

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Income Statement

For the quarter ended September 30

In thousands of US Dollars

	2017 Unaudited	2016 Unaudited
Continuing operations		
Revenue	258,941	247,526
Cost of sales	207,668	201,228
Gross profit	51,273	46,298
Selling, general and administrative expenses	33,787	34,701
Environmental expense	-	45
Net other operating income	(270)	(4,558)
Operating profit	17,756	16,110
Finance income	(229)	(165)
Finance expense	2,136	6,293
Foreign exchange loss	359	708
Net finance costs	2,266	6,836
Share of gain of associates and joint ventures, net of tax	-	368
Profit before income tax	15,490	9,642
Income tax expense	1,731	4,132
Profit for the period	13,759	5,510
Attributable to:		
Shareholders of the Company	13,953	5,181
Non-controlling interests	(194)	329
Profit for the period	13,759	5,510
Earnings per share		
Basic earnings per share	0.47	0.19
Diluted earnings per share	0.44	0.18

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Income Statement

For the nine months ended September 30

In thousands of US Dollars

	2017	2016
	Unaudited	Unaudited
Continuing operations		
Revenue	778,952	733,274
Cost of sales	620,832	589,451
Gross profit	158,120	143,823
Selling, general and administrative expenses	97,339	100,761
Environmental expense	-	45
Net other operating income	(580)	(4,993)
Operating profit	61,361	48,010
Finance income	(650)	(459)
Finance expense	6,440	10,806
Foreign exchange loss	276	1,644
Net finance costs	6,066	11,991
Share of gain of associates and joint ventures, net of tax	-	1,804
Profit before income tax	55,295	37,823
Income tax expense	12,925	7,217
Profit for the period	42,370	30,606
Attributable to:		
Shareholders of the Company	42,634	30,602
Non-controlling interests	(264)	4
Profit for the period	42,370	30,606
Earnings per share		
Basic earnings per share	1.47	1.10
Diluted earnings per share	1.34	1.04

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Statement of Financial
Position

<i>In thousands of US Dollars</i>	September 30, 2017 Unaudited	December 31, 2016
Assets		
Property, plant and equipment	271,258	226,098
Goodwill	24,753	22,729
Intangible assets	12,368	10,486
Derivative financial instruments	751	740
Other investments	30,411	29,930
Deferred tax assets	37,113	41,285
Restricted cash	817	2,526
Other assets	12,738	17,207
Total non-current assets	390,209	351,001
Inventories	158,565	143,593
Derivative financial instruments	8,523	4,007
Trade and other receivables	149,186	129,220
Other assets	38,760	31,598
Cash and cash equivalents	171,789	160,744
Assets held for sale	2,025	149
Total current assets	528,848	469,311
Total assets	919,057	820,312

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Statement of Financial
Position
(continued)

<i>In thousands of US Dollars</i>	September 30, 2017 Unaudited	December 31, 2016*
Equity		
Issued capital	796	760
Share premium	432,848	389,066
Treasury shares	(3,821)	(570)
Other reserves	(78,768)	(97,085)
Retained earnings (deficit)	(114,889)	(116,457)
Equity attributable to shareholders of the Company	236,166	175,714
Non-controlling interests	24,280	22,073
Total equity	260,446	197,787
Liabilities		
Loans and borrowings	155,393	150,959
Employee benefits	153,675	141,588
Provisions	31,054	30,854
Deferred revenue	-	2,822
Other liabilities	3,968	6,874
Derivative financial instruments	60	887
Deferred tax liabilities	9,398	8,435
Total non-current liabilities	353,548	342,419
Loans and borrowings	16,324	9,621
Short term bank debt	15,500	7,500
Other liabilities	56,639	57,528
Trade and other payables	144,225	133,328
Derivative financial instruments	1,109	4,661
Advance payments	40,982	29,404
Deferred revenue	1,098	10,198
Current taxes payable	10,819	7,065
Provisions	18,367	20,801
Total current liabilities	305,063	280,106
Total liabilities	658,611	622,525
Total equity and liabilities	919,057	820,312

*Reclassified share reserves from other reserves to retained earnings (deficit) for December 31, 2016

AMG Advanced Metallurgical Group N.V.
Condensed Interim Consolidated Statement of Cash Flows

For the nine months ended September 30

In thousands of US Dollars

	2017 Unaudited	2016 Unaudited
Cash from operating activities		
Profit for the year	42,370	30,606
Adjustments to reconcile net profit to net cash flows:		
Non-cash:		
Income tax expense	12,925	7,217
Depreciation and amortization	22,501	22,010
Asset impairment expense	811	-
Net finance costs	6,066	11,991
Share of gain of associates and joint ventures	-	(1,804)
Gain on sale or disposal of property, plant and equipment	(43)	(4,193)
Equity-settled share-based payment transactions	6,624	1,509
Movement in provisions, pensions and government grants	(4,718)	(14,834)
Working capital and deferred revenue adjustments	(27,318)	(2,043)
Cash generated from operating activities	59,218	50,459
Finance costs paid, net	(5,813)	(4,994)
Income tax paid, net	(8,152)	(4,793)
Net cash from operating activities	45,253	40,672
Cash used in investing activities		
Proceeds from sale of property, plant and equipment	183	522
Insurance proceeds on property, plant and equipment	1,516	-
Proceeds from sale of subsidiaries (net of cash divested of \$1,820 in 2016)	-	6,512
Acquisition of property, plant and equipment and intangibles	(52,677)	(22,738)
Acquisition of subsidiaries (net of cash acquired of \$35 in 2016)	-	(4,961)
Acquisition of other non-current investments	-	(1,000)
Change in restricted cash	1,883	116
Other	(11)	(46)
Net cash used in investing activities	(49,106)	(21,595)

AMG Advanced Metallurgical Group N.V.
 Condensed Interim Consolidated Statement of Cash Flows
 (continued)

For the nine months ended September 30

In thousands of US Dollars

	2017 Unaudited	2016 Unaudited
Cash from financing activities		
Proceeds from issuance of debt	19,500	163,755
Payment of transaction costs related to debt issuance	-	(3,267)
Repayment of borrowings	(7,909)	(121,640)
Change in non-controlling interests	-	(2,695)
Proceeds from issuance of common shares	14,370	-
Net repurchase of common stock	(12,434)	(1,705)
Dividend	(9,310)	(7,558)
Other	-	(68)
Net cash from financing activities	4,217	26,822
Net increase in cash and cash equivalents	364	45,899
Cash and cash equivalents at January 1	160,744	127,778
Effect of exchange rate fluctuations on cash held	10,681	400
Cash and cash equivalents at September 30	171,789	174,077