DERICHEBOURG

PRESS RELEASE

Paris, 1/31/2020

Shareholders' Combined General Meeting

Approval of the annual and consolidated financial statements, appropriation of earnings

On January 31, 2020, the Shareholders' Combined General Meeting, chaired by Daniel Derichebourg, approved without any changes the annual and consolidated financial statements for the financial year ended September 30, 2019, which received an unqualified opinion from the Statutory Auditors. These financial statements were published in the annual financial report referred to in Article L.451-1-2 of the French Monetary and Financial Code. This report was included in the 2018-2019 Universal Registration Document filed with the French securities regulator (Autorité des Marchés Financiers) on December 12, 2019 under number D.19-1011, which is available on the company's website (www.derichebourg.com). The Shareholders' Meeting approved all of the proposed resolutions by the required majority. In particular, it approved the distribution of a dividend of €0.11 per share, i.e. a 3.3% yield based on January 30th shareprice. The ex-dividend date is scheduled for February 7, 2020, and the dividend will be paid on or after February 11, 2020.

After four months of activity during the 2019-2020 financial year, the group's recurring EBITDA on a comparable basis (restated for the disposal of activities in Morocco and in Italy, nuclear engineering, and before the acquisition of Lyrsa), fell by around €8 million compared to the previous fiscal year, due mainly to the decline in recycling volumes in the first two months of the year. In the first quarter, the volumes of ferrous scrap metal processed decreased by 12.5%, in line with steel production in the group's countries of delivery, and non-ferrous metal volumes fell by 1.2%. It should be noted that this slowdown was noted over the first two months of the fiscal year, which was relatively quiet in terms of tonnages, as already indicated. Volumes for December were in line with the previous year's, and the volumes processed in January (excluding the effect of the Lyrsa acquisition) should be equal to than last year. In addition, since January 2020, the group has benefited from the contribution of volumes from Lyrsa, Spain's leader in scrap metal recycling, which was acquired on December 20, 2019.

The price effect in the first quarter was -23% for ferrous metal revenue and -9% for non-ferrous metal revenue.

Revenue from the Multiservices business continued to grow by around 8% to 9% in the first quarter.

The group remains confident in the long-term prospects for its businesses:

Notwithstanding the geopolitical crises of recent months that have affected the recycling business, the long-term trends in the steel market are not disputed. Steel from electric steel mills and non-ferrous metals from the recycling are expected to occupy an increasing share:

- CO_2 emissions sharply reduced compared to primary production, at a ratio of 1 to 2.3 for steel,

- Lower energy consumption per tonne produced, and
- Locally available resources and maintenance of local jobs.

The group, whose strategy is based on a long-term vision of this market, has adapted its economic model to effectively withstand cyclical fluctuations:

- Low inventory levels to avoid exposure to price variations, and the pursuit of satisfactory unit margins
- Regional coverage density in France, which enables the economic profitability of specialized sorting lines and value-adding vertical integration to be justified.
- The acquisition of Lyrsa, Spain's leader in scrap metal recycling, is part of this long-term vision of acquiring critical-sized positions in strategic markets where targets are very rare. Spain has become the second-largest country in the group in terms of revenue and assets.

In the Multiservices business, continued outsourcing, digitalization and the energy efficiency market are creating new opportunities with customers.

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