

**BEFESA**

**2022**

Preliminary Earnings

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# Today's presenters



**Javier Molina**  
Executive Chair

Leading Befesa  
for >20 years



**Asier Zarraonandia**  
CEO

>20 years with Befesa



**Wolf Lehmann**  
CFO

Befesa's CFO  
since 2014



# 01 / Highlights

# Executive summary



**Record 2022 revenue, EBITDA, net profit & operating cash flow:**

- Total revenue increased by 38% to €1,136m (2021: €822m), mainly driven by the US operations and higher metal prices
- Adj. EBITDA up 9% to €215m (2021: €198m), in a challenging year
- Reported EBITDA at €235m, +24% (2021: €190m), incl. mainly US zinc refining acquisition
- Net profit of €106m, +6% or +€6m (2021: €100m), equal to a €2.66 EPS (2021: €2.68)
- Operating cash flow of €137m, +16% or +€19m yoy (2021: €118m)
- Proposing stable €50m dividend (€1.25 per share)



**Integrating zinc refining operations acquired on 30 September;**  
**Continuing efficiency projects to improve earnings going forward**



**Henan plant, China II, commissioning completed in December, ramping up operations;**  
**Two plants operating in 2023; Monitoring recovery from COVID post Chinese New Year**



**Executing 5-year Sustainable Global Growth Plan (SGGP) presented at CMD, 8 November;**  
**Preparing refurbishment of US Palmerton plant as well as 3<sup>rd</sup> province, Guangdong, China**



**Lost Time Injury Rate (LTIR) reduced by 32% yoy to new low of 0.55 (2021: 0.81);**  
**Reporting on ESG in Q2 2023, incl. EU taxonomy alignment**

# Business highlights

## Steel Dust

- **EAFD throughput:**  
2022 up 35% to 1,194 kt  
Q4 down 8% to 296 kt, +11% qoq
- **Plant utilisation:** close to 80%
- **Turkey, Iskenderun,** operations impacted by **earthquake**: >90 employees, all safe; only minor damage to plant; supporting recovery from tragic event; assessing restart of operations in March
- **Zinc blended prices:** 2022 +15%, Q4 +9%
- **Adj. EBITDA** up 14% to €169m in 2022  
Q4 down 18% to €38m, +4% qoq

## US

- **Integrating zinc refining asset** acquired on 30 Sep
- **Executing efficiency projects**
- **Preparing Palmerton plant refurbishment**

## Alu Salt Slags

- **Salt slags volumes** / *normalised for Hanover*  
2022 down 18% to 322 kt / +7% yoy  
Q4 down 11% to 82 kt, +23% qoq / +3% yoy
- **2<sup>nd</sup> aluminium alloys:**  
2022 down 14% to 161 kt  
Q4 down 11% to 39 kt, +4% qoq
- **Plant utilisation:** c. 70% or >90% *normalised*
- **Hanover recovered & ramping up operations**
- **Alu FMB prices:** 2022 +15%, Q4 -8%
- **Adj. EBITDA** down 6% to €46m in 2022  
Q4 down 20% to €12m, +12% qoq

## China

- **Commissioning of Henan plant completed in Dec'22**
- **Monitoring recovery from COVID post CNY**
- **Operating Jiangsu & Henan plants in 2023**
- **Working on Guangdong as third province**



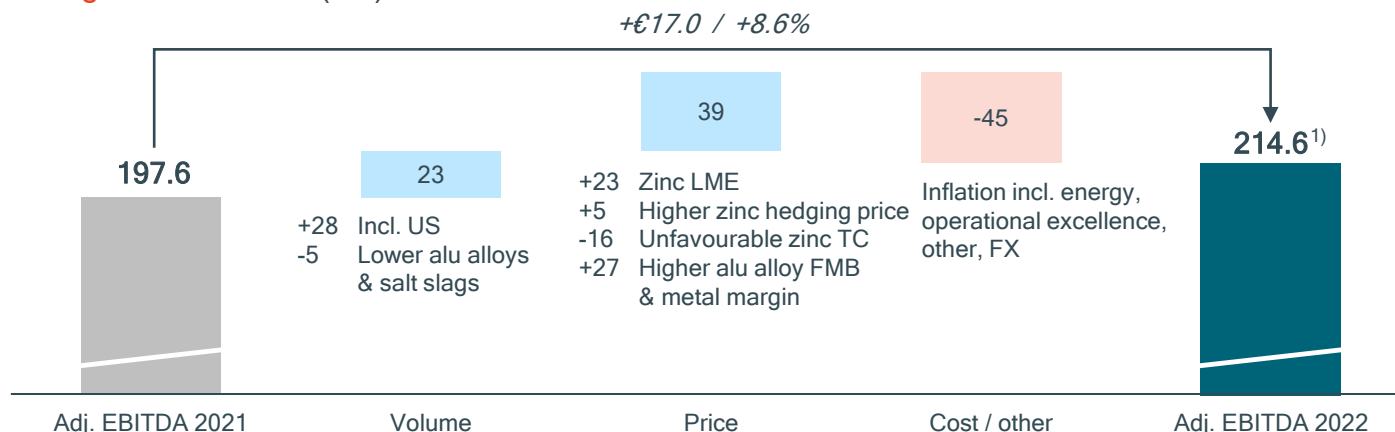


## 02 / Financial results

# Consolidated key financials

2022 adjusted **EBITDA** increased by 9% to **record €214.6m**, driven mainly by US zinc operations contributing full year; higher base metal prices offset by unfavourable zinc TC, energy inflation and minor aluminium volume decrease; Net profit up 6% to record €106.2m, equal to €2.66 EPS; **Proposing stable €50m dividend (€1.25 per share)**

## Adjusted EBITDA bridge 2021 to 2022 (€m)



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

	2021	yoy change	2022
Revenue	€821.6	+€314.4 / +38.3%	€1,136.0
Adjusted EBITDA <sup>1)</sup>	€197.6	+€17.0 / +8.6%	€214.6
Adjusted EBITDA margin %	24.0%	-516 bps	18.9%
Net profit	€99.7	+€6.5 / +6.5%	€106.2
EPS <sup>2)</sup> (€)	€2.68	-€0.02 / -0.7%	€2.66
Operating cash flow	€117.9	+€19.4 / +16.5%	€137.3
Cash	€224.1	-€62.3 / -27.8%	€161.8
Net debt	€470.6	+€78.4 / +16.7%	€549.0
Net leverage	x2.38	+x0.18	x2.56

1) €164.8m reported Total EBIT + €70.1m D&A = €234.9m reported Total EBITDA - €20.3m adjustments, mainly driven by Zinc refining acquisition impacts = €214.6m adjusted Total EBITDA

2) EPS in 2021 is based on 37,285,313 weighted average shares and 2022 is based on 39,999,998 shares after the capital increase of 5,933,293 new shares on 16 June 2021 to partly fund the AZR acquisition



# Steel Dust Recycling Services

Adjusted EBITDA up 14% to €168.6m in 2022, driven mainly by US operations contributing full year; higher zinc market prices offset by unfavourable TC and energy inflation

## Adjusted EBITDA bridge 2021 to 2022 (€m)



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

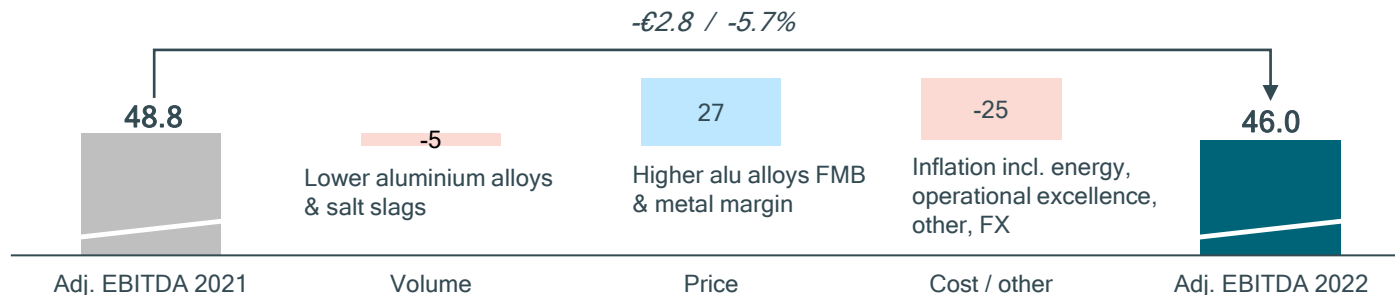
	2021	yoy change	2022
Revenue	€455.8	+€274.5 / +60.2%	€730.3
Adjusted EBITDA	€148.3	+€20.3 / +13.7%	€168.6
Adjusted EBITDA margin %	32.5%	-946 bps	23.1%
EAFD throughput (kt)	885.7	+308.1 / +34.8%	1,193.8
Plant utilisation	83.3%	-657 bps	76.8%
Waelz oxide (WOX) sold (kt)	291.0	+116.5 / +40.0%	407.4
Zinc LME price (€/t)	€2,544	+€758 / +29.8%	€3,302
Zinc hedging price (€/t)	€2,151	+€228 / +10.6%	€2,379
Zinc blended price <sup>1)</sup> (€/t)	€2,275	+€352 / +15.5%	€2,627
Treatment charge (TC) (\$/t)	\$159	+\$71 / +44.7%	\$230

1) 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

Adjusted EBITDA down 6% to €46.0m in 2022; Inflation fully offset by higher metal prices; Only minor volume decrease

## Adjusted EBITDA bridge 2021 to 2022 (€m)



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

	2021	yoy change	2022
Revenue <sup>1)</sup>	€368.4	+€38.4 / +10.4%	€406.8
• Salt Slags	€77.3	+€0.0 / +0.0%	€77.3
• Secondary Aluminium	€329.9	+€46.0 / +13.9%	€375.9
Adjusted EBITDA	€48.8	-€2.8 / -5.7%	€46.0
• Salt Slags	€20.5	+€6.5 / +31.6%	€27.0
• Secondary Aluminium	€28.3	-€9.3 / -32.7%	€19.0
EBITDA margin % (Salt Slags)	26.5%	+838 bps	34.9%
Salt Slags & SPL treated (kt)	395.0	-72.9 / -18.5% or +7% <sup>2)</sup>	322.1
Plant utilisation	84.0%	-1,552 bps	68.5% / 94.7% <sup>2)</sup>
Aluminium alloys produced (kt)	185.8	-25.1 / -13.5%	160.6
Plant utilisation	90.6%	-1,226 bps	78.4%
Alu alloy FMB price <sup>3)</sup> (€/t)	€2,112	+€327 / +15.5%	€2,438

1) Total revenue is after intersegment eliminations (2021: €38.8m; 2022: €46.3m)

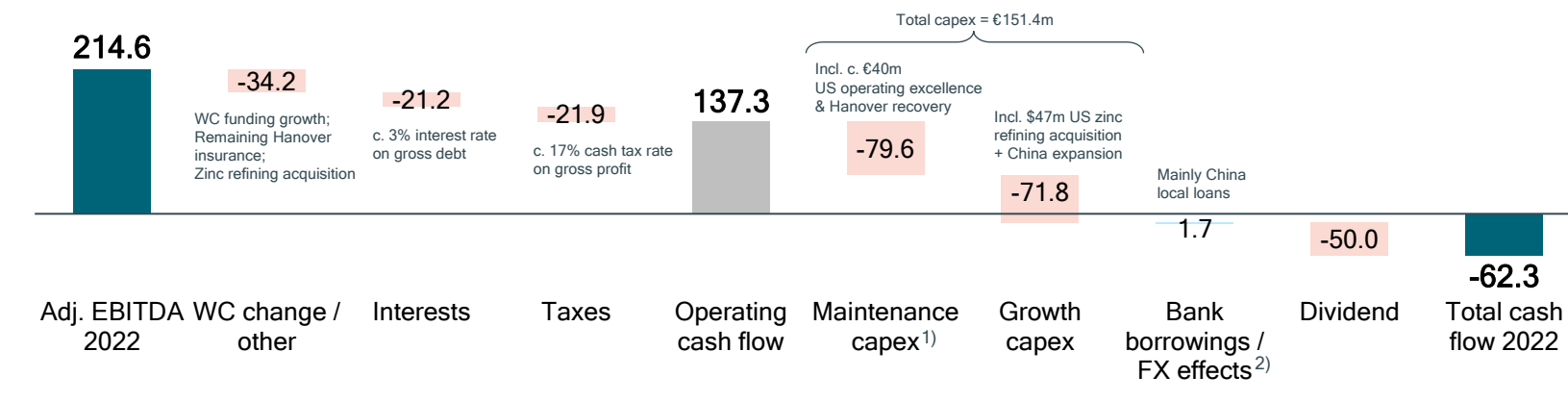
2) Normalising for Hanover plant shutdown in 2022

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

Operating cash flow up 16% to €137m in 2022, a new high; Approx. balanced cash flow normalised for >€50m self-funded zinc refining acquisition & related costs; Net leverage of x2.56 (2021: x2.38)

## Adjusted EBITDA to total cash flow (€m)



	2020	2021	change	2022
Adjusted EBITDA	€127.0	€197.6	+€17.0 / +8.6%	€214.6
Operating cash flow	€92.5	€117.9	+€19.4 / +16.5%	€137.3
Gross debt <sup>3)</sup>	€548.2	€694.7	+€16.0 / +2.3%	€710.8
Cash on hand	€154.6	€224.1	-€62.3 / -27.8%	€161.8
Net debt	€393.6	€470.6	+€78.4 / +16.7%	€549.0
Net leverage	x3.10	x2.38	+x0.18	x2.56

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

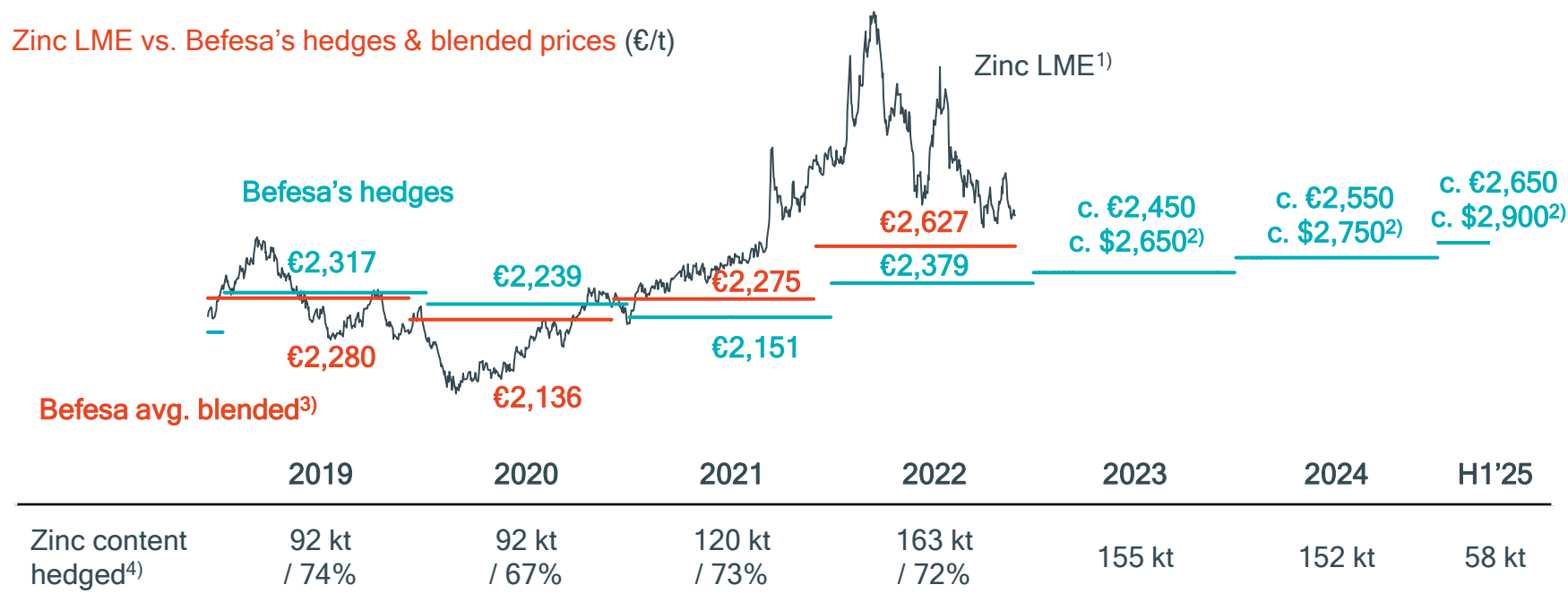
2) Mainly includes cash bank inflows/outflows from bank borrowings and other liabilities, as well as the effect of foreign exchange rate changes on cash

3) Gross debt of €694.7m at 31 December 2021 and €710.8m at 31 December 2022 include €100m TLB add-on to partly fund the AZR acquisition, as well as China local loans

# Zinc prices & hedging strategy

Hedge book extended further up to July 2025, c. 2.5 years; Improving earnings & cash flows visibility

Zinc LME vs. Befesa's hedges & blended prices (€/t)



## BEFESA Hedging strategy unchanged

1-3 years forward

Targeting 60% to 75%  
of zinc equivalent volume

Befesa providing  
no collateral

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

2) Assumes FX \$/€ of 1.08 for 2023 and 2024, and 1.10 for 2025

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

4) As percentage of total zinc payable output



03 / Growth



# Executing next 5-year Sustainable Global Growth Plan (SGGP)



Around €410-450m investment,  
similar expansion focus & size like last 5 years

€360-400m post c.€50m invested  
in US zinc refining acquisition



Targeting +€125-155m incremental run-rate EBITDA from 2022 baseline,  
8-10% CAGR growth; >20% IRR



Globally balanced expansion, c. 1/3 in the US, Europe & Asia/China



Self-funded growth plan, no capital increase needed,  
keeping leverage  $\leq 2x$ ,  
maintaining dividend policy of 40-50% net profit payout












Rigorous execution & cautiously managing timing aligned with  
macroeconomic developments

# SGGP indicative timeline; Befesa in control; Adjusting timing to macroeconomic developments

€410-450m total capex requirement over the next 5 years

● Steel Dust ● Alu Salt Slags

		SGGP growth projects	Timing		Capex €m	EBITDA run-rate €m	Pay-back <sup>1)</sup>	IRR <sup>2)</sup>
			2022e	2027e				
✓		1 Zinc refining			€110-120	€35-45	3-4	>30%
		2 Cap. utilisation	Refurbishing / efficiencies					
		3 EAFD plant	Construction + ramp-up		€105-115	€30-35	3-4	>30%
		4 WOX washing	Construction					
		5 China III ✓ LOI signed	Construction + ramp-up		€115-125	€30-35	4-5	>20%
		5 China IV	Construction + ramp-up					
		5 China V	Construction + ramp-up					
		6 2 <sup>nd</sup> Alu expansion	Permits + construction + ramp-up		€80-90	€15-20	5	>15%
		7 Salt Slags plant	Permits + construction + ramp-up					
					€410-450	€110-135	3-4	>20%

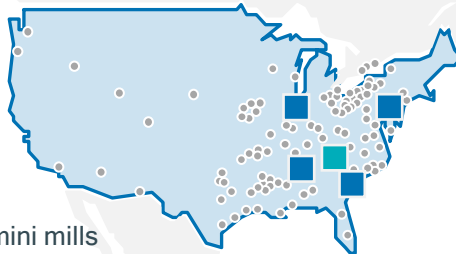
€360-400m post c.€50m invested  
in US zinc refining acquisition

1) Payback calculated dividing total capex by run-rate EBITDA

2) IRR estimated based on incremental EBITDA less WC & taxes to Operating cash flow contribution vs. growth & maintenance capex, discounted at an 8% WACC

# ✓ US Zinc refining asset acquired on 30 Sep 2022

## Rutherford County, NC



- EAF mini mills
- Befesa's EAFD recycling sites
- Befesa's zinc refining plant

**x** Special High Grade (SHG) zinc production capacity

Zinc refining plant centrally located amongst Befesa's EAFD recycling plants close to the major US EAF steel mini mills

- **Acquired** remaining 93% of zinc refining asset on 30 September 2022 for **\$47m cash** transaction; **65% or \$88m below original purchase option of \$135m**
- **Attractive multiple** of around 5x Adj. EBITDA and at about 1/10<sup>th</sup> of >\$500m invested
- **Long-term view** around asset potential **unchanged**; **Opportunity to improve performance** of the plant further, especially post current high inflation environment
- **Size of refining plant sufficient to process zinc Waelz oxide (WOX)** of up to 220 kt of all 4 recycling assets at full capacity to pure zinc
- **Largest producer of "green zinc" (SHG)** 100% from recycled materials (WOX) using solvent extraction



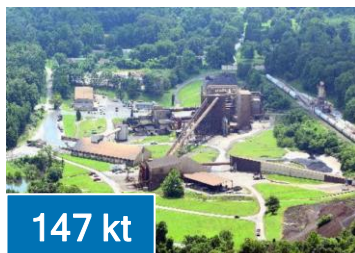
# Refurbishing Palmerton in 2023/24 to drive efficiencies & increase capacity utilisation by 2026

## EAFD recycling sites

### 1 Barnwell, SC



### 2 Rockwood, TN



### 3 Calumet, IL



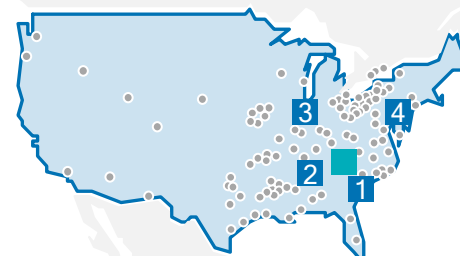
### 4 Palmerton, PA



EAFD annual nameplate recycling capacity

## Palmerton refurbishment status update

- Engineering / design across 6 working areas (packages) in process
- Request For Quote with suppliers started; Completion scheduled for Q2 2023
- Scheduling downtimes across production lines ensuring continuation of customer service



- EAF mini mills
- Befesa's EAFD recycling sites
- Befesa's zinc refining plant

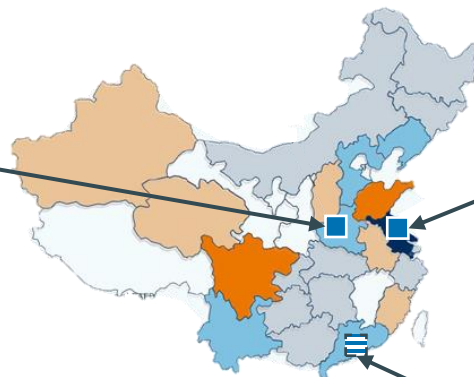


# Operating 2 plants in 2023; Preparing 3<sup>rd</sup> province, Guangdong



## China II, Xuchang (Henan)

- ✓ Commissioning completed Dec 2022
- ✓ Inaugurated on 23 February 2023
- Ramping up Q1 2023



## China I, Changzhou (Jiangsu)

- ✓ Ramped up Q1 2022

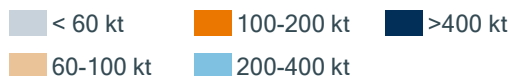


## China III, Yunfu (Guangdong)

- ✓ LOI signed in Q4 2022
- ✓ Signed investment agreement with local authorities on 22 February
- Land lot assigned; Preparation works in progress
- Preparing basic engineering
- Starting negotiations with local steelmakers

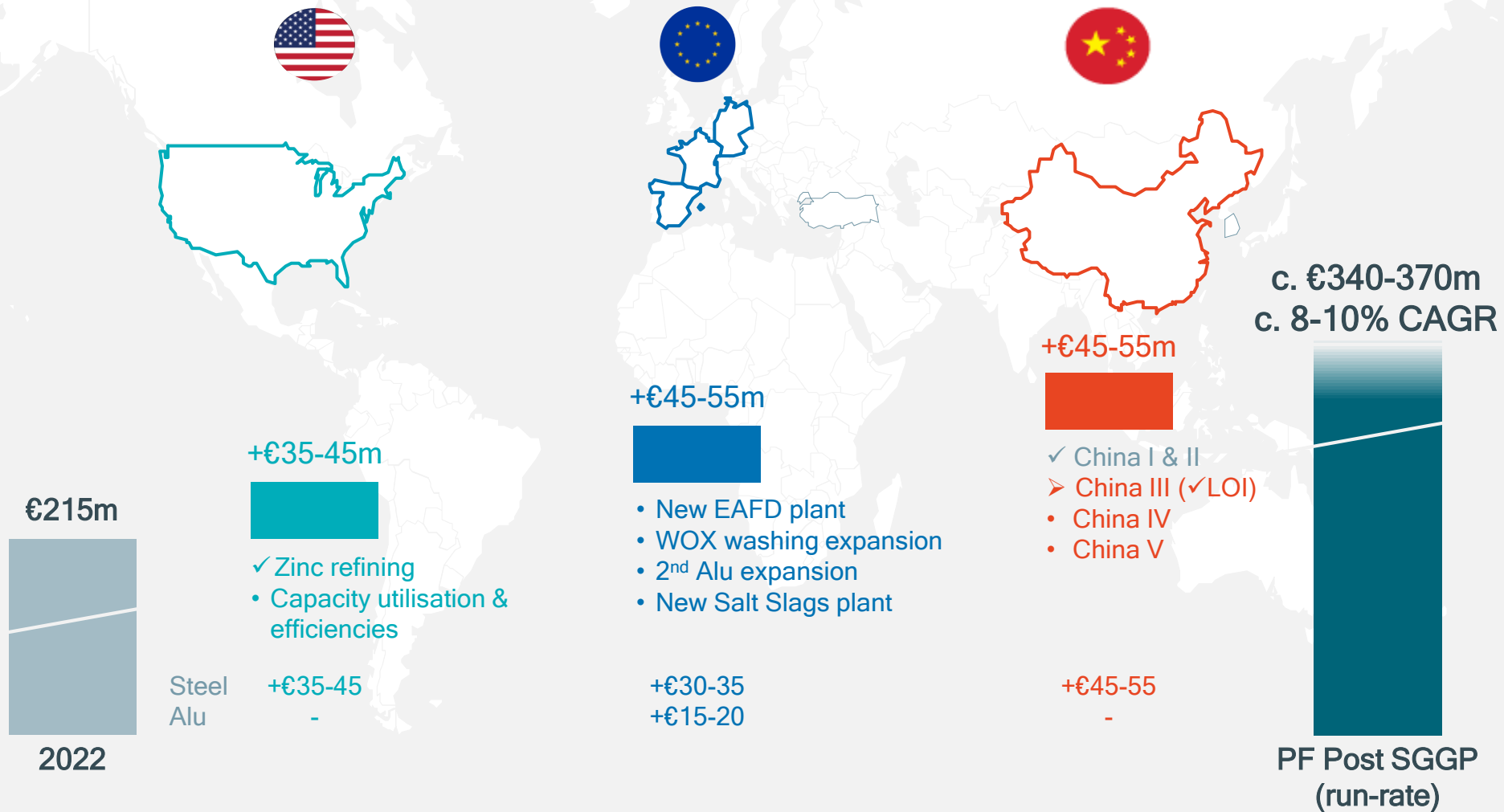
■ Befesa's EAFD recycling sites

EAFD generation - Chinese market





Well defined growth roadmap driving +€125-155m EBITDA growth, 8-10% CAGR, globally balanced, c. 1/3 US/EU/Asia





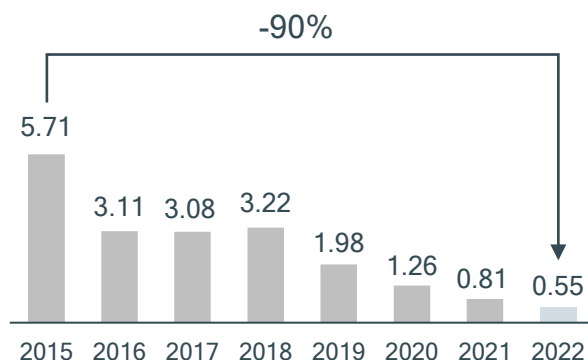
# 04 / ESG

# ESG highlights

Key player within the circular economy, with c. 1.8 Mt recycled and c. 1.5 Mt of valuable materials;  
LTIR further reduced by >30% yoy to new low of 0.55

## Lost Time Injury Rate (LTIR)<sup>1)</sup>

- Reduced by -32% yoy
- Reduced by -90% vs. 2015 baseline



## ESG Ratings<sup>2)</sup>



2022	2021
Top 3 of 69	Top 3 of 69
#181 / 430	#5 / 63
#7 / 103	#7 / 103
BBB	BBB
Top 5%	-
Top 15%	-

## ESG Update 2022

Will be published  
in **Q2 2023**

## EU Taxonomy

Detailed regulation for 'Transition  
to a circular economy' pending

Reporting on alignment  
scheduled for Q2 2023

## CO<sub>2</sub> intensity

Defined & executing  
20% reduction plan by 2030

<sup>1)</sup> Befesa's own employees and contractors

<sup>2)</sup> Industry groups under which Befesa is ranked by the respective ESG rating companies: ISS ESG, Metals processing & production; Sustainalytics, Commercial services; V.E., Business services; MSCI, Commercial services & supplies; arabesque s-ray, Industrial services; S&P Global, n.d.



# 05 / Investor agenda & appendix

# Investor's agenda

## Financial calendar 2023

**Annual Report 2022**  
Thursday, 23 March 2023

**Q1 2023 Statement & Conf. Call**  
Thursday, 4 May 2023

**Annual General Meeting**  
Thursday, 15 June 2023

**H1 2023 Interim Report & Conf. Call**  
Thursday, 27 July 2023

**Q3 2023 Statement & Conf. Call**  
Thursday, 26 October 2023

## Next investor conferences H1 2023 H2 2023

**ESG Event (virtual)**  
7 March - Jefferies

**London - Pan-European Small/Mid Cap**  
14-16 March - J.P. Morgan

**Copenhagen - Stifel German Corporate**  
30 March - Stifel

**Barcelona - BofA Securities 2023 Global Metals, Mining & Steel**  
16-18 May - Bank of America

**NYC - Berenberg Conf. USA 2023**  
23-25 May - Berenberg

**Boston - Stifel Cross Sector Insight Conference 2023**  
6-7 June - Stifel

**BofA SmartMine 4.0 Conference (virtual)**  
28 June - Bank of America

**London - Stifel 2023 London Industrials & Renewables Summit**  
6 September - Stifel

**Hong Kong - Jefferies Asia Forum**  
6-8 September - Jefferies

**Berenberg & Goldman Sachs 12<sup>th</sup> German Corporate Conference**  
18-20 Sep - Berenberg & Goldman Sachs

**Munich - 12<sup>th</sup> Baader Investment Conference**  
18-22 September - Baader

**Paris - 6<sup>th</sup> MidCap CEO Conference**  
13-15 November - BNP Paribas Exane

**Frankfurt - Deutsches Eigenkapitalforum**  
27-29 November - Deutsche Börse

## Contact details

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# Q4 2022/21 – 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>€197.0</b> <i>+€45.3 / +29.8%</i>	<b>€20.0</b> <i>-€0.1 / -0.3%</i>	<b>€89.6</b> <i>+€4.1 / +4.7%</i>	<b>-€11.2</b> <i>-€1.2 / -</i>	<b>€295.5</b> <i>+€48.0 / +19.4%</i>
<b>Reported EBITDA</b> <i>yoy change</i>	<b>€27.4</b> <i>-€8.0 / -22.6%</i>	<b>€16.6</b> <i>+€6.0 / +56.3%</i>	<b>€6.8</b> <i>-€3.3 / -32.8%</i>	<b>€2.9</b> <i>-€1.8 / -</i>	<b>€53.8</b> <i>-€7.1 / -11.7%</i>
<b>Reported EBITDA margin %</b> <i>yoy change</i>	<b>13.9%</b> <i>-943 bps</i>	<b>83.2%</b> <i>+3,014 bps</i>	<b>7.6%</b> <i>-424 bps</i>	<b>-</b> <i>-</i>	<b>18.2%</b> <i>-642 bps</i>
<b>Adjusted EBITDA<sup>2)</sup></b> <i>yoy change</i>	<b>€37.6</b> <i>-€8.0 / -17.6%</i>	<b>€5.0</b> <i>+€0.4 / +8.2%</i>	<b>€6.8</b> <i>-€3.3 / -32.8%</i>	<b>€1.4</b> <i>+€0.9 / -</i>	<b>€50.7</b> <i>-€10.0 / -16.5%</i>
<b>Adjusted EBITDA margin %</b> <i>yoy change</i>	<b>19.1%</b> <i>-1,097 bps</i>	<b>25.1%</b> <i>+198 bps</i>	<b>7.6%</b> <i>-424 bps</i>	<b>-</b> <i>-</i>	<b>17.2%</b> <i>-739 bps</i>

1) Total revenue in Aluminium Salt Slags Recycling Services amounted to €81.4m (Q4 2021: €96.2m) after intersegment eliminations of €10.9m (Q4 2021: €9.4m)

2) €38.4m reported Total EBIT + €15.4m D&A = €53.8m reported Total EBITDA - €3.0m adjustments, mainly driven by Zinc refining acquisition impacts = €50.7m adjusted Total EBITDA

# 2022/21 – 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>€730.3</b> <i>+€274.5 / +60.2%</i>	<b>€77.3</b> <i>+€0.0 / +0.0%</i>	<b>€375.9</b> <i>+€46.0 / +13.9%</i>	<b>-€47.5</b> <i>-€6.0 / -</i>	<b>€1,136.0</b> <i>+€314.4 / +38.3%</i>
<b>Reported EBITDA</b> <i>yoy change</i>	<b>€178.8</b> <i>+€44.2 / +32.8%</i>	<b>€38.6</b> <i>+€12.1 / +45.5%</i>	<b>€19.0</b> <i>-€9.3 / -32.7%</i>	<b>-€1.5</b> <i>-€1.7 / -</i>	<b>€234.9</b> <i>+€45.3 / +23.9%</i>
<b>Reported EBITDA margin %</b> <i>yoy change</i>	<b>24.5%</b> <i>-505 bps</i>	<b>49.9%</b> <i>+1,563 bps</i>	<b>5.1%</b> <i>-351 bps</i>	<b>-</b> <i>-</i>	<b>20.7%</b> <i>-240 bps</i>
<b>Adjusted EBITDA<sup>2)</sup></b> <i>yoy change</i>	<b>€168.6</b> <i>+€20.3 / +13.7%</i>	<b>€27.0</b> <i>+€6.5 / +31.6%</i>	<b>€19.0</b> <i>-€9.3 / -32.7%</i>	<b>-€0.0</b> <i>-€0.4 / -</i>	<b>€214.6</b> <i>+€17.0 / +8.6%</i>
<b>Adjusted EBITDA margin %</b> <i>yoy change</i>	<b>23.1%</b> <i>-946 bps</i>	<b>34.9%</b> <i>+838 bps</i>	<b>5.1%</b> <i>-351 bps</i>	<b>-</b> <i>-</i>	<b>18.9%</b> <i>-516 bps</i>

1) Total revenue in Aluminium Salt Slags Recycling Services amounted to €406.8m (2021: €368.4m) after intersegment eliminations of €46.3m (2021: €38.8m)

2) €164.8m reported Total EBIT + €70.1m D&A = €234.9m reported Total EBITDA - €20.3m adjustments, mainly driven by Zinc refining acquisition impacts = €214.6m adjusted Total EBITDA

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

(€m, unless otherwise stated)

	2017	2018	2019	2020	2021	2022
<b>Revenue</b>	€667.4 <sup>2)</sup>	€720.1	€647.9	€604.3	€821.6	€1,136.0
<b>Reported EBITDA</b>	€153.0	€176.0	€159.6	€123.5	€189.6	€234.9
<b>Reported EBITDA margin %</b>	22.9% <sup>2)</sup>	24.4%	24.6%	20.4%	23.1%	20.7%
<b>Adjusted EBITDA</b>	€172.4 <sup>3)</sup>	€176.0	€159.6	€127.0 <sup>3)</sup>	€197.6 <sup>3)</sup>	€214.6 <sup>3)</sup>
<b>Adjusted EBITDA margin %</b>	25.8% <sup>2)</sup>	24.4%	24.6%	21.0%	24.0%	18.9%
<b>Net profit<sup>4)</sup></b>	€49.3	€90.2	€82.7	€47.6	€99.7	€106.2
<b>EPS<sup>5)</sup> (€)</b>	€1.02 <sup>5)</sup>	€2.65	€2.43	€1.40	€2.68 <sup>5)</sup>	€2.66 <sup>5)</sup>
<b>Operating cash flow<sup>6)</sup></b>	€91.5	€103.8	€102.5	€92.5	€117.9	€137.3
<b>Cash position end of period</b>	€117.6	€150.6	€125.5	€154.6	€224.1	€161.8
<b>Net debt</b>	€406.4	€376.8	€416.9	€393.6	€470.6	€549.0
<b>Net leverage</b>	x2.36	x2.14	x2.61	x3.10	x2.38	x2.56

1) 2017, 2018, 2019, 2020 and 2021 are full year actual reported figures 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; 2022 EBITDA adjusted for -€20.3m, mainly driven by Zinc refining acquisition impacts

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;

2022 EPS based on 39,999 thousand outstanding shares

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

# Q4 2022/21 – Operational data – Steel Dust Recycling Services

	Q4 2021	Q4 2022	yoy change
EAFF throughput (kt)	322.4	296.2	-26.2 / -8.1%
EAFF average capacity utilisation (%)	87.8%	75.6%	-1,223 bps
Waelz oxide (WOX) sold (kt)	98.4	96.2	-2.2 / -2.3%
Zinc LME price (€/t)	€2,942	€2,944	+€2 / +0.1%
Zinc hedging price (€/t)	€2,109	€2,436	+€327 / +15.5%
Zinc blended price <sup>1)</sup> (€/t)	€2,342	€2,563	+€220 / +9.4%

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

# 2022/21 – Operational data – Steel Dust Recycling Services

	2021 <sup>1)</sup>	2022	yoy change
EAFD throughput (kt)	885.7	1,193.8	+308.1 / +34.8%
EAFD average capacity utilisation (%)	83.3%	76.8%	-657 bps
Waelz oxide (WOX) sold (kt)	291.0	407.4	+116.5 / +40.0%
Zinc LME price (€/t)	€2,544	€3,302	+€758 / +29.8%
Zinc hedging price (€/t)	€2,151	€2,379	+€228 / +10.6%
Zinc blended price <sup>2)</sup> (€/t)	€2,275	€2,627	+€352 / +15.5%

1) EAFD throughput, corresponding capacity utilisation, and WOX sold figures in 2021 include partial figures contributed by the US operations since acquisition in August 2021 (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 2022/21 – Operational data – Aluminium Salt Slags Recycling Services

	Q4 2021	Q4 2022	yoy change
Salt slags & SPL treated (kt)	92.0	82.2	-9.8 / -10.6% +2.6 <sup>1)</sup> / +3.3% <sup>1)</sup>
Salt slags & SPL avg. capacity utilisation (%)	77.7%	69.4% / 96.0% <sup>1)</sup>	-826 bps / +307 bps <sup>1)</sup>
Aluminium alloys produced (kt)	43.4	38.7	-4.7 / -10.9%
Secondary alu avg. capacity utilisation (%)	84.0%	74.9%	-915 bps
Aluminium alloy FMB price <sup>2)</sup> (€/t)	€2,506	€2,312	-€194 / -7.7%

1) Normalised for Hanover plant shutdown in 2022

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

# 2022/21 – Operational data – Aluminium Salt Slags Recycling Services

	2021	2022	yoy change
Salt slags & SPL treated (kt)	395.0	322.1	-72.9 / -18.5% +22.0 <sup>1)</sup> / +7.3% <sup>1)</sup>
Salt slags & SPL avg. capacity utilisation (%)	84.0%	68.5% / 94.7% <sup>1)</sup>	-1,552 bps / +647 bps <sup>1)</sup>
Aluminium alloys produced (kt)	185.8	160.6	-25.1 / -13.5%
Secondary alu avg. capacity utilisation (%)	90.6%	78.4%	-1,226 bps
Aluminium alloy FMB price <sup>2)</sup> (€/t)	€2,112	€2,438	+€327 / +15.5%

1) Normalised for Hanover plant shutdown in 2022

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	2022
EAFD throughput (kt)	661.0	717.1	665.8	687.0	885.7	1,193.8
EAFD average capacity utilisation (%)	84.7%	92.0%	80.7% / 90.1% <sup>1)</sup>	83.2%	83.3% <sup>2)</sup>	76.8%
Waelz oxide (WOX) sold (kt)	217.8	240.9	217.6	239.2	291.0	407.4
Zinc LME price (€/t)	€2,572	€2,468	€2,276	€1,979	€2,544	€3,302
Zinc hedging price (€/t)	€1,876	€2,051	€2,317	€2,239	€2,151	€2,379
Zinc blended price <sup>3)</sup> (€/t)	€2,160	€2,168	€2,280	€2,136	€2,275	€2,627
Salt Slags & SPL treated (kt)	509.9	517.0	492.6	444.6	395.0	322.1
Salt Slags & SPL avg. cap. utilisation (%)	96.2%	97.5%	92.9%	83.9% / 86.9% <sup>4)</sup>	84.0%	68.5% / 96.7% <sup>4)</sup>
Alu alloys produced (kt)	184.1	169.3	176.7	174.3	185.8	160.6
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%	78.4%
Aluminium alloy FMB price <sup>7)</sup> (€/t)	€1,766	€1,715	€1,397	€1,424	€2,112	€2,438

1) Installed capacity and corresponding utilisation rates in 2019 are normalised for the capacity upgrade in Turkey, from 65 kt to 110 kt (plant was shutdown from end of January to mid-August 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 and following years is normalised for the UK plant closure occurred at year-end 2020; in 2022, it is normalised for the Hanover plant shutdown

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 €50.7m, -17% yoy, mainly driven by yoy higher energy inflation;  
Higher base metal prices offset with unfavourable zinc TC and minor volume decrease

## Adjusted EBITDA bridge Q4 2021 to Q4 2022 (€m)



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

	Q4 2021	yoy change	Q4 2022
Revenue	€247.4	+€48.0 / +19.4%	€295.5
Adjusted EBITDA <sup>1)</sup>	€60.8	-€10.0 / -16.5%	€50.7
Adjusted EBITDA margin %	24.6%	-739 bps	17.2%
Net profit	€38.2	-€19.3 / -50.4%	€19.0
EPS <sup>2)</sup> (€)	€0.96	-€0.48 / -50.4%	€0.47
Operating cash flow	€44.0	+€15.0 / +34.2%	€59.0
Cash	€224.1	-€62.3 / -27.8%	€161.8
Net debt	€470.6	+€78.4 / +16.7%	€549.0
Net leverage	x2.38	+x0.18	x2.56

1) €38.4m reported Total EBIT + €15.4m D&A = €53.8m reported Total EBITDA - €3.0m adjustments, mainly driven by Zinc refining acquisition impacts = €50.7m adjusted Total EBITDA

2) EPS is based on 39,999,998 shares after the capital increase of 5,933,293 new shares on 16 June 2021 to partly fund the AZR acquisition

# Steel Dust Recycling Services

Q4 adjusted EBITDA at €37.6m, -18% yoy, mainly driven by yoy higher energy inflation and lower volumes;  
Zinc metal prices offset unfavourable TC

## Adjusted EBITDA bridge Q4 2021 to Q4 2022 (€m)



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

	Q4 2021	yoy change	Q4 2022
Revenue	€151.7	+€45.3 / +29.8%	€197.0
Adjusted EBITDA	€45.6	-€8.0 / -17.6%	€37.6
Adjusted EBITDA margin %	30.0%	-1,098 bps	19.1%
EAFD throughput (kt)	322.4	-26.2 / -8.1%	296.2
Plant utilisation	87.8%	-1,223 bps	75.6%
Waelz oxide (WOX) sold (kt)	98.4	-2.2 / -2.3%	96.2
Zinc LME price (€/t)	€2,942	+€2 / +0.1%	€2,944
Zinc hedging price (€/t)	€2,109	+€327 / +15.5%	€2,436
Zinc blended price <sup>1)</sup> (€/t)	€2,342	+€220 / +9.4%	€2,563
Treatment charge (TC) (\$/t)	\$159	+\$71 / +44.7%	\$230

1) 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 €11.8m, -20% yoy; Minor volume decrease & inflation partially offset by higher alu metal prices

## Adjusted EBITDA bridge Q4 2021 to Q4 2022 (€m)



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

	Q4 2021	yoy change	Q4 2022
Revenue <sup>1)</sup>	€96.2	+€2.5 / +2.6%	€98.7
• Salt Slags	€20.1	-€0.1 / -0.3%	€20.0
• Secondary Aluminium	€85.6	+€4.1 / +4.7%	€89.6
Adjusted EBITDA	€14.7	-€2.9 / -19.9%	€11.8
• Salt Slags	€4.6	+€0.4 / +8.2%	€5.0
• Secondary Aluminium	€10.1	-€3.3 / -32.8%	€6.8
EBITDA margin % (Salt Slags)	23.1%	+198 bps	25.1%
Salt Slags & SPL treated (kt)	92.0	-9.8 / -10.6% or +3.3% <sup>2)</sup>	82.2
Plant utilisation	77.7%	-826 bps	69.4% / 96.0% <sup>2)</sup>
Aluminium alloys produced (kt)	43.4	-4.7 / -10.9%	38.7
Plant utilisation	84.0%	-915 bps	74.9%
Alu alloy FMB price <sup>3)</sup> (€/t)	€2,506	-€194 / -7.7%	€2,312

1) Total revenue is after intersegment eliminations (Q4 2021: €9.4m; Q4 2022: €10.9m)

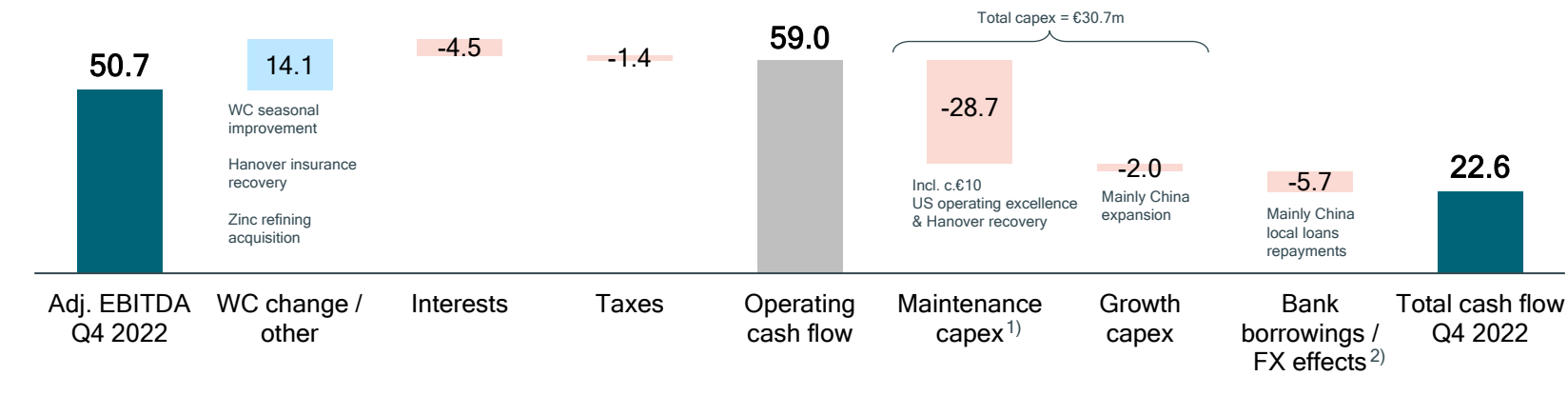
2) Normalising for Hanover plant shutdown in 2022

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

Q4 operating cash flow of €59m, +34% or +€15m yoy, a new high;  
Net leverage of x2.56 at YE'22, stable qoq (x2.56 at Q3'22 closing)

## Q4 adjusted EBITDA to total cash flow (€m)



	At 30 September 2022	change	At 31 December 2022
LTM Adjusted EBITDA	€224.6	-€10.0 / -4.5%	€214.6
LTM Operating cash flow	€122.3	+€15.0 / +12.3%	€137.3
Gross debt <sup>3)</sup>	€713.4	-€2.6 / -0.4%	€710.8
Cash on hand	€139.1	+€22.6 / +16.3%	€161.8
Net debt	€574.2	-€25.2 / -4.4%	€549.0
Net leverage	x2.56	flat	x2.56

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

3) Gross debt of €713.4m at 30 September 2022 and €710.8m at 31 December 2022 include €100m TLB add-on to partly fund the AZR acquisition, as well as China local loans