

Q3 2023

Results presentation



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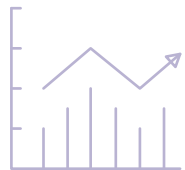
Q3 2023 at a glance



Resilient Q3 EBITDA at 146 million EUR
despite challenging market conditions



Strong cash generation, 298 million EUR,
supported by **inventory reduction**



Outlook: We expect Q4 EBITDA slightly below Q3

Contribution to circular economy and sustainable development

Sustainability targets 2030



Eco-efficiency and climate change mitigation

GHG emissions (Scope 1&2): 2% reduction [2030 target: 2% reduction from 2015 baseline]

Water reduction: 16% reduction [2030 target: 20% reduction from 2015 baseline]

Energy efficiency: 6% increase [2030 target: 7.5 % reduction from 2015 baseline]



Engaged team, culture, diversity, and safety

Safety: 19% reduction from FY 2022 [target: 10% YoY reduction in LTIFR]

Gender diversity: 13% female YTD [2030 target: women make up 15% of workforce]



Circular economy and sustainable products

Waste reduction: 80% 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

Positive Impact 360° Plan



Q3 2023 most relevant sustainability initiatives



Ethical, responsible and transparent governance

- External certification of the Crime Prevention Programme.



Eco-efficiency and climate change mitigation

- Emission reduction target - SBTi methodology.
- Expansion of company fleet with electric cars - sustainable mobility.



Committed team, culture, diversity and safety

- Implementation of actions fostering diversity.
- Columbus received the World Steel Association's 2023 Safety and Health Excellence Recognition



Circular economy and sustainable products

- Water footprint for a more sustainable use.
- Minimization of single-use plastics in packaging.

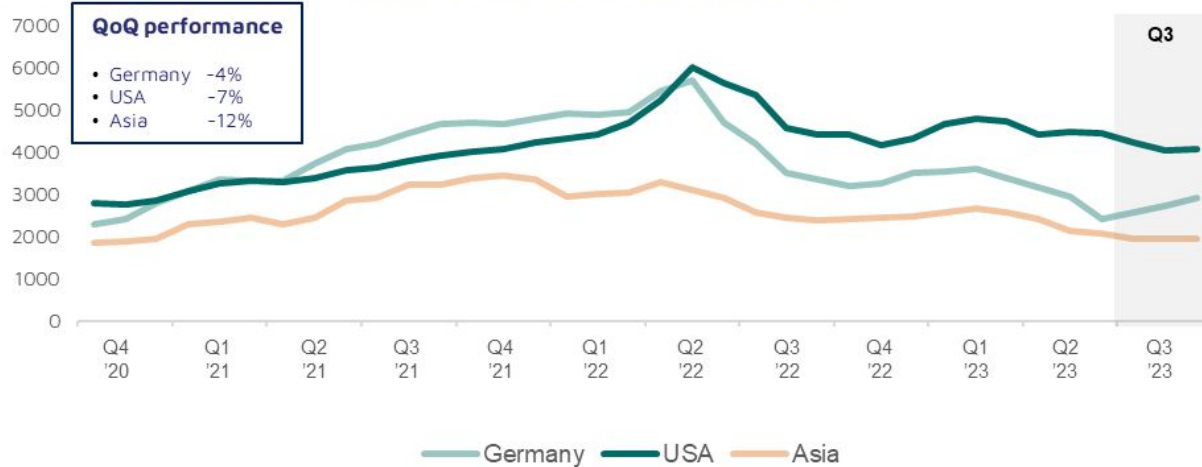


Supply chain and impact in the community

- Suppliers onsite audits to eliminate risks in the supply chain.
- Solidarity activities with people with disabilities for team-building improvement.

Q3 2023: Market backdrop

Prices stainless steel (AISI 304), USD/ton



Nickel, USD/ton



Ferrochrome, USD/ton



Q3 MARKET HIGHLIGHTS

STAINLESS STEEL

- Seasonality exacerbated by decreased consumption
- North American prices remain stable
- Differences across markets

- USA**
- Stable base price at good levels
 - Inventories remain at low levels
 - Imports dropped 40% Year-to-Aug
 - Apparent demand of flat products decreased 27% Year-to-Aug
- EUROPE**
- Prices remain at historical low
 - EU investigating anti-circumvention in Taiwan-Turkey-Vietnam
 - Inventories remain below normal
 - Imports dropped 56% Year-to-Sep
 - Apparent demand of flat products decreased 26% Year-to-Sep

HIGH-PERFORMANCE ALLOYS (HPA)

- Market maintained its strength and good prospects especially in aerospace, O&G, and chemical industry

favorable challenging

Q3 2023: Group financial highlights

Reflects strategy of growth, diversification & strength

Income statement

Sales decrease
of -11% QoQ

EBITDA margin
of **9%**

EPS of
0.28 EUR/share

Cash flow statement

Strong **operating cash flow**
of **298 million EUR**

Operating working capital
reduction of
125 million EUR

Dividend payment of
75 million EUR

Balance sheet

Net financial debt (NFD)
reduction:
221 million EUR

NFD / EBITDA **0.62x**

Strong ROCE: 19%

Operating working capital reduction in Q3

Q3 2023: Resilient results

CONSOLIDATED RESULTS

Remarkable 2023 EBITDA

of 608 million EUR
(12% margin):

Q1: 226 million EUR

Q2: 236 million EUR

Q3: 146 million EUR

Downward inventory adjustment

of 75 million EUR

Strong cash generation

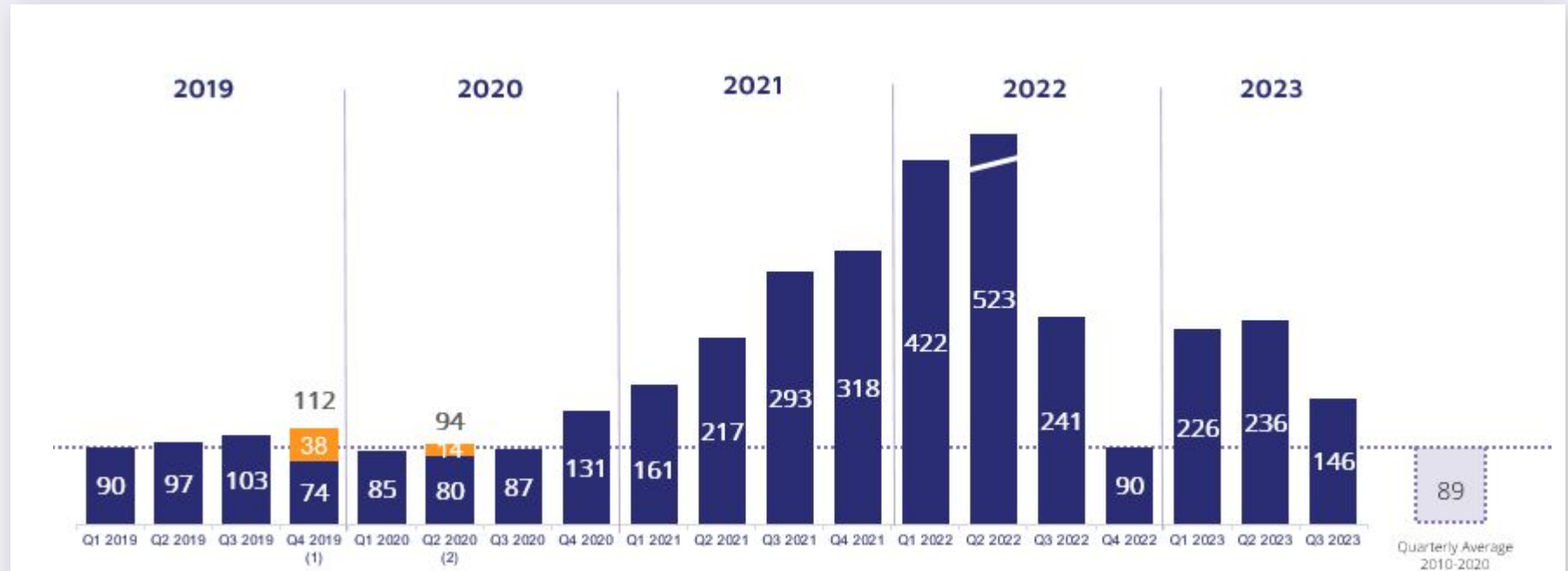
NFD of 500 million EUR

	Q3 2023	Q2 2023	Q3 2022	9M 2023	9M 2022	% Q3 23 / Q3 22	% 9M 23 / 9M 22
Melting production (thousands of metric tons)	440	486	502	1,460	1,792	-12%	-19%
Net Sales	1,557	1,740	2,175	5,079	6,996	-28%	-27%
EBITDA	146	236	241	607	1,186	-40%	-49%
EBITDA margin	9%	14%	11%	12%	17%		
EBIT	101	196	192	479	1,039	-47%	-54%
<i>EBIT margin</i>	6%	11%	9%	9%	15%		
Results before taxes and minorities	96	191	186	466	1,009	-49%	-54%
Results after taxes and minorities	70	142	133	348	741	-47%	-53%
Operating cash flow (before investments)	298	-58	-50	221	27	-	729%
Net financial debt	500	721	763	500	763	-34%	-34%

Q3 2023: Solid EBITDA above last decade average

Quarterly EBITDA

Million EUR



(1) Adjusted EBITDA Q4 2019: EUR 112 million, EBITDA without taking into account the provision of EUR 38 million arising from the collective redundancy procedure (ERE) at Acerinox Europa
 (2) Adjusted EBITDA Q2 2020: EUR 94 million, EBITDA excluding the 14 million VDM acquisition cost

More **competitive** through **excellence**

Strong contribution by HPA Division

Benefiting from **regionalization**

Stainless steel highlights

Million EUR	Q3 2023	Q2 2023	Q3 2022	9M 2023	9M 2022	% Q3 23 / Q3 22	% 9M 23 / 9M 22
Melting production (thousands of metric tons)	422	465	482	1,402	1,729	-12%	-19%
Net sales	1,183	1,369	1,838	4,029	6,075	-36%	-34%
EBITDA	95	191	202	483	1,082	-53%	-55%
EBITDA margin	8%	14%	11%	12%	18%		
Amortization and depreciation	-35	-34	-41	-104	-120	-15%	-14%
EBIT	58	159	160	378	958	-64%	-61%
EBIT margin	5%	12%	9%	9%	16%		
Operating cash flow (before investments)	225	-43	-62	296	203	-	46%



**8% EBITDA margin
in Q3 and 12% in 9M
2023**

**Q3 operating cash flow
of 225 million EUR**

**NFD reduction
of 155 million EUR in Q3**

High-performance-alloys highlights



**Record 9M EBITDA
of 129 million EUR**

Order book remains solid

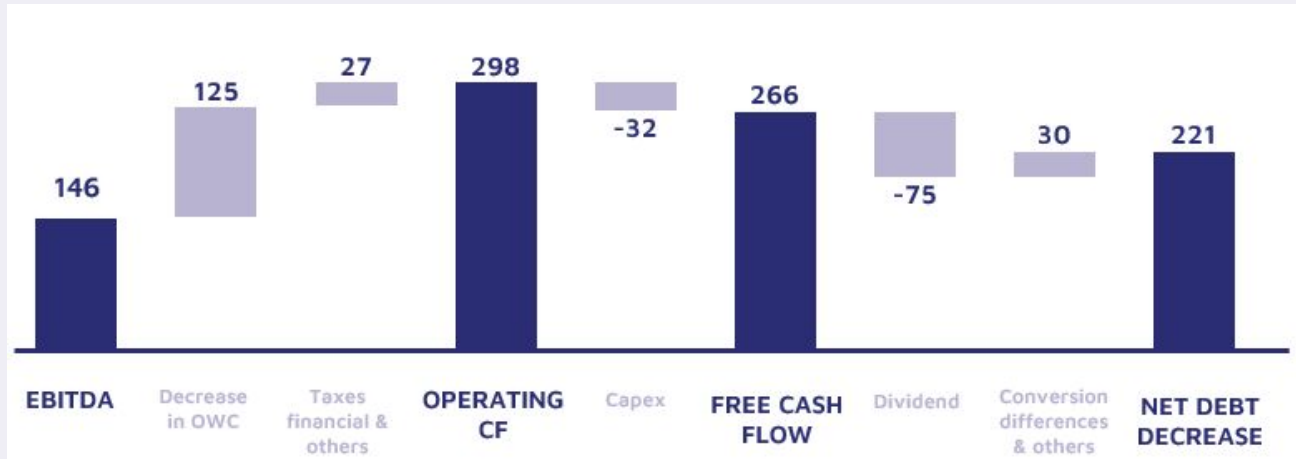
Decrease of 29 million EUR in
operating working capital in Q3

Operating cash flow of 73
million EUR in Q3

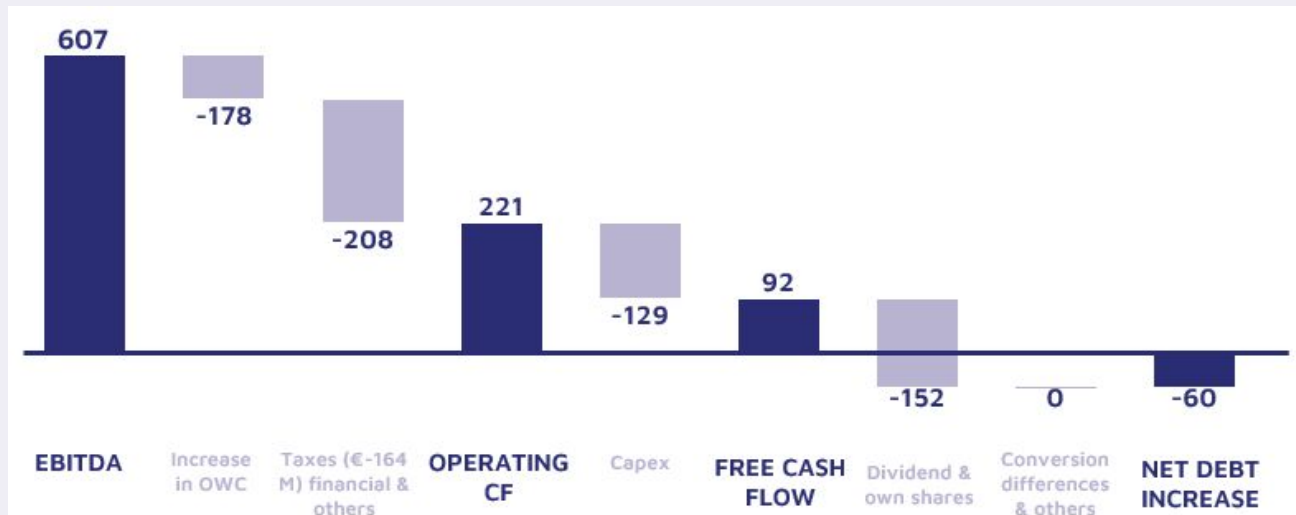
<i>Million EUR</i>	Q3 2023	Q2 2023	Q3 2022	9M 2023	9M 2022	% Q3 23 / Q3 22	% 9M 23 / 9M 22
Melting production (thousands of metric tons)	17	21	20	58	63	-12%	-9%
Net sales	380	387	337	1,072	921	13%	16%
EBITDA	52	47	39	129	104	35%	24%
EBITDA margin	14%	12%	12%	12%	11%		
Amortization and depreciation	-6	-6	-6	-18	-17	0%	2%
EBIT	46	42	33	111	87	40%	28%
EBIT margin	12%	11%	10%	10%	9%		
Operating cash flow (before investments)	73	-15	12	-74	-176	484%	58%

Capital allocation

Q3 Million EUR



9M



3Q Highlights

Strong operating cash flow (OCF) of 298 million EUR

Debt reduction of 221 million EUR aided by 125 million EUR operating working capital (OWC) reduction

Shareholder returns of 75 million EUR

9M Highlights

OCF 221 million EUR

OWC increase 178 million EUR

Shareholder returns of 150 million EUR

Conclusions & outlook



01

Resilient results despite **challenging market conditions** in stainless steel



02

Strong OCF and debt reduction in Q3



03

Global situation:
Macroeconomic uncertainties, geopolitical tensions, energy prices, weak demand and low visibility



04

Destocking process already **completed** in all the markets



05

Order book and margins remain **strong** in HPA



06

Guidance:
- **Q4 EBITDA** slightly below **Q3**
- **NFD** reduction for **Q4**



Alternative Performance Measures (Definitions)

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

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

LTIFR: Lost time injury frequency rate (Total number of accidents with sick leave / Number of hours worked) x 1,000,000

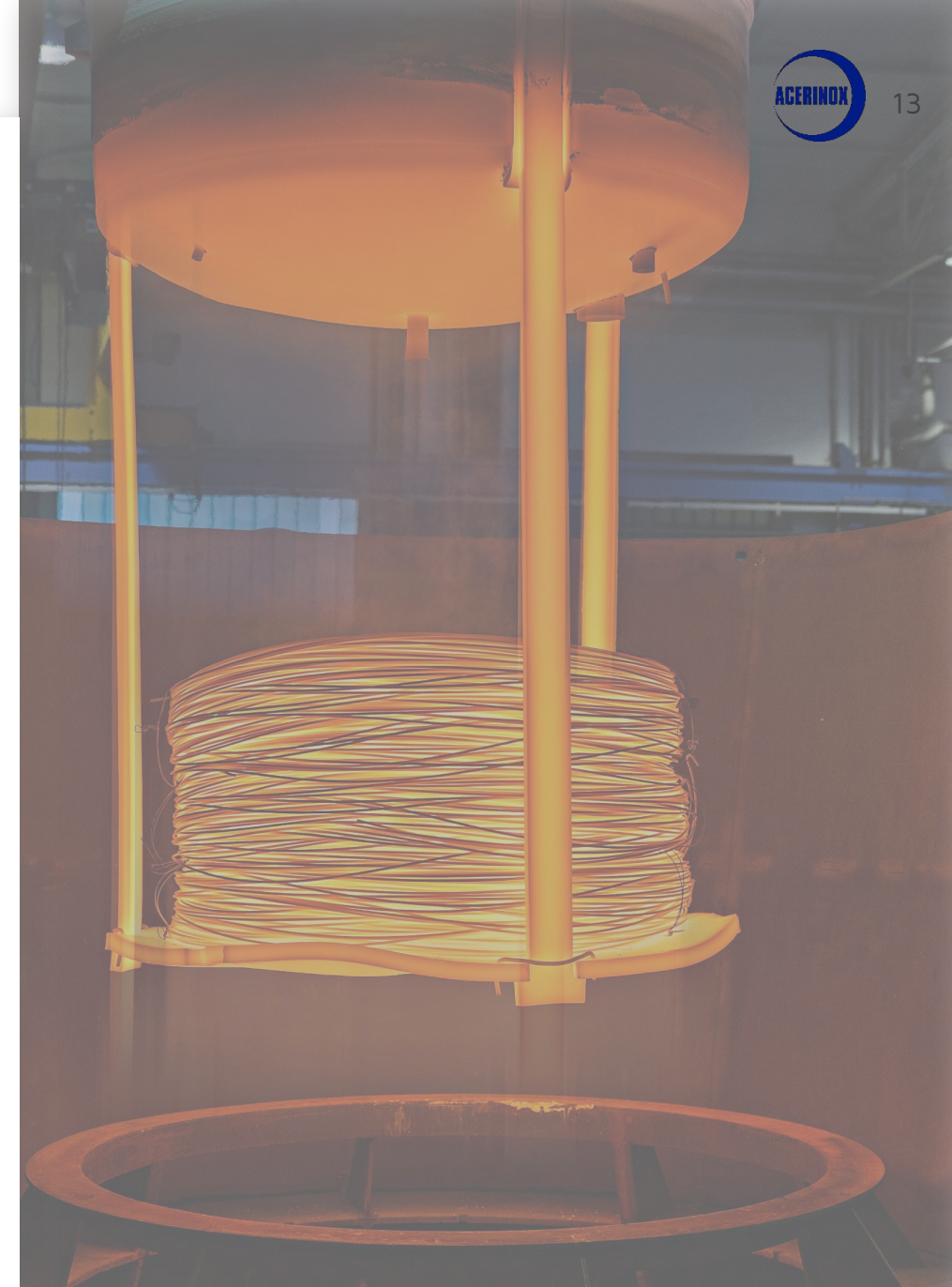
Gearing ratio (Debt Ratio): Net financial debt / equity

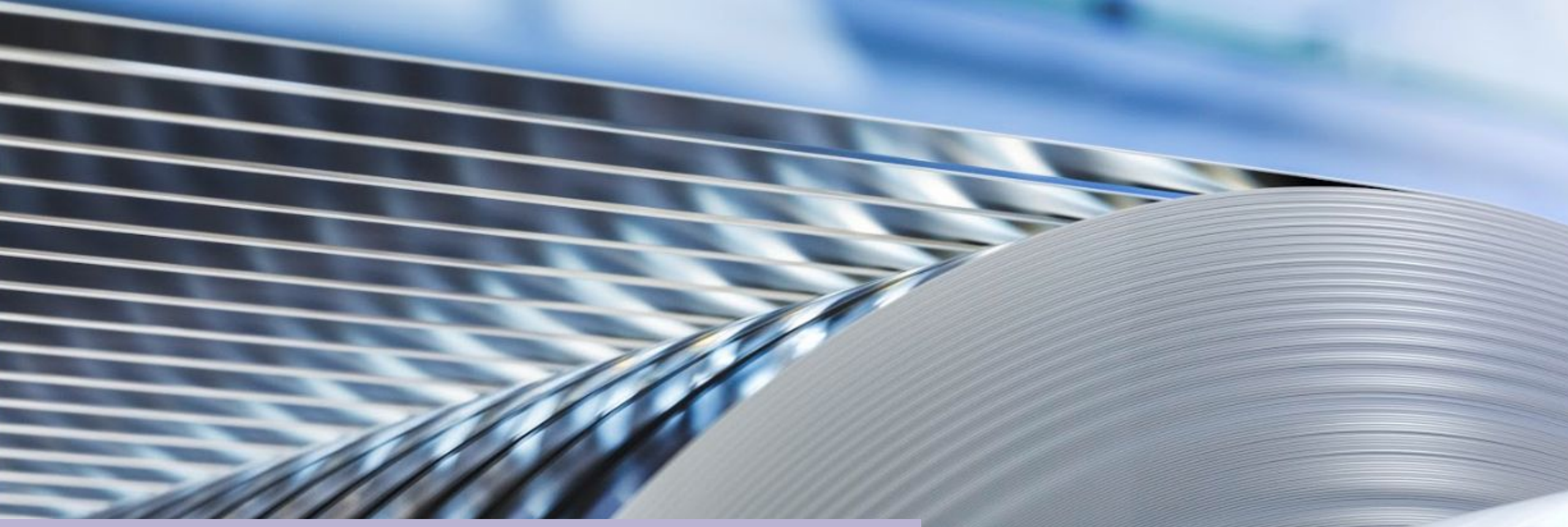
Net Financial Result: Financial income – financial expenses ± exchange rate variations

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

ROE: Annualized Profit/(Loss) after tax and minorities / equity

ICR (Interest Coverage Ratio): EBIT / financial expenses





Q&A

