



Alumetal Group

Financial results 2021

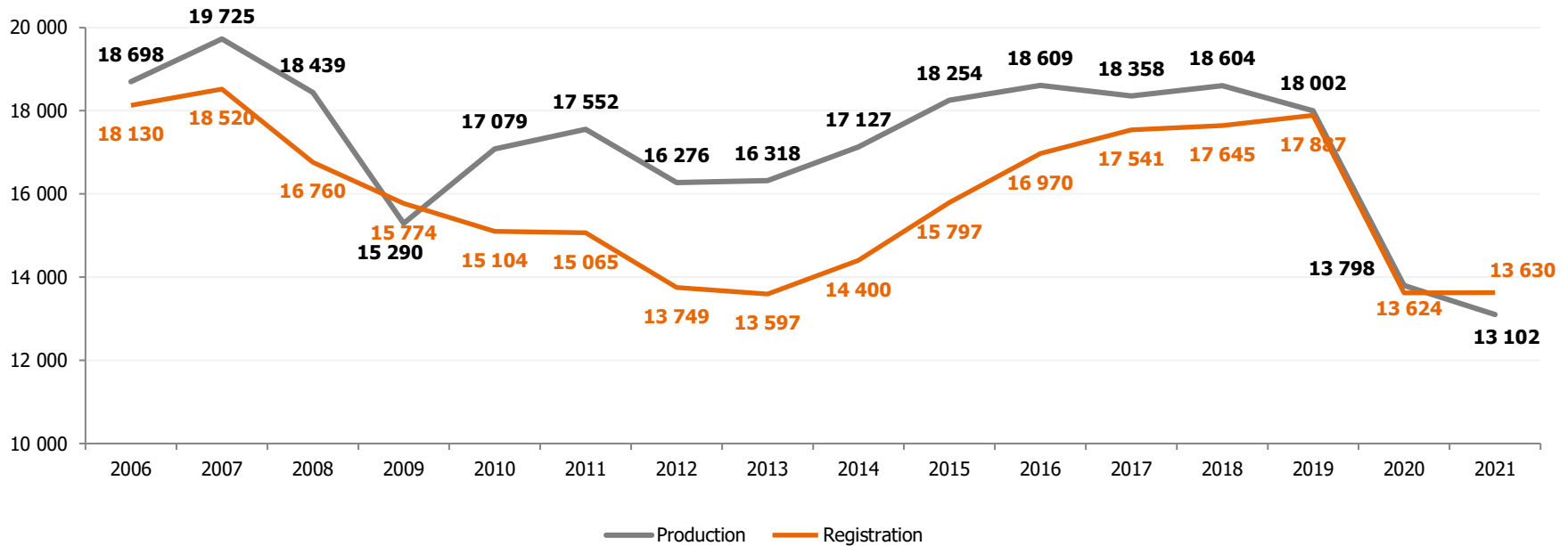
16 March 2022



FY 2021 at glance

- ✦ **230,6k tons sales volume** (47% increase yoy) – significant increase in sales despite the decline in motor vehicles production in Europe
- ✦ **PLN 214,4 mn EBITDA** (119% increase yoy) – the effect of increased sales volumes of casting and master alloys, sustainable changes in production efficiency
- ✦ **PLN 148,4 mn normalized consolidated net profit** (128% increase yoy) – mainly due to EBITDA growth
- ✦ **PLN 19,3 mn operating cash flow** – significant increase of net working capital due to increase in sales volume and prices
- ✦ **PLN 156,2 mn net debt** (0,7x EBITDA'21) – increase of net debt as a result of increase in net working capital, dividend payment and capital expenditure

Motor vehicle production and sales in the EU and UK in thou. units

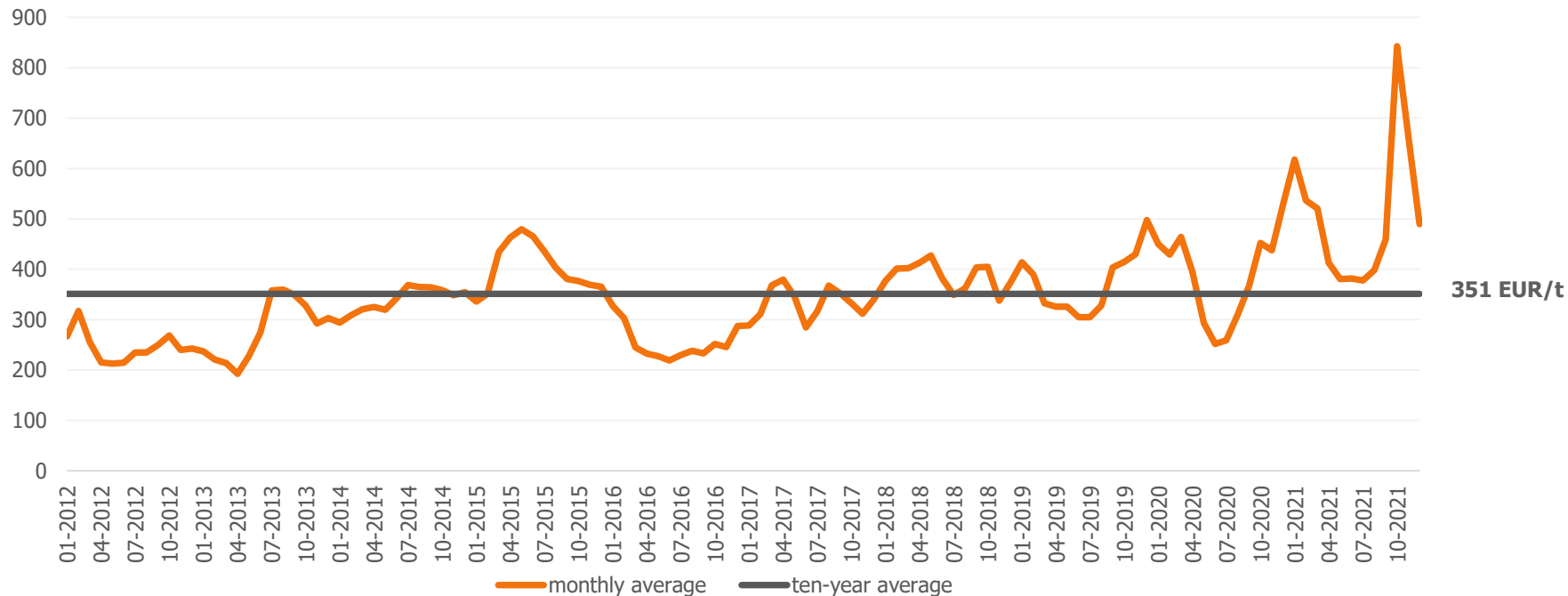


Source: OICA i ACEA

- Due to limited supply of semiconductors, motor vehicle production in EU and UK decreased by 5% in 2021 from the very low 2020 level caused by COVID-19. The 2021 production level is almost 30% below the 2015-19 average production level
- For the first time in history, CEE5 countries have produced more motor vehicles than Germany. Every second motor vehicle in the EU and UK is produced in CEE5 and Germany
- EU and UK motor vehicle registrations in 2021 were at similar levels as in 2020

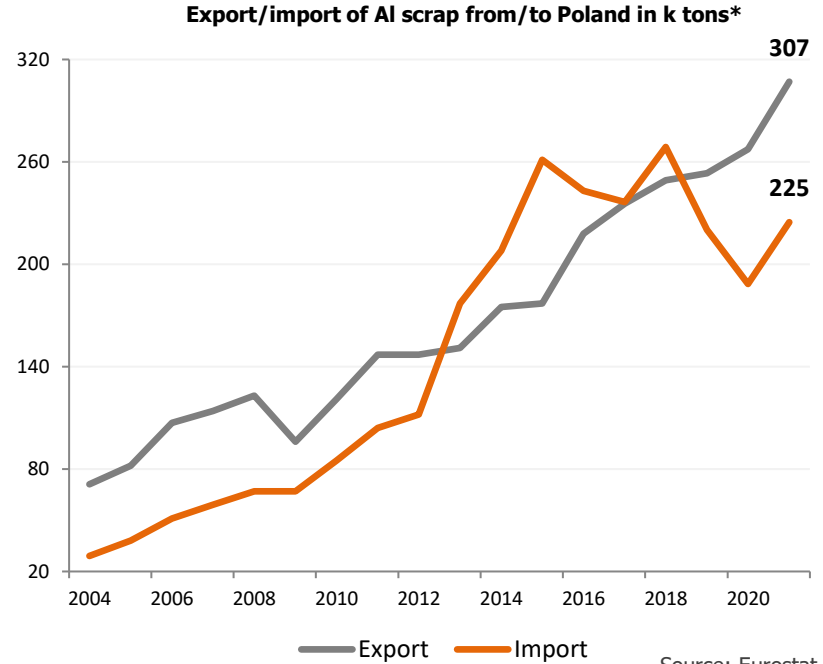
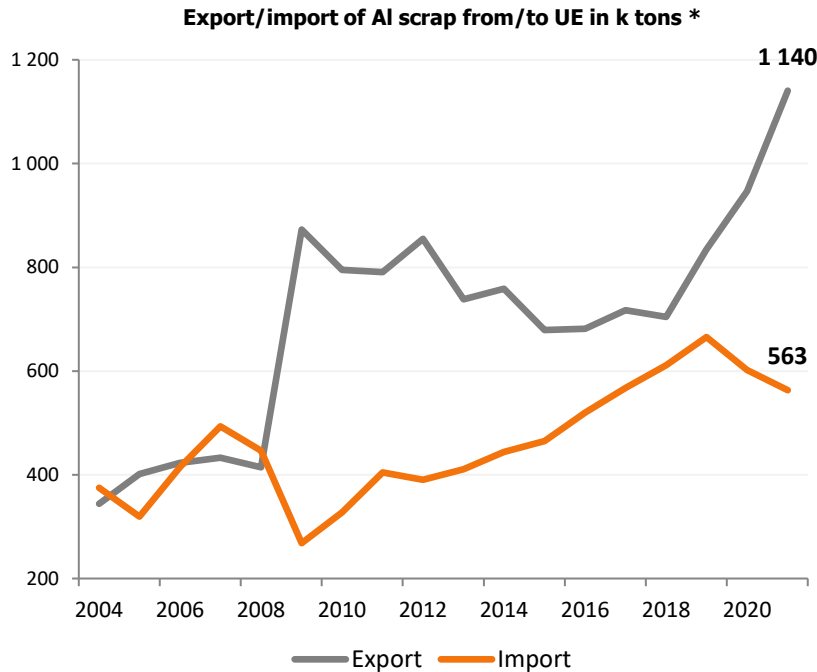


Metal Bulletin 226 alloy spread in EUR per ton



- ✦ In 2021 average benchmark margin amounted to 507 EUR/t which was 31% higher than 2020 and 44% higher than the ten-year average margin of 351 EUR/t
- ✦ In 2021 high volatility of the average benchmark margin – 558 EUR/t in 1Q'21, 392 EUR/t in 2Q'21, 412 EUR/t in 3Q'21 and 665 EUR/t in 4Q'21
- ✦ In 1Q 2022 margin remains at a high level (516 EUR/t in January, 560 EUR/t in February)

Export/import of aluminium scrap from/to the EU and Poland



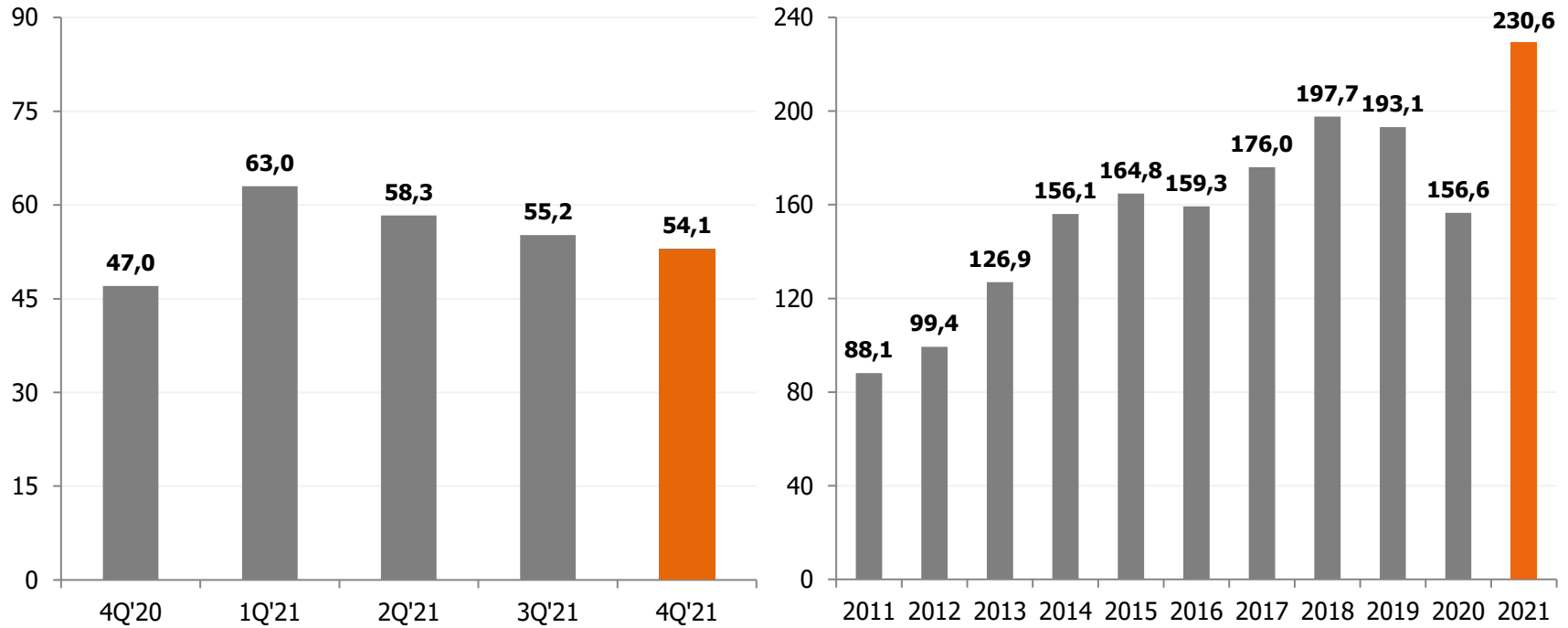
Source: Eurostat

* Note: data up to 2019 include statistics with UK, from 2020 there are no data for UK in Eurostat

⊕ Net export of scrap from EU increased from 345k tons in 2020 to 577k tons in 2021, i.e. by 67%. Export to China and India increased from 344k tons in 2020 to 387k tons in 2021 i.e. by 13%. Exports to Turkey and Malaysia has been growing

⊕ Net export of scrap from Poland slightly increased from 79k tons in 2020 to 82k tons in 2021

Sales volume in thousands of tons

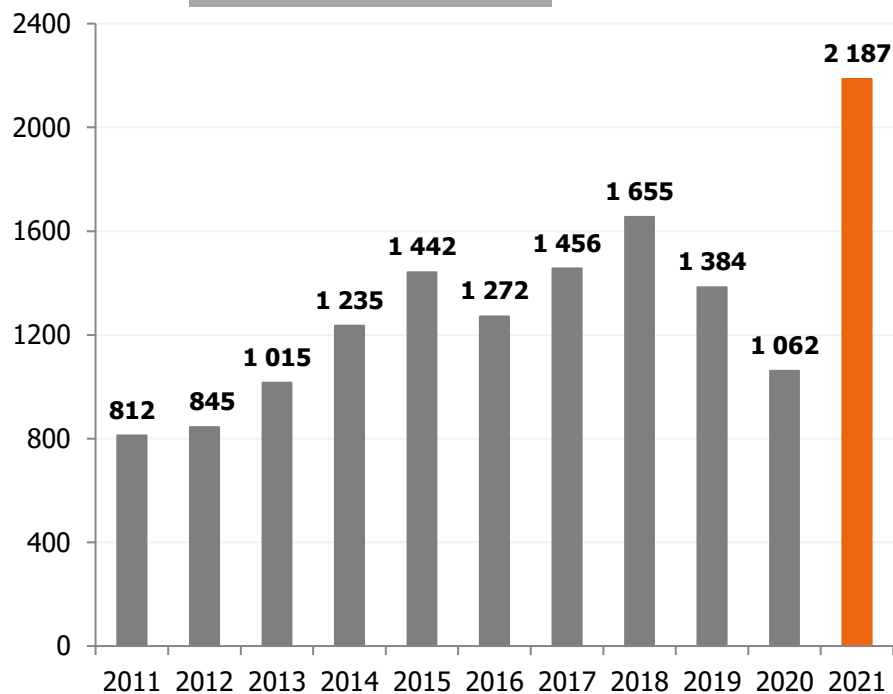
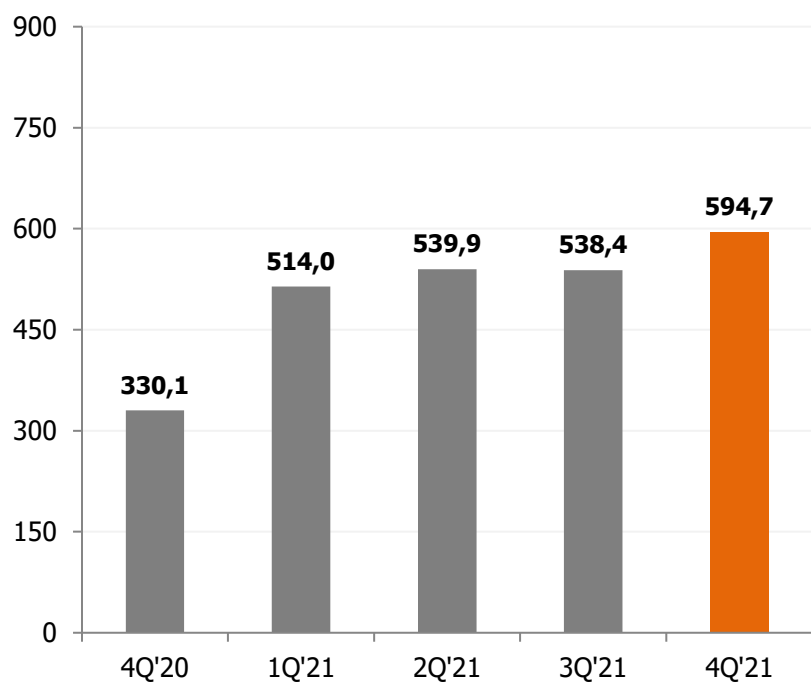


⊕ In 4Q 2021 sales volume increased by 15% yoy to 54,1k tons

⊕ In 2021 sales volume increased by 47% yoy to 230,6k tons

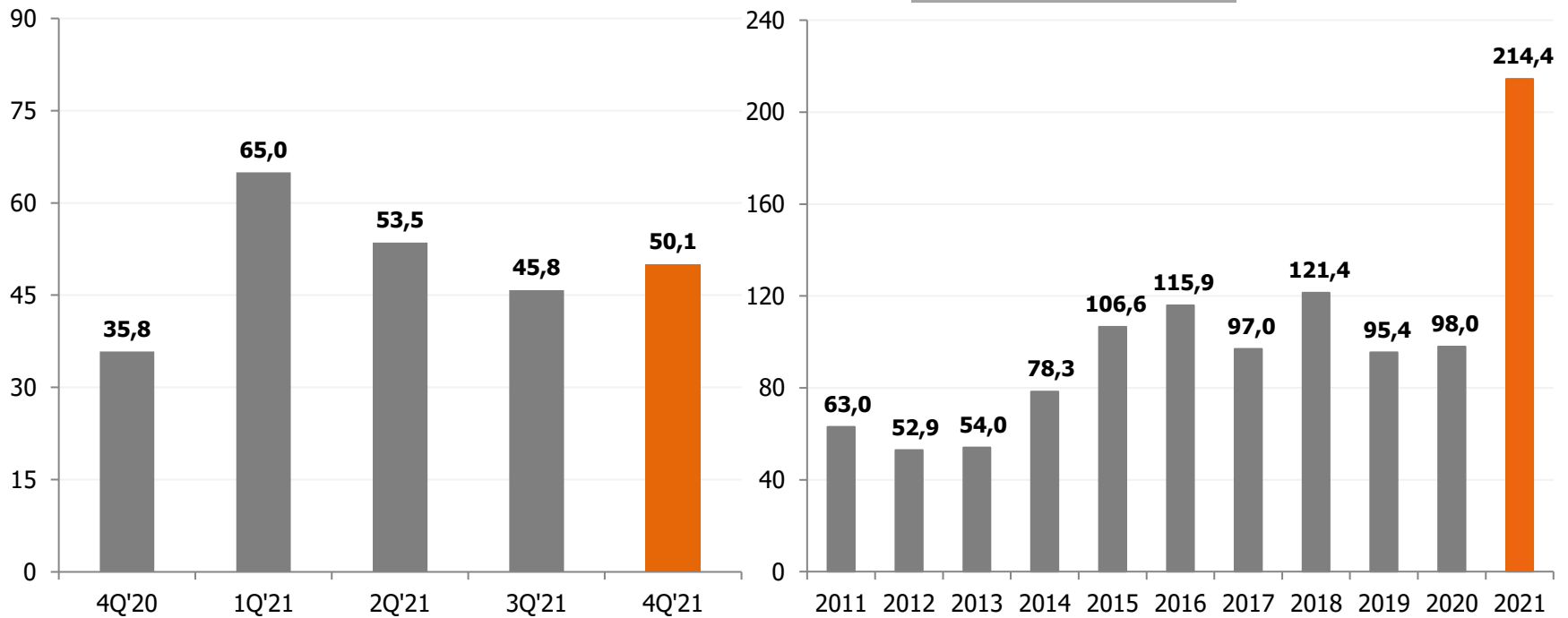


Sales revenue in mn PLN



- ⊕ In 4Q 2021 sales revenue increased by 80% yoy to PLN 594,7 mn
- ⊕ In 2021 sales revenue increased by 106% yoy to PLN 2,187 bn

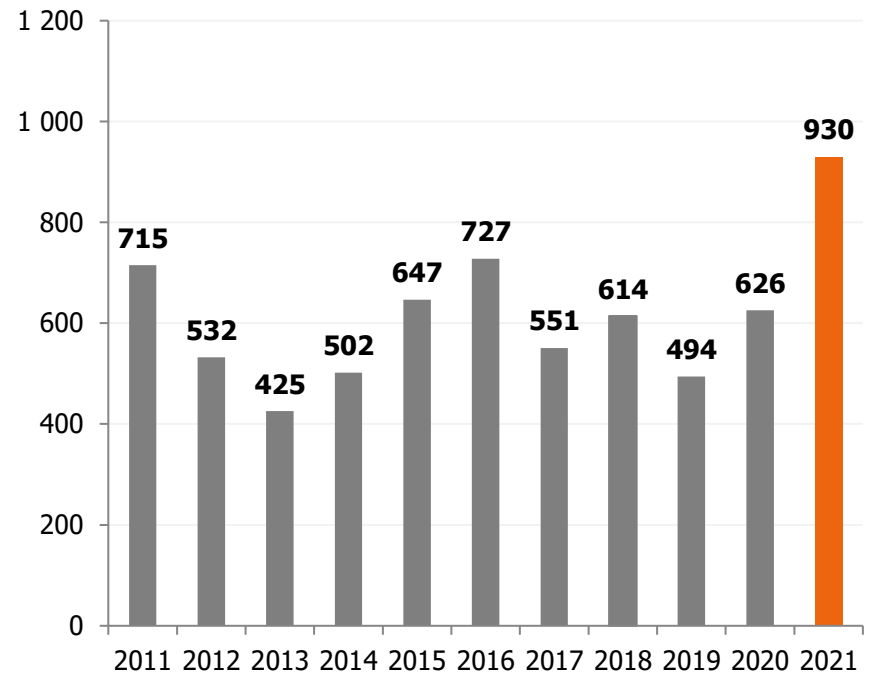
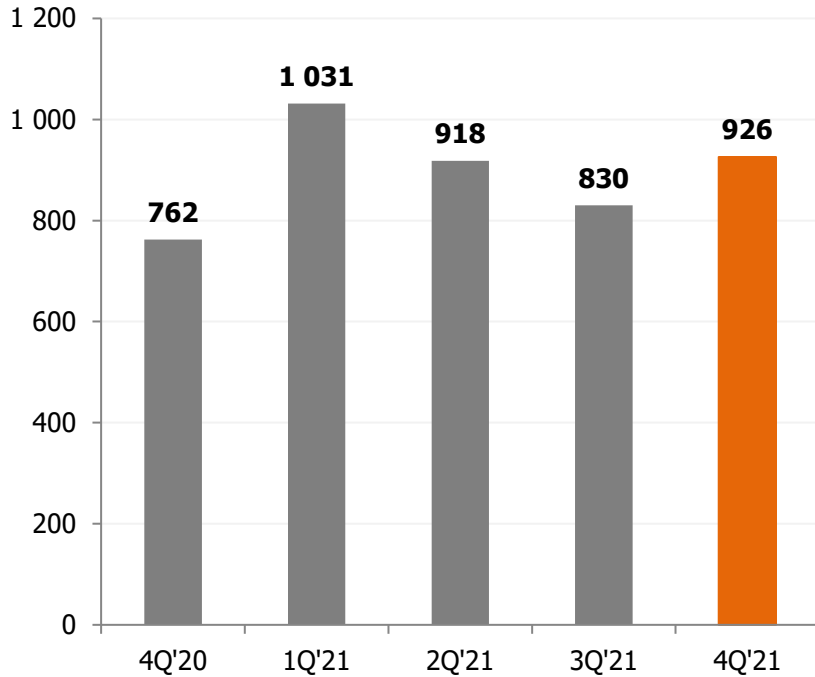
EBITDA in mn PLN



⊕ In 4Q 2021 EBITDA increased by 40% yoy to PLN 50,1 mn

⊕ In 2021 EBITDA increased by 119% r/r to PLN 214,4 mn

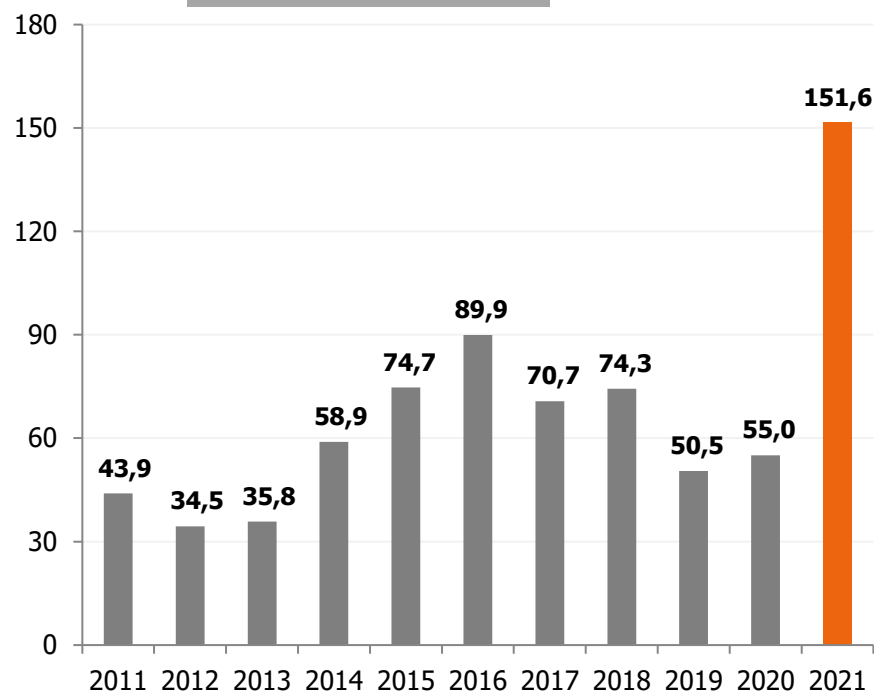
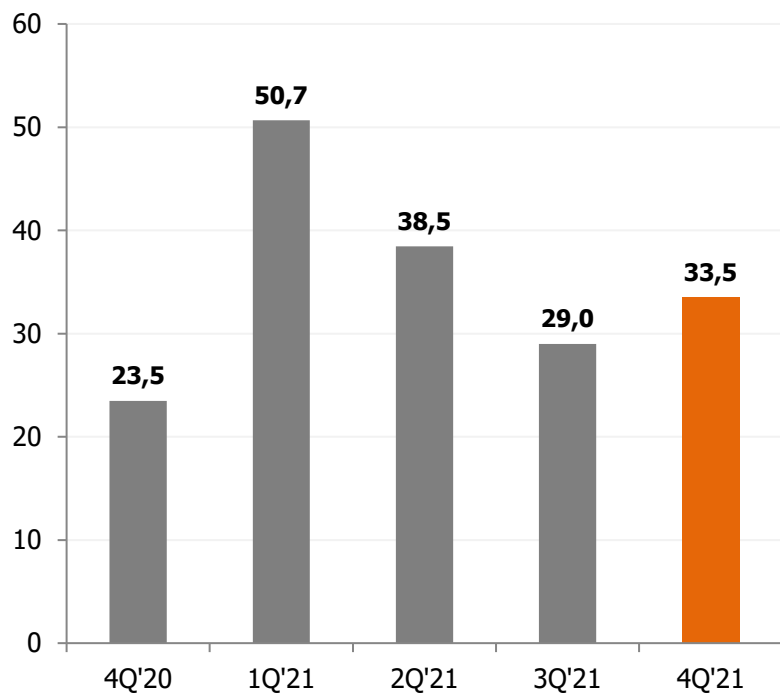
EBITDA per ton in PLN



✦ In 4Q 2021 EBITDA per ton increased by 21% yoy to 926 PLN/t

✦ In 2021 EBITDA per ton increased by 49% yoy to 930 PLN/t

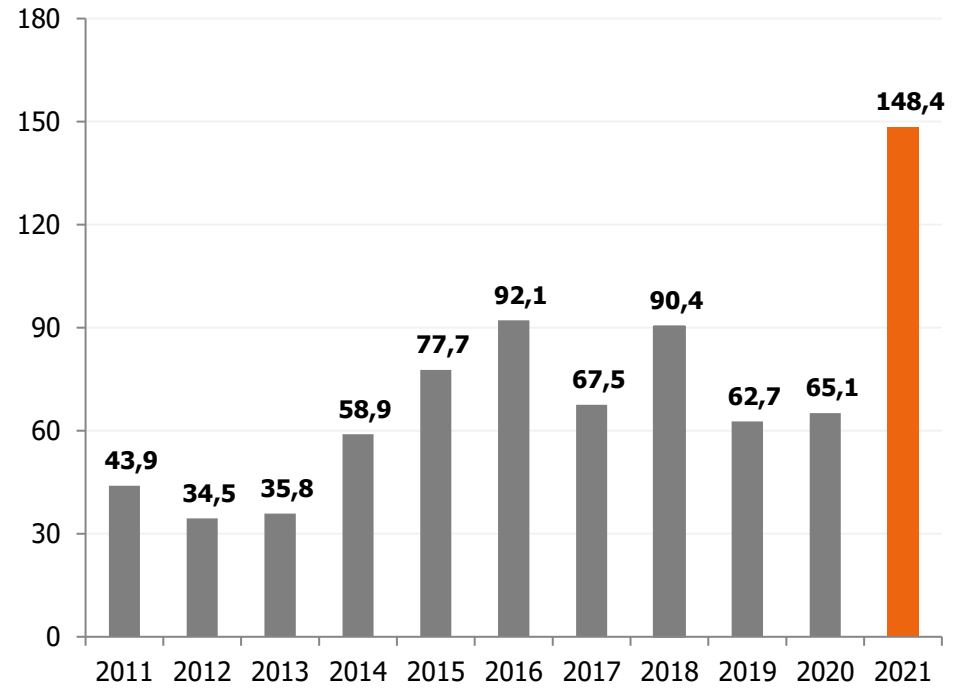
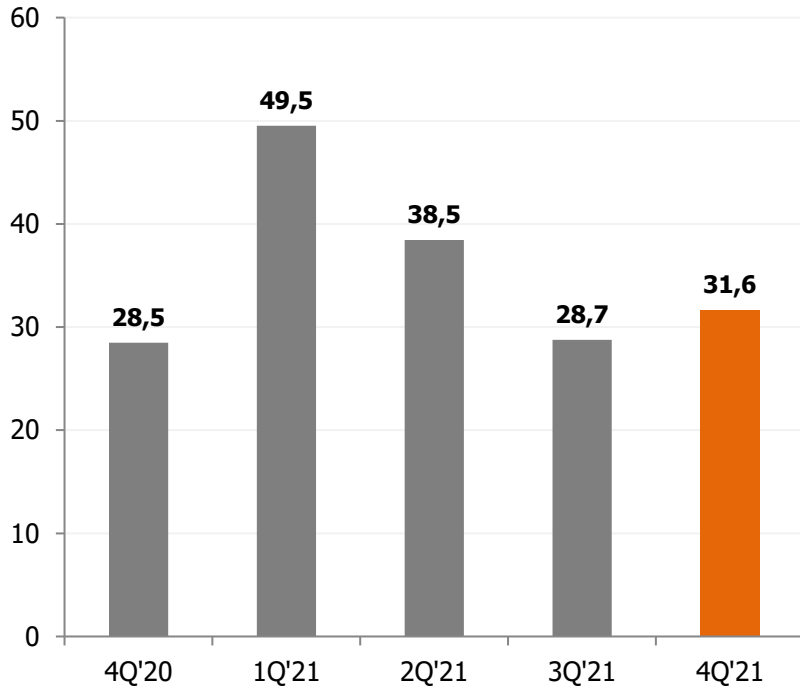
Net profit in mn PLN



⊕ In 4Q 2021 net profit increased by 43% yoy to PLN 33,5 mn

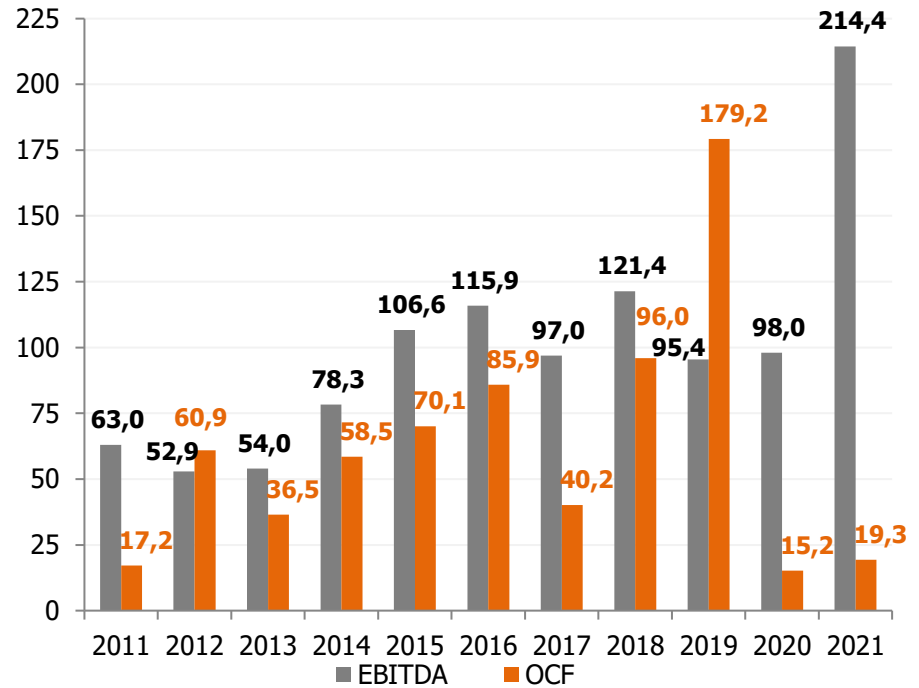
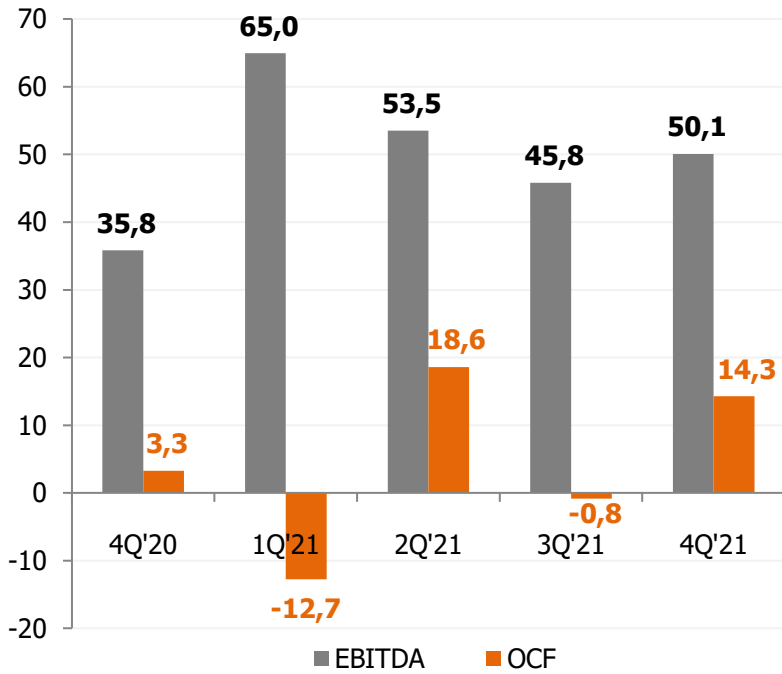
⊕ In 2021 net profit increased by 175% yoy to PLN 151,6 mn

Normalized net profit in mn PLN



- ⊕ In 4Q 2021 normalized net profit increased by 11% yoy to PLN 31,6 mn
- ⊕ In 2021 normalized net profit increased by 128% yoy to PLN 148,4 mn

EBITDA vs OCF in mn PLN

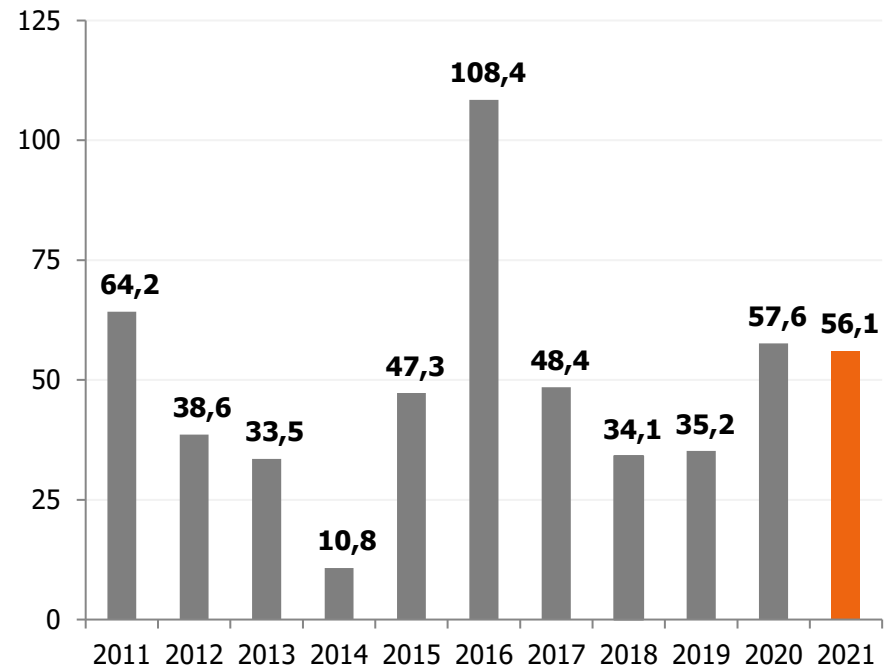
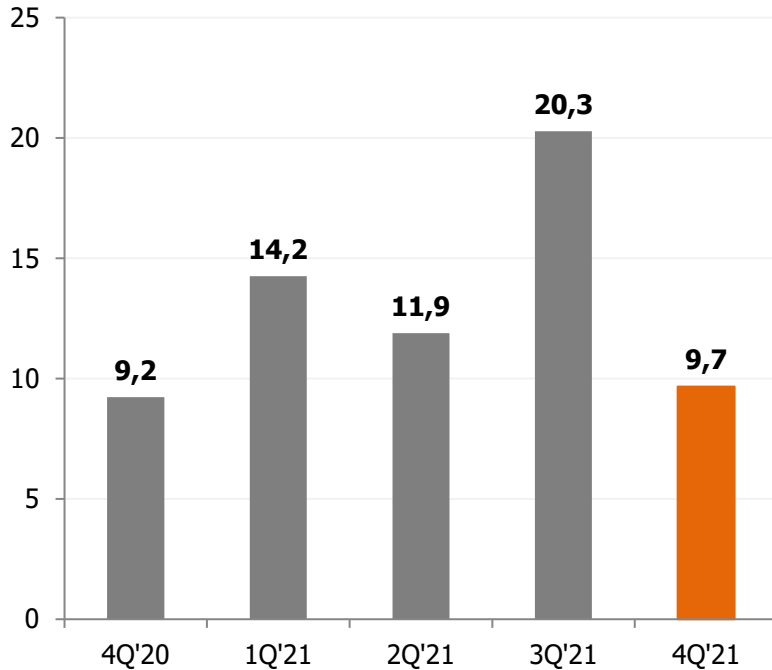


⊕ In 4Q 2021 OCF amounted to PLN 14,3 mn vs PLN 50,1 mn of EBITDA

⊕ In 2021 OCF amounted to PLN 19,3 mn vs PLN 214,4 mn of EBITDA

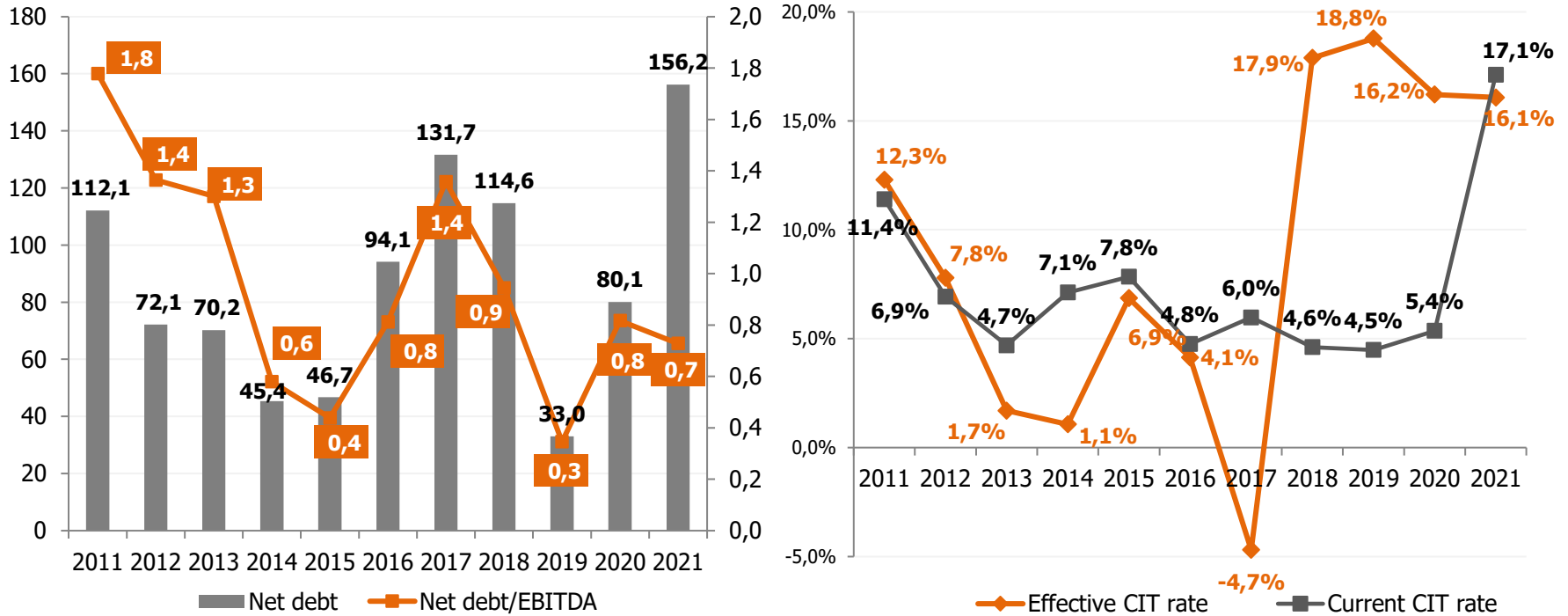


Capex in mn PLN



- ⊕ In 2021 capex decreased by 3% yoy to PLN 56,1 mn of which
 - PLN 12,8 mn maintenance capex
 - PLN 43,3 mn development capex (mainly project in Nowa Sól)

Net debt and CIT rates



- At the end of 2021 net debt increased to PLN 156,2 mn but Net debt/EBITDA ratio decreased from the level of 0,8x at the end of 2020 to 0,7x at the end of 2021
- In 2021 effective CIT rate (ratio of CIT from P&L to gross profit) was 16,1% and current CIT rate (ratio of CIT payment to gross profit) was 17,1%

Management Board proposal of the net profit distribution

- ⊕ PLN 148,4 mn of normalized consolidated net profit in 2021

- ⊕ Management Board's proposal regarding the distribution of net profit
 - PLN 106 mn for the payment of dividends to shareholders
 - PLN 41,5 mn for supplementary capital
 - PLN 0,935 mn for employees social fund

- ⊕ PLN 6,80 proposed dividend per share (dividend yield at 10,5%)

- ⊕ Recommended dividend record date for 28 April 2022 and dividend payment date for 27 July 2022

FY 2021 summary

- ⊕ Alumetal Group increased its market share to 8,5% in 2021. We are the second largest producer of casting aluminium alloys in Europe
- ⊕ We offer products with a low carbon footprint and are becoming a preferred supplier not only to contractors focused on secondary alloys, but also to buyers of primary alloys. In December 2021, we adopted a plan to reduce our carbon footprint by 30% per ton of our products by 2027
- ⊕ In 2021, we achieved record sales and profits, which is a sustainable effect of development projects carried out in recent years, such as expansion of plant in Gorzyce in 2018 (significant increase in sales of master alloys) or modernization of plant in Kęty in 2020 (increasing production capacity and significantly improving operating efficiency). The increase in the volume of sales contributed to the reduction of unit fixed costs
- ⊕ The Nowa Sól project is on schedule (launch in Q4'22) and budget (capex of PLN 91 mn)
- ⊕ The war in Ukraine generates short-term threats (like further supply chain problems in the automotive industry), but in the long-term Alumetal may benefit from it because customers might turn to strong suppliers in the EU
- ⊕ The Management Board upholds the plan for 2022 to exceed strategic target of 250k volume sales



The Most Credible Company in the Polish Economy in 2021



aluminum