

Q1 2021 Statement

BEFESA

Befesa at a glance

Key figures – Q1 2021

| | Q1 2021 | Q1 2020 | Change |
|---|---------|---------|----------|
| Key operational data (tonnes, unless specified otherwise) | | | |
| Electric arc furnace (EAF) steel dust throughput | 181,095 | 185,656 | (2.5) % |
| Waelz oxide (WOX) sold | 66,727 | 67,777 | (1.5) % |
| Salt slags and Spent Pot Linings (SPL) recycled | 104,430 | 124,697 | (16.3) % |
| Secondary aluminium alloys produced | 51,283 | 47,919 | 7.0 % |
| Zinc LME average price (€ / tonne) | 2,279 | 1,930 | 18.1 % |
| Zinc blended price (€ / tonne) | 2,237 | 2,114 | 5.8 % |
| Aluminium alloy FMB average price (€ / tonne) | 1,982 | 1,433 | 38.3 % |
| Key financial data (€ million, unless specified otherwise) | | | |
| Revenue | 192.6 | 179.0 | 7.6 % |
| EBITDA | 48.8 | 33.6 | 45.6 % |
| EBITDA margin | 25.4 % | 18.7 % | 661 bps |
| EBIT | 39.4 | 24.1 | 63.6 % |
| EBIT margin | 20.5 % | 13.5 % | 700 bps |
| Financial result | (4.7) | (4.3) | 10.3 % |
| Profit before taxes and minority interests | 34.7 | 19.8 | 75.0 % |
| Net profit attributable to shareholders of Befesa S.A. | 24.8 | 14.7 | 68.7 % |
| EPS (in €) based on 34,066,705 shares | 0.73 | 0.43 | 68.7 % |
| Total assets ¹ | 1,159.7 | 1,100.4 | 5.4 % |
| Capital expenditures | 27.7 | 11.7 | > 100 % |
| Cash flow from operating activities | 26.5 | 8.4 | > 100 % |
| Cash and cash equivalents at the end of the period | 164.0 | 119.9 | 36.7 % |
| Net debt | 394.7 | 422.6 | (6.6) % |
| Leverage | x 2.77 | x 2.82 | -x 0.04 |
| Number of employees (as of end of the period) | 1,159 | 1,153 | 0.5 % |

¹ 2020 figure as of 31 December

Highlights

- **Q1 operational volumes** at pre-COVID-19 levels with **strong plant utilisation rates at or above 90%**
 - Electric arc furnace (EAF) steel dust throughput at 181.1 thousand tonnes (-2% yoy)
 - Salt slags & spent pot linings (SPL) treated at 104.4 thousand tonnes (-16% yoy), mainly due to the impact of the UK plant closure at year-end 2020
 - Secondary aluminium alloys produced at 51.3 thousand tonnes (+7% yoy)
- **Q1 EBITDA at €48.8 million, strongest quarter in Befesa's history, up 46% yoy** (Q1 2020: €33.6 million) and up 15% over Q4 2020 at €42.4 million;
Main drivers of Q1 yoy earnings increase:
 - (+) Favourable metal prices:
 - Zinc LME prices averaged at €2,279 per tonne, up 18% yoy
 - Zinc treatment charges (TC) for 2021 referenced at \$159 per tonne (2020: \$300 per tonne)
 - Aluminium alloy FMB prices averaged €1,982 per tonne, up 38% yoy
 - (+) Higher secondary aluminium alloys
 Positive effects were partially offset by:
 - (-) Lower salt slags & SPL volumes mainly due to the impact of the UK plant closure
 - (-) Zinc hedging prices slightly lower yoy
- **Operating cash flow at €26.5 million**, up €18.1 million yoy (Q1 2020: €8.4m);
€164.0m of cash on hand at Q1 2021 closing, up €9.4 million vs. year-end 2020 at €154.6 million
- **Continued strong c. €240 million liquidity** at Q1 2021 closing: €164 million cash on hand plus €75 million Revolving Credit Facility (RCF) entirely undrawn; **Net leverage reduced to x2.8** (YE 2020: x3.1)
- **China expansion on schedule and on budget:**
 - Jiangsu plant: Construction completed in Q1; commissioning in process and targeting commercial output in H2
 - Henan plant: Construction schedule to be completed after summer of 2021; ramp-up in H2
- **Hedge book extended to January 2024**, providing increased earnings and cash flow visibility
- **Dividend proposal for AGM on 30 June 2021: €40 million (€1.17 per share)**
- **FY 2021 EBITDA guidance: €165 to €190 million**, 30% to 50% yoy growth
- **ESG:**
 - Befesa **2020 ESG Progress Update published** on 27 April
 - Befesa as a vital player within the circular economy with **strong ESG ratings**

Business overview

Results of operations, financial position & liquidity

Revenue

Total revenue increased by 7.6% yoy to €192.6 million in Q1 2021 (Q1 2020: €179.0 million). The development was primarily driven by the higher zinc and aluminium alloy market price environment, the favourable lower zinc TC reference, and higher volumes in Secondary Aluminium. These positive effects were partially offset by the lower volumes treated of salt slags/SPL, mainly driven by the UK plant, which is permanently closed since year-end 2020. Also, the unfavourable zinc hedging prices partially offset the positive effect from the zinc LME price increase yoy.

EBITDA & EBIT

Total EBITDA in Q1 2021 increased by 45.6% yoy to €48.8 million (Q1 2020: €33.6 million). The main drivers of the €15 million Q1 EBITDA increase yoy were:

- Favourable metal prices (zinc TC €8 million, aluminium alloy FMB €4.5 million)
- Zinc blended prices: zinc LME price increase (€5 million) partially offset by slightly lower zinc hedging prices (-€1 million)
- Volumes of salt slags and SPL treated (-€1 million), impacted by the UK plant's closure in Q4 2020

Total EBIT in Q1 increased by 63.6% yoy to €39.4 million (Q1 2020: €24.1 million), following the same drivers that impact the EBITDA development.

Hence, earnings margins in Q1 2021 recovered to pre-COVID-19 levels: EBITDA margin improved to 25.4% (Q1 2020: 18.7%); EBIT margin increased to 20.5% (Q1 2020: 13.5%).

Financial result & net profit

Total net **financial result** in Q1 came in at -€4.7 million (Q1 2020: €-4.3 million). The development was primarily driven by the accounting for financial instruments per IFRS-9.

Total **net profit** attributable to the shareholders increased by 68.7% yoy to €24.8 million (Q1 2020: €14.7 million), primarily due to the positive drivers impacting EBITDA and EBIT. Earnings per share (EPS) in Q1 improved by 68.7% to €0.73 (Q1 2020: €0.43).

Financial position & liquidity

Net debt continued approximately stable with €394.7 million at Q1 closing (year-end 2020: €393.6 million). Net leverage decreased to x2.8 (year-end 2020: x3.1) due to the underlying improved last-twelve-months (LTM) EBITDA. On a last-six-months view, net leverage stands lower at x2.2. Befesa continues to be compliant with all debt covenants.

Net debt (€ million)

| | 31 March 2021 | 31 December 2020 |
|---|------------------|---------------------|
| Non-current financial indebtedness | 544.8 | 531.5 |
| + Current financial indebtedness | 13.9 | 16.8 |
| Financial indebtedness | 558.7 | 548.2 |
| - Cash and cash equivalents | (164.0) | (154.6) |
| - Other current financial assets ¹ | (0.1) | (0.1) |
| Net debt | 394.7 | 393.6 |
| EBITDA LTM | 142.2 | 127.0 |
| Leverage ratio | x 2.77 | x 3.10 |

¹ Other current financial assets adjusted by hedging valuation

Operating cash flow in Q1 2021 amounted to €26.5 million, up €18.1 million yoy (Q1 2020: €8.4 million). This development was mainly driven by the earnings increase, partially offset by €13 million seasonal effect in working capital. The latter is primarily driven by increased receivables, including adjusting for the lower favourable zinc TC reference at \$159 per tonne in April for the full 2021 year.

Interests paid in Q1 2021 reduced by 33% yoy to €6.3 million (Q1 2020: €9.5 million) as a result of the repricing of the capital structure in February 2020.

Income tax paid in Q1 2021 reduced by 40% yoy to €3.4 million (Q1 2020: €5.6 million).

On a LTM basis, the operating cash flow amounted to €110.7 million, above pre-COVID levels (2018 at €103.8 million; 2019 at €102.5 million).

In Q1 2021, Befesa invested €28.0 million to fund regular maintenance capex and growth investments (China), of which €11 million were funded through Chinese local loans related to the first two plants in China.

As a result, Befesa generated €9.4 million of cash in Q1 2021, closing the quarter with €164.0 million of cash on hand (€154.6 million at year-end 2020). This, together with the entirely undrawn RCF of €75.0m, provides c. €240 million **liquidity**.

Segment information

Steel Dust Recycling Services

Volumes of **EAF steel dust recycled** in Q1 2021 amounted to 181,095 tonnes, a minor 2.5% decrease yoy (Q1 2020: 185,656 tonnes). With these volumes, Befesa's EAF steel dust recycling plants ran in Q1 at an average load factor of 89.0% of the installed annual recycling capacity of 825 thousand tonnes (Q1 2020: 90.2%). The volume of WOX sold in Q1 amounted to 66,727 tonnes, down slightly by 1.5% yoy (Q1 2020: 67,777 tonnes).

Revenue in the Steel Dust business remained stable in Q1 2021 at €100.9 million (Q1 2020: €101.2 million).

EBITDA in Q1 2021 increased by 40.7% yoy to €36.5 million (Q1 2020: €26.0 million) primarily driven by the favourable market price environment and lower zinc TC. Zinc LME prices averaged at €2,279 per tonne in Q1, up 18% yoy (Q1 2020: €1,930 per tonne), and zinc TC was referenced at \$159 per tonne for the full year 2021 (2020: \$300 per tonne). Combined, the net price effect (LME and TC) was 41% yoy in Q1. Zinc hedging average prices in Q1 were slightly lower yoy (Q1 2021: €2,201 per tonne; Q1 2020: €2,244 per tonne) as well as compared to spot average prices in Q1 2021. Combined, the zinc effective average prices (blended rate between hedged volume and non-hedged volume) amounted to €2,237 per tonne in Q1 2021, up €123 per tonne or 6% yoy (Q1 2020: €2,114 per tonne).

Similarly, **EBIT** came in at €31.6 million in Q1 2021, up 51.5% yoy (Q1 2020: €20.9 million), following the same drivers explained referring to the EBITDA development.

Consequently, earnings margins in Q1 2021 recovered to pre-COVID-19 levels: EBITDA margin increased to 36.2% (Q1 2020: 25.6%); EBIT margin improved to 31.3% (Q1 2020: 20.6%).

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

Salt slags and SPL recycled volumes in Q1 2021 decreased by 16.3% yoy to 104,430 tonnes (Q1 2020: 124,697 tonnes). This development was primarily due to the plant in the UK, which contributed during 2020 and was permanently shut down in Q4 2020.

On average, plant capacity utilisation levels remained resilient at 94% of the latest installed annual recycling capacity of 450,000 tonnes.

Revenue in the Salt Slags subsegment came in at €19.8 million in Q1 2021, 10.3% lower yoy (Q1 2020: €22.1 million). This development was primarily driven by the volume decrease, partially compensated by the higher aluminium alloy FMB prices, which averaged €1,982 per tonne in Q1 or 38.3% up yoy (Q1 2020: €1,433 per tonne).

EBITDA and **EBIT** in Q1 2021 remained stable yoy at €5.9 million and €3.6 million, respectively. Both EBITDA and EBIT benefitted from the favourable aluminium alloy market prices in Q1 2021.

Therefore, earnings margins in the Salt Slags subsegment also recovered in Q1 2021 to pre-COVID-19 levels: EBITDA margin increased to 29.7% (Q1 2020: 26.5%); EBIT margin improved to 18.1% (Q1 2020: 16.2%).

Secondary Aluminium subsegment

Aluminium alloy production volumes in Q1 2021 increased by 7.0% yoy to 51,283 tonnes (Q1 2020: 47,919 tonnes) with plants running approximately at full capacity on average.

Revenue in the Secondary Aluminium subsegment amounted to €82.4 million in Q1 2021, a 26.0% increase yoy (Q1 2020: €65.4 million), following the volume increase and the favourable aluminium alloy FMB prices.

EBITDA in Q1 2021 increased by €3.7 million yoy to €6.4 million (Q1 2020: €2.7 million) primarily due to the improvement in volumes, the positive market price environment and recovered aluminium metal margins. Similarly, **EBIT** in Q1 2021 improved by €3.6 million yoy to €4.3 million (Q1 2020: €0.7 million), following the same drivers that impact the EBITDA development.

Strategy

Hedging strategy

Befesa's hedging strategy is unchanged and continues to be a key element of Befesa's business model to manage the zinc price volatility and therefore improve the stability and visibility of earnings and cash flow across the economic cycle. Further details are available in Befesa's Annual Report 2020 (page 33).

In Q1 2021, Befesa continued its hedging rigor and extended its zinc hedge book up to and including January 2024. For the year 2023, 43,200 tonnes of zinc equivalent payable output were additionally locked in at €2,300 per tonne. These tonnages add up to the 30,600 tonnes that had been already hedged for the year 2023, resulting in 73,800 tonnes of zinc equivalent hedged or 80% of the annual 92,400 tonnes target.

The hedge book in place as of the date of this Q1 report provides Befesa with improved pricing visibility for the following c. 2.5 years, through 2021 (at c. €2,150 per tonne), 2022 (at c. €2,200 per tonne) and 80% of 2023 (at c. €2,300 per tonne).

The average hedged prices and volumes for each of the periods are:

| Period | Average hedged price (€ per tonne) | Zinc content in WOX hedged (tonnes) |
|--------|------------------------------------|-------------------------------------|
| 2020 | €2,239 | 92,400 |
| 2021 | c. €2,150 | 92,400 |
| 2022 | c. €2,200 | 92,400 |
| 2023 | c. €2,300 | 73,800 ¹⁾ |

1) As of 31 December 2020, 30,600 tonnes of zinc equivalent were hedged for 2023 at c. €2,300 per tonne; subsequently, in Q1 2021, additional 43,200 tonnes of zinc equivalent were hedged for 2023 at c. €2,300 per tonne

China expansion

During Q1 2021, the expansion of the Steel Dust Recycling Services operations into China continued progressing on schedule and budget in both provinces – Jiangsu and Henan.

- **Jiangsu** province: Construction at the Changzhou site was completed in Q1 2021, as scheduled and on budget. The commissioning of the plant is currently in process and first commercial output will be delivered in H2 2021.
- **Henan** province: Construction at the Xuchang site continued progressing on schedule. The construction of the plant is expected to be finalised after the

summer of 2021, with the ramp-up planned during H2 2021.

The two plants in Jiangsu and Henan are designed to each recycle 110,000 tonnes of EAF steel dust per year and will represent Befesa's seventh and eighth EAF steel dust recycling sites globally, along with the existing sites in Europe, Turkey and South Korea.

ESG

ESG topics are crucial for Befesa as its business model has been based on sustainability and a circular-economy approach for more than three decades.

Updated information on sustainability at Befesa is presented in the **2020 ESG Progress Update**, which was published on 27 April 2021 and is available at the Befesa's website (www.befesa.com).

As of 31 March 2021, four well-known international ESG rating agencies following Befesa have maintained their respective **ESG ratings** unchanged and as follows:

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

Outlook 2021

Looking ahead, Befesa expects to see continued recovery and growth in 2021, supported by the resilience of its business, robust cash management and executing its expansion projects.

Full year **2021 EBITDA** is expected to come in **between €165 million and €190 million**, equal to 30% to 50% yoy growth (2020: €127.0 million).

The position within the range primarily depends on whether the recovery from COVID-19 follows a moderate or strong pattern, and whether the strong metal market price levels seen in Q1 continue throughout the rest of 2021 or slow down in H2 2021.

China expansion is expected to be completed on schedule and on budget, with the first plant delivering commercial output and the second plant ramping up in H2 2021.

With regards to **capex**, Befesa targets to spend €75 to €90 million in 2021, of which: €25 to €30 million will be used for regular maintenance, compliance, operational excellence, and IT investments, to maintain Befesa's assets at their high-performance operational levels. The remaining €50 to €60 million will be invested to mainly continue the expansion into China, of which the majority is funded through local loans.

With regards to **dividend** distribution for the financial year 2020, a €40 million (€1.17 per share) will be proposed at the AGM (30 June 2021). This dividend distribution equals to 84% of the €47.6 million net profit in 2020.

On a two-year basis, this proposal equals to distributing net profit at 50%, the upper-end of Befesa's dividend policy: €64.9 million dividend (€24.9 million distributed for 2019, plus €40.0 million proposed for 2020) over €130.3 million net profit (€82.7 million in 2019, plus €47.6 million in 2020).

Consequently, a positive **cash** flow of €25 to €45 million is expected to be generated in 2021, which would result in a cash position of €180 to €200 million by year-end 2021. Net debt/EBITDA **leverage** is expected to reduce to x2.1 to x2.5 in 2021 (compared to x3.1 at year-end 2020).

An overview of the lower- and upper- end guidance framework for the full year 2021 is summarised on the following table (page 9).

In 2021, Befesa is excited to go live with its first two state-of-the-art EAF steel dust recycling plants in China. Befesa is pleased to support the environmental protection efforts through its **environmental services** in the Chinese market and **actively contributing to a more sustainable world**.

Table: Overview of the full year 2021 guidance framework

| | Lower-end: €165m EBITDA (above 2019 of €160m) | Upper-end: €190m EBITDA (new record) |
|--|--|--|
| Volume / Capacity utilisation | <ul style="list-style-type: none"> • Moderate recovery from COVID-19 • China ramping up & delivering commercial output in H2 on schedule • Overall capacity utilisation at c. 85–90% | <ul style="list-style-type: none"> • Strong recovery from COVID-19 • China ramping up & delivering commercial output in H2 on schedule • Overall cap. utilisation at c. 90–95% |
| Metal prices | <ul style="list-style-type: none"> • Zinc & aluminium market prices slowing down in H2 (vs. strong Q1'21 level) • TC referenced at \$159/t | <ul style="list-style-type: none"> • Metal market prices maintaining strong Q1'21 levels for 2021 (c. \$2,750/t zinc LME; c. €2,000 alu alloy FMB) • TC referenced at \$159/t |
| Capex | <ul style="list-style-type: none"> • Continuing to fund China expansion • Total capex of c. €75–90m: <ul style="list-style-type: none"> c. €50–60m growth (China), majority funded through China local loans; c. €25–30m regular maintenance / IT / compliance / operational excellence investments | |
| Dividend | <ul style="list-style-type: none"> • €40m (€1.17 / share) dividend distribution, equal to: <ul style="list-style-type: none"> • Distributing 84% of €47.6m net profit in FY'20; equal to 2.3% yield (vs. €51.70 YE'20 closing price) • Distributing net profit at upper-end of 50% on a two-year view: FY'19 €24.9m + FY'20 €40.0m dividend = €64.9m, equal to 50% of FY'19 €82.7m + FY'20 €47.6m net profit = €130m | |
| Cash flow, cash position & net leverage | <ul style="list-style-type: none"> • c. +€25m • Cash position c. €180m • Net leverage at c. x2.5 (below 2019 of x2.6) | <ul style="list-style-type: none"> • c. +€45m • Cash position c. €200m • Net leverage at c. x2.1 (back to 2018 level) |

Consolidated financial statements as of 31 March 2021 (thousand of euros)

Statement of financial position

| | 31 March 2021 | 31 December 2020 |
|---|------------------|------------------|
| Non-current assets: | | |
| Intangible assets | | |
| Goodwill | 335,564 | 335,564 |
| Other intangible assets | 86,980 | 87,458 |
| | 422,544 | 423,022 |
| Right-of-use assets | 21,179 | 20,401 |
| Property, plant and equipment, net | 315,719 | 295,308 |
| Non-current financial assets | | |
| Investments in Group companies and associates | 118 | 118 |
| Other non-current financial assets | 2,136 | 2,546 |
| | 2,254 | 2,664 |
| Deferred tax assets | 87,885 | 81,369 |
| Total non-current assets | 849,581 | 822,764 |
| Current assets: | | |
| Inventories | 38,290 | 39,350 |
| Trade and other receivables | 78,158 | 54,222 |
| Trade receivables from related companies | 796 | 1,003 |
| Accounts receivables from public authorities | 12,101 | 9,621 |
| Other receivables | 16,665 | 18,817 |
| Other current financial assets | 121 | 64 |
| Cash and cash equivalents | 163,989 | 154,558 |
| Total current assets | 310,120 | 277,635 |
| Total assets | 1,159,701 | 1,100,399 |

Statement of financial position (continued)

| | 31 March 2021 | 31 December 2020 |
|---|------------------|------------------|
| Equity: | | |
| Parent Company | | |
| Share capital | 94,576 | 94,576 |
| Share premium | 263,875 | 263,875 |
| Hedging reserves | (28,658) | (9,509) |
| Other reserves | (6,356) | (54,306) |
| Translation differences | (15,161) | (15,077) |
| Net profit/(loss) for the period | 24,780 | 47,608 |
| Interim dividend | (9,880) | (9,880) |
| Equity attributable to the owners of the Company | 323,176 | 317,287 |
| Non-controlling interests | 10,496 | 10,294 |
| Total equity | 333,672 | 327,581 |
| Non-current liabilities: | | |
| Long-term provisions | 9,228 | 9,968 |
| Loans and borrowings | 533,414 | 520,602 |
| Lease liabilities | 11,373 | 10,860 |
| Other non-current financial liabilities | 16,186 | 4,614 |
| Other non-current liabilities | 4,823 | 4,905 |
| Deferred tax liabilities | 69,393 | 68,293 |
| Total non-current liabilities | 644,417 | 619,242 |
| Current liabilities: | | |
| Loans and borrowings | 10,829 | 13,629 |
| Lease liabilities | 3,119 | 3,124 |
| Other current financial liabilities | 23,416 | 8,842 |
| Trade payables to related companies | 711 | 613 |
| Trade and other payables | 108,916 | 98,091 |
| Other payables | 18,614 | 11,432 |
| Accounts payable to public administrations | 18,614 | 11,432 |
| Other current liabilities | 16,007 | 17,845 |
| | 34,621 | 29,277 |
| Total current liabilities | 181,612 | 153,576 |
| Total equity and liabilities | 1,159,701 | 1,100,399 |

Income statement

| | Q1 2021 | Q1 2020 | Change |
|--|----------------|----------------|---------------|
| Revenue | 192,640 | 179,028 | 7.6 % |
| Changes in inventories of finished goods and work-in-progress | (4,002) | (7,200) | (44.4) % |
| Procurements | (83,193) | (77,174) | 7.8 % |
| Other operating income | 1,478 | 638 | > 100 % |
| Personnel expenses | (21,066) | (21,066) | 0.0 % |
| Other operating expenses | (37,011) | (40,672) | (9.0) % |
| Amortisation/depreciation, impairment and provisions | (9,419) | (9,449) | (0.3) % |
| Operating profit (EBIT) | 39,427 | 24,105 | 63.6 % |
| Finance income | 24 | 43 | (44.2) % |
| Finance expenses | (5,289) | (4,291) | 23.3 % |
| Net exchange differences | 560 | (19) | - |
| Net finance income/(loss) | (4,705) | (4,267) | 10.3 % |
| Profit/(loss) before tax | 34,722 | 19,838 | 75.0 % |
| Corporate income tax | (9,197) | (5,982) | 53.7 % |
| Profit/(loss) for the period | 25,525 | 13,856 | 84.2 % |
| Attributable to: | | | |
| Parent Company's owners | 24,780 | 14,690 | 68.7 % |
| Non-controlling interests | 745 | (834) | - |
| Earnings/(losses) per share attributable to owners of the Parent (expressed in euros per share) | 0.73 | 0.43 | 68.7 % |

Statement of cash flows

| | Q1 2021 | Q1 2020 |
|--|-----------------|-----------------|
| Profit/(loss) for the period before tax | 34,722 | 19,838 |
| Adjustments due to: | 13,202 | 14,678 |
| Depreciation and amortisation | 9,419 | 9,449 |
| Changes in provisions | (740) | 1,222 |
| Interest income | (24) | (43) |
| Finance costs | 5,289 | 4,291 |
| Other profit/(loss) | (182) | (260) |
| Exchange differences | (560) | 19 |
| Changes in working capital: | (11,719) | (11,097) |
| Trade receivables and other current assets | (23,881) | (17,468) |
| Inventories | 1,060 | 3,832 |
| Trade payables | 11,102 | 2,539 |
| Other cash flows from/(used in) operating activities: | (9,702) | (15,042) |
| Interest paid | (6,347) | (9,482) |
| Taxes paid | (3,355) | (5,560) |
| Net cash flows from/(used in) operating activities (I) | 26,503 | 8,377 |
| Cash flows from/(used in) investing activities: | | |
| Investments in intangible assets | - | (96) |
| Investments in property, plant and equipment | (28,016) | (16,104) |
| Divestments in other current financial assets | 3 | - |
| Net cash flows from/(used in) investing activities (II) | (28,013) | (16,200) |
| Cash flows from/(used in) financing activities: | | |
| Cash inflows from bank borrowings and other liabilities | 11,613 | 3,648 |
| Cash outflows from bank borrowings and other liabilities | (1,025) | (1,034) |
| Net cash flows from/(used in) financing activities (III) | 10,588 | 2,614 |
| Effect of foreign exchange rate changes on cash and cash equivalents (IV) | 353 | (328) |
| Net increase/(decrease) in cash and cash equivalents (I+II+III+IV) | 9,431 | (5,537) |
| Cash and cash equivalents at the beginning of the period | 154,558 | 125,460 |
| Cash and cash equivalents at the end of the period | 163,989 | 119,923 |

Additional information

Segmentation overview – key metrics

| | Q1 2021 | Q1 2020 | Change |
|---|---------|---------|-----------|
| Key operational data (tonnes, unless specified otherwise) | | | |
| EAF steel dust throughput ¹ | 181,095 | 185,656 | (2.5) % |
| WOX sold | 66,727 | 67,777 | (1.5) % |
| Zinc blended price (€ / tonne) | 2,237 | 2,114 | 5.8 % |
| Total installed capacity ² | 825,300 | 825,300 | - |
| Utilisation (%) ² | 89.0 % | 90.2 % | (124) bps |
| Key financial data (€ million, unless specified otherwise) | | | |
| Revenue | 100.9 | 101.2 | (0.3) % |
| EBITDA | 36.5 | 26.0 | 40.7 % |
| EBITDA margin % | 36.2 % | 25.6 % | 1,056 bps |
| EBIT | 31.6 | 20.9 | 51.5 % |
| EBIT margin % | 31.3 % | 20.6 % | 1,072 bps |

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

| | Q1 2021 | Q1 2020 | Change |
|---|---------|---------|----------|
| Key operational data (tonnes, unless specified otherwise) | | | |
| Salt slags and SPL recycled | 104,430 | 124,697 | (16.3) % |
| Total installed capacity | 450,000 | 530,000 | (15.1) % |
| Utilisation (%) ³ | 94.1 % | 94.4% | (25) bps |
| Key financial data (€ million, unless specified otherwise) | | | |
| Revenue | 19.8 | 22.1 | (10.3) % |
| EBITDA | 5.9 | 5.9 | 0.6 % |
| EBITDA margin % | 29.7 % | 26.5 % | 323 bps |
| EBIT | 3.6 | 3.6 | (0.3) % |
| EBIT margin % | 18.1 % | 16.2 % | 182 bps |

Secondary Aluminium subsegment

| | Q1 2021 | Q1 2020 | Change |
|---|---------|---------|---------|
| Key operational data (tonnes, unless specified otherwise) | | | |
| Secondary aluminium alloys produced | 51,283 | 47,919 | 7.0 % |
| Aluminium alloy FMB price (€ / tonne) ⁴ | 1,982 | 1,433 | 38.3 % |
| Total installed capacity ⁵ | 205,000 | 205,000 | - |
| Utilisation (%) ⁵ | 101.5 % | 93.8 % | 770 bps |
| Key financial data (€ million, unless specified otherwise) | | | |
| Revenue | 82.4 | 65.4 | 26.0 % |
| EBITDA | 6.4 | 2.7 | > 100 % |
| EBITDA margin (% over revenue) | 7.8 % | 4.2 % | 358 bps |
| EBIT | 4.3 | 0.7 | > 100 % |
| EBIT margin (% over revenue) | 5.3 % | 1.1 % | 415 bps |

Note: Segment splits, revenue and earnings contributions do not take into account corporate nor the inter-segment eliminations.

1 EAF steel dust throughput does not include stainless steel dust treated volumes

2 Total installed capacity in Steel Dust does not include 174,000 tonnes per year of stainless-steel dust recycling operations; Utilisation represents EAF steel dust processed against annual installed recycling capacity

3 Utilisation represents the volume of salt slags & SPL recycled against annual installed capacity;

The 80kt reduction in annual installed capacity to 450,000 tonnes reflects the UK plant's permanent closure since year-end 2020;

Total annual installed capacity figures do not include the 100,000 tonnes idled capacity at Töging, Germany

4 Aluminium Scrap and Foundry Ingots Aluminium pressure diecasting ingot DIN226/A380 European

Metal Bulletin Free Market Duty paid delivered works

5 Utilisation represents the volume of secondary aluminium alloys produced against annual installed production capacity

Financial calendar

Wednesday, 30 June 2021

Thursday, 29 July 2021

Thursday, 28 October 2021

Annual General Meeting

H1 2021 Interim Report & Conference Call

Q3 2021 Statement & Conference Call

Notes: Befesa's financial reports and statements are published at 7:30 am CEST

Befesa cannot rule out changes of dates and recommends checking them at the Investor Relations / Investor's Agenda section of Befesa's website www.befesa.com

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