

## Press Release

Monday, 11 April 2022

In 2021, the world economy recovered significantly as a result of governments and central banks stimulus. In this context, SIDMA Steel, taking advantage of the increase in raw material prices, recorded a spectacular increase in turnover and profitability both - at parent company and group level.

Specifically, in 2021, **SIDMA's Steel consolidated** turnover amounted to € 226.4 million, compared to € 133.3 million in 2020, increased by 70.0%, reflecting the increase in the average selling price of steel products in 2021 by 64.5% compared to 2020. Consolidated with the consignment sales, turnover stood at € 274.2 million compared to € 162.8 million in the previous year, increased by 68.5%. In addition, earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to € 27.1 million versus € 6.4 million in 2020, recording an increase of 327% mainly due to the increase in turnover and the increase of 50% in gross profit margin. Finally, earnings before tax, after many years of loss-making, reached the highest levels in the history of the company, reaching € 31.7 million, versus € 0.8 million losses in 2020.

**At the company level**, in 2021, SIDMA's Steel turnover amounted to € 150.1 million versus € 93.9 million, recording an increase of 60%, while consolidated with the consignment sales amounted to € 197.9 million versus € 123,4 million in 2020, increased by 60.4%. Earnings before tax, interest, depreciation, and amortization (EBITDA) amounted to € 20.2 million, from € 5.6 million in 2020 mainly due to the increase in turnover and gross profit margin by 44%, while results before tax recorded profits of € 26.4 million from € 0.4 million in 2020. The accounting treatment of the Company's loan liabilities refinancing that took place within the year, contributed to the abovementioned profits before tax by € 12,4 million.

Regarding the Balkan subsidiaries, **SIDMA Bulgaria** recorded 67% increase in its turnover amounting to € 44.6 million compared to € 26.7 million with an average sale price increased by 64.6% compared to 2020, increase in operating EBITDA amounting to € 3,505 thousand from € 733 thousand in 2020 (increase 378%), and increase in earnings before tax amounting to € 2,970 thousand in 2021 from € 130 thousand in the previous year. The improvement in the results arises from both- the increase in turnover and the increase in gross profit percentage by 51% in relation to the previous year.

Moreover, **SIDMA Romania** recorded an increase in its turnover of 146%, amounting to € 32.7 million compared to € 13.3 million in 2020 (with the average sale price increased by 77.8% compared to 2020). The increase in turnover arises from both - the increase in sales prices and mainly, from the fact that liquidity problems, addressed by the subsidiary in the previous years, were solved as the restructuring of its debt by the participating banks was completed. In addition, the parent company increased its share capital by €7.7 million. In this context, the operating EBITDA increased by € 3,475 thousand from zero profits in 2020, while earnings before tax, after many years returned positive and recorded profits of € 2,411 thousand in 2021 versus losses of € 1,280 thousand in the previous year. The subsidiary's equity turned positive again amounting to € 2,404 thousand from negative € 7,807 thousand in 2020.

Finally, it is worth noting, that the combination of equity strengthening, positive results of the year and refinancing the Company's borrowings have drastically improved the capital structure financial ratios and the Company's ability to service its borrowings as at 31/12/2021:

- Net Debt Ratio to Equity = 2.3
- Interest Coverage Ratio (EBITDA / Net Interest) = 6.3.

Group's liquidity amounted to € 12.7 million from € 16.7 million at the end of 2020, while its net debt decreasing by 26% or € 25.5 million.

## Objectives and Prospects for 2022

For the last five years the company has been on a growth trajectory, increasing year by year its sales volume, while the completion of the refinancing of its loans and the highest profitability of the previous year have



strengthened its capital structure and its liquidity and have significantly increased its capability to finance its working capital. Thus, the company has full capacity to take advantage of favorable conditions but also enhanced resilience to any turbulence. The above facts are considered critical taking into consideration the opportunities but also the threats of the economic and business environment.

2022 started with positive prospects, with the Greek economy continuing to recover, despite the continuing exogenous inflationary pressures from the middle of last year.

Russia's invasion to Ukraine, however, sparking a boom in energy, metals and food prices, but also exacerbating global geopolitical instability and uncertainty, puts continued growth in doubt, despite the expected start of disbursements from the new NSRF and the European Recovery and Resilience Mechanism (RRF). Assuming that the general geopolitical situation will not be further aggravated, and its economic consequences will not intensify, SIDMA Steel is expected, in 2022, to continue its development course.