



Q1 2025 Earnings

30 April 2025

BEFESA

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First quarter 2025 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 agenda

Business highlights

Asier Zarraonandia

Financial results

Rafael Pérez

Outlook and Growth

Asier Zarraonandia

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Asier Zarraonandia
Chief Executive Officer



Rafael Pérez
Chief Financial Officer

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Strong Q1 EBITDA up 15% YoY, expecting FY25 EBITDA in the range of €240m to €265m



Q1 2025 Financial Highlights

- Adj. EBITDA Q1 2025 at €56m, up 15% YoY
- Strong Operating Cash Flow in Q1 2025 up 134% YoY driven by solid cash conversion
- Leverage of x2.8 at March 2025
- EPS at 0.47 up 97% YoY



Q1 2025 Business Highlights

- EAF dust volume impacted by scheduled maintenance shutdowns in large assets
- 2nd Alu impacted by challenging alu scrap market and auto industry in Europe
- Palmerton expansion as expected with 2nd kiln to be completed in Q2
- China remains subdued



Outlook / Guidance

- Expecting strong EBITDA growth in FY25 in the range of €240 - €265m
- Prudent capital allocation focus on de-leveraging and ongoing approved capex projects
- Leverage expected below x2.5 for 2025
- Growth capex to focus on Palmerton and Bernburg: low risk projects
- China expansion plan stop due to current market conditions

Revenue +3%

Q1 2025: €308m

€298m in Q1 2024

Adj. EBITDA +15%

Q1 2025: €56m

€49m in Q1 2024

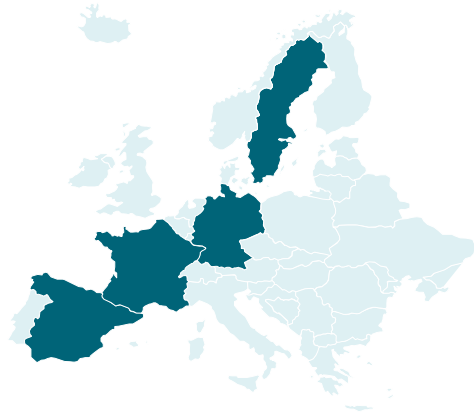
Operating Cash Flow +134%

Q1 2025: €34m

€15m in Q1 2024

Q1 2025 Steel Dust business highlights

Lower volume in general, driven by scheduled maintenance shutdowns in the period



 **EUROPE**

- Steel production in EU continued low in Q1 caused by weak end-markets demand
- Load factor at 86% in the Q1 driven by scheduled maintenance shutdowns in large assets
- Daily steel dust deliveries from EAF steel customers continues in line with FY24 at good levels



 **USA**

- Lower utilization levels in the recycling business in Q1 due to steel industry maintenance shutdowns
- Palmerton 1st kiln in full operation already during Q1
- US Zinc refining asset cost reduction measures delivering as expected



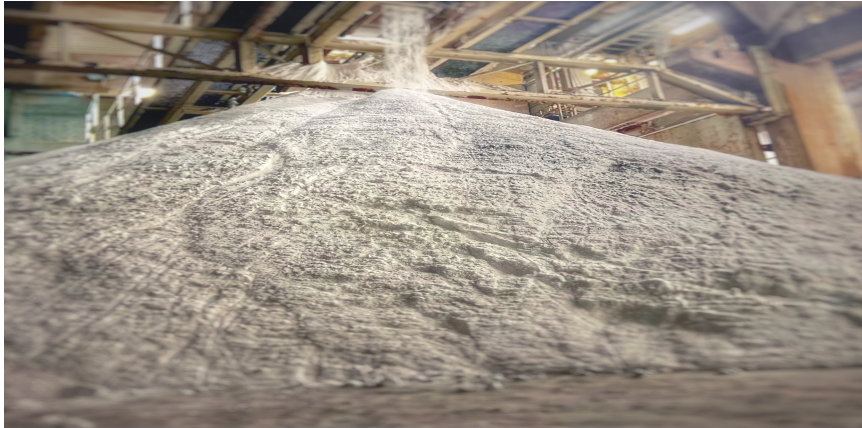
   **ASIA**

- Turkey and South Korea operating at regular levels
- No change in China. Chinese plants continue running at utilization levels of 50%, impacted by weak EAF steel production

Q1 2025 Aluminium business highlights

Weak secondary aluminium metal margin

Salt Slags recycling



Highlights

- Solid performance of the salt slag recycling plants running in line with previous periods utilization (93% in Q1 2025)

2nd aluminium



- Continued compressed aluminium metal margin driven by weak auto demand combined with challenging access to aluminium scrap
- Very weak European automotive industry impacting demand of secondary aluminium

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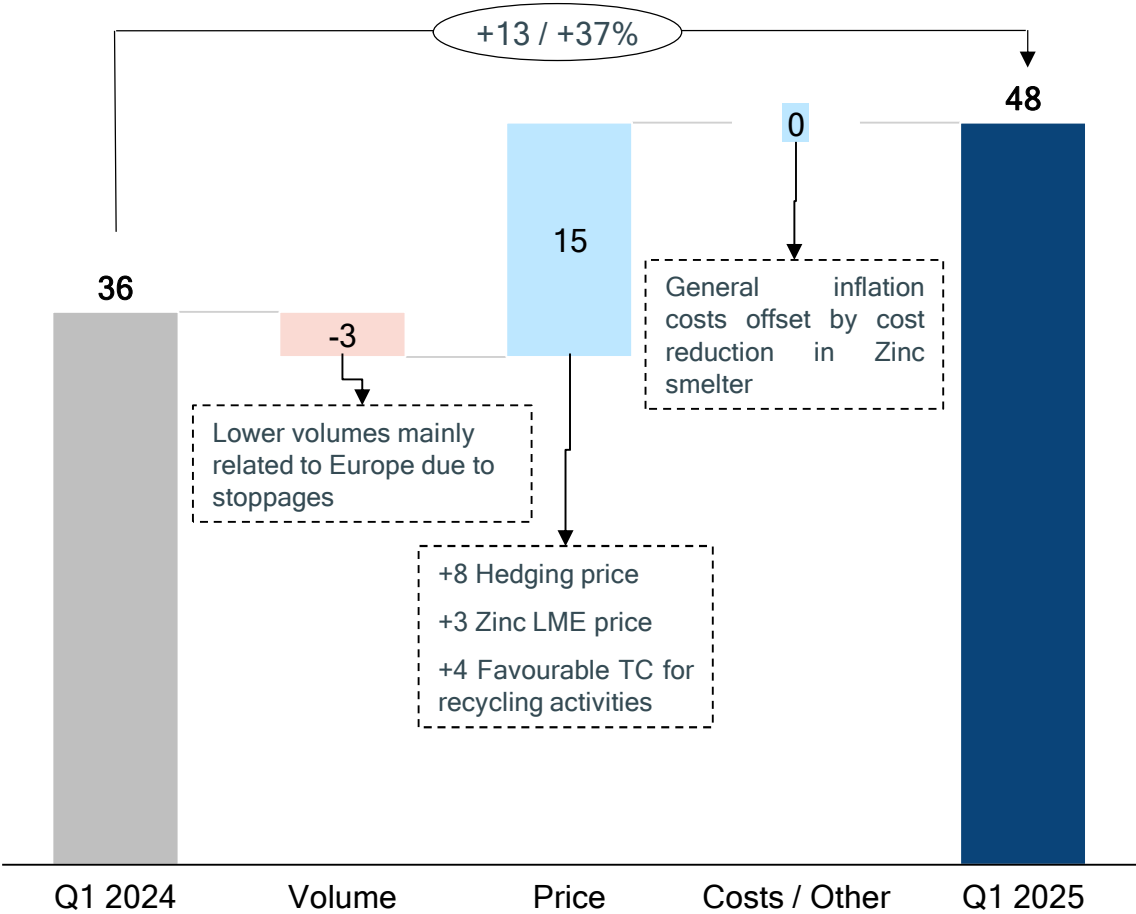


Steel Dust Recycling Services

Financials

Favourable TC and zinc hedging, partially offset by lower volumes

EBITDA Q1'24 to Q1'25 (€m)



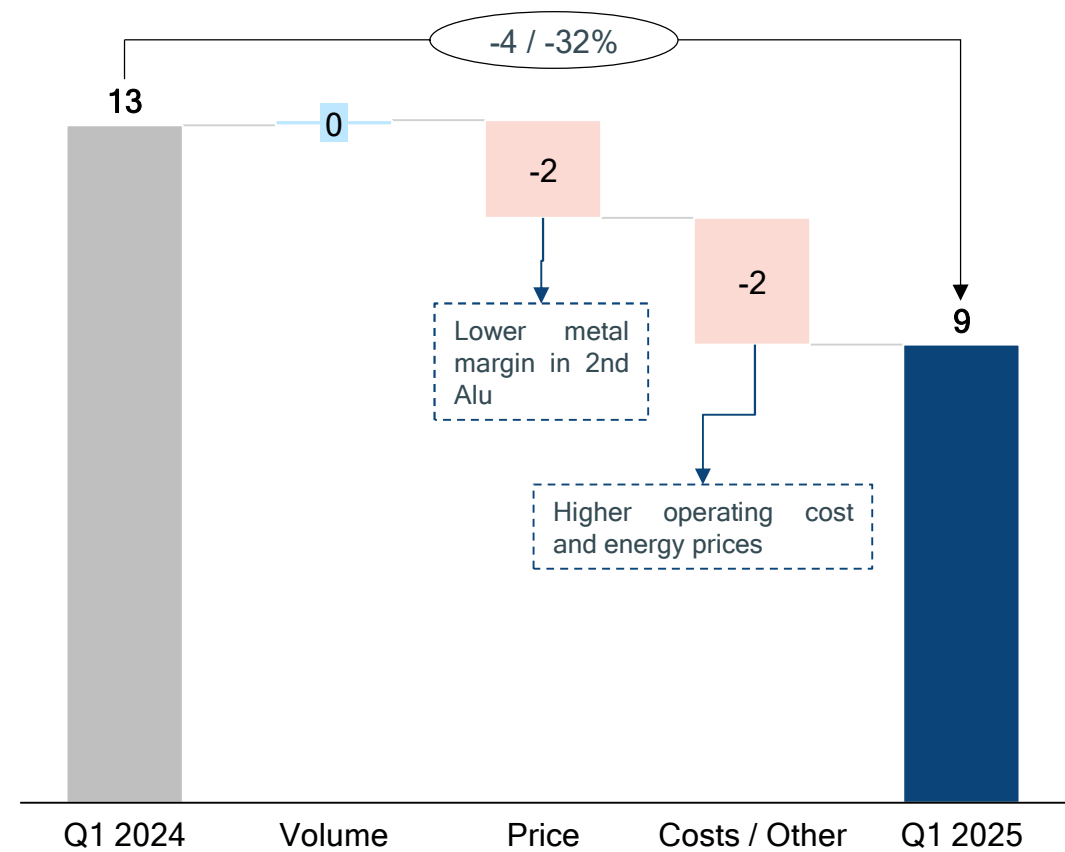
		Q1 2024	Q1 2025	YoY change (%)
Revenue	€m	188.0	200.2	+7%
Adjusted EBITDA	€m	36.0	49.2	+37%
Adjusted EBITDA margin	%	19.2%	24.6%	+5.4%
Steel Dust throughput	Kt	303	277	-9%
Plant utilization	%	71%	64%	-6%
WOX sold	Kt	100	90	-10%
Zinc LME	\$/t	2,449	2,838	+16%
Zinc LME	€/t	2,256	2,697	+20%
Zinc hedging	€/t	2,467	2,666	+8%
Zinc blended ¹	€/t	2,400	2,620	+9%
Zinc TC	\$/t	165	80	-52%

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

Aluminium Salt Slags Recycling Services Financials

EBITDA impacted by lower 2^o alu metal margin and higher energy prices

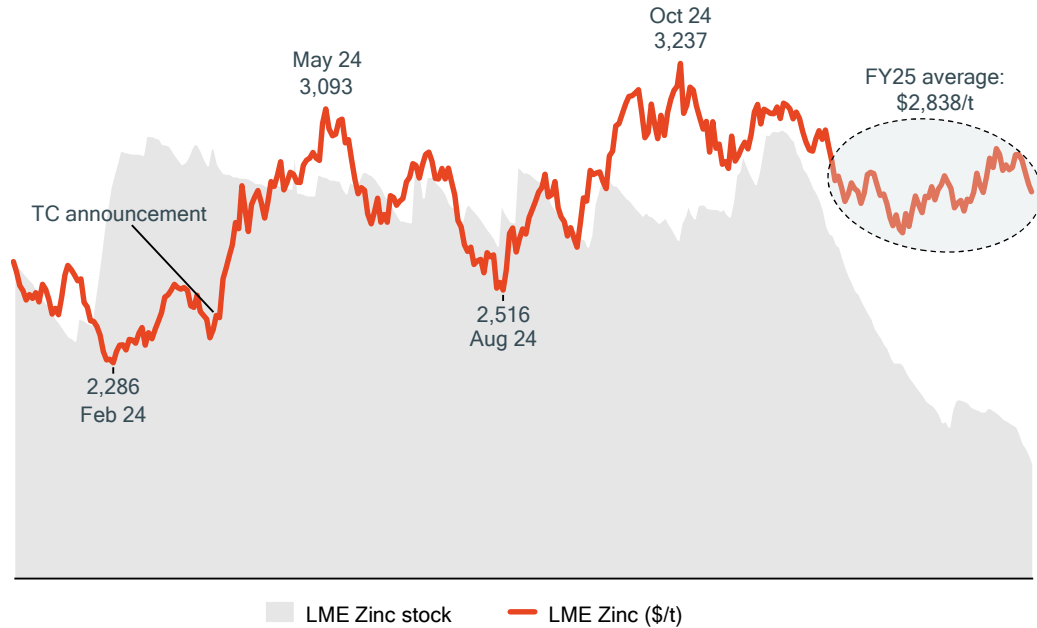
EBITDA Q1'24 to Q1'25 (€m)



		Q1 2024	Q1 2025	YoY change (%)
Revenue ¹		111.5	109.5	-2%
- Salt Slags	€m	27.2	27.7	+2%
- Secondary Alu		98.3	95.2	-3%
EBITDA		12.7	8.6	-32%
- Salt Slags	€m	9.9	7.0	-29%
- Secondary Alu		2.9	1.6	-43%
EBITDA margin (Salt Slags)	%	36.2%	25.1%	-11.1%
Salt Slags & SPL treated	Kt	111	107	-4%
Salt Slags utilization	%	95%	93%	-2%
2 nd Alu alloys produced	Kt	44	43	-3%
Secondary Alu utilization	%	87%	81%	-6%
Aluminum FMB ²	€/t	2,277	2,416	+6%

1 Total revenue after intersegment eliminations (Q1 2024: €14.1m; Q1 2025: €13.4m)
2 Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

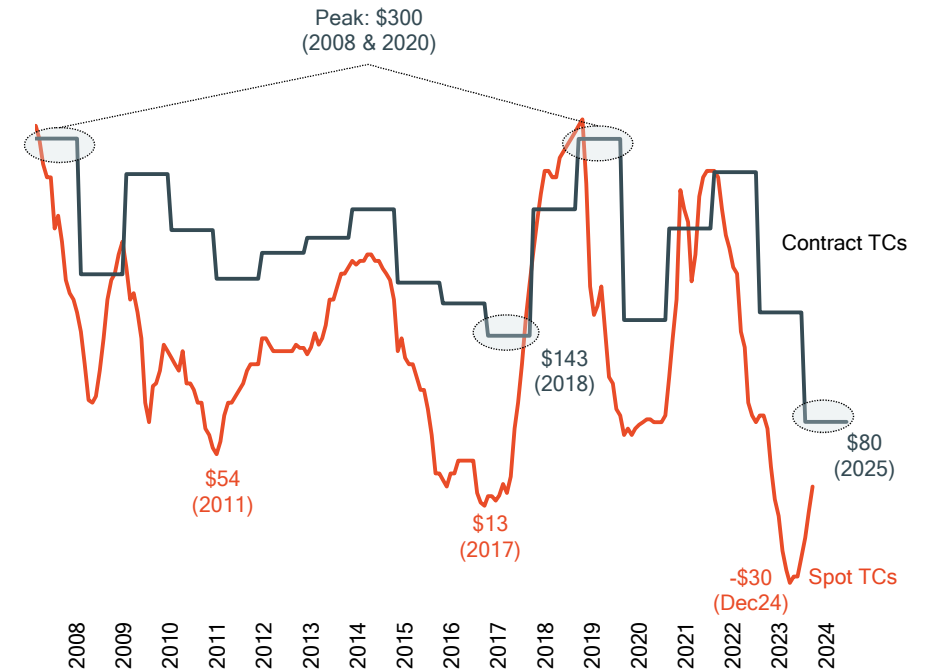
Zinc TC settled at \$80/t for 2025 (vs \$165/t in 2024) marking an all-time low; Zinc LME price shows volatility caused by global macro turmoil



- > Q1 2025 LME zinc price average \$2,838, +16% YoY
- > LME zinc trading in the range \$2,966 - \$2,699 per ton in Q1'25.
- > FY25 average consensus at \$2,857 per ton vs FY24 at \$2,660
- > C90 acting as a solid floor for LME Zinc price

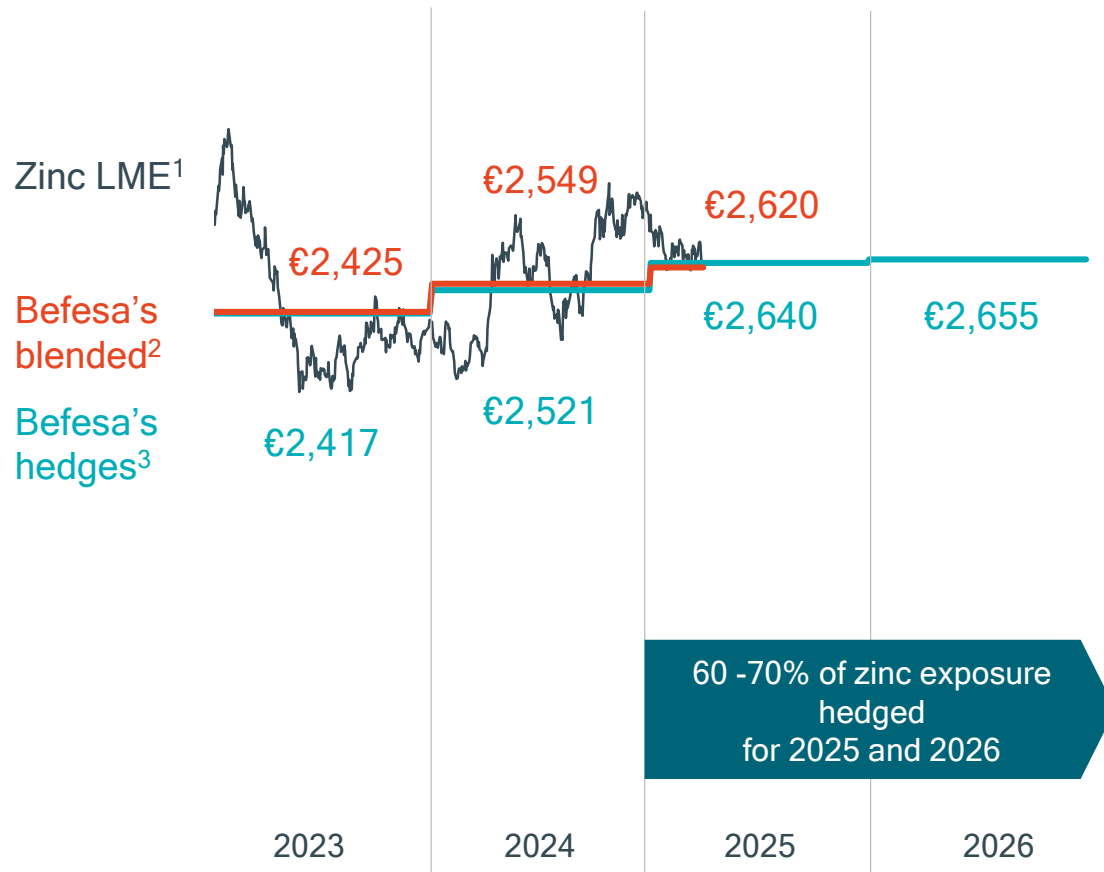
Zinc LME: London Metal Exchange (LME) zinc daily cash settlement prices, US\$ per tonne

Sources: Internal data, LME exchange, McKinsey reports



- > Zinc TC benchmark for 2025 settled at \$80/t, -52% YoY (2024: \$165/t)
- > Zinc concentrate supply remains tight
- > Recent spot TC bottoming out but still at low levels
- > Each \$10/t zinc TC variation impacts c.€2.3m FY25 EBITDA

Zinc price hedging extended until Jan 2027 at all-time high level of €2,655. Next hedging Q1 2027



1

Befesa's hedging strategy unchanged

- 1-3 years forward
- Targeting 60% - 75% of zinc equivalent
- Befesa provides no collateral

2

Befesa's hedging strategy has proven successful providing price visibility and lowering impact from zinc price volatility

3

Hedge level in 2025 c. €120 per ton higher than 2024, representing c.€20m incremental EBITDA in 2025

4

For the unhedged portion: each \$100/t change in zinc LME price represents €7–8m impact on FY EBITDA

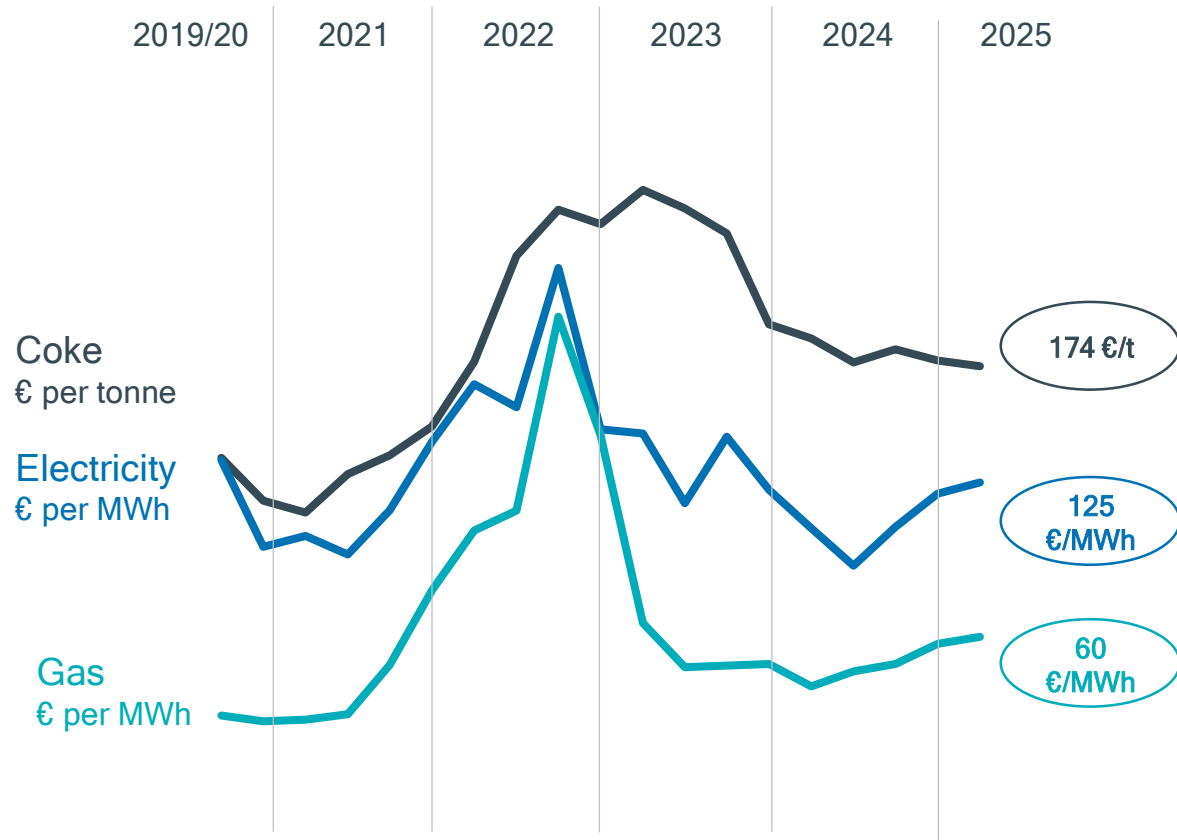
1 London Metal Exchange (LME) zinc daily cash settlement prices

2 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

3 Assumes FX €/€ of 1.10 for 2024, and 2025

Coke price continues gradual downward trend in Q1'25; Increase in gas and electricity prices in Q1'25 vs FY24

Befesa's energy price evolution by source



○ Q1'25 Avg. €/unit

Coke

- Coke price at 174€/t in Q1'25, consolidates its stabilization compared to previous quarters, with a projected decline in the upcoming periods

Electricity

- Electricity prices rose to 125€/MWh in Q1'25, slightly higher than the previous quarter (Q4'24: 120€/MWh) with a negative impact on alu business

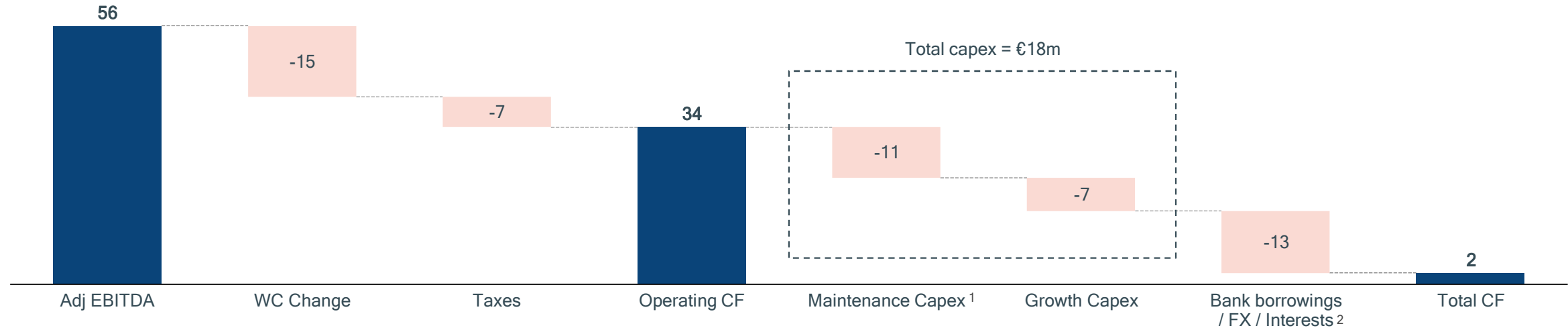
Gas

- Gas prices increased in Q1'25 to €60/MWh, continuing the upward trend of 2024, with a negative impact on alu business

EBITDA to Cash Flow

Operating Cash Flow in Q1'25 at €34m. Cash on hand at Mar25 amounted to €105.0m.

Adjusted EBITDA to Total cash flow in Q1 2025 (€ million)



	Q1 2024	Q1 2025	Change
Adjusted EBITDA LTM	180.4	220.6	+22.3%
Operating cash flow LTM	142.2	211.3	+48.6%
Gross debt	712.1	717.7	+0.8%
Cash on hand	90.3	105.0	+16.3%
Net debt	621.7	612.7	-1.4%
Net leverage	x3.45	x2.78	-x0.67
Net income	9.4	18.6	+97.1%
EPS	0.24	0.47	+97.1%

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

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

Deleveraging trend continued to x2.8, driven by disciplined capital allocation strategy. TLB repriced reducing 50bps.

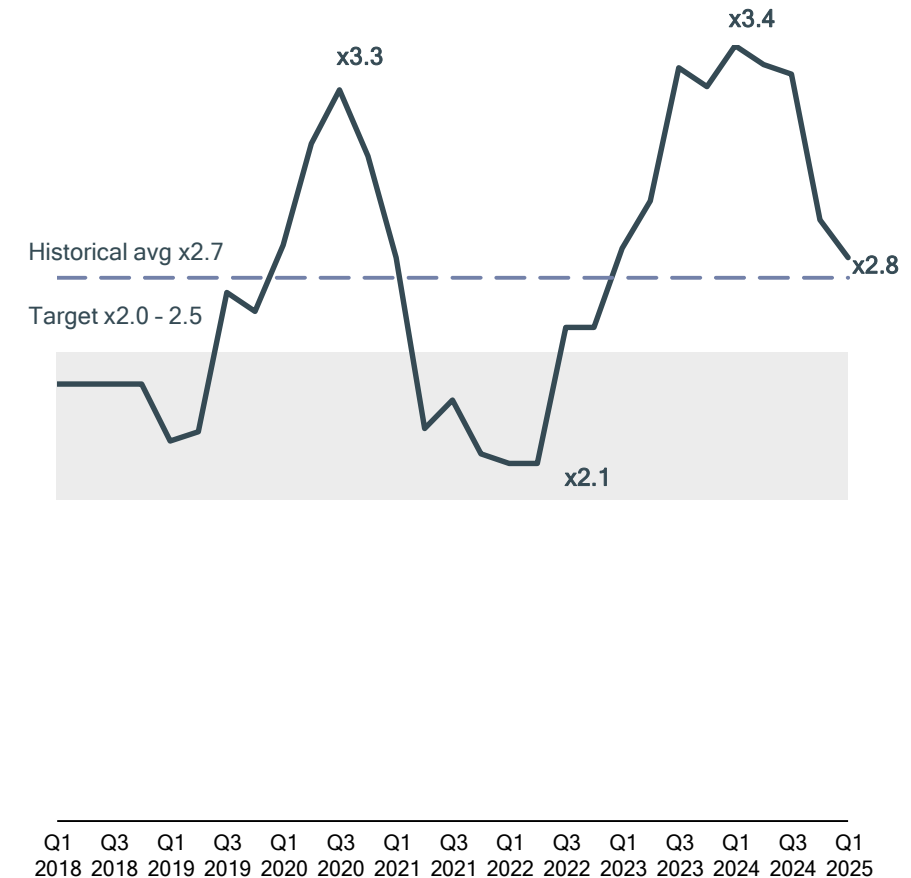
Capital structure

- Senior Secured TLB of €650m
 - Refinanced in July 2024
 - Maturity in July 2029
 - Repriced in March to E+225 bps (50 bps saving vs. previous terms)
 - Margin ratchet: -25 bps if leverage <2.5x
 - Covenant-lite terms
- RCF of €100m (fully undrawn)

Capital allocation discipline and leverage management

- Leverage at x2.8 at Q1 2025; Expecting <x2.5 by year end 2025
- Target of x2.0 to x2.5 from 2025 onwards
- Growth capex focus on approved projects: Palmerton and Bernburg
- Maintenance capex reduced to ~€40 / 45m per year
- Total capex reduced to ~€100m per year, over the coming years

Net Debt / EBITDA



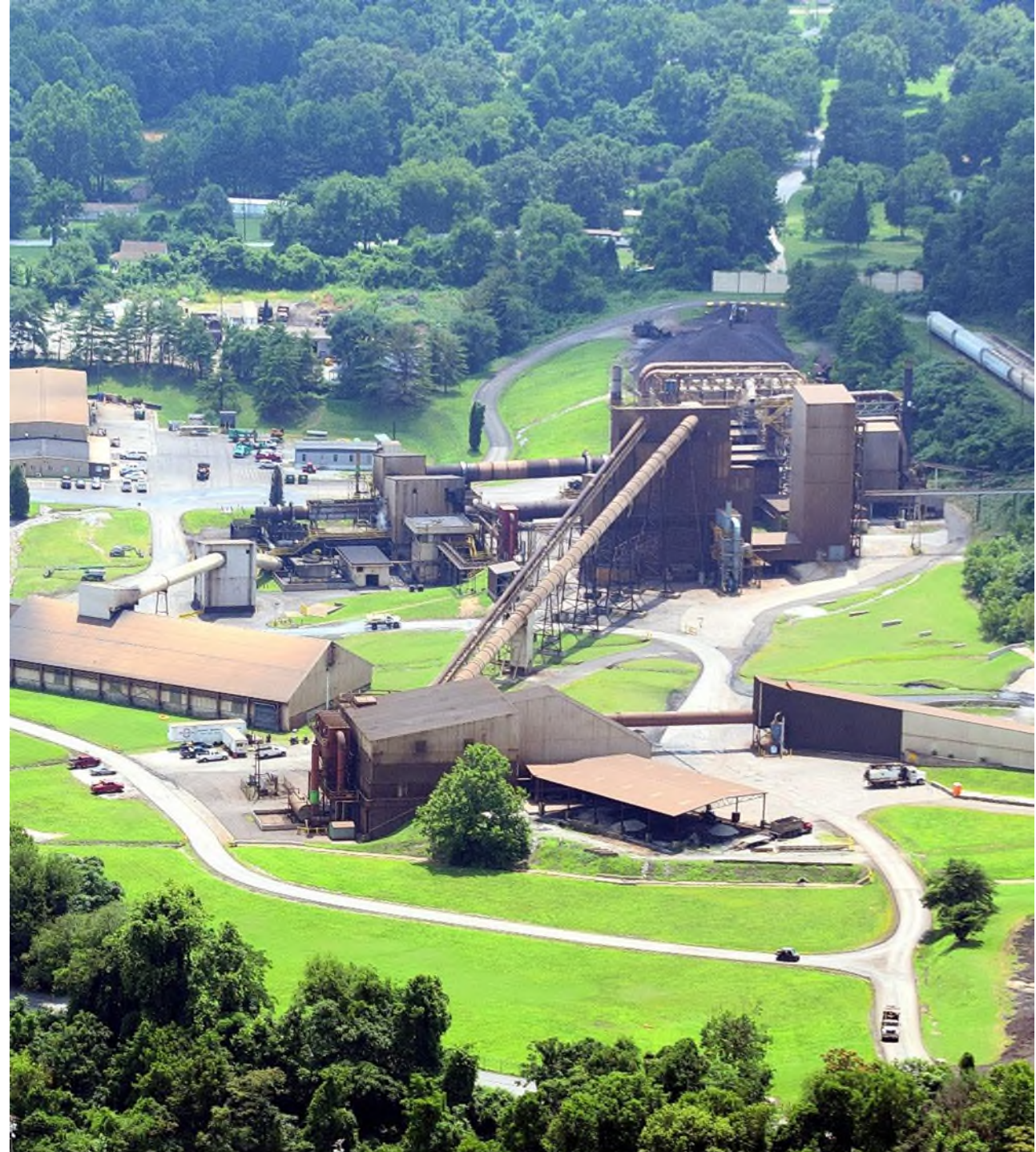
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Befesa expects strong double digit EBITDA growth in 2025

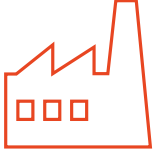
	Commentary	2025 Outlook
Steel dust volume	<ul style="list-style-type: none"> Europe: stable/strong volume expected, despite current challenging steel industry USA: higher EAF steel dust volume driven by volume from new contracts China/Asia: stable volume vs 2024 	<ul style="list-style-type: none"> Neutral to positive
Salt slags 2 nd Alu	<ul style="list-style-type: none"> Stable salt slags volume vs 2024 Metal margin continued compression in 2nd alu caused by alu scrap scarcity & weak demand from auto sector 	<ul style="list-style-type: none"> Salt slags: Stable 2nd alu: Negative
Zinc Refining	<ul style="list-style-type: none"> Stabilized operations in 2024. Strong operating cost cutting efforts in 2025 Fix cost reduction of €15/20 to be captured in 2025 Low TC and low Zinc premium: through of the cycle for the refining business 	<ul style="list-style-type: none"> Very positive
Energy prices	<ul style="list-style-type: none"> Slightly lower overall coke prices for the group expected in 2025 European natural gas and electricity higher than 2024 	<ul style="list-style-type: none"> Neutral to negative
General inflation	<ul style="list-style-type: none"> General inflation (maintenance, auxiliary materials), labour inflation increase throughout the group 	<ul style="list-style-type: none"> Negative
Treatment charge	<ul style="list-style-type: none"> TC settled at \$80 vs \$165 in 2024. Lower than last 15-year low at \$143 Zinc concentrate market remains tight with spot TC in the negative territory 	<ul style="list-style-type: none"> Very positive
Zinc hedging	<ul style="list-style-type: none"> Average zinc price hedging for 2025 at €2,640, driving strong earning growth in 2025 	<ul style="list-style-type: none"> Very positive
Zinc LME	<ul style="list-style-type: none"> Volatility expected driven by global macro uncertainty. C90 around €2,500 acting as floor of zinc. 2024 avg. \$2,779 	<ul style="list-style-type: none"> Uncertain
Capex	<ul style="list-style-type: none"> Total capex below €100m. €40/45 regular maintenance + €55/60 growth (Palmerton + Bernburg) 	<ul style="list-style-type: none"> < €100m
Leverage	<ul style="list-style-type: none"> Leverage reduction to continue further to below 	<ul style="list-style-type: none"> Continued reduction

2025 EBITDA expected between €240m and €265m
Strong Free Cash Flow generation and leverage <x2.5

	FY24A	2025 Guidance
EBITDA	€213m	€240m - €265m
Operating Cash Flow	€192m	Double-digit growth
Capex	€119m	<€100m
Net Leverage	x2.90	Below x2.5
EPS	1.27	>1.8

- Double-digit EBITDA growth driven by overall better TC, hedging, volume and operating cost
- Strong cash generation remains a key priority, with continued improvement in free cash flow
- Capex discipline preserved, with total spend <€100m: €40-45m in recurring maintenance, €55-60m in growth (Palmerton + Bernburg)
- Ongoing deleveraging supported by EBITDA expansion and strong cash flows
- Earnings per share (EPS) strong expansion driven by strong underlying performance and improved financial efficiency

Palmerton plant refurbishment progressing well to seize growth in the US EAF steel dust market



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
- Construction works ongoing
 - Timing confirmed:
 - ✓ Phase I: completed by H2 2024
 - Phase II: kiln construction completed in Q2
- Commercial contracts with EAF steel players ongoing
- Planned commissioning 2nd kiln in Q3'25



Key financials

- Capex: €55–€65 million
- EBITDA run-rate: €25–€30 million
- Payback: 2–3 years; IRR: >30%



Source: Company information

Bernburg expansion: Moving forward with permits and commercial contracts



Plant overview

- Expand alu alloy production capacity at existing Bernburg plant from current 75 kt to 135 kt (+60 kt)
 - 2 rotary furnaces (and 2 holding furnaces)
- Total Befesa 2nd Alu capacity from 205 kt to 265 kt
- 30 new direct jobs



Indicative timing and status



- ✓ Existing contract with Novelis signed in July 2023
- ✓ Expansion contract signed in April 2024
- Working with German authorities to get permits; Targeting Q2 2025 to obtain final permits

2025: 12-month construction; 2026: 6-month ramp up



Key financials

- Capex: c. €30m (100% self-funded)
- EBITDA run-rate: €6m to €7m (c. 20% margin)
- Payback: c. 5 years; IRR: 16%



Source: Company information

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Key financials Q1 2025

	Q1 2025	Q1 2024	Change	Change
Key operational data (tonnes, unless specified otherwise)				
Electric arc furnace (EAF) steel dust throughput	277,187	303,114	(8.6) %	(25,928)
Waelz oxide (WOX) sold	90,250	99,998	(9.7) %	(9,748)
Salt slags and Spent Pot Linings (SPL) recycled	107,325	111,261	(3.5) %	(3,936)
Secondary aluminium alloys produced	42,890	44,347	(3.3) %	(1,457)
Zinc LME average price (€ / tonne)	2,697	2,256	19.5 %	441
Zinc blended price (€ / tonne)	2,620	2,400	9.2 %	220
Aluminium alloy FMB average price (€ / tonne)	2,416	2,277	6.1 %	139
Key financial data (€ million, unless specified otherwise)				
Revenue	308.4	298.3	3.4 %	10.0
EBITDA	52.8	45.3	16.6 %	7.5
EBITDA margin	17.1 %	15.2 %	1.9 %	n.a.
Adjusted EBITDA	55.8	48.6	14.9 %	7.2
Adjusted EBITDA margin	18.1 %	16.3 %	1.8 %	n.a.
EBIT	31.9	24.6	29.7 %	7.3
EBIT margin	10.3 %	8.2 %	2.1 %	n.a.
Adjusted EBIT	35.5	27.9	27.3 %	7.6
Adjusted EBIT margin	11.5 %	9.3 %	2.2 %	n.a.
Financial result	(7.1)	(7.6)	(6.2) %	0.5
Profit before taxes and minority interests	24.8	17.0	45.6 %	7.8
Net profit attributable to shareholders of Befesa S.A.	18.6	9.4	97.1 %	9.2
EPS (in €)	0.47	0.24	97.1 %	0.23
Total assets	1,967.1	2,011.9	(2.2) %	(44.9)
Capital expenditures ¹	15.8	17.3	(8.7) %	(1.5)
Cash flow from operating activities	34.0	14.5	133.6 %	19.4
Cash and cash equivalents at the end of the period	105.0	90.3	16.2 %	14.6
Net debt	612.7	621.7	(1.4) %	(9.0)
Net leverage	x2.8	x3.4	-x0.2	-x0.7
Number of employees (as of end of the period)	1,835	1,819	0.9 %	16

¹ It excludes changes in fixed assets suppliers (€2.3m in Q1 2025)

Steel Dust at a glance

	Q1 2025	Q1 2024	Change	Change
Key operational data (tonnes, unless specified otherwise)				
EAF steel dust throughput	277,187	303,114	(8.6) %	(25,928)
WOX sold	90,250	99,998	(9.7) %	(9,748)
Zinc blended price (€ / tonne)	2,620	2,400	9.2 %	220
Total installed capacity	1,720,300	1,720,300	0.0 %	-
Utilisation (%)	64.5 %	70.9 %	(9.0) %	-
Key financial data (€ million, unless specified otherwise)				
Revenue	200.2	188.0	6.5 %	12.3
EBITDA	46.3	32.8	41.1 %	13.5
EBITDA margin	23.1 %	17.4 %	5.7 %	-
Adjusted EBITDA	49.2	36.0	36.6 %	13.2
Adjusted EBITDA margin	24.6 %	19.2 %	5.4 %	-
EBIT	29.8	17.2	73.0 %	12.6
EBIT margin	14.9 %	9.2 %	5.7 %	-
Adjusted EBIT	33.4	20.5	62.8 %	12.9
Adjusted EBIT margin	16.7 %	10.9 %	5.8 %	-

Aluminium Salt Slags Recycling Services at a glance

	Q1 2025	Q1 2024	Change	Change
Key operational data (tonnes, unless specified otherwise)				
Salt slags and SPL recycled	107,325	111,261	(3.5) %	(3,936)
Total installed capacity	470,000	470,000	-	-
Utilisation (%)	92.9 %	95.2%	(2.3) %	-
Key financial data (€ million, unless specified otherwise)				
Revenue	27.7	27.2	1.7 %	0.5
EBITDA	7.0	9.9	(29.4) %	(2.9)
EBITDA margin	25.1 %	36.2 %	(11.1) %	-
EBIT	4.5	6.9	(34.4) %	(2.4)
EBIT margin	16.3 %	25.3 %	(9.0) %	-

2nd Aluminium Recycling Services at a glance

	Q1 2025	Q1 2024	Change	Change
Key operational data (tonnes, unless specified otherwise)				
Secondary aluminium alloys produced	42,890	44,347	(3.3) %	(1,457)
Aluminium alloy FMB price (€ / tonne)	2,416	2,277	6.1 %	139
Total installed capacity	205,000	205,000	-	-
Utilisation (%)	80.6 %	87.0 %	(6.4) %	-
Key financial data (€ million, unless specified otherwise)				
Revenue	95.2	98.3	(3.2) %	(3.1)
EBITDA	1.6	2.9	(42.8) %	(1.2)
EBITDA margin	1.7 %	2.9%	(1.2) %	-
EBIT	(0.3)	0.8	(134.0) %	(1.1)
EBIT margin	(0.3) %	0.8%	(1.1) %	-

Investor's agenda

Financial Calendar

Preliminary Year-End Results 2024 & Conference Call
27 February 2025

Q1 2025 Statement & Conference Call
30 April 2025

Annual Report 2024
30 April 2025

Annual General Meeting
19 June 2025

H1 2025 Interim Report & Conference Call
30 July 2025

Q3 2025 Statement & Conference Call
30 October 2025

Investor conferences Q2 2025

UBS Pan European Small and Mid-Cap Conference 2025
13-15 May - London

Berenberg European Conference 2025
20-22 May - New York

Kepler Cheuvreux ESG Conference 2025
27-28 May - Virtual

Stifel 8th Annual Boston Cross Sector Conference
3-4 June - Boston

ODDO BHF NEXTCAP Forum
12-14 June - Virtual

ODDO BHF London Forum
17 June - London

Remaining conferences 2025

CoBa & ODDO BHF 16th Corporate Conference 2025
3-4 September - Frankfurt

Berenberg and GS 14th German Corporate Conference
22-24 September - Munich

BNP Paribas Exane 8th MidCap CEO Conference
17-19 November - Paris

23rd Berenberg European Conference
1-4 December - London

Befesa is adjusting and adapting its business plan to the temporary macroeconomic challenges

	CMD Nov 2022	Today	Outlook
Capex 	<ul style="list-style-type: none"> Total capex: €410-450m 	<ul style="list-style-type: none"> 20% invested, €87m: US refining and Recytech 20% being invested, €90m: Palmerton & Bernburg 	<ul style="list-style-type: none"> 30%: Europe steel dust & salt slags, €120-140m 30% China 3, 4 & 5 stop
Returns 	<ul style="list-style-type: none"> Incremental EBITDA +€125-155m IRR >20% 	<ul style="list-style-type: none"> Recytech: +€15m EBITDA; +30% IRR US refining: negative EBITDA/ramp-up/turnaround 	<ul style="list-style-type: none"> Incremental EBITDA +€80-90m IRR >20%
Markets 	<ul style="list-style-type: none"> Globally balanced 1/3 US, Europe and Asia/China 	<ul style="list-style-type: none"> Focus on the US and Europe China stop 	<ul style="list-style-type: none"> Focus on the US and Europe China stop
Timing 	<ul style="list-style-type: none"> Flexibility in the capital deployment Ability to adapt to market developments and macro situation 	<ul style="list-style-type: none"> Palmerton completed by Q2 25 Bernburg completed by Q2 26 	<ul style="list-style-type: none"> Timing of remaining projects based on leverage and market development
Leverage 	<ul style="list-style-type: none"> Keeping leverage $\leq 2x$ 	<ul style="list-style-type: none"> Q1 2025 leverage at x2.8 	<ul style="list-style-type: none"> Dec25 expected < x2.5 Target x2.0 – 2.5
Capital allocation 	<ul style="list-style-type: none"> Capex self-funded with free cashflows Maintaining dividend policy of 40-50% net profit payout 	<ul style="list-style-type: none"> Capex ~€100m per year Focus on deleveraging Dividend proposal: 0.64€ per share 	<ul style="list-style-type: none"> Capex ~€100m per year Focus on deleveraging Same dividend policy

Sustainability at the core of Befesa's business and strategy with strong execution against targets and plans

CO_{2e} targets

- 20% intensity reduction by 2030 & Net Zero by 2050 ambition¹
- 9% CO_{2e} intensity reduction in 2024 vs. 2023

CSRD

- Befesa will voluntarily report non-financial information according to CSRD
- Published on 30th April and externally audited

ESG Ratings



Top 3 of 69
B (Prime Status)



Top 13 of 74
13.1 (Low Risk)



Top 9% of 184



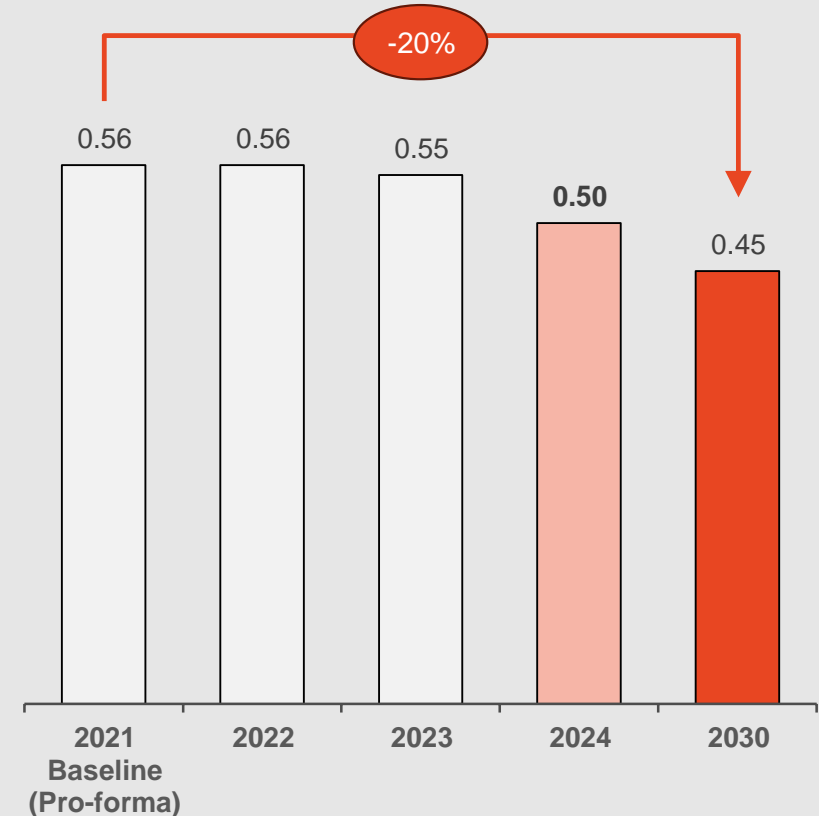
Rating: BBB

Material issues for Befesa (Double Materiality Assessment)

- **E:** Climate Change Mitigation, Energy, Air Pollution, Circularity, Waste
- **S:** Working Conditions, Health & Safety, Equality
- **G:** Due Diligence, Corruption & Bribery

¹ Targets refer to scopes 1 & 2

CO_{2e} intensity
(Tn CO_{2e} / Tn input)





BEFESA