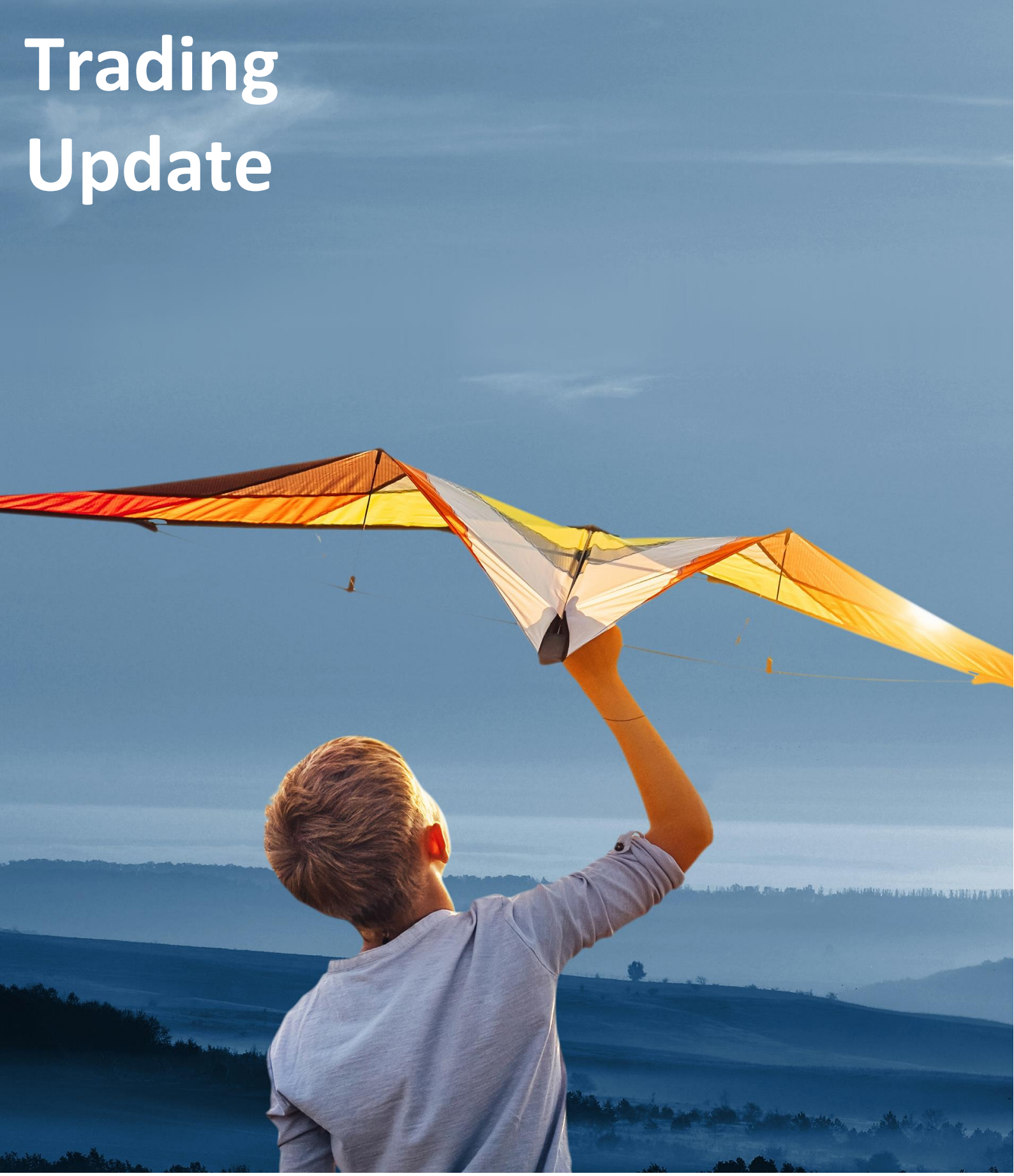


Q1'23

Trading Update





Athens, 23rd of May 2023

Trading Update

Q1'23

Operational profitability and decrease of Net Debt.

- **Robust operational profitability (a-EBITDA) at EUR 70.3 million.**
- **Decrease in Net Debt by EUR 60.2 million year on year (from 31.03.2022).**

After the exceptional first half of 2022, characterised by excessive demand in most segments of the economy, the global financial system faced several acute trials. High inflation rates led to consecutive increases in interest rates, with a direct impact on the banking system and an environment of uncertainty for European and global growth, that dampened demand in most product categories.

In this challenging international economic environment, the ElvalHalcor Group remained resilient, as sales volume was slightly decreased by 1.2% compared to Q1'22, remaining, however, significantly increased in comparison to Q1'21. Turnover stood at EUR 930.5 million, slightly increased by 0.8%, compared to EUR 923.6 million in Q1'22.

LME metal prices were lower in the first quarter of 2023 compared to the corresponding period in 2022, trending slightly downward from the beginning of the year. The average price of aluminium reached EUR 2,232/tn in Q1'23, compared to EUR 2,927/tn in Q1'22, dropping by 23.7%. The average price of copper reached EUR 8,322/tn versus EUR 8,924/tn in the respective prior year, falling by 6.7%, while the average price of zinc was EUR 2,915/tn Q1'23 versus EUR 3,299 /tn in Q1'22, dropping by 11.6%.

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 Group, declined by 5.9%, reaching EUR 70.3 million in Q1'23 versus EUR 74.7 million compared to the respective prior period, mainly affected by the increased conversion costs. It is worth noting that a-EBITDA remained at a much higher level than the respective of Q1'21 of EUR 41.9 million.

Consolidated gross profit amounted to EUR 64.6 million in Q1'23 vs EUR 109.3 million in Q1'22, while consolidated earnings before interest, taxes, depreciation & amortisation (EBITDA) amounted to EUR 56.1 million compared to EUR 102.1 million in the corresponding prior period. The aforementioned figures were negatively affected by the accounting metal result, which stood at losses of EUR 14.3 million for the first quarter of 2023 versus profits of EUR 28.3 million for Q1'22.

Consolidated net financial result (cost) amounted to EUR 13.5 million in Q1'23, rising by 57% in comparison to the respective prior period of EUR 8.6 million. This is attributed to the increased interest rates and was partially offset by the decrease in net debt. To counter the rising interest rates, the Group has hedged a portion of its variable rate loans through interest rate swaps and taken out fixed-rate loans.

Net debt decreased by EUR 60.2 million year on year (from the 31st of March 2022) due to the Group's strong operational profitability and the downtrend of metal prices.

Finally, consolidated profits after tax reached EUR 19.7 million in Q1'23 versus EUR 66.9 million in Q1'22. Consolidated profit after tax and non-controlling interest stood at EUR 18.0 million in Q1'23 or (EUR 0.0481 per share), compared to EUR 65.3 million in Q1'22 (or EUR 0.1741 per share).



Amounts in €' 000	Group		
	Q1'23	Q1'22	Q1'21
Sales	930,520	923,575	647,323
Gross profit	64,593	109,296	68,717
EBITDA	56,048	102,062	67,061
a-EBITDA**	70,290	74,689	41,885
EBIT	37,387	85,640	50,684
a-EBIT*	51,628	58,267	25,507
Net financial result	(13,458)	(8,574)	(7,152)
Profit before tax	24,867	78,211	44,490
Profit after tax	19,639	66,897	35,989
Profit after tax & non-controlling interests	18,041	65,345	34,778
Earnings per share €	0.0481	0.1741	0.0927

Per segment analysis

€'000	Aluminium			Copper			Total		
	Q1'23	Q1'22	Q1'21	Q1'23	Q1'22	Q1'21	Q1'23	Q1'22	Q1'21
Sales	443,069	442,935	291,782	487,451	480,640	355,541	930,520	923,575	647,323
EBITDA	23,193	66,737	32,472	32,855	35,325	34,589	56,048	102,062	67,061
a-EBITDA**	39,028	53,221	25,815	31,262	21,468	16,070	70,290	74,689	41,885
EBIT	10,065	55,258	21,197	27,322	30,382	29,487	37,387	85,640	50,684
a-EBIT*	25,900	41,742	14,539	25,729	16,525	10,968	51,628	58,267	25,507
EBT	2,097	50,380	17,462	22,770	27,832	27,028	24,867	78,211	44,490

Net Debt			
€'000	31.03.2023	31.12.2022	31.03.2022
Aluminium	635,104	664,149	674,680
Copper	320,087	291,409	340,705
Total	955,191	955,559	1,015,384

Aluminium segment

The aluminium segment continued its upward trend in Q1'23. Sales volumes rose by 2.8% in Q1'23 compared to Q1'22, while revenues remained at the same levels of the previous year period, at EUR 443.0 million. 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 and the new lacquering line, which was completed during the first quarter of 2023. Earnings before taxes of the segment amounted to profits of EUR 2.1 million against EUR 50.4 million for Q1'22, negatively affected by the accounting metal losses amounting to EUR 15.8 million compared to profits of EUR 14.1 million in Q1'22, while a-EBITDA reached a profit of EUR 39.0 million in Q1'23 versus EUR 53.2 million in Q1'22.

** a - EBITDA = EBITDA plus adjustments for + Losses / - Gains for metal result + Losses from fixed assets write offs + Losses / - Gains from sale of fixed assets

* a-EBIT = a - EBITDA less adjustments for Depreciation



Net debt of the segment stood at EUR 635.1 million on 31.03.2023, recording a decrease of EUR 39.6 million compared to 31.03.2022, as a result of the decreased metal prices of aluminium and the reduced investment program.

Concerning investments, the aluminium division of the parent Company allocated approximately EUR 21.1 million, while the investments of the subsidiaries of the aluminium segment amounted to EUR 2.5 million.

Copper segment

Revenue of the copper segment rose to EUR 487.5 million vs EUR 480.7 million in Q1'22, positively affected by the increased average conversion prices. Sales volume dropped by 8.6% in Q1'23, due to reduced demand in the building & construction segment, which primarily affected extruded copper alloy products and, secondarily copper tubes. Demand for products of the subsidiary Sofia Med was extremely resilient, and the volume of flat-rolled products and bus bars marked an increase of 4.1%. Profits before tax amounted to EUR 22.8 million versus EUR 27.8 million in Q1'22 negatively affected by the accounting metal profits for the period of EUR 1.5 million compared to 14.1 million in Q1'22. A-EBITDA improved and reached EUR 31.2 million in Q1'23 compared to EUR 21.5 million in the respective prior period as a result of the change in sales mix and increased conversion prices.

Net debt stood at EUR 320.1 million on 31.03.2023, decreased by EUR 20.2 million compared to 31.03.2022 as a result of the increased operational profitability.

Regarding investments for the first quarter of 2023, these amounted to EUR 4.9 million, out of which EUR 0.8 million were related to investments in the production facilities of the copper and alloys extrusion division of the Company, while EUR 3.9 million were related to investments in the subsidiary Sofia Med.

Outlook

The fiscal year of 2023 commenced with completely different conditions, prospects and difficulties compared to 2022. The uncertainty for economic growth, which resulted in lower demand for most production segments, in conjunction with favourable weather conditions, allowed Europe to ride out the storm of energy efficiency in the critical period. This drove to a de-escalation of energy prices, which, however, still remain at high levels compared to prior years, with concerns about future trends still remaining.

Despite the geopolitical crisis, ElvalHalcor anticipates the future with optimism, as it is well-positioned to leverage on its wide and diversified product portfolio, as well as its strategic advantages, such as its customer-centric philosophy, the innovative technology and 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 just been completed play an important key role, as they have further increased the production capacity of the Company in segments and products with prospects for dynamic growth in the context of the global megatrends of circular economy, climate neutrality, urbanisation, technological advancement as well as sustainability. This allows ElvalHalcor the capability to successfully respond to this dynamic and maintain in the long run its growth momentum despite the short-term effects from any more cyclical segments in which it is active.



Consolidated Condensed Statement of Financial Position
(€' 000)

ASSETS	31.03.2023	31.12.2022
Non-current assets	1,213,781	1,221,651
Inventories	901,151	861,922
Trade receivables	375,540	315,243
Other current assets	10,888	21,951
Cash and cash equivalents	45,009	35,195
Assets held for sale	80,900	77,867
TOTAL ASSETS	2,627,269	2,533,828
EQUITY & LIABILITIES		
Share Capital	146,344	146,344
Other Company's shareholders equity	822,088	817,763
Company's shareholders equity	968,432	964,107
Minority rights	16,097	14,264
Total Equity	984,529	978,372
Long term borrowings liabilities	775,484	783,692
Provisions / Other long-term liabilities	104,481	104,872
Short term borrowings liabilities	224,716	207,061
Other short-term liabilities	519,217	438,718
Liabilities directly associated with the assets held for sale	18,842	21,113
Total Liabilities	1,642,740	1,555,457
TOTAL EQUITY & LIABILITIES	2,627,269	2,533,828

Condensed Consolidated of Statement of Cash Flows
(€' 000)

	31.03.2023	31.03.2022	31.03.2021
Net cash flows from Operating activities	32,110	(164,135)	(23,454)
Net cash flows from Investing activities	(31,070)	(63,272)	(30,091)
Net cash flows from Financing activities	8,774	194,071	68,896
Net (reduction)/ increase in cash and cash equivalents	9,814	(33,336)	15,352