



AMG Advanced Metallurgical Group N.V. Receives Approval from the Ohio Air Quality Development Authority to Issue Tax-Exempt Bonds and Updates Capital Markets on Recent Events

Amsterdam, 14 June 2019 (Regulated Information) --- AMG Advanced Metallurgical Group N.V. ("AMG", Euronext Amsterdam: "AMG") has launched the marketing of \$300 million of senior unsecured 30-year tax-exempt bonds to expand its resid spent catalyst recycling capacity by building a new, greenfield plant in the operational vicinity of its current resid spent catalyst processing plant in Cambridge, Ohio. The Ohio Air Quality Development Authority has approved the issuance of the bonds.

Moody's Investors Service has affirmed its B1 corporate family rating for AMG with a stable outlook, upgraded its secured rating from B1 to Ba3 and assigned a rating of B3 to the unsecured tax-exempt bonds.

S&P Global Ratings, a division of The McGraw Hill Companies, Inc. has affirmed its BB-issuer credit rating for AMG with a stable outlook, upgraded its secured rating from BB- to BB and assigned a rating of B with a stable outlook to the unsecured tax-exempt bonds.

As part of the Preliminary Official Statement associated with the issuance of the tax-exempt bonds, which was published today, AMG has included a recent events section highlighting new developments post the publication of our first quarter results.

These recent events are as follows:

AMG is currently in the process of executing a buyback program for the purposes of returning cash to shareholders and funding future share-based employee compensation programs. The program will remain open until October 9, 2019. ABN AMRO Bank N.V. as purchase agent is managing the process through purchases during open and closed periods.

Share Repurchase Program (as of June 7, 2019)

Overall progress Share Repurchase Program:

Total Repurchase Amount in Shares	2,915,630
Cumulative Repurchase Amount	EUR 44,976,164
Cumulative Quantity Repurchased	1,813,317
Cumulative Average Repurchase Price	EUR 24.80
Start Date	April 9, 2019
End Date	October 9, 2019
Percentage of program completed as at June 7, 2019	62.19%

On May 1, 2019, AMG's shareholders approved the payment of a dividend of €0.50 per ordinary share over the financial year 2018.

In terms of liquidity, AMG's balance sheet is strong, and the Company is in full compliance with all debt covenants as of March 31st, 2019.

Though the Critical Materials business continues to experience strong demand for its products, it is experiencing very high price volatility, with spot prices for vanadium, chrome, silicon, tantalum and spodumene down significantly versus year end 2018. In light of this and similar weaknesses in other materials, in conjunction with the first quarter 2019 press release, the Company updated the adjusted EBITDA target for 2019 to be \$150 million and announced a target adjusted EBITDA of \$200 million for 2020. Subsequent to this announcement, market conditions and index prices have continued to weaken in the second quarter of 2019 for many of the business's materials.

As noted above, AMG had a \$9.9 million exceptional non-cash expense related to a net realizable value adjustment to the vanadium inventory cost position on March 31, 2019. As the index prices for vanadium continued to decline in the second quarter of 2019, an additional non-cash net realizable value adjustment of approximately \$40 million has been recorded using the index price as of May 31, 2019.

In AMG Brazil, the lithium concentrate plant startup is proceeding well. In terms of future lithium projects, the Company has decided to shift attention to increasing capacity at the Spodumene I plant. This project is known as Spodumene I+, and the Company expects it to add an incremental thirty thousand tons of capacity. The significant advantage of Spodumene I+ over Spodumene II is that Spodumene I+ can be done within the infrastructure of Spodumene I and therefore implies substantially lower capital expenditures and a higher return on capital employed compared to Spodumene II. As a result of this change in strategic plans, AMG recorded non-cash impairments of approximately \$6 million associated with capitalized costs for the engineering of Spodumene II in the second quarter 2019.

The AMG Technologies segment continues to grow given increasing market share for low pressure turbine blades destined for the LEAP-X program and focus on titanium aluminide powders for additive manufacturing. Given the growth opportunities across the technology offerings of AMG Engineering and the product offerings of AMG Titanium & Coatings into the aerospace engine value chain and given the business opportunities embedded in opening up the Build-Own-Operate business model, successfully demonstrated by Heat Treatment Services for applications in the metallurgical upgrading value chain, AMG is presently completing a long-term business plan that lays the groundwork for the option to organize AMG Technologies as a separately listed company.

On May 1, 2019, Dr. Heinz Schimmelbusch, CEO and Chairman of the Management Board, presented a comprehensive update on the

Company's strategic growth projects, including guidance on AMG's long-term financial goals. Based on the growth opportunities that exist throughout AMG's portfolio, including AMG Vanadium's spent catalyst recycling expansion in Cambridge, Ohio, AMG Mineração's Lithium project in Brazil and the creation of AMG's new segment, AMG Technologies, AMG expects to deliver an adjusted EBITDA level of \$350 million, or more, in 5 years, or less.

On June 10, 2019, AMG's Supervisory Board announced that it has authorized the Management Board to explore a separate public listing of AMG Technologies. As previously announced, AMG Technologies was formed on January 1, 2019 by combining AMG Titanium Alloys and Coatings and AMG Engineering.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This press release contains regulated information as defined in the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

About AMG

AMG is a global critical materials company at the forefront of CO₂ reduction trends. AMG produces highly engineered specialty metals and mineral products and provides related vacuum furnace systems and services to the transportation, infrastructure, energy, and specialty metals & chemicals end markets.

AMG Critical Materials produces aluminum master alloys and powders, ferrovanadium, natural graphite, chromium metal, antimony, lithium, tantalum, niobium and silicon metal. AMG Technologies produces titanium aluminides and titanium alloys for the aerospace market; designs, engineers, and produces advanced vacuum furnace systems; and operates vacuum heat treatment facilities, primarily for the transportation and energy industries.

With approximately 3,300 employees, AMG operates globally with production facilities in Germany, the United Kingdom, France, the Czech Republic, the United States, China, Mexico, Brazil, India, Sri Lanka and Mozambique, and has sales and customer service offices in Russia and Japan (www.amg-nv.com).

For further information, please contact:

AMG Advanced Metallurgical Group N.V. +1 610 975 4979

Michele Fischer

mfischer@amg-nv.com

Disclaimer

Certain statements in this press release are not historical facts and are "forward looking". Forward looking statements include statements concerning AMG's plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans and intentions relating to acquisitions, AMG's competitive strengths and weaknesses, plans or goals relating to forecasted production, reserves, financial position and future operations and development, AMG's business strategy and the trends AMG anticipates in the industries and the political and legal environment in which it operates and other information that is not historical information. When used in this press release, the words "expects," "believes," "anticipates," "plans," "may," "will," "should," and similar expressions, and the negatives thereof, are intended to identify forward looking statements. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward looking statements will not be achieved. These forward looking statements speak only as of the date of this press release. AMG expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in AMG's expectations with regard thereto or any change in events, conditions, or circumstances on which any forward looking statement is based.

Attachment

| [June 14 2019](#)