

BEFESA

Company Presentation

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Figures do not include the contribution from AZR's acquisition

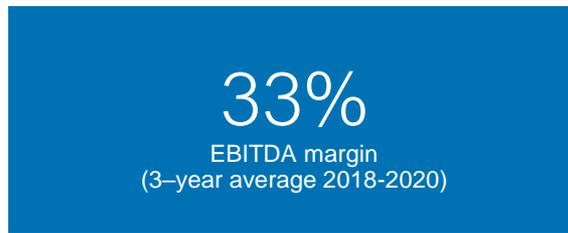
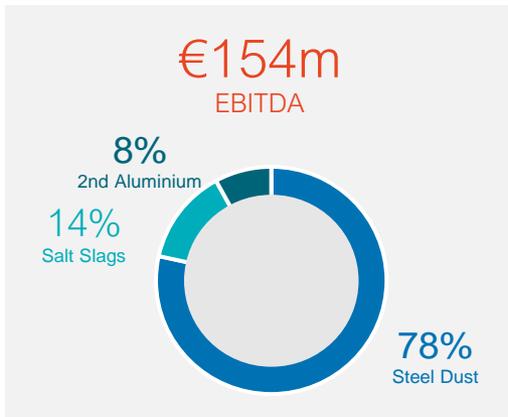
Befesa at a glance

Global leader in Europe, Asia and US in providing regulated critical hazardous waste recycling services to the steel and aluminium industries

3-year average (2018-2020)¹⁾

Steel Dust Recycling¹⁾

Aluminium Salt Slags Recycling



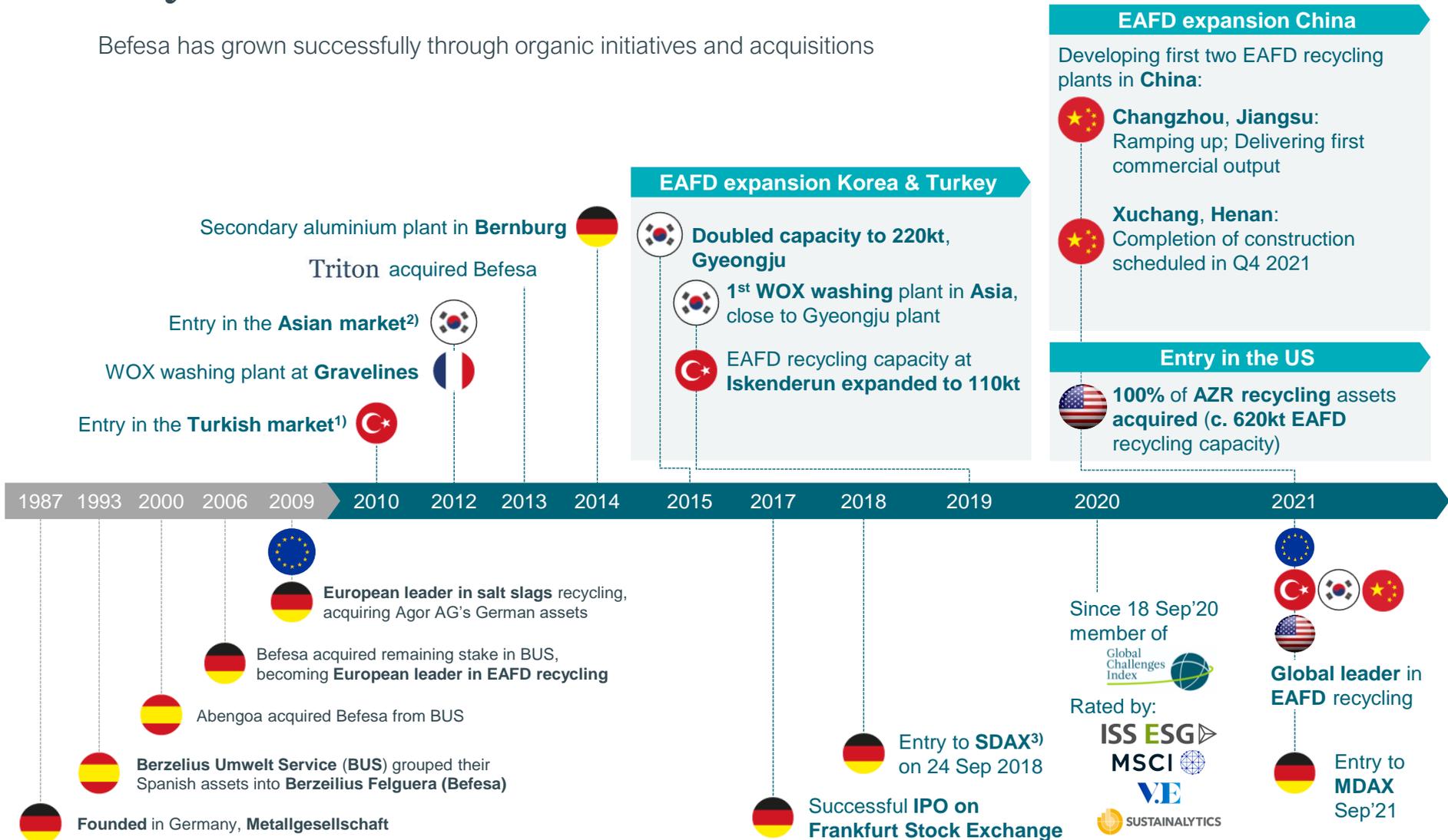
Source: Company information, International Consulting Firm based on World Steel Association's Steel Statistical Yearbooks, WBMS, industry research, expert Interviews.

1) Figures do not include the contribution from AZR's acquisition closed on 17 August 2021

2) Excluding internal revenue; revenue split is calculated on revenues including internal revenue; 3) Including recycling of SPL (a hazardous waste generated in primary aluminium production)

Key milestones

Befesa has grown successfully through organic initiatives and acquisitions

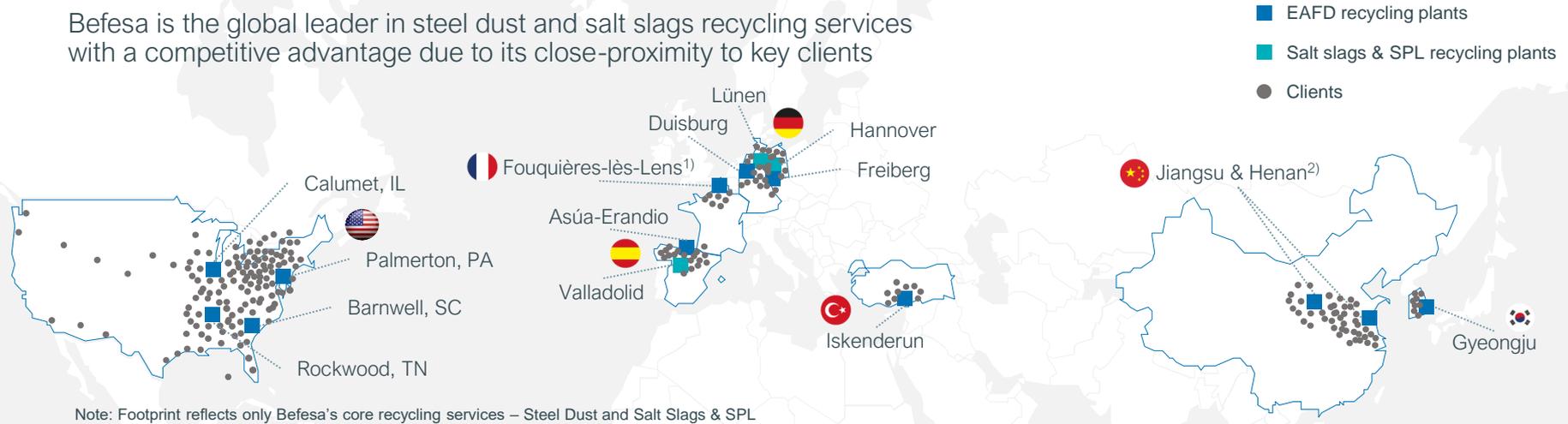


1) Through 51/49 JV with Canadian Silvermet; 2) By acquiring subsequent stakes in the Korean Hankook; 3) Free-float at 100% after Triton's exit on 6 June 2019

4 / Company Presentation – September 2021

Global leader in Europe, Asia & North America

Befesa is the global 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

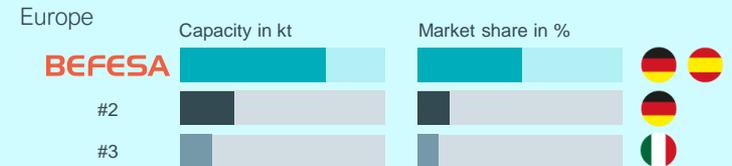
STEEL DUST RECYCLING



1) 50/50 joint venture with Recylex

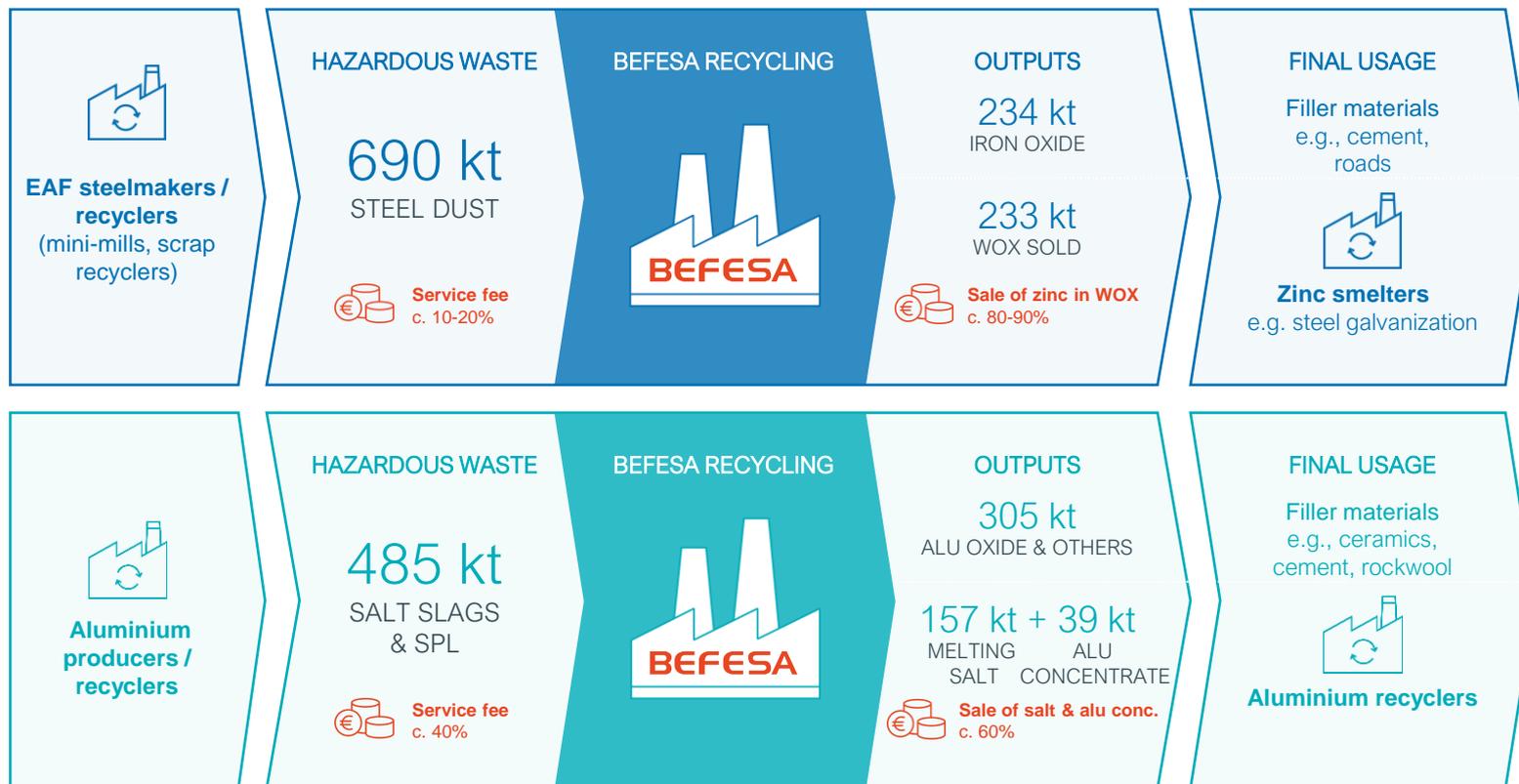
2) Changzhou, Jiangsu province: construction completed in Q1'21, commissioning in process and commercial output expected in H2; Xuchang, Henan province: completion of construction expected after summer of 2021, with ramp-up in H2

ALU SALT SLAGS RECYCLING



Highly regulated & critical service model

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



All figures are the average of the fiscal years 2018, 2019 and 2020 and do not include contribution from AZR's acquisition closed on 17 August 2021

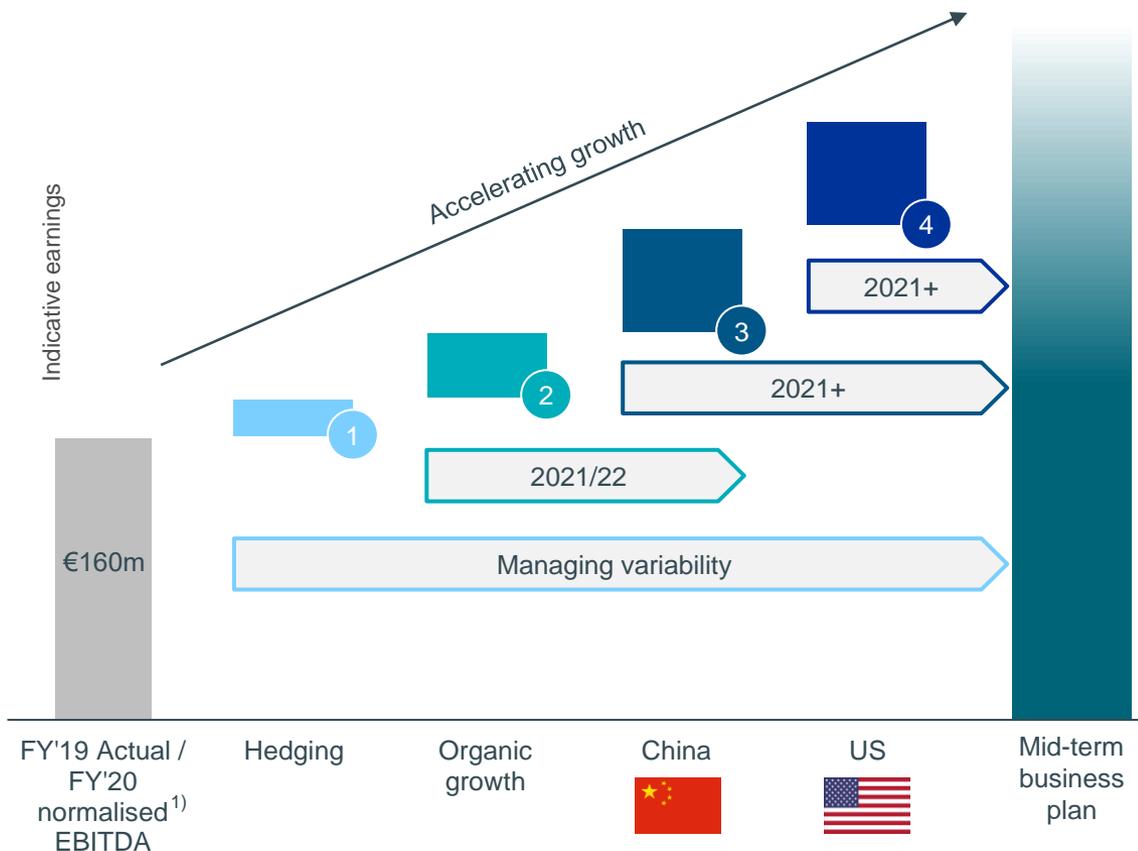
Value chains are simplified and only reflect Befesa's core business segments (i.e. Steel Dust; Aluminium Salt Slags):

- 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; Integrating AZR



1 HEDGING

- Befesa's hedge book fully extended to July '24 – partially Q3'24 up to Oct '24, c. 3 years;
AZR hedged for coming 2 years;
- Providing increased earnings and cash flow visibility

2 ORGANIC GROWTH

Top 5 projects:

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

3 CHINA

First two EAFD recycling plants in two provinces (Jiangsu and Henan)

4 US / AZR ACQUISITION

Integrating four EAFD recycling plants acquired from AZR and realising near- and mid- term synergies

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 & hedging strategy

Befesa hedged up to Oct 2024, c. 3 years (AZR hedged for 2 years); Improving earnings & cash flows visibility

Zinc LME price vs. hedges (€/t)



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

Zinc hedges & blended average prices (€/t)

	H1 2020	H1 2021
Unhedged	37% or 27kt @ €1,855/t LME	33% or 23kt @ €2,349/t LME
Hedged	63% or 46kt @ €2,234/t	67% or 46kt @ €2,200/t
Blended¹⁾	€2,064/t	€2,254/t
		+€190/t / +9% yoy

Hedging strategy unchanged:

- **Befesa** fully hedged up to and incl. July 2024; partially for Q3'24 up to Oct 2024, c. **3 years**
Note: **AZR** hedged for coming c. **2 years**
- **Targeting 60% to 75% of zinc equivalent volume**
- Befesa providing **no collateral**

1) Zinc blended prices are 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:

- ✓ Long-term financing closed Jul'20
- ✓ Construction completed, on time & on budget
- Finalising hot commissioning & trial production; Ramping up and starting commercial operations H2



↑ Changzhou plant, completed



↑ Recycling kiln in operations

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:

- ✓ Long-term financing closed Dec'20
- Construction progressing on time & on budget; Completion scheduled in Q4



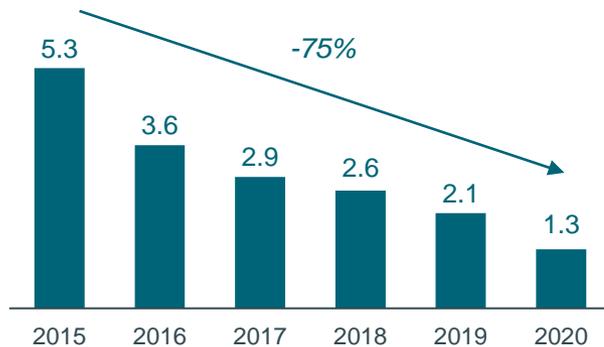
↑ Xuchang construction site, mid-August 2021

Sustainability at Befesa

Key player within the circular economy, with c. 2 million tonnes recycled and c. 1.5 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



ESG 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



Sustainability Report

- Befesa 2020 ESG Progress Update was published on 27 April 2021

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 Zarranandia
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, AZR



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

Figures do not include the contribution from AZR's acquisition

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

Figures do not include the contribution from AZR's acquisition

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)

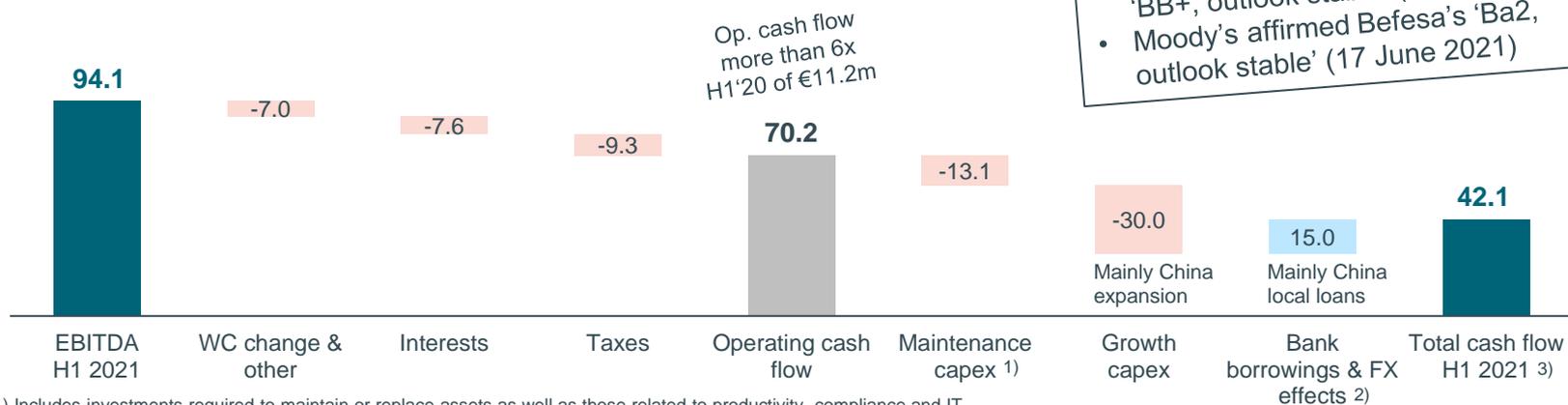
5) Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona – phase II (plant was shutdown three months, from mid-August to mid-November)

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

Record cash balance at €197m & liquidity at €272m with €75m RCF entirely undrawn;
Net leverage improved to x2.24 at Q2 closing, triggering next interest ratchet of 1.75% vs. 2.0%

EBITDA to total cash flow (€m)



- S&P upgraded Befesa to 'BB+, outlook stable' (18 June 2021)
- Moody's affirmed Befesa's 'Ba2, outlook stable' (17 June 2021)

1) Includes investments required to maintain or replace assets as well as those related to productivity, compliance and IT

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

3) Adjusted for the €330.6 million of net funds raised through the capital increase in connection with the AZR acquisition closed on 17 August 2021

	At 30 Jun 2020	At 31 Dec 2020	Change	At 30 Jun 2021
LTM EBITDA	€134.8	€127.0	+€38.9 / +30.6%	€165.8
LTM operating cash flow	€65.0	€92.5	+€59.0 / +63.8%	€151.6
Gross debt	€530.2	€548.2	+€19.9 / +3.6%	€568.1
Cash on hand ⁴⁾	€106.6	€154.6	+€42.1 / +27.2%	€196.6
Net debt	€423.5	€393.6	-€22.2 / -5.6%	€371.4
Net leverage	x3.14	x3.10	-x0.86	x2.24

4) Reported cash position of €527.2 million at Q2 2021 closing, adjusted for the €330.6 million of net funds raised through the capital increase in connection with the AZR acquisition closed on 17 Aug 2021