



PRESS ANNOUNCEMENT

First quarter results 2018:

Befesa confirms annual guidance after good first quarter results

- Good first quarter results show Befesa meeting targets, delivering to shareholders and on-track for long term, sustainable growth
- First quarter revenue increased to EUR 195.4mn, up 13.1% year-on-year
- Adjusted EBITDA increased to EUR 44.5mn, up 7.1% compared to first quarter 2017
- Adjusted EBIT also up 7.1% year-on-year to EUR 37.2mn
- Growth initiatives deliver increased hazardous waste recycling volumes in both core segments
- Dividend paid out at upper end of target range, equal to EUR 0.73 per share

Luxembourg, 24 May 2018 – Befesa S.A. (“Befesa”), the European market leader for steel dust and aluminium salt slags recycling services, has performed in line with earnings expectations of higher single-digit earnings growth and higher volumes in both core segments in the first quarter. Befesa’s first quarter revenue increased to EUR 195.4mn, up 13.1% year-on-year. Both adjusted EBITDA and adjusted EBIT increased by 7.1% compared to the same quarter in 2017, reaching EUR 44.5mn and EUR 37.2mn respectively. Additionally, the first Annual General Meeting (AGM) held on 26 April approved a dividend distribution paid out at 50% of the EUR 49 million reported net profit as of December 31, 2017, equal to EUR 0.73 per share. With these solid results, and value created for shareholders, Befesa is delivering on its guidance and continuing on its stable, long term growth path in 2018.

Following Befesa’s record performance of 18% year-on-year revenue growth in 2017, 2018 continues to be a year of stable progress as the next set of organic growth initiatives are implemented. The double-digit first quarter revenue growth was largely driven by increased volumes in both core businesses as well as higher prices for both zinc and aluminium alloys. Crude steel dust throughput volume reached a new high of +20.0% compared to the same period in 2017, and similarly salt slags and SPL recycled volumes were up 3.2% year-on-year. Additionally, favorable market prices for zinc and aluminum also contributed to Befesa’s first quarter performance.

Javier Molina, CEO of Befesa, said: “We are performing in line with earnings expectations with our first quarter results thanks to strong volume development largely driven by our successful expansion of recycling services at our South Korean plant, as well as strong volume throughput in our European plants. This growth is in line with our strategy to further expand our leadership position in our key markets and meet our mid-term goal of sustained double-digit earnings growth.”

During the first three months of 2018, Befesa continued its good cash flow performance and further reduction of leverage. With the new capital structure in place since December 7, 2017, Befesa decreased financial expenses by EUR 7.3mn in the first three months of 2018. At the end of the first quarter, Befesa’s cash on hand balance amounted to EUR 118.2mn. The company reduced its leverage further to 2.3x, compared to 2.4x at year end 2017, and x3.5 at year end 2016.

Wolf Lehmann, CFO of Befesa, stated: “Our new capital structure has had a very positive impact on our first quarter financial results by reducing our financial expenses by around 60%. We are confident that we can further improve our earnings, cash flow stability and predictability through 2018 and going into 2019, ensuring Befesa continues on its successful growth path.”

NOTE

Befesa plans to publish its half-year 2018 financial results on 30 August 2018. Moreover, Befesa will host a webcast on its first quarter results at 9am CEST 24 May, 2018. For further details of this and other events please refer to the company’s website: 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 more than 1,300kt of residues annually, with a production of more than 600kt 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

Investor Relations

Rafael Pérez
Email: irbefesa@befesa.com
Befesa Management Services GmbH
Balcke-Dürr-Allee 1
40882 Ratingen
Deutschland (Germany)

Media Relations

Maximilian Karpf
Email: maximilian.karpf@cnc-communications.com
Mobile: +44 7970 716 953