

Full Year 2022 Results





Athens, 7th of March 2023

Financial Results 2022

Strong growth and operational Profitability

- **Significant increase in consolidated revenue by 28.8% and sales volumes by 5.2%**
- **Robust operational profitability (a-EBITDA) at EUR 271.2 million, up by 62.6% vs 2021.**
- **Profit after tax at EUR 162.0 million vs. EUR 113.9 million in 2021, an increase of 42.3%**

Despite the challenges of the geopolitical situation, increased energy costs, rising interest rates, and high inflationary pressures in most segments of the economy that affected the second semester of 2022, the ElvalHalcor Group continued its upward trend. Sales showed a significant increase of 28.8%, reaching EUR 3,714.0 million in 2022, compared to EUR 2,883.0 million in 2021. The revenue increase is attributable to increased sales volume in the aluminium segment, higher metal prices, as well as improved conversion prices.

Sales volume rose by 5.2%, as the Group leveraged the strong demand mainly in segments with high growth, due to global sustainability megatrends, in which the Group has focused its investments, such as the rigid aluminium packaging for food and beverages and the transportation segments.

LME metal prices following their peak in Q1'22, moved downwards until they stabilised in the second semester of 2022, while the average prices were higher than those of the previous year. The average price of aluminium increased by 21.8%, reaching EUR 2,557/tn in 2022, compared to EUR 2,101/tn in 2021. The average price of copper reached EUR 8,334/tn versus EUR 7,881/tn in the respective prior year, an increase of 5.7%, while the average price for of Zinc was EUR 3,299/tn versus EUR 2,548/tn in 2021, increased by 29.5%.

Amounts in €' 000	Group		Company	
	For the 12 months until 31.12.2022	31.12.2021	For the 12 months until 31.12.2022	31.12.2021
Sales	3,714,015	2,883,042	2,616,208	1,969,822
Gross profit	352,323	234,826	230,655	149,159
EBITDA	326,163	215,312	220,719	144,988
a-EBITDA	271,217	166,835	180,034	113,814
EBIT	256,250	146,909	174,607	98,554
Net financial result	(41,537)	(30,873)	(10,669)	(21,166)
Profit before tax	199,823	132,417	129,980	100,456
Profit after tax	161,889	113,915	111,495	88,245
Profit after tax & non-controlling interests	159,286	111,689	111,495	88,245
Earnings per share	0.4245	0.2976	0.2971	0.2352

Consolidated adjusted earnings before taxes, interest, depreciation and amortisation, metal result, and other exceptional items (a-EBITDA), which better reflect the operational profitability of the Company, increased by 62.6% reaching EUR 271.2 million versus EUR 166.8 million compared to the respective prior year, driven by the improved conversion prices and the increase in sales volume.

Consolidated gross profit rose to EUR 352.4 million compared to EUR 234.9 million in 2021, while consolidated earnings before interest, taxes, depreciation & amortisation (EBITDA) amounted to EUR 326.2 million compared to EUR 215.3 million in the prior year. The accounting metal result positively affected the above figures, standing at EUR 61.5 million for the fiscal year versus EUR 56.1 million for 2021.

Consolidated net financial result rose to EUR 41.6 million in 2022 vs EUR 30.9 million in the prior year. This increase is attributable to the rise in net debt due to increased working capital needs, the increased investment programme, and interest rates. More specifically, the increased metal prices, higher production and sales volumes, as well as the temporary stock in semi-finished products, caused by the scheduled revamping of the extrusion press of the copper and alloys extrusion division of the Company, which was successfully completed in October, significantly affected the Group's working capital during the fiscal year.

These factors increased net debt by EUR 168.5 million compared to 31.12.2021. In order to counter the imminent increase in interest rates, the Group hedged a portion of its variable rate loans through interest rate swaps and took out a fixed rate loan.

Finally, consolidated profits after tax reached EUR 162.0 million in 2022 versus EUR 113.9 million in 2021. Profit after tax and non-controlling interest rose to EUR 159.3 million in 2022 or (EUR 0.4245 per share), compared to EUR 111.7 million in 2021 (or EUR 0.2976 per share).

Per segment analysis

For the 12 months until	Sales		EBITDA		a-EBITDA		EBIT		EBT	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
€'000										
Aluminium	1,927,453	1,340,307	247,589	124,300	204,954	108,336	199,667	78,790	171,879	56,238
Copper	1,786,562	1,542,735	78,575	91,012	66,262	58,499	56,583	68,120	27,944	76,179
Total	3,714,015	2,883,042	326,163	215,312	271,217	166,835	256,250	146,909	199,823	132,417

Net Debt		
€'000	2022	2021
Aluminium	664,149	495,958
Copper	291,409	291,097
Σύνολο	955,559	787,054

Aluminium segment

The aluminium segment continued its upward trend, with turnover increasing by 43.8% and reaching EUR 1,927.5 million versus EUR 1,340.3 million in 2021. The segment was positively affected by the increase in sales volumes by 8.2% versus 2021. The segment responded to the high demand for its products, leveraging on the increased production capacity of the new cold rolling mill, which commenced its productive operation during the second semester of 2022. Earnings before taxes of the segment amounted to profits of EUR 171.9 million against EUR 56.2 million for 2021, while a-EBITDA reached a profit of EUR 205.0 million in 2022 versus EUR 108.3 million in 2021.

Net debt of the segment rose to EUR 664.1 million on 31.12.2022, recording an increase by EUR 168.2 million compared to 31.12.2021, as a result of the high investment program, the increased metal prices of aluminium, and increased sales volume.

The second phase of the investment program, which will further increase the plant's production capacity, is rapidly approaching its completion. More specifically, the new cold rolling mill has already commenced its operation, while the new lacquering line is in the final stages of test operation. New investments in PPE reached EUR 160.0 million, out of which EUR 139.8 million were dedicated to the production facilities of the Aluminium Rolling Division of the Company in Oinofyta. These investments include the acquisition of land and buildings, which in the long run will be used as a logistics center for storing and transporting products.

Finally, regarding the war in Ukraine, the aluminium segment recorded an impairment loss of EUR 2.4 million for the year due to the revised assessment for the commercial subsidiaries of ETEM S.A.

Copper

Revenue of the copper segment rose to EUR 1,786.6 million vs. EUR 1,542.7 million in the respective prior year, boosted by the increased metal prices in international markets and increased conversion prices which absorbed increases in production costs. Sales volumes dropped slightly by 0.5% in the fiscal year, as the second semester marked a reduction in sales volume of copper tubes and copper alloys extruded products. Sales volumes of flat rolled products dropped slightly due to the change in sales mix towards more demanding, high added-value products, although overall demand remained stable for the second semester. On the contrary, extruded copper products (bus bars) continued their upward trend. Profits before tax amounted to EUR 27.9 million versus EUR 76.2 million in 2021 (which has been positively affected by the extraordinary profit from distribution in kind of Cenergy Holdings shares by EUR 22.1 million) negatively affected by the impairments for the revised assumptions for the subsidiaries of the segment of EUR 9.8 million. A-EBITDA improved and reached EUR 66.3 million in 2022 compared to EUR 58.5 million in the previous year, as a result of the change in sales mix and increased conversion prices.

Net debt stood at EUR 291.4 million on 31.12.2022, at the same level of 31.12.2021, as a result of the increased operational profitability, in conjunction with the successful management of the working capital and the minor investment plan of the segment.

Regarding investments for 2022, these amounted to EUR 12.1 million, out of which EUR 7.3 million were related to investments in the production facilities of the copper and alloys extrusion division of the Company, while EUR 3.5 million were related to investments in the subsidiary Sofia Med.

Outlook

Fiscal year 2023 commenced with a de-escalation of energy prices, while inflationary pressures, the raised concerns about global economic recession and the continued increases in interest rates still exist. Nevertheless, ElvalHalcor anticipates the future with optimism, as it is well-positioned to leverage on its diversified product portfolio, as well as its strategic advantages, such as its customer-centric philosophy, the international orientation of sales, with no dependency on countries or geographical areas, which provide the ability to capitalise on any future opportunity. To that end, the significant investments which have either just been completed or are in the execution phase, play an important key role. The aforementioned investments, which further enhance its production capacity, are focused on sectors and products with strong growth potential driven by the megatrends of circular economy, transition to climate neutrality as well as urbanisation and sustainability. This allows ElvalHalcor to successfully respond to this trend and maintain its growth momentum.

Consolidated	31.12.2022	31.12.2021
Statement of Financial Position		
ASSETS	€' 000	€' 000
Non-current assets	1,221,651	1,123,801
Inventories	861,922	697,605
Trade receivables	316,489	298,321
Other current assets	20,705	19,872
Cash and cash equivalents	35,195	91,144
Assets held for sale	77,867	-
TOTAL ASSETS	2,533,828	2,230,742
EQUITY & LIABILITIES		
Share Capital	146,344	146,344
Other Company's shareholders equity	817,763	642,874
Company's shareholders equity	964,107	789,219
Minority rights	14,264	19,098
Total Equity	978,372	808,316
Long term borrowings liabilities	783,692	672,504
Provisions / Other long-term liabilities	104,872	101,331
Short term borrowings liabilities	207,061	205,694
Other short-term liabilities	438,718	442,896
Liabilities directly associated with the assets held for sale	21,113	-
Total Liabilities	1,555,457	1,422,425
TOTAL EQUITY & LIABILITIES	2,533,828	2,230,742

Condensed Consolidated	31.12.2022	31.12.2021
Statement of Cash Flows		
	€' 000	€' 000
Net cash flows from Operating activities	28,892	22,294
Net cash flows from Investing activities	(180,514)	(169,337)
Net cash flows from Financing activities	95,672	204,349
Net (reduction)/ increase in cash and cash equivalents	(55,949)	57,306