

2017 BUSINESS YEAR RESULTS



Madrid
28 February 2018

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2017: MAIN FINANCIAL FIGURES

Million EUR

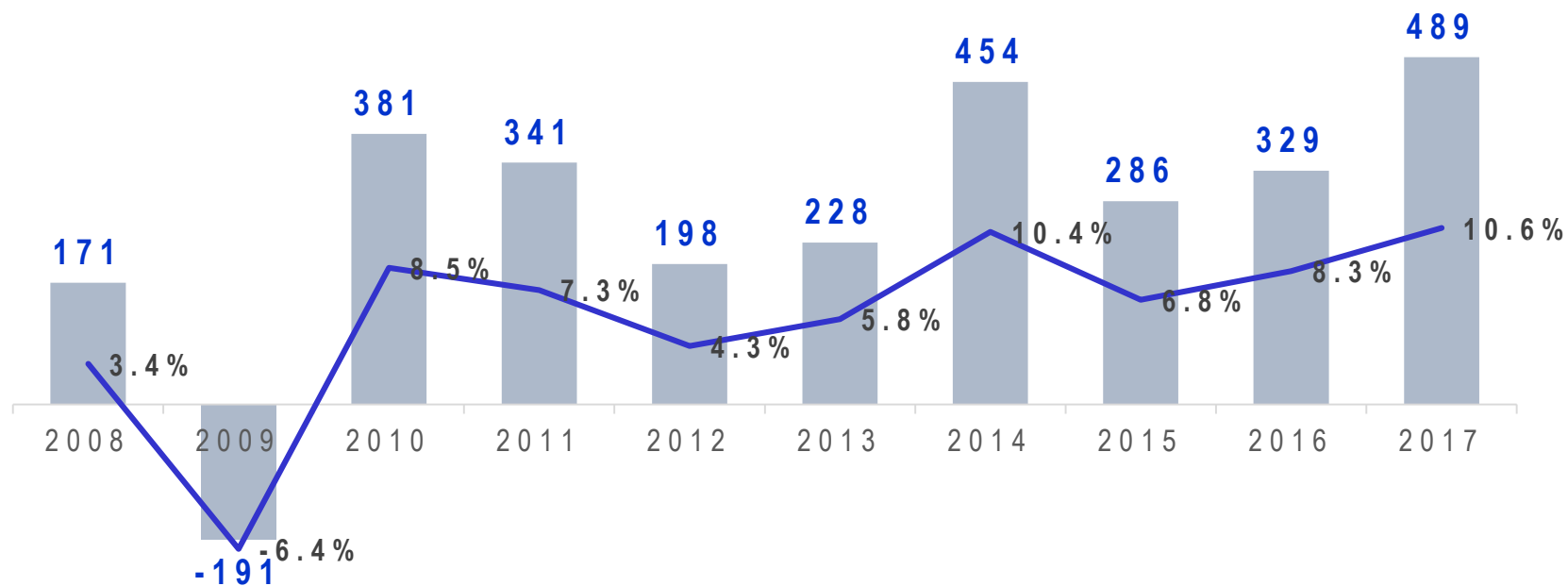
	2017	2016	Variation
Net Sales	4,627	3,968	17%
EBITDA	489	329	49%
EBIT	318	157	102%
Results before Taxes and Minorities	299	128	134%
Results after Taxes and Minorities	234	80	192%
Net Financial Debt	609	620	-2%
Net Financial Debt / EBITDA	1.2	1.9	-34%
Net Financial Debt / Equity	31%	29%	8%

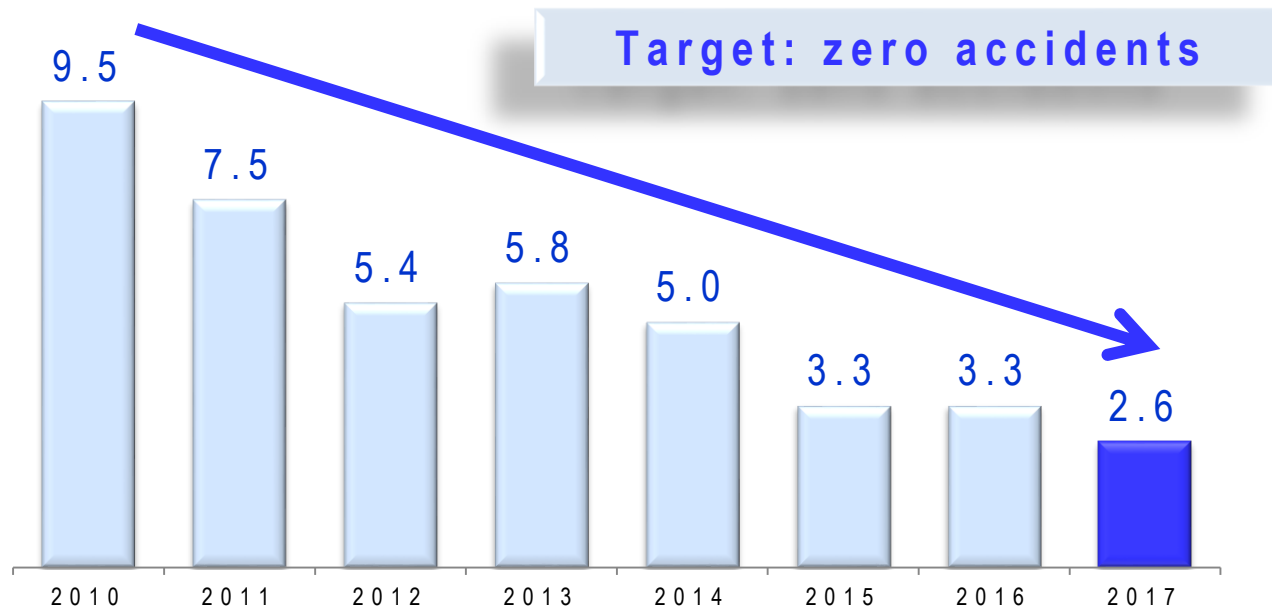
2017: Best year of the decade

ACERINOX EBITDA EVOLUTION



Million EUR (% over sales)





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

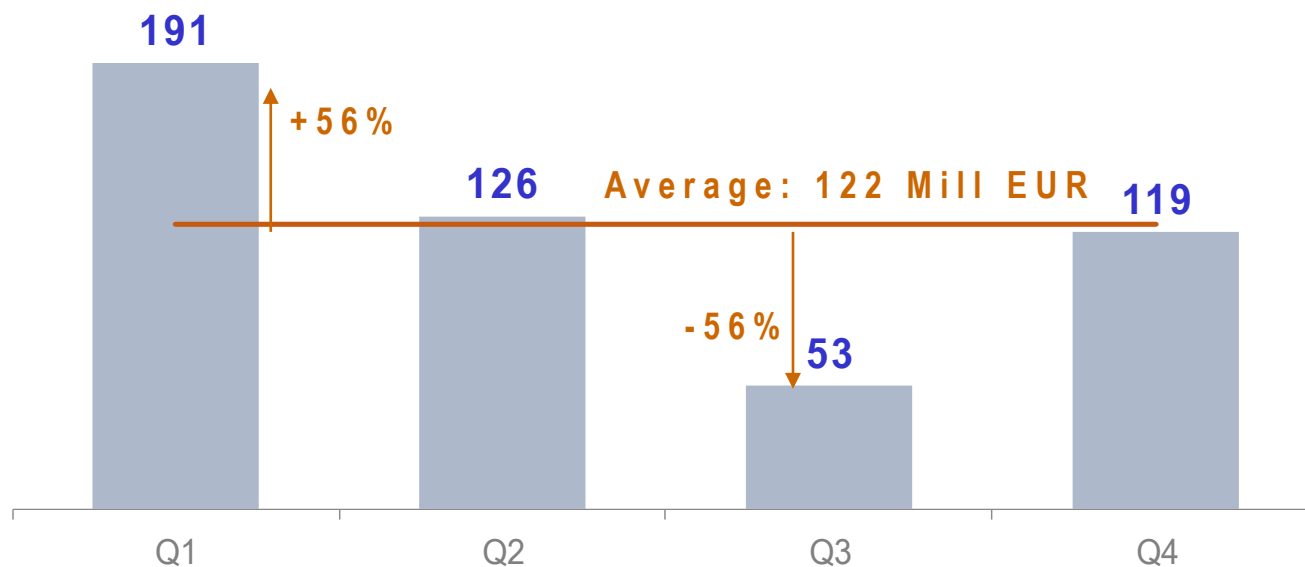
ACERINOX vs CONSENSUS

ACERINOX

Consensus compiled by Acerinox at January 26th, 2017

Million EUR	Accumulated 2017	CONSENSUS 1 YEAR AGO	
		2017	Variation over Consensus
SALES	4,627	4,419	5%
EBITDA	489	443	10%
<i>% over sales</i>	11%	10%	
EBIT	318	282	13%
<i>% over sales</i>	7%	6%	
RESULTS BEFORE TAXES	299	232	29%
PRO FORMA RESULTS AFTER TAXES AND MINORITIES (without US Tax Reform)	208	180	16%
RESULTS AFTER TAXES AND MINORITIES	234	180	30%

2017: 489 Mill EUR (+49% over 2016)

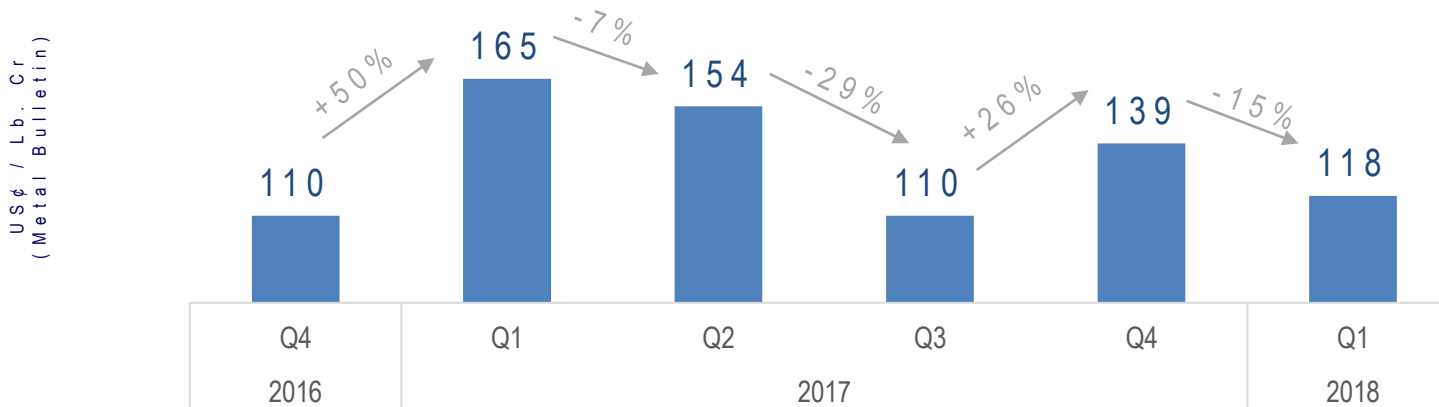


Nickel



Volatility of raw material prices

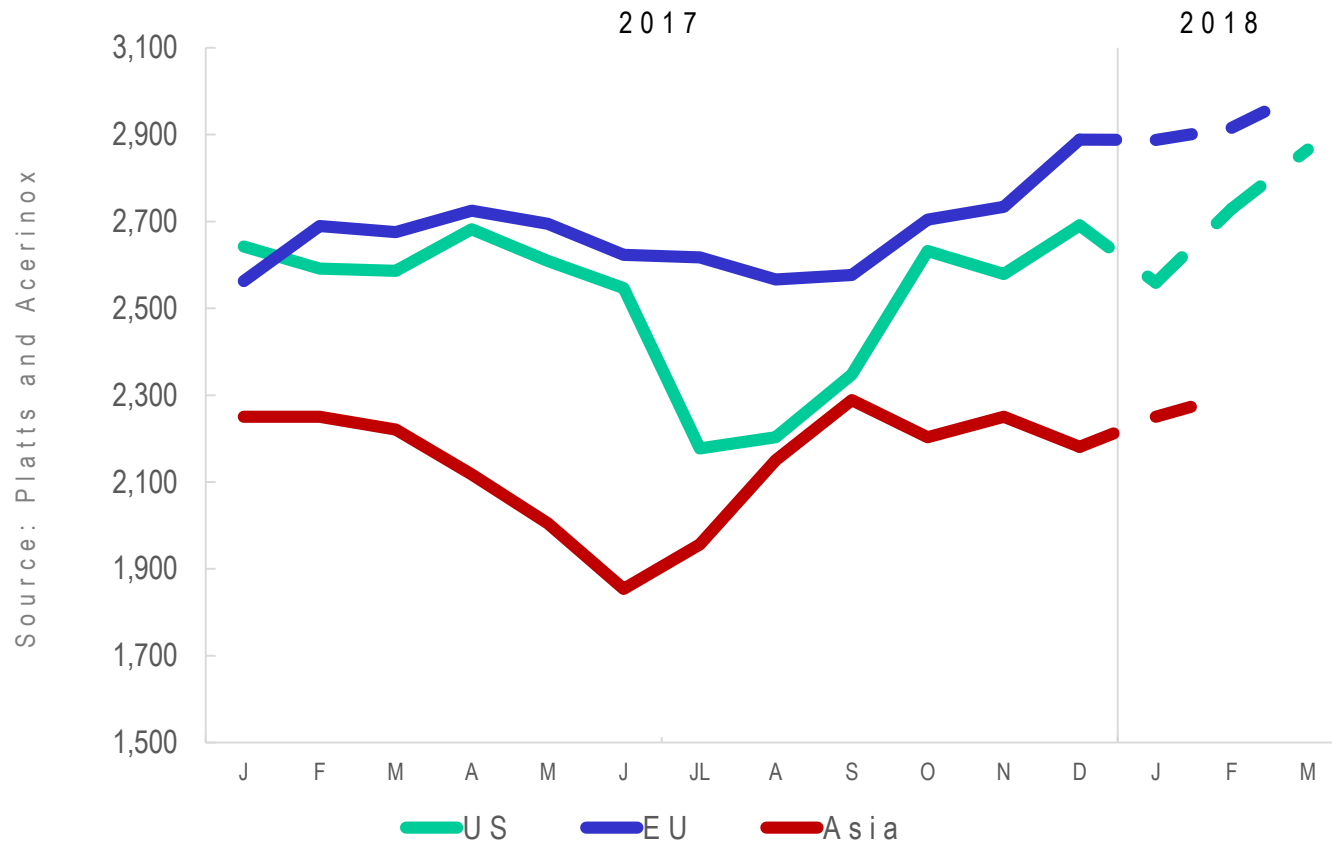
Ferrochrome



STAINLESS STEEL PRICES, 2017



AISI 304 2.0 mm. USD/mt, coil final price, alloy surcharge included

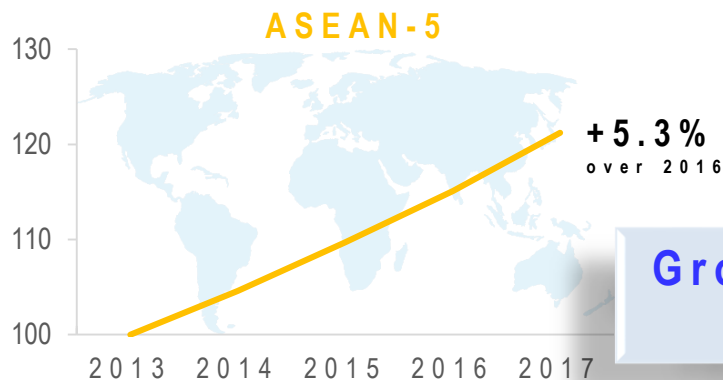
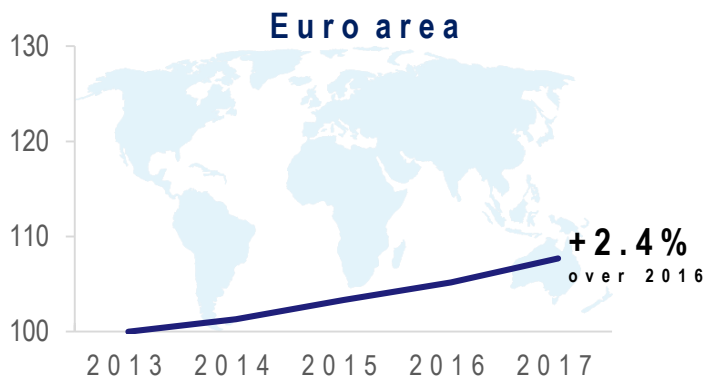


Positive trend

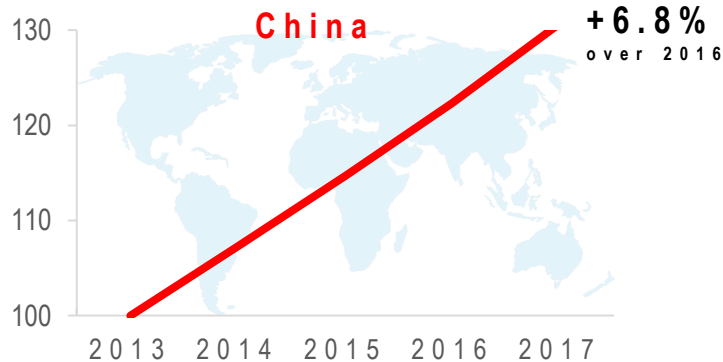
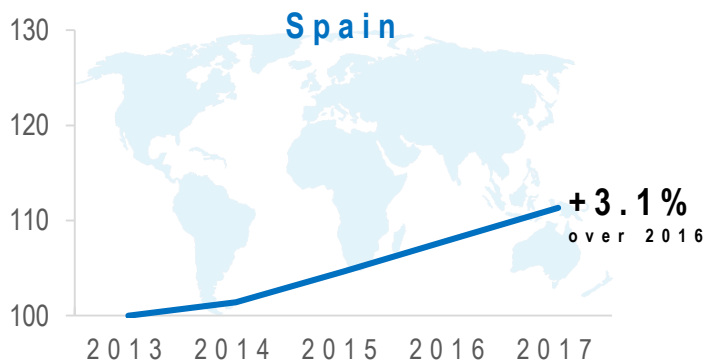
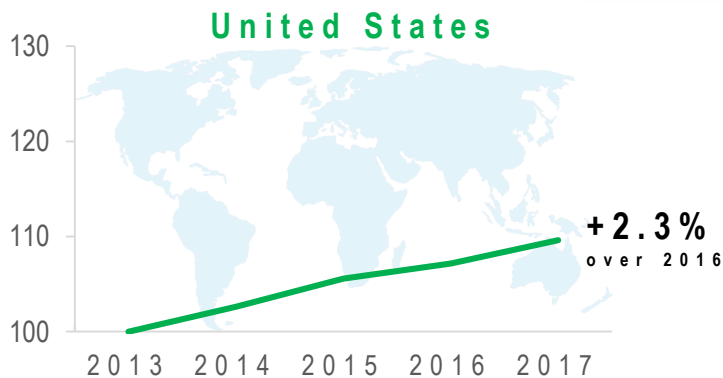
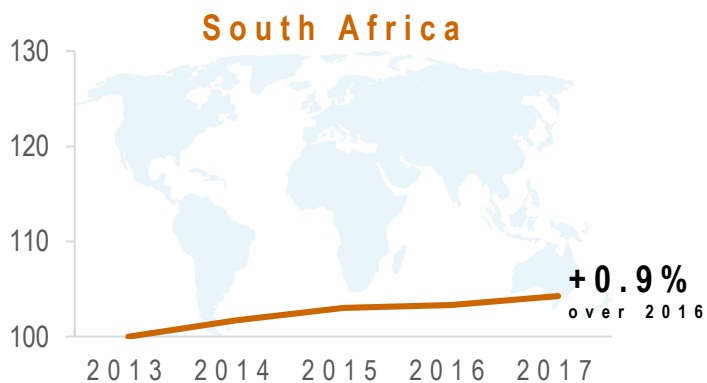
REAL GDP GROWTH

Real GDP growth (2013=100)

Source: IMF



Growth in all regions





Vehicle production



Construction



Household appliances



+3.7%

Eurofer's estimate for 2017

+4.3%

Eurofer's estimate for 2017

+3.7%

Eurofer's estimate for 2017



-2.5%

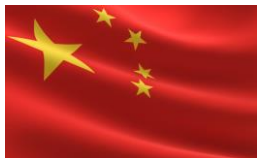
Year to December
Source: Wards Auto

+3.8%

Year to December
Source: US Census Bureau

+5.8%

Year to December
Source: AHAM



+3.9%

Year to December
Source: CAAM

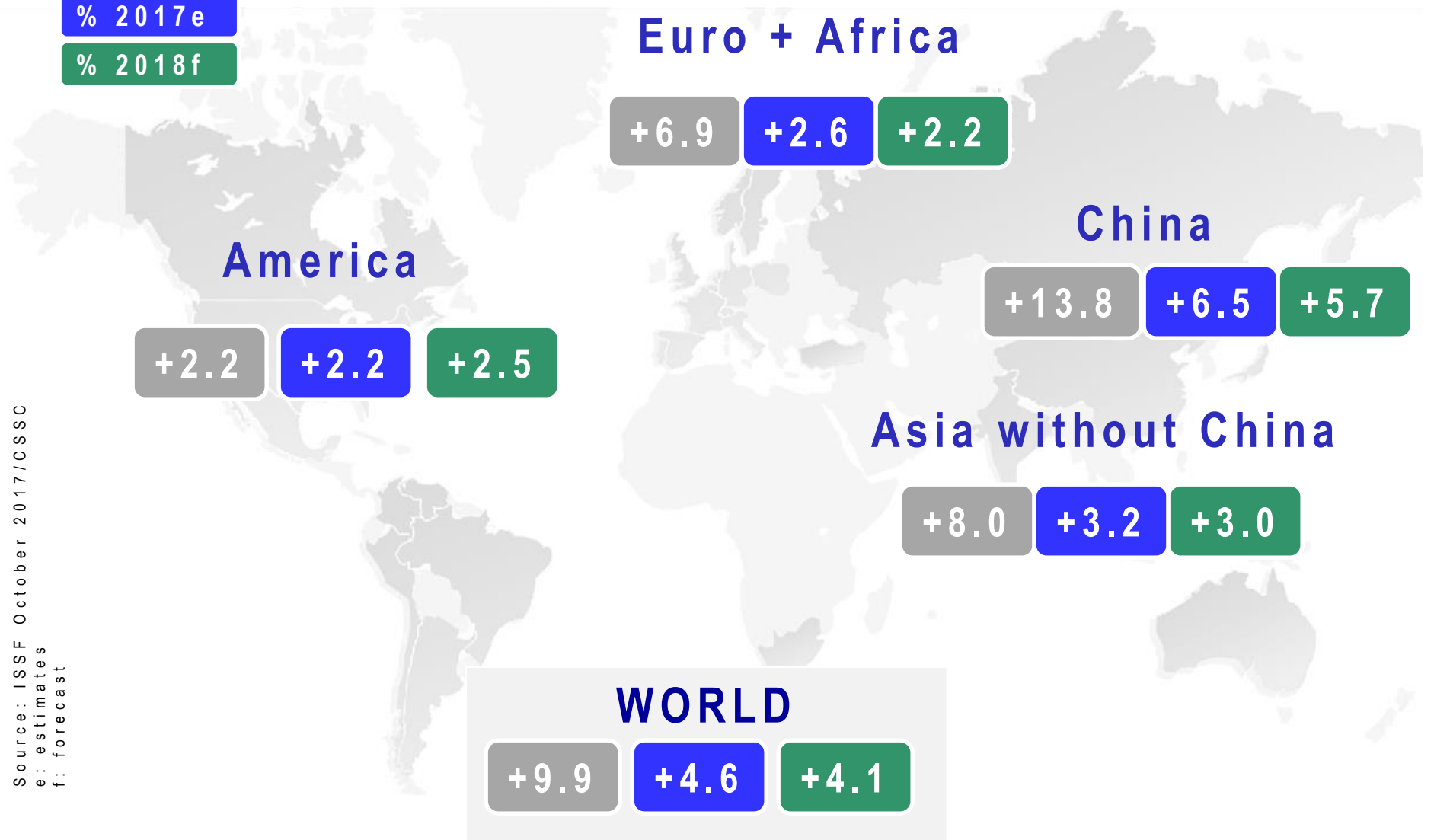
+7.0%

Year to December
Source: NBS

+10.9%

Year to December
Source: NBS

% 2016
% 2017e
% 2018f

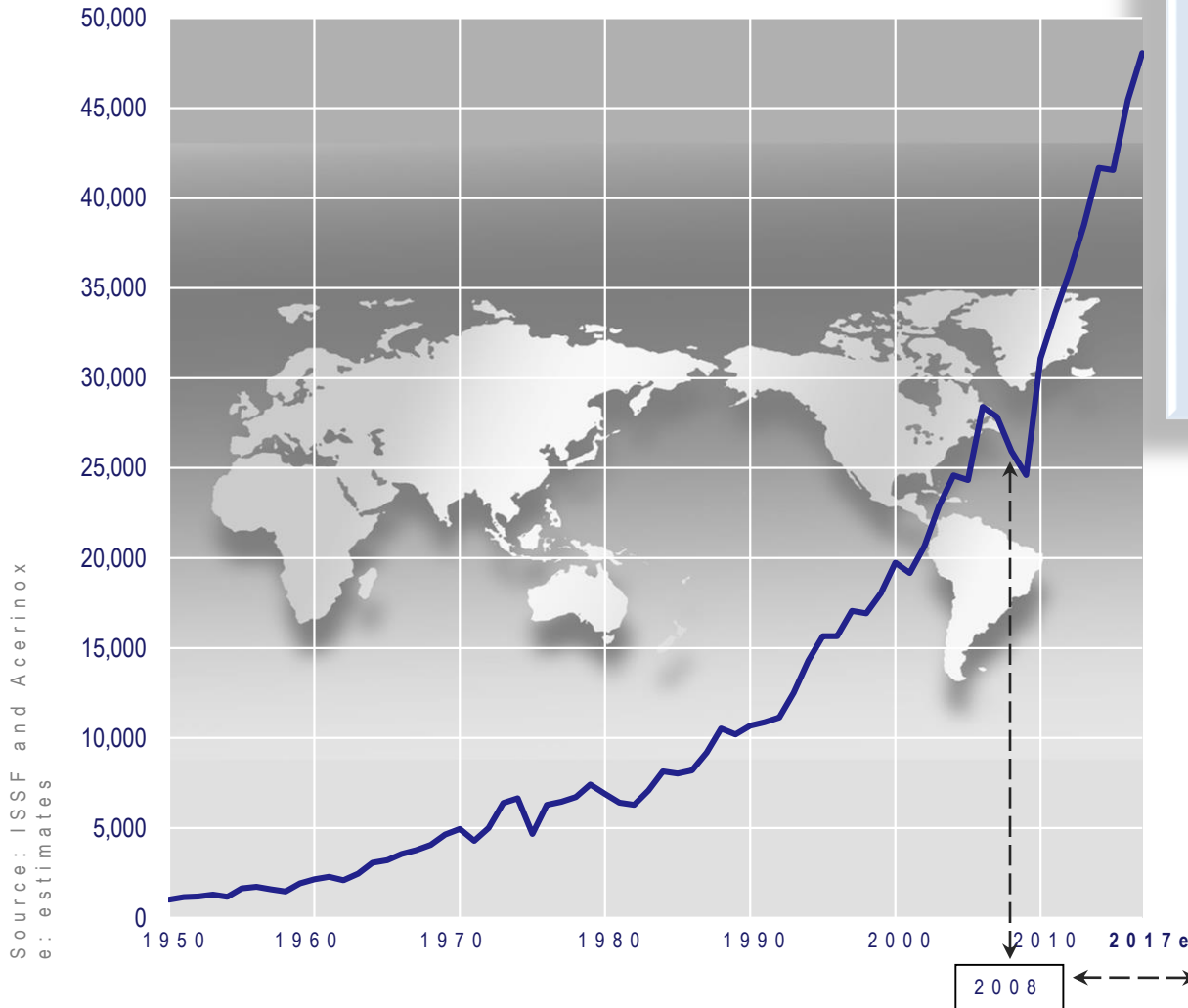


Source: ISSF October 2017/CSSC
e: estimates
f: forecast

STAINLESS STEEL WORLD PRODUCTION



Thousands mt



Estimated world production of Stainless Steel in 2017e:

48.1 million mt

(+5.7% over 2016)

Compound annual growth rate 1950 – 2017e:

+ 5.9%

Compound annual growth rate 2008 – 2017e:

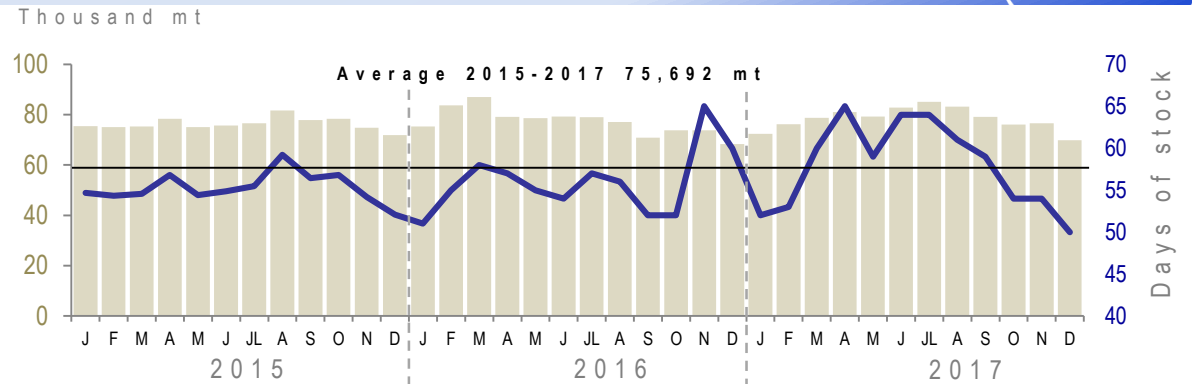
+ 7.1%



INVENTORIES OF COLD-ROLLED

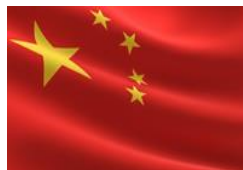
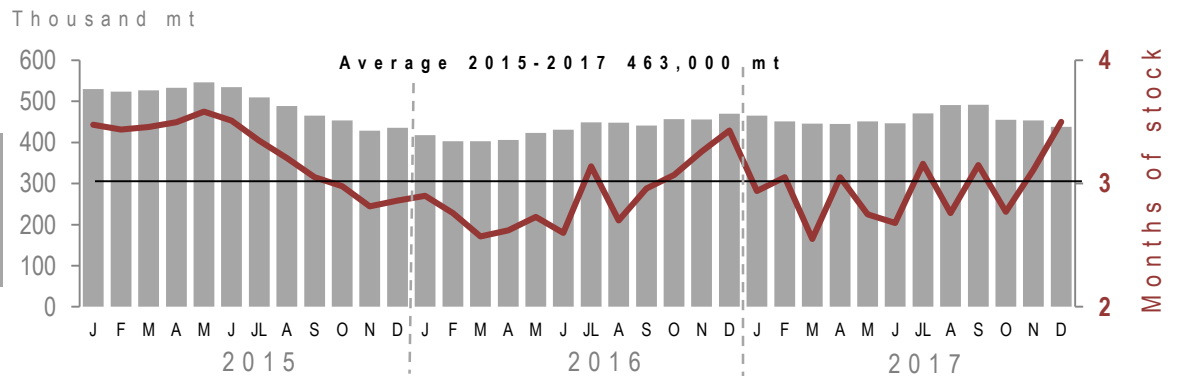
Source: EHV

Germany



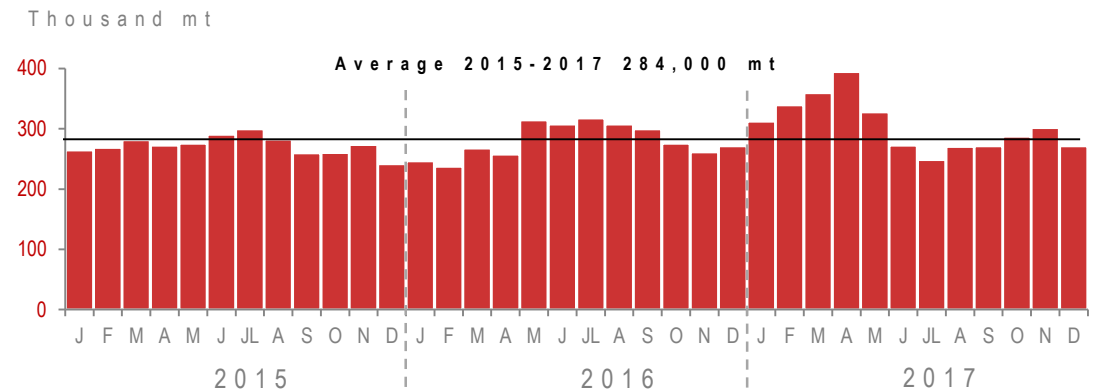
INVENTORIES AT DISTRIBUTORS

Source: MSCI



INVENTORIES AT WUXI AND FOSHAN

Source: 51 bxxg



ACERINOX PRODUCTION

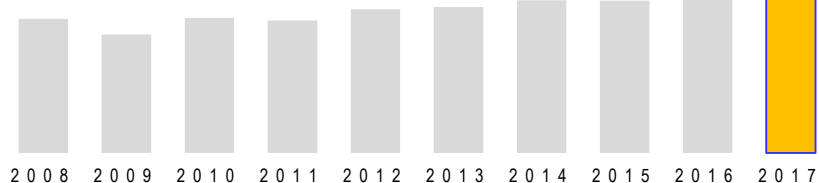


Thousands mt

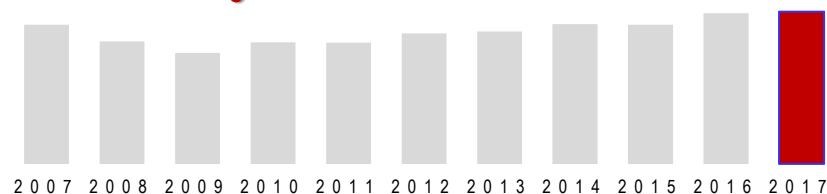
	Year 2017				Accumulated	Year 2016	Variation 2017/2016
	Q1	Q2	Q3	Q4		Jan-Dec	
Melt shop	668	605	615	631	2,519	2,475	1.8%
Hot Rolling	593	535	542	560	2,231	2,209	1.0%
Cold Rolling	438	436	427	437	1,738	1,716	1.3%
Long Product (Hot Rolling)	58	59	54	62	234	224	4.3%

New record in Cold Rolling. Second best year in Melting and Hot Rolling

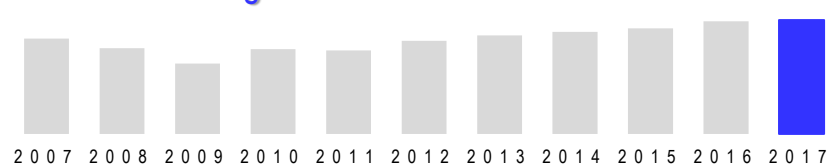
Melting



Hot rolling



Cold rolling



ACERINOX QUARTERLY PROFIT & LOSS ACCOUNT



Million EUR

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	January-December		
					2017	2016	Variation
Net sales	1,252	1,191	1,067	1,116	4,627	3,968	17%
Gross operating result / EBITDA	191	126	53	119	489	329	49%
<i>% over sales</i>	<i>15%</i>	<i>11%</i>	<i>5%</i>	<i>11%</i>	<i>11%</i>	<i>8%</i>	
EBIT	146	81	13	78	318	157	102%
<i>% over sales</i>	<i>12%</i>	<i>7%</i>	<i>1%</i>	<i>7%</i>	<i>7%</i>	<i>4%</i>	
Result before taxes	141	76	9	73	299	128	134%
Result after taxes and minorities	98	53	7	77	234	80	192%

ACERINOX BALANCE SHEET



Million EUR

Net Debt / EBITDA: 1.2x
Gearing: 31%

ASSETS

Million €	2017	2016	Variation
Non-current assets	2,147.62	2,357.53	-8.9%
Current assets	2,256.39	2,097.51	7.6%
- Inventories	990.48	887.42	11.6%
- Debtors	613.20	575.51	6.5%
<i>Trade debtors</i>	552.06	527.79	4.6%
<i>Other debtors</i>	61.14	47.73	28.1%
- Cash	620.54	598.47	3.7%
- Other current assets	32.17	36.11	-10.9%
TOTAL ASSETS	4,404.01	4,455.05	-1.1%

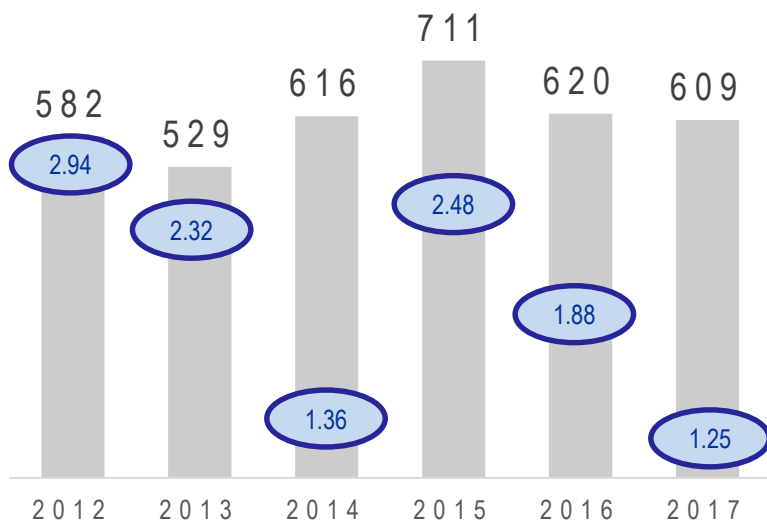
LIABILITIES

Million €	2017	2016	Variation
Equity	1,970.30	2,168.68	-9.1%
Non-current liabilities	1,149.38	1,191.17	-3.5%
- Interest-bearing loans and borrowings	936.68	936.81	0.0%
- Other non-current liabilities	212.70	254.37	-16.4%
Current liabilities	1,284.34	1,095.20	17.3%
- Interest-bearing loans and borrowings	293.08	281.61	4.1%
- Trade creditors	856.71	712.97	20.2%
- Other current liabilities	134.55	100.61	33.7%
TOTAL EQUITY AND LIABILITIES	4,404.01	4,455.05	-1.1%

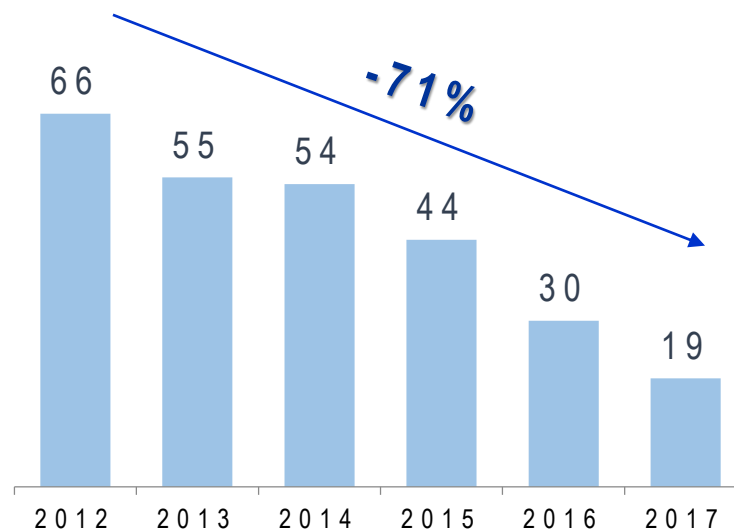
	2017	2016
Net financial debt	609	620
Operating working capital	686	702

Million EUR

NET FINANCIAL DEBT AND NET DEBT / EBITDA



NET FINANCIAL EXPENSES



Million EUR

750 million EUR refinanced in 2017

Maturities extended

Cost reduction

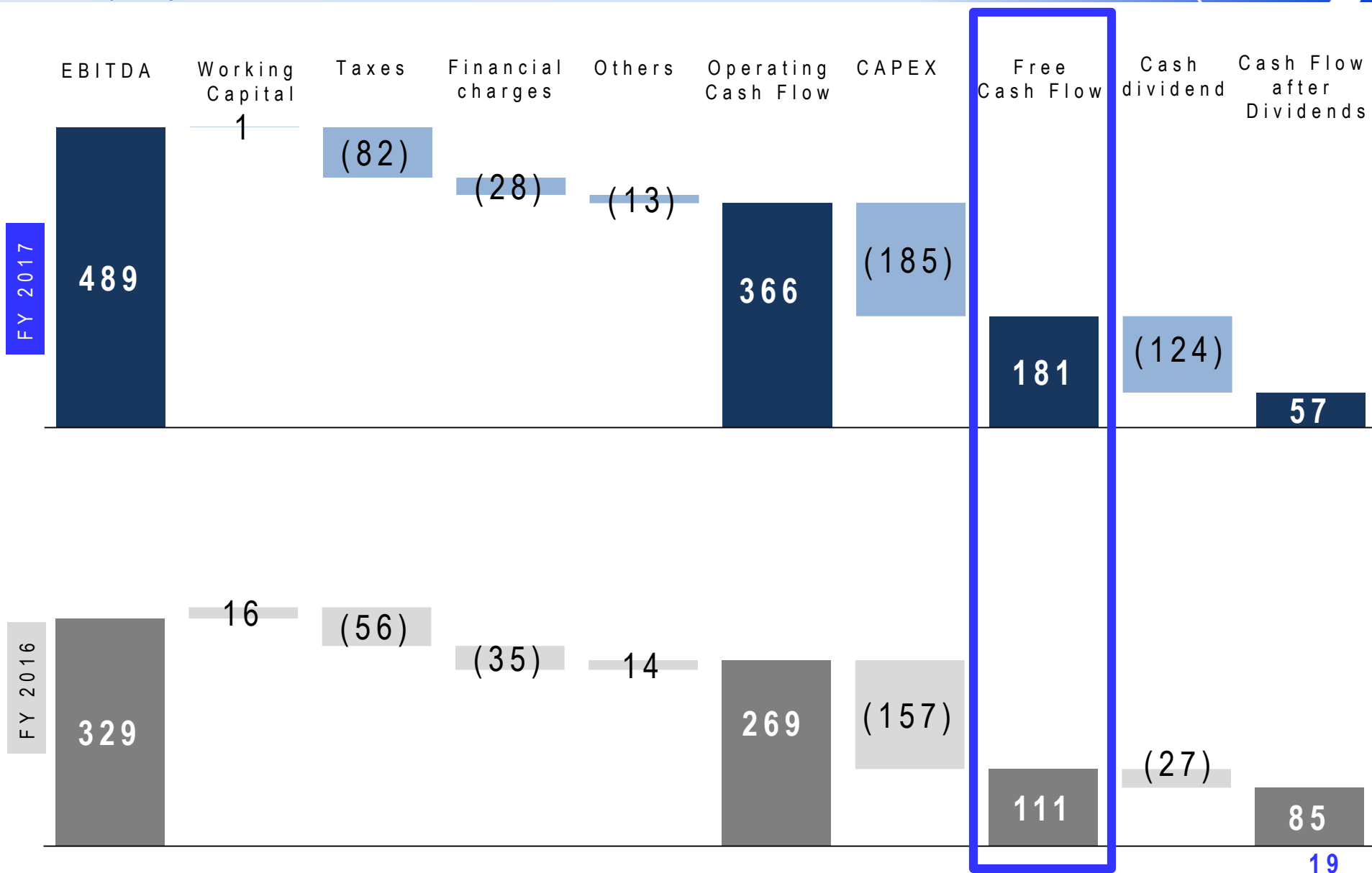
High quality debt

**Lowest finance expenses in the industry
19 million EUR in 2017**

CASH FLOW STATEMENT



Million EUR



Cash generation for:

- investments
- shareholder remuneration
- debt reduction

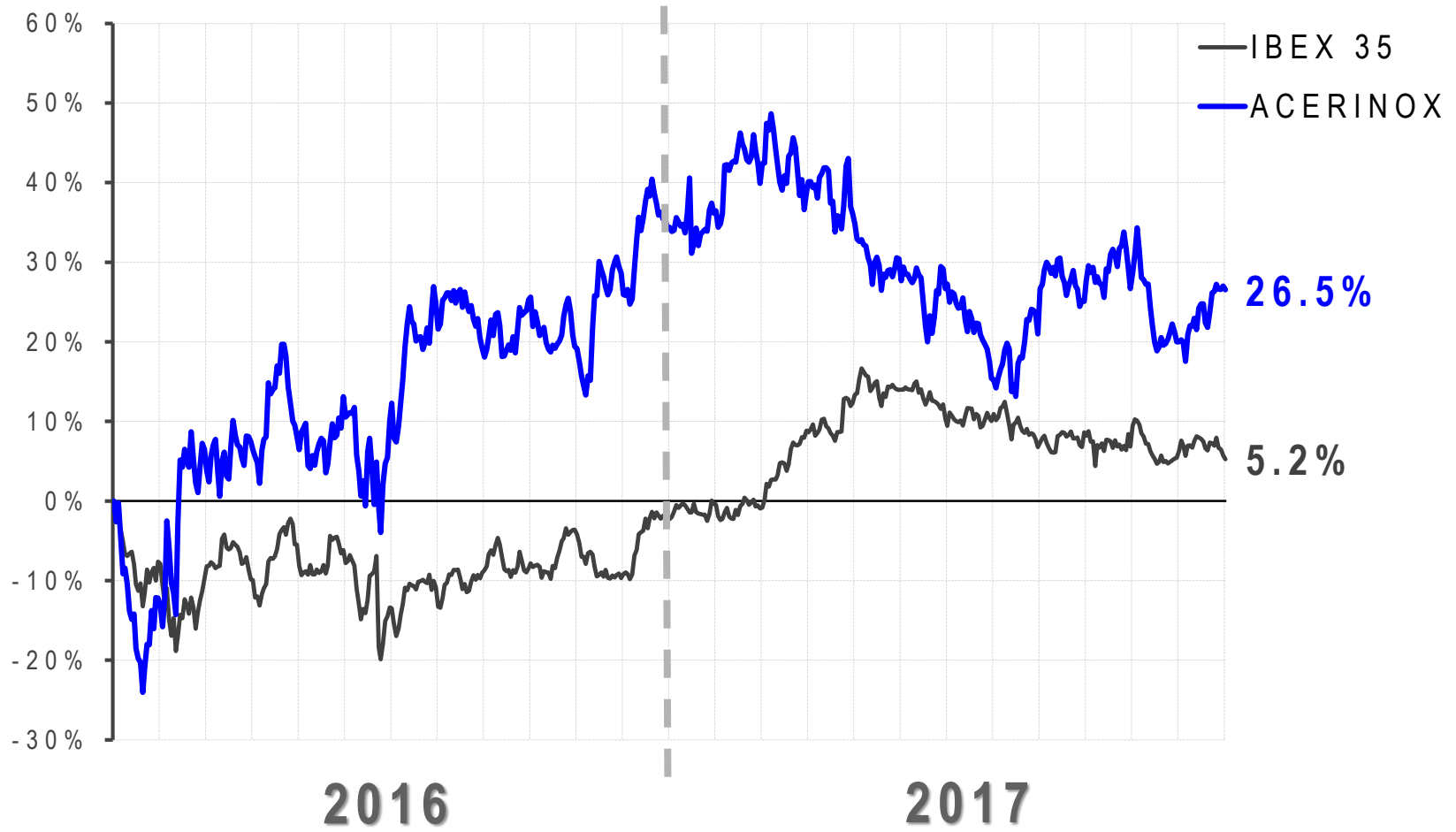
UNIQUE CASE

Cash generation	3,081
CAPEX	1,771
Return to shareholders	996
Net debt reduction	314

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



Daily percentage data, year 2016 and 2017



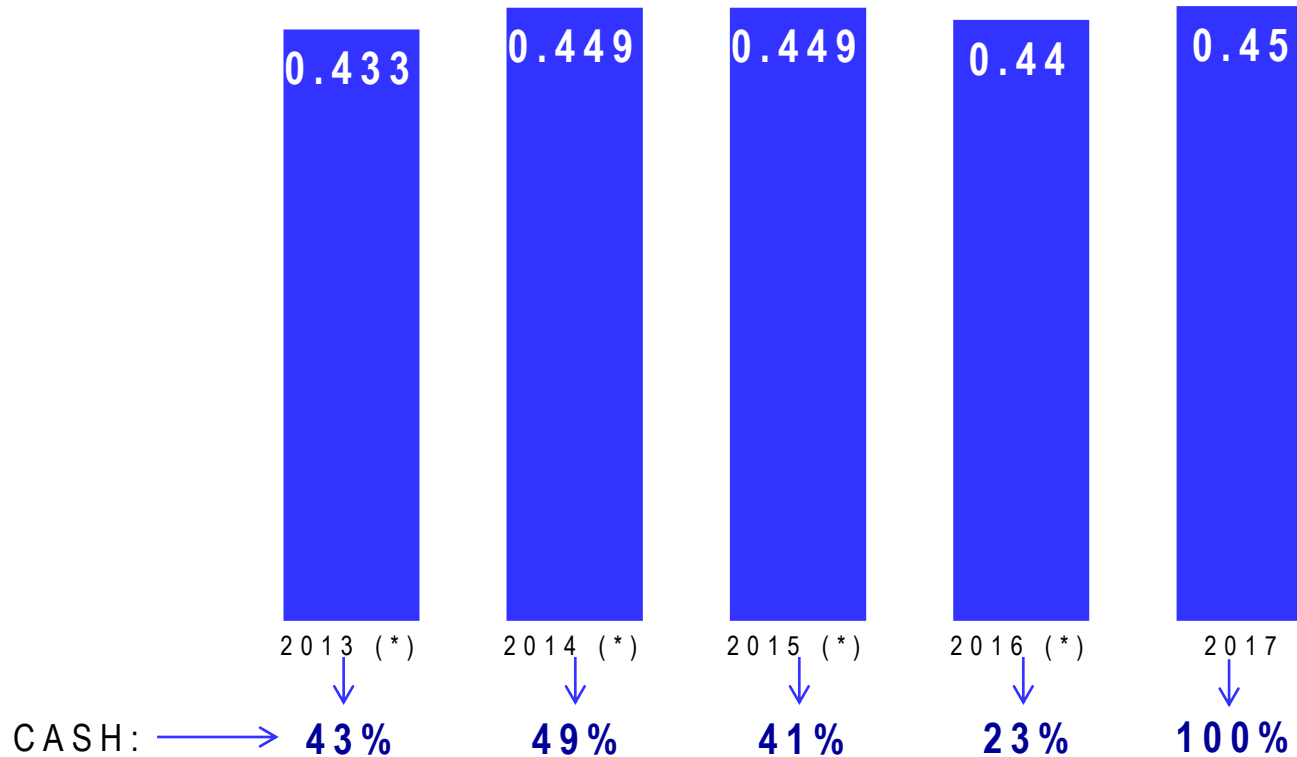
EUR/share

(*) *Scrip dividend*

■ Dividend

Consistant remuneration to shareholders

Back to cash in 2017



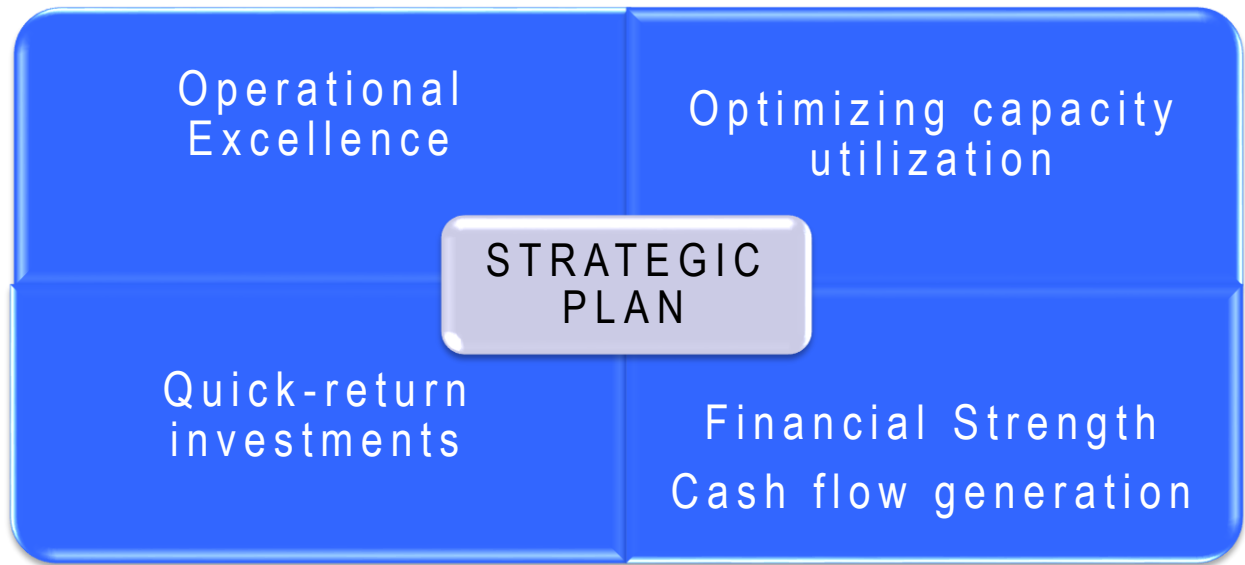
Leading product

Operational Excellence

Global Presence

Financial Strength

Sustainability



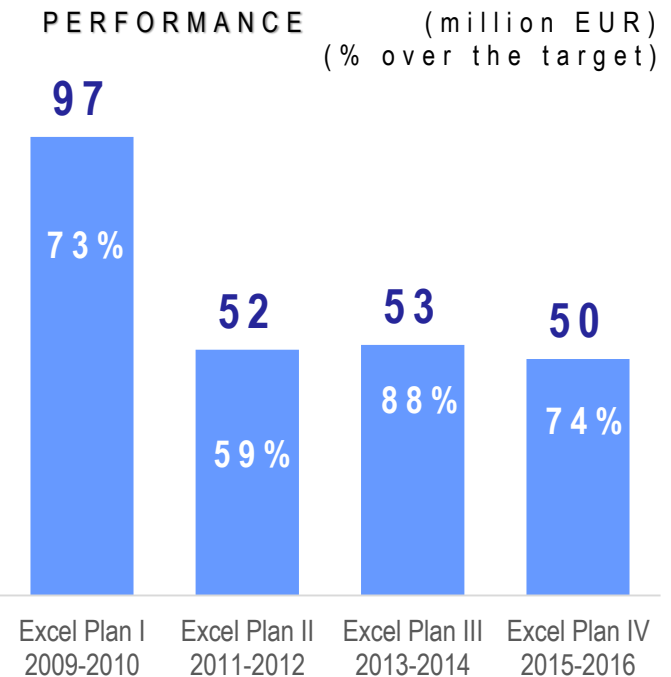
2017-2018 EXCELLENCE PLAN V

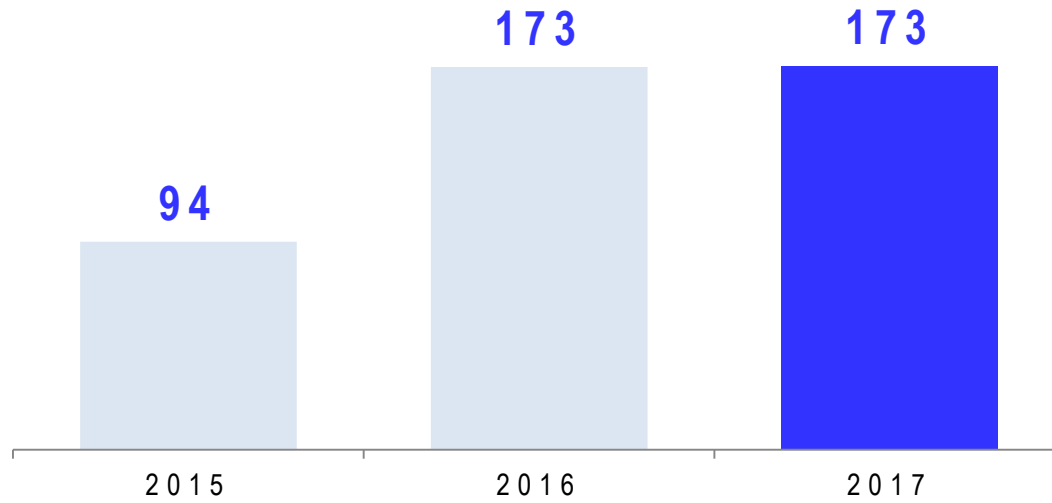
Target : 50 million EUR

5 chapters: Operations, Working Capital, Personnel, Commercial and Supply Chain

Performance to December 2017: 49%
(24.6 million EUR)

- Reduction of inventories (mt)
- Efficiency
- Reliability
- Service center optimization
- Productivity





B A ,
N A S

Construction AP5, Acerinox Europa



North American Stainless (NAS)

Bright Annealing line (BA) and Sendzimir Mill (ZM)

- ❖ Start up: second quarter 2017
- ❖ Successful ramp up
- ❖ Good acceptance from customers
- ❖ Current capacity utilization above 80%

- ❖ High value-added product
- ❖ Main applications: Appliances (washers and dryers), tank trailers, automotive trims, kitchen equipment



Acerinox Europa

Annealing and Pickling line (AP) and Sendzimir Mill (ZM)



Construction AP5, Acerinox Europa

140 million EUR

Payback: <5 years

Start up: March 2018

- Goals:
- high value-added products
 - sales increase to end users
 - capacity utilization improvement
 - cost savings and emission reduction

OPPORTUNITIES

- ✓ Economic growth: increase in consumption
- ✓ Efficiency improvements
- ✓ Ramp up of new investments
- ✓ Financial strength

CHALLENGES

- Overcapacity
- Volatility of raw material prices
- Trade actions



Torre Europa, Madrid

A blurred background showing several people in a meeting or office setting. The focus is on the foreground text and logo.

ACERINOX

THANK YOU