



## PRESS AND INVESTOR ANNOUNCEMENT

Preliminary full year 2020 results

### **Befesa delivers strongest quarter of the year – returning to 2019 levels**

- Q4 strongest quarter in 2020 with adjusted EBITDA of €42.4m, recovered back to 2019 level
- FY 2020 adjusted EBITDA at €127.0m, 20% decrease yoy (FY 2019: €159.6m)
- Operating cash flow at €92.5m, down 10% yoy; Closing with solid €154.6m of cash, up 23% yoy
- Capacity utilization and volumes resilient in 2020
- China expansion on track: Completing first plant construction in Q1; second plant after the summer

*Luxembourg, 23 February 2021 – Befesa S.A. ("Befesa"), the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, has delivered its strongest quarter in 2020, with Q4 EBITDA of €42.4m, at the same level as Q4 2019. Befesa continued its quarter-on-quarter recovery following the COVID-19 induced low in Q2 (Q1 €33.6m, Q2 €21.7m, Q3 €29.3m, Q4 €42.4m). This brings FY 2020 adjusted EBITDA up to €127.0m, within the upper third of FY 2020 EBITDA guidance range of €100m to €135m. Compared to FY 2019, earnings decreased by 20%, or €33m, primarily driven by lower blended zinc prices (down €144/t yoy to €2,136/t) as well as unfavourable higher treatment charges (TCs) at \$300/t (vs. \$245/t in 2019).*

Net profit in 2020 decreased from €82.7m in 2019 to €47.6m, corresponding to earnings per share (EPS) of €1.40. In 2020, Befesa distributed a total dividend of €25m (€0.73 per share), equal to 30% of €82.7m net profit in 2019.

Operating cash flow decreased 10% to €92.5m. Befesa's rigorous cash management resulted in total cash flow of €29.1m, improving cash on hand by 23% to €154.6m (€125.5m at year-end 2019). Together with the entirely undrawn Revolving Credit Facility (RCF) of €75.0m, Befesa has a strong financial position of €230m liquidity. Net debt improved to €393.6m compared to €416.9m at the end of 2019 (leverage x3.10 vs. x2.61 at 2019 year-end).

Over the financial year 2020, Befesa demonstrated resilient capacity utilisation and volumes. EAF steel dust throughput increased by 3% yoy to 687kt at 83% average capacity utilisation. This was mainly driven by the completed expansion of the plant in Turkey. Salt slags and SPL recycled volumes decreased by 10% yoy to 445kt (84% average capacity utilisation), while secondary aluminium production volumes remained stable at 174kt (85% average capacity utilisation).

Befesa's expansion in China continued to progress on schedule and on budget in Q4 2020. The construction of the first state-of-the-art EAF steel dust recycling plant in the Jiangsu province is expected to be completed in Q1, with cold and hot commissioning in March/April. The second plant in the province of Henan is also expected to be completed this year, after the summer.

*Javier Molina, CEO of Befesa, said: "As a vital player within the circular economy, this year we again contributed significantly to increasing efficiency and sustainability of raw material use in the metals industry. Our unique expertise and services drive the continued development of recycling solutions that support the transition towards a more sustainable economy. Despite the impact of the COVID-19 pandemic in 2020, we continued to deliver against our promises and serve our customers by maintaining*

high plant utilisation levels. Quarter after quarter we demonstrated our resilience, having recovered quickly from the Q2 low and now delivering the strongest quarter of the year at a €42m EBITDA in Q4. At the same time, we have continued setting the path for organic growth in the coming years and look forward to ramping up our new plants in China in 2021.”

Befesa’s hedging book in 2020 stabilised the Company’s earnings by €24m revenue, EBIT and EBITDA. In Q4 2020, Befesa extended its hedging book up to October 2023 and will keep monitoring the market to lock in further volume beyond that date. Similar to previous years, once TCs in the Zinc industry are settled around March/April 2021, Befesa will provide its earnings guidance for FY 2021 together with the Q1 2021 results scheduled for 29 April.

## Key figures

in €m	Q4 2019	Q4 2020	Change	FY 2019	FY 2020	Change
Revenue	151.3	158.0	4.4%	647.9	604.3	-6.7%
EBITDA	42.5	42.4 <sup>1)</sup>	-0.2%	159.6	127.0 <sup>1)</sup>	-20.4%
Net profit	22.0	16.2	-26.4%	82.7	47.6	-42.4%
EPS (€)	0.65	0.47	-26.4%	2.43	1.40	-42.4%
Operating cash flow	54.8	54.8	-0.1%	102.5	92.5	-9.7%
Net debt	416.9	393.6	-5.6%	416.9	393.6	-5.6%
Leverage	x2.6	x3.1		x2.6	x3.1	

1) Adjusted for €3.5m for the UK Salt Slags plant closure in Q4 2020

## Webcast

Befesa will host a webcast on its preliminary full year 2020 results at 09:00 am CET on 23 February 2021. Further details, a replay and other events are available on the company’s website: [www.befesa.com](http://www.befesa.com)

## Financial Calendar

Befesa plans to publish its full year 2020 financial results on 25 March 2021. The Annual General Meeting is scheduled for 23 June 2021 and will be held in Luxembourg. The financial calendar for 2021 is available in the Investor Relations / Investor’s Agenda section of Befesa’s website. For more information, please visit [www.befesa.com](http://www.befesa.com)

## About Befesa

Befesa is a leading player in the circular economy, providing 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, which are a critical part of the circular economy, Befesa manages and recycles around 1.5 million tonnes of residues annually, with a production of around 1.3 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](http://www.befesa.com)

## Investor Relations

Rafael Pérez

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

Phone: +49 2102 1001 0

## Media Relations

Katherine Fennell

Email: [katherine.fennell@kekstcnc.com](mailto:katherine.fennell@kekstcnc.com)

Phone: +44 7971 828 445