



Alumetal Group

H1 2017 financial results

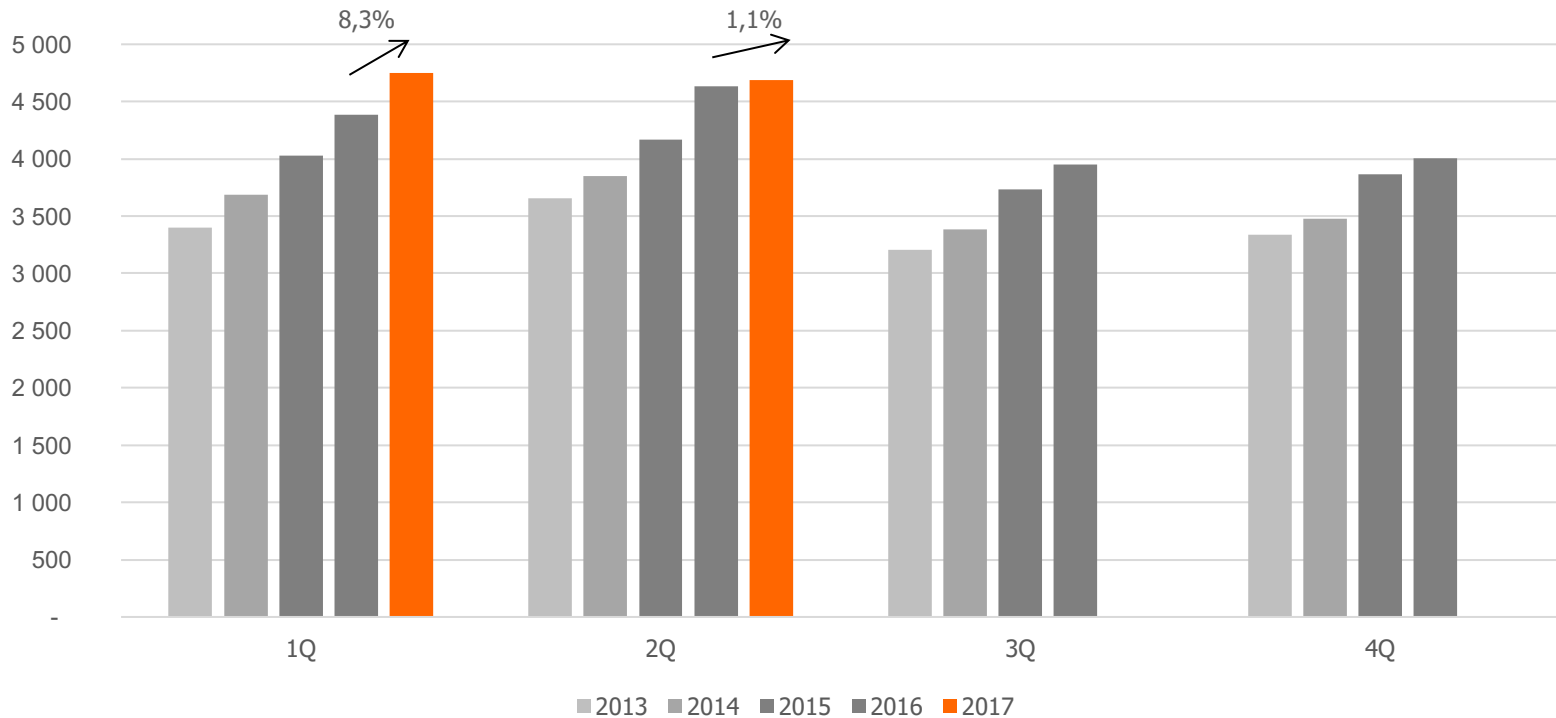
22nd August 2017



H1 2017 and LTM at glance

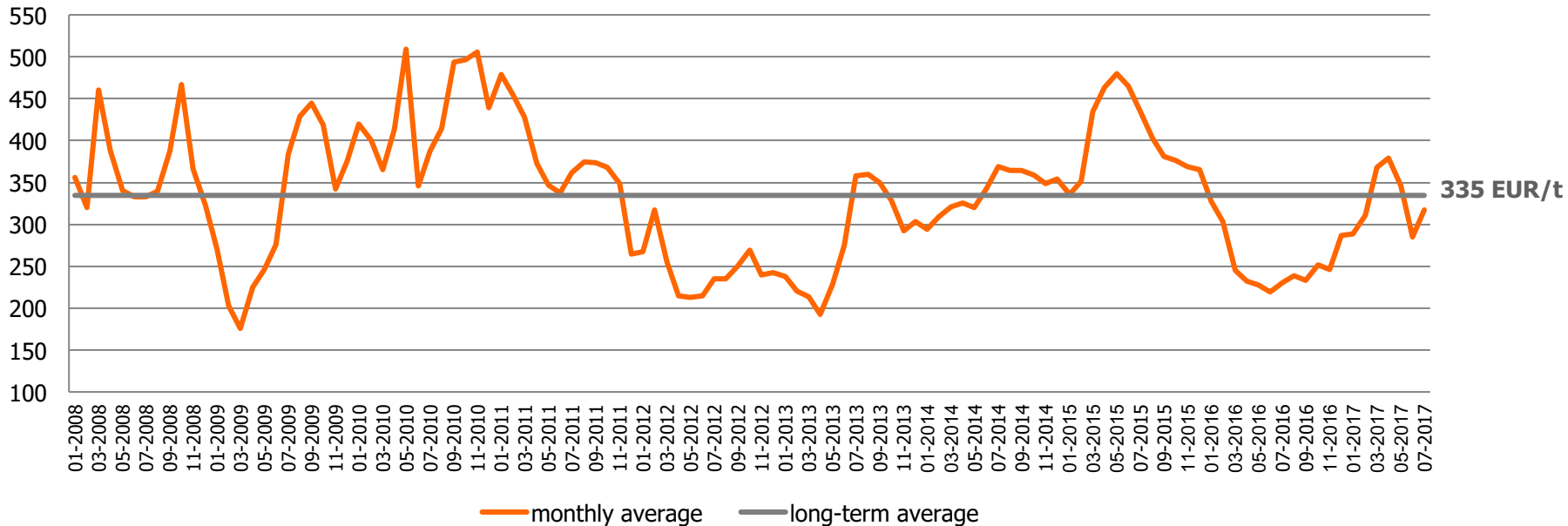
- ⊕ Volume sales – **89k tons** in H1 2017 and **165k tons** in LTM
- ⊕ EBITDA – **PLN 46 mn** in H1 2017 and **PLN 95 mn** in LTM
- ⊕ Normalized net profit – **PLN 32 mn** in H1 2017 and **PLN 69 mn** in LTM
- ⊕ Operating cash flow – **PLN 3 mn** in H1 2017 and **PLN 16 mn** in LTM
- ⊕ Payment of dividend – **PLN 45 mn** on 7th June 2017
- ⊕ Net debt – **PLN 149 mn** (1,6xEBITDA)

Motor vehicle registrations in the EU in thou. units



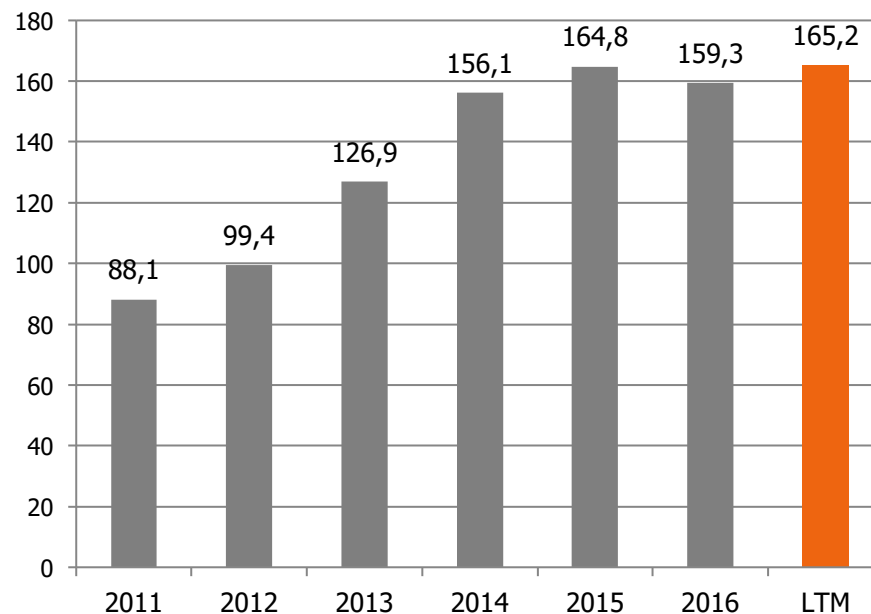
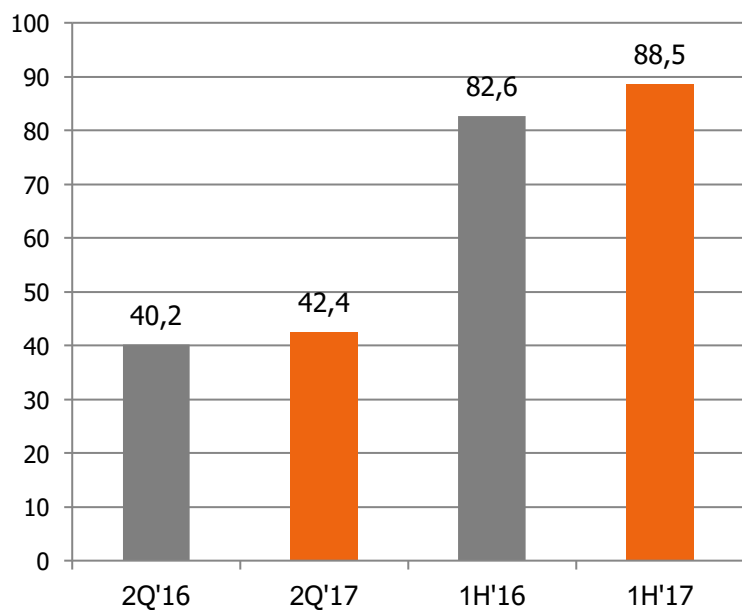
⊕ Slowdown in growth of new vehicle registrations in 2Q'17 - an increase of 8.3% in 1Q'17 yoy and 1.1% in 2Q'17 yoy

Metal Bulletin 226 alloy spread in EUR/t



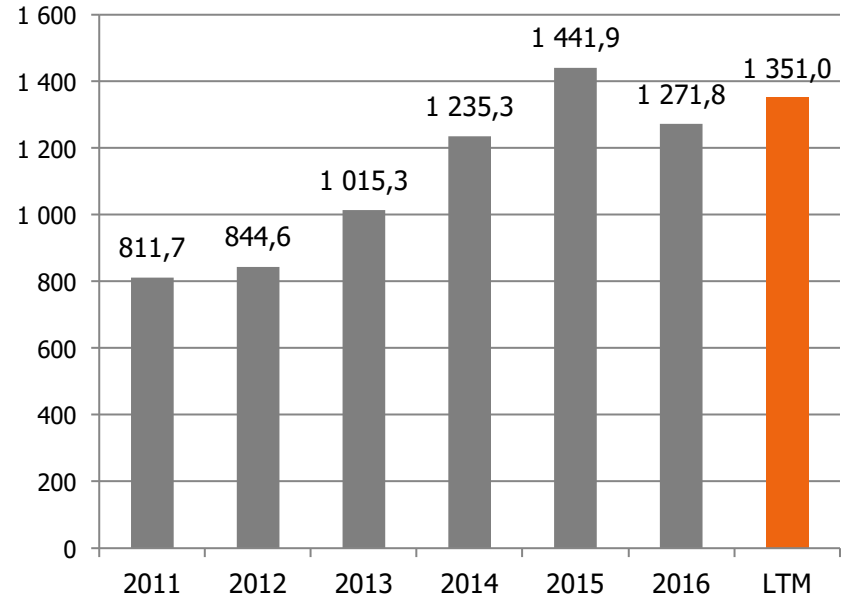
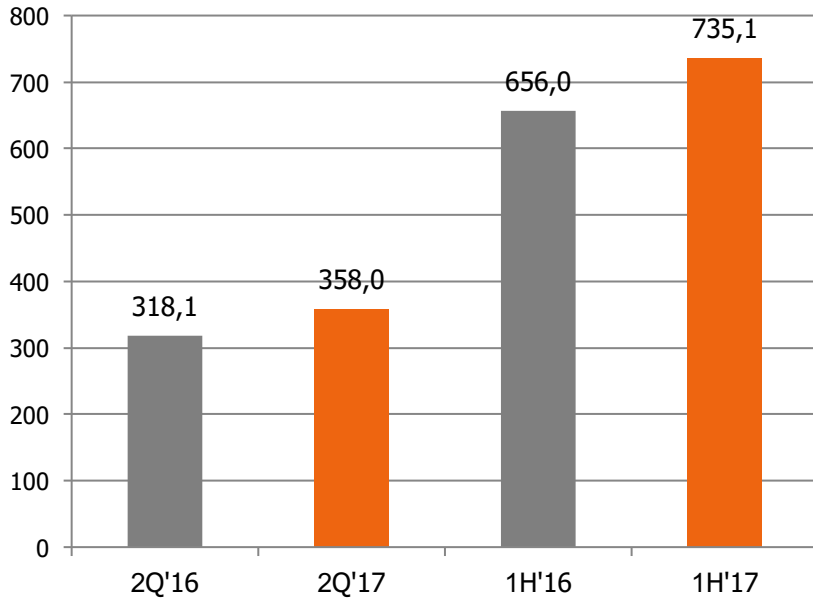
- ⊕ Average benchmark margin in H1 2017 was at 330 EUR/t which was 1,5% lower in comparison to long-term average on the level of 335 EUR/t
- ⊕ Large fluctuations of margin – from 288 EUR/t in January to 379 EUR/t in April and 285 EUR/t in June

Volume sales in thou. tons



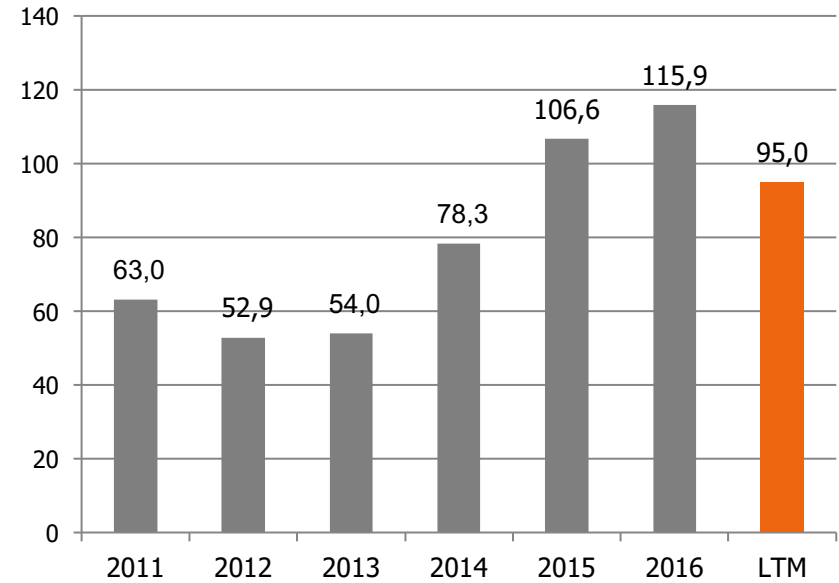
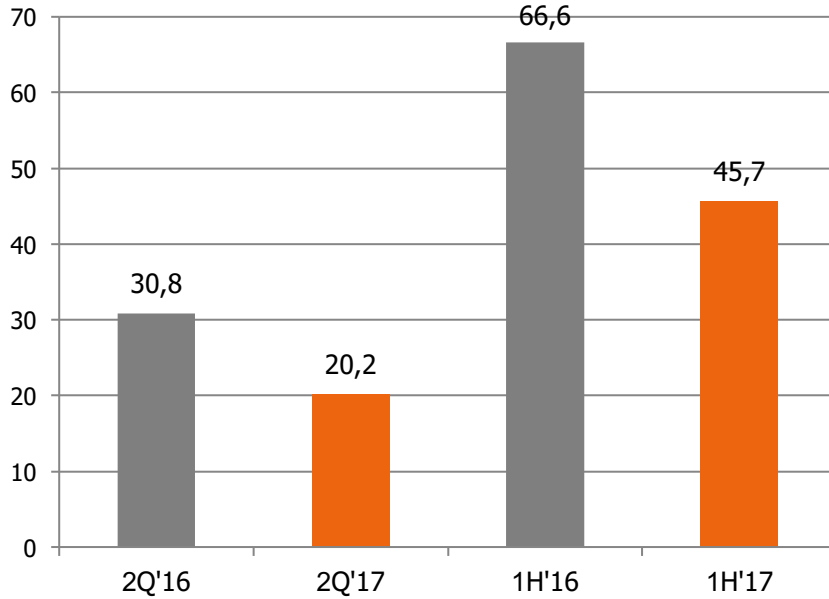
- ✦ In H1 2017 sales volume increased by 7% yoy to 89 thou. tons
- ✦ In LTM sales volume amounted to 165 thou. tons which is 4% increase in comparison to 2016

Sales revenue in mn PLN



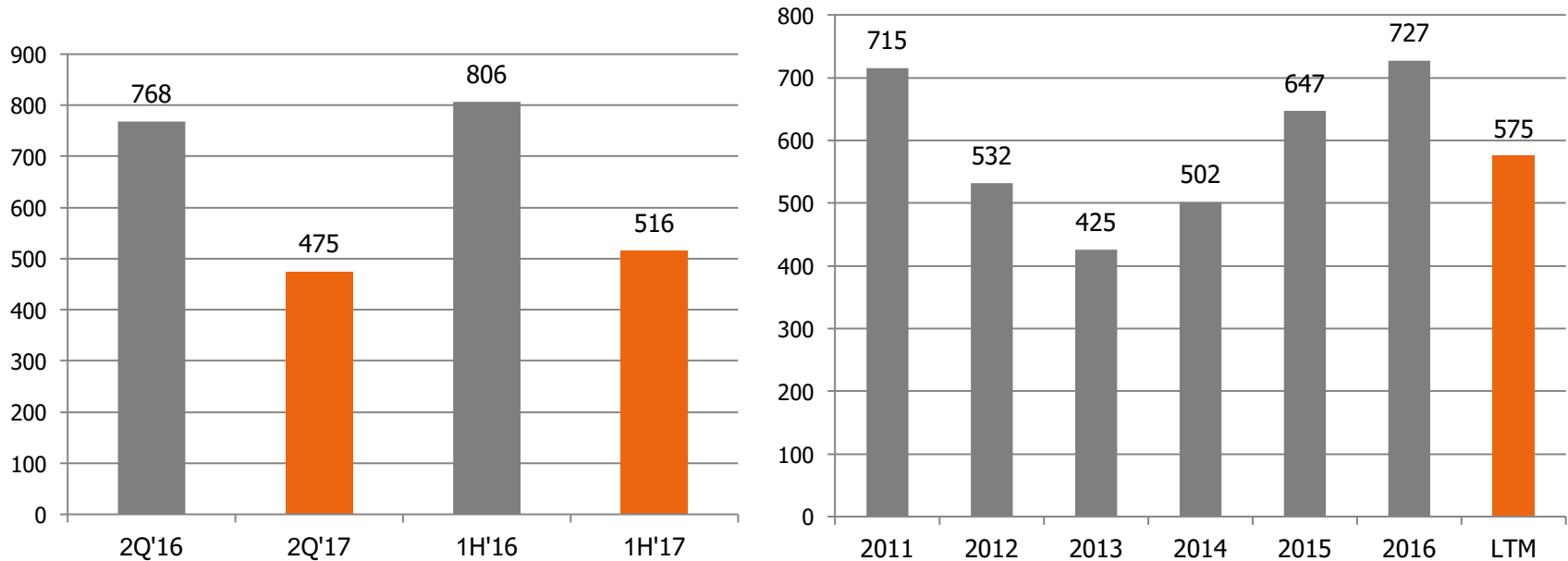
- ⊕ In H1 2017 sales revenue increased by 12% yoy to PLN 735 mn
- ⊕ In LTM sales revenue amounted to PLN 1,35 bn which is 6% increase in comparison to 2016

EBITDA in mn PLN



- ⊕ In H1 2017 EBITDA decreased by 31% yoy to PLN 46 mn
- ⊕ In LTM EBITDA amounted to PLN 95 mn, 18% decrease in comparison to 2016

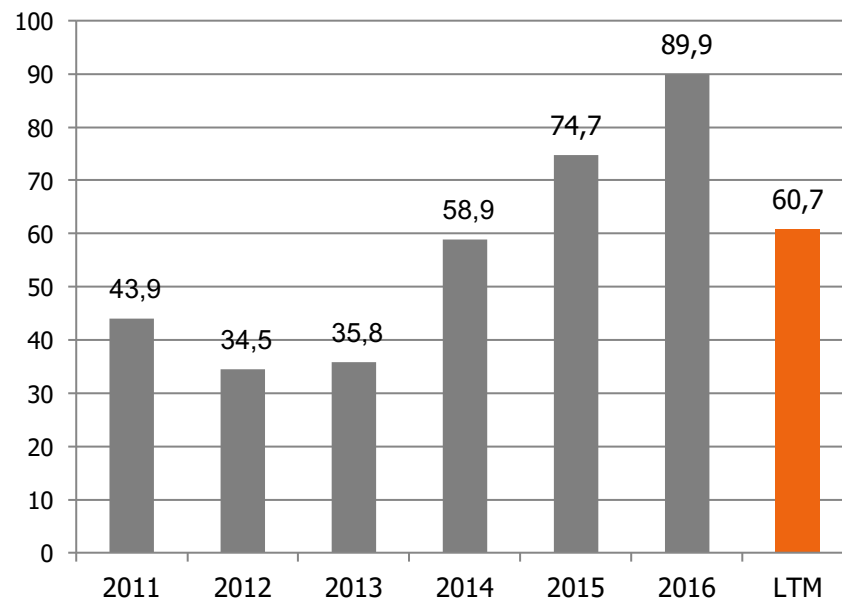
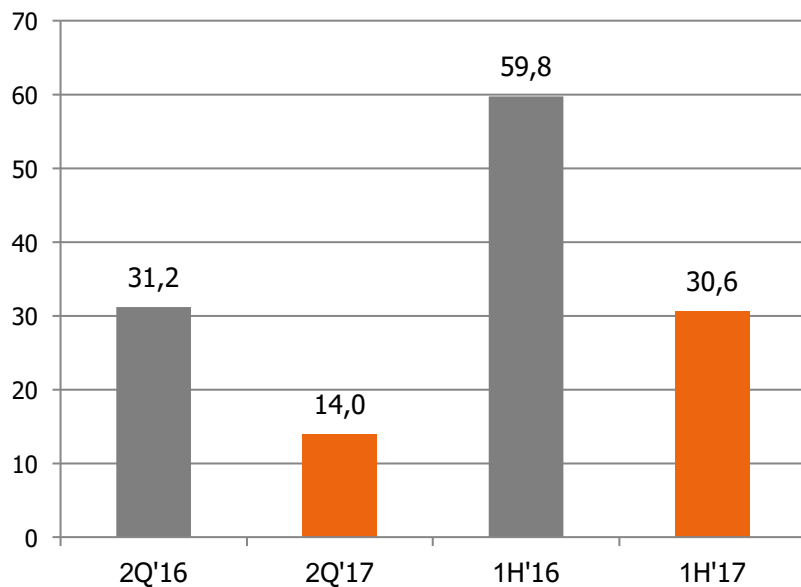
EBITDA per ton in PLN



✦ In H1 2017 EBITDA per ton decreased by 36% yoy to 516 PLN/t

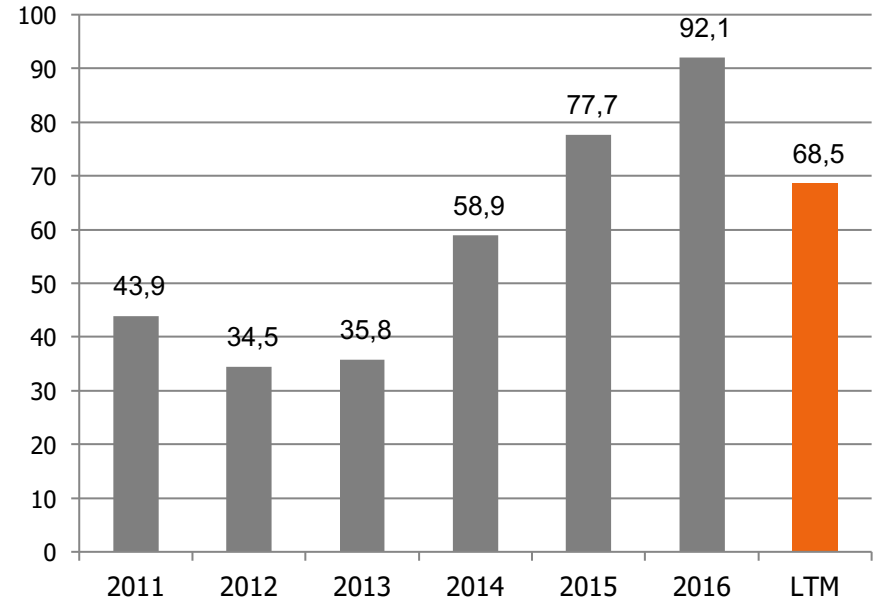
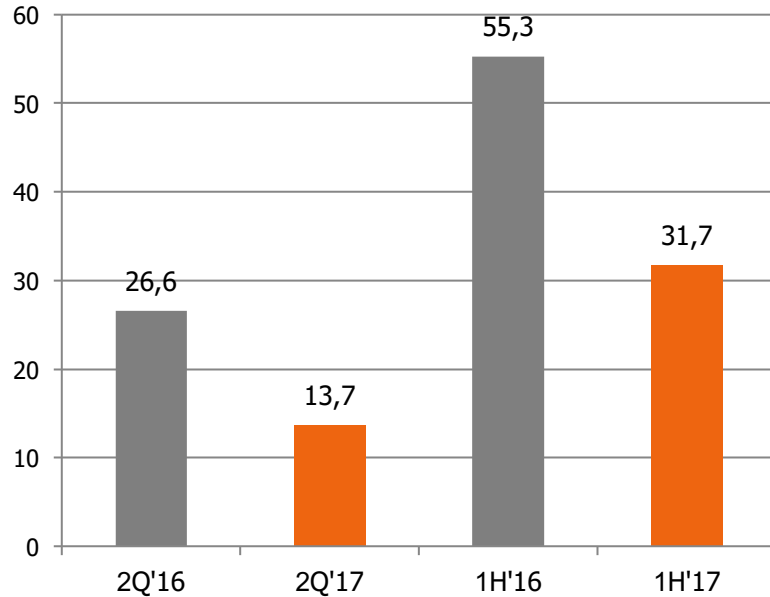
✦ In LTM EBITDA per ton amounted to 575 PLN/t, 21% decrease in comparison to 2016

Net profit in mn PLN



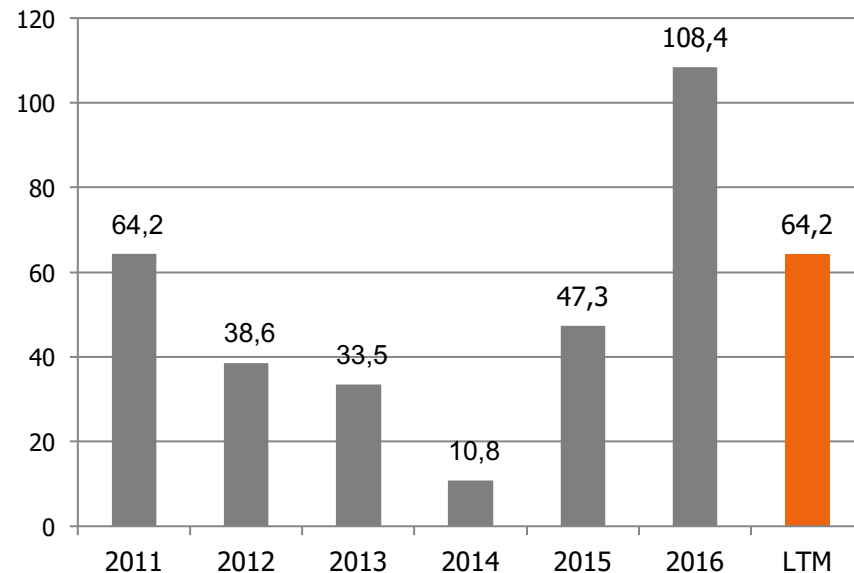
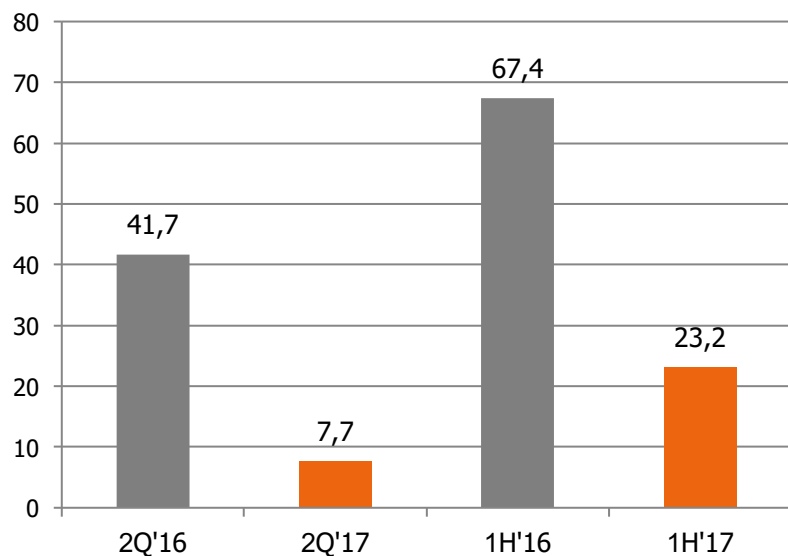
- ⊕ In H1 2017 net profit decreased by 49% yoy to PLN 31 mn
- ⊕ In LTM net profit amounted to PLN 61 mn, 32% decrease in comparison to 2016

Normalized net profit in mn PLN



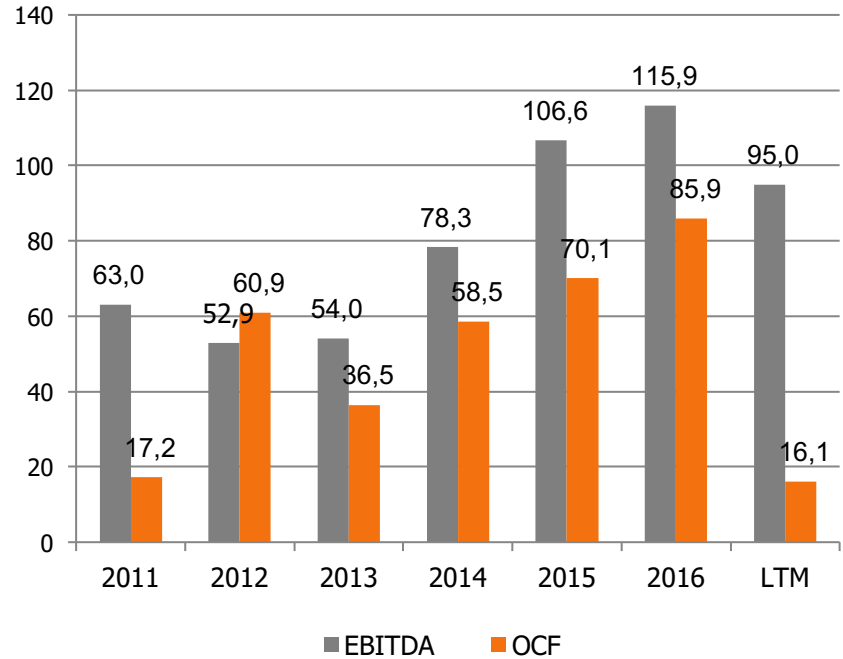
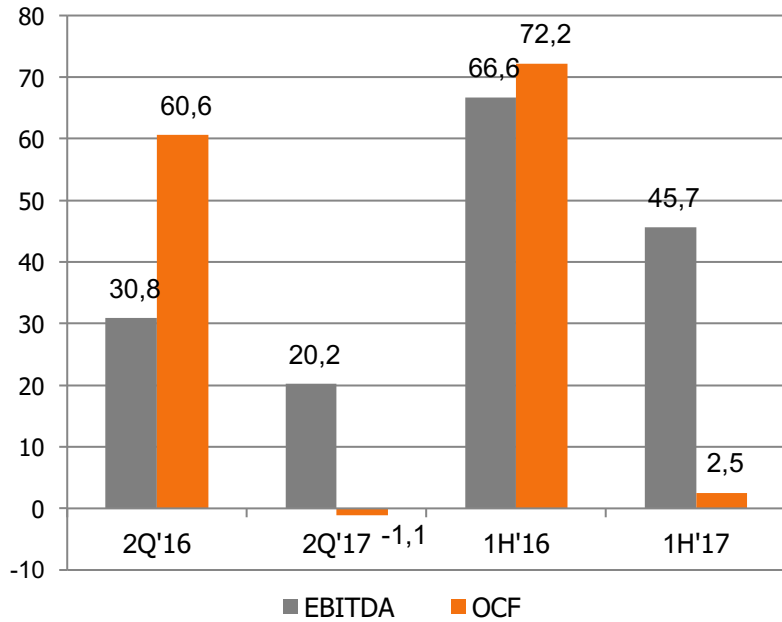
- ✦ In H1 2017 normalized net profit decreased by 43% yoy to PLN 32 mn
- ✦ In LTM normalized net profit amounted to PLN 69 mn, 26% decrease in comparison to 2016

Capex in mn PLN



- ⊕ In H1 2017 capex amounted to PLN 23 mn
 - PLN 4,4 mn maintenance capex
 - PLN 2,3 mn metal management
 - PLN 16,5 mn product mix/production capacity increase
- ⊕ In LTM capex amounted to PLN 64 mn which is 41% lower than in 2016

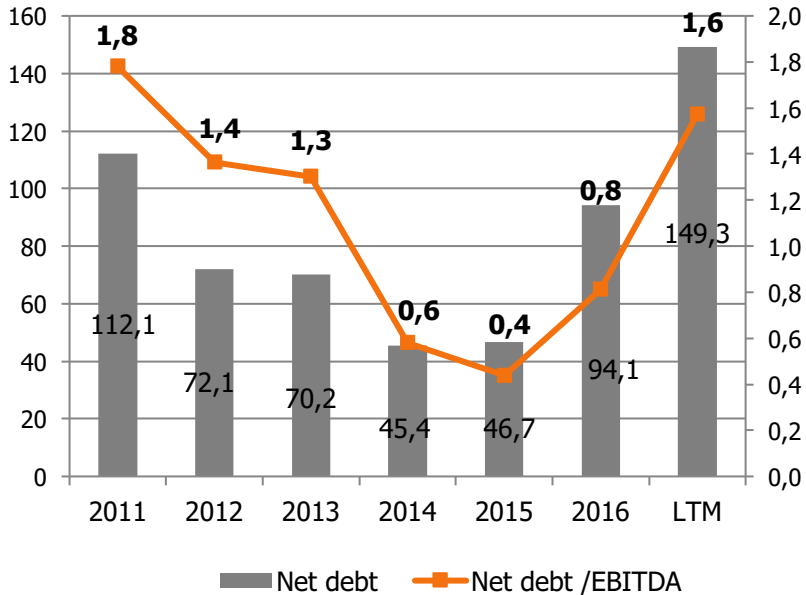
EBITDA vs OCF in mn PLN



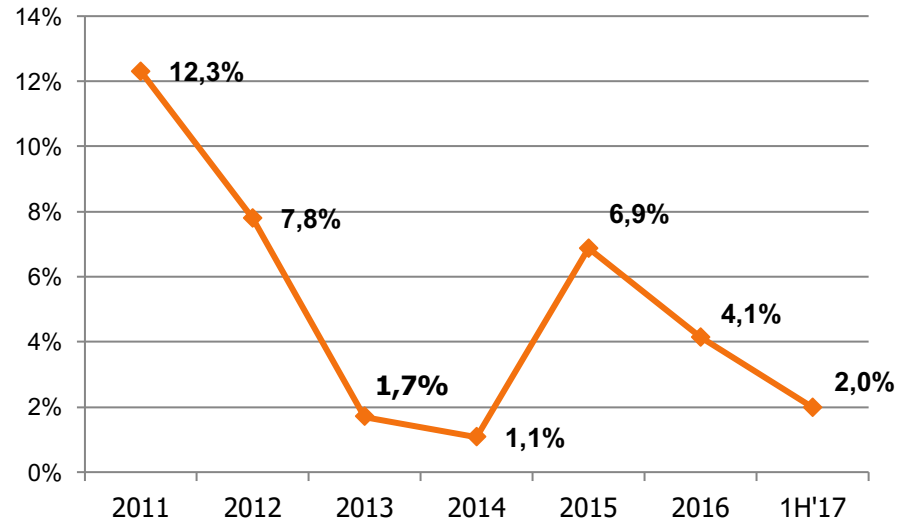
- ⊕ In H1 2017 OCF amounted to PLN 3 mn in comparison to EBITDA at PLN 46 mn
- ⊕ In LTM OCF amounted to PLN 16 mn in comparison to EBITDA at PLN 95 mn

Net debt and effective CIT rate

Net debt



Effective CIT rate



- ⊕ At the end of June 2017 net debt amounted to PLN 149 mn and Net debt/EBITDA ratio increased from 0,8 at the end of 2016 to 1,6 at the end of June 2017
- ⊕ Effective CIT rate in H1 2017 amounted to 2,0%

Master alloys expansion project

- ⊕ Permits required to launch the investment phase obtained
- ⊕ Start of construction work at the beginning of July 2017 (as planned)
- ⊕ In H1 2017 capex amounted to PLN 7,0 mn. Cumulative capex from the beginning of the investment until the end of June 2017 amounted to PLN 15,4 mn
- ⊕ The project is on time (production begin in H1 2018) and budget (capex at PLN 58,5 mn)

Summary

- ⊕ In H1 2017 higher sales volume, financial results below the Management Board expectations due to pressure on margins and dynamic market changes in short time periods
- ⊕ Slowdown in growth of new vehicle registrations in 2Q'17 in the EU. The automotive industry in Europe is changing - however the direction and pace of these changes is ambiguous
- ⊕ Realization of announced dividend policy – dividend payment on 7th June 2017
- ⊕ The project in Hungary – full production capacity utilization of the first production line and substantial improvement of the technological efficiency of the second line
- ⊕ Master alloys expansion project realized on time and budget