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Press release

Financial information at September 30, 2019

- Consolidated sales at September 30, 2019 at €232.9 million, down 17%.
- Consolidated sales for the third quarter of 2019 down 10% to €79.4 million
- Sales affected by lower lead and zinc prices and unfavourable commercial conditions

The Recylex Group (Euronext Paris: FR0000120388 - RX) today released its financial information for the first nine months of 2019 and for the third quarter of 2019 in a context of ongoing discussions with the German subgroup's financial partners¹.

Consolidated sales at September 30, 2019 amounted to €232.9 million, down 17% compared to September 30, 2018. Consolidated sales for the third quarter of 2019 amounted to €79.4 million, down 10% compared to the same period in 2018.

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

“The Group's economic performance in the first nine months of 2019 was marked in particular by the deterioration in metal prices and commercial conditions in the Lead and Zinc segments. The Plastics segment continued its strategic reorientation in a difficult market environment and the Special Metals segment was confronted with a market downturn during the year. Currently, our top priority is to obtain the support from the German subgroup's financial partners on a short-term basis, in order to achieve a sustainable financing structure for the Group on a long-term basis. In the meantime, the Group is optimizing its working capital requirements. Furthermore, the teams of WMG are focused on the finalization of the technical studies and tests carried out at the smelter on the treatment of electronic waste. The objective is to diversify the materials we recycle there, to enable the smelter to be profitable again in the future. With all the teams, we pursue our efforts to work on sustainable solutions for the Group.”

Press & Investor contact: Gabriel Zeitlin | **T** +33 (0)158 47 29 89 | **E** gabriel.zeitlin@recylex.eu

Recylex S.A. | Registered office: 6 place de la Madeleine | 75008 Paris | France
Administrative office: 79 rue Jean-Jacques Rousseau | 92158 Suresnes Cedex | France

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Consolidated sales by segment for the first nine months of 2019 break down as follows:

<i>In millions of euros</i>	Nine months to September 30, 2019	Nine months to September 30, 2018	<i>Change (in %)</i>
Lead	147.0	181.3	-19%
Zinc	63.6	75.5	-16%
Special Metals	13.0	14.6	-11%
Plastics	9.3	10.1	-8%
Total	232.9	281.5	-17%

IFRS data, unaudited figures.

1. Trend in metals prices (in euros) to September 30, 2019

<i>In euros per tonne</i>	First nine months 2019 average	First nine months 2018 average	<i>Change (in %)</i>
Lead price	1,766	1,955	-10%
Zinc price	2,313	2,523	-8%
€/€ exchange rate	1.1237	1.1945	-6%

Source: London Metal Exchange.

The average lead price at September 30, 2019 was €1,766, down 10% from the average at September 30, 2018. Between January 2, 2019 and September 30, 2019, lead prices were very volatile, but increased by 9% over the period. After a slight increase in the first quarter, it fell sharply in the second quarter of 2019 and then rose sharply in the third quarter of 2019, without overall returning to 2018 levels.

The average zinc price in the first nine months of 2019 was €2,313, down 8% compared to the average price at September 30, 2018. Between January 2, and September 30, 2019, zinc prices varied: after an increase in the first quarter, they fell sharply since April to reach an annual low in August. Over the period, it remained stable (+1%) but still below its 2018 levels.

It should be noted that the historically highly correlated variations in lead and zinc prices have experienced particularly uncorrelated performances since the beginning of 2019. In this context, zinc prices experienced a strong downward trend since the second quarter of 2019, which affects

significantly the profitability of the Group's Zinc segment.

The average €/€ exchange rate fell by 6% compared to September 30, 2018 to reach 1.1237 at September 30, 2019. Between January 2 and September 30, 2019, the €/€ exchange rate was volatile and fell by 5% over the period.

2. Breakdown of consolidated sales to September 30, 2019 relative to September 30, 2018

Consolidated sales at September 30, 2019 amounted to €232.9 million, down 17% compared to the same period in 2018. Restated² consolidated sales at September 30, 2019 amounted to €248.6 million, also down 17% compared to the same period in 2018.

2.1 Lead segment: sales down 19%

During the first nine months of 2019, lead segment sales represented 63% of consolidated sales.

Sales reached €147.0 million at September 30, 2019, down 19% compared to the first nine months of 2018. This decline is attributable to the decrease in lead prices over the period compared to 2018, which impacted the smelter's commercial conditions. The segment was also affected by a decline in sales volumes, due to persistent technical difficulties³ as well as the evolution of the production process⁴ compared to 2018. As a reminder, in this context, the Group reduced its used lead-acid batteries purchases in 2019 in order to adapt them to the current lead production levels.

Thanks to a favourable basis for comparison⁵, production at the Weser-Metall GmbH (WMG) smelter increased by 10% compared with the first nine months of 2018, reaching 79,650 tonnes at September 30, 2019.

For the same reasons as mentioned above, sales for the third quarter of 2019 amounted to €52.8 million, down 8% compared to the third quarter of 2018. The improved trend in lead prices did not compensate for less favourable commercial conditions and lower production volumes compared to the third quarter of 2018.

2.2 Zinc segment: sales down 16%

The Zinc segment accounted for 27% of consolidated sales in the first nine months of 2019.

At September 30, 2019, sales amounted to €63.6 million, down 16% compared to the same period in

2018. Restated² sales amounted to €79.3 million at September 30, 2019, also down 16% compared to the same period in 2018.

During the first nine months of 2019, sales for the dust recycling activity decreased by 25%. The impact of the strong drop in zinc prices compared to the same period in 2018, was coupled with the sharp deterioration in commercial conditions and an unfavourable basis for comparison⁵. In this context, the Group's total production of Waelz oxides (HMG and Recytech) amounted to 53,600 tonnes at September 30, 2019, down by only 2% compared to the same period in 2018.

Sales of Norzinco GmbH's zinc waste recycling activity decreased by 12%, mainly due to the decline in zinc prices over the period. HZO's zinc oxide production reached 17,250 tonnes at September 30, 2019, down 6%, mainly due to higher maintenance operations than in the same period in 2018.

In the third quarter of 2019, sales amounted to €20.3 million, down 8% compared to the same period in 2018, and restated² sales reached €24.9 million, down 9%. Both activities were impacted by the lower zinc prices and deteriorated commercial conditions compared to the third quarter of 2018.

2.3 Special Metals segment: sales down 11%

The Special Metals segment accounted for 6% of consolidated sales in the first nine months of 2019.

Sales of PPM Pure Metals GmbH amounted to €13.0 million at September 30, 2019, down 11% compared to September 30, 2018. Despite a good performance in the first quarter of 2019, activity in the second and third quarters of 2019 was marked by a sharp slowdown in demand for several metals, mainly in the Arsenic and Germanium markets, which are the main contributors to the segment.

In this context, PPM's sales in the third quarter of 2019 reached €3.9 million, down 24% compared to the same period in 2018.

2.4 Plastics segment: sales down 8%

Sales in the Plastics segment represented 4% of consolidated sales at September 30, 2019.

It reached €9.3 million at September 30, 2019, down 8% compared to the same period in 2018. As of September 30, 2019, the Group's total recycled polypropylene production reached 9,300 tonnes, down by 5% compared to the first nine months of 2018. C2P-France's sales, which now represents 90% of the segment's sales following the strategic reorientation of C2P Germany⁴, showed a very slight decrease of 2% thanks to almost stable volumes and prices.

In the third quarter of 2019, sales reached €2.4 million, down 13% compared to the third quarter of 2018 for the same reasons.

3. Update on the German subgroup's financing

The discussions with the financial partners of the German subgroup are ongoing⁶, in the aim of obtaining the continuation of the existing financings and a further additional financing to cover its cash requirements identified for the period beyond November 30, 2019. As a reminder³, it is only in the light of the updated financial assumptions and forecasts for the period 2020-2024 (which are under preparation) that the financial partners will determine whether and under which conditions they would continue to finance the German subgroup³.

Recylex will keep investors informed of the upcoming position of the German subgroup's financial partners.

In this context, the bridge financing granted in February 2019 by Glencore International AG has been extended by €6.2 million (totaling now €33.2 million compared to €27.0 million previously), with a maturity date of November 30, 2019, in order to cover the additional cash requirements for November 2019.

4. Ongoing legal proceedings involving Recylex S.A.

A summary of the proceedings concerning Metaleurop Nord S.A.S. and Recylex S.A. updated on November 7, 2019 is available from the Recylex Group's [website](#) on the [Finance](#) section.

5. Forecasted financial agenda

Next publication: Sales at December 31, 2019 on Thursday February 13, 2020 (after market)

1 See press release dated October 28, 2019.

2 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.

3 See notably the press releases of December 5, 2018; March 26, 2019; June 17, 2019; July 15, 2019; July 31, 2019 and October 25, 2019.

4 See press release dated February 14, 2019.

5 See press release dated July 25, 2019.

6 See press release of October 25, 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). This press release is a non-official translation into English of the press release of the same date issued in French language and is provided solely for the convenience of English-speaking users. This press release should be read in conjunction with and construed in accordance with French law.

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	Third quarter 2019	First quarter 2018	Second quarter 2018	Third quarter 2018
Lead	1,793	1,677	1,824	2,053	2,006	1,810
Zinc	2,380	2,459	2,112	2,783	2,612	2,182

Source: London Metal Exchange.

Consolidated sales by quarter and by segment

<i>In million of euros</i>	First quarter 2019	Second quarter 2019	Third quarter 2019	First quarter 2018	Second quarter 2018	Third quarter 2018
Lead	45.8	48.3	52.8	59.6	64.6	57.8
Zinc	21.8	21.6	20.3	27.6	26.2	22.1
Special Metals	4.6	4.5	3.9	4.3	5.2	5.1
Plastics	3.6	3.3	2.4	3.8	3.3	2.7
Total	75.8	77.7	79.4	95.3	99.3	87.7

IFRS data, unaudited figures.

Recylex S.A.'s sales

<i>In million of euros</i>	Nine months to September 30, 2019	Nine months to September 30, 2018	Change (in %)
Lead segment	45.7	57.9	-21%
Services to Group companies	2.1	1.1	+91%
Total sales	47.8	59.0	-19%

IFRS data, unaudited figures.