



Press Release

30.11.21



Publication pursuant to the letter of the Hellenic Capital Markets Commission under protocol nr.: 2596 / 09/11/2021, for the investors' briefing in regards to the issuers', which are listed in the regulated market of the Athens Stock Exchange, activities and the evolution of the main financial figures during the third quarter of 2021.

Trading Update

9M 2021

Strong growth and profitability

- **Dynamic growth in sales volume by 17.2% and turnover by 38.8%**
- **Operational profitability (a-EBITDA) at EUR 130.4 million up by 25.7% versus 9M'20**

The uptrend of the operations, which started during the last quarter of 2020, was maintained during Q3'21, with recovery in the building and construction as well as the automotive and transportation industry, which lagged during the previous year, adversely affecting the aluminium segment, being especially strong. As a result, sales volumes grew by 17.2%, driven primarily by aluminium rolled products, followed by copper and copper alloys rolled products, while for the third quarter of 2021 volumes marked an increase of 18.5% versus the respective quarter of 2020.

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 7,684/t (48.1% higher versus 9M'20) and the average price of aluminium amounting to EUR 1,995/t (increased by 37.5% compared to 9M'20). The combination of increased volumes and metal prices resulted in a historically high sales revenue of EUR 2,082.5 million for 9M'21, increased by 38.8% compared to EUR 1,500.4 million for 9M'20).

Group

9-Months

3-Months

Amount in €' 000	9M'21	9M'20	Q3'21	Q3'20
Revenue	2,082,514	1,500,429	738,597	501,660
Gross profit	187,435	99,794	56,729	41,208
EBITDA	175,678	90,884	52,903	38,799
a-EBITDA	130,416	103,757	45,175	35,905
EBIT	124,738	45,753	35,762	24,411
Net financial result	(22,194)	(18,717)	(7,782)	(6,467)
Profit before tax	125,551	30,340	27,676	21,463
Profit after tax	117,930	24,975	32,132	17,168
Profit after tax & non-controlling interests	115,378	24,091	31,805	16,515
Earnings per share (€)	0.3075	0.0642	0.0848	0.0440

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The increase in sales volumes and the positive impact of the increased consumption of scrap offset the negative pressure from the rise in the price of natural gas, as a result, 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 25.7%, reaching EUR 130.4 million versus EUR 103.8 million for the respective prior-year period, while for the third quarter a-EBITDA rose to EUR 45.2 million versus EUR 35.9 million for the prior year respective period.

The uptrend in metal prices positively impacted the accounting results from metal, which reached a profit of EUR 50.0 million for 9M'21 versus a loss of EUR 8.7 million for 9M'20, with the respective results for the three months period reaching a profit of EUR 8.6 million for Q3'21 versus a profit of EUR 4 million for Q3'20. Supported by the positive metal result, gross profit increased to EUR 187.4 million versus EUR 99.8 million for the nine 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 3.1 million of expenses included in the consolidated results versus EUR 2.8 million for 9M'20. Consolidated profit before tax, interest, depreciation and amortisation (EBITDA) amounted to EUR 175.7 million versus EUR 90.9 for the respective period of 2020.

On the other hand, the increased metal prices drove up the Group's working capital, and as a result the net debt increased by EUR 107 million versus the closing of 31.12.2020, with the negative effect of the aforementioned debt causing an increase to the financial costs, with Net financial result reaching EUR 22.1 million for the nine months versus EUR 18.7 million for the respective period of 2020, in spite of the gradually decreasing cost of debt that the Group is achieving.

Finally, profit after tax amounted to EUR 117.9 million (including the positive effect of the EUR 22 million valuation pertaining the distribution of shares of Cenergy Holdings posted in H1'21) versus a profit of EUR 25.0 million for 9M'20, with profit after tax and non-controlling interest reaching EUR 115.4 million for 9M'21 or EUR 0.3075 per share from EUR 24.1 million for 9M'20 or EUR 0.0642 per share.

Per segment analysis

For the 9 months until 30.09	Sales		EBITDA		a-EBITDA		EBIT		EBT	
	30/9/2021	30/9/2020	30/9/2021	30/9/2020	30/9/2021	30/9/2020	30/9/2021	30/9/2020	30/9/2021	30/9/2020
€'000										
Aluminium	964,943	722,474	101,221	56,346	85,506	63,520	65,949	27,813	54,274	19,680
Copper	1,117,571	777,956	74,458	34,538	44,910	40,237	58,789	17,940	71,277	10,660
Total	2,082,514	1,500,429	175,678	90,884	130,416	103,757	124,738	45,753	125,551	30,340

For the 3 months from 01.07 until 30.09	Sales		EBITDA		a-EBITDA		EBIT		EBT	
	30/9/2021	30/9/2020	30/9/2021	30/9/2020	30/9/2021	30/9/2020	30/9/2021	30/9/2020	30/9/2021	30/9/2020
€'000										
Aluminium	360,470	246,929	34,274	21,192	29,267	23,510	21,591	12,757	17,171	9,793
Copper	378,127	254,732	18,629	17,607	15,908	12,394	14,171	11,654	10,505	11,670
Total	738,597	501,660	52,903	38,799	45,175	35,905	35,762	24,411	27,676	21,463

Aluminium

During 9M'21, the aluminium segment achieved an increase in the sales volumes by 23.6%, whereas revenue amounted to EUR 964.9 million, increased by 33.6%. 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 54.3 million versus EUR 19.7 million, for the respective previous year period, while the a-EBITDA amounted to a profit of EUR 85.5 million in 9M'21 versus EUR 63.5 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 83 million invested in PPE, out of which EUR 62.2 million were dedicated to the production facilities of the aluminium rolling facilities of the parent Company in Oinofyta, Greece.



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Copper

At the end of the nine months of 2021, the copper segment marked an increase in sales volumes by 6.8%, with the uptrend fuelled by the double-digit growth of sales volumes of copper and copper alloy rolled products, as well as the full recovery of copper alloy extrusion products, which surpassed their pre-pandemic sales volumes. Boosted by the increased copper prices in the international markets, sales revenue amounted to EUR 1,117.5 million, marking an increase of 43.7%. Profit before tax amounted to a profit of EUR 71.3 million versus a loss of EUR 10.7 million in the respective 9M'20, also affected by the positive metal result and the positive effect of the valuation Cenergy Holdings' shares, while a-EBITDA improved to EUR 44.9 million in the 9M'21 versus EUR 40.2 million in the respective previous year period.

In regards to investments for 9M'21, EUR 11.1 million were invested for the completion of the investment programmes, out of which an amount of EUR 5.3 million was directed to the production facilities of the parent Company in Oinofyta, while EUR 3.7 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 remainder 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 with more than 91% of sales directed outside Greece, 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 aforementioned 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 utilisation, allowing ElvalHalcor to maintain its growth momentum. The uptrend in energy prices is expected to be more noticeable on the last quarter, when historically high prices dominated, especially for the TTF gas index, nevertheless conditions in demand remain positive, allowing the Group to minimise the impact.

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Consolidated Condensed Statement of Financial Position

	30/9/2021	31/12/2020	30/9/2020
	€' 000	€' 000	€' 000
ASSETS			
Non-current assets	1,092,184	1,060,421	1,049,931
Inventories	647,142	503,773	483,456
Trade receivables	323,012	254,606	276,692
Other current assets	18,723	5,683	1,420
Cash and cash equivalents	33,434	33,838	39,486
TOTAL ASSETS	2,114,495	1,858,321	1,850,985
EQUITY & LIABILITIES			
Share Capital	146,344	146,344	146,344
Other Company's shareholders equity	646,753	617,591	612,033
Company's shareholders equity	793,097	763,935	758,377
Minority rights	19,097	14,352	13,924
Total Equity	812,194	778,287	772,301
Long term borrowings liabilities	465,431	463,186	495,304
Provisions / Other long term liabilities	92,526	92,517	92,656
Short term borrowings liabilities	298,321	193,663	212,193
Other short term liabilities	446,024	330,668	278,531
Total Liabilities	1,302,301	1,080,034	1,078,685
TOTAL EQUITY & LIABILITIES	2,114,495	1,858,321	1,850,985

Condensed Consolidated Statement of Cash Flows

	30/9/2021	30/9/2020
	€' 000	€' 000
Net cash flows from Operating activities	18,562	2,290
Net cash flows from Investing activities	(111,914)	(90,624)
Net cash flows from Financing activities	92,947	79,132
Net (reduction)/ increase in cash and cash equivalents	(405)	(9,202)