SIBELCO

Half Year Results

2020 (unaudited)

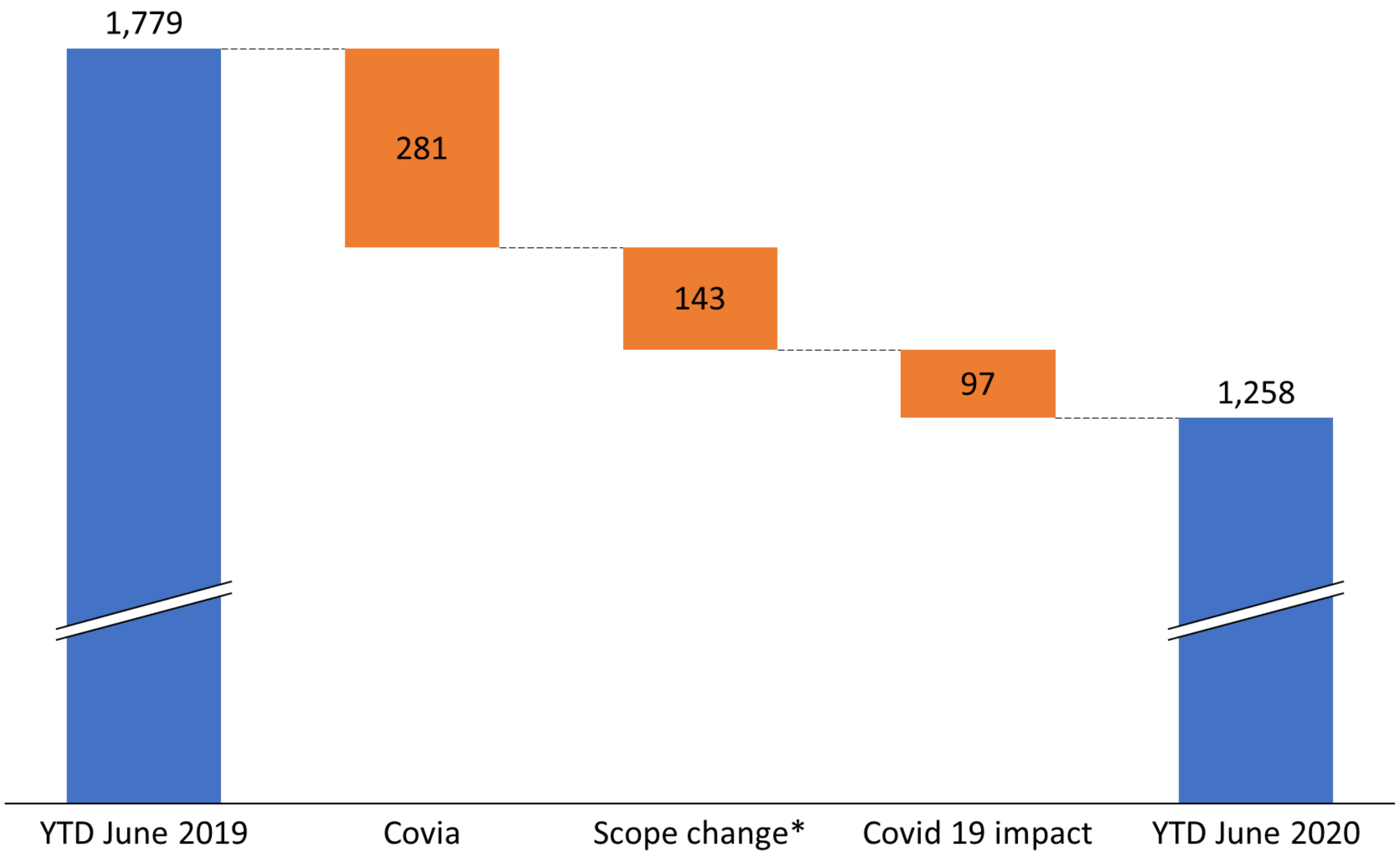
Shareholder Webcast

24th August 2020

SUMMARY

- **Resilience through the COVID-19 crisis supported by proactive cash management and strong balance sheet**
    - Revenue down 29% (-12% excluding Covia and at constant scope)
    - Adjusted EBITDA down 47% (-29% excluding Covia and at constant scope)
    - Free operating cash flow excluding Covia of EUR 56 million
    - Net cash position of EUR 104 million
    - Given the continuing market uncertainty, and in order to maximise Sibelco's financial flexibility, the Board of Directors maintains its earlier advice as communicated at the shareholder meeting in April, not to pay an interim dividend for 2020
- **Covia enters Chapter 11 leading to deconsolidation of Covia from Sibelco. EUR 35 million net result booked in P&L**
- **Continued investment in strategic growth initiatives**
- **Portfolio reorientation of Sibelco core complete**

2020 H1 revenue evolution Sibelco Group



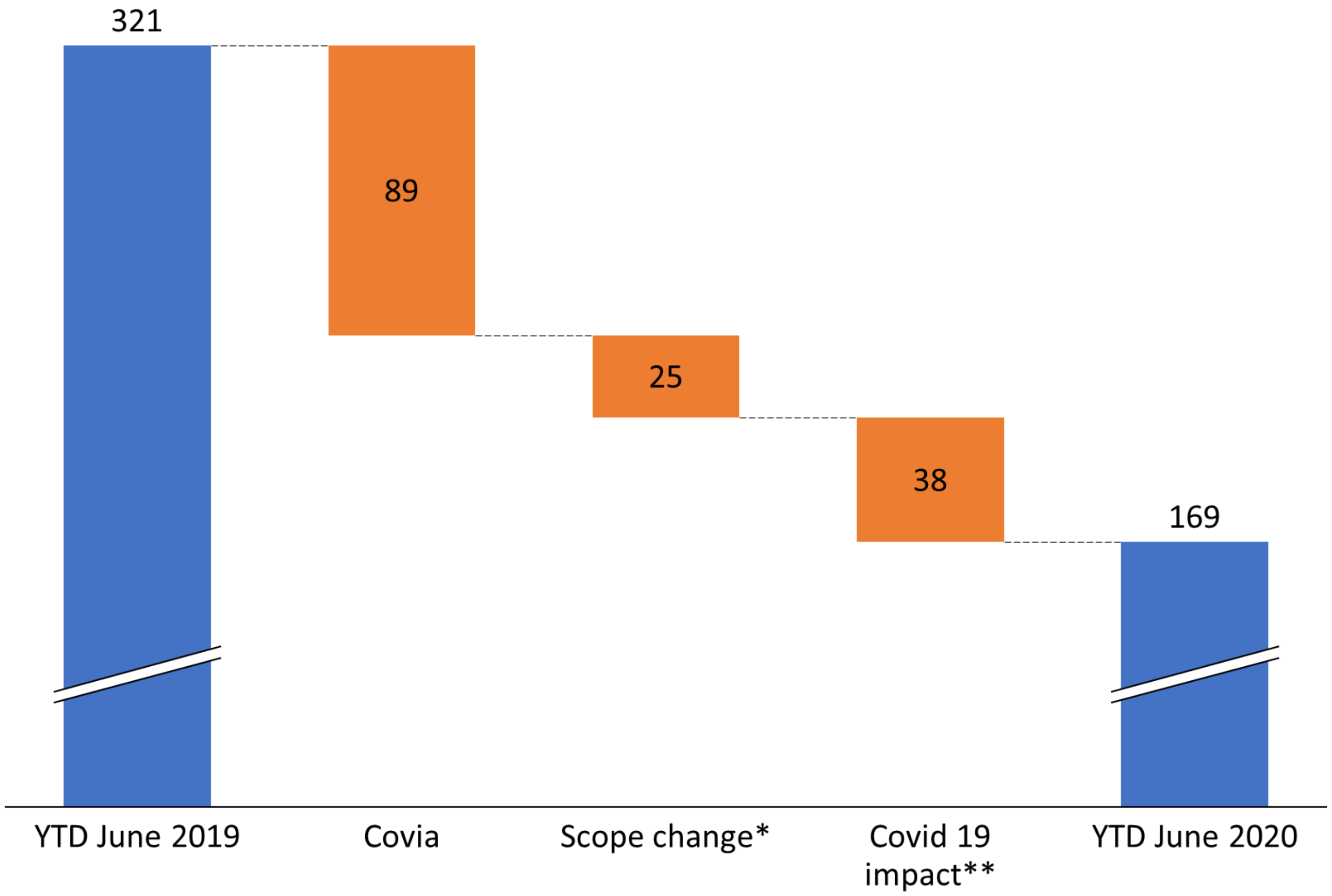
- **Average 20-25% drop in revenues Apr / May with mixed picture across business lines**
- **Main reason for drop was lower volumes**
- **Some recovery in June and into July for Sibelco excl. Covia**
- **All plants currently running normally**
- **Limited visibility on second half ; very dependent on Covid virus (second waves?)**

*** Revenue related to divested assets**

Unaudited management reporting

2020 H1 adjusted EBITDA evolution Sibelco Group

Impact on adjusted EBITDA mitigated by cost discipline



- **Adjusted EBITDA down as a logical consequence of revenue decrease due to COVID-19 and divestments / scope changes (lime, magnesia and mineral sands)**
- **Cost discipline in both COGS and SG&A mitigated the impact**

* Adjusted EBITDA related to divested assets

** The net COVID-19 impact includes the gross margin loss resulting from the revenue drop, certain budgeted inflationary cost increases versus last year offset by planned and additional variable and fixed cost decreases (of at least 10 MEUR). However, we are not in a position to attribute specific amounts to each category

Unaudited management reporting

A sharper focus

- We have sharpened our focus with 10 business lines + performance teams
- Performance teams implemented at 100 sites

BUILD ENVIRONMENT & ELECTRONICS

- Tile, Engobes & EGS
- Sanitaryware & Structural Ceramics
- Steel & Refractory
- Optimised Materials
- Electronics, Fiber & Specialty Glass

GLASS & PERFORMANCE MATERIALS

- Container & Float Glass
- Recycling
- Filtration & Reactants
- Coatings
- Polymers

Build Environment & Electronics in H1

2020 H1 REVENUE

€458 MILLION

Tiles Engobes & Engineered Stone
Down 18% as a result of high-end tile customer factory shutdowns in Italy and contraction of market for glazes and engobes. EGS sales were supported by higher demand in NAM.

Sanitaryware & Structural Ceramics
Down 10% as Europe sanitaryware market slowed in second quarter and closure of hotels reduced demand for tableware. Structural ceramics remained unchanged against 2019.

Steel & Refractory
Down 16% as steel production slowed in Europe and Asia. Demand for refractory materials held up better as users utilised the lockdown period to conduct maintenance work.

Electronics, Fibre & Specialty Glass
Down 21% as sales of HPQ to Chinese high purity glass market fell sharply, whilst shutdowns in the automotive sector meant a fall in demand for silica flour.

Optimised Materials
Down 13% due to widespread postponement of major sporting events and shutdowns in the automotive sector. Sales in construction began to bounce back in June.

Glass & Performance Minerals in H1

2020 H1 REVENUE
€238 MILLION

Container & Float Glass
Down 8% and mainly impacted by almost total shutdown of Europe's float glass industry (windshields and windows). Container glass sales were impacted to a far lesser extent.

Coatings
Down 7%. Sales of materials for powder coatings were hardest hit but the European paint market fared better. We gained market share in feldspathic materials in Asia.

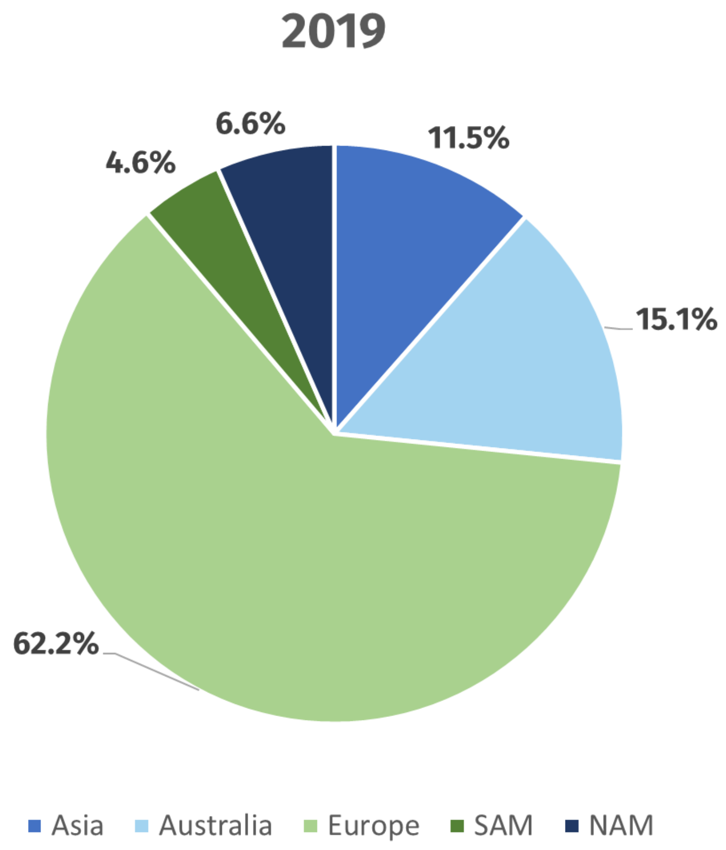
Polymers
Down 4% with sales holding up relatively well in H1 as demand for surgical gloves increased and sales into flame retardants continued to evolve.

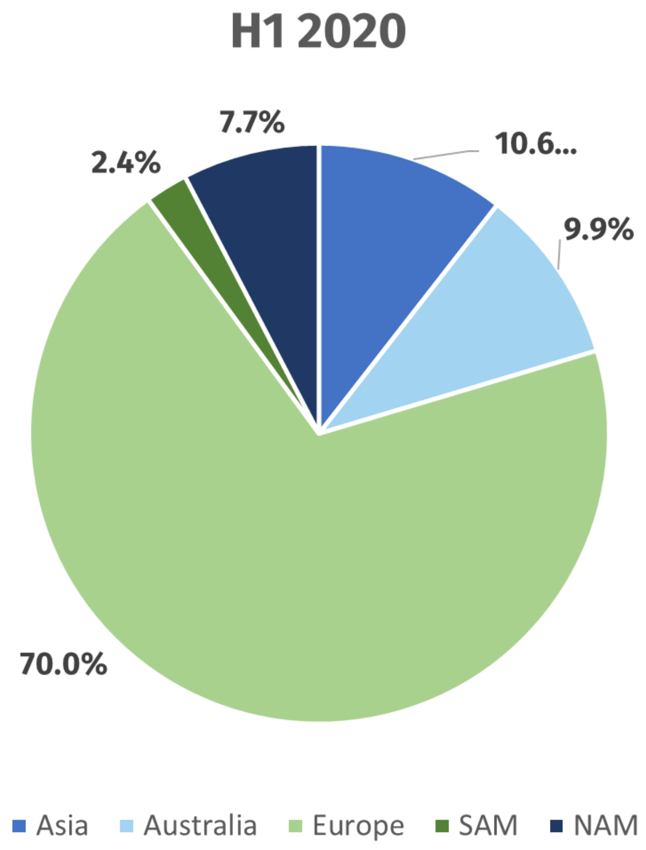
Recycling
8% higher revenues generated in H1 driven by the combination of consistent demand and the integration of Sibelco's recent acquisitions in Italy and France.

Filtration & Reactants
Revenues down 6% with slightly lower sales in Europe whilst demand for materials for export-related projects remained stable.

Revenue by region

Europe takes larger share of revenue due to gradual exit from Australia





Unaudited management reporting

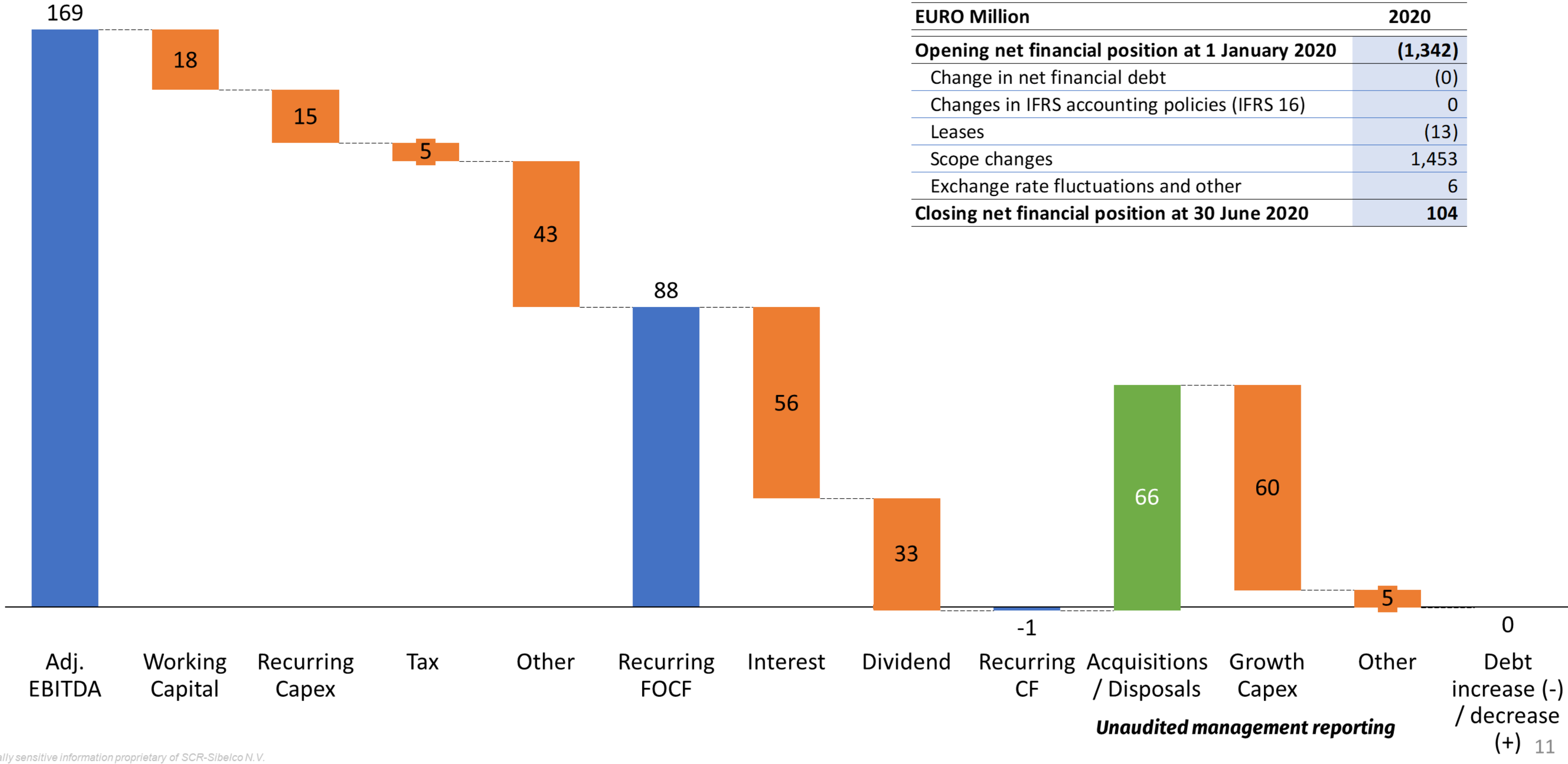
Covia files for Chapter 11 protection

- On Monday 29th June, Covia filed for Chapter 11 protection in the US
- Market conditions have rendered Covia's current capital structure untenable:
  - Structural changes in the proppant industry +
  - COVID-related downturn (Covia revenues and EBITDA down by 36% and 65% respectively in H1) +
  - Oil price collapse +
  - Burden of onerous contracts especially for excess leased railcars
- Chapter 11 allows Covia and its creditors the time to restructure. The process typically takes several months.
- The court will have the final say in Covia's business decisions
- Sibelco looked at various options as part of the lead-up to this process but decided to step away in the best interests of Sibelco and its shareholders.

Covia impact on Sibelco's financial statements

- Covia filed for Chapter 11 on June 29th:
  - Covia's operating results until that date still included in Sibelco's H1 Group income statement;
  - However, Covia de-consolidated from Sibelco on June 30th resulting from loss of control over subsidiary upon entry into Chapter 11 according to IFRS
- Significant impairments on Covia already accounted for in 2019 and no recourse to Sibelco regarding Covia's debt. Net asset value already immaterial at the end of last year.
- Net gain from Covia de-consolidation of EUR 35m recorded in Sibelco's H1 results:
  - Loss of assets more than offset by relief from liabilities
- Sibelco's consolidated equity at end of June 2020 is EUR 1.1 billion and net cash position of EUR 104 million

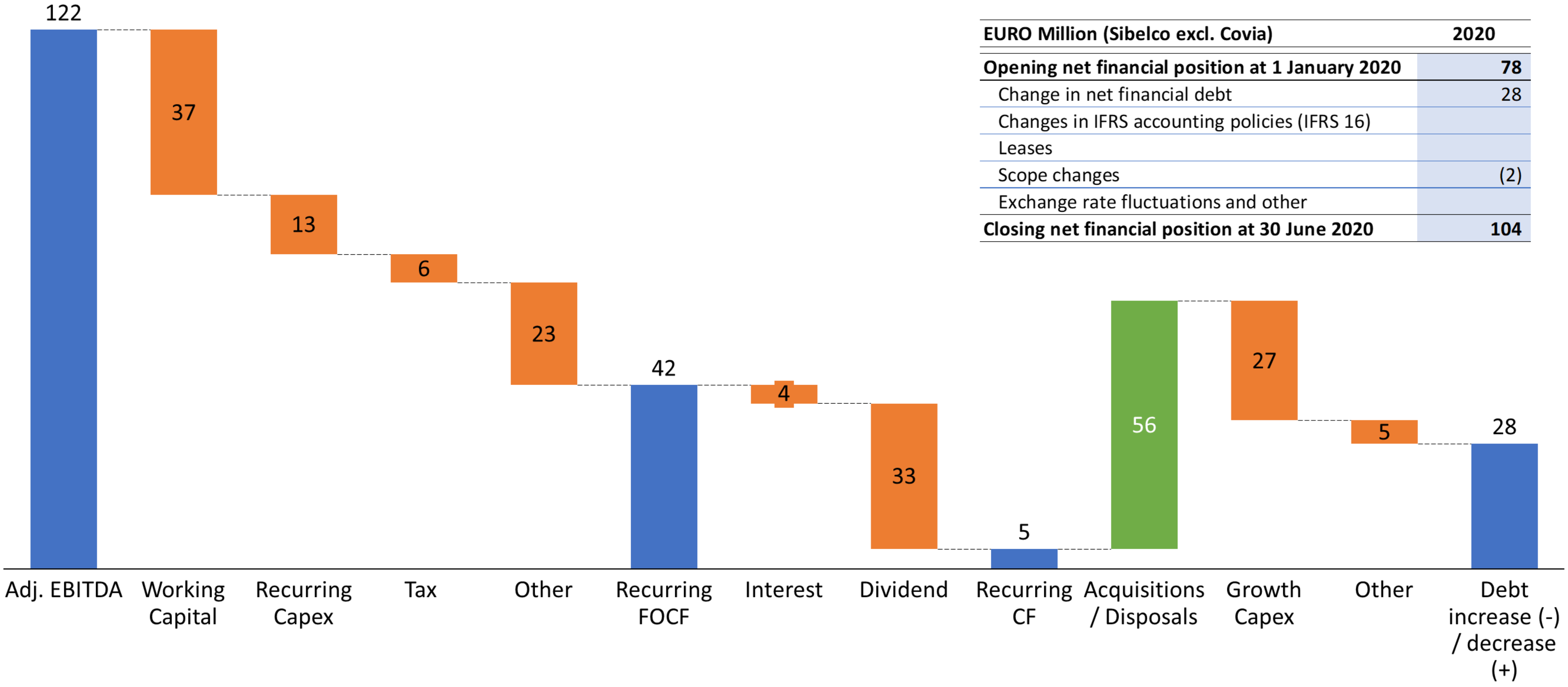
2020 H1 cashflow evolution Sibelco Group



EURO Million	2020
Opening net financial position at 1 January 2020	**(1,342)**
Change in net financial debt	(0)
Changes in IFRS accounting policies (IFRS 16)	0
Leases	(13)
Scope changes	1,453
Exchange rate fluctuations and other	6
Closing net financial position at 30 June 2020	**104**

Unaudited management reporting

2020 H1 cashflow evolution Sibelco Group excluding Covia



EURO Million (Sibelco excl. Covia)	2020
Opening net financial position at 1 January 2020	**78**
Change in net financial debt	28
Changes in IFRS accounting policies (IFRS 16)	
Leases	
Scope changes	(2)
Exchange rate fluctuations and other	
Closing net financial position at 30 June 2020	**104**

Unaudited management reporting

Net Debt Sibelco

Sibelco maintains a very strong balance sheet. Covia debt deconsolidated.

Sibelco excluding Covia (in million EUR)	June 2020	Dec 2019
Gross Debt	-231	-156
Leasing liabilities	-62	-61
Financial hedge	0	-1
Factoring	68	67
Cash	329	229
Net Cash Sibelco excluding Covia	104	78
Revolving credit facility (in million EUR) - available	410	510

Early in Covid crisis we drew EUR 100m from our revolving credit facility anticipating a potential credit crunch. However, this amount has been repaid as the situation has normalised.

Unaudited management reporting

Focus on Costs and Cash Management

COSTS

- **fixed costs reduced** in response to COVID-19
- strict control of SG&A and overall **savings of €10 million vs 2019 H1**
- our aim is to preserve **internal competences and capabilities**

WORKING CAPITAL

- **significant favourable impact from inventory and receivables decline**
- **working capital increase largely driven by typical year start decrease in payables which will normalise by year-end**
- **particular attention being paid to inventory management**

CAPITAL EXPENDITURE

- CAPEX **reduced by 23%**
- **Sustaining capex rescheduled** to changed environment
- **continued selective investment** in key growth projects

Unaudited management reporting

Growth and Operational Excellence Investments

UNITED KINGDOM
Kingsteignton: ball clay expansion
Rudheath Lodge: new silica site

TURKEY
Cine: feldspar upgrade

UKRAINE
Plastic clay acquisitions

BELGIUM
Genk: MDF recycling

UNITED STATES
Spruce Pine: HPQ expansion

ITALY & FRANCE
Glass recycling expansion

Divestment of Lime & Limestone and Magnesia

- **Completion of the sale of Lime & Limestone assets to Graymont on 31 July 2019. Indonesian asset retained by Sibelco**
- **Sale of magnesia assets in Australia (QMAG) to the Refratechnik Group completed in Q1 2020 at attractive multiple**
- **Transactions enable Sibelco to focus more on growth and performance in material solutions activities**

Focus H2 2020

- Ensure safe and healthy work environment for colleagues
- Maintain business continuity in uncertain demand environment
- Continued focus on cash and cost management and capital allocation
- Integration new CEO (Hilmar Rode starts on 1 September)

Disclaimer

Forward-looking statements and non-IFRS metrics

This document contains projections and other forward-looking statements. Investors should be aware that such projections and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond the control of Sibelco) that could cause actual results and developments to differ materially from those expressed or implied.

Besides IFRS accounts, the Group also presents underlying, non-audited performance indicators. The objective is to generate a view that avoids distortion and facilitates the appreciation of performance and comparability of results over time.

Q&A

Simplified & unaudited financial statements

Group P&L H1 2020

SIMPLIFIED & UNAUDITED STATEMENT OF PROFIT OR LOSS	2020 H1	2019 H1
In thousands of euro		
Revenue	**1,257,888**	**1,778,752**
Adjusted EBITDA	**168,791**	**320,751**
EBIT	**29,003**	**91,982**
Net financing costs	(65,254)	(75,251)
Income taxes	10,276	(16,707)
Share of profit of equity accounted investees (net of tax)	2,421	1,571
Result on disposal of subsidiaries	47,764	-20
Minority interests	28,363	25,467
Profit (loss) for the period, Group share	**52,573**	**27,042**

Group balance sheet H1 2020

SIMPLIFIED & UNAUDITED STATEMENT OF FINANCIAL POSITION	30 JUNE 2020	31 DEC 2019
In thousands of euro		
Net non-current assets (1)	929,436	2,432,554
Net current assets	531,232	987,009
Other assets	132,802	160,144
Cash (2)	397,489	580,692
Total assets	**1,990,960**	**4,160,400**
Net worth (including minority interests)	1,072,097	1,113,763
Provisions	346,007	528,641
Gross financial debt (2)	293,611	1,922,465
Other liabilities	279,244	595,531
Total liabilities and shareholders' equity	**1,990,960**	**4,160,400**
(1) Of which mining assets	186,210	800,918
(2) i.e. net financial debt of	-103,878	1,341,773

Group cash flow H1 2020

SIMPLIFIED & UNAUDITED CASH FLOW STATEMENT AND CHANGE IN NET FINANCIAL DEBT	2020 H1	2019 FY
In thousands of euro		
EBIT	**29,003**	**(1,269,599)**
Depreciation, amortisation, depletion & non-recurring	139,788	1,824,061
Adjusted EBITDA	**168,791**	**554,463**
Income taxes (paid)/received	(5,457)	(29,378)
Capex	(75,479)	(212,053)
Proceeds from sale of PPE	51,126	36,950
Working capital changes	(17,575)	(496)
Use of provisions	(31,088)	(67,226)
Additional provisions		589
Cash contributions to defined benefit plans	(13,294)	(25,048)
Add back pension expenses in EBITDA		7,535
Share-based payment expense	160	9,076
Other non-cash items	1,763	(36,269)
Free operating cash flow	**78,947**	**238,143**
Interest (paid)/received	(55,933)	(66,458)
Acquisitions of subsidiaries/non-controlling interests	(21,844)	(13,395)
Disposal of subsidiaries/associates	36,521	461,351
Purchase of treasury shares		(1,152)
Dividends received	2,562	2,222
Dividends paid	(35,382)	(72,432)
Other items	(5,254)	33,864
Net debt decrease (increase)	**(380)**	**582,143**

SIBELCO

Thank you!

Shareholder Webcast

24th August 2020