

# Evraz Highveld reduces interim headline loss

Evraz Highveld Steel and Vanadium on Thursday (22 August) reported a reduced headline loss for the six months to June, from a shortfall of R455m in the first half of last year to a R10m loss for the first half of this year.



The operating profit for the first quarter of this year was R49m, compared with a loss of R200m in the same period last year. The improved performance can be attributed to increased sales, higher vanadium prices and cost reductions.

The earnings before interest, tax, depreciation and amortisation for the period was a profit of R199m, compared with a loss of R170m last year. Revenue from sale of goods increased to R2.864bn compared with R2.563bn.

"The Board believes that the company is a going concern. However, there are matters that may cast significant doubt about the ability of the company to continue as a going concern. Labour stability, health of the market and production stability continue to pose a threat to the operations as Evraz Highveld Steel continues to use credit lines that are not committed and payable on demand," the group said.

But it added: "Management has taken significant steps to address the cost structure of the company and the risks."

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