

# Q1 2024

## Results Presentation

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# Q1 2024 at a glance



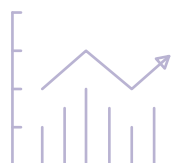
**Satisfactory Q1 EBITDA of €111 million,**  
despite challenging conditions



**Strong cash generation of €188 million,**  
supported by **inventory reduction**



**Net debt at €234 million, 31% lower than that of Q4 2023**



**Outlook: We expect Q2 EBITDA to be slightly higher than in Q1**

# Contribution to circular economy and sustainable development

## 2030 sustainability targets



**Eco-efficiency and climate change mitigation**

**GHG emissions** (Scopes 1 & 2): 8% reduction [2030 target: 20% intensity reduction from 2015 baseline]

**Water withdrawal:** 40% reduction [2030 target: 20% intensity reduction from 2015 baseline]

**Energy(\*):** 3% increase [2030 target: 7.5 % intensity reduction from 2015 baseline]



**Engaged team, culture, diversity, and safety**

**Safety:** 3% reduction from FY 2023 [target: 26% YoY reduction in TIR]

**Diversity:** 13.5% women [2030 target: women account for 15% of workforce]



**Circular economy and sustainable products**

**Waste reduction:** 83% valorization [2030 target: 90% valorization]

**Recycling 100% of:**

Grinders / Oily paper / Oil (decantation, flame-retardant and hydraulic) / Process scrap & metal recovered / Machined electrodes / Paper / Plastic / Cardboard / Others

## 360° Positive Impact Plan



**Most significant sustainability initiatives in Q1 2024**



**Eco-efficiency and climate change mitigation**

- Electrification: gas boilers, mobility devices, etc.
- Increased renewable electricity use



**Circular economy and sustainable products**

- Analyzed new applications of neutralization sludge



**Committed team, culture, diversity, and safety**

- Management by objectives (MBO)
- Implemented EHS tool for incident reporting



**Supply chain and impact in the community**

- ESG supplier risk procedure
- Provided accommodations for refugees



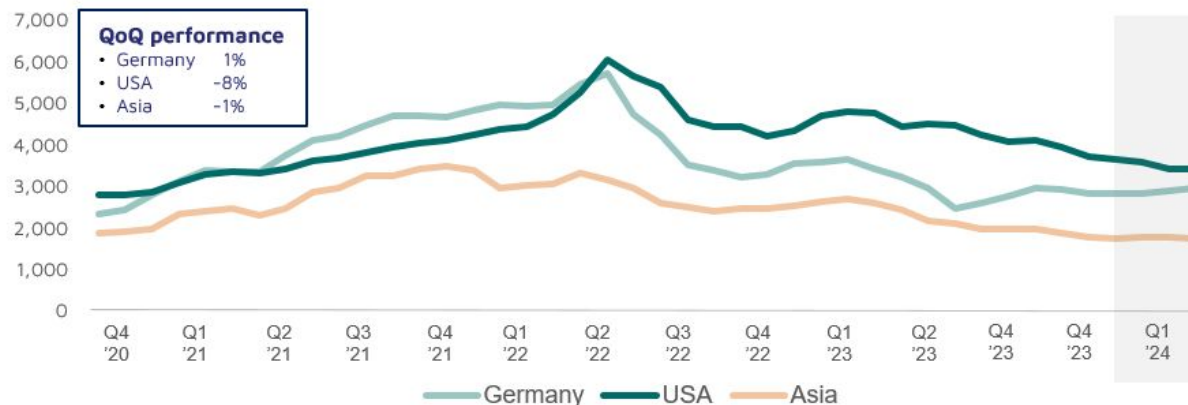
**Ethical, responsible, and transparent governance**

- Updated Compliance Policy

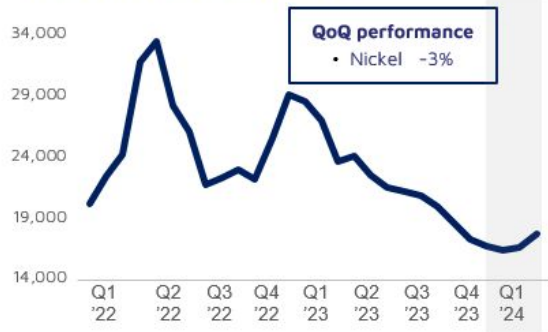
(\*) Low capacity utilization impacted this KPI

# Q1 2024: Market Highlights

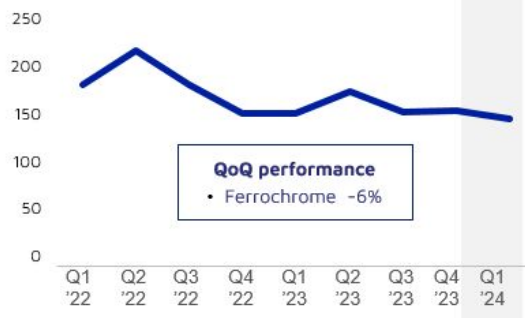
## Prices stainless steel (AISI 304), USD/ton



## Nickel, USD/ton



## Ferrochrome, USD/ton



Sources: CRU, LME.

## STAINLESS STEEL

### USA

- Apparent demand of flat products up 8% in 2024 through February
- Inventories below historical average
- Imports of flat products market share: 25% in 2024 through February

### EUROPE

- Apparent demand of flat products down 4% through February
- Inventories remain below historical average
- Imports of flat products market share: 15% in February
- Strikes in Acerinox Europa and Finland
- Prices increased during Q1 but remain at low levels

## HIGH-PERFORMANCE ALLOYS (HPAs)

- **HPA market driven by strong demand**
- **Oil and gas (O&G)** and **aerospace** markets in a solid situation with high order books
- Demand in **chemical process industry (CPI)** market led by the hydrogen sector
- **Electronics and electrical engineering (E&E)** market is coming back after low demand last year.

● favorable ● challenging

# Q1 2024: Consolidated group highlights



**Q1 2024 EBITDA:**  
€111 million

**Strong cash generation:**  
€188 million

**NFD of €234 million**

**Adjusted LTM ROCE: 15%**

	Q1 2024	Q1 2023	% Q1 24 / Q1 23	Q4 2023	% Q1 24 / Q4 23
Melting production (thousands of metric tons)	461	534	-14%	486	-5%
Net sales	1,481	1,782	-17%	1,529	-3%
<b>EBITDA</b>	<b>111</b>	<b>226</b>	<b>-51%</b>	<b>96</b>	<b>15%</b>
<b>EBITDA margin</b>	<b>7%</b>	<b>13%</b>		<b>6%</b>	
* Adjusted EBIT	71	182	-61%	52*	37%
Adjusted EBIT margin	5%	10%		3%	
EBIT	71	182	-61%	-105	-
EBIT margin	5%	10%		-7%	
Results before taxes and minorities	71	179	-60%	-111	-
Results after taxes and minorities	53	136	-61%	-119	-
<b>Operating cash flow (before investments)</b>	<b>188</b>	<b>-19</b>	<b>-</b>	<b>260</b>	<b>-28%</b>
Net financial debt	234	605	-61%	341	-31%

\* Adjusted EBIT: Stripping out €156 million of Bahru Stainless impairment in Q4 2023

# Q1 2024: Stainless steel highlights

Million EUR	Q1 2024	Q1 2023	% Q1 24 / Q1 23	Q4 2023	% Q1 24 / Q4 23
Melting production (thousands of metric tons)	440	515	-15%	468	-6%
Net sales	1,109	1,476	-25%	1,166	-5%
<b>EBITDA</b>	<b>80</b>	<b>197</b>	<b>-59%</b>	<b>50</b>	<b>59%</b>
<b>EBITDA margin</b>	<b>7%</b>	<b>13%</b>		<b>4%</b>	
Amortization and depreciation	-32	-35	-8%	-35	-8%
* Adjusted EBIT	49	161	-70%	15*	219%
Adjusted EBIT margin	4%	11%		1%	
EBIT	49	161	-70%	-141	-
EBIT margin	4%	11%		-12%	
<b>Operating cash flow (before investments)</b>	<b>112</b>	<b>113</b>	<b>-1%</b>	<b>179</b>	<b>-37%</b>



**Q1 results impacted**  
by the strike at  
Acerinox Europa

**Q1 EBITDA: €80 million**  
Acerinox Europa: €-31 million

**Q1 operating cash flow:**  
€112 million

Efficient  
**working capital**  
management

\* Adjusted EBIT: Stripping out €156 million of Bahru Stainless impairment in Q4 2023



# Q1 2024: High-performance-alloys highlights



**Q1 EBITDA:**  
€31 million

**Operating working capital**  
decreased by €52 million

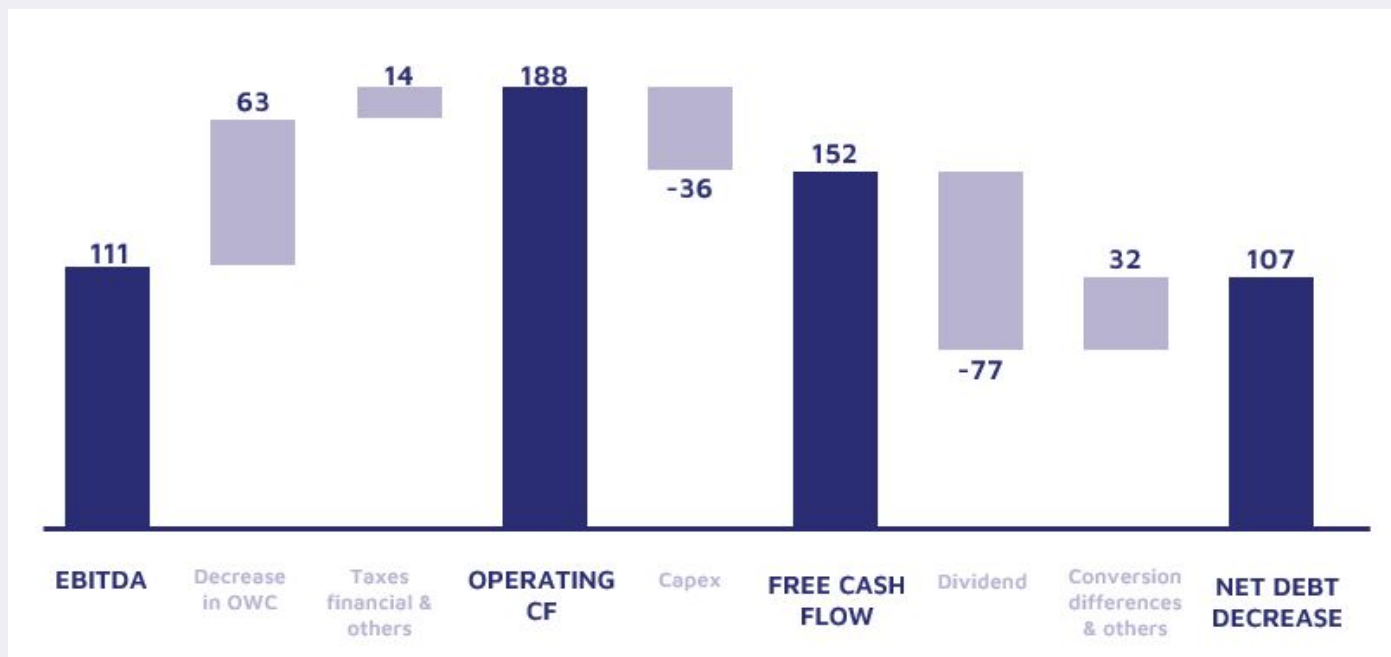
**Operating cash flow:**  
€76 million

<i>Million EUR</i>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>% Q1 24 / Q1 23</b>	<b>Q4 2023</b>	<b>% Q1 24 / Q4 23</b>
Melting production (thousands of metric tons)	21	19	9%	18	14%
Net sales	378	305	24%	366	3%
<b>EBITDA</b>	<b>31</b>	<b>29</b>	<b>7%</b>	<b>46</b>	<b>-33%</b>
<b>EBITDA margin</b>	<b>8%</b>	<b>9%</b>		<b>13%</b>	
Amortization and depreciation	-7	-6	12%	-6	-10%
EBIT	25	23	8%	40	-38%
<i>EBIT margin</i>	7%	8%		11%	
<b>Operating cash flow (before investments)</b>	<b>76</b>	<b>-132</b>	<b>-</b>	<b>81</b>	<b>-6%</b>



# Q1 2024: Capital allocation

**Q1** *Million EUR*



## Q1 Highlights

**Solid operating cash flow (OCF):**  
€188 million

**Dividend payment in Q1:**  
€77 million

**Strong debt reduction:**  
€107 million

# Acerinox strategy: A new platform in the USA



**HAYNES**  
International

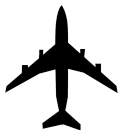
**VDM Metals**  
A company of ACERINOX



**Strengthening leadership  
in Alloys**



**Strengthening leadership  
in America**



**Strengthening our  
position in Aerospace**



**USA antitrust: Approved**



**Haynes special shareholders' meeting:  
Approved**



**Other regulatory approval: Pending**



**Deal expected to close: Q3 2024**

# Conclusions & outlook



## 01

Acerinox obtained a **satisfactory EBITDA** in Q1 2024



## 02

**Strong cash generation:**  
Net financial debt €234 million



## 03

**Increased shareholder return** to €0.62 per share in 2024 (6% dividend yield as of today)



## 04

**Stainless:**  
**Our order book in improving** QoQ  
European market remains weak  
**HPAs:**  
**Order book remains strong**



## 05

**Update on Haynes acquisition:**

- Green light US antitrust and Haynes shareholders
- Expected to close in Q3 2024



## 06

We expect **Q2 EBITDA** to be **slightly better** than that of Q1 2024



# Alternative Performance Measures (Definitions)

**Beyond Excellence:** Operational excellence program for 2024 to 2026. These initiatives will be based on digital transformation, interdisciplinary collaboration, and a commitment to innovation

**Excellence 360° Plan:** Estimated efficiency savings for the period of 2019 to 2023

**Operating working capital:** Inventories + trade receivables – trade payables

**Net cash flow:** Profit/(loss) after tax and minorities + depreciation and amortization

**NFD, Net financial debt:** Bank borrowings + bond issuance – cash

**Net financial debt / EBITDA:** Net financial debt / annualized EBITDA

**EBIT:** Operating income

**Adjusted EBIT:** EBIT, disregarding material extraordinary items

**EBITDA:** Operating income + depreciation and amortization + variation of current provisions + asset impairment

**Adjusted EBITDA:** EBITDA, disregarding material extraordinary items

**TIR:** Total incident rate, (Total accidents) \* 1.000.000 / Number of hours worked)

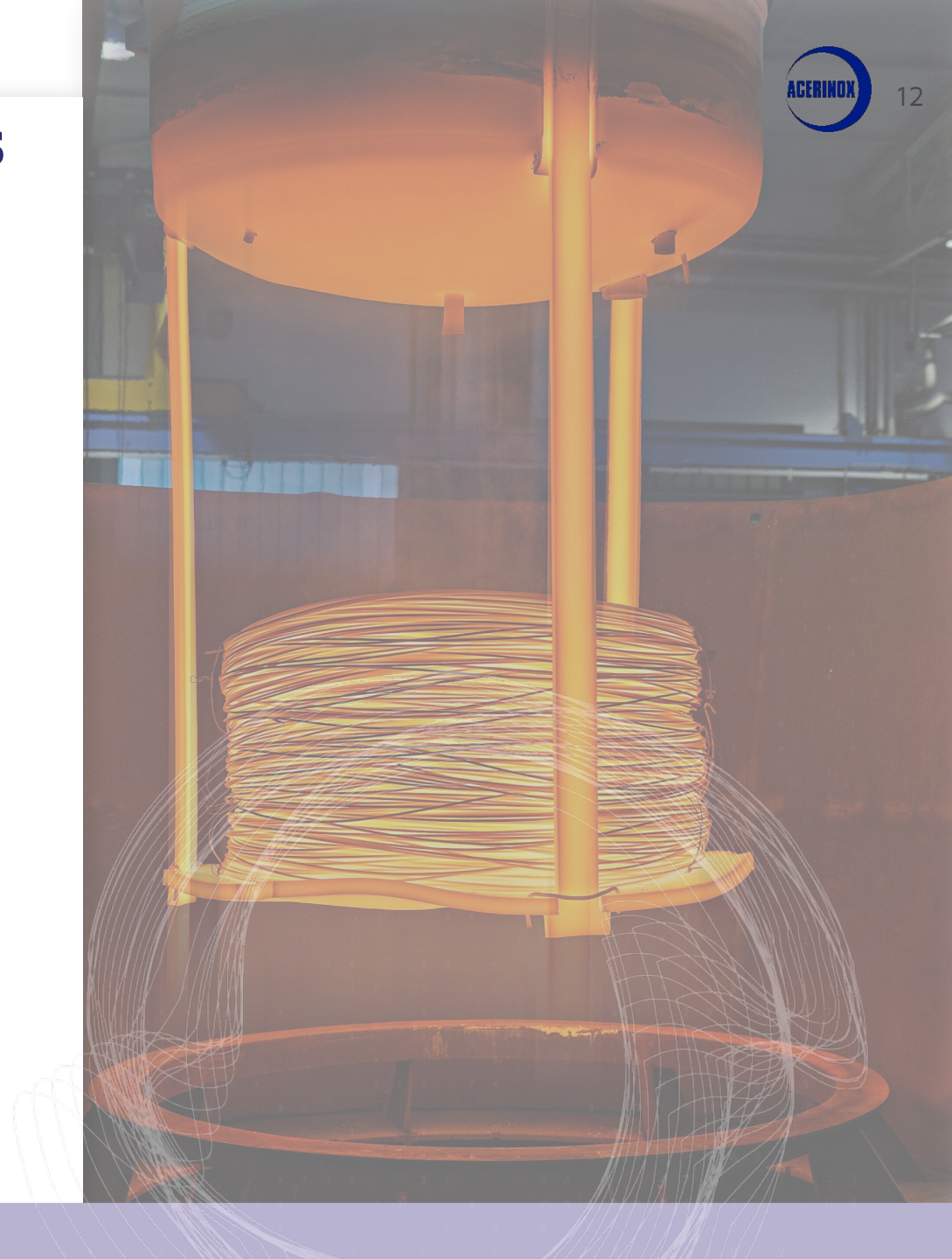
**Gearing ratio** (Debt ratio): Net financial debt / equity

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

**ROCE:** Net operating income / (equity + net financial debt)

**ROE:** Profit/(loss) after tax and minorities / equity

**ICR (interest coverage ratio):** EBIT / financial expenses





**Q&A**

Q1 2024 Results Presentation

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