



PRESS AND INVESTOR ANNOUNCEMENT

Moody's upgrades Befesa's rating to Ba2 with a stable outlook

Luxembourg, 26 November 2018 – Befesa S.A. ("*Befesa*"), the European market leader for steel dust and aluminium salt slags recycling services, today received an upgraded corporate family rating (CFR) from Moody's Investors Service. Moody's raised Befesa to a Ba2 grade, up one notch from its previous Ba3 rating, with a stable outlook.

Moody's also improved Befesa's probability of default rating (PDR) from Ba3-PD to Ba2-PD. The € 526 million senior secured Term Loan B, the € 75 million senior secured revolving credit facility, and the € 35 million senior secured guarantee line all received the same upgraded Ba2 rating.

The upgrade was largely driven by Befesa's improved leverage ratio as well as strong EBITDA results on the basis of increased steel dust recycling capacity in South Korea, aluminium salt slags capacity in Germany, and decreased financing costs. Moreover, Befesa's strong liquidity position, despite inaugural dividend payments and working capital outflows. The planned market entry in China also supported the required medium-term growth prospects and geographic diversification.

The stable outlook reflects the positive market trend with increasing environmental regulation supporting Befesa's business model, its leading position in a niche of the environmental services sector as well as its successful hedging programme, which limits the company's exposure to zinc price movements.

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

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