

**BEFESA**

Full Year

2021

Preliminary Earnings Presentation

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

# 01 / Highlights

*Javier Molina - CEO*

# ✓ FY record EBITDA; ✓ AZR acquisition; ✓ MDAX; ✓ China: 1<sup>st</sup> plant in commercial operations, 2<sup>nd</sup> construction completed

## €60.8m

**Q4'21 adjusted EBITDA**  
43% up yoy (Q4'20: €42.4m)  
25% margin (Q4'20: 27%)

**Plant utilisation continued at solid pre-pandemic levels**

## €197.6m

**Record FY'21 adj. EBITDA**  
56% or €71m up yoy  
(FY'20: €127.0m)

**24% EBITDA margin**  
(FY'20: 21%)

24% or €38m up  
vs. pre-pandemic FY'19

## €117.9m

**FY'21 Operating cash flow**  
€25.4m up yoy (FY'20: €92.5m)

**Record €224.1m of cash**,  
€69.5m up yoy, post-dividend  
and acquisition funding

**Leverage x2.16 YE'21**,  
improved from x3.10 at YE'20

## €99.7m

**Net profit** more than doubled yoy  
(FY'20: €47.6m), corresponding to  
a **€2.68 EPS** (FY'20: €1.40)

**Proposing €50m dividend in 2022**  
**(€1.25 per share)**, representing 50%  
of FY'21 net profit, up €3m yoy

## US

**Acquired 100% of AZR's recycling assets**

- Transaction **closed on 17 August 2021**; Consolidating c.4.5 months in FY'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:** In commercial production and selling WOX; Completed on budget; Contracted volume >80% capacity for 2022
- **Henan:** Completed construction Dec'21; Started commissioning; Expecting ramp up H1'22 and commercial output H2'22

## ESG

**Circular economy & strong ESG credentials**

- Lost Time Injury Rate reduced by **36% yoy to 0.81**
- **Annual Report on 30 March '22 and ESG Report in Q2'22**
- **Defining 2030 & 2050 ESG roadmap and CO<sub>2</sub> reduction plan**

## Hedging

- **Non-US** hedge book fully extended to Oct'24; **US** to Jul'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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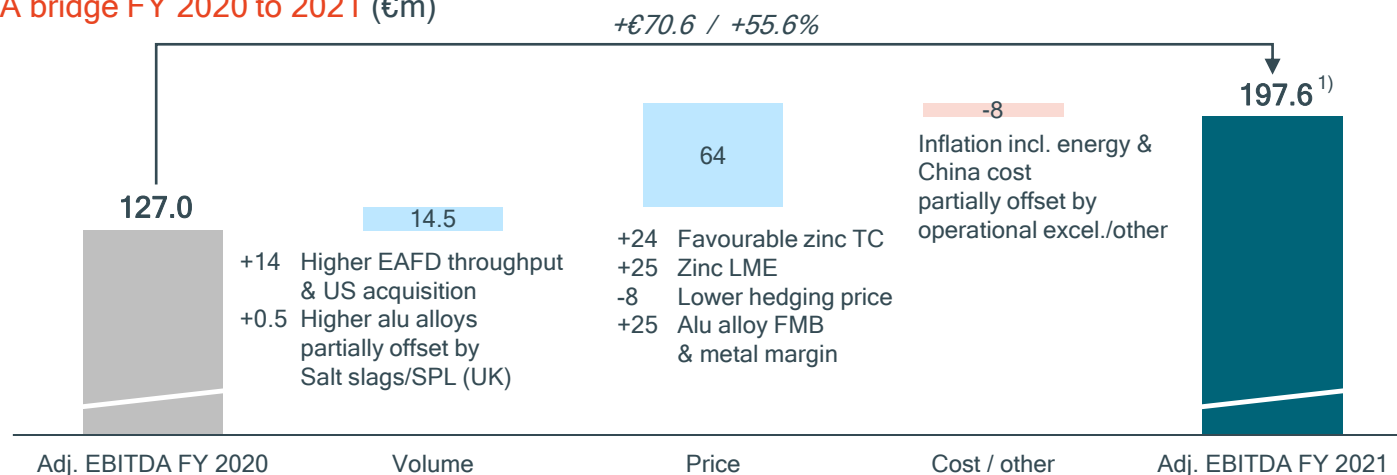
## Financial results

*Wolf Lehmann - CFO*

# Consolidated key financials

FY adjusted EBITDA at €197.6m, all-time-high; yoy growth 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 FY 2020 to 2021 (€m)



## Key metrics (€m, unless otherwise stated)

	FY 2020	yoy change	FY 2021
Revenue	€604.3	+€217.3 / +36.0%	€821.6
Adjusted EBITDA <sup>1)</sup>	€127.0	+€70.6 / +55.6%	€197.6
Adjusted EBITDA margin %	21.0%	+304 bps	24.0%
Net profit	€47.6	+€52.1 / +109.5%	€99.7
EPS <sup>2)</sup> (€)	€1.40	+€1.28 / +91.4%	€2.68
Operating cash flow	€92.5	+€25.4 / +27.4%	€117.9
Cash	€154.6	+€69.5 / +45.0%	€224.1
Net debt	€393.6	+€77.0 / +19.6%	€470.6
Net leverage <sup>3)</sup>	x3.10	-x0.94	x2.16

1) €127.5m FY'21 reported Total EBIT + €62.2m D&A = €189.6m FY'21 reported Total EBITDA + €14.0m one-time AZR acquisition costs - €6.0m Hanover plant fire impact = €197.6m FY'21 adjusted Total EBITDA

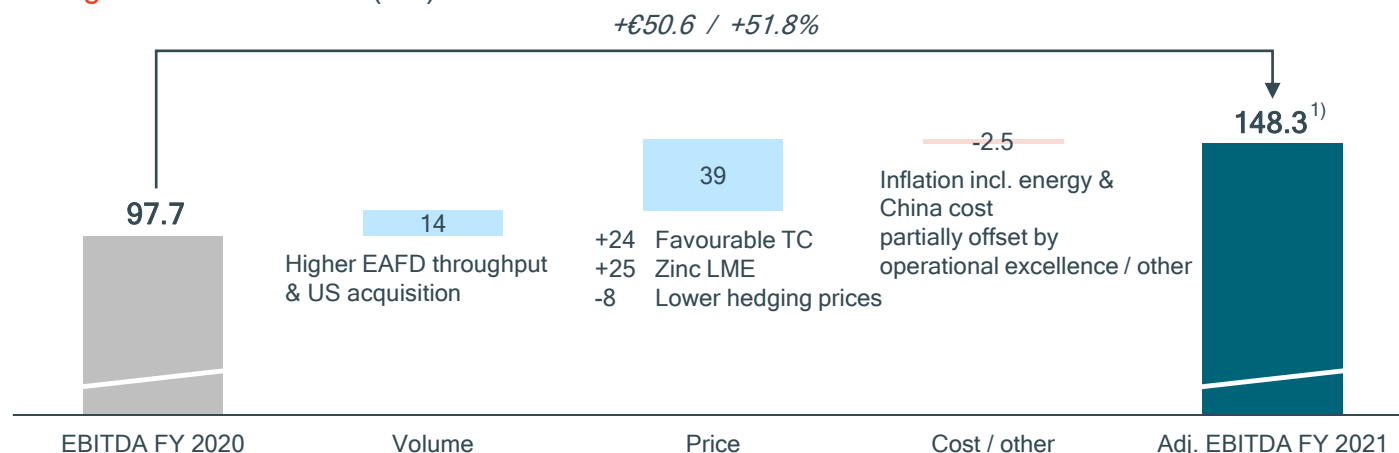
2) EPS in 2020 is based on 34,066,705 shares; 2021 is based on 37,285,313 weighted average shares after the capital increase of 5,933,293 new shares to partly fund the AZR acquisition

3) Net leverage calculated on an LTM basis, see details on page 9, "Cash flow, net debt & leverage"; Bank debt covenant reporting normalised and adjusted for synergies results in lower net leverage

# Steel Dust Recycling Services

FY adjusted EBITDA at €148.3m, performing at strongest earnings level with 33% margin, driven mainly by favourable zinc prices; Overall plant utilisation continued at pre-pandemic levels; Acquired US operations delivering as expected

## Adjusted EBITDA bridge FY 2020 to 2021 (€m)



## Key metrics (€m, unless otherwise stated)

	FY 2020	yoy change	FY 2021
Revenue	€345.8	+€110.1 / +31.8%	€455.8
Adjusted EBITDA <sup>1)</sup>	€97.7	+€50.6 / +51.8%	€148.3
Adjusted EBITDA margin %	28.3%	+429 bps	32.5%
EAFD throughput (kt)	687.0	+198.7 / +28.9%	885.7
Plant utilisation	83.2%	+9 bps	83.3%
Waelz oxide (WOX) sold (kt)	239.2	+51.8 / +21.7%	291.0
Zinc LME price (€/t)	€1,979	+€566 / +28.6%	€2,544
Zinc hedging price (€/t)	€2,239	-€88 / -3.9%	€2,151
Zinc blended price <sup>2)</sup> (€/t)	€2,136	+€139 / +6.5%	€2,275
Treatment charge (TC) (\$/t)	\$300	-\$141 / -47.0%	\$159

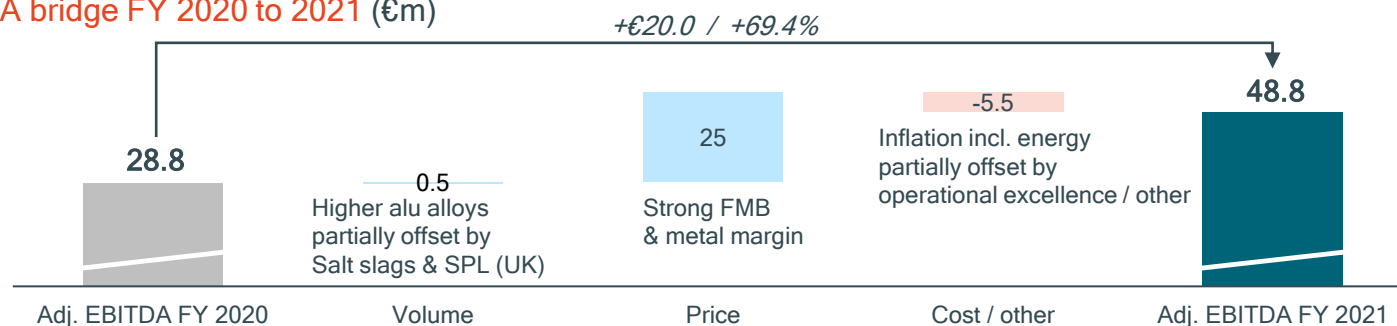
1) €134.6m FY21 reported Steel Dust EBITDA + €13.7m one-time AZR acquisition-related costs = €148.3m FY21 adjusted Steel Dust EBITDA

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

FY adjusted EBITDA at €48.8m, delivered record level results, up 69% yoy; Mainly driven by higher aluminium metal prices yoy; Overall plant utilisation continued at solid pre-pandemic levels c.90%

## Adjusted EBITDA bridge FY 2020 to 2021 (€m)



## Key metrics (€m, unless otherwise stated)

	FY 2020	yoy change	FY 2021
Revenue <sup>1)</sup>	€262.1	+€106.3 / +40.6%	€368.4
• Salt Slags	€67.0	+€10.4 / +15.5%	€77.3
• Secondary Aluminium	€223.9	+€106.0 / +47.3%	€329.9
Adjusted EBITDA <sup>2)</sup>	€28.8	+€20.0 / +69.4%	€48.8
• Salt Slags	€16.7	+€3.8 / +22.5%	€20.5
• Secondary Aluminium	€12.1	+€16.2 / +134.2%	€28.3
EBITDA margin % (Salt Slags)	25.0%	+153 bps	26.5%
Salt Slags & SPL treated (kt)	444.6	-49.6 / -11.2%	395.0
Plant utilisation	83.9%	+390 bps	87.8%
Aluminium alloys produced (kt)	174.3	+11.4 / +6.6%	185.8
Plant utilisation	85.0%	+558 bps	90.6%
Alu alloy FMB price <sup>3)</sup> (€/t)	€1,424	+€688 / +48.3%	€2,112

1) Total revenue is after intersegment eliminations (FY20: €28.8m; FY21: €38.8m)

2) €25.4m FY'20 reported Alu Salt Slags EBITDA + €3.5m UK Salt Slags plant closure = €28.8m FY'20 adjusted Alu Salt Slags EBITDA;

€54.8m FY'21 reported Alu Salt Slags EBITDA - €6.0m Hanover Salt Slags plant fire impact = €48.8m FY'21 adjusted Alu Salt Slags EBITDA

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

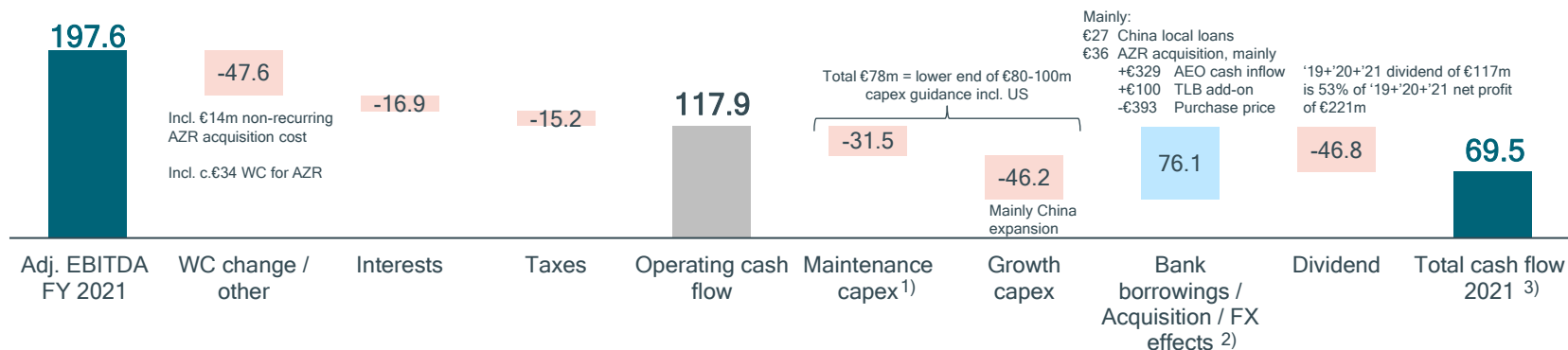


# Cash flow, net debt & leverage

- 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 c.€300m including record €224m cash on hand, post-dividend & acquisition funding;  
Net leverage of x2.16 at YE'21, improved vs. x3.10 at YE'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

	YE 2018	YE 2019	YE 2020	yoy change	YE 2021
LTM Adj. EBITDA <sup>4)</sup>	€176.0	€159.6	€127.0	+€90.8 / +71.6%	€217.8
Operating cash flow <sup>5)</sup>	€103.8	€102.5	€92.5	+€25.4 / +27.4%	€117.9
Gross debt	€527.5	€542.4	€548.2	+€146.5 / +26.7%	€694.7
Cash on hand <sup>3)</sup>	€150.6	€125.5	€154.6	+€69.5 / +45.0%	€224.1
Net debt	€376.8	€416.9	€393.6	+€77.0 / +19.6%	€470.6
Net leverage	x2.14	x2.61	x3.10	-x0.94	x2.16 Reducing leverage

3) Cash on hand of €154.6m at YE'20 increased by €50.2m cash flow FY'21 and €19.3m cash and cash equivalents incorporated from Befesa Holdings US Inc., ending at €224.1m total cash on hand

4) 2021 LTM EBITDA incorporates full-twelve-rolling months of the US operations

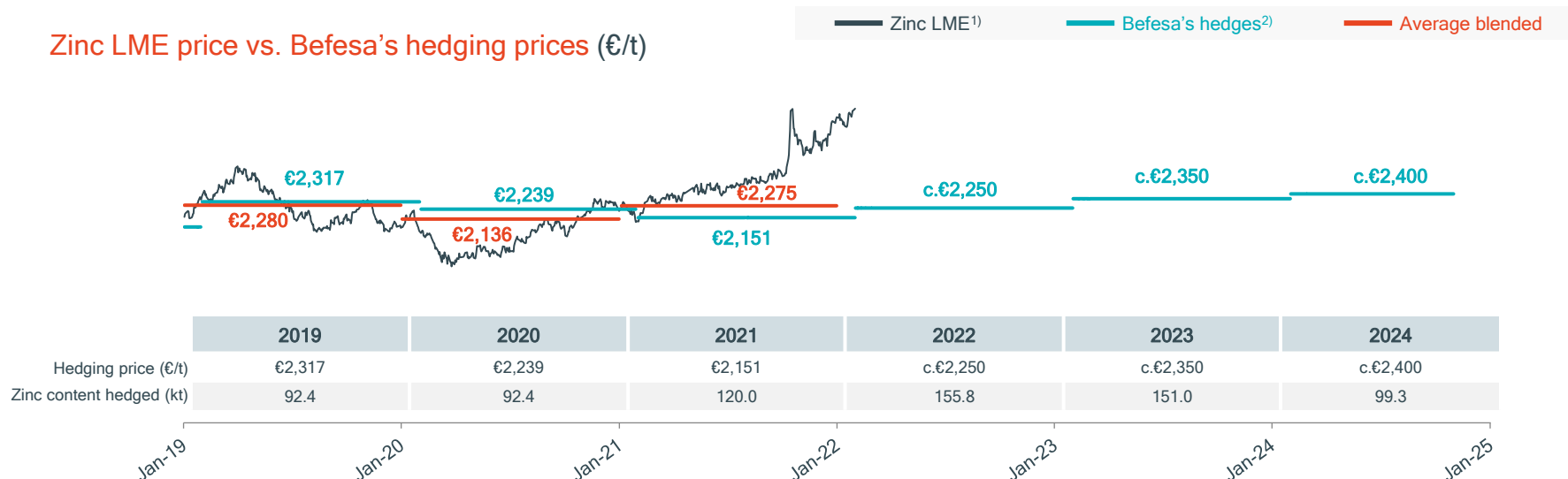
5) Includes AZR's operating cash flows since closing of the acquisition on 17 Aug 2021

6) €694.7m gross debt at YE'21 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; US operations up to & incl. Jul'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)

	FY 2020	FY 2021
Unhedged	33% or 46kt @ €1,979/t LME	27% or 45kt @ €2,544/t LME
Hedged	67% or 92kt @ €2,239/t	73% or 120kt @ €2,151/t
<b>Blended<sup>3)</sup></b>	<b>€2,136/t</b>	<b>€2,275/t</b>

**+€139/t / +7% yoy**

### Hedging strategy unchanged:

- Zinc Europe & Korea operations fully hedged up to & incl. Oct'24  
US operations hedged up to & incl. Jul'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.€2,160 at FX 1.16); Feb'22-Jan'23: 63.4kt zinc hedged at c.\$2,765 (c.€2,400 at FX 1.15); Feb'23-Jan'24: 58.6kt zinc hedged at c.\$2,900 (c.€2,485 at FX 1.17); Feb'24-Jul'24: 30.0kt zinc hedged at c.\$2,975 (or c.€2,520 at FX 1.18); FX \$/€ forwards as of 09 Feb'22, source: [cmegroup.com](http://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



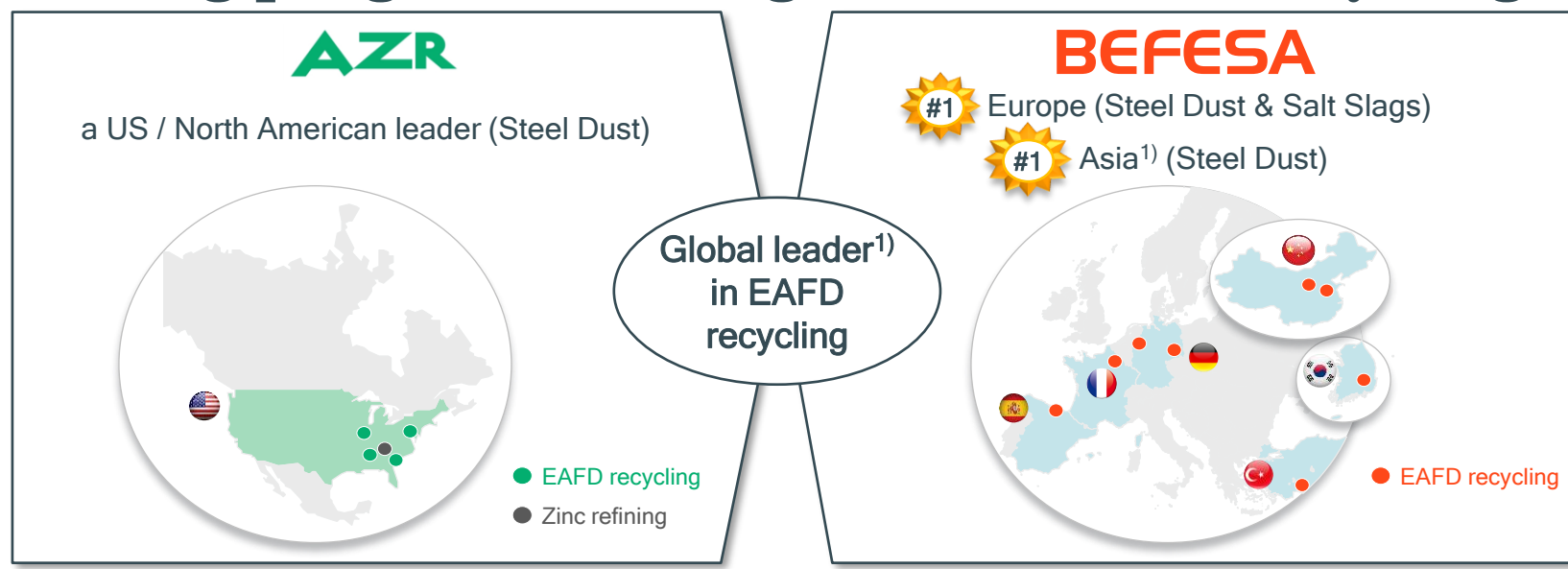
Nanjing City, location of Befesa China's HQ

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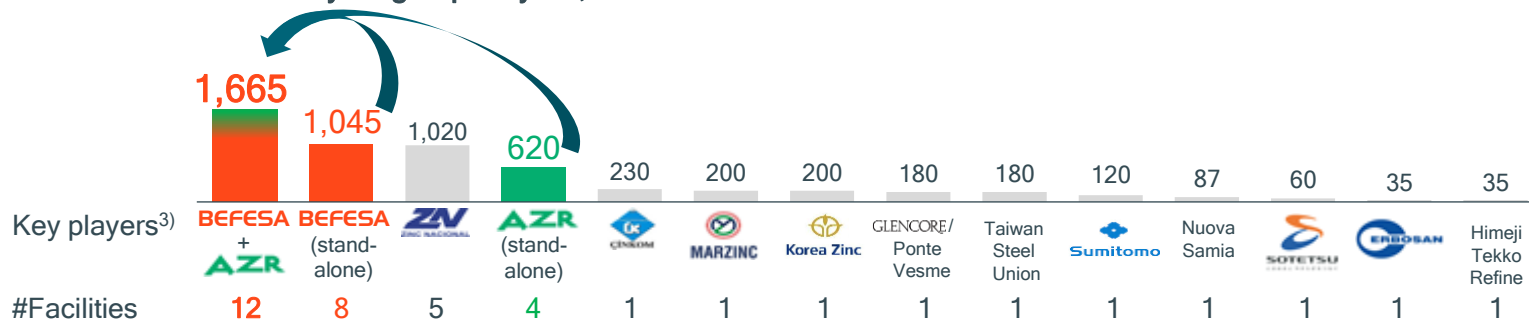
## Growth projects & outlook

*Javier Molina - CEO*

# Befesa closed AZR acquisition on 17 August; Operations delivering as expected; Driving progress on integration & related synergies



EAFD annual installed recycling capacity<sup>1)2)</sup>, 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:

- 1<sup>st</sup> 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 budget
- ✓ In commercial production & selling WOX
- ✓ Contracted EAFD for >80% plant utilisation in 2022



↑ Changzhou plant, in operations

↑ First commercial invoice

# China II

Xuchang plant, Henan province



## Key facts of the plant:

- 2<sup>nd</sup> 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 completed Dec'21 on budget
- Cold commissioning started; Hot commissioning next; Expecting ramp up H1'22 & commercial output H2'22



↑ Xuchang plant, construction completed - 27 December 2021



EAFD recycling plant at Gyeongju, South Korea

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## ESG at Befesa

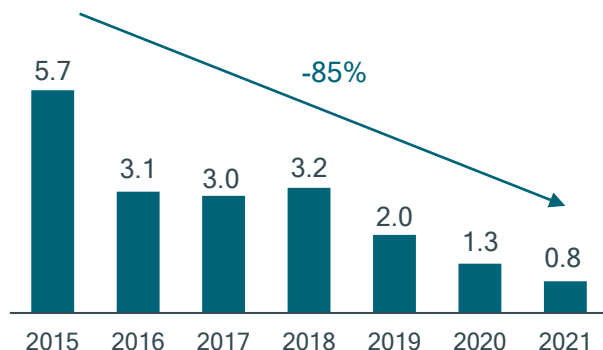
*Javier Molina - CEO*

# ESG 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
- LTIR<sup>1)</sup> reduced by 36% yoy



1) Befesa's own employees and contractors

## ESG Ratings

ISS ESG

Top 3 of 69  
Metals processing  
& production

SUSTAINALYTICS

#5 of 63  
Commercial services

V.E

#7 of 103  
Business services

MSCI

BBB  
Commercial services  
& supplies

## ESG Report

- Befesa **2021 ESG Report** will be published in **Q2'22**, including disclosures on Taxonomy eligibility
- Defining **2030 & 2050 ESG roadmap** and **CO<sub>2</sub> reduction plan**





Waelz kiln at EAFD recycling plant in Gyeongju, South Korea

# 05 / Investor agenda & appendix



# Investor's 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

## H1 2022

**ODDO BHF Forum 25<sup>th</sup> Edition (virtual)**  
6 & 7 January 2022 - ODDO BHF

**Commerzbank Investment Seminar (virtual)**  
10 January 2022 - Commerzbank

**Berenberg German Corp. Conf. USA (virtual)**  
11 January 2022 - Berenberg

**BofA SMID Cap Conference 2022 (virtual)**  
12 January 2022 - Bank of America

**UniCredit & Kepler Cheuvreux 21<sup>st</sup> German Corporate Conference (virtual)**  
17-19 Jan 2022 - UniCredit & Kepler Cheuvreux

**XXVIII Santander Iberian Conference (virtual)**  
3 February 2022 - Santander

**JPM European Small/Mid Cap Conf. (virtual)**  
15 March 2022 - JP Morgan

**Virtual Paris SMID 2021**  
23 March 2022 - Citigroup

**Copenhagen - Stifel 7<sup>th</sup> German Corp. Conf.**  
31 March 2022 - Stifel

**BofA Global Metals, Mining & Steel Conf. 2022**  
17-19 May 2022 - Bank of America

**Tarrytown, NY - Berenberg Conf. USA 2022**  
25 May 2022 - Berenberg

**3<sup>rd</sup> Digital ESG Conference**  
1 June 2022 - Kepler Cheuvreux

**Boston - Stifel 2022 Cross Sector Insight Conf.**  
7-9 June 2022 - Stifel

**London - 2<sup>nd</sup> Berenberg SDG Conference.**  
21-22 June 2022 - Berenberg

## Investor conferences

## H2 2022

**Frankfurt - Commerzbank & ODDO BHF Corporate Conference 2022**

6-8 Sep 2022 - Commerzbank & ODDO BHF

**London - SMID / Growth Conference**  
8-9 Sep 2022 - Citigroup

**Munich - Berenberg & Goldman Sachs 11<sup>th</sup> German Corporate Conference**  
19-21 Sep 2022 - Berenberg & Goldman Sachs

**Munich - 11<sup>th</sup> Baader Investment Conference**  
19-23 Sep 2022 - Baader

**London - Global Resources Conference**  
25-26 Oct 2022 - Citigroup

**Deutsche Börse Deutsche Eigenkapitalforum**  
28-30 Nov 2022 - Deutsche Börse AG

## Contact details

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# Q4 2021/20 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
<b>Revenue<sup>1)</sup></b> <i>yoy change</i>	<b>€151.7</b> +€63.3 / +71.5%	<b>€20.1</b> +€7.3 / +57.5%	<b>€85.6</b> +€20.9 / +32.3%	<b>-€10.0</b> -€2.0 / -	<b>€247.4</b> +€89.4 / +56.6%
<b>Reported EBITDA</b> <i>yoy change</i>	<b>€35.4</b> +€6.9 / +24.1%	<b>€10.6</b> +€8.8 / +485.5%	<b>€10.1</b> +€4.5 / +81.5%	<b>€4.7</b> +€1.7 / -	<b>€60.9</b> +€22.0 / +56.4%
<b>Reported EBITDA margin %</b> <i>yoy change</i>	<b>23.4%</b> -892 bps	<b>53.1%</b> +3,880 bps	<b>11.8%</b> +320 bps	- -	<b>24.6%</b> -4 bps
<b>Adjusted EBITDA<sup>2)</sup></b> <i>yoy change</i>	<b>€45.6</b> +€17.0 / +59.7%	<b>€4.6</b> -€0.7 / -12.4%	<b>€10.1</b> +€4.5 / +81.5%	<b>€0.5</b> -€2.6 / -	<b>€60.8</b> +€18.4 / +43.3%
<b>Adjusted EBITDA margin %</b> <i>yoy change</i>	<b>30.0%</b> -223 bps	<b>23.1%</b> -1,840 bps	<b>11.8%</b> +320 bps	- -	<b>24.6%</b> -228 bps

1) Total revenue in Aluminium Salt Slags Recycling Services amounted to €70.1m in Q4'20 and to €96.2m in Q4'21 after intersegment eliminations of €7.3m in Q4'20 and of €9.4m in Q4'21

2) €29.2m Q4'21 reported Total EBIT + €31.8m D&A = €60.9m Q4'21 reported Total EBITDA + €5.9m one-time AZR acquisition costs - €6.0m Hanover plant fire impact = €60.8m Q4'21 adjusted Total EBITDA

# FY 2021/20 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
<b>Revenue<sup>1)</sup></b> <i>yoy change</i>	<b>€455.8</b> <i>+€110.1 / +31.8%</i>	<b>€77.3</b> <i>+€10.4 / +15.5%</i>	<b>€329.9</b> <i>+€106.0 / +47.3%</i>	<b>-€41.4</b> <i>-€9.1 / -</i>	<b>€821.6</b> <i>+€217.3 / +36.0%</i>
<b>Reported EBITDA</b> <i>yoy change</i>	<b>€134.6</b> <i>+€36.9 / +37.8%</i>	<b>€26.5</b> <i>+€13.3 / +99.8%</i>	<b>€28.3</b> <i>+€16.2 / +134.2%</i>	<b>€0.2</b> <i>-€0.2 / -</i>	<b>€189.6</b> <i>+€66.1 / +53.5%</i>
<b>Reported EBITDA margin %</b> <i>yoy change</i>	<b>29.5%</b> <i>+127 bps</i>	<b>34.3%</b> <i>+1,447 bps</i>	<b>8.6%</b> <i>+318 bps</i>	<b>-</b> <i>-</i>	<b>23.1%</b> <i>+264 bps</i>
<b>Adjusted EBITDA<sup>2)</sup></b> <i>yoy change</i>	<b>€148.3</b> <i>+€50.6 / +51.8%</i>	<b>€20.5</b> <i>+€3.8 / +22.5%</i>	<b>€28.3</b> <i>+€16.2 / +134.2%</i>	<b>€0.4</b> <i>-€0.0 / -</i>	<b>€197.6</b> <i>+€70.6 / +55.6%</i>
<b>Adjusted EBITDA margin %</b> <i>yoy change</i>	<b>32.5%</b> <i>+429 bps</i>	<b>26.5%</b> <i>+153 bps</i>	<b>8.6%</b> <i>+318 bps</i>	<b>-</b> <i>-</i>	<b>24.0%</b> <i>+304 bps</i>

1) Total revenue in Aluminium Salt Slags Recycling Services amounted to €262.1m in 2020 and to €368.4m in 2021 after intersegment eliminations of €28.8m in 2020 and of €38.8m in 2021

2) €127.5m FY21 reported Total EBIT + €62.2m D&A = €189.6m FY21 reported Total EBITDA + €14.0m one-time AZR acquisition costs - €6.0m Hanover plant fire impact = €197.6m FY21 adjusted Total EBITDA

# Multi-year trend – Key financials<sup>1)</sup>

(€m, unless otherwise stated)

	2017	2018	2019	2020	2021
<b>Revenue</b>	€667.4 <sup>2)</sup>	€720.1	€647.9	€604.3	€821.6
<b>Reported EBITDA</b>	€153.0	€176.0	€159.6	€123.5	€189.6
<b>Reported EBITDA margin %</b>	22.9% <sup>2)</sup>	24.4%	24.6%	20.4%	23.1%
<b>Adjusted EBITDA</b>	€172.4 <sup>3)</sup>	€176.0	€159.6	€127.0 <sup>3)</sup>	€197.6 <sup>3)</sup>
<b>Adjusted EBITDA margin %</b>	25.8% <sup>2)</sup>	24.4%	24.6%	21.0%	24.0%
<b>Net profit<sup>4)</sup></b>	€49.3	€90.2	€82.7	€47.6	€99.7
<b>EPS<sup>4)</sup> (€)</b>	€1.02 <sup>5)</sup>	€2.65	€2.43	€1.40	€2.68 <sup>5)</sup>
<b>Operating cash flow<sup>6)</sup></b>	€91.5	€103.8	€102.5	€92.5	€117.9
<b>Cash position end of period</b>	€117.6	€150.6	€125.5	€154.6	€224.1
<b>Net debt</b>	€406.4	€376.8	€416.9	€393.6	€470.6
<b>Net leverage</b>	x2.36	x2.14	x2.61	x3.10	x2.16

1) 2017, 2018, 2019 and 2020 are full year actual reported figures audited by external auditors; 2021 are full year preliminary figures currently being 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

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

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



# Q4 2021/20 – Operational data – Steel Dust Recycling Services

	Q4 2020	Q4 2021 <sup>1)</sup>	yoy change
EAFD throughput (kt)	185.1	322.4	+137.4 / +74.2%
EAFD average capacity utilisation (%)	89.2%	87.8%	-142 bps
Waelz oxide (WOX) sold (kt)	56.8	98.4	+41.6 / +73.4%
Zinc LME price (€/t)	€2,205	€2,942	+€737 / +33.4%
Zinc hedging price (€/t)	€2,253	€2,109	-€144 / -6.4%
Zinc blended price <sup>2)</sup> (€/t)	€2,287	€2,342	+€56 / +2.4%

1) EAFD throughput, corresponding capacity utilisation, and WOX sold figures in Q4 2021 include full-quarter figures contributed by the acquired US operations

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

# FY 2021/20 – Operational data – Steel Dust Recycling Services

	FY 2020	FY 2021 <sup>1)</sup>	yoy change
EAFD throughput (kt)	687.0	885.7	+198.7 / +28.9%
EAFD average capacity utilisation (%)	83.2%	83.3%	+9 bps
Waelz oxide (WOX) sold (kt)	239.2	291.0	+51.8 / +21.7%
Zinc LME price (€/t)	€1,979	€2,544	+€566 / +28.6%
Zinc hedging price (€/t)	€2,239	€2,151	-€88 / -3.9%
Zinc blended price <sup>2)</sup> (€/t)	€2,136	€2,275	+€139 / +6.5%

1) EAFD throughput, corresponding capacity utilisation, and WOX sold figures in 2021 include figures contributed by the acquired US operations (c.4.5 months of 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

# Q4 2021/20 – Operational data – Aluminium Salt Slags Recycling Services

	Q4 2020 <sup>1)</sup>	Q4 2021	yoy change
Salt Slags & SPL treated (kt)	111.6	92.0	-19.6 / -17.5%
Salt Slags & SPL avg. cap. utilisation (%)	83.8%	81.1%	-262 bps
Aluminium alloys produced (kt)	50.6	43.4	-7.2 / -14.2%
Secondary Alu avg. capacity utilisation (%)	98.3%	84.0%	-1,422 bps
Aluminium alloy FMB price <sup>2)</sup> (€/t)	€1,661	€2,506	+€845 / +50.9%

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

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

# FY 2021/20 – Operational data – Aluminium Salt Slags Recycling Services

	FY 2020 <sup>1)</sup>	FY 2021	yoy change
Salt Slags & SPL treated (kt)	444.6	395.0	-49.6 / -11.2%
Salt Slags & SPL avg. cap. utilisation (%)	83.9%	87.8%	+390 bps
Aluminium alloys produced (kt)	174.3	185.8	+11.4 / +6.6%
Secondary Alu avg. capacity utilisation (%)	85.0%	90.6%	+558 bps
Aluminium alloy FMB price <sup>2)</sup> (€/t)	€1,424	€2,112	+€688 / +48.3%

1) Salt slags & SPL volumes and corresponding capacity utilisation figures in 2020 include figures contributed by the plant in the UK, which was permanently closed by year-end 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	2021
EAFD throughput (kt)	661.0	717.1	665.8	687.0	885.7
EAFD average capacity utilisation (%)	84.7%	92.0%	80.7% / 90.1% <sup>1)</sup>	83.2%	83.3% <sup>2)</sup>
Waelz oxide (WOX) sold (kt)	217.8	240.9	217.6	239.2	291.0
Zinc LME price (€/t)	€2,572	€2,468	€2,276	€1,979	€2,544
Zinc hedging price (€/t)	€1,876	€2,051	€2,317	€2,239	€2,151
Zinc blended price <sup>3)</sup> (€/t)	€2,160	€2,168	€2,280	€2,136	€2,275
Salt Slags & SPL treated (kt)	509.9	517.0	492.6	444.6	395.0
Salt Slags & SPL avg. cap. utilisation (%)	96.2%	97.5%	92.9%	83.9% / 86.9% <sup>4)</sup>	87.8%
Alu alloys produced (kt)	184.1	169.3	176.7	174.3	185.8
Secondary Alu avg. capacity utilisation (%)	89.8%	82.6% / 98.1% <sup>5)</sup>	86.2% / 91.1% <sup>6)</sup>	85.0%	90.6%
Aluminium alloy FMB price <sup>7)</sup> (€/t)	€1,766	€1,715	€1,397	€1,424	€2,112

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) 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 are normalised for the UK salt slags plant closure by year-end 2020

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

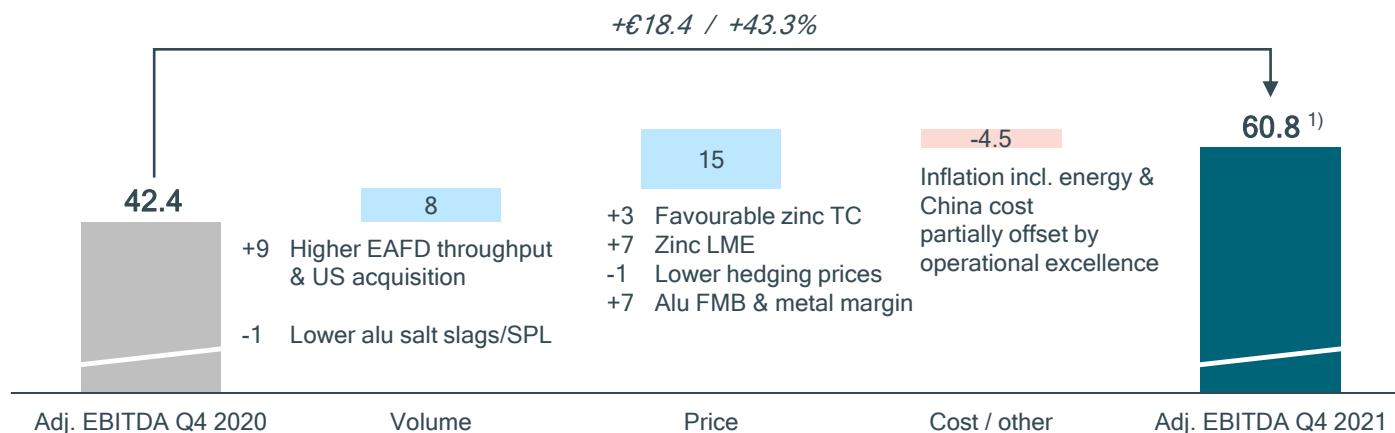
6) Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona - phase II (plant was shutdown three months, from mid-August to mid-November)

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

# Consolidated key financials

Q4 adjusted EBITDA at €60.8m, record level, up 43% yoy, mainly driven by strong metal prices; Contribution from acquired Zinc US operations (c.4.5 months of '21); Volumes continued solid with plant utilisation at pre-pandemic levels; EBITDA above pre-pandemic levels (up 43% vs. Q4'19)

Adjusted EBITDA bridge Q4 2020 to 2021 (€m)



Key metrics (€m, unless otherwise stated)

	Q4 2020	yoy change	Q4 2021
Revenue	€158.0	+€89.4 / +56.6%	€247.4
Adjusted EBITDA <sup>1)</sup>	€42.4	+€18.4 / +43.3%	€60.8
Adjusted EBITDA margin %	26.8%	-228 bps	24.6%
Net profit	€16.2	+€22.0 / +136.1%	€38.2
EPS <sup>2)</sup> (€)	€0.48	+€0.48 / +101.1%	€0.96
Operating cash flow	€54.8	-€10.8 / -19.7%	€44.0
Cash	€154.6	+€69.5 / +45.0%	€224.1
Net debt	€393.6	+€77.0 / +19.6%	€470.6
Net leverage	x3.10	-x0.94	x2.16

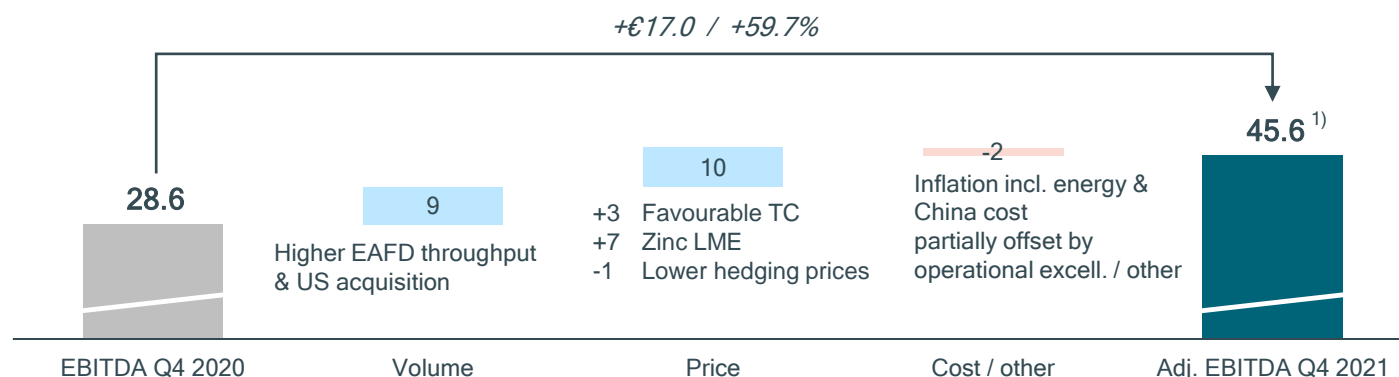
1) €29.2m Q4'21 reported Total EBIT + €31.8m D&A = €60.9m Q4'21 reported Total EBITDA + €5.9m one-time AZR acquisition costs - €6.0m Hanover plant fire impact = €60.8m Q4'21 adjusted Total EBITDA

2) EPS in Q4'20 is based on 34,066,705 shares; Q4'21 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

Q4 adjusted EBITDA at €45.6m; Favourable zinc LME prices & TC, partially offset by lower zinc hedging prices; Contribution from acquired US operations (c.4.5 months of '21); EBITDA above pre-pandemic levels (up 36% vs. Q4'19)

## Adjusted EBITDA bridge Q4 2020 to 2021 (€m)



## Key metrics (€m, unless otherwise stated)

	Q4 2020	yoy change	Q4 2021
Revenue	€88.5	+€63.3 / +71.5%	€151.7
Adjusted EBITDA <sup>1)</sup>	€28.6	+€17.0 / +59.7%	€45.6
Adjusted EBITDA margin %	32.3%	-223 bps	30.0%
EAFD throughput (kt)	185.1	+137.4 / +74.2%	322.4
Plant utilisation	89.2%	-142 bps	87.8%
Waelz oxide (WOX) sold (kt)	56.8	+41.6 / +73.4%	98.4
Zinc LME price (€/t)	€2,205	+€737 / +33.4%	€2,942
Zinc hedging price (€/t)	€2,253	-€144 / -6.4%	€2,109
Zinc blended price <sup>2)</sup> (€/t)	€2,287	+€56 / +2.4%	€2,342
Treatment charge (TC) (\$/t)	\$300	-\$141 / -47.0%	\$159

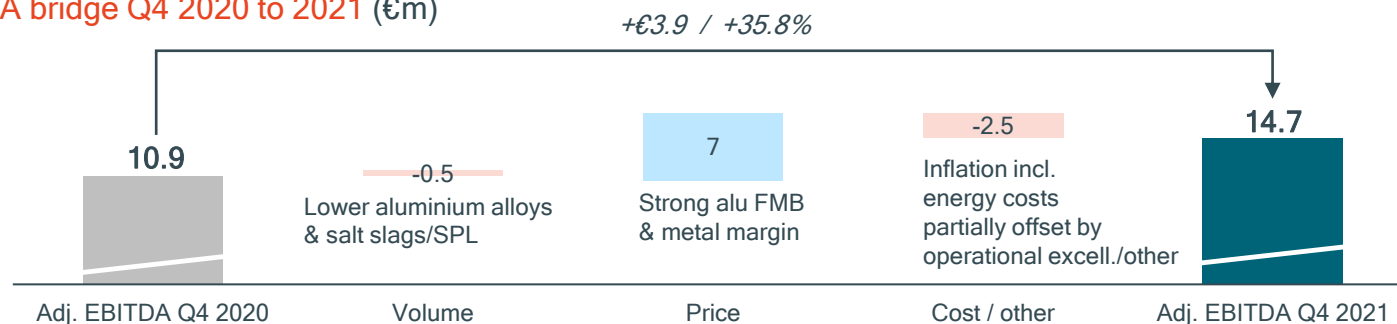
1) €35.4m Q4'21 reported Steel Dust EBITDA + €10.2m one-time AZR acquisition-related costs = €45.6m Q4'21 adjusted Steel Dust EBITDA

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

Q4 Adjusted EBITDA at €14.7m, all-time high, up 36% yoy, mainly driven by strong aluminium metal prices yoy; Better salt slags & SPL partially offset by lower alu alloys; Adj. EBITDA above pre-pandemic levels (up 78% vs. Q4'19)

## Adjusted EBITDA bridge Q4 2020 to 2021 (€m)



## Key metrics (€m, unless otherwise stated)

	Q4 2020	yoy change	Q4 2021
Revenue <sup>1)</sup>	€70.1	+€26.1 / +37.2%	€96.2
• Salt Slags	€12.7	+€7.3 / +57.5%	€20.1
• Secondary Aluminium	€64.7	+€20.9 / +32.3%	€85.6
Adjusted EBITDA <sup>2)</sup>	€10.9	+€3.9 / +35.8%	€14.7
• Salt Slags	€5.3	-€0.7 / -12.4%	€4.6
• Secondary Aluminium	€5.6	+€4.5 / +81.5%	€10.1
EBITDA margin % (Salt Slags)	41.5%	-1,840 bps	23.1%
Salt Slags & SPL treated (kt)	111.6	-19.6 / -17.5%	92.0
Plant utilisation	83.8%	-262 bps	81.1%
Aluminium alloys produced (kt)	50.6	-7.2 / -14.2%	43.4
Plant utilisation	98.3%	-1,422 bps	84.0%
Alu alloy FMB price <sup>3)</sup> (€/t)	€1,661	+€845 / +50.9%	€2,506

1) Total revenue is after intersegment eliminations (Q4 2020: €7.3m; Q4 2021: €9.4m)

2) €7.4m Q4'20 reported Alu Salt Slags EBITDA + €3.5m UK Salt Slags plant closure = €10.9m Q4'20 adjusted Alu Salt Slags EBITDA;

€20.8m Q4'21 reported Alu Salt Slags EBITDA - €6.0m Hanover Salt Slags plant fire impact = €14.7m Q4'21 adjusted Alu Salt Slags EBITDA

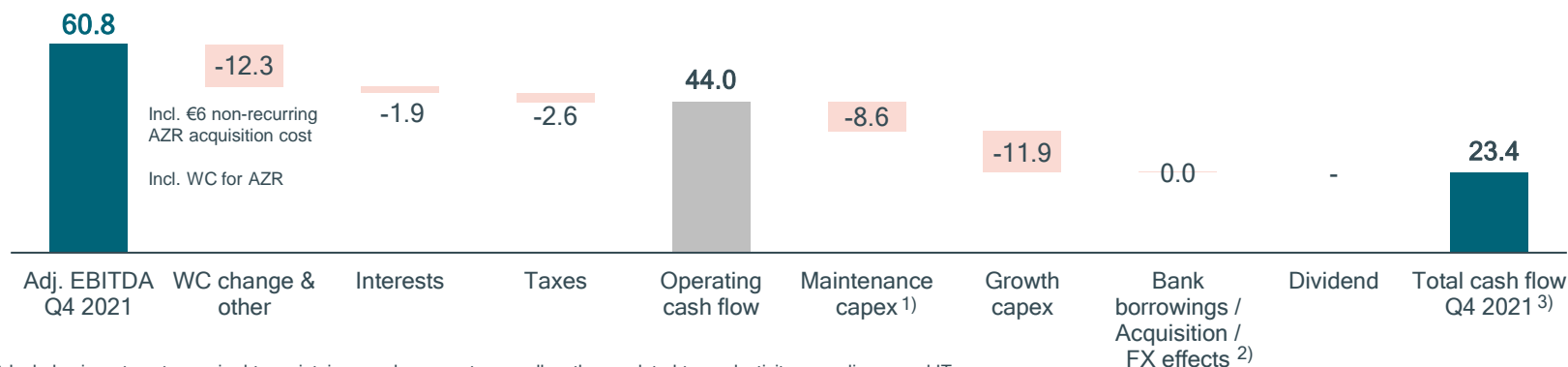
3) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

# 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 c.€300m including record €224m cash on hand, post-dividend & acquisition funding;  
Net leverage of x2.16 at YE'21, improved vs. x3.10 at YE'20 and vs. x2.33 at Q3'21

## 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 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 2021	Change	At 31 Dec 2021
LTM Adj. EBITDA <sup>4)</sup>	€207.2	+€10.6 / +5.1%	€217.8
LTM Operating cash flow <sup>5)</sup>	€128.7	-€10.8 / -8.4%	€117.9
Gross debt <sup>6)</sup>	€682.8	+€11.9 / +1.7%	€694.7
Cash on hand <sup>3)</sup>	€200.7	+€23.4 / +11.7%	€224.1
Net debt	€482.1	-€11.5 / -2.4%	€470.6
Net leverage	x2.33	-x0.17	x2.16

3) Cash on hand of €200.7m at Q3'21 closing increased by €23.4m cash flow Q4'21, ending at €224.1m total cash on hand at year-end 2021

4) 2021 LTM EBITDA incorporates full-twelve-rolling months of the US operations

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

6) €694.7m gross debt at year-end 2021 includes €100m TLB add-on to partly fund the AZR acquisition, as well as China local loans