BEFESA

PRESS AND INVESTOR ANNOUNCEMENT

Q1 2026 results

Befesa achieves solid Q1 with adjusted EBITDA +4% YoY to €58m and Net Profit +11% and expects full year EBITDA between €250m and €270m

- **Revenue** of €285m, -8% YoY (Q1 2025: €308m), impacted by weaker aluminium business performance and exchange rate effect
- **Adjusted EBITDA** of €58m, +4% YoY (Q1 2025: €56m), driven by improved operating costs, higher zinc LME and good US performance
- **Operating Cash Flow** in Q1 2026 of €38m, up 12% YoY (Q1 2025: €34m)
- **Net Profit:** Net profit increased by 11% to €21m (Q1 2025: €19m)
- **Net leverage** improved to x2.25 as of March 2026, continuing towards deleveraging target of x2.0
- **Bernburg expansion** remains on track for completion in H2 2026
- **Outlook 2026**: EBITDA expected between €250 and €270m, +3% to +11% YoY

Luxembourg, 30 April 2026 – Befesa S.A. *("Befesa"),* the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, today released its Q1 2026 results.

In Q1 2026, **total revenue** decreased by 8% YoY to €285m (Q1 2025: €308m), reflecting softer performance in the Aluminium segment, together with unfavourable EUR/USD exchange rate movements versus the prior-year period. **Adjusted EBITDA** grew by 4% YoY to €58m (Q1 2025: €56m). The stable adjusted EBITDA performance was achieved despite an uncertain macroeconomic environment and unfavourable FX rates, highlighting Befesa's operational discipline. The treatment charge (TC) for zinc recycling activities was settled at $85/t for 2026, a modest YoY increase of 6% ($80/t for 2025).

With respect to **volumes** in Q1 2026, maintenance activities across several assets impacted the throughput of electric arc furnace (EAF) steel dust, which nevertheless remained solid, with a 1% YoY increase to 280 kt and an average capacity utilisation of approximately 65%.

In **Europe**, Q1 load factor performance was robust at 89% (+3 pp YoY) and deliveries from EAF steel customers continued at strong levels. This was against a background of weak demand and inventory reduction which led to a 3% YoY decrease in European steel production. In **the US**, plants delivered good volume growth (+8% YoY) and load factor (+3 pp YoY) in Q1 2026, supported by new EAF dust supply contracts. Steel production in the US increased 6% YoY in Q1 2026, driven by strong infrastructure and overall steel demand. In **Asia**, load factor remained broadly stable in South Korea, at 73% in Q1 2026, and decreased slightly in Turkey. China continued to run at break-even earnings and modest utilisation rates.

In the **Aluminium segment**, recycled volumes of salt slags edged down 5% YoY to 102 kt with utilisation down to 87% (Q1 2025: 93% utilisation). The secondary aluminium alloys volume decreased by 9% YoY to 39 kt, with capacity utilisation at 76%, primarily driven by a soft start to the year.

On **metal prices**, zinc LME prices averaged $3,243/t in Q1 2026 (+14% YoY) compared to $2,838/t in Q1 2025. The zinc blended price after considering zinc price hedging and FX in Q1 2026 amounted to €2,615/t compared to €2,620 in Q1 2025. The zinc TC increase to $85/t was limited (Q1 2025: $80/t) and aluminium alloy prices increased by 5% YoY to €2,546/t.

Energy prices in Q1 2026 showed mixed trends. Coke prices decreased by 8% YoY to €147/t (Q1 2025: €160/t), extending the decline seen in recent quarters, whereas electricity prices rose from €104/MWh in Q1 2025 to €111/MWh in Q1 2026. Natural gas prices were broadly flat YoY (51 €/MWh in Q1 2026 versus 50 €/MWh in Q1 2025), with an increase seen at the back end of the quarter amid heightened geopolitical tensions in the Middle East.

In Q1 2026, Befesa's **operating cash flow** amounted to €38m (Q1 2025: €34m). Liquidity improved with cash on hand of €145m at Q1 2026 closing (€143m at year-end 2025), as did net leverage, which continued its target trajectory to **x2.25** (x2.27 at year-end 2025).

Earnings per share in Q1 2026 increased by 11% YoY to €0.52 (€0.47 in Q1 2025).

Asier Zarraonandia, CEO of Befesa, said: "In a quarter marked by volatility, Befesa delivered resilient earnings and stronger profitability, supported by a solid performance in the US. Our focus on operating discipline and cost improvements is translating into higher EPS and continued progress on cash generation and deleveraging. With Bernburg advancing as planned and demand supported by infrastructure investment and resilient industrial demand, we are confident in our full-year guidance and in building sustainable growth."

Outlook

Year 2026

Befesa anticipates earnings growth to gain momentum through 2026. The company is expecting full-year 2026 EBITDA between €250m and €270m (up 3% to 11% YoY) driven notably by US volume increases and a recovery in the secondary aluminium segment. The guidance span accounts for a range of factors, including potential metal price volatility, energy cost fluctuations, potential overall inflationary pressure, and the evolving conditions in global steel and aluminium markets.

Befesa continues to prioritise strong cash generation throughout 2026. The company will also sustain its capex discipline, with a total spend of around €70m (up to €45m in recurrent maintenance and €25m growth capex for the Bernburg site expansion).

Positive mid-term outlook

Following the completion of the recent higher capex cycle to expand operations into US and China, Befesa has now entered a new, lower capex cycle of under €80m per year. The new phase, coupled with growing earnings, reflects the company's improving underlying cash-generation profile. Earnings per share (EPS) is expected to continue to grow, driven by strong underlying performance and improved financial efficiency. Befesa aims to maintain leverage below x2.0 over the next few years, allowing greater flexibility in future capital-allocation decisions.

Key figures

in €m	Q1 2025	Q1 2026	Change
Revenue	308.4	285.2	-7.5%
Adj. EBITDA	55.8	57.9	3.9%
Net profit	18.6	20.7	11.2%
EPS (€)	0.47	0.52	11.2%
Operating cash flow	34.0	38.1	12.3%
Net debt	612.7	550.0	-10.2%
Net leverage	x2.78	x2.25	

Webcast
Befesa will host a webcast on its Q1 2026 results at 09:00 CEST on 30 April 2026. Further details, a replay and other events are available on Befesa's website: www.befesa.com

Financial calendar
The Befesa Annual Report 2025 was released on 30 April 2026.
The AGM is scheduled for 16 June 2026.
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

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