



5N PLUS

Enabling
Technology's
Performance

Earnings Conference Call

Quarter ended

December 31, 2016



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Forward-Looking Statements

This presentation may contain forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of historical facts contained in this presentation are forward-looking information. Such statements and information may be identified by words such as “about”, “approximately”, “may”, “believes”, “expects”, “will”, “intends”, “should”, “plans”, “predicts”, “potential”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof or other comparable terminology. Forward-looking statements are based on the best estimates available to 5N Plus at this time and involve known and unknown risks, uncertainties and other factors that may cause 5N Plus’ actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. A description of the risks affecting 5N Plus’ business and activities appears under the heading “Risk and Uncertainties” of 5N Plus’ 2016 MD&A dated February 21, 2017 available on SEDAR at www.sedar.com. No assurance can be given that any events anticipated by the forward-looking information in this presentation will transpire or occur, or if any of them do so, what benefits that 5N Plus will derive therefrom. In particular, no assurance can be given as to the future financial performance of 5N Plus. The forward-looking information contained in this presentation is made as of the date hereof and 5N Plus undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. The reader is warned against placing undue reliance on these forward-looking statements.



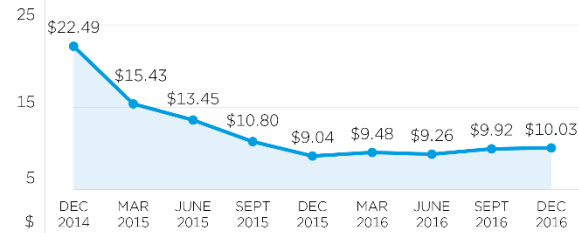
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Metal Prices in U.S. dollars per kilo

Quarter ended December 31, 2016

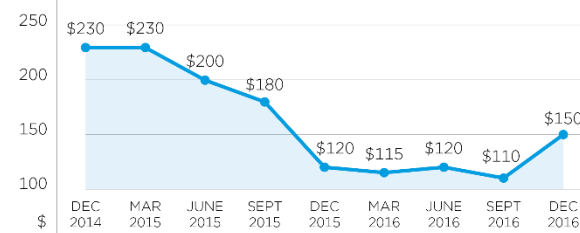
Bismuth

(in U.S. dollars)



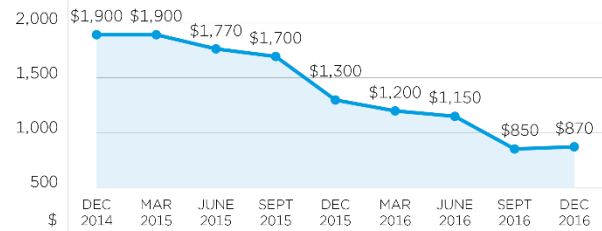
Gallium

(in U.S. dollars)



Germanium

(in U.S. dollars)



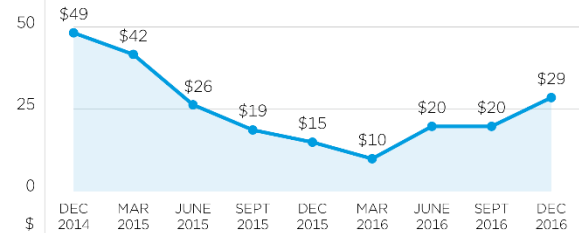
Indium

(in U.S. dollars)



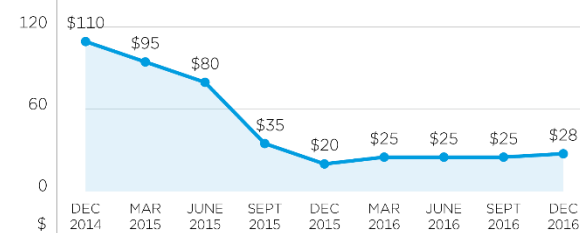
Selenium

(in U.S. dollars)



Tellurium

(in U.S. dollars)





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Highlights

Quarter ended December 31, 2016

- Adjusted EBITDA¹ and EBITDA¹, reached \$20.1 million and \$15.1 million in fiscal year 2016, compared to \$4.0 million and (\$54.7) million in fiscal year 2015.
- On September 29, 2016, 5N Plus announced the consolidation of its operations at Wellingborough, United Kingdom and DeForest, Wisconsin, U.S.A. with other sites within the Group. The restructuring fees associated with these two initiatives along with the closure of redundant administrative offices, and the renegotiation of prior years' unfavorable contracts negatively impacted the EBITDA for fiscal year 2016 by \$5.9 million.
- Adjusted EBITDA and EBITDA for the fourth quarter 2016 reached \$4.3 million and \$4.8 million compared to \$0.7 million and (\$26.0) million during the same period in 2015.
- Revenue for fiscal year 2016 reached \$231.5 million compared to \$311.0 million for fiscal year 2015, impacted significantly by the decrease in the underlying commodity prices over the course of 2015, while gross margin¹ for 2016 improved to 22.4% compared to a negative gross margin in 2015.
- During the year 2016, net debt¹ was further reduced to \$19.0 million as at December 31, 2016 down from \$34.9 million for the same period in 2015, positively impacted by working capital management and overall improvement in performance.
- Backlog¹ reached as at December 31, 2016, a level of 136 days of sales outstanding, lower than the previous quarter, resulting from restructuring of certain contracts to balance market share against profitability, as well as client activities associated with retooling and upgrading of their manufacturing footprint. Bookings in Q4 2016 reached 78 days compared to 77 days in Q3 2016 and 95 days in Q4 2015.
- The Company does not expect any deviation to its most recent guidance for 2017 as per 5N21.
- On February 20, 2017, 5N Plus announced changes to its executive management structure. Responsibilities assumed by the former functions of Chief Commercial Officer and Chief Operating Officer will be reallocated across the existing business segments (Eco-Friendly and Electronic Materials). Mr. Nicholas Audet, formerly Chief Commercial Officer has been appointed Executive Vice President, Electronic Materials and Mr. Paul Tancell, formerly Global General Manager at Umicore, has joined 5N Plus and has been appointed Executive Vice President, Eco-Friendly Materials. Mr. Bertrand Lessard, Chief Operating Officer of the Company since 2014, will be leaving 5N Plus to pursue other interests.

¹ See Non-IFRS Measures



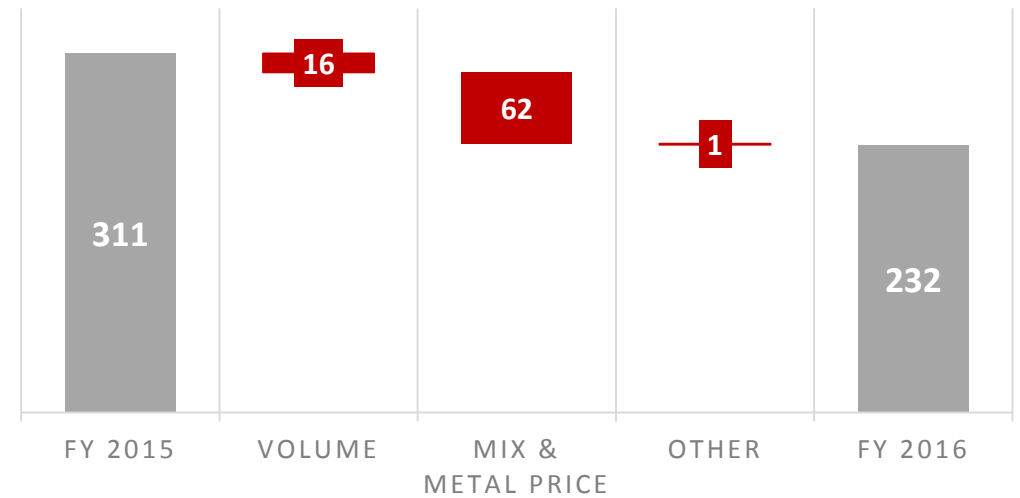
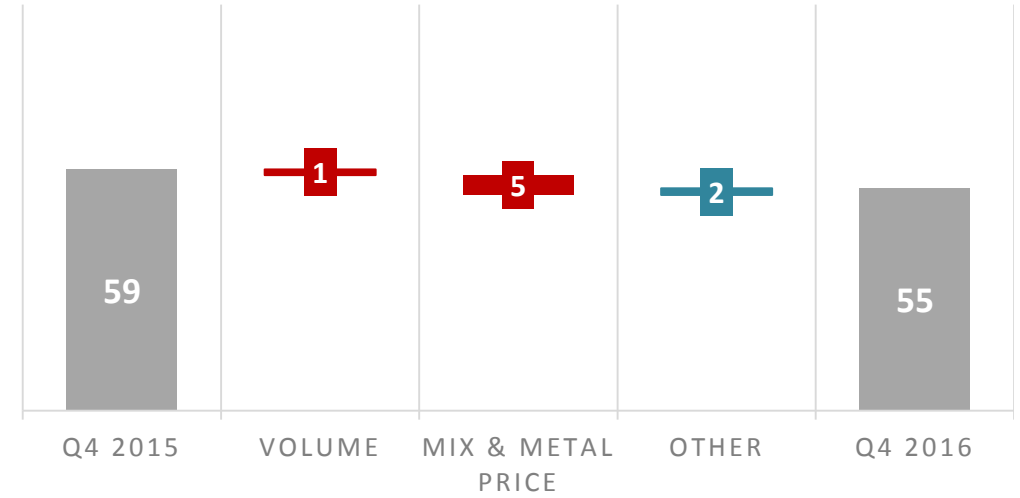
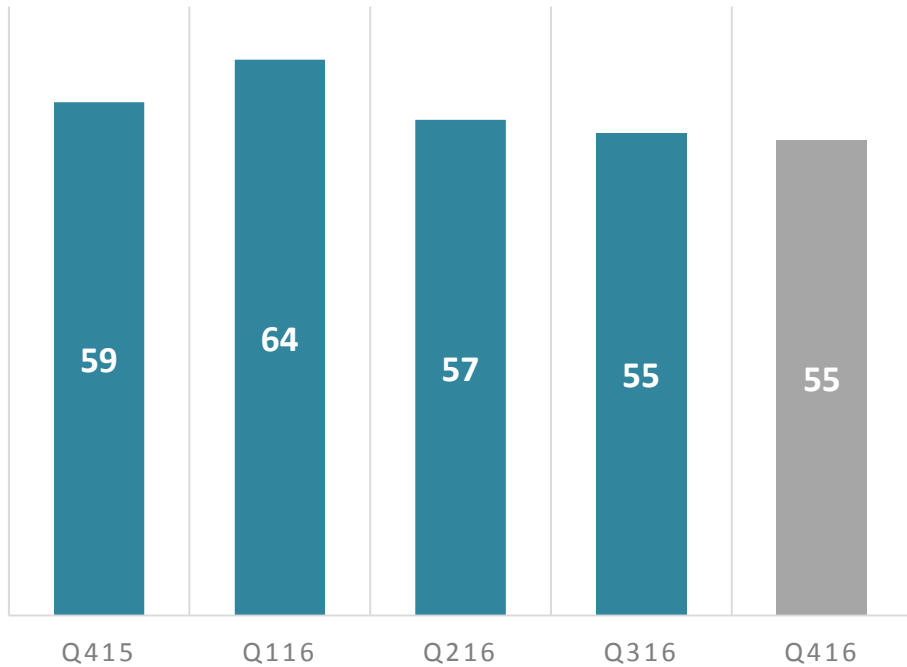
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Revenue

Quarter ended December 31, 2016

In millions of USD



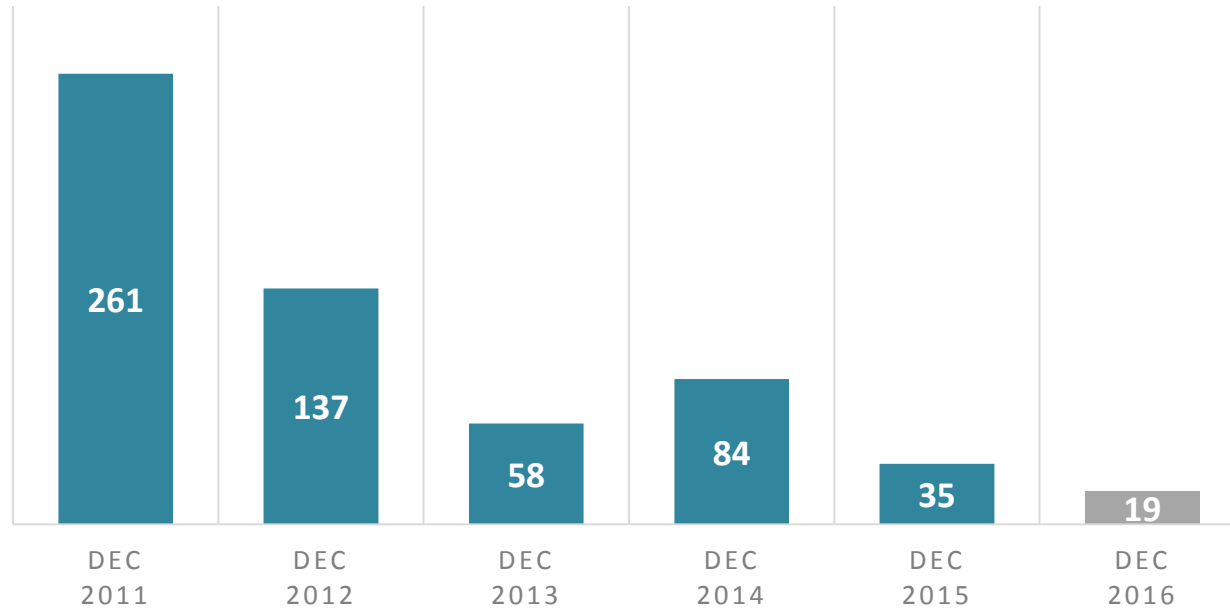


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Net Debt Evolution

Quarter ended December 31, 2016

In millions of USD



\$(242)

Debt Reduction since DEC 2011

\$(65)

Debt Reduction since DEC 2014

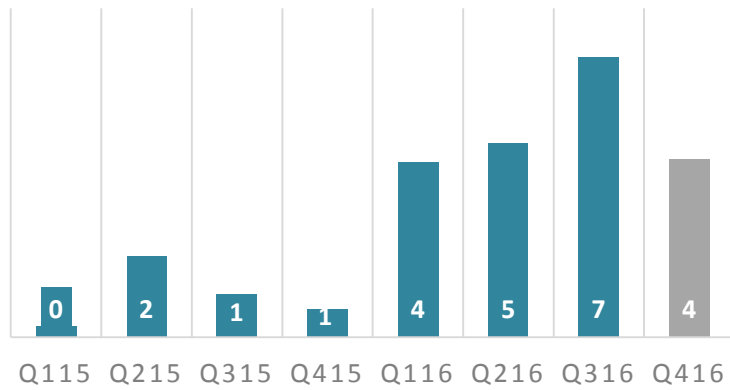


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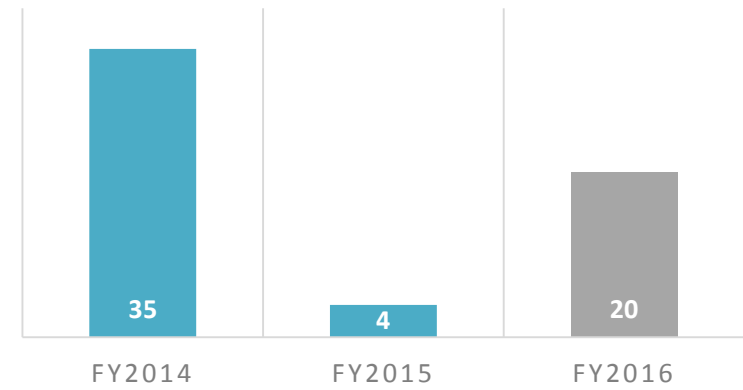
EBITDA and Adjusted EBITDA

Quarter ended December 31, 2016

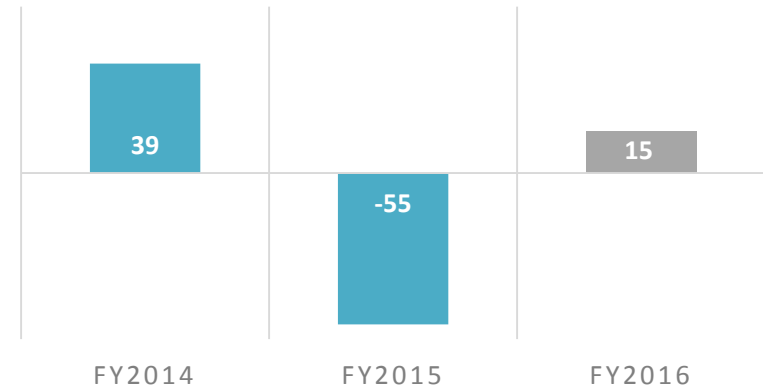
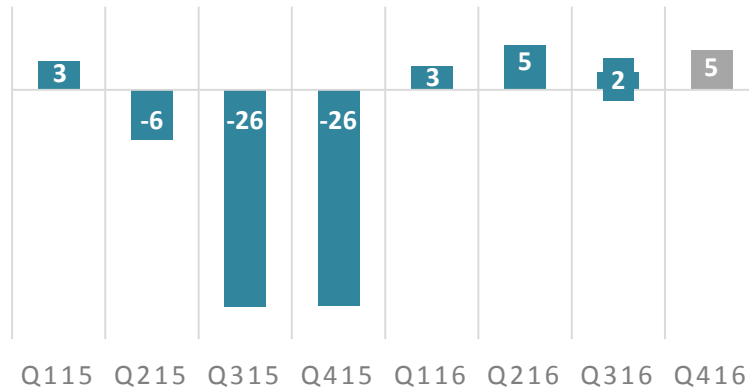
Adjusted EBITDA¹



In millions of USD



EBITDA¹



¹ See Non-IFRS Measures



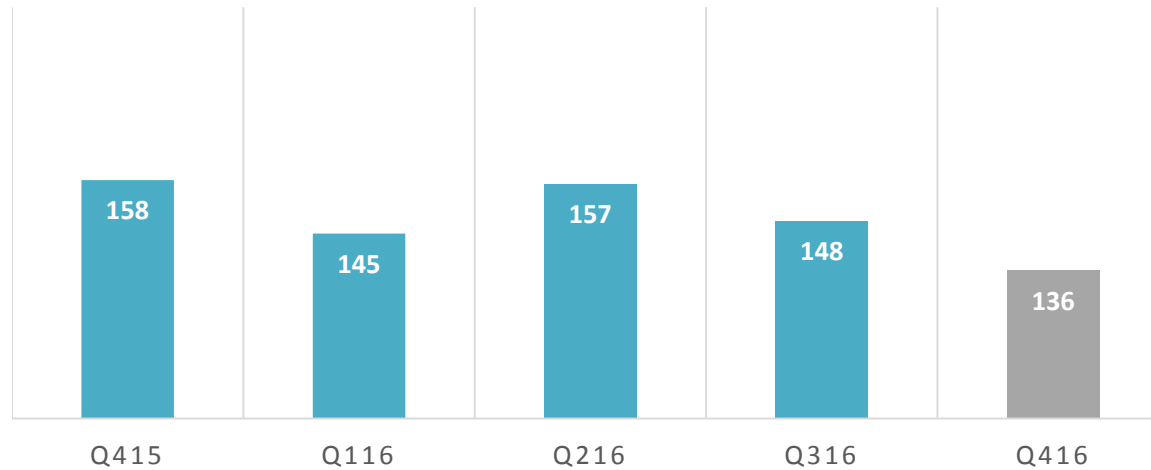
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Backlog

Quarter ended December 31, 2016

In number of days



Backlog¹ reached as at December 31, 2016, a level of 136 days of sales outstanding, lower than the previous quarter, resulting from restructuring of certain contracts to balance market share against profitability, as well as client activities associated with retooling and upgrading of their manufacturing footprint.. Bookings in Q4 2016 reached 78 days compared to 77 days in Q3 2016 and 95 days in Q4 2015.

¹ See Non-IFRS Measures



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Non-IFRS Measures

Quarter ended December 31, 2016

Backlog represents the expected orders we have received but have not yet executed and that are expected to translate into sales within the next twelve months expressed in number of days. Bookings represent orders received during the period considered, expressed in days, and is calculated by adding revenues to the increase or decrease in backlog for the period considered divided by annualized year revenues. We use backlog to provide an indication of expected future revenues in days, and bookings to determine our ability to sustain and increase our revenues.

EBITDA means net earnings (loss) before interest expenses (revenues), income taxes, depreciation and amortization. We use EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted EBITDA means EBITDA as defined above before impairment of inventories, allowance for doubtful of a receivable from a related party, litigation and restructuring costs, gain on disposal of property, plant and equipment, change in fair value of debenture conversion option, foreign exchange and derivatives loss (gain). We use adjusted EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of inventory write-downs. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Gross margin is a measure we use to monitor the sales contribution after paying cost of sales excluding depreciation of property, plant and equipment. We also expressed this measure in percentage of revenues by dividing the gross margin value by the total revenue.

Net debt or net cash is a measure we use to monitor how much debt we have after taking into account cash and cash equivalents. We use it as an indicator of our overall financial position, and calculate it by taking our total debt, including the current portion and the cross-currency swap related to the convertible debenture, and subtracting cash and cash equivalents.

Working capital is a measure of liquid assets that is calculated by taking current assets and subtracting current liabilities. Given that the Company is currently indebted, we use it as an indicator of our financial efficiency and aim to maintain it at the lowest possible level.