

FULL YEAR RESULTS

for the year ended 31 December 2023



HULAMIN

Think future. Think aluminium.

AGENDA

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Introduction and highlights

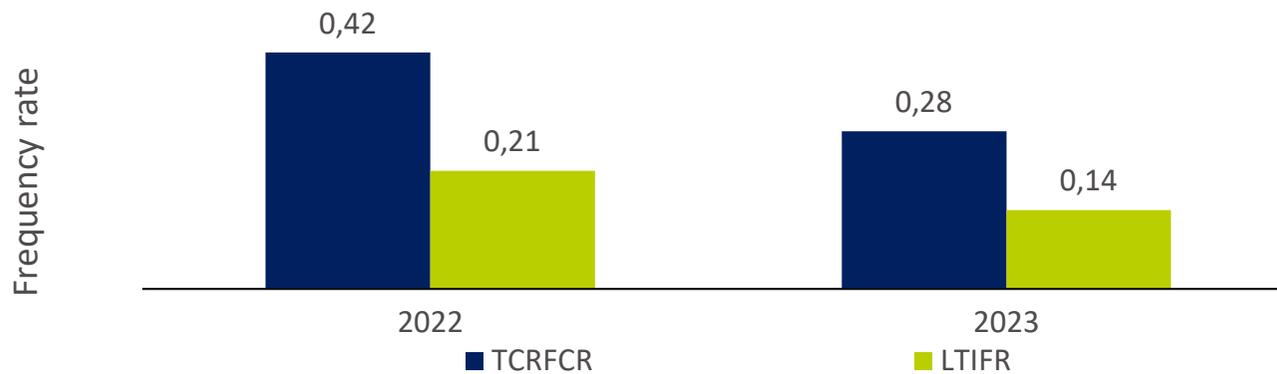
01

Mark Gounder
CEO



Safety Always!

“Zero harm to employee remains our primary focus, with continued efforts to enhance safety...”



Recordable and lost time frequency rate down by 33% due to significant intervention to eliminate safety risks rather than minimise significant safety risks



Business and financial highlights 2023

Market overview

- Short term constrained

- Global economic challenges impacting aluminium markets
- Cold Rolling volumes down 10%
- Undertook strategic plant shuts to reduce production capacity in line with constrained demand

Simplification, mix and profitability

- Can stream a priority
- Simplification enabled optimisation of mix
- Agile plant response to softening markets (protect full year profitability and cashflow)
- Normalised \$EBITDA/Ton 3% down at \$187



Free cashflow generated reinvested in plant reliability

- Conversion cost management
- Effective working capital management
- Focus on plant reliability and future capacity/capability on can stream

- Cashflows from operations up 503% at R363 million
- Export sales reduced cash conversion cycle
- Enabled capital expenditure of R311 million (up R80 million)
- Wide CBS project engineering and procurement commenced

Full-year 2023
financial results

02

Pravashni Nirghin
Interim CFO



“Simplification and agile strategy enables protection of full year profitability and free cashflows....”

FULL YEAR
FINANCIAL
HIGHLIGHTS
2023

R13.8bn turnover
DOWN 13%

169kt Rolled Products sales
DOWN 16% impacted by mix change
and soft global markets

51% Local sales compared to 47% in
prior year **UP 4%**

Full year profitability protected, fixed
conversion cost **down R101m**

R620m Normalised EBITDA (softer H2
global aluminum markets)
DOWN 7%

R363m Cashflows from operating
activities **UP 503%**

24.9% Debt to equity ratio
DOWN 2.9%

R11.47 Net asset value per share
UP 10%

Salient features



		FY 2023	FY 2022	% Change
KEY PARAMETERS AND ACTIVITIES				
Average LME	US\$	2 249	2 703	17 ▼
Average exchange rate	R/US\$	18.46	16.38	13 ▲
Group sales volume	Tons	180 066	211 328	15 ▼
Rolled Products sales volume	Tons	169 149	201 336	16 ▼
Revenue	R million	13 796	15 930	13 ▼
PROFITABILITY				
EBIT	R million	532	530	1 ▲
Normalised ¹ EBIT	R million	486	563	14 ▼
Normalised ¹ EBITDA	R million	620	666	7 ▼
EPS	Cps	88	97	9 ▼
HEPS	Cps	88	99	11 ▼
Normalised ¹ HEPS	Cps	77	105	27 ▼

1. Normalised EBIT, EBITDA and HEPS exclude metal price lag and material non-trading items

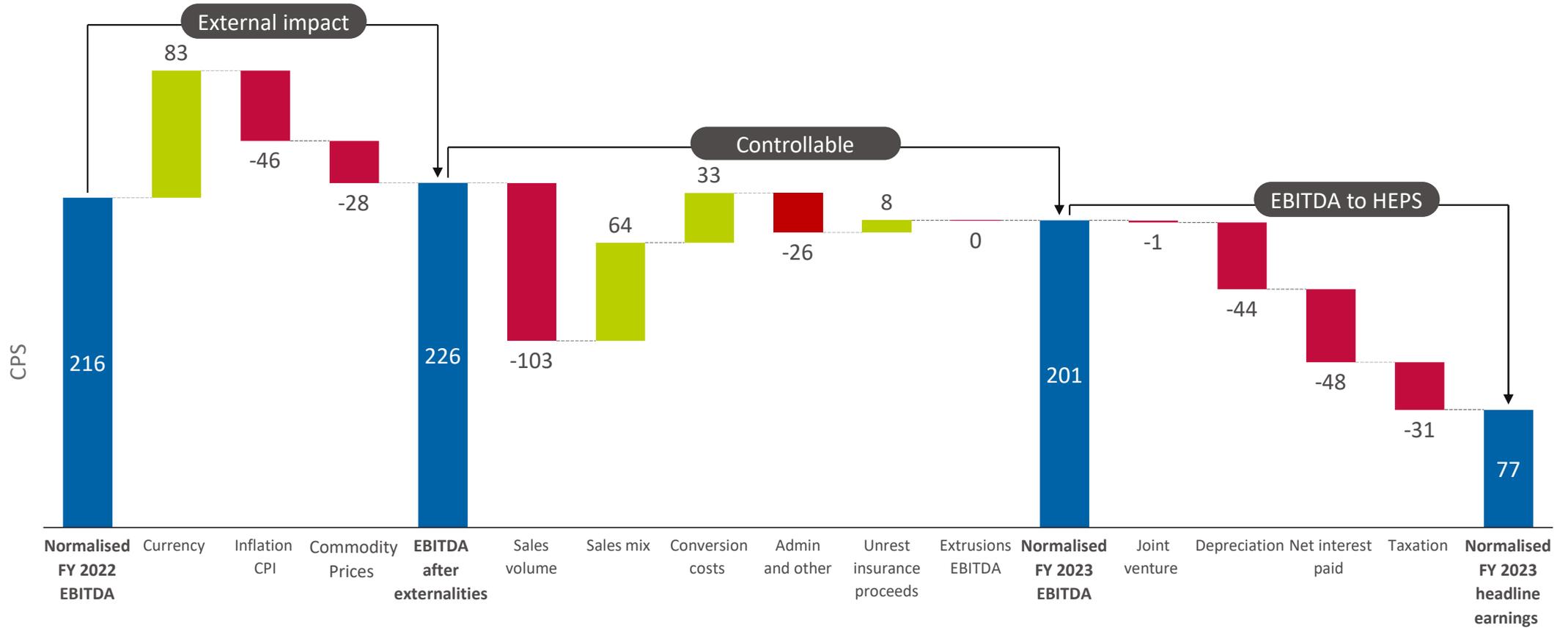
Salient features



FINANCIAL POSITION		FY 2023	FY 2022	% Change
Capital expenditure	R million	311	231	35 ▲
Net working capital as % of revenue	%	21	19	2 ▼
Net cash flow from operating activities	R million	363	60	503 ▲
Closing net debt	R million	804	836	4 ▲
Debt equity ratio	%	24.9	27.8	2.9 ▲

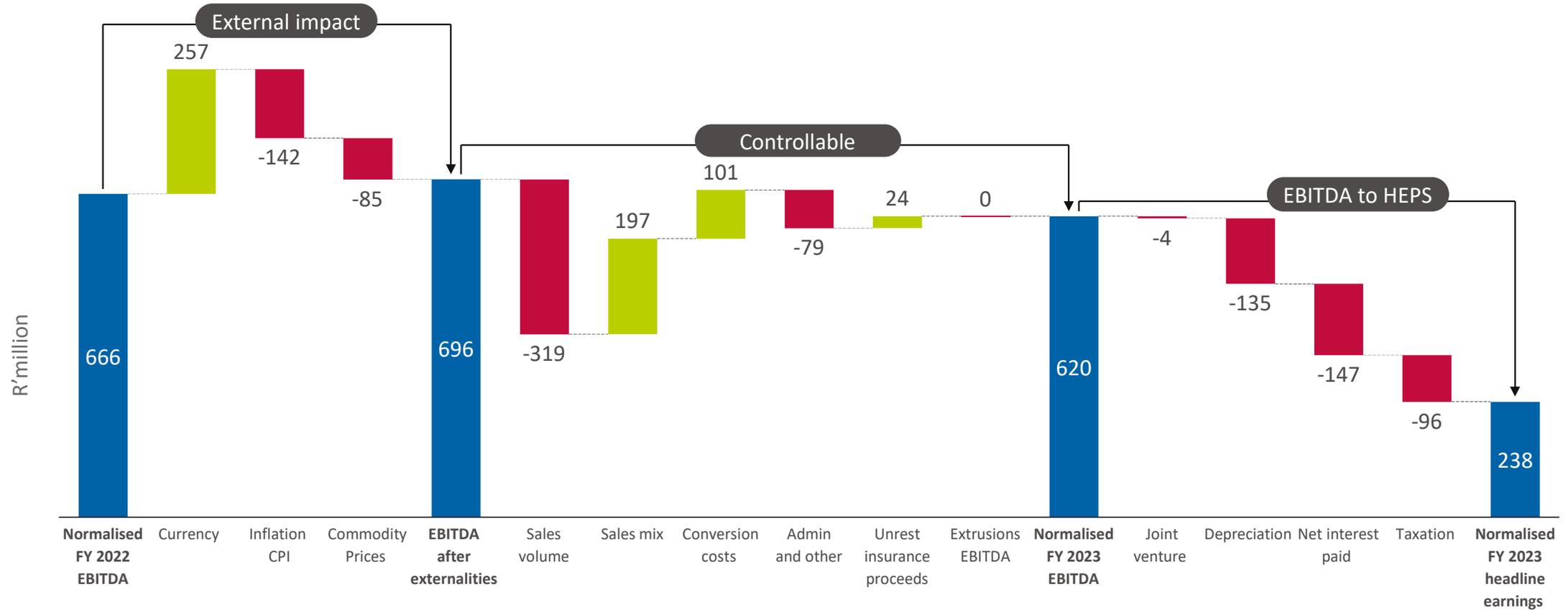
Normalised EBITDA / Headline Earnings Per Share

“EBITDA being 7% lower, impacted by softer global demand on core streams net off rationalised product mix and cost stabilisation...”



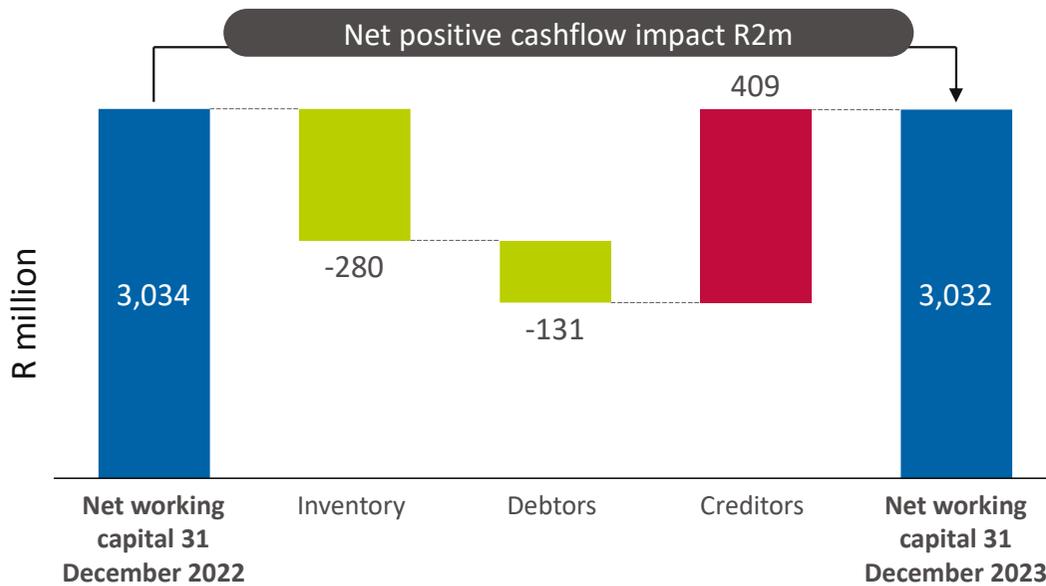
Normalised EBITDA / Headline Earnings (R'million)

“EBITDA being 7% lower, impacted by softer global demand on core streams net off rationalised product mix and cost stabilisation...”



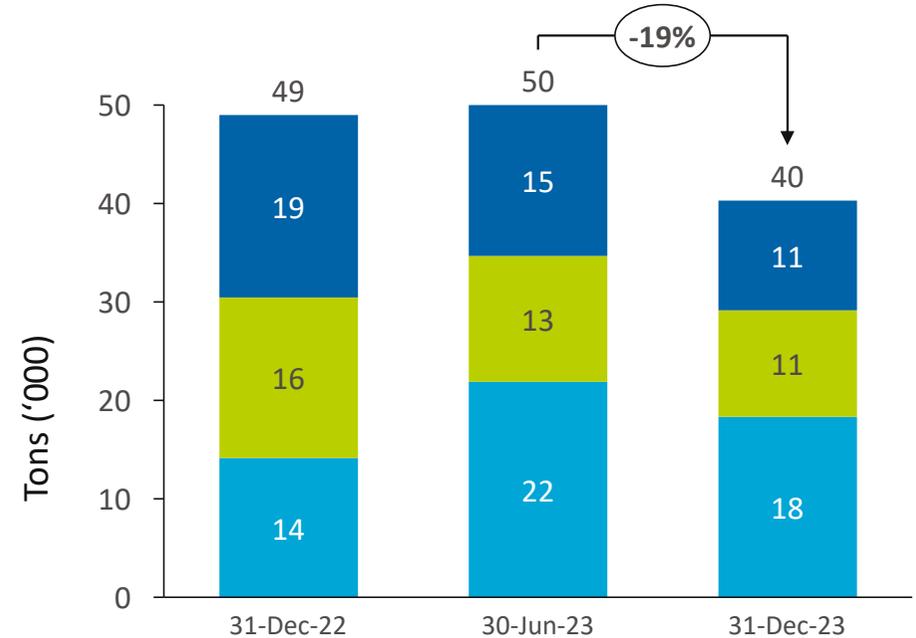
2023 analysis of net working capital

“Focused on maintaining appropriate working capital mix...”



- **Inventory:** Reduced inventory holding, with appropriate mix to accommodate 2024 Q1 sales and production
- **Trade Debtors & Trade Creditors:** Lower metal purchases in H2 on softer global markets and improved debtors mix

Aluminium Inventory Summary

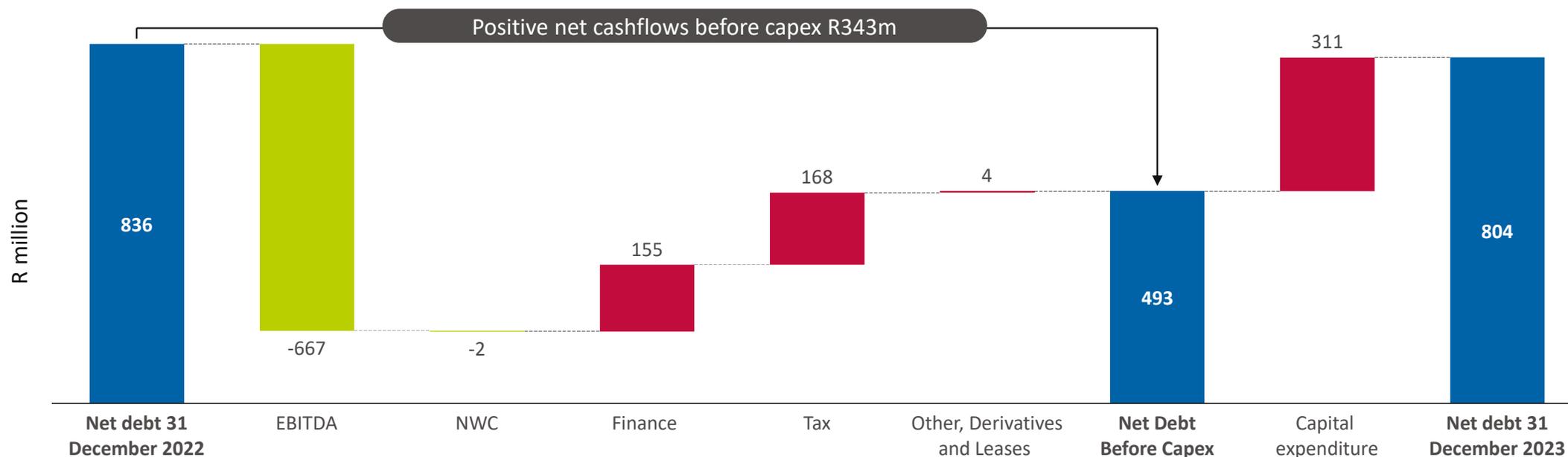


Rolling Slab and Remelt WIP Finished Goods

2023 Net debt & Cashflow analysis



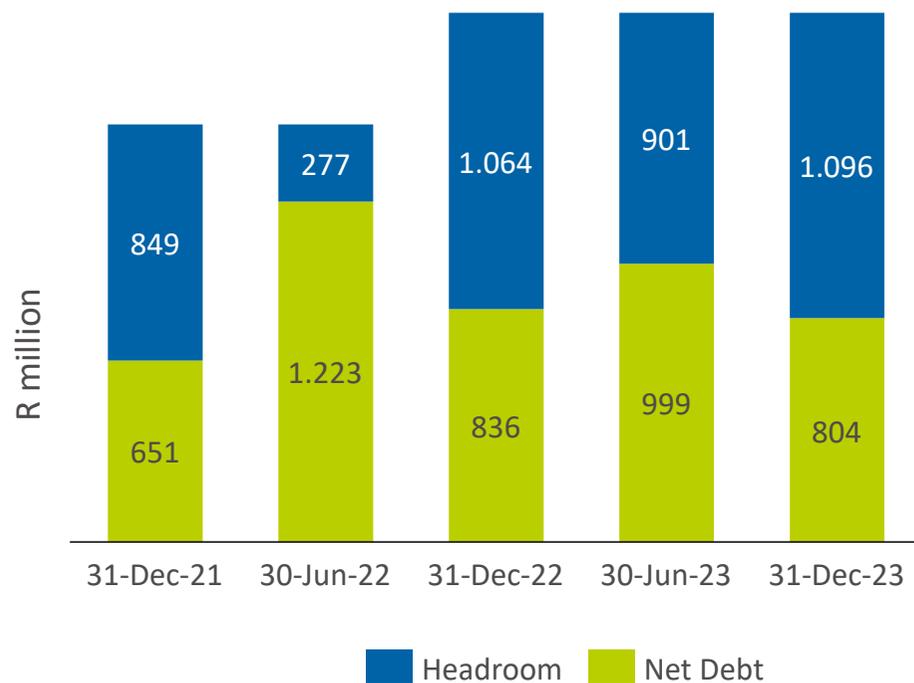
“Positive net cashflow utilised to reinvest in reliable plant performance and future business sustainability...”



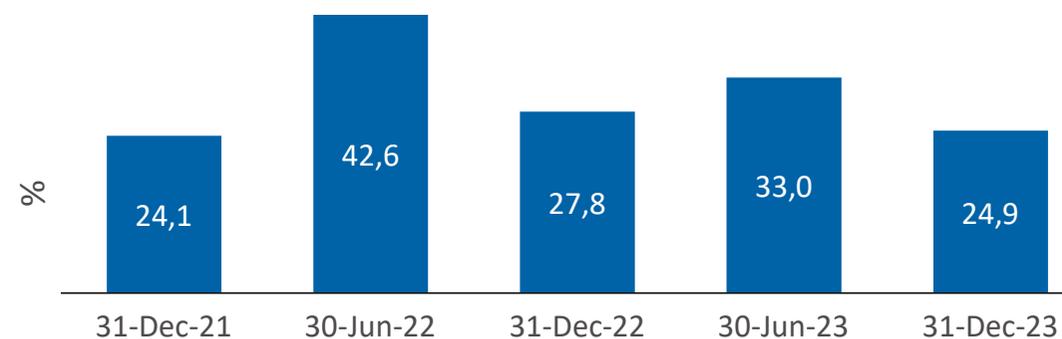
- Stable profitability and effective working capital management enabled free cashflow generation
- Reinvesting cash in reliable plant performance, capacity and capability enhancing strategic capital projects
- Liquidity adequate with headroom > R1.0 billion

2023 liquidity headroom & facilities

Net Borrowings and Headroom



Net Debt to Equity (Gearing)



Covenant ratio

Collateral cover ratio

Minimum required	1.20
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December	1.90
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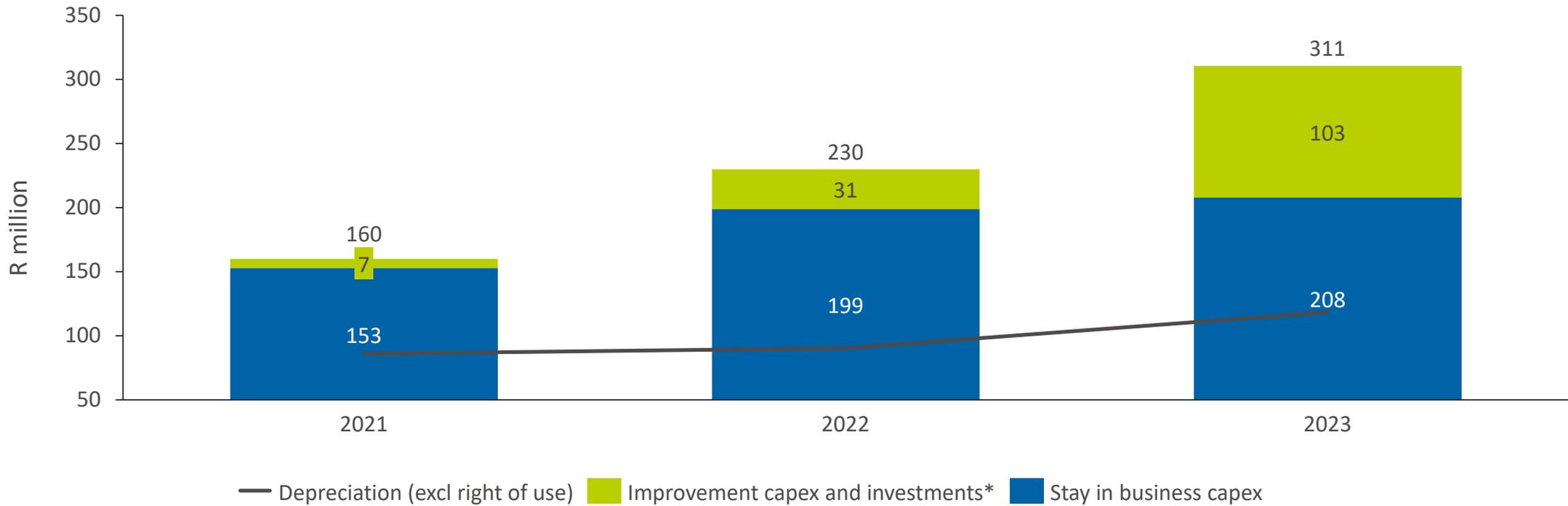
Debt to equity

Maximum	60%
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December	34.4%
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Capital expenditure

“Investment in cold rolling and UBC absorption capacity, capability and reliability...”

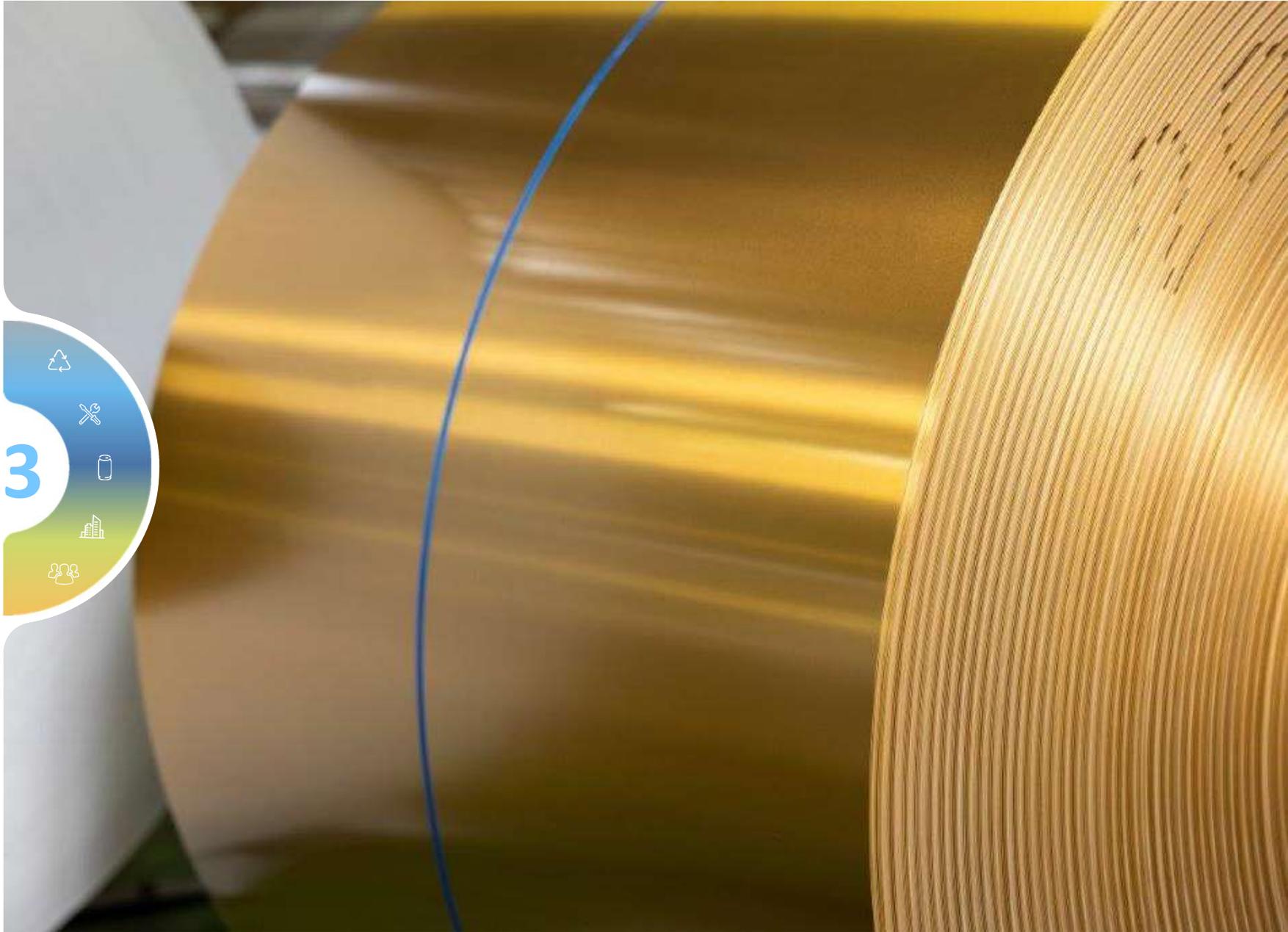


* Excludes capitalised borrowing costs

Rolled Products operational review

03

Mark Gounder
CEO

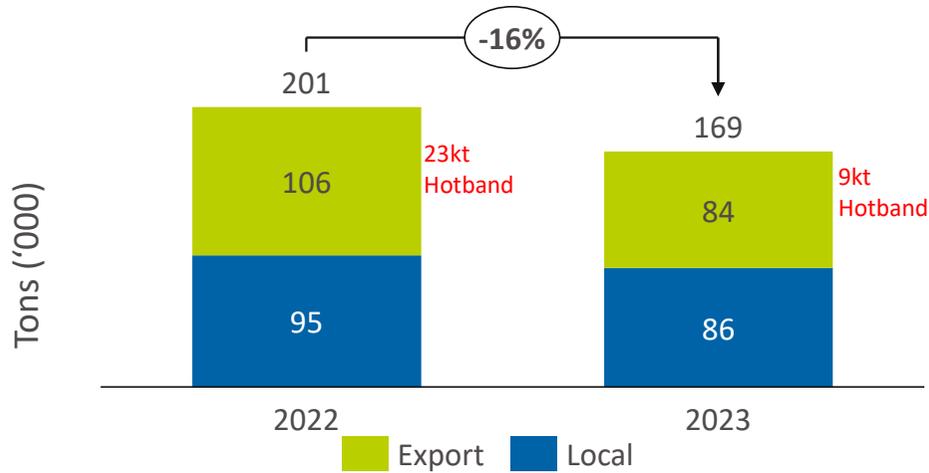


Rolled Products operational highlights

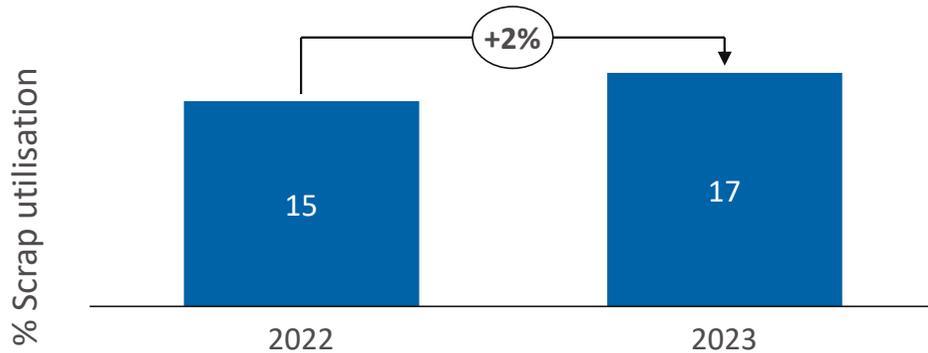
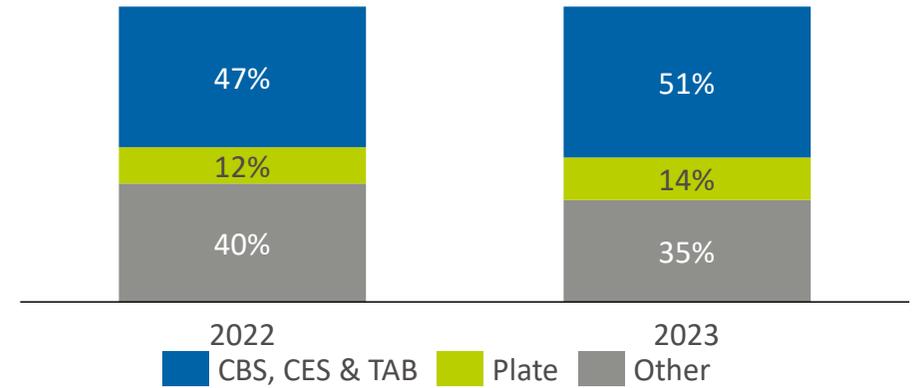
“Simplified mix an enabler prioritisation of primary streams and increased scrap utilisation...”



Rolled Products sales volumes (Kt)



Sales Mix (%)

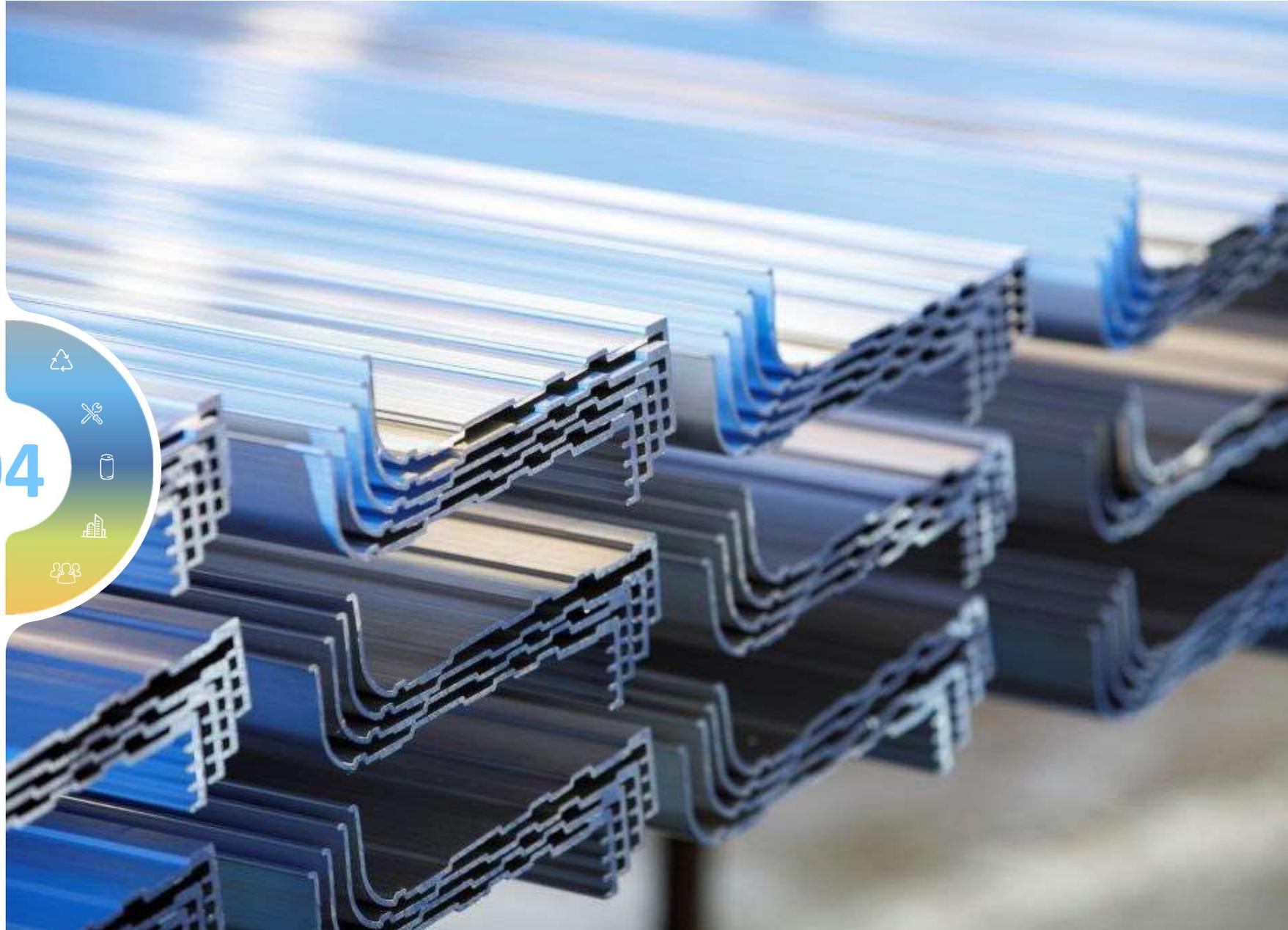


Volumes down 16%	<ul style="list-style-type: none"> Displaced Hotband to release capacity towards higher margin products Softer global Can and Common Alloys demand Detail cover in next slide
Improved can mix and >50% local	<ul style="list-style-type: none"> Prioritisation of local markets Product mix simplification
Scrap utilisation UP 2% at 17%	<ul style="list-style-type: none"> Improved can stock mix at 51% enabled improved third-party scrap utilisation

**Extrusions
operational review**

04

Mark Gounder
CEO



Extrusions operational highlights

- Strong recovery in 2023, with sales volumes being 6% higher to 11kt tons due to recovery of automotive volumes and stable general market demand
- Positive impact of growth in volumes tempered down by:
 - July two week strike
 - Operational challenges in H2 impacting costs and profitability
- 2024 outlooks is positive with strong order book
- Focus on improving operational performance and stabilizing metal supply with new onshore billet supply (minimize risk of port inefficiencies)



Outlook

05

Mark Gounder
CEO



2024 Outlook

- Macro-economic and geo-political uncertainty challenges short term demand visibility and prediction, however markets remain long term unconstrained
- Sustainable earnings and cashflow through stable plant performance, simplified mix, cost management and improve scrap utilisation
- Phase one of market driven capital investment to match the width capability (CBS) of imports to be completed
- Continued focus on unlocking cold rolling capacity and capability through continuous improvement
- Continued simplification and consolidation of strategic assets – acquisition of Richards Bay property containing our Casthouse facilities





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Think future. Think aluminium.



Questions