



Q1 2019 RESULTS PRESENTATION

13 MAY 2019



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FIRST QUARTER PERFORMANCE

Q1 MARKET HIGHLIGHTS

- ✓ Improvement of market activity
- ✓ Alloy surcharge recovers from March, after 7 months of decline
- ✓ Normalization of inventory levels in EU and USA
- Europe
 - ✓ Import pressure going down
 - ✓ Final safeguards measures
 - X Historically low base price
- USA
 - ✓ Volume increase
 - ✓ Stable base prices
- Asia
 - X Oversupply
 - X Pressure on prices

Q1 ACERINOX HIGHLIGHTS

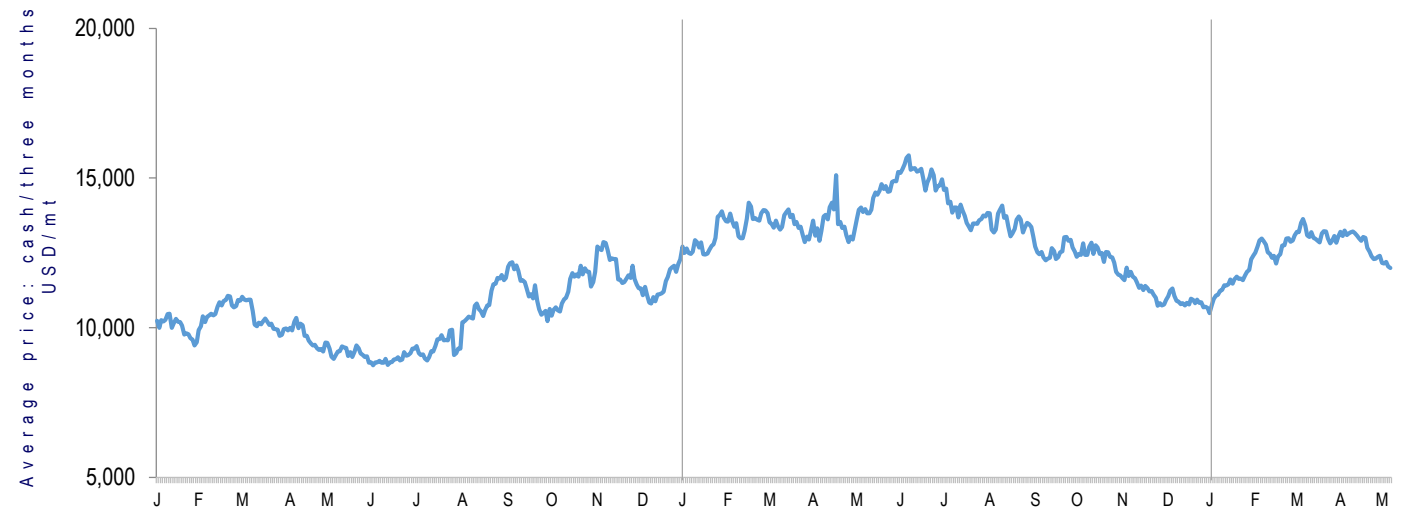
- ✓ Quick reaction in Q4 allowed us to recover margins in Q1:
 - ✓ +56% EBITDA vs Q4
 - X -24% EBITDA vs Q1
- ✓ NAS strong performance
- X Lower contribution from the other plants
- ✓ Production improvement vs Q4 2018:
 - ✓ +22% melting production vs Q4
 - X -6% melting production vs Q1
- ✓ Positive cash generation
- ✓ Debt remains controlled despite the share buyback programme



RAW MATERIAL PRICES

NICKEL

Years 2017 - 2019, up to May 9



Source: LME

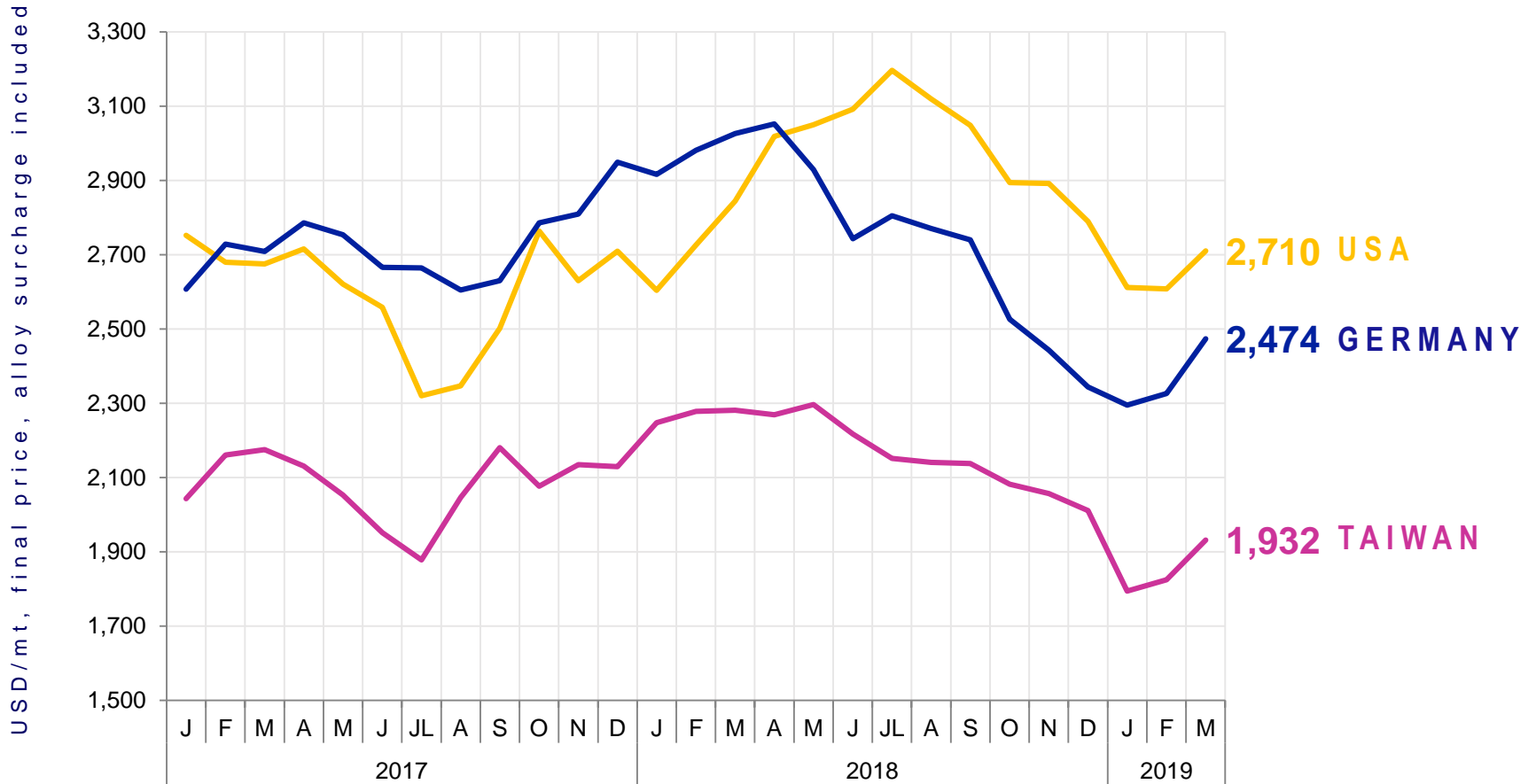
FERROCHROME



Source: Metal Bulletin



STAINLESS STEEL COLD ROLLED COIL PRICES AISI 304 2.0 MM

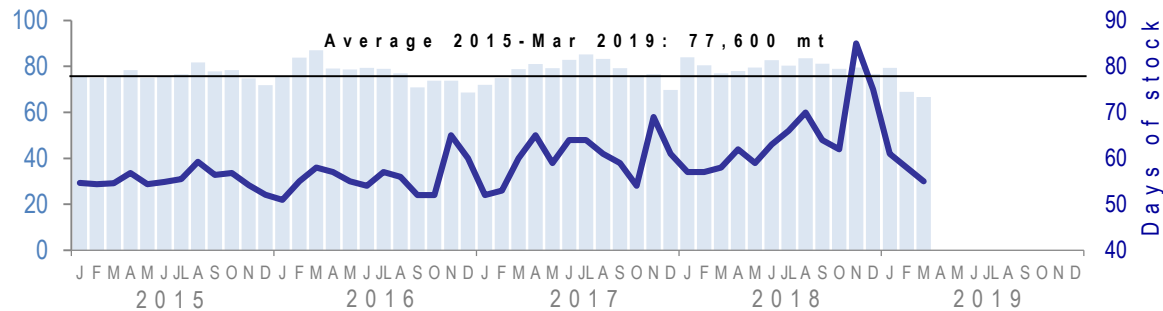




STAINLESS STEEL INVENTORIES



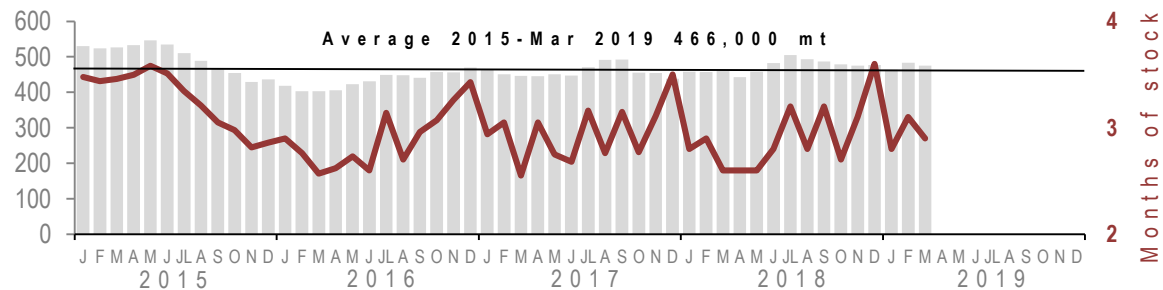
Thousand mt



Source: EHV Germany



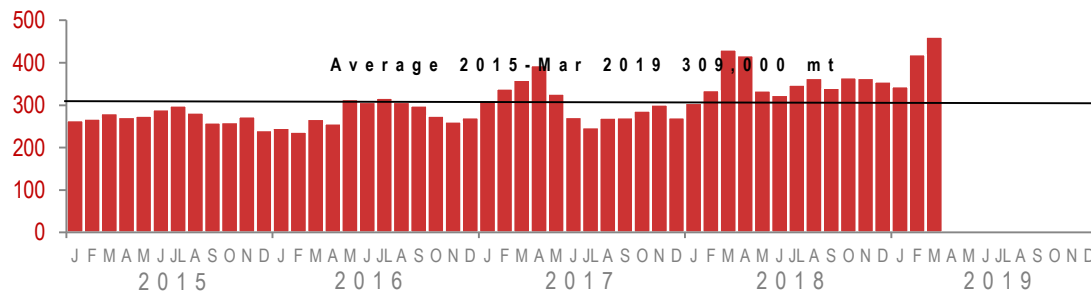
Thousand mt



Source: MSCI



Thousand mt



Source: 51 bxx

Q1 2019: MAIN FINANCIAL FIGURES

Figures in million €

	Q1 2019	Q1 2018	Variation	Q4 2018	Variation
Net Sales	1,202	1,254	-4%	1,139	6%
EBITDA	90	118	-24%	58	56%
EBIT	45	76	-40%	16	176%
Results before Taxes and Minorities	45	76	-41%	17	164%
Results after Taxes and Minorities	33	58	-44%	16	103%
Free Cash Flow (before dividends)	17	-46	---	114	-85%
Net Financial Debt	573	552	4%	667	-14%
No of employees	6,768	6,692	1%	6,709	1%

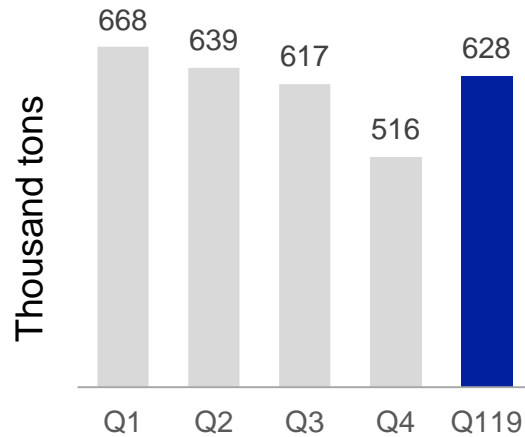
The activity has improved compare to 4Q

Good cash generation

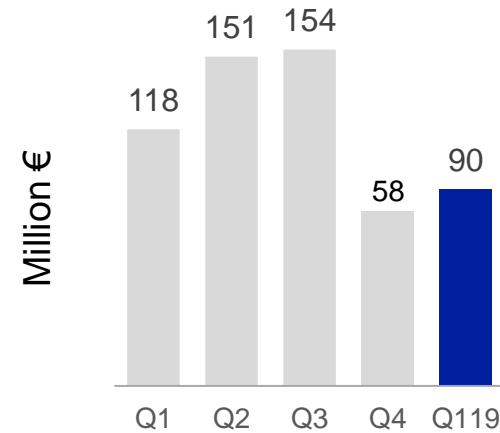
Quick reaction in Q4 allowed us to recover margins in Q1

QUARTERLY PERFORMANCE

MELTING PRODUCTION

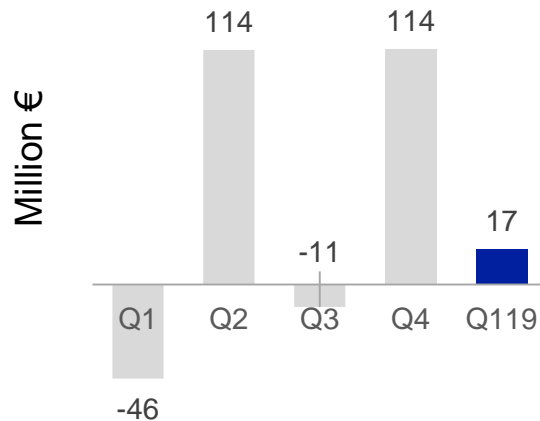


EBITDA

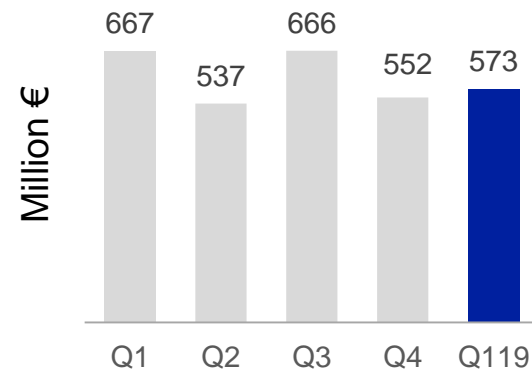


FREE CASH FLOW

(Before dividends)



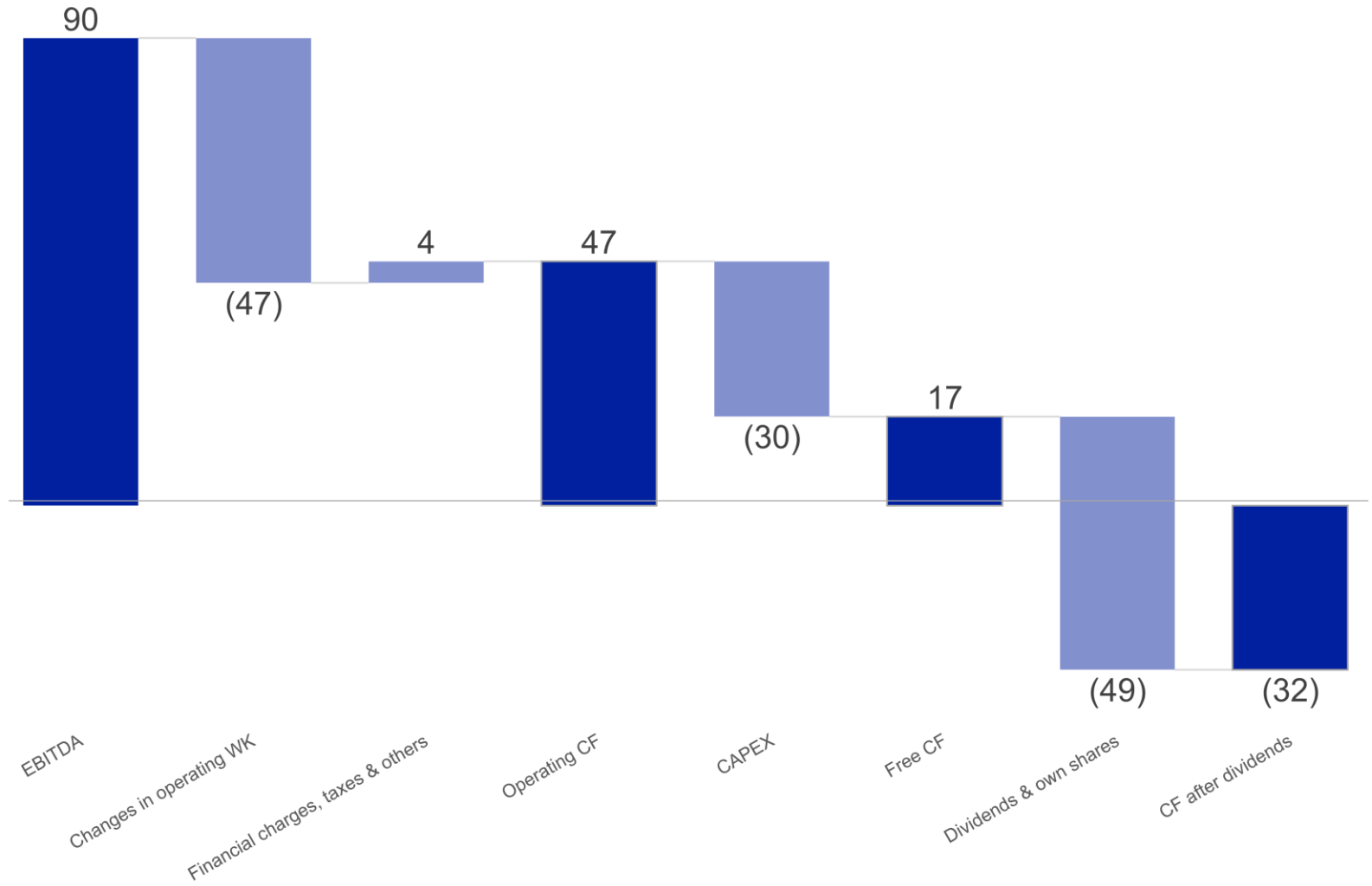
NET FINANCIAL DEBT





Q1 2019 RESULTS PRESENTATION

CASH FLOW





Q1 2019 RESULTS PRESENTATION

BALANCE SHEET

ASSETS

Million €	Mar-19	2018	Mar-18	Variation
Non-current assets	2,150.46	2,133.77	2,088.76	0.8%
Current assets	2,588.94	2,473.82	2,387.43	4.7%
- Inventories	1,051.07	1,018.74	993.68	3.2%
- Debtors	630.20	589.78	764.94	6.9%
<i>Trade debtors</i>	<i>575.88</i>	<i>524.69</i>	<i>693.19</i>	<i>9.8%</i>
<i>Other debtors</i>	<i>54.32</i>	<i>65.09</i>	<i>71.75</i>	<i>-16.5%</i>
- Cash	881.89	850.11	610.59	3.7%
- Other current assets	25.79	15.18	18.22	69.9%
TOTAL ASSETS	4,739.40	4,607.59	4,476.19	2.9%

LIABILITIES

Million €	Mar-19	2018	Mar-18	Variation
Equity	2,150.39	2,119.30	1,966.63	1.5%
Non-current liabilities	1,205.27	1,226.22	1,206.44	-1.7%
- Interest-bearing loans and borrowings	992.78	1,026.29	998.44	-3.3%
- Other non-current liabilities	212.50	199.93	208.00	6.3%
Current liabilities	1,383.74	1,262.07	1,303.12	9.6%
- Interest-bearing loans and borrowings	461.74	375.89	278.85	22.8%
- Trade creditors	820.28	783.86	895.09	4.6%
- Other current liabilities	101.71	102.32	129.18	-0.6%
TOTAL EQUITY AND LIABILITIES	4,739.40	4,607.59	4,476.19	2.9%

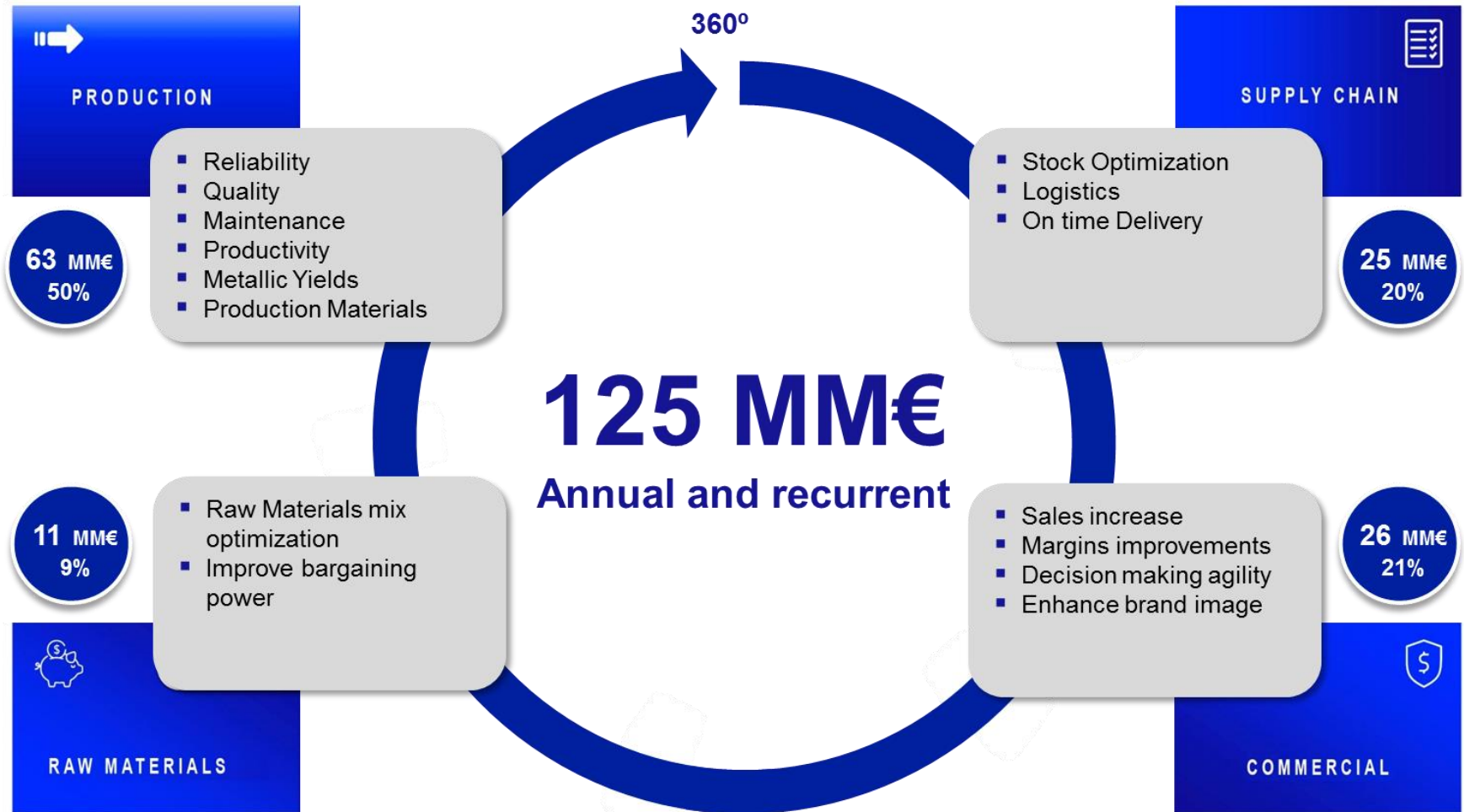
Net Financial Debt	572.63	552.07	666.70
Operating Working Capital	806.67	759.57	791.78

THE NEXT STEP: EXCELLENCE 360°

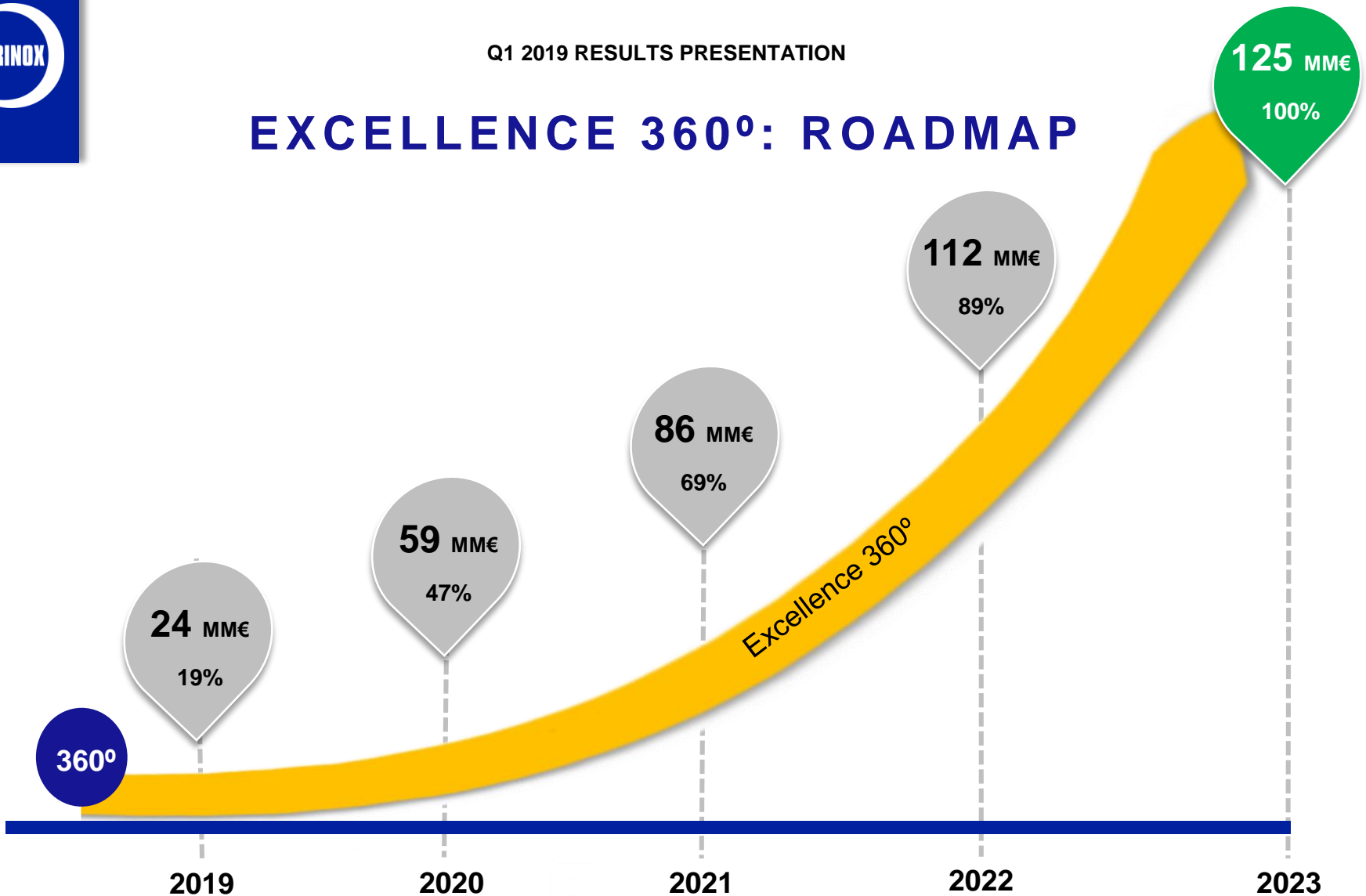




EXCELLENCE 360°



EXCELLENCE 360°: ROADMAP



EXCELLENCE 360° TARGET = EUR125 MILLION IN 2023 (RECURRENT)

OUTLOOK

▪ Inventories in Europe and the United States are at reasonable levels

▪ Imports are expected to remain controlled in Europe and the United States

▪ Market conditions remain very competitive

**Q2 EBITDA IS
EXPECTED TO
BE HIGHER
THAN IN Q1 19**

The competitiveness of Acerinox will allow to maintain the positive trend of results in Q2

A world map is centered in the background, rendered in shades of blue and grey. Numerous location pins, each featuring the ACERINOX logo, are scattered across the map to indicate global presence. A dark grey horizontal band is overlaid across the middle of the map, serving as a background for the main text.

THANK YOU

Q&A



Q1 2019 RESULTS PRESENTATION

APPENDIX



Acerinox Europa AP Line



NAS BA Line



ACERINOX: GLOBAL PLAYER

- **Spanish multinational company**
- **Fully dedicated to stainless steel**
- **Net sales: EUR 5,011 million (2018)**
- **Among largest producers in the world with 3.5 million tons of melting capacity**
- **6 factories in 4 continents**
- **6,709 professionals in 5 continents**
- **Presence in 40 countries worldwide with sales in 80 countries**



HISTORY

1970, incorporation of ACERINOX, S.A. (Spain)

1990, incorporation of NORTH AMERICAN STAINLESS (USA)

100% Acerinox S.A.

2002, incorporation of COLUMBUS STAINLESS (South Africa)

Acerinox, S.A.	76%
I.D.C.	24%

2009, incorporation of BAHRU STAINLESS (Malaysia)

Acerinox, S.A.	97%
Hanwa (Metal One Corp)	3%

MAIN ACERINOX SHAREHOLDERS

Since:

Current position:

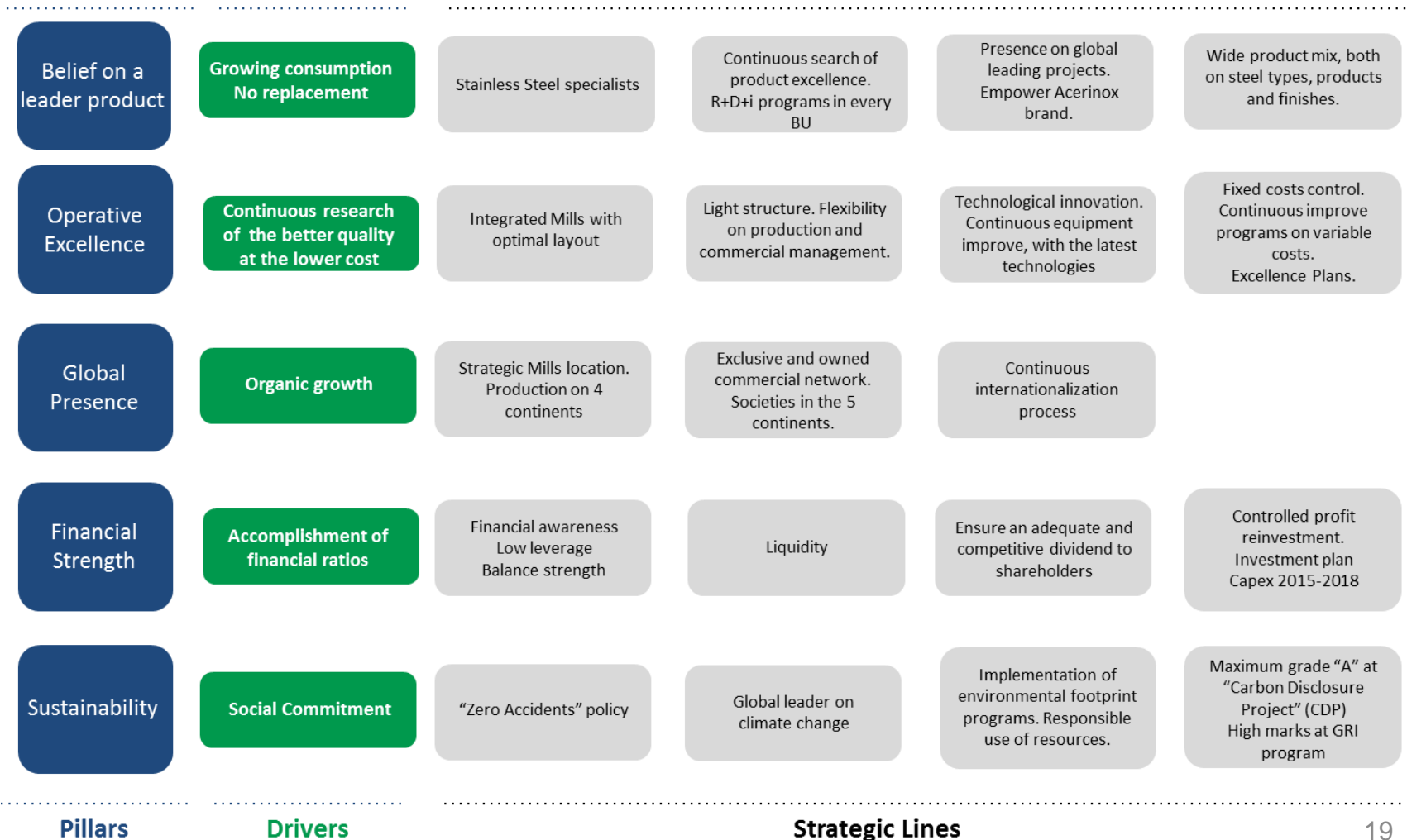
2001	Corporación Financiera Alba, S.A.	18.96%
1970	Nisshin Steel Holdings Corp. Ltd.	15.49%
1998	Feynman Capital S.L. (OMEGA)	9.88%
2002	Industrial Development Corp. (I.D.C.)	3.04%

Source: CNMV



ACERINOX PRINCIPLES AND VALUES

VISION



ACERINOX PRODUCTION CAPACITY

Million mt

(*) Once it's completed

ACERINOX EUROPA FULLY INTEGRATED PLANT

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

NORTH AMERICAN STAINLESS FULLY INTEGRATED PLANT

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



BAHRU STAINLESS

Melting (*)	1.0
Hot Rolling (*)	1.0
Cold Rolling (*)	0.6



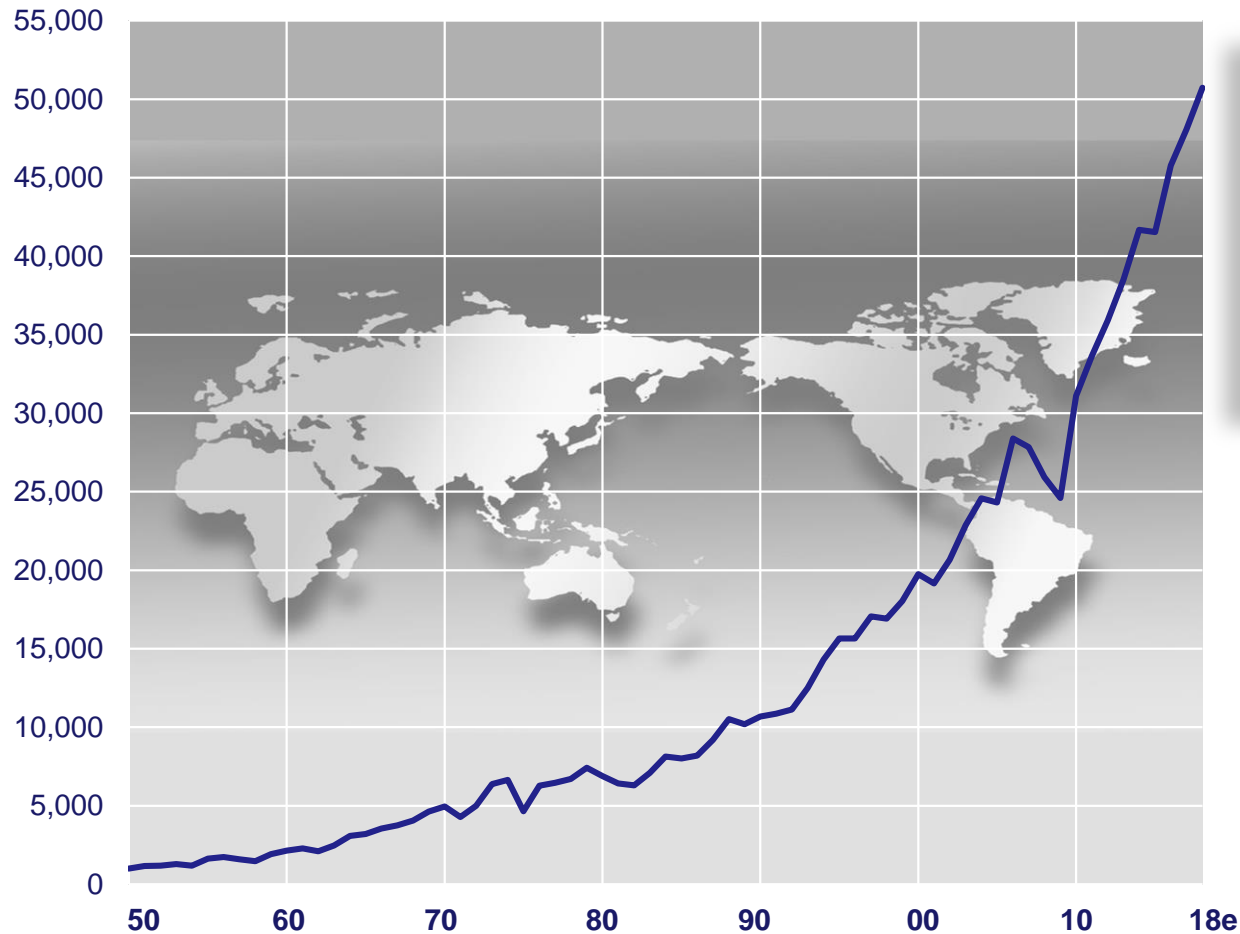
COLUMBUS STAINLESS FULLY INTEGRATED PLANT

Melting	1.0
Hot Rolling	1.0
Cold Rolling	0.5



COLUMBUS STAINLESS
[Pty] Ltd

STAINLESS STEEL WORLD PRODUCTION



World production of
Stainless Steel in
2018e:

50.7 million mt
(+5.5% over 2017)

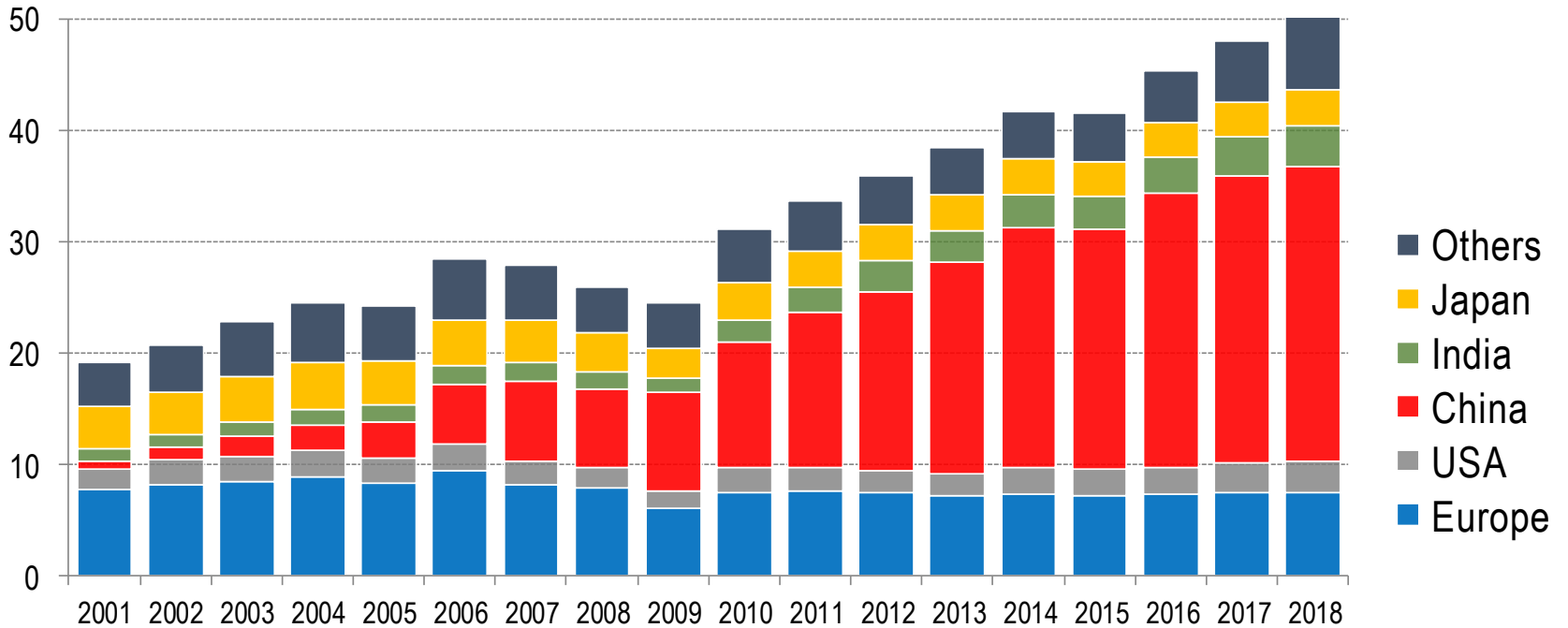
Compound annual growth
rate 1950 – 2018e:

+ 5.9%

Source: ISSF and Acerinox

STAINLESS STEEL WORLD PRODUCTION

China accounts for 52% of world production in 2018





Q1 2019 RESULTS PRESENTATION

PRODUCTION

Thousand mt

MELTING SHOP

+22% over Q4 2018
-6% over Q1 2018



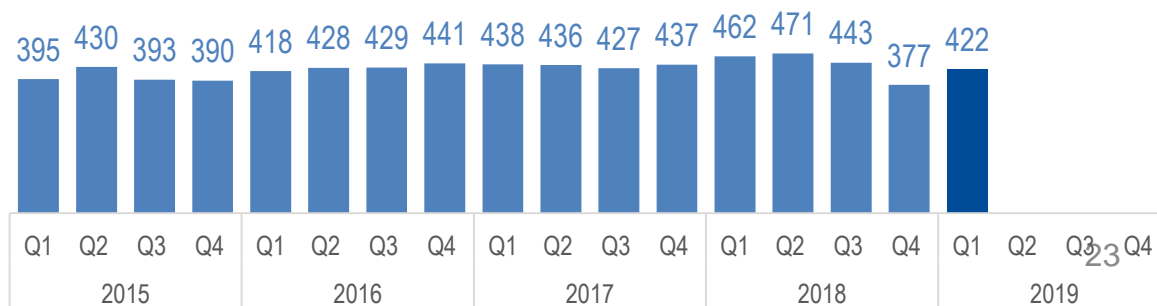
HOT ROLLING

+16% over Q4 2018
-8% over Q1 2018

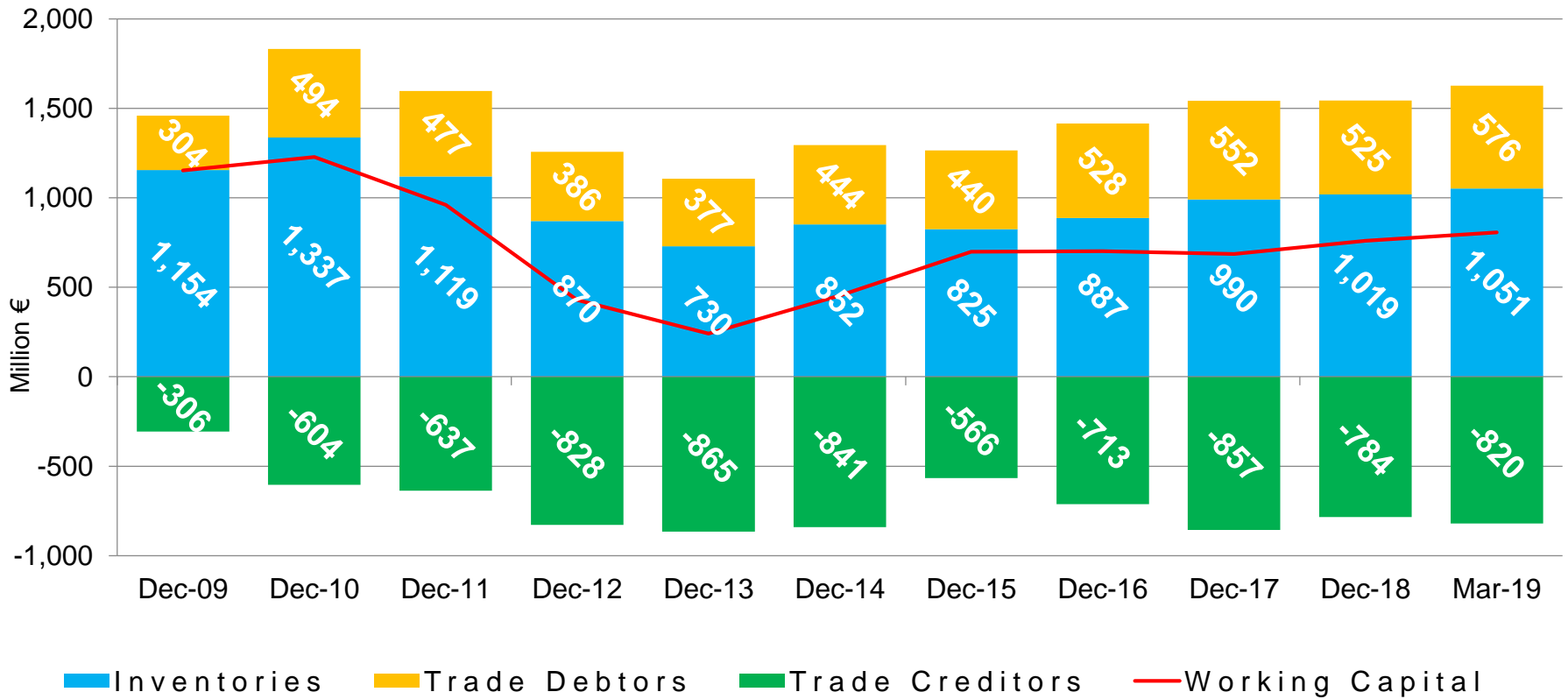


COLD ROLLING

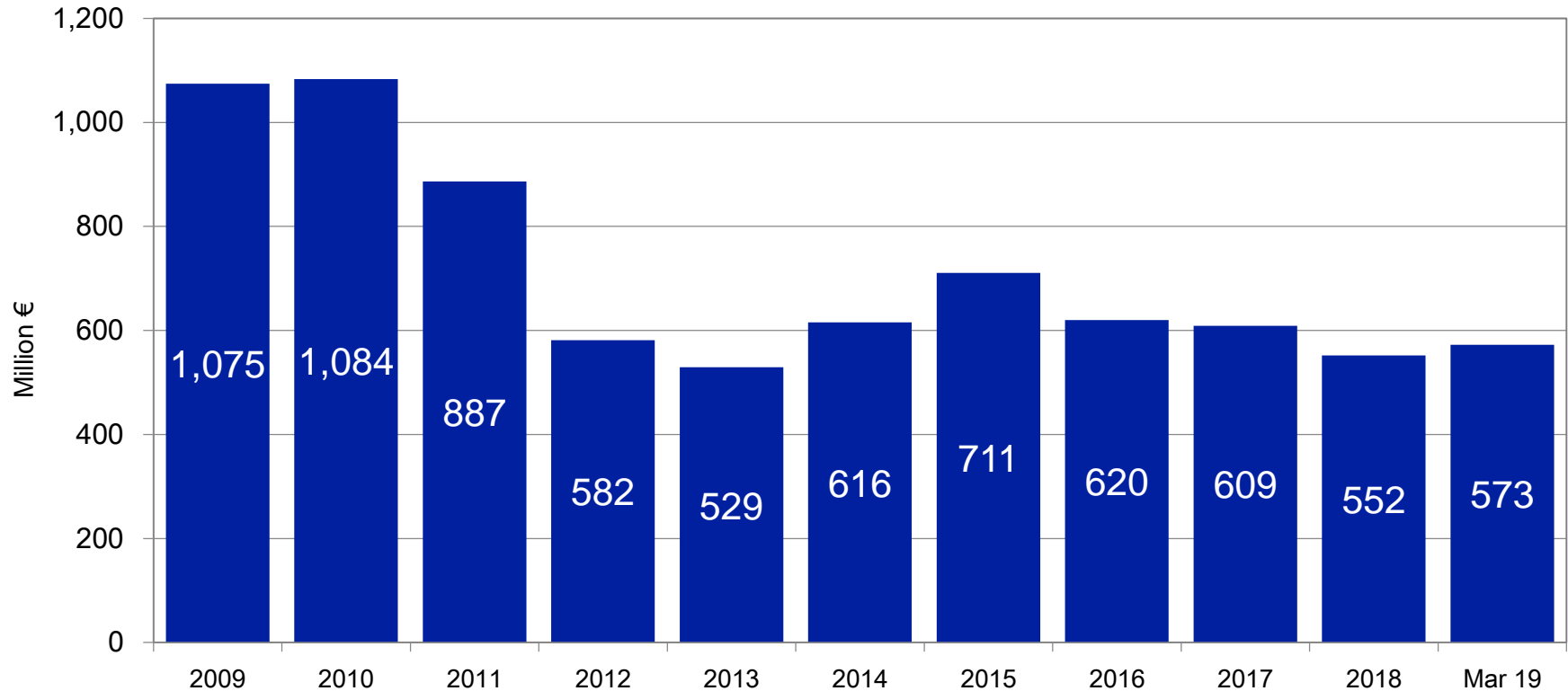
+12% over Q4 2018
-8% over Q1 2018



WORKING CAPITAL



NET FINANCIAL DEBT



Gearing	61.3%	56.3%	47.1%	33.9%	34.1%	33.2%	35.1%	28.6%	30.9%	26.0%	26.6%
NFD / LTM EBITDA	-5.63	2.84	2.60	2.94	2.32	1.36	2.48	1.88	1.25	1.15	1.27



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CASH FLOW

Millones EUR	Jan - Mar 2018	Apr - Jun 2018	Jul - Sep 2018	Oct-Dec 2018	Jan - Dec 2018	Jan - Mar 2019
EBITDA	118	151	154	58	480	90
Changes in working capital	-103	17	-102	101	-87	4
Changes in operating working capital	-106	9	-95	118	-74	-47
- Inventories	-3	-56	-73	104	-28	-32
- Trade debtors	-141	25	10	133	27	-51
- Trade creditors	38	40	-33	-119	-73	36
Others	3	8	-7	-17	-14	51
Income tax	-22	-27	-27	-5	-81	-26
Financial expenses	-4	-3	-8	-1	-15	0
Others	0	5	9	16	30	-21
OPERATING CASH FLOW	-12	143	26	169	326	47
Payments for investments on fixed assets	-34	-29	-37	-55	-155	-30
FREE CASH FLOW	-46	114	-11	114	171	17
Dividends and treasury shares	-1	0	-124	-2	-128	-49
CASH FLOW AFTER DIVIDENDS	-47	114	-135	112	43	-32
Conversion differences	-11	16	6	2	14	11
Variation in net financial debt	-57 ↑	130 ↓	-129 ↑	114 ↓	57 ↓	-21 ↑

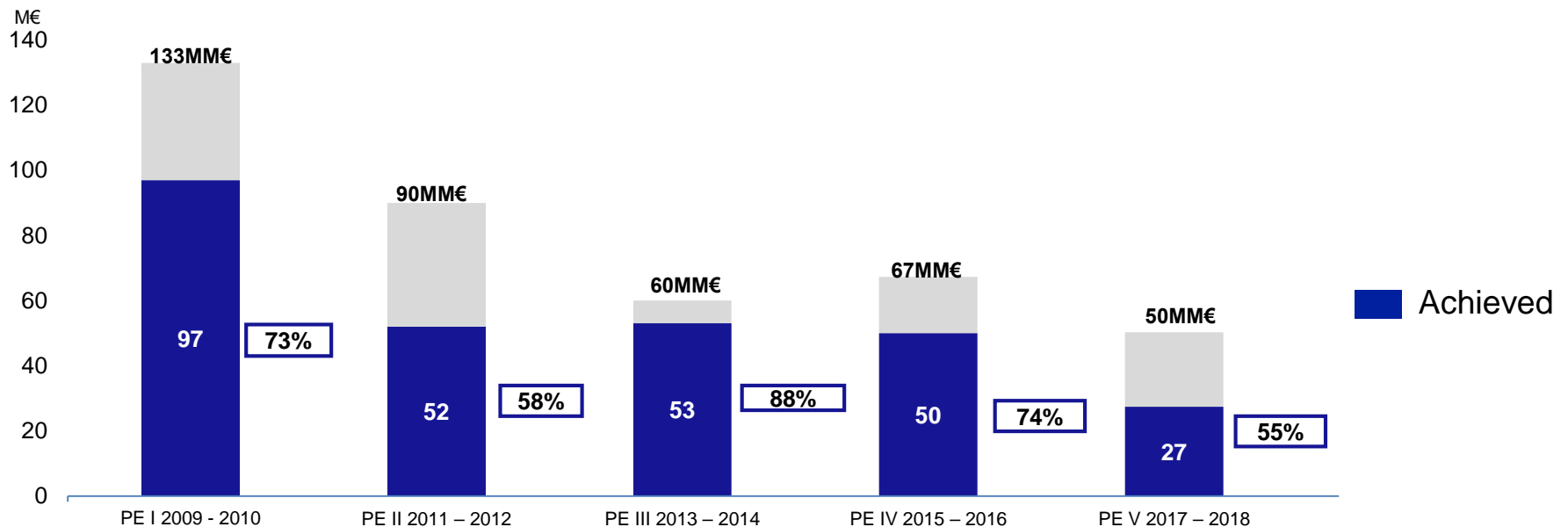
EXCELLENCE PLAN V

2017-2018 EXCELLENCE PLAN V

Target : 50 million EUR
Achieved: 55%, 27 million EUR

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

- Focused on operational excellence
- Best practices in each business unit
- Management and control tool





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THANK YOU