



Q1 2021

Results presentation

11 May 2021

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Leader in Circular Economy

The Group contributes to the 17 United Nations Sustainable Development Goals



Environment



Leader in Circular Economy

- +90% recycled content rate of our products
- +80% reuse of generated waste

Climate Change

- Acerinox committed to achieve carbon neutrality by 2050
- 30% lower direct emissions than stainless steel average

All factories have the ISO 14001

Intensity of CO2 emissions (scope 1 + 2) has been reduced by 2% compared to the first quarter of 2020 (-4% compared to the previous quarter).

Social



High-quality Employment

- 98% of employees have permanent contract

Promoting Inclusion

- 64 nationalities in +50 countries on 5 continents
- Plants employ 242 people with a disability

Safety & Health as a priority

The accident frequency index (LTIFR) accumulated in this first quarter represents a reduction of 45.6% compared to 2020

Governance



and sustainable finance

Creation of a Sustainability Commission within the Board of Directors

Directors

- 12 Directors (8 Independent, 3 Proprietary, 1 Executive)
- 33% women
- 41 meetings held in 2020

During Q1, the achievement of the 2020 objectives related to green loans with BBVA, Sabadell and Caixabank have been confirmed

Sustainable



stainless steel

Acerinox business model based on ECO-EFFICIENCY

Producing more with less

Stainless Steel contributes to Sustainable Development

- Non-polluting and Non-toxic
- Reusable and 100 % recyclable
- Durable and long life cycle
- Withstands fire & acid
- Hygienic and aesthetic
- Corrosion & abrasion resistant

Well positioned to benefit from a stronger market



Q1 Market Highlights

- Stronger market conditions than in Q4 2020
- Stainless demand continues to improve in all markets
- High Performance Alloys (HPA) recovering

USA

- Strong market conditions
- Flat products apparent demand increases 5% QoQ
- Inventories and imports remain at low levels
- Prices increasing

Europe

- Flat products apparent demand increases 14% QoQ
- Imports down but still remain high
- EU announced pre-disclosure for anti-dumping duties in CR to India and Indonesia

Asia

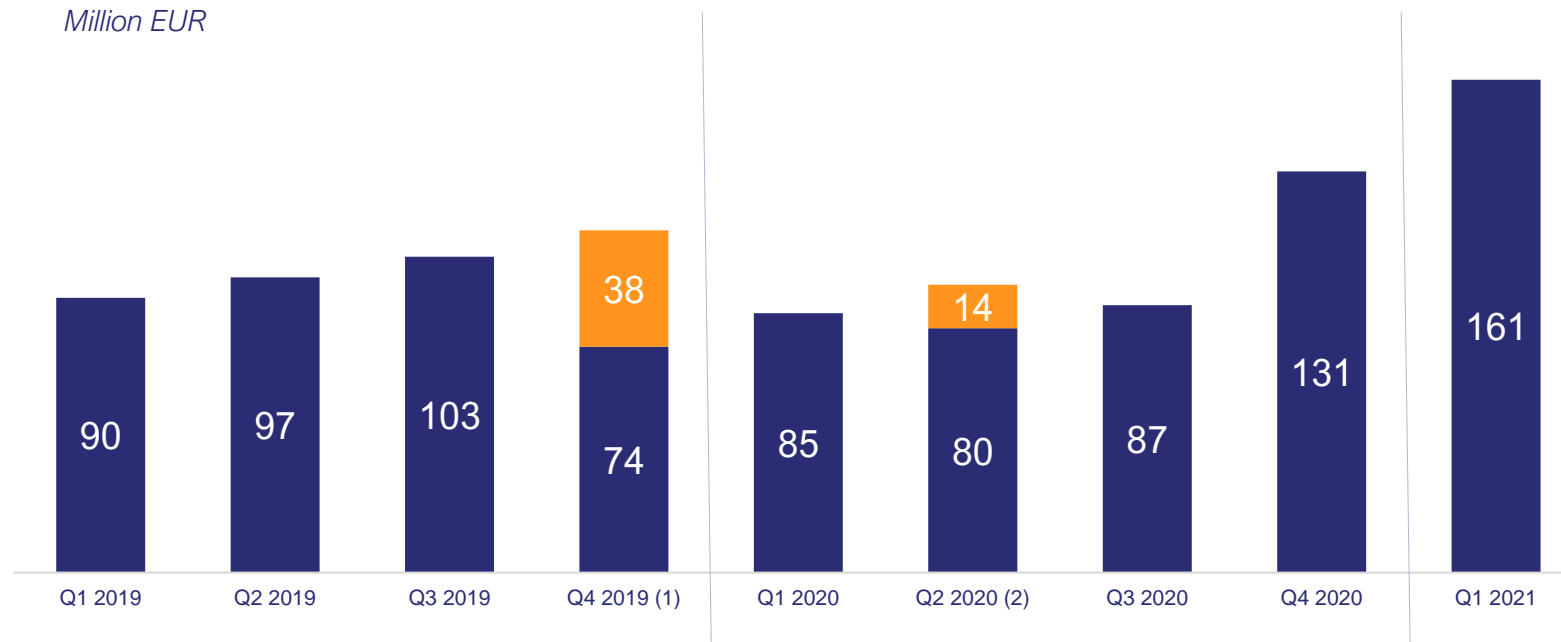
- The recovery of the Chinese market has eased pressure in the region and in the global market
- Latent overcapacity remains
- Removal of 13% of export rebates in China

Q1 Acerinox Highlights



- **Q1 Production:**
 - +9% melting production QoQ
 - +12 melting production YoY
- **Strongest Q1 EBITDA**, 161 million EUR, since Q1 2017
 - +23% QoQ
 - +90% YoY
- The Stainless steel division posted a strong quarter with EBITDA of 152 million EUR
- Order books are recovering in HPA. Profitability will lag due to later cycle nature of the business
- Net Working Capital increased by 153 million EUR driven by seasonality and stronger market conditions
- Comfortable net debt position of 756 million EUR
- The General Shareholders' Meeting held on April 15 has approved the distribution of a dividend of 0.50 euros / share

Solid and consistent EBITDA throughout the quarters



(1) 38 million EUR for the lay offs in Spain

(2) 14 million EUR for the expenses of the purchase of VDM

Q1 – A strong start to 2021

Our hard work in 2020 means we are **well positioned** to benefit from stronger market conditions in 2021

EBITDA of 161 million EUR the strongest since Q1 2017

Operating Cash Flow of 23 million EUR in Q1

Net debt under control at 756 million EUR, notwithstanding a significant 153 million EUR increase in NWC

<i>Million EUR</i>	Q1 2021	Q1 2020	Q4 2020	% Q1 21 / Q1 20	% Q1 21 / Q4 20
Net Sales	1,441	1,159	1,217	24%	18%
Adjusted EBITDA	161	85	131	90%	23%
Adjusted EBITDA margin	11%	7%	11%		
EBITDA	161	85	131	90%	23%
EBITDA margin	11%	7%	11%		
EBIT	117	44	86	164%	36%
EBIT margin	8%	4%	7%		
Results before Taxes and Minorities	106	41	70	155%	52%
Results after Taxes and Minorities	78	28	19	177%	319%
Operating cash flow (before investments)	23	-36	254	---	-91%
Net Financial Debt	756	854	772	-11%	-2%

Stainless steel figures Q1 2021

<i>Million EUR</i>	Q1 2021	Q1 2020	Q4 2020	% Q1 21 / Q1 20	% Q1 21 / Q4 20
Melting production (thousand Mt)	650	599	601	9%	8%
Net sales	1,273	1,159	1,067	10%	19%
Adjusted EBITDA	152	85	116	80%	31%
Adjusted EBITDA margin	12%	7%	11%		
EBITDA	152	85	116	80%	31%
EBITDA margin	12%	7%	11%		
Amortization and Depreciation	-37	-41	-38	-9%	-2%
EBIT	115	44	79	159%	46%
EBIT margin	9%	4%	7%		
Operating cash flow (before investments)	25	-36	242	---	-90%



Strong EBITDA of 152 million EUR in Q1

25 million EUR of operating cash flow despite working capital built

Our efficiency, flexibility and agility means that the Group was well placed to benefit immediately from the improvement in market conditions

High Performance Alloys figures Q1 2021



Environment improved in Q1...
... but the impact on P&L will be skewed towards H2

Order book recovering

EBITDA of 10 million EUR

VDM integration remains on track and should accelerate in 2021

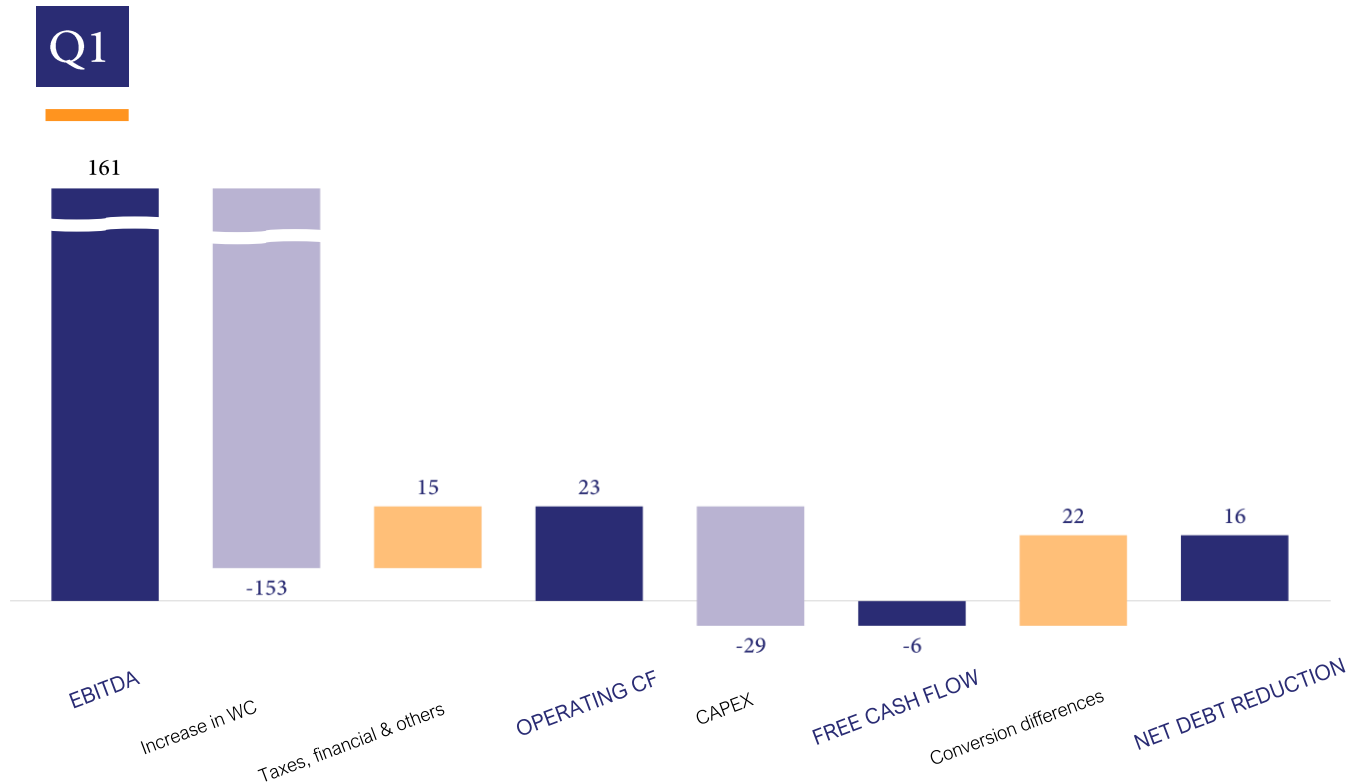
Synergies ahead of schedule

Million EUR	Q1 2021	Q1 2020 ⁽¹⁾	Q4 2020	% Q1 21 / Q1 20	% Q1 21 / Q4 20
Melting production (thousand Mt)	18	19	13	-5%	43%
Net sales	167	205	150	-18%	12%
Adjusted EBITDA	10	20	15	-52%	-38%
Adjusted EBITDA margin	6%	10%	10%		
EBITDA	10	20	15	-52%	-38%
EBITDA margin	6%	10%	10%		
Amortization and Depreciation	-5	-6	-6	-1%	-2%
EBIT	4	14	10	-71%	-57%
EBIT margin	2%	7%	6%		
Operating cash flow (before investments)	-1	-30	12	97%	---

⁽¹⁾ January and February proforma, before the acquisition of VMD Metals

Operating cashflow positive notwithstanding temporary NWC build

Million EUR



We maintain FCF focus as a priority to enable us to allocate capital in the best possible way for the business and for shareholders

- Operating Cash Flow **23 million EUR**
- **NWC build** of 153 million EUR driven by **seasonality and improved market conditions**
- **Solid CAPEX** of 29 million EUR in Q1
- We remain very **comfortable** with the Group **net debt position** and options for **capital allocation**

Outlook & conclusions

- 1 **Q1 has seen a strong start to the year**
- 2 **FCF positive** but significant short term NWC build
- 3 **Stainless Steel strong order books** to remain into Q2
- 4 The market for **HPA has improved** but the benefit to the P&L will be skewed towards H2
- 5 **NWC should be released** through H2 2021 enhancing future FCF generation
- 6 **Q2 EBITDA should be stronger** than Q1





Q&A

11 May 2021





VALUE CREATION FOR ALL STAKEHOLDERS

Acerinox

a value for the future

Acerinox Investment Opportunity: A Value for the Future

1  Global Leader in Stainless Steel and High Performance Alloys

2  Highest Quality Standards



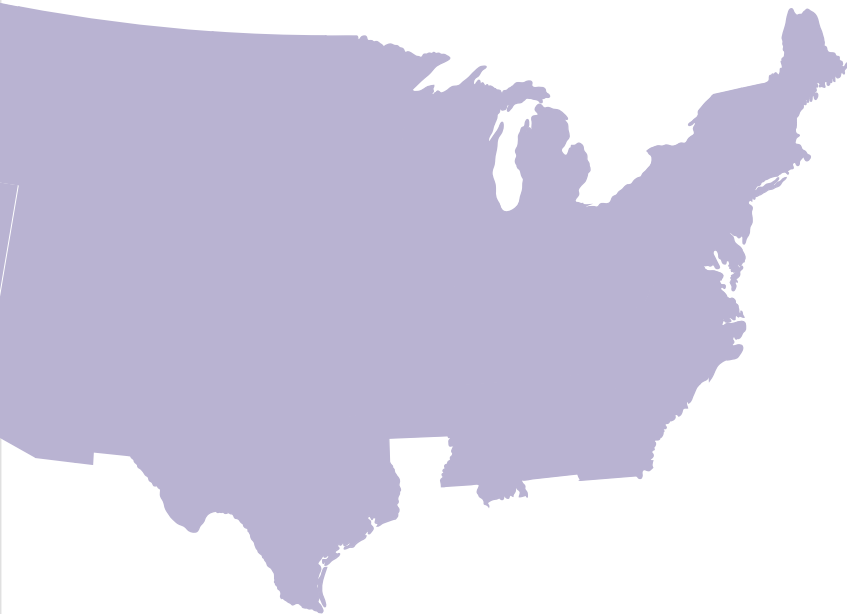
3  Solid Long Term Strategy

4  Attractive Resilient Investment Opportunity

5  Diversification Strategy resulting in High Growth and Significant Value Added

1. Global Leader in Stainless Steel and High Performance Alloys

Clear Leader in Stainless Steel in USA



President Biden Plan to Build a **Modern, Sustainable Infrastructure and an Equitable Clean Energy Future** could represent impressive demand for our products:

- Build a **Modern Infrastructure**
- Achieve a **Carbon Pollution-Free Power** Sector by 2035
- Make Dramatic **Investments in Energy Efficiency** in Buildings, including Completing 4 Million Retrofits and Building 1.5 Million New Affordable Homes
- Pursue a Historic Investment in **Clean Energy Innovation**
- Advance **Sustainable Agriculture and Conservation**
- Secure Environmental **Justice and Equitable Economy** Opportunity



c50%

of our sales in America

c35%

market share in the US

We melt 50%

of the US production

Year 2020

1. Global Leader in Stainless Steel and High Performance Alloys



26%

Market share in the EU



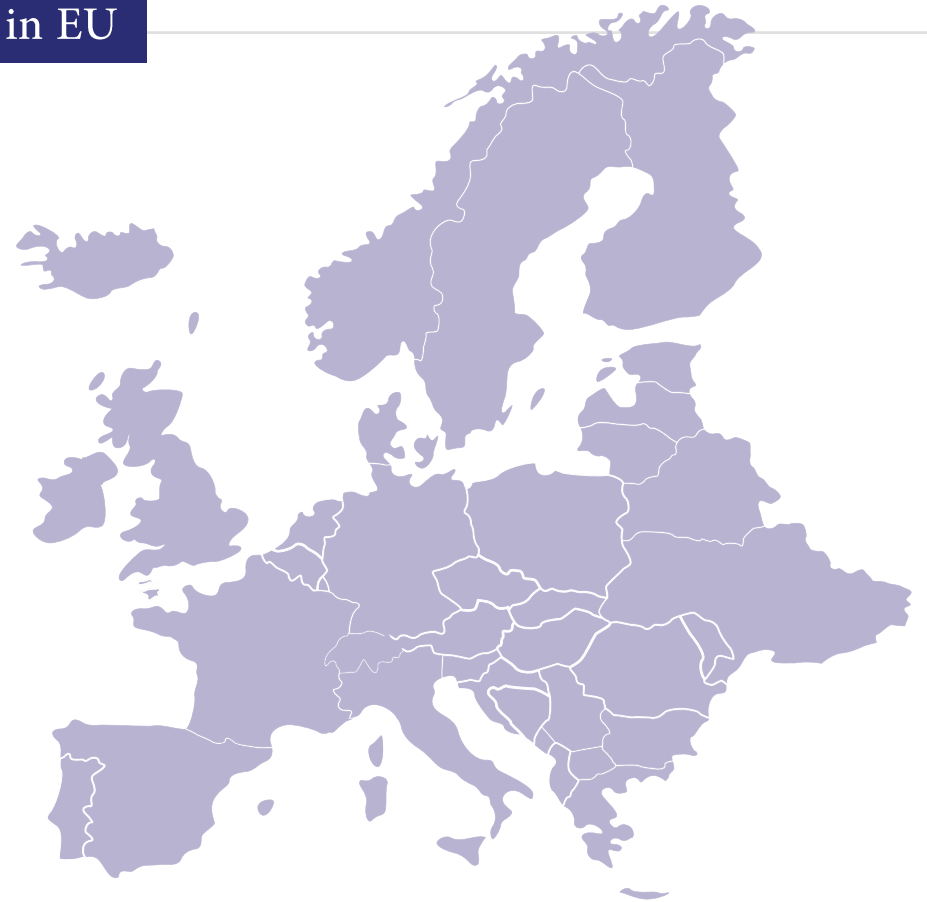
13%

Market share worldwide

Year 2020

Leaders in High Performance Alloys in EU

High Performance Alloys will also benefit from infrastructure investments programs



2. Highest Quality Standards



High Sustainable Products With No Alternative Substitution

Acerinox recycled content ratio in 2019 was > 90%



Profitable



Aesthetic



Corrosion resistant



Reusable



Hygienic



100% recyclable



Long lasting



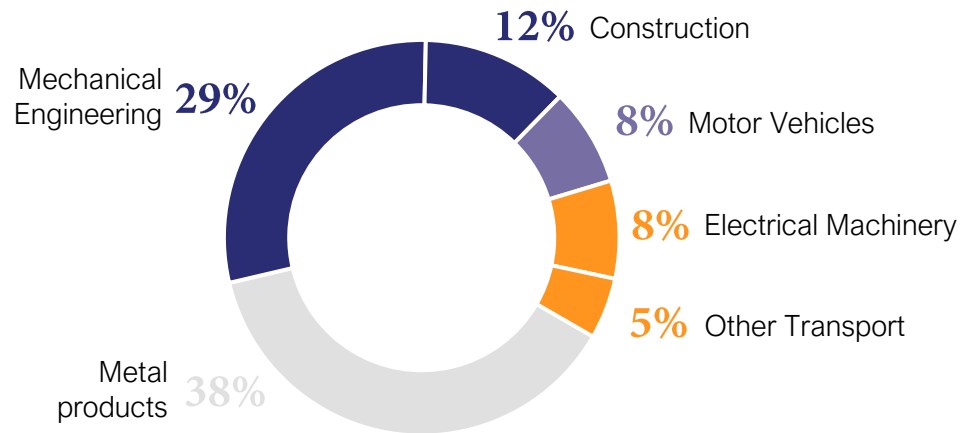
Efficient & Versatile (mechanical qualities)

2. Highest Quality Standards

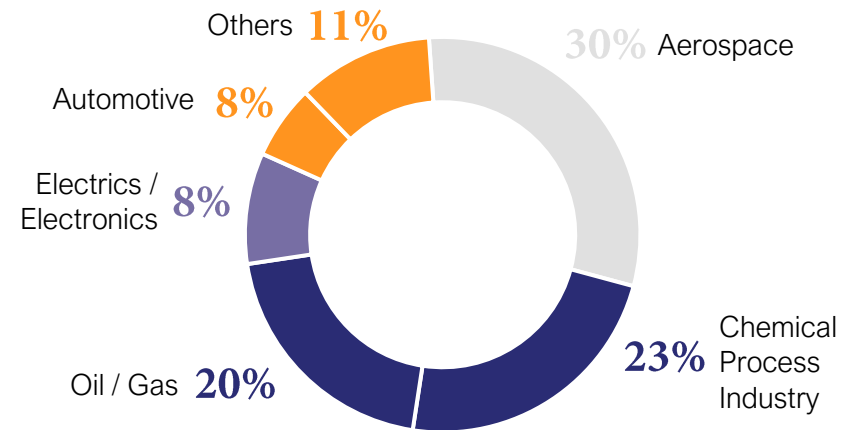
Diversified End Users: One Stop Shop

Sophisticated products with high growth potential

Stainless Steel:



High Performance Alloys



CAGR 2000 – 2019⁽¹⁾:

c. +6%

World Demand (2019):

44.3 million tons

CAGR 2010 – 2018 ⁽²⁾:

c. 4%

World Demand (2018):

313 thousand tons

Sources: ISSF; SMR;
¹ Calculated for Market Demand of Stainless Steel
² Calculated for Market Demand for Specialty Alloys (excl. Seamless Tube)

2. Highest Quality Standards

Present In Every Aspect Of Life



Transport

High Resistance to Corrosion, Withstand High Temperatures and Pressures and High Mechanical Performance

- Containers, tanks and trailer
- Aviation. Aerospace. Nautical
- Exhaust systems of hybrid and plug-in hybrid vehicles
- Vehicles



Food & beverages

Hygienic and Clean Material, Ideal for the Production, Handling and Transport of Food

- Containers, tanks
- Fishing boats
- Conservation
- Manufacturing
- Handling and transportation



Homes and restaurants

Resistance to Rust, ease with which it can be Cleaned, Becoming Essential in Modern Design (cutlery)

- Washing machines
- Refrigerators
- Pots and pans
- Industrial kitchens
- Cutlery
- HD Disc and electronics



Medical services & Pharma Industry

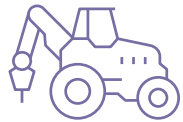
Stops the spread of bacteria on its surface. Highly hygienic. To be meticulously disinfected in hospitals and health centers

- Medical equipment and furniture
- Medical components
- Implants, prostheses
- Surgical instruments

2. Highest Quality Standards



Sophisticated Products Require Best In Class Materials



Infrastructures and construction

Chosen as structural steel to prevent rusting and corrosion from carbonation. Nickel alloys resistant to high temperatures and corrosion

- Industrial furnaces
- 18-metre cupola of the Louvre in Abu Dhabi
- Ventilation equipment
- Structural elements
- Bridges and structures in contact with water



Energy

Present in the Obtaining and Distribution of Hydrocarbons and Biofuels. Essential in Ethanol Production

- Welding additives and consumables for chemical and petrochemical plants
- Photovoltaic panels
- Thermal power plant salt tanks



Art

Refurbish historic works, turned to this material on many occasions, especially in sculpture

- Atomium in Brussels
- Cloud Gate sculpture, Chicago
- Access to the Bilbao Metro (design by Norman Foster)



Architecture

Important in the construction of buildings and large works. Resistance to corrosion and excellent mechanical properties. Low maintenance. Clean

- Urban furniture
- Building facades
- Interior decoration
- Facade and the roof of the new Santiago Bernabéu Stadium

2. Highest Quality Standards



Stainless Steel And High Performance Alloys: Sustainable Products



Water

Minimal corrosion, does not contaminate the water and does not require any extra covering. Permits design corrections and modifications *in situ*. Adaptable to all kinds of shapes.

- Pumps and valves
- Washing systems
- Tanks
- Chemical treatment operations



Electrical machinery

Needs for longevity, off-site credibility and potential corrosion resistance. Environmental friendly.

- Residential energy storage system
- Electrical enclosure
- Modular bus stations



Facilitate life and adaptation

Increasing presence in life and becoming essential. Friendly and smooth texture. Hygienic. Easy to clean.

- Sinks and showers
- Beds frames
- Stainless steel handrail
- Chair adapted (swimming pool)
- Lift adapted



Other

Excellent workability, corrosion resistance, formability, weldability for over half a century

- Urban waste sorting/recovery container
- Floors for bumper cars
- Bread moulds
- Stainless weldable sandwich with 3D-profiled core

3. Solid Long Term Strategy

Our Long Term Strategy Remains Intact



3. Solid Long Term Strategy



Mision

Create high performance materials for a sustainable society



Vision

Become a global customer centric supplier through innovation in sustainable Stainless Steel and High Performance Alloys solutions

Values



Safety



Sustainability



Employer of choice



Integrity



Commitment



Long-term focus



Excellence



Innovation



Quality



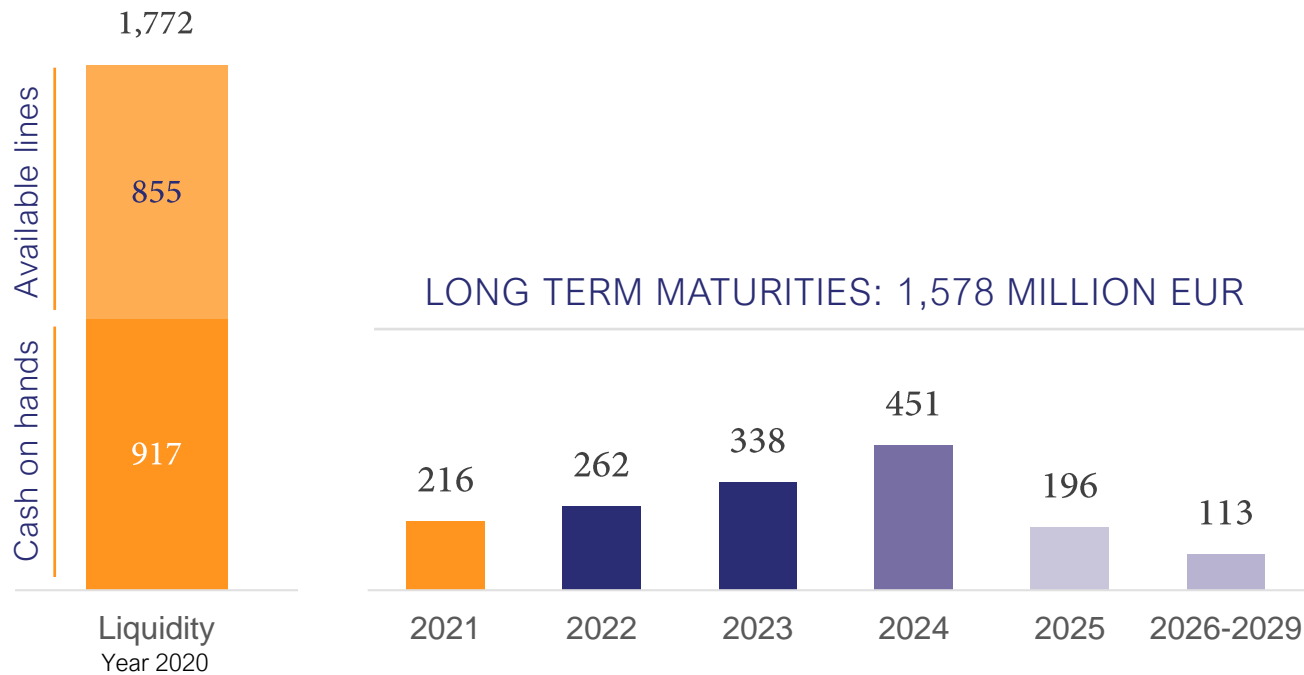
3. Solid Long Term Strategy

Strong Balance Sheet Despite Covid-19 Disruption

Extremely liquid

Liquidity Position (€m)

Liquidity remains best in class, fully covering all maturities



Net Debt

Robust balance sheet

- **Net Financial Debt** of €772m
- **Weighted Cost** of Term Debt of 1.5%
- **ND / LTM EBITDA** of 2.0x
- **Gross Debt** of €1.7b
 - **97% of it free** of covenants on results
- **Immediate liquidity** corresponding to cash of €917m

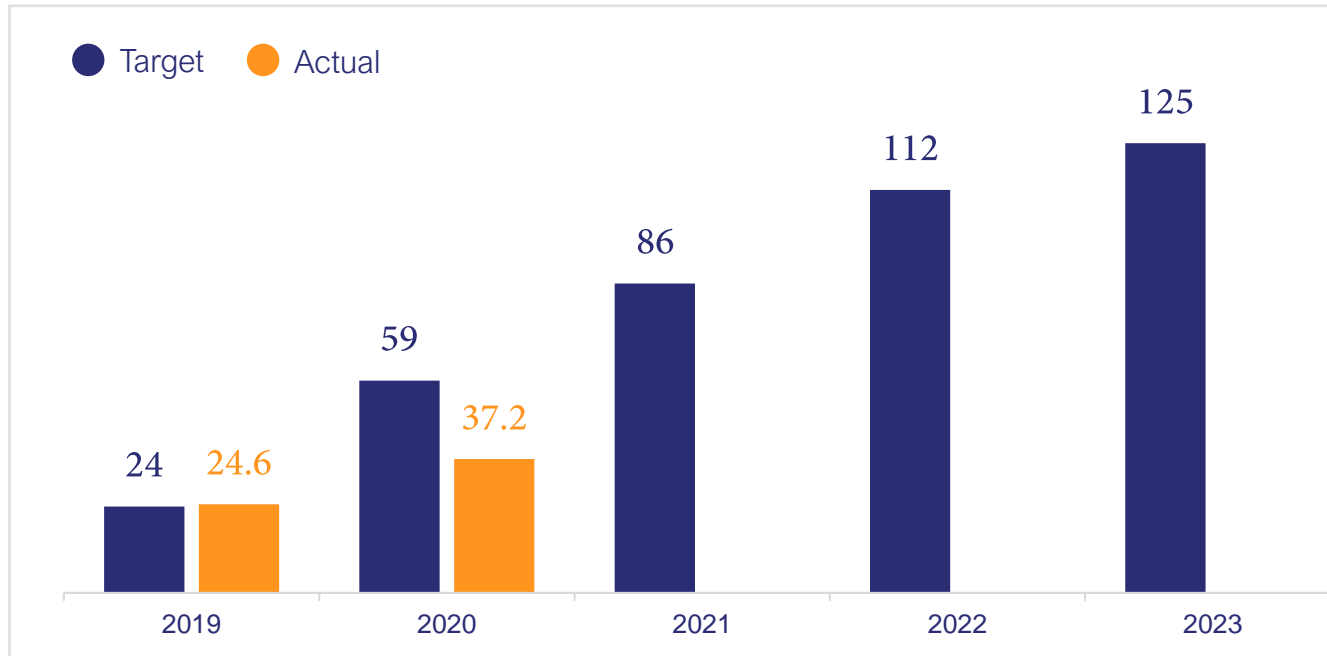
Year 2020

3. Solid Long Term Strategy

Constantly Improving

Production: Quality, melting shop yields and efficiency in production materials

Supply chain: Delivery on time



Excellence 360°

- **Digitalization** and 360° planning
- **Cost reduction** programs
- Prioritize **quick return** investments
- Optimize the **commercial network**

4. Attractive Resilient Investment Opportunity

Agile Measures to the COVID Outbreak Have Ensured Resiliency

We Prepared Early and Acted Decisively



Safety and prevention measures



Our management team took Acerinox through 2008/2009 successfully and efficiently



Fixed costs reduction and variabilisation



Massive liquidity, 1.8 billion euros, covering maturities until 2029



Refinancing to anticipate future renewals and extend maturities



Operating performance, cost control, capital allocation and FCF focus



Secured the **supply chain**

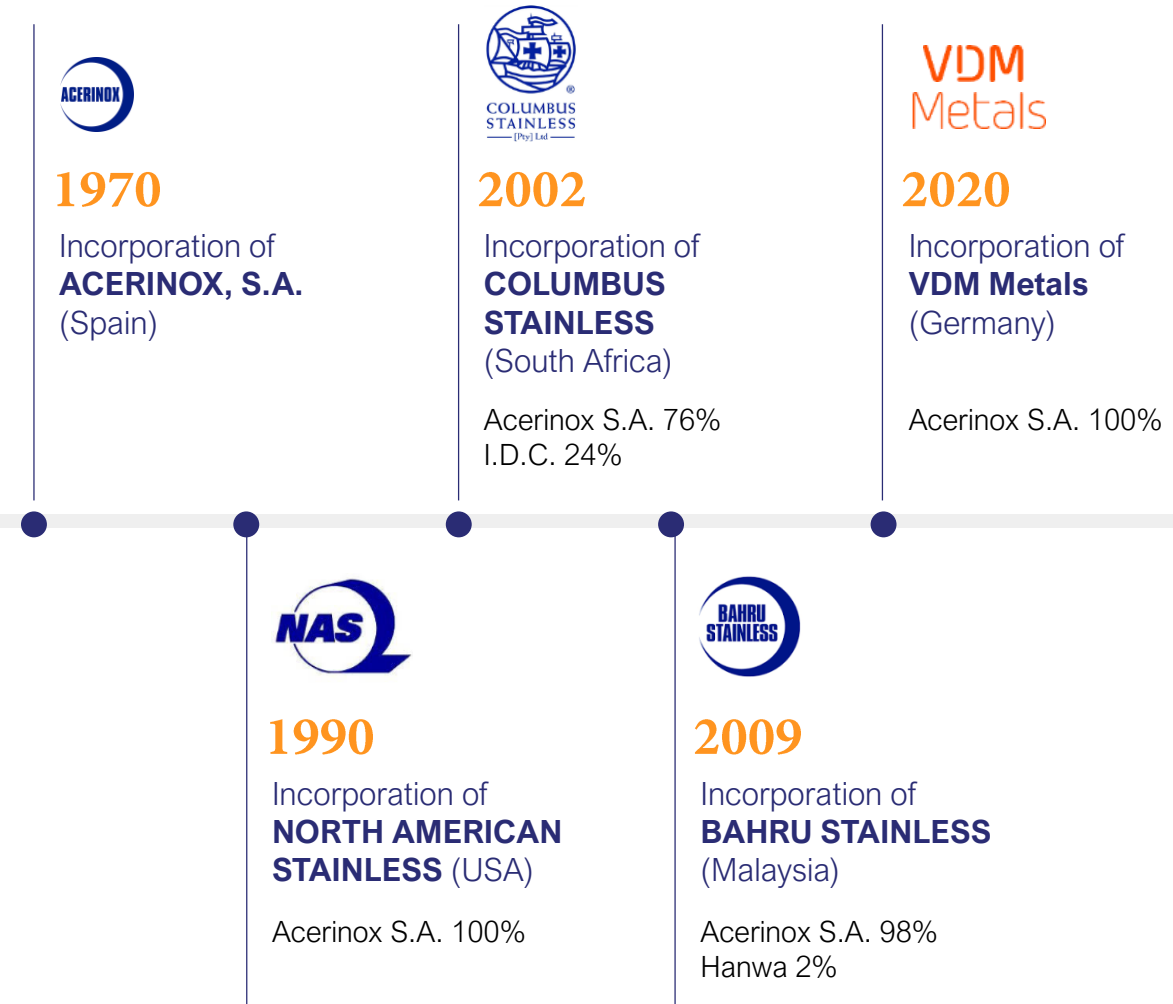


Strong track record on consistent financial performance, over-performing our main European peers in 12M 2020:

- +37% adjusted EBITDA than peer 1
- +26% adjusted EBITDA than peer 2

5. Adding Value Through Diversification

Ongoing Growth



Main Acerinox Shareholders	%	Since
Corporación Financiera Alba, S.A .	18.96%	2001
Nippon Steel Stainless Steel Corp.	15.49%	1970
Industrial Development Corp. (I.D.C.)	3.04%	2002
Bravo Andreu, Daniel	3.00%	2020

5. Adding Value Through Diversification

Production Sites

Stainless Steel Division



Kentucky



Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop

Long product

- Hot Rolling
- Finished Product



Ponferrada & Igualada



Long product

- Hot Rolling
- Finished Product



Campo de Gibraltar



Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop



Middelburg



Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop

High Performance Alloys

VDM
Metals



Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop

Long product

- Hot Rolling
- Finished Product



Johor



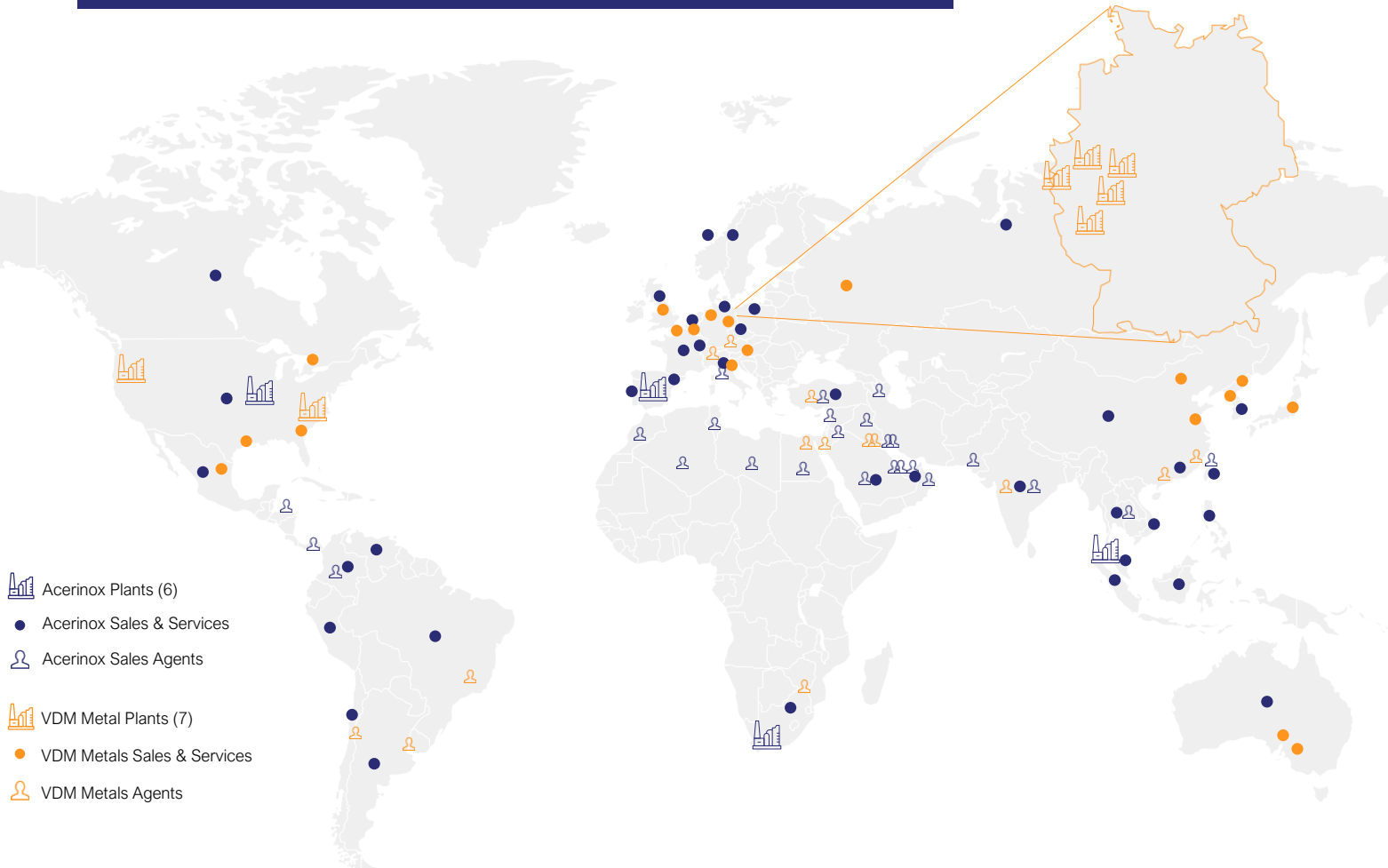
Flat product

- Cold Rolling Shop

5. Adding Value Through Diversification

Strong Global Presence

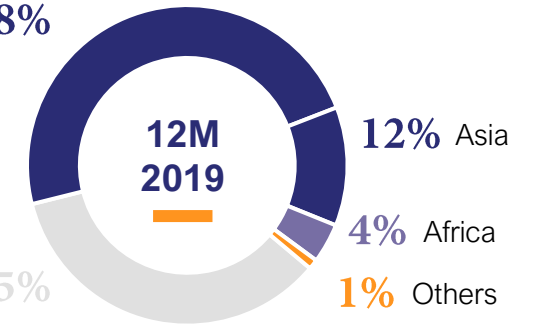
Combined Global Footprint and Sales by Region



Acerinox

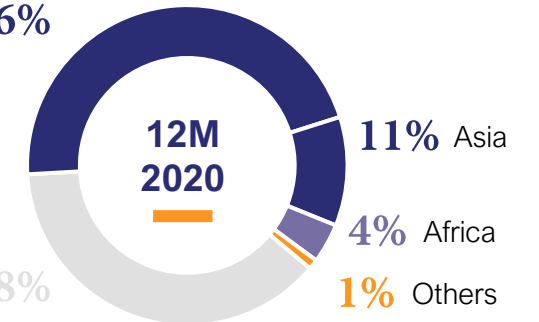
12M 2019

America **48%**



12M 2020⁽¹⁾

America **46%**



Source: ¹ Acerinox including VDM Metals

5. Adding Value Through Diversification

A Leader In Stainless And HPA



5. Adding Value Through Diversification

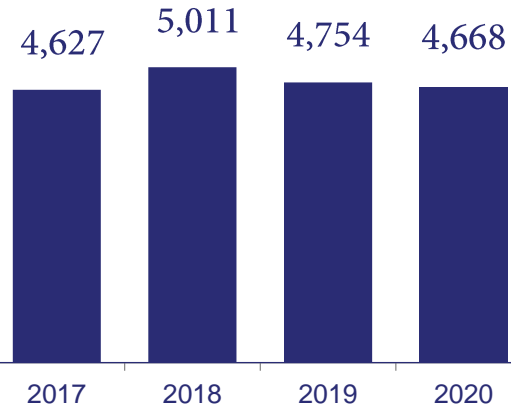
Solid Revenue And Earnings Growth

Consolidated group figures

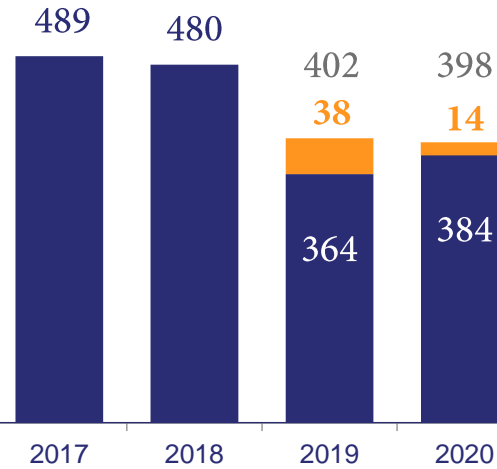
Million EUR



Sales



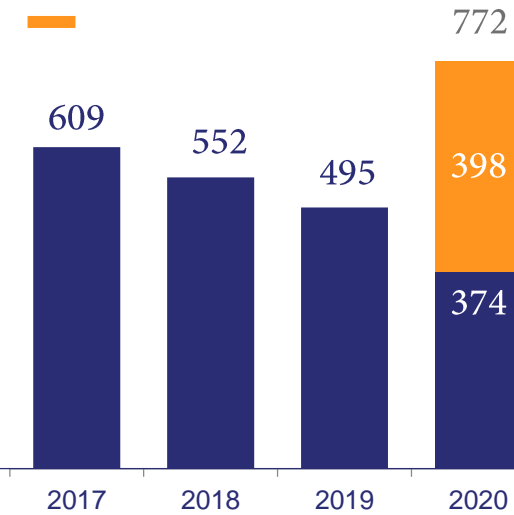
EBITDA



2019: 38 million EUR for the lay offs in Spain
2020: 14 million EUR for the expenses of the purchase of VDM



Net Financial Debt



2020: 398 million EUR of debt related to VDM acquisition

5. Adding Value Through Diversification

Strong Cash Generation

Consolidated Group figures

Million EUR

	Jan - Mar 2020	Ap - Jun 2020	Jul - Sep 2020	Oct - Dec 2020	Jan - Dec 2020	Jan - Dec 2019
EBITDA	85	80	87	131	384	364
Changes in working capital	-97	63	74	183	223	96
Changes in operating working capital	-65	50	65	186	236	44
Inventories	9	95	92	27	223	2
Trade debtors	-47	93	-1	38	83	41
Trade creditors	-27	-139	-26	122	-70	0
Other adjustments to working capital	-32	13	9	-3	-13	52
Acerinox Europa lay-offs	-26	0	0	0	-26	---
Others	-6	13	9	-3	13	52
Income tax	-23	-3	-49	-24	-99	-116
Financial expenses	-3	-9	-13	-11	-36	-15
Other adjustments to the result	3	-20	-8	-26	-51	29
OPERATING CASH FLOW	-36	111	91	254	421	359
Payments for VDM acquisition	-313	0	0	0	-313	---
Payments for investments on fixed assets	-23	-27	-29	-19	-99	-128
FREE CASH FLOW	-373	84	62	235	8	231
Dividends and treasury shares	0	0	0	-135	-135	-184
	0	0	0	4	4	0
CASH FLOW AFTER DIVIDENDS	-373	84	62	103	-123	47
Conversion differences	13	-16	-31	-35	-70	10
Net financial debt acquired from VDM	0	-85	0	0	-85	---
Variation in net financial debt	-360 ↑	-17 ↑	31 ↓	68 ↓	-278 ↑	57 ↓

(*) These figures do not coincide with the balance sheet items due to the purchase of VDM



VALUE CREATION FOR ALL STAKEHOLDERS

Acerinox

a value for the future

Contact: inversores@acerinox.com