



PRESS AND INVESTOR ANNOUNCEMENT

Third quarter 2020 results

Befesa sees beginning of moderate recovery in Q3 2020

- Q3 2020 EBITDA at €29m, slightly above market expectations; 9M 2020 EBITDA at €85m
- Continued quarter-on-quarter (QoQ) recovery following COVID-19 induced low of €22m EBITDA in Q2; zinc and aluminium price up
- Q4 results expected to be better than Q3, indicating around mid-point of FY EBITDA guidance range of €100m to €135m
- Hedge book extended to April 2022, providing increased earnings and cash flow visibility
- Continued strong liquidity at €183m including stable €108m cash on hand
- China expansion progressing as planned; Construction of the first plant in the Jiangsu province expected to be completed in Q1 2021 and the second plant in the Henan province after the summer of 2021

Luxembourg, 29 October 2020 – Befesa S.A. (“Befesa”), the European market leader for steel dust and aluminium salt slags recycling services, has started to see a moderate recovery in Q3 2020, with EBITDA reaching €29m, slightly above market expectations. While 21% lower than in the prior year period, this represents a QoQ improvement of 35%, showing a recovery trend. For the 9M 2020 period, Befesa’s EBITDA came in at €85m, down 28% YoY primarily due to the COVID-19 related pressure on metal prices.

Main operational highlights in Q3:

- Q3 steel dust throughput of 161 kt, down 6% YoY due to COVID-19 constraints; Aluminium Salt Slags & SPL volume of 103 kt, down 9%; Secondary Aluminium at 44 kt up +14% YoY driven by the recovery of the automotive sector and the upgraded furnace at the Barcelona plant
- Resilient plant utilization of around 80% in both core businesses, Steel Dust and Salt Slags
- Zinc market prices averaged at €1,997/t in Q3 (down 5% YoY), aluminium alloy prices at €1,312/t (down 3% YoY)

Befesa’s expansion works in China continued to progress on schedule in Q3, 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.

The 9M figures indicate that Befesa’s full year results will come in at around the midpoint of the unchanged guidance range (FY2020 EBITDA: €100m to €135m).

Javier Molina, CEO of Befesa, said: “After the impact from the COVID-19 pandemic in the first half of the year, we have seen the beginning of a gradual global recovery in the third quarter. Q3 results were better than those in Q2 and, equally, we expect Q4 results to be better than Q3, continuing the QoQ recovery trend. Metal prices have recovered and started to stabilise, and we continue to make progress with our expansion in China. We are looking forward to offering our market leading steel dust recycling services to the Chinese market from 2021 onwards, supporting the government’s efforts of protecting the environment.”

Key figures

in €m	9M 2019	9M 2020	Change	Q3 2019	Q3 2020	Change
Revenues	496.6	446.4	-10.1%	147.6	145.2	-1.6%
EBITDA	117.1	84.5	-27.8%	37.0	29.3	-20.8%
Net profit	60.7	31.4	-48.3%	18.8	10.8	-42.4%
EPS (€)	1.78	0.92	-48.3%	0.55	0.32	-42.4%
Operating cash flow	47.7	37.8	-20.8%	-1.0	26.6	-
Net debt	438.9	420.3	-4.2%	438.9	420.3	-4.2%
Leverage	x2.7	x3.3		x2.7	x3.3	

Webcast

Befesa will host a webcast on its third quarter 2020 results at 09:00 am CET on 29 October 2020. Further details, a replay and other events are available on the company's website: www.befesa.com

Financial Calendar

The updated 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 and South Korea. 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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