

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")



OPERATIONAL UPDATE

The objective of this announcement is to give stakeholders an update on Hulamin's operational performance following the end of the third quarter of the 2020 financial year, updates on demand for Hulamin products and order books, feedback on the preliminary outcome of the US anti-dumping duties against South Africa and Hulamin Rolled Products, as well as a liquidity status update.

Up to the end of September 2020, Hulamin recorded 497 positive Covid-19 tests. Hulamin management teams have subsequently returned to on-site working arrangements on a full-time basis. It is a Hulamin requirement to have a negative Covid-19 test result to enter site. Returning to on-site working has therefore resulted in additional tests being conducted. There has been one new Covid-19 test result in October 2020; 4 employees remain quarantined and will conclude their isolation periods shortly.

In mid-September 2020, Hulamin reported its first half financial results performance. The table below summarizes the first half sales already reported as well as the improvement in sales in Q3:

	Group	Rolled Products
Q1 Sales	41 000	38 000
Q1 Sales Annualized	165 000	153 000
Q2 Sales	29 000	28 000
Q2 Sales Annualized	116 000	112 000
Q3 Sales	45 000	42 000
Q3 Sales Annualized	179 000	166 000

Order books in all operations have continued to improve through Q3 of 2020 and are approaching normal levels, based on recent years. Confirmed orders for beverage can products, heat-treated plate and extrusions are particularly healthy.

On Thursday, 8 October 2020, the USA Department of Commerce announced the preliminary outcome in the anti-dumping case instituted by the US Aluminum Association against 38 rolling operations from 18 countries. These duties, which become enforceable immediately, range from 0% for Italy to 353% for Germany. The anti-dumping duty to be implemented for common alloy aluminium rolled products from South Africa is 8.98%. There are 7 countries with import duties lower than South Africa, representing some 170 000 tons imported into the USA in 2019. There are 23 represented rolling mills facing higher anti-dumping duties than Hulamin. In 2019, these mills exported a combined 392 000 tons into the USA. Over the past 2 years, Hulamin exported between 32 000 and 36 000 tons annually into the USA of products affected by this case.

Debt increased by R337 million in the first half of 2020 and reached a debt: equity level of 27%. Subsequent increases in production and sales activity has further increased pressure on working capital. Nevertheless, borrowing levels remain well within facility limits, with sufficient headroom. No relaxation of covenants is likely to be required.

The information contained in this operational update has not been reviewed and reported on by the Company's external auditors.

Pietermaritzburg
14 October 2020

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