

Wednesday, 28 September 2022

**PRESS RELEASE**

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**FINANCIAL RESULTS OF THE FIRST HALF 2022**  
**Improvement of Turnover and Profitability**

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ELASTRON S.A. – STEEL SERVICE CENTERS reported the financial results for the first half of 2022 according to the International Financial Reporting Standards (IFRS).

The Group's turnover posted a significant improvement during the 1st half of the year amounting to € 98.9 million from € 78.3 million in the same period of the previous year, recording an increase of 26.3%. Gross profit settled at €20.5m or 20.7% of sales, compared to €18.5m or 23.6% of sales in the first half of 2021. Results before interest and taxes (EBIT) amounted to € 13.9 million compared to € 13.0 million in the same period of the previous year, while the results before taxes, financial and investment results, and before depreciation (EBITDA) amounted to € 15.2 million compared to € 14.3 million in the 1st half of 2021. Finally, the results before taxes settled at a profit of € 12.8 million compared to € 12.4 million in the corresponding period of the previous year.

The turnover of the parent company posted a corresponding increase and accounted for € 98.2 million compared to € 77.6 million in the 1st half of 2021, while the gross profit settled at € 20.1 million or 20.4% of sales, compared to € 18.1 million or 23.3% of sales in the corresponding period of 2021. Results before interest and taxes (EBIT) amounted to € 13.8 million compared to € 12.9 million in the previous year, while the results before taxes, financial and investment results, and before depreciation (EBITDA) settled at € 14.8 million compared to € 13.9 million in the 1st half of 2021. Finally, the results before taxes settled at a profit of € 12.4 million compared to € 12.1 million in the corresponding period of the previous year.

The results of the Group's steel sector posted an improvement during the first half of the year as compared to the same period of the previous year. The main characteristic of the above improvement was the maintenance of a similar level of activity but also the further increase of sale prices as a result of the rise in raw material prices internationally. In particular, the outbreak of the military conflicts that followed Russia's invasion of Ukraine and the imposition of sanctions by the European Union against Russia led, among other things, to a significant increase in the cost of energy and subsequently in the cost of steel production. At the same time, the shortage observed in the European market of steel products, given the significant export capacity of both Russian and Ukrainian steel mills, contributed to the further rise in the prices of raw materials until the middle of the second quarter of the year 2022. However, the continued increase in the cost of raw materials as well as in the prices of finished products created conditions of stagnation, limiting the growth dynamics that had been observed in the sector by the beginning of the year. In this context, the turnover and operating profitability of the Group posted an increase compared to the corresponding first half of the previous year, while the gross profit margin evolved downwards due to the higher cost of raw materials, and therefore further reducing the operating profit margin. The Group's equity increased significantly amounting to € 91.1 million compared to € 80.8 million in 2021 and € 66.2 million on 31.12.2020.

Continuing its investment plan, the Group completed within the first half of 2022 the construction of new privately owned warehouses and industrial premises with a total area of 8,500 square meters. The aim of the investment was to house existing as well as new production lines that are expected to improve production and distribution time, reduce costs, and further enrich the product spectrum thus allowing the Group to more effectively meet new customer needs. In the context of the Company's disinvestment from non-operating properties and also in the context of the financing of new investments, the sale of an industrial property in Skaramangas, Attica, Greece, as well as the sale of a photovoltaic station operating on the roof of the above property, was completed within the 3rd quarter of 2022. The total consideration of the sale settled at €6.9 million and is expected to further strengthen the liquidity of the Group.

With regard to the remaining of the year, the Management is not in a position to proceed with any assessment about the Company's outlook given the highly fragile market conditions as well as the volatile geopolitical factors, the course of which cannot be accurately predicted. To date, the demand for steel products has been stable, while the correction of raw materials prices is expected to lead to a decline in operating profit margins for the entire year. In any case, factors such as energy costs, transport costs, financing costs, as well as the measures expected to be taken by the European Union to cushion the impact on industrial production, are expected to significantly affect the course of the steel sector as well. In this context, the Group's Management remains strongly committed to safeguarding its capital adequacy and healthy financial position, while continuing its investment plan with the aim of modernizing production and facilitating its entrance into new product and geographic markets.

Note: The "Semi-Annual Financial Report according to IFRS" of ELASTRON SA will be posted on Wednesday 28 September 2022 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).