



Q2 2021

Results presentation

29 July 2021

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Internationally recognized as a leader in sustainability in H1 2021

Environment



Leader in Circular Economy

- +90% recycled content rate of our products
- +80% reuse of generated waste

Intensity of CO2 emissions (scope 1 + 2) has been reduced by 5% compared to the first semester of 2020 (-6% compared to the previous semester).

Energy intensity has been reduced by 2% compared to the first semester of 2020 (-3% compared to the previous semester).

Intensity in water consumption has been reduced by 18% compared to 2020.

Social



High-quality Employment

- 98% of employees have permanent contract

Promoting Inclusion

- 64 nationalities in +50 countries on 5 continents
- Plants employ 242 people with a disability

Safety & Health as a priority

The accident frequency index (LTIFR) accumulated represents a reduction of 29% compared to the first semester of 2020 (-40% compared to the previous semester)

Governance



and sustainable finance

Creation of a Sustainability Commission within the Board of Directors

Directors

- 12 Directors (8 Independent, 3 Proprietary, 1 Executive)
- 33% women
- 41 meetings held in 2020

Achievement of the 2020 objectives related to green loans with BBVA, Sabadell and Caixabank have been confirmed

Sustainable



stainless steel

Acerinox business model based on ECO-EFFICIENCY

Stainless Steel contributes to the Circular Economy

- Non-polluting and Non-toxic
- Reusable and 100 % recyclable
- Durable and long life cycle
- Withstands fire & acid
- Hygienic and aesthetic
- Corrosion & abrasion resistant

Acerinox launches a SUSTAINABLE STEEL product line

In July 2021, Acerinox certified **GOLD LEVEL** by ECOVADIS

In May 2021, ISSF awarded half of its annual prizes to Acerinox Sustainability projects

Leader in Circular Economy

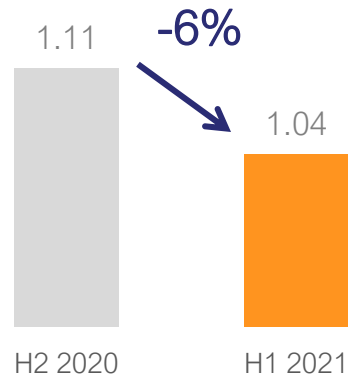
2030 Sustainability Goals, during the first half of 2021:

Environment



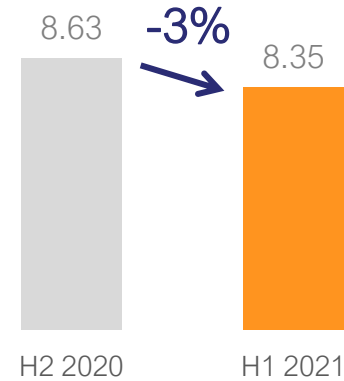
Scope 1+2 Emissions intensity

Metric tons of CO2e/Tons produced



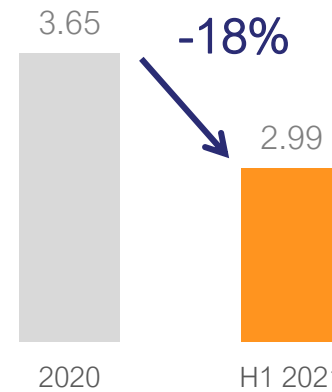
Energy intensity

GJ/tons produced



Specific water withdrawal intensity

m3/ tons produced

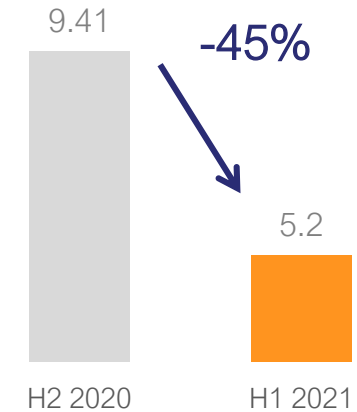


Social



Accident Frequency Index

(Number of LTIFR incidents/Number of hours)*1000k



H1 2021 – Best Results since H1 2007

EBITDA of 378 million EUR, 165 million EUR in H1 2020, and already almost FY2020 level

Strong Operating Cash Flow of 108 million EUR in H1, despite 253 million EUR of NWC build

Net debt under control at 838 million EUR, notwithstanding the increase in NWC, dividend payment of 135 million EUR and VDM acquisition in March 2020 of 313 million EUR

<i>Million EUR</i>	H1 2021	H1 2020	% H1 21 / H1 20
Net Sales	3,066	2,331	32%
Adjusted EBITDA	378	179	111%
Adjusted EBITDA margin	12%	8%	
EBITDA	378	165	130%
EBITDA margin	12%	7%	
EBIT	290	34 (1)	762%
EBIT margin	9%	1%	
Results before Taxes and Minorities	269	22	1,097%
Results after Taxes and Minorities	203	2	9,249%
Operating cash flow (before investments)	108	75	44%
Net Financial Debt	838	872	-4%

(1) Q2 2020 Includes 42 million euros of impairment of assets in Bahru Stainless

Strong performance in a healthy market



Q2 Market Highlights

- Strong and improving market conditions
- High Performance Alloys (HPA) recovery accelerating
- Stainless demand continues to improve in all markets:

USA

- Strong market conditions continue
- Flat products apparent demand increases 9% QoQ and 13% YoY
- Inventories and imports remain at low levels
- Prices still increasing

Europe

- Flat products apparent demand increases 1% QoQ and 39% YoY
- Imports down but still remain high
- EU approved anti-dumping duties in CR to India and Indonesia and extended safeguard measures for three years

Asia

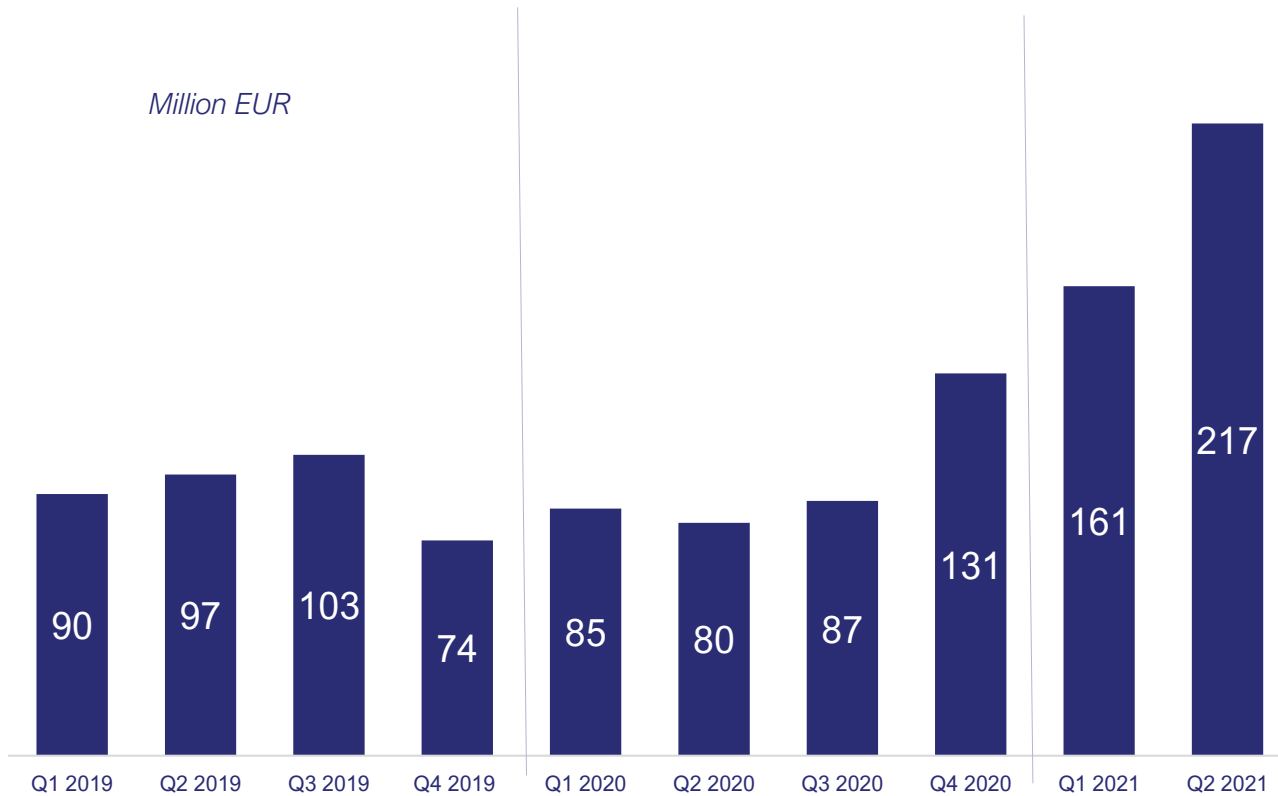
- Healthy demand
- Better market fundamentals although overcapacity remains
- Removal of 13% of export rebates in China



Q2 Acerinox Highlights

- **Q2 Production:**
 - +1% melting production QoQ
 - +54% melting production YoY
- **Q2 EBITDA, 217 million EUR, the strongest since Q2 2007**
 - +35% QoQ
 - +171% YoY
- The Stainless Steel division posted EBITDA of 201 million EUR, up 32% QoQ and 252% YoY
- HPA posted EBITDA of 16 million EUR showing a clear improvement versus 10 million EUR in Q1
- Operating CF of 84 million EUR despite a further 113 million EUR rise in NWC in Q2
- As previously announced the dividend payment of 135 million EUR was made in Q2
- Net debt remains very under control at 838 million EUR

EBITDA acceleration continued in Q2



Q2 EBITDA is the best in 14 years

Q2 – Rapid EBITDA improvement continues

EBITDA of 217 million EUR the strongest since Q2 2007

Positive operating CF of 84 million EUR notwithstanding a 100 million EUR increase in NWC

Net debt remains under control at 838 million EUR, despite the dividend payment and NWC build

Million EUR	Q2 2021	Q1 2021	Q2 2020	% Q2 21 / Q1 21	% Q2 21 / Q2 20
Net Sales	1,625	1,441	1,172	13%	39%
Adjusted EBITDA	217	161	94	35%	131%
Adjusted EBITDA margin	13%	11%	8%		
EBITDA	217	161	80	35%	171%
EBITDA margin	13%	11%	7%		
EBIT	173	117	-11 (1)	47%	---
EBIT margin	11%	8%	-1%		
Results before Taxes and Minorities	163	106	-19	54%	---
Results after Taxes and Minorities	125	78	-26	61%	---
Operating cash flow (before investments)	84	23	111	260%	-24%
Net Financial Debt	838	756	872	11%	-4%

(1) Q2 2020 Includes 42 million euros of impairment of assets in Bahru Stainless

Stainless steel figures Q2 2021

Million EUR	Q2 2021	Q1 2021	Q2 2020	% Q2 21 / Q1 21	% Q2 21 / Q2 20
Melting production (thousand Mt)	654	650	420	1%	56%
Net sales	1,425	1,273	894	12%	59%
Adjusted EBITDA	201	152	71	32%	182%
Adjusted EBITDA margin	14%	12%	8%		
EBITDA	201	152	57	32%	252%
EBITDA margin	14%	12%	6%		
Amortization and Depreciation	-37	-37	-40	1%	-7%
EBIT	163	115	-26 (1)	42%	---
EBIT margin	11%	9%	-3%		
Operating cash flow (before investments)	98	25	104	300%	-6%

(1) Q2 2020 Includes 42 million euros of impairment of assets in Bahru Stainless



Very strong EBITDA of 201 million EUR in Q2

Strong Operating CF of 98 million EUR despite the increase in NWC of 67 million EUR

High Performance Alloys figures Q2 2021



Order book recovery continues and market improvements now visible in the P&L

EBITDA of 16 million EUR versus 10 million EUR in Q1

Operating FCF -14 million EUR impacted by 32 million EUR NWC build as markets recover

VDM integration continues successfully

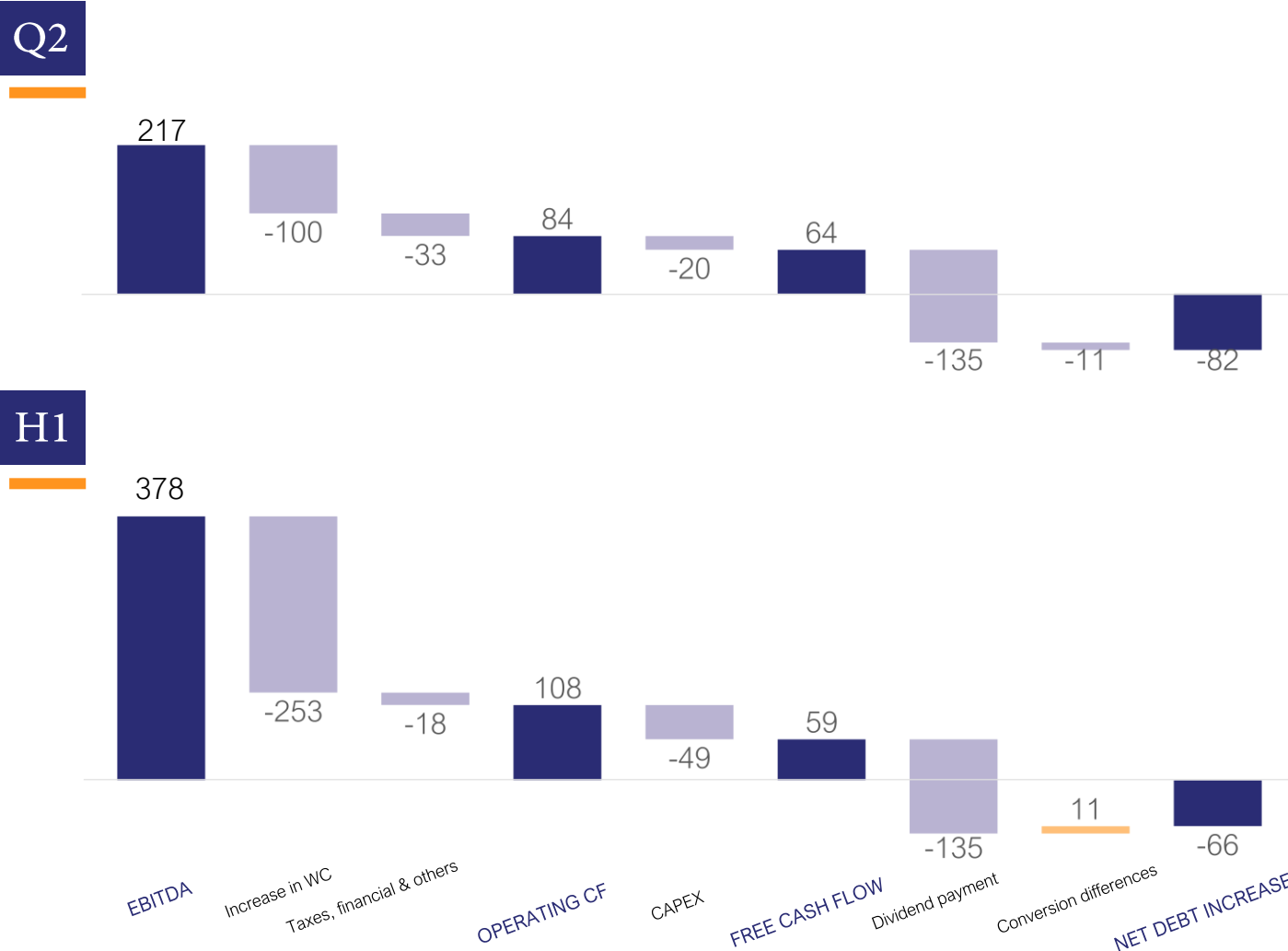
Estimated synergies of 5 million EUR already achieved, 42% above the target for H1

<i>Million EUR</i>	Q2 2021	Q1 2021	H1 2021	H1 2020 (1)	% H1 21 / H1 20
Melting production (thousand Mt)	22	18	40	37	6%
Net sales	201	167	368	413	-11%
Adjusted EBITDA	16	10	26	33	-22%
Adjusted EBITDA margin	8%	6%	7%	8%	
EBITDA	16	10	26	33	-22%
EBITDA margin	8%	6%	7%	8%	
Amortization and Depreciation	-6	-5	-11	-11	1%
EBIT	11	4	15	22	-33%
EBIT margin	5%	2%	4%	5%	
Operating cash flow (before investments)	-14	-1	-15	-7	-105%

(1) January and February 2020 pro forma, prior to inclusion in Acerinox

Strong operating cash flow despite further NWC build

Million EUR



We maintain FCF focus as a priority to enable us to allocate capital in the best possible way for the business and for shareholders

- Strong operating cash flow despite increase in NWC
- Dividend payment of 135 million EUR
- CAPEX discipline retained
- We maintain a **very comfortable net debt position** despite the temporary cash outflows for NWC build and the dividend payment

Excellence 360° - improving in all business units

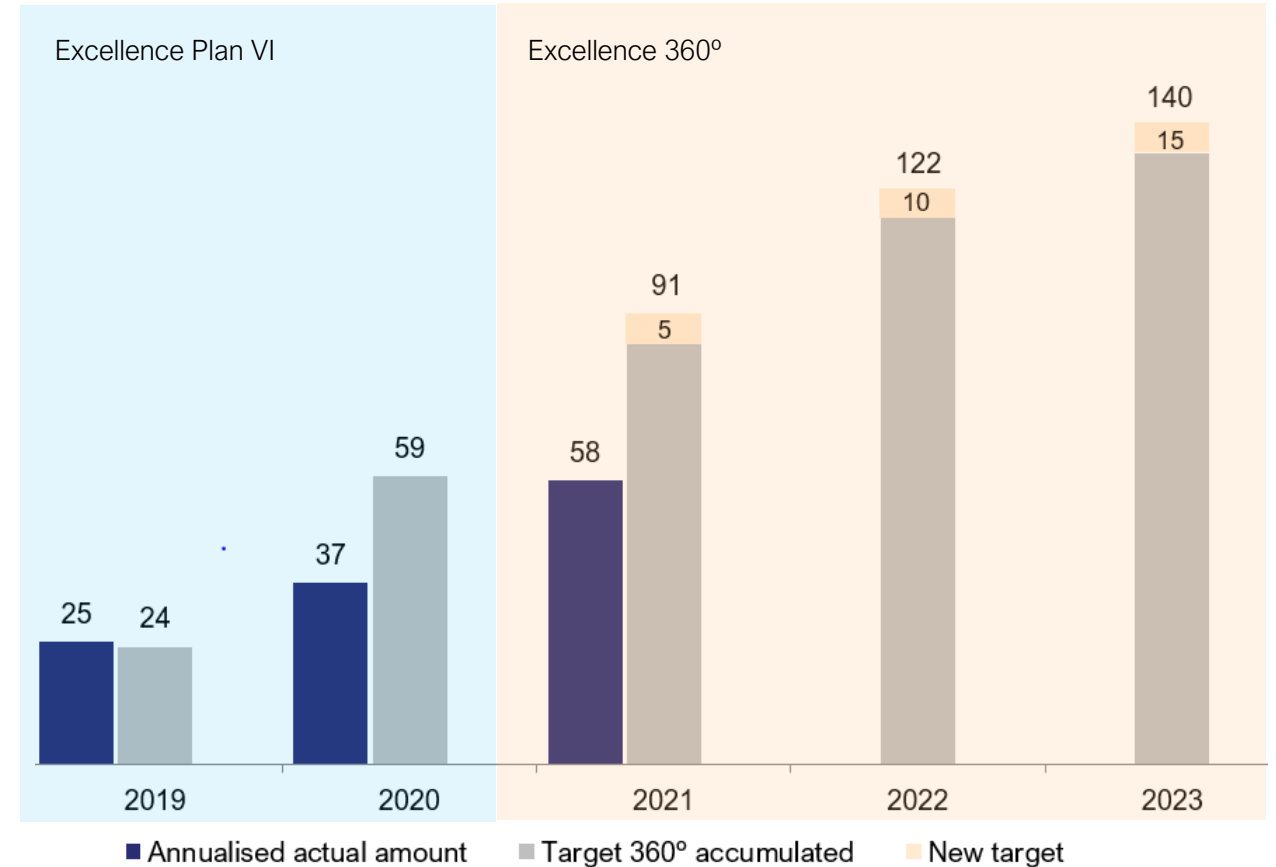


Estimated savings of 29 million EUR in the first half of 2021, representing an achievement of 68% compared to the target set

Incorporation of HPA in the Excellence 360°, adding 15 million EUR to the estimated savings until 2023

Excellence 360°

- **Digitalization** and 360° planning
- **Cost reduction** programs
- Prioritize **quick return** investments
- Optimize the **commercial network**
- Exchange of **best practices**



Conclusions & Outlook

- 1 **Focus on long term strategy**
- 2 **Improvement in market conditions accelerated again through the quarter and visibility remains the best in years**
- 3 **Stainless posted a remarkable quarter, the strongest since 2007**
- 4 **The recovery in HPA market is now visible in the P&L and expected to continue**
- 5 **We generated strong operating CF despite a further build in NWC. Net cash generation includes the annual dividend of 135 million EUR**
- 6 **Notwithstanding material short term cash outflows, net debt remains very under control**
- 7 **Strong earnings, ongoing capex discipline and a reversal in NWC build should lead to very strong FCF in H2 2021**
- 8 **Q3 EBITDA will be higher than Q2 and NFD will be reduced**





Q&A

29 July 2021





VALUE CREATION FOR ALL STAKEHOLDERS

Acerinox

a value for the future

Acerinnox Investment Opportunity: A Value for the Future

1  Global Leader in Stainless Steel and High Performance Alloys

2  Highest Quality Standards



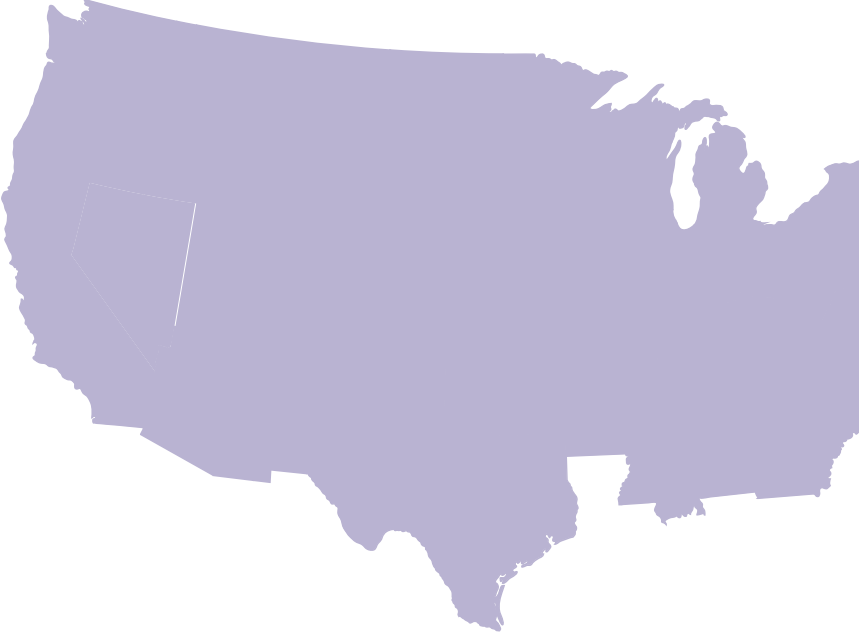
3  Solid Long Term Strategy

4  Attractive Resilient Investment Opportunity

5  Diversification Strategy resulting in High Growth and Significant Value Added

1. Global Leader in Stainless Steel and High Performance Alloys

Clear Leader in Stainless Steel in USA



President Biden Plan to Build a **Modern, Sustainable Infrastructure and an Equitable Clean Energy Future** could represent impressive demand for our products:

- Build a **Modern Infrastructure**
- Achieve a **Carbon Pollution-Free Power** Sector by 2035
- Make Dramatic **Investments in Energy Efficiency** in Buildings, including Completing 4 Million Retrofits and Building 1.5 Million New Affordable Homes
- Pursue a Historic Investment in **Clean Energy Innovation**
- Advance **Sustainable Agriculture and Conservation**
- Secure Environmental **Justice and Equitable Economy** Opportunity

Strength of the US economy

- IMF estimates **GDP growth 2021e: +6.4%**

e estimated | Annual percent change
Source: IMF, 23 July, 2021



c50%

of our sales in America

c35%

market share in the US

We melt 50%

of the US production

Year 2020

1. Global Leader in Stainless Steel and High Performance Alloys



26%

Market share in the EU

13%

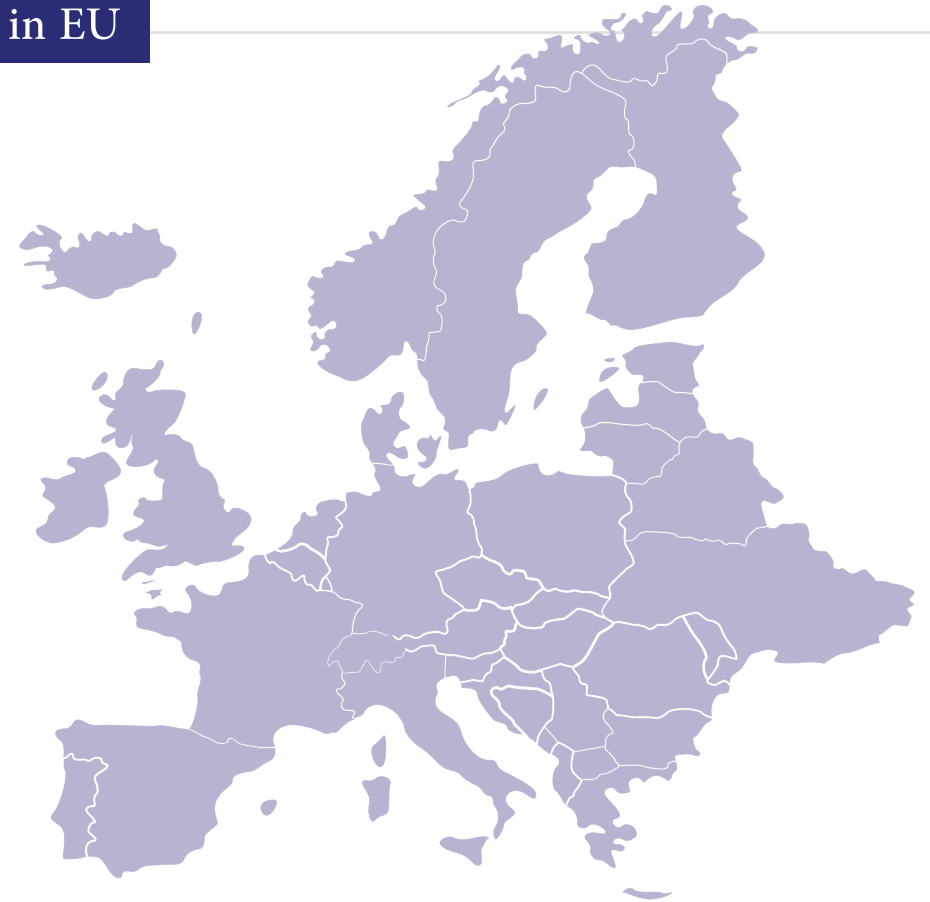
Market share worldwide

+4.4%

GDP growth 2021e

Leaders in High Performance Alloys in EU

High Performance Alloys will also benefit from infrastructure investments programs



Market share: Year 2020

e estimated | GDP growth: annual percent change

Source: IMF, 23 July, 2021

2. Highest Quality Standards



High Sustainable Products With No Alternative Substitution

Acerinox recycled content ratio in 2019 was > 90%



Profitable



Aesthetic



Corrosion resistant



Reusable



Hygienic



100% recyclable



Long lasting



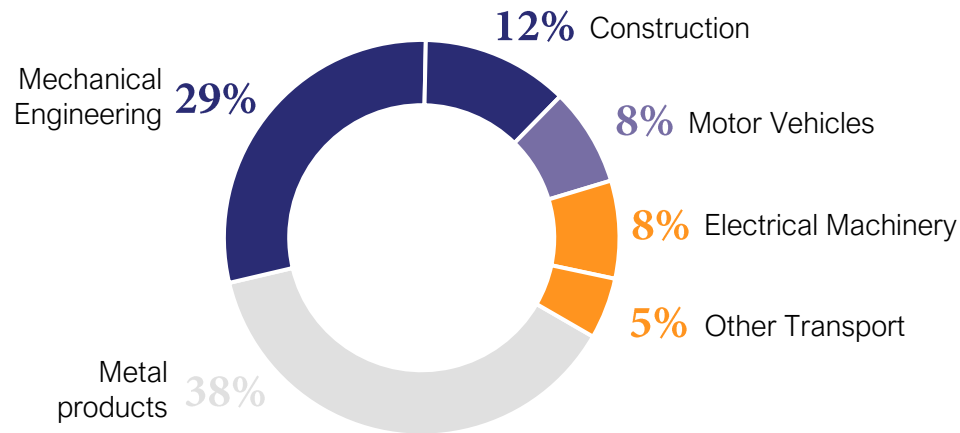
Efficient & Versatile (mechanical qualities)

2. Highest Quality Standards

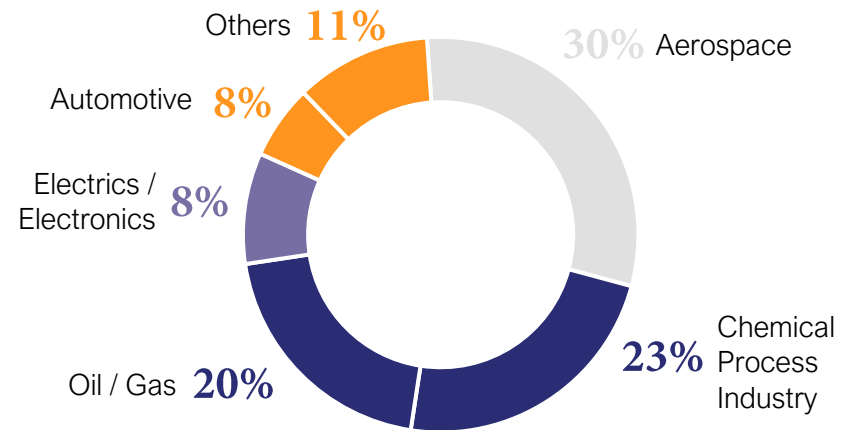
Diversified End Users: One Stop Shop

Sophisticated products with high growth potential

Stainless Steel:



High Performance Alloys



CAGR 2000 – 2019⁽¹⁾:

c. +6%

World Demand (2019):

44.3 million tons

CAGR 2010 – 2018 ⁽²⁾:

c. 4%

World Demand (2018):

313 thousand tons

Sources: ISSF; SMR;

¹ Calculated for Market Demand of Stainless Steel

² Calculated for Market Demand for Specialty Alloys (excl. Seamless Tube)

2. Highest Quality Standards

Present In Every Aspect Of Life



Transport

High Resistance to Corrosion, Withstand High Temperatures and Pressures and High Mechanical Performance

- Containers, tanks and trailer
- Aviation. Aerospace. Nautical
- Exhaust systems of hybrid and plug-in hybrid vehicles
- Vehicles



Food & beverages

Hygienic and Clean Material, Ideal for the Production, Handling and Transport of Food

- Containers, tanks
- Fishing boats
- Conservation
- Manufacturing
- Handling and transportation



Homes and restaurants

Resistance to Rust, ease with which it can be Cleaned, Becoming Essential in Modern Design (cutlery)

- Washing machines
- Refrigerators
- Pots and pans
- Industrial kitchens
- Cutlery
- HD Disc and electronics



Medical services & Pharma Industry

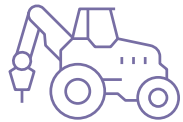
Stops the spread of bacteria on its surface. Highly hygienic. To be meticulously disinfected in hospitals and health centers

- Medical equipment and furniture
- Medical components
- Implants, prostheses
- Surgical instruments

2. Highest Quality Standards



Sophisticated Products Require Best In Class Materials



Infrastructures and construction

Chosen as structural steel to prevent rusting and corrosion from carbonation. Nickel alloys resistant to high temperatures and corrosion

- Industrial furnaces
- 18-metre cupola of the Louvre in Abu Dhabi
- Ventilation equipment
- Structural elements
- Bridges and structures in contact with water



Energy

Present in the Obtaining and Distribution of Hydrocarbons and Biofuels. Essential in Ethanol Production

- Welding additives and consumables for chemical and petrochemical plants
- Photovoltaic panels
- Thermal power plant salt tanks



Art

Refurbish historic works, turned to this material on many occasions, especially in sculpture

- Atomium in Brussels
- Cloud Gate sculpture, Chicago
- Access to the Bilbao Metro (design by Norman Foster)



Architecture

Important in the construction of buildings and large works. Resistance to corrosion and excellent mechanical properties. Low maintenance. Clean

- Urban furniture
- Building facades
- Interior decoration
- Facade and the roof of the new Santiago Bernabéu Stadium

2. Highest Quality Standards



Stainless Steel And High Performance Alloys: Sustainable Products



Water

Minimal corrosion, does not contaminate the water and does not require any extra covering. Permits design corrections and modifications *in situ*. Adaptable to all kinds of shapes.

- Pumps and valves
- Washing systems
- Tanks
- Chemical treatment operations



Electrical machinery

Needs for longevity, off-site credibility and potential corrosion resistance. Environmental friendly.

- Residential energy storage system
- Electrical enclosure
- Modular bus stations



Facilitate life and adaptation

Increasing presence in life and becoming essential. Friendly and smooth texture. Hygienic. Easy to clean.

- Sinks and showers
- Beds frames
- Stainless steel handrail
- Chair adapted (swimming pool)
- Lift adapted



Other

Excellent workability, corrosion resistance, formability, weldability for over half a century

- Urban waste sorting/recovery container
- Floors for bumper cars
- Bread moulds
- Stainless weldable sandwich with 3D-profiled core

3. Solid Long Term Strategy

Our Long Term Strategy Remains Intact



3. Solid Long Term Strategy



Mision

Create high performance materials for a sustainable society



Vision

Become a global customer centric supplier through innovation in sustainable Stainless Steel and High Performance Alloys solutions

Values



Safety



Sustainability



Employer of choice



Integrity



Commitment



Long-term focus



Excellence



Innovation



Quality



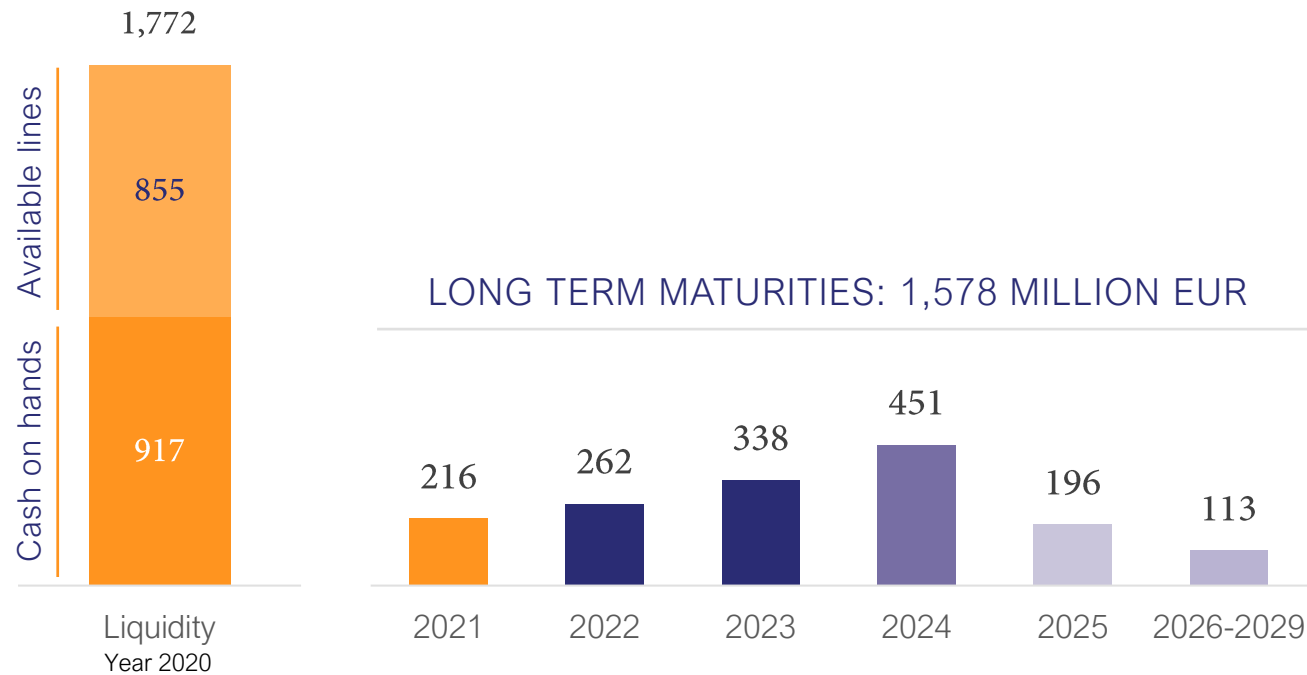
3. Solid Long Term Strategy

Strong Balance Sheet Despite Covid-19 Disruption

Extremely liquid

Liquidity Position (€m)

Liquidity remains best in class, fully covering all maturities



Net Debt

Robust balance sheet

- **Net Financial Debt** of €772m
- **Weighted Cost** of Term Debt of 1.5%
- **ND / LTM EBITDA** of 2.0x
- **Gross Debt** of €1.7b
 - **97% of it free** of covenants on results
- **Immediate liquidity** corresponding to cash of €917m

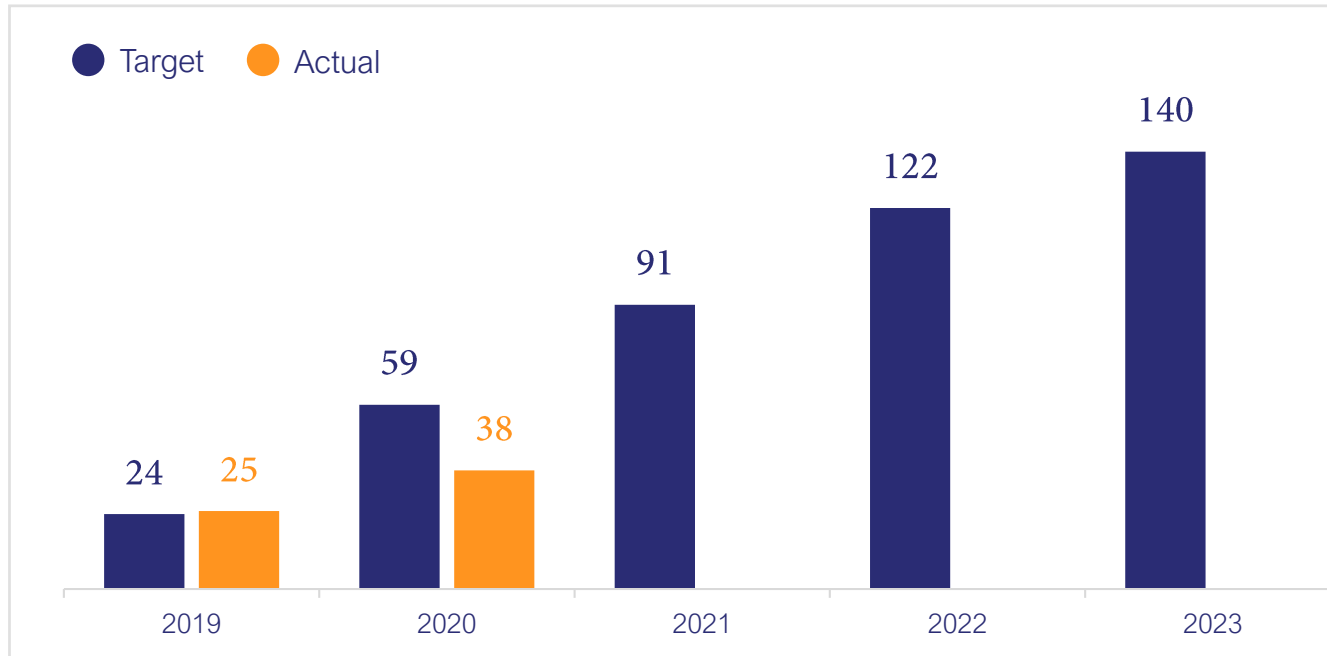
Year 2020

3. Solid Long Term Strategy

Constantly Improving

Production: Quality, melting shop yields and efficiency in production materials

Supply chain: Delivery on time



Excellence 360°

- **Digitalization** and 360° planning
- **Cost reduction** programs
- Prioritize **quick return** investments
- Optimize the **commercial network**
- Exchange of **best practices**

4. Attractive Resilient Investment Opportunity

Agile Measures to the COVID Outbreak Have Ensured Resiliency

We Prepared Early and Acted Decisively



Safety and prevention measures



Our management team took Acerinox through 2008/2009 successfully and efficiently



Fixed costs reduction and variabilisation



Massive liquidity, 1.8 billion euros, covering maturities until 2029



Refinancing to anticipate future renewals and extend maturities



Operating performance, cost control, capital allocation and FCF focus



Secured the **supply chain**

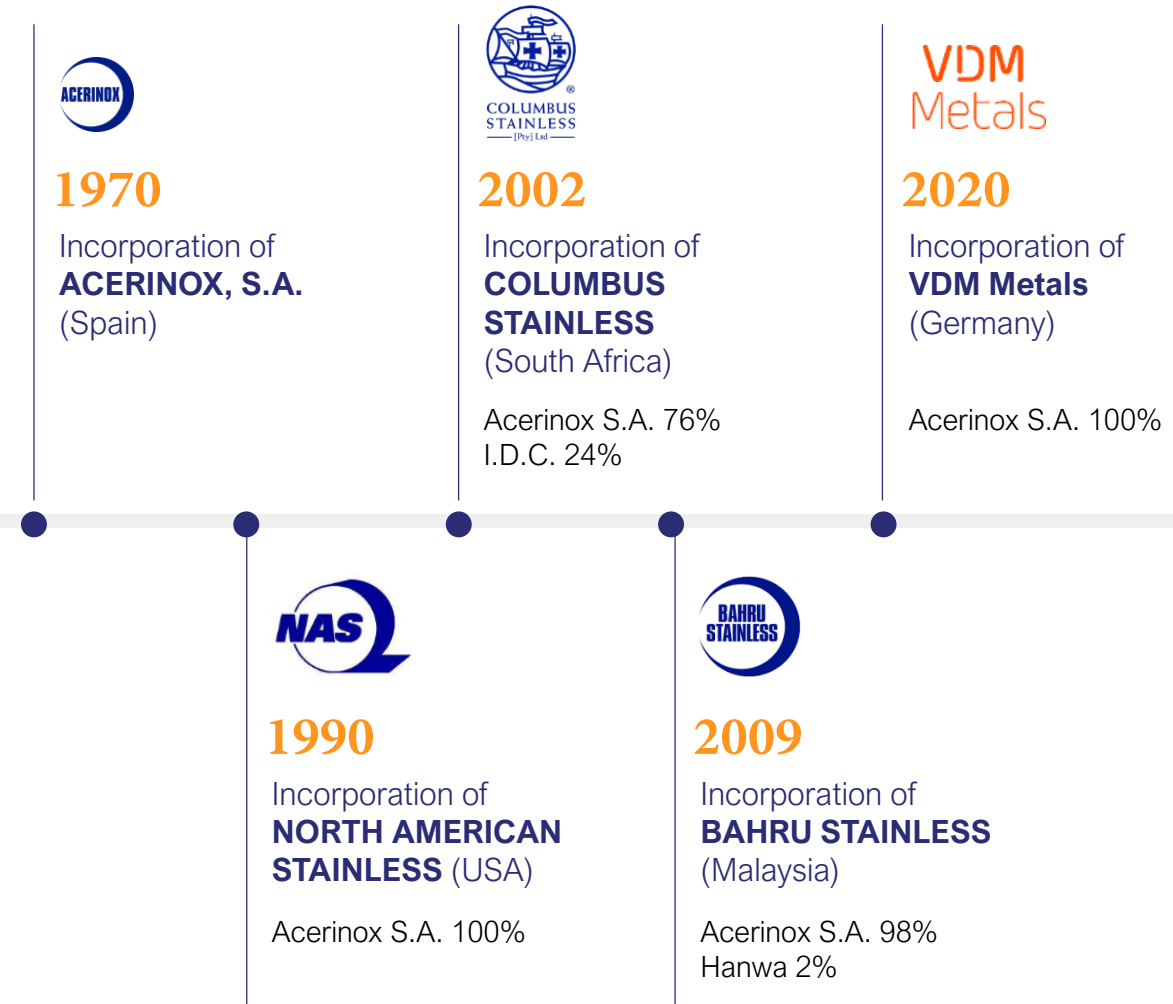


Strong track record on consistent financial performance, over-performing our main European peers in 12M 2020:

- +37% adjusted EBITDA than peer 1
- +26% adjusted EBITDA than peer 2

5. Adding Value Through Diversification

Ongoing Growth



Main Acerinox Shareholders	%	Since
Corporación Financiera Alba, S.A .	18.96%	2001
Nippon Steel Stainless Steel Corp.	7.9%	1970
Industrial Development Corp. (I.D.C.)	3.04%	2002
Bravo Andreu, Daniel	3.00%	2020

5. Adding Value Through Diversification

Production Sites

Stainless Steel Division



Kentucky



Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop

Long product

- Hot Rolling
- Finished Product



Ponferrada & Igualeda



Long product

- Hot Rolling
- Finished Product



Campo de Gibraltar



Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop



Middelburg



Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop

High Performance Alloys

VDM
Metals



Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop

Long product

- Hot Rolling
- Finished Product



Johor



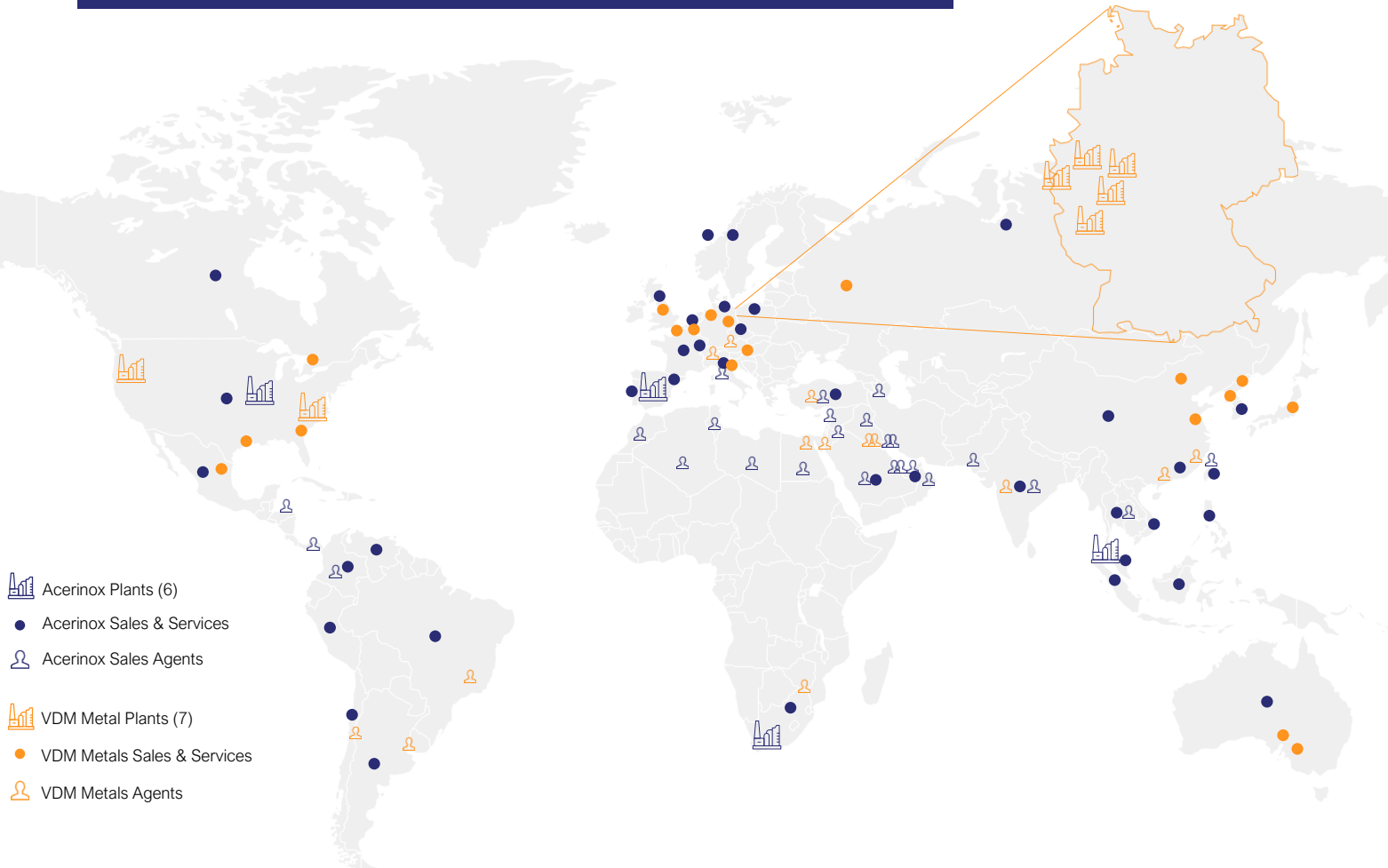
Flat product

- Cold Rolling Shop

5. Adding Value Through Diversification

Strong Global Presence

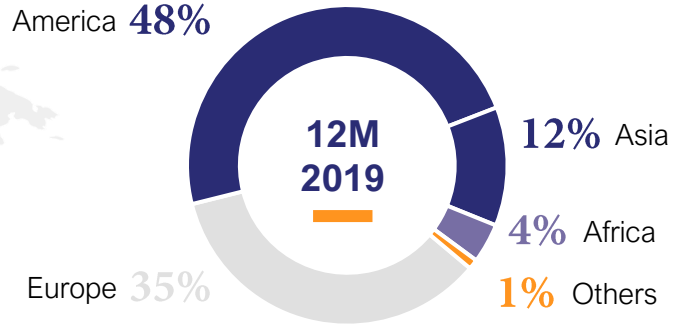
Combined Global Footprint and Sales by Region



Acerinox

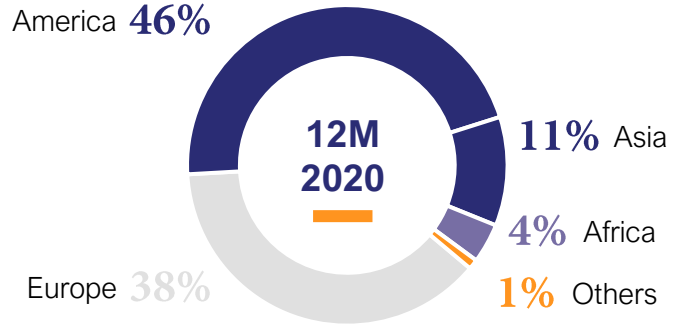
12M 2019

America **48%**



12M 2020⁽¹⁾

America **46%**



Source: ¹ Acerinox including VDM Metals

5. Adding Value Through Diversification

A Leader In Stainless And HPA

1.

Acerinox

Global leader in stainless steel

+ 1.

VDM

World's largest producer in high performance alloys

> 2.

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



5. Adding Value Through Diversification

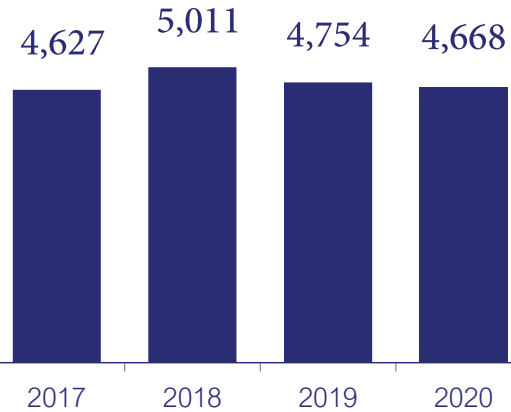
Solid Revenue And Earnings Growth

Consolidated group figures

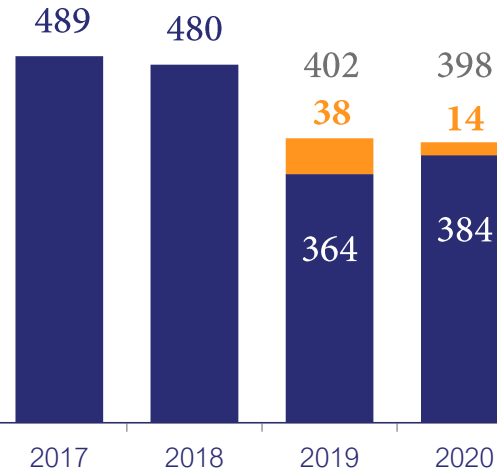
Million EUR



Sales



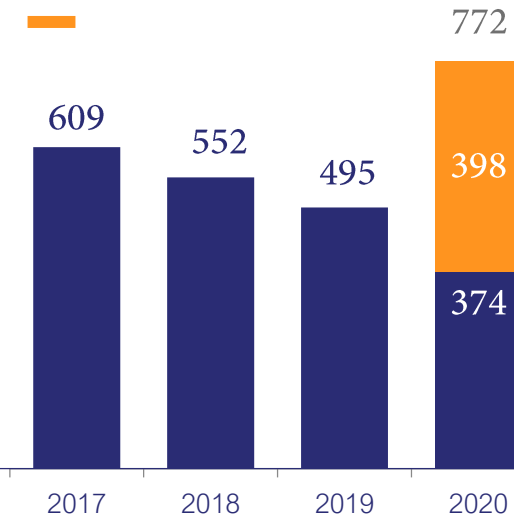
EBITDA



2019: 38 million EUR for the lay offs in Spain
2020: 14 million EUR for the expenses of the purchase of VDM



Net Financial Debt



2020: 398 million EUR of debt related to VDM acquisition

5. Adding Value Through Diversification

Strong Cash Generation

Consolidated Group figures

Million EUR

	Jan - Mar 2020	Ap - Jun 2020	Jul - Sep 2020	Oct - Dec 2020	Jan - Dec 2020	Jan - Dec 2019
EBITDA	85	80	87	131	384	364
Changes in working capital	-97	63	74	183	223	96
Changes in operating working capital	-65	50	65	186	236	44
Inventories	9	95	92	27	223	2
Trade debtors	-47	93	-1	38	83	41
Trade creditors	-27	-139	-26	122	-70	0
Other adjustments to working capital	-32	13	9	-3	-13	52
Acerinox Europa lay-offs	-26	0	0	0	-26	---
Others	-6	13	9	-3	13	52
Income tax	-23	-3	-49	-24	-99	-116
Financial expenses	-3	-9	-13	-11	-36	-15
Other adjustments to the result	3	-20	-8	-26	-51	29
OPERATING CASH FLOW	-36	111	91	254	421	359
Payments for VDM acquisition	-313	0	0	0	-313	---
Payments for investments on fixed assets	-23	-27	-29	-19	-99	-128
FREE CASH FLOW	-373	84	62	235	8	231
Dividends and treasury shares	0	0	0	-135	-135	-184
	0	0	0	4	4	0
CASH FLOW AFTER DIVIDENDS	-373	84	62	103	-123	47
Conversion differences	13	-16	-31	-35	-70	10
Net financial debt acquired from VDM	0	-85	0	0	-85	---
Variation in net financial debt	-360 ↑	-17 ↑	31 ↓	68 ↓	-278 ↑	57 ↓

(*) These figures do not coincide with the balance sheet items due to the purchase of VDM



VALUE CREATION FOR ALL STAKEHOLDERS

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