

# ACCELERATING THE ENERGY TRANSITION

Investor Presentation | First Quarter 2022



AMG ADVANCED METALLURGICAL GROUP N.V.



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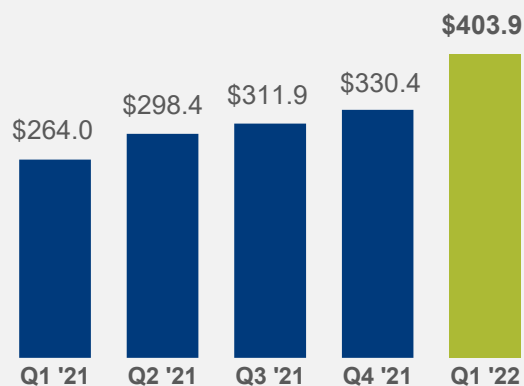
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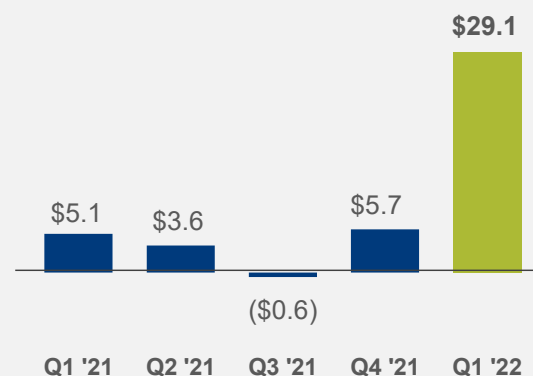
# FINANCIAL HIGHLIGHTS

## REVENUE (IN MILLIONS OF US DOLLARS)

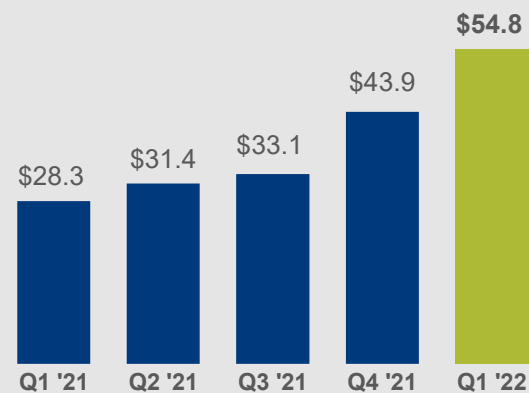


## NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS

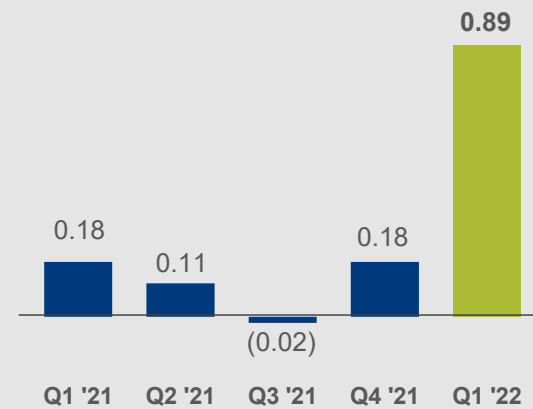
(IN MILLIONS OF US DOLLARS)



## EBITDA (IN MILLIONS OF US DOLLARS)

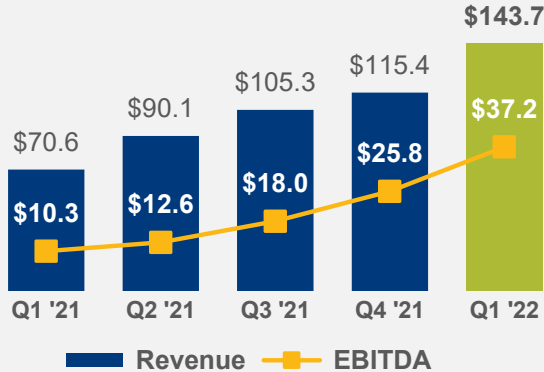


## EARNINGS (LOSS) PER SHARE (IN US DOLLARS)



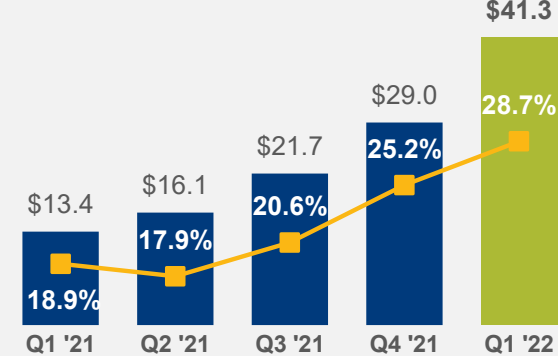
# AMG CLEAN ENERGY MATERIALS FINANCIAL HIGHLIGHTS

## REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)



Revenue more than doubled and EBITDA more than tripled vs. Q1 '21

## GROSS PROFIT EXCLUDING EXCEPTIONAL ITEMS (IN MILLIONS OF US DOLLARS)



Gross profit more than tripled YoY

## CAPITAL EXPENDITURES (IN MILLIONS OF US DOLLARS)



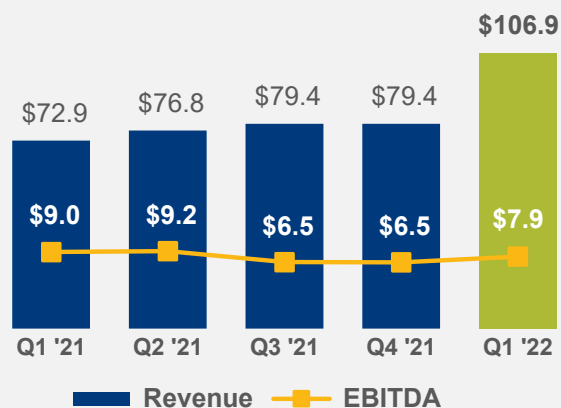
Spending is largely attributable to AMG Vanadium's expansion project

## KEY HIGHLIGHTS

- Gross profit before non-recurring items in Q1 2022 more than tripled compared to Q1 2021 primarily due to the higher vanadium, tantalum and lithium concentrate pricing
- SG&A expenses in Q1 2022 were \$10.8 million, \$1.2 million higher than in Q1 2021 due to an increase in professional fees as a result of higher strategic project costs and higher share-based and variable compensation expense
- EBITDA increased by \$26.9 million in Q1 2022, to \$37.2 million from \$10.3 million due to the improved gross profit

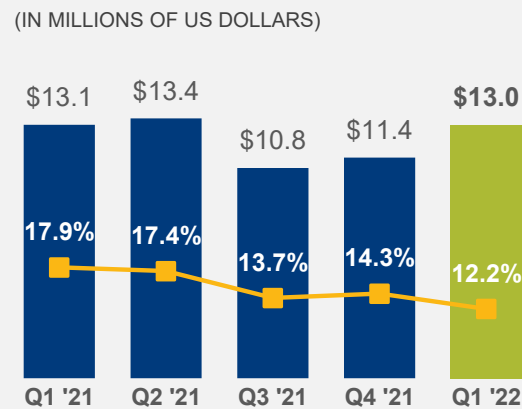
# AMG CRITICAL MINERALS FINANCIAL HIGHLIGHTS

## REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)



Revenue increased 47% vs. Q1 '21

## GROSS PROFIT EXCLUDING EXCEPTIONAL ITEMS (IN MILLIONS OF US DOLLARS)



Gross profit in line with Q1 '21

## CAPITAL EXPENDITURES (IN MILLIONS OF US DOLLARS)



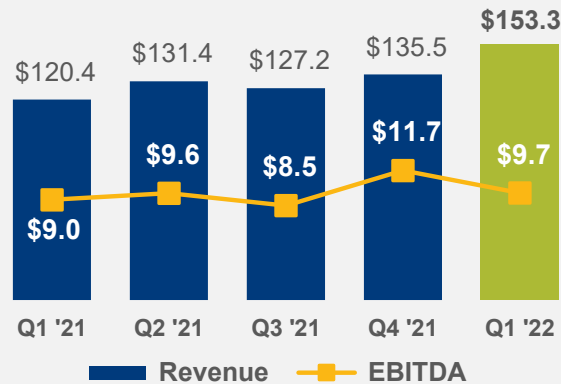
Q1 '22 spending in line with prior quarters

## KEY HIGHLIGHTS

- Revenue increased by \$34 million, or 47%, to \$106.9 million, driven by strong sales volumes of antimony and graphite as well as higher sales prices across all three businesses
- Gross profit before non-recurring items of \$13.0 million was in line with Q1 2021
- SG&A expenses in Q1 2022 slightly increased by \$0.8 million, to \$7.4 million, primarily due to higher share-based and variable compensation expense
- EBITDA in Q1 2022 was \$1.1 million lower than in Q1 2021 due to increased SG&A costs as well as the higher energy and shipping costs

# AMG CRITICAL MATERIALS TECHNOLOGIES FINANCIAL HIGHLIGHTS

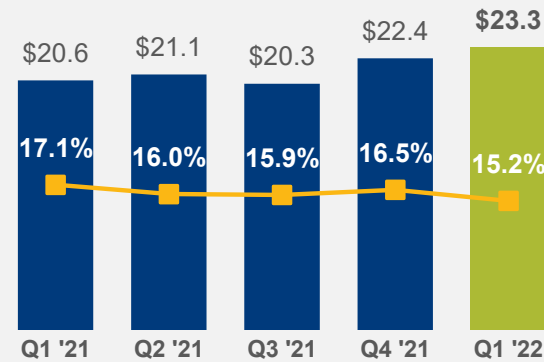
## REVENUE & EBITDA (IN MILLIONS OF US DOLLARS)



Revenue increased 27% vs. Q1 '21

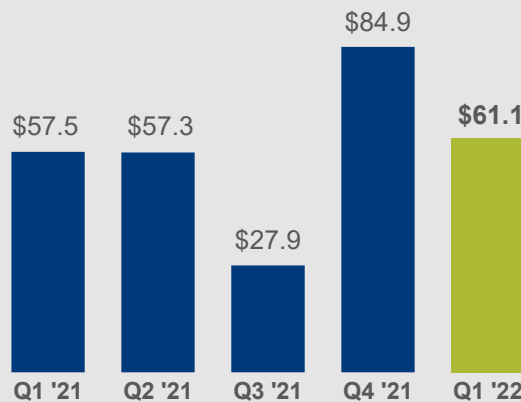
## GROSS PROFIT EXCLUDING EXCEPTIONAL ITEMS (IN MILLIONS OF US DOLLARS)

(IN MILLIONS OF US DOLLARS)



Gross profit up 13% vs. Q1 '21

## ORDER INTAKE (IN MILLIONS OF US DOLLARS)



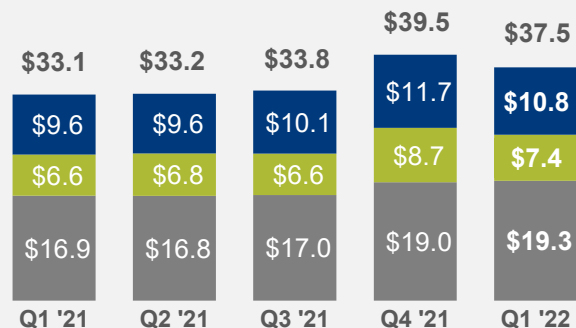
Book to bill ratio of 1.09x in Q1 '22

## KEY HIGHLIGHTS

- Q1 2022 revenue increased by \$32.9 million due to increased titanium alloys sales as well as higher titanium alloy and chrome metal pricing, offset by timing delays in Engineering projects
- Q1 2022 gross profit before non-recurring items increased by \$2.7 million due to the higher volumes and prices
- SG&A expenses increased by \$2.4 million in Q1 2022 compared to the same period in 2021, driven by an increase in professional fees and higher share-based and variable compensation expense in the current quarter
- The Company signed \$61.1 million in new orders during Q1 2022, representing a 1.09x book to bill ratio

# KEY CORPORATE INCOME STATEMENT ITEMS

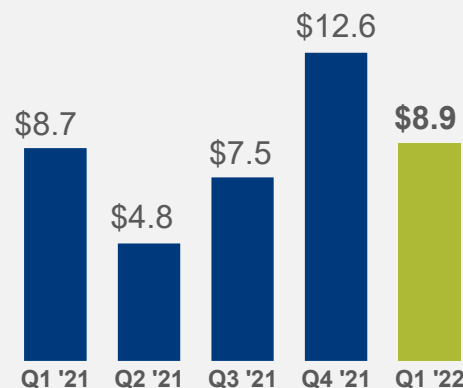
## SG&A EXPENSES (IN MILLIONS OF US DOLLARS)



■ Clean Energy Materials  
 ■ Critical Minerals  
 ■ Critical Materials Technologies

**SG&A increased 13% vs. Q1 '21**

## NET FINANCE COSTS (IN MILLIONS OF US DOLLARS)



**Increase mainly driven by higher borrowing rates in Q1 '22, partially offset by lower foreign exchange losses**

## TAXES (IN MILLIONS OF US DOLLARS)



■ Taxes Paid ■ Income Tax (Benefit) Expense

**AMG recorded a \$1.5 million income tax benefit in Q1 '22**

## KEY HIGHLIGHTS

- SG&A expenses were \$37.5 million in Q1 2022 vs. \$33.1 in Q1 2021, with the variance driven largely by an increase in professional fees due to higher strategic project costs and higher share-based and variable compensation expense
- AMG recorded an income tax benefit of \$1.5 million in Q1 2022, compared to \$0.9 million in Q1 2021; this variance was mainly driven by higher pre-tax income compared to Q1 2021, more than offset by movements in the Brazilian real vs. the US dollar
- The effects of the Brazilian real caused a \$14.7 million non-cash deferred tax benefit in Q1 2022



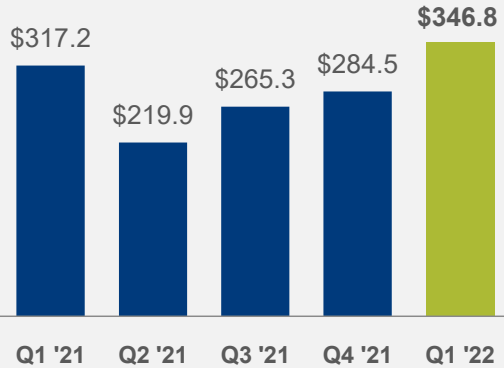
# CASH FLOW AND WORKING CAPITAL

**OPERATING CASH FLOW** (IN MILLIONS OF US DOLLARS)



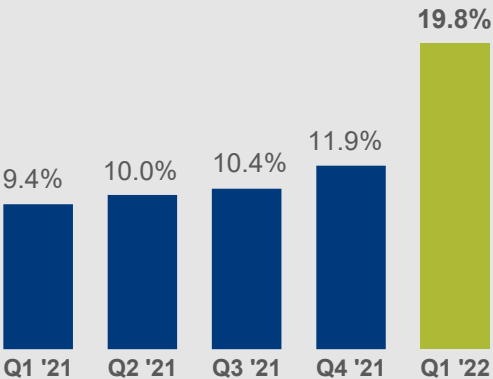
Cash used in operating activities was \$3.7 million for Q1 '22 due to higher working capital driven by increased revenues

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



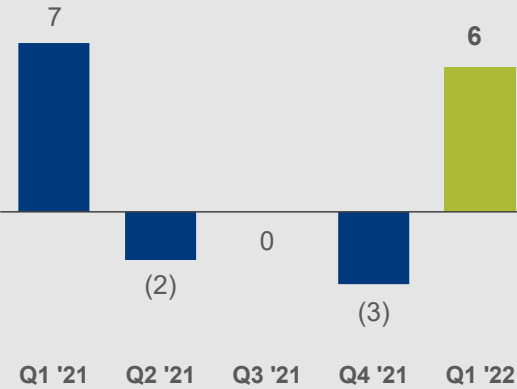
Increase vs. YE 2021 mainly due to the significant investment in growth initiatives

**ANNUALIZED ROCE**



ROCE increased due to higher profitability during the quarter

**WORKING CAPITAL DAYS**



1 Day YoY



# APPENDIX



LEADER IN ADVANCED TECHNOLOGIES TO ADDRESS CO<sub>2</sub> REDUCTION

## CO<sub>2</sub> REDUCTION

FT FINANCIAL  
TIMES

CLIMATE  
LEADERS  
2022

statista

AMG ADVANCED METALLURGICAL GROUP

### A GLOBAL IMPERATIVE FOR THE 21<sup>ST</sup> CENTURY

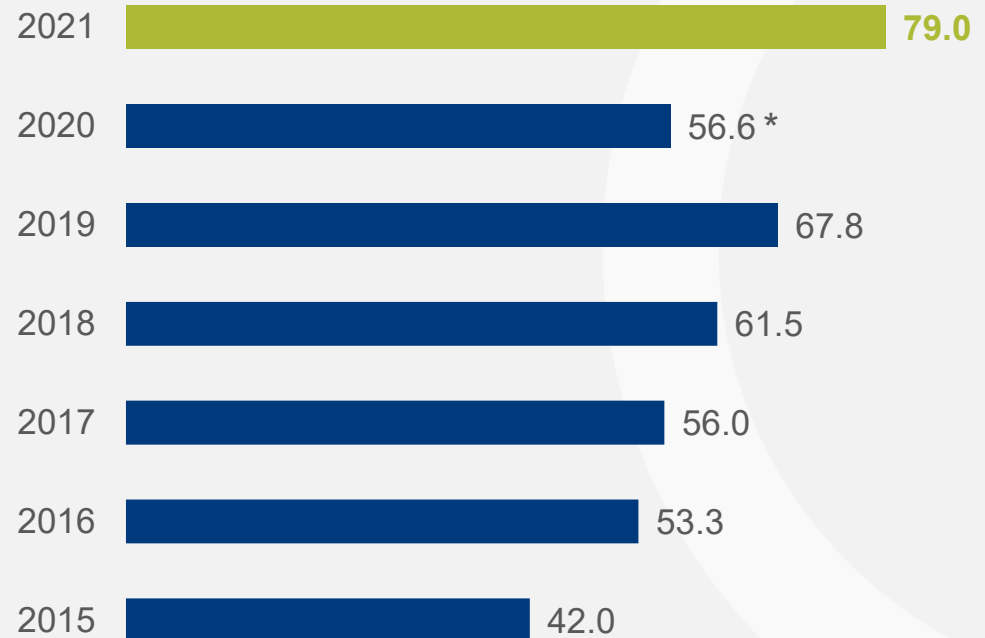
#### AMG: ENABLING TECHNOLOGIES

Products and processes saving CO<sub>2</sub> emissions during use (e.g., light-weighting and fuel efficiency in the aerospace and automotive industries)

#### AMG: MITIGATING TECHNOLOGIES

Products and processes saving raw minerals, energy and CO<sub>2</sub> emissions during manufacturing (e.g., recycling of ferrovanadium)

### AMG'S ENABLED CO<sub>2</sub> EMISSION REDUCTIONS (Million MT)



\* 2020 decrease due to the global pandemic significantly impacting volumes in our aerospace exposed businesses

# QUARTERLY REVENUE DRIVERS

## CLEAN ENERGY MATERIALS

	SEGMENT RESULTS		KEY DRIVERS	
	<u>Q1 2022</u>	<u>Q1 2021</u>	Price	Volume
Revenue	\$143.7	\$70.6	↑	↔
Gross Profit *	\$41.3	\$13.4	↑	↓
			↑	↓

## CRITICAL MINERALS

	SEGMENT RESULTS		KEY DRIVERS	
	<u>Q1 2022</u>	<u>Q1 2021</u>	Price	Volume
Revenue	\$106.9	\$72.9	↑	↑
Gross Profit *	\$13.0	\$13.1	↑	↓
			↑	↑

## CRITICAL MATERIALS TECHNOLOGIES

	SEGMENT RESULTS		KEY DRIVERS	
	<u>Q1 2022</u>	<u>Q1 2021</u>	Price	Volume
Revenue	\$153.3	\$120.4	↑	↑
Gross Profit *	\$23.3	\$20.6	↑	↑
			↑	↑

\* Gross Profit excluding exceptional items

\*\* AMG Engineering variance arrow represents total change in book to bill, not volume or price

## CRITICAL MATERIALS — AVERAGE QUARTERLY MARKET PRICES

MATERIALS	Q1 2021	Q1 2022	APR 27, 2022 SPOT	Q1 '22 VS. Q1 '21 % CHANGE	SPOT VS. Q1 '22 % CHANGE
Ferrovandium (\$/lb) <i>CRU</i>	\$14.60	\$22.49	\$33.00	54%	47%
Molybdenum (\$/lb) <i>S&amp;P Global Platts</i>	\$11.36	\$19.09	\$19.25	68%	1%
Nickel (\$/MT) <i>Metal Bulletin</i>	\$17,570	\$27,944	\$32,813	59%	17%
Aluminum (\$/MT) <i>Metal Bulletin</i>	\$2,096	\$3,280	\$3,102	56%	(5%)
Chrome Metal (\$/lb) <i>CRU</i>	\$3.41	\$6.23	\$8.85	83%	42%
Tantalum (\$/lb) <i>Argus Metals</i>	\$62.74	\$87.48	\$104.50	39%	19%
Spodumene (\$/MT) <i>Asian Metal</i>	\$449	\$2,716	\$3,490	505%	28%
Antimony (\$/MT) <i>Metal Bulletin</i>	\$9,503	\$13,865	\$14,650	46%	6%
Graphite (\$/MT) <i>Benchmark Minerals</i>	\$988	\$1,205	\$1,230	22%	2%
Silicon Metal (€/MT) <i>CRU</i>	€2,249	€4,785	€4,880	113%	2%

# CRITICAL MATERIALS — FULL YEAR AND CURRENT SPOT PRICES

MATERIALS	AVG 2020	AVG 2021	APR 27, 2022 SPOT	AVG '21 VS. AVG '20 % CHANGE	SPOT VS. AVG '21 % CHANGE
Ferrovandium (\$/lb) <i>CRU</i>	\$10.81	\$15.81	\$33.00	46%	109%
Molybdenum (\$/lb) <i>S&amp;P Global Platts</i>	\$8.67	\$15.98	\$19.25	84%	20%
Nickel (\$/MT) <i>Metal Bulletin</i>	\$13,788	\$18,500	\$32,813	34%	77%
Aluminum (\$/MT) <i>Metal Bulletin</i>	\$1,704	\$2,480	\$3,102	46%	25%
Chrome Metal (\$/lb) <i>CRU</i>	\$3.22	\$4.37	\$8.85	36%	103%
Tantalum (\$/lb) <i>Argus Metals</i>	\$60.15	\$76.01	\$104.50	26%	37%
Spodumene (\$/MT) <i>Asian Metal</i>	\$428	\$971	\$3,490	127%	259%
Antimony (\$/MT) <i>Metal Bulletin</i>	\$5,912	\$11,752	\$14,650	99%	25%
Graphite (\$/MT) <i>Benchmark Minerals</i>	\$853	\$1,030	\$1,230	21%	19%
Silicon Metal (€/MT) <i>CRU</i>	€1,808	€3,825	€4,880	112%	28%

# NET INCOME TO EBITDA RECONCILIATION

<i>(000's USD)</i>	Q1 2022	Q1 2021
Net income	\$29,884	\$5,678
Income tax benefit	(1,489)	(910)
Net finance cost	8,919	8,654
Equity-settled share-based payment transactions	1,380	1,114
Restructuring expense	141	67
Inventory cost adjustment	—	(333)
Strategic project expense <sup>(1)</sup>	4,796	2,552
Share of loss of associates	500	387
Others	102	167
<b>EBIT</b>	<b>44,233</b>	<b>17,376</b>
Depreciation and amortization	10,527	10,963
<b>EBITDA</b>	<b>54,760</b>	<b>28,339</b>

(1) The Company is in the ramp-up phase for several strategic expansion projects, including AMG Vanadium's expansion project, the joint venture with Shell, Hybrid Lithium Vanadium Redox Flow Battery System, and the lithium expansion in Germany, which incurred project expenses during the quarter but are not yet operational. AMG is adjusting EBITDA for these exceptional charges.