

ENABLING THE CIRCULAR ECONOMY

FINANCIAL PRESENTATION | MAY 2020

ANNUAL GENERAL MEETING



AMG ADVANCED
METALLURGICAL GROUP N.V.

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2019 Financial Review

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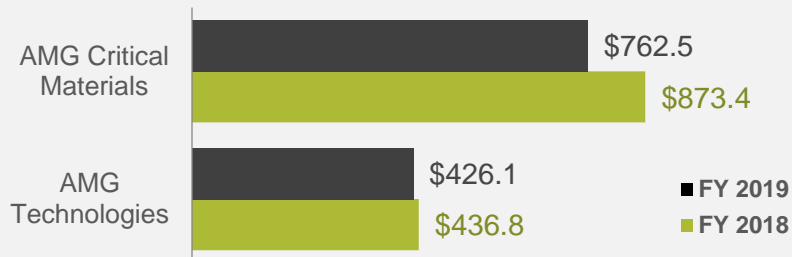
Operational Update 9



DIVISIONAL FINANCIAL HIGHLIGHTS – FY 2019 VS. FY 2018

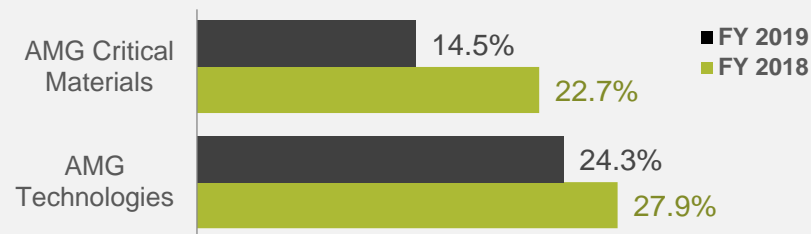
REVENUE

FY 2019 \$1,188.6 MILLION
 FY 2018 \$1,310.3 MILLION



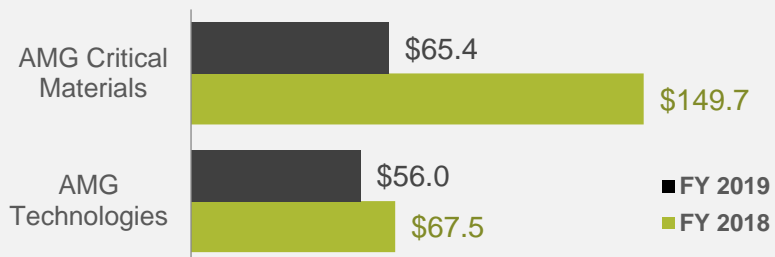
ADJUSTED GROSS MARGIN

FY 2019 18.0%
 FY 2018 24.5%



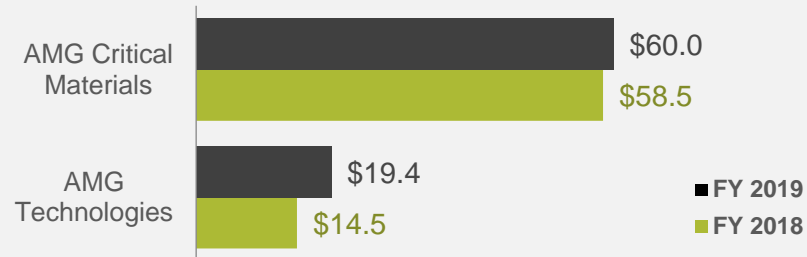
EBITDA

FY 2019 \$121.4 MILLION
 FY 2018 \$217.1 MILLION



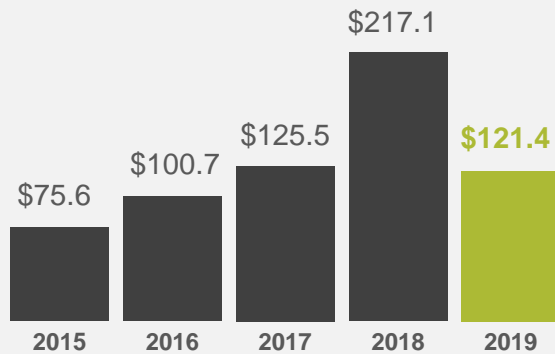
CAPITAL EXPENDITURE

FY 2019 \$79.4 MILLION
 FY 2018 \$73.0 MILLION



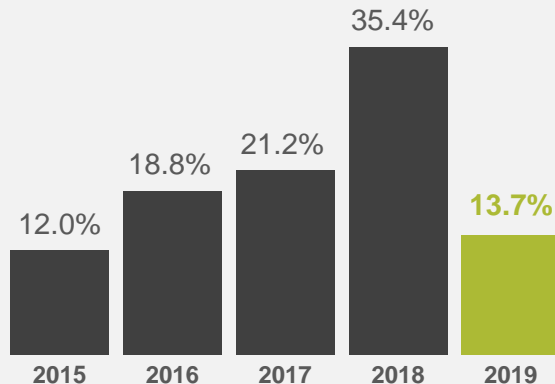
5-YEAR TREND: EBITDA & ROCE

EBITDA (IN MILLIONS OF US DOLLARS)



▼
44%
YoY

Annualized ROCE



▼
61%
YoY

- 2019 EBITDA is down 44% largely due to the unprecedented fall in critical materials prices across the AMG portfolio during the year

- 2019 annualized ROCE decreased to 13.7% from 35.4% in 2018, due to lower profitability as a result of price decreases

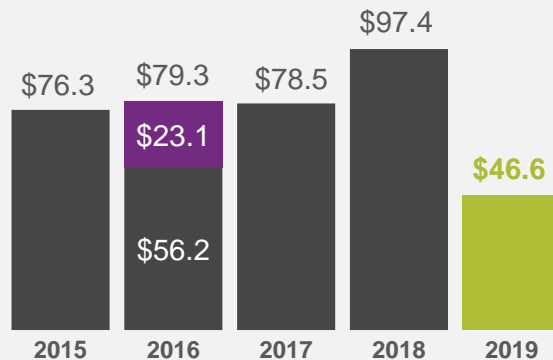
5-YEAR TREND: NET DEBT & OPERATING CASH FLOW

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



AMG Returned Over \$100M to Shareholders During 2019

OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)



■ Pension contribution

▼
52% YoY

- Net debt at year end: \$162.9 million
- 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
 - €85 million of bilateral letter of credit facilities to support AMG Engineering
 - In compliance with all debt covenants
- AMG generated cash from operating activities of \$46.6 million during 2019

Q1 2020 FINANCIAL HIGHLIGHTS

Revenue: \$278M

- AMG Critical Materials segment provided 57% of the Company's revenue for the quarter and AMG Technologies generated 43%.
- Revenue was down relative to the prior year mainly due to the decline in metal prices across the portfolio, especially vanadium.

EBITDA: \$22M

- The EBITDA decline relative to the same quarter in the prior year was driven by decreased profitability in our vanadium business and our titanium alloys and coatings business offset by increased profitability in graphite and silicon.

ROCE: 7.7%

- The decline in return on capital employed is driven by the lower profitability noted above and significant capital investments in vanadium and lithium which are in the construction phase.

Q1 2020 FINANCIAL HIGHLIGHTS

AMG Critical Materials

- Revenue: \$159.2 million
 - Adjusted gross profit: \$20.0 million
 - 13% decrease in SG&A versus Q1 2019
-

AMG Technologies

- Revenue: \$119.1 million
 - Adjusted gross profit: \$23.1 million
 - 9% increase in order backlog
-

March 31, 2020 Financial Position

- Cash: \$208.9 million
- Net debt: \$192.4 million
- Total liquidity: \$372.2 million

OPERATIONAL UPDATE 2019 – CURRENT

AMG Critical Materials

- Began the construction of a new catalyst recycling facility in Ohio which will essentially double our spent catalyst recycling capacity to 60,000 tons; to finance the expansion, AMG closed on a tax-exempt bond, generating proceeds of \$325 million
- Signed a long-term agreement to supply 100% of its available ferrovanadium production from both the existing and the future Ohio facilities to Glencore AG
- Entered into a 50/50 joint venture for the global expansion of catalyst recycling services: the joint venture company, Shell & AMG Recycling B.V., will provide a long-term sustainable solution for reclamation and recycling services to the global refinery industry
- Commenced basic engineering for a battery-grade lithium hydroxide facility: the new plant, subject to the necessary approvals, will operate with validated processes and be fed with technical-grade lithium hydroxide, enabling AMG to serve a key requirement of the European electric vehicle lithium battery market

OPERATIONAL UPDATE 2019 – CURRENT

AMG Critical Materials (cont.)

- Signed a memorandum of understanding with the Saudi Arabian General Investment Authority and Shell Overseas Services Ltd. to explore the feasibility of building a world-class facility to reclaim vanadium and other valuable metals by recycling spent residue upgrading catalysts generated by refineries in Saudi Arabia and the surrounding region

AMG Technologies

- Formed AMG Technologies by combining AMG Engineering's expertise in metallurgical process design & development and AMG Titanium Alloys and Coatings' industry-leading expertise in the development of metallurgical products, furnace operations, and quality assurance processes in order to accelerate innovation
- Completed its acquisition of the assets of International Specialty Alloys Division from Kennametal Inc.
- AMG Engineering successfully completed the installation of the first ceramic matrix composite ("CMC") vacuum furnace and passed the Final Acceptance Test at its customer's location; this customer acceptance represents a significant milestone in AMG Engineering's ongoing new product development program