



## Covid-19 Update

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Biffa plc  
25 March 2020

### Biffa plc

#### COVID-19 UPDATE

##### 25 March 2020

Biffa plc ('Biffa' or 'the Group'), the UK's leading sustainable waste management company, today issues an update regarding the impact of the COVID-19 ('coronavirus') outbreak on its business.

##### Group Priorities

The Group has three immediate priorities:

- Protecting the health, safety and wellbeing of its employees and the members of the communities it serves;
- Ensuring its business operations are able to continue with minimal disruption and that customers continue to receive these essential services that the Group provides; and
- Protecting the financial strength of the Group.

The Government has rightly recognised the Waste Disposal industry as a 'key sector'. We call upon Government to provide targeted financial support to the industry to ensure that services can continue to be provided during the enforced shutdown of the economy.

##### Current Trading

Whilst the Group has started to see the initial impacts of COVID-19, these are not expected to have a material impact on the results for the year ended 27 March 2020 (FY20).

##### COVID-19 and Outlook

In light of the developing impact of COVID-19 on the UK economy, the Group now expects significant disruption to its operations which is expected to continue for several months.

The principal impact of COVID-19 on Biffa will be a very significant reduction in demand for Industrial & Commercial collection services, as many customers are forced to cease or drastically reduce trading. In addition, the Group expects reductions in volumes into some processing facilities in the Resources & Energy division and impacts to all business operations from workforce illness or enforced absence.

Given the rapidly changing dynamics in the external environment, it is extremely difficult to predict with any accuracy what the impact of COVID-19 will be on Biffa in FY21. It is however clear that the impact will be material and as such the Group is not providing guidance at the current time.

### **Protecting Biffa's financial strength**

The Group has a 5-year committed £350m Revolving Credit Facility (RCF), that was negotiated in March 2019 and has recently been extended for a further year to March 2025.

At the FY20 year end, the Group expects to have combined available cash and RCF headroom of over £150m.

In order to balance both the preservation of near-term cash with the need to preserve the long-term health of the business, its customers, suppliers, employees and other stakeholders, Biffa is taking the following steps:

- All current M&A activity has been put into temporary abeyance;
- All non-essential and uncommitted capital expenditure has been deferred;
- Reviewing all areas of the operating cost base to ensure that the Group's operating model is fit for purpose through these difficult times;
- Government support measures will be taken advantage of where appropriate; and
- No final dividend will be recommended for FY20.

The Board is confident that the combination of available liquidity, coupled with the above mitigation actions will enable the Group to shoulder this downturn in the near term and that going forward the Group will then be able to progress its growth strategy over the medium term.

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*This announcement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with Biffa's business. Whilst Biffa believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond Biffa's control or within Biffa's control where, for example, Biffa decides on a change of plan or strategy. Accordingly, no reliance may be placed on the figures contained in such forward-looking statements.*

*This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.*

**About Biffa**

Biffa is the UK's leading sustainable waste management business. We have over 8,000 employees working across more than 200 sites to change the way people think about waste. We operate across the waste management value chain, including the collection, treatment, processing and disposal of waste, as well as the production and sale of recovered commodities such as energy, paper, glass, metals and plastic.

We are first choice for customers, with our national customer base including local authorities, large corporates and SMEs, and purchasers of end-product commodities and energy. We are structured into two divisions: Collections and Resources & Energy. In FY19, the Group's total revenue was £1,091.2m and its Underlying EBITDA was £150.7m. Biffa has been listed on the London Stock Exchange since October 2016 under the ticker "BIFF". In March 2020 Biffa entered the FTSE-250.

For more information visit [www.biffa.co.uk](http://www.biffa.co.uk)

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