



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.

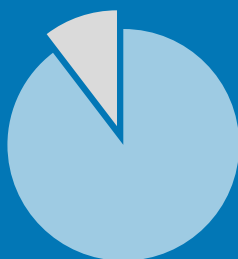
Share Data

Price (€)	€ 1.7660 (29/10/2019)
# of shares	375,241,586
Capitalization (mil,€)	€ 662.7
% change since 31/12/2018	+45%
52 wks high (€)	€ 2.07
52 wks low (€)	€ 1.11
REUTERS	ELHA.AT
BLOOMBERG	ELHA:GA

Shareholders Structure

Free Float
8.56%

VIOHALCO
91.44%



IR RELEASE 9M 2019

Results 9M 2019

(M €)	GROUP		
	2019	2018	Δ (%)
Turnover	1,599.8	1,599.4	0%
Gross Profit	122.1	126.2	-3%
a-EBITDA	123.5	107.1	15%
EBITDA	118.9	124.6	-5%
EBIT	76.9	78.1	-2%
EBT	60.2	52.9	14%
Profit after tax	43.0	43.4	-1%
Profit after tax & non-controlling interests	42.5	42.9	
Margin			
Gross Profit	7.6%	7.9%	
a-EBITDA	7.7%	6.7%	
EBITDA	7.4%	7.8%	

9M 2019 Results

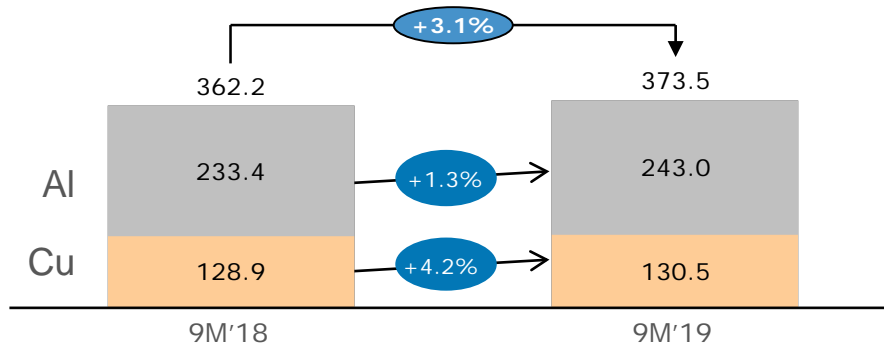
ElvalHalcor continued to demonstrate operational growth, with sales volumes increasing by 3.1% year-on-year, and improving product mix and conversion prices. However, as metal prices continued to decline year-on-year in the nine month period, with the average prices of aluminium, copper and zinc down by 11.1%, 3.4% and 8.4%, respectively sales amounted to EUR 1,599.8 million in 9M 2019, in effect remaining at the same levels of 9M 2018 (EUR 1,599.4).

As a result of the above, adjusted consolidated earnings before taxes, interest, depreciation and amortization and metal price lag (a-EBITDA), which depict more accurately the operational profitability of ElvalHalcor, reported a significant year-on-year increase by EUR 16.4 million or 15.3%, reaching EUR 123.5 million versus EUR 107.2 million in 9M 2018.

Consolidated gross profit amounted to EUR 122.1 million in 9M 2019, compared to EUR 126.2 million for the respective period in 2018 affected by the accounting metal result, which equated to a loss of EUR 4.6 million in the period, in comparison to a gain of EUR 17.5 million in 9M 2018. This drop was driven by the downward trend of metal prices in the international markets and consequently impacted earnings before taxes, interest, depreciation and amortization (EBITDA), which amounted to EUR 118.9 million in the period, compared to EUR 124.6 million in 9M 2018.

Consolidated finance costs improved by 21.3% year-on-year, due to decreased interest margins following the renegotiation of loans of both the parent company and its subsidiaries. The increased operational profitability of the Group, as reflected in the adjusted EBITDA of the period, and the improved financial costs, more than offset the reduction in the metal result, leading to consolidated earnings before taxes of EUR 60.2 million versus EUR 52.9 million for the respective prior year period. Finally, profit after tax amounted to EUR 43.0 million in 9M 2019 (9M 2018: EUR 43.4 million).

Volume of Sales in kt



Results per Segment 9M'19

ALUMINIUM

The aluminium rolling segment increased sales volumes by 4.2% in 9M 2019, resulting in a 0.6% year-on-year increase in turnover to EUR 811.6 million. Despite declining aluminium prices in the period, profit before tax amounted to EUR 49.0 million, up 19.8% from EUR 40.9 million in 9M 2018, while a-EBITDA increased to EUR 86.0 million in 9M 2019 (9M 2018: EUR 69.2 million). This positive performance reflects the segment's ability to successfully take advantage of favourable conditions in the global market and selectively increase sales in products and markets of high profitability. In the nine month period, the segment stretched the limits of production capacity, which is expected to significantly increase following the completion of the investment in the new hot-rolling mill.

In 9M 2019, EUR 106.7 million was invested in the segment to acquire fixed assets, with EUR 97.9 million used to develop the production facilities of the aluminum rolling division of the parent company at Oinofyta, part of the ongoing investment program of EUR 150 million.

COPPER

In 9M 2019, the copper segment continued to gain market share and increased sales volumes, by 1.3% year-on-year, despite the downturn in the automotive industry which significantly reduced demand for rolling products, and a slowdown in European economic growth, with sales amounting to EUR 788.3 million (9M 2018: EUR 792.8 million). Profit before tax amounted to EUR 11.1 million (9M 2018: EUR 12.0 million), due to a decline in copper and zinc prices which outstripped the positive impact of savings in financial costs. Meanwhile, a-EBITDA declined marginally year-on-year to EUR 37.5 million (9M 2018: EUR 38.0 million).

In the nine month period, EUR 13.2 million was invested in the copper segment, of which EUR 4.6 million was used to develop the copper tube plant at Oinofyta, EUR 0.8 million for the "Epirus Metalworks Industry S.A." plant and EUR 7.9 million for the completion of the investment program and new investments in the subsidiary Sofia Med.

ALUMINIUM	For the 9 months ending on 30.09	
	2019	2018
(€'000)		
Revenue	811,554	806,639
EBITDA	85,600	85,718
a-EBITDA	86,014	69,190
EBIT	57,302	52,537
Profit before Taxes	49,048	40,857

COPPER	For the 9 months ending on 30.09	
	2019	2018
(€'000)		
Revenue	788,258	792,785
EBITDA	33,318	38,896
a-EBITDA	37,525	37,971
EBIT	19,556	25,566
Profit before Taxes	11,138	12,027