



2023 H1 RESULTS

Shareholder Webcast

29 August 2023

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.



Today's Presenters



Hilmar Rode
Chief Executive Officer



Frédéric Deslypere
Chief Financial Officer

Agenda



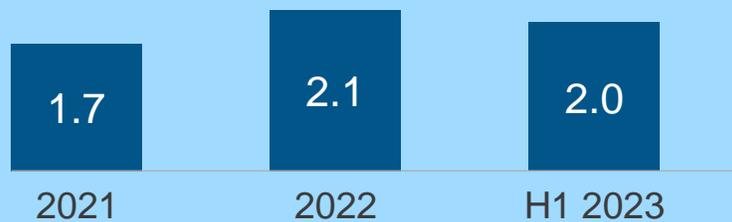
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Safety Performance 2023 H1



- RIR 2.0
- 12 Reportable incidents

Reportable Incident Rate (RIR) # per million hours



RIR is calculated in line with the International Council on Mining & Metals (ICMM) definition, the standard which Sibelco adopted in 2020 to enable direct comparison with industry peers.

2023 H1 in Summary (unaudited)



- A strong set of half year results, despite increasingly challenging conditions across most of our markets

(€ million)	H1 2021	H1 2022	H1 2023	Var '23 vs '22
Revenue	819	973	1056	8.6%
EBITDA	147	180	219	21.9%
FOCF	25	6	23	290.0%
ROCE	8.8%	8.8%	9.2%	4.3%

- Revenue up 9% to € 1,056 million
- EBITDA increased by 22% for a second consecutive year, from € 180 million to € 219 million
- FOCF was € 23 million, up on H1 2022
- US\$ 200 million investment kicked off in Spruce Pine (USA) to double the installed capacity in response to the semi-conductor and solar photovoltaic markets demand
- Sibelco created a vertically integrated lithium feldspar strategic partnership in Ontario (Canada) with Avalon Advanced Materials involving an expected investment over time of C\$ 63 million

Markets



Construction

Glass & Electronics

Metallurgy

Industrial & Consumer

Recycling

- Fall in exports of UK ball clays to global **sanitaryware** market
- Slowdown in **ceramic tile** sector across many countries
- Substantial downturn in sales to **engineered stone**

- Steady performance in **float** and **container** glass
- Slight dip in demand for HPQ in **semiconductor** sector but strong growth in **solar PV**
- Challenging conditions in **PCB**, **display glass** and **fibreglass**

- Slowdown in **steel** making in India significantly impacted sales of olivine
- Tough conditions in **foundry** and **refractory** markets

- Downturn in sales to **coatings** as construction slowed across much of Europe
- Sales dropped slightly in South America's **oral care** market

- Strong performance in **glass recycling** with continued high demand for cullet
- Sourcing of waste input glass remains a key challenge in many countries

Ukraine & Russia



Ukraine

- All Sibelco employees are safe. Morale is strong and people are resilient in challenging circumstances
- Most our sites are in the Donbas region, which is under heavy military activity
- Limited mining and quarry activity is ongoing. Transportation remains a key challenge

Russia

- Our business in Russia continued to operate as a stand-alone business supported by an advisory committee
- Since the start of the war, any funding to and from Russia has been stopped. Sibelco operates in full compliance with Western sanctions against Russia
- Impairment test on the Russian assets to be performed at year-end



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Financial Summary (unaudited)



(€ thousands)	H1 2022	H1 2023	Change %
Revenue	972,787	1,056,194	+8.6%
% of Revenue	100.0%	100.0%	
Gross Margin	298,960	357,988	+19.7%
% Gross Margin	30.7%	33.9%	
SG&A	122,128	147,203	+20.5%
% SGA	12.6%	13.9%	
EBITDA	179,572	218,837	+21.9%
% EBITDA	18.5%	20.7%	
Depreciation	64,059	62,586	-2.3%
% Depreciation	6.6%	5.9%	
EBIT	113,315	148,684	+31.2%
% EBIT	11.6%	14.1%	
FOCF	5,915	23,069	+290.0%
ROCE	8.8%	9.2%	

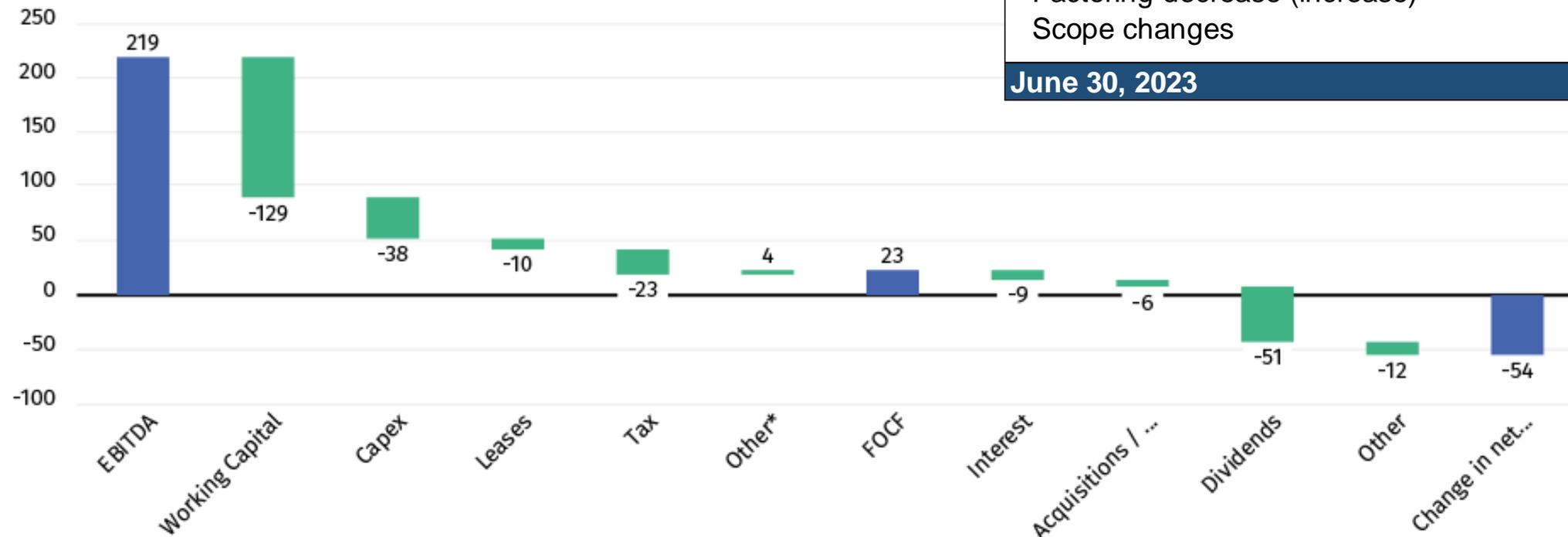
- Sibelco generated revenue of € 1,056 million, an increase of 9% against the same period in 2022
- A single digit percentage volume decline was offset by price increases and a mix improvement due to growth in high purity quartz (HPQ) at Spruce Pine
- EBITDA increased by 22% to € 219 million, benefitting from a strong increase at Spruce Pine. Profitability in Europe also increased despite the lacklustre market, helped by a solid performance in glass recycling
- Return on capital employed (ROCE) for the Group increased to 9.2%
- Free operating cash flow (FOCF) was € 23 million, up on last year

Cash Flow & Net Financial Position Sibelco Group



December 31, 2022	45.8
Net cash increase (decrease)	(53.8)
Leasing	0.3
FX impact and other	(11.3)
Factoring decrease (increase)	
Scope changes	0.1
June 30, 2023	(18.8)

€ million

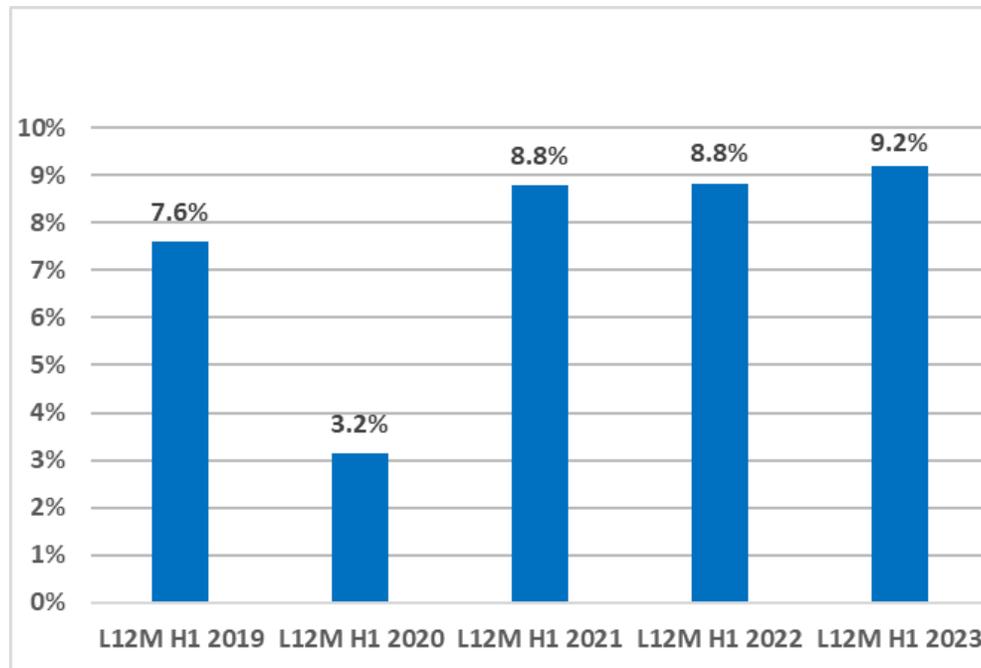


ROCE & Average Capital Employed

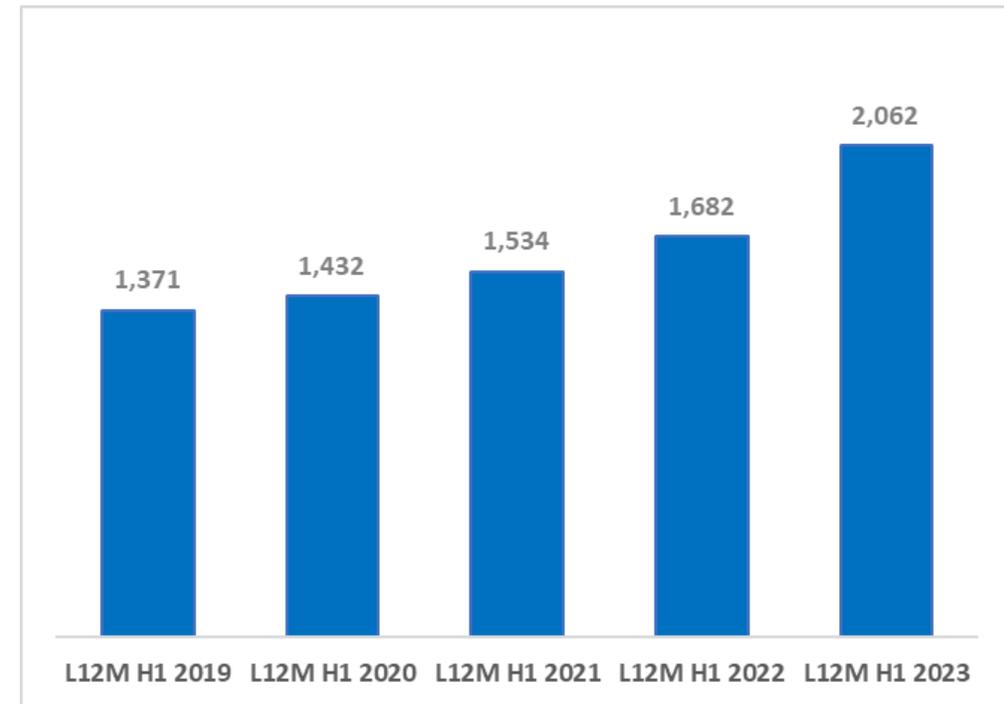


ROCE

- Return on capital employed (ROCE) was 9.2%, following the positive results of the Group



Average Capital Employed (€ million)



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Growth Investments 2023: Spruce Pine



US\$ 200 million strategic investment to double HPQ installed capacity at Spruce Pine, North Carolina

- Demand for Sibelco IOTA[®] high-purity quartz (HPQ) dipped slightly in the semi-conductor market, but growth remained strong in solar PV with China predicted to increase solar capacity by as much as 30% in 2023
- We increased production of HPQ by over 30% from 2019 to 2022 by incrementally expanding its installed capacity through process efficiencies
- To meet anticipated further market growth, Sibelco will invest US\$ 200 million in asset integrity, energy efficiency and capacity expansion between 2023 – 2025 to double installed capacity from the 2022 base
- This investment will ensure Spruce Pine remains the world's leading source of HPQ
- A key milestone has already been reached with the installation of a new drum filter (see picture)
- The funds needed for the expansion will be met from internal cash resources and pre-payments received from customers



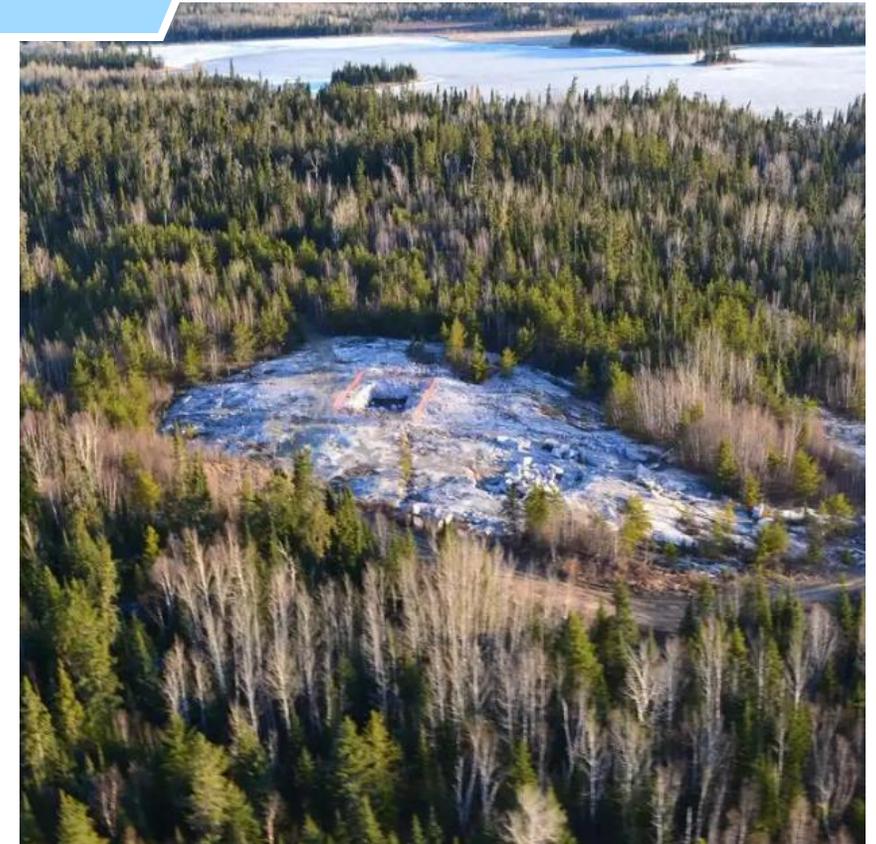
Growth Investments 2023: Avalon



C\$ 63 million strategic partnership with Avalon Advanced Materials to create a vertically integrated lithium feldspar JV in Ontario, Canada



- The JV will focus both on the clean energy growth agenda and the technical glass and ceramics markets
- The transaction will result in an investment of C\$ 63 million over time. Sibelco owns 19.9% of the issued and outstanding common shares and will own a 60% share in the joint venture that is being set up
- This deal will accelerate Avalon's core business objective to build a midstream lithium refining facility in Ontario, positioning the province as an integral part of a North American supply chain for EV Batteries



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.



Karine 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 Commercial Americas

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
EVP Ops Europe & APAC
Chief Industrial Officer

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 & APAC
Chief Commercial Officer

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.



Achille Njike
EVP Operations Americas

1978, Canada

Over 20 years' experience in minerals, metals and materials and with broad international experience working in multiple countries and environments.

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Sibelco 2025 Strategy



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

PURPOSE

Material solutions advancing life

VISION

We will 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 **€120m per year**



Improve return on capital employed (ROCE) to **11%**



Reduce CO₂ emissions intensity by **5% per year** between 2021 and 2030



- Sibelco experienced a single digit percentage volume decline in H1 2023 compared to H1 2022. We expect this trend to intensify in H2 given the challenging economic environment
- The semi-conductor and solar panel markets did not follow the above trend, driving the growth of Sibelco's North American business
- We expect these trends to continue
- Given our strong H1 results and momentum going into H2, we anticipate an increase in EBITDA in 2023 compared to 2022 despite worsening market conditions



Questions & Answers

29 August 2023





Thank you



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Statement of Profit or Loss



Simplified and Unaudited Consolidated Statement of Profit or Loss

IN THOUSANDS OF €	H1 2022	H1 2023
Revenue	972,787	1,056,194
Cost of sales (-)	(673,828)	(698,206)
Gross profit	298,960	357,988
Other operating income	7,012	9,799
SG&A expenses (-)	(122,128)	(147,203)
Other operating expenses (-)	(6,469)	(9,314)
Depreciation, amortization and depletion	(64,059)	(62,586)
EBIT	113,315	148,684
Financial income	7,061	7,946
Financial expenses (-)	(10,866)	(17,740)
Share of profit of equity-accounted investees (net of tax)	2,670	3,585
Profit (loss) before income taxes	112,180	142,475
Income taxes	(25,932)	(35,051)
Profit (loss) for the period	86,248	107,424
Attributable to:		
Owners of the Company	86,457	105,618
Non-controlling interests	(209)	1,806
	86,248	107,424

Statement of Financial Position



Simplified and Unaudited Consolidated Statement of Financial Position

IN THOUSANDS OF €	30 Jun 2022	30 Jun 2023
Assets	2,527,275	2,609,663
Non-current assets	1,327,105	1,391,329
Current assets	1,200,169	1,218,333
Equity and liabilities	2,527,275	2,609,663
Total equity	1,201,206	1,239,816
Equity attributable to equity holders	1,194,387	1,231,778
Share capital	25,000	25,000
Share premium	12	12
Retained earnings and reserves	1,169,375	1,206,766
Non-controlling interests	6,819	8,038
Non-current liabilities	807,747	804,224
Current liabilities	518,322	565,622

Statement of Cash Flows



Simplified and Unaudited Consolidated Statement of Cash Flows

IN THOUSANDS OF EURO	H1 2022	H1 2023
EBIT	113,315	148,684
Non-recurring result and management fees	2,198	7,567
Depreciation, amortisation and depletion	64,059	62,586
EBITDA	179,572	218,837
Income taxes (paid)/received	(18,926)	(22,601)
Capex, including IFRS16 leases	(48,793)	(48,042)
Working capital changes	(89,792)	(128,754)
Use of provisions	(9,983)	(13,372)
Additional provisions	6,807	25,882
Cash contributions to defined benefit plans	(9,267)	(7,422)
Other non-cash items	(3,703)	(1,459)
Free operating cash flow	5,915	23,069
Interest (paid)/received	(2,797)	(8,814)
Proceeds from sale of PPE	1,890	(1,069)
Acquisitions of land and reserves	(4,896)	(1,745)
Acquisitions of subsidiaries/non-controlling interests	(114,643)	(2,870)
Disposal of subsidiaries/associates	10,005	
Dividends received	1,179	2,222
Dividends paid	(51,882)	(52,931)
Other items	(1,010)	(11,636)
NET DEBT DECREASE (INCREASE)	(156,239)	(53,774)
Opening net financial position	146,833	45,840
Change in net financial debt	(156,239)	(53,774)
Leases	1,305	301
Scope changes	(15,026)	136
Exchange rate fluctuations and other	27,583	(11,299)
CLOSING NET FINANCIAL POSITION AT 30 JUNE	4,457	(18,796)