



ELVALHALCOR

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

16th April 2019

Corporate Presentation

Elvalhalcor at a Glance

ElvalHalcor is a Greek-based leading global player in the non-ferrous metals industry

Key Highlights

- Leading global manufacturer of aluminium and copper products, formed in December 2017 via the merger of Elval and Halcor
- More than 80 years of experience
- Ranks amongst the biggest global non-ferrous metal industry producers
- Commercial export orientation with well-balanced international presence across more than 100 countries
- Solid client base comprising blue chip, sector-leading companies
- Strong production base across 14 industrial units in Greece, Bulgaria, Turkey and the Netherlands
- Investment plan €150m in Aluminium segment which is expected to increase total output by c.20% upon completion
- Listed on Athens Stock Exchange.



2.1
EUR billion
revenue



1.9
EUR billion
total exports



142
EUR million adj.
EBITDA



482
Thousand tons
volume of sales



No.1
Copper tubes
producer in
Europe



European
leading
positions in
aluminium
products



102
Countries
products are
shipped

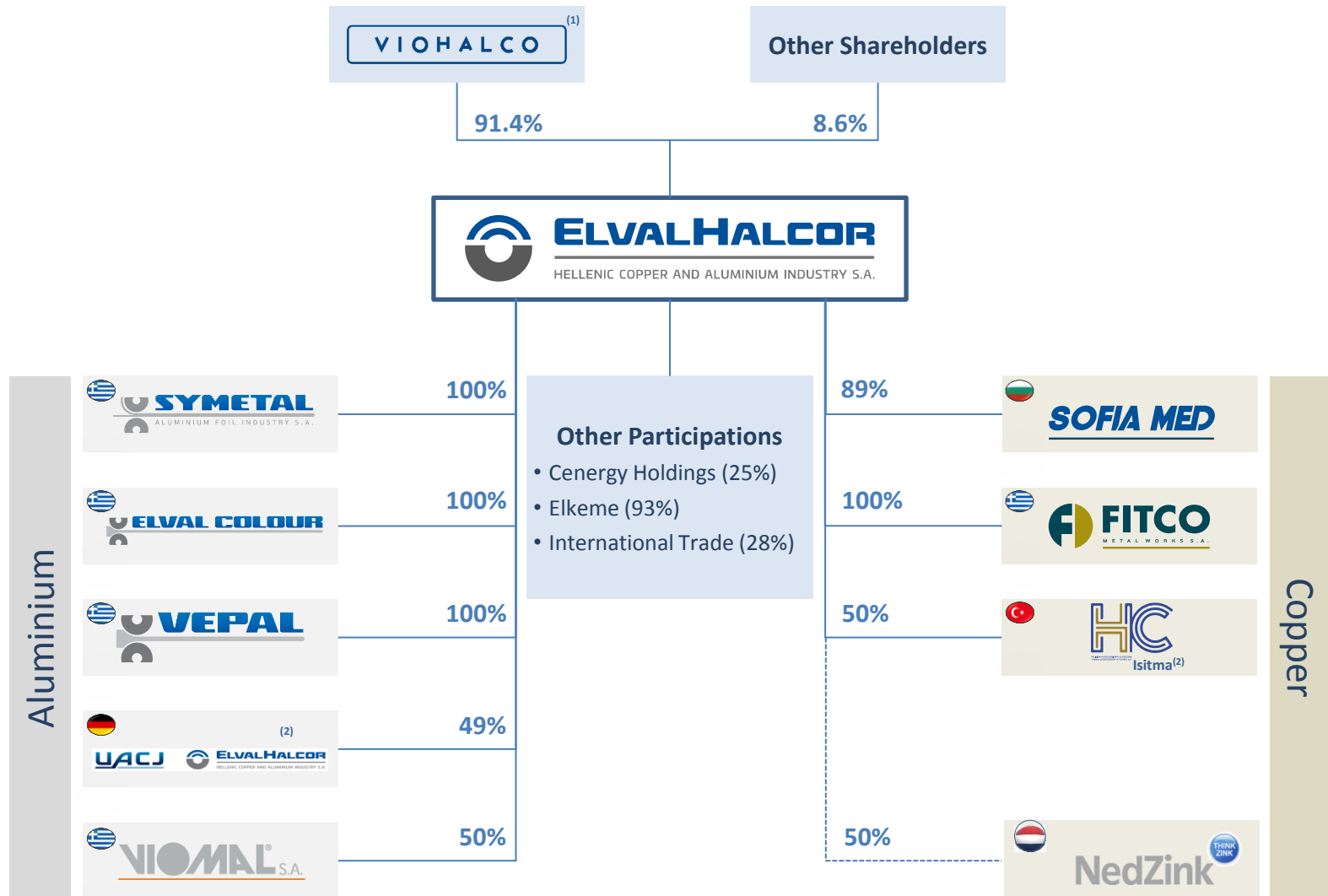


14
State of the art
production
plants



>500
EUR million
investments
during the last
10 years

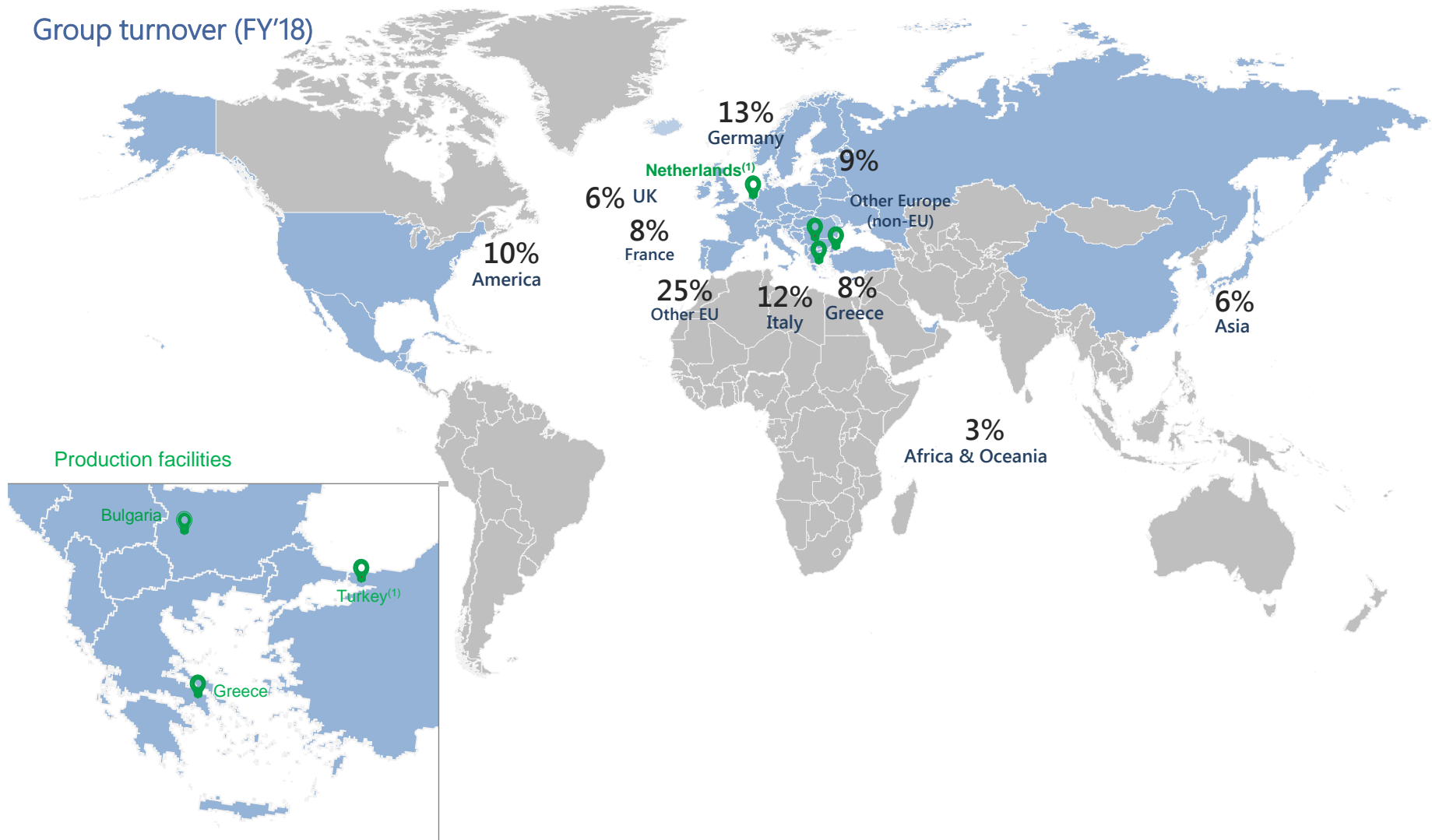
Corporate Structure Overview



International Focus

Highly extrovert business model with solid presence in more than 100 countries around the globe and revenues generated abroad representing over 92% of total turnover

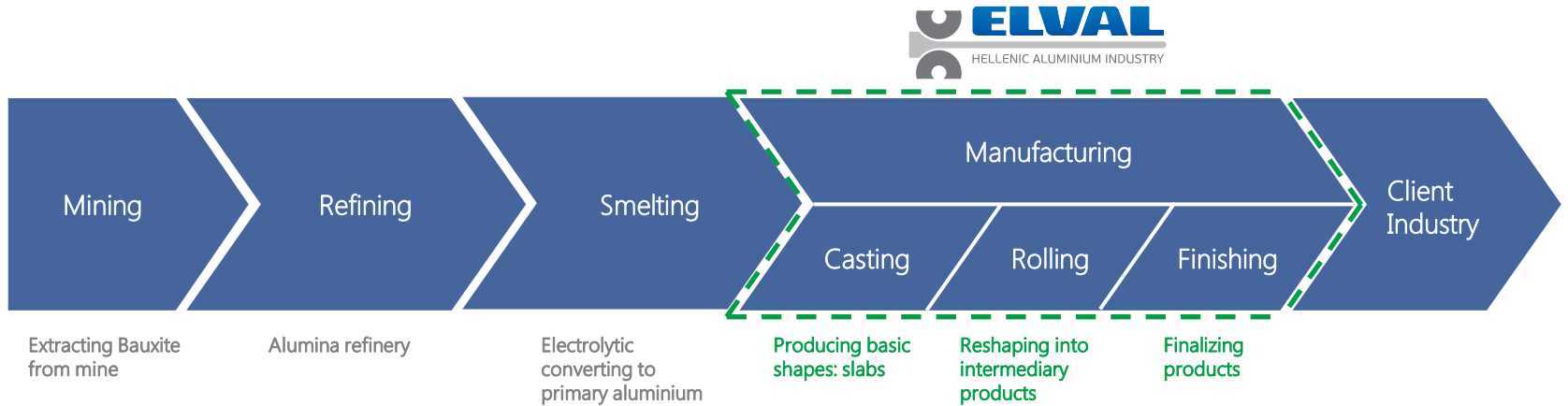
Group turnover (FY'18)



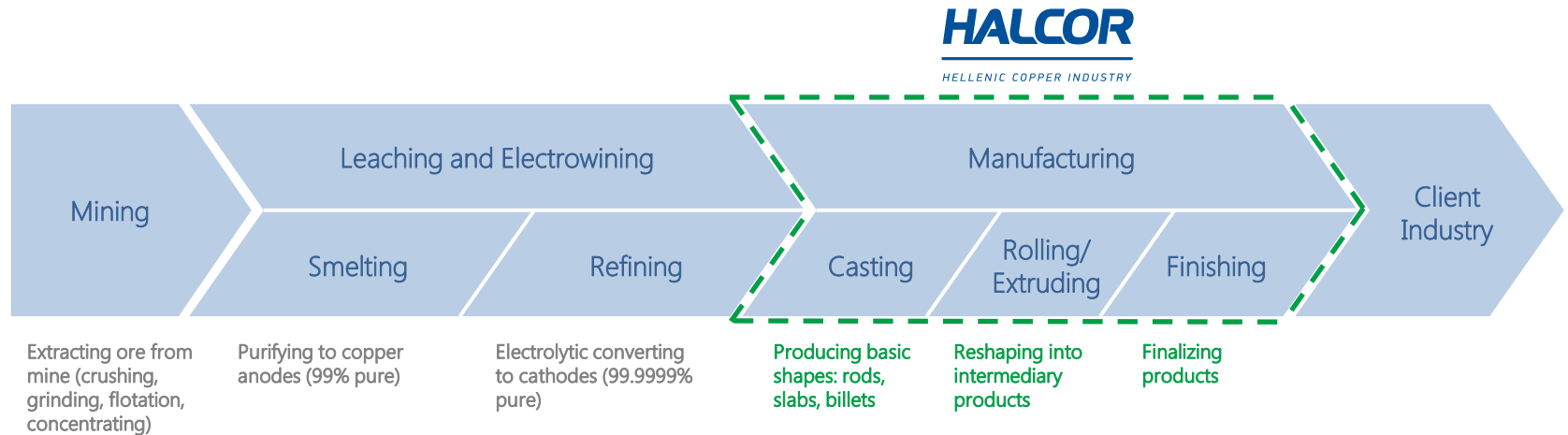
1. NedZink B.V. and HC Isitma production facilities are JVs

Position in the Value Chain

Aluminium



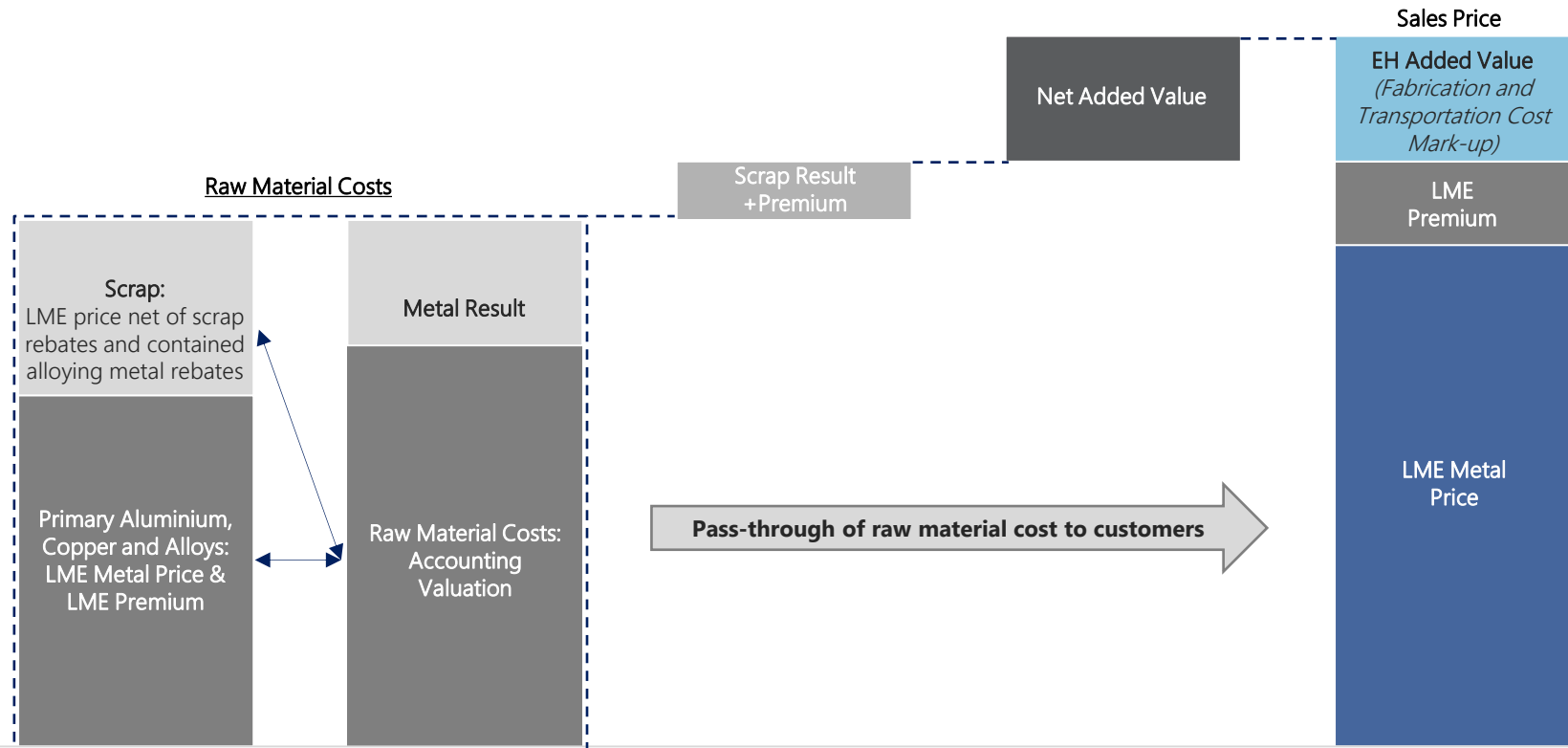
Copper



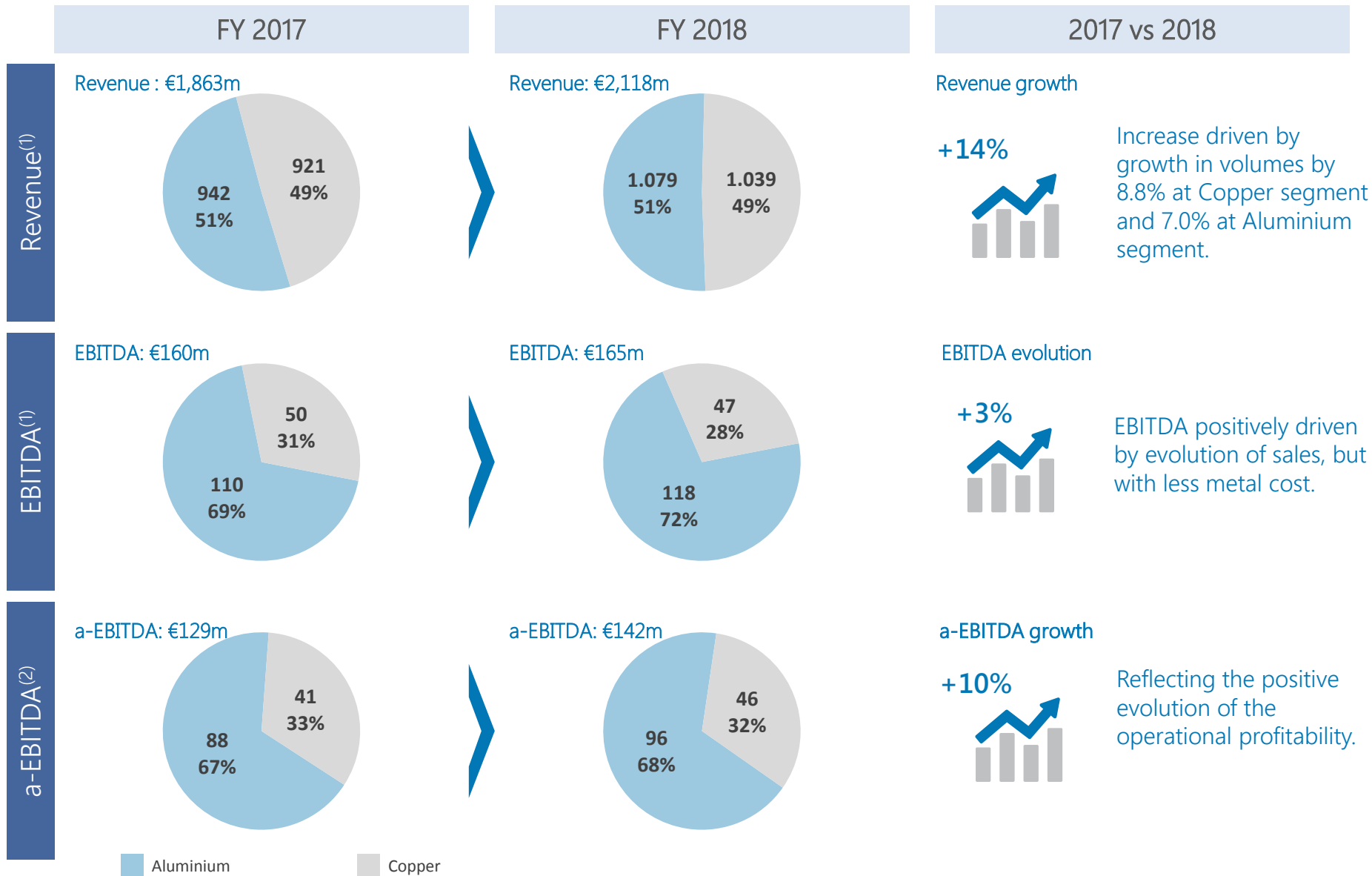
Pass-through Business Model

Focus on maximizing Net Added Value, with limited exposure to commodity price volatility

- EvalHalcor purchases primary copper and aluminium, scrap and alloying metals to re-melt the materials and create products.
- Majority of cost of raw materials is directly linked to LME metal price, which is passed on to customers.
- EvalHalcor creates net added value primarily through a fabrication cost mark-up.
 - ✓ Premiums are charged on top of LME prices including (i) premium to cover cost of receiving physical metal, (ii) any regional premiums, and (iii) a conversion price, representing cost and margin on manufacturing the final product
- As a result, EvalHalcor has minimal net exposure to aluminium and copper prices.



Financial Highlights FY 2018



Aluminium Copper

Capitalizing on market trends and own strengths to accelerate EBITDA growth

Situation Overview / Actions

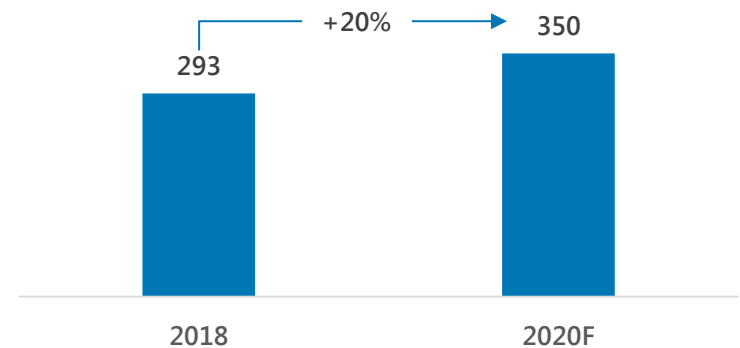
Expected Outcome

Aluminium

- Currently operating at full capacity allowing for improving sales/product mix profitability.
- New €150m investment to boost capacity by 57,000tn (or c.20% of existing capacity), further improve cost and quality and lay foundations for further expansion.



Increase Installed Capacity ('000tn)⁽¹⁾

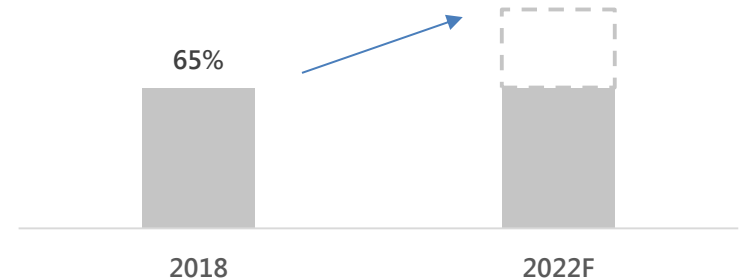


Copper

- Turnaround of FRP Copper and alloy unit, allowing double-digit growth rate taking advantage of excess capacity and favourable market dynamics.
- High capacity utilization for tube plants and market positioning driving sales mix profitability.



Increase Capacity Utilization⁽²⁾

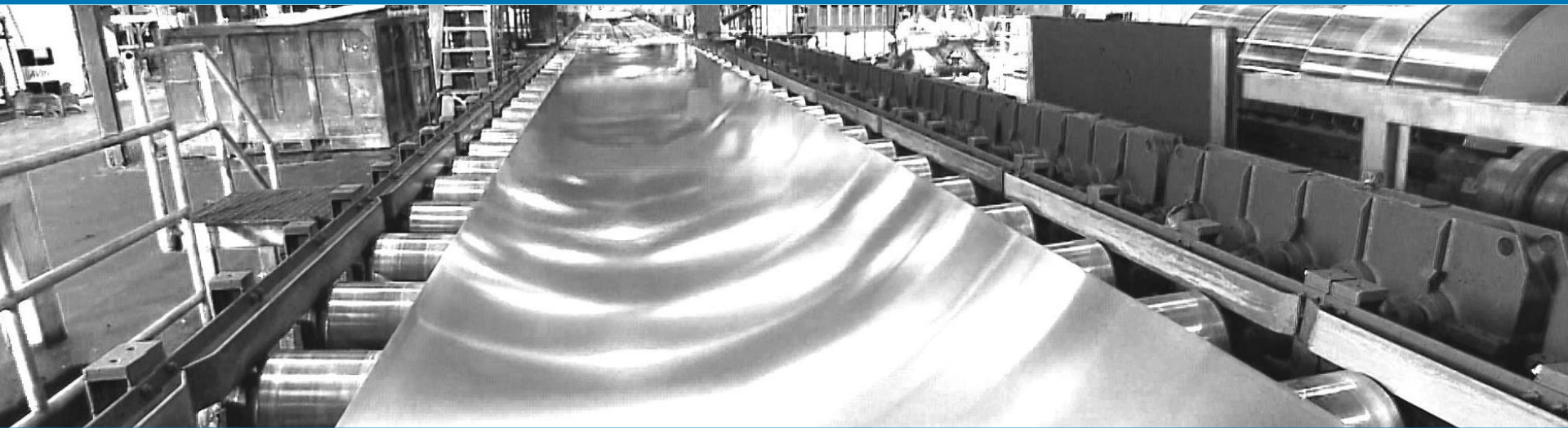




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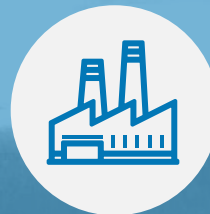
Aluminium Segment



State of the art production facilities with capabilities to produce wide coils and long slabs



Fifth largest player in Europe with 7% market share

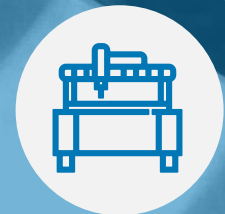


7 plants in Greece, with annual production capacity exceeding 290,000 tons

Investment plan of €150m expected to increase capacity by c.20% by 2020



89% of turnover in sales abroad in around 100 countries

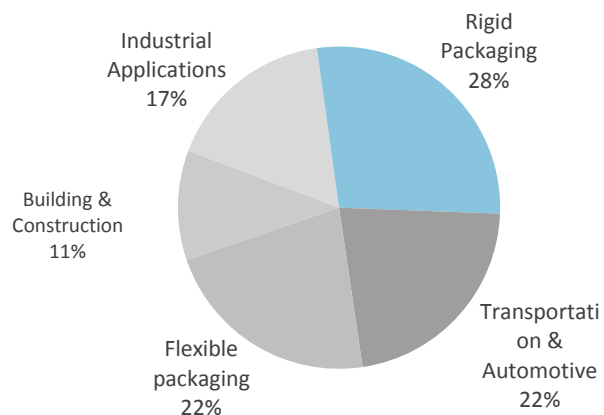


Invested more than €350m in equipment and R&D for capacity expansion and quality improvement during the last 10 years

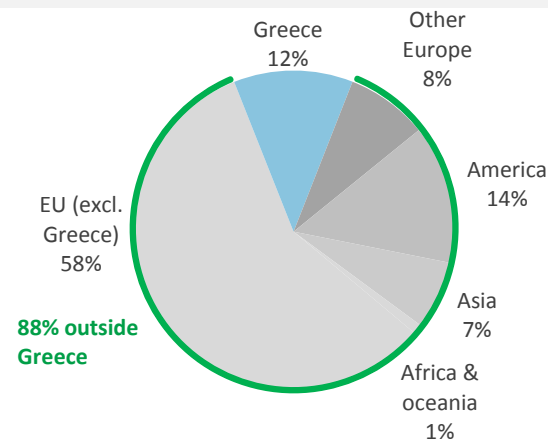
Revenue by Segment & Market Share

Revenue breakdown (FY 2018)

By Market (% of tons)

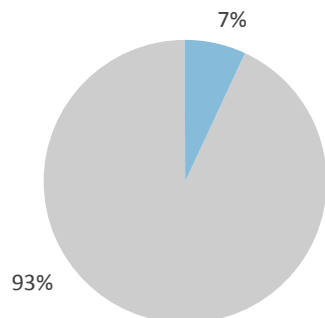


By Geographical Segment (% of €)

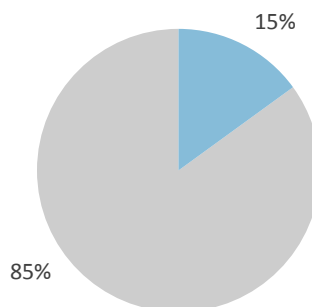


European Market Shares (2018)

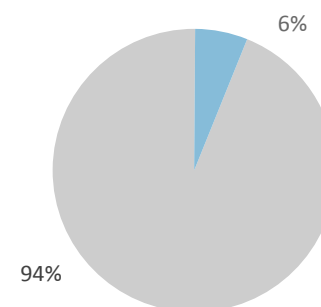
Flat Rolled Aluminium Products



Coated Aluminium



Aluminium Foil



- **c.39% Market Share in Food Packaging**
- **c.22% Market Share in Marine Applications**
- **13% Market Share in Building and Construction**

■ Group's share ■ Other Companies' share

Rolling



Oinofyta
Greece



Flat rolled aluminium products and solutions for:

- Sea, road and rail transportation
- Food & beverages packaging
- HVAC

Capacity: 292,500 tons/year⁽¹⁾

Foil Rolling



Oinofyta
Greece



Foil for:

- Pharmaceutical packaging
- Technical applications semi rigid packaging
- Household aluminium foil semi, etc.

Capacity: 52,000 tons/year

Foil Converting



Mandra
Greece



Foil for:

- Pharmaceutical packaging
- Flexible packaging
- Confectionery, etc.

Capacity: 26,000 tons/year

Composite Panels



St. Thomas
Greece



Solutions for a complete range of coated aluminium products used in the building envelope

Rolling Shutters



Nea Artaki
Greece



- Aluminium rolling shutters and doors
- Spacer bars
- Powder coating

Coil Coating



Thiva
Greece



Aluminium coil and strips coating for architectural use

Packaging



- Beverage cans
- Food containers
- Closure caps
- Flexible packaging
- Household foil



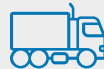
Shipbuilding



- Patrol vessels
- Catamarans
- Yachts
- Ferries



Commercial Transportation



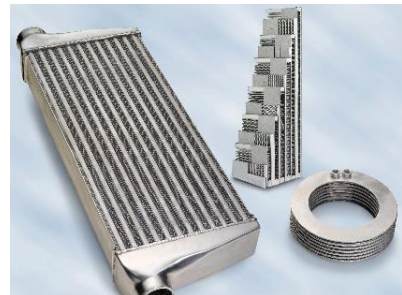
- Tipper trucks
- Road silos
- Refrigerator trucks
- Cargo wagons



Automotive



- Internal parts
- Heat exchangers
- Air pressure vessels/ Fuel tanks
- Suspension & brake systems



Aluminium - Rolled Products/Markets

Industrial applications



- Lamp base
- Renewable energy
- Multi-layer tubes
- Bus ducts



Domestic applications



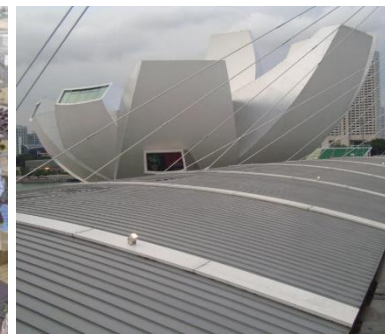
- Cookware
- White goods



Building & Construction



- Façades
- Roofing
- Rain gutters
- False ceilings
- Roller shutters
- Functional coatings
- Flashings





- Quality: certified according to ISO 9001/2015
- Environmental management: certified with ISO 14001/2015
- Energy management system: certified according ISO 50001/2011
- Health and safety management systems: certified according to Occupational health and Safety management systems: OHSAS 18001/2007
- Certified according to IATF 16949
- Certifications by all major classification societies
- Quality standards according to individual customer requirements

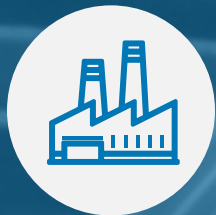




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Copper Segment



State of the art production facilities for copper and copper alloy products:

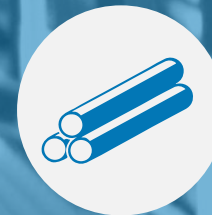
- Largest tube mills in EMEA region and among the most efficient in Europe
- One of the largest extrusion presses worldwide



European market leader in copper tubes
Rapidly rising position in copper and copper alloy RFP



Products sold in around 80 countries around the world, representing 96% of segment's total turnover



High specifications output according to customers' quality demand



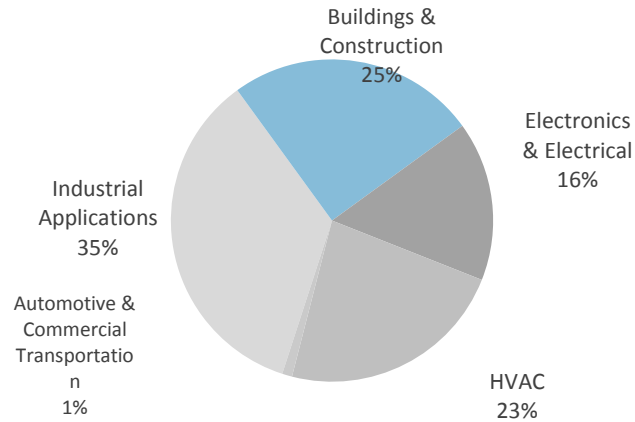
Strong input in:

- HVAC&R industry
- Electrical industry
- Production engineering

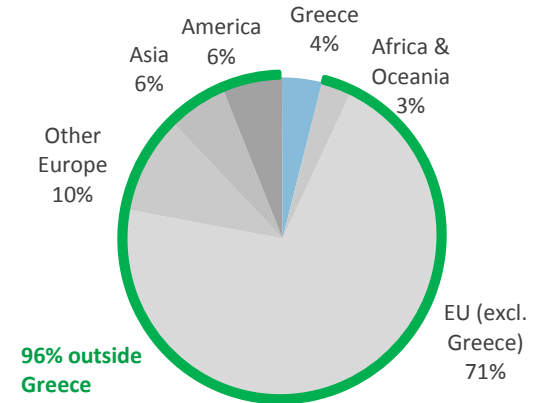
Revenue by Segment & Market Share

Revenue Breakdown (FY 2018)

By Market (% of tons)

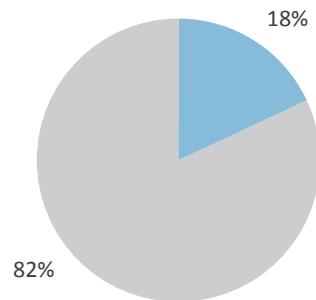


By Geographical Segment (% of €)

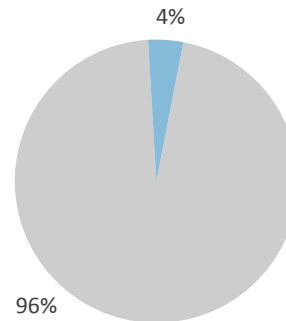


European Market Shares (2018)

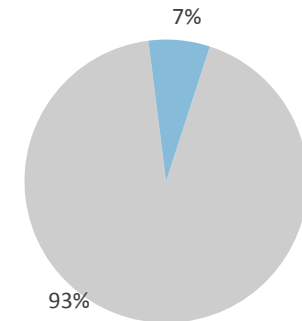
Copper Tubes



Extruded Copper and Alloy Products



Rolled Copper and Alloy Products



■ Group's share ■ Other Companies' share

Tubes



Oinofyta
Greece

HALCOR

Copper tube plant producing:

- Copper tubes with or without plastic coating or industrial insulation

Capacity: 80,000 tons/year

Foundry



Oinofyta
Greece

HALCOR

Foundry producing:

- Copper billets and slabs
- Copper alloy billets

Capacity: 235,000 tons/year

Alloy Bars, Tubes and Wires



Oinofyta
Greece

FITCO
METALWORKS S.A.

Specialises in the production of extruded copper alloy

Capacity: 40,000 tons/year

Copper and Brass



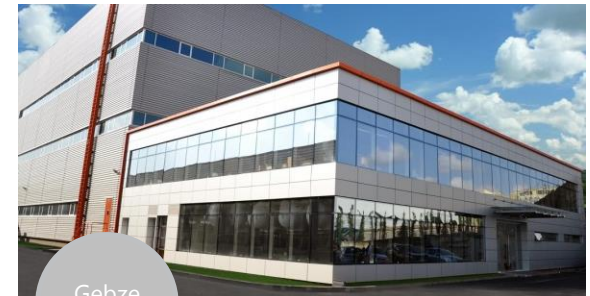
Sofia
Bulgaria

SOFIA MED

Specialises in the production of rolled and extruded copper and copper alloy products

Capacity: 120,000 tons/year

Tubes



Gebze
Turkey

HC⁽¹⁾

Capacity: 4,200,000 meters/year Ecutherm copper tubes

Capacity: 1,800,000 meters/year corrugated A/C drain hose

Products and Main Applications

Copper tubes

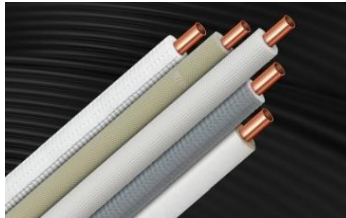
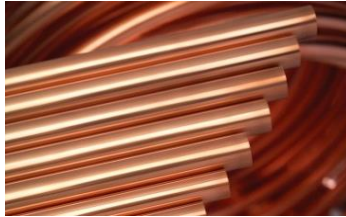
Copper tubes bare, pre-insulated or inner grooved from 4 up to 108 mm for:



Building & Construction



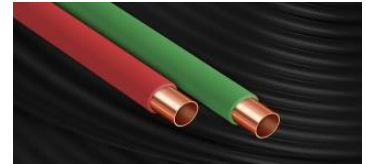
- Water supply and Heating networks
- Under floor heating and cooling
- Air-conditioning
- Refrigeration
- Natural gas
- Medical gas distribution networks
- Fire extinguishing networks



Renewable Energy



- Solar panels
- Solar system networks
- Geothermal heating & cooling



HVAC&R



- Air-conditioning
- Refrigeration
- Heat exchangers



Industrial Applications



- Fittings
- High frequency cables
- Boilers
- Filters
- Various industrial applications



Products and Main Applications

Innovative products - Cusmart®



Copper tubes for:

- Water supply
- Heating (pre-insulated with PE-X)
- Under floor heating

Cusmart® provides a complete system along with a wide range of Compression and Press fittings.

Due to combination of high quality plastics with lower wall thickness copper tubes, the replacement cost per ton is lower compared to the cost of a pure copper product.

Meets the requirements and are certified according to DVGW Vp 652, ELOT 1425/ 1426 and NSF/ANSI 61.



CUSMART®

Extruded Products



Copper alloy and brass rods, bars, sections, tubes, flats, wires for: Construction, decoration, electrical engineering (electronic control panels, valves, batteries etc.), supports for gutters.

Produced by Fitco and Sofia Med



Rolled Products



Copper and brass and HP alloys in sheets, strips, plates for: Construction (roofing, gutters), electrical engineering (connectors, transformers, boilers, etc.), decoration.

Produced by Sofia Med





Halcor's capability to produce meets all international specifications and customer specific requirements, with the highest standards of QUALITY

- Quality: certified according to ISO 9001/2015
- Environmental Management: certified with ISO 14001/2015
- Energy Management System: certified according ISO 50001/2011
- Health and Safety Management Systems: certified according to Occupational Health and Safety Management Systems: OHSAS 18001/2007

SPAIN - AENOR 	GERMANY - GL 	GERMANY - TÜV CERT 	ROMANIA - AR 
RUSSIA - GOST 	FRANCE - CSTB 	GERMANY - DVGW 	FINLAND - VTT 
SWEDEN - SITAC 	USA - NSF 	FRANCE - AFNOR 	GERMANY - CU 
CROATIA - VIK 	U.K. - BSI 	SINGAPORE - SETSCO 	EUROPEAN COM. 
ALGERIA - GREDEG 	NETHERLANDS - KIWA 		

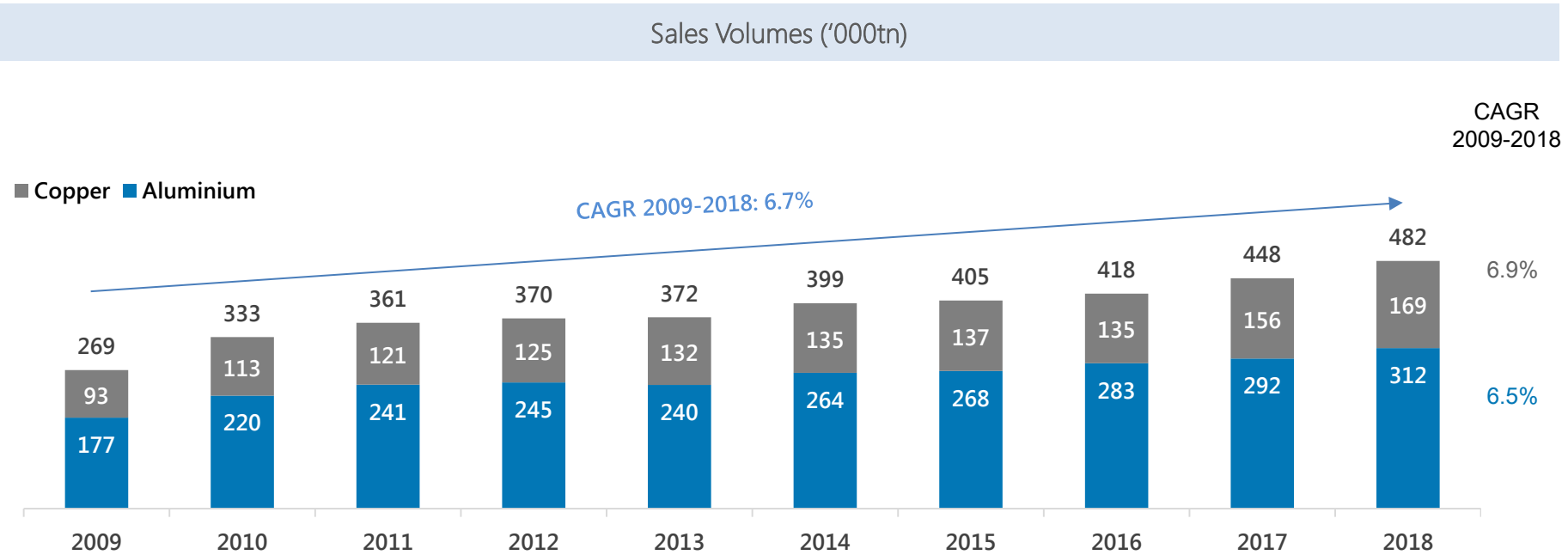


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Financial Information

Sales Evolution⁽¹⁾

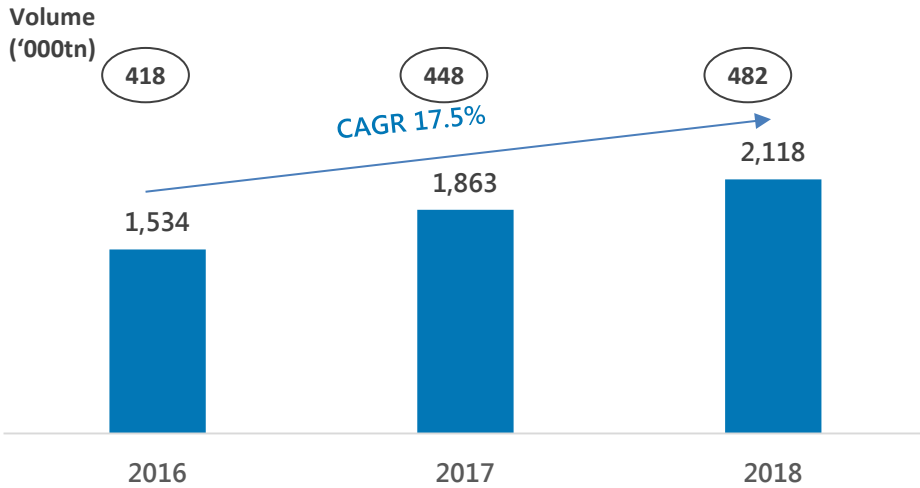


Steadily increasing sales underline solid and continuous momentum

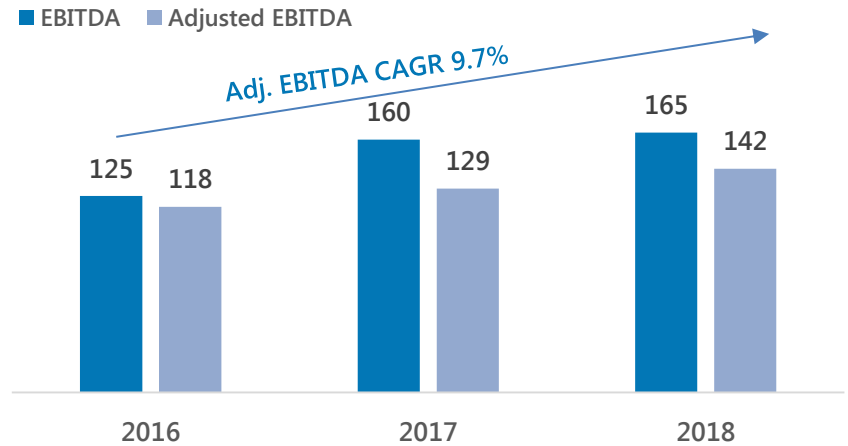
Key Figures ⁽¹⁾

Solid financial performance driven by top line growth and profitability improvements

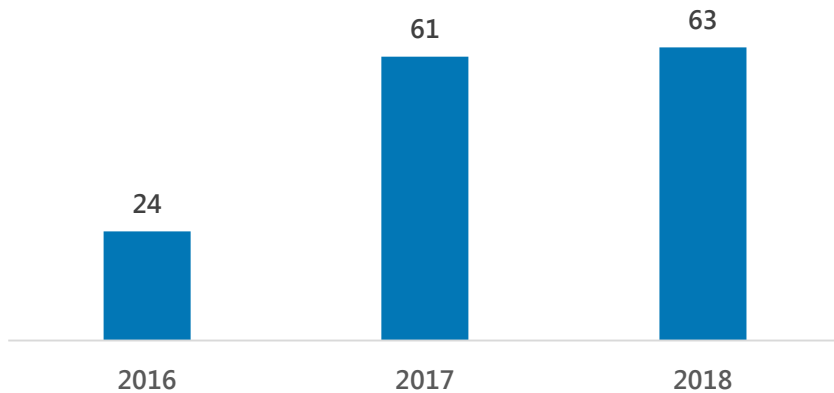
Revenue (€m)



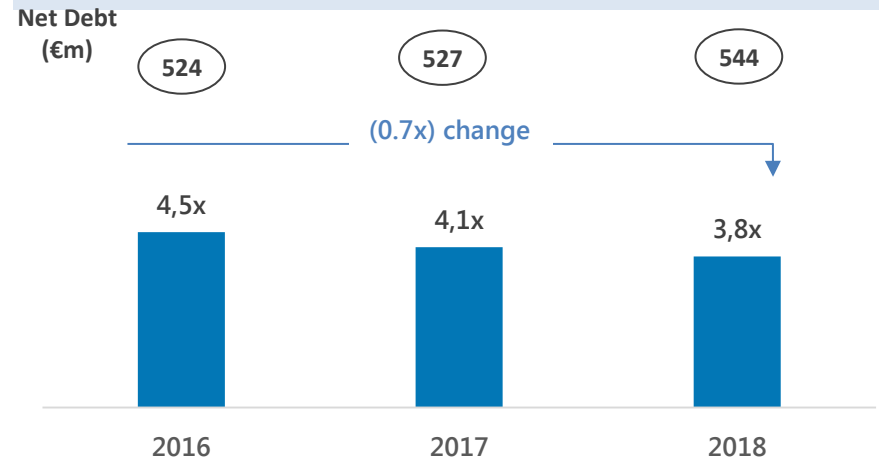
EBITDA vs Adjusted EBITDA⁽²⁾ (€m)



Net Income (€m)



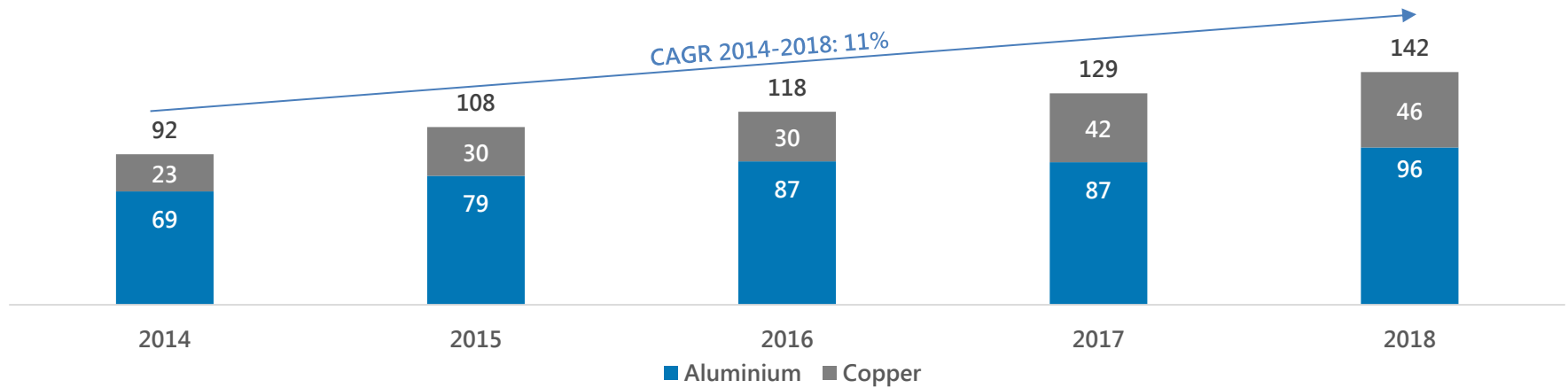
Net Debt / a-EBITDA



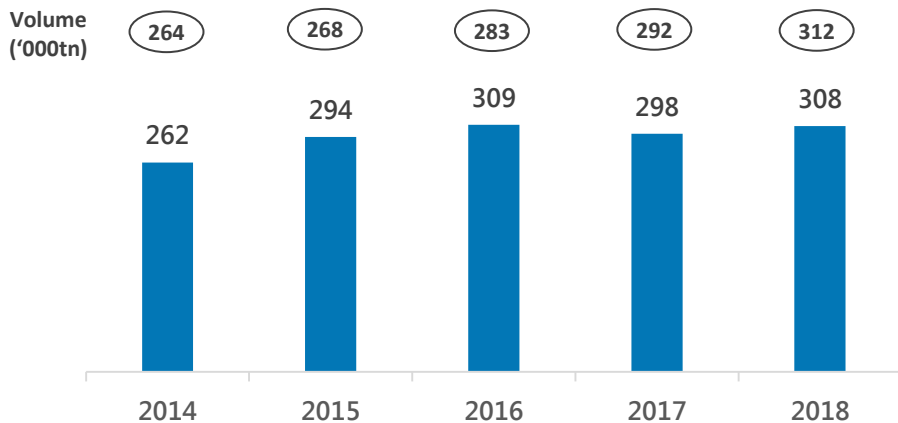
Key Figures (pro forma)⁽¹⁾

Profitability growth supported by both segments

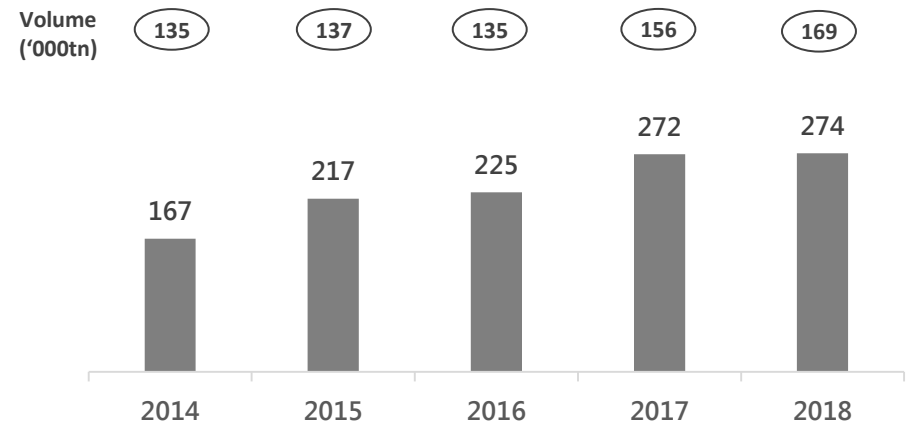
Adjusted EBITDA per Division (€m)



Aluminium – Adjusted EBITDA per ton (€/tn)

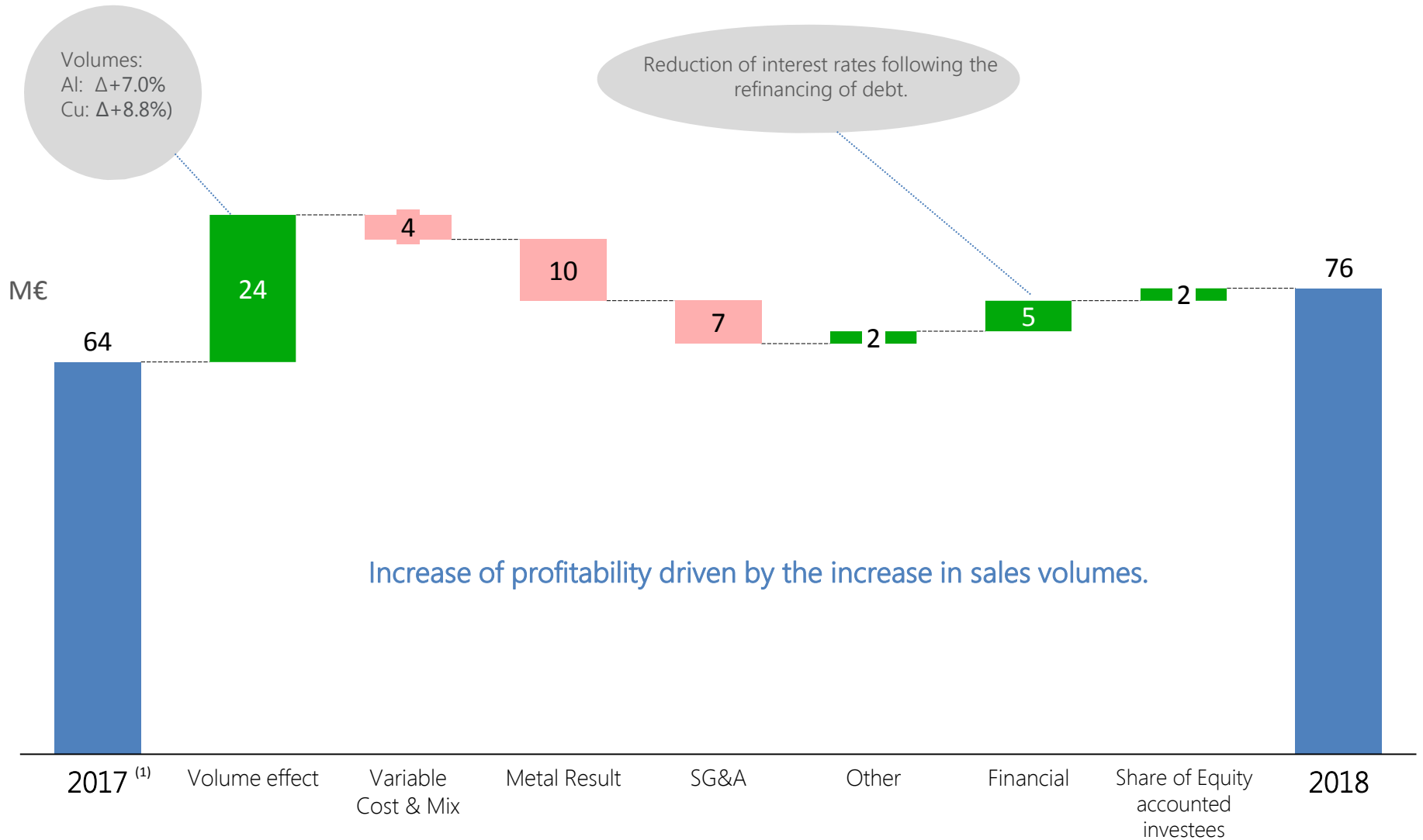


Copper – Adjusted EBITDA per ton (€/tn)

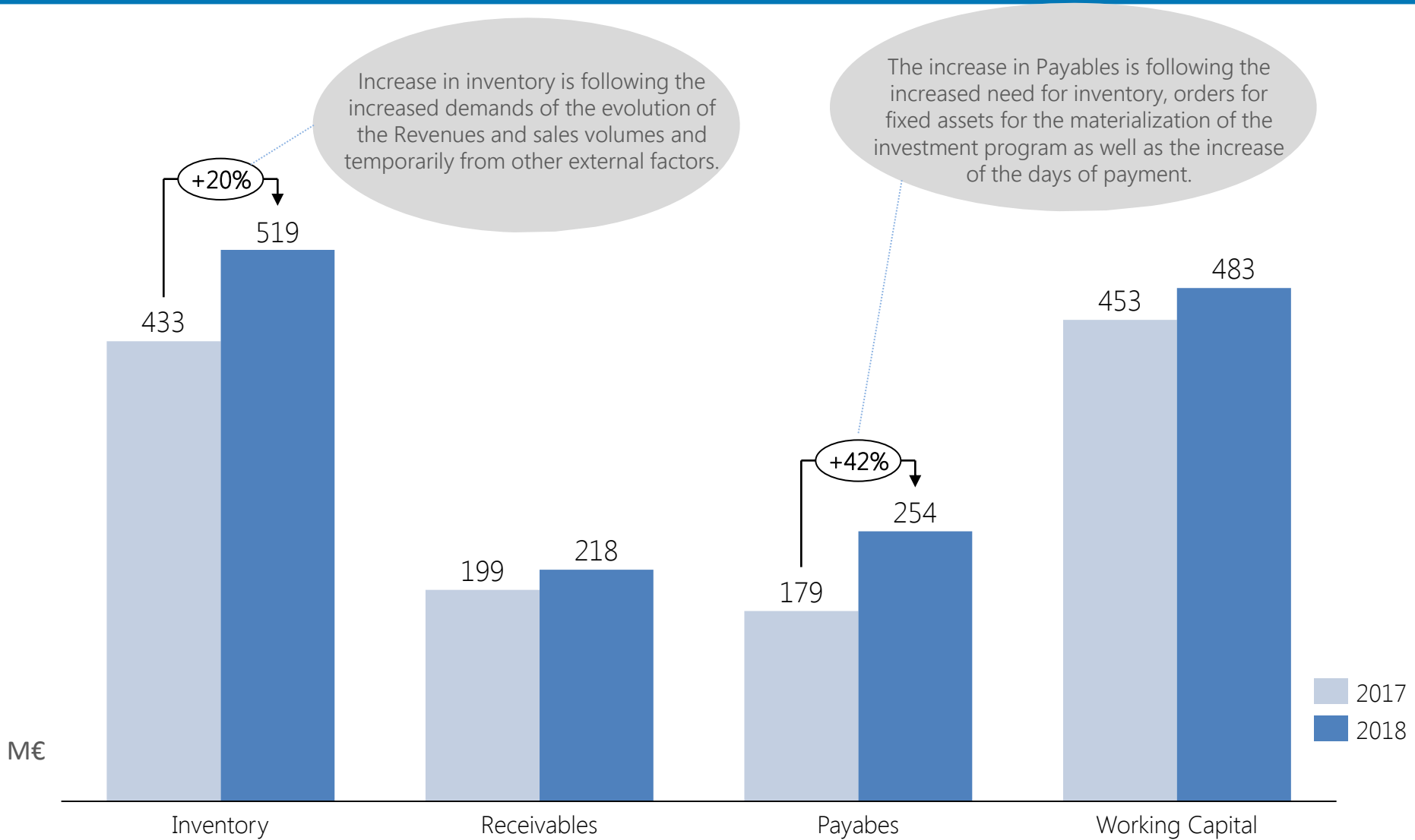


1. Figures for 2015 and backwards are not based on audited information but management estimates and adjustments in order to present information on a like-for-like comparable basis, as the consolidation perimeter and the composition of the company and the group was much different

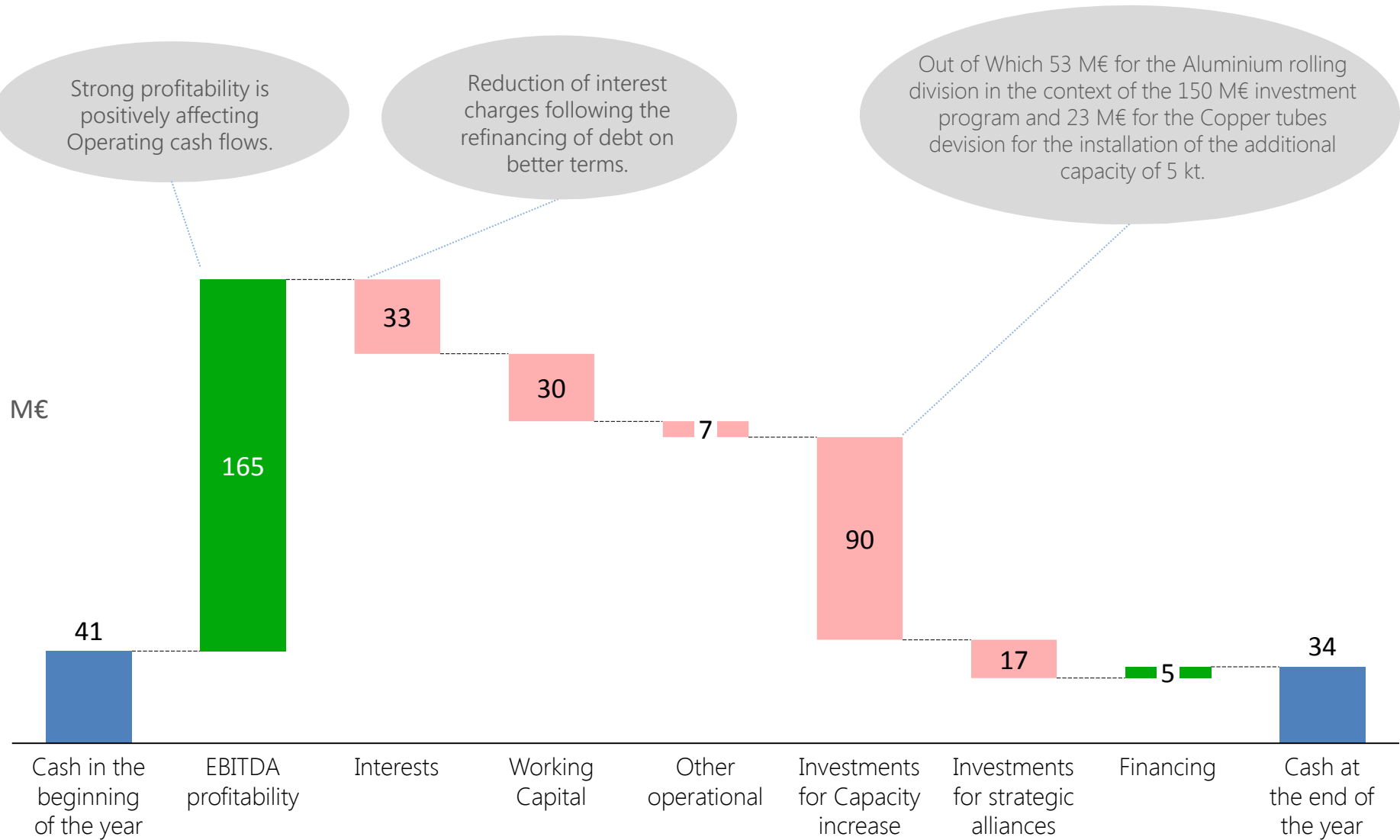
Deviation analysis in the Consolidated Profit before taxes



Evolution of the Consolidated Working Capital



Consolidated Cash Flows

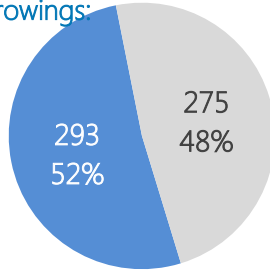


Consolidated Debt Maturity

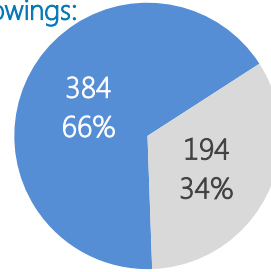
FY 2017

FY 2018

Total Loans & Borrowings:
€568 m

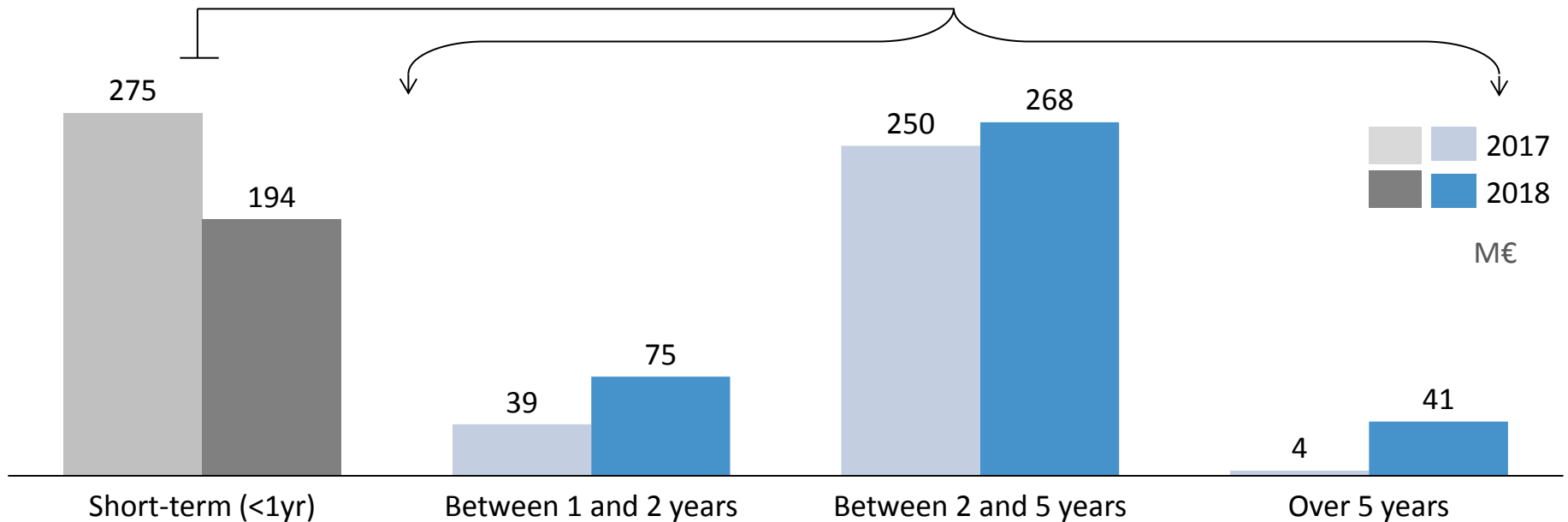


Total Loans & Borrowings:
€578 m



Refinancing of Debt with a five year maturity and reduction of interest rates.

■ Long-term ■ Short-term

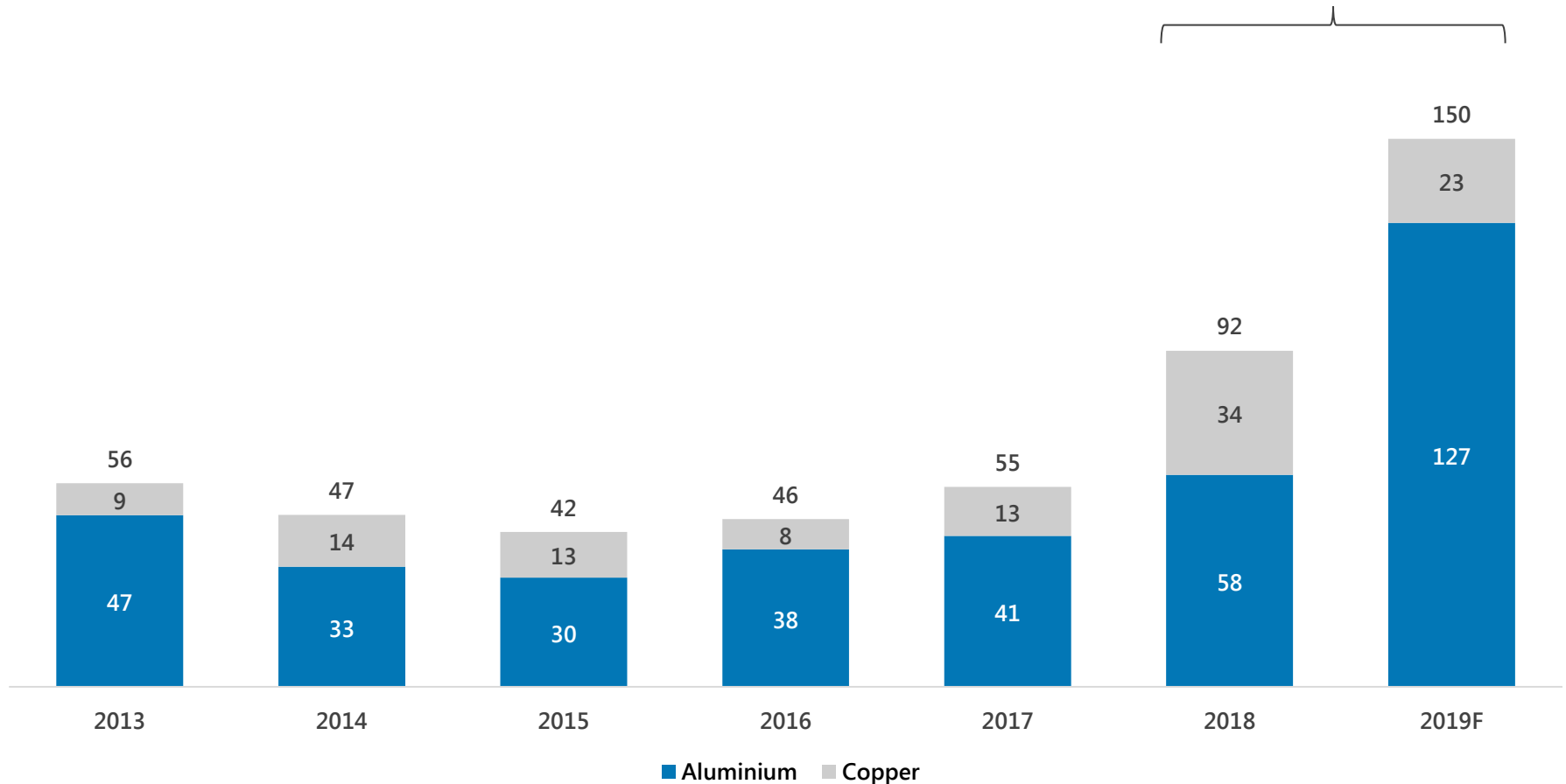


Capex Evolution⁽¹⁾

Accelerating capex to support growth momentum

Capex Evolution (€m)

Mainly driven by the €150m in Aluminium segment



1. Figures for 2015 and backwards are not based on audited information but management estimates and adjustments in order to present information on a like-for-like comparable basis, as the consolidation perimeter and the composition of the company and the group was much different

Sustainable Development Strategy

Constantly strengthen our leading position in the aluminium and copper industries by pursuing a corporate strategy that promotes social responsibility and environmental protection

Sustainable Development Pillars

Responsible business development



- ✓ Focus on quality and technological advancement across all production processes
- ✓ Continuous investment on production facilities and R&D
- ✓ Provision of innovative products and solutions
- ✓ Dynamic commercial activity and strong presence in markets with growth potential
- ✓ Customer-centric approach aimed at strengthening customer relationships

Care for society and our people



- ✓ Humanistic philosophy
- ✓ Occupational health and safety
- ✓ Supporting local communities

Environmental protection



- ✓ Responsibility for the environment
- ✓ Applying responsible environmental practices and taking preventive actions
- ✓ Continuous improvement of our environmental footprint

Track record highlighting values and sustainable development culture



Aluminium recycling and educational programs at Canal (Aluminium Can Recycling Centre)



State of the art industrial wastewater treatment for the Oinofyta plants (ZLD)



Automated and on-line environmental parameter monitoring



Rolling oil regeneration and extrusion



Safe aluminium recycling with modern and energy efficient delacquering furnaces



Use of air pollution abatement equipment



Closed circuit degreasing system at tubes plant



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Appendix I. - Sustainable Development Policy

Income Statement (pro forma)⁽¹⁾

Profit & Loss Statement			
<i>Amounts in € million</i>	2016	2017	2018
Revenue	1,534.1	1,863.3	2,117.8
Aluminium Segment	842.7	941.5	1,079.0
Copper Segment	691.4	921.8	1,038.8
Cost of Sales	(1,420.1)	(1,706.4)	(1,950.8)
Gross Profit	114.1	156.9	166.9
<i>Gross Profit Margin (%)</i>	<i>7.43%</i>	<i>8.42%</i>	<i>7.88%</i>
Other Income	13.7	14.8	14.1
Selling and Distribution expenses	(19.6)	(19.8)	(22.0)
Administrative expenses	(31.2)	(37.7)	(42.9)
Other Expenses	(8.4)	(12.2)	(9.1)
Operating profit / (loss)	68.5	102.0	107.0
Aluminium Segment	48.9	67.2	77.0
Copper Segment	19.6	34.7	30.1
Finance Income	4.0	0.1	0.1
Finance Costs	(40.4)	(36.9)	(32.3)
Dividends	0.0	0.0	0.0
Net Finance Income / (Costs)	(36.4)	(36.8)	(32.2)
Share of profit/ (loss) of equity-accounted investees	0.2	(1.3)	1.0
Profit/(Loss) Before Income Tax	32.3	63.9	75.8
Income Tax	(8.7)	(2.6)	(11.5)
Profit/(Loss) from Continued Operations	23.5	61.3	64.3
EBITDA Calculation			
Depreciation	58.2	60.4	60.1
Grant Depreciation	(2.0)	(1.9)	(2.0)
EBITDA	124.7	160.5	165.2
<i>As % of Revenue</i>	<i>8.1%</i>	<i>8.6%</i>	<i>7.8%</i>

Reconciliation of a-EBITDA (Financial Statements)			
<i>Amounts in € million</i>	2016	2017	2018
EBITDA	124.7	160.5	165.2
+ Loss / (Profit) from Metal	(6.6)	(33.1)	(23.0)
+ Restructuring Costs	-	0.2	-
+ Loss / (Profit) from Revaluation of Fixed Assets	-	1.9	-
Adjusted EBITDA	118.0	129.4	142.1
<i>As % of Revenue</i>	<i>7.7%</i>	<i>6.9%</i>	<i>6.7%</i>

Balance Sheet

Balance Sheet					
<i>Amounts in € million</i>	Dec-16 ⁽¹⁾	H1'17	Dec-17	H1'18	Dec-18
Non-current Assets					
Property, Plant and Equipment	693.6	685.9	687.5	699.5	720.6
Intangible Assets and Goodwill	72.8	77.2	74.5	74.1	76.5
Investment Property	5.4	7.1	7.1	7.0	6.8
Investments in Associates	71.8	62.2	64.2	79.1	82.8
Other Non-current Assets	10.0	9.4	8.9	8.4	8.2
Current Assets					
Inventories	352.1	398.4	433.5	530.2	519.2
Trade and Other Receivables	240.4	275.6	199.0	264.0	218.3
Cash and Cash Equivalents	39.0	27.3	41.4	69.1	34.2
Other Current Assets	3.6	1.8	9.2	9.3	7.9
Total Assets	1,488.8	1,544.9	1,525.4	1,740.4	1,674.5
Equity					
Share Capital	211.4	211.4	211.4	211.4	211.4
Other Reserves	431.5	429.4	282.3	283.2	281.1
Retained Earnings/(Losses)	(28.7)	(8.7)	161.8	189.9	224.3
Non-controlling Interest	11.5	12.2	12.9	13.3	13.7
Total Equity	625.6	644.3	668.4	697.8	730.5
Non-current Liabilities					
Loans and Borrowings	338.4	299.0	278.9	330.0	372.9
Financial Lease Obligations	7.8	10.9	14.0	12.8	11.5
Deferred Tax Liabilities	66.4	60.1	61.8	63.9	58.0
Other Non Current Liabilities	36.4	35.9	38.0	37.2	36.7
Current Liabilities					
Trade and Other Payables	177.7	181.1	179.2	335.0	253.7
Loans and Borrowings	216.4	281.1	273.0	250.1	191.2
Financial Lease Obligations	0.8	1.6	2.3	2.5	2.3
Other Current Liabilities	19.1	30.3	9.8	11.2	17.7
Total Liabilities	863.2	900.6	857.0	598.8	944.0
Total Equity & Liabilities	1,488.8	1,544.9	1,525.4	1,740.4	1,674.5

Balance Sheet Highlights

<i>Amounts in € million</i>	Dec-16	H1'17	Dec-17	H1'18	Dec-18
(i) Working Capital					
Inventories	352.1	398.4	433.5	530.2	519.2
Trade and Other Receivables	240.4	275.6	199.0	264.0	218.3
Trade and Other Payables	(177.7)	(181.1)	(179.2)	(335.0)	(253.7)
	414.8	492.9	453.4	459.2	483.8
(ii) Net Debt					
Loans and Borrowings	554.8	580.1	552.0	580.1	564.1
Financial Lease Obligations	8.6	12.5	16.3	15.3	13.8
Cash and Cash Equivalents	(39.0)	(27.3)	(41.4)	(69.1)	(34.2)
	524.4	565.3	526.8	526.3	543.7
(iii) Other BS Items					
Property, Plant and Equipment	693.6	685.9	687.5	699.5	720.6
Investments in Viohalco Associates	71.8	62.2	64.2	79.1	82.8
Other Assets	91.9	95.5	99.8	98.8	99.2
Deferred Tax Liabilities	(66.4)	(60.1)	(61.8)	(63.9)	(58.0)
Other Liabilities	(55.6)	(66.2)	(47.8)	(48.4)	(54.3)
	735.3	717.3	741.9	765.1	790.4
(i)-(ii)+(iii) Net Asset Value	625.6	644.9	668.4	698.9	730.5

1. Figures for 2016 the numbers are based on pro-forma consolidation

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