

IENE Company Profile



General Overview

Based in Belgium, Cenergy Holdings was founded in 2016 and is listed on Euronext Brussels and the Athens Stock Exchange (ATHEX). Cenergy Holdings is a subsidiary of Viohalco S.A, a holding company of several leading metal processing companies across Europe. Viohalco's subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products and technological advancement. They have production facilities in Greece, Bulgaria, Romania, Russia, North Macedonia, Turkey, the Netherlands and the United Kingdom.

Although a fairly young company in terms of corporate identity, Cenergy Holdings consists of well-established and experienced operational units with long track record. The Cenergy Holdings portfolio consists of companies positioned at the forefront of high growth sectors, such as energy transfer, telecommunications and construction. They have a strong financial position, a track record of success and a promising future. These include:

- **Corinth Pipeworks (CPW)**, a world leader in steel pipe manufacturing for the oil and gas sector and major producer of hollow sections for the construction sector.
- **Cablel® Hellenic Cables Group**, one of the largest cable producers in Europe, manufacturing power and telecom cables for various sectors, including oil and gas, renewables, energy transmission and distribution, construction and telecommunications.

The "IENE Company Profile" is an occasional communication published by the Institute of Energy for SE Europe in its effort to broaden the dialogue on current energy issues of regional and global interest. A Company Profile, as the name implies, focuses on a particular company engaged in one or more areas of activity in the broad energy field. The scope of the "Company Profile" is to focus on the achievements and plans of prominent energy companies and organizations which through their work paradigm could provide inspiration for leadership, strategy and innovation. Material used for a Company Profile may come from published sources but also from original input contributed by IENE's staff and research associates.

In short, the companies in Cenergy Holdings' portfolio:

- have a long history of implementing large projects in more than 70 countries
- have served major customers worldwide for nearly 70 years
- provide value added products for niche markets
- employ more than 1,650 highly skilled people.

Corinth Pipeworks

Corinth Pipeworks (CPW) is a leading manufacturer of steel pipes and hollow sections for the energy and construction sectors. Over the past half-century, it has worked with most major oil and gas companies and international contractors, building a notable project list and creating long term relationships with its customers.

CPW has the ability to add value to a client's project whether the application is a:

- Challenging offshore or deep offshore pipeline
- High criticality onshore transmission pipeline
- Specialized structural steel requirement

CPW manufactures one of the widest pipe product ranges in the world and offers integrated solutions based on continuous improvements of its manufacturing processes. It is recognized by its customers for its technological expertise, flexibility, cost efficient solutions and high overall performance, as verified each year in the company's customer satisfaction rating.

With industrial plants in Greece and Russia and extensive experience in the implementation of demanding projects all over the world, Corinth Pipeworks is a supplier of choice for oil and gas companies and international construction companies.

Corinth Pipework's clients include Chevron, BP, SHELL, DEPA, DESFA, OMV, ENGIE, Snam, ENI, SOCAR, National Grid, E.ON, Spectra Energy, Plains All American, Energy Transfer, Denbury, DCP Midstream, MRC Global, Spartan, EPCO, TOTAL, Enbridge, Cheniere Energy, DNOW, Repsol, STEG, Sonatrach, PDO, OGC, Saudi Aramco, EXXON MOBIL, ABB, EDF, Terega, Saipem, Subsea 7, Noble Energy, Sapura energy, TechnipFMC, Genesis, Allseas, Gaz System, Subsea 7, Wintershall, Qatar Petroleum, KPO, GASCO, PEMEX, Whitewater Midstream and AnlgoAmerican.

The company's operational efficiency and commercial success is based primarily on its ability to manufacture technologically advanced products and remain ahead of the latest developments in its field. To this end, Corinth Pipeworks collaborates with

international research organisations, such as the European Pipeline Research Group (EPRG) and the Welding Institute and regularly participates in research projects that are linked to its core business activities.

Cablel® Hellenic Cables Group

Cablel® Hellenic Cables Group is one of the largest cable manufacturers in Europe, offering its clients a wide portfolio of reliable and competitive cable solutions. With almost 70 years' experience and a strong emphasis on export, it focuses on the development of value-added products to meet the needs of its customers.

It manufactures power, telecommunication and submarine cables, enameled wires and compounds. It serves major sectors such as energy transmission & distribution, oil and gas, renewables, telecommunications and construction.

Technical knowledge is combined with continual investment in state-of-the-art machinery to ensure levels of efficiency and quality meet the highest standards.

Commitment to sustainable development has been a key factor in enabling Hellenic Cables to establish a strong market position internationally.

Hellenic Cables' production base comprises six plants in Greece, Romania and Bulgaria. Significant and continuous investments have resulted in an enhanced product portfolio and strengthen its sustainability profile.

Cablel® Hellenic Cables' Group clients include E.ON, Vattenfall, Tennet, Energinet.dk, Enel, SSE, Iberdrola, Electricity Northwest, Terna, DEWA, HEDNO S.A., IPTO SA, EAC Cyprus, Litgrid, Sonelgaz, Takreer, Motor Oil, Hellenic Petroleum, Carillion, Semco Maritime, Aktor, Metka, ABB, Schneider Electric, Landis+Gyr, Siemens, Hyundai, Sagem, Thales, Vivacom, Vodafone, Cyta, DNO, Cosmote, GO (Malta), Armentel, Santerne, ALSTOM Transport, Bombardier, Siemens, Network Rail (U.K.), OSE (Greece), MAV (Hungary), Bulgarian Railways, BKV (Hungary), Attiko Metro (Greece), TE connectivity (Belgium).

Cablel® Hellenic Cables Group places strong emphasis on the development of its people and the creation of value for its shareholders, partners and the communities in which it operates. Looking ahead, it plans additional investments in technology and innovative cable solutions, as a way of contributing to the creation of a sustainable future for its stakeholders.

Corporate Strategy

The Cenergy Holdings strategy can be summed up as to:

- Build on its existing partnerships and create added value through synergies
- Design and develop new value-added products
- Deepen existing relationships and develop new international partners who share its passion for innovation and excellence
- Work as a strategic planner and ‘think tank’ for its partners, whilst also providing financial and management support
- Create the opportunities and conditions for its partners to pursue projects of high added value

Cenergy’s companies:

- Operate in high growth segments
- Are leaders in their markets
- Invest in innovation and new technologies
- Present market and product diversification
- Offer value added products
- Have a cost-efficient production base
- Score highly in CSR and HSE indicators

History of Cenergy Holdings

Corinth Pipeworks

1960s

Operations commence at the Corinth plant, 80 km west of Athens, in 1969.

1970s

A solid production base is created through new installations and major investments and orders from North America, Asia, Europe and the MENA region mark the start of its experience in important markets.

1980s

The company establishes itself as a producer of high-quality steel pipes. Important alliances with top tier raw material suppliers are formed, and product and quality management systems accredited and certified according to recognized international standards.

1990s

Corinth Pipeworks is audited and approved by many end-users and key contractors leading to the award of several prestigious project including its first offshore pipeline and sour service pipeline references.

2000s

A new plant is constructed in Thisvi, 125Km North-West of Athens and production facilities are relocated.

- Sidenor Group, the major Greek steel manufacturer acquires a majority holding and a massive restructuring plan commences. The Thisvi plant, where all current manufacturing operations are based, begins operations
- Corinth Pipeworks and TMK reach an agreement to establish of a joint venture for the production of medium-diameter pipes in Russia.
- Upgrade of the HFI line, to produce steel pipes with an outside diameter of 26" (world first)

2010s+

With the implementation of the strategic investments, continuous improvement of the production base and successful cooperation with major oil and gas companies and EPC contractors worldwide, Corinth Pipeworks evolves into a world class pipe manufacturer, recognized for its dedication to quality and high overall performance.

- CPW is awarded the first worldwide X70 HIC resistant HFI pipeline project in U.S.A.
- The ERW/HFI pipe mill is upgraded to produce pipes with max. length of 24m (from 18m).
- The external and internal coating mills are upgraded to coat pipes up to 24m length (from 18m).
- The new LSAW pipe mill investment is completed, enabling Corinth Pipeworks to offer one of the widest product ranges of welded pipes worldwide.
- The Trans Adriatic Pipeline AG (TAP) awards a contract to Corinth Pipeworks to supply a total length of approximately 495 km (~270,000Tn of steel pipes) of large diameter pipes

Cablel® Hellenic Cables Group

1950s

- Viohalco begins cable production
- Cable manufacturing company, Icme Ecab S.A. is founded under the name of “Electrocablu”.
- Fulgor in Agios Ioannis Rentis, Athens, Attica is established

1960s

Cable production plant relocation to Inofyta, 57Km north of Athens

1970s

- Hellenic Cables S.A is established.
- Completion of the first submarine cable linking Kos - Kalymnos (25.4 Km) and Paros-Naxos (15 Km) by Fulgor on behalf of PPC.

1980s

Production of XLPE Insulated medium voltage cables

1990s

Fulgor SA constructs the first H.V. (High Voltage) 150KV cables, on behalf of PPC. Share capital majority acquisition of Icme Ecab S.A. from Hellenic Cables S.A.

2000s

- (i) The new Thiva cable production plant is completed and High Voltage cable production line begins operations
- (ii) Operation of 2nd HV/EHV line up to 500kV

2010s+

- Cablel® Hellenic Cables Group acquires 100% of Fulgor S.A.’s share capital and an approx. €65 million investment plan is implemented
- It is awarded a new contract for the Cyclades Islands interconnection worth approximately €93 million, including underwater 150KV cable connections
- A new contract worth approximately €36.4 million for the design, supply, installation and commissioning of the 150kV submarine interconnection of small island of Aghios Georgios to the mainland Greece is awarded

- Two contracts for the planning, design and supply of both submarine and underground cables are also awarded by the Danish national electricity transmission system operator, Energinet.dk
- Two turnkey projects for offshore wind farm export cable systems are awarded by the German electricity transmission system operator TenneT

Facilities of Cenergy Holdings

Cenergy Holdings companies have production facilities in Greece, Bulgaria, Romania and Russia. Six main production plants and four supporting facilities manufacture and distribute steel pipe products for oil, gas, CO₂ and water transportation, casing and structural pipes, power, telecommunication and submarine cables, and enameled wires and compounds.

A. Corinth Pipeworks

(i) Corinth Pipeworks - Thisvi plant – Greece

Located in the industrial area of Thisvi, in Greece's Viotia prefecture, the Thisvi plant is considered one of the most modern steel pipe manufacturing mills in the world. The plant commenced full operation in 2001/2002, has a total area of 497,000 m² (103,000 m² of which are covered), and exclusive use of port facilities just 1.5km away. The plant's personnel are highly skilled and valuable contributors to its successful business performance and sustainable growth.

The Thisvi plant's state-of-the-art production equipment is used to manufacture steel pipes to the highest standards for the Oil and Gas industry and hollow sections for the construction sector. Its in-house external and internal coating facilities, as well as its other downstream operations and services, have established Corinth Pipeworks (CPW) as a one-stop-shop supplier of the world's market.

CPW operates four pipe mills (one 7" ERW/HFI mill, one 26" ERW/HFI mill, one 100" SAWH mill and one 56" LSAW mill) with a combined annual production capacity of 925,000Tn. CPW also operates two external and one internal coating mills.

(ii) ZAO TMK-CPW - Polevskoy – Russia

CPW's first production facility outside Greece began operations in 2007 as part of a joint venture (JV) with TMK's plant, Seversky Tube Works (STW). The registered JV is named "ZAO TMK-CPW" and its facilities are located in the Russian town of Polevskoy (Sverdlovsk region, Seversky Pipe Plant). The plant sells the company's products in the Russian and CIS markets.

TMK is the largest pipe manufacturer in Russia, and one of the sector leaders globally.

JV TMK-CPW manufactures ERW longitudinally welded pipes for oil and gas companies and other tubular goods used in the construction and machine industries.

B. Cablel® Hellenic Cables Group

(i) Hellenic Cables - Thiva plant – Greece

Located in Thiva, Viotia, Greece the plant's total annual cables production capacity is 60,000Tn. The completion of a new high and extra high voltage cable production line in 2003 has enabled the plant to produce:

- LV power cables
- MV power cables
- HV power cables
- EHV cables up to 500kV
- Fiber optic cables

Thiva plant has vertically integrated manufacturing:

- In-house Rod Production for Cu and Al
- Conductor Formation: Wire drawing from Cu / Al rod, Wire enameling, Conductor stranding
- Insulation
- Degassing: During this process the core is heated by warm air for the time required to complete the degassing of the insulation, thus removing all gaseous by-products)
- Screening: Lead alloy sheath with or without copper wires beneath, copper or aluminium wires screen with copper or aluminium foil laminate, smooth or corrugated welded aluminium or copper sheath with or without copper or aluminium wires beneath
- Oversheathing: An extruded polyethylene oversheath is applied with semiconducting conducting coating to verify the integrity of the sheath
- Quality Control: Testing takes place during all intermediate production phases and on the finished product. The plant is equipped to perform all required electrical and non-electrical routine, sample and type testing, as well as the one-year prequalification test



(ii) Fulgor - Corinth plant – Greece

Located in Corinth, Greece, the Fulgor plant's annual production capacity is 50,000Tn of cables and 120,000Tn of rods. Following the implementation of an approx. €80 million investment plan, the plant is now one of the most advanced factories in the world and is focused on the production of high and extra high voltage submarine cables.

The plant can produce:

- LV power cables
- MV power cables
- HV cables since 1995
- Fibre optic submarine cables since 1992
- Submarine MV cables since 1972
- Upgraded for HV submarine cables (AC up to 400KV / DC up to 400kV)

In submarine cable production, Fulgor's main strengths are:

- Very long continuous lengths with or without the minimum number of factory joints
- Direct loading from its own dock facilities in Corinth
- Among the highest storage capacity for high voltage submarine cables

Fulgor plant carries out vertically integrated manufacturing of submarine cables.

Production phases:

- In-house Rod Production for Cu and Al
- Conductor Formation: Wire drawing from Cu / Al rod, Wire enameling, Conductor stranding
- Insulation
- Degassing: The insulated cores are coiled on turn tables placed inside the degassing chambers, during this process the chambers are heated and warm air recirculates until the degassing of the insulation is complete, thus removing all gaseous by- products
- Pb & PE Sheathing: After degassing, the cores are covered first with semi-conductive water blocking tapes and by a Pb alloy sheath of a suitable composition and thickness to achieve radial protection against water penetration. The Pb sheath is applied with a continuous extrusion process and is followed by a semi-conductive PE sheath
- Vertical Laying up: The cores are placed on turntables and are paid off upwards along the optical fibre units and control cables (if applicable), they then pass through the stranding die, the capstan and the bundled cable is coiled on the intermediate turntable. The line turntables have the largest capacity in order to carry the maximum length of power cores, to avoid or minimize the number of factory joints in the final cable. If factory joints are required they are constructed for each core; this way, one core length is jointed to the core length that follows. Jointing takes place before the standing process and until the final cable length is achieved
- Armouring: After laying up, various protective layers, such as steel wires, bitumen, PP yarns, etc are applied to the cable, mainly for mechanical protection. All the above layers are applied at the armouring line and the finished cable is collected on the final turntable
- Storage: Intermediate and final storage of the HV submarine cables take place on turntables. The submarine cables are loaded from the final storage turntables through dedicated loading lines on to the turntables of cable-laying vessels, which arrive at Fulgor port
- Quality Control: Testing takes place during all the aforementioned intermediate production phases and on the finished product. The plant is equipped to perform all required electrical and non-electrical testing as well as type testing and prequalification testing



(iii) Hellenic Cables - Livadeia (GR)

Located in Livadia, Greece, this plant is Hellenic Cables' production facility for enameled wires. The total annual production capacity of enameled wires is 12,500Tn.

The plant can produce:

- Cu round and rectangular enameled wires
- Al round and rectangular enameled wires



(iv) Icme Ecab - Bucharest plant – Romania

This plant is located in Bucharest, Romania and has a total annual production capacity of 50,000Tn of cables.

The plant can produce:

- Wire drawing
- Power cables
- Telecommunication cables
- Rubber cables
- PVC & Rubber compounds



C. Ports and Supporting Facilities

(i) Corinth Pipeworks (CPW)

Corinth Pipeworks - Thisvi port – Greece

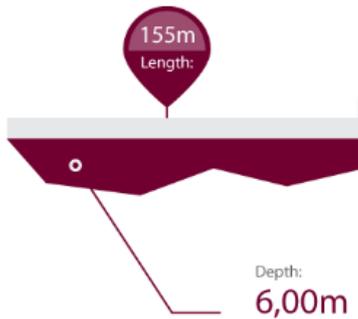
Corinth Pipeworks has the exclusive use of the port, which is adjacent to the Thisvi plant giving the company the advantage of importing raw materials and exporting its products with low freight rates and minimum delays.



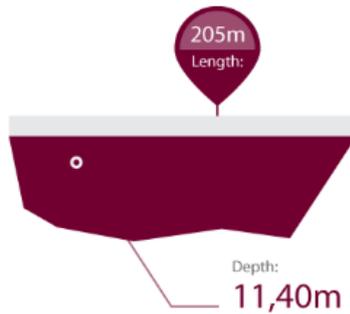
Thisvi port is a well-organized port providing accuracy of operations and safety for both people and products. The port is equipped with the necessary equipment such as dock and harbor cranes, forklifts etc.

The port has three docks:

Dock No.1:



Dock No.2:



Dock No.3:



(ii) Cablel® Hellenic Cables Group

Fulgor - Corinth port – Greece

The Fulgor plant in Corinth offers direct loading on cable-laying vessels from its own dock facilities. The port is able to accommodate all cable-laying vessels currently in operation.



Hellenic Cables - Inofyta - Greece

The Inofyta compound plant is located in Inofyta-Viotia, Greece and is Hellenic Cables' supporting facility for the production of PVC and rubber compounds. Its total annual production capacity is 24,000Tn.

Hellenic Cables has established a state-of-the-art, advanced polymer laboratory at the Inofyta plant. The Laboratory conducts specialized chemical tests focused on quality control and insulation analysis (XLPE) for high and extra-high voltage cables (raw materials, production process and evaluation of produced materials) as well as other polymers.



Lesco - Blagoevgrad – Bulgaria

Lesco O.O.D. is one of Hellenic Cables' supporting facilities and is located in Blagoevgrad, Bulgaria. It produces packing materials and wooden drums for cables and has a total annual production capacity of 17,000Tn. The Lesco facility also recycles pallets and scraps drums.



Innovation and Technology

To stay ahead of the latest technological developments, Cenergy Holdings companies carry out continuous R&D, produce innovative solutions and maintain strategic partnerships with scientific bodies, international research centres and pioneering companies globally. Ongoing scientific research, both in manufacturing plants and R&D centres and practical experience gained, have resulted in significant in-house knowledge.

One of the key competitive advantages of its companies is their expertise in building and upgrading plants, gained through a long heritage in planning, re-engineering, process optimisation and supervisory control systems.

Cenergy Holdings companies focus on developing new, innovative and high value-added products, and invest in cutting edge technology to provide efficient solutions, and optimise industrial and business processes.

(i) Corinth Pipeworks (CPW)

Corinth Pipeworks focuses on technological developments and continual investments to be at the forefront of the oil and gas sector and to innovate in technology, R&D and customer services.

Technological innovation

- **Offshore Reel-lay method**

Pipe reeling is a fast and efficient method of laying offshore pipelines. Pipes are welded, tested and coated onshore and then spooled in one continuous length on a reeling vessel. The vessel sails to site, the spool is unwound and the pipe laid. The major advantages of Reel-lay are the high production rate as well as the controlled welding and inspection conditions onshore. Advanced technological requirements for pipe properties and dimensional tolerances posed by high plastic strains on the pipe.

CPW is one of the very few worldwide to offer pipes up to 24m length for reel lay purposes, compared to the common 12m.

Longer pipes mean less girth welds, decreased time of preparation and lower total cost.

- **Deep offshore:**

The deep offshore is believed to harbor significant percentage of the world's oil and gas resources.

Latest technological developments made deep water exploration and production possible and cost efficient. Most of the new discoveries and high potential exploration fields are offshore in deep & ultra-deep waters while E&P spending is expected to rise significantly in the next decade.

The main challenges relate to the extreme conditions of the abyssal environment.

CPW has the unique capability to offer LSAW pipes from 16" (406.4mm) external diameter and above in high strength and wall thickness to cover the increasing needs for deep offshore applications.

Cost reducing solutions

- End product uniformity strategy

In close cooperation with end users and installation contractors, CPW's state of the art manufacturing plant and sophisticated forming methods are promoting the "end product uniformity" strategy, aiming to tighter dimensional tolerances on critical dimensional pipe characteristics such as:

- pipe diameter and roundness (both ends and body)
- wall thickness
- straightness

Pipe tracking and laser measuring systems generate detailed reports of pipe dimensional characteristics offering a clear advantage with reduced sorting and handling costs during installation.

- Longer pipes = Less welding = Lower cost

CPW has unique capability to manufacture and coat up to 24m pipes in HFI and SAW pipe mills.

Mill upgrades and scheduled double joining facility installation, offer to its customers time and cost benefits of on-site welding and field joint coating during onshore pipeline installation and offshore lay-barge operations

Integrated Services

- Downstream operations

CPW offers a full range of external and internal coatings on pipe sections up to 24m long, applied at the same location as its pipe manufacturing operations. To offer an equally attractive range of coatings for offshore pipeline projects, CPW is installing a Concrete Weight Coating facility.

CPW produces a wide range of high-quality casing and conductor pipe, complete with forged and threaded end-connectors for use in oil and gas drilling at significant cost savings.

CPW's independently accredited test lab performs the tests required to support a major pipe production and coating facility, including NACE corrosion tests under sour service conditions

In order to remain up-to date with the latest technical and technological developments, Corinth Pipeworks continuously monitors the following R&D activities:

- Implementation of process optimization techniques in cooperation with top quality suppliers of technological equipment, and extensive internal trial production to narrow the optimum working range for all variables and target higher product uniformity.
- Collaboration with well-known steel manufacturers to further develop steel grades and production procedures for highly demanding projects like sour service conditions, deep offshore applications, high strain applications such as reeling, etc.
- Development of advanced tracking, process control systems and advanced non-destructive inspection techniques and controls.
- Collaboration with international research organizations and institutes (EPRG, TWI, Elkeme)
- Participation in major European and international projects targeting both the development of pipe properties and pipeline integrity (JIP and RFCS projects).

(ii) Cablel® Hellenic Cables Group

The introduction of new technologies into the production process to develop innovative, better quality environmentally friendly products and provide services of high added value, is an integral element of Cablel® Hellenic Cables Group's business.

Cablel® Hellenic Cables Group firmly believes that R&D processes and the introduction of new technologies in the production process support the creation and maintenance of a competitive advantage. For this reason, it implements significant Group-wide investments directly connected to R&D on an annual basis.

In order to better address R&D demands, the Group invests primarily in its people, recognizing that the quality and expertise of human resources is what essentially contributes to the success of any research effort. As such, the Group's R&D department is staffed by highly educated specialized scientific personnel. The staff's participation in educational and lifelong learning programmes is also an integral part of the department's operation.

Collaboration on a national and international level with internationally acclaimed educational institutions, distinguished research centres and certified laboratories with international prestige are also an integral part of daily R&D activity.

Cablel® Hellenic Cables Group ensures that it is able to leverage any opportunity for participation in expertise transfer groups. A notable example is the Group's participation in the two-year Tanocomp European Programme. This is an EU funded project within the Life Long Learning Programme implemented through a Joint Venture of the following Partners:

- Steinbeis – Europa – Zentrum
- Aitiip Centro Tecnologico
- Marketmentor LTD
- Glonatech Global Nanotechnologies

Participation in the project's activities have led to improved knowledge among the Group's executives of nanotechnology issues and the preparation of nano synthetic materials for various applications, as well as recognition of the benefits of this particular technology.

The Group's focus on R&D has led to the creation of a state-of-the-art, advanced polymer laboratory at the Inofyta plant. The Laboratory, among other things, conducts specialized chemical tests related to quality control and insulation analysis

(XLPE) for high and extra-high voltage cables (raw materials, production process and evaluation of produced materials) as well as other polymers.

Sustainability

Corporate Social Responsibility (CSR) is the way the Group manages its business to produce an overall positive impact through economic, environmental and social actions. CSR is its way of building a sustainable business while generating long-term value for all of its stakeholders.

Cenergy Holdings and its companies have adopted a CSR and Sustainable Development Policy which sets out key corporate responsibility pillars and outlines the type of action to be taken in relation to each pillar. The sustainability commitment focuses on five core pillars:

- Economic growth and sound corporate governance
- High quality products and services and responsible behaviour in the marketplace
- Occupational health and safety and the wellbeing of its people
- Environmental sustainability
- Local communities development

The Cenergy Holdings companies' CSR and Sustainable Development Policy has been developed in accordance with their core values of responsibility, integrity, transparency, effectiveness and innovation and is determined by the companies' management. All Cenergy Holdings companies are committed to the following issues:

- Implementation of the CSR Policy at all levels and in all operating entities.
- Compliance with relevant legislation and implementation of standards, policies, internal guidelines and procedures, as well as other commitments, arising from voluntary agreements, countersigned and accepted.
- Two-way, continuous communication with all stakeholders to identify and record their needs and expectations. Developing mutual trust with its stakeholders makes a significant contribution to meeting the sustainable development objectives.
- Providing a safe and healthy working environment for its people, collaborators and any third party involved.
- Protection of human rights and provision of an equal opportunities work environment, free from any discrimination.
- Open communication, based on transparency, with all stakeholders.

- Continuous efforts to reduce the environmental footprint, though the implementation of responsible actions and preventive measures in accordance with the best available techniques, to reduce and minimize its impact on the environment.
- Continual pursuit of shared value creation for all stakeholders.

Financial Performance

Consolidated revenue for 2018 increased by 27% to €964 million, reflecting strong sales of steel pipes for energy projects and higher sales volume of cables products. **Adjusted EBITDA** increased by over 9% to €62.7 million in 2018. The steel pipes segment more than doubled its operational profit before financing costs to €16.4 million in 2018. That of the cables segment also saw a marginal increase to €17.8 million, from €16.7 million in 2017.

Through the reprofiling of €118.7 million of debt during 2018, Cenergy Holdings achieved longer maturities and lower interest costs, allowing the company to keep its **net finance costs** virtually unchanged at €32.2 million (2017: €32.9 million) despite the 25% higher net debt at €473 million on December 31, 2018 driven by the capital expenditure programme implemented during 2018 and higher working capital related to record sales. Consequently, the company recorded a modest **profit before income tax** of €0.7 million in 2018, compared to a loss before tax of more than €10.6 million in 2017.

Table 1: Summary consolidated statement of profit or loss

Amounts in EUR thousand	For year ended 31 December	
	2018	2017
Revenue	963,797	758,318
Gross profit	69,244	58,756
Gross profit (%)	7.2%	7.7%
a-EBITDA	62,732	57,393
a-EBITDA (%)	6.5%	7.6%
EBITDA	56,223	44,605
EBITDA (%)	5.8%	5.9%
a-EBIT	39,428	35,124
a-EBIT (%)	4.1%	4.6%
EBIT	32,919	22,336
EBIT (%)	3.4%	2.9%
Net finance costs	(32,211)	(32,946)
Profit / (Loss) before income tax	708	(10,610)
Net margin before income tax (%)	0.1%	-1.4%
Profit of the year	6,888	(4,775)
Profit attributable to owners of the Company	6,861	(4,761)
Amounts in EUR	2018	2017
Earnings per share	0.03608	(0.02504)

Source: Consolidated statement of profit or loss and APMs (Alternative Performance Measures)
All percentages are versus revenue

Profit for the period amounted to €6.9 million in 2018, compared to a loss after tax of €4.8 million in 2017. The income tax credit for the period amounts to €6.2 million mainly due to deferred tax credit of €3.5 million deriving from the recalculation of deferred tax following the change in tax rates from 2019 onwards in Greece and the use of tax losses for which no deferred tax asset was previously recognised by subsidiaries in the cables segment.

Non-current assets increased from €428 million as of 31 December 2017 to €455 million at 31 December 2018. **Capital expenditure** during the year amounted to €44 million for the cables segment and €6 million for the steel pipes segment, while consolidated depreciation and amortization for 2018 amounted to €24 million. **Working capital** (including contract assets and liabilities) rose considerably by 33% year-on-year to €263 million at 31 December 2018. This increase was driven by inventories necessary to execute the orders scheduled for 2019 and increased revenue during the last quarter of 2018.

Net debt increased to €473 million at 31 December 2018 (31.12.2017: €379 million). Cenergy Holdings companies' debt on 31 December 2018 comprised of long term and short-term facilities, at 32% and 68%, respectively, an improvement versus last year's mix. Short-term facilities are predominately revolving credit facilities which finance working capital needs and specific ongoing projects.

Table 2: Summary consolidated statement of financial position

Amounts in EUR thousand	31 Dec 2018	31 Dec 2017
ASSETS		
Property, plant and equipment	405,330	384,452
Investment property	5,837	6,140
Other non-current assets	44,140	36,974
Non-current assets	455,306	427,565
Inventories	221,105	186,251
Trade and other receivables	199,648	138,267
Contract assets	114,327	65,166
Cash and cash equivalents	65,203	69,443
Other current assets	3,107	3,070
Current assets	603,390	462,197
TOTAL ASSETS	1,058,696	889,763
EQUITY	203,298	200,222
LIABILITIES		
Loans and borrowings	174,792	86,141
Deferred tax liabilities	16,781	21,989
Other non-current liabilities	23,208	25,794
Non-current liabilities	214,781	133,924
Loans and borrowings	363,854	362,732
Trade and other payables	209,587	186,915
Contract liabilities	62,147	4,724
Other current liabilities	5,030	1,246
Current liabilities	640,618	555,617
TOTAL LIABILITIES	855,399	689,541
TOTAL EQUITY & LIABILITIES	1,058,696	889,763

IENE Company Profile

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