

ENABLING A GREENER FUTURE



AMG ADVANCED METALLURGICAL GROUP N.V.
HOULIHAN LOKEY PRESENTATION, May 17, 2018



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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

LEADER IN ADVANCED TECHNOLOGIES
TO ADDRESS CO₂ REDUCTION

CO₂ REDUCTION

A GLOBAL IMPERATIVE FOR THE 21ST CENTURY



AMG: MITIGATING TECHNOLOGIES

Products and processes saving raw materials, energy and CO₂ emissions during manufacturing
(e.g., recycling of Ferrovandium)

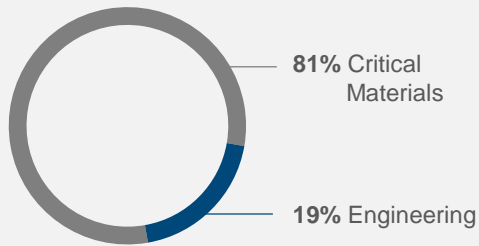
AMG: ENABLING TECHNOLOGIES

Products and processes saving CO₂ emissions during use
(e.g., light-weighting and fuel efficiency in the aerospace and automotive industries)

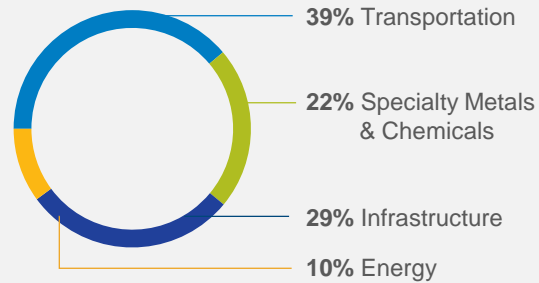
AMG AT A GLANCE

Q1 2018 REVENUE

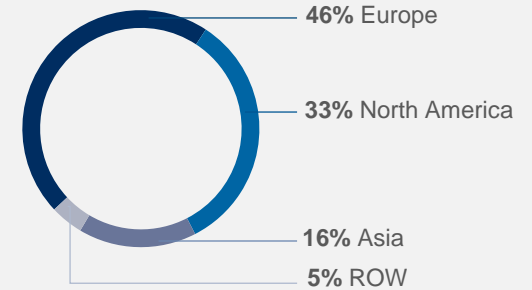
BY SEGMENT:



BY END MARKET:



BY REGION:



AMG IS A GLOBAL SUPPLIER OF CRITICAL MATERIALS TO:



ENERGY



TRANSPORTATION



INFRASTRUCTURE



SPECIALTY METALS AND CHEMICALS

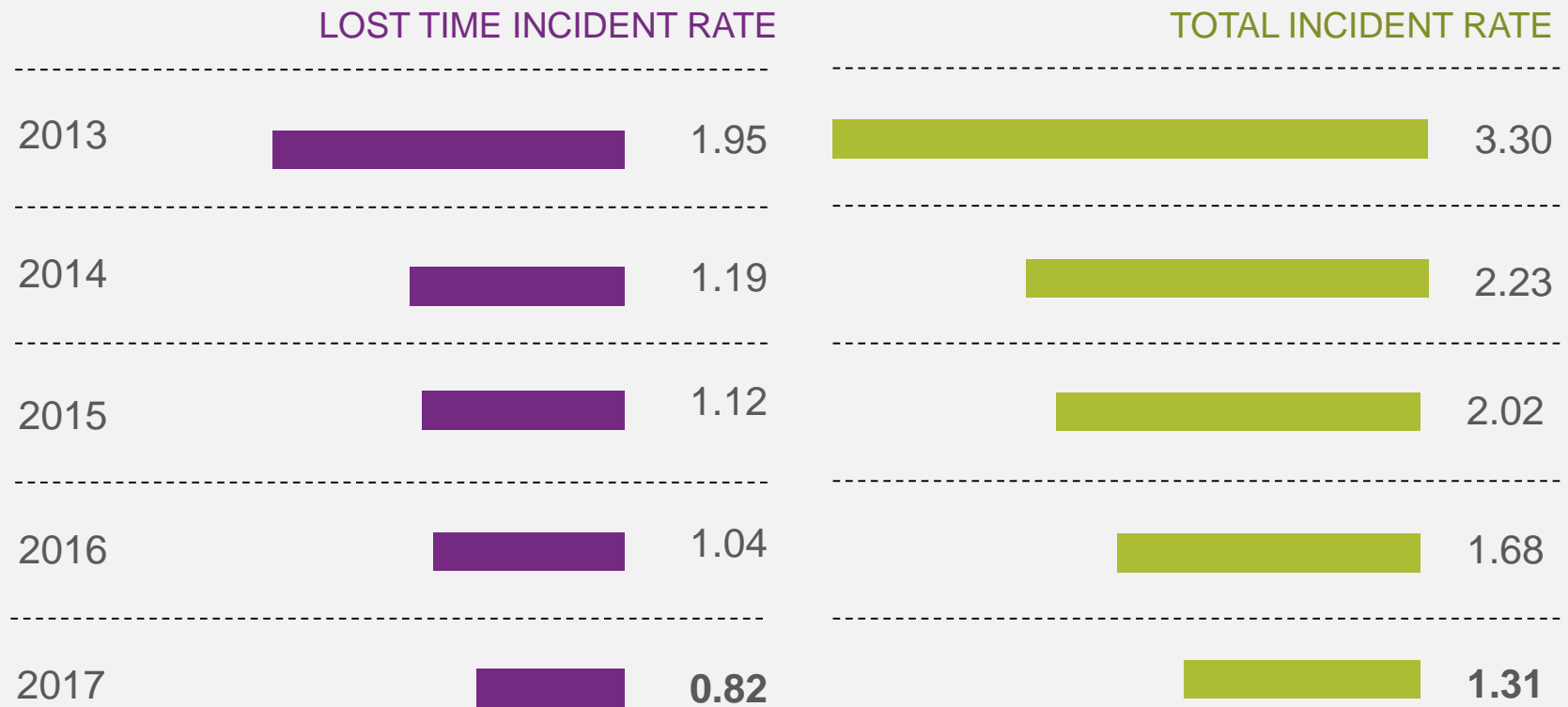
Market leading producer of highly engineered specialty metals and vacuum furnace systems

~**3,300**
Employees

~**\$1 billion**
Annual Revenues

At the forefront of
CO₂ Reduction

HEALTH AND SAFETY: SUSTAINED IMPROVEMENT



STRATEGIC HISTORY

2012



COST REDUCTION

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

2013



SUPPLY CHAIN EXCELLENCE

Competitive advantage through manufacturing and supply chain excellence, accelerating cost-reduction efforts

2014



SCALING PROFITABLE GROWTH

Properly positioned, financially and operationally, to pursue growth targets across portfolio

2015



PRODUCT MIX OPTIMIZATION

Streamlined operations and improved operating performance by eliminating low-margin product lines

2016 - 2017



TARGETED W/C & DEBT LEVELS

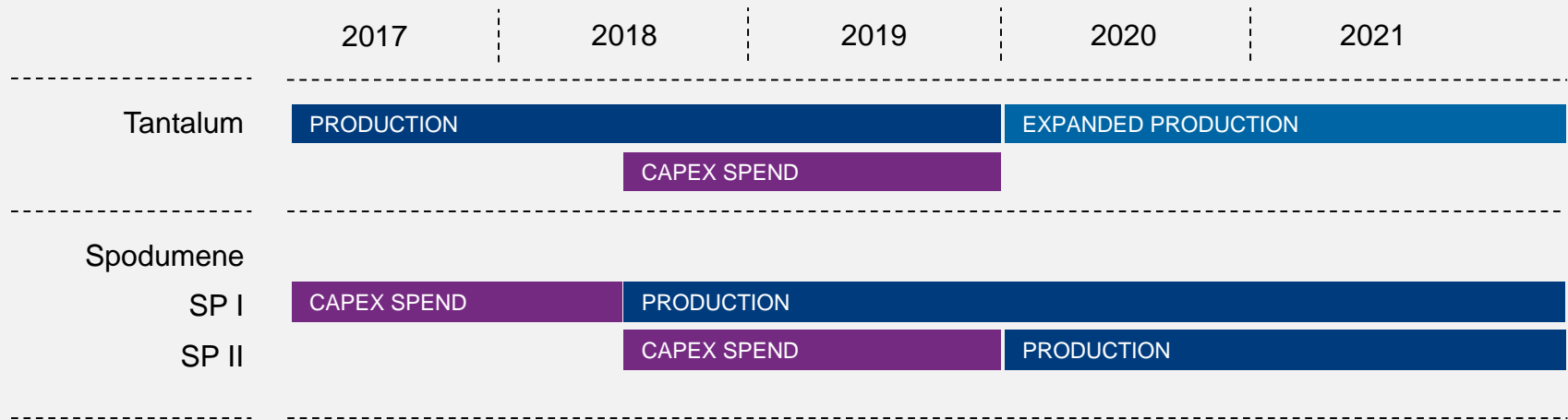
Further reduction in both working capital and net debt, strengthening the balance sheet

CURRENT STRATEGY



AMG CORE BUSINESS + A + B + C ≥ \$200M EBITDA (IN 5 YEARS OR LESS)

LITHIUM & TANTALUM BUILD OUT – MAY 2018 STATUS



Structured, sequenced approach to maximizing the value of our Mibra mine asset

LITHIUM PROJECT PHASES

PHASE I & PHASE II

LITHIUM CONCENTRATE PRODUCTION

LITHIUM CONCENTRATE PLANT I

Construction of a lithium concentrate plant to produce 90,000 mt of spodumene per year

Approved capex: \$50M

Start-up has commenced

LITHIUM CONCENTRATE PLANT II

Construction of second lithium concentrate plant, resulting in capacity expansion from 90,000 mt to 180,000 mt per year

*Approved capex: \$110M**

PHASE III

LITHIUM CHEMICAL PRODUCTION

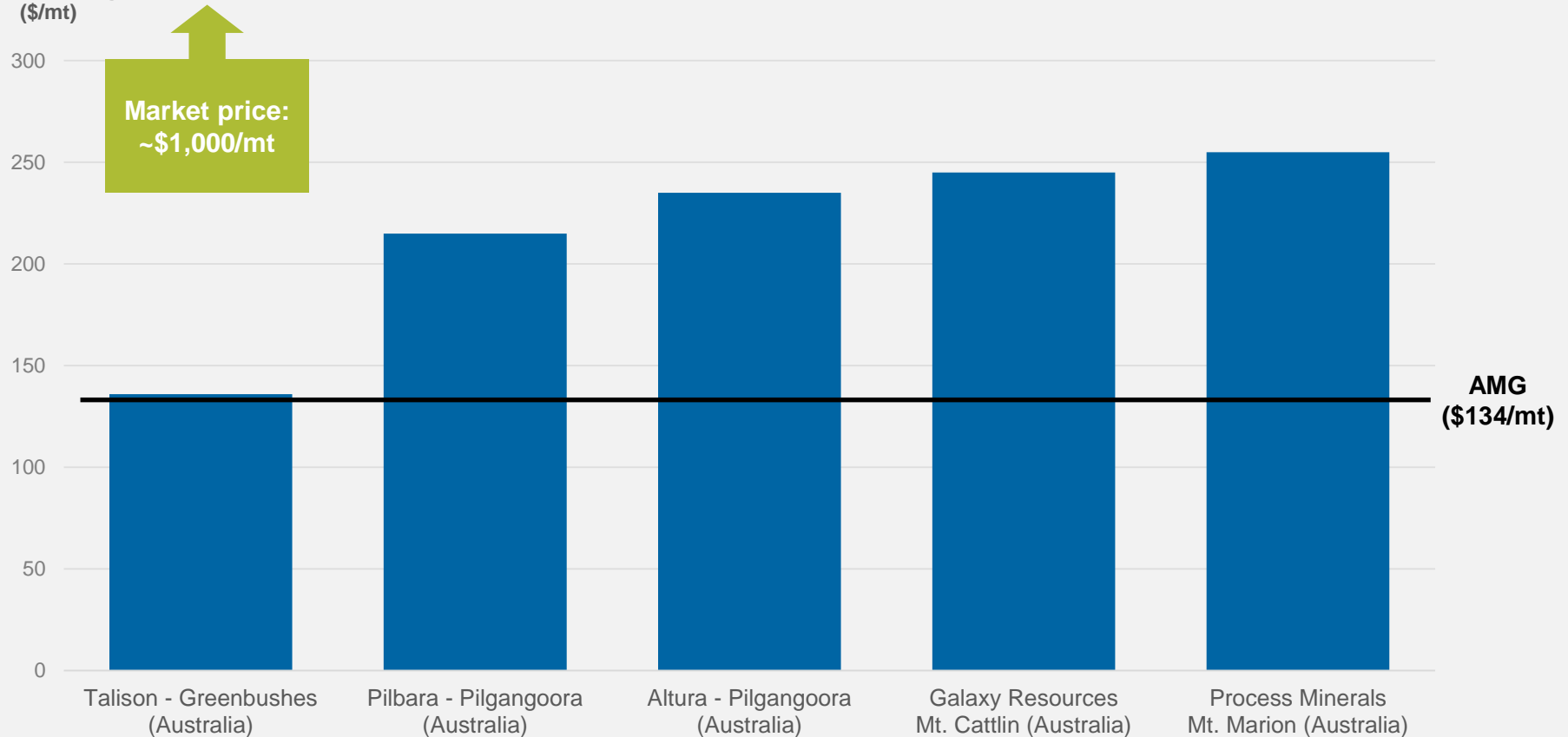
LITHIUM CHEMICAL PLANTS

Construction of lithium chemical plants for the downstream conversion of lithium concentrate into lithium carbonate

***Phase II capex includes investments related to the expansion of existing tantalum operations in addition to the development and expansion of the existing mining infrastructure**

OPERATING COSTS FOR SPODUMENE PRODUCTION

Operating costs for spodumene production, 2017
(\$/mt)



At current market prices, AMG's lithium concentrate projects (Spodumene I & II) would generate annual incremental EBITDA of ~\$130M at \$1,000/mt

AMG-VANADIUM: OHIO EXPANSION

Summary

- \$35M investment to expand total spent catalyst roasting capacity by 9,000 ST in Cambridge, Ohio facility
- 30% increase in roasting capacity to gold-standard recycling process – 99% of solids produced throughout process are saleable material
- Well aligned with attractive vanadium market dynamics

Strategic Rationale

Cement market-leading position in North America

Customers are looking for additional recycling capacity; expansion enables AMG-V to take on additional spent catalyst

Sourcing simplification and inventory reduction

Allows AMG-V to run 100% on roasted catalyst, simplifying sourcing process and significantly reducing inventory

Timeline

2018

- Basic engineering
- Environmental approval
- Detailed engineering and construction

2019

- Construction
- Commissioning (Q4)

2020

- Ramp-up and operation

AMG VANADIUM: GOING GLOBAL



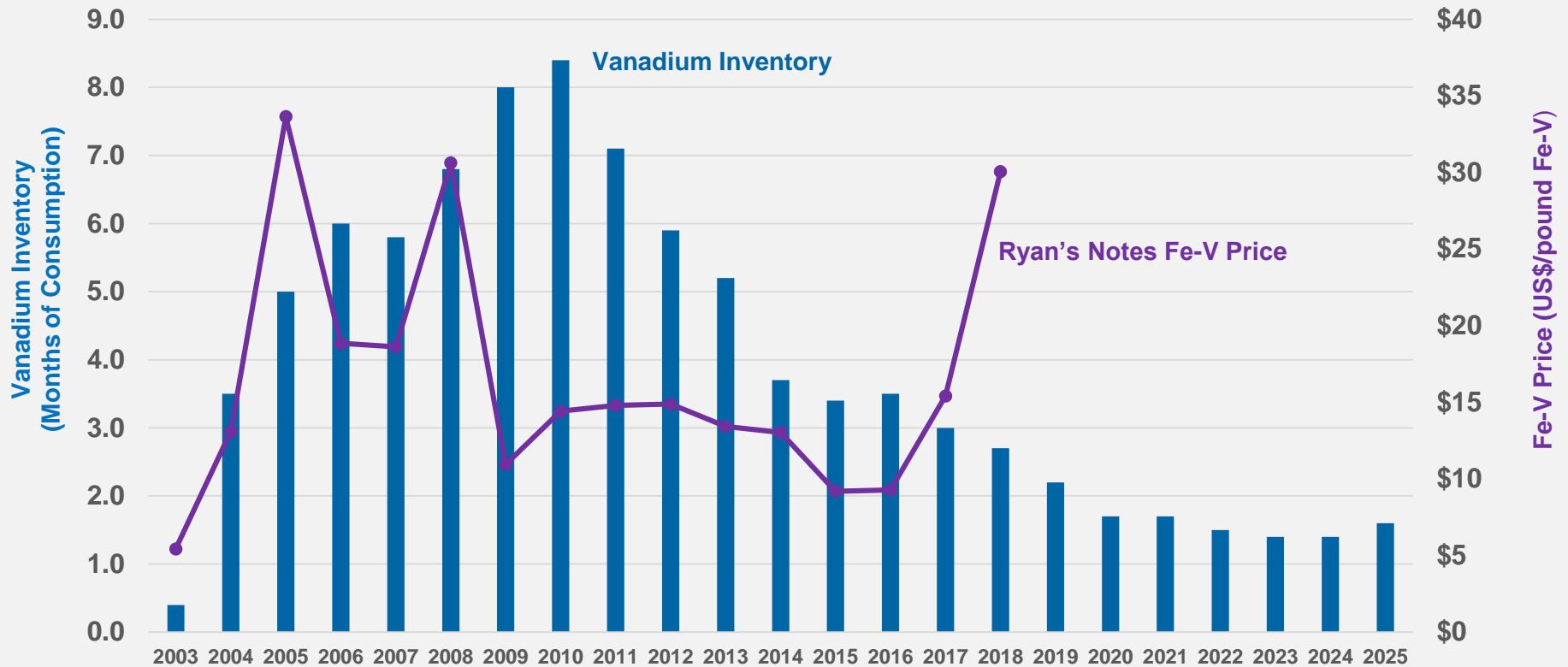
CRITERION
CATALYSTS & TECHNOLOGIES



Shell Global Solutions

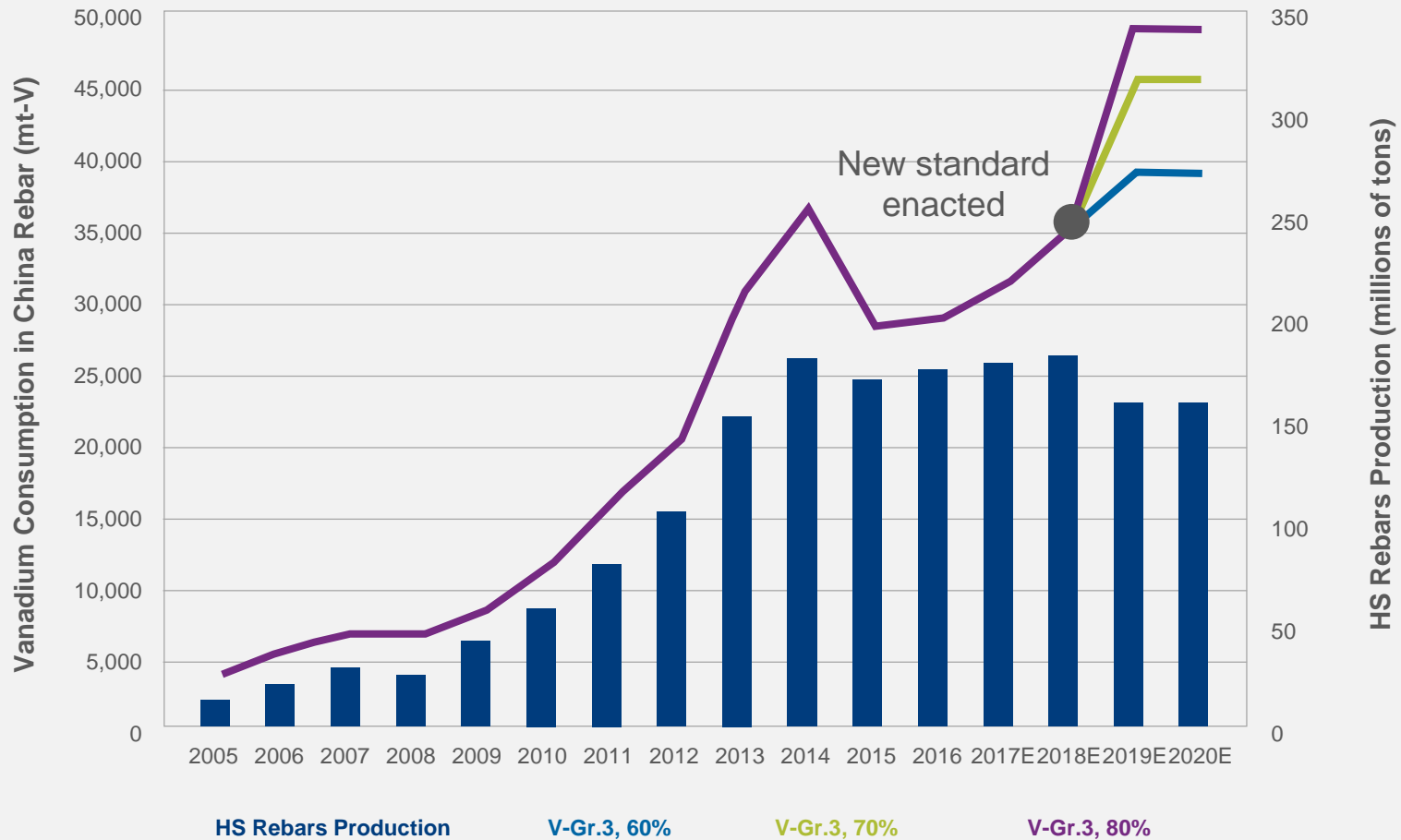
Partnership between two market leaders to develop a sustainable 'cradle-to-grave' solution for catalyst supply and reclamation

VANADIUM: INVENTORY VS FE-V PRICE

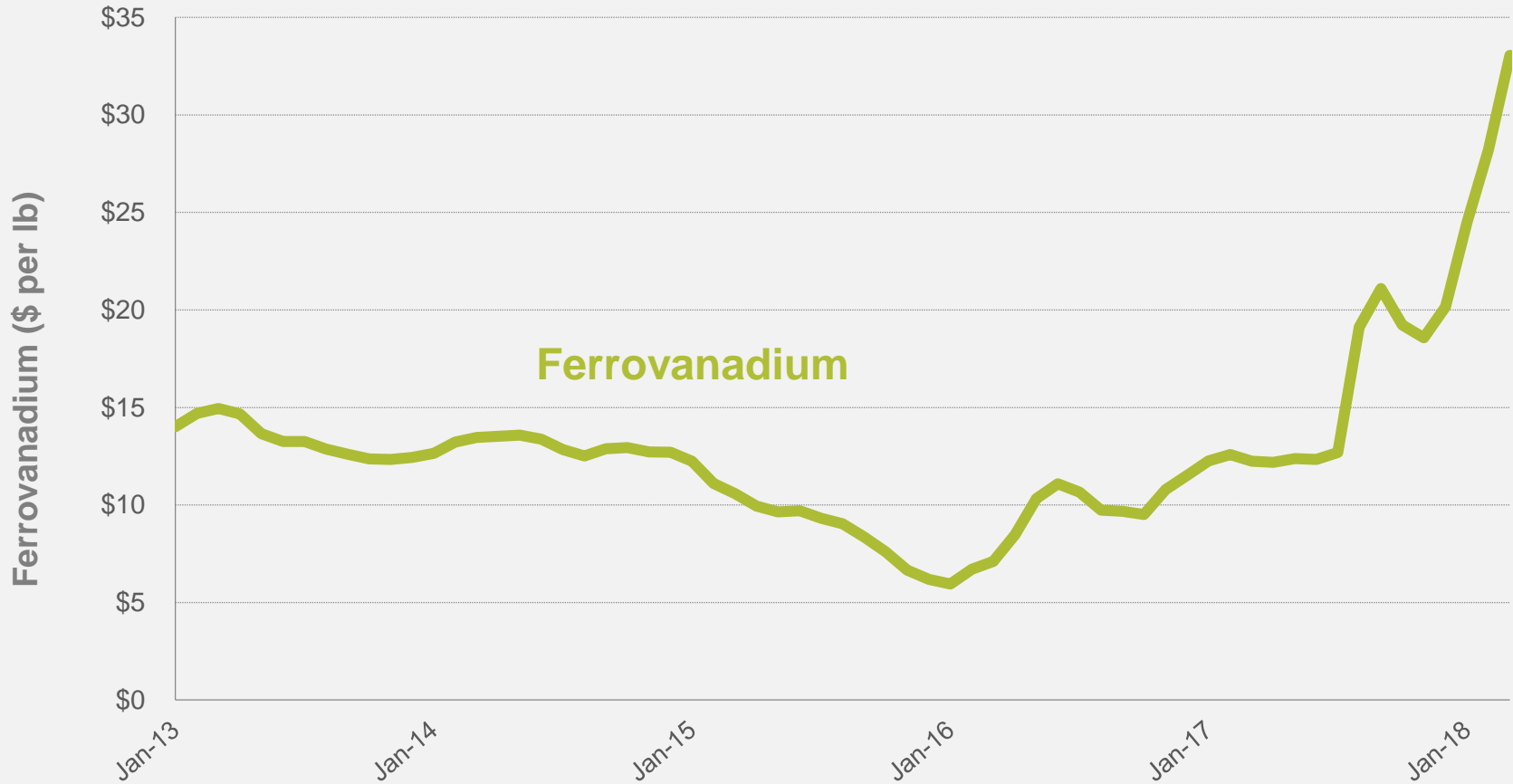


Slight under-supply position is forecasted to continue for the next several years, driving down global inventories to near-record lows

VANADIUM DEMAND: CHINESE REBAR



FERROVANADIUM: 5-YEAR PRICE TREND



FINANCIAL HIGHLIGHTS

REVENUE (IN MILLIONS OF US DOLLARS)



▲
20%
YoY

GROSS PROFIT (IN MILLIONS OF US DOLLARS)



▲
34%
YoY

EBITDA (IN MILLIONS OF US DOLLARS)



▲
35%
YoY

ORDER INTAKE (IN MILLIONS OF US DOLLARS)



▲
28%
YoY

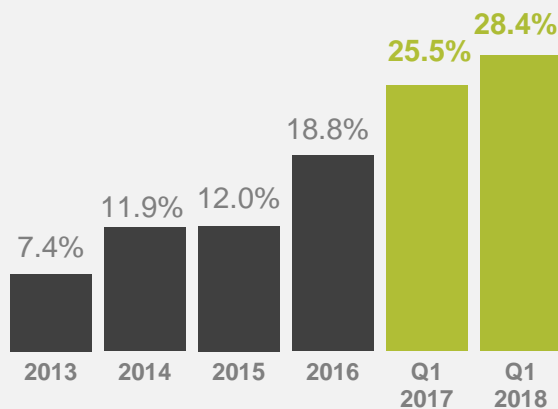
FINANCIAL DATA: ROCE & EBITDA

EBITDA (IN MILLIONS OF US DOLLARS)



Q1 '18 EBITDA
UP 35%
VERSUS Q1 '17

Annualized ROCE

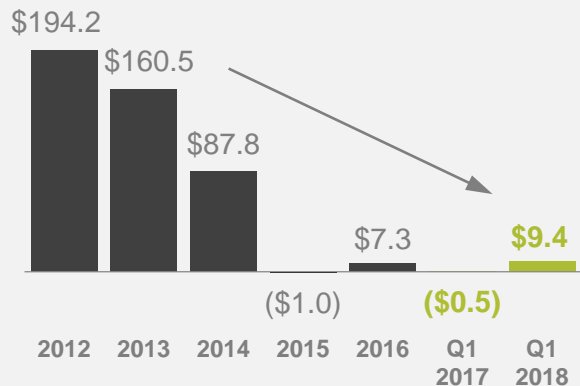


Q1 '18 ROCE
IMPROVED TO
28.4% FROM
25.5% IN Q1 '17

- Q1 '18 EBITDA up 35% versus Q1 '17 due to improved profitability within AMG Critical Materials
- Q1 2018 annualized ROCE improved to 28.4% from 25.5% in Q1 2017
- ROCE improvements are the result of efficient use of capital and improved profitability

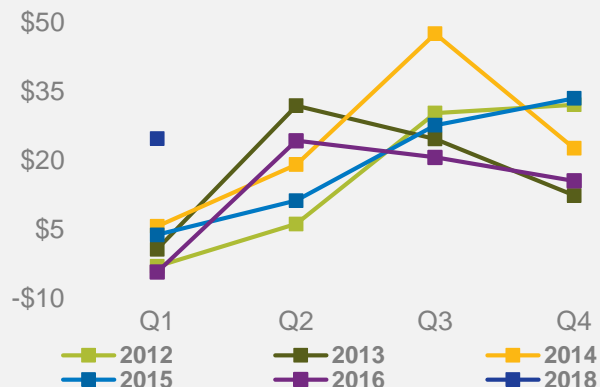
FINANCIAL DATA: NET DEBT & NET CASH FROM OPERATIONS

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



**\$185M
REDUCTION
IN NET DEBT
SINCE 2012**

OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)



**Q1 2018 OPERATING
CASH FLOW
OF \$24.8M**

- Net debt: \$9.4 million
 - \$184.8 million reduction of net debt since December 31, 2012
- AMG's primary debt facility is a \$650 million multicurrency term loan and revolving credit facility
 - \$350 million 7-year senior secured term loan B facility, a \$200 million 5-year senior secured revolving credit facility, and a \$100 million 5-year letter of credit facility to support AMG Engineering
 - In compliance with all debt covenants
- AMG generated cash from operating activities of \$24.8 million during Q1 2018, \$7.0 million higher than in Q1 2017

AMG CRITICAL MATERIALS

REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)



Q1 2018 EBITDA INCREASED BY \$11.4M OVER Q1 2017

CAPITAL EXPENDITURES (IN MILLIONS OF US DOLLARS)



INCREASE OF \$12.5M IN Q1 '18 VS. Q1 '17 DUE TO LITHIUM PROJECT

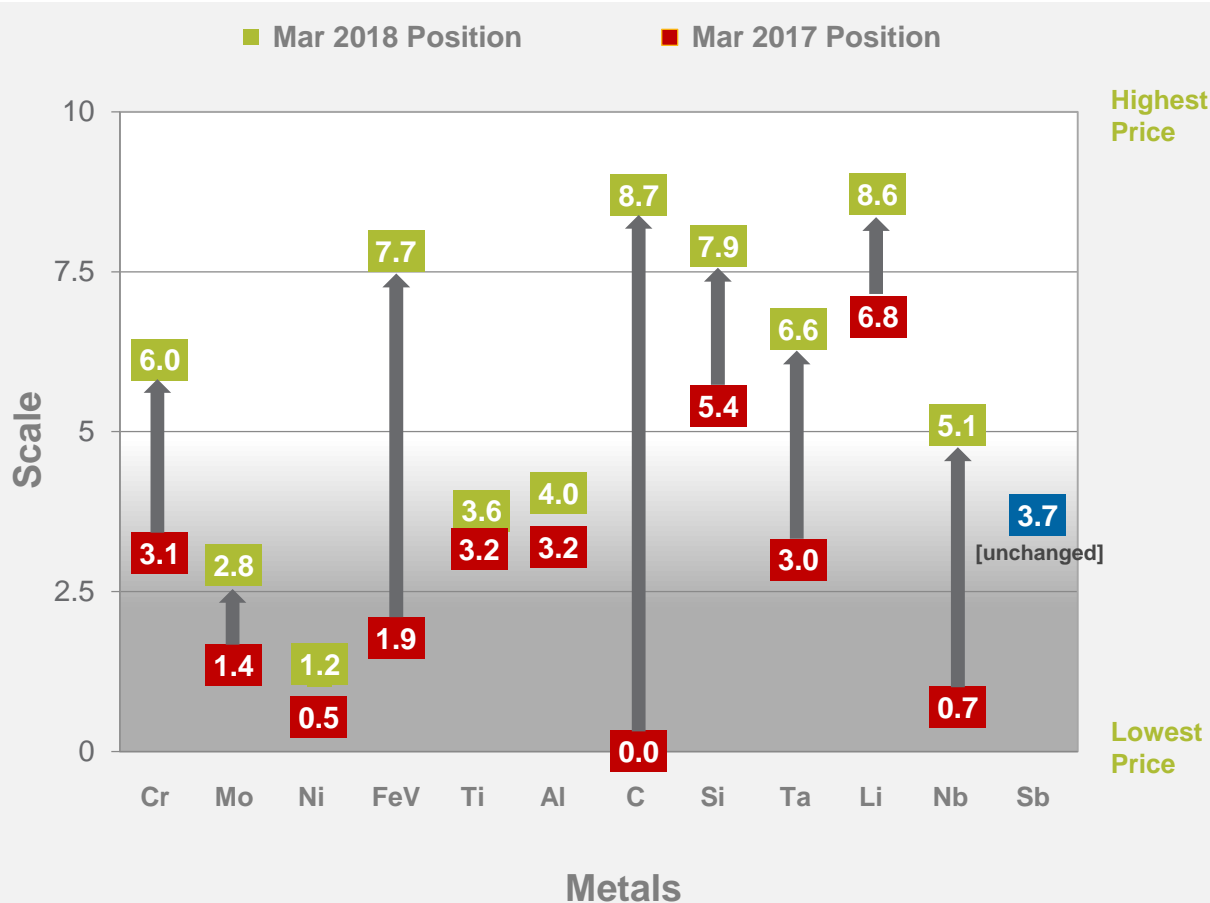
- Q1 2018 revenue of \$248.4 million was 28% higher than Q1 2017
- EBITDA increased by \$11.4 million over Q1 2017 to \$37.1 million in Q1 2018, driven primarily by higher vanadium and silicon metal prices, improved product mix and strong sales volumes
- Capital expenditures increased to \$22.0 million in Q1 2018 vs. \$9.5 million in Q1 2017
- The largest expansion capital project was AMG's lithium project in Brazil

AMG CRITICAL MATERIALS – QUARTERLY REVENUE DRIVERS

KEY PRODUCT	Q1 '18 REV (\$M)	Q1 '17 REV (\$M)	VOLUME	PRICE
FeV & FeNiMo	\$55.2	\$27.0	▲	▲
Al Master Alloys & Powders	\$51.1	\$43.4	▲	▲
Chromium Metal	\$26.0	\$21.3	▲	◀▶
Tantalum & Niobium	\$13.0	\$19.6	▲	▼
Titanium Alloys & Coatings	\$30.1	\$22.5	▲	▲
Antimony	\$28.2	\$25.4	▼	▲
Graphite	\$20.1	\$14.9	▲	▲
Silicon Metal	\$24.7	\$20.5	▼	▲

- AMG Critical Materials revenue in the first quarter increased by \$53.8 million, or 28%, to \$248.4 million
- This was driven by improved vanadium, silicon, aluminum, antimony, graphite and titanium prices, and higher sales volumes of vanadium, aluminum, chrome, graphite, tantalum and titanium products
- Lower tantalum sales prices were partially offset by higher sales volumes

CRITICAL MATERIALS PRICES: HISTORICAL PRICING



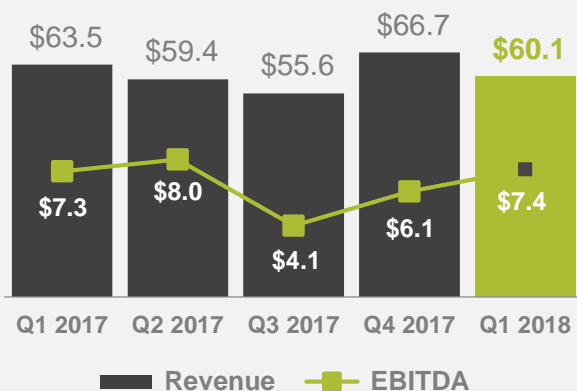
- Metal prices are measured on a scale of 0 to 10, with 0 and 10 representing the minimum and maximum average quarterly prices occurring since the end of 2005
- The positions demonstrate the current price level of each metal with respect to their various historical price points since the end of 2005

AMG's relevant prices have started to move out of the bottom quartiles

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 $[(\text{Dec '05 ending value} - \text{min. monthly avg}) / (\text{max. monthly avg} - \text{min. monthly avg}) * 10]$ where maximum and minimum monthly averages are measured over the period 31 Dec '05 through 31 Mar '18; graphite prices are per Benchmark Minerals, showing five year historical data.

AMG ENGINEERING

REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)



REVENUE DECLINED BY 5% VS. Q1 2017 DUE TO TIMING EFFECTS

ORDER INTAKE (IN MILLIONS OF US DOLLARS)

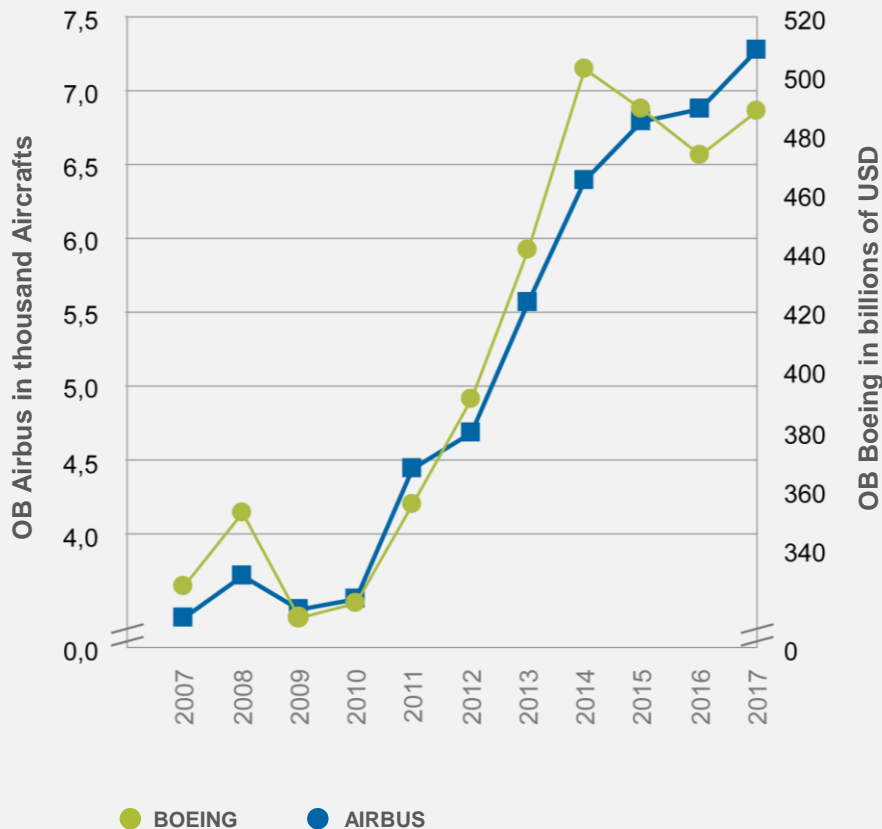


BOOK TO BILL RATIO OF 1.74X IN Q1 2018

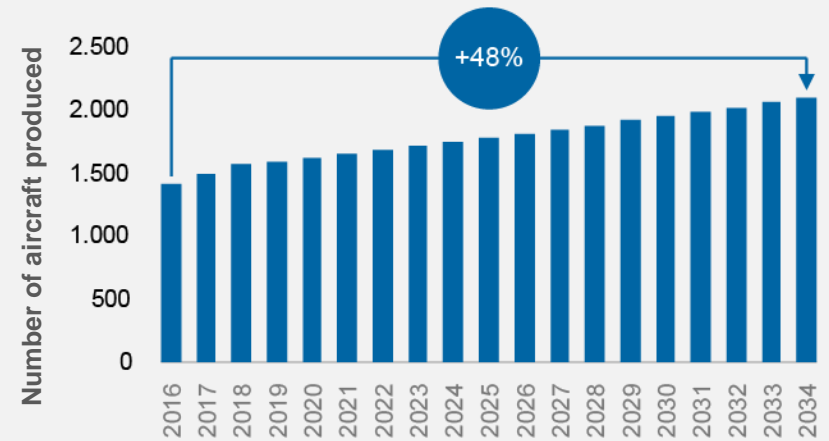
- EBITDA increased by \$0.1 million in Q1 2018 versus Q1 2017
- Revenue in the quarter was adversely impacted by timing effects, namely early stage engineering work underway on a number of large orders received in recent months
- Order backlog of \$255.8 million as of March 31, 2018, a 24% increase compared to December 31, 2017
- Signed \$104.8 million in new orders during Q1 2018, a 1.74x book to bill ratio

AEROSPACE: DRIVING GROWTH IN THE CORE BUSINESS

Development of Order Backlog



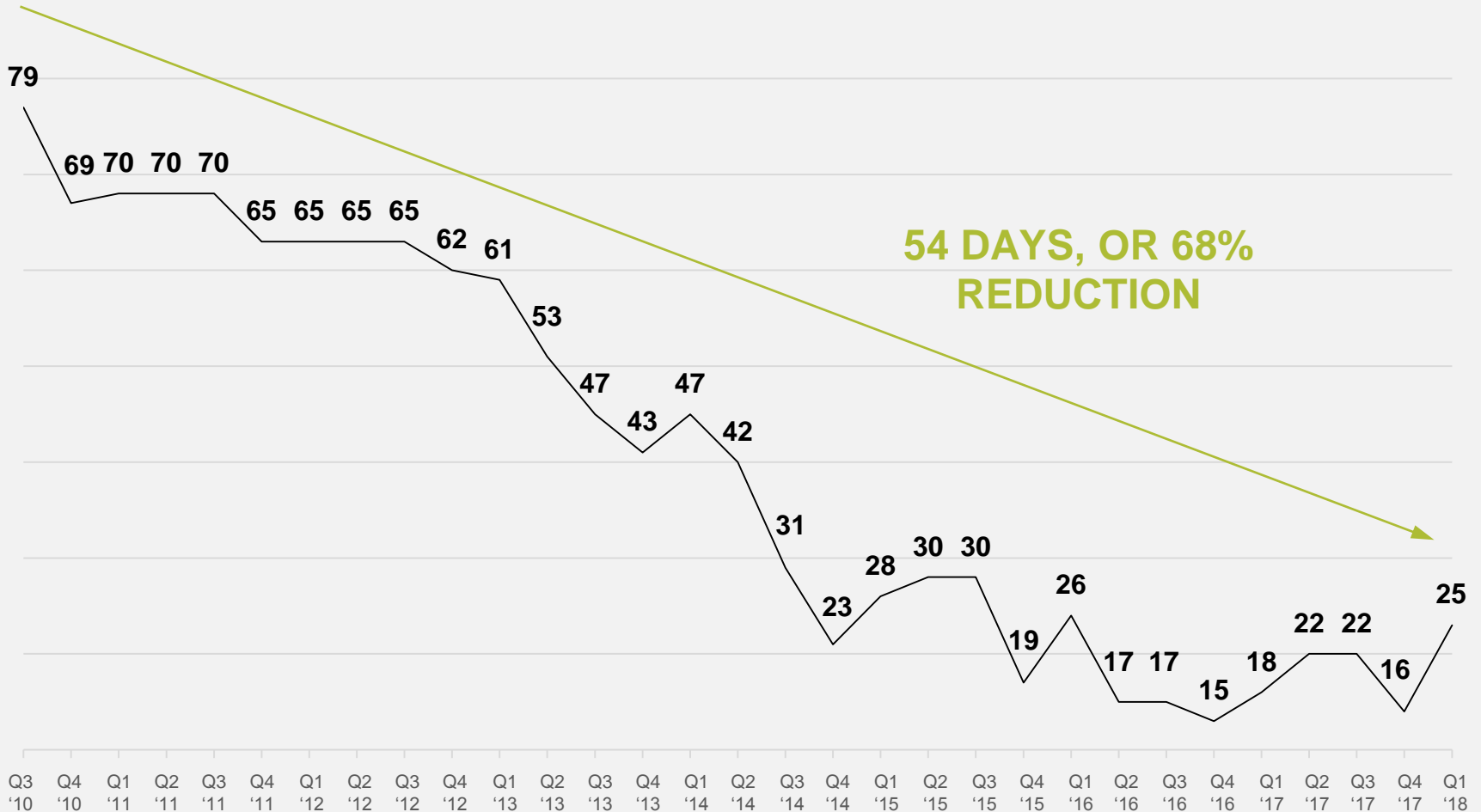
Forecasted Production Levels of Commercial Aircraft



Underlying fundamentals point to continued growth in this critical end market

WORKING CAPITAL REDUCTION

WORKING CAPITAL DAYS REDUCED BY 80% SINCE Q3'10



2018 OUTLOOK & LITHIUM PROJECT UPDATE

OUTLOOK

We believe we can achieve our goals earlier than previously expected and can commit to turning the present EBITDA level into \$200 million, or more, in the fiscal year ending December 31, 2020, or earlier.

As demonstrated in the first quarter of 2018, AMG expects full year 2018 EBITDA to improve considerably compared to the prior 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

Project is progressing in-line with expectations – commissioning has commenced as of May 15, 2018.

Phase I - Lithium Concentrate Plant 1: our first lithium concentrate plant has now commenced start-up and will reach full name-plate operating capacity of 90,000 tons per annum of lithium concentrate in the fourth quarter of 2018.

Phase II - Lithium Concentrate Plant 2: work on our second lithium concentrate plant is also well underway and we expect to complete detailed engineering and commence construction in the third quarter of 2018. Furthermore, we expect to begin production by the end of 2019.

Phase III - Lithium Carbonate: we are preparing a definitive concept to move downstream into the production of lithium chemicals, to capture the incremental value associated with this part of the value chain. We look forward to providing further updates in due course.

Management's priority in 2018 is to execute on our highly accretive lithium project