

Q1 2023 Statement

BEFESA

Befesa at a glance

Key figures

	Q1 2023	Q1 2022	Change
Key operational data (tonnes, unless specified otherwise)			
Electric arc furnace steel dust (EAFD) throughput	273,819	337,365	(18.8) %
Waelz oxide (WOX) sold	99,833	103,731	(3.8) %
Salt slags and Spent Pot Linings (SPL) recycled	82,293	87,452	(5.9) %
Secondary aluminium alloys produced	43,680	42,244	3.4 %
Zinc LME average price (€ / tonne)	2,916	3,337	(12.6) %
Zinc blended price (€ / tonne)	2,633	2,533	3.9 %
Aluminium alloy FMB average price (€ / tonne)	2,301	2,627	(12.4) %
Key financial data (€ million, unless specified otherwise)			
Revenue	322.0	261.4	23.2 %
EBITDA	49.3	59.9	(17.8) %
EBITDA margin	15.3 %	22.9 %	(762) bps
Adjusted EBITDA ¹	50.1	61.1	(18.0) %
Adjusted EBITDA margin ¹	15.6 %	23.4 %	(781) bps
EBIT	29.1	42.9	(32.2) %
EBIT margin	9.0 %	16.4 %	(738) bps
Adjusted EBIT ¹	29.9	44.0	(32.1) %
Adjusted EBIT margin ¹	9.3 %	16.8 %	(757) bps
Financial result	(6.6)	(6.9)	(3.6) %
Profit before taxes and minority interests	22.5	36.0	(37.7) %
Net profit attributable to shareholders of Befesa S.A.	15.2	27.0	(43.8) %
EPS (in €)	0.38	0.67	(43.8) %
Total assets	1,977.0	1,894.7	4.3 %
Capital expenditures	30.9	21.0	47.4 %
Cash flow from operating activities	13.0	25.7	(49.6) %
Cash and cash equivalents at the end of the period	143.0	237.1	(39.7) %
Net debt	571.6	473.5	20.7 %
Net leverage	x2.81	x2.26	x 0.55
Number of employees (as of end of the period)	1,865	1,570	18.8 %

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

Highlights

- **Revenue increased by 23% to €322.0 million** (Q1 2022: €261.4m) mainly driven by US operations
- **Adjusted EBITDA at €50.1 million**, stable compared to Q4 2022 at €50.7 million, down 18% yoy (Q1 2022: €61.1m) mainly driven by 13% lower zinc market prices, 19% rise in zinc treatment charges (TC) and continued record high coke prices
- **Outlook:** 2023 EBITDA expected to be between €200 million and €230 million, -7% to +7% yoy
- **Dividend proposal for AGM: €1.25 per share** (2022: €1.25)
- **US:** Integrating and ramping up zinc refining operations acquired on 30 September 2022; Driving synergies through focus on Palmerton, Pennsylvania, plant refurbishment
- **China:** Henan plant ramping up operations; Two plants operating in 2023; Progressing in third Chinese province, Guangdong

Business review

Results of operations, financial position & liquidity

Revenue

Total revenue increased by 23% yoy to €322.0 million in Q1 2023 (Q1 2022: €261.4 million). The increase was primarily driven by the US operations.

EBITDA & EBIT

Total adjusted EBITDA in Q1 2023 came in at €50.1 million, roughly stable from the preceding quarter (Q4 2022: €50.7 million) and down 18% yoy (Q1 2022: €61.1 million). The yoy development was mainly due to 13% lower zinc LME market prices, 19% higher unfavourable zinc TC, and continued record high coke prices. Zinc TC was set at \$274 per tonne for the full year 2023 (2022: \$230 per tonne) and retroactively effective from 1 January 2023. Gas and electricity prices eased and stabilised in Q1 2023, positively impacting the Aluminium Salt Slags operations. At the same time, coke prices continued the inflationary trend and reached a new high, up 6% versus Q4 2022 and up 41% yoy, negatively impacting the Steel Dust operations.

The €11.0 million adjusted EBITDA development yoy in Q1 2023 was mainly driven by the following components:

- Volumes (c. -€4 million): lower in Steel Dust (-€3 million), mainly due to the tragic earthquake impacting operations in Turkey, and the US operations; lower in Aluminium Salt Slags driven by the Hanover plant ramping up in Q1 partially offset with higher aluminium alloy volumes (-€0.5 million)
- Metal prices (c. -€4 million): lower zinc LME prices (-€10 million); higher zinc hedging prices (€2 million); unfavourable higher zinc TC (-€2.5 million); lower aluminium FMB prices more than offset by higher aluminium metal margins (€5 million)
- Higher coke prices partially offset by lower gas and electricity prices (c. -€3 million)

Total adjusted EBIT decreased by 32.1% yoy to €29.9 million in Q1 2023 (Q1 2022: €44.0 million).

Total EBITDA and EBIT were adjusted for €0.8 million in Q1 2023, mainly driven by impacts from the acquisition of the US assets. Total reported EBITDA amounted to €49.3 million in Q1 2023 (-17.8% yoy). Total reported EBIT amounted to €29.1 million in Q1 2023 (-32.2% yoy).

Financial result & net profit

Total net financial result improved by 3.6% yoy to -€6.6 million in Q1 2023 (Q1 2022: -€6.9 million).

Total net profit attributable to the shareholders in Q1 2023 decreased by 43.8% yoy to €15.2 million (Q1 2022: €27.0 million). This development was primarily due to the negative drivers impacting EBITDA and EBIT. As a result, earnings per share (EPS) in Q1 2023 decreased accordingly by 43.8% yoy to €0.38 (Q1 2022: €0.67).

Financial position & liquidity

Gross debt at 31 March 2023 remained stable at €714.7 million (31 December 2022: €710.8 million).

Net debt at 31 March 2023 increased by 4.1% to €571.6 million (31 December 2022: €549.0 million). This is mainly explained by the decrease in cash balance.

Net leverage of x2.81 at Q1 2023 closing (year-end 2022: x2.56) based on the underlying net debt of €571.6 million and LTM adjusted EBITDA of €203.6 million.

Befesa continues to be compliant with all debt covenants.

	31 March 2023	31 December 2022
Non-current financial indebtedness	678.9	677.4
+ Current financial indebtedness	35.8	33.3
Financial indebtedness	714.7	710.8
- Cash and cash equivalents	(143.0)	(161.8)
- Other current financial assets ¹	(0.1)	(0.1)
Net debt	571.6	549.0
LTM Adjusted EBITDA	203.6	214.6
Net leverage ratio	x2.81	x2.56

¹ Other current financial assets adjusted by non-cash items

Operating cash flow in Q1 2023 amounted to €13.0 million, 49.5% lower yoy (Q1 2022: €25.7 million). Normalised for the pending Hanover fire insurance proceeds, expected in Q2 2023, the yoy performance was approximately stable.

The change in working capital impacted operating cash flow by €28 million in Q1 2023, primarily driven by the usual first quarter seasonality and timing impact. In addition, impacts from timing of the Hanover fire insurance process recovery, with the remaining proceeds expected to be collected during Q2 2023.

Interests paid in Q1 2023 decreased by 6.4% yoy to €6.8 million (Q1 2022: €7.3 million).

In Q1 2023, Befesa invested €31.7 million (Q1 2022: €25.8 million) to fund regular maintenance capex, the recovery of the Hanover plant and US operational excellence / synergies, as well as growth investments. The latter are mainly related to the second plant in China.

After funding working capital, interests, taxes and capex, total cash flow in Q1 2023 amounted to -€18.8 million. Cash on hand stood at €143.0 million, which together with the €75.0 million RCF, entirely undrawn, provides Befesa with more than €200 million liquidity.

Segment information

Steel Dust Recycling Services

Volumes of **EAFD recycled** in Q1 2023 decreased by 18.8% yoy to 273,819 tonnes (Q1 2022: 337,365 tonnes), including the impact of the earthquake in Turkey. With these volumes, Befesa's EAFD recycling plants ran at an average load factor of 71% of the installed annual recycling capacity of c. 1,555,300 tonnes.

The volume of Waelz oxide (WOX) sold in Q1 2023 decreased by 3.8% yoy to 99,833 tonnes (Q1 2022: 103,731 tonnes).

Revenue in the Steel Dust business increased by 38.7% yoy to €216.3 million in Q1 2023 (Q1 2022: €155.9 million), driven mainly by the US operations.

EBITDA in the Steel Dust business decreased by 32.4% yoy to €37.0 million in Q1 2023 (Q1 2022: €54.8 million). The yoy -€17.8 million EBITDA development was mainly impacted by the lower zinc market prices (-13% yoy), the unfavourable zinc TC at \$274 per tonne (+19% yoy), continued record high coke prices (+41% yoy), and the lower EAFD volumes (-19% yoy). Consequently, EBITDA as a percent of revenue stands at 17% in Q1 2023 compared to 35% last year. The yoy profitability decrease was mainly due to the same items impacting EBITDA as explained above (lower zinc market prices, unfavourable zinc TC, record high coke prices) and also driven by the zinc refining plant contributing to revenue in Q1 2023 but not yet to EBITDA.

EBIT in the Steel Dust business came in at €21.3 million in Q1 2023, down 49.6% yoy (Q1 2022: €42.3 million), following similar drivers explained referring to the EBITDA development.

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

Salt slags and SPL recycled volumes in Q1 2023 amounted to 82,293 tonnes, down 5.9% yoy (Q1 2022: 87,452 tonnes), primarily due to the Hanover plant ramping up in Q1 2023. On average, Salt Slags recycling plants operated at 71% in Q1 2023 of the latest installed annual recycling capacity of 470,000 tonnes. Normalising for Hanover, utilisation rates would have averaged 98% in Q1 2023.

Revenue in the Salt Slags subsegment increased by 8.6% yoy to €20.8 million in Q1 2023 (Q1 2022: €19.2 million).

EBITDA increased by 2.7% yoy to €6.6 million in Q1 2023 (Q1 2022: €6.4 million), mainly driven by lower energy prices partially offset by lower aluminium alloy FMB market prices. Consequently, EBITDA as a percent of revenue in the Salt Slags subsegment remained at above 30% in Q1 2023.

EBIT increased by 2.9% yoy to €4.2 million in Q1 2023 (Q1 2022: €4.0 million), following similar drivers explained referring to the EBITDA development.

Secondary Aluminium subsegment

Aluminium alloy production volumes increased by 3.4% yoy to 43,680 tonnes in Q1 2023 (Q1 2022: 42,244 tonnes), even under the current challenging European automotive and aluminium industry environment. Secondary Aluminium production plants overall operated at around 86% utilisation rate on average in Q1 2023.

Revenue in the Secondary Aluminium subsegment amounted to €95.9 million in Q1 2023, down 2.1% yoy (Q1 2022: €97.9 million). The yoy higher volumes were offset with the lower aluminium alloy FMB market prices.

EBITDA in the Secondary Aluminium subsegment increased by €6.0 million yoy to €7.2 million in Q1 2023 (Q1 2022: €1.2 million). The yoy EBITDA improvement was mainly explained by the lower gas and electricity prices -eased and stabilised in Q1- and the higher aluminium metal margins.

EBIT in the Secondary Aluminium subsegment increased by €6.2 million yoy to at €5.3 million in Q1 2023 (Q1 2022: -€0.9 million), following similar drivers which impacted the EBITDA development.

Strategy

Hedging strategy

Befesa's hedging strategy is unchanged and continues to be a key element of Befesa's business model to manage the zinc price volatility and therefore improve the stability and visibility of earnings and cash flow across the economic cycle. Further details are available in Befesa's Annual Report 2022 on pages 38-39.

Befesa's current hedging volume run rate is to hedge around 38 thousand tonnes of zinc per quarter or around 152 thousand tonnes per year.

The combined global hedge book in place as of the date of this Q1 Statement provides Befesa with improved pricing visibility up to July 2025, therefore for the following two years. The average hedged prices and volumes for each of the periods are:

Period	Average hedged price (€ per tonne)	Zinc content in WOX hedged (thousand tonnes)
2022	€2,379	163
2023	c. €2,400 ¹	155
2024	c. €2,500 ¹	152
2025	c. €2,650 ¹	58

¹ FX US dollar/euro forward rates assumed at 1.10

China expansion







Befesa's expansion in China continued to progress, with operations ramping up at the second Chinese plant, in Henan. The two existing Chinese plants in Jiangsu and Henan are operating and are expected to contribute to earnings in 2023. Furthermore, Befesa is preparing its next EAFD recycling plant - the third in China and thirteenth globally - in the province of Guangdong, northwest of Hong Kong.

US operations

In the US, Befesa continues to integrate and ramp up the zinc refining operations acquired on 30 September 2022. The US Palmerton plant is currently being prepared for refurbishment, which will take place during 2023 and 2024, to benefit from and support the incremental EAFD volumes expected in the US market over the coming years.

ESG

As of 31 March 2023, the **ESG ratings** from six well-known international ESG rating agencies following Befesa were as follows:

	31 March 2023	31 December 2022
 ISS ESG	B / Prime	Top 3 of 69
 SUSTAINALYTICS	#181 / 430	#181 / 430
 V.E	#7 / 103	#7 / 103
 MSCI	BBB	BBB
 arabesque s-ray	Top 5%	Top 5%
 S&P Global	Top 15%	Top 15%

Board of Directors

Befesa is very pleased to announce the appointment of Mr. Georg Graf Waldersee as new lead independent director. Mr. Graf Waldersee succeeds Mr. Kreinberg in this role following Mr. Kreinberg's retirement from the Board of Directors at the end of Q1. Befesa would like to thank Mr. Kreinberg who served in various roles on Befesa's Board of Directors since the Company's IPO in 2017 for his meaningful contribution and leadership during Befesa's global expansion over the past few years, and wishes him every success for his future professional endeavours. Mr. Waldersee joined the Befesa board in October 2017 as independent director and was nominated subsequently and continues in his role as chair of the audit committee. Mr. Waldersee is a German-certified accountant (Wirtschaftsprüfer). For more than 25 years, he was a partner at Arthur Andersen and Ernst & Young (EY) where he served in senior management positions in the EMEIA - and global - management teams of both organisations. After his retirement from EY in 2016 he has been serving in supervisory boards or as non-executive director in various companies or major non-profit organisations.

Outlook 2023

Including the impact of unfavourable zinc TC which settled at \$274 per tonne, 19% higher yoy, lower zinc LME prices down 13% yoy and ongoing high coke prices, Q1 2023 adjusted EBITDA stood at €50.1 million. Befesa continues to rigorously execute its expansion projects while closely monitoring the development of energy and base metal prices, especially coke and zinc.

As a result, Befesa expects the full year **2023 EBITDA** at **between €200 million and €230 million**, -7% to +7% yoy (2022: €214.6 million). The dividend proposal is stable yoy and for 2023 at €1.25 per share (2022: €1.25).

Further details referring selected financial metrics and the expected results are presented in the table below.

	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 border="0" style="margin-left: 20px;"> <tr> <td></td> <td style="text-align: center;">Steel</td> <td style="text-align: center;">Alu Salt Slags</td> </tr> <tr> <td style="text-align: center;">+/- €100/t Zinc LME price</td> <td style="text-align: center;">+/-€8 to 9m</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">+/- €100/t Aluminium FMB price</td> <td style="text-align: center;">-</td> <td style="text-align: center;">+/-€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: 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

Interim consolidated financial statements
as of 31 March 2023 (thousands of euros)

Statement of financial position

Assets

	31 March 2023	31 December 2022
Non-current assets:		
Intangible assets		
Goodwill	583,004	587,853
Other intangible assets	105,480	106,114
	688,484	693,967
Right-of-use assets	30,782	30,895
Property, plant and equipment	689,187	682,809
Non-current financial assets		
Investments in Group companies and associates	45	45
Other non-current financial assets	44,384	44,521
	44,429	44,566
Deferred tax assets	99,114	103,647
Total non-current assets	1,551,996	1,555,884
Current assets:		
Inventories	106,169	102,539
Trade and other receivables	113,105	107,591
Trade receivables from related companies	2,647	1,039
Accounts receivables from public authorities	19,158	19,566
Other receivables	38,219	26,898
Other current financial assets	2,704	1,342
Cash and cash equivalents	142,990	161,751
Total current assets	424,992	420,726
Total assets	1,976,988	1,976,610

Statement of financial position (continued)

Equity and liabilities

	31 March 2023	31 December 2022
Equity:		
Parent Company		
Share capital	111,048	111,048
Share premium	532,867	532,867
Hedging reserves	6,716	(2,573)
Other reserves	144,811	37,340
Translation differences	4,049	20,197
Net profit/(loss) for the period	15,159	106,220
Equity attributable to the owners of the Company	814,650	805,099
Non-controlling interests	13,866	14,153
Total equity	828,516	819,252
Non-current liabilities:		
Long-term provisions	15,073	18,518
Loans and borrowings	663,639	663,448
Lease liabilities	15,273	13,988
Other non-current financial liabilities	6,308	12,875
Other non-current liabilities	7,409	7,831
Deferred tax liabilities	106,312	107,633
Total non-current liabilities	814,014	824,293
Current liabilities:		
Loans and borrowings	26,686	23,038
Lease liabilities	9,082	10,298
Other current financial liabilities	33,630	38,223
Trade payables to related companies	3,082	1,573
Trade and other payables	193,177	198,870
Other payables		
Accounts payable to public administrations	26,891	14,220
Other current liabilities	41,910	46,843
	68,801	61,063
Total current liabilities	334,458	333,065
Total equity and liabilities	1,976,988	1,976,610

Income statement

	Q1 2023	Q1 2022	Change
Revenue	322,002	261,407	23.2 %
Changes in inventories of finished goods and work-in-progress	(1,201)	14,774	-
Procurements	(159,240)	(129,760)	22.7 %
Other operating income	3,147	10,914	(71.2) %
Personnel expenses	(38,476)	(31,691)	21.4 %
Other operating expenses	(76,939)	(65,700)	17.1 %
Amortisation/depreciation, impairment and provisions	(20,205)	(17,038)	18.6 %
Operating profit/(loss)	29,088	42,906	(32.2) %
Finance income	2,840	152	> 100 %
Finance expenses	(9,881)	(7,271)	35.9 %
Net exchange differences	410	243	68.7 %
Net finance income/(loss)	(6,631)	(6,876)	(3.6) %
Profit/(loss) before tax	22,457	36,030	(37.7) %
Corporate income tax	(8,456)	(7,457)	13.4 %
Profit/(loss) for the period	14,001	28,573	(51.0) %
Attributable to:			
Parent Company's owners	15,159	26,993	(43.8) %
Non-controlling interests	(1,158)	1,580	-
Earnings/(losses) per share attributable to Parent Company's owners (in euros per share)	0.38	0.67	(43.8) %

Statement of cash flows

	Q1 2023	Q1 2022
Profit/(loss) for the period before tax	22,457	36,030
Adjustments for:	23,209	21,139
Depreciation and amortisation	20,205	17,038
Changes in provisions	(3,445)	(2,558)
Interest income	(2,840)	(152)
Finance costs	9,881	7,271
Other profit/(loss)	(182)	(217)
Exchange differences	(410)	(243)
Changes in working capital:	(23,494)	(19,568)
Trade receivables and other current assets	(15,582)	(16,338)
Inventories	(3,630)	(12,312)
Trade payables	(4,282)	9,082
Other cash flows from operating activities:	(9,218)	(11,902)
Interest paid	(6,840)	(7,308)
Taxes paid	(2,378)	(4,594)
Net cash flows from/(used in) operating activities (I)	12,954	25,699
Cash flows from investing activities:		
Investments in Group and associated companies		
Investments in intangible assets	(224)	(258)
Investments in property, plant and equipment	(31,497)	(25,531)
Collections from disposal of Group and associated companies, net of cash	113	-
Collections from sale of property, plant and equipment	-	35
Net cash flows from/(used in) investing activities (II)	(31,608)	(25,754)
Cash flows from financing activities:		
Cash inflows from bank borrowings and other liabilities	3,948	15,319
Cash outflows from bank borrowings and other liabilities	(3,217)	(2,208)
Net cash flows from/(used in) financing activities (III)	731	13,111
Effect of foreign exchange rate changes on cash & cash equivalents (IV)	(838)	(43)
Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	(18,761)	13,013
Cash and cash equivalents at the beginning of the period	161,751	224,089
Cash and cash equivalents at the end of the period	142,990	237,102

Additional information

Segmentation overview - key metrics

Steel Dust Recycling Services

	Q1 2023	Q1 2022	Change
Key operational data (tonnes, unless specified otherwise)			
EAFD throughput	273,819	337,365	(18.8) %
WOX sold	99,833	103,731	(3.8) %
Zinc blended price (€ / tonne)	2,633	2,533	3.9 %
Total installed capacity	1,555,300	1,555,300	-
Utilisation (%)	71.4 %	88.0 %	(1,657) bps
Key financial data (€ million, unless specified otherwise)			
Revenue	216.3	155.9	38.7 %
EBITDA	37.0	54.8	(32.4) %
EBITDA margin	17.1 %	35.1 %	(1,802) bps
EBIT	21.3	42.3	(49.6) %
EBIT margin	9.8 %	27.1 %	(1,727) bps

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

	Q1 2023	Q1 2022	Change
Key operational data (tonnes, unless specified otherwise)			
Salt slags and SPL recycled	82,293	87,452	(5.9) %
Total installed capacity	470,000	470,000	-
Utilisation (%) ¹	71.0 %	75.5 %	(445) bps
Normalised utilisation (%) ¹	98.1 %	104.3 %	(625) bps
Key financial data (€ million, unless specified otherwise)			
Revenue	20.8	19.2	8.6 %
EBITDA	6.6	6.4	2.7 %
EBITDA margin	31.6 %	33.4 %	(180) bps
EBIT	4.2	4.0	2.9 %
EBIT margin	20.0 %	21.1 %	(110) bps

Secondary Aluminium subsegment

	Q1 2023	Q1 2022	Change
Key operational data (tonnes, unless specified otherwise)			
Secondary aluminium alloys produced	43,680	42,244	3.4 %
Aluminium alloy FMB price (€ / tonne)	2,301	2,627	(12.4) %
Total installed capacity	205,000	205,000	-
Utilisation (%)	86.4 %	83.6 %	284 bps
Key financial data (€ million, unless specified otherwise)			
Revenue	95.9	97.9	(2.1) %
EBITDA	7.2	1.2	> 100 %
EBITDA margin	7.5 %	1.2 %	633 bps
EBIT	5.3	(0.9)	-
EBIT margin	5.5 %	(0.9) %	640 bps

Note: Segment splits, revenue and earnings contributions do not take into account corporate nor the inter-segment eliminations.

¹ Utilisation normalised for Hanover plant shutdown

Financial calendar

Thursday, 15 June 2023	Annual General Meeting
Thursday, 27 July 2023	H1 2023 Interim Report & Conference Call
Thursday, 26 October 2023	Q3 2023 Statement & Conference Call

Notes: Befesa's financial reports and statements are published at 7:30 am CEST
Befesa cannot rule out changes of dates and recommends checking them at the Investor Relations / Investor's Agenda section of Befesa's website www.befesa.com

IR contact

Rafael Pérez
Director of Investor Relations & Strategy
Phone: +49 (0) 2102 1001 0
email: irbefesa@befesa.com

Published: 4 May 2023

All Befesa publications are available in the Investor Relations / Reports and Presentations section of Befesa's website www.befesa.com

To be added to the Investor Relations distribution list just send an email to irbefesa@befesa.com

Disclaimer

This report contains forward-looking statements and information relating to Befesa and its affiliates that are based on the beliefs of its management, including assumptions, opinions and views of Befesa and its affiliates as well as information cited from third party sources. Such statements reflect the current views of Befesa and its affiliates or of such third parties with respect to future events and are subject to risks, uncertainties and assumptions.

Many factors could cause the actual results, performance or achievements of Befesa and its affiliates to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others: changes in general economic, political, governmental and business conditions globally and in the countries in which Befesa and its affiliates do business; changes in interest rates; changes in inflation rates; changes in prices; changes to national and international laws and policies that support industrial waste recycling, legal challenges to regulations, subsidies and incentives that support industrial waste recycling; extensive governmental regulation in a number of different jurisdictions, including stringent environmental regulation; management of exposure to credit, interest rate, exchange rate and commodity price risks; acquisitions or investments in joint ventures with third parties; inability to obtain new sites and expand existing ones; failure to maintain safe work environments; effects of catastrophes, natural disasters, adverse weather conditions, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of Befesa's plants; insufficient insurance coverage and increases in insurance cost; loss of senior management and key personnel; unauthorised use of Befesa's intellectual property and claims of infringement by Befesa of others' intellectual property; Befesa's ability to generate cash to service indebtedness changes in business strategy and various other factors.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.

Befesa and its affiliates do not assume any guarantee that the assumptions underlying forward-looking statements are free of errors nor do they accept any responsibility for the future accuracy of the opinions expressed herein or the actual occurrence of the forecasted developments. No representation (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein or otherwise resulting, directly or indirectly, from the use of this document.

This report is intended for information only and should not be treated as investment advice. It is not intended as an offer for sale, or as a solicitation of an offer to purchase or subscribe to, any securities in any jurisdiction. Neither this report nor anything contained therein shall form the basis of, or be relied upon in connection with, any commitment or contract whatsoever. This report may not, at any time, be reproduced, distributed or published (in whole or in part) without prior written consent of Befesa.

First quarter 2023 figures are unaudited.

This report includes Alternative Performance Measures (APM), including EBITDA, EBITDA margin, EBIT, EBIT margin, Adjusted EBIT, Adjusted EBIT margin, net debt and capital expenditures which are not measures of liquidity or financial performance under International Financial Reporting Standards (IFRS). EBITDA is defined as operating profit for the period (i.e. EBIT) before the impact of amortisation, depreciation, impairment and provisions. EBITDA margin is defined as EBITDA divided by revenue. EBIT is defined as Operating profit for the year. The Company uses EBIT to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets. EBIT margin is defined as EBIT as a percentage of revenue. These non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating, investing or financing activities, or other financial measures of Befesa's results of operations or liquidity derived in accordance with IFRS. Befesa believes that the APM included in this report are useful measures of its performance and liquidity. Other companies, including those in the industry in which Befesa operates, may calculate similarly titled financial measures differently than Befesa does. Because all companies do not calculate these financial measures in the same manner, Befesa's presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These APM are not audited.

BEFESA

Befesa S.A.
68-70, Boulevard de la Pétrusse
L-2320 Luxembourg
Grand Duchy of Luxembourg
www.befesa.com