

BEFESA

Business Update

2023

BofA Securities 2023 Global Metals, Mining & Steel

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01 / Business update

Executive summary



- Revenue increased by 23% to €322m (Q1'22: €261m) driven by the US operations
- Adj. EBITDA at €50.1m, approx. **stable qoq** (Q4'22: €50.7m); **-18% yoy** (Q1'22: €61.1m); lower zinc LME prices, unfavourable 19% higher TC and continued coke inflation
- **Operating cash flow at €13m** (Q1'22: €26m), approx. stable yoy normalised for final Hanover fire insurance proceeds, expected Q2; Cash at €143m provides >€200m liquidity



2023 guidance of €200m to €230m EBITDA, -7% to +7% yoy (2022: €215m);
Proposing **stable dividend of €1.25 per share** for 2023 (2022: €1.25)



Integrating & ramping up zinc refining operations acquired on 30 September;
Continuing efficiency projects to improve earnings going forward, refurbishing Palmerton



Henan plant: Ramping up; Two plants operating in 2023;
Working on the **third province, Guangdong**



Reporting on ESG in June 2023

Q1 business highlights

Steel Dust

- **EAFD throughput:**
-19% yoy to 274 kt, -8% qoq, mainly due to Turkey operations impacted by earthquake (restarted in March), and the US
- **Plant utilisation:** 71%
- **Zinc LME prices:** -13% yoy, -1% qoq
- **Adj. EBITDA:** €37m, -32% yoy, stable qoq

US

- **Integrating & ramping up zinc refining asset** acquired on 30 September
- **Executing efficiency projects,** preparing **Palmerton** plant refurbishment

Alu Salt Slags

- **Salt slags & SPL volumes:**
-6% yoy to 82 kt, stable qoq
- **2nd aluminium alloys:**
+3% yoy to 44 kt, +13% qoq
- **Plant utilisation:**
71% (>90% normalised for Hanover, ramping up)
- **Alu FMB prices:** -12% yoy, -0.5% qoq
- **Adj. EBITDA:** +82% to €14m, +17% qoq

China

- **Henan:** Ramping up operations
- **Operating Jiangsu & Henan plants in 2023**
- **Working on Guangdong** as third province

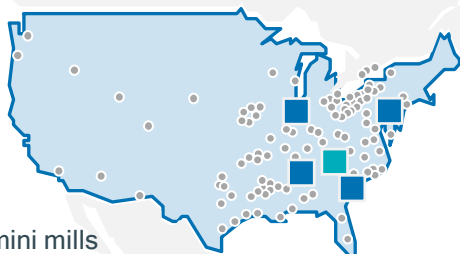


✓ US Zinc refining asset acquired on 30 Sep 2022; Integration progressing, ramping up operations

Rutherford County, NC



141 kt



- 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 1/10th 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



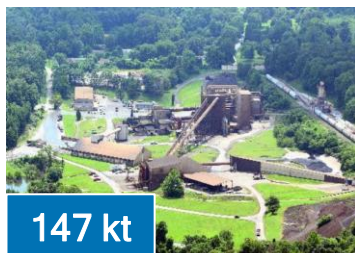
Refurbishing Palmerton in 2023/24 to drive efficiencies & increase capacity utilisation by 2026

EAFD recycling sites

1 Barnwell, SC



2 Rockwood, TN



3 Calumet, IL



4 Palmerton, PA

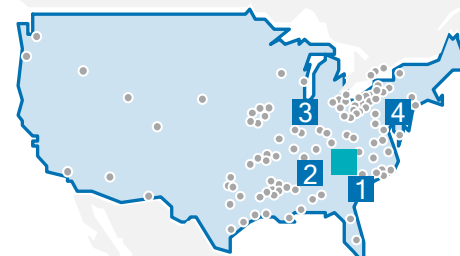


x

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

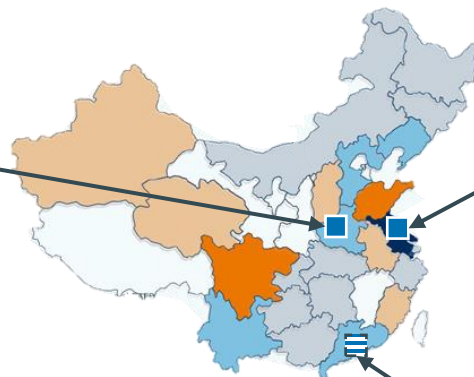


Operating 2 plants in 2023; Preparing 3rd province, Guangdong



China II, Xuchang (Henan)

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



China I, Changzhou (Jiangsu)

- ✓ Ramped up Q1 2022

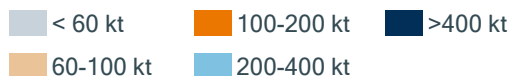


China III, Yunfu (Guangdong)

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

■ Befesa's EAFD recycling sites

EAFD generation - Chinese market



Outlook 2023

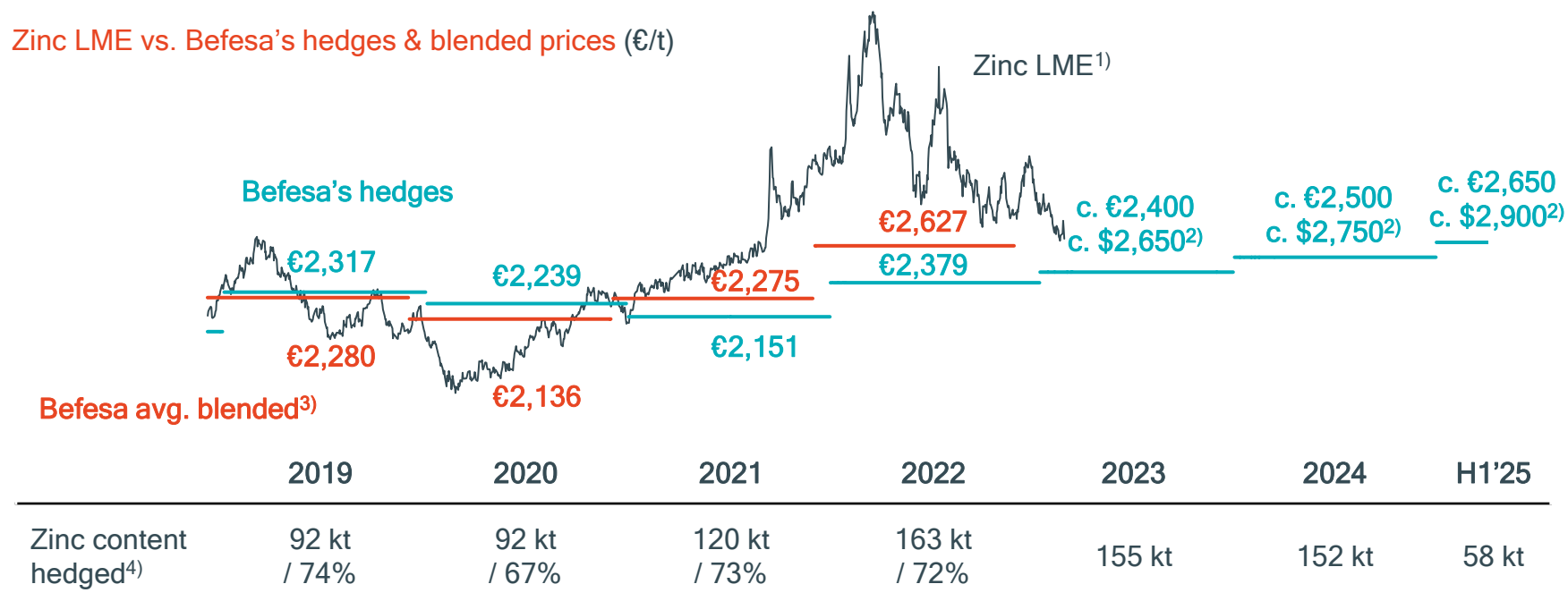
	Lower-end: €200m -€15m / -7% yoy	Upper-end: €230m +€15m / +7% yoy									
EBITDA	<ul style="list-style-type: none"> Lower end: Continued c. €50m per quarter run-rate; Coke prices remain high; Zinc prices c. \$2,800-2,900/t rest of the year Upper-end: Coke prices reducing to H1'22 levels; China momentum accelerates; Zinc prices strengthen in H2 Key EBITDA sensitivities: <table> <tr> <td></td><td>Steel</td><td>Alu Salt Slags</td></tr> <tr> <td>+/- €100/t Zinc LME price</td><td>+/-€8 to 9m</td><td>-</td></tr> <tr> <td>+/- €100/t Aluminium FMB price</td><td>-</td><td>+/-€1.5 to 2m</td></tr> </table> 			Steel	Alu Salt Slags	+/- €100/t Zinc LME price	+/-€8 to 9m	-	+/- €100/t Aluminium FMB price	-	+/-€1.5 to 2m
	Steel	Alu Salt Slags									
+/- €100/t Zinc LME price	+/-€8 to 9m	-									
+/- €100/t Aluminium FMB price	-	+/-€1.5 to 2m									
Capex	<ul style="list-style-type: none"> Total capex of c. €85-95m: <ul style="list-style-type: none"> c. €20m growth (US Palmerton refurbishment) c. €65-75m regular maintenance / US operational excellence / IT / Compliance 										
Dividend	<ul style="list-style-type: none"> Proposing yoy stable dividend distribution of €50m (€1.25 per share) 										
Cash flow, cash position & net leverage	<ul style="list-style-type: none"> c. -€40m to -€50m cash flow¹⁾ c. €110-120m cash position Net leverage at around x2.9 	<ul style="list-style-type: none"> c. -€15m to -€25m cash flow¹⁾ c. €135-145m cash position Net leverage at around x2.5 									

1) Total cash flow after capex and dividend payout

Zinc prices & hedging strategy

Hedge book extended further up to July 2025, c. 2 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 1.10 for 2023, 2024, and 2025

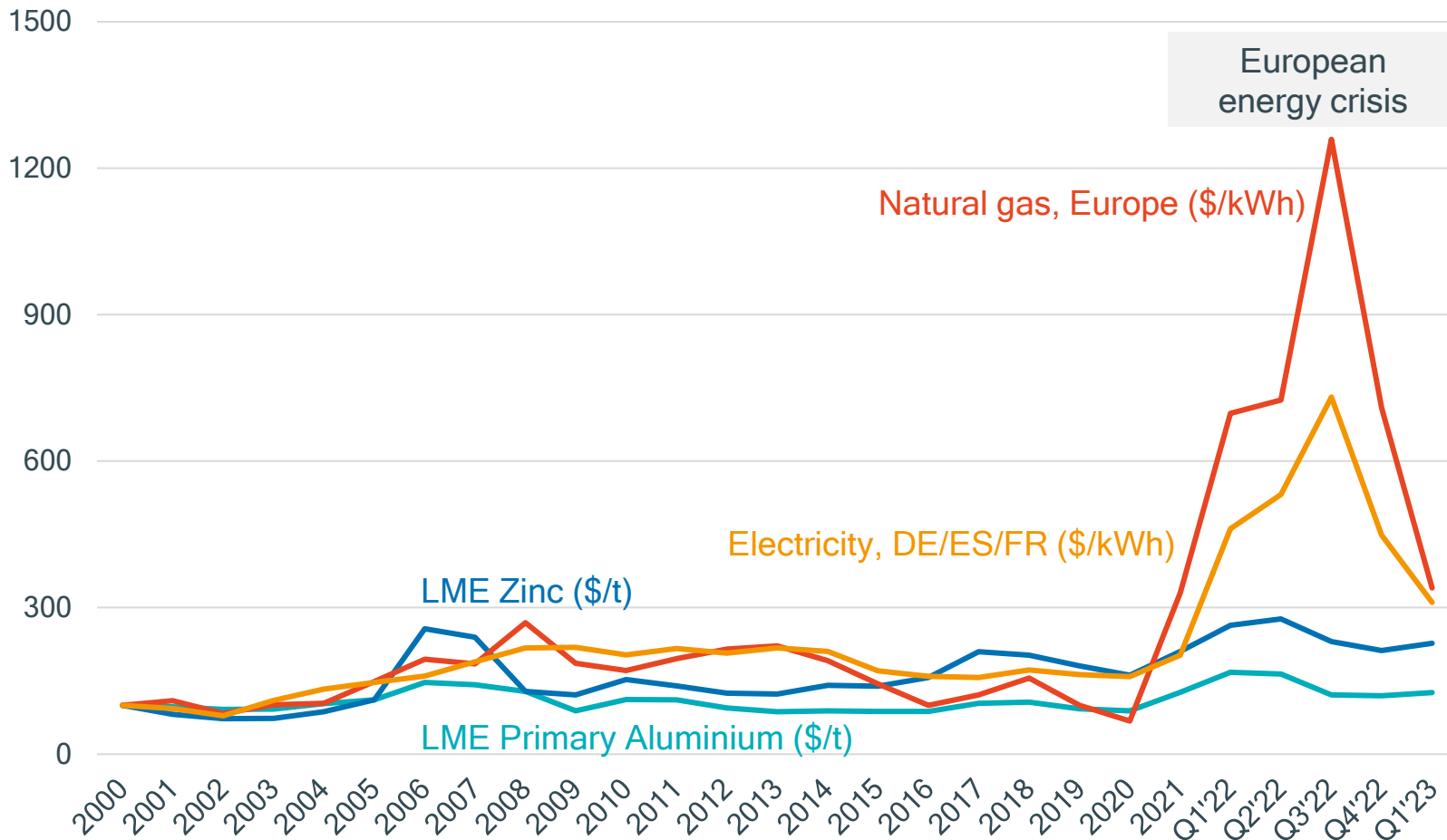
3) Zinc blended prices are averages computed based on the monthly effective LME zinc and hedging prices weighted with the respective hedged and non-hedged volumes

4) As percentage of total zinc payable output

Zinc & alu metal prices directly correlated with electricity & gas prices over the last >20 years

Indexed annual price trend¹⁾, 2000 to Q1 2023

(Index, 2000 = 100)

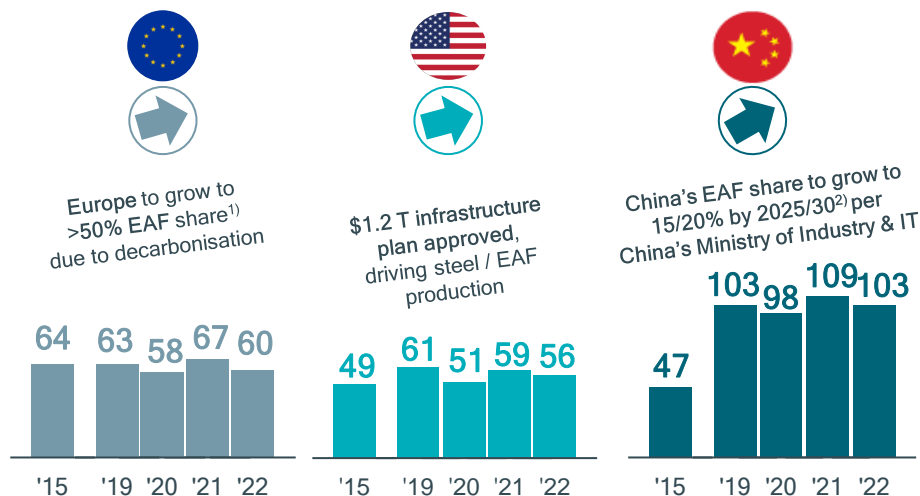


1) Natural gas, LME Aluminium & Zinc historical trend, 2000-2021, are average real prices from World Bank Commodity Price Data (The Pink Sheet); 2000-2021 electricity prices are annual average of Germany, Spain & France for medium consumers (consuming 2,000 - 19,999 MWh per annum) excluding VAT and other recoverable taxes and levies; 2022 prices: Natural gas prices are monthly average of Dutch TTF closing prices; Electricity prices are monthly average of Germany, Spain & France prices; LME zinc & primary aluminium prices are monthly average of cash settlement prices quoted on the London Metal Exchange

EAF steel production -&- Befesa's steel portfolio growth & diversification

Befesa growing and diversifying its portfolio to capture Europe, the US and China addressable markets

EAF steel production: EU-27, US & China, Mt

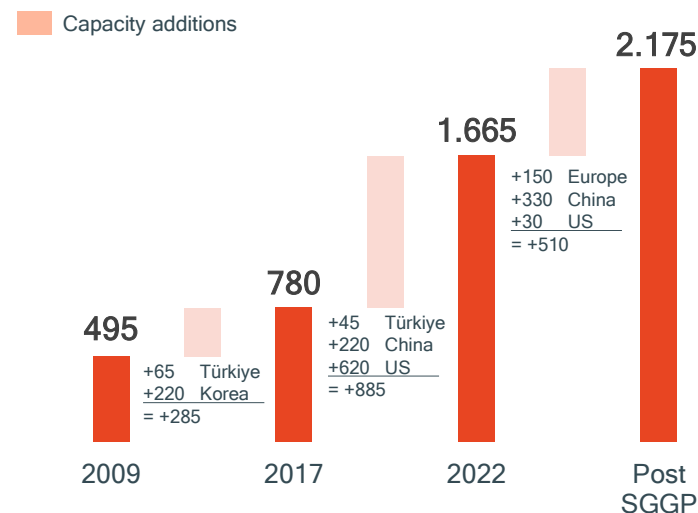


EAF % of total steel production:



- Primary steel (BOF) consumes 7x more CO₂/t vs. secondary steel (EAF)¹⁾; Decarbonisation favours EAF steel production
- Each tonne of steel through EAF vs. BOF → saves 1.5 t CO₂, 1.4 t iron ore, 740 kg coal & 120 kg limestone³⁾

Befesa's EAFD recycling capacity trend, kt



Europe	495 / 100%	495 / 63%	495 / 30%	645 / 30%
Turkey / Korea	-	285 / 37%	330 / 20%	330 / 15%
China	-	-	220 / 13%	550 / 25%
US	-	-	620 / 37%	650 / 30%

- Befesa Steel portfolio **growing @ c. 6% CAGR** (around twice GDP) ...
- ... while **diversifying to a well-balanced Europe / Asia / US footprint**

Sources: Worldsteel; Company data; IEA; S&P Global Commodity Insights

1) Net Zero by 2050 (IEA, May 2021), Green Steel for Europe Consortium (June 2021). 2) S&P Global Commodity Insights (April 2022). 3) Bank of America Research (November 2022)

Proven track record since IPO; Megatrends driving growth over next 5 years

EBITDA
(€m)

+5% CAGR

€160m growth capex + €380m AZR (Ex Zinc Refining)

€172

€215

Committed & delivered since IPO:

- ✓ Growth: Global #1 in Steel Dust
 +  + 
- ✓ Dividend: > 50% net profit payout
- ✓ Conservative financial management:
hedging, leverage, liquidity
- ✓ Circular economy & ESG leader

2017 IPO

2022

PF Post SGGP






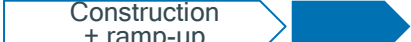











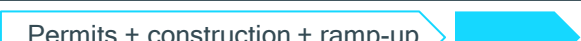


Megatrends driving growth:
Decarbonisation &
Electric Vehicles (EV)

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

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

● Steel Dust ● Alu Salt Slags

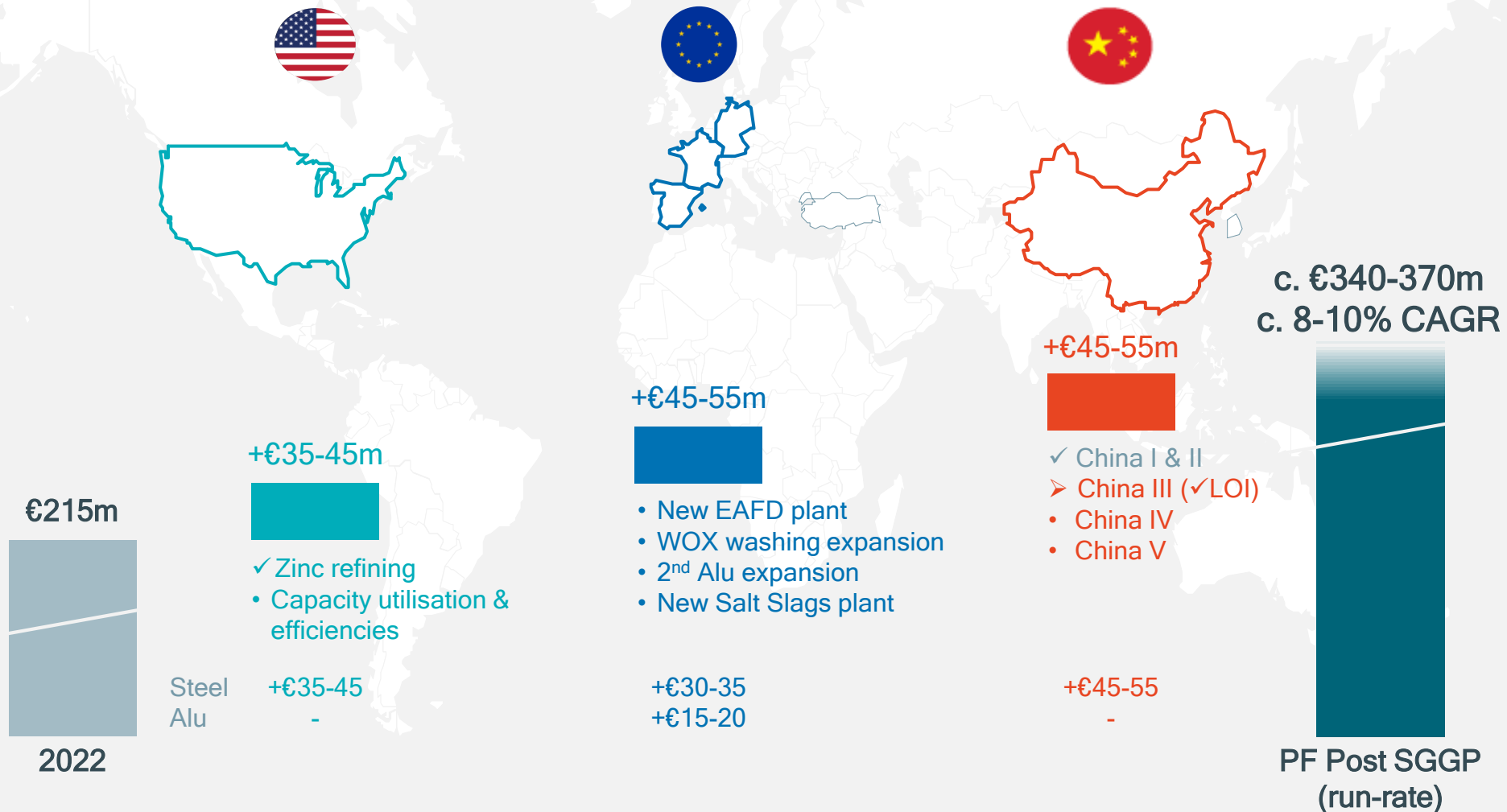
		SGGP growth projects	Timing		Capex €m	EBITDA run-rate €m	Pay-back ¹⁾	IRR ²⁾
			2022	2027e				
✓		1 Zinc refining			€110-120	€35-45	3-4	>30%
		2 Cap. utilisation						
		3 EAFD plant			€105-115	€30-35	3-4	>30%
		4 WOX washing						
		5 China III ✓ LOI & investment agreement signed			€115-125	€30-35	4-5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

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

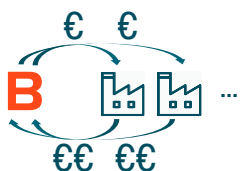
1) Payback calculated dividing total capex by run-rate EBITDA

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

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



Committing to growth through the cycle



Strong financial backbone and high cash flow generation allows to **self-fund SGGP**



Targeting to continue **dividend** distribution at **40-50%** of net profit



Prudent risk and liquidity management;
Modular SGGP growth initiatives timing in control of Befesa



Investing in **core businesses**; **Low risk and high returns**,
at **3-5 years payback** and **>20% IRR**



Integrate SGGP into annual **guidance & budget** process

ESG: Enhanced transparency & performance

Transparency / reporting

Detailed ESG Report



External ratings



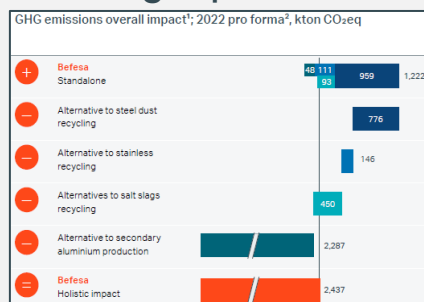
Health & safety

Lost Time Injury Rate (LTIR)¹⁾ improved by 90% since 2015



CO₂ holistic approach

Saving >2mt CO₂_{eq} vs. virgin production



CO₂ intensity targets

-20% by 2030
Net zero by 2050



Sustainability Committee



EU Taxonomy



¹⁾ Befesa's own employees and contractors



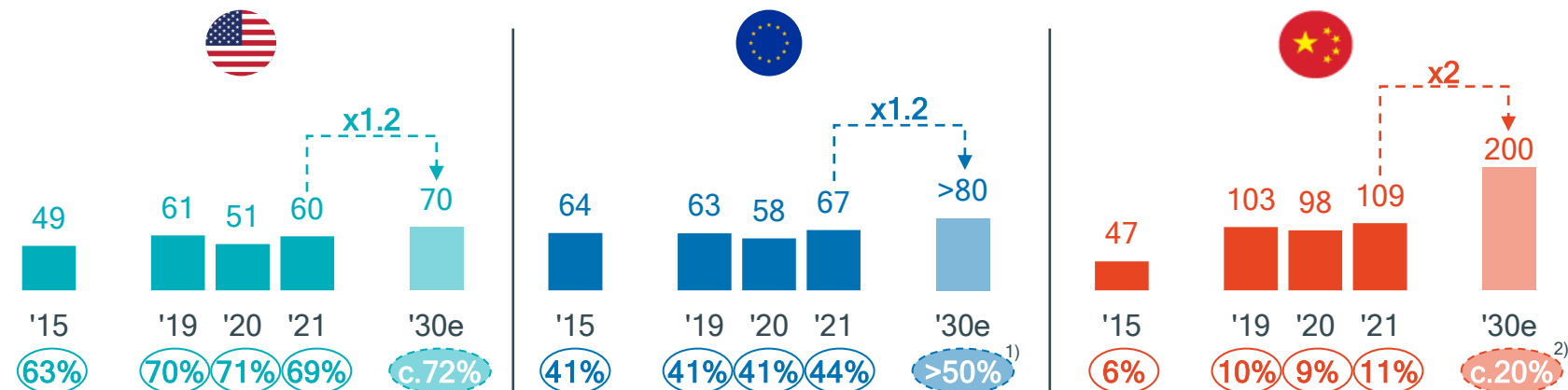
02 /

Sustainable Global Growth
Plan (SGGP), 2022-2027

Megatrends and Befesa's approach by market

EEF steel production

(million tonnes, EAF % share of total steel production)



Primary steel (BOF) consumes 7x more CO₂/t vs. secondary steel (EAF)¹⁾; Decarbonisation favours EAF steel production

Each tonne of steel through EAF vs. BOF → saves 1.5 t CO₂, 1.4 t iron ore, 740 kg coal & 120 kg limestone³⁾

- Approved \$1.2 T infrastructure plan requires more steel output, from '24/25 onwards; Plus, **new announced EAF capacity** driving EAF share >70%
- Shortage of zinc smelting

Befesa approach:

- c.40-50% market share in EAFD; Improving asset efficiency ahead of higher volume 2024/25 onwards → Load assets & maintain share

- Replacing BOF with EAF essential for steelmakers to achieve CO₂ targets; EAF share growing to >50%
- EV transition drives alu demand up & OEMs with preference for recycled alu

Befesa approach:

- c.40-50% market share in EAFD & Alu Salt Slags, and high-cap. utilisation; → Invest in new cap. & maintain share

- Government's masterplan demands doubling EAF share to c.20% by 2030²⁾
- Regulation launched 2016/17; Befesa is 1st mover and market leader in largest & new EAFD market

Befesa approach:

- Continue capacity expansion step by step, monitor recovery from COVID; Planning for 15-20% market share

Sources: Worldsteel; Company data; IEA; S&P Global Commodity Insights

1) Net Zero by 2050 (IEA, May 2021), Green Steel for Europe Consortium (June 2021)

2) S&P Global Commodity Insights (April 2022)

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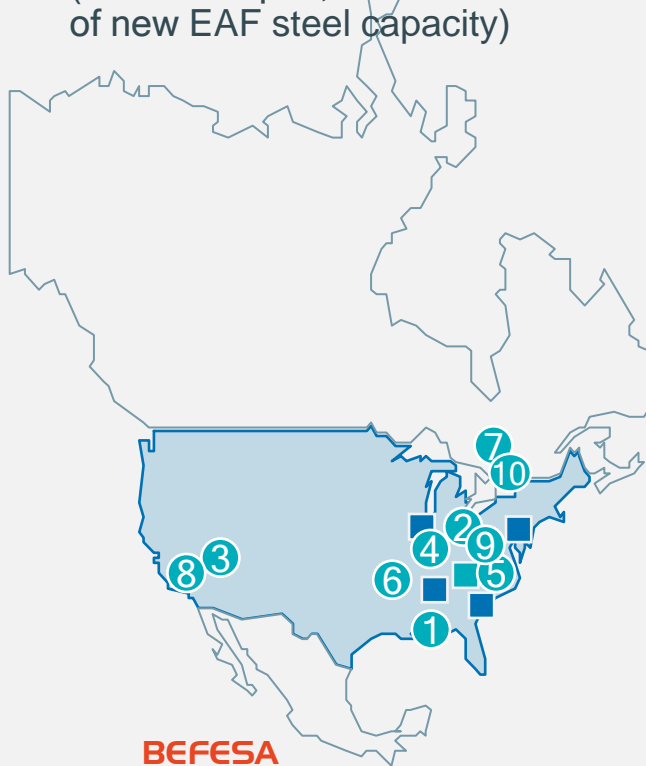


Decarbonisation investments & Infrastructure Programme will support EAF growth by 2030

c.\$10-11 Bn capex equal to c.13-14 Mt EAF announced; Plus, \$1.2 T infrastructure plan requires more steel overall in the US → generating >300 kt incremental EAFD

Overview of selected steelmakers








(€ billion capex, million tonnes of new EAF steel capacity)



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■ EAFD recycling sites in the US

■ Zinc refining plant

Steel-maker	Location	Capex, \$Bn	New EAF cap., Mt	Start up
 ARCEROLMITTAL 50/50 JV	① Calvert, Alabama	\$0.8	1.5	H1'23
	② Mason County, Virginia	\$2.7	2.7	2024
 NUCOR	③ Kingman, Arizona	\$0.1	0.5	2024
	④ Crawfordsville, Indiana	\$0.3	0.5	YE'24
	⑤ Lexington, NC	\$0.4	0.4	c.2024
 USS	⑥ Osceola, Arkansas	\$3.0	2.7	2024
 ALGOMA STEEL INC.	⑦ Ontario, Canada	\$0.6	0.6	2024
 PACIFIC STEEL & RECYCLING	⑧ Mojave, California	\$0.4	0.3	2025
 CMC Commercial Metals	⑨ Berkeley County, West Virginia	\$0.5	0.5	YE'25
 ARCEROLMITTAL	⑩ Hamilton, Ontario, Canada	\$1.3	4.0	2028
		\$10-11 Bn	13-14 Mt	

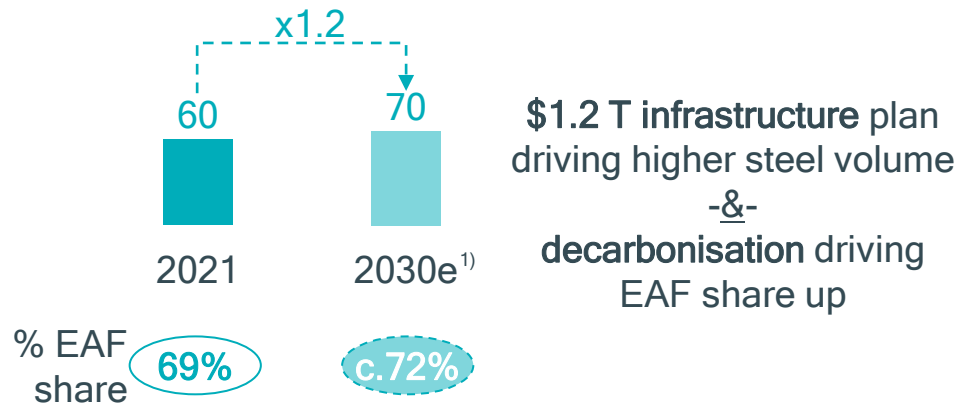


SGGP – Steel Dust – US

EAFD generation in the US expected to increase >0.3 Mt by 2030 ...
Befesa to fully utilise existing c.620 kt annual installed capacity

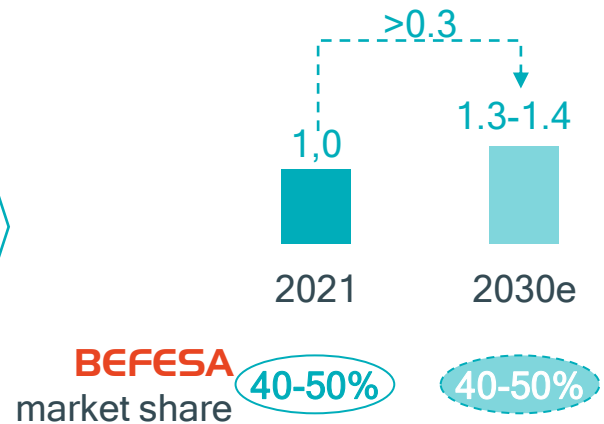
EAF steel production

(million tonnes, EAF % of total crude steel output)



EAFD generation

(million tonnes)



Befesa's expansion projects

- ✓ Acquisition of Zinc refining asset on 30 Sep '22 for \$47m cash transaction
- Executing capacity utilisation increase in 2023-26;
 - Targeting c.200 kt incremental throughput to fully utilise existing c.620 kt nameplate capacity
 - Refurbishing Palmerton site in 2023-24, to be ready for expected volume increase in '24-26 onwards
 - Efficiencies & refurbishment vital to achieve throughput, energy & CO₂ intensity improvements

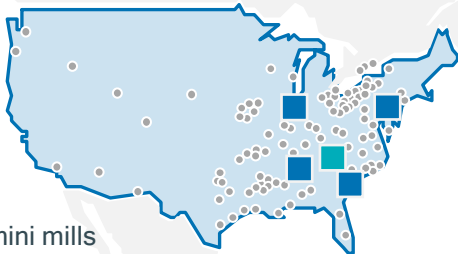
c. €110-120m total investment; c. €35-45m total incremental EBITDA p.a.; Low-risk & high-return projects

¹⁾ Macquarie (June 2022)



✓ US Zinc refining asset acquired on 30 Sep 2022

Rutherford County, NC



- EAF mini mills
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Refurbishing Palmerton in 2023/24 to drive efficiencies & increase capacity utilisation by 2026

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x EAFD annual nameplate recycling capacity

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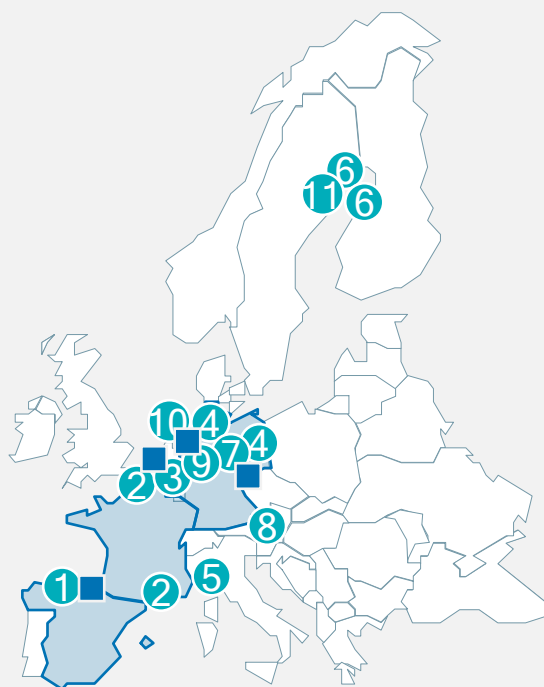


Accelerating decarbonisation investments in EU will support EAF share growing to >50% by 2030

c.€14-15 Bn investments in new steel EAF projects in Europe announced ...
Representing c.20-21 Mt incremental steel EAF capacity → generating c.350 kt EAFD




Overview of selected steelmakers

(€ billion capex, million tonnes of new EAF steel production capacity)



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■ EAFD recycling sites in Europe

Steel-maker	Location	Capex, €Bn	New EAF cap., Mt	Start up
	① Gijón, Spain	€1.0	1.1	YE'25
	② Fos-sur-Mer & Dunkirk, France	€1.7	2.0	H1'27
	③ Ghent, Belgium	€1.1	2.0	2030
	④ Bremen & Eisenhüttenstadt, Ger	€1.3	1.0	2030
	⑤ Genoa & Novi Ligure, Italy	€1.3	2.5	H1'24
SSAB	⑥ Luleå, Sweden; Raahе, Finland	€4.2	5.0	2030
 SALZGITTER AG <small>STEEL. STEEL. STEEL.</small>	⑦ Peine, Niedersachsen, Germany	€1.1	1.9	'25-30
voestalpine	⑧ Linz & Donawitz, Austria	€1.0	2.5	H1'27
 thyssenkrupp	⑨ Duisburg, Germany	€2.0	2.5	'25-29
TATA STEEL	⑩ IJmuiden, The Netherlands	TBD	TBD	2025
H2green steel	⑪ Boden-Luleå, Sweden	TBD	5.5	'24-26
		€14-15 Bn 20-21 Mt		



c.350 kt EAFD

Sources: ArcelorMittal Annual Report 2021; S&P Global (Jan 2022); Salzgitter Roadshow Presentation (March 2022); voestalpine's Consolidated Financial Statements 2021/22



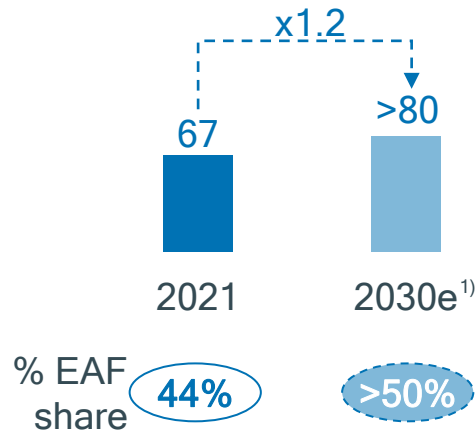
SGGP – Steel Dust – Europe

EAFD generation in Europe expected to increase >0.3 Mt by 2030 ...

Befesa adding 140-160 kt new EAFD recycling capacity to maintain its current c.45% market share

EAF steel production

(million tonnes, EAF % of total crude steel output)

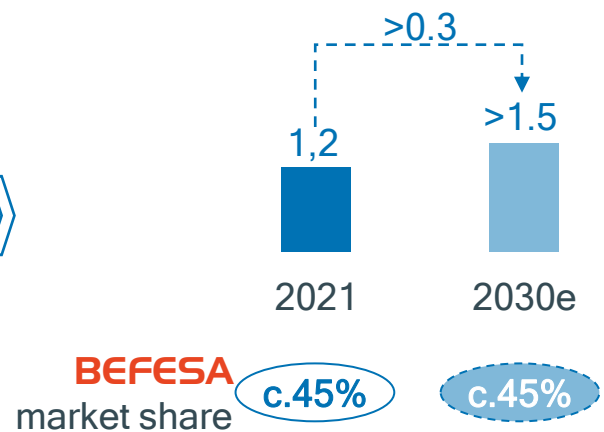


Large scale decarbonisation investments supporting EAF % growth to >50%²⁾



EAFD generation

(million tonnes)



Befesa's expansion projects

- Grow with EAFD market & invest in **new state-of-the-art EAFD recycling capacity**; 140-160 kt incremental EAFD capacity
- Expand WOX washing capacity in line with incremental EAFD volume

c. €105-115m total investment; c. €30-35m total incremental EBITDA p.a.; Low-risk & high-return projects

1) Macquarie (June 2022), Green Steel for Europe Consortium (June 2021) 2) Green Steel for Europe Consortium (2021)



Adding new EAFD recycling capacity –and– WOX washing expansion

c.€105-115m total investment; c.€30-35m total incremental EBITDA p.a.; Low-risk & high-return projects



New EAFD recycling plant

- Grow with EAFD addressable market and invest in a **new 140-160 kt state-of-the-art EAFD plant**
- Construction + ramp-up in 2025-26; **Operational by 2026-27**
- **Low-risk & high-return project**



WOX washing expansion

- **Expand WOX washing capacity** at Gravelines, France, in line with incremental European EAFD capacity
- Construction + ramp-up in 2025-26; **Operational by 2026-27**
- Investment required to enable EAFD capacity growth



Largest producer of steel, rapidly transitioning from BOF to EAF; a strong growth opportunity

>60 Mt new EAF capacity announced, representing c.1 Mt EAFD incremental generation;
Befesa strategically located in provinces with high EAFD generation

Overview of selected steelmakers

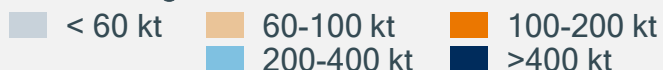
(million tonnes of new
EAF steel production capacity)



BEFESA

■ EAFD recycling sites in China

EAFD generation



# EAF projects	Chinese province		New EAF steel production capacity, Mt
2	①	Anhui	3.0
2	②	Fujian	2.1
1	③	Guangdong	8.0
9	④	Hebei	13.9
3	⑤	Henan	2.4
1	⑥	Heilongjiang	2.1
5	⑦	Hubei	4.5
1	⑧	Jilin	0.8
5	⑨	Jiangsu	6.0
(continues on next page)			

Sources: Internal analysis

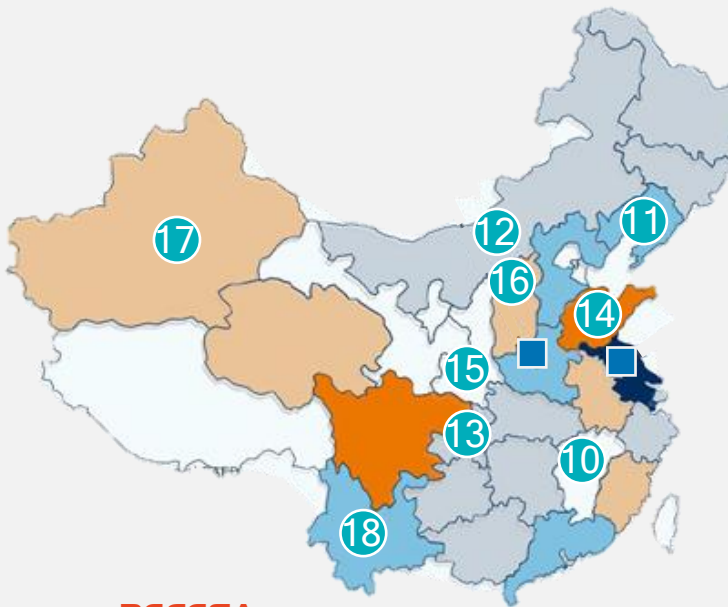


Largest producer of steel, rapidly transitioning from BOF to EAF; a strong growth opportunity

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Overview of selected steelmakers

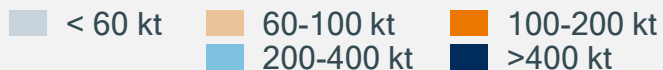
(million tonnes of new
EAF steel production capacity)



BEFESA

■ EAFD recycling sites in China

EAFD generation



Sources: Internal analysis

28 Business Update - Post Q1 2023 Earnings

# EAF projects	Chinese province	New EAF steel production capacity, Mt
2	10 Jiangxi	1.5
1	11 Liaoning	1.8
3	12 Inner Mongolia	2.5
1	13 Chongqing	4.0
3	14 Shandong	3.0
1	15 Shaanxi	1.1
1	16 Shanxi	0.7
1	17 Xinjiang	1.0
1	18 Yunnan	2.0

Total # new EAF projects in China: 43

>60 Mt EAF steel
production capacity



c.1 Mt EAFD

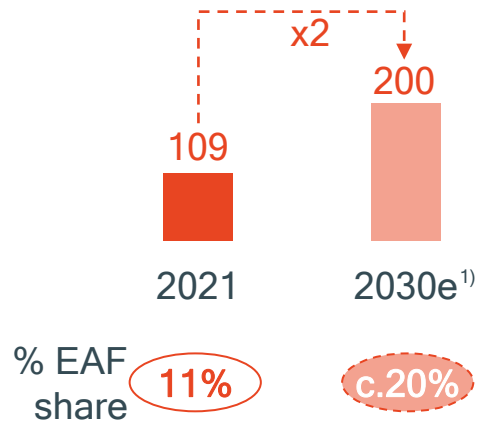


SGGP – Steel Dust – China

EAFD generation in China expected to increase about 1.6 Mt by 2030 as it transitions from BOF to EAF; Befesa to add 3x 110 kt = 330 kt new capacity which will increase market share to 15-20%

EAF steel production

(million tonnes, EAF % of total crude steel output)



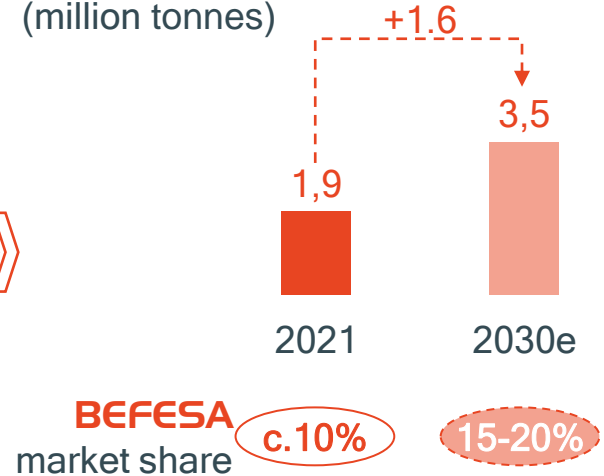
Ministry targets EAF share of 15% by 2025 / 20% by 2030¹⁾

-&-

60 Mt of targeted 90 Mt EAF steel already announced

EAFD generation

(million tonnes)



Befesa's expansion projects

- Monitoring recovery from COVID in China ahead of next expansion projects
- Expanding into additional provinces; ✓ LOI signed at Guangdong
- Scale up existing plant sites -and- new province (Guangdong); Overall, 3x 110 kt = +330 kt
- Risk-averse: Debt - ring-fenced local financing; Equity - investment guaranteed by German Gov. (DIA)

c. €115-125m total investment; c. €25-30m total incremental EBITDA p.a.; Cautious risk-averse approach

¹⁾ S&P Global Commodity Insights (Aug 2022); Macquarie (June 2022)

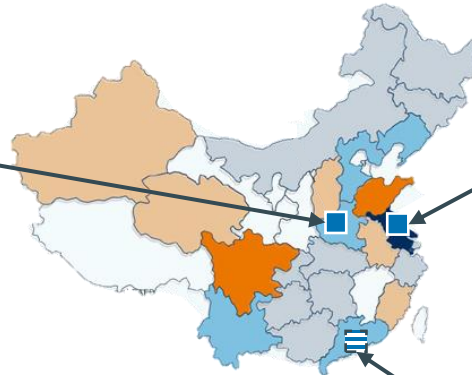


Operating 2 plants in 2023; Preparing 3rd province, Guangdong



China II, Xuchang (Henan)

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



China I, Changzhou (Jiangsu)

- ✓ Ramped up Q1 2022

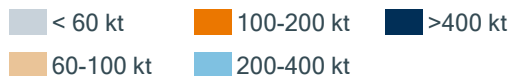


China III, Yunfu (Guangdong)

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

■ Befesa's EAFD recycling sites

EAFD generation - Chinese market

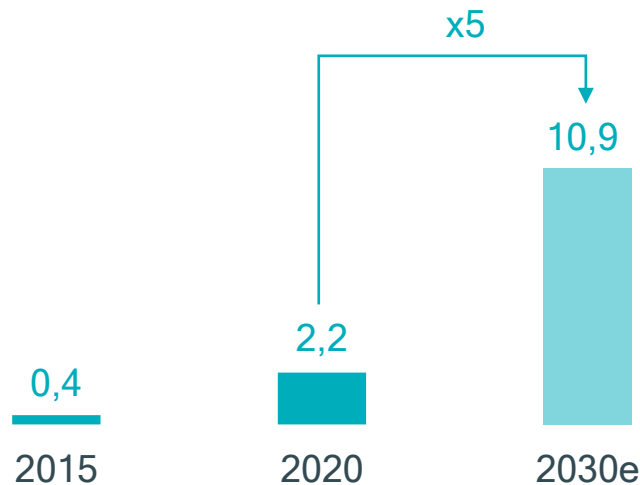




Decarbonisation trend drives transition to Electric Vehicles (EV)

Automotive industry switching from combustion to EV

EV unit sales in Europe¹⁾ (million units)



- EU approved plan to ban sales of vehicles with combustion engines (ICE) by 2035²⁾
- EV unit sales forecasted to grow x5 from c.2 million in 2020 to >10 million by 2030
- EV cars requiring light-weight construction, favouring aluminium demand

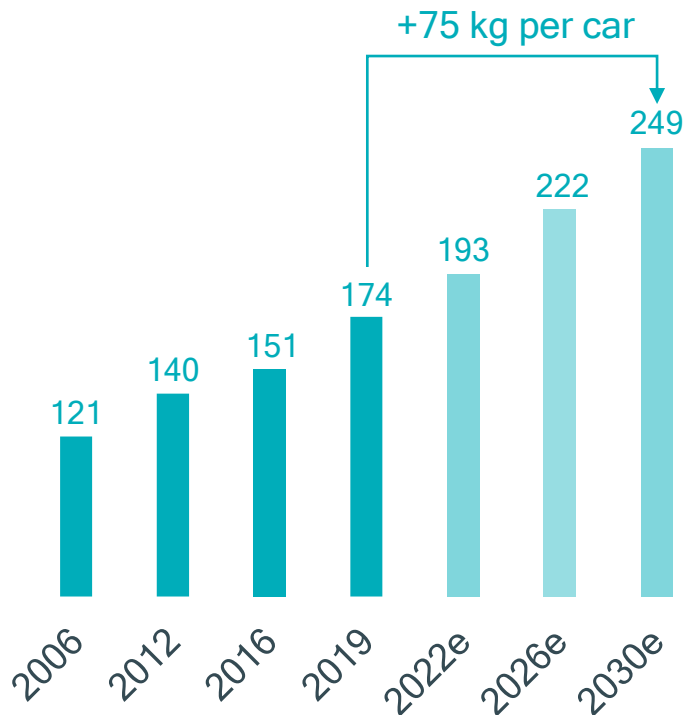
1) CRU (Jan 2022)

2) eccee.org (June 2022)



EV requiring higher aluminium content per car to achieve light-weight targets

Average aluminium content per vehicle¹⁾, net weight
(kg per passenger car)



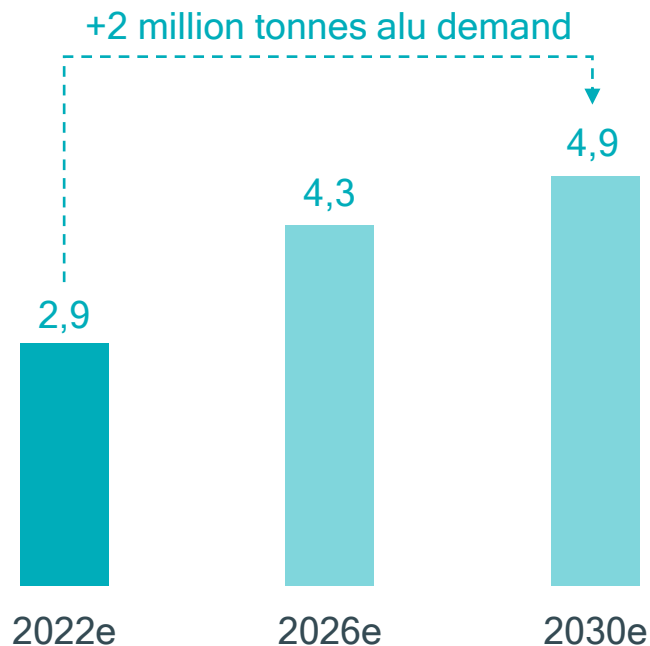
- Average aluminium content per vehicle (passenger cars) has steadily been increasing, from 121 kg/car in 2006 to 193 kg/car in 2022
- Growing and mandatory **electrification** requires **light-weighting** construction and drives **growing demand for aluminium**
- Aluminium content per vehicle expected to **accelerate** to 249 kg/car by 2030

¹⁾ Ducker (Oct 2022)



... driving higher aluminium demand with increased needs for 2nd alu & salt slags recycling

Aluminium demand from Auto¹⁾ in Europe, net weight
(million tonnes)



- Automotive aluminium demand will continue to grow to address light-weighting needs
- OEMs aim to reduce their carbon footprint through use of recycled metal
- Requiring increased production of secondary aluminium and salt slags recycling volumes
- Expecting incremental >300 kt salt slags generation in Europe by 2030
- Befesa's salt slags recycling market share is c.45%; Adding recycling capacity to maintain leadership market share

1) Aluminium demand from passenger cars and light commercial vehicles; Ducker (Oct 2022)



Expansion of 2nd Aluminium –and– New Salt Slags recycling plant

Expansion of 2nd Aluminium

- Expand 2nd aluminium production capacity by c.90 kt at existing site (Bernburg) in line with expected volume
- Permits + construction + ramp-up: 2023-25; Operational by 2026
- Low-risk & medium-return project



New Salt Slags recycling plant

- Invest in a new c.120 kt state-of-the-art salt slags recycling plant in line with incremental secondary aluminium capacity
- Permits + construction + ramp-up: 2023-26; Operational by 2026-27
- Low-risk & medium-return project



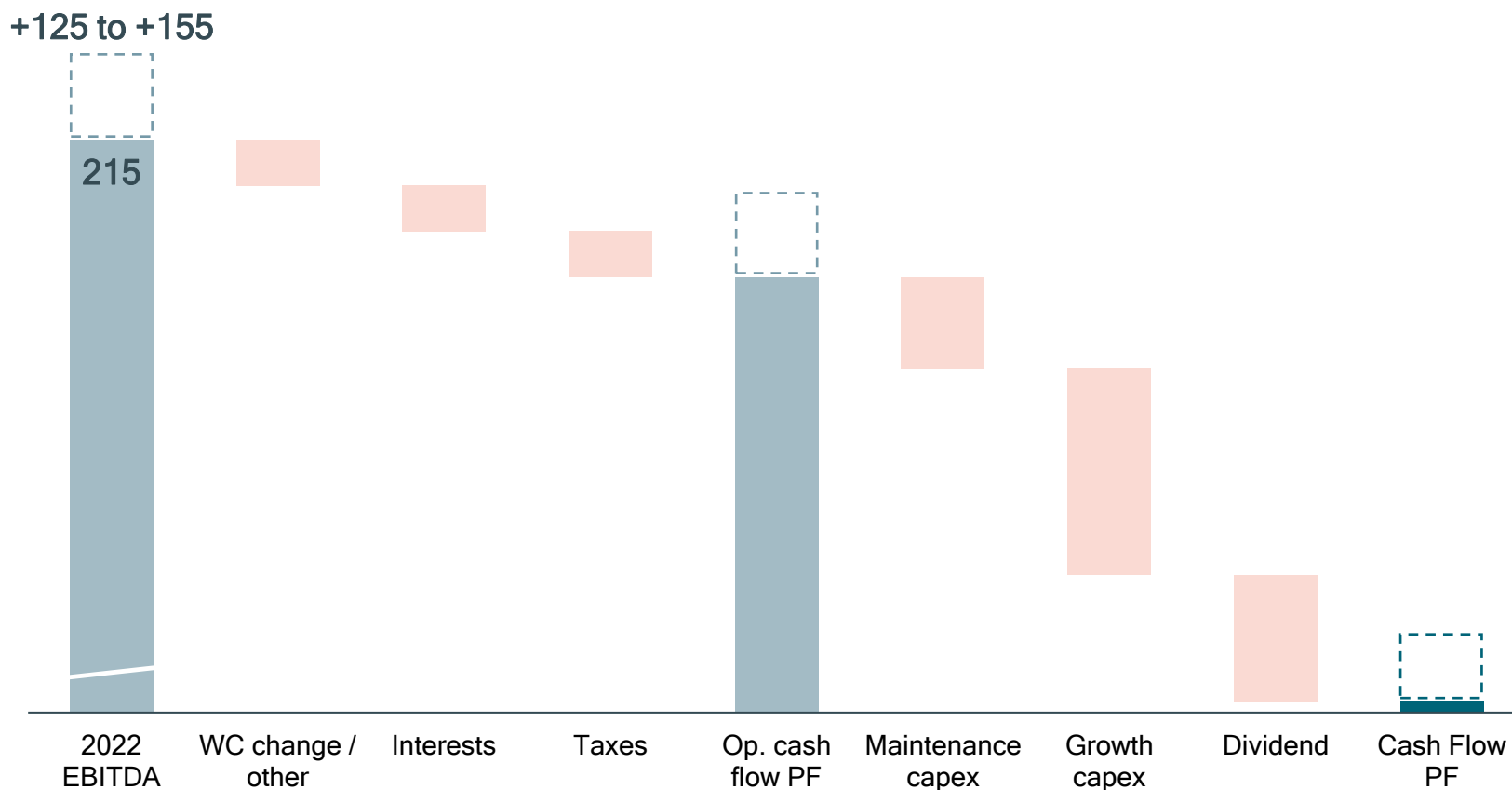
Befesa's expansion projects

- Expansion of 2nd Aluminium will increase capacity from existing 205 kt to c.295 kt
- New Salt Slags recycling plant will increase capacity from existing 450 kt to c.570 kt

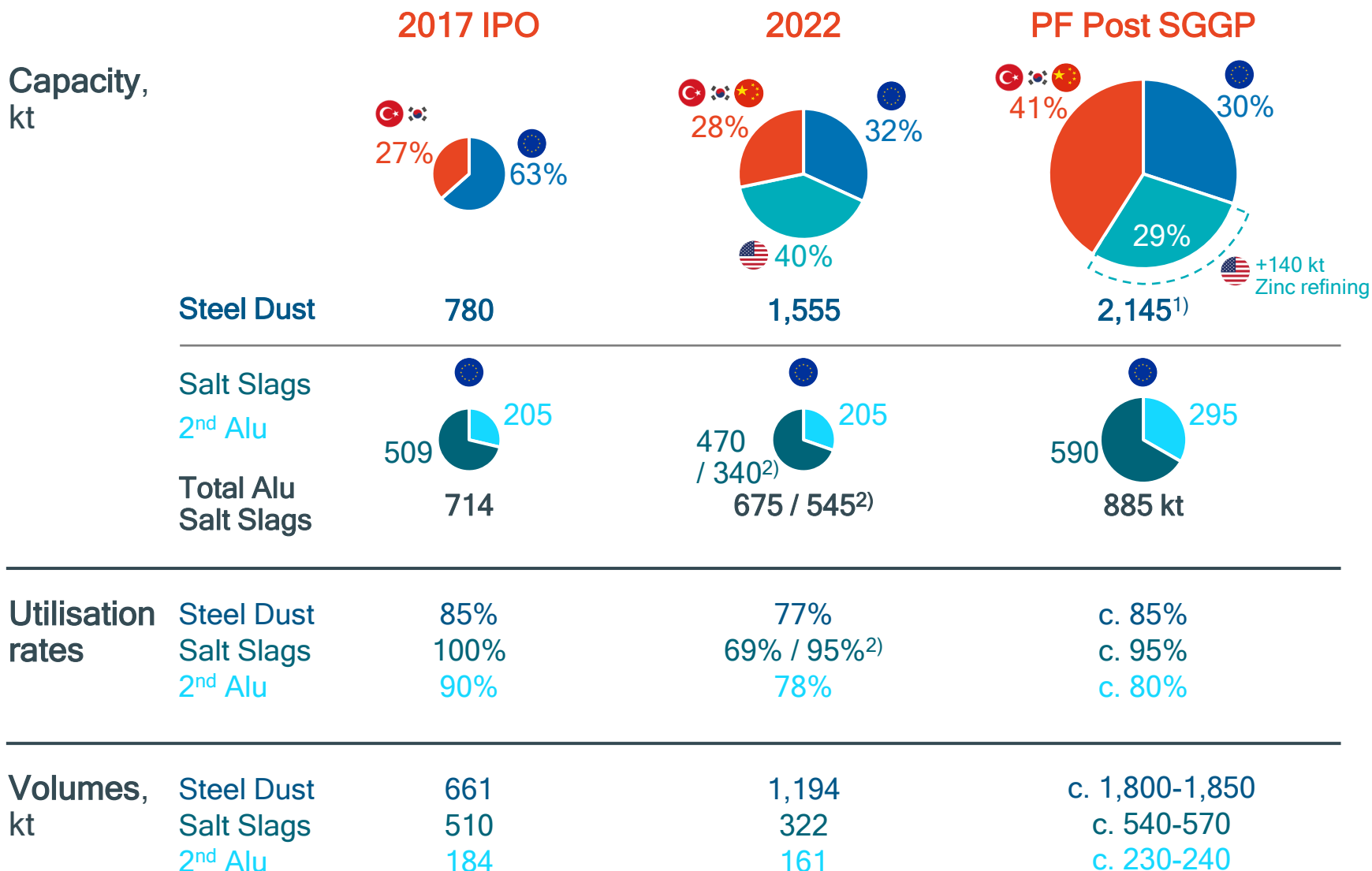
c.€80-90m total investment; +€15-20m total incremental EBITDA p.a.; Low-risk & medium-return projects

Befesa can self-fund SGGP while keeping leverage c. x2.5 -&- distributing dividends

EBITDA to Cash flow management walk, Illustrative conceptual annual view within SGGP period (€m)



Diversifying Befesa's global footprint ...



1) 2,145 kt Steel Dust capacity excludes 140 kt from Zinc Refining; 2) Normalised for 130 kt Hanover installed capacity due to plant shutdown in 2022

... core-business focus drives portfolio growth

2017 IPO

2022

PF Post SGGP

Revenue,
€m

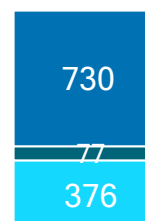
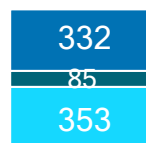
Total¹⁾

€725

€1,136

c. €1,650-1,800

- Steel Dust
incl. Zinc refining
- Salt Slags
- 2nd Alu



EBITDA,
€m

Total¹⁾

€172

% margin
24%

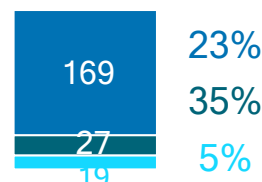
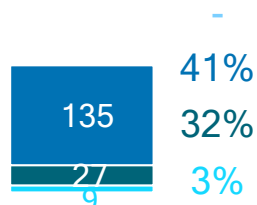
€215

% margin
19%

c. €340-370

% margin
19-23%

- Steel Dust
incl. Zinc refining
- Salt Slags
- 2nd Alu



1) Total revenue after intersegment adjustments; Total adjusted EBITDA

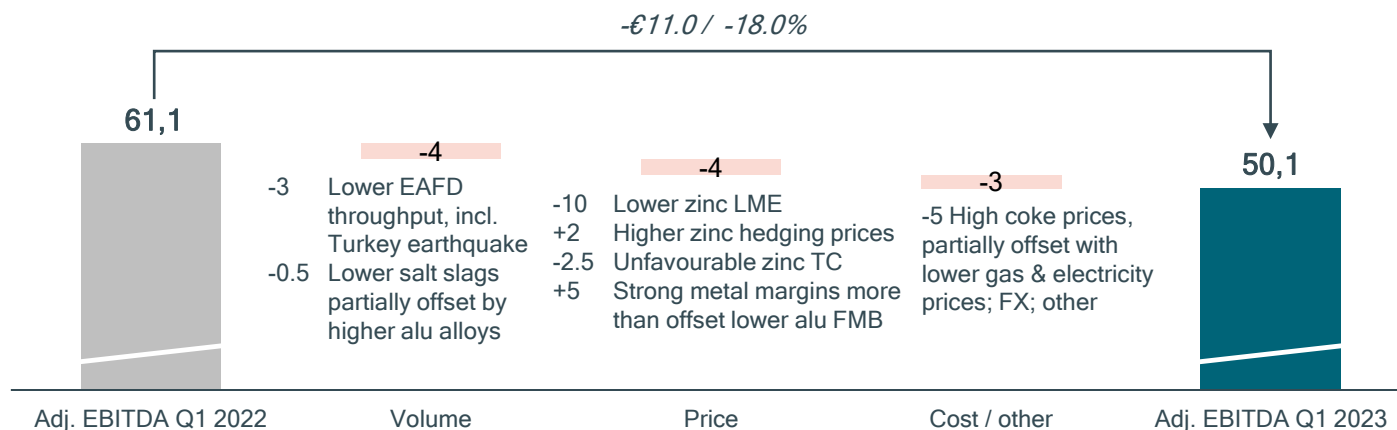


03 / Q1 2023 results

Consolidated key financials

Q1 adjusted EBITDA at €50.1m, approx. stable qoq with Q4'22 at €50.7m; -18% yoy, mainly due to lower zinc prices incl. unfavourable TC partially offset with stronger aluminium margins, and lower volumes incl. Turkey earthquake

Adjusted EBITDA bridge Q1 2022 to Q1 2023 (€m)



Key metrics (€m, unless otherwise stated)

	Q1 2022	yoy change	Q1 2023
Revenue	€261.4	+€60.6 / +23.2%	€322.0
Adjusted EBITDA ¹⁾	€61.1	-€11.0 / -18.0%	€50.1
Adjusted EBITDA margin %	23.4%	-781 bps	15.6%
Net profit	€27.0	-€11.8 / -43.8%	€15.2
EPS (€)	€0.67	-€0.30 / -43.8%	€0.38
Operating cash flow	€25.7	-€12.7 / -49.6%	€13.0
Cash	€237.1	-€94.1 / -39.7%	€143.0
Net debt	€473.5	+€98.2 / +20.7%	€571.6
Net leverage ²⁾	x2.26	+x0.55	x2.81

1) Q1 2023: €29.1m reported Total EBIT + €20.2m D&A = €49.3m reported Total EBITDA + €0.8m adjustments, mainly driven by US acquisition impacts = €50.1m adjusted Total EBITDA

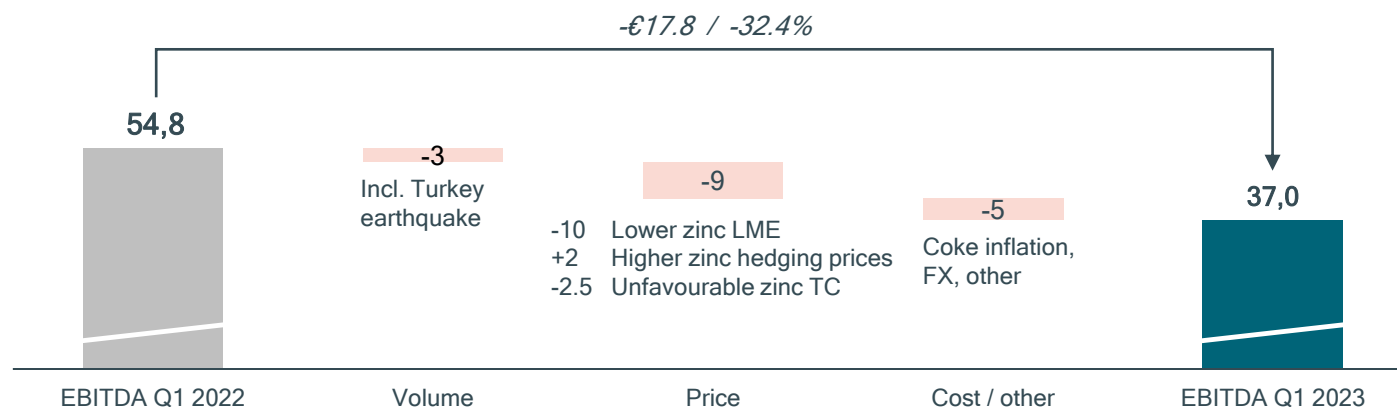
Q1 2022: €42.9m reported Total EBIT + €17.0m D&A = €59.9m reported Total EBITDA + €1.1m adjustments, mainly driven by US acquisition impacts = €61.1m adjusted Total EBITDA

2) Net leverage calculated as Net debt over Adjusted EBITDA.

Steel Dust Recycling Services

Q1 EBITDA at €37.0m, approx. stable qoq with Q4'22 at €37.6m; -32% yoy, mainly due to lower zinc prices incl. unfavourable TC at \$274/t (+19% yoy), continued record high coke prices (+6% qoq, +41% yoy) and lower EAFD volumes

EBITDA bridge Q1 2022 to Q1 2023 (€m)



Key metrics (€m, unless otherwise stated)

	Q1 2022	yoy change	Q1 2023
Revenue	€155.9	+€60.3 / +38.7%	€216.3
EBITDA	€54.8	-€17.8 / -32.4%	€37.0
EBITDA margin %	35.1%	-1,802 bps	17.1%
EAFD throughput (kt)	337.4	-63.5 / -18.8%	273.8
Plant utilisation	88.0%	-1,657 bps	71.4% / 74.9% ¹⁾
Waelz oxide (WOX) sold (kt)	103.7	-3.9 / -3.8%	99.8
Zinc LME price (€/t)	€3,337	-€421 / -12.6%	€2,916
Zinc hedging price (€/t)	€2,287	+€61 / +2.7%	€2,348
Zinc blended price ²⁾ (€/t)	€2,533	+€99 / +3.9%	€2,633
Treatment charge (TC) (\$/t)	\$230	+\$44 / +19.1%	\$274

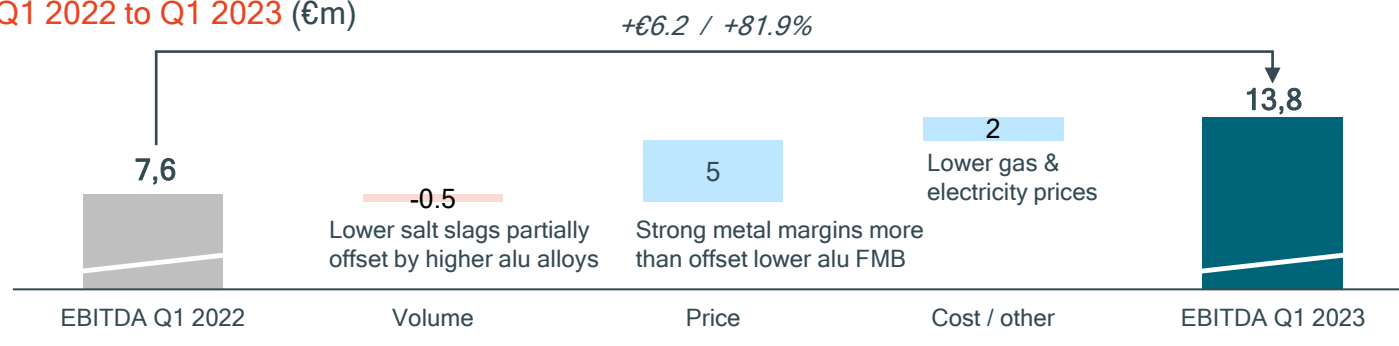
1) Normalised for Turkey, stopped in January and February 2023 due to impacts from earthquake

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

Q1 EBITDA at €13.8m, up €2m qoq from Q4'22 at €11.8m; up €6m or 82% yoy; mainly due to strong aluminium metal margins and lower gas and electricity prices

EBITDA bridge Q1 2022 to Q1 2023 (€m)



Key metrics (€m, unless otherwise stated)

	Q1 2022	yoy change	Q1 2023
Revenue ¹⁾	€106.1	flat	€106.0
• Salt Slags	€19.2	+€1.6 / +8.6%	€20.8
• Secondary Aluminium	€97.9	-€2.1 / -2.1%	€95.9
EBITDA	€7.6	+€6.2 / +81.9%	€13.8
• Salt Slags	€6.4	+€0.2 / +2.7%	€6.6
• Secondary Aluminium	€1.2	+€6.0 / favourable	€7.2
EBITDA margin % (Salt Slags)	33.4%	-180 bps	31.6%
Salt Slags & SPL treated (kt)	87.5	-5.2 / -5.9%	82.3
Plant utilisation	75.5% / 100% ²⁾	-445 bps	71.0% / 98% ²⁾
Aluminium alloys produced (kt)	42.2	+1.4 / +3.4%	43.7
Plant utilisation	83.6%	+284 bps	86.4%
Alu alloy FMB price ³⁾ (€/t)	€2,627	-€326 / -12.4%	€2,301

1) Total revenue is after intersegment eliminations (Q1 2022: €11.1m; Q1 2023: €10.6m)

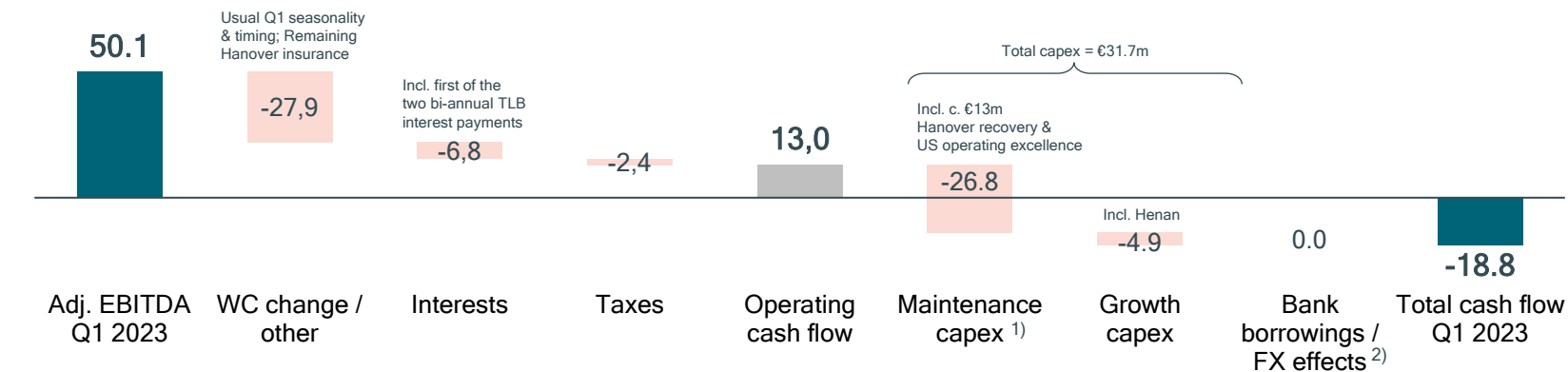
2) Normalising for Hanover plant shutdown

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

Cash on hand at €143m providing >€200m liquidity; Net leverage of x2.81

Adjusted EBITDA to total cash flow (€m)



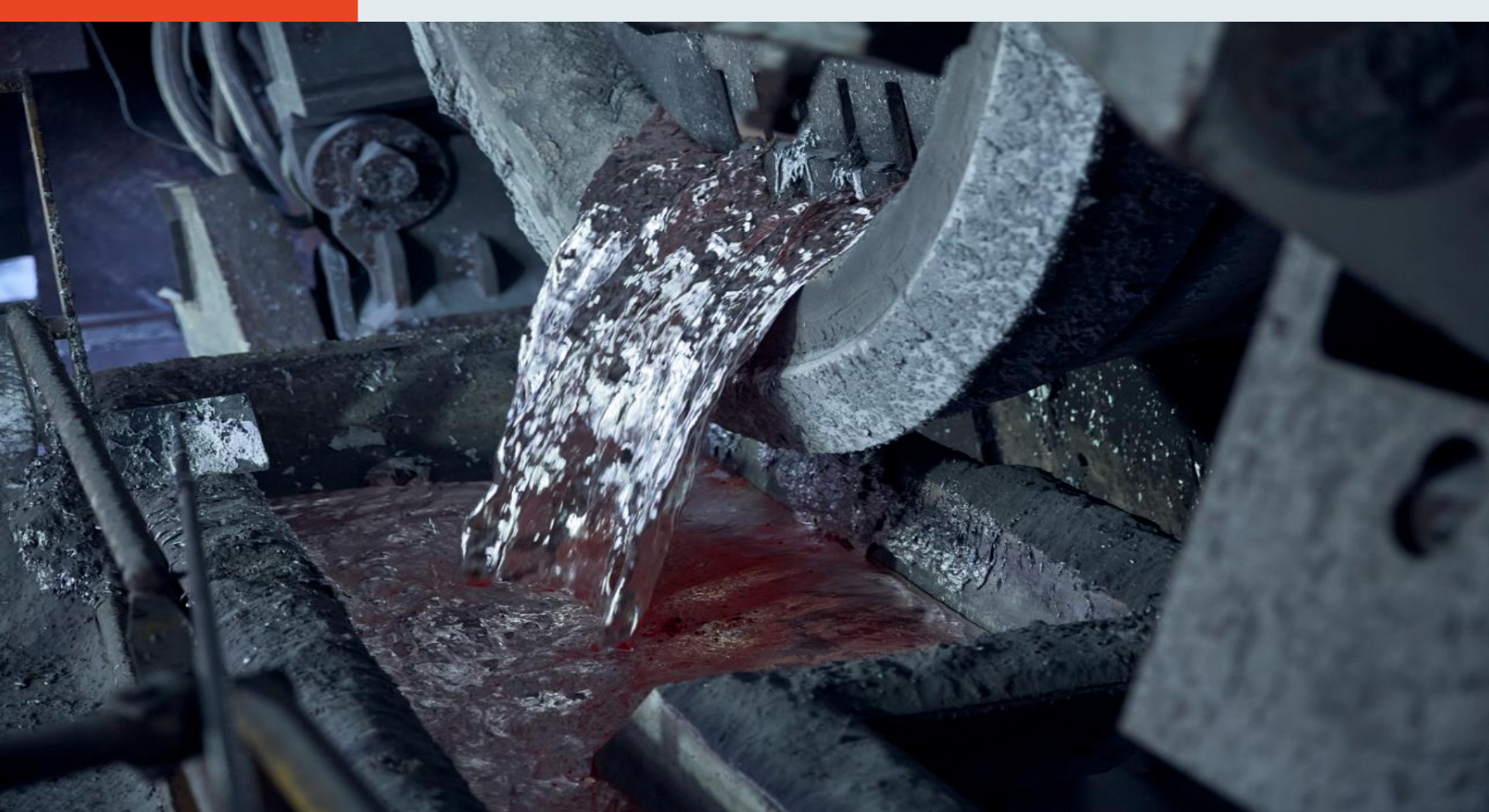
	At 31 March 2022	2022	change	At 31 March 2023
Adjusted EBITDA ³⁾	€209.8	€214.6	-€11.0 / -5.1%	€203.6
Operating cash flow ³⁾	€117.1	€137.3	-€12.7 / -9.3%	€124.6
Gross debt	€710.6	€710.8	+€3.9 / +0.5%	€714.7
Cash on hand	€237.1	€161.8	-€18.8 / -11.6%	€143.0
Net debt	€473.5	€549.0	+€22.7 / +4.1%	€571.6
Net leverage ⁴⁾	x2.26	x2.56	+x0.25	x2.81

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) LTM figures

4) Net leverage calculated as Net debt over Adjusted EBITDA.



04 / Befesa overview

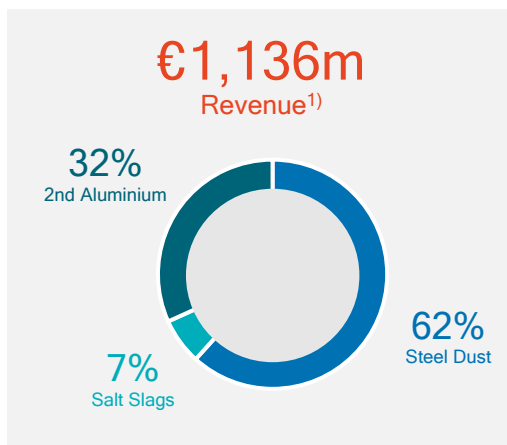
Befesa at a glance

Global leader in Europe, the US and Asia in providing regulated critical hazardous waste recycling services to the steel and aluminium industries

2022

Steel Dust Recycling

Aluminium Salt Slags Recycling

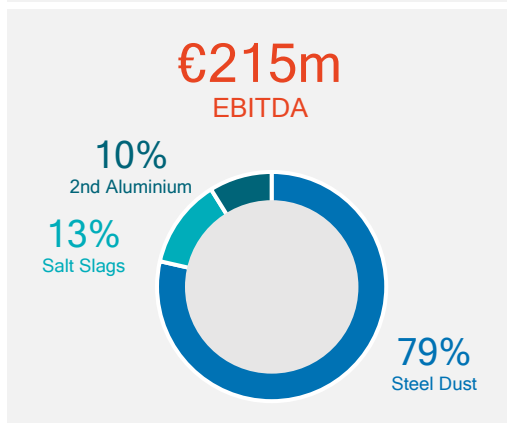


#1
Position Global
(c. 40-50% market share)

#1
Position in Europe in salt slags subsegment
(c. 45-50% market share)

27%
EBITDA margin
(2020-2022 average)

29%
EBITDA margin in salt slags subsegment²⁾
(2020-2022 average)



>15yrs
Relationships

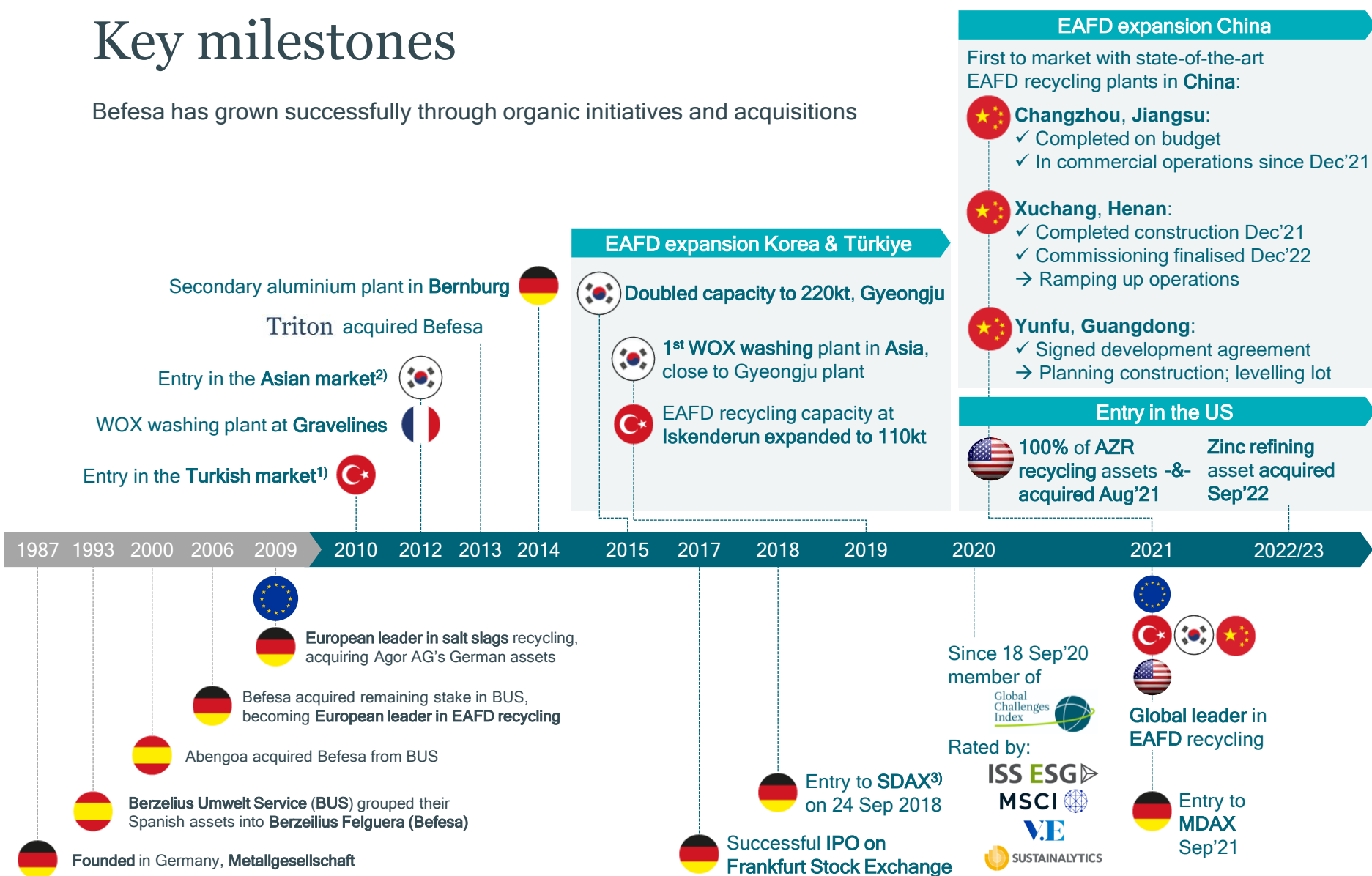
>15yrs
Relationships

1) Excluding internal revenue; revenue split is calculated on revenues including internal revenue

2) Including recycling of SPL (a hazardous waste generated in primary aluminium production)

Key milestones

Befesa has grown successfully through organic initiatives and acquisitions



1) Through 51/49 JV with Canadian Silvermet; 2) By acquiring subsequent stakes in the Korean Hankook; 3) Free-float at 100% after Triton's exit on 6 June 2019

Leader in circular economy for >30 years

Environmental regulations

getting stricter and expanding into new geographies; enforcing recycling to drive resource efficiency and lower carbon footprint

Recycling service solutions

critical to the steel and aluminium industries; long-term service relationships with strong barriers to entry and high captive demand

Proven track record

to grow and diversify Befesa's portfolio; developing markets as industry leader & first mover; resilient through the cycles

Global leader

with balanced footprint, close to clients, in Europe, the US & Asia, applying state-of-the-art technology

Favourable mega trends

Decarbonisation, Electric Vehicles (EV), circular economy, drive secondary steel & aluminium demand → requiring Befesa's recycling services

Strong financial backbone

Long-term capital structure & prudent hedging approach enable stable cash flows to fund growth SGGP roadmap

Experienced & stable team

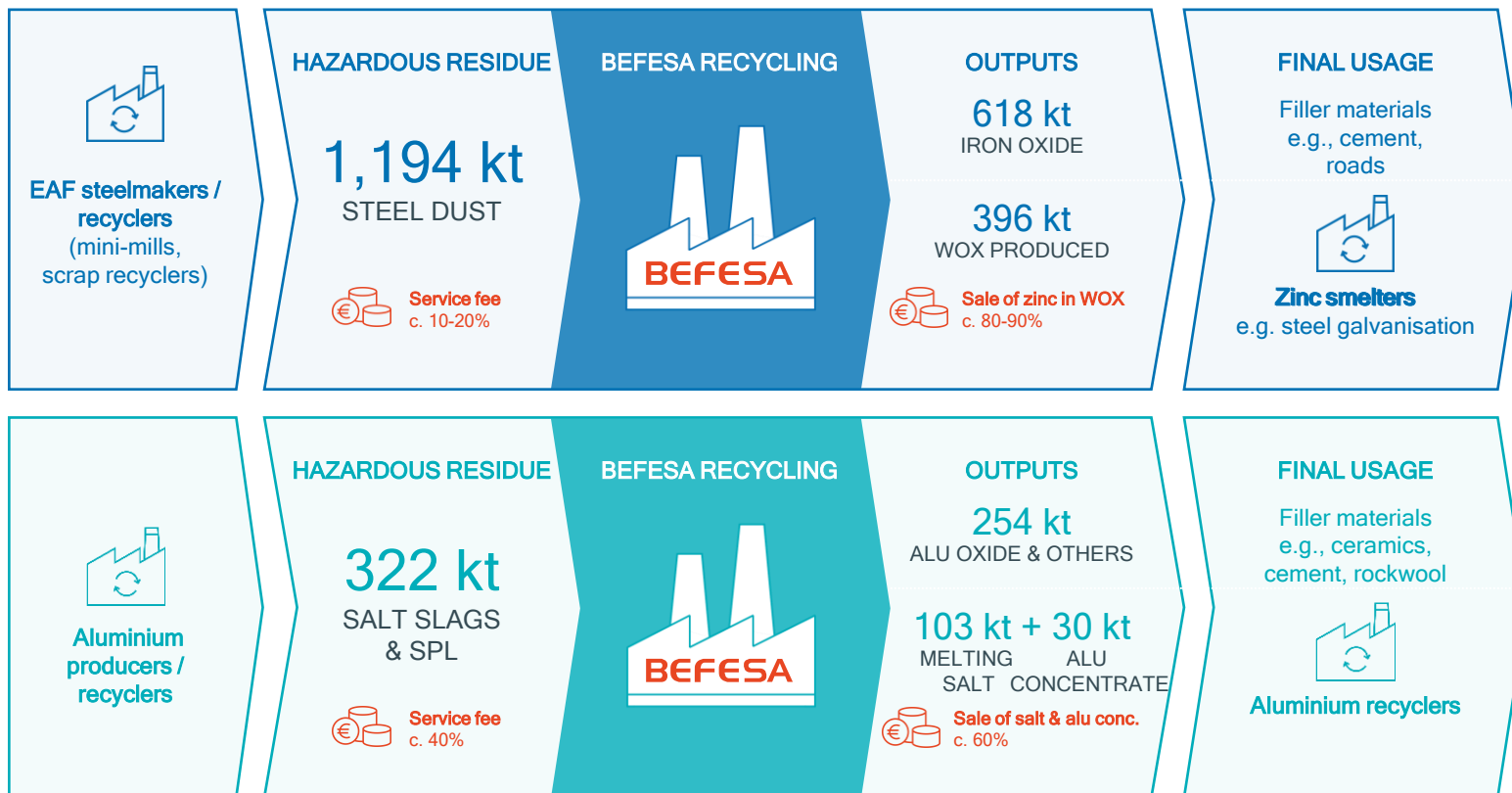
focused on customer service, ESG, profitable and sustainable growth

Shareholder returns

through consistent dividend distribution and high returns on expansion projects

Highly regulated & critical service model

Befesa is the leading environmental services partner in the circular economy of the 2nd steel and aluminium industry by recycling and avoiding the landfilling of c. 1.8 Mt hazardous residues and recovering > 1.5 Mt of new valuable materials



All figures are of the year 2022

Value chains are simplified and only reflect Befesa's core business segments (i.e. Steel Dust; Aluminium Salt Slags):

- Within Steel Dust Recycling Services business segment Befesa manages a Stainless sub-segment (90 kt stainless-steel dust throughput in 2022)

- Within Aluminium Salt Slags Recycling Services business segment Befesa manages a Secondary Aluminium sub-segment (161 kt secondary aluminium alloys produced in 2022)

Proven resilience & growth through cycles

Attractive growth track record with proven margin resilience despite volatile environment - driven by a successful service-focused business model & prudent financial practices

Key
macro
events

Global
financial crisis

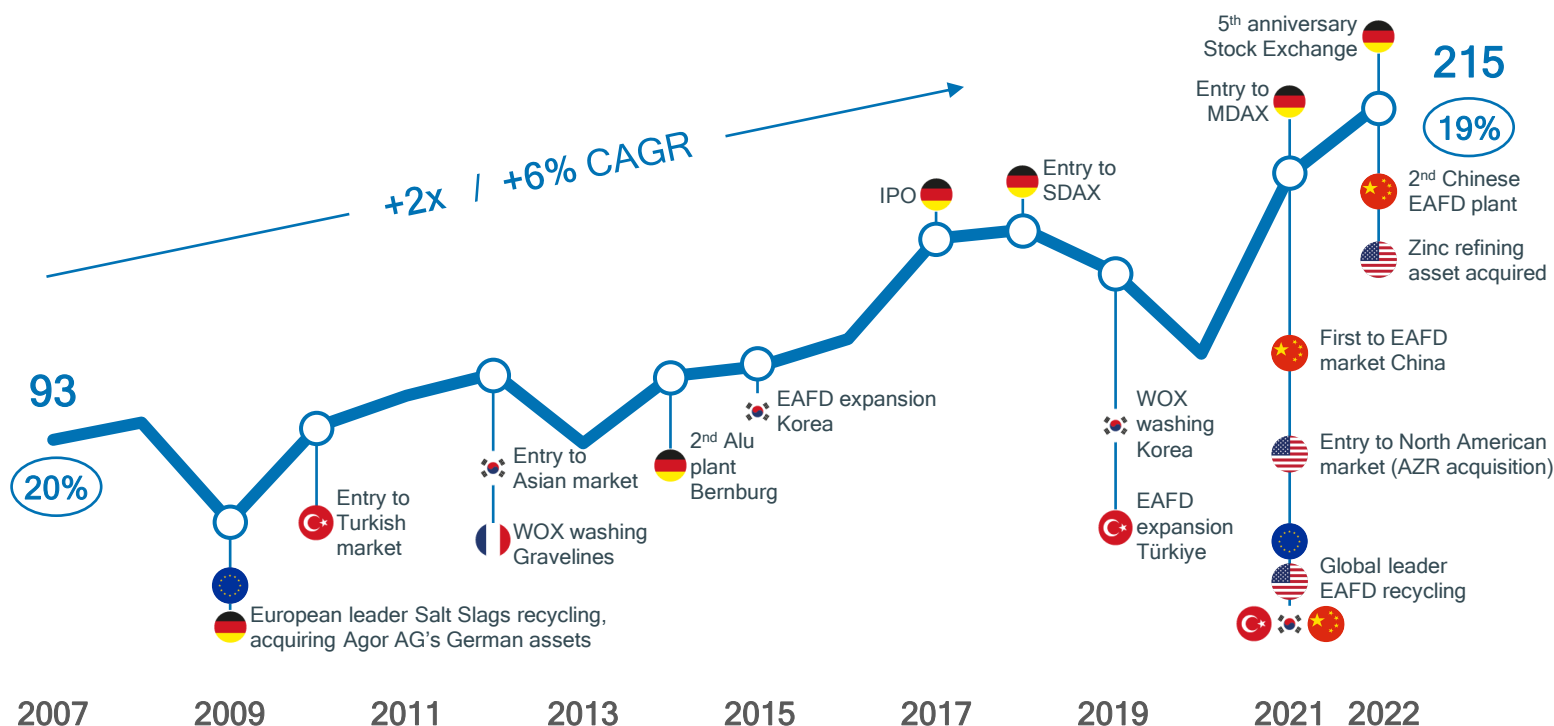
European
debt crisis

COVID pandemic
Global supply chain disruptions
Energy crisis

EBITDA
margin

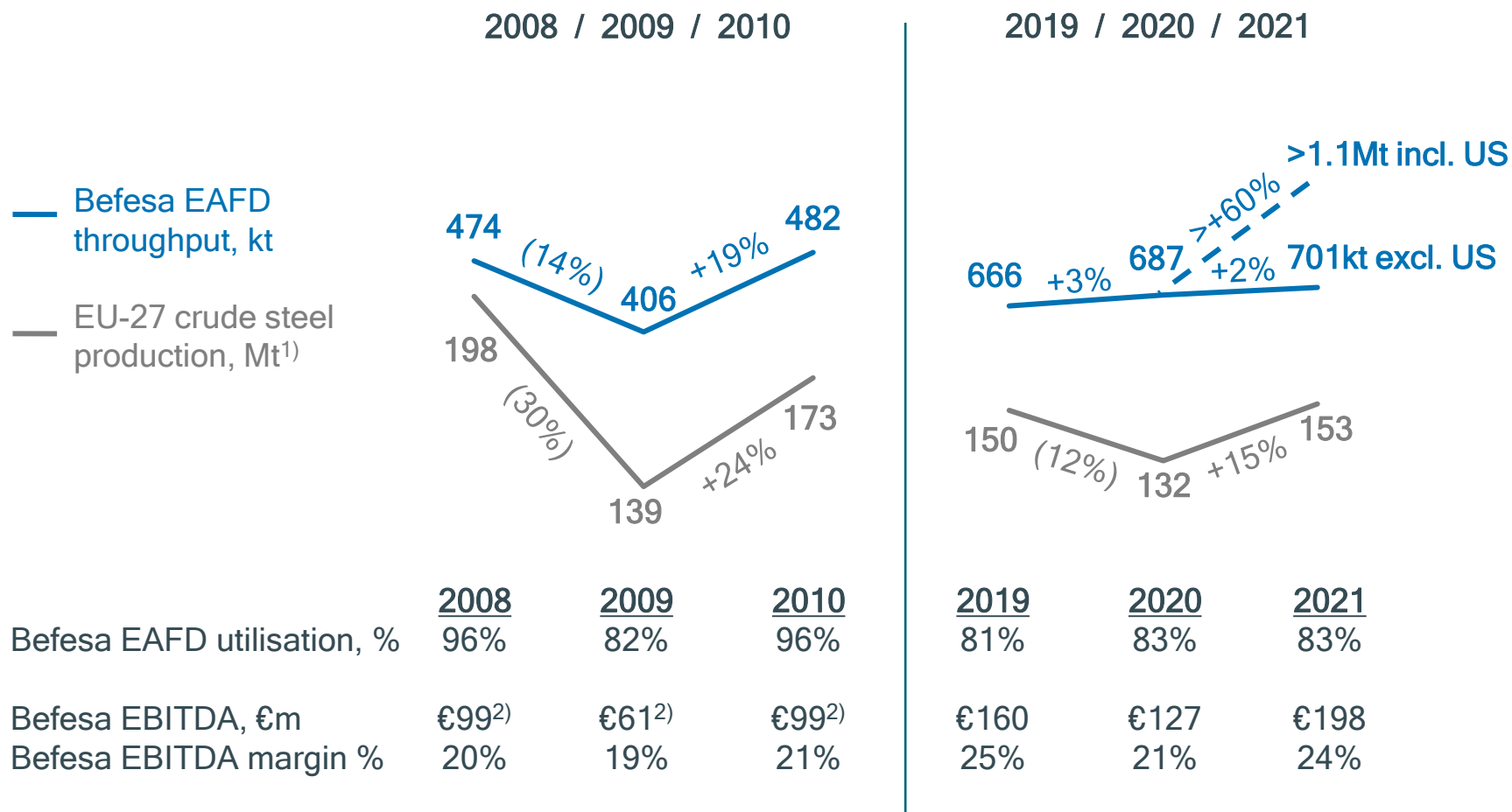


EBITDA
(€m)



Befesa's resilience during latest crises

Befesa has demonstrated resilient volumes and capacity utilisation levels during the latest crises

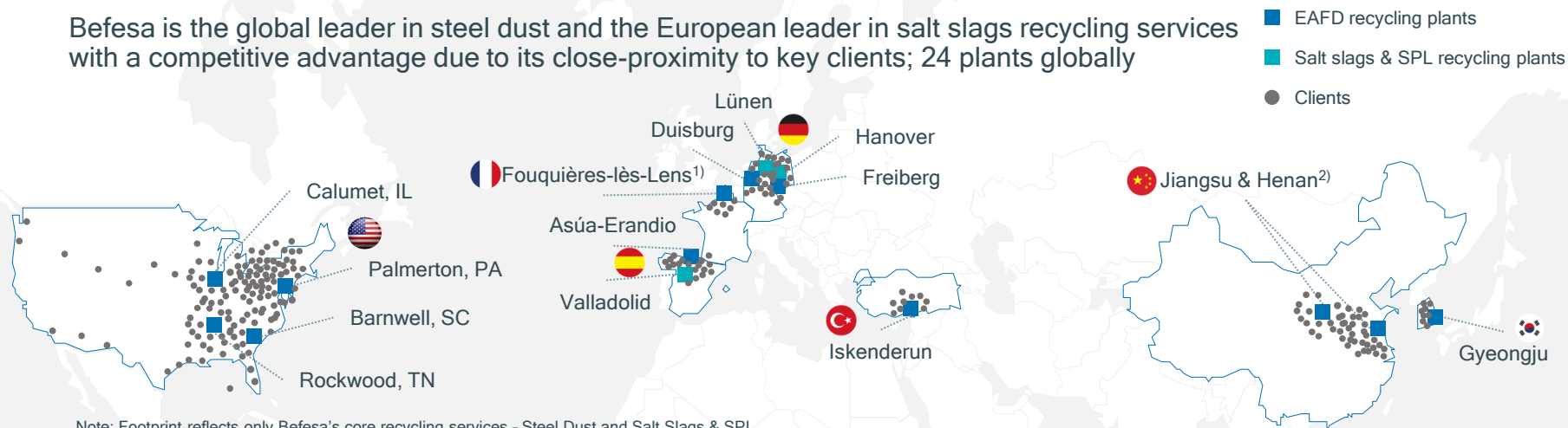


¹⁾ worldsteel.org

²⁾ Total EBITDA is the sum of Steel Dust & Aluminium Salt Slags segments proforma (PF) comparable to Befesa structure in '19/'20; Thus, it excludes divested IES, EPC and Concessions businesses

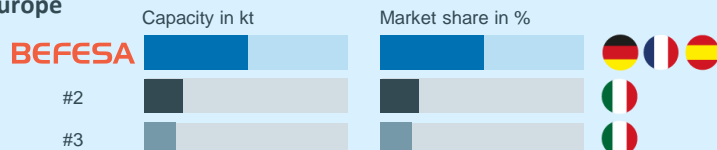
Global leader in Europe, North America & Asia

Befesa is the global leader in steel dust and the European leader in salt slags recycling services with a competitive advantage due to its close-proximity to key clients; 24 plants globally

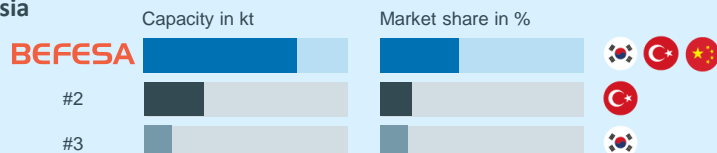


STEEL DUST RECYCLING

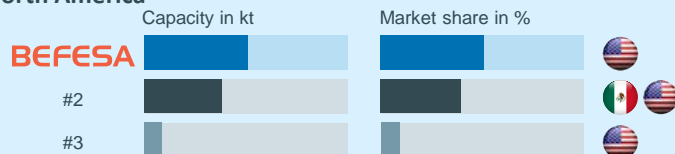
Europe



Asia



North America



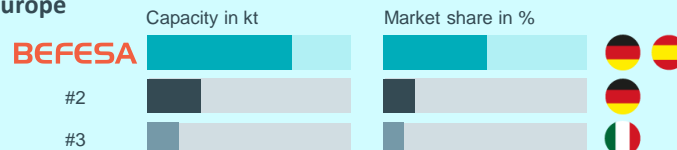
1) 50/50 joint venture with Recylex

2) Changzhou, Jiangsu province: In commercial production and selling WOX since Dec '21; Monitoring recovery from COVID

Xuchang, Henan province: Completed construction Dec '21 on budget; Commissioning prolonged due to COVID, finalised in Dec'22 and ramping up operations

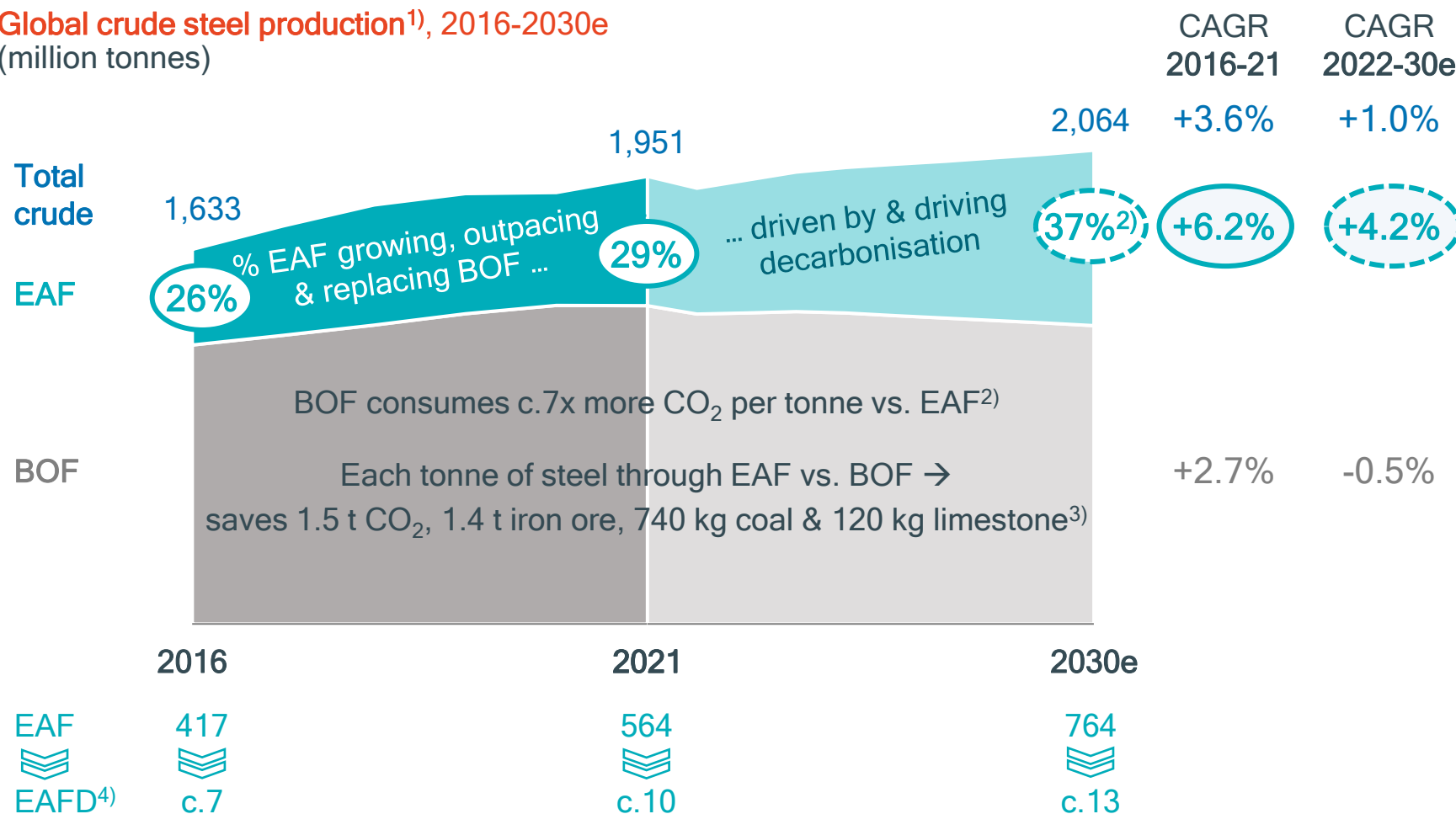
ALU SALT SLAGS RECYCLING

Europe



Decarbonisation megatrend favouring & driving EAF steel growth

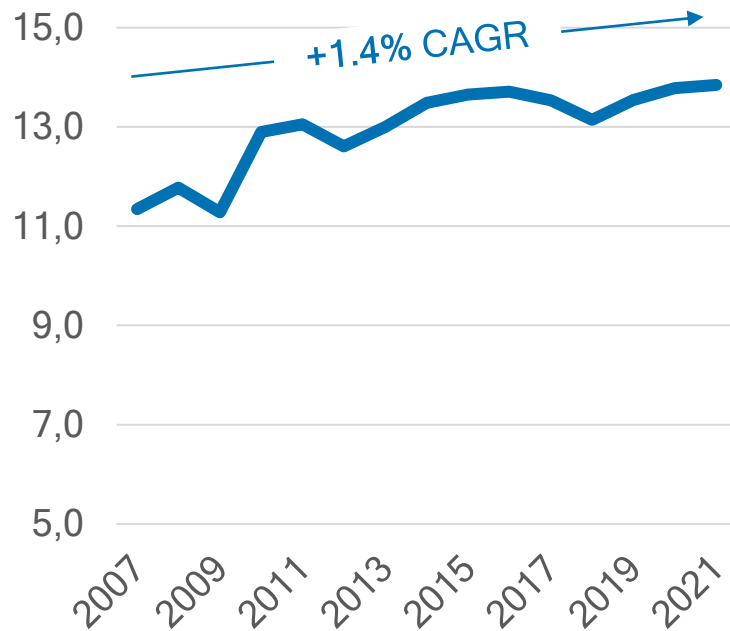
Global crude steel production¹⁾, 2016-2030e
(million tonnes)



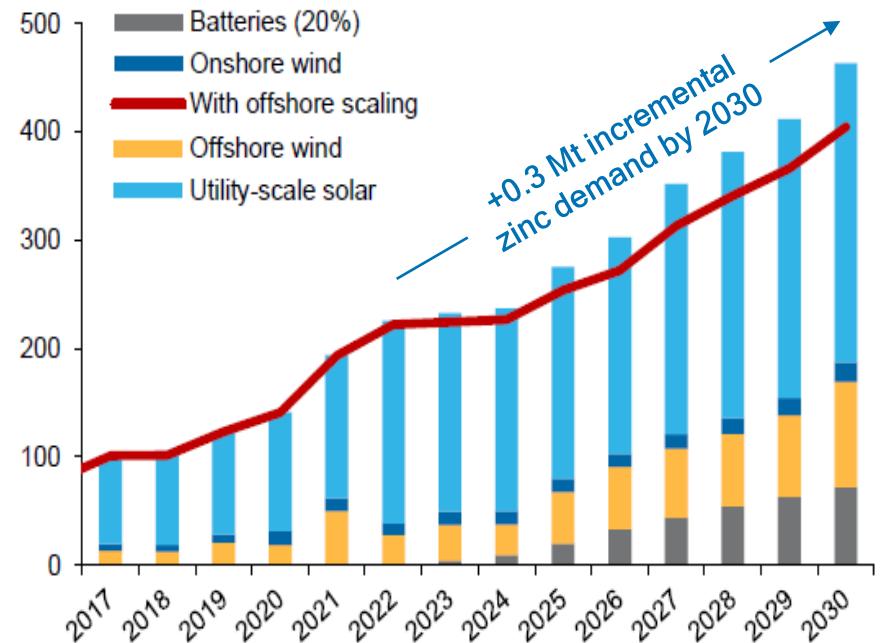
1) 2016-21 actuals from [Worldsteel](#); 2022-2030e from "Steel - Eye of the Storm", Morgan Stanley (Sep 2022); 2) "Net Zero by 2050: A Roadmap for the Global Energy Sector", IEA (May 2021); Green Steel for Europe Consortium (June 2021)
3) Bank of America Research (November 2022); 4) Total EAFFD addressable market based on the assumed mid-point 17.5kg EAFFD generation per tonne of EAF steel output

Zinc global production grew at 1.4% CAGR over L15 years; Incremental demand from transition to renewable energy

Global refined zinc metal production¹⁾
(million tonnes)



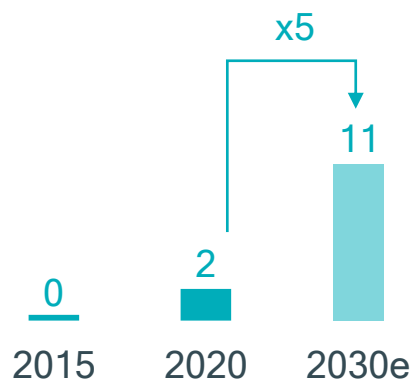
Zinc annual demand from wind, solar & batteries²⁾
(thousand tonnes)



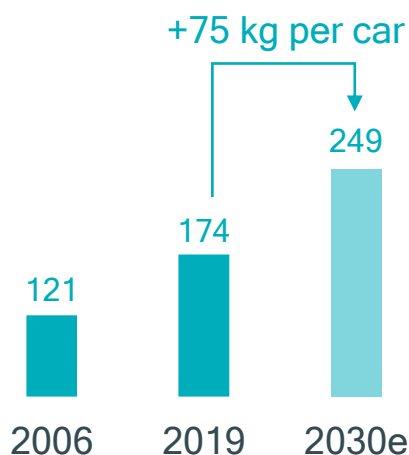
WOX, mixed with virgin zinc concentrates, preferred by smelters, is <5% of global zinc available; Befesa continues to be sold out

Decarbonisation and EV driving aluminium market growth in Europe

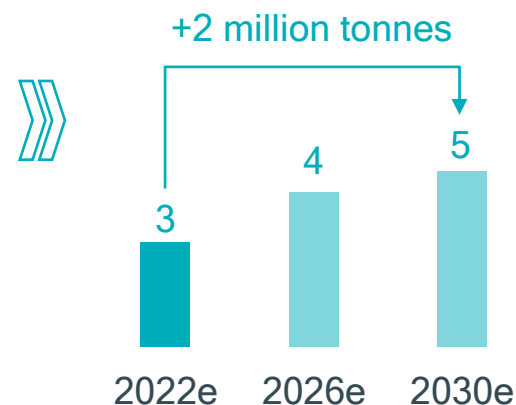
EV unit sales in Europe¹⁾
(million units)



Alu content per vehicle²⁾
(kg per passenger car)



Auto alu demand in Europe²⁾
(million tonnes)



- **Decarbonisation trend drives** transition to Electric Vehicles (EV)
- EV requiring **higher aluminium content per car** to achieve light-weight targets
- ... driving **higher aluminium demand** in Europe and increased **need for secondary aluminium and salt slags recycling capacity**

1) CRU (Jan 2022)
2) Ducker (Oct 2022)

Strong financial backbone

**Long-term and
efficient capital structure**
with no maturities up to Jul'26

**Prudent zinc hedging
approach**

Rigorous cash management

- **Resilient earnings & cash flows**
- **Stable & high liquidity**
- **Moderate leverage at c.x2.5**

**... to self-fund growth
roadmap in the
US, Europe & Asia**

Experienced & stable management team

Senior management team delivering results through long-standing industry expertise, entrepreneurial spirit and focus on operational excellence as well as governance and compliance processes



Javier Molina
Executive Chair

- Executive Chair since 2022
- Befesa CEO 2000-2022
- Leading Befesa for 22+ years



Asier Zarraonandia
CEO

- CEO since 2022
- VP Steel Dust 2006-2022
- 22 years with Befesa



Wolf Lehmann
CFO

- CFO since 2014
- 25+ years in finance & operational leadership roles, 50/50 General Electric / PE



Federico Barredo
VP Aluminium
Salt Slags
Recycling Services

- 25+ years with Befesa
- Running Befesa's Aluminium Salt Slags business for >20 years

Key achievements / track record

-  Extensive experience in steel and aluminium recycling business, incl. managing through the cycle
-  Strong performance results through focus on operational excellence
-  Building strong business foundation of ESG, compliance and health & safety processes
-  Successful international expansion
-  Track record of successful acquisitions and turnarounds, e.g., BUS, Agor, Alcasa, Hankook, Silvermet, AZR, AZP
-  Experience in developing greenfield projects, e.g., Gravelines, South Korea, Bernburg, China



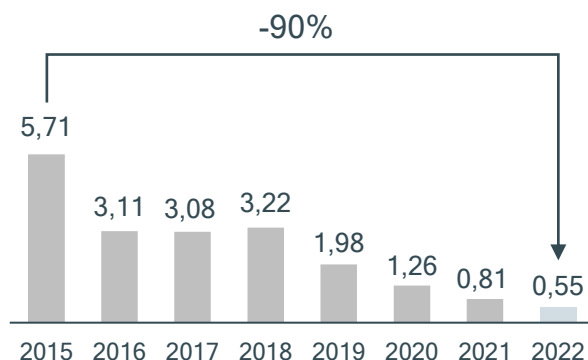
05 / ESG

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)¹⁾

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



ESG Ratings²⁾



31 March 2023	31 December 2022
B / Prime	Top 3 of 69
#181 / 430	#181 / 430
#7 / 103	#7 / 103
BBB	BBB
Top 5%	Top 5%
Top 15%	Top 15%

ESG Update 2022

Will be published
in **June 2023**

EU Taxonomy

Detailed regulation for 'Transition
to a circular economy' pending

CO₂ intensity

Defined & executing
20% reduction plan by 2030

1) Befesa's own employees and contractors

2) 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.

ESG: Enhanced transparency & performance

Transparency / reporting

Detailed ESG Report



External ratings



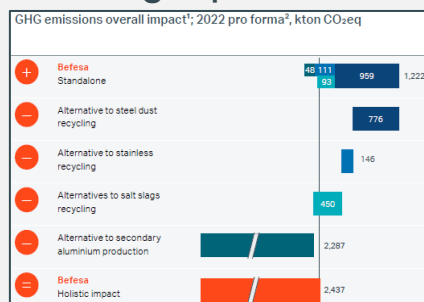
Health & safety

Lost Time Injury Rate (LTIR)¹⁾ improved by 85% since 2015



CO₂ holistic approach

Saving >2mt CO₂_{eq} vs. virgin production



CO₂ intensity targets

-20% by 2030
Net zero by 2050



Sustainability Committee



EU Taxonomy



¹⁾ Befesa's own employees and contractors

Sustainability at the core of Befesa

Befesa's operations have a direct net positive environmental impact as well as multiple positive indirect effects by enabling EAF steel and aluminium recycling

BEFESA

Direct environmental benefits



Avoidance of GHG emissions



Reducing landfill of hazardous residues



Recovery and production of new valuable materials



Best-in-class technology (BAT)

Indirect sustainability benefits



Circular economy pure player



Decarbonisation of steel & alu and energy transition



Natural resources depletion rate

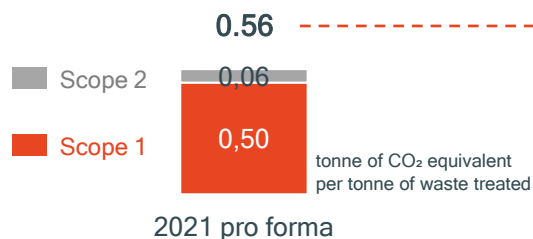


Growth ambition to increase recycling capacity

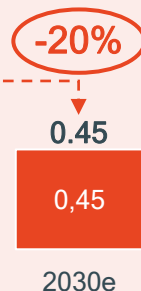
Climate action plan

Committing to a 20% GHG emissions intensity reduction by 2030 and aiming at net zero emission by 2050

Baseline



2030 commitment

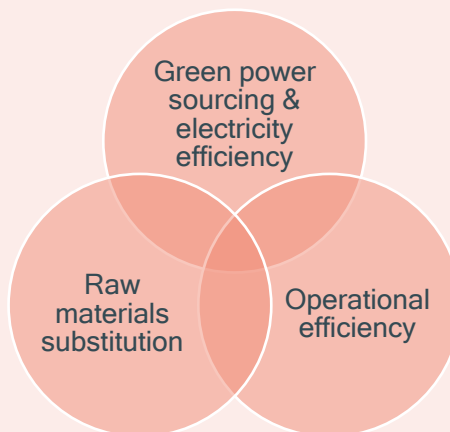


2050 vision

Net zero emission

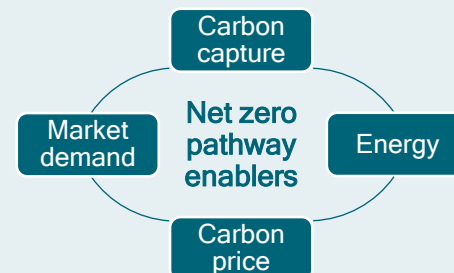
-
2050e

2030 roadmap



Technology investment commitments

- Substitution of coke with CO₂-neutral reducing agent (biomass)
- New technologies to recycle EAFD
- Carbon capture on Waelz kiln
- Replacement of fuel by hydrogen
- Energy generation from gas capture



- ✓ Recognised sustainability leader in the circular economy
- ✓ Befesa Climate Change Policy
- ✓ New Sustainability Committee
- » Further increase transparency on sustainability metrics
- » Continuous dialogue with all stakeholders to better understand materiality of sustainability topics

Selected ESG targets

Environmental

>2.4mt¹⁾



waste recycled by 2025

>1.8mt²⁾



new materials recovered by 2025

ISO



ISO certification schedule (China & US)



-20% by 2030
net zero by 2050

1) Updated from the target set in 2020 of >2 Mt
2) Updated from the target set in 2020 of >1.6 Mt

Social

-50%³⁾



LTIR by 2024

BEzero

maintain zero fatalities



HR policies & procedures



boost initiatives for people with disabilities



HR digitalisation



continue leadership training programmes

3) Compared to 2019

Governance

IT



improve CIS assessment rating until 2023

≥90%

admin employees trained in compliance each year



continue training for all employees



continue roll-out & ≥90% coverage by 2022



continue annual risk assessment



establish Sustainability Committee in 2022 ✓



women in Board 2022 ✓



06 / Investor agenda & appendix

Investor's agenda

Financial calendar 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 Q2 2023 H2 2023

Paris - SMID Mega Trend Days
10 May - Kepler Cheuvreux

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

NYC - Berenberg Conf. USA 2023
23 May - Berenberg

4th ESG Conference (virtual)
1 June - Kepler Cheuvreux

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

Virtual Metals & Mining Cannonball Run 2023
14 June - Morgan Stanley

Chief Sustainability Officer (CSO) Conf (virtual)
20 June - Berenberg

London - ODDO BHF London Conference
22 June - ODDO BHF

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

Frankfurt - Commerzbank & ODDO BHF Corporate Conference
5 & 6 September - Commerzbank & ODDO

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

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

Munich - 12th Baader Investment Conference
18-22 September - Baader

Munich - 12th German Corporate Conference
20 Sep - Berenberg & Goldman Sachs

Paris - 6th MidCap CEO Conference
13-15 November - BNP Paribas Exane

Frankfurt - Deutsches Eigenkapitalforum
27-29 November - Deutsche Börse

Q1 2023/22 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
Revenue¹⁾ <i>yoy change</i>	€216.3 <i>+€60.3 / +38.7%</i>	€20.8 <i>+€1.6 / +8.6%</i>	€95.9 <i>-€2.1 / -2.1%</i>	-€11.0 <i>+€0.7 / -</i>	€322.0 <i>+€60.6 / +23.2%</i>
Reported EBITDA <i>yoy change</i>	€37.0 <i>-€17.8 / -32.4%</i>	€6.6 <i>+€0.2 / +2.7%</i>	€7.2 <i>+€6.0 / favourable</i>	-€1.5 <i>+€0.9 / -</i>	€49.3 <i>-€10.7 / -17.8%</i>
Reported EBITDA margin % <i>yoy change</i>	17.1% <i>-1,907 bps</i>	31.6% <i>+185 bps</i>	7.5% <i>-22 bps</i>	- -	15.3% <i>-1,005 bps</i>
Adjusted EBITDA²⁾ <i>yoy change</i>	€37.0 <i>-€17.8 / -32.4%</i>	€6.6 <i>+€0.2 / +2.7%</i>	€7.2 <i>+€6.0 / favorable</i>	-€0.7 <i>+€0.6 / -</i>	€50.1 <i>-€11.0 / -18.0%</i>
Adjusted EBITDA margin % <i>yoy change</i>	17.1% <i>-1,907 bps</i>	31.6% <i>+185 bps</i>	7.5% <i>-22 bps</i>	- -	15.6% <i>-980 bps</i>

1) Total revenue in Aluminium Salt Slags Recycling Services amounted to €106.0m (Q1 2022: €106.1m) after intersegment eliminations of €10.6m (Q1 2022: €11.1m)

2) €29.1m reported Total EBIT + €20.2m D&A = €49.3m reported Total EBITDA + €0.8m adjustments, mainly driven by US acquisition impacts = €50.1m adjusted Total EBITDA

Multi-year trend – Key financials¹⁾

(€m, unless otherwise stated)

	2017	2018	2019	2020	2021	2022
Revenue	€667.4 ²⁾	€720.1	€647.9	€604.3	€821.6	€1,136.0
Reported EBITDA	€153.0	€176.0	€159.6	€123.5	€189.6	€234.9
Reported EBITDA margin %	22.9% ²⁾	24.4%	24.6%	20.4%	23.1%	20.7%
Adjusted EBITDA	€172.4 ³⁾	€176.0	€159.6	€127.0 ³⁾	€197.6 ³⁾	€214.6 ³⁾
Adjusted EBITDA margin %	25.8% ²⁾	24.4%	24.6%	21.0%	24.0%	18.9%
Net profit⁴⁾	€49.3	€90.2	€82.7	€47.6	€99.7	€106.2
EPS⁵⁾ (€)	€1.02 ⁵⁾	€2.65	€2.43	€1.40	€2.68 ⁵⁾	€2.66 ⁵⁾
Operating cash flow⁶⁾	€91.5	€103.8	€102.5	€92.5	€117.9	€137.3
Cash position end of period	€117.6	€150.6	€125.5	€154.6	€224.1	€161.8
Net debt	€406.4	€376.8	€416.9	€393.6	€470.6	€549.0
Net leverage	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

Q1 2023/22 – Operational data – Steel Dust Recycling Services

	Q1 2022	Q1 2023	yoy change
EAFF throughput (kt)	337.4	273.8	-63.5 / -18.8%
EAFF average capacity utilisation (%)	88.0%	71.4% / 75.1% ¹⁾	-1,657 bps
Waelz oxide (WOX) sold (kt)	103.7	99.8	-3.9 / -3.8%
Zinc LME price (€/t)	€3,337	€2,916	-€421 / -12.6%
Zinc hedging price (€/t)	€2,287	€2,348	+€61 / +2.7%
Zinc blended price ²⁾ (€/t)	€2,533	€2,633	+€99 / +3.9%

1) Normalised for Turkey, stopped in January and February 2023 due to impacts from earthquake

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

Q1 2023/22 – Operational data – Aluminium Salt Slags Recycling Services

	Q1 2022	Q1 2023	yoy change
Salt slags & SPL treated (kt)	87.5	82.3	-5.2 / -5.9%
Salt slags & SPL avg. capacity utilisation (%)	75.5% / 104.3% ¹⁾	71.0% / 98.1% ¹⁾	-445 bps
Aluminium alloys produced (kt)	42.2	43.7	+1.4 / +3.4%
Secondary alu avg. capacity utilisation (%)	83.6%	86.4%	+284 bps
Aluminium alloy FMB price ²⁾ (€/t)	€2,627	€2,301	-€326 / -12.4%

1) Normalised for Hanover plant shutdown

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% ¹⁾	83.2%	83.3% ²⁾	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 ³⁾ (€/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% ⁴⁾	84.0%	68.5% / 96.7% ⁴⁾
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% ⁵⁾	86.2% / 91.1% ⁶⁾	85.0%	90.6%	78.4%
Aluminium alloy FMB price ⁷⁾ (€/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 2nd week of June to 3rd week of September), as well as the Barcelona - phase I (plant was shutdown two months, from 4th week of August to 4th 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)

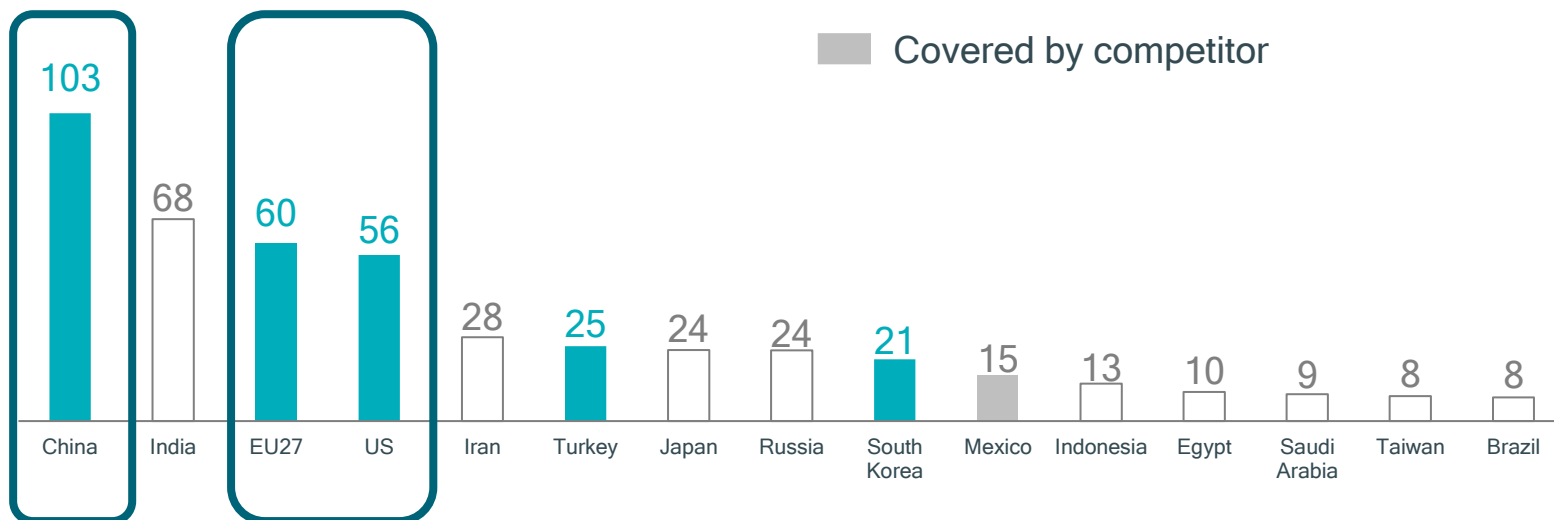
7) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

Top-15 EAF steel producing countries

Top-15 EAF steel producing countries represent close to 90% of global EAF output;
Befesa present in key & growing markets - Europe, Asia/China and the US

Top-15 EAF steel producing countries¹⁾, 2022
(million tonnes)

Focus of 5-Year SGGP



EAFD²⁾

1.8

1.1

1

0.4

0.4

BEFESA



1st mover

#1 #1 / #2

#2 / #3

#1


¹⁾ worldsteel.org;

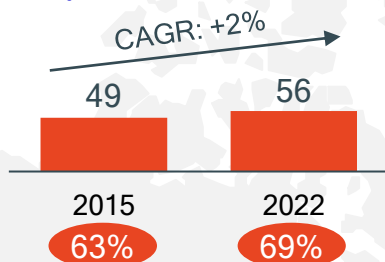
²⁾ Total EAFD addressable market based on the assumed mid-point 17.5kg EAFD generation per tonne of EAF steel output

EAF steel production: Regional overview

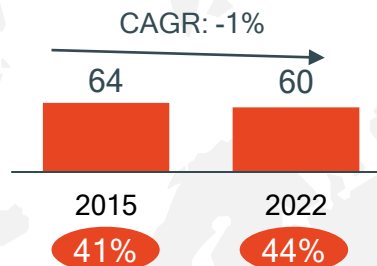
EAF steel production, MT
 ○ EAF share
 ➡ Outlook
 ■ Befesa is present

Decarbonization driving accelerated growth of EAF

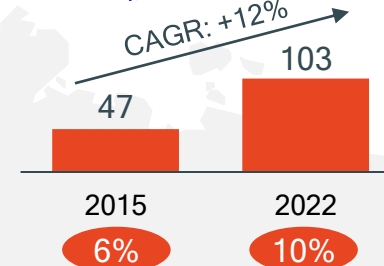
 \$1.2 T infrastructure plan approved, driving steel / EAF production ➡



 Europe to grow to 50% EAF share¹⁾ ➡

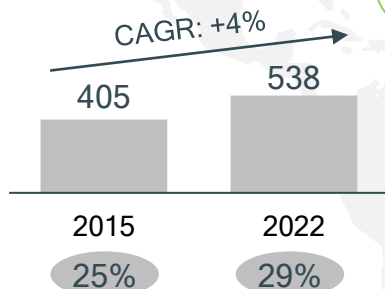


 EAF% to grow to 15-20% by 2025²⁾ per China's Ministry of Industry & IT ➡

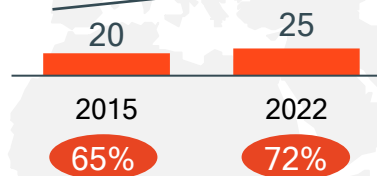



Global EAF share to grow from c.30% in 2021 to c.48% by 2050 supported by policy shifts and increasing focus on scrap use³⁾ ➡

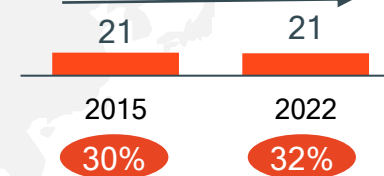
World



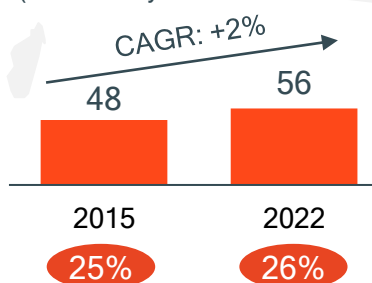
 CAGR: +3% ➡



 CAGR: 0% ➡



Served market (EU+Turkey+Korea+China+US) ➡



Source: worldsteel.org

1) Net Zero by 2050 (IEA, May 2021), Green Steel for Europe Consortium (June 2021)

2) S&P Global Commodity Insights (April 2022)

3) Wood Mackenzie (May 2022)