

Afarak Group PLC

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Afarak sees "solid" long-term market prospects despite losses

Afarak Group PLC (LON:AFRK) said it sees "solid" long-term prospects for the stainless steel and ferrochrome industry despite the current soft phase of the market.

The specialist alloy maker said it continues to focus on cost reduction and cash preservation, in the hope production cutbacks will eventually solve the oversupply situation.

READ: Afarak studying Finnish regulator's imposition of €1.45m fine
This quarter is expected to remain weak in the ferroalloys segment as the charge chrome benchmark price has dropped by a further 2c to US\$102 cents per pound.

In a quarterly update, management said the company delivered a "good performance given the market circumstances".

In the three months to 30 September, revenue was down 21% year-on-year to €33.6mIn, while processed material sold decreased by 15% to 21,554 tonnes.

Losses widened to €16.3mIn.

Cash at the end of the period was 34% higher at €8.8mIn.

"The business environment in South Africa remains challenging and Afarak, together with other smelting and mining companies, continues to seek support from the government to reduce energy cost; improve energy availability and provide protection from low-cost producers via duties on chrome ore exports," said chief executive Guy Konsbruck in a release.

Price: 40.5

Market Cap: £96 m

1 Year Share Price Graph



January 2019 June 2019 October 2019

Share Information

Code: AFRK

Listing: LSE

52 week High Low
78.5 55

Sector: General mining & base metals

Website: afarak.com

Company Synopsis:

Afarak is a growing, integrated chrome producer supplying specialist products to the expanding steel and stainless steel industries. The Group is focused on utilising its experience and technological advantages to deliver profitable and sustainable growth. The Company is listed on the NASDAQ OMX Helsinki (AFAGR) and the Main Market of the London Stock exchange (AFRK).

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