



PRESS AND INVESTOR ANNOUNCEMENT

Q3 2025 results

Befesa delivers strong Q3 2025 results with adjusted EBITDA up 27% and net income up 318%

- **Q3 2025 adjusted EBITDA at €62m**, up 27% yoy (Q3 2024: €49m); **9M adjusted EBITDA at €174m**, up 15% yoy (9M 2024: €152m)
- **Net profit in Q3 2025 at €21m**, up 318% yoy (Q3 2024: €5m); **9M Net profit at €61m**, up 143% yoy (9M 2024: €25m), reflecting strong underlying performance
- **Leverage significantly reduced to x2.59** in September 2025 (September 2024: x3.36), continuing strong deleveraging trajectory, and on track to fall below x2.5 by year-end
- **Outlook 2025:** EBITDA guidance confirmed at €240m-€265m, expecting strong Q4 driven by high volumes across all markets

Luxembourg, 30 October 2025 - Befesa S.A. ("*Befesa*"), the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, today announced financial results for the third quarter of 2025, demonstrating solid operational and financial performance despite a challenging market environment.

Total revenue decreased by 3% to €892m in 9M 2025 (9M 2024: €915m) and by 1% to €290m in Q3 2025 (Q3 2024: €294m). Befesa achieved strong **adjusted EBITDA growth** of 15% to €174m in 9M 2025 (9M 2024: €152m) and by 27% to €62m in Q3 2025 (Q3 2024: €49m), reflecting the benefits of favourable zinc treatment charges and effective zinc price hedging strategies.

Operational highlights

Befesa's **Steel Dust segment** delivered strong performance in 9M 2025, with adjusted EBITDA increasing by 27% to €154m (9M 2024: €122m) while the adjusted EBITDA margin improved to 21.3% in Q3 2025 vs 16.6% in Q3 2024. Steel dust throughput increased modestly by 1% to 896 kt in 9M 2025, with an average capacity utilisation of 69%, operating at very high capacity utilisation across most markets during Q3. The segment benefitted from favourable zinc treatment charge of \$80/t for 2025, representing a 52% reduction from the previous year, as well as improved zinc hedging prices averaging €2,606/t.

Following planned maintenance activities during the first half of the year, the Steel Dust segment showed particularly strong momentum in Q3 2025, with significantly higher volumes across key markets. **European operations** continued to demonstrate resilience with solid performance despite ongoing challenges in steel production. **In the USA**, the Palmerton plant expansion is completed, with the second kiln successfully commissioned in July 2025. This expansion will increase EAF steel dust recycling capacity and represents a key driver of US growth in the short to mid-term. **Operations in Asia** showed overall improving trends, whilst China continued with breakeven results.

The **Aluminium Salt Slags segment** faced headwinds in 9M 2025, with EBITDA decreasing to €23m (9M 2024: €30m), primarily impacted by compressed metal margins in the secondary aluminium business. These were due to challenging conditions in the European automotive sector and restricted access to aluminium scrap. Salt slags recycled volumes stayed almost flat at 314 kt, maintaining a solid capacity utilisation of 89%. Secondary aluminium alloys production decreased by 8% to 117 kt, with capacity utilisation at 77%, reflecting these ongoing market challenges.

Operating Cash Flow in 9M 2025 amounted to €115m (9M 2024: €118m). **Net leverage** improved significantly to x2.59 in September 2025 (September 2024: x3.36), demonstrating Befesa's continued progress towards its deleveraging targets.

Earnings per share in 9M 2025 increased by 143% to €1.52 (9M 2024: €0.62), reflecting the strong underlying operational performance.

Asier Zarraonandia, CEO of Befesa, said: "Befesa has delivered a solid third quarter despite a challenging operating environment, with adjusted EBITDA up 27% and leverage reduced to x2.59, demonstrating the resilience of our business model and the effectiveness of our strategic execution, which positions us well to deliver on our full-year guidance. We remain on track to achieve leverage below x2.5 by year-end, reinforcing our commitment to disciplined capital management whilst executing our strategic growth initiatives."

Outlook

Befesa expects a strong fourth quarter of 2025, driven by high EAF dust volumes across all markets following the completion of maintenance activities in the first half.

The outlook is underpinned by several positive factors: inventory levels of steel dust, high EAF dust volumes in Q4 across all markets, the benefits of historically low zinc treatment charges at \$80/t for 2025, favourable zinc hedging prices averaging €2,640/t, and the incremental volume contribution from the new US contracts. The guidance accounts for continued headwinds in the secondary aluminium business due to compressed metal margins and ongoing weakness in the automotive sector.

Befesa expects net leverage to fall below x2.5 by year-end 2025, with a target range between x2.0 to x2.5 going forward. Growth capital expenditure in Q4 will focus primarily on the Bernburg expansion following the completion of the Palmerton project in the US. The Bernburg expansion in Germany continues to progress, targeting completion by the end of Q2 2026, which will expand aluminium alloy production capacity from 75 kt to 135 kt and position Befesa to capitalise on anticipated growth in European aluminium demand.

The company's strategic positioning, supported by its strong asset footprint and diversified portfolio, continues to benefit from favourable macro trends in decarbonisation and circular economy solutions.

Key figures

in €m	9M 2024	9M 2025	Change	Q3 2024	Q3 2025	Change
Revenue	914.8	891.9	-2.5%	293.7	290.3	-1.2%
Adj. EBITDA	151.7	173.8	+14.5%	48.7	61.7	+26.7%
Net profit	25.0	60.7	+143.2%	5.0	20.7	+317.9%
EPS (€)	0.62	1.52	+143.2%	0.12	0.52	+317.9%
Operating cash flow	118.3	114.9	-2.8%	47.9	50.5	+5.5%
Net debt	662.1	610.0	-7.9%	662.1	610.0	-7.9%
Net leverage	x3.36	x2.59		x3.36	x2.59	

Webcast

Befesa will host a webcast on its Q3 2025 results at 9.00 CET on 30 October 2025. Further details, a replay and other events are available on Befesa's website: www.befesa.com

Financial calendar

The financial calendar for 2026 is available in the Investor Relations / Investor's Agenda section of Befesa's website. For more information, please visit www.befesa.com

About Befesa

Befesa is a leading player in the circular economy, providing environmental, regulated services to the steel and aluminium industries with facilities located in Germany, Spain, Sweden, France, as well as in Turkey, South Korea, China and the US. Through its two business units, Steel Dust and Aluminium Salt Slags recycling services, which are a critical part of the circular economy, Befesa manages and recycles around 1.9 million tonnes of residues annually, with a production of around 1.7 million tonnes of new materials, which Befesa reintroduces in the market, reducing the consumption of natural resources. Further information is available on the Company's website: www.befesa.com

Investor Relations

Email: irbefesa@befesa.com

Phone: +49 2102 1001 0

Media Relations

Richard Rigby

Email: richard.rigby@kekstcnc.com

Phone: +44 7970 767607