



Press Release

H1'19 Financial Results

Increase of volumes and a-EBITDA

- Increase of sales volumes by 3.8% for H1 2019 versus H1 2018
- Increase of a-EBITDA to EUR 78.5 million for H1 2019 versus EUR 68.7 million for H1 2018
- Reduction of financial cost by 23.6%

ElvalHalcor's sales volumes reported a strong increase in H1 2019, as the Company took advantage of favourable conditions in the international aluminium market by utilising its long-term strategy and increasing sales in the most attractive markets. In addition, the Copper segment used its leading position in the copper tubes market, and leveraged its rising position and production capacity in the rolling products sector, to gain market share, despite a temporary slowdown of growth and decline in demand.

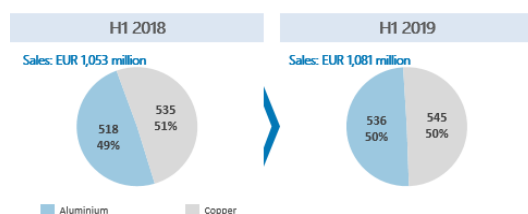
As a result, ElvalHalcor's consolidated revenue increased by 2.6% in H1 2019 to EUR 1,081.0 million, compared to EUR 1,053.2 million in the respective prior year period. This was mainly driven by a 3.8% year-on-year increase in sales volumes, supported by improved conversion prices and product mix, while metal prices declined. Compared to the prior year period, average aluminium prices were down 11.4%, copper prices were down 4.5% and by 10.4% for zinc.

Adjusted consolidated earnings before taxes, interest, depreciation and amortization and metal price lag (a-EBITDA), which more accurately reflects operational profitability, reported a significant year-on-year increase of 14.3% to EUR 78.5 million, versus EUR 68.7 million in H1 2018.

Consolidated Gross profit amounted to EUR 76.0 million in the first six months of 2019, compared to EUR 83.5 million for the respective period in 2018. This is due to a downtrend in metal prices which amounted to a metal loss of EUR 8.3 million in the H1 2019, compared to a gain of EUR 13.8 million in H1 2018. This downward trend also impacted earnings before taxes, interest, depreciation and amortization (EBITDA), which amounted to EUR 70.1 million, compared to EUR 82.4 million in H1 2018.

Consolidated Financial costs improved by 23.6% year-on-year, as a result of improved interest margins achieved by the renegotiation of loans of both the parent company and its subsidiaries. Finally, profit after tax amounted to EUR 19.9 million in H1 2019, versus EUR 29.5 million for the respective prior year period. The reduction in profit, both before and after tax, is attributable to the reduced metal result, while the operational profitability of the Group continued to improve, as reflected in the adjusted EBITDA of the period.

Sales in EUR million



a-EBITDA in EUR million



Amounts in €'000s	GROUP		COMPANY	
	H1'19	H1'18	H1'19	H1'18
Sales	1,080,955	1,053,163	765,741	745,294
Gross profit	75,951	83,491	48,416	52,828
EBITDA	70,134	82,496	46,197	54,045
a-EBITDA	78,479	68,744	51,910	42,960
EBIT	42,302	51,698	28,066	32,795
Net financial result	(13,158)	(17,398)	(8,875)	(12,902)
Profit before tax	31,496	33,102	19,192	19,893
Profit after tax	19,856	29,537	11,036	19,460
Profit after tax & non-controlling interests	19,516	28,901	11,036	19,460
Earnings per share	0.0520	0.0770	0.0294	0.0519

Per segment analysis

For the 6 months until 30.06	Sales		EBITDA		a-EBITDA		EBIT		EBT	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018	30/06/2019	30/06/2018	30/06/2019	30/06/2018	30/06/2019	30/06/2018
€'000										
Aluminium	535,869	518,128	49,813	52,212	53,665	43,715	30,935	30,051	25,261	21,445
Copper	545,086	535,035	20,321	30,283	24,813	25,029	11,367	21,647	6,236	11,657
Total	1,080,955	1,053,163	70,134	82,496	78,479	68,744	42,302	51,698	31,496	33,102

Aluminium

During H1 2019, the aluminium rolling segment increased volumes of sales by 4.1% and its turnover reached EUR 536, increased by 3.4%. The profits before tax for the segment amounted to EUR 25.3 million versus EUR 21.4 million, for the respective prior year period in spite of the adverse effect (reduction) of the aluminium price versus the prior year period, while a-EBITDA amounted to EUR 53.7 million for H1 2019 versus EUR 43.7 million for the respective prior year period. The performance of the segment was outstanding, as it took full advantage of the conditions in the global market by selectively increasing sales in products and markets of high profitability, stretching the limits of the production capacity, which is expected to significantly increase after the completion of the investment of the new hot-rolling mill.

The amount of EUR 42.0 million was invested in acquisition of fix assets, out of which EUR 38.2 million for the production facilities of the aluminum rolling facilities of the parent company in Oinofyta, part of the ongoing investment program of EUR 150 m.

Copper

During H1 2019, and despite the negative impact from the automotive industry, which reduced significantly the demand especially in rolling products, and the drop in the growth of European economy which affected all product ranges, the copper segment sales volumes grew significantly, by 3.2%, versus H1'18, with sales amounting to EUR 545 million, increased by 1.9%. The profit before tax amounted to EUR 6.2 million versus profit of EUR 11.7 million in the respective H1 2018, due to the fluctuation (reduction) of the copper prices, while a-EBITDA amounted to EUR 25 million in H1 2019.

In regards to the investments, approximately EUR 8.6 million were spent, out of which EUR 3.7 million at the copper tube plant in Oinofyta, EUR 0.8 million for the former plant of former "Ipiros Metalworks Industry S.A." and EUR 4.1 million for the completion of the investment program and new investments in the subsidiary Sofia Med.

Prospects for the second half of 2019

For the second half of 2019, the Group and the Company will continue to have as a primary strategic target the expansion through the increase of exports in Europe and markets outside Europe, the increase of market shares in industrial products and the strengthening of its activity in new markets with growth prospects.

Consolidated Condensed Statement of Financial Position

	30/06/2019	31/12/2018	30/06/2018
ASSETS	€' 000	€' 000	€' 000
Non-current assets	943,336	894,998	867,845
Inventories	512,898	519,218	530,183
Trade receivables	261,230	218,285	264,008
Other current assets	3,596	3,306	4,776
Cash and cash equivalents	31,311	34,241	69,073
Assets held for sale	5,720	4,495	4,495
TOTAL ASSETS	1,758,090	1,674,543	1,740,380
EQUITY & LIABILITIES			
Share Capital	146,344	146,344	146,344
Other Company's shareholders equity	579,381	570,444	538,113
Company's shareholders equity	725,725	716,788	684,457
Minority rights	14,002	13,679	13,338
Total Equity	739,728	730,468	697,795
Long term borrowings liabilities	389,919	384,415	342,736
Provisions / Other long term liabilities	93,854	94,721	101,082
Short term borrowings liabilities	199,759	193,553	252,537
Other short term liabilities	334,830	271,386	346,230
Total Liabilities	1,018,362	944,075	1,042,585
TOTAL EQUITY & LIABILITIES	1,758,090	1,674,543	1,740,380

Condensed Consolidated of Statement of Cash Flows

	30/6/2019	30/6/2018
	€ '000	€ '000
Net cash flows from Operating activities	51,651	44,731
Net cash flows from Investing activities	(51,531)	(47,034)
Net cash flows from Financing activities	(3,050)	29,929
Net (reduction)/ increase in cash and cash equivalents	(2,930)	27,627