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**PRESS RELEASE**

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**FINANCIAL RESULTS FOR THE FIRST HALF OF 2019**  
**Improvement in business activity and turnover**

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ELASTRON S.A. – STEEL SERVICE CENTERS reported the financial results for the 1<sup>st</sup> Half of 2019 according to the International Financial Reporting Standards (IFRS).

The Group's turnover posted an improvement by 9% during the first half of the year reaching € 58.1 million from € 53.3 million in the same period of the year 2018. Gross profit stood at € 5.7 million or 9.8% of total sales, versus € 6.1 million or 11.4% of total sales in the corresponding period of year 2018. Results before interest and taxes (EBIT) amounted to € 0.3 million versus € 1.2 million in the previous year whereas results before interest, taxes, depreciation and amortization (EBITDA) settled at € 1.8 million versus € 2.2 million in the first half of 2018. Finally, the results before taxes settled at losses of € 0.8 million versus losses of € 0.3 million in the previous year.

On the parent company level, the turnover settled at € 57.4 million versus € 52.6 million in the previous year posting an increase of 9%, whereas gross profit amounted to € 5.3 million or 9.3% of total sales, compared to € 5.7 million or 10.8% of total sales in the first half of 2018. The results before interest, taxes, depreciation and amortization (EBITDA) amounted to € 1.5 million versus € 1.6 million, whereas the results before taxes settled at losses of € 0.7 million compared to earnings of € 0.6 million in the same period of 2018.

The Group's level of activity posted further improvement during the 1<sup>st</sup> half of the year mainly driven by the increase in exports which accounted for 40% of total turnover, as well as by the maturity of the investments made in mechanical equipment which in turn increased the market share of the Company's new products and improved productivity rates. However the continuous drop in prices, beginning from the year 2018, as result of the ongoing uncertainty in the international steel market due to the weaker pattern in the trading of steel products (following the tariffs imposed) and also due to the declining global demand, had a negative impact and contracted further the Group's operating profit margins. At the same time, the unfavorable environment with the limited demand for steel products, the strong competition, the relatively high financing cost and the new competition conditions emerging from the neighboring countries with very low labor cost, led to a further decline of the Group's operating results in the steel sector. Within the above framework, the Group proceeded during the first half of 2019 with a significant reduction of its net bank debt which settled at € 29.9 million versus € 39.2 million at the end of 2018.

In the agricultural sector, the Group completed within the first half of 2019 the construction of the final part of production facilities of the company Thrace Greenhouses SA. Currently the aggregate production and ancillary facilities cover an area of 196,000 square meters making the company as one of the largest producers of agricultural products in Greece. It is noted that the total production of the company in agricultural products is channeled in the largest retail companies of the Greek market thus substituting imports and further supporting the Greek production activity and also utilizing the domestic workforce.

Finally, in the energy division of the Group, operating results posted a small drop as result of the lower production levels following the lower rates of sunlight that were realized in the current period and as compared to the first half of 2018.

With the first nine months of 2019 already behind us, we expect no material changes and developments for the rest of the year. The drop in prices continued during the 3<sup>rd</sup> quarter as

well, as result of the lower demand and consumption of steel products on international level, whereas a more stable trend and potentially a small recovery should be anticipated in the last quarter of the year. In this case, we expect the operating profit margins to be sustainable at current levels. However, the developments in the international steel market do not seem to imply any significant improvement in the sector environment nor can they contribute to sustainable price increases over the next months. Within the above-mentioned framework, the Group's strategy focuses on maintaining the optimal level of inventories, the faster turnover rate of these, as well as on the further reduction of working capital days aiming to a gradual deleveraging and reduction of financing cost. At the same time, the management monitors the new trends seen in the market with the aim to implement investments that will contribute to an improvement of the sales mix in the steel segment as well as help the Group to expand in new markets.

Note: The "Semi-Annual Financial Report according to IFRS" for the 1<sup>st</sup> Half of 2019 of ELASTRON SA will be posted on Thursday 26 September 2019 at the company's website [www.elastron.gr](http://www.elastron.gr) as well as at the website of the Athens Exchange [www.helex.gr](http://www.helex.gr) .