

October 2020

# COMPANY PRESENTATION



## Note

- › The forecasts, budgets and forward-looking assessments and statements contained in this presentation were compiled on the basis of all information available to AMAG as of the present time. In the event that the assumptions underlying these forecasts prove to be incorrect, targets be missed, or risks materialise, actual results may depart from those currently anticipated. We are not obligated to revise these forecasts in the light of new information or future events.
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# A MAGIC STORY: THE AMAG SUCCESS STORY

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## THE PATH TO EUROPE'S MOST STATE-OF-THE-ART ALUMINIUM ROLLING MILL

2011  
Successful IPO



2017  
Commissioning of new cold rolling mill



FUTURE  
AI4future new product fireworks



1996  
Privatisation



2014  
Commissioning of new  
hot rolling mill



TODAY  
Europe's most state-of-the-art aluminium  
rolling mill

# AMAG'S VALUE CHAIN

AN INTEGRATED AND SUSTAINABLE BUSINESS MODEL



Alumina

Pet Coke & Pitch

Electric energy

Primary Aluminium



Aluminium scrap (75 - 80 %)

Primary aluminium (~20 %)

Energy (gas, electricity)

Rolling slabs

Foundry Alloys



Rolling Products



# STRUCTURE AND MANAGEMENT

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Gerald Mayer, CEO

Helmut Kaufmann, COO



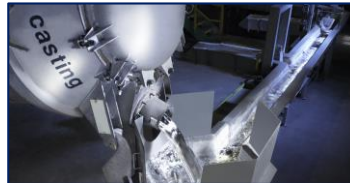
Victor Breguncci, CSO



**METAL**



**CASTING**



**ROLLING**



**SERVICE**





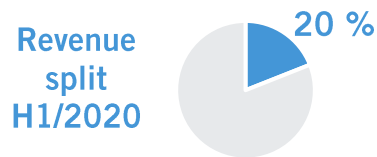
# DIVISIONS AT A GLANCE

QUALITY SUPPLIER OF PRIMARY ALUMINIUM, FOUNDRY ALLOYS AND ROLLED PRODUCTS

## METAL DIVISION



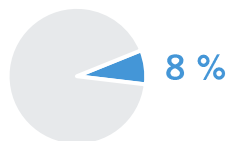
- Primary aluminium for the external market and to secure the supply of raw materials for the Ranshofen site
- Aluminium price risk management



## CASTING DIVISION



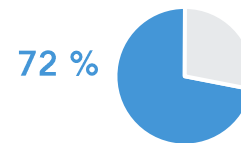
- Recycling foundry alloys in the form of ingots, sows and liquid aluminium
- Expertise in aluminium recycling



## ROLLING DIVISION



- High-quality rolled products in form of sheets, strips and plates
- Uniquely high proportion of specialty products
- Highest flexibility



# ROLLING DIVISION

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ORGANIC GROWTH ALLOWS SUSTAINABLE INCREASE OF SPECIALTY PRODUCTS

## HOT ROLLING MILL



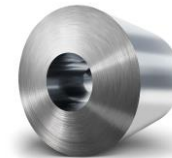
- › Site Expansion "**AMAG 2014**"
- › Ramp-up in September 2014
- › Investment volume of EUR 220 million



## COLD ROLLING MILL



- › Site Expansion "**AMAG 2020**"
- › Ramp-up in June 2017
- › Investment volume of EUR >300 million



# AMAG'S STRATEGY

## FOCUS ON SUSTAINABILITY AND SPECIALTIES

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Product innovations in close partnership with customers; **expansion of the CMI** (Center for Material Innovation)

Focus on sustainability by expanding the RCR (Recycling Center Ranshofen) with state-of-the-art analysis and sorting technology

Portfolio optimisation towards aircraft, automotive and specialty products

**AL**  **future**

Customer focus with a CSO at the top

Structured digitalisation strategy

Sustained high service level (delivery reliability, quality)

New product "fireworks" in 2020

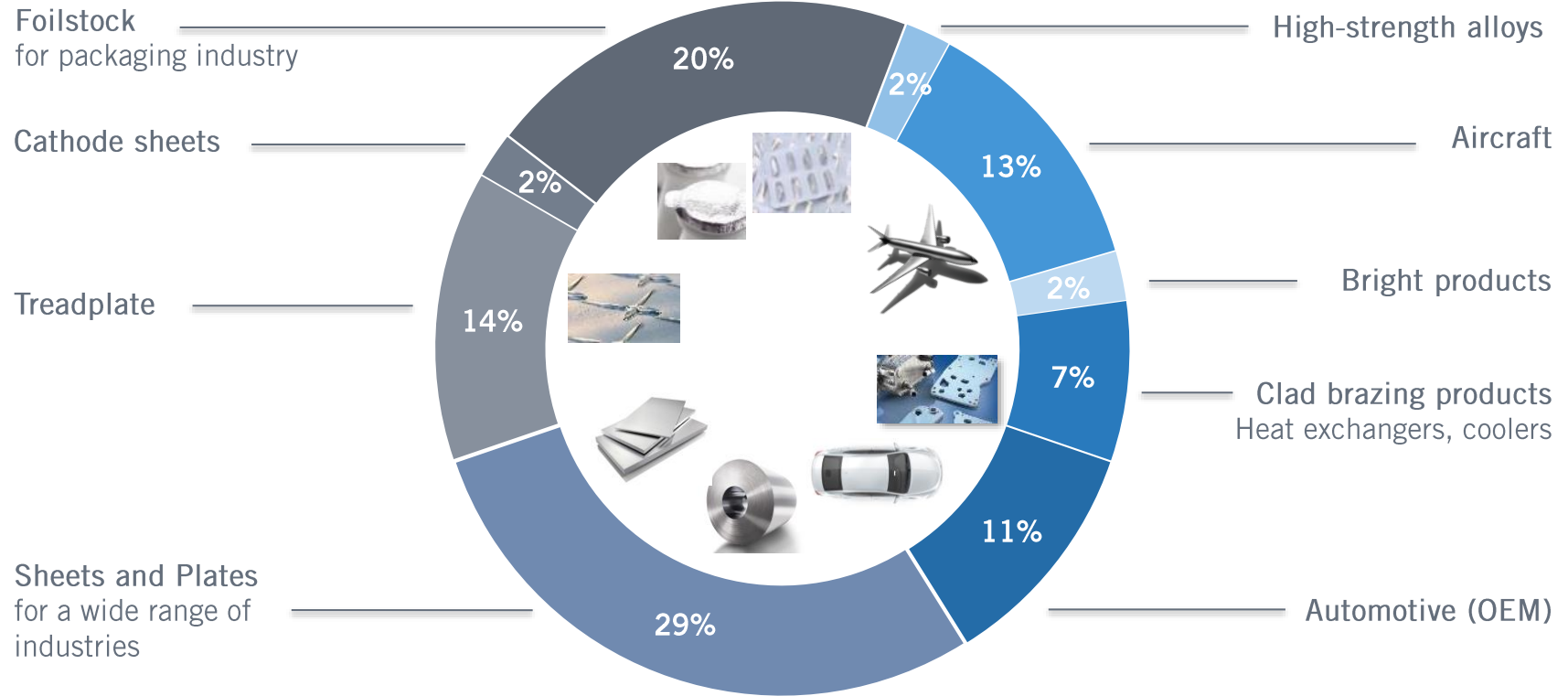
- › Innovation leadership in aluminium rolled products with the highest proportion of specialty products
- › Benchmark in aluminium recycling



# SHIPMENTS IN ROLLING DIVISION

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## DIVERSIFIED PRODUCT PORTFOLIO



Percentages refer to shipments in H1/2020

# SUSTAINABLE ENERGY SUPPLY – ALOUETTE

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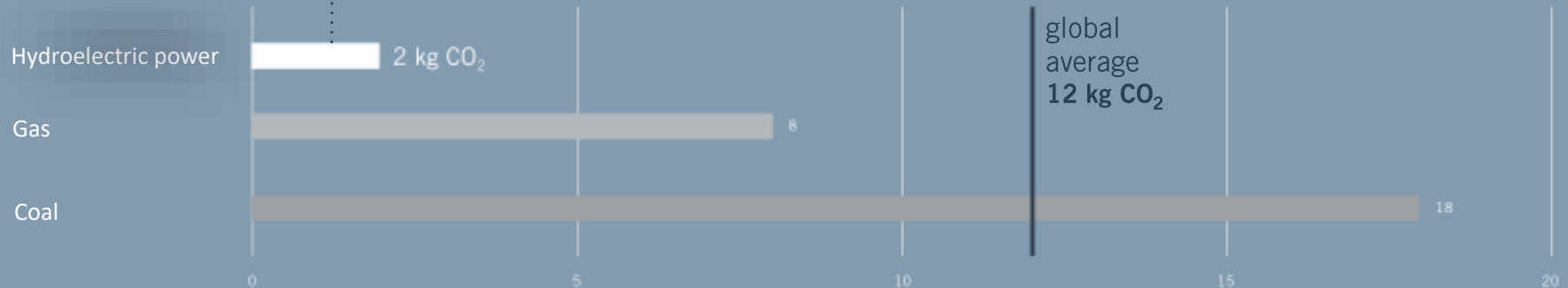
CO<sub>2</sub> emissions by energy source – kg CO<sub>2</sub>/kg primary aluminium



Hydroelectric power:

Alouette causes only 1/6 of CO<sub>2</sub> emissions compared to sector average

Alouette smelter:  
1.8 kg CO<sub>2</sub>



Source: CRU

# CERTIFICATION OF ASI PERFORMANCE AND ASI CHAIN OF CUSTODY STANDARD

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- Aluminium Stewardship Initiative (ASI): Organisation that aims to foster and certify responsible production and sourcing of aluminium
- Global first integrated company including rolling mill, casthouse and recycling to be certified according to ASI-Performance Standard (2018)
- Certification of the company site including a wide range of sustainability aspects
- AMAG supports Material Stewardship of Aluminium alongside its supply chain with the ASI Chain of Custody Certification (2020)
- Special appreciation of the strategic focus on aluminium recycling



# SUSTAINABILITY THROUGH RECYCLING

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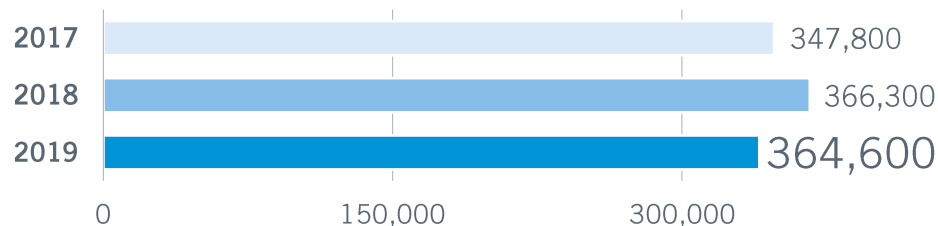
AMAG IS ONE OF THE LARGEST ALUMINIUM RECYCLERS IN EUROPE

- › Energy savings of up to 95 % from aluminium scrap recycling compared to primary metal production
- › Consistent expansion of **Ranshofen recycling centre (RCR)** with state-of-the-art sorting and processing technologies
- › Leading scrap utilisation rate of 75 to 80 % compared to sector



State-of-the-art sorting plants deploying LIBS and XRT technology

## Aluminium scrap processed, in tonnes



# CENTER FOR MATERIAL INNOVATION (CMI)

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OPENING IN JUNE 2020

- › AMAG attains **highest R&D intensity** of all western semi-finished aluminium product manufacturers\*
- › Expansion of this position through **new material development and testing centre** with state-of-the-art equipment
- › **Bundled expertise** with currently around 150 employees in research and technology
- › **Supports the strategy of developing sustainable specialties**
- › **2020 is all about new product "fireworks"**



\*SourceThe 2019 Survey on R&D Investment Business Trends: "The 2019 EU Industrial R&D Investment Scoreboard" and "The 2019 Survey R&D"  
<https://iri.jrc.ec.europa.eu/scoreboard/2019-eu-industrial-rd-investment-scoreboard> (2500 companies worldwide  
plus 1000 companies in Europe ranked by absolute R&D, last of which AMAG is Nr. 800)

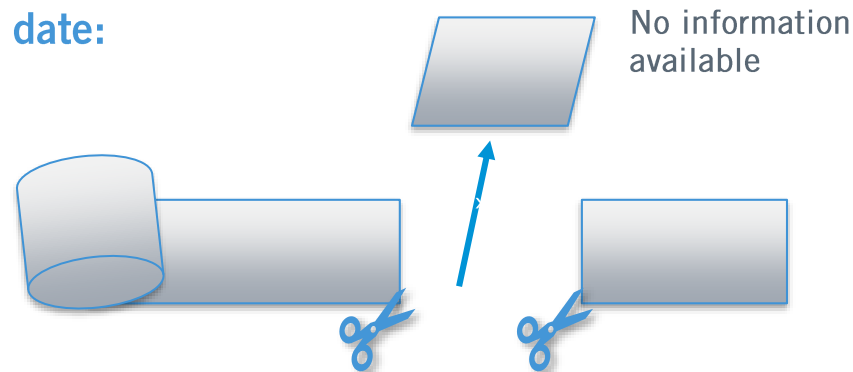
## PATENTED TECHNOLOGY FOR PRODUCT DATA TRACEABILITY

- › By imprinting a **special numerical code**, metal industry products and product data will be clearly traceable in the future
- › DNA determination methods applying **nature as a model**

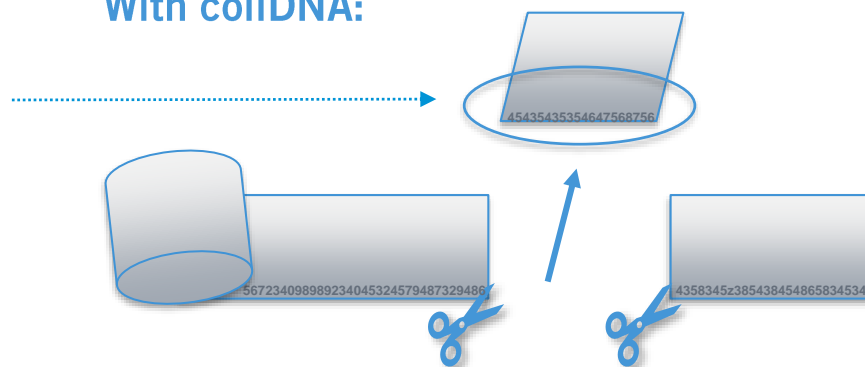
### Complete traceability

- › Producer
- › Batch
- › Production date
- › Characteristics
- › Position on coil

To date:



With coilDNA:





# AMAG RECEIVES AIRBUS "ACCREDITED SUPPLIER" AWARD

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- › Highest of four Airbus quality awards
- › This prize is awarded for outstanding **delivery reliability** and **excellent product quality** and forms part of the Supply Chain & Quality Improvement (SQIP) program
- › **AMAG** thereby ranks as the **sole aluminium rolled product supplier** to receive this award



# AMAG ACQUIRES MAJORITY SHARE OF THE GERMAN AIRCRAFT PHILIPP GROUP

- › Acquisition of 70 % share of the Aircraft Philipp Group (ACP) headquartered in Übersee / Chiemsee, Germany
- › Further step in the implementation of the AMAG specialty product strategy
- › ACP is an **expert in producing detailed parts** of aluminum and titanium for the aerospace industry
- › The ACP product and services portfolio holds potential for expansion
- › Key objective: establishing a **sustainable value chain** of specialty products by combining recycling at AMAG with the processing and machining at ACP
- › **Closing of transaction expected for late autumn**



Rolf Philipp, Managing Director of ACP and Gerald Mayer, CEO of AMAG with the future logo of the joint company

# SUSTAINABLE EXTENSION OF VALUE CHAIN

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COMBINING RECYCLING AT AMAG WITH PROCESSING AND MACHINING AT ACP



# **BUSINESS PERFORMANCE**

# AMAG GROUP – KEY FIGURES FY 2019

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KEY GROUP FIGURES IN EUR MILLIONS	2019	2018	+/- in %
Total shipments in tonnes	440,300	424,600	4 %
Revenue	1,066.0	1,101.6	-3 %
EBITDA	143.0	141.0	1 %
EBITDA margin	13.4 %	12.8 %	
Operating result (EBIT)	61.1	60.6	1 %
EBIT margin	5.7 %	5.5 %	
Net income after taxes	38.6	44.5	-13 %
Earnings per share in EUR	1.10	1.26	-13 %



# AMAG GROUP – KEY FIGURES H1/2020

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KEY GROUP FIGURES IN EUR MILLIONS	H1/2020	H1/2019	+/- in %	Q2/2020	Q2/2019	+/- in %
Total shipments in tonnes	203,200	226,000	-10.1 %	103,600	114,500	-9.5 %
Revenue	463.8	554.6	-16.4 %	217.5	280.1	-22.4 %
EBITDA	59.3	72.0	- 17.5 %	22.9	38.9	- 41.2 %
EBITDA margin	12.8 %	13.0 %		10.5 %	13.9 %	
Operating result (EBIT)	17.6	31.3	-43.7 %	2.1	18.5	-88.5 %
EBIT margin	3.8 %	5.6 %		1.0 %	6.6 %	
Net income after taxes	12.4	18.9	-34.3 %	0.9	11.3	91.6 %
Earnings per share in EUR	0.35	0.54		0.03	0.32	



# PURCHASING MANAGERS' INDEX AS A SENTIMENT INDICATOR

UP WIND NOTICEABLE, AFTER HEAVY DROP IN Q2/2020

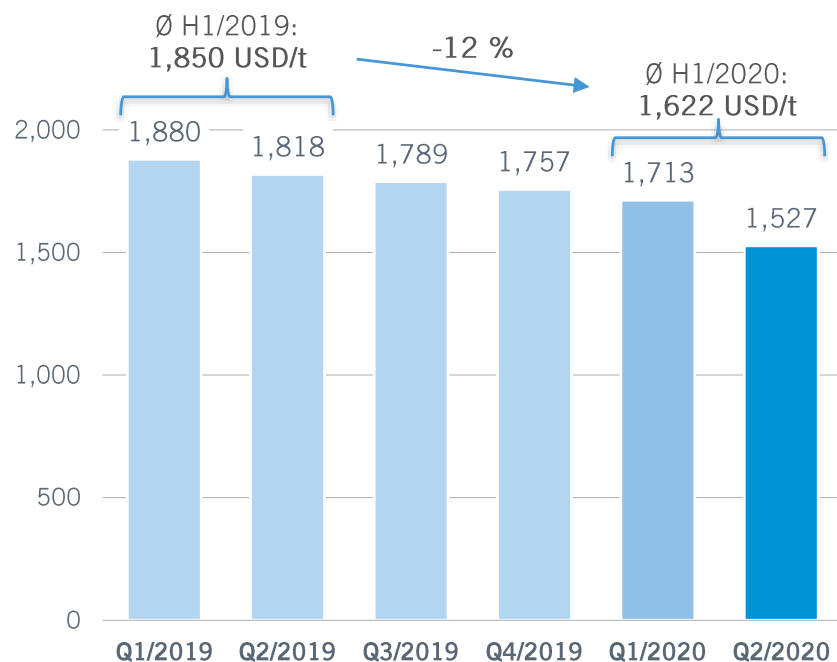
Region/Country	2018												2019												2020							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dez	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
World	54	54	53	53	53	53	53	53	52	52	52	51	51	51	51	50	50	49	49	50	50	50	50	50	50	47	48	40	42	48	50	52
Euro Zone	60	59	57	56	56	55	55	55	53	52	52	51	51	49	48	48	48	48	47	47	46	46	47	46	48	49	45	33	39	47	52	52
Austria	61	59	58	58	57	57	57	56	55	54	55	54	53	52	50	49	48	48	47	48	45	46	46	46	49	50	46	32	40	47	53	51
Germany	61	61	58	58	57	56	57	56	54	52	52	52	50	48	44	44	44	45	43	44	42	42	44	44	45	48	45	35	37	45	51	52
France	58	56	54	54	54	53	53	54	53	51	51	50	51	52	50	50	51	52	50	51	50	51	52	50	51	50	43	32	41	52	52	50
Italy	59	57	55	54	53	53	52	50	50	49	49	49	48	48	47	49	50	48	49	49	48	48	48	46	49	49	40	31	45	48	52	53
Spain	55	56	55	54	53	53	53	53	51	52	53	51	52	50	51	52	50	48	48	49	48	47	48	47	49	50	46	31	38	49	54	50
UK	55	55	55	54	54	54	54	53	54	51	53	54	53	52	55	53	49	48	48	47	48	50	49	48	50	52	48	33	41	50	53	55
USA	56	55	56	57	56	55	55	55	56	56	55	54	55	53	52	53	51	51	50	50	51	51	53	52	52	51	49	36	40	50	51	53
Canada	56	56	56	56	56	57	57	57	55	54	55	54	53	53	51	50	49	49	50	49	51	51	51	50	51	52	46	33	41	48	53	55
China	52	52	51	51	51	51	51	51	50	50	50	50	48	50	51	50	50	49	50	50	51	52	52	52	51	40	50	49	51	51	53	53
Japan	55	54	53	54	53	53	52	53	53	53	52	53	50	49	49	50	50	49	49	49	49	48	49	48	49	48	45	42	38	40	45	47

# ALUMINIUM AND ALUMINA PRICE TRENDS

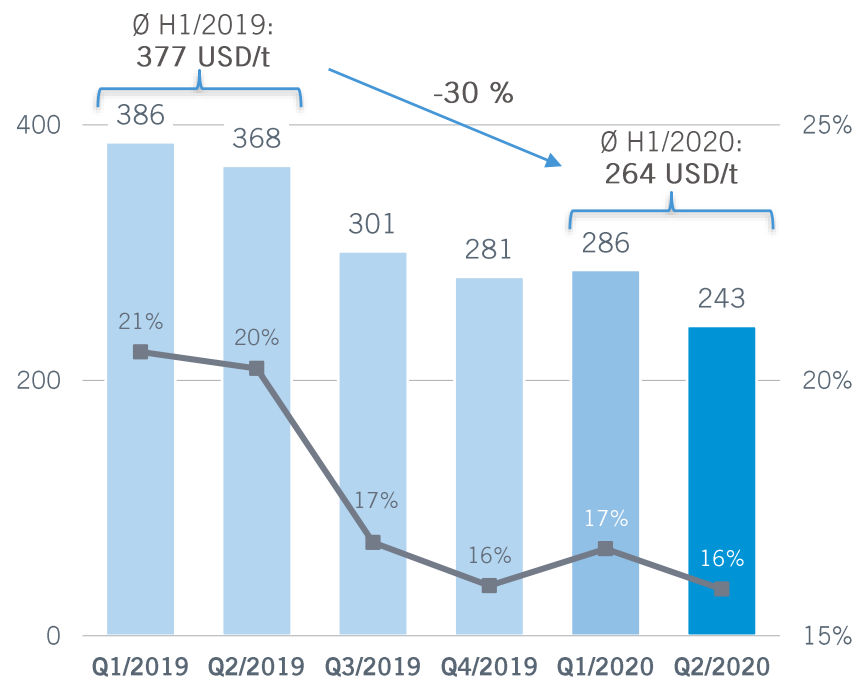
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LOWER ALUMINA PRICE COMPENSATES FOR DECLINE IN ALUMINIUM PRICE

Average aluminium price (3-month LME) in USD/t



Average alumina price in USD/t and in relation to aluminium price in %

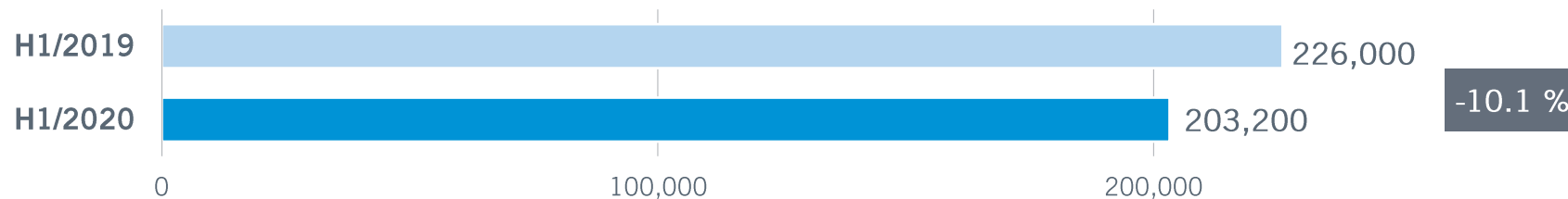


# AMAG GROUP SHIPMENTS


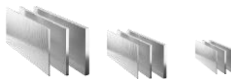
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LOWER DEMAND, ESPECIALLY FROM THE AIRCRAFT, AUTOMOTIVE AND DISTRIBUTION SECTORS

## Shipments in tonnes



## Change in shipment volume compared to H1/2019 in tonnes

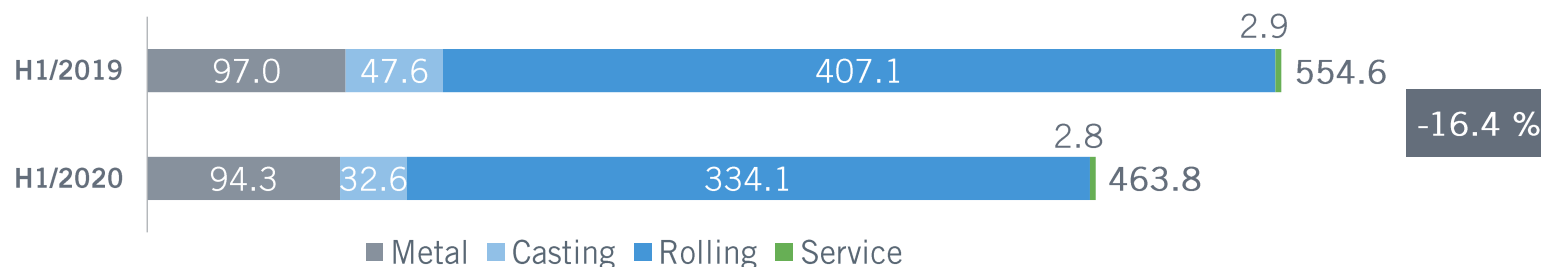
- Metal Division:  **+1,500** tonnes thanks to solid production at Alouette
- Casting Division:  **-9,800** tonnes due to COVID-19 influenced market environment (mainly automotive)
- Rolling Division:  **-14,500** tonnes due to COVID-19-influenced market environment (mainly aircraft and automotive)

# AMAG GROUP REVENUE

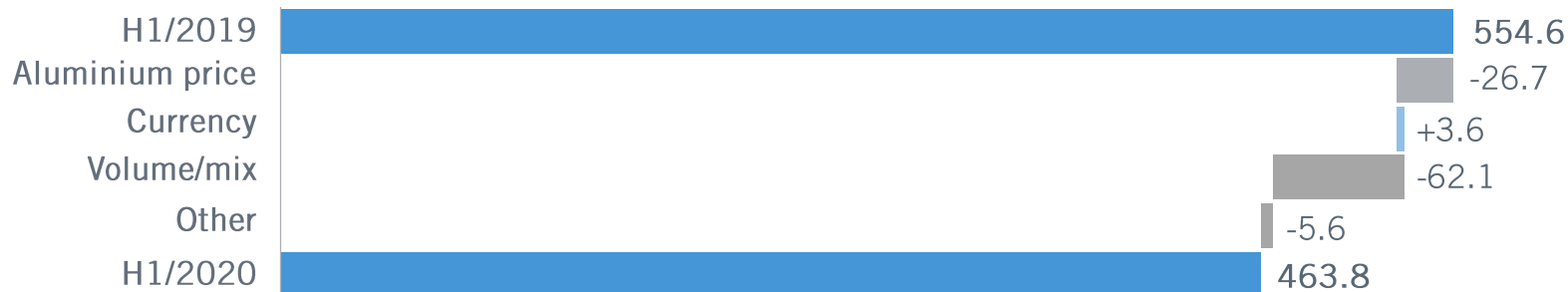
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BELOW PRIOR-YEAR LEVEL DUE TO LOWER VOLUMES AND PRICES

## Revenue in EUR millions



## Revenue reconciliation compared with H1/2019, in EUR millions



# AMAG GROUP EBITDA

COVID-19-RELATED VOLUME REDUCTIONS AT LOWER ALUMINIUM PRICES AND NORMALISED RAW MATERIAL COSTS

## EBITDA in EUR millions



## EBIDTA reconciliation compared with H1/2019, in EUR millions



# POSITIVE CASH FLOW TREND

SIGNIFICANT INCREASE IN DIFFICULT MARKET ENVIRONMENT

[in EUR millions]

## Cash flow from operating activities

- › Lower working capital due to price and volume trends



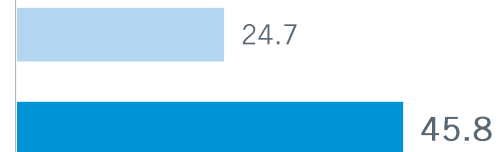
## Cash flow from investing activities

- › Decrease in investments in Canada and at the Ranshofen site



## Free cash flow

- › Significant year-on-year improvement



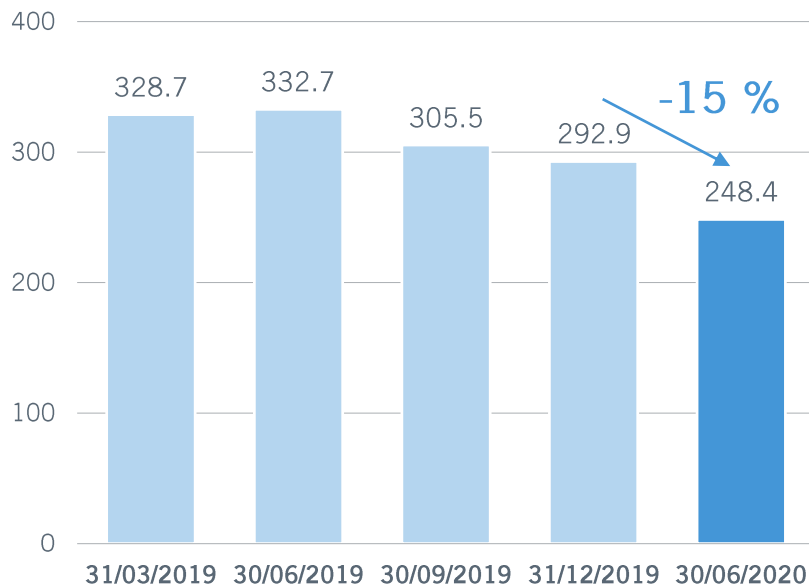


# SOLID KEY FINANCIALS (1/2)

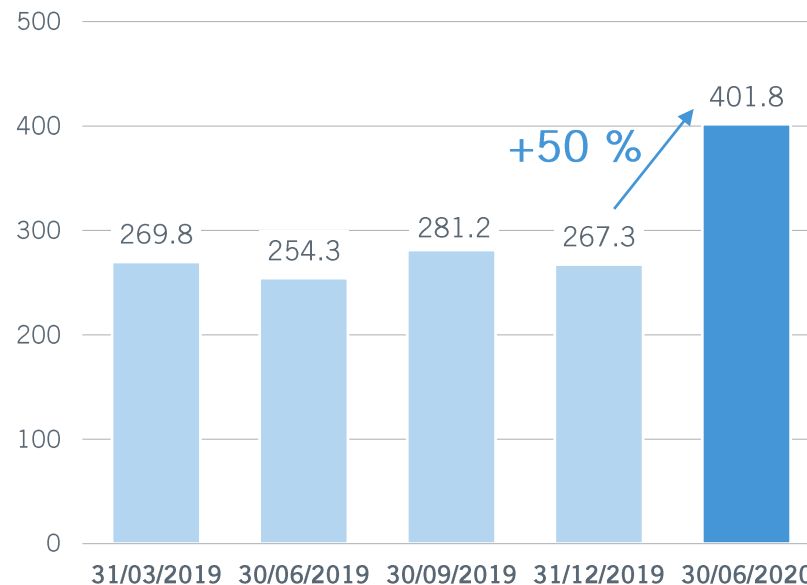
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IMPROVEMENT IN NET FINANCIAL DEBT AND INCREASE IN LIQUIDITY

## Net financial debt in EUR millions



## Cash and cash equivalents in EUR millions

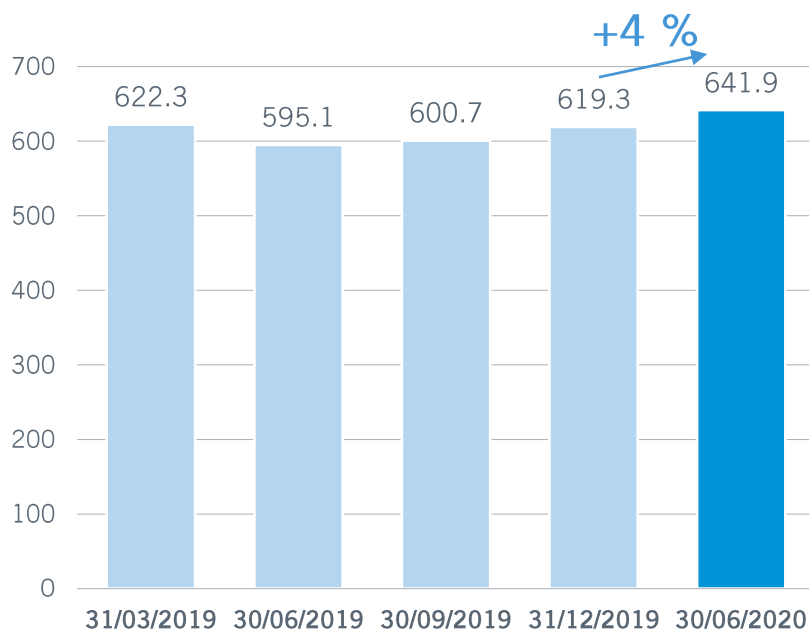


# SOLID KEY FINANCIALS (2/2)

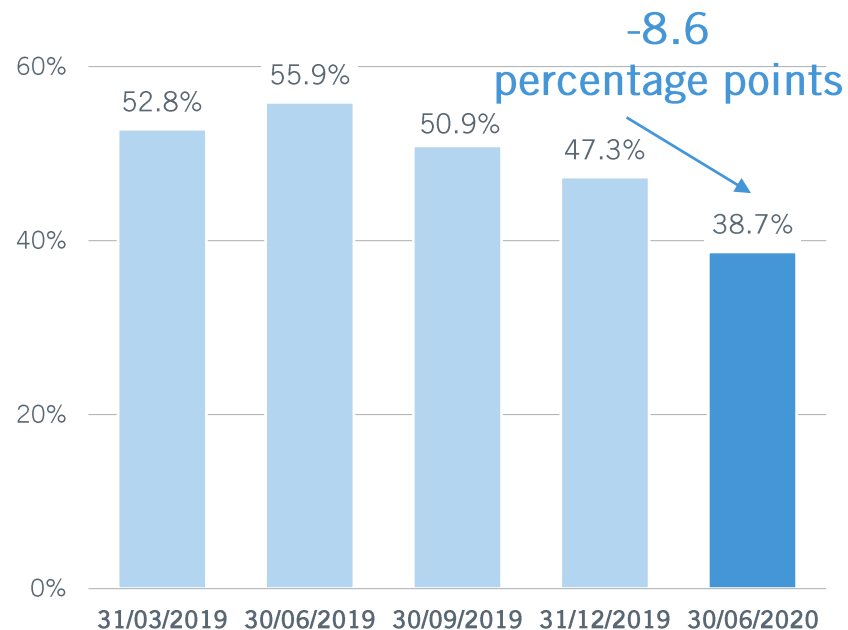
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## STABLE EQUITY WITH DECLINING GEARING

### Equity in EUR millions



### Gearing in %

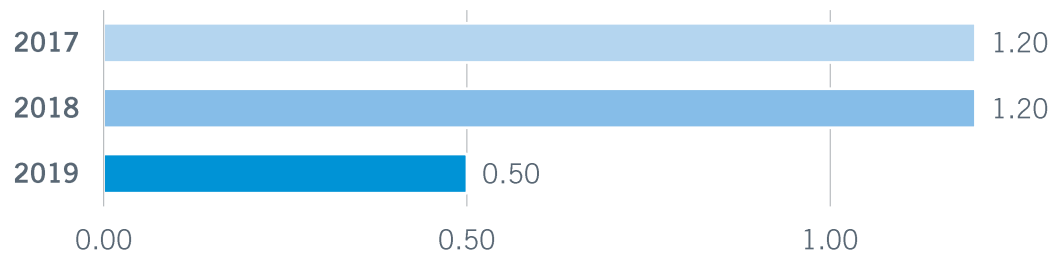


# DIVIDEND AND SHARE

# DIVIDEND OF EUR 0.50 PER SHARE

DIVIDEND YIELD OF AROUND 2 %

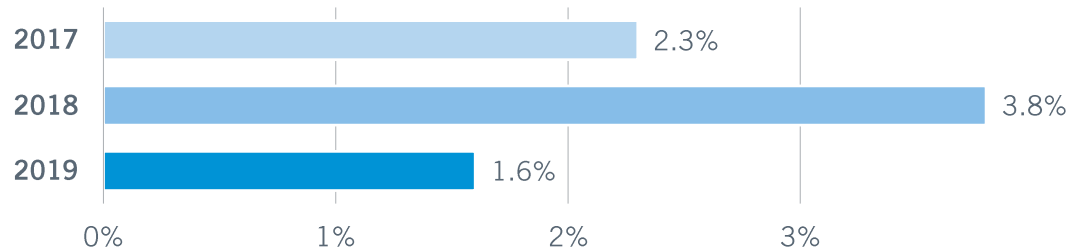
## Dividend in EUR per share for the respective financial year



› Reduced dividend of EUR 0.50 per share due to COVID-19 approved at AMAG's virtual AGM on July 21, 2020

› Dividend paid on July 28, 2020

## Dividend yield (based on year-end closing price) in %

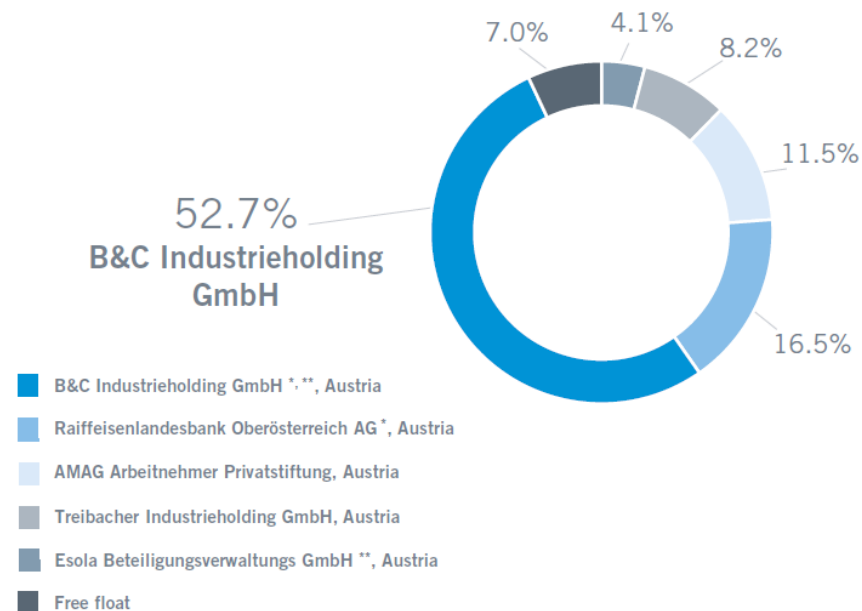


## AMAG share price outperformance

[Performance until September 30, 2020 in %]



## Stable ownership structure



- 1) B&C Industrieholding GmbH and Raiffeisenlandesbank Oberösterreich concluded an investment agreement on April 1, 2015
- 2) B&C Industrieholding GmbH and Esola Beteiligungsverwaltungs GmbH entered into an investment agreement on February 14, 2019.

# OUTLOOK FOR 2020



# OUTLOOK FOR 2020 (1/2)

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## STRATEGIC POSITIONING AS A STABILISING FACTOR

- › **Wide positioning** with production of primary aluminium in Canada as well as recycling cast alloys and aluminium rolled products at the Ranshofen location
- › **Diversified product and customer portfolio** with a focus on specialties
- › Comparatively **limited dependency** on individual key customers and industries
- › **Supply of raw materials for Ranshofen well secured** and with extensive independence from regions outside Europe



Ranshofen: Focus on specialty products on the basis of recycled aluminium scrap



20 % stake in Alouette smelter: America's largest smelter with sustainable energy supply and cost-efficient production

# OUTLOOK FOR 2020 (2/2)

SUBDUED MARKET EXPECTATIONS FOR 2020 WITH POSITIVE MEDIUM AND LONG-TERM GLOBAL DEMAND FOR ALUMINIUM

- › Significant decline in demand expected for 2020 for primary aluminium and aluminium rolled products, according to CRU
- › Reductions especially in the transport sector (aircraft and automotive) and in distribution
- › AMAG's strategic positioning with focus on specialties and sustainability in various sectors exerts a stabilising effect
- › Accelerated increase in importance of the sustainability aspect expected
- › Solid order book position at AMAG partially cushioned decrease in order intake
- › Tariff situation for aluminium exports from Canada to USA uncertain
- › Outlook 2020: EBITDA in the EUR 80 million to EUR 100 million range in FY 2020 is considered probable, according to current estimates

## 2020 FINANCIAL CALENDAR

February 27, 2020  
 April 30, 2020  
 July 30, 2020  
 October 29, 2020  
 July 11, 2020  
 July 21, 2020  
 July 24, 2020  
 July 27, 2020  
 July 28, 2020

Publication of 2019 annual financial statements  
 Information on Q1/2020  
 H1 2020 report  
 Information on Q3/2020  
 AGM record date  
 Virtual Annual General Meeting  
 Ex-dividend date  
 Dividend record date  
 Dividend payment date

## INFORMATION ABOUT THE AMAG SHARE

ISIN  
 Share class  
 Ticker symbol: Vienna Stock Exchange  
 Indices  
 Reuters  
 Bloomberg  
 Trading segment  
 Market segment  
 First trading day  
 Issue price per share in EUR  
 Number of shares in issue

AT00000AMAG3  
 Ordinary bearer shares  
 AMAG  
 ATX Prime, ATX BI, ATX GP, VÖNIX, WBI  
 AMAG.VI  
 AMAG AV  
 Official trading  
 Prime Market  
 April 8, 2011  
 19.00  
 35,264,000

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