



PRESS AND INVESTOR ANNOUNCEMENT

First half 2020 results

Befesa reports Q2 EBITDA of €22m and confirms Full Year Guidance

- Q2 2020 EBITDA at €22m, in line with market expectations, H1 EBITDA at €55m
- Confirming full year company guidance of €100m to €135m EBITDA
- China: Construction of both plants progressing and expecting completion on schedule, secured long-term financing of the first plant

Luxembourg, 31 July 2020 – Befesa S.A. (“Befesa”), the European market leader for steel dust and aluminium salt slags recycling services, performed in line with expectations. The company’s reported Q2 EBITDA of €22m, representing a decrease of 41% compared to the previous year mainly as a result of COVID-19 pandemic pressuring metal prices. H1 EBITDA came in at €55m, down 31% compared to the previous year.

Main operational highlights in Q2:

- Q2 steel dust throughput of 156 kt, up +5% YoY driven by Turkey expansion; Aluminium Salt Slags & SPL volume of 106 kt down 15% YoY due to lower demand from, i.a. the automotive sector
- Resilient plant utilization of around 80% in both core businesses, Steel Dust and Salt Slags
- Zinc market prices averaged at €1,780/t in Q2 (down 28% YoY) and treatment charges settled at ~\$300/t (~\$245/t in 2019), resulting in a combined price decrease of 37% YoY
- Aluminium alloy prices continue to be affected by lower demand, down 8% YoY to €1,282/t
- Continued strong liquidity of ~€185m, including cash of €107m and leverage of x3.1

Befesa’s expansion in China is progressing as expected. The construction works of both, the plant in Jiangsu and in Henan, are on track and expected to be completed on schedule by the beginning of 2021 and mid-2021, respectively. The long-term financing for the Jiangsu plant was successfully secured on 30 July and, similarly, Befesa is targeting the financing for Henan next.

Javier Molina, CEO of Befesa commented: “We anticipate the second quarter to be the weakest quarter in 2020 as we see signs of a moderate recovery. I’m confident that our strong balance sheet, high liquidity, and resilient business model will help us to navigate through the current environment. We expect our operational performance to improve as the economy starts to recover in the second half of the year. Meanwhile, we are making important progress with our expansion in China, which will set the foundation for accelerated volume and earnings growth in the coming years.”

Key figures

in €m	H1 2019	H1 2020	Change	Q2 2019	Q2 2020	Change
Revenues	349.0	301.2	-13.7%	169.9	122.2	-28.1%
EBITDA	80.1	55.3	-31.0%	37.1	21.7	-41.4%
Net profit	41.9	20.6	-50.9%	19.8	5.9	-70.3%
EPS (€)	1.23	0.60	-50.9%	0.58	0.17	-70.3%
Operating cash flow	48.8	11.2	-77.0%	31.1	2.8	-90.9%
Net debt	373.1	423.5	13.5%	373.1	423.5	13.5%
Leverage	x2.2	x3.1		x2.2	x3.1	

Webcast

Befesa will host a webcast on its second quarter 2020 results at 9:00 am CEST on 31 July 2020. Further details, a replay and other events are available on the company's website: www.befesa.com

Financial Calendar 2020

The financial calendar for 2020 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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