CRITICAL MATERIALS FOR
THE NEW MILLENNIUM

AMG Advanced Metallurgical Group N.V.
Annual General Meeting 2017
Financial Presentation
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DIVISIONAL FINANCIAL HIGHLIGHTS – FY 2016 VS. FY 2015

**REVENUE**

FY 2016 $971.1 MILLION  
FY 2015 $777.1 MILLION

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG Critical Materials</td>
<td>$701.6</td>
<td>$757.5</td>
</tr>
<tr>
<td>AMG Engineering</td>
<td>$269.5</td>
<td>$219.7</td>
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</tbody>
</table>

**EBITDA**

FY 2016 $100.7 MILLION  
FY 2015 $75.6 MILLION

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 2016</th>
<th>FY 2015</th>
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</thead>
<tbody>
<tr>
<td>AMG Critical Materials</td>
<td>$73.6</td>
<td>$60.8</td>
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<tr>
<td>AMG Engineering</td>
<td>$27.0</td>
<td>$14.8</td>
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**GROSS MARGIN***

FY 2016 19.2%  
FY 2015 16.1%

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG Critical Materials</td>
<td>14.5%</td>
<td>18.5%</td>
</tr>
<tr>
<td>AMG Engineering</td>
<td>21.5%</td>
<td>21.1%</td>
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</tbody>
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**CAPITAL EXPENDITURE**

FY 2016 $44.1 MILLION  
FY 2015 $23.3 MILLION

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<thead>
<tr>
<th>Division</th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG Critical Materials</td>
<td>$38.6</td>
<td>$20.5</td>
</tr>
<tr>
<td>AMG Engineering</td>
<td>$5.4</td>
<td>$2.8</td>
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</tbody>
</table>

* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA’s latest recommendations.
5 YEAR TREND: EBITDA & ROCE

- 2016 EBITDA is up 33% due to product mix and operational improvements in Critical Materials as well as a very strong performance by Engineering due to an increase in demand for furnaces from the aerospace industry.

- FY 2016 annualized ROCE improved to 18.8% from 12.0% in FY 2015.

- ROCE improvements are the result of efficient use of capital and improved profitability.
5 YEAR TREND: NET DEBT & OPERATING CASH FLOW

**NET DEBT (CASH) (IN MILLIONS OF US DOLLARS)**

2012: $194.2
2013: $160.5
2014: $87.8
2015: $7.3
2016: $1.0

**OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)**

2012: $65.6
2013: $69.7
2014: $95.1
2015: $76.3
2016: $56.2

FY 2016 OPERATING CASH FLOW OF $56.2M

- **Net debt:** $7.3 million
  - $186.9 million reduction of net debt since December 31, 2012
  - Net Debt to LTM EBITDA: 0.07x

- **AMG’s primary debt facility** is a $400 million multicurrency term loan and revolving credit facility
  - 5 year term (until 2021) with an accordion feature that allows the Company, subject to certain conditions, to increase the commitment amount by up to $100 million
  - In compliance with all debt covenants

- FY ‘16 net cash from operating activities of $56.2 million, which included voluntary cash contributions to the Company’s pension plans of $23.1 million made during the year

Pension contribution
## Q1 2017 FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong> $258.0M</td>
<td>• 9% increase from the same period in 2016</td>
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<td><strong>Operating Profit:</strong></td>
<td>• $8.1 million or 63% increase from Q1 2016</td>
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<td>$21.0M</td>
<td></td>
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<td><strong>EBITDA:</strong> $33.0M</td>
<td>• 56% increase from the same period in 2016</td>
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<td>• Driven by strong performance in vanadium, titanium alloys, and chrome, and the recognition of additional tantalum deferred revenue</td>
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<td><strong>Fully diluted EPS:</strong></td>
<td>• 19% increase from the same period in 2016</td>
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<td>0.50</td>
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### Q1 2017 FINANCIAL HIGHLIGHTS

| AMG Critical Materials | • Revenue: $194.5 million  
|                        | • 19% increase in gross profit versus Q1 2016  
|                        | • EBITDA: $25.7 million |
| AMG Engineering        | • Revenue: $63.5 million  
|                        | • 18% increase in gross profit over Q1 2016  
|                        | • EBITDA: $7.3 million |
| March 31, 2017 Financial Position | • Cash: $166.5 million  
|                                | • Net cash: $0.5 million  
|                                | • Total liquidity: $354 million |
### AMG CRITICAL MATERIALS

- **AMG Vanadium** – signed a new long-term, multi-year agreement to process and recycle spent catalysts
- **AMG Graphite** – continued its development of the Ancuabe mine in Mozambique, which is now operational and in the process of ramping up production
- **AMG Silicon** – completed upgrade of the last of its four furnaces
- **AMG Titanium Alloys & Coatings** – selected by MTU, under a long term supply contract with value exceeding $40M, to provide titanium aluminides for the Pratt & Whitney PurePower® PW1100G-JM engine
- **AMG Lithium** – received board approval for project to construct a lithium concentrate (spodumene) plant at the Mibra mine in Brazil
  - Awarded EPC contract to Outotec for the turnkey delivery of a lithium concentrate beneficiation plant
  - Signed a multi-year contract to supply 90,000 tons per year of lithium concentrate with deliveries commencing in H2 2018
  - Published updated resource statement showing an increase of approx. 38% compared to prior one

### AMG ENGINEERING

- **Significantly improved financial results in 2016 compared to 2015**
- **Stronger order intake due to improving market conditions**
- **Successfully launched 2 new product lines in 2016:**
  - A plasma hearth melting furnace for the remelting of titanium aluminides for the aerospace engine industry
  - New innovative coating equipment for the production of advanced ceramic materials beyond metals
- **Acquired the remaining 50% share of their joint venture company, ALD-Holcroft Co. Inc., from AFC-Holcroft LLC**
- **Completed the relocation to its new, more cost effective headquarters in Hanau**