



Alumetal Group

3Q 2020 financial results

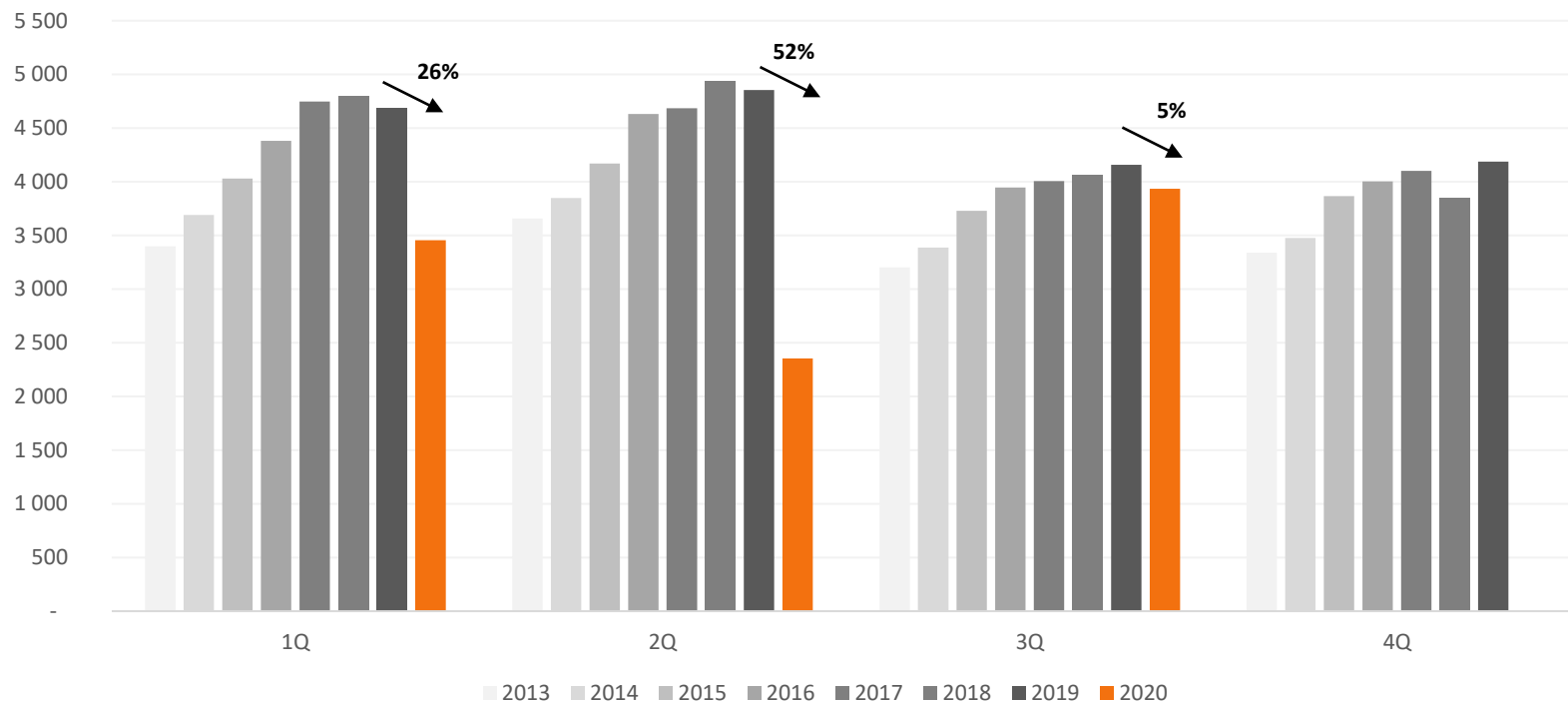
20 November 2020



3Q 2020 and LTM at glance

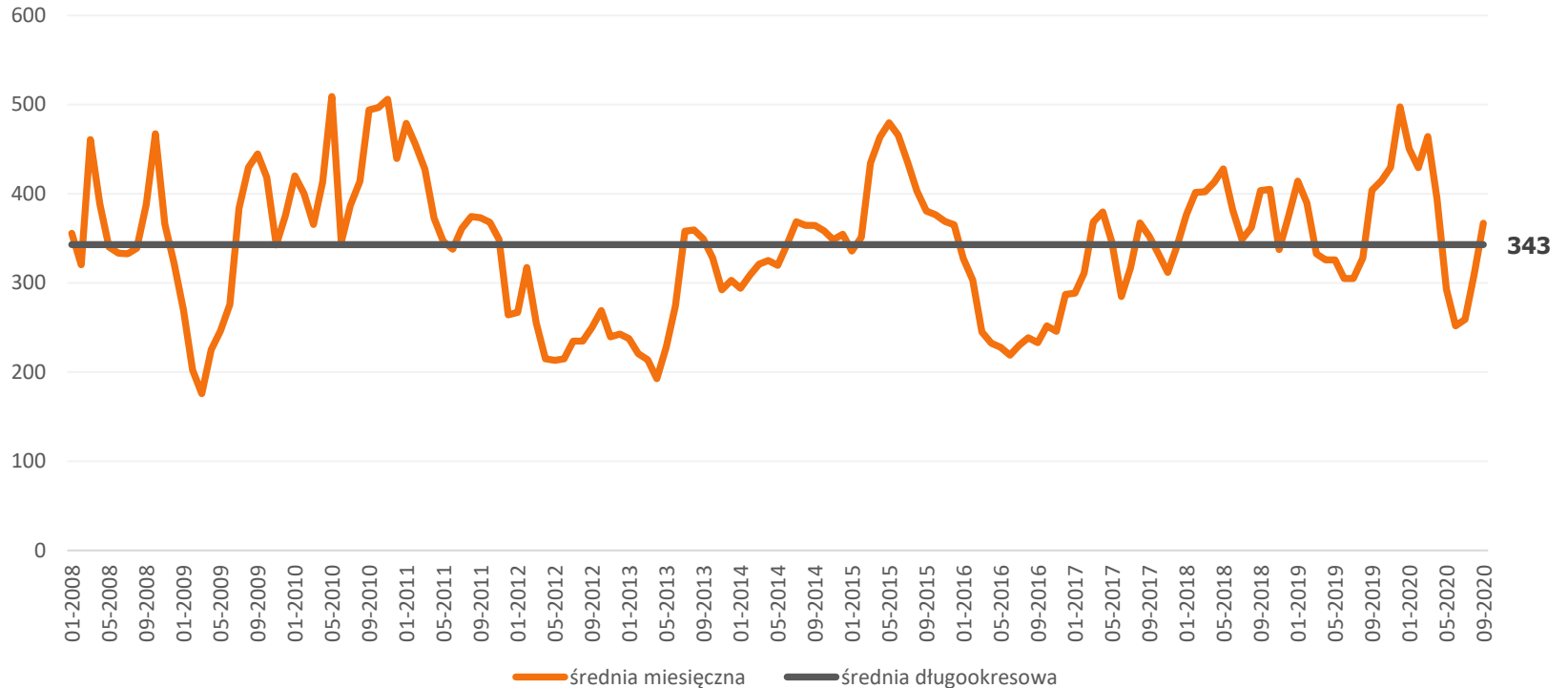
- ⊕ Volume sales – **36,9 k tons** in Q3 2020 and **151,9 k tons** in LTM
- ⊕ EBITDA – **PLN 25,4 mn** in Q3 2020 and **PLN 85,0 mn** in LTM
- ⊕ Normalized net profit – **PLN 17,1 mn** in Q3 2020 and **PLN 52,1 mn** in LTM
- ⊕ Operating cash flow – **minus PLN 10,6 mn** in Q3 2020 and **PLN 53,8 mn** in LTM
- ⊕ Net debt – **PLN 75,1 mn** (0,9x EBITDA)

Motor vehicle registrations in the EU and UK in thou. units



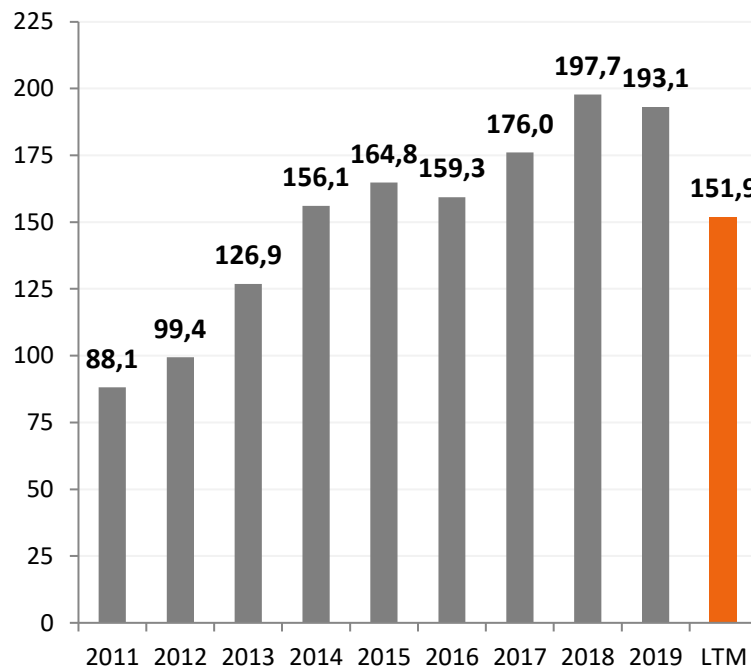
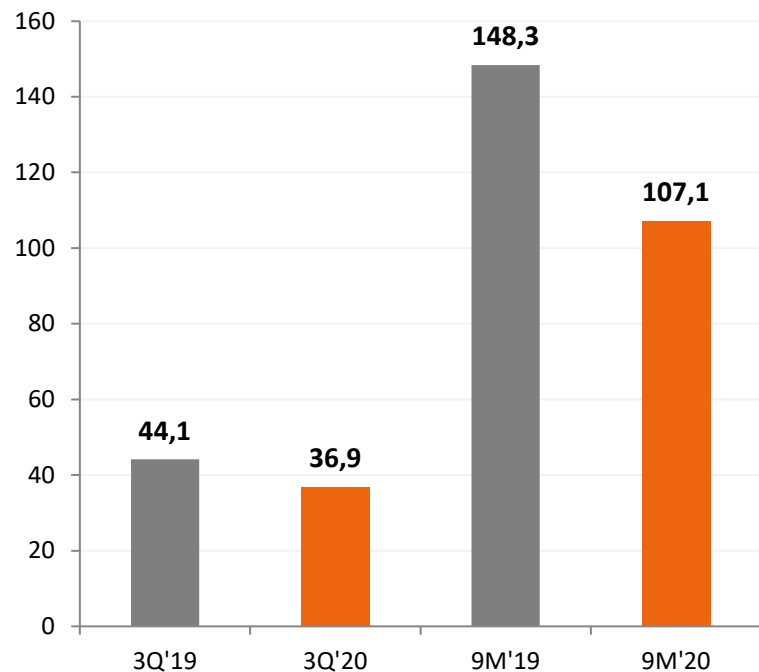
- ✦ In Q3 2020 new motor vehicle registrations in the EU and Great Britain decreased by 5% (passenger cars (PC) registrations decreased by 6% and commercial vehicles (CV) by 1%)
- ✦ In LTM sales volume of motor vehicles in the EU and Great Britain amounted to 13,93 mn units, decrease by 22% in comparison to 2019 (23% decrease in PC and 19% in CV)

Metal Bulletin 226 alloy spread in EUR/t



- ✦ In Q3 2020 the benchmark margin increased from 252 EUR/t in June 2020 to 367 EUR/t in September 2020 (margin in September 2020 was 7% above the long-term average)
- ✦ The average benchmark margin in Q3 2020 amounted to 312 EUR/t, it was 19% lower than the average margin in 2019 and 10% lower than the long-term average

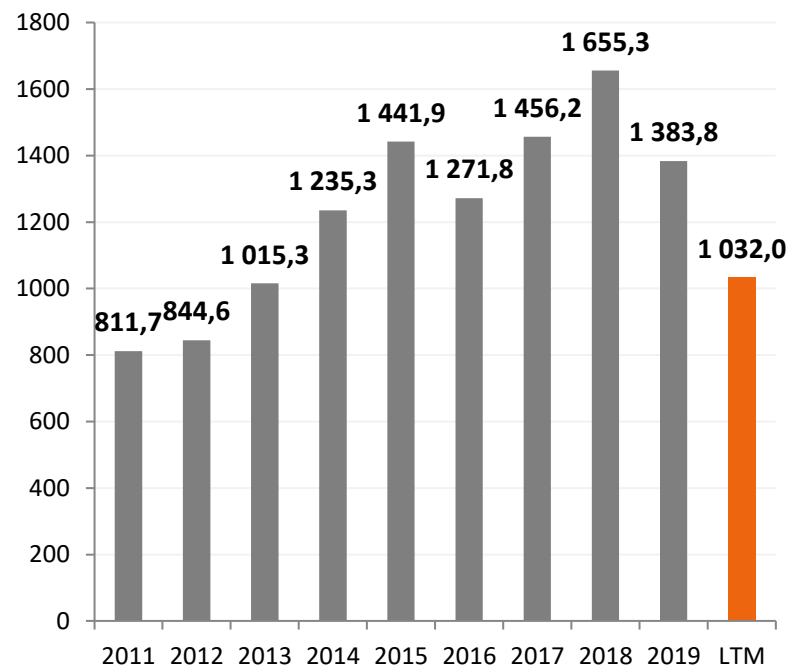
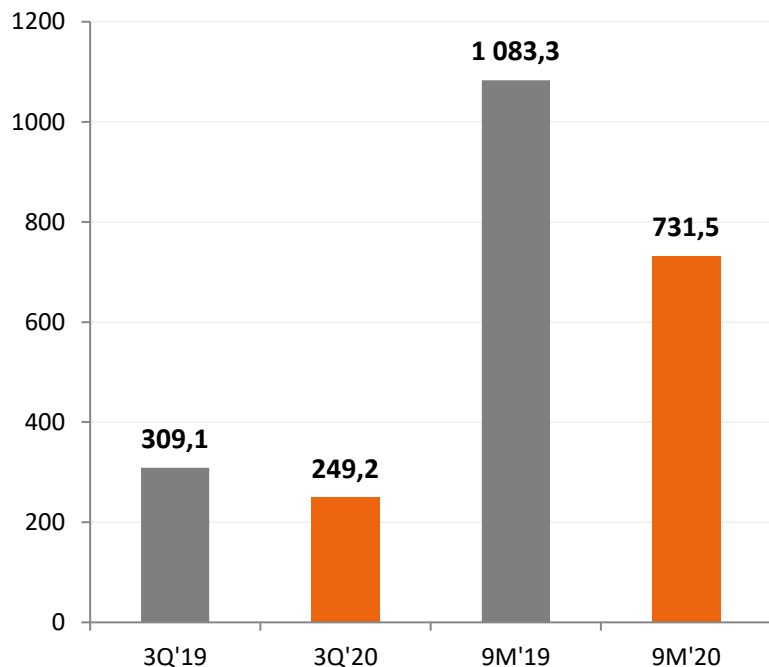
Volume sales in thou. tons



✦ In Q3 2020 sales volume decreased by 16% yoy to 36,9 k tons

✦ In LTM sales volume amounted to 151,9 k tons, decrease by 21% in comparison to 2019

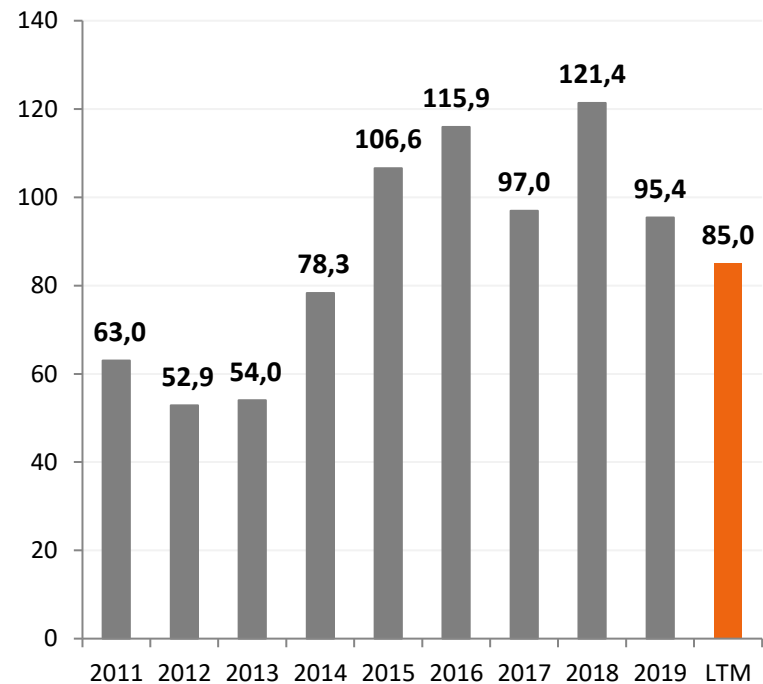
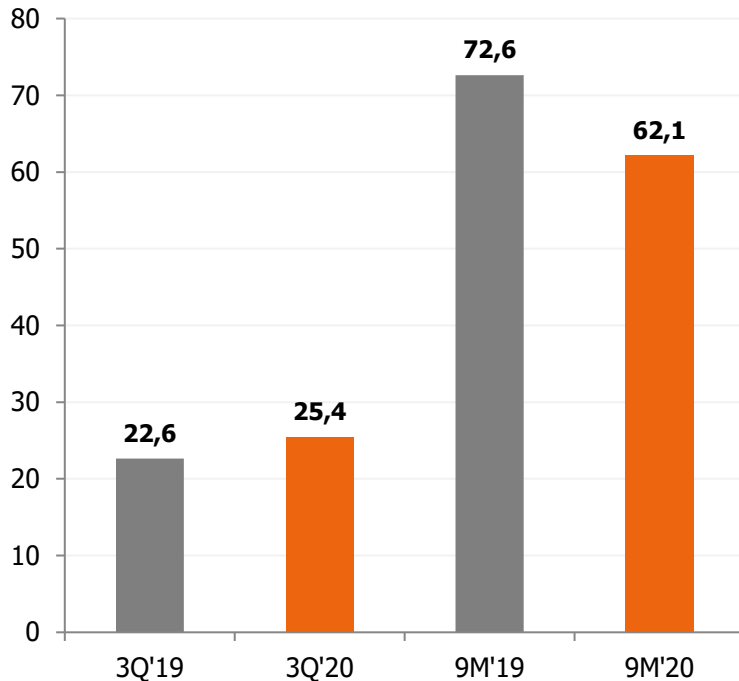
Sales revenue in mn PLN



✦ In Q3 2020 sales revenue decreased by 19% yoy to PLN 249,2 mn

✦ In LTM sales revenue amounted to PLN 1,03 bn, decrease by 25% in comparison to 2019

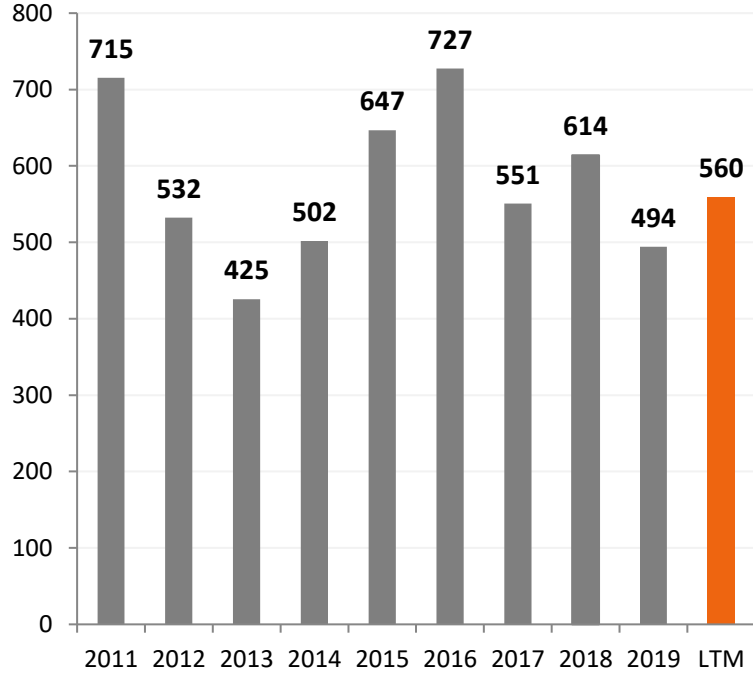
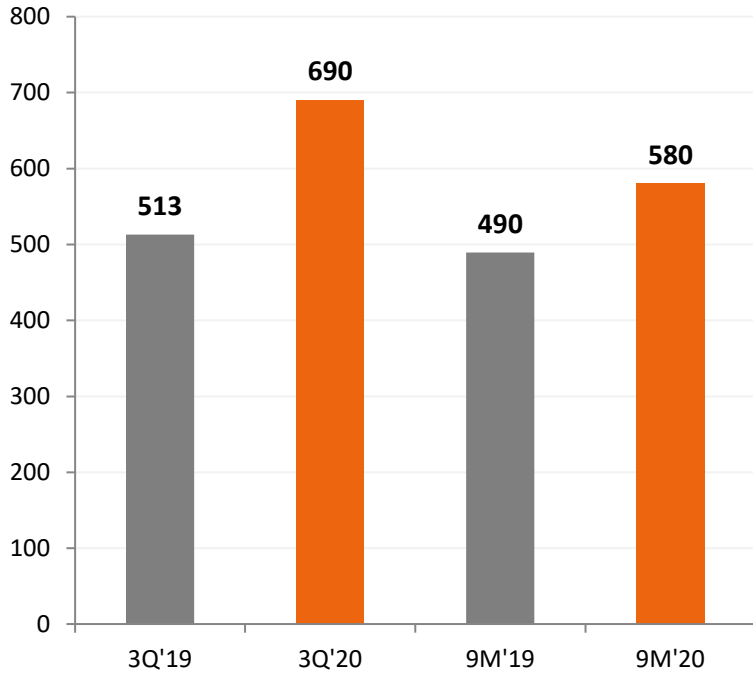
EBITDA in mn PLN



✦ In Q3 2020 EBITDA increased by 12% yoy to PLN 25,4 mn

✦ In LTM EBITDA amounted to PLN 85,0 mn, decrease by 11% in comparison to 2019

EBITDA per ton in PLN

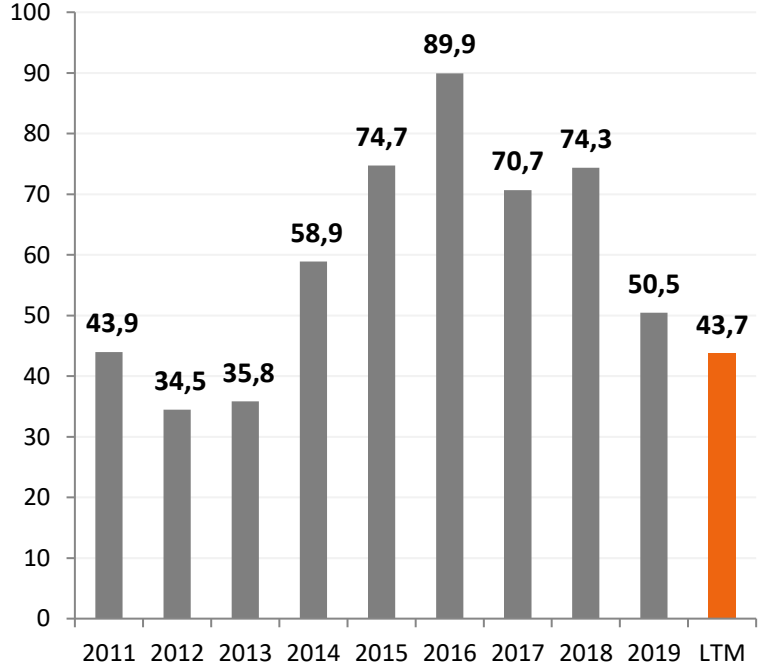
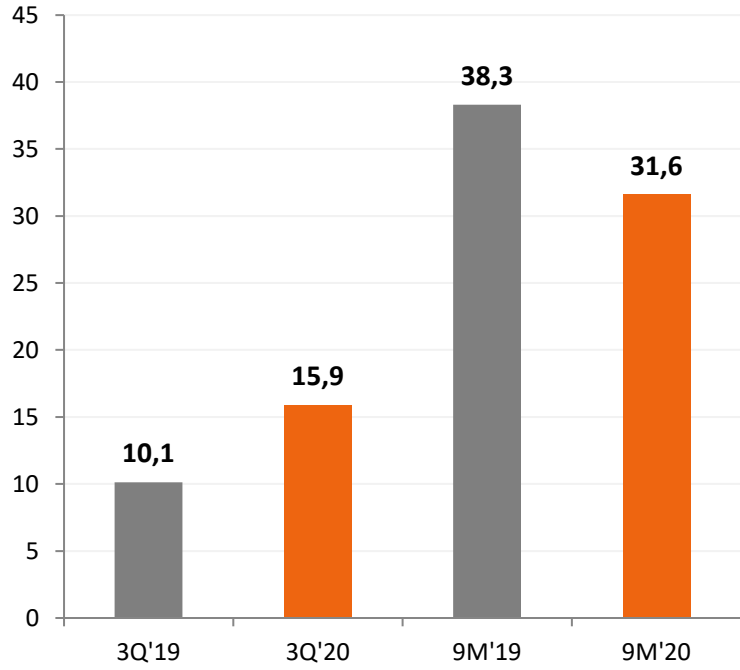


✦ In Q3 2020 EBITDA per ton increased by 35% yoy to 690 PLN/t

✦ In LTM EBITDA per ton amounted to 560 PLN/t, increase by 13% in comparison to 2019



Net profit in mn PLN

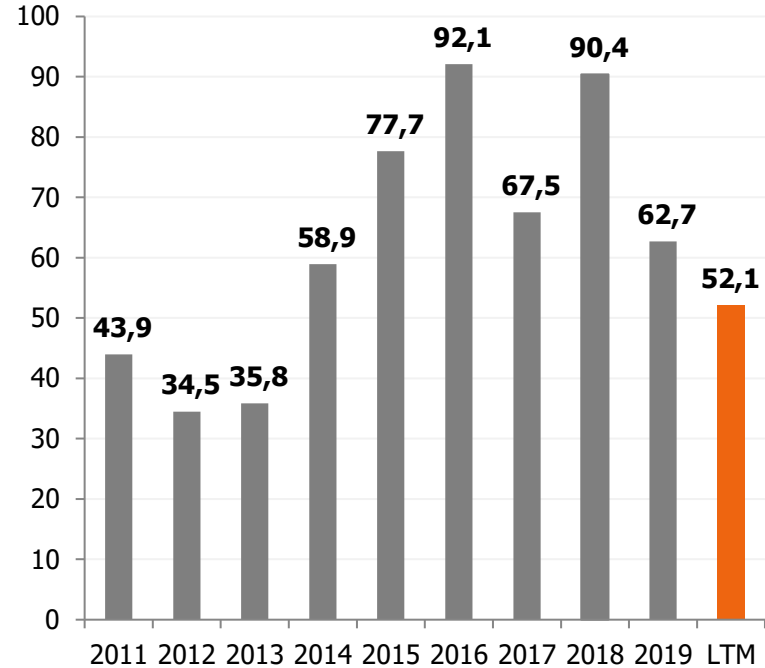
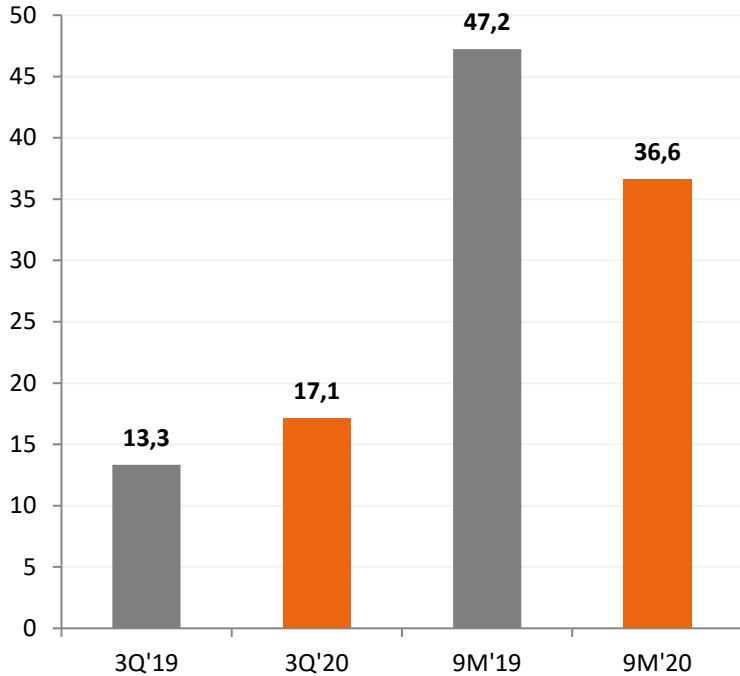


✦ In Q3 2020 net profit increased by 57% yoy to PLN 15,9 mn

✦ In LTM net profit amounted to PLN 43,7 mn, decrease by 13% in comparison to 2019

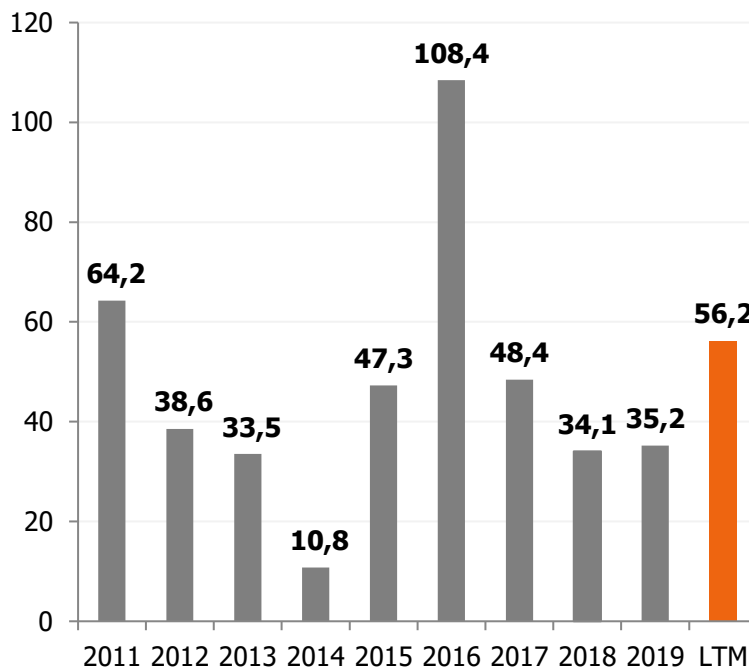
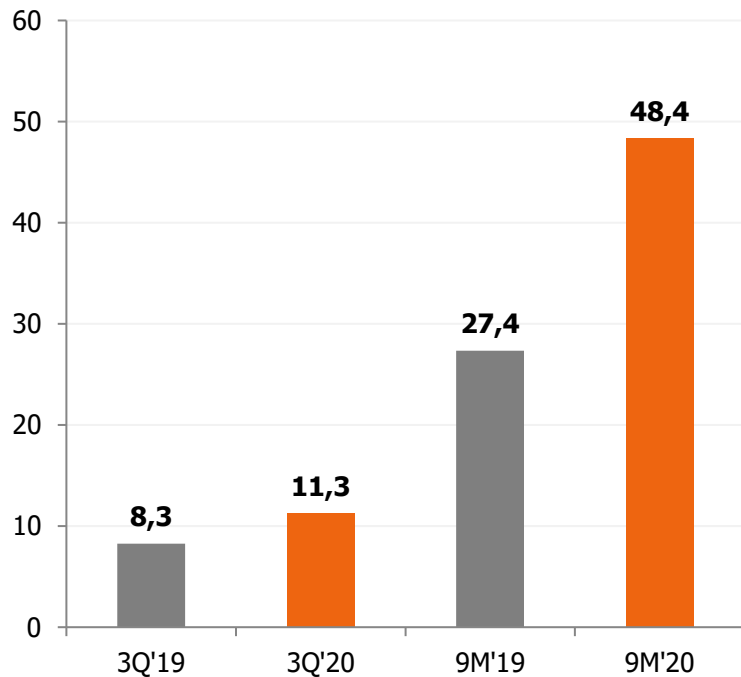


Normalized net profit in mn PLN



- ✦ In Q3 2020 normalized net profit increased by 28% yoy to PLN 17,1 mn
- ✦ In LTM normalized net profit amounted to PLN 52,1 mn, decrease by 17% in comparison to 2019

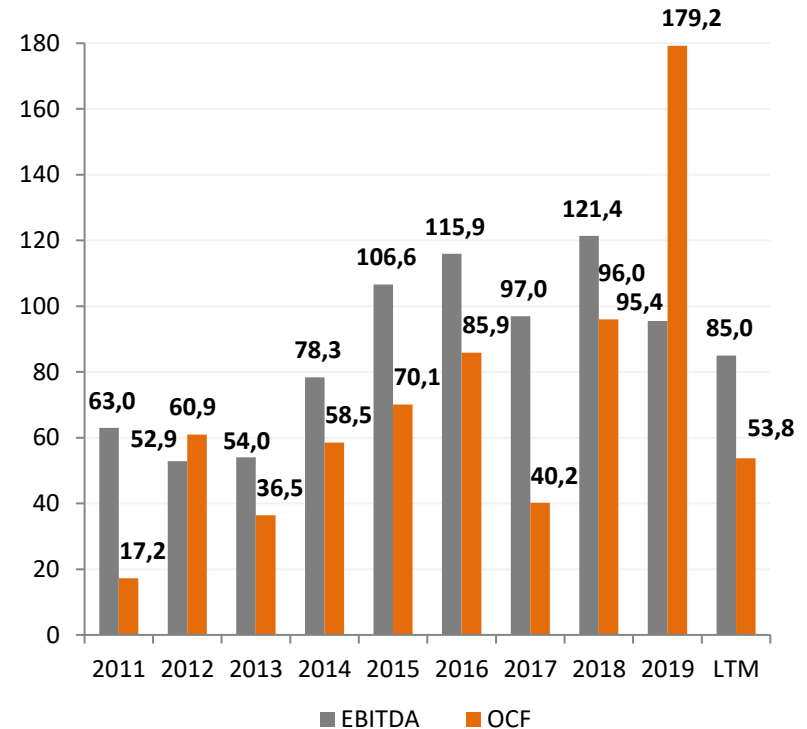
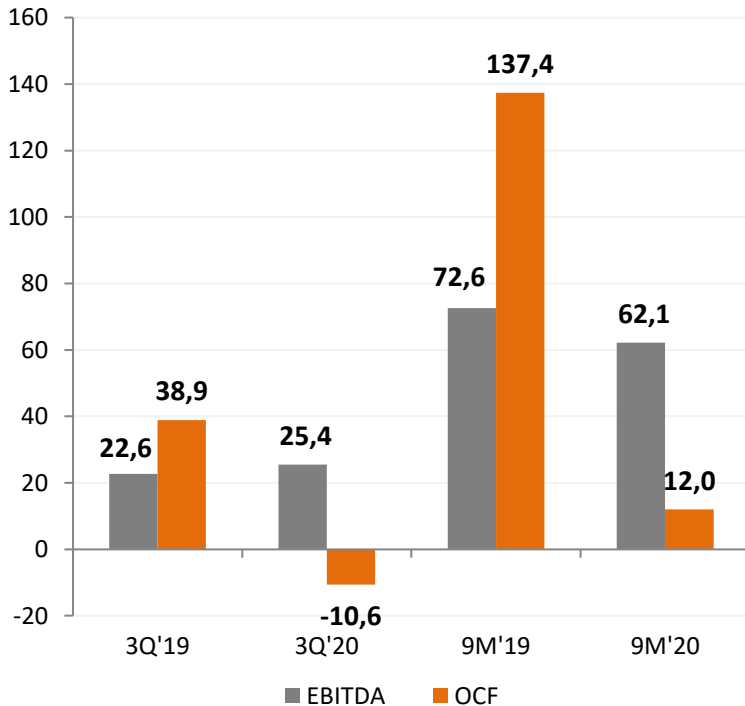
Capex in mn PLN



- ⊕ In Q3 2020 capex amounted to PLN 11,3 mn
 - PLN 2,3 mn maintenance capex
 - PLN 9,0 mn development capex

- ⊕ In LTM capex amounted to PLN 56,2 mn, increase by 60% in comparison to 2019

EBITDA vs OCF in mn PLN

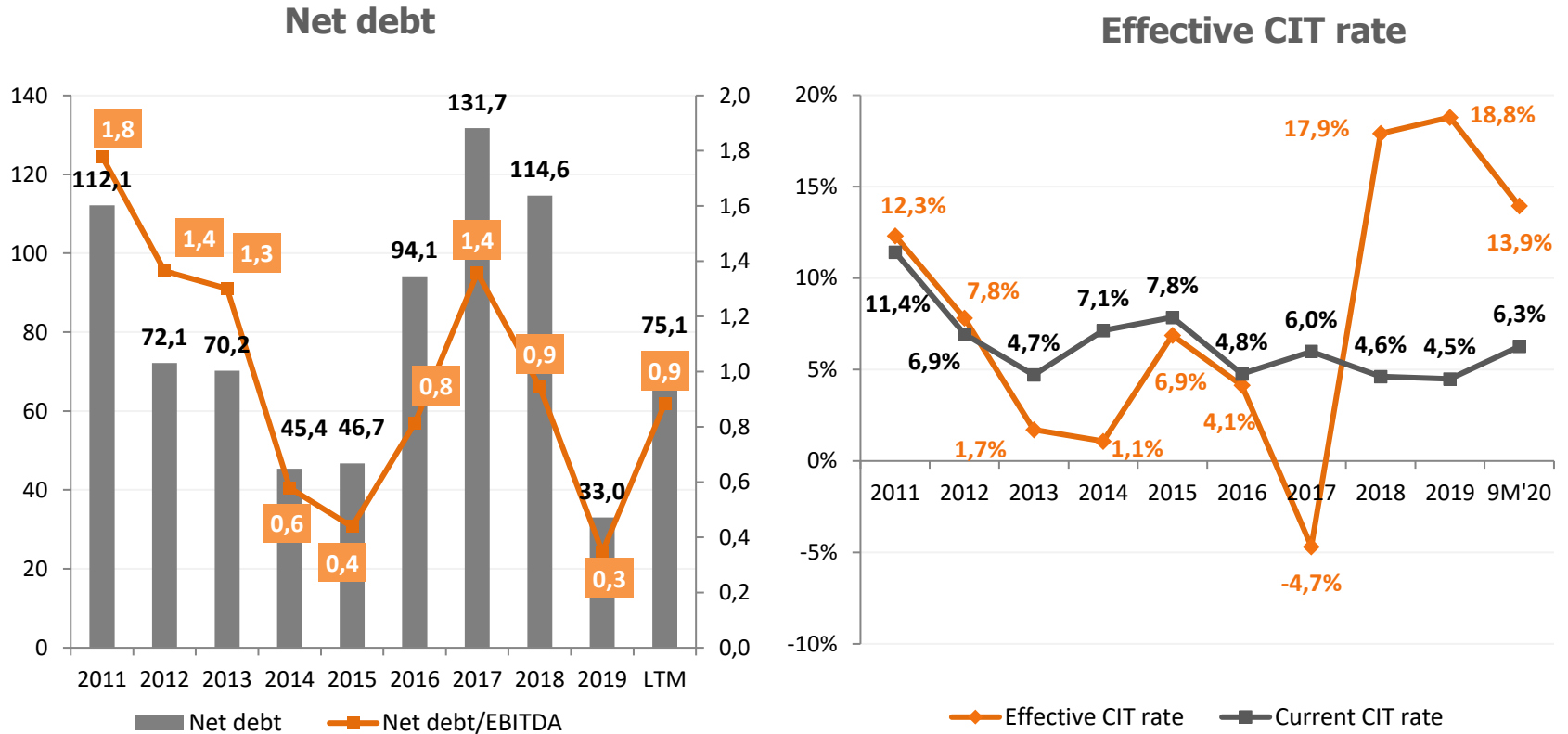


✦ In Q3 2020 OCF amounted to minus PLN 10,6 mn vs PLN 25,4 mn of EBITDA

✦ In LTM OCF amounted to PLN 53,8 mn vs PLN 85,0 mn of EBITDA



Net debt and effective CIT rate



- At the end of Q3 2020 net debt amounted to PLN 75,1 mn and Net debt/EBITDA ratio increased from the level of 0,3x at the end of 2019 to 0,9x at the end of September 2020
- Effective CIT rate at the end of Q3 2020 amounted to 13,9% and current CIT rate amounted to 6,3%

Kęty plant modernization

- ⊕ Start-up of all equipment in the new production line – it is in the testing and optimization phase currently
- ⊕ Last construction works in progress
- ⊕ In Q3 2020 capex amounted to PLN 4,7 mn and from the beginning of the project PLN 53,9 mn
- ⊕ Despite the pandemic, realization of the project is on time and budget (PLN 67,8 mn)
- ⊕ We plan to reach full production capacity in Q1 2021

Summary

- ⊕ In Q3 2020 sales of new cars in the EU and the UK were gradually recovering, which was the main reason for improving the benchmark margin
- ⊕ In Q3 2020 Alumetal Group achieved very good financial results, despite decrease in sales volume
- ⊕ Very good financial standing of Alumetal Group
- ⊕ The Management Board of Alumetal Group observes stabilization of demand in Q4 2020 at the level as a year before
- ⊕ Kęty plant modernization has been carried out on time and budget
- ⊕ On 12 November 2020 the managerial option scheme for 2021-23 was adopted