



Current Report: 55/2018

Date: 2018-09-24

Name of the Issuer: FERRUM S.A.

Title: Initial financial results for the I half-year 2018

Legal basis: Art. 17 item 1 MAR – inside information

Content of the Report:

The Management Board of FERRUM S.A. (Issuer, Company) informs that on 24th September 2018, with regard to the completion of financial data aggregation process initiated in order to prepare extended consolidated half-year report for the I half-year 2018, it was decided to publish the initial standalone and consolidated financial results for the referred period.

Stand-alone net revenue from sales of products, goods and materials in the I half-year 2018 amounted to app. PLN 123 018 thousand and was by PLN 12 089 thousand lower than the revenue of comparable period of previous year. Lower sales revenue resulted mainly from lower revenue from sales of products and materials by ca. PLN 17 531 thousand. Revenue from sales of pipes was by ca. PLN 5 442 thousand higher, which was caused directly by launching of the new production line for spirally welded pipes in QII 2018. Moreover, in the first half of 2018 the Issuer recorded minor operating loss of app. PLN 149 thousand and net loss to app. PLN 2 390 thousand, which was caused mainly by costs of external financing.

The Issuer reminds that in the first half of 2017 the Company revaluated appraisal of the investment property. The result of this revaluation was presentation of single accounting operations in financial statements for the half-year 2017, which reduced the operating result by PLN 18 963 thousand and the net result by PLN 15 360 thousand.

In comparison to the analogous period of the previous year, without taking the aforementioned revaluation into account, in the first half-year 2018 the operating result increased by ca. PLN 4 015 thousand and the net result increased by ca. PLN 4 634 thousand. The results in the first half-year 2018 are mainly the result of covering the Issuer's indebtedness by means of conversion of liabilities to shares and launching of the new production line of spirally welded pipes, which significantly increased the Company's production capability and extended the product range.

Consolidated net revenue from sales of products, goods and materials in the I half-year 2018 amounted to app. PLN 162 755 thousand and was by PLN 5 975 thousand lower than the revenue of comparable period of previous year, which resulted from lower sales of goods and materials by the parent company FERRUM S.A., whereas consolidated revenue from sales of products and services increased by app. PLN 11 364 thousand. Consolidated operating profit of FERRUM Capital Group in the I half-year 2018 amounted to app. PLN 6 787 thousand and net profit to app. PLN 2 725 thousand, particularly as a result of improved financial results of the parent company FERRUM S.A., as well as subsidiary companies ZKS FERRUM S.A. and FERRUM Marketing Sp. z o.o.



FERRUM S.A.

Steel pipes

Hollow sections

Coating

Established in 1874

At the same time the Issuer reminds that the detailed information on the final financial results of the Company and FERRUM Capital Group in the I half-year 2018 shall be made public on 1st October 2018.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2018-09-24	President of the Management Board	Krzysztof Kasprzycki
2018-09-24	Vice-President of the Management Board	Honorata Szlachetka