



Alumetal Group

1Q 2016 financial results

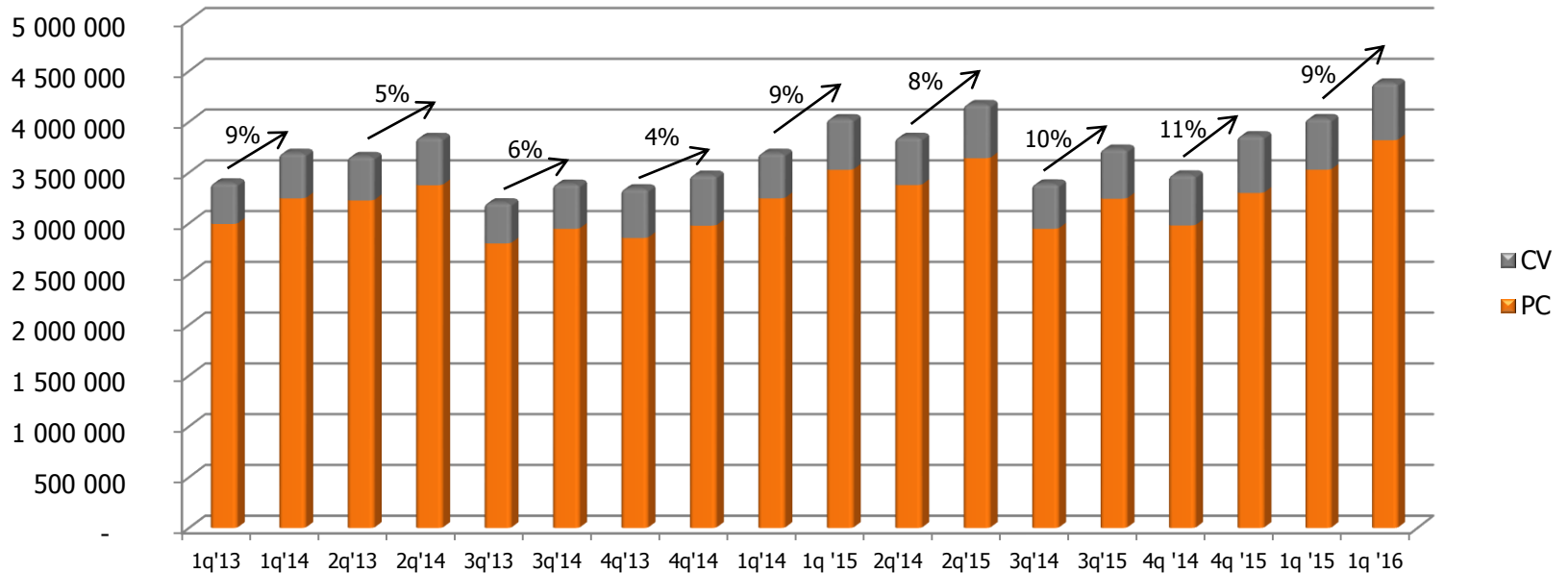
13 May 2016

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1Q 2016 and LTM at glance

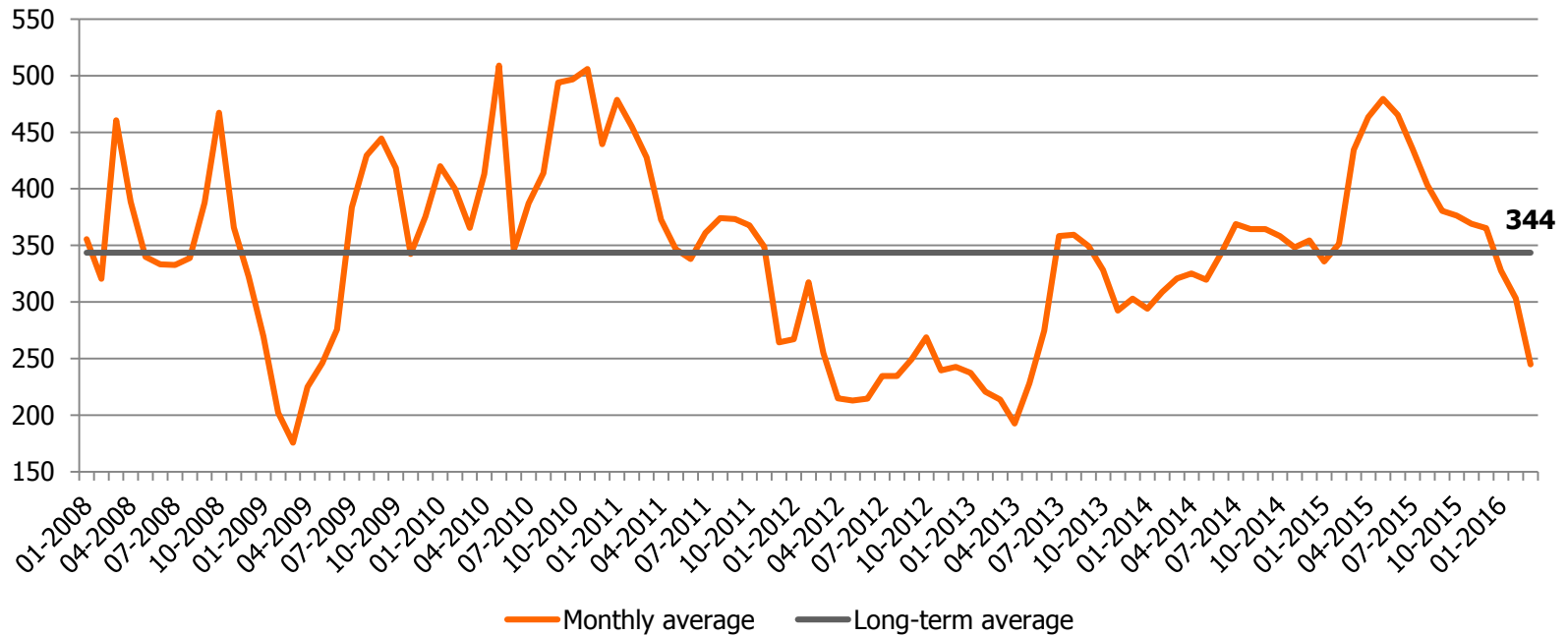
- ⊕ Volume sales – **42,5k tons** in 1Q 2016 and **162k tons** in LTM
- ⊕ EBITDA – **PLN 36 mn** in 1Q 2016 and **PLN 123 mn** in LTM
- ⊕ Net profit – **PLN 29 mn** in 1Q 2016 and **PLN 97 mn** in LTM
- ⊕ Operational cash flow – **PLN 12 mn** in 1Q 2016 and **PLN 101 mn** in LTM
- ⊕ Net debt – **PLN62 mn** (0,5xEBITDA)

Motor vehicle registrations in the EU in units



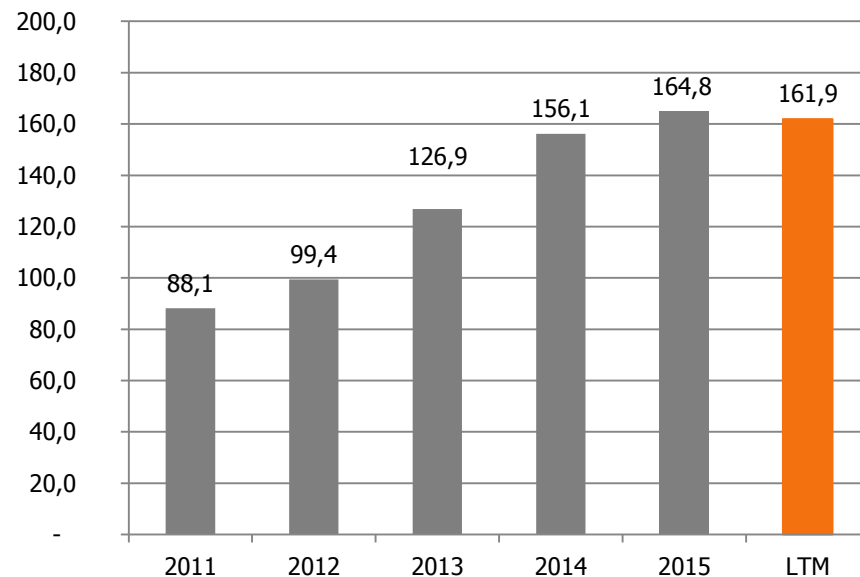
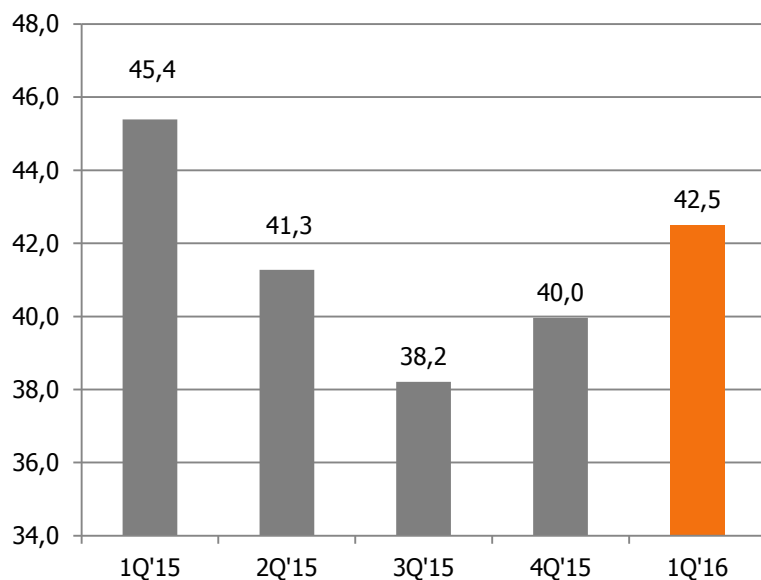
- ✦ In 1Q 2016 motor vehicle registrations in UE increased by 8,7% yoy of which passenger cars (PC) sales increased by 8,2% and commercial vehicles (CV) sales went up by 12,1%
- ✦ In LTM sale volume of motor vehicles in UE increased by 9,5% yoy to the level of 16,15 mn units (9,1% increase in PC and 12,2% increase in CV)

Metal Bulletin 226 alloy spread in EUR/t



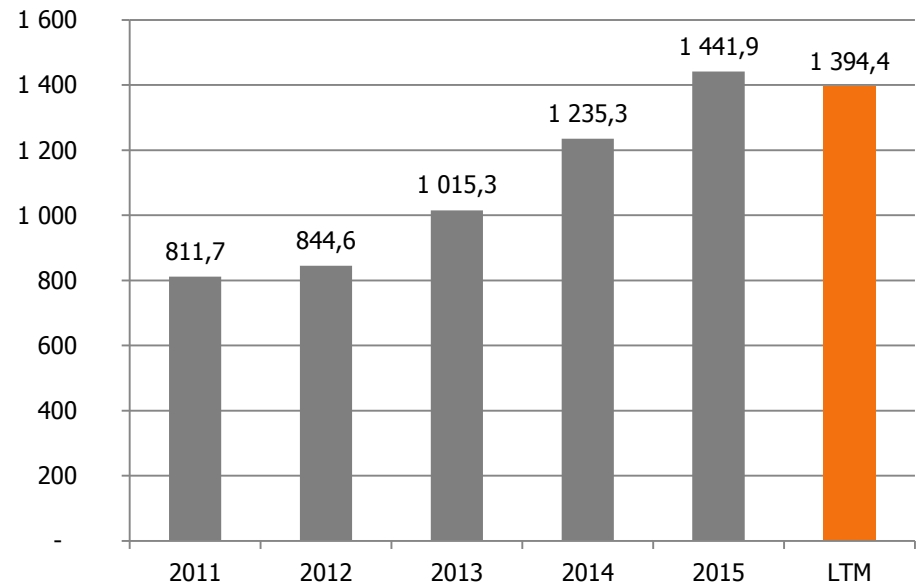
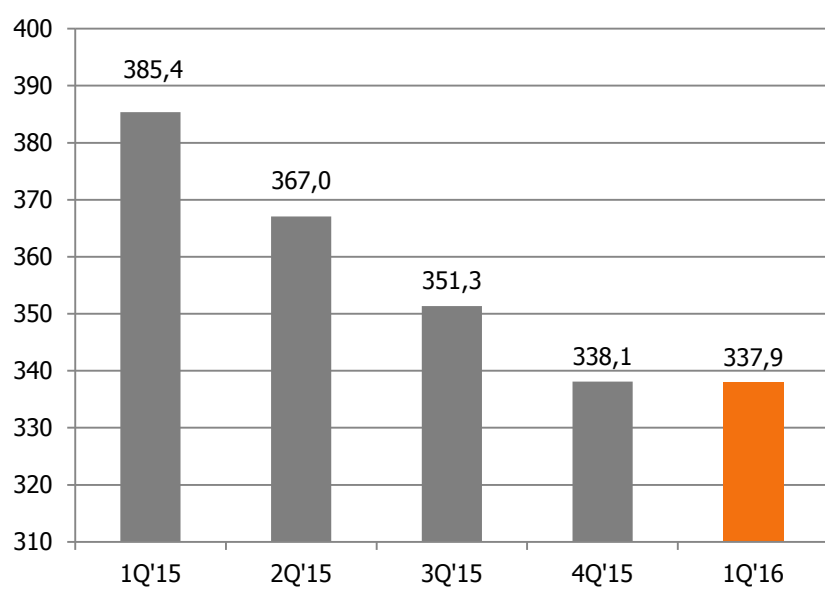
- ✦ In 1Q 2016 average spread decreased to 292 EUR/t (January – 328 EUR/t, February – 303 EUR/t, March – 245 EUR/t)
- ✦ In April 2016 slowdown in the dynamics of decline – the average margin amounted to 232 EUR/t, benchmark margin probably reached the minimum level

Volume sales in thou. tons



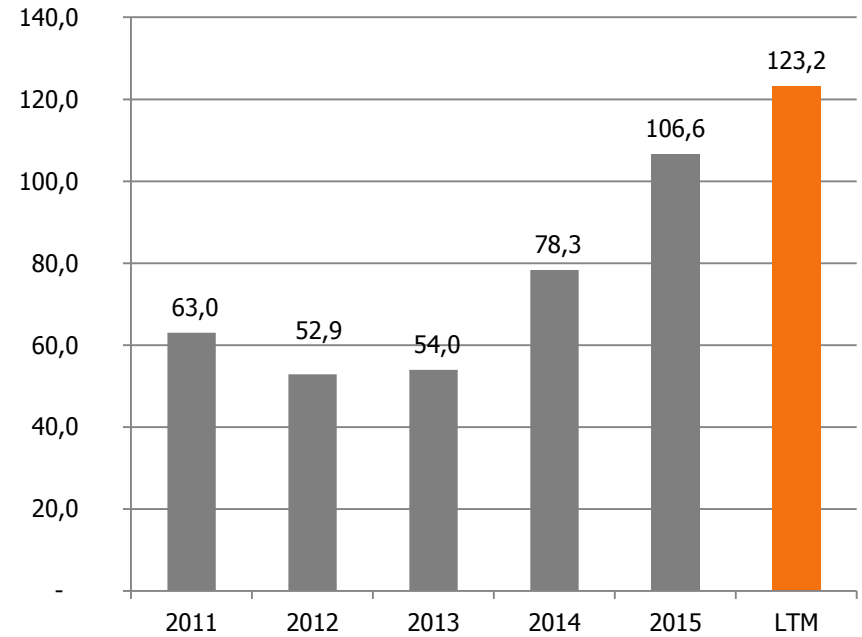
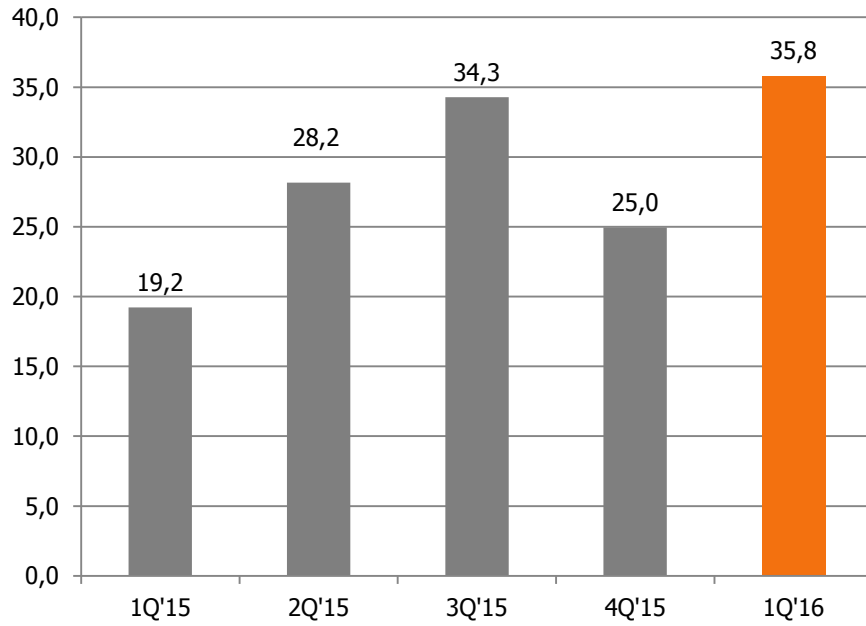
- ✦ In 1Q 2016 sales volume decreased by 6% yoy to 42,5 thou. tons
- ✦ In LTM sales volume amounted to 161,9 thou. tons which is 2% decrease in comparison to 2015

Sales revenue in mn PLN



- ⊕ In 1Q 2016 sales volume decreased o 12% yoy to PLN 338 mn
- ⊕ In LTM sales revenue amounted to PLN 1,39 bn which is 3% decrease in comparison to 2015

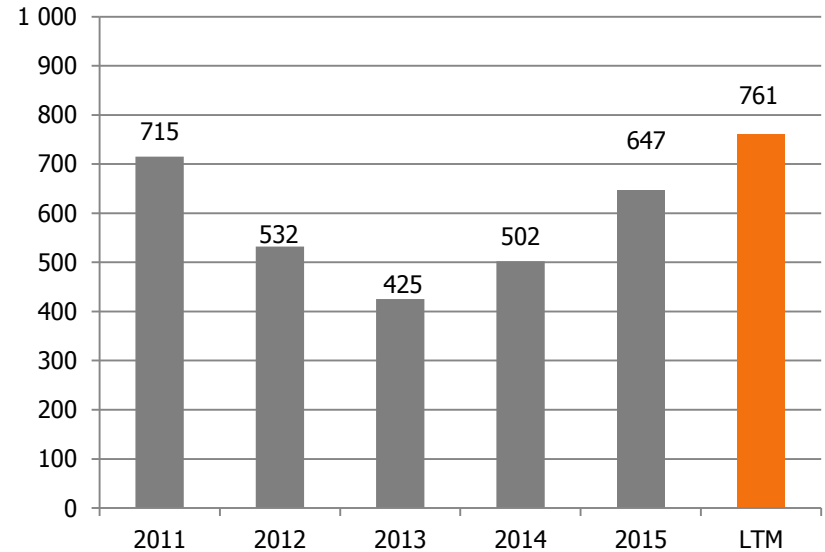
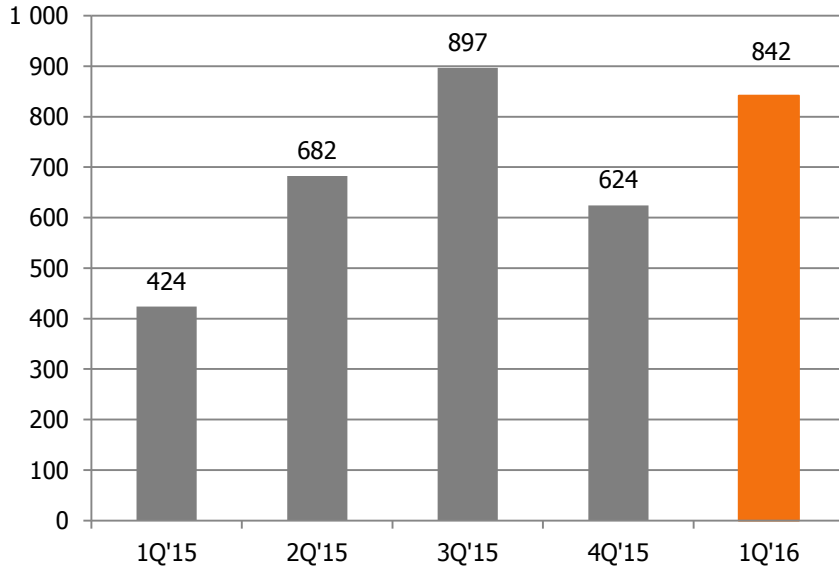
EBITDA in mn PLN



⊕ In 1Q 2016 EBITDA increased by 86% yoy to PLN 36 mn

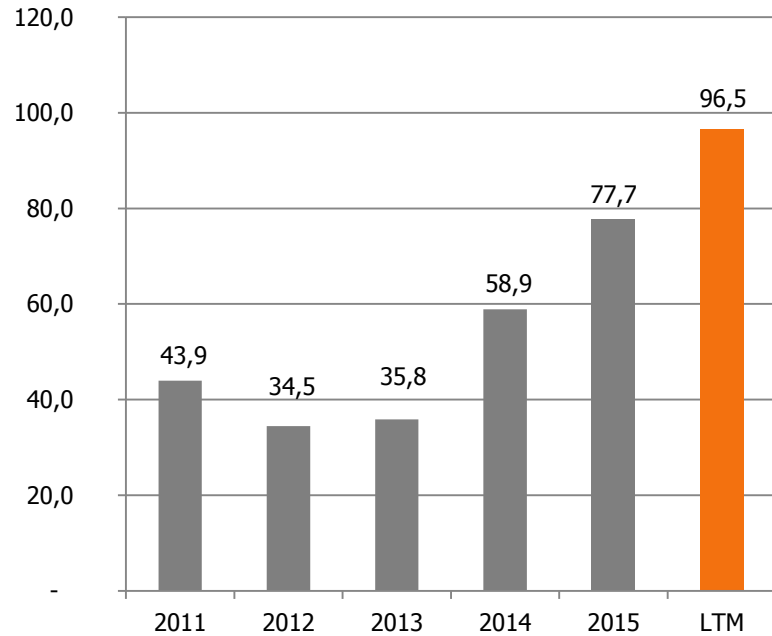
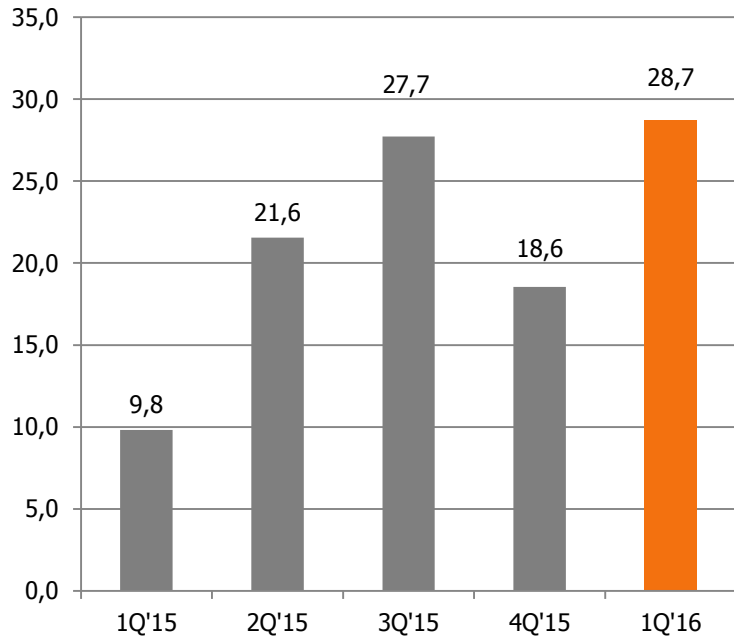
⊕ In LTM EBITDA amounted to PLN 123 mn, 16% increase in comparison to 2015

EBITDA per ton in PLN



- ✦ In 1Q 2016 EBITDA per ton increased by 99% yoy to 842 PLN/t
- ✦ In LTM EBITDA per ton amounted to 761 PLN/t, 18% increase in comparison to 2015

Net profit in mn PLN



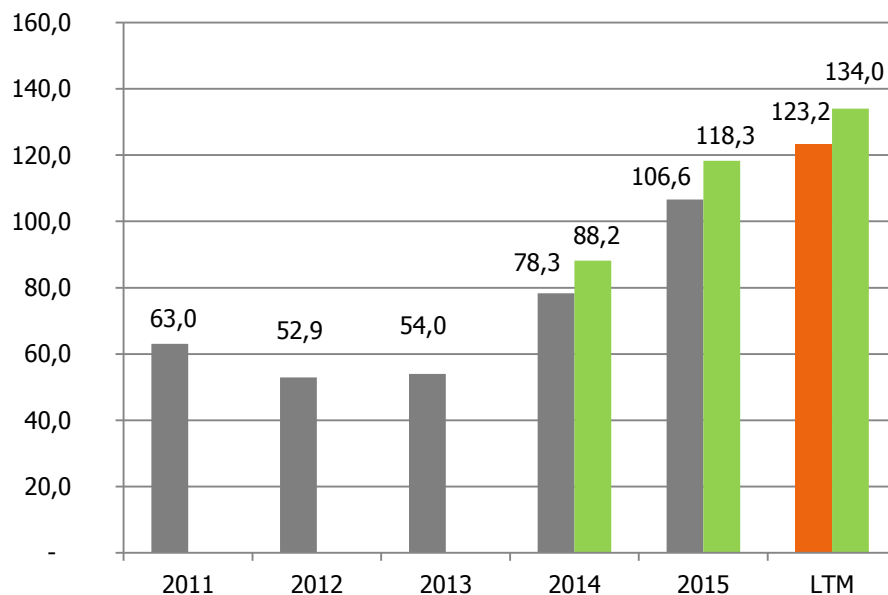
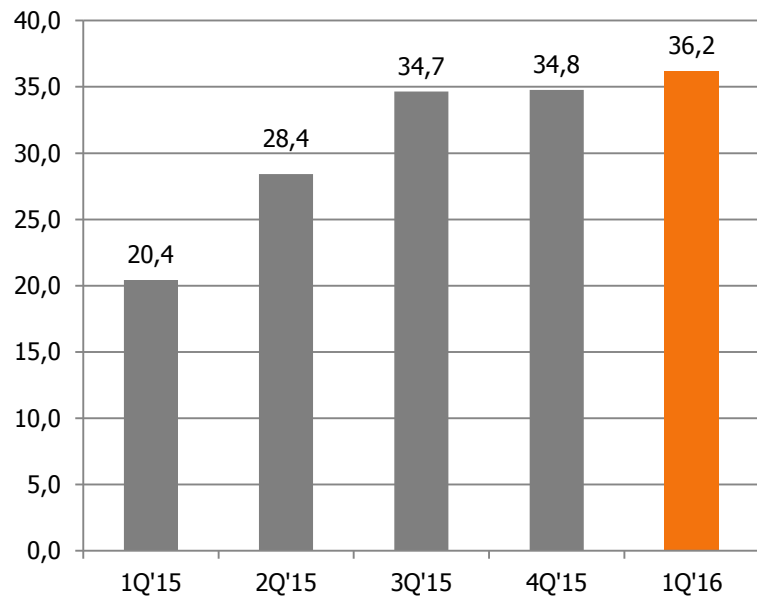
✦ In 1Q 2016 net profit increased by 192% yoy to PLN 29 mn

✦ In LTM net profit amounted to PLN 97 mn, 24% increase in comparison to 2015

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

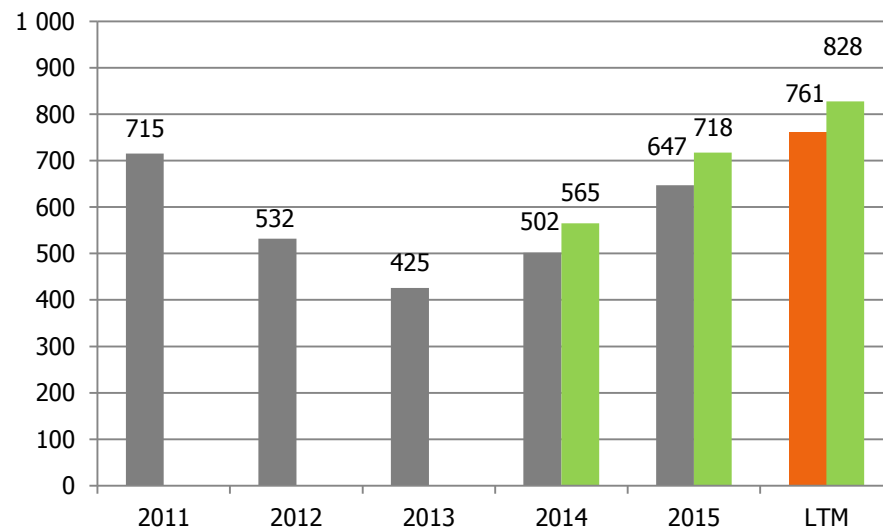
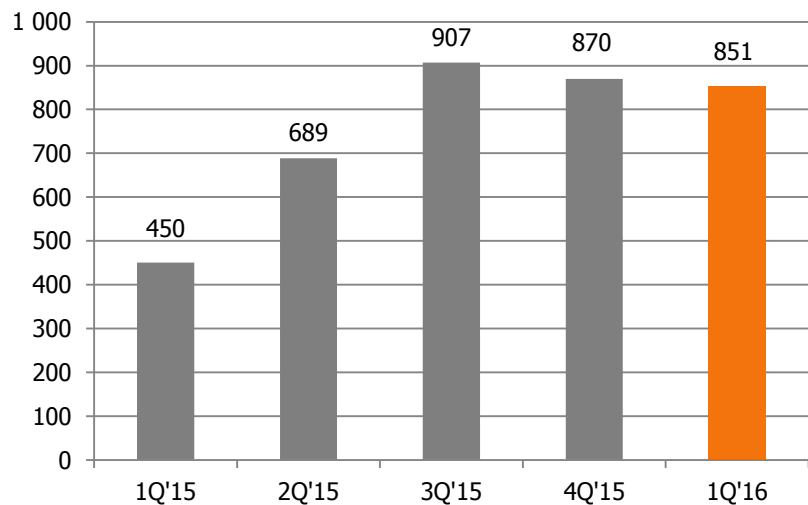
	1Q'15	2Q'15	3Q'15	4Q'15	2015	1Q'16	LTM
Valuation of management option scheme and annual bonus for achieving higher than budgeted results	-1 205	- 265	- 381	- 1 614	-3 465	-394	-2 654
Impairment write-down of equipment				- 867	-867		-867
Net impairment write-down of receivables from entities undergoing corporate recovery proceedings				-7 329	-7 329		-7 329
Impact on EBITDA	-1 205	-265	-381	-9 810	-11 660	-394	-10 850
Income tax				774	774		774
Impact on net profit	-1 205	-265	-381	-9 037	-10 887	-394	-10 076

Adjusted EBITDA in mn PLN



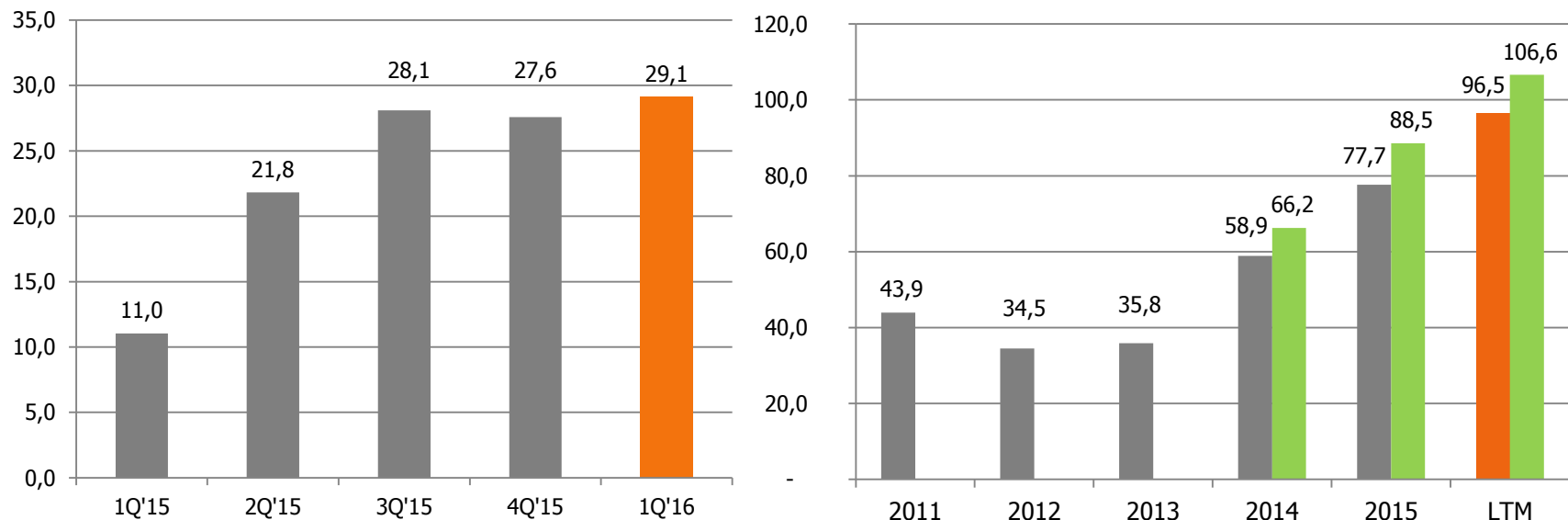
- ⊕ In 1Q 2016 adjusted EBITDA increased by 77% yoy to PLN 36 mn
- ⊕ In LTM adjusted EBITDA amounted to PLN 134 mn, 13% increase in comparison to 2015

Adjusted EBITDA per ton in PLN



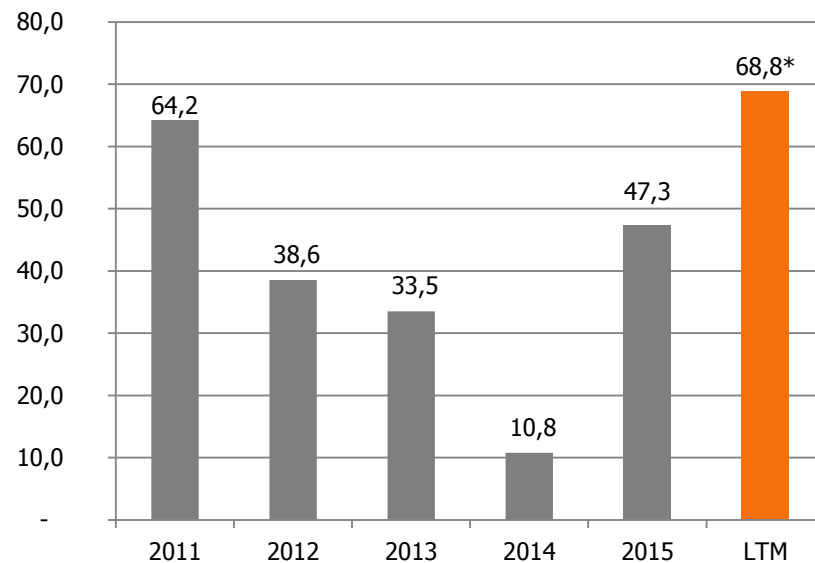
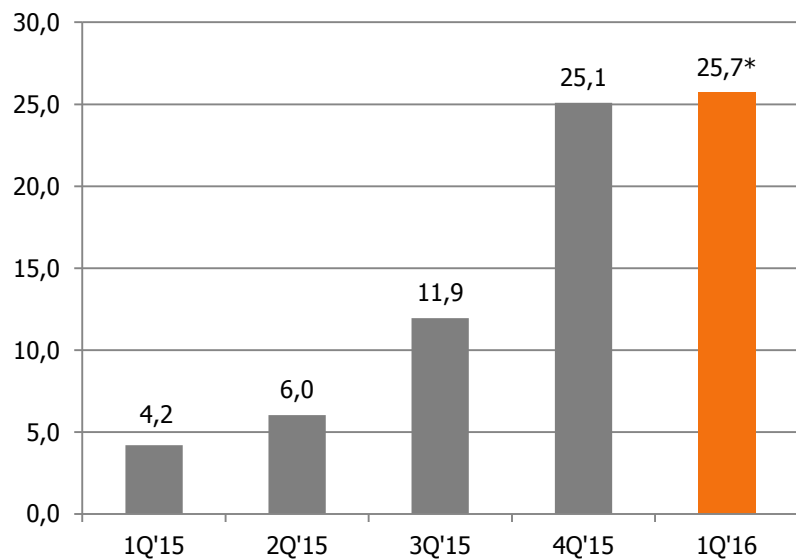
- ✦ In 1Q 2016 adjusted EBITDA per ton increased by 89% yoy to 851 PLN/t
- ✦ In LTM adjusted EBITDA per ton amounted to 828 PLN/t, 15% increase in comparison to 2015

Adjusted net profit in mn PLN



- ⊕ In 1Q 2016 adjusted net profit increased by 164% yoy to PLN 29 mn
- ⊕ In LTM adjusted net profit amounted to PLN 107 mn, 20% increase in comparison to 2015

Capex in mn PLN

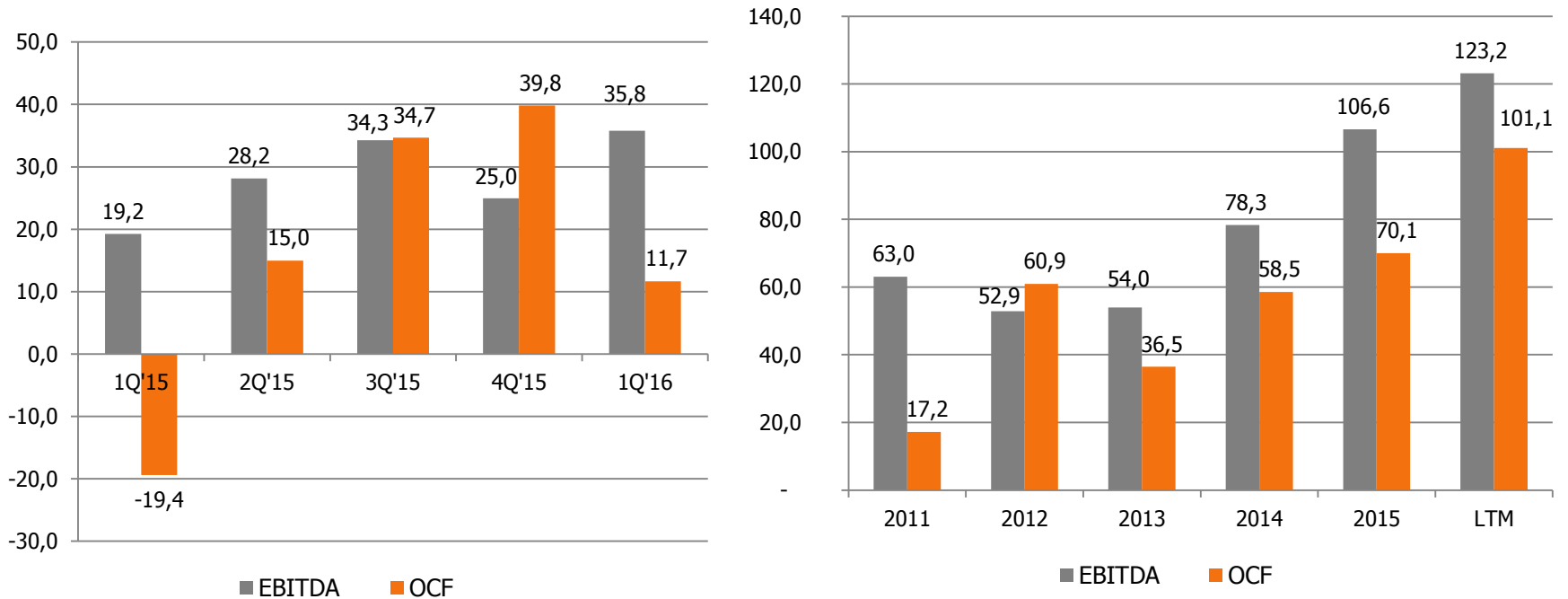


- ⊕ In 1Q 2016 capex amounted to PLN 25,7 mn
 - PLN 2,3 mn maintenance capex
 - PLN 0,3 mn metal management
 - PLN 23,1 mn product mix/ production capacity increase (project in Hungary)

- ⊕ In LTM capex amounted to PLN 69 mn which is 46% higher than in 2015

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

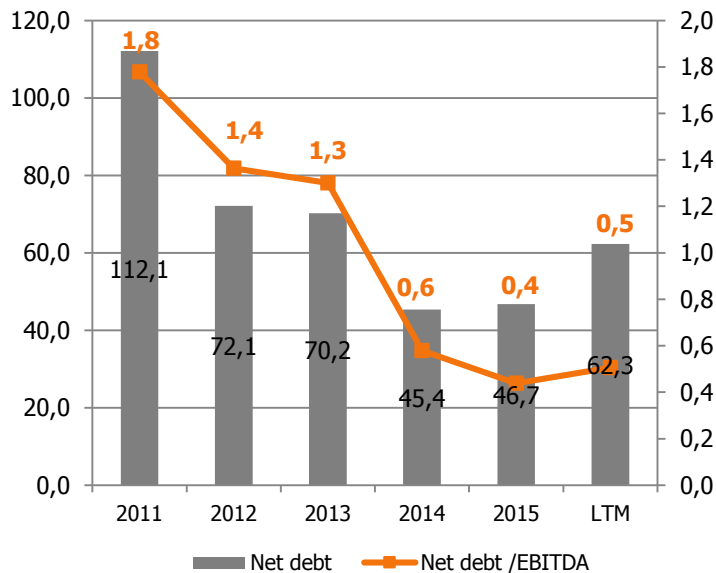
EBITDA vs OCF in mn PLN



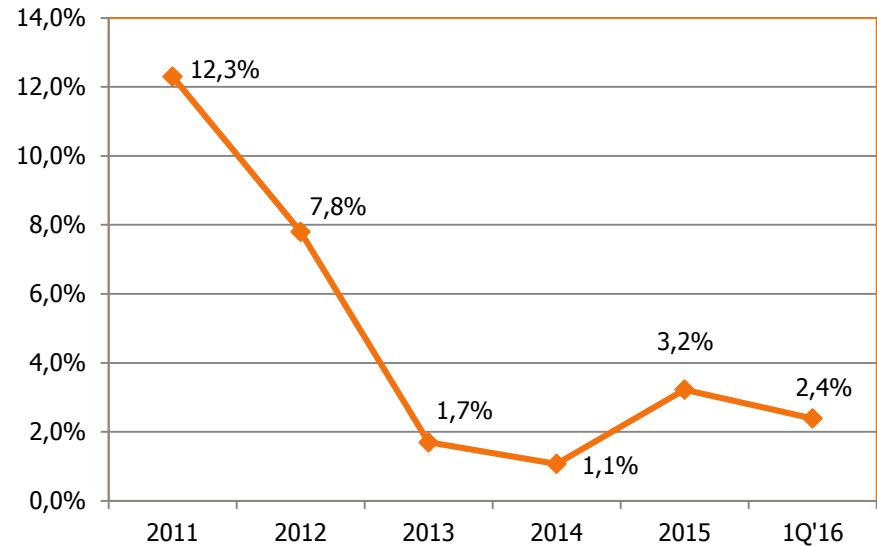
- ⊕ In 1Q 2016 OCF amounted to PLN 12 mn in comparison to EBITDA at PLN 36 mn
- ⊕ In LTM OCF amounted to PLN 101 mn in comparison to EBITDA at PLN 123 mn

Net debt and effective CIT rate

Net debt



Effective CIT rate



- ⊕ At the end of 1Q 2016 net debt amounted to PLN 62 mn and Net debt/EBITDA ratio increased from 0,4 at the end of 2015 to 0,5 at the end of March 2016
- ⊕ Effective CIT rate in 1Q 2016 amounted to 2,4%

Hungarian project current status

- ⊕ 2nd February 2016 incentive agreement with Hungarian Government entered into force (cash grant)
- ⊕ 18th April 2016 first application for reimbursement of part of the capex was filed to HIPA
- ⊕ The current progress of construction works at 75%
- ⊕ 97% of capex is contracted
- ⊕ In May 2016 start of machines and equipment assembly
- ⊕ The process of recruitment and training of employees is in progress
- ⊕ The project is on time and budget

Summary

- ⊕ In 1Q 2016 very good financial results, despite lower sales volume and high pressure on margins – 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%) – 1Q 2016 financial results is a very good start to realize the target
- ⊕ Continuation of dividend policy (50% of net profit) – dividend date on 20th May 2016 and dividend payment date on 7th June 2016
- ⊕ The project in Hungary realized on time and budget