Statement for the

Third Quarter 2018

BEFESA AT A GLANCE

KEY FIGURES – 9M/Q3 2018

(€ million, unless specified otherwise)

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change
Key Operational Data:						
Steel dust throughput (tons)	536,804	488,284	9.9 %	175,961	172,735	1.9 %
Waelz oxide sold (tons)	178,688	164,680	8.5 %	59,907	56,910	5.3 %
Salt slags and SPL recycled (tons)	378,816	379,931	(0.3) %	113,974	114,709	(0.6) %
Secondary aluminium alloys produced (tons)	126,682	138,350	(8.4) %	31,500	39,515	(20.3) %
LME zinc average price (€ / ton)	2,523	2,499	1.0 %	2,182	2,522	(13.5) %
Blended zinc price (€ / ton)	2,168	2,125	2.0 %	2,006	2,187	(8.3) %
Aluminium alloy average market price (€ / ton)	1,783	1,770	0.7 %	1,689	1,762	(4.1) %
Key Financial Data:						
Revenue	539.1	547.9	(1.6) %	156.7	173.5	(9.7) %
Non-operating revenue from amendment of IFRS 15	-	49.8		-	16.6	
Comparable revenue	539.1	498.1	8.2 %	156.7	156.9	(0.1) %
EBITDA	128.9	112.1	15.0 %	40.0	41.3	(3.2) %
Adjusted EBITDA	128.9	126.2	2.1 %	40.0	43.1	(7.2) %
Adjusted EBITDA margin (% over comparable revenue)	23.9 %	25.3 %	(1.4) p.p.	25.5 %	27.5 %	(1.9) p.p.
EBIT	107.3	90.2	18.9 %	33.0	34.6	(4.7) %
Adjusted EBIT	107.9	106.0	1.8 %	33.6	36.9	(9.0) %
Adjusted EBIT margin (% over comparable revenue)	20.0 %	21.3 %	(1.3) p.p.	21.5 %	23.5 %	(2.1) p.p.
Financial result	(11.8)	(35.7)	(66.9) %	(4.4)	(12.5)	(64.7) %
Profit before taxes and minority interests	95.5	54.5	75.1 %	28.6	22.1	29.4 %
Net profit from continuing operations attributable to parent company	62.9	34.7	81.4 %	18.0	14.6	23.5 %
EPS (in €) based on 34,066,705 shares (1)	1.85	(0.01)		0.53	(0.01)	
Total assets (2)	1,035.1	1,010.1	2.5 %	1,035.1	1,010.1	2.5 %
Capital expenditures	29.1	17.5	66.3 %	11.2	6.5	72.7 %
Cash flow from operating activities	46.0	53.9	(14.7) %	9.3	21.5	(56.9) %
Cash and cash equivalents at the end of the period	105.6	87.9	20.2 %	105.6	87.9	20.2 %
Net debt	417.5	406.4	2.7 %	417.5	406.4	2.7 %
Leverage	2.4 x	2.4 x		2.4 x	2.4 x	
Number of employees (as of end of the period)	1,122	1,130	(0.7) %	1,122	1,130	(0.7) %

(1) EPS calculation is explained in detail in note 29 of the Befesa Annual Report 2017

(2) 2017 figures are as of December 31

KEY HIGHLIGHTS

- Good volume performance in Steel Dust Services in Q3: steel dust throughput (+2%) and Waelz oxide sales (+5%)
- Q3 volumes in Secondary Aluminium segment down (-20%) mainly due to the scheduled plant stoppages to upgrade the secondary aluminium furnaces in Bilbao and Barcelona
- 9M 2018: EBITDA at €128.9 million (+2.1%);
  EBIT at €107.9 million (+1.8%)
- Q3 2018: EBITDA at €40 million (-7%);
  EBIT at €34 million (-9%)
- 8th consecutive quarter with EBITDA at least €40 million, despite lower prices (blended zinc prices down -8%; aluminium alloy prices down -4%)
- 9M 2018 with strong reported net profit of €62.9 million (+€28.2 million or +81%)
- Continued stable and improved leverage of 2.4x at Q3 2018 close; interest rate further reducing by 25 bps from Euribor +275 to +250 bps by end of November, equivalent to lower annual interest expenses by €1.3 million
- Market entry in China announced
- Guidance 2018 confirmed and concretized: EBITDA expected to increase to €174-176 million (2017: €172.4 million); net profit expected to significantly improve to €83-85 million (2017: €49.3 million) which would translate into higher dividend distribution

Note: EBITDA and EBIT figures above are on an adjusted basis.

Befesa entered the SDAX

Ten months after the IPO at Frankfurt Stock Exchange, on September 24, 2018 Befesa entered the SDAX, which comprises 70 of the largest and most-traded companies in Germany, below the DAX 30 and the MDAX.

Growth opportunity in China

During Q3 2018, Befesa signed an agreement with Jiangsu Changzhou Economic Development Zone and initiated the purchasing process of a land use right in Changzhou (Jiangsu province) to develop the first steel dust recycling plant in China.

Befesa plans to invest in a proven state-of-the-art facility with 110,000 tons of capacity. The construction phase of the plant is expected to start during H1 2019, with operations expected to commence during H2 2020.

Befesa's organic growth initiatives on track

During Q3 2018, Befesa continued to focus on implementing its growth projects roadmap to ensure its double-digit mid-term earnings growth target. The execution of these top initiatives is on track.

In Aluminium Salt Slags Recycling Services, Befesa is implementing the upgrade of its secondary aluminium production plants in Spain with the latest furnace technology. During Q3, the new furnace at the Bilbao plant was successfully upgraded and is now in the ramp-up phase. Additionally, construction of the new furnace at the Barcelona plant progressed as planned, with the commissioning phase starting during November.

On the other hand, Befesa is investing in the expansion of the salt slags recycling plant at Hannover by 40 thousand tons of capacity.

In the Steel Dust Recycling Services segment, Befesa is investing in the expansion of its operations in Turkey by 45 thousand tons of capacity, as well as a new Waelz oxide washing plant in South Korea.

BUSINESS OVERVIEW

RESULTS OF OPERATIONS, FINANCIAL POSITION & LIQUIDITY

Revenue

In 9M 2018, consolidated revenue on a comparable basis increased by 8.2% to €539.1 million. The revenue increase is mainly driven by volume growth as well as positive price development in Steel Dust Recycling Services. On a reported basis, consolidated revenue decreased by 1.6% principally driven by an amendment of IFRS 15 – see 2017 Annual Report (page 84) – affecting the revenue recognition of non-operating sales in the Secondary Aluminium sub-segment (€0.6 million in 9M 2018, compared to €49.8 million in 9M 2017).

In Q3 2018, consolidated revenue on a comparable basis stayed flat at €157 million. On a reported basis, revenue decreased by 9.7% to €156.7 million, primarily driven by the aforementioned amendment of IFRS 15 (€0.2 million in Q3 2018, compared to €16.6 million in Q3 2017). Moreover, lower volumes in Secondary Aluminium sub-segment due to the scheduled stoppages in Bilbao and Barcelona plants, as well as lower prices for both zinc and aluminium alloys, were offset by increased volumes in Steel Dust Recycling Services.

EBITDA and EBIT

In 9M 2018, adjusted EBITDA increased by 2.1% to €128.9 million. Similarly, adjusted EBIT grew by 1.8% to €107.9 million. In Q3 2018, adjusted EBITDA decreased by 7.3% to €40.0 million. Similarly, adjusted EBIT decreased by 9.0% to €33.6 million. This year-on-year trend was driven mainly by the commented reduced volumes in Secondary Aluminium sub-segment, lower prices for both zinc and aluminium alloys, partially offset by good volumes in Steel Dust Recycling Services.

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

(€ million)

	9M 2018	9M 2017
EBIT (Operating profit/(loss))	**107.3**	**90.2**
- Depreciation, amortization, impairment and provisions	21.6	21.8
EBITDA	**128.9**	**112.1**
- Total Adjustments to EBITDA	0.0	14.2
Adjusted EBITDA	**128.9**	**126.2**
- Depreciation, amortization, impairment and provisions	(21.6)	(21.8)
- Other EBIT one-off adjustments	0.6	1.7
Adjusted EBIT	**107.9**	**106.0**

	Q3 2018	Q3 2017
EBIT (Operating profit/(loss))	**33.0**	**34.6**
- Depreciation, amortization, impairment and provisions	7.0	6.7
EBITDA	**40.0**	**41.3**
- Total Adjustments to EBITDA	0.0	1.8
Adjusted EBITDA	**40.0**	**43.1**
- Depreciation, amortization, impairment and provisions	(7.0)	(6.7)
- Other EBIT one-off adjustments	0.6	0.6
Adjusted EBIT	**33.6**	**36.9**

One-time adjustments recognized in 9M 2017 predominantly include 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 Profit

In 9M 2018, the consolidated **financial result** amounted to €(11.8) million compared with €(35.7) million for the comparable period in 2017. This represents an improvement of 66.9% by €23.9 million. The main factors driving this development were a €22.4 million decrease in financial expenses based on the new capital structure during the first nine months of 2018 when compared to the same period in 2017, partially offset by a €2.2 million reduction in financial income due to the divestiture of entities of the Industrial Environmental Solutions (IES).

The financial result in 9M 2018 reflects the capital structure, which has been in place since December 7, 2017, and reduces the financial expenses by around 60%.

Consolidated **net profit** from continuing operations attributable to the company owners totalled €62.9 million in 9M 2018 compared with €34.7 million for the same period in 2017, representing a strong increase of more than 80% to €28.2 million.

Financial Position and Liquidity

Financial indebtedness compared to year-end 2017 remained stable with a slight decrease by €0.7 million, to €523.5 million as of September 30, 2018 mainly due to current financial indebtedness. Non-current financial indebtedness stayed flat at around €520 million.

Compared to year-end 2017, **net debt** slightly increased by €11.1 million, to €417.5 million as of September 30, 2018.

Net Debt
(€ million)

	September 30, 2018	December 31, 2017
Non-current financial indebtedness	519.8	519.2
+ Current financial indebtedness	3.7	5.1
Financial indebtedness	**523.5**	**524.2**
- Cash and cash equivalents	(105.6)	(117.6)
- Other current financial assets	(0.4)	(0.3)
Net debt	**417.5**	**406.4**
Adjusted EBITDA (*)	175.1	172.4
Leverage ratio	**2.4 x**	**2.4 x**

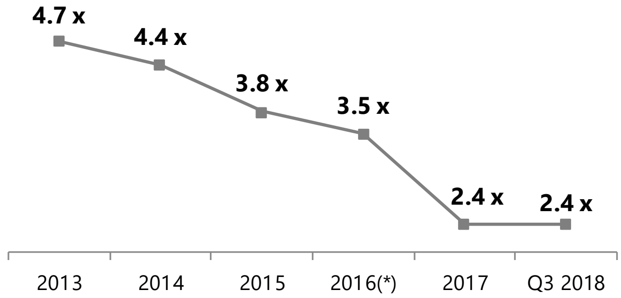
(*) Adj. EBITDA for September 30, 2018 is LTM (Last Twelve Months) as of Q3 2018

9M 2018 operating **cash flow** was impacted by the working capital trend; receivables due to seasonality, and payables due to scheduled plant stoppages for the Secondary Aluminium furnace upgrades in Q3.

Cash position at Q3 2018 closed stable at €106 million; after paying during 9M 2018 interests of €12.6 million, taxes of €16.2 million, capital expenditures of €27.2 million, and €25 million dividend distribution in May.

Over the last five years, the leverage was reduced from more than 5x in H2 2013, down to 3.5x at the end of 2016, further down to the current **leverage of 2.4x adjusted EBITDA** in the Last Twelve Months (LTM) as of September 30, 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

SEGMENT INFORMATION

Steel Dust Recycling Services

Crude steel dust volumes processed in 9M 2018 amounted to 536,804 tons, representing a new high throughput and a significant increase of 9.9% (more than 48,500 tons) compared to 9M 2017. This was primarily driven by an increase in volumes of steel dust recycled in the plant in South Korea, fully utilized operations in Turkey, as well as in the plants in Europe. In Q3 2018, in total 175,961 tons of crude steel dust were recycled, which represents an increase of 1.9%, mainly supported by the throughput increase in the plant in South Korea, fully utilized operations in Turkey, as well as in the plants in Europe. With these volumes, crude steel dust recycling plants have been running at an improved average load factor of 92.0% in 9M 2018 (9M 2017: 83.7%), and 89.5% in Q3 2018 (Q3 2017: 87.8%). As a result, the volume of Waelz oxide (WOX) sold increased from 164,680 tons in 9M 2017 to 178,688 tons sold in 9M 2018, representing an increase of 8.5%. Similarly, WOX volumes sold increased in Q3 2018 by 5.3% to 59,907 tons.

The **revenue** increase in Steel Dust Recycling Services (+16.6% year-on-year to €284.0 million in 9M 2018, and +2.8% year-on-year to €88.9 million in Q3 2018) was primarily due to the increase in WOX volumes sold (9M 2018: +14,007 tons or +8.5% year-on-year; Q3 2018: +2,996 tons or +5.3% year-on-year). The average effective zinc prices (blended rate between hedged volume and non-hedged volume) increased during 9M by 2.0% year-on-year (9M 2018: €2,168/ton, compared to 9M 2017: €2,125/ton), and decreased in Q3 by 8.3% year-on-year (Q3 2018: €2,006/ton, compared to Q3 2017: €2,187/ton).

Adjusted EBITDA in Steel Dust Recycling Services increased by 4.3% to €101.3 million in 9M 2018 (9M 2017: €97.1 million). In Q3 2018, adjusted EBITDA decreased by 11.8% to €31.6 million. Similarly, **Adjusted EBIT** increased by 6.1% year-on-year to €90.7 million in 9M 2018. In Q3 2018, adjusted EBIT amounted to €28.0 million (-12.7%). Adjusted EBIT margins amounted to 31.9% in 9M and 31.5% in Q3 of 2018 respectively, compared to 35.1% in 9M 2017 and 37.1% in Q3 2017.

Aluminium Salt Slags Recycling Services

Salt Slags Sub-Segment

Salt slags and SPL recycled volumes in 9M 2018 amounted to 378,816 tons, a slight decrease of 0.3% compared to the same period in the previous year. In Q3 2018, the Salt Slags sub-segment recycled 113,974 tons of salt slags and SPL, which represents a slight decrease of 0.6% year-on-year.

The **revenue** decrease in the Salt Slags sub-segment (-0.1% to €62.0 million in 9M 2018 and -7.9% to €17.4 million in Q3 2018) was primarily driven by the slight volume decrease as well as lower aluminium market prices during Q3 compared to the same period of last year (Q3 2018: €1,689/ton; Q3 2017: €1,762/ton).

Adjusted EBITDA in the Salt Slags sub-segment slightly decreased to €19.3 million in 9M 2018 (9M 2017: €19.7 million). In Q3 2018, adjusted EBITDA declined by 7.3% to €5.4 million. Similarly, **Adjusted EBIT** in 9M 2018 slightly decreased to €14.0 million (9M 2017: €14.5 million). In Q3 2018, adjusted EBIT decreased by 10.3% to €3.8 million.

The decline of Q3 earnings in the Salt Slags sub-segment was mainly driven by the aforementioned volume decrease.

Secondary Aluminium Sub-Segment

Aluminium alloy production volumes in 9M 2018 amounted to 126,682 tons, representing a decrease of 8.4% or 11,668 tons. In Q3 2018, 31,500 tons of aluminium alloys were produced, which represented a decrease of 20.3% or 8,015 tons. The volume decrease was primarily due to the scheduled stoppages in Bilbao and Barcelona plants to upgrade the furnaces to apply the best-in-class furnace technology proven at Befesa's Bernburg plant.

In 9M 2018, **revenue** on a comparable basis slightly increased by €1.9 million to €226.3 million despite the decrease in secondary aluminium volumes. In Q3 2018, revenue on a comparable basis decreased by €6.0 million to €60.0 million, primarily driven by the lower volumes as well as 4.1% lower aluminium alloy prices (Q3 2018: €1,689 per ton; Q3 2017: €1,762 per ton).

On a reported basis, the revenue decrease in the Secondary Aluminium sub-segment (-17.5% to €226.3 million in 9M 2018; -27.4% to €60.0 million in Q3 2018) was primarily due to the aforementioned amendment of IFRS 15 affecting the revenue recognition in the Secondary Aluminium sub-segment of non-operating sales (Q3 / 9M 2018: €0.2 / €0.6 million, compared to €16.6 / €49.8 million in Q3 / 9M 2017). These non-operating sales have limited margin contribution.

Adjusted EBITDA in the Secondary Aluminium sub-segment was €7.3 million in 9M 2018 compared with €6.8 million for the same period in 2017, representing an increase of 7.5% year-on-year. In Q3 2018, adjusted EBITDA amounted to €2.5 million, representing an increase of €1.2 million year-on-year. Similarly, **Adjusted EBIT** increased by 15.7% to €3.2 million in 9M 2018. In Q3 2018, adjusted EBIT increased significantly by €1.5 million to €1.7 million. The increase in earnings was primarily driven by aluminium metal margins recovering year-on-year, partially offset by reduced volume in Secondary Aluminium sub-segment due to the aforementioned scheduled stoppages in the Spanish plants.

STRATEGY

Growth Opportunity in China

During Q3 2018, Befesa signed an agreement with Jiangsu Changzhou Economic Development Zone to purchase land use rights in Changzhou (Jiangsu province) to develop the first steel dust recycling plant in China.

Befesa plans to invest in a proven state-of-the-art facility with 110,000 tons of capacity. The construction phase of the plant is expected to start in H1 2019, with operations expected to commence during H2 2020.

Organic Growth Projects

Befesa continues to execute its organic growth project roadmap 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 investing in two organic growth projects, in Turkey and South Korea, during 2018 and 2019. Firstly, Befesa plans to 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 in the region. Secondly, Befesa plans to 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 the expansion project in Turkey is expected to start in Q1 2019 with operations expected to commence during H2 2019. The construction of the new Waelz oxide washing plant in South Korea is expected to start during Q4 2019 with operations expected to commence in H2 2020.

In the **Secondary Aluminium** sub-segment of the Aluminium Salt Slags Services business, Befesa is investing in two operational excellence projects to 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 higher efficiencies and unlock capacity to meet additional demand for secondary aluminium alloys. The Bilbao plant is ramping up after being upgraded with the new furnace during Q3 2018. On the other hand, the construction phase of the new furnace in Barcelona plant progresses as planned with commissioning started during November 2018 and upgrade expected to be completed during 2019.

In the **Salt Slags** sub-segment of the Aluminium Salt Slags Services business, Befesa is investing in the capacity increase of its existing salt slag recycling plant in Hannover, Germany, by 40,000 tons in 2018 and 2019. The increased capacity will help to meet the growth 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

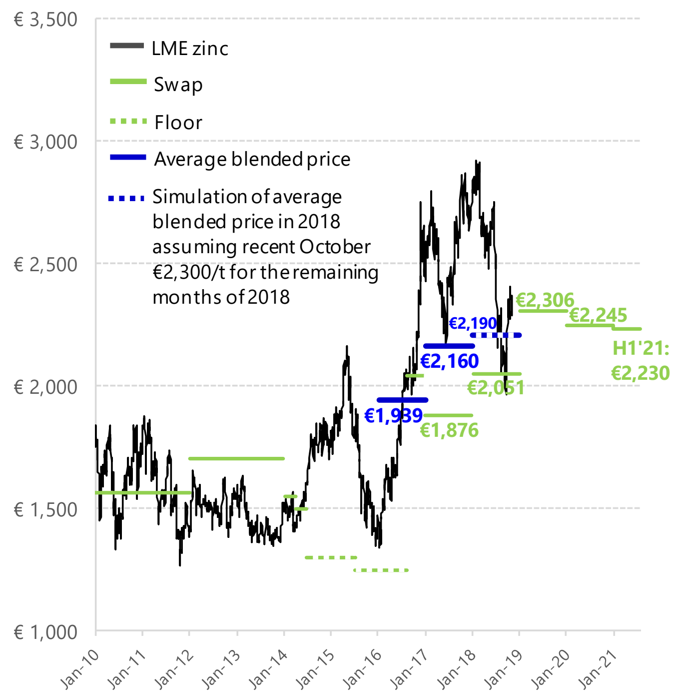
Our hedging strategy is a key pillar of Befesa's business model to manage the zinc price volatility.

The current hedging in place provides Befesa with improved pricing visibility up to and including July 2021. The average hedged prices and 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
H1 2021	2,230	46,200

Befesa will continue with its prudent hedging policy, targeting mid-term visibility on its output prices, earnings and cash flow 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. Our target is to hedge 60 to 75% of the expected volume of zinc to be extracted from Waelz oxide for a period of 2-4 years going forward. Befesa does not provide any collateral for these hedges.

Market Zinc Price vs. Zinc Hedge
(€ per ton)



OUTLOOK

Befesa completed the first nine months of 2018 in line with the guidance provided at the beginning of the year of single-digit earnings growth. Befesa expects to complete the year at €174 to €176 million of EBITDA (2017: €172.4 million), in line with guidance.

Net profit is expected to significantly improve to €83-85 million (2017: €49.3 million) which will translate into a significant increase of the Earnings Per Share (EPS) in 2018.

Befesa is focusing on implementing its 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 continue the volume growth seen in 9M, driven by the increase of the utilization of its South Korean plant from volume of steel dust collected both domestically and from imports. The Turkish operations continue to run at full capacity. The company expects the European steel industry to maintain at the same levels of activity in Q4 that it has shown in 9M 2018. Therefore, Befesa expects similar or slightly higher volumes in Europe, compared to 2017.

From a pricing perspective, the hedging program provides the company with a high level of visibility up to and including mid-2021. For 2018, Befesa has hedged around 70% of the zinc volume 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 in the hedging program.

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

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

Finally, annual financial expenses, which had been reduced by 60%, will be further improved thanks to the continued stable and improved leverage which will, from end of November onwards, further reduce the interest rate by 25 bps from Euribor +275 bps to Euribor +250 bps. Resulting in €1.3 million less annual interest expenses.

CONSOLIDATED FINANCIAL STATEMENTS

as of September 30, 2018

BALANCE SHEET

Assets
(€ thousand)

	September 30, 2018	December 31, 2017
Goodwill and intangible assets	422,137	423,726
Property, plant and equipment, net	254,366	248,191
Other non-current assets	37,711	5,238
Deferred tax assets	65,067	94,975
Inventories	46,430	45,192
Trade receivables and other current financial assets	103,778	75,204
Cash and cash equivalents	105,643	117,582
Total Assets	**1,035,132**	**1,010,108**

Equity and liabilities
(€ thousand)

	September 30, 2018	December 31, 2017
Non-controlling interests	7,770	10,567
Total Equity	**296,911**	**179,727**
Provisions	6,533	5,598
Borrowings	523,503	524,237
Trade and other accounts payable	120,529	129,831
Deferred tax liabilities	60,925	55,596
Other liabilities	26,731	115,119
Total Liabilities	**738,221**	**830,381**
Total Equity and Liabilities	**1,035,132**	**1,010,108**

INCOME STATEMENT

(€ thousand)

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change
Continuing operations:						
Revenue	539,098	547,927	(1.6) %	156,709	173,544	(9.7) %
+/- Changes in stocks of finished products and work in progress	1,869	2,344	(20.3) %	(3,544)	1,632	(317.2) %
Procurements	(259,159)	(293,184)	(11.6) %	(64,718)	(89,583)	(27.8) %
Other operating income	3,215	7,545	(57.4) %	1,296	1,746	(25.8) %
Staff costs	(55,553)	(54,100)	2.7 %	(17,737)	(15,828)	12.1 %
Other operating expenses	(100,600)	(98,475)	2.2 %	(31,993)	(30,177)	6.0 %
Amortization/depreciation, impairment and provisions	(21,592)	(21,831)	(1.1) %	(7,010)	(6,720)	4.3 %
Operating profit (EBIT)	**107,278**	**90,227**	**18.9 %**	**33,003**	**34,615**	**(4.7) %**
Financial income	141	2,315	(93.9) %	80	593	(86.5) %
Financial expenses	(15,154)	(37,513)	(59.6) %	(5,063)	(12,855)	(60.6) %
Net exchange differences	3,187	(503)	> 100 %	562	(267)	> 100 %
Finance income/(loss)	**(11,826)**	**(35,701)**	**(66.9) %**	**(4,421)**	**(12,529)**	**(64.7) %**
Profit/(loss) before tax	**95,452**	**54,526**	**75.1 %**	**28,582**	**22,086**	**29.4 %**
Corporate income tax	(28,984)	(15,794)	83.5 %	(10,038)	(5,741)	74.9 %
Profit/(loss) for the period from continuing operations	**66,468**	**38,732**	**71.6 %**	**18,544**	**16,345**	**13.5 %**
Profit/(loss) for the period from discontinued operations	-	3,001		-	(9,772)	
Profit/(loss) for the period	**66,468**	**41,733**	**59.3 %**	**18,544**	**6,573**	**> 100 %**
Attributable to:						
Parent company owners (1)	62,860	37,658	66.9 %	18,034	4,828	> 100 %
Non-controlling interests	3,608	4,075	(11.5) %	510	1,745	(70.8) %
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 (2)	1.85	(0.01)		0.53	(0.01)	
From discontinued operations	-	0.00		-	0.00	
	1.85	**(0.01)**		**0.53**	**(0.01)**	

(1) 2017 figures of Profit/(loss) attributable to Parent company owners include Profit/(loss) from continuing and discontinued operations, e.g. for 9M 2017, the €37,658 thousand minus €3,001 thousand (Profit from discontinued opeartions) equals €34,657 thousand which represents the Net profit from continuing operations attributable to Parent owners
(2) EPS calculation is explained in detail in note 29 of the 2017 Annual Report

CASH FLOW STATEMENT

(€ thousand)

	9M 2018	9M 2017	Q3 2018	Q3 2017
Cash flow from operating activities:				
Profit (loss) for the period before tax including discontinued operations	**95,452**	**57,206**	**28,582**	**12,483**
From continuing operations	95,452	54,526	28,582	22,086
From discontinuing operations	-	2,680	-	(9,603)
Adjustments due to:	**33,998**	**54,068**	**12,566**	**29,181**
Depreciation and amortization charge	21,592	21,831	7,010	6,720
(Profit) / loss from disposals	-	(2,680)	-	10,326
Changes in provisions	1,374	99	1,374	99
Interest income	(141)	(2,315)	(80)	(593)
Finance costs	15,154	37,513	5,063	12,630
Other profit/(loss)	(794)	(883)	(239)	(268)
Exchange differences	(3,187)	503	(562)	267
Change in working capital	**(47,988)**	**(12,214)**	**(18,443)**	**(13,383)**
Trade receivables and other current assets	(20,874)	(17,593)	3,063	(9,263)
Inventories	(1,238)	(2,853)	463	(2,780)
Trade payables	(25,876)	8,232	(21,969)	(1,340)
Other cash flows from operating activities:	**(35,468)**	**(45,127)**	**(13,431)**	**(6,782)**
Interest paid	(12,577)	(24,935)	(8,224)	(226)
Other payments	(6,705)	(2,871)	-	(1,047)
Taxes paid	(16,186)	(17,321)	(5,208)	(5,509)
Net cash flows from operating activities (I)	**45,994**	**53,933**	**9,273**	**21,499**
Cash flows from investing activities:				
Investments in Group and associated companies	-	(1,868)	-	-
Investments in intangible assets	(960)	(26)	(191)	(26)
Investments in property, plant and equipment	(26,240)	(17,051)	(7,702)	(8,128)
Collections from disposal of Group and associated companies, net of cash	-	52,175	-	(270)
Investments in other current financial assets	(57)	(447)	(8)	68
Net cash flows from investing activities (II)	**(27,257)**	**32,783**	**(7,901)**	**(8,356)**
Cash flows from financing activities:				
Cash bank outflows from bank borrowings and other liabilities	(658)	(56,920)	(134)	(9,221)
Dividends paid	(29,387)	(2,430)	-	-
Net cash flows from financing activities (III)	**(30,045)**	**(59,350)**	**(134)**	**(9,221)**
Effect of foreign exchange rate changes on cash and cash equivalents (IV)	**(631)**	**(1,509)**	**(17)**	**(703)**
Net increase in cash and cash equivalents (I+II+III+IV)	**(11,939)**	**25,858**	**1,221**	**3,219**
Cash and cash equivalents at the beginning of the period	117,582	62,009	104,422	84,647
Cash and cash equivalents at the end of period	105,643	87,867	105,643	87,866

ADDITIONAL INFORMATION

SEGMENTATION OVERVIEW – KEY METRICS

STEEL DUST RECYCLING SERVICES

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change
Key Operational Data (tons, unless specified otherwise)						
Steel dust throughput (1)	536,804	488,284	9.9 %	175,961	172,735	1.9 %
Waelz oxide sold	178,688	164,680	8.5 %	59,907	56,910	5.3 %
Blended zinc price (€ / ton)	2,168	2,125	2.0 %	2,006	2,187	(8.3) %
Total installed capacity (2)	780,300	780,300	0.0 %	780,300	780,300	0.0 %
Utilization (%) (3)	92.0 %	83.7 %	8.3 p.p.	89.5 %	87.8 %	1.6 p.p.
Key Financial Data (€ million, unless specified otherwise)						
Revenue	284.0	243.5	16.6 %	88.9	86.5	2.8 %
EBITDA	101.3	90.0	12.6 %	31.6	35.5	(11.1) %
Adjusted EBITDA	101.3	97.1	4.3 %	31.6	35.8	(11.8) %
Adjusted EBITDA margin %	35.7 %	39.9 %	(4.2) p.p.	35.5 %	41.4 %	(5.9) p.p.
EBIT	90.7	78.3	15.8 %	28.0	31.8	(11.9) %
Adjusted EBIT	90.7	85.4	6.1 %	28.0	32.1	(12.7) %
Adjusted EBIT margin %	31.9 %	35.1 %	(3.2) p.p.	31.5 %	37.1 %	(5.6) p.p.

ALUMINIUM SALT SLAGS RECYCLING SERVICES

Salt Slags Sub-Segment

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change
Key Operational Data (tons, unless specified otherwise)						
Salt slags and SPL recycled	378,816	379,931	(0.3) %	113,974	114,709	(0.6) %
Total installed capacity	630,000	630,000	0.0 %	630,000	630,000	0.0 %
Utilization (%) (4)	95.6 %	95.8%	(0.3) p.p.	85.3 %	85.9%	(0.6) p.p.
Key Financial Data (€ million, unless specified otherwise)						
Revenue	62.0	62.1	(0.1) %	17.4	18.9	(7.9) %
EBITDA	19.3	19.4	(0.7) %	5.4	5.7	(5.1) %
Adjusted EBITDA	19.3	19.7	(2.3) %	5.4	5.9	(7.3) %
Adjusted EBITDA margin %	31.1 %	31.8 %	(0.7) p.p.	31.2 %	31.0 %	0.2 p.p.
EBIT	14.0	14.2	(1.3) %	3.8	4.2	(7.4) %
Adjusted EBIT	14.0	14.5	(3.5) %	3.8	4.3	(10.3) %
Adjusted EBIT margin %	22.6 %	23.4 %	(0.8) p.p.	22.1 %	22.7 %	(0.6) p.p.

Secondary Aluminium Sub-Segment

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change
Key Operational Data (tons, unless specified otherwise)						
Secondary aluminium alloys produced	126,682	138,350	(8.4) %	31,500	39,515	(20.3) %
Aluminium alloy average market price (€ / ton) (5)	1,783	1,770	0.7 %	1,689	1,762	(4.1) %
Total installed capacity	205,000	205,000	0.0 %	205,000	205,000	0.0 %
Utilization (%) (6)	82.6 %	90.2 %	(7.6) p.p.	61.0 %	76.5 %	(15.5) p.p.
Key Financial Data (€ million, unless specified otherwise)						
Revenue	226.3	274.3	(17.5) %	60.0	82.6	(27.4) %
Non-operating revenue from amendment of IFRS 15	-	49.8		-	16.6	
Comparable revenue	226.3	224.4	0.8 %	60.0	66.0	(9.1) %
EBITDA	7.3	6.8	7.5 %	2.5	1.3	87.7 %
Adjusted EBITDA	7.3	6.8	7.5 %	2.5	1.3	87.7 %
Adjusted EBITDA margin (% over comparable revenue)	3.2 %	3.0 %	0.2 p.p.	4.2 %	2.0 %	2.2 p.p.
EBIT	2.6	2.8	(6.9) %	1.0	0.2	>100 %
Adjusted EBIT	3.2	2.8	15.7 %	1.7	0.2	>100 %
Adjusted EBIT margin (% over comparable revenue)	1.4 %	1.2 %	0.2 p.p.	2.8 %	0.3 %	2.4 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, 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, March 21, 2019	Publication of Annual Report 2018 & Analyst Call
Thursday, May 9, 2019	Publication of Statement for the Q1 2019 & Analyst Call
Wednesday, June 19, 2019	Annual General Meeting in Luxembourg
Friday, July 26, 2019	Publication of Interim Report H1 2019 & Analyst Call
Thursday, October 31, 2019	Publication of Statement Q3 2019 & Analyst Call

Notes: Befesa's financial reports and statements are published at 7:30 am CET
We cannot rule out changes of dates. We recommend checking them in the Investor Relations / Financial Calendar section of our website (www.befesa.com)

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Q3/9M 2018 figures contained in this report have not been audited or reviewed by external auditors.

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.

BEFESA

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