RESULTS

FIRST QUARTER 2020

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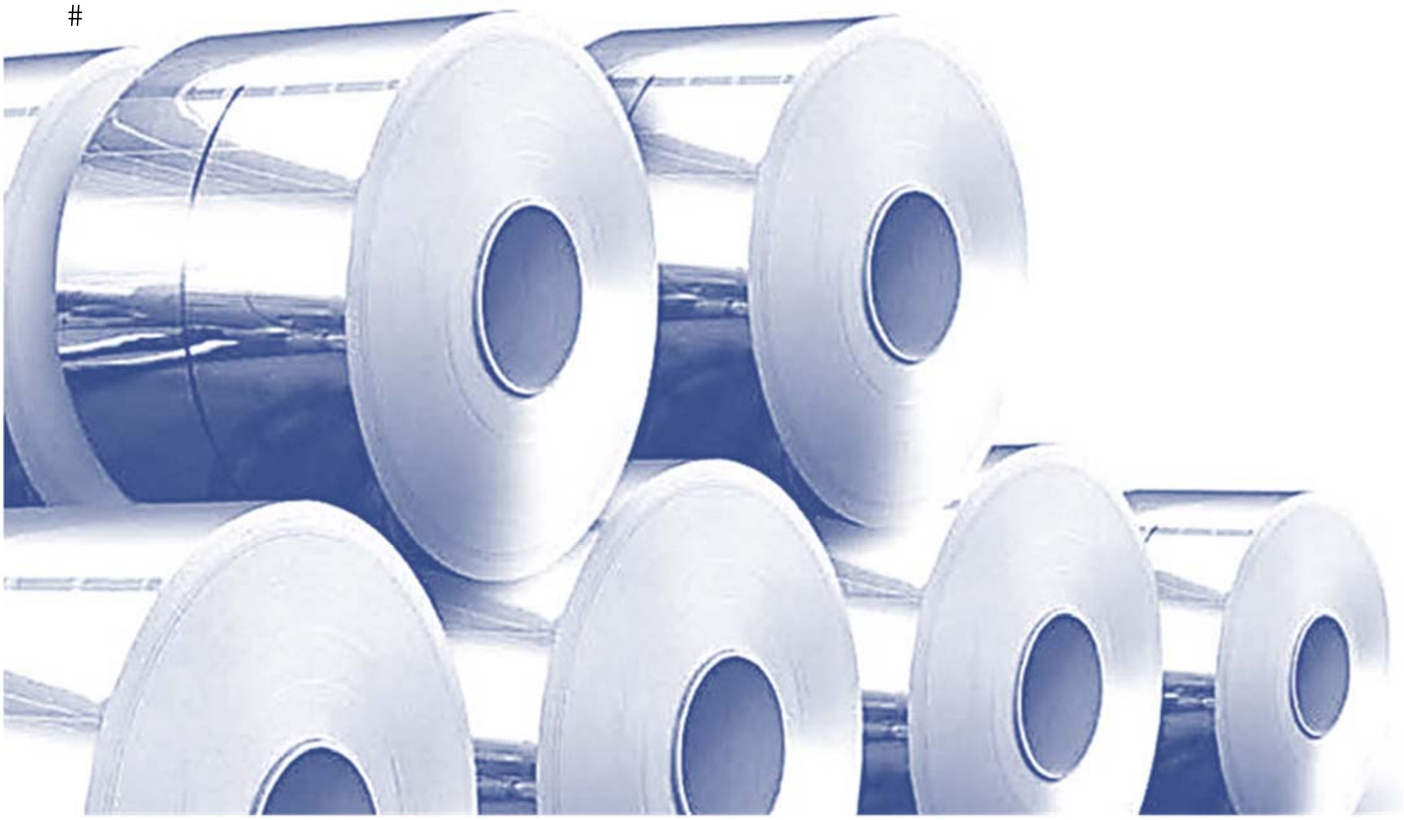


Presentation of the first quarter 2020 results via webcast and conference call

Acerinox will hold a presentation for its Q1 2020 results today at 11.30 AM CEST, directed by the CEO, Mr. Bernardo Velázquez, and the CFO, Mr. Miguel Ferrandis, accompanied by the IR team.

To access the presentation via telephone conference, you can use one of the following numbers, 5-10 minutes before the start of the event:

From UK: +442071943759 PIN: 83955548#

From Spain and rest of the countries: +34911140101 PIN: 83955548#

You can follow the presentation through the Shareholders and Investors section of the Acerinox website (www.acerinox.com).

Both the presentation and all the audiovisual material will be available on the Acerinox website after the event.

Highlights

First Quarter 2020

- EBITDA has risen to EUR 85 million, 6% lower than in the first three months of the previous year but 15% higher than in the fourth quarter of 2019.
- An inventory adjustment of EUR 16 million has been made to net realizable value.
- Profit after tax and minority interests was EUR 28 million, 14% less than in the first quarter of 2019.
- Turnover, EUR 1,159 million, decreased by 4% compared to the same period of the previous year.
- Melting production, 599,843 tonnes, decreased by 5% compared to the first quarter of 2019 and increased 22% compared to the fourth quarter of the previous year.
- The results obtained by VDM in March are not yet incorporated into the results of the Acerinox Group, when the acquisition was formalized, after receiving authorizations from the European and American competition authorities. VDM's contribution to results for the month of March will be: a turnover of EUR 71 million, an EBITDA of EUR 10 million and a result after tax of EUR 2 million.
- Anti-dumping in hot-rolled products was approved by the European Union against China, Taiwan and Indonesia.
- The Board of Directors of ACERINOX, S.A., has agreed to postpone the Ordinary General Meeting of Shareholders, in the exceptional circumstances derived from the spread of the COVID-19 virus and as an exercise of responsibility towards the company's employees, shareholders and other stakeholders.
- The COVID-19 pandemic is affecting market developments significantly in the second quarter

Outlook

Like the rest of the economy, the global stainless steel market is being severely affected by the situation caused by the COVID-19 pandemic. The implications are not consistent among continents, or even among neighbouring countries, making the outlook extremely difficult in a global market like ours.

As a result of the aforementioned, and due to the complexity and length of the economic activity reactivation process, we are only able to offer a short-term perspective.

On the one hand, we will resume our activity in Malaysia and South Africa in May, as we did in Spain (where we had to close down for 4 days), which will be in our best interests, while on the other hand the market deterioration is spreading to the United States, despite the fact that in this country we have not ceased activity. In the second quarter the Acerinox Group, as a whole, is expected to work at 65% of its normal activity, with the consequent negative impact in the statement of profit or loss.

In this situation, we are intensifying our efforts to reduce costs in all of our units, although many of the measures are pending negotiations and administrative decisions, so we still cannot quantify them. In addition, planned investments are being reviewed, postponing those that are not strictly necessary, and optimizing working capital needs.

The measures adopted, the financial strength of the Company and the liquidity of EUR 1,457 million allow us to anticipate that the company will be strengthened for the future.

In any case, the most important thing at this time is safeguarding human health and minimising damage in order to emerge stronger from the recovery. We hope that the circumstances in which we are living, encourage governments and companies to reconsider the need for a a powerful industry that guarantees the provision of basic supplies.

Key economic and financial figures

CONSOLIDATED GROUP	QUARTER		
	Q1 2019	Q1 2020	Variation 2020/2019
Melting shop (thousand Mt)	628	599	-5%
Net sales (million EUR)	1,202	1,159	-4%
EBITDA (million EUR)	**90**	**85**	**-6%**
% over sales	*7%*	*7%*	
EBIT (million EUR)	45	44	-2%
% over sales	*4%*	*4%*	
Result before taxes and minorities (million EUR)	45	41	-9%
Result after taxes and minorities (million EUR)	**33**	**28**	**-14%**
Depreciation (million EUR)	46	41	-11%
Net cash flow (million EUR)	78	69	-12%
Number of empoyees	6,768	6,507	-4%
Net financial debt (million EUR)	573	854 (*)	49%
Debt to equity (%)	26.6%	43.7%	64%
Number of shares (million)	276	271	-2%
Return to shareholders (per share)	0.18 (**)	0.00	---
Daily average shares traded (nº of shares, million)	1.09	1.11	2%
Result after taxes and minorities per share	0.12	0.10	-12%
Net cash flow per share	0.28	0.25	-11%

(*) Includes the payment of EUR 313 million for the acquisition of VDM

(**) Indirect remuneration through a share buyback programme

Stainless steel market

2020 began with a recovery in activity in all our markets, in accordance with the usual cycle in the stainless steel, which has been cut short by the impact of COVID-19 on the economy as a whole, and which is also affecting the consumption of stainless.

Base prices during this first quarter have evolved in a disparate manner in different markets. They have been more or less stable in Europe and North America.

On the other hand, in Asia the excess production increased during the first quarter. The impact of COVID-19 caused a reduction in demand while supply did not adjust in the same way, leading to an erosion of prices in the region.

Europe

In Europe, the definitive safeguard measures, not designed for a downward market, have not served to stop imports, which have maintained a penetration of around 25% in the case of flat products, and have continued to exert enormous pressure on prices.

Efforts are continuing to be made to eliminate unfair competition in Europe, and as a result in early April antidumping provisional measures were implemented for hot-rolled products from China (up to 19%), Indonesia (up to 17%), and Taiwan (up to 7.5%), with an anti-subsidy investigation also underway for same materials from China and Indonesia, and we hope to extend the anti-dumping measures in force for cold-rolled products from China and Taiwan.

EUROFER is calling on the European Union to reduce quotas on safeguard measures, which are excessive in the current situation with COVID-19.

United States

The American market continued to perform well, under the protection of Section 232 tariffs and the economy's good performance.

Imports remain low, with a market share of around 14%. The American authorities maintain the tariff on slabs from Indonesia, which is positive for the American industry.

Inventories in the United States in March were at 2.6 months, below the 3-month average of recent years. Such low inventory levels have not been seen since January 2015.

Allegheny Technologies has announced the closure of activity in Midland as a result of the American authorities' refusal to exempt imports of stainless steel slab from Indonesia from Section 232 tariffs.

Asia

In Asian markets, the situation has continued to worsen, as a result of excess of production in China and Indonesia, which have caused a continued drop in prices.

As we mentioned previously, the impact of Covid-19 in China has caused a reduction in consumption and prices, and not so much in production.

Prices

Quarterly averages of prices for stainless steel plate, AISI 304 cold-rolled 2.0mm (source: CRU)

USD / Mt	2019				2020
	Q1	Q2	Q3	Q4	Q1
United States	2,643	2,786	2,716	2,964	2,683
Europe	2,361	2,483	2,504	2,458	2,248
Taiwan	1,850	1,861	1,930	2,029	1,852

Final prices down due to the decrease in alloy surcharges

Raw materials

Nickel

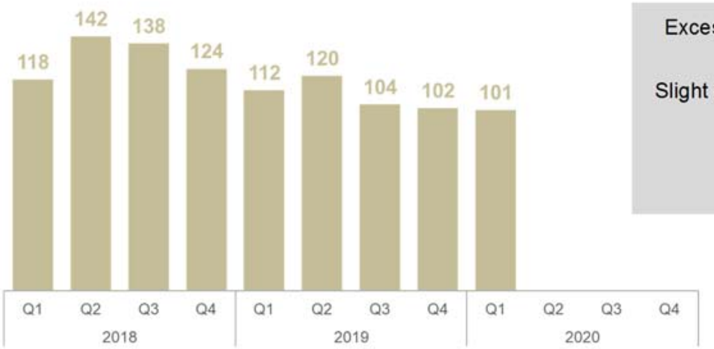
Official nickel price on the LME (until 15 Apr 2020)
Average cash/3-months prices USD/Mt

Continuous drop in the price of nickel in the first quarter.

Decrease of 17% compared to the 4th quarter of 2019

Ferrochrome

Quarterly average price of ferrochrome (Usc/Lb.Cr)



Excess supply in China and weak demand

Slight decrease in the first quarter compared to the fourth quarter

Acerinox output

Thousand Mt	2019					2020	Variation Q1 2020 over 2019	
	Q1	Q2	Q3	T4	12 Months	Q1	Q1	Q4
Melting shop	628	570	542	491	2,231	599	-5%	22%
Hot rolling shop	531	514	471	434	1,951	517	-3%	19%
Cold rolling shop	422	441	394	350	1,607	393	-7%	12%
Long product (Hot rolling)	66	58	50	45	220	57	-14%	25%

Decreases in all workshops compared to the 1st quarter of 2019 but clear recovery compared to the 4th quarter of 2019

Factory closures due to the lockdown ordered by the respective governments due to Covid -19:

Spain: 29 March - 2 April
South Africa: 26 March – 30 April
Malaysia: 18 March – 30 April

Results

Turnover, EUR 1,159 million euros, decreased by 4% compared to the same period of the previous year, due to lower alloy surcharges during the quarter.

Million euros	Q1 2020	Q1 2019	Variation	Q4 2019	Variation
Net sales	1,159	1,202	-4%	1,093	6%
EBITDA	**85**	**90**	**-6%**	**74**	**15%**
EBITDA margin	7%	7%		7%	
Amortization and Depreciation	(41)	(46)	-11%	(43)	-6%
EBIT	**44**	**45**	**-2%**	**(136)**	**---**
EBIT margin	4%	4%		-12%	
Net Financial Result	(3)	(0)	3190%	1	---
Result before taxes and minorities	41	45	-9%	(135)	---
Result after taxes and minorities	**28**	**33**	**-14%**	**(173)**	**---**

EBITDA rose to EUR 85 million after a negative net realisable adjustment adjustment to inventory of EUR 16 million. EBITDA was 6% lower than in the first three months of the previous year but 15% higher than in the fourth quarter of 2019. The EBITDA margin on sales remains at 7%.

Profit after tax and minority interests amounted to EUR 28 million, 14% less than in the first quarter of 2019.

The acquisition of VDM by Acerinox was formalised on 17 March, so, its results will be consolidated into those of the Group from March, once the accounting integration has been completed. Therefore, the figures corresponding to March of VDM that Acerinox will integrate are 71 million euros of turnover; 10 million euros of EBITDA; a profit before tax of 4 million euros and a profit after tax of 2 million euros.

Million EUR	Acerinox Q1 2020	VDM March 2020	ACX+VDM Proforma Q1	Proforma Q1 / Acerinox Q1 2019
Net turnover	1,159	71	1,229	2%
EBITDA	85	10	94	5%
D&A	(40)	(2)	(42)	-5%
EBIT	44	8	52	15%
Financial expenses	(3)	(3)	(6)	6934%
Results before taxes	41	4	46	1%
Net Result	28	2	30	-7%

Quarterly EBITDA in million EUR:

Cash generation

Free cash flow, EUR -36 million, has been impacted by higher operating working capital needs of EUR 65 million and the payment of the outsourcing of the lay offs in Acerinox Europa for EUR 26 million, included under other adjustments to working capital.

Payments for investment in fixed assets have amounted to EUR 23 million, while the payment for the purchase of VDM has amounted to EUR 313 million. Total investment payments have been EUR 337 million.

Cash Flow (Million euros)

	Jan - Mar 2020	Jan - Dec 2019	Jan - Mar 2019
EBITDA	85	364	90
Changes in working capital	-97	96	4
Changes in operating working capital	-65	44	-47
- Inventories	9	2	-32
- Trade debtors	-47	41	-51
- Trade creditors	-27	0	36
Other adjustments to working capital	-32	52	51
Income tax	-23	-116	-26
Financial expenses	-3	-15	0
Other adjustments to the result	3	29	-21
OPERATING CASH FLOW	**-36**	**359**	**47**
Payments for investments on fixed assets	-23	-128	-30
Payment for the purchase of VDM	-313	---	---
FREE CASH FLOW	**-373**	**231**	**17**
Dividends and treasury shares	0	-184	-49
CASH FLOW AFTER DIVIDENDS	**-373**	**47**	**-32**
Conversion differences	13	10	11
Variation in net financial debt	**-360** ↑	**57** ↓	**-21** ↑

Balance sheet and liquidity

Operating Working capital, EUR 781 million, has increased by EUR 65 million with respect to 31 December 2019, mainly due to the increase in activity (melting production has increased by 22% and sales by 6% compared to the previous quarter).

Operating working capital (millions of euros)

	March 2020	December 2019
Inventories	1,007	1,016
Trade debtors	531	484
Trade creditors	757	784
Operating Working Capital	781	716

<u>Net financial debt as of 31 March 2020 is 854 million euros and the total financing facilities amount to EUR 2,312 million</u>.

Debt has increased by EUR 360 million (EUR 495 million at 31 December 2019). Of this increase, EUR 313 million correspond to the acquisition of VDM.

ASSETS

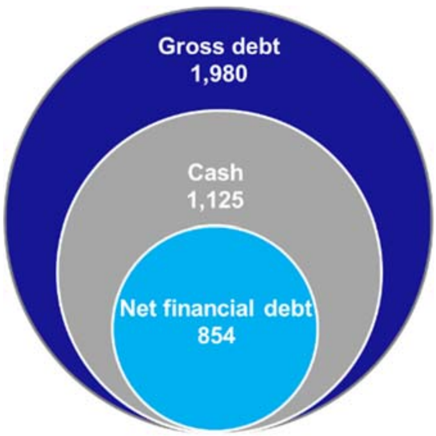
Million €	Mar 20	2019	Mar 19	Variation
Non-current assets	**2,229.11**	**1,933.33**	**2,150.46**	**15.3%**
Current assets	**2,744.79**	**2,463.46**	**2,588.94**	**11.4%**
- Inventories	1,007.30	1,016.26	1,051.07	-0.9%
- Debtors	597.57	554.52	630.20	7.8%
Trade debtors	*530.68*	*483.66*	*575.88*	*9.7%*
Other debtors	*66.89*	*70.86*	*54.32*	*-5.6%*
- Cash	1,125.33	876.94	881.89	28.3%
- Other current assets	14.60	15.74	25.79	-7.2%
TOTAL ASSETS	**4,973.90**	**4,396.80**	**4,739.40**	**13.1%**

LIABILITIES

Million €	Mar 20	2019	Mar 19	Variation
Equity	**1,953.12**	**1,928.99**	**2,150.39**	**1.3%**
Non-current liabilities	**1,537.70**	**1,253.68**	**1,205.27**	**22.7%**
- Interest-bearing loans and borrowings	1,358.46	1,051.74	992.78	29.2%
- Other non-current liabilities	179.25	201.95	212.50	-11.2%
Current liabilities	**1,483.07**	**1,214.13**	**1,383.74**	**22.2%**
- Interest-bearing loans and borrowings	621.14	319.83	461.74	94.2%
- Trade creditors	756.51	783.86	820.28	-3.5%
- Other current liabilities	105.43	110.44	101.71	-4.5%
TOTAL EQUITY AND LIABILITIES	**4,973.90**	**4,396.80**	**4,739.40**	**13.1%**

Even though the effects of COVID-19 are still difficult to quantify in the world economy and consequently for our company, the Group's financial strength guarantees that financing should not be affected under any circumstances, since the total gross debt, EUR 1,980 million, is free from any covenants on results.

The weighted average cost of term debt is 1.4%.

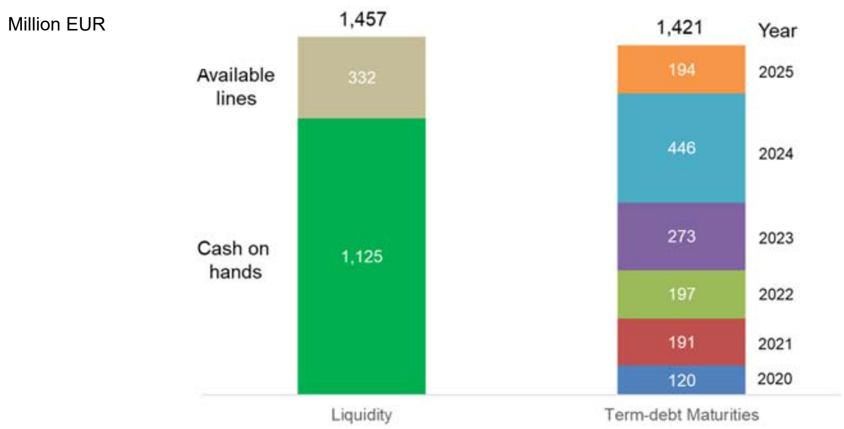


During the first quarter five loan contracts were closed for an amount of EUR 350 million. These loans are also free of covenants on results. The average life is 4.6 years and the average cost is 0.9%.

Thanks to the strategy undertaken in recent years, Acerinox Group's liquidity situation is optimal to face the current situation.

On 31 March Acerinox has **immediate liquidity amounting to EUR 1,457 million**. Of which EUR 1,125 million correspond to cash and EUR 332 million are available credit facilities.

The total of the term debt with maturites until 2025 is EUR 1,421 million and are totally covered by current liquidity.



GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of ACERINOX, S.A., at its meeting held on 13 April 2020, has agreed to postpone the Ordinary General Shareholders' Meeting scheduled to be held on 22 April 2020, due to the exceptional circumstances derived from the spread of the COVID-19 virus, the uncertainty of the duration and difficulty of the process of reactivating the international economy.

The Board of Directors has chosen to postpone the Meeting as an exercise of responsibility towards the company, its shareholders, workers, customers and suppliers and towards Spanish society as a whole. The Board of Directors will convene the Ordinary General Shareholders Meeting again within the established term.

VDM Metals

On 17 March Acerinox formalised the purchase of VDM Metals after having received the relevant authorisations from the European, American and Taiwanese competition authorities.

Immediately afterwards and through virtual meetings, a transition process was launched to ensure business continuity and prioritise the long-term outlook.

VDM is a leader in the manufacture of specialty alloys and a leader in R&D, Acerinox is recognised as one of the most efficient stainless steel producers in the world. The new industrial group now has complementary strengths that will allow it to continue to be a pioneer and benchmark in the sector.

The current work plan is divided into 18 areas and includes a specific integration team. In 100 days, an operational and synergy plan will be presented, as well as the processes and tools necessary to monitor and carry it out.

Based in Werdohl, Germany, VDM develops and manufactures special nickel and cobalt alloys as well as high-alloy stainless steels with special properties. It has 7 production sites in Germany and the United States and nearly 2,000 employees. In 2018/19 the company made sales of EUR 852 million and EBITDA of EUR 97 million.

With this transaction, the Acerinox Group plans to diversify towards sectors with greater added value. The acquisition provides a growth opportunity in new markets and sectors such as aerospace, chemicals, the medical industry, oil and gas, renewable energies, water treatment and emissions control.

The Company is valued at EUR 532 million. Acerinox has paid EUR 310 million, taking on EUR 57 million of debt, making for an Enterprise Value/EBITDA ratio of 5.5x (1) before synergies.

Alternative Performance Measures (Definitions)

Excellence 360º Plan: estimated efficiency savings for a period of 2019-2023

Operating Working Capital: Inventories + Trade receivables – Trade payables

Net Cash Flow: Results after taxes and minority interest + depreciation and amortisation

Net Financial Debt: Debt with banks + bond issuance - cash

Net Financial Debt / EBITDA: Net Financial Debt / annualized EBITDA

EBIT: Operating income

Adjusted EBIT: EBIT without impact of the lay offs provision in Acerinox Europa and year-end impairment

EBITDA: Operating income + depreciation and amortisation + variation of current provisions

Adjusted EBITDA: EBITDA without impact of the lay offs provision in Acerinox Europa

Result after taxes and minorities adjusted: Result obtained without impact of the lay offs in Acerinox Europa and year-end impairment

Debt Ratio: Net Financial Debt / Equity

Net financial result: Financial income – financial expenses ± exchange rate variations

ROCE: Operating income / (Equity + Net financial debt)

ROCE adjusted: ROCE without impact of the lay offs in Acerinox Europa and year-end impairment

ROE: Results after taxes and minority interest / Equity

ROE adjusted: ROE without impact of the lay offs in Acerinox Europa and year-end impairment

ICR (interest coverage ratio): EBIT/ Financial expenses

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