

HULAMIN OVERVIEW

Hulamin CEO - Mark Gounder



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HULAMIN

Think future. Think aluminium.

RMB Morgan Stanley Off Piste Investor Conference – September 2024

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Introduction
to Hulamin

01



What we do and markets we serve

Hulamin is Africa's largest aluminium fabrication company with capacity of 200k tonnes driven by product mix

Divisions

Core operations



Metal Supply

Rolling slab casting facility – liquid metal
Pietermaritzburg remelt facilities
Scrap processing facility



Plate and Rolled Products

A range of technologically advanced sheet, coil, foil and plate

Non-core operations



Containers

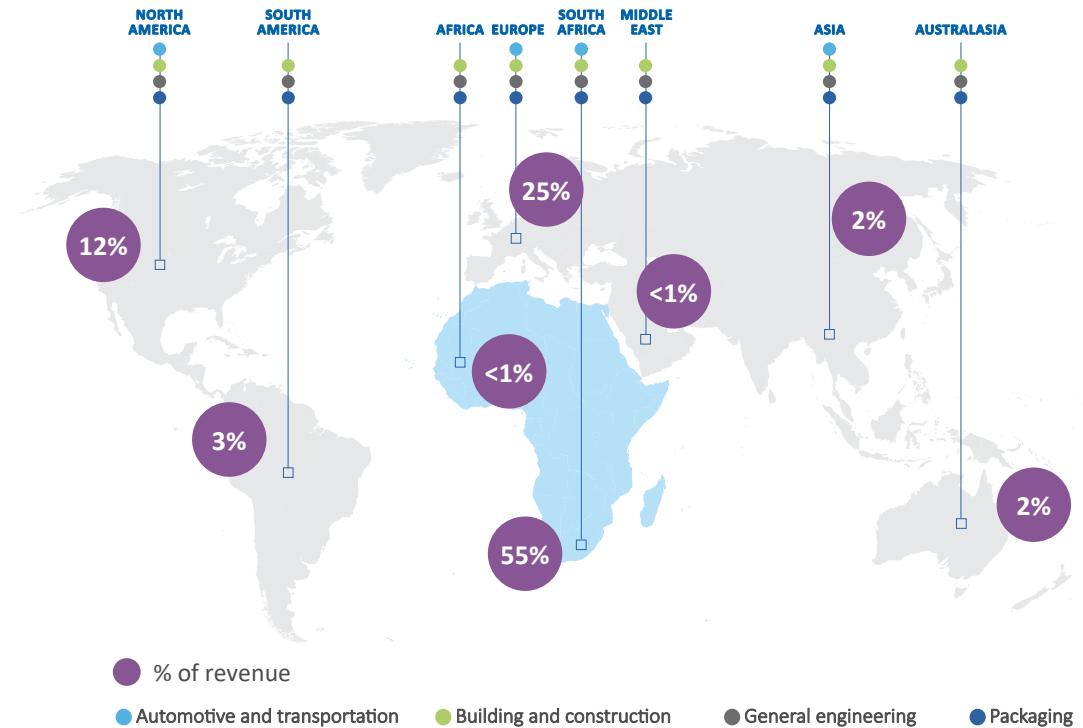
Standard and customised rigid foil containers for the local catering industry and household use



Extrusions

Standard and custom extrusions for engineering, automotive and architectural markets

Industries by global markets



Hulamin in numbers for six months ended 30 June 2024

+1 800
Employees

0.13
Lost Time Injury Frequency
Rate per 200k hours worked

+ZAR 7bn
Revenue

ZAR 3.8bn
Net Asset Value

+ZAR 1.3b
Market Capitalisation

38%
Debt to Equity Ratio

Locations and operations

Pietermaritzburg and Richards Bay, KwaZulu Natal, South Africa



Rolled Products production plant

Hulamin is the only aluminium rolling mill in Africa capable of high profitability margin plate, beverage cans and light gauge foil products



Production processes

Capacity (ktonnes)

Casting		~350kt
Hot rolling	Scalping	~230kt
	Cladding	
Cold rolling		~180kt
Plate		~30kt
Finishing	Tension levelling	
	Coating, cleaning, pre-treatment lubrication	
	Plate processing	
	Foil rolling and finishing	

Market segments

02



Long term demand outlook remains strong

"A diverse mix of GDP and FMCG driven demand serviced with a green material..."



Automotive

Construction

Foil

Engineering

Packaging

Renewable Energy

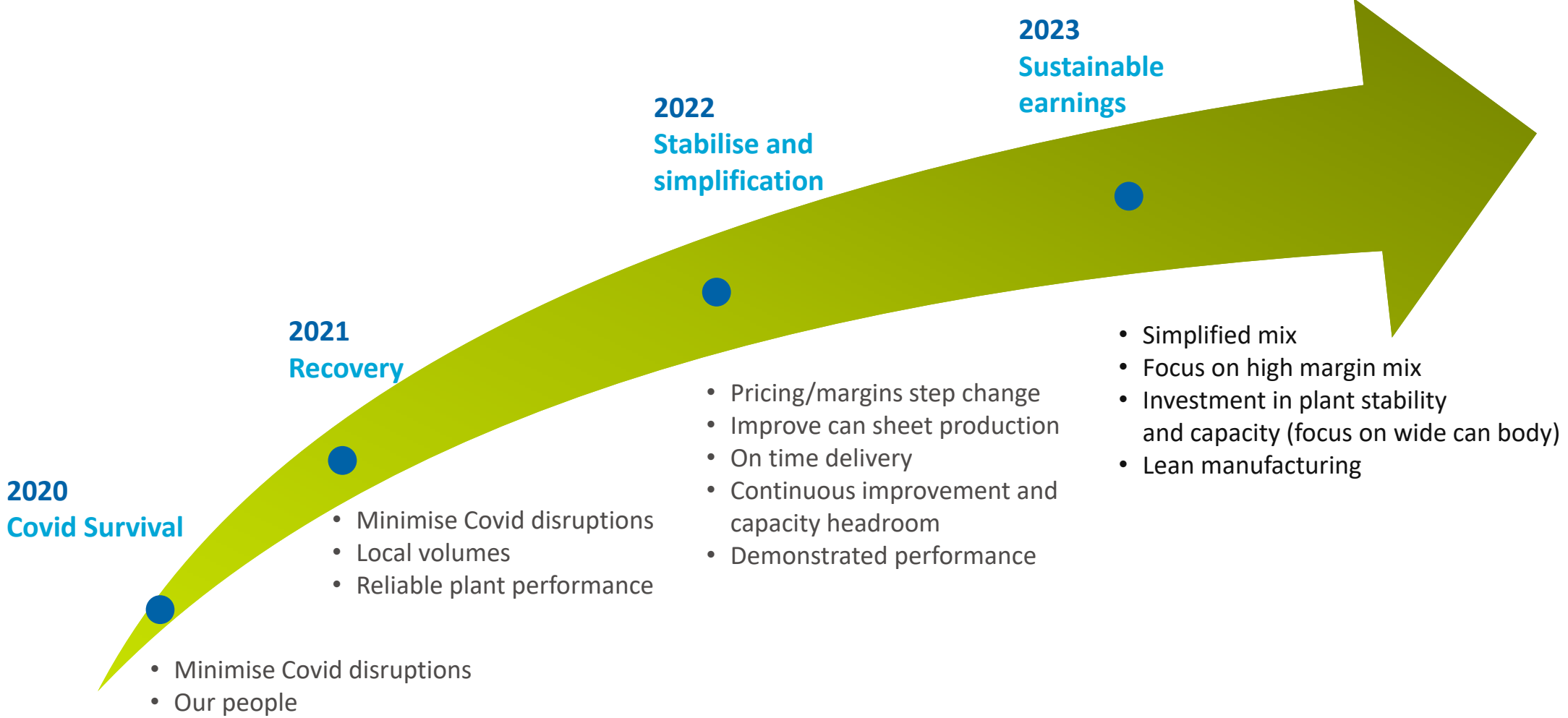


Hulamin's
strategic direction

03



Our strategic journey: 2020 - 2023



Hulamin's strategic focus

STRATEGY

- Drive local and regional demand by offering quality product to core clients
- Develop new markets and refine product range in anticipation of future demand in beverage cans and rolled product
- Be at the center of infinitely recyclable aluminium in Southern Africa

BUSINESS MODEL

- Simplification
- On time delivery
- Focus on local market
- Can stream a priority
- Align cost base to benchmark
- Create capacity through continuous improvement
- Investment in reliable plant performance
- Sustainability – recycled content

OUTCOMES

- **Optimized core business - operationally and in servicing markets**
- **Capital investments where there are clear above hurdle returns in those markets**
- **Efficiencies and best practice**
- **Profitable and sustainable returns to shareholders**

Key strategic priorities into the future

BUSINESS MODEL

1. Simplification
2. On time delivery
3. Focus on local market
4. Can stream a priority
5. Align cost base to benchmark
6. Create capacity through continuous improvement
7. Invest in reliable plant performance
8. Sustainability – recycled content

Focus areas and roadmap

1 2 3 4 5 6 7

- Grow domestic beverage can body
- Simplify foil mix and substitute hotband with cold rolled standards
- Optimise current true cold rolled capacity through continuous improvement enabling headroom

4 5 6 7 8

- Used Beverage Cans melting and decoating capacity
- Grow domestic wide can body

5 6 7 8

- Grow can end & tab volumes
- Continued product and market development

2023

2024

2025

2026

2027

2028

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Future

Phase 1

Phase 2

Phase 3

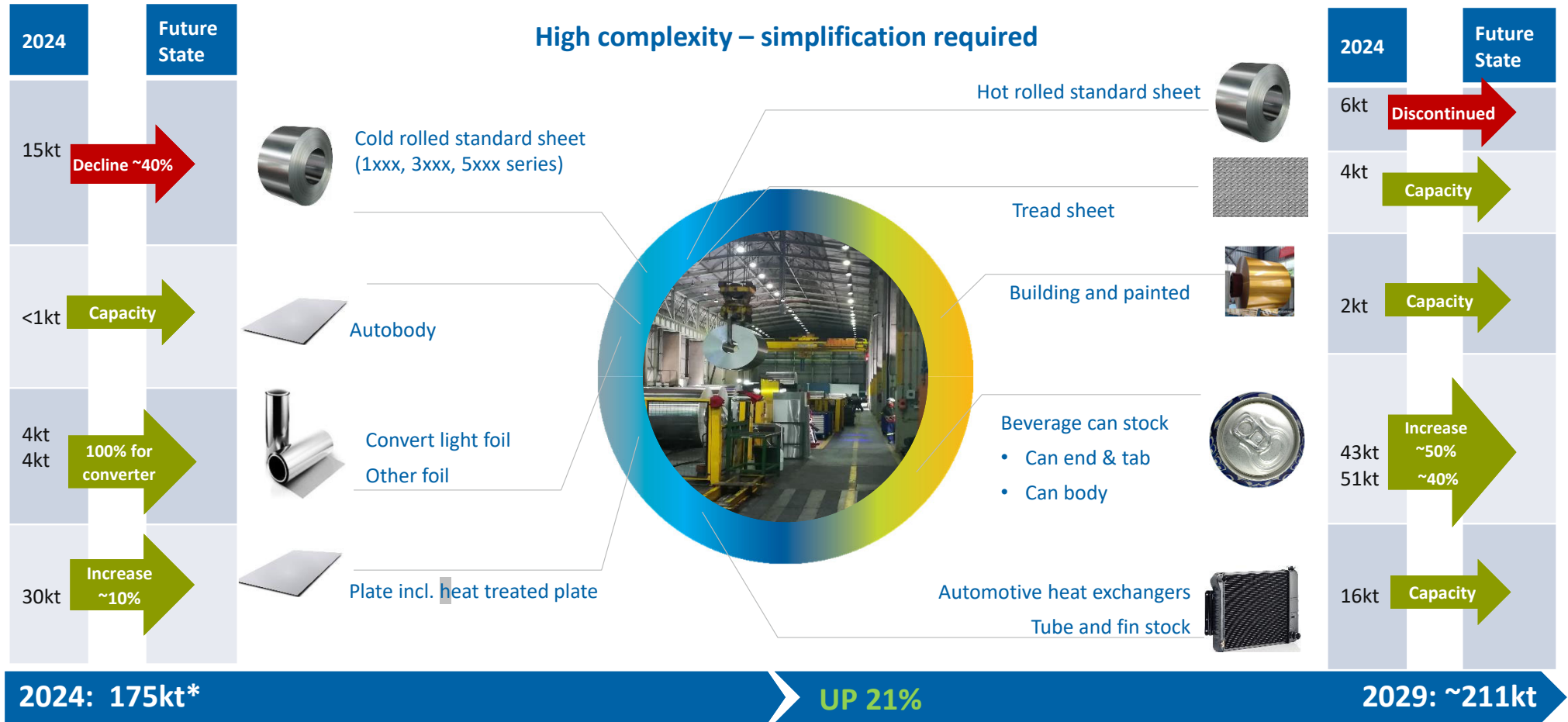
Unlocking value

04



Optimised production capacity

“Simplified product mix to optimise available cold rolling capacity and focus on high margin products...”



*Capacity constrained by plant reliability challenges and CCL2 fire which are addressed in 2024 to unlock capacity for the remainder of the plan

Context for market driven capital investment: Current State

“Capitalising on a growing can market, to enable supply up to 85% of market share...”



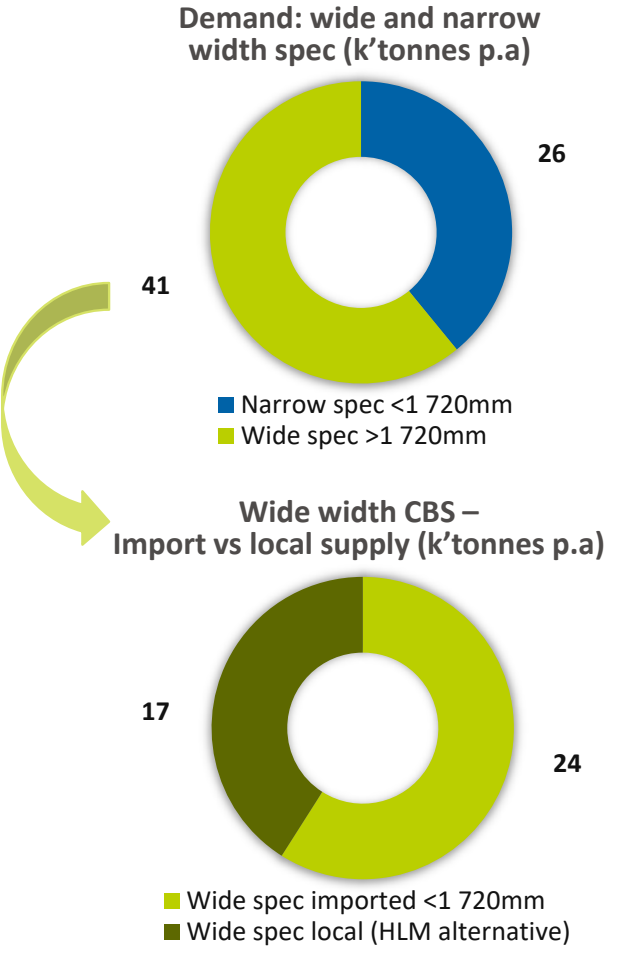
Our business case for investing in wide CBS



Current SA consumption ~66kt growing at 5% CAGR expected to be 72kt post new line commissioning in 2024

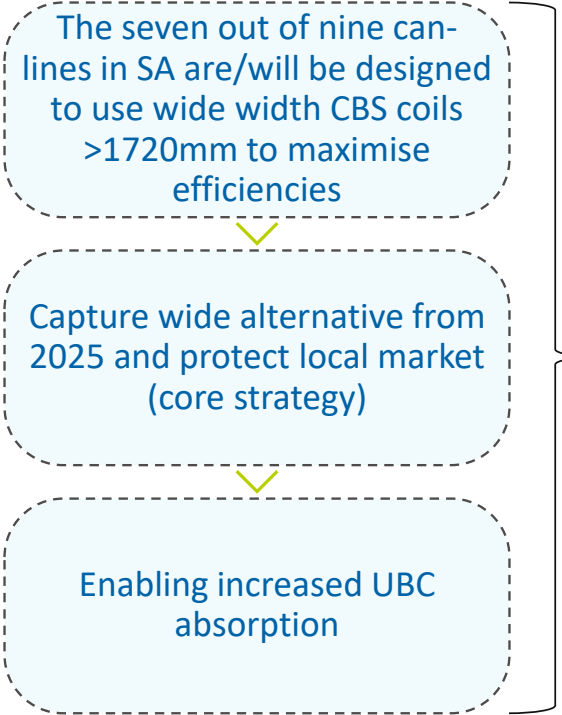
Hulamin currently unable to service the wide width can body market requirements

Hulamin currently only able to produce narrow

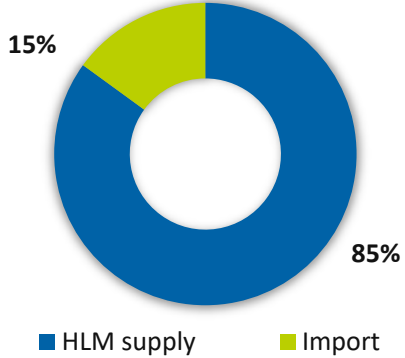


Context for market driven capital investment: Opportunity

“Capitalising on a growing can market, to enable supply up to 85% of market share...”



Post wide width investment target HLM market position



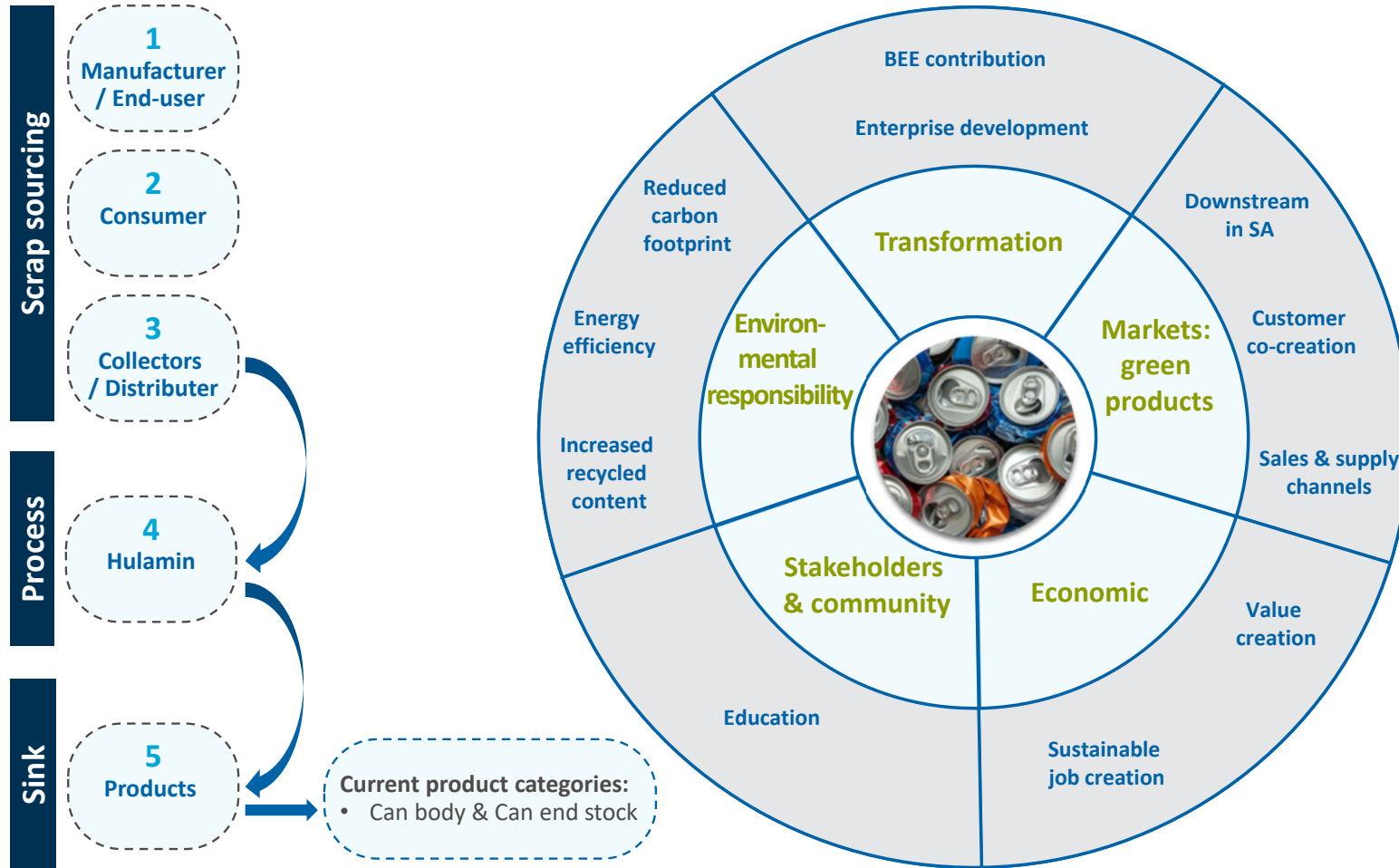
Beverage can industry benefits

- On time delivery
- Sustainable growth
- Operational efficiencies
- Developing recycling eco system

Position Hulamin to support growing local market and improved scrap utilisation

Why recycling is important to Hulamin?

“Focus remains on driving margin efficiencies at Hulamin”



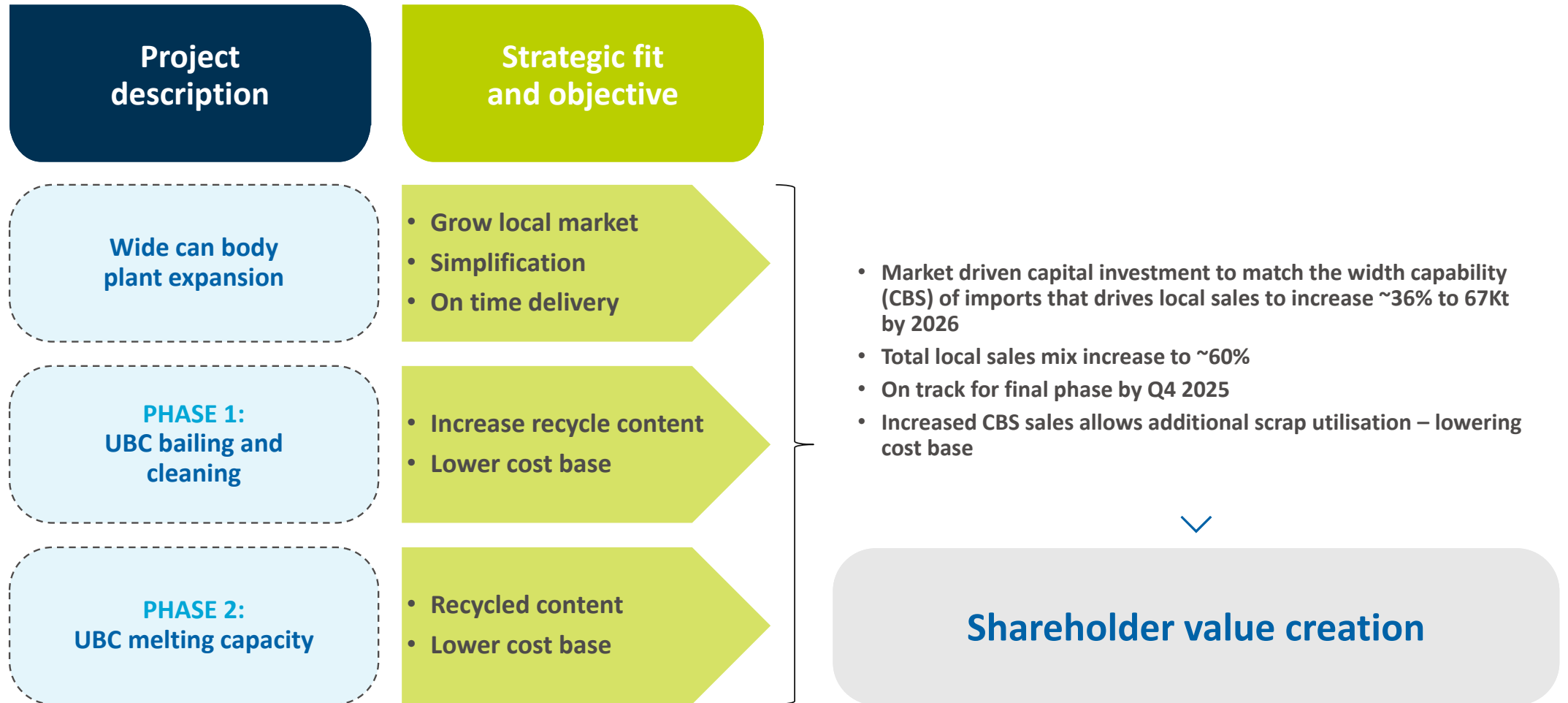
Hulamin impact

Growing CBS market enables increased scrap utilisation rate to unlock value through:

- Improve metal efficiency (optimise liquid metal utilisation/availability)
- Margin optimisation (lower input costs)
- Social investment
- Recycled content and decarbonisation

~R150m 3-year investment in additional absorption and melting capacity

Strategic capital investment outcomes



In summary

Market driven capital investment to match the width capability (CBS) of imports that drives local sales

The ~**40%** increase in CBS will pull UBC consumption from **6 000t** to **28 000t**

Beyond 2027 there are opportunities to increase can end capacity for exports

Cost initiatives to improve global competitiveness to align to benchmarks

Decision on Extrusions and Containers to release working capital ~ZAR 200m

Generate positive free cashflows to support capital investment

Focus on total returns to shareholders and a sustainable distribution of earnings

Our future
ambitions...

Unlock value
beyond 2027

05



Basis for unlocking entrapped value beyond 2027

Hulamin with its new simplified business model, is well positioned to unlock value through expansion and development of new market segments/regions.

STRENGTHS

- Product focused (can stock and plate)
- Simplified product mix enabled agile/flexible plant
- Technical customer service support (mill interference)
- Well positioned to capture growing aluminium demand in Africa
- Access to liquid aluminium and cast house facilities
- Access global trade corridors (well positioned for exports and route to markets)

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- Single site operation
- Plant right sizing and workforce upskill required
- Exposure structural y-o-y cost inflation
- High cost of capital
- Intensive working capital requirement, constrain on cashflows

WEAKNESSES

OPPORTUNITIES

- Macro tailwinds for aluminium ('Cans in Africa; Automotive globally')
- Growth forecast for aluminium in Africa
- Scrap opportunity in Africa
- Africa market protectionism
- Biggest hotline based rolling mill in Africa supported two smelting facilities (Mozal & Hillside)

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- Limited R&D and fast changing global markets
- Commodity and currency sensitivity
- Commoditisation of current markets, placing pressure on pricing
- Limited access to capital, limiting access to growth opportunities
- Climate conscious and market protectionism

THREATS





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Questions?