



Covid-19, Financing and Reporting Update

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Biffa plc
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Biffa plc ('Biffa' or 'the Group'), the UK's leading sustainable waste management company, today issues a further update regarding the impact of the COVID-19 pandemic on its business and on its financial position, following strong support from its lending banks.

Group Priorities

The Group has made good progress in the delivery of its 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 the essential services that the Group provides; and
- Protecting the financial strength of the Group.

Current trading and continuity of services

The Group has been successful in its objective of maintaining continuity of the essential services it provides throughout the lockdown period whilst adhering to strict health and safety standards.

The impacts on Biffa's various businesses, which are consistent with the scenarios that the Group developed at the commencement of the lockdown, are as follows:

- The Industrial & Commercial (I&C) division has continued to serve customers providing essential services such as food manufacture and retail, distribution, health and utilities. It is however the most severely impacted part of Biffa's business, with almost all revenues from customers affected by the lockdown ceasing for the time being, across sectors including hospitality, leisure, transport and non-food retail. Overall, revenues are down around 50% from their position prior to COVID-19;
- The Municipal business has remained resilient, with revenues remaining stable. The business has worked with clients to ensure continuity of almost all services and the team is performing admirably despite the inevitable increased employee absence due to COVID-19; and
- The impact across Resources & Energy is varied, with the most notable impact being on Biffa's landfill operations, which rely on the construction industry for a large proportion of their business and have seen revenues reduce by around 50% from their position prior to COVID-19. The other areas of the business, whilst impacted, are holding up well.

The Group has now seen stabilisation of the above trends across all business areas whilst the economy remains in lockdown.

Protecting the financial strength of the Group

Swift and decisive action has been taken to mitigate the impact of the crisis on trading performance and to protect the Group's finances, including:

- Rightsizing I&C operations by re-routing trucks, taking c40% of the frontline fleet off the road and furloughing c35% of I&C employees under the Coronavirus Job Retention Scheme;
- Reducing cash outflows wherever possible, as previously outlined; and
- Implementing a number of remuneration-related measures as previously outlined.

At the financial year ended 27 March 2020, the Group had over £150m of available liquidity. This strong liquidity position, combined with the decisive action taken to control costs, leaves Biffa well placed to weather these unprecedented trading conditions.

In addition, the Group's banks have been very supportive. Covenant amendments and additional liquidity headroom have been agreed in order to cater for all modelled scenarios:

- An amended Net debt: EBITDA covenant for FY21 H1 of 5.5x (compared to the previous covenant of 3.5x) and an interest cover covenant unchanged at 4x;
- An agreement that in relation to FY21 H2, the Group will be afforded a 30% covenant headroom over and above Biffa's forecast profit run rate as calculated in September 2020, to cater for the current lack of visibility around the post lockdown run rate of profitability; and
- In addition, whilst the Group has sufficient liquidity to cover the various modelled scenarios, its banks have agreed in principle, to an additional £60m committed liquidity headroom facility, should it be required.

Following receipt of an investment grade rating from one of the rating providers, the Group also has an opportunity to access the Government's Coronavirus Corporate Finance Facility Commercial Paper Programme and is actively working with the Bank of England to pursue this opportunity.

The Board is encouraged with the progress that the Group has made in a short period of time and would like to extend its thanks to the entire Biffa team for their exceptional response to the coronavirus crisis. As a result of these ongoing efforts, the Board remains confident that as the year progresses, it will be able to refocus on delivering its strategic growth plans and sustainability strategy.

Reporting date

The Group today confirms that the announcement of its FY20 full year results, originally planned for 27 May 2020, will be postponed until 5 June.

This is in accordance with the FCA, FRC and PRA's recent guidance regarding reporting timeframes in the current circumstances and will ensure that the Company and its auditors are able to complete the necessary procedures in the current working restrictions.

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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.

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

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