

BEFESA



Befesa Presentation

Bank of America – SMID Cap Conference 2021

11 January 2021

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Business Update

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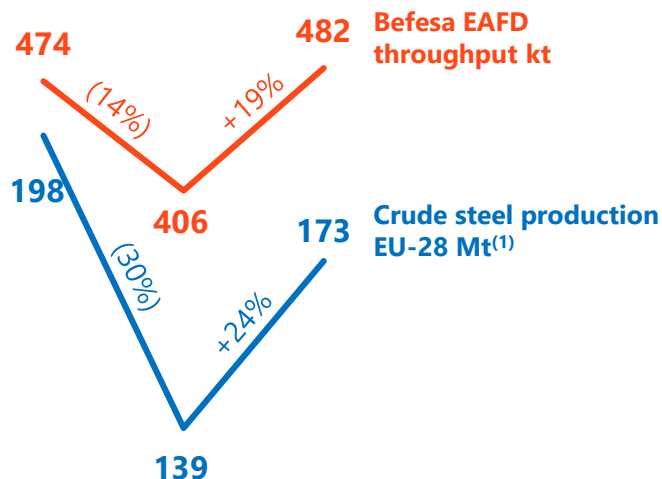
Q3 2020 Results

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Befesa Overview

- **Q3 EBITDA €29m, slightly above market expectations;** yoy: €-8m/-21%; qoq: **€+8m/+35% vs. Q2** at €22m;
 - **Resilient plant utilisation** levels despite COVID-19 at around **80%** in both core businesses
 - **Metal prices recovered qoq but still below last year** driven by COVID-19-induced demand constraints
- **9M EBITDA at €85m as expected**, down €33m / -28% yoy primarily driven by lower metal price levels
- **Q4 results expected to be better than Q3**, indicating around **mid-point of FY EBITDA guidance range** of €100m to €135m
- **Continued strong and stable liquidity of €183m:** €108m cash + €75m Revolving Credit Facility (RCF); Efficient **long-term** cap. structure; **No covenant nor maturities to Jul'26**; Term loan B (TLB) at **2% interest**;
- **Hedge book extended to July 2023, c. 2.5 years**, providing increased earnings and cash flow visibility; **H1 2023 sold forward at €2,300/t of zinc**
- **Construction** of both **China** plants **progressing on schedule**;
Total Befesa **capex** year to date at €39m; expecting approximately €60m full year
- Distributed an **additional dividend of €10m (€0.29/share) in Dec** after €15m (€0.44/ share) in July;
Total dividend distribution in 2020 equal to **30% of FY'19 profit** or **€25m (€0.73/share)**
- **ESG** ratings agencies Sustainalytics and ISS ESG **improved** Befesa's rating;
Since 18 September 2020 Befesa is member of the **Global Challenges Index** (GCX)

EU Crude Steel Production Trend & Befesa's EAFD Throughput (2008-2010)



| 2008 | 2009 | 2010 | |
|------|------|------|--------------------------------------|
| 96% | 82% | 96% | Befesa EAFD load factor % |
| €99 | €61 | €99 | Befesa EBITDA PF ⁽²⁾ (€m) |

- Befesa operates highly regulated hazardous waste recycling services business model
- Stable experienced management team
- Resilient EAFD volume -14% yoy or ~half of EU steel trend -30% during 2008/2009 crisis; Respectable c. 19% EBITDA margin

2020 Crude Steel Production⁽¹⁾

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | YTD |
|------------------------------|------------|-----------|------------|-------------|------------|------------|------------|-----------|------------|-----------|-----------|-------------|
| | Mt yoy | Mt yoy | Mt yoy | Mt yoy | Mt yoy | Mt yoy | Mt yoy | Mt yoy | Mt yoy | Mt yoy | Mt yoy | Mt yoy |
| EU-28 | 12.9 (7%) | 13.3 (1%) | 12.1 (20%) | 9.6 (31%) | 10.6 (26%) | 10.1 (25%) | 10.3 (21%) | 9.4 (15%) | 11.2 (13%) | 12.8 (4%) | 12.8 (6%) | 125.1 (15%) |
| Turkey | 3.0 17% | 2.9 8% | 3.1 4% | 2.2 (26%) | 2.3 (26%) | 2.8 4% | 3.1 8% | 3.3 24% | 3.2 18% | 3.2 19% | 3.2 12% | 32.4 5% |
| S. Korea | 5.7 (8%) | 5.4 3% | 5.8 (8%) | 5.1 (15%) | 5.4 (14%) | 5.1 (14%) | 5.5 (8%) | 5.8 (2%) | 5.4 (6%) | 5.9 (2%) | 5.8 (2%) | 60.8 (7%) |
| Served market ⁽³⁾ | 21.7 (5%) | 21.6 1% | 21.0 (14%) | 16.9 (26%) | 18.2 (23%) | 18.0 (18%) | 19.0 (13%) | 18.5 (6%) | 19.8 (7%) | 21.9 (1%) | 21.8 (4%) | 218.3 (10%) |
| China | 79.9 1% | 74.8 5% | 79.0 (2%) | 85.0 0% | 92.3 4% | 91.6 4% | 93.4 9% | 94.8 8% | 92.6 11% | 92.2 13% | 87.7 8% | 963 6% |
| World | 151.3 (0%) | 144.4 3% | 147.6 (6%) | 136.9 (13%) | 148.9 (9%) | 149.9 (6%) | 155.6 (1%) | 158.4 2% | 157.9 4% | 163.3 8% | 158.3 7% | 1,673 (1%) |

- EU-28:** Q1 -10% yoy; Q2 -27% yoy; Q3 -17% yoy impacted by COVID-19; YTD -15% yoy
For 2020 to be down 30% (08/09 crisis) requires Dec be down severely by > -200% yoy
- Signs of a moderate recovery in crude steel production:**
 - EU-28:** April yoy -31%; Month-over-month recovery; Nov +6% yoy
 - Served market⁽³⁾:** April yoy -26% recovered to Nov +4% yoy
 - China:** March -2% yoy; Since then growing; YTD +6% yoy
- Expecting Q4 to improve over Q3**

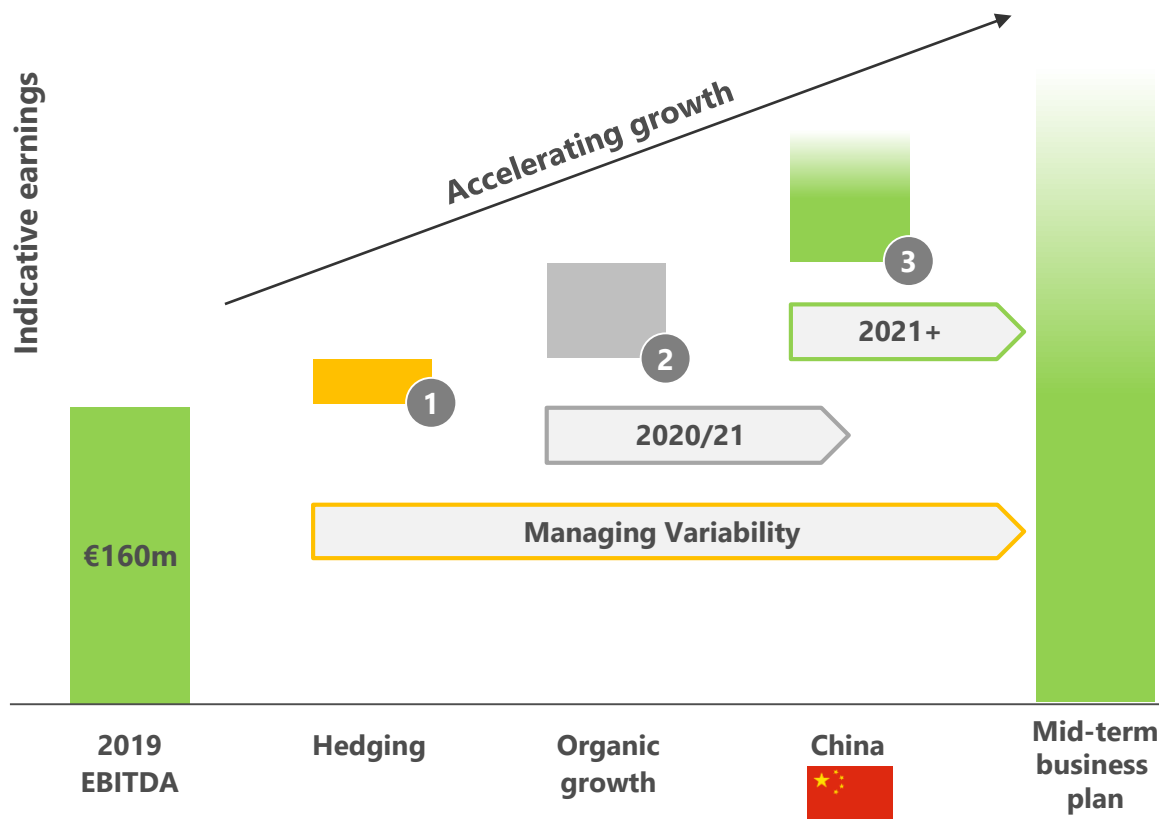
**Signs of a moderate recovery in crude steel production;
Expecting Q4 to improve over Q3**

(1) Source: worldsteel.org

(2) Total EBITDA is the sum of Steel Dust & Aluminium Salt Slags segments proforma (PF) comparable to Befesa structure in '19/'20; Thus, it excludes divested IES, EPC and Concessions businesses

(3) "Served market" is a subtotal of EU-28 + Turkey + South Korea as a proxy of the served market.

Executing well defined growth roadmap even during COVID-19



1 Hedging

- 2019: 92.4kt @ ~€2,310/t
- 2020: 92.4kt @ ~€2,230/t
- 2021: 92.4kt @ ~€2,150/t
- 2022: 92.4kt @ ~€2,200/t
- H1 2023: 30.6kt @ ~€2,300/t

2 Organic growth

Top 5 projects:

- Steel Dust:
 - ✓ Turkey 65kt → 110kt; Completed
 - ✓ Korea washing; Completed
- Aluminium Salt Slags:
 - ✓ 2 tilting furnaces (Bilbao; Barcelona)
 - Expand Hannover

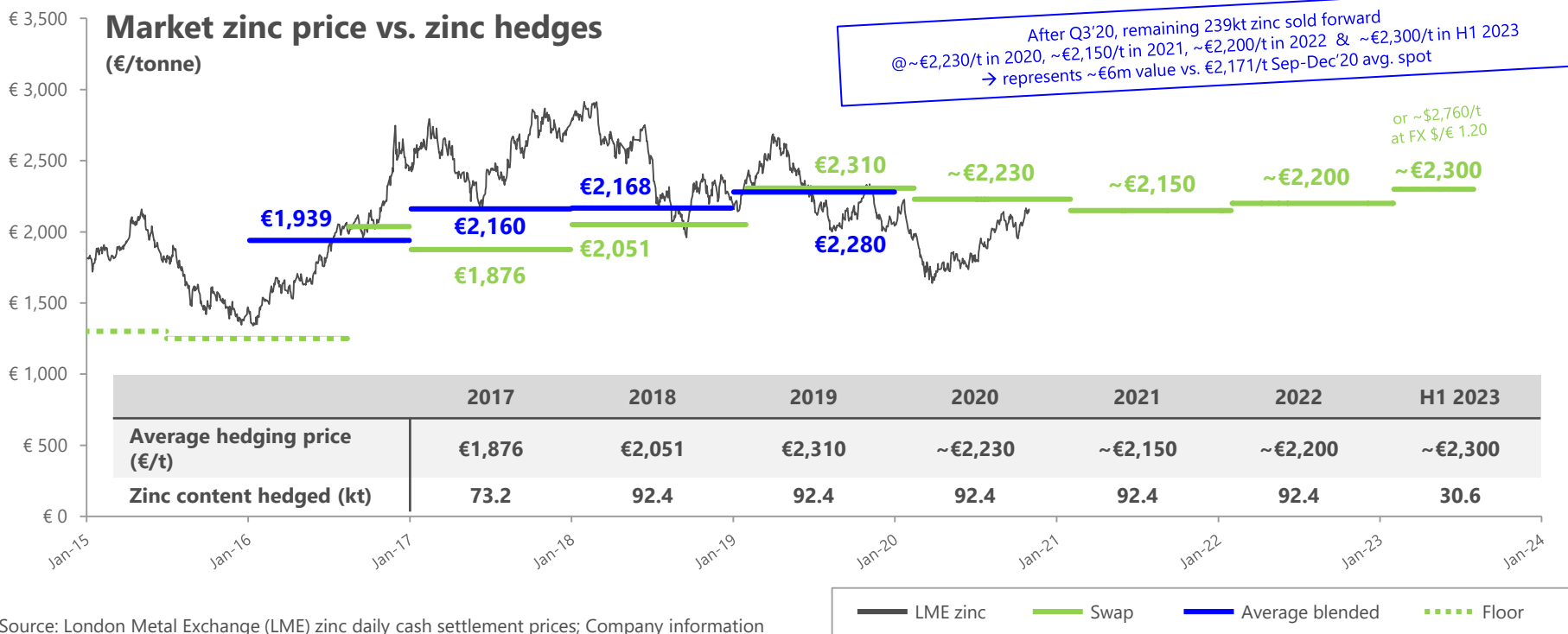
3 China

Building two EAFD recycling plants in two provinces:

- #1 (Jiangsu): Completion of construction expected during Q1'21
- #2 (Henan): Completion of construction expected after the summer of 2021

Focus 2020: Building the first two EAFD recycling plants in China

Hedges extended to July 2023; Improved earnings & cash flows visibility



Source: London Metal Exchange (LME) zinc daily cash settlement prices; Company information

Zinc hedges & blended average prices

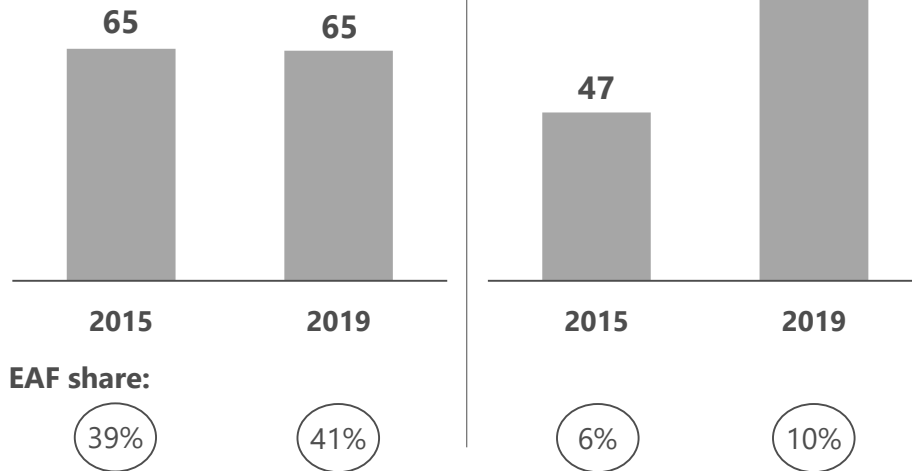
| | Q3 2019 | Q3 2020 | 9M 2019 | 9M 2020 |
|------------------------------|--|--|--|--|
| Unhedged | 31% or 10kt @ €2,112/t LME | 28% or 9kt @ €1,997/t LME | 26% or 25kt @ €2,313/t LME | 34% or 36kt @ €1,905/t LME |
| Hedged | 69% or 23kt @ €2,275/t hedge price | 72% or 23kt @ €2,234/t hedge price | 74% or 69kt @ €2,325/t hedge price | 66% or 69kt @ €2,235/t hedge price |
| Blended⁽¹⁾ | €2,203 | €2,214 | €2,282 | €2,089 |

- Hedges in place **until and including July 2023 (c. 2.5 years)**
- Continuous monitoring of the market to close further hedges
- **Majority** of hedges **Euro based**
- Befesa providing **no collateral**

(1) Zinc blended prices are annual averages computed based on the monthly effective LME zinc and hedging prices weighted with the respective hedged and non-hedged volumes

China is the largest and growing EAF steel producer worldwide ...

EAF Steel Production: EU-28 vs. China (Mt)

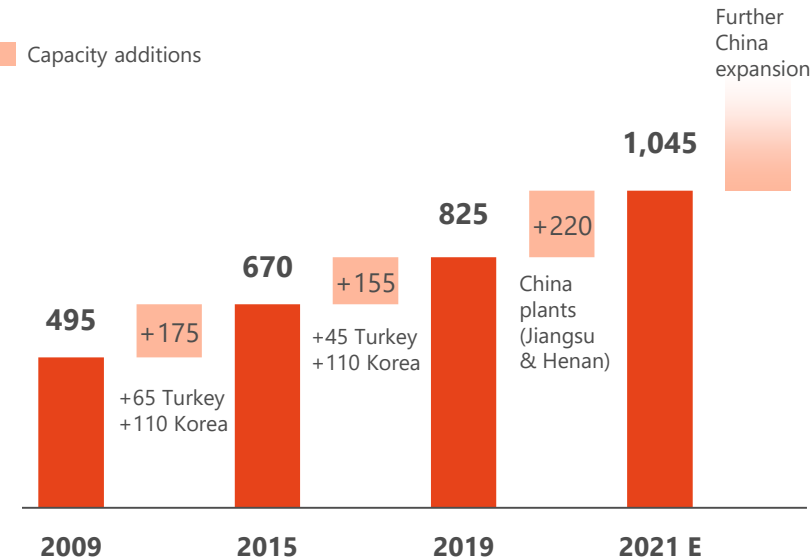


China EAFD addressable market > 1.5 Mt⁽¹⁾ vs. c.1.2 Mt⁽¹⁾ EU-28;
Expected to grow in share and tonnage

Befesa's EAFD Recycling Capacity Trend (kt)

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Capacity additions



EAF dust recycling capacity by region (%):

| | | | | |
|-----------------------|------|-----|-----|-----|
| Europe ⁽²⁾ | 100% | 74% | 60% | 47% |
| ROW ⁽³⁾ | - | 26% | 40% | 53% |

Befesa Steel portfolio **growing @ 6% CAGR** (twice GDP)
while **diversifying to c. 50/50 Europe / ROW**

... Befesa growing and diversifying its portfolio to capture China addressable market

Aerial view of Changzhou construction site, early January 2021



Key facts of the plant:

- 1st EAF steel dust recycling plant in China
- Capacity to recycle 110kt EAF steel dust p.a.
- Total investment: c. €42m
- Location: Changzhou (Jiangsu province)

Status update:

- Construction site at Changzhou (Jiangsu, 1st plant) on schedule; Completion expected during Q1 2021
- ✓ Long-term financing closed July 2020

Aerial view of Xuchang construction site, early January 2021



Key facts of the plant:

- 2nd EAF steel dust recycling plant in China
- Capacity to recycle 110kt EAF steel dust p.a.
- Total investment: c. €42m
- Location: Xuchang (Henan province)

Status update:

- Foundation works / building structures progressing well; Completion expected after the summer of 2021
- ✓ Long-term financing closed Dec 2020

During Q3 Befesa improved results in ESG ratings and entered important sustainability index

- Befesa published the new Sustainability report in June 2020
- Based on more information and improved performance, ESG rating agencies updated their view
- In Q3 2020, Befesa received two upgrades:

Sustainalytics

Risk is measured and the score should be as low as possible: Befesa improved the score significantly by 6.7 to 14.8 points. New result: "Low Risk" (before: "Medium Risk")

ISS ESG

Befesa achieved the "Prime Status" and is now Industry Leader by being among the Top 3 companies out of more than 200 companies in the corresponding sector



- Befesa is part of the **Global Challenges Index (GCX)** since 18 September 2020
The GCX comprises a total of 50 international shares selected according to strict criteria from a total amount of around 6,000 companies worldwide.



Financial Calendar

✓ **Thursday, 29 October 2020:**
Q3 2020 Statement & Conference Call

Tuesday, 23 February 2021
Preliminary Year-End Results 2020 & Conference Call

Thursday, 25 March 2021
Annual Report 2020

Thursday, 29 April 2021
Q1 2021 Statement & Conference Call

Thursday, 29 July 2021
H1 2021 Interim Report & Conference Call

Thursday, 28 October 2021
Q3 2021 Statement & Conference Call

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Meet Befesa

07-08 & 12 January 2021 – ODDO BHF
ODDO BHF Forum 24th Edition (virtual)

11 January 2021 – Bank of America
BofA Securities – SMID Cap Conference 2021 (virtual)

13 January 2021 – Commerzbank
Commerzbank German Investment Seminar 2021 (virtual)

18-20 January 2021 – UniCredit & Kepler Cheuvreux
20th German Corporate Conference (virtual)

02 February 2021 – Santander
XXVII Santander Iberian Conference 2021 (virtual)

16 March 2021 – J.P. Morgan
Pan-European Small/Mid-Cap CEO Conference (virtual)

17 March 2021 – Berenberg
Berenberg DACH & Nordic Conference 2021 (virtual)

23 March 2021 – Citi
Citi Virtual Paris Symposium (virtual)

25 March 2021 – MainFirst
Copenhagen – 6th MainFirst German Corporate Conference

11 May 2021 – Stifel
Frankfurt – 4th German SMID Cap One-on-One Forum

18-20 May 2021 – Berenberg
Tarrytown (New York) – Berenberg US Conference 2021

08-10 June 2021 – Stifel
Boston, 2021 Cross Sector Insight Conference

31 August – 02 September 2021 – Commerzbank
Frankfurt, Commerzbank Corporate Conference 2021

01-02 September 2021 – Stifel
London, 2021 London Cross Sector Insight Conference

16 & 17 September 2021 – Citi
London, Citi Growth Conference (virtual)

20-24 September 2021 – Baader
Munich, 10th Baader Investment Conference 2021

11 November 2021 – Goldman Sachs
London, Global Natural Resources Conference 2021

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Business Update

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Q3 2020 Results

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Befesa Overview

Operational performance driven by continued resilient plant utilisation at around 80% in both core businesses despite COVID-19

- EAFD throughput of 161kt (-6% yoy)
- Salt slags & SPL recycled 103kt (-9% yoy)
- Secondary aluminium alloys of 44kt (up 14% yoy), increase driven by recovery in automotive sector and furnace upgrade at Barcelona plant

Metal prices moderately recovered qoq but still down yoy:

- Zinc LME Q3 €1,997 (-5% yoy); including zinc treatment charges (TC) → -11%⁽¹⁾ yoy combined price impact
- Alu Alloy prices Q3 €1,312 (-3% yoy)

- EBITDA at €29m (-21% / €-8m yoy) mainly driven by:

- (-) Unfavourable metal prices:
 - Zinc LME at €1,997/t (-5% yoy)
 - Zinc TC at \$300/t (+\$50/t yoy)
 - Aluminium alloy prices at €1,312/t (-3% yoy)

- (-) Lower volumes in Steel Dust Recycling Services

- (-) Salt Slags & SPL volumes (-9% yoy)

Partially offset by:

- (+) Positive volume & efficiency effects in Secondary Alu
- (+) Favourable zinc hedging offset LME price decrease

Continued strong and stable liquidity of €183m

- Strong cash position at €108m after paying €15m dividend in Q3; €75m RCF undrawn; Leverage at x3.3
- Operating cash flow at €93m LTM Q3

China construction progressing on schedule at both sites, Jiangsu & Henan

- Jiangsu: Completion of construction expected in Q1'21
- Henan: Construction progressing on schedule; Completion expected after the summer of 2021

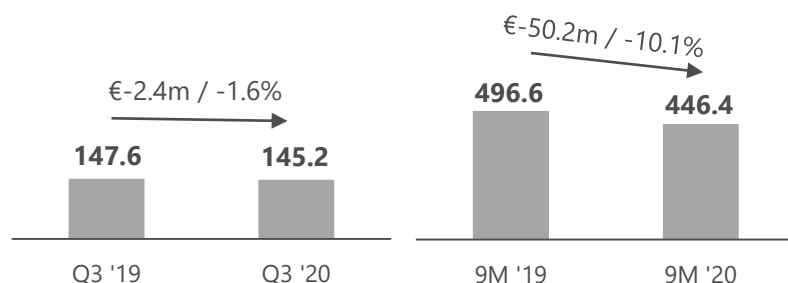
ESG

- Sustainability and ISS ESG improved Befesa's rating
- Since 18 September 2020, Befesa is member of the Global Challenges Index (GCX)

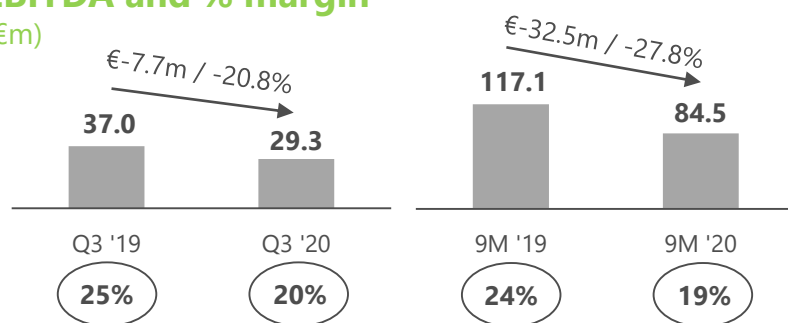
(1) In 2020, the \$300 TC per tonne of WOX, divided by ~68% zinc content in WOX and divided by 85% zinc payable (after 15% free-metal deduction), is equivalent to ~\$519 per tonne of zinc payable; Similarly, in 2019, the \$245 TC per tonne of WOX is equivalent to ~\$424 per tonne of zinc payable.

Q3 EBITDA at €29m (-21% yoy / up +€8m over Q2); Continued resilient plant utilisation of c. 80% and moderately recovered metal prices qoq

Revenue (€m)



EBITDA and % margin (€m)



Highlights

- **Q3 revenue at €145.2m, approx. flat yoy:**
 - (-) **Unfavourable metal prices** yoy:
 - Zinc LME price of €1,997/t (-5%)
 - Zinc TC in 2020 at \$300/t (2019: \$245/t)
 - Alu alloy FMB price of €1,312/t (-3% or €-44/t yoy)
 - (-) Lower **volumes** in **Steel Dust** Recycling Services
 - (-) **Salt slags & SPL** volumes (-9% yoy)
- Partially offset by:
- (+) **Secondary aluminium volumes up** (14% yoy)
 - (+) **Favourable zinc hedges** offset LME decrease → Zinc blended prices including hedging of €2,214/t (+€11/t yoy)

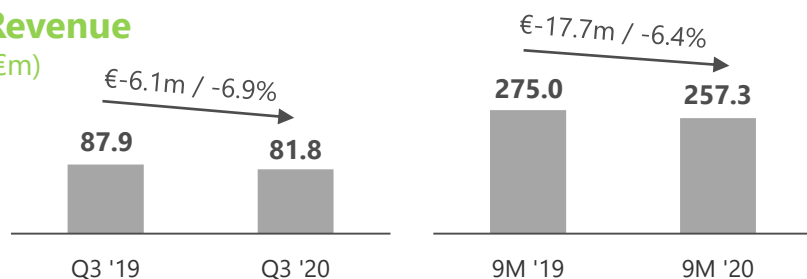
- **Q3 EBITDA at €29.3m** (€-8m / -21% yoy); EBITDA margin 20%; **Main drivers:**
 - (-) Lower zinc **LME** (€-1.5m)
 - (-) Unfavourable zinc **TC** (€-2.4m)
 - (-) **Aluminium alloy FMB** (€-0.3m)
 - (-) Reduced **volumes** in **Steel Dust segment** (€-4m)
 - (-) Lower **salt slags & SPL volumes** (€-1.2m)

- Partially offset by:
- (+) **Secondary aluminium volumes & efficiencies** (+€0.7m)
 - (+) **Favourable zinc hedges** (+€1.8m)

Q3 EBITDA at €24m (-19% yoy / up +€6m over Q2); Unfavourable zinc TC, lower volumes due to COVID-19 impacted demand yoy

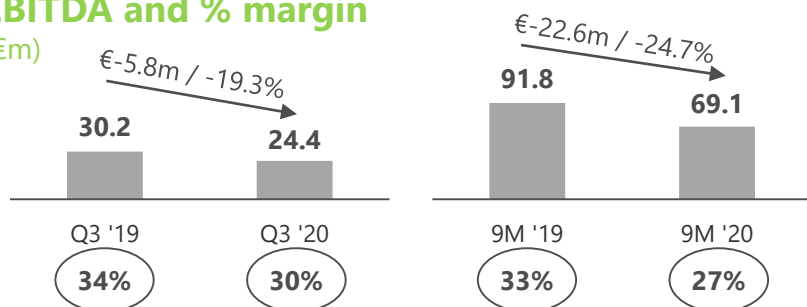
Revenue

(€m)



EBITDA and % margin

(€m)

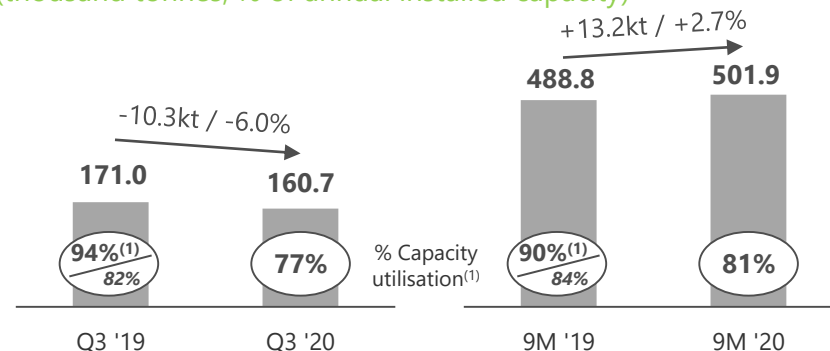


Highlights

- **Q3 revenue down 7% yoy** mainly driven by:
 - (-) Unfavourable zinc TC at \$300/t (+\$50/t yoy)
 - (-) EAFD throughput -6% yoy; Partially offset by:
 - (+) Zinc blended prices at €2,214/t (+€11/t yoy)
- **Q3 EBITDA down €6m / 19% yoy** primarily driven by:
 - (-) Unfavourable zinc TC (€-2.4m);
 - (-) Lower Steel Dust volumes (€-4m); Partially offset by:
 - (+) Zinc blended price €0.3m (LME €-1.5m; Hedging +€1.8m)

EAFD throughput & capacity utilisation⁽¹⁾

(thousand tonnes, % of annual installed capacity)



- **9M EAFD throughput up 3% yoy** (Turkey)
- **Resilient plant utilisation around 80% amid COVID-19**

Prices

(€ per tonne)

| | Q3 2019 | Q3 2020 | % yoy | 9M 2019 | 9M 2020 | % yoy |
|--|---------|---------|-------|---------|---------|-------|
| Befesa blended⁽²⁾ average zinc price | 2,203 | 2,214 | 0.5% | 2,282 | 2,089 | -8% |
| LME average price | 2,112 | 1,997 | -5% | 2,313 | 1,905 | -18% |

Note: Including the unfavourable TC impact, the **combined LME+TC price effect** yoy amounted to **-11% in Q3** and **-26% in 9M**

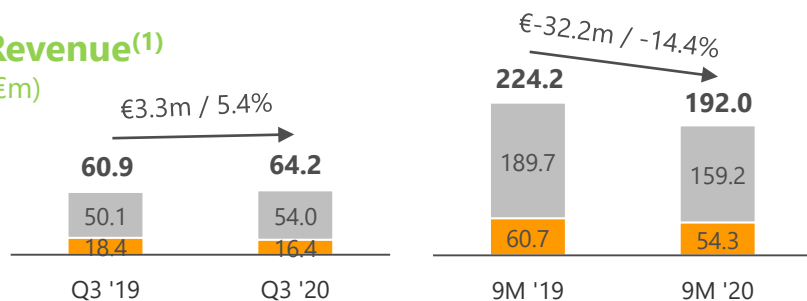
(1) Installed capacity and corresponding utilisation rates in 2019 are normalised for the capacity upgrade in Turkey, from 65kt to 110kt (plant was shutdown from end of Jan to mid-Aug 2019)

(2) Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa

Q3 EBITDA at €6m (-5% yoy / up +€2m over Q2); Reduced salt slags & SPL treated partially offset by improved volumes yoy and efficiencies in 2nd Alu

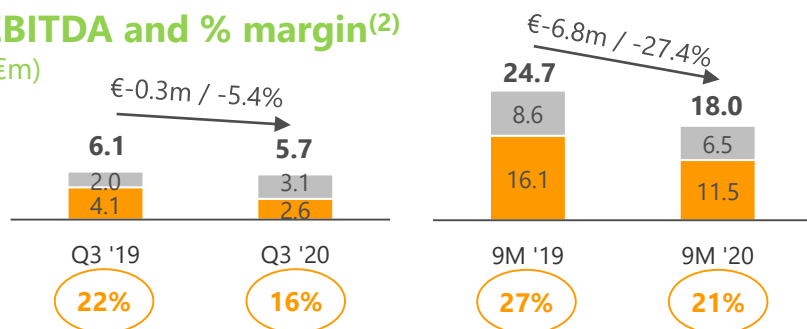
Revenue⁽¹⁾

(€m)



EBITDA and % margin⁽²⁾

(€m)



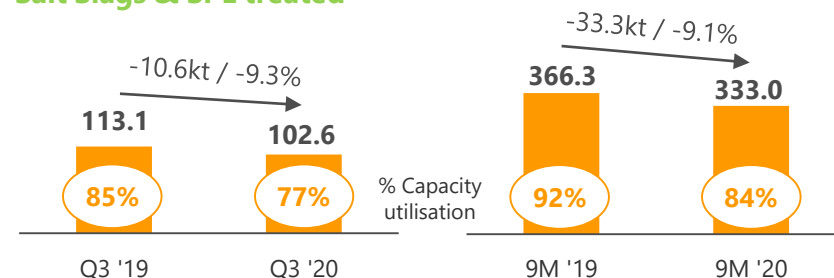
Highlights

- **2nd Aluminium:** Q3 EBITDA up €1.1m yoy mainly driven by higher alu alloys volumes and efficiencies (new furnaces)
- **Salt Slags & SPL:** Q3 EBITDA €-1.5m yoy mainly driven by:
 - (-) Aluminium alloy prices -3% yoy (€-0.3m)
 - (-) Salt slags & SPL volumes -9% yoy & others (€-1.2m)

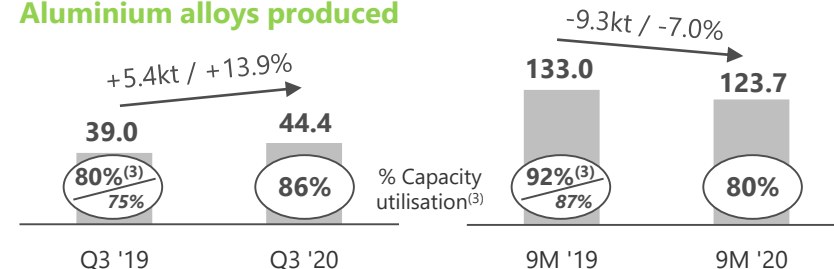
Volumes & capacity utilisation

(thousand tonnes, % of annual installed capacity)

Salt Slags & SPL treated



Aluminium alloys produced



Prices

(€ per tonne)

| | Q3 2019 | Q3 2020 | % yoy | 9M 2019 | 9M 2020 | % yoy |
|--|---------|---------|-------|---------|---------|-------|
| Aluminium alloy average price ⁽⁴⁾ | 1,356 | 1,312 | -3% | 1,426 | 1,342 | -6% |

■ Salt Slags subsegment
■ Secondary Aluminium subsegment

(1) Total revenue is after intersegment eliminations (€6.2m in Q3'20; €7.5m in Q3'19; €21.5m in 9M'20; €26.3m in 9M'19)

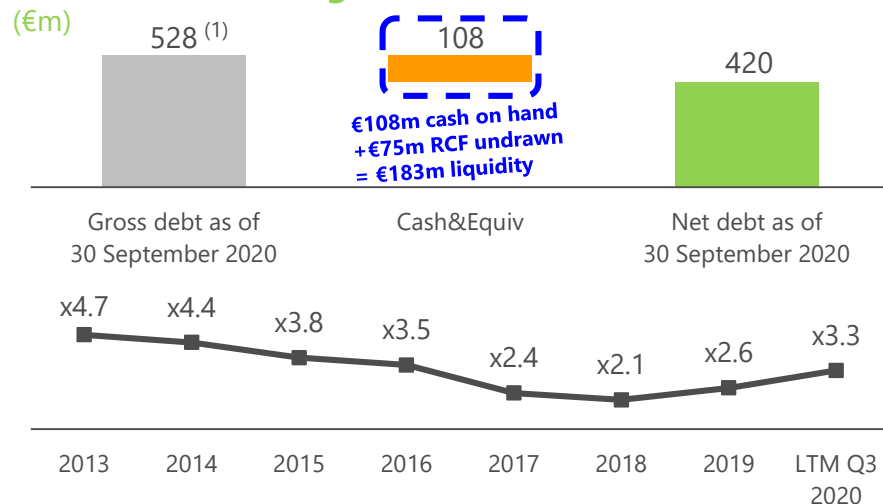
(2) EBITDA margins refer to the Salt Slags subsegment

(3) Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona (plant was shutdown three months, from mid-August to mid-November)

(4) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

**Continued strong €183m liquidity after dividend distribution & funding China;
Long-term capital structure: No maturities to July '26; 2% interest; No covenant**

Net debt & leverage rate evolution



Capital Structure

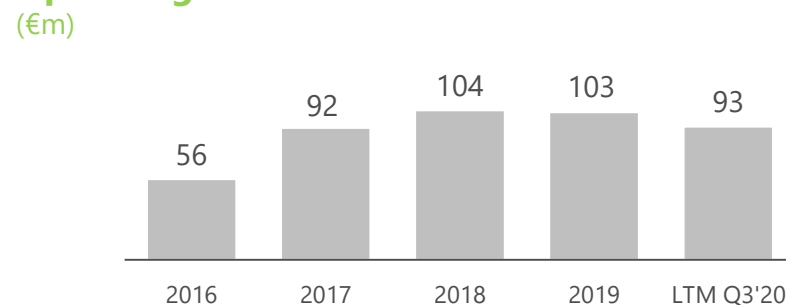
- TLB interest rate at **E+200** bps for leverage >x2.25
- **Long-term** capital structure, cov-lite TLB, with remaining c. **6 years** tenor to **July '26**; Incl. loan baskets to accommodate China growth
- **No covenant**; unless $\geq 40\%$ of RCF used; in which case leverage to stay $\leq x4.5$
- **Moody's / S&P** corporate ratings unchanged: **Ba2 / BB**

9M'20 EBITDA to total cash flow – main drivers

(€m)

| | | |
|------------------------------------|-------------|---|
| EBITDA | €85 | €-33m / -28% yoy |
| WC & other | €-16 | Seasonal receivable & payable variances |
| Taxes | €-15 | |
| Interest & other ⁽²⁾ | €-17 | Interest paid for full year (January & July) |
| Capex & other investing activities | €-39 | €16 Maintenance / IT / Prod. / Compl. €23 Growth, mainly China expansion |
| Dividends | €-15 | July distribution of €0.44 per share |
| Total Cash Flow | €-18 | → €108m cash on hand |

Operating cash flow⁽³⁾



(1) Gross debt at Q3'20 includes €11.4m under current financial indebtedness, primarily explained by the accrued bi-annual interests, leasing (under IFRS 16) and others

(2) "Other" includes cash bank inflows/outflows from bank borrowings and other liabilities, as well as the effect of foreign exchange rate changes on cash

(3) Total operating cash flow per audited consolidated statement of cash flows; after WC, taxes & interest; pre capex & dividend; 2020 figures are unaudited

Appendix

| | Lower-end: €100m EBITDA | Upper-end: €135m EBITDA |
|---|--|---|
| EU crude steel market -&- COVID-19 | <ul style="list-style-type: none"> After -10% in Q1; Q2 to Q4 each severely down -37% yoy; Annually down c. 30% yoy (like 2009 crisis) EU-28 volume No recovery; Prolonged lockdowns | <ul style="list-style-type: none"> Q2 materially down yoy Lockdown easing by end Q2 Q3 & Q4 recovering and no 2nd pandemic wave causing further lockdowns in H2 |
| Operational performance | <ul style="list-style-type: none"> Overall capacity utilisation at c. 80% | <ul style="list-style-type: none"> Limited impact on volume Overall capacity utilisation at c. 90% |
| Metal prices | <ul style="list-style-type: none"> Q2 to Q4 at ~ Q1 low €1,650-€1,700/t TC at \$300/t Combined price impact (LME & TC) -39% yoy | <ul style="list-style-type: none"> H2 recovering to €1,750/t to €1,850/t; TC at \$300/t Combined price impact (LME & TC) -30% yoy |
| FY 2020 EBITDA | <ul style="list-style-type: none"> FY 2020 EBITDA: €100m (-€60m / -38% yoy) Remaining quarters ~reduced €22m run-rate Q2+Q3+Q4 at €66m (-44% yoy vs. €117m '19) | <ul style="list-style-type: none"> FY 2020 EBITDA: €135m (-€25m / -16% yoy) Assuming Q2 lowest quarter in 2020 and run-rate recovery in H2 Q2+Q3+Q4 at €101m (-14% yoy) |
| Capex | <ul style="list-style-type: none"> Reducing discretionary cost & non-vital capex c. €20m to protect core growth roadmap; Total capex of c. €70m: c. €50m growth (China); c. €20m regular maintenance; | |
| Pre-dividend cash flow & cash | <ul style="list-style-type: none"> Approx. +/- €5m Cash position c. €120m | <ul style="list-style-type: none"> Approx. +€25 to €35m Cash position c. €150m |
| Dividend | <ul style="list-style-type: none"> ✓ Ordinary dividend of €15m or €0.44/share distributed in July Review an additional dividend in November (post Q3 earnings release) depending on earnings & cash flow Q3 2020 YTD and the improved visibility about the impact from COVID-19 → Conservatively balancing dividend stability and cash flow | |

Additional dividend of €10m or €0.29/share distributed in Dec;
Total dividend of €25m or €0.73/share in 2020

Even at lower-end €100m EBITDA (prolonged COVID-19 lockdowns), operational **continuity assured** incl. **funding China;**
Considering an additional dividend in **November** on top of the €15m (€0.44 per share) ordinary dividend paid in July

1

Business Update

2

Q3 2020 Results

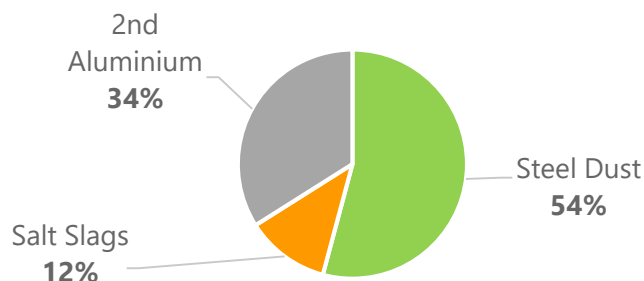
3

Befesa Overview

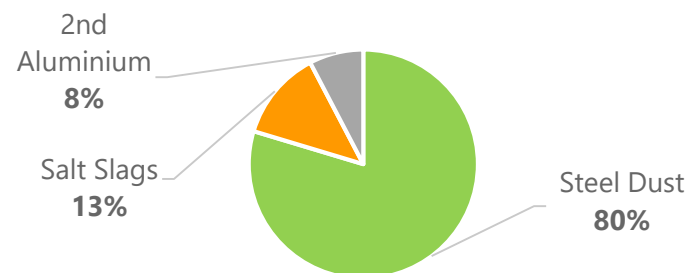
Market leader in Europe & Asia in providing regulated critical hazardous waste recycling services to the steel and aluminium industries

BEFESA

LTM Q3 2020 Revenue: €598m⁽¹⁾



LTM Q3 2020 EBITDA: €127m



**+90% EBITDA generated from two core segments;
~25-35% EBITDA margin operations with low capital intensity**

Steel Dust Recycling Services⁽³⁾



Position in Europe (c. 45–50% market share) and Asia⁽²⁾

30%

EBITDA margin (LTM Q3 2020)⁽³⁾

Relationships
>15yrs



Aluminium Salt Slags Recycling Services



Position in Europe in Salt Slags subsegment (c. 45–50% market share)

22%

EBITDA margin in Salt Slags subsegment (LTM Q3 2020)⁽⁴⁾

Relationships
>15yrs



Source: Company information, International Consulting Firm based on World Steel Association's Steel Statistical Yearbooks, WBMS, industry research, expert Interviews.

(1) Excluding internal revenues; sales split is calculated on revenues including internal revenues. (2) Excluding China.

(3) Including stainless steel. (4) Including recycling of SPL (a hazardous waste generated in primary aluminium production).

Befesa has grown successfully through organic initiatives and acquisitions

Founded in Germany

1987
Metallgesellschaft, German industrial conglomerate, creates Berzelius Umwelt Service (B.U.S.)

1993
B.U.S. AB, together with two other companies, group their environmental assets in Spain creating Berzelius Felguera (Befesa)

1998
Befesa IPO at the Madrid and Bilbao Stock Exchanges

2000
Abengoa acquires a 51% stake in Befesa from B.U.S. to develop its environmental services business (stake increased over time)

2011
Delisting from the Madrid and Bilbao Stock Exchanges

Acquisitions & turnarounds

2006
Befesa acquires a 100% stake in B.U.S., becoming the **European leader in steel dust recycling**



2009
Befesa becomes the **European leader in salt slags recycling** after acquiring 3 plants in Germany from Agor



2013
Triton⁽²⁾ acquires Befesa
Triton

Successful greenfield (state-of-the-art technology)

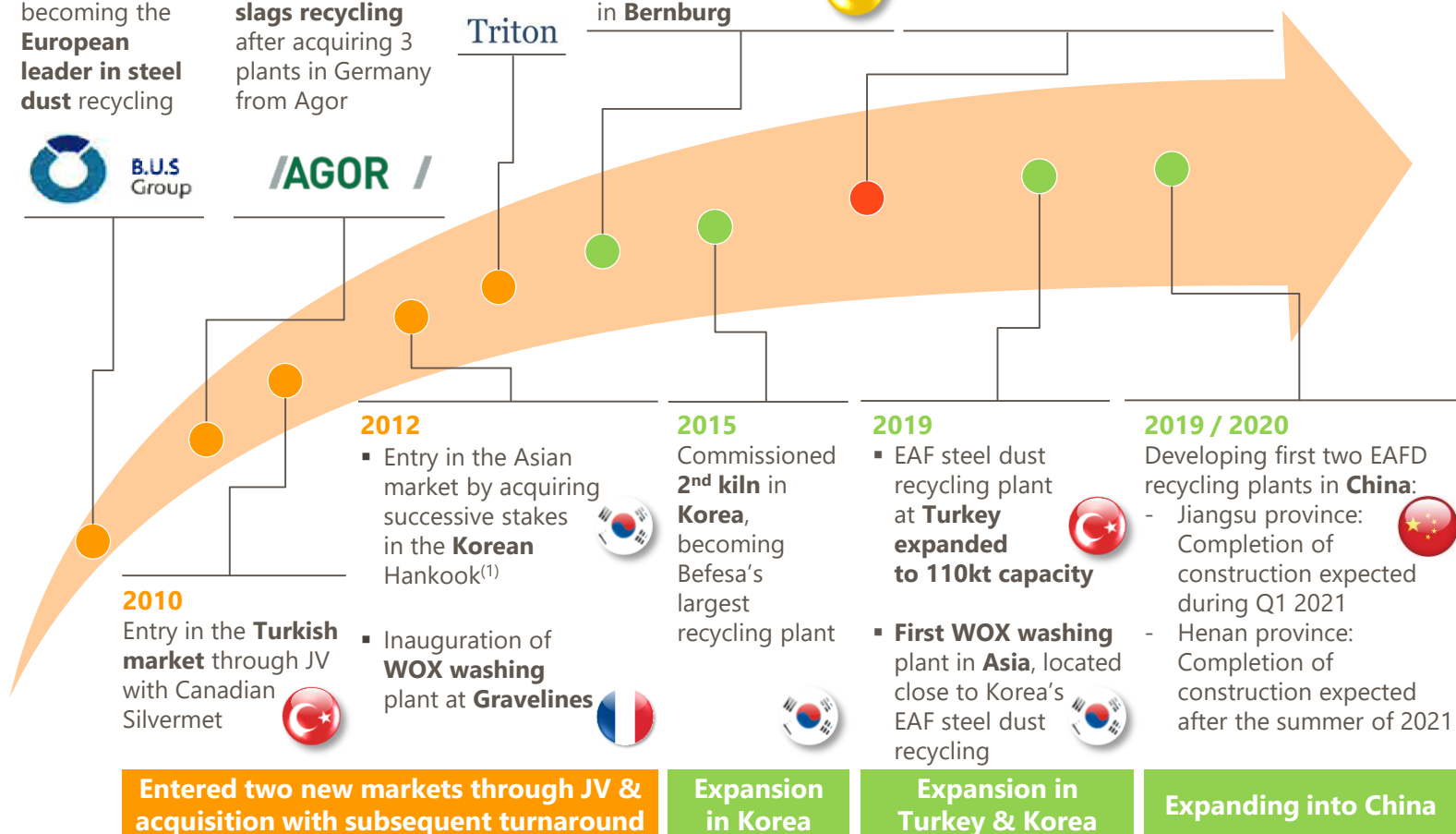
2014
Inauguration of the 2nd aluminium production plant in **Bernburg**



Frankfurt Stock Exchange & SDAX

2017 / 2018

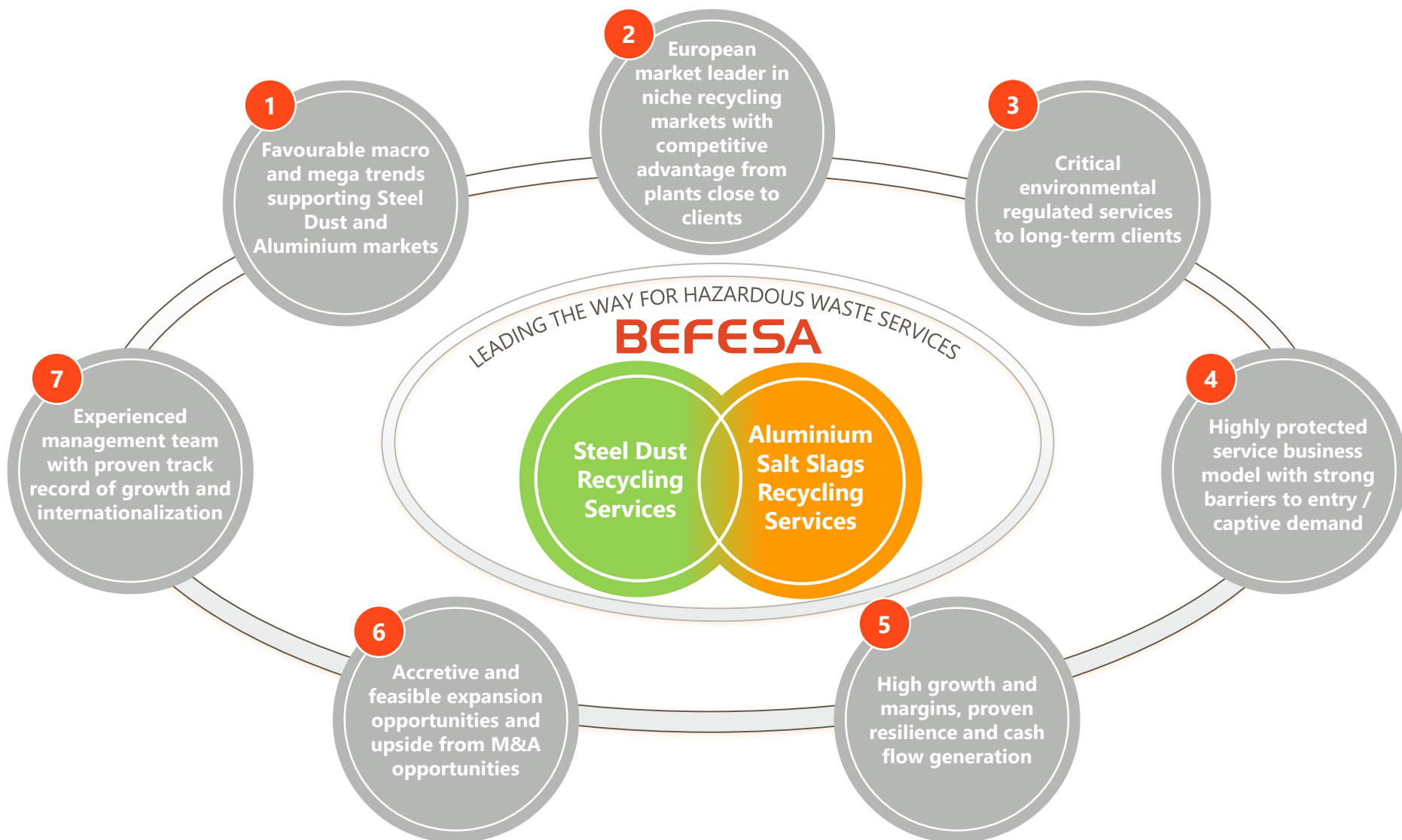
- Successful **IPO on Frankfurt Stock Exchange**;
- Entry to **SDAX** on 24 Sep 2018



Source: Company information

(1) Befesa subsequently acquired 100%

(2) Free-float at 100% after Triton's exit on 06 June 2019

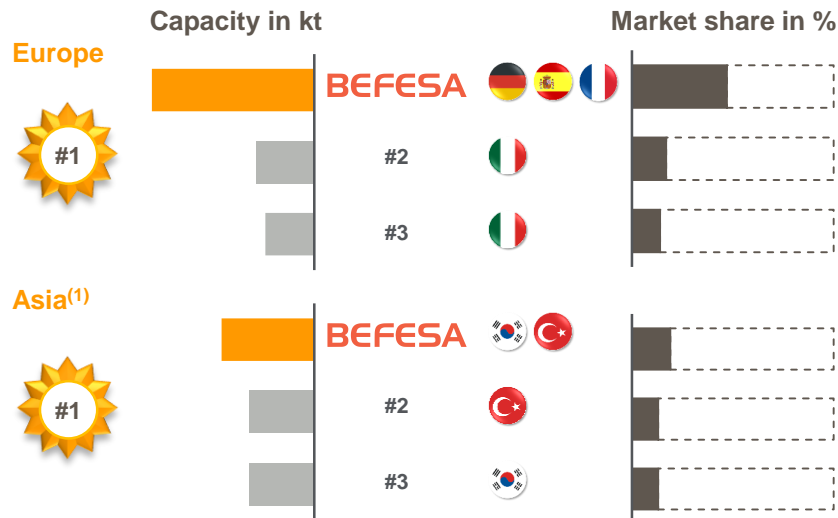


Befesa is the market leader in steel dust and salt slags recycling services with a competitive advantage due to its close proximity to key clients

Established market leader

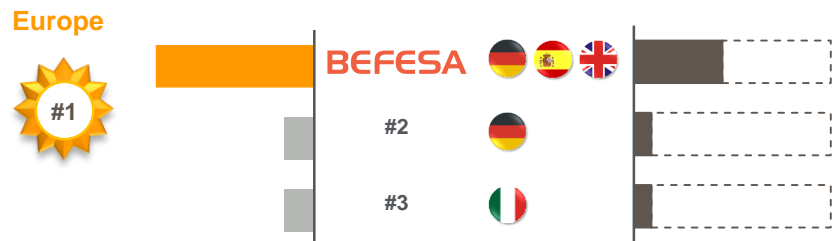
Steel Dust Recycling Services

Clear market leader in Europe and Asia¹



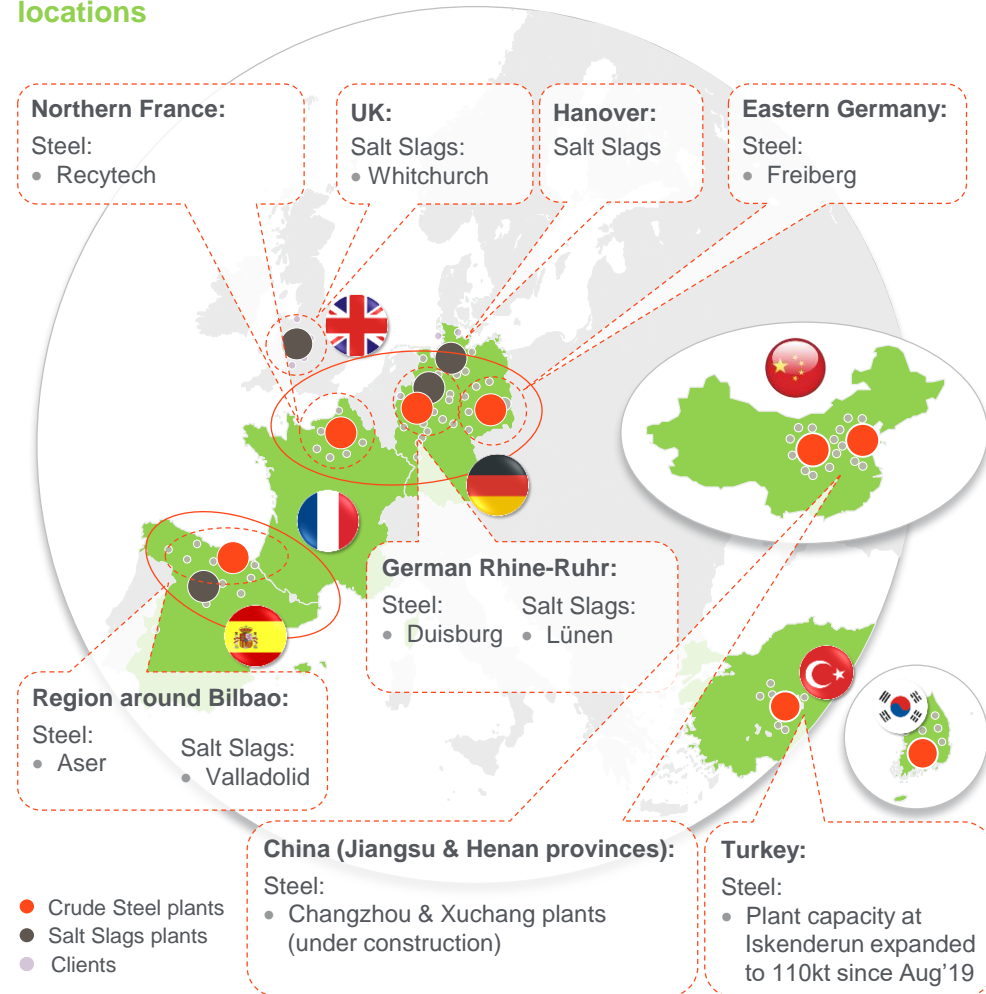
Salt Slags Recycling Services

Clear market leader in Europe



Proximity to clients provides strong competitive advantage

Each Befesa plant usually collects waste from at least 10-15 client locations

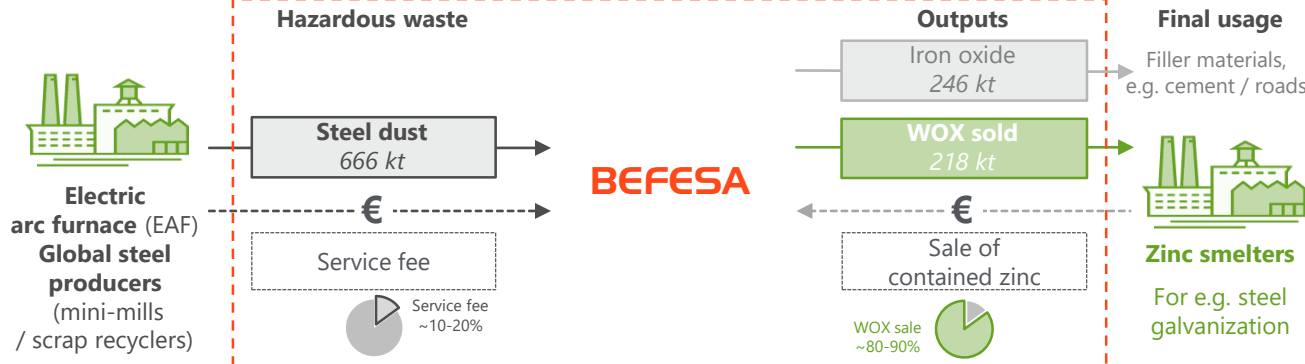


Befesa is the leading environmental services partner of the 2nd steel & alu industry providing sustainable solutions for highly regulated hazardous waste ...

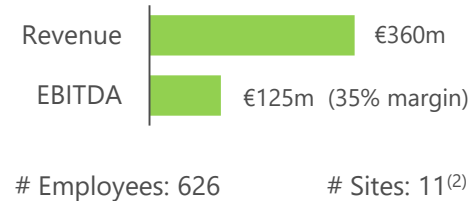
Value chain

KPIs

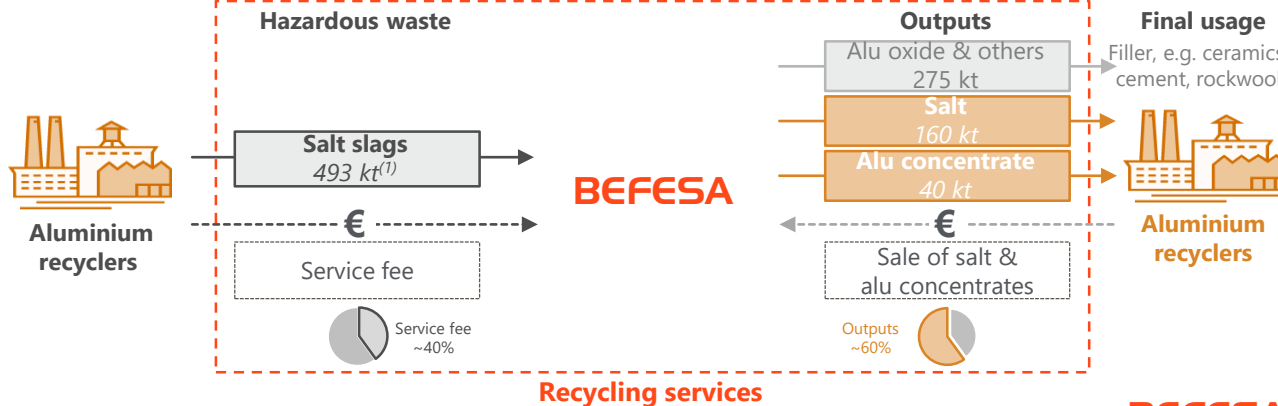
Steel Dust



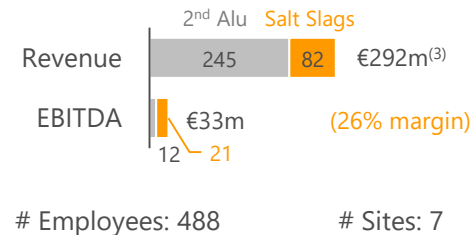
Steel Dust Recycling Services:



Aluminium Salt Slags

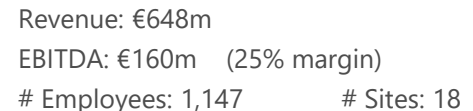


Alu Salt Slags Recycling Services:



Recycling services

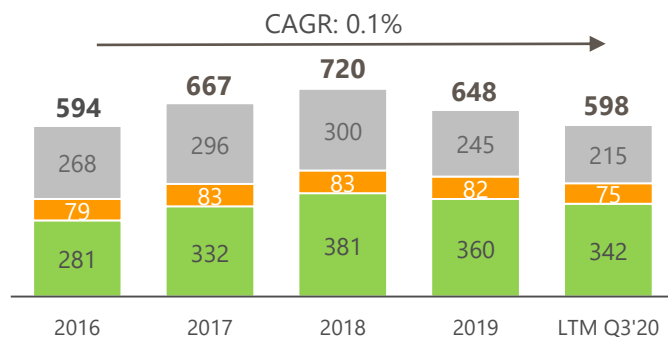
BEFESA



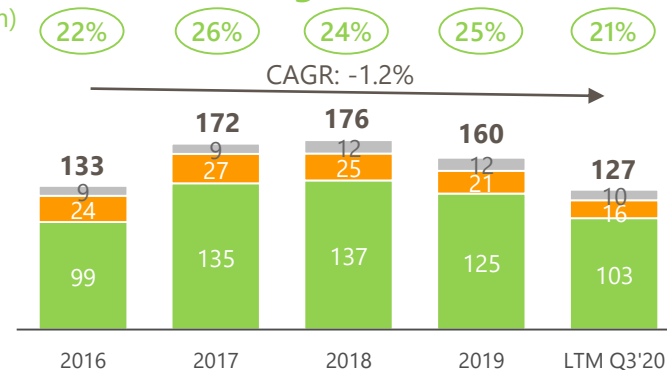
... Contributing to a circular economy by recycling and avoiding the landfilling of >1.5 Mt hazardous waste ... Recovering >1.2 Mt of new valuable materials

(1) Incl. 22kt of Spent Pot Linings (SPL), a hazardous waste generated in the production process of primary aluminium;
 (2) Not incl. 2 China plants currently under construction; (3) Total revenue is after intersegment eliminations (€34.4m FY'19)

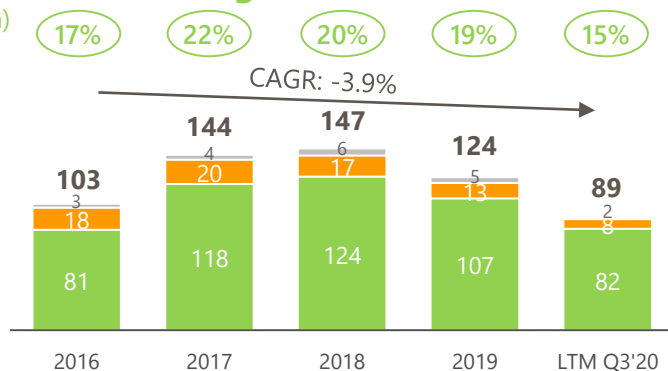
Revenues⁽¹⁾ (€m)



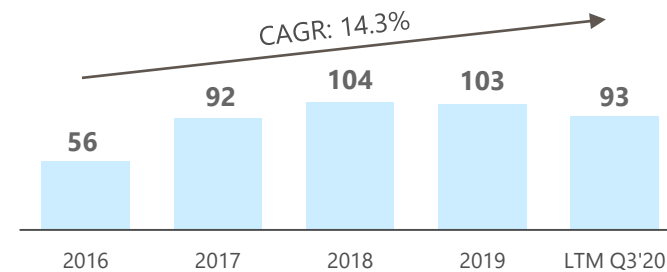
EBITDA and % margin⁽²⁾ (€m)



EBIT and % margin⁽²⁾ (€m)



Operating cash flow⁽³⁾ (€m)



Revenue growth underpinned by **sustainable increase in volumes** temporarily offset by pressured metal prices (COVID-19)

Low capital intensity exemplified by **low, stable D&A** and **high earnings margins**

Solid operational cash flow generation due to **low maintenance requirements** providing **funds for growth**

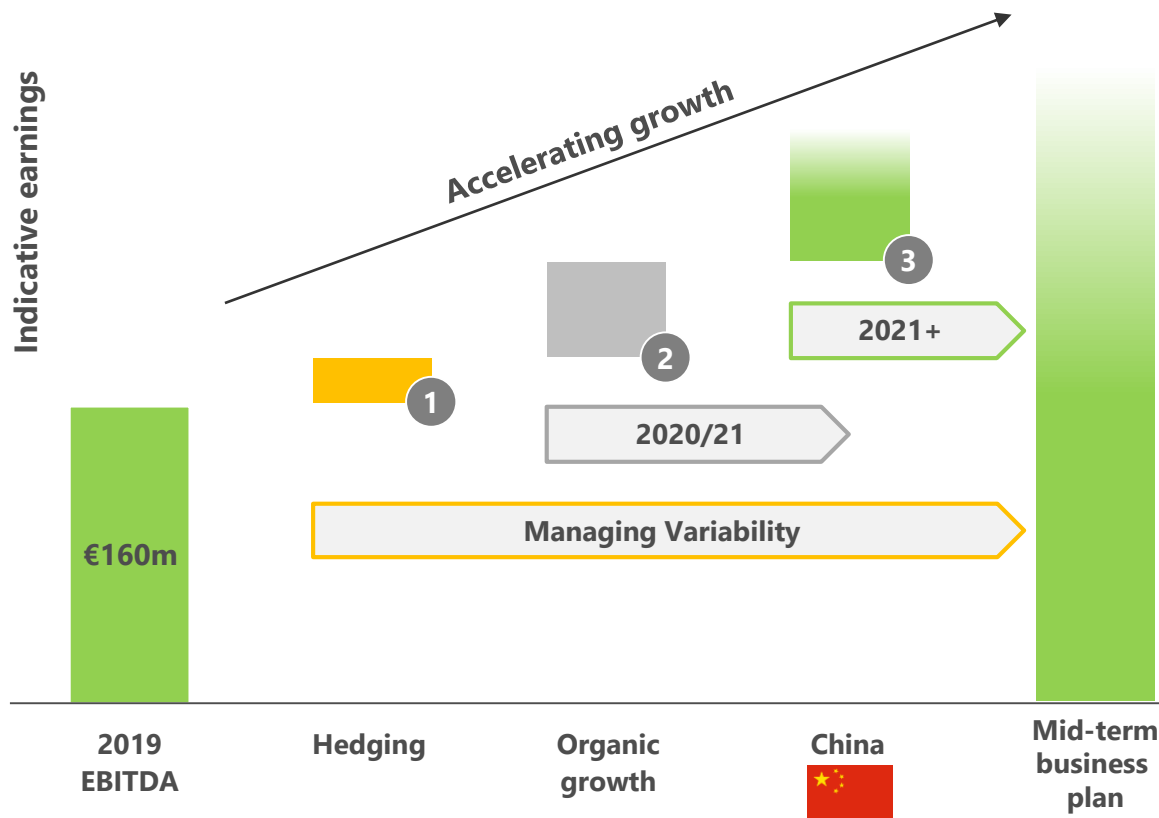
Positive operational cash flow generation although in a very challenging COVID-19 environment continues providing funds for growth

(1) Total revenue excludes internal revenues and are comparable figures after amendment IFRS 15 affecting the revenue recognition of non-operating sales in the 2nd Aluminium sub-segment; These non-operating sales have limited margin contribution; Reported revenues amounted to €611.7m in fiscal year 2016 and €724.8m in fiscal year 2017

(2) EBITDA and EBIT margins as a % of comparable revenue; EBITDA and EBIT in fiscal years 2016 and 2017 are adjusted from one-off extraordinary items; Reported EBITDA amounted to €128.8m in fiscal year 2016 and €153.0m in fiscal year 2017; Reported EBIT amounted to €84.3m in fiscal year 2016 and €122.4m in fiscal year 2017

(3) Operating cash flow per audited consolidated statement of cash flows; after WC, taxes & interest; pre capex & pre dividend; LTM 2020 figures are preliminary and unaudited

Executing well defined growth roadmap even during COVID-19



1 Hedging

- 2019: 92.4kt @ ~€2,310/t
- 2020: 92.4kt @ ~€2,230/t
- 2021: 92.4kt @ ~€2,150/t
- 2022: 92.4kt @ ~€2,200/t
- H1 2023: 30.6kt @ ~€2,300/t

2 Organic growth

Top 5 projects:

- Steel Dust:
 - ✓ Turkey 65kt → 110kt; Completed
 - ✓ Korea washing; Completed
- Aluminium Salt Slags:
 - ✓ 2 tilting furnaces (Bilbao; Barcelona)
 - Expand Hannover

3 China

Building two EAFD recycling plants in two provinces:

- #1 (Jiangsu): Completion of construction expected during Q1'21
- #2 (Henan): Completion of construction expected after the summer of 2021

Focus 2020: Building the first two EAFD recycling plants in China

Senior management team delivering results through long standing industry expertise, entrepreneurial spirit and focus on operational excellence as well as governance and compliance processes



Javier Molina
CEO

CEO since 2000

Leading Befesa for >20 Years



Wolf Lehmann
CFO; including responsibilities for Operational Excellence and IT

CFO since 2014

20+ years in finance and operational leadership roles
50/50 General Electric / Private Equity



Asier Zarraonandia
Vice President
Steel Dust
Recycling Services

>15 yrs with Befesa

Has run the Steel Dust Recycling Services Business for >15 years



Federico Barredo
Vice President
Aluminium Salt Slags
Recycling Services

>25 yrs with Befesa

Has run the Aluminium Salt Slags Recycling Service Business for >20 years

Key achievements / track record



Extensive experience in steel and aluminium recycling business



Strong performance results through focus on operational excellence



Building strong business foundation of ESG, compliance and health & safety processes



Successful international expansion



Track record of successful acquisitions and turnarounds (BUS, Agor, Alcasa, Hankook, Silvermet etc.)



Experience in developing greenfield projects (South Korea, Gravelines, Bernburg)