

SCR-Sibelco NV

Plantin en Moretuslei 1A, 2018 Antwerp, Belgium
registered with the Crossroads Bank for Enterprises under number 0404.679.941
(**"Sibelco"** or the **"Company"**)



ADDITIONAL INFORMATION FOR SHAREHOLDERS

ADDITION TO THE INFORMATION DOCUMENT FOR SHAREHOLDERS DATED 8 DECEMBER 2023

An electronic version of this document with additional information can be found (in English) on Sibelco's website (www.sibelco.com/en/investors/share-buyback).

This additional information document is dated 5 January 2024.

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1 Introduction and disclaimer

1.1 Introduction

Reference is made to the convening notice for the Extraordinary General Meeting of Sibelco convened for 12 January 2024 (the “**Meeting**”) and to the information document published by Sibelco relating to that convocation on 8 December 2023 (the “**Shareholder Information Document**”). Capitalised terms not otherwise defined in this additional information document will have the meaning given to them in the Shareholder Information Document.

In the Shareholder Information Document, Sibelco announced that it intended to share in due course further information on the valuation of Sibelco and its business to the shareholders ahead of the EGM. This additional information document contains that further information, to support the shareholders’ decisions at the EGM, and consists of the following:

- (i) information on the valuation of Sibelco and its business, prepared by the Board, on the basis of which the Board proposes to the shareholders a Fixed Component of EUR 6,850.00;
- (ii) information on how Sibelco would finance a share buyback offer and how it would impact the strategy and activities of Sibelco;
- (iii) as Annex 1, a draft of the preliminary report of the independent expert in accordance with Article 20 and following of the Belgian Royal Decree of 27 April 2007 on public takeover bids dated January 5, 2024 (the “**Draft Independent Expert Report**”); and
- (iv) as Annex 2, condensed unaudited consolidated statements of profit and loss, of financial position and of cash flows of Sibelco as at 30 September 2023;

1.2 Disclaimer

The information contained in this additional information document is shared, for information purposes only, in connection with the Buyback Authorisation request tabled at the Meeting. This additional information document does not constitute a formal notification of a public takeover bid within the meaning of the Belgian Law of 1 April 2007 on public takeover bids and the Belgian Royal Decree of 27 April 2007 on public takeover bids. If a public offer to buy back own shares would be launched by Sibelco, full details thereof will be included in the prospectus. No such prospectus has yet been approved by the FSMA.

The Draft Independent Expert Report which, like all other information in this additional information document is shared for information purposes only, is a draft of the preliminary report which the independent expert is preparing in accordance with Article 20 and following of the Belgian Royal Decree of 27 April 2007 on public takeover bids. This Draft Independent Expert Report has not been approved by the FSMA and is subject to changes and updates. Accordingly, there may be differences between the Draft Independent Expert Report and the independent expert report which will, if a public offer to buy back shares would be launched, be attached to the prospectus. Only the final independent expert report attached to the prospectus will, if applicable, be approved by the FSMA.

This additional information document does not constitute a bid to purchase securities of Sibelco nor a solicitation by anyone in any jurisdiction in respect thereof. If a bid to purchase securities of Sibelco through a public offer to buy back own shares is proceeded with, such offer will and can only be made on the basis of a prospectus, which shareholders should read in full when available.

Neither this additional information document nor any other information in respect of the matters contained herein may be supplied in any jurisdiction where a registration, qualification or any other obligation is in force or would be with regard to the content hereof or thereof. Any failure to comply with these restrictions may constitute a violation of the financial laws and regulations in such jurisdictions. Sibelco and its affiliates explicitly decline any liability for breach of these restrictions by any person.

1.3 Forward-looking statements

This additional information document contains forward-looking statements, prospects and estimates relating to the expected future performance of Sibelco, its subsidiaries and the sectors in which they operate. Some of these forward-looking statements, prospects and estimates are characterised by the use of terms such as (but not limited to): “believe”, “think”, “foresee”, “expect”, “anticipate”, “seek”, “plan”, “contemplate”, “calculate”, “project”, “pursue”, “tend to”, “may”, “attempt”, “estimates”, “relies on” and similar expressions, as well as future and conditional tenses. These forward-looking statements demonstrate and involve risks and uncertainties and are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors. Although Sibelco considers that these expectations and assumptions appear reasonable and acceptable at the time of their assessment, they may not prove to be accurate in the future. Nothing in this additional information document can be construed as a guarantee that the subject projections will be realised or accomplished, nor that they will be proven exact.

Consequently, it is possible that the actual earnings, financial situation, performance or achievements of Sibelco or the results of the sector may differ significantly from the future results, earnings, performance or achievements expressly or implicitly alluded to in these forward-looking statements.

In view of these uncertainties, no undue reliance should be placed on any forward-looking statements. All forward-looking statements herein are qualified by reference to the cautionary statements set forth in this Section 1.3.

These forward-looking statements are only valid as of the date of this additional information document. Sibelco expressly disclaims any obligation to update the forward-looking statements contained in this additional information document if the relevant expectations, conditions, circumstances or facts on which they are based should change.

2 Information on the valuation of Sibelco and its business

2.1 Fixed Component

The Board, in its meeting of 9 November 2023 decided that the Fixed Component of EUR 6,850 represents a fair valuation of the Sibelco share on the basis of the elements described below.

2.2 Justification of the Fixed Component

2.2.1 This Section 2 only relates to the Fixed Component

As stated in the convening notice for the Meeting, the Authorised Buyback Price consists of a Fixed Component of EUR 6,850 and of a Disposal Value Component, which is subject to certain conditions). For the avoidance of doubt, the description in this Section 1.3 relates to the Fixed Component and not to the Disposal Value

Component. The Disposal Value Component, which is in addition to the Fixed Component, is subject to conditions. At the date of the Meeting, or at the date of any subsequent share buyback, it will not yet be known whether a Disposal Value Component will ever become due or what the quantum of such Disposal Value Component, if any, would be.

Sibelco has performed a valuation analysis to determine the Fixed Component. Additionally, Sibelco has assessed several references that provide context to a share buyback offer, as set out below.

2.2.2 DCF valuation range

The Fixed Component lies within the DCF (Discounted Cash Flows) range of EUR 6,386 to EUR 7,672 based on the Management Business Plan (with a midpoint of EUR 6,952 per share).

2.2.3 Analyses and references that provide context to the Fixed Component

- (i) The Fixed Component represents an enterprise value / 2024E EBITDA multiple of 4.94x, which compares to median trading comparables of 5.0x – 6.0x.¹

It should be noted that trading comparables are deemed not relevant. The reason is that these are based on a 2024 expected EBITDA for Sibelco, which is above its long-term steady state expected EBITDA level, because 2024 estimates are positively impacted by high price levels for High Purity Quartz. These high price levels are deemed not sustainable in the longer term. In addition, the Management Business Plan projects the EBITDA to peak in 2028 followed by a normalisation in 2029. Both elements support the use of an intrinsic valuation method based on DCF instead of the use of trading multiple based valuation.

- (ii) A share buyback offer would not constitute a change of control of Sibelco and would therefore not be subject to a control premium.
- (iii) For reference, the Fixed Component of EUR 6,850 is at a premium of 37.0% to the closing price of the shares on 30 November 2023. The Fixed Component also represents a premium of 38.2% and 42.0% to the one-month and three-month VWAP (volume-weighted average price) as per 30 November 2023.² It should be noted that liquidity of the Sibelco shares, which only trade on the Euronext Expert Market, is very low (as described below in 2.2.4). Sibelco therefore considers this reference point of limited relevance.

The above valuation methodology and references are explained in more detail further below. An analysis of multiples in comparable transactions has not been used as a valuation methodology, given most comparable transactions included a control premium for a change of control, which would not be the case for a share buyback offer by Sibelco.

¹ The trading comparables generally have a similar mature growth outlook to Sibelco's ROW (Rest of the World) segment, none of them have the high growth outlook associated with Sibelco's HPQ segment, with the exception of Jiangsu Pacific Quartz which has been excluded from the peer group.

² Closing price: EUR 5,000; 1-Month VWAP: EUR 4,956, 3-Month VWAP: EUR 4,825.

In accordance with Articles 20 and following of the Takeover Decree, Degroof Petercam Corporate Finance SA, in its capacity as Independent Expert, is carrying out its own valuation work. In the Draft Independent Expert Report, the Independent Expert comes to a valuation range of EUR 6,199 to EUR 7,749 per share primarily based on DCF analysis, with a mid-point of EUR 6,930 per share. That range covers the DCF-based valuation range of Sibelco (which ranges from EUR 6,386 to 7,672 per share with a mid-point of EUR 6,952 per share as stated above), with minor differences relating to the WACC (weighted average cost of capital), IFRS leases and deferred tax assets. For the avoidance of doubt, the information contained in this additional information document relates to the valuation analysis performed by Sibelco and not to the independent valuation analysis of the Independent Expert. The Draft Report of the Independent Expert is attached as Annex 1 to this additional information document.

2.2.4 Liquidity

Sibelco's shares trade on the Euronext Expert Market where public auctions take place once a week on Tuesday. This trading is characterised by very limited liquidity with an average trading volume of 17 share per week during the last 12 months preceding the publication of Sibelco's intention to launch a share buyback offer (on 8 December 2023).

A share buyback offer would represent an immediate liquidity opportunity for Sibelco's shareholders to sell their share without having the value of the shares impacted by the low trading liquidity. Such opportunity is otherwise limited due to the very low liquidity of the share.

Average trading volume per week (no. of shares)	
Last 3 months	23
Last 6 months	21
Last 12 months	17

2.2.5 Number of shares

All calculations under this Section are based on an adjusted number of shares, being 434,856, which corresponds to the total number of shares issued by Sibelco as at 30 September 2023, i.e., 470,170 shares, minus the number of treasury shares and shares held by direct and indirect subsidiaries of Sibelco on 30 September 2023, i.e., 35,314 shares. These share numbers are still accurate as at the date of this additional information document.

All shares have been fully paid up and have the same rights.

Number of shares	
Number of shares issued	470,170
Treasury shares	(35,314)
Fully diluted number of shares	434,856

2.2.6 Enterprise value adjustments

The enterprise value adjustments refer to net financial debt and other adjustments that are deducted from the enterprise value to arrive at the equity value. The enterprise value adjustments³ are shown in the table below and are based on the unaudited consolidated financial statements of Sibelco for the quarter ended on 30 September 2023. Sibelco's valuation has been done on IFRS16 basis which implies that the EBITDA corresponds to the EBITDA for which lease costs are recognised on the balance sheet through a right-of-use and lease debt (obligations). These lease costs are not accounted as a cost above EBITDA but are included below EBITDA as depreciation and amortisation as well as interests on leases. Lease obligations included in the enterprise value adjustments are those that are recognised on the balance sheet as of 30 September 2023. There are new and/or additional lease obligations included in the Management Business Plan period 2023 to 2029 which are replacing or are added to the current lease obligations and are not recognised on the balance sheet as of 30 September 2023. These costs are included in the cash flow assumptions of the Management Business Plan. These leases come in addition to beforementioned lease obligations that are recognised on the balance sheet as of 30 September 2023, which are included in the enterprise value adjustments and deducted in the bridge to equity.

Enterprise value adjustments (EUR million))	30 Sept 2023	Comments
Interest bearing loans & borrowings (non-current)	350	Book value (30/09/2023)
Interest bearing loans & borrowings (current)	30	Book value (30/09/2023)
Bank overdrafts	5	Book value (30/09/2023)
Lease obligations	72	Book value (30/09/2023) Leased obligations are related to operating equipment, buildings, warehouses, cars and machinery
Cash and cash equivalents	(494)	Book value (30/09/2023)
Russia divestment proceeds	(44)	Pro-forma impact related to the divestment of the business in Russia as announced on 15 November 2023
Net debt (incl. IFRS16 leases)	(81)	

³ It should be noted that Sibelco paid its annual dividend on 12 May 2023.

Pension obligations (pre-tax)	57	Book value (30/09/2023), adjusted for pension related deferred tax asset
Site Restoration & Plant demolition (ARO ⁴) provisions, other provisions & restructuring	239	Book value (30/09/2023) ARO provisions are related to various environmental requirements in countries in which Sibelco operates, including restoration and clean-up of its quarries and demolition of its plants.
Non-controlling interests	9	Book value (30/09/2023)
Associates/Equity-accounted investees	(51)	Book value (30/09/2023)
Deferred receipts Business Combinations (Abrasives)	(8)	Deferred receipts related to the sale of abrasives business in Belgium, the Netherlands, Finland and Germany in December 2022
Net Assets held for sale	(1)	Book value (30/09/2023)
Other financial assets	(27)	Book value (30/09/2023) includes loan to third parties, other financials assets and held to maturity investments
Other liabilities	1	Book value (30/09/2023)
Enterprise value to equity value adjustments	137	

Sibelco does not consider the deferred tax assets as reported in its consolidated unaudited financial statements as of 30 September 2023 in enterprise value adjustments. Sibelco concluded that the net position of the deferred tax assets are primarily at non-operating entities. Additionally, there is a possibility of offsetting the deferred tax assets by deferred tax liabilities in the future period.⁵

2.2.7 Valuation Methodology

(i) Analysis of DCF based on financial forecasts and scenarios

(a) Introduction

This methodology consists in computing the value of the Sibelco's assets (intrinsic value) by discounting the expected cash flows generated by these assets. The equity value attributable to the shareholders of Sibelco is

⁴ ARO represents Asset Retirement Obligations.

⁵ For illustrative purposes, the remaining net DTA as at 30 September 2023 (after partial derecognition at SCR-Sibelco NV and Russia deconsolidation), amounts to EUR 28.5 million which is equivalent to EUR 65,5 per share and does not consider the time value of money of the consumption of the DTA. The Fixed Component does not consider the DTA as part of the enterprise value adjustments for the reasons as stated above.

obtained by adding to or subtracting from the enterprise value of Sibelco as the case may be, the sum of the net debt and other enterprise value adjustments as laid out in the table include in Section 2.2.6 above.

The DCF valuation was computed as at 30 September 2023 (end of the third quarter of the financial year 2023). The valuation period encompasses the fourth quarter of 2023 and the financial years 2024 to 2029. The cash flows were discounted using a conventional cash flow reception at mid-year. This valuation method has been applied on the fourth quarter of 2023, the financial years 2024 to 2029 and the terminal value computation using the Gordon-Shapiro formula⁶, based on free cash flow after the financial year 2029.

(b) Management business plan (MBP)

The financials were based on the Management Business Plan (the “**MBP**”) of Sibelco which covers the forecast period 2023 to 2029, whereby the period up to 2028 is supported by long-term customer contracts which end in 2028, and 2029 which is based on normalised market prices and steady state assumptions. The fourth quarter of 2023 has been calculated based on 2023 projections and actual trading until the third quarter of 2023. The MBP has been approved by the Board on 9 November 2023 and the figures are prepared and presented in accordance with International Financial Reporting Standards (IFRS).

The MBP has been restated for the sale of the Russian activities, which was completed on 2 November 2023. The projections for the Russian activities have been excluded from the MBP whilst the sale proceeds have been included in the balance sheet and net financial debt position as at 30 September 2023 on a pro forma basis.

The MBP includes three components: (i) High Purity Quartz (“**HPQ**”), (ii) Rest of World (“**RoW**”) and (iii) Corporate. The reason for this is that the evolution in the past years and outlook of the HPQ Business is substantially different from the rest of Sibelco’s activities in terms of price and volume evolution, as well as capital allocation. This is further explained below:

High Purity Quartz (HPQ)

Sibelco’s HPQ activities relate to the HPQ operations in Spruce Pine, USA. HPQ caters essentially to the microchip and photovoltaic segment, with some customers active in fibre optic cables and lighting. The segment that mainly supports the growth of HPQ is photovoltaic, which takes a role in the energy transition taking place at various intensities around the planet. Customers of HPQ are, amongst others, companies that produce crucibles (a production element of microchips and photovoltaic cells). Their specification and certification requirements are very specific and stringent.

In addition, Sibelco is one of two economic actors who have access (with their own operations, mines and permits) to the geological HPQ ore body located in Spruce Pine (North Carolina – United States of America). As of

⁶ Determines value of perpetuity based on future series of cash flows growing at the given constant rate; calculated as: terminal value = cash flow in terminal year / (WACC – TGR).

today, there are no other ore bodies in exploitation around the world which would meet the specification of HPQ customers for efficient and effective use in the inner layer of crucibles.

The growth of the photovoltaic segment has created a scarcity for HPQ as production capacity is constrained, leading to significant risen price levels. The product scarcity has led Sibelco to plan to invest around USD 700 million in its Spruce Pine plants in order to structurally increase production capacity to meet the anticipated future market growth and to further improve asset integrity. The first investment of USD 200 million was announced on 21 April 2023 and is currently ongoing and planned to be finalised by 2025. Sibelco has commenced planning towards the second investment of the order of USD 500 million (subject to approval by the Board), as announced on 10 November 2023, scheduled to be executed between 2024 and 2027. The first investment is debottlenecking of existing operations, while the second investment is considered a greenfield expansion. With these important expansions of installed capacity, underpinned by a mine life potential of more than 100 years⁷, Sibelco aims to provide its customers with a strong value proposition in terms of product quality and availability as well as security of supply.

As part of its product strategy, Sibelco pro-actively engaged with its main photovoltaic ("PV") customers to conclude staggered prepayment contracts. A first round of prepayment contracts signed in September and October 2022 covers product delivery for the years 2023, 2024 and 2025. A second round of prepayment contracts has been signed in October 2023. This second round of prepayment contracts partly overlap with the first round of contracts as they also cover the years 2024 and 2025 and further extend the contract period to contract years 2026, 2027 and 2028. For the year 2029, which is the first year without prepayment contracts signed to date, a view has been taken on a normalised year with spot prices in line with the historical spot price trend, which provides a view for a steady state year for the terminal value year computation.

The new prepayment scheme provides for HPQ volumes to be delivered to PV customers of up to 65% of total projected volumes sold in the years 2027 and 2028. As the production capacity after the completion of the Phase 1 expansion investment (USD 200 million) will be insufficient, Sibelco will, as further set out above, need to perform a Phase 2 expansion investment to increase production capacity and meet expected demand.

Rest of World (RoW)

Sibelco's RoW activities consist of the operations not directly related to HPQ in Spruce Pine, USA and consist of silica (excl. HPQ), clays, feldspathics, olivine and recycled glass. Sibelco's RoW business activity is characterised by a more stable return on capital and lower uncertainty. The industrial materials in RoW track the outlook for the global economy. Nevertheless, Sibelco expects to be able to continue growth due to its strong market

⁷ Assuming securing of relevant approvals, permits and agreements.

position, strong customer relationships and wallet share gains, together with portfolio mix improvements.

Corporate

Other group projections include additions to right-of-use assets, land and reserves acquisitions and spend / income related to acquisitions / disposals.

The costs related to the right of use assets are part of the cash outflows related to the lease obligations, whereas land and reserves acquisition spend is related to acquisition costs for future mineral reserves and resources, and costs related to maintenance and management of existing land where mineral extractions operations occur.

Acquisitions / disposals of subsidiaries are mainly related to deferred considerations to be paid for the acquisitions Kremer (2022, the Netherlands), Bassanetti (2022, Italy) and Riccia (2023, Italy), and investments to fund the development of the Lithium joint venture⁸ mineral projects with Avalon (Canada) and the Cape Silica joint venture with Diatreme (Australia).

Contingency feature

In the MBP, Sibelco has included a contingency feature as a measure of prudence to adjust for unidentified risks and/or events that may occur. Some recent examples include (a) the commoditisation of cristobalite, (b) logistics cost super inflation that impacted sourcing of raw material and delivery of products locally, regionally and globally, (c) the impact of the Russia-Ukraine war on the clay business out of Ukraine, and (d) the impact of Chinese import tariffs on the HPQ Business during the time of the Trump administration. As the aforementioned examples demonstrate, these risks and/or events are not easily identifiable or forecasted at the time of developing the MBP, yet occur with certain regularity. Therefore, Sibelco considers that not incorporating a risk adjustment to account for such events into the MBP could lead to a forecast that might prove to be overoptimistic.

Contingency methodology – Sibelco assessed potential risk factors and concluded that they predominantly relate to revenues, as volatility is expected to mostly follow from price and volume shocks. Therefore, the MBP applies a revenue contingency as a measure of prudence for risks related to the respective market segments. The risks associated with HPQ and RoW might vary in type and magnitude, therefore the contingency factors are differentiated between both segments.

Given the higher uncertainty associated with HPQ, the contingency applied to HPQ revenue is larger than that applied to RoW revenue. Please refer to paragraphs 4 and 5 of Section 2.2.7(i)(c) (Management business plan assumptions) for further details on the contingency feature.

- (c) Management business plan assumptions

High Purity Quartz (HPQ)

⁸ Sibelco's ownership in JV: 60.0%.

- Given the relatively higher uncertainty and larger movements in the HPQ Business, management has prepared a detailed bottom-up model that leverages the currently agreed contracts and incorporate its long-term views on the market.
- HPQ sales volumes are forecasted to more than double from 2023 following the expansion plans supported by the prepayment contracts up to 2028. The relative importance of PV prepayment with respect to total volumes sold doubles over the lifetime of the MBP to around 65% of total projected volumes sold in the years 2027 and 2028.
- The prepayment contract prices and management price forecast in the PV and semiconductor markets determine the average sales price forecast. Market prices are expected to peak in 2026 and then gradually decrease to a level which is 40% higher than average prices for HPQ measured between 2008 and 2021. Indeed, prices for HPQ have been well below the level assumed for 2029, even when including the impact of inflation. It is Sibelco's view that the 2029 price level assumed in the MBP represents a continued market demand for PV combined with a well-balanced supply and demand situation, factoring in substitution risk (e.g. synthetic silica).
- A contingency factor is applied to capture all principal risks:
 - (i) The continued HPQ demand and resulting price pressure foster increased competition and create an ongoing risk of product substitution, primarily in the PV segment. Demand for PV has historically been volatile despite the need for green energy sources to support the energy transition;
 - (ii) Producers are incentivised to announce capacity increases which may balance out supply and demand leading to a reduction of spot prices, potentially back to historic price levels;
 - (iii) The planned production capacity expansion projects are subject to execution risk. The Phase 1 and Phase 2 expansion project are the largest investments in the group's recent history;
 - (iv) Continuous improvement may reduce the need for HPQ within the context of the PV manufacturing process; and
 - (v) Substitution risk is driven by synthetic silica or a disruptive technology that may reduce or diminish HPQ required for the silicon wafer's value chain.
- To capture these principal risks, a contingency factor has been applied to the revenues in the MBP, which varies by year. The contingencies are Sibelco estimates and are based on the following reasoning. The contingency factor (-5%) for 2024 essentially relates to execution risk. In the years 2025 (-10%) and 2026 (-15%), the execution risk increases as a result of the start of the Phase 2

investment. The step-up of risk in 2026 relates to the potential impact of additional available production capacity which may cause pressure on the spot price beyond the MBP's assumptions. In the last years of the model, 2027 (-15%) and 2028 (-15%), the execution risk is reduced but is balanced by the increased additional available production volumes in the market potentially pressuring the spot prices following the completion of the Phase 2 expansion plan. The step-up in contingency factor for the normalised year 2029 (-20%) relates mainly to substitution and technology risk, while execution risk is phased out, which may lead to decrease in demand for HPQ. Sibelco's view is that it is very likely that in a future beyond 2028 contingency factors remain relevant as alternative technologies (e.g., thin film perovskite technology) would step in which reduce the need for HPQ, which would put downward pressure on the market prices. Contingencies in the HPQ segment are price driven.

- The MBP projections for HPQ can be summarised as follows:
 - a CAGR of revenue (pre-contingency) of around 14.7% and CAGR of revenue (post-contingency) of around 10.5% over the 2023-2029 period respectively with a strong growth up to 2028 following Sibelco's expansion plans backed by long-term customer contracts after which normalised spot market prices are considered for 2029;
 - a CAGR of EBITDA of around 12.9% over the 2023-2029 period with a strong profitability growth between 2024 and 2028 as a result of long-term customer contracts after which normalised spot market prices are considered for 2029;
 - EBITDA margin increases strongly over forecast period from 39.0% in 2023, peaking at 63.2% in 2027 and decreases to 44.5% in 2029 to reflect higher prices, more efficient production and scale effects in relation to Selling, General and Administrative Expenses (SG&A);
 - net working capital is assumed at a stable level of 15.4% of revenues, which represents the actual working capital as at 31 December 2022, but is adjusted for PV prepayments that are received between October 2022 and October 2027;
 - HPQ Capex as % of revenue (post-contingency) evolves from 10.6% in 2023 over 17.2% in 2024 to 33.4% in 2025, 30.9% in 2026 – reflecting the capex program for expansion 1 (2023-2025) and expansion 2 (2024-2026) – decreasing to 6.3% and 5.7% in 2027 and 2028 as a result of the scale benefits (having realised the expansion and benefiting from the increased sales volumes). In 2029, following the assumed drop in HPQ sales prices (no longer covered by the prepayment contracts but exposed to spot), the Capex as % of revenues metric increases to 10.4% reflecting the

significantly expanded Spruce Pine asset to be maintained at the back of lower sales prices and overall profitability;

- Sibelco has applied an estimated 25% tax rate, in line with the corporate tax rate in force in Belgium since 2020; and
- HPQ forecasts are converted into EUR using EUR/USD exchange rate of 1.11⁹ throughout the forecast period.

Rest of World (RoW)

- Given the stable nature of the RoW business, Sibelco management has used a simplified top-down portfolio approach, as it captures medium term planning more accurately. Sibelco management expects to benefit from low single digit revenue growth (pre-contingency) despite a challenging market backdrop, through achieving selective price increases, wallet share gains at selected customers and mix improvements. Despite intense competition, economic slowdown (especially in the construction market) and shift of production location outside Europe, management believes it will be able to maintain margins through its successful cluster model and operational efficiencies.
- A contingency factor has been applied to RoW, albeit more modestly compared to HPQ. For the period 2024-2025-2026, a top line contingency factor of -2% is applied and mainly represents uncertainty regarding volume recovery, especially reflecting the expected headwinds in the construction market. For the period 2027-2028, a contingency of -3% is applied, whereas the year 2029 captures a -4% contingency. The increasing risk reflects the potential change in industrial footprint of certain of our clients linked to structurally higher energy costs in Europe. As the contingency for RoW is assumed to predominantly apply to the volumes, the contingency factor for RoW is applied to both revenues and cost of sales. The cost of sales is considered 60% variable and 40% fixed and the contingency factor only applies to the variable cost of sales.
- The MBP projections for RoW can be summarised as follows:
 - a CAGR of revenue (pre-contingency) of around 2.2% and a CAGR of revenue (post-contingency) of around 1.5% over the 2023-2029 period;
 - a CAGR of EBITDA of around 1.9% over the 2023-2029 period;
 - an EBITDA margin of around 15.0% that is largely stable over the 2023-2029 period;

⁹ EUR/USD exchange rate as of 29 August 2023 (date of Business Plan preparations), for reference current EUR/USD exchange rate as of 30 November 2023 is 1.09.

- net working capital is assumed at a steady level of 15.4% of revenues, which represents the actual working capital level as at 31 December 2022;
- an increase in capex as a percentage of revenue from 5.9% in 2023 to around 6.4% in 2028 and onwards; and
- Sibelco has applied an estimated 25% tax rate, in line with the corporate tax rate in force in Belgium since 2020.

Corporate

- Sibelco has a number of costs that are not allocated to segments and included in the MBP at group level. They include:
 - additions to right-of-use assets that relate to expected additions and renewals of leases over the MBP, adjusted for the runoff costs of the existing lease liabilities which are recognised on the balance sheet, which never represent more than 1% of revenue in a given forecast year;
 - land and reserves acquisitions to remain stable long term as acquisition costs for future mineral reserves and resources are expected to continue to support future mining operations and expansions; and
 - acquisition and disposal of subsidiaries relates to the equity investments to fund the development of the Lithium joint venture¹⁰ mineral projects with Avalon (Canada) and the Cape Silica joint venture with Diatreme (Australia) which are equity contributions of five and seven years respectively

Terminal value

The terminal value is based on the normalised 2029 financials, which reflect normalised pricing levels for HPQ. The business elements underpinning the 2029 assumptions have been explained above in Section 2.2.7(i)(c) (Management business plan assumptions). The terminal value year reflects a normalised EBITDA margin of 44.5% for HPQ and 15.7% for RoW and capex as a percentage of revenue ratio of 10.4% for HPQ and 6.3% for RoW. Additionally, Sibelco uses the conventional assumption that depreciation and amortisation in the terminal value amounts to 95% of capex, as depreciation and amortisation is based on historical prices for assets which are typically slightly lower than replacement cost given the effect of inflation. The change in net working capital in the terminal value is small as it is based on the stable level of 15.4% of revenues (in line with 2029) and therefore increases in line with the revenues growth of the terminal value year assumptions. Terminal Growth Rate (TGR) and WACC used for the terminal value computation are laid out in more detail.

¹⁰ Sibelco's ownership in JV: 60.0%.

(d) WACC computation and TGR

Sibelco has applied a WACC of 10.0% for the HPQ business and 11.1% for the RoW business & Corporate cashflows, being mid-point WACC when applying a leveraged beta range of 1.38-1.48.

The following assumptions were applied:

HPQ

- A risk-free rate of 4.3% (current US 10-year treasury bond yield as of 30 November 2023 (source: Bloomberg));
- An equity market risk premium in the range of 5.5% – 6.5% (+/- 50 basis points deviations of 3-month daily average as of 30 November 2023 for US equity markets (source: Bloomberg));
- Leveraged beta in the range of 1.38 – 1.48 (source: MSCI Barra Predictive Global Betas). Range defined based on +/-0.05x around average of the comparable companies¹¹;
- Cost of debt before tax: 7.2% (new issuance cost for Sibelco's long-term debt = current weighted average yield on Sibelco's Euro debt instruments considering USD swapped levels¹² (approximately 7.0%¹³) + new issuance premium (approximately 0.2%));
- Belgium statutory tax rate: 25.0%; and
- Ratio between total financial debt and total capital value: 37.0% (based on long-term target capital structure of Sibelco as per 2022 Annual Report¹⁴) and in line with average capital structure of comparable companies); and
- The calculated WACC based on above assumptions (for USD denominated cash flows) is converted to its Euro equivalent using an adjustment factor calculated based on the below formula:

$$\text{Adjustment factor} = (1 + \text{Euro inflation}) / (1 + \text{US inflation})$$

Long-term inflation for US (approximately 2.20%) and Eurozone (approximately: 2.1%) is based on average inflation forecast for the period 2024-2053 (source: IHS)

Based on these assumptions, a mid-point WACC of 10.0% has been computed for HPQ:

	Low	High
Risk free rate		4.3%
Equity market risk premium	5.5%	6.0% 6.5%

¹¹ Comparable companies include Imerys, Iluka, RHI Magnesita, U.S.Silica, Mineral Technologies and Compass Minerals.

¹² Considering current Sibelco Senior notes due November 2027 with the yield to maturity in USD.

¹³ As of 30 November 2023.

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Leveraged beta	1.38	1.43	1.48
Cost of equity	11.9%	12.9%	14.0%
Pre-tax cost of debt		7.2%	
Post-tax cost of debt		5.4%	
Debt/total cap target		37.0%	
Calculated discount rate	9.5%	10.2%	10.8%
Adjustment factor	0.99	0.99	0.99
Adjusted discount rate	9.4%	10.0%	10.6%

Source: Bloomberg, MSCI

RoW & Corporate

- A risk-free rate of 3.1% (current Belgian 10-year treasury bond yield as of 30 November 2023 (source: Bloomberg));
- An equity market risk premium in the range of 7.9% – 8.9% (+/- 50 basis points deviations of 3-month daily average as of 30 November 2023 for Belgian equity markets (source: Bloomberg));
- Leveraged beta in the range of 1.38 – 1.48 (source: MSCI Barra Predictive Global Betas). Range defined based on +/-0.05x around average of the comparable companies¹⁵;
- Cost of debt before tax: 5.7% (new issuance cost for Sibelco's long-term debt = current weighted average yield on Sibelco's Euro debt instruments (approximately 5.5%¹⁶) + new issuance premium (approximately 0.2%));
- Belgium statutory tax rate: 25.0%; and
- Ratio between total financial debt and total capital value: 37.0% (based on long-term target capital structure of Sibelco as per 2022 Annual Report¹⁷) and in line with average capital structure of comparable companies).

Based on these assumptions, a mid-point WACC of 11.1% has been computed for RoW:

	Low	High	
Risk free rate		3.1%	
Equity market risk premium	7.9%	8.4%	8.9%
Leveraged beta	1.38	1.43	1.48%
Cost of equity	13.9%	15.0%	16.2%

¹⁵ Comparable companies include Imerys, Iluka, RHI Magnesita, U.S.Silica, Mineral Technologies and Compass Minerals.

¹⁶ As of 23 October 2023.

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Pre-tax cost of debt		5.7%	
Post-tax cost of debt		4.3%	
Debt/total cap target		37.0%	
Calculated discount rate	10.4%	11.1%	11.8%

Source: Bloomberg, MSCI

Sibelco believes that using two separate WACC calculations for the two businesses (RoW and HPQ) is reflective of the interest rates and equity risk premiums in their respective operating regions and appropriately captures the execution risk in their business plans.

Additionally, a TGR of 1.50 – 2.50% has been retained to reflect the expected future performance of Sibelco. Sibelco believes that the mid-point TGR is reflective of the future performance of Sibelco.

(e) DCF valuation summary

A substantial amount of the value comes from the terminal value, with the DCF during the initial projection period (2023-2029) representing 43% of the DCF value, while terminal value after 2029 represents 57% of the DCF value.

The DCF valuation was computed as at 30 September 2023 (end of the third quarter of the financial year 2023).

Finally, some sensitivity analyses around the WACC and TGR on the enterprise value and equity value per share have been carried out, assuming small deviations of the cost of capital and the terminal growth rate, as follows:

- WACC for HPQ between 9.5% and 10.5% and RoW & Corporate between 10.6% and 11.6% (+/- 50 basis points deviations)
- TGR between 1.5% and 2.5% for both business segments (+/- 50 basis points deviations)

DCF valuation summary based on MBP (million EUR)		
HPQ: 2.0% TGR / 10.0% WACC		77.1%
NPV ⁽¹⁾ of Q4'2023 – 2029E FCF ⁽²⁾	1,103	45.3%
NPV ⁽¹⁾ of terminal value	1,334	54.7%
Enterprise value	2,437	100.0%
RoW: 2.0% TGR / 11.1% WACC		41.3%
NPV ⁽¹⁾ Q4'2023 – 2029E	556	42.6%
NPV ⁽¹⁾ of terminal value	749	57.4%
Enterprise value	1,305	100.0%
Corporate: 2.0% TGR / 11.1% WACC		(18.4%)
NPV ⁽¹⁾ Q4'2023 – 2029E	(310)	53.2%

NPV ⁽¹⁾ of terminal value	(272)	46.8%
Enterprise value	(582)	100.0%
Total enterprise value	3,160	100.0%
<i>o/w terminal value</i>	<i>1,811</i>	<i>57.3%</i>

DCF Corporate valuation component allocated to HPQ and RoW (million EUR)

HPQ enterprise value (post Corporate allocation)	2,058	65.1%
RoW enterprise value (post Corporate allocation)	1,102	34.9%

(1) NPV means net present value

(2) E FCF means estimated free cash flow

Total DCF enterprise value to share Price

million EUR, unless otherwise stated
 HPQ: @ 2.0% TGR / 10.0% WACC
 RoW: @ 2.0% TGR / 11.1% WACC

Total enterprise value	3,160
Enterprise value to equity value adjustment	(137)
Implied equity value	3,023
Number of shares	434,856
Implied share price (EUR per share)	6,952

Source: Company information; Note: Valuation date as of 30 September 2023; Assumes 10.0% WACC and 2.0% TGR for HPQ and 11.1% WACC & 2.0% for RoW & Corporate

DCF value – enterprise value sensitivity (million EUR)

			TGR (%)		
WACC (%)	HPQ	RoW & Corporate	1.5%	2.0%	2.5%
			9.5%	10.6%	3,223
10.0%	11.1%	3,059	3,160	3,273	
10.5%	11.6%	2,913	3,000	3,098	

DCF value – Implied share Price sensitivity (EUR per share)

			TGR (%)		
WACC (%)	HPQ	RoW & Corporate	1.5%	2.0%	2.5%
	9.5%	10.6%	7,098	7,366	7,672
	10.0%	11.1%	6,721	6,952	7,213
	10.5%	11.6%	6,386	6,586	6,810

On the basis of these analyses, for a WACC ranging from 10.6% to 11.6% for RoW & Corporate and 9.5% to 10.5% for HPQ, with a TGR ranging from 1.5% to 2.5%, the enterprise value of Sibelco ranges between EUR 2,913 million and EUR 3,473 million, corresponding to an equity value per share of EUR 6,386 to EUR 7,672 as per the enterprise value to equity value adjustments in the table included in Section 2.2.6. The Fixed Component is within the range of expected share prices from the DCF methodology.

It should be noted that, since the TGR is linked to market growth, it is unlikely that a higher TGR would occur at the same time as a lower WACC. Even in case of higher growth being driven by increased inflation, it is likely that interest rates would also be higher. The most common effect would be for a higher TGR to, at least partially, be offset by an increase in WACC due to higher interest rates.

As it can be observed from the table with the DCF valuation summary, a substantial value for the business resides in the terminal value (approximately 57%). The terminal value is sensitive to the WACC and TGR assumptions and is inversely proportional to the (WACC - TGR), which implies that a higher (WACC - TGR) would lead to a lower terminal value.

(f) Elements of risk and opportunity

(I) Scenario-based approach for HPQ

As indicated above, the HPQ part of Sibelco's business is evolving rapidly. On the date of this document price and volume for HPQ still show positive trends following the scarcity for HPQ due to the growth of the PV segment. As the increased demand and associated principal risks linked to this demand create volatility in the segment it may have an upward or downward outcome. On the other hand volumes and prices in the RoW remain largely flat and some sectors showing progress (recycled glass) with others like construction being impacted by a slowdown in the construction sector, which results in a stable trend of the RoW business.

Beyond the contingencies that have been incorporated in the MBP as described in paragraphs 2.2.7(i)(b) and 2.2.7(i)(c) above, other scenarios may occur which reflect a different geopolitical, macroeconomic and segment evolution than the ones reflected in the

MBP (referred to as the 'central case'). Whilst the central case remains the most probable outcome, Sibelco has also illustratively prepared a scenario-based approach that reflects the uncertainty for HPQ. Given the stable nature of the RoW business, the RoW is not subject to a scenario-based approach.

(II) Overview of HPQ scenarios

In order to reflect the uncertainty around the HPQ Business, Sibelco has prepared two illustrative scenarios:

- *Downside case for HPQ:* Sibelco downside case represents a scenario whereby capacity expansion is limited to the Phase 1 capacity expansion project, and lower selling prices are assumed; and
- *Upside case for HPQ:* This scenario adjusts the central case by not taking into account the contingency factors as outlined in Section 2.2.7(i)(c)

The difference between the upside and downside case is substantial as outlined in the following table¹⁸, which also shows the central case for reference:

Scenarios assumptions			
	Central case	Downside case	Upside case
HPQ Revenue CAGR 2023-2029¹⁹ (%)	10.5%	2.7%	14.7%
HPQ EBITDA CAGR 2023-2029 (%)	12.9%	0.2%	17.2%
HPQ EBITDA margin 2023 (%)	39.0%	29.2%	39.0%
HPQ EBITDA margin 2027 (%)	63.2%	34.1%	68.7%
HPQ EBITDA margin 2029 (%)	44.5%	25.3%	55.6%
Net working capital as % of sales 2029 (%)	15.4%	15.4%	15.4%
Capex as % of sales 2029 (%)	10.4%	7.1%	8.3%

(III) Downside case for HPQ

Sibelco's downside case represents a scenario whereby lower selling prices are assumed compared to the central case and capacity expansion is limited to the Phase 1 expansion during the MBP projection horizon, reducing produced volumes by 35% in 2029 (compared to the central case). As the prepayment contracts are not

¹⁸ Tax rate and EUR/USD exchange rate remain unchanged across the cases.

¹⁹ Post contingency factor.

executed to their end term, renegotiations take place and prices reduce as a consequence. The average prices per tonne are expected to remain well below the central case (approximately between 5-10% compared to the central case average price per tonne), as a result of such re-negotiations. Post 2025 prices will converge to a level which is 27% higher than average prices for HPQ measured between 2008 and 2021. The adjusted revenues therefore negatively impact EBITDA and margins. The contingency risks assumed in the central case reflect management risk-weighted views for the central case, however, in the downside scenario the risks considered are viewed more conservatively and impact the financials more significantly.

(IV) Upside case

Sibelco's upside case follows the MBP as presented in the central case as outlined in Section 4.5.5.b, but excludes the contingency factors as outlined in Section 4.5.5.b.i to provide a view on the MBP without any risk adjustments.

DCF value – Sibelco enterprise value sensitivity Scenario analysis						
	EV of HPQ²⁰ (million EUR)	EV of RoW²⁰ (million EUR)	EV of Corporate²⁰ (million EUR)	Enterprise value (million EUR)	Equity value (million EUR)	Implied share price (EUR per share)
Management business plan (central case)	2,437	1,305	(582)	3,160	3,023	6,952
Downside case	795	1,305	(582)	1,518	1,382	3,178
Upside case	3,850	1,305	(582)	4,573	4,437	10,203

(ii) Analyses and references that provide context to the Fixed Component

(a) Analysis of trading multiples of comparable listed companies

This methodology determines the value of Sibelco by applying the trading multiples (based on 2024 EBITDA) observed on a sample of comparable listed peers. The selected sample of comparable companies is composed of six companies, which have been selected as they operate in similar markets and are exposed to similar market dynamics in the global minerals industry.

- Imerys – Founded in 1880, Imerys SA engages in the exploration, mining and processing of minerals. The company operates through four segments: Energy Solutions & Specialties, Filtration & Performance Additives, Ceramic Materials, and High Resistance Minerals. The company manufactures and sells carbonates,

²⁰ HPQ: WACC: 10.0%, TGR: 2.0%, RoW: WACC 11.1%, TGR 2.0%.

monolithic refractories, graphite and carbon, and oilfield solutions through its Energy Solutions & Specialties segment;

- Iluka – Founded in 1954, Iluka Resources Ltd. engages in the exploration, development, mining, processing, marketing, and rehabilitation of mineral sands products. The company operates through four segments: Jacinth-Ambrosia/Mid West, Cataby/South West, Rare Earths, and United States/Murray Basin. The company deals with mining operations at Jacinth-Ambrosia located in South Australia, and associated processing operations at the Narngulu mineral separation plant in mid-west Western Australia through its Jacinth-Ambrosia/Mid West segment;
- Minerals Technologies – Founded in 1968, Minerals Technologies, Inc. is a global producer of specialty minerals and related products. The company develops, produces, and markets a range of mineral, mineral-based, and synthetic mineral products. The company operates through the following four segments: Performance Materials, Specialty Minerals, Refractories and Energy Services;
- Compass Minerals – Founded in 1844, Compass Minerals International, Inc. engages in the production of salt, sulphate of potassium, and magnesium chloride, and in the provision of records storage. The company operates through the Salt and Plant Nutrition segments. The company produces and markets sulphate of potash products in various grades worldwide to distributors and retailers of crop inputs through its Plant Nutrition segment;
- RHI Magnesita – Founded in 1834, RHI Magnesita NV engages in the production of refractory products, systems and services. The company operates through the Steel, and Industrial segments. It handles services and sales from other industries such as nonferrous metals, cement, and minerals through its Industrial segment;
- U.S. Silica – Founded in 2008, U.S. Silica Holdings, Inc. engages in the provision of commercial silica products. The company operates through two segments: Oil and Gas Proppants, and Industrial and Specialty Products. The company's Industrial and Specialty products segment consists of products and materials used in various industries, including container glass, fiberglass, specialty glass, flat glass, building products, fillers and extenders, foundry products, chemicals, recreation products and filtration products; and
- Jiangsu Pacific Quartz Co. – Founded in 1992, Jiangsu Pacific Quartz Co. engages in the development, manufacturing, and sale of quartz products. Its products include high purity quartz sand, quartz tubes & rod, large-diameter quartz diffusion tubes, quartz cylinders, quartz ingots, and quartz plates. These materials are used for photovoltaic, semi-conductor, optical fibre, lighting, optics, and other industries.

Sibelco excluded Jiangsu Pacific Quartz from the analysis of trading multiples of comparable listed companies given the limited active

broker coverage, often substantial movements in outlook and large variance in broker estimates. This has led to significant volatility in Jiangsu Pacific Quartz's trading multiple over time which Sibelco therefore considers unreliable for comparable listed company analysis, despite clear comparability between Jiangsu Pacific Quartz's business and Sibelco's HPQ Business.

Operating comparables of Sibelco's peers (EUR; all figures calendarized to December year-end)

Million EUR	Revenue			CAGR 22-24		EBITDA			EBITDA margin			Capex % sales	
	2022A	2023E	2024E	Sales	EBITDA	2022A	2023E	2024E	2022A	2023E	2024E	2023E	2024E
Sibelco¹	1,937	1,991	2,293	8.8%	41.3%	316	400	630	16.3%	20.1%	27.5%	(6.9%)	(9.8%)
Selected mineral peers													
Imerys	4,282	3,878	3,997	(3.4%)	4.5%	582	634	635	13.6%	16.3%	15.9%	(9.6%)	(10.0%)
Iluka ²	979	735	859	(6.3%)	(15.2%)	527	319	379	53.8%	43.3%	44.1%	(32.7%)	(67.0%)
Minerals Technologies ³	1,948	1,973	2,005	1.5%	12.8%	296	355	377	15.2%	18.0%	18.8%	(4.4%)	(4.1%)
Compass Minerals ³	1,131	1,129	1,217	3.7%	18.4%	174	201	244	15.4%	17.8%	20.1%	(10.0%)	(7.7%)
RHI Magnesita ⁴	3,284	3,400	3,786	7.4%	9.6%	459	515	551	14.0%	15.2%	14.5%	(5.9%)	(4.0%)
U.S. Silica ³	1,398	1,434	1,334	(2.3%)	10.0%	332	442	401	23.7%	30.8%	30.1%	(4.2%)	(3.3%)
Median				(0.4%)	9.8%				15.3%	17.9%	19.4%	(7.8%)	(5.9%)
Mean				0.1%	6.7%				22.6%	23.6%	23.9%	(11.1%)	(16.0%)

Source: FactSet as of 30 November 2023. All figures shown on a calendarised basis; (1) For 2022 actual and 2023 estimate, Sibelco figures are on a pro forma basis excluding Russia and for 2024 Sibelco's figures are based on central case Management Business Plan as of October 2023; (2) Converted at AUD to EUR FX rate of 0.607; (3) Converted at USD to EUR FX rate of 0.917; (4) Converted at GBP to EUR FX rate of 1.160

Sibelco considers the financial metrics shown in the table above most relevant for a market valuation assessment. Revenue, EBITDA and Capex estimates for the selected peers are based on equity research brokers' consensus as of 30 November 2023.

The enterprise value for each peer was determined as market capitalisation (calculated based on diluted shares outstanding) plus net debt (defined as gross interest-bearing debt, lease debt and pension liabilities less cash and cash equivalents) as of latest reported balance sheet, plus the value of minority interest less the value of associates. The market capitalisation is the product of the share price as of 30 November 2023 and the diluted number of shares outstanding.

Metrics for peers reporting on the basis of US GAAP were adjusted to be comparable to Sibelco's IFRS reported accounts: the enterprise value was increased with the latest disclosed present value of operating lease obligations, the lease expense was added back to EBITDA. Given equity research analysts do not provide forward-looking lease expense and/or EBITDAR²¹ estimates, the latest reported lease expense and interest were

²¹ EBITDAR stands for earnings before interest, taxes, depreciation, amortisation, and rental costs related to operating leases.

extrapolated as a percentage of sales to calculate 2023 and 2024 estimates of comparable IFRS EBITDA.

Trading Comparables (EUR ; all figures calendarized to December year-end)					
Million EUR, unless stated otherwise	share price		Enterprise value adjustments	Enterprise value ³	EV/EBITDA
	(in Local currency)	Market cap			2024E
Sibelco¹	5,000	2,174	137	2,311	3.7x
Selected mineral peers					
Imerys	€27	2,306	3,587	3,437	5.6x
Iluka ²	A\$7	1,789	1,285	1,275	3.4x
Minerals Technologies	\$63	1,879	2,704	2,500	7.2x
Compass Minerals	\$24	935	1,696	1,747	6.9x
RHI Magnesita	£28	1,524	2,950	2,837	5.4x
U.S. Silica	\$11	831	1,518	1,764	3.8x
Median					5.5x
Mean					5.4x

Source: FactSet as of 30 November 2023. Multiples are shown on a calendarised basis; (1) Sibelco's figures based on Management Business Plan as of October 2023; (2) share price in Australian dollar; (3) enterprise value is calculated as sum of market cap, net financial debt (incl. pension liabilities and leases), minority interests and investments in associates. enterprise value and EBITDA for US based peers adjusted on post-IFRS 16 basis

The table presented above, summarises the EV/EBITDA 2024E multiples that Sibelco considers most relevant for comparative purposes. These peers generally have a similar mature growth outlook to Sibelco's RoW segment, none of them have the high growth outlook associated with Sibelco's HPQ segment, with the exception of Jiangsu Pacific Quartz which has been excluded from the peer group.

The Fixed Component represents an enterprise value / 2024E EBITDA multiple of 4.94x, which compares to median trading comparables of 5.0x – 6.0x.

The table presented below, summarises the implied valuation based on 5.0x (EUR 6,930) and 6.0x (EUR 8,379). It should be noted that trading comparables are deemed not relevant given that these are based on a 2024 expected EBITDA for Sibelco, which is above its long-term steady state expected EBITDA level, because 2024 estimates are positively impacted by high price levels of HPQ, which are deemed not sustainable in the longer term. In addition, the Management Business Plan projects the EBITDA to peak in 2028 followed by a normalisation in 2029. Both elements support the use of an intrinsic valuation method based on DCF instead of the use of trading multiple based valuation.

Trading metrics implied valuation (enterprise value to share Price)

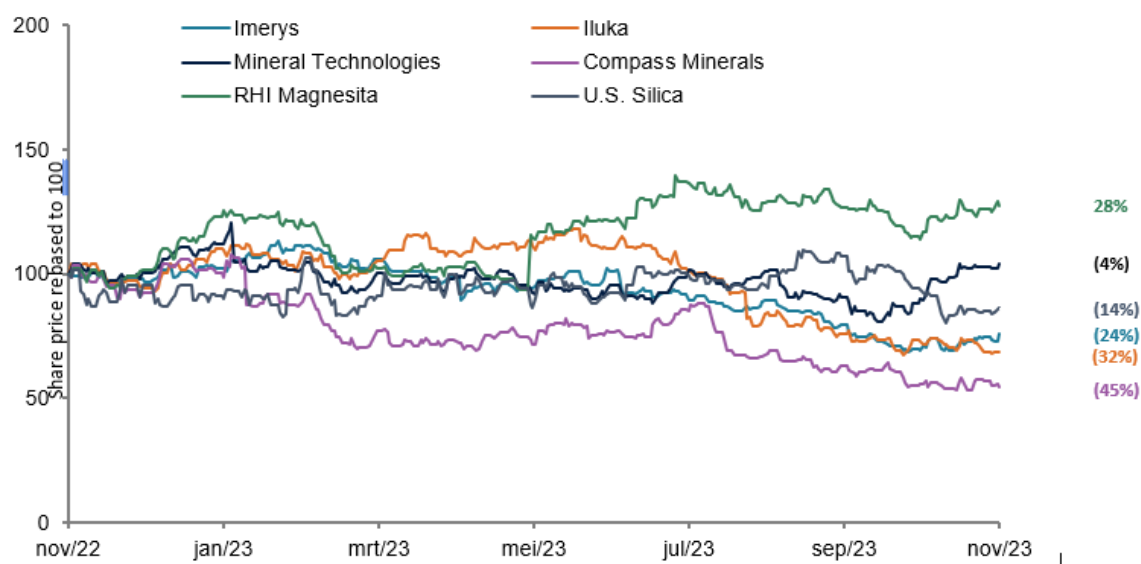
Million EUR, unless otherwise stated

EBITDA 24E	630	630
EV/EBITDA 24E Multiple (x)	5.0x	6.0x

Total enterprise value	3,150	3,780
Enterprise value to equity value adjustment	(137)	(137)
Implied equity value	3,013	3,643
Number of shares	434,856	434,856
Implied share price (EUR per share)	6,930	8,379

Source: Company information; Note: Valuation date as of 30 September 2023

Share price performance of Sibelco's peers from 30 November 2022 to 30 November 2023:



- (b) Analysis of premia paid and valuation multiples in comparable precedent transactions (not included)

Sibelco does not consider the analysis of premia paid in precedent transactions involving a change of control of a target as relevant for the Fixed Component determination since a share buyback offer relates to Sibelco buying back its own shares. In line with this reasoning, an analysis of multiples in comparable transactions has not been included as a valuation methodology, as most comparable transactions have benefited from a control premium given, they resulted in a change of control, which would not be the case with a share buyback offer by Sibelco.

2.2.8 Conclusion

- (i) Implied values per share

The table below provides a summary of the implied values per share, as per the valuation methodology and various reference points:

Central case summary of implied value per share per valuation methodology	
	Implied value per share (EUR)
DCF based on central case Management Business Plan	
Low end (WACC of 11.6% for RoW/Corporate and 10.5% for HPQ) and TGR of 1.5%	6,386
Mid-point (WACC of 11.1% for RoW/Corporate and 10.0% for HPQ) and TGR of 2.0%	6,952
Upper end (WACC of 10.6% for RoW/Corporate and 9.5% for HPQ) and TGR of 2.5%	7,672
Trading Multiples EV/EBITDA 2024E (not retained valuation methodology – for reference only)	
Lower end, based on 2024E EBITDA multiple of 5.0x	6,930
Higher end, based on 2024E EBITDA multiple of 6.0x	8,379

Scenario analysis (for illustrative purposes only)	
	Implied value per share (EUR)
DCF based on scenarios developed by management (WACC 10.1% for HPQ, RoW & Corporate 10.9%, TGR 2.0%)	
Downside case	3,178
Upside case	10,203

(ii) Summary

Sibelco has performed a valuation analysis to determine the Fixed Component. Additionally, Sibelco has assessed several references that provide context to the Fixed Component. In conclusion, having reviewed the valuation methodology and various references, Sibelco is convinced that the Fixed Component would represent an attractive offer for the shareholders as:

(a) Based on DCF valuation analysis:

The Fixed Component lies within the DCF range of EUR 6,386 to EUR 7,672 per share based on the Management Business Plan (with a mid-point of EUR 6,952 per share)

(b) Based on analyses and references that provide context to the Fixed Component:

- The Fixed Component represents an enterprise value / 2024E EBITDA multiple of 4.94x, which compares to median trading comparables of 5.0x – 6.0x. The trading comparables generally have a similar mature growth outlook to Sibelco's RoW segment, none of them have the high growth outlook associated with Sibelco's HPQ segment, with the exception of Jiangsu Pacific Quartz which has been excluded from the peer group. It should be noted that trading comparables are deemed not relevant given that these are based on a 2024 expected EBITDA for Sibelco, which is above its long-term steady state expected EBITDA level, because 2024 estimates are positively impacted by high price levels for HPQ, which are deemed not sustainable in the longer term. In addition, the Management Business Plan projects the EBITDA to peak in 2028 followed by a normalisation in 2029. Both elements support the use of an intrinsic valuation method based on DCF instead of the use of trading multiple based valuation which has not been retained for the valuation methodology.
- A share buyback offer would not constitute a change of control of Sibelco and would therefore not be subject to a control premium.

For reference, the Fixed Component of EUR 6,850 is at a premium of 37.0% to the closing price of the shares on 30 November 2023. The Fixed Component also represents a premium of 38.2% and 42.0% to the one-month and three-month VWAP²² as per 30 November 2023. It should be noted that liquidity of the Sibelco shares, which only trade on the Euronext Expert Market, is very low (as described above in Section 2.2.4), Sibelco therefore considers this reference point of limited relevance.

3 Information on how Sibelco would finance a share buyback offer

Given that Sibelco would finance a share buyback offer through own cash reserves (while at the same time also being covered through an irrevocable and unconditional credit facility with KBC Bank NV in accordance with Article 3, 2° of the Takeover Decree²³), a share buyback offer is not expected to have any significant impact on Sibelco's strategy and operations. In particular, Sibelco is in a strong financial position, with a positive cash balance of EUR 394 million (IFRS, unaudited) and gross cash of EUR 842 million (IFRS, unaudited), as at 30 November 2023. Therefore, a share buyback offer will not require any significant change in Sibelco's working capital management or operational approach. However, certain potential future acquisitions may be affected, at least in the short term. As to the planned

²² Closing price: EUR 5,000; 1-Month VWAP: EUR 4,956, 3-Month VWAP: EUR 4,825.

²³ Given that the share buyback offer would be financed through Sibelco's own cash reserves, Sibelco does not intend to draw on this facility. In case Sibelco would draw on this facility, the costs would amount to a margin p.a. of 0.50% on top of EURIBOR, in addition to an upfront fee of EUR 150,000.

investment in Sibelco's Spruce Pine plants (see Section 2.2.7(i)(b) above), Sibelco intends to, also after a share buyback offer, finance these investments through the cash inflows from PV prepayment contracts (see Section 2.2.7(i)(b) above) and Sibelco does not intend to draw on its credit lines to finance these investments.

Furthermore, the Settlement Agreement between Sibelco, the STAK and the LL/QW Group will enable Sibelco to fully focus on the further development of its business activities for the benefit of all Sibelco's stakeholders, and in particular its shareholders.

A share buyback offer would increase Sibelco's net financial debt position and therefore adversely impact Sibelco's debt-to-equity and other relevant financial leverage ratios (such as net debt-to-EBITDA). The table below provides for information purposes Sibelco's net cash position as forecasted at the end of 2023. In addition to the net cash position forecast, Sibelco has additional financial headroom through a revolving credit facility and bilateral facilities.

Nonetheless, an increased leverage position could impact Sibelco's cost of borrowing and thereby limit Sibelco's access to further credit. In times of increased macro-economic uncertainty, this could negatively impact Sibelco's overall financial and strategic flexibility. This impact could be significant if macro-economic developments, such as for example (but not limited to) trade conflicts in response to geopolitical tensions, would particularly impact demand in Sibelco's key geographical markets (such as the Chinese photovoltaic market).

The table below presents Sibelco's reported net financial debt position as of 30 September 2023, 31 October 2023 and 30 November 2023 together with the forecast net financial cash position as at 31 December 2023. The net financial debt or cash position is calculated in line with the S&P methodology. The increase in net financial cash to EUR 186 million as of 30 November 2023 is predominantly driven by the receipt of photovoltaic prepayment contract monies.

Million EUR	Sep 23 Actuals	Oct23 Actuals	Nov23 Actuals	Dec23 Forecast
Available cash and cash equivalents	448	514	822	811
Interest bearing loans & borrowings	-385	-383	-383	-383
Lease obligations	-72	-72	-72	-72
Pension obligation	-50	-51	-51	-51
Site Restoration & Plant demolition (accruals, reserves and others)	-163	-139	-167	-167
Other	-23	-23	-23	-23
Net Financial (Debt)/Cash (S&P)	-246	-155	125	114

The table below presents Sibelco's debt headroom based on the debt leverage ratio of maximum two times the L12M EBITDA as adopted by the Board. Based on the forecast position as at 31 December 2023, the cashout of the payment of the share buyback offer (EUR 610 million) would result in a remaining pro forma debt headroom of EUR 412 million.

Million EUR	Sep 23 Actuals	Oct23 Actuals	Nov23 Actuals	Dec23 Forecast ¹
EBITDA (L12M ⁽¹⁾)	388	410	414	420
Debt to EBITDA ratio	0.63	0.38	-0.30	-0.27
Debt headroom (S&P: 2x Debt-to-EBITDA ratio)	531	666	953	954

(1) Last 12 Months

The table below presents Sibelco's total financing headroom based on the available cash and available credit facilities. This table confirms the availability of sufficient cash funds to finance a share buyback offer of EUR 610 million.

Million EUR	Sep 23 Actuals	Oct23 Actuals	Nov23 Actuals	Dec23 Forecast
Available cash and cash equivalents	448	514	822	811
Revolving Credit Facility (RCF)	510	510	520	520
Bilateral credit facilities	92	92	92	92
Total Financing Headroom	1,049	1,116	1,434	1,422

4 Documentation included in Annex

The following documents have been annexed to this additional information document:

- (i) Annex 1 - Draft Independent Expert Report; and
- (ii) Annex 2 - Condensed unaudited consolidated financial statements as at 30 September 2023.

* *

*

Annex 1 – Draft Independent Expert Report

[See following pages]



Sibelco

Independent financial expert report

05 January 2024

Preliminary Draft version published as part of Sibelco's document with additional information for shareholders

Table of contents

1. Introduction
2. Overview of Sibelco
3. Valuation methods and considerations
4. Valuation of Sibelco
5. Other valuation references
6. Conclusion
7. Appendices





1. Introduction



Introduction (1/4)

Context

- In accordance with Articles 20 to 23 of the Takeover Decree, when a controlling shareholder intends to make a public offer on the securities with voting rights, an independent expert needs to value these securities. The same obligation arises in the case of a public offer to buy-back shares if the company intending to buy back its shares has a controlling shareholder, which is the case of Sibelco. As of the date of this Prospectus, Stichting Administratiekantoor Sandrose Foundation owns 43.77% of the Shares and 47.12% of the voting rights and exercises de facto control over Sibelco
- In light thereof, the Board of Directors of Sibelco have appointed Degroof Petercam Corporate Finance NV/SA, having its registered office at Guimardstraat 18, 1040 Brussels, Belgium and registered at the *Kruispuntbank van Ondernemingen / Banque-Carrefour des Entreprises* under the number 0864.424.606 ("DPCF"), as an independent financial expert with the request to prepare a report in accordance with article 23 of the Royal Decree (the "Report"). DPCF is a wholly owned subsidiary of Bank Degroof Petercam SA/NV, having its registered office at rue de l'Industrie 44, 1040 Brussels, Belgium and registered at the *Kruispuntbank van Ondernemingen / Banque-Carrefour des Entreprises* under the number 0403.212.172 ("Bank Degroof Petercam")



Introduction (2/4)

Context (cont'd)

- The Report includes:
 - A description of the scope and tasks performed by DPCF, as well as its remuneration structure;
 - A statement of independence;
 - A description of the main factual information regarding the Company, its financials and the Transaction;
 - A valuation of the Company, including an overview of the valuation methods applied;
 - Conclusions on our valuation analysis; and
 - An analysis of the valuation performed and proposed by the Bidder
- This Report will be attached to the prospectus which will be submitted by the Bidder to the FSMA in accordance with article 23 of the Royal Decree

Assignment scope

- DPCF has allocated 4 resources to prepare this Report, consisting of:
 - Olivier De Vos, Managing Partner;
 - Pietro Urso, Vice President;
 - Edward Lecomte, Associate; and
 - Clément Gabriel, Analyst
- DPCF has a vast experience in financial expert assignments and provided numerous company valuations as well as fairness opinions as illustrated in Appendix C
- During our assignment carried out between 2 August 2023 and [DD] [Month] 2024, we have performed the following tasks:
 - Had several meetings with the Company management of Sibelco. More specifically, we interacted with the following individuals from the Company:
 - Hilmar Rode, CEO
 - Frédéric Deslypere, CFO
 - Sam Elseviers, M&A Director
 - Michelle Maas, Vice President Strategy
 - Collected and analysed detailed financial information on the Company;
 - Analysed publicly available documents regarding the historical financial performance of the Company as per the Valuation Date, independent market research reports, broker reports and other external information sources;
 - Analysed the latest available business plan (the “Business Plan”) provided by the management of Sibelco and discussed updates and key assumptions;
 - Analysed the Transaction and its conditions in detail;
 - Performed an independent analysis regarding the valuation of Sibelco
- Appendix A lists the documents we have received from the Company
- Appendix B contains an analysis of the valuation performed by the Bidder
- In accordance with the engagement letter signed on 2 August 2023 and the amendment letter signed on 21 December 2023 between DPCF and Sibelco, DPCF will have received a fixed fee of € 375,000 (excluding VAT) for the issuance of this Report



Introduction (3/4)

Disclaimer

- The purpose of the Report is solely to comply with articles 20 to 23 of the Royal Decree
- DPCF has assumed and relied upon, without independent verification, the accuracy and completeness of the historic financial, accounting, legal and fiscal information in respect of the Bidder, as the case may be, provided to DPCF by or on behalf of the Bidder, as the case may be, as requested by DPCF, and therefore we do not bear any responsibility relating to the accuracy or completeness of this information
- In addition, we have selected information from independent external sources of quality that we believe are relevant to the valuation of the securities subject to the Transaction (e.g. market research, comparable Company information, valuation multiples of listed comparable companies and valuation multiples of transactions on comparable companies). DPCF assumes that information on market research, comparable companies and transactions on comparable companies provided by these external sources are in any respect, accurate, precise and complete. DPCF can not be held liable for the erroneous, inaccurate or incomplete nature of the above information
- DPCF has carried out the necessary work and in-depth critical analysis of the information provided by the management of Sibelco to conclude that the assumptions made, and methods withheld in the Report are reasonable and relevant
- The preparation of this Report has been completed in draft version for filing with the FSMA on 13 November 2023 and in final version on [Day] [Month], 2024 and is based on market information as per 30 November 2023 (the "Valuation Date") and Company information as available on the date of this Report. Events subsequent to filing of the final version with the FSMA may have had an impact on the Company's estimated value. DPCF is under no obligation to amend this Report or to confirm it beyond the prospectus approval date. DPCF has not been informed of any events or new information that have arisen and which would have had a significant impact on the valuation between the Valuation Date and the prospectus approval, other than the ones included in this Report
- This Report may not be used for any other purpose, or reproduced, disseminated or quoted at any time and in any manner without prior written consent other than possibly in or as an attachment of the prospectus regarding the Transaction



Introduction (4/4)

Independence of DPCF

- DPCF and Bank Degroof Petercam declare and warrant to be in an independent position towards the Bidder and any affiliated company, as per article 22 of the Royal Decree. More particularly, DPCF declares not to be in any of the situations described in article 22 of the Royal Decree
- Bank Degroof Petercam was founded in 1871. It is a global and integrated bank active in wealth and asset management and in investment banking through, amongst others, its 100% subsidiary DPCF. It is therefore actively involved in a large number of financial transactions for the account of its clients and for its own account
- Neither DPCF nor Bank Degroof Petercam have been mandated to advise or to assist in any manner any of the parties involved in the Transaction, with the exception of this assignment. In addition, DPCF has not been involved in any advice with regard to the terms of the Transaction
- Neither DPCF nor Bank Degroof Petercam have a financial interest in the Transaction other than the fixed remuneration that DPCF will receive for the issuance of this Report
- There is no legal or shareholding link between the Bidder or their affiliated companies and any entity of the Bank Degroof Petercam group. No member of the Bank Degroof Petercam group serves as director of the Bidder or their affiliated companies
- In the two years prior to the announcement of the Transaction, neither DPCF nor Bank Degroof Petercam did perform any other assignment on behalf of the Bidder or the companies related to them
- DPCF confirms to have the requisite skills and experience to act as an independent expert and that its structure and organisation are adapted to execute such role as per article 22 §4 of the Royal Decree
- Finally, neither DPCF nor Bank Degroof Petercam are holding a receivable or debt towards the Bidder or any of their affiliated companies to the extent that such receivable or debt is creating or likely to create a situation of economical dependency





2. Overview of Sibelco

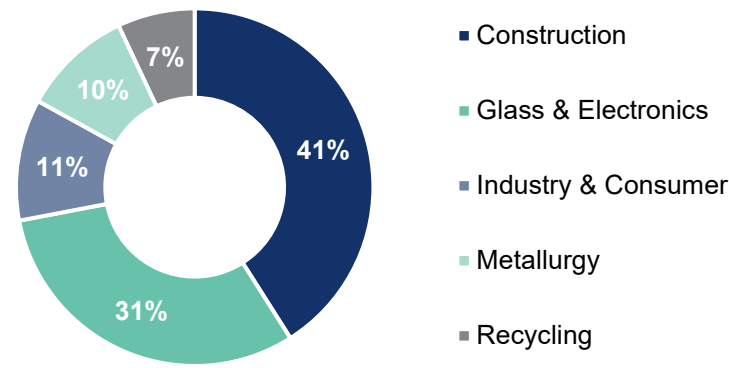


Business description of Sibelco

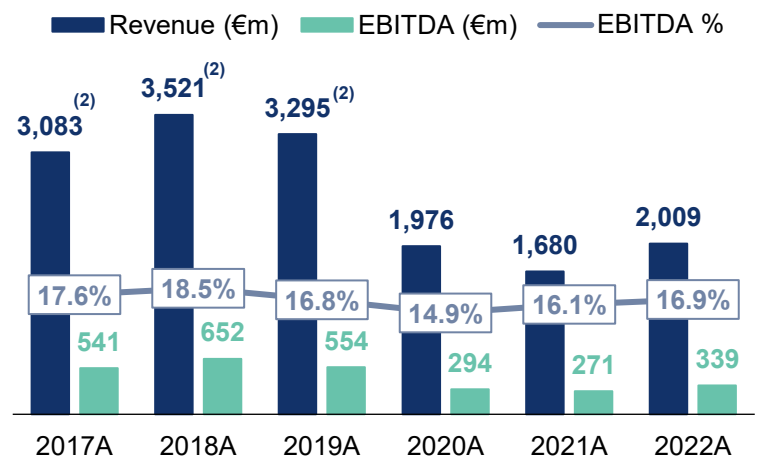
Description

- Headquartered in Antwerp, Sibelco specialises in the extraction, production and marketing of industrial minerals
- The company was founded in 1872 and has grown into a multinational business with operations in 32 countries
- Sibelco benefits from an extensive portfolio of clients active in a broad range of sectors (Construction, Glass & Electronics, Industry & Consumer, Metallurgy and Recycling)
- The company employs 5,017 persons to offer its multi-mineral portfolio mainly consisting of silica, clays, feldspathic, olivine and recycled glass
- Sibelco is listed on Euronext Expert Market

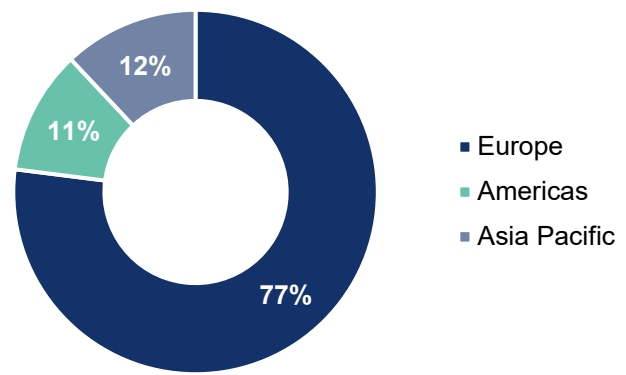
Revenue by sector (%)



Financials evolution



Revenue by geography (%)



- €2,009m**
Revenue
- €339m**
EBITDA
- 7.4%**
ROCE⁽¹⁾
- 5,017**
Employees
- 32**
Countries
- 6**
Technical centers

Note(s): Figures as of 31/12/2022; ⁽¹⁾ post-tax; ⁽²⁾ The years 2017A-2019A do not provide a like-for-like comparison with 2020A-2022A as they include the American subsidiary Covia which was written off in 2019
 Source(s): Sibelco 2022 annual report



Overview of Sibelco's group structure (1/3)

Consolidated companies	Registered seat	Ownership
Australia		
Rutile Pty Ltd Consolidated	North Sydney	100.00%
Sibelco Asia Pacific Pty Ltd	North Sydney	100.00%
Sibelco Australia Pty Ltd	North Sydney	100.00%
Stradbroke Rutile Pty Ltd	North Sydney	100.00%
Sibelco Silica Pty Ltd	North Sydney	100.00%
Belgium		
Act&Sorb BV	Houthalen-Helchteren	100.00%
Cofisa NV	Antwerpen	100.00%
High 5 Recycling Group NV	Antwerpen	50.00%
Limburgse Berggrinduitbating NV	Antwerpen	100.00%
Minérale SA	Lodelinsart	50.00%
NZM NV	Dessel	100.00%
Sablères de Mettet SA	Mettet	100.00%
Silfin NV	Antwerpen	100.00%
Brazil		
Jundu Nordeste Mineracao Ltda	Descalvado	50.00%
Mineração Jundu Ltda	Descalvado	50.00%
Portsmouth Participações Ltda	Descalvado	50.00%
Tansan Industria Quimica Ltda	Pedra di Indaia	100.00%
Unimin do Brasil Ltda	Barueri	100.00%
Unimin Mineração	Barueri	100.00%
China		
Sibelco Changsu Minerals Co Ltd	Suzhou City	100.00%
Sibelco Shanghai Minerals Trading Co Ltd	Shanghai	100.00%
Czech Republic		
Kaolin Hlubany AS	Podborany	100.00%
Denmark		
Sibelco Nordic A/S	Rønne	100.00%
Egypt (1/2)		
Sibelco Egypt for Industrial Minerals S.A.E	Caïro	100.00%

Note(s): As of 30/11/2023

Consolidated companies	Registered seat	Ownership
Egypt (2/2)		
Sinable for extracting and processing minerals S.A.E	Caïro	100.00%
Estonia		
Sibelco Green Solutions Estonia OÜ	Tallinn	100.00%
Finland		
Kalke Oy AB	Vihiti	100.00%
Sibelco Nordic OY AB	Nummela	100.00%
Vectori-South Oy AB	Espoo	100.00%
France		
CERES SCEA	Paris	100.00%
Sibelco France SAS	Paris	100.00%
Sibelco Green Solutions SAS	Crouy	100.00%
Recyverre Logistique SAS	Avignon	100.00%
SCI Distroff	Avignon	100.00%
Georgia		
Georgian Minerals Ltd	Tbilisi	80.00%
Germany		
Sibelco Deutschland GmbH	Ransbach-Baumbach	100.00%
Sibelco Minerals GmbH	Ransbach-Baumbach	100.00%
Greece		
Sibelco Hellas Mining SA	Thessaloniki	100.00%
India		
Adarsh India Mining Pvt Ltd	Hyderabad	100.00%
Sibelco India Minerals Pvt Ltd	Hyderabad	100.00%
Indonesia		
PT Sibelco Lautan Minerals	Jakarta	100.00%
Italy (1/2)		
SGS Estate S.R.L.	Antegnate	100.00%
Sibelco Green Solutions S.R.L.	Robilante	90.00%
Sibelco Italia S.p.A.	Robilante	100.00%
Bassanetti & C S.R.L.	Monticelli d'Ongina	100.00%



Overview of Sibelco's group structure (2/3)

Consolidated companies	Registered seat	Ownership
Italy (2/2)		
Cave Riunite Piacenza Est S.R.L.	Mortizza	59.49%
Societa' Agricola B&B S.R.L.	Monticelli d'Ongina	100.00%
Somfer	Cremona	100.00%
Centro Raccolta Vetro S.R.L.	Trani	60.00%
Japan		
Sibelco Japan Ltd	Nagoya	70.00%
Luxembourg		
NZM Lux 1 SA	Strassen	100.00%
NZM Lux 2 SA	Strassen	100.00%
NZM Lux 3 SA	Strassen	100.00%
Sibelux SA	Luxembourg	100.00%
Madagascar		
Ambilobe Minerals SRLU	Antananarivo	100.00%
Malaysia		
Sibelco Malaysia Sdn Bhd	Pasir Gudang	100.00%
Tinex Kaolin Corporation Sdn Bhd	Kuala Lumpur	100.00%
Netherlands (1/2)		
Ankerpoort N.V.	Maastricht	100.00%
Ankersmit Maalbedrijven B.V.	Maastricht	100.00%
Ecomineraal B.V.	Maastricht	100.00%
Eurogrit B.V.	Vreeswijk	100.00%
Filcom B.V.	Papendrecht	100.00%
Sibelco Benelux B.V.	Heerlen	100.00%
Sibelco Nederland N.V.	Papendrecht	100.00%
Watts Blake Bearne International Holdings B.V.	Amsterdam	100.00%
World Ceramic Minerals B.V.	Maastricht	100.00%
Kremer Beheer B.V.	Emmen	100.00%
Kremer Zand B.V.	Emmen	100.00%
Kremer Verpakt Zand en Grind B.V.	Emmen	100.00%
Kremer Speciaal Zand en Grind B.V.	Emmen	100.00%

Note(s): As of 30/11/2023

Consolidated companies	Registered seat	Ownership
Netherlands (2/2)		
Kremer B.V.	Emmen	100.00%
Quartz Werk B.V.	Emmen	100.00%
Zandzuigbedrijf "Beetse" B.V.	Emmen	100.00%
Norway		
Sibelco Nordic AS	Rud	100.00%
Poland		
Sibelco Poland sp.z.o.o.	Gdansk	100.00%
Sibelco Green Solutions Poland Spolka Akcyjna	Olsztyn	100.00%
Portugal		
Sibelco Portuguesa Lda	Rio Maior	100.00%
Singapore		
Sibelco Asia Pte Ltd	Singapore	100.00%
SIKO Pte Ltd	Singapore	100.00%
South Korea		
Sibelco Korea Co. Ltd (South Korea)	Chungnam	100.00%
Spain (1/2)		
Inversiones Indonesia S.L.	Bilbao	100.00%
Sibelco Inversiones Argentinas SL	Bilbao	100.00%
Sibelco Minerales Ceramicos SA	Castellon	99.98%
Sibelco Minerales S.L.	Bilbao	99.98%



Overview of Sibelco's group structure (3/3)

Consolidated companies	Registered seat	Ownership
Spain (2/2)		
Sibelco Clay Trading S.A.	Barcelona	99.98%
Sibelco Laminoria S.A.	Bilbao	100.00%
Sweden		
Sibelco Nordic AB	Göteborg	100.00%
Switzerland		
Sibelco Switzerland GmbH	Pratteln	100.00%
Taiwan		
Sibelco Asia Pte Ltd, Bao Lin Branch	Taichung	100.00%
Sibelco Bao Lin Co Ltd	Taichung	100.00%
Thailand		
GTT Holdings Ltd	Amphur Muang	100.00%
Sibelco Minerals (Thailand) Ltd	Amphur Muang	100.00%
Turkey		
Alabanda Madencilik Dis Ticaret AS	Aydin	99.98%
Alinda Madencilik Sanayi Ve Ticaret AS	Aydin	99.98%
Sibelco Turkey Madencilik Tic AS	Aydin	99.98%
Ukraine		
Agrofirma Karavay LLC	Donetsk	100.00%
Donbas Clays JSC	Donetsk	100.00%
Euromineral LLC	Donetsk	100.00%
Kurdyumovsky Plant of Acid-Proofed Products PJSC	Donetsk	100.00%
LLC Silica Holdings	Kyiv	51.00%
PJSC Novoselovskoe GOK	Kharkiv	48.36%
United Kingdom (1/2)		
Blubberhouses Moor Ltd	Sandbach	100.00%
Ellastone Investments	Sandbach	100.00%
Fordath Ltd	Sandbach	100.00%
Sibelco Green Solutions UK Limited	Sandbach	100.00%
Sibelco Minerals & Chemicals (Holdings) Ltd	Sandbach	100.00%
Sibelco UK Ltd	Sandbach	100.00%

Note(s): As of 30/11/2023

Consolidated companies	Registered seat	Ownership
United Kingdom (2/2)		
Viaton Industries Ltd	Sandbach	100.00%
Watts Blake Bearn & Co Ltd	Sandbach	100.00%
WBB Eastern Europe Ltd	Sandbach	100.00%
United States		
Sibelco North America, Inc	Charlotte	100.00%
Equity accounted investees		
Australia		
Diatreme Resources Limited	Brisbane	19.91%
Czech Republic		
Ficarex SRO	Teplice	50.00%
Sklopisek Strelec AS	Mladejov	65.10%
Canada		
Avalon Advanced Materials Inc.	Toronto	19.90%
Denmark		
Dansand A/S	Silkeborg	50.00%
Italy		
Maffei Sarda Silicati SRL	Florinas	49.90%
Combustion Consulting Italy S.R.L.	Verona	20.00%
United Kingdom		
Glassflake Ltd	Leeds	25.10%
USA		
Eion Corp	Princeton	12.10%



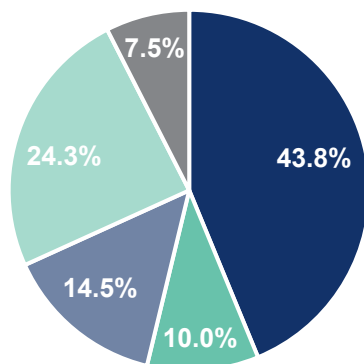
Overview of Sibelco's trading information, ownership and governance structures

Trading information

Market	Euronext Expert Market
Instrument type	Ordinary shares
Trading currency	EUR
Shares outstanding ⁽¹⁾	434,856
Trading type	Fixing
ISIN code	BE0944264663
Incorporation	Belgium

Ownership structure

- STAK
- LL Holding GmbH
- Dematerialised shares
- Other nominative shares
- Treasury shares



Governance structure

Members ⁽²⁾	Role
Board of Directors	
Bert De Graeve	Chairman of the Board of Directors
France de Sadeleer	Director, Member of the Sustainability Committee
Michel Delloye	Director, Member of the Audit Committee
Jean-Louis de Cartier de Marchienne	Director, Member of the Remuneration & Nomination Committee, Member of the Sustainability Committee
Pascal Emsens	Director, Member of the Audit Committee and the Sustainability Committee
Paul Depuydt	Director
Pierre Nothomb	Director
Christoph Grosspeter	Director
Jean-Pierre Labroue	Director, Chairman of the Remuneration & Nomination Committee
Jean-Marc Ueberecken	Director
Evrard van Zuylen van Nyevelt	Director, Member of the Audit Committee
Michel Verhaeghe de Naeyer	Director, Member of the Remuneration & Nomination Committee
Kerstin Konradsson	Director, Chairperson of the Sustainability Committee, Member of the Remuneration & Nomination Committee
Srinivasan Venkatakrishnan	Director, Chairman of the Audit Committee
Executive Committee	
Hilmar Rode	Chief Executive Officer
Frédéric Deslypere	Chief Financial Officer
Solomon Baumgartner	EVP Operations Europe & APAC and Chief Industrial Officer
Sandrine Besnard-Corblat	Chief Legal Officer
Paolo Gennari	EVP Commercial Europe & APAC and Chief Commercial Officer
Karine Parent	Chief Human Resources Officer
Jair Amorim Rangel	EVP Commercial Americas
Ian Sedgman	Chief Strategy & Business Development Officer
Achille Nijke	EVP Operations Americas

Note(s): As of 30/11/2023; ⁽¹⁾ Excluding 35,314 treasury shares as of 30/11/2023; ⁽²⁾ The members of the Board of Directors and of the Executive Committee act in the capacity of representative of a management company





3. Valuation methods and considerations



Analysis and selection of valuation methods (1/2)

Valuation scope and basis	<ul style="list-style-type: none"> ▪ The purpose of this Report is to value Sibelco on a consolidated basis as per 30 November 2023 (the “Valuation Date”) ▪ DPCF has received historical figures until YTD Sep-2023. Management also provided a Business Plan over the FY2023B-FY2028E period, approved by the Board of Directors in December 2023 ▪ DPCF has reviewed the latest update of the aforementioned Business Plan to prepare a 6-year forecast for the period FY2023B-FY2029E (the “Business Plan”). DPCF’s review is based on discussions with management and comparison with historical financials and market data ▪ We have based our valuation analysis on the Business Plan
Primary valuation method	Discounted Cash Flow (“DCF”) Analysis <ul style="list-style-type: none"> ▪ We selected the DCF analysis as the leading valuation method for Sibelco considering the available Business Plan and the company’s ability to generate positive future cash flows
Valuation method not retained for the conclusion	Comparable Company Analysis (“CCA”) <ul style="list-style-type: none"> ▪ CCA is not retained as a primary valuation method due to the unique market position of Sibelco in the HPQ segment. In the latter segment, only one relevant peer was identified ▪ 2023E and 2024E EV/EBITDA multiples are deemed the most appropriate and usual indicators in the sector
Valuation reference not retained for the conclusion	Share Price Performance (“SPP”) <ul style="list-style-type: none"> ▪ The analysis of the SPP is a benchmark of how the market values Sibelco, but is impacted by the very low liquidity level and is therefore not retained as a valuation reference for the conclusion
Excluded valuation methods	Brokers’ Target Prices (“TP”) <ul style="list-style-type: none"> ▪ Brokers’ Target Prices are not retained as there are no recent broker reports on Sibelco available Net Asset Value (“NAV”) <ul style="list-style-type: none"> ▪ The NAV method is not retained as there are no recent available market valuation assessment for the Company’s most important assets Bid Premium Analysis <ul style="list-style-type: none"> ▪ The analysis is a meaningful benchmark of the premium controlling and non controlling shareholders have paid in the past for acquiring full ownership in listed companies, but offer limited comparability to the specific context of this contemplated Transaction



Analysis and selection of valuation methods (2/2)

Excluded valuation methods

Comparable Transaction Analysis (“CTA”)

- The CTA has a very limited applicability considering the lack of available data on recent transactions directly comparable to Sibelco
- Majority transactions are deemed to be irrelevant given the transaction-specific features, the control premium and the synergy premium included in the valuations of such deals, which is not compatible with the situation of Sibelco

Dividend Discount Model (“DDM”)






- DPCF has excluded the DDM approach, an equity-based valuation method based on assumed dividend distributions in the future, considering the lack of visibility on the Company’s future dividends

Leveraged Buyout (“LBO”)

- The LBO analysis is not relevant considering the Transaction context and the profile of the Bidder



Overview of valuation methods and references

Primary valuation method	Valuation method not retained for the conclusion	Valuation reference not retained for the conclusion
<p style="text-align: center;">DCF</p>	<p style="text-align: center;">CCA</p>	<p style="text-align: center;">Share price performance</p>
<ul style="list-style-type: none"> ▪ Calculating the present value of the Company's unlevered free cash flow over a projection period and the terminal value, discounted at the expected rate of return ▪ Preliminary cash flow analysis based on the Business Plan ▪ Relies on several assumptions concerning valuation parameters (e.g. WACC, perpetual growth) <div style="text-align: center; margin: 20px 0;">  </div> <ul style="list-style-type: none"> ▪ Captures the company's future growth prospects and risk profile but complexity of accurately predicting medium to long term cash flows ▪ Highly dependable on several assumptions (e.g. sales growth, costs evolution) 	<ul style="list-style-type: none"> ▪ Analysis based on market valuations of "comparable" publicly traded companies with similar business and financial risk profile ▪ Market multiples applied to the Company's operating results ▪ Valuation based on relative prices paid by minority shareholders for comparable companies <div style="text-align: center; margin: 20px 0;">  </div> <ul style="list-style-type: none"> ▪ Valuation is relative rather than absolute ▪ Does not include any control or synergies premium ▪ Assumes that similar companies share key business and financial characteristics 	<ul style="list-style-type: none"> ▪ Analysis of the share price performance and traded volumes of the Company before announcement date vs. index benchmarks over a certain period
<p>Valuation focus</p> <div style="text-align: center;">  </div>	<div style="text-align: center;">  </div>	<div style="text-align: center;">  </div>



From Enterprise Value to Share Value: Net Financial Debt and number of fully diluted shares

Valuation methods

Enterprise value (EV)

-

NFD (EURk)	30/09/2023
Non-current interest bearing loans & borrowings	349,817
Current bank overdrafts	5,227
Current interest bearing loans & borrowings	29,501
Lease obligations	72,430
Cash and cash equivalents	(493,880)
Net Financial Debt/(Cash)	(36,905)
1 Non-operating provisions	238,833
2 Employee benefits	56,686
Other non-current liabilities	903
3 Equity accounted investees	(51,348)
4 Financial assets	(27,436)
5 Other non-current assets	(8,146)
Non-controlling interests	9,107
6 Assets and liabilities classified as held for sale	(892)
7 PV of DTA	(10,888)
Adjustments	206,820
Adjusted Net Financial Debt / (Cash)	169,916
8 Russia divestment proceeds	(44,295)
Pro forma Adjusted Net Financial Debt / (Cash)	125,621

Equity value

÷

Number of shares outstanding: 434,856⁽¹⁾

Equity value per share or Share Value

- The aforementioned valuation methods yield an estimate of Sibelco's Enterprise Value which is to be corrected with the Net Financial Debt as per 30-Sep-2023, the result being the Equity Value
 - Adjustments include:
 - 1 Provisions for restructuring plans, site restoration, plant demolition, penalties and legal claims
 - 2 Unfunded pension obligations under the defined benefit pension plans
 - 3 Sibelco's share in its associates and joint ventures
 - 4 Loans to associates and third parties, interest rate and forex derivatives and energy hedging derivatives
 - 5 Deferred receipts for business combinations
 - 6 Assets and liabilities related to the sales purchase agreement signed on 23rd November 2022 to sell the Company's Borgo San Dalmazzo plant in Italy
 - 7 Present Value of Deferred Tax Assets estimated at €10.9m by DPCF
 - 8 Sibelco completed the divestment of its activity in Russia in November 2023 for a consideration of €44m





4. Valuation of Sibelco

4.1	Business Plan	20
4.2	Discounted Cash Flow analysis (DCF)	29

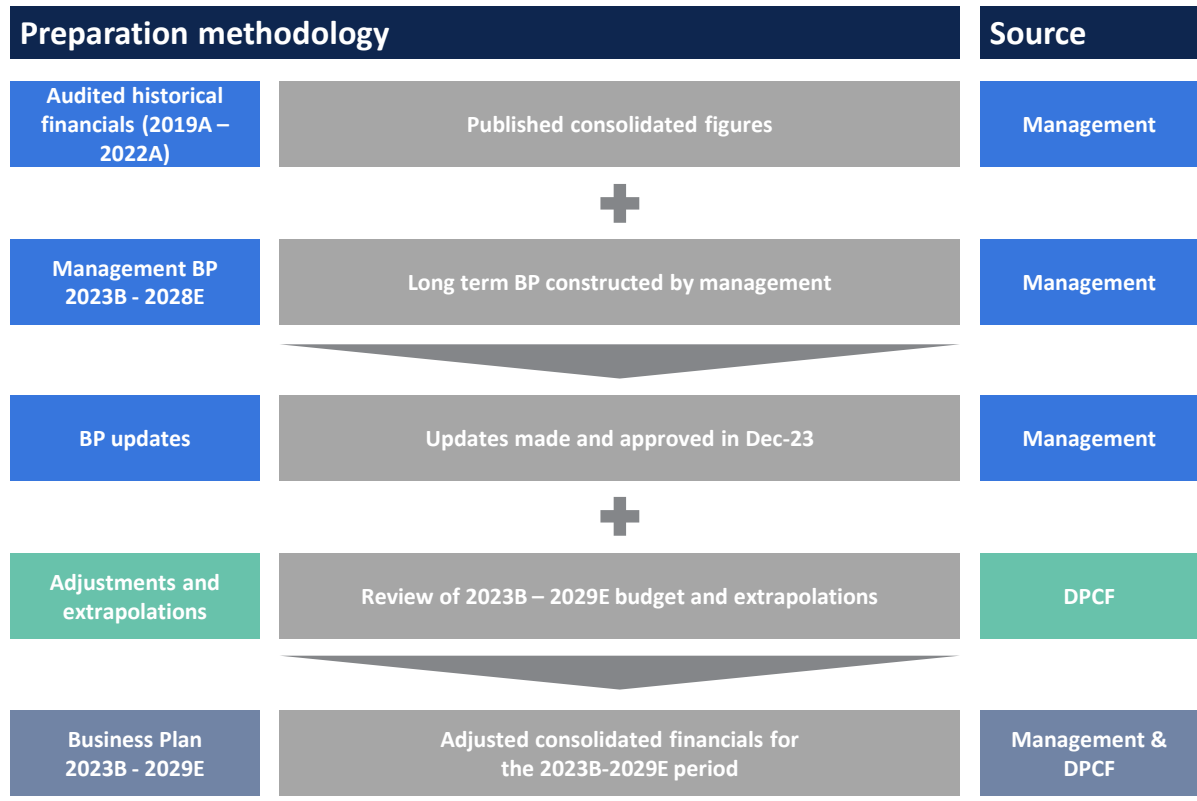


4. Valuation of Sibelco

4.1	Business Plan	20
4.2	Discounted Cash Flow analysis (DCF)	29



2023B-2028E Business Plan provided by management is complemented by DPCF's extrapolations



- Management has constructed a bottom-up Business Plan, which has been updated with top-down adjustments. The Board of Directors has approved this updated Business Plan and its underlying assumptions in Dec-23
 - The Business Plan is split in two segments (HPQ and RoW), to reflect the different value drivers and market dynamics of both segments. Management has allocated overhead costs based on percentage of gross margin
 - The RoW Business Plan excludes the Russian activity divested by Sibelco in November 2023
- DPCF has assumed that the Crystal litigation would be settled through the Transaction
- The management of Sibelco has shared assumptions and drivers for the following metrics: Revenue, Direct and indirect costs, Depreciation and amortization, Other cash items and adjustments, Taxes, Net working capital and Capex
- In order to evolve to a steady state, an additional year is forecasted (2029E)
- The Business Plan after adjustments is nominal and thus takes into account inflation of revenue, costs and capex
 - Revenues are forecasted bottom up based on expected average sales prices and are therefore nominal as such
 - While cost of sales and operating expenses are not adjusted for inflation, management indicates that cost inflation incurred is typically compensated by additional cost control efforts
 - Capex forecasted by management has been adjusted by DPCF with a 2% yearly inflation as from FY2024E

Sibelco's tax rate is assumed at 25.0% for both the operating profits across segments in the Business Plan and for the WACC. This represents an average derived from the observation that the effective tax rate has ranged between 27.0% and 28.5% over 2021-22 and is forecasted at 27% for 2023 and considering the growing proportion of operating profits in North Carolina (USA) where the corporate tax rate is 23.5%. A bill has been passed in North Carolina to decrease the corporate tax rate to 21% in the future, but considering its remote time horizon (nothing significant before 2028) and the political debate around it, this measure was not retained in determining the corporate tax rate assumption.



Treatment of IFRS 16 leases in the Business Plan

Introduction

- The BP includes operating cash outflows that are related to the leasing of equipment. These amounts relate partly to existing leasing contracts and partly to future new leasing contracts, which are planned to be entered into during the BP period
- Under IFRS 16, which is an accounting standard applied by Sibelco, long term lease contracts are recognized on the balance sheet through a right-of-use asset and a corresponding liability. The corresponding IFRS 16 lease costs are depreciation and interest expense, i.e. below EBITDA

Methodology

- In order to make the BP (down to EBIT level) and the DCF model consistent with IFRS 16, the following adjustments are applied:
 - Projected lease payment amounts are split into payments under existing lease agreements and payments under new lease agreements
 - Payments under existing lease commitments are accounted for as a liability in the Net Financial Debt. This Lease Obligations amount was provided by Management. It was determined in line with the Company's accounting policy, i.e. with a present value calculation based on an incremental cost of debt. The depreciation component is accounted for in the depreciation projection
 - For payments from new leases the corresponding right-of-use investment value is estimated and added to Capex, and the corresponding depreciation amounts are added to Depreciation
 - The conversion from the planned payments on new leases in the BP to capex is based on the calculation of a present value of these amounts based on a cost of debt of 4.4% and a perpetual growth rate of 2.0%, the conversion of this present value in a perpetual growing annuity and the deduction of the interest component therefrom



Analysis of key Business Plan drivers and assumptions (1/2)

HPQ segment

Introduction	<ul style="list-style-type: none"> As of today, there are no other ore bodies in exploitation around the world which would meet the specification of HPQ customers for efficient and effective use in the inner layer of crucibles. The impact of this very rare strategic asset is reflected in the HPQ Business Plan through a strong expected revenue growth over the next 5 years, mainly driven by a sharp increase in price (see below). However, in the long run, the unique position of Spruce Pine silica in the photovoltaic value chain may be threatened by the discovery of equivalent deposits and by technological substitution
Revenue	<ul style="list-style-type: none"> The HPQ segment revenue before contingencies is expected to grow at a 25.6% CAGR from € 396m in FY2023B to € 1,241m in FY2028E <ul style="list-style-type: none"> Average sales price per ton increases by 45.0% between FY2023B and FY2028E, equivalent to a 7.7% CAGR. The assumed increase in average sales price is the result of the continuously rising demand in Sibelco's end markets as well as the limited availability of similar products Sales volumes are expected to go up by a 16.6% CAGR between FY2023B and FY2028E as a result of Sibelco's growing end markets, with a substantial portion of contracts already secured In terminal value, revenue is expected to be at € 919m in terminal value due to significant anticipated price pressure in the long term <ul style="list-style-type: none"> Average sales price per ton decreases back to the FY2023B level in terminal value in nominal value, equivalent to a decrease in real terms. In the long term, management believes that high HPQ prices are expected to attract new market entrants, causing downward price pressure. This fall in price level is also justified by the fact that the photovoltaic boom may decelerate and that HPQ silica will become increasingly exposed to the risks of discovery of new deposits and of technology substitution Sales volumes are expected to grow at 2.0% yearly, in line with the terminal growth rate assumption
Contingencies	<ul style="list-style-type: none"> Contingencies are assumed to represent between 0% and 20% of revenue It is included in the Business Plan as a measure of prudence and assumed to cover for risks that may occur but are not included in the Business Plan, such as excess inflation that can not be charged to customers, impact of Ukraine-Russia war, etc.
Cost of sales	<ul style="list-style-type: none"> Cost of sales mainly consists of raw material, direct personnel, energy and other production related costs Cost of sales remains relatively stable over the course of the Business Plan and the extrapolation period at c. € 2.7/KT <ul style="list-style-type: none"> As sales prices are increasing over the course of FY2023B-FY2026E and cost of sales grows in line with sales volumes, gross margin peaks in FY2026E at 77.9% During the extrapolation period, gross margin goes down to 62.5% in terminal value, as a result of the anticipated price pressure Cost of sales is expected to drop in FY2025E. As the HPQ business matures the focus will be on cost rationalisation



Analysis of key Business Plan drivers and assumptions (2/2)

HPQ segment

Operating expenses

- Operating expenses mainly consist of indirect personnel cost
- Operating expenses decrease as a % of revenue, from 26.0% in FY2023B to 12.6% in FY2028E. During the extrapolation period, operating expenses as a % of revenue is expected to evolve towards 18.0% in the terminal year. Management assumes that, as the market matures, it will gradually focus more on cost control

Capex

- Over the course of the period FY2023B-FY2026E, management is expected to execute a c. € 750m expansion capex program, to support the significant anticipated volume growth
- Capex includes projection corresponding to IFRS 16 leases allocated to the HPQ segment from 2024 onwards
- After FY2028E, management estimates that capex (before inflation and adj. for new IFRS 16 leases) is expected to amount to €30m for Spruce Pine Expansion 1 and €45m for Spruce Pine Expansion 2 in FY2029E
- Hence, capex after inflation (including adj. for new IFRS 16 leases) is assumed to evolve towards 12.6% of revenue in terminal value

Net working capital

- End of 2022, Sibelco North America signed a second large prepayment contract with delivery over the FY2024E-FY2028E period. The prepayment mechanism consists of a 3-year staggered payment structure, in which 50% of the yearly revenue is prepaid
 - As a result, a € 549m cumulated change in net working capital significantly impacts free cash flow at the end of the project in FY2028E
- Net working capital is assumed stable at 15.4% of revenue before prepayments over the Business Plan period (in line with FY2022A in the RoW segment, which is Sibelco's reference for a more mature business as HPQ is assumed to become more mature after the forecast period)
 - In the terminal year, this results in a negative working capital impact on free cash flows of c. € 2.2m

Exchange rate

- Management has retained the USD/EUR exchange rate observed as per August 2023 when the drafting of the Business Plan was initiated. This exchange rate was kept constant and applied over the Business Plan period



Business Plan overview

HPQ segment

in EURm; FYE 31-Dec	Historical (1)		Sibelco Business Plan									DP extrapolation
	2021A	2022A	2023B	YTD Sep-23	Q4-2023B	2024E	2025E	2026E	2027E	2028E	2029E	Term. value
Revenue	149	245	396	265	131	730	878	973	1,117	1,241	901	919
Revenue after contingencies	149	245	396	265	131	693	791	827	950	1,055	721	735
<i>Growth in %</i>	<i>n.a.</i>	<i>64.3%</i>	<i>n.a.</i>	<i>0.0%</i>	<i>0.0%</i>	<i>74.9%</i>	<i>14.0%</i>	<i>4.6%</i>	<i>14.8%</i>	<i>11.1%</i>	<i>(31.7%)</i>	<i>2.0%</i>
Cost of sales	(90)	(139)	(139)	(104)	(34)	(189)	(176)	(182)	(216)	(257)	(270)	(276)
<i>COS/volume</i>			<i>3.153</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.153</i>	<i>2.703</i>	<i>2.703</i>	<i>2.703</i>	<i>2.703</i>	<i>2.703</i>	<i>2.703</i>
Gross margin	59	105	258	161	97	504	615	645	733	798	450	459
<i>Gross margin %</i>	<i>39.7%</i>	<i>43.1%</i>	<i>65.0%</i>	<i>60.6%</i>	<i>73.8%</i>	<i>72.7%</i>	<i>77.8%</i>	<i>77.9%</i>	<i>77.2%</i>	<i>75.7%</i>	<i>62.5%</i>	<i>62.5%</i>
Operating expenses	(27)	(36)	(103)	(43)	(60)	(113)	(123)	(133)	(133)	(133)	(130)	(133)
<i>As a % of sales</i>	<i>18.0%</i>	<i>14.6%</i>	<i>26.0%</i>	<i>16.1%</i>	<i>46.0%</i>	<i>16.3%</i>	<i>15.6%</i>	<i>16.1%</i>	<i>14.0%</i>	<i>12.6%</i>	<i>18.0%</i>	<i>18.0%</i>
EBITDA	32	70	155	118	37	391	492	512	600	665	320	327
<i>EBITDA margin %</i>	<i>21.7%</i>	<i>28.4%</i>	<i>39.0%</i>	<i>44.5%</i>	<i>27.9%</i>	<i>56.4%</i>	<i>62.2%</i>	<i>61.9%</i>	<i>63.2%</i>	<i>63.0%</i>	<i>44.5%</i>	<i>44.5%</i>
Depreciation			(18)	(10)	(9)	(27)	(32)	(51)	(75)	(79)	(95)	(92)
<i>As a % of capex</i>			<i>43.5%</i>	<i>28.2%</i>	<i>113.0%</i>	<i>21.3%</i>	<i>11.5%</i>	<i>18.6%</i>	<i>106.1%</i>	<i>109.8%</i>	<i>104.9%</i>	<i>100.0%</i>
EBIT			136	108	28	364	460	460	525	586	225	235
<i>EBIT margin %</i>			<i>34.4%</i>	<i>40.8%</i>	<i>21.3%</i>	<i>52.5%</i>	<i>58.1%</i>	<i>55.6%</i>	<i>55.3%</i>	<i>55.5%</i>	<i>31.3%</i>	<i>31.9%</i>
Taxes			(34)	(27)	(7)	(91)	(115)	(115)	(131)	(146)	(56)	(59)
<i>As a % of EBIT</i>			<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>
Capex after inflation incl. adj. for new IFRS 16 leases as of '24			(42)	(35)	(8)	(126)	(279)	(277)	(71)	(72)	(91)	(92)
<i>As a % of sales</i>			<i>10.6%</i>	<i>13.0%</i>	<i>5.8%</i>	<i>18.1%</i>	<i>35.3%</i>	<i>33.4%</i>	<i>7.5%</i>	<i>6.8%</i>	<i>12.6%</i>	<i>12.6%</i>
Land investments			(5)	(1)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
<i>As a % of sales</i>			<i>1.3%</i>	<i>0.5%</i>	<i>2.8%</i>	<i>0.7%</i>	<i>0.6%</i>	<i>0.6%</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.7%</i>	<i>0.7%</i>
NWC			(367)	-	-	(492)	(524)	(530)	(387)	162	111	113
<i>As a % of revenue</i>			<i>(92.6%)</i>	<i>0.0%</i>	<i>0.0%</i>	<i>(71.0%)</i>	<i>(66.3%)</i>	<i>(64.1%)</i>	<i>(40.8%)</i>	<i>15.4%</i>	<i>15.4%</i>	<i>15.4%</i>
Change in NWC			251	(51)	302	125	32	6	(143)	(549)	51	(2)
<i>As a % of change in revenue</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>42.1%</i>	<i>32.8%</i>	<i>16.4%</i>	<i>(116.7%)</i>	<i>(521.6%)</i>	<i>(15.4%)</i>	<i>(15.4%)</i>

Notes: (1) 2021 and 2022 financials were restated – for reasons of comparability – to take into account the divestment of the Russian activities in November 2023



Analysis of key Business Plan drivers and assumptions

RoW segment

Revenue	<ul style="list-style-type: none"> ▪ The RoW segment revenue is expected to grow at a c. 2.0% CAGR over the course of the Business Plan period and the extrapolation period, in line with the terminal growth rate assumption <ul style="list-style-type: none"> – Average sales price per ton remains stable throughout the Business Plan period and the extrapolation period. Management's experience is that over the last few years, it has been difficult to pass cost inflation on to customers so that management's focus is on cost control and operational efficiency in order to preserve profitability margins – Sales volumes are assumed to grow at a moderate 2.0% as a result of the maturity of the minerals market
Contingencies	<ul style="list-style-type: none"> ▪ Revenue contingencies are included in the Business Plan as a measure of prudence ▪ It is assumed to cover for risks that may occur but are not included in the Business Plan, such as excess inflation that can not be charged to customers, impact of Ukraine-Russia war, etc. ▪ As the general minerals market is more mature and stable than the HPQ market, RoW contingencies are assumed to be significantly lower than in the HPQ segment (between 2% and 4% of revenue)
Cost of sales	<ul style="list-style-type: none"> ▪ Cost of sales mainly consists of raw material, direct personnel, energy and other production related costs ▪ Cost of sales remains relatively stable over the course of the Business Plan and the extrapolation period at c. 75% of revenue which is consistent with FY2022-FY2023B figures
Operating expenses	<ul style="list-style-type: none"> ▪ Operating expenses mainly consist of indirect personnel cost ▪ Operating expenses decrease as a % of revenue, from 10.8% in FY2023B to 9.9% in FY2028E due to an increasing allocation of group's operating expenses to HPQ (given HPQ's increasing contribution to group's gross margin). During the extrapolation period, operating expenses as a % of revenue is expected to further decrease to 9.5% in the terminal year due to intensifying cost control efforts
Capex	<ul style="list-style-type: none"> ▪ Capex after inflation (including adj. for new IFRS 16 leases) is assumed to grow from 5.9% of revenue in FY2023B to 8.2% in terminal value mostly due to the inclusion of capex projection corresponding to IFRS 16 leases allocated to RoW segment from 2024 onwards <ul style="list-style-type: none"> – Capex before inflation and adj. for new IFRS 16 leases in % of revenues return to historical level in line with business growth ▪ Land & reserves acquisitions are assumed to remain stable over the course of the Business Plan and extrapolation period at c. € 15m/year
Net working capital	<ul style="list-style-type: none"> ▪ Net working capital remains stable at c. 15.4% of revenue (in line with historical figures), resulting in a negative impact of € 5.5m on free cash flow in terminal value



Business Plan overview

RoW segment

in EURm; FYE 31-Dec	Historical		Sibelco Business Plan									DP extrapolation
	2021A	2022A	2023B	YTD Sep-23	Q4-2023B	2024E	2025E	2026E	2027E	2028E	2029E	Term. value
Revenue	1,478	1,692	1,594	1,258	337	1,633	1,670	1,707	1,745	1,784	1,820	1,858
Revenue after contingencies	1,478	1,692	1,594	1,258	337	1,600	1,636	1,673	1,693	1,730	1,748	1,783
<i>Growth in %</i>	<i>n.a.</i>	<i>14.5%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.2%</i>	<i>2.2%</i>	<i>2.2%</i>	<i>2.0%</i>	<i>2.0%</i>
Cost of sales	(1,062)	(1,250)	(1,177)	(907)	(270)	(1,189)	(1,215)	(1,242)	(1,262)	(1,289)	(1,307)	(1,334)
<i>As a % of sales</i>	<i>71.8%</i>	<i>73.9%</i>	<i>73.8%</i>	<i>72.1%</i>	<i>80.3%</i>	<i>74.3%</i>	<i>74.3%</i>	<i>74.3%</i>	<i>74.5%</i>	<i>74.5%</i>	<i>74.8%</i>	<i>74.8%</i>
Gross margin	416	442	417	351	66	411	421	431	431	441	440	449
<i>Gross margin %</i>	<i>28.2%</i>	<i>26.1%</i>	<i>26.2%</i>	<i>27.9%</i>	<i>19.7%</i>	<i>25.7%</i>	<i>25.7%</i>	<i>25.7%</i>	<i>25.5%</i>	<i>25.5%</i>	<i>25.2%</i>	<i>25.2%</i>
Operating expenses	(188)	(196)	(172)	(165)	(7)	(172)	(172)	(172)	(172)	(172)	(165)	(169)
<i>As a % of sales</i>	<i>12.7%</i>	<i>11.6%</i>	<i>10.8%</i>	<i>13.1%</i>	<i>2.2%</i>	<i>10.8%</i>	<i>10.5%</i>	<i>10.3%</i>	<i>10.2%</i>	<i>9.9%</i>	<i>9.5%</i>	<i>9.5%</i>
EBITDA	228	246	245	186	59	239	249	259	259	269	275	281
<i>EBITDA margin %</i>	<i>15.4%</i>	<i>14.5%</i>	<i>15.4%</i>	<i>14.8%</i>	<i>17.5%</i>	<i>14.9%</i>	<i>15.2%</i>	<i>15.5%</i>	<i>15.3%</i>	<i>15.5%</i>	<i>15.7%</i>	<i>15.7%</i>
Depreciation			(126)	(83)	(44)	(126)	(132)	(134)	(137)	(141)	(143)	(146)
<i>As a % of capex</i>			<i>133.7%</i>	<i>200.0%</i>	<i>82.3%</i>	<i>100.7%</i>	<i>101.6%</i>	<i>99.5%</i>	<i>100.1%</i>	<i>100.7%</i>	<i>100.3%</i>	<i>100.0%</i>
EBIT			119	103	15	113	116	125	122	128	132	135
<i>EBIT margin %</i>			<i>7.4%</i>	<i>8.2%</i>	<i>4.5%</i>	<i>7.1%</i>	<i>7.1%</i>	<i>7.5%</i>	<i>7.2%</i>	<i>7.4%</i>	<i>7.5%</i>	<i>7.6%</i>
Taxes			(30)	(26)	(4)	(28)	(29)	(31)	(30)	(32)	(33)	(34)
<i>As a % of EBIT</i>			<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>
Capex after inflation incl. adj. for new IFRS 16 leases as of '24			(94)	(41)	(53)	(125)	(130)	(135)	(137)	(140)	(143)	(146)
<i>As a % of sales</i>			<i>5.9%</i>	<i>3.3%</i>	<i>15.8%</i>	<i>7.8%</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.1%</i>	<i>8.1%</i>	<i>8.2%</i>	<i>8.2%</i>
Proceeds from sale of assets			-	1	(1)	-	-	-	-	-	-	-
Land & reserves acquisitions			(15)	(4)	(11)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
(Acquisition) / Disposal of subsidiaries and JV's			(61)	(2)	(59)	(10)	(18)	(28)	(28)	(28)	-	-
Other investments			(76)	(5)	(71)	(25)	(33)	(43)	(43)	(43)	(15)	(15)
<i>As a % of sales</i>			<i>4.8%</i>	<i>0.4%</i>	<i>21.2%</i>	<i>1.6%</i>	<i>2.0%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>0.9%</i>	<i>0.8%</i>
NWC			245	-	-	246	251	257	260	266	268	274
<i>As a % of revenue</i>			<i>15.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>15.4%</i>	<i>15.4%</i>	<i>15.4%</i>	<i>15.4%</i>	<i>15.4%</i>	<i>15.4%</i>	<i>15.4%</i>
Change in NWC			21	(63)	84	(1)	(6)	(6)	(3)	(6)	(3)	(5)
<i>As a % of change in revenue</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>(2.3%)</i>	<i>(15.1%)</i>	<i>(15.1%)</i>	<i>(8.0%)</i>	<i>(14.9%)</i>	<i>(7.3%)</i>	<i>(14.7%)</i>



Comparison of DPCF adjusted BP and Management BP (at Group level)

in EURm; FYE 31-Dec	Sibelco Business Plan (DPCF adjusted)								DPCF extr. TV	Sibelco Business Plan (Mgmt)						
	2023B	2024E	2025E	2026E	2027E	2028E	2029E	2023B		2024E	2025E	2026E	2027E	2028E	2029E	
Revenue	1,991	2,362	2,548	2,680	2,862	3,025	2,721	2,776	1,991	2,362	2,548	2,680	2,862	3,025	2,721	
Revenue after contingencies	1,991	2,293	2,427	2,500	2,643	2,785	2,468	2,518	1,991	2,293	2,427	2,500	2,643	2,785	2,468	
<i>Growth in %</i>	<i>n.a.</i>	<i>15.2%</i>	<i>5.8%</i>	<i>3.0%</i>	<i>5.7%</i>	<i>5.4%</i>	<i>(11.4%)</i>	<i>2.0%</i>	<i>n.a.</i>	<i>15.2%</i>	<i>5.8%</i>	<i>3.0%</i>	<i>5.7%</i>	<i>5.4%</i>	<i>(11.4%)</i>	
Cost of sales	(1,316)	(1,378)	(1,391)	(1,425)	(1,478)	(1,546)	(1,577)	(1,610)	(1,316)	(1,378)	(1,391)	(1,425)	(1,478)	(1,546)	(1,577)	
<i>as a % of sales</i>	<i>66.1%</i>	<i>60.1%</i>	<i>57.3%</i>	<i>57.0%</i>	<i>55.9%</i>	<i>55.5%</i>	<i>63.9%</i>	<i>63.9%</i>	<i>66.1%</i>	<i>60.1%</i>	<i>57.3%</i>	<i>57.0%</i>	<i>55.9%</i>	<i>55.5%</i>	<i>63.9%</i>	
Gross margin	675	915	1,036	1,075	1,164	1,239	891	909	675	915	1,036	1,075	1,164	1,239	890	
<i>Gross margin %</i>	<i>33.9%</i>	<i>39.9%</i>	<i>42.7%</i>	<i>43.0%</i>	<i>44.1%</i>	<i>44.5%</i>	<i>36.1%</i>	<i>36.1%</i>	<i>33.9%</i>	<i>39.9%</i>	<i>42.7%</i>	<i>43.0%</i>	<i>44.1%</i>	<i>44.5%</i>	<i>36.1%</i>	
Operating expenses	(275)	(285)	(295)	(305)	(305)	(305)	(295)	(301)	(275)	(285)	(295)	(305)	(305)	(305)	(295)	
<i>As a % of sales</i>	<i>13.8%</i>	<i>12.4%</i>	<i>12.2%</i>	<i>12.2%</i>	<i>11.5%</i>	<i>11.0%</i>	<i>12.0%</i>	<i>12.0%</i>	<i>13.8%</i>	<i>12.4%</i>	<i>12.2%</i>	<i>12.2%</i>	<i>11.5%</i>	<i>11.0%</i>	<i>12.0%</i>	
EBITDA	400	630	741	770	859	934	596	608	400	630	741	770	859	934	595	
<i>EBITDA margin %</i>	<i>20.1%</i>	<i>27.5%</i>	<i>30.5%</i>	<i>30.8%</i>	<i>32.5%</i>	<i>33.5%</i>	<i>24.1%</i>	<i>24.1%</i>	<i>20.1%</i>	<i>27.5%</i>	<i>30.5%</i>	<i>30.8%</i>	<i>32.5%</i>	<i>33.5%</i>	<i>24.1%</i>	
Depreciation	(145)	(153)	(165)	(185)	(212)	(220)	(238)	(238)	(145)	(148)	(156)	(172)	(194)	(197)	(175)	
EBIT	255	477	576	585	647	714	357	370	255	482	585	598	665	737	420	
<i>EBIT margin %</i>	<i>12.8%</i>	<i>20.8%</i>	<i>23.7%</i>	<i>23.4%</i>	<i>24.5%</i>	<i>25.6%</i>	<i>14.5%</i>	<i>14.7%</i>	<i>12.8%</i>	<i>21.0%</i>	<i>24.1%</i>	<i>23.9%</i>	<i>25.2%</i>	<i>26.4%</i>	<i>17.0%</i>	
Taxes	(64)	(119)	(144)	(146)	(162)	(178)	(89)	(92)	(64)	(120)	(146)	(150)	(166)	(184)	(105)	
<i>As a % of EBIT</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>	
Capex after inflation incl. adj. for new IFRS 16 leases as of '24	(137)	(251)	(410)	(411)	(208)	(212)	(233)	(238)								
<i>As a % of sales</i>	<i>6.9%</i>	<i>10.9%</i>	<i>16.9%</i>	<i>16.4%</i>	<i>7.9%</i>	<i>7.6%</i>	<i>9.5%</i>	<i>9.5%</i>								
Other investments	(81)	(30)	(38)	(48)	(48)	(48)	(20)	(20)								
Capex without inflation									(137)	(224)	(372)	(366)	(171)	(171)	(186)	
<i>As a % of sales</i>									<i>6.9%</i>	<i>9.8%</i>	<i>15.3%</i>	<i>14.6%</i>	<i>6.5%</i>	<i>6.1%</i>	<i>7.5%</i>	
Cash from new IFRS 16 leases									(81)	(30)	(38)	(48)	(48)	(48)	(20)	
<i>As a % of sales</i>									<i>4.1%</i>	<i>1.3%</i>	<i>1.6%</i>	<i>1.9%</i>	<i>1.8%</i>	<i>1.7%</i>	<i>0.8%</i>	
NWC	(122)	(247)	(273)	(273)	(127)	428	379	387	(122)	(247)	(273)	(273)	(127)	428	379	
<i>As a % of revenue</i>	<i>(6.1%)</i>	<i>(10.8%)</i>	<i>(11.2%)</i>	<i>(10.9%)</i>	<i>(4.8%)</i>	<i>15.4%</i>	<i>15.4%</i>	<i>15.4%</i>	<i>(6.1%)</i>	<i>(10.8%)</i>	<i>(11.2%)</i>	<i>(10.9%)</i>	<i>(4.8%)</i>	<i>15.4%</i>	<i>15.4%</i>	
Change in NWC	271	124	26	0	(146)	(555)	49	(8)	271	124	26	0	(146)	(555)	49	
<i>As a % of change in revenue</i>	<i>n.a.</i>	<i>41.1%</i>	<i>19.7%</i>	<i>0.5%</i>	<i>(102.6%)</i>	<i>(388.6%)</i>	<i>(15.4%)</i>	<i>(15.4%)</i>	<i>n.a.</i>	<i>41.1%</i>	<i>19.7%</i>	<i>0.5%</i>	<i>(102.6%)</i>	<i>(388.6%)</i>	<i>(15.4%)</i>	



4. Valuation of Sibelco

4.1	Business Plan	20
4.2	Discounted Cash Flow analysis (DCF)	29



DCF methodology (1/2)

DCF definition

- The DCF method is an intrinsic valuation methodology, which is based on:
 - Free Cash Flows to the Firm (“FCFF”) projections over a period between FY2023B and FY2029E, calculated from the forecasted financials of the Business Plan; and
 - A discount rate: the Weighted Average Cost of Capital (“WACC”)

$$EV = \sum_{t=1}^N \frac{FCFF_t}{(1 + WACC)^t} + \frac{Terminal\ Value}{(1 + WACC)^N}$$

Where:

- t = the specific year
- N = the number of projection years

FCFF

The FCFF has been computed as follows:

- EBITDA, Capex and change in net working capital: based on the Business Plan forecasts
- Taxes: assumed equal to 25.0% of EBIT

WACC

- The WACC has been estimated based on market information, our selection of listed peers and DPCF estimates (see page 32)



DCF methodology (2/2)

Terminal value

- The Terminal Value has been estimated based on the following Gordon-Shapiro formula, with a perpetual growth rate of 2.0%

$$\frac{\textit{Terminal free cash flow to the firm}}{\textit{WACC} - \textit{perpetual growth}}$$

- DPCF assumes a 2.0% perpetual growth rate ("PGR"), in line with PGRs retained by broker analysts of relevant peers

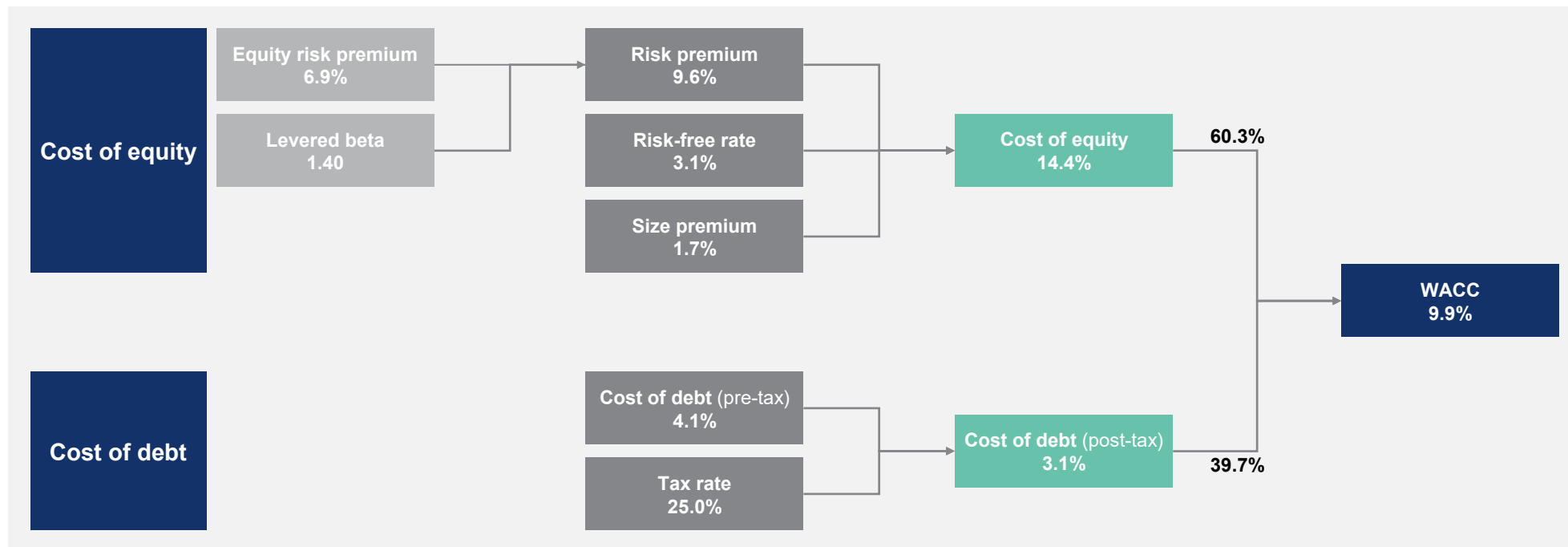
Present value and sensitivity analysis

- DPCF made the assumption that cash flows are evenly distributed over the year and used the mid-year convention
 - As the Valuation Date is 30-Nov-2023, the discounting factors are adjusted accordingly
- The DCF method is sensitive to the assumptions made. Consequently, we applied a sensitivity analysis on market parameters such as the average sales prices in terminal year, the perpetual growth rate and the WACC



Sibelco's free cash flows are discounted using a WACC of 9.9%

- The Cost of Equity is calculated based on the Capital Asset Pricing Model ("CAPM") formula:
 - Risk-free rate of 3.1%, based on the French 10-year government bond⁽¹⁾ as of 30/11/2023;
 - Unlevered beta of 0.94, is based on comparable peers' average. Sibelco's levered beta is 1.40⁽²⁾;
 - Equity risk premium of 6.9% as estimated by Degroof Petercam Corporate Finance as of 30/11/2023;
 - Size premium of 1.7% based on research by Duff & Phelps (see Appendix E)
- Cost of debt (pre-tax) of 4.1% based on yield of BBB- European industrial corporates as of 30/11/2023
- Corporate tax rate of 25.0%
- Target capital structure of 39.7% (financial liabilities / enterprise value), calculated based on leverage ratios of comparable peers



Notes: ⁽¹⁾ Since no government bonds are issued at European level, we approximate the European risk-free rate using French government bonds; ⁽²⁾ The levered beta (β_L) was calculated as follows: $\beta_L = \beta_U \times (1 + (1-T) \times D/E)$ where β_U = unlevered beta, T = tax rate, and D/E = financial liabilities/equity value of comparable peers
 Source(s): Bloomberg, Capital IQ, Duff & Phelps (2018). *Valuation Handbook – International Guide to Cost of Capital*, Degroof Petercam internal research



HPQ DCF analysis results in an Enterprise Value of c. € 2,297m

in EURm; FYE 31-Dec								DPCF extrapolation
	Q4 2023B	2024E	2025E	2026E	2027E	2028E	2029E	Term. value
Revenue after contingencies	131	693	791	827	950	1,055	721	735
% YoY growth	n.a.	n.a.	14.0%	4.6%	14.8%	11.1%	(31.7%)	2.0%
EBITDA	37	391	492	512	600	665	320	327
% margin	27.9%	56.4%	62.2%	61.9%	63.2%	63.0%	44.5%	44.5%
D&A	(9)	(27)	(32)	(51)	(75)	(79)	(95)	(92)
% of revenue	6.5%	3.9%	4.1%	6.2%	7.9%	7.5%	13.2%	12.6%
EBIT	28	364	460	460	525	586	225	235
% margin	21.3%	52.5%	58.1%	55.6%	55.3%	55.5%	31.3%	31.9%
Taxes	(7)	(91)	(115)	(115)	(131)	(146)	(56)	(59)
Capex + land investments	(11)	(131)	(284)	(282)	(76)	(77)	(96)	(97)
% of revenue	8.6%	18.9%	36.0%	34.0%	8.0%	7.3%	13.3%	13.2%
Change in NWC	302	125	32	6	(143)	(549)	51	(2)
Unlevered free cash flow to firm (FCFF)	321	294	125	121	250	(108)	220	169
Discounted FCFF (EURm)	322	278	107	95	178	(70)	130	

Enterprise Value (€m)	
Sum of discounted FCFF	1,040 45.3%
PGR	2.0%
WACC	9.9%
Discounted terminal value	1,257 54.7%
Enterprise Value	2,297 100.0%

Enterprise Value (€m)						
		PGR				
		1.00%	1.50%	2.00%	2.50%	3.00%
WACC	10.9%	1,980	2,030	2,087	2,150	2,221
	10.4%	2,063	2,121	2,186	2,258	2,341
	9.9%	2,156	2,222	2,297	2,382	2,479
	9.4%	2,260	2,337	2,424	2,523	2,638
	8.9%	2,378	2,467	2,569	2,687	2,825

Enterprise value (€m)							
		% of topline contingencies retained ⁽²⁾					
		0%	80%	90%	100%	110%	120%
WACC	10.9%	3,364	2,342	2,214	2,087	1,959	1,832
	10.4%	3,544	2,457	2,321	2,186	2,050	1,914
	9.9%	3,747	2,587	2,442	2,297	2,152	2,007
	9.4%	3,978	2,734	2,579	2,424	2,268	2,113
	8.9%	4,242	2,903	2,736	2,569	2,402	2,235

Enterprise value (€m)						
		Variation of the ASP in terminal year ⁽¹⁾				
		(20.0%)	(10.0%)	0.0%	10.0%	20.0%
WACC	10.9%	1,393	1,740	2,087	2,434	2,780
	10.4%	1,432	1,809	2,186	2,562	2,939
	9.9%	1,476	1,886	2,297	2,708	3,119
	9.4%	1,524	1,974	2,424	2,873	3,323
	8.9%	1,580	2,074	2,569	3,064	3,558

Notes: (1) DPCF has conducted an analysis of the impact of an increase/decrease of the estimated Average Sale Price in the Terminal Year by +/- 20% ; (2) DPCF has conducted an analysis of the impact of an increase/decrease of the % of topline contingencies retained by +/- 20%



RoW DCF analysis results in an Enterprise Value of c. € 864m

in EURm; FYE 31-Dec								DPCF extrapolation
	Q4 2023B	2024E	2025E	2026E	2027E	2028E	2029E	Term. value
Revenue	337	1,600	1,636	1,673	1,693	1,730	1,748	1,783
% YoY growth	n.a.	n.a.	2.3%	2.2%	1.2%	2.2%	1.0%	2.0%
EBITDA	59	239	249	259	259	269	275	281
% margin	17.5%	14.9%	15.2%	15.5%	15.3%	15.5%	15.7%	15.7%
D&A	(44)	(126)	(132)	(134)	(137)	(141)	(143)	(146)
% of revenue	13.0%	7.9%	8.1%	8.0%	8.1%	8.1%	8.2%	8.2%
EBIT	15	113	116	125	122	128	132	135
% margin	4.5%	7.1%	7.1%	7.5%	7.2%	7.4%	7.5%	7.6%
Taxes	(4)	(28)	(29)	(31)	(30)	(32)	(33)	(34)
Capex and other investments	(125)	(150)	(163)	(177)	(180)	(183)	(158)	(161)
% of revenue	37.0%	9.4%	10.0%	10.6%	10.6%	10.6%	9.0%	9.0%
Change in net working capital	84	(1)	(6)	(6)	(3)	(6)	(3)	(5)
Unlevered free cash flow to firm (FCFF)	14	60	51	45	46	48	82	81
Discounted FCFF (EURm)	14	57	44	35	33	31	48	

Enterprise Value (€m)		
Sum of discounted FCFF	262	30.3%
PGR	2.0%	
WACC	9.9%	
Discounted terminal value	602	69.7%
Enterprise Value	864	100.0%

Enterprise value (€m)						
		PGR				
		1.00%	1.50%	2.00%	2.50%	3.00%
WACC	10.9%	712	737	764	794	828
	10.4%	752	780	811	846	885
	9.9%	797	828	864	905	951
	9.4%	846	883	925	972	1,027
	8.9%	902	945	994	1,050	1,116

Enterprise value (€m)							
		% of topline contingencies retained (2)					
		0%	80%	90%	100%	110%	120%
WACC	10.9%	1,253	862	813	764	715	666
	10.4%	1,332	915	863	811	759	707
	9.9%	1,422	976	920	864	808	752
	9.4%	1,524	1,044	984	925	865	805
	8.9%	1,641	1,123	1,059	994	929	865

Enterprise value (€m)						
		Variation of the ASP in terminal year (1)				
		(5.0%)	(2.5%)	0.0%	2.5%	5.0%
WACC	10.9%	343	553	764	974	1,184
	10.4%	354	582	811	1,039	1,268
	9.9%	366	615	864	1,113	1,362
	9.4%	379	652	925	1,197	1,470
	8.9%	394	694	994	1,294	1,594

Notes: (1) DPCF has conducted an analysis of the impact of an increase/decrease of the estimated Average Sale Price in the Terminal Year by +/- 5.0% ; (2) DPCF has conducted an analysis of the impact of an increase/decrease of the % of topline contingencies retained by +/- 20%



SOTP DCF points to a Share Value of € 6,980

HPQ

Enterprise Value (€m)		
Sum of discounted FCFF	1,040	45.3%
PGR	2.0%	
WACC	9.9%	
Discounted terminal value	1,257	54.7%
Enterprise Value	2,297	100.0%

Enterprise Value (€m)					
WACC	PGR				
	1.00%	1.50%	2.00%	2.50%	3.00%
10.9%	1,980	2,030	2,087	2,150	2,221
10.4%	2,063	2,121	2,186	2,258	2,341
9.9%	2,156	2,222	2,297	2,382	2,479
9.4%	2,260	2,337	2,424	2,523	2,638
8.9%	2,378	2,467	2,569	2,687	2,825

RoW

Enterprise Value (€m)		
Sum of discounted FCFF	262	30.3%
PGR	2.0%	
WACC	9.9%	
Discounted terminal value	602	69.7%
Enterprise Value	864	100.0%

Enterprise value (€m)					
WACC	PGR				
	1.00%	1.50%	2.00%	2.50%	3.00%
10.9%	712	737	764	794	828
10.4%	752	780	811	846	885
9.9%	797	828	864	905	951
9.4%	846	883	925	972	1,027
8.9%	902	945	994	1,050	1,116

SOTP

Enterprise and Equity Value		EURm
DCF HPQ		2,297
DCF RoW		864
Enterprise Value		3,161
Adjusted Net Financial Debt		(126)
Equity value		3,035
NOSH		435
Equity value per share (EUR)		6,980

Enterprise value (€m)					
WACC	PGR				
	1.00%	1.50%	2.00%	2.50%	3.00%
10.9%	2,692	2,767	2,851	2,944	3,049
10.4%	2,815	2,901	2,996	3,104	3,226
9.9%	2,953	3,051	3,161	3,286	3,430
9.4%	3,106	3,220	3,348	3,495	3,665
8.9%	3,280	3,412	3,563	3,737	3,941

Equity value per share					
WACC	PGR				
	1.00%	1.50%	2.00%	2.50%	3.00%
10.9%	5,902	6,074	6,266	6,480	6,722
10.4%	6,185	6,382	6,602	6,849	7,130
9.9%	6,501	6,726	6,980	7,269	7,598
9.4%	6,855	7,115	7,411	7,749	8,140
8.9%	7,254	7,558	7,905	8,306	8,775



5. Other valuation references

5.1	Comparable Companies Analysis (CCA)	37
5.2	Share Price Performance (SPP)	44



5. Other valuation references

5.1	Comparable Companies Analysis (CCA)	37
5.2	Share Price Performance (SPP)	44



Peer group selection approach and trading multiples calculation methodology

Peer group selection approach

- We have selected 7 relevant listed peers, divided in two reference groups:
 - High purity quartz (HPQ)
 - Minerals
- In the HPQ segment, we have selected mining companies active in HPQ
- In the Minerals segment, we have selected global material solutions companies specialised in the extraction, production and distribution of industrial minerals
- Even though the selected companies in our reference groups have certain similarities with Sibelco, it should be noted that these companies are not fully comparable, in particular due to differences in geography, size, margin, financial structure and/or business model


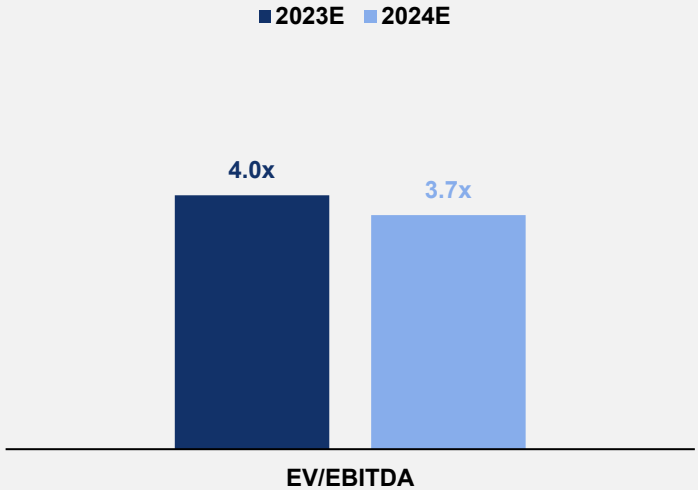

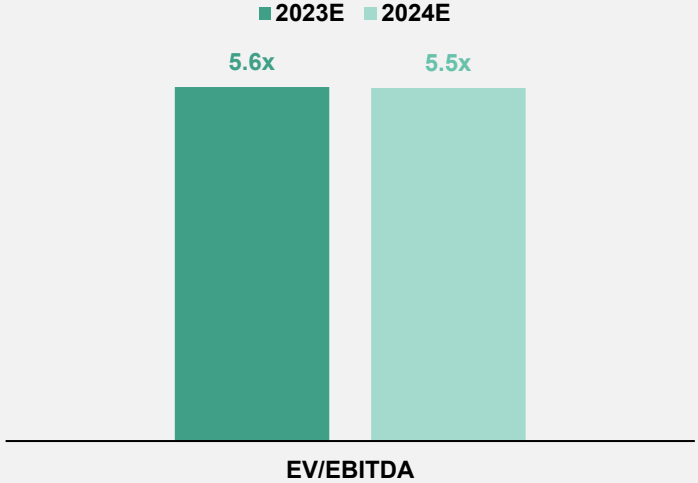
Trading multiples calculation

- Based on the share price of these companies as of the Valuation Date, we have calculated their market capitalisations and enterprise values by summing the most recent available net financial debts, adjusted for minorities, preference shares, pension obligations, non-operating provisions and other non-operating assets or liabilities
- We have retained EV/EBITDA as valuation multiple as we consider EBITDA as the most relevant financial metric in the context of Sibelco
- We have calculated the trading multiples based on the EBITDA estimated by research analysts for 2023E and 2024E
- Trading multiples are calculated based on the local currency financials. For financials not reported in EUR, DPCF has used the exchange rate of the Announcement Date



Selected peers are divided in two groups being (i) HPQ and (ii) Minerals



















Overview of reference peers and median multiples

<p>HPQ</p>		 <table border="1"> <thead> <tr> <th>Year</th> <th>EV/EBITDA</th> </tr> </thead> <tbody> <tr> <td>2023E</td> <td>4.0x</td> </tr> <tr> <td>2024E</td> <td>3.7x</td> </tr> </tbody> </table>	Year	EV/EBITDA	2023E	4.0x	2024E	3.7x	<ul style="list-style-type: none"> Unique reference peer active in the extraction, production and distribution of HPQ
Year	EV/EBITDA								
2023E	4.0x								
2024E	3.7x								
<p>Minerals</p>		 <table border="1"> <thead> <tr> <th>Year</th> <th>EV/EBITDA</th> </tr> </thead> <tbody> <tr> <td>2023E</td> <td>5.6x</td> </tr> <tr> <td>2024E</td> <td>5.5x</td> </tr> </tbody> </table>	Year	EV/EBITDA	2023E	5.6x	2024E	5.5x	<ul style="list-style-type: none"> Reference peer group consisting of companies active in the extraction, production and distribution of industrial minerals
Year	EV/EBITDA								
2023E	5.6x								
2024E	5.5x								

Note(s): Enterprise Value based on latest available data and calculated as the sum of Market capitalisation and Adjusted net financial debt (incl. Cash and cash equivalents, Minority interests, Preferred stock, Pension liabilities, Healthcare liabilities, Investments in associates and Other long-term investments); Multiples are on a calendarised basis
 Source(s): Capital IQ as of 30/11/2023





















Peer group financials overview

In €m		Company	Country	Mkt cap	EV	Calendarised Sales			Calendarised EBITDA			Calendarised Capex		
						2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E
HPQ	 SIBELCO		2,174	2,311	2,009	1,991	2,293	339	400	630	128	137	251	
	 太平洋石英 PACIFIC QUARTZ		3,986	3,694	258	1,214	1,727	159	927	1,006	18	34	76	
Minerals	 verallia		3,824	5,392	3,352	3,984	3,905	925	1,138	1,130	365	397	397	
	 IMERYS		2,254	3,523	4,282	3,872	3,997	657	634	635	345	387	400	
	 MINERALS TECHNOLOGIES		1,869	2,658	1,949	1,974	2,006	318	340	362	75	87	82	
	 ILUKA		1,787	1,315	992	750	872	509	346	391	93	224	479	
	 RHI MAGNESITA		1,527	2,952	3,317	3,329	3,742	458	500	523	157	200	150	
	 COMPASS MINERALS		917	1,677	1,132	1,128	1,209	151	176	222	101	137	113	
 US SILICA		798	1,489	1,398	1,437	1,334	289	404	366	49	60	44		

Note(s): Enterprise Value based on latest available data and calculated as the sum of Market capitalisation and Adjusted net financial debt (incl. Cash and cash equivalents, Minority interests, Preferred stock, Pension liabilities, Healthcare liabilities, Investments in associates and Other long-term investments)
Source(s): Sibelco's Management; Capital IQ as of 30/11/2023



Peer group KPIs overview

In €m				Sales CAGR			EBITDA margin			Capex as % of Sales		
Company	Country	Mkt cap	EV	'20A-'22A	'21A-'23E	'22E-'24E	2022A	2023E	2024E	2022A	2023E	2024E
 SIBELCO		2,174	2,311	0.8%	8.9%	6.8%	16.9%	20.1%	27.5%	6.4%	6.9%	10.9%
 太平洋石英 PACIFIC QUARTZ		3,986	3,694	76.2%	213.7%	158.9%	61.7%	76.3%	58.3%	7.1%	2.8%	4.4%
 verallia		3,824	5,392	15.0%	22.1%	7.9%	27.6%	28.6%	28.9%	10.9%	10.0%	10.2%
 IMERYS		2,254	3,523	6.2%	2.8%	(3.4%)	15.3%	16.4%	15.9%	8.1%	10.0%	10.0%
 MINERALS TECHNOLOGIES		1,869	2,658	15.4%	7.6%	1.5%	16.3%	17.2%	18.0%	3.9%	4.4%	4.1%
 ILUKA		1,787	1,315	28.3%	(3.4%)	(6.3%)	51.3%	46.1%	44.8%	9.3%	29.9%	54.9%
 RHI MAGNESITA		1,527	2,952	21.2%	14.2%	6.2%	13.8%	15.0%	14.0%	4.7%	6.0%	4.0%
 COMPASS MINERALS		917	1,677	8.9%	2.5%	3.4%	13.4%	15.6%	18.4%	8.9%	12.2%	9.4%
 US SILICA		798	1,489	34.3%	19.1%	(2.3%)	20.7%	28.1%	27.5%	3.5%	4.2%	3.3%

Peer group overview



















HPQ		76.2%	213.7%	158.9%	61.7%	76.3%	58.3%	7.1%	2.8%	4.4%
Minerals	P75	24.8%	16.7%	4.8%	24.1%	28.3%	28.2%	9.1%	11.1%	10.1%
	Median	15.4%	7.6%	1.5%	16.3%	17.2%	18.4%	8.1%	10.0%	9.4%
	P25	11.9%	2.7%	(2.9%)	14.6%	16.0%	17.0%	4.3%	5.2%	4.1%

► The difference in CAGR between Pacific Quartz and Sibelco is probably explained by the fact that (i) Sibelco and Pacific Quartz are active on different segments of the market and that (ii) Pacific Quartz sells on spot price as opposed to Sibelco. The difference in EBITDA margin between Sibelco RoW and minerals peer group might be explained by the fact that Sibelco is mainly active in basic processing while some of the peers are active in more advanced processing and more chemical processing

Note(s): Enterprise Value based on latest available data and calculated as the sum of Market capitalisation and Adjusted net financial debt (incl. Cash and cash equivalents, Minority interests, Preferred stock, Pension liabilities, Healthcare liabilities, Investments in associates and Other long-term investments)
Source(s): Sibelco's Management; Capital IQ as of 30/11/2023



Peer group multiples overview

		In €m			EV/Sales			EV/EBITDA			EV/EBIT		
Company		Country	Mkt cap	EV	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
HPQ	 SIBELCO		2,174	2,311	1.2x	1.0x	1.0x	5.8x	3.7x	3.1x	9.1x	4.8x	4.0x
	 太平洋石英 PACIFIC QUARTZ		3,986	3,694	3.0x	2.1x	1.9x	4.0x	3.7x	3.9x	4.0x	2.8x	2.5x
Minerals	 verallia		3,824	5,392	1.4x	1.4x	1.4x	4.7x	4.8x	4.6x	6.6x	7.0x	6.7x
	 IMERYS		2,254	3,523	0.9x	0.9x	0.9x	5.6x	5.5x	5.0x	9.8x	9.4x	8.4x
			1,869	2,658	1.3x	1.3x	1.3x	7.8x	7.3x	6.8x	10.5x	9.6x	8.8x
	 ILUKA		1,787	1,315	1.8x	1.5x	1.4x	3.8x	3.4x	3.0x	4.9x	4.3x	4.2x
	 RHI MAGNESITA		1,527	2,952	0.9x	0.8x	0.8x	5.9x	5.6x	5.2x	7.6x	7.4x	6.8x
	 COMPASS MINERALS		917	1,677	1.5x	1.4x	1.4x	9.5x	7.5x	6.6x	19.6x	12.6x	9.3x
	 US SILICA		798	1,489	1.0x	1.1x	1.1x	3.7x	4.1x	4.3x	5.5x	6.4x	6.9x

Peer group overview

HPQ		3.0x	2.1x	1.9x	4.0x	3.7x	3.9x	4.0x	2.8x	2.5x
Minerals	P75	1.4x	1.4x	1.4x	6.9x	6.5x	5.9x	10.1x	9.5x	8.6x
	Median	1.3x	1.3x	1.3x	5.6x	5.5x	5.0x	7.6x	7.4x	6.9x
	P25	1.0x	1.0x	1.0x	4.3x	4.4x	4.5x	6.1x	6.7x	6.7x

Note(s): Enterprise Value based on latest available data and calculated as the sum of Market capitalisation and Adjusted net financial debt (incl. Cash and cash equivalents, Minority interests, Preferred stock, Pension liabilities, Healthcare liabilities, Investments in associates and Other long-term investments); Multiples are on a calendarised basis
Source(s): Sibelco's Management; Capital IQ as of 30/11/2023



2024 EV/EBITDA multiple results in Share Value € 6,061

	EV/EBITDA	
	2023B	2024E
EBITDA (EURm)	400	630
Weighted multiple	4.9x	4.4x
Enterprise value (EURm)	1,977	2,761
Adjusted Net financial debt (EURm)	126	126
Equity Value (EURm)	1,852	2,636
Number of shares outstanding (k)	435	435
Equity Value per Share (€)	4,258	6,061
<i>Range on retained multiple -5%</i>	<i>4,031</i>	<i>5,743</i>
<i>Range on retained multiple +5%</i>	<i>4,485</i>	<i>6,378</i>

- The median 2023B and 2024E EV/EBITDA multiples as shown on page 39 are applied to the EBITDA after contingencies share of the HPQ and RoW segment to obtain the weighted multiples



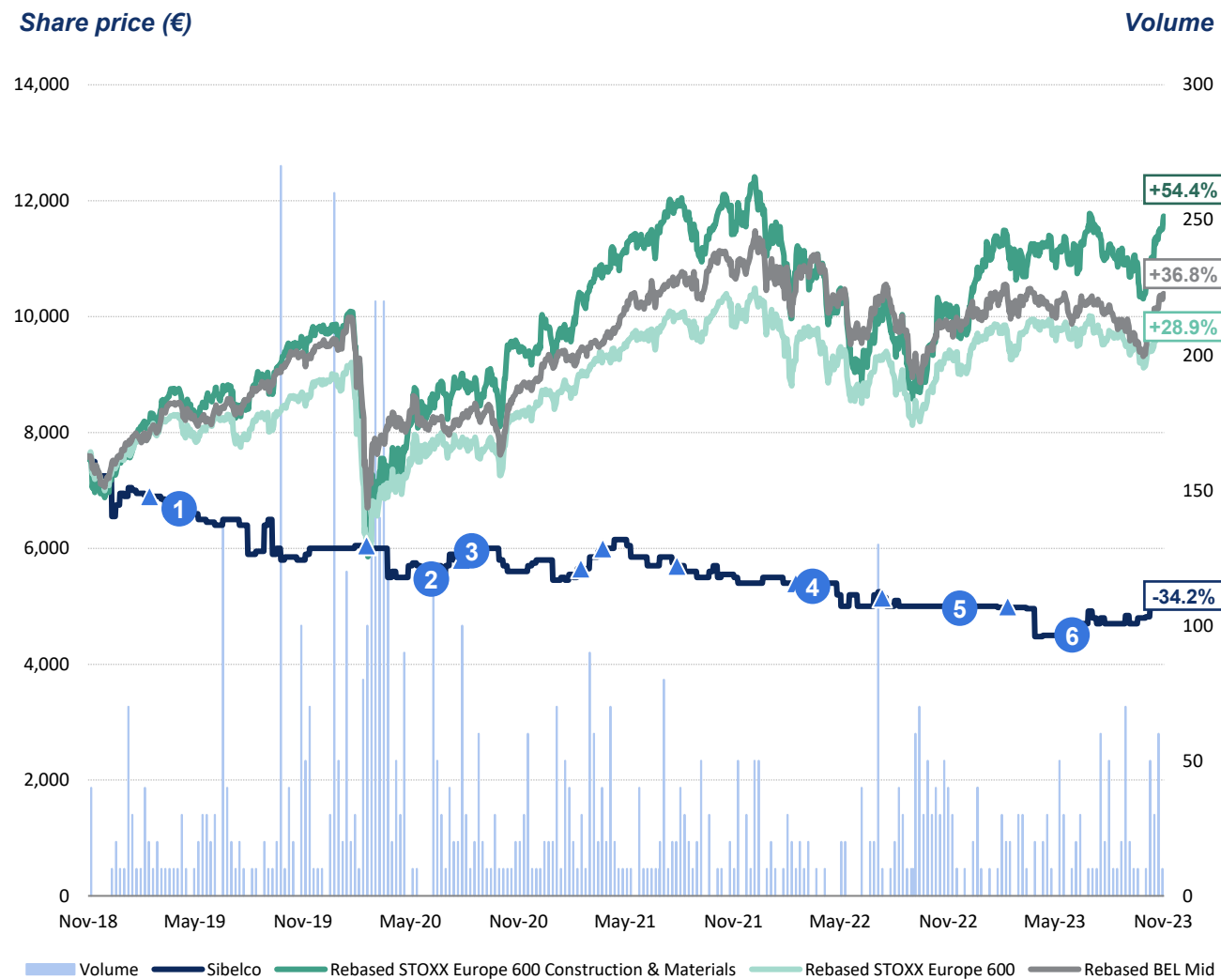
5. Other valuation references

5.1	Comparable Companies Analysis (CCA)	37
5.2	Share Price Performance (SPP)	44



Share Price Performance (1/3)

5-year share performance evolution



Comments

- The graph shows the evolution of the stock price of Sibelco as well as the volumes exchanged in the five years preceding the announcement by Sibelco of its intention to launch a conditional voluntary public takeover bid on its own shares
- Sibelco is listed on Euronext Expert Market, meaning that public auctions only take place every Tuesday
- Over a 5-year period, Sibelco shares decreased by -34.2% and underperformed the STOXX Europe 600 Construction & Materials Index (+54.4%), the STOXX Europe 600 Index (+28.9%) and the BEL Mid index (+36.8%)

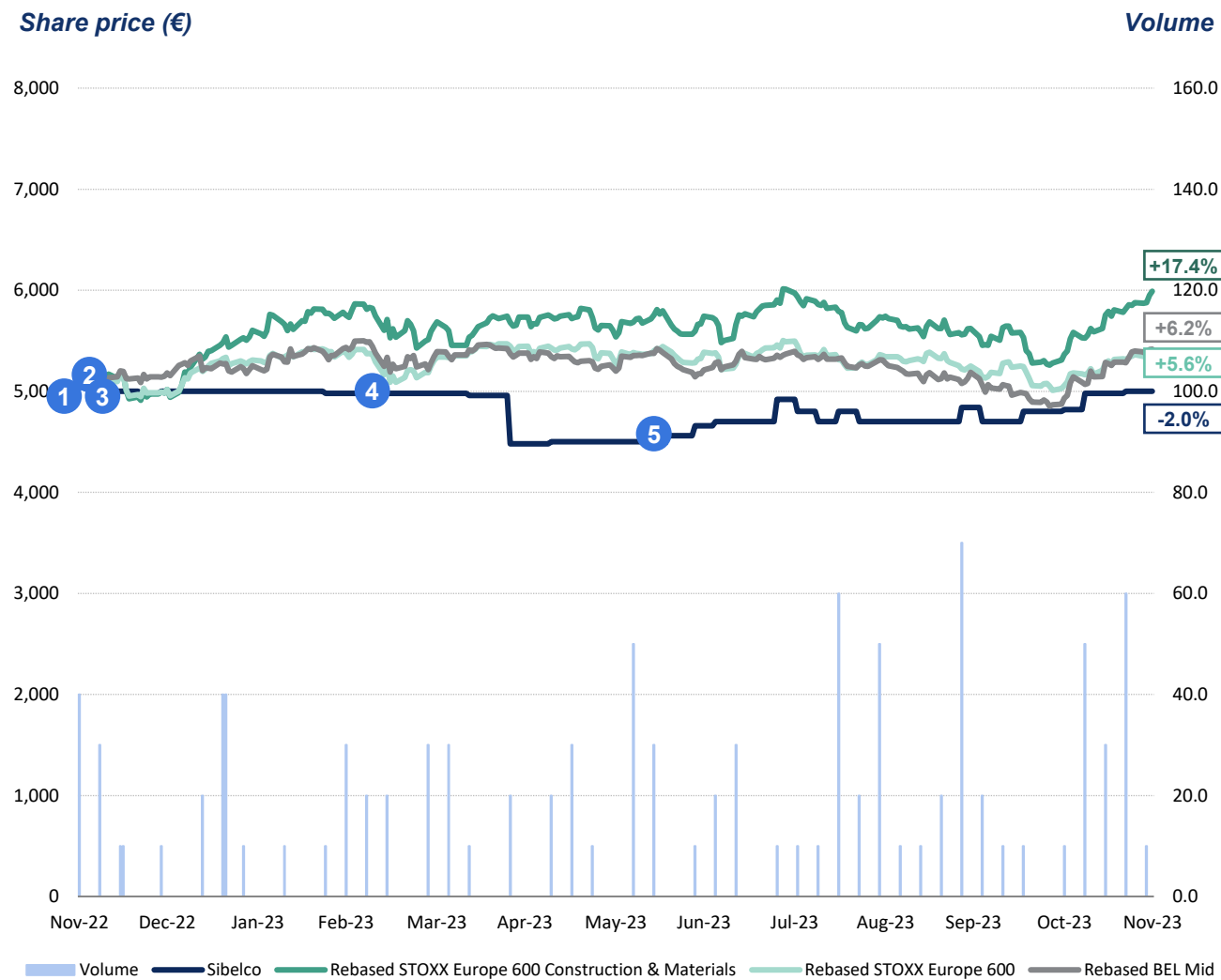
News flow

- 1 Sibelco writes off American subsidiary Covia by c. €400m
- 2 Sibelco appoints Hilmar Rode as new Chief Executive Officer
- 3 Sibelco opens Flanders' first floating solar park
- 4 Sibelco acquires 100% of the shares of Kremer and announces FY 2021 financial results
- 5 Sibelco acquires 100% of the shares of Bassanetti
- 6 Sibelco acquires 20.1% stake in Avalon Advanced Materials



Share Price Performance (2/3)

1-year share performance evolution



Comments

- Over the last year, Sibelco shares decreased by -2.0% and underperformed the STOXX Europe 600 Construction & Materials Index (+17.4%), the STOXX Europe 600 Index (+5.6%) and the BEL Mid index (+6.2%)
- On the 30/11/2023, Sibelco share price reached €5,000 representing a market capitalisation of €2,174.3m

News flow

- Sibelco acquires 10.0% stake in Cape Silica Holdings, a joint venture with Diatreme Resources
- Sibelco sells abrasive activities to EP Power Minerals
- Sibelco acquires 100% of the shares of Bassanetti
- Sibelco announces FY 2022 financial results
- Sibelco acquires 20.1% stake in Avalon Advanced Materials



Share Price Performance (3/3)

Premium and liquidity analysis				
	Average	Max	Min	VWAP
Share price (€)				
30/11/2023	5,000.0	5,000.0	5,000.0	5,000.0
1 month	4,958.2	5,000.0	4,820.0	4,989.3
3 months	4,813.6	5,000.0	4,700.0	4,878.7
6 months	4,747.0	5,000.0	4,500.0	4,782.0
12 months	4,818.4	5,100.0	4,480.0	4,827.3
Offer price (€)	6,850.0	6,850.0	6,850.0	6,850.0
Implied premium (%) on Offer Price				
30/11/2023	37.0%	37.0%	37.0%	37.0%
1 month	38.2%	37.0%	42.1%	37.3%
3 months	42.3%	37.0%	45.7%	40.4%
6 months	44.3%	37.0%	52.2%	43.2%
12 months	42.2%	34.3%	52.9%	41.9%
Daily volume				
1 month	6.8	60.0	-	n.m.
3 months	4.7	70.0	-	n.m.
6 months	4.6	70.0	-	n.m.
12 months	3.9	70.0	-	n.m.

Comments

- The table on the left shows a detailed analysis of the evolution of Sibelco's share price over the selected periods before the Announcement Date. For each period, the following elements were observed:
 - Average share price;
 - Highest share price;
 - Lowest share price; and
 - Volume weighted average share price (“VWAP”)
- The Offer Price was then compared to the different share prices aforementioned
 - Compared to the closing share price on Valuation date, the Offer Price represents a premium of 42.1%
 - Compared to the average 3-month VWAP on Valuation date, the Offer Price represents a premium of 43.9%
 - Compared to the average 12-month VWAP on Valuation date, the Offer Price represents a premium of 41.6%
- **The traded volume over the last 12 months was 1,020 shares, representing 0.2% of outstanding shares compared to 144.2%, the average of the comparable peers shown on page 39**

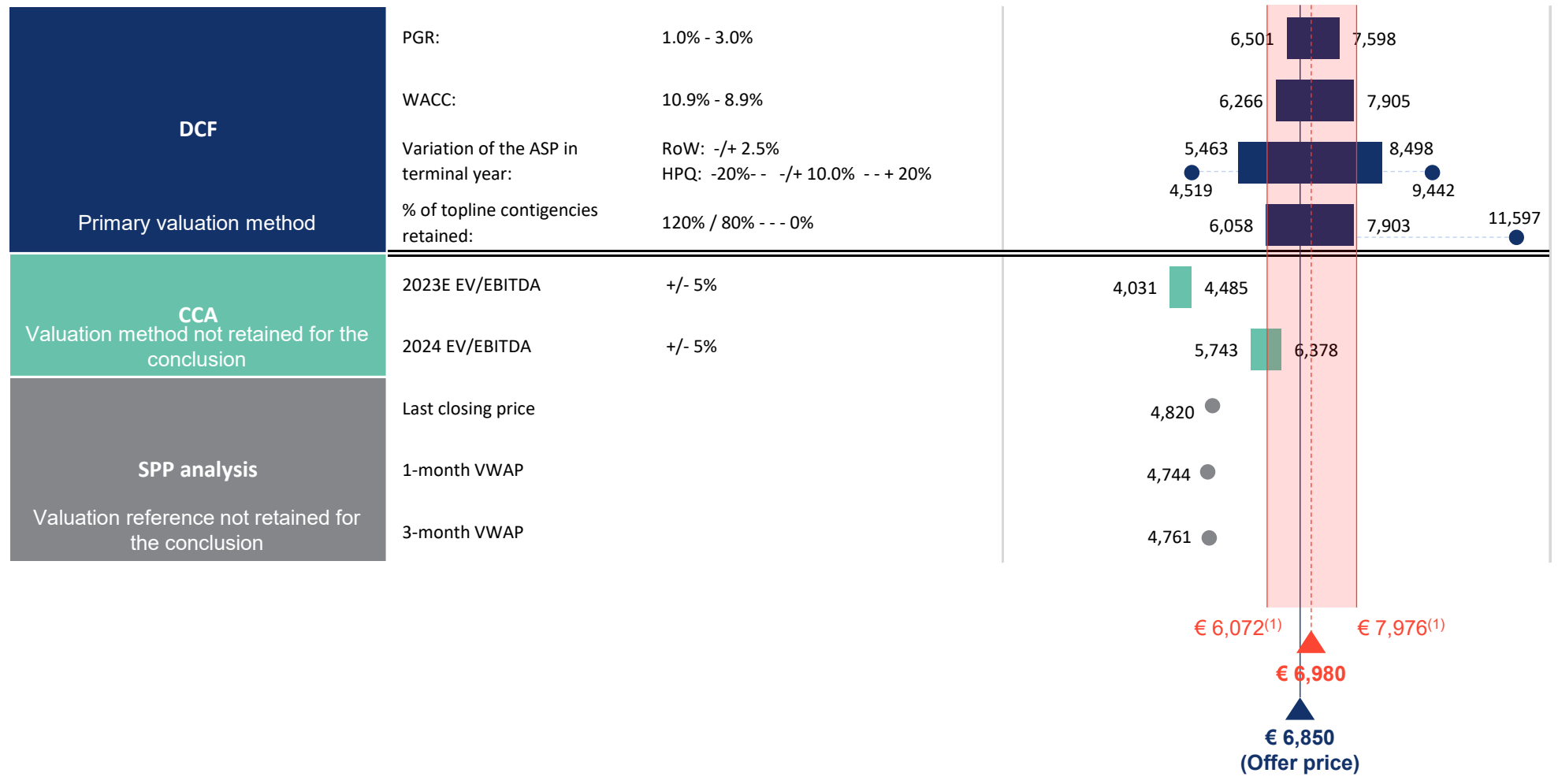




6. Conclusion



Our primary valuation method, the DCF, shows a midpoint Share Value of € 6,980



▶ CCA was not retained as a primary valuation method due to the unique market position of Sibelco in the HPQ segment. In the latter segment, only one relevant peer was identified

▶ The analysis of the SPP is a benchmark of how the market values Sibelco, but is impacted by the low liquidity level and is therefore not retained as a valuation reference for the conclusion

Note: ⁽¹⁾ based on averages of the lower and upper boundaries of the DCF valuation ranges



Conclusion regarding the share price valuation of the target

- DPCF has retained the Discounted Free Cash Flow analysis as primary valuation method as it reflects the intrinsic value of Sibelco based on the Business Plan prepared by management. The assumptions made by the management to build the Business Plan are reasonable and relevant. The Comparable Companies Analysis and Share Price Performance were not retained for the conclusion
- We estimate the Equity Value per share of Sibelco based on the DCF valuation method within the range of € 6,072 to € 7,976⁽¹⁾ with a midpoint of € 6,980
- Based on the aforementioned valuation range for the primary valuation method, we can conclude that the fixed component of the Offer Price is within our valuation range and (1.9%) below the midpoint.
- The Offer Price is higher than the Comparable Companies Analysis based on 2023E and 2024E EV/EBITDA and the last closing price and the 1-and 3-month VWAP. However, the CCA and SPP approaches have limitations:
 - CCA is not retained for the conclusion due to the unique market position of Sibelco in the HPQ segment. In the latter segment, only one relevant peer was identified
 - The analysis of the SPP is a benchmark of how the market values Sibelco, but as it is highly impacted by the very low liquidity level, it was not retained for the conclusion
- Hence, in the context of the voluntary and conditional public takeover bid announced by the Bidder on 18.94% of the shares of Sibelco, and considering that the variable component of the Offer Price only represents upside for the investors, we are of the opinion that the Offer Price does not disregard the interests of the minority shareholders

Note: ⁽¹⁾ based on averages of the lower and upper boundaries of the DCF valuation ranges



7. Appendices

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7. Appendices

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List of information received

- In the context of our assignment, we received the following information from the Company:
 - 2022-2021 Sibelco Group Detailed Financials
 - YTD September 2023 P&L with split ROW-HPQ
 - 2022 Sibelco Annual Report
 - 2023 Group Company Presentations
 - Historical and Forecast revenue segmentation ROW-HPQ
 - H1 2023 financial report
 - Net financial debt and related adjustments as of 30 September 2023
 - Business Plan approved by the Board of Directors on 7 December 2023 and impact of the sale of the Russian activity
 - Presentation on minerals market (May 2023)
- DPCF has also analysed the following publicly available documents:
 - Annual reports of 2019, 2020 and 2021;
 - Reports of equity research analysts; and
 - Annual reports of publicly listed comparable companies
- DPCF has also analysed the following third-party sources:
 - UBS - Longi Green Energy Technology, 2Q23 result beat market expectations, with improving margins for wafer module, and some one-off gains (03/08/2023)
 - Oddo BHF - Imerys, When your luck is out, it's really out! (03/08/2023)
 - Sidoti & Company - Minerals Technologies, Raise price target to \$68 on 2Q23 margin improvement despite global macro conditions (31/07/2023)
 - Zhangtai Securities - 电子大宗气体内资龙头上市在即 引领 国产替代 浪潮 (30/07/2023)
 - Barclays - 2Q23 Quick look, despite lower volumes, O&G and ISP CMTon impress (27/07/2023)
 - ESN Research - Imerys, Company flash note (13/07/2023)
 - Jefferies - SNEC PV expo, strong FY23 demand for solar, initiate on Drinda at buy (31/05/2023)
 - Minerals Technologies - Investors day presentation (24/05/2023)
 - Evercore ISI - US Silica Holdings, Inherently conservative (28/04/2023)
 - Bloomberg - Shortage of special quartz sand should not stunt solar crucible supply (28/04/2023)
 - Morgan Stanley - Jiangsu Pacific Quartz, 1Q23 earnings beat on surged prices (27/04/2023)
 - Dow Jones Newswires - Opis, High-purity-quartz supply tightness impacts China's solar industry (14/03/2023)
 - UltraHPQ - Supply versus demand tensions, South China morning post article (26/10/2021)



7. Appendices

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Analysis of the valuation performed by the Bidder (1/5)

Side-by-side comparison of valuation methodologies used		
DPCF applied significance of methods		Bidder significance
Primary valuation method	Discounted Cash Flow Analysis	
Valuation method not retained for the conclusion	Comparable Companies Analysis	
Valuation reference not retained for the conclusion	Share price performance	
Excluded valuation methods	Net Asset Value	
	Brokers' Target Prices	
	Bid Premium Analysis	
	Comparable Transactions Analysis	
	Dividend Discount Model	
	Leveraged Buyout	

- This section includes DPCF's view on the valuation performed by the Bidder together with its advisor, JP Morgan ("JPM"), in support of the Offer Price
- We received the latest draft prospectus from the Bidder on December 7, 2023
- Both DPCF and the Bidder retain the Discounted Cash Flow Analysis as a primary valuation method and the Comparable Companies Analysis and Share Price Performance as reference points



Analysis of the valuation performed by the Bidder (2/5)

Adjusted Net Financial Debt and NOSH

- Both DPCF and the Bidder have calculated the Enterprise Value to Equity Value bridge based on the figures provided as of September 2023
- DPCF and the Bidder have included the same elements in the post-IFRS 16 Enterprise Value to Equity Value bridge, leading to an adjusted net financial debt of € 137m
- DPCF and the Bidder use a similar approach to determine the NOSH, taking into account an adjustment for treasury shares, leading to 434,856 fully diluted NOSH

Business Plan

- Both DPCF and the Bidder use the Business Plan approved by the Board of Directors as basis for the DCF valuation
- Main differences relate to the treatment of inflation, the inclusion of IFRS 16 leases and the treatment of the right-of-use assets, land and reserves acquisitions and acquisitions and disposals of subsidiaries
 - DPCF has inflated capex as from FY24E with 2.0% per year whereas the Bidder has used the non-inflated capex forecast put forward by management. As the capex retained by the Bidder is lower, its approach is not prejudicing any interests of the minority shareholders
 - DPCF has conducted the DCF Analysis on a post-IFRS 16 basis
 - To be consistent with this approach, DPCF has included the additions to right-of-use assets corresponding to new IFRS 16 leases as from FY24E in the calculation of the free cash flows
 - IFRS 16 lease payments related to existing IFRS leases have been excluded from the free cash flow calculation. The corresponding present value amount is included in the Enterprise Value to Equity Value bridge as part of Net Financial Debt
 - The Bidder has opted to conduct the DCF Analysis on a pre-IFRS 16 basis and therefore included the lease payments related to existing and new IFRS leases in the free cash flow calculation and added back the present value of the existing IFRS leases to get a post-IFRS 16 Enterprise Value. The Bidder approach is not prejudicing any interests of the minority shareholders as it leads to a lower negative impact of the treatment of lease payments on the valuation of Sibelco
- Both DPCF and the Bidder used the Business Plan with a split between HPQ and RoW segments
 - DPCF has allocated all costs to the two segments, in accordance with the weights per segment as estimated by management
 - The Bidder has not allocated additions to right-of-use assets, land and reserves acquisitions and acquisitions and disposals of subsidiaries to either the HPQ or RoW segment
 - Consequently, the Bidder has created a third “Corporate” segment that includes these items
- Overall, as mentioned above, the different approaches of the Bidder regarding the Business Plan are not prejudicing any interests of the minority shareholders



Analysis of the valuation performed by the Bidder (3/5)

Discounted Cash Flow analysis

IFRS 16 treatment

- The Bidder has opted to conduct the DCF analysis on a pre-IFRS 16 basis and therefore included the payments related to both existing new IFRS leases in the calculation of free cash flows
- Consequently, the Bidder has added back the leasing obligations to get a post-IFRS 16 Enterprise Value
- DPCF does not consider the methodology applied by the Bidder to be fully consistent. The Bidder has calculated the pre-IFRS 16 Enterprise Value using a WACC based on a post-IFRS 16 target capital structure.

Terminal value

- DPCF has assumed an extrapolation period of 1 year (FY29E), based on the normalized 2029 year as presented in the Business Plan. The terminal value year has been added to correctly reflect the cash impact of change in net working capital related to the 2.0% annual revenue growth in terminal value. As the change in NWC is higher in the terminal year of the Bidder, the Bidder approach is not prejudicing any interests of the minority shareholders
- The Bidder has not included an extrapolation year and has based its terminal value year projection on the normalized 2029 year as presented in the Business Plan
- DPCF prefers the approach with an extrapolation year, as the approach by the Bidder does not correctly reflect the cash impact of growing net working capital in steady state in terminal value
- Revenue to EBITDA assumptions are similar between DPCF and the Bidder's approach
- Main differences arise from:
 - Capex: DPCF has inflated the capex projections throughout the Business Plan at 2.0% per year, while the Bidder has used the non-inflated projections
 - Depreciation: DPCF has assumed the depreciation in terminal value to be at 100% of capex, which is considered to be a conventional assumption. The Bidder has limited the depreciation in terminal value to 95% of capex under the assumption that replacement cost is higher than historical prices for assets due to inflation. DPCF does not consider this approach consistent with the use of non-inflated capex throughout the Business Plan period as retained by the Bidder
 - Lease payments: As DPCF conducts a post-IFRS 16 approach for the DCF analysis compared to the pre-IFRS 16 approach conducted by the Bidder, the related IFRS 16 lease free cash flow in the TV is slightly lower in the Bidder's projections
- Both DPCF and the Bidder calculate the terminal value using the Gordon-Shapiro formula based on a 2.0% PGR



Analysis of the valuation performed by the Bidder (4/5)

Discounted Cash Flow Analysis (cont'd)

WACC

- Both the Bidder and DPCF use the Capital Asset Pricing Model (CAPM)
- While DPCF has opted to use a single WACC for all segments, the Bidder has calculated specific WACCs for the HPQ segment and the RoW and Corporate segments. Main differences are:
 - The Bidder uses the 10-year US treasury bond yield of 4.3% as of 30 November 2023 for the HPQ segment and the 10-year Belgian treasury bond yield of 3.1% as of 30 November 2023 for the RoW and Corporate segments, compared to the 10-year French Government Bond yield of 3.1% as of 30 November 2023 retained by DPCF
 - Both DPCF and the Bidder calculate the unlevered beta based on the average of the identified comparable companies used in the Comparable Companies Analysis
 - DPCF estimates the market risk premium at 6.9% as per its internal assessment based on the earnings yield of the Stoxx 600, compared to the risk-free rate and adjusted for a 2.0% inflation rate. The Bidder uses the 3-month daily average for US and Belgian equity markets for the HPQ and RoW/Corporate segments respectively (HPQ: 6.0%; RoW/Corporate: 8.4%)
 - DPCF includes a size discount of 1.7% based on research by Duff & Phelps (based on the equity value of the Offer Price). The Bidder does not include a size discount in its WACC calculation
 - DPCF retains a 4.1% pre-tax cost of debt based on the yield of BBB- European industrial companies as of 30 November 2023. The Bidder uses an estimated new issuance cost for Sibelco's long-term debt of 7.2% for the HPQ segment and 5.7% for the RoW and Corporate segments
 - Both DPCF and the Bidder estimate the tax rate at 25.0%, in line with the Belgian and US corporate tax rate
 - DPCF bases its target capital structure on the post-IFRS 16 leverage ratios of comparable peers. The Bidder uses the long-term target capital structure estimated by Sibelco in their annual report. As this target capital structure takes lease obligations into account as a debt-like item, DPCF does not consider this estimate to be fully consistent with the pre-IFRS 16 approach performed by the Bidder
 - Overall, applying the WACC of the Bidder will not affect DPCF's conclusion

Valuation date

- Both DPCF and the Bidder have valued Sibelco as of 30 November 2023 to be consistent with the most recent market parameters used to calculate the WACC



Analysis of the valuation performed by the Bidder (5/5)

Comparable Company Analysis

- Both DPCF and the Bidder retain the CCA method only as a reference point due to the unique market position of Sibelco in the HPQ segment.

Selection of peers

- DPCF has created two peer groups for the HPQ and Minerals segments. The Bidder only created one peer group for the Minerals segment
 - HPQ
 - DPCF has retained Jiangsu Pacific Quartz as the only relevant comparable listed company in the HPQ segment
 - The Bidder excluded Jiangsu Pacific Quartz from the analysis given the limited active broker coverage, often substantial movements in outlook and large variance in broker estimates
 - Minerals
 - Both DPCF and the Bidder have retained Imerys, Iluka, Minerals Technologies, RHI Magnesita and U.S. Silica as relevant peers
 - DPCF has also retained Verallia as a relevant peer as opposed to the Bidder, because it is active in recycled glass which is one of the five key minerals of Sibelco

Multiples calculation

- DPCF has retained 2023B and 2024E EV/EBITDA. DPCF has applied the median 2023B and 2024E EV/EBITDA multiples of the HPQ and Minerals segments to the EBITDA after contingencies share of respectively the HPQ and RoW segments to obtain weighted multiples at Group level. In our opinion, it is more appropriate to apply Jiangsu Pacific Quartz's multiple on Sibelco's EBITDA after contingencies share of the HPQ segment given the better comparability between both companies rather than applying the Minerals multiple with limited comparability
- The Bidder only retained 2024E EV/EBITDA based on Minerals peers only, creating a difference in the retained median multiple and hence the valuation outcome based on the CCA methodology. For the above-mentioned reasons, we consider our methodology more appropriate
- The peers' multiples slightly differ between DPCF and the Bidder, most likely due to differences between S&P Capital IQ consensus (used by DPCF) and FactSet consensus (used by the Bidder)

Share Price Performance

- Both DPCF and the Bidder retain the Share Price Performance only as a reference point
- DPCF has analysed the evolution of the historical share price and the traded volumes of Sibelco over different time periods in a similar fashion to the Bidder



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Past experience in fairness opinion assignments (1/2)

Industrials %



Public takeover bid by

Saverex

Financial expert Pending 

Industrials %




Public takeover bid and squeeze-out by



Financial expert March 2023 

Business Services %



Public takeover bid and squeeze-out by



Financial expert November 2021 

Real Estate %



merged with



Financial expert July 2021 

Industrials %



Public takeover bid and squeeze-out by

Sihold

Financial expert May 2021 

Technology %




Public takeover bid and squeeze-out by





Financial expert May 2021 

Technology %



Conditional tender offer by



Financial expert April 2021 

Food & Beverage %



sold a minority stake in



Fairness opinion

Financial Expert January 2020 

Technology %



acquired



Fairness opinion regarding the public takeover bid

Financial Expert June 2019 

Healthcare %



acquired



Fairness opinion regarding the public takeover bid

Financial Expert March 2019 

Real Estate %




acquired




Fairness opinion regarding the public takeover bid

Financial Expert April 2018 

Business Services %



Fairness opinion on the relative treatment of Senior Noteholder and Convertible Bondholders

Financial Expert December 2017 



Past experience in fairness opinion assignments (2/2)

Energy & Utilities %



FLUXYS

Fairness opinion in the framework of Article 524 Belgian Company Code

Financial Expert
September 2017 

Food & Beverage %



GREENYARD FOODS

Fairness opinion in the framework of Article 524 Belgian Company Code

Financial Expert
March 2017 

Technology %



bpiFrance

acquired a minority stake in



ST
life.augmented

Fairness opinion

Financial Expert
November 2016 

Materials & Chemicals %



bpiFrance

sold a minority stake in



eraMET

Fairness opinion

Financial Expert
August 2016 

Consumer & Retail %

Perennitas SA

acquired



Perennitas

Fairness opinion regarding the public takeover bid

Financial Expert
February 2016 

Materials & Chemicals %



PICANOL GROUP

Contribution agreement w/

Fairness opinion

Financial Expert
December 2015 

Materials & Chemicals %



PICANOL GROUP

Capital increase by means of rights issue by



Fairness opinion

Financial Expert
September 2014 

Financial Services %

Union Financière Boël

acquired



Henex

Fairness opinion regarding the public takeover bid

Financial Expert
December 2013 

Energy & Utilities %



nostrum
Oil & Gas

Fairness opinion

Financial Expert
October 2013 

Industrials %



bencis
capital partners



Gimv

acquired



XEIKON

Fairness opinion regarding the public takeover bid

Financial Expert
August 2013 

Financial Services %



GBL

Fairness opinion regarding the subscription by GBL to the Sagard III fund promoted by Power Corporation of Canada

Financial Expert
February 2013 

Financial Services %



GBL

Fairness opinion regarding promotion and subscription of/to Alladin Credit Fund by GBL in partnership with Sagard III fund

Financial Expert
February 2013 


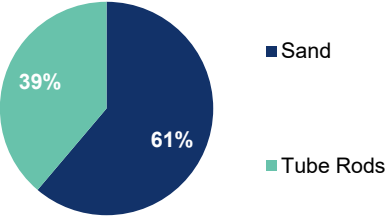

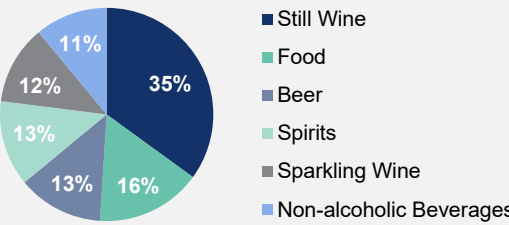

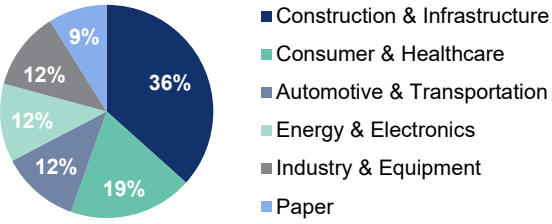

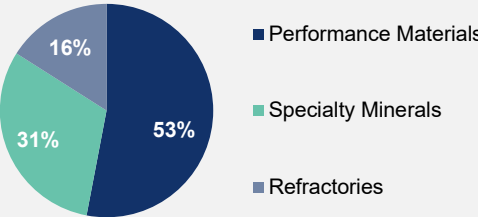


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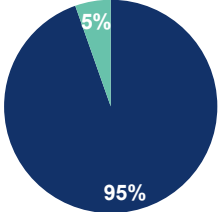

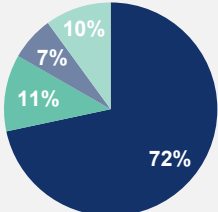

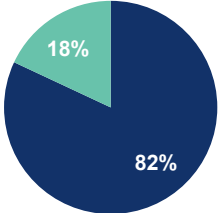

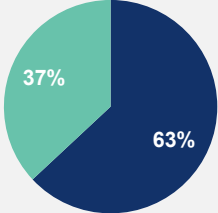


Detailed overview of listed peers (1/2)

	Company	Financials (€m)	Business description	Sales breakdown by product/sector
HPQ	 <p>太平洋石英 PACIFIC QUARTZ</p>	<p>Market cap: 3,986 Adj. NFD: (291)</p> <p>Sales 2022A: 258 EBITDA 2022A: 159 Capex 2022A: 18</p>	<ul style="list-style-type: none"> Pacific Quartz engages in the scientific research, production, and sales of silicon resources including high-purity quartz sand Its products are used in lighting, photovoltaic, optical fiber, optics, semiconductor and other industries The company was founded in 1992 and is based in Lianyungang, China 	 <ul style="list-style-type: none"> Sand Tube Rods
	 <p>verallia</p>	<p>Market cap: 3,824 Adj. NFD: 1,568</p> <p>Sales 2022A: 3,352 EBITDA 2022A: 925 Capex 2022A: 365</p>	<ul style="list-style-type: none"> Verallia produces and sells glass packaging products for the beverage and food industry worldwide Its products are used to package a variety of drinks, oils and condiments The company was founded in 1827 and is based in Courbevoie, France 	 <ul style="list-style-type: none"> Still Wine Food Beer Spirits Sparkling Wine Non-alcoholic Beverages
	 <p>IMERYS</p>	<p>Market cap: 2,254 Adj. NFD: 1,268</p> <p>Sales 2022A: 4,282 EBITDA 2022A: 657 Capex 2022A: 345</p>	<ul style="list-style-type: none"> Imerys provides mineral-based specialty solutions for various industries worldwide Its products are used in transport, consumer goods, healthcare, energy, electronics, metal and other industries The company was founded in 1880 and is based in Paris, France 	 <ul style="list-style-type: none"> Construction & Infrastructure Consumer & Healthcare Automotive & Transportation Energy & Electronics Industry & Equipment Paper
Minerals	 <p>MINERALS TECHNOLOGIES</p>	<p>Market cap: 1,869 Adj. NFD: 789</p> <p>Sales 2022A: 1,949 EBITDA 2022A: 318 Capex 2022A: 75</p>	<ul style="list-style-type: none"> Minerals Technologies develops, produces, and markets various specialty mineral, mineral-based, and synthetic mineral products, systems and services Its products are used in automotive, building materials, pharmaceutical and other industries The company was founded in 1968 and is based in New York, US 	 <ul style="list-style-type: none"> Performance Materials Specialty Minerals Refractories



Detailed overview of listed peers (2/2)

Company	Financials (€m)	Business description	Sales breakdown by product/sector
 <p>ILUKA</p>	<p>Market cap: 1,787 Adj. NFD: (472)</p> <p>Sales 2022A: 992 EBITDA 2022A: 509 Capex 2022A: 93</p>	<ul style="list-style-type: none"> ▪ Iluka engages in the exploration, project development, mining, processing, marketing and rehabilitation of mineral sands ▪ Its products are used in technology, construction, medical, lifestyle, defence and industrial applications ▪ The company was founded in 1954 and is based in Perth, Australia 	 <ul style="list-style-type: none"> ■ Critical Minerals ■ Freight Services
 <p>RHI MAGNESITA</p>	<p>Market cap: 1,527 Adj. NFD: 1,425</p> <p>Sales 2022A: 3,317 EBITDA 2022A: 458 Capex 2022A: 157</p>	<ul style="list-style-type: none"> ▪ RHI Magnesita develops, produces, sells, installs and maintains refractory products and systems used in industrial high-temperature processes worldwide ▪ Its products are used in the steel, cement, lime, non-ferrous metals, glass, energy, environment and chemicals industries ▪ The company was founded in 1834 and is based in Vienna, Austria 	 <ul style="list-style-type: none"> ■ Steel ■ Cement/lime ■ Non-ferrous Metals ■ Other
 <p>COMPASS MINERALS</p>	<p>Market cap: 917 Adj. NFD: 760</p> <p>Sales 2022A: 1,132 EBITDA 2022A: 151 Capex 2022A: 101</p>	<ul style="list-style-type: none"> ▪ Compass Minerals produces and sells essential minerals worldwide ▪ Its products are used in consumer goods, nutrition, water treatment and other industries ▪ The company was founded in 1993 and is based in Overland Park, US 	 <ul style="list-style-type: none"> ■ Salt ■ Plant Nutrition
 <p>US SILICA</p>	<p>Market cap: 798 Adj. NFD: 691</p> <p>Sales 2022A: 1,398 EBITDA 2022A: 289 Capex 2022A: 49</p>	<ul style="list-style-type: none"> ▪ US Silica produces and sells commercial silica in the United States ▪ Its products are used by oilfield services, exploration and production companies engaged in hydraulic fracturing, construction, chemicals and other industries ▪ The company was founded in 1894 and is based in Katy, US 	 <ul style="list-style-type: none"> ■ Oil & Gas Proppants ■ Industrial & Specialty Products



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Size discount

- The applicable equity value range is based on the equity value implied by the Offer Price

Equity value	
Range	Premium
€ 1m - € 7m	13.72%
€ 7m - € 15m	9.28%
€ 15m - € 27m	6.75%
€ 27m - € 41m	5.30%
€ 41m - € 63m	4.32%
€ 63m - € 99m	3.55%
€ 99m - € 153m	2.95%
€ 153m - € 227m	2.53%
€ 227m - € 341m	2.25%
€ 341m - € 543m	2.05%
€ 543m - € 835m	1.93%
€ 835m - € 1,411m	1.86%
€ 1,411m - € 2,423m	1.80%
€ 2,423m - € 4,589m	1.70%
€ 4,589m - € 10,525m	1.44%
€ 10,525m - € 69,863m	(0.49%)

Equity value based on Offer Price leads to this size discount





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**Annex 2 – Condensed unaudited consolidated financial statements as at 30
September 2023**

[See following pages]

Detailed Financials YTD September 2023

Sibelco Group



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.

Consolidated Income Statement in KEUR - including Russia

KEUR (YTD)	ACTUALS YTD SEPTEMBER 2023			PRIOR YEAR ACTUALS YTD SEPTEMBER 2022			VARIANCE YTD SEPTEMBER 2023 vs. 2022		
	Rest of World	HPQ	Sibelco Group	Rest of World	HPQ	Sibelco Group	Rest of World	HPQ	Sibelco Group
Revenue	1,294,234	276,007	1,570,241	1,312,715	181,016	1,493,731	(18,481)	94,991	76,510
Logistics and warehousing costs	(209,103)	(4,351)	(213,454)	(274,608)	(7,485)	(282,093)	65,506	3,133	68,639
Ex works revenue	1,085,131	271,656	1,356,787	1,038,106	173,532	1,211,638	47,025	98,124	145,149
Cost of sales	(721,938)	(103,364)	(825,302)	(660,519)	(95,292)	(755,811)	(61,419)	(8,072)	(69,491)
Gross margin	363,193	168,292	531,485	377,587	78,240	455,827	(14,394)	90,052	75,658
GM% vs Ex Works Revenue	33.5%	62.0%	39.2%	36.4%	45.1%	37.6%			
GM% vs Revenue	28.1%	61.0%	33.8%	28.8%	43.2%	30.5%			
Total SGA	(166,684)	(44,461)	(211,145)	(151,676)	(31,429)	(183,105)	(15,008)	(13,032)	(28,040)
SGA% vs Ex Works Revenue	-15.4%	-16.4%	-15.6%	-14.6%	-18.1%	-15.1%			
SGA% vs Revenue	-12.9%	-16.1%	-13.4%	-11.6%	-17.4%	-12.3%			
Other operating Income/Expenses	5,315	(5)	5,310	4,771	(1)	4,770	544	(3)	540
Foreign Exchange Gain/Losses	3,167	(77)	3,090	2,091	(439)	1,652	1,076	362	1,438
EBITDA	204,991	123,749	328,740	232,773	46,370	279,143	(27,782)	77,379	49,597
EBITDA% vs Ex Works Revenue	18.9%	45.6%	24.2%	22.4%	26.7%	23.0%			
EBITDA% vs Revenue	15.8%	44.8%	20.9%	17.7%	25.6%	18.7%			
Depreciation, amortization and depletion	(85,853)	(10,155)	(96,009)	(88,121)	(11,028)	(99,149)	2,268	872	3,140
Management fees IC	4,429	(3,184)	1,245	(18)		(18)	4,447	(3,184)	1,262
Recurring EBIT	123,567	110,409	233,976	144,634	35,343	179,977	(21,067)	75,067	53,999
Non-recurring result	(9,347)	399	(8,948)	(4,120)	(18)	(4,138)	(5,227)	417	(4,809)
EBIT	114,220	110,809	225,028	140,514	35,325	175,838	(26,294)	75,484	49,190
Financial result *			(11,829)			(17,210)			5,381
Result from financial assets *			(3,763)			15,893			(19,656)
Share of profit of equity-accounted investees *			4,370			3,218			1,152
Income taxes *			(49,796)			(38,710)			(11,086)
Net result *			164,010			139,029			24,981
Non-controlling interests *			(2,872)			254			(3,126)
Share of the group in the net result *			161,138			139,283			21,855

* Rest of world vs. HPQ split until EBIT level.

Note: These figures are not audited. Corporate SGA allocated to rest of world and HPQ based on gross margin.

Consolidated Balance Sheet in KEUR - including Russia

KEUR	ACTUALS SEPTEMBER 2023			PRIOR YEAR ACTUALS DECEMBER 2022		
	Rest of world	HPQ	Sibelco Group	Rest of world	HPQ	Sibelco Group
Property, plant and equipment	790,876	114,117	904,992	832,263	87,803	920,066
Intangible assets other than goodwill	105,579	3,591	109,171	109,859	2,175	112,034
Right-of-use assets	64,781	1,533	66,314	68,586	2,232	70,819
Goodwill	124,187		124,187	122,682		122,682
Equity-accounted investees	51,348		51,348	48,978		48,978
Net deferred tax assets	91,366		91,366	84,328		84,328
Non-current financial assets	39,789		39,789	20,178		20,178
Employee benefit assets	16,196		16,196	9,834		9,834
Other non-current assets	14,677	909	15,586	11,881	819	12,701
Non-current assets	1,298,800	120,150	1,418,950	1,308,589	93,030	1,401,619
Inventories	241,311	41,366	282,677	217,969	31,291	249,261
Current financial assets	1,304		1,304	633		633
Trade receivables	315,713	29,411	345,124	319,730	30,840	350,570
Other receivables	103,338	1,296	104,634	102,660	1,336	103,996
Net income tax assets	12,130		12,130	12,684		12,684
Cash and cash equivalents	194,531	299,349	493,880	313,129	256,421	569,550
Assets classified as held for sale	1,625		1,625	2,506		2,506
Current assets	869,952	371,422	1,241,374	969,311	319,888	1,289,200
Assets	2,168,752	491,572	2,660,324	2,277,901	412,918	2,690,819
Shareholders' equity	953,262	338,229	1,291,491	991,892	213,978	1,205,870
Non-controlling interests	9,107		9,107	7,875		7,875
Total equity	962,369	338,229	1,300,598	999,767	213,978	1,213,745
Interest bearing loans & borrowings	349,817		349,817	384,576		384,576
Lease obligations	49,506	1,715	51,221	55,102	2,131	57,233
Non-current provisions	199,745	4,761	204,506	202,088	4,831	206,919
Employee benefits	72,883		72,883	51,369		51,369
Net deferred tax (liabilities)	42,664	4,096	46,760	41,963	5,410	47,373
Trade and other payables, non-current portion	10,320	37,711	48,031	10,675	61,953	72,628
Other non-current liabilities	31,782		31,782	12,029		12,029
Non-current liabilities	756,717	48,284	805,001	757,803	74,324	832,127
Bank overdrafts	5,227		5,227	5,890		5,890
Interest bearing loans & borrowings	29,501		29,501	64,727		64,727
Lease obligations	21,051	158	21,209	19,033	487	19,521
Current provisions	34,276	119	34,395	37,236	668	37,904
Trade and other payables, current portion	338,448	103,338	441,786	370,945	124,058	495,003
Net income tax (liabilities)	17,816	1,444	19,260	11,882	(597)	11,285
Other current liabilities	2,614		2,614	6,481		6,481
Liabilities classified as held for sale	733		733	4,136		4,136
Current liabilities	449,666	105,059	554,725	520,331	124,615	644,947
Equity and liabilities	2,168,752	491,572	2,660,324	2,277,901	412,918	2,690,819

Note: These figures are not audited.

Consolidated Cash Flow Statement in KEUR - including Russia

KEUR	ACTUALS SEPTEMBER 2023			ACTUALS SEPTEMBER 2022			VARIANCE YTD SEPTEMBER 2023 vs. 2022		
	Rest of World	HPQ	Sibelco Group	Rest of World	HPQ	Sibelco Group	Rest of World	HPQ	Sibelco Group
EBITDA ¹	204,992	123,749	328,741	232,773	46,370	279,143	(27,781)	77,379	49,598
Provisions and allowances recognised in IS (+)	33,983	399	34,382	13,789	(773)	13,016	20,194	1,172	21,366
Non-recurring result	(4,449)		(4,449)	(5,205)	(8)	(5,214)	757	8	765
Management fees IC	4,429	(3,184)	1,245	(18)		(18)	4,447	(3,184)	1,262
FX differences	(657)		(657)	(1,673)		(1,673)	1,015		1,015
Fair value revaluations	3		3						
Operating cash flow before working capital changes	238,301	120,964	359,264	239,666	45,589	285,255	(1,365)	75,374	74,009
Changes in operational working capital	(61,117)	(51,925)	(113,042)	(175,745)	(8,397)	(184,142)	114,629	(43,528)	71,101
Changes in non-operational working capital	(6,218)	(84)	(6,302)	(3,180)	34	(3,146)	(3,038)	(118)	(3,156)
Working capital changes ²	(67,334)	(52,009)	(119,344)	(178,925)	(8,363)	(187,288)	111,591	(43,646)	67,944
Use of provisions / contributions to pension plans	(22,943)	(2,099)	(25,042)	(26,903)	(1,309)	(28,212)	3,959	(790)	3,169
Operating cash flow	148,023	66,855	214,879	33,838	35,918	69,756	114,185	30,938	145,123
Income taxes (paid)/received	(16,784)	(27,887)	(44,671)	(23,341)	(8,919)	(32,260)	6,557	(18,968)	(12,411)
Capex	(41,813)	(35,777)	(77,590)	(56,539)	(4,864)	(61,403)	14,726	(30,912)	(16,187)
Cash from IFRS 16 leases	(16,485)	(978)	(17,463)	(16,021)	(1,563)	(17,583)	(464)	584	120
Free operating cash flow	72,941	2,213	75,155	(62,062)	20,571	(41,491)	135,004	(18,358)	116,645
Proceeds from sale of assets	814	(0)	814	2,067		2,067	(1,253)	(0)	(1,253)
(Acquisition) / disposal of subsidiaries and JV's	(1,754)		(1,754)	(137,176)		(137,176)	135,422		135,422
Land & Reserves acquisitions	(5,087)	1	(5,086)	(5,227)	(71)	(5,298)	139	72	212
Interest (paid) / received	(4,009)	(2,605)	(6,615)	(2,462)	(39)	(2,501)	(1,548)	(2,566)	(4,114)
Other	(20,972)	10,188	(10,784)	24,504	(22,546)	1,958	(45,475)	32,734	(12,742)
Free cash flow before dividend	41,933	9,797	51,730	(180,356)	(2,084)	(182,440)	222,289	11,881	234,170
Dividend (paid) / received	(50,769)		(50,769)	(50,773)		(50,773)	3		3
Free cash flow	(8,836)	9,797	960	(231,128)	(2,084)	(233,213)	222,292	11,881	234,173
Own shares									
Net (increase) / decrease in net debt	(8,836)	9,797	960	(231,128)	(2,084)	(233,213)	222,292	11,881	234,173

¹ EBITDA based on Corporate SGA allocated to Rest of world and HPQ based on gross margin

² FOCF in 2022 influenced by exceptional items: discontinuation of non recurring factoring and prepayment related to Spruce Pine commercial activity

Note: These figures are not audited.

Consolidated Income Statement in KEUR - excluding Russia

KEUR (YTD)	ACTUALS YTD SEPTEMBER 2023			PRIOR YEAR ACTUALS YTD SEPTEMBER 2022			VARIANCE YTD SEPTEMBER 2023 vs. 2022		
	Rest of World	HPQ	Sibelco Group	Rest of World	HPQ	Sibelco Group	Rest of World	HPQ	Sibelco Group
Revenue	1,246,938	276,007	1,522,945	1,259,297	181,016	1,440,313	(12,359)	94,991	82,632
Logistics and warehousing costs	(203,066)	(4,351)	(207,417)	(267,044)	(7,485)	(274,529)	63,978	3,133	67,112
Ex works revenue	1,043,873	271,656	1,315,528	992,253	173,532	1,165,784	51,620	98,124	149,744
Cost of sales	(700,536)	(103,364)	(803,900)	(637,633)	(95,292)	(732,925)	(62,903)	(8,072)	(70,975)
Gross margin	343,337	168,292	511,629	354,620	78,240	432,860	(11,283)	90,052	78,769
GM% vs Ex Works Revenue	32.9%	62.0%	38.9%	35.7%	45.1%	37.1%			
GM% vs Revenue	27.5%	61.0%	33.6%	28.2%	43.2%	30.1%			
Total SGA	(163,177)	(44,461)	(207,638)	(148,978)	(31,429)	(180,407)	(14,198)	(13,032)	(27,231)
SGA% vs Ex Works Revenue	-15.6%	-16.4%	-15.8%	-15.0%	-18.1%	-15.5%			
SGA% vs Revenue	-13.1%	-16.1%	-13.6%	-11.8%	-17.4%	-12.5%			
Other operating Income/Expenses	5,051	(5)	5,046	4,421	(1)	4,420	630	(3)	627
Foreign Exchange Gain/Losses	3,101	(77)	3,024	2,759	(439)	2,320	342	362	704
EBITDA	188,312	123,749	312,061	212,822	46,370	259,192	(24,510)	77,379	52,869
EBITDA% vs Ex Works Revenue	18.0%	45.6%	23.7%	21.4%	26.7%	22.2%			
EBITDA% vs Revenue	15.1%	44.8%	20.5%	16.9%	25.6%	18.0%			
Depreciation, amortization and depletion	(82,199)	(10,155)	(92,354)	(83,053)	(11,028)	(94,080)	854	872	1,726
Management fees IC	4,429	(3,184)	1,245				4,429	(3,184)	1,245
Recurring EBIT	110,542	110,409	220,951	129,769	35,343	165,112	(19,227)	75,067	55,839
Non-recurring result	(9,347)	399	(8,948)	(4,089)	(18)	(4,107)	(5,258)	417	(4,841)
EBIT	101,195	110,809	212,004	125,681	35,325	161,005	(24,485)	75,484	50,998
Financial result *			(10,984)			(15,295)			4,311
Result from financial assets *			(3,763)			15,893			(19,656)
Share of profit of equity-accounted investees *			4,370			3,218			1,152
Income taxes *			(47,646)			(36,674)			(10,972)
Net result *			153,980			128,146			25,833
Non-controlling interests *			(2,823)			305			(3,128)
Share of the group in the net result *			151,158			128,452			22,707

* Rest of world vs. HPQ split until EBIT level.

Note: These figures are not audited. Corporate SGA allocated to rest of world and HPQ based on gross margin.

Consolidated Balance Sheet in KEUR - excluding Russia

KEUR	ACTUALS SEPTEMBER 2023			PRIOR YEAR ACTUALS DECEMBER 2022		
	Rest of world	HPQ	Sibelco Group	Rest of world	HPQ	Sibelco Group
Property, plant and equipment	776,501	114,117	890,618	808,992	87,803	896,795
Intangible assets other than goodwill	103,694	3,591	107,286	109,399	2,175	111,575
Right-of-use assets	63,679	1,533	65,213	66,734	2,232	68,966
Goodwill	124,187		124,187	122,682		122,682
Equity-accounted investees	51,348		51,348	48,978		48,978
Net deferred tax assets	89,378		89,378	81,040		81,040
Non-current financial assets	39,548		39,548	19,894		19,894
Employee benefit assets	16,196		16,196	9,834		9,834
Other non-current assets	14,674	909	15,583	11,878	819	12,697
Non-current assets	1,279,207	120,150	1,399,357	1,279,431	93,030	1,372,460
Inventories	234,438	41,366	275,804	209,877	31,291	241,168
Current financial assets	1,304		1,304	633		633
Trade receivables	313,791	29,411	343,202	318,866	30,840	349,706
Other receivables	98,430	1,296	99,726	97,320	1,336	98,656
Net income tax assets	11,474		11,474	12,159		12,159
Cash and cash equivalents	172,478	299,349	471,827	294,108	256,421	550,529
Assets classified as held for sale	1,625		1,625	2,506		2,506
Current assets	833,539	371,422	1,204,961	935,468	319,888	1,255,357
Assets	2,112,746	491,572	2,604,318	2,214,899	412,918	2,627,817
Shareholders' equity	918,401	338,229	1,256,631	957,948	213,978	1,171,926
Non-controlling interests	8,903		8,903	7,665		7,665
Total equity	927,304	338,229	1,265,534	965,613	213,978	1,179,591
Interest bearing loans & borrowings	343,985		343,985	376,385		376,385
Lease obligations	48,935	1,715	50,650	54,157	2,131	56,288
Non-current provisions	192,871	4,761	197,633	192,024	4,831	196,855
Employee benefits	72,883		72,883	51,369		51,369
Net deferred tax (liabilities)	41,973	4,096	46,069	41,960	5,410	47,369
Trade and other payables, non-current portion	10,320	37,711	48,031	10,675	61,953	72,628
Other non-current liabilities	31,782		31,782	12,029		12,029
Non-current liabilities	742,749	48,284	791,033	738,600	74,324	812,924
Bank overdrafts	5,227		5,227	5,889		5,889
Interest bearing loans & borrowings	29,501		29,501	64,727		64,727
Lease obligations	20,474	158	20,631	18,157	487	18,645
Current provisions	34,273	119	34,393	37,214	668	37,882
Trade and other payables, current portion	332,162	103,338	435,501	362,341	124,058	486,399
Net income tax (liabilities)	17,708	1,444	19,152	11,740	(597)	11,143
Other current liabilities	2,614		2,614	6,481		6,481
Liabilities classified as held for sale	733		733	4,136		4,136
Current liabilities	442,692	105,059	547,751	510,687	124,615	635,302
Equity and liabilities	2,112,746	491,572	2,604,318	2,214,899	412,918	2,627,817

Note: These figures are not audited.

Consolidated Cash Flow Statement in KEUR - excluding Russia

KEUR	ACTUALS SEPTEMBER 2023			ACTUALS SEPTEMBER 2022			VARIANCE YTD SEPTEMBER 2023 vs. 2022		
	Rest of World	HPQ	Sibelco Group	Rest of World	HPQ	Sibelco Group	Rest of World	HPQ	Sibelco Group
EBITDA ¹	188,313	123,749	312,062	212,821	46,370	259,192	(24,509)	77,379	52,870
Provisions and allowances recognised in IS (+)	33,985	399	34,384	13,946	(773)	13,174	20,039	1,172	21,211
Non-recurring result	(4,449)		(4,449)	(5,174)	(8)	(5,182)	725	8	734
Management fees IC	4,429	(3,184)	1,245				4,429	(3,184)	1,245
FX differences	(657)		(657)	(1,673)		(1,673)	1,015		1,015
Fair value revaluations	3		3						
Operating cash flow before working capital changes	221,624	120,964	342,588	219,921	45,589	265,511	1,703	75,374	77,077
Changes in operational working capital	(57,634)	(51,925)	(109,559)	(175,551)	(8,397)	(183,948)	117,917	(43,528)	74,389
Changes in non-operational working capital	(5,929)	(84)	(6,013)	(3,211)	34	(3,177)	(2,718)	(118)	(2,836)
Working capital changes ²	(63,563)	(52,009)	(115,572)	(178,762)	(8,363)	(187,125)	115,200	(43,646)	71,553
Use of provisions / contributions to pension plans	(21,352)	(2,099)	(23,451)	(26,119)	(1,309)	(27,428)	4,767	(790)	3,977
Operating cash flow	136,709	66,855	203,565	15,040	35,918	50,957	121,669	30,938	152,607
Income taxes (paid)/received	(15,729)	(27,887)	(43,617)	(21,379)	(8,919)	(30,298)	5,649	(18,968)	(13,319)
Capex	(41,184)	(35,777)	(76,961)	(55,130)	(4,864)	(59,994)	13,946	(30,912)	(16,966)
Cash from IFRS 16 leases	(15,422)	(978)	(16,400)	(14,595)	(1,563)	(16,157)	(827)	584	(242)
Free operating cash flow	64,374	2,213	66,587	(76,064)	20,571	(55,492)	140,438	(18,358)	122,080
Proceeds from sale of assets	781	(0)	781	1,811		1,811	(1,030)	(0)	(1,030)
(Acquisition) / disposal of subsidiaries and JV's	(1,754)		(1,754)	(137,176)		(137,176)	135,422		135,422
Land & Reserves acquisitions	(5,003)	1	(5,002)	(5,227)	(71)	(5,297)	224	72	296
Interest (paid) / received	(4,659)	(2,605)	(7,265)	(2,710)	(39)	(2,749)	(1,949)	(2,566)	(4,515)
Other	(20,571)	10,188	(10,383)	24,842	(22,546)	2,296	(45,413)	32,734	(12,679)
Free cash flow before dividend	33,169	9,797	42,966	(194,523)	(2,084)	(196,608)	227,692	11,881	239,573
Dividend (paid) / received	(50,769)		(50,769)	(50,773)		(50,773)	3		3
Free cash flow	(17,600)	9,797	(7,804)	(245,296)	(2,084)	(247,380)	227,695	11,881	239,577
Own shares									
Net (increase) / decrease in net debt	(17,600)	9,797	(7,804)	(245,296)	(2,084)	(247,380)	227,695	11,881	239,577

¹ EBITDA based on Corporate SGA allocated to Rest of world and HPQ based on gross margin

² FOCF in 2022 influenced by exceptional items: discontinuation of non recurring factoring and prepayment related to Spruce Pine commercial activity.

Note: These figures are not audited.