

Afarak Group PLC

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Afarak boss pleased with performance of speciality alloys division so far this year

Chrome producer Afarak Group plc (LON:AFRK) has seen a double-digit rise in revenue in its speciality alloys division so far in 2018.

In the first nine months of the year, revenue jumped 11.4% to €72.6mIn (30 Sep 17: €65.2mIn).

"The Speciality Alloys business segment fully met our expectations," said chief executive Guy Konsbruck.

"The mines in Turkey continued to perform well and the additional plant investments have led to an increase in productivity and outputs. Processing levels at our EWW plant in Germany continued to increase."

WATCH: Afarak Group Plc well positioned to exploit opportunities in 2019 But weak ferrochrome prices and the closure of some European and South African processing plants over summer held back overall performance in the third quarter.

Revenue dipped to €42.6mIn in the three months to the end of September (Q3 17: €44.2mIn), while

Processed material sold in the three months ended September 30 decreased by 7.3% to 25,500 tonnes (Q3 17: 27,500 tonnes), leading to a 3.6% fall in revenue to €42.6mIn (Q3 17: €44.2mIn).

Q3 always tricky

Underlying losses (LBIT) widened slightly to €4.3mIn (Q3 17: €4.2mIn), with profitability impacted by the shutdown of a furnace at Afarak's Mogale processing plant in August.

Falling ferrochrome prices didn't help matters, with the benchmark dipping to US\$124 c/lb, which the company noted was lower than the previous quarter and the price for Q4 2017.

"In line with expectations, the seasonal effects of quarter three impacted Afarak's performance," said chief executive Guy Konsbruck.

"With plants in Europe shutting down, due to summer recess, and plants in South Africa also closing for maintenance in order to avoid higher winter electricity tariffs, quarter three is always bound to be a difficult one."

Shares were flat at 77.5p on Friday morning.

Price: 72.5p

Market Cap: £189.34M

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: AFRK

Listing: LSE

52 week **High** **Low**
80.75p 60.00p

Sector: General Mining

Website: afarak.com

Company Synopsis:

Afarak is a global vertically-integrated ferroalloys producer supplying specialist products to the steel and stainless industries. It is a critical metal producer and supplies specialist products to the world's leading suppliers in the aerospace and renewable energy industries, medical steel and other applications across the globe.

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