



5N PLUS

Enabling
Technology's
Performance

Earnings Conference Call

Quarter ended

June 30, 2018

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’ 2017 MD&A dated February 20, 2018 and note 12 of the unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2018 and 2017, available on 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.

Highlights – Q2 2018 and YTD 2018

5N Plus posted a strong second quarter, delivering the best Adjusted EBITDA over the past four quarters, with healthy demand for the Company's products across several sectors of its segments. This was especially notable for the Extractive and Catalytic Materials, on track to reach a record level since its inception a few years ago and the Company's ultra-high purity materials running at full capacity.

During the quarter, the Company continued to focus on its growth initiatives while improving its core activities. Additional gains in terms of throughput and working capital are expected in the coming quarters. In the meanwhile, Return on Capital Employed¹ (ROCE) has improved and the Company continues to make progress toward the objectives related to the second and third pillar of 5N21, which are to increase contribution from upstream activities and to deliver quality growth from new initiatives.

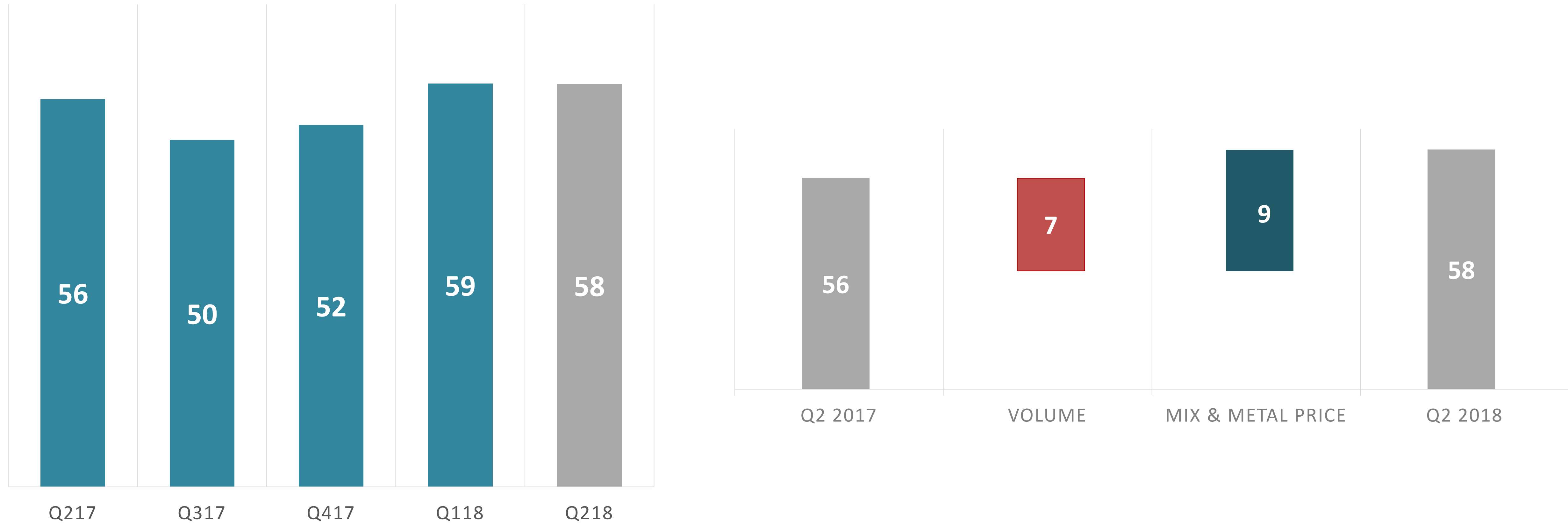
- Adjusted EBITDA¹ and EBITDA¹ for the six-month period ended June 30, 2018 reached \$16.9 million and \$15.7 million compared to \$15.9 million and \$16.0 million for the same period of 2017. The increase in Adjusted EBITDA reflects improved profitability, supported by a favorable sales mix, strong product demand and overall performance of the operating activities.
- Adjusted EBITDA and EBITDA for the second quarter of 2018 reached \$9.0 million and \$7.9 million compared to \$9.2 million and \$6.3 million for the same quarter of 2017.
- Revenue in Q2 2018 reached \$58.4 million compared to \$56.2 million in Q2 2017, positively impacted by sales mix and gross margin¹ reached 26.5% in Q2 2018.
- Net earnings were \$3.4 million or \$0.04 per share in the second quarter of 2018 and 2017.
- Net debt¹ stood at \$19.4 million as at June 30, 2018, higher than December 31, 2017 due to an increase in working capital requirements.
- Annualized ROCE represented 16.8% in the second quarter of 2018 compared to 15.6% at the end of year 2017.
- As at June 30, 2018, the backlog¹ reached a level of 170 days of sales outstanding, representing an increase of 35 days compared to June 30, 2017, and a decrease of 2 days compared to March 31, 2018. Bookings¹ in Q2 2018 reached 89 days compared to 87 days in Q2 2017, and 96 days in Q1 2018.
- On May 29, 2018, 5N Plus announced that it has exercised its right to partially redeem its 5.75% convertible unsecured subordinated debentures maturing on June 30, 2019, in an aggregate principal amount of CA\$40.0 million on July 3, 2018. Following such partial repayment, the aggregate principal amount of debentures outstanding is CA\$26.0 million, reducing future cost of the Company's gross debt.
- On July 31, 2018, 5N Plus announced that it is doubling the capacity of its ultra-high purity Semiconductor plant located on its Montreal campus to serve the growing demand for the Company's specialty semiconductor materials, which are becoming the materials of choice for advanced sensing and imaging technologies utilized in a new generation of medical devices, and in security and defense applications.

¹ See Non-IFRS Measures

Revenue

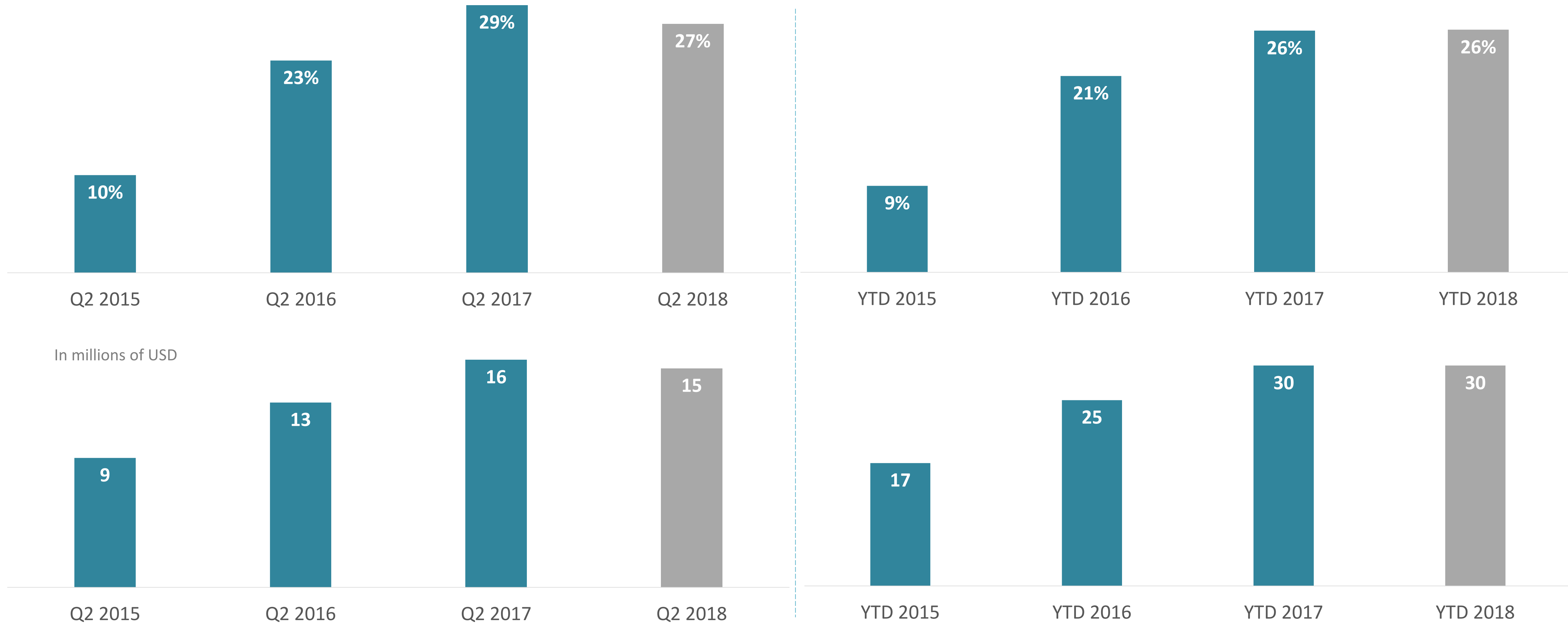
Quarter ended June 30, 2018

In millions of USD



Gross Margin

Quarter ended June 30, 2018



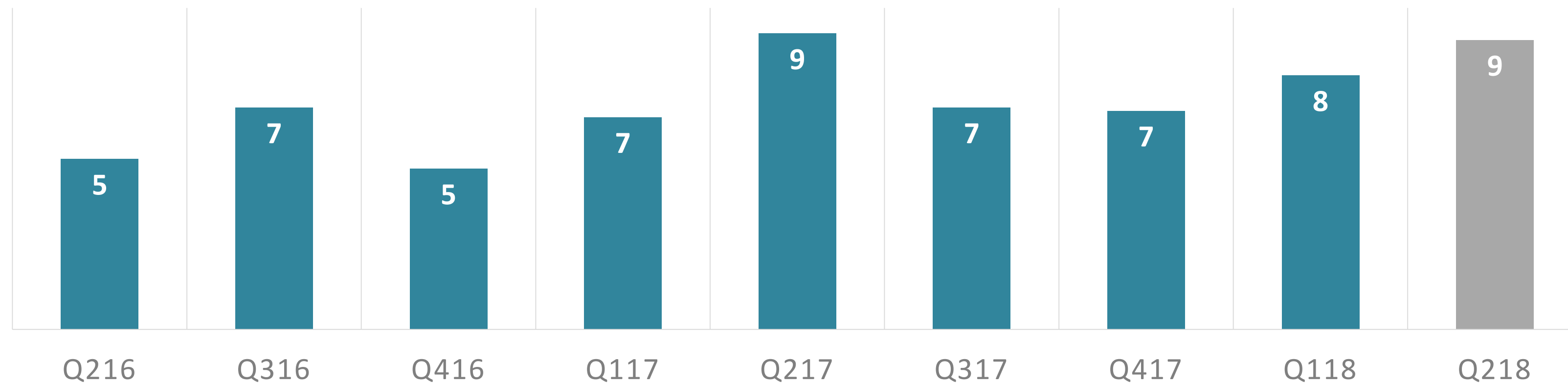
¹ See Non-IFRS Measures

EBITDA and Adjusted EBITDA

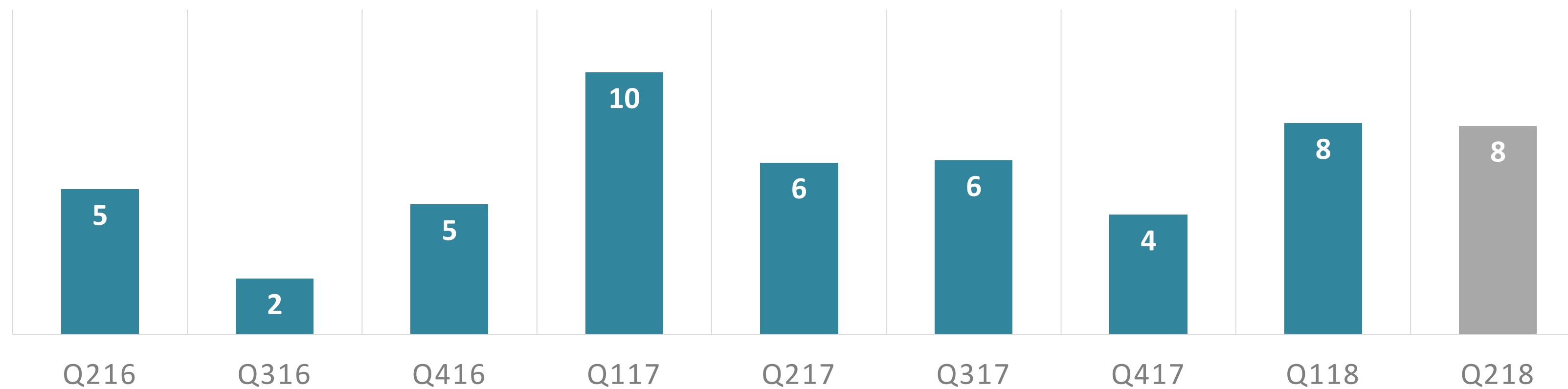
Quarter ended June 30, 2018

Adjusted EBITDA¹

In millions of USD



EBITDA¹



¹ See Non-IFRS Measures

Restated to exclude share-based compensation expense

EBITDA and Adjusted EBITDA YTD 2018 vs YTD 2017

Quarter ended June 30, 2018

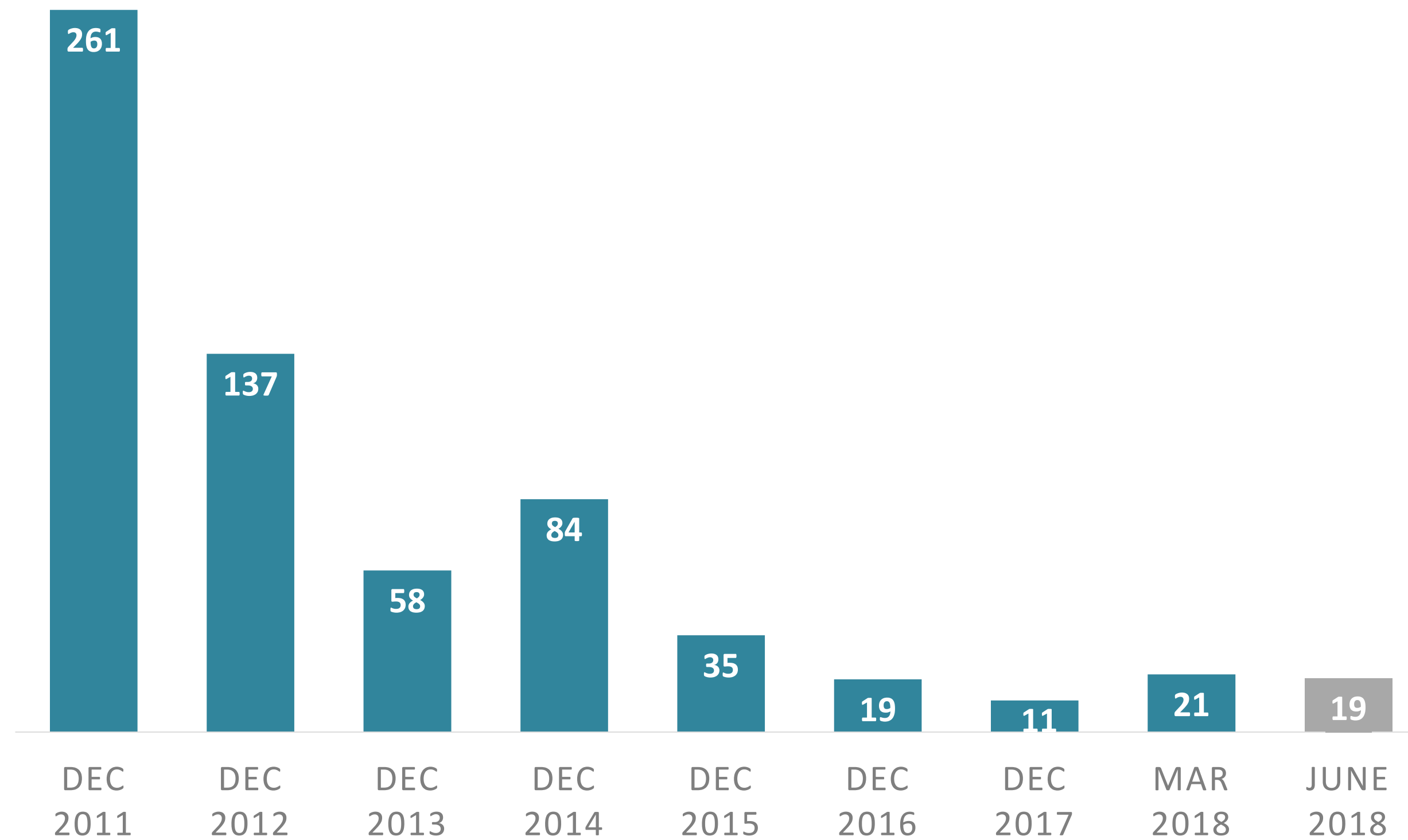
In millions of USD



Net Debt Evolution

Quarter ended June 30, 2018

In millions of USD

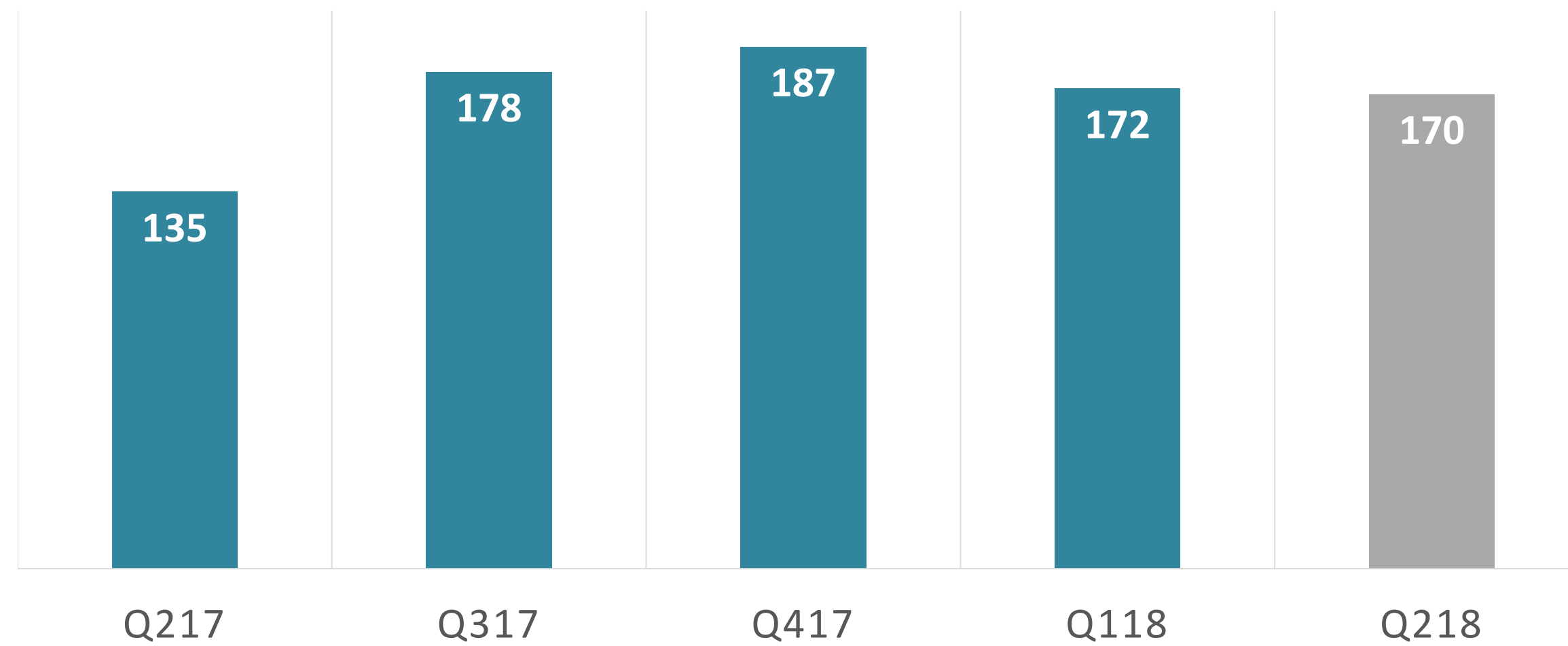


- High level of Liquidity maintained, at \$29 million at the end of Q2 2018.
- Net debt is impacted by the recent increase in working capital requirements.
- On April 24, 2018, 5N Plus announced the closing of a \$79 million senior secured multi-currency revolving syndicated credit facility, with a \$30 million accordion feature which would increase the total size of the facility to \$109 million, replacing its existing \$50 million credit facility.
- On June 28, 2018, the Company made a drawdown of \$30 million to partially redeem its debentures.

Backlog

Quarter ended June 30, 2018

In number of days

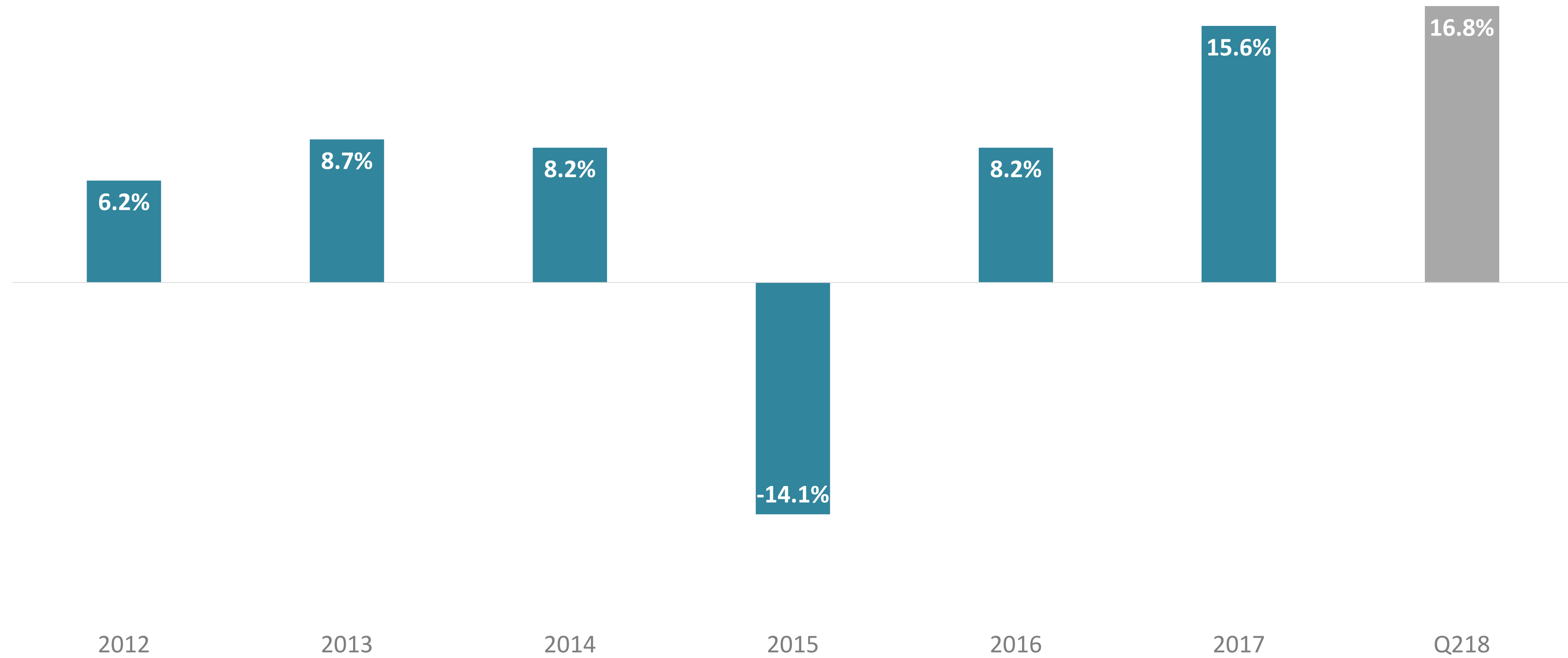


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Bookings in Q2 2018 reached 89 days compared to 87 days in Q2 2017, and to 96 days in Q1 2018.

Annualized ROCE¹

Quarter ended June 30, 2018



¹ See Non-IFRS Measures



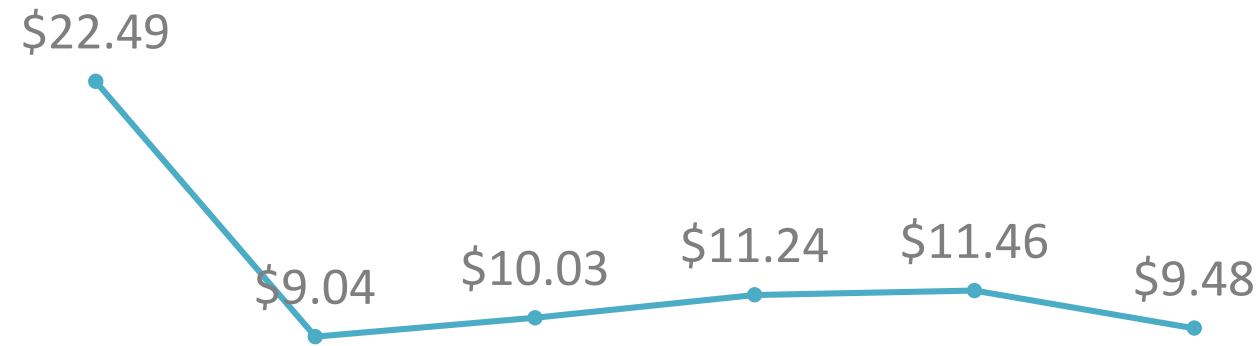
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Metal Prices in U.S. dollars per kilo

Quarter ended June 30, 2018

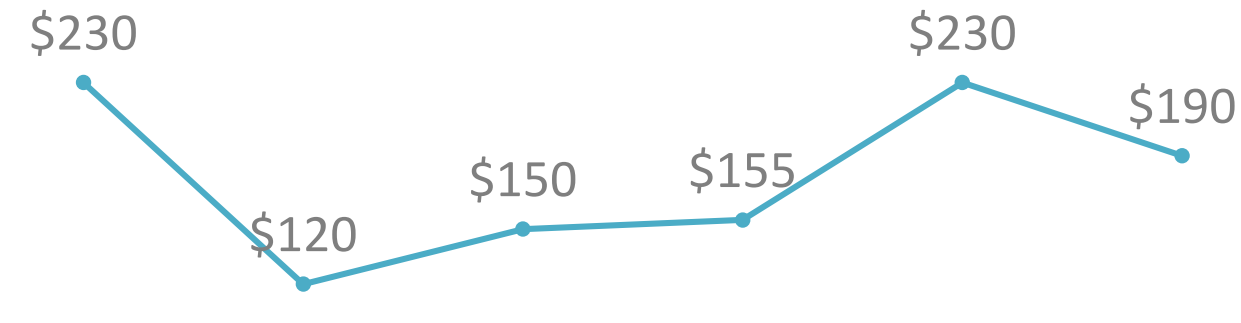
Source: Low Metal Bulletin

Bismuth



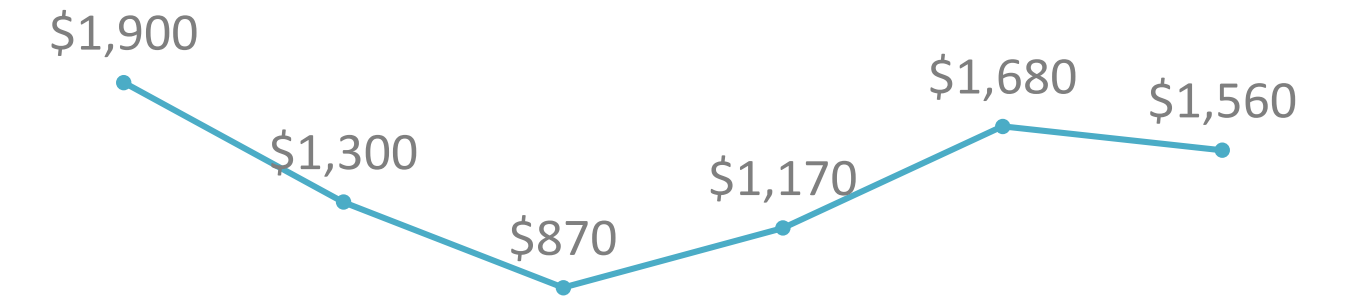
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Gallium



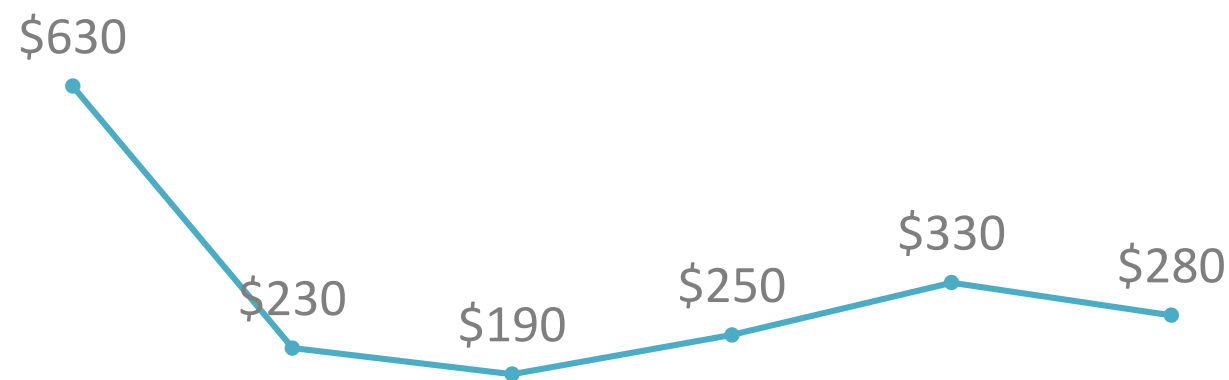
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Germanium



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Indium



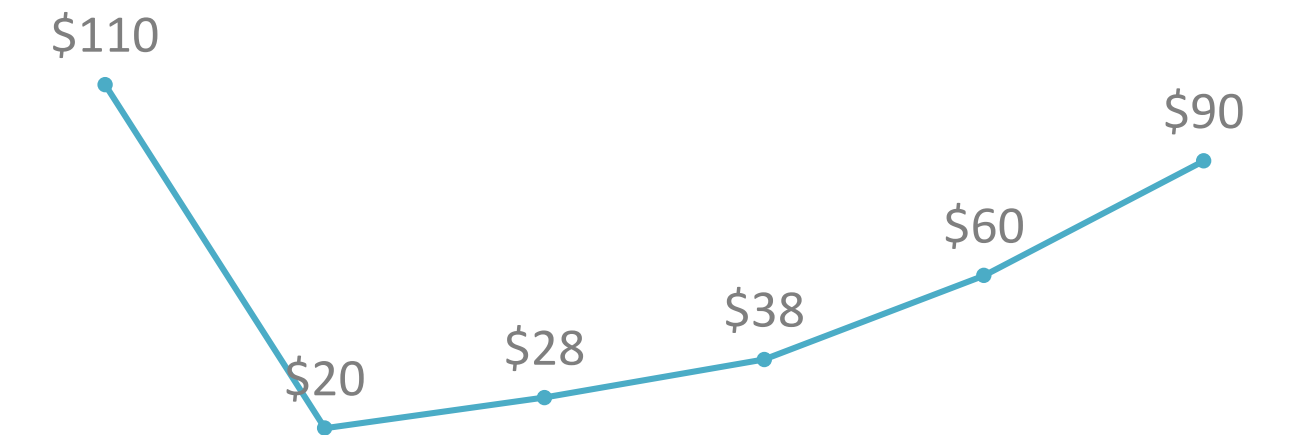
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Selenium



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Tellurium



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Non-IFRS Measures

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, share-based compensation expense, impairment of non-current assets, litigation and restructuring costs (income), 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 and impairment inventory charge. 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.

Non-IFRS Measures

Return on Capital Employed (ROCE) is a non-IFRS financial measure, calculated by dividing the annualized Adjusted EBIT by capital employed at the end of the period. Adjusted EBIT is calculated as the Adjusted EBITDA less depreciation and amortization (adjusted for accelerated depreciation charge, if any). Capital employed is the sum of the accounts receivable, the inventory, the PPE, the goodwill and intangibles less trade and accrued liabilities (adjusted for exceptional items). We use ROCE to measure the return on capital employed, whether the financing is through equity or debt. In our view, this measure provides useful information to determine if capital invested in the Company yields competitive returns. The usefulness of ROCE is limited by the fact that it is a ratio and not providing information as to the absolute amount of our net income, debt or equity. It also excludes certain items from the calculation and other companies may use a similar measure but calculate it differently.