Befesa Presentation

Commerzbank Corporate Conference, 1 – 3 September 2020

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1	Business Update
2	Q2 2020 Results
3	Befesa Overview

Executive Summary

- **Q2 EBITDA at €22m**, **in line with market expectations**, down €15m / 41% yoy;
  H1 EBITDA at €55m as expected, down €25m / 31% yoy;
  Main driver is **COVID-19** pandemic **pressuring metal prices**

- **Confirming FY EBITDA guidance range** of €100m to €135m

- **Resilient plant utilisations** around **80%** in both core businesses;
  - **EAF** dust **throughput up +5%** yoy (Turkey);
  - **Salt slags & SPL -15%** (lower automotive sector demand)

- **Continued strong ~€185m available liquidity at Q2:** €107m 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**;
  Hedged until and incl. Jan´22 between 60%-70% of zinc volume output

- **Construction** of both **China** plants **progressing on schedule**;
  Total Befesa **capex** H1 at €31m, in line with FY €70m capex guidance (FY'19: €80m)

- **€15m (€0.44 per share) ordinary dividend distributed** in **July**;
  Post Q3 earnings release reviewing for potential additional dividend
  to balance dividend stability, cash flow and visibility on COVID-19 pandemic

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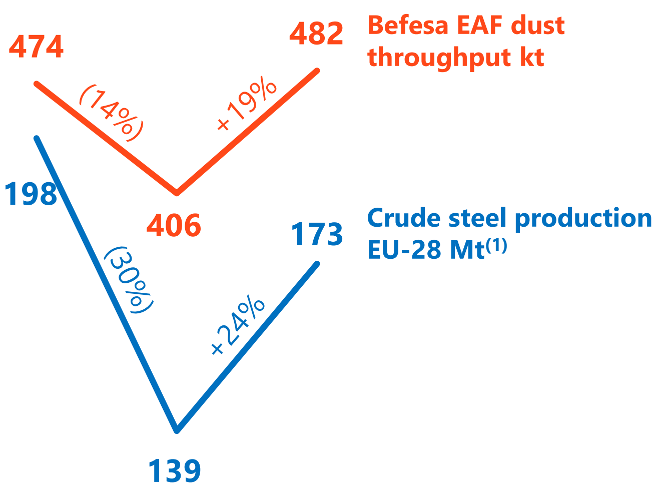
EU Crude Steel Production Trend & Befesa's EAF Dust Throughput (2008-2010)



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 ~19% EBITDA margin

2020 Crude Steel Production(1)

	Jan		Feb		Mar		Apr		May		Jun		Jul		Jul YTD	
	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%)	9.8	(24%)	78.4	(19%)
Turkey	3.0	17%	2.9	8%	3.1	4%	2.2	(26%)	2.3	(26%)	2.8	4%	3.1	7%	7.1	(2%)
South Korea	5.7	(8%)	5.4	3%	5.8	(8%)	5.1	(15%)	5.4	(14%)	5.1	(14%)	5.5	(8%)	15.5	(10%)
Served market (3)	21.7	(5%)	21.6	1%	21.0	(14%)	16.9	(26%)	18.2	(23%)	18.0	(18%)	18.5	(16%)	101.0	(15%)
China	79.9	1%	74.8	5%	79.0	(2%)	85.0	0%	92.3	4%	91.6	4%	93.4	9%	269.0	3%
World	151.3	(0%)	144.3	3%	147.6	(6%)	137.0	(13%)	148.8	(9%)	148.7	(7%)	152.7	(3%)	434.4	(5%)

- **Europe:** Q1 at -10% yoy; Q2 at -28% yoy; July YTD -19% yoy impacted by COVID-19 **For 2020 to be down 30% (08/09 crisis) requires remaining August to December down severely by -47% yoy**
- **Signs of a moderate recovery** in crude steel production …
  EU-28: **April yoy -31%, May -26%, June -25%, July -24%**
  Served market(3): **April yoy -26%, May -23%, June -18%, July -16%**
  World: **April yoy -13%, May -9%, June -7%, July -3%**
- **Expecting Q3 improving over Q2**

**Signs of a moderate recovery in crude steel production …
Expecting Q3 improving over Q2**

(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.

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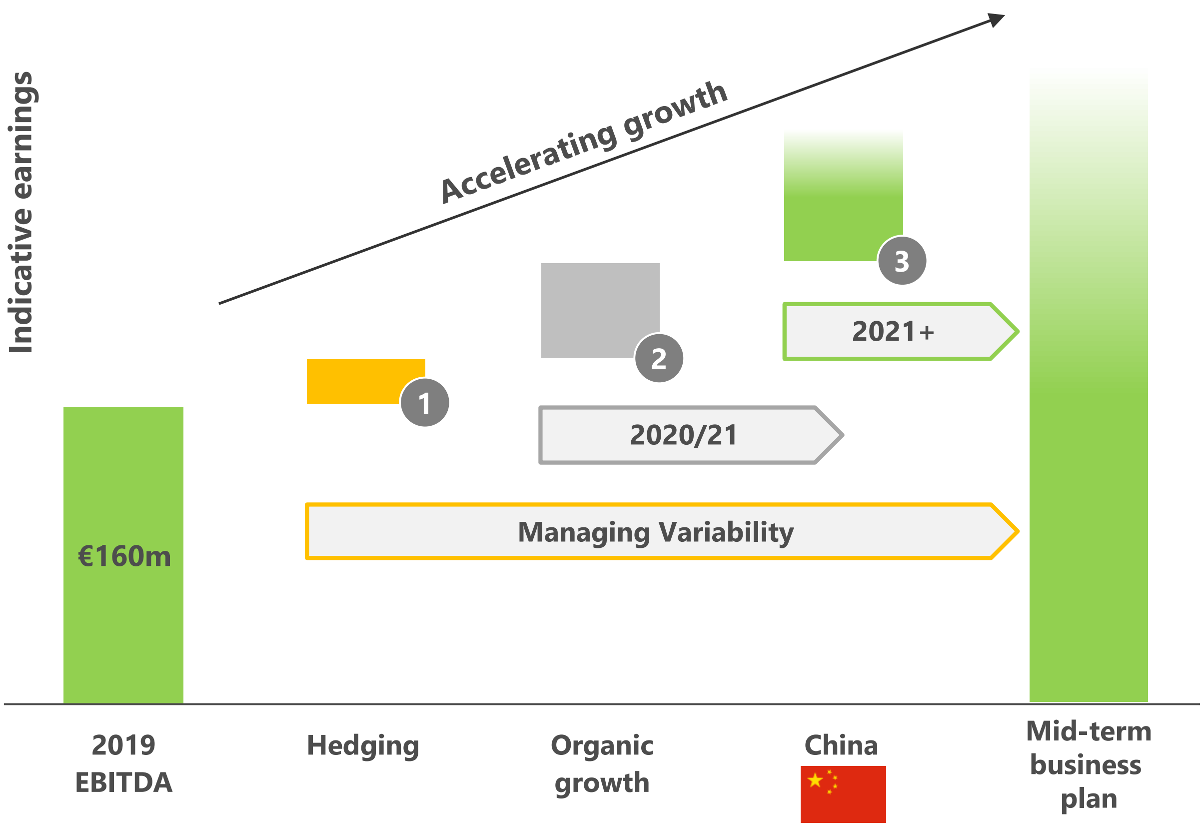
Unchanged & confirmed

FY 2020 Guidance

	Lower-end: €100m EBITDA	Upper-end: €135m EBITDA
EU crude steel market -&- COVID-19	▪ After -10% in Q1; **Q2 to Q4 each severely down -37% yoy**; **Annually down ~30%** yoy (like 2009 crisis) EU-28 volume ▪ **No recovery; Prolonged lockdowns**	▪ **Q2 materially down** yoy ▪ **Lockdown easing** by **end Q2** ▪ **Q3 & Q4 recovering** and **no 2nd pandemic wave** causing further lockdowns in H2
Operational performance	▪ Overall **capacity utilisation at ~80%**	▪ **Limited impact on volume** ▪ Overall **capacity utilisation at ~90%**
Metal prices	▪ **Q2 to Q4 at ~ Q1 low €1,650-€1,700/t** ▪ **TC** at **$300/t** ▪ **Combined price impact** (LME & TC) **-39%** yoy	▪ **H2 recovering** to **€1,750/t to €1,850/t**; ▪ **TC** at **$300/t** ▪ **Combined price impact** (LME & TC) **-30%** yoy
FY 2020 EBITDA	▪ FY 2020 **EBITDA: €100m** (-€60m / -38% yoy) ▪ **Remaining quarters** ~reduced **€22m run-rate** ▪ Q2+Q3+Q4 at €66m (-44% yoy vs. €117m '19)	▪ 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	▪ **Reducing discretionary cost & non-vital capex** ~€20m to **protect core growth roadmap**; ▪ **Total capex of ~€70m**: ~€50m growth (China); ~€20m regular maintenance;	
Pre-dividend cash flow & cash	▪ Approx. **+/- €5m** ▪ **Cash position ~€120m**	▪ Approx. **+€25 to €35m** ▪ **Cash position ~€150m**
Dividend	✓ **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**	

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

Executing well defined growth roadmap even during COVID-19 ...



1 Hedging

- 2019: 92.4kt @ ~€2,310/t
- 2020: 92.4kt @ ~€2,250/t
- 2021: 92.4kt @ ~€2,133/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 (130kt → 170kt)

3 China

Developing two EAF steel dust recycling plants in two provinces:

- #1 (Jiangsu): Completion of construction expected by ~begin'21
- #2 (Henan): Completion of construction expected ~mid of ´21

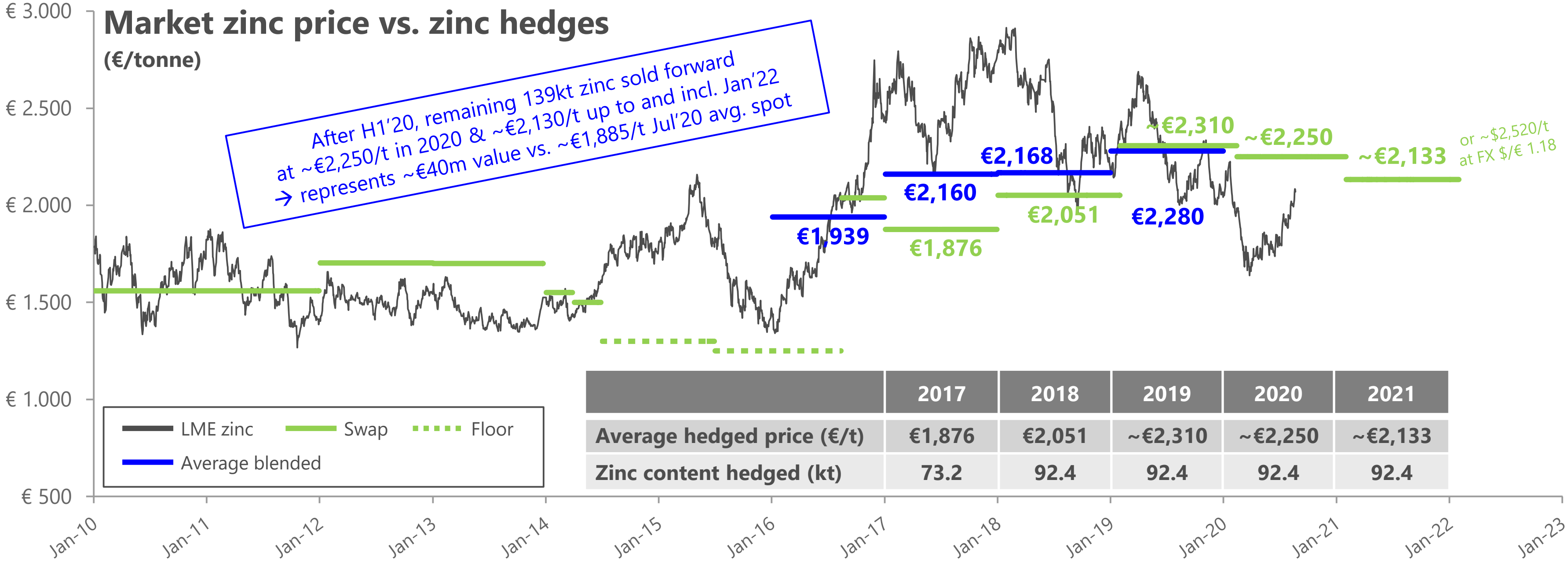
... 2019: ✓ Completed Turkey, Korea washing, Alu furnace upgrades; On time & budget
→ Focus 2020: Building two EAF steel dust recycling plants in China

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

Hedging incl. Jan´22; Improved earnings & cash flows visibility for next 1.5 years

Market zinc price vs. zinc hedges

(€/tonne)



	2017	2018	2019	2020	2021
Average hedged price (€/t)	€1,876	€2,051	~€2,310	~€2,250	~€2,133
Zinc content hedged (kt)	73.2	92.4	92.4	92.4	92.4

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

Zinc hedges & blended average prices

	Q2 2019	Q2 2020	H1 2019	H1 2020
Unhedged	22% or 7kt @ €2,308/t LME	~30% or 9kt @ €1,780/t LME	23% or 14kt @ €2,408/t LME	~35% or 25kt @ €1,855/t LME
Hedged	78% or 23kt @ €2,315/t hedge price	~70% or 23kt @ €2,225/t hedge price	77% or 46kt @ €2,320/t hedge price	~65% or 46kt @ €2,235/t hedge price
Blended[(1)]	**€2,277**	**€1,991**	**€2,326**	**€2,064**

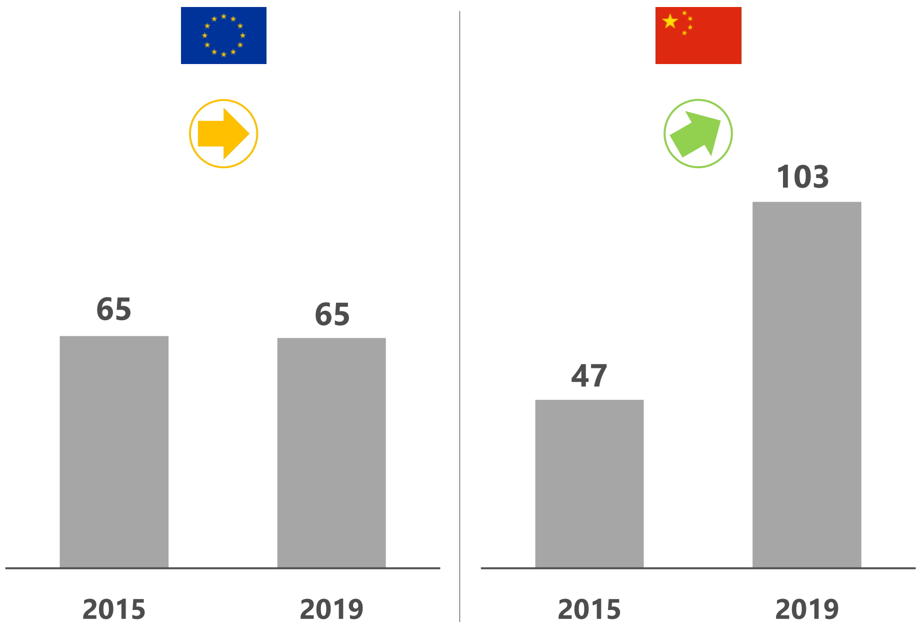
- Hedges in place **until and including January 2022**
- Continuous monitoring of the market to close further hedges
- **Majority** of hedges **Euro based**
- Befesa providing **no collateral**

(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

EAF Steel Production
-&- Befesa's Steel Portfolio Growth & Diversification

China is the largest and growing EAF steel producer worldwide …

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

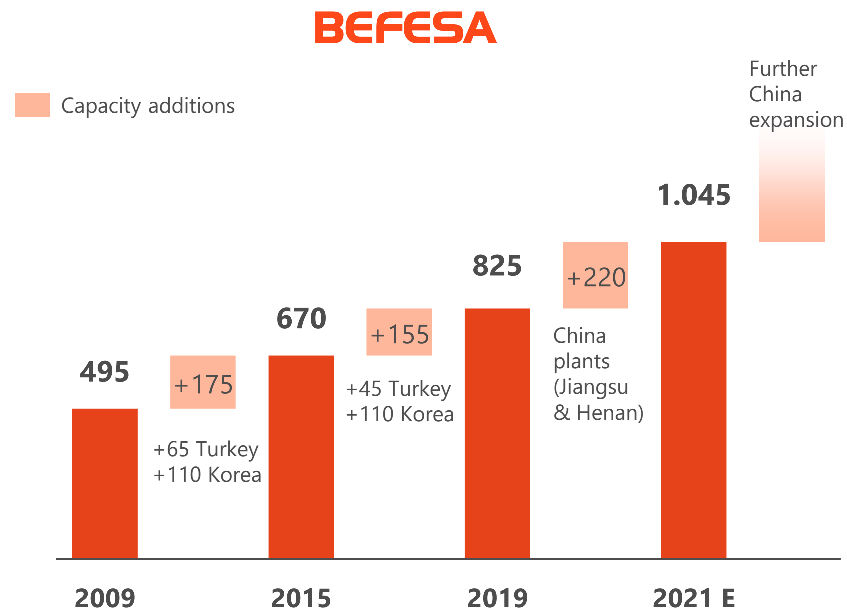


EAF share:

	EU-28 2015	EU-28 2019	China 2015	China 2019
EAF share	39%	41%	6%	10%

China EAFD addressable market >1.5 Mt[1] vs. ~1.2 Mt[1] EU-28;
Expected to grow in share and tonnage

Befesa's EAF Dust Recycling Capacity Trend (kt)



EAF dust recycling capacity by region (%):

	2009	2015	2019	2021 E
Europe[2]	100%	74%	60%	47%
ROW[3]	-	26%	40%	53%

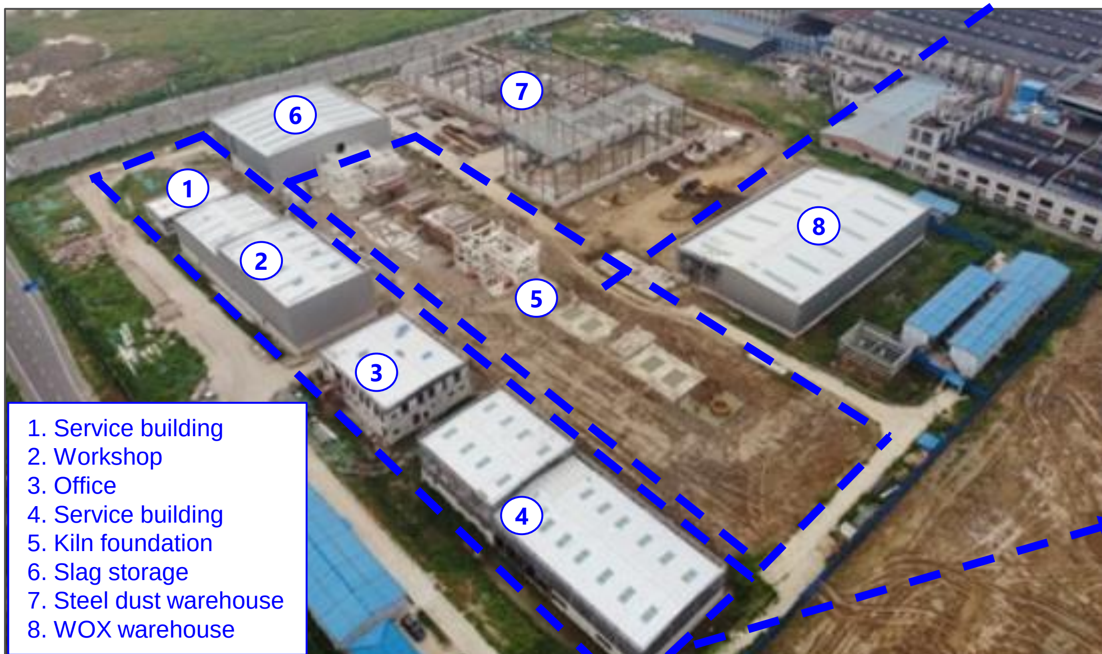
Befesa Steel portfolio **growing @~6% CAGR** (~twice GDP)
while **diversifying to ~50/50 Europe / ROW**

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

Source: worldsteel; Company data
(1) Assuming 15kg to 20kg EAF dust generated per tonne of EAF crude steel output (2) Europe defined as EU-28 (3) Rest of World incl. Turkey, Korea as well as servicing South East Asia and China

3 China – Changzhou Plant, Jiangsu Province

Aerial view of Changzhou construction site, July 2020



Key facts of the plant:

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

Status update:

→ Construction site at Changzhou (Jiangsu, 1st plant) on schedule; Completion expected ~begin '21

✓ Long-term financing secured on 30 July 2020

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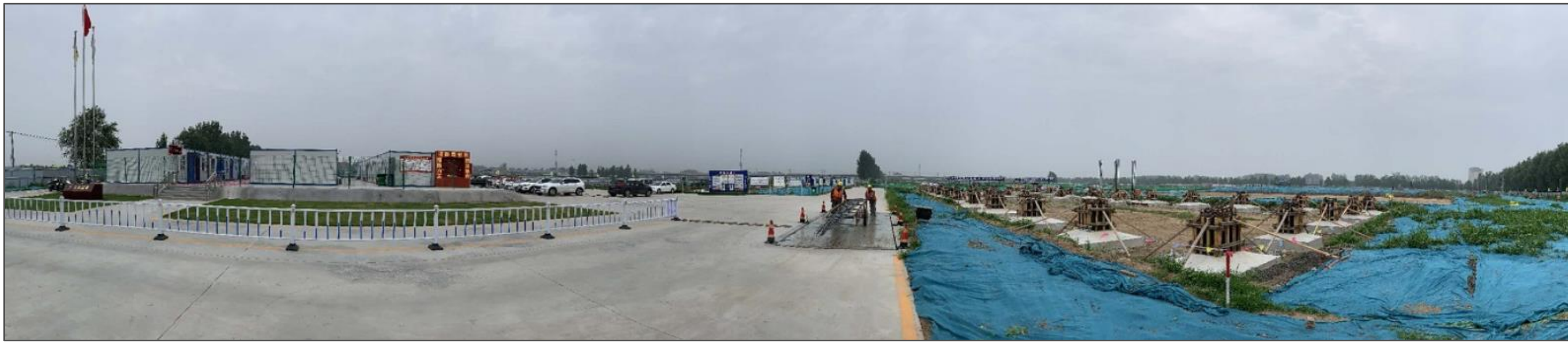
China – Xuchang Plant, Henan Province



Key facts of the plant:

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

Status update:

→ Construction/foundation works progressing well; Completion expected by mid-2021

→ Long-term financing in progress

Befesa is a vital player in the circular economy providing sustainable solutions

- Befesa **recycles annually around 1.5 million tonnes** of hazardous residues, avoiding landfilling and **recovering and reintroducing** around **1.2 million tonnes of valuable new materials**
- Befesa’s business model is **vital part** of the **circular economy** … Befesa’s core business is sustainability
- Befesa is deploying its **proven environmental services technologies** in other parts of the world, like **China**, and will contribute to the environmental protection in these **new regions**

The **Sustainability Report 2019** was published on 10 June 2020

Available ESG ratings for Befesa

MSCI | SUSTAINALYTICS RATED | vigeo eiris | ISS ESG

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Financial calendar

- ✓ **Thursday, 30 April 2020:**
  Q1 2020 Statement & Analyst Call
- ✓ **Thursday, 18 June 2020:**
  Annual General Meeting
- ✓ **Friday, 31 July 2020:**
  H1 2020 Interim Report & Analyst Call
- **Thursday, 29 October 2020:**
  Q3 2020 Statement & Analyst Call

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Meet Befesa

- ✓ **12 May 2020 – MainFirst**
  Frankfurt, 3rd MainFirst SMID CAP One-on-One Forum (virtual)
- ✓ **13-14 May 2020 – Commerzbank**
  New York & Boston, Northern European Conf. 2020 (virtual)
- ✓ **18 May 2020 – Berenberg**
  Tarrytown (New York), Berenberg USA Conf. 2020 (virtual)
- ✓ **08-10 June 2020 – Stifel**
  Boston, 3rd Stifel Cross Sector Insights Conference (virtual)
- **01-03 September 2020 – Commerzbank**
  Frankfurt, Commerzbank Corporate Conference
- **15-16 September 2020 – Berenberg**
  Berenberg 'Virtual Circular Economy'
- **17-18 September 2020 – Citi**
  London, SMID/Growth Conference 2020
- **21-23 September 2020 – Goldman Sachs & Berenberg**
  Munich, 9th German Corporate Conference
- **21-25 September 2020 – Baader**
  Munich, Baader Investment Conference 2020
- **11-12 November 2020 – Goldman Sachs**
  London, Global Natural Resources Conference 2020
- **30 November – 03 December 2020 – Berenberg**
  Pennyhill, London, Berenberg European Conference 2020

Note: Befesa's financial reports and statements are published at 7:30 am CEST
Befesa cannot rule out changes of dates and recommends checking them in the Investor Relations / Financial Calendar section of Befesa's website www.befesa.com

1	Business Update
2	Q2 2020 Results
3	Befesa Overview

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Operational performance driven by resilient plant utilisation around 80% in both core businesses; Managing impact from COVID-19

- EAF dust throughput 156kt (+5% yoy) driven by Turkey
- Salt slags & SPL recycled 106kt (-15% yoy) due to COVID-19 pandemic lowering demand from automotive sector and production rates

COVID-19 depressed metal prices main driver of Q2 earnings decrease:
- Zinc LME Q2 €1,780; -28% yoy, including TC at $300/t vs $245/t '19 combined -37%(1) yoy price impact
- Alu Alloy FMB Q2 €1,282; -8% yoy

- EBITDA at €22m (-41% / €-15m yoy) mainly driven by:
  - (-) Unfavourable metal prices:
    - Zinc LME at €1,780/t (-28% yoy)
    - Zinc TC settled at $300/t (vs. $245/t in 2019)
    - Alu alloy FMB at €1,282/t (-8% yoy)
  - (-) Zinc hedges: €2,225/t in Q2'20 (vs. €2,315/t in Q2'19)
  - (-) Aluminium Salt Slags volumes (combined -19% yoy)

  Partially offset by:
  - (+) EAF dust throughput up +5% yoy (Turkey expansion)

Continued strong liquidity of ~€185m; Cash at €107m + €75m RCF

- Continued high ~€185m unused liquidity; Solid cash at €107m and €75m RCF undrawn; Leverage at x3.1
- Operating cash flow at €65m LTM Q2

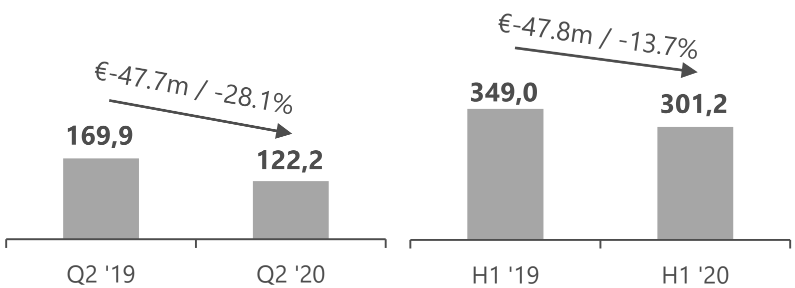
China construction on schedule at both sites, Jiangsu & Henan

- Jiangsu: Construction progressing on schedule; Completion expected begin'21
- Henan: Construction works started mid-May; Completion expected by middle of 2021

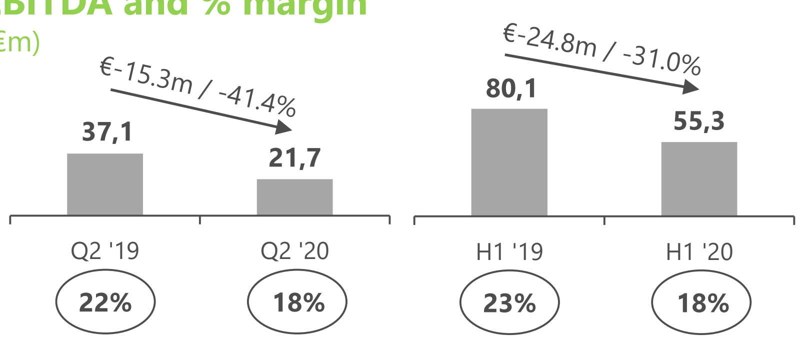
(1) In 2020, the $300 TC per tonne of WOX, divided by ~68% zinc content in WOX and divided by 85% zinc payable after 15% free-metal deduction, is equivalent to ~$519 per tonne of zinc payable; Similarly, in 2019, the $245 TC per tonne of WOX is equivalent to ~$424 per tonne of zinc payable.

H1 EBITDA as expected at €55m (-31% yoy) impacted by lower metal prices; Partially offset by higher EAF dust throughput (Turkey expansion)

Revenue
(€m)



EBITDA and % margin
(€m)



Highlights

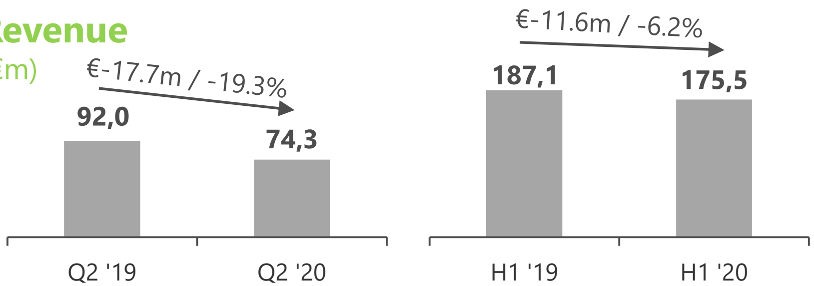
- **Q2 revenue** at **€122.2m** (€-48m / -28% yoy) mainly due to:
  (+) **EAF dust throughput +5%** higher yoy (Turkey expansion)
  Offset by:
  (-) **Alu salt slags volumes down** (combined -19% yoy) due to lower demand (COVID-19) & planned maintenance downtimes
  (-) **Lower market prices** yoy:
  Zinc LME price -28% (Q2'20: €1,780/t; Q2'19: €2,459/t);
  Unfavourable zinc TC for 2020 at ~$300/t (2019: $245/t)
  Alu alloy FMB price -8% (Q2'20: €1,282/t; Q2'19: €1,390/t)
  (-) **Zinc hedging prices** -€90/t (Q2'20: €2,225/t; Q2'19: €2,315/t)
  → Zinc blended prices -13% (Q2'20: €1,991/t; Q2'19: €2,277/t)

- **Q2 EBITDA** at **€21.7m** (€-15m / -41% yoy); EBITDA margin 18%;
  Main drivers:
  (-) Lower **metal prices** (Zinc LME ~€-8; Alu alloy FMB ~€-1);
  (-) Unfavourable zinc **TC** (~€-2.5);
  (-) Lower **zinc hedging prices** (~ €-2);
  (-) Lower **salt slags & SPL volumes** (~ €-2)
  (-) Lower **secondary aluminium volumes** (~ €-1)
  Partially offset by:
  (+) Higher **EAF dust throughput** (~€2)

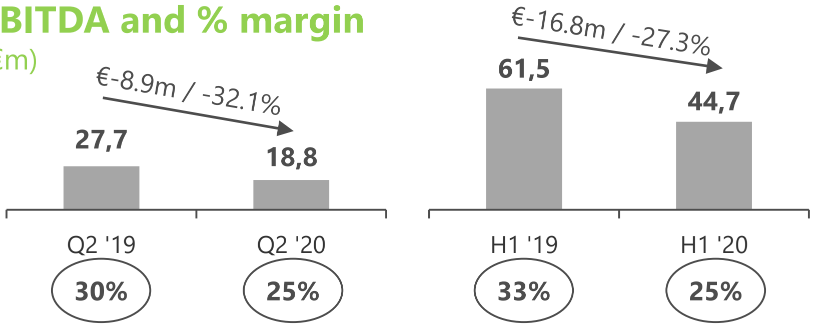
- **Net income** one-time affected by the UK salt slags plant impairment review mostly offset by positive effect from successful debt repricing; Net a minor €-0.7m impact

Q2 EBITDA at €19m (-32% yoy): Driven by depressed zinc prices (COVID-19); Partially offset by higher EAF dust throughput (Turkey expansion)

Revenue
(€m)



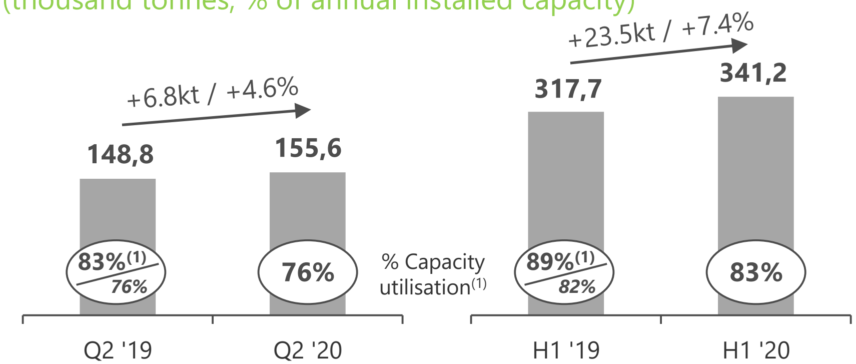
EBITDA and % margin
(€m)



Highlights

- **Q2 revenue down 19% yoy** mainly driven by:
  (-) Lower zinc LME spot and hedging prices;
  (-) Unfavourable zinc TC at ~$300/t (vs. $245/t in ´19)
  Partially offset by:
  (+) Higher EAF dust throughput (Turkey expansion)
- **Q2 EBITDA down €9m / 32% yoy** primarily driven by:
  (-) Lower zinc blended prices, ~€-10 (LME €-8; Hedging €-2);
  (-) Unfavourable zinc TC (~€-2.5); Partially offset by:
  (+) Higher EAF dust throughput (~€+2)

EAF dust throughput & capacity utilisation(1)
(thousand tonnes, % of annual installed capacity)



- **Throughput up** +5% Q2 / +7% H1 yoy (**Turkey** expansion) Partially accelerated annual shutdowns into H1
- **Resilient** plant **utilisation around 80% amid COVID-19**

Prices
(€ per tonne)

	Q2 2019	Q2 2020	% Var.	H1 2019	H1 2020	% Var.
Befesa blended(2) average zinc price	2,277	1,991	-13%	2,326	2,064	-11%
LME average price	2,459	1,780	-28%	2,420	1,855	-23%

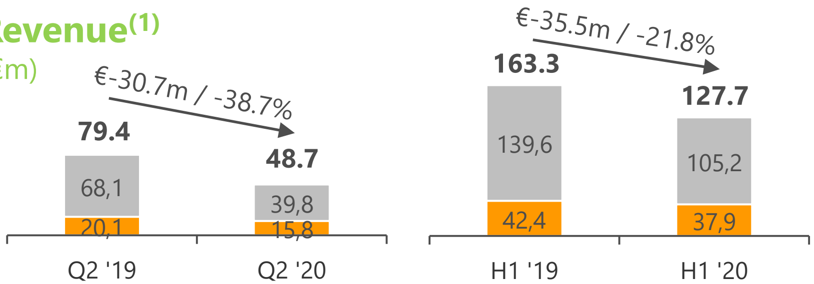
Note: **Including the unfavourable TC** impact, the combined price effect amounted to **-37%** in **Q2** and **-32%** in **H1**

(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

Q2 EBITDA at €4m (€-6m yoy) driven by the lowest aluminium alloy prices in last 10 years and reduced demand due to COVID-19 (automotive sector)

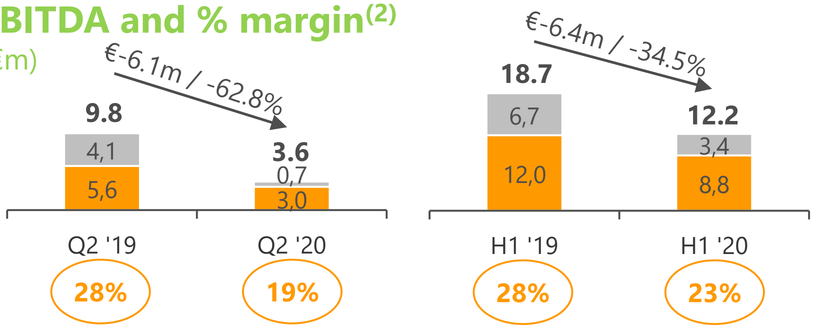
Revenue[1]

(€m)



EBITDA and % margin[2]

(€m)



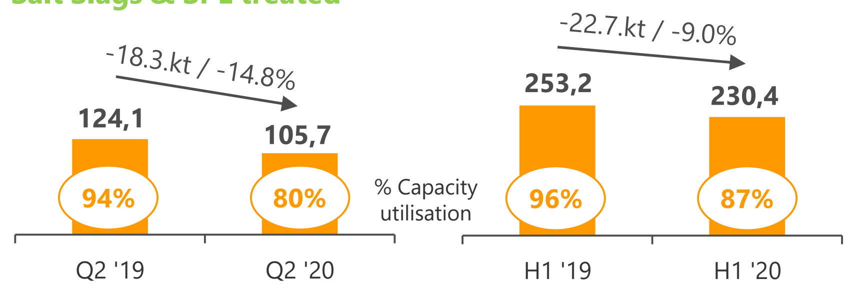
Highlights

- **2nd Aluminium**: Q2 EBITDA down €3.5m yoy driven by depressed prices & lower demand COVID-19 / automotive
- **Salt Slags & SPL**: Q2 EBITDA down €2.7m yoy driven by:
  (-) 8% yoy decrease of aluminium alloy prices (~€-1); and
  (-) Salt slags & SPL volumes down 15% yoy mainly due to COVID-19 pandemic lowering demand (~€-2)

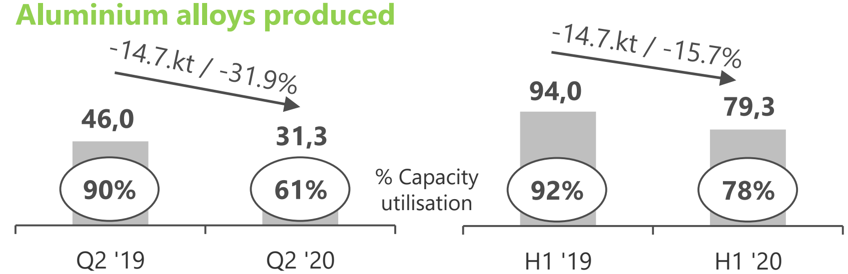
Volumes & capacity utilisation

(thousand tonnes, % of annual installed capacity)

Salt Slags & SPL treated



Aluminium alloys produced



Prices

(€ per tonne)

	Q2 2019	Q2 2020	% Var.	H1 2019	H1 2020	% Var.
Aluminium alloy average price[3]	1,390	1,282	-8%	1,459	1,357	-7%

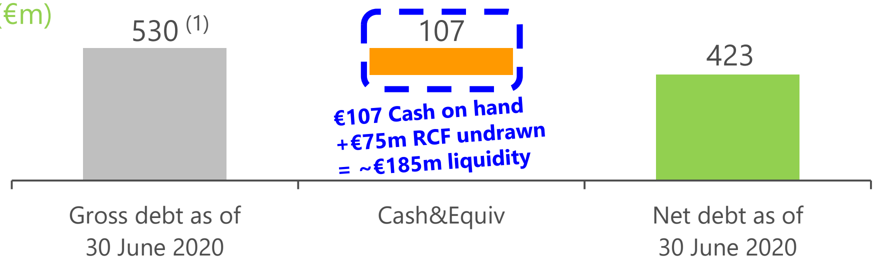
Salt Slags subsegment
Secondary Aluminium subsegment

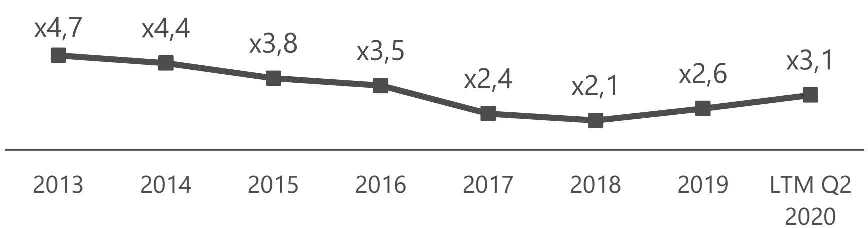
(1) Total revenue is after intersegment eliminations (€6.8m in Q2'20; €8.7m in Q2'19; €15.3m in H1'20; €18.7m in H1'19)
(2) EBITDA margins refer to the Salt Slags subsegment
(3) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

Continued strong ~€185m liquidity (Cash €107m; €75 RCF undrawn); Long-term capital structure: No maturities to July ´26; 2% interest; No covenant; Managing cash & cost rigorously; Funding China expansion

Net debt & leverage rate evolution

(€m)





Capital Structure

- TLB interest rate at **E+200** bps for leverage >x2.25
- **Long-term** capital structure, cov-lite TLB, with remaining **>6 years** tenor to **July ´26**; Incl. loan baskets to accommodate China growth
- **No covenant**; unless ≥ 40% of RCF used; in which case leverage to stay ≤ x4.5 … YE´19 at x2.6; Significant headroom
- **Moody's / S&P** corporate ratings unchanged: **Ba2 / BB**

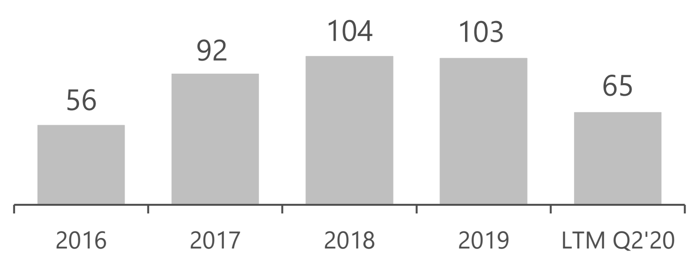
H1'20 EBITDA to total cash flow – main drivers

(€m)

EBITDA	€55	€-25m / -31% yoy
WC change	€-24	Mainly AR w/ less fact. & conf.; Lower AP
Taxes	€-10	
Interest & other(2)	€-9	
Capex & other investing activities	€-31	€11 Maintenance/productivity/compliance €20 Growth: mainly China expansion
Dividends	-	Note: €15 distributed in July
Total Cash Flow	**€-19**	**→ €107m cash on hand**

Operating cash flow(3)

(€m)



(1) Gross debt at Q2'20 includes €13.8m 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

Agenda

1	Business Update
2	Q2 2020 Results
3	Befesa Overview

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

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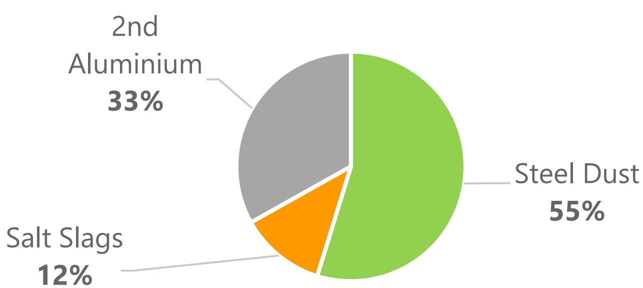
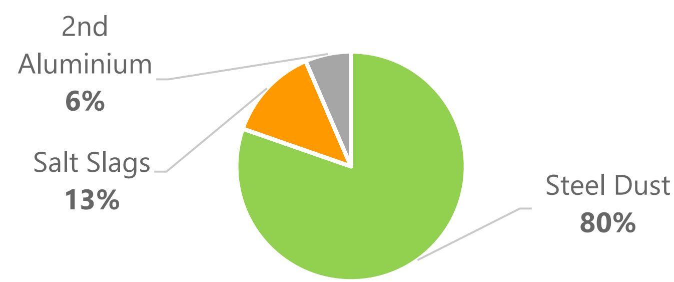
LTM Q2 2020 Revenue: €600m(1)



LTM Q2 2020 EBITDA: €135m



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

Steel Dust Recycling Services(3)

#1	Position in Europe (c. 45–50% market share) and Asia(2)
31%	EBITDA margin (LTM Q2 2020)(3)
Relationships >15yrs	ArcelorMittal, voestalpine, TRAFIGURA, outokumpu, GLENCORE

Aluminium Salt Slags Recycling Services

#1	Position in Europe in Salt Slags subsegment (c. 45–50% market share)
23%	EBITDA margin in Salt Slags subsegment (LTM Q2 2020)(4)
Relationships >15yrs	Novelis, Alcoa, REAL ALLOY, trimet, HYDRO

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

B.U.S Group

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

AGOR

2013
Triton[2] acquires Befesa

Triton

2010
Entry in the **Turkish market** through JV with Canadian Silvermet

2012
- Entry in the Asian market by acquiring successive stakes in the **Korean** Hankook[1]
- Inauguration of **WOX washing** plant at **Gravelines**

Entered two new markets through JV & acquisition with subsequent turnaround

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

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

2015
Commissioned **2nd kiln** in **Korea**, becoming Befesa's largest recycling plant

Expansion in Korea

Frankfurt Stock Exchange & SDAX

2017 / 2018
- Successful **IPO on Frankfurt Stock Exchange**;
- Entry to **SDAX** on 24 Sep 2018

2019
- EAF steel dust recycling plant at **Turkey expanded to 110kt capacity**
- **First WOX washing** plant in **Asia**, located close to Korea's EAF steel dust recycling

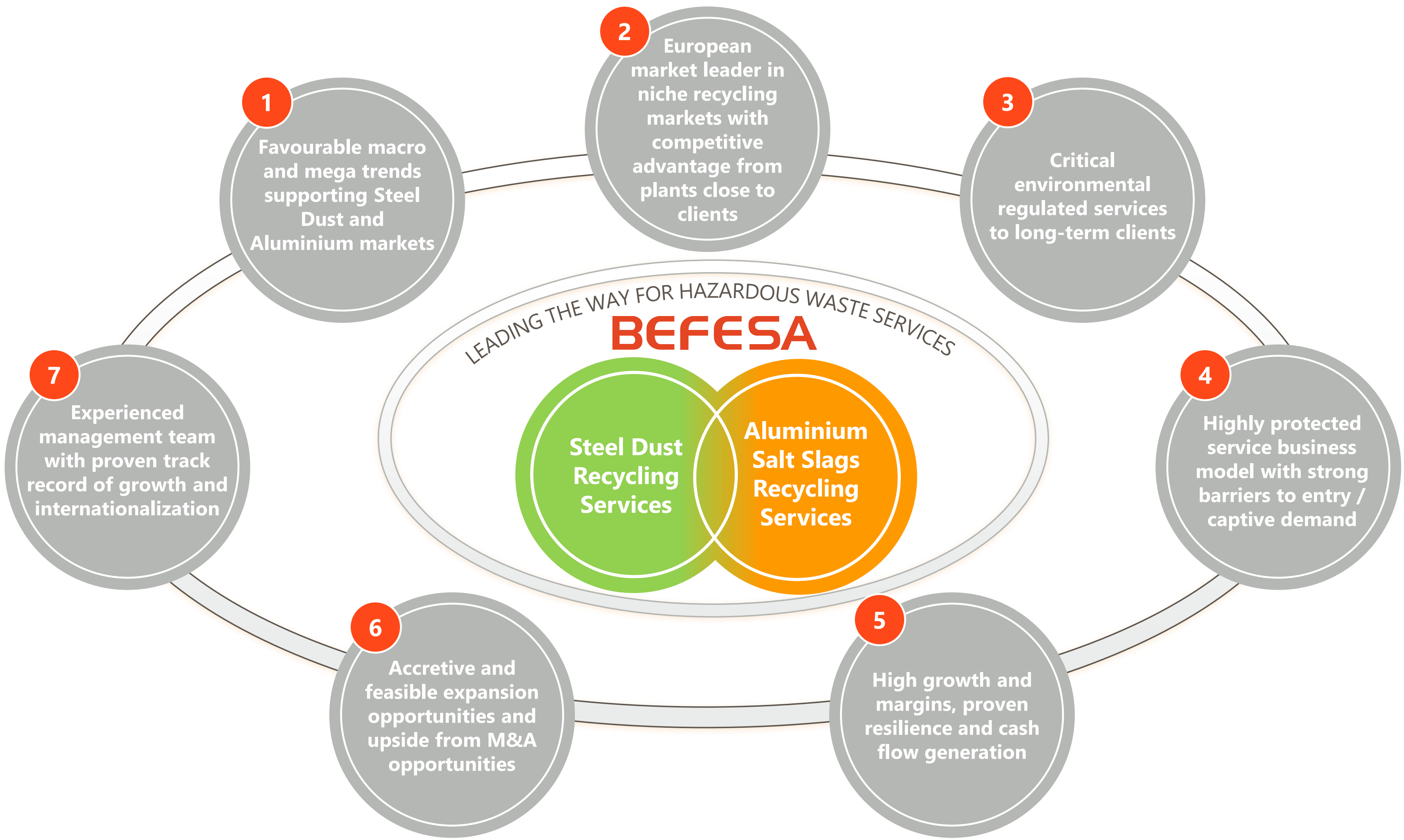
Expansion in Turkey & Korea

2019 / 2020
Developing first 2 EAF steel dust recycling plants in **China**:
- Jiangsu province: Completion of construction expected by beginning of 2021
- Henan province: Completion of construction expected by mid-2021

Expanding into China

Source: Company information
(1) Befesa subsequently acquired 100%
(2) Free-float at 100% after Triton's exit on 06 June 2019

Investment Highlights



2 Market Leader and Close Proximity to Clients

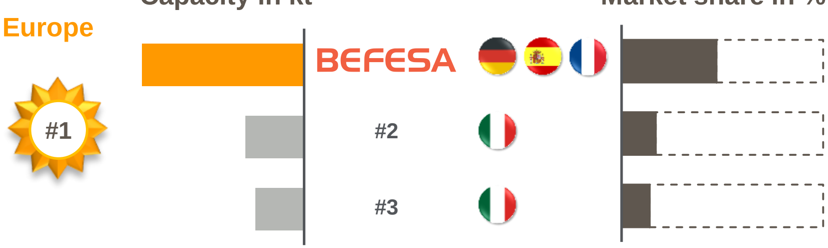
Befesa is the market leader in steel dust and salt slags recycling services with a competitive advantage due to its close proximity to key clients

Established market leader

Steel Dust Recycling Services

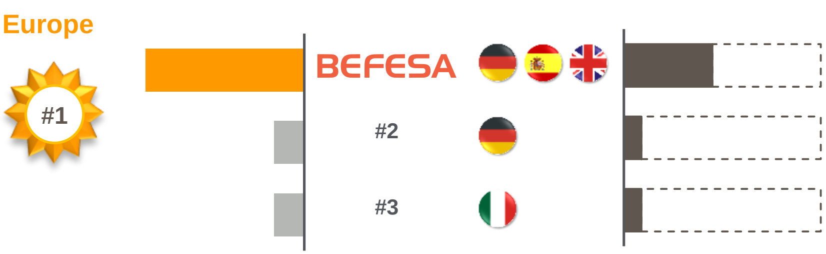
Clear market leader in Europe and Asia[1]

Capacity in kt | Market share in %



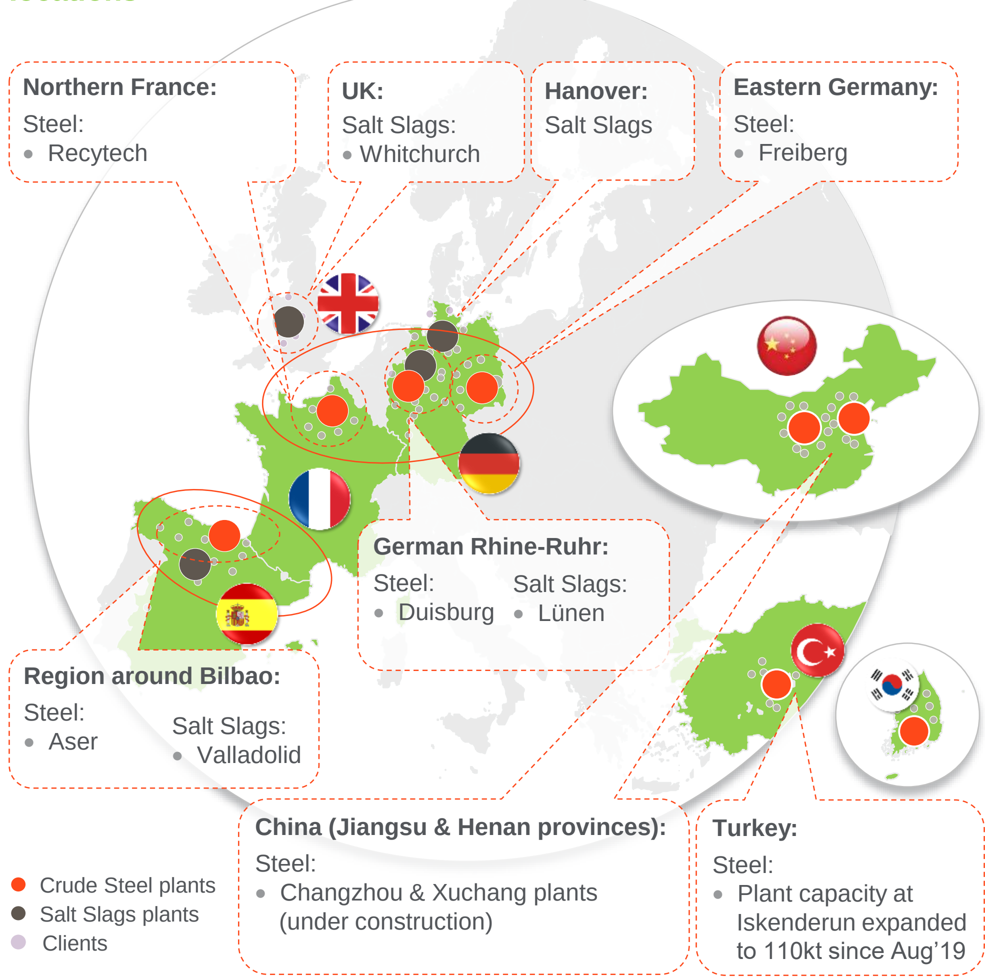
Salt Slags Recycling Services

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



Source: Company information.

(1) Excluding China.

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3 Critical Service – Highly Regulated

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

Value chain

Steel Dust

Electric arc furnace (EAF) **Global steel producers** (mini-mills / scrap recyclers)

Hazardous waste

Steel dust
666 kt

€ Service fee

Service fee ~10-20%

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Outputs

Iron oxide
246 kt

WOX sold
218 kt

€ Sale of contained zinc

WOX sale ~80-90%

Final usage

Filler materials, e.g. cement / roads

Zinc smelters

For e.g. steel galvanization

Aluminium Salt Slags

Aluminium recyclers

Hazardous waste

Salt slags
493 kt(1)

€ Service fee

Service fee ~40%

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Outputs

Alu oxide & others
275 kt

Salt
160 kt

Alu concentrate
40 kt

€ Sale of salt & alu concentrates

Outputs ~60%

Final usage

Filler, e.g. ceramics, cement, rockwool

Aluminium recyclers

Recycling services

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KPIs

Steel Dust Recycling Services:

Revenue €360m

EBITDA €125m (35% margin)

Employees: 626 # Sites: 11(2)

Alu Salt Slags Recycling Services:

	2nd Alu	Salt Slags	
Revenue	245	82	€292m(3)
EBITDA	12	21	€33m (26% margin)

Employees: 488 # Sites: 7

Revenue: €648m
EBITDA: €160m (25% margin)
Employees: 1,147 # Sites: 18

Notes:
- **All figures are of fiscal year ended 31 December 2019**.
- 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 (103kt stainless steel dust throughput)
Within Alu Salt Slags Recycling Services business segment Befesa manages a Secondary Alu sub-segment (177kt 2nd alu alloys produced)

... 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)

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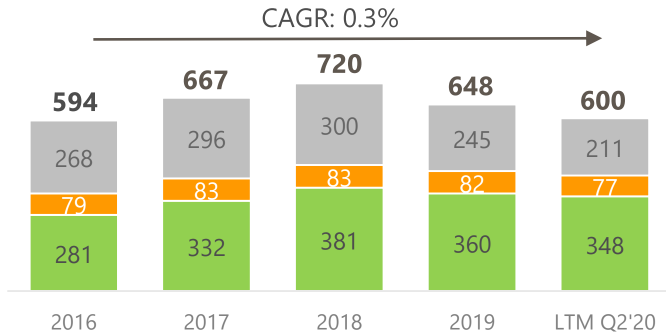
5 Highly Resilient Business

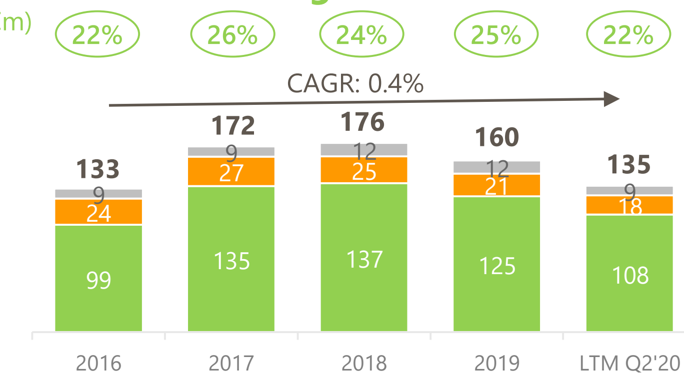
Revenues(1)

(€m)



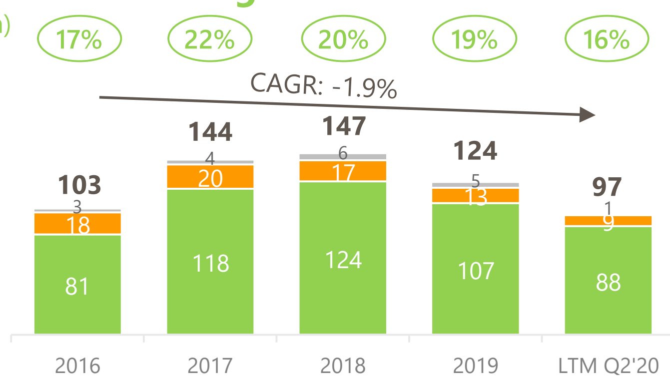
EBITDA and % margin(2)

(€m)



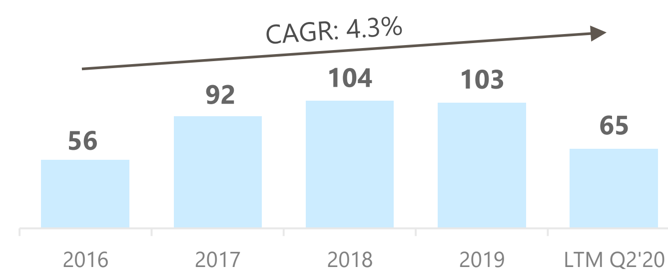
EBIT and % margin(2)

(€m)



Operating cash flow(3)

(€m)



Steel Dust | Salt Slags | 2nd Aluminium

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 in €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

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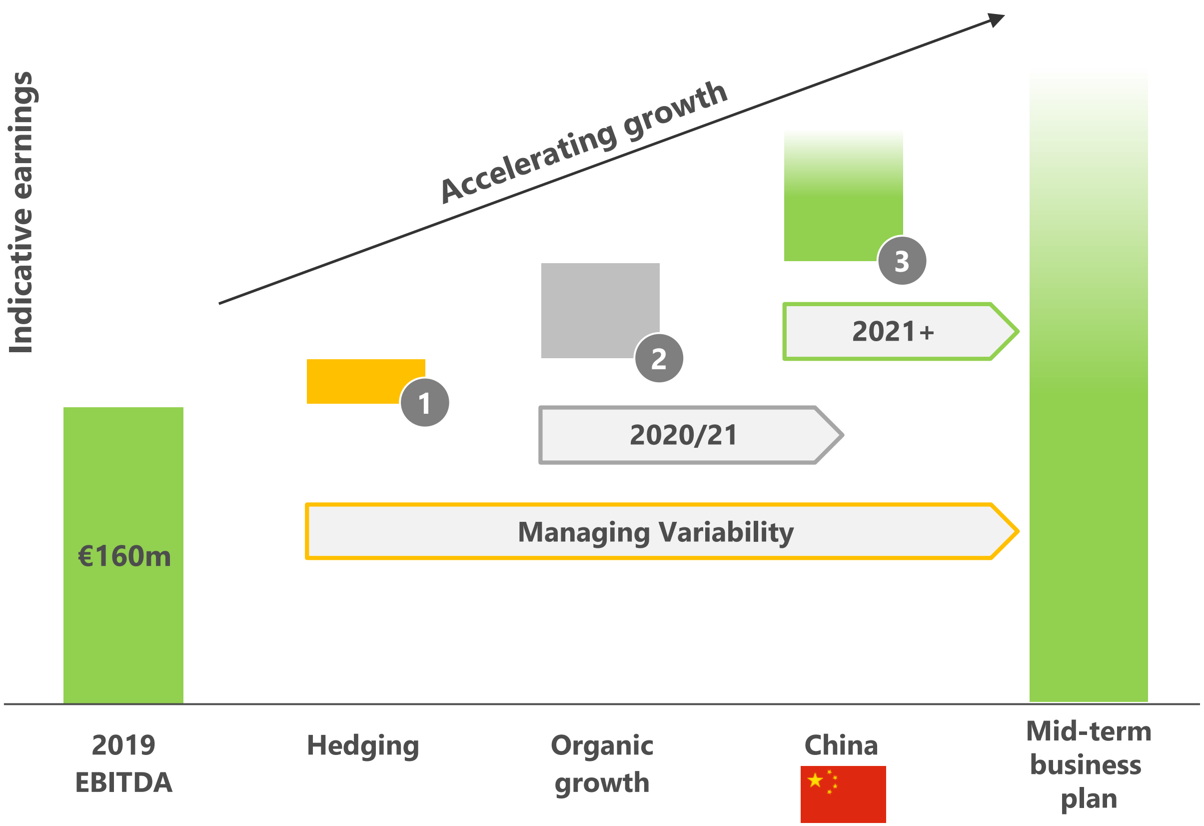
6 Mid-term Growth Roadmap

Executing well defined growth roadmap even during COVID-19 …



1 Hedging

- 2019: 92.4kt @ ~€2,310/t
- 2020: 92.4kt @ ~€2,250/t
- 2021: 92.4kt @ ~€2,133/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 (130kt → 170kt)

3 China

Developing two EAF steel dust recycling plants in two provinces:

- #1 (Jiangsu): Completion of construction expected by ~begin'21
- #2 (Henan): Completion of construction expected ~mid of ´21

… 2019: ✓ Completed Turkey, Korea washing, Alu furnace upgrades; On time & budget
→ Focus 2020: Building two EAF steel dust recycling plants in China

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

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

Has run Befesa for >15 Years
Became President of Abengoa's Environmental Services Division in 1994

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 >10 years

Federico Barredo
Vice President
Aluminium Salt Slags
Recycling Services

>25 yrs with Befesa

Has run the Aluminium Salt Slags Recycling Service Business for >15 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)