

The logo for ACERINOX, featuring the company name in a bold, white, sans-serif font inside a white circular outline. The background of the entire slide is a close-up photograph of a jet engine's compressor section, showing the intricate, polished metal blades and rings.

ACERINOX

CREATING A NEW GLOBAL LEADER IN STAINLESS AND SPECIALTY ALLOYS

November 8th 2019



DISCLAIMER

This document may contain forward-looking information and statements about ACERINOX, S.A., its subsidiaries and/or its management.

These forward-looking statements include financial projections and estimates and their underlying assumptions, and statements regarding the intent, belief or current expectations or forecasts of ACERINOX, S.A. and/or its management, as well as statements regarding future performance, plans, objectives, operations, business, strategy, capital expenditures, results of operations, markets and products. These forward-looking statements or forecasts may also include assumptions regarding future economic and other conditions, such as future nickel or chrome prices and, in general, are subject to risks, uncertainties and variables beyond ACERINOX's control that can adversely affect them.

These forward-looking statements and information do not constitute historical facts and can generally be identified by the use of terms such as "expects", "anticipates", "believes", "plans", "estimates" and similar expressions. ACERINOX, S.A. believes they all are reasonable but are not a guarantee of future performance, prices, results of operations, benefits or dividend payout policies. ACERINOX, S.A. future financial condition, financial ratios, business, results of operations and dividends could differ materially from those expressed or implied in or projected by such forward-looking statements, information and forecasts.

All forward-looking statements included herein are based on information available on the date hereof. Except as required by applicable law, ACERINOX, S.A. does not undertake any obligation to publicly update or revise any forward-looking statements and information, even in the event of new information being published or new events occurring.

Investors, holders of ACERINOX, S.A. securities and shareholders in ACERINOX, S.A. are cautioned not to place undue reliance on the forward-looking statements and information, which speak only as of the date they were made. All subsequent oral or written forward-looking statements or information attributable to ACERINOX, S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by this cautionary statement.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever for any loss arising from any use of this document, or its contents, or otherwise arising in connection with this document. Moreover, this document nor any part of it constitutes a contract, nor may it be used for incorporation into or interpretation of any contract or other type or agreement.

The points contained in this disclaimer must be taken fully into account by all persons or entities obliged to take decisions or to draw up or to publish opinions on securities issued by ACERINOX, S.A., in particular, by the analysts and investors reading this document. All the aforesaid persons are invited to consult the public documentation and information that ACERINOX, S.A. reports to or files with the bodies responsible for supervising the main securities market and, in particular, with the Spanish National Securities Market Commission (CNMV in its Spanish initials).



ACQUISITION OF VDM METALS

STRUCTURE

- Acerinox acquires 100% of VDM Metals Holding GmbH, the world's largest producer of specialty alloys

RATIONALE

- New paths to high quality growth for Acerinox
- Diversification and enhancement of product and market mix
- Balance of regional earnings
- "Plug & Play" acquisition
- Cash flow and EPS accretive from day 1
- Potential synergies of at least €14 million per annum
- Synergies beyond synergies

VALUATION ⁽¹⁾

- Total Enterprise Value of €532 million with locked box date as of 30th September 2019
- Transaction implied EV/EBITDA FY 18/19 of 5.5x before synergies
- Implied Equity Value of €310 million based on: (i) €57 million of net financial debt; (ii) €165 million of pensions and debt-like provisions. (2)

FINANCING

- All debt financed

CONDITIONS

- Regulatory approvals required from Competition Authorities

TIMETABLE

- Expected deal closing March 2020

Note:

1. Unaudited figures. Fiscal year ending on 30 September 2019
2. No further consideration or earn out have been considered



ABOUT VDM METALS

Technology Leader in Specialty Alloys for Mission-Critical Applications

7 Production Facilities in Germany and the US

12 Subsidiaries, **6** Sales Offices, **4** Service Centres, **18** Agents

62 Alloy Patent Applications

Global leader in Specialty Alloys

Serving International **CPI, O&G, Automotive, E&E and Aerospace** End Markets

€97 million

FY 2018/19 ⁽¹⁾
Adjusted EBITDA ⁽²⁾

€852 million

FY 2018/19 ⁽¹⁾
Production Sales

11%

FY 2018/19 ⁽¹⁾
Adjusted EBITDA Margin

> 1,700 Customers
> 2,000 Employees ⁽³⁾

Note:

1. Unaudited figures. Fiscal year ending on 30 September 2019
2. Excluding non recurrent items
3. As of January 2019

CPI: Chemical, Processing Industry
O&G: Oil and Gas
E&E: Electrical and Engineering

WHY VDM METALS?

Why is VDM Metals a Good Opportunity?

Market leader with growth Potential

- Globally #1 in specialty alloys market
- Reputation of excellence and strong brand name
- Significant growth potential in specialty alloys

Profitable and well managed business

- Consistent profitable business
- Successful restructuring process undertaken in the last years
- Long term order book with high visibility
- Well managed business with a solid strategy
- Long standing relationship with customers

Technology innovation and product excellence

- Innovation leader with excellent R&D know-how
- Company with the most product patents in the Industry
- Able to supply a full spectrum of high quality specialty alloys

Knowledgeable and experienced teams

- People committed to the business
- Operational teams with significant accumulated experience

How does VDM Metals fit in the Acerinox Group?

Enhancement and diversification of product mix and synergy potential

- Complementary product with similar end uses
- Expertise in projects and tailor-made solutions
- Boost sales with a wider product portfolio
- New pathways for earnings growth
- Potential to create an R&D leader
- Good cultural fit with Acerinox Group
- Potential synergies of at least €14 million per annum
- Synergies beyond synergies



CREATING A NEW GLOBAL LEADER IN STAINLESS AND SPECIALTY ALLOYS

ACERINOX IS A GLOBAL LEADER IN STAINLESS STEEL

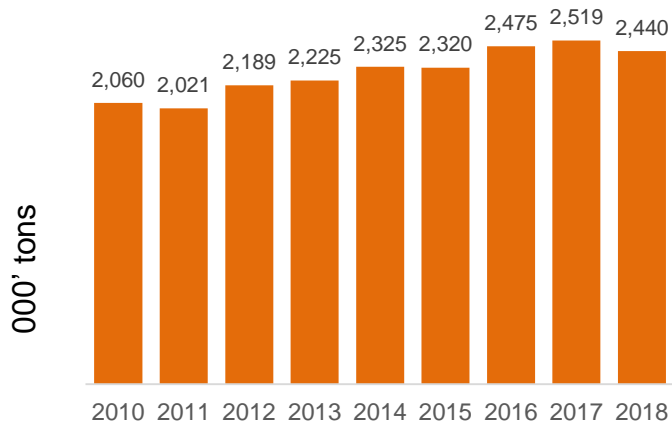
VDM METALS IS A GLOBAL LEADER IN SPECIALTY ALLOYS

ACERINOX + VDM METALS ADD GROWTH OPPORTUNITIES

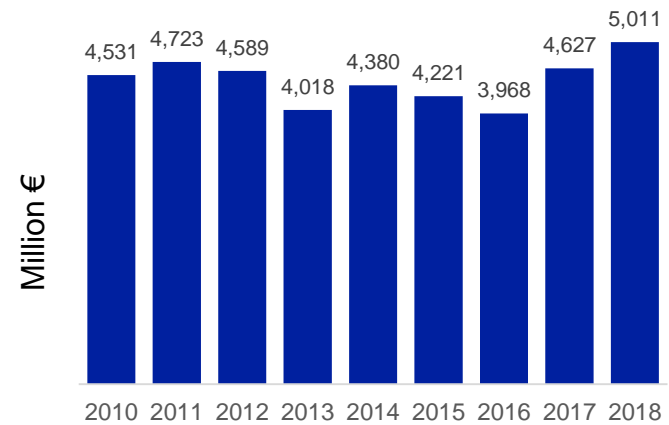


ACERINOX: MAIN FIGURES

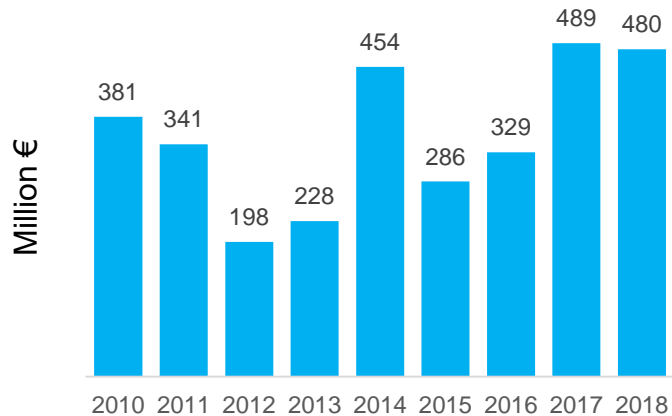
Melting Production



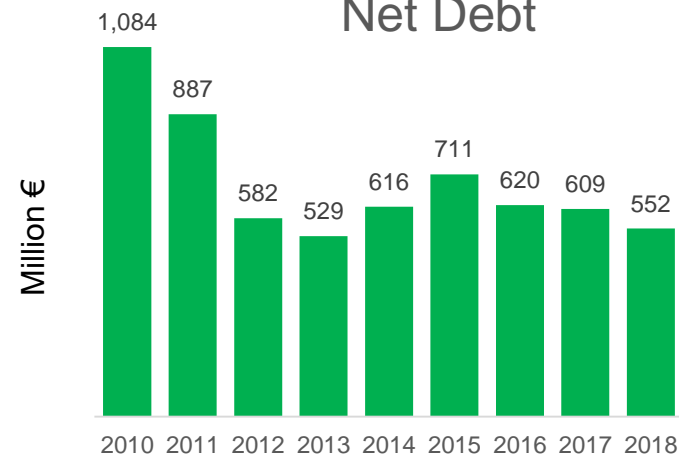
Sales



EBITDA



Net Debt





ACERINOX: PLANT LOCATIONS

Production in 4 continents

Million mt

NORTH AMERICAN STAINLESS FULLY INTEGRATED PLANT

Melting	1.4
Hot Rolling	1.2
Cold Rolling	0.8
Long Prod.	0.2



ACERINOX EUROPA FULLY INTEGRATED PLANT

Melting	1.1
Hot Rolling	0.9
Cold Rolling	0.7
Long Prod.	0.2



BAHRU STAINLESS

Cold Rolling	0.3
--------------	-----



COLUMBUS STAINLESS FULLY INTEGRATED PLANT

Melting	1.0
Hot Rolling	1.0
Cold Rolling	0.5





ACERINOX: SALES GEOGRAPHICAL MIX

Presence in 5 continents

Year 2018

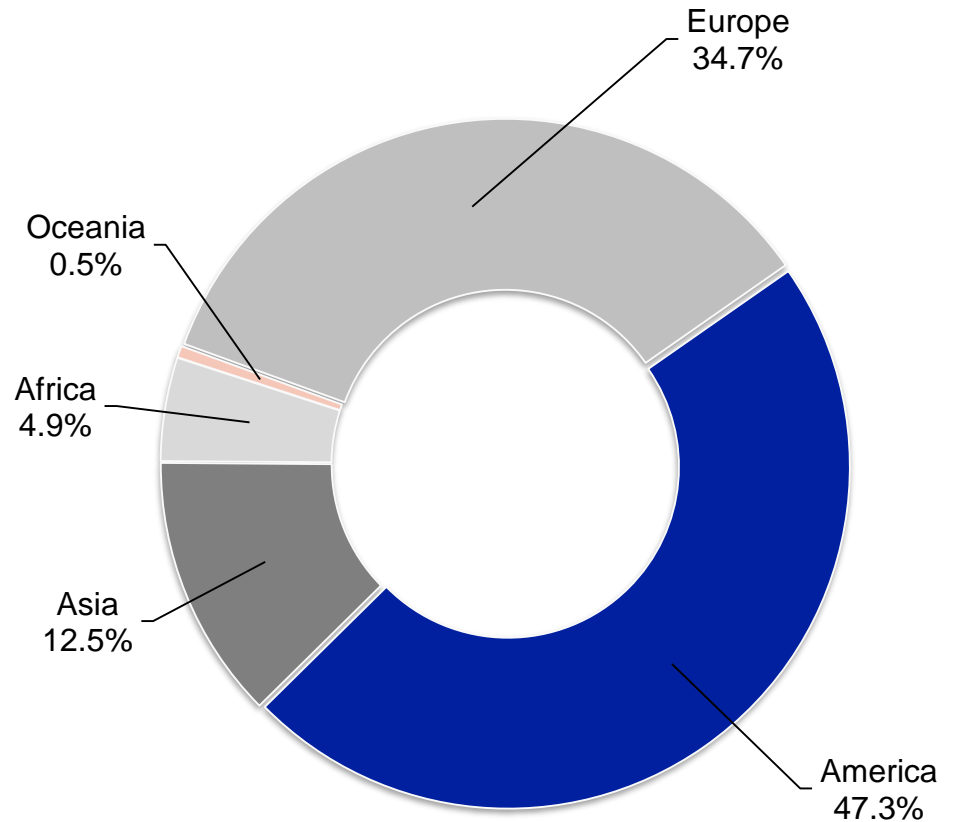
Spanish multinational
Sales in more than 80 countries

18 service centres

26 warehouses

35 commercial offices

14 commercial agents





CREATING A NEW GLOBAL LEADER IN STAINLESS AND SPECIALTY ALLOYS

ACERINOX IS A GLOBAL LEADER IN STAINLESS STEEL

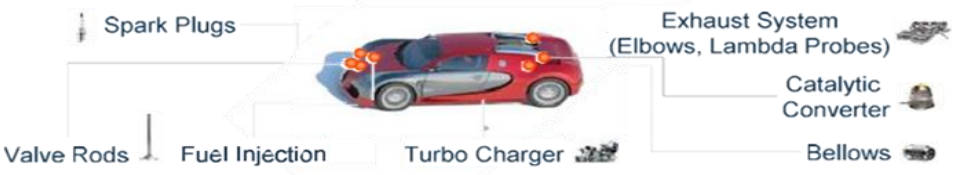
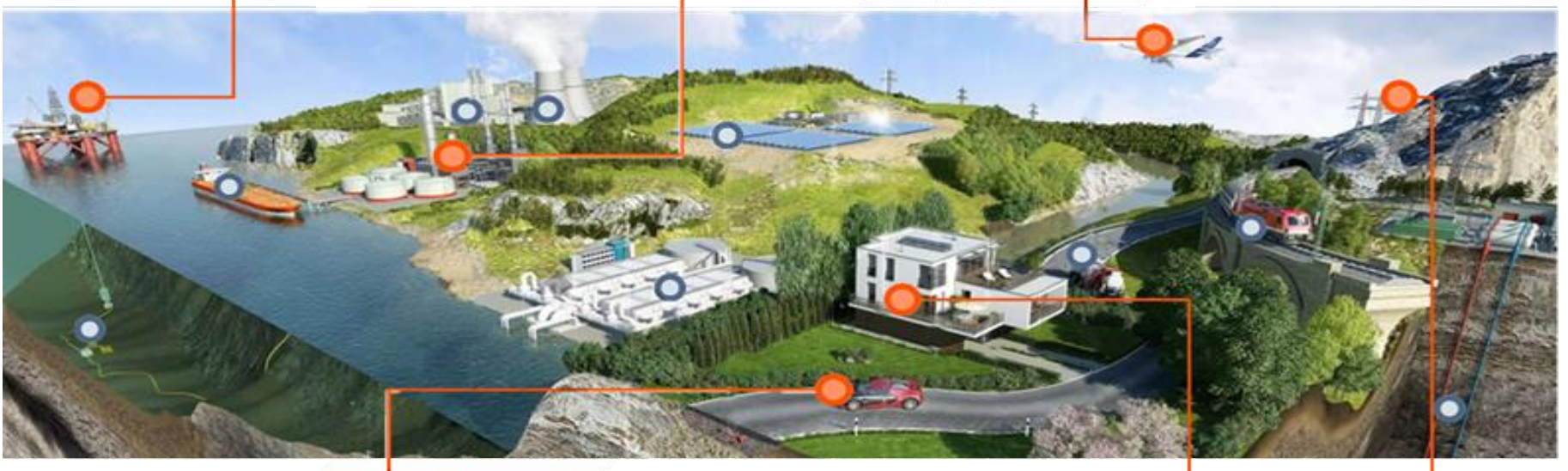
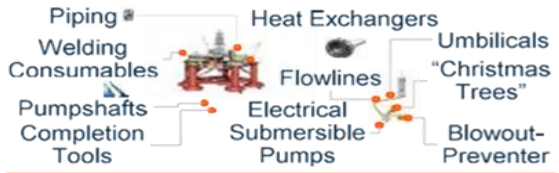
VDM METALS IS A GLOBAL LEADER IN SPECIALTY ALLOYS

ACERINOX + VDM METALS ADD GROWTH OPPORTUNITIES



NOT ALWAYS VISIBLE BUT ALWAYS INDISPENSABLE NOW AND FOR A SUSTAINABLE FUTURE

Sophisticated niche products with high growth potential

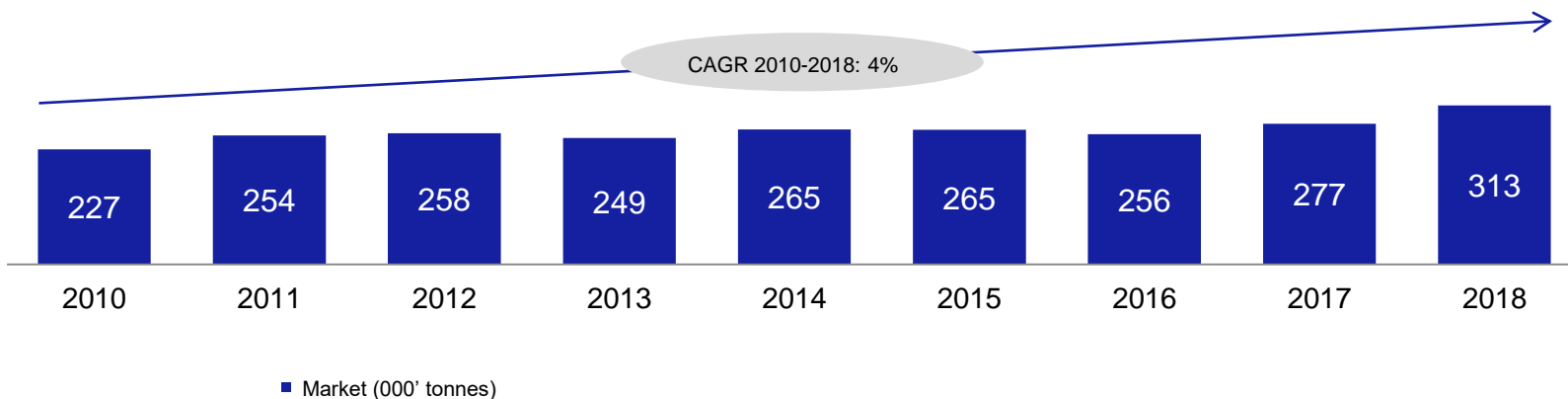




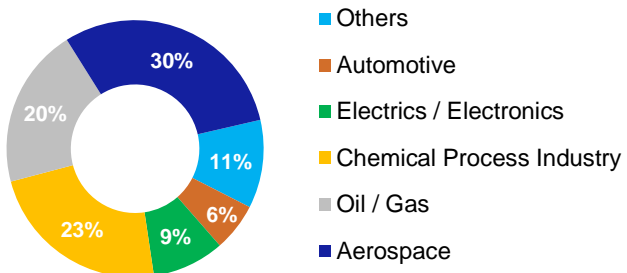
DEMAND FOR SPECIALTY ALLOYS

Specialty alloys is a strong growth market

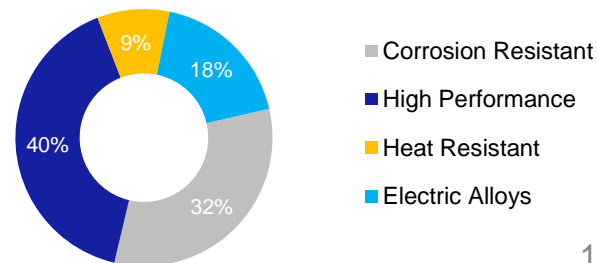
Specialty Alloys' Market (excl. Seamless Tube)



Market Breakdown by End-User (2018)



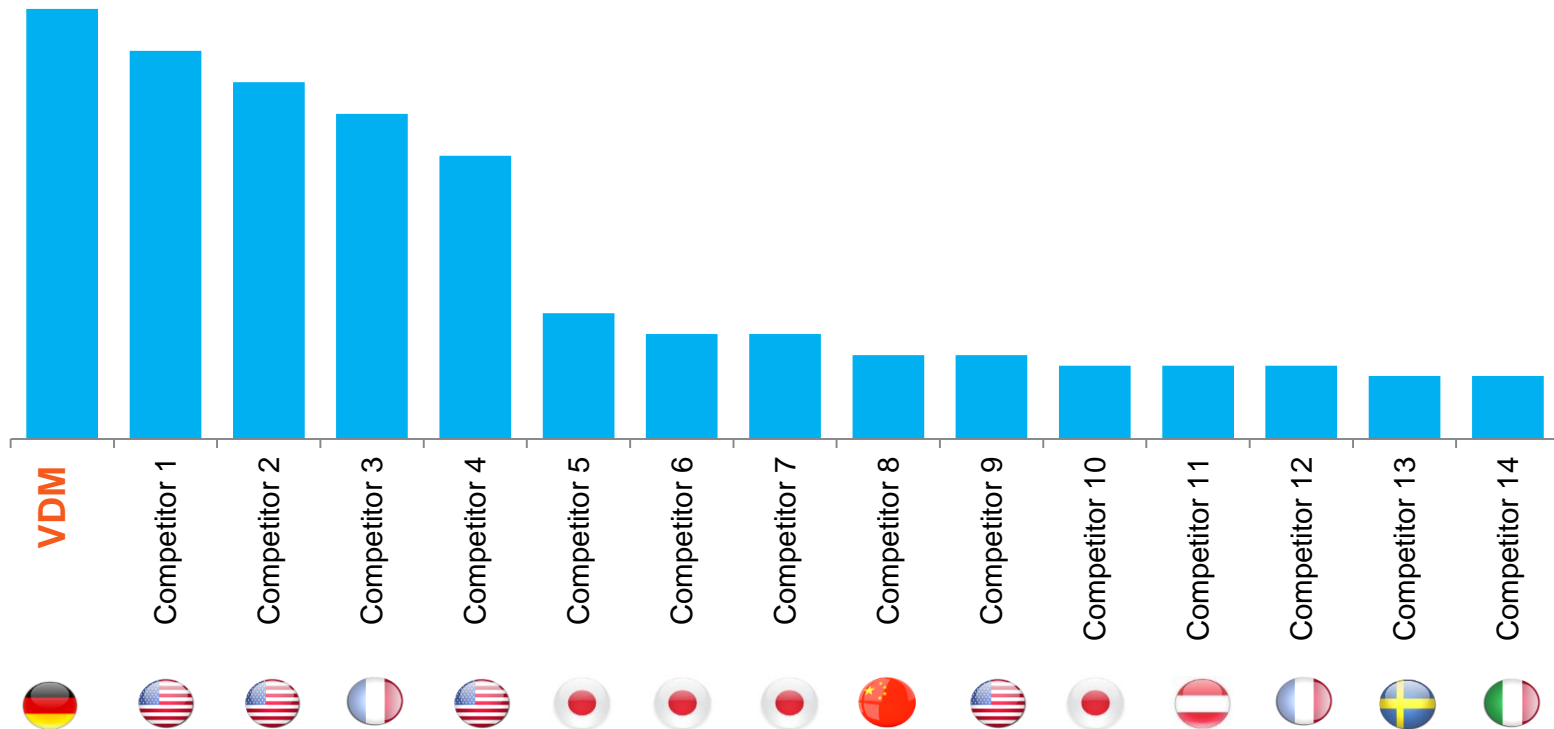
Market Breakdown by Alloy type (2018)



VDM METALS GLOBAL MARKET POSITION

Unique opportunity as the largest producer in specialty alloys

in 000' tons

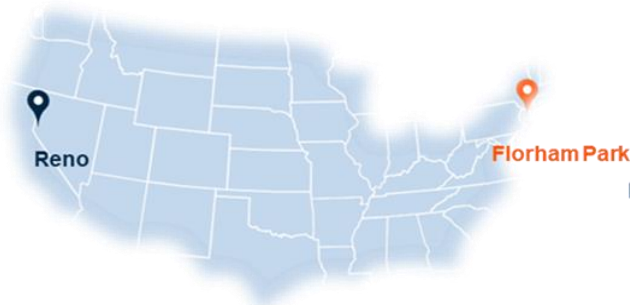


Source: SMR Q3 2018



VDM METALS: PLANT LOCATIONS

7 production plants and 4 service centers (Germany, S. Korea, China and Australia)





Florham Park
Products: Melting, Bar, Ingot, Distribution




Reno
Products: Bar, Ingot, Shapes





Unna
Products: Melting, Forging, Rod and Bar, Powder




Duisburg
Products: Slab Rolling




Siegen
Products: Hot Rolling, Plate




Altena
Products: Plate, Rolled/ Drawn/Forged Bar




Werdohl⁽¹⁾
Products: Strip, Wire

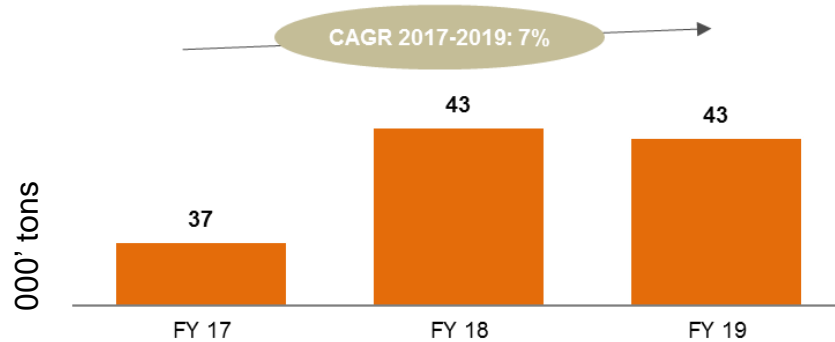
Notes:

1. Includes production facility and service center

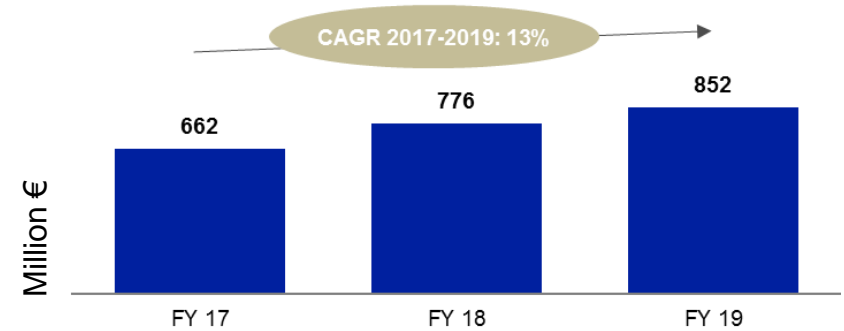
VDM METALS MAIN FIGURES

Solid revenue and earnings growth in recent years

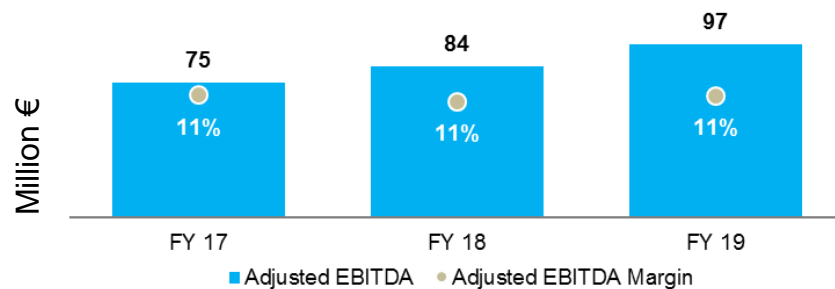
Volumes



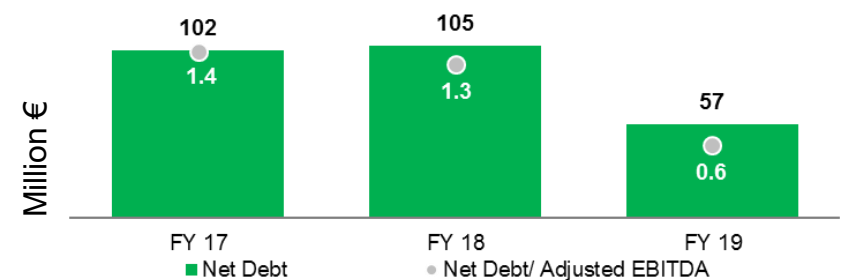
Production Sales¹



Adjusted EBITDA²



Net Debt





CREATING A NEW GLOBAL LEADER IN STAINLESS AND SPECIALTY ALLOYS

ACERINOX IS A GLOBAL LEADER IN STAINLESS STEEL

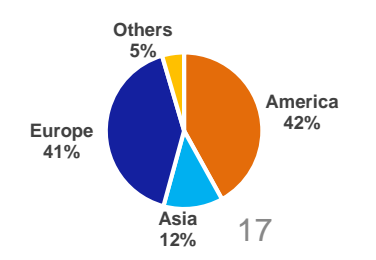
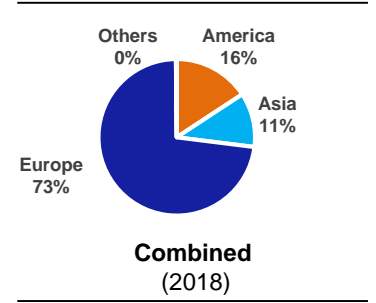
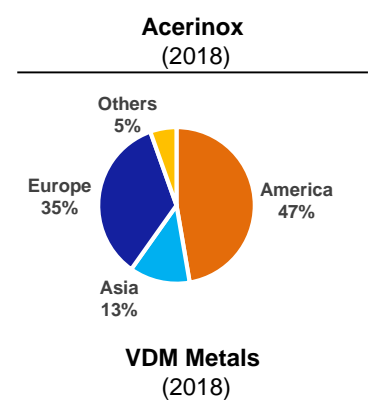
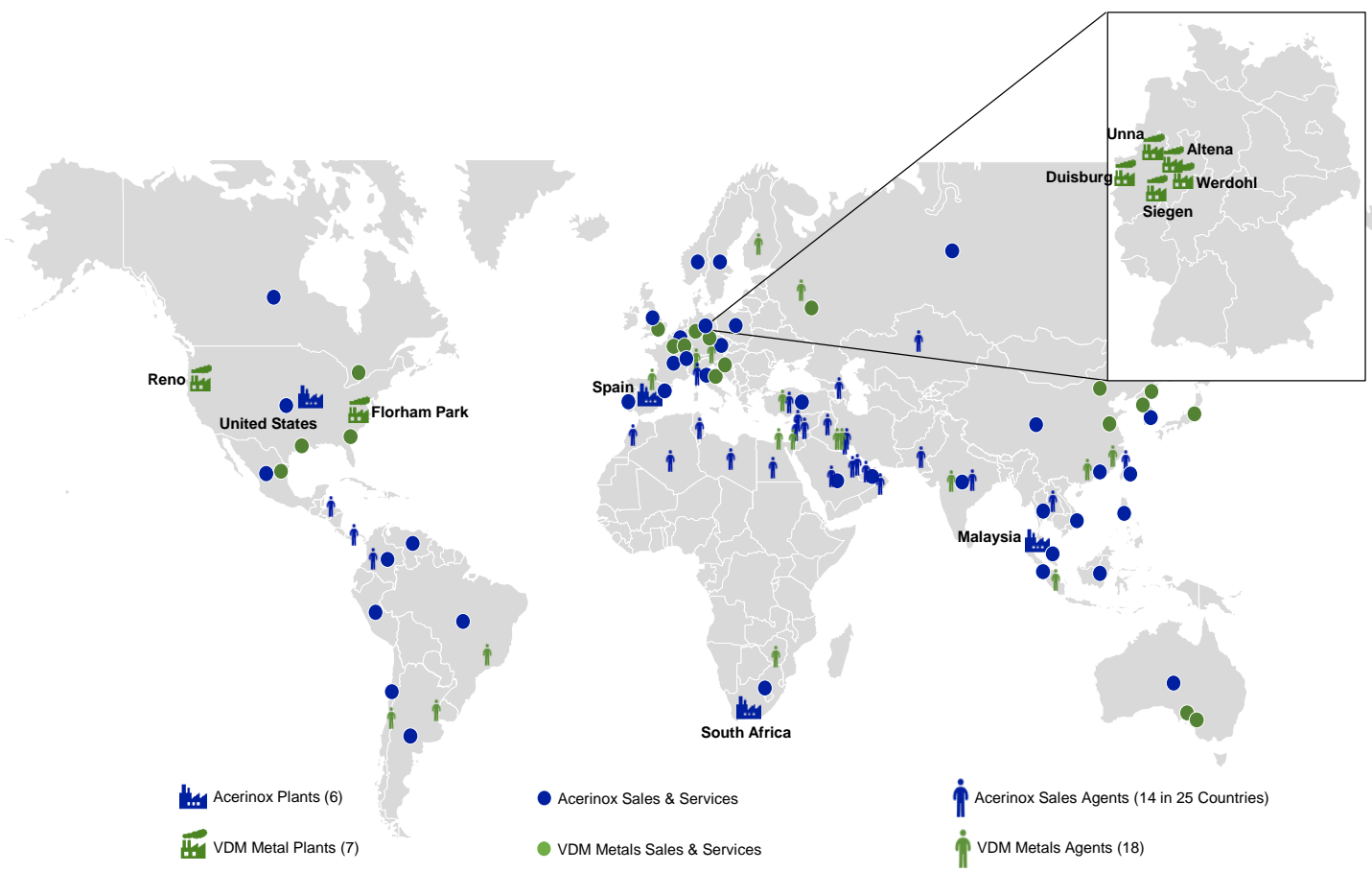
VDM METALS IS A GLOBAL LEADER IN SPECIALTY ALLOYS

ACERINOX + VDM METALS ADD GROWTH OPPORTUNITIES



COMBINED GLOBAL FOOTPRINT AND SALES BY REGION

Strong regional complementarity





A NEW GLOBAL LEADER IN STAINLESS AND SPECIALTY ALLOYS

Acerinox:
global leader in
stainless steel

VDM:
world's largest
producer in
specialty alloys

Creating value through:

- Enhancement of product mix
- Projects and tailor-made solutions
- Exceptional R&D capabilities
- Diversification of geographical earnings
- Less cyclical earnings stream
- Immediate synergy opportunities
- Significant new pathways for earnings growth

1



1

> 2



MANAGEMENT PRIORITIES: INTEGRATION, EARNINGS ENHANCEMENT AND BALANCE SHEET

Integration of VDM Metals “plug & play”

- VDM Metals is already well managed with strong market positions as a stand alone group.
- No complex restructuring nor reconfigurations.
- Integration should neither be disruptive nor complicated.
- Allows management to focus on enhancing the enlarged group from day 1.

Realisation of synergies

- Potential synergies of at least €14 million per annum
- Realisation of basic synergies should be relatively fast and straightforward.

Balance sheet and debt reduction through FCF

- Strong balance sheet and pro forma leverage impact to be minimal.
- Expect significant organic deleveraging over the following years.
- We remain committed to our current dividend policy.

Exploring further earnings enhancing strategies

- Focus immediately on scope for greater earnings growth.

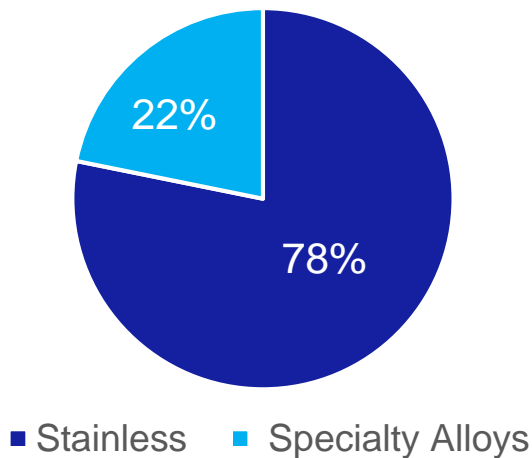


VALUE CREATION FOR SHAREHOLDERS

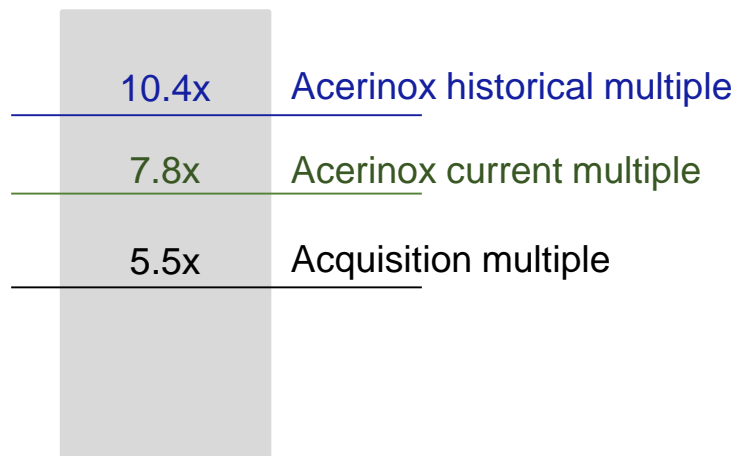
Value EPS and cash flow accretive with growth opportunities

- Attractive valuation of VDM Metals at 5.5x EV/EBITDA FY 18/19
- Immediately EPS and cash flow accretive
- Higher quality earnings
- Stronger free cash flow
- Regional diversification of earnings
- Lower cyclicality
- New and exciting paths for growth

Sept '19 LTM EBITDA (before synergies) CONTRIBUTION



EV / EBITDA



A stylized world map in shades of blue and grey, overlaid with numerous location pins. Each pin features the ACERINOX logo. The map is centered on the Atlantic Ocean, showing the Americas on the left and Europe, Africa, and Asia on the right. A dark grey horizontal band is superimposed over the map, serving as a background for the text.

THANK YOU

Q&A