BEFESA

PRESS AND INVESTOR ANNOUNCEMENT

H1 2026 results

Befesa delivers strong Q2 2026, adjusted EBITDA up 17% to €66m reaffirming the outlook for the full year

- **Adjusted EBITDA:** H1 2026 Adj. EBITDA at €124m, +11% yoy (H1 2025: €112m), driven by solid EAF steel dust volume growth with strong contributions from the US and Europe
- **Net profit:** H1 2026 net profit at €45m, +12% yoy (H1 2025: €40m), reflecting improved profitability across the business
- **Leverage:** Net leverage reduced to x2.18 as of June 2026 (June 2025: x2.70), marking the ninth consecutive quarter of leverage reduction
- **Outlook 2026:** Full year adjusted EBITDA guidance reaffirmed at €250m-€270m, +3% to +11% yoy, with earnings momentum expected to strengthen as the year progresses
- **Capital allocation:** New cycle of low capex (around €70m in 2026, below €80m per year) and high earnings, underpinning strong free cash flow generation and shareholder value creation

Luxembourg, 29 July 2026 – Befesa S.A. *("Befesa"),* the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, released its H1 2026 results. Befesa delivered a strong first half, with higher volumes and improved profitability underpinned by robust performances in the US and Europe and higher LME zinc prices.

In H1 2026, total revenue decreased by 2% year over year to €589m (H1 2025: €602m), reflecting unfavourable EUR/USD exchange rate movements versus the prior year period. **Adjusted EBITDA** increased by 11% yoy to €124m (H1 2025: €112m), with the **adjusted EBITDA margin** improving to 21% (H1 2025: 19%). Net profit rose by 12% to €45m (H1 2025: €40m).

This performance was driven by solid EAF steel dust volume growth, higher zinc prices, lower coke and electricity costs, and improving momentum in the secondary aluminium business, partially offset by adverse foreign exchange movements. With a stronger **Q2**, in which adjusted EBITDA grew 17% to €66m (Q2 2025: €56m), Befesa has established a solid foundation for the remainder of the year.

Operational highlights

Electric arc furnace (EAF) steel dust throughput rose 7% year on year to 588 kt, lifting average capacity utilisation to 67% (H1 2025: 64%) with a strong contribution from the US operations. The **Steel Dust segment** delivered adjusted EBITDA of €104m, up 8% year on year (H1 2025: €96m), with the adjusted EBITDA margin expanding to 27% (H1 2025: 25%).

In the **Aluminium segment**, recycled salt slags and SPL volumes edged down 4% to 205 kt, with capacity utilisation holding firm at 87%. The Aluminium Salt Slags segment delivered EBITDA of €20m (H1 2025: €18m; +9%), supported by higher prices and lower operating costs. Within this, the salt slags recycling sub-segment grew EBITDA to €18m (H1 2025: €16m) and secondary aluminium contributed €2m (H1 2025: €2m). **Secondary aluminium** alloys volumes were 5% lower at 79 kt, with utilisation of 77%. Encouragingly, the secondary aluminium business sustained its momentum, with utilisation rates improving significantly in Q2 both year on year and quarter on quarter, and metal margins continuing to expand, consistent with the trend that emerged at the end of Q1. Aluminium alloy FMB prices increased by 17% year on year, averaging €2,841/t in H1 2026.

Zinc LME prices averaged €2,874/t in H1 2026 (+14% year on year; $3,353/t, +22% year on year), Befesa's zinc blended price averaged €2,655/t (+4% yoy), with the 2026 zinc treatment charge settled at $85/t (2025: $80/t). During the period, Befesa extended its **zinc price hedging programme** to H2 2028 at an all-time high level of $3,100/t.

In H1 2026, Befesa's **operating cash flow** amounted to €71m (H1 2025: €64m). Liquidity stayed strong, with €134m of cash on hand at the end of H1 2026 (H1 2025: €97m). **Net debt** decreased by 8% year on year to €555m, and **net leverage** continued its improving trajectory to x2.18 (June 2025: x2.70), the ninth consecutive quarter of leverage reduction and well within the company's target range.

Asier Zarraonandia, CEO of Befesa, said: "Our strong first half performance demonstrates the quality and resilience of our business model, with 11% EBITDA growth, double-digit net profit growth and leverage reduced to x2.18. The US has been a key contributor, our secondary aluminium business is regaining momentum, and our zinc hedging strategy continues to provide valuable earnings visibility, now extended to H2 2028 at record levels. We are confident in delivering our full year guidance and continue building lasting value for our shareholders."

Growth initiatives

In Germany, the Bernburg expansion remains on track for completion in H2 2026. The project will expand aluminium alloy production capacity at the existing Bernburg facility and is strategically aligned with anticipated growth in European aluminium demand.

Outlook

Befesa reaffirms its full year 2026 adjusted EBITDA guidance range of €250m to €270m, representing growth of 3% to 11% yoy (2025: €243m). Earnings momentum is expected to strengthen as the year progresses, driven primarily by higher US EAF steel dust volumes supported by new steelmaker contracts, a gradual recovery in the secondary aluminium business following the bottoming out of metal margins in Q3 2025, and continued operating cost efficiencies.

Befesa continues to prioritise strong cash generation, with operating cash flow expected to grow in the single digits. Capex discipline will be maintained, with total spend of around €70m (approximately €45m in recurrent maintenance and €25m in growth capex for the Bernburg expansion). Net leverage is targeted at around x2.0 in 2026 and below x2.0 thereafter, and earnings per share are expected to exceed €2.2.

Key figures

in €m	H1 2025	H1 2026	Change	Q2 2025	Q2 2026	Change
Revenue	601.6	589.5	-2.0%	293.2	304.3	+3.8%
Adj. EBITDA	112.1	124.0	+10.6%	56.3	66.0	+17.3%
Net profit	40.1	45.0	+12.4%	21.4	24.3	+13.5%
EPS (€)	1.00	1.13	+12.4%	0.54	0.61	+13.5%
Operating cash flow	64.4	70.9	+10.0%	30.4	32.7	+7.6%
Net debt	601.1	555.2	-7.6%	601.1	555.2	-7.6%
Net leverage	x2.70	x2.18		x2.70	x2.18	

Webcast

Befesa will host a webcast on its H1 2026 results at 9.00 CEST on 29 July 2026. 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

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