

**2024 RESULTS**

## Sibelco delivers another strong performance with a fourth consecutive year of solid growth

*Revenue rose by 6% and EBITDA by 14% against 2023*

Sibelco today announced strong financial results for 2024, despite depressed conditions across many of the company's European markets, coupled with significant challenges for its US high purity quartz business resulting from a strong downturn in the photovoltaic energy market that started in mid-2024 and the impact of Hurricane Helene in Q4. This solid result was once again underpinned by the successful implementation of the company's Sibelco 2025 strategy, which has seen EBITDA grow at a compound annual rate of over 23% from 2020 to 2024.

€ million	Sibelco			Var '24 vs '23
	2022	2023	2024	
Revenue	2,009	2,104	2,225	+6%
EBITDA	339	414	471	+14%
FOCF	161	441	125	-71%
Adjusted FOCF*	87	169	239	+41%
ROCE	7.4%	11.6%	11.8%	+2%
Adjusted ROCE**	9.6%	12.5%	15.1%	+21%

\* Adjusted Free operating cash flow (FOCF): excludes the impact of customer prepayments

\*\* Adjusted ROCE: Recurring EBIT/ Avg Capital Employed

## Highlights

- Revenue up 5.7% against the previous year to € 2,225 million;
- 13.8% increase in EBITDA to € 471 million. EBITDA has grown at a CAGR of over 23% from 2020 to 2024;
- In February Sibelco bought back 88,989 of the 102,809 shares tendered in a conditional voluntary public offer. The buyback represents 18.93% of the outstanding shares in Sibelco;
- The company continued to make good progress towards its carbon reduction targets, cutting Scope 1 and 2 CO<sub>2</sub> emissions intensity for a third consecutive year, achieving in 2024 a 36% reduction against our 2021 baseline;
- In June, Sibelco took a global leadership position in glass recycling with the acquisition of North America's largest glass recycler - Strategic Materials Inc. (SMI); and
- The Board of Directors will propose a dividend of € 146 per share for the full year of 2024, for approval by shareholders at the Annual Shareholders' Meeting in April 2025

## Commenting on the results, Sibelco CEO Hilmar Rode said:

“Sibelco delivered a very strong performance in 2024 with a fourth consecutive year of solid revenue and EBITDA growth despite the challenging business environment. This result demonstrates Sibelco’s growing strength and agility as we move into the final stage of our Sibelco 2025 strategy and prepare for the next exciting phase of our vision to become the world’s leading industrial minerals company. We faced stiff challenges throughout the year, mainly in the form of depressed conditions across many of our European markets, and the impact on our US high purity quartz operation resulting from a downturn in the PV solar market and disruption caused by Hurricane Helene. Our acquisition of Strategic Materials Inc. positions Sibelco as a global leader in glass recycling and demonstrates our commitment to the circular economy as a key pillar of our Environmental, Social and Governance framework.”

KEY FIGURES (€ Million)	2023	2024	Change
<b>Consolidated results</b>			
Revenue	2,104	2,225	+6%
EBITDA	414	471	+14%
EBITDA % of Revenue	19.7%	21.2%	+7%
Recurring EBIT	263	321	+22%
EBIT	245	251	+2%
Net Result (share of the Group)	155	131	-15%
Net Result	158	134	-15%
<b>Cash flows</b>			
Free operating cash flow	441	125	-72%
Adjusted Free operating cash flow*	169	239	+41%
Acquisitions / disposals and land & reserves	13	(484)	-3776%
<b>Funding</b>			
Net cash/(debt)	381	(643)	-269%
Shareholder's equity**	1,303	775	-40%
<b>Data / share</b>			
Earnings per share	357.2	379.5	+6%
Dividend (gross)	146	146	+0%
Total shares	470,170	470,170	+0%
Own shares	35,314	124,303	+252%
<b>Return on Capital Employed</b>			
Average Capital Employed	2,102	2,121	+1%
Adjusted ROCE (Recurring EBIT/ Avg Capital Employed)	12.5%	15.1%	21%
ROCE (EBIT / Avg Capital Employed)	11.6%	11.8%	2%

\* Adjusted Free operating cash flow (FOCF): excludes the impact of customer prepayments

\*\* The decrease in equity is a technical result of the share buyback

**FINANCIAL RESULTS****Group Results**

Revenue increased by 5.7% against last year to € 2,225 million. Difficult economic conditions in Europe persisted with an on-going slowdown in our construction related markets. The volume reduction compared to last year, however, is largely linked to the divestment of our Russian activities. This was offset by price increases and product mix improvements, partially in Europe but mainly in the US, which enabled us to increase EBITDA by 14% to € 471 million, and EBITDA margin to 21.2% compared to 19.7% in 2023. Sibelco's operations recorded a non-recurring charge of € 70 million at EBIT level. Several exceptional activities were included in the figure, including, amongst others, a provision related to personnel optimisation (€ 27 million) that will continue in 2025, plus expenses related to the acquisition of Strategic Materials Inc. (SMI) in North America in June. We also recorded an impairment in our glass recycling activity in one of our EMEA locations and took the final impairment in Act&Sorb in Belgium when deciding to cease this development.

Return on capital employed (ROCE) was 11.8% including the € 70 million non-recurring EBIT charge. This compares to 11.6% in 2023 when non-recurring expenses were € 18 million.

Excluding the non-recurring effect, ROCE would have been 15.1%. Sibelco's net debt at year-end was € 643 million, compared to € 381 million net cash position at the end of 2023.

**Cost and Price Management**

We implemented limited price increases in 2024 amidst increasingly competitive market conditions. The increases were primarily to address cost inflation, in line with market evolution. SG&A (excluding depreciation, amortisation and impairments) reduced slightly from € 295 million in 2023 to € 290 million in 2024, despite the addition in June of the SMI business, mainly related to the implementation of automations and a range of actions to improve efficiency across the organisation.

**Capital Expenditures & Acquisitions**

Total capital expenditure including IFRS16 leases was € 234 million in 2024 compared to € 165 million last year. Most growth investments related to the expansion of our high purity quartz operation in the US.

In June we completed the acquisition of SMI, a glass recycling business headquartered in Houston, with activities in the US, Canada and Mexico.

**Cash Flow and Funding**

Sibelco generated positive free operating cash flows (FOCF) during the year, thanks to strong EBITDA and a positive evolution in working capital, supported by large prepayments in the US in Q4. Total free operating cash flow reached € 125 million for the Group, compared to € 441 million in 2023. Adjusted for the effects of prepayments from HPQ clients in 2024 and the use this year of prepayments received in prior years, free operating cash flow would have been € 239 million (2023 FOCF adjusted for prepayments was € 169 million).

There were large investment cash outflows, including a share buyback completed in February (€ 610 million) and the acquisition of SMI. Taking into consideration the cash impact from acquisitions, investments in land and reserves and interest payments, € 56 million in dividend payments, and foreign exchange impacts and scope changes, we saw a net cash decrease of € 1,052 million, compared to a net cash increase of € 376 million last year.

The net debt position at year-end was € 643 million compared to a net cash position of € 381 million last year.

**Dividend**

The Board of Directors will propose a dividend of € 146 per share for the full year of 2024, for approval by shareholders at the Annual Shareholders' Meeting in April 2025. This represents a status quo compared to 2023 and reflects the Board's confidence in the cash flow generating potential for Sibelco going forward.

## MARKET REVIEW

## Construction

High interest rates and rising building costs suppressed activity across most of Sibelco's construction markets. Despite these conditions, we achieved an upturn in sales of materials to the **sanitaryware** and **tile** sectors in the second half of the year. Ball clays from our Ukrainian operations remained largely absent from the tile market for a third consecutive year as a result of the ongoing conflict with Russia. Sales to the **engineered stone** market in the APAC region were exceptionally strong, with increased supplies to several manufacturers in Southeast Asia.

Whilst flat market conditions hit sales of lower value materials (**brick**, **cement**, and **concrete**), sales of higher-end optimised materials were up against last year. This included specialist **mortars** for wind turbines, with encouraging growth in the use of olivine for **carbon sequestration** as we continued to explore opportunities to leverage this highly versatile mineral's unique ability to capture and remove largescale quantities of CO<sub>2</sub> from the atmosphere safely and permanently. We also increased sales of materials to the **biomass energy** sector.

Despite challenging overall conditions in construction, we managed to consolidate and strengthen Sibelco's position in the market, and our strategy leaves us well-placed to capitalise on future recovery in the sector.

## Glass & Electronics

Demand for high purity quartz from our Spruce Pine (US) operation was adversely impacted by a notable downturn in the global **solar PV** market that started in mid-2024, driven by market saturation, grid infrastructure limitations, higher financing costs, trade disputes, and policy uncertainties. Sales to the **semiconductor** industry held up well, fuelled by the rapid expansion of AI, 5G, cloud computing, electric vehicles and consumer electronics. Our project to double installed capacity at Spruce Pine advanced well with minor delay following the disruption caused by Hurricane Helene.

Despite challenging conditions in Europe's construction sector, we delivered a steady performance in **flat glass**, driven by several new customer acquisitions and increased market share in regions where the quality of our products outperformed materials imported from North Africa. Conditions in the **container glass** sector remained tough, as the destocking that began in 2023 continued. This is largely a result of weaker post-pandemic consumer demand, and a growing trend towards aluminium cans and cartons in

the beverage sector. Overall, the container and packaging glass market in 2024 was marked by strategic cost-cutting, plant closures, a focus on sustainability and efficiency to navigate these challenging market conditions.

Sales to the **display glass** sector were up against last year, although conditions in the market were not as buoyant as forecast, as consumer spending on electronic goods in some segments remained subdued. We delivered a solid performance in the **printed circuit board** market, driven by strong demand for our premium product range, despite a generally weak market.

## Industrial & Consumer

We increased sales of aluminium trihydrate (ATH) in **flame retardants** as growth in the sector continued. Our revenues from ATH were approximately double pre-covid levels, making Sibelco the clear market leader in non-precipitated grades, with an exciting range of new projects in the pipeline.

Demand for construction-related **polymer** products (such as pipes and membranes) were impacted by a slowdown in building activity, which also affected demand for Sibelco materials in Europe's **coatings** market. Sales to the coatings sector in South America, however, performed well, and also in Asia where we enhanced market coverage through an improved distribution network.

Adverse weather conditions across Northern Europe saw a slower than anticipated start to the year in the **sports & leisure** sector. However, sales held up well in most countries. We maintained a strong position in the South American **oral care** market.

## Recycling

Glass manufacturers' demand for **recycled glass** continues to grow, and Sibelco's acquisition of Strategic Materials Inc (SMI) in June positions us as a key global player in this sector, expanding from our leading position in Europe.

SMI is North America's largest glass recycler, with 42 sites across the continent processing more than 2 million tonnes of recycled glass per year. This capacity adds to the 3 million tonnes of recycled glass Sibelco processes annually at 24 plants in Belgium, Estonia, France, Italy, Poland, and the UK. Our team worked hard over the second half of the year to successfully integrate SMI (now known as Sibelco Glass Recycling North America) within our operating model.

This year we continued to focus on enhancing the

performance of our recycling assets through a range of operational and commercial excellence initiatives, whilst valorising glass recycling waste streams more effectively to optimise cost and yield.

## Metallurgy

Conditions in the **steelmaking** industry remained extremely challenging, leading to a drop in sales of olivine. Competition as a result of overcapacity in the global steel market continued throughout the year, with US and European steel producers struggling to compete with cheaper imports from China.

Olivine sales were also impacted by the steel industry's shift away from traditional blast furnaces, which utilise olivine for smelting, towards greener manufacturing processes that may not require olivine. This trend was illustrated in September with the closure of the last blast furnace at Port Talbot in Wales, one of Europe's largest steelmaking plants, in preparation for a new electric arc furnace.

Sales to the **foundry** market remained steady across all regions, with a particularly strong performance in South America thanks to a series of new customer wins. Sales to the **refractory** sector were in line with forecasts.

## SUSTAINABILITY

We made positive progress towards our 2030 environmental, social and governance targets throughout the year, working within our enhanced global Sustainability Framework launched in 2022.

Built around our purpose - *material solutions advancing life* - our sustainability strategy contributes to eleven of the seventeen United Nations Sustainable Development Goals.

We recently published our latest Climate Report, outlining our approach to energy usage and GHG emissions reduction. The report sets out targets which were validated by the Science Based Targets initiative (SBTi) in November 2022.

We report on progress against our 2030 sustainability goals each year within our Annual Report.

## Carbon Reduction

Sibelco has committed to reduce CO<sub>2</sub> intensity for scope 1 & 2 by 5% p.a. (kg CO<sub>2</sub>/€ ex-works revenue), equivalent to an absolute reduction of 22.5% from 2021

to 2030\*. In 2022 we committed to a scope 3 science-based engagement target covering 69% of customer and transportation suppliers by 2026. Our near-term targets (2030) for scope 1, 2 and 3 have been validated by the Science Based Targets initiative (SBTi).

Between 2021 and 2024 we reduced scope 1 & 2 CO<sub>2</sub> intensity by 36% and absolute emissions by 21%\*\*.

\* assuming 2.5 p.a. growth

\*\* Whilst our progress has been driven by successful completion of multiple decarbonisation projects, our 2023 and 2024 achievements were also positively affected by changes to our product portfolio and production volumes, both of which have a non-recurring impact

## PEOPLE

We continued to support our Ukrainian colleagues via the Sibelco Ukraine Relief Fund, set up in 2022 to assist employees and their families impacted by the ongoing conflict. Donations from colleagues worldwide were once again matched by Sibelco, enabling us to provide a winter support package for all local employees, as well as inviting applications for further financial assistance from those facing hardships.

In response to the catastrophic damage endured by the town of Spruce Pine at the hands of Hurricane Helene, we provided local Sibelco employees with a special tax-free disaster relief payment of \$2,500. And in October, we launched the Sibelco Spruce Pine Foundation with an immediate \$1 million donation to support the local community.

## OUTLOOK

We expect conditions in our markets, particularly in Europe, to remain challenging in 2025, compounded by global geopolitical tensions and the threat of increased protectionism. We have also not yet seen a turnaround in the PV market and expect conditions to remain tough during 2025. Despite the anticipated market challenges we have budgeted for an increase in EBITDA in 2025 compared to 2024.

### Disclaimer

*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.*



## Simplified Consolidated statement of profit or loss

IN THOUSANDS OF EUROS	<b>2024</b>	<b>2023</b>
<b>Revenue</b>	<b>2,224,757</b>	<b>2,104,244</b>
<b>Cost of sales (-)</b>	<b>(1,471,249)</b>	<b>(1,412,671)</b>
<b>Gross Margin</b>	<b>753,508</b>	<b>691,573</b>
Other operating income	29,410	44,726
SG&A expenses (-)	(290,471)	(294,693)
Other operating expenses (-)	(91,576)	(45,766)
<b>Depreciation, amortization and depletion</b>	<b>(150,197)</b>	<b>(151,245)</b>
<b>EBIT</b>	<b>250,674</b>	<b>244,594</b>
Financial income	32,488	45,294
Financial expenses (-)	(74,761)	(75,563)
Share of profit of equity-accounted investees (net of tax)	5,230	6,347
<b>Profit (loss) before income taxes</b>	<b>213,631</b>	<b>220,672</b>
Income taxes	(79,600)	(62,756)
<b>Profit (loss) for the period</b>	<b>134,031</b>	<b>157,916</b>
Attributable to:		
Owners of the Company	131,268	155,311
Non-controlling interests	2,763	2,605

## Simplified consolidated statement of financial position

IN THOUSANDS OF EURO	2024	2023
<b>Assets</b>	<b>3,066,438</b>	<b>3,070,112</b>
Non-current assets	1,952,001	<b>1,482,972</b>
Current assets	1,110,335	1,586,484
Assets classified as held for sale	4,102	657
<b>Equity and liabilities</b>	<b>3,066,438</b>	<b>3,070,112</b>
Total equity	814,952	1,340,849
Equity attributable to equity holders	775,287	1,302,768
Share capital	25,000	25,000
Share premium	12	12
Retained earnings and reserves	750,275	1,277,756
Non-current liabilities	1,359,533	956,201
Current liabilities	891,622	773,041
Liabilities classified as held for sale	330	21

## Simplified and unaudited consolidated statement of cash flows

IN THOUSANDS OF EUROS	2024	2023
<b>EBIT</b>	<b>250,672</b>	<b>244,594</b>
Non-recurring result	70,143	18,495
Depreciation and amortization	149,748	151,400
<b>EBITDA</b>	<b>470,563</b>	<b>414,491</b>
Income taxes (paid)/received	(109,744)	(72,981)
Capex, including IFRS16 leases	(233,597)	(165,182)
Working capital changes	33,328	255,367
Use or provisions/contributions to pensions plan	(39,013)	(33,898)
Additional provisions	24,371	(39,832)
Other non-cash items	(20,491)	3,246
<b>Free operating cash flow</b>	<b>125,416</b>	<b>440,875</b>
Interest (paid)/received	(24,553)	(5,327)
Proceeds from sale of PPE	12,001	4,807
Acquisitions of land and reserves	(66,891)	(22,902)
(Acquisitions)/disposal of subsidiaries	(429,132)	31,262
Dividends received	2,746	2,278
Dividends paid to shareholders	(56,462)	(53,608)
Acquisitions own shares	(609,575)	
Other items	(5,959)	(21,101)
<b>Net debt decrease (increase)</b>	<b>(1,052,408)</b>	<b>376,285</b>
<b>Opening net financial positions</b>	<b>380,995</b>	<b>45,840</b>
Change in net financial debt	(1,052,408)	376,285
Leases	3,351	826
Scope changes	-	(15,063)
Exchange rate fluctuations and others	25,254	(26,892)
<b>Closing net financial positions</b>	<b>(642,808)</b>	<b>380,995</b>

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