



PRESS AND INVESTOR ANNOUNCEMENT

Preliminary full-year 2025 results

Befesa delivers all-time-high adjusted EBITDA up 14% to €243m and record Operating Cash Flow

- **Adjusted EBITDA** increased by 14% to €242.8m in FY2025 (FY2024: €213.4m), with Q4 adjusted EBITDA of €69.1m, up 12% yoy
- **Adjusted EBITDA margin** improved to 21% in FY2025 (FY2024: 17%)
- **Record operating cash flow** of €211.9m, up 10% yoy
- **Leverage** reduced to x2.27, well below the x2.5 target
- **EPS** up 58% yoy to €2.01 (FY2024: €1.27)

Luxembourg, 26 February 2026 - Befesa S.A. ("*Befesa*"), the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, today announced its preliminary results for the full year of 2025, delivering strong operational and financial performance despite a challenging market environment.

Total revenue decreased by 5% to €1,182.6m in FY2025 (FY2024: €1,239.0m), primarily reflecting lower secondary aluminium volumes. Despite lower revenue, **adjusted EBITDA** increased by 14% to €242.8m (FY2024: €213.4m), driven by favourable zinc treatment charges, improved zinc hedging prices, as well as lower operating costs. The **adjusted EBITDA margin** improved significantly to 20.5% (FY2024: 17.2%), reflecting the quality of earnings growth achieved during the year.

Operational highlights

The **Steel Dust segment** delivered strong results in FY2025, with adjusted EBITDA increasing by 25% to €212.1m (FY2024: €170.4m) and the adjusted EBITDA margin expanding to 26.5% (FY2024: 20.6%). Steel dust throughput remained resilient at 1,215 kt (FY2024: 1,211 kt), with an average capacity utilisation of 70%. Befesa achieved strong operational performance across regions. In Europe, Q4 capacity utilisation reached 94%; in the US, the load factor improved gradually to 71% in Q4; and in Asia, Turkey and Korea delivered solid growth, whilst China remained at low utilisation levels.

Zinc LME prices averaged \$2,867 per tonne in 2025 (+3% yoy), though unfavourable foreign exchange movements resulted in a broadly flat euro-denominated zinc price of €2,542 per tonne (FY2024: €2,569 per tonne). Befesa's zinc blended price averaged € 2,571 per tonne (FY2024: €2,549 per tonne).

Capitalising on the zinc price rally, Befesa extended its **hedging programme** to H1 2028 at an all-time-high level of \$3,100 per tonne, with similar hedged volumes. For FY2027, the hedge is set at \$3,000 per tonne.

The **Aluminium Salt Slags segment** delivered a solid performance, with salt slags and SPL recycled volumes remaining broadly stable at 422 kt (FY2024: 426 kt) and plants maintaining high utilisation levels of approximately 90%. Salt slags revenue increased by 8% to €114.0m (FY2024: €105.9m).

Conversely, the **secondary aluminium** business remained under pressure, with tight metal margins and lower production driven by the weak European automotive sector; volumes fell 10% to 154 kt (75% utilisation), but a strong Q4 reinforces the view that a recovery is underway. Aluminium alloy FMB prices averaged €2,369 per tonne (FY2024: €2,306 per tonne).

Strong cash generation and deleveraging

Operating cash flow reached a record €211.9m in FY2025 (FY2024: €191.8m), up 10% yoy and above expectations, reflecting strong cash conversion and the benefit of higher underlying earnings. This represents a structural turnaround in cash generation. **Total capex** of €76m came in below the guided range of €80m to €90m, reflecting continued capital allocation discipline whilst fully delivering on planned investment programmes, including €50m in maintenance capex and €26m in growth capex related to the Palmerton (USA) and Bernburg (Germany) projects.

Net leverage improved significantly to x2.27 at year-end 2025, down from x2.90 at year-end 2024, marking the seventh consecutive quarter of leverage reduction and well below the company's target of x2.5. Net debt decreased by 11% to €552m (FY2024: €619m).

Earnings per share increased by 58% to €2.01 in FY2025 (FY2024: €1.27), underpinned by strong operational performance and improved financial efficiency. In line with Befesa's dividend policy (40-50% of earnings payout), the dividend proposal for the AGM on 16 June 2026 will be communicated in due course.

Asier Zarranandia, CEO of Befesa, said: "2025 was a year of robust delivery for Befesa. We achieved 14% EBITDA growth, record operating cash flow, and reduced leverage well below our target, whilst completing the Palmerton expansion and extending our zinc hedges to mid-2028 at record levels. We are now entering a new cycle characterised by low capital intensity and high earnings. Looking ahead, 2026 is expected to be another year of growth, driven primarily by increasing US volumes and an expected recovery in secondary aluminium operations."

Outlook and strategy

Befesa expects 2026 to be another year of earnings growth, primarily driven by higher US EAF steel dust volumes supported by new steelmaker contracts, providing a strong growth runway.

In Europe, Befesa expects solid steel dust volumes as EAF deliveries remaining at healthy levels. In Asia, volumes are expected to remain stable versus 2025.

The zinc treatment charge for 2026 is expected to increase to around \$100 to \$130 per tonne, which will have a negative impact compared to the all-time-low benchmark of \$80 per tonne in 2025.

In the aluminium segment, salt slags volumes are expected to remain stable to positive, whilst the metal margin in secondary aluminium is expected to improve gradually throughout 2026 after bottoming out in Q3 2025.

The company is entering a new cycle characterised by low capex and high earnings, resulting in strong free cash flow generation and shareholder value creation.

Net leverage is targeted around x2.0 in 2026 and below x2.0 onwards, reflecting Befesa's continued commitment to disciplined capital management.

Once the benchmark zinc TC is settled for 2026 (expected around March/April), Befesa will provide its earnings guidance for the full 2026 year, to be released alongside the Q1 2026 results scheduled for 30 April 2026.

Key figures

in €m	2024	2025	Change	Q4 2024	Q4 2025	Change
Revenue	1,239.0	1,182.6	-4.6%	324.2	290.8	-10.3%
Adj. EBITDA	213.4	242.8	+13.8%	61.6	69.1	+12.1%
Net profit	50.8	80.5	+58.4%	25.8	19.8	-23.5%
EPS (€)	1.27	2.01	+58.4%	0.65	0.49	-23.5%
Operating cash flow ¹	191.8	211.9	+10.5%	73.5	97.0	+31.9%
Net debt	619	552.2	-10.8%	619	552.2	-10.8%
Net leverage	x2.90	x2.27		x2.90	x2.27	

¹ Cash flow from operating activities

Webcast

Befesa will host a webcast on its preliminary 2025 results at 9.00 CET on 26 February 2026. Further details, a replay and other events are available on Befesa's website: www.befesa.com

Financial calendar

The Befesa Annual Report 2025 will be released on 30 April 2026.

The full financial calendar 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 1.9m tonnes of residues annually, with a production of around 1.7m 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

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