ⊕ In H1 2016 very good financial results, despite lower sales volume and high pressure on margins on some alloys kinds – financial results in line with the Management Board expectations
- ⊕ Continuous favorable market environment in regards to demand for secondary aluminium alloys – high growth of motor vehicle sale in UE
- ⊕ Management believes in achievement of the financial targets required to exercise the third tranche of the managerial option scheme (increase of EBITDA and net profit per share in 2016 by at least 10%) – H1 2016 financial result is a very good base to realize goals
- ⊕ Realization of dividend policy (50% of net profit) – dividend payment on 7th June 2016
- ⊕ The Hungarian project is on time with small capex overrun