

5 November 2020 – 6 pm

Press release

Financial information as of September 30, 2020

The Recylex Group (Euronext Paris: FR0000120388 - RX) today released its financial information at September 30, 2020.

Following the insolvency procedures opened on May 15, 2020 under the German law¹ for the companies previously forming the German sub-group of Recylex, these entities² have been fully deconsolidated as of the date of the opening of these procedures. The published consolidated sales at September 30, 2020 therefore includes the sales generated by these entities only up to the same date.

In order to allow comparison with the 2020 figures, the Group's consolidated sales for the nine months ended September 30, 2019 is also presented on a “pro forma” basis, by restating the consolidated sales of the German entities for the same period as for the first nine months of 2020.

In million of euros	At September 30, 2020	At September 30, 2019	Pro forma at 30 September 30, 2019	Change (%)	Change on a pro forma basis (%)
Lead	85.9	147.0	85.5	-42%	1%
Zinc	20.6	63.6	28.5	-68%	-28%
Special metals	5.5	13.0	5.8	-57%	-5%
Plastic	5.9	9.3	10.5	-36%	-43%
Total	118.1	232.9	130.3	-49%	-9%

IFRS data, figures unaudited.

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

“During the first nine months of 2020, Group's activities were heavily penalized by the fall in metal prices, the deterioration in commercial conditions and the effects of the SARS-CoV-2 pandemic, which are still being felt today heavily throughout the recycling sector. Although Recylex S.A. remains in an uncertain situation today, particularly while pending the progress of the insolvency proceedings of its main customer Weser-Metall, we are actively pursuing all our efforts to build a sustainable future. Our priorities remain to restructure Recylex S.A.'s financial and non-financial debt, to develop our sourcing and sales and to improve the performance of our activities.”

1. Trend in metal prices to September 30, 2020 (in euros)

In euros per ton	First nine months of 2020 average	First nine months of 2019 average	Change (%)
Lead price	1,600	1,766	-9%
Zinc price	1,905	2,313	-18%
€/ \$ exchange rate	1.1249	1.1237	NA

Source: London Metal Exchange.

The average lead price in the first nine months of 2020 was €1,600, down 9% compared to the average for the first nine months of 2019. Between January 2, 2020 and September 30, 2020, lead prices fell by 10%.

The average zinc price in the first nine months of 2020 was €1,905, down 18% from the average in the first nine months of 2019. During the first quarter of 2020, the evolution of the zinc price was marked by a sharp fall, reaching its annual low point at 1,639 euros on March 25, 2020. The price trend was then volatile in the second quarter of 2020, but picked up again in the third quarter of 2020 to reach the level seen at the beginning of the year.

The average €/ \$ exchange rate remained stable compared to the first nine months of 2019. Between January 2, 2020 and September 30, 2020, the €/ \$ exchange rate increased by 5%.

2. Breakdown of consolidated sales at September 30, 2020 relative to September 30, 2019

Consolidated sales at September 30, 2020 amounted to €118.1 million. Restated consolidated sales³ at September 30, 2020 amounted to €128.3 million.

2.1 Lead segment

The Lead segment accounted for 73% of consolidated sales at September 30, 2020

Its sales totaled €85.9 million at September 30, 2020, down 42% compared to September 30, 2019 on a reported basis due to the deconsolidation of the German entities. The evolution of sales on a comparable consolidation scope (pro forma basis) was stable at 1%. During the first nine months of 2020, Recylex S.A. recycled approximately 45,000 tons of used lead-acid batteries, a stable volume compared to the same period in 2019. Recylex S.A. continues to supply materials to Weser-Metall GmbH, with prepayments given its ongoing insolvency procedure.

In the third quarter of 2020, consolidated sales totaled €13.9 million, down 74% on a reported basis, again mainly due to the deconsolidation of the activities of the former subsidiaries Weser-Metall GmbH and Harz-Metall GmbH, and down 3% on a pro forma basis, mainly due to lower volumes processed in August 2020 as a result of a shutdown for repairs of a technical installation at one of Recylex S.A.'s plants.

The business outlook for the Lead segment in the fourth quarter of 2020 will be highly dependent on developments in the recycling market given the expected negative impact on volumes of available used lead-acid batteries of the new sanitary containment measures implemented in France since October 30, 2020, as well as the developments of the insolvency procedure of Weser-Metall GmbH, Recylex S.A.'s main customer today⁴. While Recylex S.A.'s objective is to remain a key supplier of Weser-Metall GmbH in the future, subject to the uncertain development of this procedure which is expected to last several months and of its business model, Recylex is actively pursuing its development of other commercial outlets.

2.2 Zinc segment

The Zinc segment accounted for 17% of consolidated sales at September 30, 2020.

Consolidated sales reached €20.6 million at September 30, 2020, down 68% compared to September 30, 2019 on a reported basis due to the deconsolidation of the German entities¹ and the sharp fall in the zinc price over the period. Consolidated sales on a comparable basis (pro forma) were down 28% compared to the same period in 2019, mainly due to the sharp fall in the zinc prices combined with deteriorated commercial conditions.

Zinc segment's restated sales³ amounted to €30.8 million at September 30, 2020, down 61% for the same reasons.

It should be noted that following the deconsolidation of the German entities given their insolvency procedures under the German law, the Zinc segment comprises now only the 50% participation in Recytech S.A., whose sales are not included in the consolidated sales under IFRS but only in the restated sales³.

In the third quarter of 2020, the segment therefore did not record any sales due to the deconsolidation¹ of the former subsidiaries Harz-Metall GmbH and Norzinco GmbH. Restated sales³ for the third quarter of 2020 were down 7% due to the continued deterioration of business conditions, lower zinc prices than in the third quarter of 2019 and lower availability of materials for recycling.

2.3 Special Metals segment

The Special Metals segment represented 5% of consolidated sales at September 30, 2020.

Sales reached €5.5 million at September 30, 2020, down 57% compared to September 30, 2019 on a reported basis and down 5% on a pro forma basis.

It should be noted that following the deconsolidation of PPM Pure Metals GmbH given its insolvency procedure under the German law, the Special Metals segment no longer exists within the scope of the Recylex Group's activities. In the third quarter of 2020, the segment therefore recorded no sales.

2.4 Segment Plastique

The Plastics segment accounted for 5% of consolidated sales at September 30, 2020.

Sales totaled €5.9 million in the first nine months of 2020, down 36% compared with the first nine months of 2019 on a reported basis.

C2P S.A.S. activity in France remains penalized by a very sharp slowdown in global demand for recycled polypropylene in the first nine months of 2020, particularly in the automotive sector weakened by the effects of the SARS-CoV-2 pandemic.

In the third quarter of 2020, sales reached €2.1 million, down 10%.

It should be noted that following the deconsolidation as of April 30, 2020 of C2P GmbH given its insolvency procedure under the German law, the Plastics segment now consists solely of the activities of C2P S.A.S. in France.

3. Forecasted financial agenda

- Financial information as of December 31, 2020: Thursday, February 11, 2021 (aftermarket closing).

1 See press releases dated May 14, 2020, May 20, 2020, June 18, 2020 and October 26, 2020.

2 Weser-Metall GmbH, Harz-Metall GmbH, Norzinco GmbH and PPM Pure Metals GmbH as well as Recylex GmbH, C2P Germany GmbH and Recylex Grundstücksverwaltungsgesellschaft mbH.

3 To assess the performance of the Zinc segment, the Group provides restated financial data including the share of Recytech S.A. (50% interest), using the proportional integration method, although this method is not permitted under IFRS. See Note 19 to the 2019 consolidated financial statements.

4 See press releases dated September 23, 2020 and October 26, 2020.

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The summary document of the proceedings concerning Metaleurop Nord S.A.S. and Recylex S.A., updated on July 6, 2020, is available on the [Finance](#) section of the Recylex Group's website.

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The Recylex Group is a European specialist in the recycling of lead, zinc and polypropylene.
For more information about the Recylex Group: www.recylex.eu

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APPENDICES

Quarterly evolution of metal prices averages

In euros per ton	First quarter 2020	Second quarter 2020	Third quarter 2020	First quarter 2019	Second quarter 2019	Third quarter 2019
Lead	1,675	1,518	1,603	1,793	1,677	1,824
Zinc	1,930	1,780	1,997	2,380	2,459	2,112

Source: London Metal Exchange.

Consolidated sales by quarter and segment

In million of euros	First quarter 2020	Second quarter 2020	Third quarter 2020	First quarter 2019	Second quarter 2019 Published data	Second quarter 2019 Pro Forma Data	Third quarter 2019 Published data	Third quarter 2019 Pro Forma Data
Lead	54.0	18.1	13.9	45.8	48.3	25.2	52.8	14.4
Zinc	16.7	4.0	0.0	21.8	21.6	6.8	20.3	0.0
Special Metals	4.3	1.2	0.0	4.6	4.5	1.2	3.9	0.0
Plastics	2.9	0.8	2.2	3.6	3.3	3.7	2.4	3.2
Total	77.9	24.1	16.1	75.8	77.7	36.9	79.4	17.6

IFRS data, unaudited figures.

Recylex S.A.'s sales

In million of euros	Nine months to September 30, 2020	Nine months to September 30, 2019	Change (%)
Lead segment	36.8	45.7	-19%
Services to Group companies	0.8	2.1	-62%
Total sales	37.6	47.8	-21%

IFRS data, unaudited figures.