

The background of the slide is a photograph of several aluminum ingots. These are rectangular metal blocks with a metallic, slightly textured surface, arranged in rows. The lighting is somewhat dim, giving the image a professional, industrial feel.

Alumetal Group

1Q 2023 financial results

12 May 2023

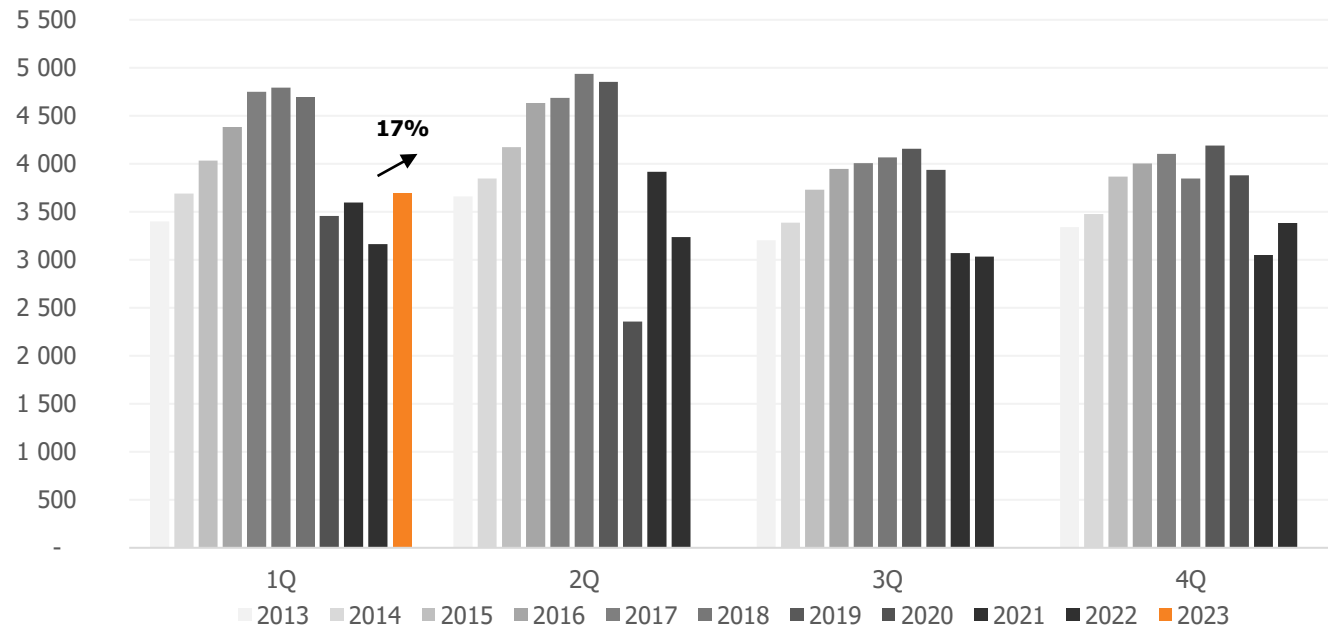


1Q 2023 and LTM at glance



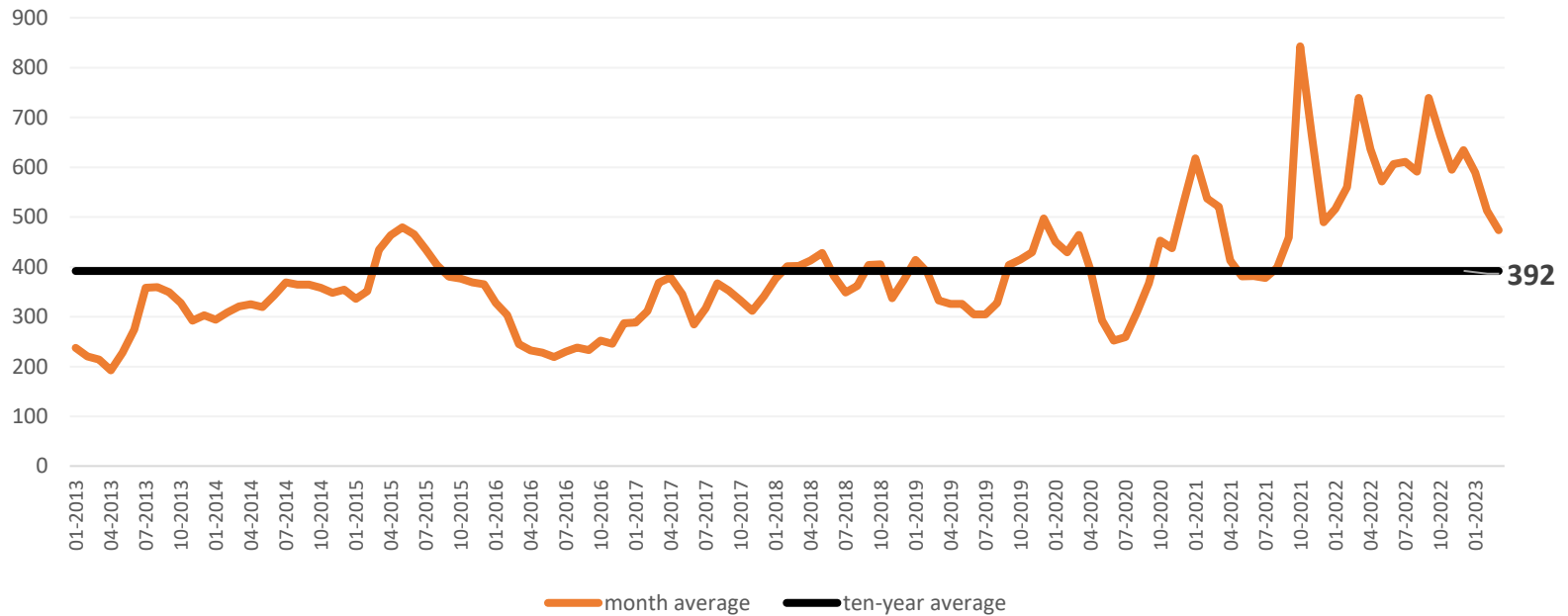
- ✦ Volume sales – **62,7 k tons** in 1Q 2023 and **244,5 k tons** in LTM
- ✦ EBITDA – **PLN 55,6 mn** in 1Q 2023 and **PLN 280,8 mn** in LTM
- ✦ Normalized net profit – **PLN 38,7 mn** in 1Q 2023 and **PLN 202,4 mn** in LTM
- ✦ Operating cash flow – **PLN minus 7,9 mn** in 1Q 2023 and **PLN 199,8 mn** in LTM
- ✦ Net debt – **PLN 240,5 mn** (0,9x EBITDA)

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



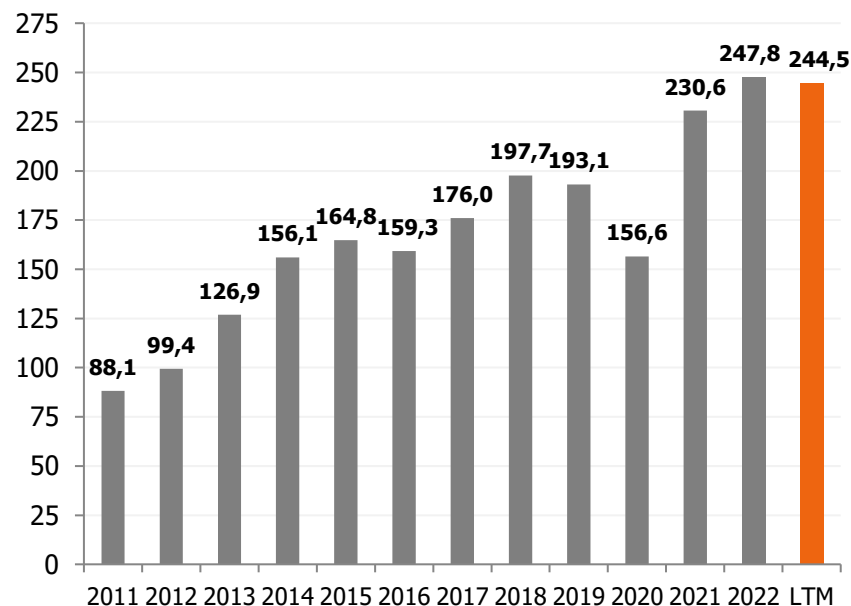
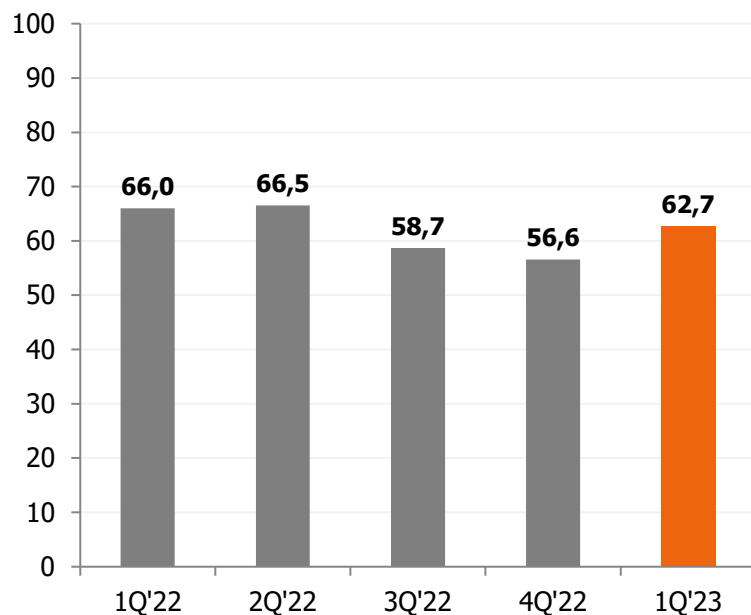
- ✦ In 1Q 2023 new motor vehicle registrations in the UE and UK increased by 17% yoy, passenger car (PC) registrations increased by 18% and commercial vehicle (CV) increased by 11%
- ✦ In LTM sales volume of motor vehicles in the EU and UK increased by 4,2% in comparison to 2022 and amounted to 13,3 mn units

Metal Bulletin 226 alloy spread in EUR/t



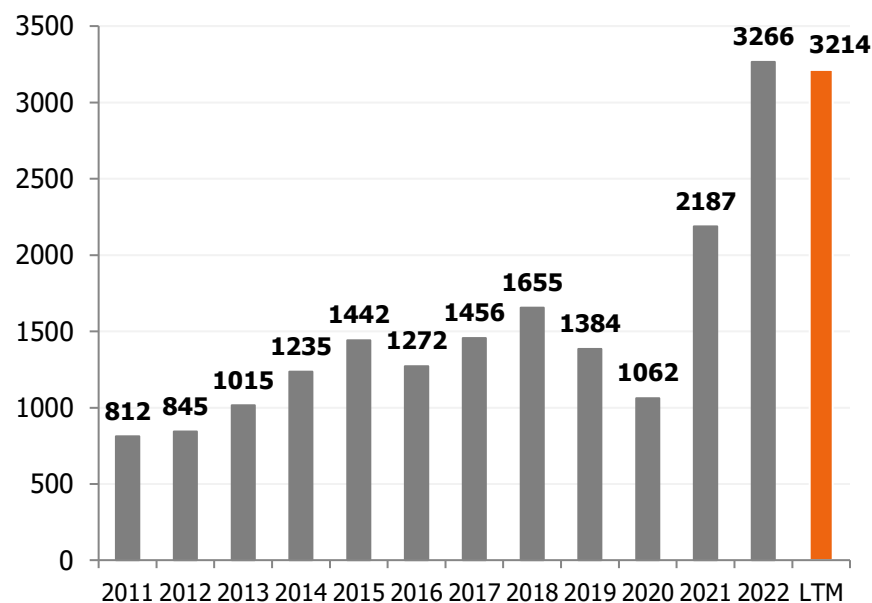
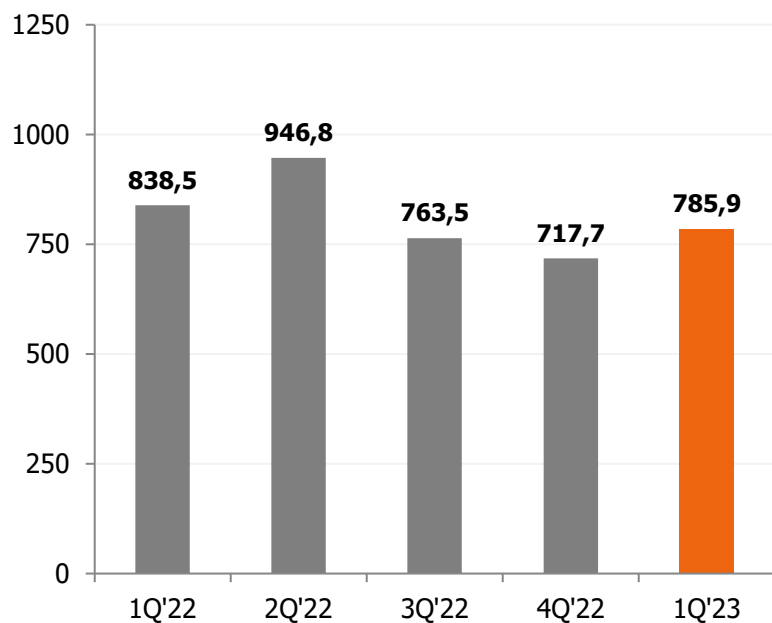
- ✦ In 1Q 2023 average benchmark margin amounted to 525 EUR/t and it was 16% lower than the average margin in 2022 and 33% higher than the ten-year average
- ✦ Since the beginning of 2Q 2023 benchmark margin has stabilized at slightly below 500 EUR/t

Volume sales in thou. tons



- ✚ In 1Q 2023 sales volume decreased by 5% yoy to 62,7 k tons
- ✚ In LTM sales volume amounted to 244,5 k tons, decrease by 1% in comparison to 2022

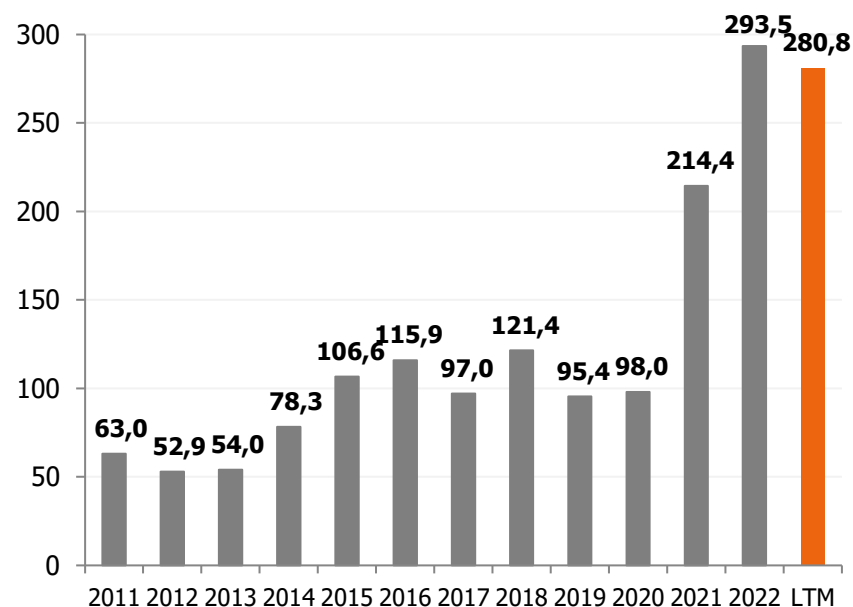
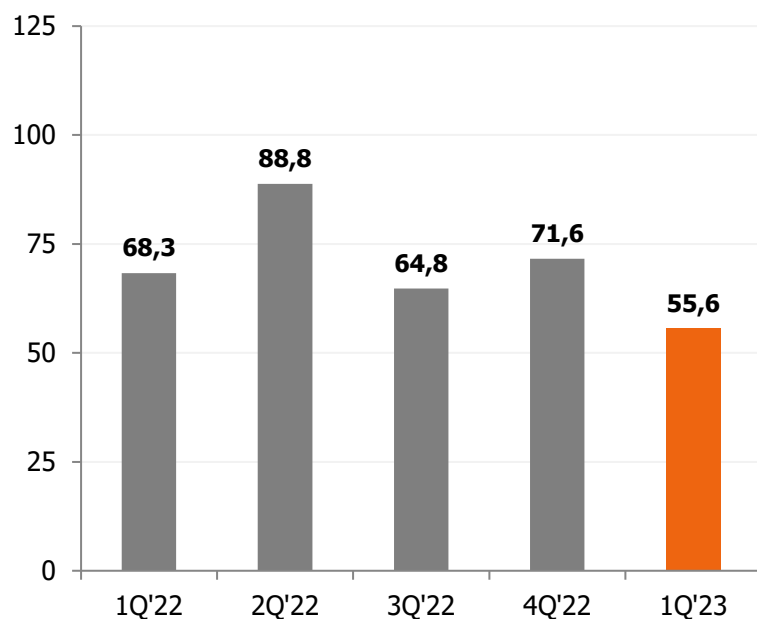
Sales revenue in mn PLN



✦ In 1Q 2023 sales revenue decreased 6,3% r/r to PLN 786 mn

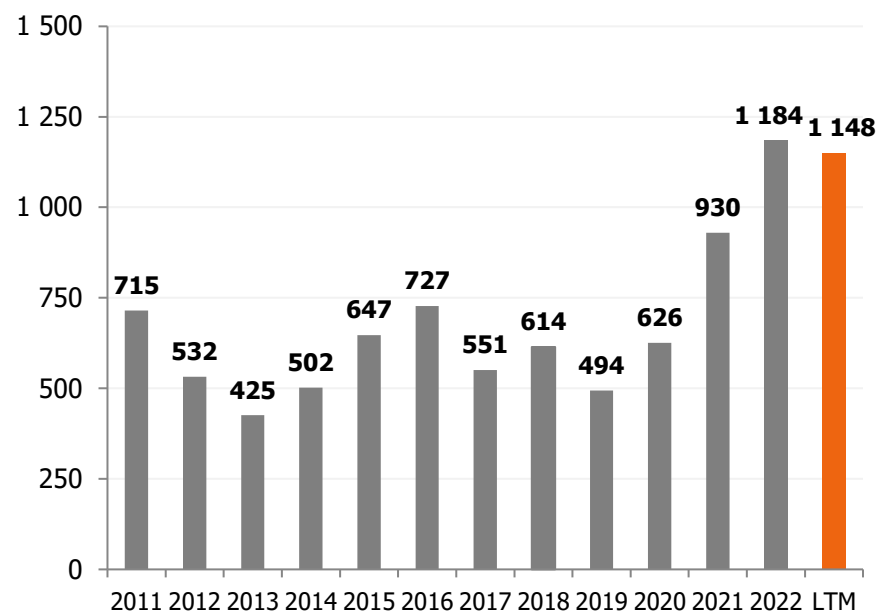
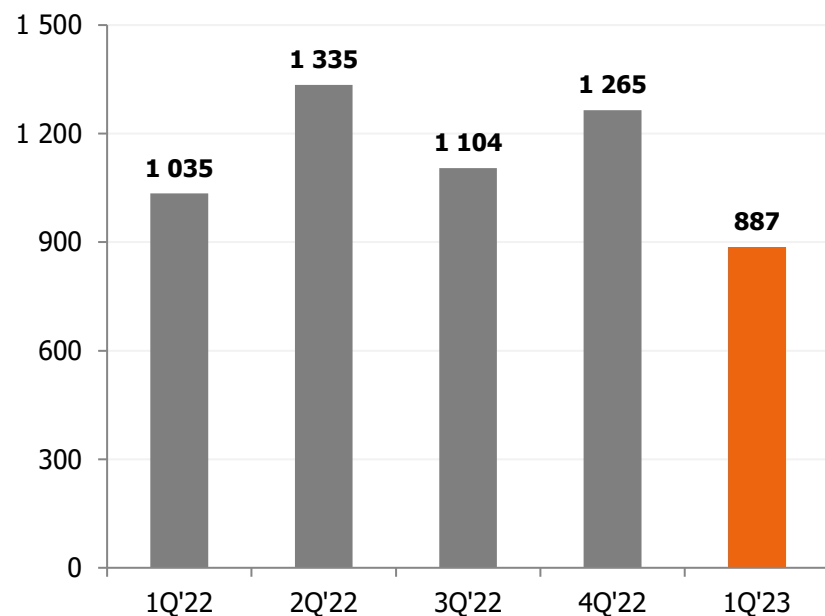
✦ In LTM sales revenue amounted to PLN 3,21 bn, decrease by 2% in comparison to 2022

EBITDA in mn PLN



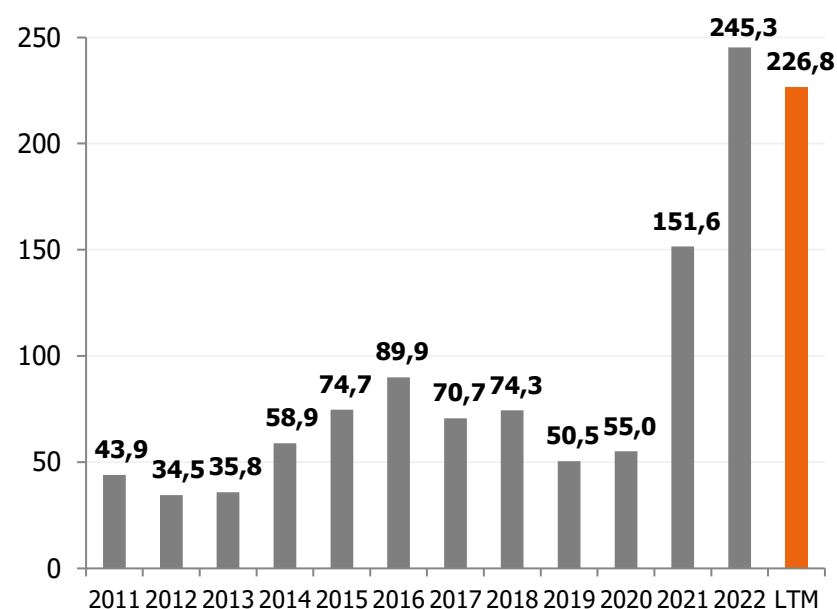
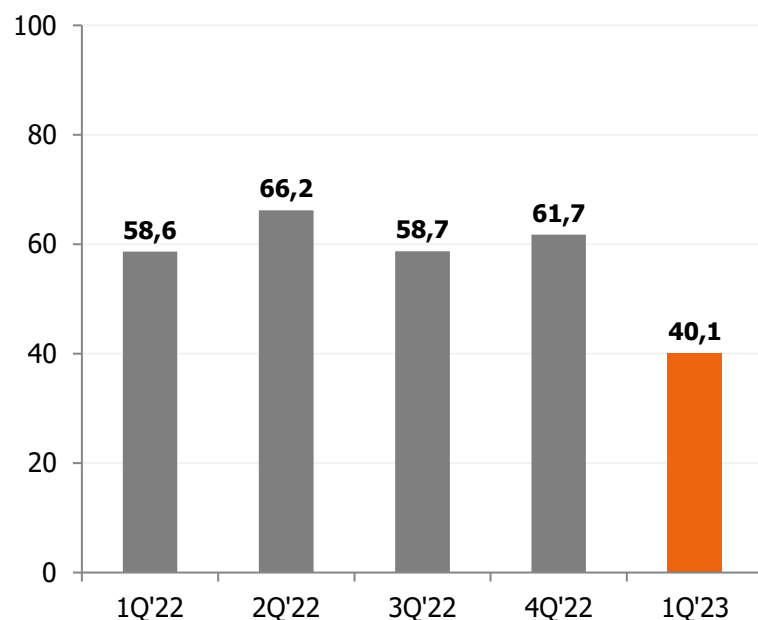
- ✦ In 1Q 2023 EBITDA decreased by 19% yoy to PLN 55,6 mn
- ✦ In LTM EBITDA amounted to PLN 280,8 mn, decrease by 4% in comparison to 2022

EBITDA per ton in PLN



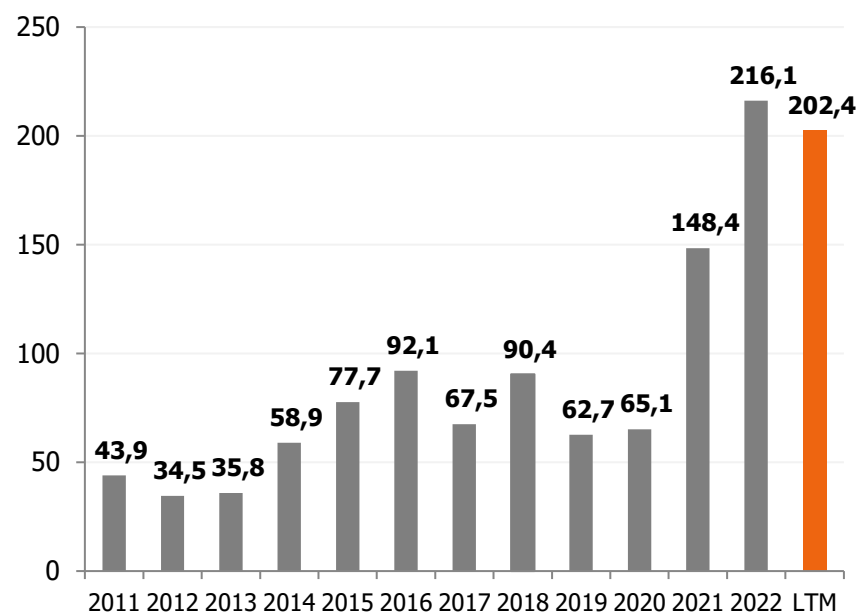
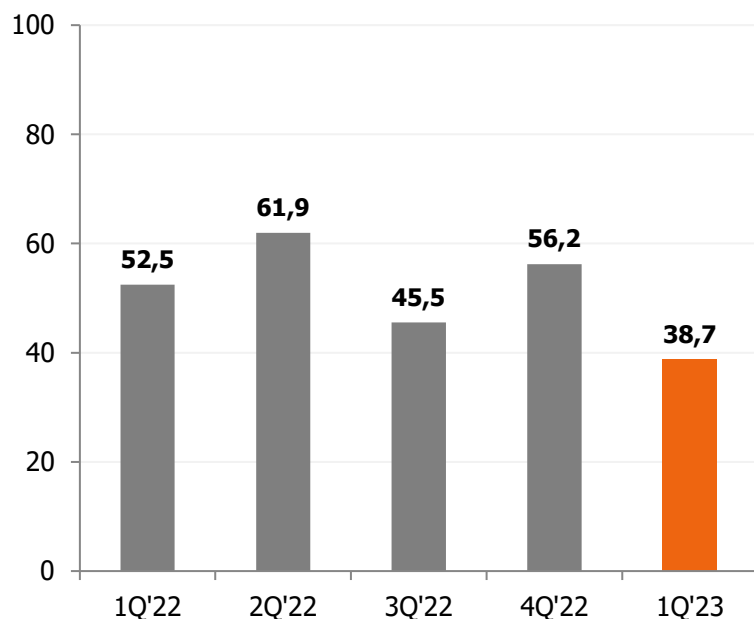
- ⊕ In 1Q 2023 EBITDA per ton decreased by 14,3% yoy to 887 PLN/t
- ⊕ In LTM EBITDA per ton amounted to 1 148 PLN/t, decrease by 3% in comparison to 2022

Net profit in mn PLN



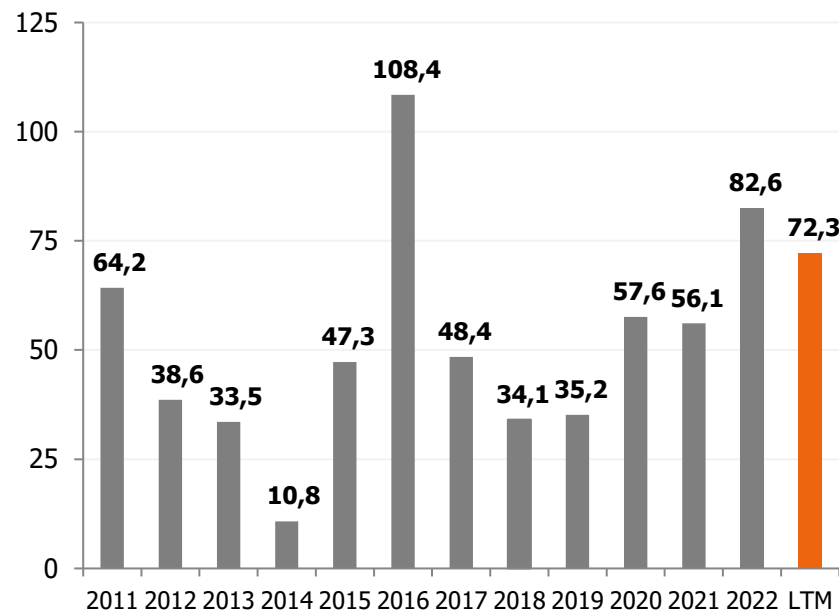
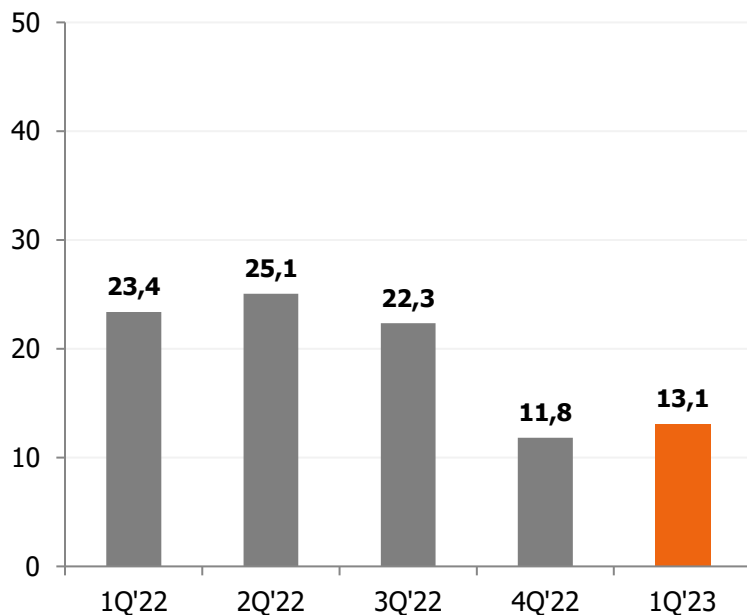
- ✦ In 1Q 2023 net profit decreased by 32% yoy to PLN 40,1 mn
- ✦ In LTM net profit amounted to PLN 226,8 mn, decrease by 8% in comparison to 2022

Normalized net profit in mn PLN



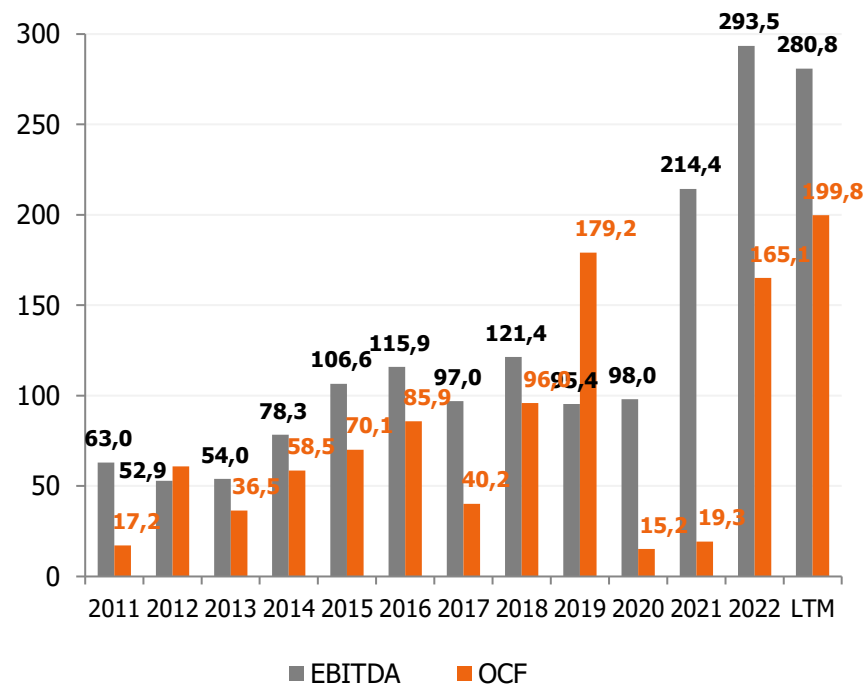
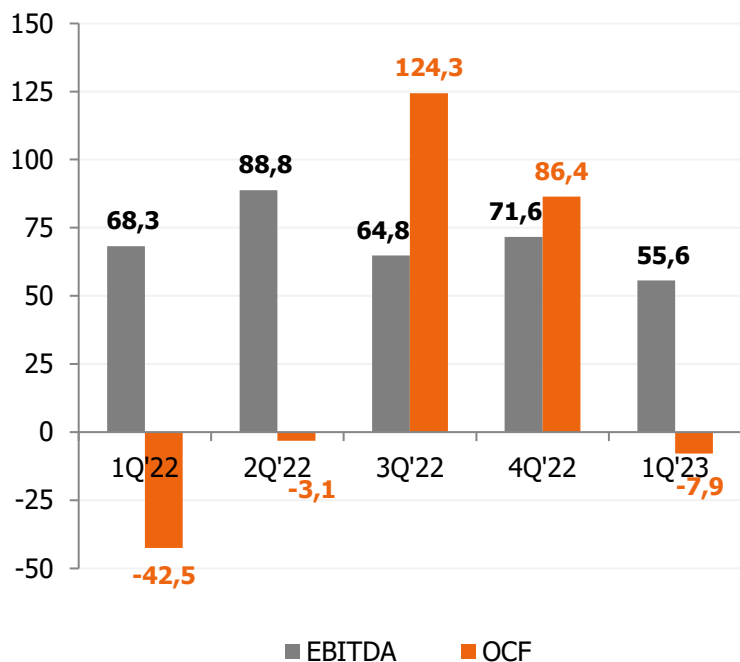
- ✦ In 1Q 2023 normalized net profit decreased by 26% yoy to PLN 38,7 mn
- ✦ In LTM normalized net profit amounted to PLN 202,4 mn, decrease by 6% in comparison to 2022

Capex in mn PLN



- ✦ In 1Q 2023 capex amounted to PLN 13,1 mn:
 - PLN 6,1 mn maintenance capex
 - PLN 7,0 mn development capex
- ✦ In LTM capex amounted to PLN 72,3 mn, decrease by 12% in comparison to 2022

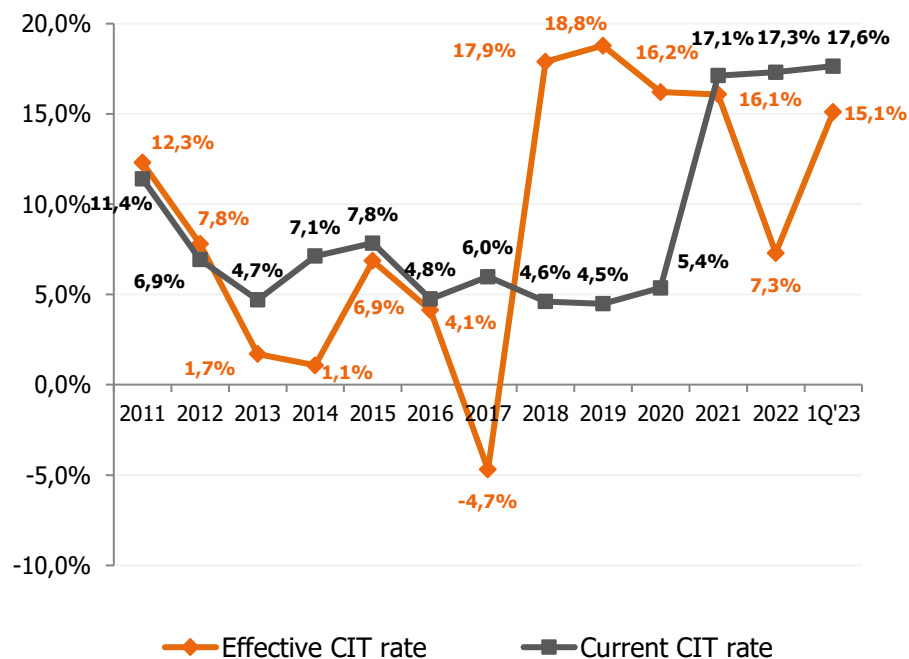
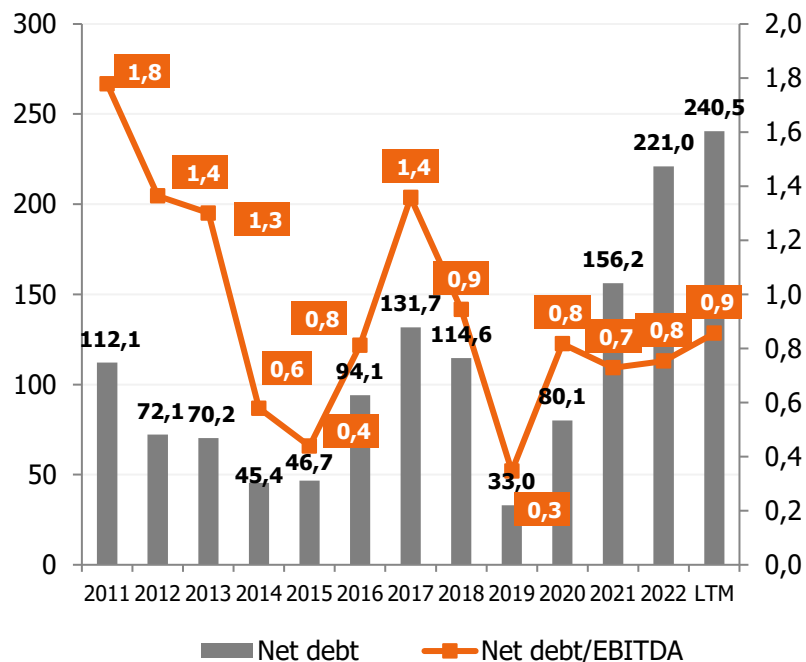
EBITDA vs OCF in mn PLN



✦ In 1Q 2023 OCF amounted to PLN minus 7,9 mn vs PLN 55,6 mn of EBITDA

✦ In LTM OCF amounted to PLN 199,8 mn vs PLN 280,8 mn of EBITDA

Net debt and CIT rates



- ✦ At the end of 1Q 2023 net debt amounted to PLN 240,5 mn and Net debt/EBITDA ratio remained at the level of 0,9x
- ✦ Effective CIT rate in 1Q 2023 amounted to 15,1% and current CIT rate amounted to 17,6%

Tender offer for ALUMETAL S.A. shares

- ✦ On 29 April 2022 Hydro Aluminium AS announced a tender offer for 100% of Alumetal S.A. shares. On 6 October 2022 the European Commission decided to start the second stage in the approval procedure for the transaction. Due to the lack of approval from the European Commission in the first stage, the tender offer ended without a share purchase transaction
- ✦ On 27 April 2023 investment agreements were signed with two members of the Supervisory Board and all members of the Management Board committing to sell 38,7% of the shares under the tender offer planned by Hydro Aluminium AS
- ✦ Hydro Aluminium AS will announce a tender offer in May 2023 (the procedure at the Polish Financial Supervision Authority is currently underway), the closing of the transaction is planned for early July 2023. The tender offer will be for 100% of Alumetal S.A. shares. (the target is no less than 50%) at PLN 78,69 per share (equity valuation at PLN 1,23 bn)
- ✦ On 4 May 2023 the European Commission granted Norsk Hydro unconditional approval for the purchase of Alumetal S.A.
- ✦ On 27 April 2023 Elemental Holding notified the UOKiK (Polish Office of Competition and Consumer Protection) of its intention to concentrate by acquiring control of Alumetal S.A. The target is to purchase up to 49,9% of Alumetal S.A. shares



Summary

- ⊕ Alumetal Group reported a relatively good sales volume in 1Q 2023, despite a more difficult market environment in the construction and home appliance industries
- ⊕ In 1Q 2023 there was an expected adjustment in market margins, but still EBITDA per ton remains at a satisfactory level
- ⊕ We expect further pressure on market margins which will have an impact on financial results of Alumetal Group. Our goal in 2023 is to optimize commercial and operational activities in a challenging market environment
- ⊕ The dividend of PLN 10,52 per share (PLN 164,5 mn in total) will be paid on 27 July 2023
- ⊕ An important event in the near future may be a significant change in the shareholder structure