

VIOHALCO

PRESS RELEASE

# FINANCIAL RESULTS

## H1'23



REGULATED INFORMATION  
INSIDE INFORMATION

Brussels, 21 September 2023 - Viohalco S.A. (Euronext Brussels: VIO, Athens Stock Exchange: VIO), hereafter “Viohalco” or “the Company”, today announces its financial results for the first half of 2023.

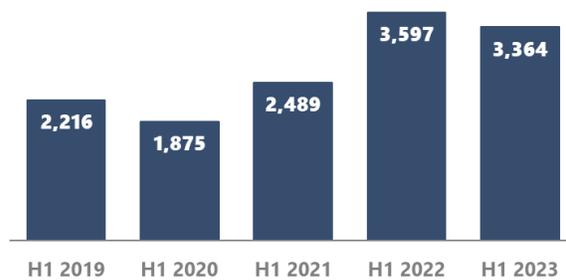
## Financial performance remains strong amid market headwinds



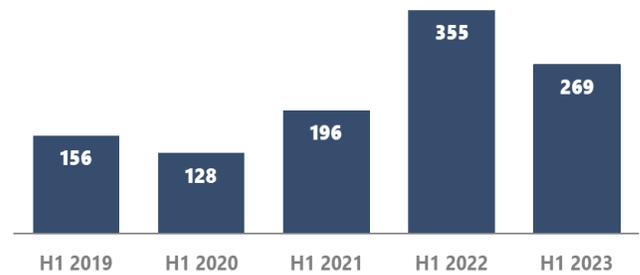
### Financial highlights

- **Consolidated revenue** at EUR 3.4 billion down by 6.5% (H1 2022: EUR 3.6 billion), mainly due to softening demand in the aluminium and steel segments and lower metal prices, counterbalanced by the strong performance of the cables and steel pipes segments.
- **Consolidated adjusted EBITDA** at EUR 269 million versus EUR 355 million in H1 2022. Revenue reduction and inflationary pressures were the main causes for this decline; **Consolidated EBITDA** decreased to EUR 225 million (H1 2022: EUR 412 million).
- **Consolidated profit before income tax** amounted to EUR 61 million versus EUR 293 million in H1 2022, further impacted by the increased interest rates.

Consolidated revenue in EUR million



a-EBITDA in EUR million



### Operational highlights



- Sustainability megatrends remain strong. The energy transition and the switch towards a low carbon economy significantly enhanced the demand for products with direct applications to the expanding deployment of RES and EV manufacturing.
- Major contract wins and successful delivery of existing projects, with substantial order backlog in the cables and steel pipes segments.
- Resilience against softening demand for aluminium and steel products, with the ability to keep gaining market share against a challenging macroeconomic backdrop.
- Improved adjusted operational profitability for the copper segment, mainly due to the improvements in productivity and the competitive positioning of Sofia Med.
- Growth of the real estate portfolio, through active asset management and redevelopment of existing assets, with a continued focus on sustainability.
- Investment in process efficiency, capacity expansion, high product quality and value-added products, along with new technologies reinforced competitive positioning and supported expansion into new markets.



## Overview

Viohalco's financial performance remained strong during H1 2023, driven by strong production infrastructure, a diversified product portfolio and an extensive backlog of existing and newly awarded projects. The above supported performance despite the softened demand for the aluminium and steel products, the increased energy prices and inflationary pressures.

H1 2023 results have been driven largely by the increased demand in the cables and steel pipes segments, due to the progression of the existing energy-related projects and the securing of new ones. The aluminium and steel segments have shown continued resilience to the softened demand and adverse macro-economic conditions, being able to further gain market share in the period. The copper segment showed improved adjusted operational profitability, mainly attributable to the improvements in productivity and competitive positioning of the subsidiary Sofia Med. Finally, the real estate division has also recorded a positive performance, with Noval Property remaining on track with its Initial Public Offering (IPO) plan on the Athens Stock Exchange.

Despite the macroeconomic uncertainty, Viohalco companies continued to invest in their operations to realise continued performance improvements and maintained their focus on the health, safety, and well-being of their employees, as well as on delivering against their broader social and environmental goals.

Viohalco’s financial reporting splits into two divisions, based on their distinct business characteristics and performance metrics:



The **industrial division**, including aluminium, copper, cables, steel pipes, steel, R&D&I and technology segments, and the **real estate division** comprising of Viohalco’s property investments and real estate related entities.

## The industrial division

### Key highlights



**€ 3.3 bln.**

Revenue  
(H1 2022: € 3.6 bln.)

**€ 260 mil.**

a-EBITDA  
(H1 2022: € 350 mil.)

**€ 55 mil.**

Profit before tax  
(H1 2022: € 294 mil.)

**€ 42 mil.**

Net Profit

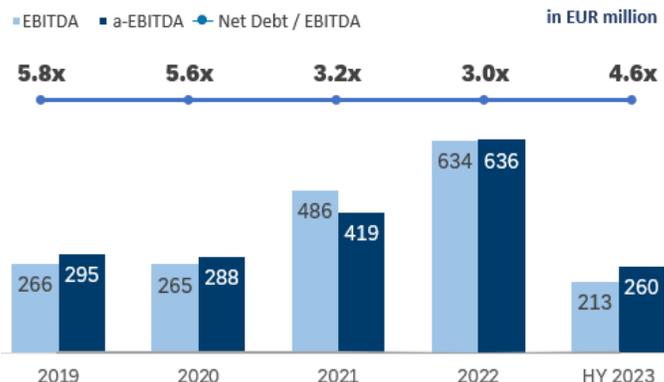
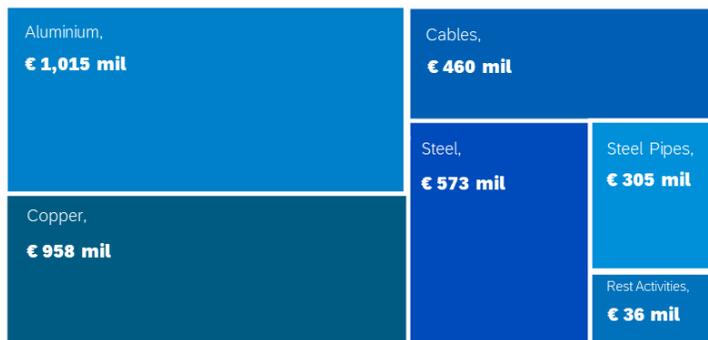
**€ 122 mil.**

CAPEX  
H1 2023

**4.6x**

Net Debt /  
EBITDA

### Revenue per segment



## Industrial division - Key financials

<i>Amounts in EUR thousands</i>	H1 2023	H1 2022
<b>Revenue</b>	<b>3,346,830</b>	<b>3,583,241</b>
Gross profit	286,181	459,654
<b>EBITDA</b>	<b>213,226</b>	<b>407,035</b>
<b>a-EBITDA</b>	<b>259,949</b>	<b>350,326</b>
<b>EBIT</b>	<b>140,793</b>	<b>341,110</b>
a-EBIT	187,516	284,401
Net finance cost	-86,087	-48,150
<b>Profit before tax</b>	<b>55,382</b>	<b>294,316</b>
Capex	122,220	138,301
<i>Amounts in EUR thousands</i>	30/06/2023	31/12/2022
Property, plant, and equipment (PP&E)	<b>2,141,731</b>	<b>2,230,385</b>
Net debt	<b>1,901,259</b>	<b>1,922,988</b>

The **revenue** of the industrial division amounted to EUR 3,347 million and the profit before tax to EUR 55 million showing a decrease of 81% compared to H1 2022, while the **operating profitability (a-EBITDA)** of the industrial division amounted to EUR 260 million.

Viohalco's industrial division is composed of the following segments: aluminium, copper, cables, steel pipes and steel.

- Amid a market of inflationary pressures and fragile demand, the **aluminium segment** demonstrated its resilience and solid positioning by adapting effectively to the adverse market situation, alongside a well-balanced commercial reach across global, high-end markets.
- The **copper segment** recorded strong adjusted operational profitability, mainly due to the performance of ElvalHalcor's subsidiary Sofia Med. The general macroeconomic environment impacted demand across most market segments, affecting mainly extruded copper alloy products and copper tubes. Despite the subdued demand, Sofia Med continued to successfully gain market share and increase production and sales, significantly supporting the profitability of the segment.
- In the **cables segment**, the efficient execution of high-profile submarine projects, combined with high-capacity utilization across all production lines, fostered growth and improved operational performance. Low voltage and medium voltage power cables saw particularly strong demand during H1 2023, contributing to increased profit margins. In combination with an enhanced product mix, as well as the timely and efficient execution of projects, this brought about significant improvement in operating profitability. The awarding of contracts for several new projects further advanced the segment's order backlog to a record EUR 1.85 billion.
- After two years of significant disruption in the oil and gas markets, the end of 2022 marked a turning point for the **steel pipes segment** and the momentum continued in 2023 since the start of the year. The increased profitability was the result of a high utilization rate of production capacity and of the award of new major projects. This, together with the initiatives taken in previous years, allowed Corinth Pipeworks to strengthen its competitive positioning and succeed in increasing market share within the global energy market, taking a leading position in the energy transition technologies, such as hydrogen and Carbon Capture & Storage (CCS) pipelines. The above resulted in an order backlog of EUR 0.63 billion.
- The **steel segment** maintained its dominant market position in Greece, the Balkans and Cyprus. This came despite the uncertainty arising due to recession in the European construction sector and unfavorable dynamics in the mechanical engineering sector, both of which are expected to continue into H2 2023. Sales in low-carbon plates increased, mainly in northern European markets, while SBQs and merchant bars maintained sales volumes with

reinforcement steel and wire rod demand negatively affected in the European and Balkan markets. The Greek construction market proved to be a positive exception, with demand from both residential and infrastructure projects continuing to grow, albeit at a more moderate rate than in 2022.

## The real estate division



### Key highlights

€ 17.4 mil.	€ 8.8 mil.	469.000 sqm	97%	€ 7.9 mil.
Revenue (H1 2022: € 13.8 mil.)	a-EBITDA (H1 2022: € 4.9 mil.)	GBA*	Occupancy rate**	Capex

\* Referring to the portfolio of real estate assets of Noval Property

\*\* Referring to the income producing portfolio of Noval Property.

- Finally, in the **real estate division**, Noval Property recorded a strong set of results despite macro-economic and geopolitical challenges affecting the sector. This was achieved through continuous active management and the progression of its investment program, which saw the enhancement of both the fair value of its investment portfolio and the company's profit before tax. Of particular note was the increased footfall across Noval Property's retail assets, combined with increased revenue from these assets and higher rental adjustments in the rest of the portfolio. At the same time, progress in the company's captive pipeline development and construction continued on schedule, which will add more sustainable and environmentally certified assets to the portfolio.

It should be noted that Viohalco applies the historical cost model in investment property, while certain real estate division subsidiaries (such as Noval Property) follow the fair value model. Noval Property H1 2023 profit before taxes, based on the fair value model, amounted to EUR 24.4 million, while GAV as of 30.6.2023 (including long term leases) amounted to EUR 524.5 million and NAV stood at EUR 386.8 million.

Viohalco companies reaffirm their unwavering commitment to addressing environmental, social and governance (ESG) risks and opportunities which have been fully incorporated in business operations, in order to account for any potential impacts to society and the environment. The companies' comprehensive framework extends across all subsidiaries and is focused on continuous improvement in energy efficiency, enhancing health and safety measures in their industrial operations and furthering responsible sourcing practices.

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A conference call to discuss these results will be held on Friday, September 22<sup>nd</sup>, 2023, at 12:00 GMT / 14:00 EET.

To participate in the teleconference, please dial in approximately 5 minutes before the start of the call and use one of the following telephone numbers:

- Greek participants: +30 213 009 6000 or +30 210 94 60 800
- UK participants: +44 (0) 800 368 1063
- UK & International: +44 (0) 203 059 5872
- USA participants: +1 516 447 5632



## Financial overview

<i>Amounts in EUR thousands</i>	H1 2023	H1 2022
<b>Revenue</b>	<b>3,364,227</b>	<b>3,596,996</b>
Gross profit	294,399	463,120
<b>EBITDA</b>	<b>224,879</b>	<b>411,966</b>
<b>a-EBITDA</b>	<b>268,748</b>	<b>355,257</b>
<b>EBIT</b>	<b>149,443</b>	<b>341,359</b>
a-EBIT	193,311	284,650
Net finance cost	-89,295	-49,707
<b>Profit before tax</b>	<b>60,513</b>	<b>292,695</b>
Profit for the period	45,425	233,955
Profit attributable to owners	36,510	207,377

**Consolidated revenue** amounted at EUR 3.4 billion, down by 6.5% compared to H1 2022 (EUR 3.6 billion), primarily due to the weaker demand in the aluminium and steel segments and the downtrend in metal prices, partially offset by the strong performance of the cables segment which continued its growth momentum, and the positive turnaround of the steel pipes segment.

The decrease in **Consolidated a-EBITDA** by 24% to EUR 269 million for H1 2023 (H1 2022: EUR 355 million), underlined the reduction in sales volumes in specific segments, as well as the intensifying inflationary pressures; Consolidated EBITDA decreased by 45% to EUR 225 million.

**Net finance cost** increased to EUR 89 million (H1 2022: EUR 50 million), reflecting the increase in interest rates.

**Consolidated profit before income tax** for the period amounted to EUR 61 million, compared to EUR 293 million in H1 2022, mainly affected by the decline in metal prices, which rose in prior year period, and the increased interest cost.

**Consolidated net profit after income tax and minority interests** amounted to EUR 37 million, compared to EUR 207 million in H1 2022; while earnings per share amounted to EUR 0.141 (H1 2022: EUR 0.799).

<i>Amounts in EUR thousands</i>	30 June 2023	31 Decemeber 2022
Fixed and intangible assets	2,692,301	2,625,715
Other non-current assets	143,045	100,709
<b>Non-current assets</b>	<b>2,835,346</b>	<b>2,726,424</b>
Inventory	1,811,367	1,914,098
Trade and other receivables (incl, contract assets)	953,777	874,921
Cash and cash equivalents	445,945	412,644
Other current assets	40,739	102,109
<b>Current assets</b>	<b>3,251,828</b>	<b>3,303,772</b>
<b>Total assets</b>	<b>6,087,174</b>	<b>6,030,196</b>
<b>Equity</b>	<b>1,947,510</b>	<b>1,955,895</b>
Loans and borrowings	1,522,881	1,471,299
Other non-current liabilities	224,703	219,685
<b>Non-current liabilities</b>	<b>1,747,585</b>	<b>1,690,985</b>

Amounts in EUR thousands	30 June 2023	31 December 2022
Loans and borrowings	921,904	958,166
Trade and other payables (incl, contract liabilities)	1,393,206	1,304,828
Other current liabilities	76,969	120,322
<b>Current liabilities</b>	<b>2,392,079</b>	<b>2,383,316</b>
<b>Total equity and liabilities</b>	<b>6,087,174</b>	<b>6,030,196</b>

**Capital expenditure** for the period amounted to EUR 130 million (H1 2022: EUR 163 million), mainly attributable to the investment programme carried out in the aluminium segment, which included the advanced six-high cold rolling mill and the automated lacquering line, the implementation of the planned offshore cables capacity expansion in the submarine cables production plant of Hellenic Cables in Corinth, Greece, operational improvements in the copper plant of Sofia Med, Bulgaria, and the production capacity increase and equipment replacement in the steel segment plants.

**Working capital** decreased by 9% reaching EUR 1,346 million, compared to 31 December 2022 (EUR 1,477), mainly due to inflated metal prices during 2022.

**Net debt** decreased marginally to EUR 2,041 million (31 December 2022: EUR 2,057 million).

## Segmental performance

Amounts in EUR thousands		Revenue		EBITDA		a-EBITDA		EBIT		EBT	
Segments	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	
Industrial Division	Aluminium	1,014,852	1,200,862	56,451	174,266	80,706	129,886	23,493	145,407	2,505	133,503
	Copper	957,581	978,110	53,513	54,123	59,019	46,837	44,351	45,882	32,096	37,400
	Cables	460,214	426,651	52,036	45,796	58,901	47,854	42,248	36,929	20,348	25,948
	Steel pipes	304,989	190,050	27,800	3,402	27,800	3,901	22,988	-1,045	10,248	-3,560
	Steel	573,051	743,854	25,665	124,623	35,886	117,153	11,722	111,158	-5,143	98,900
	Other activities	36,144	43,714	-2,239	4,825	-2,363	4,695	-4,008	2,779	-4,672	2,126
<b>Total</b>	<b>3,346,830</b>	<b>3,583,241</b>	<b>213,226</b>	<b>407,035</b>	<b>259,949</b>	<b>350,326</b>	<b>140,793</b>	<b>341,110</b>	<b>55,382</b>	<b>294,316</b>	
Real Estate Division *	17,397	13,755	11,653	4,931	8,799	4,931	8,650	249	5,130	-1,622	
<b>Consolidated</b>	<b>3,364,227</b>	<b>3,596,996</b>	<b>224,879</b>	<b>411,966</b>	<b>268,748</b>	<b>355,257</b>	<b>149,443</b>	<b>341,359</b>	<b>60,513</b>	<b>292,695</b>	

\* In addition to Noval Property, the real estate segment of Viohalco includes other entities active in real estate operations. It should be noted that Viohalco applies the historical cost model in investment property, while certain real estate segment subsidiaries (such as Noval Property) follow the fair value model. In H1 2023, Noval Property's earnings before taxes amounted to EUR 24.4 million, based on the fair value model.

## Performance review by division

### The industrial division



#### Aluminium

In H1 2023, the **revenue** of the aluminium segment decreased by 15% to EUR 1,015 million versus EUR 1,201 million in H1 2022, mainly driven by unfavourable macroeconomics, soft market demand and lower average aluminium prices. **Profit before income tax** amounted to EUR 3 million (H1 2022: EUR 134 million).

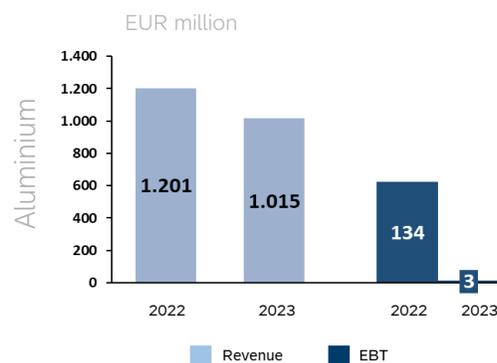
The aluminium sector of ElvalHalcor, maintained a competitive edge in the market by focusing on product mix optimisation with diversification across sectors. This was conducted in parallel to prudent adjustments in capacity allocation and operational efficiency enhancements.

Spiking inflation and soft market conditions saw decreased consumer discretionary spending and an associated downward pressure on industrial activity creating business stagnation in the building and construction markets. Even resilient sectors, such as rigid and flexible packaging, have been trending unfavourably during the semester with no evident signs of a quick rebound, due to the slow normalization of customers' excess inventory.

Looking ahead to H2 2023, we expect the volatile business landscape and the negative macro sentiment to continue challenging business performance, posing further downside risks to the demand and price outlook. In the longer term, we anticipate flat rolled products FRP demand fundamentals to gradually regain balance, influenced by changing consumer considerations around lightweight, energy-efficient, and recyclable product solutions, driven by global sustainability megatrends in climate neutrality, clean energy and the circular economy. The aluminium segment will continue to reshape its portfolio into faster-expanding product categories, added-value applications and new geographies, establishing solid customer collaborations to futureproof its business growth.

During H1 2023, Bridgnorth Aluminium continued to meet demand for high-quality aluminium products amongst global customers. The company underwent a comprehensive restructuring program, following the loss of one of its major customers in the lithographic sector in 2022-2023. While the demand for products manufactured at Bridgnorth Aluminium was subdued in H1 2023, the company is further optimising quality and operational efficiency through a focused investment program. This will allow Bridgnorth Aluminium to meet current and future customer demand and remain prepared to capture new market opportunities, such as battery foil production for the global EV industry.

For Etem Gestamp, H1 2023 has seen the continuation of challenging market dynamics from the last quarter of 2022, with lower demand for industrial products and further declines in conversion prices being brought about by increased market competition. The combination of the above, coupled with high interest rates has impacted bottom line profitability. Looking into H2 2023, the primary challenges remain the elevated costs of financing and a weak industrial market. On the upside the shift in the company's sales to automotive products, which already account for more than 45% of the total output, is a positive development, with automotive showing particular resilience and signs of further growth.

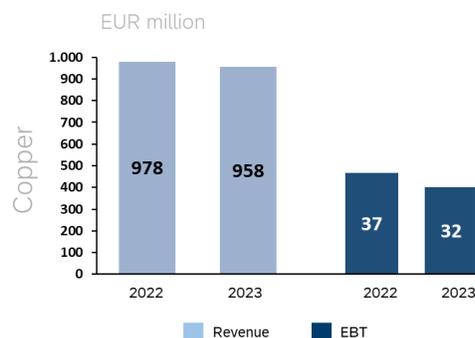




## Copper

Copper segment **revenue** stood at EUR 958 million vs. EUR 978 million in H1 2022, negatively affected by the decline in metal prices and reduced volumes. **Profit before income tax** amounted to EUR 32 million (H1 2022: EUR 37 million).

The drop in demand, stemming from global macroeconomic dynamics beginning in H2 2022, continued throughout H1 2023, affecting most market segments and construction in particular. This had an impact primarily on sales volumes for extruded copper alloy products at ElvalHalcor, which dropped by 43.1%, and secondarily on copper tubes volumes, which dropped by 13.9%. Additionally, the volume of sales amongst the smaller subsidiaries, Cable Wires and Epirus Metalworks also declined.



Nevertheless, the copper segment recorded a strong operational performance, mainly due to ElvalHalcor's subsidiary Sofia Med which increased sales and profitability in both rolled copper and alloy products and copper bus bars, which grew by 6.4% and 5.3% respectively, taking advantage of firmer demand in key market segments, improvements in productivity and the company's competitive positioning.

Overall sales volumes for the segment fell by 7.8%, but operational profitability was boosted by a higher value-added mix and sturdy prices in most segments. Profitability was further supported by healthy scrap discounts and availability, the reduction in natural gas costs, and optimisation of both processes and the customer portfolio.

Metal prices in the period were much lower than the previous year, with copper averaging EUR 8,050/tn vs. EUR 8,926/tn for H1 2022. This affected revenue and metal results that turned to losses of EUR 5.6 million in H1 2023 from profits of EUR 7.5 million in H1 2022.

Market conditions are not expected to change within the year and demand is expected to remain subdued. As cost reductions and production optimisation initiatives are continuing to show increasing benefits throughout most subsidiaries, the outlook for the segment remains solid.



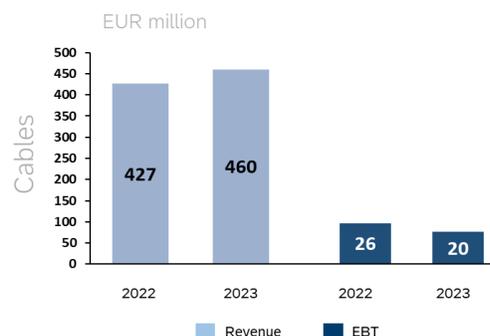
## Cables

**Revenue** for the cables segment reached EUR 460 million (+8% y-o-y), with this growth being driven mainly by the projects business (+15% revenue growth y-o-y). **Profit before income tax** amounted to EUR 20 million (H1 2022: EUR 26 million).

The solid demand for cables products in all geographical regions (i.e. Central Europe, United Kingdom, Balkans, Southeast Mediterranean) helped the power and telecom business unit improve its profit margins per ton of products sold. This, along with a full production schedule, an improved sales mix and steady high margins in projects, led to a 23% y-o-y growth in a-EBITDA (+EUR 11 million). During H1 2023, the tendering activity of Hellenic Cables continued successfully with several new project awards in the offshore wind and interconnection markets. As a result, the order backlog of the segment reached EUR 1.85 billion by 30 June 2023, its highest level ever (EUR 1.35 billion on 31.12.2022). At the same time, several projects were successfully delivered either fully or partially throughout H1 2023. Profit margins for the products business unit increased, due to solid demand in all main markets and a good product mix, with these factors further contributing to the segment's profitability. H1 2023 capital expenditure for the cables segment amounted to EUR 54.7 million and mainly concerned the planned expansion of offshore cables capacity at the Corinth, Greece plant.

The cables segment is confident in its continued growth momentum across both business units, with demand for products remaining strong and a growing projects backlog. The large set of secured project orders and high-capacity utilisation in all plants throughout 2023 persist as the two main profitability pillars for the segment. Electrification momentum in Europe and the increasing demand for grid connections are expected to further fuel the order book for land cables. Preparing for this, Hellenic Cables has already acquired an industrial area near its factory in Thiva, Greece for future expansion plans needed to serve this growing onshore demand. As for the offshore projects business unit, several awards were secured during the last months.

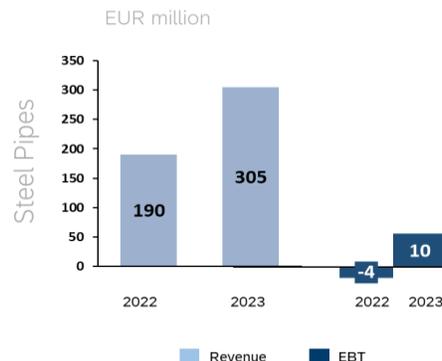
Hellenic Cables, through its two-year investment program in the Corinth, Greece plant, aims to strengthen further its role as a key enabler of the green energy transition. Such investments will allow the company to effectively execute a record high order backlog and serve the increasing expectations of customers and stakeholders. Lastly, and following previous announcements, discussions with Ørsted are continuing on a partnership for the construction of a submarine inter array cables factory in Maryland, USA.





## Steel pipes

The end of 2022 signalled a positive turnaround in the performance of the steel pipes segment. This was confirmed in the first six months of this year, as **revenue** increased by 60% compared to the same period last year (EUR 305 million versus EUR 190 million). This along with high-capacity utilisation and a higher-margin projects mix led to a notable improvement in profitability. **Profit before income tax** amounted to EUR 10 million compared to a loss of EUR 4 million in H1 2022.



Fossil fuel demand drove a steel pipes market turnaround from the second half of 2022, which continued strong within 2023, supported by high energy prices in combination with the increased significance of energy security in many European countries. Demand growth resulted in many pipeline projects being revived and hastily pushed into the execution phase. In this positive commercial environment, Corinth Pipeworks consolidated its position as a Tier1 pipe manufacturer and a leader in new gas transportation technologies, as well as high-pressure pipelines for hydrogen and carbon capture and storage. Within the year, it successfully executed several pipeline projects and was awarded significant new contracts by Chevron Mediterranean Ltd., Equinor, ONE-Dyas B.V. and other major clients. As a result of these awards, the backlog at the end of H1 2023 reached EUR 0.63 billion, with a new intake of over EUR 220 million.

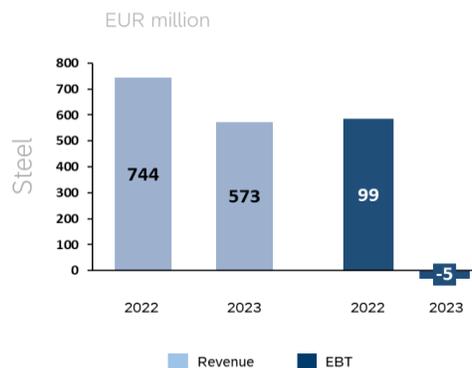
The steel pipes segment is building on its strengthened position based on high-capacity utilization throughout the rest of the year. Strong operations are expected to bring back down any seasonal peaks in working capital observed during the semester and normalize leverage to more sustainable levels. Looking ahead, Corinth Pipeworks expects the gas fuel industry to keep on evolving together with the other energy transition pillars. As market conditions improve, so does the order backlog, feeding into a positive outlook for 2024.



## Steel

**Revenue** in the steel segment amounted to EUR 573 million in H1 2023 versus EUR 744 million in H1 2022. **Loss before income tax** amounted to EUR 5 million (H1 2022: profit EUR 99 million).

During H1 2023, Europe's construction market, the main steel-using sector, experienced a slowdown for the first-time post 2020. Additionally, elevated production and energy costs, together with the increase of imports from countries outside the EU replacing supply from Russia and Ukraine, led to volume and price pressures across all product lines.



In reinforcement steel, this was primarily due to a slowdown in demand within the residential construction sub-sector, with this occurring in almost all countries following rising interest rates and building material costs. Greece was an exception with demand continuing to grow in both residential and infrastructure projects, albeit at a more moderate rate than 2022. Sales of wire rod were also negatively affected in the period due its more international customer base, while

merchant bars had stable sales volume, due to an increased focus on local and Central European markets and the company's strong market position in the Balkans and Cyprus.

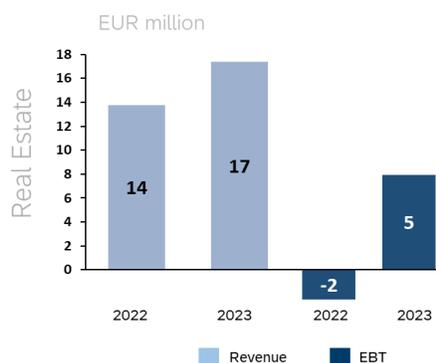
A rise in sales of hot rolled plates occurred mostly in the Baltic countries and Finland, where their low carbon footprint provided an advantage over the competition. Special bar quality steels (SBQs) maintained sales volume due to the relatively strong performance of European mechanical engineering and heavy vehicles production sectors.

During H1 2023, several steel segment companies initiated projects driving the transition to a low-carbon economy with process improvements made through utilizing scrap as the sole source material for steel production. Our EPD product portfolio expanded further, offering customers reliable and quantitative information regarding environmental impact over the whole product life cycle. Finally, Sidenor plant received the EPD for wire rod, SD concrete reinforcing steel in bars and coils.

Into H2 2023, uncertainty persists due to the recession in the European construction sector and a lack of dynamism in the mechanical engineering sector.

## The real estate division

The **revenue** for the real estate division amounted to EUR 17.4 million in H1 2023 (H1 2022: EUR 13.8 million), and the **profit before income tax** amounted to EUR 5.1 million, compared to a loss of 1.6 million in H1 2022. It should be noted that Viohalco applies the historical cost model in investment property, while certain real estate segment subsidiaries (such as Noval Property) follow the fair value model.



Noval Property's H1 2023 profit before tax, based on the fair value model, amounted to EUR 24.4 million and the company recorded a 6% increase in the fair value of its investment portfolio from EUR 486 million as at 31 December 2022 to EUR 516 million as at 30 June 2023 (as per the respective Investment Schedules). This was achieved in the context of several operating challenges, including increases in energy and product prices, heightened interest rates and ongoing geopolitical turbulence in the region. Part of this positive performance stems from the continuous active management of existing properties and the increasing trend for high-quality and sustainable buildings in Greece. In particular, the increased footfall recorded across Noval Property's retail assets was combined with increased revenue through higher rental adjustments across the rest of the portfolio. Following the successful issue of a EUR 120 million Green Bond (listed on Athens Stock Exchange) in December 2021, Noval Property's captive investment programme progressed as planned. Current works underway toward this includes the construction of one logistics and two office buildings, the renovation of an office building and the retrofitting of a mixed-use property.

Looking ahead to the remainder of 2023, Noval Property will continue with its investment plan, not only in relation to projects already in progress, but also with regard to new acquisitions. These will be in line with the company's strategic focus on sustainable development through modern, smart and environmentally accredited assets. Furthermore, Noval Property will progress with the preparations for its listing on the Athens Stock Exchange.



## Subsequent Events

There are no subsequent events affecting the consolidated financial statements.

## Outlook

Looking to the second half of the year, the levels of macroeconomic uncertainty remain elevated, with energy prices still volatile, interest rates at high levels and demand fluctuations continuing to persist, thereby affecting demand.

Viohalco's diversified business model, its improved production efficiency and capacity, together with continued product portfolio and operational optimization, reaffirm the confidence in the Viohalco companies' ability to respond to macro-economic challenges with agility and resilience.

While there is a positive outlook around the long-term megatrends related to global sustainability and energy security, the shorter-term outlook remains cautious, due to the prolonged economic uncertainty.

## Statement of the Auditor

All figures and tables contained in this press release have been extracted from Viohalco's unaudited condensed consolidated interim financial statements for the first six months of 2023, which have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union.

The statutory auditor, PwC Bedrijfsrevisoren BV / Reviseurs d'Entreprises SRL, represented by Marc Daelman, has reviewed these condensed consolidated interim financial statements and concluded that based on the review, nothing has come to the attention that causes them to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

For the condensed consolidated interim financial statements for the first six months of 2023 and the review report of the statutory auditor we refer to Viohalco's website ([www.viohalco.com](http://www.viohalco.com)).



## Financial Calendar

Date	Event
<b>Friday, September 22<sup>nd</sup>, 2023</b>	Half yearly 2023 results conference call
<b>Thursday, March 7<sup>th</sup>, 2024</b>	Financial results 2023 press release
<b>Tuesday, May 28<sup>th</sup>, 2024</b>	Ordinary General Meeting 2024

*The Annual Financial Report for the period 1 January 2023 – 31 December 2023 will be published on Thursday, April 4<sup>th</sup>, 2024 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 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 main production facilities in Greece, Bulgaria, Romania, the United Kingdom and North Macedonia, 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](http://www.viohalco.com)

## Contacts

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Chief Investor Relations Officer

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The logo for VIOHALCO, consisting of the company name in a bold, blue, sans-serif font, enclosed within a blue rectangular border with rounded corners.

VIOHALCO

## Appendix A – Consolidated statement of profit or loss

For the period ended 30 June

<i>Amounts in EUR thousands</i>	<b>H1 2023</b>	<b>H1 2022</b>
<b>Revenue</b>	<b>3,364,227</b>	<b>3,596,996</b>
Cost of sales	-3,069,828	-3,133,876
<b>Gross profit</b>	<b>294,399</b>	<b>463,120</b>
Other income	19,748	7,644
Selling and distribution expenses	-48,939	-42,398
Administrative expenses	-98,086	-76,310
Impairment loss on receivables and contract assets	-6,392	-1,482
Other expenses	-11,288	-9,214
<b>Operating result</b>	<b>149,443</b>	<b>341,359</b>
Finance income	3,940	6,806
Finance cost	-93,235	-56,513
<b>Net Finance cost</b>	<b>-89,295</b>	<b>-49,707</b>
Share of profit / loss (-) of equity-accounted investees	365	1,042
<b>Profit before tax</b>	<b>60,513</b>	<b>292,695</b>
Income tax	-15,088	-58,739
<b>Profit for the period</b>	<b>45,425</b>	<b>233,955</b>
<b>Profit attributable to:</b>		
Owners of the Company	36,510	207,377
Non-controlling interest	8,915	26,578
	<b>45,425</b>	<b>233,955</b>
<b>Earnings per share (EUR per share)</b>		
Basic and diluted	0.141	0.799

## Appendix B – Consolidated statement of financial position

<i>Amounts in EUR thousands</i>	30 June 2023	31 December 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,293,025	2,231,036
Right of use assets	35,915	35,279
Intangible assets and goodwill	42,275	43,376
Investment property	321,086	316,024
Equity - accounted investees	34,449	36,638
Other investments	37,480	8,405
Deferred tax assets	13,459	9,628
Derivatives	20,739	38,922
Trade and other receivables	36,697	6,893
Contract costs	222	222
	<b>2,835,346</b>	<b>2,726,424</b>
<b>Current assets</b>		
Inventories	1,811,367	1,914,098
Trade and other receivables	701,473	675,083
Contract assets	252,304	199,839
Contract costs	-	14
Derivatives	26,732	27,149
Current tax assets	13,667	7,081
Cash and cash equivalents	445,945	412,644
Assets held for sale	340	67,865
	<b>3,251,828</b>	<b>3,303,772</b>
<b>Total assets</b>	<b>6,087,174</b>	<b>6,030,196</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	-29,859	-30,802
Other reserves	446,059	448,298
Retained earnings	657,176	663,823
	<b>1,672,841</b>	<b>1,680,784</b>
Non-controlling interest	274,669	275,111
<b>Total equity</b>	<b>1,947,510</b>	<b>1,955,895</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	1,522,881	1,471,299
Lease liabilities	31,664	29,449
Derivatives	3,033	1,249
Deferred tax liabilities	102,539	103,489
Employee benefits	25,154	24,357
Grants	31,150	32,454
Provisions	1,749	1,727
Trade and other payables	19,525	17,073
Contract liabilities	9,889	9,889
	<b>1,747,585</b>	<b>1,690,985</b>
<b>Current liabilities</b>		
Loans and borrowings	921,904	958,166
Lease liabilities	9,999	10,932
Trade and other payables	1,191,557	1,180,881
Contract liabilities	201,649	123,948
Current tax liabilities	36,077	57,511
Derivatives	15,723	18,455
Provisions	15,170	15,405
Liabilities directly associated with assets classified as held for sale	-	18,020
	<b>2,392,079</b>	<b>2,383,316</b>
<b>Total liabilities</b>	<b>4,139,664</b>	<b>4,074,301</b>
<b>Total equity and liabilities</b>	<b>6,087,174</b>	<b>6,030,196</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

#### 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;
- 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.

#### 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 subsidiaries use as raw materials in their end-product production processes.

**Metal price lag** exists due to:

1. 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,
2. 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
3. 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. aluminium, 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 2023 Amounts in EUR thousands	Aluminium	Copper	Cables	Steel pipes	Steel	Other activities	Total Industrial	Real Estate	Total Consolidated
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>2,505</b>	<b>32,096</b>	<b>20,348</b>	<b>10,248</b>	<b>-5,143</b>	<b>-4,672</b>	<b>55,382</b>	<b>5,130</b>	<b>60,513</b>
<i>Adjustments for:</i>									
Share of profit/loss (-) of equity-accounted investees	-817	-69	-	292	-82	-	-676	311	-365
Net Finance Cost	21,804	12,324	21,899	12,448	16,947	664	86,087	3,208	89,295
<b>EBIT</b>	<b>23,493</b>	<b>44,351</b>	<b>42,248</b>	<b>22,988</b>	<b>11,722</b>	<b>-4,008</b>	<b>140,793</b>	<b>8,650</b>	<b>149,443</b>
<i>Add back:</i>									
Depreciation & Amortization	32,958	9,162	9,789	4,812	13,943	1,769	72,433	3,004	75,437
<b>EBITDA</b>	<b>56,451</b>	<b>53,513</b>	<b>52,036</b>	<b>27,800</b>	<b>25,665</b>	<b>-2,239</b>	<b>213,226</b>	<b>11,653</b>	<b>224,879</b>

H1 2022 Amounts in EUR thousands	Aluminium	Copper	Cables	Steel pipes	Steel	Other activities	Total Industrial	Real Estate	Total Consolidated
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>133,503</b>	<b>37,400</b>	<b>25,948</b>	<b>-3,560</b>	<b>98,900</b>	<b>2,126</b>	<b>294,316</b>	<b>-1,622</b>	<b>292,695</b>
<i>Adjustments for:</i>									
Share of profit/loss (-) of equity-accounted investees	-669	635	-	-1,194	-128	-	-1,356	314	-1,042
Net Finance Cost	12,574	7,846	10,982	3,710	12,385	653	48,150	1,557	49,707
<b>EBIT</b>	<b>145,407</b>	<b>45,882</b>	<b>36,929</b>	<b>-1,045</b>	<b>111,158</b>	<b>2,779</b>	<b>341,110</b>	<b>249</b>	<b>341,359</b>
<i>Add back:</i>									
Depreciation & Amortization	28,858	8,241	8,866	4,447	13,465	2,046	65,925	4,682	70,607
<b>EBITDA</b>	<b>174,266</b>	<b>54,123</b>	<b>45,796</b>	<b>3,402</b>	<b>124,623</b>	<b>4,825</b>	<b>407,035</b>	<b>4,931</b>	<b>411,966</b>

## a-EBIT and a-EBITDA

H1 2023 Amounts in EUR thousands	Aluminium	Copper	Cables	Steel Pipes	Steel	Other activities	Total Industrial	Real Estate	Total Consolidated
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>2,505</b>	<b>32,096</b>	<b>20,348</b>	<b>10,248</b>	<b>-5,143</b>	<b>-4,672</b>	<b>55,382</b>	<b>5,130</b>	<b>60,513</b>
<i>Adjustments for:</i>									
Net finance cost	21,804	12,324	21,899	12,448	16,947	664	<b>86,087</b>	3,208	<b>89,295</b>
Share of Profit (-) / Loss of Associates	-817	-69	-	292	-82	-	<b>-676</b>	311	<b>-365</b>
Metal price lag	28,919	5,618	6,864	-	10,866	-	<b>52,267</b>	-	<b>52,267</b>
Impairment/ Reversal of Impairment (-) on fixed assets	64	-59	-	-	-	-	<b>4</b>	-834	<b>-830</b>
Impairment/ Reversal of Impairment (-) on investments	-	-	-	-	-	-	-	-2,020	<b>-2,020</b>
Gains (-) / losses from sales of fixed assets and intangibles	-121	-53	-	-	-645	-124	<b>-942</b>	-	<b>-942</b>
Gains (-) / losses from sales of investments	-4,462	-	-	-	-	-	<b>-4,462</b>	-	<b>-4,462</b>
(Gains) / losses from financial assets valuation	-2,405	-	-	-	-	-	<b>-2,405</b>	-	<b>-2,405</b>
Reorganisation Costs	2,261	-	-	-	-	-	<b>2,261</b>	-	<b>2,261</b>
<b>a-EBIT</b>	<b>47,748</b>	<b>49,857</b>	<b>49,112</b>	<b>22,988</b>	<b>21,943</b>	<b>-4,132</b>	<b>187,516</b>	<b>5,795</b>	<b>193,311</b>
<i>Add back:</i>									
Depreciation & Amortization	32,958	9,162	9,789	4,812	13,943	1,769	<b>72,433</b>	3,004	<b>75,437</b>
<b>a-EBITDA</b>	<b>80,706</b>	<b>59,019</b>	<b>58,901</b>	<b>27,800</b>	<b>35,886</b>	<b>-2,363</b>	<b>259,949</b>	<b>8,799</b>	<b>268,748</b>

H1 2022 Amounts in EUR thousands	Aluminium	Copper	Cables	Steel Pipes	Steel	Other activities	Total Industrial	Real Estate	Total Consolidated
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>133,503</b>	<b>37,400</b>	<b>25,948</b>	<b>-3,560</b>	<b>98,900</b>	<b>2,126</b>	<b>294,317</b>	<b>-1,622</b>	<b>292,695</b>
<i>Adjustments for:</i>									
Net finance cost	12,574	7,846	10,982	3,710	12,385	653	<b>48,150</b>	1,557	<b>49,707</b>
Share of Profit (-) / Loss of Associates	-669	635	-	-1,194	-128	-	<b>-1,356</b>	314	<b>-1,042</b>
Metal price lag	-44,404	-7,452	2,399	-	-8,810	-	<b>-58,267</b>	-	<b>-58,267</b>
Impairment/ Reversal of Impairment (-) on fixed assets	143	-	-	-	-	-	<b>143</b>	-	<b>143</b>
Gains (-) / losses from sales of fixed assets and intangibles	-119	166	-340	-1	-4	-130	<b>-427</b>	-	<b>-427</b>
Gains (-) / losses from sales of investments	-	-	-	-	1,343	-	<b>1,343</b>	-	<b>1,343</b>
Provision for indemnity to customer	-	-	-	500	-	-	<b>500</b>	-	<b>500</b>
<b>a-EBIT</b>	<b>101,028</b>	<b>38,596</b>	<b>38,988</b>	<b>-546</b>	<b>103,687</b>	<b>2,648</b>	<b>284,401</b>	<b>249</b>	<b>284,650</b>
<i>Add back:</i>									
Depreciation & Amortization	28,858	8,241	8,866	4,447	13,465	2,046	<b>65,925</b>	4,682	<b>70,607</b>
<b>a-EBITDA</b>	<b>129,886</b>	<b>46,837</b>	<b>47,854</b>	<b>3,901</b>	<b>117,153</b>	<b>4,695</b>	<b>350,325</b>	<b>4,931</b>	<b>355,257</b>

## Segmental Information

H1 2023 Amounts in EUR thousands	Aluminium	Copper	Cables	Steel pipes	Steel	Other activities	Total Industrial	Real Estate	Total Consolidated
<b>Revenue</b>	<b>1,014,852</b>	<b>957,581</b>	<b>460,214</b>	<b>304,989</b>	<b>573,051</b>	<b>36,144</b>	<b>3,346,830</b>	<b>17,397</b>	<b>3,364,227</b>
Gross profit	66,061	73,932	60,658	32,242	44,914	8,373	286,181	8,218	294,399
<b>Operating profit</b>	<b>23,493</b>	<b>44,351</b>	<b>42,248</b>	<b>22,988</b>	<b>11,722</b>	<b>-4,008</b>	<b>140,793</b>	<b>8,650</b>	<b>149,443</b>
Net finance cost	-21,804	-12,324	-21,899	-12,448	-16,947	-664	-86,087	-3,208	-89,295
Share of profit / loss (-) of Associates	817	69	-	-292	82	-	676	-311	365
<b>Profit/Loss (-) before tax</b>	<b>2,505</b>	<b>32,096</b>	<b>20,348</b>	<b>10,248</b>	<b>-5,143</b>	<b>-4,672</b>	<b>55,382</b>	<b>5,130</b>	<b>60,513</b>
Income tax	-3,133	-3,149	-4,437	-2,610	476	-752	-13,604	-1,484	-15,088
<b>Profit/Loss (-)</b>	<b>-628</b>	<b>28,947</b>	<b>15,911</b>	<b>7,638</b>	<b>-4,667</b>	<b>-5,424</b>	<b>41,778</b>	<b>3,647</b>	<b>45,425</b>

H1 2022 Amounts in EUR thousands	Aluminium	Copper	Cables	Steel pipes	Steel	Other activities	Total Industrial	Real Estate	Total Consolidated
<b>Revenue</b>	<b>1,200,862</b>	<b>978,110</b>	<b>426,651</b>	<b>190,050</b>	<b>743,854</b>	<b>43,714</b>	<b>3,583,241</b>	<b>13,755</b>	<b>3,596,996</b>
Gross profit	182,834	70,970	52,240	5,452	138,490	9,668	459,654	3,466	463,120
<b>Operating profit</b>	<b>145,407</b>	<b>45,882</b>	<b>36,929</b>	<b>-1,045</b>	<b>111,158</b>	<b>2,779</b>	<b>341,110</b>	<b>249</b>	<b>341,359</b>
Net finance cost	-12,574	-7,846	-10,982	-3,710	-12,385	-653	-48,150	-1,557	-49,707
Share of profit / loss (-) of Associates	669	-635	-	1,194	128	-	1,356	-314	1,042
<b>Profit/Loss (-) before tax</b>	<b>133,503</b>	<b>37,400</b>	<b>25,948</b>	<b>-3,560</b>	<b>98,900</b>	<b>2,126</b>	<b>294,316</b>	<b>-1,622</b>	<b>292,695</b>
Income tax	-29,942	-5,232	-5,594	2,602	-18,182	-1,975	-58,323	-417	-58,739
<b>Profit/Loss (-)</b>	<b>103,561</b>	<b>32,168</b>	<b>20,354</b>	<b>-958</b>	<b>80,718</b>	<b>151</b>	<b>235,993</b>	<b>-2,038</b>	<b>233,955</b>

## Net Debt

<i>Amounts in EUR thousands</i>	<b>30.06.2023</b>	<b>31.12.2022</b>
<b>Long term</b>	<b>1,554,545</b>	<b>1,500,748</b>
Loans & borrowings	1,522,881	1,471,299
Lease liabilities	31,664	29,449
<b>Short term</b>	<b>931,903</b>	<b>969,097</b>
Loans & borrowings	921,904	958,166
Lease liabilities	9,999	10,932
<b>Total Debt</b>	<b>2,486,449</b>	<b>2,469,845</b>
<b>Less:</b>		
Cash and cash equivalents	-445,945	-412,644
<b>Net Debt</b>	<b>2,040,504</b>	<b>2,057,201</b>