



## Records in 2023 @ Campine 2.0

Regulated information – March 18<sup>th</sup> 2024 - 08:00

2023 was the first full year for **Campine 2.0** since the expansion in France. Campine achieved its highest **turnover ever of € 322 million** and a record **operating cash flow (EBITDA) of € 26.8 million**.

“We have set new records in a very difficult year for the industry, thanks to exceptional results realised in our recycling units” states CEO De Vos proudly. David Wijmans, director Circular Metals Division gives more background: “The sale of recycled lead alloys was at an all-time high with 61000 tons and the profits from the recovery of other metals such as antimony, gold and silver were also the highest ever. The record profit results from several factors: the consolidation of the first full year of the French entities, better commercial conditions with customers and suppliers, the ability to pass on the cost increase caused by the inflation into its sales prices and relatively high metal prices.” The distinctive profit contribution of the new recycled Polymers (rP) business unit in France is certainly striking. “This is a promising new area for future growth at Campine” says De Vos “With EU regulation forcing OEM’s to use more and more recycled materials, we foresee double digit growth rates per year in plastics recycling” he concludes.

Due to the weak economic situation in the construction sector, the demand for fire retardants in Campine’s **Specialty Chemicals** division dropped. Volumes fell on average with 16% compared to the previous year. This weak demand also led to a general decline in many raw material prices, including that of antimony metal: in the first quarter of 2023 the price was still around \$13 000/ton but by the end of the year this reduced to about \$11 500/ton. The PP plastic recycling unit achieved a volume of approximately 8 500 tons which represents for Campine an increase of 150% as the BU rP has now been consolidated for a full year.

The **Circular Metals** division, on the other hand, had a strong year in 2023. The smaller Metals Recovery business unit broke records, partly thanks to the high prices for precious metals and the processing of more complex metal flows. In the battery recycling department, revised commercial conditions helped to increase margins to a satisfactory level. Lead LME prices were at a relatively good level throughout the year, although they fell in the first half, went up again to a peak in the autumn but fell again towards the end of the year. Campine's lead alloys output also peaked at a volume of approximately 61 000 tons. The French battery breaker plants performed well too.



## Financial results

### Revenue

Campine realised a consolidated turnover of € 322.0 million compared to € 317.4 million in 2022 (+2%). Total sales volumes increased by approximately 36% to almost 150 000 tonnes. This increase is entirely attributable to the full consolidation of the French factories (compared to six months in 2022). The fact that volume growth is not fully reflected in turnover growth is mainly due to the lower metal and raw material prices that form the basis of our sales prices.

### Results

The EBITDA increased from € 26.6 million in 2022 to € 26.8 million in 2023. This apparently stable EBITDA does have a different composition, as it included a € 6.5 million non-cash acquisition valuation result last year. The total operating cash flow of € 26.8 million is therefore indeed a record operational result. The new French activities already achieved 12% of the profit (pre-IFRS consolidation).

Evolution of the Group before and after the acquisition: for comparative reasons we excluded the exceptional Covid year 2020 and the acquisition year 2022, which was influenced by the acquisition accounting. The current 2023 figures are in comparison with 2019 and 2021.

|                      | <b>2019</b>             | <b>2021</b>             | <b>2023</b>                               | <b>2023</b>  |
|----------------------|-------------------------|-------------------------|---|--------------|
|                      | Group =<br>Belgium only | Group =<br>Belgium only | Group<br>consolidated<br>Belgium + France | Belgium only |
| Turnover<br>in € mio | 192.5                   | 226.3                   | 322                                       | 262.5        |
| EBITDA in € mio      | 13.3                    | 22.6                    | 26.8                                      | 23.9         |

The net result (EAT) for 2023 amounted to € 13.7 million compared to € 15.8 million in 2022 (-13%), but this can again be explained by the acquisition processing of a net € 6.5 million in 2022.

### Solvency

The financial ratios remained very solid again in 2023. Although the acquisition in 2022 was fully financed with own funds and this expansion led to a higher need for working capital, solvency has risen again to 55% (equity/balance sheet total). Consequently there are more than sufficient financial resources for further expansions.

### Dividend

The board proposes to the general meeting to pay a gross dividend of € 3.0/share, amounting to a total of € 4.5 mio based on the 2023 results. This dividend reflects the policy to distribute 1/3 of the net result.



## Results per division

### **Specialty Chemicals – sales € 127.5 mio (-17%) – EBITDA € 4.6 mio (-29%)**

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

Sales volume in the Specialty Chemicals division grew by 14% to approximately 21 000 tonnes. The increase is entirely attributable to the volumes of 'recycled polypropylene' (rPP) from France. The additional rPP volumes overcompensate for the volume decline in flame retardants due to the poor economic situation in the construction industry.

Turnover is strongly linked to the evolution of raw material and antimony metal prices, which is why sales revenues have fallen in 2023. Turnover ended at € 127.5 million compared to € 153.5 million (-17%) a year earlier. The average antimony Metal Bulletin price in 2023 was \$ 12 050/ton, which is 8.5% lower than in 2022, when the average price was \$ 13 160/ton.

The EBITDA ended at € 4.6 million, a decrease of 29% compared to € 6.4 million a year earlier. The drop in raw material and antimony prices led to a write-down of our stocks and put pressure on margins.

### **Circular Metals – sales € 236.4 mio (+20%) – EBITDA € 22.2 mio (+77%)**

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

The year 2023 ended with a sales volume of approximately 129 000 tons, which represents an increase of 40% compared to the 91 000 tons in 2022. Here too, the increase is entirely attributable to the volumes in France. The lead department in Beerse achieved a record sales volume of approximately 61 000 tons of alloys, mainly due to high demand in the first half of the year. Demand in the 2nd semester declined somewhat, due to low maritime container rates, which helped to increase imports of lead and lead-acid batteries from Asia.

The average lead LME price in 2023 was approximately € 1 975/ton, which is approximately 3% lower than in 2022 (€ 2 040/ton). Higher sales premiums for specialty alloys and improved purchasing conditions helped offset inflation and other increased costs. The volumes from France contributed nicely, as our corporate overhead has not grown despite this French expansion.

Turnover increased by 20% to € 236.4 million compared to € 196.8 million in 2022 while EBITDA grew to € 22.2 million compared to € 12.5 million (+77%) in 2022.



## Perspectives for 2024

Demand for products from our **Specialty Chemicals** division is gaining some ground in the first quarter of 2024 compared to weak demand in 2023. However, it is still unclear whether this upward trend will continue. In any case, antimony metal prices are rising again, which is already leading to a positive inventory valuation effect and improved margins. Prices for virgin PP are also slowly on the rise again and this has a positive effect on the demand for recycled PP. In addition, regulations increasingly oblige the industry to use recycled plastics, which will mean further growth for our French rP department.

In our **Circular Metals** division, LME lead prices have recovered somewhat after the decline in December. The price now fluctuates between € 1 900 and € 2 000/ton. The demand for lead remains good on average. We expect that the increase in maritime container prices, due to the problems via the Suez Canal, could fuel local European demand later this year as Asian imports become more expensive and less reliable. Campine will also use more battery fractions from its French branches in its smelter in Belgium. There is also increasing interest for such products from several new customers, which is expected to materialise later in 2024 and stimulate further growth.

EBITDA: Earnings before interests, taxes, depreciation and amortisation

EBIT: Earnings before interests and taxes also referred to as Operating result

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

Our auditor, EY Bedrijfsrevisoren, represented by Ludovic Deprez, 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 22<sup>nd</sup> 2024 on the website of Campine. For further information you can contact Karin Leysen: tel. +32 14 60 15 49 / email: [Karin.Leyesen@campine.com](mailto:Karin.Leyesen@campine.com)



## Consolidated income statement

| '000 eur                                     | 12/31/2023    | 12/31/2022    |
|--|---------------|---------------|
| Revenue from contracts with customers        | 321 971       | 317 430       |
| Other operating income                       | 2 086         | 3 343         |
| Gain on bargain purchase                     | 0             | 6 478         |
| Raw materials & consumables used             | -255 141      | -262 257      |
| Employee benefits expense                    | -22 784       | -18 080       |
| Depreciation and amortisation expense        | -7 198        | -5 761        |
| Changes in restoration provision             | -15           | -330          |
| Other operating expenses                     | -20 278       | -20 526       |
| <b>Operating result (EBIT)</b>               | <b>18 641</b> | <b>20 297</b> |
| Investment revenues                          | 8             | 2             |
| Hedging results                              | 914           | -612          |
| - Closed Hedges                              | -93           | -44           |
| - Change in open position                    | 1 007         | -568          |
| Finance costs                                | -1 303        | -747          |
| <b>Net financial result</b>                  | <b>-381</b>   | <b>-1 357</b> |
| <b>Result before tax (EBT)</b>               | <b>18 260</b> | <b>18 940</b> |
| Income tax expense                           | -4 609        | -3 135        |
| <b>Result for the year (EAT)</b>             | <b>13 651</b> | <b>15 805</b> |
| Attributable to equity holders of the parent | 13 651        | 15 805        |
| <b>RESULT PER SHARE</b>                      |               |               |
| Number of shares                             | 1 500 000     | 1 500 000     |
| Result for the year (basic & diluted) in eur | 9.10          | 10.54         |

### Calculation EBITDA

| '000 eur                                 | 12/31/2023    | 12/31/2022    |
|--|---------------|---------------|
| Result before tax (EBT)                  | 18 260        | 18 940        |
| Finance costs / Investment revenues      | 1 295         | 745           |
| Depreciation and amortisation expense    | 7 198         | 5 761         |
| Deferred tax on gain on bargain purchase | 0             | 1 112         |
| <b>EBITDA</b>                            | <b>26 753</b> | <b>26 558</b> |



## Consolidated overview of the result

| '000 eur   | 12/31/2023    | 12/31/2022 |
|--|---------------|------------|
| Result for the year  | <b>13 651</b> | 15 805     |
| 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 | <b>-216</b>   | 62         |
|  | <b>13 435</b> | 15 867     |
| Attributable to equity holders of the parent   | <b>13 435</b> | 15 867     |