

Antonio Zabalza, renewed as executive director of Ercros

The ordinary general shareholders' meeting of Ercros, which was held today for the first time in a completely telematic manner due to the restrictions imposed by the authorities in the context of the state of alarm, has approved the re-election of Antonio Zabalza Martí as executive director of Ercros.

The general meeting has also approved the re-election of Lourdes Vega Fernández, as independent director, and Laureano Roldán Aguilar and Eduardo Sánchez Morrondo, as external directors; as well as the appointment of the significant shareholder, Joan Casas Galofré, as proprietary director.

In the same way, the rest of the proposals presented by the board of directors have been approved, among which the shareholder remuneration measures stand out, consisting on the payment of a dividend of EUR 5 cent per share and the amortization –through a reduction of the share capital– of the 3.9 million treasury shares acquired by the Company.

In compliance with the provisions of the shareholder remuneration policy, with a charge to the 2019 profit, the Company will have disbursed a total amount of EUR 14 million, which is equivalent to 45% of said profit.

The president of Ercros, Antonio Zabalza, has dedicated a good part of his addressing to the meeting to explain the effects on the company of the economic slowdown caused by the COVID-19 crisis, which were noted in April and which are expected to also be noticed, although in a lesser extent, in May and June.

According to Zabalza, the main ways in which the epidemic is affecting the Ercros accounts are the demand for final products, the price of these products, the price of raw materials and energy, and, consequently, the contribution. However, he has remarked that all the other concepts of the income statement remain at levels similar to those they had before the epidemic, so the effects on results are a linear consequence of the loss of contribution.

Unlike the Great Recession of 2008/2009, which affected both sales and margins, the crisis caused by COVID-19 is essentially one of sales, since the unit industrial margin for the first half of 2020 is expected to increase and reduce the loss of the absolute contribution by EUR 13.1 million.

Zabalza assured that the sanitary control of the crisis is showing very significant progress, that “in a relatively short period of time should allow us to return to pre-crisis levels of economic activity. If this forecast is confirmed, the COVID-19 crisis will have been intense but brief and, unlike the Great Recession of 2008/2009, it will have happened over an economic system that was working properly and that has not been excessively damaged. Under these conditions, recovery can be quick and we are prepared to achieve maximum performance out of it”.

6,420 shareholders holding 73,042,434 shares attended the meeting, representing 69.620% of the subscribed capital.

Barcelona, June 5, 2020