



REGULATED INFORMATION
INSIDE INFORMATION

PRESS RELEASE OF VIOHALCO SA

Brussels, September 13, 2023

The enclosed information constitutes regulated information as defined in the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market.

Viohalco’s subsidiary, ElvalHalcor today submits its H1 2023 financial results to the Athens Stock Exchange

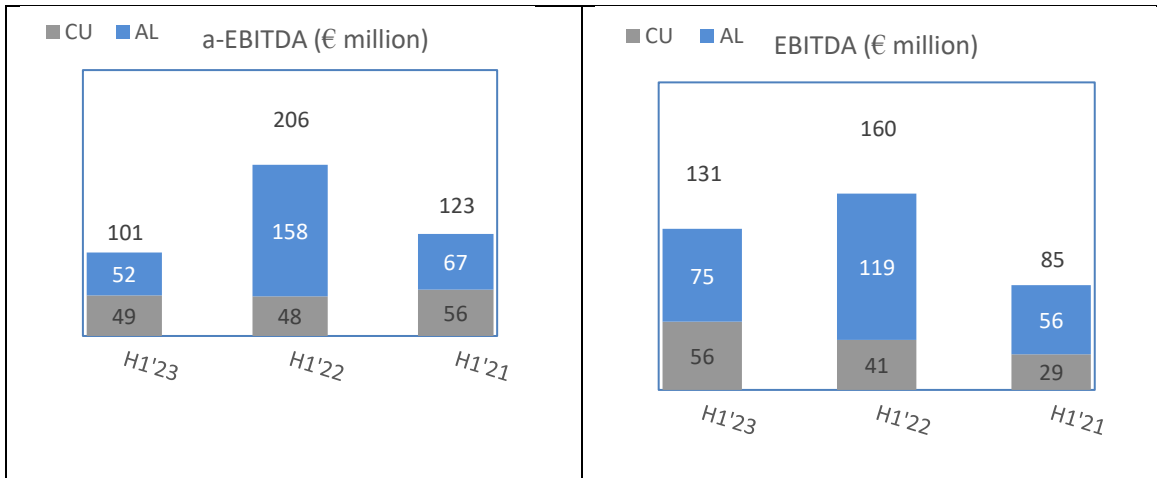
Operational profitability and decrease of net debt

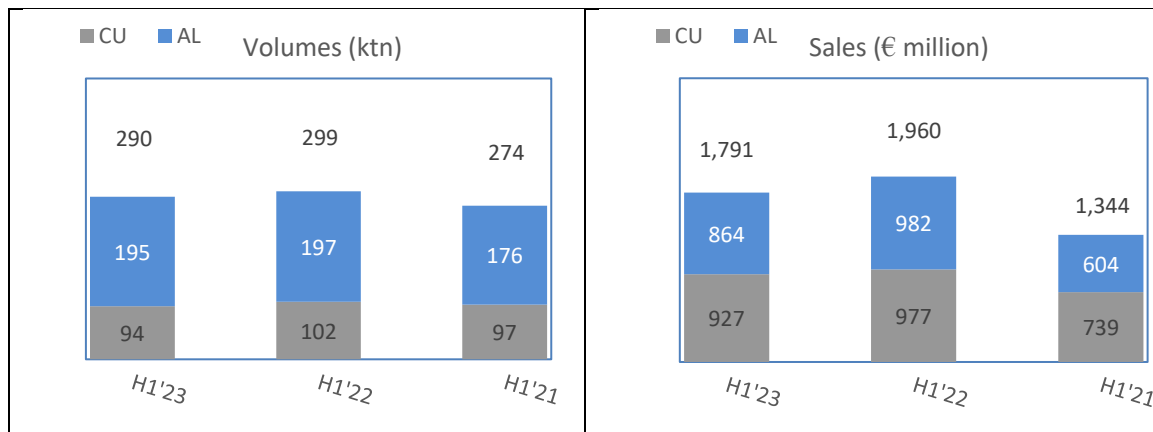
Financial highlights

- Robust operational profitability (a-EBITDA) at EUR 130.9 million.
- High net cash flows from operational activities at 144.9 million.
- Decrease in net debt by EUR 163.3 million year-on-year (from 30.06.2022) and by 70.0 million from 31.12.2022.

Operational highlights

- Resilience to the challenges of the economic environment following the extraordinary H1’22, with a decrease in sales volume of 3.2%.
- Reduced demand in most segments of the economy.
- Aluminium segment’s investments were completed during the H1’23.
- Payment of fiscal year 2022 dividend – EUR 0.06 per share





Commenting on the financial results, the General Manager of the Aluminium Segment, Nikolaos Karabateas, stated:

“This year signals the commencement of a new era for the Aluminium segment of ElvalHalcor, as we have completed the second phase of the investment program, by significantly increasing the production capacity and flexibility of our production process. The adverse market conditions did not allow us to reach the growth in our sales volumes that we would like and can now achieve, however our flexibility proved once more crucial in maintaining high volumes and more importantly, adjusted operational profitability. The latter may not have reached the exceptional levels of the previous year, however surpassed the financial year 2021, demonstrating both the upward long-term trend and prospect. “

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

“Dampened demand for copper products, which commenced in the second semester of the prior year, continued during this period. Despite negative conditions, the Copper Segment of ElvalHalcor achieved a record in terms of adjusted operational profitability, as our consistent policy and stability led to an increase in sales volume and high profits for our subsidiary Sofia Med, while our actions to contain and optimise our production process in the remaining subsidiaries enabled us to minimise the losses from the drop in sales volume.”

Overview

After the exceptional first half of 2022, characterised by excessive demand in most segments of the economy, the global financial activity stagnated in the first half of 2023, with demand dropping, especially in the construction sector as well as in other markets, with Eurozone's economy entering a technical recession after two consecutive quarters of declining GDP. Inflation in Europe continued its downward trend after peaking in October 2022, assisted by the gradual de-escalation of energy prices. It remained however on high levels, that did not allow any changes in the monetary policy of the Central Banks, and the latter continued to increase the reference interest rates. The change in the economic environment and expectations, in conjunction with the normalization in the supply chain, led to a prolonged de-stocking effect with a significant impact on demand.

In this challenging international economic environment, the ElvalHalcor Group remained resilient, as sales volume dropped slightly by 3.2% compared to H1'22, remaining significantly increased in comparison to H1'21. In particular, the Aluminium's Segment sales volume, excluding the impact of Etem's deconsolidation from Q2'23, was slightly increased by 1% (-0.8% included Etem). Turnover stood at EUR 1,790.9 million in H1'23, down by 8.6%, compared to EUR 1,959.7 million in H1'22.

LME metal prices were lower in the first semester of 2023 compared to the corresponding period in 2022. The average price of aluminium stood at EUR 2,155/tn in H1'23, compared to EUR 2,817/tn in H1'22, dropping

by 23.6%. The average price of copper reached EUR 8,050/tn versus EUR 8,926/tn in the respective prior year, falling by 9.8%, while the average price of zinc was EUR 2,619/tn H1'23 versus EUR 3,504 /tn in H1'22, dropping by 25.2%.

Consolidated adjusted earnings before taxes, interest, depreciation and amortisation, metal result, and other exceptional items (a-EBITDA), which better reflect the operational profitability of the Group, declined by 18.0%, reaching EUR 130.9 million in H1'23 versus EUR 159.6 million compared to the respective prior period, mainly affected by the lower spreads from recycling and inflationary pressures. It is noteworthy that a-EBITDA remained at a much higher level than the respective of H1'21 (EUR 85.2 million).

Consolidated gross profit amounted EUR 120.1 million in H1'23 versus EUR 215.6 million in H1'22, while consolidated earnings before interest, taxes, depreciation & amortisation (EBITDA) stood at EUR 100.6 million compared to EUR 206.2 million in the corresponding prior period. The aforementioned figures were negatively affected by the accounting metal result, which amounted to losses of EUR 29.3 million for the first semester of 2023 versus profits of EUR 47.0 million for H1'22.

Consolidated net financial result (cost) reached to EUR 26.4 million in H1'23, rising by 43.3% in comparison to the respective prior period of EUR 18.5 million. This is attributed to the increased interest rates while was partially offset by the decrease in net debt and restrained by the loans received at fixed rates which represent 54% of total loans at the end of the fiscal period.

Consolidated profits after tax stood at EUR 28.8 million in H1'23 versus EUR 121.0 million in H1'22. Consolidated profit after tax and non-controlling interest amounted to EUR 25.9 million in H1'23 or (EUR 0.0691 per share), compared to EUR 119.1 million in H1'22 (or EUR 0,3174 per share).

On 30.06.2023 the dividend for the year 2022 of EUR 0.06/share was paid in full.

The retention of operational profitability at high levels, the decrease in working capital needs driven by the combination of its effective management and lower metal prices, as well as the completion of the major investment program, enabled the Group to reduce its net debt by EUR 70,0 million from the year ending 31st of December 2022 (EUR -163,3 million from H1'22).

Key financial figures

Amounts in €' 000	Group		
	H1'23	H1'22	H1'21
Sales	1,790,905	1,959,699	1,343,916
Gross profit	120,138	215,536	130,706
EBITDA	100,612	206,207	122,776
a-EBITDA**	130,935	159,602	85,241
EBIT	63,118	171,946	88,975
a-EBIT*	93,441	125,341	51,440
Net financial result	(26,438)	(18,488)	(14,412)
Profit before tax	38,633	153,534	97,875
Profit after tax	28,807	120,952	85,799
Profit after tax & non-controlling interests	25,947	119,111	83,572
Earnings per share €	0.0691	0.3174	0.2227

** 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

ElvalHalcor's full results announcement and financial statements in English are available on its corporate website www.elvalhalcor.com.

About Viohalco

Viohalco is the Belgium based holding company of leading metal processing companies in Europe. It is listed on Euronext Brussels (VIO) and the Athens Stock Exchange (BIO). Viohalco's subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products, and are committed to the sustainable development of quality, innovative and value-added products and solutions for a dynamic global client base. With production facilities in Greece, Bulgaria, Romania, the United Kingdom and North Macedonia and participations in companies with production facilities in Turkey, Russia and the Netherlands, Viohalco companies generate a consolidated annual revenue of EUR 7 billion (2022). Viohalco's portfolio also includes an R&D&I and technology segment. In addition, Viohalco and its companies own real estate investment properties, mainly in Greece, which generate additional value through their commercial development.

For more information, please visit our website at www.viohalco.com.