

**BEFESA**

# H1 2023

## Earnings Presentation

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# Today's presenters



**Javier Molina**  
Executive Chair

Leading Befesa  
for >20 years



**Asier Zarraonandia**  
CEO

>20 years with Befesa



**Rafael Pérez**  
CFO

>15 years with Befesa



# 01 / Highlights of H1 2023

# Executive summary of H1 2023

Revenue  
€615 million

8% yoy

- + US zinc refining operations
- Lower zinc and aluminium market prices

Adjusted EBITDA  
€95 million

-20% yoy

- Lower zinc price
- Unfavourable zinc TC
- Higher coke prices
- + Higher zinc hedging prices
- + Lower gas & electricity prices
- + Productivity and savings

Operating cash flow  
€42 million

-34% yoy

- Lower earnings
- Higher interests

## Growth



- Zinc refining: improving performance gradually
- Palmerton refurbishment: on track



- Henan: ramp up completed in Q2 2023
- Guangdong: preparation works ongoing

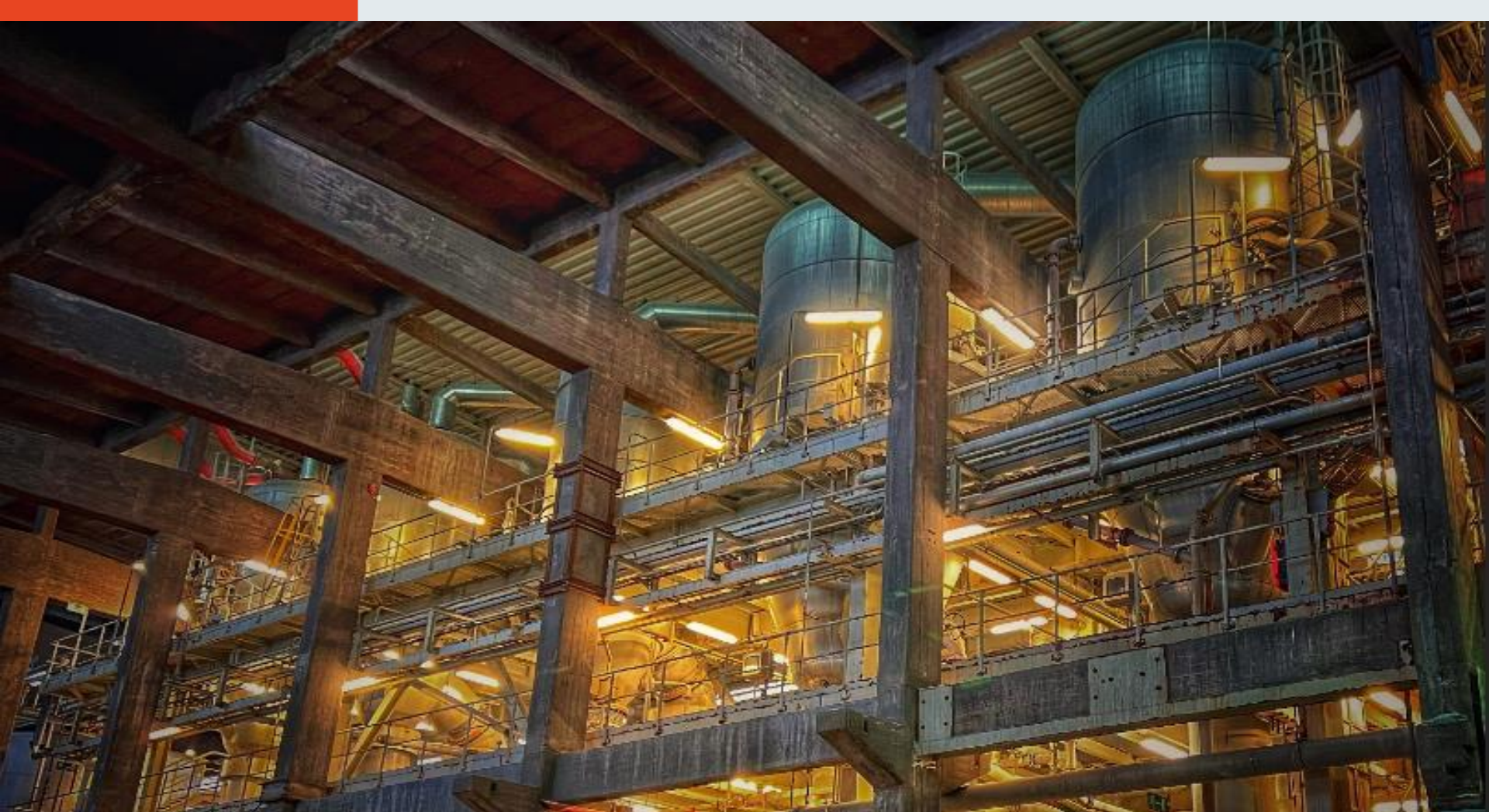
## Outlook

Overall expecting stronger H2 vs H1; Guidance confirmed

## ESG

ESG Progress Report 2022 published on 30 June 2023



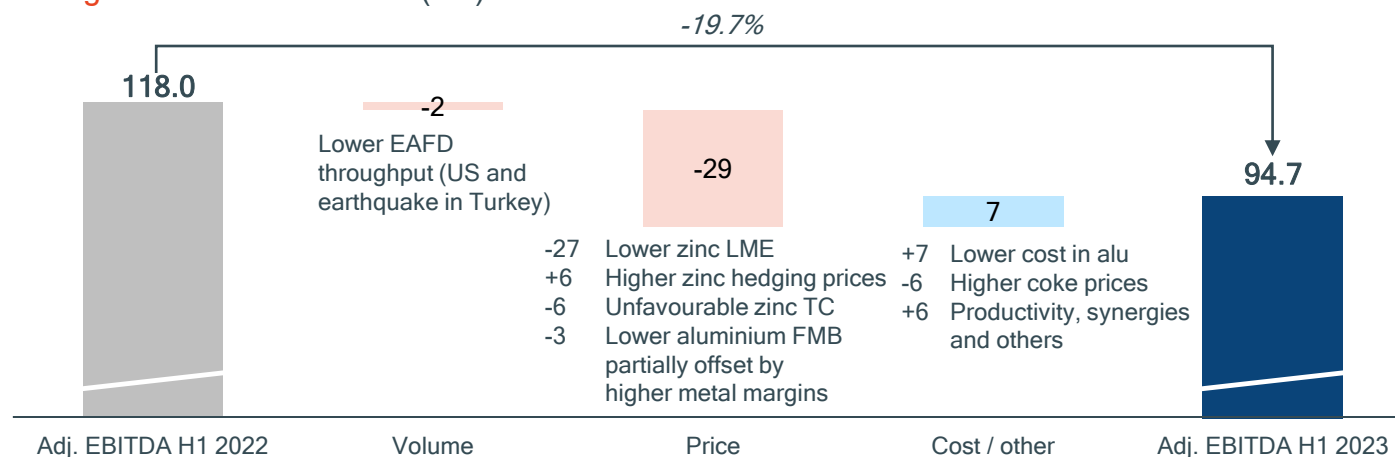


## 02 / Business & financial results

# Consolidated key financials

Adjusted EBITDA decreased by 20% yoy to €95m in H1 2023, mainly due to lower zinc market prices

## Adjusted EBITDA bridge H1 2022 to H1 2023 (€m)



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

	H1 2022	yoy change	H1 2023
Revenue	€572.5	+7.5%	€615.5
Adjusted EBITDA <sup>1</sup>	€118.0	-19.7%	€94.7
Adjusted EBITDA margin %	20.6%	-521 bps	15.4%
Net profit	€50.0	-59.5%	€20.2
EPS (€)	€1.25	-59.5%	€0.51
Operating cash flow	€64.0	-34.4%	€42.0
Cash	€238.7	-39.9%	€143.5
Net debt	€470.9	+20.4%	€567.0
Net leverage <sup>2</sup>	x2.13	+x0.84	x2.96

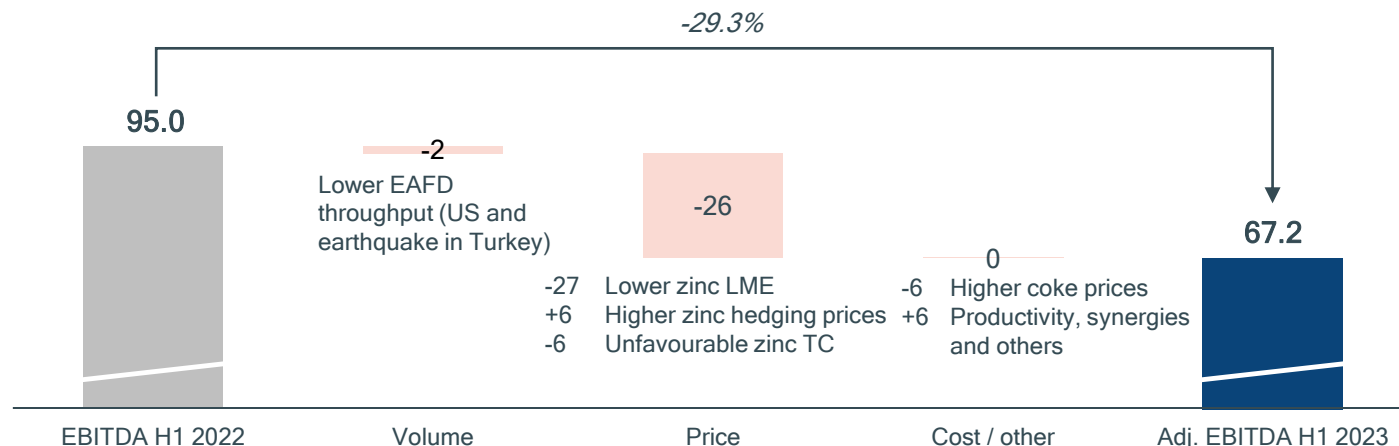
<sup>1</sup> H1 2023: €50.4m reported Total EBIT + €40.4m D&A = €90.8m reported Total EBITDA + €3.9m adjustments = €94.7m adjusted Total EBITDA  
H1 2022: €80.3m reported Total EBIT + €35.3m D&A = €115.7m reported Total EBITDA + €2.2m adjustments = €118.0m adjusted Total EBITDA

<sup>2</sup> Net leverage calculated as Net debt over Adjusted EBITDA.

# Steel Dust Recycling Services

Adjusted EBITDA decreased by 29% yoy to €67m in H1 2023, mainly due to lower zinc LME and minor volume decrease; Higher hedging prices offset by unfavourable zinc TC; Higher coke prices offset by productivity and synergies

## Adjusted EBITDA bridge H1 2022 to H1 2023 (€m)



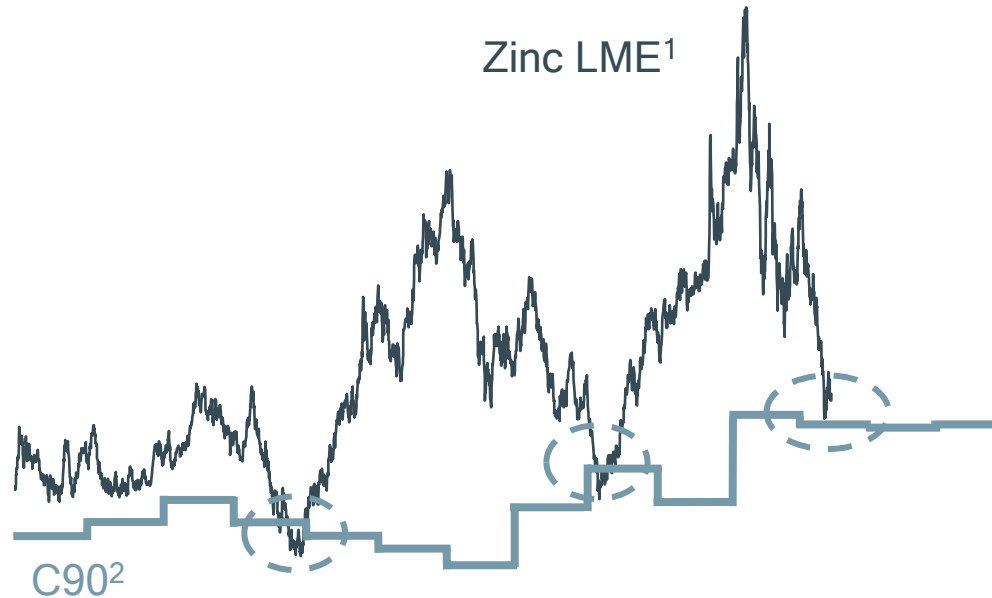
## Key metrics (€m, unless otherwise stated)

	H1 2022	yoy change	H1 2023
Revenue	€353.8	+13.2%	€403.0
Adj. EBITDA	€95.0	-29.3%	€67.2
Adj. EBITDA margin %	26.8%	-1,113 bps	16.7%
EAFD throughput (kt)	629.7	-5.9%	592.3
Plant utilisation	81.6%	-1,109 bps	70.6%
Waelz oxide (WOX) sold (kt)	213.8	-7.8%	197.2
Zinc LME price (€/t)	€3,510	-25.3%	€2,624
Zinc hedging price (€/t)	€2,329	+1.2%	€2,356
Zinc blended price <sup>1</sup> (€/t)	€2,668	-7.6%	€2,464
Treatment charge (TC) (\$/t)	\$230	+19.1%	\$274

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



# Zinc LME prices have historically bounced off the 90<sup>th</sup> percentile of the global cost curve



## C90 cost curve

Beyond the 90<sup>th</sup> percentile are projects that produce 10% of global output at the highest cost. If zinc LME prices are below the cost of production for a sustained period, these marginal producers cannot maintain production (e.g., Boliden temporarily closed its Tara mine in June 2023), which should normalise zinc supply

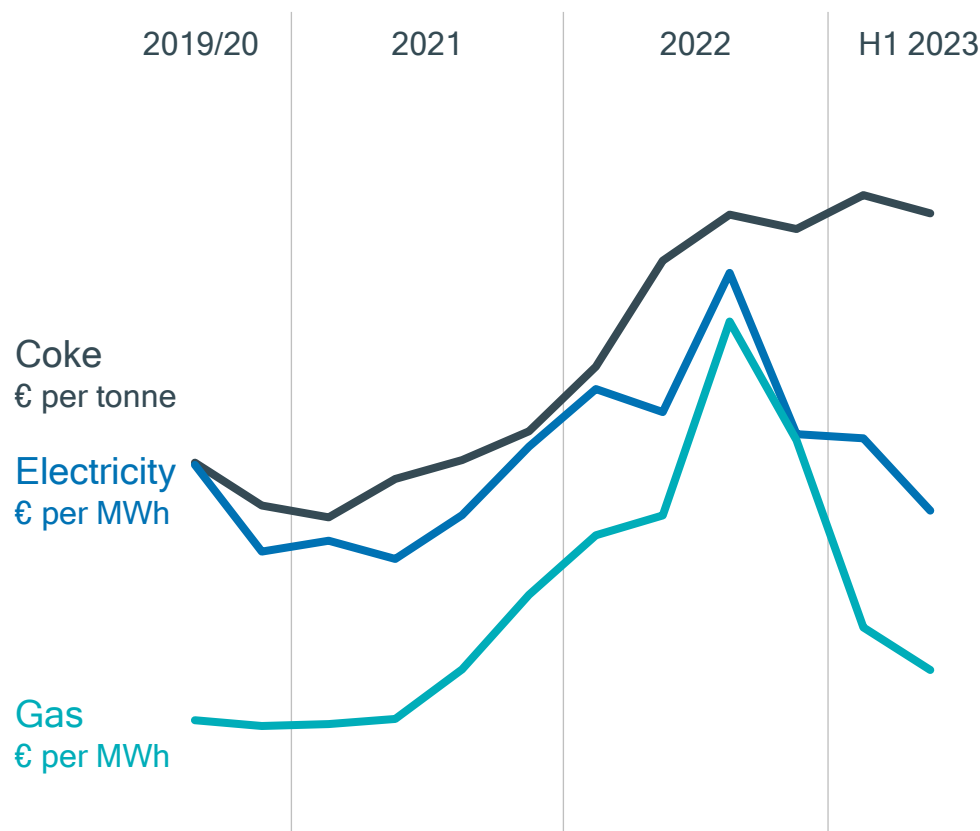
- Zinc LME prices have historically rebounded strongly upon touching the C90 curve
- Only during periods of strong economic stress, e.g., COVID-19 pandemic, zinc traded below the C90 curve
- Zinc currently trailing around the C90 cost curve; this should balance supply / demand and hence provide price support at these levels
- C90 cost curve upward trend driven by inflation, depletion and environmental cost increase

1 London Metal Exchange (LME) zinc daily cash settlement prices, US\$ per tonne

2 Morgan Stanley Research

# Coke price has started to moderate in Q2; Electricity & gas prices decreased further

## Befesa's energy price evolution by source



### Coke

- After reaching an all-time-high level in Q1 2023, Befesa's coke price started to moderate in Q2 (-3% versus Q1)
- However, H1 2023 average price is still around 90% above the 2019–2021 average levels

### Gas

- Prices reduced further in Q2 (-27% versus Q1) back to 2021 average levels
- H1 2023 average price reduced by 48% yoy

### Electricity

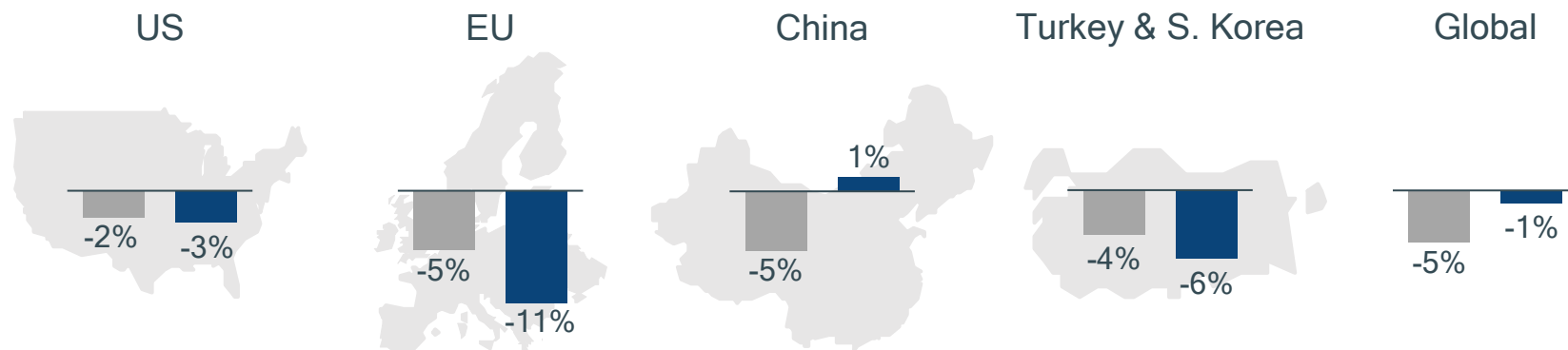
- Prices reduced further in Q2 (-20% versus Q1) back to 2021 average levels

# Aluminium Salt Slags benefited from favourable market environment while Steel Dust still challenged

## Crude steel production

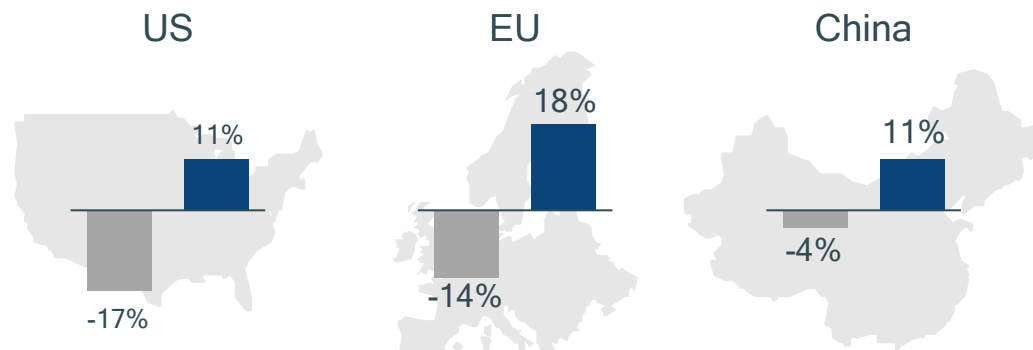
% vs prior year

■ H1 2022 ■ H1 2023



## Car sales<sup>1</sup>

% vs prior year

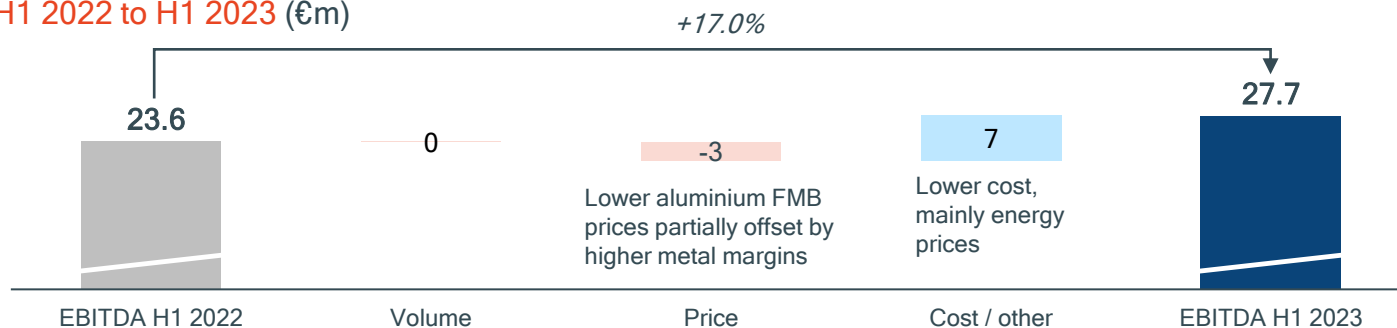


<sup>1</sup> Sales of new passenger cars for US and China; registrations of new passenger cars for EU; China figures are May YTD

# Aluminium Salt Slags Recycling Services

EBITDA increased by 17% yoy to €28m in H1 2023; Lower cost (mainly lower energy prices) partially offset by lower aluminium market prices

## EBITDA bridge H1 2022 to H1 2023 (€m)



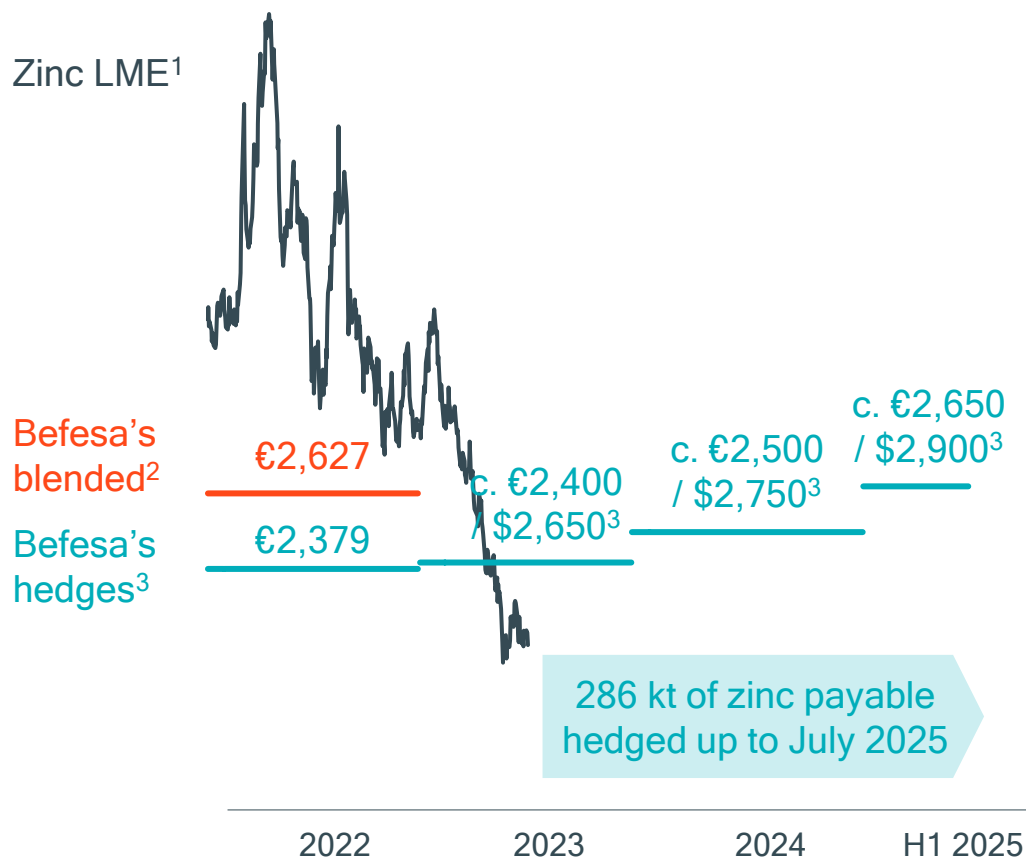
## Key metrics (€m, unless otherwise stated)

	H1 2022	yoy change	H1 2023
Revenue <sup>1</sup>	€219.4	-2.7%	€213.5
• Salt Slags	€41.3	flat	€41.3
• Secondary Aluminium	€217.7	-10.3%	€195.2
EBITDA	€23.6	+17.0%	€27.7
• Salt Slags	€14.6	-2.1%	€14.3
• Secondary Aluminium	€9.0	+48.1%	€13.4
EBITDA margin % (Salt Slags)	35.4%	-71 bps	34.7%
Salt Slags & SPL treated (kt)	172.9	-1.1%	171.1
Plant utilisation	74.2%	-80 bps	73.4%
Aluminium alloys produced (kt)	84.6	+3.0%	87.2
Plant utilisation	83.3%	+247 bps	85.7%
Alu alloy FMB price <sup>2</sup> (€/t)	€2,558	-12.3%	€2,243

<sup>1</sup> Total revenue is after intersegment eliminations (H1 2022: €39.6m; H1 2023: €23.0m)

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

# Befesa's hedging strategy provides price visibility and lowers impact from zinc price volatility



- Befesa's hedging strategy unchanged
  - 1–3 years forward
  - Targeting 60% to 75% of zinc equivalent volume
  - Befesa providing no collateral
- Befesa's hedging strategy has proven **successful** providing **price visibility** and **lowering impact** from zinc price volatility
- Befesa with 60–75% of its zinc exposure **hedged up to July 2025**
- For the **unhedged portion**: **each \$100/t change** in zinc LME price represents **€8–9m impact** on full year EBITDA

<sup>1</sup> London Metal Exchange (LME) zinc daily cash settlement prices

<sup>2</sup> 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

<sup>3</sup> Assumes FX €//\$ of 1.10 for 2023, 2024, and 2025

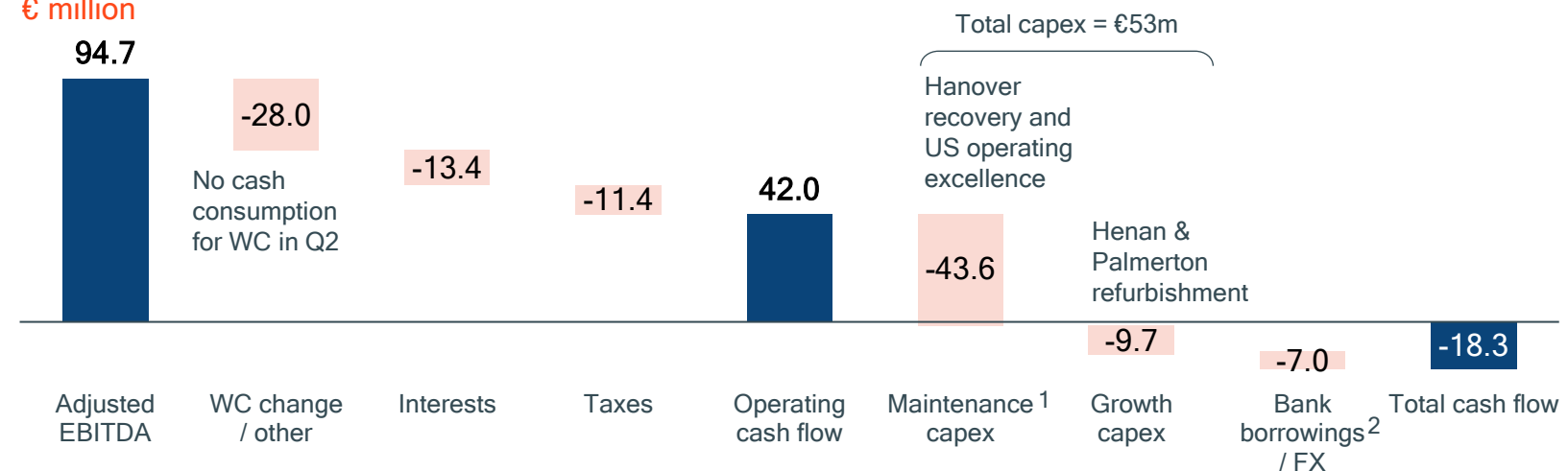


# Cash flow, net debt & leverage

Cash on hand at €143m providing >€200m liquidity; Net debt increased to €567m driven by lower earnings;  
Net leverage of x2.96

## Adjusted EBITDA to Total cash flow in H1 2023

€ million



	At 30 June 2022	2022	change	At 30 June 2023
LTM Adjusted EBITDA	€221.4	€214.6	-10.8%	€191.4
LTM Operating cash flow	€111.6	€137.3	-16.0%	€115.3
Gross debt	€709.7	€710.8	flat	€710.5
Cash on hand	€238.7	€161.8	-11.3%	€143.5
Net debt	€470.9	€549.0	+3.3%	€567.0
Net leverage	x2.13	x2.56	+x0.40	x2.96

<sup>1</sup> Includes investments required to maintain or replace assets as well as those related to productivity, compliance and IT

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

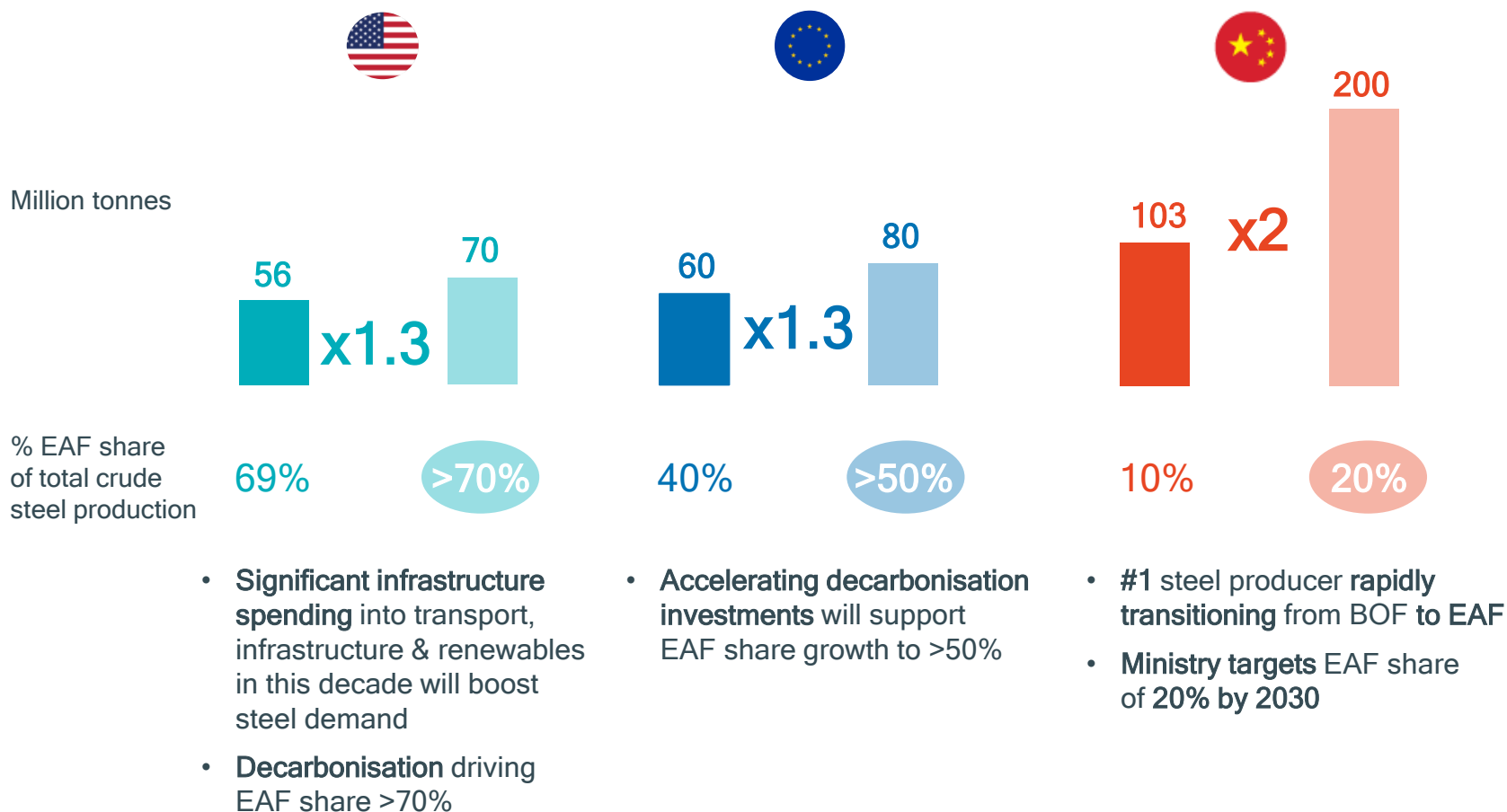


## 03 / Growth & outlook






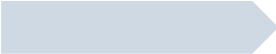
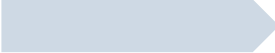


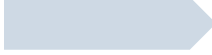
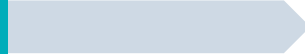
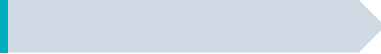
# Decarbonisation driving EAF steel production in Befesa's key markets

## EAF steel production

2022 2030e



# Well defined growth roadmap in execution towards 2027

Growth projects	<ul style="list-style-type: none"> <li>Steel Dust</li> <li>Alu Salt Slags</li> </ul>	Indicative timing & progress		Capex €m	EBITDA run-rate €m
		2023	2027e		
	1 Zinc refining ✓			€110–120	€35–45
	2 Palmerton refurbishment				
	3 China III, 1 <sup>st</sup> kiln Guangdong				
	4 China IV, 2 <sup>nd</sup> kiln Jiangsu			€115–125	€30–35
	5 China V, 2 <sup>nd</sup> kiln Henan				
	6 EAFD recycling plant				
	7 WOX washing plant			€105–115	€30–35
	8 2 <sup>nd</sup> Aluminium expansion				
	9 Salt Slags recycling plant				
<div>Completed</div> <div>To go</div>				€410–450	€110–135

# Palmerton plant refurbishment progressing well to seize market growth in 2024/25

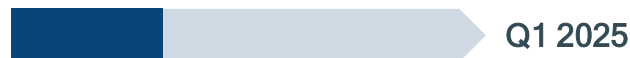


## Plant overview



- 2 kilns with c. 163 kt → 220 kt (post-refurbishment) EAFD recycling capacity
- Producing **WOX** as a marketable product

## Indicative timing and status



- > Demolition works ongoing
- > Finishing EPC contract (two candidates)

Timing confirmed:

Phase I: completed by Q3 2024

Phase II: completed by beginning of 2025

## Key financials



- Capex: €60–70 million
- EBITDA run-rate: €10–20 million
- Payback: 3–4 years; IRR: >30%



# Preparing Befesa's next EAFD recycling plant in the province of Guangdong



Around 126 million people (2022),  
10–15% of China



GDP: US\$1.9 T (2022), Top 10 global;  
5% growth target for 2023;  
5–6% p.a. growth (2020–2035e)



Largest auto production in China



Top 5 EAF steelmaking clusters in  
China, with 200–400 kt EAFD p.a.



## Plant overview

- 1 kiln with 110 kt EAFD recycling capacity
- Option for expansion on site:  
2 additional kilns x 110 kt = +220 kt capacity

## Indicative timing and status



- ✓ Investment agreement signed Q1 2023
- ✓ Land lot assigned Q1 2023
- Levelling lot; Preparing basic engineering
- Long-term supply contracts with 3<sup>rd</sup> parties ongoing

Construction: Q4 2023 – Q4 2024

Ramp up operations: Q1 2025



## Key financials

- Capex: €50–60 million
- EBITDA run-rate: €10–12 million
- Payback: 4–5 years; IRR: >20%



# Outlook for H2 2023:

## Overall expecting stronger H2 vs H1

### Volume

- European operations expected to continue at current solid levels
- Turkish operations recovered after the earthquake in Q1 and are expected to continue delivering at usual levels in H2
- Hannover Aluminium Salt Slags plant fully ramped up and running since the end of Q2
- China gradually recovering after a challenging economic environment in H1

### Zinc refining

- Plant performance gradually improving and targeting positive earnings contribution in H2

### Market prices

- Zinc LME historically rebounded supported by C90
- Aluminium FMB expected to remain flattish at Q2 levels

### Energy prices

- Reduction of coke price in Q3 expected to continue through the year
- Moderation of gas and electricity prices expected to maintain



# 04 / Investor agenda & appendix

# Investor's agenda

## Financial calendar 2023

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

## Next investor conferences

### Q3 2023

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

**London - Stifel 2023 London Industrials & Renewables Summit**  
6 & 7 September - Stifel

**London - Citi Growth Conference 2023**  
14 & 15 September - Citi

**Munich - 12<sup>th</sup> Baader Investment Conf.**  
21 September - Baader

**Munich - 12<sup>th</sup> German Corporate Conf.**  
19 & 20 September - Berenberg & Goldman Sachs

### Q4 2023

**ODDO BHF Iberian Digital Forum (virtual)**  
4 & 5 October - ODDO BHF

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

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

**London - 4<sup>th</sup> Annual Carbonomics Conf.**  
28 November - Goldman Sachs

**Pennyhill Park, Surrey - Berenberg European Conference 2023**  
5 & 6 December - Berenberg

## Contact details

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# H1 2023/22 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
<b>Revenue<sup>1</sup></b> <i>yoy change</i>	<b>€403.0</b> +€49.2 / +13.9%	<b>€41.3</b> -€0.0 / -0.1%	<b>€195.2</b> -€22.5 / -10.3%	<b>-€24.0</b> +€16.3 / -	<b>€615.5</b> +€43.0 / +7.5%
<b>Reported EBITDA</b> <i>yoy change</i>	<b>€63.4</b> -€31.6 / -33.3%	<b>€14.3</b> -€0.3 / -2.1%	<b>€13.4</b> +€4.3 / +48.1%	<b>-€0.2</b> +€2.7 / -	<b>€90.8</b> -€24.9 / -21.5%
<b>Reported EBITDA margin %</b> <i>yoy change</i>	<b>15.7%</b> -1,113 bps	<b>34.7%</b> -71 bps	<b>6.8%</b> +270 bps	- -	<b>14.8%</b> -545 bps
<b>Adjusted EBITDA<sup>2</sup></b> <i>yoy change</i>	<b>€67.2</b> -€27.8 / -29.3%	<b>€14.3</b> -€0.3 / -2.1%	<b>€13.4</b> +€4.3 / +48.1%	<b>-€0.1</b> +€0.6 / -	<b>€94.7</b> -€23.2 / -19.7%
<b>Adjusted EBITDA margin %</b> <i>yoy change</i>	<b>16.7%</b> -1,018 bps	<b>34.7%</b> -71 bps	<b>6.8%</b> +270 bps	- -	<b>15.4%</b> -521 bps

<sup>1</sup> Total revenue in Aluminium Salt Slags Recycling Services amounted to €213.5 (H1 2022: €219.4m) after intersegment eliminations of €23.0m (H1 2022: €39.6m)

<sup>2</sup> H1 2023: €50.4m reported Total EBIT + €40.4m D&A = €90.8m reported Total EBITDA + €3.9m adjustments, mainly driven by US acquisition impacts = €94.7m adjusted Total EBITDA



# Q2 2023/22 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
<b>Revenue<sup>1</sup></b> <i>yoy change</i>	<b>€186.7</b> -€11.2 / -5.6%	<b>€20.4</b> -€1.7 / -7.6%	<b>€99.4</b> -€20.4 / -17.0%	<b>-€13.0</b> +€15.6 / -	<b>€293.5</b> -€17.6 / -5.7%
<b>Reported EBITDA</b> <i>yoy change</i>	<b>€26.3</b> -€13.9 / -34.5%	<b>€7.7</b> -€0.5 / -5.9%	<b>€6.1</b> -€1.7 / -21.8%	<b>€1.3</b> +€1.8 / -	<b>€41.5</b> -€14.2 / -25.5%
<b>Reported EBITDA margin %</b> <i>yoy change</i>	<b>14.1%</b> -621 bps	<b>37.9%</b> +70 bps	<b>6.2%</b> -37 bps	- -	<b>14.1%</b> -377 bps
<b>Adjusted EBITDA<sup>2</sup></b> <i>yoy change</i>	<b>€30.2</b> -€10.0 / -25.0%	<b>€7.7</b> -€0.5 / -5.9%	<b>€6.1</b> -€1.7 / -21.8%	<b>€0.6</b> €0.0 / -	<b>€44.6</b> -€12.2 / -21.5%
<b>Adjusted EBITDA margin %</b> <i>yoy change</i>	<b>16.2%</b> -417 bps	<b>37.9%</b> +70 bps	<b>6.2%</b> -37 bps	- -	<b>15.2%</b> -307 bps

<sup>1</sup> Total revenue in Aluminium Salt Slags Recycling Services amounted to €107.4m (Q2 2022: €113.4m) after intersegment eliminations of €12.4m (Q2 2022: €28.5m)

<sup>2</sup> Q2 2023: €21.4m reported Total EBIT + €20.2m D&A = €41.5m reported Total EBITDA + €3.1m adjustments, mainly driven by US acquisition impacts = €44.6m adjusted Total EBITDA

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

(€m, unless otherwise stated)

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

1 Full year actual 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

# H1 2023/22 – Operational data – Steel Dust Recycling Services

	H1 2022	H1 2023	yoy change
EAFF throughput (kt)	629.7	592.3	-37.3 / -5.9%
EAFF average capacity utilisation (%)	81.6%	70.6%	-1,109 bps
Waelz oxide (WOX) sold (kt)	213.9	197.2	-16.7 / -7.8%
Zinc LME price (€/t)	€3,510	€2,624	-€886 / -25.3%
Zinc hedging price (€/t)	€2,329	€2,356	+€27 / +1.2%
Zinc blended price <sup>1</sup> (€/t)	€2,668	€2,464	-€203 / -7.6%

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

# Q2 2023/22 – Operational data – Steel Dust Recycling Services

	Q2 2022	Q2 2023	yoy change
EAFD throughput (kt)	292.3	305.3	+13.0 / +4.4%
EAFD average capacity utilisation (%)	75.4%	72.3%	-306 bps
Waelz oxide (WOX) sold (kt)	110.2	97.4	-12.8 / -11.6%
Zinc LME price (€/t)	€3,683	€2,331	-€1,352 / -36.7%
Zinc hedging price (€/t)	€2,371	€2,382	+€11 / +0.5%
Zinc blended price <sup>1</sup> (€/t)	€2,789	€2,290	-€499 / -17.9%

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

# H1 2023/22 – Operational data – Aluminium Salt Slags Recycling Services

	H1 2022	H1 2023	yoy change
Salt slags & SPL treated (kt)	172.9	171.1	-1.9 / -1.1%
Salt slags & SPL avg. capacity utilisation (%)	74.2%	73.4%	-80 bps
Aluminium alloys produced (kt)	84.6	87.2	+2.5 / +3.0%
Secondary alu avg. capacity utilisation (%)	83.3%	85.7%	+247 bps
Aluminium alloy FMB price <sup>1</sup> (€/t)	€2,558	€2,243	-€315 / -12.3%

<sup>1</sup> Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works



# Q2 2023/22 – Operational data – Aluminium Salt Slags Recycling Services

	Q2 2022	Q2 2023	yoy change
Salt slags & SPL treated (kt)	85.5	88.8	+3.3 / +3.8%
Salt slags & SPL avg. capacity utilisation (%)	73.0%	75.8%	+280 bps
Aluminium alloys produced (kt)	42.4	43.5	+1.1 / +2.5%
Secondary alu avg. capacity utilisation (%)	83.0%	85.1%	+209 bps
Aluminium alloy FMB price <sup>1</sup> (€/t)	€2,488	€2,184	-€304 / -12.2%

<sup>1</sup> Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

# Multi-year trend – Operational data

	2017	2018	2019	2020	2021	2022
EAFD throughput (kt)	661.0	717.1	665.8	687.0	885.7	1,193.8
EAFD average capacity utilisation (%)	84.7%	92.0%	80.7% / 90.1% <sup>1</sup>	83.2%	83.3% <sup>2</sup>	76.8%
Waelz oxide (WOX) sold (kt)	217.8	240.9	217.6	239.2	291.0	407.4
Zinc LME price (€/t)	€2,572	€2,468	€2,276	€1,979	€2,544	€3,302
Zinc hedging price (€/t)	€1,876	€2,051	€2,317	€2,239	€2,151	€2,379
Zinc blended price <sup>3</sup> (€/t)	€2,160	€2,168	€2,280	€2,136	€2,275	€2,627
Salt Slags & SPL treated (kt)	509.9	517.0	492.6	444.6	395.0	322.1
Salt Slags & SPL avg. cap. utilisation (%)	96.2%	97.5%	92.9%	83.9% / 86.9% <sup>4</sup>	84.0%	68.5% / 96.7% <sup>4</sup>
Alu alloys produced (kt)	184.1	169.3	176.7	174.3	185.8	160.6
Secondary Alu average capacity utilisation (%)	89.8%	82.6% / 98.1% <sup>5</sup>	86.2% / 91.1% <sup>6</sup>	85.0%	90.6%	78.4%
Aluminium alloy FMB price <sup>7</sup> (€/t)	€1,766	€1,715	€1,397	€1,424	€2,112	€2,438

<sup>1</sup> 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)

<sup>2</sup> 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

<sup>3</sup> Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa

<sup>4</sup> 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

<sup>5</sup> Installed capacity and corresponding utilisation rates in 2018 are normalised for the furnace upgrades in Bilbao (plant was shutdown three months, from 2<sup>nd</sup> week of June to 3<sup>rd</sup> week of September), as well as the Barcelona - phase I (plant was shutdown two months, from 4<sup>th</sup> week of August to 4<sup>th</sup> week of October)

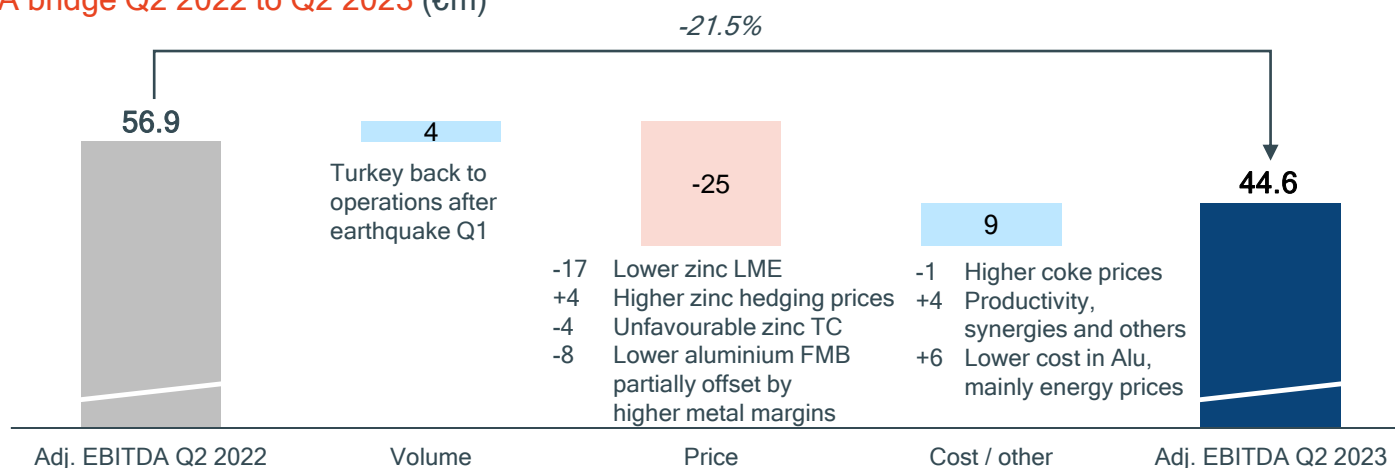
<sup>6</sup> Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona - phase II (plant was shutdown three months, from mid-August to mid-November)

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

# Consolidated key financials

Adjusted EBITDA decreased by 22% yoy to €45m in Q2 2023; Lower zinc and aluminium market prices partially offset by improved volumes, lower gas & electricity prices as well as productivity & synergies

## Adjusted EBITDA bridge Q2 2022 to Q2 2023 (€m)



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

	Q2 2022	yoy change	Q2 2023
Revenue	€311.1	-5.7%	€293.5
Adjusted EBITDA <sup>1</sup>	€56.9	-21.5%	€44.6
Adjusted EBITDA margin %	18.3%	-307 bps	15.2%
Net profit	€23.0	-77.9%	€5.1
EPS (€)	€0.58	-77.9%	€0.13
Operating cash flow	€38.3	-24.2%	€29.0
Cash	€238.7	-39.9%	€143.5
Net debt	€470.9	+20.4%	€567.0
Net leverage <sup>2</sup>	x2.13	+x0.84	x2.96

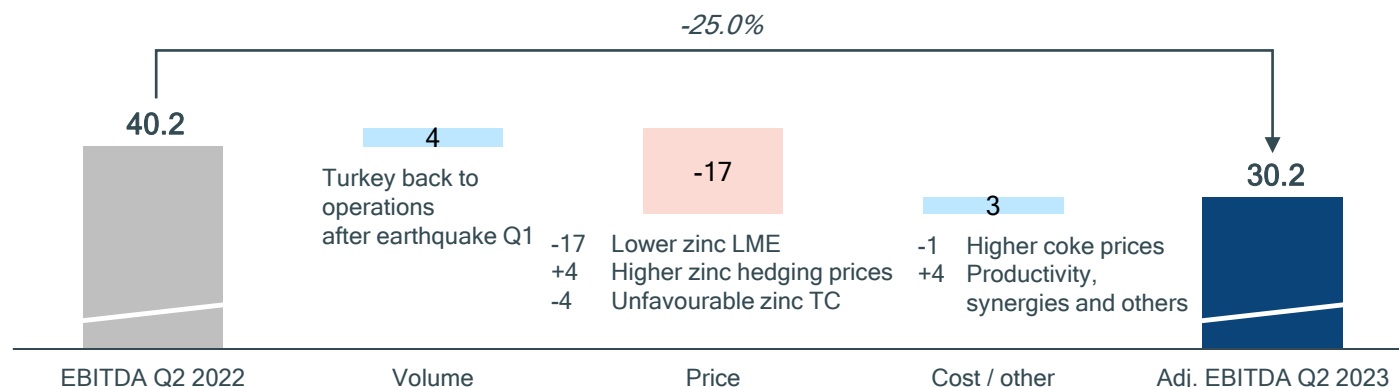
<sup>1</sup> Q2 2023: €21.4m reported Total EBIT + €20.2m D&A = €41.5m reported Total EBITDA + €3.1m adjustments = €44.6m adjusted Total EBITDA  
Q2 2022: €37.4m reported Total EBIT + €18.3m D&A = €55.7m reported Total EBITDA + €1.1m adjustments = €56.9m adjusted Total EBITDA

<sup>2</sup> Net leverage calculated as Net debt over Adjusted EBITDA.

# Steel Dust Recycling Services

Adjusted EBITDA decreased by 25% yoy to €30m in Q2 2023, mainly due to lower zinc market price; Unfavourable zinc TC offset by higher hedging prices and volumes; Higher coke prices more than offset by productivity and synergies

## Adjusted EBITDA bridge Q2 2022 to Q2 2023 (€m)



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

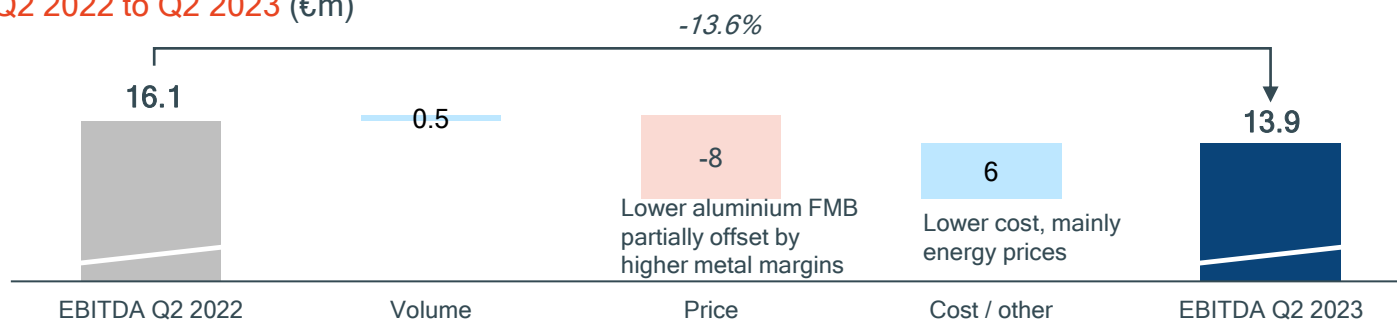
	Q2 2022	yoy change	Q2 2023
Revenue	€197.9	-5.6%	€186.7
Adjusted EBITDA	€40.2	-25.0%	€30.2
Adjusted EBITDA margin %	20.3%	-417 bps	16.2%
EAFD throughput (kt)	292.3	+4.4%	305.3
Plant utilisation	75.4%	-306 bps	72.3%
Waelz oxide (WOX) sold (kt)	110.1	-11.6%	97.4
Zinc LME price (€/t)	€3,683	-36.7%	€2,331
Zinc hedging price (€/t)	€2,371	+0.5%	€2,382
Zinc blended price <sup>1</sup> (€/t)	€2,789	-17.9%	€2,290
Treatment charge (TC) (\$/t)	\$230	+19.1%	\$274

<sup>1</sup> 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

EBITDA decreased by 14% yoy to €14m in Q2 2023, mainly due to lower aluminium market prices partially offset by lower cost (mainly through lower energy prices)

EBITDA bridge Q2 2022 to Q2 2023 (€m)



Key metrics (€m, unless otherwise stated)

	Q2 2022	yoy change	Q2 2023
Revenue <sup>1</sup>	€113.4	-5.2%	€107.4
• Salt Slags	€22.1	-7.6%	€20.4
• Secondary Aluminium	€119.8	-17.0%	€99.4
EBITDA	€16.1	-13.6%	€13.9
• Salt Slags	€8.2	-5.9%	€7.7
• Secondary Aluminium	€7.8	-21.8%	€6.1
EBITDA margin % (Salt Slags)	37.2%	+70 bps	37.9%
Salt Slags & SPL treated (kt)	85.5	+3.8%	88.8
Plant utilisation	73.0%	+280 bps	75.8%
Aluminium alloys produced (kt)	42.4	+2.5%	43.5
Plant utilisation	83.0%	+209 bps	85.1%
Alu alloy FMB price <sup>2</sup> (€/t)	€2,488	-12.2%	€2,184

<sup>1</sup> Total revenue is after intersegment eliminations (Q2 2022: €28.5m; Q2 2023: €12.4m)

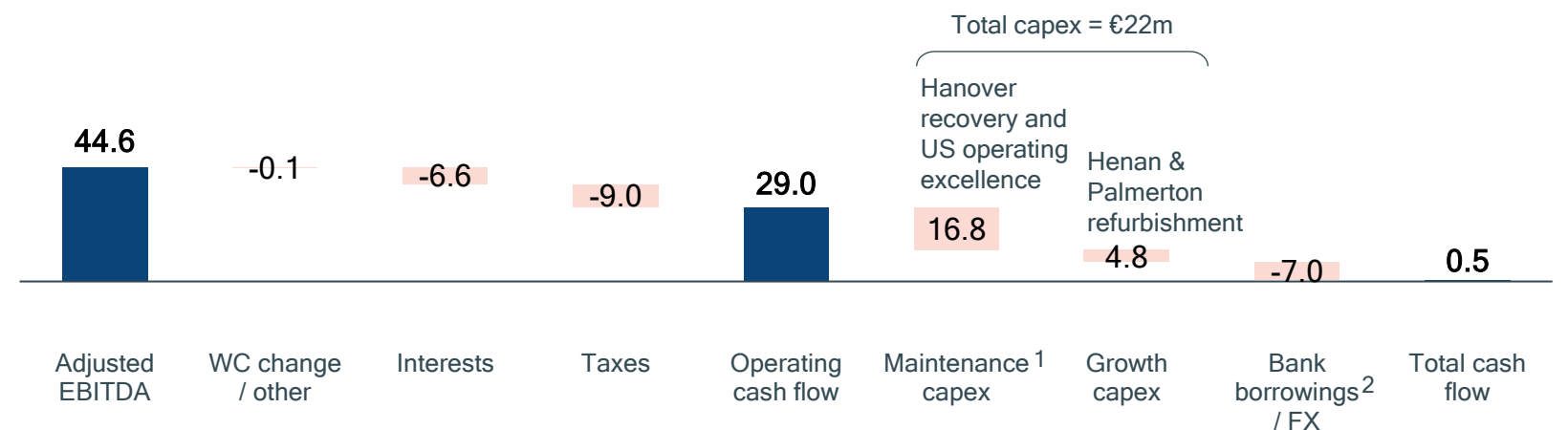
<sup>2</sup> Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

# Cash flow, net debt & leverage

Cash on hand at €143m providing >€200m liquidity; Net leverage of x2.96

## Adjusted EBITDA to Total cash flow in Q2 2023

€ million



	At 30 June 2022	At 31 March 2023	change	At 30 June 2023
LTM Adjusted EBITDA	€221.4	€203.6	-6.0%	€191.4
LTM Operating cash flow	€111.6	€124.6	-7.4%	€115.3
Gross debt	€709.7	€714.7	-0.6%	€710.5
Cash on hand	€238.7	€143.0	+0.3%	€143.5
Net debt	€470.9	€571.6	-0.8%	€567.0
Net leverage	x2.13	x2.81	+x0.16	x2.96

<sup>1</sup> Includes investments required to maintain or replace assets as well as those related to productivity, compliance and IT

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