

# Key performance indicators

The Board and management have identified the following KPIs which they believe reflect the key indicators of financial and non-financial performance.

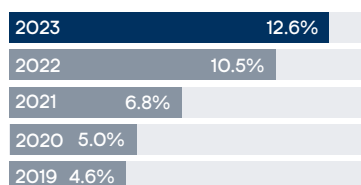
The non-financial information, as presented within the Director's Report, which in this document, comprises the Strategic report and Governance section of this Annual Report, complies with the Dutch Disclosure of Non-Financial Information.

 Read more on risk management Page 45

## Link to strategy

-  Business model
-  Competitiveness
-  Markets

## Use of secondary raw materials



### KPI relevance

Recycling plays a critical role in achieving our 2025 emissions reduction target while also developing the circularity of our business. Our target is to reach 15% secondary raw material (SRM) content in refractories by 2025.

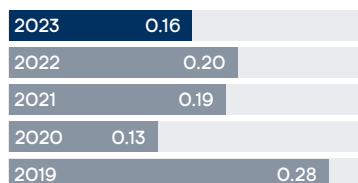
### How it is measured

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

### 2023 performance

Use of SRM was at 12.6% in 2023, compared with 10.5% in 2022. The speed in which we can continue to increase overall Group recycling rates from this point may moderate due to dilution impact from new acquisitions.

## Safety: LTIF



### 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.

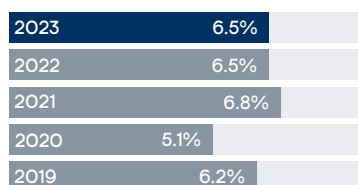
### 2023 performance

LTIF reached 0.16 in 2023, representing a 20% improvement compared to 2022.

Total Recordable Injury Frequency (TRIF) decreased to 0.46 from 0.54 in 2022.

Two fatalities occurred recently in our Austria operations, one in 2023 and a second in early 2024.

## Voluntary employee turnover



### KPI relevance

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

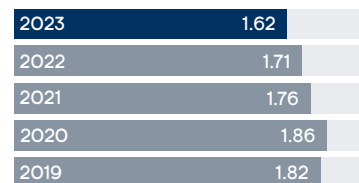
### How it is measured

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

### 2023 performance

Voluntary turnover remained broadly unchanged in 2023, at 6.5% and in line with historic averages. The rate remains relatively low, associated with uncertainty in the global economic environment.

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



### 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 and 3 (raw materials) by 15% per tonne of product by 2025 (versus 2018 baseline).

### How it is measured

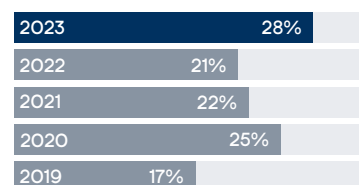
Tonnes of total Scope 1, 2 and 3 (raw materials) carbon emissions per tonne of product. Scope 1 emissions consist of onsite emissions, Scope 2 comprise purchased electricity, and Scope 3 are measured from raw materials production.

### 2023 performance

We switched to a fully green electricity supply for our German recycling plants and at the Sögüt plant in Türkiye. At the plant in Visakhapatnam, India 0.5 MW photovoltaic capacity was installed resulting in a CO<sub>2</sub> reduction of around 500t CO<sub>2</sub> per year. By the end of 2023, 64% of purchased electricity was from low-carbon or renewable sources.

1. Historical CO<sub>2</sub> emissions data were revised to reflect new acquisitions.

## Gender diversity in leadership



### 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 (EMT and EMT direct reports).

### 2023 performance

Gender diversity in leadership increased in 2023 to 28%.

## Revenue



2023	€3,572m
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.

### 2023 performance

Revenue for 2023 amounted to €3,572 million, 8% higher than 2022 (€3,317 million) mostly driven by M&A (€386 million).

## Adjusted EBITA margin



2023	11.4%
2022	11.6%
2021	11.0%
2020	11.5%
2019	14.0%

### KPI relevance

Adjusted 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 262](#).

### 2023 performance

The Group recorded an EBITA margin of 11.4% in 2023, and 20bps lower than 2022. This was due to higher costs driven by wage inflation and operational performance.

## Adjusted EPS



2023	€4.98
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 262](#).

### 2023 performance

Adjusted EPS of €4.98 per share was higher than the €4.82 per share recorded at 2022 largely given the substantial revenue growth of the Group. However, EPS was impacted by below the line items such as higher SG&A as well as finance charges and unfavourable foreign exchange movements.

## Leverage<sup>2</sup>



2023	2.3x
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 Board has defined a long-term leverage target range of 1.0 to 2.0x (2.5x for M&A).

### How it is measured

Net debt to Pro Forma Adjusted EBITDA. Leverage is an APM and more information can be found on [page 262](#).

### 2023 performance

Leverage remained flat at 2.3x at the end of 2023.

## ROIC<sup>3</sup>



2023	10.7%
2022	12.3%
2021	10.8%
2020	10.5%
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 average invested capital for the year. ROIC is an APM and more information can be found on [page 262](#).

### 2023 performance

ROIC decreased in 2023 to 10.7%, mostly driven by M&A.

## R&D and Technical Marketing spend



2023	€83m
2022	€79m
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% of revenue per annum in R&D and technical marketing.

### How it is measured

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

### 2023 performance

€83 million was committed to R&D and technical marketing in 2023, equating to 2.3% of revenues, exceeding the Group's annual commitment of 2.2%.

2. Historic data were revised to reflect new definition of Pro Forma Adjusted EBITDA.

3. Historic ROIC data were revised to reflect new definition of average invested capital for the year.