



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.

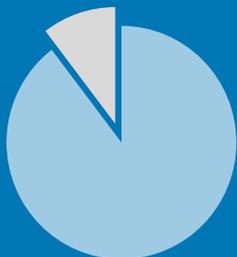
Share Data

Price (€)	€ 2.000 (09/03/2021)
# of shares	375,241,586
Capitalization (mil.€)	€ 750
% change since 31/12/2019	+16.67%
52 wks high (€)	€ 2.03
52 wks low (€)	€ 0.92
REUTERS	ELHA:AT
BLOOMBERG	ELHA:GA

Shareholders Structure

Free Float
8.56%

VIOHALCO
91.44%



IR RELEASE 12M'20

Results 12M

(M C)	Consolidated		
	2020	2019	Δ (%)
Turnover	2,028.6	2,044.6	-1%
Gross Profit	134.9	145.1	-7%
a-EBITDA	136.0	140.2	-3%
EBITDA	121.6	137.4	-12%
EBIT	59.6	80.0	-26%
EBT	39.0	58.2	-33%
Profit after tax	29.5	41.9	-30%
Profit after tax & non-controlling interests	28.4	41.3	
Margin			
Gross Profit	6.7%	7.1%	
a-EBITDA	6.7%	6.9%	
EBITDA	6.0%	6.7%	

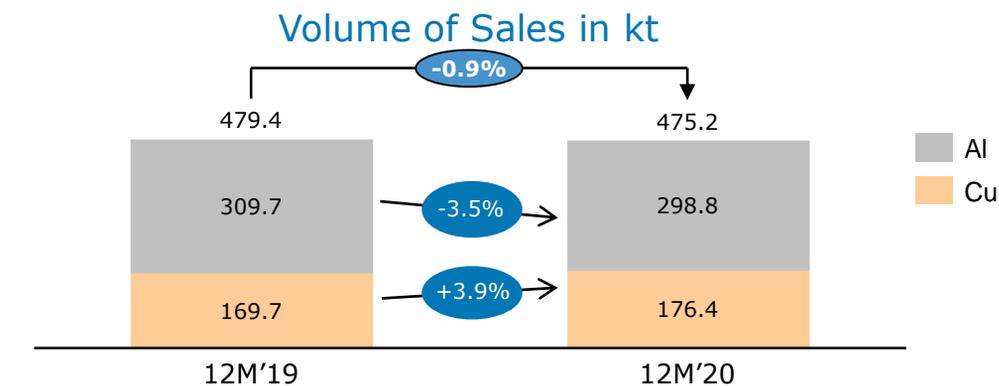
12M '20 Results

2020 was marked by the new coronavirus pandemic that affected and continues to test all countries at a global scale by affecting all aspects of human activity. All countries imposed restrictions in movement, which were called to confront a significant number of challenges. As a result, during the first half of 2020, rapid signs of a substantial slowdown of the global economy started to show at unprecedented levels. ElvalHalcOR responded immediately by prioritising the health and safety of its employees, suppliers, customers and partners, taking measures that secure the unhindered operation of its production facilities with the least possible repercussions supporting our society.

Under these circumstances, ElvalHalcOR's consolidated revenues presented a slight decrease by 0.8% for 2020 despite the 6.8% recession in the Eurozone reaching total sales of EUR 2,028.6 million, compared to EUR 2,044.6 million for the respective prior year. This decline was mainly attributable to the drop in volumes sold by 0.9%, mainly due to significantly lower volume directed to the transportation and automotive sectors of the aluminium segment during the first half of the year due to Covid 19 pandemic, the largest part of which was offset by the increased sales to the packaging for food and pharmaceutical segments of the aluminium segment, which proved to be exceptionally resilient to the adverse conditions, as well as the positive trend in the majority of copper products, despite the decreased demand. Amid these conditions and due to the increased competition that has been observed due to significant recession caused by the pandemic, the adjusted consolidated earnings before taxes, interest, depreciation and amortisation, metal result, and other incidental costs (a-EBITDA) rose to the EUR 136.0 million mark for 2020, versus EUR 140.0 million for the prior year. This slight decrease is considered as an achievement that justifies the strategic choices of agility in production and risk diversification in both products and markets.

Consolidated gross profit, affected by the declining metal prices, amounted to EUR 135.0 million for 2020, compared to EUR 145.1 million for 2019, as the metal result amounted to a loss of EUR 9.0 million for 2020 affected mainly by the decline in the market value of metal prices of aluminium, compared to a loss of EUR 2.1 million for the fiscal year of 2019. This downtrend also impacted the consolidated earnings before taxes, interest, depreciation and amortisation (EBITDA), which amounted to EUR 121.6 million, compared to EUR 137.4 million in 2019, with the negative effect of the additional expenses in response to the pandemic Covid-19 reaching EUR 4 million to increase the deviation from the previous year.

Finally, consolidated profit after tax amounted to EUR 29.5 million compared to EUR 41.9 million year-on-year, with the decrease in the net result after tax being attributable to the downtrend in metal prices, the relatively small decline in volume sold, and the extraordinary expenses in response to the Covid-19 pandemic. Earnings after tax and non-controlling interests reached EUR 28.5 million or EUR 0.0758 per share compared to EUR 41.3 million or EUR 0.1101 per share in 2019.



Results per Segment 12M'20

ALUMINIUM

In 2020, the aluminium segment experienced a decline in sales volumes by 3.5%, while its turnover reached EUR 976 million decreased by 4.9%. The reduction is mainly attributable to the drop in volumes sold to the automotive and transportation sectors, which were negatively affected by the pandemic, and the significant downtrend in sales to the US, due to competition temporarily shaped and under the threat of the imposition of tariffs. A-EBITDA amounted to EUR 86.7 million in 2020 versus EUR 97.3 million for the respective prior-year period, marking a decrease driven by the decline in volumes and the increased competition which was observed in various sectors.

Investments amounted to EUR 94.9 million related to the acquisition of fix assets, out of which EUR 83 million for the production facilities of the aluminium rolling division of the parent company in Oinofyta in the context of the completion of the 1st phase of the investment program and the initiation of the 2nd one. The installation and the commencement of the operation of the new hot rolling mill were completed with minor delay due to restrictions in movement, while the Company has already initiated the next two-year investment program of EUR 100 million, aiming to increase the utilisation of the new production capacity.

Finally, it should be noted, on 02.03.2021, the US Department of Commerce calculated a final dumping margin of 0% for imports from ElvalHalcor. Following the final decision of the US Department of Commerce, the antidumping investigation concerning ElvalHalcor's imports is terminated without imposition of an antidumping duty and the US International Trade Commission (ITC) will not make an injury determination with respect to imports from Greece. This decision confirms both the Group and the Company decisions to stay committed to the principles of fair trade, while at the same time helping us maintain our successful presence in the US market.

COPPER

In 2020, the copper segment marked an increase in the sales volume by 4%, with copper rolling products and alloys increasing by 4.3%, while sales of copper bars and, to a lesser extent, copper tubes also grew in quantity. Copper alloy bars and tubes were the only products that lagged in sales because of their greater dependence on markets affected most by the pandemic. The overall segment's volumes were strengthened by the enamelled wires, which represent around 2% of the volumes sold. As a consequence of the above, sales reached EUR 1,053.0 million, increased by 3.4%, little affected by the copper metal price, which largely maintained its global market levels. a-EBITDA reached 49.3 EUR million in 2020 compared to EUR 43 million in the previous year.

It is worth noting that the industry continues to gain market shares in key markets, even in a period when those shrank significantly, such as that of copper rolled and alloys, as well as copper tubes. Important factors of this success are the fact that the industry has developed a wide range of products that are shipped across many geographical markets, both within and outside Europe, while the segment has forecasted and effectively utilized any opportunities presented.

In regards to the investments, approximately EUR 22 million was invested, out of which EUR 10.0 million at the copper tube plant in Oinofyta, while the amount of EUR 11.6 million was invested at the copper and copper alloys rolling plant in Sofia, Bulgaria mainly for the installation of a cold rolling mill.

ALUMINIUM	For the 12 months ending on 31.12	
(€'000)	2020	2019
Revenue	975,805	1,026,191
EBITDA	78,914	98,490
a-EBITDA	86,720	97,272
EBIT	38,143	61,105
Profit before Taxes	26,748	50,178

COPPER	For the 12 months ending on 31.12	
(€'000)	2020	2019
Revenue	1,052,783	1,018,415
EBITDA	42,681	38,907
a-EBITDA	49,247	42,933
EBIT	21,464	18,933
Profit before Taxes	12,220	8,001