



PRESS AND INVESTOR ANNOUNCEMENT

Additional dividend distribution

Befesa to distribute additional €10m dividend

- Total dividend distribution in 2020 represents 30% of FY 2019 profit or €25m / €0.73 per share
- Quarter-on-quarter recovery continues
- Hedge book extended to January 2023, providing increased earnings and cash flow visibility
- China expansion progressing as planned

Luxembourg, 25 November 2020 – Befesa S.A. (“Befesa”), the European market leader for steel dust and aluminium salt slags recycling services, has decided to distribute an additional dividend of €10m or €0.29 per share, respectively, to its shareholders. As announced in April, the Board of Befesa reviewed this option on the basis of 9M 2020 results. Together with the dividend distribution of €15m (€0.44 per share) in July, Befesa will have distributed a total dividend of €25m (€0.73 per share) in 2020, equal to 30% of FY 2019 profit of €82.7m. The ex-date for the dividend will be 30 November 2020, the record date is 1 December 2020 and the payment date 4 December 2020.

Befesa’s quarter-on-quarter (QoQ) recovery remains on track, Q4 results are expected to be higher than those in Q3 and the company just recently confirmed the mid-point of its FY 2020 EBITDA guidance range of €100 to €135m.

The company also successfully extended its hedge book covering the coming two years, 2021 and 2022, until January 2023, at the usual 60-75% zinc equivalent tonnage and at solid prices of around €2,200 per tonne, providing further earnings and cash flow visibility.

Befesa’s expansion projects in China continue to progress on schedule, with the construction of the first two state-of-the-art EAF steel dust recycling plants expected to be completed during the first quarter of 2021 and after the summer of 2021, respectively.

Javier Molina, CEO of Befesa, said: “Following our efforts to balance both dividend stability and cash flow over the past months, we are delighted that we will be able to pay our shareholders a second dividend, bringing the dividend distribution in 2020 to a total of €25m, equal to 30% of last year’s net profit. Our strong balance sheet, high liquidity, and resilient business model have shown that we are well equipped to continue delivering solid operational performance even as COVID-19 keeps disrupting the global economy. 2021 will be an important year for Befesa as we expect to continue our QoQ recovery and achieve key milestones in our expansion initiatives in China, which will set the foundation for accelerated volume and earnings growth in the coming years.”



Aerial view of Changzhou construction site, province of Jiangsu, November 2020

Befesa will present its preliminary FY 2020 results on February 23, 2021. The financial calendar is available in the Investor Relations / Investor's Agenda section on Befesa's website. For more information, please visit www.befesa.com

About Befesa

Befesa is a leading international provider of critical environmental, regulated services to the steel and aluminium industries with facilities located in Germany, Spain, Sweden, France and the UK, as well as in Turkey, South Korea and China. Through its two business units, Steel Dust and Aluminium Salt Slags recycling services, Befesa manages and recycles around 1.5 million tonnes of residues annually, with a production of around 1.2 million tonnes of new materials, which Befesa reintroduces in the market, reducing the consumption of natural resources. Further information can be found on the company's website: www.befesa.com

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