**SIDMA S.A.**
STEEL PRODUCTS

**PRESS RELEASE OF SIDMA S.A.**

**Athens, 31th March 2020**

**Announcement of the publication of the financial results for the financial year 2019**

In 2019, amid a challenging and competitive environment, the company managed to increase its sales volume and operating profitability in relation to last year while maintaining its leading position in the domestic market. However, this increase is not reflected on its turnover as steel selling prices dropped in relation to the respective prices in 2018.

At Group level, the situation is similar with an increase compared to 2018 in both sales volume and operating profitability although the turnover recorded a slight drop due to a decrease in selling prices, as cited above.

In detail, in 2019 the consolidated turnover of **SIDMA** amounted to €133.7 million compared to €136.7 million in 2018 or 2.2% less. Taking into account agency sales, the turnover amounted to €166.6 million compared to €171.3 million last year, i.e. it was decreased by 2.7% (the average sales price dropped by 5,3 % compared with that of 2018). Moreover, earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to €4.6 million from €4.2 million in 2018, due to a 9.4% increase in gross profit margin. Pre-tax results recorded a drop-in losses by €2 million, from €3.9 million in 2018 to €1.9 million in 2019. Finally, Group's liquidity amounted to € 6.2 million from € 9.2 million at the end of 2018, while Debt decreased by 5% from € 110 million to € 105 million.

At company level, in 2019 the turnover of SIDMA amounted to €85.0 million from €85.2 million, recording a marginal drop by 0.3%. Taking into account agency sales, the turnover amounted to €117.8 million from €119.8 million in 2018 recording a marginal drop by 1.7% (the average sales price dropped by 5,0 % compared with that of 2018). EBITDA amounted to €3.6 million from €3.5 million in 2018 while pre-tax results stood at losses of €1.0 million compared to €2.8 million in 2018. The improvement in results was driven by the improvement in gross profit and the negotiations of the parent company with the banks with a view to restructuring its debt and reducing its financial cost.

With respect to the Balkan subsidiaries, **SIDMA Bulgaria** recorded a marginal increase in its turnover by 0.3% to €26.6 million compared to €26.5 million in 2018 (with average selling price lower by 6.0% compared to the price in 2018), a 2.9 % drop in terms of operating profitability (EBITDA amounted to €635k from €654k in 2018), an increase in selling expenses by 9.9% due to increased sales volume, while pre-tax results amounted to €21k in 2019 compared to €70k last year.

**SIDMA Romania** saw its turnover drop by 11% at €23.0 million compared to €25.8 million in 2018 (with average selling price being lower by 6.4% compared to the price in 2018) in relation to last year. In terms of operating profitability, EBITDA recorded a significant increase by 59% or €117k approximately (€ 315 k in 2019 from € 198 k in 2018), while in terms of pre-tax results the company recorded losses of €1,170k in 2019 from €1,022k last year. The decrease in the Romanian subsidiary's turnover is due, on the one hand, to the decrease in selling prices and, on the other hand, to the significant slowdown in the growth rate of Central European countries and in particular Germany, on which Romanian exports are heavily dependent. The deterioration in pre-tax results is due to the increased foreign exchange losses and depreciation by approximately €140k and 77k respectively compared to last year.

The Group's liquidity amounted to €6.2 million at year end compared to €9.2 million last year. Company Management focuses its efforts on boosting the Group's liquidity and financial position, giving top priority to decreasing its clients' credit days and improving its financing cost.

Concerning the spread of coronavirus SIDMA has taken all necessary steps to protect the health of its employees and partners. By way of example, it is indicated that the company's personnel have been fully informed about the symptoms and the way the virus can spread, while detailed instructions on precautionary measures have been provided. The necessary anti-bacterial materials have been provided and disinfection has taken place at the workplaces. Remote work and modern communication technologies are put to use, inciting work from home insofar as the professional subject-matter allows so, while a rotational scheme has been anticipated for those working at offices to avoid any crowding. Finally, live corporate conferences have been postponed and all business travels have been suspended.

The overall market situation showed signs of improvement by the beginning of this month but after the imposition of additional restrictive measures due to the spread of coronavirus, this increase was deteriorated. The company continues to operate normally, with the security measures mentioned above, and with several backlogs. Its supply from overseas Steel mills does not present any particular problems so far, but domestic demand for the coming months remains problematic, especially if the outbreak does not slow down soon. Experts' latest studies report conflicting forecasts for the 2020 GDP, from an increase of nearly 1% to a decline of 3-4%. The most likely forecast on demand in the domestic market has a V behavior. A sharp decline in demand at the beginning with a sharp rebound over a few months.