


ENABLING A GREENER FUTURE



AMG ADVANCED METALLURGICAL GROUP N.V.
ANNUAL GENERAL MEETING MAY 2018
FINANCIAL PRESENTATION





2017 Financial Review

Financial Highlights 4

Financial Data & ROCE 5

Q1 2018 Financial Highlights

Financial Highlights 7

Operational Update 9

CAUTIONARY NOTE

THIS DOCUMENT IS STRICTLY CONFIDENTIAL AND IS BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION BY AMG ADVANCED METALLURGICAL GROUP N.V. (THE "COMPANY") AND MAY NOT BE REPRODUCED IN ANY FORM OR FURTHER DISTRIBUTED TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF APPLICABLE SECURITIES LAWS.

This presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries nor should it or any part of it, nor the fact of its distribution, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

This presentation has been prepared by, and is the sole responsibility of, the Company. This document, any presentation made in conjunction herewith and any accompanying materials are for information only and are not a prospectus, offering circular or admission document. This presentation does not form a part of, and should not be construed as, an offer, invitation or solicitation to subscribe for or purchase, or dispose of any of the securities of the companies mentioned in this presentation. These materials do not constitute an offer of securities for sale in the United States or an invitation or an offer to the public or form of application to subscribe for securities. Neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever. The information contained in this presentation has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or the opinions contained herein. The Company and its advisors are under no obligation to update or keep current the information contained in this presentation. To the extent allowed by law, none of the Company or its affiliates, advisors or representatives accept any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

Certain statements in this presentation constitute forward-looking statements, including statements regarding the Company's financial position, business strategy, plans and objectives of management for future operations. These statements, which contain the words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions, reflect the beliefs and expectations of the management board of directors of the Company and are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, the achievement of the anticipated levels of profitability, growth, cost and synergy of the Company's recent acquisitions, the timely development and acceptance of new products, the impact of competitive pricing, the ability to obtain necessary regulatory approvals, and the impact of general business and global economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein.

Neither the Company, nor any of its respective agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this presentation.

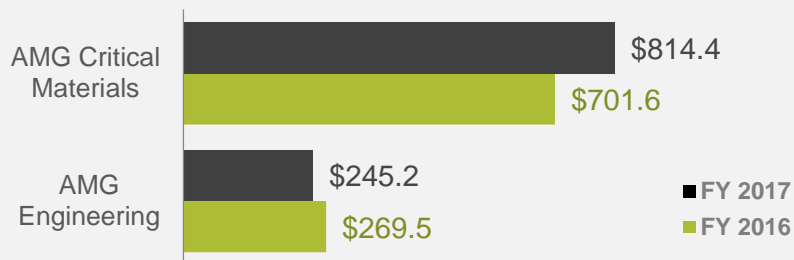
The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

This document has not been approved by any competent regulatory or supervisory authority.

DIVISIONAL FINANCIAL HIGHLIGHTS – FY 2017 VS. FY 2016

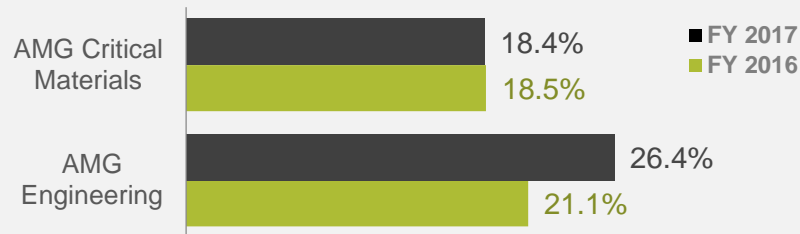
REVENUE

FY 2017 \$1,059.7 MILLION
FY 2016 \$971.1 MILLION



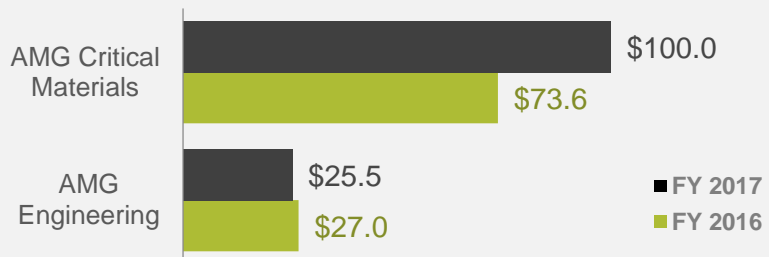
GROSS MARGIN

FY 2017 20.3%
FY 2016 19.2%



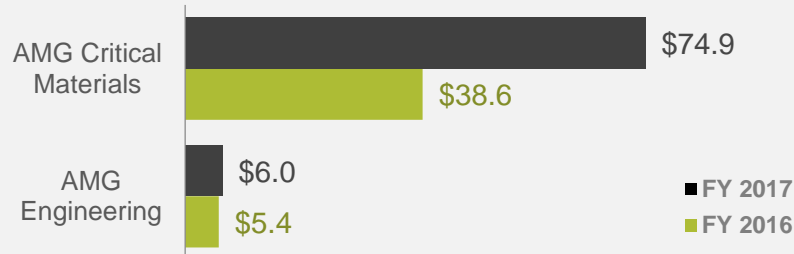
EBITDA

FY 2017 \$125.5 MILLION
FY 2016 \$100.7 MILLION



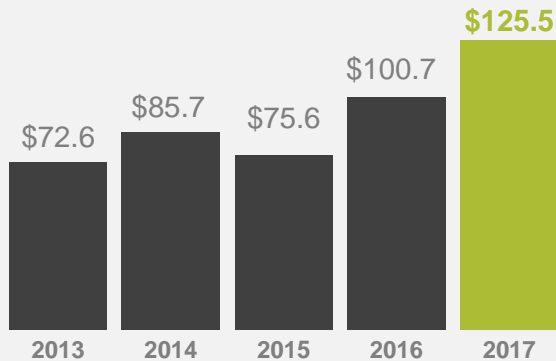
CAPITAL EXPENDITURE

FY 2017 \$80.9 MILLION
FY 2016 \$44.1 MILLION



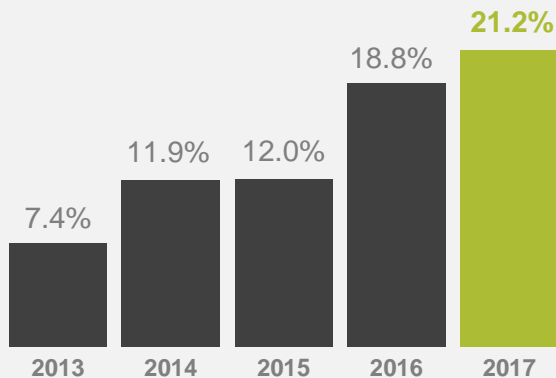
5 YEAR TREND: EBITDA & ROCE

EBITDA (IN MILLIONS OF US DOLLARS)



FY '17 EBITDA
UP 25%
VERSUS FY '16

Annualized ROCE

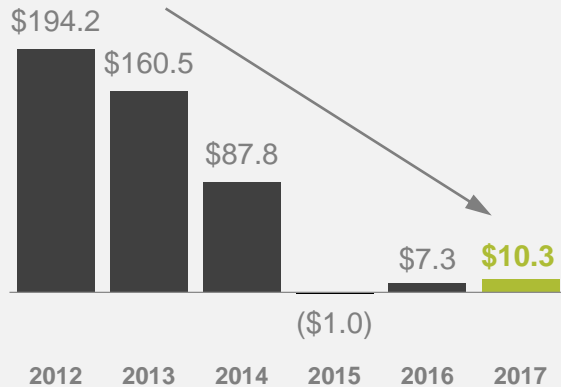


FY '17 ROCE
IMPROVED TO
21.2% FROM
18.8% IN FY '16

- 2017 EBITDA is up 25% due to improved profitability within Critical Materials propelled by improved product mix and strong sales volumes, as well as higher vanadium prices
- 2017 annualized ROCE improved to 21.2% from 18.8% in 2016
- ROCE improvements are the result of efficient use of capital and improved profitability

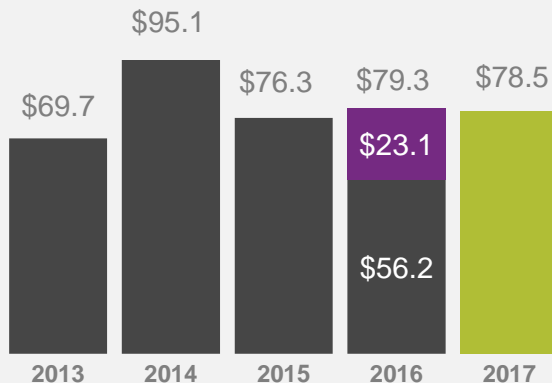
5 YEAR TREND: NET DEBT & OPERATING CASH FLOW

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



**\$184M
REDUCTION
IN NET DEBT
SINCE 2012**

OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)



**2017 OPERATING
CASH FLOW
OF \$78.5M**

■ Pension contribution

- Net debt: \$10.3 million
 - \$183.9 million reduction of net debt since December 31, 2012
- AMG's primary debt facility is a \$650 million multicurrency term loan and revolving credit facility
 - \$350 million 7-year senior secured term loan B facility, a \$200 million 5-year senior secured revolving credit facility, and €85,000 of bilateral letter of credit facilities to support AMG Engineering
 - In compliance with all debt covenants
- AMG generated cash from operating activities of \$78.5 million during 2017, \$22.3 million higher than in 2016

Q1 2018 FINANCIAL HIGHLIGHTS

Revenue: \$308.4M

- 20% increase from the same period in 2017

**Operating Profit:
\$34.6M**

- \$13.6 million, or 64% increase from Q1 2017

EBITDA: \$44.5M

- 35% increase from the same period in 2017
- Driven by strong performance in vanadium, silicon, titanium alloys, graphite, chrome and aluminum, driven by higher vanadium and silicon metal prices, and strong sale volumes

**Fully diluted EPS:
0.58**

- 16% increase from the same period in 2017

Q1 2018 FINANCIAL HIGHLIGHTS

AMG Critical Materials

- Revenue: \$248.4 million
 - 43% increase in gross profit versus Q1 2017
 - EBITDA: \$37.1 million
-

AMG Engineering

- Revenue: \$60.1 million
 - 12% increase in gross profit over Q1 2017
 - EBITDA: \$7.4 million
-

March 31, 2018 Financial Position

- Cash: \$350.2 million
- Net debt: \$9.4 million
- Total liquidity: \$520 million

OPERATIONAL UPDATE 2017 – CURRENT

AMG CRITICAL MATERIALS

- AMG Lithium – received board approval for project to construct a second lithium concentrate (spodumene) plant at the Mibra mine in Brazil which, once completed, will double lithium concentrate production capacity from 90,000 metric tons to 180,000 metric tons per year
 - Signed a multi-year contract to supply 90,000 metric tons per year of lithium concentrate at a price in excess of \$800 per metric ton, with deliveries commencing in the second half of 2018
 - Published updated resource statement showing an increase of approx. 38% compared to prior one
- AMG Vanadium – entered into exclusive negotiations with Criterion Catalyst and Technologies to form a partnership that expands AMG’s global spent-catalyst processing capacity
- AMG Graphite – completed the commissioning process at the Ancuabe graphite mine in the Cabo Delgado province of Mozambique, with a projected annual production capacity of 9,000 metric tons
- AMG Titanium Alloys & Coatings – continued to expand the titanium aluminides product line via the installation of three new furnaces

AMG ENGINEERING

- Increased year-end order backlog by 53%, from \$135.5 million in 2016 to \$207.0 million in 2017
- 6% higher order intake in 2017 due to strong demand from the Asian market as well as increasing demand from the North American market
- Developed an innovative casting machine (“FastCast”) which allows high-speed single-mold casting of high performance metals into turbochargers for the automotive industry and airfoils for the aerospace industry
- Launched new coating equipment for the production of Ceramic Matrix Composite Fiber based on Chemical Vapor Deposition technology