



The leap forward of 2022

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In 2022 **Campine** acquired a set of assets in the bankruptcy proceedings from its French competitor Recylex. In combination with a strong operational year, this resulted in historical record profits, with the EBITDA reaching € 26.6 mio on a sales revenue which grew to € 317.4 mio.

The acquired assets consist of 2 lead-acid battery breaker plants and a PP plastic recycling factory in France. “Campine is now Europe’s second largest lead-acid battery reprocessing company” states CEO De Vos “There is a clear consolidation in Europe with some temporary and definite lead metal production plant closures, which currently creates a relative shortage of lead metal in Europe. So our expansion in France was perfectly timed” he concludes.

The diversification into plastics recycling was a logical next step “In our business plan we had foreseen to enter the Polypropylene recycling market with an own investment. This acquisition now gives us a leap forward both in plastics as in battery recycling” adds De Vos.

The battery breaker activities in France are hosted in a new business unit called ‘recycled Batteries’ and are integrated in our Circular Metals division (formerly Metals Recycling division) as it is an upstream addition to its business. The plastics recycling company C2P becomes Campine ‘recycled Polymers’ business unit and is hosted in the Specialty Chemicals division, due to its overlap in customers and technology with our Flame Retardant Masterbatches BU (formerly Plastics BU) in Beerse.

The demand in the **Specialty Chemicals** division remained extremely high until the 2022 summer, normalized during autumn and weakened somewhat further at year-end. The rise of antimony metal prices which started mid 2020 came to its peak of about \$ 14,000/ton during the summer and reflected the weakened demand by cooling down towards \$ 11,000 at year-end. The second semester was thus rather difficult, as we had to cope with stock value depreciations due to the lower market prices, which put pressure on the margins.

In the **Circular Metals** division the demand remained strong throughout the year 2022. “With the expansion, we now recycle a volume of 180 thousand tons used batteries, which is the equivalent of 10 million car batteries per year.” says David Wijmans, division director of Campine’s Circular Metals division “Additionally we expanded our feedstock reach, as we now collect used batteries in a much broader region”. Lead LME prices decreased in the 1st semester after the onset of the Russia - Ukraine war, but recovered toward year-end. Campine also continued its efficiency and renewal investments in Beerse by installing new state of the art equipment.

Campine can generally pass on the higher costs such as energy prices, inflation and other increased expenses to the market, although sometimes with a delay to respect active contracts. To cover the unusual high inflation and energy situation Campine worked and is working with its suppliers and customers to spread the burden and reach a balanced ‘new normal’. In comparison with other metallurgical companies, the impact of energy costs at Campine is limited.



Financial results

The consolidated and division figures are including the results from the acquired business for the second semester (as from the acquisition date of July 7th 2022).

Revenue

Campine realised a total consolidated revenue of € 317.4 mio (including 6 months of revenue of the acquired French plants) which is +40% in comparison with € 226.3 mio in 2021. Excluding the acquisition the 'like for like' revenue would be € 287.8 mio, still +27% compared to a year earlier. This higher revenue is mainly related to the higher material/metal prices as the volumes remained almost equal.

Results

The EBITDA increased from € 22.6 mio in 2021 to € 26.6 mio, which is 18% higher. This 2022 EBITDA includes € 17.2 mio from the Belgian operations, the acquired French operations contributed € 1.8 mio and a one-time positive non-cash effect of € 7.6 mio (as a result of the acquisition assimilation under IFRS 3 and accounting rules). The net result (EAT) for 2022 amounted to € 15.8 mio (including € 6.5 mio from the acquisition assimilation) which is +17% compared to € 13.5 mio in 2021.

in mio eur	Consolidated		Consolidated 2022 thereof		
	2021	2022	BELGIUM	Acquired business FRANCE	one-time IFRS acquisition effect
Revenue	226.3	317.4	287.8	29.6	
EBITDA	22.6	26.6	17.2	1.8	7.6
Net Result	13.5	15.8	8.4	0.9	6.5

Solvency

The acquisition was completely financed with own cash. Our financial ratios continued to remain very solid during 2022 despite the acquisition and increased need for working capital (high material prices). The solvency rate remains strong at 47% (equity/balance sheet total). Our financial resources allow us to continue financing future expansions and renewals.

Dividend

The board proposes to the general meeting to pay a gross dividend of € 2.5/share, amounting to a total of € 3.75 mio based on the 2022 results. This dividend reflects the policy to distribute 1/3 of the net result, this time taking into account the operational results and excluding the one-time non-cash effect from the acquisition.

Results per division

Specialty Chemicals – sales € 153.5 mio (+44%) – EBITDA € 6.4 mio (-47%)

This division (business segment) is composed of the business units Antimony trioxide (ATO), Flame Retardant Masterbatches (FRMB) and recycled Polymers (rP).

The sales volume in the Specialty Chemicals division grew with 18.5% to about 18,500 tons (including 3,400 tons of recycled polypropylene from the acquired business).

Revenue is strongly linked to the evolution of antimony metal prices, hence our sales revenue increased drastically in 2022. The average antimony Metal Bulletin price in 2022 was \$ 13,160/ton which is 18% higher than in 2021, when the average price amounted only to \$ 11,187/ton. The 2022 revenue ended at € 153.5 mio (including € 6.2 mio from the acquired rP business) which is +44% compared to € 106.4 a year earlier.

After a record first 2022 year half, results suffered in the second semester due to declining demand and lowering material prices. The EBITDA ended at € 6.4 mio, a decline with 47% from the € 12.2 mio a year earlier. In 2021 Campine's Specialty Chemicals business indeed benefitted from the continuous augmenting material prices throughout the year, whilst in 2022 - although prices were on a high level - such positive effect was absent.



Circular Metals – sales € 196.8 mio (+38%) – EBITDA € 12.5 mio (+20%)

This division (business segment) is composed of the business units Lead (Pb), Metals Recovery (MR) and recycled Batteries (rB).

We concluded the year with a sales volume of approx. 91,800 tons, which is an increase of 38% compared to the 63,850 tons in 2021. The acquired French business added sales of 26,300 tons battery fractions and accounts for the majority of the growth. The lead refinery in Beerse had slightly lower output due to the installation and start-up of new equipment.

The higher LME lead prices contributed positively to the higher revenue and operational result. Our margins are typically under pressure when the LME has a downward trend but recover during upward movements. This is also the case for the sales of the battery fractions from the acquired business. The average LME price in 2022 was about € 2,040/ton, which is about 9% higher than in 2021 (€ 1,870/ton).

The revenue increased by 38% to € 196.8 mio (including € 29.6 mio from the acquired operations) compared to € 142.2 mio in 2021 whereas the EBITDA grew to € 12.5 mio (including € 1.2 mio from the acquisition) which is +20% compared with € 10.5 mio in 2021.

Perspectives for 2023

The demand in the **Specialty Chemicals** division is gaining some ground in Q1-2023 compared to the weak sales at the end of 2022, although we expect the first semester volumes still to be below previous years. We have however been able to maintain our margins and as antimony metal prices are increasing again (due to tight ore concentrates supply in Asia), we expect positive stock value impacts. In general, demand for flame retardant products and recycled PP continues to grow.

In our **Circular Metals** division lead LME prices lingered on average around or above € 2,000/ton and we expect prices to remain at this level. New purchase and sales contracts at improved conditions should have a positive impact in the course of the year and allow to absorb the higher labour and energy costs. Demand for lead remains good and we expect the equipment renewal investments carried out in 2022 to allow higher output and efficiencies.

In **2023** Campine will focus on the further integration of the acquired operations and realise some synergies. The combination of the acquired business is leading to new opportunities and broadens Campine's selling proposition. We already hope to see a positive impact of this during this year, in which we will also consolidate the full year revenues and returns of the new French assets.

EBITDA: Earnings before interests, taxes, depreciation and amortisation

EAT: Earnings after tax also referred to as Result for the year

Our auditor, EY Bedrijfsrevisoren, represented by Harry Everaerts, has confirmed that the audit procedures of the consolidated financial statements are substantially completed and that these procedures have not revealed any material modification that would have to be made to the accounting information, derived from the consolidated financial statements and included in this communiqué.

The annual financial report will be made available for the public on April 24th 2023 on the website of Campine. For further information you can contact Karin Leysen: tel. +32 14 60 15 49 / email: Karin.Leyesen@campine.com



Consolidated income statement

'000 eur	31/12/2022	31/12/2021
Revenue from contracts with customers	317,430	226,317
Other operating income	3,343	1,407
Income out of acquisitions	7,590	-
Raw materials & consumables used	-261,552	-174,510
Employee benefits expense	-18,080	-15,416
Depreciation and amortisation expense	-5,761	-4,335
Changes in restoration provision	-330	-50
Other operating expenses	-21,231	-14,316
Operating result (EBIT)	21,409	19,097
Hedging results	-612	-786
- <i>Closed Hedges</i>	-44	-628
- <i>Change in open position</i>	-568	-158
Finance costs	-745	-346
Net financial result	-1,357	-1,132
Result before tax (EBT)	20,052	17,965
Income tax expense	-4,247	-4,454
Result for the year (EAT)	15,805	13,511
Attributable to: equity holders of the parent	15,805	13,511
RESULT PER SHARE (in €)		
Number of shares	1,500,000	1,500,000
Result for the year (basic & diluted)	10.54	9.01

Calculation EBITDA

'000 €	31/12/2022	31/12/2021
Result before tax (EBT)	20,052	17,965
Finance costs	745	346
Depreciation and amortisation expense	5,761	4,335
EBITDA	26,558	22,646



Consolidated overview of the result

'000 eur	31/12/2022	31/12/2021
Result for the year	15,805	13,511
Other comprehensive income:		
Comprehensive income not to be reclassified to the profit or loss statement in the future (actuarial results of retirement benefit obligations) net of tax	62	16
Total result for the year	15,867	13,527
Attributable to: equity holders of the parent	15,867	13,527