

The background of the slide is a photograph of several large, rectangular aluminum ingots. The ingots are stacked and have a metallic, slightly textured surface. The lighting is somewhat dim, giving the image a professional, industrial feel.

Alumetal Group

3Q 2022 financial results

16 November 2022

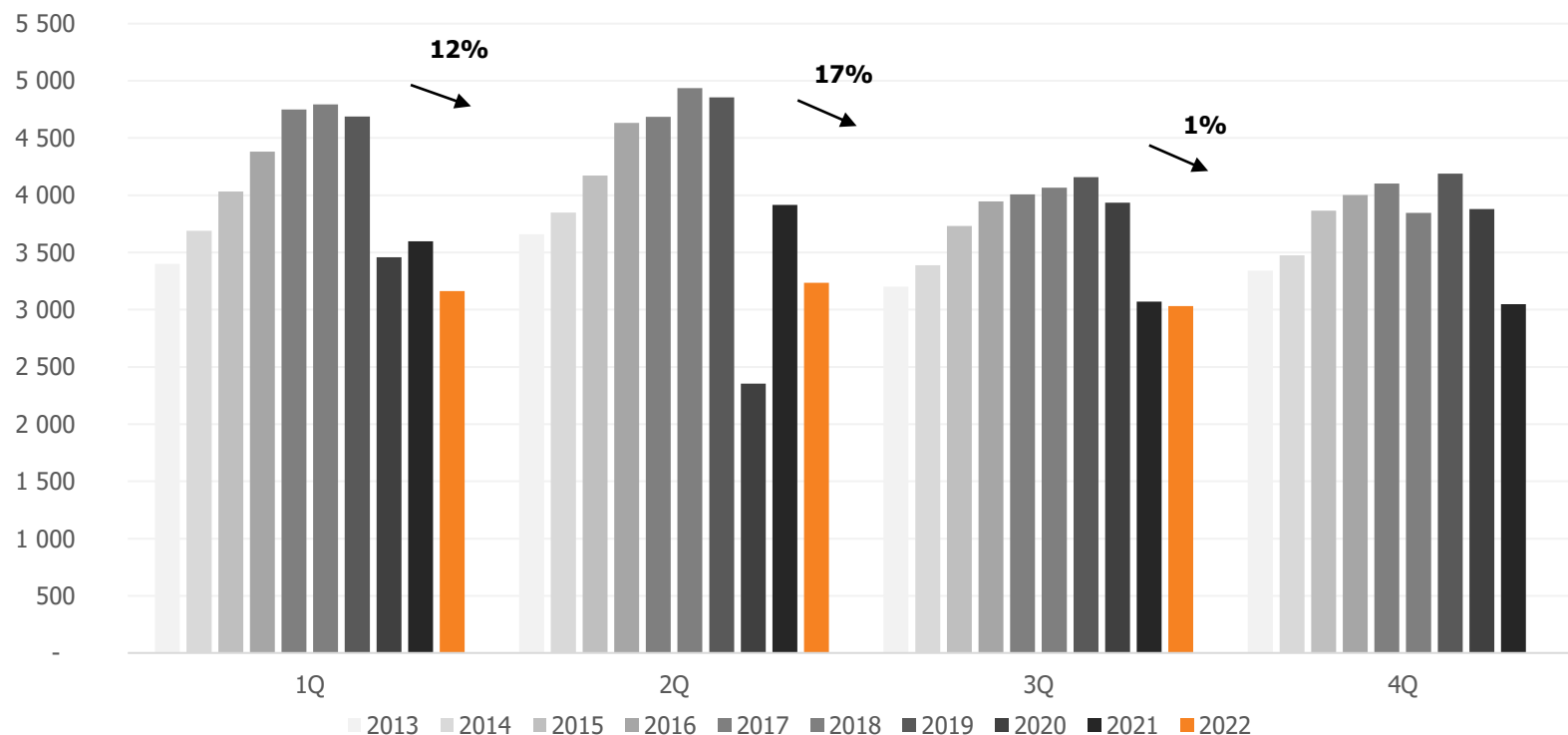


3Q 2022 and LTM at glance



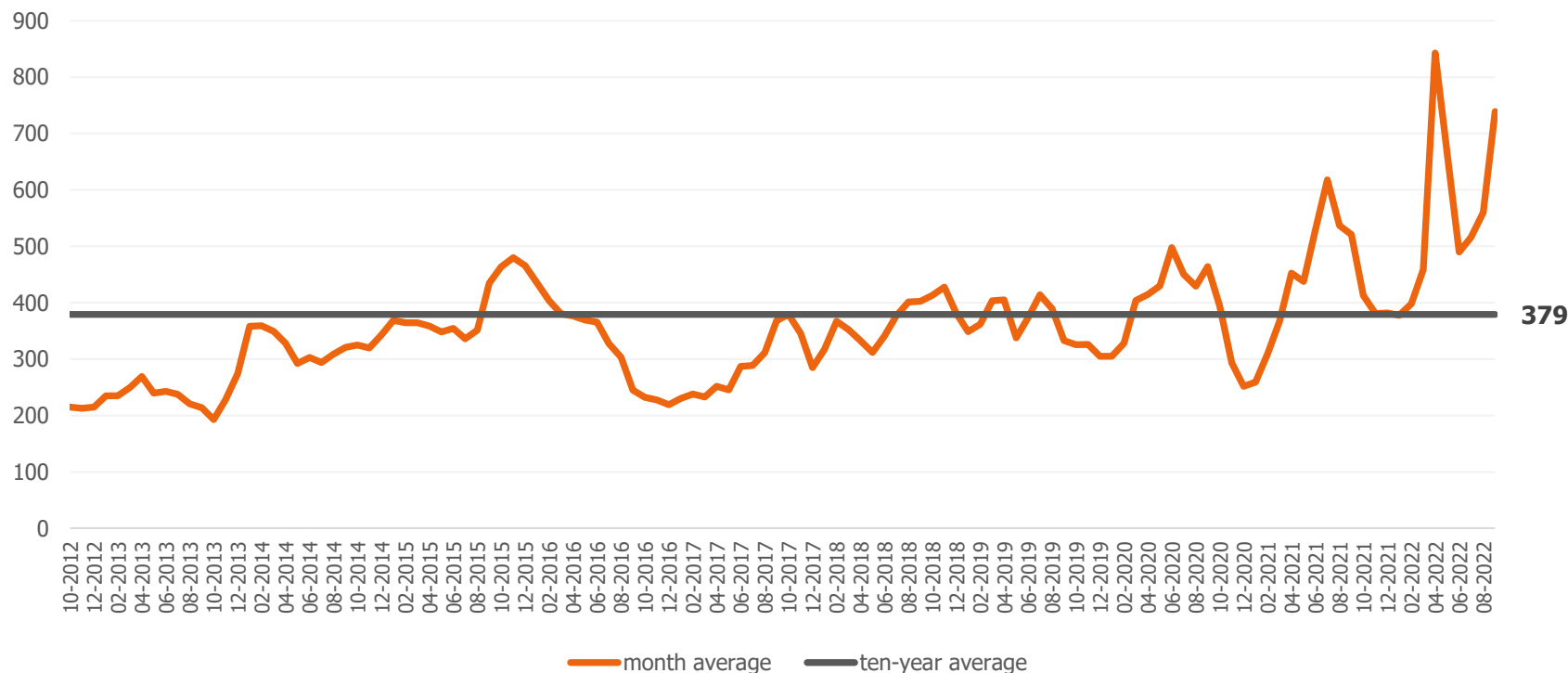
- ✚ Volume sales – **58,7 k tons** in 3Q 2022 and **245,3 k tons** in LTM
- ✚ EBITDA – **PLN 64,8 mn** in 3Q 2022 and **PLN 272,0 mn** in LTM
- ✚ Normalized net profit – **PLN 45,5 mn** in 3Q 2022 and **PLN 191,6 mn** in LTM
- ✚ Operating cash flow – **PLN 124,3 mn** in 3Q 2022 and **PLN 93,0 mn** in LTM
- ✚ Net debt – **PLN 258,2 mn** (0,9x EBITDA)

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



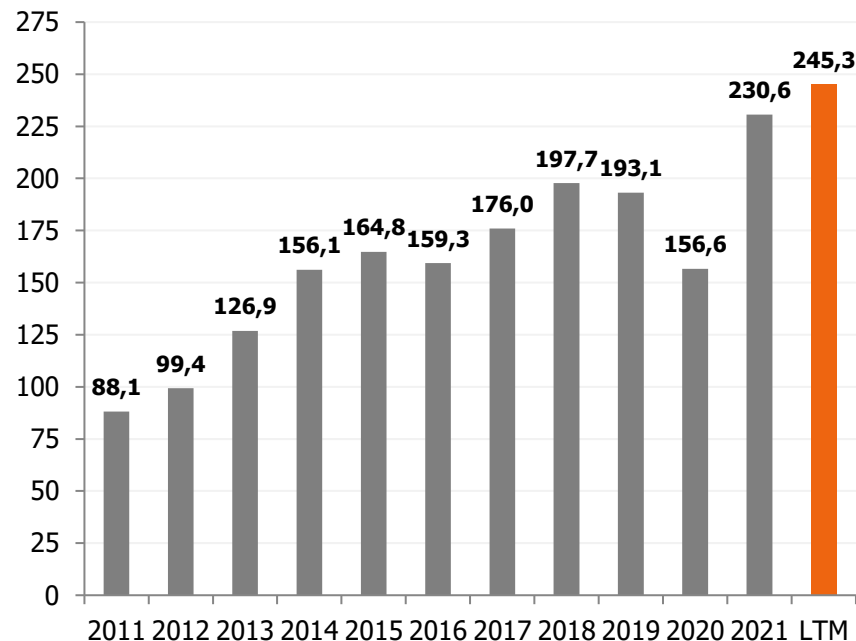
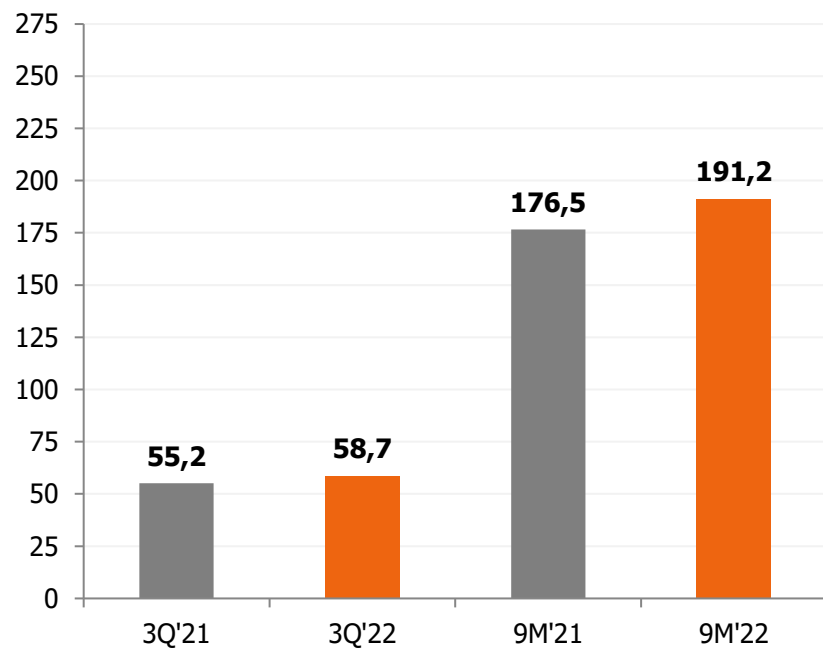
- ✦ In 3Q 2022 new motor vehicle registrations in the EU and UK decreased by 1% (increase in passenger cars by 0,4% and decrease in commercial vehicles by 10%)
- ✦ In LTM sales volume of motor vehicles in the EU and UK amounted to 12,48 mn units, decrease by 14% in comparison to 2021 (decrease in PC sales by 13% and CV sales by 16%)

Metal Bulletin 226 alloy spread in EUR/t



- ✦ The benchmark margin increased from 606 EUR/t in June 2022 to 739 EUR/t in September 2022 (in October 2022 it decreased to 662 EUR/t)
- ✦ In 3Q 2022 average margin amounted to 647 EUR/t and was 28% higher than the average margin in 2021 and 71% higher than the ten-year average

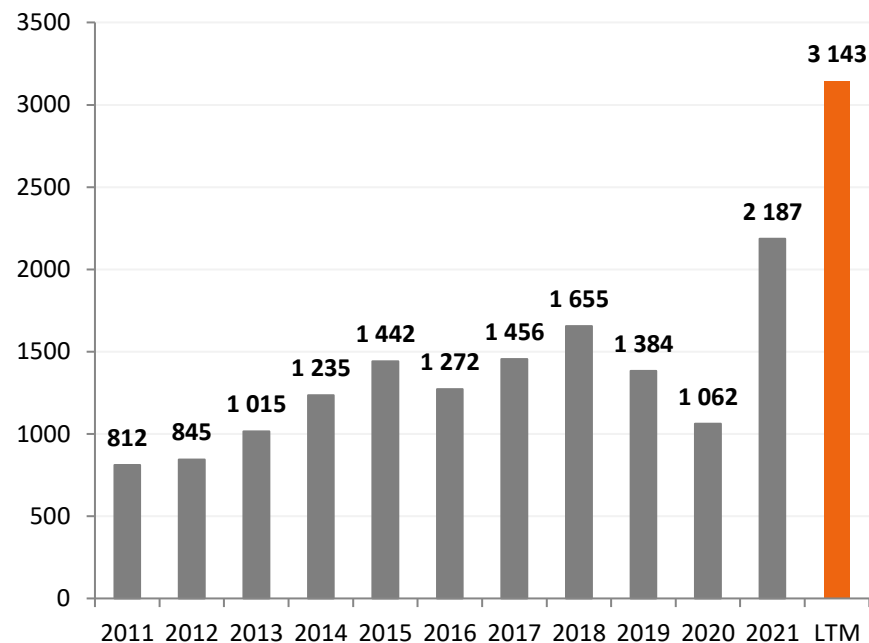
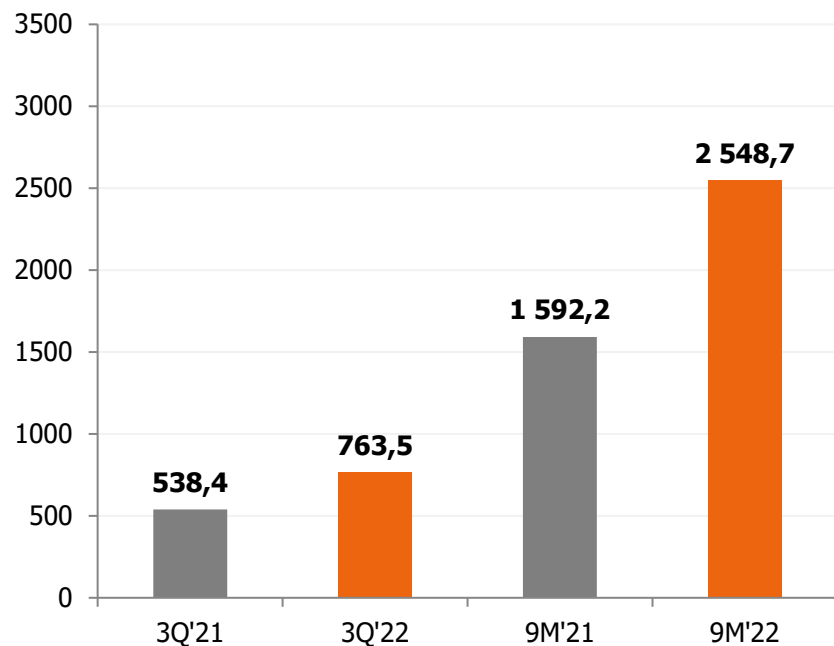
Volume sales in thou. tons



✦ In 3Q 2022 sales volume increased by 6% yoy to 58,7 k tons

✦ In LTM sales volume amounted to 245,3 k tons, increase by 6% in comparison to 2021

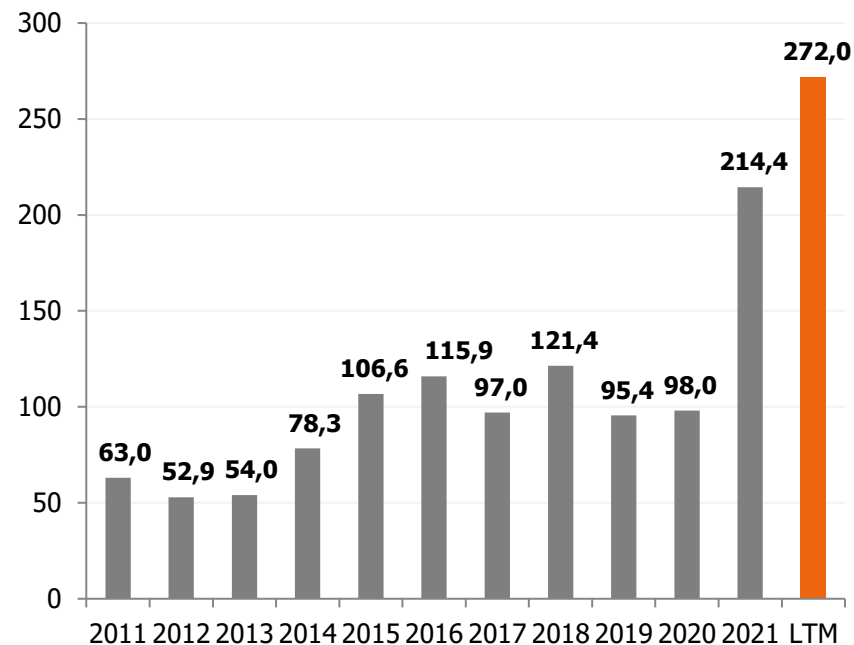
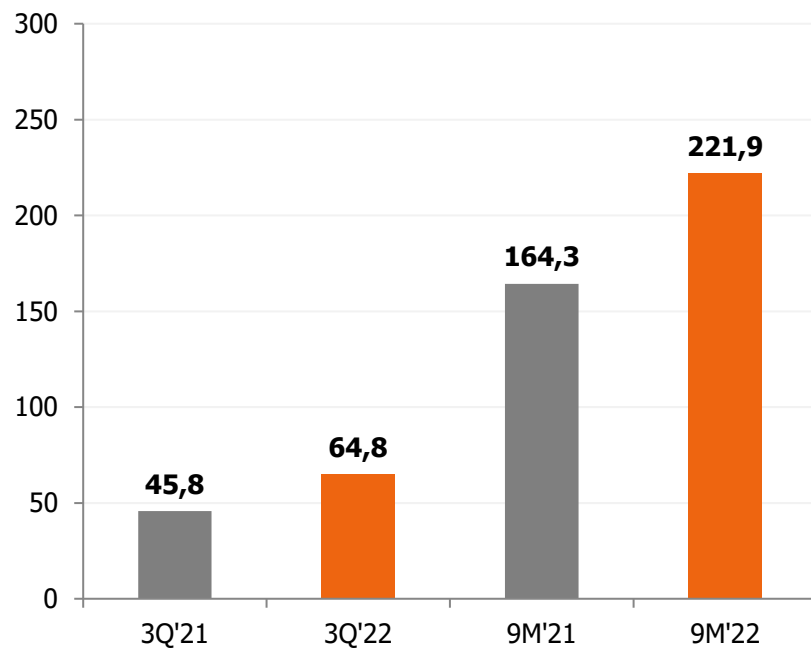
Sales revenue in mn PLN



✦ In 3Q 2022 sales revenue increased by 42% yoy to PLN 763,5 mn

✦ In LTM sales revenue amounted to PLN 3,14 bn, increase by 44% in comparison to 2021

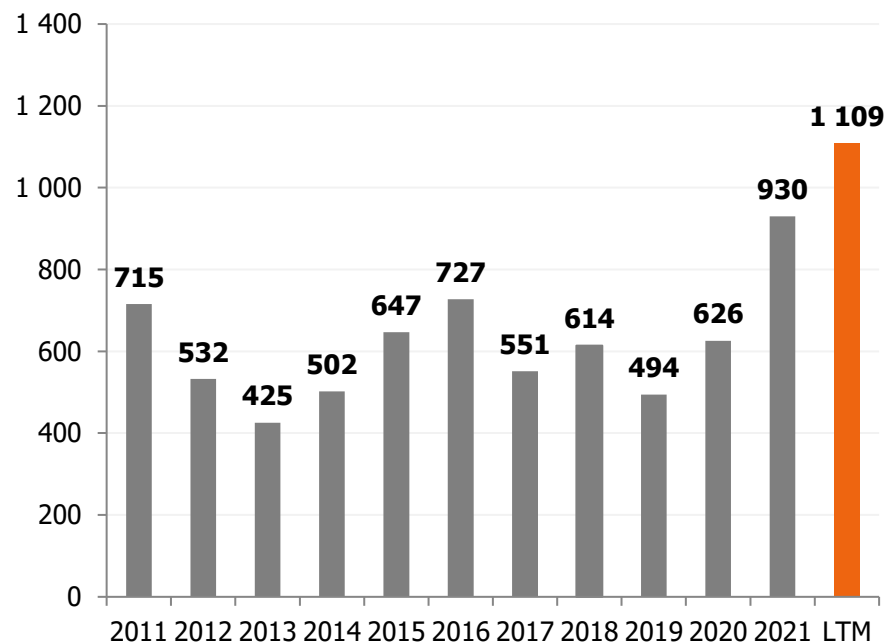
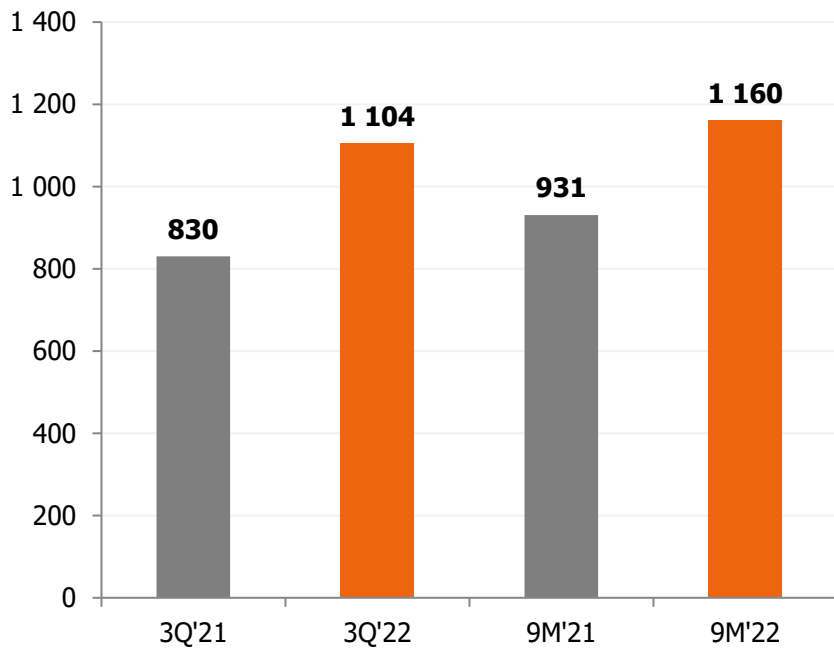
EBITDA in mn PLN



✦ In 3Q 2022 EBITDA increased by 41% yoy to PLN 64,8 mn

✦ In LTM EBITDA amounted to PLN 272,0 mn, increase by 27% in comparison to 2021

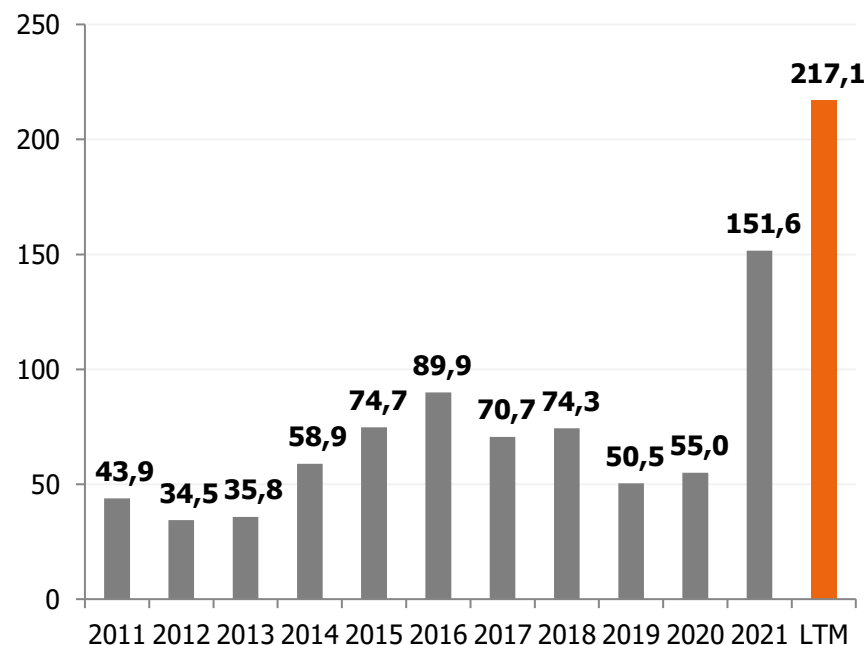
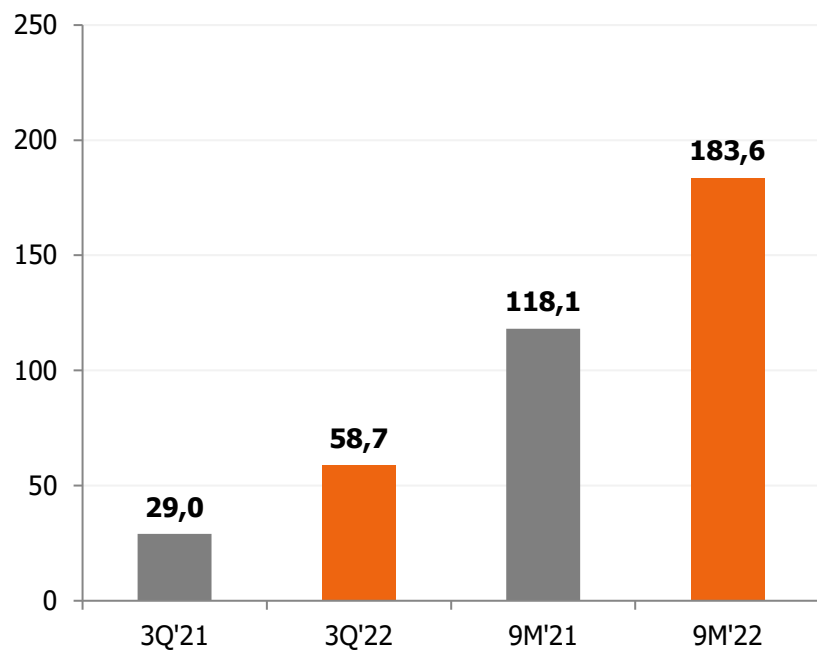
EBITDA per ton in PLN



✦ In 3Q 2022 EBITDA per ton increased by 33% yoy to 1 104 PLN/t

✦ In LTM EBITDA per ton amounted to 1 109 PLN/t, increase by 19% in comparison to 2021

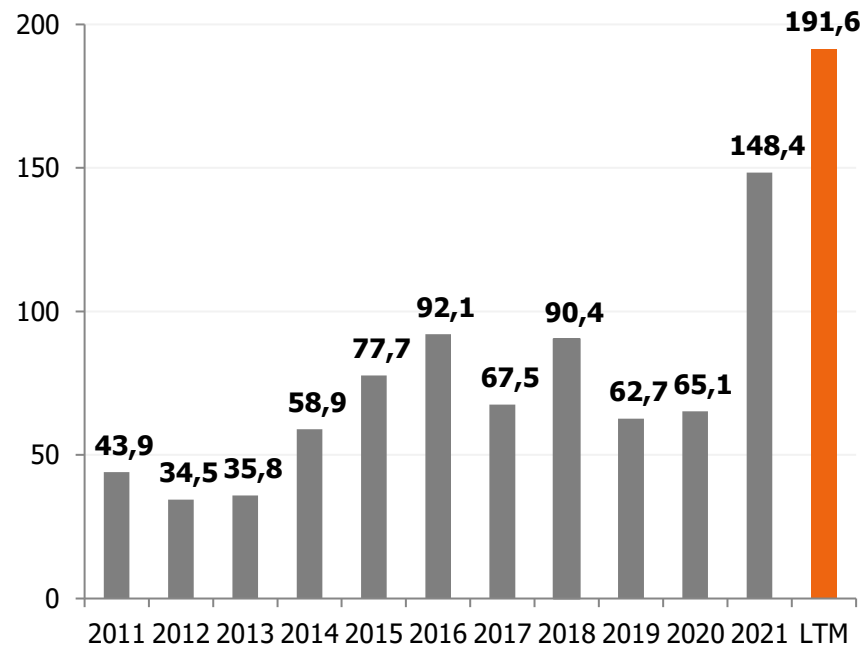
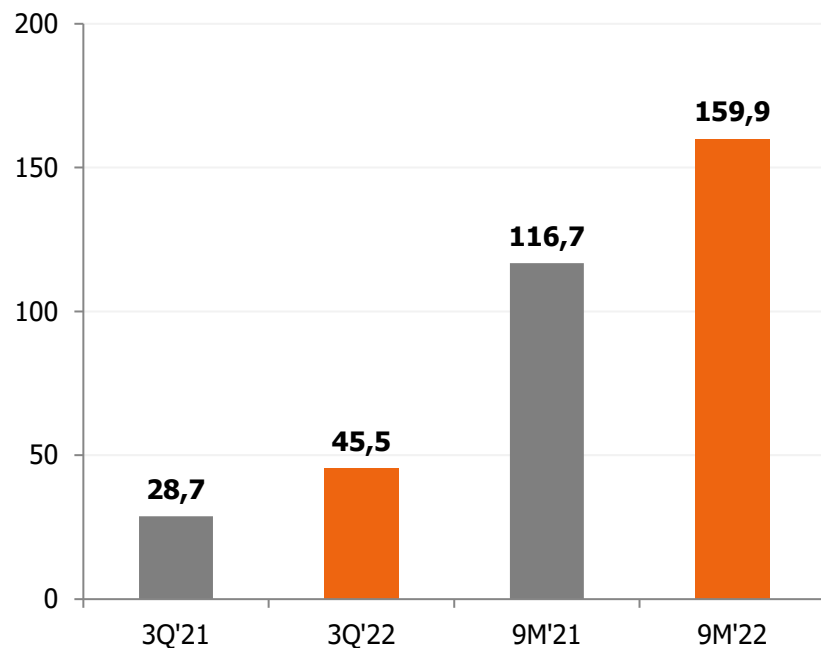
Net profit in mn PLN



✦ In 3Q 2022 net profit increased by 103% yoy to PLN 58,7 mn

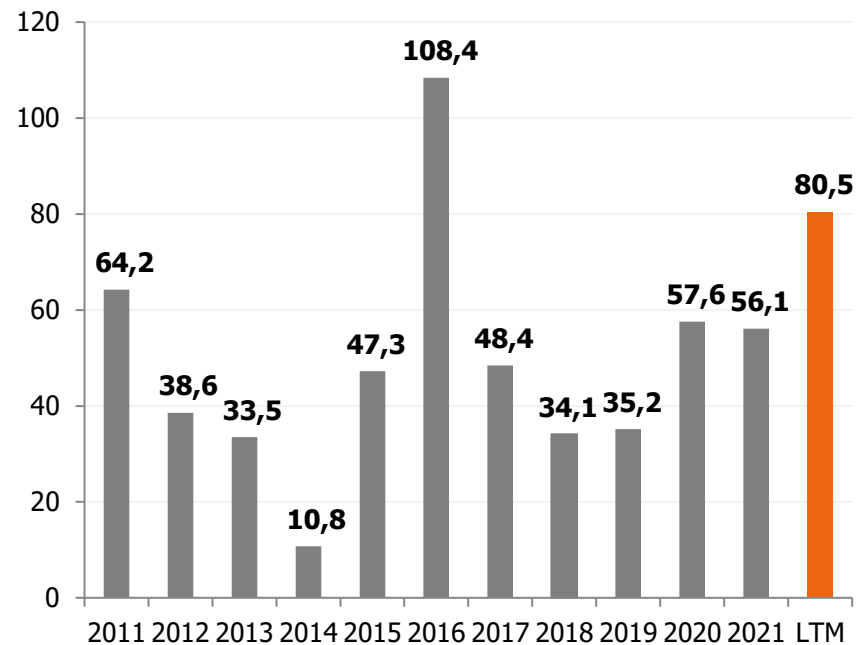
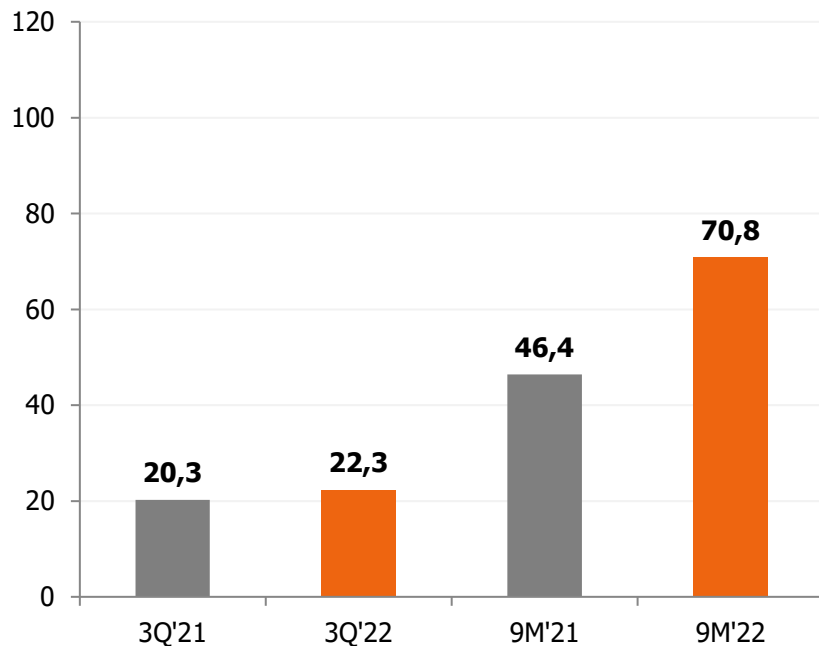
✦ In LTM net profit amounted to PLN 217,1 mn, increase by 43% in comparison to 2021

Normalized net profit in mn PLN



- ✦ In 3Q 2022 normalized net profit increased by 58% yoy to PLN 45,5 mn
- ✦ In LTM normalized net profit amounted to PLN 191,6 mn, increase by 29% in comparison to 2021

Capex in mn PLN



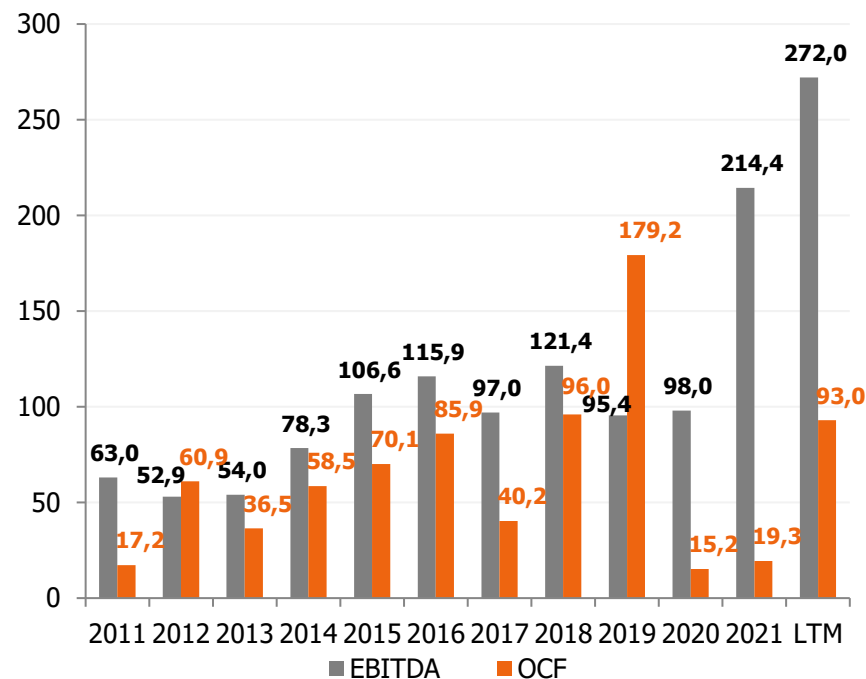
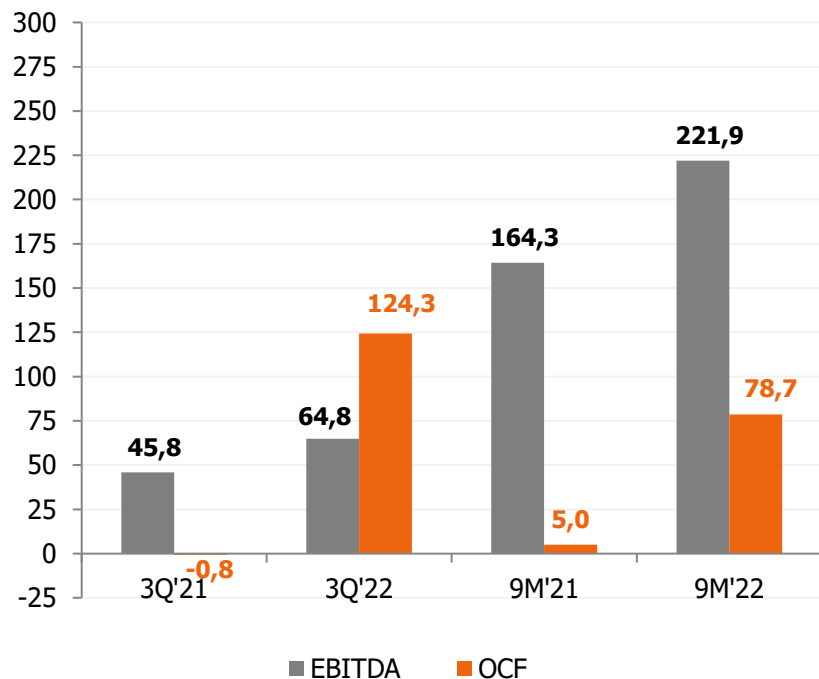
✚ In 3Q 2022 capex amounted to PLN 22,3 mn

- PLN 4,3 mn maintenance capex
- PLN 18,0 mn development capex

✚ In LTM capex amounted to PLN 80,5 mn, increase by 43% in comparison to 2021



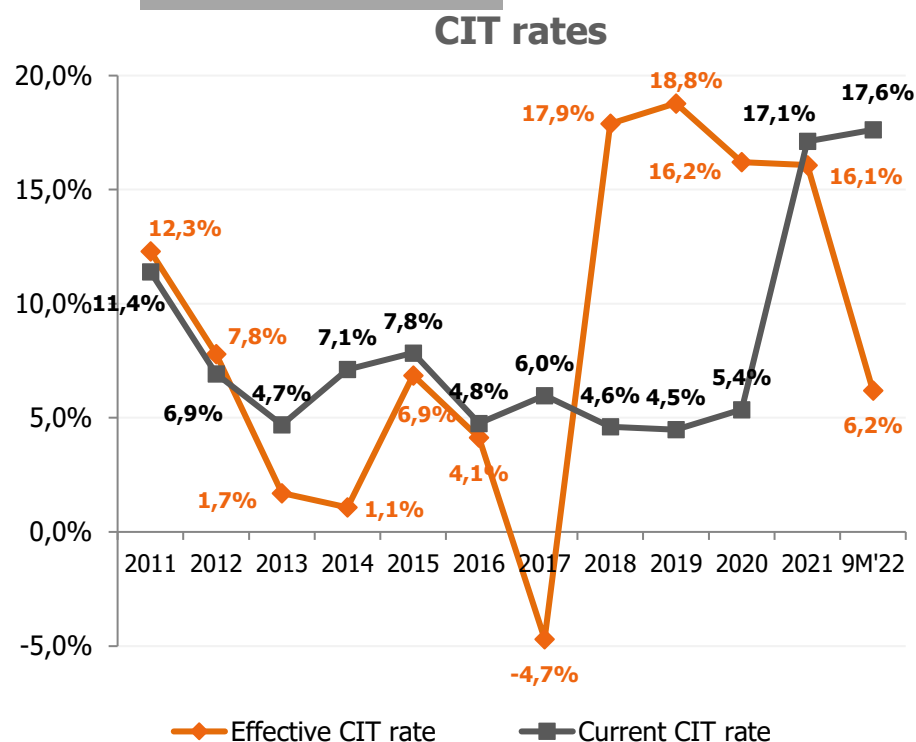
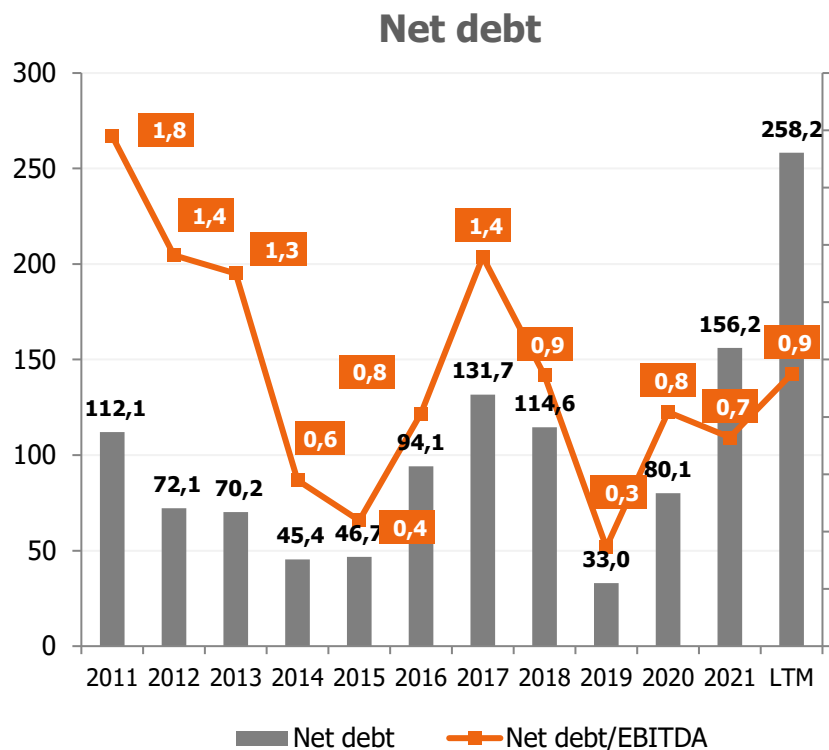
EBITDA vs OCF in mn PLN



✦ In 3Q 2022 OCF amounted to PLN 124,3 mn vs EBITDA at PLN 64,8 mn

✦ In LTM OCF amounted to PLN 93,0 mn vs EBITDA at PLN 272,0 mn

Net debt and CIT rates



- ✦ At the end of 3Q 2022 net debt amounted to PLN 258,2 mn, and Net debt/EBITDA ratio remained at the level of 0,9x
- ✦ At the end of 3Q 2022 effective CIT rate amounted to 6,2% and current CIT rate amounted to 17,6%

Development projects

- ⊕ The project of automatic sorting of scrap in Nowa Sól has been completed. From November 2022, we are starting operational activities
- ⊕ Research works on the project of processing post-production waste generated in the production of aluminum casting alloys are nearing the end
- ⊕ All machines and equipment needed to expand of the production capacity of master alloys in Gorzyce were ordered. We plan to carry out the assembly in 1Q 2023 and start production in 2Q 2023

Hydro Aluminium tender offer

- ⊕ On 29 April 2022 Hydro Aluminium AS announced a tender offer for 100% of the shares. The Investor's intention was to acquire no less than 66% of Alumetal S.A. shares. The Investor also reserved the right to purchase a smaller number of shares
- ⊕ The approval by the European Commission as a key condition for the tender offer has not been met. The tender offer was completed without any shares being purchased. On 6 October 2022, the European Commission decided to start the second stage in the approval process which will last until at least February 2023
- ⊕ On 6 October 2022 the Company, the Key Shareholder and the Investor signed an annex and extended the exclusivity agreement for the transaction for Hydro Aluminium AS. At the same time, the agreement concluded between the parties regarding the tender offer and other agreements related to the transaction were terminated

Summary

- ⊕ For the past two years, Alumetal Group has realized historically highest financial results despite the difficult market environment (the third year of recession in the European automotive industry). This is possible thanks to consistent commercial and operational activities, as well as sustainable competitive advantages of our company
- ⊕ In 3Q 2022, we came close to the implementation of the strategic target of sales volumes in 2022 announced in 2018 (LTM sales at 245k tons vs the target of 250k tons)
- ⊕ Significant OCF improvement in 3Q 2022 (PLN 124 mn) due to decrease in market prices. Net debt increased slightly in 3Q 2022 despite dividend payments (PLN 106 mn in July 2022) and capex (PLN 22 mn in 3Q 2022)
- ⊕ On 29 December 2022 we will pay an interim dividend of PLN 51,6 mn (PLN 3,3 per share). Dividend record date set for 23 December 2022
- ⊕ Investment projects are on schedule and will contribute to the financial results in 2023
- ⊕ Improved sentiment in the European automotive industry allows us to be optimistic about 4Q 2022 and 1Q 2023

