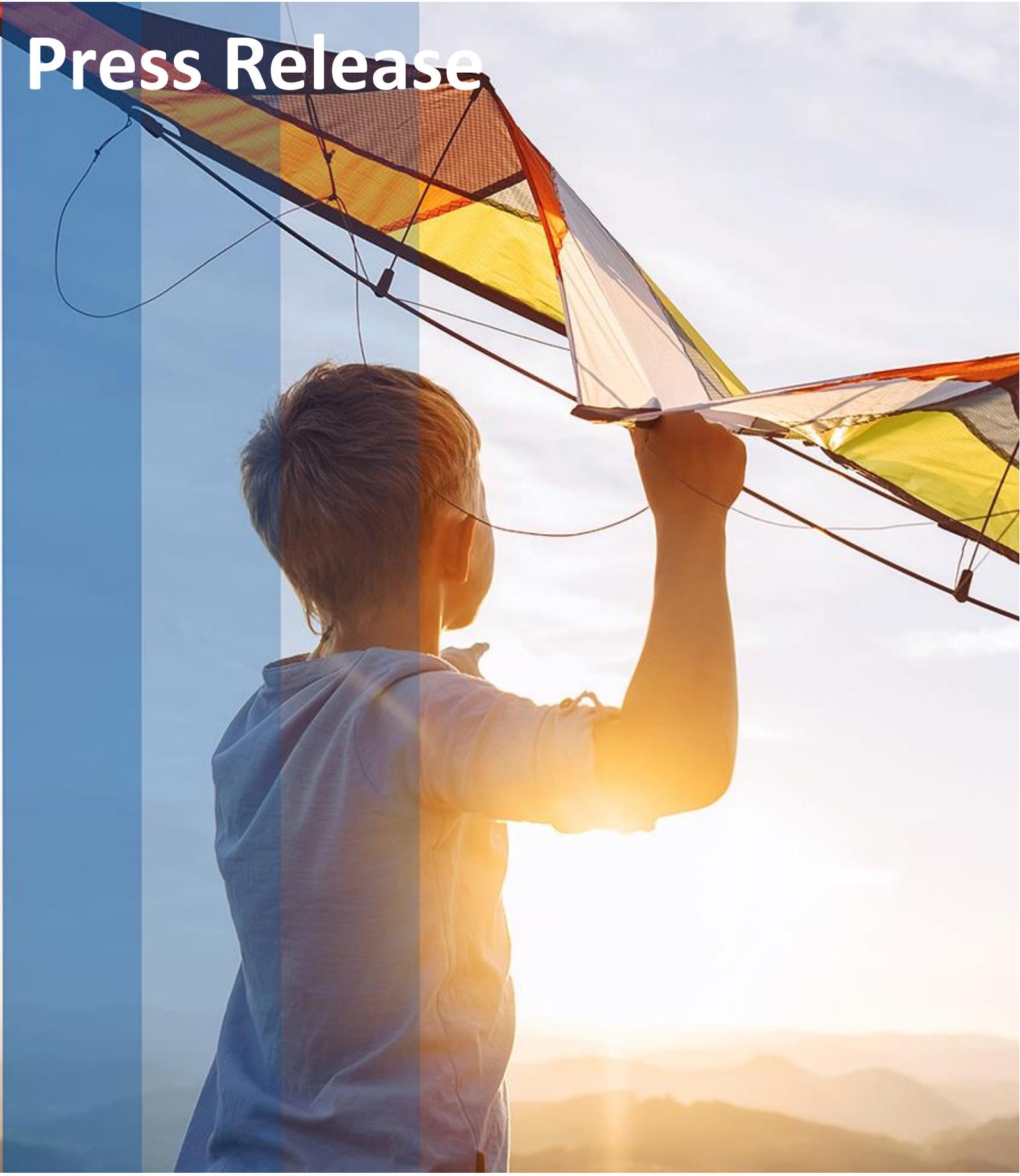


H1'23

Press Release





Athens, 13th of September 2023

H1'23 Financial Results

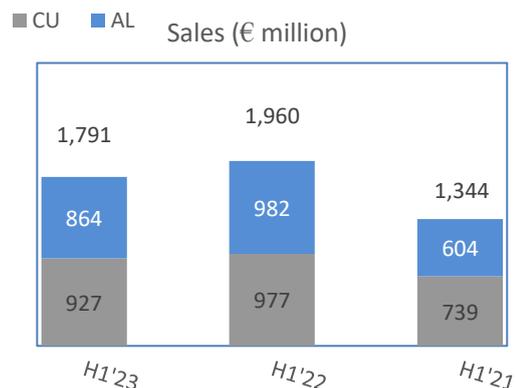
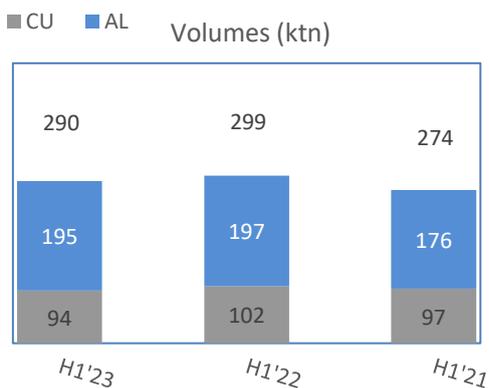
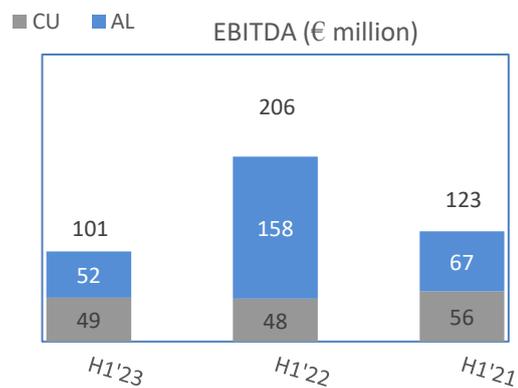
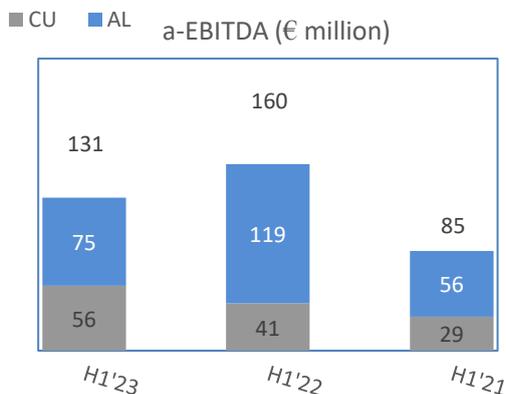
Operational profitability and decrease of Net Debt.

Financial highlights

- Robust operational profitability (a-EBITDA) at EUR 130.9 million.
- High net cash flows from operational activities at 144.9 million.
- Decrease in Net Debt by EUR 163.3 million year-on-year (from 30.06.2022) and by 70.0 million from 31.12.2022.

Operational highlights

- Resilience to the challenges of the economic environment following the extraordinary H1'22, with a decrease in sales volume of 3.2%.
- Reduced demand in most segments of the economy.
- Aluminium segment's investments were completed during the H1'23.
- Payment of fiscal year 2022 dividend – EUR 0.06 per share





Commenting on the financial results, the General Manager of the Aluminium Segment, Nikolaos Karabateas, stated:

“This year signals the commencement of a new era for the Aluminium segment of ElvalHalcor, as we have completed the second phase of the investment program, by significantly increasing the production capacity and flexibility of our production process. The adverse market conditions did not allow us to reach the growth in our sales volumes that we would like and can now achieve, however our flexibility proved once more crucial in maintaining high volumes and more importantly, adjusted operational profitability. The latter may not have reached the exceptional levels of the previous year, however, surpassed the financial year 2021, by demonstrating both the upward long-term trend and prospect. “

Commenting on the financial results, the General Manager of the Copper Segment, Panos Lolos, stated:

“Dampened demand for copper products, which commenced in the second semester of the prior year, continued during this period. Despite negative conditions, the Copper Segment of ElvalHalcor achieved a record in terms of adjusted operational profitability, as our consistent policy and stability led to an increase in sales volume and high profits for our subsidiary Sofia Med, while our actions to contain and optimise our production process in the remaining subsidiaries enabled us to minimise the losses from the drop in sales volume.”

Overview

After the exceptional first half of 2022, characterised by excessive demand in most segments of the economy, the global financial activity stagnated in the first half of 2023, with demand dropping, especially in the construction sector as well as in other markets, with Europe's economy entering a technical recession after two consecutive quarters of declining GDP. Inflation in Eurozone continued its downward trend after peaking in October 2022, assisted by the gradual de-escalation of energy prices. It remained however on high levels, that did not allow any changes in the monetary policy of the Central Banks, and the latter continued to increase the reference interest rates. The change in the economic environment and expectations, in conjunction with the normalization in the supply chain, led to a prolonged de-stocking effect with a significant impact on demand.

In this challenging international economic environment, the ElvalHalcor Group remained resilient, as sales volume dropped slightly by 3.2% compared to H1'22, remaining significantly increased in comparison to H1'21. In particular, the Aluminium's Segment sales volume, excluding the impact of ETEM's deconsolidation from Q2'23, was slightly increased by 1% (-0.8% included ETEM). Turnover stood at EUR 1,790.9 million in H1'23, down by 8.6%, compared to EUR 1,959.7 million in H1'22.

LME metal prices were lower in the first semester of 2023 compared to the corresponding period in 2022. The average price of aluminium stood at EUR 2,155/tn in H1'23, compared to EUR 2,817/tn in H1'22, dropping by 23.6%. The average price of copper reached EUR 8,050/tn versus EUR 8,926/tn in the respective prior year, falling by 9.8%, while the average price of zinc was EUR 2,619/tn H1'23 versus EUR 3,504 /tn in H1'22, dropping by 25.2%.

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 18.0%, reaching EUR 130.9 million in H1'23 versus EUR 159.6 million compared to the respective prior period, mainly affected by the lower spreads from recycling and inflationary pressures. It is noteworthy that a-EBITDA remained at a much higher level than the respective of H1'21 (EUR 85.2 million).

Consolidated gross profit amounted to EUR 120.1 million in H1'23 versus EUR 215.6 million in H1'22, while consolidated earnings before interest, taxes, depreciation & amortisation (EBITDA) stood at EUR 100.6 million compared to EUR 206.2 million in the corresponding prior period. The aforementioned figures were negatively affected by the accounting metal result, which amounted to losses of EUR 29.3 million for the first semester of 2023 versus profits of EUR 47.0 million for H1'22.

Consolidated net financial result (cost) reached EUR 26.4 million in H1'23, rising by 43.3% in comparison to the respective prior period of EUR 18.5 million. This is attributed to the increased interest rates while was partially offset by the decrease in net debt and restrained by the loans received at fixed rates which represent 54% of total loans at the end of the fiscal period.



Consolidated profits after tax stood at EUR 28.8 million in H1'23 versus EUR 121.0 million in H1'22. Consolidated profit after tax and non-controlling interest amounted to EUR 25.9 million in H1'23 or (EUR 0.0691 per share), compared to EUR 119.1 million in H1'22 (or EUR 0,3174 per share).

On 30.06.2023 the dividend for the year 2022 of EUR 0.06/share was paid in full.

The retention of operational profitability at high levels, the decrease in working capital needs driven by the combination of its effective management and lower metal prices, as well as the completion of the major investment program, enabled the Group to reduce its Net Debt by EUR 70,0 million from the year ending 31st of December 2022 (EUR -163,3 million from H1'22).

Key financial figures

Amounts in €' 000	Group		
	H1'23	H1'22	H1'21
Sales	1,790,905	1,959,699	1,343,916
Gross profit	120,138	215,536	130,706
EBITDA	100,612	206,207	122,776
a-EBITDA**	130,935	159,602	85,241
EBIT	63,118	171,946	88,975
a-EBIT*	93,441	125,341	51,440
Net financial result	(26,438)	(18,488)	(14,412)
Profit before tax	38,633	153,534	97,875
Profit after tax	28,807	120,952	85,799
Profit after tax & non-controlling interests	25,947	119,111	83,572
Earnings per share €	0.0691	0.3174	0.2227

Per segment analysis

€'000	Aluminium			Copper			Total		
	H1'23	H1'22	H1'21	H1'23	H1'22	H1'21	H1'23	H1'22	H1'21
Sales	863,576	982,366	604,473	927,329	977,334	739,443	1,790,905	1,959,699	1,343,916
EBITDA	51,590	158,466	66,947	49,022	47,741	55,828	100,612	206,207	122,776
a-EBITDA**	75,404	119,067	56,239	55,531	40,535	29,002	130,935	159,602	85,241
EBIT	25,250	135,097	44,358	37,868	36,850	44,617	63,118	171,946	88,975
a-EBIT*	49,064	95,698	33,650	44,377	29,644	17,790	93,441	125,341	51,440
EBT	10,331	122,582	37,103	28,302	30,953	60,771	38,633	153,534	97,875

Net Debt			
€'000	30.06.2023	31.12.2022	30.06.2022
Aluminium	609,467	664,149	694,610
Copper	276,029	291,409	354,140
Total	885,496	955,559	1,048,750

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

* a-EBIT = a-EBITDA - Depreciation



Aluminium segment

Revenue of the Aluminium segment dropped by 12.1% year on year, to EUR 863.6 million compared to EUR 982.4 million due to the downtrend of metal prices and the impact of ETEM's deconsolidation. The segment exploited its increased production capacity, long-term partnerships, diversified product portfolio and wide geographical range, increasing its sales volume by 1% (-0.8% following ETEM's deconsolidation), despite the destocking impact affecting demand, both in Europe and the USA. Despite unstable economic environment, weak demand, and macroeconomic challenges, the segment emphasized in products directed to high added-value markets as well as markets where demand remained resilient, offsetting the impact arising from declining markets that were most affected by the increase in interest rates, such as the building and construction. a-EBITDA stood at a profit of EUR 75.4 million in H1'23 versus EUR 119.0 million in H1'22. Conversion prices remained at high levels, however, the lower premium in the aluminium market curbed benefits from scrap usage, while production costs were affected by inflation and higher electricity costs. Earnings before taxes of the segment amounted to profits of EUR 10.3 million against EUR 122.6 million for H1'22, negatively affected by the accounting metal losses amounting to EUR 23,7 million compared to profits of EUR 39.6 million in H1'22.

Net debt of the segment stood at EUR 609.5 million on 30th June 2023, recording a decrease of EUR 85.1 million compared to 30th June 2022, as a result of improved working capital and reduced investment program.

Concerning investments, the aluminium division of the parent Company allocated approximately EUR 34.5 million, while the investments of the subsidiaries of the aluminium segment amounted to EUR 4.7 million for fixed assets. It is worth noting that the new lacquering line was completed during the first quarter of 2023.

On 07.04.2023, the merger by absorption of the subsidiary of ElvalHalcor "ETEM Commercial and Industrial Light Metals Societe Anonyme" by the company with the name "COSMOS ALUMINIUM S.A." was completed.

Copper segment

Revenue of the Copper segment reached EUR 927.3 million versus EUR 977.3 million in H1'22, negatively affected by the downtrend of metal prices and reduced volumes. Sales volume dropped by 7.8% in H1'23, as the decrease in demand which commenced in the second semester of 2022 continued, primarily affecting extruded copper alloy products and, secondarily copper tubes. However, subsidiary Sofia Med, continued to improve its market position, and the sales volume of flat-rolled products increased by 6.4% while bus bars marked an increase of 5.3% year-on-year. Profits before tax amounted to EUR 28.3 million versus EUR 31.0 million in H1'22 negatively affected by the accounting metal losses for the period of EUR 5.6 million compared to gains of EUR 7.5 million in H1'22. A-EBITDA improved and reached EUR 55.8 million in H1'23 compared to EUR 40.6 million in the respective prior period as a result of the change in sales mix and increased conversion prices.

Net debt stood at EUR 276.0 million on 30th June 2023, lower by EUR 78.1 million compared to 30th June 2022 as a result of the increased operational profitability of the segment.

Regarding investments for the first semester of 2023, these amounted to EUR 12.9 million, out of which EUR 4.5 million were related to investments in the production facilities of the copper and alloys extrusion division of the Company, while EUR 7.8 million were related to investments in the subsidiary Sofia Med.



Outlook

The first semester of 2023 was completely different regarding the market conditions, prospects and difficulties compared to the respective period in 2022. The rise in interest rates, as a consequence of the Central Banks policy to fight inflation, continues to weigh on economic activity, while inflation is projected to decline gradually after the de-escalation of energy prices. During the second quarter of 2023, the Eurozone turned to slightly positive growth figures, while the end of the interest rate hike seems to be near, without however any indications of demand recovering, while concerns are raised about energy costs during the winter.

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 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 fact 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.

Financial Calendar

DESCRIPTION	DATE
Analysts Briefing on H1'23 Financial Results	14.09.2023
Announcement for Trading Update Q3'23	21.11.2023
Analysts briefing on Q3'23 Trading Update	22.11.2023



APPENDIX

Consolidated Condensed Statement of Financial Position

(€' 000)

ASSETS	30.06.2023	31.12.2022	30.06.2022
Non-current assets	1,266,649	1,221,651	1,215,607
Inventories	838,697	861,922	968,216
Trade receivables	341,174	316,489	432,181
Other current assets	12,181	20,705	56,970
Cash and cash equivalents	42,493	35,195	22,699
Assets held for sale	-	77,867	-
TOTAL ASSETS	2,501,194	2,533,828	2,695,674
EQUITY & LIABILITIES			
Share Capital	146,344	146,344	146,344
Other Company's shareholders equity	794,586	817,763	798,287
Company's shareholders equity	940,930	964,107	944,632
Minority rights	22,387	14,264	19,000
Total Equity	963,317	978,372	963,631
Long term borrowings liabilities	748,264	783,692	758,942
Provisions / Other long-term liabilities	104,244	104,872	113,210
Short term borrowings liabilities	179,725	207,061	312,507
Other short-term liabilities	505,644	438,718	547,383
Liabilities directly associated with the assets held for sale	-	21,113	-
Total Liabilities	1,537,877	1,555,457	1,732,042
TOTAL EQUITY & LIABILITIES	2,501,194	2,533,828	2,695,674

Condensed Consolidated Statement of Cash Flows (€' 000)

	30.06.2023	30.06.2022	30.06.2021
Net cash flows from Operating activities	144,902	(146,268)	32,364
Net cash flows from Investing activities	(51,349)	(100,822)	(74,295)
Net cash flows from Financing activities	(86,255)	178,645	59,878
Net (reduction)/ increase in cash and cash equivalents	7,298	(68,445)	17,948