



Q3 2021

Results presentation

03 November 2021

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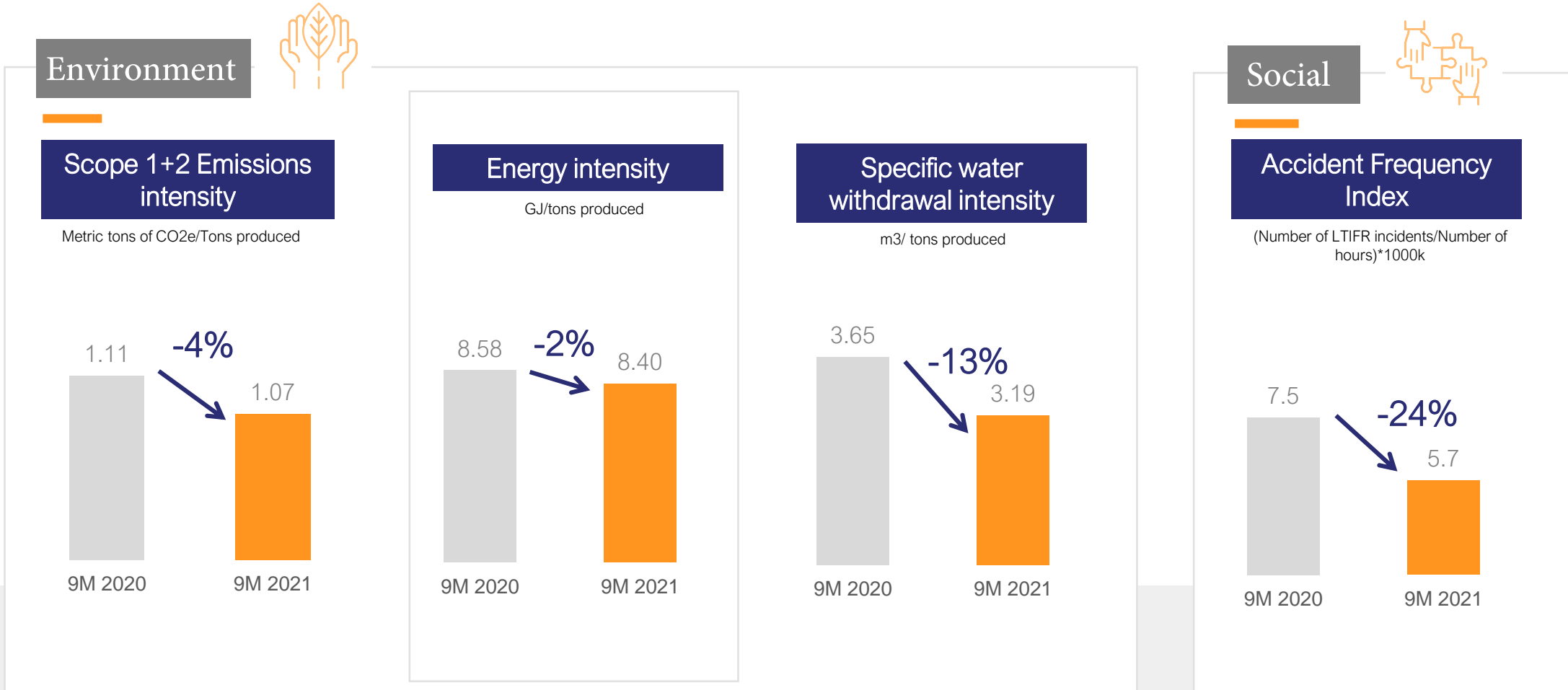
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High contributor to the Circular Economy

Main KPIs performance during the first nine months of 2021:



We are progressing well with our sustainability goals

9 Months 2021: an outstanding set of results

EBITDA of 671 million EUR, 166% higher year on year and the best 9 months since 2007

Solid Balance Sheet with net debt at 764 million EUR, down 9% year on year despite the NWC cash outflow, dividend payment of 135 million EUR and VDM acquisition in March 2020 of 313 million EUR

Very strong operating cash flow of 184 million EUR despite 387 million EUR of investment in NWC

| <i>Million EUR</i> | 9M 2021 | 9M 2020 ⁽²⁾ | % 9M 21 / 9M 20 |
|---|---------|------------------------|-----------------|
| Net Sales | 4,769 | 3,451 | 38% |
| Adjusted EBITDA | 671 | 267 | 152% |
| Adjusted EBITDA margin | 14% | 8% | |
| EBITDA | 671 | 252 | 166% |
| EBITDA margin | 14% | 7% | |
| EBIT | 537 | 77 | 598% |
| EBIT margin | 11% | 2% | |
| Results before Taxes and Minorities | 504 | 62 ⁽¹⁾ | 711% |
| Results after Taxes and Minorities | 373 | 31 | 1,124% |
| Operating cash flow (before investments) | 184 | 167 | 11% |
| Net Financial Debt | 764 | 841 | -9% |

⁽¹⁾ 9M 2020 Includes 42 million EUR of impairment of assets in Bahru Stainless

⁽²⁾ The purchase of VDM took place on 17 March 2020. The nine month figures of 2020 include the period from March-September

Another very strong quarter all round performance

Q3 Market Highlights

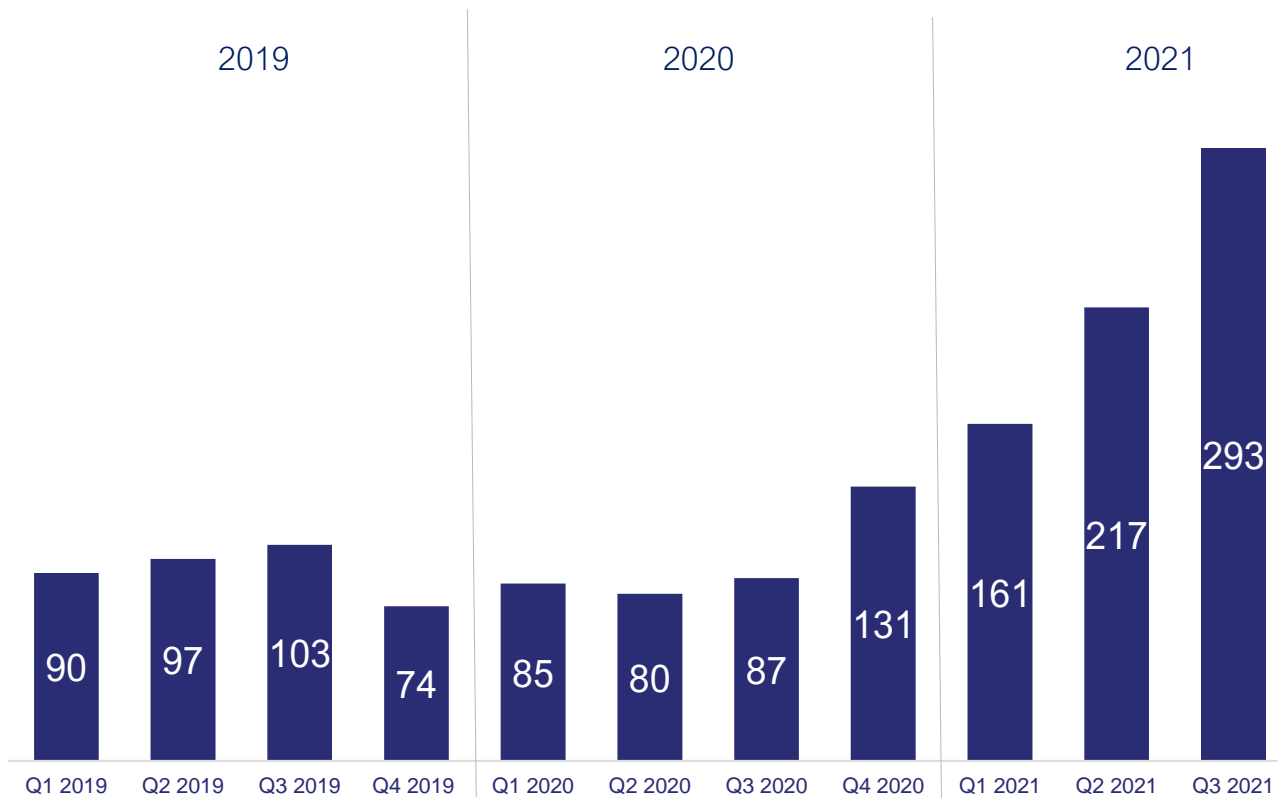
- Conditions remain very strong in all markets
 - Cost inflation impacting right through the value chain
 - Freight costs and availability contributing to more regionalized markets
 - Strong activity in High Performance Alloys (HPA)
 - Solid stainless demand:
 - Flat products apparent demand increased +20% Jan-Sep
 - Inventories remain below average
 - Prices continue to increase
 - Imports remain at reasonable levels
- USA**
- Flat products apparent demand increased 15% Jan-Sep
 - Imports remain at reasonable levels
 - Bases prices improved QoQ
 - Energy prices rocketing
- Europe**
- Healthy demand
 - Removal of 13% of export rebates in China
 - Production cuts in China
- Asia**

Q3 Acerinox Highlights

- **Q3 Production:**
 - -4% melting production QoQ
 - +20% melting production YoY
- **Q3 EBITDA, 293 million EUR, the strongest since Q2 2007**
 - +35% QoQ
 - +235% YoY
- The Stainless Steel division posted EBITDA of 272 million EUR, up 36% QoQ and 217% YoY
- HPA returned to precovid levels and posted an EBITDA of 21 million EUR, up 27% QoQ and 1,251% YoY
- Operating CF of 77 million EUR despite a further 134 million EUR rise in NWC in Q3
- Net debt fell by 74 million EUR QoQ to 764 million EUR
- Bahru Stainless resumed operations in mid-August following a two-and-a-half-month Covid-19 induced shutdown
- The strength of the Group Strategy is now becoming clear in the overall results

Five consecutive quarters of solid EBITDA growth

Million EUR



Q3 showed a further acceleration in EBITDA growth

Q3 EBITDA was the best quarter in 14 years

A strong contribution from both divisions has structurally improved the Group performance

An impressive quarter for P&L, FCF and Balance Sheet

Q3 EBITDA of 293 million EUR up 35% QoQ, and 235% YoY

Net debt of 764 million EUR down 9% QoQ and 9% YoY despite investment in NWC

Operating FCF of 77 million EUR despite 134 million EUR NWC build in the quarter

| Million EUR | Q3 2021 | Q2 2021 | Q3 2020 | % Q3 21 / Q2 21 | % Q3 21 / Q3 20 |
|---|------------|------------|-----------|-----------------|-----------------|
| Net Sales | 1,703 | 1,625 | 1,120 | 5% | 52% |
| Adjusted EBITDA | 293 | 217 | 87 | 35% | 235% |
| Adjusted EBITDA margin | 17% | 13% | 8% | | |
| EBITDA | 293 | 217 | 87 | 35% | 235% |
| EBITDA margin | 17% | 13% | 8% | | |
| EBIT | 247 | 173 | 43 | 43% | 471% |
| EBIT margin | 15% | 11% | 4% | | |
| Results before Taxes and Minorities | 235 | 163 | 40 | 44% | 493% |
| Results after Taxes and Minorities | 171 | 125 | 28 | 37% | 502% |
| Operating cash flow (before investments) | 77 | 84 | 91 | -9% | -16% |
| Net Financial Debt | 764 | 838 | 841 | -9% | -9% |

(1) Q2 2020 Includes 42 million EUR of impairment of assets in Bahrú Stainless

Stainless Steel: Strong results in Q3 2021

| <i>Million EUR</i> | Q3 2021 | Q2 2021 | Q3 2020 | % Q3 21 / Q2 21 | % Q3 21 / Q3 20 |
|---|--------------|--------------|------------|--------------------|--------------------|
| Melting production (thousand Mt) | 629 | 654 | 524 | -4% | 20% |
| Net sales | 1,493 | 1,425 | 935 | 5% | 60% |
| Adjusted EBITDA | 272 | 201 | 86 | 36% | 217% |
| Adjusted EBITDA margin | 18% | 14% | 9% | | |
| EBITDA | 272 | 201 | 86 | 36% | 217% |
| EBITDA margin | 18% | 14% | 9% | | |
| Amortization and Depreciation | -38 | -37 | -37 | 1% | 1% |
| EBIT | 234 | 163 | 49 | 43% | 372% |
| EBIT margin | 16% | 11% | 5% | | |
| Operating cash flow (before investments) | 65 | 98 | 27 | -34% | 140% |



Very strong EBITDA margin
of 18%

Q3 EBITDA of 272 million
EUR, +36% QoQ and
+217% YoY

Operating FCF of 65
million EUR, despite the
increase in NWC of 131
million EUR

High Performance Alloys: Back to pre-covid levels in Q3 2021



The expected recovery is now evident in the P&L and FCF

HPA has returned to pre-covid levels with 21 million EUR EBITDA in Q3

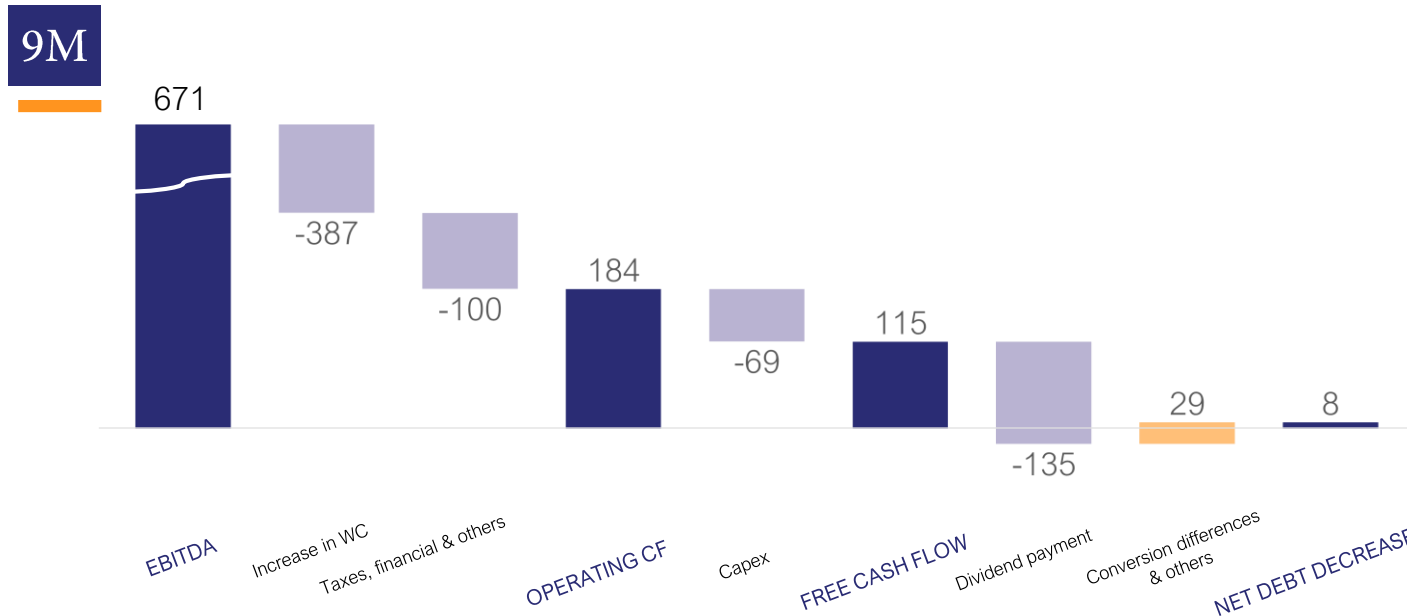
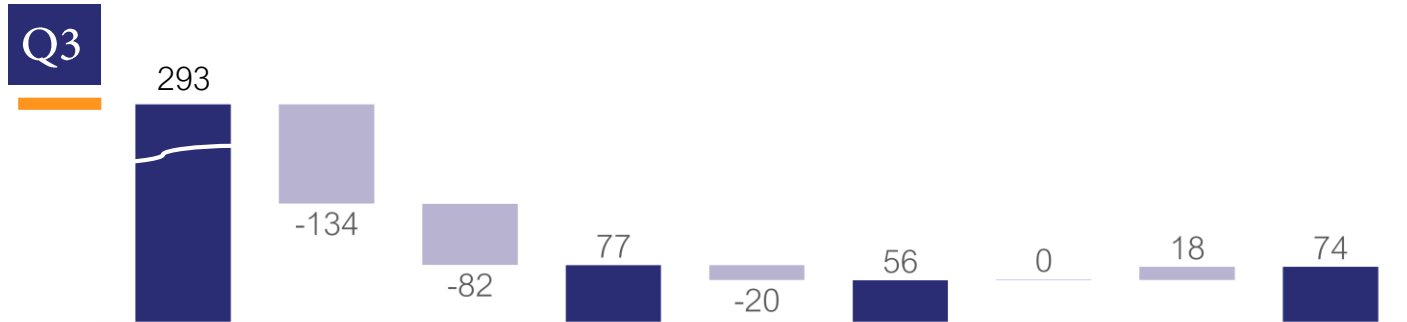
Contribution of HPA is not only in the P&L but also in operating cash flow

Million EUR

| | Q3 2021 | Q2 2021 | Q3 2020 | % Q3 21 / Q2 21 | % Q3 21 / Q3 20 |
|---|------------|------------|------------|-----------------|-----------------|
| Melting production (thousand Mt) | 19 | 22 | 14 | -11% | 35% |
| Net sales | 211 | 201 | 185 | 5% | 14% |
| Adjusted EBITDA | 21 | 16 | 2 | 27% | 1,251% |
| Adjusted EBITDA margin | 10% | 8% | 1% | | |
| EBITDA | 21 | 16 | 2 | 27% | 1,251% |
| EBITDA margin | 10% | 8% | 1% | | |
| Amortization and Depreciation | -6 | -6 | -7 | 0% | -13% |
| EBIT | 15 | 11 | -5 | 41% | --- |
| EBIT margin | 7% | 5% | -3% | | |
| Operating cash flow (before investments) | 12 | -14 | 64 | --- | -82% |

A strong quarter of FCF despite ongoing investment in NWC

Million EUR



Operating CF of 184 million EUR in 9 months and 77 million EUR in Q3 despite the headwind of NWC investment

- Capital allocation focused on NWC, shareholder returns and debt reduction
- Net debt 74 million EUR lower in Q3 and will fall further at year end

Conclusions & Outlook

- 1 **The benefits of our long term strategy are now clearly evident**
- 2 **Market conditions continuing to improve and visibility remains good**
- 3 **Stainless steel continues to produce exceptional results**
- 4 **HPA has returned to normalized levels**
- 5 **Our discipline in capital allocation has led to good FCF despite a 401 million EUR investment in NWC in the first 9 months**
- 6 **As such net debt remains at a very comfortable level**
- 7 **Covid-19, cost inflation and supply chain constraints remain a challenge**
- 8 **Q4 EBITDA should slightly improve versus Q3 and operating CF generation should be strong**
- 9 **If these forecasts prove correct we will achieve our best results ever**





Q&A

03 November 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



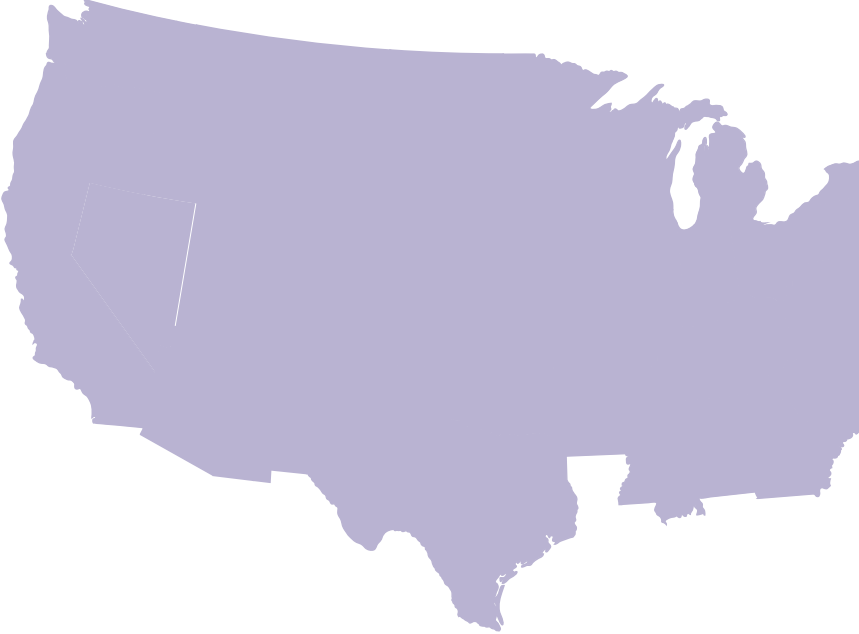
3  Solid Long Term Strategy

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

Strength of the US economy

- IMF estimates **GDP growth 2021e: +6%**

e estimated | Annual percent change
Source: IMF, October 2021



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%

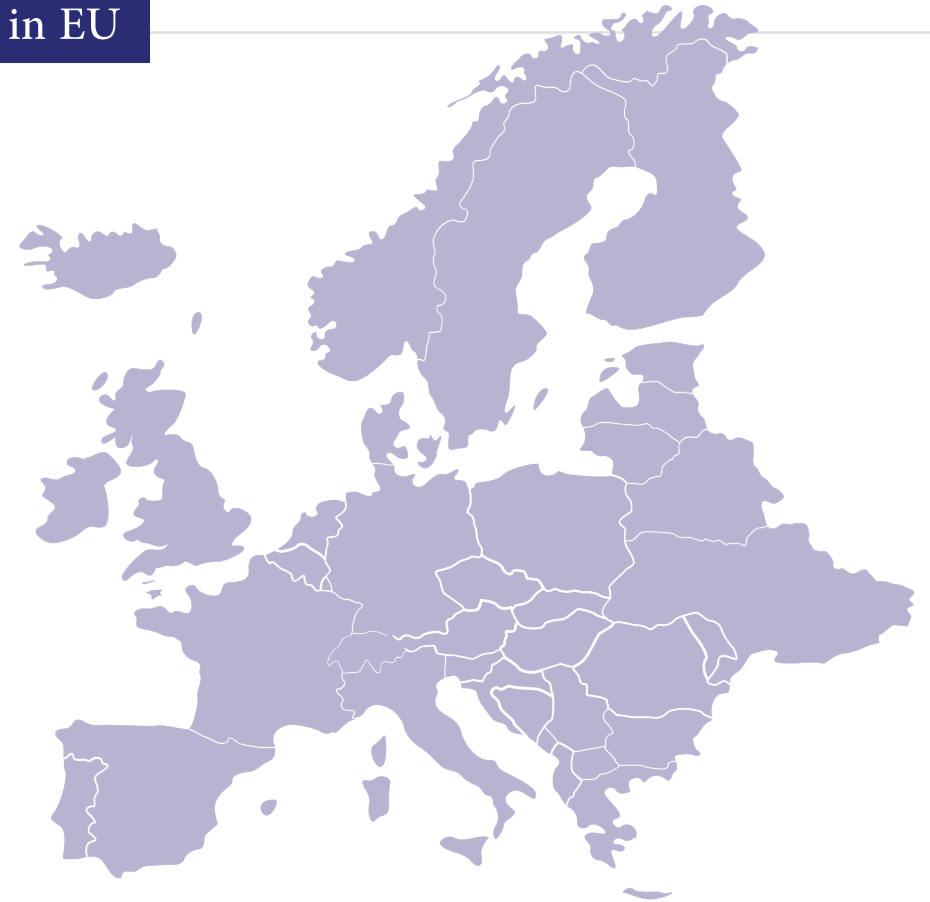
Market share worldwide

+5%

GDP growth 2021e

Leaders in High Performance Alloys in EU

High Performance Alloys will also benefit from infrastructure investments programs



Market share: Year 2020
e estimated | GDP growth: annual percent change
Source: IMF, October 2021

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



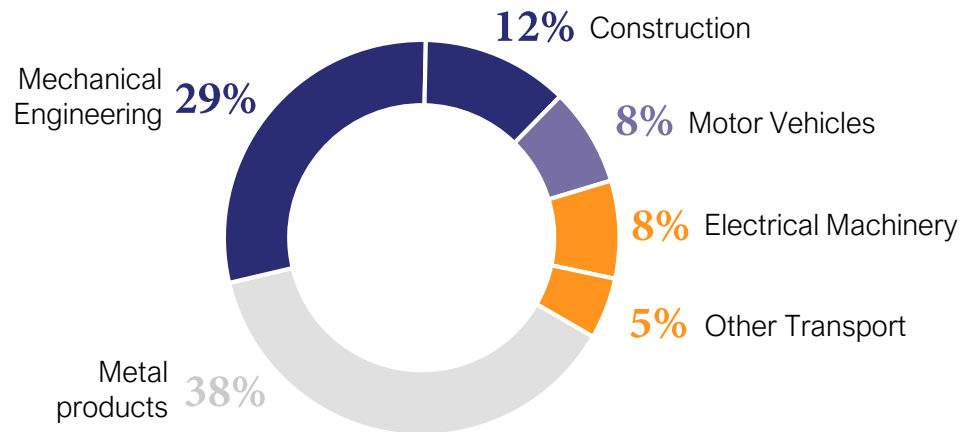
Efficient & Versatile (mechanical qualities)

2. Highest Quality Standards

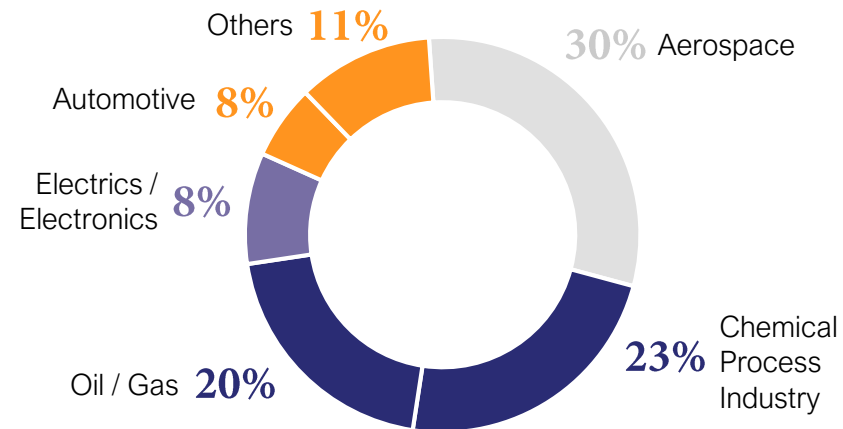
Diversified End Users: One Stop Shop

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

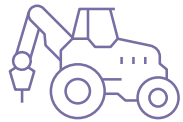
Stops the spread of bacteria on its surface. Highly hygienic. To be meticulously disinfected in hospitals and health centers

- 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



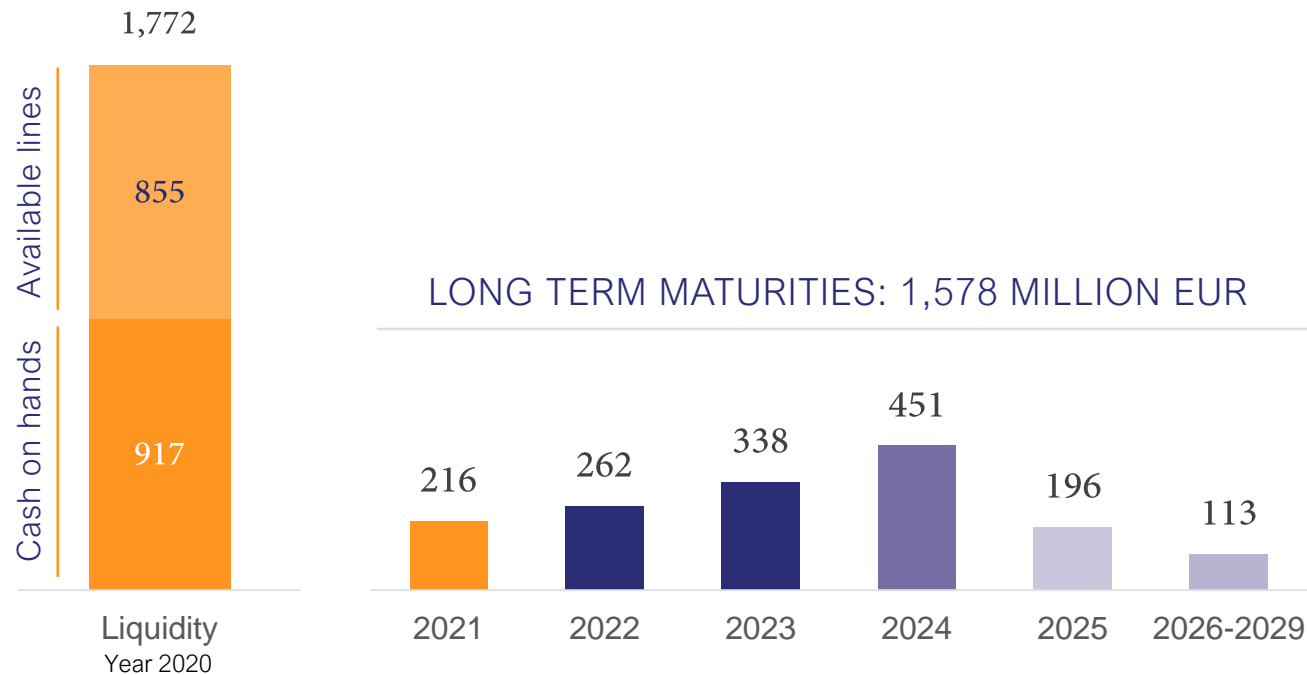
3. Solid Long Term Strategy

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

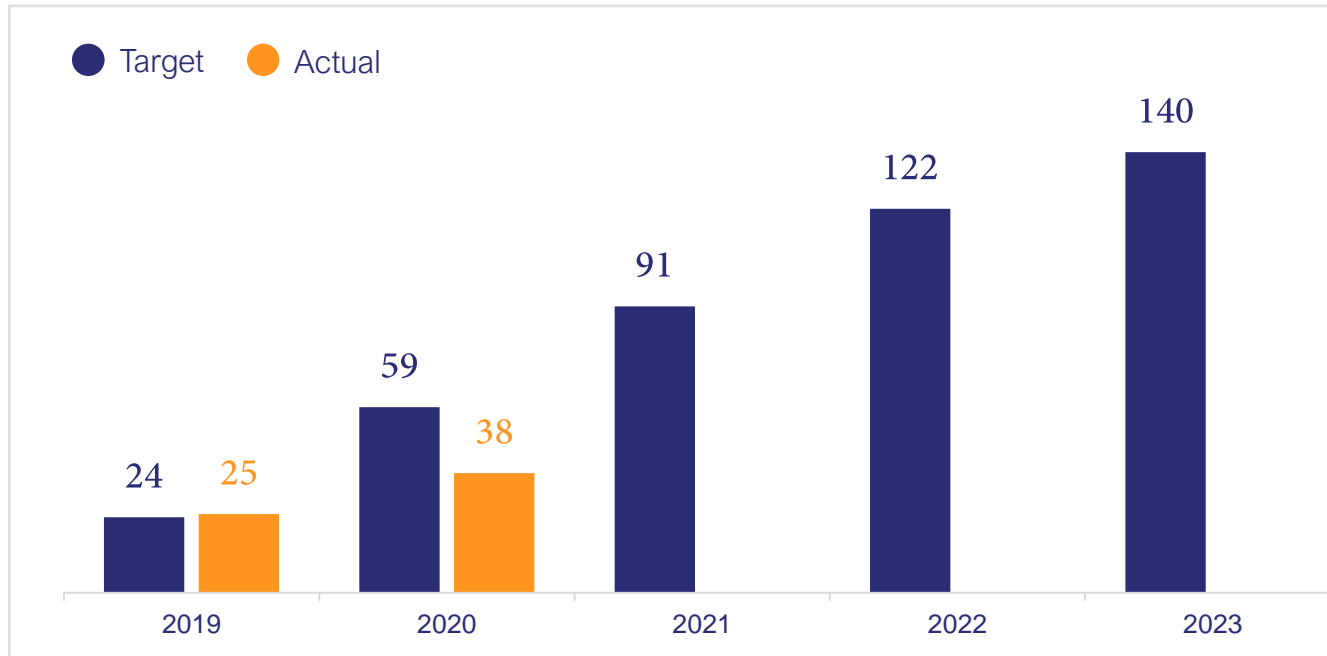
Year 2020

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**
- Exchange of **best practices**

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

4. Attractive Resilient Investment Opportunity

Consistent shareholder remuneration



Dividend:

€ 0.50

per share



€135 million

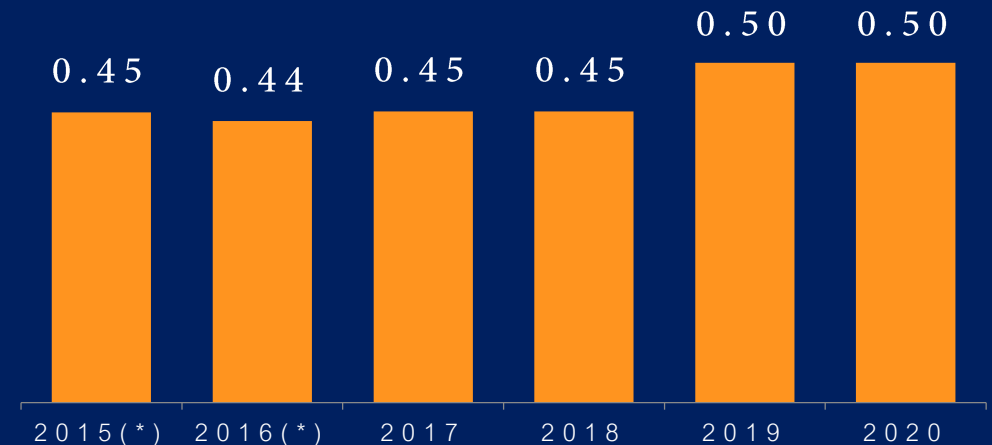
in shareholder
remuneration



Year 2020

Return to shareholders

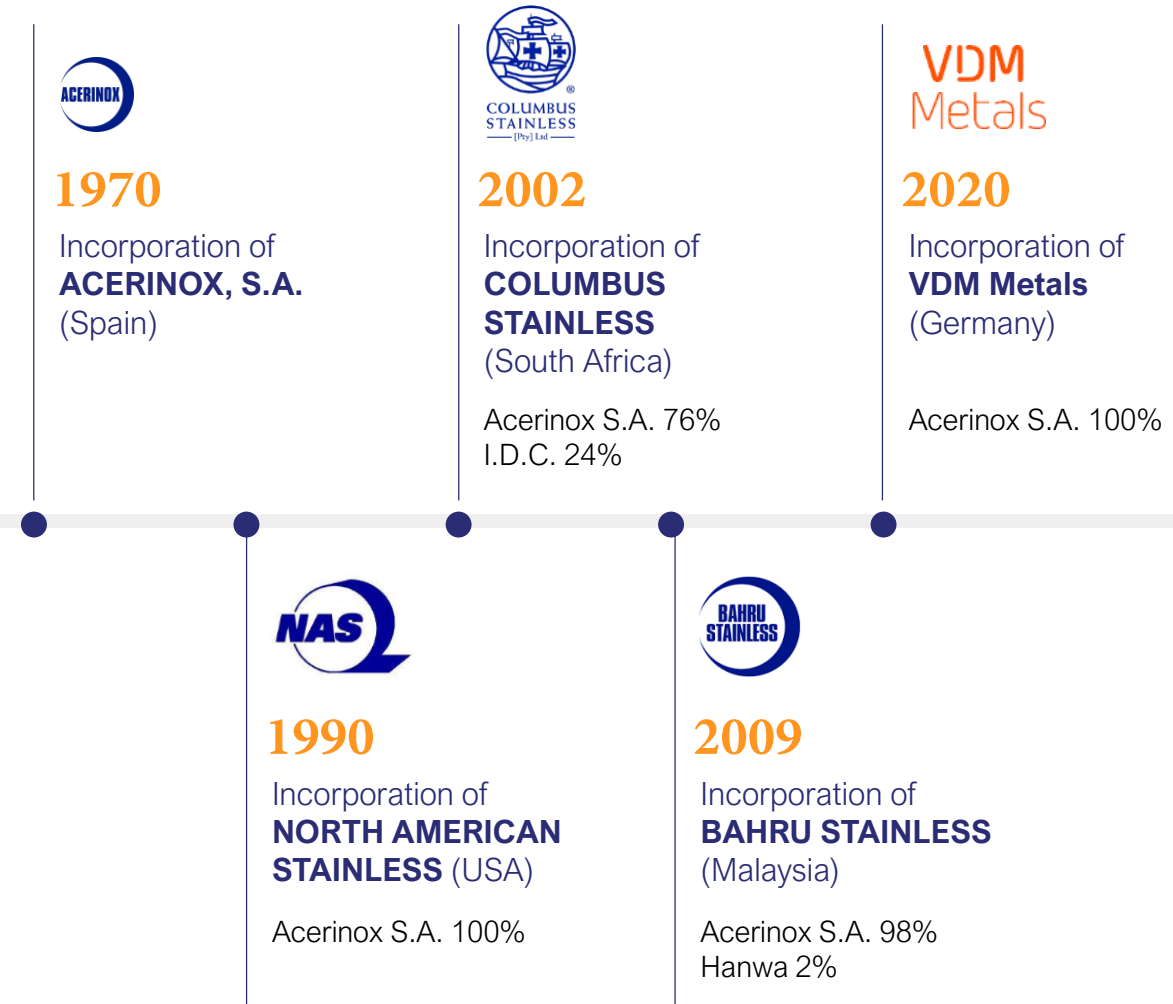
€/ share



(*) Scrip dividend

5. Adding Value Through Diversification

Ongoing Growth



| Main Acerinox Shareholders | % | Since |
|---------------------------------------|--------|-------|
| Corporación Financiera Alba, S.A . | 18.96% | 2001 |
| Bravo Andreu, Daniel | 5.00% | 2020 |
| Industrial Development Corp. (I.D.C.) | 3.04% | 2002 |
| Millennium Group Management LLC | 1.96% | 2021 |

Source: CNMV (02/Nov/2021)

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 & Igualeda



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



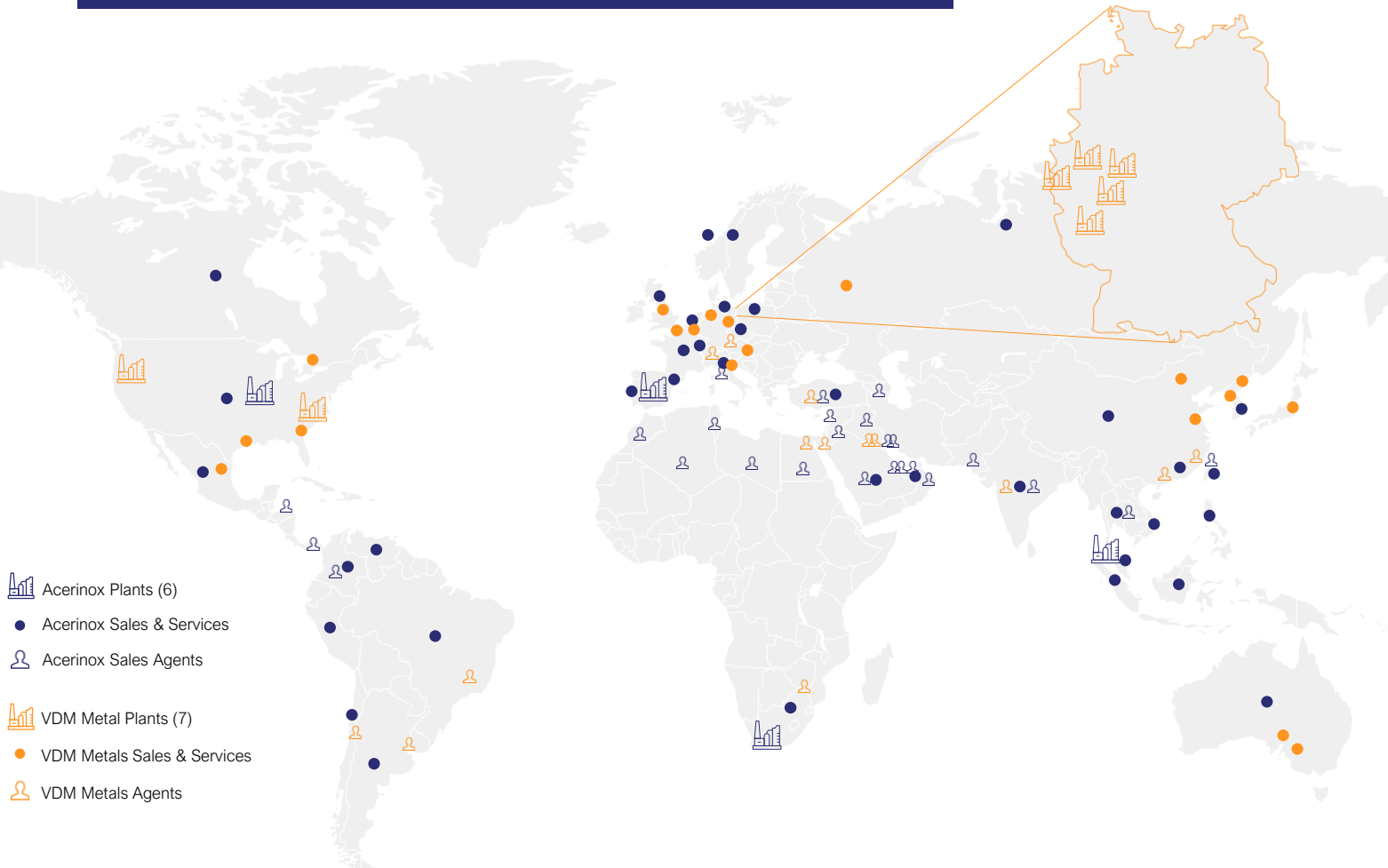
Flat product

- Cold Rolling Shop

5. Adding Value Through Diversification

Strong Global Presence

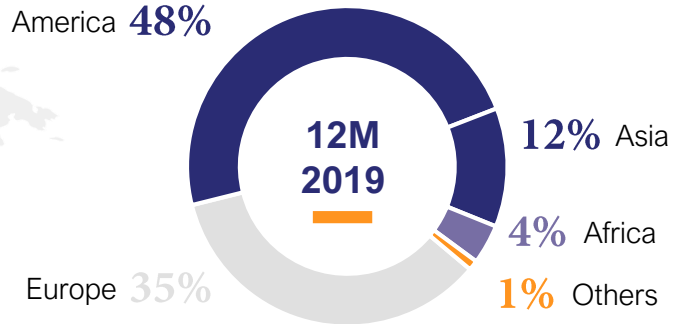
Combined Global Footprint and Sales by Region



Acerinox

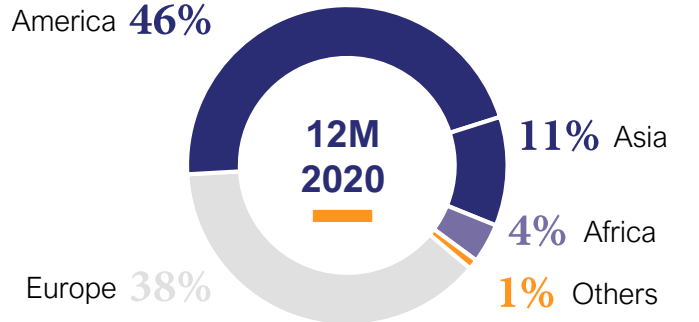
12M 2019

America **48%**



12M 2020⁽¹⁾

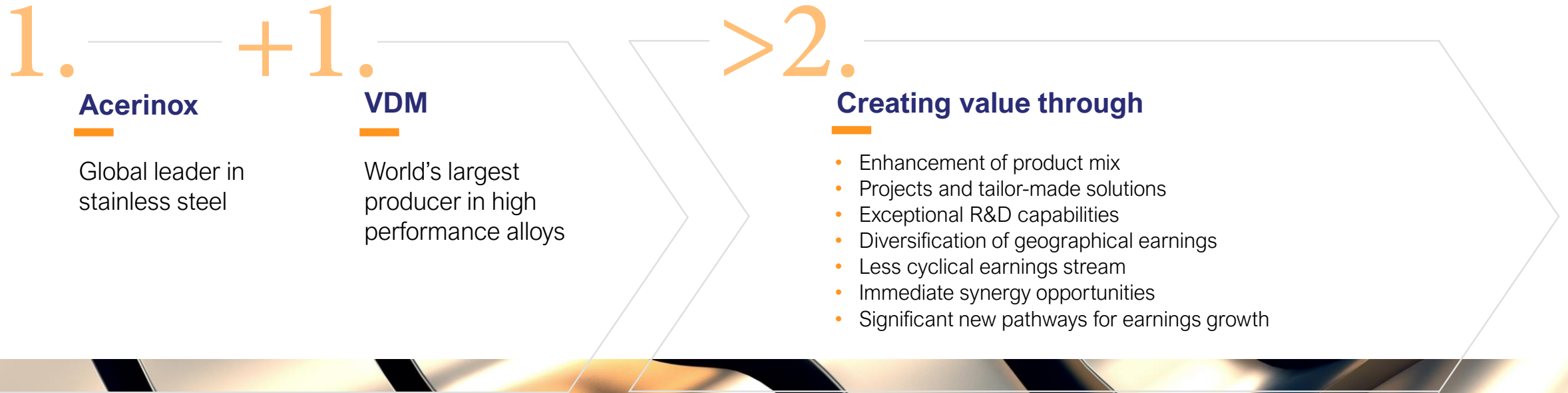
America **46%**



Source: ¹ Acerinox including VDM Metals

5. Adding Value Through Diversification

A Leader In Stainless And HPA



5. Adding Value Through Diversification

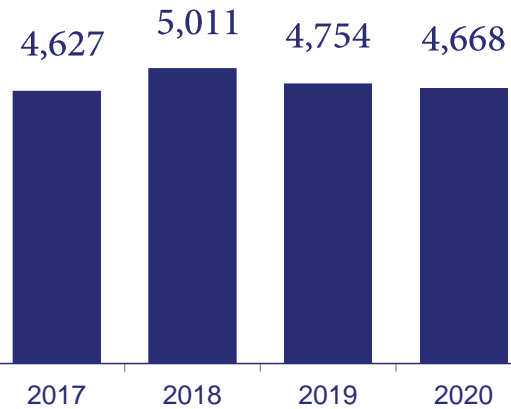
Solid Revenue And Earnings Growth

Consolidated group figures

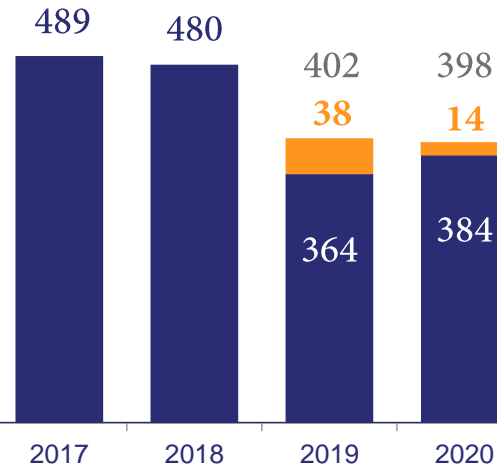
Million EUR



Sales



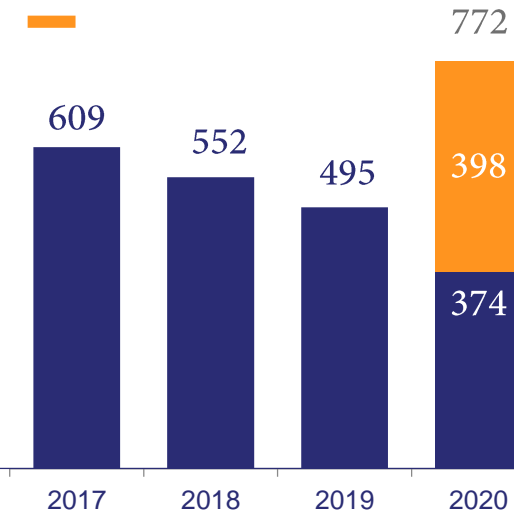
EBITDA



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

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Contact: inversores@acerinox.com