

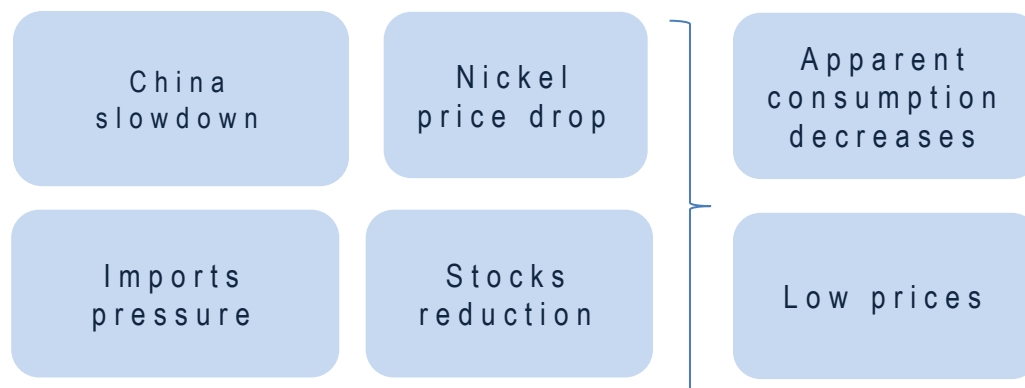
# 2015 BUSINESS YEAR RESULTS



Madrid, 1 March 2016

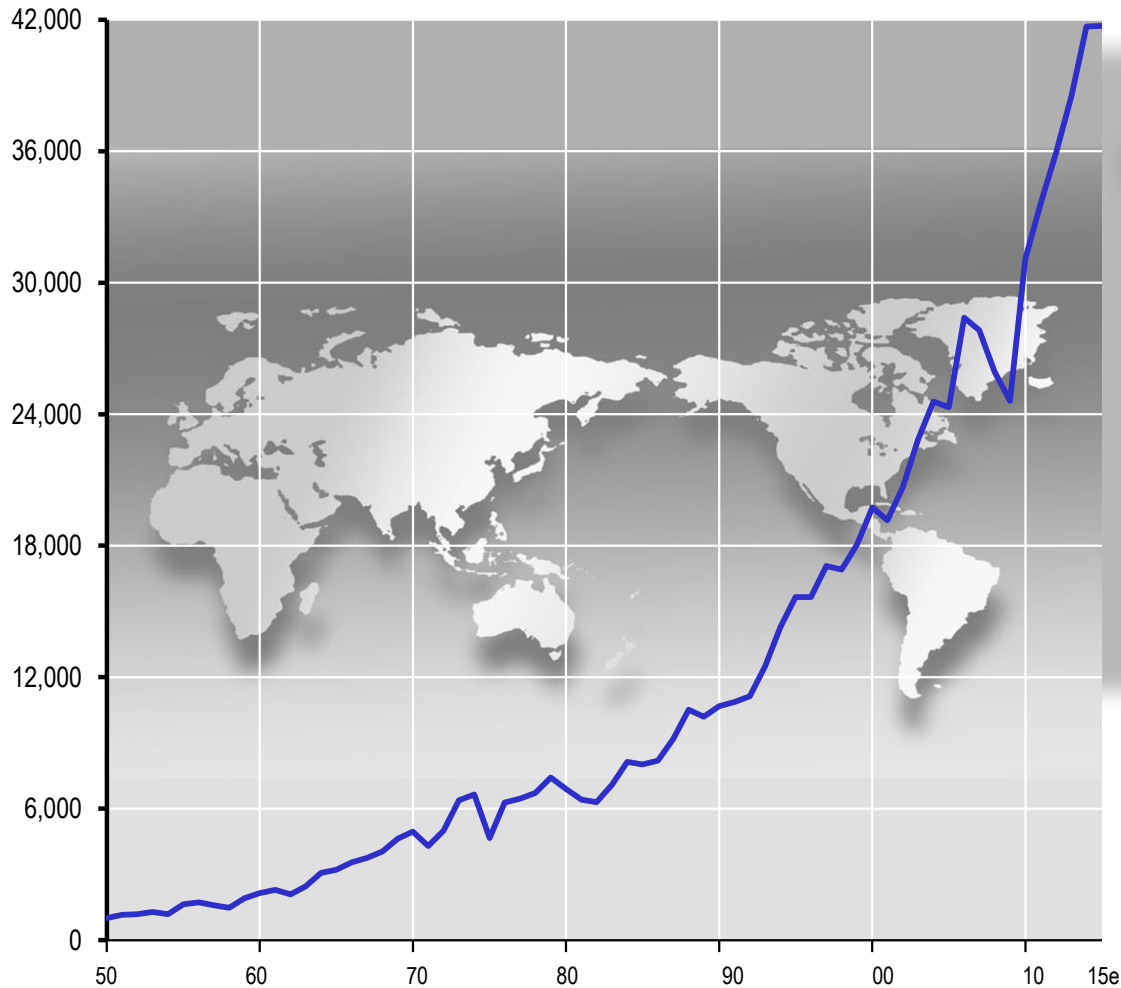
# MAIN FINANCIAL FIGURES OF ACERINOX

	2015	2014	Variation
<b>Net Sales</b>	<b>4,221</b>	<b>4,380</b>	<b>-4%</b>
<b>EBITDA</b>	<b>286</b>	<b>454</b>	<b>-37%</b>
<b>EBIT</b>	<b>121</b>	<b>298</b>	<b>-59%</b>
<b>Results before Taxes and Minorities</b>	<b>77</b>	<b>244</b>	<b>-68%</b>
Results after Taxes and Minorities	43	136	-69%
Net Financial Debt	711	616	15%
<b>Net Financial Debt / EBITDA</b>	<b>2.48</b>	<b>1.36</b>	<b>83%</b>
Net Financial Debt / Equity	35%	33%	6%



# STAINLESS STEEL WORLDWIDE PRODUCTION

Thousands tons



**Estimated world  
production of Stainless  
Steel in 2015:**

**41.7 million Mt**

**(+0.1% over 2014)**

**Compound annual growth rate  
1950 – 2015e:**

**+ 5.9%**

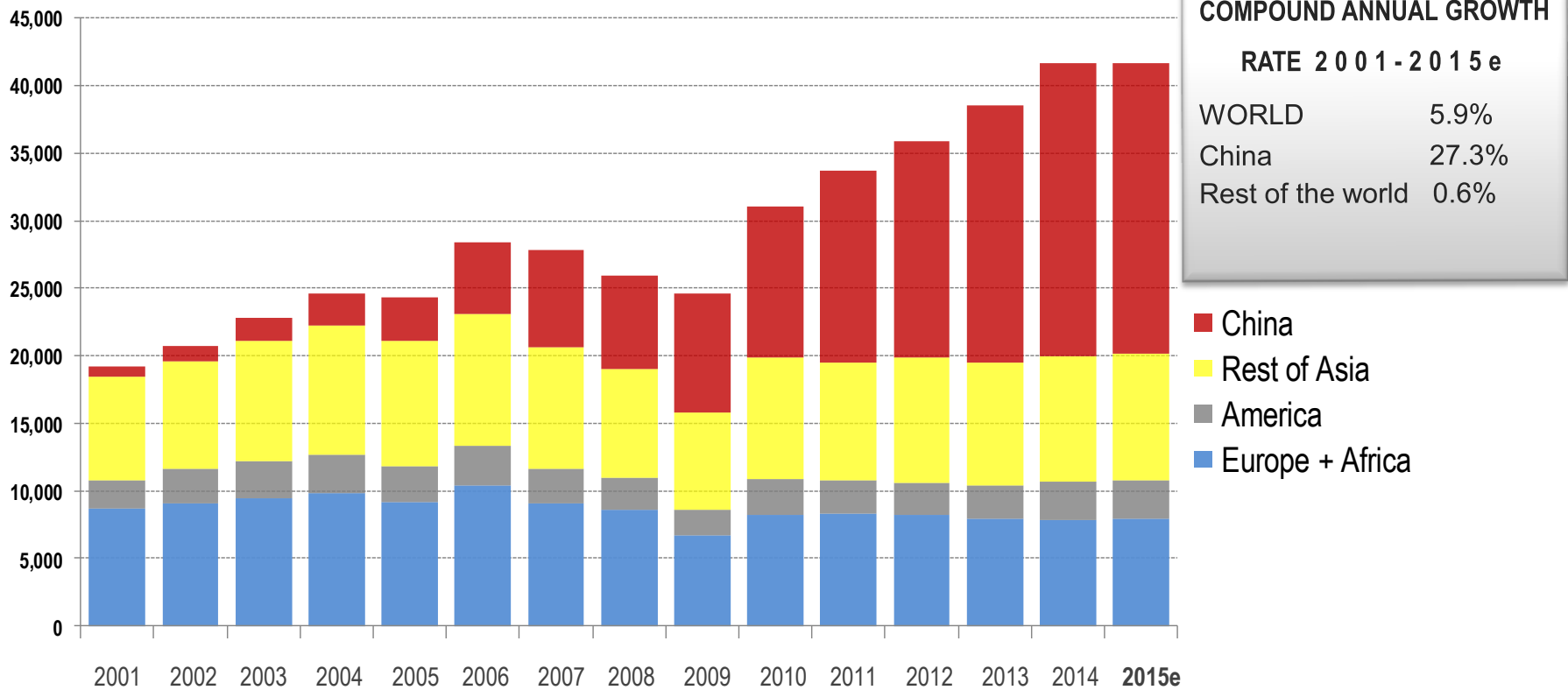
Source: ISSF and Acerinox



# STAINLESS STEEL WORLDWIDE PRODUCTION

Thousands tons

**China reduces production for the first time in 15 years**



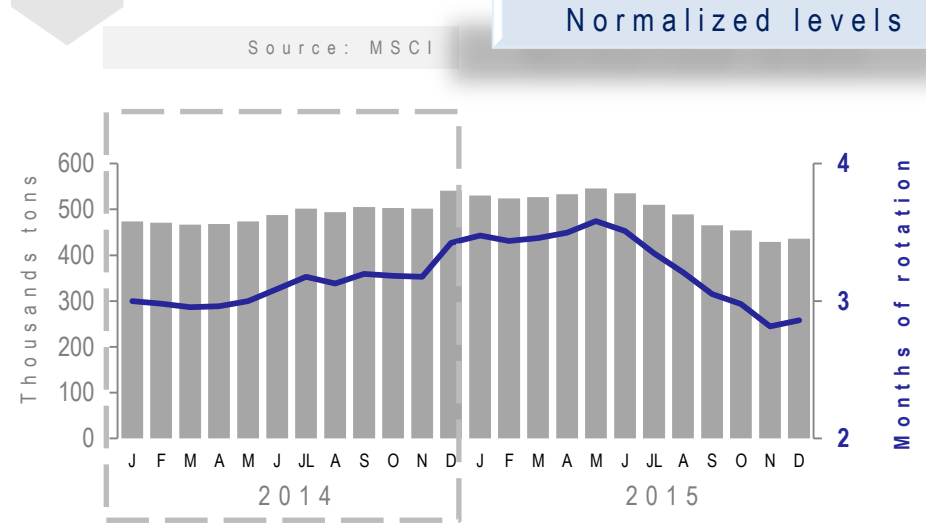
# US MARKET IN 2015



## COLD-ROLLED IMPORTS



## STAINLESS STEEL INVENTORIES AT DISTRIBUTORS



## REAL DEMAND GROWTH



CONSTRUCTION +11%



Source: Warbs auto

AUTO PRODUCTION +3%



Source: AHAM

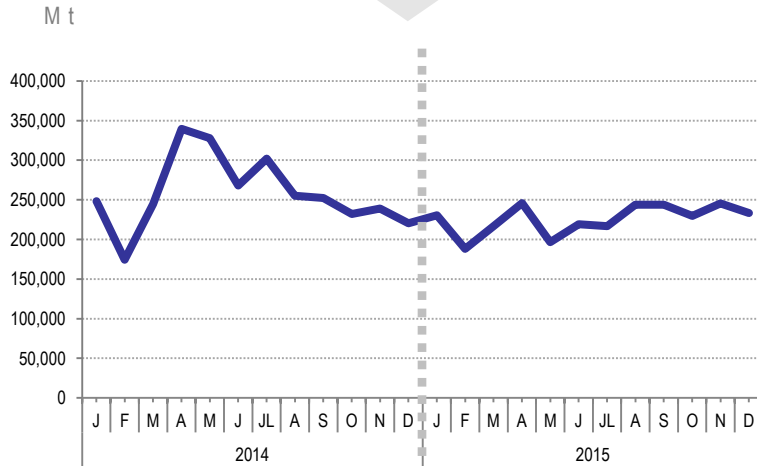
HOUSEHOLD APPLIANCES +8%



# EUROPEAN MARKET IN 2015



## COLD-ROLLED IMPORTS

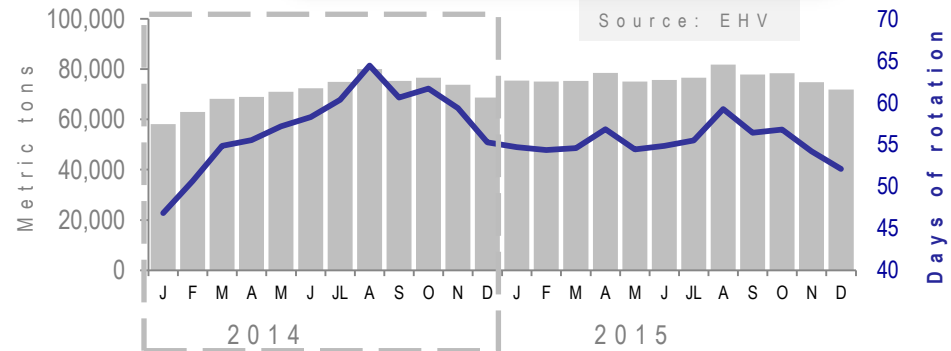


Imports have returned to 2013 levels

## INVENTORIES OF COLD-ROLLED

Reference: Germany

### Normalized levels



## RECOVERY OF THE DEMAND IN EUROPE

### CONSTRUCTION +2%



Source: EUROFER



Source: Acerinox

AUTO PRODUCTION +7%



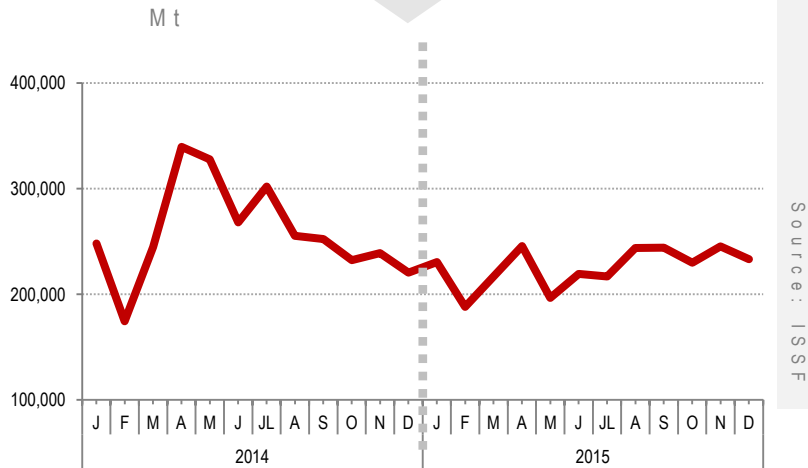
Source: EUROFER

HOUSEHOLD APPLIANCES +4%

# CHINA IN 2015



## TOTAL STAINLESS STEEL EXPORTS

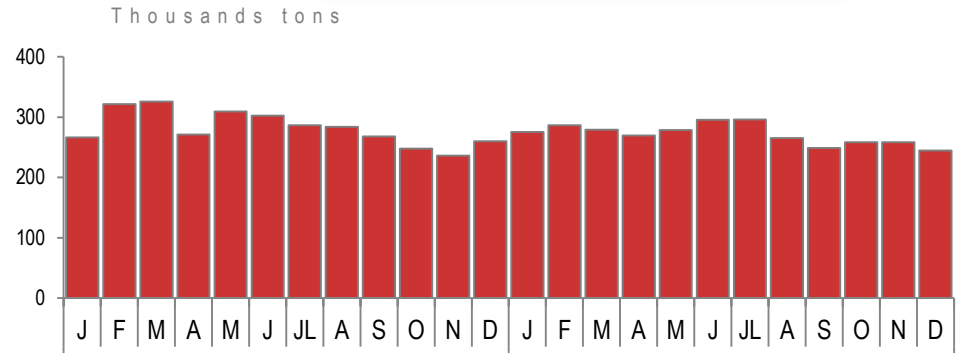


Exports decreased 13%

## S.S. STOCKS AT WUXI AND FOSHAN

Source: 51 bxxg

Normalized levels



## DEMAND IN CHINA

CONSTRUCTION +1%

Source: NBS



Source: CAAM



AUTO PRODUCTION +3%



Source: NBS



HOUSEHOLD APPLIANCES -2%

# ESTIMATED GROWTH OF APPARENT CONSUMPTION

% 2014 - 2013

% 2015 - 2014

% Forecast 2016 - 2015

## Euro / Africa

+7.8%

-2.2%

+3.0%

## America

+7.5%

-1.9%

+2.2%

## China

+8.4%

+3.8%

+4.0%

## Asia without China

+10.7%

-1.3%

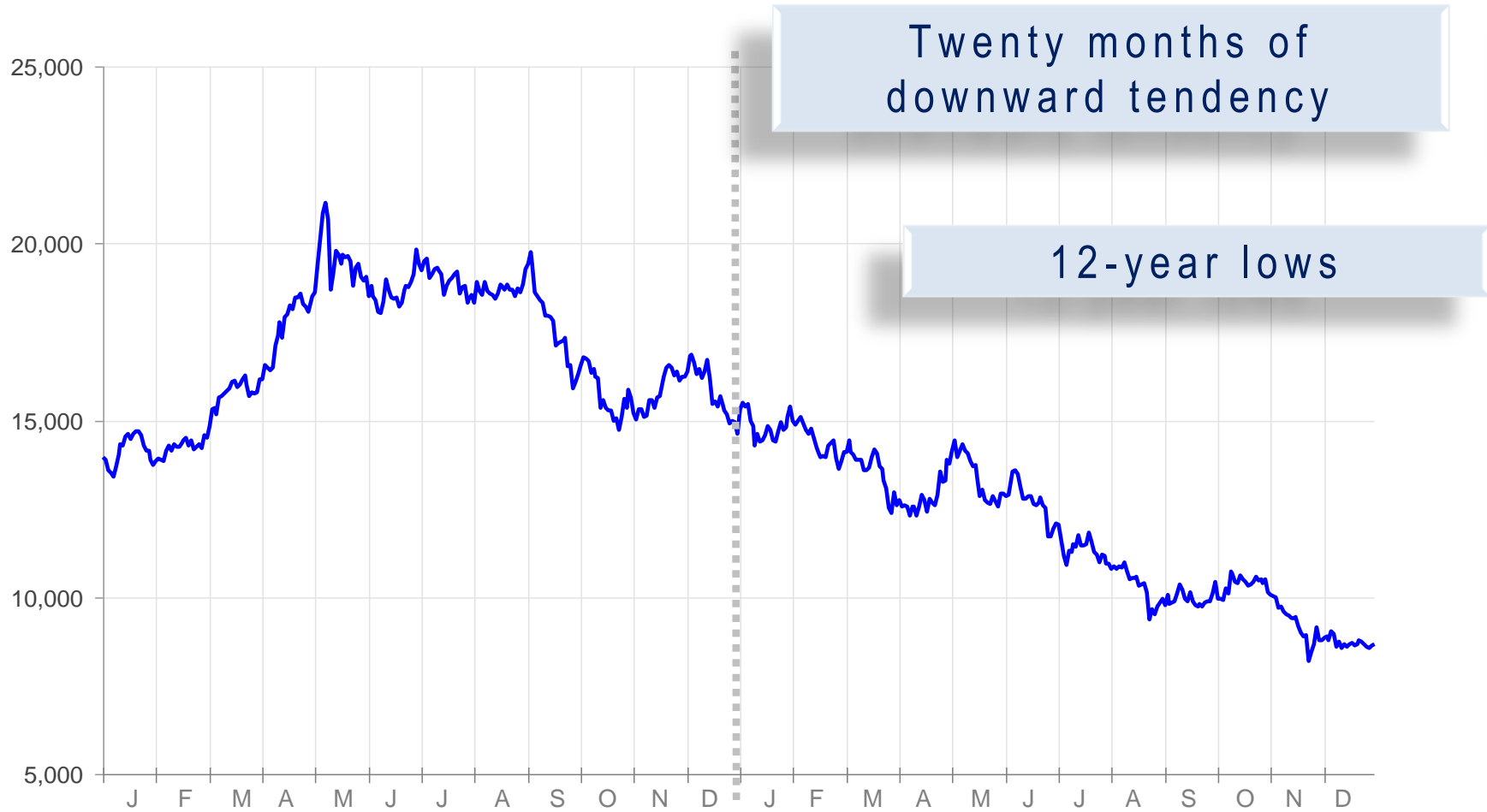
+4.9%

The reduction in stocks caused the decrease in apparent consumption



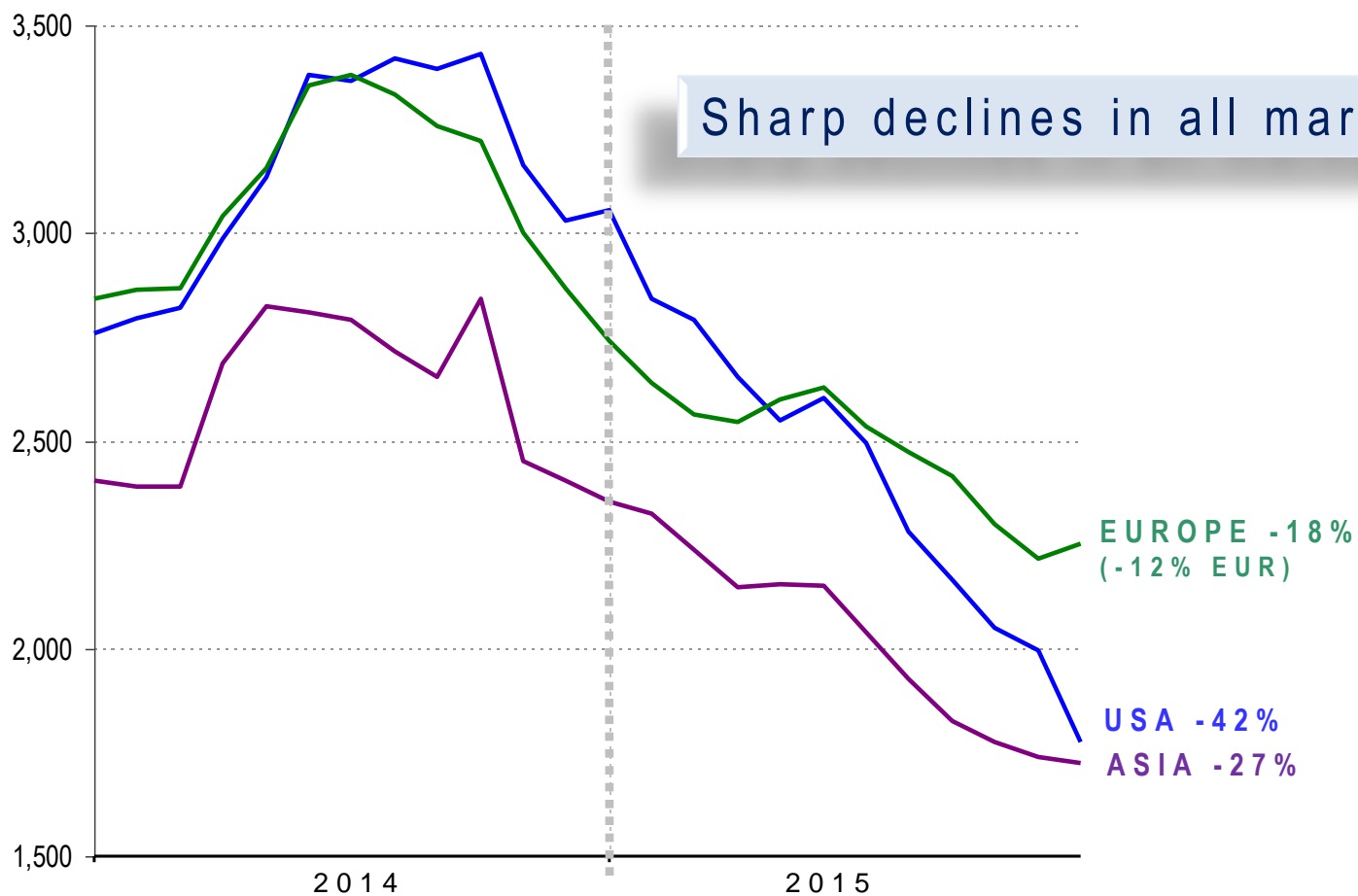
# OFFICIAL NICKEL PRICE IN THE L.M.E. [2014 - 2015]

Average price: cash / three months (USD/Mt. Ni)



# STAINLESS STEEL COLD ROLLED SHEET PRICES AISI 304 2.0 mm [2014 – 2015]

USD/Mt, final price, alloy surcharge included



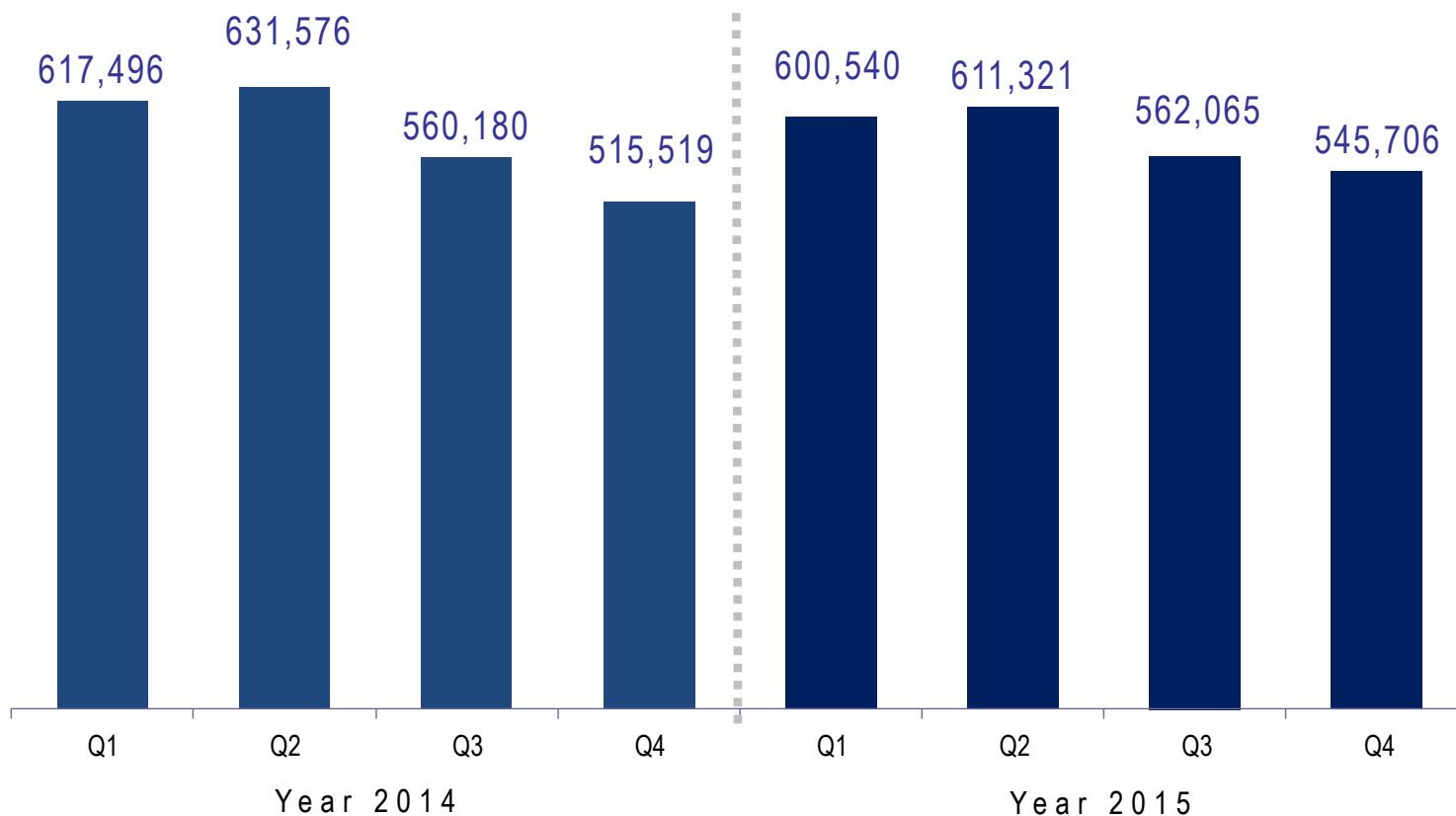
Source: Platts



# ACERINOX MELTING SHOP PRODUCTION

Tons

Melting shop production stability: recovery in Acerinox Europa and Columbus, and decrease in NAS



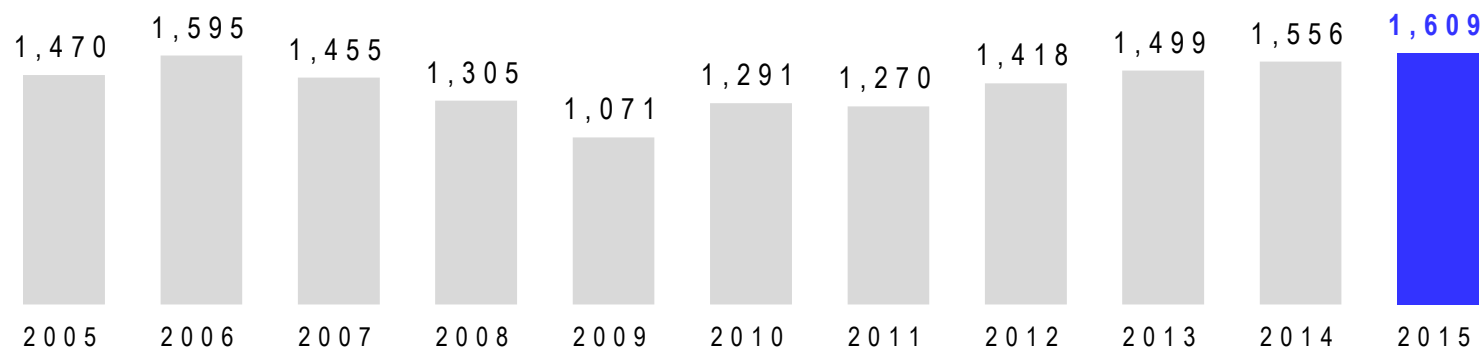
# PRODUCTION OF ACERINOX

Thousands tons

	Year 2015					Accumulated	Year 2014	Variation
	Q1	Q2	Q3	Q4	Jan-Dec		2015 / 2014	
Melting shop	600.5	611.3	562.1	545.7	2,319.6	2,324.8	-0.2%	
Hot rolling shop	524.3	536.1	497.5	480.8	2,038.7	2,049.3	-0.5%	
Cold rolling shop	395.1	430.4	393.2	390.4	1,609.0	1,555.6	3.4%	
Long product (Hot rolling)	57.0	60.7	50.7	47.6	215.9	241.6	-10.6%	

## Cold rolling production record

Thousands tons



More than half of the Group's employees work outside Europe

	2015	By continents, percentage of the Group's employees:
Acerinox, S.A.	57	<p> <b>EUROPE</b> 48.2%  <b>AMERICA</b> 21.6%  <b>AFRICA</b> 20.7%  <b>ASIA/PACIFIC</b> 9.5%                 </p>
Acerinox Europa	2,073	
NAS	1,370	
Columbus	1,345	
Bahru Stainless	521	
Roldán and Inoxfil	512	
Spanish Trading Companies	235	
Overseas Trading Companies	393	
Total	6,506	

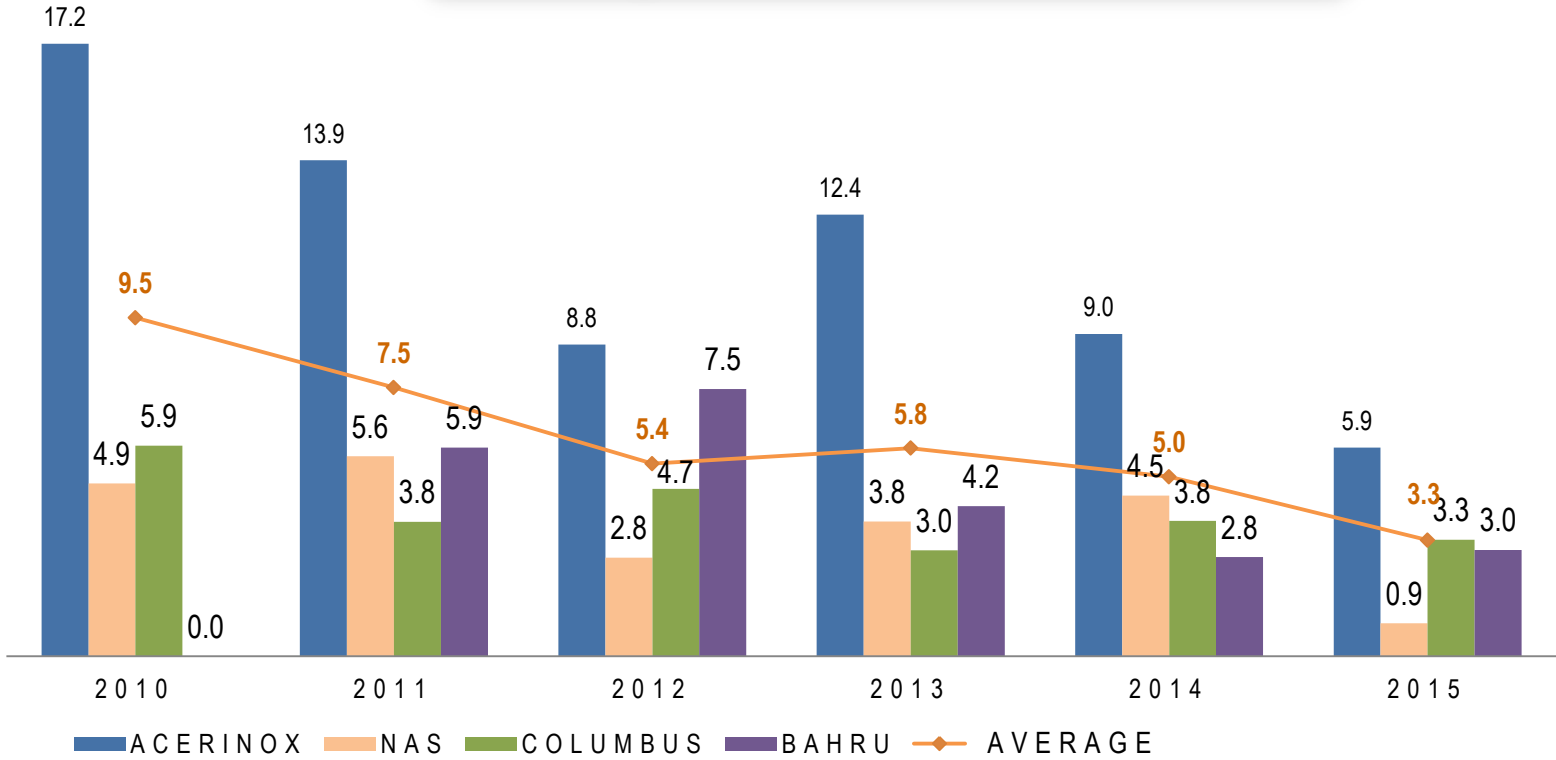


COLUMBUS  
STAINLESS  
[Pty] Ltd



# ACERINOX ACCIDENT RATE EVOLUTION

**Target: zero accidents**



• *Accident rate = total no. injuries and illnesses \* 200,000 / no. worked hours*



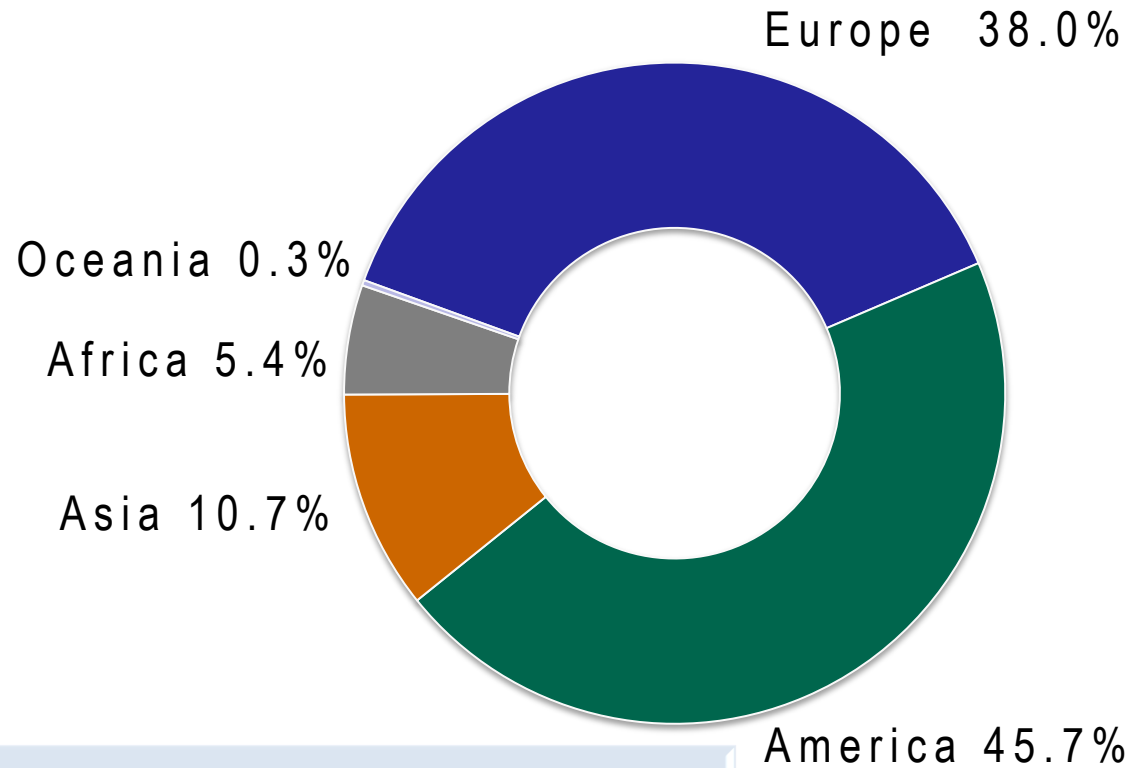
# QUARTERLY PROFIT & LOSS ACCOUNT OF THE CONSOLIDATED GROUP

Millions euros

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	January- December		
					2015	2014	Variation
<b>Net sales</b>	<b>1,144.31</b>	<b>1,170.91</b>	<b>1,000.86</b>	<b>905.35</b>	<b>4,221.43</b>	<b>4,380.29</b>	<b>-3.6%</b>
Gross operating result / EBITDA	102.55	101.08	41.50	41.10	286.23	454.18	-37.0%
<i>% over sales</i>	9.0%	8.6%	4.1%	4.5%	6.8%	10.4%	
<b>EBIT</b>	<b>61.89</b>	<b>58.92</b>	<b>0.53</b>	<b>-0.46</b>	<b>120.89</b>	<b>297.69</b>	<b>-59.4%</b>
<i>% over sales</i>	5.4%	5.0%	0.1%	-0.1%	2.9%	6.8%	
Result before taxes	48.20	47.82	-9.75	-9.37	76.90	243.78	-68.5%
<b>Result after taxes and minorities</b>	<b>31.01</b>	<b>32.91</b>	<b>-8.04</b>	<b>-12.99</b>	<b>42.89</b>	<b>136.33</b>	<b>-68.5%</b>
Depreciation	40.42	41.75	40.28	41.23	163.68	150.34	8.9%
Net cash flow	71.43	74.67	32.23	28.25	206.57	286.67	-27.9%

# GEOGRAPHICAL DISTRIBUTION OF ACERINOX NET SALES

Year 2015



**Spanish multinational**

**Sales in 80 countries**

**Commercial subsidiaries in 39 countries**

Spain accounts for 10% of sales



# QUARTERLY EVOLUTION OF THE EBITDA OF THE CONSOLIDATED GROUP

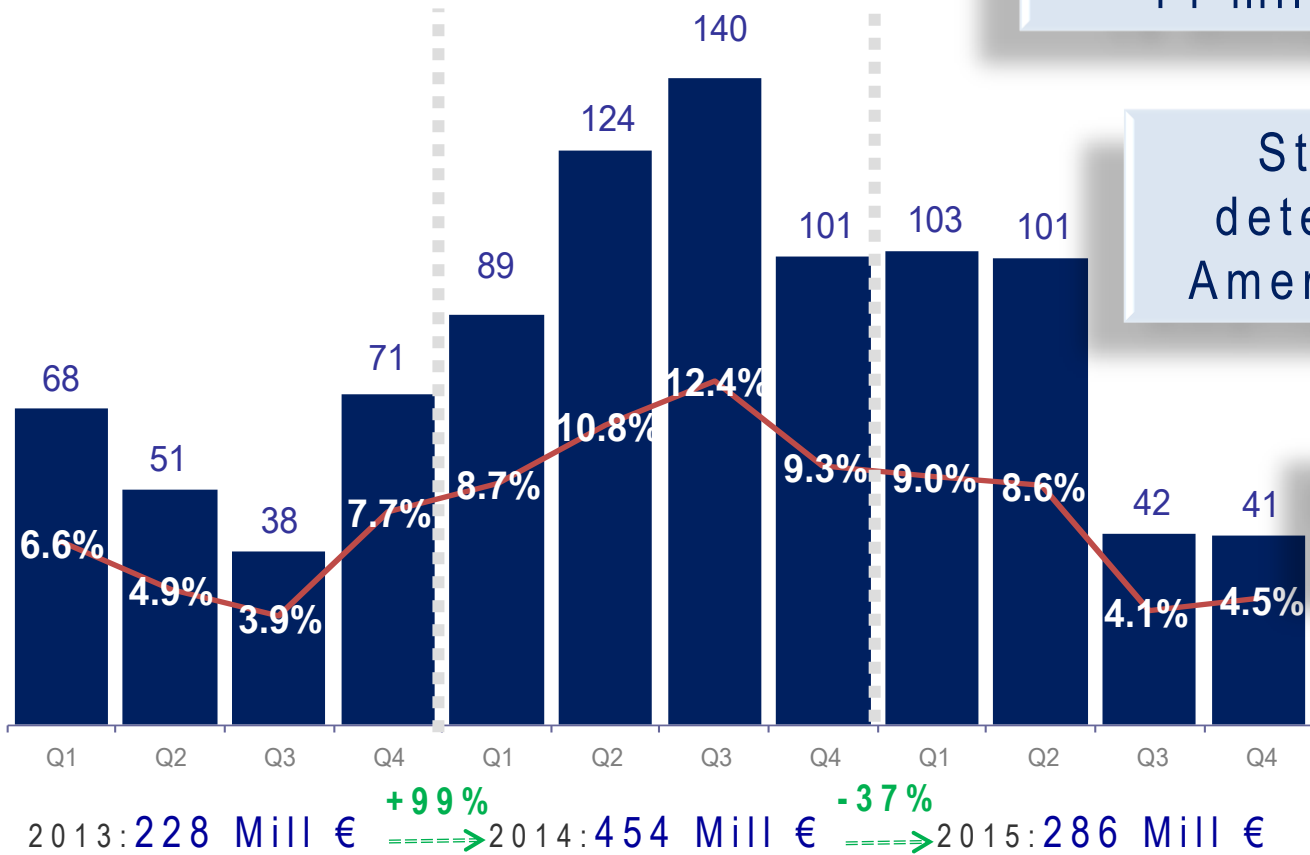
Millions euros (% over sales)

Tough market conditions

Inventory adjustment:  
14 million euros

Strong price deterioration in  
America and Asia

Commodities price fall



# CONDENSED BALANCE SHEET OF THE CONSOLIDATED GROUP

Millions euros

Net Financial Debt: 711 million euros

Debt / EBITDA: 2.48x

Gearing: 35%

Financial expenses reduction: 11 million euros

## ASSETS

Million €	2015	2014	Variation
<b>Non-current assets</b>	<b>2,317.53</b>	<b>2,270.43</b>	<b>2.1%</b>
<b>Current assets</b>	<b>1,808.14</b>	<b>2,159.12</b>	<b>-16.3%</b>
- Inventories	824.93	851.70	-3.1%
- Debtors	478.85	475.19	0.8%
<i>Trade debtors</i>	<i>439.54</i>	<i>443.56</i>	<i>-0.9%</i>
<i>Other debtors</i>	<i>39.31</i>	<i>31.62</i>	<i>24.3%</i>
- Cash	479.95	738.37	-35.0%
- Other current assets	24.41	93.87	-74.0%
<b>TOTAL ASSETS</b>	<b>4,125.67</b>	<b>4,429.55</b>	<b>-6.9%</b>

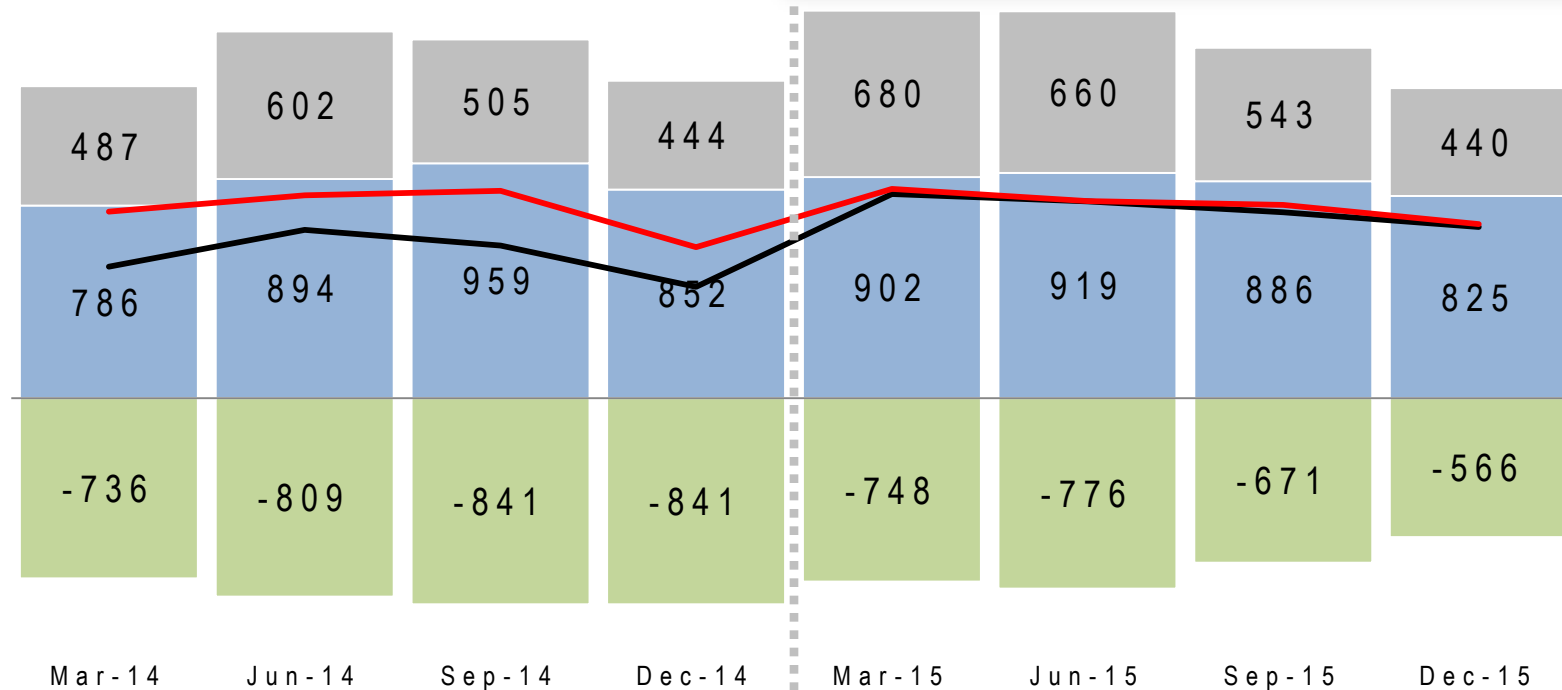
## LIABILITIES

Million €	2015	2014	Variation
<b>Equity</b>	<b>2,023.30</b>	<b>1,856.13</b>	<b>9.0%</b>
<b>Non-current liabilities</b>	<b>995.59</b>	<b>1,279.66</b>	<b>-22.2%</b>
- Interest-bearing loans and borrowings	741.16	1,020.01	-27.3%
- Other non-current liabilities	254.43	259.66	-2.0%
<b>Current liabilities</b>	<b>1,106.77</b>	<b>1,293.76</b>	<b>-14.5%</b>
- Interest-bearing loans and borrowings	449.54	334.08	34.6%
- Trade creditors	566.28	841.07	-32.7%
- Other current liabilities	90.96	118.61	-23.3%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,125.67</b>	<b>4,429.55</b>	<b>-6.9%</b>

# EVOLUTION OF THE WORKING CAPITAL

Millions euros

Reduction in the use of working capital financing lines



— Inventories — Trade debtors — Trade creditors — Working capital — Net Financial Debt



# CONDENSED CASH-FLOW STATEMENT OF ACERINOX CONSOLIDATED GROUP

Millions euros

	Jan - Dec 2015	Jan - Dec 2014
<b>Result before taxes</b>	<b>76.9</b>	<b>243.8</b>
<b>Adjustments for:</b>	<b>210.2</b>	<b>227.7</b>
Depreciation and amortisation	163.7	150.3
Changes in provisions and impairments	2.3	-2.6
Other adjustments in the result	44.1	80.0
<b>Changes in working capital</b>	<b>-129.5</b>	<b>-261.4</b>
Changes in operating working capital	-244.0	-213.2
· Inventories	26.8	-122.1
· Trade debtors	4.0	-66.9
· Trade creditors	-274.8	-24.1
Others	114.5	-48.3
<b>Other cash-flow from operating activities</b>	<b>-140.1</b>	<b>-160.2</b>
Income tax	-94.5	-103.4
Financial expenses	-45.6	-56.8
<b>NET CASH-FLOW FROM OPERATING ACTIVITIES</b>	<b>17.4</b>	<b>49.9</b>
<b>Payments for investments on fixed assets</b>	<b>-67.5</b>	<b>-74.2</b>
Others	-0.1	-3.1
<b>NET CASH-FLOW FROM INVESTING ACTIVITIES</b>	<b>-67.6</b>	<b>-77.3</b>
<b>NET CASH-FLOW GENERATED</b>	<b>-50.2</b>	<b>-27.4</b>
<b>Acquisition of treasury shares</b>	<b>-0.1</b>	<b>0.0</b>
<b>Dividends paid to shareholders and minorities</b>	<b>-47.8</b>	<b>-56.1</b>
<b>Changes in net debt</b>	<b>-177.7</b>	<b>151.2</b>
Changes in bank debt/private placement	-163.4	195.2
Conversion differences	-14.3	-44.0
<b>Attributable to minority interests</b>	<b>0.0</b>	<b>0.0</b>
Others	0.3	0.0
<b>NET CASH-FLOW FROM FINANCING ACTIVITIES</b>	<b>-225.3</b>	<b>95.0</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-275.4</b>	<b>67.7</b>
Opening cash and cash equivalents	738.4	629.6
Effect of the exchange rate fluctuations on cash held	17.0	41.1
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>480.0</b>	<b>738.4</b>

Less use of  
working capital  
financing lines

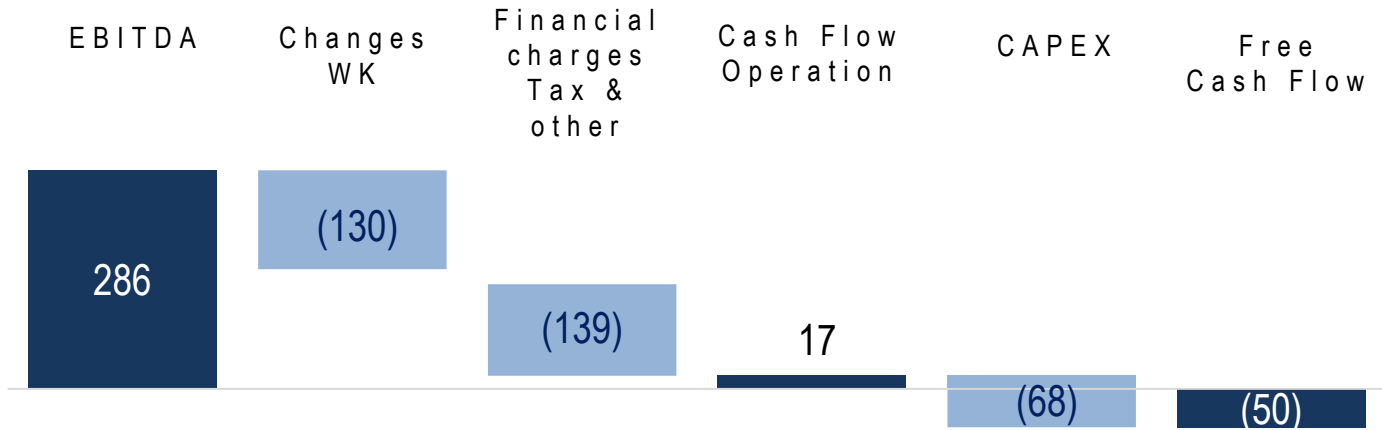
Equipment  
upgrades

Scrip dividend

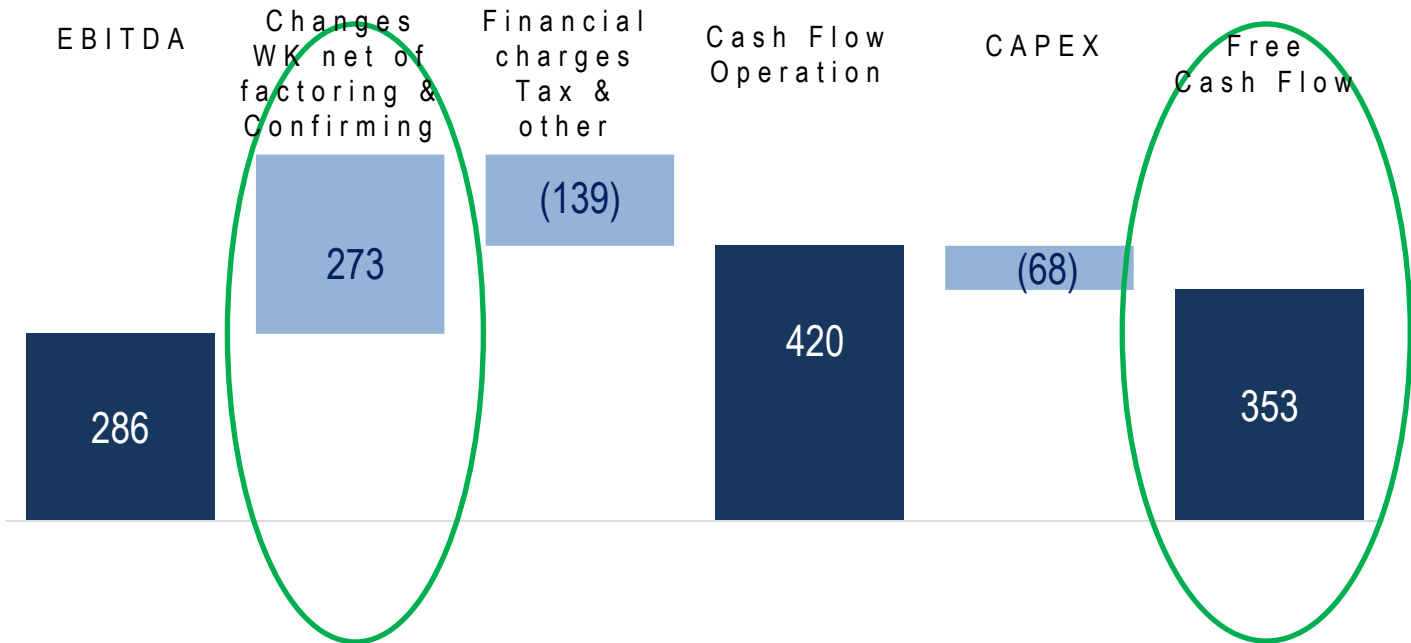
# CASH FLOW STATEMENT PRO FORMA

Millions euros

## CASH FLOW

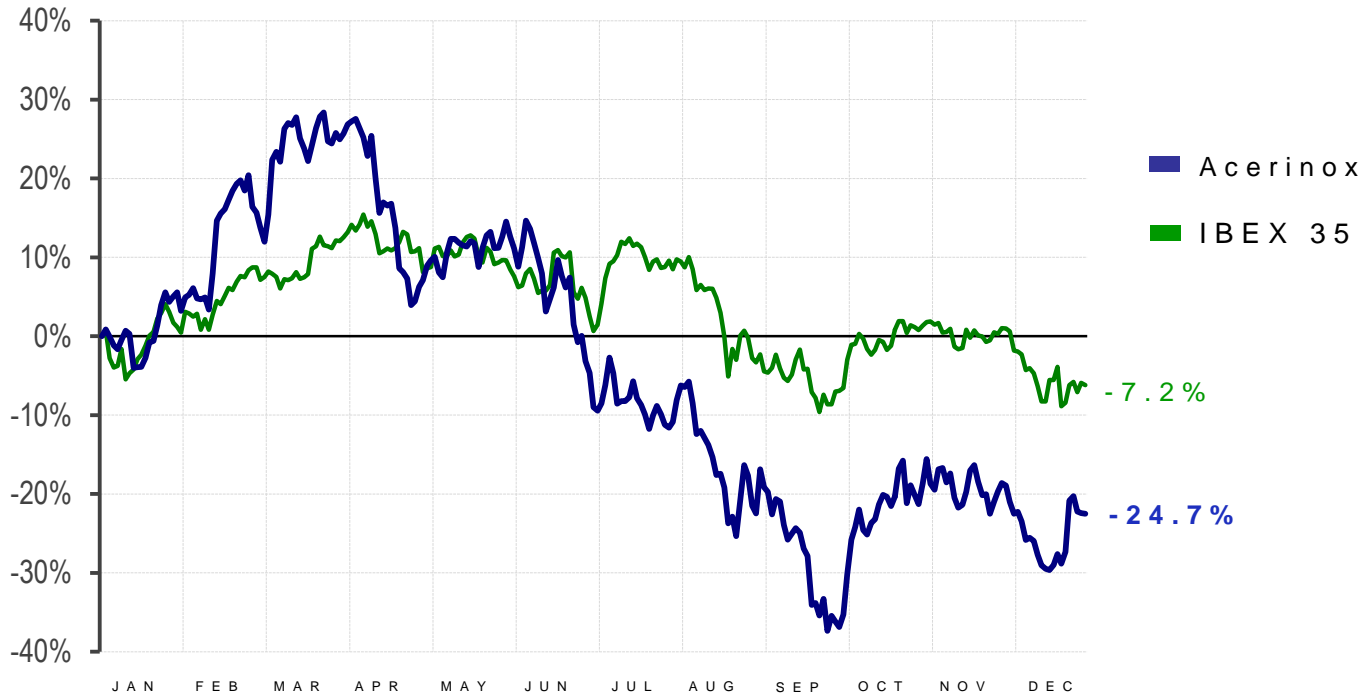


## CASH FLOW PRO FORMA

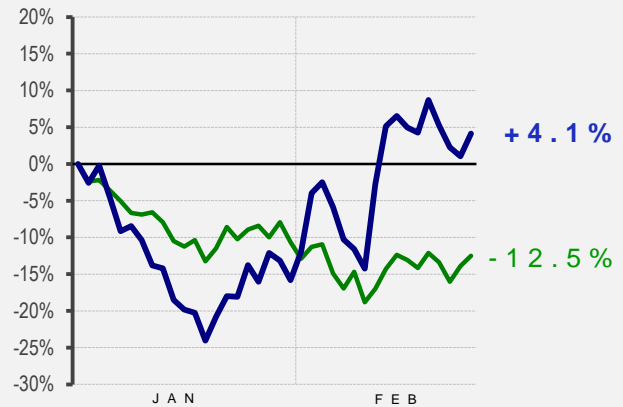


# STOCK MARKET EVOLUTION OF ACERINOX, S.A. & IBEX 35

Daily percentage data, year 2015

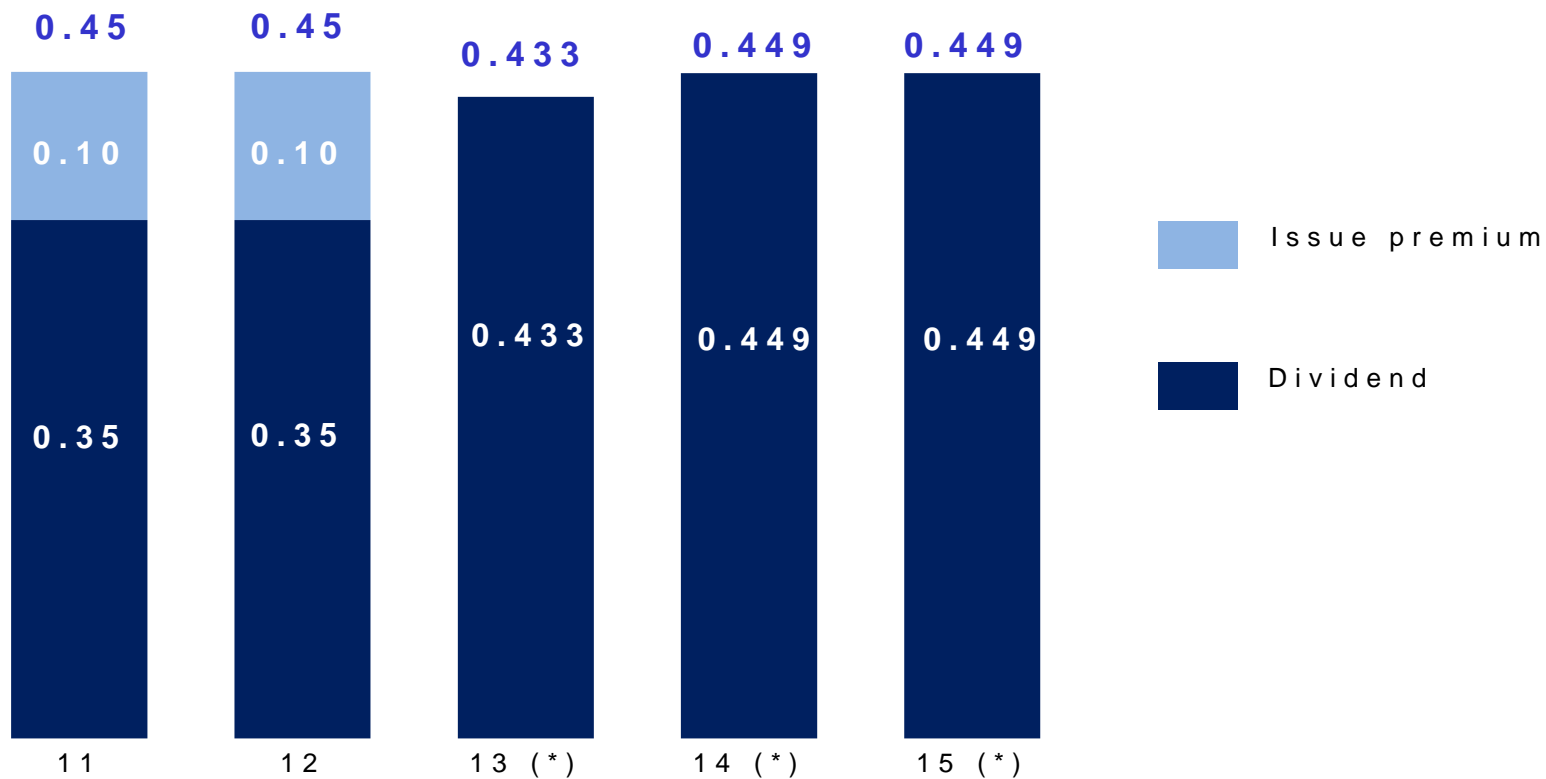


Daily percentage data, year 2016  
to 26 February



# RETURN TO SHAREHOLDERS

Euros/share



(\*) *Scrip dividend:*

2013	57%	new shares
2014	51%	new shares
2015	59%	new shares

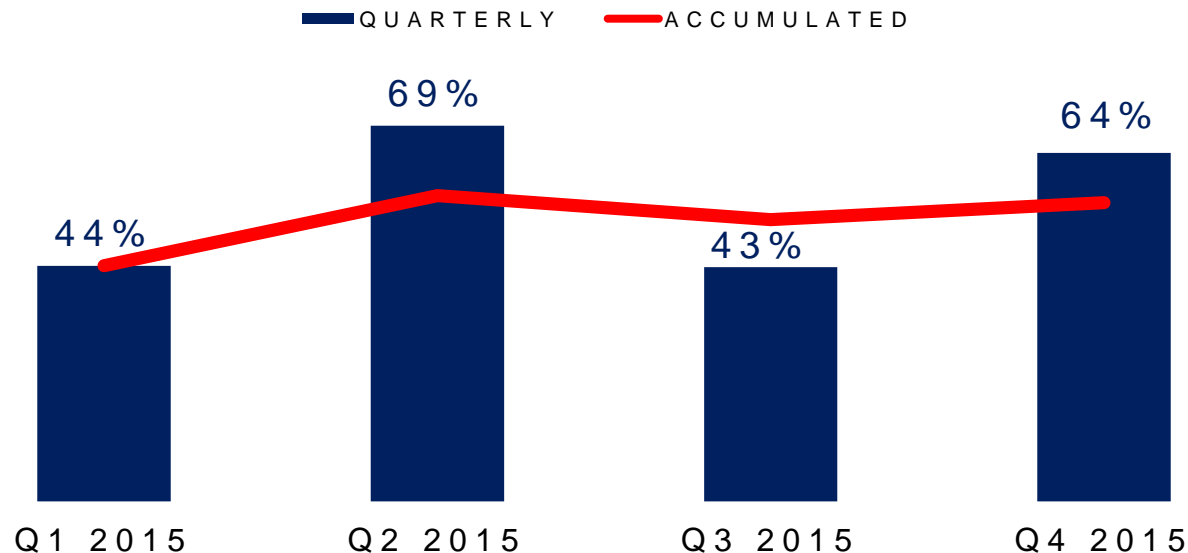
## Excellence Plan IV: 2015-2016

**23 chapters** areas of Production, Commercial, Financial, Enviromental Management

Target: **67 million euros**

Includes **Bahru Stainless**

Result 1<sup>st</sup> year: 55% (37 million euros)





# CONSOLIDATED GROUP INVESTMENTS

Millions euros

	2015	2014
Acerinox, S.A.	1.1	1.0
Acerinox Europa	30.2	15.7
NAS	32.0	9.5
Columbus	6.5	6.1
Bahru Stainless	22.7	39.2
Roldán and Inoxfil	0.9	0.9
Spanish Trading Companies	0.1	0.1
Overseas Trading Companies	0.4	1.3
<b>Total</b>	<b>94.0</b>	<b>73.7</b>

Investments in NAS and Acerinox Europa

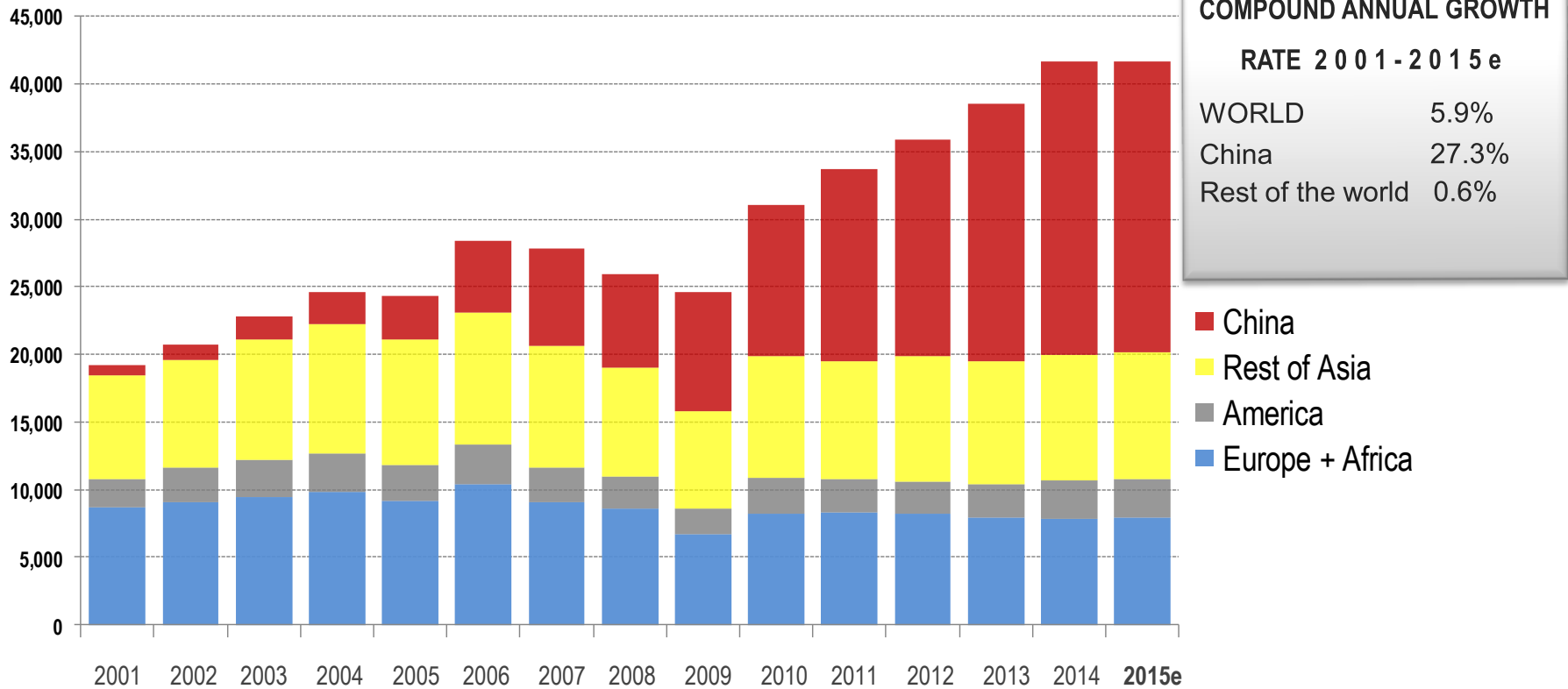


## STRATEGIC PLAN 2016 - 2020

# STRATEGIC PLAN 2016-2020

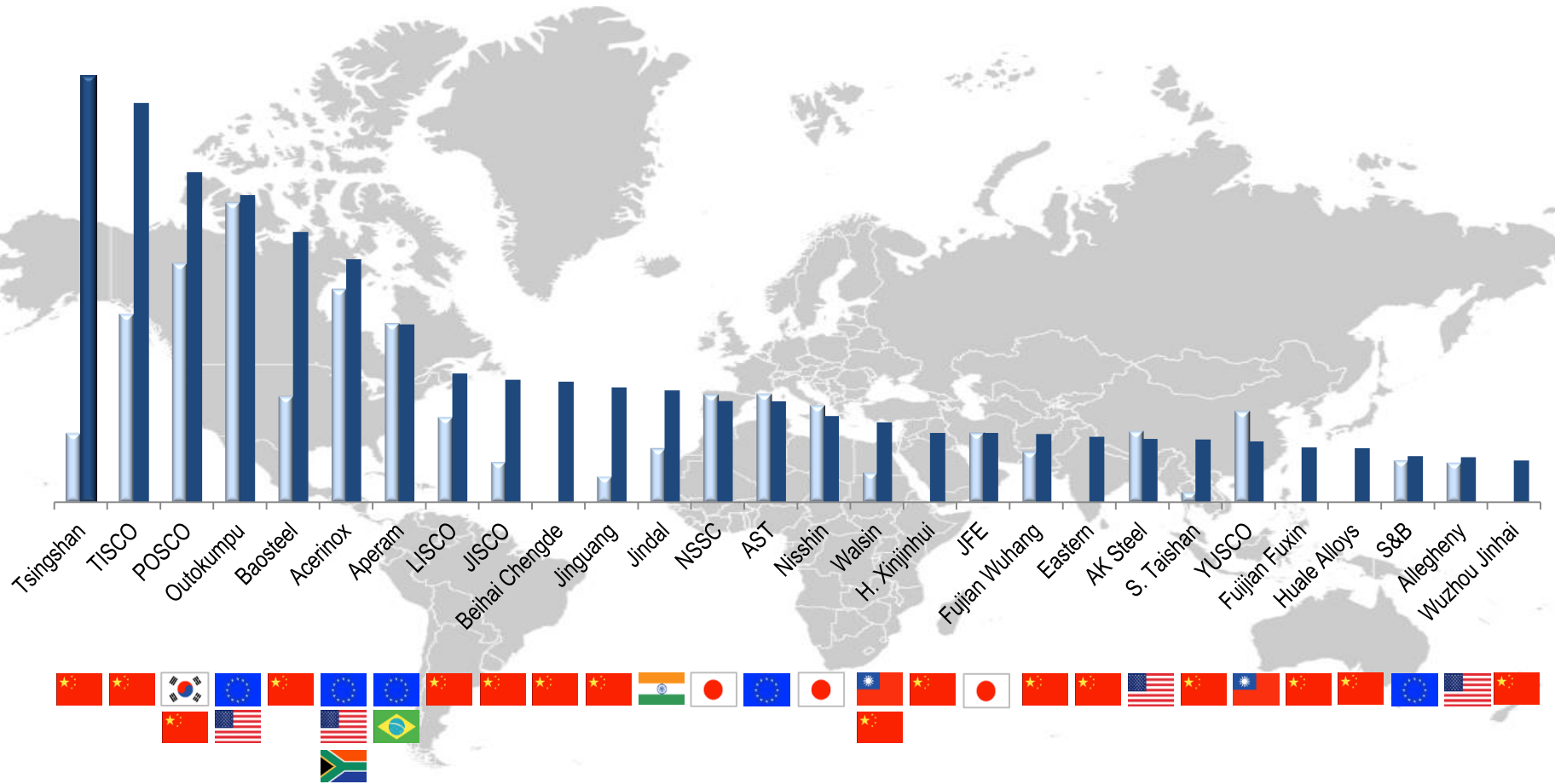
Thousands tons

## China reduces production for the first time in 15 years



# STRATEGIC PLAN 2016-2020

Main producers 2008 Vs 2014 ( $\geq 400$  Ktons)

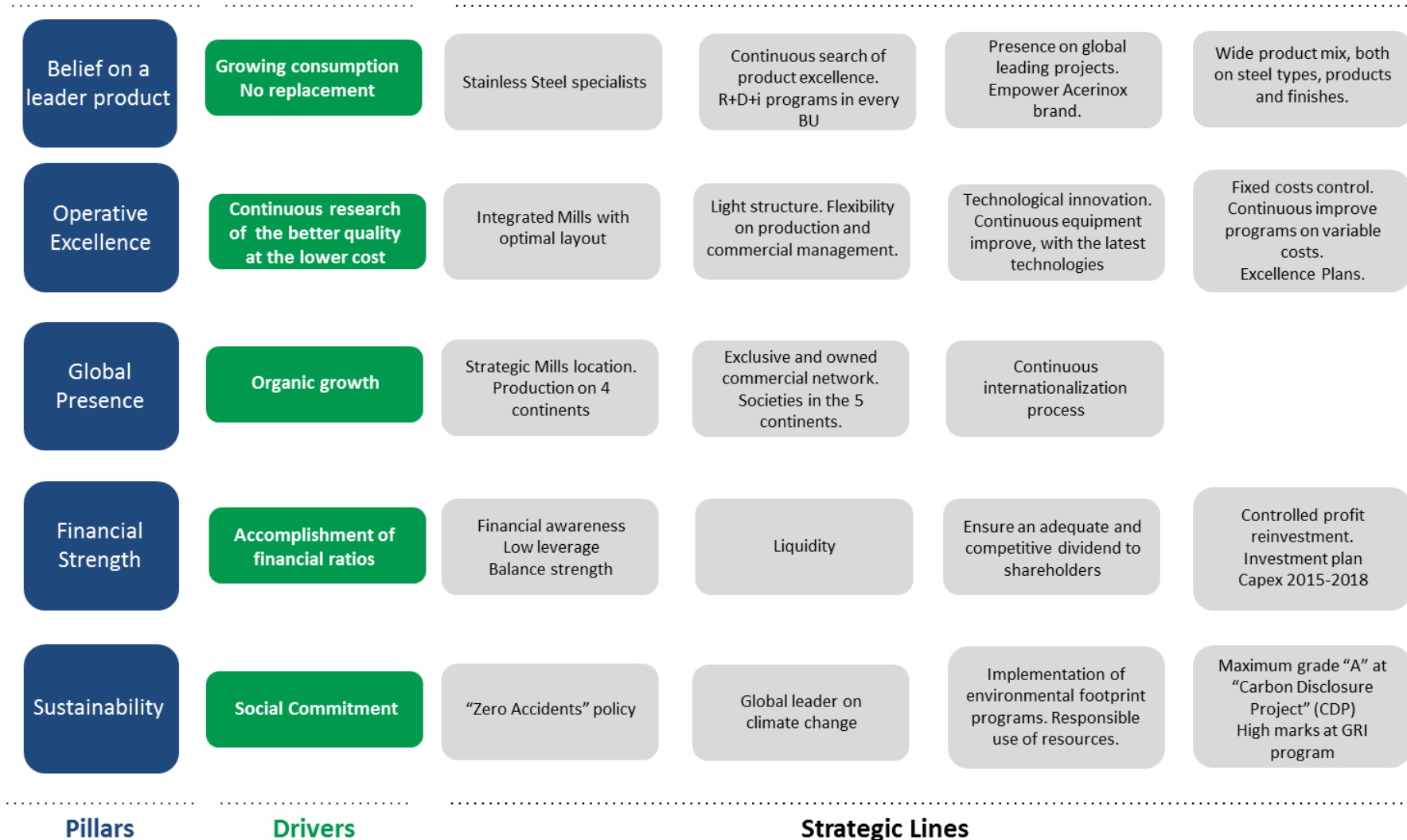


2008  
2014

Source: SMR

# STRATEGIC PLAN 2016-2020

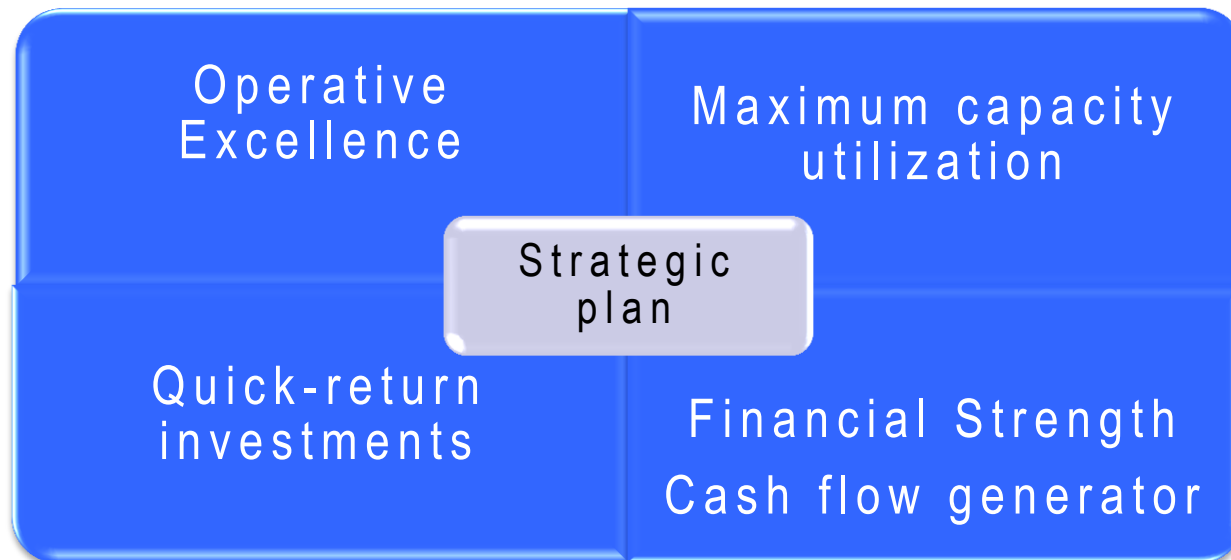
## VISION



## MAIN GUIDELINES

- ✔ Belief on the product
- ✔ Organic growth
- ✔ Postpone investments at Bahru Stainless waiting for new opportunities

## STRATEGIC PLAN



# INVESTMENTS OF THE CONSOLIDATED GROUP

NAS:

## Bright Anneal and ZM lines investments

- 116 million euros
- Start up: first half 2017
- Payback: <5 years
- Goals:
  - enter into the BA market in the United States
  - Increase NAS capacity utilization
- Main applications: household appliances, cutlery, trucks, fireplaces, etc.



ZM construction, NAS

Acerinox Europa:



Bahru Stainless AP2, basis of the new AP for Acerinox Europe

## AP and ZM lines investment

- 140 million euros
- Start up: ending of 2017
- Payback: <5 años
- Goals:
  - higher value-added products
  - increase sells to direct client
  - improve capacity utilization
  - cost savings and reduction of emissions

# STRATEGIC PLAN 2016-2020: CONCLUSIONS

Belief on a leader product

Operative Excellence

Global Presence

Financial Strength

Sustainability





# QUESTIONS AND ANSWERS



**Wine production**  
AISI 304 | AISI 316L



**Ship nozzles** AISI 316L



**New Farm Riverwalk,  
Brisbane**  
AISI 316L



**Tram Valencia,** AISI 304 | 3CR12



**ACERINOX**

**THANK YOU VERY MUCH  
FOR YOUR ATTENTION**