

# ENABLING CO<sub>2</sub> REDUCTION

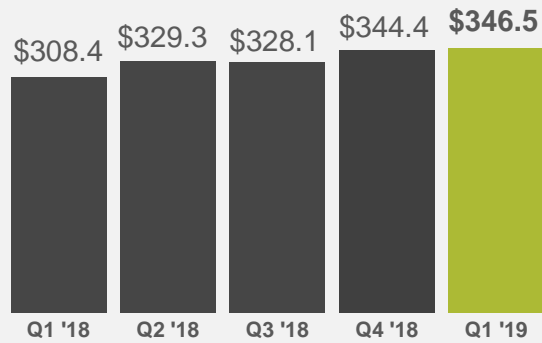
INVESTOR PRESENTATION  
FIRST QUARTER 2019



AMG ADVANCED METALLURGICAL GROUP N.V.

# FINANCIAL HIGHLIGHTS

## REVENUE (IN MILLIONS OF US DOLLARS)



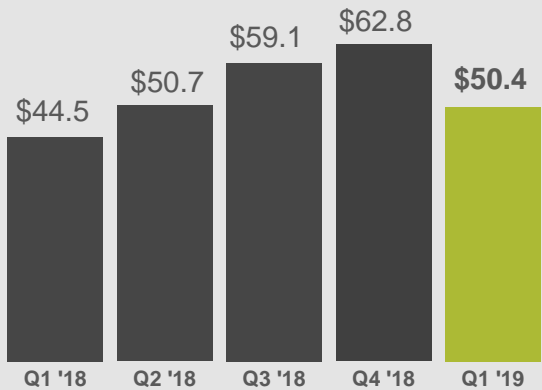
▲  
12%  
YoY

## NET INCOME (IN MILLIONS OF US DOLLARS)



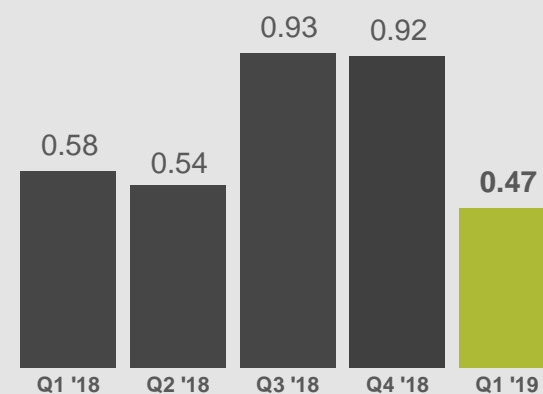
▼  
19%  
YoY

## EBITDA (IN MILLIONS OF US DOLLARS)



▲  
13%  
YoY

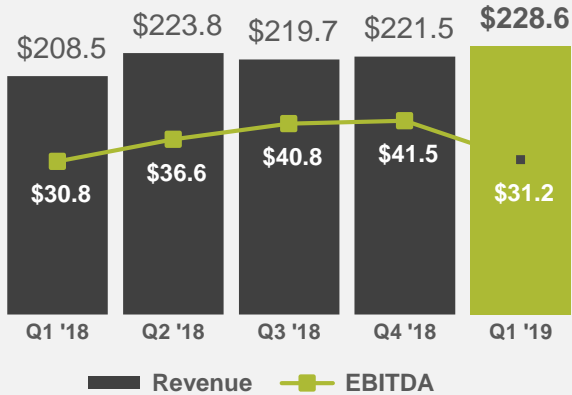
## EARNINGS PER SHARE (IN US DOLLARS)



▼  
19%  
YoY

# AMG CRITICAL MATERIALS FINANCIAL HIGHLIGHTS

## REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)



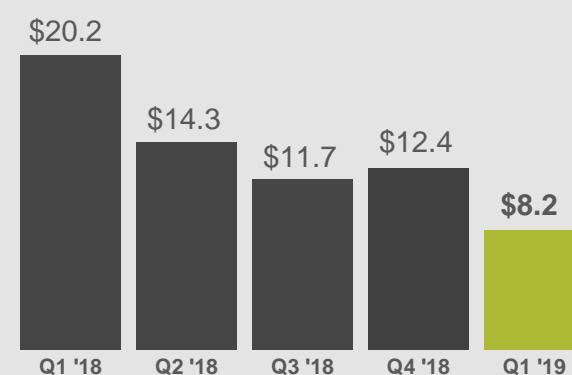
REVENUE INCREASED BY \$20.1M VS. Q1 '18

## GROSS PROFIT BEFORE EXCEPTIONAL ITEMS (IN MILLIONS OF US DOLLARS)



4% YoY

## CAPITAL EXPENDITURES (IN MILLIONS OF US DOLLARS)



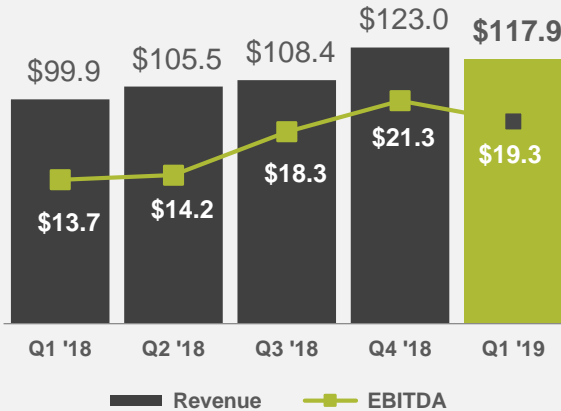
59% YoY

## KEY HIGHLIGHTS

- Revenue increased by \$20.1 million over Q1 2018 to \$228.6 million in Q1 2019, driven by improved vanadium and chrome prices, and higher sales volumes of lithium concentrate and antimony products
- SG&A expenses in Q1 2019 increased by \$1.7 million, or 9%, versus Q1 2018, primarily due to higher professional fees.
- Capital expenditures decreased to \$8.2 million in Q1 2019 vs. \$20.2 million in Q1 2018
- The largest expansion capital projects were AMG's lithium and vanadium projects

# AMG TECHNOLOGIES FINANCIAL HIGHLIGHTS

## REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)



**EBITDA  
INCREASED  
BY 40% VS.  
Q1 '18**

## GROSS PROFIT BEFORE EXCEPTIONAL ITEMS (IN MILLIONS OF US DOLLARS)



**▲  
19%  
YoY**

## ORDER INTAKE (IN MILLIONS OF US DOLLARS)



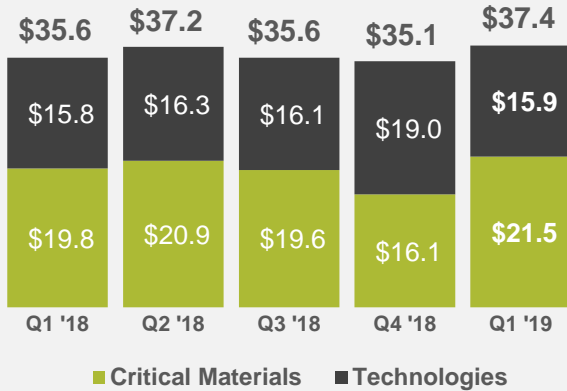
**BOOK TO  
BILL RATIO  
OF 0.82X  
IN Q1 '19**

## KEY HIGHLIGHTS

- AMG Technologies' EBITDA increased by \$5.6 million in Q1 2019 versus Q1 2018 due to greater profitability associated with titanium master alloys
- SG&A expenses remained consistent at \$15.9 million in Q1 2019 versus Q1 2018
- AMG Engineering order backlog of \$224.1 million as of March 31, 2019, a 7% decrease compared to December 31, 2018
- AMG Engineering signed \$56.2 million in new orders during Q1 2019, a 0.82x book to bill ratio

# KEY CORPORATE INCOME STATEMENT ITEMS

## SG&A EXPENSES (IN MILLIONS OF US DOLLARS)



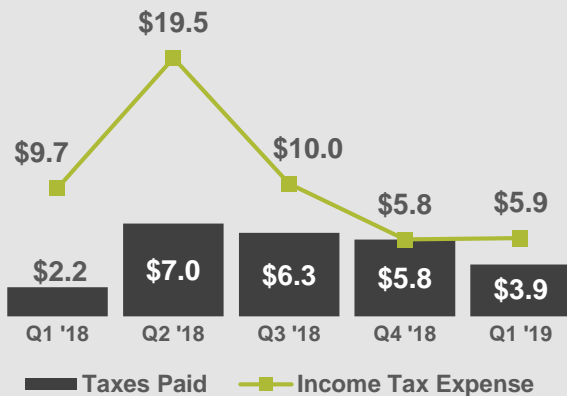
**SG&A EXPENSES INCREASED BY 5% VS. Q1 '18**

## NET FINANCE COSTS (IN MILLIONS OF US DOLLARS)



**42% YoY**

## TAXES (IN MILLIONS OF US DOLLARS)



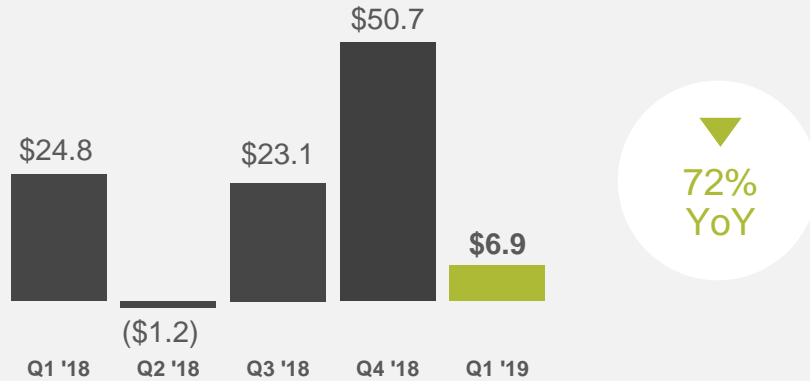
**AMG'S EFFECTIVE CASH TAX RATE WAS 19% IN Q1 '19**

## KEY HIGHLIGHTS

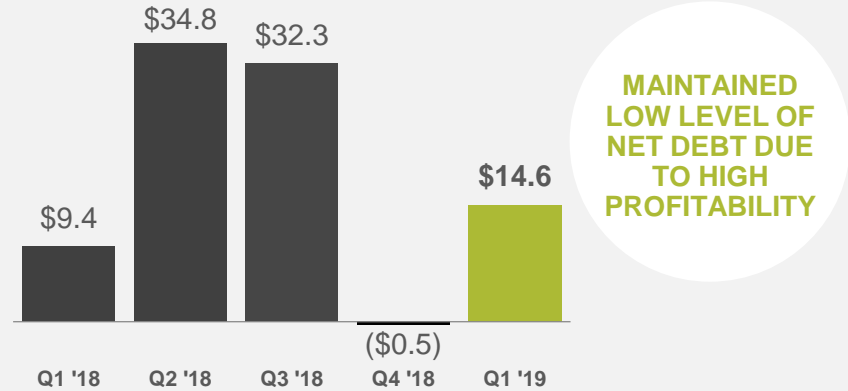
- AMG's income tax expense was \$5.9 million in Q1 2019 compared to \$9.7 million in Q1 2018 as a result of lower profitability
- Due to the volatile nature of the company's deferred tax balances, AMG believes that the cash tax rate is a more meaningful metric
- For Q1 2019, AMG's effective cash tax rate increased to 19% in comparison to 8% for Q1 2018

# LIQUIDITY, CASH FLOW, AND WORKING CAPITAL

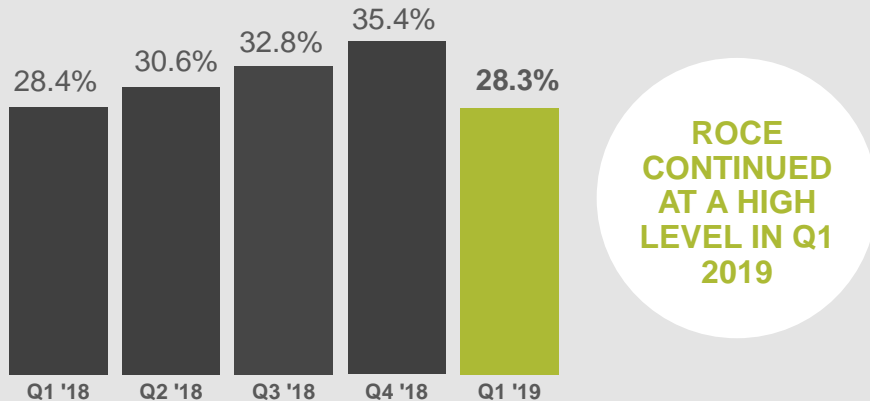
**OPERATING CASH FLOW** (IN MILLIONS OF US DOLLARS)



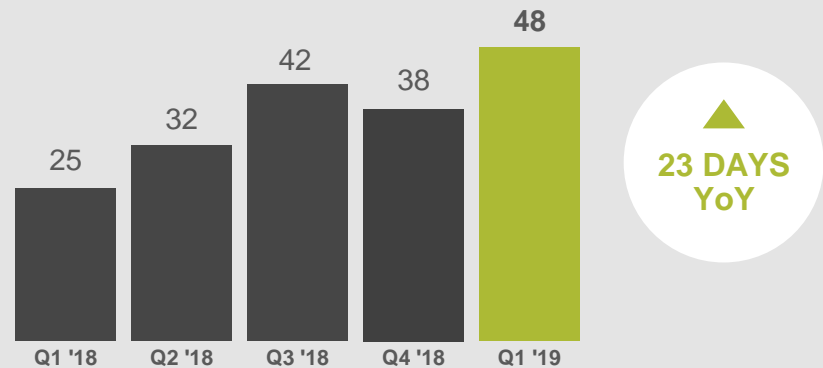
**NET DEBT (CASH)** (IN MILLIONS OF US DOLLARS)



**ANNUALIZED ROCE** (IN MILLIONS OF US DOLLARS)



**WORKING CAPITAL DAYS**



# CRITICAL MATERIALS – QUARTERLY REVENUE DRIVERS

SEGMENT	Q1 '19 REV (\$M)	Q1 '18 REV (\$M)	VOLUME	PRICE
Vanadium	\$61.2	\$40.2	▼	▲
Aluminum	\$54.8	\$52.5	◀▶	◀▶
Superalloys	\$27.9	\$25.6	◀▶	▲
Brazil	\$20.0	\$17.5	▲	◀▶
Antimony	\$30.0	\$28.2	▲	◀▶
Graphite	\$14.2	\$20.1	▼	◀▶
Silicon	\$20.4	\$24.4	◀▶	▼

- AMG's total revenue increased in the first quarter by \$38.1 million, or 12%, to \$346.5 million
- The increase was largely driven by substantially improved vanadium prices compared to the first quarter of last year, as well as price increases in Superalloys
- Q1 revenue was also aided by higher sales volumes in Brazil and Antimony

# APPENDIX





## CRITICAL MATERIALS – AVERAGE QUARTERLY MARKET PRICES

MATERIALS	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q1 '19 VS. Q1 '18 % CHANGE	Q1 '19 VS. Q4 '18 % CHANGE
Ferrovandium (\$/lb)	\$28.60	\$34.28	\$39.68	\$53.80	\$39.96	40%	(26%)
Molybdenum (\$/lb)	\$12.26	\$11.59	\$11.86	\$12.04	\$11.82	(4%)	(2%)
Nickel (\$/MT)	\$13,272	\$14,472	\$13,263	\$11,512	\$12,366	(7%)	7%
Aluminum (\$/MT)	\$2,159	\$2,259	\$2,056	\$1,970	\$1,859	(14%)	(6%)
Chrome (\$/lb)	\$4.53	\$6.00	\$6.06	\$5.56	\$4.87	7%	(12%)
Tantalum (\$/lb)	\$93.24	\$104.19	\$98.18	\$82.17	\$75.10	(19%)	(9%)
Spodumene (\$/MT) *	\$965	\$942	\$829	\$746	\$696	(28%)	(7%)
Ti Sponge (\$/kg)	\$8.24	\$8.54	\$8.33	\$8.25	\$8.15	(1%)	(1%)
Antimony (\$/MT)	\$8,510	\$8,280	\$8,280	\$8,194	\$7,808	(8%)	(5%)
Graphite (\$/MT) **	\$1,046	\$1,067	\$1,075	\$1,072	\$1,060	1%	(1%)
Silicon Metal (€/MT)	€2,301	€2,298	€2,106	€1,995	€1,911	(17%)	(4%)

\* Spodumene prices shown above are Asian Metals' index (Spodumene Li2O 5%min CIF China), which was not published prior to January 2018.

\*\* Graphite prices shown above have been changed to Benchmark Minerals' index (Graphite, flake, 94-95% C, +80 mesh, FOB China) to better reflect AMG Graphite's high purity grade.

# CRITICAL MATERIALS – FULL YEAR AND CURRENT SPOT PRICES

MATERIALS	AVG 2017	AVG 2018	APR 25, 2019 SPOT	AVG '18 VS. AVG '17 % CHANGE	SPOT VS. AVG '18 % CHANGE
Ferrovandium (\$/lb)	\$15.30	\$38.95	\$23.00	155%	(41%)
Molybdenum (\$/lb)	\$8.25	\$11.94	\$11.95	45%	–
Nickel (\$/MT)	\$10,408	\$13,118	\$12,268	26%	(6%)
Aluminum (\$/MT)	\$1,968	\$2,110	\$1,851	7%	(12%)
Chrome (\$/lb)	\$3.94	\$5.54	\$4.50	41%	(19%)
Tantalum (\$/lb)	\$71	\$94	\$68	32%	(28%)
Spodumene (\$/MT)	N/A	\$867	\$675	N/A	(22%)
Ti Sponge (\$/kg)	\$8.29	\$8.34	\$8.28	1%	(1%)
Antimony (\$/MT)	\$8,352	\$8,316	\$7,150	–	(14%)
Graphite (\$/MT) *	\$910	\$1,065	\$1,040	17%	(2%)
Silicon Metal (€/MT)	€2,089	€2,172	€1,835	4%	(16%)

\* Spodumene prices shown above are Asian Metals' index (Spodumene Li2O 5%min CIF China), which was not published prior to January 2018.

\*\* Graphite prices shown above have been changed to Benchmark Minerals' index (Graphite, flake, 94-95% C, +80 mesh, FOB China) to better reflect AMG Graphite's high purity grade.

## NET INCOME TO EBITDA RECONCILIATION

<i>(000's USD)</i>	Q1 2019	Q1 2018
Net Income	14,703	18,333
Income tax expense	5,876	9,705
Net finance cost *	8,852	6,578
Equity-settled share-based payment transactions	1,118	1,634
Restructuring expense	(53)	189
Inventory cost adjustment	9,883	–
Others	9	(183)
<b>EBIT</b>	<b>40,388</b>	<b>36,256</b>
Depreciation and amortization	10,035	8,224
<b>EBITDA</b>	<b>50,423</b>	<b>44,480</b>

\*Excludes foreign exchange expense (income)