

2022 H1 Results

Shareholder Webcast: August 9, 2022



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.

Welcome



Hilmar Rode
Chief Executive Officer



Frédéric Deslypere
Chief Financial Officer

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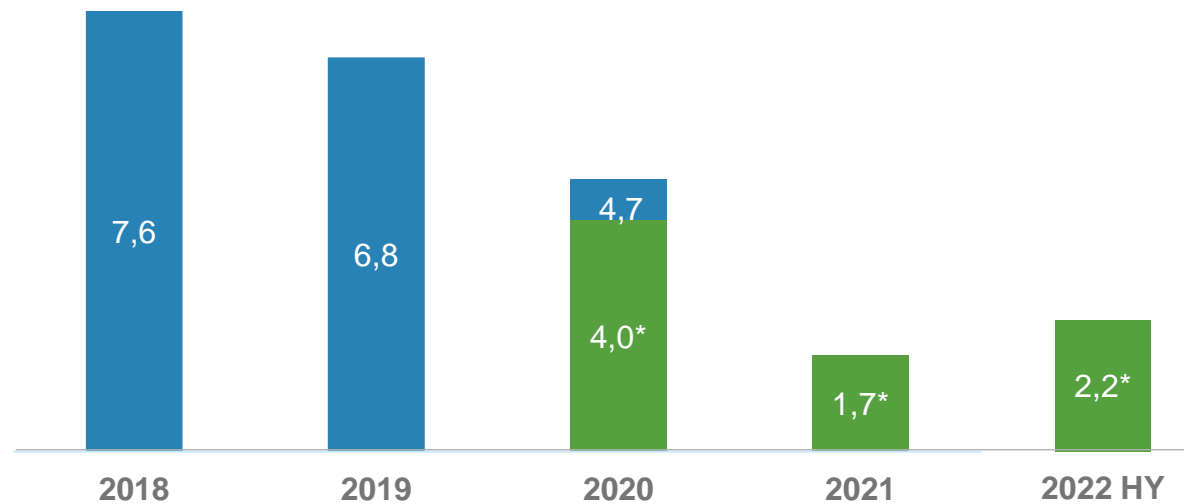
Safety Performance



H1 2022

- RIR 2,2
- 14 reportable incidents

RIR (Reportable Incident Rate: # per million hours)



** calculated in line with the International Council on Mining & Metals (ICMM) definition, the standard which Sibelco has adopted as from 2021 to enable direct comparison with industry peers*



H1 2022 in Summary



- Sibelco today announced strong half year results which reflect buoyant but increasingly volatile conditions across most of the company's markets

(EUR Million)	H1 2019 *	H1 2020 *	H1 2021**	H1 2022**	Var '22 vs '21
Revenue	797	700	819	973	18,7%
EBITDA	133	94	147	180	21,7%
Net Result***	52	62	55	86	58,0%
FOCF	(31)	(11)	25	6	(76,8)%
ROCE	7,6%	3,2%	8,8%	8,8%	0,2%

* 2019, 2020 figures represent Sibelco continuing, which excludes Covia, Lime and QMAG in Australia in order to improve comparability with 2022 data

** 2021 and 2022 figures represent full Sibelco Group reported data

*** Share of the Group

- Both revenue and EBITDA well above H1 2021
- Positive cash flow generation despite increased working capital to fund the higher revenue
- Sibelco continued to pursue operating efficiencies, improvements in product mix (especially high purity quartz) and sales price increases to compensate cost increases, particularly in energy and logistics
- Operations in Ukraine shut down except for limited activity out of one of the quarries. Impairment of asset values and loss of control are under review; worst-case scenario could be substantial (in excess of EUR 100 million)
- The Group proceeded with acquisitions of Kremer Zand and Grind in the Netherlands, Krynicky Recykling in Poland and Recyverre in France. In addition, the Group acquired a minority share in the Australian listed company Diatrema
- In March Sibelco was awarded a BBB- investment grade credit rating by Standard & Poors and on the back of this credit rating issued an inaugural five-year bond for EUR 350 million in April

Market Evolution



Volumes were stable in Q1 with a downward trend emerging in Q2



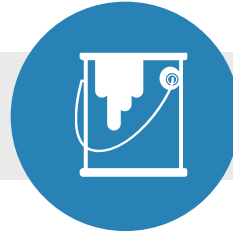
Construction

- Sales to the **sanitaryware** market remained strong
- Strong demand in the **ceramic tile** sector continued – suspension in supply of Ukrainian clays was partially offset by increase in export of ball clay from UK and Germany
- Strong demand in **engineered stone, concrete, cement** and **structural ceramics** sectors with a softening noted in Q2



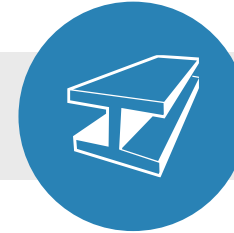
Glass & Electronics

- Strong sales in **float glass** and **container glass**
- Continued very strong demand for high-purity quartz across Asia's growing **semi-conductor** and **solar PV** sectors
- Strong performance in **fibreglass** and **display glass**



Industrial & Consumer

- Sales in **coatings** (decorative and protective) remained strong
- Good performance in South America's **oral care** and **food** segments
- **Medical gloves** market remained flat following peak pandemic demand



Steel & Foundry

- Buoyant **steel** industry drove strong sales of olivine with high export volumes to Europe, Asia and the US
- Positive performance in **refractory** and **foundry** sectors



Recycling

- Business continues to grow with Sibelco now firmly established as Europe's leading **glass recycler**
- Position strengthened by acquisition of Krynicki Recykling in Poland and 100% ownership of Recyverre in France

Ukraine & Russia



Ukraine

- Sibelco has four operations in Ukraine – three clay quarrying operations in the Donbas region (Mertsalovo cluster) and a joint venture in the north near Kharkiv (Novogok). We employ 230 people in our Mertsalovo cluster and Kyiv office. A further 140 people are employed at the joint venture
- High military activity in the area around KZKV and Euromineral sites with some office damage in KZKV. Fortunately, all our people are safe
- We continue limited activity at the Mertsalovo site

Russia

- Until further notice, Sibelco in Russia will be operated as a stand-alone business supported by an advisory committee. Funding and import and export of trade materials to and from Russia has been stopped

Financial impact

- Together, Sibelco's operations in Ukraine and Russia accounted for **approximately 8% of revenues** and **10% of EBITDA in 2021**
- Impairment of asset values and loss of control are under review; worst-case scenario could be substantial (in excess of EUR 100 million)



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Financial Summary



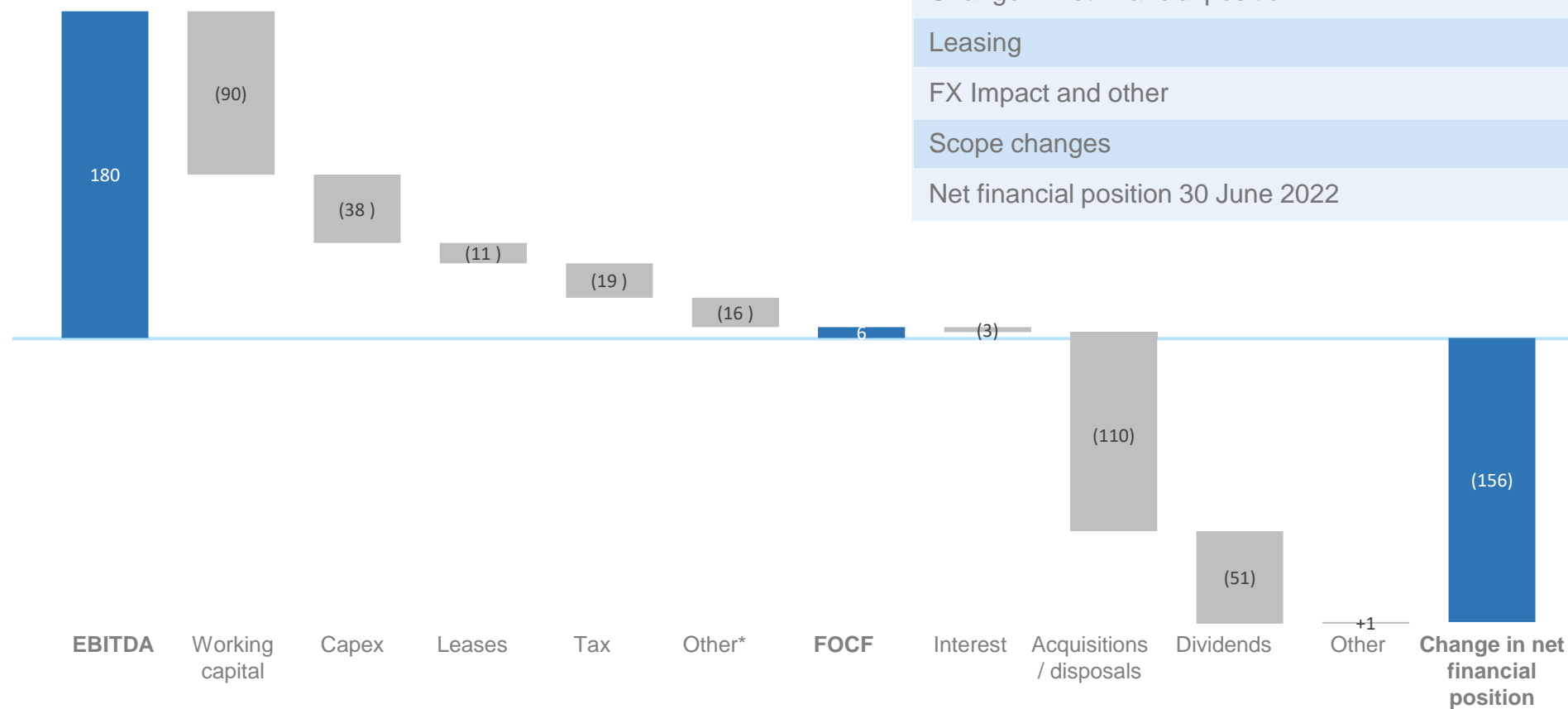
(EUR thousands)	2021	2022	Change %
Revenue	819.226	972.787	18,7%
% of Revenue	100,0%	100,0%	
Gross Margin	247.024	298.960	21,0%
% Gross Margin	30,2%	30,7%	
SG&A	100.129	122.128	22,0%
% SGA	12,2%	12,6%	
EBITDA	147.499	179.572	21,7%
% EBITDA	18,0%	18,5%	
Depreciation	63.464	64.059	0,9%
% Depreciation	7,7%	6,6%	
EBIT	79.422	113.315	42,7%
% EBIT	9,7%	11,6%	
FOCF	25.475	5.915	(76,8)%
ROCE	8,8%	8,8%	

- Sibelco generated revenue of EUR 973 million, an increase of 19% against the same period in 2021
- Revenue increase driven by mix improvements (in particular, high purity quartz) and price increases. Volumes were stable in Q1 and declined slightly in Q2
- EBITDA was up 22% from EUR 147 million to EUR 180 million in 2022
- Ukrainian margin loss largely compensated by alternative offerings
- Limited FOCF generation essentially as a result of increased working capital. Working capital as a percentage of revenue remains stable
- Improved financing position as a result of a bond issue (EUR 350 million)
- Bolt-on acquisitions continued in Sibelco's core business (Kremer Zand en Grind (The Netherlands), Krynicky Recyckling (Poland), Recyverre (France) and minority share in Diatrema (Australia))

Cash Flow & Net Financial Position



Cash flow Sibelco EUR M



* includes contributions to pension plans and use of provisions

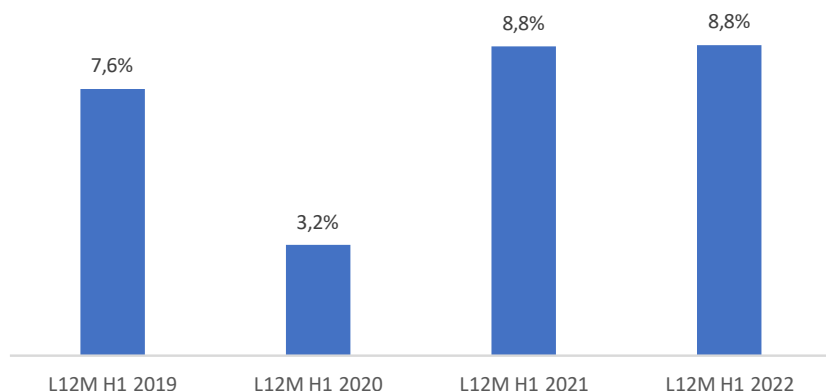
Evolution of net financial position EUR million

Net financial position 31 December 2021	147
Change in net financial position	(156)
Leasing	+1
FX Impact and other	+28
Scope changes	(15)
Net financial position 30 June 2022	4

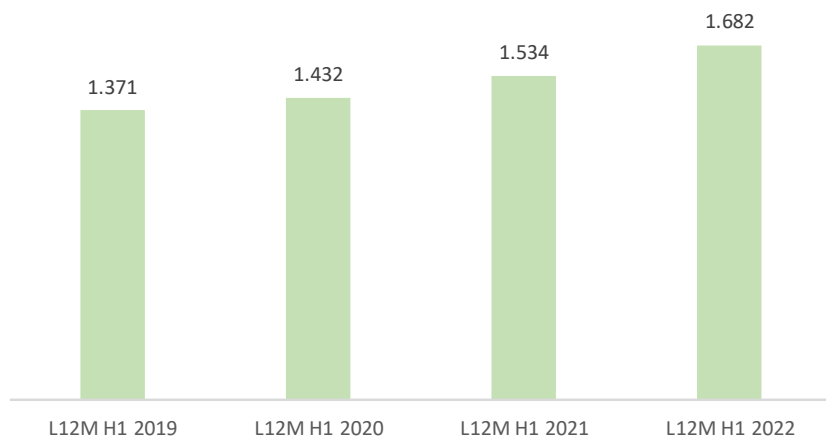
ROCE & Capital Employed



Return on Capital Employed*



Average Capital Employed (MEUR)



- ROCE remains flat, negatively impacted by the non-recurring restructuring charge of EUR 26 million taken in December 2021
- ROCE excluding non-recurring items was 10,5%
- CAPEX H1 2022 of EUR 49 million including continuation of growth investments
- Working capital increase driven by revenue growth (inflation and mix improvement)
- Capital employed also increased due to issuance of EUR 350 million bond

* ROCE = last 12 months' EBIT / last 12 months' average capital employed (2019 and 2020 based on Sibelco Continuing, 2021 and 2022 as reported)

Average CE = last 12 months' average total assets – current liabilities

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Growth Investments



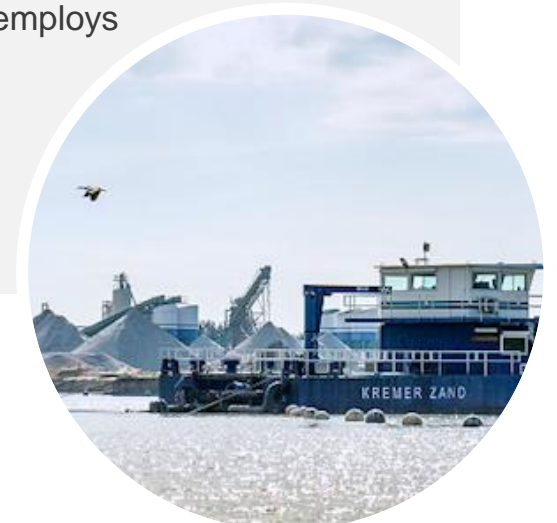
Krynicky Recykling (PL)

- Acquisition of Poland's largest glass recycler completed in May
- Sibelco acquired 93,8% of shares for PLN 374,7 million
- Krynicky operates 5 plants in Poland and Estonia employing 120 people, generating revenues of €27m in 2021



Kremer Zand en Grind (NL)

- Acquisition of Kremer Zand en Grind (KZG) a Dutch producer of wet, dried and calibrated silica sand and gravel
- KZG extracts sand via dredging in the Groningen province, before processing and packaging 30km away in Emmen
- The company, which currently employs 30 people, has become part of our Papendrecht cluster



Growth Investments (continued)



San Cesario (IT)

- New glass recycling plant officially opened in April, further strengthening Sibelco's leading position in Italy
- After acquiring the original site in 2020, we undertook a major clean-up of existing facilities, including removal of 50.000 tonnes of waste glass
- The new plant is fully operational, employing 30 people



Recyverre (FR)

- Sibelco is now the 100% owner of Recyverre
- Deal signed with our joint venture partners Mineris on 3rd May to buy the 51% we did not own
- Takeover forms part of growth and consolidation strategy for our glass recycling business in France, where we already operate Sibelco Green Solutions and Solover
- Recyverre currently employs 53 people

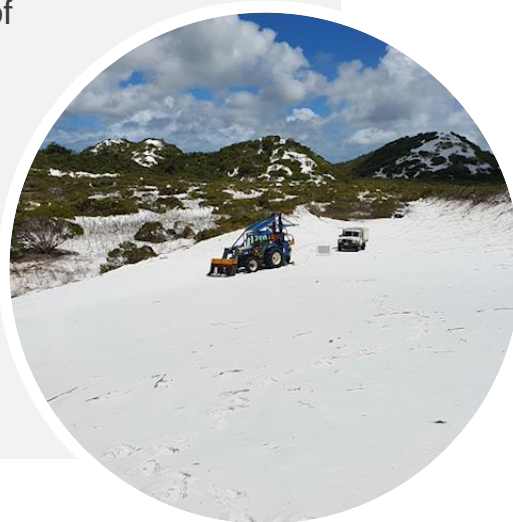


Growth Investments (continued)



Diatreme Resources (AU)

- Sibelco has committed to invest EUR 32 million in Diatreme Resources Limited, an emerging producer of minerals and silica sands based in Brisbane, Australia
- The Diatreme silica project is located adjacent to Mitsubishi's Cape Flattery operations in North Queensland
- The project has a published resource of 200Mt of low iron silica sand with significant further resource potential
- Staged investment consists of purchase of Diatreme shares through a private placement and a direct investment in the silica sands project at Cape Flattery



Sibelco Executive Committee



Hilmar Rode
CEO

1967, Germany

Over 30 years' experience in global mining, materials, chemicals & industrial gases with Anglo American, Glencore, BHP & Nyrstar.



Karin Parent
Chief Human Resources Officer

1967, France

Extensive HR career with leadership roles in France, Belgium, Switzerland, Singapore and USA with Huntsman Corporation.



Jair Rangel
EVP International

1972, Brazil

Over 25 years' mining experience with Samarco Iron Ore Mining, BHP & Antamina Operations - a JV between BHP, Glencore, Teck and Mitsubishi.



Solomon Baumgartner
Chief Industrial Officer & EVP Ops Europe

1972, Switzerland

Over 24 years' experience in manufacturing and building materials with Holcim, working in Brazil, USA, Madagascar, Vietnam & Switzerland.



Paolo Gennari
EVP Commercial Europe

1978, Italy

Extensive knowledge of Sibelco products, & markets having served in senior roles including leadership of our coatings, polymers & chemicals business.



Sandrine Besnard-Corblet
Chief Legal Officer

1965, France

Results-oriented legal and compliance executive with 30 years' experience, including 26 years in senior level roles with Levi Strauss & Co.



Frédéric Deslypere
Chief Financial Officer

1962, Belgium

Formerly CFO at insulation division of Knauf Group, driving operational excellence in finance globally, and 20 years in senior roles at Etex.



Ian Sedgman
Chief Strategy & Business Development Officer

1977, Australia

Experienced leader in mining, processing and infrastructure. Senior roles with Glencore, BHP Billiton, Yancoal Australia and Gladstone Ports.

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A consistent purpose and focused vision underpinned by universal values and translated into specific targets

PURPOSE

Material solutions advancing life

VISION

WE AIM TO BECOME

- THE GLOBAL LEADER IN THE MINING, PROCESSING & SELLING OF SILICA SAND
- A REGIONAL LEADER IN CLAYS, FELDSPATHICS, OLIVINE AND GLASS RECYCLING

SUSTAINABILITY, INCLUDING A RELENTLESS FOCUS ON SAFETY & CO₂ EMISSIONS REDUCTION, IS A FUNDAMENTAL PART OF OUR VISION

VALUES



INTEGRITY



RESPECT



OWNERSHIP



EXCELLENCE



TEAMWORK

2023 TARGETS

Our vision sets out specific targets:



REDUCE RECORDABLE INCIDENT RATE (RIR) TO 2.5



IMPROVE FREE OPERATING CASH FLOW (FOCF) TO EUR 120M PER YEAR



IMPROVE RETURN ON CAPITAL EMPLOYED (ROCE) TO 11%



REDUCE CO₂ EMISSIONS
Reduce emissions intensity by 5% a year between 2021 and 2030

Outlook for 2022



- Sibelco saw signs of a slowdown in the demand for its products in Q2
- We expect this trend to intensify in H2 of 2022 given the extremely challenging economic environment
- Considering our strong H1 results and momentum going into H2, we anticipate an increase in full year 2022 EBITDA compared to 2021



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Income Statement of Profit or Loss *



	H1 2021	H1 2022
<i>In EUR thousands</i>		
Revenue	819.226	972.787
Cost of sales	(572.202)	(673.828)
Gross Margin	247.024	298.960
Other operating income	5.734	7.012
SG&A expenses	(100.129)	(122.128)
Other operating expenses	(9.744)	(6.469)
Depreciation, amortization and depletion	(63.464)	(64.059)
EBIT	79.422	113.315
Financial income	1.771	7.061
Financial expenses	(7.284)	(10.866)
Share of profit of equity-accounted investees (net of tax)	2.931	2.670
Profit (loss) before income taxes	76.840	112.180
Income taxes	(21.725)	(25.932)
Profit (loss) for the period	55.115	86.248
Attributable to:		
Owners of the Company	54.706	86.457
Non-controlling interests	409	(209)

* Simplified and Unaudited Consolidated Income Statement of Profit or Loss

Statement of Financial Position *



<i>In EUR thousands</i>	31 Dec 2021	30 Jun 2022
Assets	2.047.719	2.527.275
Non-current assets	1.171.575	1.327.105
Current assets	876.144	1.200.169
Equity and liabilities	2.047.719	2.527.275
Total equity	1.121.933	1.201.206
Equity attributable to equity holders	1.114.954	1.194.387
Share capital	25.000	25.000
Share premium	12	12
Retained earnings and reserves	1.089.942	1.169.375
Non-controlling interests	6.979	6.819
Non-current liabilities	442.798	807.747
Current liabilities	482.988	518.322

* Simplified and Unaudited Consolidated Statement of Financial Position

Statement of Cash Flows *



<i>In EUR thousands</i>	H1 2021	H1 2022
EBIT	79.422	113.315
Non-recurring result	4.614	2.198
Depreciation, amortisation and depletion	63.464	64.059
EBITDA	147.499	179.572
Income taxes (paid)/received	(9.906)	(18.926)
Capex, including IFRS16 leases	(53.638)	(48.793)
Working capital changes	(47.587)	(89.792)
Use of provisions	(9.046)	(9.983)
Additional provisions	5.947	6.807
Cash contributions to defined benefit plans	(6.019)	(9.267)
Other non-cash items	(1.775)	(3.703)
Free operating cash flow	25.475	5.915
Interest (paid)/received	(3.756)	(2.797)
Proceeds from sale of PPE	1.273	1.890
Acquisitions of land and reserves	(7.167)	(4.896)
Acquisitions of subsidiaries/non-controlling interests	(8.691)	(114.643)
Disposal of subsidiaries/associates	(86)	10.005
Dividends received	1.154	1.179
Dividends paid	(46.537)	(51.882)
Other items	(497)	(1.010)
Net debt decrease (increase)	(38.831)	(156.239)
Opening net financial position	168.151	146.833
Change in net financial debt	(38.831)	(156.239)
Leases	2.925	1.305
Scope changes	0	(15.026)
Exchange rate fluctuations and other	2.401	27.583
Closing net financial position at 30 June	134.646	4.457

* Simplified and Unaudited Consolidated Statement of Cash Flows



Thank you

