



**ELVALHALCOR**

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

16<sup>th</sup> April 2019

Corporate Presentation

# Elvalhalcor at a Glance

ElvalHalcor is a Greek-based leading global player in the non-ferrous metals industry

## Key Highlights

- Leading global manufacturer of aluminium and copper products, formed in December 2017 via the merger of Elval and Halcor
- More than 80 years of experience
- Ranks amongst the biggest global non-ferrous metal industry producers
- Commercial export orientation with well-balanced international presence across more than 100 countries
- Solid client base comprising blue chip, sector-leading companies
- Strong production base across 14 industrial units in Greece, Bulgaria, Turkey and the Netherlands
- Investment plan €150m in Aluminium segment which is expected to increase total output by c.20% upon completion
- Listed on Athens Stock Exchange.



**2.1**  
EUR billion  
revenue



**1.9**  
EUR billion  
total exports



**142**  
EUR million adj.  
EBITDA



**482**  
Thousand tons  
volume of sales



**No.1**  
Copper tubes  
producer in  
Europe



European  
leading  
positions in  
aluminium  
products



**102**  
Countries  
products are  
shipped

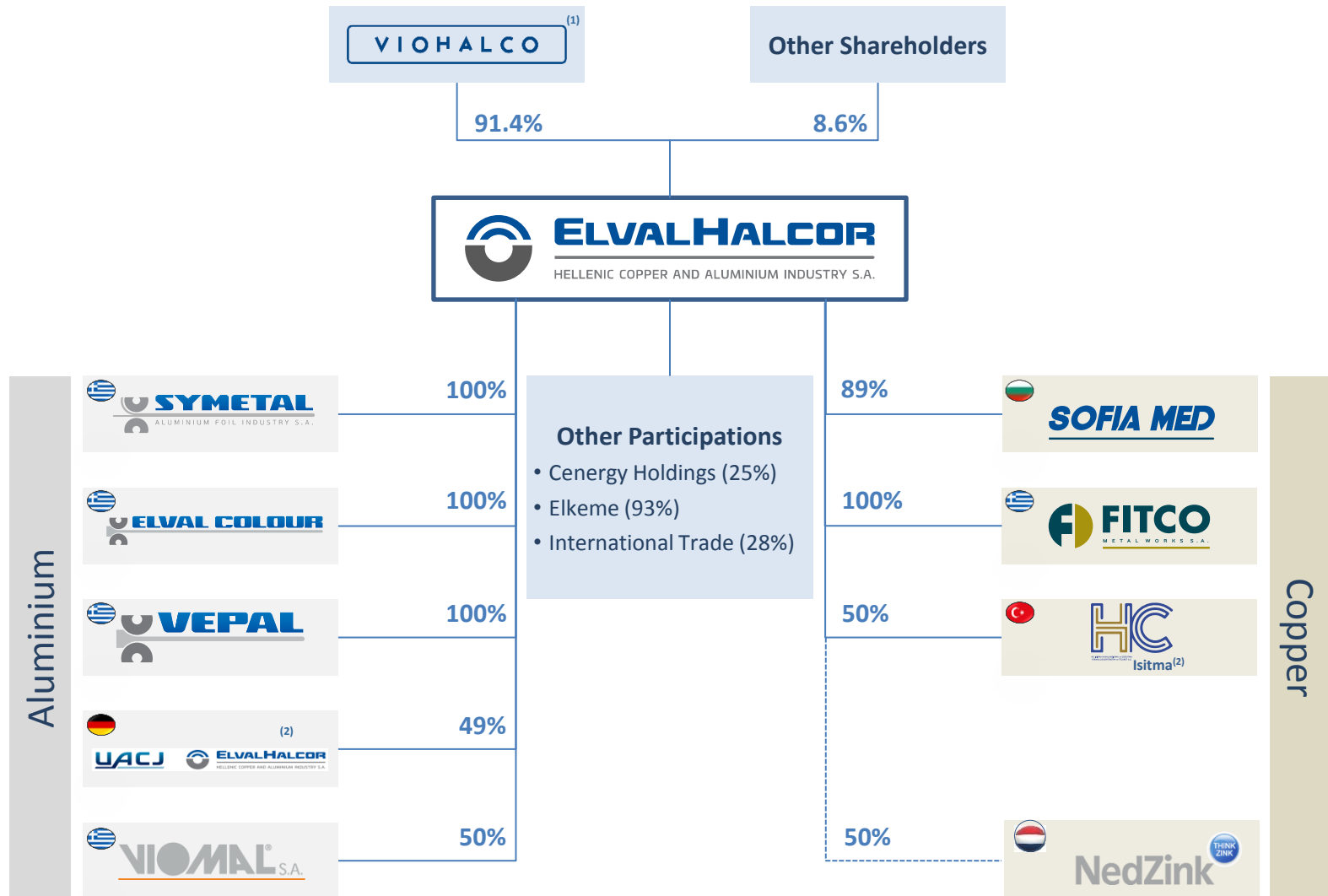


**14**  
State of the art  
production  
plants



**>500**  
EUR million  
investments  
during the last  
10 years

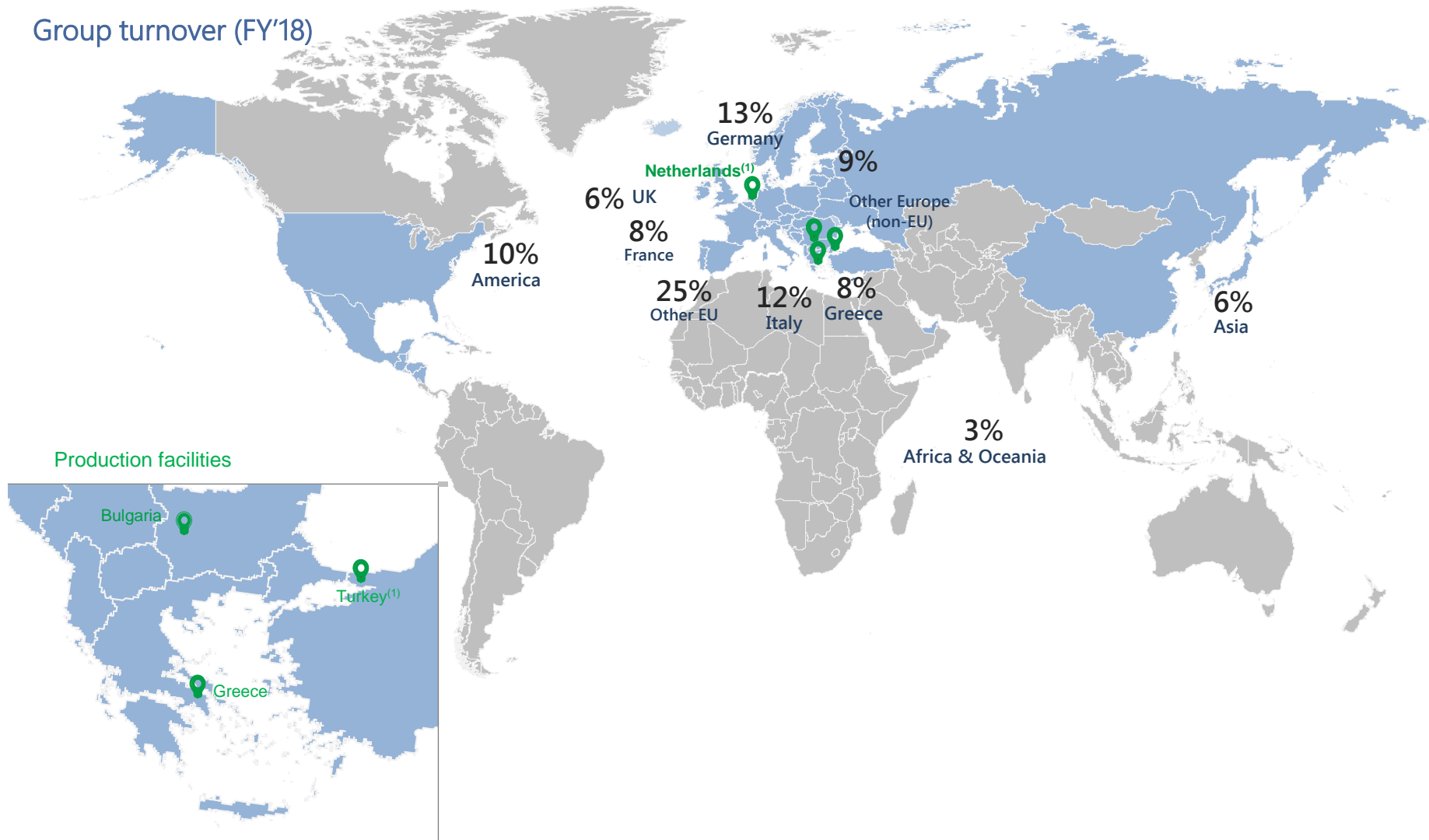
# Corporate Structure Overview



# International Focus

Highly extrovert business model with solid presence in more than 100 countries around the globe and revenues generated abroad representing over 92% of total turnover

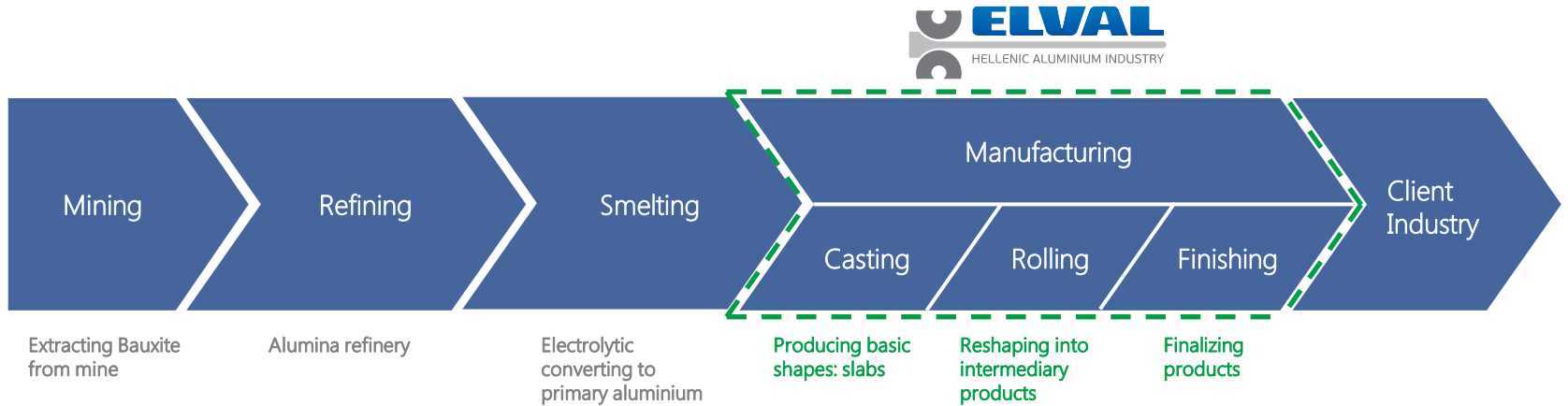
Group turnover (FY'18)



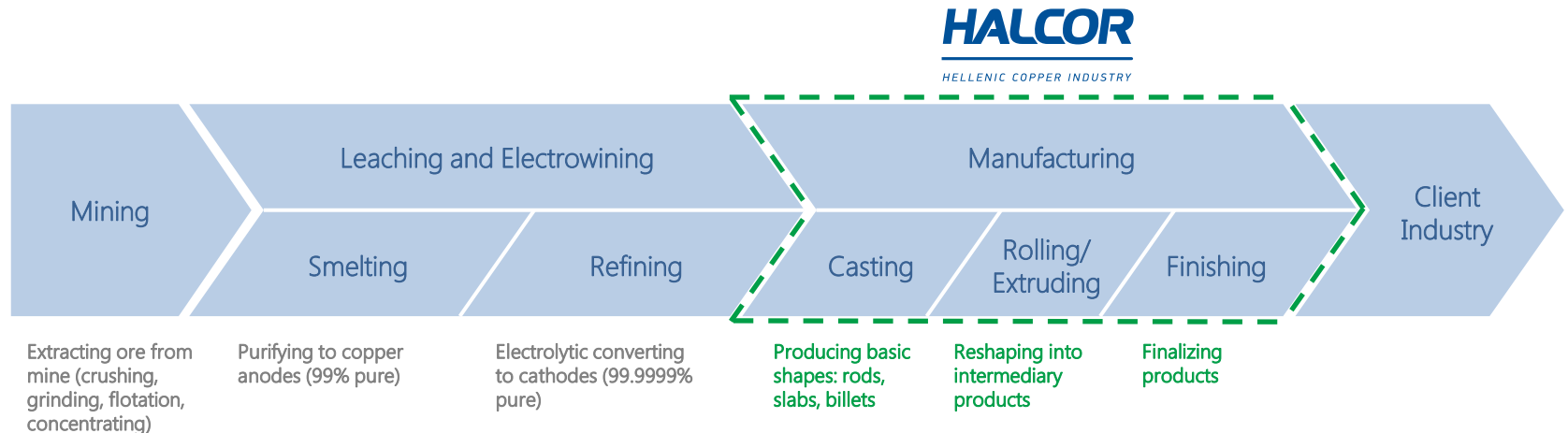
1. NedZink B.V. and HC Isitma production facilities are JVs

# Position in the Value Chain

Aluminium



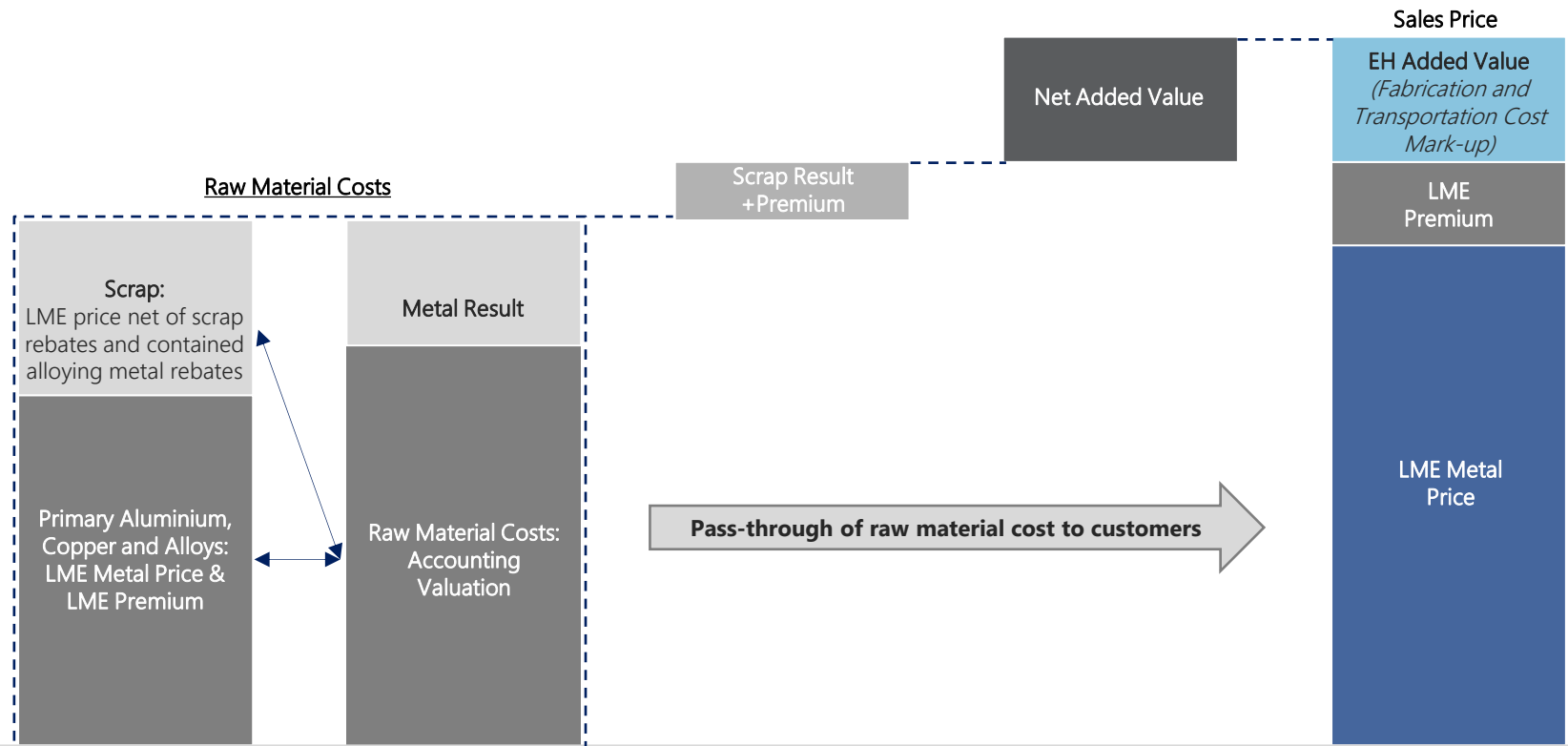
Copper



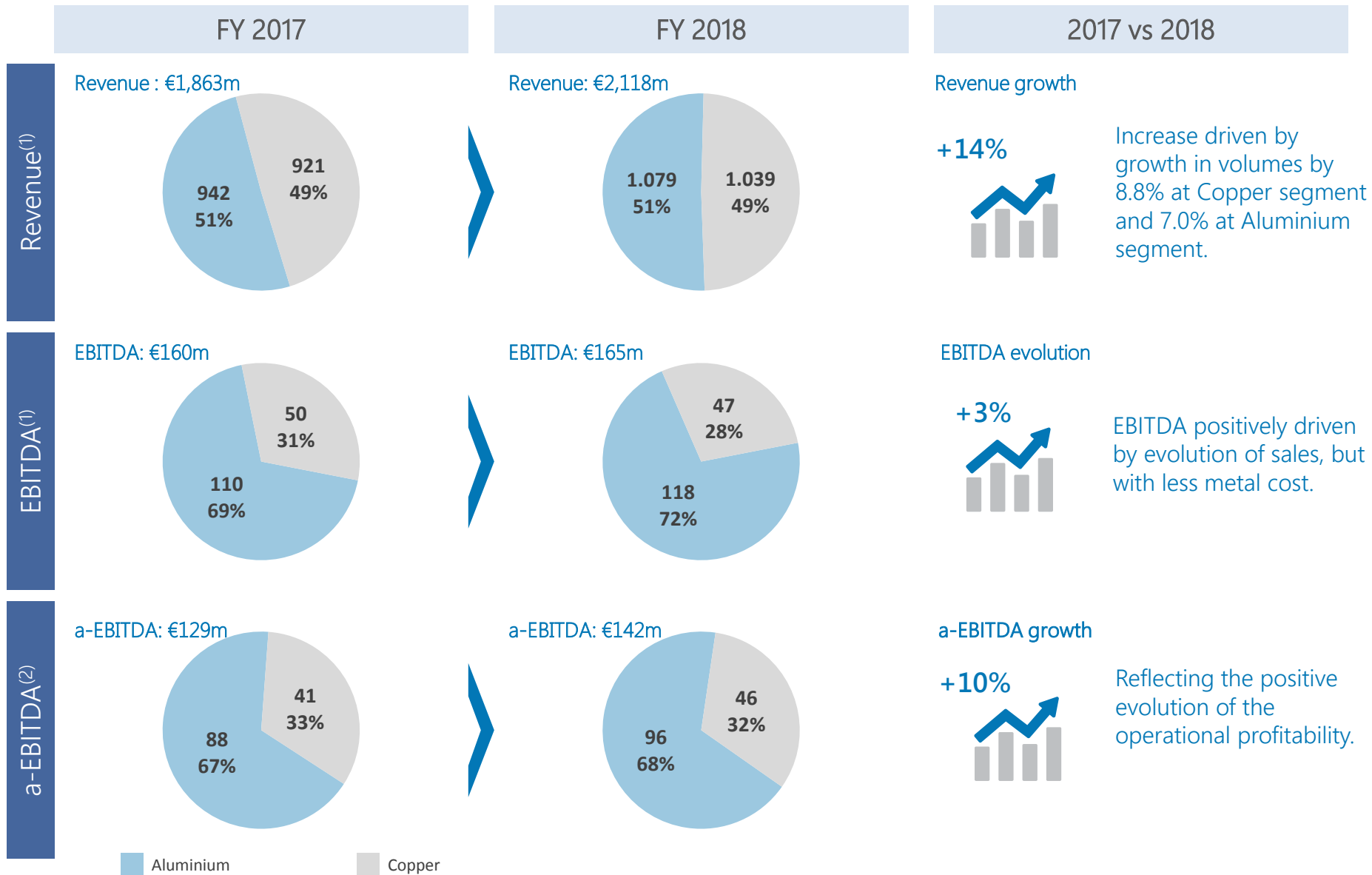
# Pass-through Business Model

Focus on maximizing Net Added Value, with limited exposure to commodity price volatility

- EvalHalcor purchases primary copper and aluminium, scrap and alloying metals to re-melt the materials and create products.
- Majority of cost of raw materials is directly linked to LME metal price, which is passed on to customers.
- EvalHalcor creates net added value primarily through a fabrication cost mark-up.
  - ✓ Premiums are charged on top of LME prices including (i) premium to cover cost of receiving physical metal, (ii) any regional premiums, and (iii) a conversion price, representing cost and margin on manufacturing the final product
- As a result, EvalHalcor has minimal net exposure to aluminium and copper prices.



# Financial Highlights FY 2018



Aluminium Copper



Capitalizing on market trends and own strengths to accelerate EBITDA growth

## Situation Overview / Actions

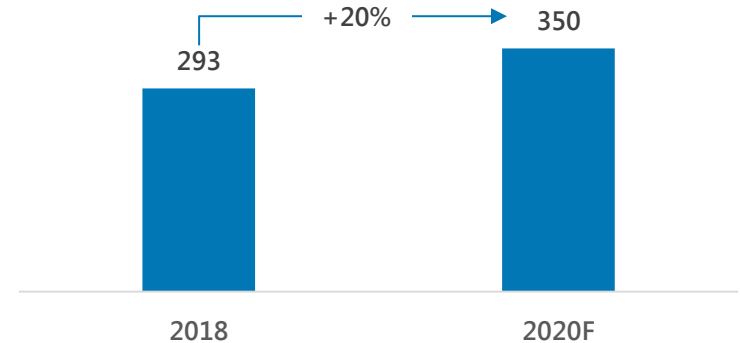
## Expected Outcome

Aluminium

- Currently operating at full capacity allowing for improving sales/product mix profitability.
- New €150m investment to boost capacity by 57,000tn (or c.20% of existing capacity), further improve cost and quality and lay foundations for further expansion.



### Increase Installed Capacity ('000tn)<sup>(1)</sup>

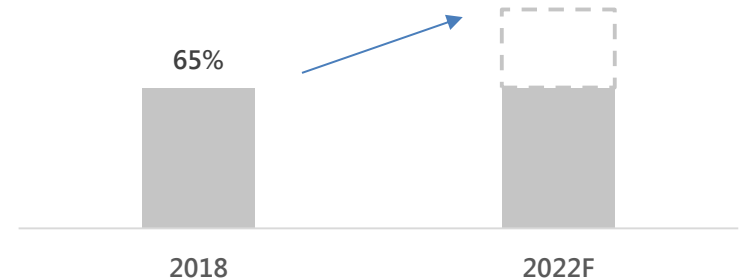


Copper

- Turnaround of FRP Copper and alloy unit, allowing double-digit growth rate taking advantage of excess capacity and favourable market dynamics.
- High capacity utilization for tube plants and market positioning driving sales mix profitability.



### Increase Capacity Utilization<sup>(2)</sup>





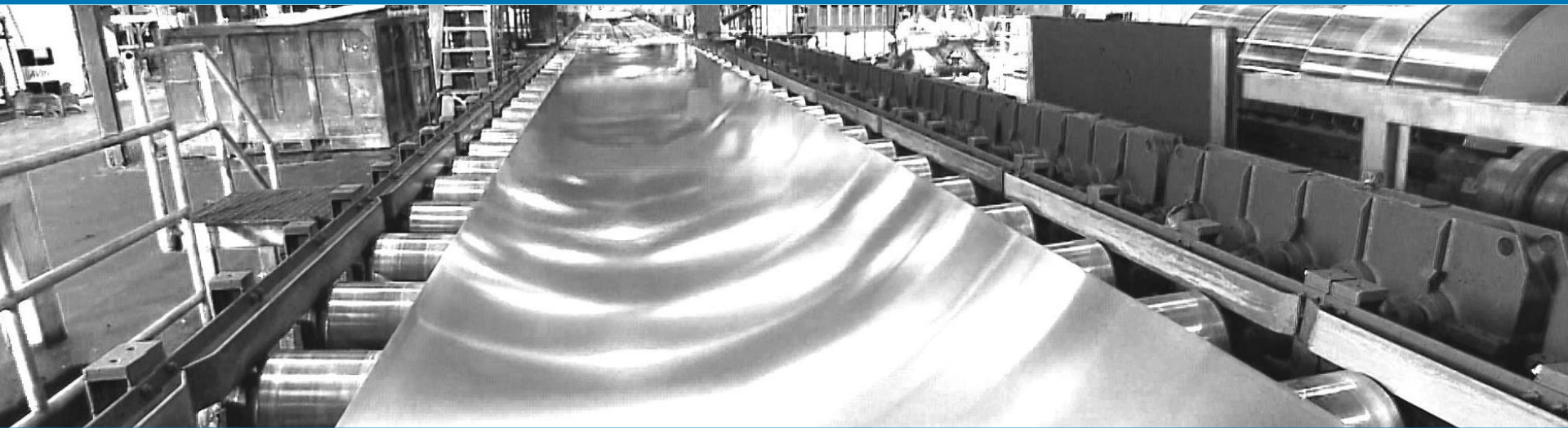


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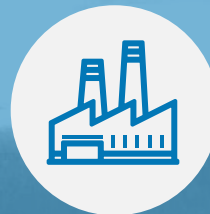
## Aluminium Segment



State of the art production facilities with capabilities to produce wide coils and long slabs



Fifth largest player in Europe with 7% market share



7 plants in Greece, with annual production capacity exceeding 290,000 tons

Investment plan of €150m expected to increase capacity by c.20% by 2020



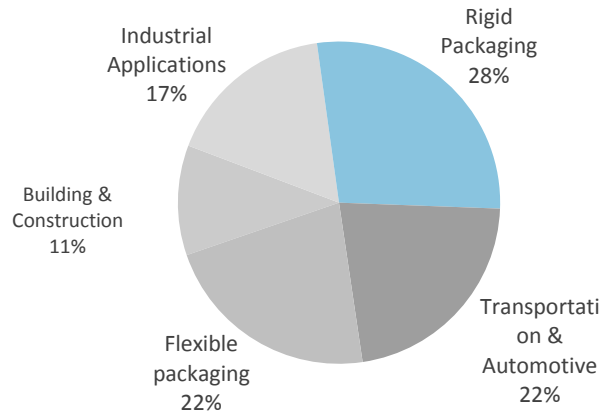
88% of turnover in sales abroad in around 100 countries



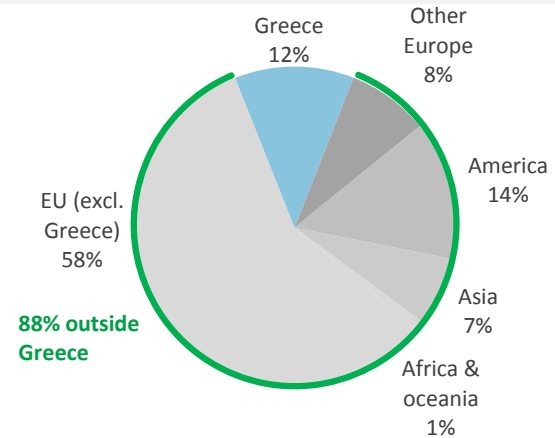
Invested more than €350m in equipment and R&D for capacity expansion and quality improvement during the last 10 years

## Revenue breakdown (FY 2018)

By Market (% of tons)

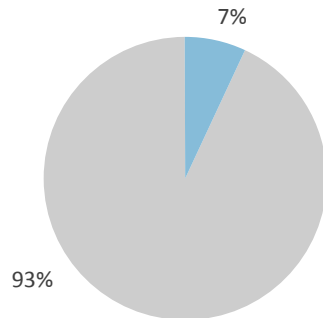


By Geographical Segment (% of €)

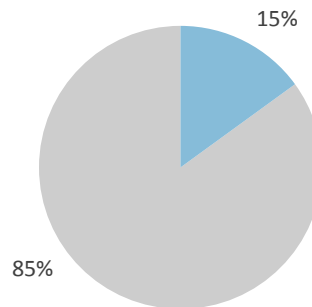


## European Market Shares (2018)

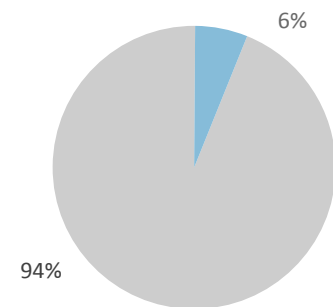
Flat Rolled Aluminium Products



Coated Aluminium



Aluminium Foil



- **c.39% Market Share in Food Packaging**
- **c.22% Market Share in Marine Applications**
- **13% Market Share in Building and Construction**

■ Group's share    ■ Other Companies' share

## Rolling



Oinofyta  
Greece



Flat rolled aluminium products and solutions for:

- Sea, road and rail transportation
- Food & beverages packaging
- HVAC

Capacity: 292,500 tons/year<sup>(1)</sup>

## Foil Rolling



Oinofyta  
Greece



Foil for:

- Pharmaceutical packaging
- Technical applications semi rigid packaging
- Household aluminium foil semi, etc.

Capacity: 52,000 tons/year

## Foil Converting



Mandra  
Greece



Foil for:

- Pharmaceutical packaging
- Flexible packaging
- Confectionery, etc.

Capacity: 26,000 tons/year

## Composite Panels



St. Thomas  
Greece



Solutions for a complete range of coated aluminium products used in the building envelope

## Rolling Shutters



Nea Artaki  
Greece



- Aluminium rolling shutters and doors
- Spacer bars
- Powder coating

## Coil Coating



Thiva  
Greece



Aluminium coil and strips coating for architectural use



## Packaging



- Beverage cans
- Food containers
- Closure caps
- Flexible packaging
- Household foil



## Shipbuilding



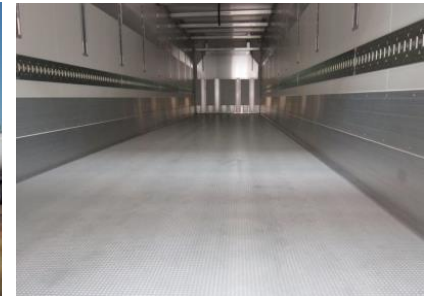
- Patrol vessels
- Catamarans
- Yachts
- Ferries



## Commercial Transportation



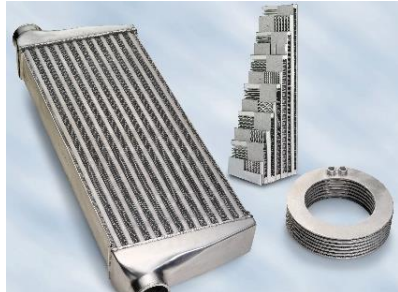
- Tipper trucks
- Road silos
- Refrigerator trucks
- Cargo wagons



## Automotive



- Internal parts
- Heat exchangers
- Air pressure vessels/ Fuel tanks
- Suspension & brake systems



## Industrial applications



- Lamp base
- Renewable energy
- Multi-layer tubes
- Bus ducts



## Domestic applications



- Cookware
- White goods



## Building & Construction



- Façades
- Roofing
- Rain gutters
- False ceilings
- Roller shutters
- Functional coatings
- Flashings





- Quality: certified according to ISO 9001/2015
- Environmental management: certified with ISO 14001/2015
- Energy management system: certified according ISO 50001/2011
- Health and safety management systems: certified according to Occupational health and Safety management systems: OHSAS 18001/2007
- Certified according to IATF 16949
- Certifications by all major classification societies
- Quality standards according to individual customer requirements





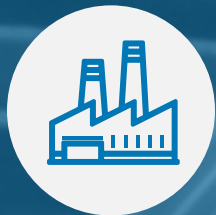


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## Copper Segment



State of the art production facilities for copper and copper alloy products:

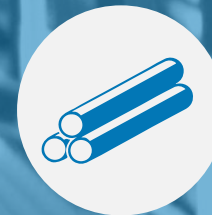
- Largest tube mills in EMEA region and among the most efficient in Europe
- One of the largest extrusion presses worldwide



European market leader in copper tubes  
Rapidly rising position in copper and copper alloy RFP



Products sold in around 80 countries around the world, representing 96% of segment's total turnover



High specifications output according to customers' quality demand



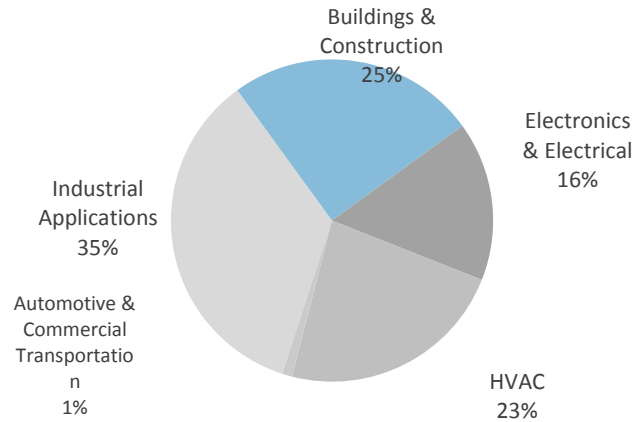
Strong input in:

- HVAC&R industry
- Electrical industry
- Production engineering

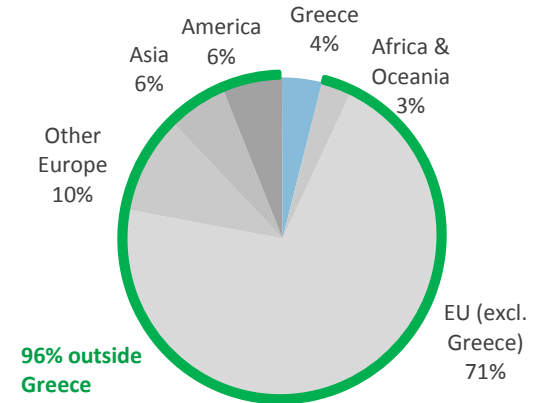
# Revenue by Segment & Market Share

## Revenue Breakdown (FY 2018)

By Market (% of tons)

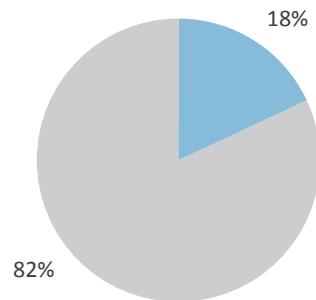


By Geographical Segment (% of €)

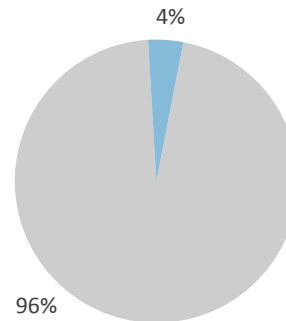


## European Market Shares (2018)

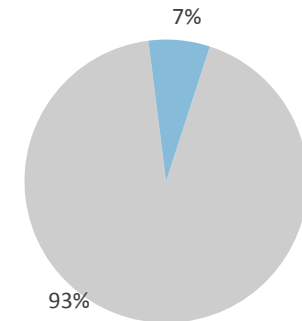
Copper Tubes



Extruded Copper and Alloy Products



Rolled Copper and Alloy Products



■ Group's share    ■ Other Companies' share

## Tubes



Oinofyta  
Greece

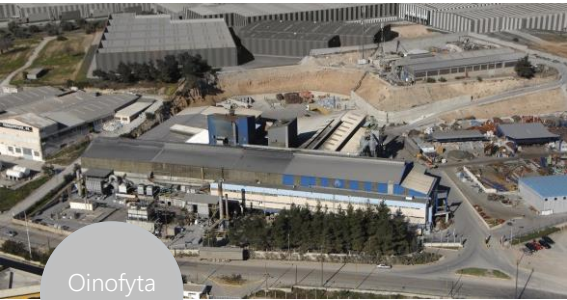


Copper tube plant producing:

- Copper tubes with or without plastic coating or industrial insulation

Capacity: 80,000 tons/year

## Foundry



Oinofyta  
Greece



Foundry producing:

- Copper billets and slabs
- Copper alloy billets

Capacity: 235,000 tons/year

## Alloy Bars, Tubes and Wires



Oinofyta  
Greece



Specialises in the production of extruded copper alloy

Capacity: 40,000 tons/year

## Copper and Brass



Sofia  
Bulgaria



Specialises in the production of rolled and extruded copper and copper alloy products

Capacity: 120,000 tons/year

## Tubes



Gebze  
Turkey



Capacity: 4,200,000 meters/year Ecutherm copper tubes

Capacity: 1,800,000 meters/year corrugated A/C drain hose

1. HC Isitma is a JV in which ElvalHalcor participates by 50%

# Products and Main Applications

## Copper tubes

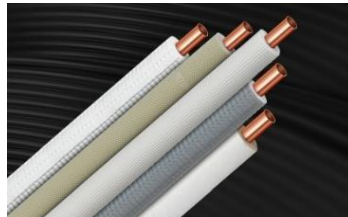
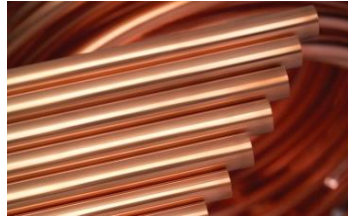
Copper tubes bare, pre-insulated or inner grooved from 4 up to 108 mm for:



### Building & Construction



- Water supply and Heating networks
- Under floor heating and cooling
- Air-conditioning
- Refrigeration
- Natural gas
- Medical gas distribution networks
- Fire extinguishing networks



### Renewable Energy



- Solar panels
- Solar system networks
- Geothermal heating & cooling



### HVAC&R



- Air-conditioning
- Refrigeration
- Heat exchangers



### Industrial Applications



- Fittings
- High frequency cables
- Boilers
- Filters
- Various industrial applications





## Products and Main Applications

### Innovative products - Cusmart®



Copper tubes for:

- Water supply
- Heating (pre-insulated with PE-X)
- Under floor heating

Cusmart® provides a complete system along with a wide range of Compression and Press fittings.

Due to combination of high quality plastics with lower wall thickness copper tubes, the replacement cost per ton is lower compared to the cost of a pure copper product.

Meets the requirements and are certified according to DVGW Vp 652, ELOT 1425/ 1426 and NSF/ANSI 61.



**CUSMART®**

### Extruded Products



Copper alloy and brass rods, bars, sections, tubes, flats, wires for: Construction, decoration, electrical engineering (electronic control panels, valves, batteries etc.), supports for gutters.

Produced by Fitco and Sofia Med



### Rolled Products



Copper and brass and HP alloys in sheets, strips, plates for: Construction (roofing, gutters), electrical engineering (connectors, transformers, boilers, etc.), decoration.

Produced by Sofia Med





Halcor's capability to produce meets all international specifications and customer specific requirements, with the highest standards of QUALITY

- Quality: certified according to ISO 9001/2015
- Environmental Management: certified with ISO 14001/2015
- Energy Management System: certified according ISO 50001/2011
- Health and Safety Management Systems: certified according to Occupational Health and Safety Management Systems: OHSAS 18001/2007

SPAIN - AENOR 	GERMANY - GL 	GERMANY - TÜV CERT 	ROMANIA - AR 
RUSSIA - GOST 	FRANCE - CSTB 	GERMANY - DVGW 	FINLAND - VTT 
SWEDEN - SITAC 	USA - NSF 	FRANCE - AFNOR 	GERMANY - CU 
CROATIA - VIK 	U.K. - BSI 	SINGAPORE - SETSCO 	EUROPEAN COM. 
ALGERIA - GREDEG 	NETHERLANDS - KIWA 		





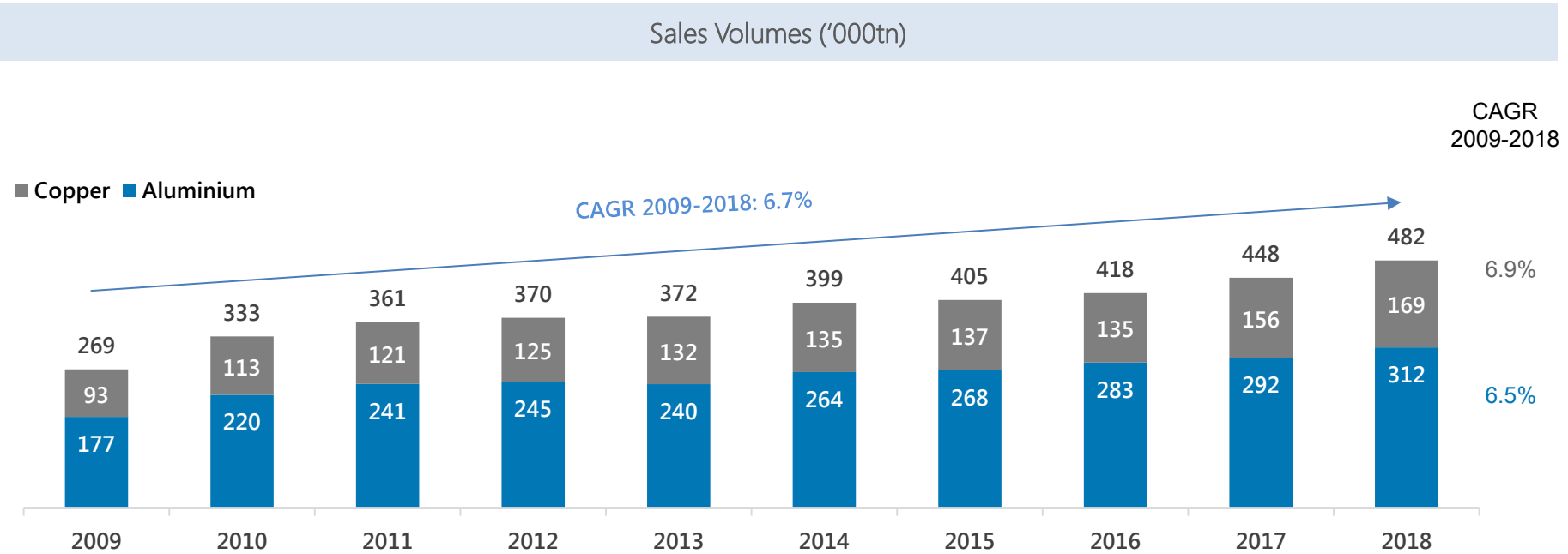
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## Financial Information

# Sales Evolution<sup>(1)</sup>

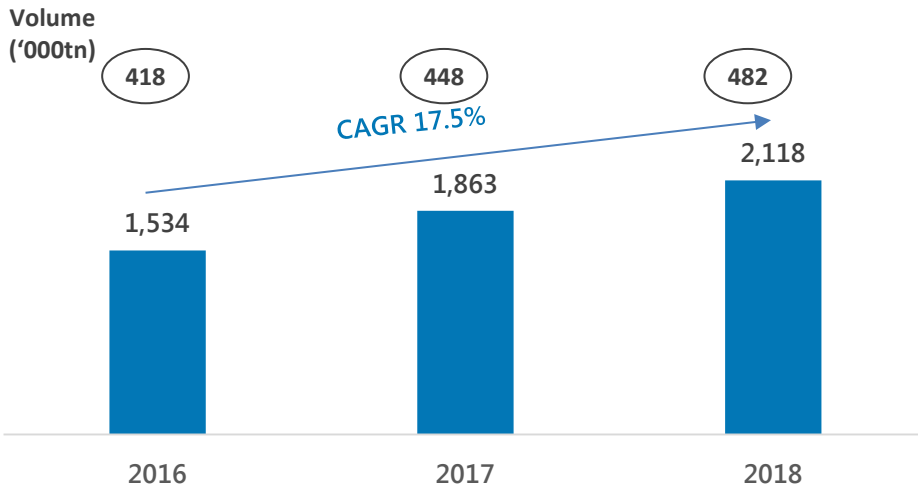


Steadily increasing sales underline solid and continuous momentum

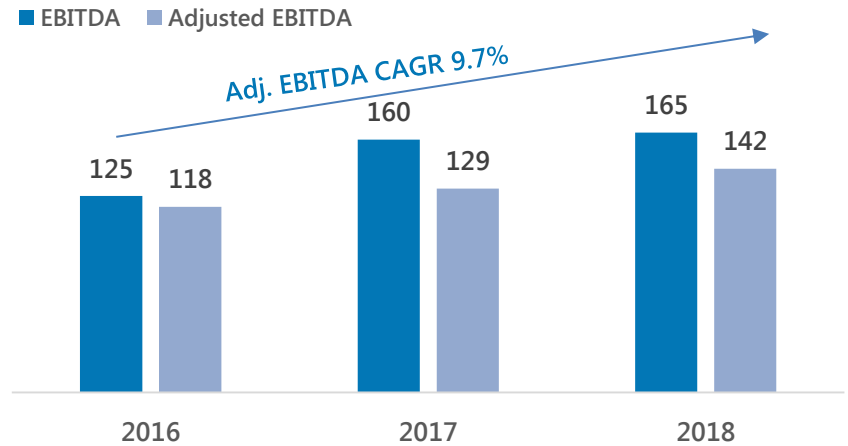
# Key Figures <sup>(1)</sup>

Solid financial performance driven by top line growth and profitability improvements

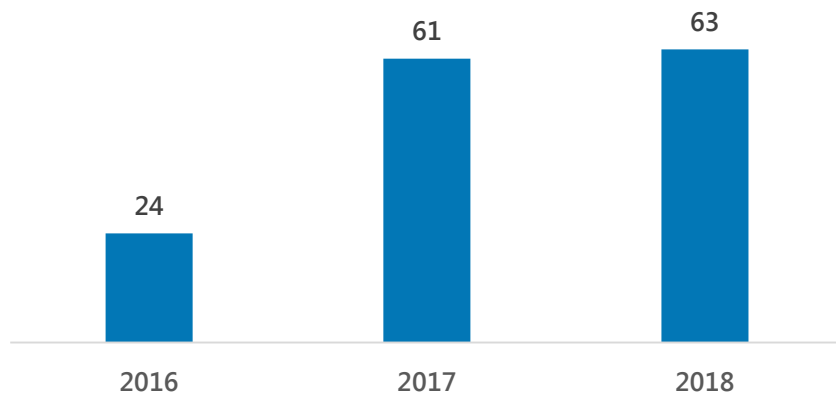
Revenue (€m)



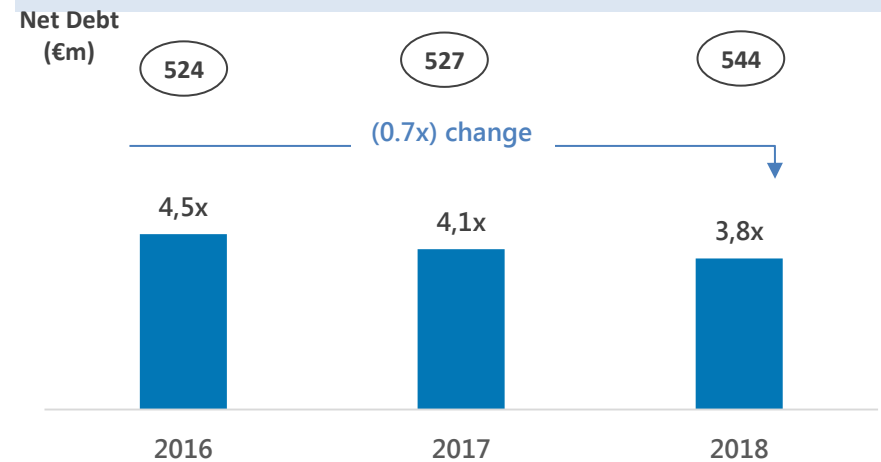
EBITDA vs Adjusted EBITDA<sup>(2)</sup> (€m)



Net Income (€m)



Net Debt / a-EBITDA

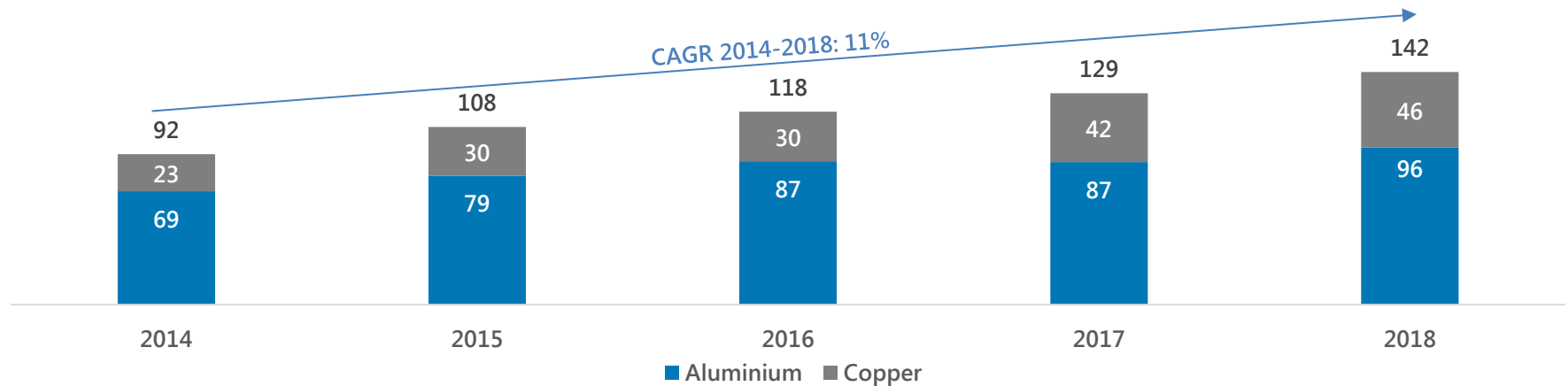


1. Figures for 2016 are pro-forma consolidated  
 2. Adjusted for aluminium and copper price fluctuations and other non recurring items

# Key Figures (pro forma)<sup>(1)</sup>

## Profitability growth supported by both segments

Adjusted EBITDA per Division (€m)

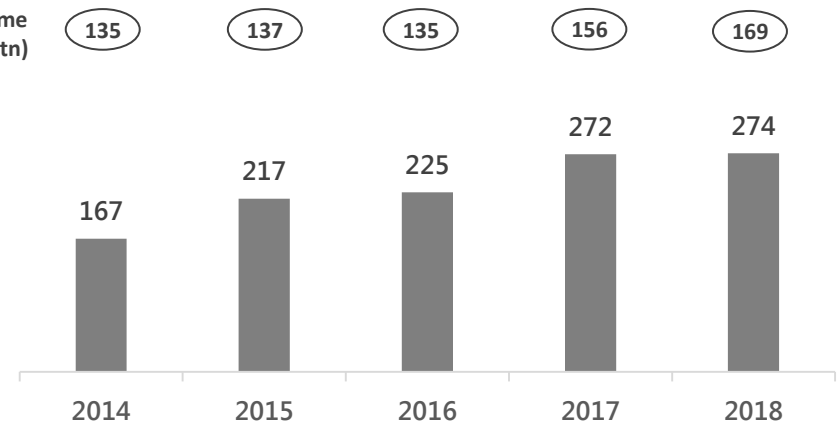
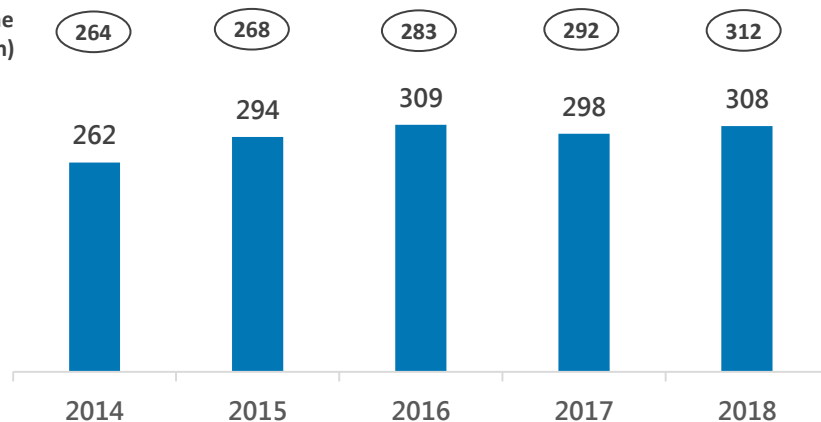


Aluminium – Adjusted EBITDA per ton (€/tn)

Copper – Adjusted EBITDA per ton (€/tn)

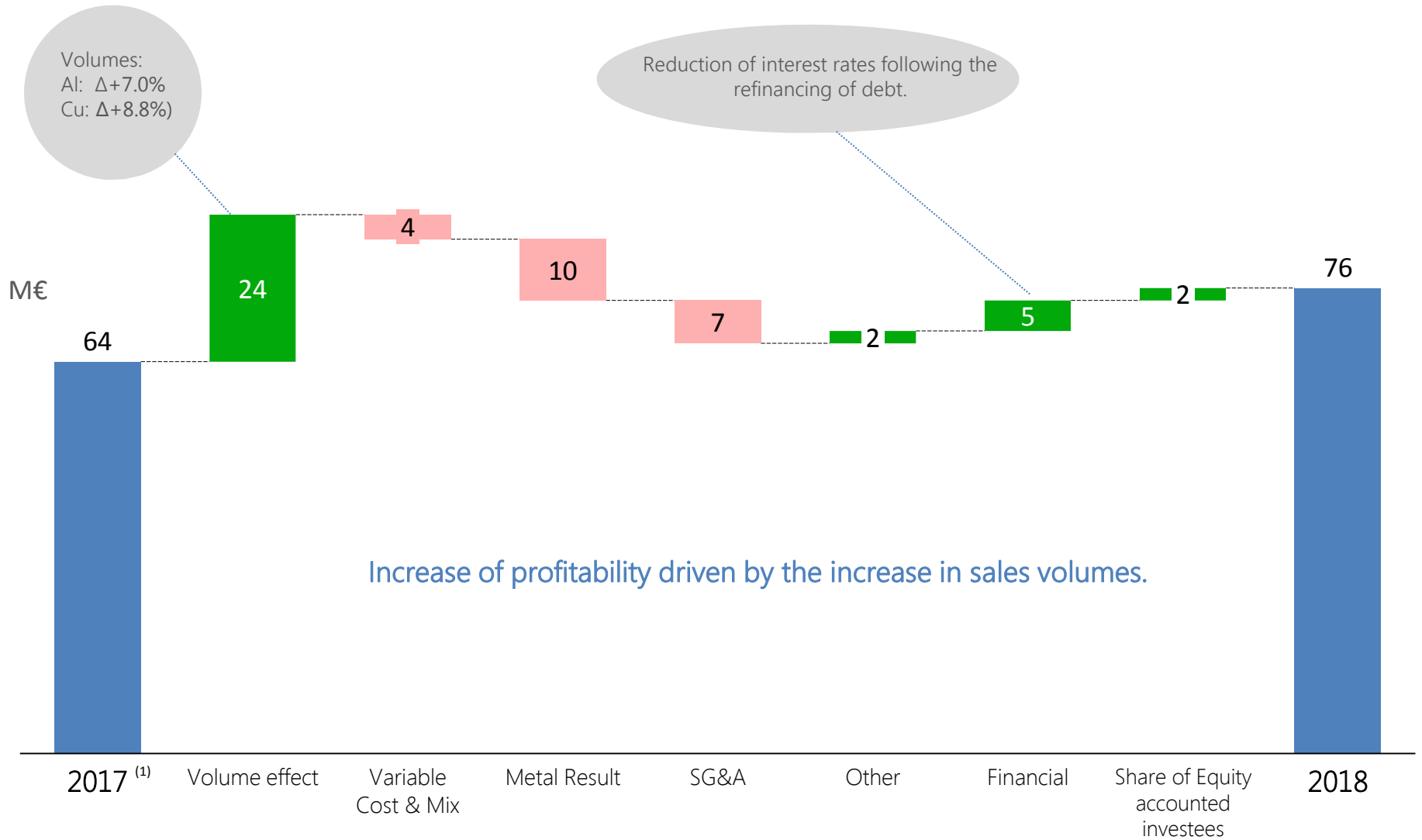
Volume ('000tn)

Volume ('000tn)

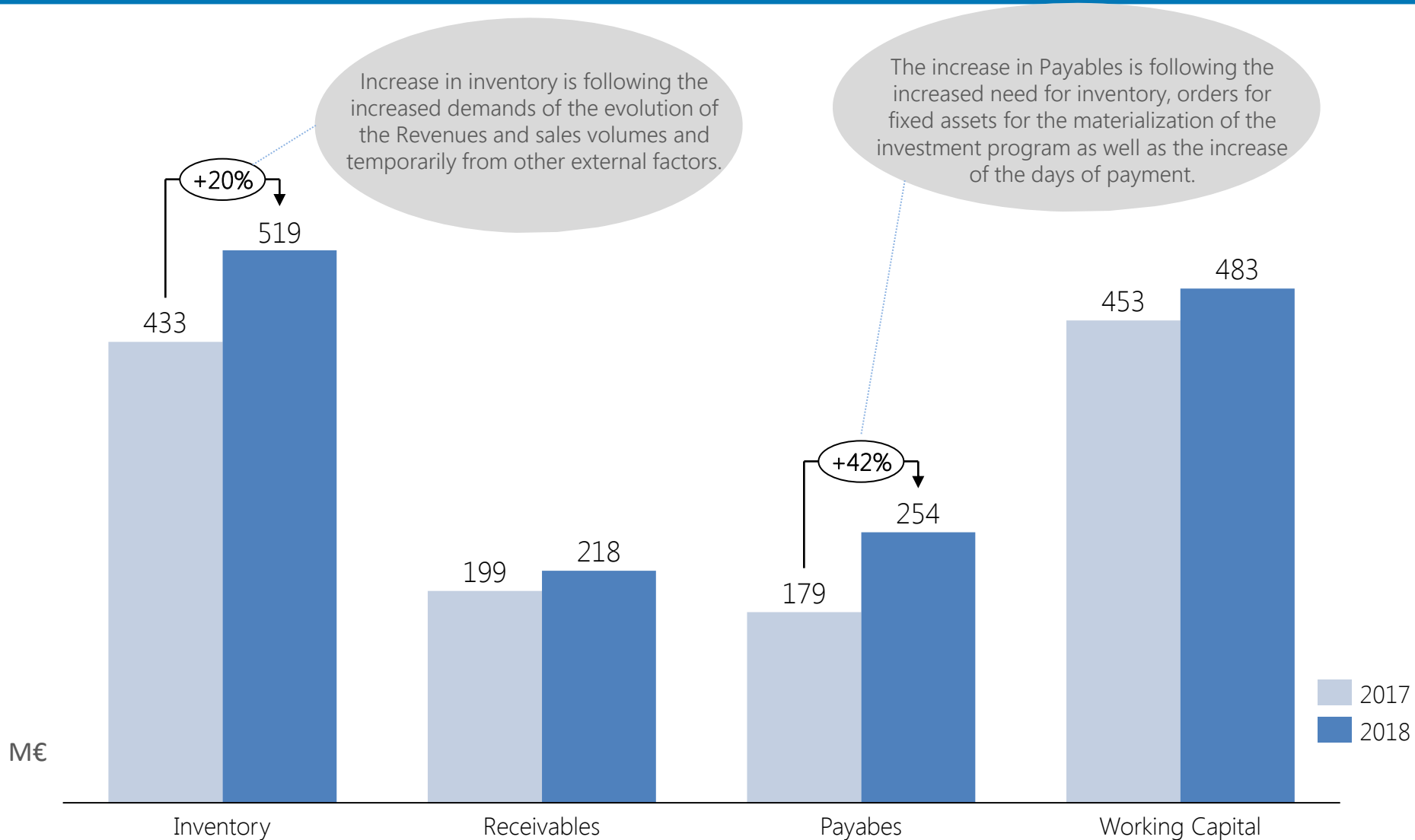


1. Figures for 2015 and backwards are not based on audited information but management estimates and adjustments in order to present information on a like-for-like comparable basis, as the consolidation perimeter and the composition of the company and the group was much different

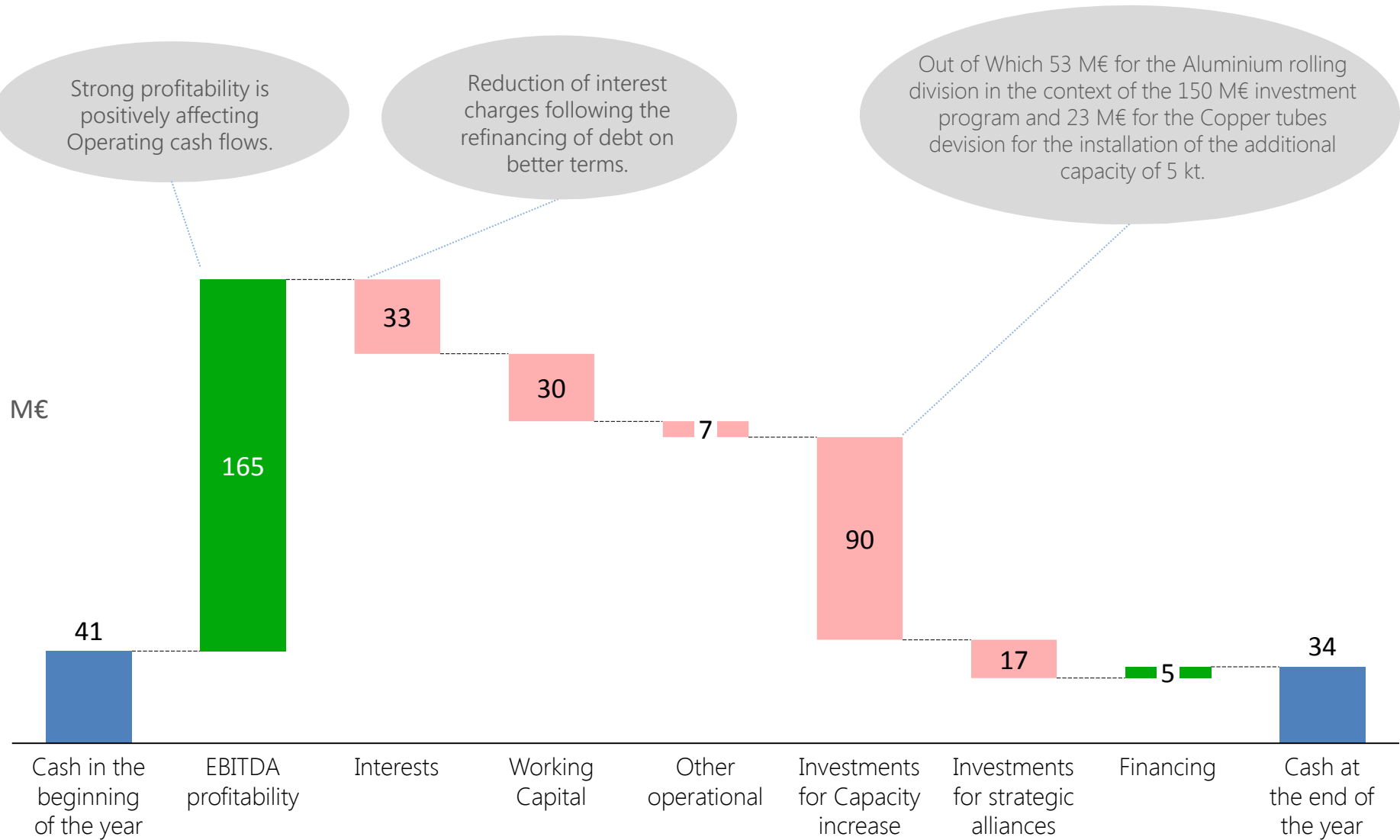
# Deviation analysis in the Consolidated Profit before taxes



# Evolution of the Consolidated Working Capital



# Consolidated Cash Flows



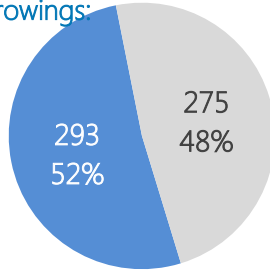


# Consolidated Debt Maturity

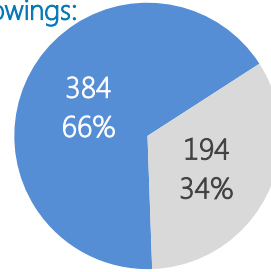
FY 2017

FY 2018

Total Loans & Borrowings:  
€568 m

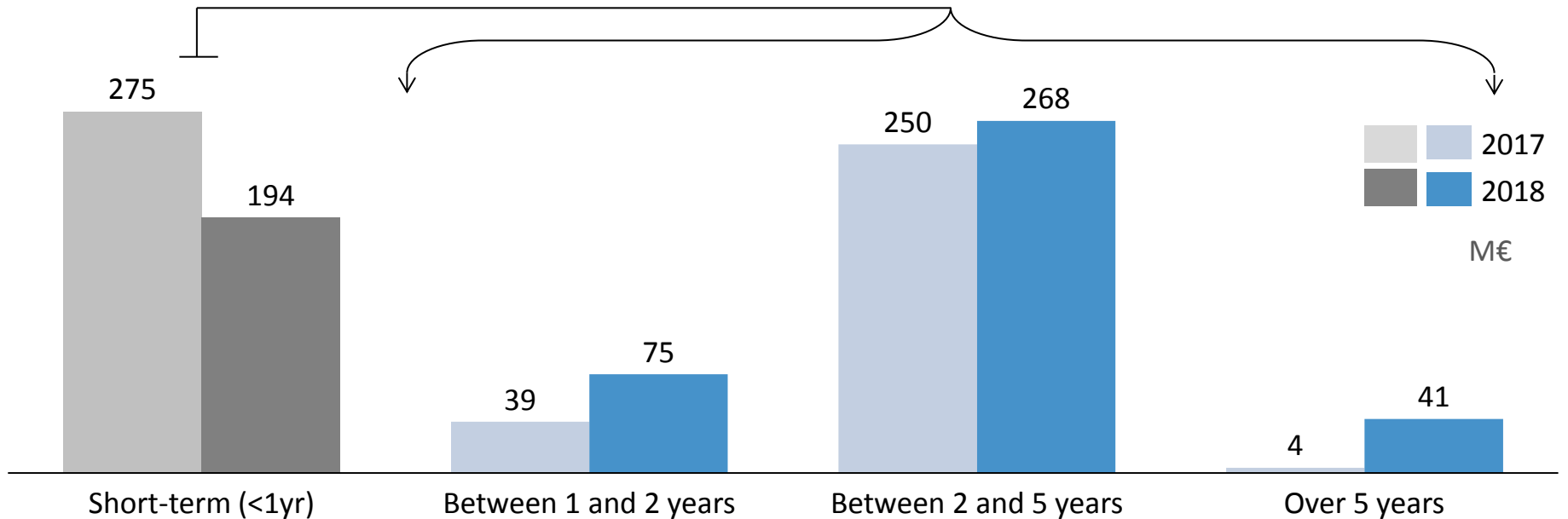


Total Loans & Borrowings:  
€578 m



Refinancing of Debt with a five year maturity and reduction of interest rates.

■ Long-term      ■ Short-term

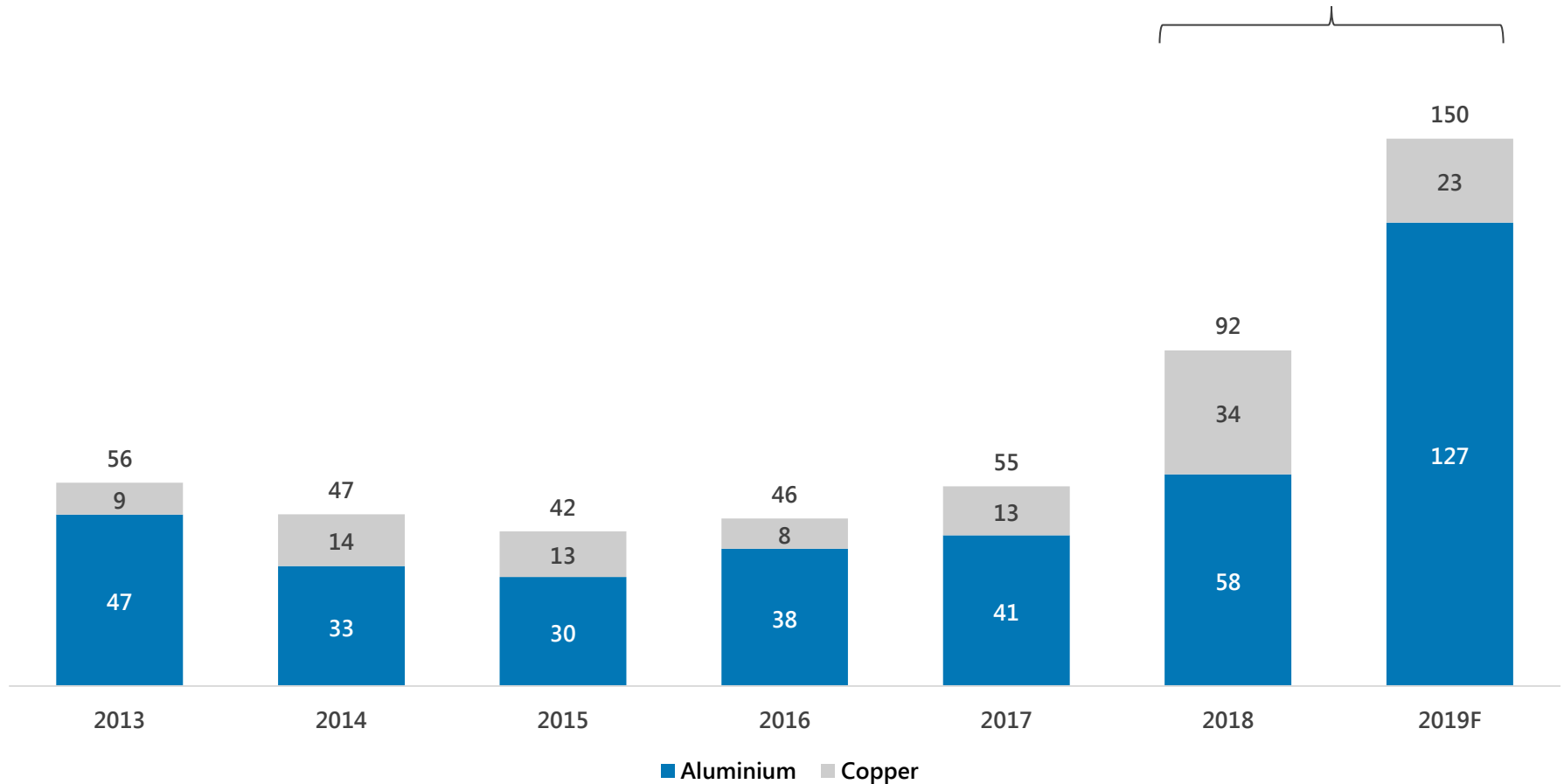


# Capex Evolution<sup>(1)</sup>

Accelerating capex to support growth momentum

Capex Evolution (€m)

Mainly driven by the €150m in Aluminium segment



1. Figures for 2015 and backwards are not based on audited information but management estimates and adjustments in order to present information on a like-for-like comparable basis, as the consolidation perimeter and the composition of the company and the group was much different

# Sustainable Development Strategy

Constantly strengthen our leading position in the aluminium and copper industries by pursuing a corporate strategy that promotes social responsibility and environmental protection

## Sustainable Development Pillars

### Responsible business development



- ✓ Focus on quality and technological advancement across all production processes
- ✓ Continuous investment on production facilities and R&D
- ✓ Provision of innovative products and solutions
- ✓ Dynamic commercial activity and strong presence in markets with growth potential
- ✓ Customer-centric approach aimed at strengthening customer relationships

### Care for society and our people



- ✓ Humanistic philosophy
- ✓ Occupational health and safety
- ✓ Supporting local communities

### Environmental protection



- ✓ Responsibility for the environment
- ✓ Applying responsible environmental practices and taking preventive actions
- ✓ Continuous improvement of our environmental footprint

Track record highlighting values and sustainable development culture



Aluminium recycling and educational programs at Canal (Aluminium Can Recycling Centre)



State of the art industrial wastewater treatment for the Oinofyta plants (ZLD)



Automated and on-line environmental parameter monitoring



Rolling oil regeneration and extrusion



Safe aluminium recycling with modern and energy efficient delacquering furnaces



Use of air pollution abatement equipment



Closed circuit degreasing system at tubes plant



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## Appendix I. - Sustainable Development Policy

# Income Statement (pro forma)<sup>(1)</sup>

Profit & Loss Statement			
<i>Amounts in € million</i>	2016	2017	2018
<b>Revenue</b>	<b>1,534.1</b>	<b>1,863.3</b>	<b>2,117.8</b>
Aluminium Segment	842.7	941.5	1,079.0
Copper Segment	691.4	921.8	1,038.8
Cost of Sales	(1,420.1)	(1,706.4)	(1,950.8)
<b>Gross Profit</b>	<b>114.1</b>	<b>156.9</b>	<b>166.9</b>
<i>Gross Profit Margin (%)</i>	<i>7.43%</i>	<i>8.42%</i>	<i>7.88%</i>
Other Income	13.7	14.8	14.1
Selling and Distribution expenses	(19.6)	(19.8)	(22.0)
Administrative expenses	(31.2)	(37.7)	(42.9)
Other Expenses	(8.4)	(12.2)	(9.1)
<b>Operating profit / (loss)</b>	<b>68.5</b>	<b>102.0</b>	<b>107.0</b>
Aluminium Segment	48.9	67.2	77.0
Copper Segment	19.6	34.7	30.1
Finance Income	4.0	0.1	0.1
Finance Costs	(40.4)	(36.9)	(32.3)
Dividends	0.0	0.0	0.0
<b>Net Finance Income / (Costs)</b>	<b>(36.4)</b>	<b>(36.8)</b>	<b>(32.2)</b>
Share of profit/ (loss) of equity-accounted investees	0.2	(1.3)	1.0
<b>Profit/(Loss) Before Income Tax</b>	<b>32.3</b>	<b>63.9</b>	<b>75.8</b>
Income Tax	(8.7)	(2.6)	(11.5)
<b>Profit/(Loss) from Continued Operations</b>	<b>23.5</b>	<b>61.3</b>	<b>64.3</b>
<b>EBITDA Calculation</b>			
Depreciation	58.2	60.4	60.1
Grant Depreciation	(2.0)	(1.9)	(2.0)
<b>EBITDA</b>	<b>124.7</b>	<b>160.5</b>	<b>165.2</b>
<i>As % of Revenue</i>	<i>8.1%</i>	<i>8.6%</i>	<i>7.8%</i>

Reconciliation of a-EBITDA (Financial Statements)			
<i>Amounts in € million</i>	2016	2017	2018
<b>EBITDA</b>	<b>124.7</b>	<b>160.5</b>	<b>165.2</b>
+ Loss / (Profit) from Metal	(6.6)	(33.1)	(23.0)
+ Restructuring Costs	-	0.2	-
+ Loss / (Profit) from Revaluation of Fixed Assets	-	1.9	-
<b>Adjusted EBITDA</b>	<b>118.0</b>	<b>129.4</b>	<b>142.1</b>
<i>As % of Revenue</i>	<i>7.7%</i>	<i>6.9%</i>	<i>6.7%</i>

# Balance Sheet

Balance Sheet					
Amounts in € million	Dec-16 <sup>(1)</sup>	H1'17	Dec-17	H1'18	Dec-18
<b>Non-current Assets</b>					
Property, Plant and Equipment	693.6	685.9	687.5	699.5	720.6
Intangible Assets and Goodwill	72.8	77.2	74.5	74.1	76.5
Investment Property	5.4	7.1	7.1	7.0	6.8
Investments in Associates	71.8	62.2	64.2	79.1	82.8
Other Non-current Assets	10.0	9.4	8.9	8.4	8.2
<b>Current Assets</b>					
Inventories	352.1	398.4	433.5	530.2	519.2
Trade and Other Receivables	240.4	275.6	199.0	264.0	218.3
Cash and Cash Equivalents	39.0	27.3	41.4	69.1	34.2
Other Current Assets	3.6	1.8	9.2	9.3	7.9
<b>Total Assets</b>	<b>1,488.8</b>	<b>1,544.9</b>	<b>1,525.4</b>	<b>1,740.4</b>	<b>1,674.5</b>
<b>Equity</b>					
Share Capital	211.4	211.4	211.4	211.4	211.4
Other Reserves	431.5	429.4	282.3	283.2	281.1
Retained Earnings/(Losses)	(28.7)	(8.7)	161.8	189.9	224.3
Non-controlling Interest	11.5	12.2	12.9	13.3	13.7
<b>Total Equity</b>	<b>625.6</b>	<b>644.3</b>	<b>668.4</b>	<b>697.8</b>	<b>730.5</b>
<b>Non-current Liabilities</b>					
Loans and Borrowings	338.4	299.0	278.9	330.0	372.9
Financial Lease Obligations	7.8	10.9	14.0	12.8	11.5
Deferred Tax Liabilities	66.4	60.1	61.8	63.9	58.0
Other Non Current Liabilities	36.4	35.9	38.0	37.2	36.7
<b>Current Liabilities</b>					
Trade and Other Payables	177.7	181.1	179.2	335.0	253.7
Loans and Borrowings	216.4	281.1	273.0	250.1	191.2
Financial Lease Obligations	0.8	1.6	2.3	2.5	2.3
Other Current Liabilities	19.1	30.3	9.8	11.2	17.7
<b>Total Liabilities</b>	<b>863.2</b>	<b>900.6</b>	<b>857.0</b>	<b>598.8</b>	<b>944.0</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,488.8</b>	<b>1,544.9</b>	<b>1,525.4</b>	<b>1,740.4</b>	<b>1,674.5</b>

## Balance Sheet Highlights

Amounts in € million	Dec-16	H1'17	Dec-17	H1'18	Dec-18
<b>(i) Working Capital</b>					
Inventories	352.1	398.4	433.5	530.2	519.2
Trade and Other Receivables	240.4	275.6	199.0	264.0	218.3
Trade and Other Payables	(177.7)	(181.1)	(179.2)	(335.0)	(253.7)
	<b>414.8</b>	<b>492.9</b>	<b>453.4</b>	<b>459.2</b>	<b>483.8</b>
<b>(ii) Net Debt</b>					
Loans and Borrowings	554.8	580.1	552.0	580.1	564.1
Financial Lease Obligations	8.6	12.5	16.3	15.3	13.8
Cash and Cash Equivalents	(39.0)	(27.3)	(41.4)	(69.1)	(34.2)
	<b>524.4</b>	<b>565.3</b>	<b>526.8</b>	<b>526.3</b>	<b>543.7</b>
<b>(iii) Other BS Items</b>					
Property, Plant and Equipment	693.6	685.9	687.5	699.5	720.6
Investments in Viohalco Associates	71.8	62.2	64.2	79.1	82.8
Other Assets	91.9	95.5	99.8	98.8	99.2
Deferred Tax Liabilities	(66.4)	(60.1)	(61.8)	(63.9)	(58.0)
Other Liabilities	(55.6)	(66.2)	(47.8)	(48.4)	(54.3)
	<b>735.3</b>	<b>717.3</b>	<b>741.9</b>	<b>765.1</b>	<b>790.4</b>
<b>(i)-(ii)+(iii) Net Asset Value</b>	<b>625.6</b>	<b>644.9</b>	<b>668.4</b>	<b>698.9</b>	<b>730.5</b>

1. Figures for 2016 the numbers are based on pro-forma consolidation

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