CRITICAL MATERIALS FOR

THE NEW MILLENIUM

AMG Advanced Metallurgical Group N.V.
Investor Presentation May 2017
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AMG IS A CRITICAL MATERIALS COMPANY

GLOBAL TRENDS
CO₂ emission reduction, population growth, increasing affluence, and energy efficiency

DEMAND
Innovative new products that are lighter, stronger, and resistant to higher temperatures

SUPPLY: AMG
Sources, processes, and supplies the critical materials that the market demands
AMG has developed into a leader in enabling technologies

AMG: MITIGATING TECHNOLOGIES
Products and processes saving raw materials, energy and CO₂ emissions during manufacturing
(i.e., recycling of Ferrovanadium)

AMG: ENABLING TECHNOLOGIES
Products and processes saving CO₂ emissions during use
(i.e., light-weighting and fuel efficiency in the aerospace and automotive industries)

LEADER IN ADVANCED TECHNOLOGIES TO ADDRESS CO₂ REDUCTION

CO₂ REDUCTION
A GLOBAL IMPERATIVE FOR THE 21ST CENTURY
STRONG CAPITAL STRUCTURE, FREE OF NET DEBT, POSITIONED FOR GROWTH

- Optimized capital structure
  - Refinanced credit facility in 2016, providing a stable capital base and liquidity for strategic growth
  - Deleveraged balance sheet

- Return excess cash to shareholders
  - Initiated first dividend to shareholders in 2015
    - Reflecting AMG commitment to return value to shareholders

- Disciplined organic growth and acquisitions
  - Rigorous process to review strategic growth opportunities that is both selective and opportunistic
  - Organic growth strategy is focused on areas of our portfolio that are marked by strong demand growth or supply limitations
  - Financially and operationally capable of quickly assessing opportunities

Driving long term sustainable growth and shareholder value
The EU identified 20 critical raw materials* to the European economy in 2014, focusing on two determinants: economic importance and supply risk.

The US identified 30 critical materials* which are vital to national defense, primarily through assessing supply risk.

AMG has a unique critical materials portfolio comprising:
- 5 EU critical raw materials
- 4 US critical raw materials
- Highly engineered Titanium Alloys for the aerospace industry
- High value added Aluminum Master Alloys
- Vanadium, Nickel and Molybdenum from recycled secondary raw materials

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The cumulative average 10 year price appreciation of the AMG EU Critical Materials was 7.3 percentage points higher than London Metal Exchange metals and 4.8 points higher than oil, while the AMG Portfolio outperformed LME Metals and oil by 6.7 and 4.2 percentage points, respectively.

Critical material prices outperform the LME

Note: Compound annual growth rates are calculated over the period Mar ’07 through Mar ’17 using the equation ((Ending Value / Beginning Value)^ (1 / # of years) - 1) where ending value is avg monthly price in Mar ’17 and beginning value is avg monthly price in Mar ’07; and where AMG EU Critical Materials include Sb, Cr, Graphite & Si; AMG Portfolio includes Sb, Cr, FeV, Li, Nb, Si, Sr, Graphite, Ta, Sn & Ti; and LME Metals include Al, Co, Cu, Pb, Mo, Ni, & Zn. Avg annual growth rates (plotted above) are calculated over the same period using the equation ((Ending Value / Beginning Value) - 1) and considering the same metal categorizations where ending value is avg monthly price in Mar of the given year and beginning value is avg monthly price in Mar ’07.
CRITICAL MATERIALS PRICES: 10 YEAR PERSPECTIVE

• Metal prices are measured on a scale of 0 to 10, with 0 and 10 representing the minimum and maximum average quarterly prices occurring during the past 10 years.

• The positions demonstrate the current price level of each metal with respect to their various historical price points over the past 10 years.

AMG has significant potential upside within certain critical materials based on historical price ranges.

Note: Metal Positions are measured on a scale of 0 to 10, with 0 being the minimum price and 10 being the maximum price. They are calculated using the formula [(Mar ’07 month avg – min. monthly avg) / (max. monthly avg – min. monthly avg) *10] where maximum and minimum monthly averages are measured over the period 1 Mar ’07 through 31 Mar ’17.
AMG BUSINESS SEGMENTS

AMG CRITICAL MATERIALS

AMG’s conversion, mining, and recycling businesses

- Lithium (H1 2018)
- Vanadium
- Superalloys
- Titanium Alloys & Coatings
- Aluminum Alloys
- Tantalum & Niobium
- Antimony
- Graphite
- Silicon

AMG ENGINEERING

AMG’s vacuum systems and services business

- Furnaces
- Heat treatment services
AMG GLOBAL FOOTPRINT – CRITICAL MATERIALS
AMG GLOBAL FOOTPRINT – AMG ENGINEERING

- Mexico City, MEXICO
- Port Huron (MI), USA
- Wixom (MI), USA
- Mexico City, MEXICO
- Berlin, GERMANY
- Limbach, GERMANY
- Hanau, GERMANY
- Grenoble, FRANCE
- Mumbai, INDIA
- Suzhou, CHINA
- Wixom (MI), USA
- Port Huron (MI), USA
- Mexico City, MEXICO
- Berlin, GERMANY
- Limbach, GERMANY
- Hanau, GERMANY
- Grenoble, FRANCE
- Mumbai, INDIA
- Suzhou, CHINA

- Headquarters
- Production Facility
- Heat Treatment Services
HEALTH AND SAFETY FOCUS

LEADING SAFETY INDICATORS

- The number of safety improvement items reported in Q1 2017 was 35% lower compared to the Q1 2016. These are essential in order to avoid potential injuries.

- Safety training hours increased 18% in Q1 2017.

- At the end of Q1 2017, lost time incident rate was 20% lower and total incident rate and incident severity rate were down 39% and 15%, respectively, from Q1 2016.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>LOST TIME INCIDENTS IN THE LAST 12 MONTHS</th>
<th>12 MONTH AVERAGE LOST TIME INCIDENT RATE</th>
<th>12 MONTH AVERAGE INCIDENT SEVERITY RATE</th>
<th>12 MONTH AVERAGE TOTAL INCIDENT RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>28</td>
<td>1.04</td>
<td>0.13</td>
<td>2.08</td>
</tr>
<tr>
<td>2017</td>
<td>23</td>
<td>0.83</td>
<td>0.11</td>
<td>1.27</td>
</tr>
</tbody>
</table>

Rigorous commitment to safety reflected in continually improving safety records.
Financial Highlights
Q1 2017 AT A GLANCE

**AMOUNTS IN $M**
(EXCEPT EARNINGS PER SHARE)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$258.0</td>
<td>$237.4</td>
<td>9%</td>
</tr>
<tr>
<td>Gross Profit *</td>
<td>$52.5</td>
<td>$44.2</td>
<td>19%</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>20.4%</td>
<td>18.6%</td>
<td>10%</td>
</tr>
<tr>
<td>Profit Before Income Taxes</td>
<td>$19.0</td>
<td>$12.6</td>
<td>51%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$33.0</td>
<td>$21.2</td>
<td>56%</td>
</tr>
<tr>
<td>EBITDA Margin %</td>
<td>12.8%</td>
<td>8.9%</td>
<td>44%</td>
</tr>
<tr>
<td>Net (Cash) Debt</td>
<td>($0.5)</td>
<td>$17.2</td>
<td>N/A</td>
</tr>
<tr>
<td>Return On Capital Employed (ROCE)</td>
<td>25.5%</td>
<td>14.7%</td>
<td>73%</td>
</tr>
<tr>
<td>Net Income Attributable To Shareholders</td>
<td>$15.6</td>
<td>$12.0</td>
<td>30%</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>0.50</td>
<td>0.42</td>
<td>19%</td>
</tr>
</tbody>
</table>

- Q1 ‘17 EBITDA up 56% versus Q1 ‘16 due to improved profitability within AMG Critical Materials
- Annualized ROCE increased to 25.5% in Q1 2017 versus 14.7% for Q1 2016
- Earnings per share, on a fully diluted basis, increased by 19% to $0.50 in Q1 2017 from $0.42 in Q1 2016
- Net cash position of $0.5 million at end of Q1 2017

Net Debt Reduction of $88.4 million since December 2014

* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA’s latest recommendations.
**FINANCIAL HIGHLIGHTS**

**REVENUE** (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 16</td>
<td>$237.4</td>
<td>$248.3</td>
<td>$247.5</td>
<td>$237.9</td>
<td>$258.0</td>
</tr>
</tbody>
</table>

**GROSS PROFIT** * (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 16</td>
<td>$44.2</td>
<td>$53.3</td>
<td>$46.3</td>
<td>$43.0</td>
<td>$52.5</td>
</tr>
</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.

**EBITDA** (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 16</td>
<td>$21.2</td>
<td>$26.0</td>
<td>$23.4</td>
<td>$30.0</td>
<td>$33.0</td>
</tr>
</tbody>
</table>

**ORDER INTAKE** (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 16</td>
<td>$50.5</td>
<td>$92.8</td>
<td>$68.1</td>
<td>$61.7</td>
<td>$81.8</td>
</tr>
</tbody>
</table>

* 9% YoY

* 19% YoY

* 56% YoY

* 62% YoY
FINANCIAL DATA: ROCE & EBITDA

**Q1 ‘17 EBITDA up 56% versus Q1 ‘16 due to improved profitability within AMG Critical Materials**

**Q1 2017 annualized ROCE improved to 25.5% from 14.7% in Q1 2016**

**ROCE improvements are the result of efficient use of capital and improved profitability**
• Net cash: $0.5 million
  - $194.2 million reduction of net debt since December 31, 2012

• 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

• AMG generated cash from operating activities of $17.8 million during the first quarter 2017, an increase of $22.2 million compared to the same period in 2016
DIVISIONAL FINANCIAL HIGHLIGHTS – Q1 2017 VS. Q1 2016

**REVENUE**

Q1 2017 REVENUE: $258.0  (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th>Division</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG Critical Materials</td>
<td>$194.5</td>
<td>$176.6</td>
</tr>
<tr>
<td>AMG Engineering</td>
<td>$63.5</td>
<td>$60.8</td>
</tr>
</tbody>
</table>

**EBITDA**

Q1 2017 EBITDA: $33.0  (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th>Division</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG Critical Materials</td>
<td>$25.7</td>
<td>$16.5</td>
</tr>
<tr>
<td>AMG Engineering</td>
<td>$7.3</td>
<td>$4.7</td>
</tr>
</tbody>
</table>

**GROSS MARGIN * **

Q1 2017 GROSS MARGIN: 20.4%

<table>
<thead>
<tr>
<th>Division</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG Critical Materials</td>
<td>18.6%</td>
<td>17.3%</td>
</tr>
<tr>
<td>AMG Engineering</td>
<td>25.6%</td>
<td>22.6%</td>
</tr>
</tbody>
</table>

**CAPITAL EXPENDITURE**

Q1 2017 CAPEX: $10.9  (IN MILLIONS OF US DOLLARS)

<table>
<thead>
<tr>
<th>Division</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMG Critical Materials</td>
<td>$9.5</td>
<td>$4.5</td>
</tr>
<tr>
<td>AMG Engineering</td>
<td>$1.4</td>
<td>$2.4</td>
</tr>
</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.
WORKING CAPITAL REDUCTION

WORKING CAPITAL DAYS REDUCED BY 77% SINCE Q3’10

61 DAYS, OR 77% REDUCTION
Q1 2017 revenue of $194.5 million was 10% higher than Q1 2016

EBITDA increased by $9.1 million over Q1 2016 to $25.7 million in the first quarter of 2017, driven primarily by strong financial performance in vanadium, antimony and chrome.

Capital expenditures increased to $9.5 million in Q1 2017 vs. $4.5 million in Q1 2016.

The largest expansion capital projects were AMG’s lithium project in Brazil, and titanium aluminide expansion in Germany.

Q1 2017 revenue increased by $17.9 million over Q1 2016.

Increase of $5.0 million in Q1 2017 vs. Q1 2016 due to expansion projects.
### AMG CRITICAL MATERIALS – QUARTERLY REVENUE DRIVERS

<table>
<thead>
<tr>
<th>KEY PRODUCT</th>
<th>Q1 ‘17 REV ($M)</th>
<th>Q1 ‘16 REV ($M)</th>
<th>VOLUME</th>
<th>PRICE</th>
<th>CURRENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FeV &amp; FeNiMo</td>
<td>$27.0</td>
<td>$19.0</td>
<td>▼</td>
<td>▲</td>
<td>▼</td>
</tr>
<tr>
<td>Al Master Alloys &amp; Powders</td>
<td>$43.4</td>
<td>$41.9</td>
<td>▼</td>
<td>▲</td>
<td>▼</td>
</tr>
<tr>
<td>Chromium Metal</td>
<td>$21.3</td>
<td>$20.2</td>
<td>▲</td>
<td>▼</td>
<td>▼</td>
</tr>
<tr>
<td>Tantalum &amp; Niobium</td>
<td>$19.6</td>
<td>$17.4</td>
<td>▼</td>
<td>N/C</td>
<td>▼</td>
</tr>
<tr>
<td>Titanium Alloys &amp; Coatings</td>
<td>$22.5</td>
<td>$20.7</td>
<td>▲</td>
<td>▼</td>
<td>▼</td>
</tr>
<tr>
<td>Antimony</td>
<td>$25.4</td>
<td>$20.3</td>
<td>▲</td>
<td>▲</td>
<td>▼</td>
</tr>
<tr>
<td>Graphite</td>
<td>$14.9</td>
<td>$14.9</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
</tr>
<tr>
<td>Silicon Metal</td>
<td>$20.5</td>
<td>$22.0</td>
<td>▲</td>
<td>▼</td>
<td>▼</td>
</tr>
</tbody>
</table>

- **AMG Critical Materials Q1 2017 revenue of $194.5 million was 10% higher than Q1 2016**
- **Improving vanadium, molybdenum, nickel, aluminum and antimony prices, and higher sales volumes of chrome, antimony and titanium products resulted in higher revenue in Q1 2017 versus the same period in the prior year**
- **Silicon revenue and gross profit declined in the first quarter 2017, versus the same period in the prior year, due to lower sales prices**
- **Tantalum sales volume declined due to the temporary shut-down in one of AMG’s two tantalum production lines**
- **Improving vanadium, nickel and molybdenum prices substantially impacted gross profit in the quarter**

*Note: N/C – not comparable*
## CRITICAL MATERIALS – AVERAGE QUARTERLY PRICES

<table>
<thead>
<tr>
<th>MATERIALS</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q1 '17 VS. Q1 '16 % CHANGE</th>
<th>Q1 '17 VS. Q4 '16 % CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ferrovanadium ($/lb)</td>
<td>$6.79</td>
<td>$6.59</td>
<td>$10.03</td>
<td>$9.99</td>
<td>$10.65</td>
<td>$12.35</td>
<td>88%</td>
<td>16%</td>
</tr>
<tr>
<td>Molybdenum ($/lb)</td>
<td>$4.85</td>
<td>$5.33</td>
<td>$7.42</td>
<td>$7.01</td>
<td>$6.63</td>
<td>$7.90</td>
<td>48%</td>
<td>19%</td>
</tr>
<tr>
<td>Nickel ($/MT)</td>
<td>$9,434</td>
<td>$8,496</td>
<td>$8,819</td>
<td>$10,262</td>
<td>$10,685</td>
<td>$10,267</td>
<td>21%</td>
<td>(4%)</td>
</tr>
<tr>
<td>Aluminum ($/MT)</td>
<td>$1,495</td>
<td>$1,515</td>
<td>$1,571</td>
<td>$1,620</td>
<td>$1,710</td>
<td>$1,851</td>
<td>22%</td>
<td>8%</td>
</tr>
<tr>
<td>Chrome ($/lb)</td>
<td>$4.09</td>
<td>$3.92</td>
<td>$3.76</td>
<td>$3.67</td>
<td>$3.65</td>
<td>$3.83</td>
<td>(2%)</td>
<td>5%</td>
</tr>
<tr>
<td>Tantalum ($/lb)</td>
<td>$59</td>
<td>$60</td>
<td>$62</td>
<td>$60</td>
<td>$56</td>
<td>$57</td>
<td>(4%)</td>
<td>2%</td>
</tr>
<tr>
<td>Niobium Oxide ($/kg)</td>
<td>$25</td>
<td>$25</td>
<td>$27</td>
<td>$28</td>
<td>$26</td>
<td>$27</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Ti Sponge ($/kg)</td>
<td>$9.05</td>
<td>$8.69</td>
<td>$8.25</td>
<td>$8.15</td>
<td>$8.15</td>
<td>$8.24</td>
<td>(5%)</td>
<td>1%</td>
</tr>
<tr>
<td>Antimony ($/MT)</td>
<td>$5,588</td>
<td>$5,359</td>
<td>$6,252</td>
<td>$7,271</td>
<td>$7,482</td>
<td>$8,098</td>
<td>51%</td>
<td>8%</td>
</tr>
<tr>
<td>Graphite ($/MT)</td>
<td>$750</td>
<td>$725</td>
<td>$585</td>
<td>$585</td>
<td>$585</td>
<td>$585</td>
<td>(19%)</td>
<td>–</td>
</tr>
<tr>
<td>Silicon Metal (€/MT)</td>
<td>€2,054</td>
<td>€1,869</td>
<td>€1,684</td>
<td>€1,648</td>
<td>€1,733</td>
<td>€1,993</td>
<td>7%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Q1 2017 revenue increased by $2.7 million, or 4%, vs. Q1 2016 due to strong sales of turbine blade coating and induction furnaces for the aerospace market and heat treatment furnaces for the automotive market.

EBITDA increased by $2.7 million in Q1 2017 versus Q1 2016.

AMG Engineering order backlog of $154.3 million as of March 31, 2017, a 14% increase versus $135.5 million as of December 31, 2016.

AMG Engineering signed $81.8 million in new orders during Q1 2017, a 1.29x book to bill ratio.
Strategy & Outlook
AMG: READY FOR GROWTH

**COST REDUCTION**
Cost-reduction and capex discipline in response to global economic slowdown

**SUPPLY CHAIN EXCELLENCE**
Competitive advantage through manufacturing and supply chain excellence, accelerating cost-reduction efforts

**SCALING PROFITABLE GROWTH**
Properly positioned, financially and operationally, to pursue growth targets across portfolio

**PRODUCT MIX OPTIMIZATION**
Streamlined operations and improved operating performance by eliminating low-margin product lines

**TARGETED W/C & DEBT LEVELS**
Further reduction in both working capital and net debt, strengthening the balance sheet
AMG’s strategy is to build its critical materials business through industry consolidation, process innovation and product development

### PROCESS INNOVATION & PRODUCT DEVELOPMENT
Continue to focus on process innovation and product development to improve the market position of AMG’s businesses

### INDUSTRY CONSOLIDATION
Pursue opportunities for horizontal and vertical industry consolidation across AMG’s critical materials portfolio

### EXPANSION OF EXISTING HIGH GROWTH BUSINESSES
Pursue opportunities in high-growth areas within the existing product portfolio

AMG’s overriding strategic objective is to achieve industry leadership while being the low cost producer
## 2017 OUTLOOK & LITHIUM PROJECT UPDATE

### OUTLOOK

AMG expects full year 2017 profitability to be in-line with 2016 levels, assuming that the business interruption insurance claim related to the fire in Brazil is received in the current financial year.

AMG’s management team is focused on delivering our highly accretive lithium project and executing our long-term lithium strategy. In addition, we will continue to pursue other acquisition opportunities and organic growth projects in order to generate long term value for our shareholders.

### LITHIUM PROJECT UPDATE

**Overview:** Project is progressing in-line with expectations – production expected to commence mid-2018.

**Mibra Resource:** In April 2017, AMG published an updated resource statement for the Mibra mine showing an increase of approximately 38% compared to the previous mineral resource statement completed in 2013.

**Spodumene Expansion:** Target to increase annual lithium concentrate production capacity up to 180,000 tons by the end of 2019.

**Marketing efforts:** On March 3, 2017, AMG announced that it had signed a multi-year contract to supply 90,000 tons per year of lithium concentrate with deliveries commencing in the second half of 2018. Sales prices are partially indexed to the published market price of lithium carbonate, subject to a contractual minimum threshold. The sales price (CIF China), determined with reference to the current published lithium carbonate market price, would exceed $800 per ton lithium concentrate.

Management’s priority in 2017 is to execute our highly accretive lithium project
KEY PRODUCTS

REVENUE (IN MILLIONS OF US DOLLARS)

Q1 2016 | Q1 2017
---|---
Vacuum Furnaces | $237.4 | $258.0
Ti Master Alloys & Coatings
Vanadium & FeNiMo
Chromium Metal
Antimony
Tantalum & Niobium
Graphite
Si Metal

GROSS PROFIT * (IN MILLIONS OF US DOLLARS)

Q1 2016 | Q1 2017
---|---
Vacuum Furnaces | $44.3 | $55.2
Ti Master Alloys & Coatings
Vanadium & FeNiMo
Chromium Metal
Antimony
Tantalum & Niobium
Graphite
Si Metal

* Before non-recurring items
ENGINEERING – MARKET TRENDS

PRODUCTS & SERVICES

AMG ENGINEERING
CAPITAL GOODS
(VACUUM FURNACES)

MAJOR END MARKETS

AEROSPACE, AUTOMOTIVE

FUEL EFFICIENCY

ELECTRONICS

MARKET TRENDS

MAJOR CUSTOMERS

CARPENTER
ThyssenKrupp
Rolls-Royce

AMG ENGINEERING
VACUUM HEAT TREATMENT SERVICES

AEROSPACE, AUTOMOTIVE

FUEL EFFICIENCY

ENERGY
TRANSPORTATION
INFRASTRUCTURE
SPEC. METALS & CHEM.
AMG AT A GLANCE

Q1 2017 REVENUE

BY SEGMENT:
- 75% Critical Materials
- 25% Engineering

BY END MARKET:
- 40% Transportation
- 23% Specialty Metals & Chemicals
- 24% Infrastructure
- 13% Energy

BY REGION:
- 43% Europe
- 33% North America
- 19% Asia
- 5% ROW

AMG IS A GLOBAL SUPPLIER OF CRITICAL MATERIALS TO:
- ENERGY
- TRANSPORTATION
- INFRASTRUCTURE
- SPECIALTY METALS AND CHEMICALS

Market leading producer of highly engineered specialty metals and vacuum furnace systems

~3,000 Employees
~$1 billion Annual Revenues
At the forefront of CO₂ Reduction
### CONSOLIDATED BALANCE SHEET

<table>
<thead>
<tr>
<th>AS OF</th>
<th>MARCH 31, 2017 UNAUDITED</th>
<th>DECEMBER 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>228.4</td>
<td>226.1</td>
</tr>
<tr>
<td>Goodwill and intangibles</td>
<td>34.2</td>
<td>33.2</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>89.3</td>
<td>91.7</td>
</tr>
<tr>
<td>Inventories</td>
<td>144.1</td>
<td>143.6</td>
</tr>
<tr>
<td>Receivables</td>
<td>128.6</td>
<td>129.2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>34.1</td>
<td>35.8</td>
</tr>
<tr>
<td>Cash</td>
<td>166.5</td>
<td>160.7</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>825.2</strong></td>
<td><strong>820.3</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>221.0</td>
<td>197.8</td>
</tr>
<tr>
<td>Long term debt</td>
<td>148.5</td>
<td>151.0</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>143.5</td>
<td>141.6</td>
</tr>
<tr>
<td>Other long term liabilities</td>
<td>47.3</td>
<td>49.9</td>
</tr>
<tr>
<td>Current debt</td>
<td>17.5</td>
<td>17.1</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>133.2</td>
<td>133.3</td>
</tr>
<tr>
<td>Advance payments</td>
<td>25.8</td>
<td>29.4</td>
</tr>
<tr>
<td>Accruals</td>
<td>55.3</td>
<td>57.4</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>33.1</td>
<td>42.9</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>604.2</strong></td>
<td><strong>622.5</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>825.2</strong></td>
<td><strong>820.3</strong></td>
</tr>
</tbody>
</table>
## CONSOLIDATED INCOME STATEMENT

### FOR THE QUARTER ENDED

<table>
<thead>
<tr>
<th>Description</th>
<th>MARCH 31, 2016 UNAUDITED</th>
<th>MARCH 31, 2016 UNAUDITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>258.0</td>
<td>237.4</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>205.5</td>
<td>193.2</td>
</tr>
<tr>
<td>Gross profit *</td>
<td>52.5</td>
<td>44.2</td>
</tr>
<tr>
<td>Selling, general &amp; administrative</td>
<td>31.6</td>
<td>31.3</td>
</tr>
<tr>
<td>Other income, net</td>
<td>0.1</td>
<td>–</td>
</tr>
<tr>
<td>Operating profit</td>
<td>21.0</td>
<td>12.9</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>2.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Share of profit of associates</td>
<td>–</td>
<td>1.5</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>19.0</td>
<td>12.6</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>3.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>15.6</td>
<td>12.3</td>
</tr>
<tr>
<td>Shareholders of the Company</td>
<td>15.6</td>
<td>12.0</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>–</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>ADJUSTED EBITDA</strong></td>
<td><strong>33.0</strong></td>
<td><strong>21.2</strong></td>
</tr>
</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.
## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE QUARTER ENDED

**IN MILLIONS OF US DOLLARS**

<table>
<thead>
<tr>
<th></th>
<th>MARCH 31, 2017 UNAUDITED</th>
<th>MARCH 31, 2016 UNAUDITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>33.0</td>
<td>21.2</td>
</tr>
<tr>
<td>Change in working capital and deferred revenue</td>
<td>(11.1)</td>
<td>(22.2)</td>
</tr>
<tr>
<td>Other operating cash flow</td>
<td>(0.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Cash generated from (used in) operating activities</strong></td>
<td><strong>21.8</strong></td>
<td><strong>(1.1)</strong></td>
</tr>
<tr>
<td>Finance costs paid, net</td>
<td>(2.5)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(1.5)</td>
<td>(1.9)</td>
</tr>
<tr>
<td><strong>Net cash from (used in) operating activities</strong></td>
<td><strong>17.8</strong></td>
<td><strong>(4.3)</strong></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(10.9)</td>
<td>(6.9)</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>0.3</td>
<td>(4.6)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(10.6)</strong></td>
<td><strong>(11.5)</strong></td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td><strong>(2.9)</strong></td>
<td><strong>(1.4)</strong></td>
</tr>
<tr>
<td>Net increase (decrease) in cash and equivalents</td>
<td>4.3</td>
<td>(17.2)</td>
</tr>
<tr>
<td><strong>Cash and equivalents at January 1</strong></td>
<td><strong>160.7</strong></td>
<td><strong>127.8</strong></td>
</tr>
<tr>
<td>Effect of exchange rate fluctuations on cash held</td>
<td>1.5</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>CASH AND EQUIVALENTS AT MARCH 31</strong></td>
<td><strong>166.5</strong></td>
<td><strong>111.6</strong></td>
</tr>
</tbody>
</table>