



PRESS AND INVESTOR ANNOUNCEMENT

Third quarter 2022 results

Befesa continues to deliver strong results with 9M'22 up 20% yoy and confirms FY guidance towards lower end

- Q3'22 adjusted EBITDA at €46m, +8% or +€3m yoy (Q3'21: €43m); 9M'22 adjusted EBITDA at €164m, +20% or +€27m yoy (9M'21: €137m); LTM at €225m
- FY2022 EBITDA guidance range confirmed towards lower end
- Distributed €50m dividend equal to 50% of prior year net profit and €1.25 per share
- Acquisition of zinc refining asset in the US successfully completed at \$47m
- China expansion: Progress continued, finalising commissioning of 2nd plant in Q4
- Details of five-year Sustainable Global Growth Plan (SGGP) to be presented at Befesa's first Capital Markets Day on 8 November

Luxembourg, 27 October 2022 - Befesa S.A. ("*Befesa*"), the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, reported continued strong performance and earnings growth for both Q3 and 9M 2022.

Adjusted EBITDA for Q3 stood at €45.9m, compared to €42.7m in the same quarter last year, an increase of 7.6% YoY. Year-to-date growth was even stronger, as Befesa achieved €163.9m in the first nine months, up €27m or 20% compared to 9M 2021, driven by good volume performance in Steel Dust including the US operations, and overall high plant utilisation levels at around 80% in both core businesses. Zinc market prices averaged at €3,245/t in Q3 (up 28% YoY), aluminium alloy prices at €2,327/t (up 16% YoY), offsetting inflation, primarily energy, for the most part.

The 9M figures and Last Twelve Months trailing EBITDA of €225m indicate that Befesa's full year results are expected to come in at around the bottom part of the guidance range (FY2022 EBITDA: €220m to €270m) and deliver a new record year for Befesa with at or above 11% yoy growth for the full year.

In September, Befesa acquired the remaining 93% stake in the zinc refining asset in the US from former AZR owners. Befesa already owned 7% of the refining asset, as part of the acquisition of American Zinc Recycling (AZR) which closed in August 2021. Additionally, Befesa had an agreement envisaging the acquisition of the remaining 93% stake in the refining asset for a purchase price of \$135 million provided certain milestones were met. The current environment, characterised by high inflation and energy prices, provided Befesa with the opportunity to renegotiate the terms and conditions of the agreement favourably, hence reducing the acquisition price by 65% to \$47 million. The zinc refining plant is centrally located amongst Befesa's recycling plants producing Waelz Oxide (WOX) and processing WOX into Special High Grade (SHG) zinc in a state-of-the-art solvent extraction process. The zinc refining capacity is up to 140kt SHG "green zinc" production annually.

At the same time, Befesa's expansion in China continued to progress: the commissioning of Befesa's second plant in China, in Henan, is in progress and scheduled for completion in Q4, before the end of the year. Befesa continues to work on new projects and further expansion in China.

Leverage of x2.56 was reported at Q3 closing, following a €50m dividend distribution equal to 50% of 2021 net profit and €1.25 per share, the continued funding of the China expansion and the acquisition of the remaining 93% stake in the zinc refining asset in the US during Q3 at \$47m. Similarly, liquidity in Q3 2022 remained strong at more than €200m, with cash on hand of €139m. Overall, cash flow in Q3

was balanced, normalised for the €50m dividend distributed and the \$47m zinc refining asset acquisition.

When Befesa reported its half year results in July it announced the Company's Sustainable Global Growth Plan (SGGP), as part of which Befesa aims to invest around €500m in growth projects. These projects will seize the opportunities that megatrends such as decarbonisation and electric vehicle growth are generating in the steel and aluminium industries, enabling Befesa to target double-digit earnings growth on average over the next five years. The SGGP will be shared with Befesa's shareholders and analysts at the Company's Capital Markets Day in London on 8 November.

Javier Molina, Executive Chair of Befesa, commented: "In Q3, we continued to deliver solid EBITDA growth in a challenging market environment, confirming our guidance for the year and successfully completing the acquisition of the US zinc refining operations. Next week, on 3 November, we are celebrating our five-year anniversary on the Frankfurt Stock Exchange. In the past five years, we have developed Befesa from a leading European-focused company to an international market leader with a globally-balanced footprint. We are proud of what we have achieved, however, we are even more excited about the next five years. Our journey is accelerating further, growing through the cycle, with our environmental services playing a vital role in the decarbonisation of the steel and aluminium industries and the transition to electric vehicles. We are looking forward to sharing our SGGP with our shareholders and analysts at our first Capital Markets Day in London on 8 November."

Key figures

in €m	9M 2021	9M 2022	Change	Q3 2021	Q3 2022	Change
Revenues	574.2	857.9	49%	190.0	285.3	50%
Adjusted EBITDA ¹⁾	136.8	163.9	20%	42.7	45.9	8%
Net profit	61.5	87.2	42%	15.9	37.2	134%
EPS (€) ²⁾	1.69	2.18	29%	0.40	0.93	134%
Operating cash flow	73.9	78.3	6%	3.7	14.4	Favour.
Net debt	482.1	574.2	19%	482.1	574.2	19%
Net leverage	x2.33	x2.56		x2.33	x2.56	

1) 9M and Q3 2022 EBITDA were adjusted for -€17.3m and -€19.6m, respectively, mainly driven by zinc refining acquisition impacts

2) 9M'22 are based on 34,370,474 weighted average shares; Q3'21, 9M'22 and Q3'22 are based on 39,999,998 outstanding shares, after the capital increase of 5,933,293 new shares to partly fund the AZR acquisition

Webcast

Befesa will host a webcast on its third quarter 2022 results at 9:00 am CEST on 27 October 2022. Further details, a replay and other events are available on the Company's website: www.befesa.com

Financial Calendar 2023

The financial calendar for 2023 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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