

# ElvalHalcor: Beyond Metals Shaping Tomorrow

**Q1' 24**  
Trading update

**PRESS RELEASE**



**ELVALHALCOR**

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.



Athens, 22<sup>nd</sup> of May 2024

# Trading update Q1'24

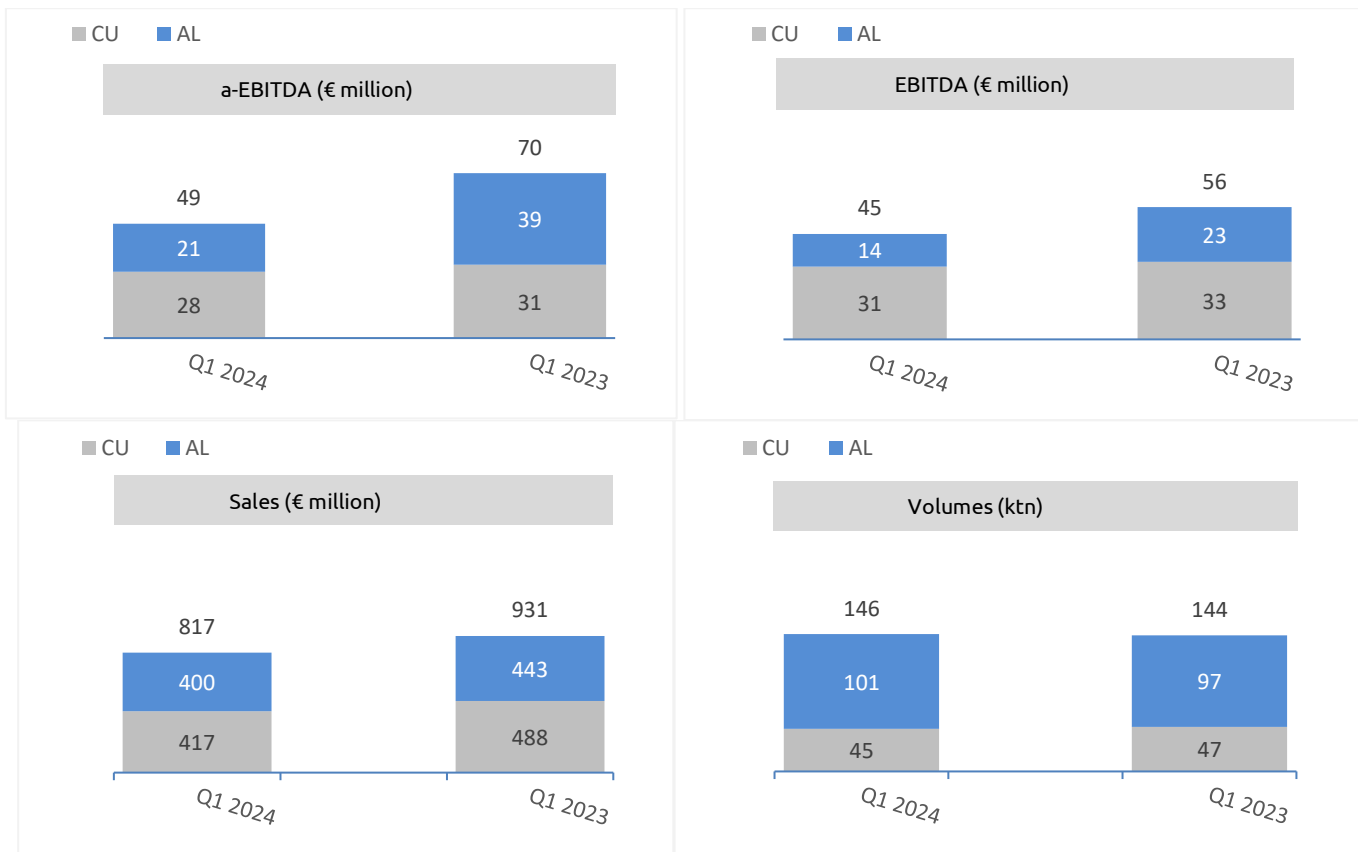
## Operational profitability and decrease of net debt.

### Financial highlights

- **Operational profitability (a-EBITDA) at EUR 48.8 million.**
- **High operating cash flows.**
- **Decrease in net debt by EUR 190.0 million from Q1 2023.**

### Operational highlights

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





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

“Following the successful completion of our strategic investment plan of the Aluminium Division, ElvalHalcor succeeded in increasing volumes, compared to the corresponding quarter of 2023. Meanwhile, the improvement of Working Capital, as well as the slowdown of investments, led to a further reduction of the Net Debt of the Aluminium segment. The negative conditions that prevailed in global economic activity during Q1'24, such as the geopolitical situation and the macroeconomic environment, negatively affected specific segments of the economy and, in particular, the foil segment, which was affected later but stronger by the economic conditions, and as a result on the profitability of the segment.

We consistently continue to serve markets that reflect megatrends and the circular economy.”

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

“The Segment's operating profitability was resilient compared to the respective prior year period despite continued pressures from the construction sector and subdued industrial activity in Europe. The performance of our subsidiary Sofia Med was remarkable, exploiting its competitive advantages and continuing to increase market shares in rolled products through the development of innovative high-value-added products and industrial applications in line with global mega-trends. The Segment reduced net debt due to, among other reasons, low metal prices.”

## Overview

Global economic activity remained subdued during the first quarter of 2024. Demand in the industrial segment in Europe continued to be negatively affected by inflation, high interest rates, and multiple geopolitical crises.

Regarding the performance of the ElvalHalcor Group for Q1'2024, sales volume increased by 1% compared to the respective period in Q1'2023. If we exclude the effect of Etem's deconsolidation during Q1'2023, this increase was 2%. Sales stood at EUR 816.6 million in Q1'2024, down by 12.2%, compared to EUR 930.5 million in Q1'2023, mainly affected by the downward in metal prices.

Especially, LME metal prices were lower in Q1'2024 compared to Q1'2023. The average price of aluminium stood at EUR 2,025/tn in Q1'2024, compared to EUR 2,232/tn in Q1'2023, i.e. lower by 9.2%. The average price of copper was EUR 8,122/tn versus EUR 8,322/tn in the respective prior period, falling by 2.4%, while the average price of zinc was EUR 2,547/tn in Q1'2024 versus EUR 2,915 /tn in Q1'2023, reduced by 12.6%.

Consolidated gross profit amounted to EUR 53.2 million in Q1'2024 versus EUR 64.6 million in Q1'2023, while consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) stood at EUR 44.8 million compared to EUR 56.0 million in Q1'2023 as a result of reduced conversion prices due to low demand and product mix. The accounting metal result, which amounted to losses of EUR 4.2 million in Q1'2024 versus losses of EUR 14.2 million for Q1'2023, negatively affected the aforementioned figures.

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 30.7%, reaching EUR 48.7 million in Q1'2024 versus EUR 70.3 million in the respective prior period.

Consolidated net financial result (cost) reached EUR 12.5 million in Q1'2024, declining by 7.3% versus the respective prior period of EUR 13.5 million. This is attributed to the decrease in net debt by EUR 190.0 million from Q1'2023, 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. It is worth noting that 59% of the total debt was at a fixed interest rate at the end of the period.

Consolidated profits after tax stood at EUR 14.6 million in Q1'2024 versus EUR 19.6 million in Q1'2023. Consolidated profit after tax and non-controlling interest amounted to EUR 12.9 million in Q1'2024 or (EUR 0.0345 per share), compared to EUR 18.0 million in the respective period of the prior year (or EUR 0.0481 per share).



## Key financial figures

Amounts in €' 000	Group	
	For the 3 months until 31.03.2024	For the 3 months until 31.3.2023
Sales	816,585	930,520
Gross profit	53,230	64,593
EBITDA	44,751	56,048
a-EBITDA**	48,724	70,289
EBIT	27,028	37,387
a-EBIT*	31,001	51,628
Net financial result	(12,480)	(13,458)
Profit before tax	14,672	24,867
Profit after tax	14,587	19,639
Profit after tax & non-controlling interests	12,939	18,041
Earnings per share	0.0345	0.0481

## Per segment analysis

€'000	Aluminium		Copper		Total	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Sales	399,614	443,069	416,971	487,451	816,585	930,520
EBITDA	13,855	23,193	30,897	32,855	44,751	56,048
a-EBITDA**	20,475	39,028	28,249	31,262	48,724	70,289
EBIT	2,173	10,065	24,855	27,322	27,028	37,387
a-EBIT*	8,794	25,900	22,207	25,729	31,001	51,629
EBT	(5,127)	2,097	19,799	22,770	14,672	24,867

## Net Debt

€'000	31.03.2024	31.03.2023
<b>Aluminium</b>	508,000	635,104
<b>Copper</b>	257,148	320,087
<b>Total</b>	<b>765,148</b>	<b>955,191</b>

\*\* **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

Revenue of the Aluminium Segment dropped by 9.8% year on year, to EUR 339.6 million compared to EUR 443.1 million due to the downtrend of metal prices and the impact of Etem's deconsolidation. Despite the volatile economic environment and macroeconomic challenges, the Segment showed an increase in sales volumes by 3.4% (5.6% following Etem's deconsolidation), taking advantage of the new investments of the Aluminum Division of ElvalHalcó, which showed a 10% increase in volumes, despite the unfavorable economic conditions. Weak demand for the Segment's products in the packaging and construction markets, combined with lower premiums, which curbed benefits from scrap usage, negatively impacted the Segment's profitability, which was partially offset by lower energy costs. A-EBITDA stood at a profit of EUR 20.5 million in Q1'2024 versus EUR 39.0 million in Q1'2023. Earnings before taxes of the Segment amounted to losses of EUR -5.1 million against gains of EUR 2.1 million in Q1'2023 and the accounting metal losses amounting to EUR 6.8 million compared to losses of EUR 15.8 million in Q1'2023.

The Segment's net debt stood at EUR 508.0 million in Q1 2024, dropping by EUR 127.1 million year over year due to improved working capital and a reduced investment program.

Concerning investments, the Aluminium Division of the parent Company paid approximately EUR 10.4 million, while the investments of the subsidiaries of the Aluminium Segment amounted to EUR 3.0 million.

## Copper Segment

Revenue of the Copper Segment reached EUR 417.0 million versus EUR 487.5 million in Q1'2023, negatively affected by the downtrend of metal prices and reduced volumes. Sales volumes dropped by 4.1% in Q1'2024, as a result of the significant decrease in demand in most segments of the economy. In particular, sales volumes of copper tubes marked a decrease of 6.7%, while extruded copper alloys sales volumes dropped by 26.7%, due to the fall of demand in the construction sector. Sales volumes of the subsidiary Sofia Med showed a marginal decrease for flat-rolled products by 0.2%, while bus bars marked an increase of 1.1% year-on-year. A-EBITDA reached EUR 28.3 million in Q1'2024 compared to EUR 31.3 million in Q1'23 due to the change in sales mix towards more high-added-value products and increased conversion prices. The accounting metal results for the period amounted to gains of EUR 2.6 million compared to profits of EUR 1.5 million in the respective prior year, and that affected profits before tax, which amounted to EUR 19.8 million versus EUR 22.8 million in Q1'2023.

Net debt stood at EUR 257.1 million in Q1'24, lower by EUR 62.9 million compared to Q1'23 due to the Segment's resilient operational profitability.

Regarding investments for Q1'2024, these amounted to EUR 6.6 million, out of which EUR 6.4 million were related to investments in the subsidiary Sofia Med.

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



## Outlook

ElvalHalcor anticipates the future with moderate optimism despite ongoing geopolitical crises, supply chain disruptions, the maintenance of high benchmark interest rates, and increases in raw materials and metal prices for the remainder of 2024. The Group has so far successfully coped with the challenges and delays and is not expected to handle any problems until the situation normalizes.

ElvalHalcor is well-positioned to leverage its broad and diversified product portfolio, as well as its strategic advantages, such as its customer-centric philosophy, innovative technology, and strong international orientation of sales, with no dependency on countries or geographical areas, which provide the ability to capitalize on any future opportunity. To that end, the significant investments which have been completed play an important key role, as they have further increased the production capacity of the Company in segments and products with prospects for dynamic growth in the context of the global sustainability megatrends of circular economy, climate neutrality, urbanisation and technological advancements. This fact allows ElvalHalcor to successfully respond to this dynamic and maintain its growth momentum in the long run despite the short-term effects from more cyclical segments in which it is active.

## Financial Calendar

Description	DATE
Analysts Briefing on Q1'24 Trading Update	23.05.2024
Annual General Meeting of Shareholders	23.05.2024
Ex-Dividend Date 2023 <sup>1</sup>	25.06.2024
Dividend 2023 - Record Date <sup>1</sup>	26.06.2024
Distribution of Dividend 2023 - Payment date <sup>1</sup>	01.07.2024
Announcement for Publication of H1'24 Financial Results	11.09.2024
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

<sup>1</sup> Following the approval of the General Assembly



**APPENDIX**

**Consolidated Condensed Statement of Financial Position**

(€' 000)

<b>ASSETS</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Non-current assets	1,257,773	1,256,318
Inventories	740,012	734,729
Trade receivables	355,451	291,336
Other current assets	8,326	9,020
Cash and cash equivalents	57,885	40,517
Assets held for sale	-	1,529
<b>TOTAL ASSETS</b>	<b>2,419,447</b>	<b>2,333,450</b>
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	146,344	146,344
Other Company's shareholders equity	807,003	793,273
<b>Company's shareholders equity</b>	<b>953,347</b>	<b>939,617</b>
Minority rights	24,369	22,765
<b>Total Equity</b>	<b>977,716</b>	<b>962,382</b>
Long term borrowings liabilities	693,140	702,352
Provisions / Other long-term liabilities	98,906	100,541
Short term borrowings liabilities	129,893	151,515
Other short-term liabilities	519,792	415,497
Liabilities directly associated with the assets held for sale	-	1,163
<b>Total Liabilities</b>	<b>1,441,731</b>	<b>1,371,068</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,419,447</b>	<b>2,333,450</b>

**Condensed Consolidated Statement of Cash Flows**  
(€' 000)

	<b>31.03.2024</b>	<b>31.03.2023</b>
Net cash flows from Operating activities	69,735	32,110
Net cash flows from Investing activities	(20,101)	(31,070)
Net cash flows from Financing activities	(32,241)	8,774
<b>Net (reduction)/ increase in cash and cash equivalents</b>	<b>17,393</b>	<b>9,814</b>