



PRESS AND INVESTOR ANNOUNCEMENT

Befesa celebrates first Capital Markets Day - Highlighting next 5-year growth through the cycle

Luxembourg, 08 November 2022 - This morning, Befesa S.A. ("*Befesa*"), the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, has held its first Capital Markets Day in London. As previously announced, the Befesa management presented the Sustainable Global Growth Plan (SGGP) for 2022 to 2027.

Key growth drivers for the next five years will be megatrends such as decarbonisation and electric vehicles (EV). Globally, increased decarbonisation investments will support Electric Arc Furnace (EAF) steel production growth, which consumes around seven times less CO₂ per tonne versus primary Basic Oxygen Furnace (BOF) production, triggering increased residues recycling volume in the markets where Befesa operates. Decarbonisation also is accelerating the transition from combustion engine vehicles to EVs, which require higher aluminium content per car to achieve light-weight targets. This megatrend will drive higher aluminium demand in Europe and increased need for secondary aluminium and salt slags-recycling capacity.

As a clear enabler of the transition to a low-carbon economy, Befesa is well positioned to seize these significant growth opportunities by expanding its recycling capacity. The SGGP consists of nine, tangible and globally balanced growth projects to be executed in modules across Europe, the US and China. These include the scaling up of existing plants and capacity, new plants in existing markets as well as the expansion into new Chinese provinces. In total, Befesa plans to invest between 410m and 450m€ over the next five years, which should deliver between 125m and 155m€ of incremental EBITDA and attractive shareholder returns with three to five years payback and >20% IRR.

Given Befesa's strong financial backbone and high cash flow generation, the company intends to self-fund the SGGP, with execution timing cautiously aligned with macroeconomic developments. Befesa also intends to continue to distribute 40 to 50% of net profit as dividends.

Despite the current volatile and challenging environment, Befesa has proven resilience and a growth track record through the cycles driven by its leadership position in environmental services. The company is ready to continue on its growth path and deliver against the SGGP.

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

Investor Relations

Rafael Pérez

Email: irbefesa@befesa.com

Phone: +49 2102 1001 0

Media Relations

Richard Rigby
Email: richard.rigby@kekstcnc.com
Phone: +44 7970 767607