



**MYTILINEOS**

**MYTILINEOS COMPANY SA  
ANNOUNCES FIRST HALF 2019 FINANCIAL RESULTS**

- *Turnover increased by 38.2% to € 990.8 million vs. € 717.1 million in the same period of 2018*
- *Earnings before interest, tax depreciation and amortization (EBITDA) stood at € 175.3 million vs. € 145.2 million in the same period of 2018.*
- *Net profit after minority interests and tax stood at € 81.6 million vs € 83.9 million in the same period of 2018. Earnings per share (EPS) of € 0.571 vs. € 0.587 in the same period of 2018*

**Athens, Greece** – 12 September 2019 - MYTILINEOS SA (RIC: **MYTr.AT**, Bloomberg: **MYTIL.GA**) announces today its financial results for the first half of 2019. A conference call with analysts will be held at 17:30 Greek time, in which the Management will present the results. Information about the conference is available on the Company's website: [www.mytilineos.gr](http://www.mytilineos.gr).

Commenting on the Financial Results, the Chairman and CEO Evangelos Mytilineos said:

*"The Company during the first half of 2019 has returned to high growth rates with turnover for the first time approaching the €1 billion mark. MYTILINEOS, based on the positive momentum and synergies created between the three business units, recorded strong operating cash flows that strengthen its balance sheet and provide confidence for the successful implementation of our planned investments at the lowest possible cost."*

### Key Consolidated Financial Results for the First Half of 2019

(in €m.)	1H2019	1H2018	Δ %
Turnover	990,8	717,1	38,2%
EBITDA	175,3	145,2	20,7%
EATam	81,6	83,9	-2,7%
EPS	0,571	0,587	-2,7%
<b>Margins (%)</b>			Δ(bps)
EBITDA	17,7%	20,2%	-255
EATam	8,2%	11,7%	-346

### Summary of Financial Results for the First Half of 2019

Turnover up 38.2% to € 990.8 million from € 717.1 million in the first half of 2018, supported largely by the growth in figures recorded by the Power & Gas Unit.

EBITDA increased by 20.7% to € 175.3 million vs. € 145.2 million in the corresponding period of 2018 attributable to the increased performance of the Power & Gas Unit, the strong profitability maintained by the Metallurgy Unit despite the weak international environment, as well as the positive contribution of the EPC and Infrastructure Unit.

Net profits after taxes and minority interests stood at € 81.6 million vs. € 83.9 million in the corresponding period of 2018, being affected by approximately €28.5 million due to the first time adoption of IFRS 16, the normalization of the effective tax rate on a consolidated basis, as well as increased minority interest from METKA EGN subsidiary.

The Company in the first half of 2019, focusing on the synergies between the Units, recorded strong growth in both turnover and operating profitability. The Company's ability to negotiate competitive prices for natural gas by leveraging on its high consumption needs for both the Metallurgy Unit and the Power & Gas Unit has been a critical comparative advantage for MYTILINEOS over its competitors.

In addition, increased operating profitability coupled with efficient management of working capital led to particularly positive operating cash flow generation to the tune of € 139.1 vs. € 59.6 million in the corresponding period of 2018, over a two-fold increase. Correspondingly, free cash flow increased to €40.6 million from €15.8 million, in the first half of 2018, despite an increase in capital expenditures.

## **Main activities**

### **Metallurgy**

The Unit recorded turnover of € 294.6 million, which represents 29.7% of total turnover, compared to € 283.5 million for the same period of 2018.

EBITDA in the first half of 2019 stood at € 92.6 million vs. € 98.9 million in the corresponding period last year. This performance was particularly satisfactory given the weak pricing environment within the current period, as during the first half of 2019 the average aluminium prices in the LME and alumina fell by 17.3% and 17.4%, respectively. These declines were partially offset by the strengthening of the US dollar (USD) against the euro.

The lifting of sanctions against Rusal and the impact of the US-China trade war had an impact on prices and demand globally. The decline of Aluminium prices in the 2nd half of 2018 continued also during the first half of 2019, with the average Aluminium price in the LME hovering at \$1,826/t, down 17.3%. This decrease was partially offset by a 16% increase in premiums of Aluminium products.

Regarding alumina prices, the API index following its unprecedented rise in 2018, due to US sanctions affecting the largest alumina and aluminium producer outside of China, as well as reduced production by the world's largest alumina factory, retreated to lower levels once the above factors were normalized. As a result, the average price for the first half of 2019 decreased by 17.4% on a year on year basis.

Despite significant challenges, MYTILINEOS achieved high profitability and high operating margins based on its fully integrated production model, strict cost control as well as its consistent and successful hedging policy.

Regarding the performance of individual activities:

- Turnover for aluminium was up 11.2% to € 214.7 million, compared to € 193.1 million in the corresponding period last year. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased to € 62.7 million from € 56.9 million.
- Turnover for alumina stood at € 79.6 million, compared to € 90.0 million in the corresponding period last year. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) respectively decreased by 28.7% to € 29.7 million from € 41.7 million in the first half of 2018.

The Company, in line with the current developments in the industry and international trends, remains committed to further improving competitiveness and has already

launched a new program targeting productivity improvements, following its successful track record of previous cost cutting initiatives.

As for the new Alumina production plant, the technical study is in process as per the original timetable. The FID (Final Investment Decision) is scheduled for the 1<sup>st</sup> Quarter of 2020.

## **Power & Gas**

The unit recorded a turnover of € 460.6 million, which represents 46.5% of the total turnover in the first half of 2019, compared to € 236.2 million in the corresponding period last year.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the first half of 2019 amounted to € 50.3 million, up from € 12.3 million, marking an increase of 309.1% compared to the corresponding period in 2018 which was characterized by a weak environment for the entire domestic electricity market and for gas fired power plants.

The strong performance during the first half of 2019 is mainly due to the increased electricity production by 29% of the Company's thermal units that exceeded 2.6 TWhrs. Including RES production, total electricity produced amounted to 2.8 TWhrs, corresponding to 10.9% of the total demand. In terms of market dynamics, electricity demand increased by 4.1% and CO2 prices more than doubled (+ 116%), resulting in increased wholesale prices (System Marginal Price – SMP) of €66.7/MWh, an increase of 26.5% compared to the first half of 2018.

The performance of the individual activities of the Power & Gas Unit were as follows:

- o Electricity production from RES recorded a 79.0% increase, as overall installed capacity increased to 190.3 MW, while an additional 30.2 MW is under construction and expected to be completed by the end of the year. At profitability level, Earnings Before Taxes, Depreciation and Amortization (EBITDA) increased to € 13.4 million from € 7.3 million with EBITDA margin at 70.4%.
- o Electricity supply activity recorded EBITDA of € 6.5 million in the first half of 2019 against € 1.1 million in the corresponding period of 2018. Protergia continued during the first half of 2019 to strengthen its position by steadily increasing its market share to 5.1% from 4.0% at the end of 2018, exceeding 150k customers.
- o Gas supply activity posted significant growth with turnover in the first half of 2019 amounting to € 94.8 million from € 19.7 million in the corresponding period last year.

On Wednesday, October 2<sup>nd</sup>, the foundation stone laying ceremony for the construction of the new combined cycle power plant will be inaugurated at the energy center of Ag. Nikolaos, Voiotia. The new power plant will operate with GE class H technology and a thermal efficiency higher than 63%. It is noted that the total capacity of the plant will be 826MW, significantly higher than original estimated, while the total investment amount will

not exceed the initial guidance of € 300 million as it will be undertaken by the EPC-METKA Business Unit. The commissioning date for the power station is set for the fourth quarter of 2021.

## **EPC & Infrastructure**

The unit recorded a turnover of € 235.7 in 2019, which represents 23.8% of total turnover, compared to € 196.0 million in 2018.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) stood at € 35.0 million against € 34.3 million in 2018 with operating margin at 14.9%.

The following projects had the major contribution in the unit's performance:

- "Fast-Track EPC as well as Operation and Maintenance support for a 250MW Power Plant" in Ghana at a contract price of \$ 369 million, which recorded a turnover of € 66.9 million in the current six-month period.
- "Engineering, Construction & Procurement of a 100 MWp PV Power Plant" in the Zhambyl region of Kazakhstan (MKAT) with a contract price of \$ 78.4 million and KZT 5.118.7 million, which recorded a turnover of € 36.1 m. in the current six-month period.
- "Full EPC services for four universities, including hybrid power generation plants, which will be powered by hybrid power plants utilizing renewable energy sources integrated with energy storage, street lighting and training centers, as well as operation and maintenance services" in Nigeria had a contractual price of NGN 12.6 billion, which recorded a turnover of € 22.2 million in the current six-month period.

In total, the solar plant construction activity through its subsidiary METKA EGN recorded a contribution of € 72.4 million in the first semester of 2019 and Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to € 10.8 million.

Total backlog for the period ending June 30, 2019 amounted to € 1.2 billion, including € 369.5 million referring to solar projects.

METKA EGN's solar plant activities have achieved fast geographic penetration and the company has been internationally established as a provider of clean energy solutions, in an economic and business environment that is urgently looking for ways to reduce carbon emissions. The company is expanding its activities by undertaking new projects of total capacity exceeding 500 MW with a presence in all 5 continents.

With METKA EGN's new project in Australia, with a total capacity of 250MW, for which the company recently signed a 10-year PPA contract with a private customer signifies the

expansion into the development, construction and sale of solar parks worldwide with the aim of creating higher added value.

Finally, regarding the traditional EPC project activity, MYTILINEOS has undertaken the Engineering, Procurement and Construction (EPC) of a new Combined Heat and Power (CHP) plant with total electrical power output of 110MW (CHP) in Ljubljana, Slovenia. The contract is worth € 118m, and completion of the facility is expected to bring about a 70% reduction in CO2 emissions.

### **Outlook for the Company's Business Units**

For the second half of the year the following factors are expected to affect the financial performance of the Company:

- The Company's ability to negotiate competitive gas prices for the needs of the Metallurgy and Power & Gas Unit, either in through liquefied natural gas (LNG) or pipeline gas creating a well-diversified basket of supply sources.
- Metallurgy Unit:
  - The evolution of aluminium prices, the strict control of production costs in conjunction with the consistent risk hedging policy and the full integration of EPALME
- Power & Gas Unit:
  - Further development of RES production with the construction of 3 additional 30.2 MW wind farms and increased operation of power plants in an environment of high CO2 prices, and increasing electricity consumption
  - Uncertainty around the collection of capacity payments following the 1<sup>st</sup> Quarter of the year
  - Potential opportunities in market share growth in the electricity and natural gas supply driven by recent changes in the pricing policy of the incumbent supplier
- EPC and Infrastructure Unit:
  - The evolution of operating margins associated with the development of solar power construction
  - The development of mature projects that have been delayed due to external factors

Given the above factors, the financial performance in the first half of the year, the dynamics and the ability of MYTILINEOS to achieve meaningful synergies, a strong foundation has been set for overall significant growth and strong cash flow generation in 2019.

Please find below the infographic of the results:



For details, please contact:

#### **Investor Relations**

Tel. 210-6877300 | Fax 210-6877400 | E-mail: [ir@mytilineos.gr](mailto:ir@mytilineos.gr)

#### **Press Office**

Tel. 210-6877346 | Fax 210-6877400 | E-mail: [communications@mytilineos.gr](mailto:communications@mytilineos.gr)

#### **MYTILINEOS S.A.**

MYTILINEOS S.A. is a leading Greek industry active in Metallurgy, Power & Gas and EPC & Infrastructure. Established in Greece in 1990, the company is listed on the Athens Exchange, has a consolidated turnover in excess of €1.5 billion and employs directly or indirectly more than 2,900 people in Greece and abroad.

For more details, please visit [www.mytilineos.gr](http://www.mytilineos.gr) | [Facebook](#) | [Twitter](#) | [YouTube](#) | [LinkedIn](#)