



ELVALHALCOR

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

Press Release

9M 2018 Trading Update Financial Results

Continuation of the increase of volumes and profitability

- **Increase in Revenue by 13.2% in 9M 2018**
- **Increase in a-EBITDA to EUR 108.6 million in 9M 2018 vs. EUR 101.1 million in 9M 2017**
- **Volume increase by 5.1% in 9M 2018 vs. 9M 2017**
- **Capex amounted to EUR 66.0 million for the 9M 2018**

Consolidated revenue of ElvalHalcOR increased by 13.2% in 9M 2018, amounting to EUR 1,599.4 million versus EUR 1,413.4 million⁽¹⁾ for the respective prior year period. This is due to a sales volume increase, as both segments continued to grow and also to the increased metal prices. In the product lines where there is extra capacity, growth was faster, outpacing market growth.

The shift to industrial products of high added value and improved margin, as a result of the continuous investments, is positively affecting profitability and the a-EBITDA through the broader spectrum and enhanced quality product portfolio.

The results were affected by the reduction in metal profit which amounted to EUR 16.0 million in the nine-month period, versus EUR 28.4 million in the same period in 2017. Thus, while earnings before tax, interest, depreciation and amortization (EBITDA) amounted to EUR 124.6 million (9M 2017: EUR 129.5), 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 7.4% to EUR 108.6 million, (9M 2017: EUR 101.1 million). The consolidated profit before income tax amounted to EUR 52.9 million.

Consolidated net finance costs decreased by 10.3% in 9M 2018 as a result of interest rates reductions. Profit after tax amounted to EUR 43.4 million in 9M 2018, up by 14.8% from EUR 37.8 million in 9M 2017.

Total capital expenditure in the period amounted to EUR 66.0 million, largely attributable to the EUR 150 million investment programme in the aluminium rolling division. The investment programme in the copper tubes division, which is expected to be completed soon, is progressing as scheduled with the increased capacity expected to positively affect the financial figures.

⁽¹⁾The consolidated results of the 9M 2017 and 3M 2017 for comparability reasons include figures of the ElvalHalcOR group of the pro-forma financial statements that depict the figures of the financial results as if the merger had taken place in 01/01/2017. The Earnings per Share are calculated with the 273.961.959 shares, equivalent to the number of shares issued in favor of the shareholders of the absorbed "Elval Hellenic Aluminium Industry S.A.".

| Amounts in thousands EUR | Comparative Consolidated | | Comparative Consolidated | |
|--|---|----------------------------------|-------------------------------------|----------------------------------|
| | For the nine month period ending on 30.09 | | For the 3 months period 01.07-30.09 | |
| | 2018 | 2017 ⁽¹⁾ Pro-forma | 2018 | 2017 ⁽¹⁾ Pro-forma |
| Sales | 1,599,424 | 1,413,404 | 546,261 | 479,361 |
| Gross profit | 126,243 | 127,509 | 42,752 | 38,696 |
| EBITDA | 124,613 | 129,500 | 42,117 | 38,858 |
| a-EBITDA | 108,610 | 101,109 | 39,866 | 35,183 |
| EBIT | 78,103 | 85,406 | 26,405 | 24,330 |
| Net finance cost | (24,913) | (27,786) | (7,515) | (8,996) |
| Profit before tax | 52,884 | 55,756 | 19,782 | 15,489 |
| Profit after tax | 43,353 | 37,779 | 13,816 | 13,702 |
| Profit after tax & non-controlling interests | 42,854 | 37,013 | - | - |
| Earnings per share (€) | 0.1142 | 0.1351 | - | - |

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Aluminium

During 9M 2018, the aluminium segment increased its volumes by 3.1% and its revenue by 13.2%, with the sales reaching to EUR 806.6 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 41.0 million versus EUR 43.4 million the respective prior year period due to the decline in the positive effect of the aluminium result versus the prior year respective period, while a-EBITDA amounted to EUR 69.2 million during the nine months of 2018 versus EUR 67.2 million for the respective prior year period.

The summary consolidated statement of profit or loss of the aluminium segment is as follows:

| Amounts in EUR thousand | For the nine month period ending on 30.09 | | For the 3 months period 01.07-30.09 | |
|-----------------------------------|---|----------|-------------------------------------|---------|
| | 2018 | 2017 | 2018 | 2017 |
| Sales | 806,639 | 712,268 | 288,511 | 243,477 |
| Gross profit | 81,315 | 78,286 | 33,444 | 25,739 |
| EBITDA | 85,718 | 85,993 | 33,505 | 28,086 |
| a-EBITDA | 69,190 | 67,213 | 25,475 | 25,403 |
| EBIT | 52,537 | 53,868 | 22,486 | 17,576 |
| Net finance cost | (11,719) | (10,611) | (3,175) | (3,620) |
| Profit / (Loss) before income tax | 40,857 | 43,410 | 19,412 | 13,726 |

Copper

During 9M 2018, the copper segment saw significant growth in sales volumes, which rose by 9.9% versus the prior year period of 2017 and in terms of value by 13.1% with the sales amounting to EUR 792.8 million. Profit before income tax amounted to EUR 12.0 million profit versus EUR 12.3 million for the respective prior year period, negatively affected by the reduction in metal profit and partly offset by the positive effect of the financial expenses, while the a-EBITDA rose to EUR 39.4 million during the nine months of 2018 versus EUR 33.9 million for the respective prior year period. Additionally, the refinancing of the subsidiary Sofia Med's borrowing is also due to be finalized in the near future.

The summary consolidated statement of profit or loss of the copper segment is as follows:

| <i>Amounts in EUR thousand</i> | For the nine month period ending on 30.09 | | For the 3 months period 01.07-30.09 | |
|-----------------------------------|---|----------|-------------------------------------|---------|
| | 2018 | 2017 | 2018 | 2017 |
| Sales | 792,785 | 701,135 | 257,749 | 235,884 |
| Gross profit | 44,928 | 49,222 | 9,308 | 12,956 |
| EBITDA | 38,896 | 43,508 | 8,613 | 10,772 |
| a-EBITDA | 39,420 | 33,896 | 14,392 | 9,779 |
| EBIT | 25,566 | 31,538 | 3,919 | 6,753 |
| Net finance cost | (13,195) | (17,176) | (4,340) | (5,376) |
| Profit / (Loss) before income tax | 12,027 | 12,346 | 370 | 1,762 |