

25 July 2019 - 05:45 pm

Press release

Financial information at 30th June 2019

- Consolidated sales of €153.5 million, down 21% mainly due to the contraction in the Lead and Zinc segments' activity
- Unfavourable context due to lower lead and zinc prices

The Recylex Group (Euronext Paris: FR0000120388 - RX) has today released its financial information for the first half of 2019 and the second quarter of 2019.

Consolidated Sales for the first half of 2019 amounted to €153.5 million, down 21% compared to the first half of 2018. Consolidated Sales for the second quarter of 2019 amounted to €77.7 million, down 22% compared to the same period in 2018.

Sebastian Rudow, Chairman and Chief Executive Officer of Recylex S.A., commented:

"The evolution of the Group's sales during the first half of 2019 mainly reflects the deterioration in our market situation, in particular due to the decline in metal prices, as well as lower activity in the Lead and Zinc segments linked to the major maintenance shutdowns and technical difficulties. Moreover, due to the slow-down of its market, the Special Metals segment posted a slight decline and the Plastics segment is pursuing its strategic refocusing. In cooperation with all our stakeholders, we are striving for further joint measures to stabilize our financial situation and at the same time pursuing our efforts for enhanced environmental protection, notably in our German plants. In the meantime, we are actively continuing our reorganization. Everyone in the Group's teams has a major role to play in making the Group competitive again. In this context, the studies carried out by Weser-Metall are key to our future. Their outcome will also determine our discussion horizon with the financial partners of the German sub-group."

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Consolidated sales by segment for the first half-year of 2019 break down as follows:

<i>In million of euros</i>	Six months to 30 th June 2019	Six months to 30 th June 2018	<i>Change (in %)</i>
Lead	94.1	124.2	-24%
Zinc	43.4	53.8	-19%
Special Metals	9.1	9.5	-4%
Plastics	6.9	7.1	-3%
Total	153.5	194.6	-21%

IFRS data, 2019 figures unaudited, 2018 figures audited.

1. Trend in metals prices to 30th June 2019 (in euros)

<i>In euros per tonne</i>	First half 2019 average	First half 2018 average	<i>Change (in %)</i>
Lead price	1,736	2,029	-14%
Zinc price	2,419	2,699	-10%
€/€ exchange rate	1.1298	1.2109	-7%

Source: London Metal Exchange.

The average lead price in the first half of 2019 was €1,736, down 14% from the average in the first half of 2018 (which represented a high basis for comparison).

Between 2nd January 2019 and 30th June 2019, lead prices were very volatile: after a slight increase in the first quarter (+4%), they fell sharply in the second quarter of 2019 but thanks to a slight jump in June, they fell by only 7% over this period.

The average zinc price in the first half of 2019 was €2,419, down 10% compared to the average for the first half of 2018.

Between 2nd January 2019 and 30th June 2019, the zinc price trend was mixed: after an almost continuous increase in the first quarter (+24%), it fell sharply in the second quarter (down 16% over the period).

Compared to the first half of 2018, the average €/€ parity fell by 7%, at 1.1298 in the first half of 2019.

Between 2nd January 2019 and 30th June 2019, the €/€ exchange rate was particularly volatile but remained stable over the period.

2. Breakdown of consolidated sales to 30th June 2019 relative to 30th June 2018

Consolidated Sales for the first half of 2019 amounted to €153.5 million, down 21% compared to the same period in 2018. Restated¹ consolidated Sales for the first half of 2019 amounted to €164.6 million, also down 21% compared to the same period in 2018.

2.1 Lead segment: sales down 24%

During the first six months of 2019, lead segment sales represented 61% of consolidated sales.

Its sales totaled 94.1 million at 30th June 2019, down 24% compared to the first half of 2018. This decrease was notably due to the decline in lead prices but mainly to the evolution of its production process compared to the first quarter of 2018, in a context of continued technical difficulties of the smelter², which resulted in a change in the basis of comparison. Indeed, following the commissioning of the new reduction furnace in the second half of 2018, the by-products from the BSF main furnace are now processed internally instead of being sold³.

As a reminder, in this context, the Group has reduced its purchases of scrap batteries during the first half of 2019 in order to adapt to the current production levels. In addition, Recylex S.A. has also initiated first actions aiming at eventually diversifying its customer portfolio.

Due to a favourable basis of comparison, production at the Weser-Metall GmbH (WMG) smelter increased by more than 13% compared to the first half of 2018, reaching more than 52,000 tonnes in the first half of 2019. Indeed, the maintenance shutdown in January 2019 to renew the refractory bricks of the BSF furnace was shorter than that of the first quarter of 2018 to prepare the connection of the BSF main furnace with the new reduction furnace and to carry out the usual maintenance.

The short one-week maintenance shutdown scheduled for the end of the second quarter of 2019 was postponed due to the launch of studies⁴ aiming at stabilizing the operation of the smelter with its two furnaces, continuing to improve its production and enabling its profitability.

It should be noted that, given its financial situation, the Group no longer has credit lines available to set up financial instruments to hedge risks related to fluctuations in metal prices.

In a context of a strong decline in lead prices, sales in the second quarter of 2019 fell by 25% compared with the second quarter of 2018 to €48.3 million at 30th June 2019.

2.2 Zinc segment: sales down 19%

The Zinc segment accounted for 28% of consolidated sales in the first half of 2019.

During the first six months of 2019, sales amounted to €43.4 million, down 19% compared to the same period in 2018. Restated sales¹ amounted to €54.5 million at 30th June 2019, down 19% compared to the same period in 2018.

In the first half of 2019, sales of the dust recycling activity fell by 28% due to the impact of the sharp drop in zinc prices compared to the same period in 2018, to the deterioration in its commercial conditions and to an unfavourable basis of comparison. Indeed, the major scheduled maintenance shutdown of Harz-Metall GmbH (HMG) took place between the first and second quarters of 2019 whilst no major maintenance shutdowns occurred in the first half of 2018. Its restated¹ sales recorded an equivalent decline for the same reasons. In this context, the Group's total production of Waelz oxides (HMG and Recytech) amounted to 32,552 tonnes in the first half of 2019, down 7% compared to the first half of 2018.

Sales of the zinc waste recycling activity fell by 16%, penalized by the sharp decline in zinc prices over the period and, to a lesser extent, by lower customer demand. The zinc oxide production of Norzinco GmbH (HZO) reached nearly 12,150 tonnes in the first half of 2019, down only 3% despite higher maintenance operations than in the first half of 2018.

For the same reasons, in the second quarter of 2019, sales amounted to €21.6 million, down 18% compared to the same period in 2018. Restated¹ sales amounted to €25.9 million for the second quarter of 2019, down 23% compared to the same period in 2018 linked to an unfavourable basis of comparison, as Recytech's annual maintenance shutdown was exceptionally carried out in 2018 during the first quarter, instead of the second quarter as usual.

Finally, in order to improve its environmental performance in line with changes in European regulations, HMG has begun preparatory work for the installation of an equipment dedicated to the treatment of volatile organic compounds (VOCs). Following Recytech S.A. which inaugurated its RTO unit (Regenerative Thermal Oxidizer) in September 2018, this process dedicated to the treatment of gas is essential for the sustainability of the Oker site. This investment amounts to approximately €2.5 million and its commissioning is scheduled for the beginning of the second half of 2020.

2.3 Special Metals segment: sales down 4%

The Special Metals segment represented 6% of consolidated sales in the first six months of 2019.

The sales of PPM Pure Metals GmbH (PPM) amounted to €9.1 million for the first half of 2019, down 4% compared to the first half of 2018. Despite a good performance in the first quarter of 2019, activity in the second quarter of 2019 was marked by a slowdown in demand in volumes for several metals, partly offset by rising prices.

For this reason, PPM's sales reached €4.5 million in the second quarter of 2019, down 13% compared to the same period of 2018.

2.4 Plastics segment: sales down 3%

Sales in the Plastics segment accounted for 5% of consolidated sales in the first half of 2019.

It reached €6.9 million in the first half of 2019, down slightly by 3% compared to the same period in 2018.

At June 30th 2019, the Group's total recycled polypropylene production reached 6,445 tonnes, down slightly by 6% compared to the first half of 2018.

C2P France, which represents nearly 90% of the segment's sales, achieved almost stable revenue compared to the same period in 2018 (-1%): the development of sales of high value-added compounds almost offset a slight decline in sales volumes and a slight drop in prices. In addition, C2P Germany recorded a decline in sales, although the impact is not very significant given its very small contribution in the segment.

Sales reached €3.3 million in the second quarter of 2019, down only 1%. The increase in C2P France's sales thanks to the development of sales of high value-added compounds largely offset the very sharp reduction in C2P Germany's sales due to its strategic refocus on the processing and grinding of lead-containing plastics³.

3. Ongoing legal proceedings involving Recylex S.A.

A summary of the proceedings concerning Metaleurop Nord S.A.S. and Recylex S.A. updated on 22^d July 2019 is available from the Recylex Group's [website](#) on the [Finance](#) section.

Further to the decision of 23rd May 2019 of the General Court of the European Union dismissing the appeal lodged by the concerned companies of the Recylex Group against the decision of 8th February 2017 of the European Commission, the Group's concerned companies have decided to lodge an appeal before the Court of Justice of the European Union.

1 To assess the performance of the Zinc segment, the Group includes the contribution from 50%-owned Recytech S.A. consolidated proportionately, even though this method is not permitted under IFRS. See Note 19 to the 2017 consolidated financial statements.

2 See press releases dated 26th July 2018, 29th August 2018, 28th September 2018, 30th October 2018, 5th December 2019, 8th January 2019, 14th February 2019 and 24th April 2019.

3 See the press release dated 24th April 2019.

Disclaimer: *this press release may contain forward-looking statements that do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.recylex.eu). Further information about Recylex is available from its website (www.recylex.eu).*

Raw materials from urban mines

The Recylex Group, based in France and Germany, is a European specialist in the recycling of lead, zinc, polypropylene and in the production of high-purity special metals. As a key player in the circular economy and thanks to its long-standing know-how, Recylex achieved consolidated sales of €365 million in 2018 and employs more than 730 employees.

For more information about the Recylex Group: www.recylex.eu

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APPENDICES

Quarterly evolution of metal price averages

<i>In euros per tonne</i>	First quarter 2019	Second quarter 2019	First quarter 2018	Second quarter 2018
Lead	1,793	1,677	2,053	2,006
Zinc	2,380	2,459	2,783	2,612

Source: London Metal Exchange.

Consolidated sales by quarter and by segment

<i>In million of euros</i>	First quarter 2019	Second quarter 2019	First quarter 2018	Second quarter 2018
Lead	45.8	48.3	59.6	64.6
Zinc	21.8	21.6	27.6	26.2
Special Metals	4.6	4.5	4.3	5.2
Plastics	3.6	3.3	3.8	3.3
Total	75.8	77.7	95.3	99.3

IFRS data, 2019 figures unaudited, 2018 figures audited.

Recylex S.A.'s sales

<i>In million of euros</i>	Six months to 30 th June 2019	Six months to 30 th June 2018	Change (in %)
Lead segment	30.8	41.7	-27%
Services to Group companies	1.2	0.7	NS
Total sales	32.0	42.4	-25%

IFRS data, 2019 figures unaudited, 2018 figures audited.