

H1' 24

Press Release



ELVALHALCOR

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.



Athens, 11th of September 2024

Financial Results H1'24

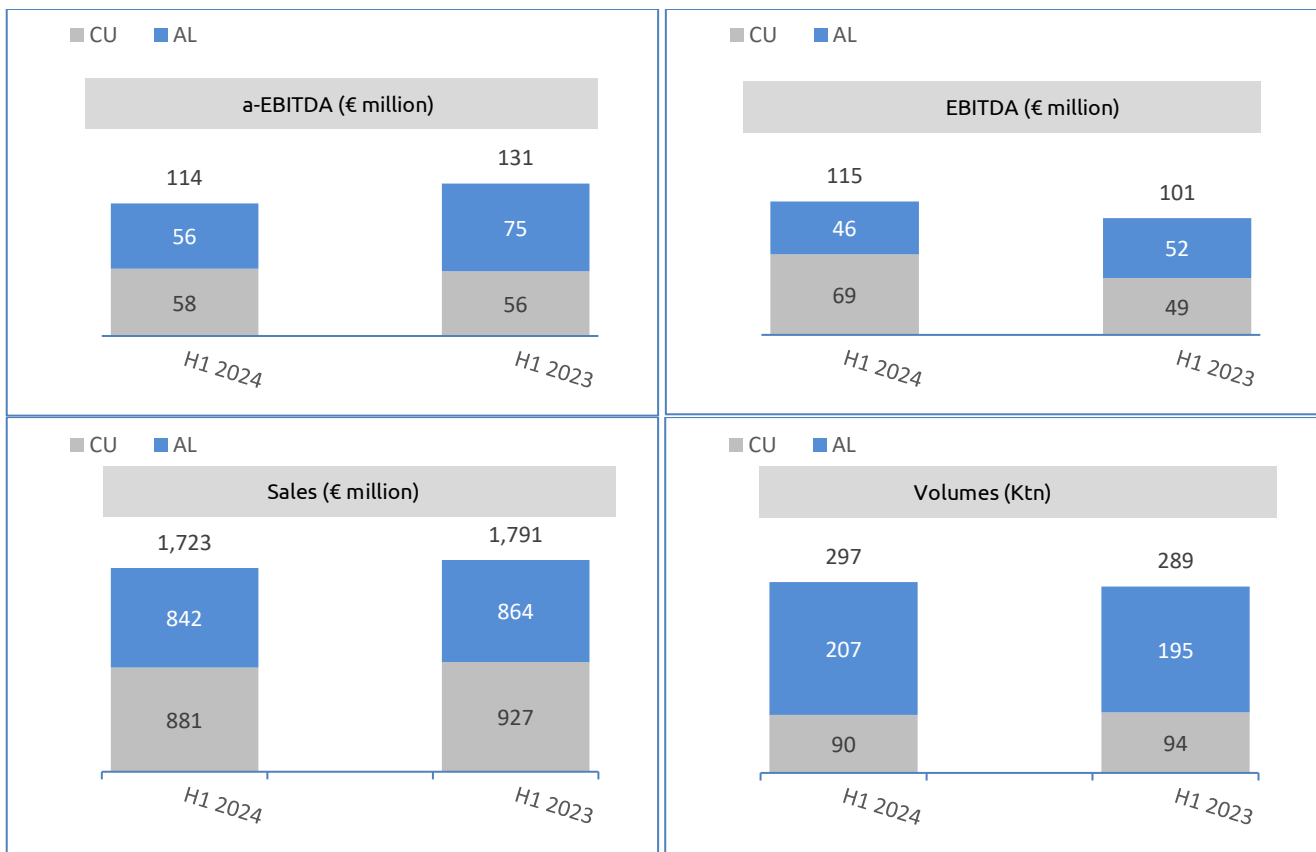
Improved working capital and drop in net debt.

Financial highlights

- Operational profitability (a-EBITDA) at EUR 113.8 million.
- High operating cash flows.
- Decrease in net debt by EUR 144.5 million and improved working capital by EUR 107.7 million from 30.06.2023.

Operational highlights

- Increased sales volumes despite the challenges of the economic environment and subdued demand across most markets
- Unstable metal prices
- Slowdown of investments





Commenting on the financial results, the General Manager of the Aluminium Segment, Nikolas Carabateas, stated:

“For the first half of 2024, the Aluminium Segment of Elvalhacor continued to increase its sales volume, leveraging the additional capacity resulting from our latest investment program. Meanwhile, we achieved a further reduction of working capital, which, combined with the limited investments, led to a significant reduction of the Net Debt of the Aluminium Segment. The second quarter of 2024 saw a reversal of the negative trends that prevailed in the first quarter in certain sectors, such as the aluminium foil sector, although prices remained flat.”

Commenting on the financial results, the General Manager of the Copper Segment, Panos Lolos, stated:

“The Copper Segment of Elvalhacor continued its steady course for the first semester by maintaining its operating profitability compared to the respective period of 2023, despite challenges from reduced demand, mainly in the construction sector. The retention of market shares contributed significantly, with some products recording an increase, while the successful optimisation of production costs was also decisive. The performance of our subsidiary Sofia Med remained remarkable for another quarter, by taking full advantage of its comparative advantages in a competitive market with generally reduced demand, improving its services, developing innovative high-added value products and industrial applications while continuing the implementation of its investment plan.”

Overview

During the first half of 2024, economic activity remained subdued in Europe. High interest rates led to further de-escalation of inflation, but its core remained at high levels. Demand in the manufacturing segment continued to be negatively affected by multiple geopolitical crises and heightened economic uncertainty, significantly impacting demand for industrial products.

Despite the above challenges, the Elvalhacor Group continued its upward trend in the first half of 2024. Sales volume increased by 2.5% compared to the respective period in H1'2023. If we exclude the effect of Etem's de-consolidation during Q1'2023, this increase was 3.3%. This increase was mainly achieved by increased sales in the Aluminium Segment for beverages. Sales stood at EUR 1,723.6 million in H1'2024, down by 3.8%, compared to EUR 1,791.0 million in H1'2023, mainly affected by low metal prices and sales mix.

LME metal prices rose in the start of Q2'2024 but then de-escalated and showed volatility. The average price of aluminium stood at EUR 2,181/tn in H1'2024, compared to EUR 2,155/tn in H1'2023, i.e. higher by 1.1%. The average price of copper was EUR 8,410/tn versus EUR 8,054/tn in the respective prior period, higher by 4.4%, while the average price of zinc was EUR 2,442/tn in H1'2024 versus EUR 2,624 /tn in H1'2023, lower by 6.9%.

Consolidated gross profit amounted to EUR 141.2 million in H1'2024 versus EUR 120.1 million in the respective prior period. Consolidated adjusted earnings before interest, taxes, depreciation and amortisation, metal result, and other exceptional items (a-EBITDA), which better reflect the Group's operational profitability, declined by 13.1%, reaching EUR 113.8 million in H1'2024 versus EUR 130.9 million in the respective prior year period. Respectively, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at EUR 115.1 million compared to EUR 100.6 million in H1'2023 as a result of the positive accounting metal result, which amounted to gains of EUR 7.0 million in H1'2024 versus losses of EUR 29.3 million for H1'2023.

Consolidated net financial result (cost) reached EUR 23.5 million in H1'2024, declining by 11.3% versus the respective prior period of EUR 26.4 million. This is attributed to the decrease in net debt by EUR 144.5 million from H1'2023, as a consequence of the enhanced free cash flows of the Company boosted by the successful management of working capital and the slowdown of the Aluminium Segment's investments. The Group has also taken the necessary actions to limit its financial costs from the significant increase in reference interest rates, achieving, at the end of the period, 61% of the total debt was at a fixed interest rate.

Consolidated profits after tax stood at EUR 59.9 million in H1'2024 versus EUR 38.7 million in H1'2023. Consolidated profit after tax and non-controlling interest amounted to EUR 50.9 million in H1'2024 or (EUR 0.1250 per share), compared to EUR 28.8 million in the respective period of the prior year (or EUR 0.0691 per share).



Key financial figures

Amounts in €' 000	Group	
	For the 6 months until 30.06.2024	For the 6 months until 30.6.2023
Sales	1,723,581	1,790,905
Gross profit	141,186	120,138
EBITDA	115,083	100,612
a-EBITDA**	113,789	130,935
EBIT	81,965	63,118
a-EBIT*	80,671	93,441
Net financial result	(23,458)	(26,438)
Profit before tax	59,942	38,633
Profit after tax	50,975	28,807
Profit after tax & non-controlling interests	46,908	25,947
Earnings per share	0.1250	0.0691
Net Debt	740,969	885,496

Per segment analysis

€'000	Aluminium		Copper		Total	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Sales	842,359	863,576	881,222	927,329	1,723,581	1,790,905
EBITDA	45,637	51,590	69,446	49,022	115,083	100,612
a-EBITDA**	55,907	75,404	57,883	55,531	113,789	130,935
EBIT	22,322	25,250	59,642	37,868	81,965	63,118
a-EBIT*	32,592	49,064	48,079	44,377	80,671	93,441
EBT	9,055	10,331	50,887	28,302	59,942	38,633

** a - EBITDA = EBITDA plus adjustments for + Losses / - Gains for metal result + Losses from fixed assets write offs + Losses / - Gains from sale of fixed assets + / - Other exceptional items

* a-EBIT= a-EBITDA – Depreciation



Aluminium Segment

The Segment, taking advantage of the new investments of the Aluminium Rolling Division, achieved an increase in sales volume by 5.9% (or by 7.0% excluding the result of the de-consolidation of ETEM), mainly for products aimed at rigid packaging and for foil products after the weak first quarter of 2024. Despite that, revenue of the Aluminium Segment dropped by 2.5% year on year, to EUR 842.4 million compared to EUR 863.6 million due to low conversion prices in the foil products, the sales mix and the impact of Etem's de-consolidation. A-EBITDA stood at a profit of EUR 55.9 million in H1'2024 versus EUR 75.4 million in H1'2023.

Earnings before taxes of the Segment amounted to losses of EUR 9.0 million against gains of EUR 10.3 million in H1'2023 and the accounting metal losses amounting to EUR 9.4 million compared to losses of EUR 23.7 million in H1'2023.

Investments in the Aluminium Segment amounted to EUR 22.9 million, compared to EUR 39.2 million in H1'2023.

Copper Segment

Revenue of the Copper Segment reached EUR 881.2 million versus EUR 927.3 million in H1'2023, decreased by 5.0%, negatively affected by reduced sales volumes. The reduced demand in most sectors of the economy, mainly in the construction and industrial applications sector, affected the Segment's sales volumes, recording a decrease of 4.3%. In particular, sales volumes of copper tubes decreased by 4.9%, while extruded copper alloy sales volumes dropped by 18.4%. The subsidiary Sofia Med's sales volume for flat-rolled products decreased by 2.7% and for extruded copper products (bus bars) by 2.2%. On the contrary, the improved product mix, high conversion prices, low energy prices, and actions to optimise the production process and reduce costs positively affected the profitability of the Segment with adjusted consolidated earnings before taxes, interest, depreciation, amortisation, resulting metal and other extraordinary income and expenses (a-EBITDA) remained at the same levels for the first half of 2024 at 57.8 million euros compared to 55.5 million euros in the first half of 2023. The accounting metal results for the period amounted to gains of EUR 16.4 million compared to losses of EUR 5.6 million in the respective prior year, and that affected profits before tax, which amounted to EUR 50.9 million versus EUR 28.3 million in H1'2023.

Investments for H1'2024 amounted to EUR 10.5 million, of which EUR 9.1 million were related to investments in the subsidiary Sofia Med, which aimed to optimise production and increase the production capacity of high-demand and value-added final products.

** **a - EBITDA** = EBITDA plus adjustments for + Losses / - Gains for metal result + Losses from fixed assets write offs + Losses / - Gains from sale of fixed assets + / - Other exceptional items

* **a-EBIT** = a-EBITDA – Depreciation

Outlook

ElvalHalcor anticipates the future with moderate optimism despite ongoing geopolitical crises, high benchmark interest rates, and volatility in metal prices. After significant investment programs that have increased production



capacity, mainly in the Aluminium Segment, the Group has strengthened its position by establishing high levels of profitability despite the unfavourable circumstances. At the same time, it has managed to successfully cope with the above challenges by reducing Net Debt through the successful management of Working Capital.

ElvalHalcor remains committed to achieving its strategic goals with an emphasis on the development of innovative products in sectors and products with dynamic growth prospects in the context of the global megatrends of the circular economy, the transition to climate neutrality, urbanisation, technological development as well as sustainable development. In addition, it is well-positioned to leverage its broad and diversified product portfolio and its strategic advantages, such as its customer-centric philosophy, high technology and international orientation without dependence on countries or geographic regions, factors that enable it to capitalise on every future opportunity as well as to strengthen its position in the market. Significant investments, which increased its production capacity, are a key contributor. This fact allows ElvalHalcor to respond to this dynamic and maintain its long-term upward trend, despite any possible short-term effects from more cyclical sectors in which it operates.

Financial Calendar

Description	DATE
Analysts Briefing on H1'24 Financial Results	12.09.2024
Announcement for Trading Update Q3'24	20.11.2024
Analysts briefing on Q3'24 Trading Update	21.11.2024



APPENDIX

Consolidated Condensed Statement of Financial Position

(€' 000)

	30.06.2024	31.12.2023
ASSETS		
Non-current assets	1,247,124	1,256,318
Inventories	802,426	734,729
Trade receivables	356,422	291,336
Other current assets	8,246	9,020
Cash and cash equivalents	56,797	40,517
Assets held for sale	-	1,529
TOTAL ASSETS	2,471,015	2,333,450
EQUITY & LIABILITIES		
Share Capital	146,344	146,344
Other Company's shareholders equity	827,521	793,273
Company's shareholders equity	973,865	939,617
Minority rights	24,648	22,765
Total Equity	998,514	962,382
Long term borrowings liabilities	629,979	702,352
Provisions / Other long-term liabilities	100,378	100,541
Short term borrowings liabilities	167,786	151,515
Other short-term liabilities	574,358	415,497
Liabilities directly associated with the assets held for sale	-	1,163
Total Liabilities	1,472,501	1,371,068
TOTAL EQUITY & LIABILITIES	2,471,015	2,333,450

Condensed Consolidated Statement of Cash Flows (€' 000)

	30.06.2024	30.06.2023
Net cash flows from Operating activities	127,689	144,902
Net cash flows from Investing activities	(33,312)	(51,349)
Net cash flows from Financing activities	(78,097)	(86,255)
Net (reduction)/ increase in cash and cash equivalents	16,280	7,298