

9M'24

Press Release



ELVALHALCOR

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.



Athens, November 20th, 2024

Financial Results 9M'24

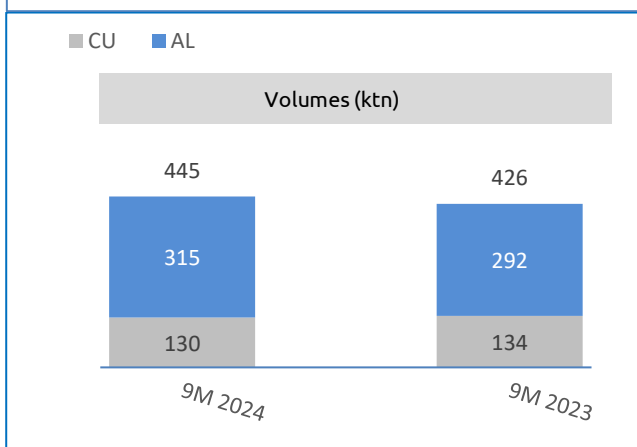
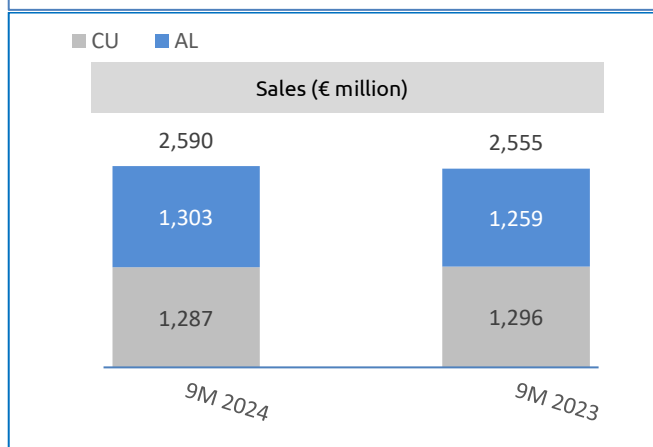
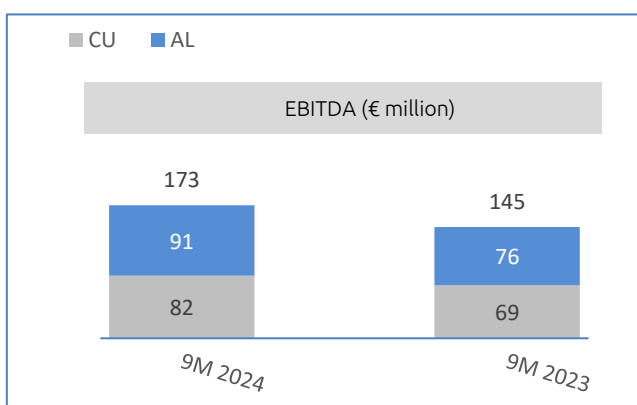
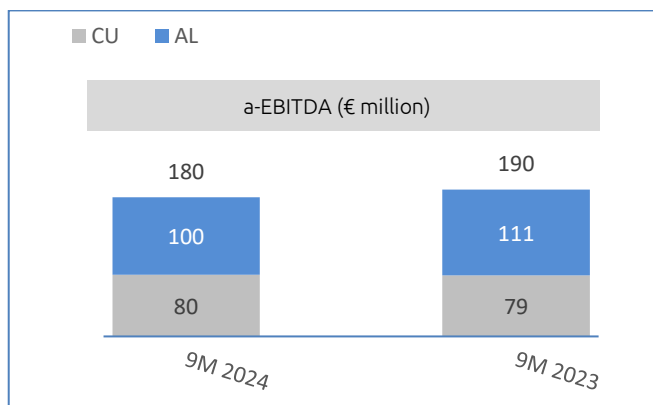
Improved working capital and reduction in net debt.

Financial highlights

- Operational profitability (a-EBITDA) at EUR 180.0 million.
- High operating cash flows.
- Increased profits before taxes to EUR 90.7 million compared to EUR 49.8 million in 9M' 23
- Net debt decreased by EUR 171.0 million while working capital improved by EUR 121.5 million from 30.09.2023.

Operational highlights

- Increased sales volumes despite the challenges of the economic environment and subdued demand across most markets.
- Increase in metal prices during Q3'24.





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

"During the nine months of 2024, the strategic investments made in previous years made an impact. Despite the increasingly adverse geopolitical and economic conditions, the Segments's sales volume increased by 7.7%, especially in the last quarters. Operational profitability remains strong, except for foil's Q1'24 results, which were weak, especially when compared to the strong Q1'23. Following the successful completion of our investment program, our efforts are focused on optimising the segment's working capital, an objective which has been achieved to a significant extent, contributing to the generation of free cash flow surplus. Finally, our customer-centric philosophy ensures our continuous growth."

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

"The Copper Segment continues to demonstrate resilience to changes in the economic environment, maintaining strong performance into Q3'24. Despite challenges in the construction segment, which negatively affected the demand for corresponding products, we achieved a marginal increase in operational profitability during the nine months of 2024 compared to the corresponding period last year. Cost containment and cost reduction strategies, as well as production optimisation, were the key pillars of our efforts. In addition, our subsidiary, Sofia Med, contributed significantly to the segment's results, gaining market shares by exploiting its competitive advantages. With its focus on developing innovative high-added value products, the high quality of its services and implementing its investment plan, Sofia Med's position was strengthened further in a competitive market, where demand moved downwards."

Overview

The ElvalHalcor Group continued its upward trend in the nine months of 2024, despite the above challenges. Sales volume increased by 4.4% compared to the respective period in 2023, while excluding the result of the de-consolidation of ETEM during the 1st quarter of 2023, this increase was by 4.9%, mainly affected by the increased sales in the Aluminium Segment of products for rigid packaging. Sales stood at EUR 2,590.5 million in nine months of 2024, increased by 1.4%, compared to EUR 2,554.9 million in nine months of 2023, positively affected by the increased LME prices and sales volume, while negatively by the sales mix between the two segments.

During Q3'24, the global economic activity continued to be subdued. In Europe, industrial activity remained weak, with demand in the construction segment remaining at low levels, affected by the increased interest rates. Economic uncertainty and geopolitical conflicts have negatively impacted the demand for industrial products. On the contrary, the de-escalation of inflation continued in the Q3 of the year, with energy prices standing at low levels.

Metal prices on the LME increased during the nine months of 2024. The average price of aluminium was EUR 2,178/tn in 9M'2024, compared to EUR 2,096/tn in 9M'2023, i.e. higher by 3.9%. The average price of copper was EUR 8,403/tn versus EUR 7,919/tn in the respective prior period, higher by 6.1%, while the average price of zinc was EUR 2,473/tn in 9M'2024 versus EUR 2,486 /tn in 9M'2023, lower by 0.5%.

Consolidated gross profit amounted to EUR 210.1 million in 9M'2024 versus EUR 165.2 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 5.1%, reaching EUR 180.0 million in 9M'24 versus EUR 189.7 million in the respective prior year period. Respectively, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at EUR 173.2 million compared to EUR 144.8 million in 9M'23 as a result of the positive accounting metal result, which amounted to profits of EUR 3.7 million in 9M'24 versus losses of EUR 43.1 million for 9M'23.

Consolidated net financial result (cost) reached EUR 34.5 million in 9M'2024, improved by 15.7% versus the respective prior period of EUR 40.9 million. This is attributed to the decrease in net debt by EUR 171.0 million from Q3'23, as a consequence of the enhanced free cash flows of the Company boosted by the successful management of working capital and the slowdown of investments after the completion of the investment program of the Aluminium Segment. The Group has also taken the necessary actions to narrow its exposure to its financial costs arising from the significant increase in the reference interest rates, achieving, at the end of the period, 62% of its total debt to be at a fixed interest rate.

Consolidated profits after tax stood at EUR 90.7 million in 9M'2024 versus EUR 49.8 million in 9M'2023, while consolidated profit after tax and non-controlling interest amounted to EUR 70.9 million in 9M'2024 or (EUR 0.1891 per share), compared to EUR 33.4 million in the respective period of the prior year (or EUR 0.0889 per share).



The dividend for 2023 was paid on 01.07.2024, amounting to EUR 0.04 EUR per share.

Key financial figures

Amounts in €' 000	Group	
	For the 9 months until 30.09.2024	For the 9 months until 30.09.2023
Sales	2,590,457	2,554,860
Gross profit	210,148	165,224
EBITDA	173,208	144,817
a-EBITDA**	180,035	189,683
EBIT	122,796	88,315
a-EBIT*	129,623	133,181
Net financial result	(34,530)	(40,974)
Profit before tax	90,740	49,842
Profit after tax	75,814	37,597
Profit after tax & non-controlling interests	70,924	33,377
Earnings per share***	0.1891	0.0889
Net Debt	691,470	862,425

Per segment analysis

€'000	Aluminium		Copper		Total	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Sales	1,303,414	1,259,293	1,287,042	1,295,567	2,590,457	2,554,860
EBITDA	91,581	76,001	81,627	68,816	173,208	144,817
a-EBITDA**	100,287	110,590	79,748	79,093	180,035	189,683
EBIT	56,598	36,349	66,198	51,966	122,796	88,315
a-EBIT*	65,304	70,938	64,319	62,243	129,623	133,181
EBT	36,969	12,965	53,771	36,877	90,740	49,842

* a-EBIT= a-EBITDA – Depreciation

** 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

***Earnings per share are calculated by dividing the profits after taxes attributable to the common shareholders of the parent company by the weighted average number of common shares, excluding the average number of treasury shares held by the Group.



Aluminium Segment

The Aluminium Segment continued its upward trend in terms of sales volume, taking advantage of the new investments of the Aluminium Rolling Division, achieving a 7.7% increase (or by 8.5% excluding the result of the de-consolidation of ETEM), mainly for products aimed at rigid packaging, and for foil products which rebounded after the weak first quarter of 2024. The Segment's turnover was positively affected by the above improvement and amounted to EUR 1,303.4 million for the period compared to EUR 1,259.3 million for 2023. The operational profitability of the Segment dropped by 9.3% to EUR 100.2 million for the nine months of 2024 compared to EUR 110.6 million in the corresponding period in 2023 due to low conversion prices for foil products, the sales mix and the impact of Etem's de-consolidation. Earnings before tax stood at EUR 37.0 million in 9M'2024 versus EUR 75.4 million in 9M'2023, as the accounting metal result amounted to losses of EUR 7.7 million in 9M'24 compared to gains of EUR 34.5 million in 9M'2023.

Reduced investments of EUR 33.1 million for 9M'24 (from EUR 53.3 million in the nine months of 2023), the significant improvement of working capital by EUR 60.7 million from the year-end, combined with the strong operating profitability, led to free cash flows of EUR 119 million.

Copper Segment

The Copper Segment's revenues reached EUR 1,287.0 million versus EUR 1,295.6 million in 9M'2023, decreased by 0.7%, negatively affected by the reduced sales volumes. The reduced demand in most segments of the economy, mainly for products for construction and industrial applications, affected the Segment's sales volume, which dropped by 2.8%. In particular, sales volume for copper tubes decreased by 4.1%, while extruded copper alloys dropped by 5.1%. Flat-rolled products of the subsidiary Sofia Med decreased by 2.5%, mainly due to its product mix with thinner, higher value-added products, while sales volume for extruded products remained flat. The Segment's profitability remained resilient during Q3'24 due to the improved product mix, the stable conversion prices and decreased energy costs. At the same time, the intensive efforts to reduce costs through the optimisation of the production process and the improved results from the utilisation of scrap in production contributed positively to the Segment achieving its financial results. Adjusted consolidated earnings before taxes, interest, depreciation, amortisation, metal results and other exceptional items (a-EBITDA) of the Segment were slightly increased, amounting to EUR 79.8 million against EUR 79.1 million in the first nine months of 2023. The accounting metal results for the period amounted to profits of EUR 11.3 million compared to losses of EUR 8.7 million in the respective prior year period, affecting profits before tax, which amounted to EUR 53.8 million versus EUR 36.9 million in 9M'2023.

Investments for 9M'24 amounted to EUR 15.1 million, of which EUR 12.5 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.



Outlook

ElvalHalcor anticipates the future with moderate optimism despite the energy prices, ongoing geopolitical crises, high benchmark interest rates, and volatility in metal prices. Following the 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, transition to climate neutrality, urbanisation, technological development as well as sustainable development. In addition, the Group 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 Q3'24 Trading Update	21.11.2024



APPENDIX

Consolidated Condensed Statement of Financial Position

(€' 000)

	30.09.2024	31.12.2023
ASSETS		
Non-current assets	1,242,411	1,256,318
Inventories	784,715	734,729
Trade receivables	342,462	291,336
Other current assets	13,275	9,020
Cash and cash equivalents	97,299	40,517
Assets held for sale	-	1,529
TOTAL ASSETS	2,480,162	2,333,450
EQUITY & LIABILITIES		
Share Capital	146,344	146,344
Other Company's shareholders equity	849,268	793,273
Company's shareholders equity	995,612	939,617
Minority rights	25,757	22,765
Total Equity	1,021,368	962,382
Long-term borrowings liabilities	625,581	702,352
Provisions / Other long-term liabilities	100,911	100,541
Short-term borrowings liabilities	163,187	151,515
Other short-term liabilities	569,114	415,497
Liabilities directly associated with the assets held for sale	-	1,163
Total Liabilities	1,458,794	1,371,068
TOTAL EQUITY & LIABILITIES	2,480,162	2,333,450

Condensed Consolidated Statement of Cash Flows (€' 000)

	30.09.2024	30.09.2023
Net cash flows from Operating activities	192,776	186,010
Net cash flows from Investing activities	(43,753)	(67,670)
Net cash flows from Financing activities	(92,242)	(96,458)
Net (reduction)/ increase in cash and cash equivalents	56,782	21,882