

BEFESA

Third Quarter 2021

Earnings Presentation

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Electric arc furnace steel dust (EAFD) recycling plant at Asúa-Erandio, Spain

01 / Highlights

Javier Molina - CEO

9M record EBITDA; AZR acquisition closed; ✓MDAX

€136.8m

9M'21 adjusted EBITDA
62% up yoy (9M'20: €84.5m),
24% margin (vs. 19% in 9M'20)
17% or €20m up vs. 9M'19

€42.7m Q3'21 adjusted EBITDA
46% up yoy (Q3'20: €29.3m),
22% margin (vs. 20% in Q3'20)

Plant utilisation continued at solid pre-pandemic levels

€73.9m

9M'21 Operating cash flow
€36.2m up yoy (9M'20: €37.8m)

€200.7m of cash on hand, post-dividend and acquisition funding;
€4.0m up vs. Q2'21 at €196.6m

Leverage x2.33 LTM Q3'21, improved from x3.10 at YE'20 and x3.31 Q3'20

FY'21 guidance

- **FY adjusted EBITDA** of around €195m, up +54% yoy
- **Revised upwards** (previous: €165-190m) to reflect record YTD earnings and c. 4 months of acquired US operations

US

Acquired 100% of AZR's recycling assets

- Transaction **closed on 17 August 2021**; Consolidating six weeks in Q3'21 financials; Operations **delivering as expected**
- **Renamed** to Befesa Zinc US and **CEO/President appointed**
- **Driving progress** on integration and related synergies

China

Expansion on target

- **Jiangsu:** Opening event mid-Nov; Starting commercial operations
- **Henan:** Completion of construction by YE'21, as scheduled; Commissioning/ramp up H1'22

ESG

Befesa continues to be a vital player within the **circular economy** with **strong ESG credentials**

Hedging

- **Non-US** hedge book fully extended to Oct'24, c. **3 years**;
US (AZR) to Apr'24, c. **2.5 years**
- Providing increased earnings and cash flow visibility

MDAX

- **IPO in 2017**
- **SDAX in 2018**
- **MDAX entry 20 Sept 2021**

Credit ratings

Unchanged from June 2021:

- **S&P:** 'BB+', outlook stable'
- **Moody's:** 'Ba2, outlook stable'



Secondary aluminium production plant at Bernburg, Germany

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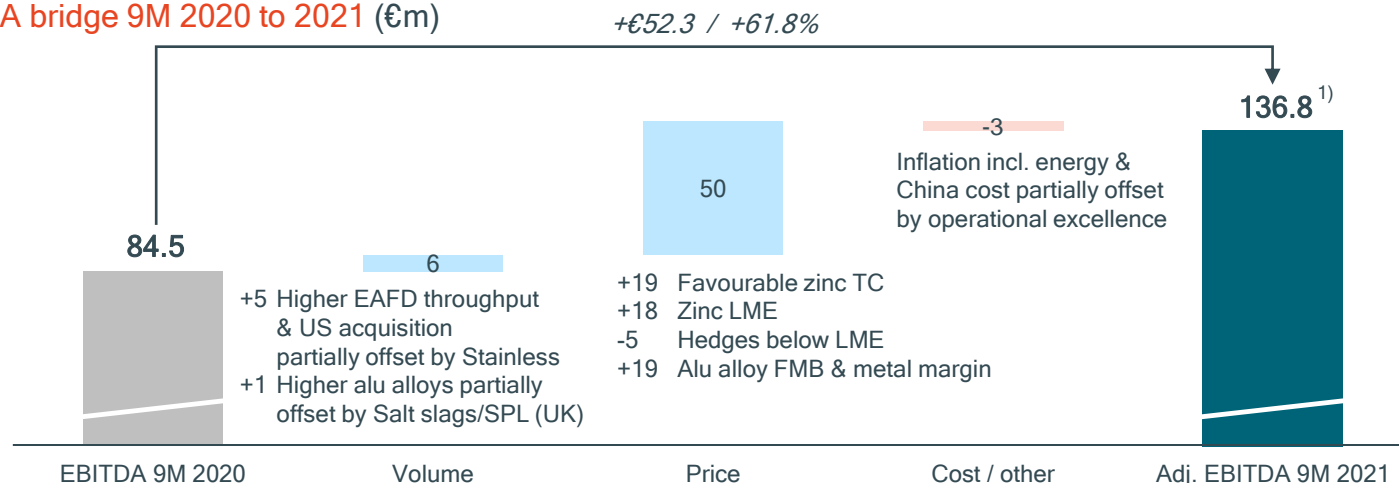
Financial results

Wolf Lehmann - CFO

Consolidated key financials

9M adjusted EBITDA at €136.8m, all-time-high, driven by strong base metal prices and continued solid volumes with plant utilisation at pre-pandemic levels; Acquired Zinc US operations delivering as expected

Adjusted EBITDA bridge 9M 2020 to 2021 (€m)



Key metrics (€m, unless otherwise stated)

	9M 2020	yoy change	9M 2021
Revenue	€446.4	+€127.8 / +28.6%	€574.2
Adjusted EBITDA ¹⁾	€84.5	+€52.3 / +61.8%	€136.8
Adjusted EBITDA margin	18.9%	+488 bps	23.8%
Net profit	€31.4	+€30.1 / +95.8%	€61.5
EPS ²⁾ (€)	€0.92	+€0.77 / +83.4%	€1.69
Operating cash flow	€37.8	+€36.2 / +95.7%	€73.9
Cash	€107.8	+€92.9 / +86.2%	€200.7
Net debt	€420.3	+€61.8 / +14.7%	€482.1
Net leverage ³⁾	x3.31	-x0.98	x2.33

1) 9M 2021 EBITDA adjusted for €8.1m non-recurring AZR acquisition-related costs; 9M 2021 reported EBITDA amounted to €128.7m

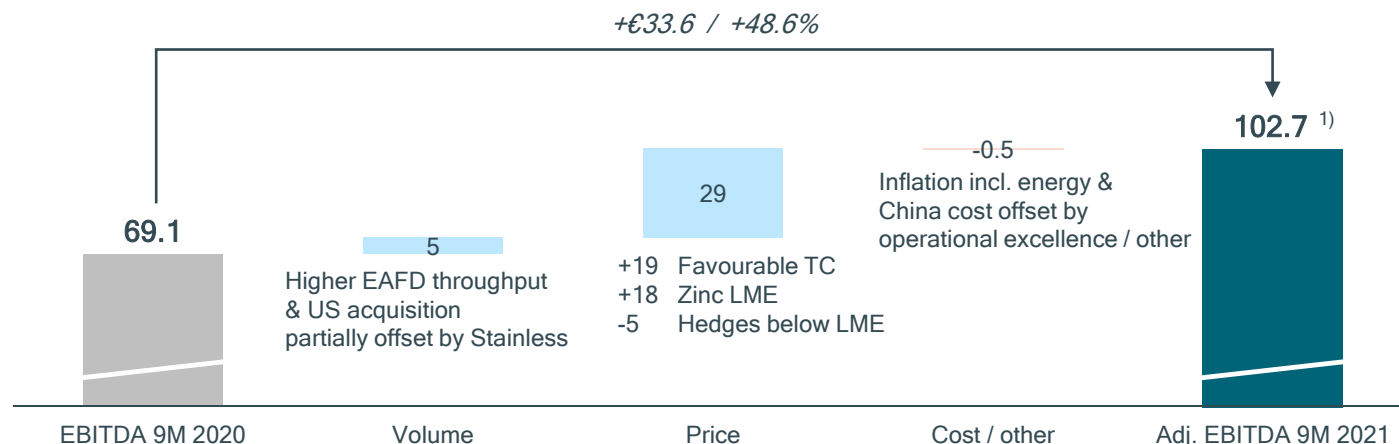
2) EPS in 9M 2020 is based on 34,066,705 shares; 9M 2021 is based on 36,370,474 weighted average shares after the capital increase of 5,933,293 new shares to partly fund the AZR acquisition

3) Net leverage calculated on an LTM basis, see details on page 9, "Cash flow, net debt & leverage"

Steel Dust Recycling Services

9M adjusted EBITDA at €102.7m, performing at strongest earnings level with 34% margin, driven mainly by favourable zinc prices; Overall plant utilisation continued at pre-pandemic levels; Acquired US operations delivering as expected

Adjusted EBITDA bridge 9M 2020 to 2021 (€m)



Key metrics (€m, unless otherwise stated)

	9M 2020	yoy change	9M 2021
Revenue	€257.3	+€46.8 / +18.2%	€304.1
Adjusted EBITDA ¹⁾	€69.1	+€33.6 / +48.6%	€102.7
Adjusted EBITDA margin	26.9%	+692 bps	33.8%
EAFD throughput (kt)	501.9	+61.4 / +12.2%	563.3
Plant utilisation	81.2%	-26 bps	81.0%
Waelz oxide (WOX) sold (kt)	182.4	+10.2 / +5.6%	192.6
Zinc LME price (€/t)	€1,905	+€509 / +26.8%	€2,414
Zinc hedging price (€/t)	€2,232	-€62 / -2.8%	€2,170
Zinc blended price ²⁾ (€/t)	€2,089	+€152 / +7.3%	€2,241
Treatment charge (TC) (\$/t)	\$300	-\$141 / -47.0%	\$159

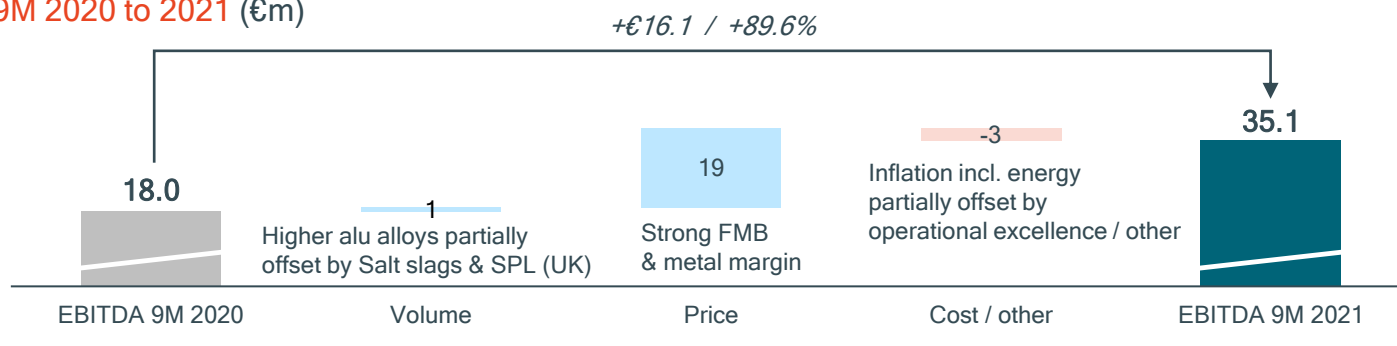
1) 9M 2021 EBITDA adjusted for €3.6m non-recurring AZR acquisition-related costs; 9M 2021 reported EBITDA amounted to €99.2m

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

Aluminium Salt Slags Recycling Services

9M EBITDA at €34.1m, delivered record level results, up 90% yoy; Mainly driven by higher aluminium metal prices yoy; Overall plant utilisation continued at solid pre-pandemic levels $\geq 90\%$

EBITDA bridge 9M 2020 to 2021 (€m)



Key metrics (€m, unless otherwise stated)

	9M 2020	yoy change	9M 2021
Revenue ¹⁾	€192.0	+€80.2 / +41.8%	€272.2
• Salt Slags	€54.3	+€3.0 / +5.6%	€57.3
• Secondary Aluminium	€159.2	+€85.1 / +53.4%	€244.3
EBITDA	€18.0	+€16.1 / +89.6%	€34.1
• Salt Slags	€11.5	+€4.4 / +38.6%	€15.9
• Secondary Aluminium	€6.5	+€11.7 / +179.3%	€18.2
EBITDA margin (Salt Slags)	21.1%	+660 bps	27.7%
Salt Slags & SPL treated (kt)	333.0	-30.0 / -9.0%	303.0
Plant utilisation ²⁾	83.9%	+609 bps	90.0%
Aluminium alloys produced (kt)	123.7	+18.7 / +15.1%	142.4
Plant utilisation ²⁾	80.6%	+1,224 bps	92.8%
Alu alloy FMB price ³⁾ (€/t)	€1,342	+€636 / +47.4%	€1,978

1) Total revenue is after intersegment eliminations (9M 2020: €21.5m; 9M 2021: €29.4m)

2) Plant utilisation rates calculated as either salt slags/SPL treated, or aluminium alloys produced against the corresponding annual installed capacity, based on the calendar days of the period

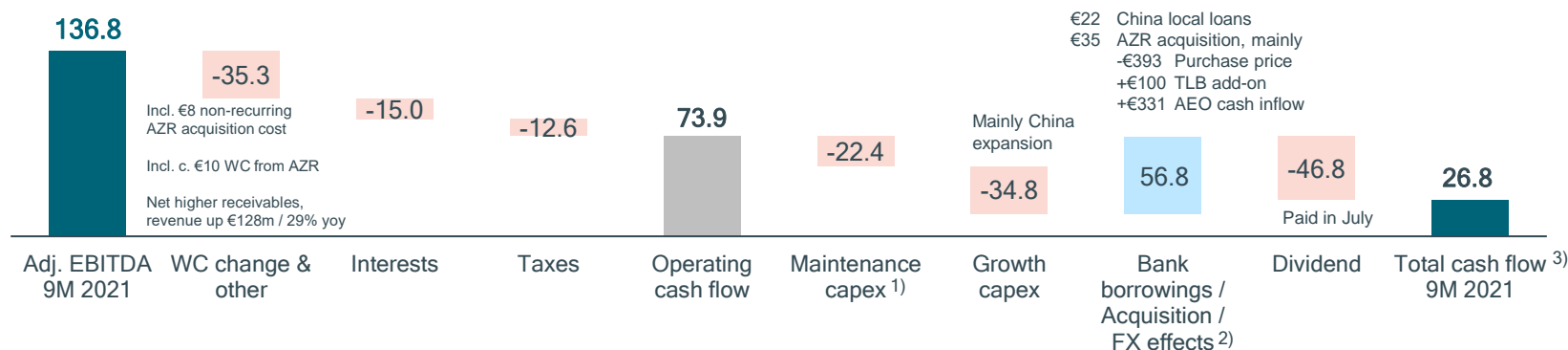
3) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

Cash flow, net debt & leverage

- S&P upgraded Befesa to 'BB+', outlook stable' (18 June 2021)
- Moody's affirmed Befesa's 'Ba2, outlook stable' (17 May 2021)

Continued strong liquidity of more than €275m including record €201m cash on hand, post-dividend & acquisition funding;
Net leverage of x2.33 at Q3'21 closing, improved vs. x3.10 at YE'20 and x3.31 at Q3'20

Adjusted EBITDA to total cash flow (€m)



1) Includes investments required to maintain or replace assets as well as those related to productivity, compliance and IT

2) Mainly includes the effect of the AZR acquisition, cash bank inflows/outflows from bank borrowings and other liabilities, as well as the effect of foreign exchange rate changes on cash

	At 30 Sept 2020	yoy change	At 30 Sept 2021
LTM EBITDA ⁴⁾	€127.0	+€80.2 / +63.1%	€207.2
9M Operating cash flow ⁵⁾	€37.8	+€36.2 / +95.7%	€73.9
Gross debt ⁶⁾	€528.2	+€154.6 / +29.3%	€682.8
Cash on hand ³⁾	€107.8	+€92.9 / +86.2%	€200.7
Net debt	€420.3	+€61.8 / +14.7%	€482.1
Net leverage	x3.31	-x0.98	x2.33

3) Cash on hand of €154.6m at YE'20 increased by €26.8m 9M cash flow and €19.3m cash and cash equivalents incorporated from Befesa Holdings US Inc., ending at €200.7m total cash on hand

4) LTM Q3 2021 EBITDA adjusted for €8.1m non-recurring AZR acquisition-related costs and c. €30m AZR's LTM EBITDA

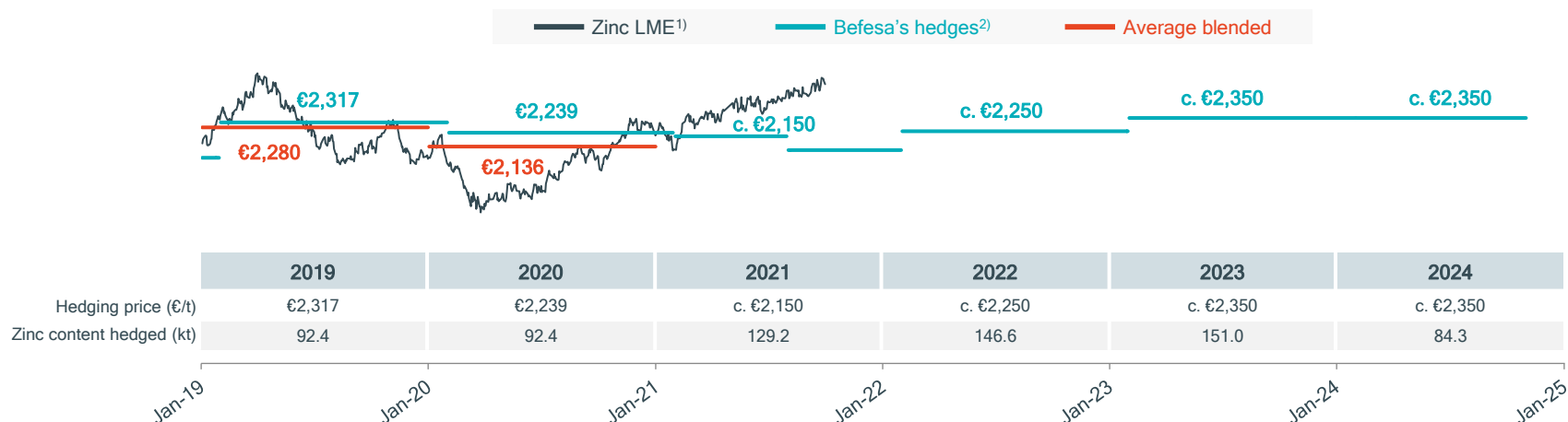
5) Includes AZR's operating cash flows since closing of the acquisition on 17 Aug 2021

6) €682.8m gross debt at 30 Sept 2021 includes €100m TLB add-on to partly fund the AZR acquisition, as well as China local loans

Zinc prices & hedging strategy

Non-US operations fully hedged up to & incl. Oct'24, c. 3 years; US operations hedged up to & incl. Apr'24, c. 2.5 years;
Improving earnings & cash flows visibility

Zinc LME price vs. Befesa's hedging prices (€/t)



Zinc hedges & blended average prices (€/t)

	9M 2020	9M 2021
Unhedged	34% or 36kt @ €1,905/t LME	29% or 32kt @ €2,414/t LME
Hedged	66% or 69kt @ €2,232/t	71% or 78kt @ €2,170/t
Blended³⁾	€2,089/t	€2,241/t

+€152/t / +7% yoy

Hedging strategy unchanged:

- Zinc Europe & Korea operations fully hedged up to & incl. Oct'24, c. **3 years**
US operations hedged up to & incl. Apr'24, c. **2.5 years**
- Targeting **60% to 75%** of zinc equivalent volume
- Befesa providing **no collateral**

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

2) Includes BZ US (former AZR) hedge book for the following periods: 18 Aug'21 to Jan'22: 36.8kt zinc hedged at c. \$2,500 (c. €2,140 at FX 1.17); Feb'22-Jan'23: 54.2kt zinc hedged at c. \$2,765 (c. €2,365 at FX 1.17); Feb'23-Jan'24: 58.6kt zinc hedged at c. \$2,900 (c. €2,450 at FX 1.18); Feb'24-Apr'24: 15.0kt zinc hedged at c. \$2,975 (or c. €2,490 at FX 1.19); FX \$/€ forwards as of 27 Oct'21, source: cmegroup.com

3) 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



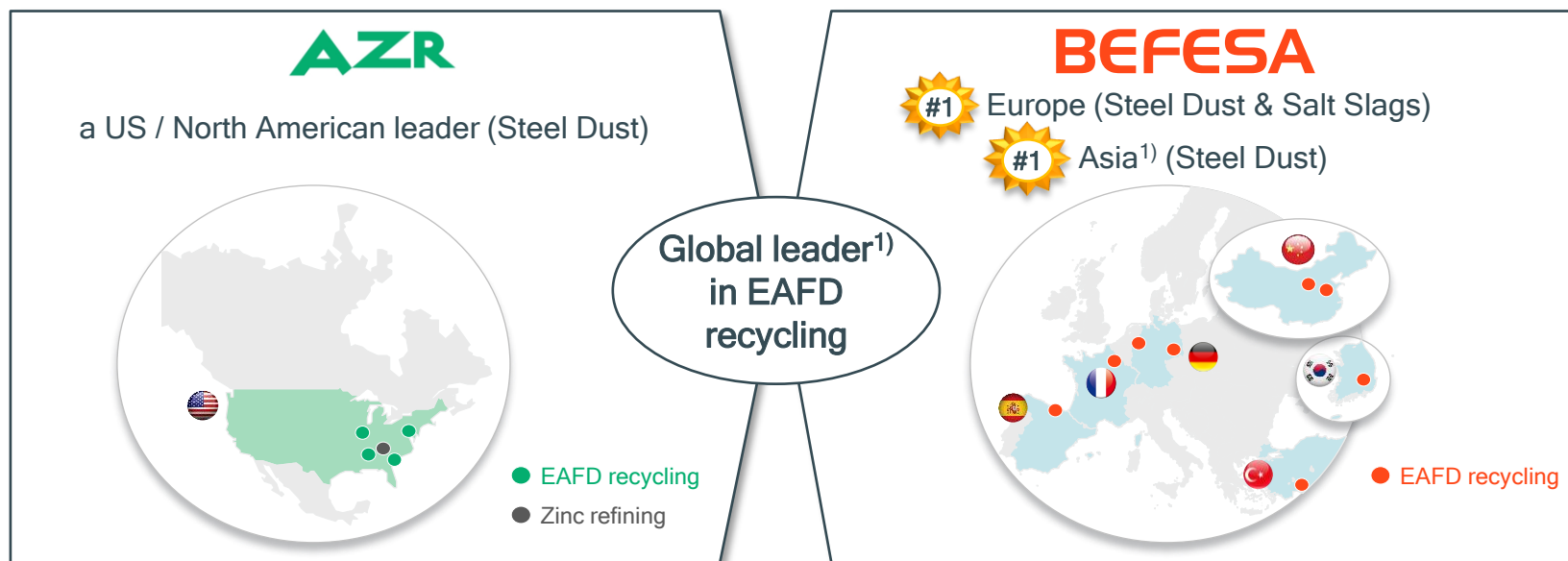
Nanjing City, location of Befesa China's HQ

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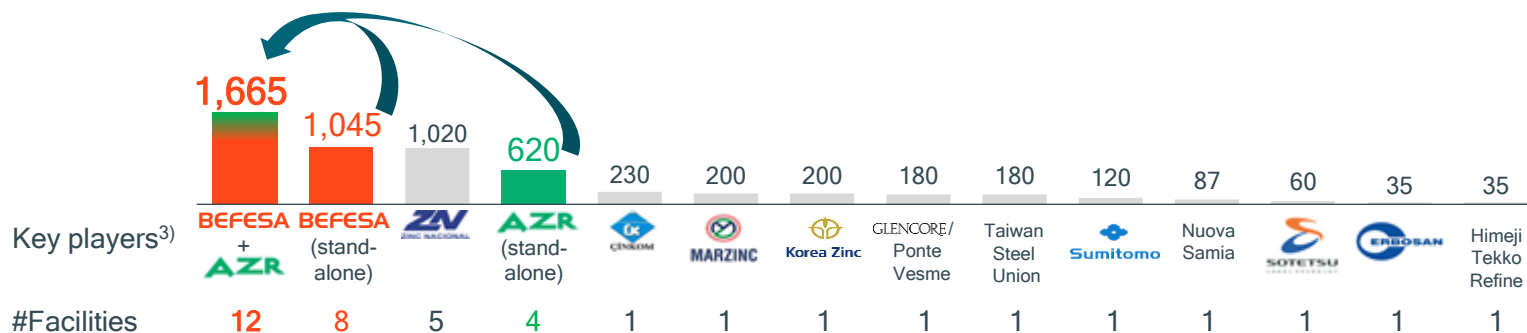
Growth projects & outlook

Javier Molina - CEO

Befesa closed AZR acquisition on 17 August; Operations delivering as expected



EAFD annual installed recycling capacity¹⁾²⁾, kt



1) Source: Own estimate based on recycling capacity; 2) Based on Company's public reports and presentations; 3) Using Waelz technology

China I

Changzhou plant, Jiangsu province

Key facts of the plant:

- 1st EAFD recycling plant in China
- Capacity to recycle 110kt EAFD p.a.
- Total investment: c. €42m
- Location: Changzhou (Jiangsu province)

Status update:

- ✓ Long-term financing closed Jul'20
- ✓ Construction completed, on time & on budget
- Opening event in mid November
- Starting commercial operations



↑ Changzhou plant, completed



↑ Recycling kiln in operations

China II

Xuchang plant, Henan province

Key facts of the plant:

- 2nd EAFD recycling plant in China
- Capacity to recycle 110kt EAFD p.a.
- Total investment: c. €42m
- Location: Xuchang (Henan province)

Status update:

- ✓ Long-term financing closed Dec'20
- Construction progressing on time & on budget; Completion scheduled at YE'21
- Commissioning/ramp up H1'22; Commercial output H2'22



↑ Xuchang construction site, mid-October 2021

Befesa FY'21 EBITDA guidance & assumptions

FY'21 guidance range revised upwards to reflect records YTD earnings and c. 4 months of acquired Zinc US operations;
Strong base metal prices offsetting higher inflation / energy cost trends

Adjusted EBITDA	around €195m (new record, up from previous €165-190m, incl. c. 4 months US operations)
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Main assumptions:

1) Volume, Capacity utilisation	<ul style="list-style-type: none"> • Strong recovery from COVID-19, back to pre-pandemic levels • China I (Jiangsu) ramping up & delivering initial commercial output in Nov/Dec '21 • Overall capacity utilisation at c. 85-95% • US operations since 17 Aug, contributing as expected
2) Metal prices & inflation incl. energy	<ul style="list-style-type: none"> • Metal market prices continuing strong at current price environment for Q4 - approx. offsetting - higher inflationary / energy cost trends • TC referenced at \$159/t
3) Dividend	<p>€46.8m (€1.17 / share) dividend distributed in July, equal to:</p> <ul style="list-style-type: none"> • Distributing 98% of €47.6m net profit in FY'20 • Distributing net profit at upper-end of 50% on a two-year view: Dividends distributed €71.7m equal to 55% of FY'19 & '20 combined net profit of €130.3m
Capex	<ul style="list-style-type: none"> • Continuing to fund China expansion • Total capex of c. €80-100m incl. US Operations: c. €50-60m growth (China), majority funded through China local loans; c. €30-40m regular maintenance / IT / compliance / operational excellence & US operations
Cash flow, cash position & net leverage	<ul style="list-style-type: none"> • Cash flow generation >€50m • Cash position > €200m • Net leverage c. x2.1 (back to 2018 level) incl. US acquisition

Note: FY 2021 EBITDA guidance includes the adjustment for the non-recurring AZR acquisition-related costs



EAFD recycling plant at Gyeongju, South Korea

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ESG at Befesa

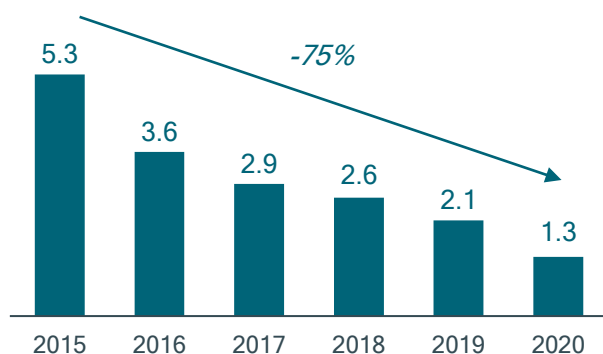
Javier Molina - CEO

Sustainability at Befesa

Key player within the circular economy, with c. 2 million tonnes recycled and c. 1.5 million tonnes of valuable materials recovered annually, that contributes significantly to increase efficiency of raw material use in the metals industry and promotes the transition towards a more sustainable economy

Lost Time Injury Rate (LTIR)

- Excellence in health & safety is a priority for Befesa
- Aiming to reduce LTIR by at least 50% by 2024 vs. 2019



ESG Ratings

ISS ESG

B
Top 3 of 205
Metals & mining

SUSTAINALYTICS

14.8
#3 of 60
Commercial services

V.E

#5 of 105
Business services

MSCI

BBB
Commercial services

Global Challenges Index (GCX)

- Befesa selected on 18 Sept 2020
- GCX comprises a total of 50 shares selected according to strict criteria from a total of c. 6,000 companies worldwide



Sustainability Report

- Befesa 2020 ESG Progress Update was published on 27 April 2021



Waelz kiln at EAFD recycling plant in Gyeongju, South Korea

05 / Investor agenda & appendix

Investor agenda

Financial calendar 2022

Prelim. YE Results 2021 & Conf. Call
Thursday, 24 February 2022

Annual Report 2021
Wednesday, 30 March 2022

Q1 2022 Statement & Conf. Call
Tuesday, 26 April 2022

Annual General Meeting
Thursday, 16 June 2022

H1 2022 Interim Report & Conf. Call
Thursday, 28 July 2022

Q3 2022 Statement & Conf. Call
Thursday, 27 October 2022

Next investor conferences Q4 2021 Q1 2022

**London - Global Natural Resources
Conference 2021**
11 November 2021 - Goldman Sachs

**Goldman Sachs Global Metals & Mining
Conference 2021 (virtual)**
17-18 November 2021 - Goldman Sachs

Deutsches Eigenkapitalforum 2021
22-23 November 2021 - Deutsche Börse AG

London - Stifel US Industrials Summit
2-3 December 2021 - Stifel

**Pennyhill Park, Surrey - Berenberg
European Conference 2021**
7 December 2021 - Berenberg

ODDO BHF Forum 25th Edition (virtual)
6 & 7 January 2022 - ODDO BHF

**Manhattan, NY - Berenberg German
Corporate Conference USA**
10-12 January 2022 - Berenberg

**New York, NY - Commerzbank German
Investment Seminar**
10-12 January 2022 - Commerzbank

**Bank of America SMID Cap Conference
2022 (virtual)**
11-13 January 2022 - Bank of America

**UniCredit & Kepler Cheuvreux 20th German
Corporate Conference (virtual)**
18 January 2022 - UniCredit & Kepler
Cheuvreux

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Q3 2021/20 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
Revenue¹⁾ <i>yoy change</i>	€108.7 +€27.0 / +33.0%	€20.0 +€3.6 / +22.1%	€72.0 +€18.0 / +33.3%	-€10.8 -€3.8 / -	€190.0 +€44.8 / +30.9%
Reported EBITDA <i>yoy change</i>	€29.9 +€5.5 / +22.7%	€4.8 +€2.1 / +79.9%	€4.5 +€1.4 / +44.6%	-€4.6 -€3.7 / -	€34.6 +€5.3 / +18.0%
Reported EBITDA margin <i>yoy change</i>	27.5% -231 bps	23.8% +763 bps	6.2% +49 bps	- -	18.2% -198 bps
Adjusted EBITDA²⁾ <i>yoy change</i>	€33.5 +€9.1 / +37.4%	€4.8 +€2.1 / +79.9%	€4.5 +€1.4 / +44.6%	-€0.1 +€0.8 / -	€42.7 +€13.4 / +45.7%
Adjusted EBITDA margin <i>yoy change</i>	30.8% +98 bps	23.8% +763 bps	6.2% +49 bps	- -	22.5% +229 bps

1) Total revenue in Aluminium Salt Slags Recycling Services amounted to €64.2m in Q3 2020 and to €82.1m in Q3 2021 after intersegment eliminations of €6.2m in Q3 2020 and of €9.9m in Q3 2021

2) EBITDA adjusted for the €8.1m non-recurring AZR acquisition-related costs

9M 2021/20 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
Revenue¹⁾ <i>yoy change</i>	€304.1 <i>+€46.8 / +18.2%</i>	€57.3 <i>+€3.0 / +5.6%</i>	€244.3 <i>+€85.1 / +53.4%</i>	-€31.5 <i>-€7.1 / -</i>	€574.2 <i>+€127.8 / +28.6%</i>
Reported EBITDA <i>yoy change</i>	€99.2 <i>+€30.0 / +43.4%</i>	€15.9 <i>+€4.4 / +38.6%</i>	€18.2 <i>+€11.7 / +179.3%</i>	-€4.5 <i>-€2.0 / -</i>	€128.7 <i>+€44.2 / +52.2%</i>
Reported EBITDA margin <i>yoy change</i>	32.6% <i>+574 bps</i>	27.7% <i>+660 bps</i>	7.4% <i>+336 bps</i>	- <i>-</i>	22.4% <i>+347 bps</i>
Adjusted EBITDA²⁾ <i>yoy change</i>	€102.7 <i>+€33.6 / +48.6%</i>	€15.9 <i>+€4.4 / +38.6%</i>	€18.2 <i>+€11.7 / +179.3%</i>	€0.0 <i>+€2.5 / -</i>	€136.8 <i>+€52.3 / +61.8%</i>
Adjusted EBITDA margin <i>yoy change</i>	33.8% <i>+692 bps</i>	27.7% <i>+660 bps</i>	7.4% <i>+336 bps</i>	- <i>-</i>	23.8% <i>+488 bps</i>

1) Total revenue in Aluminium Salt Slags Recycling Services amounted to €192.0m in 9M 2020 and to €272.2m in 9M 2021 after intersegment eliminations of €21.5m in 9M 2020 and of €29.4m in 9M 2021

2) EBITDA adjusted for the €8.1m non-recurring AZR acquisition-related costs

Multi-year trend – Key financials¹⁾

(€m, unless otherwise stated)

	2017	2018	2019	2020
Revenue	€667.4 ²⁾	€720.1	€647.9	€604.3
Reported EBITDA	€153.0	€176.0	€159.6	€123.5
Reported EBITDA margin	22.9% ²⁾	24.4%	24.6%	20.4%
Adjusted EBITDA	€172.4 ³⁾	€176.0	€159.6	€127.0 ⁴⁾
Adjusted EBITDA margin	25.8% ²⁾	24.4%	24.6%	21.0%
Net profit⁵⁾	€49.3	€90.2	€82.7	€47.6
EPS⁵⁾ (€)	€1.02 ⁶⁾	€2.65	€2.43	€1.40
Operating cash flow⁷⁾	€91.5	€103.8	€102.5	€92.5
Cash position end of period	€117.6	€150.6	€125.5	€154.6
Net debt	€406.4	€376.8	€416.9	€393.6
Net leverage	x2.4	x2.1	x2.6	x3.1

1) 2017, 2018 and 2019 are full year actual reported figures audited by external auditors; 2020 are full year preliminary figures currently being audited by external auditors

2) FY 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

4) 2020 EBITDA adjusted for €3.5m for the UK Salt Slags plant closure

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

6) FY 2017 EPS impacted by the conversion of the preferred shares carried out in October 2017 prior to the IPO; The weighted average number of ordinary shares used as the denominator in calculating total basic EPS in FY 2017 was 25,025 thousand shares, compared to the 34,067 thousand shares used from 2018 onwards

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

Q3 2021/20 – Operational data – Steel Dust Recycling Services

	Q3 2020	Q3 2021 ¹⁾	yoy change
EAFD throughput (kt)	160.7	222.6	+61.9 / +38.5%
EAFD average capacity utilisation (%)	77.5%	77.7%	+28 bps
Waelz oxide (WOX) sold (kt)	55.9	73.2	+17.3 / +30.9%
Zinc LME price (€/t)	€1,997	€2,538	+€541 / +27.1%
Zinc hedging price (€/t)	€2,227	€2,110	-€117 / -5.2%
Zinc blended price ²⁾ (€/t)	€2,214	€2,220	+€6 / +0.3%

1) EAFD throughput, corresponding capacity utilisation, and WOX sold figures in Q3 2021 include data contributed by the acquired US operations (c. six weeks of Q3 2021)

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

9M 2021/20 – Operational data – Steel Dust Recycling Services

	9M 2020	9M 2021 ¹⁾	yoy change
EAFF throughput (kt)	501.9	563.3	+61.4 / +12.2%
EAFF average capacity utilisation (%)	81.2%	81.0%	-26 bps
Waelz oxide (WOX) sold (kt)	182.4	192.6	+10.2 / +5.6%
Zinc LME price (€/t)	€1,905	€2,414	+€509 / +26.8%
Zinc hedging price (€/t)	€2,232	€2,170	-€62 / -2.8%
Zinc blended price ²⁾ (€/t)	€2,089	€2,241	+€152 / +7.3%

1) EAFF throughput, corresponding capacity utilisation, and WOX sold figures in 9M 2021 include data contributed by the acquired US operations (c. six weeks of Q3 2021)

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

Q3 2021/20 – Operational data – Aluminium Salt Slags Recycling Services

	Q3 2020 ¹⁾	Q3 2021	yoy change
Salt Slags & SPL treated (kt)	102.6	107.2	+4.7 / +4.5%
Salt Slags & SPL avg. cap. utilisation (%)	77.0%	94.5%	+1,754 bps
Aluminium alloys produced (kt)	44.4	42.9	-1.5 / -3.5%
Secondary Alu avg. capacity utilisation (%)	86.2%	83.0%	-322 bps
Aluminium alloy FMB price ²⁾ (€/t)	€1,312	€2,008	+€697 / +53.1%

1) Salt slags & SPL volumes and corresponding capacity utilisation figures in Q3 2020 include data contributed by the plant in the UK, which was permanently closed in Q4 2020

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

9M 2021/20 – Operational data – Aluminium Salt Slags Recycling Services

	9M 2020 ¹⁾	9M 2021	<i>yoy change</i>
Salt Slags & SPL treated (kt)	333.0	303.0	-30.0 / -9.0%
Salt Slags & SPL avg. cap. utilisation (%)	83.9%	90.0%	+609 bps
Aluminium alloys produced (kt)	123.7	142.4	+18.7 / +15.1%
Secondary Alu avg. capacity utilisation (%)	80.6%	92.8%	+1,224 bps
Aluminium alloy FMB price ²⁾ (€/t)	€1,342	€1,978	+€636 / +47.4%

1) Salt slags & SPL volumes and corresponding capacity utilisation figures in 9M 2020 include data contributed by the plant in the UK, which was permanently closed in Q4 2020

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

Multi-year trend – Operational data

	2017	2018	2019	2020
EAFD throughput (kt)	661.0	717.1	665.8	687.0
EAFD average capacity utilisation (%)	84.7%	92.0%	80.7% / 90.1% ¹⁾	83.0%
Waelz oxide (WOX) sold (kt)	217.8	240.9	217.6	239.2
Zinc LME price (€/t)	€2,572	€2,468	€2,276	€1,979
Zinc hedging price (€/t)	€1,876	€2,051	€2,317	€2,239
Zinc blended price²⁾ (€/t)	€2,160	€2,168	€2,280	€2,136
Salt Slags & SPL treated (kt)	509.9	517.0	492.6	444.6
Salt Slags & SPL avg. cap. utilisation (%)	96.2%	97.5%	92.9%	83.7% / 86.9% ³⁾
Alu alloys produced (kt)	184.1	169.3	176.7	174.3
Secondary Alu avg. capacity utilisation (%)	89.8%	82.6% / 98.1% ⁴⁾	86.2% / 91.1% ⁵⁾	84.8%
Aluminium alloy FMB price⁶⁾ (€/t)	€1,766	€1,715	€1,397	€1,420

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

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

3) Installed capacity and corresponding utilisation rates in 2020 are normalised for the UK salt slags plant closure in Q4 2020

4) 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)

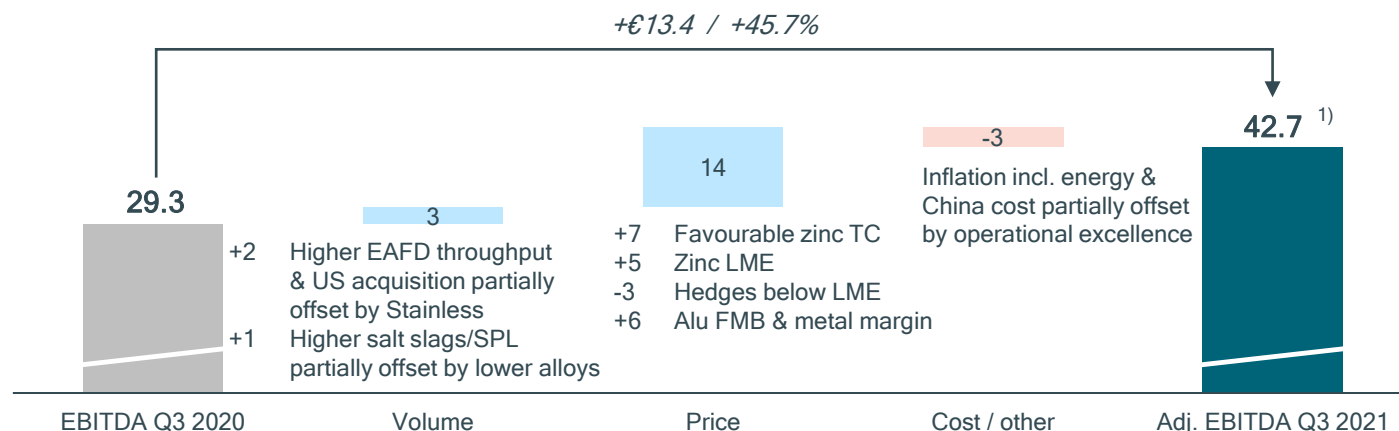
5) Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona - phase II (plant was shutdown three months, from mid-August to mid-November)

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

Consolidated key financials

Q3 adjusted EBITDA at €42.7m, up 46% yoy, mainly driven by strong metal prices; Contribution from acquired Zinc US operations (six weeks of Q3); Volumes continued solid with plant utilisation at pre-pandemic levels; EBITDA above pre-pandemic levels (up 15% vs. Q3'19)

Adjusted EBITDA bridge Q3 2020 to 2021 (€m)



Key metrics (€m, unless otherwise stated)

	Q3 2020	yoy change	Q3 2021
Revenue	€145.2	+€44.8 / +30.9%	€190.0
Adjusted EBITDA ¹⁾	€29.3	+€13.4 / +45.7%	€42.7
Adjusted EBITDA margin	20.2%	+229 bps	22.5%
Net profit	€10.8	+€5.1 / +46.8%	€15.9
EPS ²⁾ (€)	€0.32	+€0.08 / +25.0%	€0.40
Operating cash flow	€26.6	-€22.9 / -86.1%	€3.7
Cash	€107.8	+€92.9 / +86.2%	€200.7
Net debt	€420.3	+€61.8 / +14.7%	€482.1
Net leverage	x3.31	-x0.98	x2.33

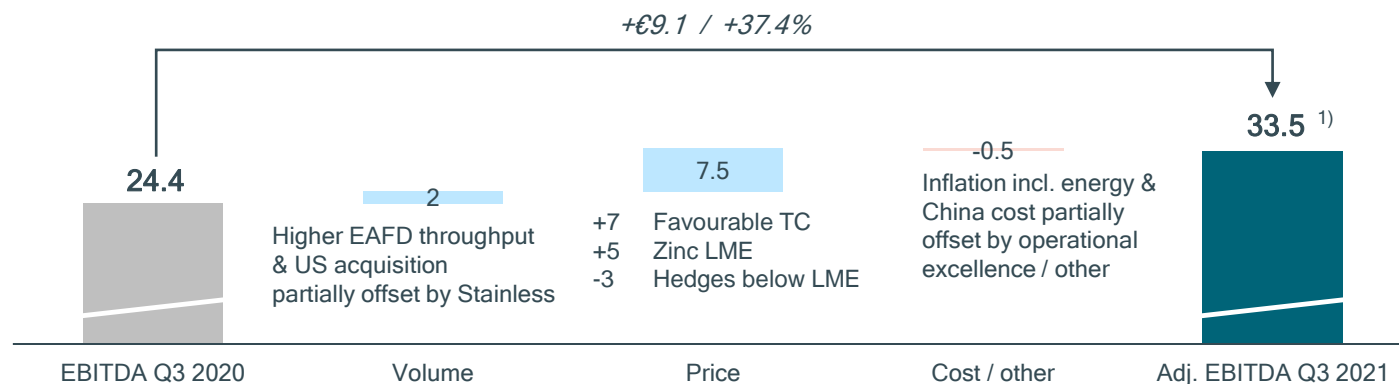
1) Q3 2021 EBITDA adjusted for €8.1m non-recurring AZR acquisition-related costs; Q3 2021 reported EBITDA amounted to €34.6m

2) EPS in Q3 2020 is based on 34,066,705 shares; Q3 2021 is based on 39,999,998 shares after the capital increase of 5,933,293 new shares to partly fund the AZR acquisition

Steel Dust Recycling Services

Q3 adjusted EBITDA at €33.5m; Favourable zinc LME prices & TC, partially offset by lower zinc hedging prices; Contribution from acquired US operations (c. 6 weeks of Q3); EBITDA above pre-pandemic levels (up 11% vs. Q3'19)

Adjusted EBITDA bridge Q3 2020 to 2021 (€m)



Key metrics (€m, unless otherwise stated)

	Q3 2020	yoy change	Q3 2021
Revenue	€81.8	+€27.0 / +33.0%	€108.8
Adjusted EBITDA ¹⁾	€24.4	+€9.1 / +37.4%	€33.5
Adjusted EBITDA margin	29.8%	+98 bps	30.8%
EAFD throughput (kt)	160.7	+61.9 / +38.5%	222.6
Plant utilisation	77.5%	+28 bps	77.7%
Waelz oxide (WOX) sold (kt)	55.9	+17.3 / +30.9%	73.2
Zinc LME price (€/t)	€1,997	+€541 / +27.1%	€2,538
Zinc hedging price (€/t)	€2,227	-€117 / -5.2%	€2,110
Zinc blended price ²⁾ (€/t)	€2,214	+€6 / +0.3%	€2,220
Treatment charge (TC) (\$/t)	\$300	-\$141 / -47.0%	\$159

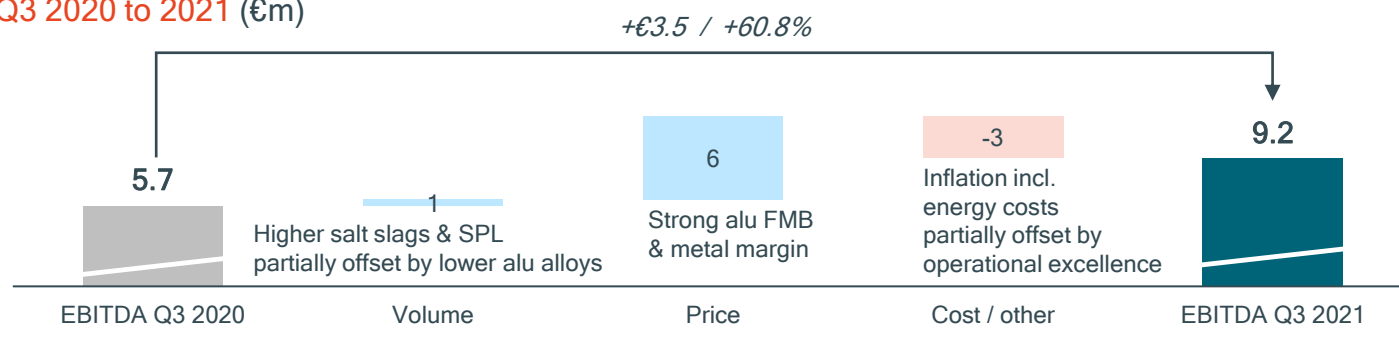
1) Q3 2021 EBITDA adjusted for €3.6m non-recurring AZR acquisition-related costs; Q3 2021 reported EBITDA amounted to €29.9m

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

Aluminium Salt Slags Recycling Services

Q3 EBITDA at €9.2m, up 61% yoy, mainly driven by strong aluminium metal prices yoy;
Better salt slags & SPL partially offset by lower alu alloys; EBITDA above pre-pandemic levels (up 52% vs. Q3'19)

EBITDA bridge Q3 2020 to 2021 (€m)



Key metrics (€m, unless otherwise stated)

	Q3 2020	yoy change	Q3 2021
Revenue ¹⁾	€64.2	+€17.8 / +27.8%	€82.1
• Salt Slags	€16.4	+€3.6 / +22.1%	€20.0
• Secondary Aluminium	€54.0	+€18.0 / +33.3%	€72.0
EBITDA	€5.7	+€3.5 / +60.8%	€9.2
• Salt Slags	€2.6	+€2.1 / +79.9%	€4.8
• Secondary Aluminium	€3.1	+€1.4 / +44.6%	€4.5
EBITDA margin (Salt Slags)	16.1%	+763 bps	23.8%
Salt Slags & SPL treated (kt)	102.6	+4.7 / +4.5%	107.2
Plant utilisation ²⁾	77.0%	+1,754 bps	94.5%
Aluminium alloys produced (kt)	44.4	-1.5 / -3.5%	42.9
Plant utilisation ²⁾	86.2%	-322 bps	83.0%
Alu alloy FMB price ³⁾ (€/t)	€1,312	+€697 / +53.1%	€2,008

1) Total revenue is after intersegment eliminations (Q3 2020: €6.2m; Q3 2021: €9.9m)

2) Plant utilisation rates calculated as either salt slags/SPL treated, or aluminium alloys produced against the corresponding annual installed capacity, based on the calendar days of the period

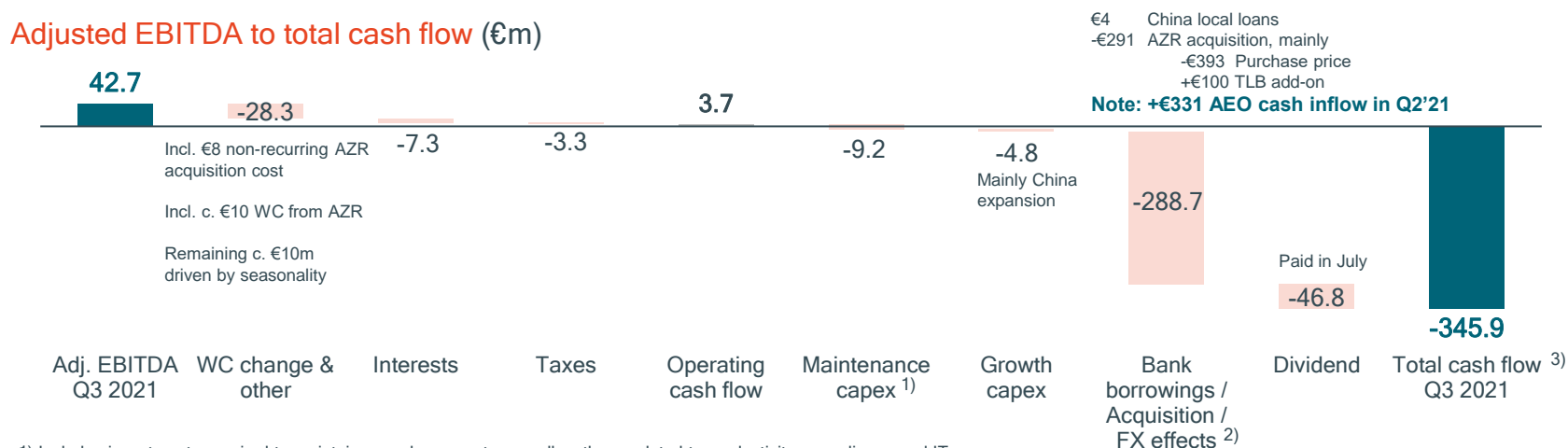
3) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

Cash flow, net debt & leverage

- S&P upgraded Befesa to 'BB+', outlook stable' (18 June 2021)
- Moody's affirmed Befesa's 'Ba2, outlook stable' (17 May 2021)

Continued strong liquidity of more than €275m including record €201m cash on hand, post-dividend & acquisition funding; Net leverage of x2.33 at Q3'21 closing, improved vs. x3.10 at YE'20 and x3.31 at Q3'20

Adjusted EBITDA to total cash flow (€m)



1) Includes investments required to maintain or replace assets as well as those related to productivity, compliance and IT

2) Mainly includes the effect of the AZR acquisition, cash bank inflows/outflows from bank borrowings and other liabilities, as well as the effect of foreign exchange rate changes on cash

	At 30 Jun 2021	Change	At 30 Sept 2021
LTM EBITDA ⁴⁾	€165.8	+€41.4 / +25.0%	€207.2
Q3 Operating cash flow ⁵⁾	€26.6	-€22.9 / -86.1%	€3.7
Gross debt ⁶⁾	€568.1	+€114.7 / +20.2%	€682.8
Cash on hand ³⁾	€196.6	+€4.0 / +2.1%	€200.7
Net debt	€371.4	+€110.7 / +29.8%	€482.1
Net leverage	x2.24	+x0.09	x2.33

3) Cash on hand of €154.6m at YE'20 increased by €26.8m 9M cash flow and €19.3m cash and cash equivalents incorporated from Befesa Holdings US Inc., ending at €200.7m total cash on hand

4) LTM Q3 2021 EBITDA adjusted for €8.1m non-recurring AZR acquisition-related costs and c. €30m AZR's LTM EBITDA

5) Includes AZR's operating cash flows since closing of the acquisition on 17 Aug 2021

6) €682.8m gross debt at 30 Sept 2021 includes €100m TLB add-on to partly fund the AZR acquisition, as well as China local loans