



## Ferroglobe Reports Results for the Second Quarter of 2020

August 31, 2020

**Sales of \$250.0 million; Net loss of \$(14.0) million; Adjusted EBITDA of \$22.4 million**

- Q2 sales of \$250.0 million compared to \$311.2 million in Q1 2020, and \$409.5 million in Q2 2019
- Q2 net loss of \$(14.0) million compared to \$(49.1) million in Q1 2020, and \$(43.7) million in Q2 2019
- Adjusted EBITDA of \$22.4 million compared to \$(17.6) million in Q1 2020 and \$5.0 million in Q2 2019
- Gross debt of \$451 million at the end of Q2 2020, compared to \$443 million at the end of Q1 2020
- Cash generation of \$8.7 million driven by positive operating cash flow of \$38.1 million
- Continued improvement in working capital during the quarter by \$26.2 million

LONDON, Aug. 31, 2020 (GLOBE NEWSWIRE) -- Ferroglobe PLC (NASDAQ: GSM) ("Ferroglobe", the "Company", or the "Parent"), a leading producer globally of silicon metal, silicon-based and manganese-based specialty alloys, today announced results for the second quarter of 2020.

### Q2 2020 Earnings Highlights

In Q2 2020, Ferroglobe posted a net loss of \$(14.0) million, or \$(0.07) per share on a fully diluted basis. On an adjusted basis, the Q2 2020 net loss was \$(11.1) million, or \$(0.07) per share on a fully diluted basis.

Q2 2020 reported EBITDA was \$22.1 million, up from \$(20.2) million in the prior quarter. On an adjusted basis, Q2 2020 EBITDA was \$22.4 million, up from Q1 2020 adjusted EBITDA of \$(17.6) million. The Company reported an adjusted EBITDA margin of 9.0% for Q2 2020, compared to an adjusted EBITDA margin of -5.7% for Q1 2020. The improvement in margins is attributable to operational and financial management, resulting in significant cost improvement.

| \$,000 (unaudited)                                    | Quarter Ended | Quarter Ended  | Quarter Ended | Six Months             | Six Months             |
|---|---------------|----------------|---------------|------------------------|------------------------|
|   | June 30, 2020 | March 31, 2020 | June 30, 2019 | Ended<br>June 30, 2020 | Ended<br>June 30, 2019 |
| Sales   | \$ 250,004    | \$ 311,223     | \$ 409,479    | \$ 561,226             | \$ 856,870             |
| Net (loss) profit                                     | \$ (14,035)   | \$ (49,057)    | \$ (43,658)   | \$ (63,093)            | \$ (72,212)            |
| Diluted EPS   | \$ (0.07)     | \$ (0.28)      | \$ (0.24)     | \$ (0.35)              | \$ (0.40)              |
| Adjusted net (loss) income attributable to the parent | \$ (11,064)   | \$ (37,714)    | \$ (22,221)   | \$ (48,777)            | \$ (44,115)            |
| Adjusted diluted EPS                                  | \$ (0.07)     | \$ (0.22)      | \$ (0.13)     | \$ (0.30)              | \$ (0.26)              |
| Adjusted EBITDA                                       | \$ 22,413     | \$ (17,617)    | \$ 5,035      | \$ 4,796               | \$ 8,362               |
| Adjusted EBITDA margin                                | 9.0%          | -5.7%          | 1.2%          | 0.9%                   | 1.0%                   |

Marco Levi, Ferroglobe's Chief Executive Officer, commented, "Given the unprecedented operating environment created by COVID-19, the business has endured a number of challenges during the quarter. However, our ability to react quickly and leverage our assets to drive down costs, resulted in continued improvement in our financials during the quarter." Dr. Levi added, "With the looming uncertainties ahead of us, we will continue to take the actions necessary to navigate these times. Simultaneously, we are committed to executing our new strategic plan and have commenced with a number of initiatives in the near term. This three year plan is expected to contribute \$150 million of incremental EBITDA and improve cash by \$70 million."

### Cash Flow and Balance Sheet

Cash generated from operations during Q2 2020 was \$38.1 million, with an improvement in working capital positively impacted by a decrease in trade receivables, offset by a decrease in payables and an increase in inventories. Working capital decreased by \$27 million, from \$348 million as of March 31, 2020 to \$321 million at June 30, 2020.

Gross debt was \$451 million as of June 30, 2020, up from \$443 million as of March 31, 2020, primarily as a result of the \$11 million interest accrued on the group's senior unsecured notes (the "Notes"), due to be paid on August 31, 2020.

Beatriz García-Cos, Ferroglobe's Chief Financial Officer, commented, "A slowdown across all of our core product categories resulted in a decline in our second quarter sales by 20% compared to the prior quarter, reflecting the impact of COVID-19 on the business. By continuing to make operational changes and focusing on cost reduction, however, we managed to return the business to positive EBITDA. Furthermore, our diligent management of the business led to further working capital reduction and an improvement in our cash balance." Ms. García-Cos added, "The new strategic plan provides us a roadmap to drive profitability through the cycle and continued improvement in our cash generation."

### COVID-19

Since January 2020, the COVID-19 pandemic has spread to various jurisdictions where the Company does business. The Company has been

monitoring the evolving situation, and consequent emerging risk. Among other steps, the Company has implemented a coronavirus crisis management team, which has been meeting regularly to ensure the Company and its subsidiaries take appropriate action to protect all employees and ensure business continuity.

While it is difficult to forecast all the impacts of the COVID-19 pandemic, at the present time the Company's day-to-day operations continue without being materially affected and the pandemic is not causing disruption in our business and supply chains. As they evolve, however, such impacts could have a material adverse effect on our business, results of operations and financial condition.

During the second quarter demand for our products was adversely impacted by COVID-19. The Company is continuously evaluating how evolving customer demand and sales price evolution stand to affect the Company's business and results in the next twelve months.

In connection with the preparation of our consolidated financial statements, we conducted an evaluation as to whether there were conditions and events, considered in the aggregate, which raise substantial doubt as to the Company's ability to continue as a going concern in the one year period after the date of the issuance of these interim financial statements. For this interim financial statement, the evaluation was updated. Given the speed and frequency of continuously evolving developments with respect to this pandemic and the uncertainties this may bring for the Company and the demand for its products, it is difficult to forecast the level of trading activity and hence cash flow in the next twelve months. Developing a reliable estimate of the potential impact on the results of operations and cash flow at this time is difficult as markets and industries react to the pandemic and the measures implemented in response to it, but our downside scenario analysis supports an expectation that the Company will have cash headroom to continue to operate throughout the next twelve months. The key assumption underlying this assessment is a forecast recovery in trading activity in the latter part of 2020.

Additionally, the Indenture governing the Notes includes provisions which, in the event of a change of control, would require the Company to offer to redeem the outstanding senior Notes at a cash purchase price equal to 101% of the principal amount of the Notes, plus any accrued and unpaid interest. Based on the provisions cited above, a change of control as defined in the Indenture is unlikely to occur, but the matter it is not within the Company's control. If a change of control were to occur, the Company may not have sufficient financial resources available to satisfy all of its obligations. Management is pursuing additional sources of financing to increase liquidity to fund operations.

#### Subsequent events

The Company sold CO<sub>2</sub> emission rights during July and August. This resulted in proceeds of approximately \$33 million. The Company is closely monitoring demand levels to determine appropriate production levels and gauge the quantum of CO<sub>2</sub> emission rights that will need to be reacquired in the latter part of 2020 and/or in 2021.

#### Discussion of Second Quarter 2020 Results

The Company notes that the financial results presented for the second quarter and year to date as of June 30, 2020 are unaudited and may be subsequently adjusted for items including impairment of goodwill and long-lived assets. Management is continually assessing the potential impacts of COVID-19 and the Company's pending new strategy, and will make such adjustments as and when required.

#### Sales

Sales for Q2 2020 were \$250.0 million, a decrease of 19.7% compared to \$311.2 million in Q1 2020. For Q2 2020, total shipments were down 24.1% and the average selling price was up 7.0% compared with Q1 2020.

|                                  | Quarter Ended<br>June 30, 2020 | Quarter Ended<br>March 31,<br>2020 | Change | Quarter Ended<br>June 30, 2019 | Change | Six<br>Months<br>Ended<br>June 30,<br>2020 | Six<br>Months<br>Ended<br>June 30,<br>2019 | Change |
|----------------------------------|--------------------------------|------------------------------------|--------|--------------------------------|--------|--|--|--------|
| <b>Shipments in metric tons:</b> |                                |                                    |        |                                |        |  |  |        |
| Silicon Metal                    | 47,884                         | 53,321                             | -10.2% | 54,084                         | -11.5% | 101,205                                    | 116,353                                    | -13.0% |
| Silicon-based Alloys             | 39,479                         | 60,932                             | -35.2% | 79,264                         | -50.2% | 100,411                                    | 161,065                                    | -37.7% |
| Manganese-based Alloys           | 55,290                         | 73,724                             | -25.0% | 99,555                         | -44.5% | 129,014                                    | 203,224                                    | -36.5% |
| Total shipments*                 | 142,653                        | 187,977                            | -24.1% | 232,903                        | -38.8% | 330,630                                    | 480,642                                    | -31.2% |

#### Average selling price (\$/MT):

|                        |          |          |       |          |       |          |          |        |
|------------------------|----------|----------|-------|----------|-------|----------|----------|--------|
| Silicon Metal          | \$ 2,215 | \$ 2,212 | 0.1%  | \$ 2,320 | -4.5% | \$ 2,213 | \$ 2,340 | -5.4%  |
| Silicon-based Alloys   | \$ 1,537 | \$ 1,474 | 4.3%  | \$ 1,572 | -2.2% | \$ 1,499 | \$ 1,621 | -7.5%  |
| Manganese-based Alloys | \$ 1,088 | \$ 973   | 11.8% | \$ 1,188 | -8.4% | \$ 1,022 | \$ 1,180 | -13.4% |
| Total*                 | \$ 1,591 | \$ 1,487 | 7.0%  | \$ 1,582 | 0.6%  | \$ 1,531 | \$ 1,609 | -4.8%  |

#### Average selling price (\$/lb.):

|                        |    |      |    |      |       |    |      |       |    |      |    |      |        |
|------------------------|----|------|----|------|-------|----|------|-------|----|------|----|------|--------|
| Silicon Metal          | \$ | 1.00 | \$ | 1.00 | 0.1%  | \$ | 1.05 | -4.5% | \$ | 1.00 | \$ | 1.06 | -5.4%  |
| Silicon-based Alloys   | \$ | 0.70 | \$ | 0.67 | 4.3%  | \$ | 0.71 | -2.2% | \$ | 0.68 | \$ | 0.74 | -7.5%  |
| Manganese-based Alloys | \$ | 0.49 | \$ | 0.44 | 11.8% | \$ | 0.54 | -8.4% | \$ | 0.46 | \$ | 0.54 | -13.4% |
| Total*                 | \$ | 0.72 | \$ | 0.67 | 7.0%  | \$ | 0.72 | 0.6%  | \$ | 0.69 | \$ | 0.73 | -4.8%  |

\* Excludes by-products and other

### **Sales Prices & Volumes By Product**

During Q2 2020, total product average selling prices increased by 7.0% versus Q1 2020. Q2 average selling prices of silicon metal increased 0.1%, silicon-based alloys prices increased 4.3%, and manganese-based alloys prices increased 11.8%.

Sales volumes in Q2 declined by 24.1% versus the prior quarter. Q2 sales volumes of silicon metal decreased 10.2%, silicon-based alloys decreased 35.2%, and manganese-based alloys decreased 25.0% versus Q1 2020.

### **Cost of Sales**

Cost of sales was \$153.3 million in Q2 2020, a decrease from \$243.4 million in the prior quarter. Cost of sales as a percentage of sales decreased to 61.3% in Q2 2020 versus 78.2% for Q1 2020, an improvement mainly due to lower energy prices in Europe, lower raw material costs including manganese ore, and optimizing economics by allocating production curtailments to the least cost-competitive plants.

### **Other Operating Expenses**

Other operating expenses amounted to \$35.9 million in Q2 2020, a decrease from \$40.1 million in the prior quarter. This decrease is primarily attributable to a decrease in commercial expenses resulting from lower sales volume.

### **Net Loss Attributable to the Parent**

In Q2 2020, net loss attributable to the Parent was \$12.1 million, or \$(0.07) per diluted share, compared to a net loss attributable to the Parent of \$47.9 million, or \$(0.28) per diluted share in Q1 2020.

### **Adjusted EBITDA**

In Q2 2020, adjusted EBITDA was \$22.4 million, or 9.0% of sales, compared to adjusted EBITDA of \$(17.6) million, or -5.7% of sales in Q1 2020, primarily due to higher pricing and lower costs incurred in Q2 2020.

### **Conference Call**

Ferroglobe management will review the second quarter during a conference call at 9:00 a.m. Eastern Time on September 1, 2020.

The dial-in number for participants in the United States is 877-293-5491 (conference ID 3128367). International callers should dial +1 914-495-8526 (conference ID 3128367). Please dial in at least five minutes prior to the call to register. The call may also be accessed via an audio webcast available at <https://edge.media-server.com/mmc/p/a4i7n7ab>.

### **About Ferroglobe**

Ferroglobe is one of the world's leading suppliers of silicon metal, silicon-based and manganese-based specialty alloys and ferroalloys, serving a customer base across the globe in dynamic and fast-growing end markets, such as solar, automotive, consumer products, construction and energy. The Company is based in London. For more information, visit <http://investor.ferroglobe.com>.

### **Forward-Looking Statements**

This release contains "forward-looking statements" within the meaning of U.S. securities laws. Forward-looking statements are not historical facts but are based on certain assumptions of management and describe the Company's future plans, strategies and expectations. Forward-looking statements often use forward-looking terminology, including words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "guidance", "intends", "likely", "may", "plan", "potential", "predicts", "seek", "target", "will" and words of similar meaning or the negative thereof.

Forward-looking statements contained in this press release are based on information currently available to the Company and assumptions that management believe to be reasonable, but are inherently uncertain. As a result, Ferroglobe's actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements, which are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond the Company's control.

Forward-looking financial information and other metrics presented herein represent the Company's goals and are not intended as guidance or projections for the periods referenced herein or any future periods.

All information in this press release is as of the date of its release. Ferroglobe does not undertake any obligation to update publicly any of the forward-looking statements contained herein to reflect new information, events or circumstances arising after the date of this press release. You should not place undue reliance on any forward-looking statements, which are made only as of the date of this press release.

### **Non-IFRS Measures**

Adjusted EBITDA, adjusted EBITDA margin, adjusted net profit, adjusted profit per share, working capital and net debt, are non-IFRS financial metrics that, we believe, are pertinent measures of Ferroglobe's success. Ferroglobe has included these financial metrics to provide supplemental measures of its performance. The Company believes these metrics are important because they eliminate items that have less bearing on the Company's current and future operating performance and highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial

measures.

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**Ferroglobe PLC and Subsidiaries**  
**Unaudited Condensed Consolidated Income Statement**  
(in thousands of U.S. dollars, except per share amounts)

|  | Quarter Ended<br>June 30, 2020 | Quarter Ended<br>March 31,<br>2020 | Quarter Ended<br>June 30, 2019 | Six Months<br>Ended<br>June 30, 2020 | Six Months<br>Ended<br>June 30, 2019 |
|--|--------------------------------|------------------------------------|--------------------------------|--------------------------------------|--------------------------------------|
| Sales  | \$ 250,004                     | \$ 311,223                         | \$ 409,479                     | \$ 561,226                           | \$ 856,870                           |
| Cost of sales  | (153,291)                      | (243,360)                          | (292,432)                      | (396,651)                            | (621,800)                            |
| Other operating income   | 10,160                         | 7,768                              | 14,530                         | 17,928                               | 28,551                               |
| Staff costs  | (48,912)                       | (55,097)                           | (74,852)                       | (104,009)                            | (149,115)                            |
| Other operating expense  | (35,953)                       | (40,067)                           | (62,924)                       | (76,020)                             | (116,841)                            |
| Depreciation and amortization charges,<br>operating allowances and write-downs | (27,459)                       | (28,668)                           | (30,204)                       | (56,127)                             | (60,574)                             |
| Impairment losses  | —                              | —                                  | (1,195)                        | —                                    | (1,335)                              |
| Other gain (loss)  | 85                             | (671)                              | 275                            | (586)                                | (122)                                |
| <b>Operating (loss) profit</b>   | <b>(5,365)</b>                 | <b>(48,872)</b>                    | <b>(37,323)</b>                | <b>(54,239)</b>                      | <b>(64,366)</b>                      |
| Net finance expense  | (16,693)                       | (16,484)                           | (15,047)                       | (33,177)                             | (28,870)                             |
| Financial derivatives (loss) gain  | —                              | 3,168                              | (295)                          | 3,168                                | 969                                  |
| Exchange differences   | 2,633                          | 2,436                              | 5,080                          | 5,069                                | 3,601                                |
| <b>(Loss) profit before tax</b>  | <b>(19,425)</b>                | <b>(59,753)</b>                    | <b>(47,585)</b>                | <b>(79,179)</b>                      | <b>(88,666)</b>                      |
| Income tax benefit (expense)   | 5,390                          | 10,696                             | 4,890                          | 16,086                               | 13,100                               |
| <b>(Loss) profit for the period from<br/>continuing operations</b>             | <b>(14,035)</b>                | <b>(49,057)</b>                    | <b>(42,695)</b>                | <b>(63,093)</b>                      | <b>(75,566)</b>                      |
| Profit for the period from discontinued<br>operations                          | —                              | —                                  | (963)                          | —                                    | 3,354                                |
| <b>(Loss) profit for the period</b>  | <b>(14,035)</b>                | <b>(49,057)</b>                    | <b>(43,658)</b>                | <b>(63,093)</b>                      | <b>(72,212)</b>                      |
| Loss (profit) attributable to non-controlling<br>interest                      | 1,928                          | 1,159                              | 2,835                          | 3,087                                | 4,559                                |
| <b>(Loss) profit attributable to the parent</b>                                | <b>\$ (12,107)</b>             | <b>\$ (47,898)</b>                 | <b>\$ (40,823)</b>             | <b>\$ (60,006)</b>                   | <b>\$ (67,653)</b>                   |
| <br>   |                                |                                    |                                |                                      |                                      |
| EBITDA   | \$ 22,093                      | \$ (20,204)                        | \$ (7,119)                     | \$ 1,888                             | \$ (3,792)                           |
| Adjusted EBITDA  | \$ 22,413                      | \$ (17,617)                        | \$ 5,035                       | \$ 4,796                             | \$ 8,362                             |
| <br>   |                                |                                    |                                |                                      |                                      |
| <b>Weighted average shares outstanding</b>                                     |                                |                                    |                                |                                      |                                      |
| Basic  | 169,254                        | 169,249                            | 169,123                        | 169,252                              | 169,123                              |
| Diluted  | 169,254                        | 169,249                            | 169,123                        | 169,252                              | 169,123                              |
| <br>   |                                |                                    |                                |                                      |                                      |
| <b>(Loss) profit per ordinary share</b>  |                                |                                    |                                |                                      |                                      |
| Basic  | \$ (0.07)                      | \$ (0.28)                          | \$ (0.24)                      | \$ (0.35)                            | \$ (0.40)                            |
| Diluted  | \$ (0.07)                      | \$ (0.28)                          | \$ (0.24)                      | \$ (0.35)                            | \$ (0.40)                            |

**Ferroglobe PLC and Subsidiaries**  
**Unaudited Condensed Consolidated Statement of Financial Position**  
(in thousands of U.S. dollars)

|  | <b>June 30,<br/>2020</b> | <b>March 31,<br/>2020</b> | <b>December 31,<br/>2019</b> |
|--|--------------------------|---------------------------|------------------------------|
| <b>ASSETS</b>  |                          |                           |                              |
| <b>Non-current assets</b>                                      |                          |                           |                              |
| Goodwill   | \$ 29,702                | \$ 29,702                 | \$ 29,702                    |
| Other intangible assets  | 45,655                   | 50,373                    | 51,267                       |
| Property, plant and equipment                                  | 677,081                  | 689,383                   | 740,906                      |
| Other non-current financial assets                             | 6,404                    | 5,683                     | 2,618                        |
| Deferred tax assets  | 43,102                   | 65,360                    | 59,551                       |
| Non-current receivables from related parties                   | 2,240                    | 2,191                     | 2,247                        |
| Other non-current assets                                       | 4,228                    | 1,520                     | 1,597                        |
| Non-current restricted cash and cash equivalents               | 28,366                   | 28,173                    | 28,323                       |
| <b>Total non-current assets</b>                                | <b>836,778</b>           | <b>872,385</b>            | <b>916,211</b>               |
| <b>Current assets</b>  |                          |                           |                              |
| Inventories  | 305,438                  | 287,258                   | 354,121                      |
| Trade and other receivables                                    | 172,036                  | 216,970                   | 309,064                      |
| Current receivables from related parties                       | 2,955                    | 2,895                     | 2,955                        |
| Current income tax assets                                      | 12,151                   | 16,298                    | 27,930                       |
| Other current financial assets                                 | 4,791                    | 5,062                     | 5,544                        |
| Other current assets   | 22,602                   | 16,113                    | 23,676                       |
| Cash and cash equivalents *                                    | 124,876                  | 116,316                   | 94,852                       |
| <b>Total current assets</b>                                    | <b>644,849</b>           | <b>660,912</b>            | <b>818,142</b>               |
| <b>Total assets</b>  | <b>\$ 1,481,627</b>      | <b>\$ 1,533,297</b>       | <b>\$ 1,734,353</b>          |
| <b>EQUITY AND LIABILITIES</b>                                  |                          |                           |                              |
| <b>Equity</b>  | <b>\$ 519,974</b>        | <b>\$ 525,117</b>         | <b>\$ 602,297</b>            |
| <b>Non-current liabilities</b>                                 |                          |                           |                              |
| Deferred income  | 4,983                    | 9,081                     | 1,253                        |
| Provisions   | 81,659                   | 79,135                    | 84,852                       |
| Bank borrowings  | 92,552                   | 111,583                   | 144,388                      |
| Lease liabilities  | 13,512                   | 14,642                    | 16,972                       |
| Debt instruments   | 345,284                  | 344,639                   | 344,014                      |
| Other financial liabilities                                    | 33,316                   | 32,702                    | 43,157                       |
| Other non-current liabilities                                  | 25,785                   | 26,817                    | 25,906                       |
| Deferred tax liabilities                                       | 40,162                   | 69,084                    | 74,057                       |
| <b>Total non-current liabilities</b>                           | <b>637,252</b>           | <b>687,683</b>            | <b>734,599</b>               |
| <b>Current liabilities</b>                                     |                          |                           |                              |
| Provisions   | 37,367                   | 34,853                    | 46,091                       |
| Bank borrowings  | 245                      | 1,369                     | 14,611                       |
| Lease liabilities  | 8,592                    | 8,932                     | 8,900                        |
| Debt instruments   | 10,994                   | 2,820                     | 10,937                       |
| Other financial liabilities                                    | 26,318                   | 23,101                    | 23,382                       |
| Payables to related parties                                    | 2,056                    | 4,572                     | 4,830                        |
| Trade and other payables                                       | 156,053                  | 156,634                   | 189,229                      |
| Current income tax liabilities                                 | 2,146                    | 1,485                     | 3,048                        |
| Other current liabilities                                      | 80,630                   | 86,731                    | 96,429                       |
| Liabilities associated with assets classified as held for sale | —                        | —                         | —                            |
| <b>Total current liabilities</b>                               | <b>324,401</b>           | <b>320,497</b>            | <b>397,457</b>               |

**Total equity and liabilities****\$ 1,481,627 \$ 1,533,297 \$ 1,734,353**

\*Cash and cash equivalents at June 30, 2020 includes the cash balance of the group's European A/R securitization program of \$38,961 (\$38,745 and \$38,778 at March 31, 2020 and December 31, 2019, respectively)

**Ferroglobe PLC and Subsidiaries**  
**Unaudited Condensed Consolidated Statement of Cash Flows**  
(in thousands of U.S. dollars)

|   | Quarter Ended<br>June 30, 2020 | Quarter Ended<br>March 31,<br>2020 | Quarter Ended<br>June 30, 2019* | Six Months<br>Ended<br>June 30, 2020 | Six Months<br>Ended<br>June 30,<br>2019* |
|---|--------------------------------|------------------------------------|---------------------------------|--------------------------------------|--|
| <b>Cash flows from operating activities:</b>  |                                |                                    |                                 |                                      |  |
| <b>(Loss) profit for the period</b>   | \$ (14,035)                    | \$ (49,057)                        | \$ (43,658)                     | \$ (63,092)                          | \$ (72,212)                              |
| <b>Adjustments to reconcile net (loss) profit to net cash used by operating activities:</b> |                                |                                    |                                 |                                      |  |
| Income tax (benefit) expense  | (5,390)                        | (10,696)                           | (5,215)                         | (16,086)                             | (11,919)                                 |
| Depreciation and amortization charges, operating allowances and write-downs                 | 27,459                         | 28,668                             | 31,327                          | 56,127                               | 63,404                                   |
| Net finance expense   | 16,693                         | 16,484                             | 16,145                          | 33,177                               | 30,901                                   |
| Financial derivatives loss (gain)   | —                              | (3,168)                            | 295                             | (3,168)                              | (969)                                    |
| Exchange differences  | (2,633)                        | (2,436)                            | (5,080)                         | (5,069)                              | (3,601)                                  |
| Impairment losses   | —                              | —                                  | 1,195                           | —                                    | 1,335                                    |
| Bargain purchase gain   | —                              | —                                  | —                               | —                                    | —  |
| Gain on disposal of discontinued operation  | —                              | —                                  | —                               | —                                    | —  |
| Share-based compensation  | 704                            | 722                                | 933                             | 1,426                                | 2,265                                    |
| Other adjustments   | (85)                           | 671                                | (275)                           | 586                                  | 122                                      |
| <b>Changes in operating assets and liabilities</b>  |                                |                                    |                                 | —                                    |  |
| (Increase) decrease in inventories  | (12,471)                       | 51,577                             | (46,950)                        | 39,106                               | (46,915)                                 |
| (Increase) decrease in trade receivables  | 45,537                         | 83,832                             | (32,316)                        | 129,369                              | (3,945)                                  |
| Increase (decrease) in trade payables   | (4,875)                        | (25,504)                           | 21,625                          | (30,379)                             | (1,342)                                  |
| Other   | (16,287)                       | (11,598)                           | 28,472                          | (27,885)                             | 38,259                                   |
| Income taxes paid   | 3,522                          | 10,119                             | (540)                           | 13,641                               | (2,220)                                  |
| <b>Net cash provided (used) by operating activities</b>                                     | <b>38,139</b>                  | <b>89,614</b>                      | <b>(34,042)</b>                 | <b>127,753</b>                       | <b>(6,837)</b>                           |
| <b>Cash flows from investing activities:</b>  |                                |                                    |                                 |                                      |  |
| Interest and finance income received  | 85                             | 254                                | 486                             | 339                                  | 876                                      |
| <b>Payments due to investments:</b>   |                                |                                    |                                 |                                      |  |
| Acquisition of subsidiary   | —                              | —                                  | —                               | —                                    | —  |
| Other intangible assets   | —                              | —                                  | (50)                            | —                                    | (184)                                    |
| Property, plant and equipment   | (5,056)                        | (4,606)                            | (7,128)                         | (9,662)                              | (20,576)                                 |
| Other   | —                              | —                                  | (627)                           | —                                    | (627)                                    |
| <b>Disposals:</b>   |                                |                                    |                                 |                                      |  |
| Disposal of subsidiaries  | —                              | —                                  | —                               | —                                    | —  |
| Other non-current assets  | —                              | —                                  | —                               | —                                    | —  |
| Other   | —                              | —                                  | 1,638                           | —                                    | 3,397                                    |
| <b>Net cash (used) provided by investing activities</b>                                     | <b>(4,971)</b>                 | <b>(4,352)</b>                     | <b>(5,681)</b>                  | <b>(9,323)</b>                       | <b>(17,114)</b>                          |

**Cash flows from financing activities:**

|   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Dividends paid  | —                 | —                 | —                 | —                 | —                 |
| Payment for debt issuance costs   | (279)             | (1,576)           | —                 | (1,855)           | (705)             |
| Repayment of hydro leases   | —                 | —                 | —                 | —                 | —                 |
| Repayment of other financial liabilities                                | —                 | —                 | —                 | —                 | —                 |
| <b>Increase/(decrease) in bank borrowings:</b>                          |                   |                   |                   |                   |                   |
| Borrowings  | —                 | —                 | 39,649            | —                 | 71,499            |
| Payments  | (20,680)          | (44,880)          | (18,252)          | (65,560)          | (39,063)          |
| Proceeds from stock option exercises                                    | —                 | —                 | —                 | —                 | —                 |
| Amounts paid due to leases  | (2,418)           | (2,461)           | (7,236)           | (4,879)           | (12,944)          |
| Other amounts received/(paid) due to financing activities               | —                 | 3,608             | —                 | 3,608             | —                 |
| Payments to acquire or redeem own shares                                | —                 | —                 | —                 | —                 | —                 |
| Interest paid   | (1,131)           | (18,824)          | (3,341)           | (19,955)          | (21,849)          |
| <b>Net cash (used) provided by financing activities</b>                 | <b>(24,508)</b>   | <b>(64,133)</b>   | <b>10,820</b>     | <b>(88,641)</b>   | <b>(3,062)</b>    |
| <b>Total net cash flows for the period</b>                              | <b>8,660</b>      | <b>21,129</b>     | <b>(28,903)</b>   | <b>29,789</b>     | <b>(27,013)</b>   |
| Beginning balance of cash and cash equivalents                          | 144,489           | 123,175           | 216,647           | 123,175           | 216,647           |
| Exchange differences on cash and cash equivalents in foreign currencies | 93                | 185               | 321               | 278               | (1,589)           |
| <b>Ending balance of cash and cash equivalents</b>                      | <b>\$ 153,242</b> | <b>\$ 144,489</b> | <b>\$ 188,065</b> | <b>\$ 153,242</b> | <b>\$ 188,045</b> |
| Cash from continuing operations   | 124,876           | 116,316           | 188,045           | 124,876           | 188,045           |
| Non-current restricted cash and cash equivalents                        | 28,366            | 28,173            | —                 | 28,366            | —                 |
| <b>Cash and restricted cash in the statement of financial position</b>  | <b>\$ 153,242</b> | <b>\$ 144,489</b> | <b>\$ 188,045</b> | <b>\$ 153,242</b> | <b>\$ 188,045</b> |

\* While in previous periods Ferroglobe presented interest paid as cash flows from operating activities, management deems interest paid as among activities that alter the borrowing structure of the Company and therefore most appropriately presented as among financing activities. This change allows for a more fair presentation of cash flow to users of the financial statements. Previous periods have been restated in order to show interest paid as net cash used in financing activities.

**Adjusted EBITDA (\$,000):**

|   | Quarter Ended      | Quarter Ended      | Quarter Ended      | Six Months Ended   | Six Months Ended   |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | June 30, 2020      | March 31, 2020     | June 30, 2019      | June 30, 2020      | June 30, 2019      |
| <b>(Loss) profit attributable to the parent</b>                             | <b>\$ (12,107)</b> | <b>\$ (47,898)</b> | <b>\$ (40,823)</b> | <b>\$ (60,006)</b> | <b>\$ (67,653)</b> |
| (Loss) profit for the period from discontinued operations                   | —                  | —                  | 963                | —                  | (3,354)            |
| Loss (profit) attributable to non-controlling interest                      | (1,928)            | (1,159)            | (2,835)            | (3,087)            | (4,559)            |
| Income tax (benefit) expense  | (5,390)            | (10,696)           | (4,890)            | (16,086)           | (13,100)           |
| Net finance expense   | 16,693             | 16,484             | 15,047             | 33,177             | 28,870             |
| Financial derivatives loss (gain)   | —                  | (3,168)            | 295                | (3,168)            | (969)              |
| Exchange differences  | (2,633)            | (2,436)            | (5,080)            | (5,069)            | (3,601)            |
| Depreciation and amortization charges, operating allowances and write-downs | 27,459             | 28,668             | 30,204             | 56,127             | 60,574             |
| <b>EBITDA</b>   | <b>22,093</b>      | <b>(20,205)</b>    | <b>(7,119)</b>     | <b>1,888</b>       | <b>(3,792)</b>     |
| Impairment  | —                  | —                  | —                  | —                  | —                  |
| Revaluation of biological assets  | —                  | —                  | —                  | —                  | —                  |
| Contract termination costs  | —                  | —                  | 9,260              | —                  | 9,260              |

|   |                  |                    |                 |                 |                 |
|---|------------------|--------------------|-----------------|-----------------|-----------------|
| Restructuring and termination costs             | —                | —                  | 2,894           | —               | 2,894           |
| Energy: France                                  | (55)             | 125                | —               | 70              | —               |
| Energy: South Africa                            | —                | —                  | —               | —               | —               |
| Staff Costs: South Africa                       | —                | 155                | —               | 155             | —               |
| Other Idling Costs                              | 375              | 2,308              | —               | 2,683           | —               |
| (Loss)profit on disposal of non-core businesses | —                | —                  | —               | —               | —               |
| <b>Adjusted EBITDA</b>                          | <b>\$ 22,413</b> | <b>\$ (17,617)</b> | <b>\$ 5,035</b> | <b>\$ 4,796</b> | <b>\$ 8,362</b> |

**Adjusted profit attributable to Ferroglobe (\$,000):**

|  | Quarter Ended      | Quarter Ended      | Quarter Ended      | Six Months         | Six Months         |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | June 30, 2020      | March 31, 2020     | June 30, 2019      | Ended              | Ended              |
|  | June 30, 2020      | March 31, 2020     | June 30, 2019      | June 30, 2020      | June 30, 2019      |
| <b>(Loss) profit attributable to the parent</b>          | <b>\$ (12,107)</b> | <b>\$ (47,898)</b> | <b>\$ (40,823)</b> | <b>\$ (60,006)</b> | <b>\$ (67,653)</b> |
| Tax rate adjustment                                      | 826                | 8,425              | 10,337             | 9,250              | 15,273             |
| Impairment   | —                  | —                  | —                  | —                  | —                  |
| Revaluation of biological assets                         | —                  | —                  | —                  | —                  | —                  |
| Contract termination costs                               | —                  | —                  | 6,297              | —                  | 6,297              |
| Restructuring and termination costs                      | —                  | —                  | 1,968              | —                  | 1,968              |
| Energy: France   | (37)               | 85                 | —                  | 48                 | —                  |
| Energy: South Africa                                     | —                  | —                  | —                  | —                  | —                  |
| Staff Costs: South Africa                                | —                  | 105                | —                  | 105                | —                  |
| Other Idling Costs                                       | 255                | 1,569              | —                  | 1,824              | —                  |
| (Loss) profit on disposal of non-core businesses         | —                  | —                  | —                  | —                  | —                  |
| <b>Adjusted (loss) profit attributable to the parent</b> | <b>\$ (11,064)</b> | <b>\$ (37,714)</b> | <b>\$ (22,221)</b> | <b>\$ (48,777)</b> | <b>\$ (44,115)</b> |

**Adjusted diluted profit per share:**

|  | Quarter Ended    | Quarter Ended    | Quarter Ended    | Six Months       | Six Months       |
|--|------------------|------------------|------------------|------------------|------------------|
|  | June 30, 2020    | March 31, 2020   | June 30, 2019    | Ended            | Ended            |
|  | June 30, 2020    | March 31, 2020   | June 30, 2019    | June 30, 2020    | June 30, 2019    |
| <b>Diluted (loss) profit per ordinary share</b>          | <b>\$ (0.07)</b> | <b>\$ (0.28)</b> | <b>\$ (0.24)</b> | <b>\$ (0.35)</b> | <b>\$ (0.40)</b> |
| Tax rate adjustment                                      | 0.00             | 0.05             | 0.06             | 0.05             | 0.09             |
| Impairment   | —                | —                | —                | —                | —                |
| Revaluation of biological assets                         | —                | —                | —                | —                | —                |
| Contract termination costs                               | —                | —                | 0.04             | —                | 0.04             |
| Restructuring and termination costs                      | —                | —                | 0.01             | —                | 0.01             |
| Energy: France   | (0.00)           | 0.00             | —                | 0.00             | —                |
| Energy: South Africa                                     | —                | —                | —                | —                | —                |
| Staff Costs: South Africa                                | —                | 0.00             | —                | 0.00             | —                |
| Other Idling Costs                                       | 0.00             | 0.01             | —                | 0.01             | —                |
| (Loss) profit on disposal of non-core businesses         | —                | —                | —                | —                | —                |
| <b>Adjusted diluted (loss) profit per ordinary share</b> | <b>\$ (0.07)</b> | <b>\$ (0.22)</b> | <b>\$ (0.13)</b> | <b>\$ (0.30)</b> | <b>\$ (0.26)</b> |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 31, 2020



FERROGLOBE PLC

by/s/ Marco Levi

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Name: Marco Levi

Title: Chief Executive Officer (Principal Executive Officer)



Source: Ferrolobe PLC