

BEFESA

Company Presentation

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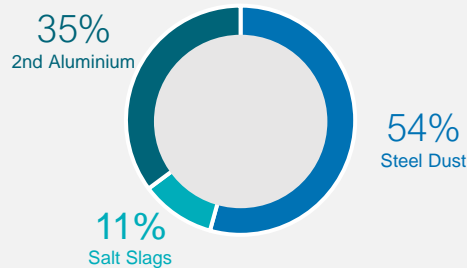
This presentation includes Alternative Performance Measures (APM), including EBITDA, EBITDA margin, net debt and capital expenditures which are not measures of liquidity or financial performance under International Financial Reporting Standards (IFRS). EBITDA is defined as operating profit for the period (i.e. EBIT) before the impact of amortisation, depreciation, impairment and provisions. EBITDA margin is defined as EBITDA divided by revenue. EBIT is defined as Operating profit for the year. The Company uses EBIT to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets. EBIT margin is defined as EBIT as a percentage of revenue. These non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating, investing or financing activities, or other financial measures of Befesa's results of operations or liquidity derived in accordance with IFRS. Befesa believes that the APM included in this report are useful measures of its performance and liquidity. Other companies, including those in the industry in which Befesa operates, may calculate similarly titled financial measures differently than Befesa does. Because all companies do not calculate these financial measures in the same manner, Befesa's presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These APM are not audited.

Befesa at a glance

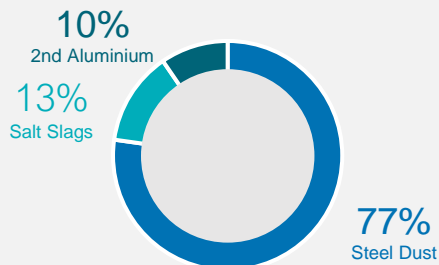
Market leader in Europe & Asia in providing regulated critical hazardous waste recycling services to the steel and aluminium industries

FY 2020

€604m
Revenue¹⁾



€127m
EBITDA



Steel Dust Recycling

#1

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

28%

EBITDA margin
(FY 2020)

>15yrs

Relationships



Aluminium Salt Slags Recycling

#1

Position in Europe in salt slags subsegment
(c. 45-50% market share)

25%

EBITDA margin in salt slags subsegment²⁾
(FY 2020)

>15yrs

Relationships



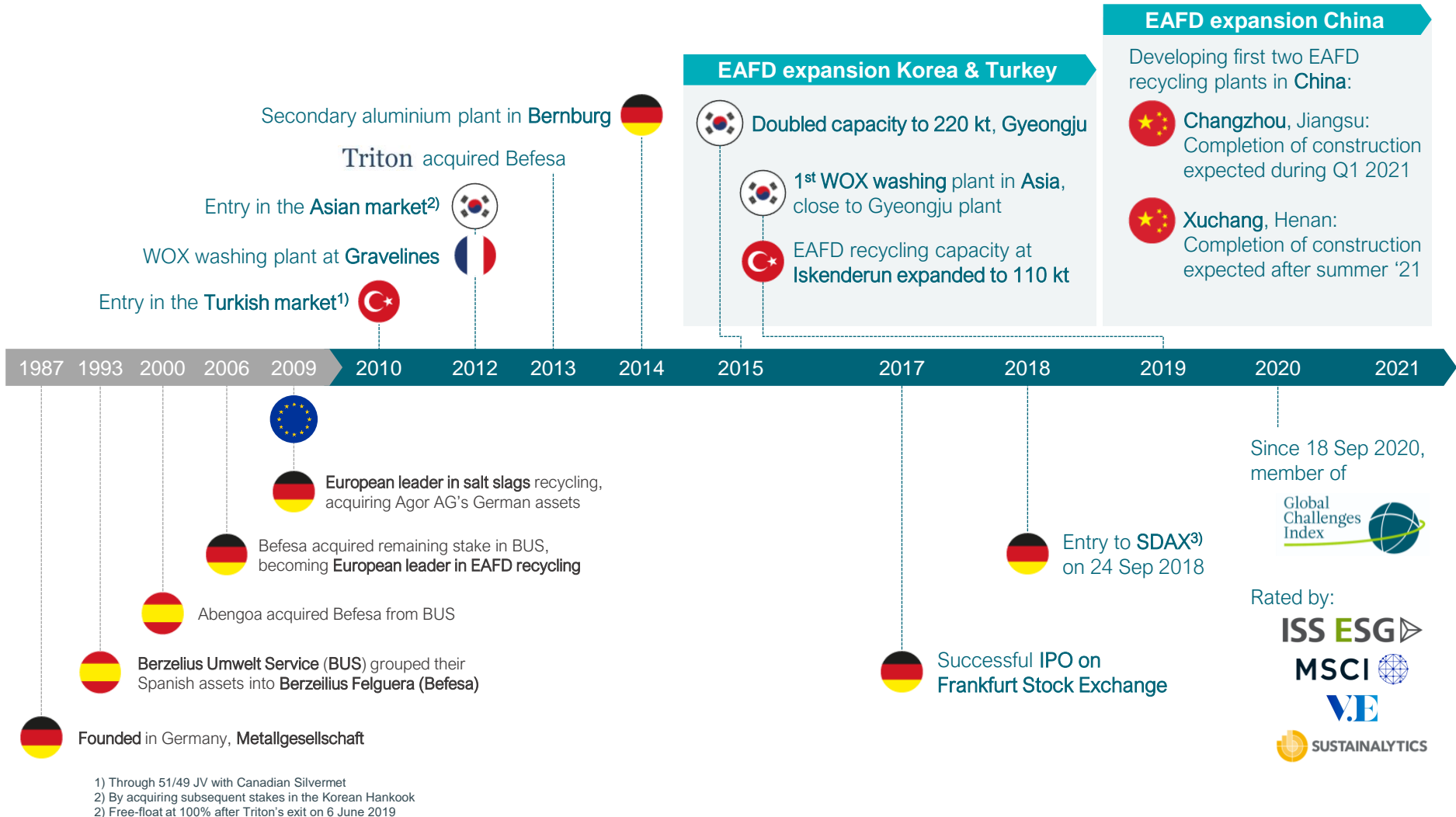
Source: Company information, International Consulting Firm based on World Steel Association's Steel Statistical Yearbooks, WBMS, industry research, expert Interviews.

¹⁾ Excluding internal revenue; revenue split is calculated on revenues including internal revenue

²⁾ Including recycling of SPL (a hazardous waste generated in primary aluminium production)

Key milestones

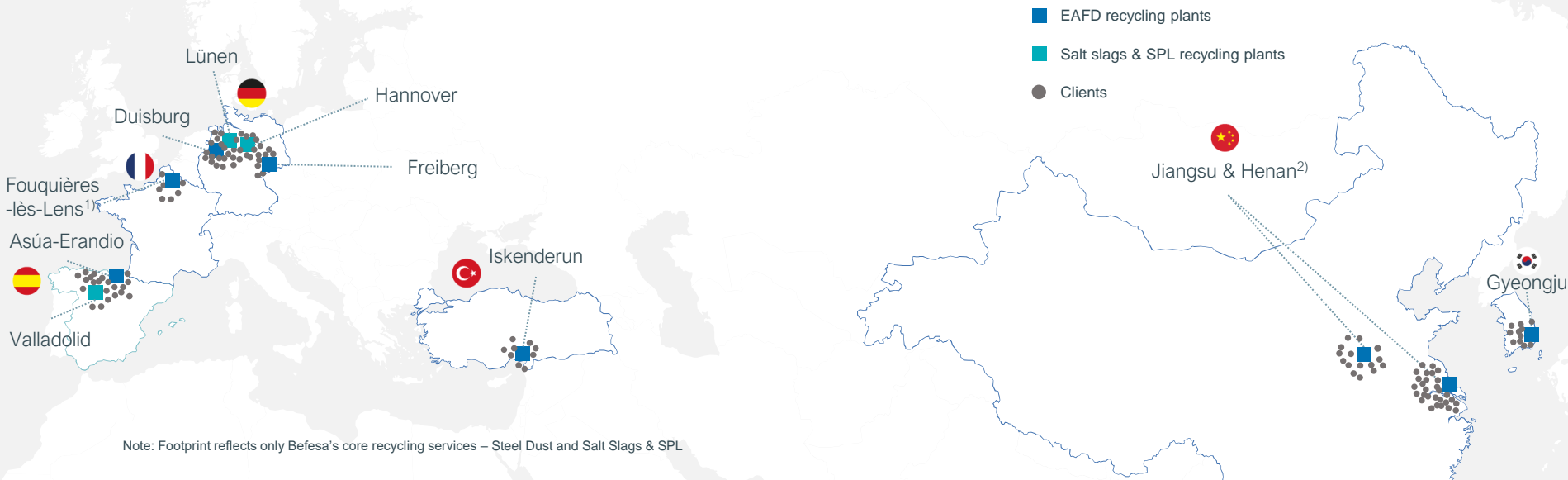
Befesa has grown successfully through organic initiatives and acquisitions



1) Through 51/49 JV with Canadian Silvermet
 2) By acquiring subsequent stakes in the Korean Hankook
 2) Free-float at 100% after Triton's exit on 6 June 2019

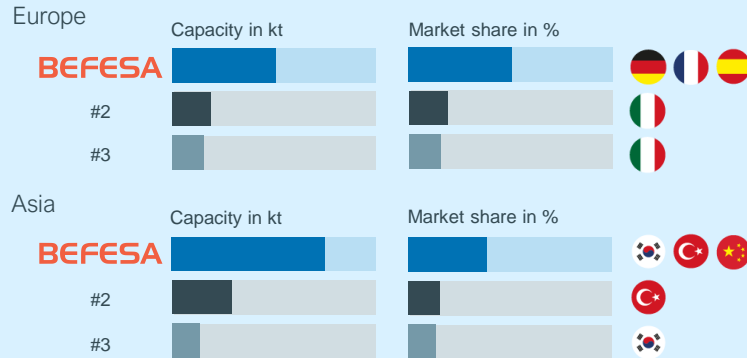
Market leader in Europe & Asia

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

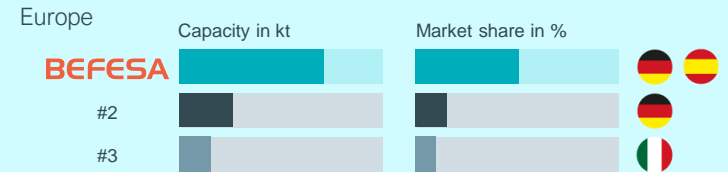


Note: Footprint reflects only Befesa's core recycling services – Steel Dust and Salt Slags & SPL

STEEL DUST RECYCLING



ALU SALT SLAGS RECYCLING

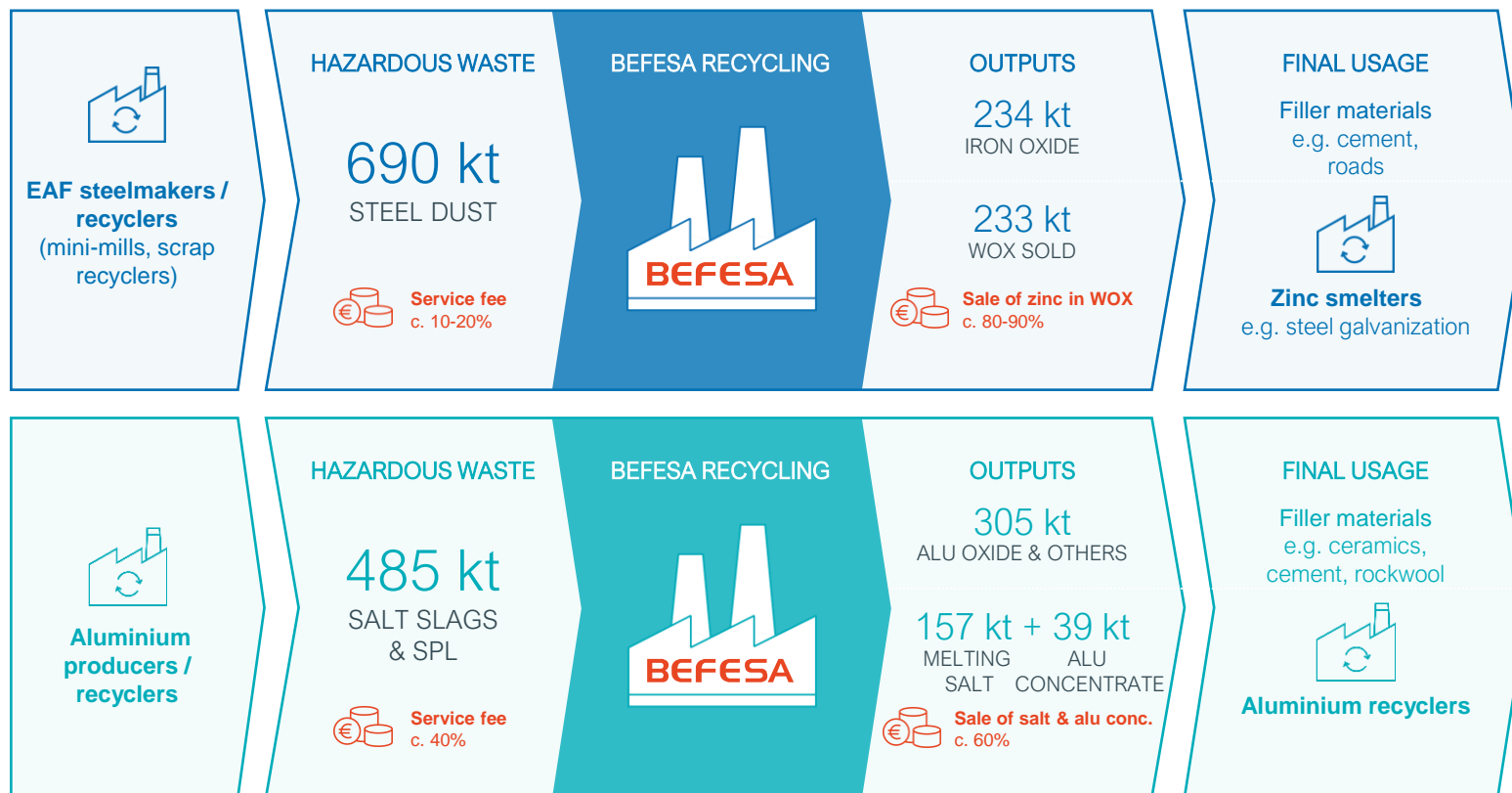


¹⁾ 50/50 joint venture with Recylex

²⁾ Chinese plants under construction: Changzhou, Jiangsu, cold and hot commissioning completed in March/April 2021; Xuchang, Henan, completion of construction expected after the summer of 2021

Highly regulated & critical service model

Befesa is the leading environmental services partner in the circular economy of the 2nd steel & aluminium industry by recycling and avoiding the landfilling of c. 1.5 MT hazardous waste and recovering c. 1.3 MT of new valuable materials



All figures are the average of the fiscal years 2018, 2019 and 2020

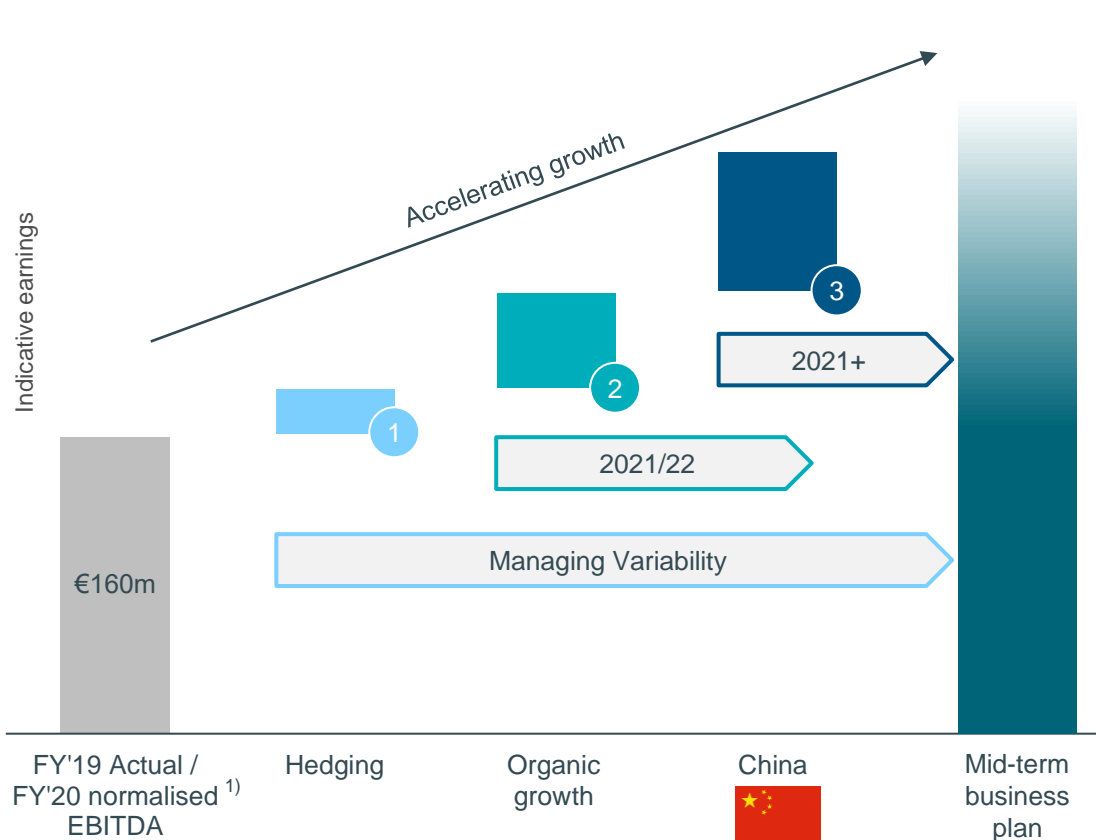
Value chains are simplified and only reflect Befesa's core business segments (i.e. Steel Dust; Aluminium Salt Slags):

- Within Steel Dust Recycling Services business segment Befesa manages a Stainless sub-segment (94 kt stainless steel dust throughput, average over L3Y period 2018-2020)

- Within Aluminium Salt Slags Recycling Services business segment Befesa manages a Secondary Aluminium sub-segment (173 kt 2nd aluminium alloys produced, average over L3Y period 2018-2020)

Mid-term growth roadmap

Executing well defined growth roadmap even during COVID-19;
Focus 2021: Ramping up operations at the first two EAFD recycling plants in China



1 HEDGING

- 2020: 92.4kt @ €2,239/t
- 2021: 92.4kt @ c. €2,150/t
- 2022: 92.4kt @ c. €2,200/t
- Up to Oct 2023: 50.7kt @ c. €2,300/t

2 ORGANIC GROWTH

Top 5 projects:

- Steel Dust:
 - ✓ Turkey expansion: Completed
 - ✓ Korea washing: Completed
- Aluminium Salt Slags:
 - ✓ 2 tilting furnaces (Spain): Completed

3 CHINA

Building first two EAFD recycling plants in two provinces (Jiangsu and Henan)

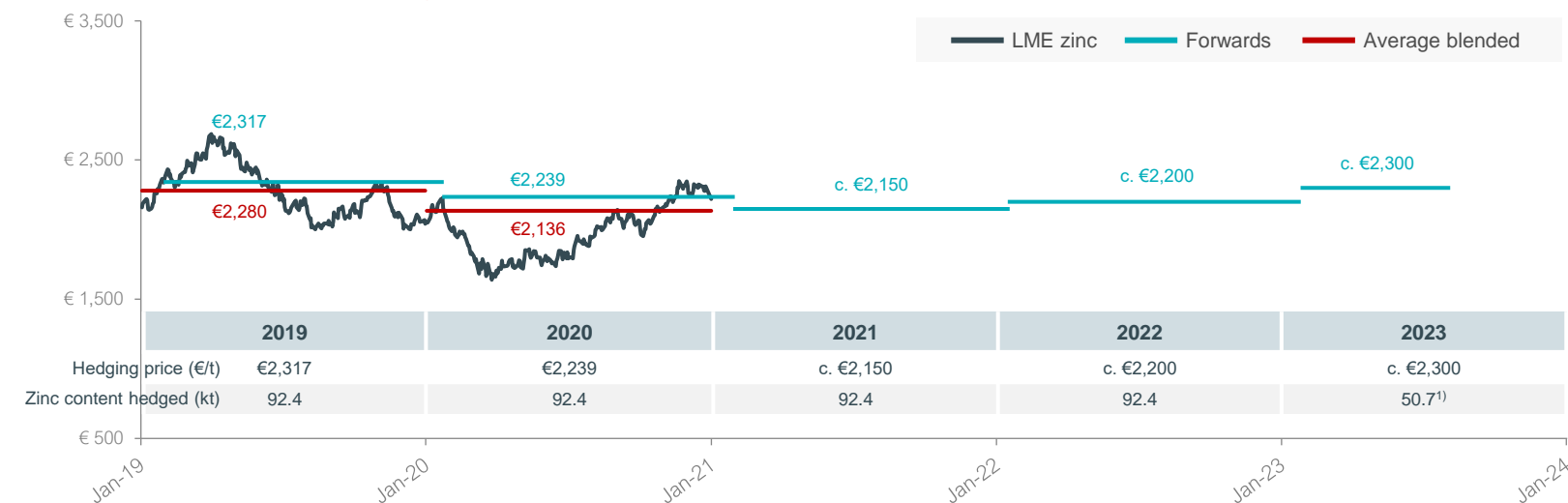
Note: Chart is illustrative and size of respective arrows in the chart is not indicative to the underlying growth potential

¹⁾ FY 2020 normalised for a) Zinc LME @\$2,500/t (long-term consensus), and b) TC @\$225/t (~9% \$2,500/t LME)

Zinc prices and hedging strategy

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

Market zinc price vs. zinc hedges (€/t)



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

Zinc hedges & blended average prices (€/t)

	2019	2020
Unhedged	26% or 33kt @ €2,276/t LME	33% or 46kt @ €1,979/t LME
Hedged	74% or 92kt @ €2,317/t	67% or 92kt @ €2,239/t
Blended²⁾	€2,280	€2,136

-€144/t / -6% yoy

Hedging strategy unchanged:

- Hedges in place **until and incl. October 2023 (>2.5 years)**
- Targeting **60% to 75% of zinc equivalent volume**
- **Majority of hedges Euro based**
- Befesa providing **no collateral**

¹⁾ As of 31 December 2020, 30.6 kt of zinc equivalent were hedged for 2023 at c. €2,300/t; Subsequently, in February 2021, additional 20.1 kt of zinc equivalent were hedged for 2023 at c. €2,300/t

²⁾ 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 I

Changzhou plant, Jiangsu province

Key facts of the plant:

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

Status update:

- Cold and hot commissioning planned for Mar/Apr
- ✓ Long-term financing closed July 2020



↑ Changzhou construction site, early February 2021

China II

Xuchang plant, Henan province

Key facts of the plant:

- 2nd EAFD recycling plant in China
- Capacity to recycle 110kt EAFD 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 December 2020



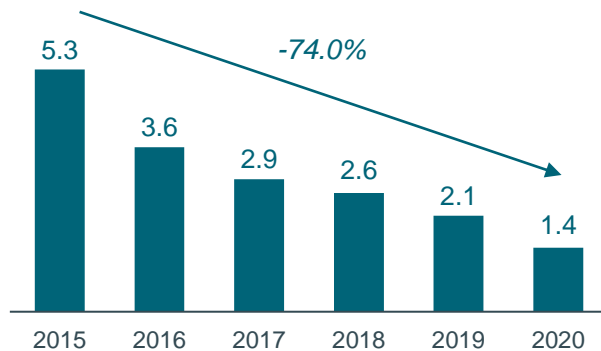
↑ Xuchang construction site, January 2021

Sustainability at Befesa

Key player within the circular economy, with c. 1.5 million tonnes recycled and c. 1.3 million tonnes of valuable materials recovered annually, that contributes significantly to increase efficiency of raw material use in the metals industry and promotes the transition towards a more sustainable economy

Lost Time Injury Rate (LTIR)

- Excellence in health & safety is a priority for Befesa
- Aiming to reduce LTIR by at least 50% by 2024 vs. 2019



Ratings

ISS ESG

B
Top 3 of 205
Metals & mining

SUSTAINALYTICS

14.8
#3 of 60
Commercial services

V.E

#5 of 105
Business services

MSCI

BBB
Commercial services

Global Challenges Index (GCX)

- Befesa selected on 18 Sep 2020
- GCX comprises a total of 50 shares selected according to strict criteria from a total of c. 6,000 companies worldwide



2021 Sustainability Report

- Publishing Progress Report in April

Experienced management team

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;
incl. responsibilities
for operational
excellence & IT

- CFO since 2014
- 20+ years in finance & operational leadership roles, 50/50 General Electric / PE



Asier Zarraonandia
Vice-president
Steel Dust
Recycling Services

- 15+ years with Befesa
- Running Befesa's Steel Dust business for >15 years



Federico Barredo
Vice-president
Aluminium Salt Slags
Recycling Services

- 25+ years with Befesa
- Running Befesa's Aluminium Salt Slags business for >20 years

Key achievements / track record



Extensive experience in steel and aluminium recycling business, including managing through the cycle



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, e.g. BUS, Agor, Alcasa, Hankook, Silvermet



Experience in developing greenfield projects, e.g. Gravelines, South Korea, Bernburg, China

Multi-year trend – Key financials¹⁾

(€m, unless otherwise stated)

	2017	2018	2019	2020
Revenue	€667.4²⁾	€720.1	€647.9	€604.3
Reported EBITDA	€153.0	€176.0	€159.6	€123.5
Reported EBITDA margin	22.9%²⁾	24.4%	24.6%	20.4%
Adjusted EBITDA	€172.4³⁾	€176.0	€159.6	€127.0⁴⁾
Adjusted EBITDA margin	25.8%²⁾	24.4%	24.6%	21.0%
Net profit⁵⁾	€49.3	€90.2	€82.7	€47.6
EPS⁵⁾ (€)	€1.02⁶⁾	€2.65	€2.43	€1.40
Operating cash flow⁷⁾	€91.5	€103.8	€102.5	€92.5
Cash position end of period	€117.6	€150.6	€125.5	€154.6
Net debt	€406.4	€376.8	€416.9	€393.6
Net leverage	x2.4	x2.1	x2.6	x3.1

¹⁾ 2017, 2018 and 2019 are full year actual reported figures audited by external auditors; 2020 are full year preliminary figures currently being audited by external auditors

²⁾ FY 2017 reported revenue amounted to €724.8m; Revenue of €667.4m is comparable after amendment IFRS 15 impacting non-operating revenue

³⁾ 2017 EBITDA adjusted due to one-off non-recurrent items primarily related to the IPO

⁴⁾ 2020 EBITDA adjusted for €3.5m for the UK Salt Slags plant closure

⁵⁾ Net profit and total basic earnings/(losses) per share attributable to the ordinary equity holders of Befesa S.A.

⁶⁾ FY 2017 EPS impacted by the conversion of the preferred shares carried out in October 2017 prior to the IPO; The weighted average number of ordinary shares used as the denominator in calculating total basic EPS in FY 2017 was 25,025 thousand shares, compared to the 34,067 thousand shares used from 2018 onwards

⁷⁾ Operating cash flow is after WC change, taxes and interests; pre capex and pre dividend

Multi-year trend – Operational data

	2017	2018	2019	2020
EAFD throughput (kt)	661.0	717.1	665.8	687.0
EAFD average capacity utilisation (%)	84.7%	92.0%	80.7% / 90.1% ¹⁾	83.0%
Waelz oxide (WOX) sold (kt)	217.8	240.9	217.6	239.2
Zinc LME price (€/t)	€2,572	€2,468	€2,276	€1,979
Zinc hedging price (€/t)	€1,876	€2,051	€2,317	€2,239
Zinc blended price²⁾ (€/t)	€2,160	€2,168	€2,280	€2,136
Salt Slags & SPL treated (kt)	509.9	517.0	492.6	444.6
Salt Slags & SPL avg. cap. utilisation (%)	96.2%	97.5%	92.9%	83.7% / 86.9% ³⁾
Alu alloys produced (kt)	184.1	169.3	176.7	174.3
Secondary Alu avg. capacity utilisation (%)	89.8%	82.6% / 98.1% ⁴⁾	86.2% / 91.1% ⁵⁾	84.8%
Aluminium alloy FMB price⁶⁾ (€/t)	€1,766	€1,715	€1,397	€1,420

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

³⁾ Installed capacity and corresponding utilisation rates in 2020 are normalised for the UK salt slags plant closure in Q4 2020

⁴⁾ Installed capacity and corresponding utilisation rates in 2018 are normalised for the furnace upgrades in Bilbao (plant was shutdown three months, from 2nd week of June to 3rd week of September), as well as the Barcelona - phase I (plant was shutdown two months, from 4th week of August to 4th week of October)

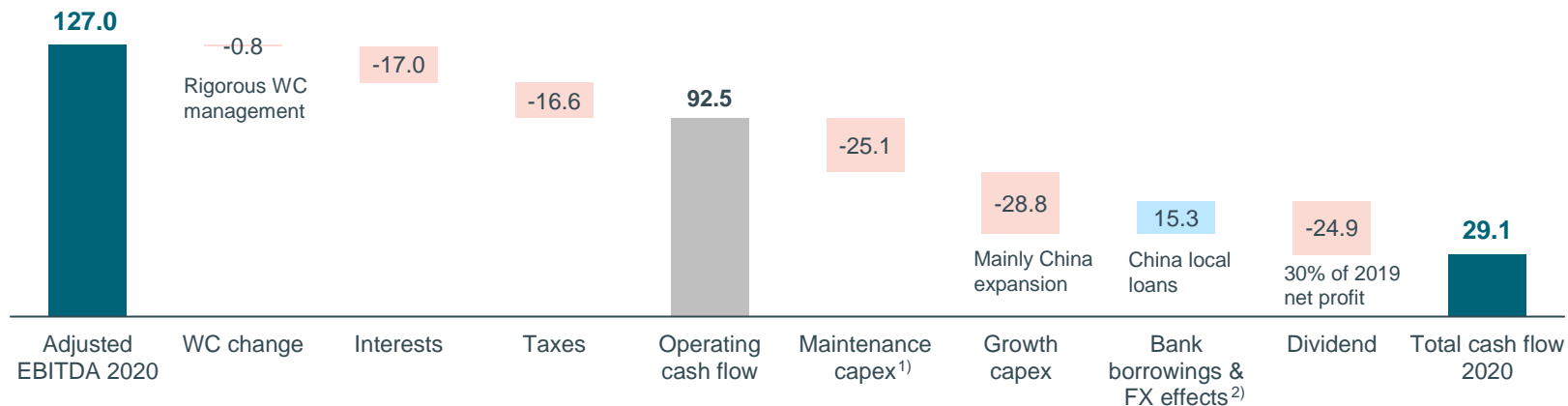
⁵⁾ Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona – phase II (plant was shutdown three months, from mid-August to mid-November)

⁶⁾ Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

Cash flow, net debt & leverage

Strong €230m liquidity (€155m cash balance + €75m RCF entirely undrawn)
even after dividend distribution and funding China

Adjusted EBITDA to total cash flow (€m)



¹⁾ Includes investments required to maintain or replace assets as well as those related to productivity, compliance and IT, as well as non-material collections from financial assets

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

	YE 2019	yoy change	YE 2020
LTM EBITDA	€159.6	-€32.6 / -20.4%	€127.0
Operating cash flow	€102.5	-€10.0 / -9.7%	€92.5
Gross debt	€542.4	+€5.8 / +1.1%	€548.2
Cash on hand	€125.5	+€29.1 / +23.2%	€154.6
Net debt	€416.9	-€23.3 / -5.6%	€393.6
Net leverage	x2.61	+x0.5	x3.10