

# VIOHALCO

## 2020 FIRST HALF YEAR FINANCIAL RESULTS



REGULATED INFORMATION  
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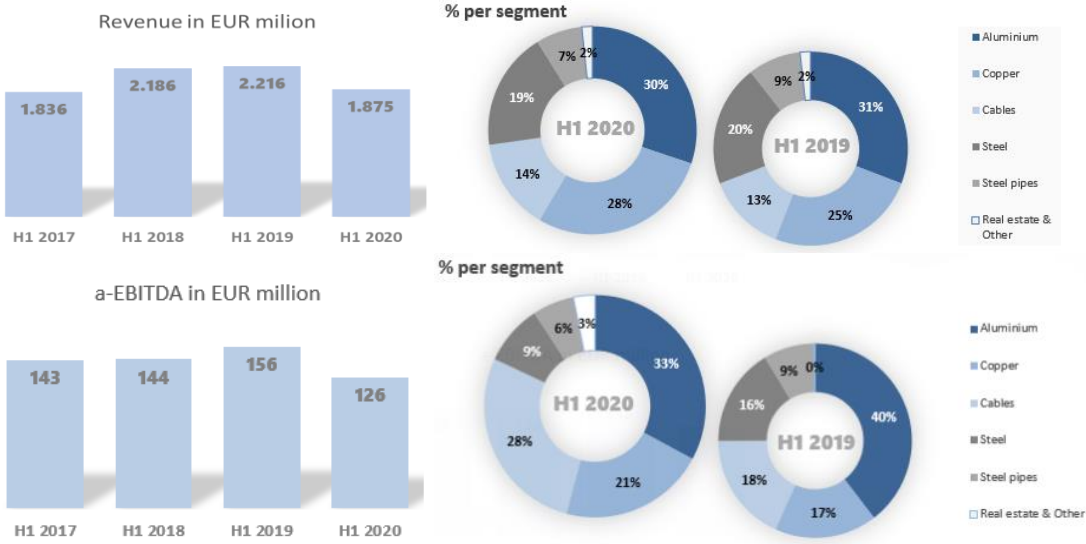
**FINANCIAL RESULTS FOR THE FIRST HALF YEAR 2020**

Brussels, 24 September 2020 - Viohalco S.A. (Euronext Brussels: VIO, Athens Stock Exchange: BIO), hereafter “Viohalco” or “the Company”, today announces its financial results for the first half year of 2020.

**Resilient performance despite challenging market conditions**

**H1 2020 highlights**

- **Solid financial performance despite the COVID-19 outbreak;**
  - **Consolidated revenue** of EUR 1,875 million (H1 2019: EUR 2,216 million);
  - **Consolidated adjusted EBITDA** (a-EBITDA) amounted to EUR 126 million (H1 2019: EUR 156 million), while consolidated EBITDA, which includes the effect of metal prices, stood at EUR 108 million (H1 2019: EUR 137 million).
- **Swift action taken to ensure operational resilience throughout the COVID-19 pandemic, while ensuring the health and safety of companies’ employees and other stakeholders;**
- **Investment programmes to drive operational efficiency improvements and leverage market opportunities remain on track across all segments.**



**Overview**

During H1 2020, Viohalco’s financial performance remained solid due to the resilience and swift response of the Viohalco companies to market developments, despite the profound impact of the COVID-19 pandemic on global markets throughout the period.

In the aluminium segment, Viohalco companies successfully maintained market share, despite the adverse effects of the pandemic, increased competition and the deterioration in metal prices which affected profitability.

The copper segment managed to increase market share and maintain profitability, against the broader adverse market conditions. Production facilities remained unaffected throughout the period and the segment was able to successfully capitalize on the reactivation of European markets, continuing to serve its long-standing business partners and also establishing new relationships.

In the steel segment, demand and selling prices declined throughout H1 2020 as the COVID-19 pandemic added further challenges to an already difficult market environment. Accordingly, the segment adjusted production levels in an effort to manage costs. Furthermore, a decline in international spreads was recorded in SBQs, plates, wire rods and rebars, as a result of the intensive international competition, affecting the profitability of the segment.

Meanwhile, the cables segment saw steady growth in its projects business during H1 2020, reinforcing the segment's financial performance. As expected, the COVID-19 pandemic had a negative impact on the products business, the part of the segment which serves the construction sector, after a solid start in the first quarter of 2020. Despite the challenges experienced throughout the first half of the year, the cables segment recorded high capacity utilisation rates across all production units.

Global energy markets experienced difficult conditions during the first half of 2020, as the steep decline in oil and gas prices was coupled with the postponement or cancellation of many projects due to the pandemic. That said, Corinth Pipeworks was only mildly affected, supported by a strong order backlog and swift reaction to new conditions ensuring uninterrupted production.

Finally, in the real estate segment, the COVID-19 pandemic and the associated lockdown measures significantly affected the hospitality and retail sectors during H1 2020. In addition, measures imposed by the Greek government, reducing rents between March and June 2020, compounded these challenges. Nevertheless, the diversity of the real estate segment's portfolio, the financial strength of tenants and effective asset management enabled the segment to avoid arrears in rent or service charge in the period.

## Financial overview

### Summary consolidated statement of profit or loss

<i>Amounts in EUR thousands</i>	<b>H1 2020</b>	<b>H1 2019</b>
<b>Revenue</b>	<b>1,875,389</b>	<b>2,216,242</b>
Gross profit	<b>152,414</b>	<b>176,543</b>
<b>EBITDA*</b>	<b>107,751</b>	<b>137,460</b>
<b>a-EBITDA*</b>	<b>126,306</b>	<b>155,990</b>
<b>EBIT*</b>	<b>41,598</b>	<b>68,350</b>
a-EBIT*	<b>60,153</b>	<b>86,881</b>
Net finance cost	<b>-46,717</b>	<b>-51,063</b>
<b>Profit/ Loss (-) before tax</b>	<b>-7,474</b>	<b>17,282</b>
Profit/ Loss (-) for the period	<b>-15,257</b>	<b>3,761</b>
Profit / Loss (-) attributable to owners of the Company	<b>-17,474</b>	<b>462</b>

*\*APM definitions have been slightly changed compared to 31/12/2019. For further details refer to Appendix.*

**Viohalco's consolidated revenue** for H1 2020 decreased by 15% year-on-year to EUR 1,875 million (H1 2019: EUR 2,216 million), mainly due to the decrease in metal prices during the months March-May, at the peak of the COVID-19 pandemic.

**Consolidated a-EBITDA** decreased by 19% to EUR 126 million in H1 2020 (H1 2019: EUR 156 million).

**Net finance cost** decreased to EUR 47 million (H1 2019: EUR 51 million), mainly as a result of credit spread reductions implemented gradually across all Viohalco companies in recent years.

Viohalco's **consolidated loss before income tax** for the period amounted to EUR 7 million, compared to profit of EUR 17 million in H1 2019, affected by the decline in metal prices and the global slowdown due to the pandemic, especially in the aluminium and steel segments.

## Summary consolidated statement of financial position

<i>Amounts in EUR thousands</i>	<b>30/6/2020</b>	<b>31/12/2019</b>
Fixed & intangible assets	2,197,908	2,152,103
Other non-current assets	70,030	67,296
<b>Non-current assets</b>	<b>2,267,937</b>	<b>2,219,399</b>
Inventory	1,033,500	1,060,009
Trade and other receivables ( <i>inc. contract assets</i> )	598,585	559,919
Cash and cash equivalents	147,316	214,499
Other current assets	9,936	9,084
<b>Current assets</b>	<b>1,789,337</b>	<b>1,843,511</b>
<b>Total assets</b>	<b>4,057,274</b>	<b>4,062,910</b>
<b>Equity</b>	<b>1,300,785</b>	<b>1,335,073</b>
Loans and borrowings	961,899	943,522
Other non-current liabilities	221,417	212,302
<b>Non-current liabilities</b>	<b>1,183,316</b>	<b>1,155,824</b>
Loans and borrowings	851,788	830,455
Trade and other payables ( <i>inc. contract liabilities</i> )	673,197	710,957
Other current liabilities	48,188	30,600
<b>Current liabilities</b>	<b>1,573,173</b>	<b>1,572,012</b>
<b>Total equity and liabilities</b>	<b>4,057,274</b>	<b>4,062,910</b>

**Capital expenditure** for the period amounted to EUR 124 million (H1 2019: EUR 123 million), largely driven by the completion of investment in the four-stand tandem aluminium hot finishing mill, while **depreciation and amortization** for the period reached EUR 68 million.

**Working capital** remained almost at the same levels as in year-end 2019.

Viohalco companies' **net debt** increased to EUR 1,721 million (2019: EUR 1,613 million).

## Performance by business segment

<i>Amounts in EUR thousands</i>	Revenue		EBITDA		a-EBITDA		EBIT		EBT	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
<b>Segments</b>										
<b>Aluminium</b>	565,857	683,658	39,396	57,928	41,508	61,758	12,351	32,471	4,922	24,270
<b>Copper</b>	530,673	554,939	17,746	22,322	26,898	26,727	10,478	15,226	1,080	7,137
<b>Steel</b>	345,082	449,232	5,516	18,132	11,146	25,550	-10,348	-1,273	-23,597	-16,260
<b>Cables</b>	268,160	294,241	32,868	25,720	35,124	28,466	25,585	17,838	14,268	6,325
<b>Steel pipes</b>	134,923	195,458	7,674	13,171	7,674	13,316	3,338	8,208	-2,074	2,265
<b>Real estate</b>	6,270	4,248	3,754	2,885	3,754	2,885	1,264	673	-196	-628
<b>Other activities</b>	24,424	34,466	798	-2,699	201	-2,711	-1,069	-4,794	-1,878	-5,827
<b>Total</b>	<b>1,875,389</b>	<b>2,216,242</b>	<b>107,751</b>	<b>137,460</b>	<b>126,306</b>	<b>155,990</b>	<b>41,598</b>	<b>68,350</b>	<b>-7,474</b>	<b>17,282</b>

## Aluminium

In H1 2020, the aluminium segment witnessed a 17% decrease in **revenue** to EUR 566 million. **Profit before income tax** amounted to EUR 5 million (H1 2019: EUR 24 million).

As a result of the COVID-19 pandemic, the aluminium rolling division observed a fall in economic activity, the temporary closure of customers' manufacturing plants and a sharp downturn in aluminium demand, particularly in the transportation and distribution markets. The fast growing packaging, and building and construction sectors were least affected by the pandemic, while signs of recovery were observed in the transportation sector at the end of the second quarter. It is against this backdrop that sales volumes declined by 8% year-on-year.

Despite the COVID-19-related lockdown restrictions, the installation of the new four-stand tandem rolling mill at the Oinofyta plant of Elval was completed, only slightly behind schedule, and the mill is expected to be fully productive in the fourth quarter of 2020. This important investment gives the segment the ability, along with additional investments (including a brand new 6-high aluminium cold rolling mill which is expected to be operational in 2022), to more than double the production capacity of final products, marking a new era for the aluminium segment and paving the way to explore opportunities in new markets. Capital expenditure in the first half of 2020 amounted to EUR 61 million.

In line with Elval's sustainability strategy, in July 2020 the aluminium rolling division became an Aluminium Stewardship Initiative Certified Production (ASI) and Transformation member. Elval certified its casthouse, rolling, coil coating and finishing operations and confirmed its strong commitment to the principles of environmental protection, social responsibility and responsible corporate governance.

Looking ahead, despite the volatile global economic environment, the challenges arising from the COVID-19 pandemic, the pending outcome of the antidumping duties in the USA, and the recently launched EU antidumping investigation in China, Elval remains confident that its diversified product portfolio and established longstanding relationships with blue-chip customers across all markets, will positively drive future performance.

Symetal successfully maintained its market share and profitability levels, despite a challenging first half characterized by the adverse effects of the COVID-19 pandemic, increased competition, and decline in aluminium raw material price. This is largely due to its success in adapting its product mix to market trends, focusing on pharmaceutical, converter, thick lidding foil and foil lacquered products. In H2 2020, Symetal intends to maintain stable volumes and prices, while continuing to exploit growing demand for flexible packaging foil and lacquered products. To support this, Symetal has invested in a new lacquer production plant in Mandra, which is expected to be operational by November 2020.

In H1 2020, the COVID-19 pandemic significantly impacted demand at Etem-Gestamp. As a result, inventory levels were reduced, longer payment terms negotiated, and Bulgarian state aid measures leveraged. The challenges experienced in H1 2020 are expected to continue throughout the year, although a recovery in sales volumes and overall demand in the automotive market is forecasted. There has been no impact to Etem-Gestamp's investment in the production of battery trays for electrical cars. As for Etem, the company witnessed a declining demand in the Greek architectural profile market, as a result of the COVID-19 pandemic, while at the Magoula plant, a second extrusion line and new thermobreak line commenced production.

Bridgnorth Aluminium was materially affected by the COVID-19 pandemic in H1 2020, with sales volumes down 28% year-on-year. The company swiftly adapted working arrangements to reduce the COVID-19 infection risk. At the same time, it adapted to lower demand levels, while ensuring the continuity of operations and deliveries to key sectors, such as food and pharmaceutical packaging, printing, and healthcare applications, throughout the period. Forthcoming trade agreement negotiations between the UK and the European Union are also expected to provide further clarity on trading arrangements from 2021.

## Copper

Despite the COVID-19 pandemic and adverse market conditions, the copper segment delivered a resilient performance with no impact on its production facilities. This provided an advantage over European competitors. The copper segment was able to capitalize on the reactivation of European markets, serving not only its long-standing business partnerships, but also establishing new ones.

As a result, sales volumes in the copper segment remained broadly flat year-on-year. In H1 2020, **revenue** stood at EUR 531 million versus EUR 555 million in the prior year, while **profit before income tax** amounted to EUR 1 million (2019: EUR 7 million).

EUR 8 million was invested during the period, including a EUR 3 million investment in the copper tube production facility of ElvalHalcor and a EUR 5 million investment in flat rolled products and alloys produced by Sofia Med in Bulgaria. The copper tube plant is expected to operate at near 100% capacity and production of copper and copper alloy rolled products is expected to rise as Sofia Med seeks to increase its market share by capitalising on its improved product quality and expanded product range. Finally, investment in higher value-added products is expected to drive further product portfolio improvements and segment profitability.

## Steel

In the steel segment, the COVID-19 pandemic placed significant additional negative pressure on an already challenging market environment in both Greece and internationally. Demand and selling prices declined during the period, resulting in production level cuts and excess capacity, and a significant decline in international spreads was observed, as prices for SBQs, plates, wire rods and rebars were suppressed, affecting the profitability of steel products. Consequently, **revenue** in the steel segment amounted to EUR 345 million in H1 2020 versus EUR 449 million in H1 2019. **Loss before income tax** amounted to EUR 24 million (2019: EUR 16 million).

Signs of recovery for rebars and mesh were apparent from May 2020, however, demand for quarto plates and SBQs remains low and pressure on prices continues, as a result of strong market competition. To help offset the decline in revenue, the steel segment implemented cost optimization initiatives, successfully reducing administrative expenses in all of its companies and plants, and is progressing development initiatives, such as the upgrading of the new rolling mill at the Stomana Industry plant.

In the second half of 2020, demand for steel products is expected to recover, as a result of increased commercial activity in local and regional markets. In the Greek market, due to already announced major projects, sales volume for rebars and mesh is expected to improve, while for SBQs and plates selling prices are expected to gradually recover from H1 2020 low levels, following the gradual recovery of the European automotive and mechanical engineering sectors.

## Cables

In the first half of 2020, the performance of the cables segment was characterized by sustained financial resilience during the COVID-19 crisis, and steady growth in its projects business. As expected, the products business, which is partially linked to the performance of the construction sector, was impacted by the COVID-19 pandemic in the second quarter, following a promising start in Q1 2020. Despite the challenges faced in the first half of the year, the cables companies achieved high capacity utilisation levels across all production units, delivering **revenue** of EUR 268 million (H1 2019: EUR 294 million), and **profit before tax** of EUR 14.3 million in H1 2020 (H1 2019: EUR 6.3 million).

Notable highlights for the projects' business in H1 2020 included:

- Scottish and Southern Electricity Networks, UK awarded an order for 11 kV and 33 kV medium-voltage inter-array cables.
- 88km of high-voltage cables - for the connection of the Hollandse Kust Zuid ('HKZ') Alpha offshore platform to the onshore grid - were loaded during June 2020.
- The Hollandse Kust Zuid ('HKZ') Beta offshore platform and the Seagreen project progressed as scheduled.
- High-voltage submarine systems connecting the islands Paros and Naxos, as well as Naxos and Mykonos in the Aegean Sea, with the onshore high-voltage grid of ADMIE on the mainland were successfully installed during Q1 2020.
- Hellenic Cables was awarded a contract by the renewables business unit of Subsea 7, to supply 320km of 66 kV inter-array cables and accessories for the Seagreen offshore wind farm in the UK.

Despite a full production schedule, Hellenic Cables continued to pursue new business opportunities, participating in several tenders across a number of geographies and successfully securing several awards, especially in the inter-array market. Meanwhile, the products business units recorded reduced sales volumes

for both low-voltage power and telecom cables (down 6% year-on-year), but succeeded in weighting the sales mix towards higher value-added products.

Looking ahead, the outlook for the cables segment remains positive for 2020, given strong forecasts for new projects, the current order backlog in the projects business, opportunities for expansion into new markets, and the growth potential of the offshore cables sector. The segment's focus remains the successful execution of existing projects and securing new ones, while optimising internal processes to better take advantage of new market opportunities as they arise.

### Steel pipes

The first half of 2020 was particularly challenging for the steel pipes segment. Energy markets were heavily impacted by the decline in oil and gas prices in early March 2020, leading to the postponement or cancellation of many fossil fuel distribution projects. Subsequently, the COVID-19 pandemic further impacted energy demand due to extended lockdowns around the globe.

As a result of these adverse market conditions, **revenue** for the segment declined to EUR 135 million in H1 2020, down 31% year-on-year (H1 2019: EUR 195 million), and **loss before tax** amounted to EUR 2.1 million, compared to a profit of EUR 2.3 million in H1 2019.

Nonetheless, Corinth Pipeworks demonstrated resilience during this turbulent period and continued to strengthen its presence in new markets including Europe, the Americas, North Africa and Asia, as well as winning new projects (e.g. Baltic Pipe Lot3 in Denmark, Anglo American slurry pipeline in Chile, etc.). Above all, Corinth Pipeworks implemented measures to ensure the health and safety of its employees during the COVID-19 pandemic, while securing uninterrupted production for all its current projects.

During the first six months of the year, Corinth Pipeworks successfully completed:

- A further three reel-lay projects in the North Sea.
- The Tolmount gas export pipeline for Premier Oil in the UK, installed by Saipem in June 2020.
- The first deliveries of 32" and 36" pipes with CWC to Denmark for the Baltic Gas offshore project.

Corinth Pipeworks is currently executing the interconnection project between Greece and Bulgaria (the 'ICGB project'), with 155 km of 32" pipes, and has also been awarded the following:

- The Baltic Pipe Lot3 onshore project with 140km of 32", 36" and 40" pipes in Denmark;
- 35 km of 24" LSAW pipes in heavy wall thickness to be used in a slurry pipeline in the Andean Mountains in Chile for Anglo American Sur S.A.
- 200 km of HFI pipes for Snam in Italy as part of an ongoing agreement for its onshore gas network maintenance.

While the global economic environment remains volatile, Corinth Pipeworks has shown significant strength despite the challenging conditions, with uninterrupted production and fulfilment of all its contractual obligations. The segment's focus remains on the successful execution of existing projects, together with the award of new ones in the global onshore and offshore markets. The outlook remains positive, supported by a considerable number of secured orders in Europe, the Americas, North Africa and Asia which will continue to drive high capacity utilisation levels at the Thisvi plant.

### Real estate

It has been a challenging first half for the real estate segment, due to COVID-19 pandemic and the associated lockdown measures, with the hospitality and retail sectors seeing the biggest impact. Furthermore, measures imposed by the Greek government, which reduced rents between March and June 2020 compounded these challenges. **Revenue** amounted to EUR 6.3 million (H1 2019: EUR 4.2 million), while **loss before tax** to EUR 0.2 million, versus EUR 0.6 million in H1 2019.

The diversity of the real estate segment's portfolio, the financial strength of its tenants and its effective asset management however, allowed Noval Property to respond resiliently and it recorded practically no arrears in rent or service charge in the period. Noval Property also implemented measures to safeguard the company's liquidity and the financing of development activities.

Despite the challenges faced as a result of the pandemic, occupancy of the River West | IKEA Shopping Center and the Mare West Retail Park has been maintained at 100%. Expansion works at River West, for the construction of an additional retail and entertainment building with a gross buildable area ('GBA') of c.25,000

sqm, continued to progress in H1 2020, with the new building expected to be operational in 2021. It is worth noting that the office properties are also fully tenanted. While the hotels in the property portfolio had a strong start to 2020, they had to close in March due to lockdown measures, and remained closed until the end of H1 2020.

In April 2020, Noval Property initiated a merger with Metem S.A. (through the absorption of Metem by Noval Property). Subject to the necessary regulatory approvals, the merger is expected to complete at the end of October 2020, giving Noval Property full control of the River West and IKEA properties.

Noval Property continues to evolve and mature its captive pipeline of properties, including the conversion of the former industrial property at 252 Pireos Street in Athens into a mixed-use development, the conversion of former industrial properties into logistics outlets, and the development of a new apartment hotel in the Mets neighbourhood of Athens.

Looking ahead, the full impact of the COVID-19 pandemic and the global economic outlook remain uncertain, however, economic assistance measures implemented at national and EU level (including the Recovery Effort under Next Generation EU and the Multiannual Financial Framework) should support and accelerate recovery following the pandemic.

### Other activities

Other activities mainly encompass expenses incurred by the parent (holding) company, along with the results of companies which operate in the Technology and R&D segment and in ceramic trade activities (Vitruvit). **Loss before income tax** amounted to EUR 1.9 million.

In addition, the Resource recovery segment is no longer a reportable segment when considering both qualitative and quantitative criteria. More specifically, Viohalco management ceased to monitor the figures of the former Resource recovery segment as a distinct segment. In addition, the former Resource recovery segment does not meet the quantitative criteria as its reported figures are below the provisioned thresholds. Thus, it is reported within the other activities segment and for comparability purposes the corresponding items of segment information for the prior period have been represented.

### Subsequent events

On 13 July 2020 Viohalco Board of Directors decided to propose to the Ordinary General Shareholders' meeting the approval of a gross dividend of EUR 0.01 per share. The Company's Annual Ordinary General Shareholders' Meeting was held on Wednesday, September 2, 2020.

### Outlook

Looking ahead, the global nature of the COVID-19 pandemic and uncertainty around its progression, severity, and duration, will continue to have an impact throughout the remainder of the year. However, while uncertainty will undoubtedly persist and market conditions will likely vary by segment, business conditions are expected to improve in the second half.

Strategic investment in higher value-added products across the Viohalco subsidiaries is expected to drive further product portfolio improvements. All companies remain focused on their long-term growth strategy to strengthen market positions through ongoing investment programmes, technological innovation and cost and operational efficiency improvements.

Furthermore, enhanced health and safety measures implemented across the Viohalco companies remain in place to minimise risk of infection and safeguard all employees and customers.

### Statement of the Auditor

The condensed consolidated interim financial statements for the six-month period ended 30 June 2020 attached to this press release have been subject to a review by the statutory auditor.



## Financial Calendar

Date	Publication / Event
Financial Results 2020 press release	18 March 2021
Ordinary General Meeting 2021	25 May 2021
Financial results first half-year 2021	23 September 2021

The Annual Financial Report for the period 1 January 2020 – 31 December 2020 will be published on 22 April 2021 and will be posted on the Company's website, [www.viohalco.com](http://www.viohalco.com), on the Euronext Brussels Exchange website [www.euronext.com](http://www.euronext.com), as well as on the Athens Stock Exchange website [www.athexgroup.gr](http://www.athexgroup.gr).

## About Viohalco

*Viohalco is the Belgium based holding company of a number 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, Russia, North Macedonia, Turkey, the Netherlands and the United Kingdom, Viohalco companies collectively generate annual revenue of EUR 4.2 billion. Viohalco's portfolio also includes a dedicated R&D&I and technology segment. In addition, Viohalco and its companies own real estate investment properties, mainly in Greece, which generate additional income through their commercial development.*

For more information, please visit our website at [www.viohalco.com](http://www.viohalco.com).

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## Functional and presentation currency

The functional and presentation currency of the parent Company is Euro. All amounts in the Press release tables are rounded to the nearest thousand, unless otherwise indicated. As such, due to rounding, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

## Appendix A – Consolidated statement of profit or loss

Amounts in EUR thousands	For the period ended 30 June	
	2020	2019
<b>Revenue</b>	<b>1,875,389</b>	<b>2,216,242</b>
Cost of sales	-1,722,975	-2,039,698
<b>Gross profit</b>	<b>152,414</b>	<b>176,543</b>
Selling and distribution expenses	-37,325	-39,532
Administrative expenses	-66,579	-65,479
Impairment loss on receivables and contract assets	-2,581	-606
Other income / expenses	-4,331	-2,576
<b>Operating result</b>	<b>41,598</b>	<b>68,350</b>
Net finance cost	-46,717	-51,063
Share of profit/loss (-) of equity-accounted investees	-2,356	-5
<b>Profit/Loss (-) before tax</b>	<b>-7,474</b>	<b>17,282</b>
Income tax	-7,783	-13,521
<b>Profit/Loss (-) for the period</b>	<b>-15,257</b>	<b>3,761</b>
<b>Profit/Loss (-) attributable to:</b>		
Owners of the Company	-17,474	462
Non-controlling interest	2,217	3,299
	<b>-15,257</b>	<b>3,761</b>
<b>Earnings per share (EUR per share)</b>		
Basic and diluted	-0.067	0.002

## Appendix B – Consolidated statement of financial position

<i>Amounts in EUR thousands</i>	As at	
	30 June 2020	31 December 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,911,235	1,878,221
Right of use assets	40,026	42,652
Intangible assets and goodwill	35,518	36,226
Investment property	211,129	195,003
Equity - accounted investees	36,581	37,742
Other investments	7,483	5,829
Derivatives	881	1
Trade and other receivables	6,257	6,023
Contract assets	24	-
Contract costs	84	84
Deferred tax assets	18,720	17,618
	<b>2,267,937</b>	<b>2,219,399</b>
<b>Current assets</b>		
Inventories	1,033,500	1,060,009
Trade and other receivables	501,701	438,734
Contract assets	96,884	121,186
Contract costs	531	512
Derivatives	4,512	1,522
Other investments	13	-
Assets held for sale	1,282	4,223
Current tax assets	3,599	2,826
Cash and cash equivalents	147,316	214,499
	<b>1,789,337</b>	<b>1,843,511</b>
<b>Total assets</b>	<b>4,057,274</b>	<b>4,062,910</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	141,894	141,894
Share premium	457,571	457,571
Translation reserve	-29,329	-21,711
Other reserves	426,178	426,607
Retained earnings	162,966	184,854
	<b>1,159,279</b>	<b>1,189,214</b>
Non-controlling interest	141,505	145,859
<b>Total equity</b>	<b>1,300,785</b>	<b>1,335,073</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	961,899	943,522
Lease liabilities	43,975	42,518
Derivatives	2,026	185
Employee benefits	37,805	37,362
Grants	34,131	35,409
Provisions	1,736	2,777
Trade and other payables	16,684	4,183
Contract liabilities	7,549	7,551
Deferred tax liabilities	77,511	82,317
	<b>1,183,316</b>	<b>1,155,824</b>
<b>Current liabilities</b>		
Loans and borrowings	851,788	830,455
Lease liabilities	10,953	10,903
Trade and other payables	610,474	649,981
Contract liabilities	62,723	60,975
Current tax liabilities	24,642	14,962
Derivatives	12,203	4,100
Provisions	391	636
	<b>1,573,173</b>	<b>1,572,012</b>
<b>Total liabilities</b>	<b>2,756,489</b>	<b>2,727,837</b>
<b>Total equity and liabilities</b>	<b>4,057,274</b>	<b>4,062,910</b>

## Appendix C – Alternative Performance Measures (APMs)

### Introduction

Viohalco management has adopted, monitors and reports internally and externally P&L alternative performance measures ('APMs'), namely EBITDA, EBIT, adjusted EBITDA (a-EBITDA) and adjusted EBIT (a-EBIT) on the basis that they are appropriate measures reflecting the underlying performance of the business. These APMs are also key performance metrics on which Viohalco prepares, monitors and assesses its annual budgets and long-term (5 year) plans. However, it must be noted that adjusted items should not be considered as non-operating or non-recurring items.

Relating to balance sheet items, Viohalco management monitors and reports the net debt measure.

### General Definitions

APM definitions have been slightly changed, compared to those applied as at 31 December 2019, The changes are minor and have been made in order to simplify the definitions, align the calculations of EBIT/EBITDA and a-EBIT/a-EBITDA, and assist in reflecting business performance more accurately, Comparatives have been restated.

The changes are the following:

- Exclusion of Associates' EBIT and EBITDA, in order to reflect more accurately the performance of core Viohalco companies.

The current definitions of APMs are as follows:

#### **EBIT**

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**EBIT** is defined as profit for the period before:

- income taxes;
- Share of profit/loss of equity-accounted investees, net of tax; and
- net finance cost.

#### **a-EBIT**

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**a-EBIT** is defined as EBIT, excluding :

- metal price lag;
- impairment / reversal of impairment of fixed and intangible assets;
- impairment / reversal of impairment of investments;
- gains/losses from sales of fixed assets, intangible assets and investments;
- exceptional litigation fees and fines;
- other exceptional or unusual items.

#### **EBITDA**

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**EBITDA** is defined as profit for the period before:

- income taxes;
- Share of profit/loss of equity-accounted investees, net of tax;
- net finance cost;
- depreciation and amortization.

## a-EBITDA

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**a-EBITDA** is defined as EBITDA excluding the same line items as a-EBIT.

Detailed reconciliation between APMs as published in H1 2019 and comparatives of this press release, is presented in the Reconciliation tables' section.

## Net Debt

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**Net Debt** is defined as the total of:

- Long term borrowings;
- Short term borrowings;

Less:

Cash and cash equivalents.

## Metal Price Lag

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**Metal price lag** is the P&L effect resulting from fluctuations in the market prices of the underlying commodity metals (ferrous and non-ferrous) which Viohalco's subsidiaries use as raw materials in their end-product production processes.

**Metal price lag exists due to:**

- (i) the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to customers,
- (ii) the effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the amount reported as cost of sales, due to the costing method used (e.g, weighted average),and
- (iii) certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.

Most of **Viohalco** subsidiaries use back to back matching of purchases and sales, or derivative instruments in order to minimize the effect of the Metal Price Lag on their results. However, there will be always some impact (positive or negative) in the P&L, since inventory in the non-ferrous segments (i.e, aluminum, copper and cables) is treated as being held on a permanent basis (minimum operating stock), and not hedged, in the ferrous segments (i.e, steel and steel pipes), no commodities hedging occurs.

## Reconciliation Tables

### EBIT and EBITDA

H1 2020								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>4,922</b>	<b>1,080</b>	<b>14,268</b>	<b>-23,597</b>	<b>-2,074</b>	<b>-196</b>	<b>-1,878</b>	<b>-7,474</b>
<b>Adjustments for:</b>								
Share of profit/loss (-) of Associates	-5	2,160	-	324	-124	-	-	2,356
Net Finance Cost	7,434	7,237	11,316	12,925	5,536	1,460	809	46,717
<b>EBIT</b>	<b>12,351</b>	<b>10,478</b>	<b>25,585</b>	<b>-10,348</b>	<b>3,338</b>	<b>1,264</b>	<b>-1,069</b>	<b>41,598</b>
<b>Add back:</b>								
Depreciation & Amortization	27,046	7,268	7,283	15,864	4,337	2,489	1,867	66,153
<b>EBITDA</b>	<b>39,396</b>	<b>17,746</b>	<b>32,868</b>	<b>5,516</b>	<b>7,674</b>	<b>3,754</b>	<b>798</b>	<b>107,751</b>

H1 2019								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>24,270</b>	<b>7,137</b>	<b>6,325</b>	<b>-16,260</b>	<b>2,265</b>	<b>-628</b>	<b>-5,827</b>	<b>17,282</b>
<b>Adjustments for:</b>								
Share of profit/loss (-) of Associates	-366	98	-	578	-305	-	-	5
Net Finance Cost	8,567	7,991	11,513	14,409	6,248	1,302	1,033	51,063
<b>EBIT</b>	<b>32,471</b>	<b>15,226</b>	<b>17,838</b>	<b>-1,273</b>	<b>8,208</b>	<b>673</b>	<b>-4,794</b>	<b>68,350</b>
<b>Add back:</b>								
Depreciation & Amortization	25,457	7,096	7,882	19,404	4,963	2,212	2,096	69,110
<b>EBITDA</b>	<b>57,928</b>	<b>22,322</b>	<b>25,720</b>	<b>18,132</b>	<b>13,171</b>	<b>2,885</b>	<b>-2,699</b>	<b>137,460</b>

H1 2019 EBIT Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities	Total
<b>As reported H1 2019</b>	<b>32,961</b>	<b>15,317</b>	<b>17,838</b>	<b>-1,849</b>	<b>8,596</b>	<b>673</b>	<b>-4,794</b>	<b>68,743</b>
<b>Adjustments for:</b>								
EBIT of Associates	491	91	-	-576	388	-	-	393
<b>Restated figure H1 2019</b>	<b>32,471</b>	<b>15,226</b>	<b>17,838</b>	<b>-1,273</b>	<b>8,208</b>	<b>673</b>	<b>-4,794</b>	<b>68,350</b>

H1 2019 EBITDA Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities	Total
<b>As reported H1 2019</b>	<b>58,479</b>	<b>22,786</b>	<b>25,720</b>	<b>17,821</b>	<b>13,643</b>	<b>2,885</b>	<b>-2,699</b>	<b>138,637</b>
<b>Adjustments for:</b>								
EBITDA of Associates	551	464	-	-310	472	-	-	1,177
<b>Restated figure H1 2019</b>	<b>57,928</b>	<b>22,322</b>	<b>25,720</b>	<b>18,132</b>	<b>13,171</b>	<b>2,885</b>	<b>-2,699</b>	<b>137,460</b>

**a-EBIT and a-EBITDA**

H1 2020								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>4,922</b>	<b>1,080</b>	<b>14,268</b>	<b>-23,597</b>	<b>-2,074</b>	<b>-196</b>	<b>-1,878</b>	<b>-7,474</b>
<b>Adjustments for:</b>								
Net finance cost	7,434	7,237	11,316	12,925	5,536	1,460	809	<b>46,717</b>
Metal price lag	1,763	9,170	2,257	4,497	-	-	-	<b>17,686</b>
Share of profit/ (loss) of equity investees, net of tax	-5	2,160	-	324	-124	-	-	<b>2,356</b>
Impairment/ Reversal of Impairment (-) on fixed assets	-77	-6	-	-	-	-	-	<b>-82</b>
Gains (-) /losses from sales of fixed assets and intangibles	426	-11	-	-10	-	-	-597	<b>-193</b>
Other exceptional or unusual income (-) /expenses	-	-	-	1,144	-	-	-	<b>1,144</b>
<b>a-EBIT</b>	<b>14,463</b>	<b>19,630</b>	<b>27,841</b>	<b>-4,717</b>	<b>3,338</b>	<b>1,264</b>	<b>-1,666</b>	<b>60,153</b>
<b>Add back:</b>								
Depreciation & Amortization	27,046	7,268	7,283	15,864	4,337	2,489	1,867	<b>66,153</b>
<b>a-EBITDA</b>	<b>41,508</b>	<b>26,898</b>	<b>35,124</b>	<b>11,146</b>	<b>7,674</b>	<b>3,754</b>	<b>201</b>	<b>126,306</b>

H1 2019								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>24,270</b>	<b>7,137</b>	<b>6,325</b>	<b>-16,260</b>	<b>2,265</b>	<b>-628</b>	<b>-5,827</b>	<b>17,282</b>
<b>Adjustments for:</b>								
Net finance cost	8,567	7,991	11,513	14,409	6,248	1,302	1,033	<b>51,063</b>
Metal price lag	3,890	4,492	2,746	7,454	-	-	-	<b>18,583</b>
Share of profit/ (loss) of equity investees, net of tax	-366	98	-	578	-305	-	-	<b>5</b>
Impairment/ Reversal of Impairment (-) on fixed assets	-2	-	-	-	-	-	-	<b>-2</b>
Exceptional litigation fees and fines / income (-)	29	-	-	-	139	-	-	<b>167</b>
Gains (-) /losses from sales of fixed assets and intangibles	-87	-87	-	-36	6	-	-13	<b>-217</b>
<b>a-EBIT</b>	<b>36,301</b>	<b>19,631</b>	<b>20,584</b>	<b>6,146</b>	<b>8,353</b>	<b>673</b>	<b>-4,807</b>	<b>86,881</b>
<b>Add back:</b>								
Depreciation & Amortization	25,457	7,096	7,882	19,404	4,963	2,212	2,096	<b>69,110</b>
<b>a-EBITDA</b>	<b>61,758</b>	<b>26,727</b>	<b>28,466</b>	<b>25,550</b>	<b>13,316</b>	<b>2,885</b>	<b>-2,711</b>	<b>155,990</b>

H1 2019 a-EBIT Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities	Total
<b>As reported H1 2019</b>	<b>36,791</b>	<b>19,721</b>	<b>20,584</b>	<b>5,569</b>	<b>8,741</b>	<b>673</b>	<b>-4,807</b>	<b>87,274</b>
<b>Excluding:</b>								
EBIT of Associates	491	91	-	-576	388	-	-	<b>393</b>
<b>Restated figure H1 2019</b>	<b>36,301</b>	<b>19,631</b>	<b>20,584</b>	<b>6,146</b>	<b>8,353</b>	<b>673</b>	<b>-4,807</b>	<b>86,881</b>

H1 2019 a-EBITDA Restatement Reconciliation								
<i>Amounts in EUR thousands</i>	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Other activities	Total
<b>As reported H1 2019</b>	<b>62,309</b>	<b>27,191</b>	<b>28,466</b>	<b>25,239</b>	<b>13,788</b>	<b>2,885</b>	<b>-2,711</b>	<b>157,167</b>
<b>Excluding:</b>								
EBITDA of Associates	551	464	0	-310	472	-	-	<b>1,177</b>
<b>Restated figure H1 2019</b>	<b>61,758</b>	<b>26,727</b>	<b>28,466</b>	<b>25,550</b>	<b>13,316</b>	<b>2,885</b>	<b>-2,711</b>	<b>155,990</b>



## Segmental Information

H1 2020	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
<b>Revenue</b>	<b>565,857</b>	<b>530,673</b>	<b>268,160</b>	<b>345,082</b>	<b>134,923</b>	<b>6,270</b>	<b>24,424</b>	<b>1,875,389</b>
<b>Gross profit</b>	45,096	31,783	37,647	15,283	10,264	4,520	7,820	<b>152,414</b>
<b>Operating profit</b>	12,351	10,478	25,585	-10,348	3,338	1,264	-1,069	<b>41,598</b>
Net finance cost	-7,434	-7,237	-11,316	-12,925	-5,536	-1,460	-809	<b>-46,717</b>
Share of profit/loss (-) of Associates	5	-2,160	-	-324	124	-	-	<b>-2,356</b>
<b>Profit/Loss (-) before tax</b>	<b>4,922</b>	<b>1,080</b>	<b>14,268</b>	<b>-23,597</b>	<b>-2,074</b>	<b>-196</b>	<b>-1,878</b>	<b>-7,474</b>
Income tax	-1,218	140	-3,465	-557	-324	-1,563	-795	<b>-7,783</b>
<b>Profit/Loss (-)</b>	<b>3,704</b>	<b>1,220</b>	<b>10,803</b>	<b>-24,154</b>	<b>-2,398</b>	<b>-1,759</b>	<b>-2,673</b>	<b>-15,257</b>

H1 2019	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Other activities	Total
<b>Revenue</b>	<b>683,658</b>	<b>554,939</b>	<b>294,241</b>	<b>449,232</b>	<b>195,458</b>	<b>4,248</b>	<b>34,466</b>	<b>2,216,242</b>
<b>Gross profit</b>	66,240	34,662	29,398	20,062	15,992	1,830	8,360	<b>176,543</b>
<b>Operating profit</b>	32,471	15,226	17,838	-1,273	8,208	673	-4,794	<b>68,350</b>
Net finance cost	-8,567	-7,991	-11,513	-14,409	-6,248	-1,302	-1,033	<b>-51,063</b>
Share of profit/loss (-) of Associates	366	-98	-	-578	305	-	-	<b>-5</b>
<b>Profit/Loss (-) before tax</b>	<b>24,270</b>	<b>7,137</b>	<b>6,325</b>	<b>-16,260</b>	<b>2,265</b>	<b>-628</b>	<b>-5,827</b>	<b>17,282</b>
Income tax	-9,466	-898	-2,160	1,498	-1,481	97	-1,110	<b>-13,521</b>
<b>Profit/Loss (-)</b>	<b>14,804</b>	<b>6,239</b>	<b>4,165</b>	<b>-14,762</b>	<b>784</b>	<b>-532</b>	<b>-6,937</b>	<b>3,761</b>

## Net Debt

Amounts in EUR thousands	As at	
	30 June 2020	31 December 2019
<b>Long term</b>		
Loans & borrowings	961,899	943,522
Lease liabilities	43,975	42,518
<b>Short term</b>		
Loans & borrowings	851,788	830,455
Lease liabilities	10,953	10,903
<b>Total Debt</b>	<b>1,868,615</b>	<b>1,827,398</b>
<b>Less:</b>		
Cash and cash equivalents	-147,316	-214,499
<b>Net Debt</b>	<b>1,721,299</b>	<b>1,612,899</b>