HULAMIN LIMITED
(Incorporated in the Republic of South Africa)
Registration number 1940/013924/06
JSE Code: HLM
ISIN: ZAE000096210
("Hulamin", "the Group" or "the Company")

TRADING STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND RESTATEMENT OF PRIOR PERIOD RESULTS

In terms of paragraph 3.4(b) of the JSE Listings Requirements, Hulamin advises that there is a reasonable degree of certainty that the financial results for the six months ended 30 June 2020 ("Current Period"), when compared with the published financial results for the six months ended 30 June 2019 ("Prior Corresponding Period"), will differ as follows:

1. Loss per share for the Current Period is likely to be at least 70 cents, representing:
    - a decline of at least 47 cents when compared to the reported loss per share of 23 cents for the Prior Corresponding Period; and
    - a decline of at least 21 cents, being at least 43% lower, when compared to the restated loss per share of 49 cents for the Prior Corresponding Period.

2. Headline loss per share for the Current Period is likely to be at least 67 cents representing:
    - a decline of at least 47 cents when compared to the reported headline loss per share of 20 cents for the Prior Period; and
    - a decline of at least 21 cents, being at least 46% lower, when compared to the restated headline loss per share of 46 cents for the Prior Period.

3. Normalised headline loss per share[1] for the Current Period is likely to be at least 72 cents, representing:
    - a decline of at least 82 cents when compared to the reported normalised headline earnings per share[1] of 10 cents for the Prior Corresponding Period; and
    - a decline of at least 76 cents when compared to the restated normalised headline earnings per share[1] of 4 cents for the Prior Corresponding Period.

The restatement of the Prior Corresponding Period loss per share, headline loss per share and normalised headline earnings per share[1] is a consequence of the matters set out in note 2 below.

Impact of COVID-19 on group operations
Hulamin implemented strict COVID-19 work protocols to protect the health of employees, including extensive cyclical COVID-19 testing as a precondition for access to Hulamin sites, team separation, and social distancing, cleaning, isolation and quarantining practices.

Although the implementation of these procedures facilitated operational continuity, Hulamin's manufacturing operations were negatively impacted during the first half of 2020 by COVID-19 and the associated national lockdown in South Africa.

Hulamin Rolled Products performance
Hulamin Rolled Products has historically generated approximately 60% – 65% of its sales in international markets.

North America and Europe represent Hulamin's largest export markets and have, in a similar manner to the South African economy, been negatively impacted by the COVID-19 pandemic.

As a result, sales volumes in Hulamin Rolled Products reduced by around 35% in the 6 months to June 2020, versus the Prior Corresponding Period. The local market was most impacted, with reductions in volumes of around 50%, whilst export sales volumes were down 23%.

The financial impact of this reduction in sales was, to a large extent, mitigated by the impact of the cost reduction actions taken in 2019, bolstered by further cost savings in the Current Period.

This, together with the positive impact of the weaker currency, resulted in Hulamin Rolled Products being profitable on an underlying trading basis, before the impact of hedge ineffectiveness.

The COVID-19 pandemic had an adverse impact, not only on operations and sales demand, but also on commodity prices and currencies.

The sharp decline in sales volumes during April 2020 to June 2020, combined with the rapid weakening of the South African Rand and the US Dollar aluminium price over the same period, resulted in excess hedging instruments negatively impacting profit (27 cents per share) and cash flows.

Earnings after tax was further negatively impacted by the non-recognition and reversal of deferred tax assets amounting to some 37 cents per share.

Hulamin Extrusions performance
Hulamin Extrusions experienced depressed sales volumes due to the negative impact of the national lockdown on the domestic automotive, transport and engineering sectors, its principal markets. This was mitigated by the restructuring actions taken in 2019, which considerably reduced the cost base of the business.

Liquidity and cash preservation
Hulamin closed 2019 with a strong balance sheet, with net debt of R272 million and a net debt to equity ratio of 11%. Due to the negative impact of COVID-19 on the group's operating performance and the associated build-up of working capital levels, net debt increased to R609 million at 30 June 2020, with a net debt to equity ratio of 27%. Headroom in facilities amounted to approximately R500 million.

Hulamin has taken measures to preserve liquidity and support operations, whilst protecting employees and contractors. The order book has improved in quarter 3, although conditions remain uncertain.

Once the Company obtains reasonable certainty to provide specific guidance, in the form of a specific percentage or a range that does not exceed 20%, a further announcement will be made.

The financial information contained in this trading statement is the responsibility of the directors and has not been reviewed or reported on by the Company's external auditors.

Hulamin's results for the six months ended 30 June 2020 are expected to be released on the Stock Exchange News Service on or about 21 September 2020.

Note 1: Normalised headline earnings per share
Normalised headline earnings per share is one of the measurement bases which the Hulamin Executive Committee uses in assessing financial performance and is calculated in a consistent manner as per the latest

annual financial statements, by dividing normalised headline earnings by the weighted average number of ordinary shares in issue during the year.

Normalised headline earnings is defined as headline earnings excluding (i) metal price lag and (ii) non-trading expense or income items which, due to their irregular occurrence, are adjusted for in order to better present earnings attributable to the ongoing activities of the Group.

In the Current Period, normalised headline earnings only includes an adjustment for metal price lag.

The presentation of normalised headline earnings is not an IFRS requirement and may not be directly comparable with the same or similar measures disclosed by other companies.

Note 2: Restatement of Prior Corresponding Period:
The results of the Prior Corresponding Period were restated for the following:

- Settlement of share-based payment arising from the restructure of Isizinda Aluminium Proprietary Limited, which had incorrectly not been treated as unconditional in the previously reported results; and
- Correction of error, principally related to inventory valuation, in respect of Hulamin Containers, a standalone downstream division of the Group.

Pietermaritzburg
15 September 2020

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