

## BUSINESS RESULTS FOR THE FIRST HALF OF 2019

### Ljubljana, Friday, 6 September 2019 – The publication of the unaudited business results of the SIJ Group for the first half of 2019

According to unaudited business results, the SIJ Group created EUR 417.2 million revenues (2.1 percent less than in the first half of 2018), of which 84.4 percent on foreign markets. The achieved EBITDA<sup>1</sup> is EUR 38 million, which is 13.2 percent less than in first half of 2018, while the EBITDA margin of 9.1 percent is 1.2 percentage points lower compared to same period last year, but remains above the peer groups. The SIJ Group has operated positively, creating EUR 81.2 million of net profit, which is 4.3 times more than in the same period of 2018. Net profit includes the profit from selling the Poultry Division, which is a testament to the successful management and sale of the Perutnina Ptuj Group.

According to its business plan, in the first half of the year the SIJ Group successfully completed the sale of the Perutnina Ptuj Group to the MHP Group, one of the leading international agricultural and food processing companies. The SIJ Group used the proceeds from the sale to lower its indebtedness, resulting in the decrease of its net financial debt to EUR 165.4 million (the debt was EUR 320 million at the end of 2018). The NFD/EBITDA indicator has also improved, to 1.3.

The SIJ Group used a part of the proceeds obtained in selling the Poultry Division also for further development of its primary activity – producing high-tech steels and end products. In the first half of the year, EUR 13.5 million went towards investments, that are extension of larger investments from previous years and are intended for the production of technologically more advanced products. The SIJ Group managed to maintain its leading market positions in niche steel markets in the first half of 2019: it is ranked as a top supplier of stainless steel quarto plates in the European Union, and is among the three largest producers of tool steels in the European Union. In the area of final products, the Group is among ten largest producers of industrial knives in the world.

Being a distinctly export oriented company, the SIJ Group made the most of its revenues in the first half of 2019 in foreign markets. Exports were valued at EUR 352 million. The largest share came from its traditional German market, which increased its share in the total exports to 24 percent (22.7 percent in the same period of last year).

In the first half of the year, the steel industry suffered from the aggressive import of steel from non-European countries, which came as the result of global protectionism. Steel consumption is predicted to slow down globally and in the European Union in 2019.

#### Additional information:

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<sup>1</sup> EBITDA without the influence of the poultry division – Perutnina Ptuj Group.