

2020 Annual Results

Shareholder Webcast

15th March 2021



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.

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2020 IN SUMMARY



- Group performance impacted by **Covia exit, COVID-19 and divestments & closures. Resilient performance** of continuing activities with steady recovery in H2

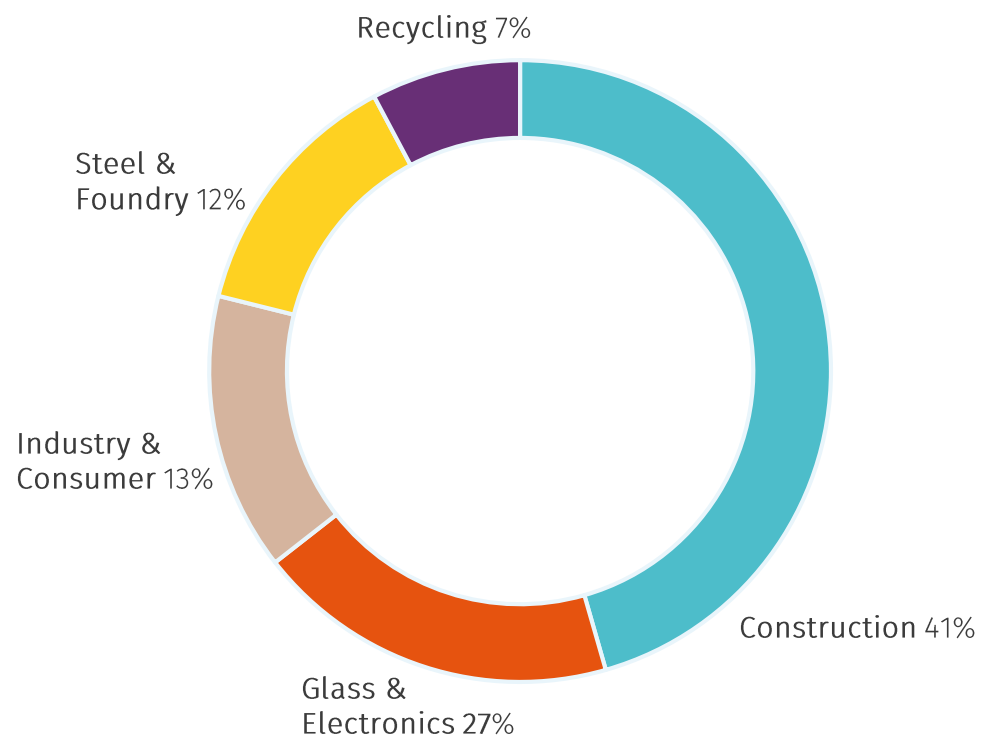
EUR m	Sibelco			Sibelco excl. Covia			Sibelco continuing		
	2019	2020	Δ	2019	2020	Δ	2019	2020	Δ
Revenue	3,245	1,976	-40%	1,879	1,489	-21%	1,534	1,389	-9%
EBITDA	554	294	-47%	328	245	-25%	245	205	-16%
FOCF	222	106	-52%	45	79	+76%	11	49	+345%
ROCE	-32%	3.8%		7.6%	8.2%		6.0%	5.6%	

- Exit from Covia confirmed on 31 December 2020 with full releases achieved
- Net financial position improved** from EUR 1,342 million net debt to EUR 168 million net cash
- Net profit (Group share) EUR 78 million vs net loss EUR 672 million in 2019
- Dividend of EUR 106 per share proposed
- Introduction of **Sibelco 2025** vision & strategy in early 2021

COVID 19: MARKET IMPACT



Revenue by Sector:



COVID-19 impact on FY performance:

CONSTRUCTION

- engineered stone, sanitaryware, tile
- structural ceramics, water filtration

GLASS & ELECTRONICS

- float glass, solar PV, display glass, ceramic glass
- container glass (esp. beverage / pharma), semi-conductor, PCB

INDUSTRY & CONSUMER

- sports & leisure, industrial paint
- medical gloves, plastic film / pipes, personal care, decorative paint

STEEL & FOUNDRY

- steel, refractory and foundry

RECYCLING

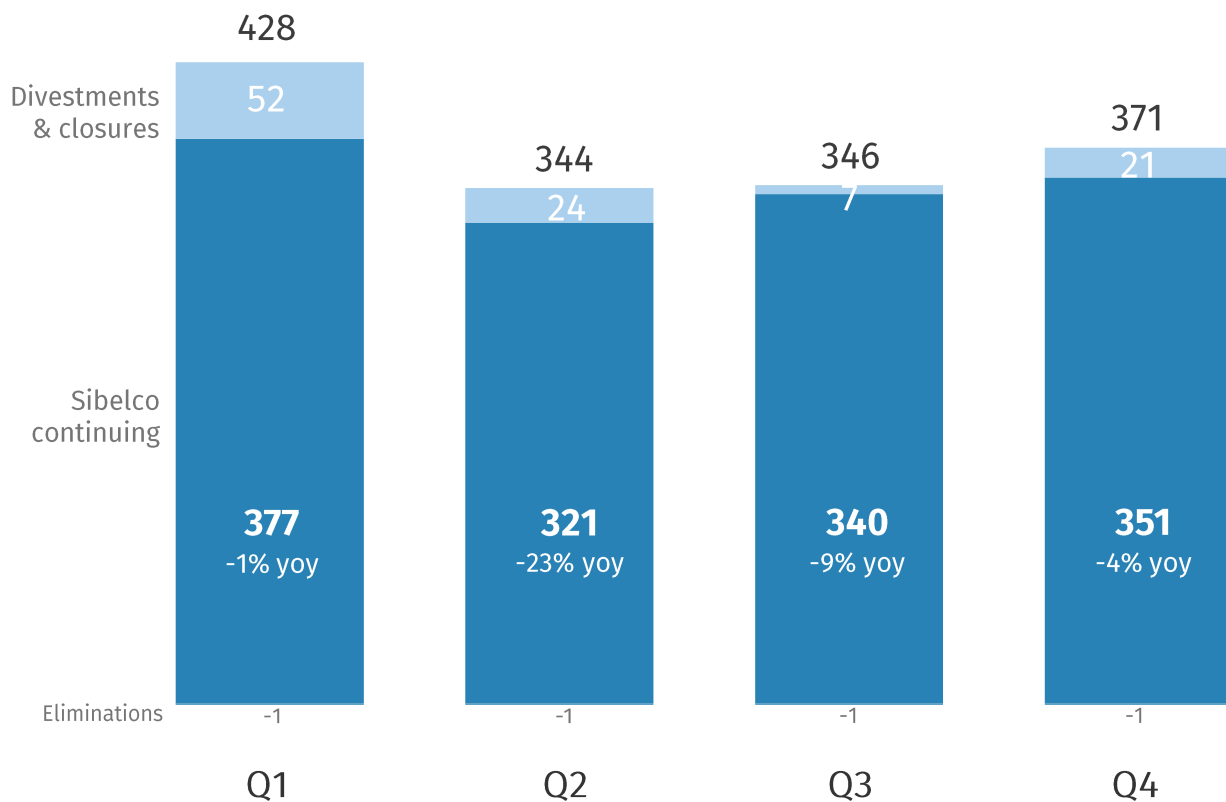
- glass recycling market remained solid in 2020 and Sibelco felt positive impact of expansion investments in Italy and France

● *significant impact* ● *limited impact*

COVID-19 : STEADY RECOVERY IN H2 2020



Revenues Sibelco excl. Covia EUR m



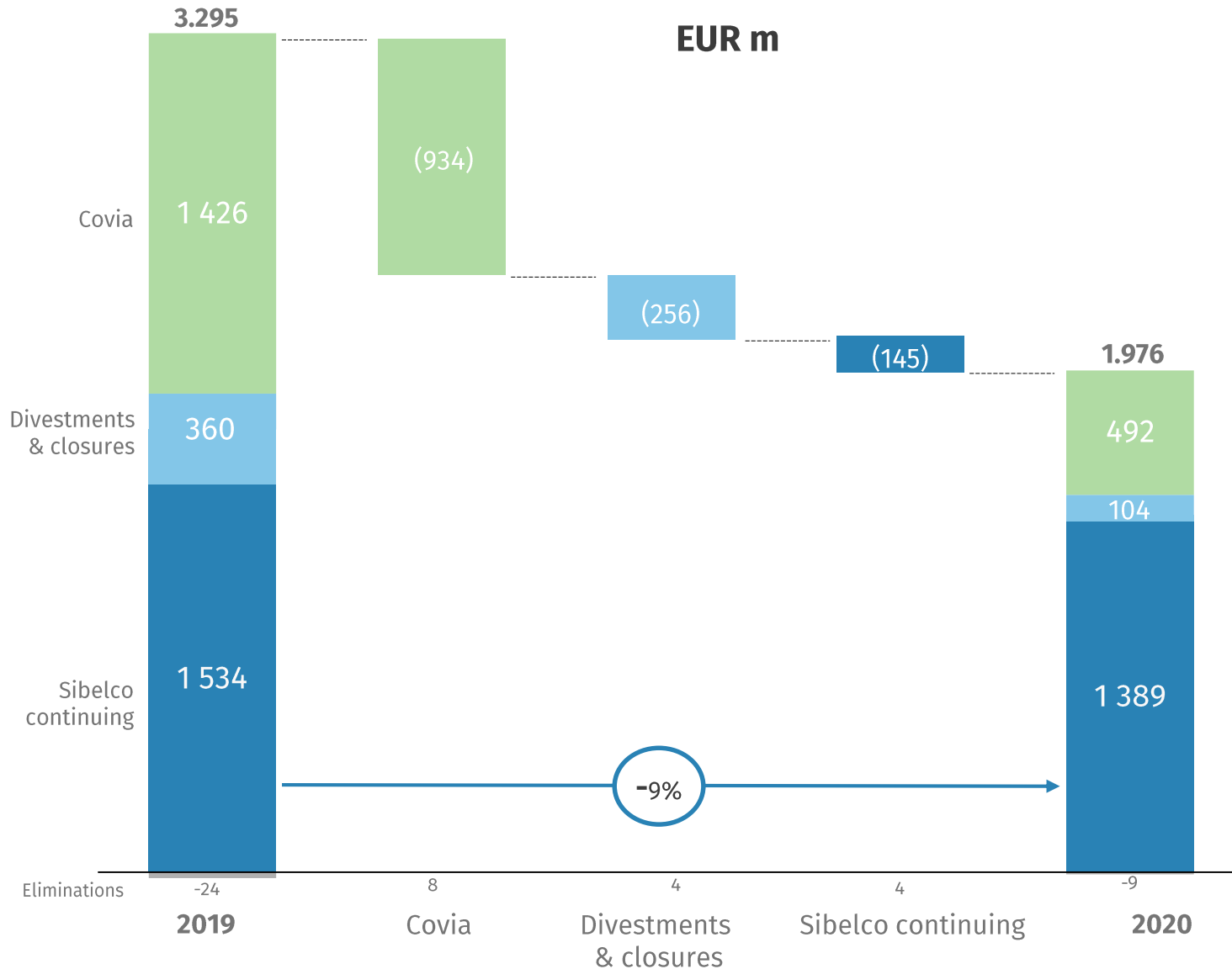
- Average 20-25% drop in revenues April / May due to lower volumes resulting from COVID-19 downturn
- Steady recovery in Q3-Q4 also allowing for typical seasonality in Q4
- Q4 EBITDA at similar levels to 2019
- Several markets have now returned to pre-pandemic levels of demand and all Sibelco plants are currently running normally

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REVENUE



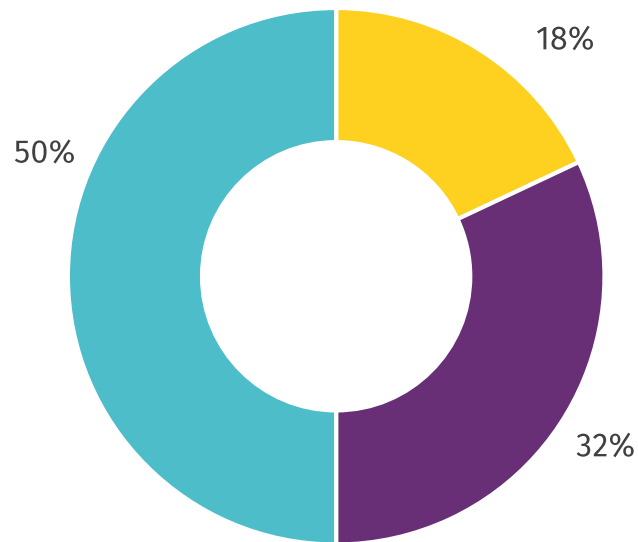
- Reduction in revenue driven by Covia deconsolidation, other scope changes (lime, magnesia and mineral sands) and the impact of COVID-19 on the Sibelco continuing business
- Revenues for Sibelco excl. Covia down by 21%
- Revenues at constant scope down 9%

REVENUE BY ORIGIN



Europe takes much larger share of revenue due to exit from Covia & divestments / closures

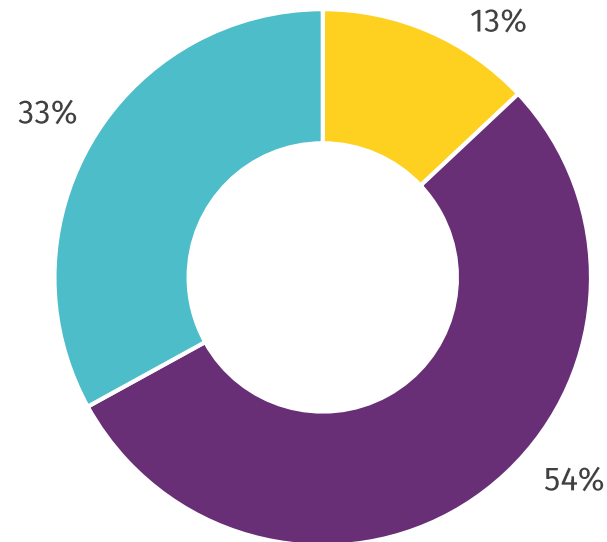
2019 Sibelco



■ APAC ■ Europe ■ Americas

Covia @100%

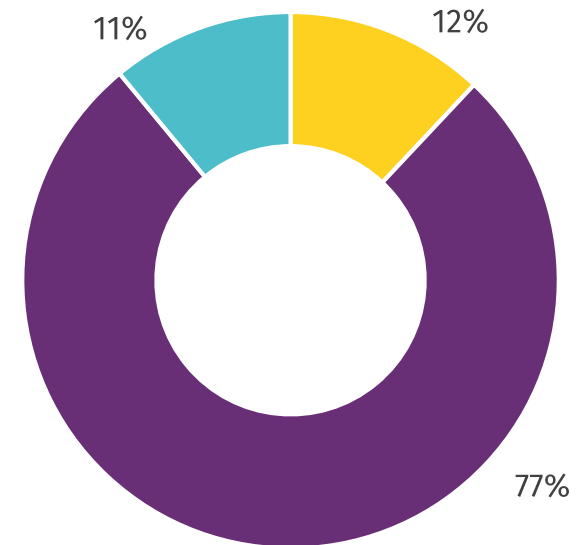
2020 Sibelco



■ APAC ■ Europe ■ Americas

Covia @100%

2020 continuing

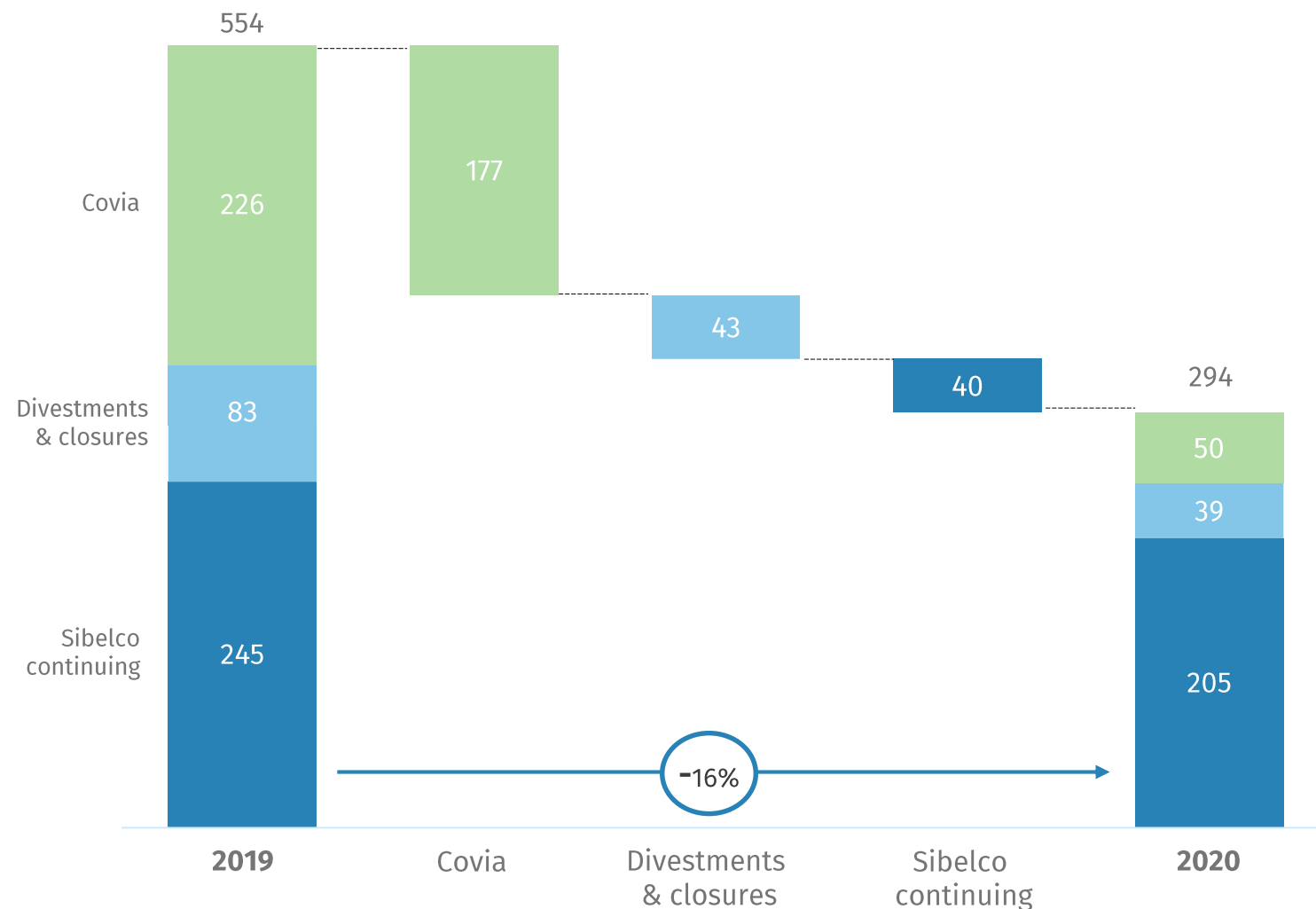


■ APAC ■ Europe ■ Americas

EBITDA



EBITDA EUR m



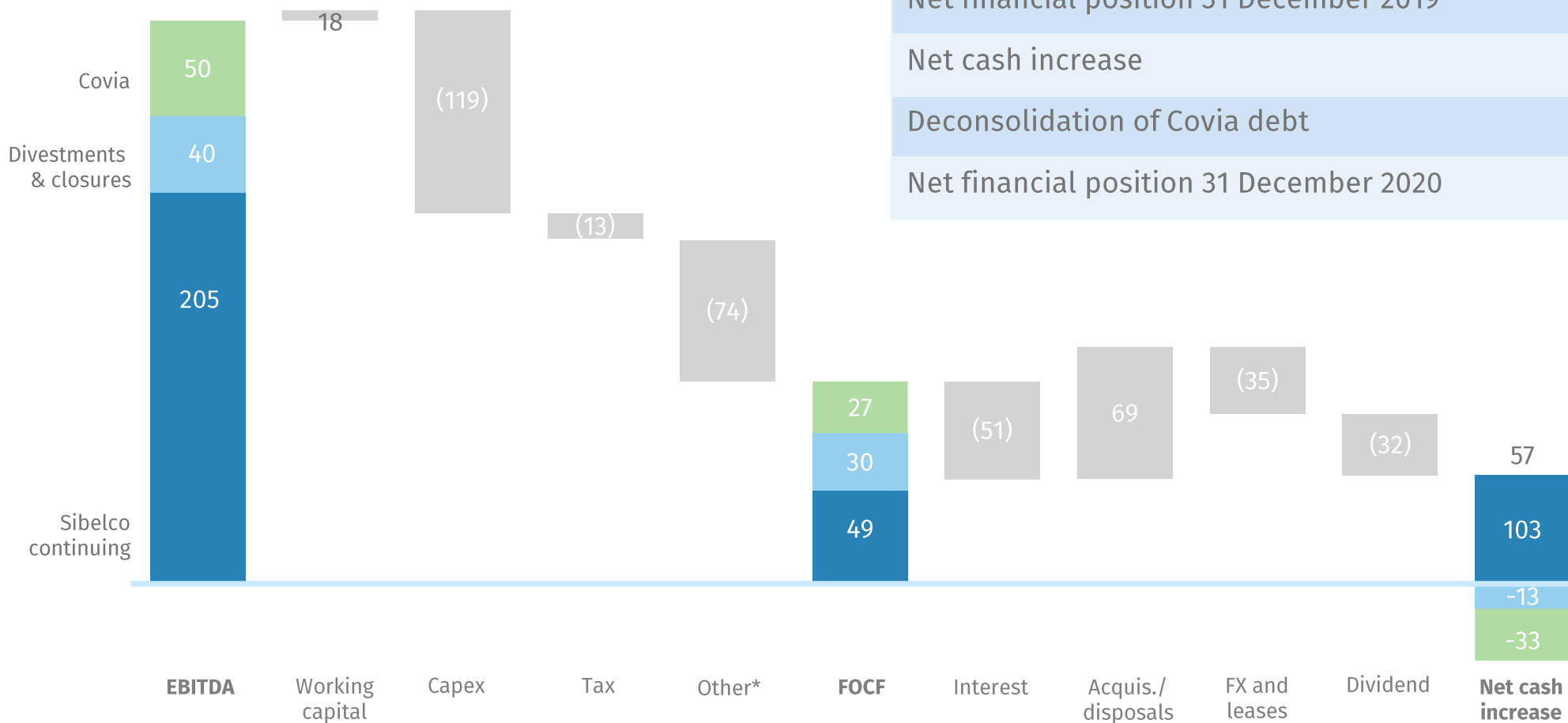
- EBITDA for Sibelco's continuing activities down 16% as a logical consequence of revenue decrease due to COVID-19*
- Cost discipline in both COGS and SG&A mitigated the impact. Gross margin percentage remained stable in 2020

*The net COVID-19 impact includes the gross margin loss resulting from the revenue drop, certain budgeted inflationary cost increases versus last year offset by planned and additional variable and fixed cost decreases.

CASH FLOW & NET FINANCIAL POSITION



Cash flow Sibelco EUR m



Evolution of net financial position EUR m

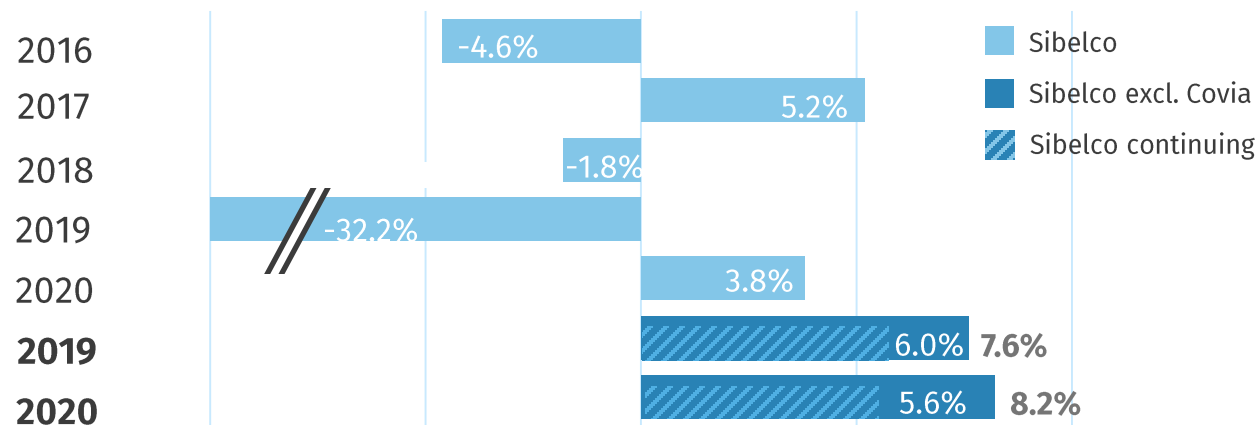
Net financial position 31 December 2019	- 1,342
Net cash increase	+ 57
Deconsolidation of Covia debt	+ 1,453
Net financial position 31 December 2020	+ 168

* includes contributions to pension plans and use of provisions

ROCE & CAPITAL EMPLOYED

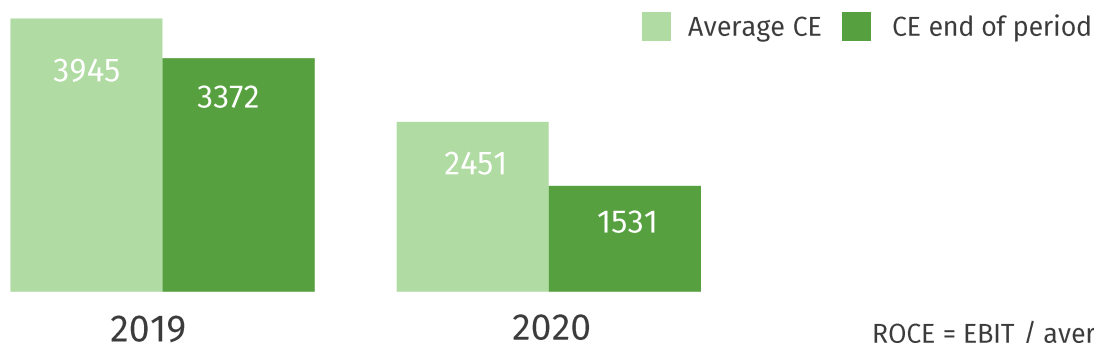


Return on Capital Employed



- ROCE for Sibelco excl. Covia improved as a result of higher EBIT and lower capital employed. ROCE in continuing operations stable
- CAPEX reduced by 17% in ongoing operations
- Working capital decrease driven primarily by inventory reductions

Capital Employed EUR m



- Capital employed reduction mainly a function of Covia exit and divestments

ROCE = EBIT / average capital employed
CE = total assets – current liabilities

GROWTH INVESTMENTS



M&A over EUR 10 million



UKRAINE

Clay acquisitions
Investment amount ~EUR 25 million

Completed
2020

Capex over EUR 10 million



TURKEY

Cine: feldspar upgrade
Investment amount ~EUR 25 million

completion
Q1 2021



BELGIUM

Genk: MDF Recycling
Investment amount ~EUR 25 million

completion
mid-2021



ITALY

San Cesario brownfield glass recycling
Investment amount ~EUR 20 million

completion
Q1 2022

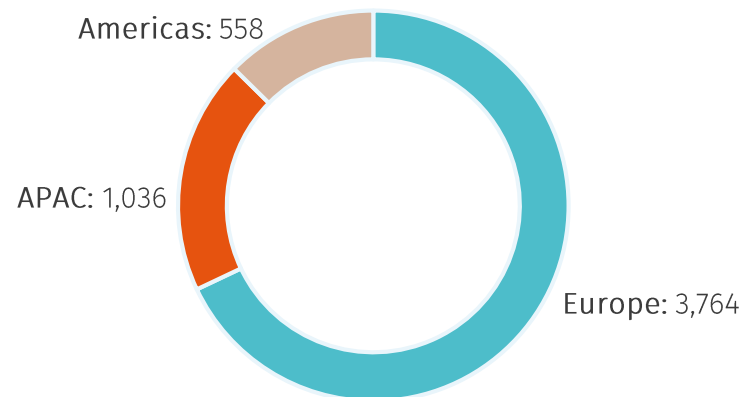
DIVIDEND PROPOSAL



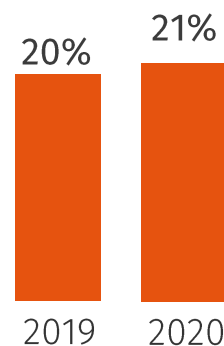
- The Board of Directors proposes a gross annual dividend of **EUR 106 per share** for approval at the Annual General Meeting on 21 April 2021. During 2020 no interim dividend was distributed
- Subject to shareholder approval, the gross amount will be paid out as from 12 May 2021

- At the end of 2020, Sibelco employed **5,358 people in 31 countries**
- Positive evolution in **gender diversity**
- **Action plans** related to the 2019 Employee Survey are being implemented. Next survey in early 2022.

Employees by Region

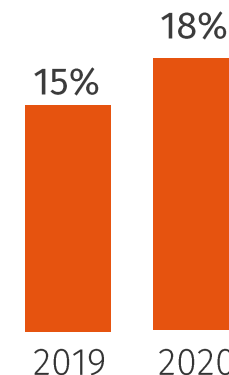


Gender Balance
all employees



Target:
25%

Gender Balance
senior leadership



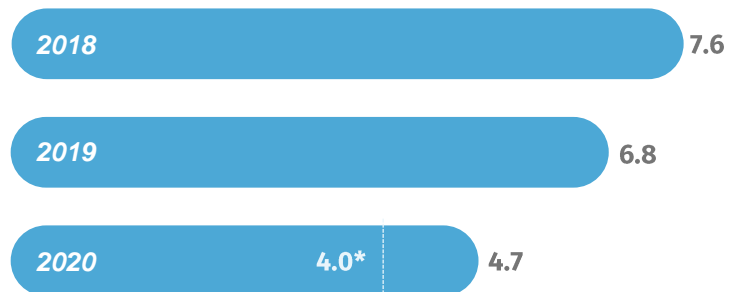
Target:
30%

SAFETY PERFORMANCE



- **Zero** fatalities
- 25% improvement in RIR
- Improved contractor management
- Safety behaviour training for site managers

Reportable Incident Rate



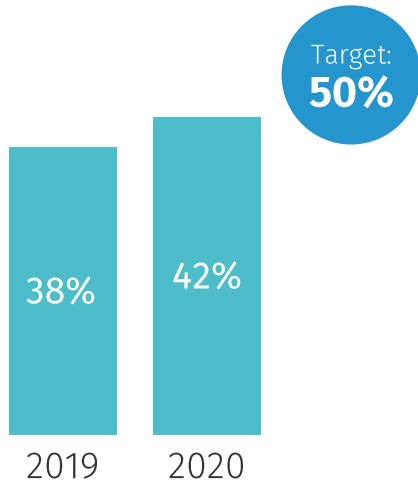
* 4.0 calculated in line with the International Council on Mining & Metals (ICMM) definition, the standard which Sibelco will adopt as from 2021 to enable direct comparison with industry peers

ENVIRONMENT & COMMUNITY



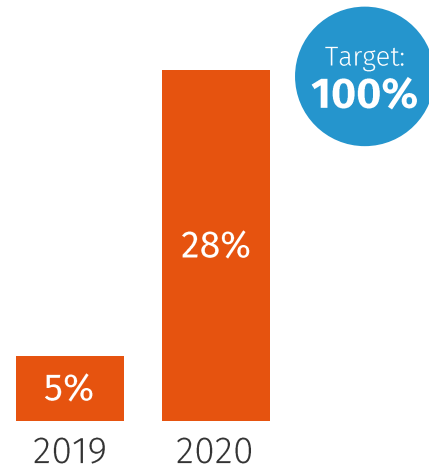
Water Management

Percentage of sites applying BATNEEC principles



Community Engagement

Percentage of sites with formal community engagement plan



Closure Planning & Rehabilitation

100% of our sites now have formal closure plans in place



Carbon Emissions

New, more challenging targets will be set in 2021



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OUTLOOK 2021



- The COVID-19 pandemic and its economic impacts are still being felt at the beginning of 2021
- While a recovery is underway in many sectors, the final extent and timing of this recovery remains unclear
- For 2021 we are assuming a slow but steady improvement in most industries that use Sibelco's materials
- In addition to the Covia exit, the 2020 financial performance for Sibelco included material contributions from assets that were divested or closed. These activities will make no contribution to the financial performance of 2021

The relevant 2020 EBITDA baseline for comparison in 2021, is EUR 205 m, which is the EBITDA of the continuing activities of Sibelco

OUR VISION

WE WILL BECOME:

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

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

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 (target to be set 2021)



Q&A



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COVIA IMPACT ON FINANCIAL STATEMENTS



- Covia filed for Chapter 11 on June 29th:
 - Covia's operating results until that date still included in Sibelco's income statement;
 - However, Covia de-consolidated from Sibelco on June 30th resulting from loss of control over subsidiary upon entry into Chapter 11 according to IFRS
- Significant impairments on Covia already accounted for in 2019 and no recourse to Sibelco regarding Covia's debt. Net asset value already immaterial at the end of 2019.
- Net gain from Covia de-consolidation of EUR 32m recorded in Sibelco's results:
 - Loss of assets more than offset by relief from liabilities
- Covia exited Chapter 11 on 31 December, marking Sibelco's exit as a shareholder

INCOME STATEMENT



<i>In thousands EUR</i>	2019	2020
Revenue	3,295,130	1,975,529
Cost of sales (-)	(2,819,250)	(1,620,952)
Gross profit	475,879	354,577
Other operating income	41,900	62,338
SG&A expenses (-)	(371,556)	(265,861)
Other operating expenses (-)	(1,415,822)	(59,032)
EBIT	(1,269,599)	92,022
Financial income	205,137	50,108
Financial expenses (-)	(164,852)	(81,033)
Share of profit of equity-accounted investees (net of tax)	3,684	3,869
Profit (loss) before income taxes	(1,225,630)	64,965
Income taxes	152,609	(13,118)
Profit (loss) for the period	(1,073,022)	51,847
Attributable to:		
Owners of the Company	(671,754)	78,262
Non-controlling interests	(401,268)	(26,414)
	(1,073,022)	51,847

SIMPLIFIED BALANCE SHEET



<i>In thousands EUR</i>	2019	2020
Assets	4,160,400	1,913,419
Non-current assets	2,592,698	1,076,474
Current assets	1,567,701	836,945
Equity and liabilities	4,160,400	1,913,419
Total equity	1,113,763	1,052,713
Equity attributable to equity holders	1,097,953	1,047,112
Share capital	25,000	25,000
Share premium	12	12
Retained earnings and reserves	1,072,941	1,022,100
Non-controlling interests	15,810	5,601
Non-current liabilities	2,258,457	477,865
Current liabilities	788,179	382,840

SIMPLIFIED CASH FLOW STATEMENT



In thousands EUR

	2019	2020
Adjusted EBIT	127,148	104,489
Depreciation, amortisation and depletion	427,315	189,827
EBITDA	554,463	294,316
Income taxes (paid)/received	(29,378)	(13,438)
Capex	(212,053)	(118,963)
Working capital changes	(496)	18,300
Use of provisions	(67,226)	(45,424)
Additional provisions	589	(2,137)
Cash contributions to defined benefit plans	(25,048)	(18,481)
Add back pension expenses in EBITDA	7,535	5,586
Share-based payment expense	9,076	160
Other non-cash items	(36,269)	(14,120)
Free operating cash flow	222,269	105,799
Interest (paid)/received	66,458	(51,113)
Proceeds from sale of PPE	36,950	63,929
Acquisitions of land and reserves	(21,114)	(7,411)
Acquisitions of subsidiaries/non-controlling interests	(13,395)	(25,140)
Disposal of subsidiaries/associates	461,351	36,513
Purchase of treasury shares	(1,152)	
Dividends received	2,222	3,936
Dividends paid	(72,432)	(35,442)
Other items	33,864	346
Net debt decrease (increase)	582,143	91,418
Opening net financial debt at 1 January	1,390,721	1,341,773
Change in net financial debt	582,143	(91,512)
Changes in IFRS accounting policies (IFRS 16)	422,412	
Leases	57,394	33,252
Scope changes	3,016	(1,453,182)
Exchange rate fluctuations and other	50,373	1,506
Closing net financial debt at 31 December	1,341,773	(168,163)

SIMPLIFIED STATEMENT OF EQUITY



<i>In thousands EUR</i>	Share capital	Share premium	Translation reserve	Hedging reserve and fair value	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2020	25,000	12	(69,906)	(13,607)	(68,032)	1,224,485	1,097,952	15,811	1,113,762
Profit/(loss) for the period						78,262	78,262	(25,837)	52,425
Foreign currency translation differences			(97,474)				(97,474)	(6,095)	(103,569)
Release OCI due to disposal			(5,243)	18,049		(0)	12,806	18,611	31,417
Cash flow hedges, Fair value changes and remeasurements employee benefits, net of tax				(8,039)		(8,975)	(17,014)	(3,695)	(20,709)
Total other comprehensive income			(102,717)	10,010		(8,975)	(101,682)	8,821	(92,861)
Total comprehensive income for the period			(102,717)	10,010		69,287	(23,420)	(17,015)	(40,435)
Equity-settled share-based payment						1,073	1,073		1,073
Dividends to equity holders						(35,621)	(35,621)	(193)	(35,814)
NCI arising on a business combination								3,177	3,177
Total contributions by and distributions to owners						(34,548)	(34,548)	2,984	(31,564)
Other movements		0	(468)	(96)		7,692	7,127	3,822	10,950
Total transactions with owners		0	(468)	(96)		(26,856)	(27,420)	6,806	(20,614)
Balance as at 31 December 2020	25,000	12	(173,091)	(3,694)	(68,032)	1,266,916	1,047,112	5,602	1,052,713

Cash Flow Bridge Sibelco Excl. Covia

