

The Critical Materials Company

2015 Investor Day CFO Presentation June 25, 2015

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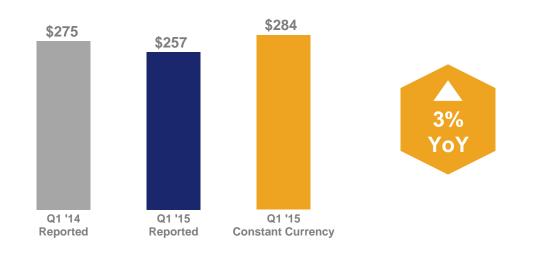
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Currency Translation Effect – USD to Euro

Revenue (in millions of US dollars)



EBITDA (in millions of US dollars)



- AMG's financial statements are prepared in US Dollars
- Large fluctuations in the exchange rate between the US Dollar and other currencies have a significant effect on reported results
- The appreciation of the US Dollar compared to the Euro in the first quarter of 2015 in relation to the first quarter of 2014 resulted in a reduction in revenue and EBITDA of approximately \$27 million and \$2 million, respectively



Q1 2015 at a Glance

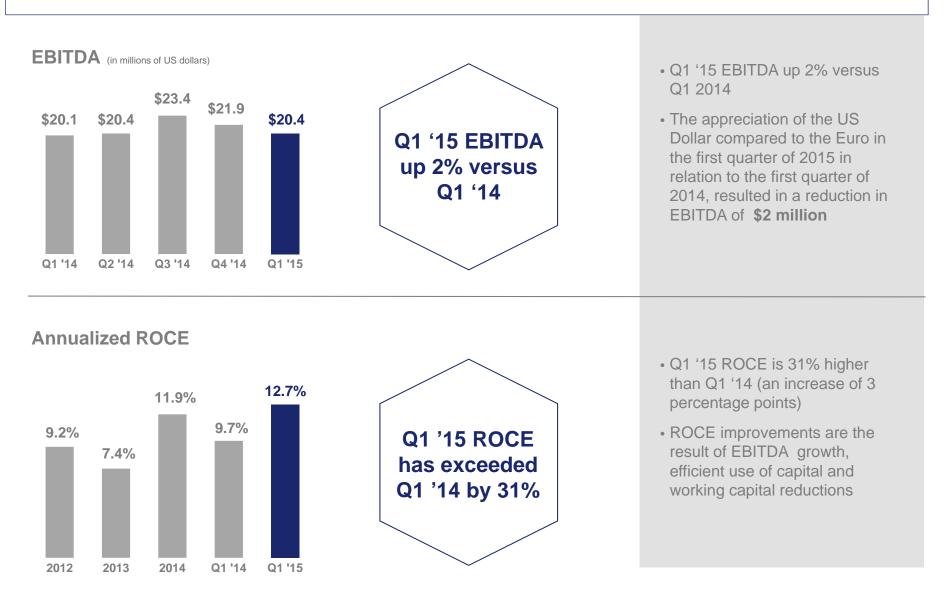
Amounts in \$M	Q1 2015	Q1 2014	% Change
Revenue	\$257.0	\$274.9	(6%)
Gross profit	\$43.3	\$46.4	(7%)
Gross margin %	16.8%	16.9%	N/A
EBITDA	\$20.4	\$20.1	2%
EBITDA margin %	7.9%	7.3%	8%
Net debt	\$86.8	\$160.9	(46%)
Return on Capital Employed (ROCE)	12.7%	9.7%	31%
Net Income Attributable to Shareholders	\$2.7	\$3.9	(32%)
Earnings per share	\$0.10	\$0.14	(29%)

- Q1 2015 EBITDA increased by 2% compared to Q1 2014
- Annualized ROCE increased to 12.7% in Q1 2015, from 9.7% in Q1 2014
- Net debt: \$86.8 million
- -\$74.1 million, or 46%, reduction of net debt since Q1 2014
- -Net debt to LTM EBITDA: 1.01x
- The appreciation of the US Dollar compared to the Euro in the first quarter of 2015 in relation to the first quarter of 2014 resulted in a reduction in revenue and EBITDA of approximately \$27 million and \$2 million, respectively

Net debt down 46% since Q1 2014

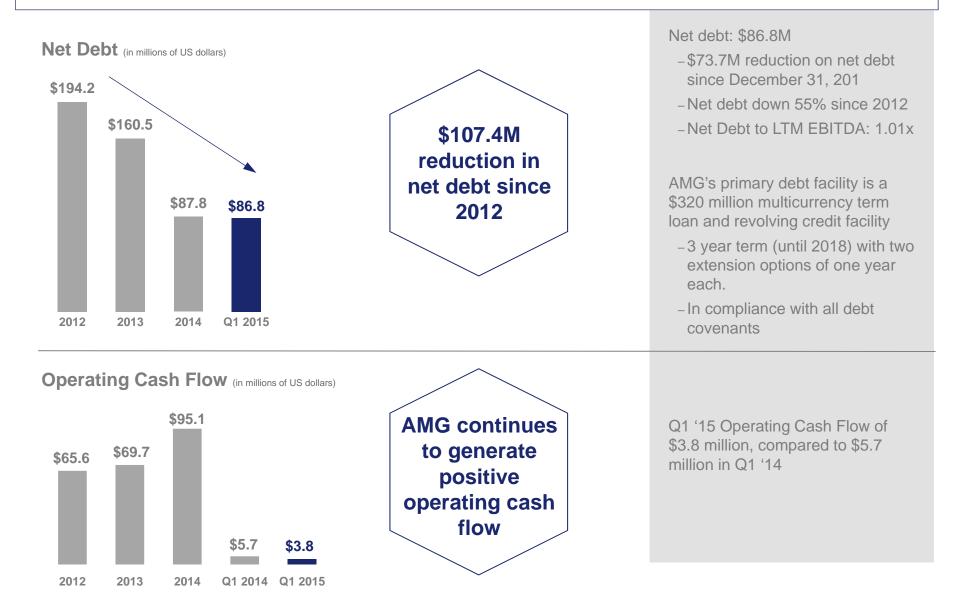


Financial Data: ROCE & EBITDA



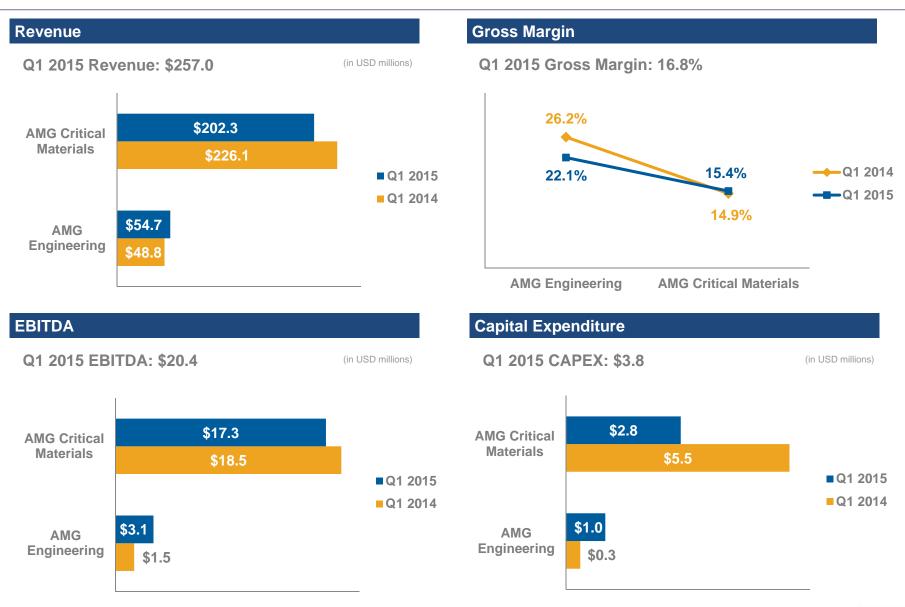


Financial Data: Net Debt & Operating Cash Flow



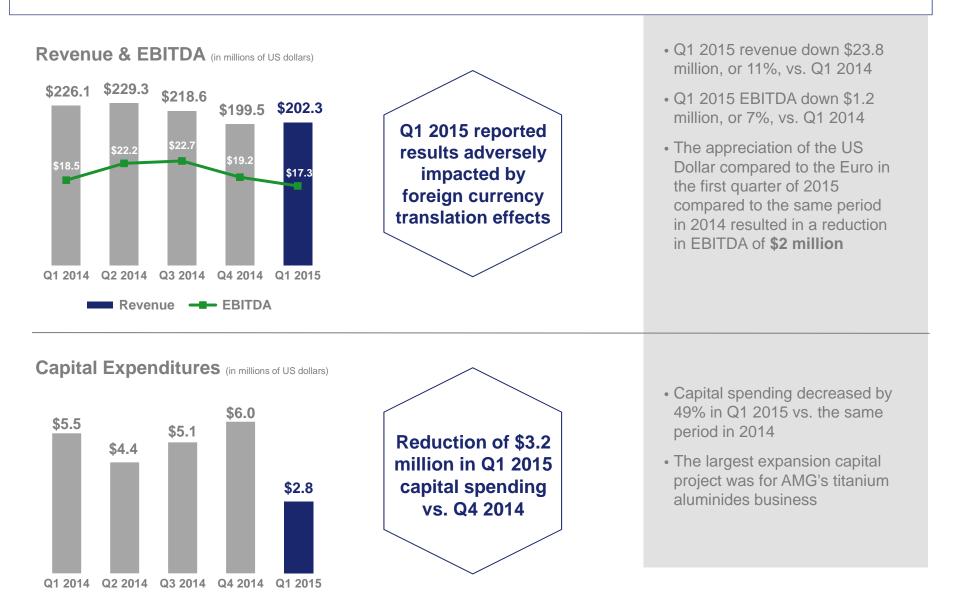


Divisional Financial Highlights – Q1 2015 v Q1 2014





AMG Critical Materials





Critical Material Prices

Materials	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q1 '15 vs. Q1 '14 % Change
Aluminum (\$/MT)	\$1,708	\$1,798	\$1,987	\$1,966	\$1,799	5%
Chrome (\$/lb)	\$4.46	\$4.48	\$4.52	\$4.50	\$4.50	1%
Ferrovanadium (\$/lb)	\$13.09	\$13.50	\$12.74	\$12.80	\$11.32	-14%
Ti Sponge (\$/kg)	\$10.00	\$10.00	\$10.00	\$10.00	\$9.61	-4%
Antimony (\$/MT)	\$9,762	\$9,602	\$9,408	\$9,000	\$8,089	-17%
Graphite (\$/MT)	\$950	\$950	\$950	\$977	\$950	Unchanged
Silicon (cents/lb)	\$131	\$138	\$144	\$146	\$144	10%
Tantalum (\$/lb)	\$79	\$88	\$97	\$87	\$82	4%



AMG Critical Materials – Revenue Drivers

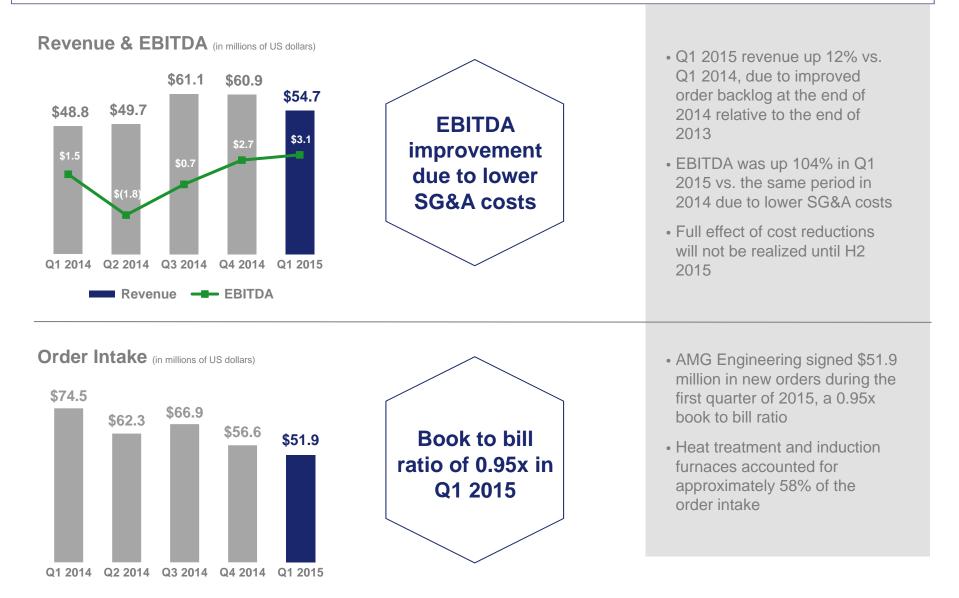
Key Product	Q1 '15 Rev (\$M)	Q1 '14 Rev (\$M)	Volume	Price	Currency
FeV & FeNiMo	\$30.3	\$29.7		+	n/m
Al Master Alloys & Powders	\$49.2	\$61.0	+	•	Ŧ
Chromium Metal	\$22.4	\$21.7	•	n/m	n/m
Tantalum & Niobium	\$15.8	\$10.5		n/m	n/m
Titanium Alloys & Coatings	\$20.6	\$29.0	+	ŧ	➡
Antimony	\$27.3	\$32.7		-	+
Graphite	\$14.9	\$17.4		n/m	➡
Silicon Metal	\$21.5	\$23.8		n/m	➡

- Higher sales volumes were achieved in all operating units in Q1 2015, with the exception of AMG Aluminum
- AMG Aluminum sales volume decreased due to planned capacity reductions implemented in Q1 2014
- AMG Vanadium, AMG Antimony and AMG Titanium Alloys and Coatings revenues were adversely impacted by falling materials prices compared to the same period in 2014
- Revenue generated from AMG's European based operating units were impacted by fluctuations in the exchange rate between the US Dollar and the Euro
- Tantalum and Silicon Metal revenues are largely unaffected by changes in market prices, as sales are made under fixed-price contracts

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AMG Engineering





2015 Financial Objectives Update

Financial Objective	Description	Progress Update	
Refinance	 Complete syndicated bank debt refinancing by end of Q2 2015 	Completed May 2015	
Maintain Conservative	 Optimize capital structure for financial flexibility 	 Net debt of \$86.8 million at end of Q1 2015 	
Balance Sheet		 Further reduction in net debt expected in Q2 2015 	
Complete AMG Engineering	 Implement new procurement optimization program and reduce headcount 	 Headcount reduction of 46 full time positions achieved in Q1 2015 	
Cost Reduction Program	 Annualized savings of approximately \$7 million per year 	 Expected headcount reduction of 100 full time positions during 2015 	
	• To be completed Q4 2015	 New strategic purchasing process expected to yield savings of approximately \$3 million per annum 	
Improve ROCE	 Increase ROCE through operational improvements and disciplined capital management 	 Q1 2015 ROCE 12.7% compared to 11.9% for full year 2014 	
Improve Gross Margin	 Increase productivity through continuous cost and product mix optimization 	 AMG Critical Materials Gross Margin increased to 15.4% in Q1 2015 from 14.9% in Q1 2014 	
		 AMG Engineering will benefit from improved project management and cost 	



reductions for the remainder of 2015



2015 Operational Highlights

AMG Critical Materials	 AMG Vanadium – increased Ferrovanadium sales volumes following successful capacity expansion completed in 2014
	 AMG Graphite – project underway to restart operations at Ancuabe mine in Mozambique in Q1 2016
	 AMG Graphite – production capacity increased by approximately 10% following commissioning of new mill in 2014
	 AMG Graphite – completion of sale of 40% Equity Stake in AMG Graphite
	 AMG Titanium Alloys and Coatings – sales of TiAl alloys ramping up under long term contracts signed in 2014; capacity expansion due to be completed in Q3 2015
	 AMG Silicon – reduction of operating costs achieved following upgrade of third furnace
	 AMG Antimony – strong performance driven by increased product differentiation, recycling activities and effective price risk management
AMG Engineering	 Stronger incoming order book resulted in higher Q1 2015 EBITDA and ROCE compared to Q1 2014
	 Order intake improving due to improving market conditions and weakening Euro
	 Successful in launching two new furnace product lines
	Syncrotherm
	Glass-forming furnaces
	 Cost reduction and project cost management system in process



Health and Safety Focus

Period Ending March	Lost Time Incidents in the Last 12 Months	12 Month Average Lost Time Incident Rate	12 Month Average Incident Severity Rate	
2014	48	1.82	0.29	
2015	32 🖊	1.30 🖊	0.19 🖊	



Leading Safety Indicators

- Lost time incidents over the 12 months ending March 2015 are down 33% from the previous 12 month period.
- Proactive reporting of unsafe conditions increased 22% compared to the 12 month period ending March 2014. Proactive reporting is an essential practice, enabling management to rectify unsafe conditions in order to prevent workplace injuries.

Rigorous commitment to safety reflected in continually improving safety records



Operating Principles and Policies

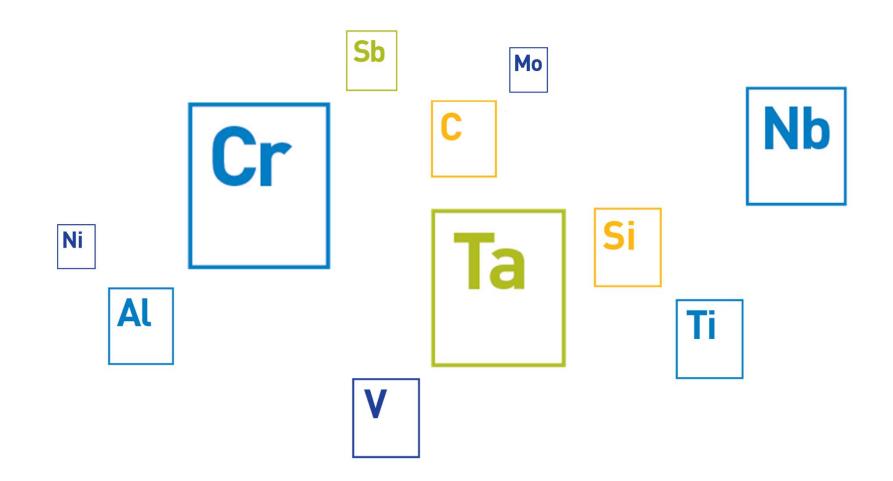
Principle/Policy	Description
Health and Safety	 Safe working practices are the core element of AMG's values. AMG's objective is to have zero injuries to our employees. This can only be achieved if management, at the highest level of every organization, takes personal responsibility for developing and promoting a culture of Safety First.
Business Ethics	 AMG has a written Code of Business Conduct that applies to all AMG employees. It is summarized as follows – We aim to create value, we respect people and we act with integrity.
Key Financial	 AMG's Key Financial Performance metrics are ROCE and Operating Cash Flow, which drive the quantitative financial targets the company establishes each year.
Performance Metrics	 AMG's Operational goal is to sustainably increase organic EBITDA and Operating Cash Flow.
	 AMG's Operating goals are to meet or exceed the approved Financial Plan, continuously improve productivity and lower our cost structure, transparently manage risk and create value through innovation and prudent investment.



Operating Principles and Policies (cont'd)

Principle/Policy	Description
Authority Levels	 Corporate and Financial approval procedures are established by AMG's Management Board and issued, maintained and audited for compliance by AMG's Chief Financial Officer. These policies and procedures are set to give business unit leaders the necessary autonomy to prudently manage their business and ensure that AMG's overall risk profile is appropriately controlled and managed.
Risk Management	 AMG and its business units prepare quarterly risk reports. The objective of this practice is to highlight and quantify the significant risks that each business must manage or might encounter. This is an important discipline and each business unit/company head must be intimately involved in the preparation and review of their quarterly risk report and sign it.
	 It is the responsibility of each business unit to communicate important risks, exposures and events up their reporting lines in an open and timely manner.







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