



## INVESTOR ANNOUNCEMENT

Befesa today published its Annual Report 2019 confirming the preliminary figures announced on 20 February 2020. You can find the report on our website.

Since we published the preliminary results, COVID-19 has become the key challenge for society and business worldwide. Befesa strictly follows the rules and recommendations of the respective local governments across the countries we operate in.

In China, after temporary restrictions were lifted, Befesa was allowed to re-open its sites. As announced on 17 March, Befesa has resumed the construction of its first EAF dust recycling plant in the Chinese city of Changzhou on 10 March. Two weeks earlier, Befesa was also allowed to reopen its China headquarter office in Nanjing and to continue its preparatory work at the construction site in Henan, where the company is developing the second Chinese EAF steel dust recycling project.

The Group started 2020 and entered these unprecedented circumstances with strong liquidity, a long-term efficient covenant-lite capital structure and a solid zinc hedge book.

With €126 million cash on hand at year-end 2019 and a €75 million entirely undrawn revolving credit facility (RCF) Befesa shows strong liquidity. Befesa's long-term covenant-lite capital structure matures in July 2026 only and has been successfully repriced in February 2020 at an efficient Euribor +200 bps for leverage at or above x2.25.

In addition, Befesa has a strong hedging book covering around 70% of the zinc output until and including October 2021 at approximately €2,250 per tonne in 2020 and at around €2,200 per tonne in 2021. Compared to the current zinc spot price of ~€1,800 per tonne, this represents a value of approximately €64 million.

On 19 March 2020, Standard & Poor's published a review of Befesa's credit rating in light of, amongst others, the "implementation of restrictions across Europe to limit the spread of the coronavirus". Standard & Poor's maintained the ratings at BB, outlook stable.

The combination of a strong balance sheet including a valuable hedge book, high liquidity, a diversified portfolio and progress underway on our growth trajectory means that, today, Befesa is well prepared for the current uncertainties.

We hope that you enjoy reading our Annual Report. Do not hesitate to contact us anytime for further questions at [irbefesa@befesa.com](mailto:irbefesa@befesa.com). The updated Befesa presentation can be found on our website.

Befesa expects to publish its first quarter 2020 results as well as an outlook for 2020 on 30 April 2020. Our Sustainability Report 2019 will be published in Q2.

### Investor Relations

Rafael Pérez

Email: [irbefesa@befesa.com](mailto:irbefesa@befesa.com)

Phone: +49 2102 1001 0

Note : The full report published by Standard & Poor's can be accessed at [www.spglobal.com/ratings/](http://www.spglobal.com/ratings/)