Quarterly Statement Q1 2018

BEFESA AT A GLANCE

KEY FIGURES – First Quarter 2018

Key Figures
(€ million, unless specified otherwise)

	Three-month period ended March 31,		
	2018	2017	Change in %
Key Operational Data:			
Steel dust throughput (tons)	187,822	156,537	20.0 %
Waelz oxide sold (tons)	62,947	54,523	15.5 %
Salt slags and SPL recycled (tons)	130,257	126,192	3.2 %
Secondary aluminium alloys produced (tons)	49,609	50,555	(1.9) %
LME zinc average price (€ / ton)	2,776	2,612	6.3 %
Blended zinc price (€ / ton)	2,299	2,171	5.9 %
Aluminium alloy average market price (€ / ton)	1,833	1,765	3.9 %
Key Financial Data:			
Revenue	195.4	172.8	13.1 %
EBITDA	44.5	35.5	25.6 %
Adjusted EBITDA	44.5	41.6	7.1 %
Adjusted EBITDA margin (%)	22.8 %	24.1 %	(1.3) p.p.
EBIT	37.2	27.9	33.4 %
Adjusted EBIT	37.2	34.8	7.1 %
Adjusted EBIT margin (%)	19.1 %	20.1 %	(1.1) p.p.
Financial result	(4.4)	(10.6)	(58.3) %
Income before taxes and minority interests	32.8	17.4	89.2 %
Net income from continuing operations attributable to parent company	21.7	10.1	115.5 %
EPS (in €) based on 34,066,705 shares (*)	0.64	(0.01)	
Total assets (1)	1,024.3	1,010.1	1.4 %
Capital expenditures	6.7	3.4	96.3 %
Cash flow from operating activities	9.9	28.6	(65.3) %
Cash and cash equivalents at the end of the period	118.2	93.7	26.2 %
Net debt	407.1	406.4	0.2 %
Leverage	2.3 x	2.4 x	
Number of employees (as of end of the period)	1,122	1,126	(0.4) %

(1) 2017 figures are as of December 31.

(*) EPS calculation is explained in detail in note 29 of the 2017 Annual Report.

KEY HIGHLIGHTS

Solid start of 2018

- Higher volumes in both core segments
- Revenue increased by +13% to €195.4 million
- Adjusted EBITDA up +7% to €44.5 million
- Adjusted EBIT up +7% to €37.2 million
- Outlook 2018 confirmed

Befesa's 1st Annual General Meeting after IPO

On April 26, 2018, Befesa held its first Annual General Meeting (AGM) in Luxembourg.

The AGM approved a dividend of €0.73 per share, representing a payout ratio of 50% of the reported net profit as of December 31, 2017. This dividend pay-out ratio represents the upper end of the 40 to 50% target range of audited reported net profit and was distributed to Befesa's shareholders on May 3, 2018.

Triton sold approx. 3 million shares or approx. 8.8% stake in Befesa

On March 20, 2018, funds advised by Triton Partners sold approximately 3 million shares in Befesa, S.A. to institutional investors in a private placement via an accelerated book-building process. This represents approximately 8.8% of Befesa's share capital.

After this transaction, funds managed by Triton Partners remain Befesa's largest group of shareholders, directly holding 40.7% of Befesa's shares after the placement. Triton Partners agreed to a lock-up period of 60 calendar days.

Befesa management's shareholding remains unchanged at 3.0%.

Investor Relations activities

Befesa keeps regular and open communication with investors and analysts in order to provide an adequate flow of information. To ensure this objective, the management team has conducted non-deal roadshows in major financial centers as well as regular participation at several investor events, both in Europe and the USA.

As of the day of this report, Befesa has participated in the following investor events:

- January 8-9, 2018: German Investment Seminar hosted by Commerzbank in New York City, USA.
- March 8, 2018: Global Resources Conference, hosted by Citibank in London.
- March 16, 2018: Pan-European Business Services Conference hosted by Citibank in London.

For the remainder of 2018 Befesa scheduled to attend at additional investor conferences. For further details please refer to the financial calendar published on our website: www.befesa.com

Befesa's organic growth initiatives

In 2018, Befesa focuses on implementing multiple growth projects to ensure its double-digit mid-term growth target. In Steel Dust Recycling Services, Befesa is funding the expansion of its operations in Turkey by 45 thousand tons of capacity as well as a new Waelz oxide washing plant at South Korea. On the Aluminium Salt Slags Recycling Services side, Befesa is implementing the upgrade of its secondary aluminium production plants in Spain (located near Bilbao and Barcelona) with the latest furnace technology as well as the expansion of the salt slags recycling plant at Hannover by 40 thousand tons of capacity. The execution of these top five initiatives is on track.

BUSINESS OVERVIEW

RESULTS OF OPERATIONS, FINANCIAL POSITION AND LIQUIDITY

Revenue

Consolidated revenue increased by +13.1% year-on-year, to €195.4 million in Q1 2018. Principally the reason for the growth is attributed to the increased volume in both core businesses steel dust and salt slags recycling services as well as higher prices for both zinc and aluminium alloys.

EBITDA and EBIT

Adjusted EBITDA increased to €44.5 million in Q1 2018 (+7.1% or up +€2.9 million year-on-year). Similarly, adjusted EBIT went up to €37.2 million in Q1 2018 (+7.1% or up +€2.5 million year-on-year). This was driven mainly by higher volumes in the two core businesses of Steel Dust Recycling Services and Aluminium Salt Slags Recycling Services, and the increased zinc and aluminium alloy market prices.

During the first three months of 2018, earnings were negatively impacted by the effect of hedging zinc prices by €16.8 million (or €11.8 million after tax) due to the difference between the average hedged zinc price (€2,021 per ton for 66% of the zinc payable output) and the average market (LME) zinc price during the period (€2,776 per ton on average during the first three months of 2018).

Margins slightly decreased during the first quarter of 2018 (-1.3 p.p. year-on-year, to 22.8% adjusted EBITDA margin, and -1.1 p.p. year-on-year, to 19.1% adjusted EBIT margin). The decline of the adjusted earnings margins is mainly driven by non-core activities:

a) the secondary aluminium sub-segment, with lower metal margin, expected to recover over the coming quarters, and
b) the lower activity due to a temporary shutdown in stainless steel recycling operations in Sweden, where we implemented an operational excellence improvement measure in Q1, positioning the company for improved performance in the next quarters.

A reconciliation of EBITDA, adjusted EBITDA, and adjusted EBIT to the IFRS operating result (EBIT) is presented below:

Reconciliation to Adjusted EBIT(DA)
(€ million)

	Three-month period ended March 31,	
	2018	2017
EBIT (Operating profit/(loss))	**37.2**	**27.9**
- Depreciation, amortization, impairment and provisions	7.3	7.5
EBITDA	**44.5**	**35.5**
- Total Adjustments to EBITDA	0.0	6.1
Adjusted EBITDA	**44.5**	**41.6**
- Depreciation, amortization, impairment and provisions	(7.3)	(7.5)
- Other EBIT one-off adjustments	0.0	0.7
Adjusted EBIT	**37.2**	**34.8**

During the first quarter of 2018 Befesa has not incurred any significant non-recurrent cost to be adjusted for at earnings level. Thus, reported and adjusted earnings figures are the same. During the first three months of 2017, Befesa incurred some non-recurrent costs which were adjusted at earnings level. Main one-time adjustments included legal and other costs to successfully divest the Industrial Environmental Solutions (IES) business unit pre-IPO; strategy, legal and other consulting costs pre-IPO as well as one-time costs related to the temporary shutdown of the stainless steel plant in Sweden (expected to be recovered through the insurance coverage in place). Additionally, at EBIT level, a one-time adjustment was made related to ERP system amortization.

Financial Result and Net Income

The consolidated **financial result** was €(4.4) million for the three months ended March 31, 2018 compared with €(10.6) million for the comparable period ended March 31, 2017. This represents a positive increase of +58.3% (or +€6.2 million). Main drivers were the €7.3 million decrease in financial expenses based on the new capital structure during the first three months of 2018 when compared to the same period of 2017, partially offset by a €1.0 million reduction in financial income due to the divestiture of entities of the Industrial Environmental Solutions (IES).

The financial result during the first quarter of 2018 reflects the new capital structure, in place since December 7, 2017, which reduces the financial expenses by around 60%.

Consolidated **net income** from continuing operations attributable to the parent company was €21.7 million for the three months ended March 31, 2018 compared with €10.1 million for the comparable period ended March 31, 2017, representing an increase of +€11.6 million.

Financial Position and Liquidity

Financial indebtedness compared to year end 2017 is stable with a slight increase by €1.4 million year-on-year, to €525.7 million as of March 31, 2018 mainly due to current financial indebtedness. Non-current financial indebtedness during the first three months of 2018 stayed flat at €519 million compared to the same period of 2017. **Net debt** also flat with a slight increase by €0.8 million year-on-year, to €407.1 million as of March 31, 2018.

Net Debt
(€ million)

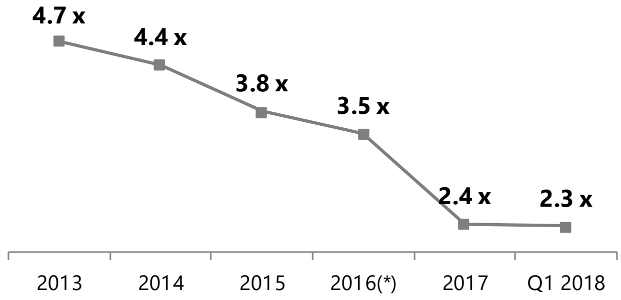
	March 31, 2018	Dec. 31, 2017
Non-current financial indebtedness	519.1	519.2
+ Current financial indebtedness	6.6	5.1
Financial indebtedness	**525.7**	**524.2**
- Cash and cash equivalents	(118.2)	(117.6)
- Other current financial assets	(0.3)	(0.3)
Net debt	**407.1**	**406.4**
Adjusted EBITDA (*)	175.4	172.4
Leverage ratio	**2.3 x**	**2.4 x**

(*) Adjusted EBITDA for March 31, 2018 is LTM (Last Twelve Months) as of Q1 2018.

In terms of **cash flow**, after paying €4.8 million in taxes, €3.4 million in interest, and €7.5 million in funding maintenance, productivity and compliance capital expenditures (CapEx), as well as increasing working capital by €21 million – in particular, accounts receivables due to higher revenues –, Befesa still increased its cash by €0.6 million year-on-year. The group ended March 31, 2018 with €118.2 million of cash on hand.

During the first quarter of 2018, Befesa continued to **further improve its leverage** slightly, showing strong earnings to cash conversion. Over the last five years, the leverage was reduced from more than 5x in the second half of 2013, down to 3.5x at the end of 2016, further down to the current leverage of **2.3x Adjusted EBITDA** of the Last Twelve Months (LTM) as of March 31, 2018. Befesa continues to be compliant with all debt covenants.

Leverage ratio evolution
(Net debt / Adjusted EBITDA)



(*) Assumes proforma net debt adjusted for IES divesture proceeds.

Befesa's **ratings** have remained unchanged since the publication of the Annual Report 2017. Rated "Ba3 (outlook positive) corporate family rating (CFR)" by Moody's Investor Service (Moody's) and "BB- long-term corporate credit rating (outlook stable)" by Standard & Poor's Global Rating (S&P).

SEGMENT INFORMATION

Steel Dust Recycling Services

Crude steel dust volumes processed during the first three months of 2018 amounted to 187,822 tons, representing a new high throughput and an increase by more than 31,000 tons when compared to the same period of 2017 (+20.0%). This was primarily driven by an increase in volumes of steel dust recycled in the plant in South Korea, as well as in the plants in Europe. With these volumes, crude steel dust recycling plants have been running, on average, at a load factor of 97.6% compared to 81.4% during the first three months of 2017. As a result, the volume of Waelz oxide (WOX) sold increased from 54,523 tons in the first three months of 2017 to 62,947 tons sold during the same period of 2018, representing an increase of +15.5%, of WOX volumes.

The significant **revenue** increase in the Steel Dust Recycling Services (+29.7% or +€23.3 million year-on-year, to €101.6 million as of March 31, 2018) was primarily due to the 8,400 tons year-on-year increase in WOX volumes sold (+15.5% year-on-year) and higher average effective zinc prices (blended rate between hedged volume and non-hedged volume) of €2,299/ton during the first quarter of 2018 compared to €2,171/ton during the same period in 2017.

Adjusted EBITDA was €36.1 million for the first three-month period ended March 31, 2018 compared with €31.9 million for the comparable period of 2017, representing an increase of +13.2% (or +€4.2 million). Similarly, **Adjusted EBIT** increased by +16.6% (or +€4.6 million) year-on-year, to €32.6 million as of March 31, 2018.

Adjusted earnings margins declined driven by the lower activity due to a temporary shutdown in the non-core stainless steel recycling operations in Sweden, where we implemented an operational excellence improvement measure in Q1, positioning the company for improved performance in the next quarters. Adjusted EBITDA margin (adjusted EBITDA divided by revenue) amounted to 35.5% during the first quarter of 2018 (compared to 40.7% during the same period of 2017). Similarly, adjusted EBIT margin (adjusted EBIT divided by revenue) amounted to 32.1% during the first quarter of 2018 (compared to 35.7% during the same period of 2017).

Aluminium Salt Slags Recycling Services

Salt Slags Sub-Segment

Salt slags and SPL recycled volumes during the first three months of 2018 amounted to 130,257 tons, representing an increase of +3.2% or a plus of more than 4,000 tons year-on-year.

The **revenue** increase in the Salt Slags sub-segment (+5.8% or up +€1.2 million year-on-year, to €21.9 million as of March 31, 2018) was primarily supported by the 3.2% volume increase during the first three months of 2018 compared to the same period of 2017.

Adjusted EBITDA in the Salt Slags sub-segment was €6.6 million for the three-month period ended March 31, 2018 compared with €5.8 million for the same period of 2017, representing an increase of +13.2% (or +€0.8 million). Adjusted EBITDA margins (adjusted EBITDA divided by revenue) improved from 28.0% to 29.9%. Similarly, **Adjusted EBIT** increased by +18.1% (or +€0.7 million) to €4.7 million as of March 31, 2018, and the adjusted EBIT margins (adjusted EBIT divided by revenue) also improved from 19.3% to 21.5%.

The improvement of earnings in the Salt Slags sub-segment was mainly driven by volume leverage.

Secondary Aluminium Sub-Segment

Aluminium alloy production volumes during the first three months of 2018 amounted to 49,609 tons, representing a decrease of 1.9% year-on-year.

Revenue from Secondary Aluminium sub-segment was €83.2 million for the three-month period ended March 31, 2018, as compared to €82.2 million for the three-month period ended March 31, 2017, representing an increase of +1.2% (or +€1.0 million) in 2018 as compared to the same period in 2017. The increase was primarily due to higher average market prices for aluminium alloy (aluminium alloy free market Metal Bulletin average prices were €1,833 per ton in the first three months of 2018 compared with €1,765 per ton in the same period during 2017), partially offset by the volume decrease during the first quarter of

2018 of 946 tons of aluminium alloys produced compared to the same period of 2017.

Adjusted EBITDA in the Secondary Aluminium sub-segment was €1.6 million for the three-month period ended March 31, 2018 compared with €2.4 million during the same period of 2017, representing a €0.8 million decrease year-on-year. Similarly, **adjusted EBIT** was €0.1 million for the three months ended March 31, 2018 compared with €1.0 million for the comparable period of 2017, representing a decrease of €0.9 million. Adjusted EBITDA margin decreased from 2.9% during the first quarter of 2017 to 1.9% during the same period of 2018. Adjusted EBIT margins (adjusted EBIT divided by revenue) also decreased from 1.2% to 0.1%. The decline in earnings margins was primarily driven by lower volume, as explained above, as well as lower metal margin expected to recover over the coming quarters.

STRATEGY

Organic Growth Projects

Befesa continues to execute its organic growth project pipeline and focuses on growing its core environmental service activities that are benefiting from the positive underlying macro trends.

In the **Steel Dust Recycling Services business**, Befesa is funding two organic growth projects in Turkey and South Korea during 2018 and 2019. Firstly, Befesa will increase the capacity of its Turkish plant from 65,000 tons per year at present to 110,000 tons per year, building on the increased demand for steel dust recycling services. Secondly, Befesa will build a washing plant in South Korea to be able to offer washed Waelz oxide to its customers, similar to its European operations. The construction phase of both projects is expected to start by the end of 2018, with operations expected to commence during the second half of 2019.

In the **Secondary Aluminium** sub-segment of the Aluminium Salt Slags Services business, Befesa is funding two operational excellence projects. Both projects apply the best-in-class furnace technology proven at Befesa's Bernburg plant to its other secondary aluminium production plants in Spain (close to Bilbao and Barcelona). These projects will result in efficiencies and free up capacity to meet additional demand for external salt slags services. Both projects started during 2017 and will be completed during 2018 and 2019 respectively.

In the **Salt Slags** sub-segment of the Aluminium Salt Slags Services business, Befesa is funding the capacity increase of its existing salt slag recycling plant in Hannover, Germany, by 40,000 tons in 2018 and 2019. The improved capacity will help to meet the increase in existing, and new customer demand. The construction phase of this project is expected to start in 2019, with operations expected to commence in 2020.

Hedging Strategy

Continuing with the hedging strategy, which is a key pillar of Befesa's business model to manage the zinc price volatility, during the last quarter of 2017 Befesa further extended its hedging program for the years 2018, 2019 and mid-2020, at a volume of 92,400 tons per year or 7,700 tons per month of the zinc equivalent output. During the month of January 2018 Befesa further extended its hedging program for another six months to fully cover 2020.

The average hedged prices and zinc output hedged volumes for each of the periods are as follows:

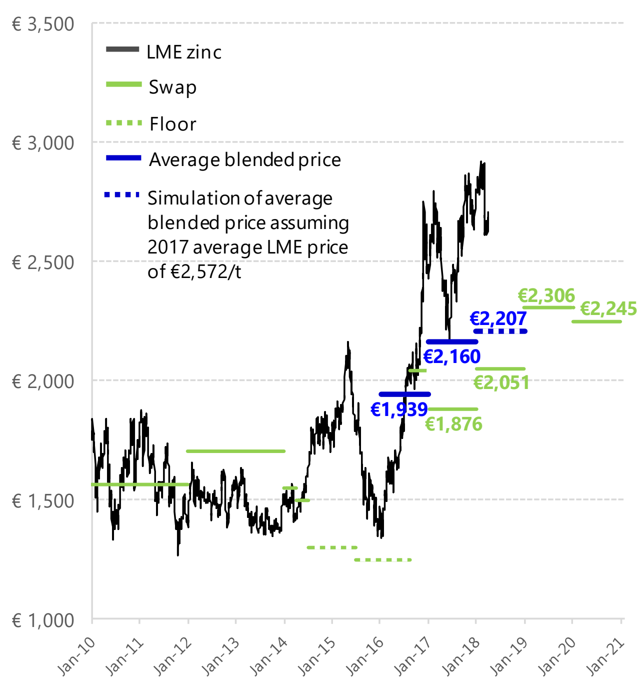
Period	Average hedged price (€ / ton)	Zinc content hedged (tons)
2017	1,876	73,200
2018	2,051	92,400
2019	2,306	92,400
2020	2,245	92,400

The Company entered these hedges to maintain mid-term visibility on its output prices – expanding on its proven hedging strategy. For these hedges Befesa does not provide any collateral.

Befesa will continue with its prudent hedging policy, targeting stability even if foregoing short-term upside from higher zinc prices. Opportunities are constantly monitored and re-evaluated when closing hedges in light of the current zinc market environment. We are targeting to hedge 60 to 75% of the expected volume of zinc to be extracted from the Waelz oxide for a period of 2-4 years going forward.

Market Zinc Price vs. Zinc Hedge

(€ per ton)



OUTLOOK

2018 is another consecutive growth year for Befesa. This growth will be less rapid, rather single digit, when compared to 2017 as Befesa has no new capacity scheduled to be introduced in 2018. Befesa is focusing on implementing the next set of organic growth initiatives that will enable the company to continue with its development in 2019, and beyond.

In the **Steel Dust Recycling Services** segment, the company expects to increase the utilization of the South Korean plant by increasing the volume of steel dust collected both internally, and from imports. The company expects the European steel industry to maintain the same levels of activity that it has shown in 2017. Therefore, Befesa expects similar or slightly higher volumes in Europe.

From a pricing perspective, the hedging program provides the company with a high level of visibility up to and including 2020. For 2018, the company has around 70% of the zinc volume hedged at an average price of €2,051 per ton.

Earnings in the Steel Dust Recycling Services segment are expected to increase gradually in the medium-term, driven by higher utilization rates and higher volume from the capacity expansions, as well as higher prices from the hedging program.

In the **Aluminium Salt Slags Recycling Services** segment, the company focuses on upgrading the furnaces at the plants located close to Barcelona and Bilbao during 2018.

Small growth rates are expected in the recycled volumes of residues during 2018. This is on the back of a continued need for light weight solutions in the transportation industry and due to the solid state of the European economy.

Earnings in the Aluminium Salt Slags Recycling Services business are also expected to benefit from higher volumes and utilization rates – which should translate into improved margins.

Finally, given the new capital structure of Befesa and the high cash generative business, the company expects net income and cash flow for 2018 to be significantly higher than in 2017.

CONSOLIDATED FINANCIAL STATEMENTS
as of March 31, 2018

CONSOLIDATED BALANCE SHEET

Assets
(€ thousand)

	As of March 31, 2018	As of Dec. 31, 2017
Intangible Assets	423,488	423,726
Property, plant and equipment, net	245,885	248,191
Other non-current assets	5,084	5,238
Deferred tax assets	88,581	94,975
Inventories	41,650	45,192
Trade receivables and other current financial assets	101,421	75,204
Cash and cash equivalents	118,225	117,582
Total Assets	**1,024,334**	**1,010,108**

Equity and liabilities
(€ thousand)

	As of March 31, 2018	As of Dec. 31, 2017
Non-controlling interests	11,447	10,567
Total Equity	**209,378**	**179,727**
Provisions	5,246	5,598
Borrowings	525,665	524,237
Trade and other accounts payable	134,947	129,831
Deferred tax liabilities	55,451	55,596
Other liabilities	93,647	115,119
Total Liabilities	**814,956**	**830,381**
Total Equity and Liabilities	**1,024,334**	**1,010,108**

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement
(€ thousand)

	Three-month period ended March 31,		
	2018	**2017**	**Change in %**
Continuing operations:			
Revenue	195,418	172,790	13.1 %
+/- Changes in stocks of finished products and work in progress	(608)	741	-
Procurements	(97,685)	(87,902)	11.1 %
Other operating income	1,118	1,779	(37.2) %
Staff costs	(18,541)	(18,574)	(0.2) %
Other operating expenses	(35,160)	(33,373)	5.4 %
Amortization/depreciation, impairment and provisions	(7,302)	(7,540)	(3.2) %
Operating profit (EBIT)	**37,240**	**27,921**	**33.4 %**
Financial income	19	1,036	(98.2) %
Financial expenses	(5,005)	(12,295)	(59.3) %
Net exchange differences	578	689	(16.1) %
Finance income/(loss)	**(4,408)**	**(10,570)**	**(58.3) %**
Profit/(loss) before tax	**32,832**	**17,351**	**89.2 %**
Corporate income tax	(9,702)	(5,600)	73.3 %
Profit/(loss) for the period from continuing operations	**23,130**	**11,751**	**96.8 %**
Profit/(loss) for the period from discontinued operations	-	11,089	(100.0) %
Profit/(loss) for the period	**23,130**	**22,840**	**1.3 %**
Attributable to:			
Parent company owners	21,695	21,156	2.5 %
Non-controlling interests	1,435	1,684	(14.8) %
Earnings/(losses) per share from continuing and discontinued operations attributable to owners of the parent (expressed in € per share)			
Basic earnings per share			
From continuing operations (*)	0.64	(0.01)	
From discontinued operations	-	-	
	0.64	**(0.01)**	

(*) EPS calculation is explained in detail in note 29 of the 2017 Annual Report.

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows
(€ thousand)

	Three-month period ended March 31,	
	2018	2017
Cash flow from operating activities:		
From continuing operations	32,832	17,351
From discontinuing operations	-	12,283
Profit (loss) for the period before tax including discontinued operations	**32,832**	**29,634**
Adjustments due to:		
Depreciation and amortization charge	7,302	7,540
Impairment losses	-	-
(Profit) / loss from disposals	-	(13,006)
Changes in provisions	-	-
(Profit)/loss from associates	-	-
Interest income	(19)	(482)
Finance costs	5,005	12,295
Other profit/(loss)	(274)	(304)
Exchange differences	(578)	(689)
Change in working capital	**(20,798)**	**2,761**
Trade receivables and other current assets	(24,500)	(13,879)
Inventories	3,542	(902)
Trade payables	160	17,542
Other cash flows from operating activities:		
Interest paid	(3,368)	(1,247)
Other payments	(5,400)	(1,063)
Taxes paid	(4,791)	(6,873)
Net cash flows from operating activities (I)	**9,911**	**28,566**
Cash flows from investing activities:		
Investments in Group and associated companies	-	(1,868)
Investments in intangible assets	(697)	-
Investments in property, plant and equipment	(7,138)	(3,492)
Other financial assets	-	-
Collections from disposal of Group and associated companies, net of cash	-	52,445
Collections from sale of property, plant and equipment	-	-
Investments in other current financial assets	(25)	(261)
Dividends received	-	-
Interests received	-	-
Net cash flows from investing activities (II)	**(7,860)**	**46,824**
Cash flows from financing activities:		
Cash bank inflows from bank borrowings and other liabilities	-	-
Cash bank outflows from bank borrowings and other liabilities	(511)	(42,000)
Transactions involving non-controlling interests	-	-
Dividends paid to holders of redeemable preferred shares	-	(1,719)
Net cash flows from financing activities (III)	**(511)**	**(43,719)**
Effect of foreign exchange rate changes on cash and cash equivalents (IV)	**(897)**	**-**
Net increase in cash and cash equivalents (I+II+III+IV)	**643**	**31,671**
Cash and cash equivalents at the beginning of the period	117,582	62,009
Cash and cash equivalents at the end of period	118,225	93,680

ADDITIONAL INFORMATION

SEGMENTATION OVERVIEW – KEY METRICS

STEEL DUST RECYCLING SERVICES	Three-month period ended March 31,		
	2018	2017	Change in %
Key Operational Data (tons, unless specified otherwise)			
Steel dust throughput (1)	187,822	156,537	20.0 %
Waelz oxide sold	62,947	54,523	15.5 %
Blended zinc price (€ / ton)	2,299	2,171	5.9 %
Total installed capacity (2)	780,300	780,300	0.0 %
Utilization (%) (3)	97.6 %	81.4 %	16.3 p.p.
Key Financial Data (€ million, unless specified otherwise)			
Revenue	101.6	78.3	29.7 %
EBITDA	36.1	26.6	35.5 %
Adjusted EBITDA	36.1	31.9	13.2 %
Adjusted EBITDA margin %	35.5 %	40.7 %	(5.2) p.p.
EBIT	32.6	22.7	43.6 %
Adjusted EBIT	32.6	27.9	16.6 %
Adjusted EBIT margin %	32.1 %	35.7 %	(3.6) p.p.

ALUMINIUM SALT SLAGS RECYCLING SERVICES

Salt Slags Sub-Segment	Three-month period ended March 31,		
	2018	2017	Change in %
Key Operational Data (tons, unless specified otherwise)			
Salt slags and SPL recycled	130,257	126,192	3.2 %
Total installed capacity	630,000	630,000	0.0 %
Utilization (%) (4)	99.7 %	96.6%	3.1 p.p.
Key Financial Data (€ million, unless specified otherwise)			
Revenue	21.9	20.7	5.8 %
EBITDA	6.6	5.8	13.2 %
Adjusted EBITDA	6.6	5.8	13.2 %
Adjusted EBITDA margin %	29.9 %	28.0 %	2.0 p.p.
EBIT	4.7	4.0	18.1 %
Adjusted EBIT	4.7	4.0	18.1 %
Adjusted EBIT margin %	21.5 %	19.3 %	2.3 p.p.

Secondary Aluminium Sub-Segment	Three-month period ended March 31,		
	2018	2017	Change in %
Key Operational Data (tons, unless specified otherwise)			
Secondary aluminium alloys produced	49,609	50,555	(1.9) %
Aluminium alloy average market price (€ / ton) (5)	1,833	1,765	3.9 %
Total installed capacity	205,000	205,000	0.0 %
Utilization (%) (6)	98.1 %	100.0 %	-1.9 p.p.
Key Financial Data (€ million, unless specified otherwise)			
Revenue	83.2	82.2	1.2 %
EBITDA	1.6	2.4	(33.7) %
Adjusted EBITDA	1.6	2.4	(33.7) %
Adjusted EBITDA margin %	1.9 %	2.9 %	(1.0) p.p.
EBIT	0.1	1.0	(88.9) %
Adjusted EBIT	0.1	1.0	(88.9) %
Adjusted EBIT margin %	0.1 %	1.2 %	(1.1) p.p.

Note: Segment splits and revenue and earnings contributions not taking into account corporate and inter-segment eliminations.

(1) Steel dust throughput does not include Stainless steel dust volumes.

(2) Total installed capacity in Steel does not include 174,000 tons per year of Stainless steel dust recycling capacity.

(3) Utilization represents crude steel dust processed against annual installed capacity.

(4) Utilization represents the volume of salt slag and SPLs recycled by our plants against annual installed capacity (not including the 100,000 tons of capacity at Töging (Germany) plant, currently idle).

(5) Aluminium Scrap and Foundry Ingots Aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin Free Market Duty paid delivered works.

(6) Utilization represents the volume of secondary aluminium produced against annual installed capacity.

FINANCIAL CALENDAR

Thursday, May 24, 2018	Publication of Statement for the Q1 2018 & Analyst Call
Thursday, August 30, 2018	Publication of Interim Report for the H1 2018 & Analyst Call
Thursday, November 22, 2018	Publication of Statement for the Q3 2018 & Analyst Call

Published on Thursday, May 24, 2018

Disclaimer

This report contains forward-looking statements and information relating to Befesa and its affiliates that are based on the beliefs of its management, including assumptions, opinions and views of Befesa and its affiliates as well as information cited from third party sources. Such statements reflect the current views of Befesa and its affiliates or of such third parties with respect to future events and are subject to risks, uncertainties and assumptions.

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Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.

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First quarter 2018 figures contained in this report have not been audited.

This report includes Alternative Performance Measures (APMs), including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, EBIT, Adjusted EBIT, Adjusted EBIT margin, net debt and capital expenditures which are not measures of liquidity or financial performance under International Financial Reporting Standards (IFRS). These non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating, investing or financing activities, or other financial measures of our results of operations or liquidity derived in accordance with IFRS. We include APMs in this report because we believe that they are useful measures of our performance and liquidity. Other companies, including those in our industry, may calculate similarly titled financial measures differently than we do. Because all companies do not calculate these financial measures in the same manner, our presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These APMs are not audited. A reconciliation of EBITDA, Adjusted EBITDA, and Adjusted EBIT to our IFRS operating result (EBIT) is presented on page 4 of this report.

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