



## **Unaudited business report for 2021**

**Favourable conditions in 2021 led to sales of 192,5 million EUR and profits of EUR 33,2 million. High rises in prices of raw materials and energy increase risks in operations in 2022.**

Pursuant to the relevant regulation and rules of Ljubljana Stock Exchange, Ljubljana, Cinkarna Celje d.d., Kidričeva 26, 3000 Celje, hereby announces the following:

At yesterday's regular session, the Company's Supervisory Board was briefed on the unaudited business results of Cinkarna Celje for 2021.

### **12 % higher than the sales of the previous comparable period.**

In 2021 we generated sales revenues of EUR 192,5 million (+12 % YoY). The total value of exports reached EUR 175,1 million (+ 11 % YoY) over the period considered. Net profit reached EUR 33,2 million (+ 75 % YoY). The operating profit or loss with write-downs or EBITDA amounted to EUR 51.8 million (+ 58 % YoY) and amounts to 27 % of the sales achieved.

The increase in sales was driven by favourable demand from all geographical segments, which is linked to the general increase in consumer/purchasing optimism. There is currently a shortage of titanium dioxide supply on the market, which is reflected in year-on-year increases in prices. Asian competition is present, but at significantly higher prices than in previous periods. In a situation where supply is tight, higher sales prices from Asian suppliers have generated higher demand for products from western multinationals and local producers.

### **High rises in prices of raw materials and energy increase risks**

Parallel to this, the pressure on the input side is also connected. The high-conjunctural situation in the titanium dioxide pigment market has shaken the raw material market considerably and increased the already high negotiating power of the extractive sector even further. The current geopolitical situation brings high uncertainty into the business environment connected to the European energy market. The higher level of energy prices in Europe than in Asia and North America could have a stronger impact on the competitiveness of the supply of European producers.

### **A stable cash flow and the absence of debt indicate an improvement in the cost of equity**

Financial operations are traditionally conservative and the company is financially stable. The cash volume at the end of 2021 amounted to EUR 59,7 million and was EUR 22 million higher than at the end of 2020, allowing for the smooth and timely coverage of all liabilities and indicating higher investment expenditure in the period ahead with a view to further successful competition with pigment producers.

In accordance with the resolution of the General Meeting, we paid 87% of net profit from 2020 in the form of dividends in 2021. The dividend yield on the share was 9 % at the date of the resolution of the General Meeting. The purchase of treasury shares continued; in 2021 we purchased treasury shares in the amount of EUR 0,9 million.

### **Following the strategic plan**

We follow the vision and the set strategic plan. We continue to invest in environmental and investment projects mainly in the area of titanium dioxide production, for which we have earmarked EUR 11 million. A large part of the development activities is directed toward improving the quality of various types of pigment. Several sustainable natural/circular projects are in the process of conceptualisation.

On Wednesday, 23 March 2022, we will be present on the Webinar "Slovenian Listed Companies Online" organised by Ljubljana Stock Exchange and Wood & Co.

The unaudited financial statements for the year will be published on the company's official website [www.cinkarna.si](http://www.cinkarna.si) on 9 March 2022 and will be available for at least ten years. Unaudited financial statements and balance sheets will be submitted to the Agency for Public Legal Records and Related Services-AJPES on 9 March 2022.