

The background of the slide is a photograph of several aluminum ingots. These are rectangular metal bars with a textured, slightly mottled surface, typical of primary aluminum. They are arranged in rows, with some showing signs of being cast or handled.

Alumetal Group

Financial results 2022

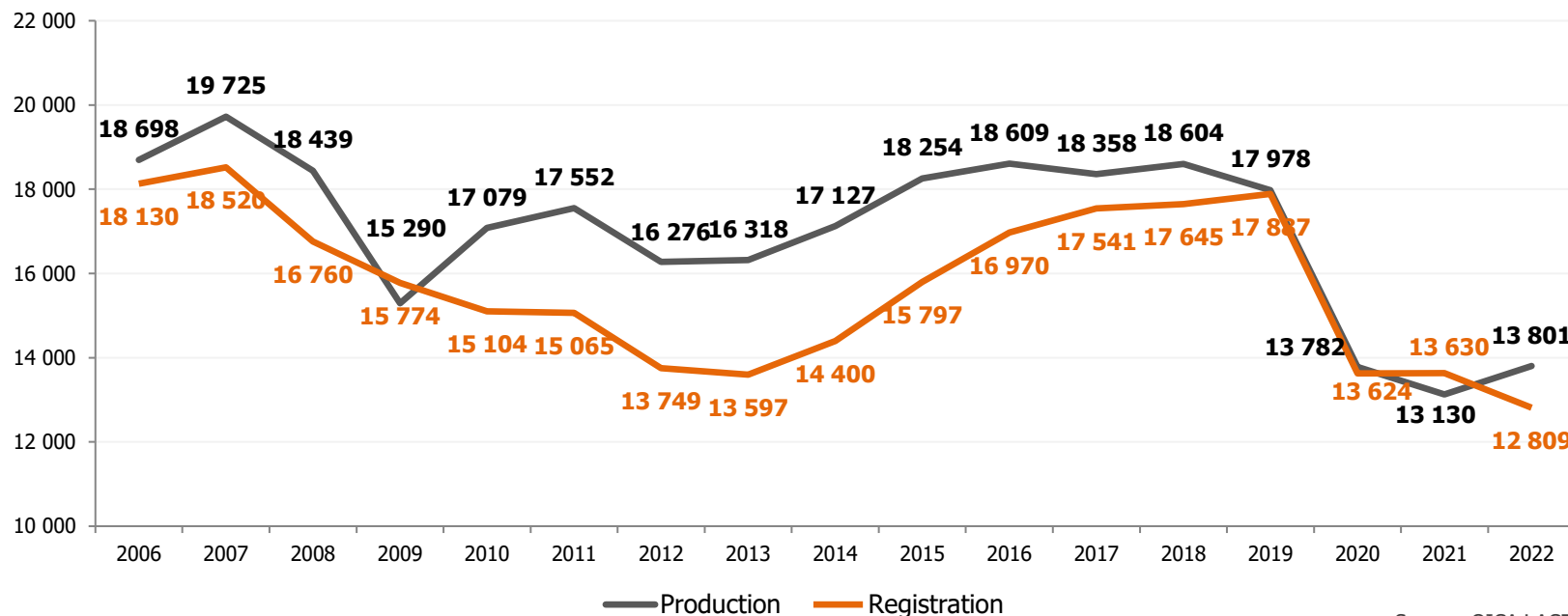
16 March 2023



FY 2022 at glance

- ✦ **247,8k tons sales volume** (7% increase yoy) – increased sales volumes despite a demanding business conditions in the European automotive industry
- ✦ **PLN 293,5 mn EBITDA** (37% increase yoy) – effect of increased sales volume and EBITDA per ton
- ✦ **PLN 216,1 mn normalized consolidated net profit** (46% increase yoy) – mainly due to EBITDA growth
- ✦ **PLN 165,1 mn operating cash flow** – significant improvement in EBITDA to OCF conversion in the 2H'22
- ✦ **PLN 221,0 mn net debt** (0,8x EBITDA'22) – increase of net debt as a result of increase in net working capital, dividend payments and capital expenditure

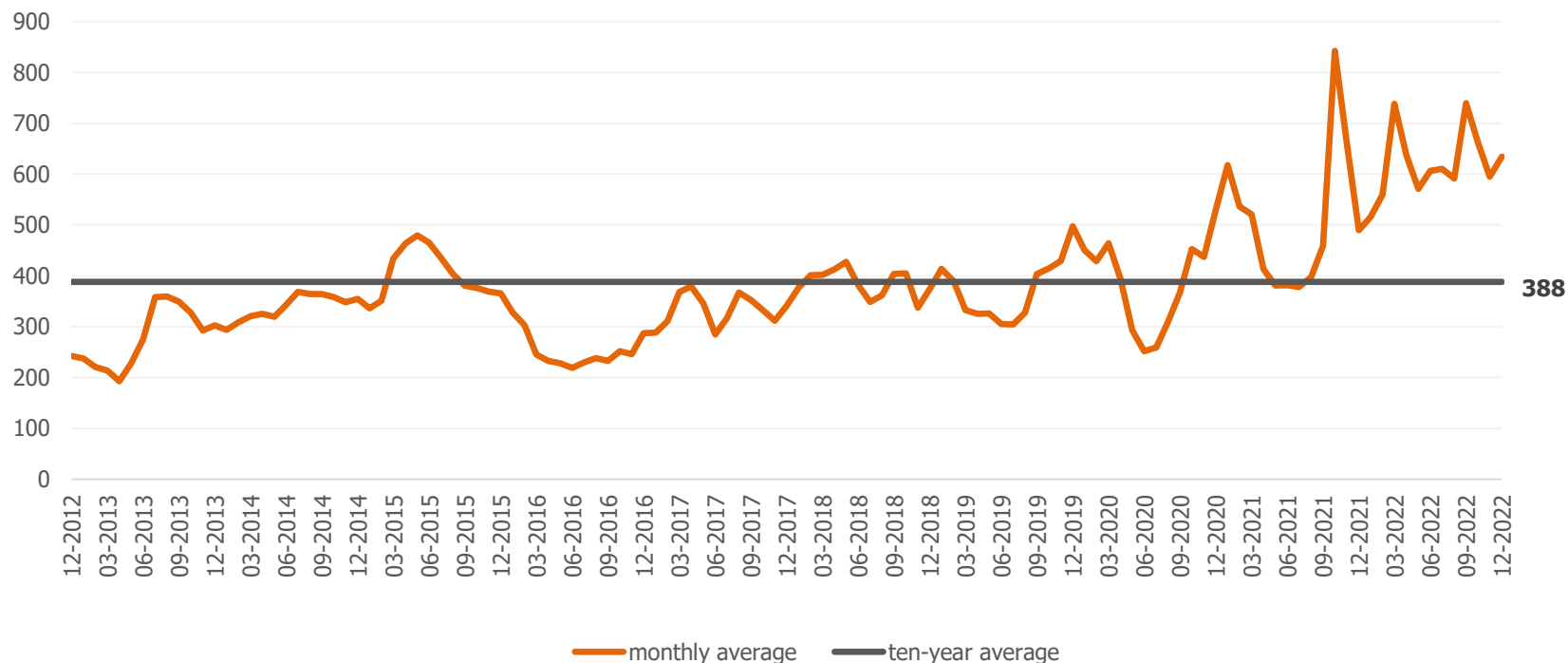
Motor vehicle production and sales in the EU and UK in k units



Source: OICA i ACEA

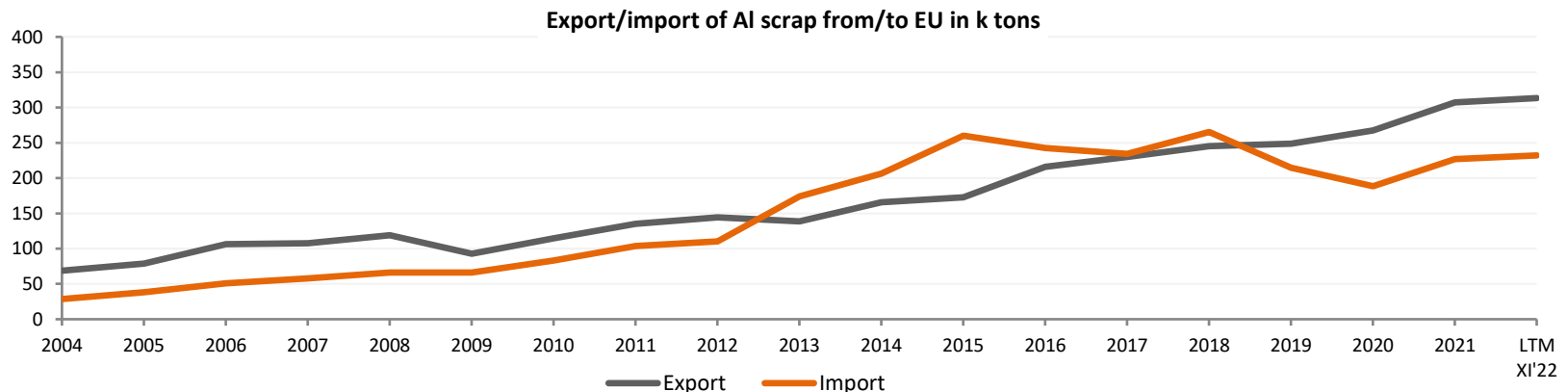
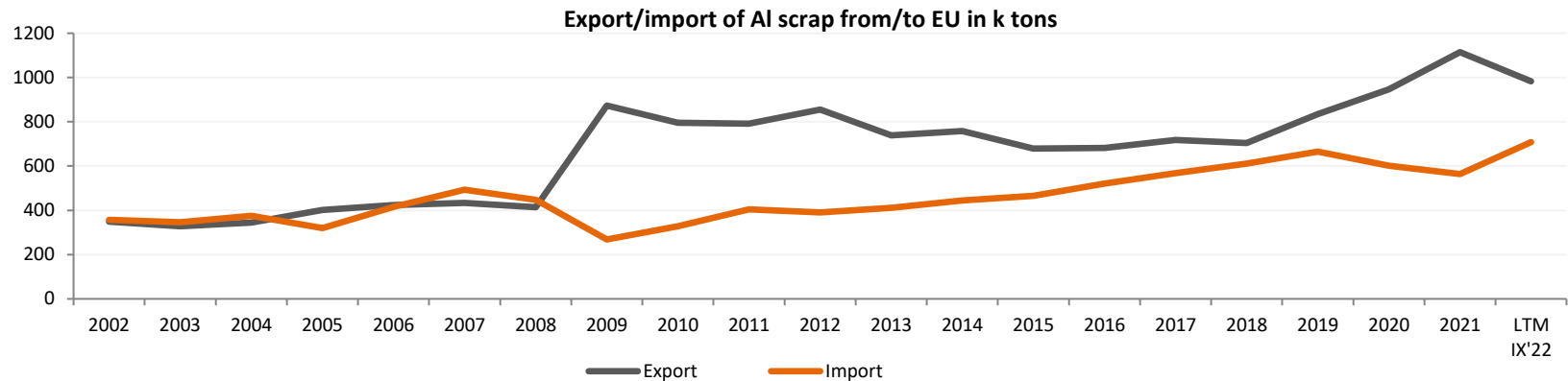
- ✦ In 2022 EU and UK motor vehicle sales fell by 6% but production of motor vehicles increased by 5%
- ✦ The production level of motor vehicles in the EU and UK fell from 18,4 mn units on average in 2015-19 to 13,6 mn units on average in 2020-22, a decline of 26%. The level of motor vehicle production after falling in 2020, didn't rebound in 2021-22 due to disrupted supply chains (primarily a shortage of semiconductors)

Metal Bulletin 226 alloy spread in EUR per ton



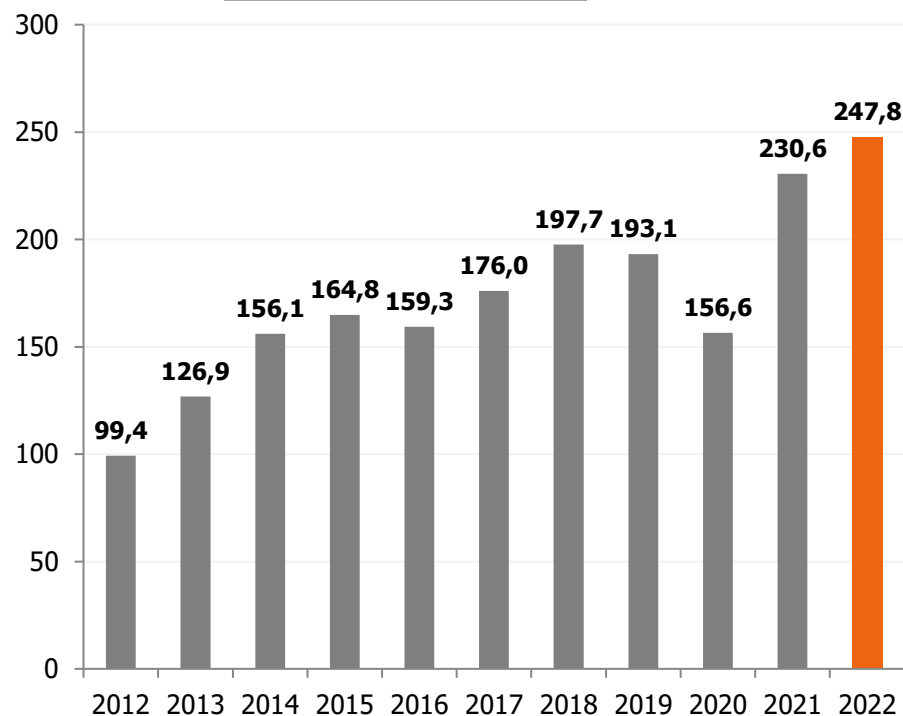
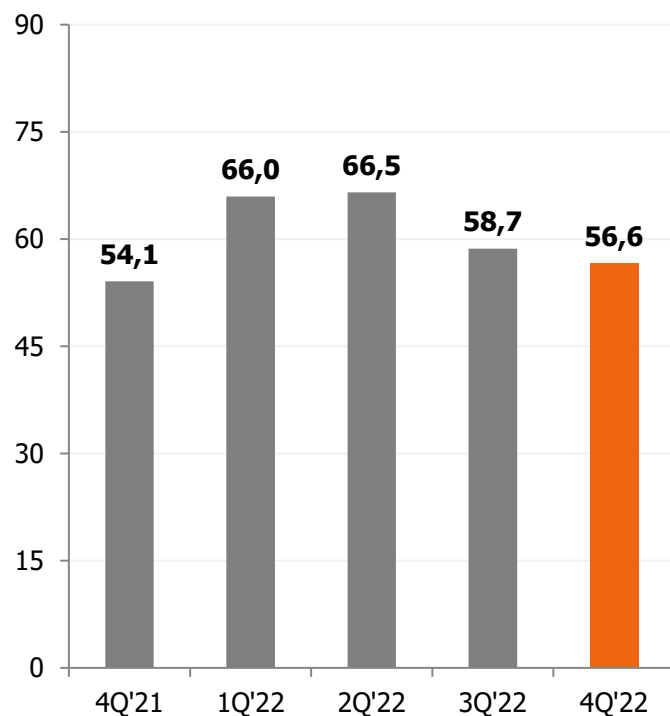
- ✦ In 2022 average benchmark margin amounted to 622 EUR/t which was 23% higher in comparison to 2021 and 60% higher than ten-year average margin of 388 EUR/t
- ✦ In 2022 stabilization of margins at a high level – 605 EUR/t in 1Q'22, 605 EUR/t in 2Q'22, 647 EUR/t in 3Q'22 and 631 EUR/t in 4Q'22

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



- ✦ Net export of scrap from the EU decreased from 550k tons in 2021 to 275k tons in LTM. Export to India accounted for 28% and to China only for 5% of total EU exports
- ✦ Net export of scrap from Poland amounted to 80k tons in LTM, similar level in 2021

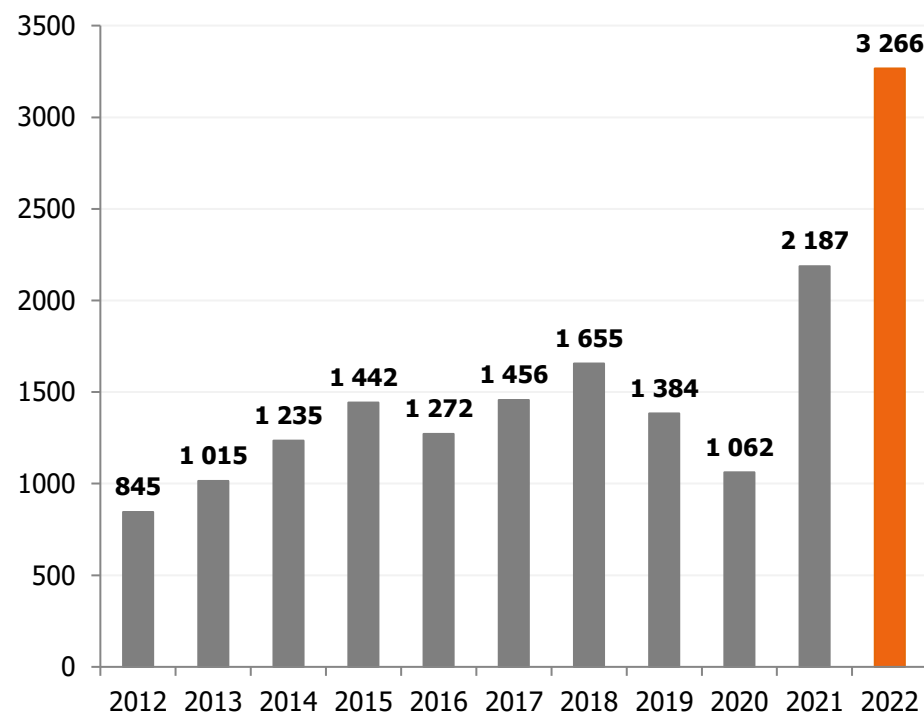
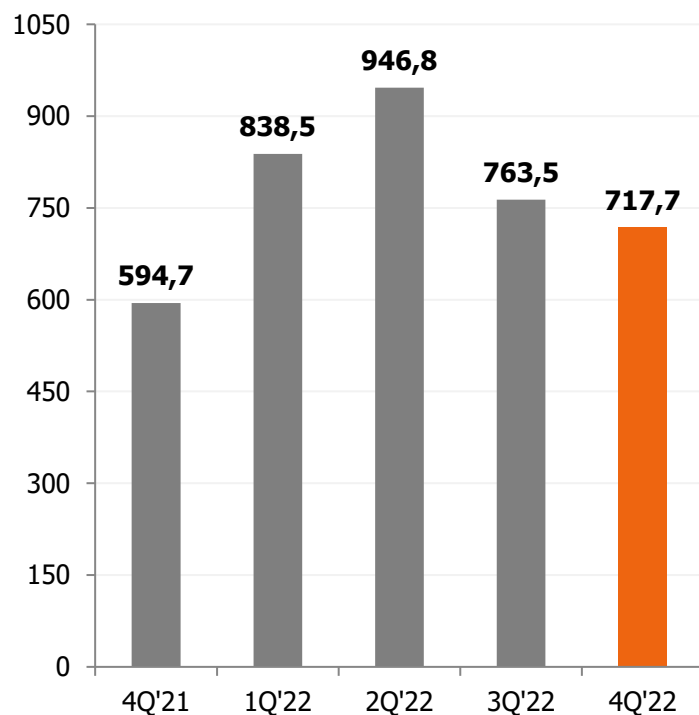
Sales volume in thousands of tons



✦ In 4Q 2022 sales volume increased by 5% yoy to 56,6k tons

✦ In 2022 sales volume increased by 7% yoy to 247,8k tons

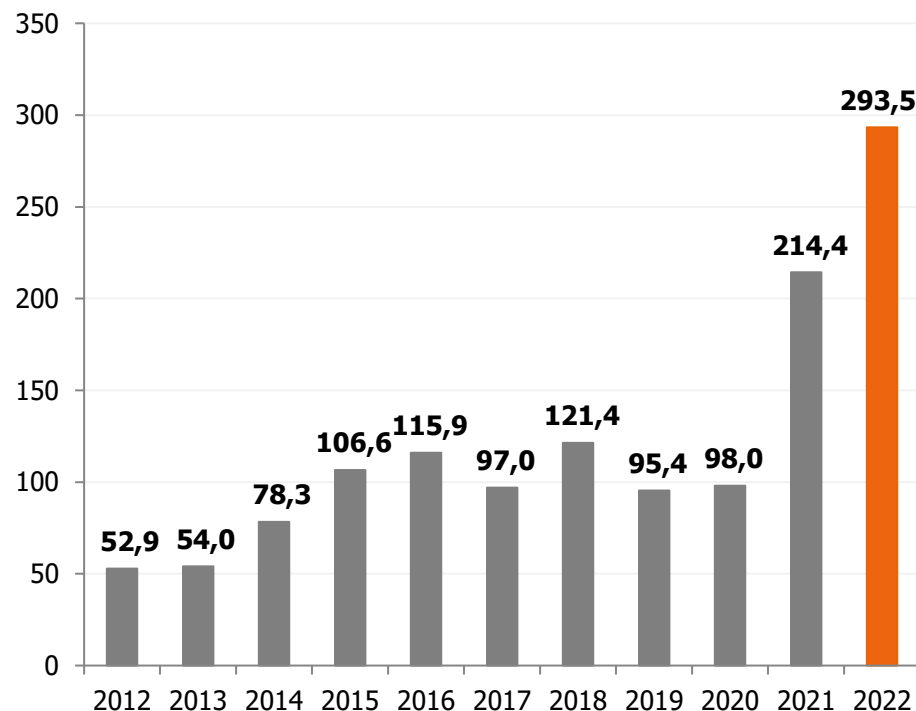
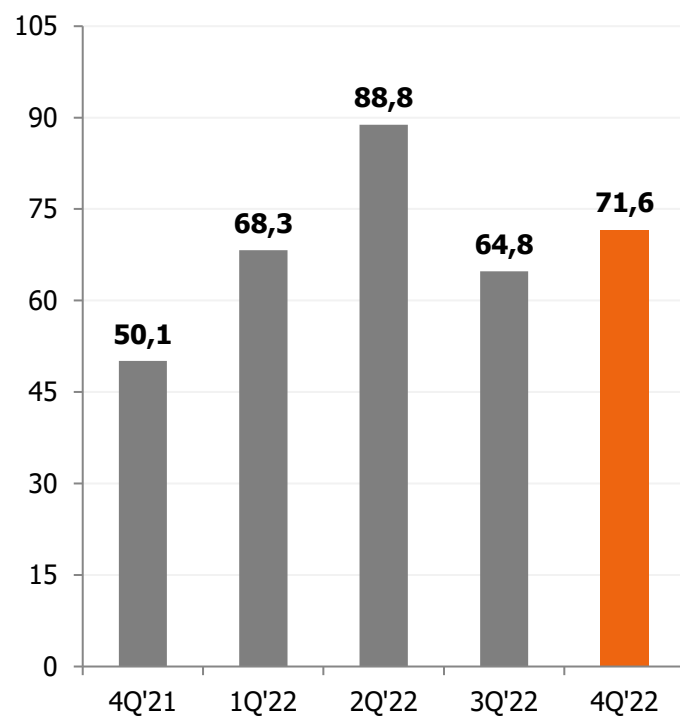
Sales revenue in mn PLN



✦ In 4Q 2022 sales revenue increased by 21% yoy to PLN 717,7 mn

✦ In 2022 sales revenue increased by 49% yoy to PLN 3,266 bn

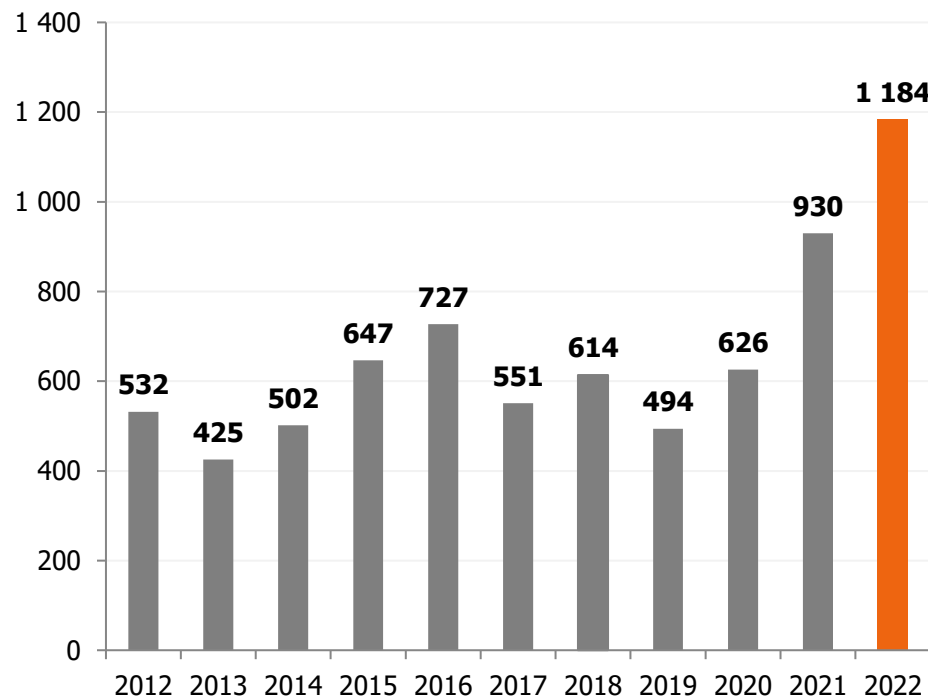
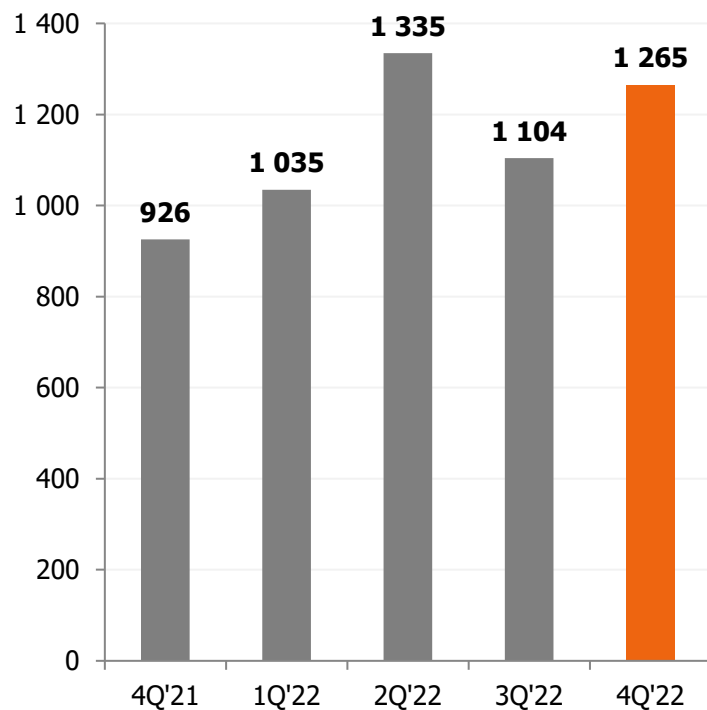
EBITDA in mn PLN



✦ In 4Q 2022 EBITDA increased by 43% yoy to PLN 71,6 mn

✦ In 2022 EBITDA increased by 37% yoy to PLN 293,5 mn

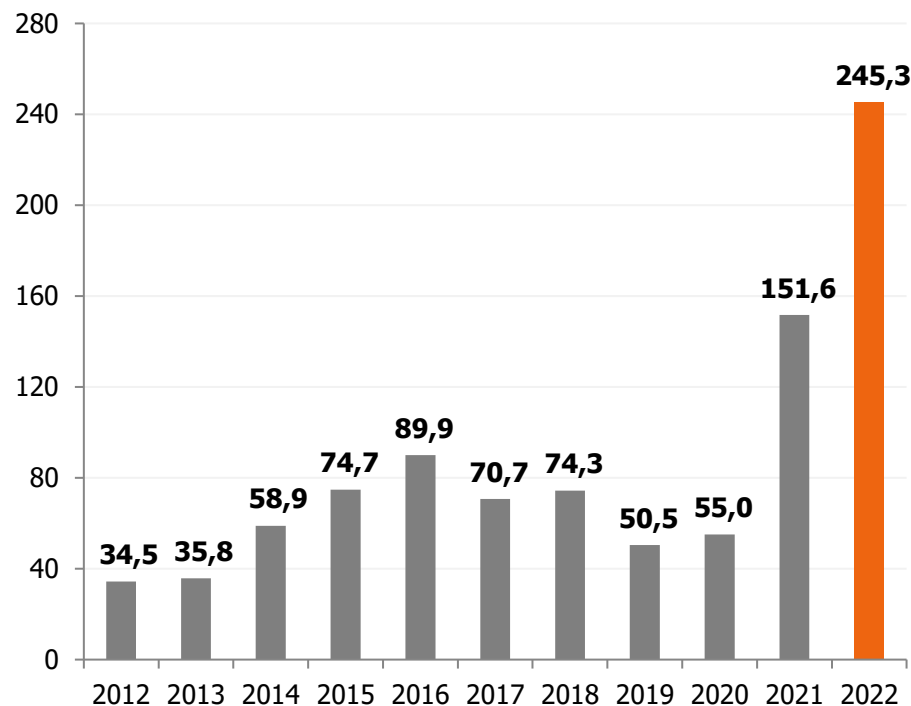
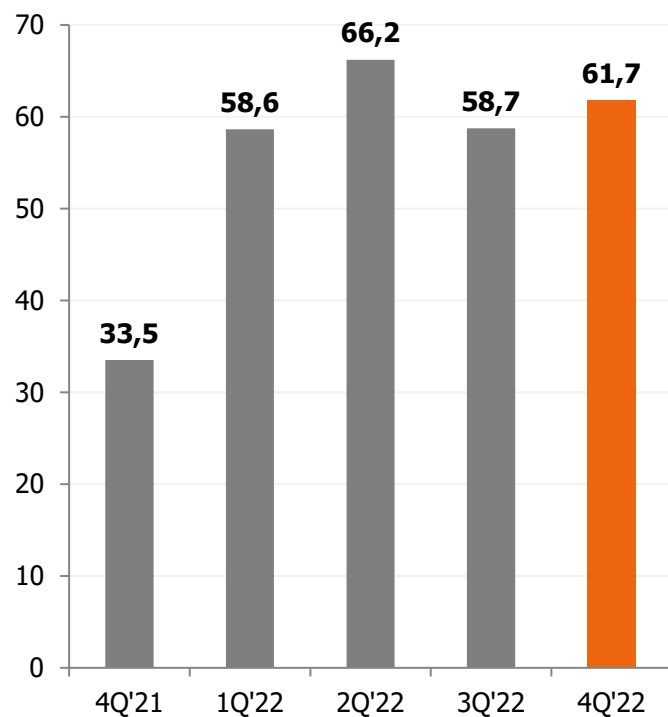
EBITDA per ton in PLN



✦ In 4Q 2022 EBITDA per ton increased by 37% yoy to 1 265 PLN/t

✦ In 2022 EBITDA per ton increased by 27% yoy to 1 184 PLN/t

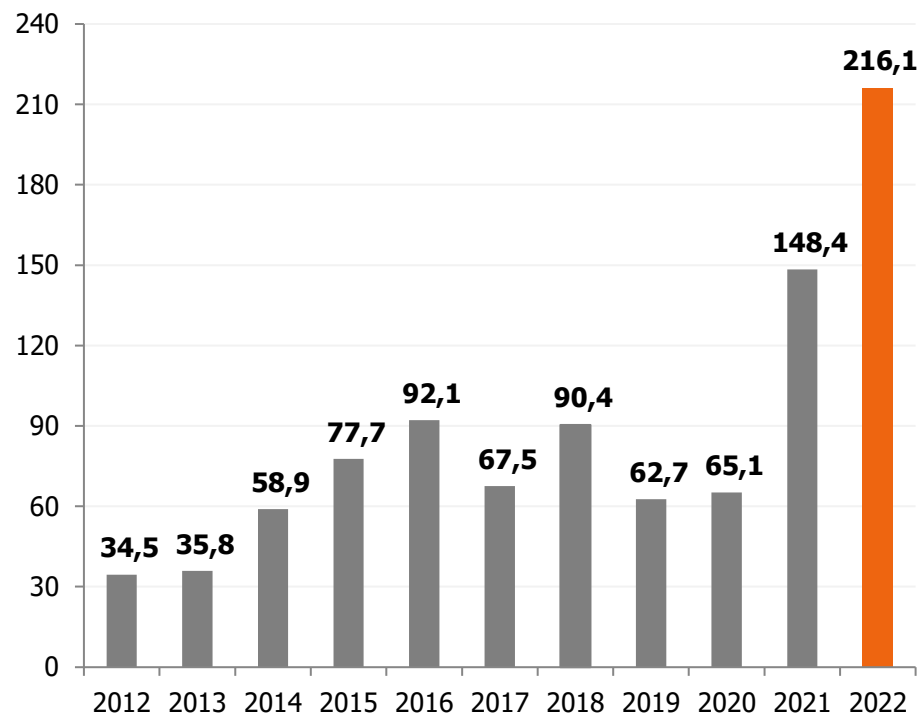
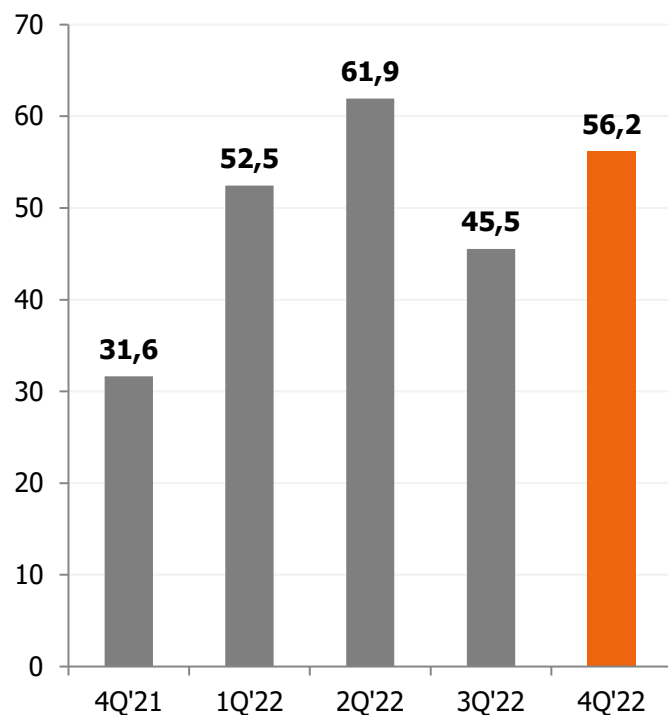
Net profit in mn PLN



✚ In 4Q 2022 net profit increased by 84% yoy to PLN 61,7 mn

✚ In 2022 net profit increased by 62% r/r yoy to PLN 245,3 mn

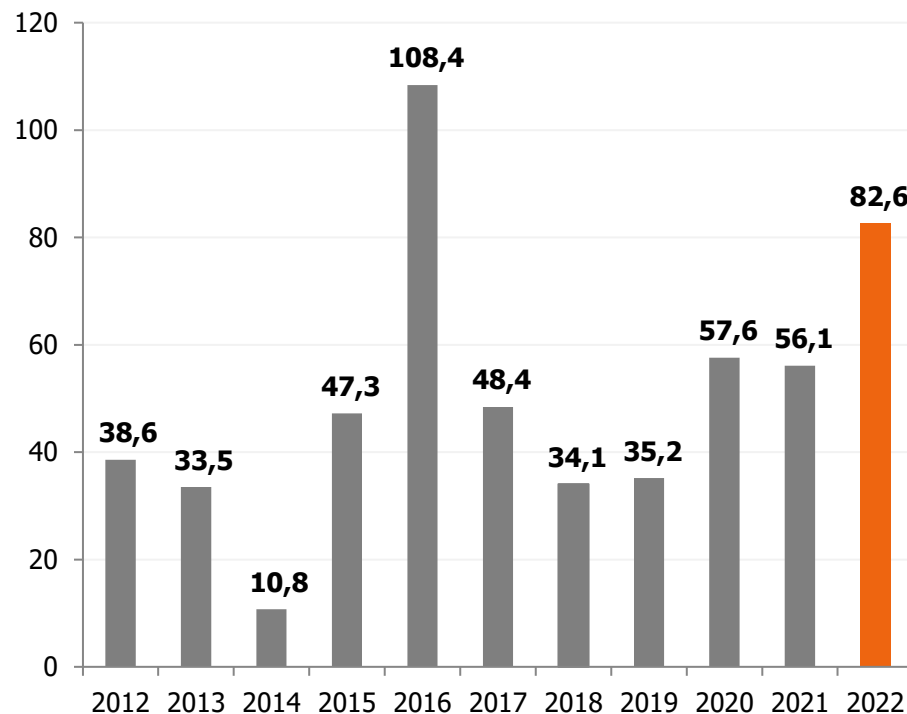
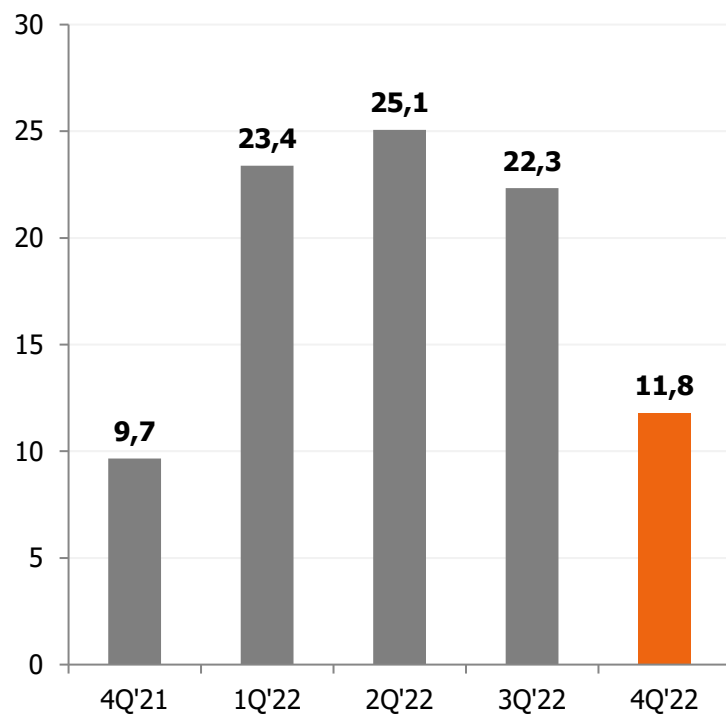
Normalized net profit in mn PLN



✚ In 4Q 2022 normalized net profit increased by 78% yoy to PLN 56,2 mn

✚ In 2022 normalized net profit increased by 46% yoy to PLN 216,1 mn

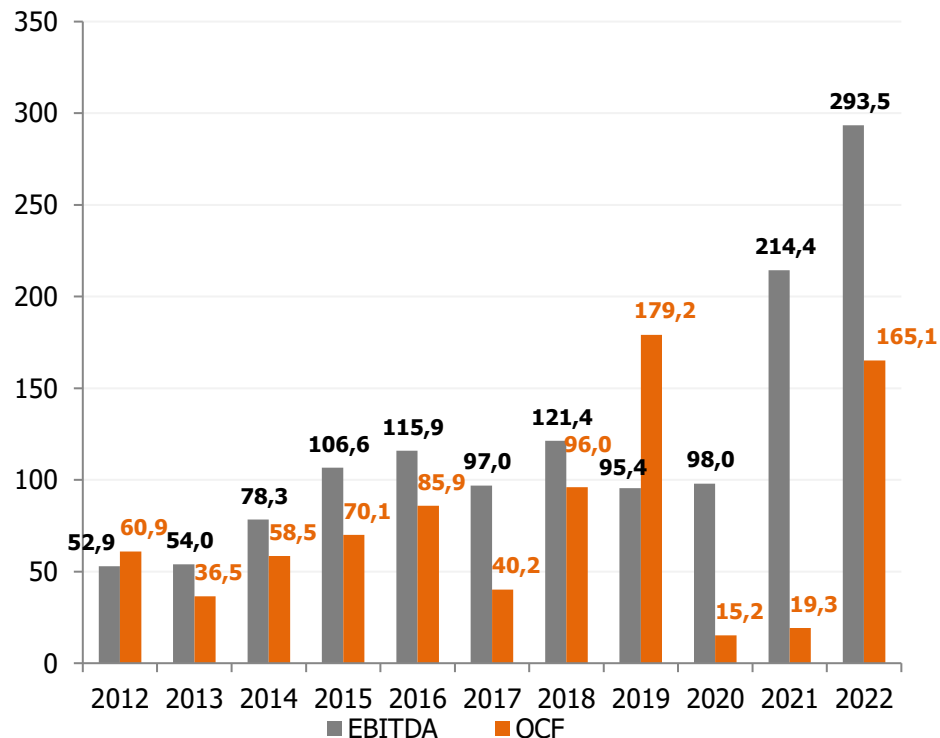
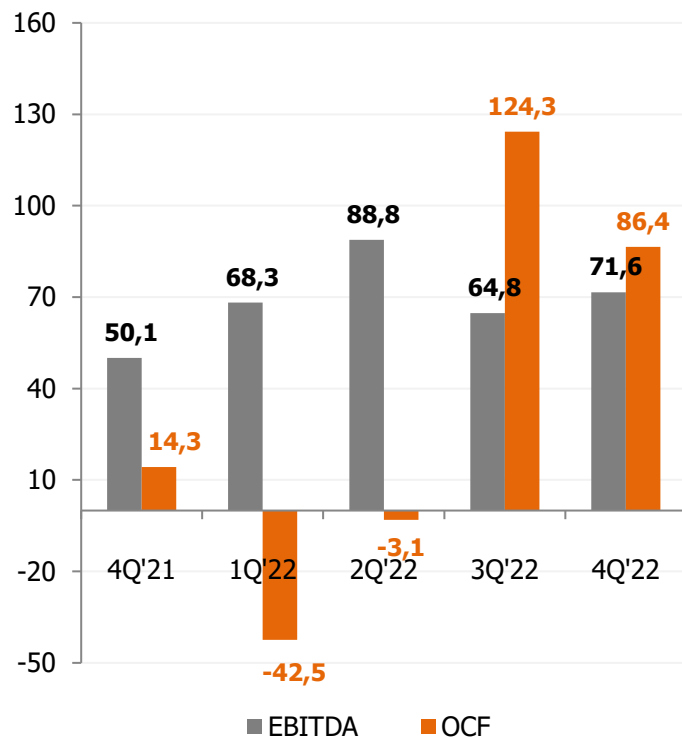
Capex in mn PLN



✦ In 2022 capex increased by 47% yoy to PLN 82,6 mn

- PLN 16,7 mn maintenance capex
- PLN 65,9 mn development capex

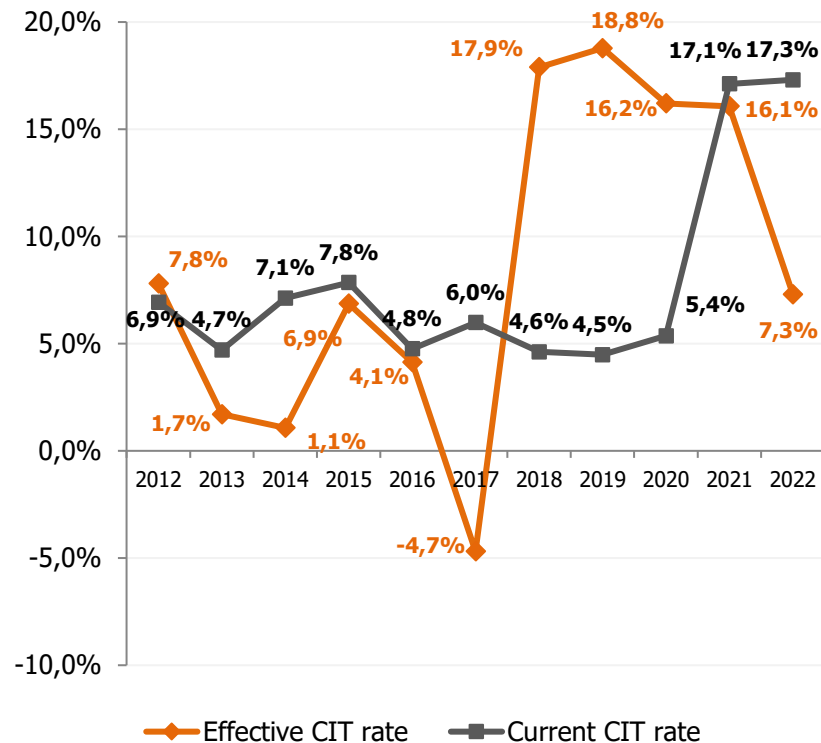
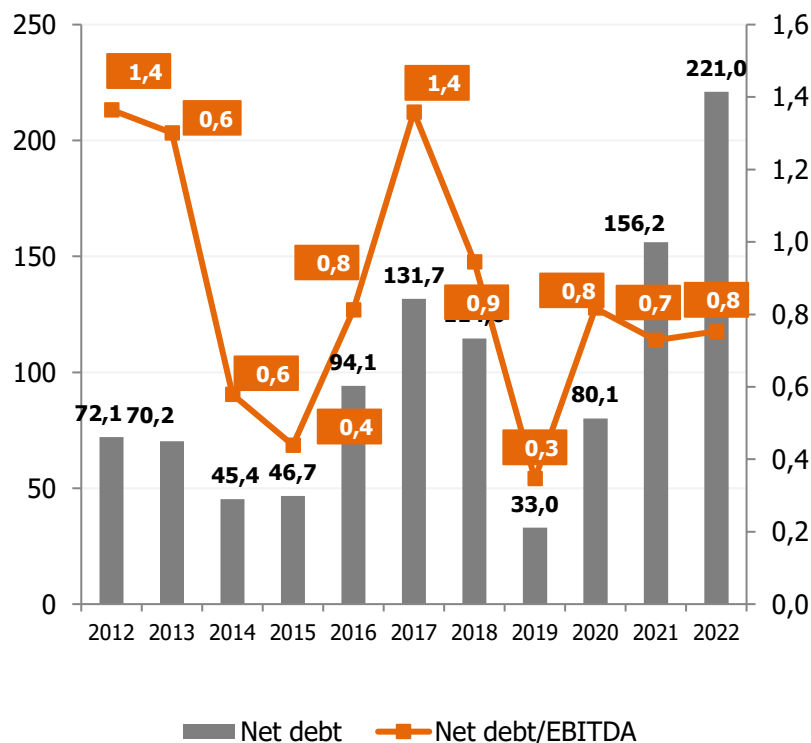
EBITDA vs OCF in mn PLN



✦ In 4Q 2022 OCF amounted to PLN 86,4 mn vs PLN 71,6 mn of EBITDA

✦ In 2022 OCF amounted to PLN 165,1 mn vs PLN 293,5 mn of EBITDA

Net debt and CIT rates



- ✦ At the end of 2022 net debt increased to PLN 221,0 mn, Net debt/EBITDA ratio increased from the level of 0,7x at the end 2021 to 0,8x at the end of 2022
- ✦ In 2022 effective CIT rate (ratio of CIT from P&L to gross profit) was 7,3% and current CIT rate (ratio of CIT payment to gross profit) was 17,3%

Management Board proposal of the net profit distribution

- ✦ In 2022 reported consolidated net profit amounted to PLN 245,3 mn and normalized consolidated net profit PLN 216,1 mn
- ✦ Management Board's proposal regarding the distribution of reported consolidated net profit for 2022
 - PLN 216,1 mn for the payment of dividends to shareholders which is 100% of normalized consolidated net profit (PLN 51,6 mn intermit dividend paid in December 2022)
 - PLN 27,9 mn for supplementary capital
 - PLN 1,3 mn for employees social fund
- ✦ Dividend recommended by the Management Board for 2022 amounts to PLN 13,82 per share (dividend yield at around 17%), including advance dividends PLN 3,30 per share paid on 29 December 2022, remaining PLN 10,52 per share to be paid
- ✦ Proposed dividend record date on 27 April 2023, dividend payment date on 27 July 2023

FY 2022 summary

- ✦ In 2022, we increased sales volume to record levels and recorded very good financial results, despite the still weak business environment in the automotive industry in Europe
- ✦ We have achieved the goal set in the strategy announced in 2018 by reaching a sales volume of nearly 250k tons in 2022. Our share in the European market of secondary aluminum casting alloys is 8%
- ✦ Management Board recommends the payment of a dividend in the amount of 100% of normalized consolidated net profit for 2022
- ✦ We completed the investment in metal management project in Nowa Sól. Capex amounts to PLN 99,7 mn. The project will contribute positively to financial results in 2023
- ✦ We plan to maintain high sales volumes in 2023 as we expect improvement in the European automotive industry. Increased customer interest in recycled aluminum allows us to expect an increase in sales volume in the coming years
- ✦ 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. The procedure of the European Commission will last until May 2023

