

BEFESA

Sustainable Global Growth Plan (SGGP) – 2022-2027

Growing through the cycle

Capital Markets Day 2022
London – 8 November

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Agenda

	UK time
Befesa highlights & current environment	10:00
Sustainable Global Growth Plan (SGGP)	10:30
- Steel Dust Recycling	
- Aluminium Salt Slags Recycling	
Break	11:30
Financials	11:45
ESG	12:00
Closing remarks	12:15
Q&A	12:30-13:30



Befesa highlights & current environment

Leader in circular economy for >30 years

Environmental solutions

in high demand for the steel and aluminium industry improving sustainability

Favourable mega trends

supporting secondary steel and aluminium markets e.g. CO₂ reduction, emission controls

Global leader

in Europe, Asia & US, in niche recycling markets, applying best available technology with plant footprint close to clients

Strong regulation

getting stricter and expanding into new geographies to protect the environment

Robust & long-term service

supports business model with strong barriers to entry and high captive demand

Proven resilience

through the cycle with strong growth, margins and cash flow generation

Expansion opportunities

organic & inorganic, focused on core segments with attractive returns

Experienced team

focused on compliance, ESG and profitable growth = shareholder value

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

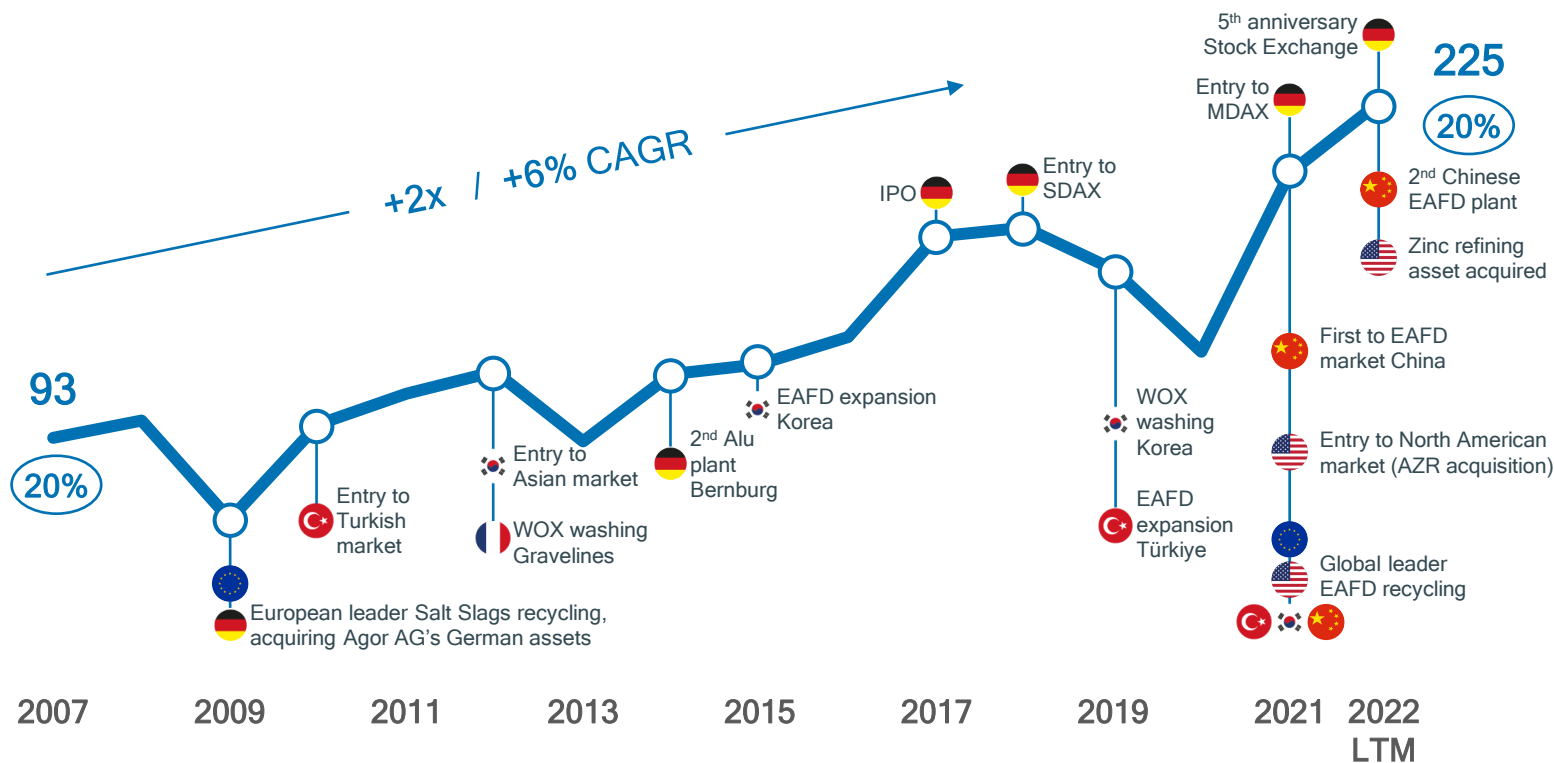
European
debt crisis

COVID pandemic
Global supply chain disruptions
Energy crisis

EBITDA
margin



EBITDA
(€m)



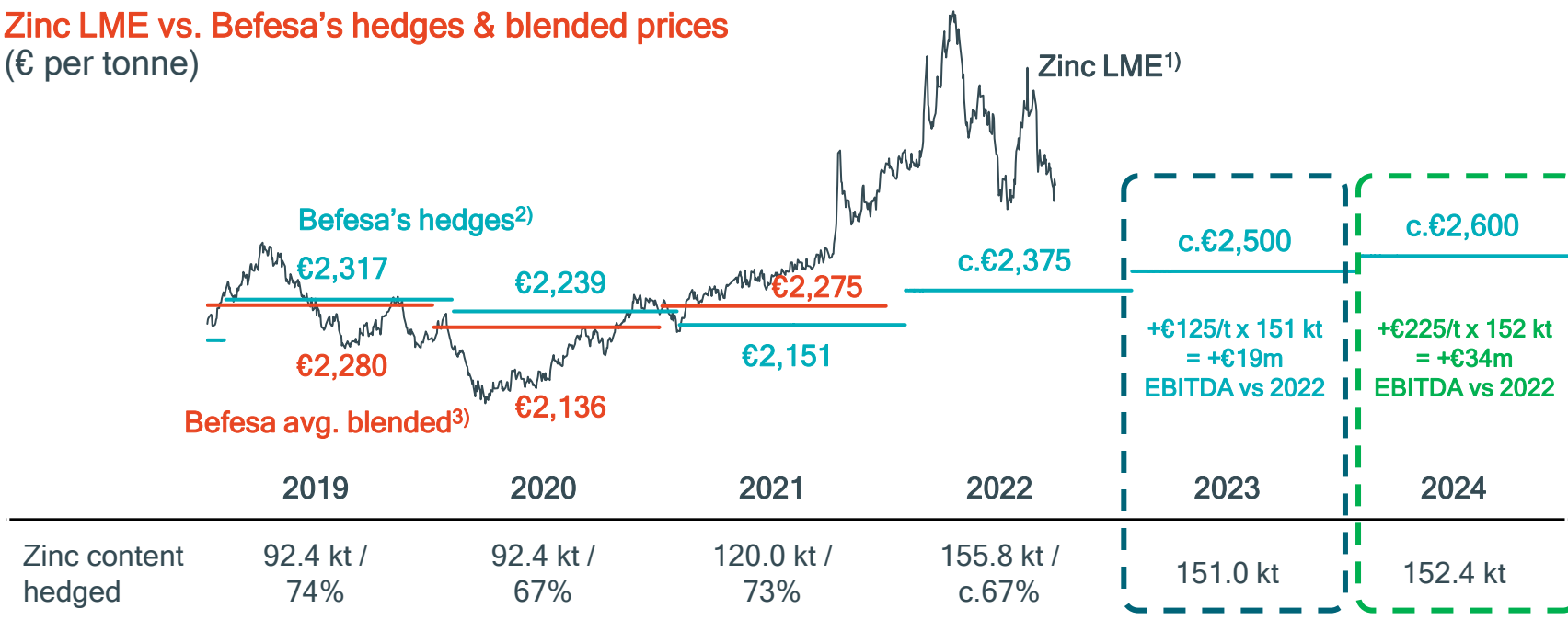
FY'22 guidance confirmed at \geq €220m EBITDA, +11% yoy, a new record result

- **Confirming FY'22 guidance \geq €220m EBITDA, +11% yoy LTM Q3'22 at €225m EBITDA**
- **Acquired US Zinc Refining asset at \$47m (vs. original \$135m) on 30 Sep; All cash transaction**
- **Total capex guidance adjusted for US Zinc Refining, from €55-65m to €110-120m, excl. Hanover reimbursed by insurance**
- **Total cash flow adjusted for US Zinc Refining from c.+€40m to c.-€20m; Cash on hand at c.€200m at YE'22**
- **Net leverage remains around x2**

Zinc prices & hedging strategy

Hedge book fully extended up to Jan'25, c.2.5 years; Improving earnings & cash flows visibility

Zinc LME vs. Befesa's hedges & blended prices (€ per tonne)



BEFESA Hedging strategy unchanged

1-3 years forward
hedging strategy

Targeting 60% to 75%
of zinc equivalent volume

Befesa providing
no collateral

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

2) Includes BZ US (former AZR) hedge book for the following periods: 18 Aug'21-Jan'22: 36.8kt zinc hedged at c.\$2,500 (c.€2,160 at FX 1.16); Feb'22-Jan'23: 63.4kt zinc hedged at c.\$2,765 (c.€2,630 at FX 1.05); Feb'23-Jan'24: 58.6kt zinc hedged at c.\$2,900 (c.€2,900 at FX 1.00); Feb'24-Jan'25: 60.0kt zinc hedged at c.\$2,975 (or c.€2,975 at FX 1.00)

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

Preliminarily expecting 2022 as “floor” for 2023

Key EBITDA drivers for 2023 (vs. 2022)



- + Zinc hedging
- + Acquired US zinc refining
- + US synergies
- + China plants ready



- Inflation:
Monitoring energy price development and general inflation



- **Base volume:**
Europe, US, ex China;
+ Decarbonisation / EV post-COVID
-vs-
- Recession
- **Metal prices** historically correlated to energy ...
+/- €100/t Zinc Alu
+/- EBITDA €7m¹⁾ €3m
- **Treatment charges (TC):**
Low **visibility** until Q1'23 ...
+/- \$10/t Zinc TC
-/+ EBITDA €2.5-3m

1) Zinc price sensitivities for the unhedged portion and excluding opposite zinc treatment charge effect

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

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

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

EBITDA
(€m)

+6% CAGR

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

€225

€172

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



Megatrends driving growth:
Decarbonisation &
Electric Vehicles (EV)

2017 IPO

LTM 2022

PF Post SGGP

Ready to execute next 5-year Sustainable Global Growth Plan (SGGP)



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



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



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



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



Rigorous execution -&- cautiously managing timing aligned with
macroeconomic developments

ESG: Enhanced transparency & performance

Transparency / reporting

Detailed ESG Report



External ratings



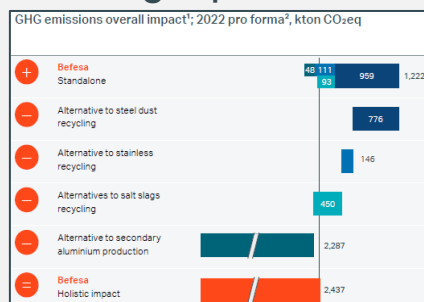
Health & safety

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



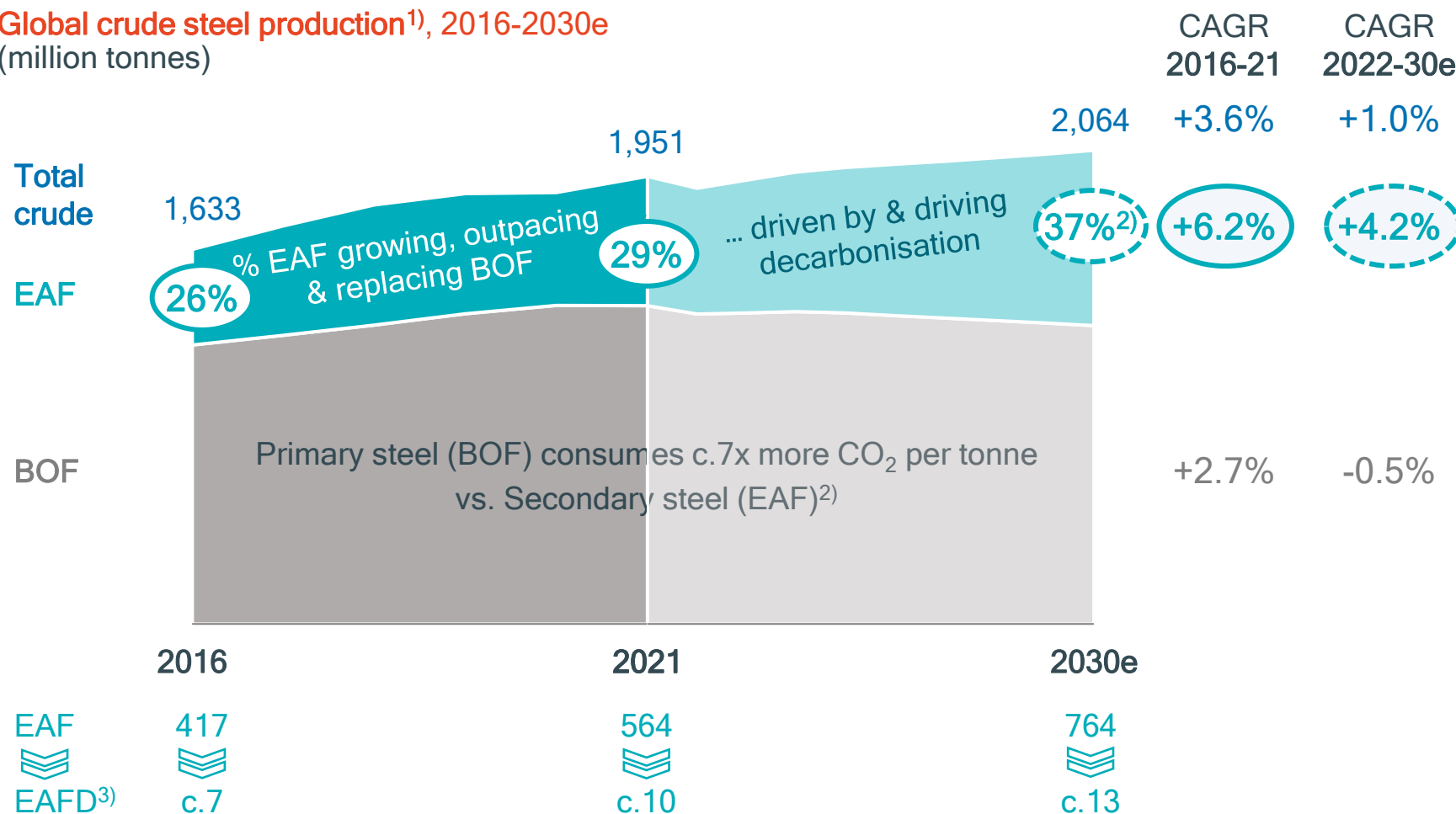
¹⁾ Befesa's own employees and contractors



Sustainable Global Growth Plan (SGGP)

Decarbonisation megatrend favouring & driving EAF steel growth

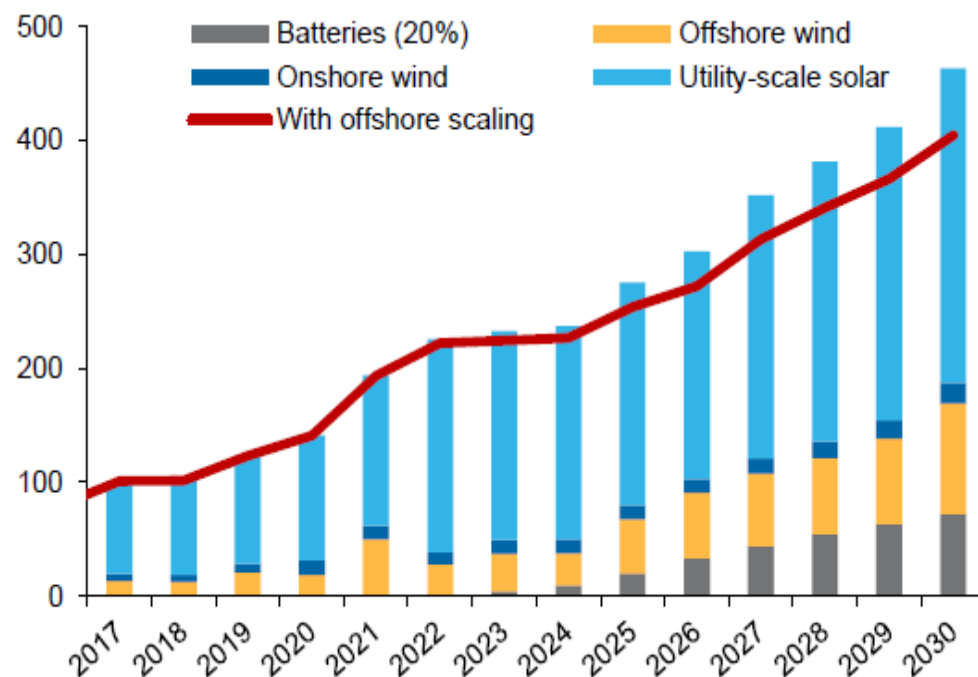
Global crude steel production¹⁾, 2016-2030e
(million tonnes)



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 (Jun 2021)
 3) Total EAFFD addressable market based on the assumed mid-point 17.5kg EAFFD generation per tonne of EAF steel output

Energy transition megatrend requiring incremental zinc, in addition to regular GDP related growth

Zinc annual demand from wind, solar and batteries (thousand tonnes)

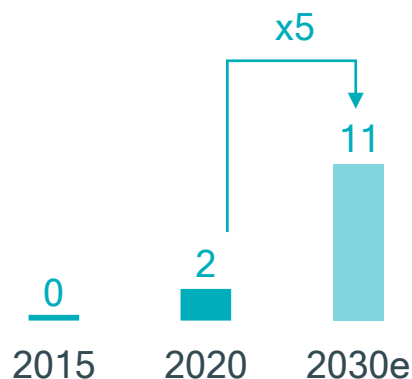


- Global zinc demand grew with GDP at 2-3% CAGR over the L10y
- Zinc consumption expected to be supported as governments invest in **green technologies**
- Renewable energies need storage through batteries, requiring zinc
- Offshore wind, onshore wind and solar panels require 4, 0.4 and 2.4 tonnes of zinc respectively per MWh of installed capacity

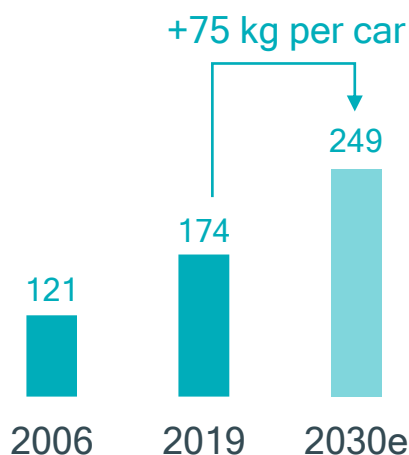
Sources: "Commodities Outlook: The (super) cycle is dead, long live the cycle", Macquarie (Oct 2022)

Decarbonisation and EV driving aluminium market growth in Europe

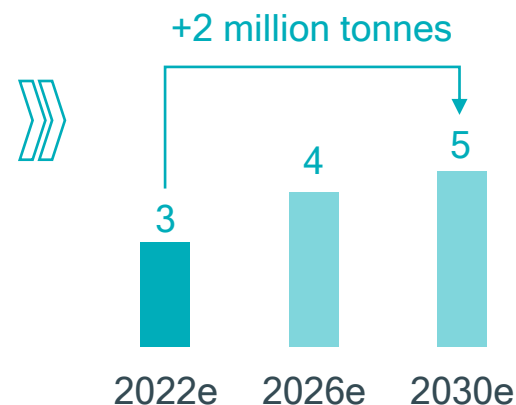
EV unit sales in Europe¹⁾
(million units)



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)



Sustainable Global Growth Plan (SGGP)

Steel Dust Recycling Services



Decarbonisation investments & Infrastructure Programme will support EAF growth by 2030

c.\$9-10 Bn capex equal to c.13-14 Mt EAF announced; Plus, \$1.2 T infrastructure program 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
  50/50 JV	① Calvert, Alabama	\$0.8	1.5	H1'23
	② Mason County, Virginia	\$2.7	2.7	2024
	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
	⑥ Osceola, Arkansas	\$3.0	2.7	2024
	⑦ Ontario, Canada	\$0.6	0.6	2024
	⑧ Mojave, California	\$0.4	0.3	2025
	⑨ Hamilton, Ontario, Canada	\$1.3	4.0	2028
	⑩ Northeast US	TBD	TBD	TBD
		\$9-10 Bn	13-14 Mt	



>300 kt EAFD

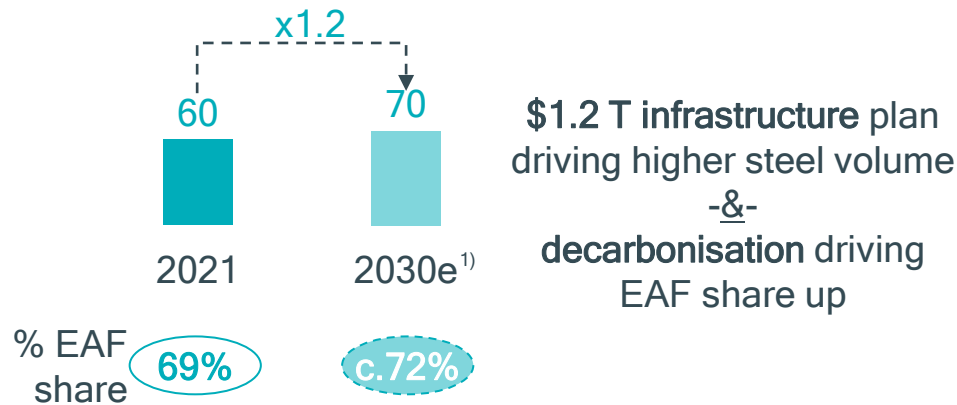


SGGP – Steel Dust – US

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

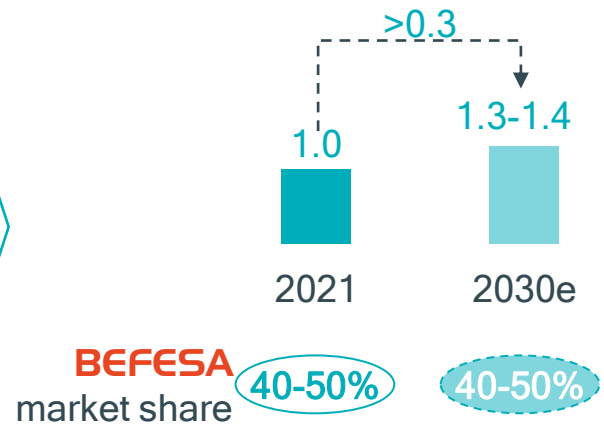
EAF steel production

(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

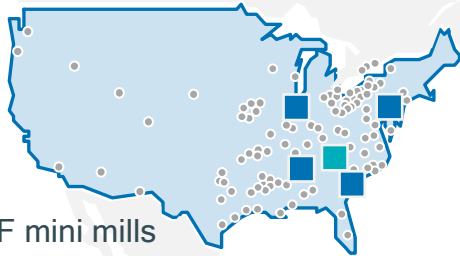


✓ US Zinc refining asset acquisition: Transaction highlights

Zinc refining plant

Location: Rutherford County, NC

Installed capacity: c. 140 kt SHG zinc p.a.



● EAF mini mills

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■ EAFD recycling sites in the US

■ Zinc refining plant

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 Sep '22 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
- **Recycled WOX + Solvent extraction zinc refining = Green zinc**



Refurbishing Palmerton to drive efficiencies and increase capacity utilisation by 2026

EAFD recycling assets

1 Barnwell, SC



2 Rockwood, TN



3 Calumet, IL



4 Palmerton, PA



x EAFD annual nameplate recycling capacity

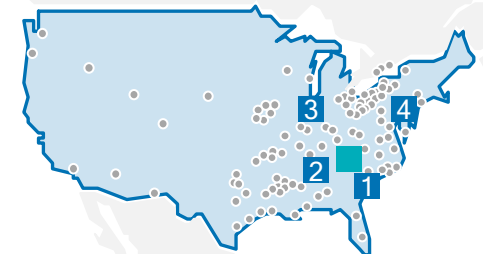
- c.620 kt nameplate **recycling capacity**;
c.70% current utilisation
- Targeting c.200 kt incremental throughput to fully utilise Befesa's capacity and maintain market share in the US
- Refurbishing Palmerton site in 2023-24, to **be ready for expected volume increase** in 2024-26 onwards
- Efficiency projects & refurbishment vital to achieve **throughput, energy & CO₂ intensity improvements**

● EAF mini mills

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■ EAFD recycling sites in the US

■ Zinc refining plant



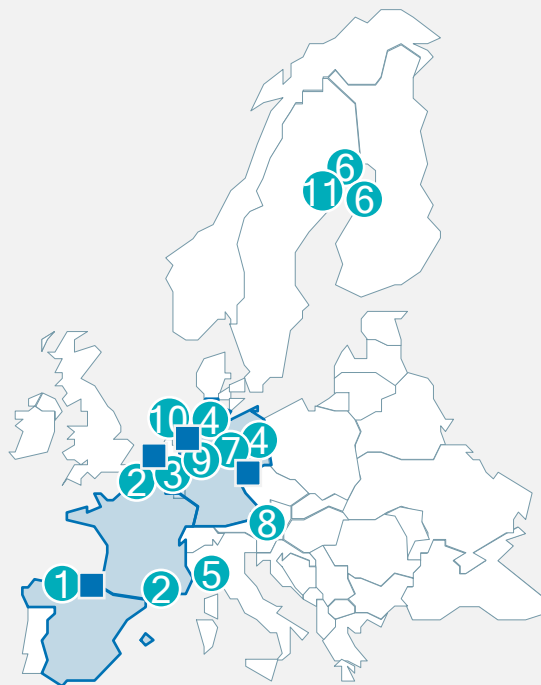


Accelerating decarbonisation investments in EU will support EAF share growing to >50% by 2030

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; Raah, Finland	€4.2	5.0	2030
	⑦ Peine, Niedersachsen, Germany	€1.1	1.9	'25-30
voestalpine	⑧ Linz & Donawitz, Austria	€1.0	2.5	H1'27
	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



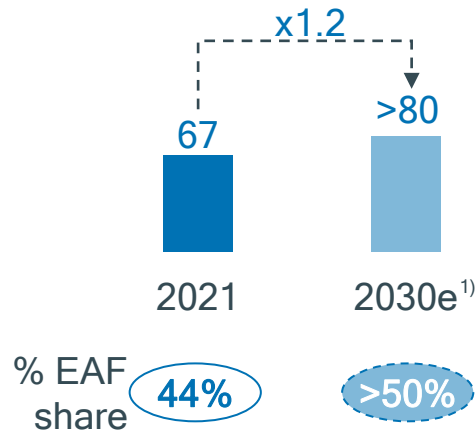
SGGP – Steel Dust – Europe

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)

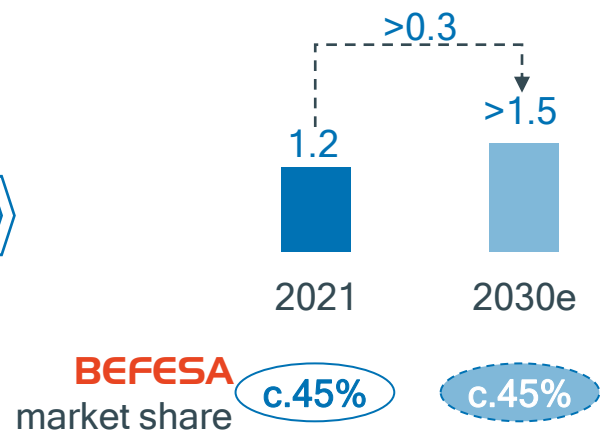


Large scale decarbonisation investments supporting EAF % growth to >50%²⁾



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



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

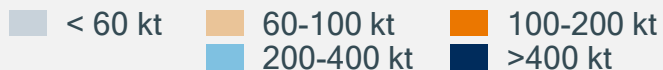
(million tonnes of new
EAF steel production capacity)



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■ 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

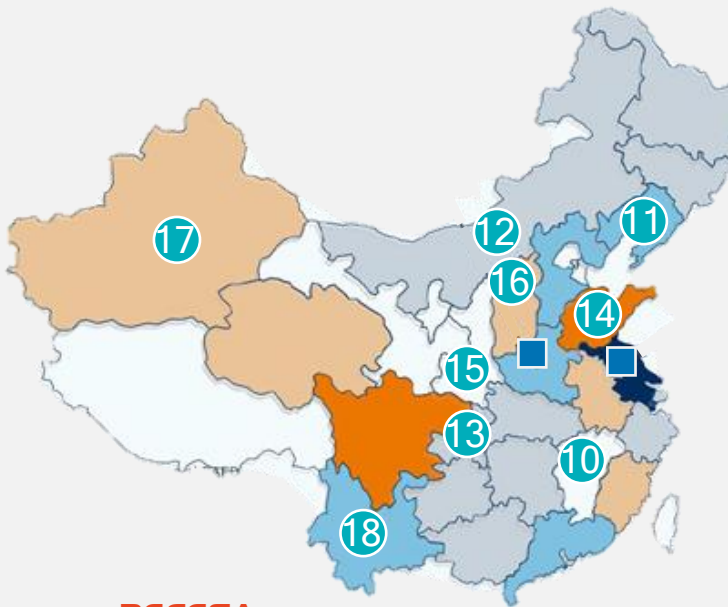


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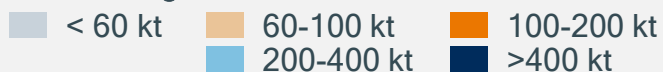
(million tonnes of new
EAF steel production capacity)



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■ EAFD recycling sites in China

EAFD generation



# 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

Sources: Internal analysis

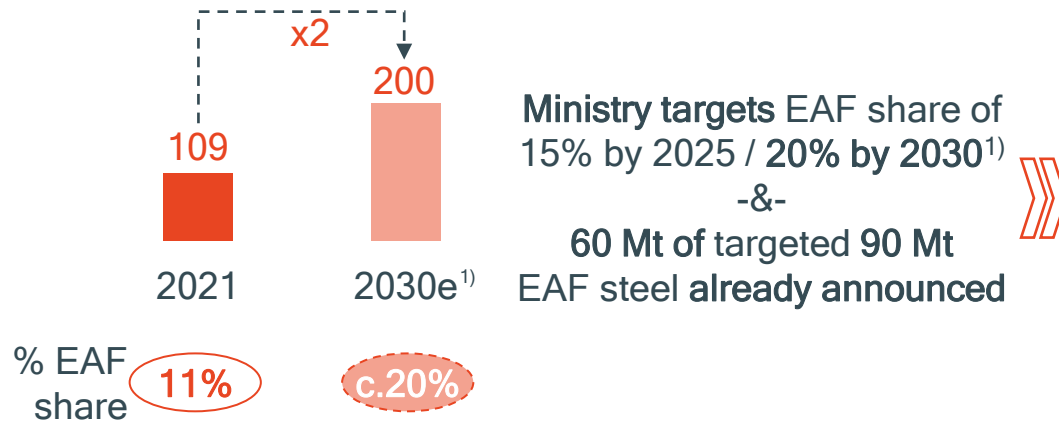


SGGP – Steel Dust – China

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%

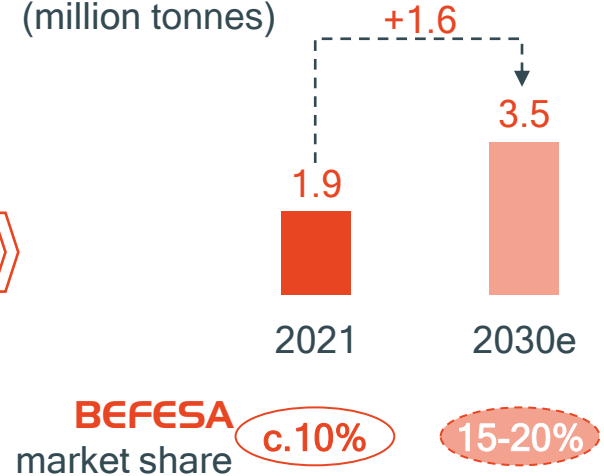
EAF steel production

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



EAFD generation

(million tonnes)



Befesa's expansion projects

- Awaiting / Expecting improved COVID approach 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)



Befesa strategically located in provinces with high EAFD generation

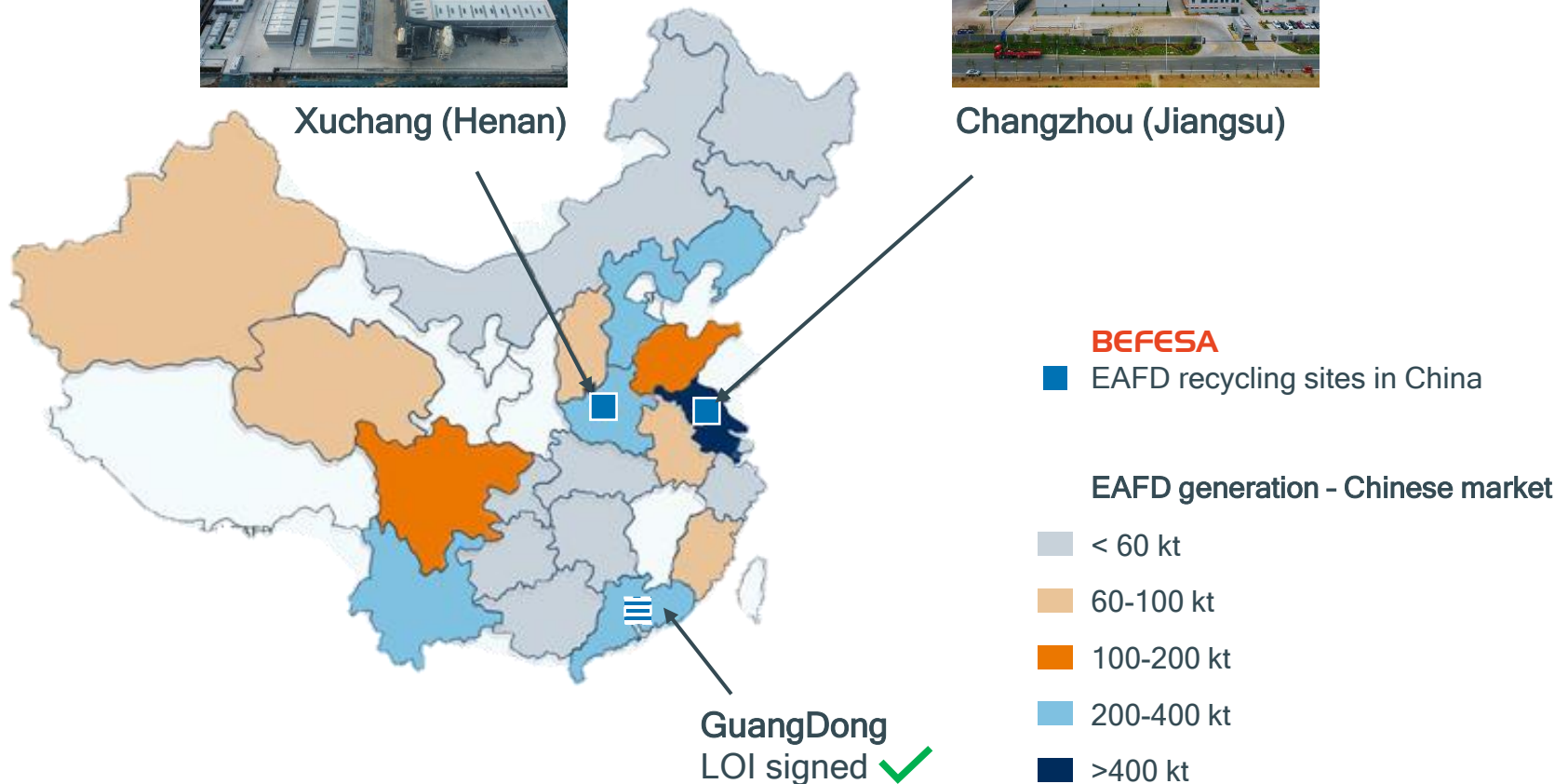
EAFD generation in China



Xuchang (Henan)



Changzhou (Jiangsu)





Sustainable Global Growth Plan (SGGP)

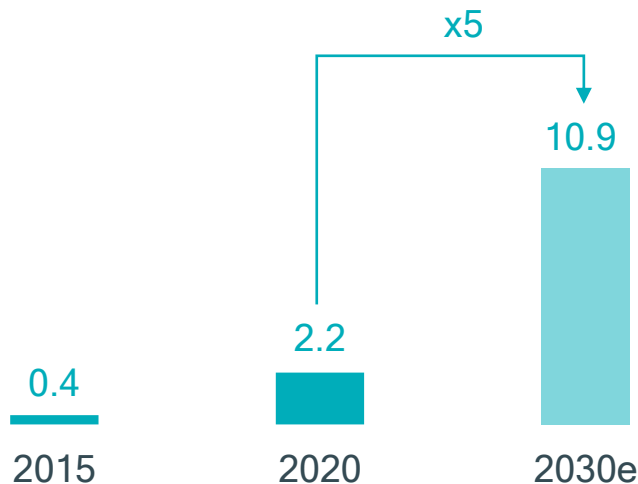
Aluminium Salt Slags Recycling Services



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

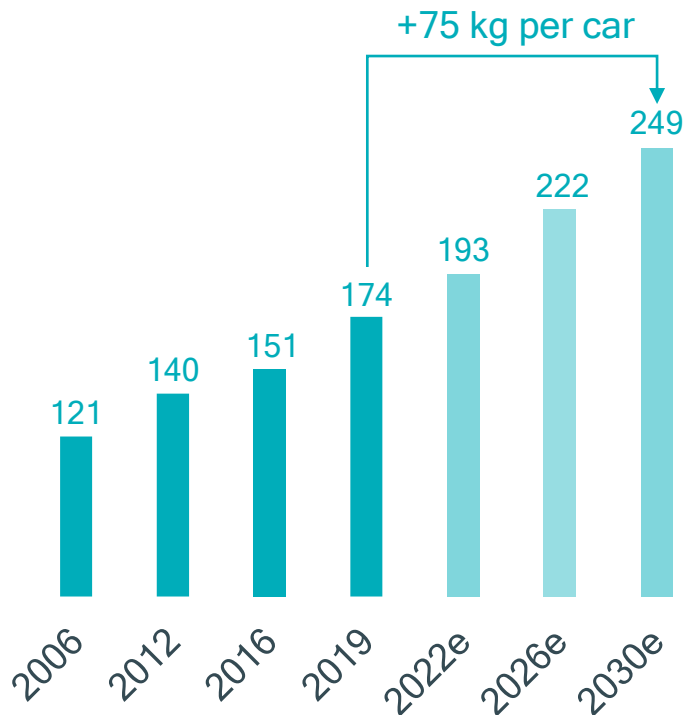
1) CRU (Jan 2022)

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)



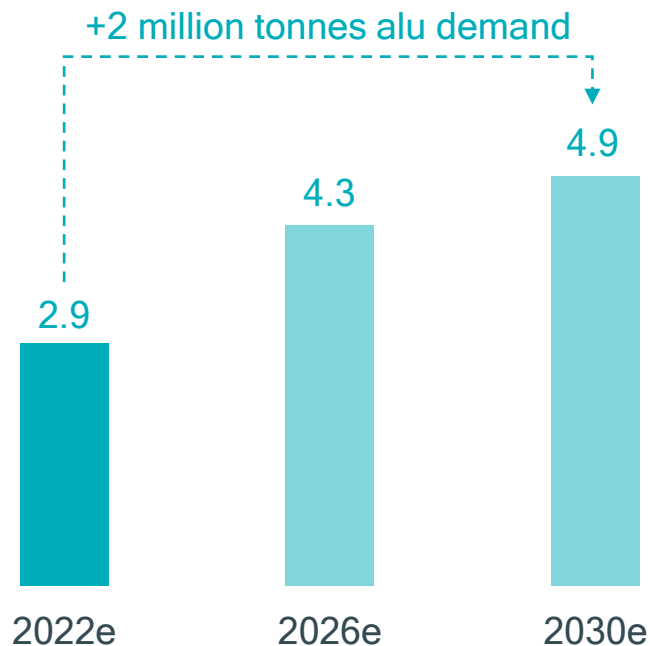
- Average aluminium content per vehicle (passenger cars) has steadily been increasing, from 121 kg/car in 2006 to 193 kg/car in 2022
- Growing and mandatory **electrification** requires **light-weighting** construction and drives **growing demand for aluminium**
- Aluminium content per vehicle expected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





















Sustainable Global Growth Plan (SGGP)

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

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

● Steel Dust ● Alu Salt Slags

	SGGP growth projects	Timing		Capex €m	EBITDA run-rate €m	Pay-back ¹⁾	IRR ²⁾
		2022e	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 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%

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



+€35-45m



- ✓ Zinc refining
- Capacity utilisation & efficiencies

Steel
Alu

+€35-45

-

LTM Q3'22



+€45-55m



- New EAFD plant
- WOX washing expansion
- 2nd Alu expansion
- New Salt Slags plant

+€30-35

+€15-20



+€45-55m



- ✓ China I & II
- China III (✓LOI)
- China IV
- China V

+€45-55

-

c.€350-380m
c.8-10% CAGR



PF Post SGGP
(run-rate)

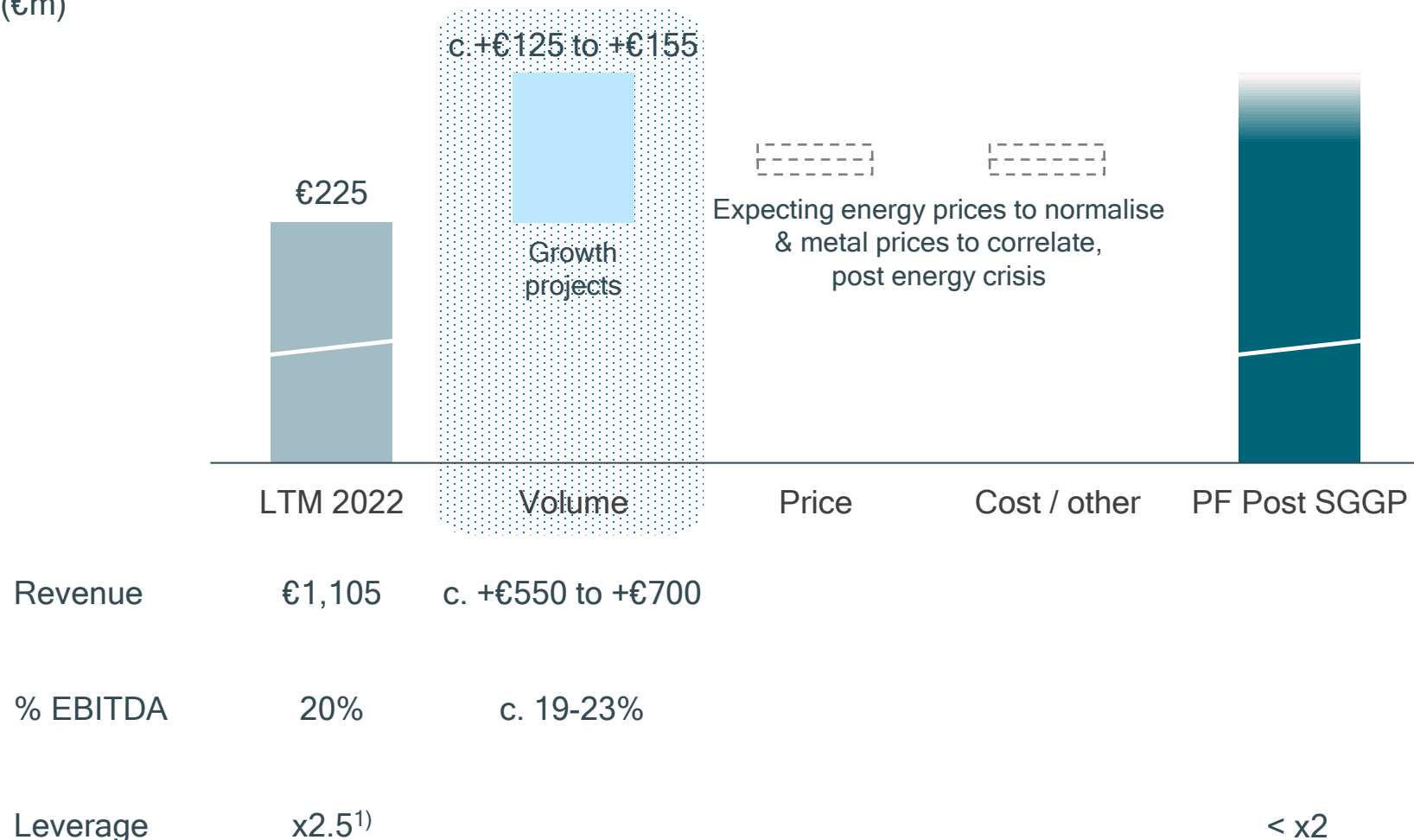
Break



Financials

Maintaining strong financial profile through focus on core-business growth

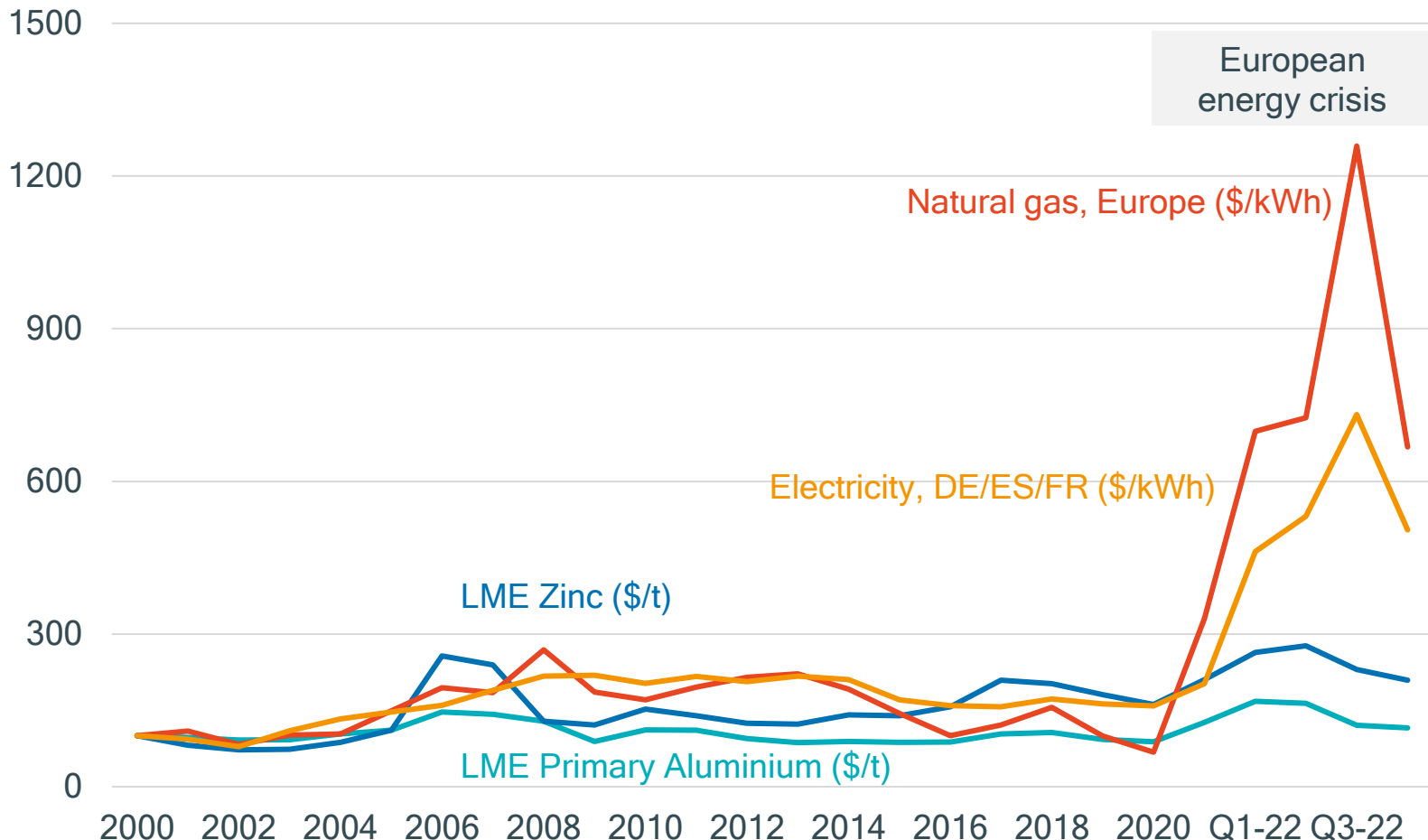
EBITDA LTM 2022 to PF Post SGGP, Illustrative management walk
(€m)



1) LTM Q3'22 EBITDA of €225m normalised PF for Zinc Refining acquisition of \$47m at c.x2.5; Net debt at Q3 closing after €50m dividend distribution and €47m Zinc Refining acquisition at €574m
40 / Befesa Capital Markets Day - 8 November 2022

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

Indexed annual price trend¹⁾, 2000 - Oct YTD 2022
(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

Zinc hedging strategy unchanged & providing favourable earnings support for 2023 & 2024

Zinc LME vs. Befesa's hedges & blended prices
(€ per tonne)



BEFESA Hedging strategy unchanged

**1-3 years forward
hedging strategy**

**Targeting 60% to 75%
of zinc equivalent volume**

**Befesa providing
no collateral**

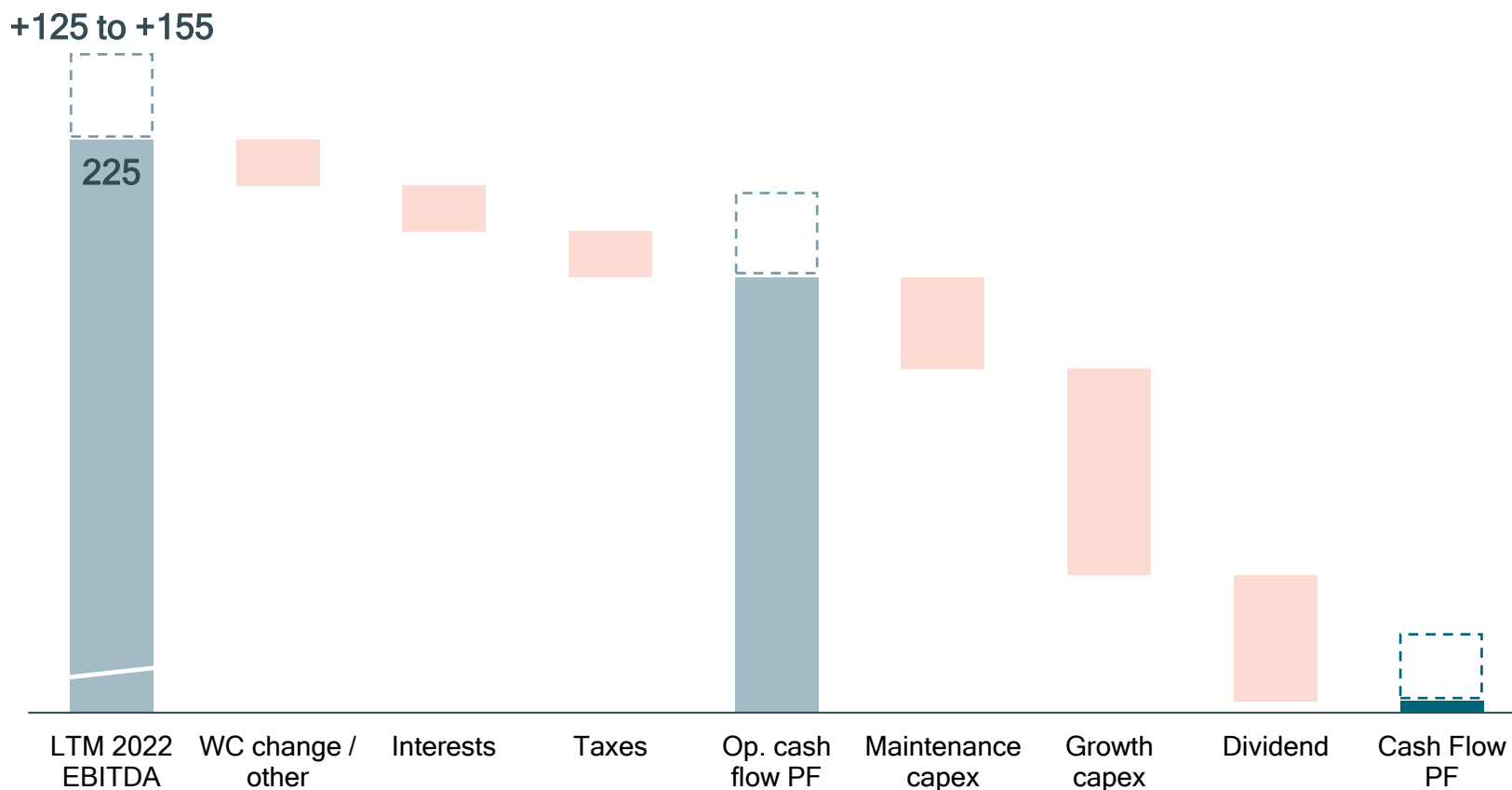
1) London Metal Exchange (LME) zinc daily cash settlement prices

2) Includes BZ US (former AZR) hedge book for the following periods: 18 Aug'21-Jan'22: 36.8kt zinc hedged at c.\$2,500 (c.€2,160 at FX 1.16); Feb'22-Jan'23: 63.4kt zinc hedged at c.\$2,765 (c.€2,630 at FX 1.05); Feb'23-Jan'24: 58.6kt zinc hedged at c.\$2,900 (c.€2,900 at FX 1.00); Feb'24-Jan'25: 60.0kt zinc hedged at c.\$2,975 (or c.€2,975 at FX 1.00)

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

Befesa can self-fund SGGP while keeping leverage $\leq x2$ -&- distributing dividends

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



Diversifying Befesa's global footprint ...

Capacity,
kt

2017 IPO

LTM 2022

PF Post SGGP

Steel Dust

780

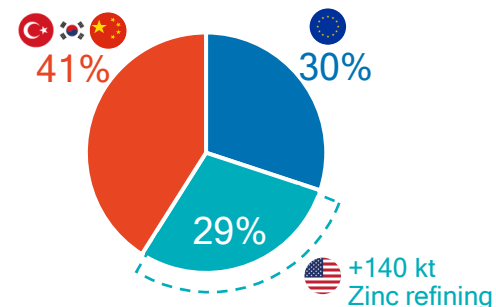
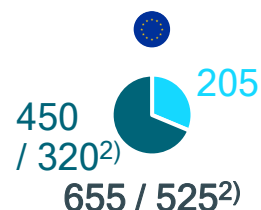
1,555

2,145¹⁾

Salt Slags

2nd Alu

Total Alu
Salt Slags



Utilisation
rates

Steel Dust

Salt Slags

2nd Alu

85%
100%
90%

78%
74% / 100%²⁾
80%

c. 85%
c. 95%
c. 80%

Volumes,
kt

Steel Dust

Salt Slags

2nd Alu

661
510
184

1,220
332
165

c. 1,800-1,850
c. 540-570
c. 230-240

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

LTM 2022

PF Post SGGP

Revenue,
€m

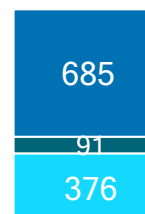
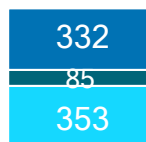
Total¹⁾

€725

€1,105

c. €1,650-1,800

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



EBITDA,
€m

Total¹⁾

€172

% margin
24%

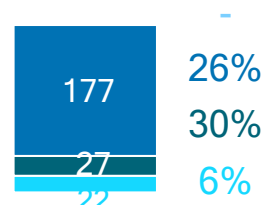
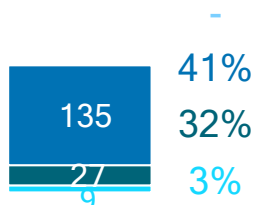
€225

% margin
20%

c. €350-380

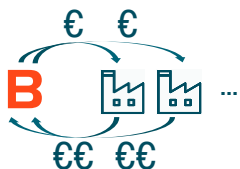
% margin
19-23%

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



¹⁾ Total revenue after intersegment adjustments; Total adjusted EBITDA

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

ESG: Enhanced transparency & performance

Transparency / reporting

Detailed ESG Report



External ratings



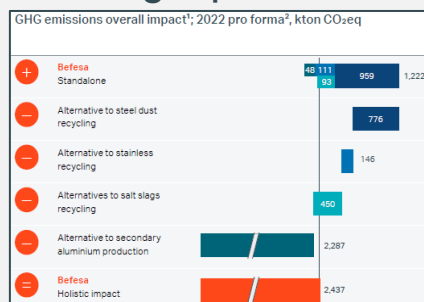
Health & safety

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



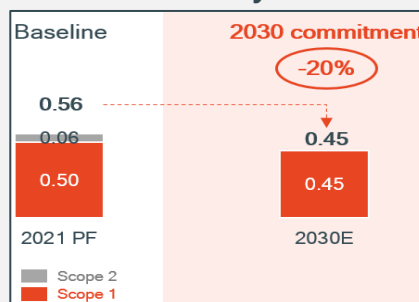
CO₂ holistic approach

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

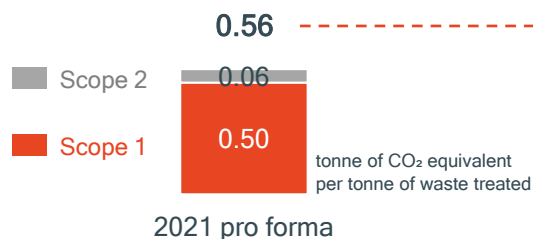


Growth ambition to increase recycling capacity

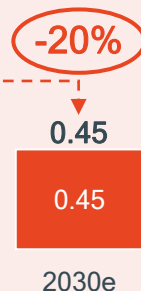
Climate action plan

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

Baseline



2030 commitment

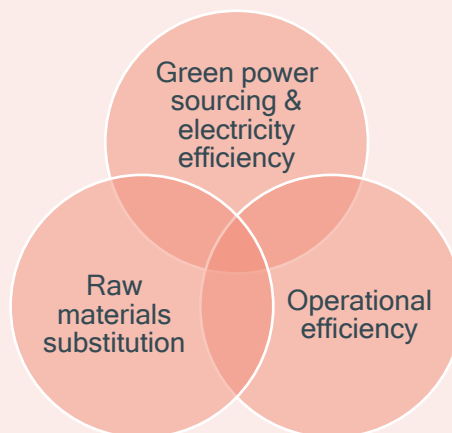


2050 vision

Net zero emission

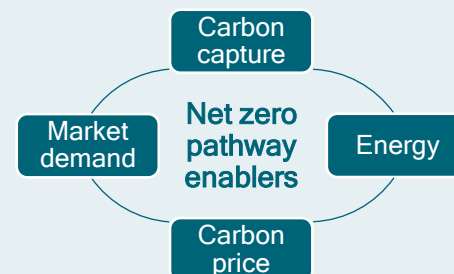
-
2050e

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 ✓



Closing remarks

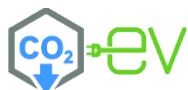
Why invest in Befesa



Proven resilience & growth track record through last cycles driven by **leadership position in environmental services** focused business model



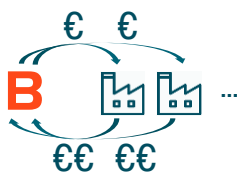
Confirming FY'22 guidance at lower end, \geq €220m EBITDA & +11% yoy growth; Targeting further expansion in 2023 despite volatile environment



Decarbonisation & EV megatrends favouring and driving **EAF steel & aluminium growth** → triggering increased residues recycling volume



Tangible, globally balanced, sustainable growth plan, **executing in modules**, with **attractive shareholder returns**, 3-5 years payback and >20% IRR



Strong financial backbone & high cash flow generation allows to fund **SGGP organically**



Focusing on **Circular Economy** for more than 30 years; Strong **ESG** performance, ratings & targets

An aerial photograph showing a dense, vibrant green forest. A dark, winding path or stream cuts through the forest, starting from the bottom left and moving towards the top right. The forest is bordered on the left by a dark, calm body of water. The text 'Q&A' is overlaid on the water in a white, serif font.

Q&A