

BEFESA

Company Presentation

Disclaimer

This presentation contains forward-looking statements and information relating to Befesa and its affiliates that are based on the beliefs of its management, including assumptions, opinions and views of Befesa and its affiliates as well as information cited from third party sources. Such statements reflect the current views of Befesa and its affiliates or of such third parties with respect to future events and are subject to risks, uncertainties and assumptions.

Many factors could cause the actual results, performance or achievements of Befesa and its affiliates to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others: changes in general economic, political, governmental and business conditions globally and in the countries in which Befesa and its affiliates do business; changes in interest rates; changes in inflation rates; changes in prices; changes to national and international laws and policies that support industrial waste recycling; legal challenges to regulations, subsidies and incentives that support industrial waste recycling; extensive governmental regulation in a number of different jurisdictions, including stringent environmental regulation; management of exposure to credit, interest rate, exchange rate and commodity price risks; acquisitions or investments in joint ventures with third parties; inability to obtain new sites and expand existing ones; failure to maintain safe work environments; effects of catastrophes, natural disasters, adverse weather conditions, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of our plants; insufficient insurance coverage and increases in insurance cost; loss of senior management and key personnel; unauthorised use of Befesa's intellectual property and claims of infringement by Befesa of others' intellectual property; Befesa's ability to generate cash to service its indebtedness changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.

Befesa and its affiliates do not assume any guarantee that the assumptions underlying forward-looking statements are free of errors nor do they accept any responsibility for the future accuracy of the opinions expressed herein or the actual occurrence of the forecasted developments. No representation (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein or otherwise resulting, directly or indirectly, from the use of this document.

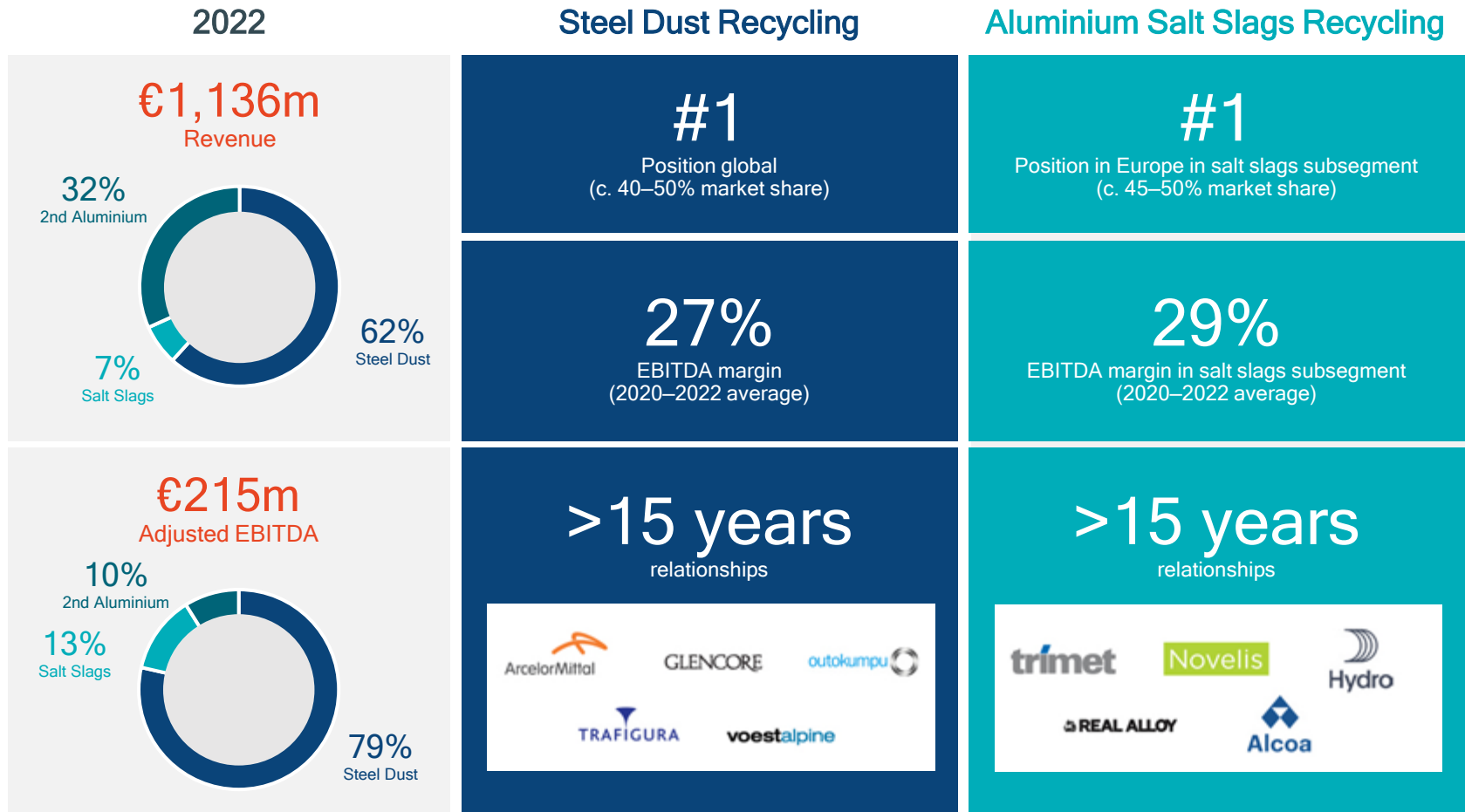
This presentation is intended for information only and should not be treated as investment advice. It is not intended as an offer for sale, or as a solicitation of an offer to purchase or subscribe to, any securities in any jurisdiction. Neither this presentation nor anything contained therein shall form the basis of, or be relied upon in connection with, any commitment or contract whatsoever. This presentation may not, at any time, be reproduced, distributed or published (in whole or in part) without prior written consent of Befesa.

2022 figures have been audited.

This presentation includes Alternative Performance Measures (APM), including EBITDA, EBITDA margin, EBIT, EBIT margin, net debt and capital expenditures which are not measures of liquidity or financial performance under International Financial Reporting Standards (IFRS). EBITDA is defined as operating profit for the period (i.e. EBIT) before the impact of amortisation, depreciation, impairment and provisions. EBITDA margin is defined as EBITDA divided by revenue. EBIT is defined as Operating profit for the year. The Company uses EBIT to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets. EBIT margin is defined as EBIT as a percentage of revenue. These non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating, investing or financing activities, or other financial measures of Befesa's results of operations or liquidity derived in accordance with IFRS. Befesa believes that the APM included in this report are useful measures of its performance and liquidity. Other companies, including those in the industry in which Befesa operates, may calculate similarly titled financial measures differently than Befesa does. Because all companies do not calculate these financial measures in the same manner, Befesa's presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These APM are not audited.

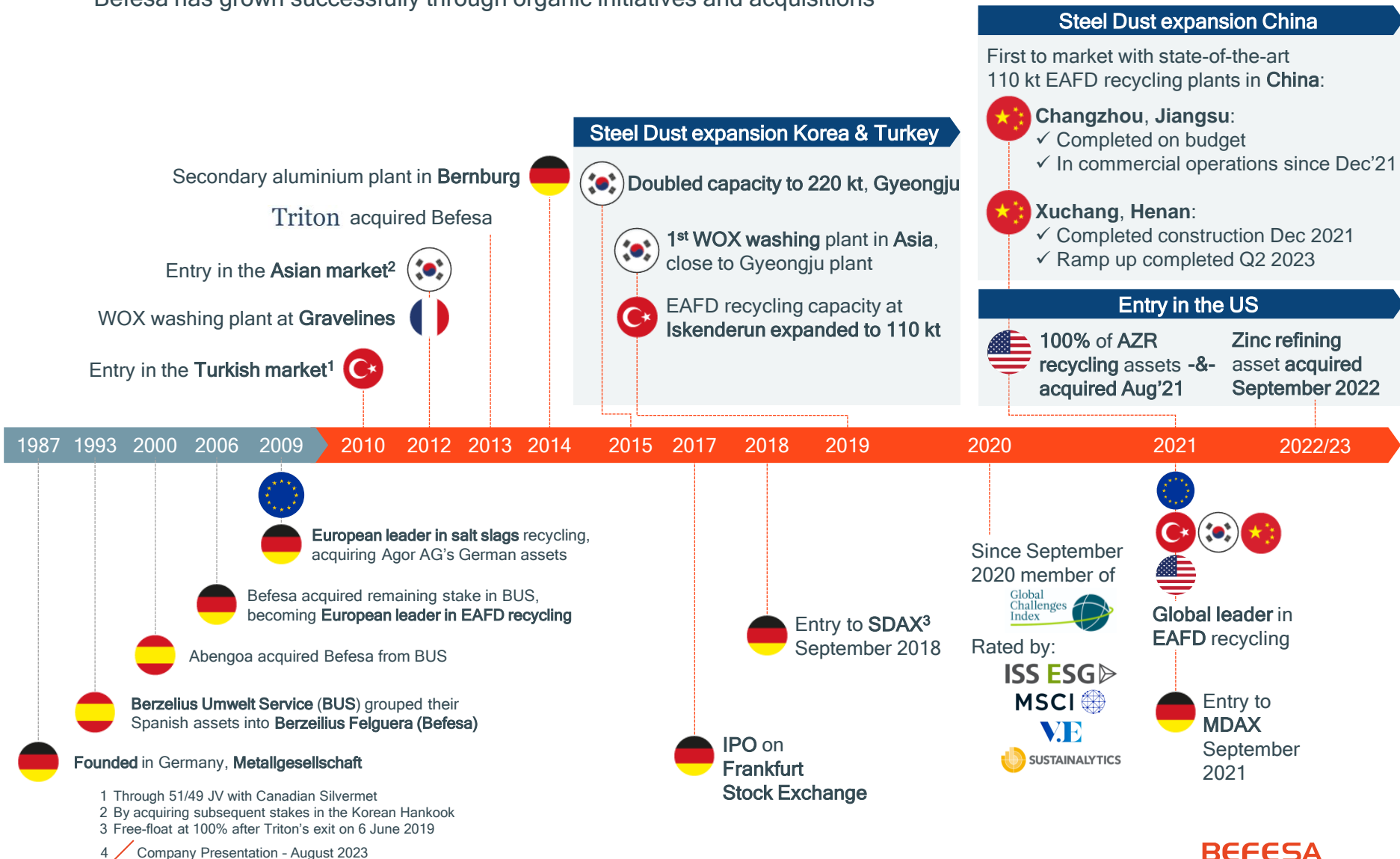
Befesa at a glance

Global leader in Europe, the US and Asia in providing regulated critical hazardous waste recycling services to the steel and aluminium industries



Key milestones

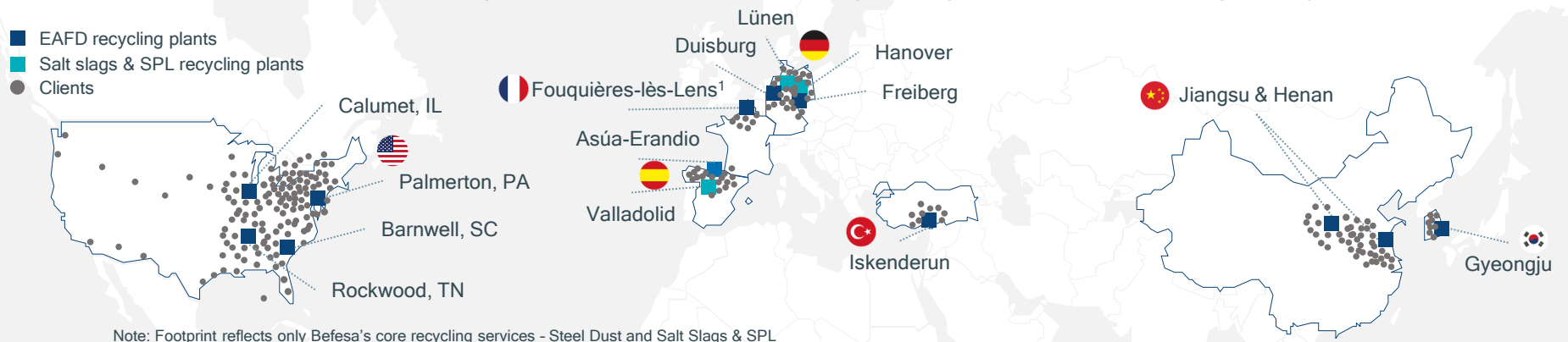
Befesa has grown successfully through organic initiatives and acquisitions



1 Through 51/49 JV with Canadian Silvermet
 2 By acquiring subsequent stakes in the Korean Hankook
 3 Free-float at 100% after Triton's exit on 6 June 2019
 4 / Company Presentation - August 2023

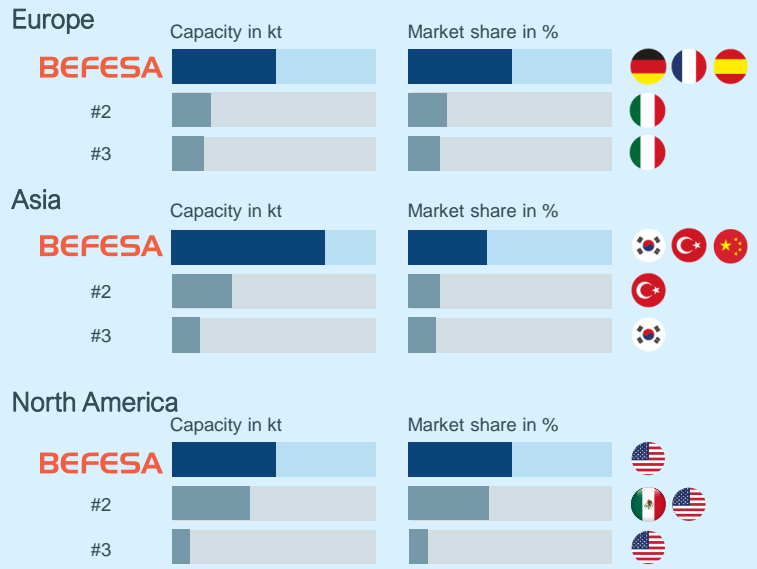
Global leader in Europe, North America and Asia

Befesa is the global leader in steel dust and the European leader in salt slags recycling services with a competitive advantage due to its close-proximity to key clients; 24 plants globally

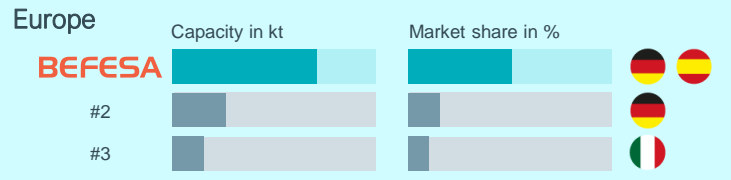


Note: Footprint reflects only Befesa's core recycling services - Steel Dust and Salt Slags & SPL

STEEL DUST RECYCLING



ALU SALT SLAGS RECYCLING



1 50/50 joint venture with Recylex

Highly regulated and critical service model

Befesa is the leading environmental services partner in the circular economy of the 2nd steel and aluminium industry by recycling and avoiding the landfilling of c. 1.8 Mt hazardous residues and recovering c. 1.5 Mt of new valuable materials



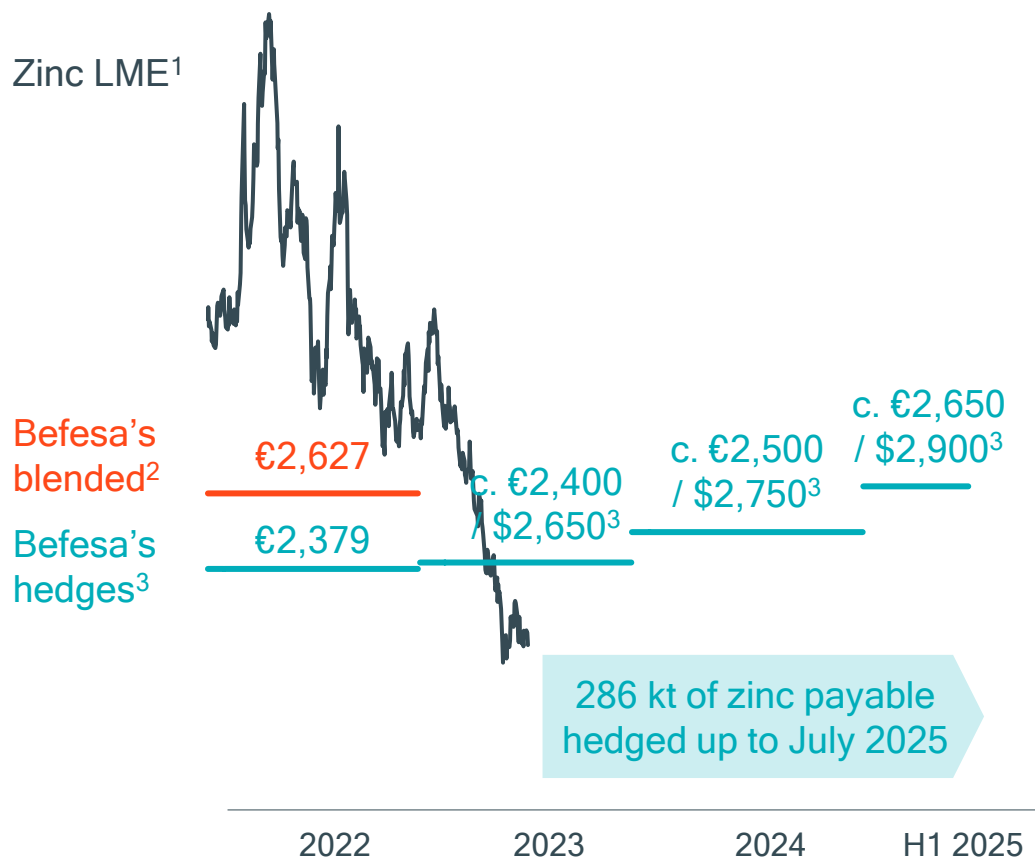
All figures are of the year 2022

Value chains are simplified and only reflect Befesa's core business segments (i.e. Steel Dust; Aluminium Salt Slags):

- Within Steel Dust Recycling Services business segment Befesa manages a Stainless sub-segment (90 kt stainless-steel dust throughput in 2022)

- Within Aluminium Salt Slags Recycling Services business segment Befesa manages a Secondary Aluminium sub-segment (161 kt secondary aluminium alloys produced in 2022)

Befesa's hedging strategy provides price visibility and lowers impact from zinc price volatility








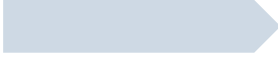
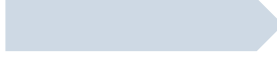


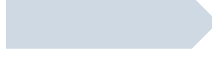
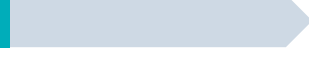
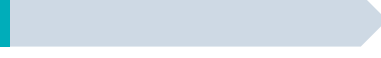

- Befesa's hedging strategy unchanged
 - 1–3 years forward
 - Targeting 60% to 75% of zinc equivalent volume
 - Befesa providing no collateral
- Befesa's hedging strategy has proven **successful** providing **price visibility** and **lowering impact** from zinc price volatility
- Befesa with 60–75% of its zinc exposure **hedged up to July 2025**
- For the **unhedged portion**: **each \$100/t change** in zinc LME price represents **€8–9m impact** on full year EBITDA

¹ London Metal Exchange (LME) zinc daily cash settlement prices

² Zinc blended prices are averages computed based on the monthly effective LME zinc and hedging prices weighted with the respective hedged and non-hedged volumes

³ Assumes FX €//\$ of 1.10 for 2023, 2024, and 2025

Well defined growth roadmap in execution towards 2027

Growth projects	<ul style="list-style-type: none"> ● Steel Dust ● Alu Salt Slags 	Indicative timing & progress		Capex €m	EBITDA run-rate €m
		2023	2027e		
	1 Zinc refining ✓			€110–120	€35–45
	2 Palmerton refurbishment				
	3 China III, 1 st kiln Guangdong				
	4 China IV, 2 nd kiln Jiangsu			€115–125	€30–35
	5 China V, 2 nd kiln Henan				
	6 EAFD recycling plant				
	7 WOX washing plant			€105–115	€30–35
	8 2 nd Aluminium expansion				
	9 Salt Slags recycling plant				
				€410–450	€110–135
					

Palmerton plant refurbishment progressing well to seize market growth in 2024/25

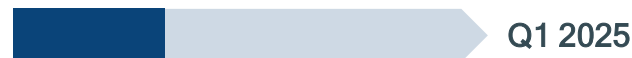


Plant overview



- 2 kilns with c. 163 kt → 220 kt (post-refurbishment) EAFD recycling capacity
- Producing WOX as a marketable product

Indicative timing and status



- > Demolition works ongoing
- > Finishing EPC contract (two candidates)

Timing confirmed:

Phase I: completed by Q3 2024

Phase II: completed by beginning of 2025

Key financials



- Capex: €60–70 million
- EBITDA run-rate: €25–30 million
- Payback: 2–3 years; IRR: >30%

Preparing Befesa's next EAFD recycling plant in the province of Guangdong



Around 126 million people (2022), 10–15% of China



GDP: US\$1.9 T (2022), Top 10 global; 5% growth target for 2023; 5–6% p.a. growth (2020–2035e)



Largest auto production in China



Top 5 EAF steelmaking clusters in China, with 200–400 kt EAFD p.a.



Plant overview

- 1 kiln with 110 kt EAFD recycling capacity
- Option for expansion on site: 2 additional kilns x 110 kt = +220 kt capacity

Indicative timing and status



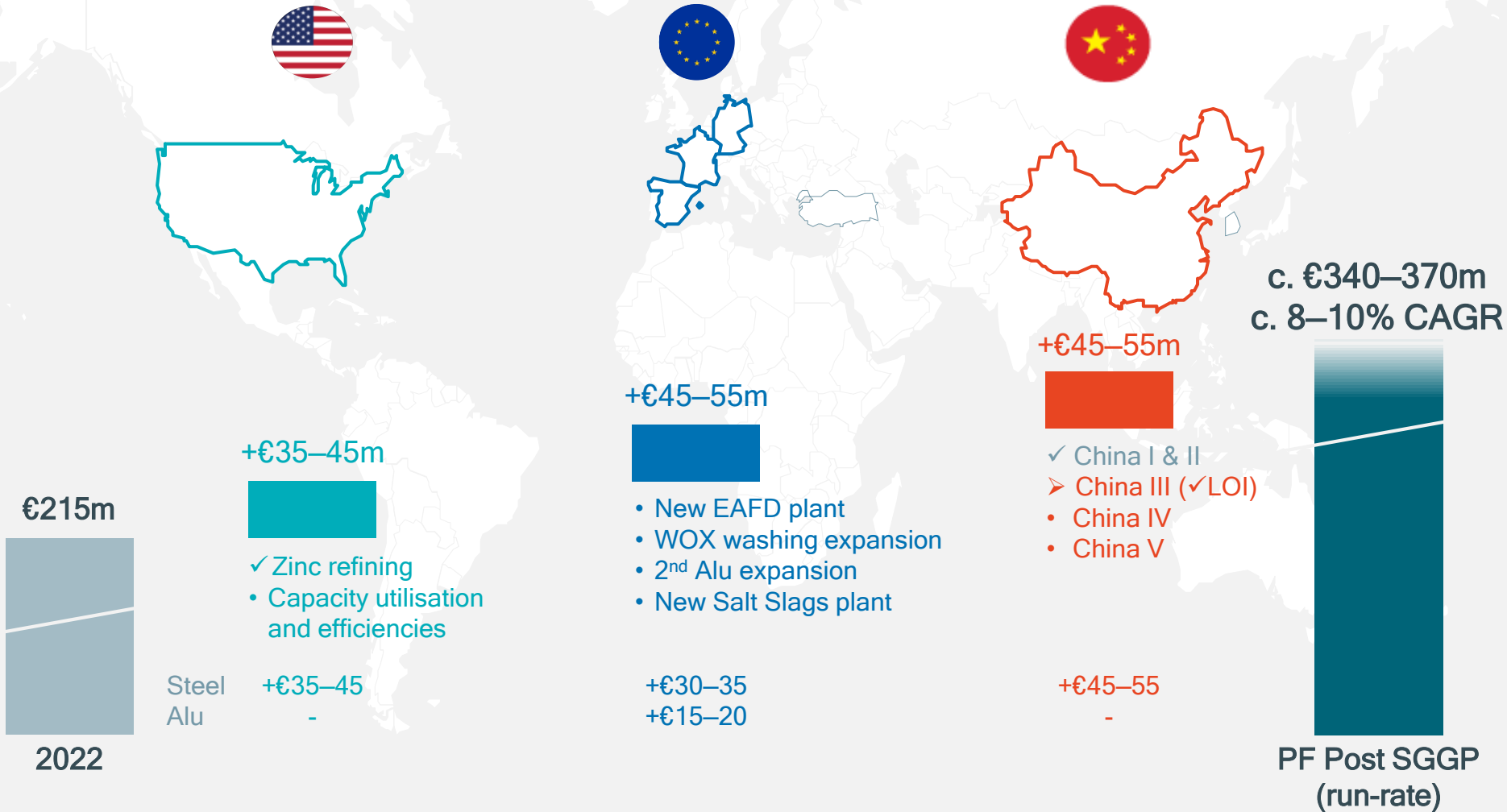
- ✓ Investment agreement signed Q1 2023
 - ✓ Land lot assigned Q1 2023
 - > Levelling lot; Preparing basic engineering
 - > Long-term supply contracts with 3rd parties ongoing
- Construction: Q4 2023 – Q4 2024
- Ramp up operations: Q1 2025

Key financials



- Capex: €45–50 million
- EBITDA run-rate: €8–12 million
- Payback: 4–5 years; IRR: >20%

Well defined growth roadmap driving +€125–155m EBITDA growth, 8–10% CAGR, globally balanced



ESG highlights

Key player within the circular economy, with c. 1.8 Mt recycled and c. 1.5 Mt of valuable materials







Lost Time Injury Rate (LTIR)¹

0.55 LTIR in 2022 (all time low)

-32% yoy (2021: 0.81)

-90% vs baseline (2015: 5.71)

ESG Ratings²

	30 June 2023	31 December 2022
 ISS ESG	B / Prime	Top 3 of 69
 SUSTAINALYTICS	#181 / 430	#181 / 430
 V.E	#7 / 103	#7 / 103
 MSCI	BBB	BBB
 esgbook	Top 12%	Top 5%
 S&P Global	Top 15%	Top 15%

ESG Progress Report 2022

- **Published** on 30 June 2023
- Including **progress on CO₂ intensity reduction plan and EU Taxonomy alignment disclosures**
- **New topics:** Scope 3 emissions; Production of green metals from 100% recycled material; Befesa's contribution to biodiversity

¹ Befesa's own employees and contractors

² Industry groups under which Befesa is ranked by the respective ESG rating companies: ISS ESG, Metals & mining; Sustainalytics, Commercial services; V.E, Business services; MSCI, Commercial services & supplies; esgbook, Industrial services; S&P Global, Commercial services & supplies

Experienced and stable management team

Senior management team delivering results through long-standing industry expertise, entrepreneurial spirit and focus on operational excellence as well as governance and compliance processes



Javier Molina
Executive Chair

- Executive Chair since 2022
- Befesa CEO 2000-2022
- Leading Befesa for 22+ years



Asier Zarraonandia
CEO

- CEO since 2022
- VP Steel Dust 2006-2022
- 22 years with Befesa



Rafael Pérez
CFO

- CFO since 2023
- 15+ years with Befesa



Federico Barredo
VP Aluminium
Salt Slags
Recycling Services

- 25+ years with Befesa
- Running Befesa's Aluminium Salt Slags business for >20 years

Key achievements / track record

-  Extensive experience in steel and aluminium recycling business, incl. managing through the cycle
-  Strong performance results through focus on operational excellence
-  Building strong business foundation of ESG, compliance and health & safety processes
-  Successful international expansion
-  Track record of successful acquisitions and turnarounds, e.g., BUS, Agor, Alcasa, Hankook, Silvermet, AZR, AZP
-  Experience in developing greenfield projects, e.g., Gravelines, South Korea, Bernburg, China

Multi-year trend – Key financials¹

(€m, unless otherwise stated)

	2017	2018	2019	2020	2021	2022
Revenue	€667.4 ²	€720.1	€647.9	€604.3	€821.6	€1,136.0
Reported EBITDA	€153.0	€176.0	€159.6	€123.5	€189.6	€234.9
Reported EBITDA margin %	22.9% ²	24.4%	24.6%	20.4%	23.1%	20.7%
Adjusted EBITDA	€172.4 ³	€176.0	€159.6	€127.0 ³	€197.6 ³	€214.6 ³
Adjusted EBITDA margin %	25.8% ²	24.4%	24.6%	21.0%	24.0%	18.9%
Net profit⁴	€49.3	€90.2	€82.7	€47.6	€99.7	€106.2
EPS⁵ (€)	€1.02 ⁵	€2.65	€2.43	€1.40	€2.68 ⁵	€2.66 ⁵
Operating cash flow⁶	€91.5	€103.8	€102.5	€92.5	€117.9	€137.3
Cash position end of period	€117.6	€150.6	€125.5	€154.6	€224.1	€161.8
Net debt	€406.4	€376.8	€416.9	€393.6	€470.6	€549.0
Net leverage	x2.36	x2.14	x2.61	x3.10	x2.38	x2.56

1 Full year actual figures audited by external auditors

2 2017 reported revenue amounted to €724.8m; Revenue of €667.4m is comparable after amendment IFRS 15 impacting non-operating revenue

3 2017 EBITDA adjusted due to one-off non-recurrent items primarily related to the IPO; 2020 EBITDA adjusted for €3.5m for the UK Salt Slags plant closure;

2021 EBITDA adjusted for €14.0m one-time AZR acquisition costs, and -€6.0m Hanover Salt Slags plant fire impact; 2022 EBITDA adjusted for -€20.3m, mainly driven by Zinc refining acquisition impacts

4 Net profit and total basic earnings/(losses) per share attributable to the ordinary equity holders of Befesa S.A.

5 2017 EPS impacted by the conversion of the preferred shares carried out in Oct'17 prior to the IPO; The weighted average number of ordinary shares used as the denominator in calculating total basic EPS in 2017

was 25,025 thousand shares vs. 34,067 thousand shares used in 2018-2020; 2021 EPS based on 37,285 weighted average thousand shares after the capital increase of 5,933 thousand new shares to partly fund the AZR acquisition;

2022 EPS based on 39,999 thousand outstanding shares

6 Operating cash flow is after WC change, taxes and interests; pre capex and pre dividend

Multi-year trend – Operational data

	2017	2018	2019	2020	2021	2022
EAFD throughput (kt)	661.0	717.1	665.8	687.0	885.7	1,193.8
EAFD average capacity utilisation (%)	84.7%	92.0%	80.7% / 90.1% ¹	83.2%	83.3% ²	76.8%
Waelz oxide (WOX) sold (kt)	217.8	240.9	217.6	239.2	291.0	407.4
Zinc LME price (€/t)	€2,572	€2,468	€2,276	€1,979	€2,544	€3,302
Zinc hedging price (€/t)	€1,876	€2,051	€2,317	€2,239	€2,151	€2,379
Zinc blended price ³ (€/t)	€2,160	€2,168	€2,280	€2,136	€2,275	€2,627
Salt Slags & SPL treated (kt)	509.9	517.0	492.6	444.6	395.0	322.1
Salt Slags & SPL avg. cap. utilisation (%)	96.2%	97.5%	92.9%	83.9% / 86.9% ⁴	84.0%	68.5% / 96.7% ⁴
Alu alloys produced (kt)	184.1	169.3	176.7	174.3	185.8	160.6
Secondary Alu average capacity utilisation (%)	89.8%	82.6% / 98.1% ⁵	86.2% / 91.1% ⁶	85.0%	90.6%	78.4%
Aluminium alloy FMB price ⁷ (€/t)	€1,766	€1,715	€1,397	€1,424	€2,112	€2,438

¹ Installed capacity and corresponding utilisation rates in 2019 are normalised for the capacity upgrade in Turkey, from 65 kt to 110 kt (plant was shutdown from end of January to mid-August 2019)

² Installed capacity and corresponding utilisation rates in 2021 are proportional figures based on the actual number of days the China and the US plants (after acquisition) operated in the year

³ Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa

⁴ Installed capacity and corresponding utilisation rates in 2020 and following years is normalised for the UK plant closure occurred at year-end 2020; in 2022, it is normalised for the Hanover plant shutdown

⁵ Installed capacity and corresponding utilisation rates in 2018 are normalised for the furnace upgrades in Bilbao (plant was shutdown three months, from 2nd week of June to 3rd week of September), as well as the Barcelona - phase I (plant was shutdown two months, from 4th week of August to 4th week of October)

⁶ Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona - phase II (plant was shutdown three months, from mid-August to mid-November)

⁷ Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works