



PRESS AND INVESTOR ANNOUNCEMENT

Preliminary full-year 2021 results

Befesa delivers all-time high FY EBITDA of €198m (+56% yoy)

- **FY'21 adj. EBITDA** at record €197.6m, +56% or €71m yoy (FY'20: €127m; FY'19: €160m)
- **China on track:** First plant in Jiangsu province in commercial production and selling Waelz oxide (WOX) at high-capacity utilisation; Second plant in Henan completed in Dec'21, commissioning started with ramp-up expected in H1'22
- **US zinc operations delivering as expected**, driving progress on integration and related synergies
- Capacity utilisation and volumes continued at **solid pre-pandemic levels**
- **Improved leverage** of x2.16, down from x3.10 at YE'20; Continued strong liquidity of c. €300m including record €224m cash on hand
- **Net profit** more than **doubled** yoy to €99.7m; Proposing **€50m dividend** for 2022 (€1.25 per share), at 50% of net profit and up €3m yoy

Luxembourg, 24 February 2022 - Befesa S.A. ("*Befesa*"), the global market leader for steel dust and aluminium salt slags recycling services, reported record earnings levels, for both Q4 and FY 2021, delivering strong double-digit growth yoy. Results were also well above the pre-pandemic periods of 2019. Adjusted EBITDA for Q4 came in at €60.8m, compared to €42.4m in the same quarter last year, representing an increase of 43%. Adjusted EBITDA was also 43% above the pre-pandemic €42.5m in Q4 2019. Full-year growth was even stronger, as Befesa achieved €197.6 in 2021, up €71m or 56% compared to FY 2020 and 24% more than the pre-pandemic FY 2019 figure of €159.6m. The yoy positive earnings development in 2021 was primarily driven by strong base metal prices and good volume performance including the acquisition of AZR in the US in the middle of August. Overall plant utilisation was solid at pre-pandemic levels, with Steel Dust at above 80% and Aluminium Salt Slags & SPL at around 90%.

Befesa's net profit in 2021 more than doubled yoy, up €52m, at €99.7m, corresponding to earnings per share (EPS) of €2.68. In 2021, the Company distributed a total dividend of €47m (€1.17 per share) and is proposing a €50m dividend (€1.25 per share) for 2022, equal to 50% of net profit.

In 2021, Befesa's operating cash flow improved by 27% yoy to a new record level of €117.9m (FY 2020: €92.5m). The Company's rigorous cash management resulted in total cash flow of €69.5m, improving cash on hand by 45% to €224.1m (€154.6m at year-end 2020). Together with the entirely undrawn Revolving Credit Facility (RCF) of €75.0m, Befesa has a robust financial position of c. €300m liquidity. Net leverage further improved to x2.16 at year-end of 2021 (leverage x3.10 at 2020 year-end).

Throughout FY 2021, Befesa demonstrated resilient capacity utilisation and volumes. EAF steel dust throughput increased by 29% yoy to 886kt at 83% average capacity utilisation, including c. 4.5 months of US operations. Salt slags and SPL recycled volumes decreased by 11% yoy to 395kt at 88% average capacity utilisation mainly driven by the closure of the UK plant, while secondary aluminium production volumes further improved by 7% yoy to 186kt at 91% average capacity utilisation.

Befesa's expansion in China continued to progress on schedule and budget in 2021. The construction of the first state-of-the-art EAF steel dust recycling plant in the Jiangsu province was finalised and started commercial production in December. Notably, Befesa's recycling services are in high demand and the plant is already loaded with customer orders at more than 80% capacity utilisation for the full

year. The construction of the second plant in the province of Henan was completed at year-end 2021, commissioning started and ramp up is expected in H1 2022.

Javier Molina, CEO of Befesa, said: *“2021 has truly been an inflection point for Befesa: While we continued operating at all-time highs, we’ve made significant strategic progress, especially in Asia and the US. Following the successful completion of the acquisition of AZR in August, we are driving progress on the integration of our US operations, which are delivering as expected. In China, we went live with our first plant and are in commercial operations, successfully serving our customers at high plant utilisation levels. We also completed the construction of our second plant, expecting to ramp up in H1 2022. Based on the accelerated progress of our global expansion, we expect to deliver double-digit earnings growth again in 2022. We are proud to actively contribute to the circular economy by recycling more hazardous waste for our customers year on year, producing more valuable new materials and preventing the extraction of virgin resources, as we keep delivering attractive returns for our shareholders.”*

In 2021, Befesa extended its hedging book up to October 2024 and will continue to monitor the market to lock in further volume beyond that date. As in previous years, once treatment charges in the zinc industry are settled around March/April 2022, Befesa will provide its earnings guidance for FY 2022 together with the Q1 2022 results scheduled for 26 April.

Befesa will also publish its 2021 ESG Report in Q2’22, including disclosures on taxonomy eligibility. The report will define the Company’s 2030 and 2050 ESG roadmap and CO₂ reduction plan.

Key figures

in €m	Q4 2020	Q4 2021	Change	FY 2020	FY 2021	Change
Revenue	158.0	247.4	56.6%	604.3	821.6	36.0%
Adjusted EBITDA	42.4 ¹⁾	60.8 ²⁾	43.3%	127.0 ¹⁾	197.6 ²⁾	55.6%
Net profit	16.2	38.2	136.1%	47.6	99.7	109.5%
EPS (€)	0.48	0.96	101.1%	1.40	2.68	91.4%
Operating cash flow	54.8	44.0	-19.7%	92.5	117.9	27.4%
Net debt	393.6	470.6	19.6%	393.6	470.6	19.6%
Leverage	x3.10	x2.16		x3.10	x2.16	

1) Q4 and FY 2020 EBITDA were adjusted for €3.5m for the UK Salt Slags plant closure at year-end 2020

2) Q4 / FY 2021 adjusted for €5.9m / €14.0m one-time AZR acquisition costs and -€6.0m Hanover plant as a result of the fire occurred in Nov’21

Webcast

Befesa will host a webcast on its preliminary full-year 2021 results at 9:00 am CET on 24 February 2022. Further details, a replay and other events are available on the Company’s website: www.befesa.com

Financial Calendar 2022

Befesa plans to publish its full-year 2021 financial results on 30 March 2022. The Annual General Meeting is scheduled for 16 June 2022 and will be held in Luxembourg. The financial calendar for 2022 is available in the Investor Relations / Investor’s Agenda section of Befesa’s website. For more information, please visit www.befesa.com

About Befesa

Befesa is a leading player in the circular economy, providing environmental, regulated services to the steel and aluminium industries with facilities located in Germany, Spain, Sweden, France, as well as in Turkey, South Korea, China and the US. Through its two business units, Steel Dust and Aluminium Salt Slags recycling services, which are a critical part of the circular economy, Befesa manages and recycles more than 2 million tonnes of residues annually, with a production of around 1.5 million tonnes of new

materials, which Befesa reintroduces in the market, reducing the consumption of natural resources. Further information is available on the Company's website: www.befesa.com

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