



Annual General Meeting  
Company Presentation  
May 7, 2015





# Table of Contents

Financial Highlights	4
Safety Highlights	5
A New Segment: AMG Critical Materials	6
Critical Material Prices: 2011-2015	7
Critical Material Price Trends	8
Global Trends Resulting in Criticality	9
Fuel Efficiency in Aerospace: Titanium Aluminides	10
AMG in the Jet Engine	11
Critical Materials Expertise	12
Global Footprint	13
Strategy	15
2015 Outlook	21

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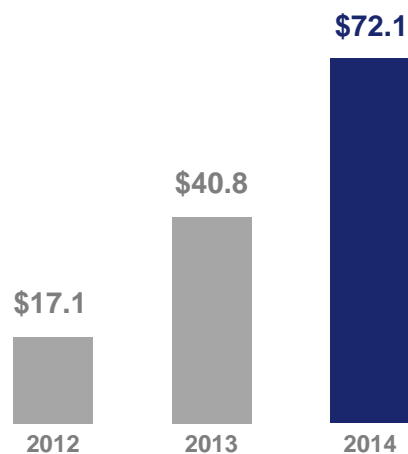
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# Financial Highlights

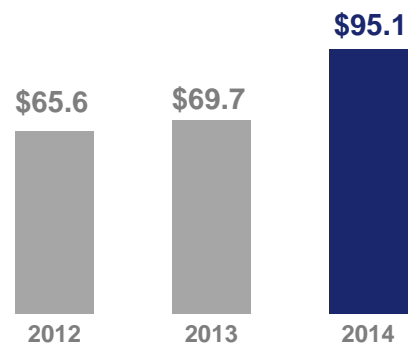
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## Free Cash Flow (in USD millions)



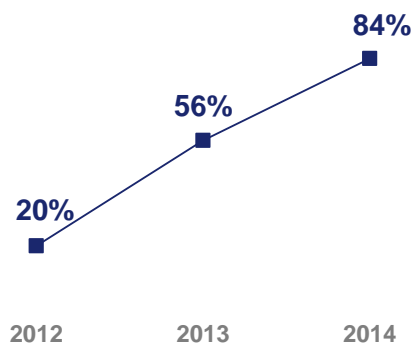
**Record YTD  
'14 Free  
Cash Flow of  
\$72.1M**

## Operating Cash Flow (in USD millions)



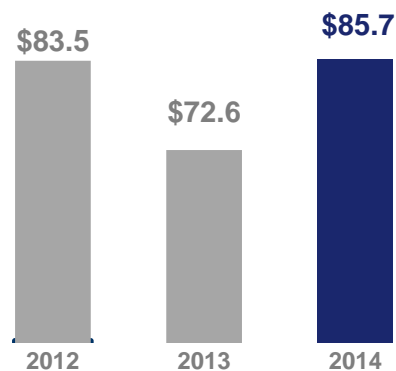
**FY '14  
Operating  
Cash Flow  
exceeded  
FY '13 by  
36%**

## Free Cash Flow as % of EBITDA



**Increase of  
50% in FY '14**

## EBITDA (in USD millions)

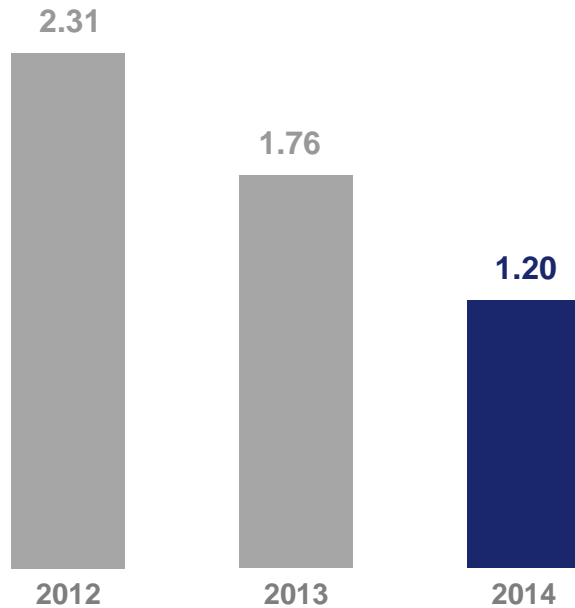


**Growth  
in excess  
of 18%**

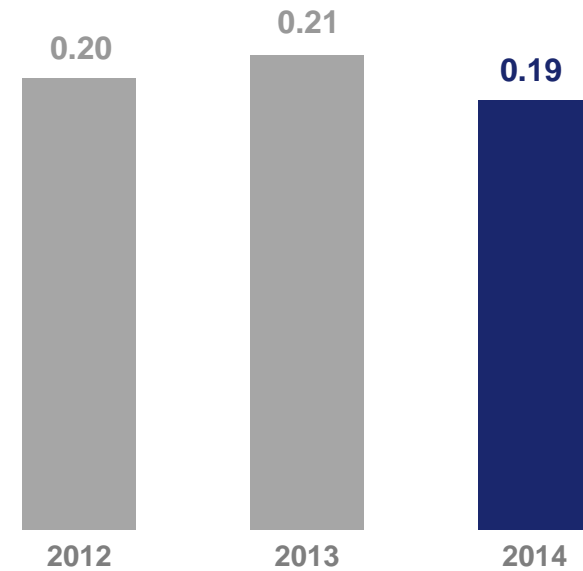
# Safety Highlights



## Lost Time Incident Rate



## Incident Severity Rate





# A New Segment: AMG Critical Materials

III

## AMG Critical Materials

### AMG's conversion, mining, and recycling businesses

- Aluminum Alloys
- Titanium Alloys & Coatings
- Superalloys
- Vanadium
- Tantalum & Niobium
- Antimony
- Silicon
- Graphite

## AMG Engineering

### AMG's vacuum systems and services business

- Engineering
- Heat treatment services

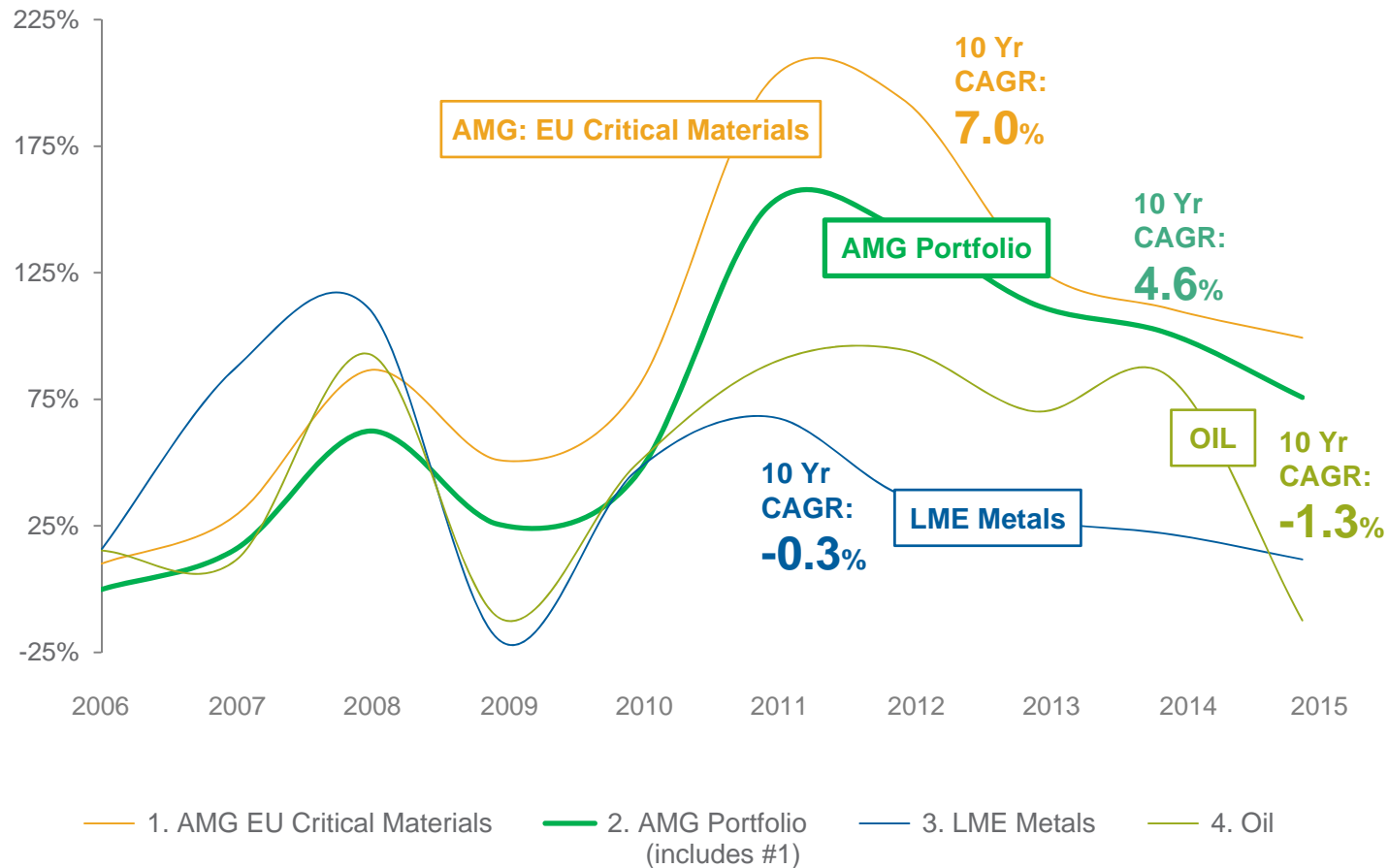
# Critical Material Prices: 2011-2015

IV

Materials	2011	2012	2013	2014	2015 YTD*	2011-2015 % Change
Aluminum (\$/MT)	\$2,395	\$2,018	\$1,845	\$1,867	\$1,800	-25%
Chrome (\$/lb)	\$6.57	\$5.87	\$4.56	\$4.49	\$4.50	-31%
Ferrovanadium (\$/lb)	\$14.82	\$14.92	\$13.43	\$13.03	\$11.03	-26%
Ti Sponge (\$/kg)	\$10.25	\$13.00	\$10.59	\$10.00	\$9.56	-7%
Antimony (\$/MT)	\$14,722	\$12,863	\$10,344	\$9,436	\$8,247	-44%
Graphite (\$/MT)	\$1,462	\$1,454	\$1,010	\$956	\$938	-36%
Silicon (cents/lb)	\$161	\$131	\$124	\$140	\$143	-11%
Tantalum (\$/lb)	\$124	\$113	\$115	\$88	\$82	-34%

# Critical Material Price Trends

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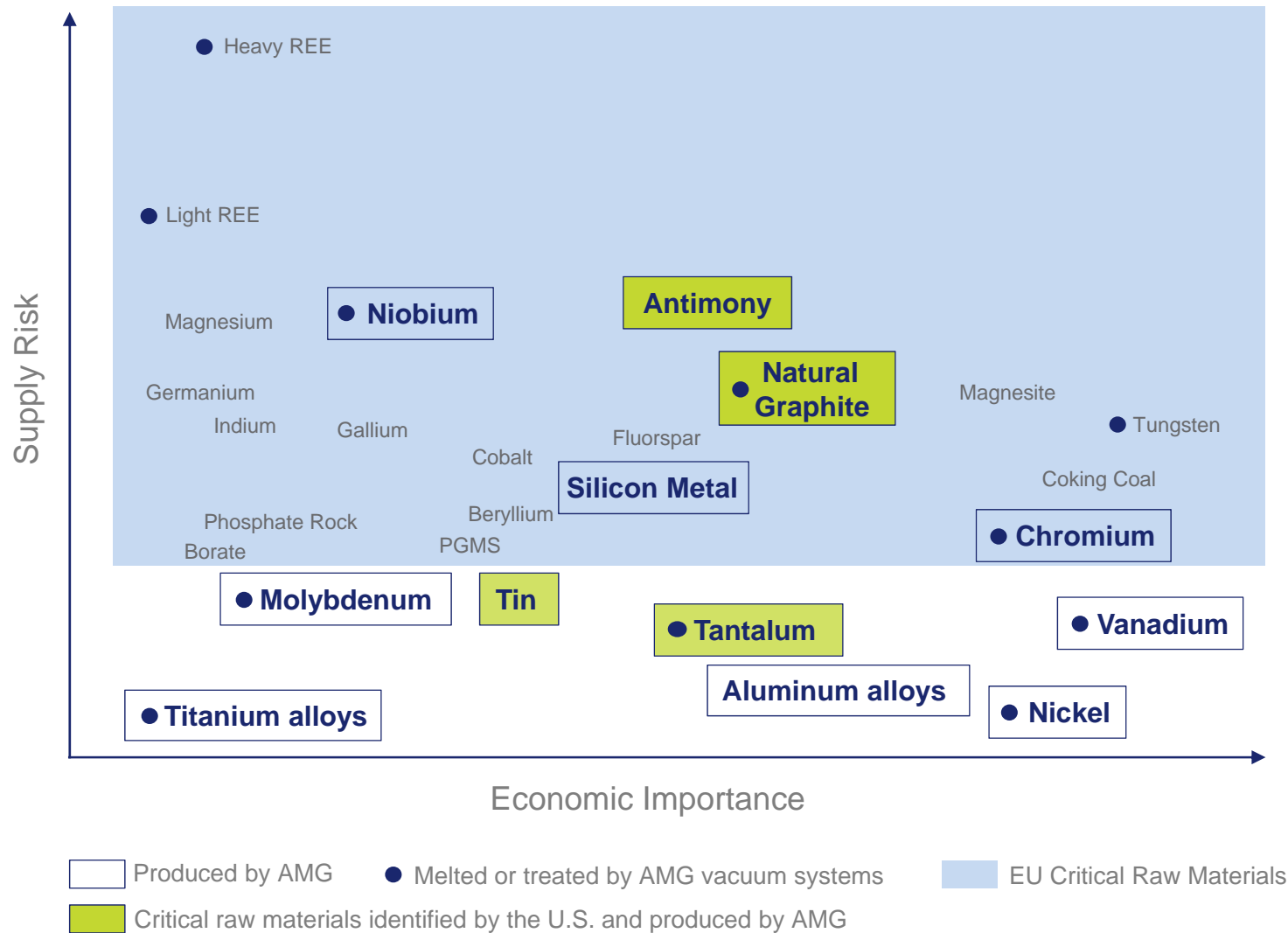


Note: Compound annual growth rates are calculated over the period Mar '05 through Mar '15 using the equation  $((\text{Ending Value} / \text{Beginning Value})^{(1 / \# \text{ of years})} - 1)$  where ending value is avg monthly price in Mar '15 and beginning value is avg monthly price in Mar '05; and where AMG EU Critical Materials include Sb, Cr, Graphite & Si; AMG Portfolio includes Sb, Cr, FeV, 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  $((\text{Ending Value} / \text{Beginning Value}) - 1)$  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 '05.



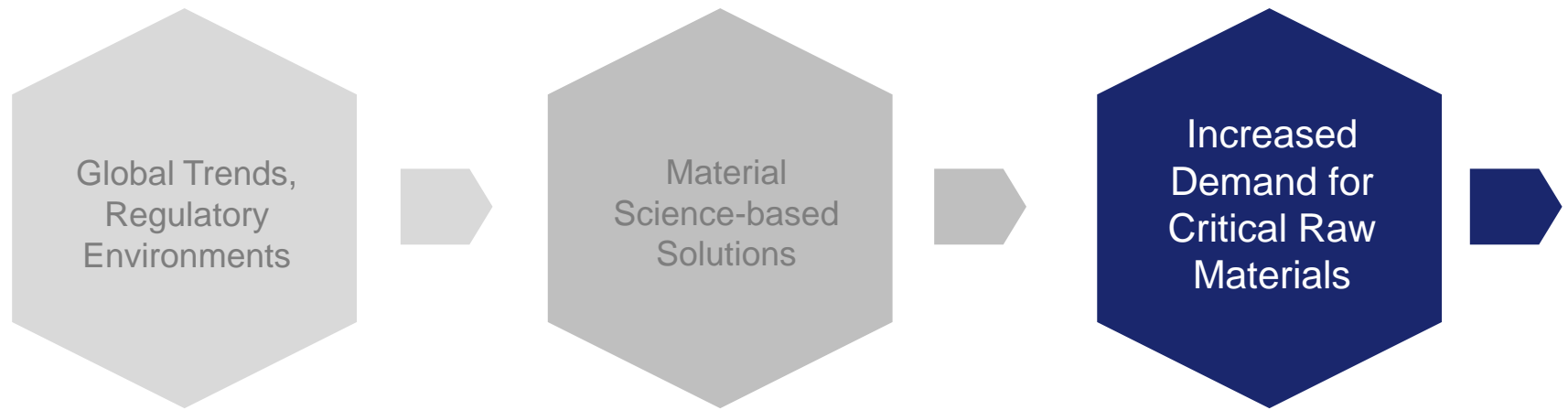
# Global Trends Resulting in Criticality

VI



# Fuel Efficiency in Aerospace: Titanium Aluminides

VII

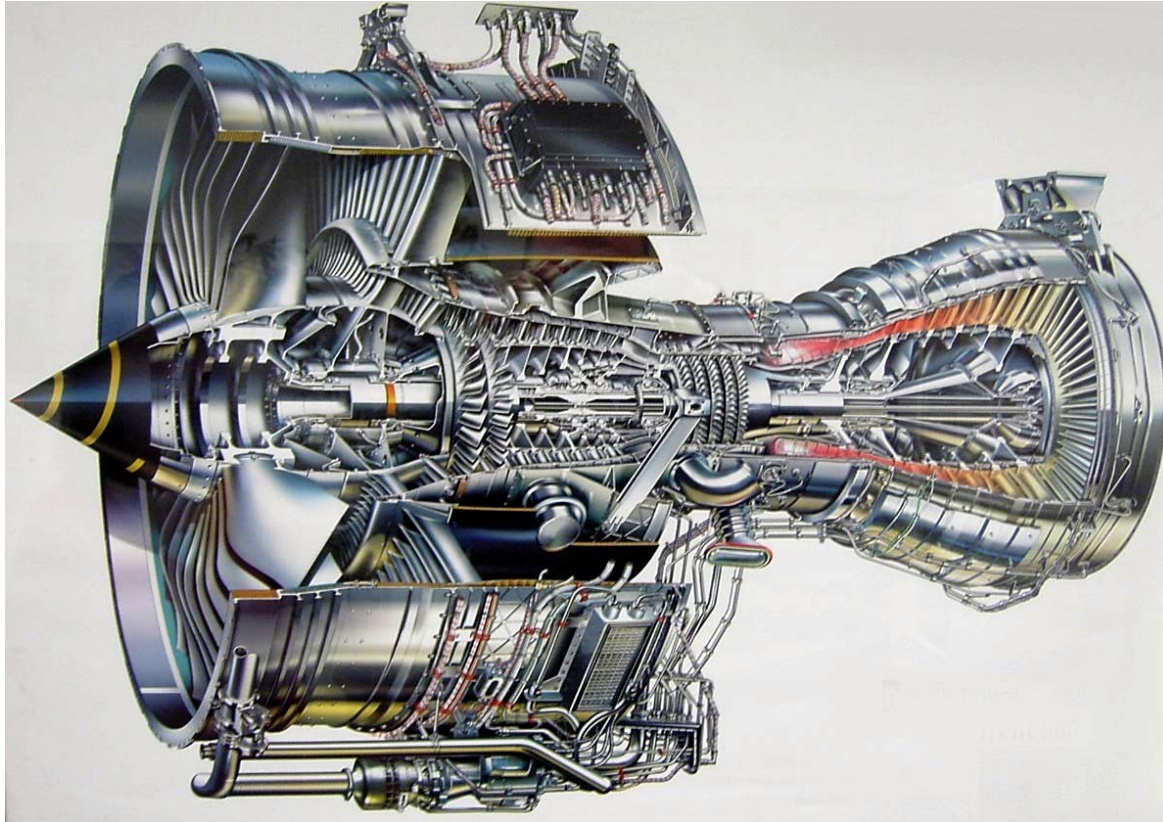


## Applied to Aerospace: Titanium Aluminides



# AMG in the Jet Engine

VIII



## AMG Superalloys

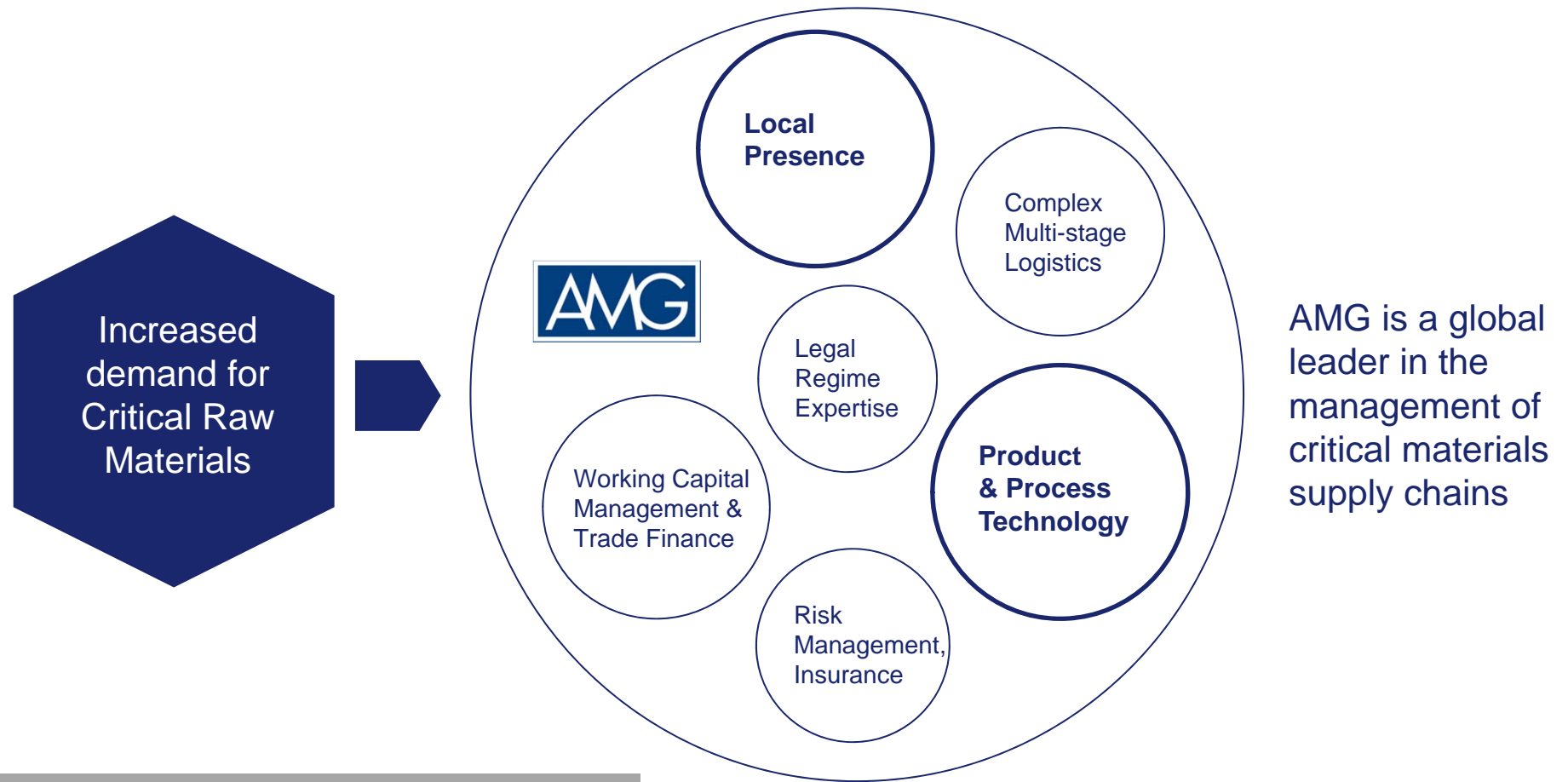
Chromium, Tantalum,  
Niobium

## AMG Titanium Alloys

Titanium Aluminides,  
Vanadium Aluminum,  
Molybdenum  
Aluminum, Multinary  
Masteralloys

## AMG Engineering

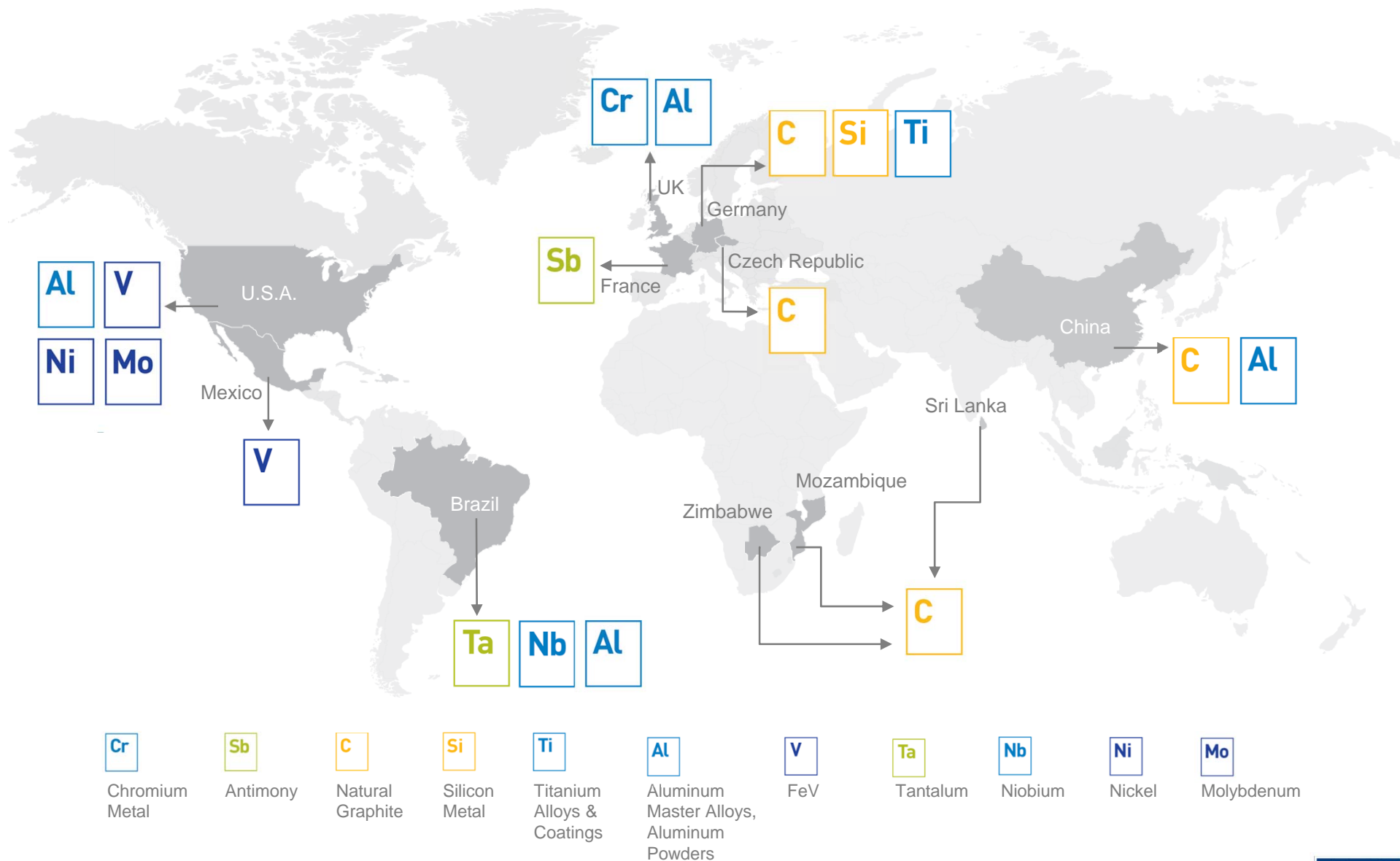
Thermal barrier  
coating of turbine  
blades (including  
alloyed steel)





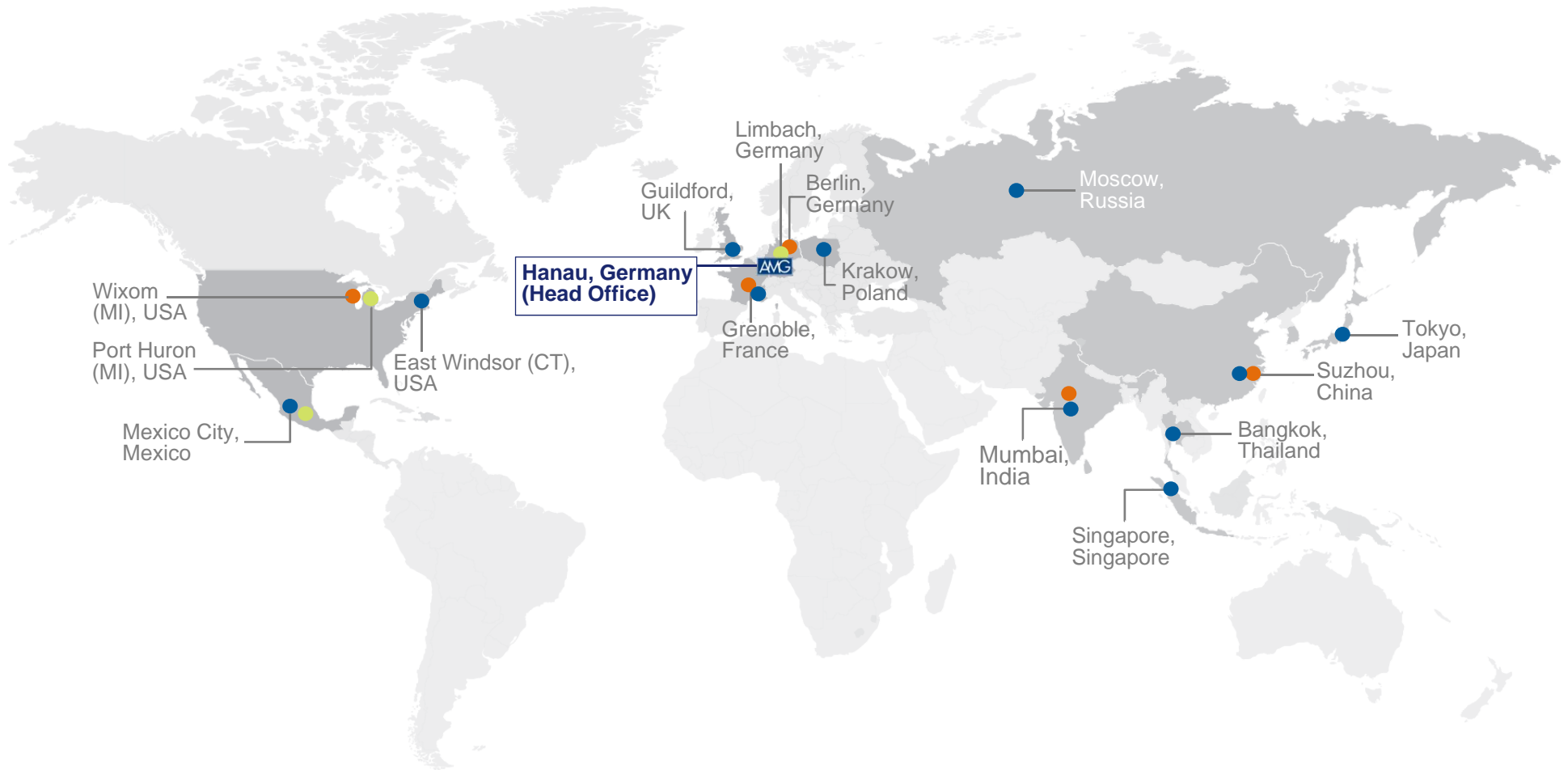
# AMG Global Footprint – Critical Materials

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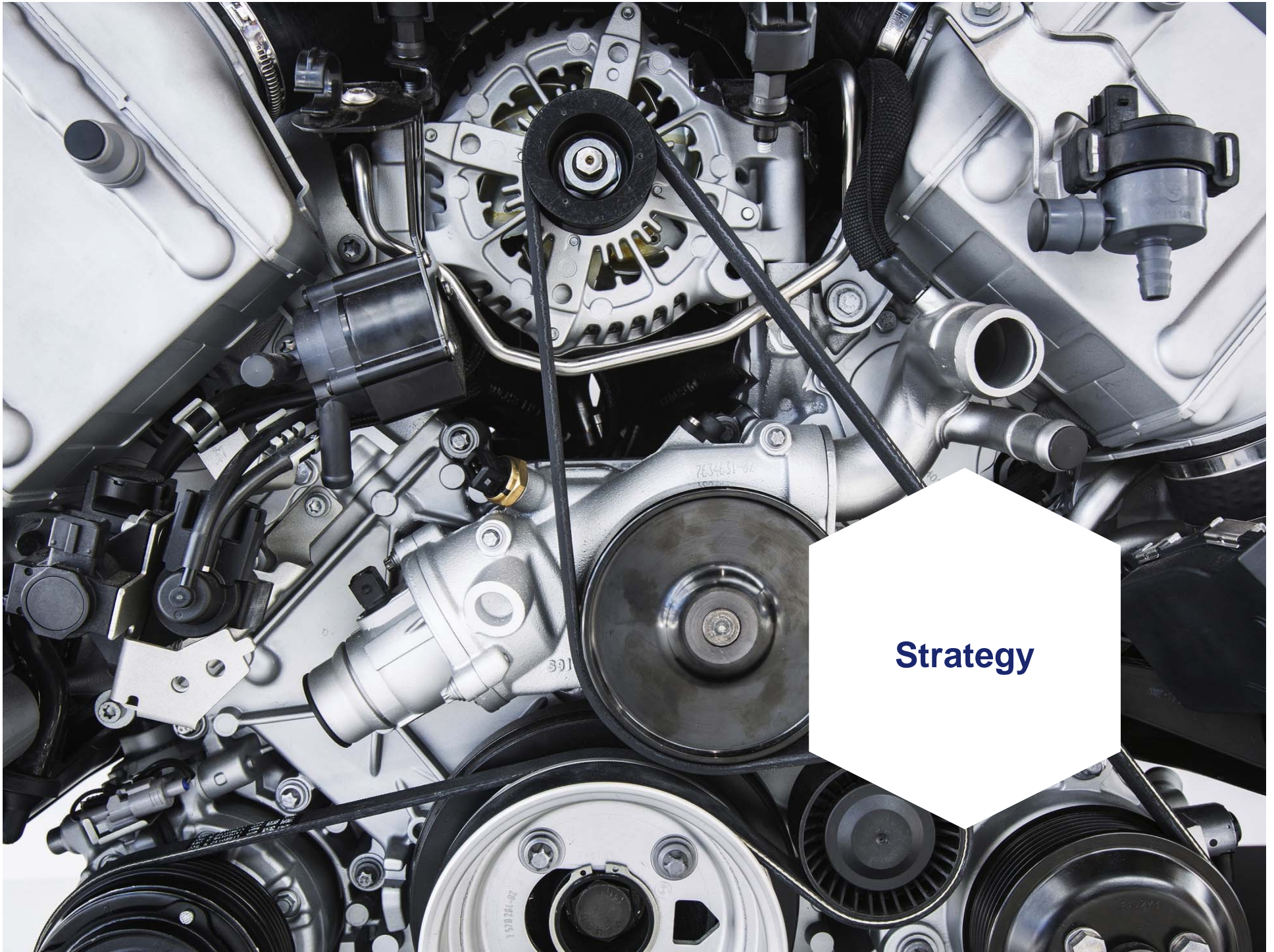


# AMG Global Footprint – Engineering

XI



 Headquarters     Sales office     Production Facility     Heat Treatment Services



**Strategy**



**AMG's strategy is to build its critical materials business through industry consolidation, process innovation and product development**

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**Industry Consolidation**

Pursue opportunities for horizontal and vertical industry consolidation across AMG's critical materials portfolio

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**Asset Dispositions**

Divest peripheral assets

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**Process Innovation & Product Development**

Continue to focus on process innovation and product development to improve the market position of AMG's core critical materials businesses

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# Strategic Priorities

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**Maintain a Conservative Balance Sheet**

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**Expand Market Share**

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**Optimize Value Chain Positioning**

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**Manage Innovations**

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**Drive Operational Excellence**

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**Maintain a Rigorous Commitment to HSE**

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## Progress in 2014

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**Reduced** net debt by \$72.7M (or 45%)

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**Signed** major long term supply contract with Snecma to provide titanium aluminides ("TiAl")

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**Executed** capacity reduction program in AMG Aluminum to address current market conditions

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**Reached** agreement to sell 40% equity stake in AMG Graphit Kropfmühl GmbH

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**Divested** non-core equity interests in Benda-Lutz-Alpoco and Bostlan SA

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**Signed** long-term supply agreement with Premium AEROTEC

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**Signed** MoU on a major nuclear waste treatment initiative

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# 2015 Financial Objectives

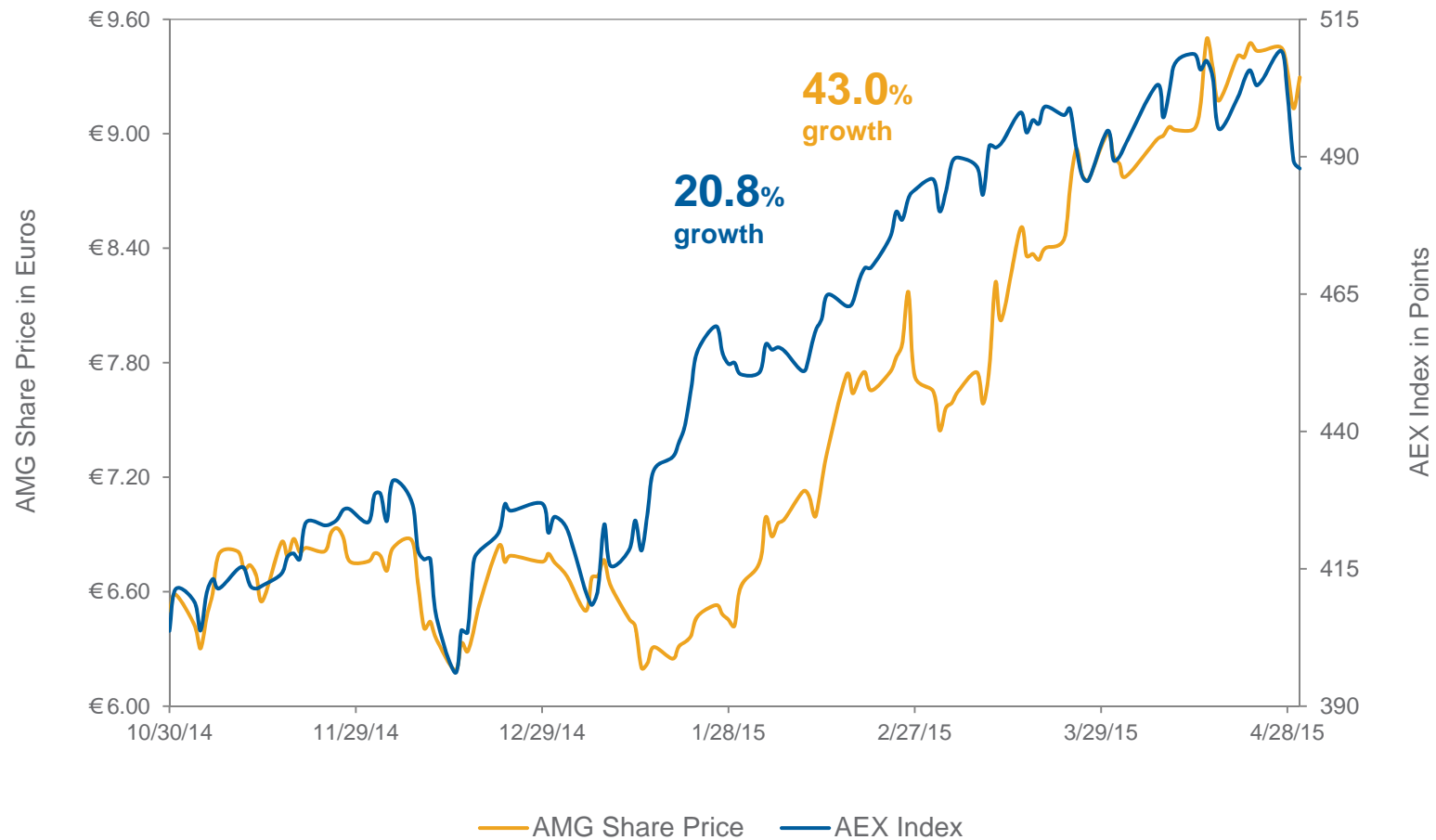
XV

Objective	Description
<b>Refinance</b>	<ul style="list-style-type: none"><li>• Complete syndicated bank debt refinancing by end of Q2 2015</li></ul>
<b>Maintain Conservative Balance Sheet</b>	<ul style="list-style-type: none"><li>• Optimize capital structure for financial flexibility</li></ul>
<b>Complete AMG Engineering Cost Reduction Program</b>	<ul style="list-style-type: none"><li>• Implement new procurement optimization program and reduce headcount</li><li>• Annualized savings of approximately \$7M per year</li><li>• To be completed Q4 2015</li></ul>
<b>Improve ROCE</b>	<ul style="list-style-type: none"><li>• Increase ROCE through operational improvements and disciplined capital management</li></ul>
<b>Increase Productivity</b>	<ul style="list-style-type: none"><li>• Continuous cost and product mix optimization</li></ul>

**AMG aims to improve ROCE and complete refinancing in 2015**

# AMG Share Price vs. AEX Index – 6 Months

XVI



Note: AMG share price and AEX index values both consist of 6 months of historical data per Thomson One as of 4/30/2015.

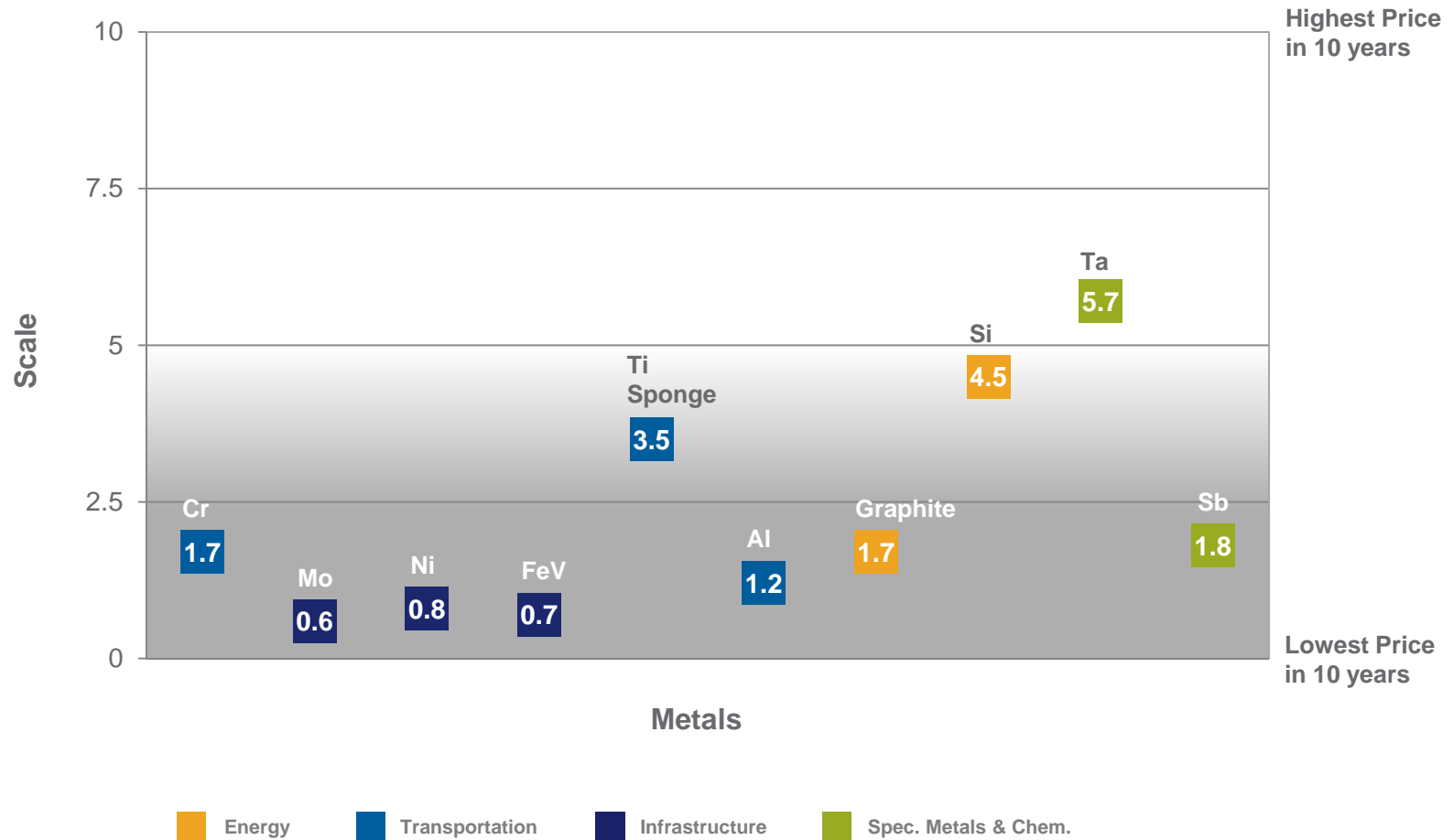




Outlook

# Final Word on Prices

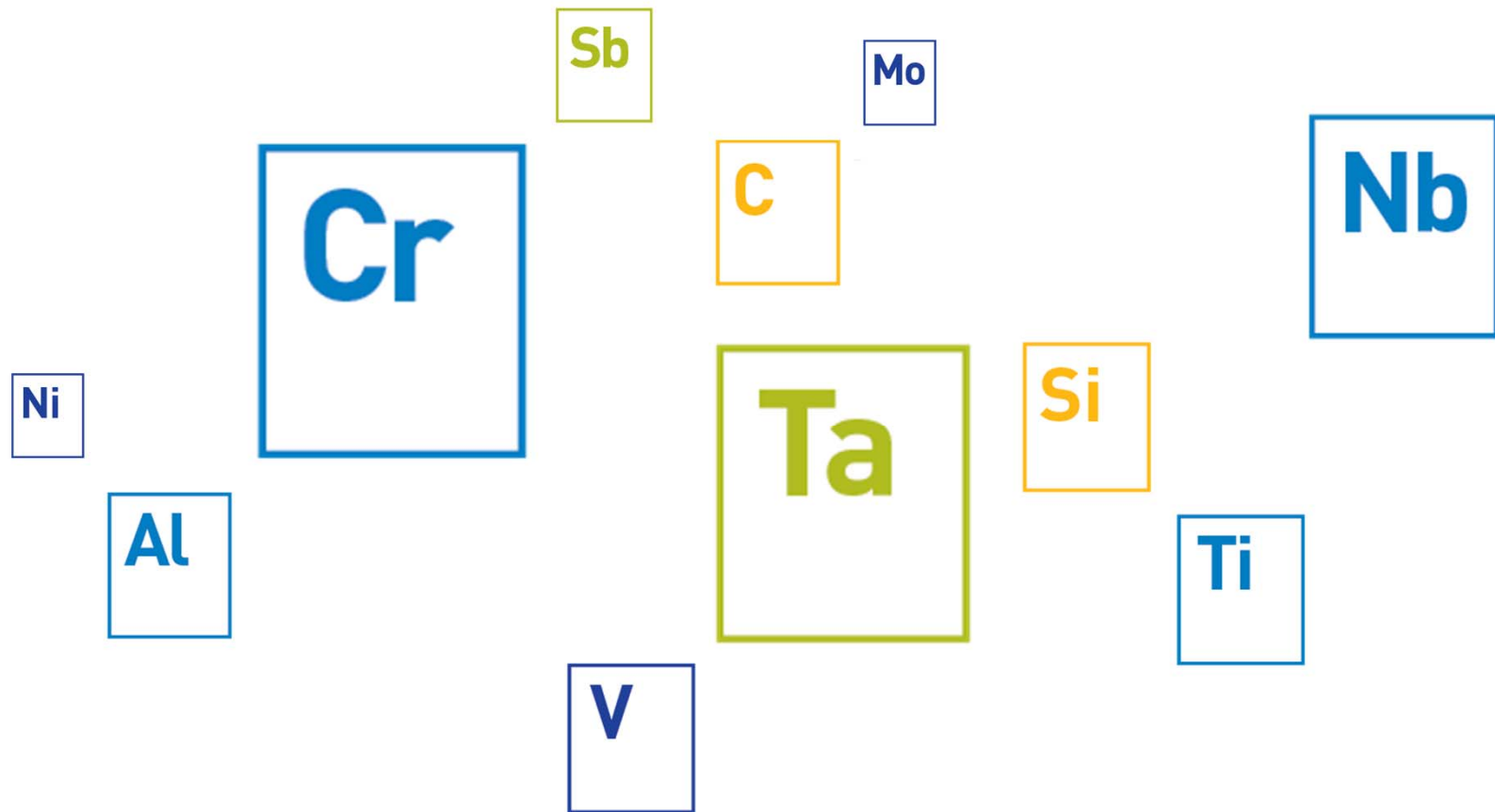
XVII



## 2015 Outlook

In this challenging environment, AMG will continue to reduce cost, optimize its product portfolio and maintain a conservative balance sheet.

Despite weakening metals prices and the unfavorable translation impact of foreign currency on reported earnings, AMG expects to generate EBITDA in-line with prior year and improve its return on capital employed.



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