



## Europe Greece

Basic Resources - Nonferrous Metals

## Company Description

ElvalHalcOR Hellenic Copper and Aluminium industry S.A. (ElvalHalcOR), is a leading global manufacturer of aluminium and copper products.

The Company was formed in December 2017 via the merger of Elval, a leading European aluminum rolling company, and HalcOR, the largest copper tubes producer in Europe.

ElvalHalcOR capitalises on natural synergies in innovation and technology, research and development (R&D), procurement, marketing, infrastructure and environment to produce value-added, high-quality solutions for its customers around the world.

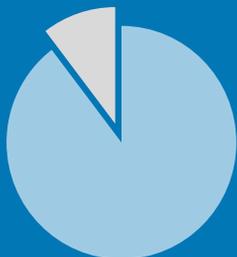
## Share Data

Price (€)	€ 1.256 (20/5/2020)
# of shares	375,241,586
Capitalization (mil.€)	€ 471
% change since 31/12/2019	-28%
52 wks high (€)	€ 0.92
52 wks low (€)	€ 2.07
REUTERS	ELHA.AT
BLOOMBERG	ELHA:GA

## Shareholders Structure

**Free Float**  
**8.56%**

**VIOHALCO**  
**91.44%**



## IR RELEASE Q1 2020

### Results Q1

(M C)	Consolidated		
	2020	2019	Δ (%)
<b>Turnover</b>	530.3	551.9	-4%
<b>Gross Profit</b>	24.7	40.4	-39%
<b>a-EBITDA</b>	32.7	37.6	-13%
<b>EBITDA</b>	20.1	38.3	-48%
<b>EBIT</b>	5.0	24.4	-79%
<b>EBT</b>	-0.4	17.5	-102%
<b>Profit after tax</b>	0.8	16.5	-95%
<b>Profit after tax &amp; non-controlling interests</b>	0.9	16.1	
<b>Margin</b>			
<b>Gross Profit</b>	4.7%	7.3%	
<b>a-EBITDA</b>	6.2%	6.8%	
<b>EBITDA</b>	3.8%	6.9%	

## Q1 2020 Results

While the prospects for 2020 in the beginning of the year were positive, with demand and industrial output in most sectors recovering compared to the fourth quarter of 2019, the impact of the current COVID-19 pandemic has had an adverse impact on global economic conditions. ElvalHalcOR and its subsidiaries responded swiftly to the pandemic, prioritising the health and wellbeing of its employees, suppliers and customers and social distancing measures were successfully implemented without disrupting production activity. However, the imposition of restrictions in movement and production in major export destination countries negatively affected exports in March, with a 3.7% reduction in sales volumes for the quarter.

ElvalHalcOR's consolidated turnover for Q1 2020 decreased by 3.9% year-on-year to EUR 530.3 million versus EUR 551.9 million for the respective prior year period, a decline primarily attributable to the drop in sales volumes and average metal prices during the period.

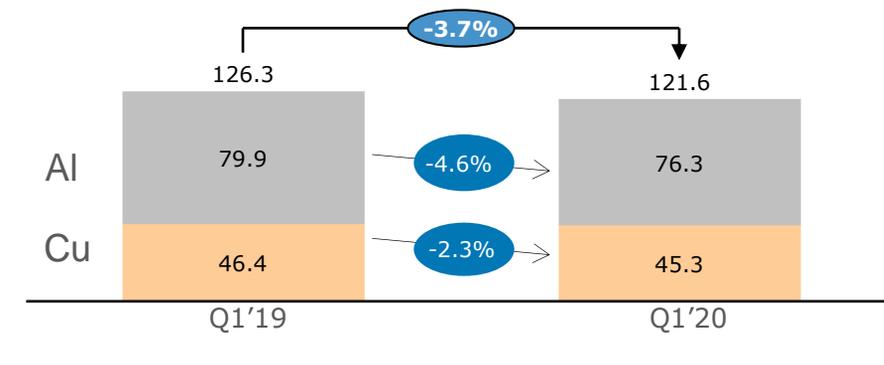
Conversion prices remained at broadly satisfactory levels, with the exception of certain markets, and especially the US, where prices remained at the depressed levels recorded in the fourth quarter of 2019, and for some product categories for which the respective comparative period was considerably better.

ElvalHalcOR's adjusted consolidated earnings before taxes, interest, depreciation and amortization (a-EBITDA), which better represents the operational profitability and cash flows of the company, amounted to EUR 32.7 million, versus EUR 37.6 million for the prior year respective period as a result of the decline in the sales volumes and prices.

As a consequence of the pandemic, metal prices declined significantly during the period, resulting in an accounting metal loss of EUR 11.8 million for the first quarter of 2020, versus a profit of EUR 0.7 million for the first quarter of 2019. This decline in metal prices negatively affected gross profit which amounted to EUR 24.7 million for the first three months of 2020, versus EUR 40.4 million for the first quarter of 2019. Consolidated earnings before taxes, interest, depreciation and amortization (EBITDA) amounted to EUR 20.0 million (Q1 2019: EUR 38.3 million).

Consolidated net financial result saw a significant improvement of 10.0% for the first quarter of 2020, as a result of continued reduction in interest margins. Depreciation amounted to EUR 15.0 million, versus EUR 13.8 million in Q1 2019. The tax charge for the year turns positive to EUR 1.2 million due to the reduction of the deferred tax liability, versus a tax charge of EUR 1 million for the comparable period of prior year, leading to profits after taxes of EUR 0.8 million, versus EUR 16.5 million for the first quarter of 2019.

## Volume of Sales in kt



## Results per Segment Q1'20

### ALUMINIUM

During Q1 2020, the aluminium rolling segment marked a drop in volumes by 4.6%, with turnover amounting to EUR 264 million, declining by 3.0%. The segment was affected negatively by market conditions in the US, compared to the respective prior year quarter of 2019, high competition in the foil sector that put pressure on prices, and the continuing weakness of some segments like the automotive industry and transportation, which led to the need of shifting the product as well as the market mix. At the same time, as the segment continues to operate at full capacity, and until the operation of the new mill, the change of the mix negatively affected productivity and total capacity. Profit before tax for the segment amounted to EUR 6 million versus EUR 11.0 million, for the respective prior year period, due the reduction of sales volumes, while a-EBITDA amounted to EUR 18.6 million for the first quarter of 2020 versus EUR 25.2 million for the respective prior year period.

In regards to the investment programme of the new hot rolling mill, a small delay in the commencement of the operation has occurred, exclusively due to restrictions in movements and the ability of the necessary personnel of the supplier to travel. In anticipation of the operation shortly and the increase of the hot rolling capacity, the second phase was announced with the target of increasing utilization of said capacity. The amount invested on the acquisition of fixed assets reached EUR 35 million, out of which EUR 32 million for the production facilities of the aluminum rolling facilities of the parent company in Oinofyta.

ALUMINIUM	For the 3 months ending on 31.03	
(€'000)	2020	2019
<b>Revenue</b>	263,582	271,812
<b>EBITDA</b>	18,212	23,266
<b>a-EBITDA</b>	18,583	25,242
<b>EBIT</b>	8,388	13,822
<b>Profit before Taxes</b>	6,011	10,987

### COPPER

During Q1 2020, the copper segment marked a decline in sales volumes by 2.3%, in spite of inclusion of the enameled wires sales volumes, which represent a 2.2% of the mix, and the positive evolution of copper bus bars sales. A small decline was marked in the sales of copper tubes and rolling products of copper and alloys, when compared to the very good course of sales in the comparative prior year period and due to weakness in sectors such as the automotive industry, and as a result the consolidated turnover amounted to EUR 267 million, marking a decline of 4.8%. Profit before tax amounted to a loss of EUR 6.4 million versus profit of EUR 6.5 million in the respective Q1 2019, due to the negative effect of the drop of the copper prices in the international markets, while a-EBITDA amounted to EUR 14.2 million in the first quarter of 2020 versus EUR 12.4 million in the respective prior year period, as conversion prices, and production cost of the copper tube plant of the parent company in particular, were at good levels.

In regards to the investments, for the first quarter of 2020, EUR 4 million were invested for the completion of the investment programmes, including new investments in subsidiary Sofia Med. Finally, we underline that utilization of the newly installed production capacity in the copper tubes division remained at satisfactory levels as the segment gained market shares in challenging conditions.

COPPER	For the 3 months ending on 31.03	
(€'000)	2020	2019
<b>Revenue</b>	266,718	280,059
<b>EBITDA</b>	1,848	15,034
<b>a-EBITDA</b>	14,159	12,372
<b>EBIT</b>	(3,341)	10,632
<b>Profit before Taxes</b>	(6,429)	6,525