

## A perfect storm gives Campine tailwind in 2021

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Despite a year with lots of challenges, **Campine** took advantage of the high demands for all of its products in 2021 and turned some market hurdles into real opportunities. This resulted in historical record profits.

Campine concluded the year with a total revenue of € 226.3 mio and an EBITDA result of € 22.6 mio.

“It was a stormy year” states CEO De Vos “We never had to cope with so many extreme factors simultaneously” as he refers to the post-Covid difficulties. Campine encountered shortages in different materials and serious price hikes related to it. The disruptions in global logistics and related cost increases posed a challenge to Campine, which imports and exports thousands of tons of material globally. On top, the absence of personnel due to Covid illness and quarantine overturned the production planning constantly. Thanks to our professional and flexible staff, we were able to successfully tackle this.

The boosting energy prices, general inflation and increased service costs contrasted with the high demand for all Campine’s products.

The demand in the **Specialty Chemicals** remained extremely high throughout the year. Antimony metal prices surged to a 5-year high and rallied from roughly 6,000 \$/ton in the last quarter 2020 to about 13,000 \$/ton a year later. This fierce price increase is related to the tight situation in the antimony ore concentrates supply. Covid reduced output or even closed some antimony mines and the extracted ore concentrates could not find their way easily to the smelters, due to the limited availability of transports and congestions in the Asian ports. Campine had to adjust its purchasing tactics repeatedly and adapt its sales prices constantly. “We were confronted with a lot more aspects of our own business this year, as we had to dive into the smallest details of our operations to remain agile and maximize profitability” explains Hans Vercammen, division director Specialty Chemicals. “It was important to react very fast and seize every opportunity to keep our business with high demands running at the lowest possible cost” adds CEO De Vos. Asian low-cost antimony trioxide competitors faced huge logistic issues and higher transportation costs, which made many customers turn to Campine as a reliable Western quality supplier. Campine’s capacity expansion in 2019 in its Plastics Masterbatch department proved to be really necessary as market demand was extremely high and sales volumes grew with almost 17%.

The **Metals Recycling** division likewise benefitted from the recent capacity expansions in its Metals Recovery business unit. Profits in this unit were propelled by the higher metal prices. Despite the high demand for lead in 2021 Campine’s Lead BU output reduced slightly, because technical issues limited the output in the first semester. Lead LME prices increased in the 2<sup>nd</sup> semester of 2021 towards € 2,100/ton, as the largest lead smelting factory in Europe was hit by the flooding in Germany, limiting European lead metal supply. This factory is still not operational.

## Financial results

### Revenue

Campine realised a total revenue of € 226.3 mio in comparison with € 166.9 mio in 2020 (+36%). This higher revenue is mainly related to the higher volumes in the Specialty Chemicals division and the overall increased metal prices, which form the basis of Campine’s sales prices.

### Results

The EBITDA reached € 22.6 mio, which is 215% higher compared to the € 7.2 mio of 2020 and the EBIT ended at € 19.1 mio (427% higher than in 2020). The net result (EAT) for 2021 amounted to € 13.5 mio compared to € 2.8 mio in 2020 (+385%).



## Solvency

Our financial ratios continued to remain very solid during 2021 despite the increased need for working capital, in view of the high material prices and increased volumes. With a solvency rate of 52% (equity/balance sheet total) we have the financial resources to continue financing future expansions and renewals.

## Dividend

The board proposes to the general meeting to pay a gross dividend of 2.8 €/share, amounting to a total of € 4.2 mio based on the 2021 results.

## Results per division

### **Specialty Chemicals – sales € 106.4 mio (+65%) – EBITDA € 12.2 mio (+422%)**

This division (business segment) is composed of the business units Antimony and Plastics.

The sales volume in the Specialty Chemicals division grew with 17% to 15,598 tons from about 13,350 tons in the previous years 2020 and 2019.

Revenue is also linked to the evolution of antimony metal prices, hence our sales revenue increased drastically. The average antimony Metal Bulletin price in 2020 of \$ 5,912/ton almost doubled during 2021, when the average price amounted to \$ 11,187/ton. Consequently our revenue amounted to € 106.4 mio (+65% vs 2020).

The very good results were supported by higher volumes, better margins and also a stock value increase due to the fast and fierce material price increases. The EBITDA reached € 12.2 mio, up 422% from € 2.3 mio one year earlier. The EBIT increased to € 10.6 mio compared to € 1.1 mio in 2020.

### **Metals Recycling – sales € 142.2 mio (+26%) – EBITDA € 10.5 mio (+116%)**

This division (business segment) is composed of the business units Lead and Metals Recovery.

We concluded the year with a sales volume of approx. 63,850 ton, which is similar compared to 2020 (+2%). This small volume increase came entirely from our Metals Recovery unit, as the lead department suffered from technical issues. Due to the higher throughputs in recent years, one of the gas treatment elements of the shaft furnace, which normally has a 5-year replacement span, was showing increased wear, limiting output.

The higher LME prices contributed positively to the higher revenue and operational result. Our margins are typically under pressure when LME has a downward trend but recover during upward movements. Just like all other metals, the lead LME price increased substantially during the economic revival after the 2020 Covid pandemic dip. The average LME price in 2021 was about € 1,870/ton, which is about 17% higher than in 2020 (€ 1,600/ton).

Consequently, the revenue increased by 26% to € 142.2 mio whereas the EBITDA grew to € 10.5 mio (+116%) and the EBIT to € 8.5 mio (234%).



## Perspectives for 2022

The high demand for all Campine's products sustains in the first quarter 2022 and we expect this situation to last at least until the summer.

The **Specialty Chemicals division** gained some new customers in 2021, which will contribute further to keeping or even growing the high sales volumes. Antimony metal prices remained stable so far around 13,000 \$/ton, but global logistics remain complicated.

In our **Metals Recycling division** lead LME prices remained on average above 2,000 €/ton level until end of February and we expect prices to remain relatively high as a consequence of the limited supply in Europe and the USA. Campine successfully increased its price premiums to recover some of the higher raw material and energy prices, but inflation will keep pressure on profit margins during 2022.

Campine will continue its investment plan which contains some renewal and replacement as well as small expansion projects. These should further increase operational efficiency and improve our safety and environmental KPI's.

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 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 22<sup>nd</sup> 2021 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 €	31/12/2021	31/12/2020
Revenue from contracts with customers	<b>226.317</b>	166.947
Other operating income	<b>1.407</b>	1.095
Raw materials and consumables used	<b>-174.510</b>	-136.436
Employee benefits expense	<b>-15.416</b>	-13.494
Depreciation and amortisation expense	<b>-4.335</b>	-3.253
Changes in restoration provision	<b>-50</b>	-45
Other operating expenses	<b>-14.316</b>	-11.188
<b>Operating result (EBIT)</b>	<b>19.097</b>	3.626
Hedging results	<b>-786</b>	300
- <i>Closed Hedges</i>	<b>-628</b>	498
- <i>Change in open position</i>	<b>-158</b>	-198
Finance costs	<b>-346</b>	-258
<b>Net financial result</b>	<b>-1.132</b>	42
<b>Result before tax (EBT)</b>	<b>17.965</b>	3.668
Income tax expense	<b>-4.454</b>	-884
<b>Result for the year (EAT)</b>	<b>13.511</b>	2.784
<b>Result before interests, taxes, depreciation and amortisation (EBITDA)</b>	<b>22.646</b>	7.179
Attributable to: equity holders of the parent	<b>13.511</b>	2.784
<b>RESULT PER SHARE (in €)</b>		
Number of shares	<b>1.500.000</b>	1.500.000
Result for the year (basic & diluted)	<b>9,01</b>	1,86

## Consolidated overview of the result

'000 €	31/12/2021	31/12/2020
Result for the year	<b>13.511</b>	2.784
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>16</b>	-49
<b>Total result for the year</b>	<b>13.527</b>	2.735
Attributable to: equity holders of the parent	<b>13.527</b>	2.735