



Europe Greece

Basic Resources - Nonferrous Metals

Company Description

ElvalHalcor Hellenic Copper and Aluminium industry S.A, (ElvalHalcor), is a leading global manufacturer of aluminium and copper products.

The Company was formed in December 2017 via the merger of Elval, a leading European aluminum rolling company, and Halcor, the largest copper tubes producer in Europe.

ElvalHalcor capitalises on natural synergies in innovation and technology, research and development (R&D), procurement, marketing, infrastructure and environment to produce value-added, high-quality solutions for its customers around the world.

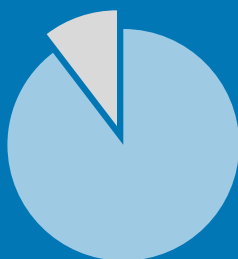
Share Data

Price (€)	€ 1.900 (11/9/2019)
# of shares	375,241,586
Capitalization (mil,€)	€ 713.0
% change since 31/12/2018	+54%
52 wks high (€)	€ 2.07
52 wks low (€)	€ 1.11
REUTERS	ELHA.AT
BLOOMBERG	ELHA:GA

Shareholders Structure

Free Float
8.56%

VIOHALCO
91.44%



IR RELEASE H1 2019

Results H1 2019

	GROUP			
	(M €)	2019	2018	Δ (%)
Turnover		1,081.0	1,053.2	3%
Gross Profit		76.0	83.5	-9%
a-EBITDA		78.5	68.7	14%
EBITDA		70.1	82.5	-15%
EBIT		42.3	51.7	-18%
EBT		31.5	33.1	-5%
Profit after tax		19.9	29.5	-33%
Profit after tax & non-controlling interests		19.5	28.9	
Margin				
Gross Profit		7.0%	7.9%	
a-EBITDA		7.3%	6.5%	
EBITDA		6.5%	7.8%	

H1 2019 Results

ElvalHalcor's sales volumes reported a strong increase in H1 2019, as the Company took advantage of favourable conditions in the international aluminium market by utilising its long-term strategy and increasing sales in the most attractive markets. In addition, the Copper segment used its leading position in the copper tubes market, and leveraged its rising position and production capacity in the rolling products sector, to gain market share, despite a temporary slowdown of growth and decline in demand.

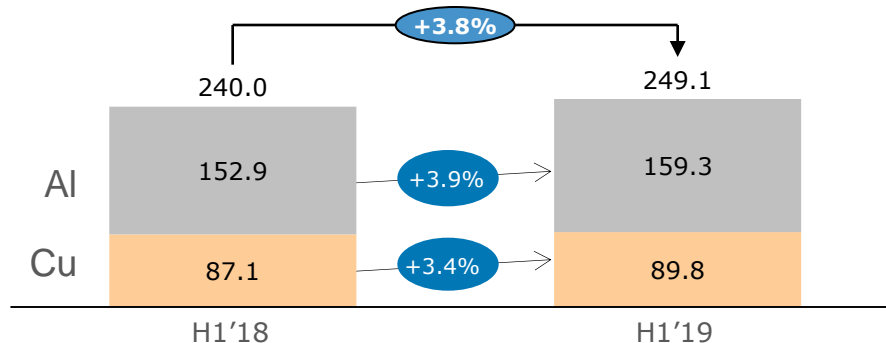
As a result, ElvalHalcor's consolidated revenue increased by 2.6% in H1 2019 to EUR 1,081.0 million, compared to EUR 1,053.2 million in the respective prior year period. This was mainly driven by a 3.8% year-on-year increase in sales volumes, supported by improved conversion prices and product mix, while metal prices declined. Compared to the prior year period, average aluminium prices were down 11.4%, copper prices were down 4.5% and by 10.4% for zinc.

Adjusted consolidated earnings before taxes, interest, depreciation and amortization and metal price lag (a-EBITDA), which more accurately reflects operational profitability, reported a significant year-on-year increase of 14.3% to EUR 78.5 million, versus EUR 68.7 million in H1 2018.

Consolidated Gross profit amounted to EUR 76.0 million in the first six months of 2019, compared to EUR 83.5 million for the respective period in 2018. This is due to a downtrend in metal prices which amounted to a metal loss of EUR 8.3 million in the H1 2019, compared to a gain of EUR 13.8 million in H1 2018. This downward trend also impacted earnings before taxes, interest, depreciation and amortization (EBITDA), which amounted to EUR 70.1 million, compared to EUR 82.4 million in H1 2018.

Consolidated Financial costs improved by 23.6% year-on-year, as a result of improved interest margins achieved by the renegotiation of loans of both the parent company and its subsidiaries. Finally, profit after tax amounted to EUR 19.9 million in H1 2019, versus EUR 29.5 million for the respective prior year period. The reduction in profit, both before and after tax, is attributable to the reduced metal result, while the operational profitability of the Group continued to improve, as reflected in the adjusted EBITDA of the period.

Volume of Sales in kt



Results per Segment H1'19

ALUMINIUM

During H1 2019, the aluminium rolling segment increased volumes of sales by 4.1% and its turnover reached EUR 536, increased by 3.4%. The profits before tax for the segment amounted to EUR 25.3 million versus EUR 21.4 million, for the respective prior year period in spite of the adverse effect (reduction) of the aluminium price versus the prior year period, while a-EBITDA amounted to EUR 53.7 million for H1 2019 versus EUR 43.7 million for the respective prior year period. The performance of the segment was outstanding, as it took full advantage of the conditions in the global market by selectively increasing sales in products and markets of high profitability, stretching the limits of the production capacity, which is expected to significantly increase after the completion of the investment of the new hot-rolling mill.

The amount of EUR 42.0 million was invested in acquisition of fix assets, out of which EUR 38.2 million for the production facilities of the aluminum rolling facilities of the parent company in Oinofyta, part of the ongoing investment program of EUR 150 m

COPPER

During H1 2019, and despite the negative impact from the automotive industry, which reduced significantly the demand especially in rolling products, and the drop in the growth of European economy which affected all product ranges, the copper segment sales volumes grew significantly, by 3.2%, versus H1'18, with sales amounting to EUR 545 million, increased by 1.9%. The profit before tax amounted to EUR 6.2 million versus profit of EUR 11.7 million in the respective H1 2018, due to the fluctuation (reduction) of the copper prices, while a-EBITDA amounted to EUR 25 million in H1 2019.

In regards to the investments, approximately EUR 8.6 million were spent, out of which EUR 3.7 million at the copper tube plant in Oinofyta, EUR 0.8 million for the former plant of former "Ipiros Metalworks Industry S.A." and EUR 4.1 million for the completion of the investment program and new investments in the subsidiary Sofia Med.

ALUMINIUM	For the 6 months ending on 30.06	
	2019	2018
(€'000)		
Revenue	535,869	518,128
EBITDA	49,813	52,212
a-EBITDA	53,665	43,715
EBIT	30,935	30,051
Profit before Taxes	25,261	21,445

COPPER	For the 6 months ending on 30.06	
	2019	2018
(€'000)		
Revenue	545,086	535,035
EBITDA	20,321	30,283
a-EBITDA	24,813	25,029
EBIT	11,367	21,647
Profit before Taxes	6,236	11,657

This presentation may contain forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Further details of potential risks and uncertainties affecting ELVALHALCOR Group are described in the ELVALHALCOR's filings with the Athens Stock Exchange. These forward-looking statements speak only as of the date of this presentation.