



LEADING THE CRITICAL MATERIALS REVOLUTION



AMG Advanced Metallurgical Group N.V.
Annual General Meeting
Financial Presentation
May 4, 2016

A nighttime cityscape with light trails from traffic on a highway, viewed from an elevated perspective. The scene is partially obscured by a large blue and green geometric overlay on the left side.

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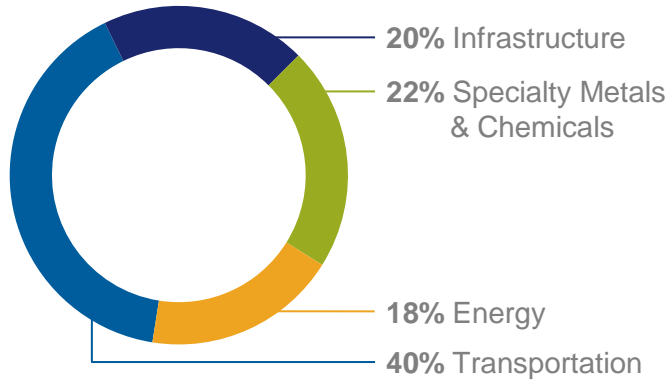
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A Global Supplier of Critical Materials

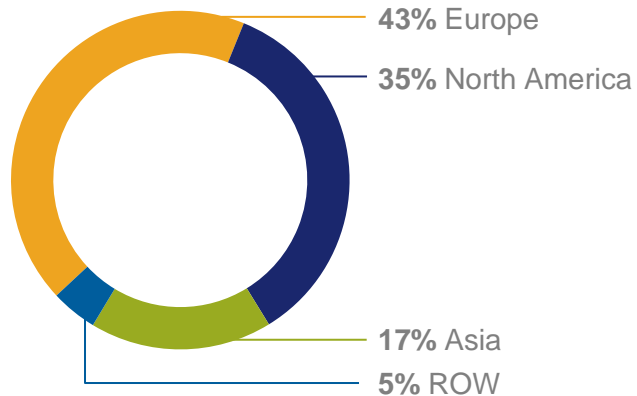
FY 2015 Revenues by End Market



Approx. 3,000 employees

\$977 million* annual revenues

FY 2015 Revenue by Region**



AMG is a global supplier of Critical Materials to:

Energy



Transportation



Infrastructure



Specialty Metals & Chemicals

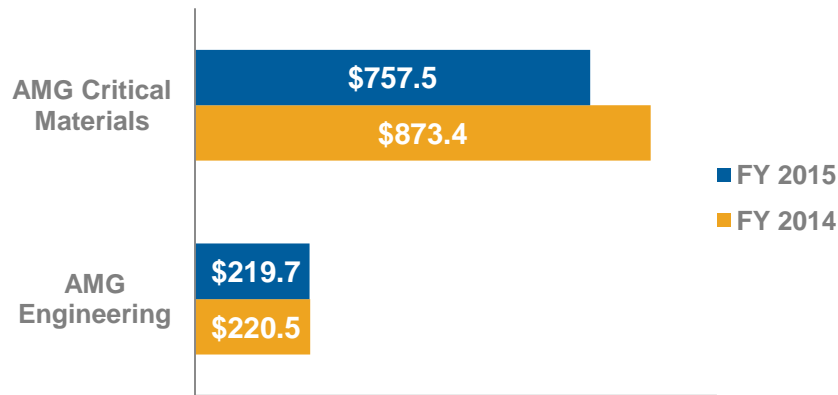


Divisional Financial Highlights – FY 2015 v FY 2014

Revenue

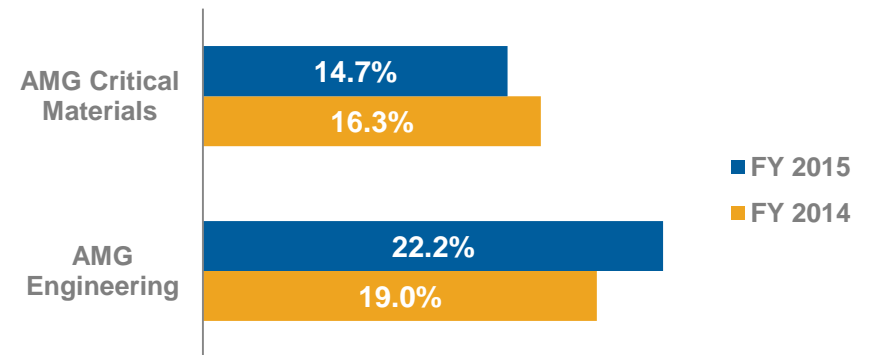
FY 2015 Revenue: \$977.1

(in USD millions)



Gross Margin

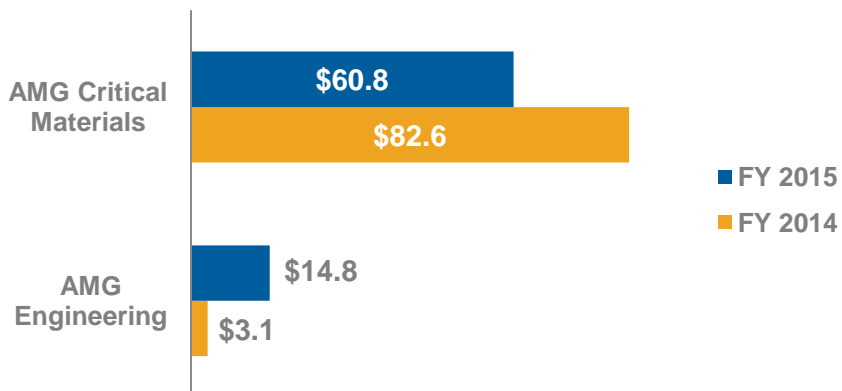
FY 2015 Gross Margin: 16.4%



EBITDA

FY 2015 EBITDA: \$75.6

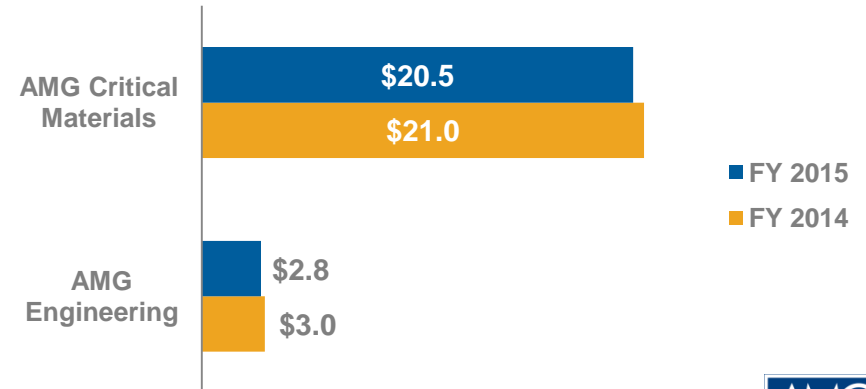
(in USD millions)



Capital Expenditure

FY 2015 CAPEX: \$23.3

(in USD millions)



Operational update

AMG Processing

- AMG Vanadium – increased Ferrovandium sales volumes following successful capacity expansion completed in 2014
- AMG Graphite – production capacity increased by approximately 10% following commissioning of new mill in 2014
- AMG Graphite – completion of sale of 40% Equity Stake in AMG Graphite
- AMG Titanium Alloys and Coatings – sales of TiAl alloys ramping up under long term contracts signed in 2014
- AMG Silicon – reduction of operating costs achieved following upgrade of third furnace
- AMG Brazil – Renegotiated long term tantalum contract with receipt of a cash payment from GAM US and a 10% interest in Global Advanced Metals Pty Ltd.

AMG Engineering

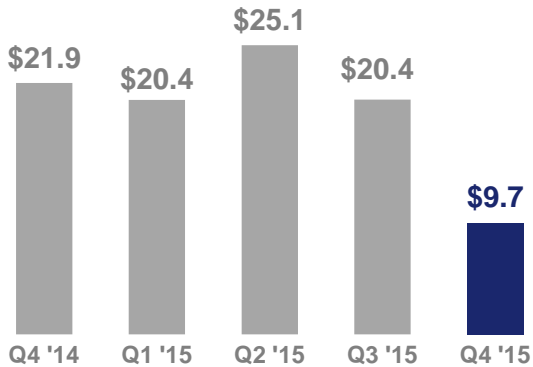
- Significantly improved financial results in 2015 compared to 2014
- Stronger order intake due to improving market conditions
- Successful innovation
 - Powder metallurgy (additive manufacturing)
 - Plasma furnaces (Titanium recycling)
- Project cost management system completed
- Cost reduction program completed

Summary of non-recurring charges - 2015

Restructuring	Environmental
<ul style="list-style-type: none"> • AMG Critical Materials accounts for \$2.6 million driven by the sale of its mining assets in Turkey • AMG Engineering restructuring expenses of \$1.9 was the result of headcount reductions in Germany • AMG Corporate reversal of \$1.4 million related to the reversal of a VAT accrual recorded at a shutdown facility. 	<ul style="list-style-type: none"> • Additional accrual relates to recent discussions with NJDEP • Current accrual of \$19.5 million is based on preliminary estimates to remove the material onsite • Range of estimates for removal is \$9 – \$25 million.
\$3.1 million	\$1.5 million
Total non-recurring: \$4.6 million	

Financial Data: ROCE & EBITDA

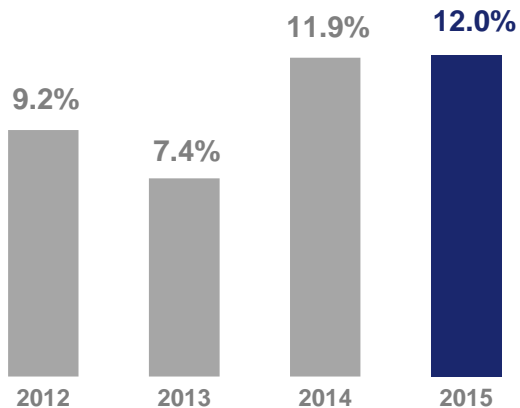
EBITDA (in millions of US dollars)



**Q4 '15 EBITDA
down 56%
versus Q4 '14**

- Q4 '15 EBITDA down 56% versus Q4 '14
- The appreciation of the US Dollar compared to the Euro in the fourth quarter of 2015 in relation to the fourth quarter of 2014, resulted in a reduction in EBITDA of approximately \$2 million

Annualized ROCE

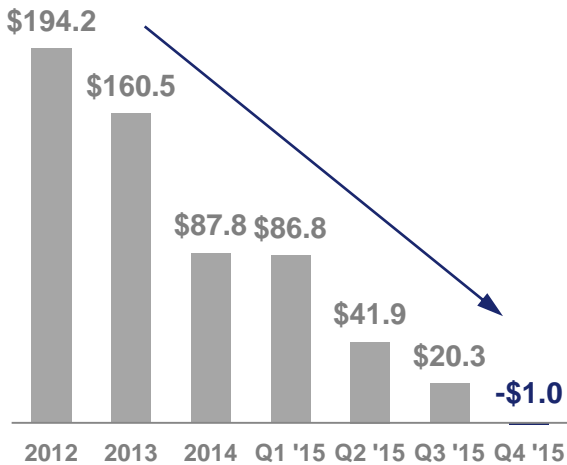


**FY '15 ROCE
improved to
12.0% from
11.9% in FY '14**

- FY 2015 ROCE improved to 12.0% from 11.9% in FY 2014
- ROCE improvements are the result of efficient use of capital and working capital reductions in 2015

Financial Data: Net Debt & Operating Cash Flow

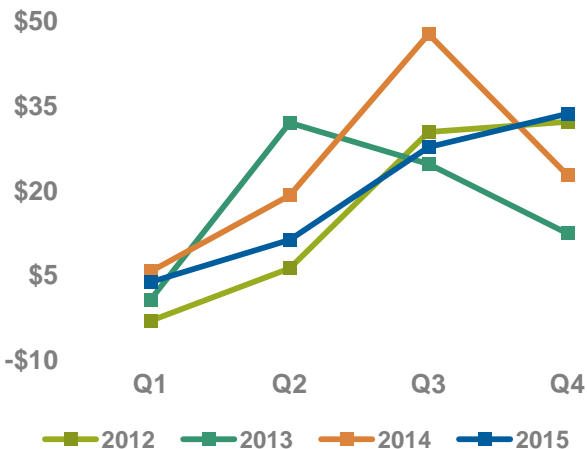
Net Debt (in millions of US dollars)



**\$195M
reduction in
net debt since
2012**

- Net (cash) debt: (\$1.0) million
 - \$161.5 million reduction on net debt since December 31, 2013
 - Net cash position
 - Net Debt to LTM EBITDA: -0.01x
- AMG's primary debt facility is a \$320 million multicurrency term loan and revolving credit facility
 - 3 year term (until 2018) with two extension options of one year each.
 - In compliance with all debt covenants

Operating Cash Flow (in millions of US dollars)



**Strong
operating cash
flow**

- Q4 '15 Operating Cash Flow of \$33.6 million, compared to \$22.7 million in Q4 '14
- Operating Cash Flow has benefited from significant reductions in working capital since 2012

A close-up photograph of industrial machinery, likely a lathe or mill, showing a rotating metal workpiece and a cutting tool. The workpiece has the word "TECH" and some numbers engraved on it. The image is overlaid with a large teal geometric shape on the left side.

Q1 2016 FINANCIAL HIGHLIGHTS



AMG Advanced Metallurgical Group N.V.

Q1 2016 Financial highlights

- Revenue: \$237.4 million
 - 8% decrease from the same period in 2015
 - Driven by weakened average metals prices
- Operating Profit
 - \$1.4 million or 12% increase from Q1 2015
 - Decline in restructuring expense
- EBITDA: \$21.2 million
 - 4% increase from the same period in 2015
 - Improvement despite weakened metal prices
- EPS: \$0.42
 - 320% increase from the same period in 2015



Q1 2016 Financial highlights

- AMG Critical Materials:
 - Revenue: \$176.5 million
 - 2% decrease in gross profit versus Q1 2015
 - EBITDA: \$16.5
- AMG Engineering
 - Revenue: \$60.8 million
 - 14% increase in gross profit over Q1 2015
 - EBITDA \$4.6 million
- As of March 31, 2016
 - Cash: \$111.6 million
 - Net debt: \$17.2 million
 - Total liquidity: \$254.8 million



2016 Outlook

AMG

In this challenging environment, AMG's management target is to maintain 2015 levels of profitability in 2016 and continue to generate strong operating cash flow.

CHANGE IN DIVIDEND POLICY

The change in AMG's dividend policy reflects a commitment to return value to shareholders and is a result of an improved balance sheet, ample liquidity and confidence in our ability to generate cash.

AMG CRITICAL MATERIALS

Despite weak metals prices, AMG Critical Materials will continue to be profitable across all business units and generate strong operating cash flows in 2016.

AMG ENGINEERING

AMG Engineering expects to return to historic levels of profitability in 2016. Based on the strong order backlog at the end of 2015, and improved cost position, management expects the business to continue to improve its financial performance in 2016.

In this challenging environment, AMG will continue to reduce cost, optimize its product portfolio and maintain a conservative balance sheet

Sb

Mo

Cr

C

V

Ni

Ti

Ta

Al

Si

Nb

AMG