

PRESS RELEASE

FINANCIAL RESULTS 2023





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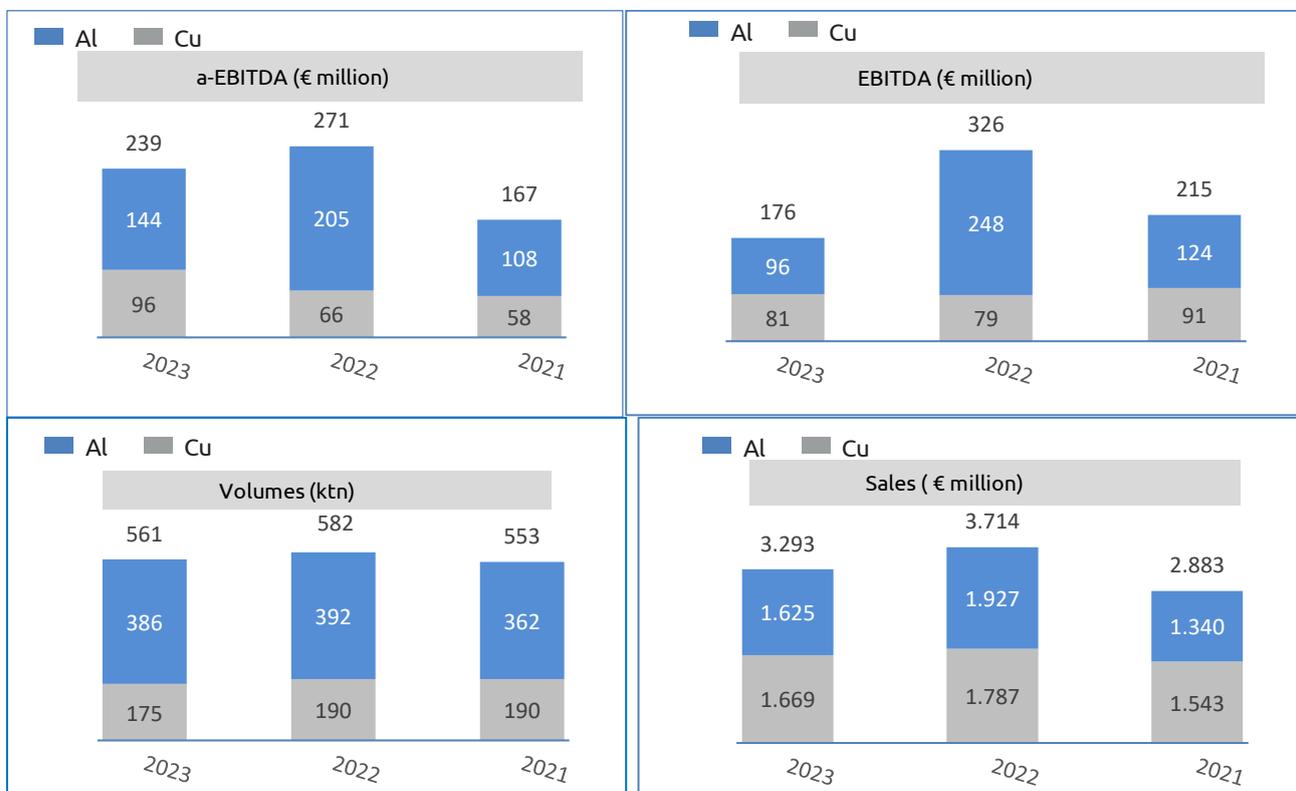
Operational profitability and decrease of net debt.

Financial highlights

- Robust operational profitability (a-EBITDA) at EUR 239.3 million.
- High cash flows from operational activities.
- Decrease in net debt by EUR 142.2 million from 31.12.2022.

Operational highlights

- Resilience to the changes and challenges of the economic environment.
- Subdued demand in most segments of the economy.
- Low metal prices with a positive effect on working capital, negative on turnover and accounting results.
- Maintenance of conversion prices at high levels
- Proposed dividend of 0.04 € / share





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

"The negative conditions that prevailed in global economic activity during the year remained in Q4 2023. However, as the gradual reductions in stock levels that started in Q4 2022 seems to have run its course, we succeeded in increasing volumes and profitability, compared to the corresponding quarter of 2022, keeping them at satisfactory levels for the whole year, and always higher than 2021. An exception to the quarter's performance was the flexible packaging sector, which was affected late and much more severely by the reduction in consumption. Our efforts to improve Working Capital continued to pay off."

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

"The last quarter of the year did not present any surprises for the course of the Copper Segment. Weakness in demand, particularly in the construction sector, persisted and affected volumes of copper tubes and alloy extrusions. The overall organic profitability of the sector, however, remained on an upward trajectory, driven again by the outperformance of our subsidiary Sofia Med against the market. We have now managed to rank high on the list of customers' choices as a result of our consistency, reliability, and vision to establish ourselves among Europe's leading producers of copper rolled products and alloys in a sustainable manner".

Overview

During the fourth quarter of 2023, global economic activity remained subdued in most segments of the economy while inflation continued to decline. Energy prices remained restrained at moderate levels, with abrupt fluctuations and concerns about their future course as a result of the geopolitical crisis. European gas prices declined further amid decreased demand, with gas consumption remaining at historically low levels, mainly due to a mild winter and changes in consumer behavior, and reduced industrial activity. Basic interest rates remained unchanged by Central Banks in the last quarter of the year but at high levels aimed at continuing to reduce inflation, acting as a drag on global economic growth. This strict policy of the Central Banks as well as the geopolitical crises, with Russia's war against Ukraine and the conflict in the Middle East, intensified the uncertainty for economic growth in the short term.

Regarding the performance of the ElvalHalcor Group for 2023, sales volume dropped by 4.6% compared to the respective period in 2022 while remaining significantly increased compared to 2021. The Aluminium Segment sales volume, excluding the impact of Etem's deconsolidation from Q2'23, was slightly increased by 0,4% (-1.6% including Etem). Sales stood at EUR 3,293.4 million in 2023, down by 11.3%, compared to EUR 3,714.0 million in 2022.

LME metal prices were lower in 2023 compared to 2022. The average price of aluminium stood at EUR 2,080/tn in 2023, compared to EUR 2,559/tn in 2022, i.e. lower by 18.7%. The average price of copper reached EUR 7,835/tn versus EUR 8,334/tn in the respective prior year, falling by 6.0%, while the average price of zinc was EUR 2,445/tn 2023 versus EUR 3,299 /tn in 2022, reduced by 25.9%.

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 11.8%, reaching EUR 239.3 million in 2023 versus EUR 271.2 million of the respective prior period, mainly affected by the lower spreads from recycling and inflationary cost pressures. Notably, a-EBITDA remained at a much higher level than the respective of 2021 (EUR 166.8 million).

Consolidated gross profit amounted to EUR 213.3 million in 2023 versus EUR 364.6 million in 2022, while consolidated earnings before interest, taxes, depreciation & amortisation (EBITDA) stood at EUR 176.4 million compared to EUR 326.2 million in 2022. The accounting metal result, which amounted to losses of EUR 47.4 million in 2023 versus gains of EUR 61.5 million for 2022, negatively affected the aforementioned figures.



Consolidated net financial result (cost) reached EUR 52.7 million in 2023, rising by 26.8% in comparison to the respective prior period amount of EUR 41.5 million. This is attributed to the increased interest rates which were partially offset by the decrease in net debt and restrained by the loans received at fixed rates, representing 58% of total loans at the end of the fiscal period. The decrease in net borrowing by Euro 142.2 million within the year was a consequence of the enhanced free cash flows of the company that resulted from the high profitability, the successful management of the working capital, aided by the lower metal prices in the international markets, and the completion of the major investment programs of the Aluminum Segment within the year.

Consolidated profits after tax stood at EUR 32.8 million in 2023 versus EUR 161.9 million in 2022. Consolidated profit after tax and non-controlling interest amounted to EUR 28.5 million in 2023 or (EUR 0.0759 per share), compared to EUR 159.3 million in 2022 (or EUR 0.4245 per share).

Recognizing the current energy challenges and the inflationary pressures in the energy market, which significantly affect production costs, the Group and the Company entered into, within Q2 2023, a power purchase agreement (PPA) with an electricity producer, which is supported by Renewable Energy Sources, in order to reduce their exposure to the risk of fluctuation in energy prices. It is worth noting that the Company and the Group have already carried out hedging operations to limit the risk of natural gas price fluctuations.

On 30.06.2023 the dividend for the year 2022 of EUR 0.06/share was paid in full. The Board of Directors of ElvalHalcor decided to propose to the General Assembly, to be held on 23.5.2024, a dividend distribution of EUR 0.04/share.



Key financial figures

Amounts in €' 000	Group		
	2023	2022	2021
Sales	3,293,421	3,714,015	2,883,042
Gross profit	213,309	364,584	234,826
EBITDA	176,390	326,163	215,312
a-EBITDA**	239,330	271,216	166,835
EBIT	103,090	256,250	146,909
a-EBIT*	166,030	201,303	98,432
Net financial result	(52,686)	(41,537)	(30,873)
Profit before tax	42,958	199,823	132,417
Profit after tax	32,846	161,889	113,915
Profit after tax & non-controlling interests	28,498	159,286	111,689
Earnings per share (€)	0.0759	0.4245	0.2976

Amounts in €' 000	Company		
	2023	2022	2021
Sales	2,317,901	2,616,208	1,969,822
Gross profit	94,278	242,366	149,159
EBITDA	77,320	220,719	144,988
a-EBITDA**	125,483	180,034	113,814
EBIT	25,926	174,607	98,554
a-EBIT*	74,088	133,922	67,380
Net financial result	(11,372)	(10,669)	(21,166)
Profit before tax	(3,026)	129,980	100,456
Profit after tax	2,524	111,495	88,245
Profit after tax & non-controlling interests	2,524	111,495	88,245
Earnings per share (€)	0.0067	0.2971	0.2352

** 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



Per segment analysis

€'000	Aluminium			Copper			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Sales	1,624,562	1,927,453	1,340,307	1,668,858	1,786,562	1,542,735	3,293,421	3,714,015	2,883,042
EBITDA	95,802	247,589	124,300	80,588	78,575	91,012	176,390	326,163	215,312
a-EBITDA**	143,516	204,954	108,336	95,814	66,262	58,499	239,330	271,216	166,835
EBIT	45,886	199,667	78,790	57,204	56,583	68,120	103,090	256,250	146,909
a-EBIT*	93,600	157,032	62,826	72,430	44,270	35,607	166,030	201,303	98,433
EBT	15,782	171,879	56,238	27,176	27,944	76,179	42,958	199,823	132,417

Net Debt

€'000	31.12.2023	31.12.2022	31.12.2021
Aluminium	553,329	664,149	495,958
Copper	260,021	291,409	291,097
Total	813,350	955,559	787,054

Aluminium Segment

Revenue of the Aluminium Segment dropped by 15.7% year on year, to EUR 1,624.6 million compared to EUR 1,927.5 million due to the downtrend of metal prices and the impact of Etem's deconsolidation. The Segment capitalized on its increased production capacity, long-term partnerships, diversified product portfolio and wide geographical range, with sales volumes increasing by 0.4% (-1.6% following Etem's deconsolidation), despite the destocking impact affecting demand, in Europe and the USA. Regardless of the unstable economic environment, weak demand, and macroeconomic challenges, the segment emphasised on 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 impacted by the increase in interest rates, such as the building and construction market. a-EBITDA stood at a profit of EUR 143.5 million in 2023 versus EUR 205.4 million in 2022, driven by the lower premiums in the aluminium market, which 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 15.8 million against EUR 171.9 million for 2022, negatively affected by the accounting metal losses amounting to EUR 36,0 million compared to gains of EUR 44.0 million in 2022.

Net debt of the Segment stood at EUR 555.3 million in 2023, dropping by EUR 110.8 million y-o-y as a result of improved working capital and the reduced investment program.

Concerning investments, the Aluminium Division of the parent Company paid approximately EUR 59.1 million, while the investments of the subsidiaries of the aluminium segment amounted to EUR 10.1 million. It is worth noting that the new lacquering line was completed during the first quarter of 2023.

On 07.04.2023, the merger was completed by absorption of the subsidiary of ElvalHalcor "Etem Commercial and Industrial Light Metals Societe Anonyme" by the company named "Cosmos Aluminium S.A."..

** 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



Copper Segment

Revenue of the Copper Segment reached EUR 1,668.9 million versus EUR 1,786.6 million in 2022, negatively affected by the downtrend of metal prices and reduced volumes. In respect of sales volumes, these dropped by 7.9% in 2023, as a result of the significant decrease in demand in most segments of the economy. In particular, the Copper Tubes Division of ElvalHalcor marked a decrease of 10.5%, while the extruded copper alloy products division dropped by 45.8%. However, subsidiary Sofia Med continued to improve its market position, and the sales volume of flat-rolled products increased by 1.3%, while bus bars marked an increase of 2.0% year-on-year. A-EBITDA improved and reached EUR 95.8 million in 2023 compared to EUR 66.3 million in the prior period due to the change in sales mix towards more high-added value products and increased conversion prices. The accounting metal results for the period amounted to losses of EUR 11.4 million compared to profits of EUR 17.5 million in the respective prior year, and that affected profits before tax, which amounted to EUR 27.2 million versus EUR 27.9 million in 2022.

Net debt stood at EUR 260.1 million in 2023, lower by EUR 31.4 million compared to 2022 due to the segment's increased operational profitability and the drop in metal prices.

Regarding investments for 2023, these amounted to EUR 26.0 million, out of which EUR 11.2 million were related to investments in the production facilities of the Copper and Alloys Extrusion Division of the Company, while EUR 14.2 million were related to investments in the subsidiary Sofia Med.

Outlook

For 2024 the global economic outlook remains subdued in terms of growth prospects at least until the start of the downward cycle in interest rates. Global economic growth is projected to remain weak without substantial evidence of demand recovery. The stabilisation of interest rates at high levels, continues to affect the global economy negatively. Long-term geopolitical turmoil, with the ongoing war in Ukraine and the war between Israel and Hamas, may lead to new increases in energy prices, significantly affecting Europe while raising economic uncertainty. Problems in Shipping in the Red Sea, with attacks by Houthi rebels, are creating further disruptions to supply chains with short-term and long-term effects. As for the short-term, the Group has so far managed to successfully cope with the challenges and delays, and is not expected to handle any problems until the situation normalizes.

Despite the geopolitical crisis, ElvalHalcor anticipates the future with optimism, as it is well-positioned to leverage its broad and diversified product portfolio, as well as its strategic advantages, such as its customer-centric philosophy, the innovative technology and the strong 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 sustainability megatrends of circular economy, climate neutrality, urbanisation and technological advancements. This fact allows ElvalHalcor to successfully respond to this dynamic and maintain its growth momentum in the long run despite the short-term effects from more cyclical segments in which it is active.



Financial Calendar

Description	DATE
Publication of the Annual Financial Report 2023	05.03.2024
Analysts briefing on Financial Results for the Fiscal Year 2023	06.03.2024
Announcement for Publication of Q1'24 Trading Update	22.05.2024
Analysts Briefing on Q1'24 Trading Update	23.05.2024
Annual General Meeting of Shareholders	23.05.2024
Ex-Dividend Date 2023(*)	25.06.2024
Dividend 2023 - Record Date (*)	26.06.2024
Distribution of Dividend 2023 - Payment date(*)	01.07.2024
Announcement for Publication of H1'24 Financial Results	11.09.2024
Analysts Briefing on H1'24 Financial Results	12.09.2024
Announcement for Trading Update Q3'24	20.11.2024
Analysts briefing on Q3'24 Trading Update	21.11.2024



APPENDIX

Consolidated Condensed Statement of Financial Position

(€' 000)

ASSETS	31.12.2023	31.12.2022	31.12.2021
Non-current assets	1,256,318	1,221,651	1,123,801
Inventories	734,729	861,922	697,605
Trade receivables	291,336	316,489	298,321
Other current assets	9,020	20,705	19,872
Cash and cash equivalents	40,517	35,195	91,144
Assets held for sale	1,529	77,867	-
TOTAL ASSETS	2,333,450	2,533,828	2,230,742
EQUITY & LIABILITIES			
Share Capital	146,344	146,344	146,344
Other Company's shareholders equity	793,273	817,763	642,874
Company's shareholders equity	939,617	964,107	789,219
Minority rights	22,765	14,264	19,098
Total Equity	962,382	978,372	808,316
Long term borrowings liabilities	702,352	783,692	672,504
Provisions / Other long-term liabilities	100,541	104,872	101,331
Short term borrowings liabilities	151,515	207,061	205,694
Other short-term liabilities	415,498	438,718	442,896
Liabilities directly associated with the assets held for sale	1,163	21,113	-
Total Liabilities	1,371,068	1,555,457	1,422,425
TOTAL EQUITY & LIABILITIES	2,333,450	2,533,828	2,230,742

Condensed Consolidated Statement of Cash Flows

(€' 000)	31.12.2023	31.12.2022	31.12.2021
Net cash flows from Operating activities	269,755	28,892	22,294
Net cash flows from Investing activities	(94,963)	(180,514)	(169,337)
Net cash flows from Financing activities	(169,470)	95,672	204,349
Net (reduction)/ increase in cash and cash equivalents	5,322	(55,949)	57,306