Q3 2022 Statement

BEFESA

Befesa at a glance

Key figures – 9M/Q3 2022

	9M 2022	9M 2021	Change	Q3 2022	Q3 2021	Change
Key operational data (tonnes, unless specified otherwise)						
Electric arc furnace steel dust (EAFD) throughput	897,578	563,274	59.4 %	267,917	222,606	20.4 %
Waelz oxide (WOX) sold	311,270	192,569	61.6 %	97,466	73,234	33.1 %
Salt slags and Spent Pot Linings (SPL) recycled	239,840	302,988	(20.8) %	66,891	107,224	(37.6) %
Secondary aluminium alloys produced	121,941	142,353	(14.3) %	37,296	42,900	(13.1) %
Zinc LME average price (€ / tonne)	3,422	2,412	41.9 %	3,245	2,538	27.9 %
Zinc blended price (€ / tonne)	2,647	2,241	18.1 %	2,596	2,220	16.9 %
Aluminium alloy FMB average price (€ / tonne)	2,481	1,980	25.3 %	2,327	2,012	15.7 %
Key financial data (€ million, unless specified otherwise)						
Revenue	857.9	574.2	49.4 %	285.3	190.0	50.2 %
EBITDA	181.1	128.7	40.7 %	65.5	34.6	89.4 %
EBITDA margin	21.1 %	22.4 %	(130) bps	22.9 %	18.2 %	474 bps
Adjusted EBITDA[1]	163.9	136.8	19.8 %	45.9	42.7	7.6 %
Adjusted EBITDA margin[1]	19.1 %	23.8 %	(472) bps	16.1 %	22.5 %	(637) bps
EBIT	126.4	98.3	28.6 %	46.0	22.8	> 100 %
EBIT margin	14.7 %	17.1 %	(239) bps	16.1 %	12.0 %	413 bps
Adjusted EBIT[1]	109.1	106.4	2.5 %	26.5	30.9	(14.4) %
Adjusted EBIT margin[1]	12.7 %	18.5 %	(581) bps	9.3 %	16.3 %	(699) bps
Financial result	(20.9)	(7.9)	> 100 %	(8.6)	2.3	(476.3) %
Profit before taxes and minority interests	105.5	90.4	16.7 %	37.5	25.1	49.4 %
Net profit attributable to shareholders of Befesa S.A.	87.2	61.5	41.8 %	37.2	15.9	> 100 %
EPS (in €)[2]	2.18	1.69	29.0 %	0.93	0.40	> 100 %
Total assets	2,059.5	1,683.2	22.4 %	2,059.5	1,683.2	22.4 %
Capital expenditures	73.0	60.8	20.0 %	18.8	16.8	11.9 %
Cash flow from operating activities	78.3	73.9	5.9 %	14.4	3.7	> 100 %
Cash and cash equivalents at the end of the period	139.1	200.7	(30.7) %	139.1	200.7	(30.7) %
Net debt	574.2	482.1	19.1 %	574.2	482.1	19.1 %
Net leverage	x 2.56	x 2.33	x 0.23	x 2.56	x 2.33	x 0.23
Number of employees (as of end of the period)[3]	1,880	1,537	22.3 %	1,880	1,537	22.3 %

[1] EBITDA and EBIT adjusted for -€19.6m and -€17.3m in Q3'22 and 9M'22, respectively, mainly driven by Zinc refining acquisition impacts

[2] 9M'21 EPS is based on 36,370,474 weighted average number of shares;
Q3'21, Q3'22 and 9M'22 are based on 39,999,998 outstanding shares after the 5,933,293 shares emitted to partly fund the AZR acquisition in Jun'21

3 9M/Q3'22 headcount figures include 259 employees from US Zinc Refining operations

Highlights

- **Adjusted EBITDA** of **€164 million** in **9M'22** and **€46 million** in **Q3**'22,
  +20% and **+8% yoy** respectively (9M'21: €137 million; Q3'21: €43 million); **LTM** at **€225 million**;
  Overall, Befesa's growth initiatives including US operations increasingly deliver results – even in the current volatile environment, which is characterised by inflationary pressures, mainly on the energy side, while metal prices declined qoq

- **FY'22 EBITDA guidance** range confirmed towards **lower end**, ≥€220 million, at least +11% yoy,
  mainly due to higher energy prices and China Zero COVID policy

- Zinc **US operations** delivered as expected in 9M/Q3; Driving progress on the integration and related synergies

- **€139 million cash** on hand at **Q3'22** closing vs. €239 million at Q2'22; Balanced cash flow normalised for €50 million dividend distributed and $47 million US zinc refining acquisition; **Net leverage** of **x2.56** at Q3'22

- €50 million (€1.25 per share) **dividends distributed**, equal to 50% of FY'21 net profit

- **US zinc refining** asset **acquired on 30 Sep 2022**
  - Paid $47 million in cash, c.5x adjusted EBITDA multiple, for >$500 million asset
  - Opportunity to improve further, post current high inflation environment
  - US zinc refining asset produces "green zinc", as it uses only recycled input (WOX) and processed under solvent extraction

- **China expansion:** Progress continued, **finalising commissioning** of **2nd plant**, Henan, in **Q4**

- Presenting details of new 5-year Sustainable Global Growth Plan (**SGGP**) at Befesa's **1st Capital Markets Day** on **8 November** in **London**

Business review

Results of operations, financial position & liquidity

Revenue

Total revenue increased by 49.4% yoy to €857.9 million in 9M'22 (9M'21: €574.2 million) and by 50.2% to €285.3 million in Q3'22 (Q3'21: €190.0 million). The increase was primarily driven by volume growth in Steel Dust Recycling Services including the contribution from the US zinc operations, the stronger zinc and aluminium alloy market prices as well as the higher zinc hedging prices. These positive effects were partially offset by the unfavourable higher zinc treatment charge (TC), referenced at $230 per tonne in 2022 (2021: $159 per tonne), and the lower volumes treated in Aluminium Salt Slags.

EBITDA & EBIT

Total adjusted EBITDA in 9M'22 increased by 19.8% yoy to €163.9 million (9M'21: €136.8 million) and by 7.6% to €45.9 million in Q3'22 (Q3'21: €42.7 million).

Overall, even in this volatile environment Befesa was able to offset inflationary pressures, mainly energy, through higher prices.

The €27.1 million adjusted EBITDA improvement yoy in 9M'22 was mainly driven by the following components:

- Volumes (c. €26 million): higher in Steel Dust (€30 million), which includes the positive contribution from the US operations; lower in Aluminium Salt Slags driven by the current challenging European aluminium industry environment (-€4 million)
- Base metal prices (c. €51 million): higher zinc LME prices (€36 million); higher zinc hedging prices (€2 million); unfavourable higher zinc TC (-€12 million); higher aluminium FMB prices and aluminium metal margins (€25 million)
- Higher inflation, mainly energy cost, (c. -€50 million)

Total adjusted EBIT increased by 2.5% yoy to €109.1 million in 9M'22 (9M'21: €106.4 million) and decreased by 14.4% yoy to €26.5 million in Q3'22 (Q3'21: €30.9 million).

Total EBITDA and EBIT were adjusted for -€17.3 million and -€19.6 million in 9M'22 and Q3'22, respectively, mainly driven by impacts from the acquisition of the US zinc refining asset. Total reported EBITDA amounted to €181.1 million in 9M'22 (+40.7% yoy) and to €65.5 million in Q3'22 (+89.4% yoy). Total reported EBIT amounted to €126.4 million in 9M'22 (+28.6% yoy) and doubled to €46.0 million in Q3'22.

Financial result & net profit

Total net **financial result** in 9M'22 came in at -€20.9 million (9M'21: -€7.9 million). The yoy development is mainly due to €10.5 million positive net exchange difference in 9M'21 related to the $460 million AZR acquisition.

Total **net profit** attributable to the shareholders in 9M'22 increased by 41.8% yoy to €87.2 million (9M'21: €61.5 million). This improvement was primarily due to the positive drivers impacting EBITDA and EBIT and the badwill recorded under "Other operating income" due to the preliminary PPA estimated in relation with the purchase of the US zinc refining company. Earnings per share (EPS) in 9M'22 increased by 29.0% yoy to €2.18 (9M'21: €1.69).

Financial position & liquidity

Gross debt increased by €18.6 million to €713.4 million at Q3'22 closing (year-end 2021: €694.7 million), explained primarily by local loans in China to fund the Henan plant.

Net debt at 30 September 2022 increased by 22% to €574.2 million (31 December 2021: €470.6 million). This is explained by the decrease in cash balance after the €50 million dividend distributed and the $47 million paid to acquire the zinc refining asset.

The last-twelve-months (LTM) adjusted EBITDA of €224.6 million at Q3'22 incorporates full-twelve-rolling months of the US operations.

Net leverage of x2.56 at Q3'22 closing (year-end 2021: x2.16) due to the underlying higher net debt.

Befesa continues to be compliant with all debt covenants.

	30 Sep 2022	31 December 2021
Non-current financial indebtedness	684.6	669.3
+ Current financial indebtedness	28.8	25.4
Financial indebtedness	**713.4**	**694.7**
- Cash and cash equivalents	(139.1)	(224.1)
- Other current financial assets[1]	(0.1)	(0.1)
Net debt	**574.2**	**470.6**
LTM adjusted EBITDA[2]	224.6	217.8
Net leverage ratio	**x 2.56**	**x 2.16**

1 Other current financial assets adjusted by non-cash items
2 LTM adjusted EBITDA incorporates full-twelve-rolling months of the US operations

Operating cash flow in 9M'22 amounted to €78.3 million, 5.9% higher yoy (9M'21: €73.9 million).

The change in working capital decreased by €23 million yoy, primarily driven by seasonality and timing impacts similar to last year, e.g. increase in revenue and receivables, the majority of which is expected to reduce by the end of this year. In addition, impacts from timing of the Hanover insurance recovery.

Interests paid in 9M'22 increased by 11.7% yoy to €16.7 million (9M'21: €15.0 million) mainly as a result of the higher gross debt (€100 million TLB add-on to partially fund the AZR acquisition, and Chinese local loans), and because TLB interest payments are made quarterly in 2022 versus bi-annually in 2021.

In 9M'22, Befesa invested €75.7 million (9M'21: €57.2 million) to fund regular maintenance capex, the recovery of the Hanover plant and US operational excellence / synergies, as well as growth investments. The latter are mainly related to the second plant in China, partially funded through local loan. In addition, Befesa acquired the US zinc refining asset in September for $47 million cash.

Dividends of €50 million (€1.25 per share) were distributed in July, equal to 50% of FY'21 net profit.

Total cash flow generated in 9M'22 amounted to -€85.0 million and cash on hand stood at €139.1 million. The €139.1 million cash balance together with the €75.0 million RCF, entirely undrawn, provides Befesa with more than €200 million liquidity.

Segment information

Steel Dust Recycling Services

Volumes of **EAFD recycled** in 9M'22 increased by 59.4% yoy to 897,578 tonnes (9M'21: 563,274 tonnes). In Q3'22, 267,917 tonnes of EAFD were recycled, up 20.4% yoy (Q3'21: 222,606 tonnes). With these volumes, Befesa's EAFD recycling plants ran at average load factors of 77% and 68% - in 9M and Q3, respectively – of the installed annual recycling capacity of c. 1,555,300 tonnes, including c. 620,000 tonnes from the acquired US recycling plants and 110,000 tonnes from the plant at Jiangsu, China. The Q3 load factor was impacted by the seasonal maintenance overhauls, especially of the larger European plants.

The volume of Waelz oxide (WOX) sold in 9M'22 increased by 61.6% yoy to 311,270 tonnes (9M'21: 192,569 tonnes) and by 33.1% yoy to 97,466 tonnes in Q3'22 (Q3'21: 73,234 tonnes).

Revenue in the Steel Dust business increased by 75.4% yoy to €533.3 million in 9M'22 (9M'21: €304.1 million) and by 65.0% yoy to €179.5 million in Q3'22 (Q3'21: €108.8 million).

Adjusted **EBITDA** increased by 27.5% yoy to €131.0 million in 9M'22 (9M'21: €102.7 million) and by 7.4% yoy to €36.0 million in Q3'22 (Q3'21: €33.5 million). The yoy increases in adjusted EBITDA are primarily explained by the US operations, which are delivering as planned. The yoy higher zinc market prices offset the higher inflation, mainly energy cost, and the unfavourable zinc TC.

Adjusted **EBIT** came in at €88.8 million in 9M'22, up 3.9% yoy (9M'21: €85.5 million), following similar drivers explained referring to the EBITDA development, and at €20.5 million in Q3'22, a 21.1% decrease yoy (Q3'21: €26.0 million).

EBITDA and EBIT in Steel Dust Recycling Services were adjusted for -€20.3 million in 9M'22 and Q3'22, mainly driven by impacts from the acquisition of the US zinc refining asset. Reported EBITDA amounted to €151.3 million in 9M'22 (+52.6% yoy) and to €56.3 million in Q3'22 (+88.2% yoy). Reported EBIT amounted to €109.2 million in 9M'22 (+33.2% yoy) and to €40.8 million in Q3'22 (+82.4% yoy).

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

Salt slags and SPL recycled volumes in 9M'22 amounted to 239,840 tonnes, down 20.8% yoy (9M'21: 302,988 tonnes). Volumes recycled in Q3'22 amounted to 66,891 tonnes, 37.6% lower yoy (Q3'21: 107,224 tonnes). This development was explained by the Hanover plant shutdown in 2022. On average, Salt Slags recycling plants operated at 71% and 59% utilisation rates – in 9M and Q3, respectively – of the latest installed annual recycling capacity of 450,000 tonnes. Normalising for Hanover, utilisation rates would have averaged 100% and 83% in 9M and Q3, respectively.

Revenue in the Salt Slags subsegment increased by 23.7% yoy to €70.9 million in 9M'22 (9M'21: €57.3 million). In Q3'22, revenue improved by 48.1% yoy to €29.6 million (Q3'21: €20.0 million).

EBITDA increased by 38.4% yoy to €22.0 million in 9M'22 (9M'21: €15.9 million) and by 54.6% yoy to €7.3 million in

Q3'22 (Q3'21: €4.8 million). The yoy EBITDA increases were primarily driven by the higher aluminium alloy FMB prices, which averaged €2,481 per tonne in 9M'22, up 25.3% yoy (9M'21: €1,980 per tonne), and €2,327 per tonne in Q3'22, up 15.7% yoy (Q3'21: €2,012 per tonne). The positive effects from yoy higher aluminium market prices were partially offset by the higher inflation, mainly energy cost, and the lower volume.

EBIT increased by 70.9% yoy to €15.4 million in 9M'22 (9M'21: €9.0 million) and more than doubled yoy to €5.3 million in Q3'22 (Q3'21: €2.5 million), following similar drivers explained referring to the EBITDA development.

Secondary Aluminium subsegment

Aluminium alloy production volumes in 9M'22 amounted to 121,941 tonnes, 14.3% lower yoy (9M'21: 142,353 tonnes). In Q3'22, volumes amounted to 37,296 tonnes, down 13.1% yoy (Q3'21: 42,900 tonnes). This development was primarily driven by the current challenging European automotive and aluminium industry environment. Nevertheless, even under the current volatile market environment, Secondary Aluminium production plants overall operated at around 80% and 72% utilisation rate on average in 9M and Q3 of 2022, respectively.

Revenue in the Secondary Aluminium subsegment amounted to €290.0 million in 9M'22, up 18.7% yoy (9M'21: €244.3 million). In Q3'22, revenue remained flat yoy at €72.2 million (Q3'21: €72.0 million). The favourable aluminium alloy FMB prices was offset with the lower volumes.

EBITDA came in at €12.2 million in 9M'22, 32.7% lower yoy (9M'21: €18.2 million). In Q3'22, EBITDA decreased by 28.1% yoy to €3.2 million (Q3'21: €4.5 million). The yoy EBITDA development was mainly explained by the lower production of aluminium alloys, driven by the current lower European automotive and aluminium industry environment. The higher inflation / energy cost trends, with particularly high gas prices in Europe, were offset by the higher aluminium market prices as well as improved metal margins.

EBIT came in at €6.5 million in 9M'22, down 46.4% yoy (9M'21: €12.2 million), and at €1.5 million in Q3'22, down 42.3% yoy (Q3'21: €2.6 million), following similar drivers which impacted 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 2021 on page 33.

Befesa's current hedging volume run rate is to hedge around 38 thousand tonnes of zinc per quarter or around 152 thousand tonnes per year.

The combined global hedge book in place as of the date of this Q3 Statement provides Befesa with improved pricing visibility up to January 2025, therefore for the following c. 2.5 years. The average hedged prices and volumes for each of the periods are:

Period	Average hedged price (€ per tonne)	Zinc content in WOX hedged (tonnes)
2021	€2,151	120,013
2022	c. €2,375[1]	155,818
2023	c. €2,500[1]	150,955
2024	c. €2,600[1]	152,400

[1] FX US dollar/euro forward rates assumed are 1.05 for 2022, and 1.00 for 2023 and 2024

China expansion

Befesa's expansion in China continued to progress: the commissioning of Befesa's second plant in China, in Henan, is in progress and scheduled for completion in Q4, before the end of the year.

The two plants in Jiangsu and Henan are designed to recycle each 110,000 tonnes of EAFD per year and represent Befesa's 11th and 12th EAFD recycling sites globally, along with the existing sites in Europe, Turkey, South Korea and the US.

US operations

The US operations are delivering as planned and positively contributed to Befesa's 9M/Q3 earnings. The positive impact demonstrates the benefits of the acquisition of one of the US market leaders in EAFD recycling services and the success of Befesa's strategy of accelerating the expansion of its global footprint.
Befesa continues to drive progress on the integration and the related synergies of its US operations.

In September, Befesa acquired the remaining 93% stake in the zinc refining asset in the US from former American Zinc Recycling (AZR) owners. Befesa already owned 7% of the refining asset, as part of the acquisition of AZR which closed in August 2021. In addition, Befesa had an agreement contemplating the acquisition of the remaining 93% stake in the refining asset for a purchase price of $135 million provided certain milestones were met. The current environment, characterised by high inflation and energy prices, provided Befesa with the opportunity to renegotiate the terms and conditions of the agreement favourably, hence reducing the acquisition price by 65% to $47 million. As a result of the acquisition, Befesa welcomes 259 new colleagues.

The zinc refining plant is centrally located amongst Befesa's recycling plants in Rutherford County, North Carolina, producing WOX and processing WOX into Special High Grade (SHG) zinc in a state-of-the-art solvent extraction process. The zinc refining capacity is up to 140 thousand tonnes SHG "green zinc" production annually.

ESG

As of 30 September 2022, the **ESG ratings** from six well-known international ESG rating agencies following Befesa were as follows:

ISS ESG	SUSTAINALYTICS
Top 3 of 69 Metals processing & production	#181 of 430 Commercial services
V.E	MSCI
#7 of 103 Business services	BBB Commercial services & supplies
arabesque s-ray	S&P Global
Top 5% Industrial services	Top 15%

Outlook 2022

Full year 2022 guidance confirmed towards the lower end of the range, including EBITDA at or above €220 million, equal to at least 11% yoy growth (2021: €197.6 million). This is mainly due to higher energy prices and China Zero COVID policy.

Interim consolidated financial statements
as of 30 September 2022 (thousands of euros)

Statement of financial position

Assets

	30 September 2022	31 December 2021
Non-current assets:		
Intangible assets		
Goodwill	611,612	573,151
Other intangible assets	106,315	104,418
	717,927	677,569
Right-of-use assets	30,983	30,335
Property, plant and equipment	699,697	509,075
Non-current financial assets		
Investments in Group companies and associates	46	46
Other non-current financial assets	58,960	15,953
	59,006	15,999
Deferred tax assets	127,993	125,462
Total non-current assets	1,635,606	1,358,440
Current assets:		
Inventories	99,478	67,477
Trade and other receivables	137,317	113,229
Trade receivables from related companies	1,802	917
Accounts receivables from public authorities	22,019	10,671
Other receivables	19,285	20,561
Other current financial assets	4,862	825
Cash and cash equivalents	139,129	224,089
Total current assets	423,892	437,769
Total assets	2,059,498	1,796,209

Statement of financial position (continued)

Equity and liabilities

	30 September 2022	31 December 2021
Equity:		
Parent Company		
Share capital	111,048	111,048
Share premium	532,867	532,867
Hedging reserves	(13,235)	(96,830)
Other reserves	42,927	(19,915)
Translation differences	71,425	(4,080)
Net profit/(loss) for the period	87,248	99,745
Equity attributable to the owners of the Company	**832,280**	**622,835**
Non-controlling interests	**14,033**	**8,712**
Total equity	**846,313**	**631,547**
Non-current liabilities:		
Long-term provisions	**26,880**	**22,267**
Loans and borrowings	**669,958**	**653,571**
Lease liabilities	**14,659**	**15,756**
Other non-current financial liabilities	**27,212**	**56,700**
Other non-current liabilities	**4,121**	**4,621**
Deferred tax liabilities	**98,137**	**91,946**
Total non-current liabilities	**840,967**	**844,861**
Current liabilities:		
Loans and borrowings	**19,520**	**17,791**
Lease liabilities	**9,232**	**7,612**
Other current financial liabilities	**58,008**	**75,650**
Trade payables to related companies	**763**	**1,436**
Trade and other payables	**197,849**	**151,414**
Other payables		
Accounts payable to public administrations	37,225	17,855
Other current liabilities	49,621	48,043
	86,846	**65,898**
Total current liabilities	**372,218**	**319,801**
Total equity and liabilities	**2,059,498**	**1,796,209**

Income statement

	9M 2022	9M 2021	Change	Q3 2022	Q3 2021	Change
Revenue	857,876	574,212	49.4 %	285,341	189,976	50.2 %
Changes in inventories of finished goods and work-in-progress	(7,996)	2,056	-	(630)	7,704	-
Procurements	(407,600)	(257,744)	58.1 %	(121,359)	(85,836)	41.4 %
Other operating income	43,933	4,490	> 100 %	27,644	1,601	> 100 %
Personnel expenses	(93,215)	(71,722)	30.0 %	(30,867)	(29,642)	4.1 %
Other operating expenses	(211,860)	(122,592)	72.8 %	(94,665)	(49,232)	92.3 %
Amortisation/depreciation, impairment and provisions	(54,762)	(30,393)	80.2 %	(19,416)	(11,751)	65.2 %
Operating profit/(loss)	**126,376**	**98,307**	**28.6 %**	**46,048**	**22,820**	**> 100 %**
Finance income	2,293	71	> 100 %	1,977	26	> 100 %
Finance expenses	(17,809)	(18,346)	(2.9) %	(4,482)	(8,325)	(46.2) %
Net exchange differences	(5,356)	10,362	-	(6,053)	10,573	-
Net finance income/(loss)	**(20,872)**	**(7,913)**	**> 100 %**	**(8,558)**	**2,274**	**-**
Profit/(loss) before tax	**105,504**	**90,394**	**16.7 %**	**37,490**	**25,094**	**49.4 %**
Corporate income tax	(17,094)	(25,833)	(33.8) %	(2,461)	(8,065)	(69.5) %
Profit/(loss) for the period	**88,410**	**64,561**	**36.9 %**	**35,029**	**17,029**	**> 100 %**
Attributable to:						
Parent Company's owners	87,248	61,518	41.8 %	37,215	15,924	> 100 %
Non-controlling interests	1,162	3,043	(61.8) %	(2,186)	1,105	-
Earnings/(losses) per share attributable to Parent Company's owners (in euros per share)[1]	**2.18**	**1.69**	**29.0 %**	**0.93**	**0.40**	**> 100 %**

1 9M'21 EPS is based on 36,370,474 weighted average number of shares; Q3'21, Q3'22 and 9M'22 are based on 39,999,998 outstanding shares after the 5,933,293 shares emitted to partly fund the AZR acquisition in Jun'21

Statement of cash flows

	9M 2022	9M 2021	Q3 2022	Q3 2021
Profit/(loss) for the period before tax	**105,504**	**90,394**	**37,490**	**25,094**
Adjustments for:	**33,267**	**37,936**	**(13,288)**	**8,773**
Depreciation and amortisation	53,111	30,393	17,765	11,751
Impairment losses	1,651	-	1,651	-
Changes in provisions	(1,787)	189	(1,047)	(521)
Interest income	(2,293)	(71)	(1,977)	(26)
Finance costs	17,809	18,346	4,482	8,325
Other profit/(loss)	(40,580)	(559)	(40,215)	(183)
Exchange differences	5,356	(10,362)	6,053	(10,573)
Changes in working capital:	**(23,220)**	**(26,835)**	**(429)**	**(19,508)**
Trade receivables and other current assets	(32,546)	(33,932)	24,313	(11,264)
Inventories	2,434	(9,890)	5,035	(10,368)
Trade payables	6,892	16,987	(29,777)	2,124
Other cash flows from operating activities:	**(37,231)**	**(27,554)**	**(9,412)**	**(10,656)**
Interest paid	(16,722)	(14,965)	(4,804)	(7,327)
Taxes paid	(20,509)	(12,589)	(4,608)	(3,329)
Net cash flows from/(used in) operating activities (I)	**78,320**	**73,941**	**14,361**	**3,703**
Cash flows from investing activities:				
Investments in intangible assets	(525)	(154)	(218)	(4)
Investments in property, plant and equipment	(75,216)	(57,022)	(18,007)	(14,045)
Collections from financial assets	-	1,880	-	1,880
(Acquisition)/Disposal of new subsidiaries	(44,965)	(373,694)	(44,965)	(373,694)
Investments/(Divestments) in other current financial assets	-	(46)	-	(3)
Net cash flows from/(used in) investing activities (II)	**(120,706)**	**(429,036)**	**(63,190)**	**(385,866)**
Cash flows from financing activities:				
Equity issuance	-	330,603	-	-
Cash inflows from bank borrowings and other liabilities	21,787	122,071	1,908	104,037
Cash outflows from bank borrowings and other liabilities	(14,024)	(4,341)	(2,347)	(1,278)
Dividends paid to shareholders	(50,000)	(46,800)	(50,000)	(46,800)
Net cash flows from/(used in) financing activities (III)	**(42,237)**	**401,533**	**(50,439)**	**55,959**
Effect of foreign exchange rate changes on cash & cash equivalents (IV)	**(337)**	**(329)**	**(305)**	**(361)**
Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	**(84,960)**	**46,109**	**(99,573)**	**(326,565)**
Cash and cash equivalents at the beginning of the period	224,089	154,558	238,702	527,232
Cash and cash equivalents at the end of the period	139,129	200,667	139,129	200,667

Additional information

Segmentation overview – key metrics

Steel Dust Recycling Services

	9M 2022	9M 2021	Change	Q3 2022	Q3 2021	Change
Key operational data (tonnes, unless specified otherwise)						
EAFD throughput[1]	897,578	563,274	59.4 %	267,917	222,606	20.4 %
WOX sold	311,270	192,569	61.6 %	97,466	73,234	33.1 %
Zinc blended price (€ / tonne)	2,647	2,241	18.1 %	2,596	2,220	16.9 %
Total installed capacity[2]	1,555,300	1,555,300	-	1,555,300	1,555,300	-
Utilisation (%)[2]	77.2 %	81.0 %	(381) bps	68.3 %	77.7 %	(939) bps
Key financial data (€ million, unless specified otherwise)						
Revenue	533.3	304.1	75.4 %	179.5	108.8	65.0 %
EBITDA	151.3	99.2	52.6 %	56.3	29.9	88.2 %
EBITDA margin	28.4 %	32.6 %	(423) bps	31.4 %	27.5 %	387 bps
Adjusted EBITDA[3]	131.0	102.7	27.5 %	36.0	33.5	7.4 %
Adjusted EBITDA margin[3]	24.6 %	33.8 %	(922) bps	20.1 %	30.8 %	(1,076) bps
EBIT	109.2	82.0	33.2 %	40.8	22.4	82.4 %
EBIT margin	20.5 %	27.0 %	(648) bps	22.7 %	20.6 %	217 bps
Adjusted EBIT[3]	88.8	85.5	3.9 %	20.5	26.0	(21.1) %
Adjusted EBIT margin[3]	16.7 %	28.1 %	(1,147) bps	11.4 %	23.9 %	(1,246) bps

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

	9M 2022	9M 2021	Change	Q3 2022	Q3 2021	Change
Key operational data (tonnes, unless specified otherwise)						
Salt slags and SPL recycled	239,840	302,988	(20.8) %	66,891	107,224	(37.6) %
Total installed capacity	450,000	450,000	-	450,000	450,000	-
Utilisation (%)[4]	71.3 %	90.0%	(1,876) bps	59.0 %	94.5%	(3,556) bps
Normalised utilisation (%)[4]	100.2 %	92.1%	809 bps	82.9 %	91.5%	(854) bps
Key financial data (€ million, unless specified otherwise)						
Revenue	70.9	57.3	23.7 %	29.6	20.0	48.1 %
EBITDA	22.0	15.9	38.4 %	7.3	4.8	54.6 %
EBITDA margin	31.0 %	27.7 %	328 bps	24.8 %	23.8 %	104 bps
EBIT	15.4	9.0	70.9 %	5.3	2.5	107.3 %
EBIT margin	21.7 %	15.7 %	600 bps	17.8 %	12.8 %	510 bps

Secondary Aluminium subsegment

	9M 2022	9M 2021	Change	Q3 2022	Q3 2021	Change
Key operational data (tonnes, unless specified otherwise)						
Secondary aluminium alloys produced	121,941	142,353	(14.3) %	37,296	42,900	(13.1) %
Aluminium alloy FMB price (€ / tonne)[5]	2,481	1,980	25.3 %	2,327	2,012	15.7 %
Total installed capacity	205,000	205,000	-	205,000	205,000	-
Utilisation (%)[6]	79.5 %	92.8 %	(1,331) bps	72.2 %	83.0 %	(1,085) bps
Key financial data (€ million, unless specified otherwise)						
Revenue	290.0	244.3	18.7 %	72.2	72.0	0.3 %
EBITDA	12.2	18.2	(32.7) %	3.2	4.5	(28.1) %
EBITDA margin	4.2 %	7.4 %	(322) bps	4.5 %	6.2 %	(177) bps
EBIT	6.5	12.2	(46.4) %	1.5	2.6	(42.3) %
EBIT margin	2.2 %	5.0 %	(273) bps	2.1 %	3.6 %	(153) bps

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

[1] EAFD 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 EAFD processed against annual installed recycling capacity

[3] Steel EBITDA and EBIT adjusted for -€20.3m in Q3'22 and 9M'22 mainly driven by Zinc refining acquisition impacts

[4] Utilisation represents the volume of salt slags & SPL recycled against annual installed capacity;
Utilisation normalised for Hanover plant shutdown in 2022

[5] Aluminium Scrap and Foundry Ingots Aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin Free Market Duty paid delivered works

[6] Utilisation represents the volume of secondary aluminium alloys produced against annual installed production capacity

Financial calendar

Tuesday, 8 November 2022	1st Capital Markets Day (hybrid)
Thursday, 3 March 2023	Preliminary Year-End Results 2022 & Conference Call
Thursday, 23 March 2023	Annual Report 2022
Thursday, 4 May 2023	Q1 2023 Statement & Conference Call
Thursday, 15 June 2023	Annual General Meeting
Thursday, 27 July 2023	H1 2023 Interim Report & Conference Call
Thursday, 26 October 2023	Q3 2023 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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