

ENABLING CO₂ REDUCTION

INVESTOR PRESENTATION COMPANY DESCRIPTION 2019



AMG ADVANCED METALLURGICAL GROUP N.V.

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AMG IS A CRITICAL MATERIALS COMPANY

GLOBAL TRENDS

CO₂ emission reduction, population growth, increasing affluence, and energy efficiency

SUPPLY

AMG sources, processes, and supplies the critical materials that the market demands

DEMAND

Innovative new products that are lighter, stronger, and resistant to higher temperatures

LEADER IN ADVANCED TECHNOLOGIES
TO ADDRESS CO₂ REDUCTION

CO₂ REDUCTION

A GLOBAL IMPERATIVE FOR THE 21ST CENTURY



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: MITIGATING TECHNOLOGIES

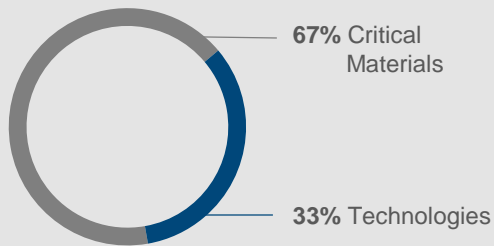
Products and processes saving raw
materials, energy and CO₂ emissions
during manufacturing

(e.g., recycling of Ferrovanadium)

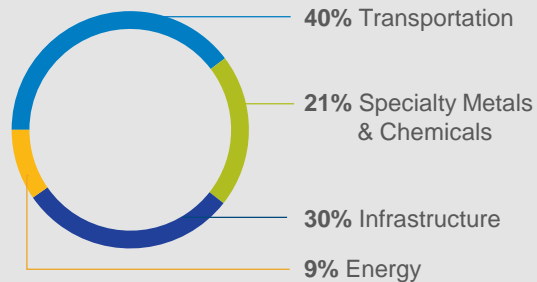
AMG AT A GLANCE

FY 2018 REVENUE

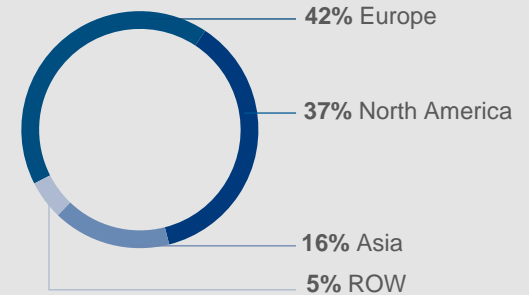
BY SEGMENT:



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

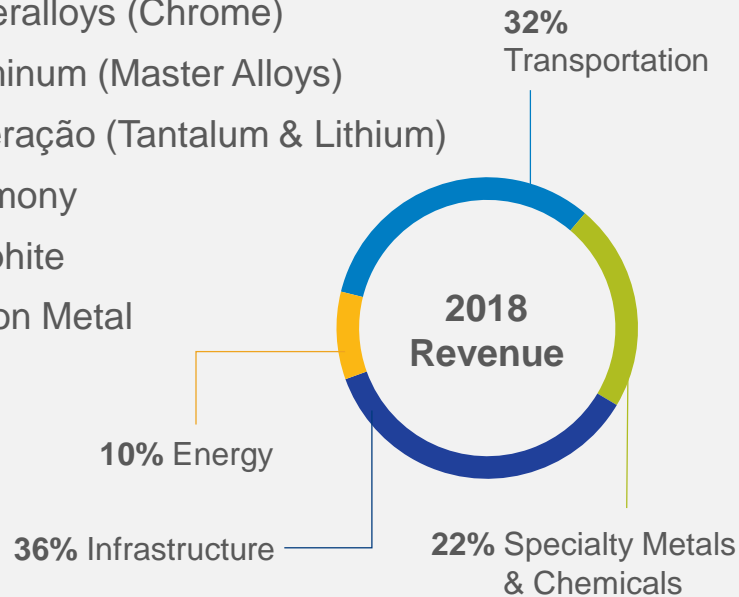
AMG BUSINESS SEGMENTS



AMG CRITICAL MATERIALS

AMG's conversion, mining, and recycling businesses

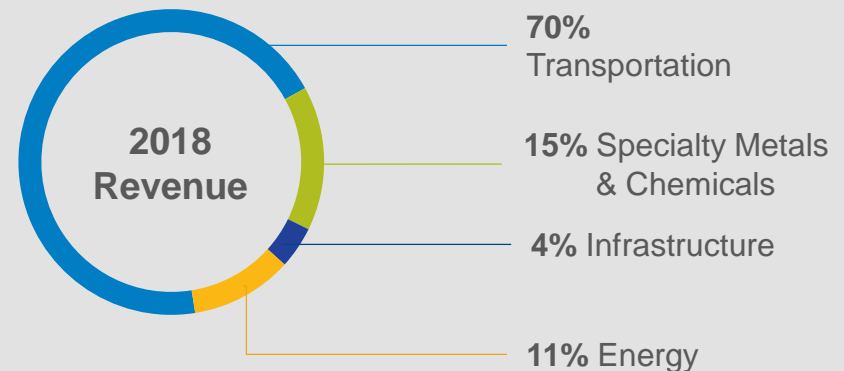
- Vanadium
- Superalloys (Chrome)
- Aluminum (Master Alloys)
- Mineração (Tantalum & Lithium)
- Antimony
- Graphite
- Silicon Metal



AMG TECHNOLOGIES

AMG's titanium alloys, vacuum systems and services business

- Titanium Alloys & Coatings
- Furnaces
- Heat treatment services



STRONG CAPITAL STRUCTURE, POSITIONED FOR GROWTH

OPTIMIZED CAPITAL STRUCTURE

- \$650 million credit facility provides a stable capital base and ample liquidity for strategic growth
- Deleveraged balance sheet

RETURN EXCESS CASH TO SHAREHOLDERS

- Initiated first dividend to shareholders in 2015
 - Reflecting AMG commitment to return value to shareholders

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

STRATEGY

AMG's strategy is to build its critical materials business through industry consolidation, process innovation and product development

PROCESS INNOVATION & PRODUCT DEVELOPMENT

Continue to focus on process innovation and product development to improve the market position of AMG's businesses

INDUSTRY CONSOLIDATION

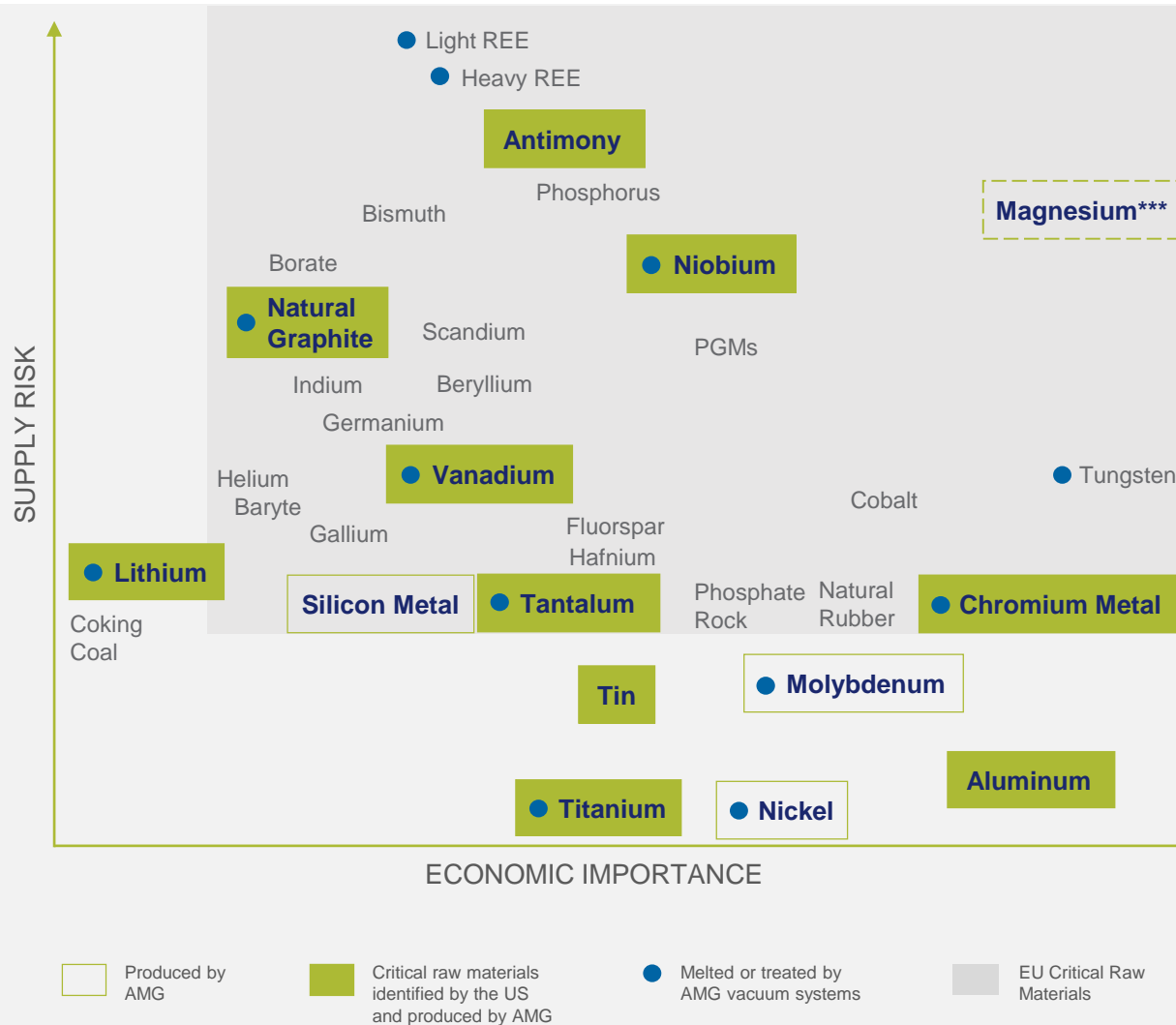
Pursue opportunities for horizontal and vertical industry consolidation across AMG's critical materials portfolio

EXPANSION OF EXISTING HIGH-GROWTH BUSINESSES

Pursue opportunities in high-growth areas within the existing product portfolio

AMG's overriding strategic objective is to achieve industry leadership while being the low-cost producer

CRITICAL RAW MATERIALS: AMG PRESENCE

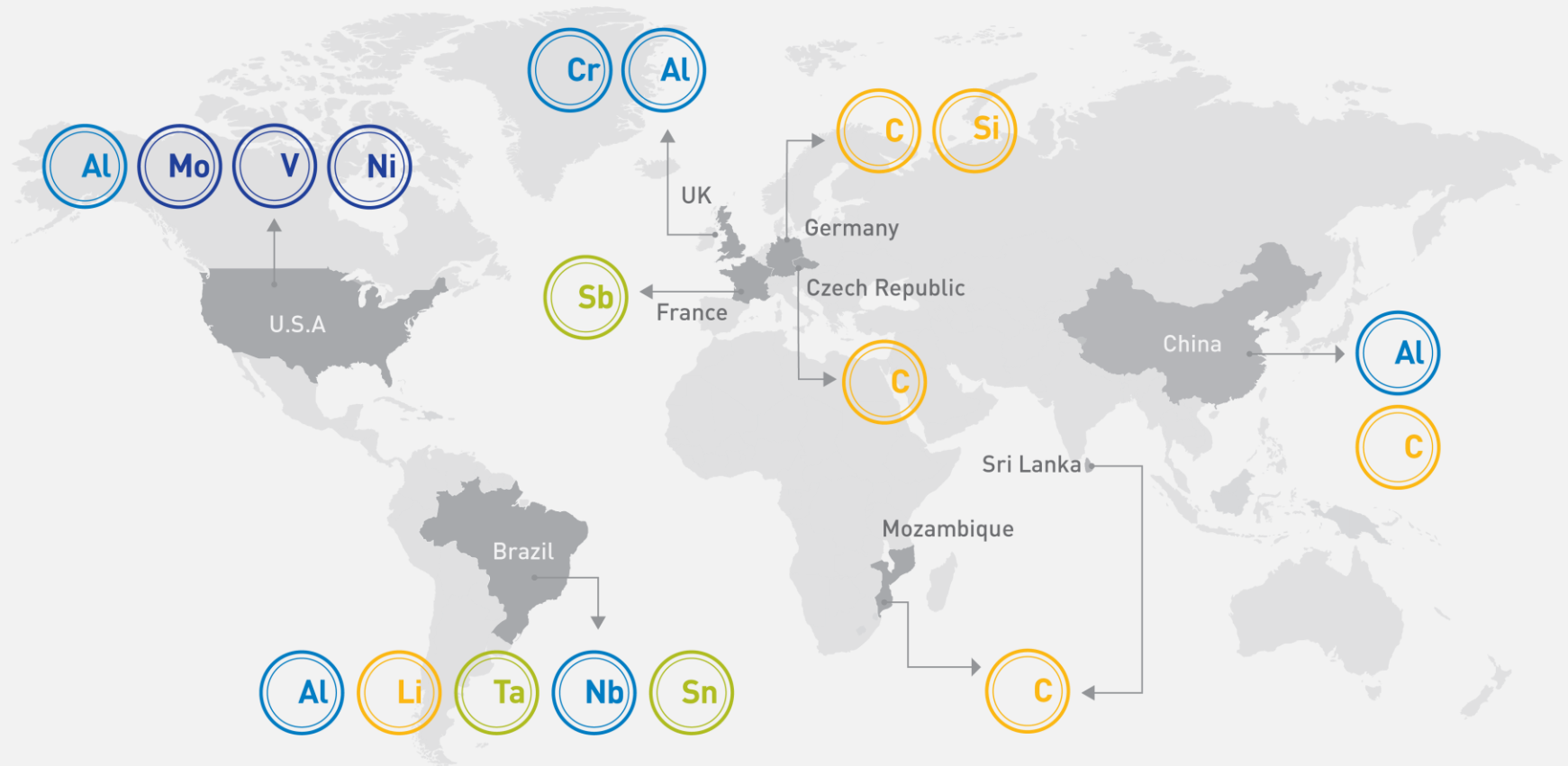


- The EU identified 27 critical raw materials* to the European economy in 2017, focusing on two determinants: economic importance and supply risk
- The US identified 35 critical materials* which are vital to national security and the economy, primarily through assessing supply risk
- AMG has a unique critical materials portfolio comprising:
 - 7 EU critical raw materials
 - 10 US critical raw materials

* 2017 list of Critical Raw Materials for the EU, September 2017; US draft list of Critical Materials per February 16, 2018 announcement by U.S. Department of the Interior.

** Chromium Metal (a subcategory of chrome ore) is not identified by the EU report. *** AMG possesses technology license patent for production of Magnesium products

AMG GLOBAL FOOTPRINT: CRITICAL MATERIALS



Al Aluminum Master Alloys,
Aluminum Powders

Sb Antimony

C Natural Graphite

Si Silicon Metal

Cr Chromium
Metal

Sn Specialty Metals
& Chemicals

Mo Molybdenum

Ni Nickel

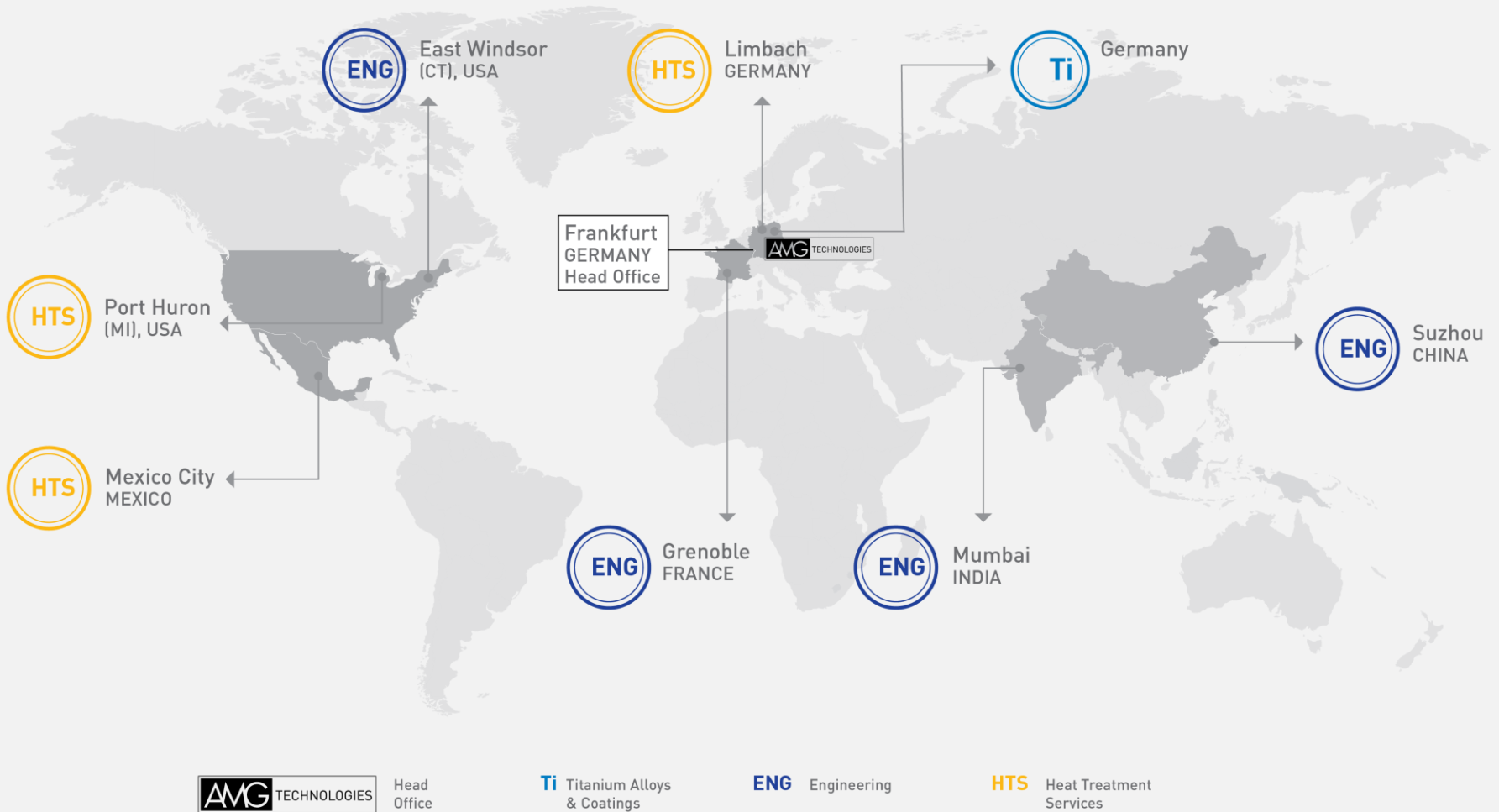
Ta Tantalum

Li Lithium

Nb Niobium

V FeV




AMG GLOBAL FOOTPRINT: AMG TECHNOLOGIES



HEALTH AND SAFETY FOCUS

SAFETY INDICATORS


At the end of Q4 2018, lost time incident rate and total incident rate were down 29% and 10%, respectively, from Q4 2017.

YEAR	LOST TIME INCIDENTS IN THE LAST 12 MONTHS	12 MONTH AVERAGE LOST TIME INCIDENT RATE	12 MONTH AVERAGE TOTAL INCIDENT RATE
2017	24	0.82	1.35
2018	17 	0.58 	1.22 














Rigorous commitment
to safety reflected in
continually improving
safety records














CRITICAL MATERIALS – MARKET TRENDS

CRITICAL MATERIALS	MAJOR END MARKETS	MARKET TRENDS	MAJOR CUSTOMERS
AMG ANTIMONY ANTIMONY TRIOXIDE ANTIMONY MASTERBATCHES ANTIMONY PASTES	FLAME RETARDANTS	PLASTICS	 
AMG BRAZIL TANTALUM & NIOBIUM	MICRO CAPACITORS, SUPERALLOYS	COMMUNICATIONS & ELECTRONICS FUEL EFFICIENCY	 
AMG LITHIUM LITHIUM CONCENTRATE (SPODUMENE)	BATTERIES	RENEWABLE ENERGY COMMUNICATIONS & ELECTRONICS	CONFIDENTIAL
AMG GRAPHITE NATURAL GRAPHITE	EXPANDED POLYSTYRENE (EPS), BATTERY ANODES	ENERGY SAVING ENERGY STORAGE	 
AMG SILICON SILICON METAL	ALUMINUM ALLOYS, SOLAR	FUEL EFFICIENCY CLEAN ENERGY	 
 ENERGY	 TRANSPORTATION	 INFRASTRUCTURE	 SPEC. METALS AND CHEM.

CRITICAL MATERIALS – MARKET TRENDS

CRITICAL MATERIALS	MAJOR END MARKETS	MARKET TRENDS	MAJOR CUSTOMERS
AMG ALUMINUM ALUMINUM MASTER ALLOYS ALUMINUM POWDERS	AEROSPACE, AUTOMOTIVE	FUEL EFFICIENCY	  
AMG VANADIUM FERROVANADIUM FERRONICKEL-MOLYBDENUM	INFRASTRUCTURE	INFRASTRUCTURE GROWTH	 
AMG SUPERALLOYS UK CHROMIUM METAL	AEROSPACE	FUEL EFFICIENCY	 
 ENERGY	 TRANSPORTATION	 INFRASTRUCTURE	 SPEC. METALS AND CHEM.

AMG TECHNOLOGIES – MARKET TRENDS

CRITICAL MATERIALS	MAJOR END MARKETS	MARKET TRENDS	MAJOR CUSTOMERS
AMG TITANIUM ALLOYS & COATINGS TITANIUM MASTER ALLOYS & COATINGS	AEROSPACE	FUEL EFFICIENCY ENERGY SAVING	 
AMG ENGINEERING CAPITAL GOODS (VACUUM FURNACES)	AEROSPACE, AUTOMOTIVE	FUEL EFFICIENCY ELECTRONICS	 Rolls-Royce   CARPENTER ThyssenKrupp 
AMG ENGINEERING VACUUM HEAT TREATMENT SERVICES	AEROSPACE, AUTOMOTIVE	FUEL EFFICIENCY	  
 ENERGY	 TRANSPORTATION	 INFRASTRUCTURE	 SPEC. METALS AND CHEM.

FINANCIAL HIGHLIGHTS



FY 2018 AT A GLANCE

AMOUNTS IN \$M (EXCEPT EARNINGS PER SHARE)	FY 2018	FY 2017	% CHANGE
Revenue	\$1,310.3	\$1,059.7	24%
Gross Profit	\$315.2	\$214.6	47%
Gross Margin %	24.1%	20.3%	19%
Profit Before Income Taxes	\$139.8	\$71.4	96%
EBITDA	\$217.1	\$125.5	73%
EBITDA Margin %	16.6%	11.8%	41%
Net (Cash) Debt	(\$0.5)	\$10.3	N/A
Return On Capital Employed (ROCE)	35.4%	21.2%	67%
Net Income Attributable To Shareholders	\$94.6	\$57.0	66%
Diluted Earnings Per Share	2.97	1.80	65%

- 2018 EBITDA up 73% versus 2017 due to improved profitability within AMG Critical Materials and AMG Technologies
- Annualized ROCE increased to 35.4% in 2018 versus 21.2% in 2017
- Diluted earnings per share for 2018 increased 65% over 2017

**2018 EBITDA up 73%
versus 2017**

CONSOLIDATED BALANCE SHEET

AS OF IN MILLIONS OF US DOLLARS	DECEMBER 31, 2018	DECEMBER 31, 2017
Fixed assets	328.0	298.5
Goodwill and intangibles	35.1	38.1
Other non-current assets	76.1	92.4
Inventories	316.7	162.5
Receivables	138.5	137.2
Other current assets	44.6	49.1
Cash	381.9	178.8
TOTAL ASSETS	1,320.9	956.6
TOTAL EQUITY	344.0	282.6
Long-term debt	357.0	164.8
Employee benefits	149.2	156.2
Other long-term liabilities	50.0	47.8
Current debt	24.4	24.3
Accounts payable and accruals	290.6	215.3
Advance payments	50.2	33.0
Other current liabilities	55.5	32.6
TOTAL LIABILITIES	976.9	674.0
TOTAL EQUITY AND LIABILITIES	1,320.9	956.6

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED IN MILLIONS OF US DOLLARS	DECEMBER 31, 2018	DECEMBER 31, 2017
Revenue	1,310.3	1,059.7
Cost of sales	995.1	845.1
Gross profit	315.2	214.6
Selling, general & administrative	143.6	132.3
Other expense, net	8.4	2.5
Operating profit	163.2	79.8
Net finance costs	23.5	8.4
Profit before income taxes	139.7	71.4
Income tax expense	45.0	13.9
Profit for the period	94.7	57.5
Shareholders of the Company	94.5	57.0
Non-controlling interest	0.2	0.5
ADJUSTED EBITDA	217.1	125.5

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED IN MILLIONS OF US DOLLARS	DECEMBER 31, 2018	DECEMBER 31, 2017
EBITDA	217.1	125.5
Change in working capital and deferred revenue	(73.1)	(21.3)
Other operating cash flow	(7.0)	(7.9)
Cash generated from operating activities	137.0	96.3
Finance costs paid, net	(18.3)	(7.5)
Income tax paid	(21.3)	(10.3)
Net cash from operating activities	97.4	78.5
Capital expenditures	(73.0)	(80.9)
Other investing activities	1.7	3.7
Net cash used in investing activities	(71.3)	(77.2)
Net cash from financing activities	182.7	5.5
Net increase in cash and equivalents	208.8	6.8
Cash and equivalents at January 1	178.8	160.7
Effect of exchange rate fluctuations on cash held	(5.7)	11.3
CASH AND EQUIVALENTS AT DECEMBER 31	381.9	178.8

NET INCOME TO EBITDA RECONCILIATION

<i>(000's USD)</i>	FY 2018	FY 2017
Net Income	94,781	57,453
Income tax expense	44,971	13,905
Net finance cost *	22,949	7,793
Equity-settled share-based payment transactions	7,499	8,697
Restructuring expense	2,052	2,547
Asset impairment expense	3,333	1,160
Environmental expense	8,757	3,092
Others	(243)	(49)
EBIT	184,099	94,598
Depreciation and amortization	33,034	30,899
EBITDA	217,133	125,497

*Excludes foreign exchange expense (income)