

2025 HALF YEAR RESULTS

Sibelco delivers 7% revenue growth despite challenges

Sibelco today reported H1 revenue growth (+7%) thanks to a strong performance by its European activities and the first contribution of Strategic Materials Inc. (US glass recycling), which was purchased in June 2024. These contributions could nevertheless only partially absorb the subdued performance of the High Purity Quartz (HPQ) business, which is still recovering from Hurricane Helene and was also impacted by the ongoing tariff negotiations between the US and China. The HPQ revenue and corresponding profitability shortfall, magnified by a weaker US dollar, affected EBITDA (-16%). The lower EBITDA and an increase in working capital impacted cash flow significantly.

(EUR Million)	H1 2023	H1 2024	H1 2025	Var '25 vc '24
Revenue	1,056	1,078	1,153	+7%
EBITDA	219	277	233	-16%
FOCF	23	(8)	(171)	n.m.
Adjusted FOCF*	62	97	(121)	-224%
ROCE	9.2%	14.4%	8.6%	-41%
Adjusted ROCE**	11.0%	15.9%	10.6%	-33%

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

** Adjusted ROCE: Recurring EBIT/Avg Capital Employed

Highlights

- Sibelco's health and safety performance was tragically overshadowed by a fatal incident at our Commerce, California (USA) glass recycling facility in March. We remain resolutely committed to the safety of all employees
- Revenue was EUR 1,153 million, up 7.0% against last year, as we delivered a strong performance in Europe, APAC and South America
- EBITDA fell 15.9% to EUR 233 million as sales of HPQ decreased, magnified by the unfavourable US dollar evolution
- FOCF underperformed due to the lower EBITDA and a deterioration in working capital
- First contribution from Strategic Materials Inc. (US glass recycling), which was purchased in June 2024
- In April we launched the Build 2030 strategy, which sets out a clear path for sustainable growth based on a more evenly balanced contribution of our three core businesses in industrial silica, HPQ and recycled glass

Commenting on the results, Sibelco CEO Hilmar Rode said:

“Despite complex global trade dynamics and constantly shifting tariff policies, Sibelco delivered revenue growth over the first half of 2025 thanks to positive performances in Europe and the first contribution of Strategic Materials Inc. EBITDA was lower due to the subdued performance of our high purity quartz business, which is still recovering from Hurricane Helene and was also impacted by a disruption in exports of high purity quartz from the US to China. The global tariff situation remains unsolved with most of the economic impact yet to come. Given this challenging context we are taking proactive steps to improve cash flow and reduce leverage.”

KEY FIGURES (€ Million)	H1 2024	H1 2025	Change
Consolidated results			
Revenue	1,078	1,153	+7.0%
EBITDA	277	233	-15.9%
Recurring EBIT	215	149	-30.7%
EBIT	198	147	-25.9%
Net Result (share of the Group)	146	78	-46.5%
Cash flows			
Free operating cash flow	(8)	(171)	n.m.
Adjusted Free operating Cash Flow*	85	(108)	-227.1%
Funding			
Net cash / (debt)	(688)	(857)	-24.7%
Shareholder's equity	795	733	-7.8%
Return on Capital Employed			
Recurring ROCE (Recurring EBIT/ Avg Capital Employed)	15.9%	10.6%	-33.1%
ROCE (EBIT / Avg Capital Employed)	14.4%	8.6%	-40.5%
Average Capital Employed	2,025	2,322	15%

FINANCIAL ITEMS

Group results

Revenues were up by 7.0% to EUR 1,153 million. This was driven by strong sales in Europe, APAC, and South America and the contribution of Strategic Materials Inc., acquired in June 24.

EBITDA fell by 15.9% to EUR 233 million, primarily as a result of the reduced sales of high purity quartz from Spruce Pine.

Cost and price management

Sibelco maintained stable pricing where market circumstances allowed for it. Variable and fixed production cost reduction remain a point of attention.

Capital expenditures and acquisitions

Total capital expenditure including IFRS16 leases was € 92 million in H1 2025 compared to € 110 million last year. The main investments are related to the completion of the high purity quartz expansion in the US operation and in bringing the Glass Recycling North America (GR NAM) business to the Sibelco safety and efficiency standards.

Cash flow and funding

Sibelco's free operating cash flow during the first half of the year was negative at EUR -171 million, underperforming compared to previous years. The partial unwinding of the high purity quartz prepayments, the one-off effect of an asset disposal closed in 2025 but paid in 2024, the cash impact of organisational optimisation and a deterioration of the trade working capital are the main explanations. Clear actions to improve working capital have been put in place.

BUSINESS REVIEW

Glass & Electronics

Sales of high purity quartz (HPQ) from our Spruce Pine (USA) operation to customers in Asia's **solar PV** and **semiconductor** sectors were impacted by the ongoing US-China tariff negotiations.

Import tariffs for HPQ exports to China disrupted HPQ sales to China during Q2. Whilst conditions have subsequently relaxed somewhat, the global tariff situation has not yet been solved. Market conditions in the PV industry remained very difficult.

Demand in Europe's **flat glass** market was broadly in line with forecast as the construction industry began to show promising signs of recovery. Sales in the UK were slightly higher than anticipated.

Sales to Europe's **container glass** industry were also aligned with expectations, as demand for glass packaging held steady across the food and beverage sectors. Most of our customers have completed the de-stocking phase of 2023 – 2024 and returned to steady, demand-aligned production levels.

Conditions in our **fiberglass** markets improved against last year, with sales in line with forecast.

Construction

Sales of ball clays from our Devon (UK) operations to the global **sanitaryware** industry performed well with an increase in demand from existing and new customers.

Sales of materials to the **tile** sector were strong, despite the continued absence of ball clays from our Ukrainian operations and the complete suspension of production at our Mertsalovo site towards the end of H1 as a result of the rising threats from the ongoing war.

With the European construction industry expected to show moderate growth this year, sales of materials for **concrete** and **cement** held steady. We also saw an upturn in demand in the **engineered stone** sector, fuelled largely by an increase in renovation projects.

Recycling

Our **glass recycling** business in Europe performed well, helped by ongoing operational improvements.

June marked the one-year anniversary of Sibelco's acquisition of Strategic Materials, Inc. and its subsequent integration as our Glass Recycling North America (GR NAM) business. The successful integration has expanded Sibelco's footprint in North America and confirmed the group as a key global player in glass recycling, now processing around 5 million tonnes of cullet across two continents. A comprehensive multi-year asset improvement plan for our US activities has been designed and is now being implemented.

Industrial & Consumer

Ongoing growth in the **flame retardants** sector drove strong sales of aluminium trihydrate (ATH), ensuring Sibelco maintained our position as the market leader in non-precipitated grades.

Improving conditions in the construction sector in Europe saw a steady performance in sales of materials for the **polymer** and **coatings** markets. The coatings market in South America saw a slow start as market consolidation continued to reduce demand.

Sales of materials in the **sports & leisure** sector performed well in most countries, whilst we maintained a strong position in South America's **oral care** market.

Metallurgy

Sales of olivine to the **steelmaking** industry were flat across Asia, Europe and North America. This was in line with a slight fall in global steelmaking against H1 2024, and the industry's ongoing switch from traditional blast furnaces, which utilise olivine for smelting, to alternative manufacturing processes.

Conditions in the **foundry** and **refractory** sectors were also challenging, leaving sales in line with forecast in Europe. Sales to the foundry industry in South America were hampered by low demand in the automotive sector, and by customers facing export restrictions as a result of US tariffs.

OUTLOOK

The global tariff situation has not yet been solved, with most of the economic impact yet to come. Sibelco therefore expects the challenging conditions of H1 2025 to continue. Within this context:

- Europe and the other non-HPQ activities of the group were largely unaffected by the evolving tariff situation and have performed well in the first half of the year. Provided economic activity continues at a reasonable level we anticipate this resilient performance to continue into the second half.
- Sibelco's HPQ business is still recovering from Hurricane Helene and is facing adverse market conditions in the PV industry. HPQ is also exposed to the still undetermined outcome of the ongoing tariff negotiations between the US and China. Hence the outlook for HPQ is more uncertain.

Simplified and Unaudited Consolidated Income Statement of Profit or Loss

IN THOUSANDS OF EUR	H1 2024	H1 2025
Revenue	1,077,603	1,152,660
Cost of sales	(667,764)	(775,200)
Gross Profit (-)	409,838	377,460
Other Operating Income	9,473	16,105
SG&A expenses (-)	(138,656)	(153,204)
Other Operating Expenses	(20,490)	(10,403)
Depreciation, amortization and depletion	(61,681)	(82,801)
EBIT	198,484	147,157
Financial income	7,058	1,688
Financial expenses (-)	(19,728)	(38,171)
Share of profit of equity-accounted investees	4,152	4,328
Profit (loss) before Income Taxes	189,966	115,003
Income taxes	(43,076)	(37,869)
Profit (loss) for the period	146,889	77,133
Attributable to:		
Share of the group in the net result	145,945	78,055
Non-controlling interests	945	(922)
	146,889	77,133

Simplified and Unaudited Consolidated Statement of Financial Position

IN THOUSANDS OF EUR	30 Jun 2024	30 Jun 2025
Assets	2,818,264	2,944,416
Non-current assets	1,901,803	1,952,075
Current assets	916,461	992,341
Equity and liabilities	2,818,264	2,944,416
Total equity	833,515	808,125
Shareholders' equity	795,408	732,984
Share capital	25,000	25,000
Share Premium	12	12
Retained earnings and reserves	770,396	707,972
Non-controlling interests	38,107	75,141
Non-current liabilities	1,238,701	1,497,500
Current liabilities	746,047	638,791

Simplified and Unaudited Consolidated Statement of Cash Flows

IN THOUSANDS OF EUR	H1 2024	H1 2025
EBIT	198,484	147,157
Non-recurring result and management fees	16,752	2,901
Depreciation, amortization and depletion	61,681	82,801
EBITDA	276,916	232,859
Income taxes (paid)/received	(56,374)	(44,321)
CAPEX, including IFRS 16 leases	(110,878)	(92,340)
Working capital changes	(105,671)	(263,257)
Use of provisions	(18,994)	(1,332)
Provisions and allowances recognised in IS (+)	16,501	12,045
Cash contributions to defined benefits plans	(4,019)	(1,492)
Other non-cash items	(5,211)	(13,497)
Free operating cash flow	(7,731)	(171,335)
Interest (paid) / received	(12,302)	(9,761)
Proceeds from sale of assets	496	1,184
Land & Reserves acquisitions	(21,899)	(20,717)
(Acquisition) / disposal of subsidiaries and JV's	(370,304)	30,425
Disposals of subsidiaries/non-controlling interests	74	0
Dividends received	2,661	(19)
Dividends paid to shareholders	(51,397)	(48,531)
Other	(11,189)	(2,069)
Free cash flow	(471,665)	(220,824)
Own shares	(609,575)	-
Net (increase) / decrease in net debt	(1,081,240)	(220,824)
Opening net financial position	380,995	(642,802)
Change in net financial debt	(1,081,240)	(220,824)
Leases	(3,839)	1,607
Exchange rate fluctuations and other	16,524	4,635
CLOSING NET FINANCIAL POSITION AS 30 JUNE	(687,560)	(857,384)

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