



Investor Presentation
November 2014

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Overview

Exchange:	Euronext Amsterdam: AMG
LTM Q3'14 Revenues:	\$1,117.5M
LTM Q3'14 EBITDA:	\$74.4M
LTM Q3'14 Op Cashflow:	\$84.8M
Employees:	3,004
Market Cap:	\$224.3M
Enterprise Value:	\$328.2M
EV / EBITDA	4.4x
Shares outstanding:	27.6M
52 week range:	€5.55 – €8.25
Recent share price:	€6.50 (November 6, 2014)

Overview

AMG Processing

- AMG's conversion and recycling based businesses



- Metals & alloys
- Coating materials

AMG Mining

- Integrated AMG's mine based businesses



- Critical raw materials
- Concentrates

AMG Engineering

- AMG's vacuum systems and services business



- Capital equipment & service for high purity materials

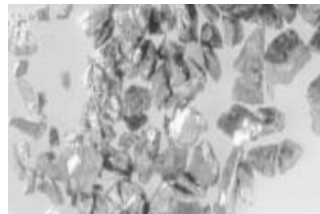
AMG Processing

AMG Processing – conversion and recycling operations

Value Proposition

- Aluminum grain refiners and master alloys for high performance materials in aerospace, automotive and infrastructure applications
- Ferrovanadium for high strength, low alloy steels for infrastructure; ferronickel-molybdenum for stainless steel
- Titanium master alloys for high performance, light weight aerospace engine and frame, and coating materials for aerospace turbines
- Chrome metal for stainless steel, electrical resistance wire, and superalloys

Key Products



Major Applications



AMG Mining

AMG Mining – mine based value chains

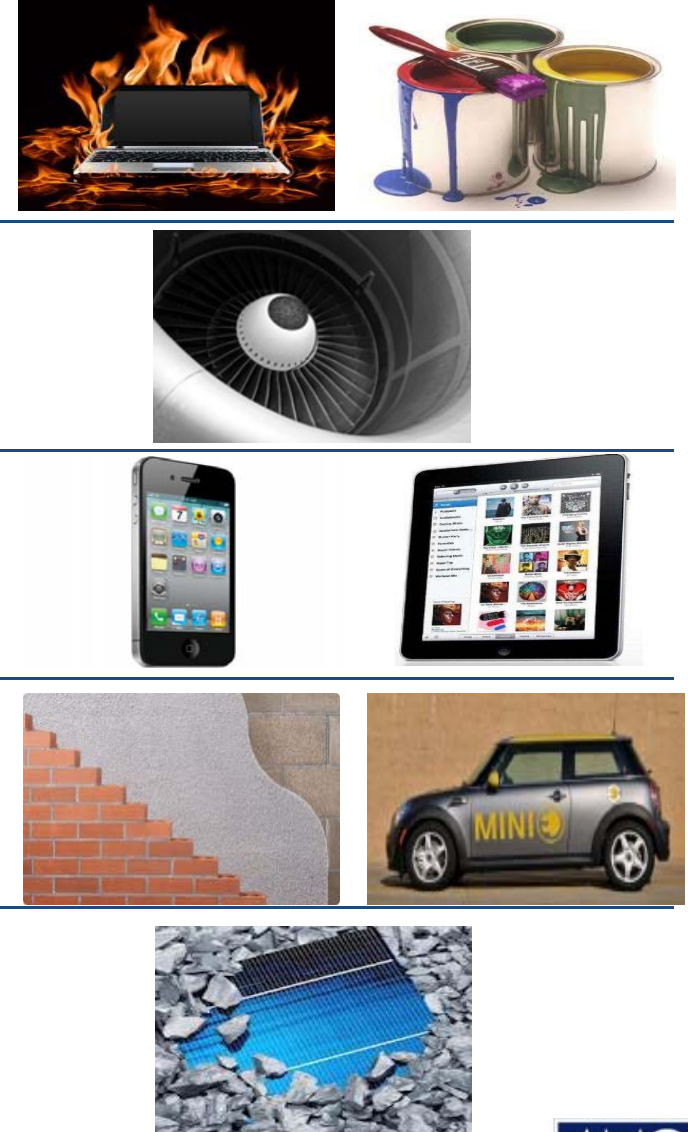
Value Proposition

- Antimony trioxide and master batches for flame retardant on electronics, paints, and plastics
- Tantalum and niobium superalloys for aerospace engines and industrial gas turbines
- Conflict-free tantalum concentrate for tantalum capacitors used on portable electronics
- Natural graphite for building insulation materials, energy storage, li-ion batteries for electrical vehicle, and lubricants
- Silicon metal for aluminum production and solar panel materials

Key Products



Major Applications



AMG Engineering

AMG Engineering – vacuum systems and services

Value Proposition

- Vacuum melting and re-melting furnaces for high-performance titanium, steel and alloys, and purification of rare metals and alloys



Key Products

Major Applications



- Vacuum heat treatment furnaces and services for high-performance materials of aerospace and automotive applications



- Vacuum coating furnace for aerospace turbine blade coatings

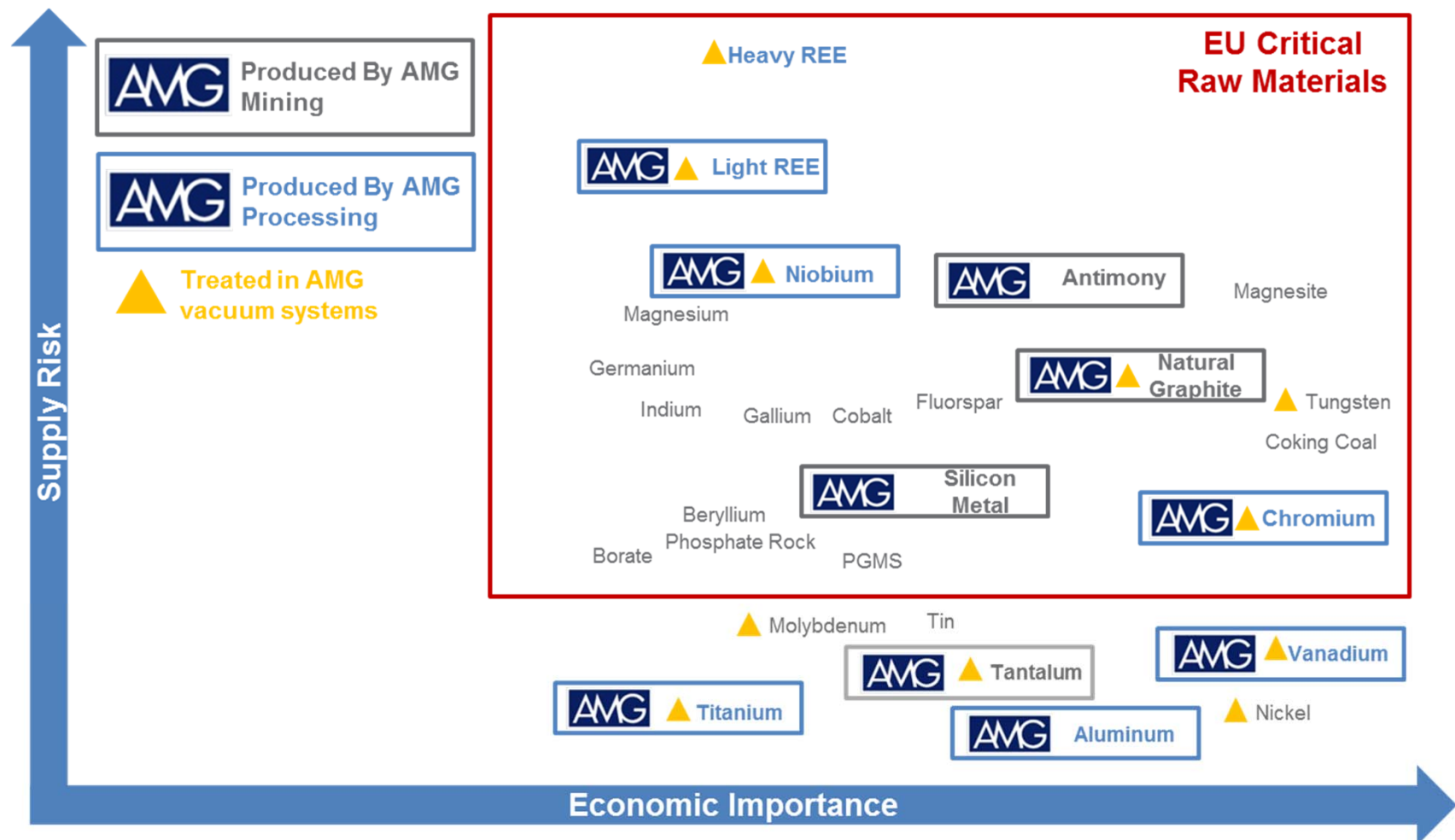


- Vacuum sintering and annealing furnaces for nuclear fuel productions



Critical Raw Materials

- The EU identified 14 critical raw materials* to the European economy in 2010 focusing on two determinants – economic importance and supply risk
- In 2014, EU updated to 20 critical raw materials* following the same methodology
- AMG produces 6 of the 20 EU critical raw materials



Operations

AMG is improving operational performance and cash flow

Objectives	Progress Update
Reduce SG&A	<ul style="list-style-type: none">■ YTD'14 SG&A increased by 2%<ul style="list-style-type: none">■ Increased incentive compensation due to improved profitability
Improve Gross Margin	<ul style="list-style-type: none">■ YTD'14 Gross Margin 16.7%■ Q3'14 Gross Margin up 6% for AMG Processing■ Q3'14 Gross Margin up 5% for AMG Mining
Increase Operating Cash Flow and Improve ROCE	<ul style="list-style-type: none">■ YTD'14 Cash Flows from Operations \$72.5M, versus \$57.3M YTD'13■ YTD '14 Record free cash flow \$55.5M■ Annualized ROCE of 11%
Reduce Gross and Net Debt	<ul style="list-style-type: none">■ Net Debt declined by \$56.7M, or 35%, compared to Dec.'13■ More efficient use of capital will result in a further reduction of gross debt and interest expenses in Q4 '14

The background of the slide is a photograph of an industrial setting. On the right side, there is a large, vertical coil of metal, possibly copper or steel, with many layers visible. On the left side, there is a robotic arm with a bright orange protective sleeve. The scene is dimly lit, with a bright light source visible in the background, creating a bokeh effect. The overall tone is industrial and professional.

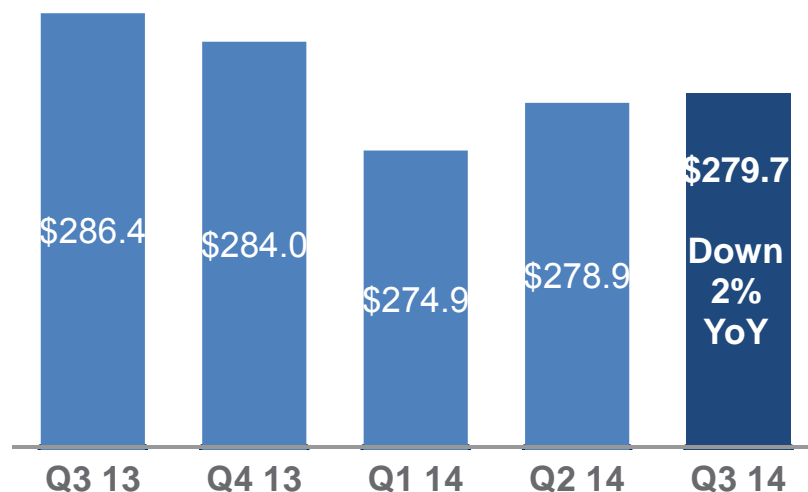
Financial Highlights

Financial Highlights

Revenue

LTM Q3 2014: \$1,117.5

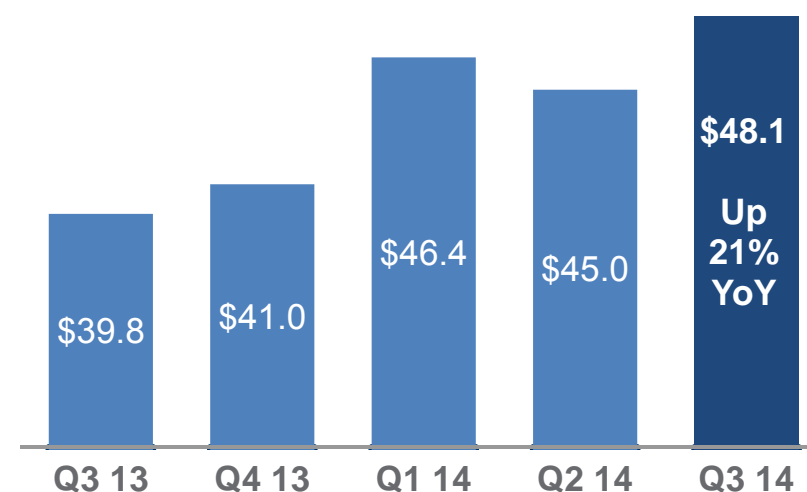
(in USD millions)



Gross Profit

LTM Q3 2014: \$180.5

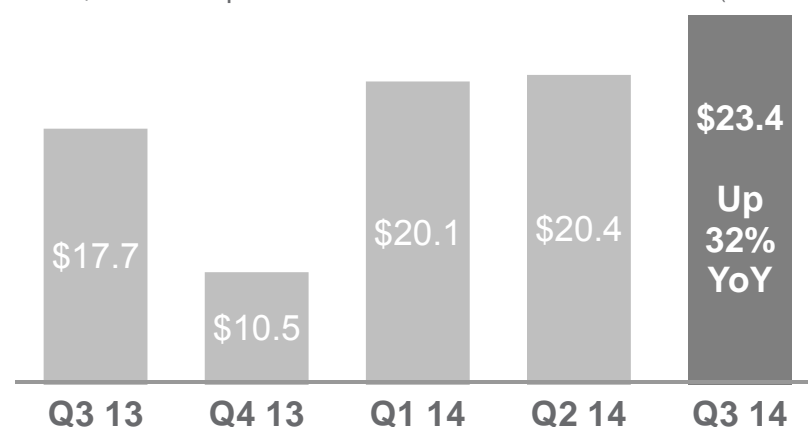
(in USD millions)



EBITDA

LTM Q3 2014: \$74.4

(in USD millions)



Adjusted EPS

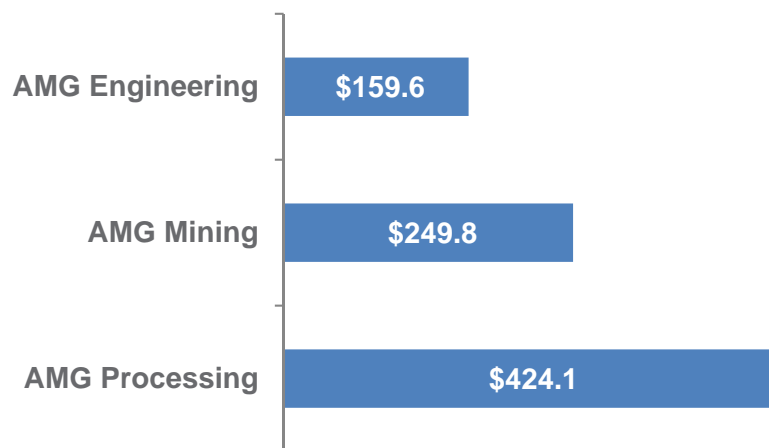
- Q3 2014 fully diluted EPS: \$0.12
 - Up 140% from \$0.05 in Q3 2013
- YTD EPS \$0.53

Financial Highlights

Revenue

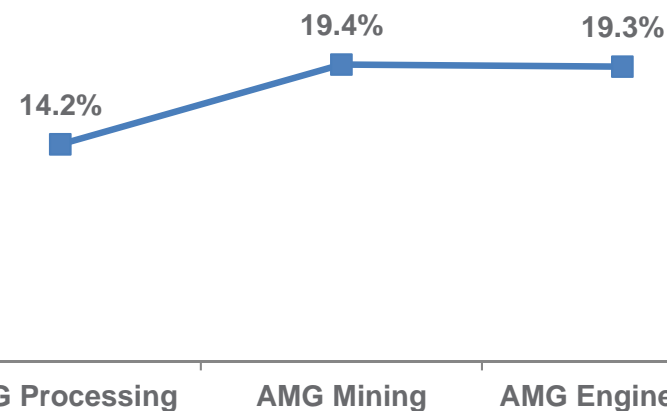
YTD Revenue: \$833.5

(in USD millions)



Gross Margin

YTD Gross Margin: 16.7%



EBITDA

YTD EBITDA: \$63.9

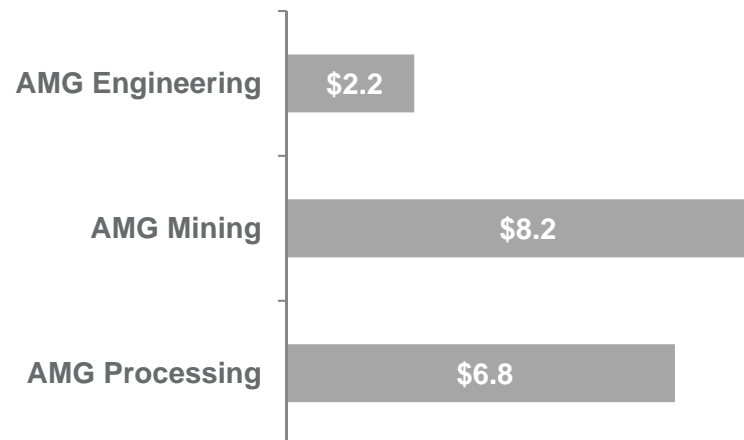
(in USD millions)



Capital Expenditure

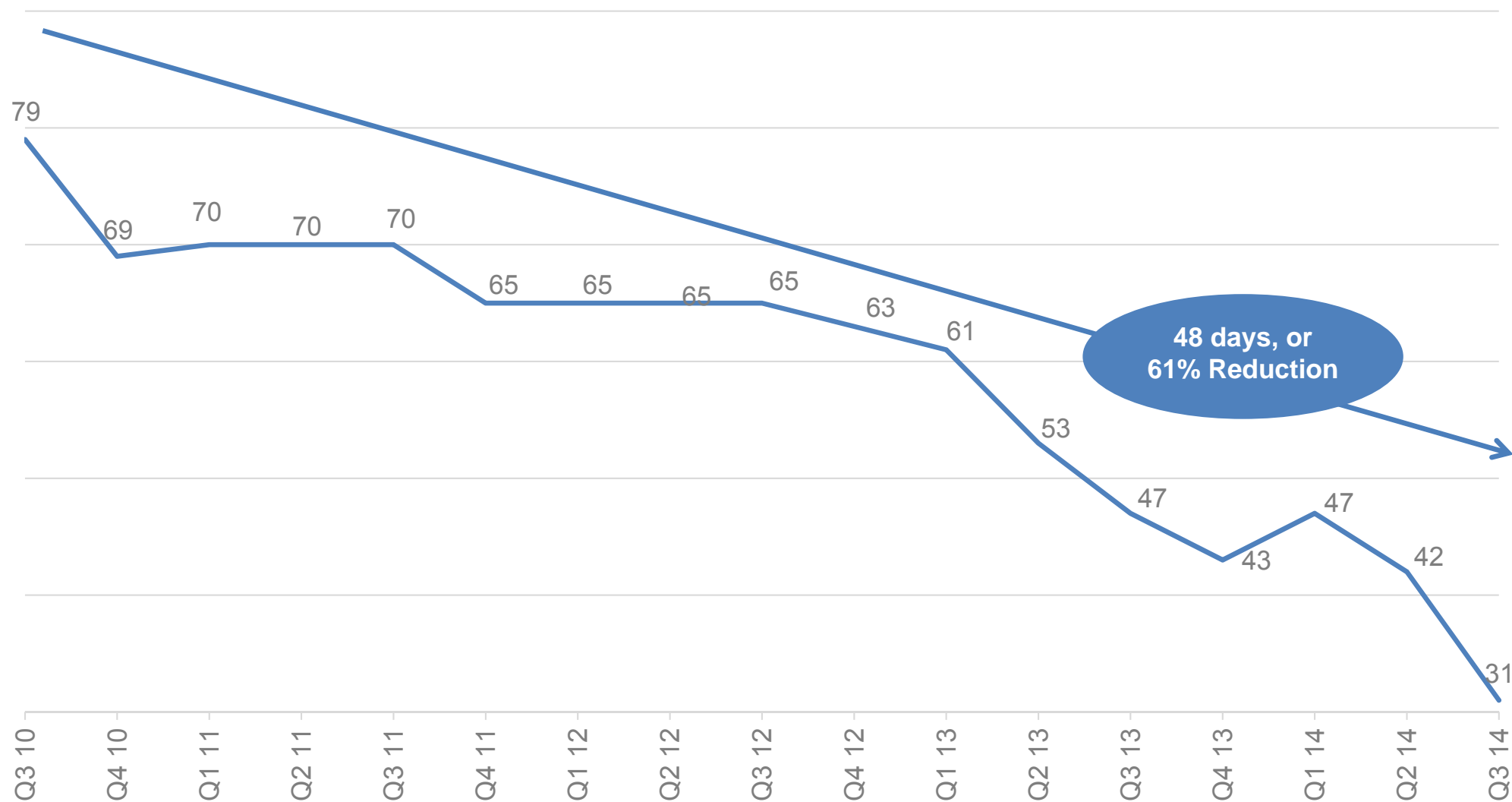
YTD CAPEX: \$17.2

(in USD millions)



Financial Highlights

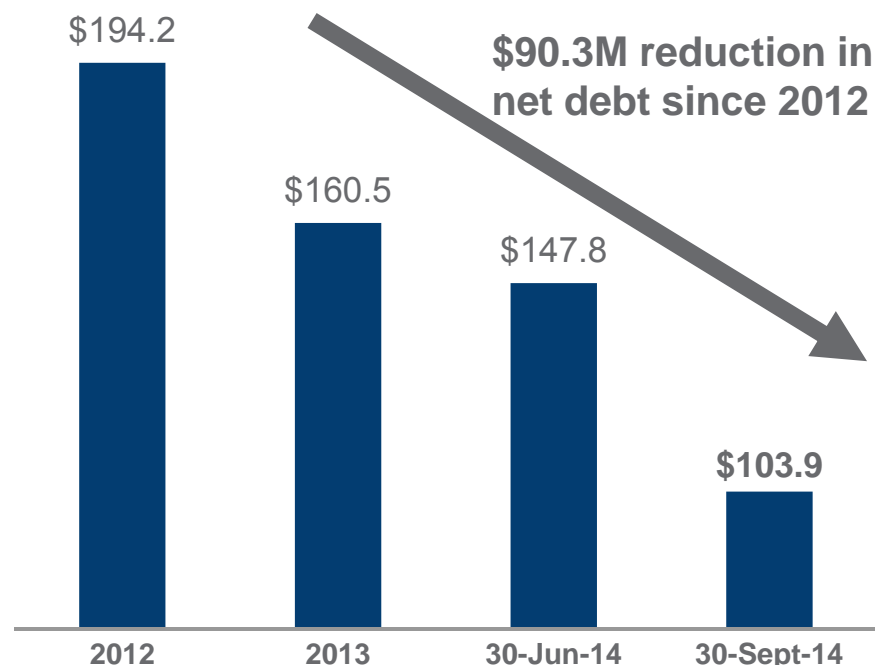
Working Capital Days reduced by 61% since Q3'10



Capital Base

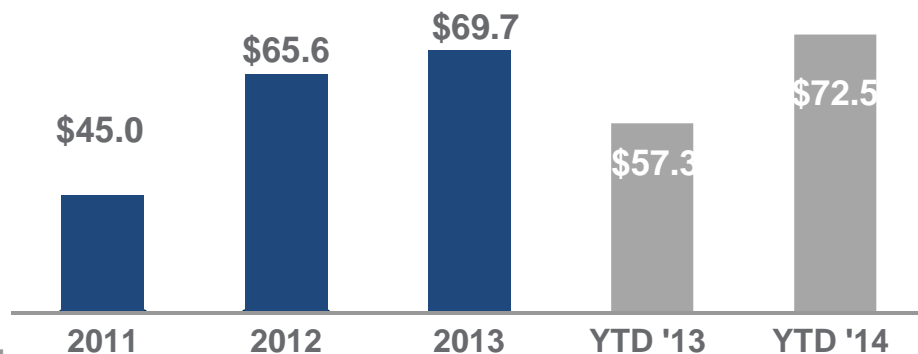
Net Debt

(in USD millions)



Operating Cash flow

(in USD millions)



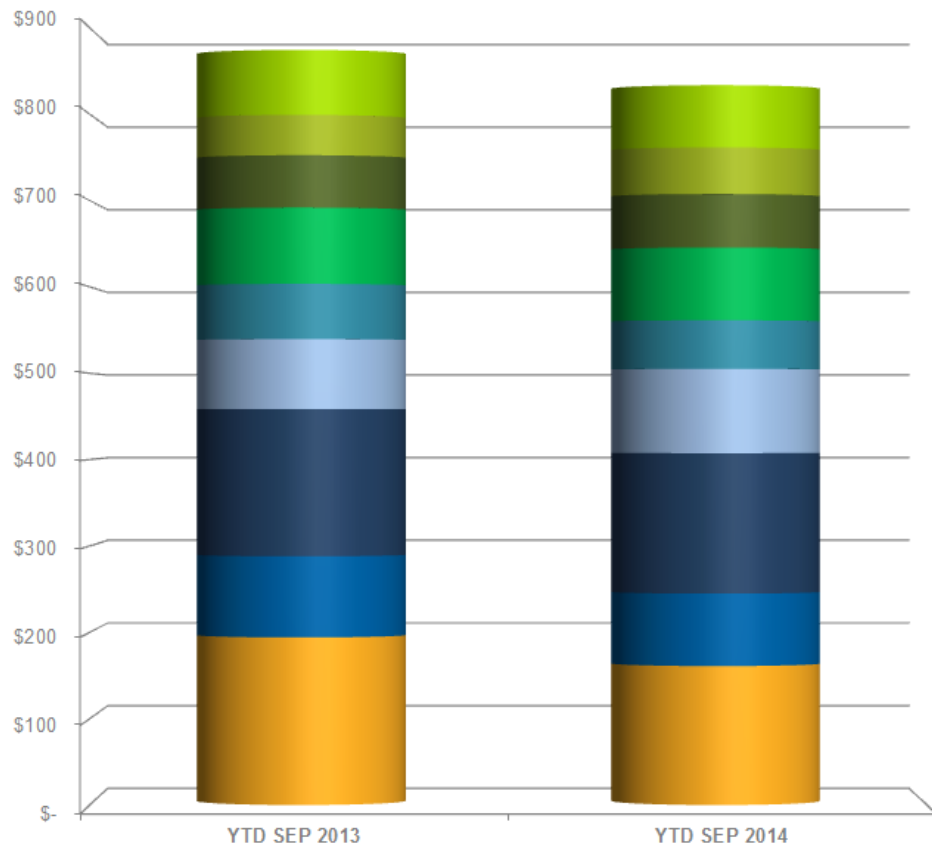
- Net debt: \$103.9M
 - \$56.7M reduction on net debt in 2014
 - Debt down 46% since 2012
 - Debt to capitalization: 0.63x
 - Net Debt to LTM EBITDA: 1.40x
- Revolver availability: \$69.4M
- Total liquidity: \$191.6M
- AMG's primary debt facility is a \$370M term loan and revolving credit facility
 - 5 year term – until 2016
 - In compliance with all debt covenants
- YTD '14 Cash Flows from Operations: \$72.5M, compared to \$57.3M in '13
 - Record YTD '14 free cash flow of \$55.5M

Key Products

Revenue

YTD 2014: \$833.5

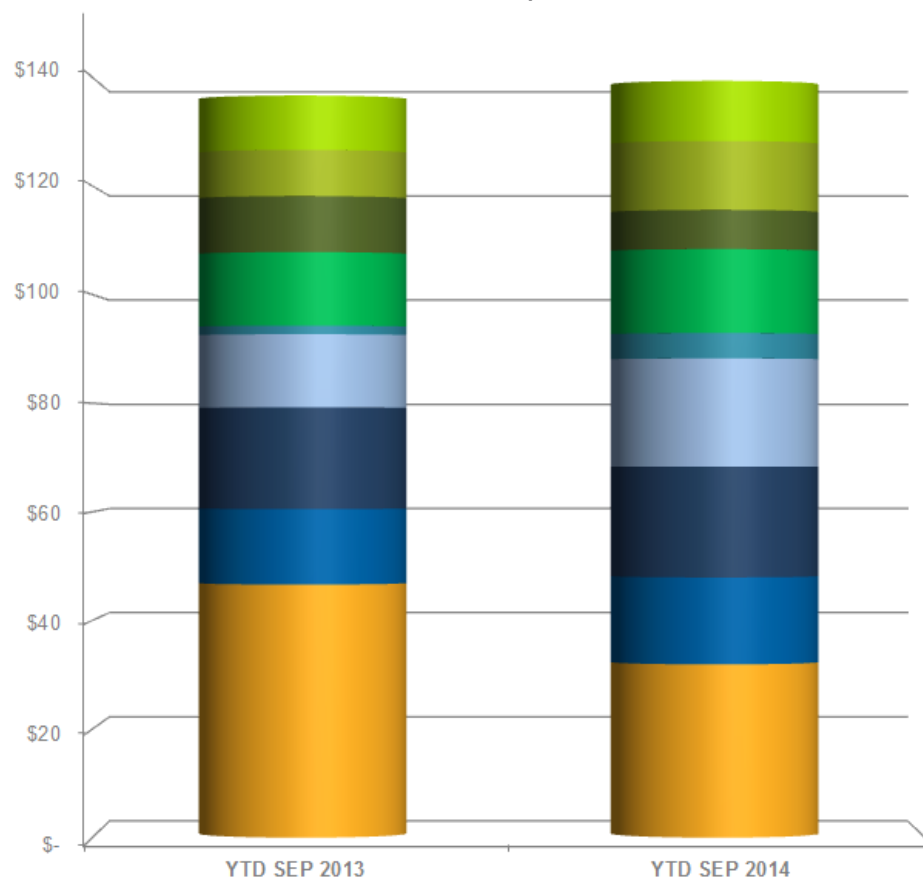
(in USD millions)



Gross Profit

YTD 2014: \$139.4

(in USD millions)

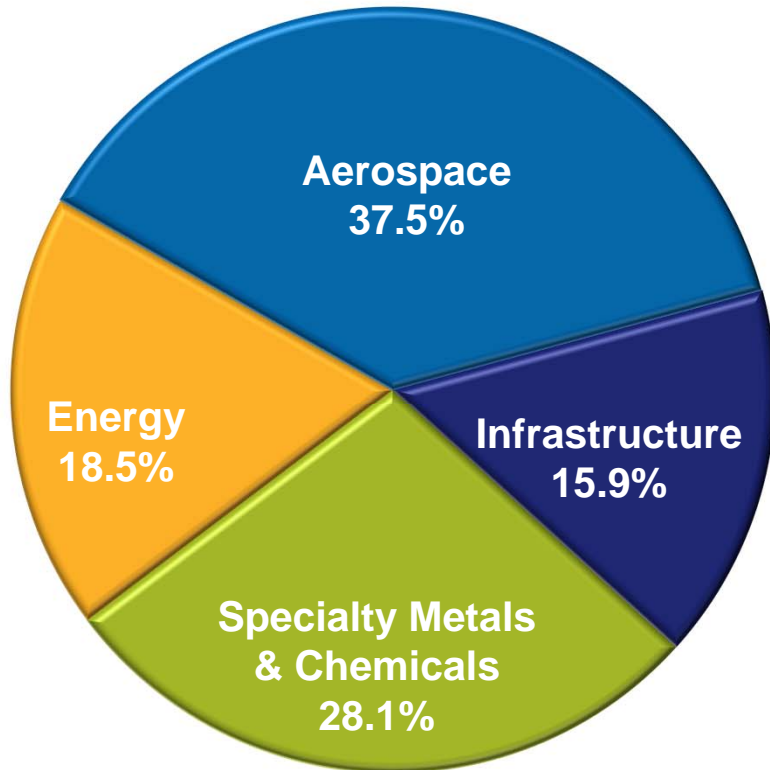


End Markets

Revenue

YTD 2014: \$833.5

(in USD millions)



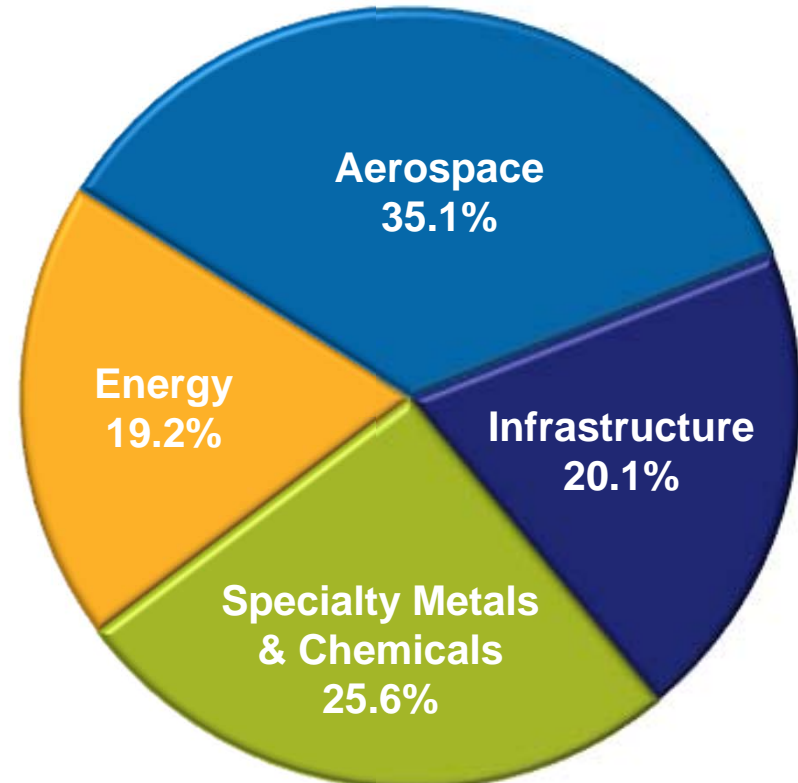
**Infrastructure + 24%
vs. YTD '13**

**Improved volumes from the
FeV capacity expansion**

Gross Profit

YTD 2014: \$139.4

(in USD millions)



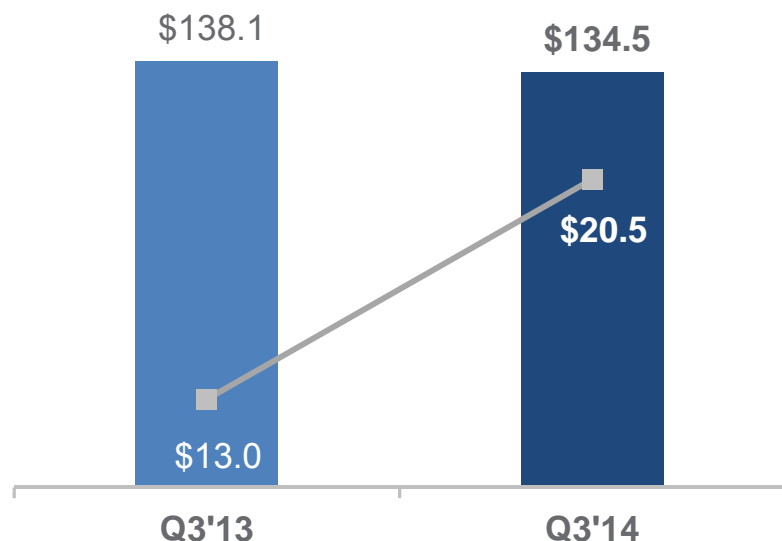
**Infrastructure + 109%
vs. YTD'13**

**Improved FeV prices and
volumes**

AMG Processing

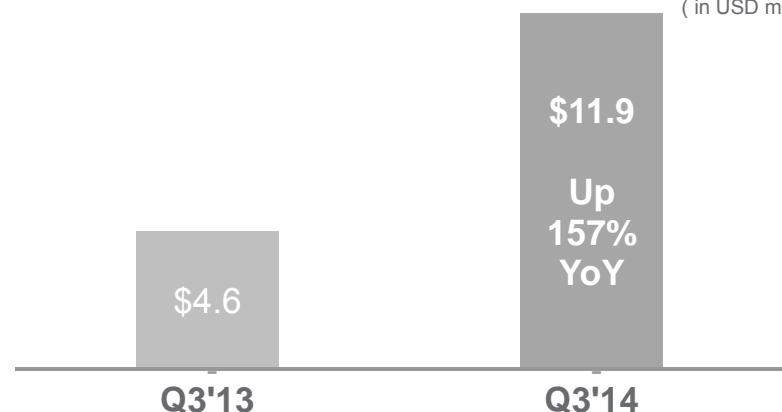
Financial Summary

Revenue — Gross Profit (in USD millions)



EBITDA

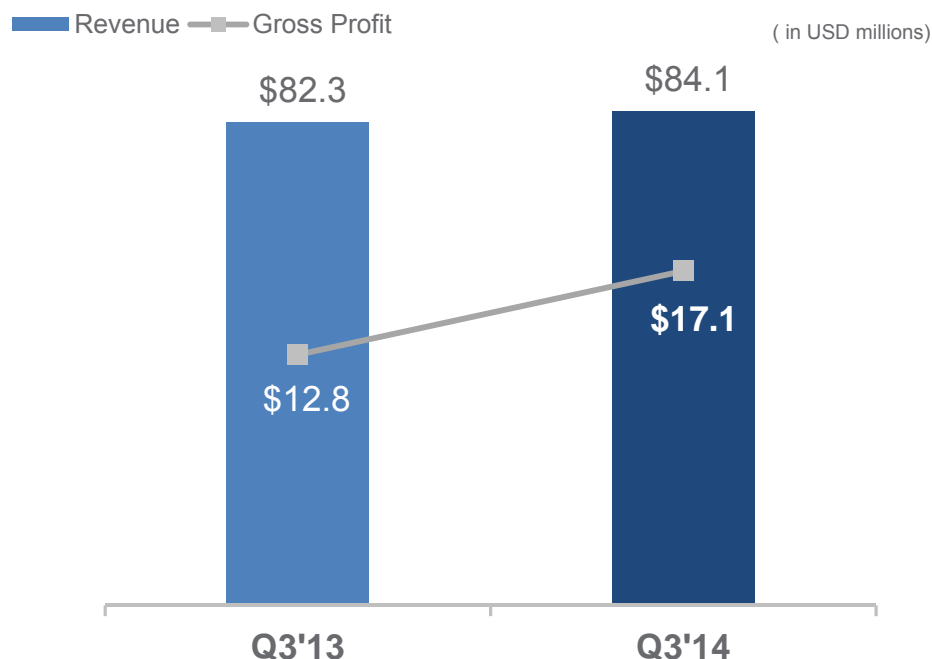
(in USD millions)



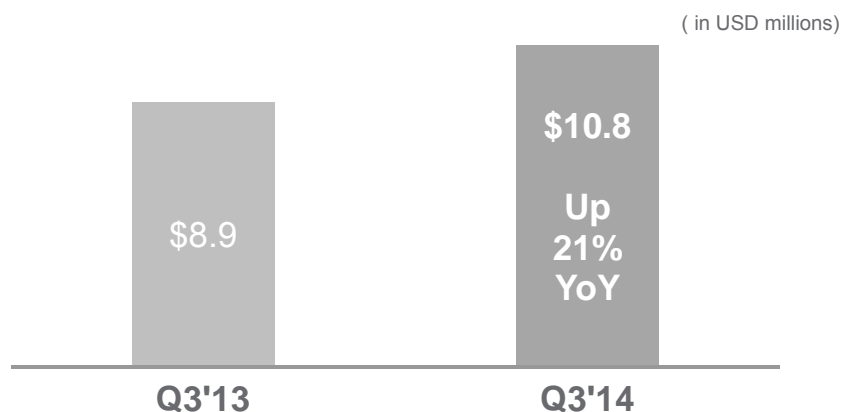
- Q3'14 revenue down 3% vs. Q3'13
 - Ferrovanadium volumes up 78% due to the capacity expansion
 - Offset by 28% lower chrome volumes due to focus on higher margin, lower volume chrome products
- Q3'14 gross margin 15.2% of revenue, up 5.8% compared to Q3'13
 - Improved product mix and increased operating efficiencies in Vanadium, Superalloys, and Titanium Alloy & Coatings units
- Q3'14 EBITDA up 157% vs. Q3'13
 - Gross profit improved by 58%

AMG Mining

Financial Summary



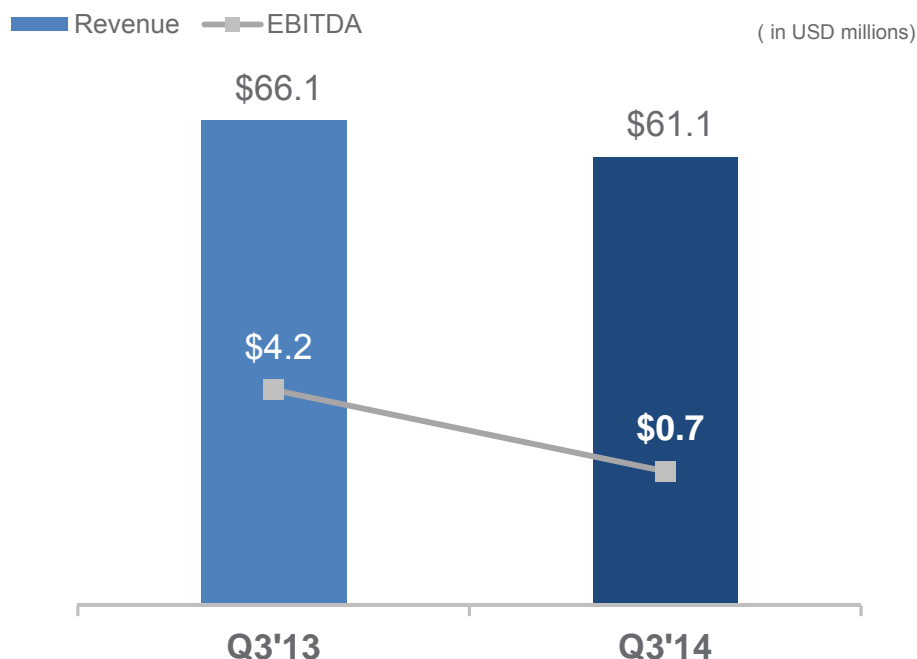
EBITDA



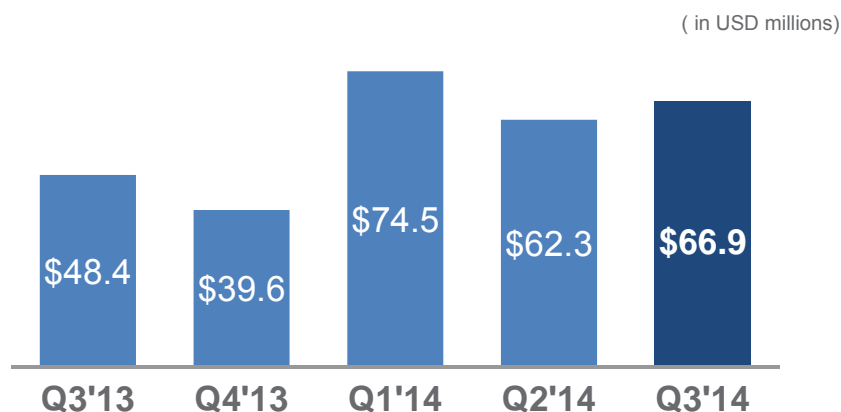
- Q3'14 revenue up 2% vs. Q3'13
- AMG Tantalum volume up 50% and price up due to LT contract
- AMG Graphite volume up 13% despite lower prices
- Silicon revenues up offsetting declines in antimony revenues
- Q3'14 gross margin 20.3% of revenue, up 4.7% vs. Q3'13
- Increased revenue from higher value-added products
- Production efficiency improvements
- Q3'14 EBITDA up 21% vs. Q3'13
- Gross profit improved by 33%

AMG Engineering

Financial Summary



Order Intake

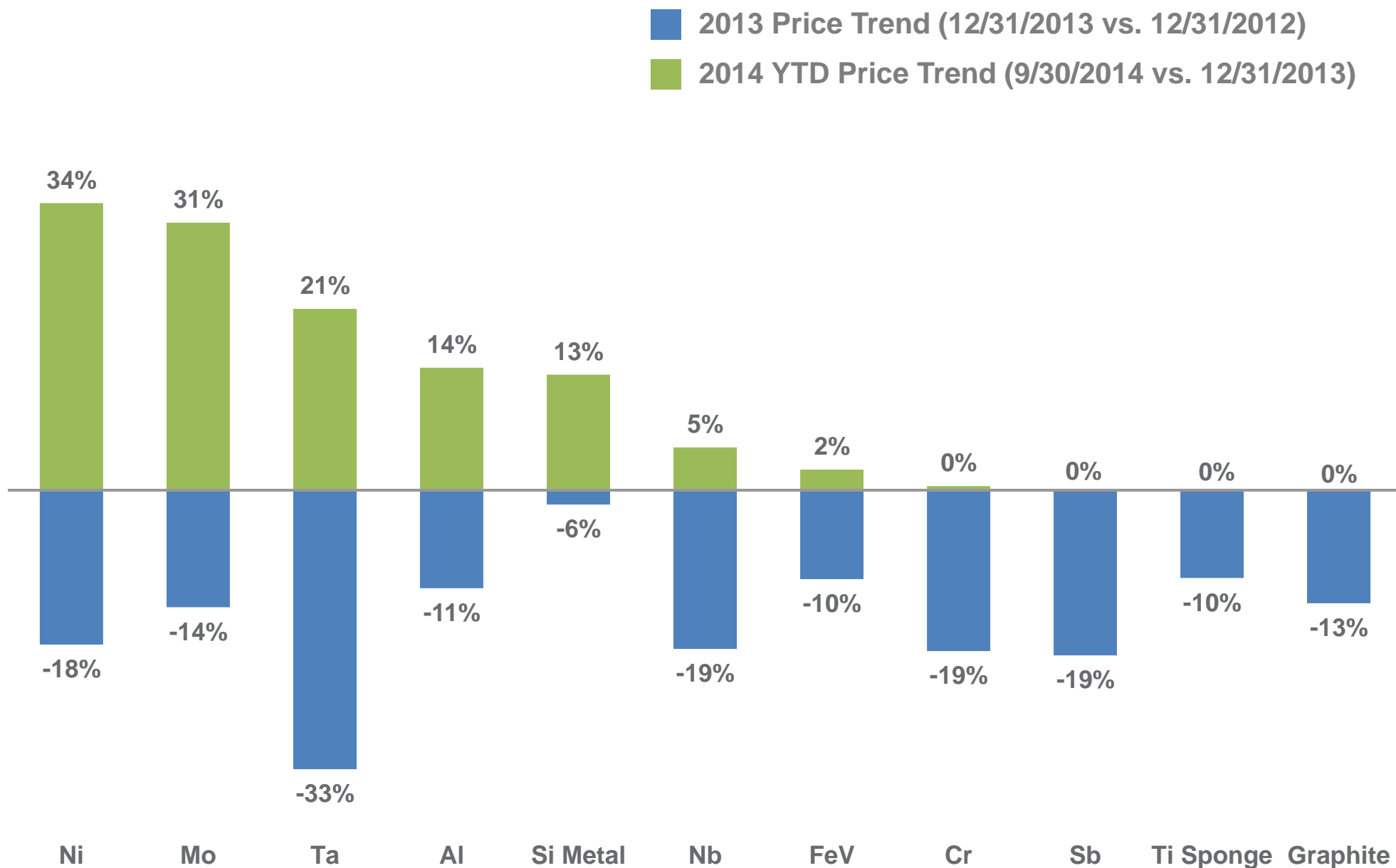


- Q3'14 revenue down 8% vs. Q3'13
- Pricing pressure and delays in order intake
- Q3'14 gross margin 17.2% of revenue, down 4.0% vs. Q3'13
- Reduced economies of scale and pricing pressure
- EBITDA declined due to the \$3.5 million decline in gross profit
- Q3'14 order intake \$66.9M
- Heat treatment furnaces were ~43% of order intake
- 1.09x book to bill ratio
- Order backlog increased 3% to \$141.1M at September 30, 2014

Outlook



Metals Market – 2013 & 2014 YTD Prices



Outlook

AMG Processing

- Metals prices have limited downside risk for the foreseeable future
- Operational improvements generating increased gross margins
- Completed the sale of Bostlan S.A., an AMG Aluminum JV

AMG Mining

- Moving downstream into higher value added products in antimony and graphite
- Increasing margins despite low market prices

AMG Engineering

- Strong YTD 2014 order intake
- Substantially improved order backlog
- Increasing order intake and cost reductions should increase profitability in 2015
- Strategic alternatives evaluation is continuing

- FY2014 EBITDA growth in excess of 10%; FY2014 net income and ROCE will substantially above 2013 levels
- AMG is well positioned to further reduce debt through increased profitability in 2015



Appendix

Consolidated Balance Sheet

Balance Sheet (\$'000) As of	Actual	
	31-December-13	30-September-14 Unaudited
Fixed assets	259,683	240,954
Goodwill and intangibles	37,194	34,441
Other non-current assets	65,515	62,972
Inventories	179,343	157,453
Receivables	150,807	156,100
Other current assets	36,607	35,062
Cash	103,067	122,230
TOTAL ASSETS	832,216	809,212
TOTAL EQUITY	134,590	132,259
Long term debt	223,788	192,318
Employee benefits	138,009	140,817
Other long term liabilities	62,350	61,931
Current debt	39,792	33,774
Accounts payable	127,381	126,569
Advance payments	16,341	31,156
Accruals	54,383	55,834
Other current liabilities	35,582	34,554
TOTAL LIABILITIES	697,626	676,953
TOTAL EQUITY AND LIABILITIES	832,216	809,212

Consolidated Income Statement

Income Statement (\$'000) For the nine months ended	Actual	
	30-September-13 Unaudited	30-September-14 Unaudited
Revenue	874,421	833,511
Cost of sales	737,753	694,137
Gross profit	136,668	139,374
Selling, general & administrative	102,354	102,259
Asset impairment & restructuring	58,191	1,811
Other income, net	(1,970)	(1,630)
Operating profit (loss)	(21,907)	36,934
Net finance costs	16,431	13,552
Share of loss of associates	(530)	(469)
Profit (loss) before income taxes	(38,868)	22,913
Income tax expense	2,383	8,912
Profit (loss) for the period	(41,251)	14,001
Shareholders of the Company	(38,363)	14,600
Non-controlling interest	(2,888)	(599)
Adjusted EBITDA	62,085	63,874

Consolidated Statement of Cash Flows

Cash Flow Statement (\$'000) For the nine months ended	Actual	
	30-September-13 Unaudited	30-September-14 Unaudited
EBITDA	62,085	63,874
Change in working capital and deferred revenue	27,369	27,639
Finance costs paid, net	(11,331)	(8,922)
Other operating cash flow	(9,261)	(5,669)
Cash flows from operations before taxes	68,862	76,922
Income tax paid	(11,544)	(4,472)
Net cash flows from operations	57,318	72,450
Capital expenditures	(22,534)	(17,232)
Other investing activities	436	248
Net cash flows used in investing activities	(22,098)	(16,984)
Net cash flows used in financing activities	(42,596)	(30,791)
Net increase/(decrease) in cash and equivalents	(7,376)	24,675
Cash and equivalents at January 1	121,639	103,067
Effect of exchange rate fluctuations on cash held	2,015	(5,512)
Cash and equivalents at September 30	116,278	122,230

AMG