



Alumetal Group

1H 2022 financial results

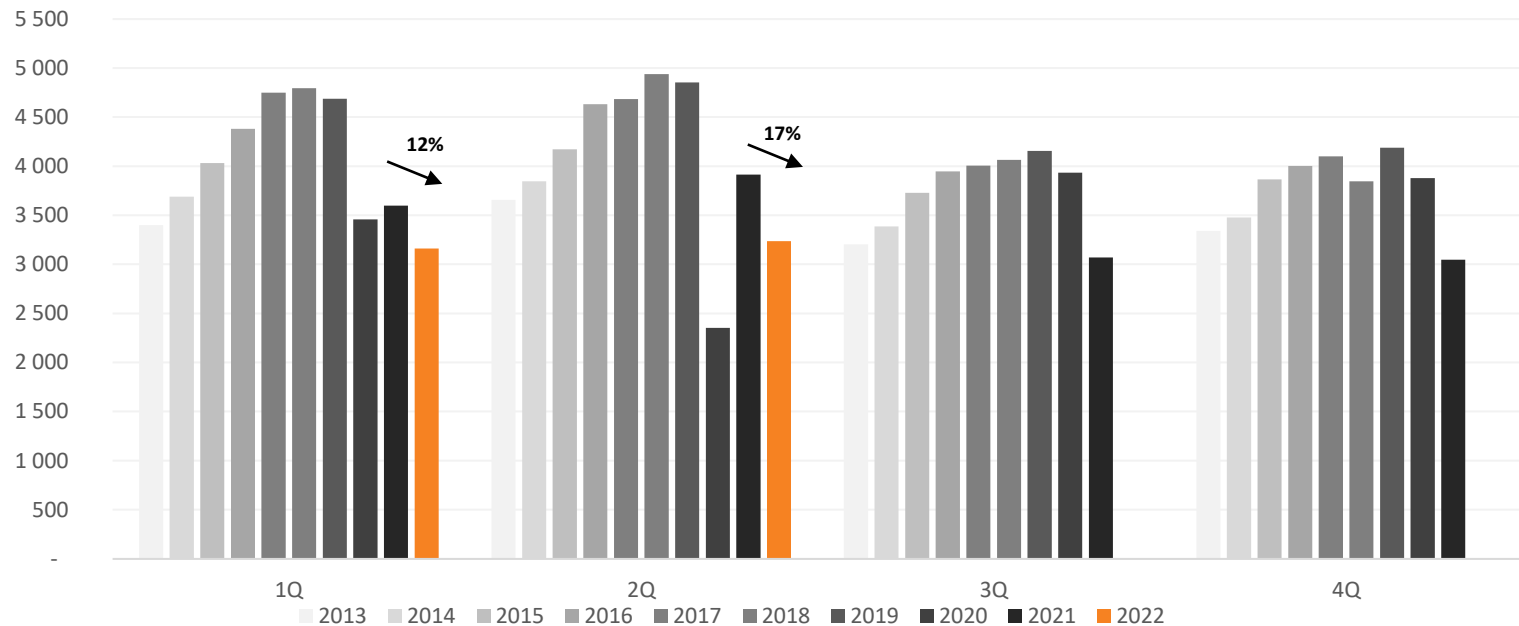
17 August 2022



1H 2022 and LTM at glance

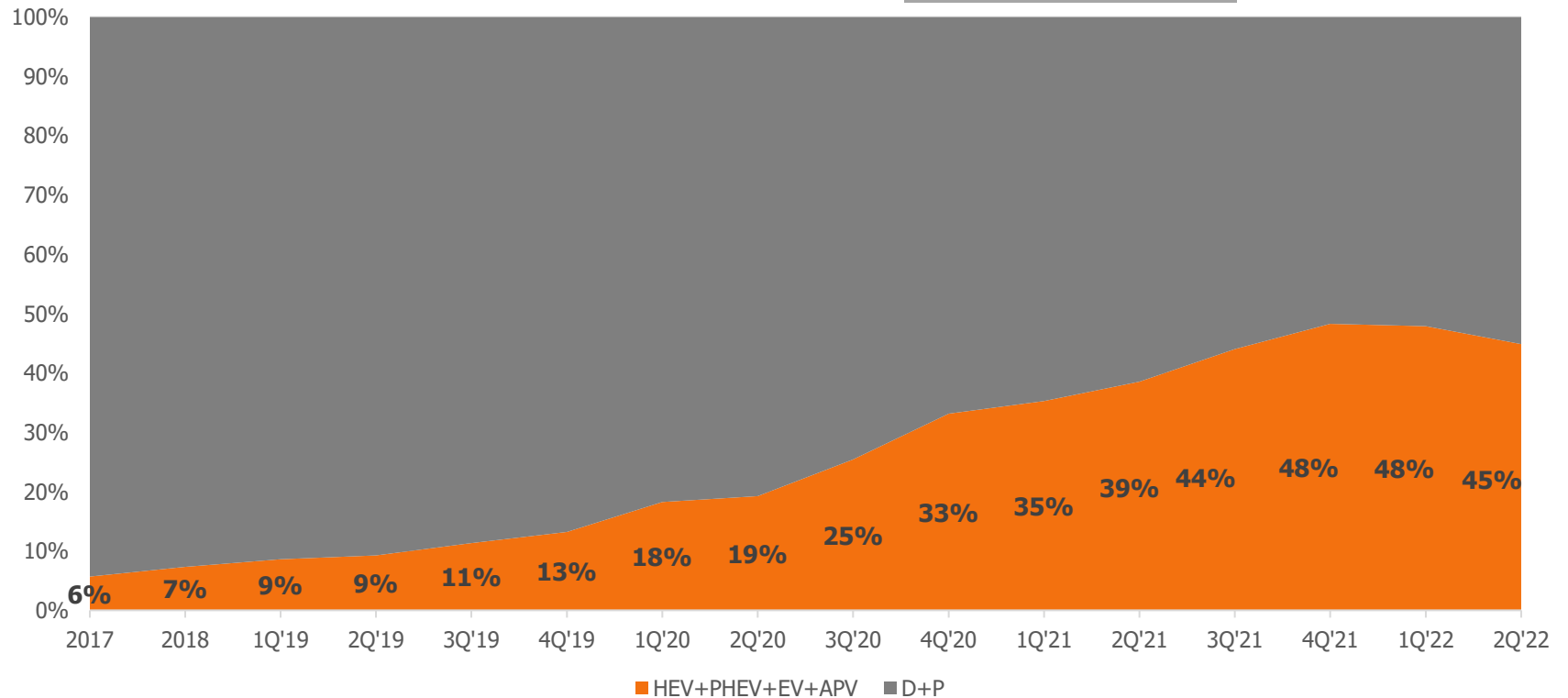
- ⊕ Volume sales – **132,5 k tons** in 1H 2022 and **241,8 k tons** in LTM
- ⊕ EBITDA – **PLN 157,1 mn** in 1H 2022 and **PLN 253,0 mn** in LTM
- ⊕ Normalized net profit – **PLN 114,4 mn** in 1H 2022 and **PLN 174,8 mn** in LTM
- ⊕ Operating cash flow – **minus PLN 45,6 mn** in 1H 2022 and **minus PLN 32,2 mn** in LTM
- ⊕ Net debt – **PLN 249,3 mn** (1,0x EBITDA)

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



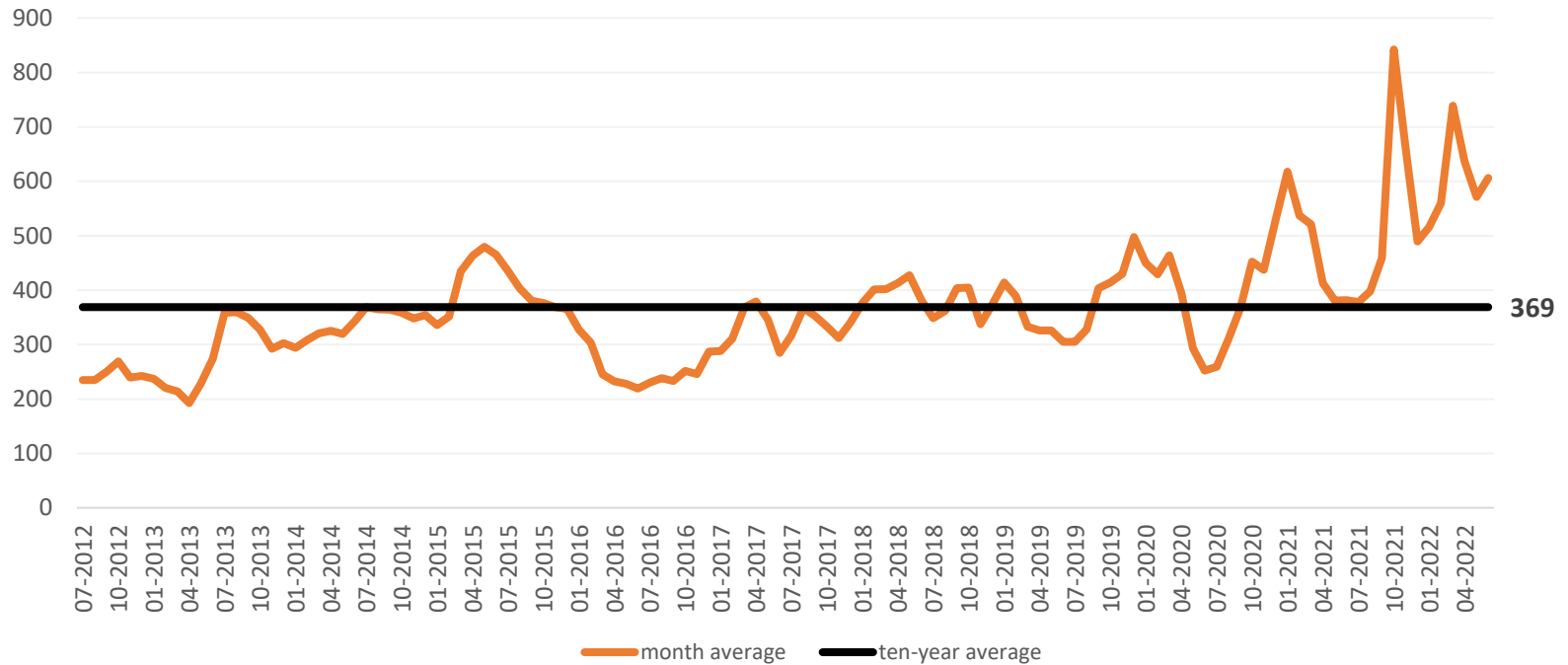
- ✦ In 1H 2022 new motor vehicle registrations in the EU and UK decreased by 15% (decrease passenger cars (PC) by 14% and commercial vehicles (CV) by 21%)
- ✦ In LTM sales volume of motor vehicles in the EU and UK amounted to 12,51 mn units, decreased by 8% in comparison to 2021 (decrease in PC sales by 8% and CV sales by 11%) - this is the lowest level of sales since 2006
- ✦ New motor vehicles sales should grow in 2H 2022 (low base effect)

Changing structure of motor vehicles in the EU and UK



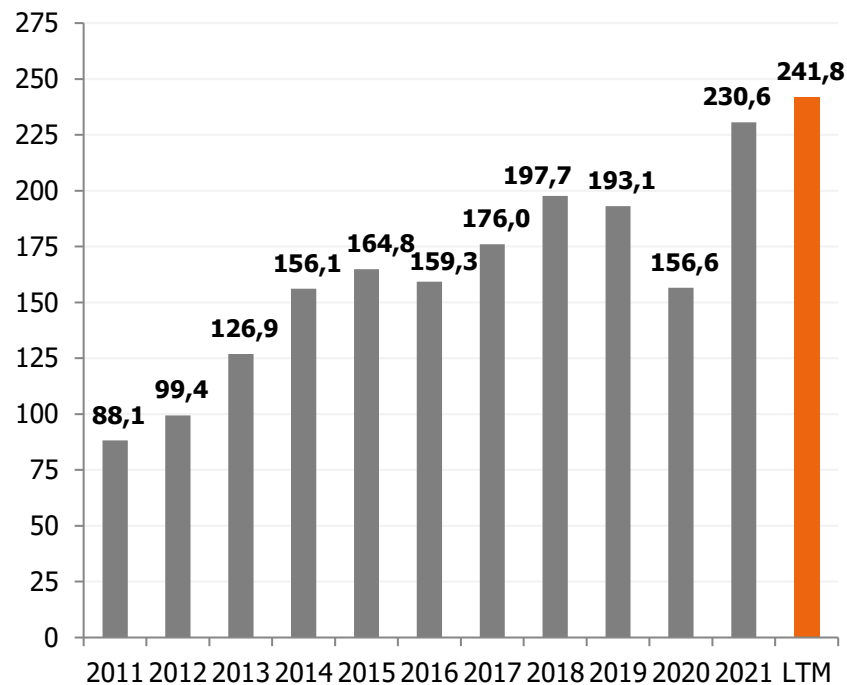
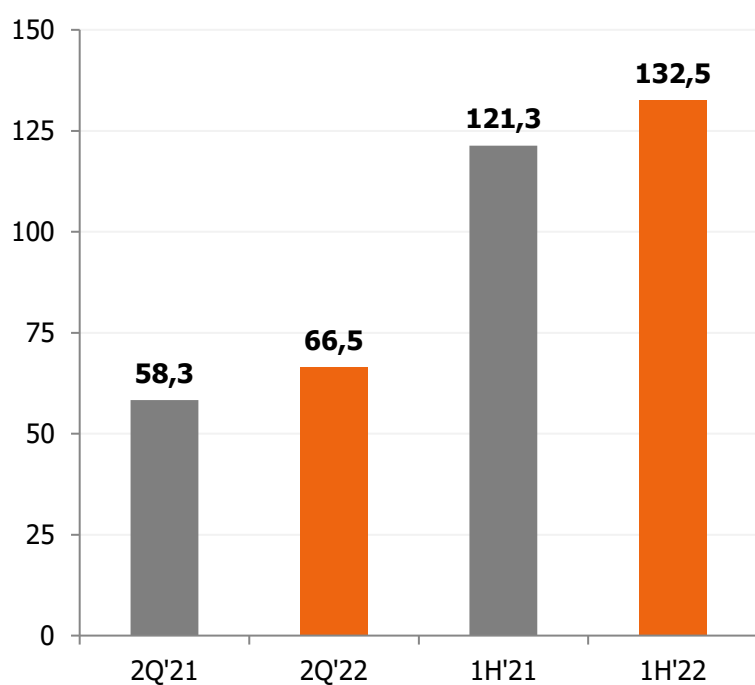
- ✦ In 2Q 2022 maintains high share of alternative powertrain passenger car sales
- ✦ In 1H 2022 nearly one in two passenger cars sold in the EU and UK had a hybrid or electric engine

Metal Bulletin 226 alloy spread in EUR/t



- ✦ In 1H 2022 average margin amounted to 605 EUR/t and was 19% higher than the average margin in 2021 and 64% higher than the ten-year average margin
- ✦ At the beginning of the 3Q 2022 the margin is at a similar level

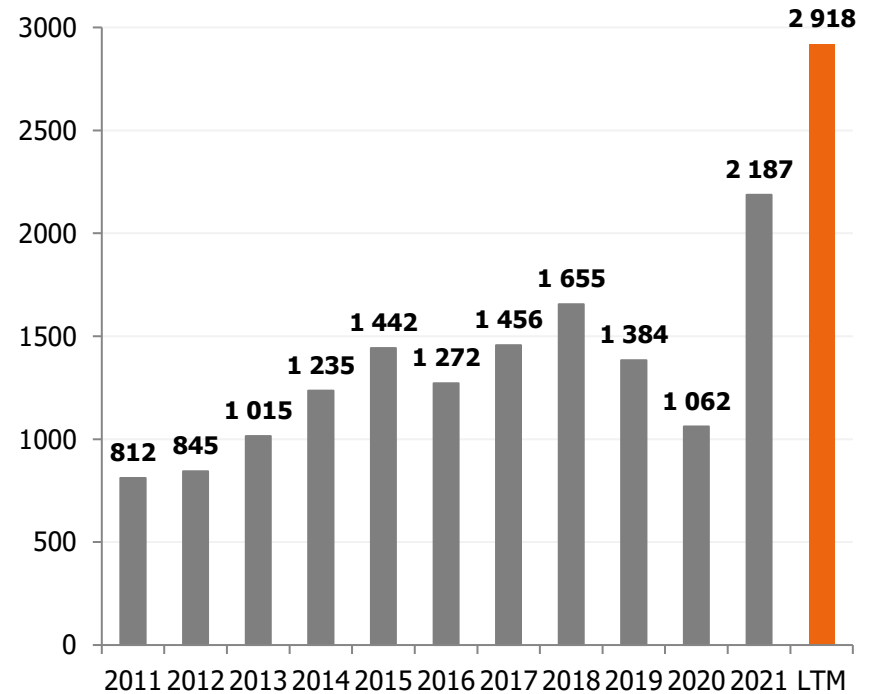
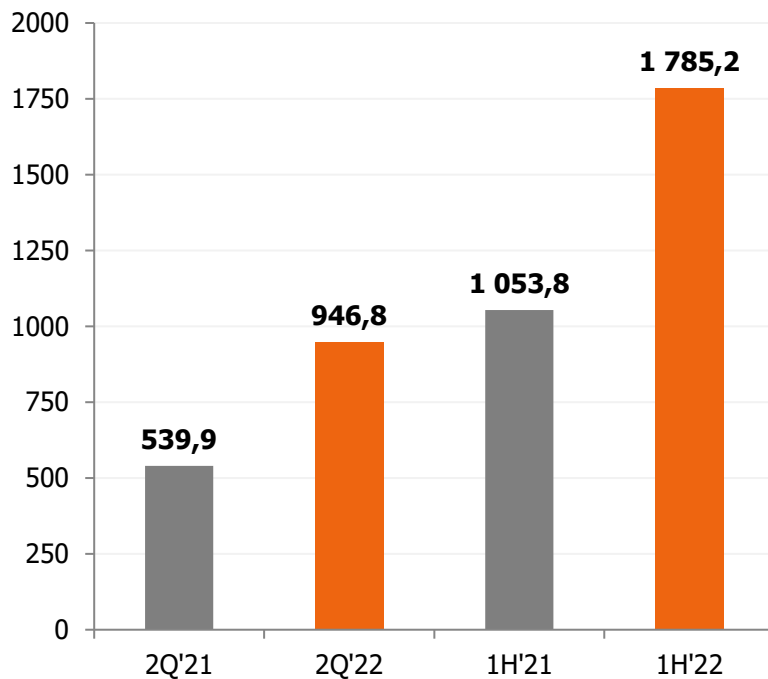
Volume sales in thou. tons



✦ In 1H 2022 sales volume increased by 9% yoy to 132,5 k tons

✦ In LTM sales volume amounted to 241,8 k tons, increase by 5% in comparison to 2021

Sales revenue in mn PLN

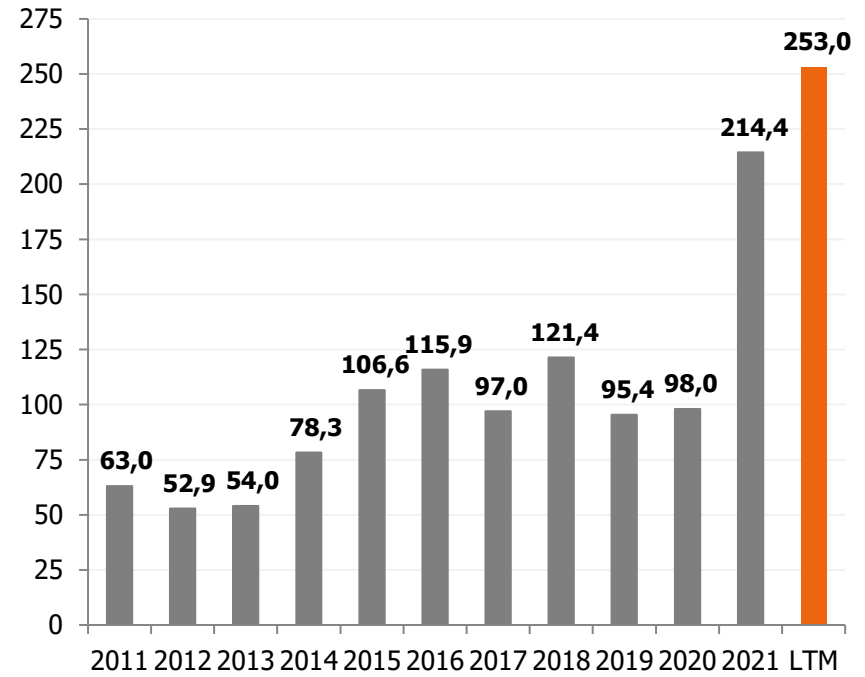
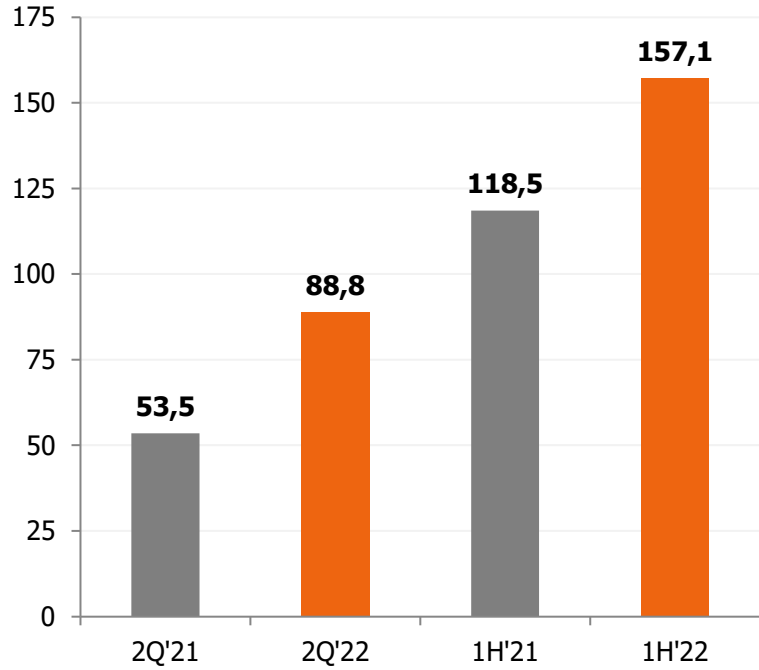


✦ In 1H 2022 sales revenue increased by 70% yoy to PLN 1,79 bn

✦ In LTM sales revenue amounted to PLN 2,92 bn, increase by 33% in comparison to 2021



EBITDA in mn PLN

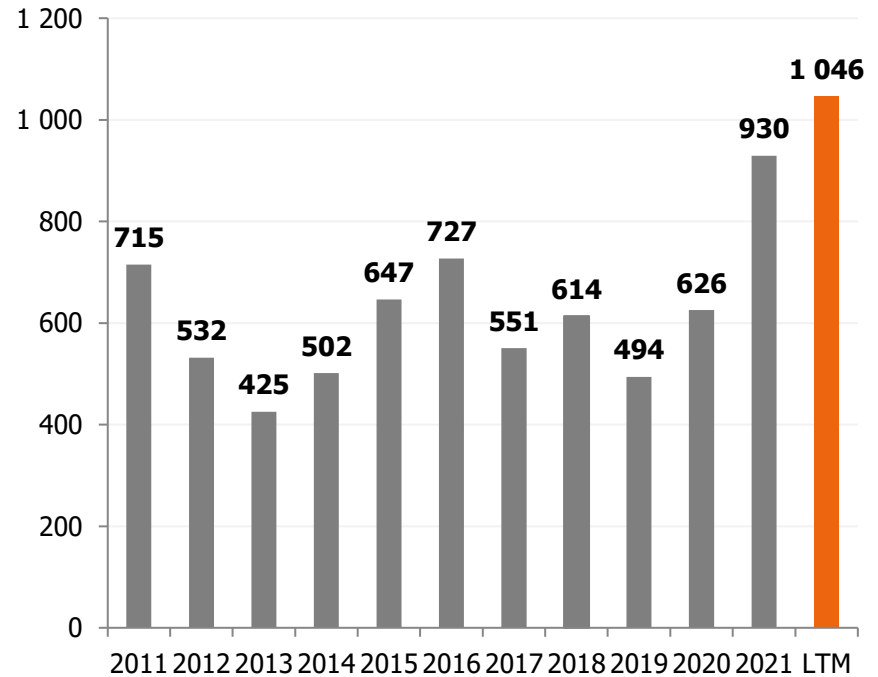
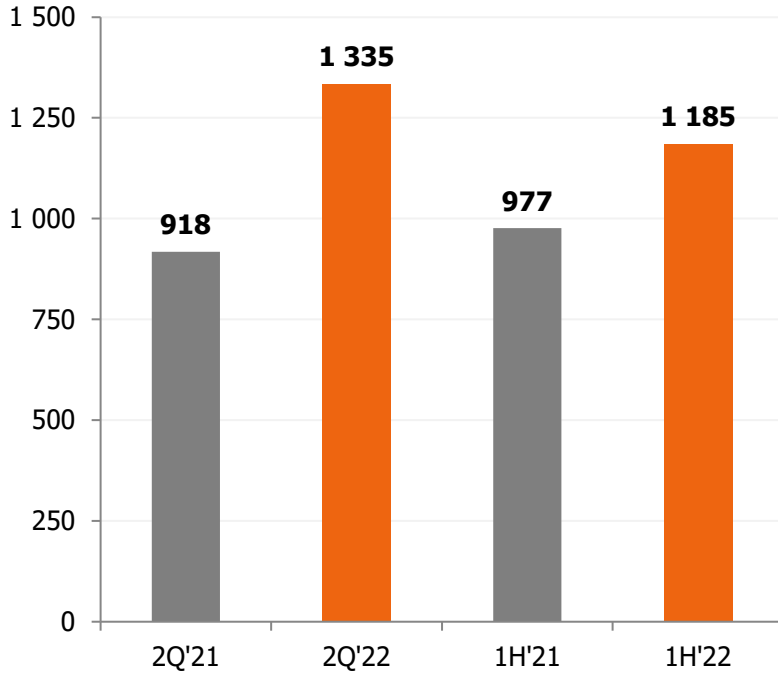


⊕ In 1H 2022 EBITDA increased by 33% yoy to PLN 157,1 mn

⊕ In LTM EBITDA amounted to PLN 253,0 mn, increase by 18% in comparison to 2021



EBITDA per ton in PLN

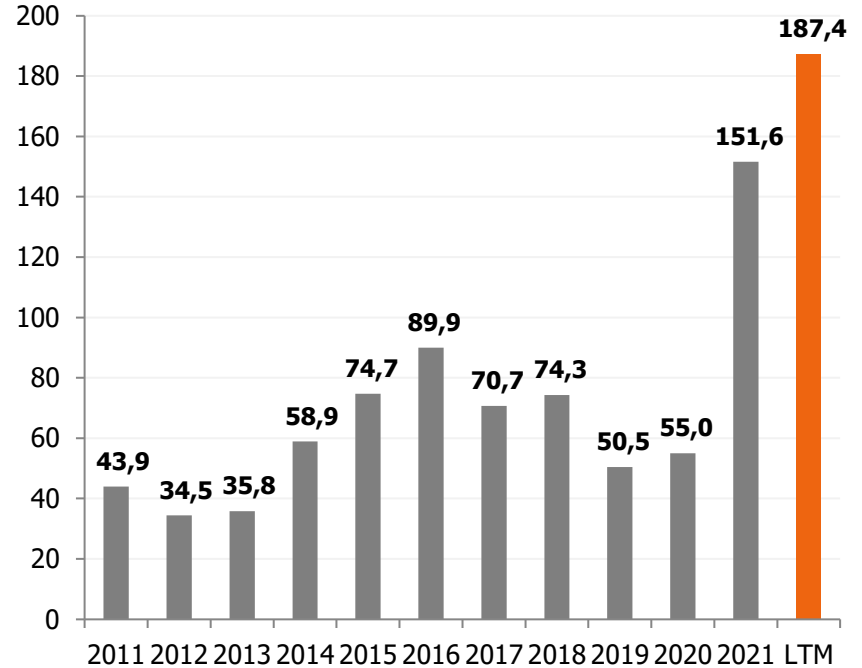
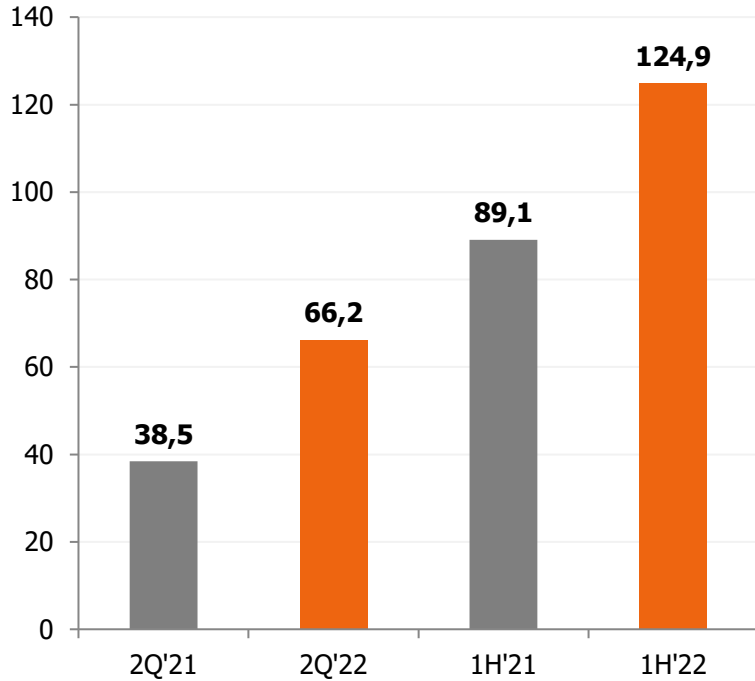


✦ In 1H 2022 EBITDA per ton increased by 21% yoy to 1185 PLN/t

✦ In LTM EBITDA per ton amounted to 1046 PLN/t, increase by 13% in comparison to 2021



Net profit in mn PLN

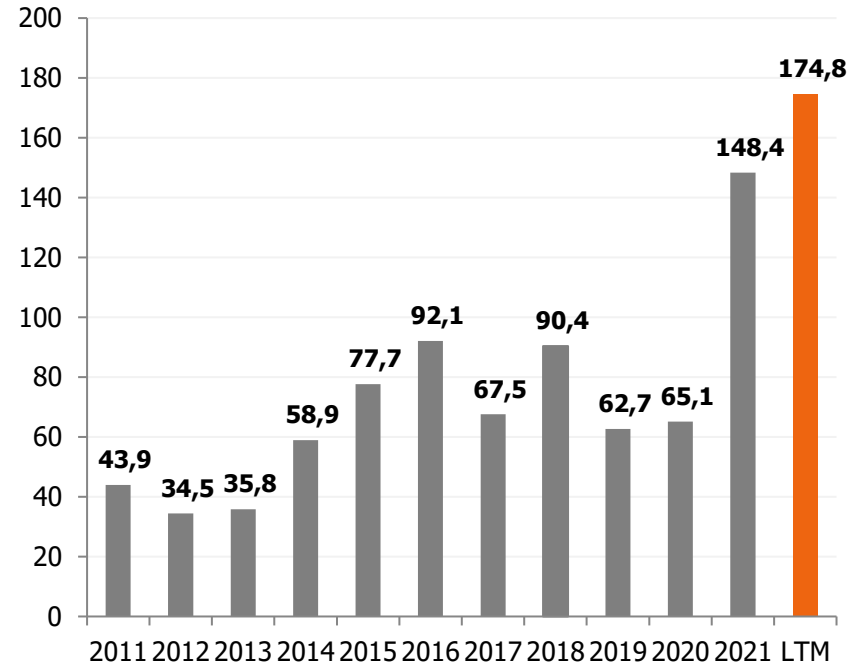
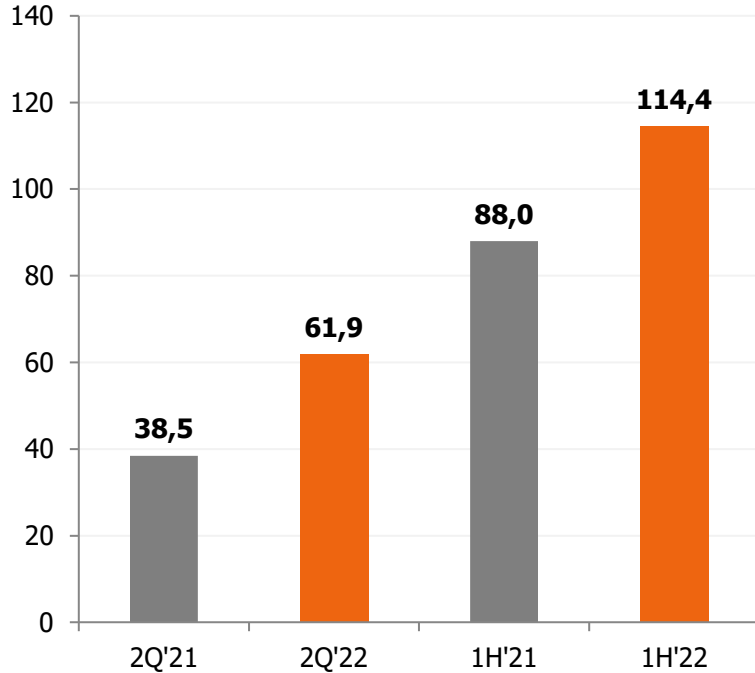


✦ In 1H 2022 net profit increased by 40% yoy to PLN 124,9 mn

✦ In LTM net profit amounted to PLN 187,4 mn, increase by 24% in comparison to 2021

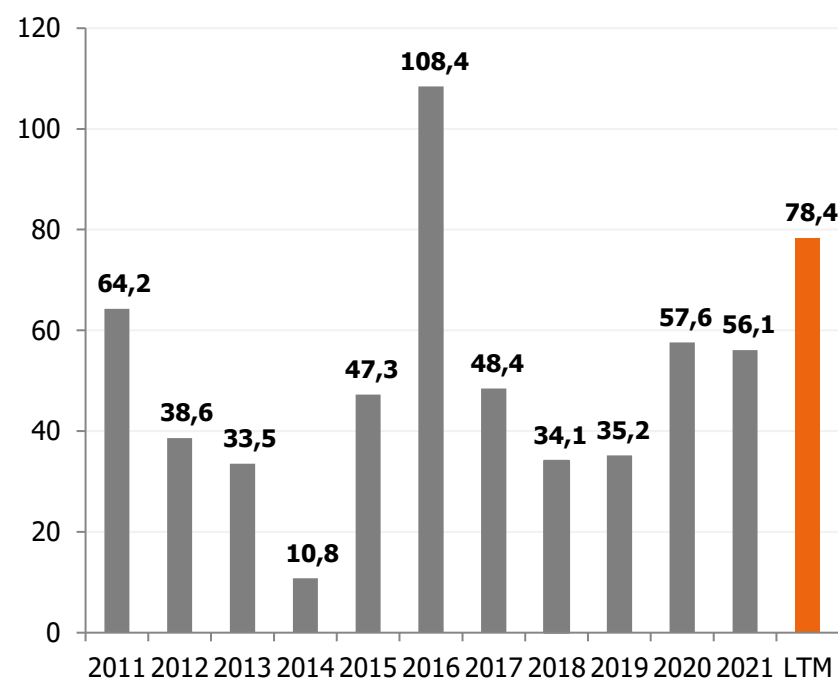
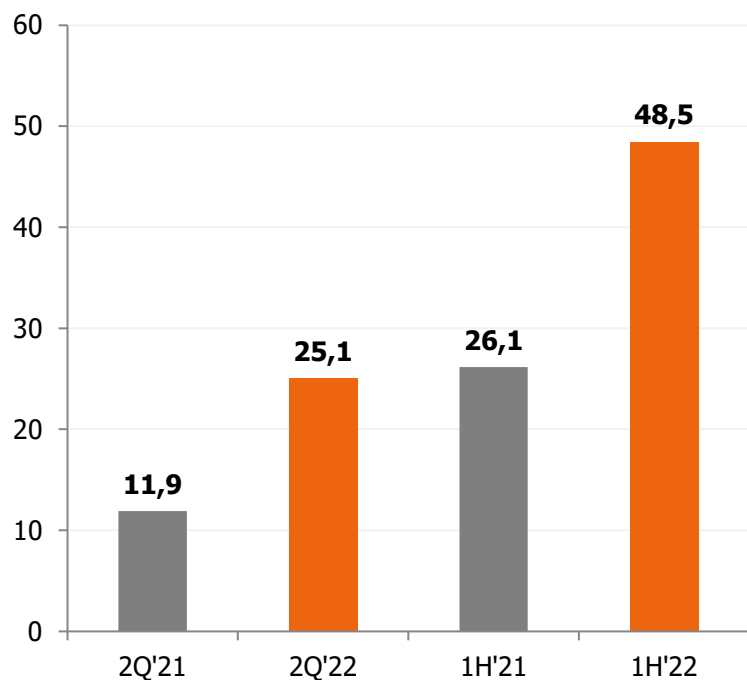


Normalized net profit in mn PLN



- ✦ In 1H 2022 normalized net profit increased by 30% yoy to PLN 114,4 mn
- ✦ In LTM normalized net profit amounted to PLN 174,8 mn, increase by 18% in comparison to 2021

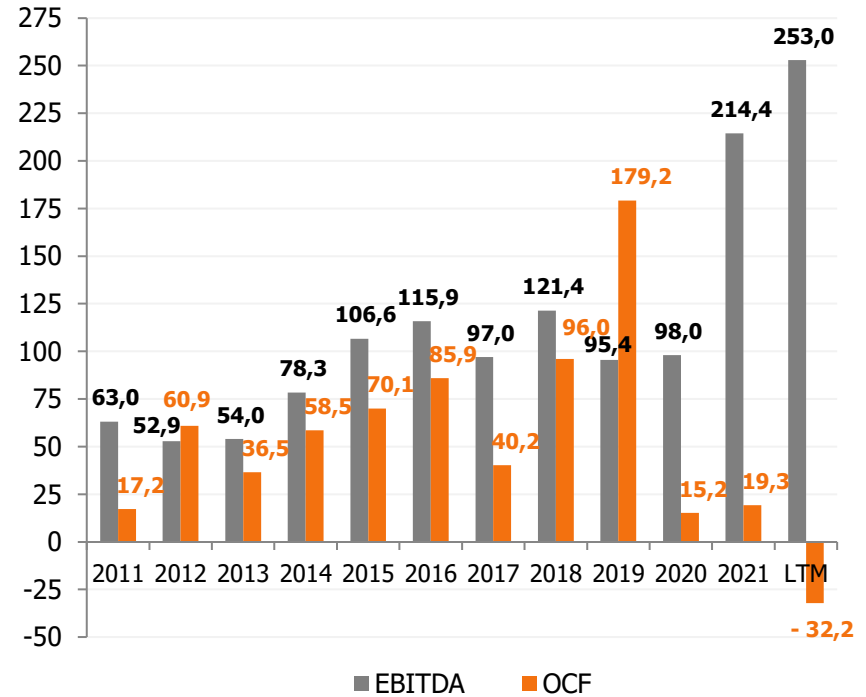
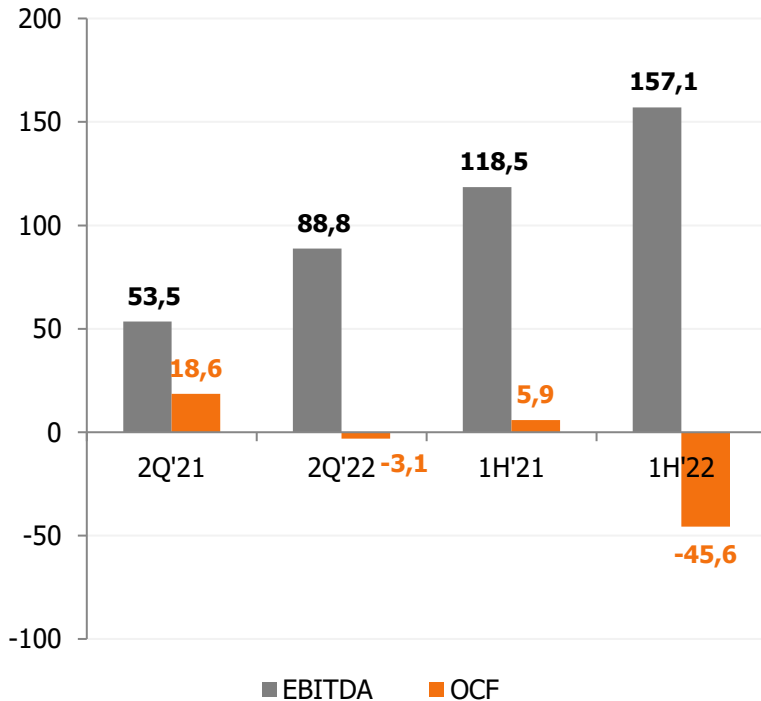
Capex in mn PLN



- ⊕ In 1H 2022 capex amounted to PLN 48,5 mn
 - PLN 7,0 mn maintenance capex
 - PLN 41,5 mn development capex

- ⊕ In LTM capex amounted to PLN 78,4 mn, increase by 40% in comparison to 2021

EBITDA vs OCF in mn PLN

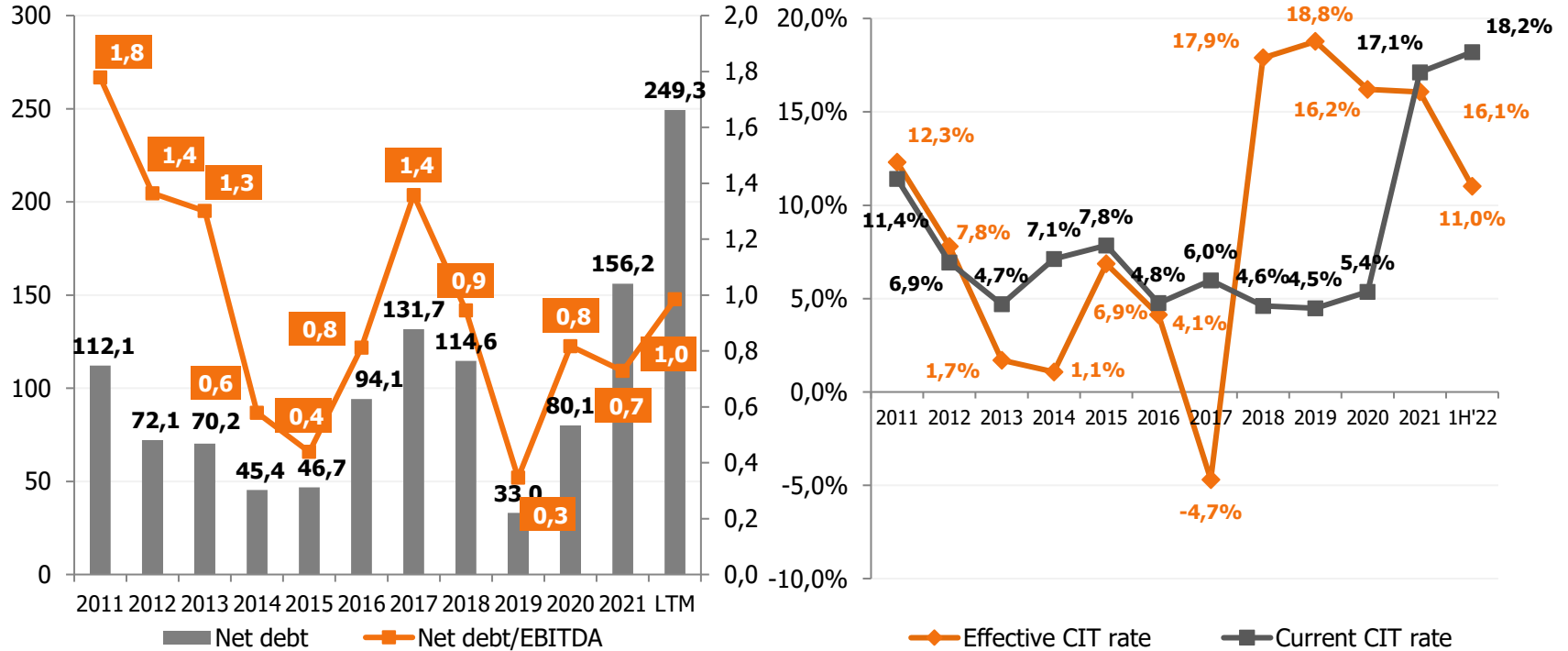


⊕ In 1H 2022 OCF amounted to PLN minus 45,6 mn vs PLN 157,1 mn EBITDA

⊕ In LTM OCF amounted to PLN minus 32,2 mn vs PLN 253,0 mn EBITDA



Net debt and CIT rates



✦ At the end of 1H 2022 net debt amounted to PLN 249,3 mln PLN and Net debt/EBITDA ratio remained at the level of 1,0x

✦ Effective CIT rate in 1H 2022 amounted to 11,0% and current CIT rate amounted to 18,2%



Development investments

- ⊕ Investment projects that have been started are being implemented as planned
 - the project of automatic scrap metal processing in Nowa Sól - construction and assembly works completed, we are starting commissioning of the equipment, we are planning the first production in the 4Q 2022
 - we continue research work as part of the project to process post-production waste generated in the production of aluminum casting alloys
 - key machines and equipment as part of the expansion of the production capacity of master alloys in Gorzyce have been ordered

Investment Hydro Aluminium AS in ALUMETAL S.A.

- ⊕ On 29 April 2022 Hydro Aluminium AS announced a tender offer for 100% of the shares - the Investor's intention is to delist the company from the WSE. Hydro Aluminium AS intends to buy no less than 66% of Alumetal S.A. shares. The requesting party reserves the possibility to purchase also a fewer shares as well
- ⊕ The offered price is PLN 68,40 per share (the right to dividend of PLN 6,80 per share was waived before the tender offer was announced). The subscription period began on 13 June and was scheduled to end on 12 July. The condition was to obtain approval from the European Commission before the end of the tender offer
- ⊕ On 8 June 2022, the Management Board responded to the tender offer, stating that the proposed price corresponds to the fair value of the company. The Management Board's position was supported by the fairness opinion by Grant Thornton
- ⊕ On 12 July 2022 roku Hydro Aluminium AS has extended its tender offer schedule due to a delay in the expected approval from the European Commission. New tender offer dates:
 - 10 October 2022 - completion of subscriptions
 - 13 October 2022 - conclusion of the transaction
 - 17 October 2022 - settlement of the transaction



Summary

- ⊕ In 1H 2022 Alumetal Group continues market expansion (9% volume increase against a 15% decrease in EU and UK registrations) and the realization of very good financial results despite the difficult environment in the European automotive industry (second consecutive year of no increase in registrations and production against a sharply understated 2020)
- ⊕ We have a strong balance sheet despite a significant increase in net current assets and dividend payments (on 27 July 2022 we paid a dividend of PLN 106 mn, or PLN 6,80 per share)
- ⊕ Investment projects that have been started are being implemented as planned
- ⊕ We uphold our sales target of at least 250 k tons in 2022. We believe in realizing good financial results in the 2H 2022