



Q2 2019 RESULTS PRESENTATION

26 JULY 2019



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SECOND QUARTER PERFORMANCE

Q2 MARKET HIGHLIGHTS

- ✓ Stabilization of market activity
- X Raw material prices remain volatile
- X Macro uncertainties prevail
- Europe
- ✓ Imports remain low YoY
- Inventories mixed
- X Base prices remain low
- USA
- ✓ Volume and prices stable
- ✓ Imports remain at low levels
- ✓ Inventories low
- Asia
- X Ongoing oversupply
- X Prices remain weak

Q2 ACERINOX HIGHLIGHTS

- ✓ Slight improvement vs Q1:
+7% EBITDA QoQ
- X -36% EBITDA YoY
- X Downward inventory adjustment of 13 million
- ✓ NAS strong performance continues
- X Other plants facing a challenging environment
- Q2 Production:
- X -9% melting production QoQ
- X -11% melting production YoY
- ✓ Working Capital lower in Q2 vs Q1
- ✓ Positive free cash flow pre dividends
- ✓ Debt remains controlled despite returns to shareholders



MARKET PERFORMANCE

NICKEL

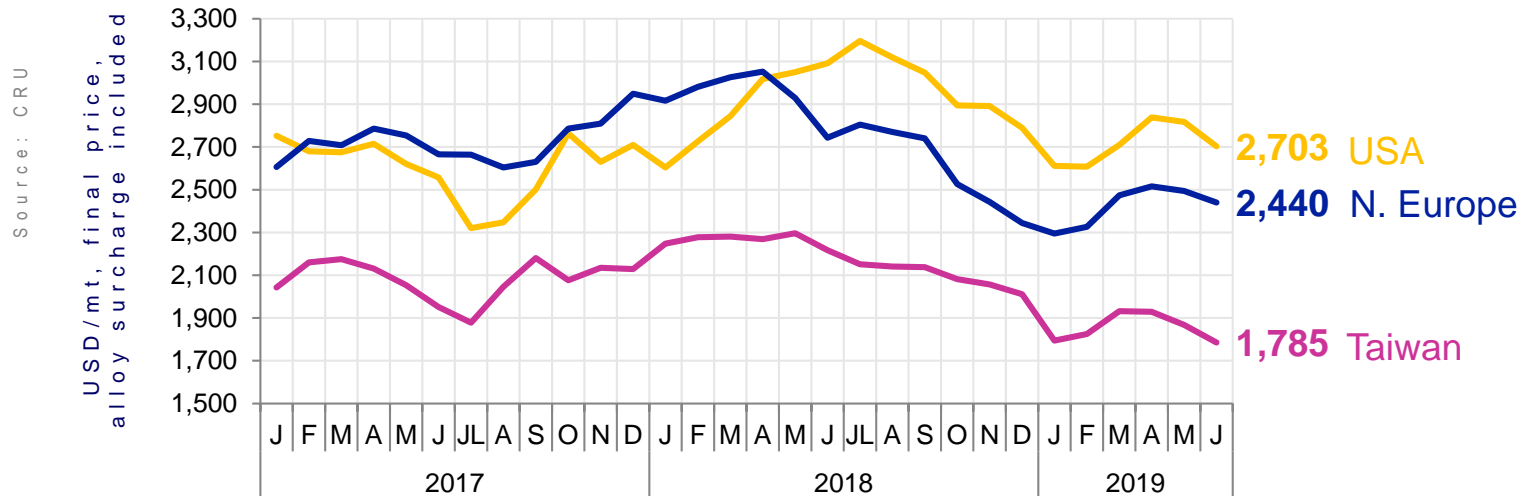


FERROCHROME

Source: Metal Bulletin



STAINLESS STEEL COLD ROLLED SHEET PRICES AISI 304 2.0 mm

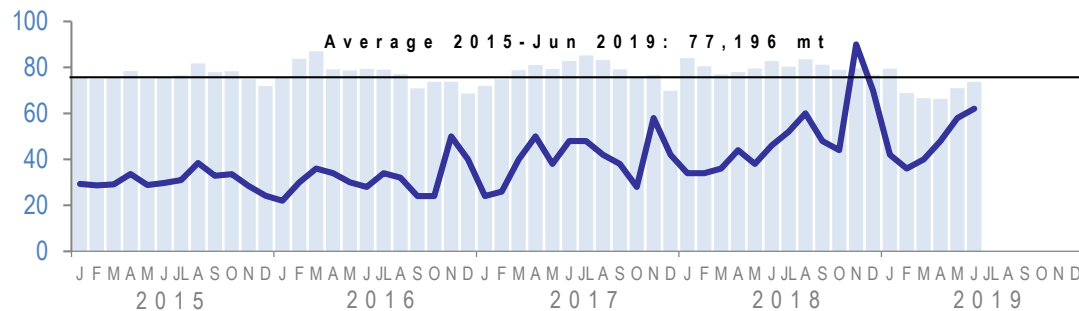




STAINLESS STEEL INVENTORIES



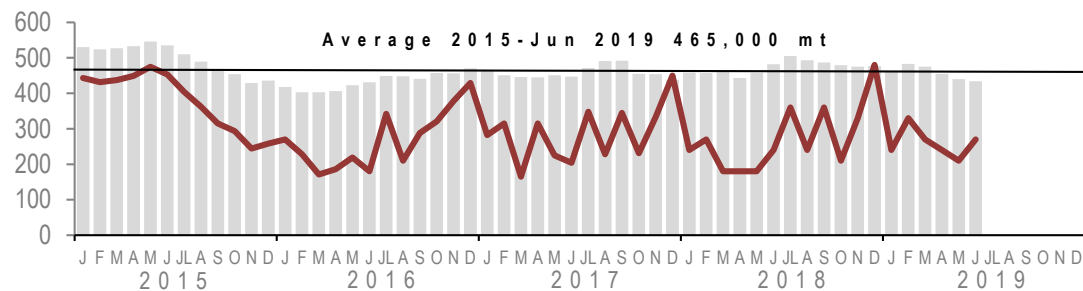
Thousand mt



Source: EHV Germany



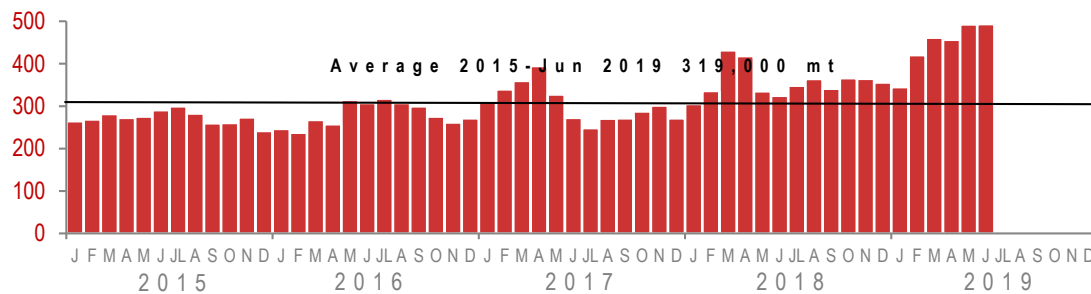
Thousand mt



Source: MSCI



Thousand mt



Source: 51 bxx

Q2 2019: MAIN FINANCIAL FIGURES

Figures in million €

	Q1 2019	Q2 2019	Variation	H1 2018	H1 2019	Variation
Net Sales	1,202	1,240	3%	2,588	2,442	-6%
EBITDA	90	97	7%	268	186	-30%
EBIT	45	54	19%	184	100	-46%
Results before Taxes and Minorities	45	53	17%	182	98	-46%
Results after Taxes and Minorities	33	37	13%	138	69	-50%
Free Cash Flow (before dividends)	17	22	29%	68	39	-43%
Net Financial Debt	573	642	12%	537	642	20%
No of employees	6,768	6,836	1%	6,818	6,836	0%

Q2 EBITDA impacted by
€-13 million inventory
adjustment

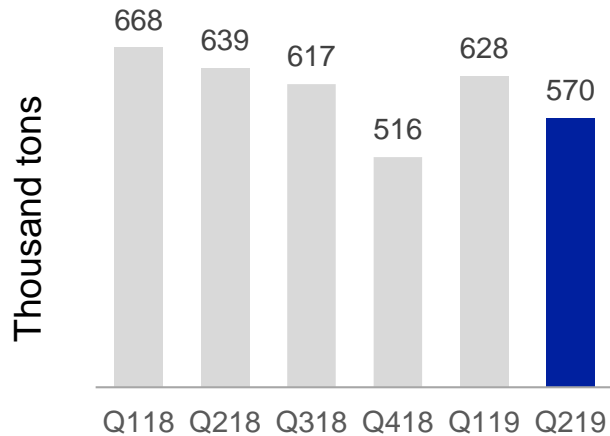
Deliveries stable
vs Q1

FCF remains
positive

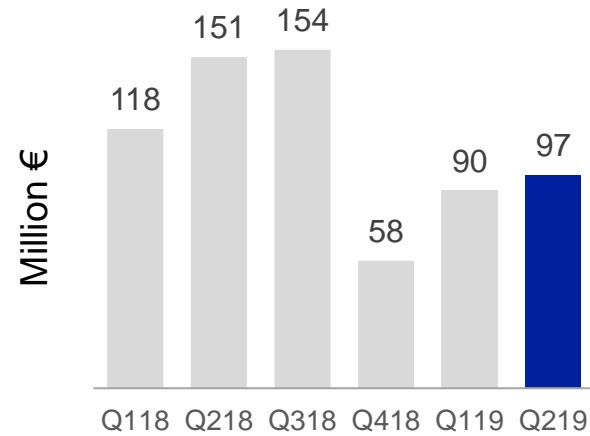
Robust performance in a challenging environment

QUARTERLY PERFORMANCE

MELTING PRODUCTION

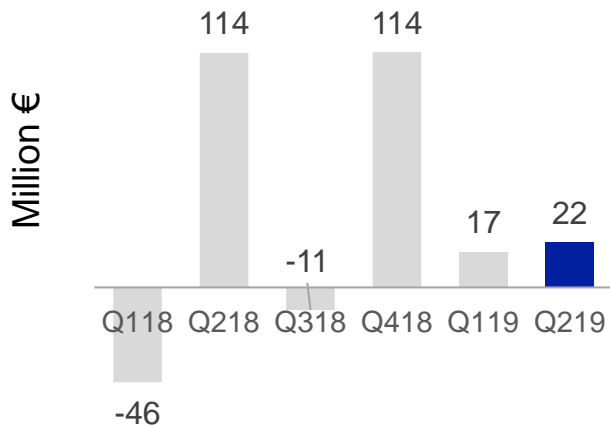


EBITDA

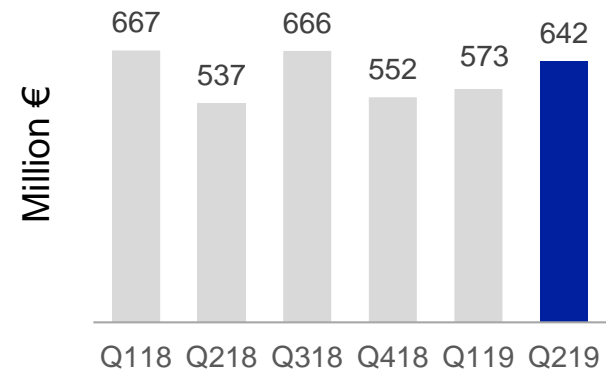


FREE CASH FLOW

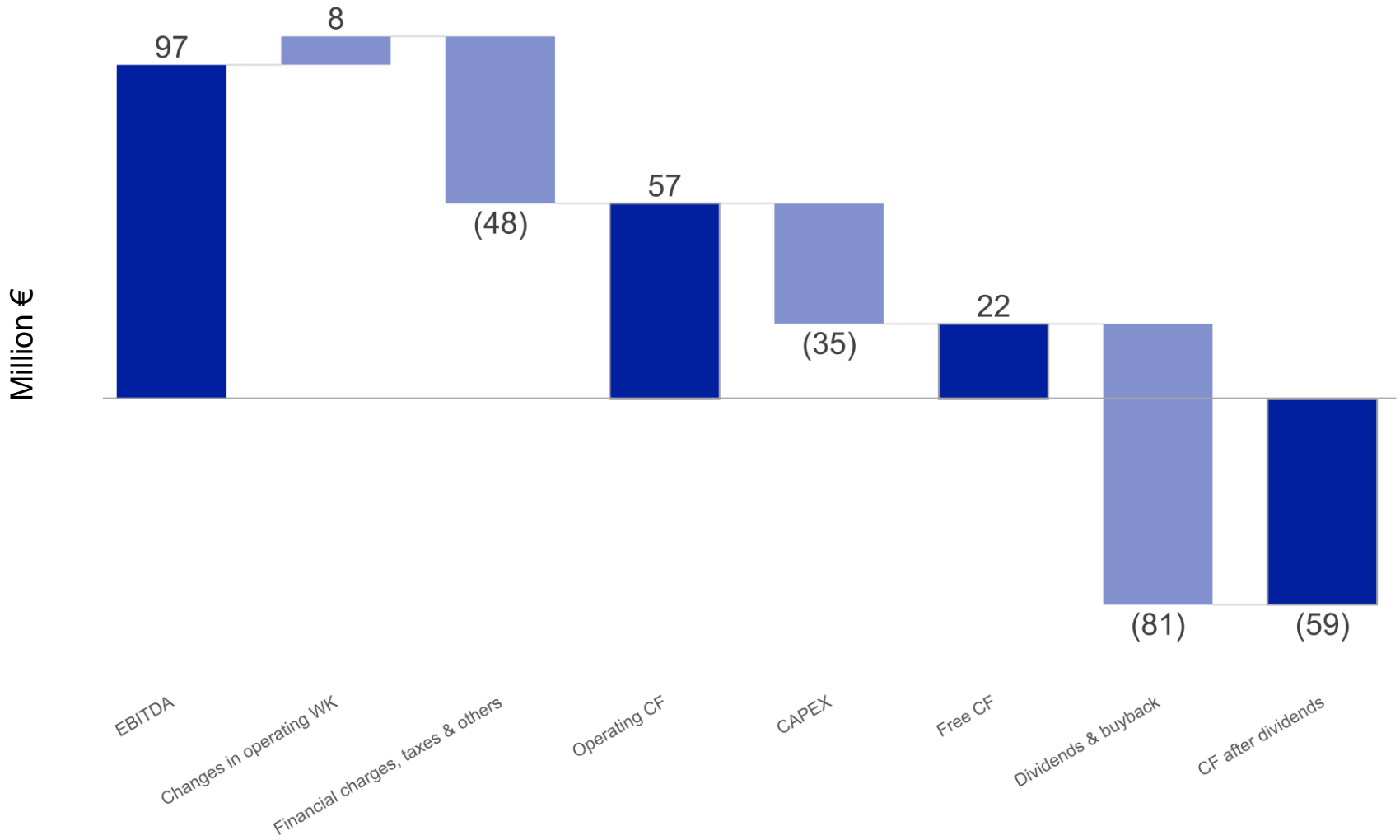
(Before dividends)



NET FINANCIAL DEBT



Q2 CASH FLOW

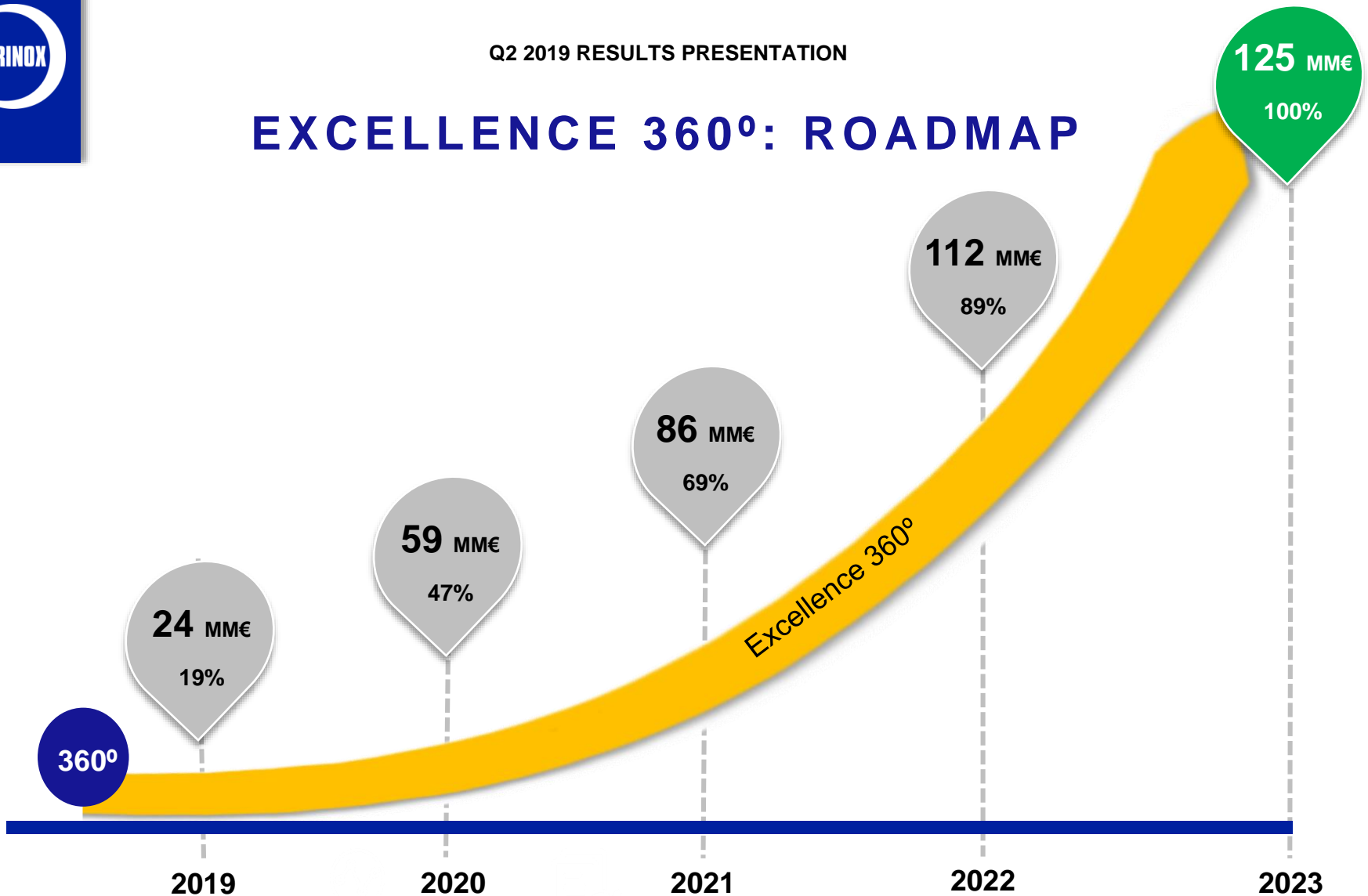


CASH FLOW

	Jan - Mar 2019	Apr - Jun 2019	Jan - Jun 2019	Jan - Dec 2018	Jan - Jun 2018
EBITDA	90	97	186	480	268
Changes in working capital	4	8	11	-87	-86
Changes in operating working capital	-47	8	-39	-74	-97
- Inventories	-32	8	-24	-28	-59
- Trade debtors	-51	-42	-93	27	-116
- Trade creditors	36	42	78	-73	79
Others	51	-1	50	-14	11
Income tax	-26	-50	-76	-81	-49
Financial expenses	0	-5	-5	-15	-7
Others	-21	8	-13	30	5
OPERATING CASH FLOW	47	57	104	326	131
Payments for investments on fixed assets	-30	-35	-65	-155	-63
FREE CASH FLOW	17	22	39	171	68
Dividends and treasury shares	-49	-81	-130	-128	-1
CASH FLOW AFTER DIVIDENDS	-32	-59	-91	43	67
Conversion differences	11	-10	1	14	6
Variation in net financial debt	-21 ↑	-69 ↑	-90 ↑	57 ↓	72 ↓

Million €

EXCELLENCE 360°: ROADMAP



Excellence 360° target = EUR125 million in 2023 (recurrent)

Target achieved until June: EUR24 million

OUTLOOK

▪ Prices remain low in Europe and Asia

▪ Macro uncertainties and weak visibility

▪ Seasonal slowdown in Europe

▪ US market conditions remain robust



Q3 EBITDA IS EXPECTED TO BE SIMILAR TO Q2 19

Despite a challenging global market and the weaker summer period Q3 EBITDA should be similar to Q2

A stylized world map in shades of blue and grey. Numerous location pins are scattered across the map, each containing the ACERINOX logo. A dark grey horizontal band is overlaid across the center of the map, serving as a background for the text.

THANK YOU

Q&A



Q2 2019 RESULTS PRESENTATION

APPENDIX





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.	98%
Hanwa (Metal One Corp)	2%

MAIN ACERINOX SHAREHOLDERS

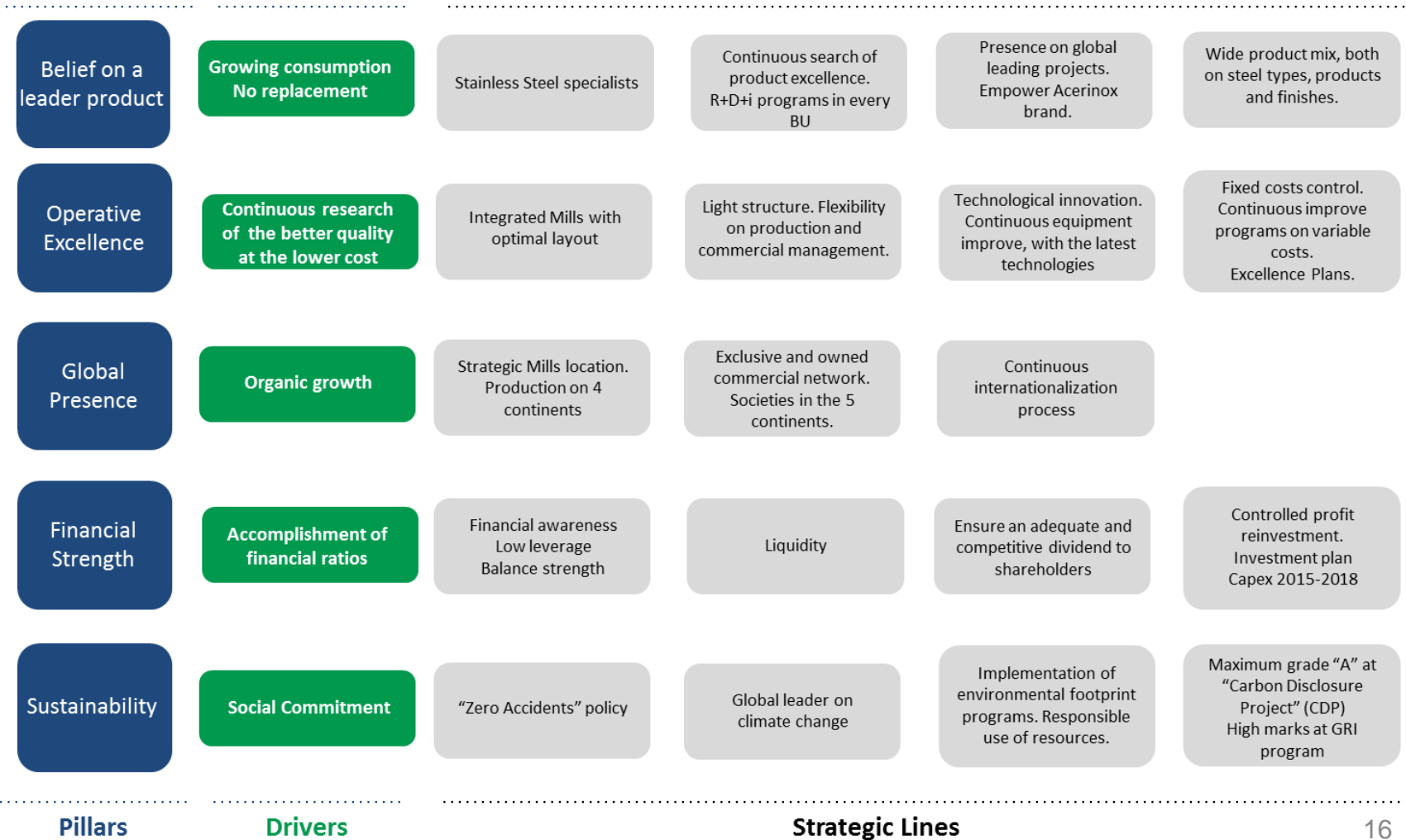
Corporación Financiera Alba, S.A.	18.96%
Nippon Steel Stainless Steel Corp.	15.49%
Feynman Capital S.L. (OMEGA)	9.88%
Dimensional Fund Advisors	3.05%
Industrial Development Corp. (I.D.C.)	3.04%

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

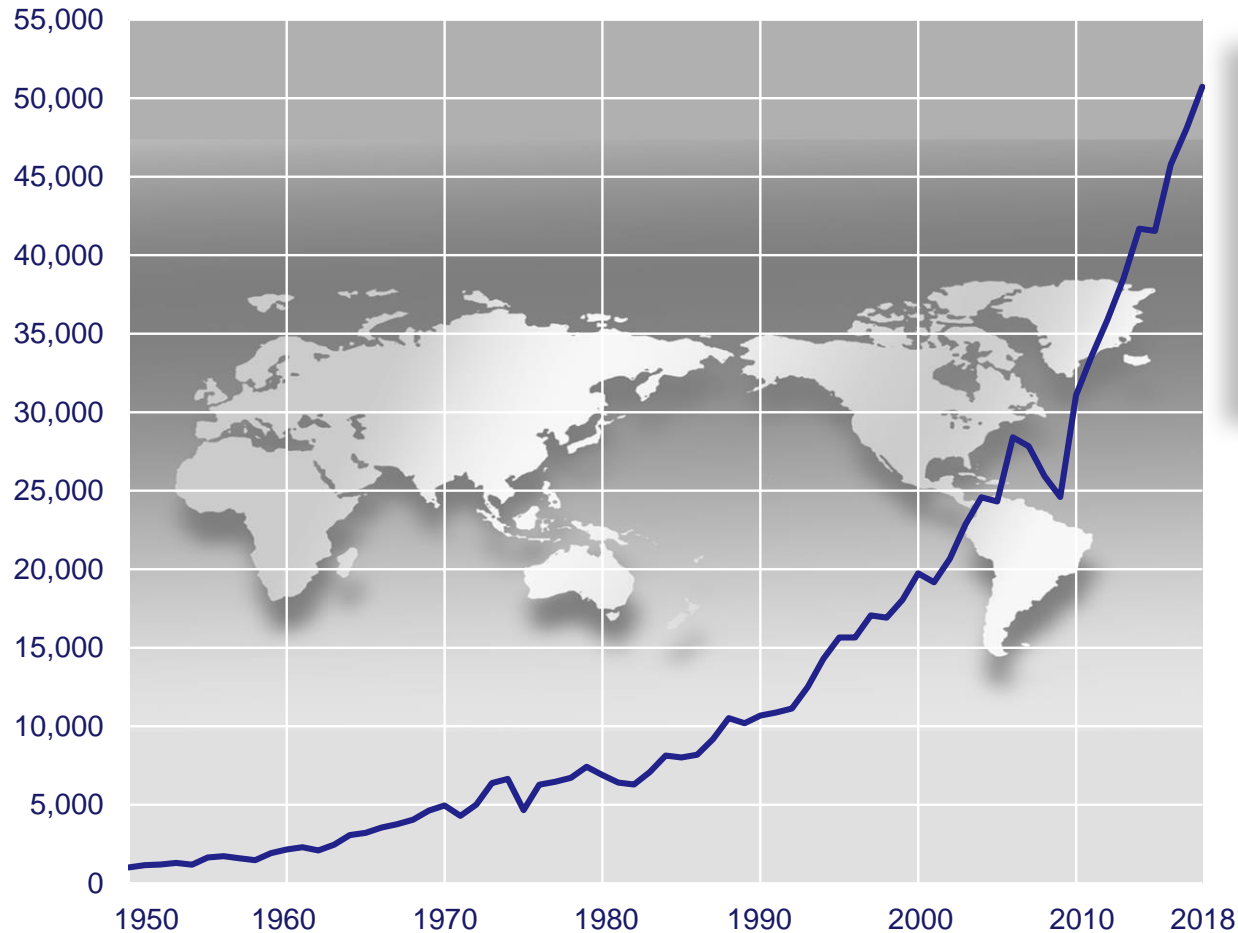


COLUMBUS STAINLESS
[Pty] Ltd



STAINLESS STEEL WORLD PRODUCTION

Thousand mt



World production of
Stainless Steel in
2018:

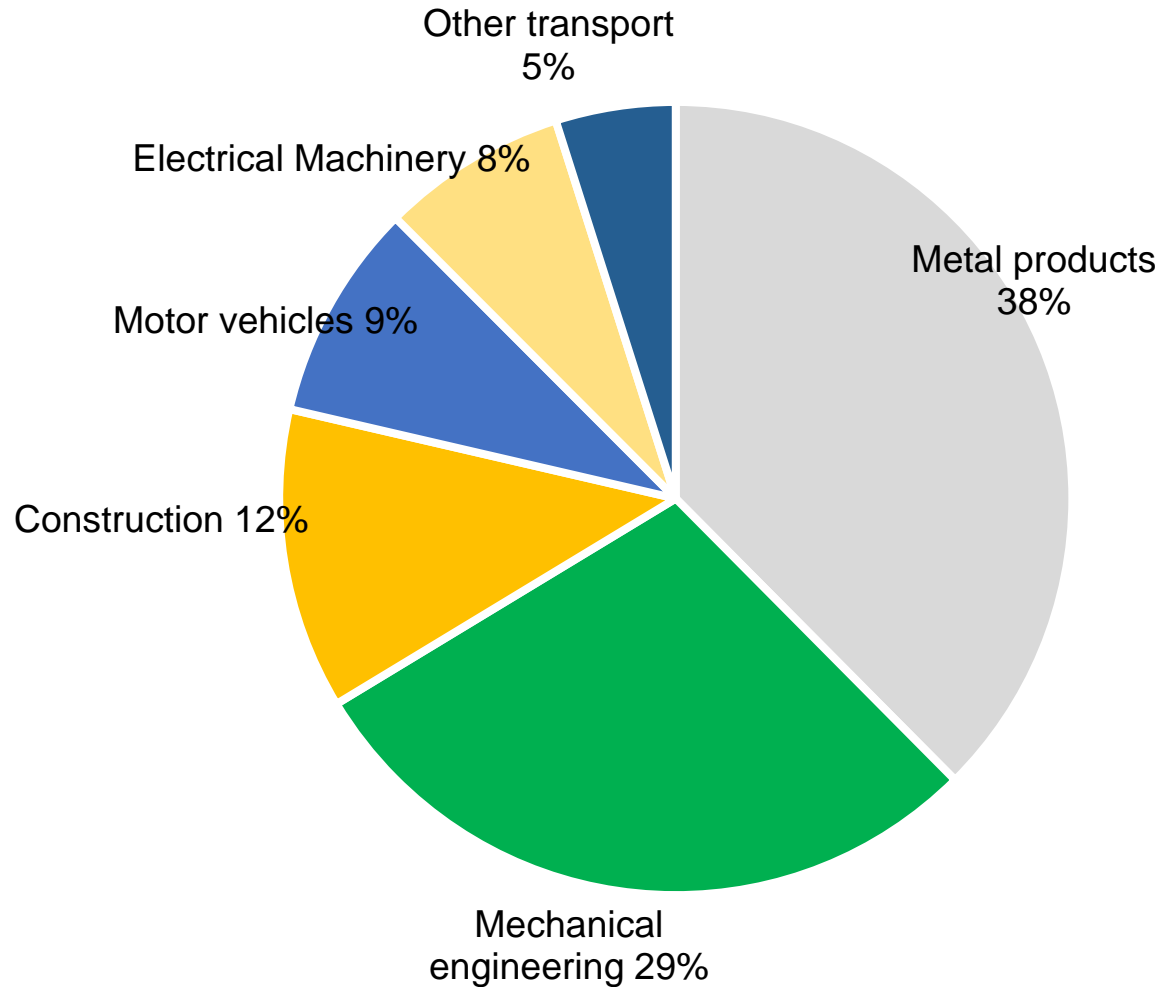
50.7 million mt
(+5.5% over 2017)

Compound annual growth
rate 1950 – 2018:

+ 5.9%



STAINLESS STEEL USE PER SECTOR, 2018



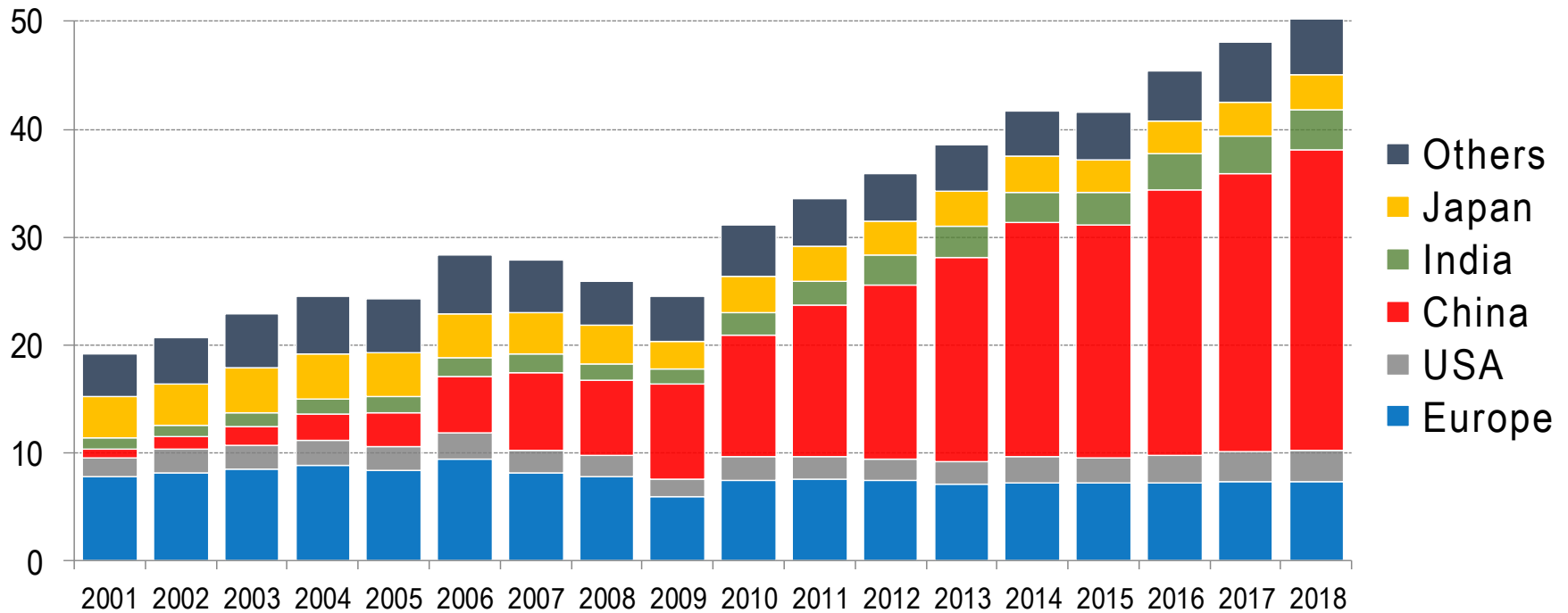
Source: ISSF



STAINLESS STEEL WORLD PRODUCTION

Thousand mt

China accounts for 55% of world production in 2018



Others: Brazil, Russia, S. Africa, S. Korea, Indonesia

Source: ISSF



ACERINOX PRODUCTION

Thousand mt

MELTING SHOP

-9% over Q1 2019
-11% over Q2 2018



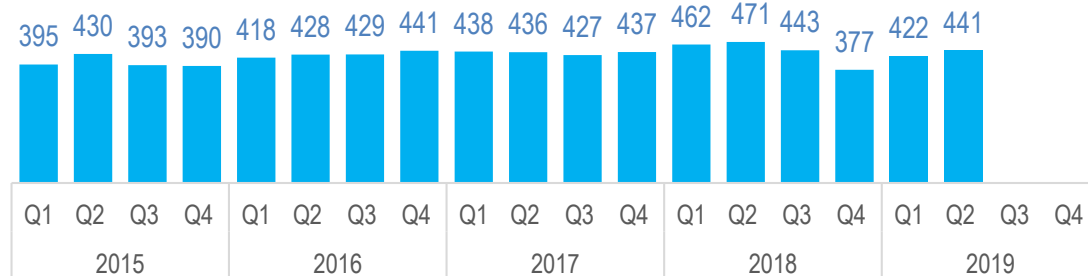
HOT ROLLING

-3% over Q1 2019
-8% over Q2 2018



COLD ROLLING

+4% over Q1 2019
-6% over Q2 2018





Q2 2019 RESULTS PRESENTATION

BALANCE SHEET

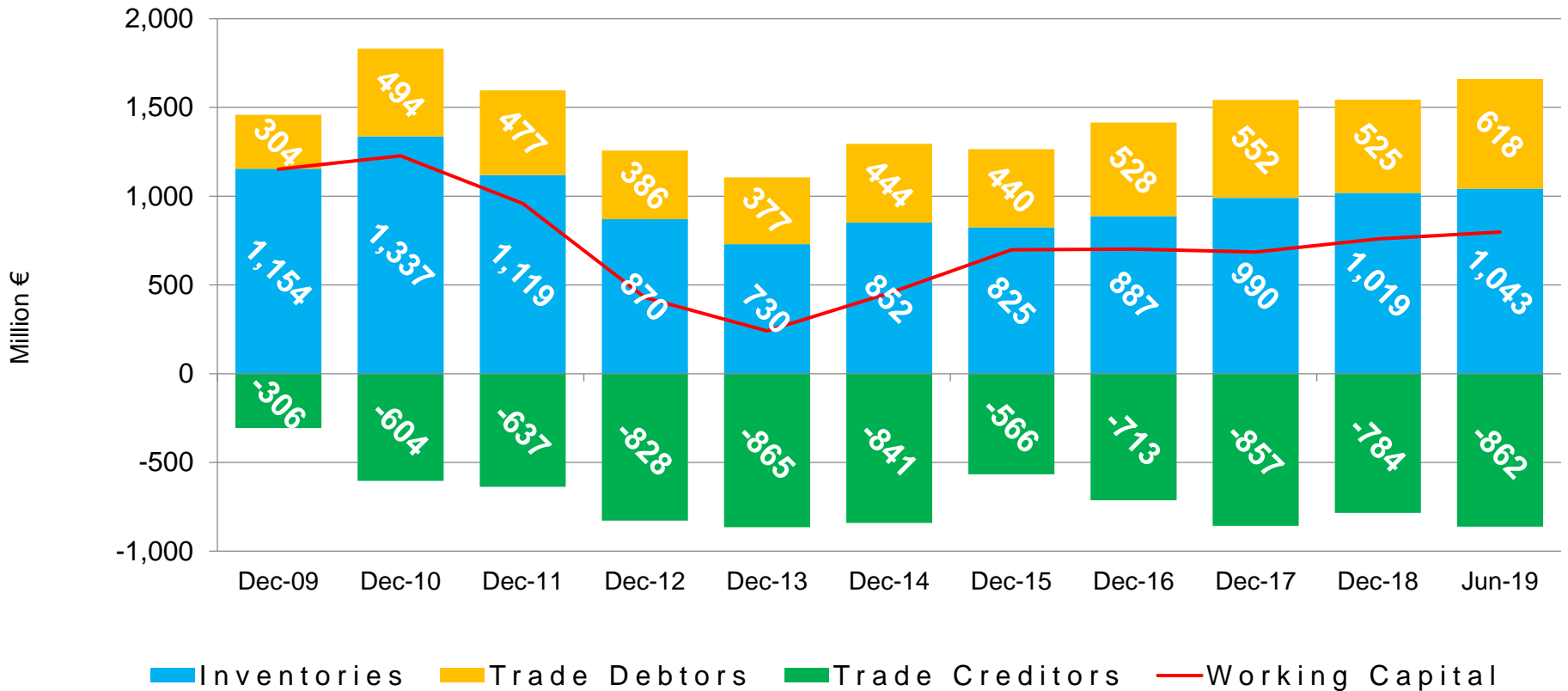
ASSETS

Million €	Jun-19	2018	Jun 18	Variation
Non-current assets	2,144.25	2,133.77	2,131.28	0.5%
Current assets	2,572.42	2,473.82	2,603.53	4.0%
- Inventories	1,042.64	1,018.74	1,049.70	2.3%
- Debtors	678.27	589.78	742.06	15.0%
<i>Trade debtors</i>	<i>617.68</i>	<i>524.69</i>	<i>668.44</i>	<i>17.7%</i>
<i>Other debtors</i>	<i>60.59</i>	<i>65.09</i>	<i>73.62</i>	<i>-6.9%</i>
- Cash	826.56	850.11	788.62	-2.8%
- Other current assets	24.96	15.18	23.15	64.4%
TOTAL ASSETS	4,716.68	4,607.59	4,734.81	2.4%

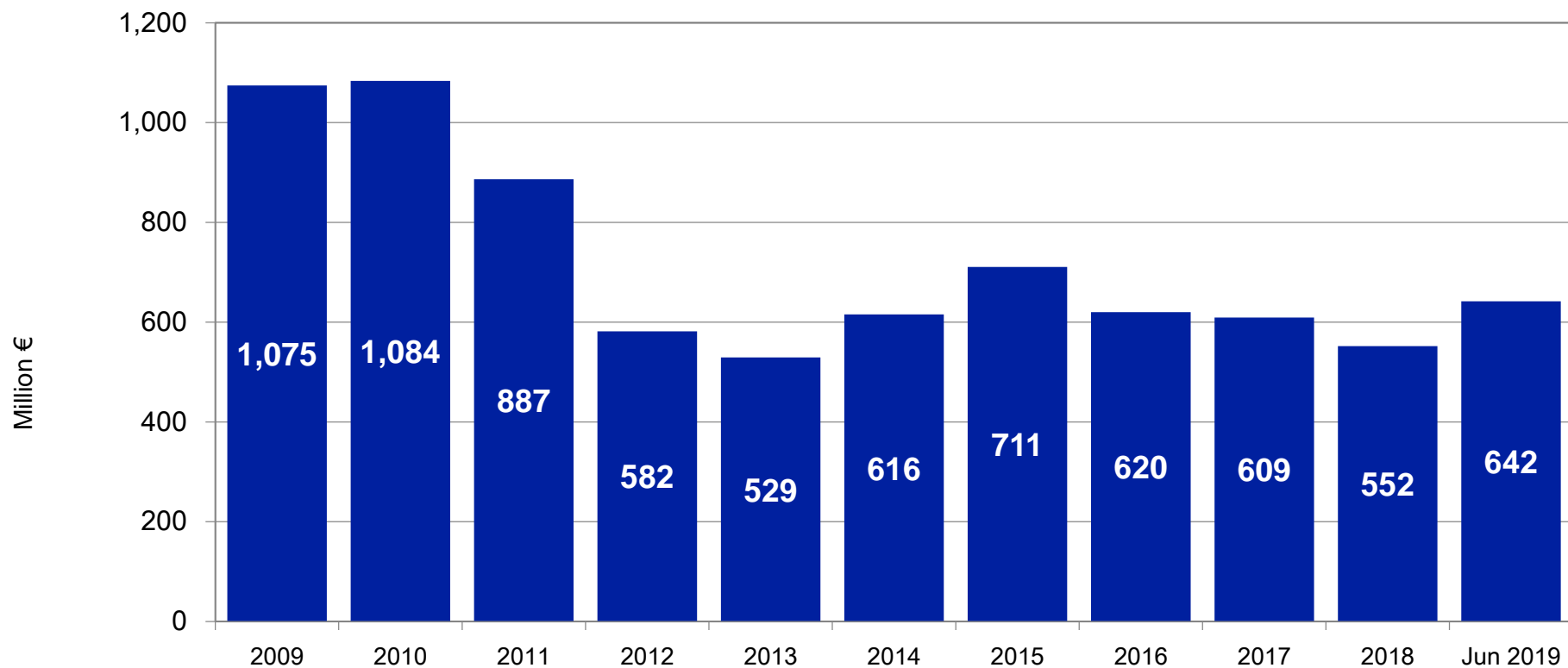
LIABILITIES

Million €	Jun-19	2018	Jun 18	Variation
Equity	2,019.70	2,119.30	2,014.62	-4.7%
Non-current liabilities	1,320.08	1,226.22	1,301.54	7.7%
- Interest-bearing loans and borrowings	1,122.74	1,026.29	1,093.53	9.4%
- Other non-current liabilities	197.34	199.93	208.01	-1.3%
Current liabilities	1,376.91	1,262.07	1,418.65	9.1%
- Interest-bearing loans and borrowings	345.62	375.89	231.82	-8.1%
- Trade creditors	861.92	783.86	935.31	10.0%
- Other current liabilities	169.36	102.32	251.52	65.5%
TOTAL EQUITY AND LIABILITIES	4,716.68	4,607.59	4,734.81	2.4%
Net Financial Debt	641.80	552.07	536.74	
Operating Working Capital	798.39	759.57	782.83	

WORKING CAPITAL

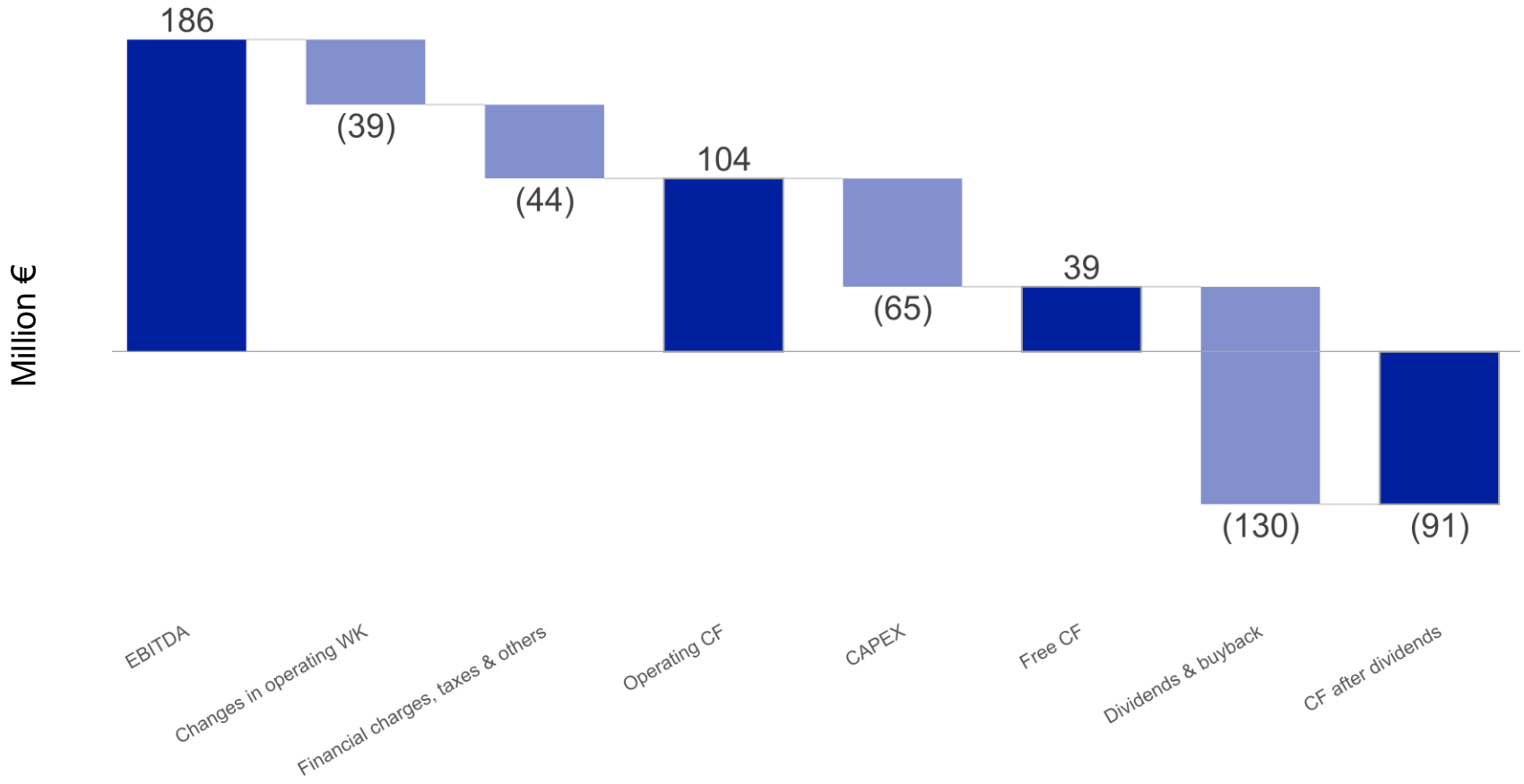


NET FINANCIAL DEBT



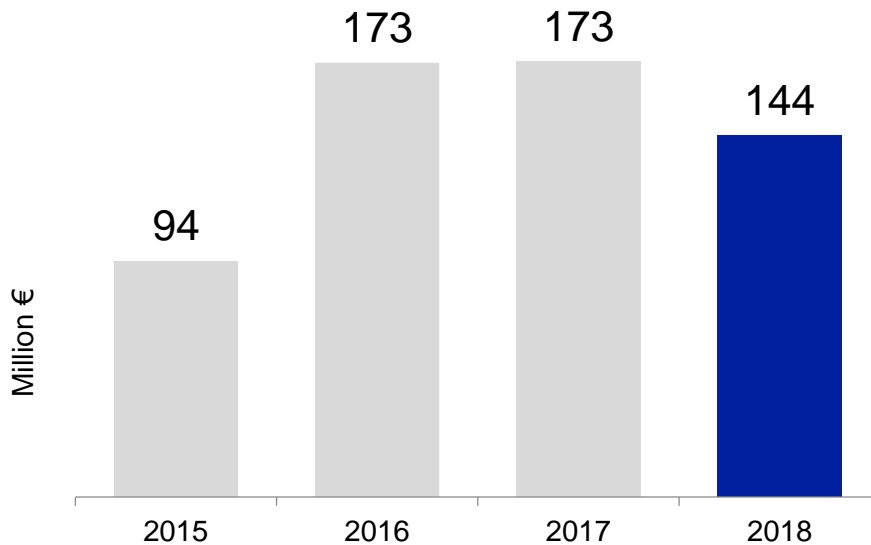
Gearing	61.3%	56.3%	47.1%	33.9%	34.1%	33.2%	35.1%	28.6%	30.9%	26.0%	31.8%
NFD / LTM EBITDA	-5.63	2.84	2.60	2.94	2.32	1.36	2.48	1.88	1.25	1.15	1.61

H1 CASH FLOW

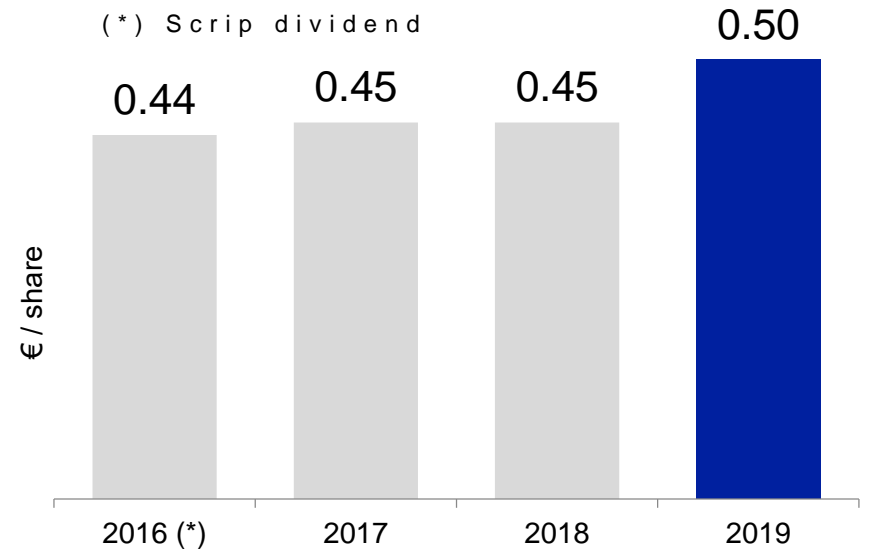


CAPITAL ALLOCATION

CAPEX



RETURN TO SHAREHOLDERS



CAPEX IN PROGRESS:

- Coil build up line - NAS
- Ladle furnace - Acerinox
- Ladle furnace - Columbus
- Slitter line - Columbus

DIVIDEND INCREASE 11%

SHARE BUYBACK PROGRAMME:

PHASE I: 2%

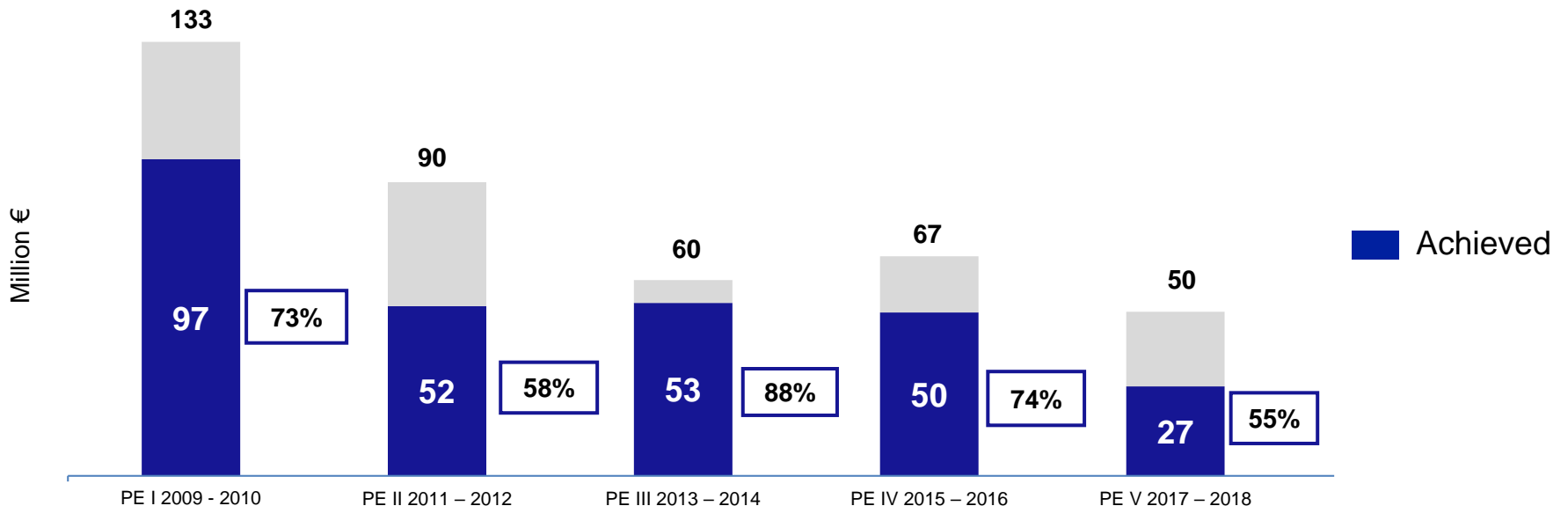
EXCELLENCE PLAN V

2017-2018 EXCELLENCE PLAN V

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

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

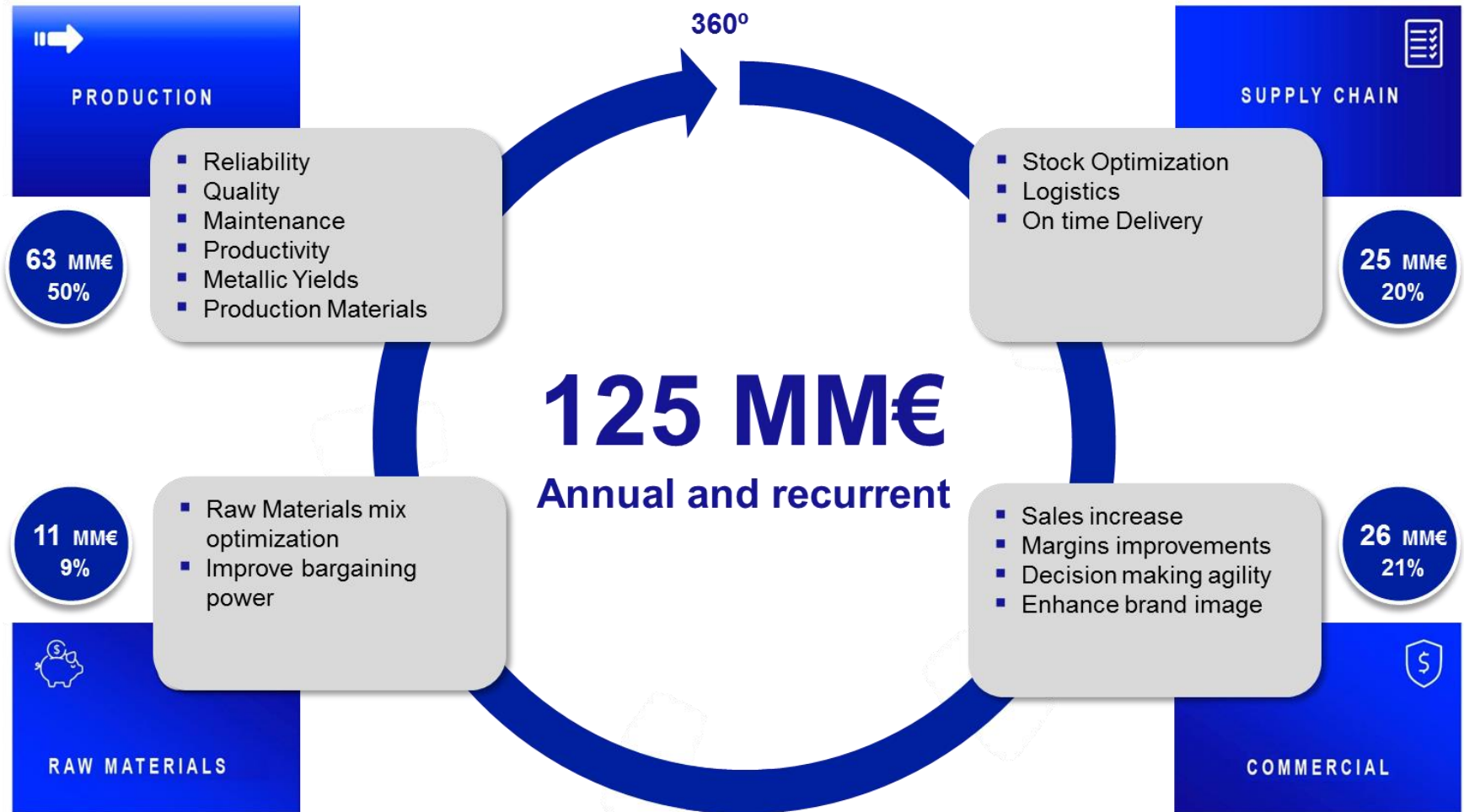
- Focused on operational excellence
- Best practices in each business unit
- Management and control tool



THE NEXT STEP: EXCELLENCE 360°



EXCELLENCE 360°



A stylized world map in shades of blue and grey. Numerous location pins, each containing the ACERINOX logo, are scattered across the map to indicate global presence. A horizontal blue bar is positioned above the map, and a grey bar is positioned below it, with the text 'THANK YOU' centered in the grey bar.

THANK YOU