



2022 RESULTS

Shareholder Webcast

10 March 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



1	Overview	5-8
2	Financial Results	10-15
3	Non-Financial Results	17-19
4	Outlook	21-22
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Safety Performance



Regrettably, 2022 was overshadowed by a fatal accident at our Banglen site in Thailand in August

Reportable Incident Rate*



** Calculated in line with the International Council on Mining & Metals (ICMM) definition, the standard which Sibelco has adopted to enable direct comparison with industry peers.*

2022 in Summary



€ million	Sibelco reported			Var '22 vs '21
	2020	2021	2022	
Revenue	1,976	1,680	2,009	+20%
EBITDA	294	271	339	+25%
FOCF	49	77	161	+107%
ROCE	3.8%	7.4%	7.4%*	+0%

*ROCE would have been 9.6% without impairment (largely Ukraine)

- Revenue, EBITDA and FOCF well above 2022 on the back of operating efficiencies, improvements in product mix (especially high purity quartz) and sales price increases to compensate cost increases
- ROCE impacted by a non-recurring charge of € 43.4 million, mainly due to an impairment of € 38.2 million of the Ukrainian assets
- Two-year transformation successfully completed. We now look to embed the changes made and accelerate growth
- Sibelco acquired the Kremer (Netherlands), Echave (Spain) and Bassanetti (Italy) silica sand operations. We strengthened our leading position in glass recycling, by taking 100% of Recyverre (France) and Krynicki Recykling S.A. (Poland & Estonia). Sibelco sold its abrasive business and a limestone asset in Indonesia. In addition, the Group acquired minority interests in Diatrema and Metallica Minerals, two emerging silica sand producers in Australia
- Sibelco updated its sustainability framework. It reduced its Scope 1 and 2 carbon emissions by 11% in absolute terms and by 23% in terms of emissions intensity. SBTi validated Sibelco's near term targets (2030) for scope 1,2 & 3
- The Board of Directors will propose a dividend of € 117.2 per share for the full year of 2022



Construction

- Downturn in construction activity in some countries in H2
- Able to partially offset absence of Ukrainian clays for **tiles** with alternative solutions from UK and Germany
- Demand for UK ball clays for **sanitaryware** strong throughout the year
- Sales of Belgian cristobalite for **engineered stone** slowed in H2 due to sharp rise in logistics costs



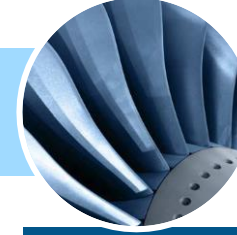
Glass & Electronics

- Sales to the **container glass** sector steady
- Challenging year for **float glass** with tough conditions in automotive industry and H2 slowdown in construction
- Spruce Pine (USA) at full capacity with consistent demand for HPQ in **semi-conductor** and **solar PV** markets
- Sales to **printed circuit board** sector dropped in H2



Industrial & Consumer

- Increased sales to **coatings** sector in Asia and South America, but challenging conditions in western Europe
- Tough conditions in Europe's automotive industry affected sales to **industrial coatings** and **polymers**
- Position in **filtration** strengthened through acquisition of Kremer Zand en Grind (NL)



Metallurgy

- Sales of high-purity olivine from Åheim for **steel** consistent throughout year
- Steady global demand for Åheim's dried olivine products in **refractories**
- Sales of silica to **foundry** sector remained stable



Recycling

- We expanded our **glass recycling** footprint in Europe
 - Acquisition of Krynicky Recycling in Poland
- Deal to take 100% ownership of shares in Recyverre in France
- Officially opened new plant in San Cesario, Italy

Ukraine & Russia



Ukraine

- All Sibelco employees are safe
- A special relief fund has been set up to support our Ukrainian colleagues and their families, with all employee donations being matched by Sibelco
- In H2 2022, Sibelco was able to restart limited mining operations in one of its clay quarries
- Business remains difficult as our operations in the Donbas are close to the frontline

Russia

- Our business in Russia now operates as a stand-alone business supported by an advisory committee
- Any funding to and from Russia has been stopped. Sibelco operates in full compliance with Western sanctions against Russia
- Sibelco is investigating all possible options with respect to its Russian operations

Financial Impact

- The suspension of activities in Ukraine unavoidably leads to a € 38.2 million impairment of our investments
- Our combined exposure in Russia & Ukraine (sum of remaining asset value, intercompany loans and currency translation adjustment) is € 162.2 million. Together, Sibelco's operations in Ukraine and Russia accounted for approximately 5% of Revenue and 9% of EBITDA (2022)

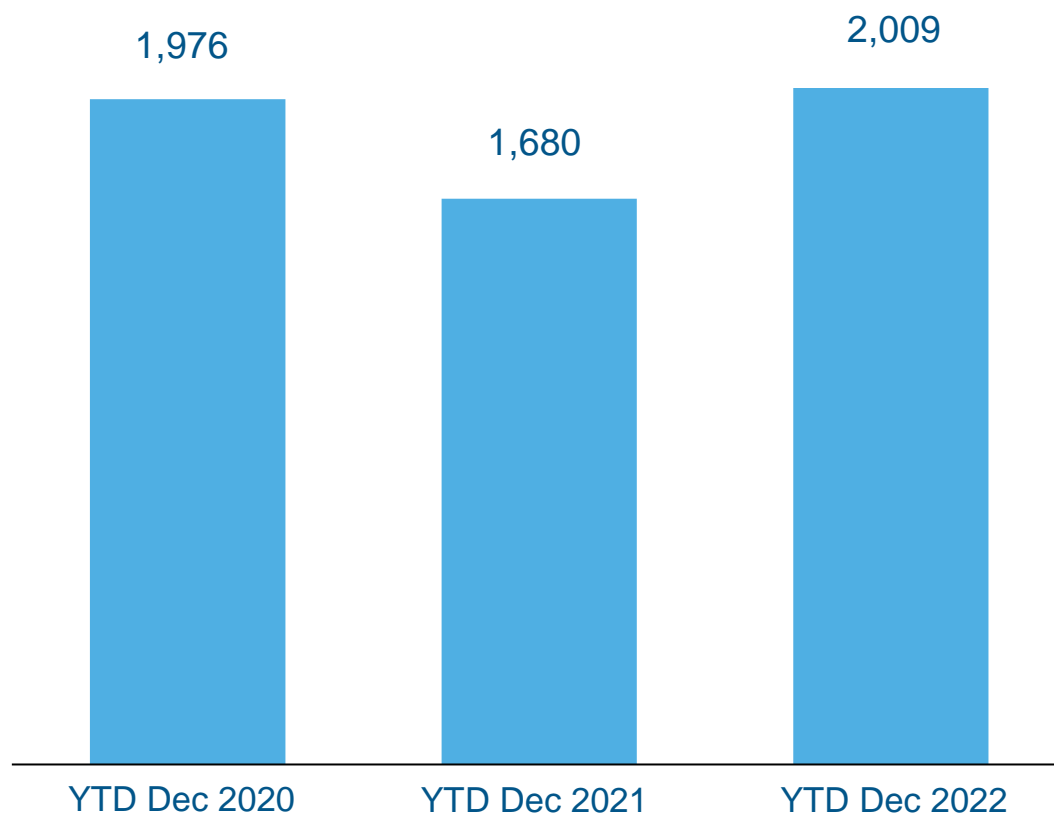


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Revenue



- Revenues were up 20% compared to last year to € 2,009 million
- Increase was driven primarily by price increases and product mix improvements
- Sales volumes were down marginally as a result of the economic slowdown in Europe

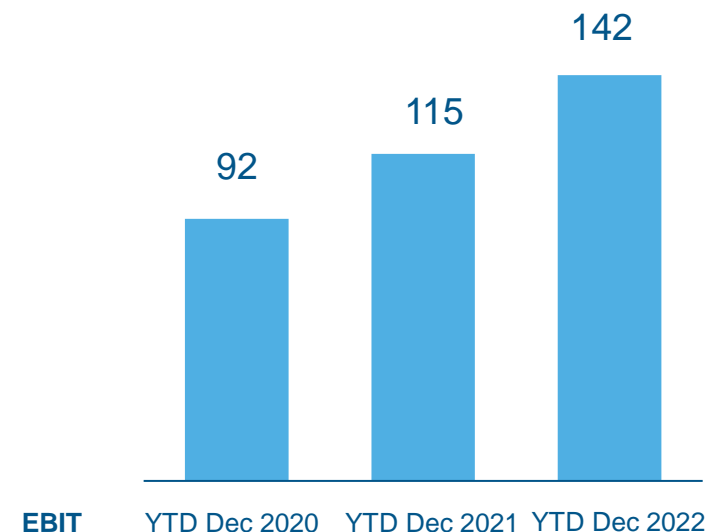
Units: in € million

2020, 2021 and 2022 is Sibelco Group as reported (including when applicable results Covia and divested operations)

EBITDA and EBIT



- **EBITDA** was 25% higher at € 339 million. Price increases and product mix improvement led to an EBITDA margin at 16.9%
- **EBIT** was 24% higher at € 142 million
- Sibelco's operations recorded a non-recurring charge of € 43.4 million at EBIT level. The majority of this amount related to recorded impairment losses in our Ukrainian operations (€ 38.2 million) due to the ongoing war with Russia
- An impairment loss of € 4.9 million was registered in respect of our Malaysian kaolin activities



Units: in € million

2020, 2021 and 2022 is Sibelco Group as reported (including when applicable results Covia and divested operations)

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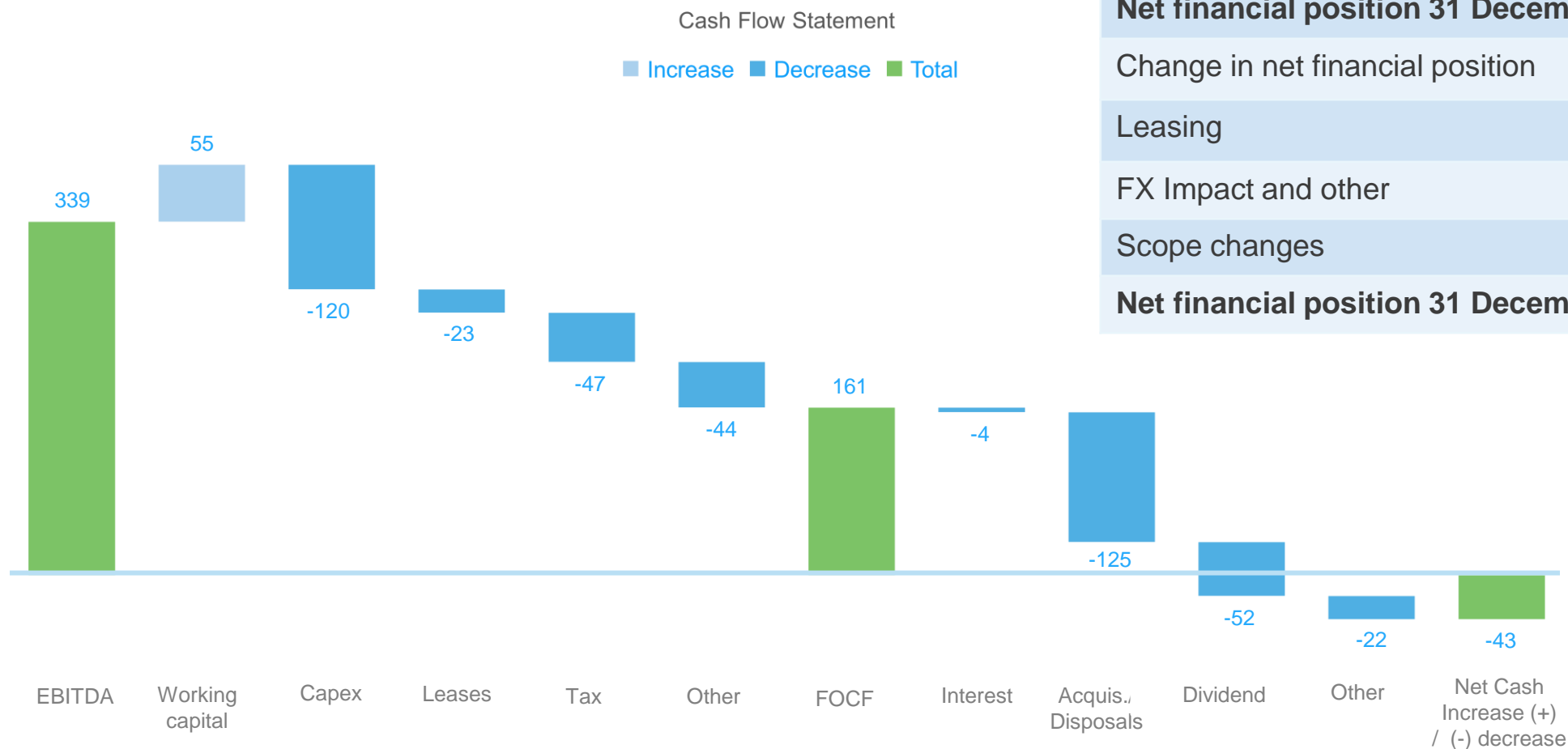
Units: in € million

Cash Flow & Net Financial Position Sibelco Group



Evolution of net financial position € million

Net financial position 31 December 2021	147
Change in net financial position	-43
Leasing	1
FX Impact and other	-10
Scope changes	-48
Net financial position 31 December 2022	46



Units: in € million

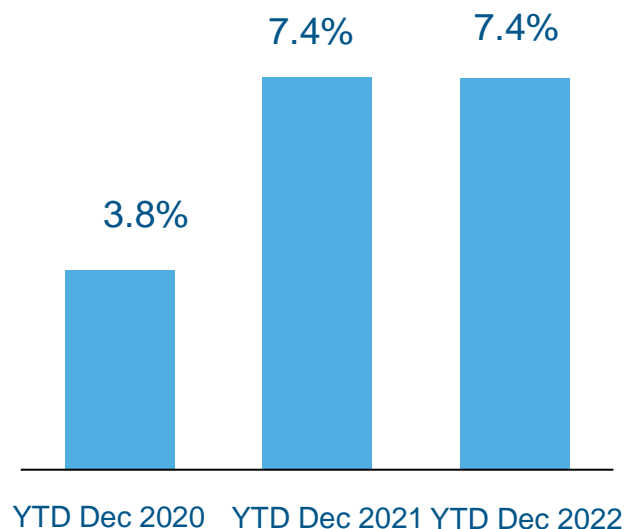
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ROCE & Average Capital Employed



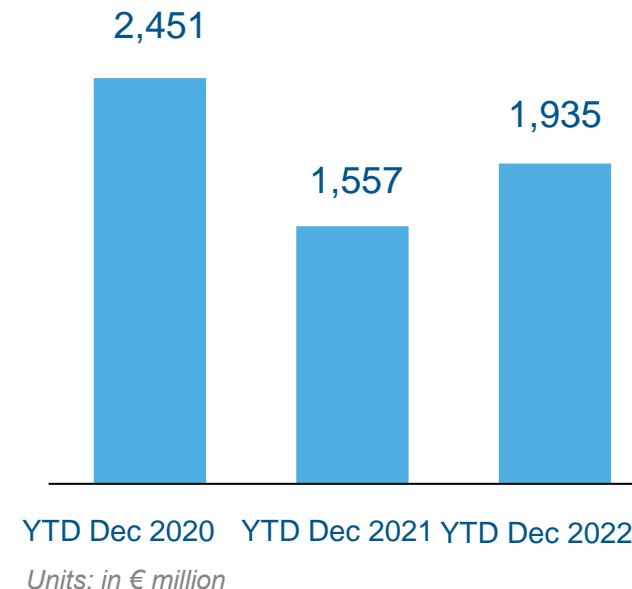
ROCE

- Return on capital employed (ROCE) was 7.4% including a € 43.4 million non-recurring EBIT charge
- Excluding the non-recurring effect, ROCE would have been 9.6%



Average Capital Employed

- Average Capital Employed increased by over 24%, essentially reflecting the impact of the bond issue



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Group Investments



Total capital expenditures were € 142 million in 2022 compared to € 136 million in 2021

Silica M&A



Acquisitions:

- Kremer Beheer B.V (NL)
- Eusebio Echave S.A (ES)
- Bassanetti & C S.R.L (IT)

Investments:

- Diatreme (AUS)
- Metallica Minerals (AUS)

Glass Recycling M&A



Acquisitions:

- Recyverre (FR)
- Krynicki Recykling (PL)

Capital Investments



- San Cesario (IT)
- Act & Sorb (B)

Dividend Proposal



- The Board of Directors will propose a dividend of **€ 117.2 per share** for the full year of 2022, for approval by shareholders at the Annual Shareholders' Meeting in April 2023
- This represents the same amount as 2021 and reflects the Board's confidence in the cash flow generating potential of Sibelco going forward



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Sustainability Framework Updated



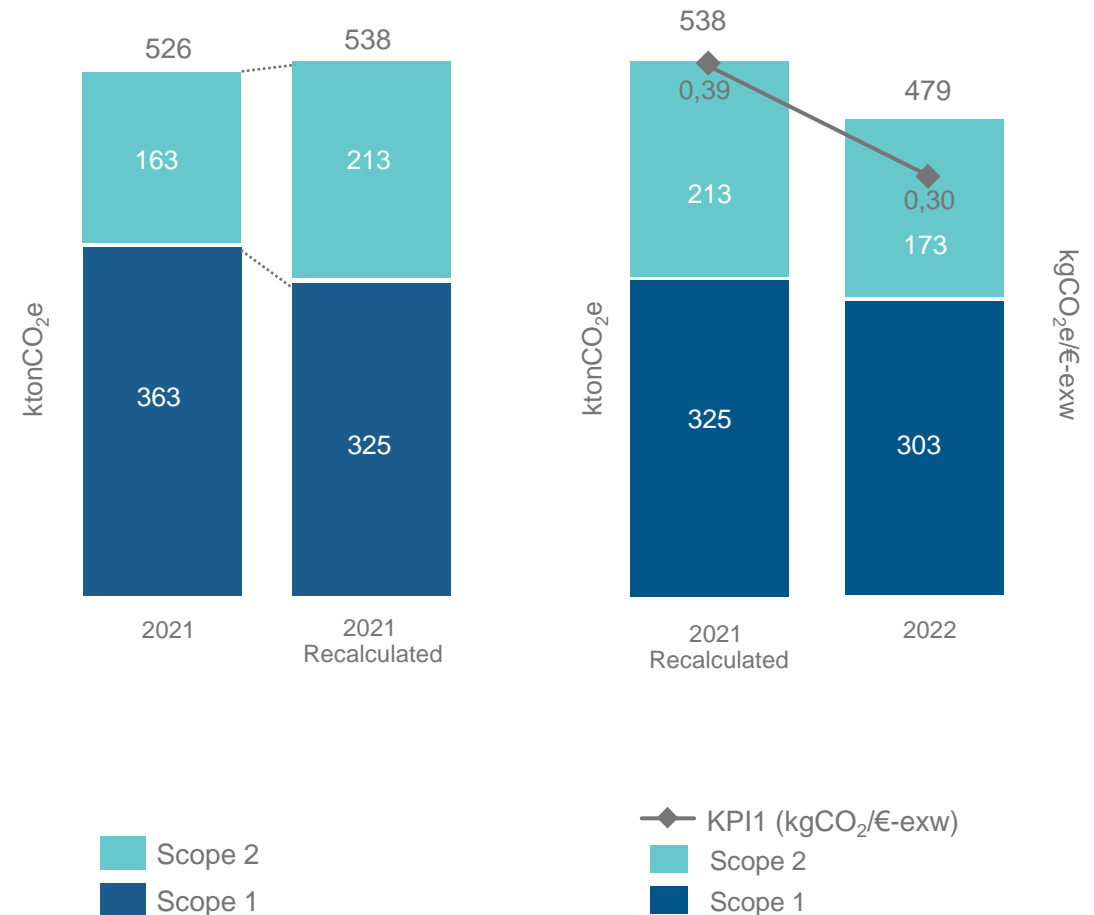
With our purpose **material solutions advancing life** at the centre, our sustainability strategy contributes to 11 United Nations Sustainable Development Goals (SDGs)



CO₂ Emissions Reduction



- Sibelco committed to reduce CO₂ intensity for scope 1 & 2 with 5% p.a. (kg CO₂/€ exw revenue), equivalent to an absolute reduction of 22.5% from 2021 to 2030*
- Sibelco committed to a scope 3 engagement target covering 69% of customer and transportation suppliers by emissions from 2021 to 2026
- SBTi validated Sibelco's near term targets (2030) for scope 1, 2 and 3
- Encouraging results in 2022:
 - 2021 baseline recalculated (acquisitions, divestments, market based power emission factors, updated refrigerant emission factors, consolidation energy data)
 - S1 & S2 CO₂ intensity reduced by 23% from 2021 to 2022
 - S1 & S2 absolute CO₂ emissions reduced by 11% from 2021 to 2022



* Assuming 2.5 p.a. growth

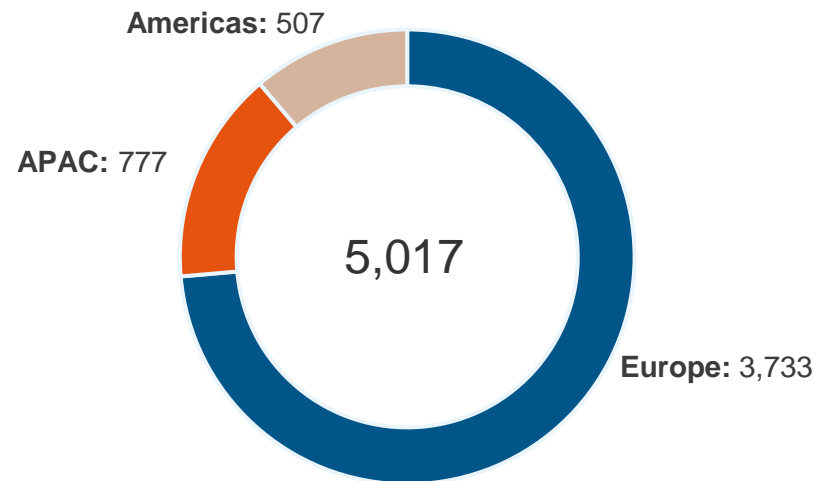


People



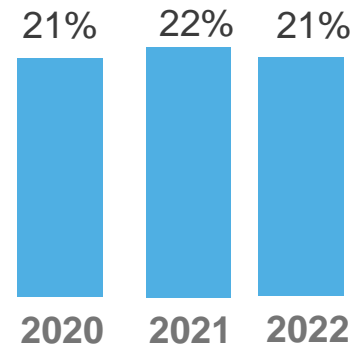
- Increased focus on gender diversity
- Employee engagement at 71%
- Significant movement within our employee base due the implementation of Sibelco 2025 and M&A

Employees at year-end:



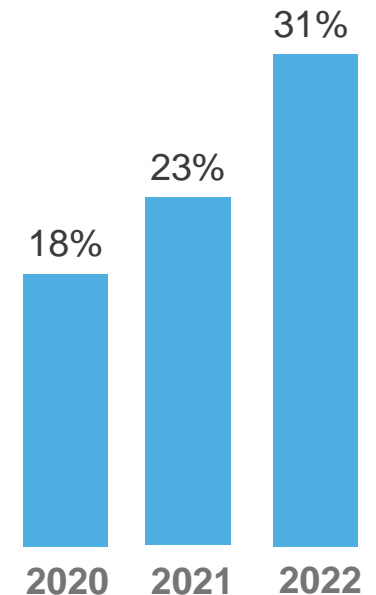
Target:
40%

**Gender balance
all employees:**



Target:
40%

**Gender balance
senior leadership:**



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Sibelco 2025 Strategy



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

PURPOSE

Material solutions *advancing life*

VISION

WE AIM TO 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 reportable incident rate (RIR) to 2.5



Increase free operating cash flow (FOCF) to €120m per year



Improve return on capital employed (ROCE) to 11%



Reduce CO₂ emissions intensity by 5% a year between 2021 & 2030



- Demand for Sibelco's products declined in 2022, particularly in sectors affected by high energy costs and / or increases in interest rates
- We continued to experience high volatility and increased geo-political tension, with our activities in Ukraine still largely at a standstill
- Sales of high purity quartz to semi-conductor and solar PV markets remained strong throughout the year
- We expect these trends to continue and budgeted for a modest increase in EBITDA in 2023



Questions & Answers

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Financial Summary



(€ thousands)	2021	2022	Change %
Revenue	1,679,923	2,008,922	+20%
% of Revenue	100.0%	100.0%	
Gross Margin	489,591	574,840	+17%
% Gross Margin	29.1%	28.6%	
SG&A	222,007	246,726	+11%
% SGA	13.2%	12.3%	
EBITDA	271,145	338,868	+25%
% EBITDA	16.1%	16.9%	
Depreciation	126,147	152,999	+21%
% Depreciation	7.5%	7.6%	
EBIT	114,849	142,417	+24%
% EBIT	6.8%	7.1%	
FOCF	77,492	160,630	+107%
ROCE	7.4%	7.4%	+0%

Statement of Profit or Loss



Simplified Consolidated Statement of Profit or Loss

IN THOUSANDS OF €	2021	2022
Revenue	1,679,923	2,008,922
Cost of sales (-)	(1,190,332)	(1,434,082)
Gross Margin	489,591	574,840
Other operating income	16,046	25,725
SG&A expenses (-)	(222,007)	(246,726)
Other operating expenses (-)	(42,634)	(58,423)
Depreciation, amortization and depletion	(126,147)	(153,035)
EBIT	114,849	142,417
Financial income	3,881	67,410
Financial expenses (-)	(20,107)	(33,063)
Share of profit of equity-accounted investees (net of tax)	4,825	4,946
Profit (loss) before income taxes	103,448	181,710
Income taxes	(26,846)	(50,245)
Profit (loss) for the period	76,603	131,465
Attributable to:		
Owners of the Company	74,868	131,307
Non-controlling interests	1,735	159
	76,603	131,465

Statement of Financial Position



Simplified Consolidated Statement of Financial Position

IN THOUSANDS OF €	31 Dec 2021	31 Dec 2022
Assets	2,047,719	2,690,816
Non-current assets	1,171,575	1,401,616
Current assets	862,119	1,286,693
Assets classified as held for sale	14,025	2,506
Equity and liabilities	2,047,719	2,690,816
Total equity	1,121,933	1,213,742
Equity attributable to equity holders	1,114,954	1,205,867
Share capital	25,000	25,000
Share premium	12	12
Retained earnings and reserves	1,089,942	1,180,855
Non-controlling interests	6,979	7,875
Non-current liabilities	442,798	832,127
Current liabilities	472,321	640,811
Liabilities classified as held for sale	10,667	4,136

Statement of Cash Flows



Simplified and Unaudited Consolidated Statement of Cash Flows

IN THOUSANDS OF €	2021	2022
EBIT	114,849	142,417
Non-recurring result	30,148	43,416
Depreciation, amortisation and depletion	126,147	153,035
EBITDA	271,145	338,868
Income taxes (paid)/received	(29,527)	(47,135)
Capex, including IFRS16 leases	(136,481)	(142,172)
Working capital changes	(8,714)	54,768
Use of provisions	(19,987)	(22,792)
Additional provisions	24,323	8,825
Cash contributions to defined benefit plans	(19,814)	(23,063)
Other non-cash items	(3,452)	(6,669)
Free operating cash flow	77,492	160,630
Interest (paid)/received	(7,142)	(4,460)
Proceeds from sale of PPE	3,943	2,438
Acquisitions of land and reserves	(10,861)	(8,685)
Acquisitions of subsidiaries/non-controlling interests	(42,663)	(159,504)
Disposal of subsidiaries/associates	2,978	41,087
Dividends received	1,214	1,230
Dividends paid	(47,839)	(52,879)
Other items	1,717	(22,393)
NET DEBT DECREASE (INCREASE)	(21,160)	(42,537)
Opening net financial position	168,163	146,833
Change in net financial debt	(21,160)	(42,537)
Leases	27	508
Scope changes	(6,920)	(48,307)
Exchange rate fluctuations and other	6,724	(10,361)
CLOSING NET FINANCIAL POSITION	146,833	46,137

Protecting the Planet



Focus Area

Circularity



Climate Change & Carbon Emissions



Closure Planning & Biodiversity



Target by 2030

Increase the percentage of company revenue in circular business

at least
20%

Reduce CO₂ intensity of scope 1&2 emissions with 5% p.a. (kg CO₂/€ exw revenue), equivalent to 22,5% absolute emission reduction from 2021 to 2030

Customer and supplier engagement target covering 69% of total scope 3 emission by 2026

Reduce energy consumption year over year

Decrease % disturbed land on the total land managed. Targets will be determined and announced

100%
sites have an
Approved
biodiversity
management
plan by 2030

Progress 2022

7.8% of our revenue came from circular business in **2022**, compared to **7.2%** in **2021** (baseline year)

CO₂ intensity reduced from 0,39 to 0,30 kg CO₂/€ exw revenue from 2021 R* to 2022, representing a **reduction of 23%**
Absolute **CO₂ emissions** reduced from 538 kton CO₂ to 479 kton CO₂ from 2021 R* to 2022, representing a **reduction of 11%**

19% of customers and suppliers by emissions committed to science based Targets in 2022 **compared to 8%** in 2021 R*

Energy consumption was 2,225,138 MWh in 2021 R* and 2,085,534 MWh in 2022

Calculate an accurate 2022 baseline while preparing standards and developing a measurement methodology to establish a baseline

* R: Recalculated according to GHG Protocol

Caring for our People



Focus Area	Target by 2030	Progress 2022
Diversity 	Achieve a minimum of 40% female representation 40%	In 2022 we achieved 20.9% female representation, compared to 21.7% in 2021
Employer of Choice 		We scored 71% in our most recent people survey. We will conduct our next full survey in 2024 , with an interim pulse survey in 2023
Health & Safety 	We aim to have zero fatalities and keep the reportable incident rate below 1,5 <1,5	RIR was 2.07 in 2022 , compared to 1.7 in 2021 (baseline year) Tragically, we recorded one fatality in 2022
Human Rights 	We commit to develop a more targeted strategy 100%	A baseline will be set in 2023

Engaging with Society



Focus Area	Target by 2030	Progress 2022
Business Ethics  	Improve business ethics 100%	In 2022 we relaunched our Code of Conduct with a focus on anti-corruption and competition law compliance and started to create awareness inside the Group
Community & Stakeholder Engagement  	We report yearly on our Community investments 100%	36% of our sites had Community and Stakeholder Engagement plans in place in 2022. 2022 is also baseline for community investment
Corporate Governance  	We will ensure that ESG risks are properly embedded in the enterprise risk Management process	A Board Sustainability Committee is created to oversee ESG efforts and progress in the key KPI data
License to Operate  	In place risk register updated each year – will continue towards 2030 - Global environmental and social programmes rolled out	We updated all site level risk registers and finetune our global environmental and social programmes
Reserves and Resources   	Reserves & Resources > Reserves & Resources 2021	Our current index is 100