



FULL-YEAR RESULTS

for the year ended 31 December 2021



HULAMIN

Think future. Think aluminium.





**INTRODUCTION
AND HIGHLIGHTS**



**FULL-YEAR 2021
FINANCIAL RESULTS**



**OPERATIONAL REVIEW –
ROLLED PRODUCTS**



**OPERATIONAL REVIEW –
EXTRUSIONS**



OUTLOOK

AGENDA

INTRODUCTION AND HIGHLIGHTS

Richard Jacob – CEO

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SALIENT FEATURES – KEY CHANGES FROM 2020 TO 2021

2021



Overall sales volumes

- Hualamin Rolled Products sales up 35% to 208kt
- Hualamin Extrusions up 17%
- Group sales up 34% to 222kt



Local sales

- Local import duty on rolled products
- Hualamin Rolled Products domestic sales up 65%
- Hualamin Extrusions up 17%



Working capital

- Rand LME Alu price increasing from R24k to R54k per ton
- Consistent inventory, growth in receivables
- LME Aluminium from \$2 000 to \$ 3200 per ton



Pricing

- Rolling margins rising globally
- Lead by global firming of beverage can stock
- Stable extrusion margins

2020

- Hualamin Rolled Products 155 kt
- Hualamin Extrusion 11kt
- Group sales 166kt

- Weak domestic market disrupted by Covid-19
- Alcohol ban disrupted beverage can sales

- LME Aluminium flat, from \$1 700 to \$2 000 per ton through 2020

- Weak demand undermining selling prices

FULL-YEAR 2021 FINANCIAL RESULTS

Mark Gounder – CFO

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FULL YEAR FINANCIAL HIGHLIGHTS 2021

Revenue

R13bn

vs 2020: R8.5bn

52%

EBIT*

R538m

vs 2020: (R82m)

760%

Free cashflow generated

R239m

vs 2020: (R360)

166%

EPS & HEPS*

EPS 192 cps

(2020: 78 cps loss)

347%

& 355%

HEPS 182 cps

(2020: 71 cps loss)

Net debt to equity*

24.1%

vs 35.2% in Dec 2020

11%

Net asset value*

R9.47 per share

vs 2020: R7.54

26%

SALIENT FEATURES

		FY 2021	FY 2020 Restated	% Change
KEY PARAMETERS AND ACTIVITIES				
Average LME	US\$	2 640	1 704	55 ▲
Average exchange rate	R/US\$	14.79	16.47	10 ▼
Group sales volume	Tons	221 600	166 000	34 ▲
Rolled Products sales volume	Tons	208 544	155 000	35 ▲
Revenue	R billion	13 015	8 549	52 ▲
PROFITABILITY				
EBIT	R million	538	(82)	760 ▲
Normalised ¹ EBIT	R million	66	(163)	141 ▲
Normalised ¹ EBITDA	R million	132	(99)	233 ▲
EPS	Cps	192	(78)	347 ▲
HEPS	Cps	182	(71)	355 ▲
Normalised ¹ HEPS	Cps	82	(94)	187 ▲

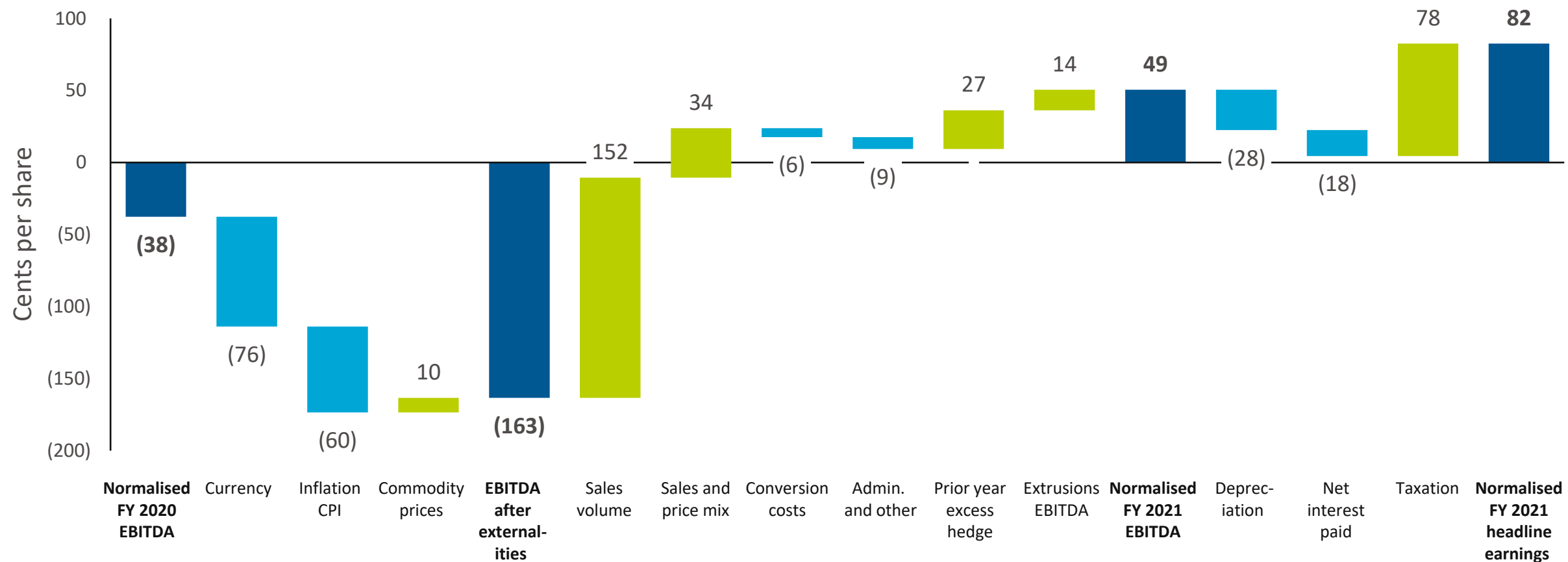
1. Normalised EBIT, EBITDA and HEPS exclude metal price lag and material non-trading items

SALIENT FEATURES

		FY 2021	FY 2020	% Change
Capital expenditure	R million	154	140	10 ▲
Net working capital as % of revenue	%	20	27	7 ▲
Free cash flow (cash flow before financing activities)	R million	141	(485)	444 ▲
Closing net debt	R million	651	751	13 ▲
Debt equity ratio ¹	%	24.1	35.2	11 ▲

NORMALISED EBITDA / HEADLINE EARNINGS PER SHARE

FY 2021 vs FY 2020 positively impacted by higher sales volumes, higher realised prices and growth in local sales



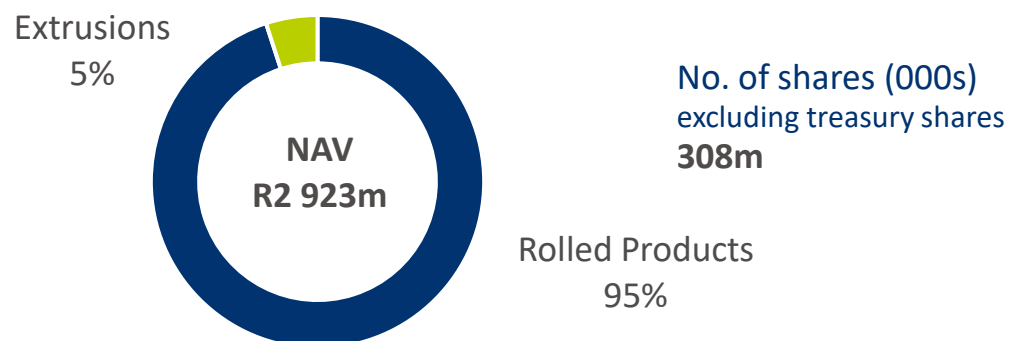
FINANCIAL PERFORMANCE

FY 2021 Segmental performance

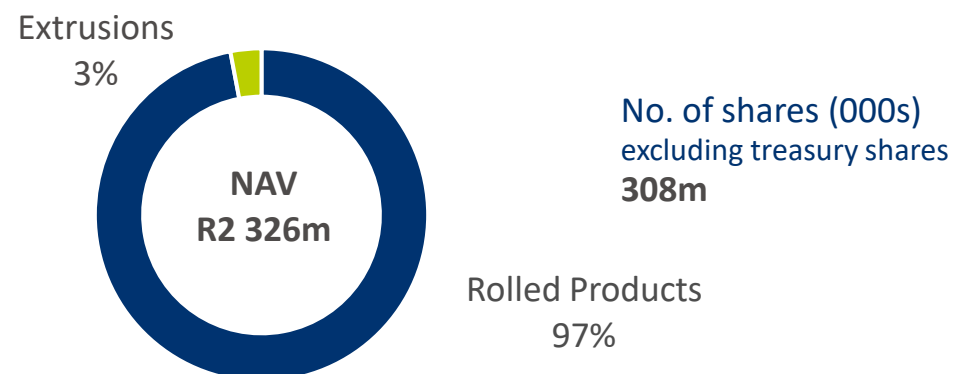
Segments	Rolled Products		Extrusions	
	2021 (Rm)	2020 (Rm)	2021 (Rm)	2020 (Rm)
Revenue	12 298	8 006	717	543
EBITDA	540	(14)	85	5
Net profit/(loss)	498	(213)	93	(18)
Headline earnings/(loss)	496	(201)	64	(10)
Net asset value	2 762	2 304	160	64

FINANCIAL PERFORMANCE

FY 2021 NAV analysis



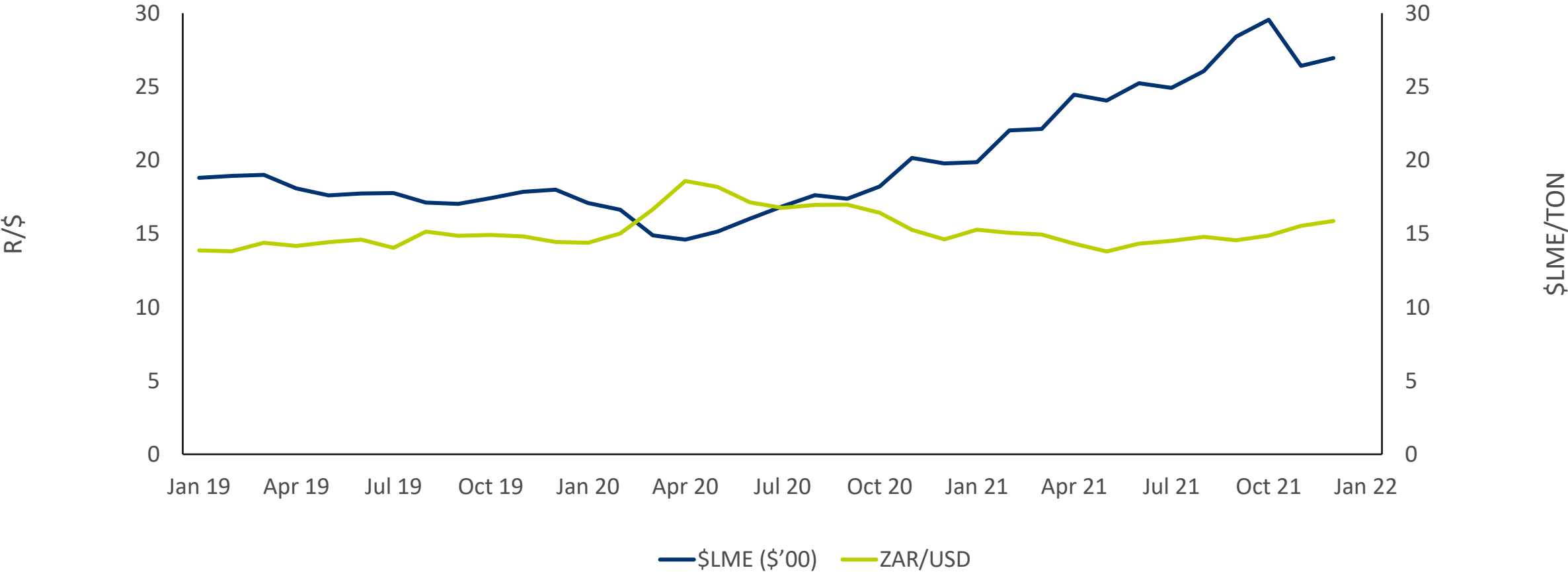
FY 2020 NAV analysis



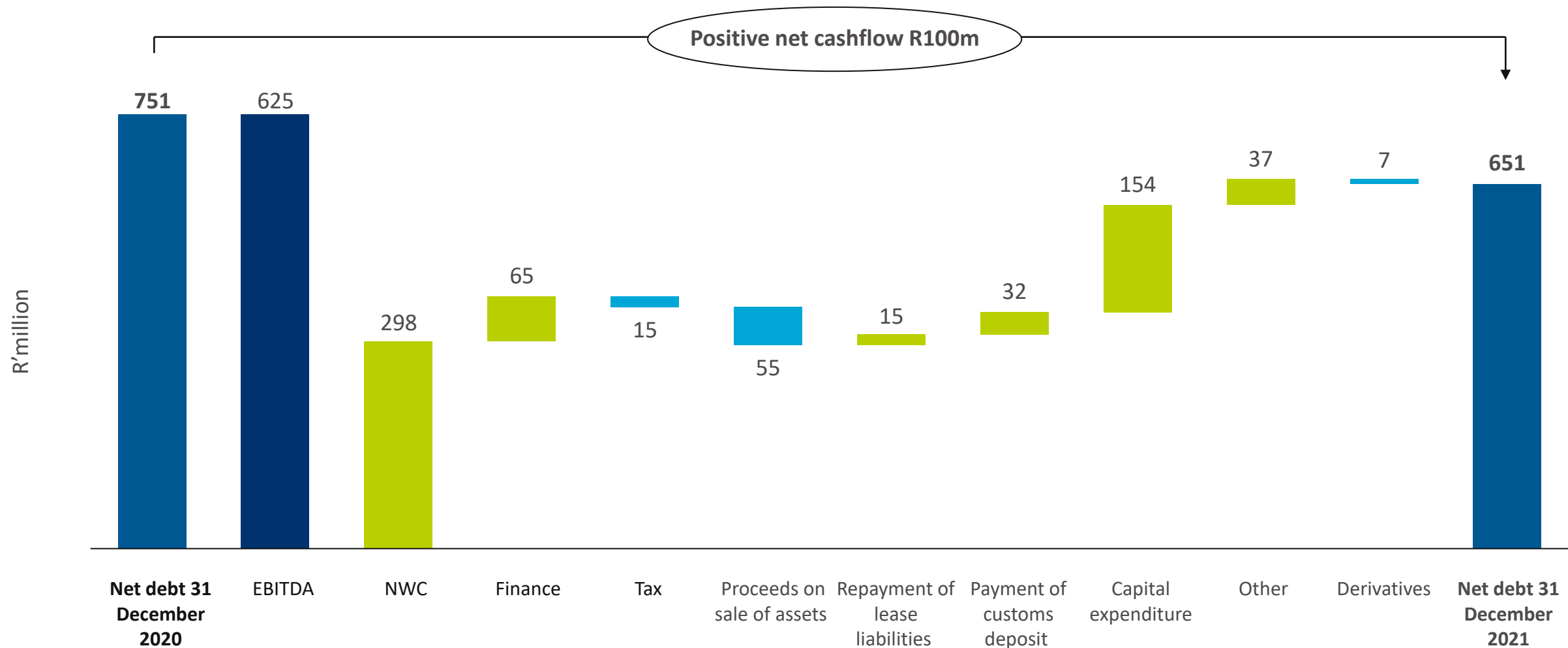
FY 2021 Division	NAV (Rand/share)	HEPS	Return on equity (%)
Rolled Products	R8.95	161 cps	18
Extrusions	R0.52	21 cps	58

FY 2020 Division	NAV (Rand/share)	HEPS	Return on equity (%)
Rolled Products	R7.33	(68 cps)	(10)
Extrusions	R0.21	(3 cps)	(28)

CURRENCY VS COMMODITY TREND 2017 TO 2021

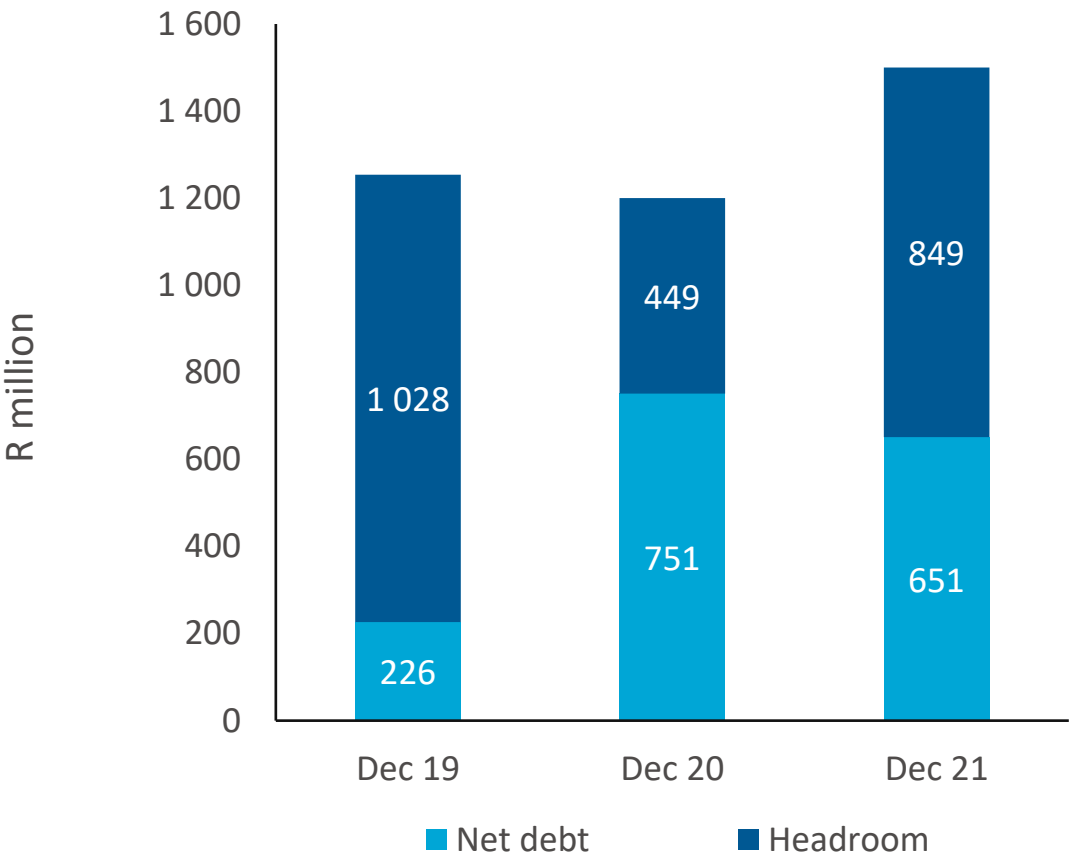


FY 2021 ANALYSIS OF CASH FLOW

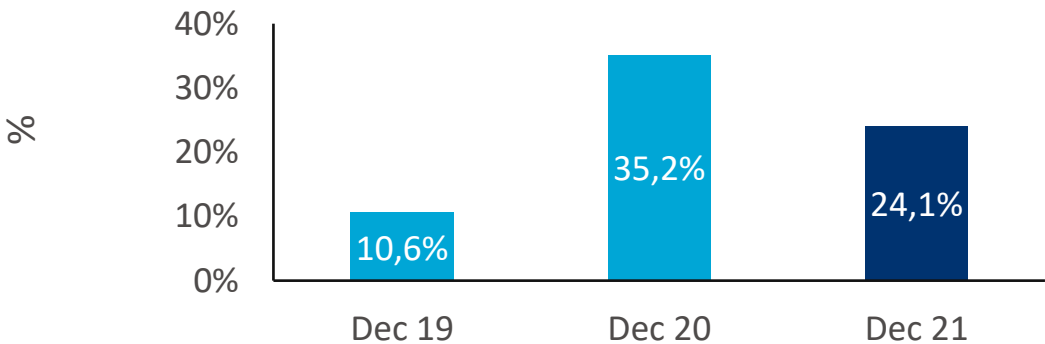


2021 LIQUIDITY AND CAPITAL STRUCTURE

Net Borrowings and Headroom



Net Debt to Equity (Gearing)



Covenant ratio

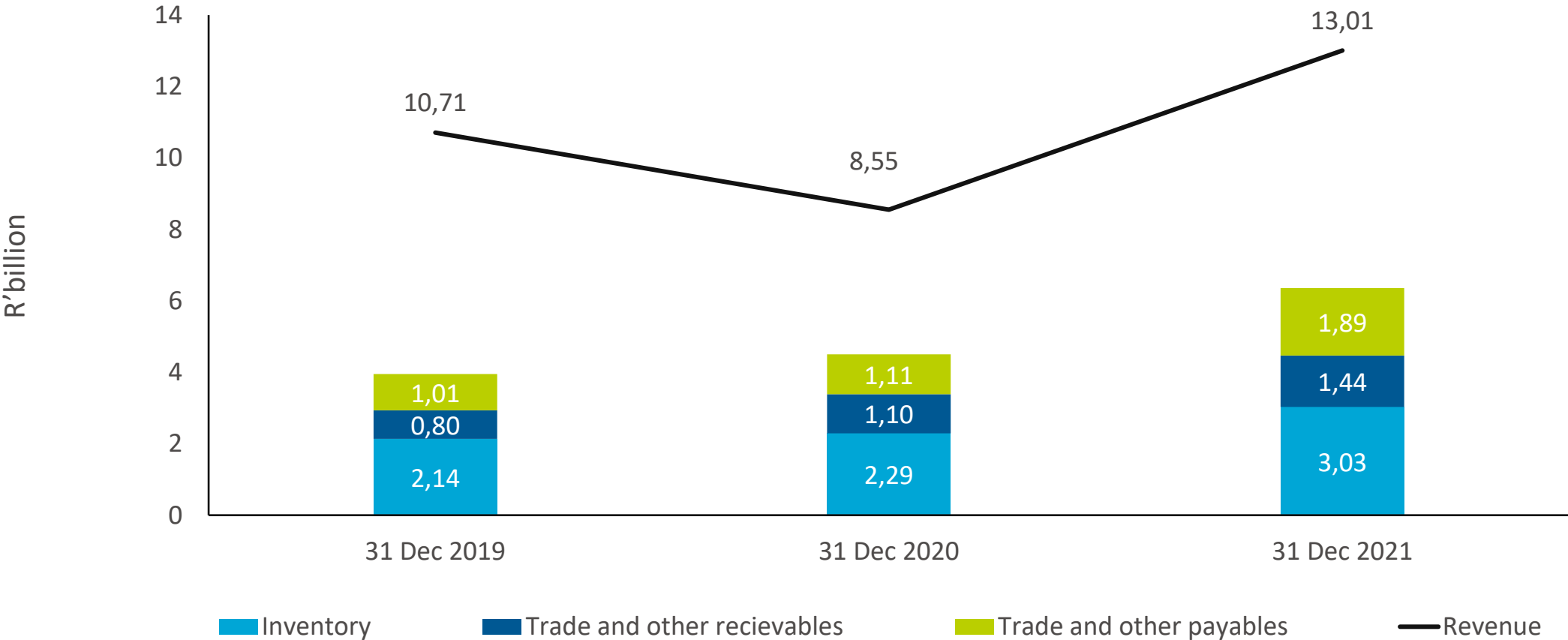
Collateral cover ratio

Minimum required	1.20
December	2.51

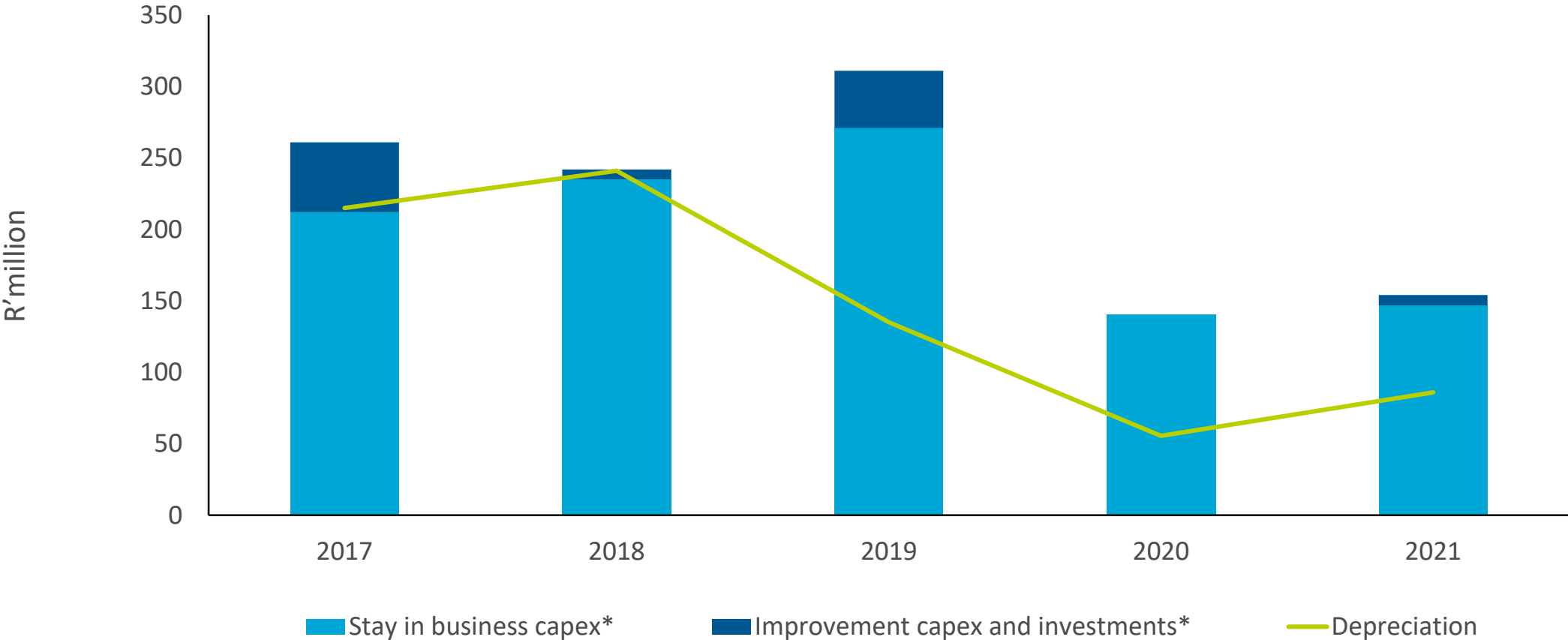
Debt to equity

Maximum	50%
December	32.7%

NET WORKING CAPITAL VS REVENUE PERFORMANCE



CAPITAL EXPENDITURE



* Excludes capitalised borrowing costs

OPERATIONAL REVIEW – ROLLED PRODUCTS

Richard Jacob – CEO

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CONTEXT FOR 2021 PERFORMANCE

2019 **2020** **2021** **2022**



- Volume recovery
- Cost reduction
 - S189 process
- Extrusion restructure
- Working capital reduction

- Manage & minimise Covid-19 disruptions
- Employee safety and health
- Protect liquidity
- Reduce costs in under-loaded plant
- Flexibility

- Rebuild order book
 - **Local import duty**
 - **Beverage can demand**
- Scrap consumption and recycling
- Employee morale
- Minimize Covid-19 disruptions
- Integrated shut
- **Increase pricing/margins**
- 5xxx auto sheet market entry

- Optimise volumes to >235kt
- Capitalise on pricing/margin opportunities
- Improve can sheet throughput
 - To meet excess demand
- Auto sheet developments
- Tight cash flow management

ROLLED PRODUCTS

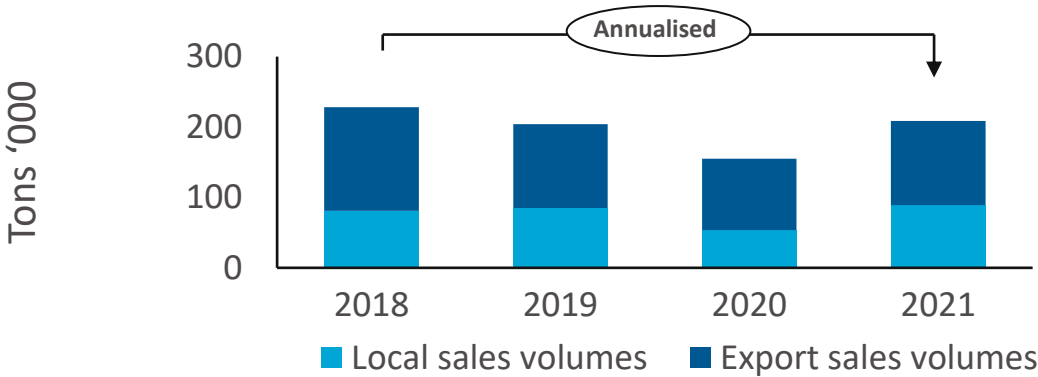
FY 2021 OPERATIONAL HIGHLIGHTS

- **Sales volumes 35% higher** than FY 2020
- Disruptions due to
 - Covid-19
 - Social unrest
 - Portnet cyber attack
 - Planned maintenance shutdown
- Sales volumes in **H2 2021** of **c.225 000 tons annualised**
- **Safety record maintained**
- **Planned maintenance shutdown** successfully completed
- **Strong demand** – local and global
- 15% Local import duty effective from January 2021 – local sales boosted
- **High-end automotive sheet** products launched in USA
Electric Vehicle market – c.1 300 tons sold in FY 2021

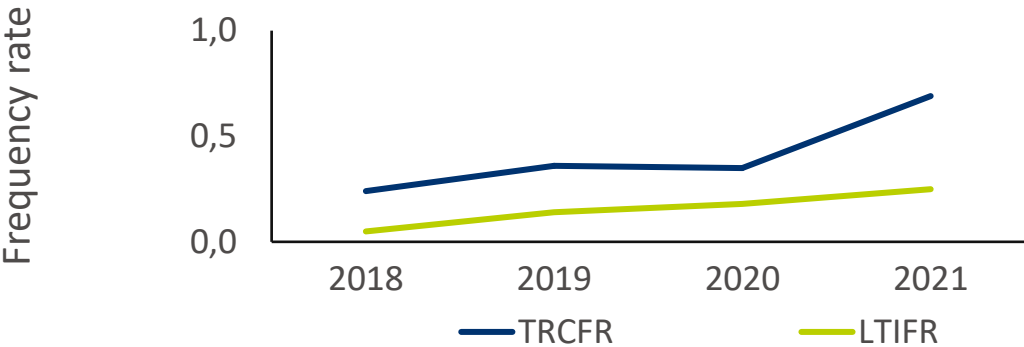


KEY FEATURES

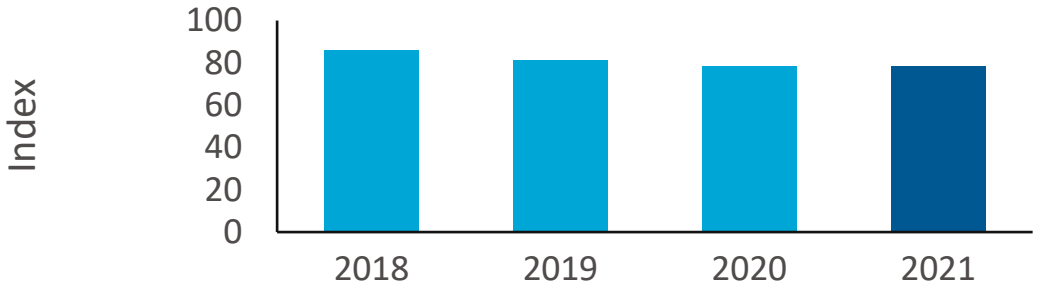
Rolled products ann. sales volumes (Tons '000)



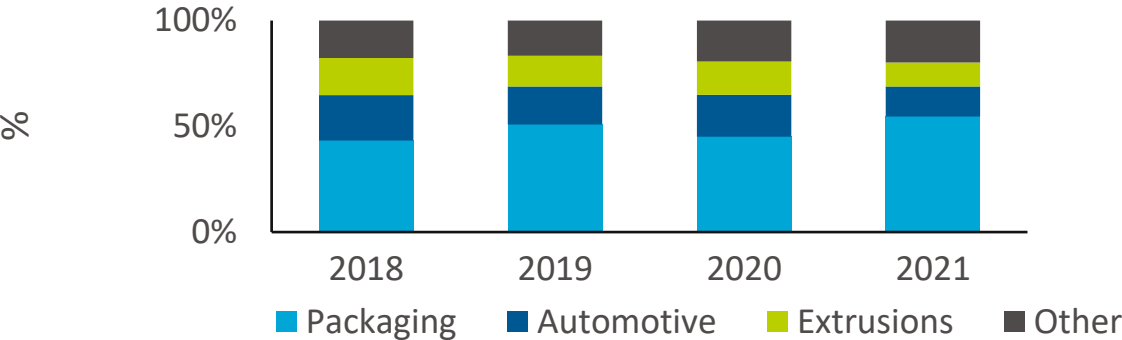
Safety performance



US\$ margin index

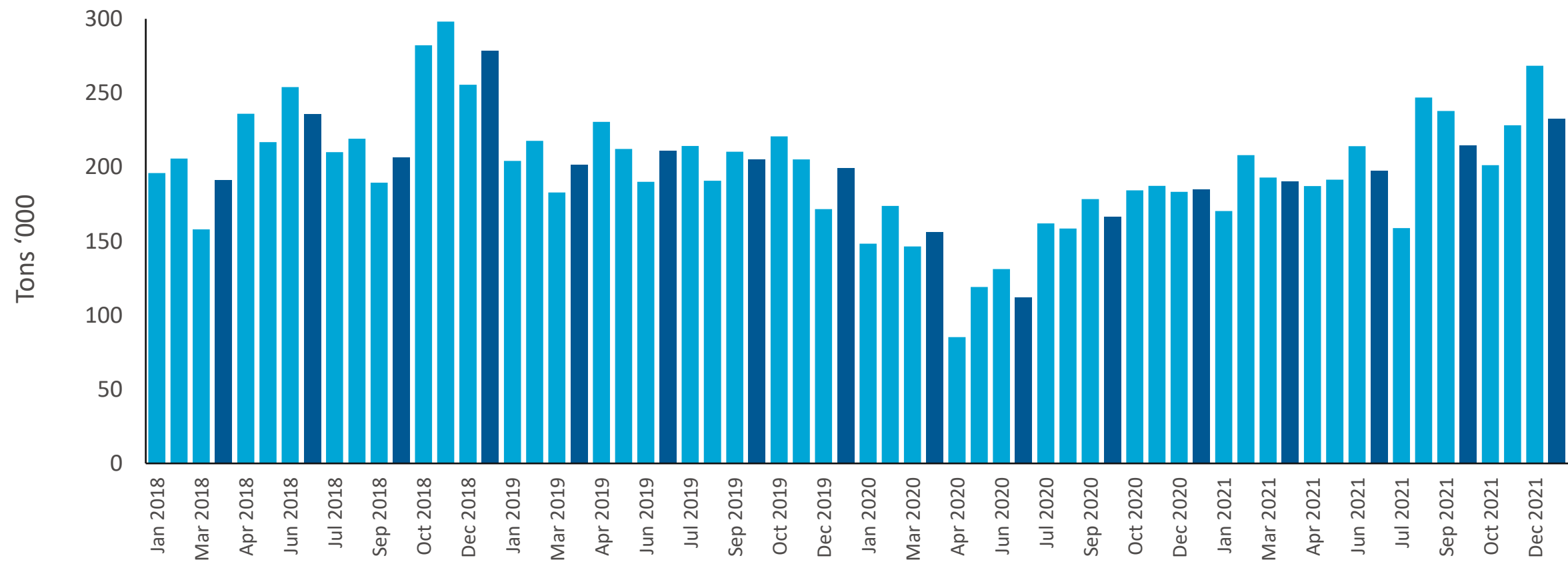


Group local sales mix (%)

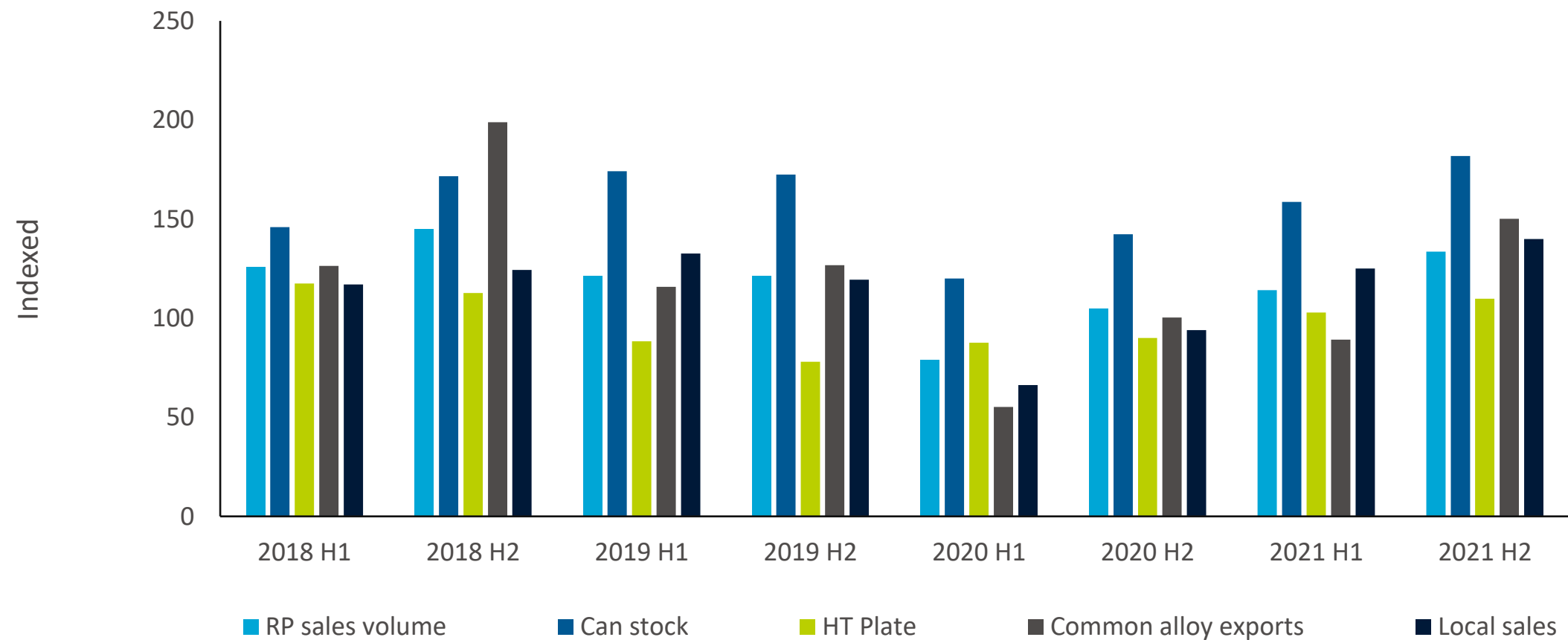


ROLLED PRODUCTS SALES

ANNUALISED



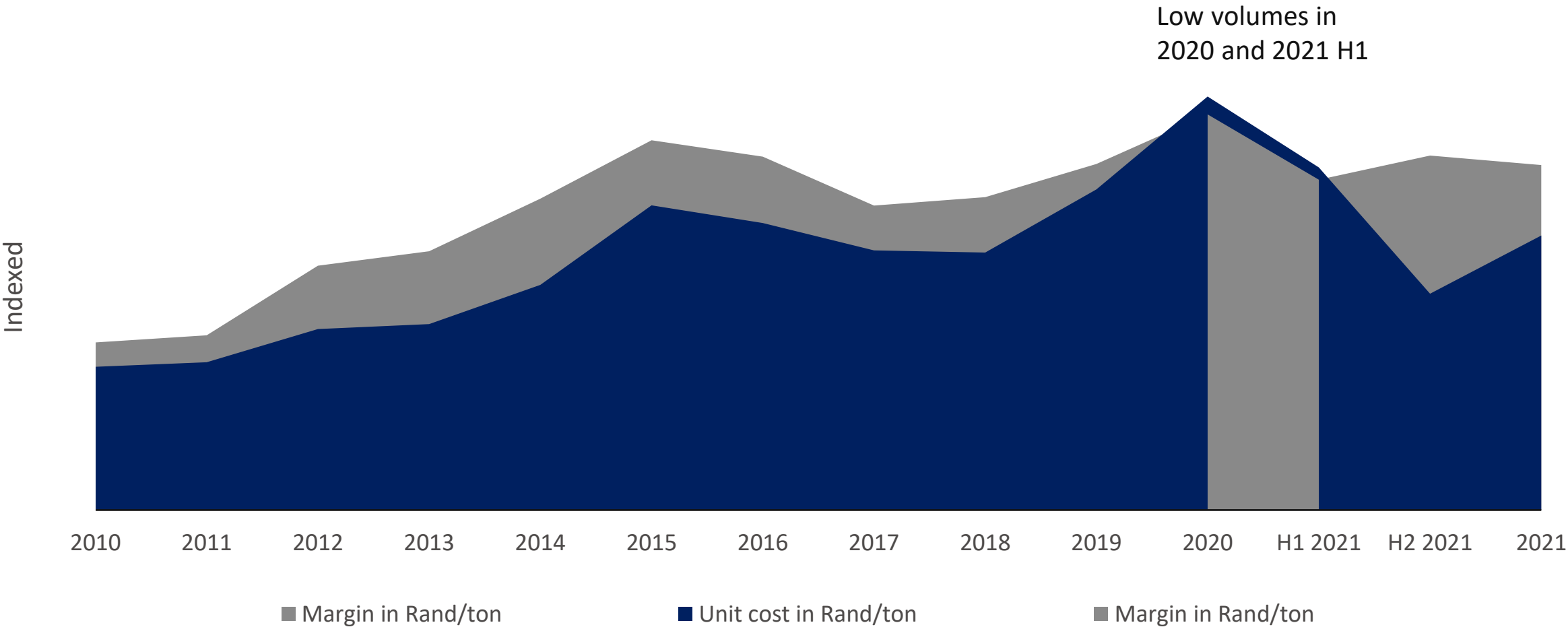
ROLLED PRODUCTS HALF-ON-HALF SALES AND PRODUCT MIX



* Excludes capitalised borrowing costs

ROLLED PRODUCTS OPERATING MARGIN

(UNIT COST AND MARGINS IN RAND)



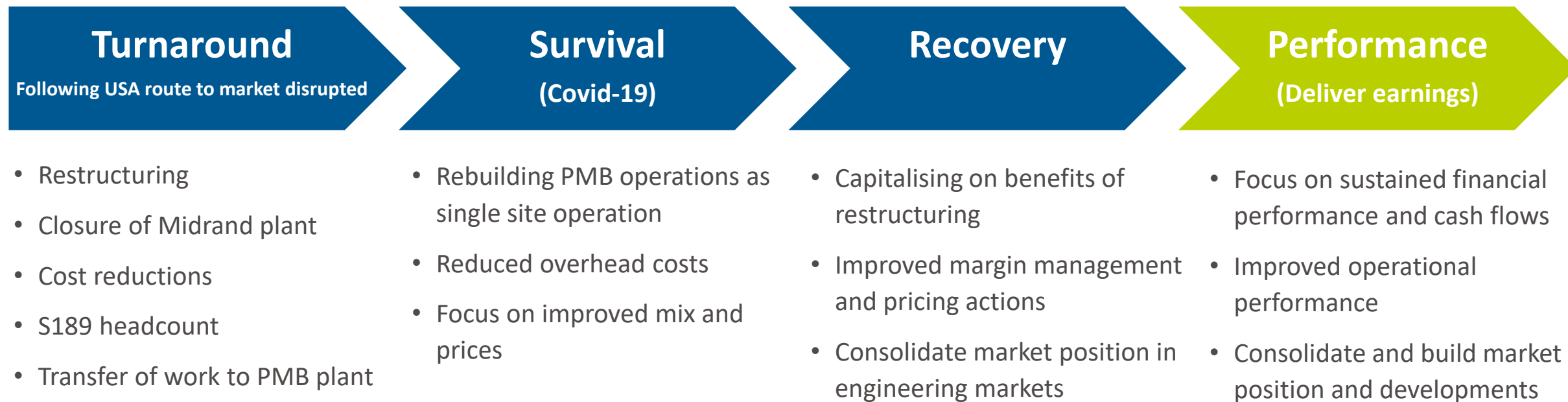
OPERATIONAL REVIEW – EXTRUSIONS

Richard Jacob – CEO

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CONTEXT FOR 2021 PERFORMANCE

2019 **2020** **2021** **2022**



EXTRUSIONS

FY 2021 OPERATIONAL HIGHLIGHTS

- Benefits of restructuring – lower unit cost
 - Reduced overhead costs
 - Disposal of Midrand plant
 - Improved manpower productivity
- Improved capacity utilisation and operational efficiency (reduced Covid-19 impact) compared to 2020
- Back to basics
 - Cash flows
 - Pricing and volume
 - Costs



OUTLOOK

Richard Jacob – CEO

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ONGOING TURNAROUND ACTIONS AND PROSPECTS

Rolled Products

- Continued volume ramp-up
 - Capacity utilisation to > 212 000
- Healthy order book at rising prices
 - Local sales volume growth especially beverage

Extrusions

- Consolidate improved profits and cash flows
- Retain and uplift cost controls

Group

- Focus and cash flow, funding and working capital

Prospects

- Profitability improvement from Pricing
 - Currency dependent
- Working capital constraint risks
 - Currency and Commodity (LME Aluminium price)

