



FULL YEAR RESULTS 2019

Shareholder Webcast
16th March 2020





AGENDA

- Highlights 2019
- FY 2019 Financials
- Strategic Developments 2019
- Outlook 2020

Highlights 2019

Economic headwinds and a very challenging US energy market but resilience in industrial minerals and robust cashflows



STRATEGY

- Further progress towards **Vision 2020** goals:
 - market-focused business line structure
 - global systems and way of working
 - implementation of business optimisation programme at Covia
 - completion of portfolio refocusing with sale of Lime & Limestone and Magnesia plus non-core Covia assets
 - positive customer & employee surveys
- **Growth** initiatives intensified:
 - bolt-on acquisitions in recycling and clays
 - increased intensity of T&I



FINANCIAL

- Challenging market conditions especially for Energy at Covia
- Solid performance from Sibelco and Covia Industrial
- Impairments at Covia impact net result
- Robust operating cash flow generation and debt reduction
- Strong balance sheet at Sibelco
- Stable dividend proposed



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- **FY 2019 Financials**
- Strategic Developments 2019
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Sibelco Group: preliminary remarks about reporting & accounting

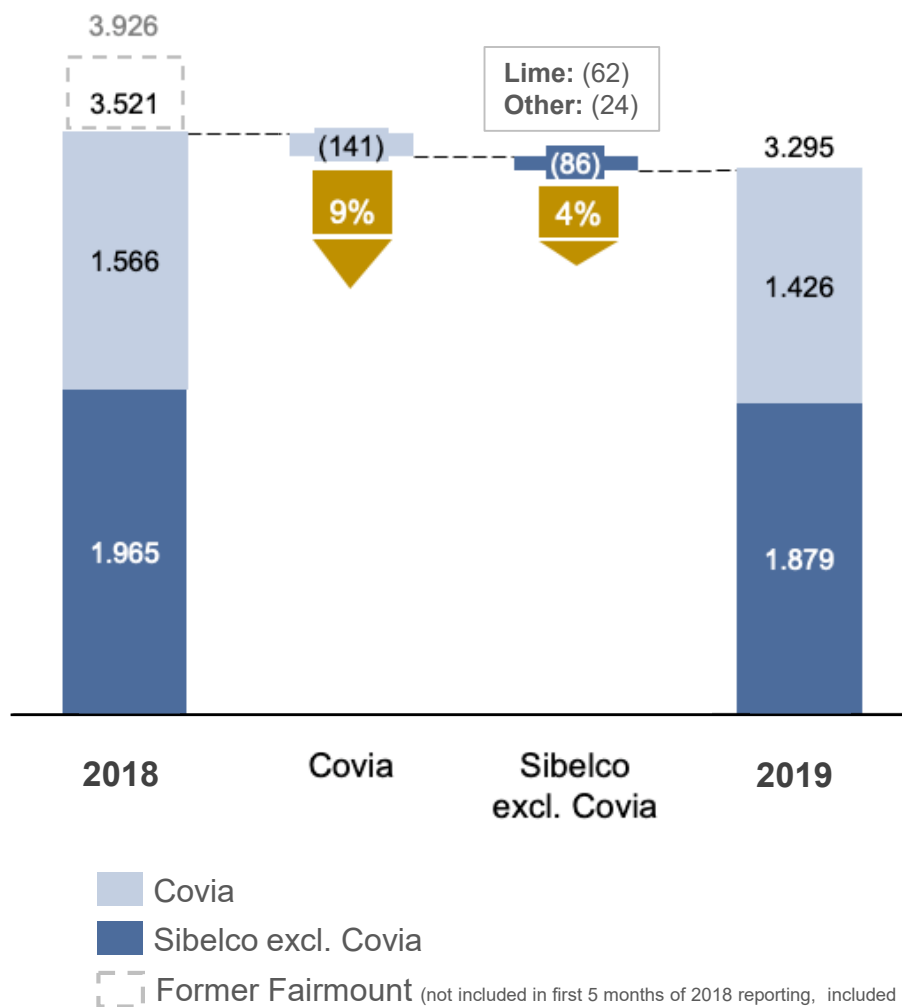
Comparability of reported figures impacted by:

- Covia transaction on 1st June 2018: therefore 2018 included only 7 months of merged activity, whereas 2019 includes 12 months of merged activity
- IFRS 16 (leasing) application
- sale of lime, Calera and W&W during 2019

Covia public earnings release according to **US GAAP**; Covia consolidated into Sibelco Group according to **IFRS**

2019 Revenue down 6%

Robust industrial activity – Covia pro-forma down due to frac sand market



- Covia revenues 9% lower reflecting both a drop in proppant demand and pricing
- Volumes and pricing in the Industrial segment proved resilient
- Sibelco (excl. Covia) revenues down 4%
- Drop in Sibelco revenue is mainly due to sale of Lime during the year

** revenues are sum of Sibelco & Covia but exclude some accounting eliminations*

2019 Market Evolution

4%



BUILD ENVIRONMENT

€792m

- Slowdown in Tile production
- Stable performance in Sanitaryware and Structural Ceramics

0%

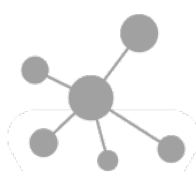


GLASS SOLUTIONS

€462m

- Container & Float glass broadly in line with 2018
- High Purity Glass down

1%



COATINGS, POLYMERS & CHEMICAL SOLUTIONS

€213m

- Strong growth in Polymers offset by marked slowdown in Chemicals
- Coatings revenues largely stable

4%



WATER & ENVIRONMENTAL SOLUTIONS

€112m

- Recycling sales up due to Macoglass acquisition
- Flatter sales in Filtration & Reactants

9%



COVIA

€1,426m

Energy:

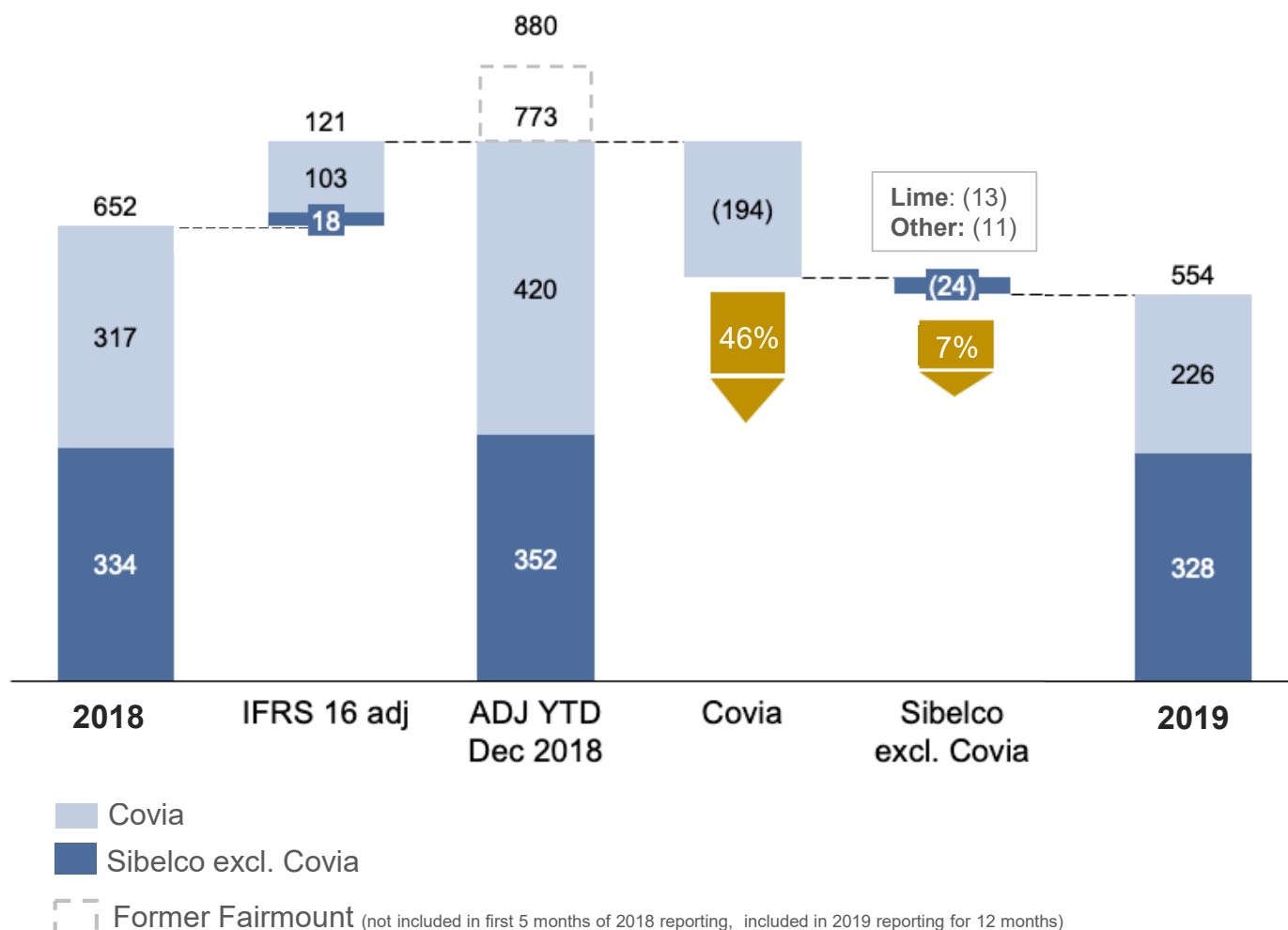
- lower demand and over-capacity resulting in pricing pressure
- continued shift away from Northern White Sands

Industrial:

- volumes held firm and prices improved

Reported 2019 Group EBITDA down 15% to EUR 554m

Primarily due to frac sand market



- reported EBITDA down 15%

Covia EBITDA down **29%** due to Energy segment. The Industrial segment produced a resilient performance

Sibelco excl. Covia EBITDA was down **2%*** reflecting the more challenging economic environment

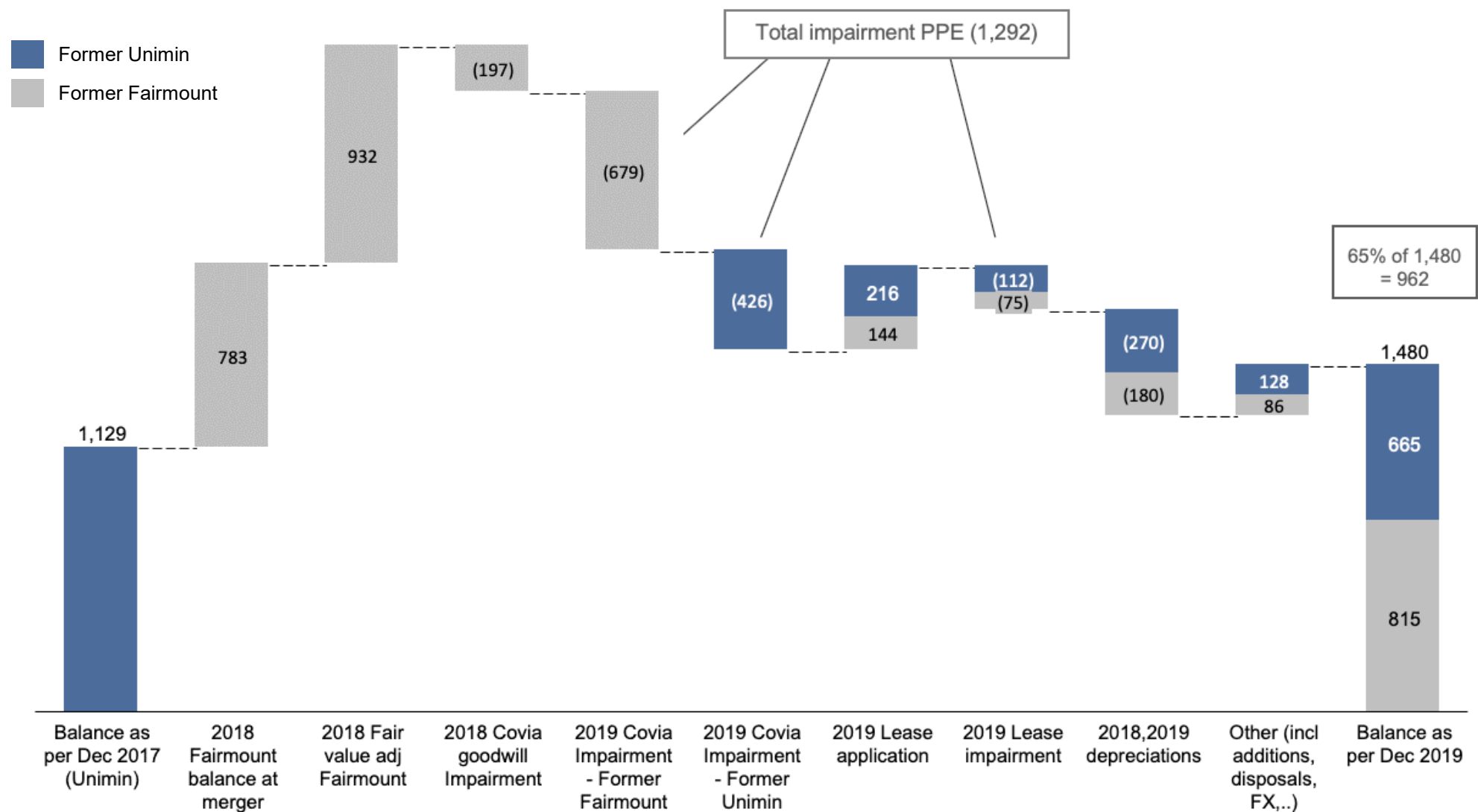
- Pro-forma EBITDA (adjusted for IFRS 16 in 2018) was down 46% and 7% for Covia and Sibelco excl. Covia respectively

Non-recurring Results: loss due to energy-related impairments at Covia

Non-recurring items by nature (KEUR)	YTD December	Covia	Sibelco (excl. Covia)
Impairment PPE, intangibles and RoU assets	(1.314.267)	(1.292.334)	(21.993)
Inventory write-offs	(11.570)	(3.589)	(7.980)
Transaction costs	(13.559)	(13.559)	
Restructuring costs	(31.893)	(19.383)	(12.510)
Other	(25.459)	(8.113)	(17.346)
Total non-recurring	(1.396.747)	(1.336.978)	(59.769)

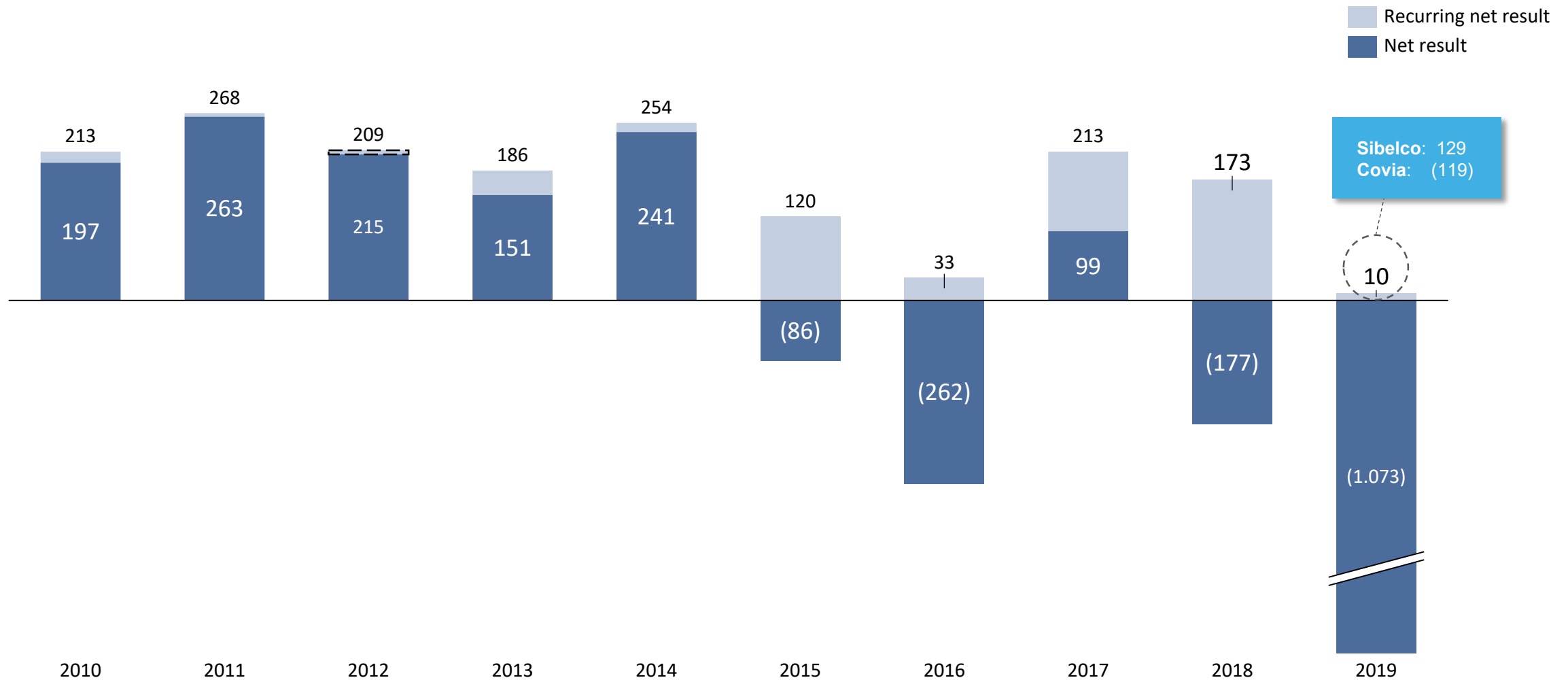
- The main driver behind the non-recurring loss is EUR 1,292m of impairments at Covia (see next slides)
- Non-recurring costs at Sibelco (EUR 60m) linked to restructuring costs, transaction costs and increases in provisions
- The bulk of the non-recurring result is non-cash in nature
- Net impact of non-recurring result EUR -1,111m (EUR -738 share of Group)

PPE Evolution due to impairments: 2018-2019 (EUR '000)

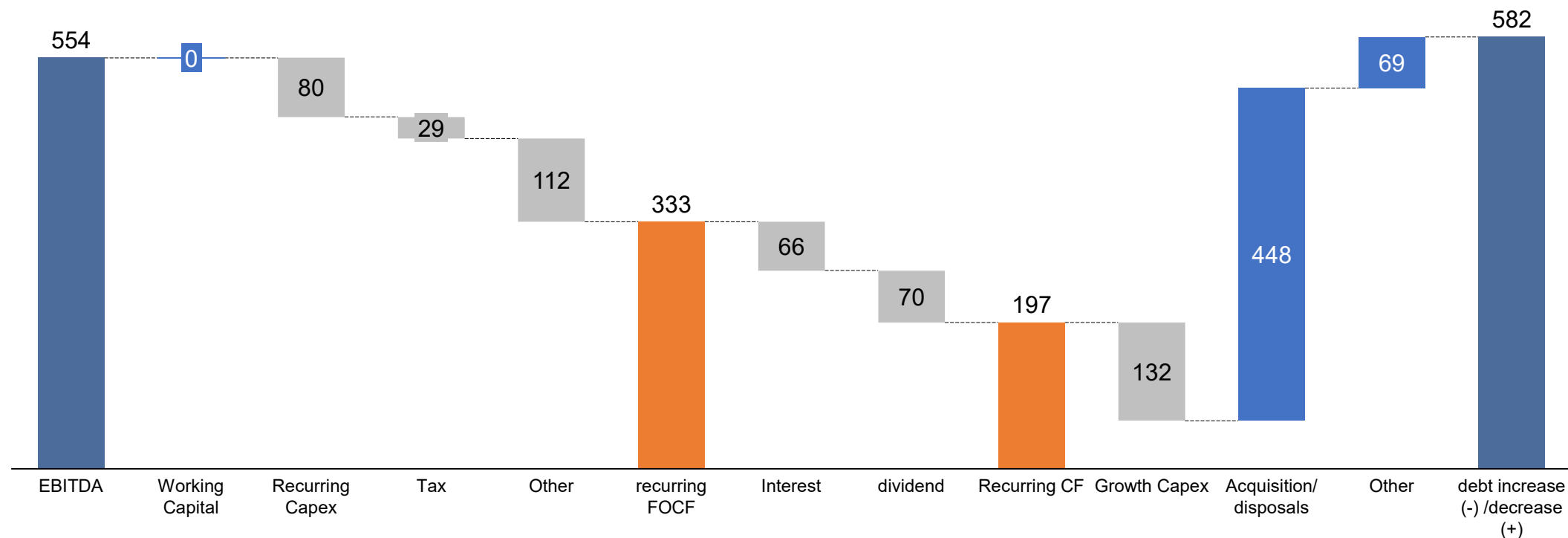


splits between Unimin and Fairmount based on best estimates

Net Loss but recurring Net Profit (EUR M)



Robust recurring Sibelco Cash Flow (excl. Covia) - enables maintenance of dividend level



EURO million	2019
Opening net financial debt at 1 January	1,391
Change in net financial debt	(582)
Changes in IFRS accounting policies (IFRS 16)	422
Leases	57
Scope changes	3
Exchange rate fluctuations and other	50
Closing net financial debt at 31 December	1,342

Reduced Net Debt and Strong Liquidity

Sibelco Group (€M)	2019	2018
Gross Debt	(1.536)	(1.651)
Leasing Liabilities	(366)	(9)
Financial Hedge	(20)	(5)
Cash	580	274
Net Debt Sibelco Group	(1.342)	(1.391)

Covia (€M)	2019	2018
Gross Debt	(1.380)	(1.407)
Leasing Liabilities	(305)	(6)
Financial Hedge	(19)	(4)
Cash	284	115
Net Debt Covia	(1.420)	(1.302)
Revolving credit facility (USD M)	75	200

Sibelco excluding Covia (€M)	2019	2018
Gross Debt	(156)	(244)
Leasing Liabilities	(61)	(3)
Financial Hedge	(1)	(1)
Cash	296	159
Net Cash / (debt) Sibelco excluding Covia	78	(89)
Revolving credit facility (EUR M)	500	500

Sibelco (excl. Covia)

- Net cash position: EUR 78 million
- Main outstanding debt instrument is a term loan with Belgian banks maturing in 2023
- Sibelco also secured an undrawn revolving credit facility of EUR 500 million to provide flexibility and finance future growth when needed
- Proceeds from lime divestment received in August; Sibelco (excl. Covia) in cash positive position since then
- Sibelco (excl. Covia) generates sufficient cash flow to ensure dividend to Sibelco shareholders

Covia Corporation

- Net debt: EUR 1.42 billion (down from EUR 1.66bn)
- No financial recourse to Sibelco
- Term loan B with US investors maturing in 2025; repayable at 1% per year with a maximum interest cost of L+4%
- In addition Covia also has an undrawn revolving credit facility of USD 75 million
- Proceeds from non-core divestments \$240 million received

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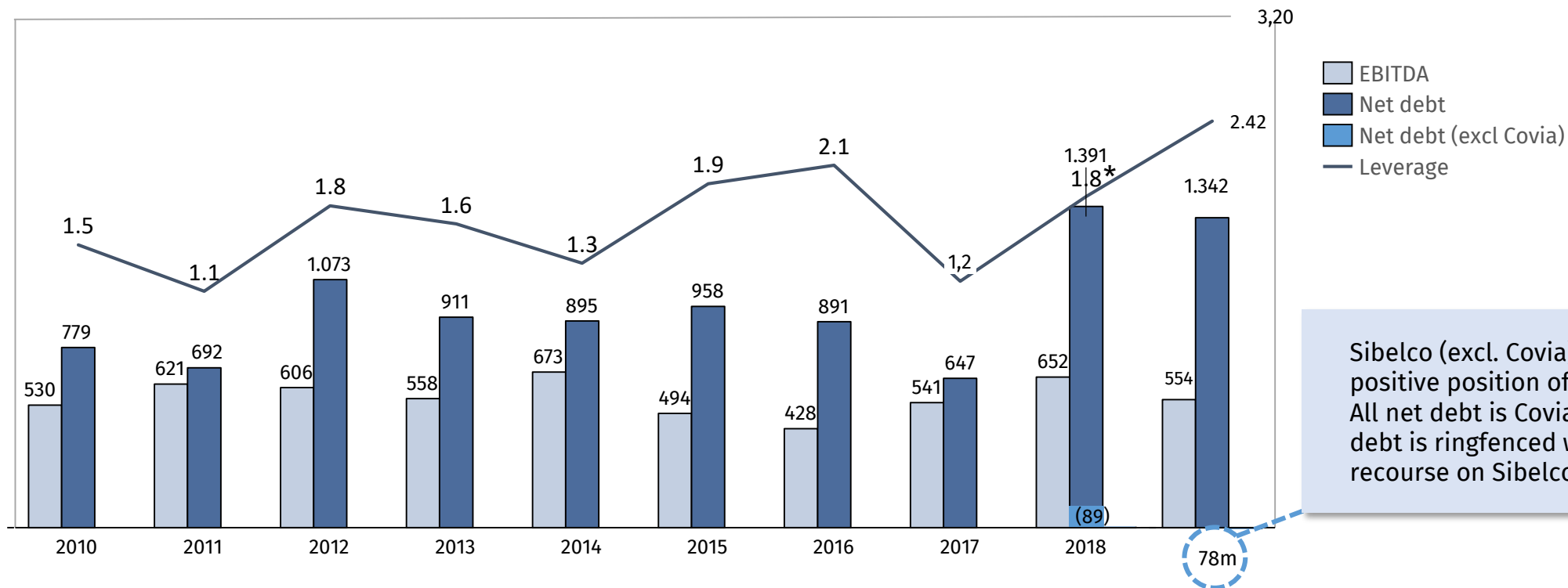
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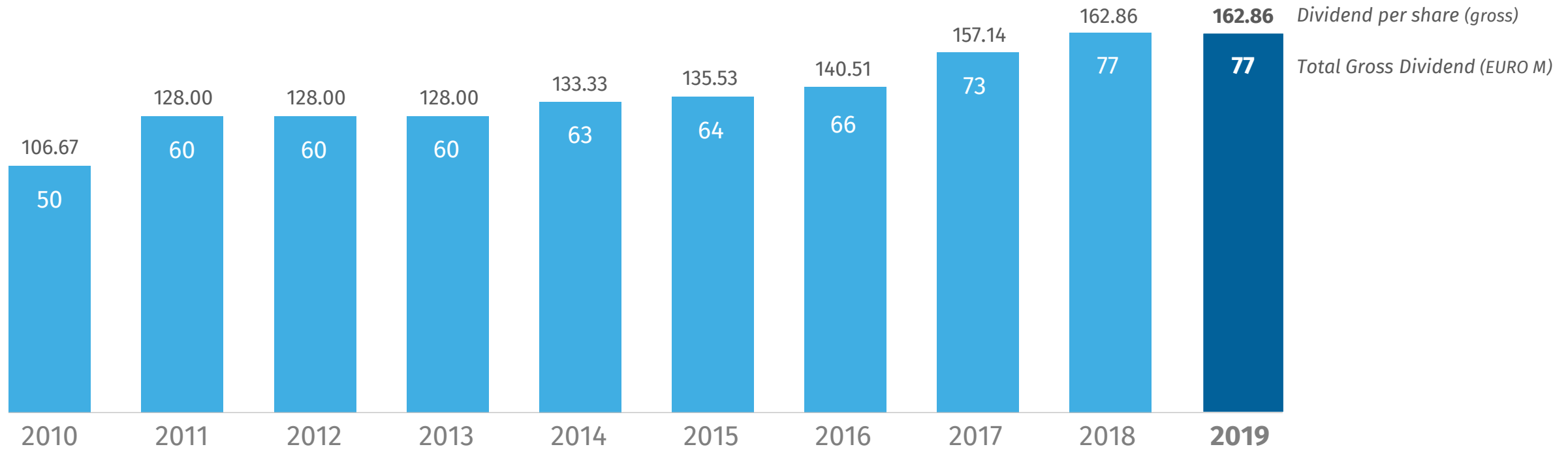
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Net Debt Evolution



- The 2019 adjusted EBITDA is EUR 529 million. We deduct the performance of Lime, Winchester and Calera divestment. The 2018 adjusted EBITDA for 2018 is EUR 757 million. We add the 5 first months of Fairmount, being EUR 105 million to our EBITDA of EUR 652 million.
- The 2019 adjusted EBITDA excluding IFRS 16 lease impact is EUR 407 million.
- Net cash for Sibelco excluding Covia amounts to EUR 78 million.

Stable Dividend to be proposed





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Divestment of Lime & Limestone and Magnesia

- Completion of the sale of Lime & Limestone assets to Graymont on 31 July 2019
- Agreement to sell magnesia assets in Australia (QMAG) to the Refrastechnik Group - completion expected in the coming weeks
- Transactions enable Sibelco to focus more on growth and performance in material solutions activities

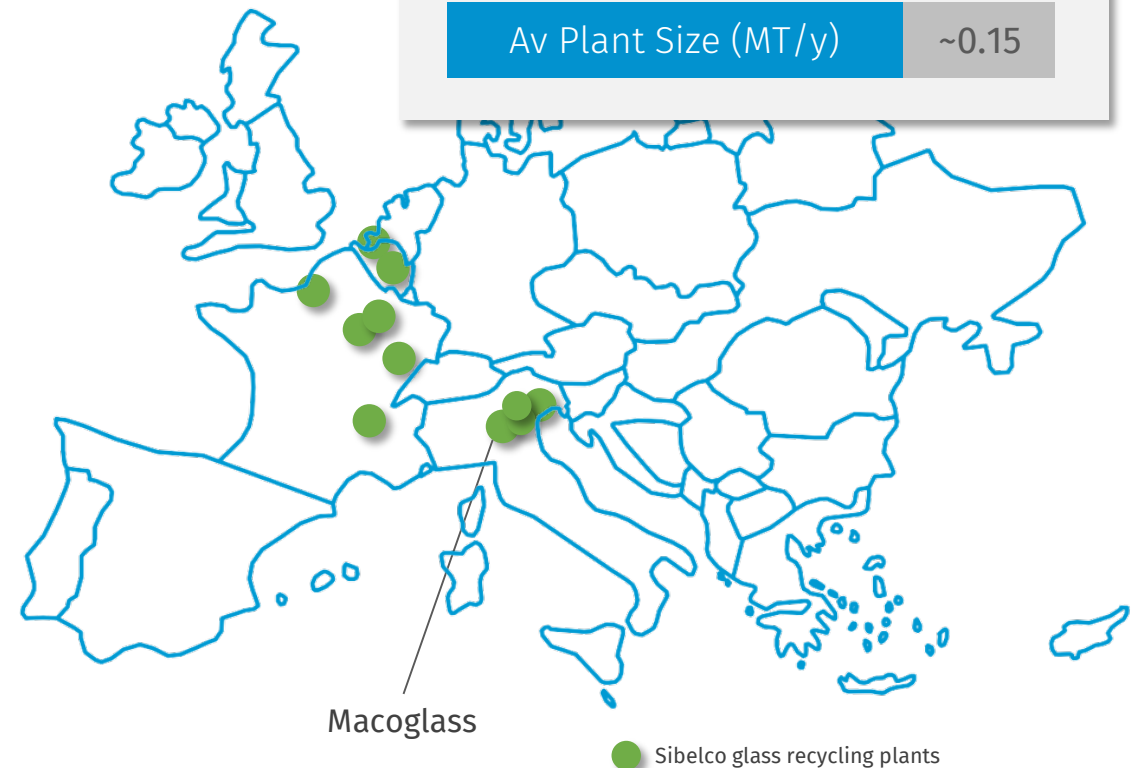


Expanding presence in Glass Recycling

- Acquisition of Macoglass in 2019 extended Sibelco's reach in the important Italian market
- Further acquisitions in glass recycling near Bologna in February 2020
- Sibelco strengthening its leadership in glass recycling in Europe

Sibelco Overview:

Capacity (MT/y)	~1.5
# of plants	10
Av Plant Size (MT/y)	~0.15



Building for growth in high-quality Clays

- In early 2020, Sibelco acquired Euromineral LLC and Kurdyumovsky Plant PrJSC
- The acquisition secures Sibelco's resources and reserves in Ukrainian clay for approximately another 15 years
- The acquisition is subject to merger clearance



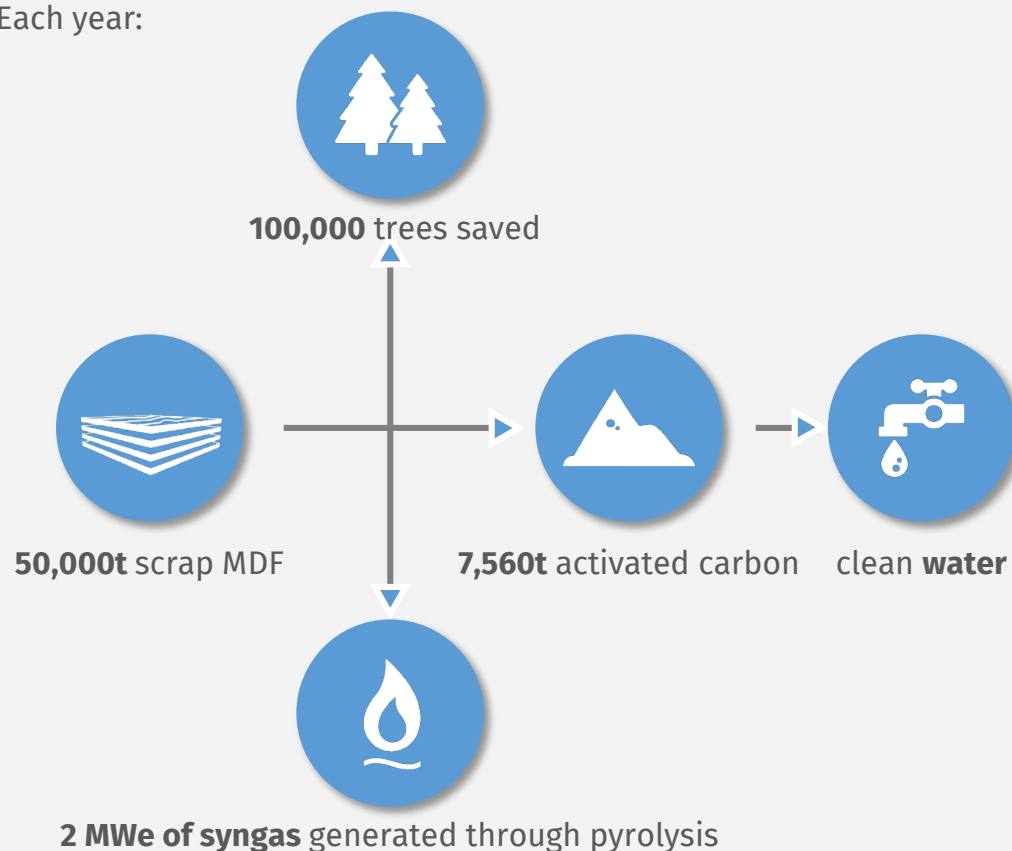
Olivier Lambrechts, Oleg Trytiachenko (shareholder)
and Igor Tkach (Country Manager Ukraine)



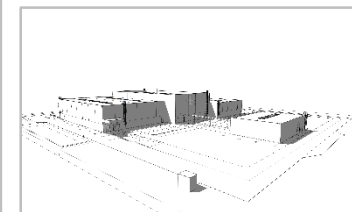
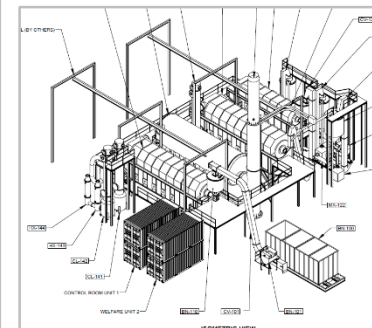
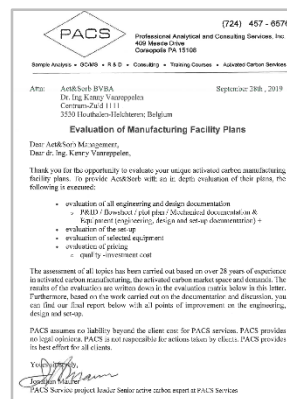
Material Solutions: Act&Sorb

Sibelco has taken a 24% stake in an exciting recycling technology

Each year:



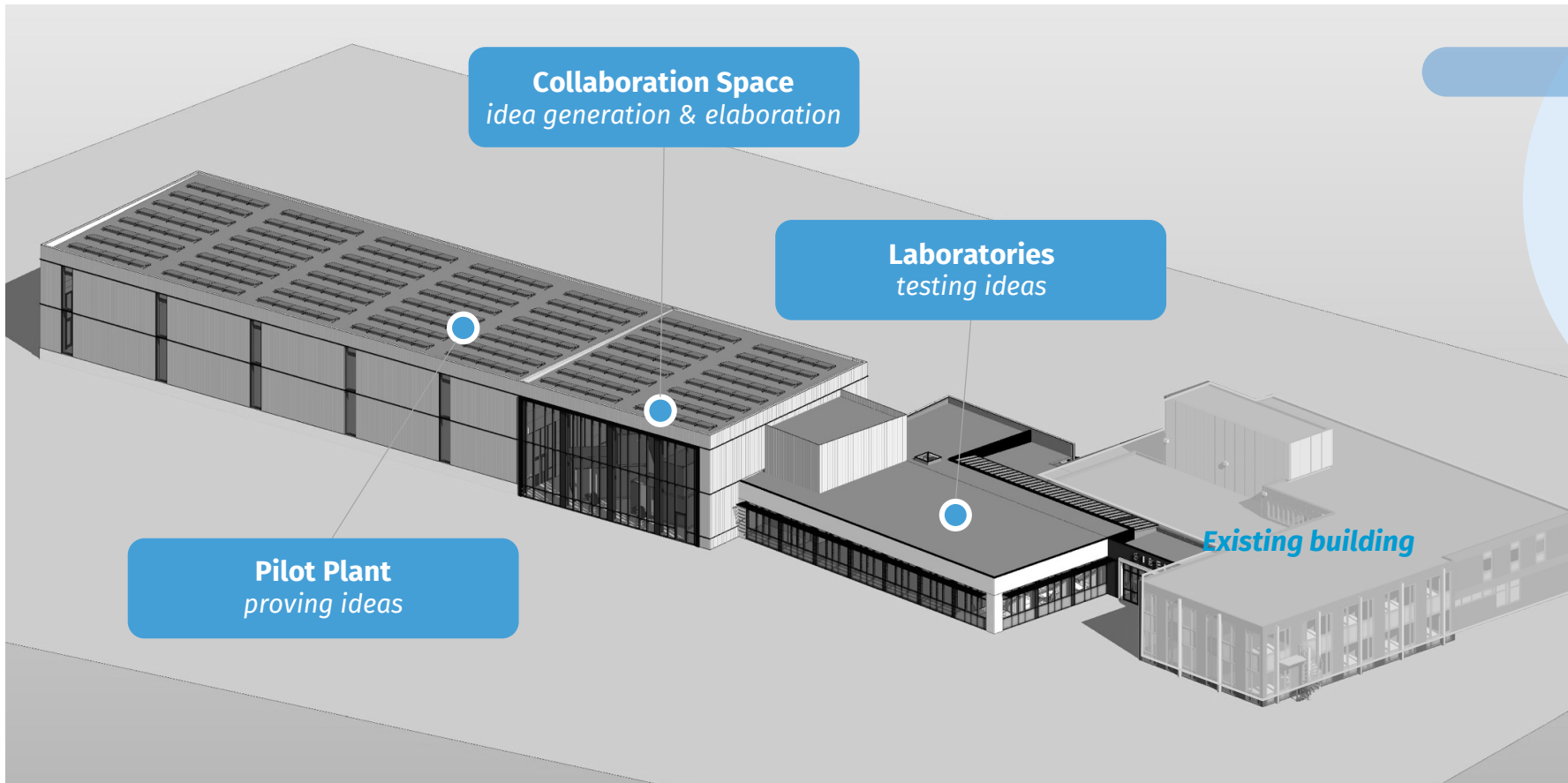
Act&Sorb Founders (Kenny & Jozef) proudly showing the start of public investigation at land area selected for the first plant in Genk.



Expecting to start construction of new production plant shortly

Material Solutions Platforms: T&I Centre

State-of-the-art collaboration and R&D facility located in Maastricht, providing connected & agile working for people from multiple functions and disciplines. Construction set to start in 2020.



Sibelco is attracting scientific talent in areas such as material science and process technology to further reinforce its levels of T&I expertise

Performance: Bright Site Programme (BSP)

BSP is now firmly engrained within our operational culture

- ~€20m of cost savings in 2019
- develop lean plants with highly skilled problem solvers
- aims at recurring 8-10% COS value creation in first implementation step
- targeted energy efficiency improvements of 2% per year



Robilante, Italy: supervisors' performance dialogue



Arcos, Spain: daily check-out performance dialogue



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- **Outlook 2020**

Outlook 2020

- Challenging conditions in several markets showing no signs of abatement
- Global economic impact of Covid-19 and lower oil price likely to be significant, but hard to quantify at this stage
- Change of scope from divestments

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.



Annexes



P&L

SIMPLIFIED STATEMENT OF PROFIT OR LOSS	2019	2018
In thousands of euro		
Revenue	3,295,130	3,521,130
EBITDA	554,463	651,687
REBIT	127,148	328,878
Net financing costs	(143,158)	(104,513)
Income taxes	4,015	(53,606)
Share of profit of equity accounted investees (net of tax)	3,684	2,697
Other (net of tax)	18,136	-
Recurring net result	9,824	173,456
Non-recurring result after tax	(1,111,440)	(352,364)
Write-down of DTA outside normal course of business	(136,713)	-
Result on disposal of subsidiaries	183,442	1,996
Other (net of tax)	(18,136)	-
Minority interests	401,268	50,833
Profit (loss) for the period, Group share	(671,754)	(126,079)

Balance sheet

SIMPLIFIED STATEMENT OF FINANCIAL POSITION	2019	2018
In thousands of euro		
Net non-current assets (1)	2,432,554	3,548,321
Net current assets	987,009	1,333,840
Other assets	160,144	292,032
Cash (2)	580,692	267,833
Total assets	4,160,400	5,442,026
Net worth (including minority interests)	1,113,763	2,198,234
Provisions	528,641	501,298
Gross financial debt (2)	1,922,465	1,658,554
Other liabilities	595,531	1,083,940
Total liabilities and shareholders' equity	4,160,400	5,442,026
(1) Of which mining assets	800,918	1,309,552
(2) i.e. net financial debt of	1,341,773	1,390,721

Cash flow statement and net debt

CASH FLOW STATEMENT AND CHANGE IN NET FINANCIAL DEBT	2019	2018
In thousands of euro		
REBIT	127,148	328,878
Depreciation, amortisation and depletion	427,315	322,809
EBITDA	554,463	651,687
Income taxes (paid)/received	(29,378)	(55,308)
Capex	(212,053)	(358,489)
Proceeds from sale of PPE	36,950	16,641
Working capital changes	(496)	55,116
Use of provisions	(67,226)	(41,946)
Additional provisions	589	3,567
Cash contributions to defined benefit plans	(25,048)	(28,608)
Add back pension expenses in EBITDA	7,535	(23,312)
Share-based payment expense	9,076	7,207
Other non-cash items	(36,269)	(92,330)
Free operating cash flow	238,143	134,225
Interest (paid)/received	(66,458)	(82,998)
Acquisitions of subsidiaries/non-controlling interests	(13,395)	(149,333)
Disposal of subsidiaries/associates	461,351	2,264
Purchase of treasury shares	-1,152	(1,615)
Dividends received	2,222	2,115
Dividends paid	(72,432)	(73,905)
Other items	33,864	(15,297)
Net debt decrease (increase)	582,143	(184,544)

Opening net financial debt at 1 January	1,390,721	646,620
Change in net financial debt	(582,143)	184,544
Changes in IFRS accounting policies (IFRS 16)	422,412	
Leases	57,394	
Scope changes	3,016	540,366
Exchange rate fluctuations and other	50,373	19,191
Closing net financial debt at 31 December	1,341,773	1,390,721