

A nighttime photograph of a city skyline, featuring a prominent skyscraper with a glowing spire and illuminated facade. The sky is dark blue with some clouds. The skyscraper has a distinctive triangular top section and a long, thin spire that is brightly lit. The building's facade is dark, but several vertical light strips are visible, and the top section is illuminated with a warm, golden light. Other buildings in the background are also lit up, creating a vibrant city scene.

CRITICAL MATERIALS FOR

THE NEW MILLENNIUM



AMG Advanced Metallurgical Group N.V.
Capital Markets Day June 2017

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HEALTH AND SAFETY FOCUS

LEADING SAFETY INDICATORS

- The number of safety improvement items reported in Q1 2017 was 35% lower compared to the Q1 2016. These are essential in order to avoid potential injuries.
- Safety training hours increased 18% in Q1 2017.
- At the end of Q1 2017, lost time incident rate was 20% lower and total incident rate and incident severity rate were down 39% and 15%, respectively, from Q1 2016.

| YEAR | LOST TIME INCIDENT RATE | | INCIDENT SEVERITY RATE | |
|-------|-------------------------|---|------------------------|---|
| 2013 | 1.76 | ↓ | 0.21 | ↑ |
| 2014 | 1.20 | ↓ | 0.19 | ↓ |
| 2015 | 1.03 | ↓ | 0.17 | ↓ |
| 2016 | 1.04 | → | 0.11 | ↓ |
| 2017* | 0.83 | ↓ | 0.11 | → |



Rigorous commitment to safety reflected in continually improving safety records



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 has developed into a
leader in enabling technologies

AMG: MITIGATING TECHNOLOGIES

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

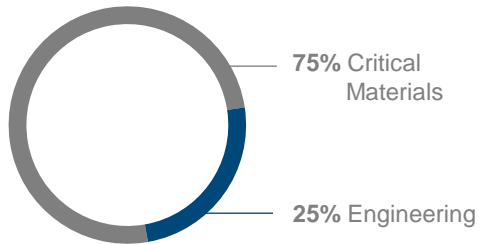
AMG: ENABLING TECHNOLOGIES

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

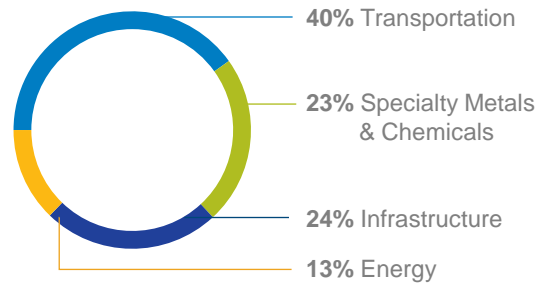
AMG AT A GLANCE

Q1 2017 REVENUE

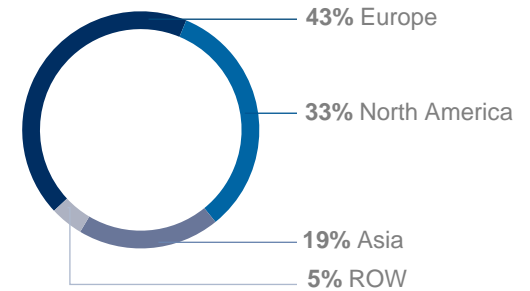
BY SEGMENT:



BY END MARKET:



BY REGION:



AMG IS A GLOBAL SUPPLIER OF CRITICAL MATERIALS TO:



ENERGY



TRANSPORTATION



INFRASTRUCTURE



SPECIALTY METALS AND CHEMICALS

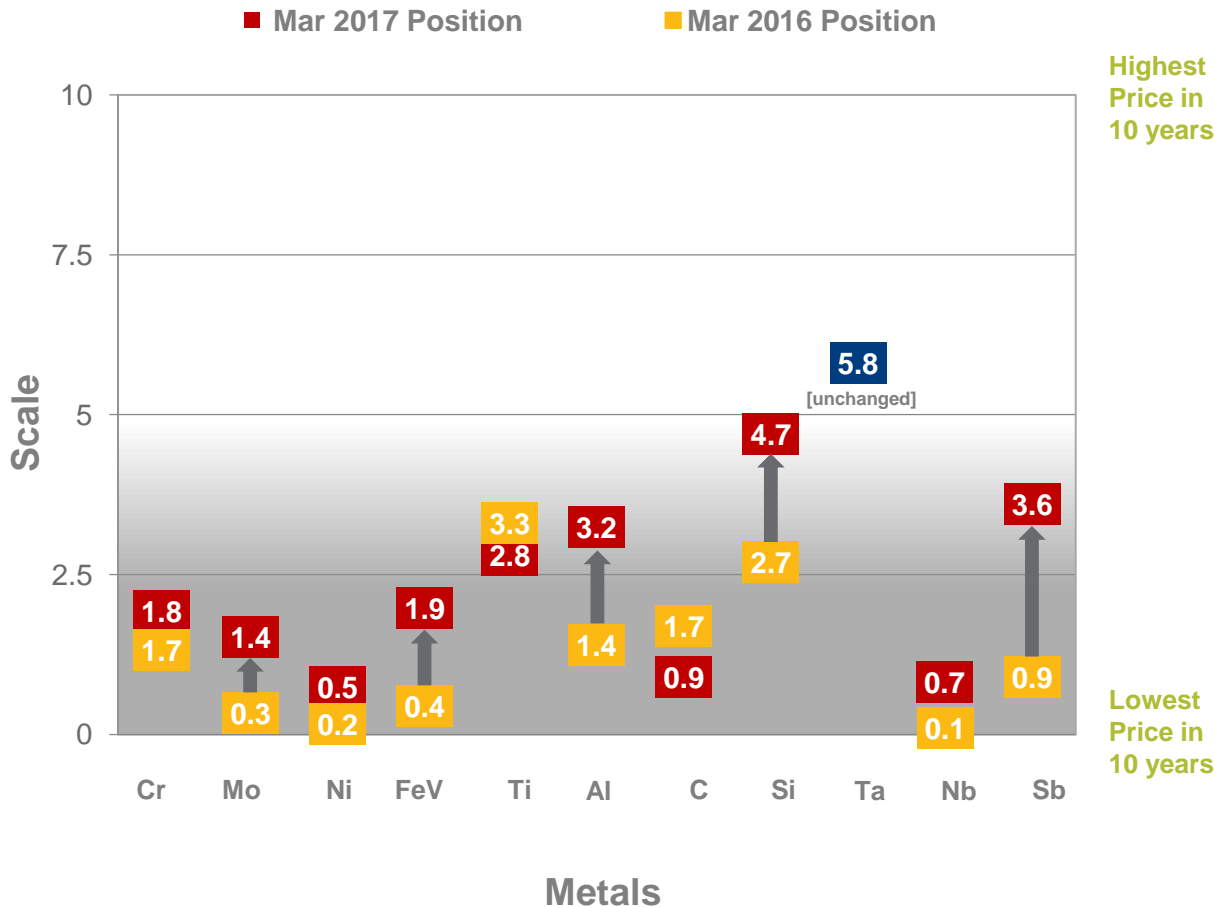
Market leading producer of highly engineered specialty metals and vacuum furnace systems

~3,000
Employees

~\$1 billion
Annual Revenues

At the forefront of
CO₂ Reduction

CRITICAL MATERIALS PRICES: 10 YEAR PERSPECTIVE



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

AMG has significant potential upside within certain critical materials based on historical price ranges

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 $[(\text{Mar '07 month avg} - \text{min. monthly avg}) / (\text{max. monthly avg} - \text{min. monthly avg}) * 10]$ where maximum and minimum monthly averages are measured over the period 1 Mar '07 through 31 Mar '17.

STRONG CAPITAL STRUCTURE, FREE OF NET DEBT, POSITIONED FOR GROWTH

Optimized capital structure

- Refinanced credit facility in 2016, providing a stable capital base and liquidity for strategic growth
- Deleveraged balance sheet

Initiated dividend payments

- Dividend growth rate to be balanced against significant organic growth requirements

Disciplined organic growth and acquisitions

- Rigorous process to review strategic growth opportunities that is both selective and opportunistic
- Organic growth strategy is focused on areas of our portfolio that are marked by strong demand growth or supply limitations
- Financially and operationally capable of quickly assessing opportunities

Driving long term sustainable growth and shareholder value

EXCELLENT PLATFORM FOR ORGANIC AND ACQUISITION LED GROWTH

MISSION STATEMENT

To increase long-term value through industry leadership, operational expertise and efficient deployment of capital

STRATEGIC OBJECTIVE

Identifying long-term trends and leveraging those trends through technological excellence and innovations in the indispensable areas of critical materials and vacuum technologies

GROWTH OBJECTIVES

A

Routine organic growth of existing business lines

B

Non-routine expansion of existing business lines

C

Transformational projects

AMG
Core
Business

+

A

+

B

+







C

≥

\$200M *
EBITDA
in 5 years or less

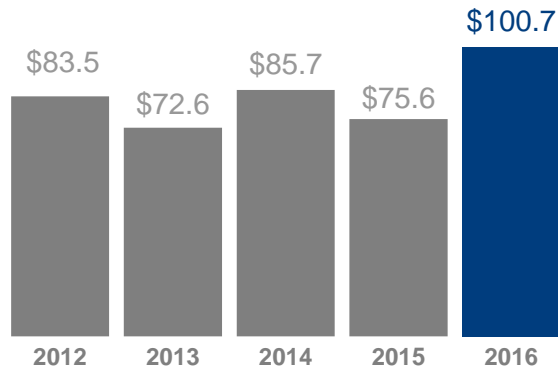
* EBITDA target assumes current metal prices and no major acquisitions

AMG GROUP FINANCIAL PERFORMANCE – ANNUAL

| | 2016 | 2015 | % CHANGE |
|---------------------------|---------|---------|---|
| Gross Profit (\$M) | \$186.8 | \$160.0 |  17% |
| EBITDA (\$M) | \$100.7 | \$75.6 |  33% |
| Operating Cash Flow (\$M) | \$79.2 | \$76.3 |  4% |
| ROCE | 18.8% | 12.0% |  57% |
| Earnings per Share | \$1.32 | \$0.40 |  230% |
| Dividend per Share | €0.27 | €0.21 |  29% |

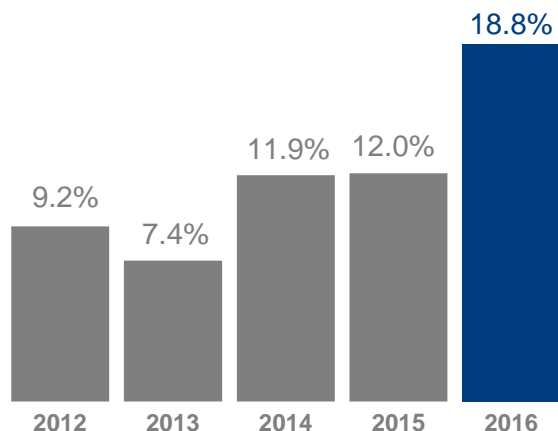
5 YEAR TREND – EBITDA & ROCE

EBITDA (IN MILLIONS OF US DOLLARS)



**FY '16 EBITDA
UP 33%
VERSUS FY '15**

Annualized ROCE

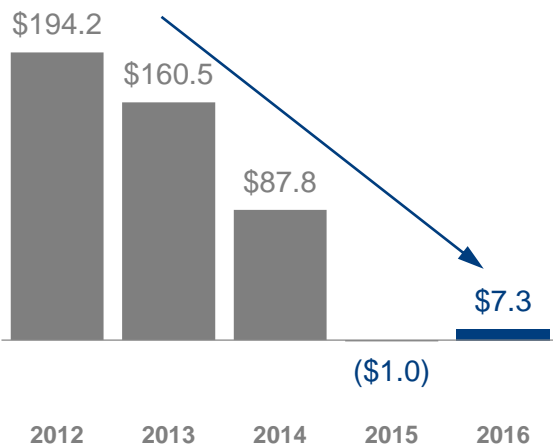


**FY '16 ROCE
IMPROVED TO
18.8% FROM
12.0% IN FY '15**

- 2016 EBITDA is up 33% due to product mix and operational improvements in Critical Materials as well as a very strong performance by Engineering due to an increase in demand for furnaces from the aerospace industry
- FY 2016 annualized ROCE improved to 18.8% from 12.0% in FY 2015
- ROCE improvements are the result of efficient use of capital and improved profitability

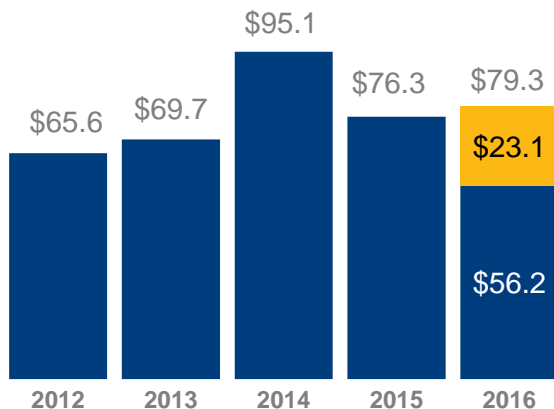
5 YEAR TREND – NET DEBT & OPERATING CASH FLOW

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



**\$187M
REDUCTION
IN NET DEBT
SINCE 2012**

OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)



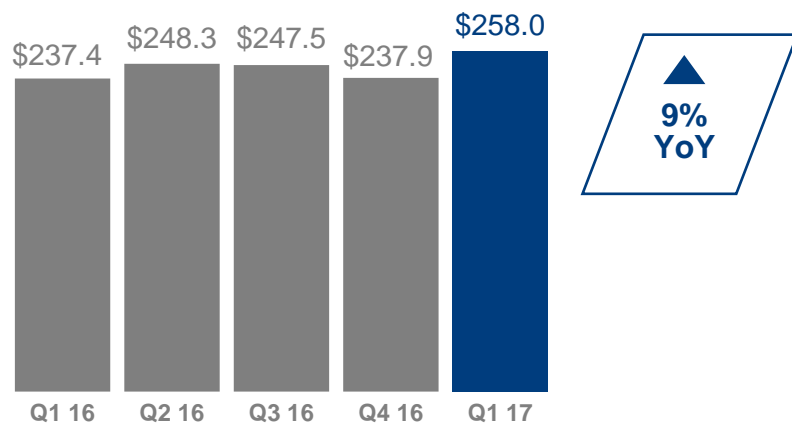
■ Pension contribution

**FY 2016
OPERATING
CASH FLOW
OF \$56.2M**

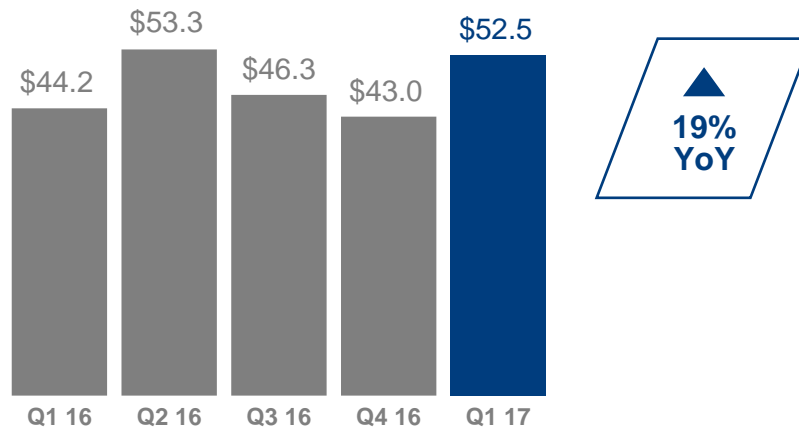
- Net debt: \$7.3 million
 - \$186.9 million reduction of net debt since December 31, 2012
 - Net Debt to LTM EBITDA: 0.07x
- AMG's primary debt facility is a \$400 million multicurrency term loan and revolving credit facility
 - 5 year term (until 2021) with an accordion feature that allows the Company, subject to certain conditions, to increase the commitment amount by up to \$100 million
 - In compliance with all debt covenants
- FY '16 net cash from operating activities of \$56.2 million, which included voluntary cash contributions to the Company's pension plans of \$23.1 million made during the year

Q1 2017 FINANCIAL HIGHLIGHTS

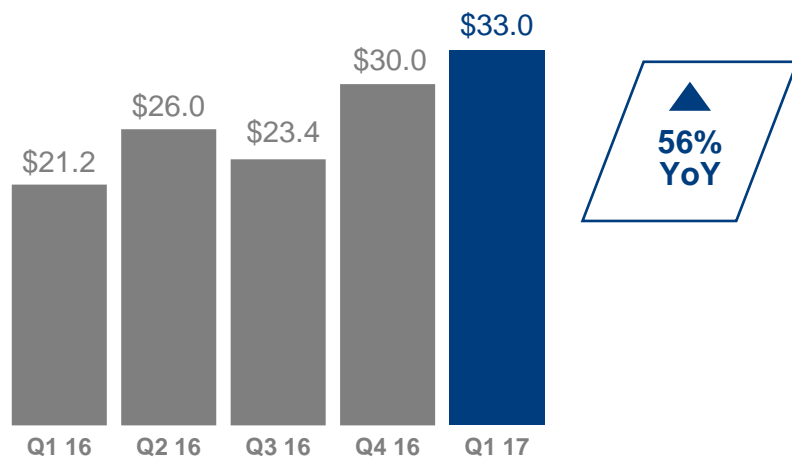
REVENUE (IN MILLIONS OF US DOLLARS)



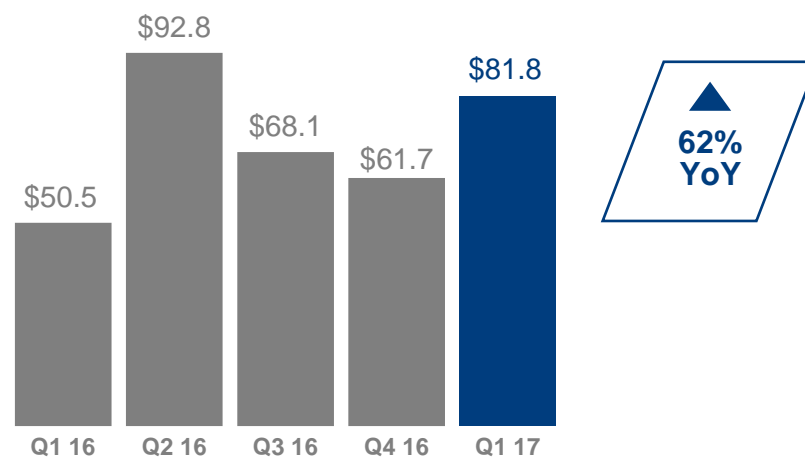
GROSS PROFIT* (IN MILLIONS OF US DOLLARS)



EBITDA (IN MILLIONS OF US DOLLARS)



ORDER INTAKE (IN MILLIONS OF US DOLLARS)



* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA's latest recommendations.

LITHIUM PROJECT STATUS

| | | Status |
|--------------------------------------|--|-----------------------|
| Construction Approval | AMG approved construction of lithium concentrate plant at the AMG Mibra mine, with annual production of 90,000 tons | Complete |
| EPC Contract Awarded | AMG awarded EPC contract to Outotec (Finland) for turnkey delivery of lithium concentrate plant | Complete |
| Offtake Agreement Established | AMG announced a multi-year contract to supply 90,000 tons per year of lithium concentrate; deliveries commencing mid-2018. | Complete |
| Resource Expansion | Updated resource statement published 3 April 2017 – estimated life of the mineral resource is approximately 20 years, based upon targeted production level of 180k MT of lithium concentrate starting 2020 | Complete |
| Increased Production | Targeted increase in annual lithium concentrate production, to a capacity of 180,000 tons, by end of 2019 | Under analysis |

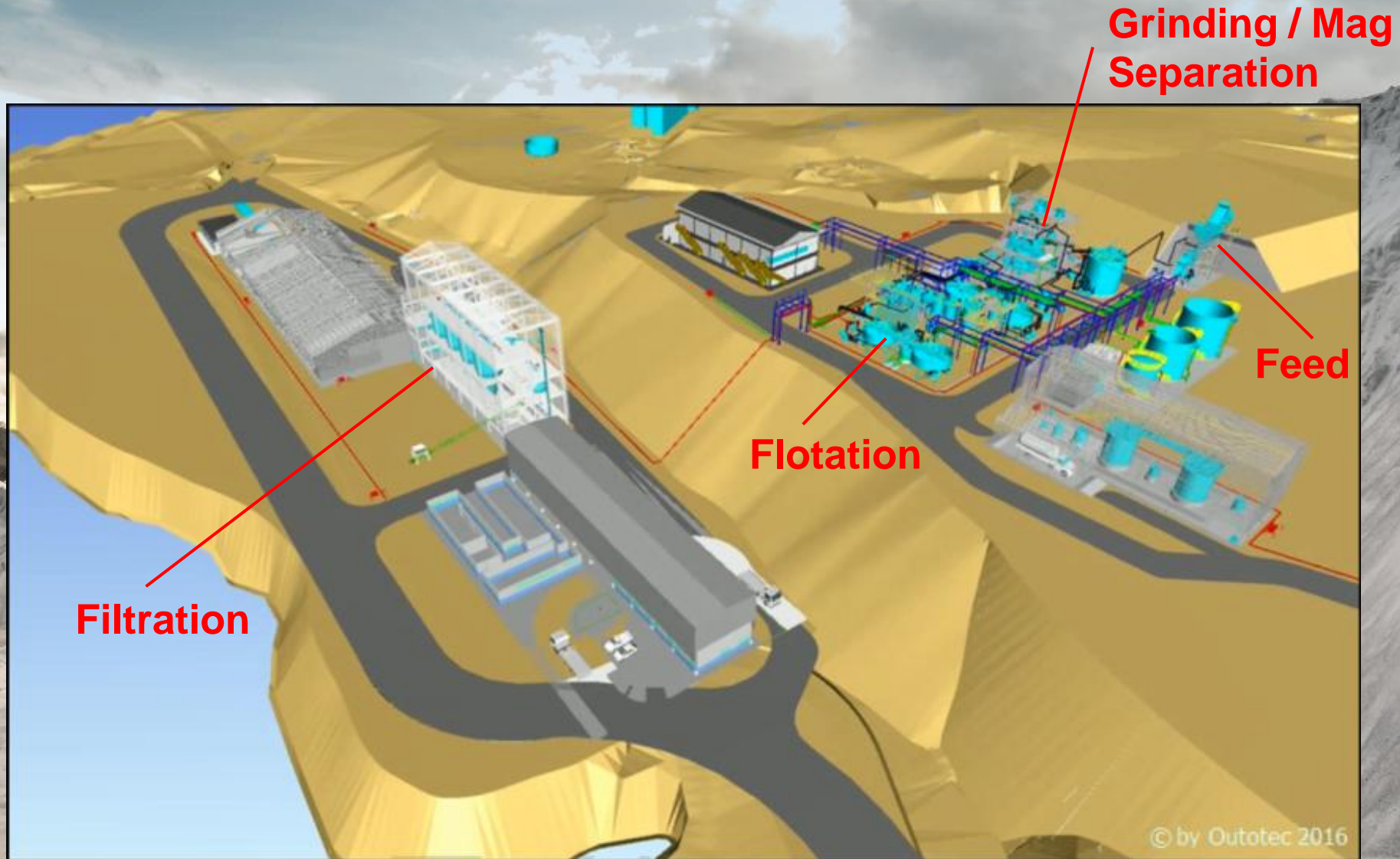
Full offtake agreement established & production expected to commence mid-2018

AMG LITHIUM – PROJECT STRENGTHS

- 1) Existing management and mining infrastructure – not a new mine project
- 2) Strong understanding of the mine geology
- 3) Mining infrastructure already in place and operational
- 4) Ore extraction and crushing costs absorbed by profitable tantalum operation
- 5) Spodumene plant will be fed via lithium deposits in existing tailings, as well as incremental lithium-bearing tailings generated via tantalum production
 - 2.8 million metric tons of spodumene plant feed stock already extracted in the form of on-site tailings
- 6) AMG has operated a spodumene pilot plant since 2010
- 7) Strategic flexibility to further develop operational scope

AMG has operated the Mibra mine for 38 years

FIRST SPODUMENE PLANT



LITHIUM RESOURCE MAP

