

ENABLING CO₂ REDUCTION

ANNUAL GENERAL MEETING
FINANCIAL PRESENTATION MAY 2019



AMG ADVANCED METALLURGICAL GROUP N.V.



2018 Financial Review

Financial Highlights 3

Financial Data & ROCE 4

Q1 2019 Financial Highlights

Financial Highlights 6

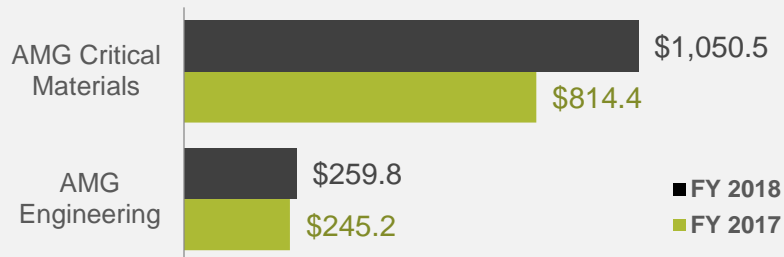
Operational Update

8

DIVISIONAL FINANCIAL HIGHLIGHTS – FY 2018 VS. FY 2017

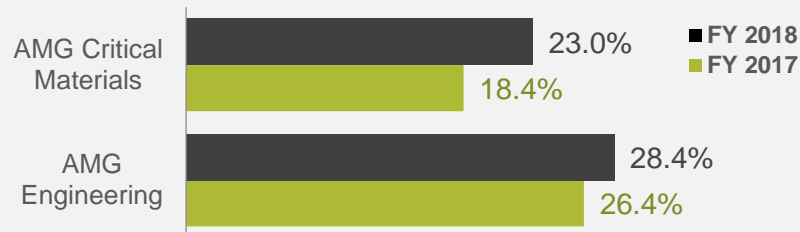
REVENUE

FY 2018 \$1,310.3 MILLION
 FY 2017 \$1,059.7 MILLION



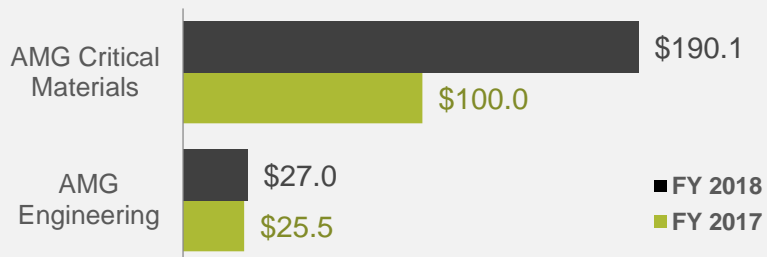
GROSS MARGIN

FY 2018 24.1%
 FY 2017 20.3%



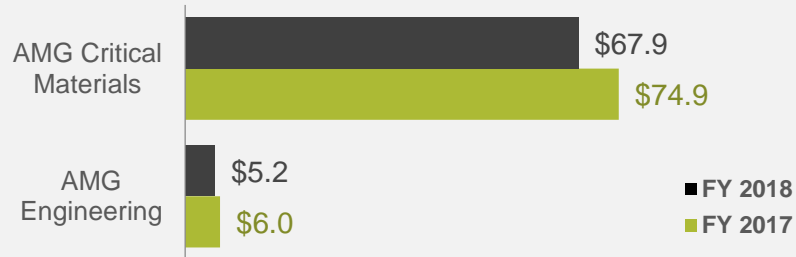
EBITDA

FY 2018 \$217.1 MILLION
 FY 2017 \$125.5 MILLION



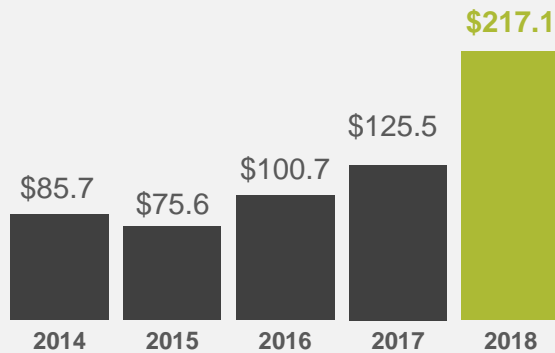
CAPITAL EXPENDITURE

FY 2018 \$73.0 MILLION
 FY 2017 \$80.9 MILLION

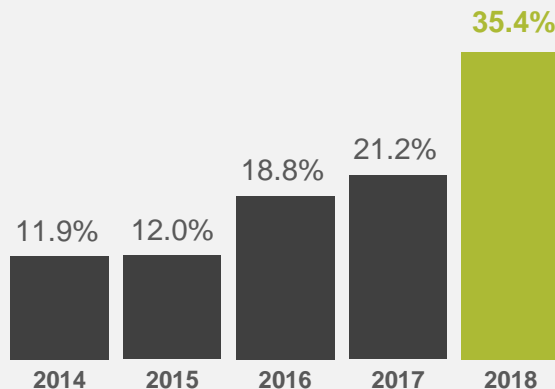


5 YEAR TREND: EBITDA & ROCE

EBITDA (IN MILLIONS OF US DOLLARS)



Annualized ROCE

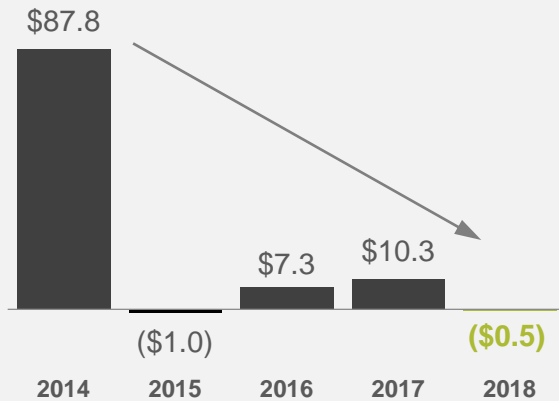


- 2018 EBITDA is up 73% due to improved profitability within Critical Materials propelled by higher vanadium prices, as well as improved product mix and strong sales volumes across much of the portfolio

- 2018 annualized ROCE improved to 35.4% from 21.2% in 2017
- ROCE improvements are the result of efficient use of capital and improved profitability

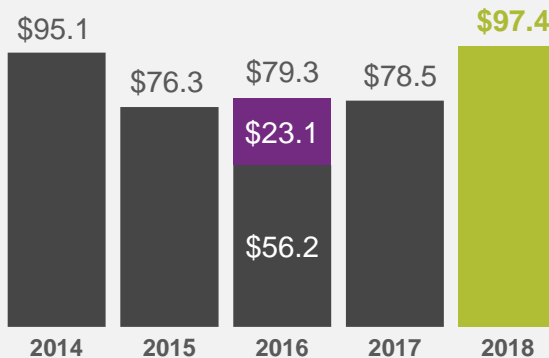
5 YEAR TREND: NET DEBT & OPERATING CASH FLOW

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



**ENDED 2018
IN A NET
CASH
POSITION**

OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)



■ Pension contribution

**▲
24%
YoY**

- Net cash at year end: \$0.5 million
- AMG's primary debt facility is a \$650 million 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 \$97.4 million during 2018, \$18.9 million higher than in 2017

Q1 2019 FINANCIAL HIGHLIGHTS

Revenue: \$346.5M

- 12% increase from the same period in 2018
-

EBITDA: \$50.4M

- 13% increase from the same period in 2018
 - Driven by improved average vanadium and chrome prices, and higher sales volumes of lithium concentrate and antimony products
-

ROCE: 28.3%

- Continued at a high level as compared to 28.4% in the same period in 2018

Q1 2019 FINANCIAL HIGHLIGHTS

AMG Critical Materials

- Revenue: \$228.6 million
 - Gross profit: \$37.6 million
 - 1% increase in EBITDA versus Q1 2018
-

AMG Technologies

- Revenue: \$117.9 million
 - 13% increase in gross profit over Q1 2018
 - 40% increase in EBITDA versus Q1 2018
-

March 31, 2019 Financial Position

- Cash: \$366.3 million
- Net debt: \$14.6 million
- Total liquidity: \$535.9 million

OPERATIONAL UPDATE

AMG CRITICAL MATERIALS

- AMG Lithium – achieved startup on our first lithium concentrate plant, and made the first shipment of commercial-grade spodumene in September 2018 to AMG’s long-term offtake customer
- AMG Vanadium
 - entered into an agreement to supply 7 million pounds of vanadium to a US steel producer over a 2-year period, which began on January 1, 2019
 - Completed the feasibility study to replicate AMG Vanadium’s existing Cambridge, Ohio recycling facility, which will more than double spent catalyst processing capability
- AMG Superalloys – entered into a multi-year agreement with Ørsted to purchase 100% of AMG Superalloys’ power requirements from renewable sources starting in October 2018, covering the full power requirements of its production sites across England and Wales

AMG TECHNOLOGIES

- AMG Technologies division was formed from a combination of AMG Engineering and AMG Titanium Alloys & Coatings in order to capitalize on the synergy between these two aerospace-facing industry leaders
- AMG Engineering
 - Increased year-end order backlog by 17%, from \$207.0 million in 2017 to \$241.4 million in 2018
 - Launched innovative coating furnace utilizing a chemical vapor deposition process to coat new materials for the aerospace industry