

**BEFESA**

# Q3 2023

## Earnings Presentation

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Third quarter and first nine-month period 2023 figures are unaudited.

This presentation includes Alternative Performance Measures (APM), including EBITDA, EBITDA margin, EBIT, 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.

# 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 Q3 2023

# Executive summary of Q3 2023

Revenue  
€289 million

+8% yoy

- Lower zinc and alu prices
- + US zinc refining operations

Adjusted EBITDA  
€42 million

-8% yoy

- Lower zinc and alu prices
- Unfavourable zinc TC
- + Higher zinc hedging price
- + Lower energy prices
- + Productivity and savings

Operating cash flow  
€22 million

+51% yoy

- Lower earnings
- Higher interests
- + WC and extraordinary effects

## Growth



- Zinc refining: focused on improving profitability gradually
- Palmerton refurbishment: on track to capture growth in 2025

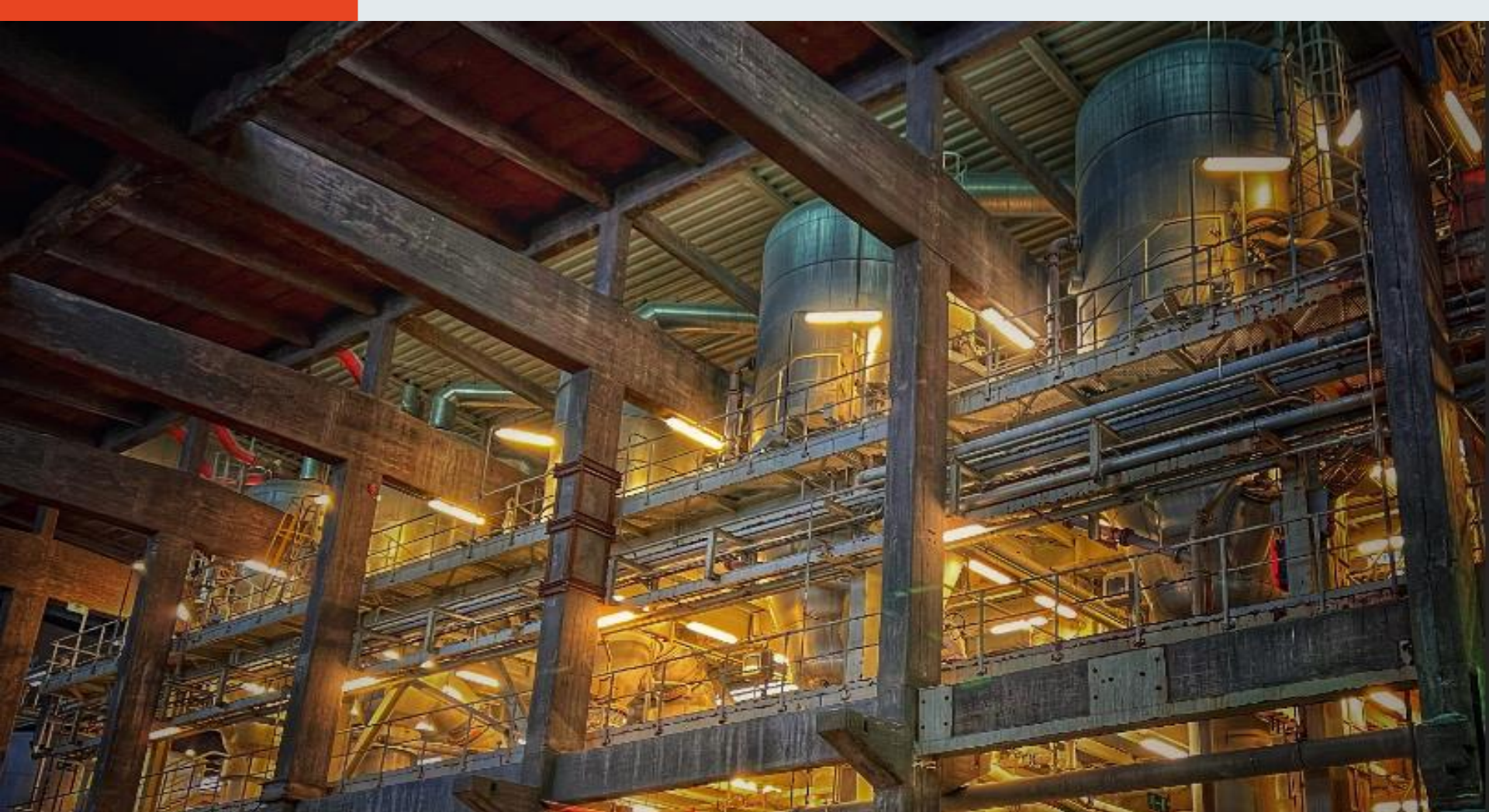


- Jiangsu / Henan: utilisation affected by real estate crisis
- Guangdong: cautiously progressing in third province

## Outlook

- 2023: Expecting Q4 similar to Q3; Full-year adjusted EBITDA around €180m
- 2024: Expecting to return to the growth path; Pressures faced in '23 to revert in '24
- Mid-term: Decarbonisation trend driving mid-term growth



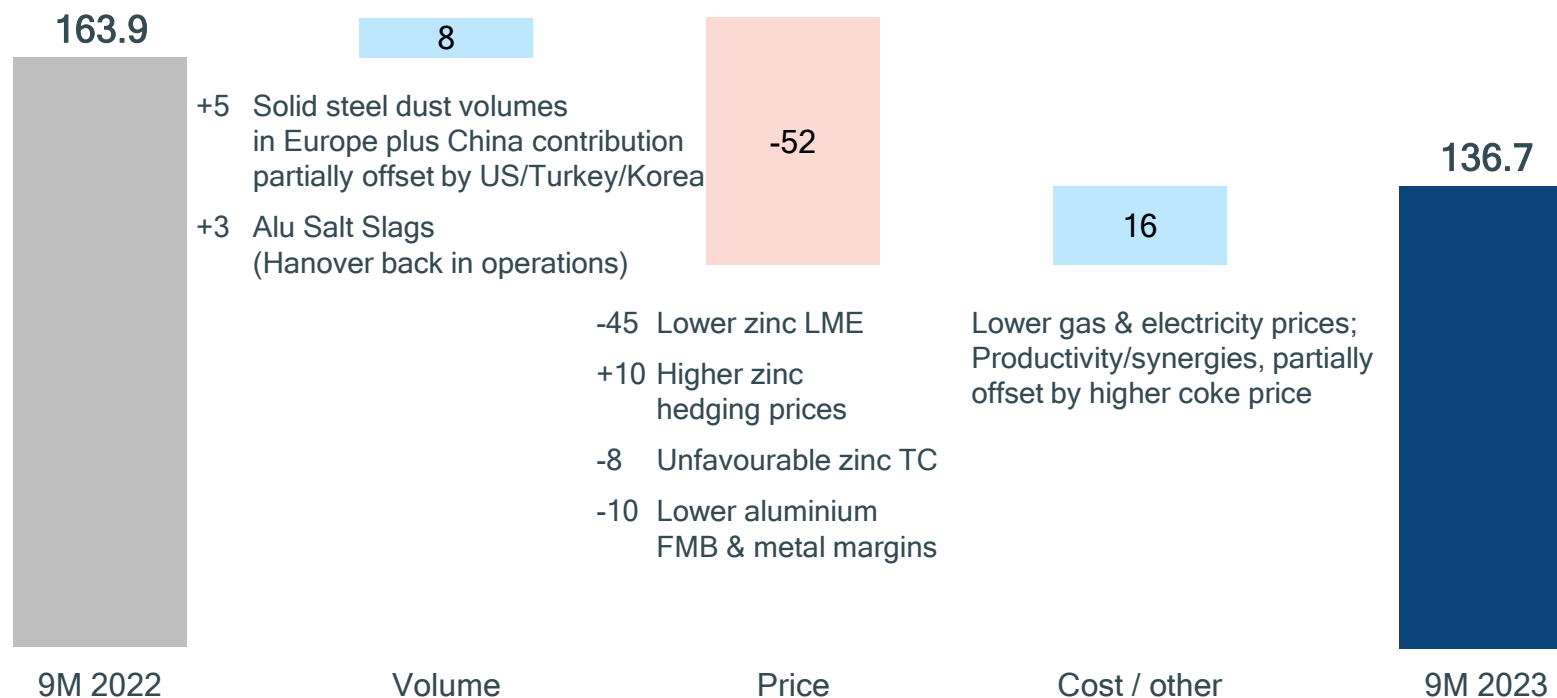


## 02 / Business & financial results

# Consolidated key financials

Total adjusted EBITDA decreased by 17% yoy to €137m in 9M 2023, mainly due to lower zinc and alu prices, unfavourable TC, and higher coke price, partially offset by volume, better hedges and synergies

## Adjusted EBITDA<sup>1</sup> 9M 2022 to 9M 2023



<sup>1</sup> 9M 2023: €64.5m reported Total EBIT + €61.0m D&A = €125.5m reported Total EBITDA + €11.2m adjustments = €136.7m adjusted Total EBITDA  
 9M 2022: €126.4m reported Total EBIT + €54.8m D&A = €181.1m reported Total EBITDA - €17.3m adjustments = €163.9m adjusted Total EBITDA

# Steel Dust Recycling Services

Adjusted EBITDA decreased by 22% yoy to €102m in 9M 2023, mainly due to lower zinc LME, unfavourable zinc TC and higher coke price, partially offset by better hedges and synergies

## Adjusted EBITDA 9M 2022 to 9M 2023



		9M 2022	9M 2023	yoy change
Revenue	€m	533.3	605.3	+14%
<b>Adj. EBITDA</b>	€m	<b>131.0</b>	<b>101.8</b>	<b>-22%</b>
Adj. EBITDA margin	%	24.6	16.8	
Steel dust throughput	Kt	898	890	-1%
Plant utilisation	%	77	70	
WOX sold	Kt	311	301	-3%
Zinc LME	€/t	3,422	2,493	-27%
Zinc hedging	€/t	2,363	2,385	+1%
Zinc blended <sup>1</sup>	€/t	2,647	2,448	-8%
Zinc TC	\$/t	230	274	+19%

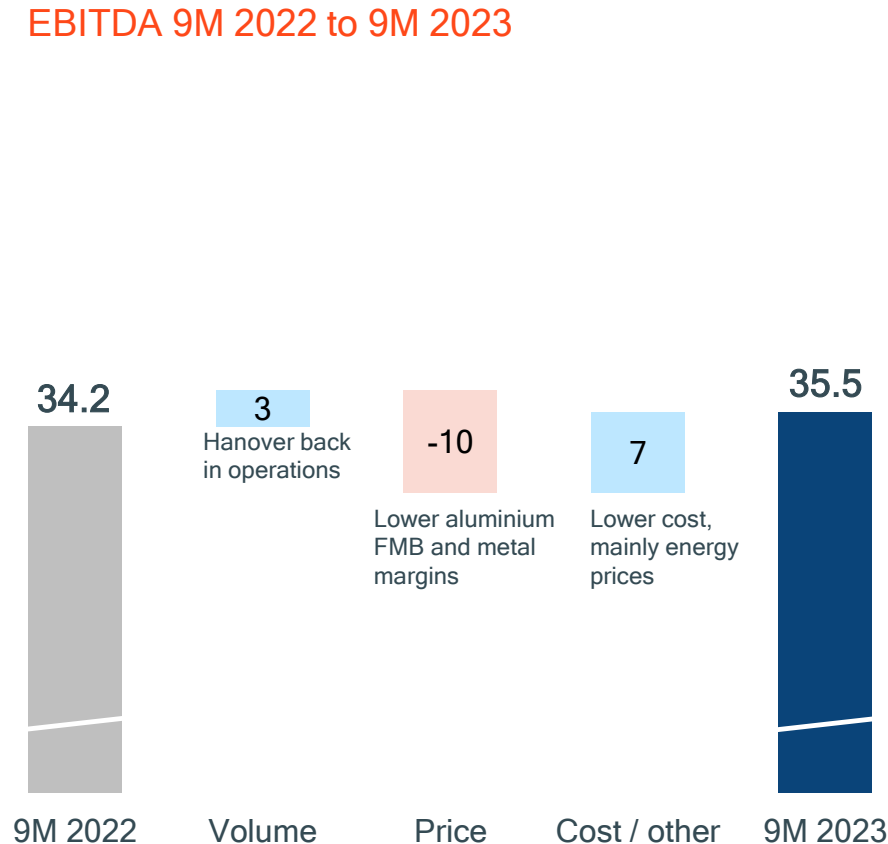
<sup>1</sup> Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa



# Aluminium Salt Slags Recycling Services

EBITDA increased by 4% yoy to €36m in 9M 2023; Lower cost (mainly lower energy prices) and improved volumes (Hanover) partially offset by lower aluminium prices

## EBITDA 9M 2022 to 9M 2023



		9M 2022	9M 2023	yoy change
Revenue <sup>1</sup>		308.1	300.4	-3%
– Salt Slags	€m	57.4	60.4	+5%
– Secondary Alu		286.2	271.2	-5%
<b>EBITDA</b>		<b>34.2</b>	<b>35.5</b>	<b>+4%</b>
– Salt Slags	€m	22.0	19.0	-14%
– Secondary Alu		12.2	16.6	+35%
EBITDA % (Salt Slags)	%	38.3	31.4	
Salt Slags & SPL treated	Kt	240	258	+7%
Salt Slags utilisation	%	68	73	
Alu alloys produced	Kt	122	126	+3%
Secondary Alu utilisation	%	80	82	
Alu FMB <sup>2</sup>	€/t	2,481	2,186	-12%

<sup>1</sup> Total revenue is after intersegment eliminations (9M 2022: €35.5m; 9M 2023: €31.2m)

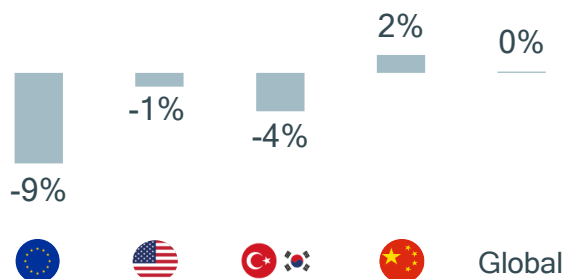
<sup>2</sup> Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

# Key volume drivers and impact on Befesa 9M 2023

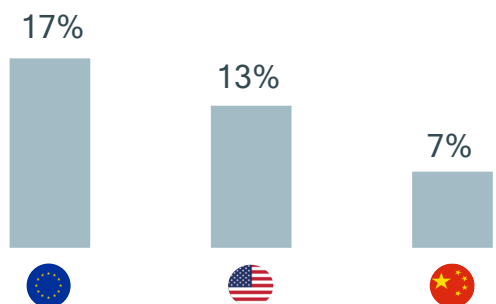
## Key volume drivers in 9M

% vs prior year

### Crude steel production



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



## Befesa's volumes in 9M



- Strong performance in Europe
- EAF steel dust throughput grew yoy at solid levels despite the challenging steel production
- Aluminium salt slags volumes grew yoy mainly driven by Hanover back in operations



- EAF steel dust volumes decreased yoy, as expected; operational performance improving gradually
- Utilisation levels in the 70's% level



- EAF steel dust throughput decreased yoy mainly impacted by the earthquake in Q1 in Turkey; Plant running at normal levels



- EAF steel dust throughput increased yoy but lower than expected, affected by the real estate crisis
- Plant utilisation of around 70% in Jiangsu, 30% in Henan

<sup>1</sup> Sales of new passenger cars for US and China; registrations of new passenger cars for EU; US and EU figures as of September YTD, China as of August YTD

# The current decrease in zinc prices is one of the largest seen in the last 15 years



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

2 Morgan Stanley Research

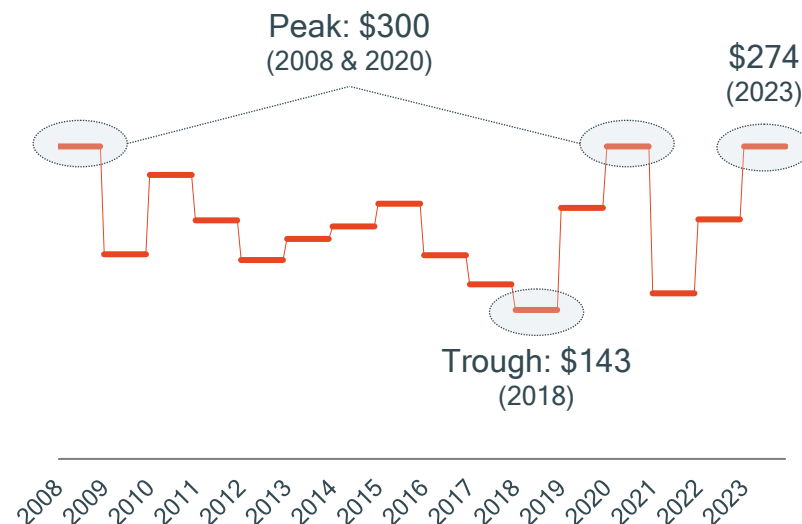
# 2023 impacted by high TC in a very volatile zinc price environment

## Zinc LME<sup>1</sup>



- Zinc LME has decreased by 37% in 2023, from c. \$3,500/t peak to c. \$2,200/t trough
- 9M 2023 averaged at \$2,699/t (€2,493/t), around the last 5-/10- year average level but c. \$950/t or €930/t below the same period of 2022 (9M 2022: \$3,645/t or €3,422/t)
- Each \$100/t zinc LME price variation implies c. €8m FY EBITDA

## Zinc treatment charges (TC)

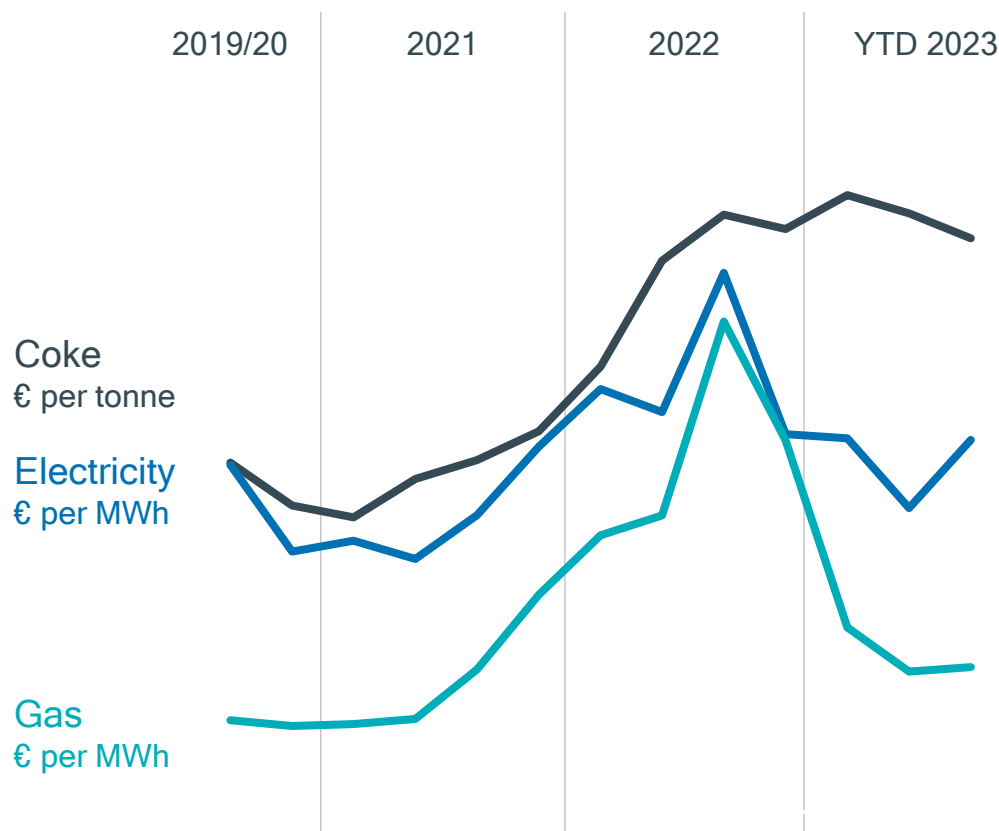


- TC for 2023 was settled at \$274/t, the second highest level after the \$300/t peak in 2008 & 2020; TC spot decreased during 2023 to current c. \$150/t
- When TC was settled, zinc LME was at c. \$3,000/t before decreasing to \$2,400–2,500 (Q2/Q3 2023)
- TC as % of \$LME increased from 9% (March/April 2023) to 11% (Q2/Q3 2023)
- Each \$10/t TC variation implies €2–3m FY EBITDA

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

# Coke price remains high, despite slightly moderating in Q3; Gas price stabilised at 2021 level

## Befesa's energy price evolution by source



### Coke

- After reaching an all-time-high level in Q1/Q2 2023, Befesa's coke price slightly moderated in Q3 (-4% vs. Q2; -4% yoy)
- However, 9M 2023 average price is still around 85% above the 2019–2021 average levels
- New contracts for coke supply in Europe around €130/t

### Gas

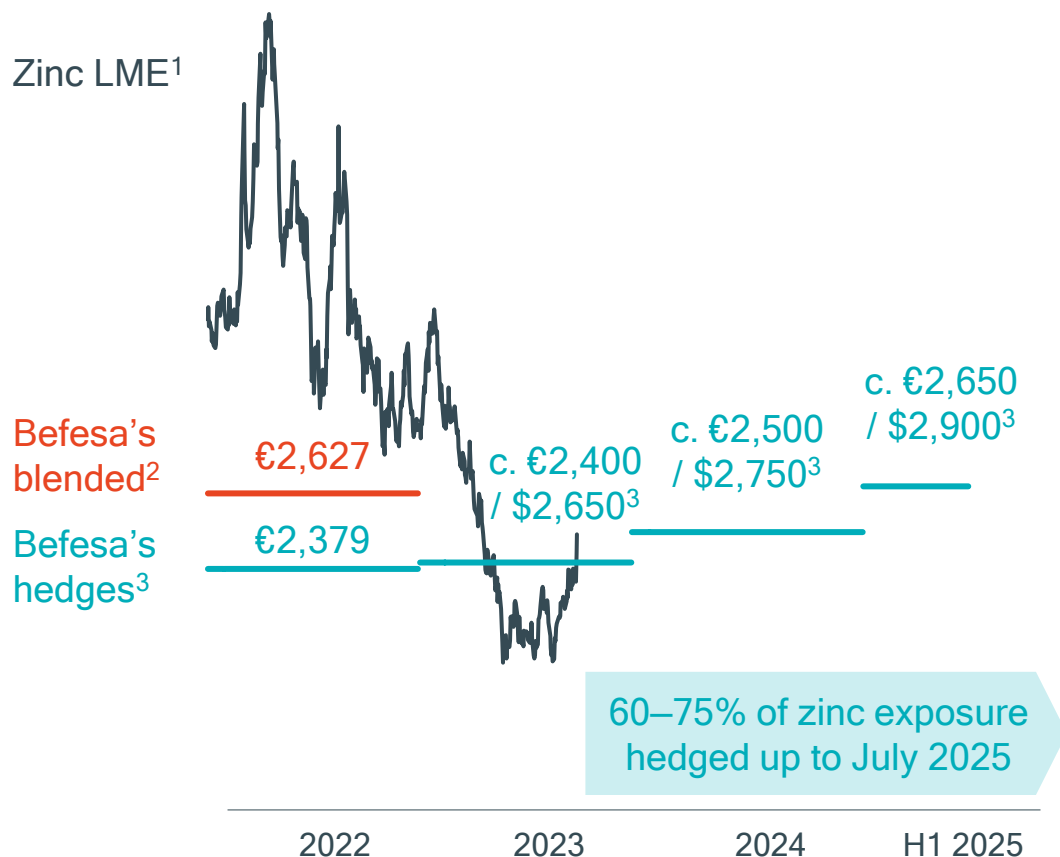
- Prices stabilised in Q3 (flat versus Q2)
- YTD trailing around the 2021 average level

### Electricity

- Prices increased in Q3 (+25% vs. Q2), but YTD still below the 2022 average level



# 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 c. €8m impact on FY EBITDA

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

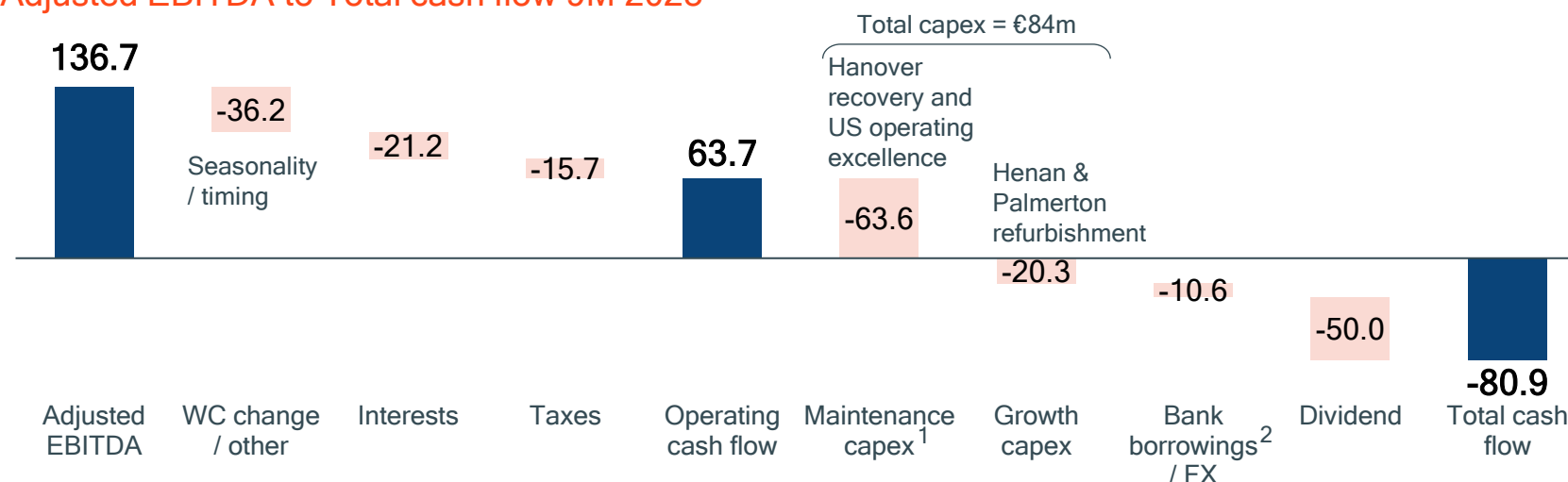
<sup>2</sup> Zinc blended prices are averages computed based on the monthly effective LME zinc and hedging prices weighted with the respective hedged and non-hedged volumes

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

# Cash flow, net debt & leverage

Cash on hand at €81m providing >€150m liquidity; Net debt increased to €633m driven by lower earnings; Net leverage of x3.38

## Adjusted EBITDA to Total cash flow 9M 2023



		30.09.2022	31.12.2022	30.09.2023	change yoy	change vs year end 2022
LTM Adjusted EBITDA	€m	224.6	214.6	187.5	-16.5%	-12.6%
LTM Operating cash flow	€m	122.3	137.3	122.7	+0.3%	-10.7%
Gross debt	€m	713.4	710.8	714.3	+0.1%	+0.5%
Cash on hand	€m	139.1	161.8	80.8	-41.9%	-50.0%
Net debt	€m	574.2	549.0	633.4	+10.3%	+15.4%
Net leverage		x2.56	x2.56	x3.38		

<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 / Outlook & growth

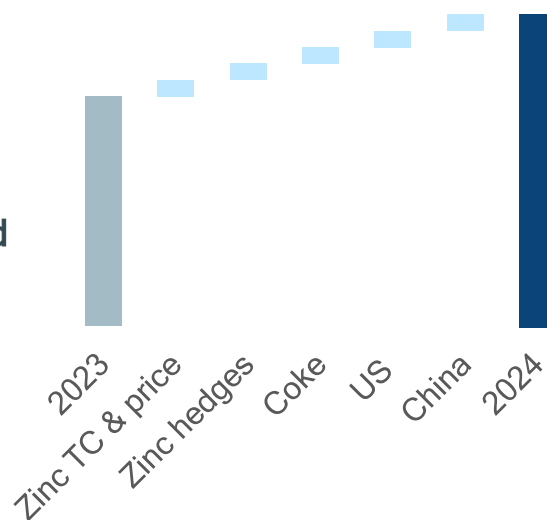
# Outlook

## Full year 2023 challenging

- Current **macro and market specific challenges** caused a combination of **temporary pressures**, e.g. high TC, low zinc prices close to C90, all-time-high coke prices, lower than expected steel dust volumes in China
- **Q4** expected to be **in line with Q3** based on similar market conditions
- **Full year adjusted EBITDA for 2023** expected at around **€180m**, (previously: €200–€230m, which had been forecast on the basis of higher zinc prices)

## Return to growth path expected in 2024

- **Pressures** faced in 2023 **should revert in 2024** due to the temporary nature of the external pressures
- Growth in 2024 does not depend on global macro-economic improvement



## Positive mid-term outlook intact



Favourable decarbonisation and EV macrotrends



Globally balanced in core businesses



€125-€155m additional EBITDA



Low risks & high returns

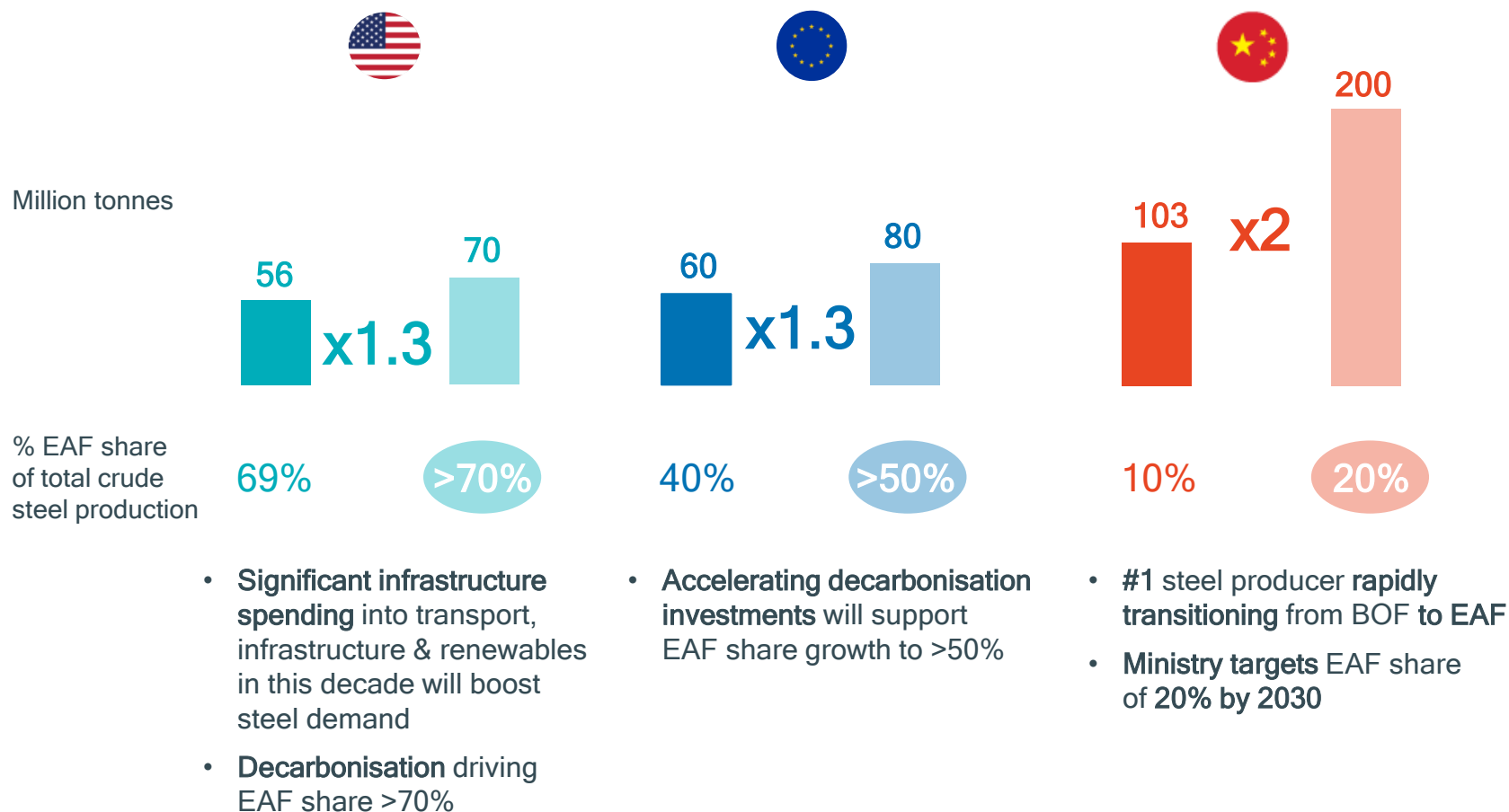


Rigorous execution and monitoring timing

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

## EAF steel production

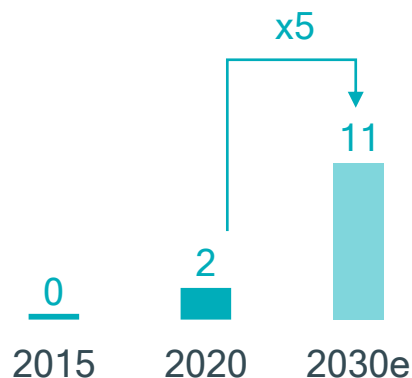
2022 2030e



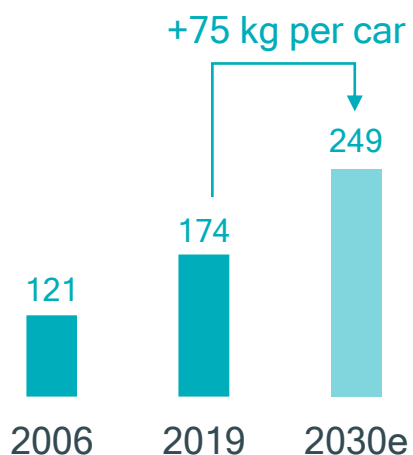


# Decarbonisation and EV driving aluminium market growth in Europe

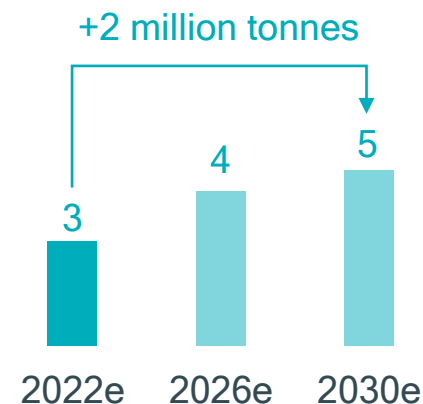
EV unit sales in Europe<sup>1</sup>  
million units



Alu content per vehicle<sup>2</sup>  
kg per passenger car



Auto alu demand in Europe<sup>2</sup>  
million tonnes






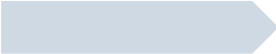
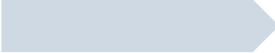

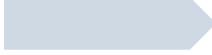

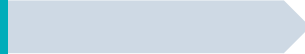
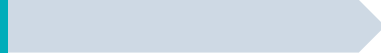


- **Decarbonisation** trend **drives** transition to electric vehicles (EV)
- EV requiring **higher aluminium content per car** to achieve light-weight targets
- Driving **higher aluminium demand** in Europe and increased **need for secondary aluminium and salt slags recycling capacity**

<sup>1</sup> CRU (January 2022)

<sup>2</sup> Ducker (October 2022)

# 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			115–125	30–35
	4 China IV, 2 <sup>nd</sup> kiln Jiangsu				
	5 China V, 2 <sup>nd</sup> kiln Henan				
	6 EAFD recycling plant				
	7 WOX washing plant				
	8 2 <sup>nd</sup> Aluminium expansion			80–90	15–20
	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 2025

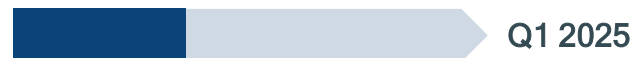


## Plant overview



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

## Indicative timing and status



- ✓ EPC contract signed
- > Works ongoing

Timing confirmed:

Phase I: completed by Q3 2024

Phase II: completed by beginning of 2025

## Key financials



- Capex: €60–70 million
- EBITDA run-rate: €25–30 million
- Payback: 2–3 years; IRR: >30%



# Growth opportunity in China is attractive and Befesa's plan remains unchanged, despite current market challenges

## Challenging market environment

- YTD steel output still up yoy driven by BOF; production cuts likely in Q4 to meet control policies
- EAF mills (typically privately-owned vs state-owned BOF) running at 50% (80% pre-COVID) due to real estate crisis, reducing steel dust generation

## EAF growth drivers in China remain attractive

### EAF penetration growing

- Around 20% targeted by 2030
- >60 Mt new EAF capacity announced / underway

### Strict environmental regulation

- Launched in 2016/17
- Getting stricter but following a two-speed approach

### First mover advantage

- Befesa commercial office opened in 2008
- Jiangsu started in 2021, Henan in 2023

## Befesa's growth plan in China remains unchanged

- Cautiously progressing in Guangdong province: capex deployment likely in 2024/25 subject to ongoing negotiations with local steelmakers
- Once run-rate levels reached in existing sites, develop second 110 kt kilns (Jiangsu & Guangdong)

# Cautiously progressing in Guangdong province



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



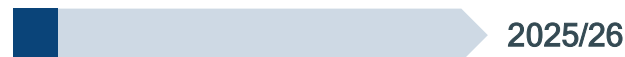
Top 5 EAF steelmaking clusters in  
China, with 200–400 kt EAF dust p.a.



## Plant overview

- 1 kiln with 110 kt EAF steel dust 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 agreements ongoing
- Start of construction to be monitored during 2024



## Key financials



- Capex: €45–50 million
- EBITDA run-rate: €8–12 million
- Payback: 4–5 years; IRR: >20%





# 04 / Investor agenda & appendix

# Investor's agenda

## Financial calendar

**Preliminary Year-End Results  
2023 & Conference Call**

29 February 2024

**Annual Report 2023**

21 March 2024

**Q1 2024 Statement & Conf. Call**

25 April 2024

**Annual General Meeting**

20 June 2024

**H1 2024 Interim Report &  
Conference Call**

25 July 2024

**Q3 2024 Statement & Conf. Call**

31 October 2024

## Next investor conferences

### November / December 2023

**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

### Q1 2024

**Lyon - 27<sup>th</sup> ODDO BHF Forum**

11 & 12 January - ODDO BHF

15 & 16 January (virtual)

**Frankfurt - 23<sup>rd</sup> German Corporate Conf.**

15 & 16 January - UniCredit and Kepler  
Cheuvreux

## Contact details

### Investor Relations

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# 9M 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>605.3</b> <i>+72.0 / +13.5%</i>	<b>60.4</b> <i>+3.1 / +5.3%</i>	<b>271.2</b> <i>-15.0 / -5.2%</i>	<b>-32.8</b> <i>+3.5 / -</i>	<b>904.2</b> <i>+63.6 / +7.6%</i>
<b>Reported EBITDA</b> <i>yoy change</i>	<b>94.5</b> <i>-56.9 / -37.6%</i>	<b>19.0</b> <i>-3.0 / -13.8%</i>	<b>16.6</b> <i>+4.3 / +35.3%</i>	<b>-€4.4</b> <i>-0.0 / -</i>	<b>125.5</b> <i>-55.6 / -30.7%</i>
<b>Reported EBITDA margin %</b> <i>yoy change</i>	<b>15.6%</b> <i>-1,277 bps</i>	<b>31.4%</b> <i>-695 bps</i>	<b>6.1%</b> <i>+183 bps</i>	<b>-</b> <i>-</i>	<b>13.9%</b> <i>-766 bps</i>
<b>Adjusted EBITDA<sup>2</sup></b> <i>yoy change</i>	<b>101.8</b> <i>-29.2 / -22.3%</i>	<b>19.0</b> <i>-3.0 / -13.8%</i>	<b>16.6</b> <i>+4.3 / +35.3%</i>	<b>-0.6</b> <i>+0.8 / -</i>	<b>136.7</b> <i>-27.1 / -16.6%</i>
<b>Adjusted EBITDA margin %</b> <i>yoy change</i>	<b>16.8%</b> <i>-775 bps</i>	<b>31.4%</b> <i>-695 bps</i>	<b>6.1%</b> <i>+183 bps</i>	<b>-</b> <i>-</i>	<b>15.1%</b> <i>-437 bps</i>

<sup>1</sup> Total revenue in Aluminium Salt Slags Recycling Services amounted to €300.4m (9M 2022: €308.1m) after intersegment eliminations of €31.2m (9M 2022: €35.5m)

<sup>2</sup> 9M 2023: €64.5m reported Total EBIT + €61.0m D&A = €125.5m reported Total EBITDA + €11.2m adjustments = €136.7m adjusted Total EBITDA

# Q3 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>202.3</b> <i>+22.8 / +12.7%</i>	<b>19.1</b> <i>+3.1 / +19.4%</i>	<b>76.0</b> <i>+7.5 / +10.9%</i>	<b>-8.7</b> <i>-12.7 / -</i>	<b>288.7</b> <i>+20.7 / +7.7%</i>
<b>Reported EBITDA</b> <i>yoy change</i>	<b>31.1</b> <i>-25.2 / -44.8%</i>	<b>4.6</b> <i>-2.7 / -37.0%</i>	<b>3.2</b> <i>-0.0 / -0.5%</i>	<b>-4.2</b> <i>-2.8 / -</i>	<b>34.7</b> <i>-30.7 / -46.9%</i>
<b>Reported EBITDA margin %</b> <i>yoy change</i>	<b>15.4%</b> <i>-1,602 bps</i>	<b>24.2%</b> <i>-2,160 bps</i>	<b>4.2%</b> <i>-48 bps</i>	<b>-</b> <i>-</i>	<b>12.0%</b> <i>-1,239 bps</i>
<b>Adjusted EBITDA<sup>2</sup></b> <i>yoy change</i>	<b>34.6</b> <i>-1.4 / -3.9%</i>	<b>4.6</b> <i>-2.7 / -37.0%</i>	<b>3.2</b> <i>-0.0 / -0.5%</i>	<b>-0.5</b> <i>+0.2 / -</i>	<b>42.0</b> <i>-4.0 / -8.5%</i>
<b>Adjusted EBITDA margin %</b> <i>yoy change</i>	<b>17.1%</b> <i>-295 bps</i>	<b>24.2%</b> <i>-2,160 bps</i>	<b>4.2%</b> <i>-48 bps</i>	<b>-</b> <i>-</i>	<b>14.5%</b> <i>-257 bps</i>

<sup>1</sup> Total revenue in Aluminium Salt Slags Recycling Services amounted to €86.9m (Q3 2022: €88.7m) after intersegment eliminations of €8.2m (Q3 2022: -€4.1m)

<sup>2</sup> Q3 2023: €14.1m reported Total EBIT + €20.6m D&A = €34.7m reported Total EBITDA + €7.3m adjustments = €42.0m 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

<sup>1</sup> Full year actual figures audited by external auditors

<sup>2</sup> 2017 reported revenue amounted to €724.8m; Revenue of €667.4m is comparable after amendment IFRS 15 impacting non-operating revenue

<sup>3</sup> 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

<sup>4</sup> Net profit and total basic earnings/(losses) per share attributable to the ordinary equity holders of Befesa S.A.

<sup>5</sup> 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

<sup>6</sup> Operating cash flow is after WC change, taxes and interests; pre capex and pre dividend

# 9M 2023/22 – Operational data – Steel Dust Recycling Services

	9M 2022	9M 2023	yoy change
<b>                     EAF steel dust throughput (kt)                 </b>	897.6	889.7	-7.9 / -0.9%
<b>                     EAF steel dust avg. capacity utilisation (%)                 </b>	77.2%	70.3%	-690 bps
<b>                     Waelz oxide (WOX) sold (kt)                 </b>	311.4	301.0	-10.3 / -3.3%
<b>                     Zinc LME price (€/t)                 </b>	3,422	2,493	-929 / -27.1%
<b>                     Zinc hedging price (€/t)                 </b>	2,363	2,385	+21 / +0.9%
<b>                     Zinc blended price<sup>1</sup> (€/t)                 </b>	2,647	2,448	-199 / -7.5%

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

# Q3 2023/22 – Operational data – Steel Dust Recycling Services

	Q3 2022	Q3 2023	yoy change
<b> EAF steel dust throughput (kt) </b>	267.9	297.4	+29.5 / +11.0%
<b> EAF steel dust avg. capacity utilisation (%) </b>	68.3%	69.7%	+135 bps
<b> Waelz oxide (WOX) sold (kt) </b>	97.5	103.8	+6.3 / +6.5%
<b> Zinc LME price (€/t) </b>	3,245	2,232	-1,013 / -31.2%
<b> Zinc hedging price (€/t) </b>	2,432	2,442	+9 / +0.4%
<b> Zinc blended price<sup>1</sup> (€/t) </b>	2,596	2,385	-211 / -8.1%

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



# 9M 2023/22 – Operational data – Aluminium Salt Slags Recycling Services

	9M 2022	9M 2023	yoy change
Salt slags & SPL treated (kt)	239.8	257.8	+18.0 / +7.5%
Salt slags & SPL avg. capacity utilisation (%)	68.2%	73.3%	+511 bps
Aluminium alloys produced (kt)	121.9	125.8	+3.8 / +3.1%
Secondary alu avg. capacity utilisation (%)	79.5%	82.0%	+250 bps
Aluminium alloy FMB price <sup>1</sup> (€/t)	2,481	2,186	-294 / -11.9%

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

# Q3 2023/22 – Operational data – Aluminium Salt Slags Recycling Services

	Q3 2022	Q3 2023	yoy change
Salt slags & SPL treated (kt)	66.9	89.7	+19.9 / +29.7%
Salt slags & SPL avg. capacity utilisation (%)	56.5%	73.2%	+1,676 bps
Aluminium alloys produced (kt)	37.3	38.6	+1.3 / +3.5%
Secondary alu avg. capacity utilisation (%)	72.2%	74.7%	+256 bps
Aluminium alloy FMB price <sup>1</sup> (€/t)	2,327	2,074	-253 / -10.9%

<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
EAF steel dust throughput (kt)	661.0	717.1	665.8	687.0	885.7	1,193.8
EAF steel dust 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)

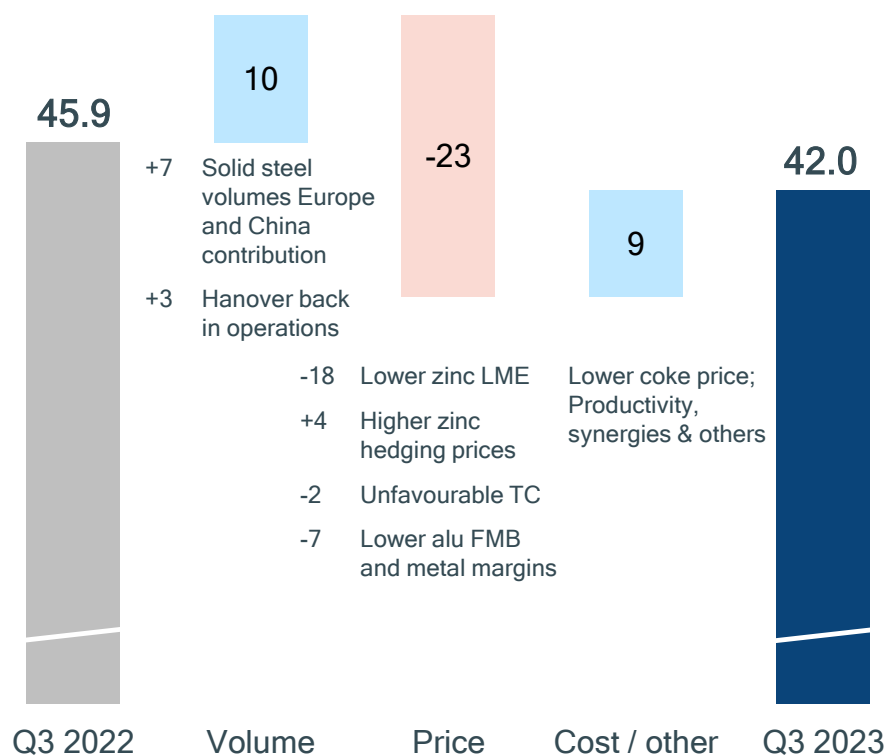
<sup>6</sup> Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona - phase II (plant was shutdown three months, from mid-August to mid-November)

<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 8% yoy to €42m in Q3 2023; Lower zinc & aluminium prices, unfavourable zinc TC, partially offset by improved volumes, better hedges, lower energy prices and synergies

## Adjusted EBITDA<sup>1</sup> Q3 2022 to Q3 2023



		Q3 2022	Q3 2023	yoy change
Revenue	€m	268.0	288.7	+8%
Adj. EBITDA	€m	45.9	42.0	-8%
Adj. EBITDA margin	%	17.1	14.5	
Net profit	€m	37.2	7.3	-80%
EPS	€	0.93	0.18	-80%
Operating cash Flow	€m	14.4	21.7	+51%
Cash	€m	139.1	80.8	-42%
Net debt	€m	574.2	633.4	+10%
Net leverage <sup>2</sup>		x2.56	x3.38	

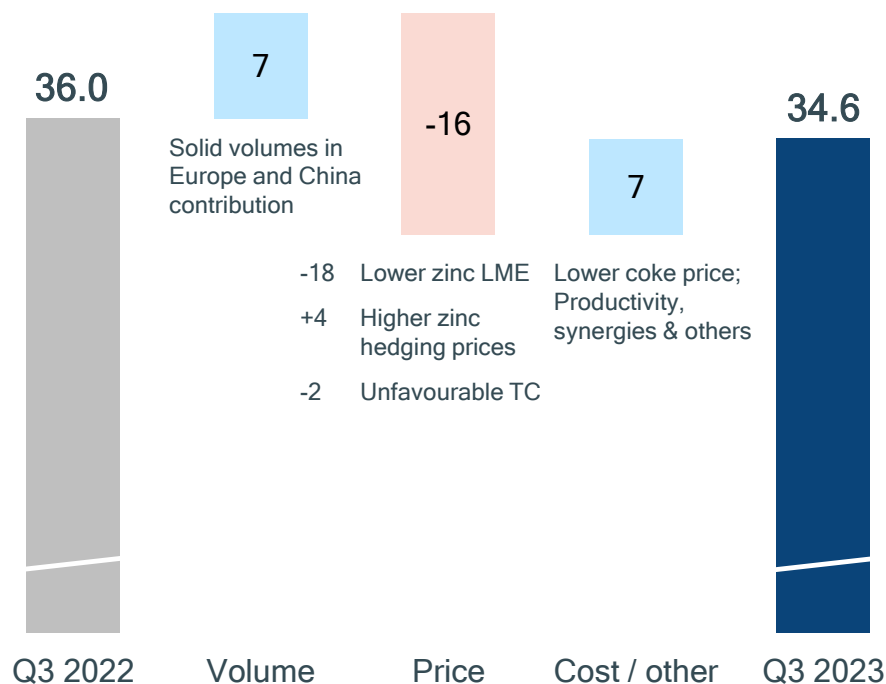
<sup>1</sup> Q3 2023: €14.1m reported Total EBIT + €20.6m D&A = €34.7m reported Total EBITDA + €7.3m adjustments = €42.0m adjusted Total EBITDA  
Q3 2022: €46.0m reported Total EBIT + €19.4m D&A = €65.5m reported Total EBITDA - €19.6m adjustments = €45.9m adjusted Total EBITDA

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

# Steel Dust Recycling Services

Adjusted EBITDA decreased by 4% yoy to €35m in Q3 2023, mainly due to lower zinc prices and unfavourable zinc TC, partially offset by improved volumes, hedges, lower coke price and synergies

## Adjusted EBITDA Q3 2022 to Q3 2023



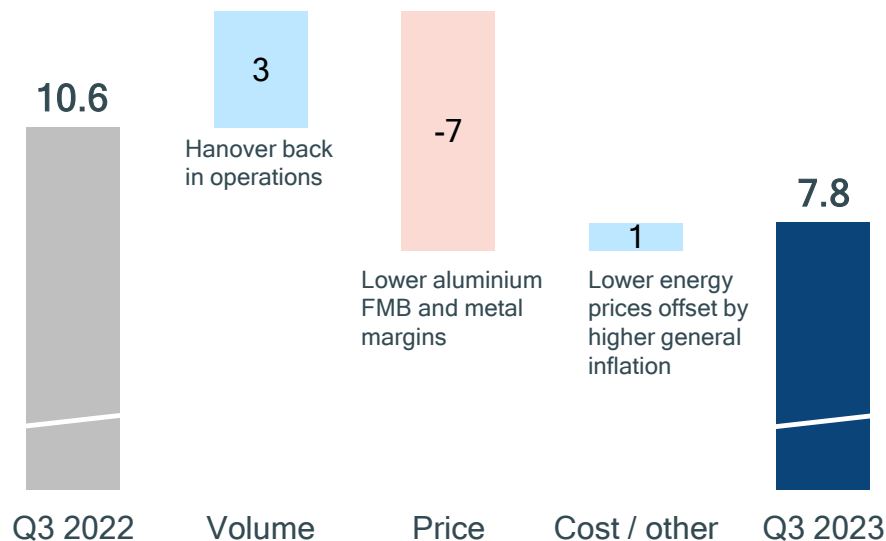
		Q3 2022	Q3 2023	yoy change
Revenue	€m	179.5	202.3	+13%
Adj. EBITDA	€m	36.0	34.6	-4%
Adj. EBITDA margin	%	20.1	17.1	
Steel dust throughput	Kt	268	297	+11%
Plant utilisation	%	68	70	
WOX sold	Kt	97	104	+7%
Zinc LME	€/t	3,245	2,232	-31%
Zinc hedging	€/t	2,432	2,442	+0%
Zinc blended <sup>1</sup>	€/t	2,596	2,385	-8%
Zinc TC	\$/t	230	274	+19%

<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 26% yoy to €8m in Q3 2023, mainly due to lower aluminium prices partially offset by improved volumes (Hanover back in operations) and lower energy prices

## EBITDA Q3 2022 to Q3 2023



		Q3 2022	Q3 2023	yoy change
Revenue <sup>1</sup>		88.7	86.9	-2%
– Salt Slags	€m	16.0	19.1	+19%
– Secondary Alu		68.5	76.0	+11%
<b>EBITDA</b>		<b>10.6</b>	<b>7.8</b>	<b>-26%</b>
– Salt Slags	€m	7.3	4.6	-37%
– Secondary Alu		3.2	3.2	flat
EBITDA % (Salt Slags)	%	45.8	24.2	
Salt Slags & SPL treated	Kt	67	87	+30%
Salt Slags utilisation	%	56	73	
Alu alloys produced	Kt	37	39	+4%
Secondary Alu utilisation	%	72	75	
Alu FMB <sup>2</sup>	€/t	2,327	2,074	-11%

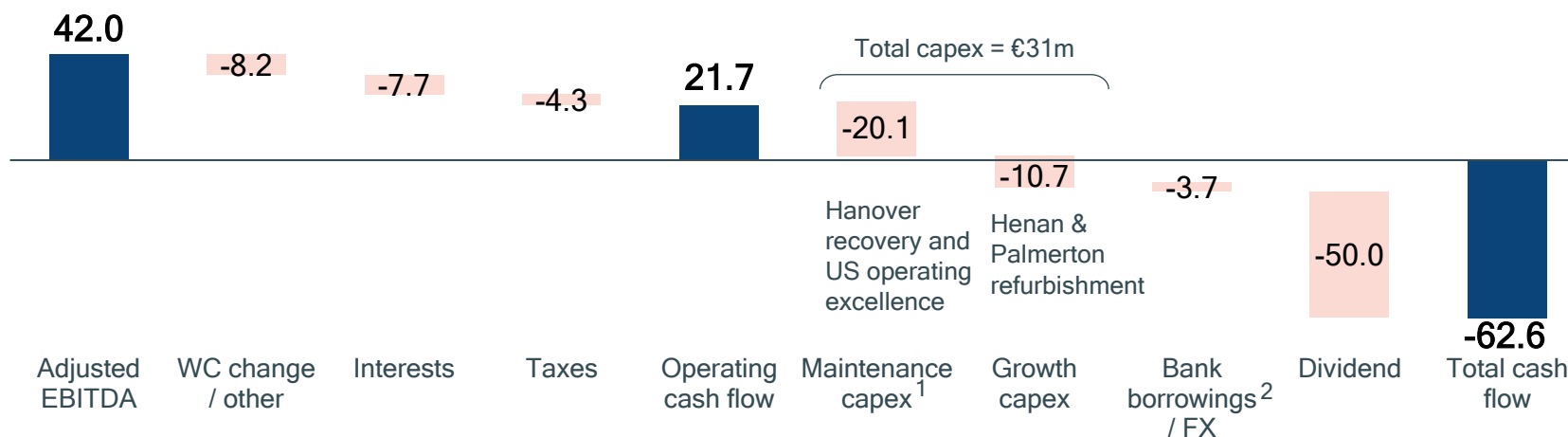
<sup>1</sup> Total revenue is after intersegment eliminations (Q3 2022: -€4.1m; Q3 2023: €8.2m)

<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 €81m providing >€150m liquidity; Net debt increased to €633m driven by lower earnings; Net leverage of x3.38

## Adjusted EBITDA to Total cash flow Q3 2023



		30.06.2023	30.09.2023	change
LTM Adjusted EBITDA	€m	191.4	187.5	-2.0%
LTM Operating cash flow	€m	115.3	122.7	+6.4%
Gross debt	€m	710.5	714.3	+0.5%
Cash on hand	€m	143.5	80.8	-43.7%
Net debt	€m	567.0	633.4	+11.7%
Net leverage		x2.96	x3.38	

<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