



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 aluminium 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.

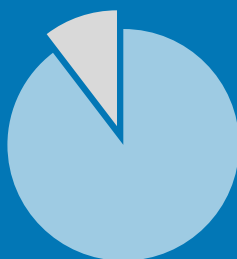
Share Data

Price (€)	€ 1.465 (18/03/2019)
# of shares	375,241,586
Capitalization (mil.€)	€ 549.7
% change since 31/12/2017	+ 19.1%
52 wks high (€)	€ 1.77
52 wks low (€)	€ 1.11
REUTERS	ELHA.AT
BLOOMBERG	ELHA:GA

Shareholders Structure

Free Float
8.56%

VIOHALCO
91.44%



IR RELEASE FY 2018

Consolidated Results

(M €)	As Published		For the 12 months 01.01-31.12	
	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾
Turnover	2,117.8	1,150.4	2,117.8	1,863.3
Gross Profit	166.9	103.6	166.9	156.9
a-EBITDA	142.1	89.3	142.1	129.4
EBITDA	165.2	113.2	165.2	160.5
EBIT	107.1	69.6	107.1	102.0
EBT	75.8	50.7	75.8	63.9
Profit after tax	64.3	33.3	64.3	61.3
Profit after tax & non-controlling interests	63.6	33.5	-	-
Margin				
Gross Profit	7.9%	9.0%	7.9%	8.4%
a-EBITDA	6.7%	7.8%	6.7%	6.9%
EBITDA	7.8%	9.8%	7.8%	8.6%

FY 2018 Financial Results

Consolidated revenue of ElvalHalcor increased by 13.7% in 2018, amounting to EUR 2,117.8 million versus EUR 1,863.3 million for 2017. This is due to a sales volume increase, as both segments continued to grow and secondarily to the improvement of the product mix.

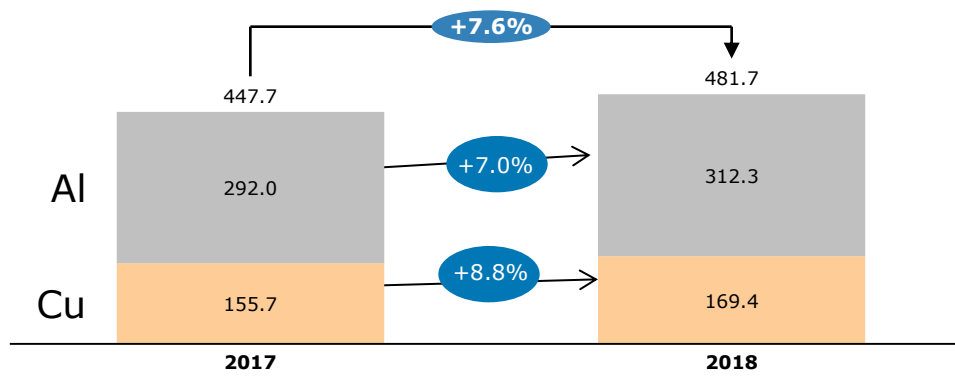
The shift to industrial products of high added value and improved margin, as a result of the continuous investments, positively affected profitability and the adjusted-EBITDA. It is noted that the sales increase was higher than the increase in market demand. The results were affected by the reduction in metal profit which amounted to EUR 23.0 million for 2018, versus EUR 33.1 million for prior year comparable 2017. Thus, while earnings before tax, interest, depreciation and amortization (EBITDA) amounted to EUR 165.2 million (comparable 2017: EUR 160.5), the consolidated adjusted earnings before tax, interest, depreciation and amortization (a-EBITDA), which isolates the effect of metal price fluctuations and thus more accurately reflects the operational profitability of ElvalHalcor, increased by 9.8% to EUR 142.1 million, (2017: EUR 129.4 million). The consolidated profit before income tax amounted to EUR 75.9 million.

Consolidated net finance costs decreased by 12.5% for 2018 as a result of interest rates reductions which was achieved through renegotiation of the loans of the parent Company as well as the subsidiaries, but also through the assumption of a new credit line from European Investment Bank (EIB), in the context of the investment program of the Company. Profit after tax amounted to EUR 64.3 million for 2018, versus EUR 61.3 for the comparable prior year of 2017.

Total capital expenditure in the period amounted to EUR 92 million, largely attributable to the EUR 150 million investment program in the aluminium rolling division as well as the capacity increase of the investment program in the copper tubes division, each within the adjoining facilities of the parent Company ElvalHalcor in Oinofyta. Out of which, the EUR 9.8 million were dedicated to the subsidiary Sofia Med, and the doubling of the production capacity at foundry level for copper alloys, and the installation of a line of film tinting, which will provide access to special products and markets.

⁽¹⁾The consolidated results 2017 include figures of the ElvalHalcor group since the Acquisition Date. The comparative consolidated results were prepared pro-forma and present the financial figures as if the merger happened at the beginning of each year.

Volume of Sales in kt



Results per Segment FY 2018

ALUMINIUM

Driven by the strong demand in the markets in America and, secondarily in Europe, in 2018 the sale of the Aluminium segment increased its volumes by 7.0% and its revenue by 14.6%, with the sales reaching to EUR 1,080 million as a result of the positive evolution in the demand of aluminium products in general and foil in particular.

Profit before income tax amounted to EUR 62.0 million versus EUR 53.8 million in 2017, while a-EBITDA amounted to EUR 95.8 million in 2018 versus EUR 87.0 million for the respective prior year.

Finally, within the year the investment program of the installation of the four-stand aluminium hot finishing mill tandem proceeded as scheduled with the aim to double the production capacity of the hot rolling of the aluminium segment, providing increase of 20% in the production capacity of final products, and improving the costs and quality. Apart from the cashing of the line with EIB, the Company signed an agreement with Commerzbank for financing, securing the funding for the investment program of the segment with better terms.

COPPER

For the copper segment this year was marked by changes in the competition landscape with the announcement of a merger between competitors. In this context, the sales of the copper segment marked significant increase, by 8.8% in terms of volumes versus 2017 and 12.7% in terms of value, with the sales reaching to EUR 1,038.9 million.

Profit before income tax amounted to EUR 13.9 million profit versus EUR 10.1 million for the respective prior year period twelve month 2017, while the a-EBITDA rose to EUR 46.4 million in 2018 versus EUR 42.5 million for the respective prior year 2017.

At the end of the year the investment program of the copper tubes plant was completed for the production capacity increase of 5 thousand tons approximately. In addition, the process for the refinancing of the loans of the subsidiary Sofia Med was completed. Finally, in the beginning of 2019, the proceedings of the transformation of the branch in Pogoni-Ioannina, manufacturing plant of all types of coin blanks and rings into a newly founded company limited by shares ("Société anonyme")

ALUMINIUM	For 12 months 01.01 - 31.12	
	2017	2018
(€'000)		
Revenue	1,078,955	941,506
Gross Profit	111,483	96,113
EBITDA	117,751	110,327
a-EBITDA	95,767	86,951
EBIT	76,953	67,245
Net finance cost	(15,179)	(13,632)
Profit before Taxes	61,962	53,844

COPPER	For 12 months 01.01 - 31.12	
	2018	2017
(€'000)		
Revenue	1,038,834	921,814
Gross Profit	55,466	60,758
EBITDA	47,415	50,194
a-EBITDA	46,382	42,486
EBIT	30,098	34,722
Net finance cost	(16,977)	(23,117)
Profit before Taxes	13,887	10,079