

HULAMIN LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1940/013924/06

JSE Code: HLM

ISIN: ZAE000096210

("Hulamin" or the "Company")

**TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020****Trading Statement**

In terms of paragraph 3.4(b) of the JSE Listings Requirements, the board of directors of Hulamin advises that there is a reasonable degree of certainty that the financial results for the year ended 31 December 2020, when compared with the published financial results for the year ended 31 December 2019, will differ as follows:

	31 December 2020 Expected	Change from 2019 actual to 2020 expected range	31 December 2019 Actual
Loss per share	Between (69) and (77) cents per share	Improved by between 82% (being 311 cents per share) and 80% (being 303 cents per share)	(380) cents per share
Headline loss per share	Between (64) and (70) cents per share	Improved by between 16% (being 12 cents per share) and 8% (being 6 cents per share)	(76) cents per share
Normalised headline loss per share ¹	Between (86) and (95) cents per share	Worse by between 78 cents per share and 87 cents per share	(8) cents per share

¹ Normalised headline earnings per share is calculated in a consistent manner as per the latest annual financial statements, by dividing normalised headline earnings by the weighted average number of ordinary shares in issue during the year.

Normalised headline earnings is defined as headline earnings excluding (i) metal price lag and (ii) material non-trading expense or income items which, due to their irregular occurrence, are adjusted for in order to better present earnings attributable to the ongoing activities of the group. The presentation of normalised headline earnings is not an IFRS requirement and may not be directly comparable with the same or similar measures disclosed by other companies.

Having implemented turnaround actions initiated in 2019, both Hulamin Rolled Products and Hulamin Extrusions started 2020 with expectations of improved performance. However, sales volumes were measurably disrupted due to the impact of Covid-19 and consequent lockdowns. As a businesses with high fixed costs, these disruptions to both sales and manufacturing resulted in losses in the first half. The external environment improved as tight lockdown regulations were partially lifted in the second half.

Increases in the Rand value of aluminium and the consequent working capital requirements, the withdrawal of customer supply chain financing arrangements and losses in the first half, all contributed to cash outflows.

The improvement in the expected loss per share over 2019 is largely due to the impairment of property, plant and equipment in 2019 that was not repeated in 2020. The improvement in the expected headline loss per share is largely due to the once-off restructuring costs in 2019, the favourable 2020 metal price lag and the lower 2020 depreciation that were partly offset by lower 2020 sales volume. The decline in the expected normalised headline loss reflects the lower 2020 sales volume owing to COVID-19.

2020 Annual Results are scheduled to be released on Wednesday, 14 April 2021 at 10h00 with a management presentation to stakeholders to follow at 13h00.

The financial information contained in this trading statement is the responsibility of the directors and has not been reviewed or reported on by the Company's external auditors.

Pietermaritzburg

9 April 2021

Sponsor



Questco Corporate Advisory Proprietary Limited