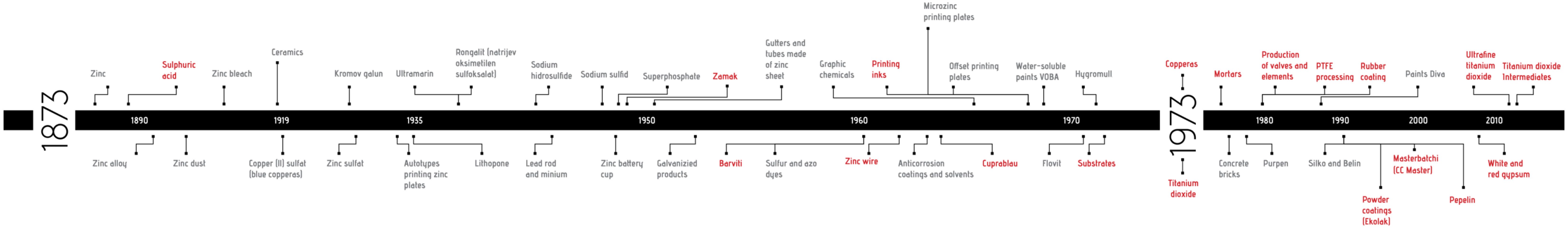
Towards a Strategy of Sustainable Growth

CINKARNA

Overview

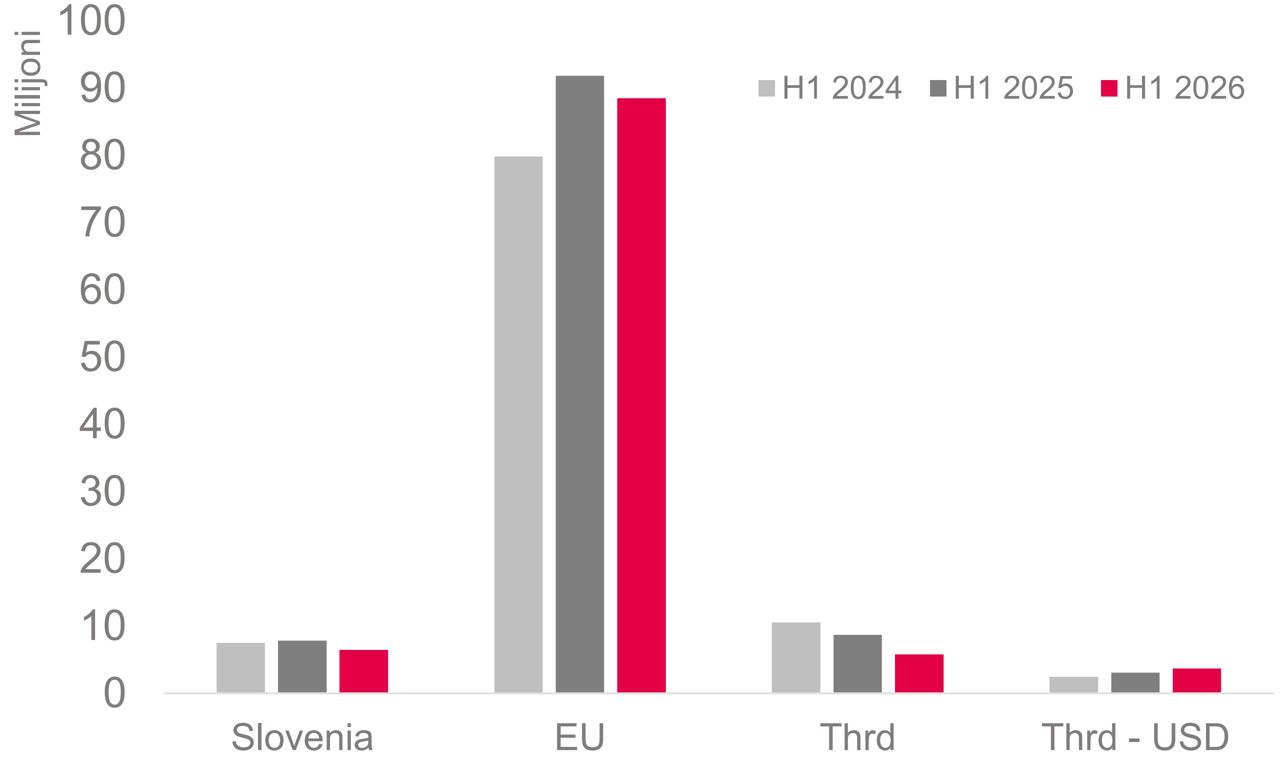
1873	CICG	5	199 mio €	726	93 %
established	LJSE	Business units	2025 revenue	employees	export

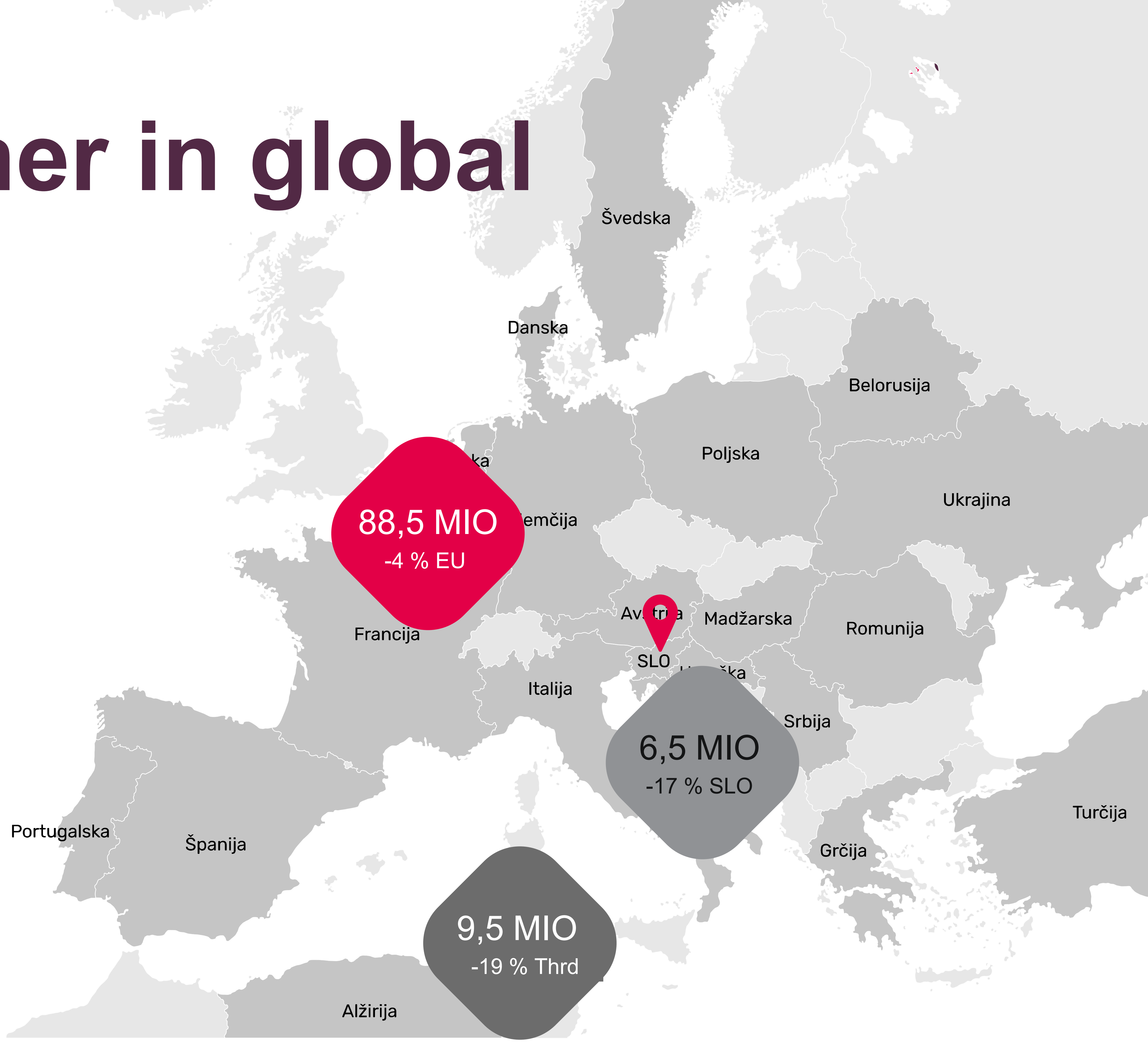
- Main focus on zinc smelting
- 1973 shift from metallurgy to chemical processing (titanium dioxide)
- Other BU include
  - BU Chemistry Celje (substrates, copper fungicides),
  - BU Chemistry Mozirje (masterbatches, powder coats)
  - BU Polymers (valves, pipes)
  - Own BU for maintenance and energy



A trusted partner in global markets

93,8 % export share





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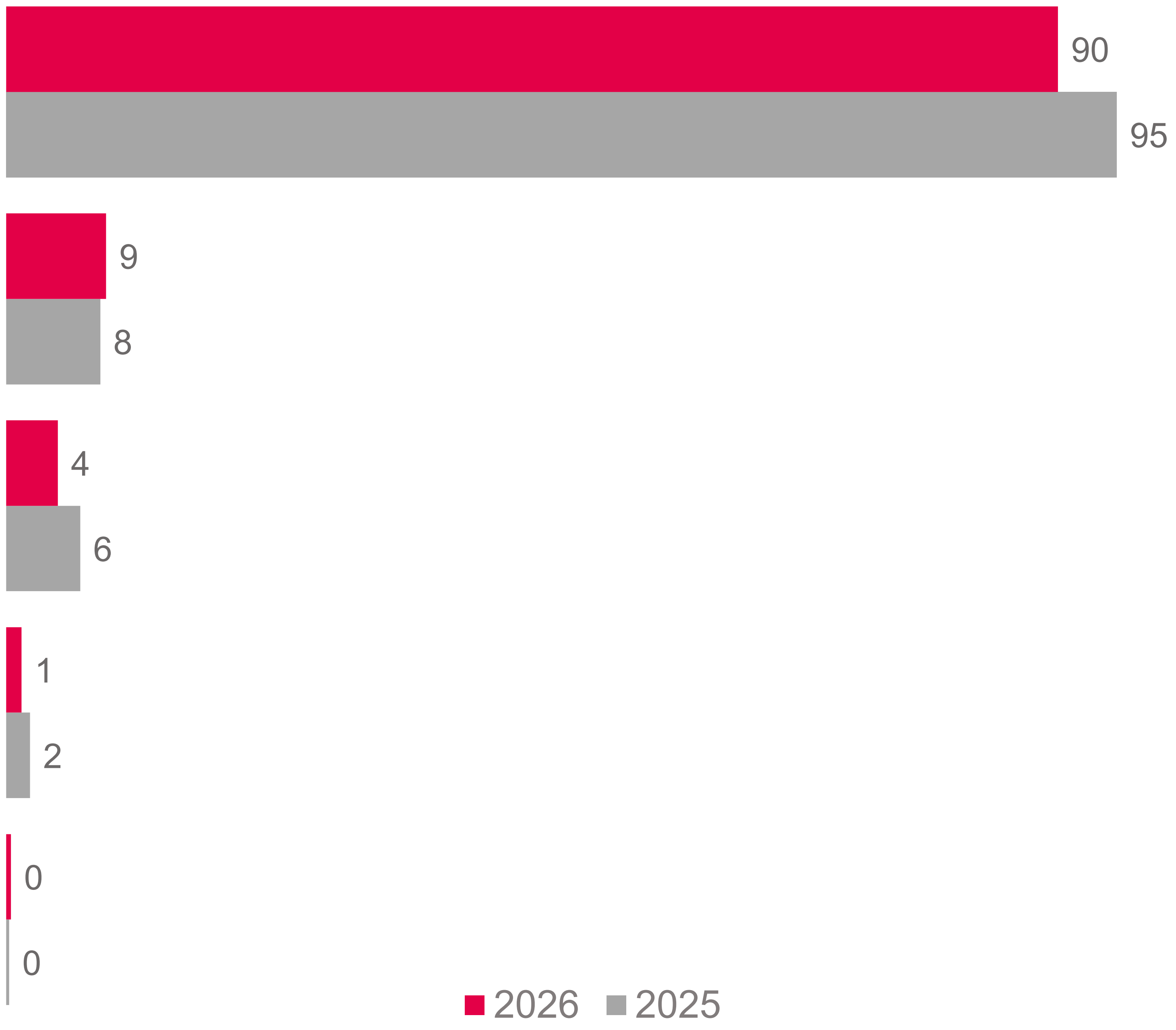
Sales by product group

Product group **(% of total sales)** Main products	Comment
TiO_2 Titanium dioxide **(86 %)**	ΔPY% -5%.
Powdercoats and masterbatches **(8 %)**	ΔPY% +6%.
Agro programme **(4 %)** Substrates and copper fungicides	ΔPY% -30%.
Polymers **(1 %)** Valves and teflonisation	ΔPY% -36%.
Other **(<1 %)**	ΔPY% +58%.

Comparison of H1 2026 and H1 2025 sales (in mio €)



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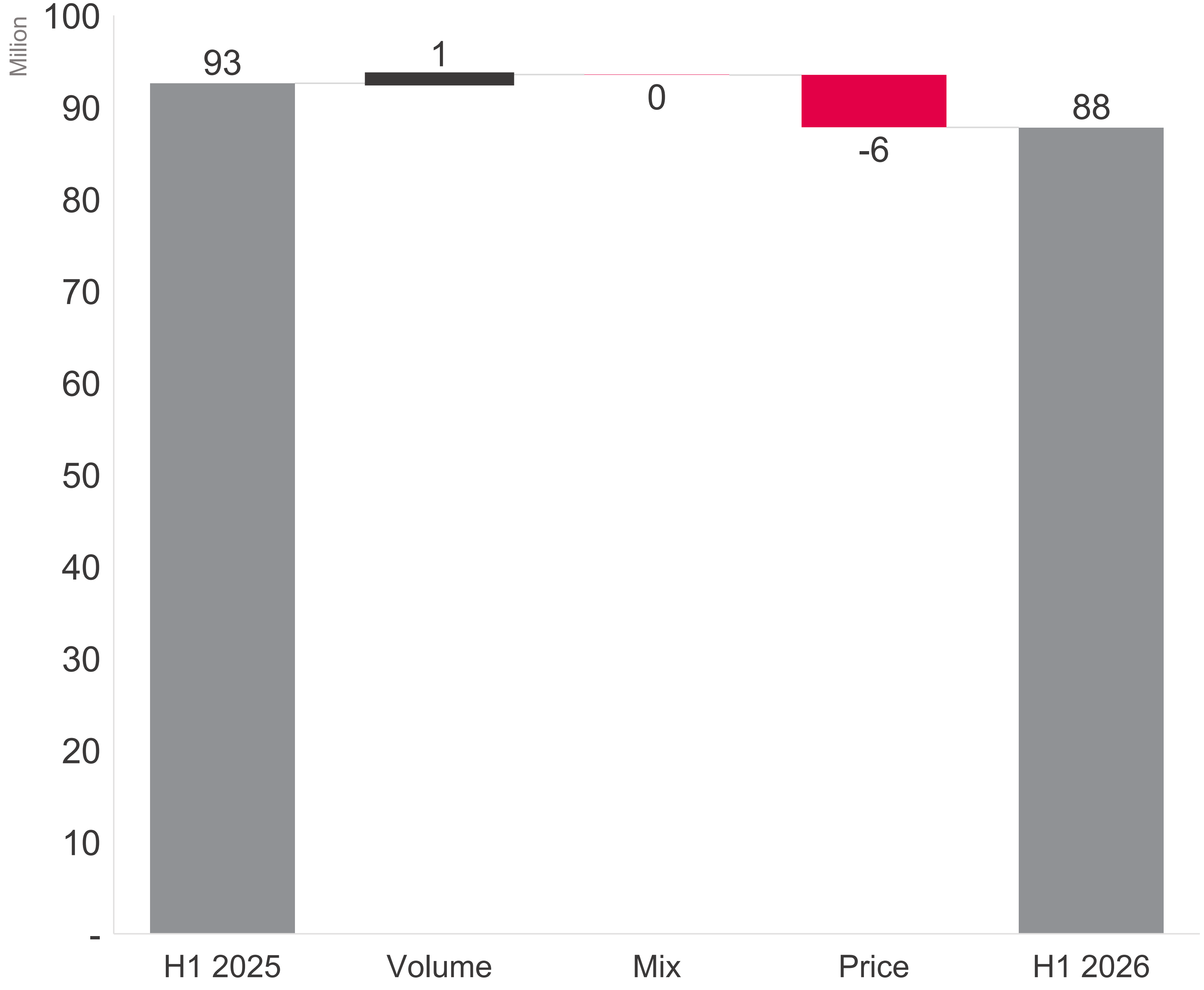
TiO_2 pricing and profitability



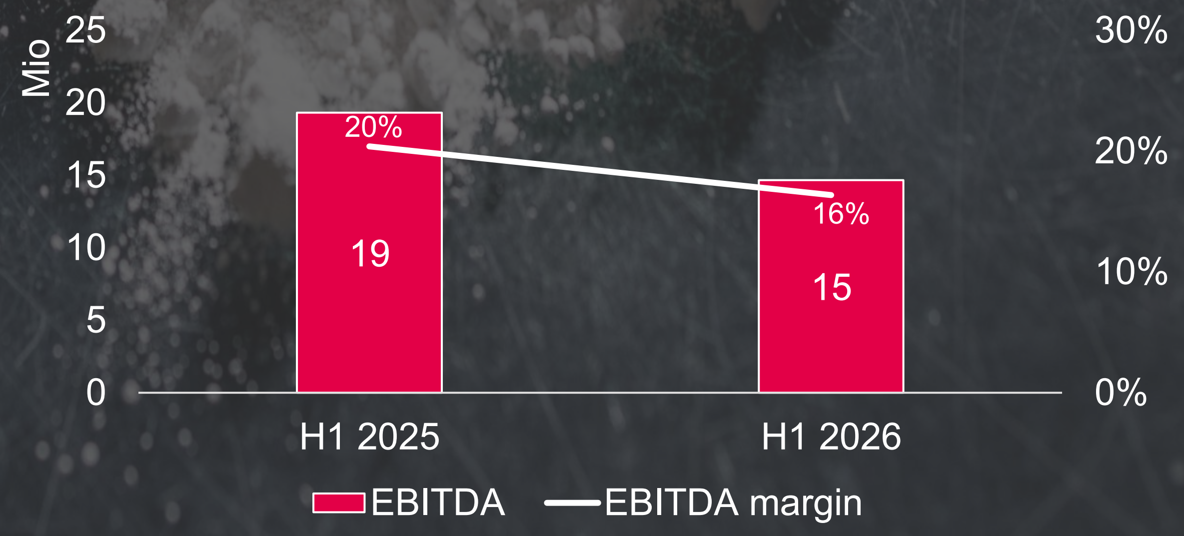
TiO_2

TiO_2 pigment sales reached €88m in H1 2026, down 5 % year on year.

Volume effect +€1m, price effect -€6m, mix neutral.

EBITDA decreased to €15m and EBITDA margin fell from 20% to 16% due to pricing pressure.

Demand in construction and coatings markets stayed subdued, with continued customer destocking and higher imports into Europe. Higher sulfur costs further compressed margins.



Financial highlights

Solid operational performance supported by stable margins, strong cash position and a resilient balance sheet.

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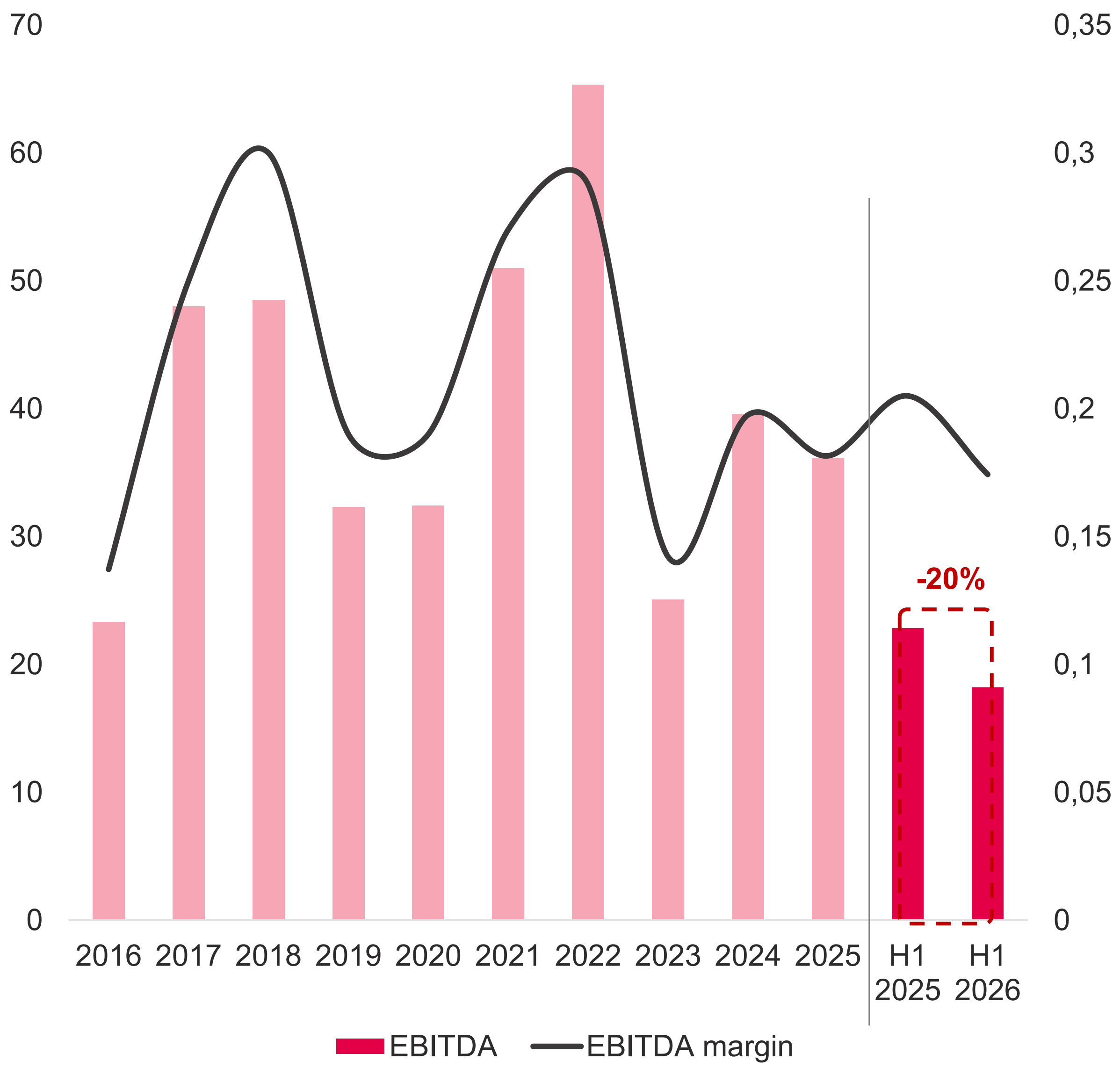
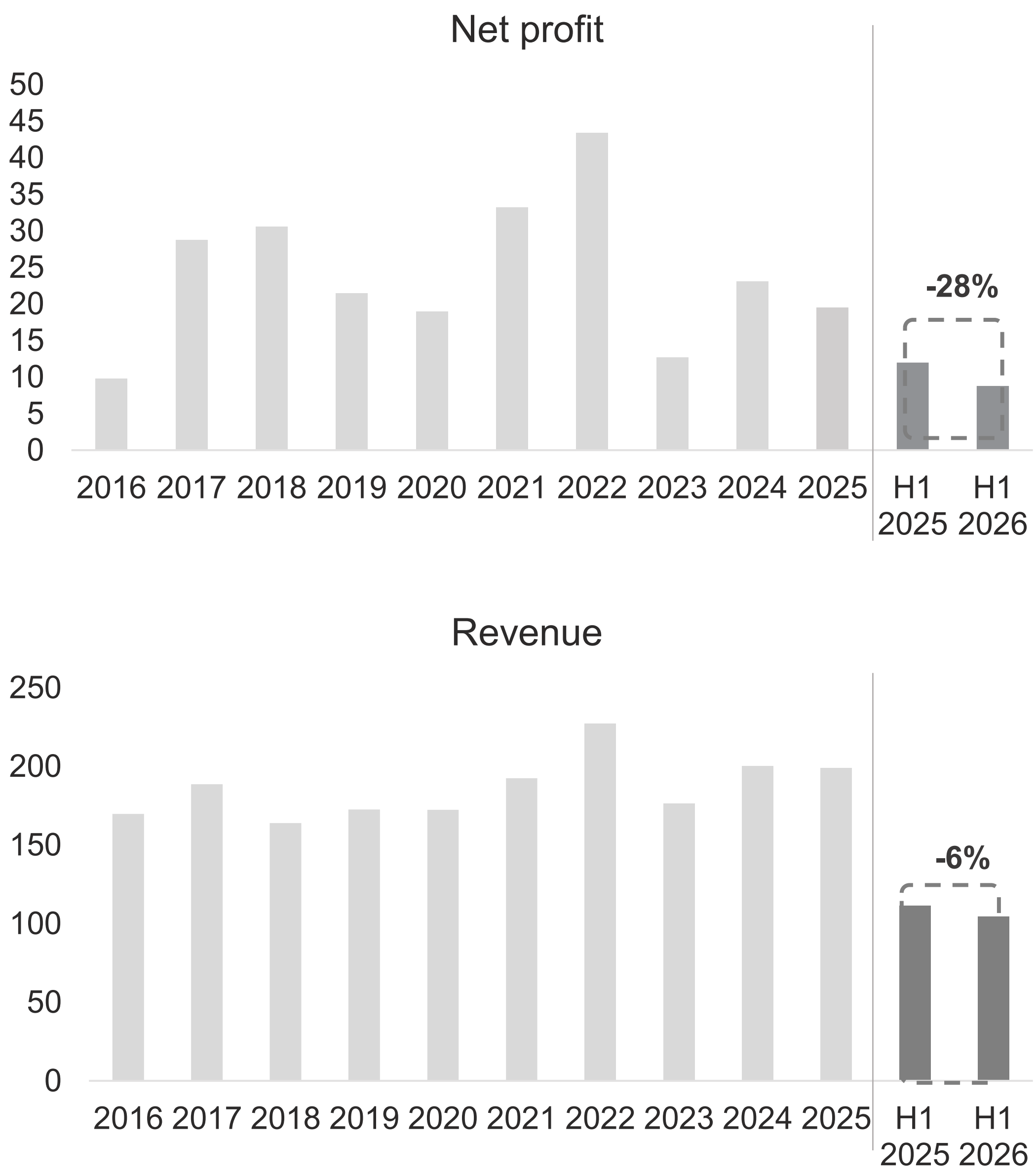
Lower margins and returns in a challenging market enviroment

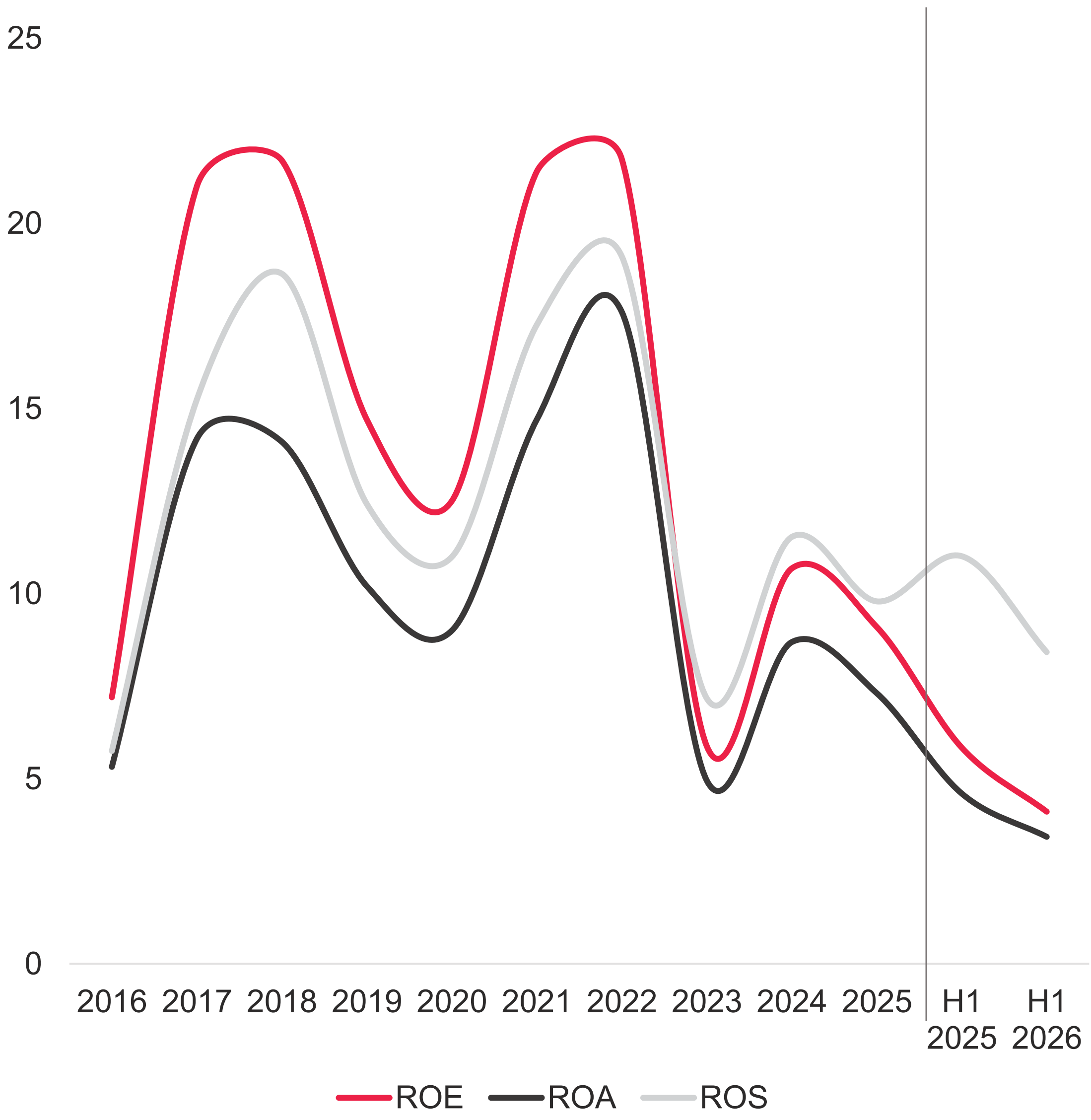
Margins compressed due to weaker pricing and higher sulfur costs



Lower sales and market pressure weighed on earnings



Returns softened across key performance metrics



*ROE, ROA and ROS for H1 2025 and H1 2026 are based on half-year figures; ROE and ROA have not been annualized.

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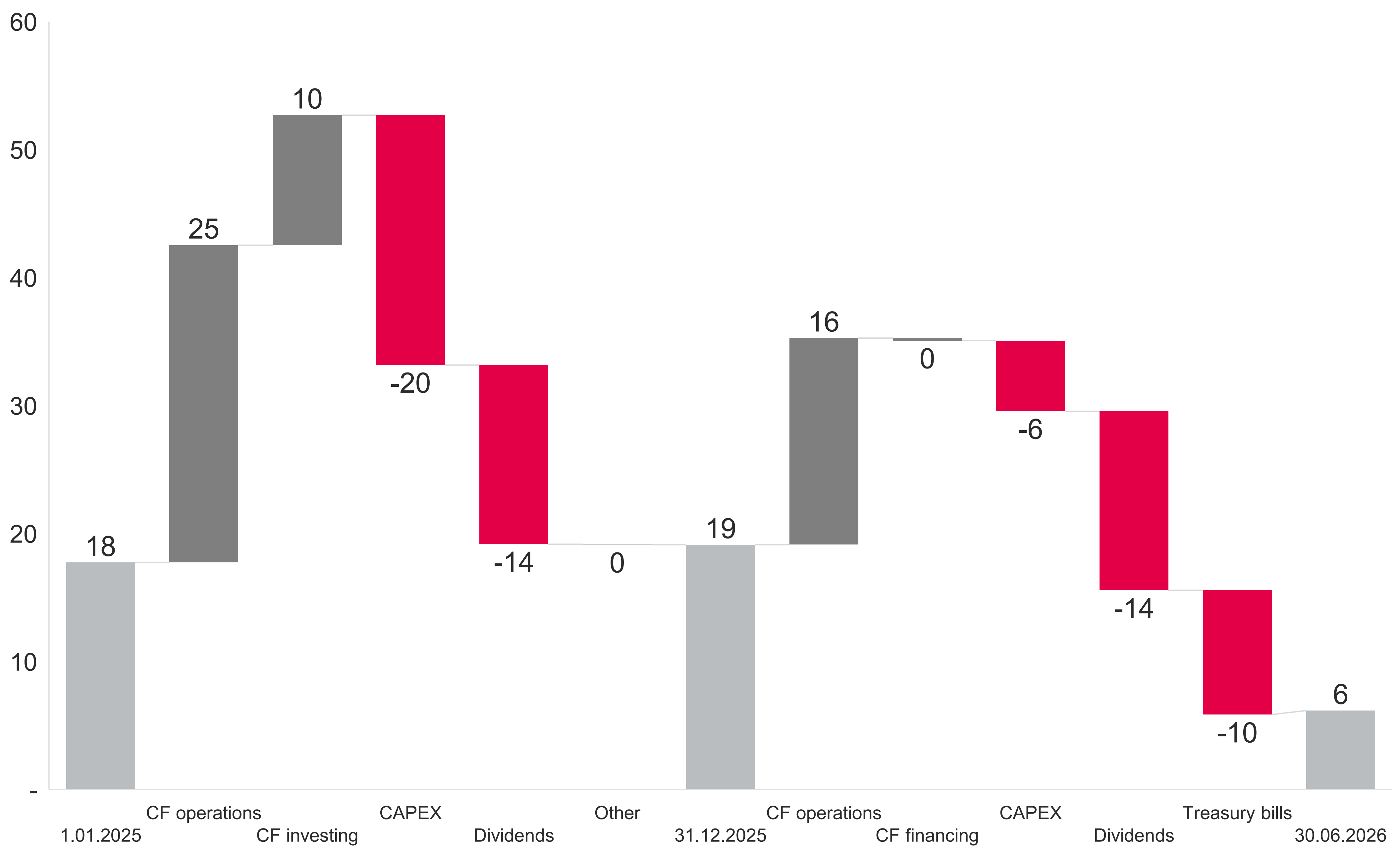
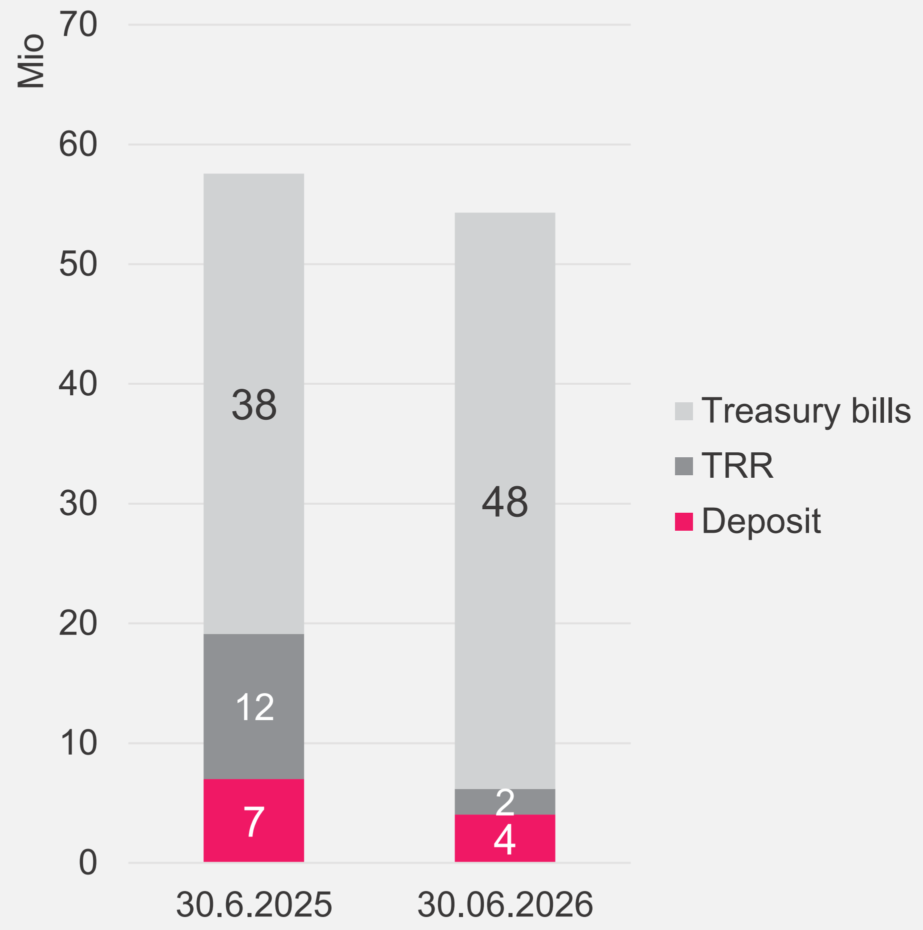
Cash flow and liquidity



Operating cash flow of €16m in H1 2026 supported dividend payments and part of investments.

We ended H1 2026 with €6m in cash and €48m in treasury bills, ensuring €54m in total liquidity.



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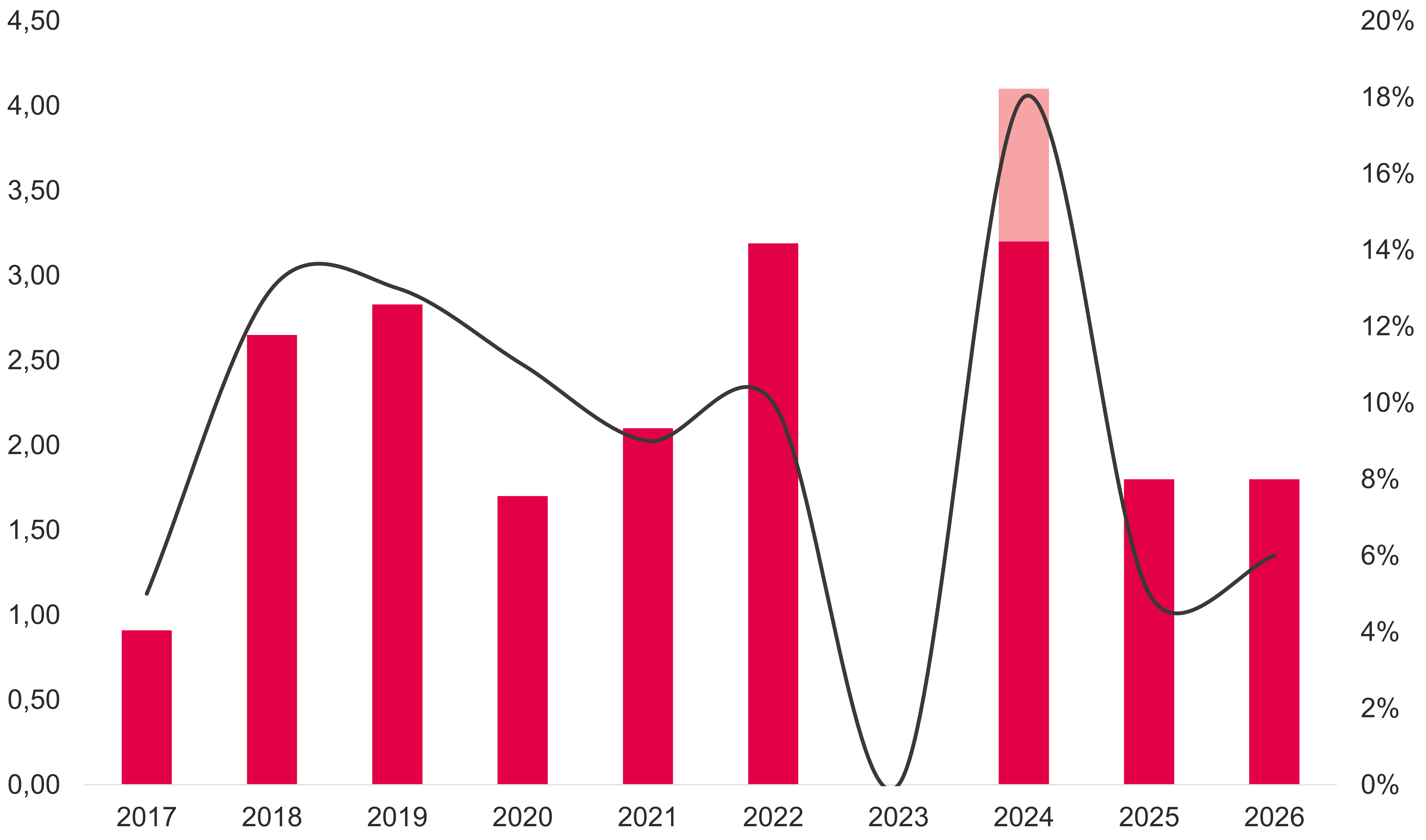
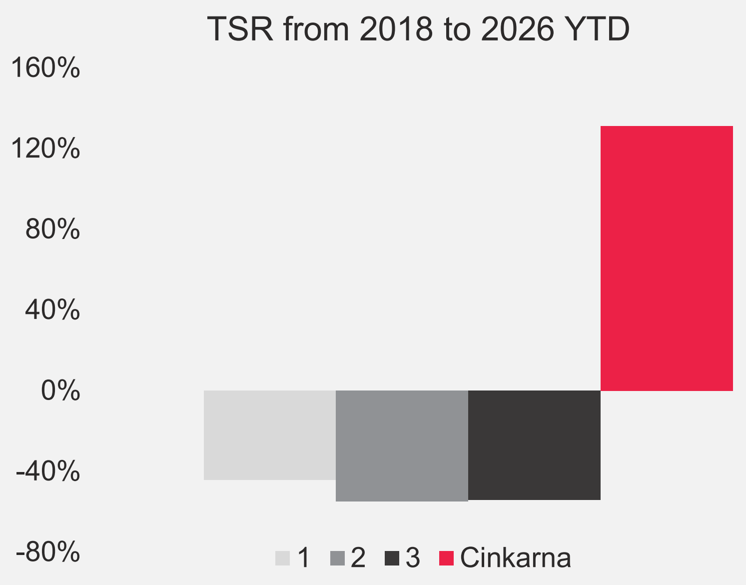
Dividends and shareholder returns



Dividend Policy – 50% Profit

Dividend payout was restricted in 2023 due to state aid (ZGOPEK). In 2024, two dividends were paid: €3.20 and €0.90 gross per share.

The dividend paid in 2026 amounted to €1.80 gross per share



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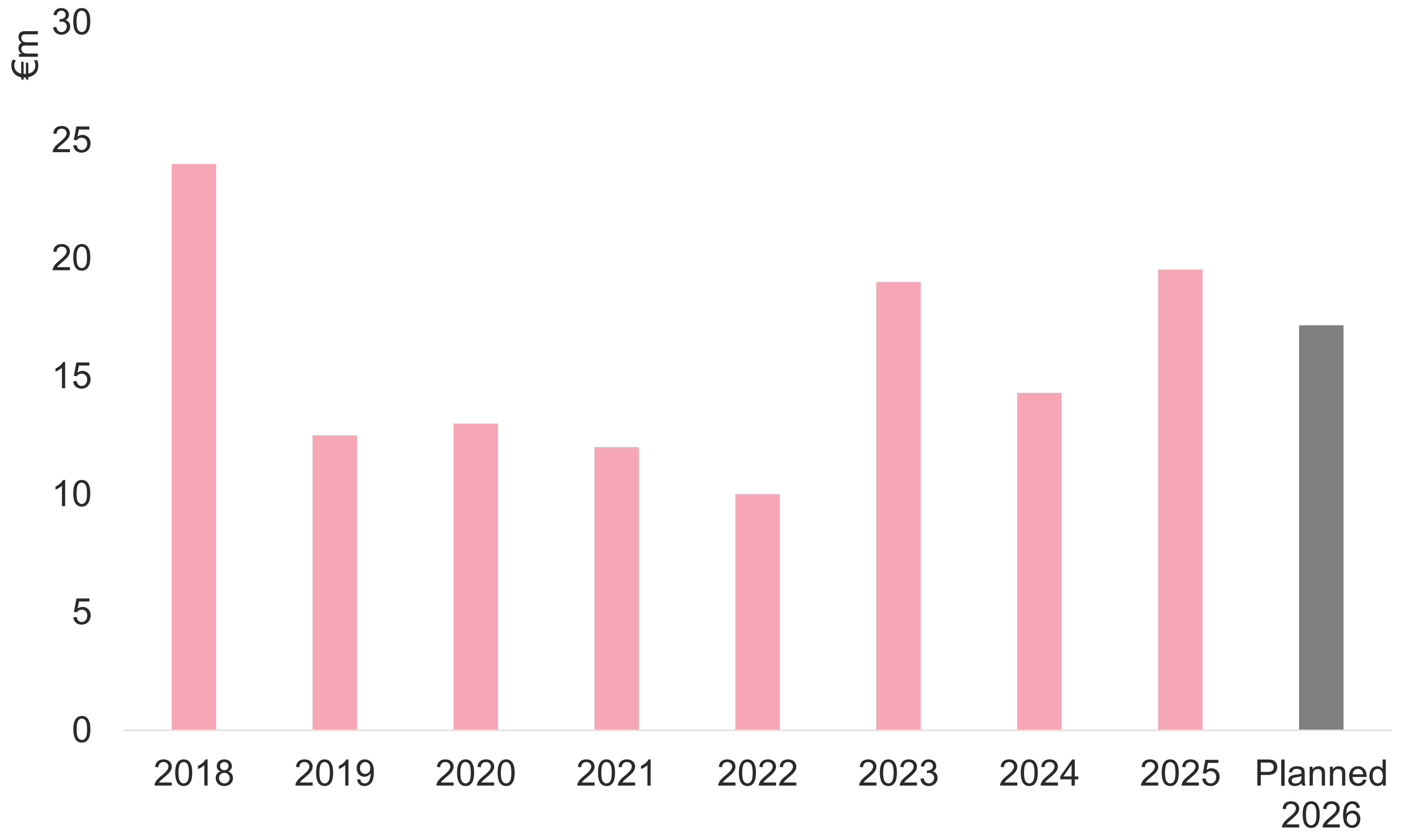
CAPEX prioritised toward strategic and efficiency-enhancing projects



€19.5m
Invested in 2025

€17.2m
Planned for 2026

Majority of investments is set to be completed in the 2nd half. Our goal is to drive sustainability with smart capital expenditures:

- Using excess steam to cogenerate electricity (up to 20% of current needs)
- Solar energy
- Debottlenecking and/or capacity increase

Reliability that creates value

Cinkarna's resilience rests on **operational efficiency, a debt-free balance sheet and disciplined investment in long-term competitiveness.**

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