



**Alumetal Group
2014 financial results**

13 March 2015

alumetal

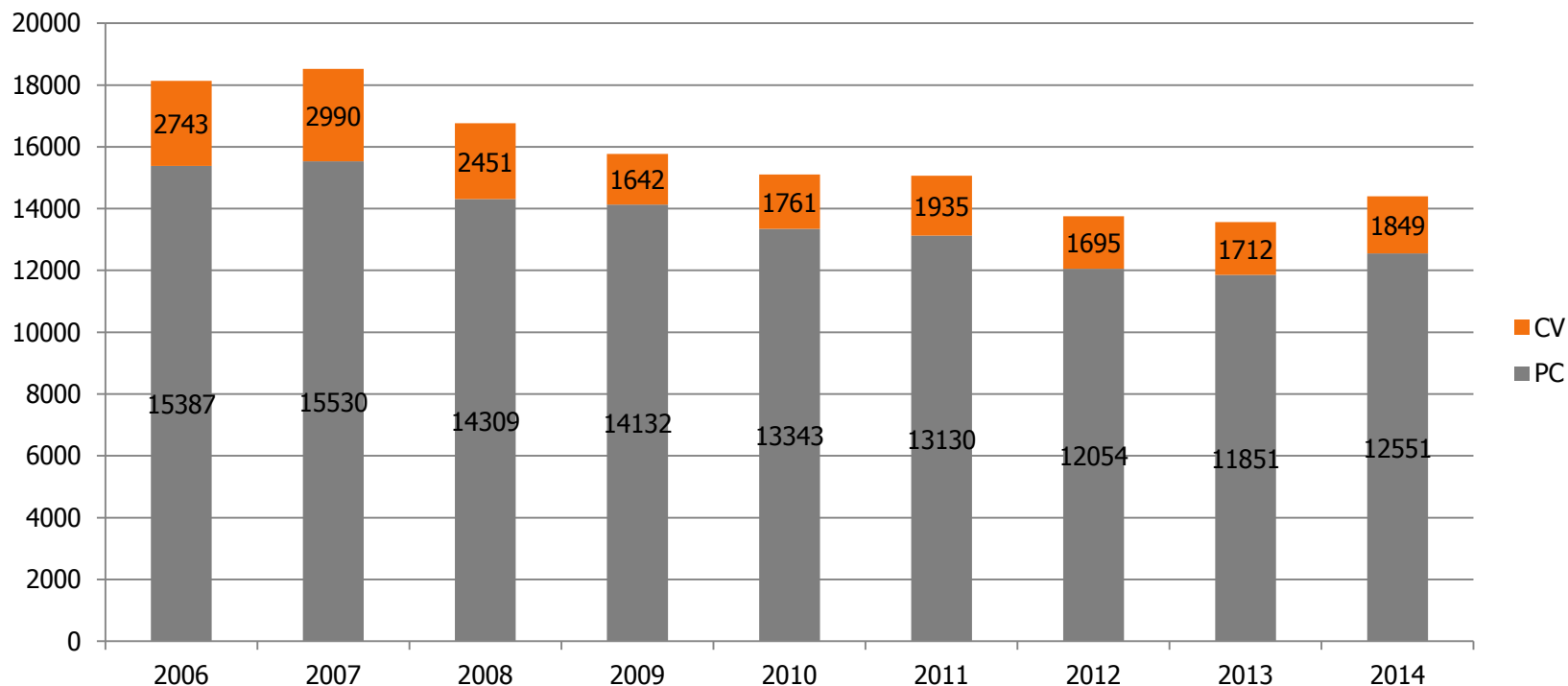
Alumetal Group strategy

	2010	2014	2018
Market position	Leader in CEE # 7 in Europe	Leader in CEE # 4 in Europe	Leader in CEE # 1 in Europe
Market share	3,5%	6,0%	7,5%
Sales volume	80 thou. tons	156 thou. tons	210 thou. tons
Production facility	2 in Poland	3 in Poland	3 in Poland 1 in Hungary
Profitability	leader in Europe		
Dividend	0%	50% of consolidated net profit	

FY 2014 at glance

- ⊕ Sales volume – **156k tons** in 2014 vs **127k tons** in 2013 (23% increase)
- ⊕ Adjusted EBITDA – **PLN 88 mln** in 2014 vs **PLN 54 mln** in 2013 (63% increase)
- ⊕ Adjusted net profit – **PLN 66 mln** in 2014 vs **PLN 36 mln** in 2013 (85% increase)
- ⊕ **Low net debt** due to improved EBITDA, low capex and low effective CIT rate
- ⊕ **Solid operating cash flow** due to improved EBITDA, despite of net working capital increase

Motor vehicle registrations in the EU in thou. units

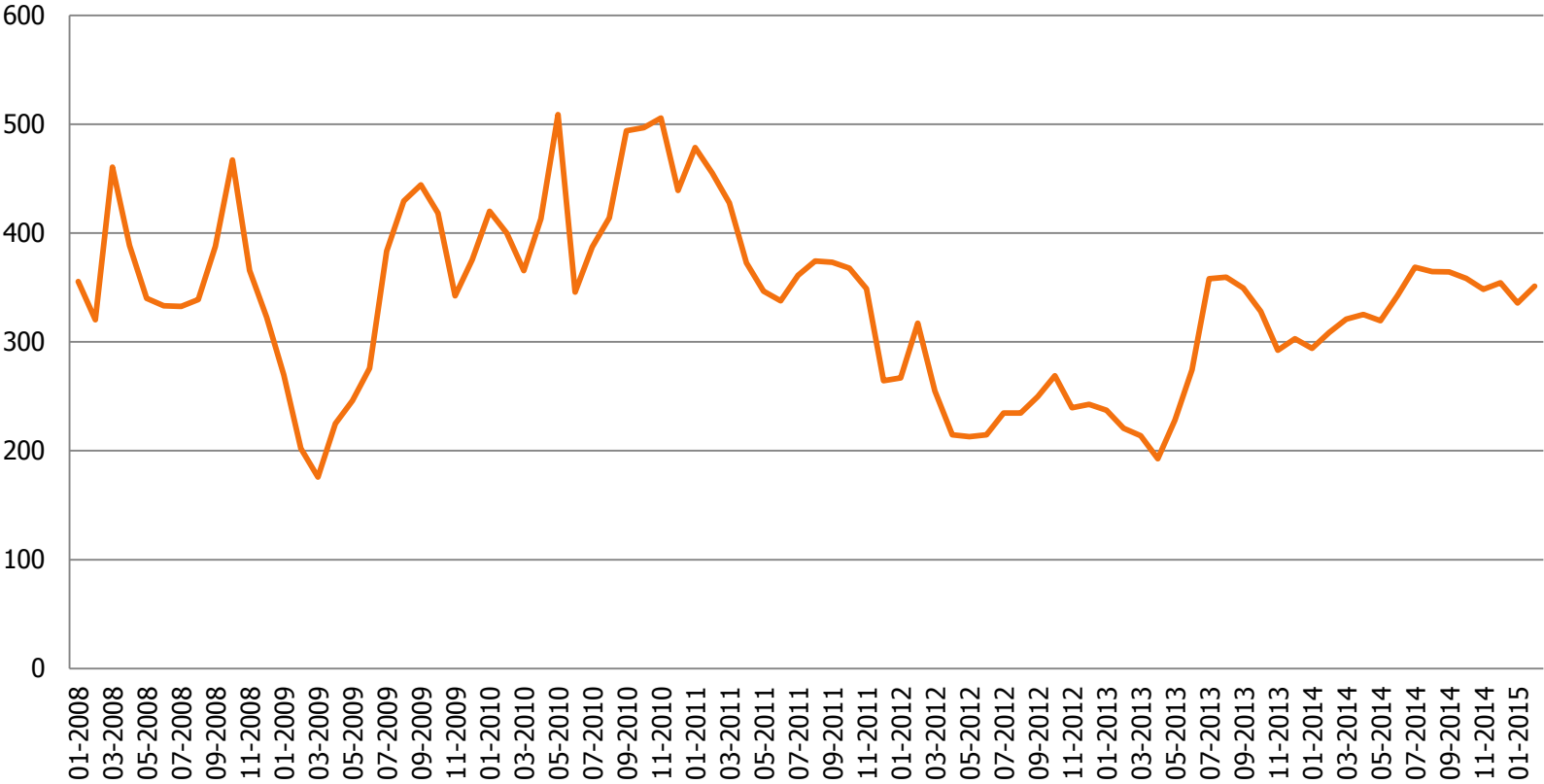


- ✦ From the peak in 2007 till the bottom in 2013 the motor vehicles sales in the EU decreased by 26,8% (23,7% decline in PC and 42,7% decline in CV)
- ✦ In 2014 the motor vehicle sales in the EU increased by 5,9% (5,6% increase in PC and 7,6% increase in CV)

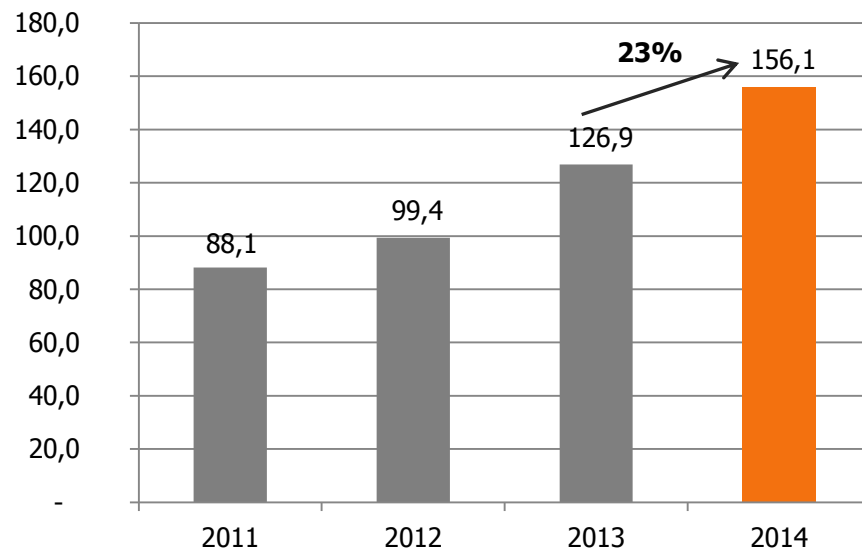
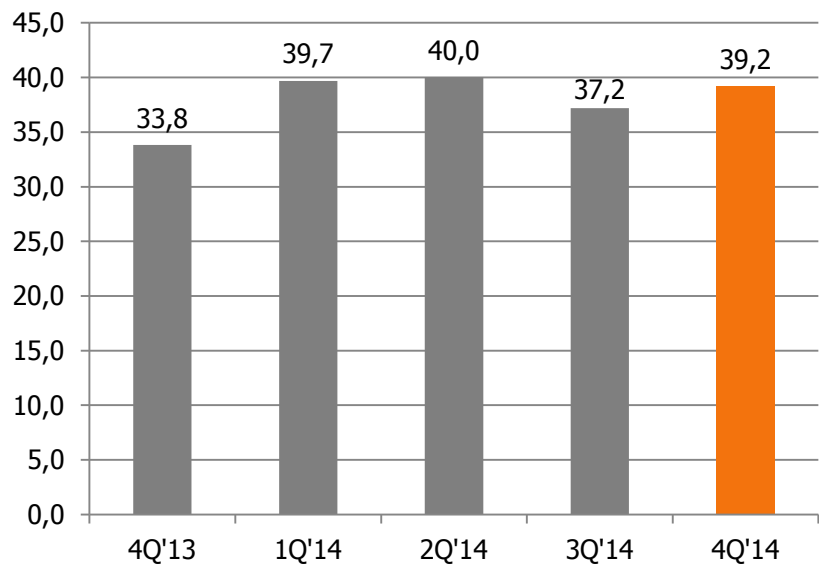
Automotive industry investments in CEE5

- ⊕ In April 2014 VW started up the new diesel engines production line in Polkowice, Poland (PLN 1 billion capex)
- ⊕ In 2016 VW will finish the construction of the new plant in Września, Poland and will start production of Crafter (PLN 3,4 billion capex)
- ⊕ In 2016 Daimler will finish the construction of the new plant in Sebes, Romania and will start gearboxes production line (EUR 300 mn capex)
- ⊕ In 2017 GM will finish the plant extension and will start the new engines production line (PLN 1 billion capex)
- ⊕ Fiat Powertrain will expand the plant in Bielsko Biała, Poland and will start production of small petrol engines (PLN 1,1 billion capex)
- ⊕ 2017 Fiat is planning to start production of B class car in Tychy, Poland (PLN 2,3 billion capex)

Metal Bulletin 226 alloy spread in EUR per ton

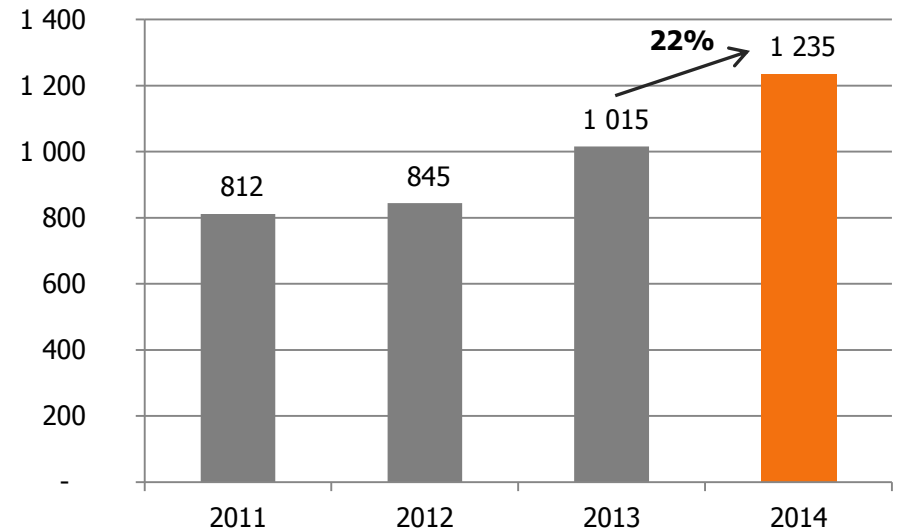
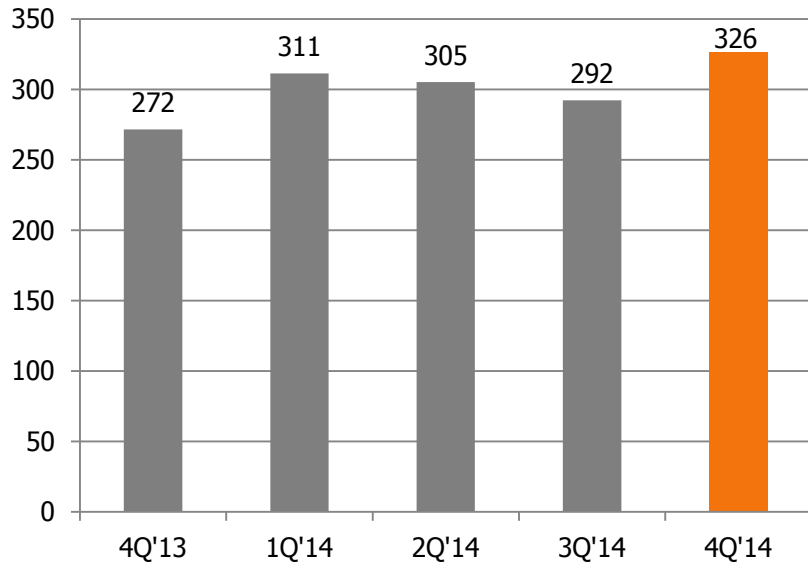


Sales volume in thou. tons



- ⊕ In 4Q 2014 sales volume increased by 16% yoy to 39k tons
- ⊕ In 2014 sales volume increased by 23% yoy to 156k tons

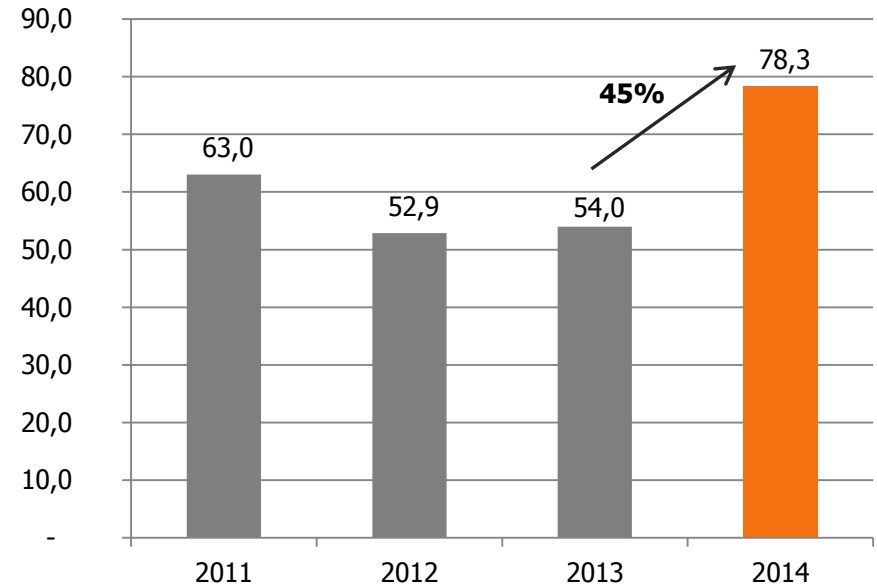
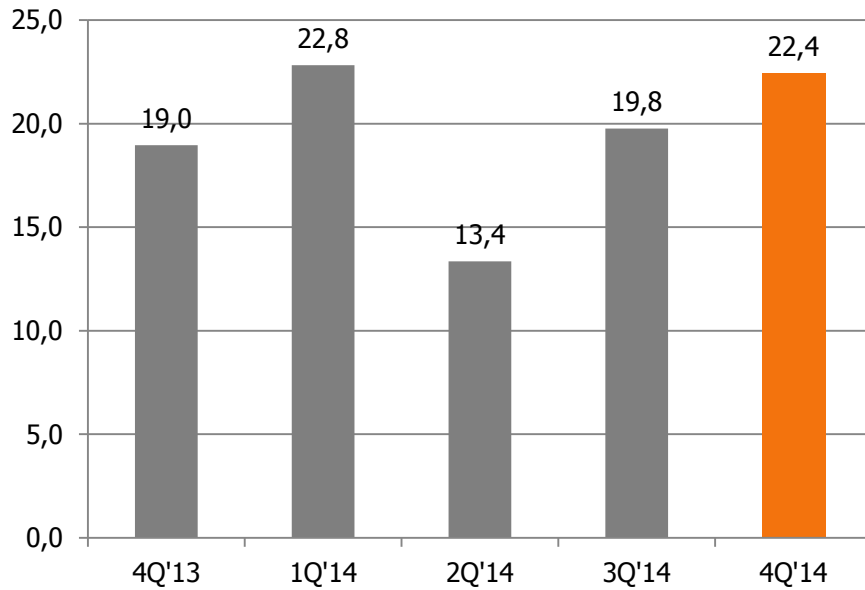
Sales revenue in mn PLN



⊕ In 4Q 2014 sales revenue increased by 20% yoy to PLN 326 mn

⊕ In 2014 sales revenue increased by 22% yoy to PLN 1 235 mn

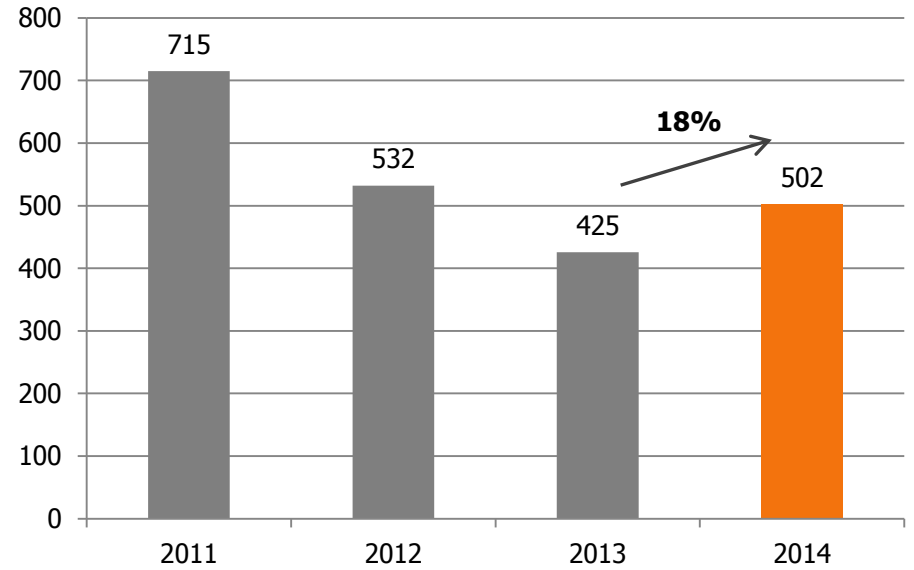
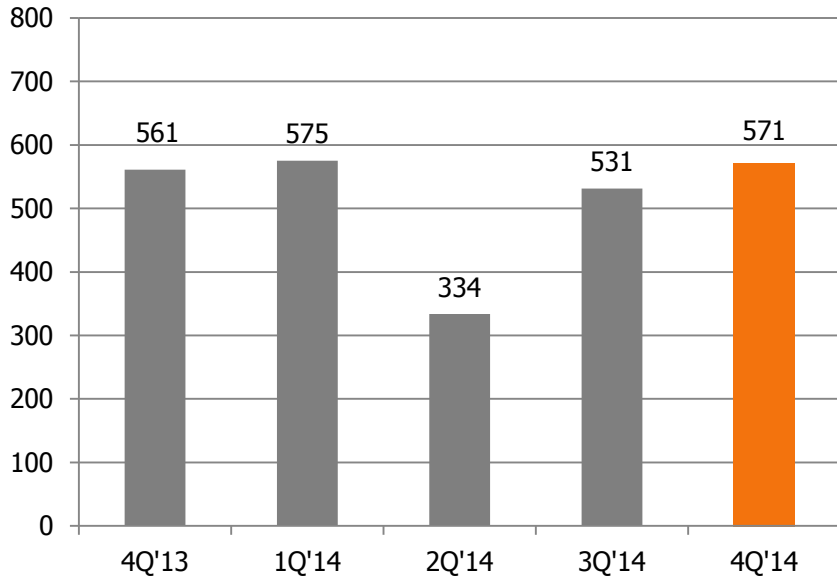
EBITDA in mn PLN



⊕ In 4Q 2014 EBITDA increased by 18% yoy to the level of PLN 22 mn

⊕ In 2014 EBITDA increased by 45% yoy to the level of PLN 78 mn

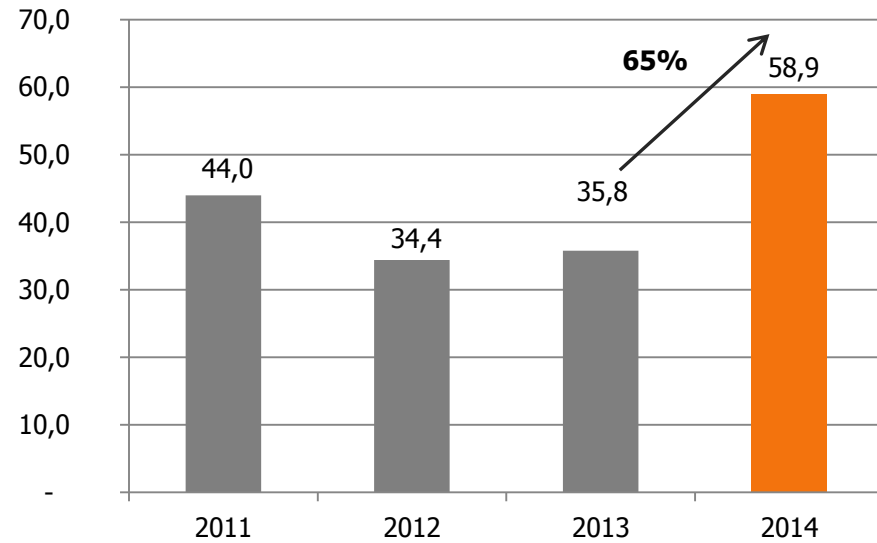
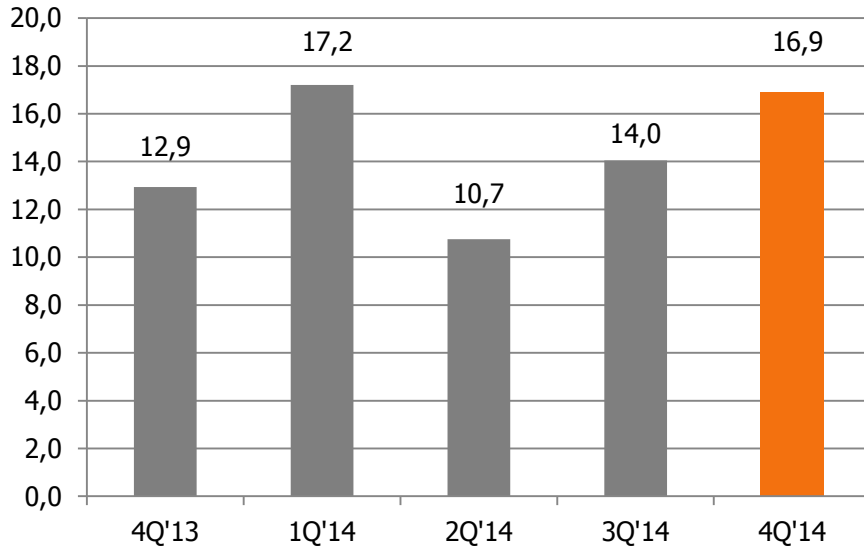
EBITDA per ton in PLN



⊕ In 4Q 2014 EBITDA per ton increased by 2% yoy to 571 PLN/t

⊕ In 2014 EBITDA per ton increased by 18% yoy to 502 PLN/t

Net profit in mn PLN



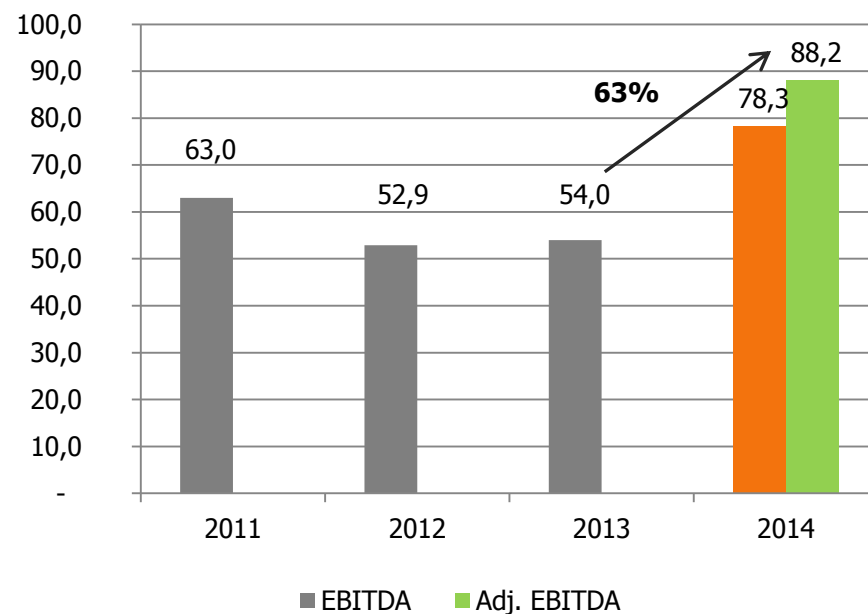
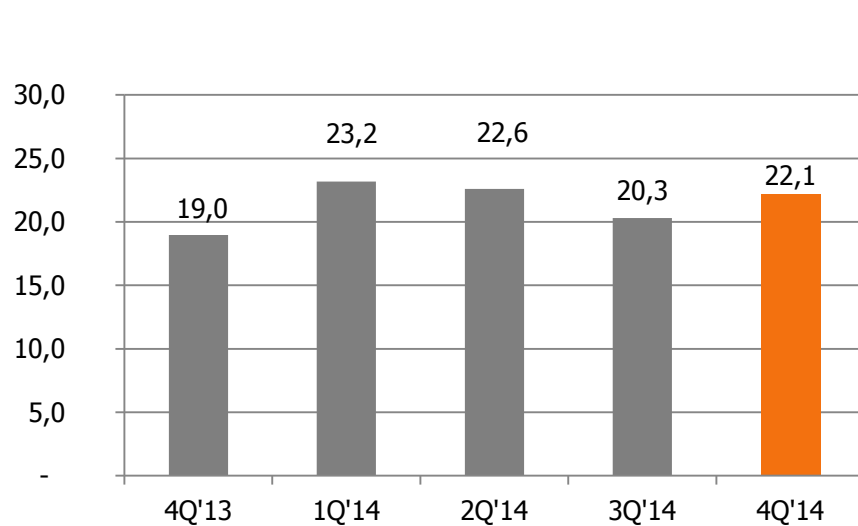
⊕ In 4Q 2014 net profit increased by 31% yoy to PLN 17 mn

⊕ In 2014 net profit increased by 65% yoy to PLN 59 mn

One-off events impact for 2014 financial results in thou. PLN

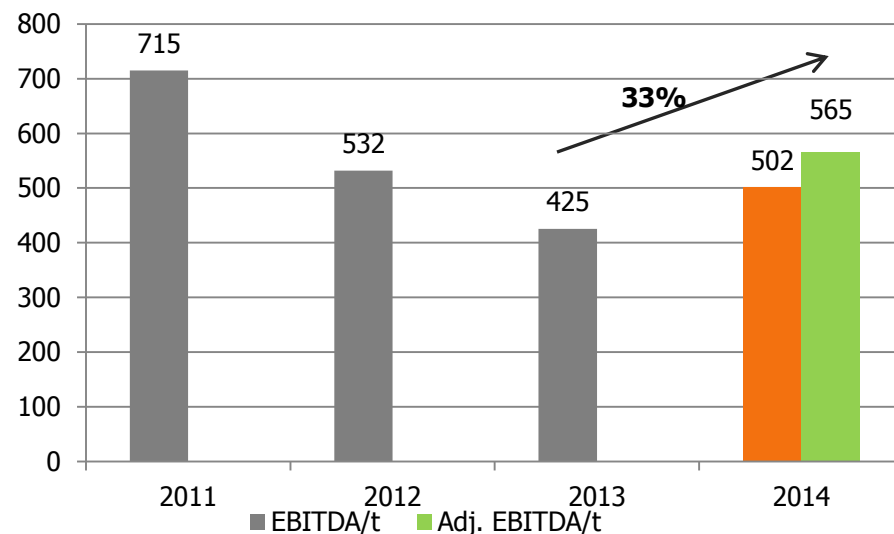
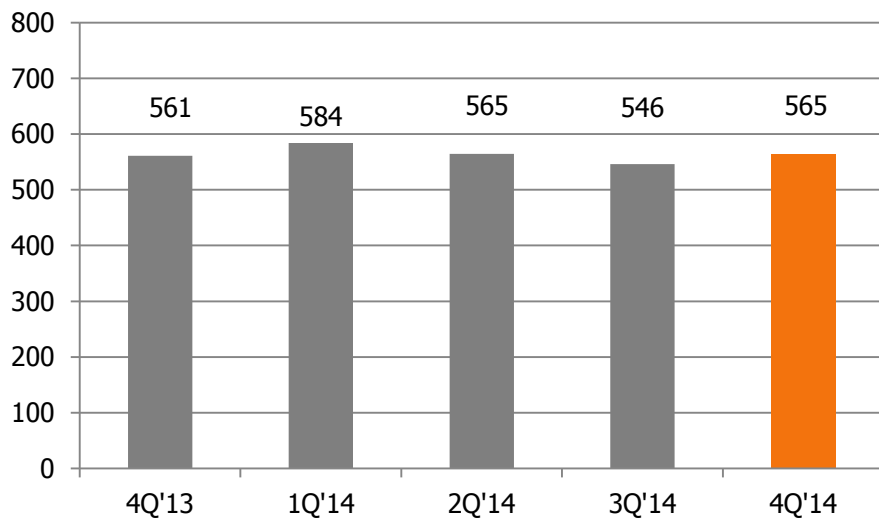
	1Q 2014	2Q 2014	3Q 2014	4Q 2014	2014
Valuation of the managerial option program and yearly bonus for significant exceeding of 2014 budget				-2 169	-2 169
IPO costs	-347	-597	-546		-1 490
Reversal of provision for VAT		1 106			1 106
CIMOS - provision creation/release		-9 757		2 439	-7 318
Impact on EBITDA	-347	-9 248	-546	270	-9 871
Interest on refund of VAT		884			884
CIT	66	1 967	104	-463	1 674
Impact on net profit	-281	-6 398	-442	-193	-7 314

Adjusted EBITDA in mn PLN



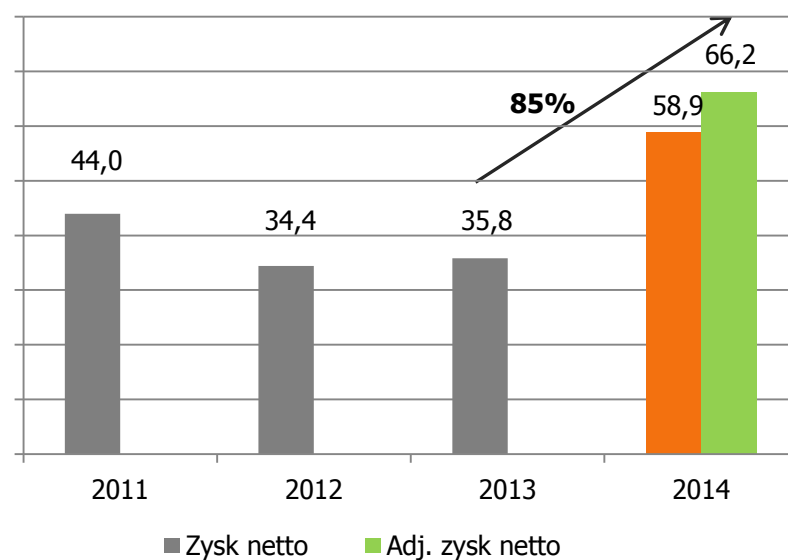
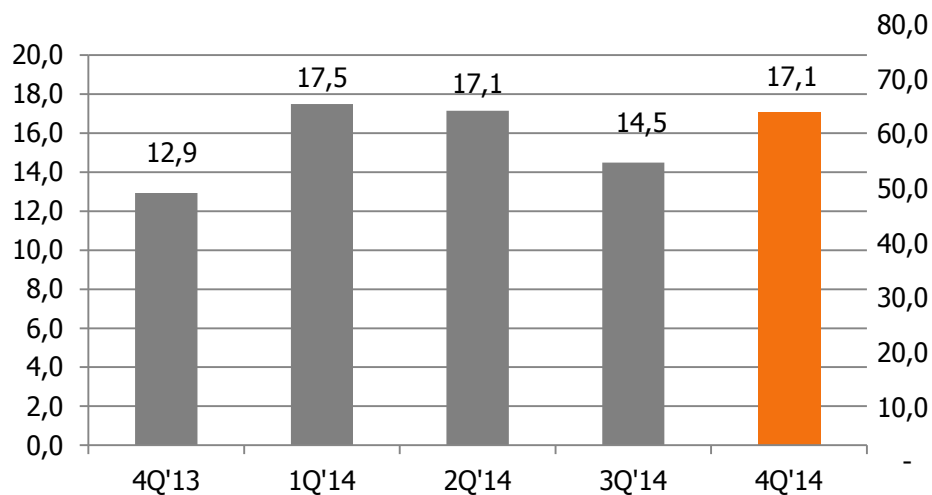
- ✦ In 4Q 2014 adjusted EBITDA increased by 17% yoy to PLN 22 mn
- ✦ In 2014 adjusted EBITDA increased by 63% yoy to PLN 88 mn

Adjusted EBITDA per ton in PLN



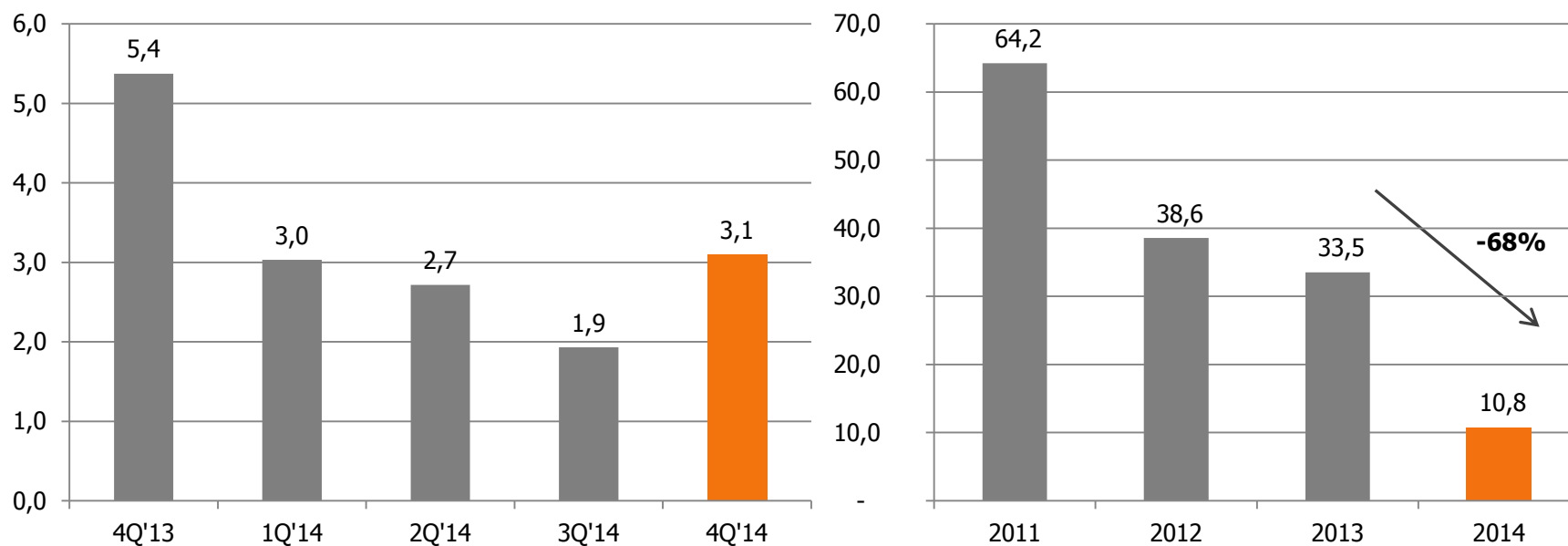
- ⊕ In 4Q 2014 adjusted EBITDA per ton increased by 1% yoy to PLN 565
- ⊕ In 2014 adjusted EBITDA per ton increased by 33% yoy to PLN 565

Adjusted net profit in mn PLN



- ⊕ In 4Q 2014 adjusted net profit increased by 32% yoy to PLN 17 mn
- ⊕ In 2014 adjusted net profit increased by 85% yoy to PLN 66 mn

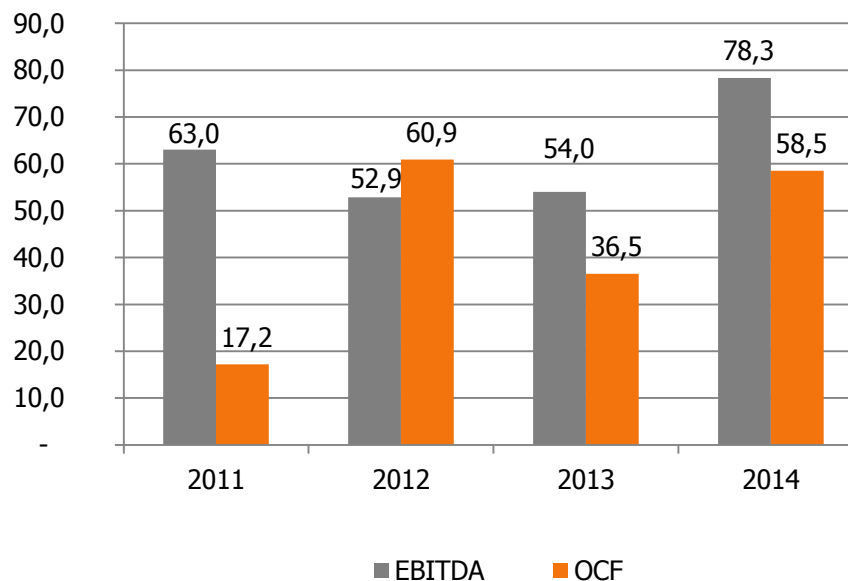
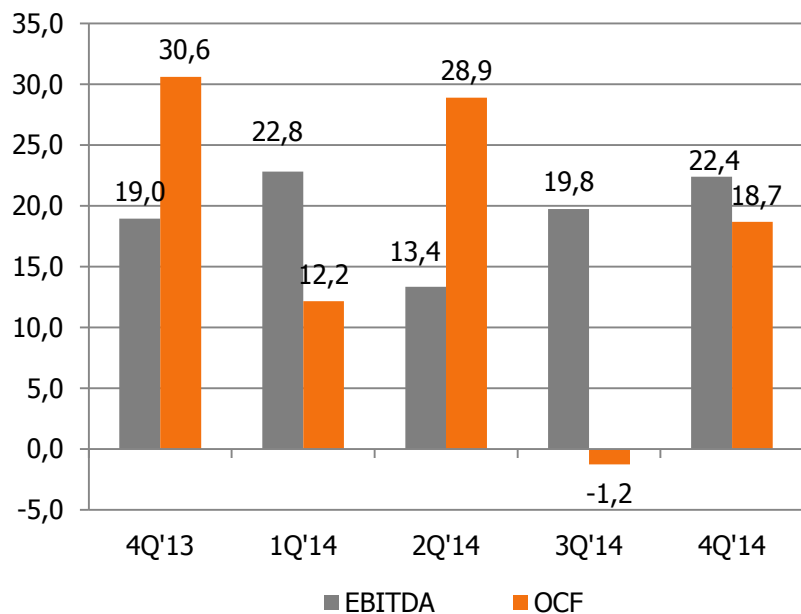
Capex in mn PLN (data from the cash flow)



⊕ In 2014 capex decreased by 68% yoy to PLN 10,8 mn, of which:

- 3,9 mn PLN – maintenance capex
- 5,6 mn PLN – metal management
- 1,3 mn PLN – product mix / capacity increase

OCF vs EBITDA in mn PLN

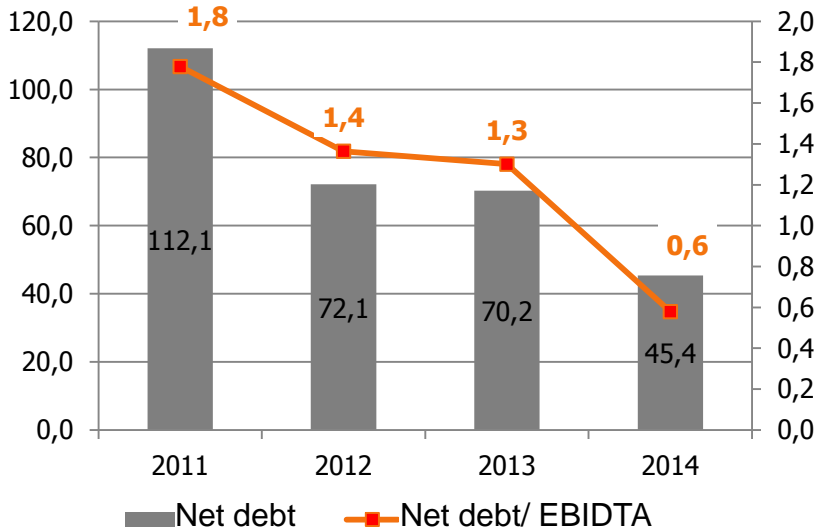


⊕ In 4Q 2014 OCF amounted to PLN 18,7 mn vs EBITDA PLN 22,4 mn

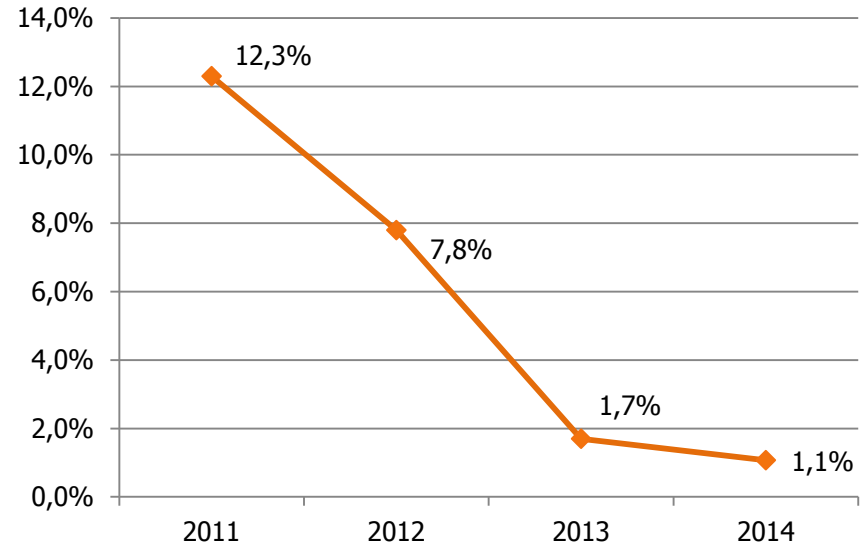
⊕ In 2014 OCF amounted to PLN 58,5 mn vs EBITDA PLN 78,3 mn

Net debt and effective CIT rate

Net debt



Effective CIT rate



- ⊕ At the end of 2014 net debt amounted to PLN 45 mn and Net debt/EBIDTA ratio decreased from 1,3x at the end of 2013 to 0,6x at the end of 2014
- ⊕ Effective CIT rate in 2014 amounted to 1,1%

Unused public aid

- ⊕ PLN 33 mn of unused CIT allowance at the end of 2014

Discounted public aid in thou. PLN	31.12.2013	31.12.2014
eligible capex after the intensity ratio	79 966	81 333
cash grants	17 010	17 010
eligible capex after the intensity ratio and cash grants	62 956	64 323
public aid used	24 405	31 284
CIT allowance to be used	38 551	33 039

- ⊕ New SEZ permits in 2Q 2014
 - Alumetal Gorzyce – eligible capex PLN 12-18 mn till the end of 2021
 - Alumetal Nowa Sól – eligible capex PLN 12-18 mn till the end of 2017
- ⊕ Alumetal Hungary obtained in 4Q 2014 public aid (cash grant and CIT allowance) for realisation of the project – 35% eligible capex (PLN 42 mn = 35% from 120 mn PLN)

Management Board proposal of the net profit distribution

- ⊕ PLN 58,9 mn - consolidated net profit
- ⊕ Management Board profit distribution proposal:
 - 29,4 mn PLN dividend for shareholders
 - 29,3 mn PLN for supplementary capital
 - 0,18 mn PLN for employees' social fund
- ⊕ PLN 1,95 dividend per share – dividend yield at 3,6%
- ⊕ Dividend right on 22 April 2015 and dividend payment on 29 June 2015

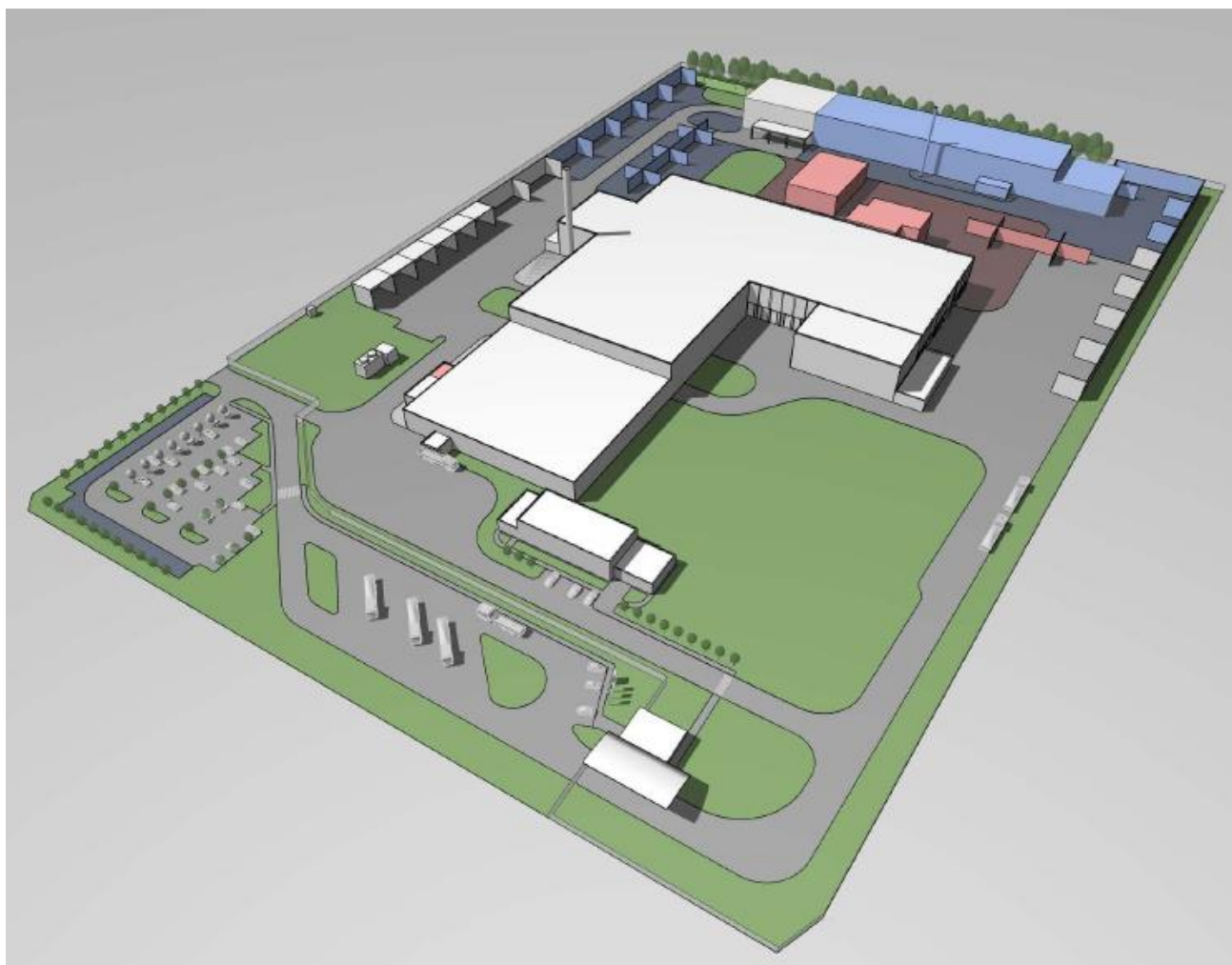
Hungarian project – IPO prospectus vs current status

	IPO prospectus	current status
Capex	PLN 135 mn	PLN 120 mn
Production capacity	66 thou. tons	60 thou. tons
Staging	two stages	one stage
Start up	2Q 2016 - I stage 2Q 2018 - II stage	4Q 2016

Hungarian project – update

- ⊕ CIT allowance is secured, regarding cash grant - incentive agreement negotiations with the Hungarian government (current status of the cash grant – binding offer of the Hungarian government was accepted by Alumetal Hungary Kft.)
- ⊕ The Preliminary Environmental Assessment is obtained, in March Integrated Pollution Prevention and Control application form will be submitted, after obtaining IPPC permit we will apply for construction permit
- ⊕ Design work is in progress, the first contracts for the delivery and assembly of machines and equipment have been signed
- ⊕ Project is realising on time and budget

Hungarian plant layout

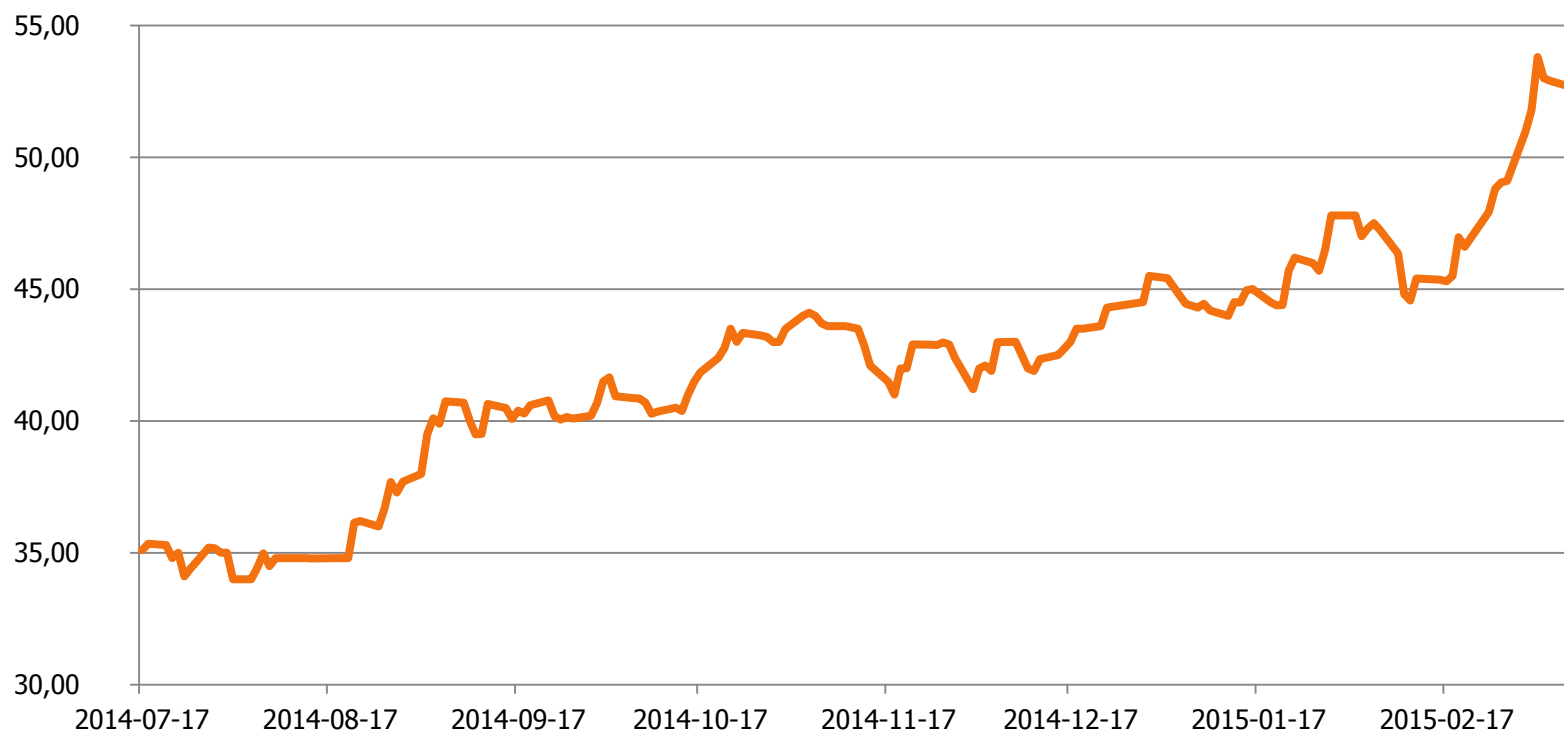


Last awards for Alumetal Group

- ✦ Pearl of Polish Economy 2014
- ✦ Reliable Employer in Malopolska Region 2014
- ✦ World Company
- ✦ Outstanding Exporter of 2014
- ✦ European Business Award
- ✦ Business Gazelle for T+S Sp. z o.o.
- ✦ The Highest Value IPO 2014



Share price on the Warsaw Stock Exchange



✦ Share price increased by 53% since its debut on 17 July 2014



Summary

- ⊕ Significant improvement of profits in 2014 after weak period in 2H 2012 and 1H 2013. Strong balance sheet and solid OCF will allow to realize the development strategy and continue dividend policy
- ⊕ Good market perspectives – we assume at least 2-3% growth of motor vehicle registrations in Europe in 2015, further increase of CEE5 importance in European automotive industry, stable benchmark margins
- ⊕ Hungarian project – on time and budget
- ⊕ Realisation of the dividend policy