



# ELVALHALCOR

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

## Press Release

### Trading Update Q1'18 Financial Results

The consolidated revenue of ElvalHalcor marked an increase of 14.2% for the first quarter of 2018<sup>(1)</sup> amounting to EUR 528.2 mil versus EUR 462.6 mil for the respective prior year period, mainly due to the increase of the volume of sales at consolidated level by 7.2% and secondarily by the slightly increased metal prices.

The adjusted consolidated earnings before taxes, interest depreciation and amortization (a-EBITDA) were increased by 10.3% during the first quarter of 2018 amounting to EUR 36.3 million versus EUR 32.9 million in the prior year respective period, increased by EUR 3.4 mil. This positive trend was the result of the increase of the volume of sales, as well as the improved sales mix.

The average copper price amounted for the first quarter of 2018 to EUR 5,663 per ton for Q1'18 versus EUR 5,475 per ton for Q1'17 of and the average aluminium price amounted to EUR 1,756 per ton versus EUR 1,738 respectively. As the positive effect of the metals was significantly lower in Q1'18, the consolidated earnings before taxes, interest depreciation and amortization (EBITDA), amounted to profit of EUR 44.3 mil. versus profit of EUR 52.5 mil. the prior year respective period, while the consolidated earnings before taxes, interest (EBIT) amounted to EUR 20.0 mil. versus EUR 29.1 mil for the prior year period. These reductions are due to the trend of the metal prices as the a-EBITDA, which isolates this effect and expresses in a better way the operational profitability of the Company, was increased.

The shift to industrial products of high added value and improved margin, as a result of the investments that took place during the prior years, is positively affecting profitability and the a-EBITDA through the broader spectrum and enhanced quality product portfolio. The first quarter of 2017, benefited by the strong US dollar versus the EUR by strengthening the profitability in dollar denominated markets.

In regards to the aluminium segment of ElvalHalcor the investment program of EUR 150 mil. is evolving according to schedule, while the necessary funding is secured after the signing of the agreements with European Investment Bank and Commerzbank. More specifically for the next two years EUR 150 mil. will be invested in equipment, technology, and infrastructure with the aim to increase initially by more than 20% the production capacity of the aluminium rolling division of ElvalHalcor and to set the basis for additional future investments that will more than double the capacity.

In regards to the copper segment, considering that the phase of approvals has been completed, for the starting of the joint venture in Nedzink S.A., this is expected to proceed as scheduled. Regarding the sales in products the positive trend is expected to be maintained while the segment is already benefiting from investments made during the previous years, and from the strategic shift towards high added value products while the revenue of the subsidiary Sofia Med is growing on double digits.

<sup>(1)</sup>The consolidated results of Q1'17, as published, and due to the accounting treatment of the merger, include the revenues and results of Elval Group only. For the best comparability and depiction of the figures of the ElvalHalcor group, the Company has prepared and is showing pro-forma financial statements that depict the figures of the financial results as if the merger had taken place in 01/01/2017

Amounts in thousands EUR	Q1'18	Q1'17	Q1'18	Q1'17
	As published	As published	For the 3 months	For the 3 months Pro-forma
Sales	528,219	233,805	528,219	462,641
Gross profit	42,982	29,040	42,982	51,087
EBITDA	44,325	32,393	44,325	52,543
a-EBITDA	36,297	22,010	36,297	32,935
EBIT	28,964	21,657	28,964	37,852
Profit before tax	20,002	18,811	20,002	29,087
Profit after tax	22,098	13,220	22,098	23,786
Profit after tax & non- controlling interests	21,727	13,319	-	-
Earnings per share	0.0579	0.0486	-	-

## Aluminium

During Q1'18, the aluminium rolling segment increased its volumes by 4.8% and its revenue by 12.2% to EUR 262 mil. Profit before income tax amounted to EUR 12.6 mil. versus EUR 18.8 mil. the respective prior year period due to the decline of the positive effect of the aluminium versus the prior year respective period, while a-EBITDA rose to EUR 24.5 mil. during Q1'18 versus EUR 22.0 mil. for the respective prior year period.

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

<b>Amounts in EUR thousand</b>	<b>For the three months ending on 31<sup>st</sup> of March of</b>	
	<b>2018</b>	<b>2017</b>
Revenue	262,260	233,805
Gross profit	24,567	29,040
EBITDA	28,235	32,393
a-EBITDA	24,506	22,010
EBIT	17,137	21,657
Profit / (Loss) before income tax	12,628	18,811

## Copper

During Q1'18, the copper segment saw significant growth in sales volumes, which rose by 11.9% versus the prior year period of 2017 and in terms of value by 16.1% with the revenue amounting to 266 mil.. Profit before income tax amounted to EUR 7.3 mil. profit versus EUR 10.3 mil. for the respective prior year period, due to the reduction of the positive effect of the price of copper, while the a-EBITDA rose to EUR 11.8 mil. during Q1'18 versus EUR 10.9 mil. for the respective prior year period.

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

	For the three months ending on 31 <sup>st</sup> of March of	
<i>Amounts in EUR thousand</i>	<b>2018</b>	<b>2017</b>
Revenue	265,959	229,105
Gross profit	18,415	22,046
EBITDA	16,089	20,150
a-EBITDA	11,789	10,925
EBIT	11,825	16,195
Profit / (Loss) before income tax	7,372	10,276