

Financial Results

H1 21

Strong growth and profitability

- **Dynamic growth in sales volume by 16.5% and turnover by 34.6%**
- **Operational profitability (a-EBITDA) EUR 85.2 million up 25.5% to versus H120**
- **Dividend in kind and in cash of EUR 94.6 million (EUR 0.25 per share)**

2021 started dynamically for ElvalHalcor, following on from a strong last quarter of 2020, with recovery in demand across most sectors, and in some cases surpassing pre-pandemic levels. The recovery of the building and construction as well as the automotive and transportation industry, which had lagged during the previous year, adversely affecting the aluminium segment, was especially strong. As a result, sales volumes grew by 16.5%, driven primarily by aluminium, followed by copper and copper alloys rolled products.

Market optimism and increased demand led to a rapid increase in metal prices in the LME, with the average price of copper amounting to EUR/t 7,544 (51.2% higher versus H120) and the average price of aluminium amounting to EUR/t 1,864 (up by 28.8% compared to H120). The combination of increased volumes and metal prices resulted in sales revenue of EUR 1,343.9 million for H121, increased by 34.6% versus the same period the previous year (sales revenue of EUR 998.8 million for H120).

Amount in €' 000	Group		Company	
	H1'21	H1'20	H1'21	H1'20
Revenue	1,343,916	998,769	880,703	688,124
Gross profit	130,706	58,587	78,444	38,825
EBITDA	122,776	52,085	78,031	34,653
a-EBITDA	85,241	67,852	55,119	42,514
EBIT	88,975	21,342	54,801	14,356
Net financial result	(14,412)	(12,250)	(8,249)	(8,020)
Profit before tax	97,875	8,877	78,814	6,336
Profit after tax	85,799	7,806	70,223	6,419
Profit after tax & non-controlling interests	83,572	7,575	70,223	6,419
Earnings per share (€)	0.2227	0.0202	0.1871	0.0171

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15.09.21



The increase in sales volumes and the positive impact of the increased consumption of scrap partly offset the negative pressure from an increase in the price of natural gas. Consequently, ElvalHalcor's adjusted consolidated earnings before taxes, interest, depreciation and amortisation, metal result, and other incidental costs (a-EBITDA), which are a more accurate reflection of operational profitability, rose by 25.5%, reaching EUR 85.2 million versus EUR 67.9 million for the respective prior-year period.

The uptrend in metal prices positively impacted the accounting results from metal, which reached a profit of EUR 41.4 million for H121 versus a loss of EUR 12.7 million for H120. Supported by the positive metal result, gross profit increased to EUR 130.7 million versus EUR 58.6 million for the first six months of 2020. Furthermore, it is also worth noting that safeguarding of the Company's personnel and stakeholders from the effects of the pandemic continued throughout the period, with EUR 2.3 million of expenses included in the consolidated results versus EUR 1.7 million for H120. The consolidated profit before tax, interest, depreciation, and amortisation (EBITDA) amounted to EUR 122.8 million versus EUR 52.1 for the respective period of 2020.

Finally, profit after tax amounted to EUR 85.8 million versus a profit of EUR 7.8 million for H120, with profit after tax and non-controlling interest reaching EUR 83.6 million for H121 or EUR 0.2227 per share from EUR 7.6 million for H120 or EUR 0.0202 per share.

Per segment analysis

For the 6 months until 30.06	Sales		EBITDA		a-EBITDA		EBIT		EBT	
	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020
€'000										
Aluminium	604,473	475,545	66,947	35,154	56,239	40,009	44,358	15,056	37,103	9,887
Copper	739,443	523,224	55,828	16,931	29,002	27,842	44,617	6,286	60,771	(1,010)
Total	1,343,916	998,769	122,776	52,085	85,241	67,852	88,975	21,342	97,875	8,877

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Aluminium

During H121, the aluminium segment achieved an increase in the volume of sales by 23.6%, whereas sales revenue amounted to EUR 604.5 million, increased by 27.1%. The segment was positively affected by the recovery of the automotive and transportation and the building and construction industries, managing to take advantage of the gradually increasing production capacity by the integration of the new hot rolling mill in the production. Earnings before taxes amounted to EUR 37.1 million versus EUR 10 million, for the respective previous year period, while the a-EBITDA amounted to a profit of EUR 56.2 million in H121 versus EUR 40.0 million for the respective prior year period.

In regards to the investment programme, after the operation of the new hot rolling mill, the second phase of the planned investments has started, with the amount of EUR 47 million invested in PPE, out of which EUR 35.5 million were dedicated to the production facilities of the aluminium rolling facilities of the parent Company in Oinofyta, Greece.



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€85.2 ml.
a-EBITDA

€55.9 ml.
For PPE

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Copper

At the end of the first six months of 2021, the copper segment marked an increase in sales volumes by 5.6%, with the uptrend fuelled by the almost double-digit growth of sales volumes of copper and copper alloy rolled products, as well as the full recovery of the copper alloy extrusion products, which surpassed the pre-pandemic sales volumes. Boosted by the increased copper prices in the international markets, sales revenue amounted to EUR 739.4 million, marking an increase of 41.3%. Profit before tax amounted to a profit of EUR 60.8 million versus a loss of EUR 1.0 million in the respective H120, also affected by the positive metal result, while a-EBITDA improved and reached EUR 29 million in the H121 versus EUR 27.8 million in the respective previous year period.

In regards to investments for H121, EUR 8.9 million were invested for the completion of the investment programmes, out of which amount of EUR 4.1 million was directed to production facilities of the parent Company in Oinofyta, while EUR 2.7 million were invested by the subsidiary Sofia Med for the implementation of upgrades in order to increase the range of offered rolling products.

Prospects for the second half of 2021

For the remainder of the year 2021, and as the uncertainty regarding the evolution of the pandemic has not dissipated completely, ElvalHalcor is properly positioned to utilise its extensive product portfolio, as well as its strategic advantages, such as the customer-centric philosophy, the international orientation and high agility, which provide the ability to capitalise on any future opportunity. To that end, the significant investments which were just completed or are in the execution phase, have an important key role. The said investments, are focused on sectors and products with strong growth potential in the context of the circular economy and sustainability, which further enhance the company's production capacity and its utilization, allowing ElvalHalcor to maintain its growth momentum..



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Consolidated Condensed Statement of Financial Position

	30/6/2021	31/12/2020	30/6/2020
ASSETS	€' 000	€' 000	€' 000
Non-current assets	1,059,733	1,060,421	1,039,431
Inventories	609,326	503,773	486,073
Trade receivables	308,979	254,606	257,686
Other current assets	16,401	5,683	5,507
Cash and cash equivalents	51,786	33,838	31,958
Assets held for sale	-	-	536
TOTAL ASSETS	2,046,226	1,858,321	1,821,192
EQUITY & LIABILITIES			
Share Capital	146,344	146,344	146,344
Other Company's shareholders equity	611,514	617,591	596,220
Company's shareholders equity	757,858	763,935	742,565
Minority rights	18,873	14,352	13,631
Total Equity	776,730	778,287	756,196
Long term borrowings liabilities	462,020	463,186	479,663
Provisions / Other long term liabilities	92,353	92,517	92,036
Short term borrowings liabilities	268,382	193,663	198,953
Other short term liabilities	446,741	330,668	294,345
Total Liabilities	1,269,495	1,080,034	1,064,996
TOTAL EQUITY & LIABILITIES	2,046,226	1,858,321	1,821,192

Condensed Consolidated Statement of Cash Flows

	30/6/2021	30/6/2020
	€' 000	€' 000
Net cash flows from Operating activities	32,364	(834)
Net cash flows from Investing activities	(74,295)	(66,539)
Net cash flows from Financing activities	59,878	50,643
Net (reduction)/ increase in cash and cash equivalents	17,948	(16,731)