

# Key performance indicators

The Board and management have identified the following indicators which it believes reflect the financial and non-financial performance of the business.

The non-financial information, as presented within the Director's Report, which in this document, comprises the Strategic report and Governance section of this Annual Report, complies with the Dutch Disclosure of Non-Financial Information.



Read more on risk management  
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## Link to strategy



Business model



Competitiveness



Markets

## Use of secondary raw materials



2022	10.5%
2021	6.8%
2020	5.0%
2019	4.6%

### KPI relevance

Recycling plays a critical role in achieving our 2025 emissions reduction target while also developing the circularity of our business. Our target was to reach 10% secondary raw material (SRM) content in refractories by 2025, and this has been reached three years early.

### How it is measured

Share of SRM content as a percentage of total raw materials.

### 2022 performance

SRM increased considerably in 2022, thanks to increased focus internally, pioneering research and development and the joint venture with Horn & Co Minerals Recovery GmbH & Co KG to form MIRECO, which has considerably increased secondary raw material availability to the Group.

## Safety: LTIF<sup>1</sup>



2022	0.20
2021	0.19
2020	0.13
2019	0.28

### KPI relevance

Safety is paramount to the successful running of our business. Lost Time Injury Frequency ("LTIF") is the main indicator used to measure safety performance. The Group's goal is zero accidents.

### How it is measured

The number of accidents resulting in lost time of more than eight hours, per 200,000 working hours, determined on a monthly basis.

### 2022 performance

LTIF was 0.20 in 2022 (2021: 0.19), increased slightly due to high plant loads and staff returning to the workplace following the pandemic.

Total Recordable Injury Frequency (TRIF) decreased to 0.54 from 0.60 in 2021.

1. LTIF was restated in 2021 to 0.19 (from 0.18).

## Voluntary employee turnover



2022	6.5%
2021	6.8%
2020	5.1%
2019	6.2%

### KPI relevance

Voluntary turnover is one way of measuring the Group's success in retaining its employees.

### How it is measured

The percentage of employees who voluntarily left the Company during the year and were replaced by new employees.

### 2022 performance

Voluntary turnover remained broadly unchanged in 2022, at 6.5% and in line with historic averages. The rate remains relatively low, associated with an uncertainty in the global economic environment.

## Relative CO<sub>2</sub> emissions<sup>1,2</sup> (t CO<sub>2</sub>/t)



2022	1.75
2021	1.85
2020	1.97
2019	1.85

### KPI relevance

Climate change poses strategic and operational risks to our business, as well as opportunities. The Group's target is to reduce Scope 1, 2, 3 (raw materials) by 15% per tonne of product by 2025 (vs 2018).

### How it is measured

Tonnes of total Scope 1, 2, 3 (raw materials) carbon emissions per tonne of product. Scope 1 emissions consist of on-site emissions. Scope 2 comprise purchased electricity, and Scope 3 are measured from raw materials production.

### 2022 performance

Petroleum coke was replaced by sustainably sourced charcoal at the raw material production site in Brazil, and has delivered 18kt of annualised CO<sub>2</sub> emission savings.

1. Historical CO<sub>2</sub> emission data were revised to reflect new acquisitions and changes that were made following an external verification process that took place in July 2022.
2. Adaptations in line with the Greenhouse Gas protocol and refinement in reporting result in updated CO<sub>2</sub> and energy efficiency figures for 2018-2022.

## Gender diversity in leadership



2022	21%
2021	22%
2020	25%
2019	17%

### KPI relevance

Diversity is important in terms of maintaining our competitiveness and economic success, and gender diversity is our first priority. Our target is to increase female representation in senior leadership to 33% by 2025.

### How it is measured

Number of women as a percentage of all those in leadership positions (Executive management team (EMT) and EMT direct reports).

### 2022 performance

Gender diversity in leadership slightly declined in 2022 to 21%, following a new regionalised structure implemented in 2022.

## Revenue



2022	€3,317m
2021	€2,551m
2020	€2,259m
2019	€2,922m

### KPI relevance

This demonstrates the growth of the business. By increasing our global refractory market share, continually enhancing our product and service offering, the Company is focused on achieving revenue growth and aims to outperform the refractories market on an annual basis.

### How it is measured

Total Group revenue, as reported in the financial statements.

### 2022 performance

Revenue for 2022 amounted to €3,317 million, 30% higher than 2021 (€2,551 million) mostly driven by a significant price increase programme of €600 million and also due to currency tailwinds.

## Adjusted EBITA margin



2022	11.6%
2021	11.0%
2020	11.5%
2019	14.0%

### KPI relevance

EBITA margin provides a measure of profitability and demonstrates the successful execution of the Company's strategy.

### How it is measured

Adjusted EBITA divided by revenue, as reported in the financial statements.

Adjusted EBITA is an APM and more information can be found on [page 241](#).

### 2022 performance

The Group recorded double digit EBITA margin in 2022, of 11.6% and 60bps higher than 2021. This was due to the price increase programme fully offsetting cost inflation, and also due to currency tailwinds.

## Adjusted EPS



2022	€4.82
2021	€4.52
2020	€3.28
2019	€5.57

### KPI relevance

Reflecting the income statement in a clear way and taking the equity structure into account, the Board believes Adjusted EPS to be one of the indicators that demonstrates shareholder value.

### How it is measured

Earnings per share, excluding other financial income and expenses.

Adjusted EPS is an APM and more information can be found on [page 241](#).

### 2022 performance

Adjusted EPS of €4.82 per share was higher than the €4.52 per share recorded at 2021 largely given the substantial revenue growth of the Group. However, EPS was impacted by below the line items such as higher finance charges, unfavourable foreign exchange movements and higher effective tax rate.

## Leverage



2022	2.3x
2021	2.6x
2020	1.5x
2019	1.2x

### KPI relevance

Appropriate leverage provides the business with headroom for compelling investment opportunities, but also enables shareholder distribution.

The leverage target range has been increased to 1.0-2.0x (2.5x for M&A).

### How it is measured

Net debt to adjusted EBITDA.

### 2022 performance

Leverage decreased to 2.3x at the end of 2022, 0.3x lower than at year end 2021. Lower leverage was achieved through higher EBITDA. Cash flow was also improved by lower capital expenditure in 2022.

## ROIC



2022	11.6%
2021	9.6%
2020	11.5%
2019	15.3%

### KPI relevance

Return on invested capital (ROIC) is used to assess the Group's efficiency in executing its capital allocation strategy, which is aimed at enabling organic growth, disciplined M&A and shareholder returns.

### How it is measured

Calculated as net operating profit after tax, divided by total invested capital for the year.

ROIC is an APM and more information can be found on [page 241](#).

### 2022 performance

Return on invested capital increased in 2022 to 11.6% due to ramp up of benefits from the Production Optimisation Plan and increased profitability in 2022.

## R&D and Technical Marketing spend



2022	€77m
2021	€63m
2020	€62m
2019	€64m

### KPI relevance

Excellence in R&D and strong Technical Marketing capabilities are key contributors to our competitiveness. This demonstrates our commitment to driving innovation and to being the leading provider of services and solutions within the refractories industries. The Company aims to invest at least 2.2% per annum of revenue in R&D and Technical Marketing.

### How it is measured

Annual spend on research and development, before subsidies and including opex and capex.

### 2022 performance

€77 million was committed to R&D and Technical Marketing in 2022, equating to 2.3% of revenues, exceeding the Group's annual commitment of 2.2%