



# Acerinox investment case

Acerinox is a **global leader** in stainless steel and high performance alloys, creating the **most efficient materials for a sustainable future**, maximising benefits for society and building value for our stakeholders





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2. The Sustainable Global Leader
3. Growth and Strategies
4. More about us



1.

# Investment Case

The opportunity





# Acerinox at a Glance



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## A **Sustainable Global Leader** in Stainless Steel and High Performance Alloys

- **#1** in stainless steel in the **USA**, with **35% market share**. 50% of the Group's sales in the USA.
- **#1** in high performance alloys, with **27%** market share in the **EU** and 12% market share worldwide.
- **#1** in **Africa**, with **50%** market share.
- Large commercial & manufacturing network in **South East Asia**.

Highly **sustainable** products and present in every aspect of life. Highest **quality** standards, and with no other sustainable alternative.

**Solid long-term strategy**

**Management team with extensive experience**

ESG focus: Pioneer in circular economy.  
Health & Safety as a priority. Promoting inclusion.



**Spanish** Listed Entity (IBEX 35) with a **market cap of c.€3.1bn** (at 31 December 2021). Consensus implies a market cap of c.€4.3bn

**Consistent shareholder remuneration**

**8,206 employees** and sales in 86 countries. **13 factories** on four continents



2021

**A new record in a very challenging market was achieved**

Revenues  
**€6,706**  
million

Net Profit  
**€572**  
million

EBITDA  
**€989**  
million

Production  
**2.7**  
million Mt

(\*) Market shares & market capital are approximate



# Our ESG Model is a Commitment to the Future

## SAFETY, our number 1 priority

*Lost Time Injury Frequency Rate LTIFR x 1.000k reduction*  
-31.82% in 2021

## Hard-to-abate, ready to adapt

**Efficiency at all levels**  
Energy  
Innovation and digitalisation  
Resources  
Supply chain



## Committed to the long-term, 2030 objectives



## A reference in circular economy, product 100% recyclable

**Materials recycled:**  
Process scrap and metal 100%  
Acids and abrasives 100%  
Metal scale 89%  
Plastic 98%  
Cardboard 100%  
Wood 88%



# Investment Case. The Opportunity



Stainless steel and high-performance alloys



Global market leader



Management team with extensive experience



Operational excellence and track record



ESG in the DNA



Financial strength and discipline



Growth opportunities



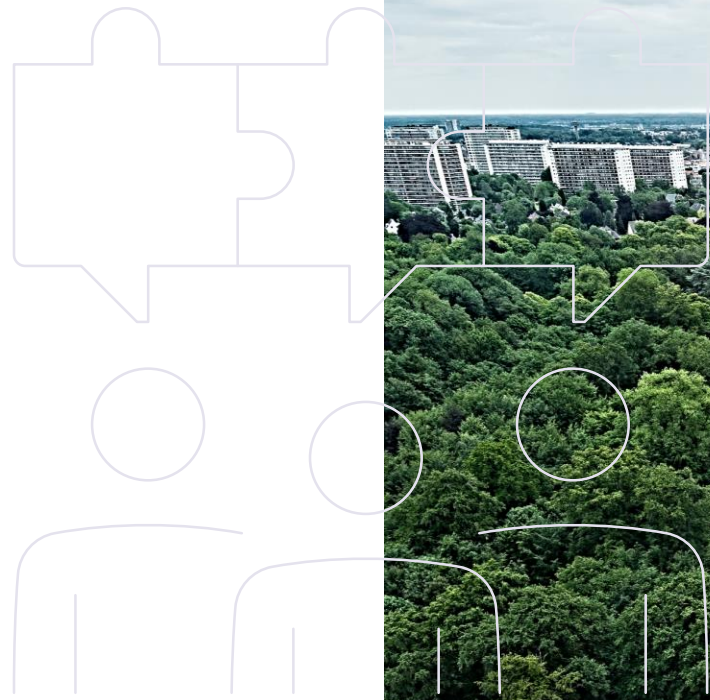
Close relationship with stakeholders

- ▶ Long-term sector growth stimulated by the exponential increase in the uses in high added value sectors. Reference in the Circular Economy.
- ▶ Strategic location of the 13 production plants on 4 continents and a distribution channel with a presence in more than 80 countries.
- ▶ Deep understanding of market dynamics and flexibility on capabilities.
- ▶ Cost efficiency thanks to continuous innovation. One of the least cyclical companies within the sector. Effective working capital management.
- ▶ Health and safety, our first priority. 2030 Agenda: great goals execution. Materials made with more than 90% scrap and 70% of waste is recycled. Committed to minorities and local communities.
- ▶ Strong balance sheet, liquidity covering fully all maturities, stable shareholder remuneration, always on the lookout for profitable investments. Capex focused on increasing efficiency. Solid FCF growth over the last 5 years.
- ▶ Flattening the cycle. Growth opportunities in the High Performance Alloys sector. Increasing efficiency through Excellence 360. Optimum capital allocation. Always seeking opportunities for organic and inorganic growth.
- ▶ The deep knowledge of the Market and the different stakeholders helps us to maintain a fluid relationship and communication with them



2.

## The Sustainable Global Leader





# One of the World's Largest Stainless Steel and HPA Groups


**13,700**

Customers

**+8,206**

Employees

**86**

Countries  
supplied

**+18,000**

Solutions for  
customers' request

**24**

Sales agents

**+90**

Certifications  
of quality

**53**

Commercial  
offices

**25**

Warehouses



# We Produce and Sell the Most Efficient Materials

for the future, with no alternative substitute

Sophisticated products...



**Profitable**



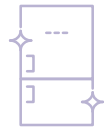
**Aesthetic**



**Corrosion resistant**



**Reusable**



**Hygienic**



**100% recyclable**



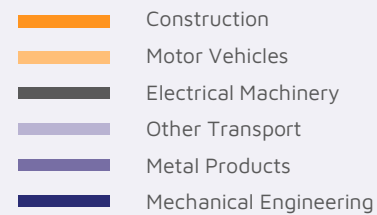
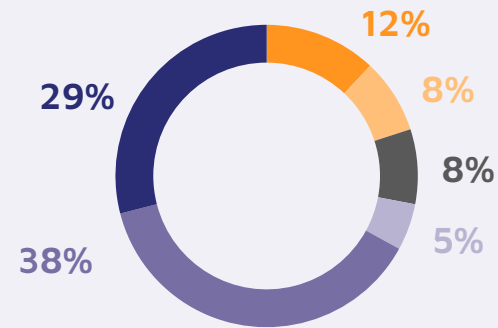
**Long lasting**



**Efficient & Versatile  
(mechanical qualities)**

...with high growth potential

## Stainless Steel



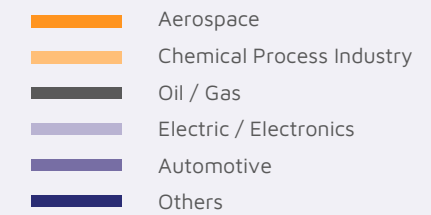
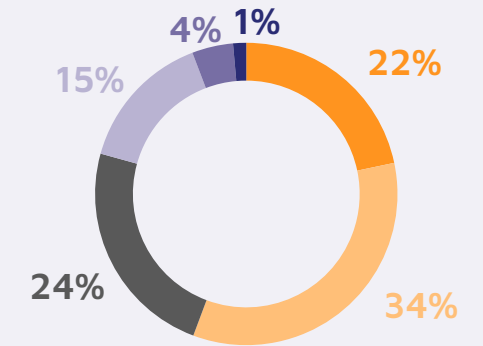
CAGR 2000-2019

**c. +6%**

World Demand (2019)

**44.3  
million  
tonnes**

## High Performance Alloys



CAGR 2010-2019

**c. +4%**

World Demand (2019)

**356  
thousand  
tonnes**



# Our Products are Essential, Sustainable, Versatile and Efficient



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**Acerinox is present in every aspect of life**



Transport



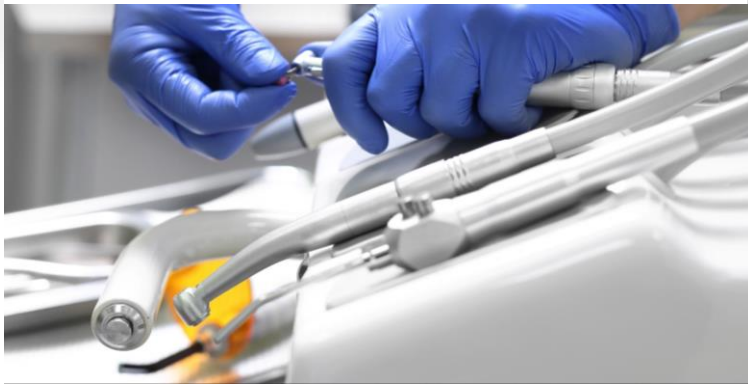
Household & Catering



Food & Beverages



Healthcare & Pharmaceutical



**Stainless steel and high performance alloys: sustainable products**



Daily Life & Adaptation



Electrical Machinery



Water



**Sophisticated products require best-in-class materials**



Infrastructure & Construction



Energy & Renewables



Art



Architecture





# ESG: Integral to Acerinox's DNA

**Greater** efficiency leads to **fewer** costs & a **lower** environmental impact, thus mitigating the effects of climate change

## Energy & Greenhouse Gas reduction



Increase use of Fe&Aus scrap, and Ni content of scrap



Electrode consumption reduction



Doping Natural Gas with Hydrogen



Deep artificial intelligence learning models: optimise electricity consumption in our electric furnaces (EAF)



Air leaks detection and repair



Increase of hot charging at hot rolling mill reheat furnace



Increase direct annealing material for plates



Plant-wide LED lights



Automated energy saver mode for delays & shutdowns



Operational improvements, energy usage reduction

## H<sub>2</sub>O

- Improvements in water treatment plants and increase the recovery of water effluents in several lines of production
- Rainwater storage in place or under construction
- Acid recovery plants in place or in the study phase

## Other actions

- Power Purchase Agreements (PPAs)
- Carbon offset credits
- Continuous logistics improvements
- On-site, outsourced solar panels
- Hydrogen
- Sensorisation
- Steam and gas flowmeters
- Sustainable mobility

## 2030 Goals



**20% Reduction**

Carbon Emissions Intensity

▼ **-3.38%** vs. 2020

▼ **-10.22%** vs. 2015



**7.5% Reduction**

Energy Intensity

▼ **-1.5%** vs. 2020

▼ **-3.1%** vs. 2015



**20% Reduction**

Specific Water Withdrawal

▼ **-18%** vs. 2020

▼ **-23.23%** vs. 2015



**90% Valorisation of nonhardous**

Of Waste Sent to Landfill

**72%** valorised waste vs 78% in 2020

Process scrap and metal 100%  
Acids and abrasives 100%  
Metal scale 89%  
Plastic 96%  
Cardboard 100%  
Wood 88%



Sustainable loans of

**€465 million**



# ESG: Integral to Acerinox's DNA

## Social Responsibility with the Entire Community

### Acerinox acting as local community partner

#### Responsible tax action

##### ICAP Programme\*

- Co-operative and multilateral process of tax risk assessment and assurance
- Transparency and soundness of tax policies at Group tax-governance level
- Result: ICAP certifies Acerinox as a low tax risk Company

*\*International Compliance Assurance Programme of OECD*



**€137million**

Income Taxes Paid

*None of Acerinox's entities are located in tax havens. Corporate taxes (and other state and local taxes) are paid to each country where the Group operates.*



**80 social actions on 5 continents**

### Acerinox guiding the industry as an employer



**97%**

Full-time, permanent labour contracts



**97%**

Covered by a health & safety management system



**x6**

Each direct job at Acerinox generates 6 indirect jobs

**1,797**

Acerinox Europa

**1,535**

NAS

**90**

Acerinox S.A.

**395**

Roldán

**398**

Bahru Stainless

**1,838**

VDM Metals

**1,275**

Columbus

**197**

Grupinox

**106**

Inoxfil

**497**

Commercial

**More than 60 nationalities**

### Safety, our first priority



#### Long-term Goals



**10% Reduction**

of LTIFR vs previous year

**▼ -31,82%**

LTIFR x1000k vs 2020



**10% Increase**

of Minorities vs previous year

**Promoting women's talent**



# ESG: Integral to Acerinox's DNA

Governance and Ethics as our Understanding of the Business

## Board of directors



**33%**

Women  
(40% in 2024)



**66%**

Independent  
directors



**4**

Board  
committees



**6.8**

Years average  
Director tenure

- The 4 independent committees are: Audit, Sustainability, Remuneration and Governance, and the Executive committee.
- Risk is managed through a separate and specific unit, which reports to the Audit and Sustainability committees.
- Succession planning in place for key positions.
- 42 Board meetings and committees in 2021
- ESG objectives are included in the compensation of the management team.



# We Deliver Solid Revenues and Earnings Growth Consistently

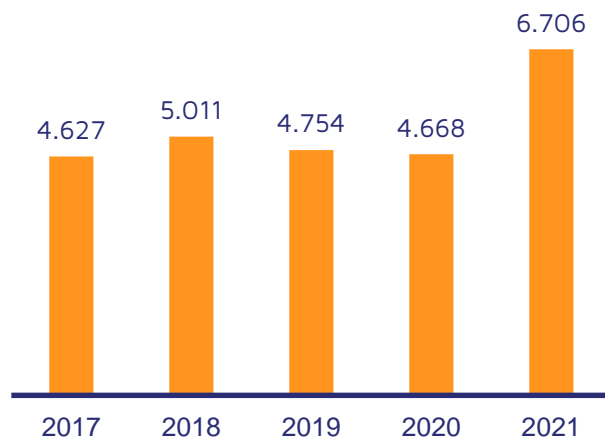


15

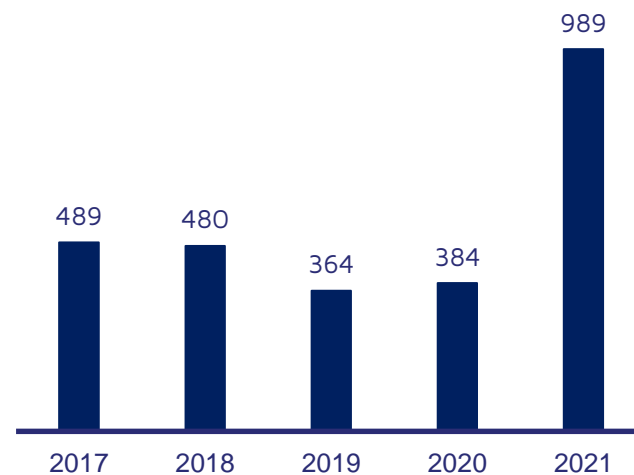
## Consolidated Group figures

Million EUR

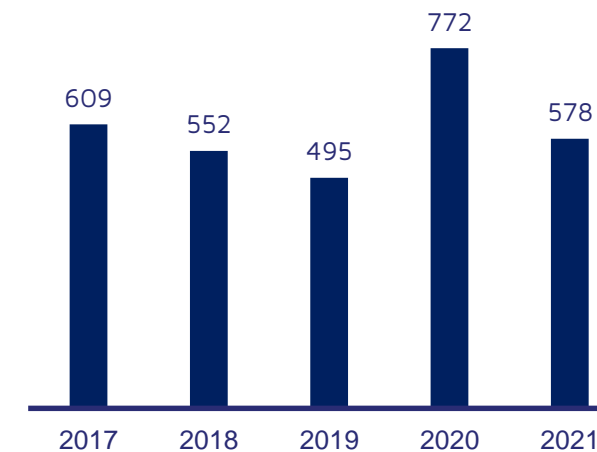
### Revenues



### EBITDA



### Net Financial Debt





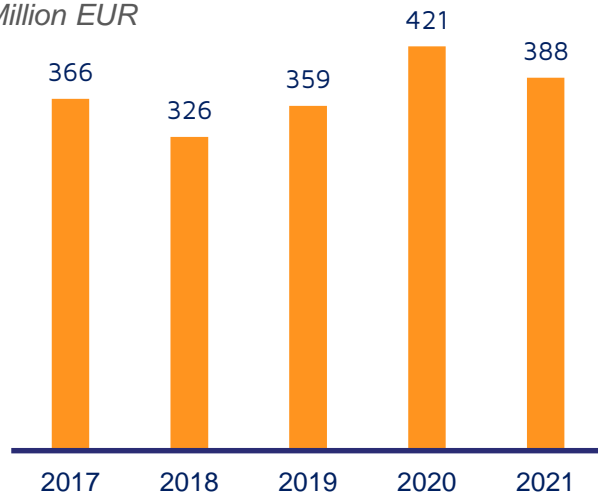
# ...With a Strong Cash Generation and Efficient Capital Allocation

Consolidated Group figures

## Operating Cash Flow



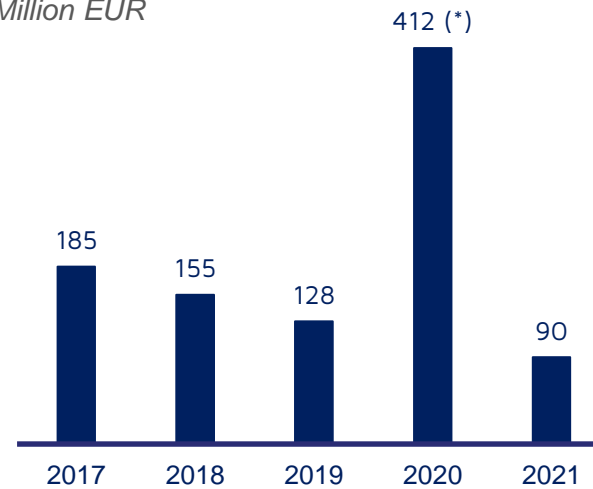
Million EUR



## CAPEX



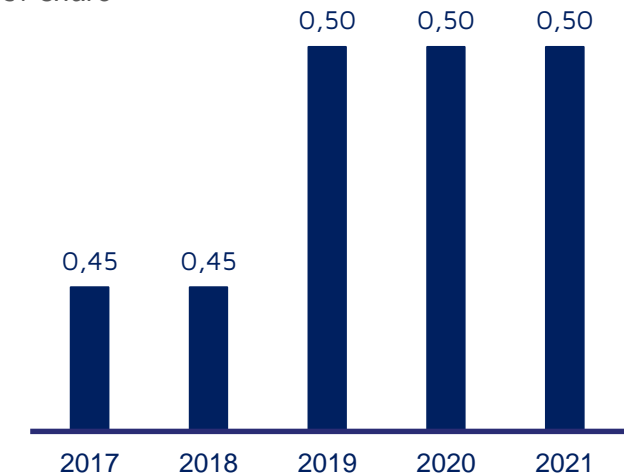
Million EUR



## Return to Shareholders



€ / share



(\*) Includes €313 million of VDM acquisition



# 2021: a new record in a very challenging market was achieved

**€6,706m**

Total Revenues

**€989m**

EBITDA

**€388m**

Operating  
Cash Flow

**€578m**

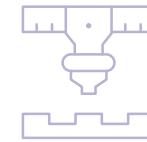
Net Debt

**€572m**

Net Profit

**0.58x**

Debt/EBITDA  
ratio



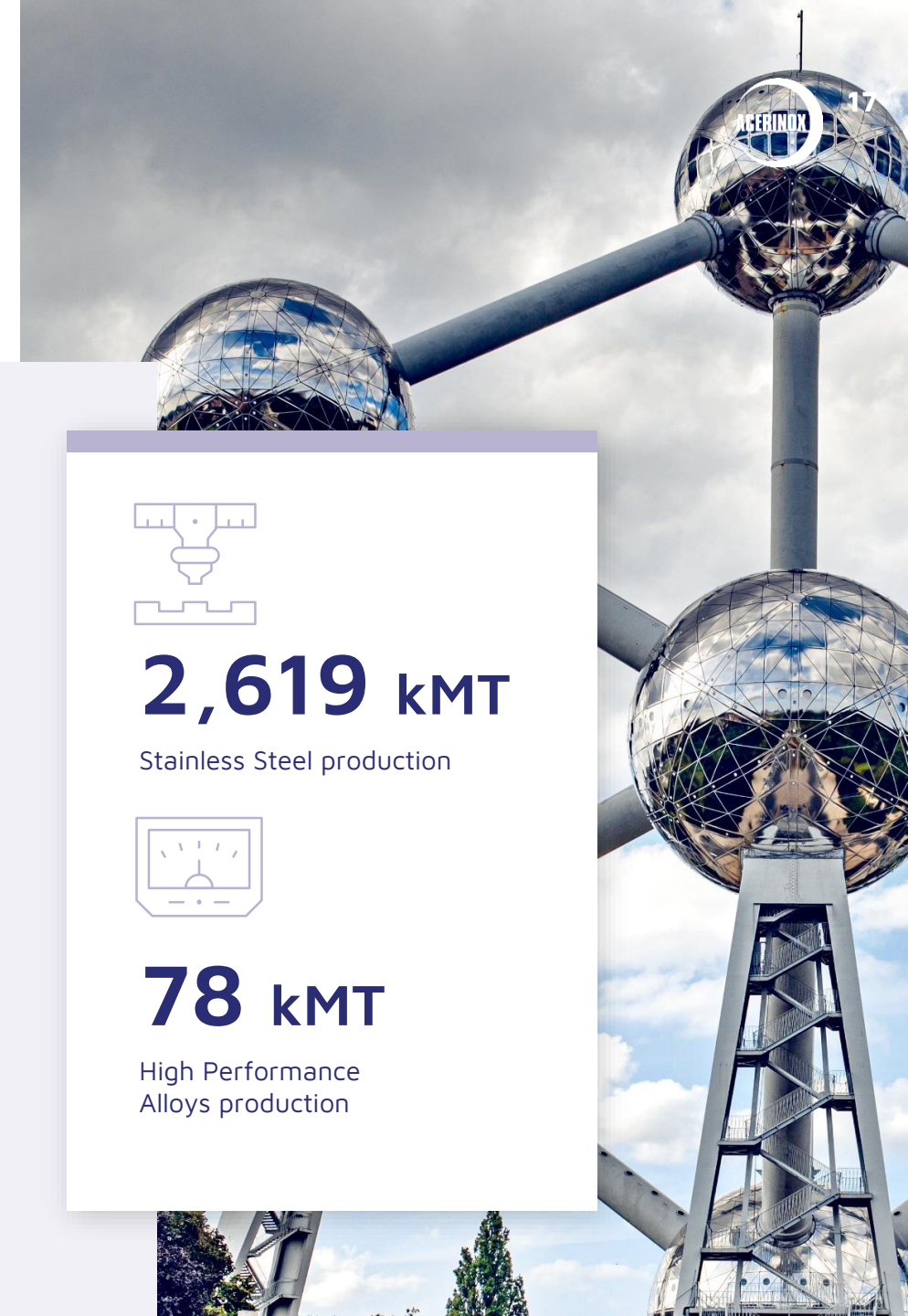
**2,619 kMT**

Stainless Steel production



**78 kMT**

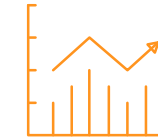
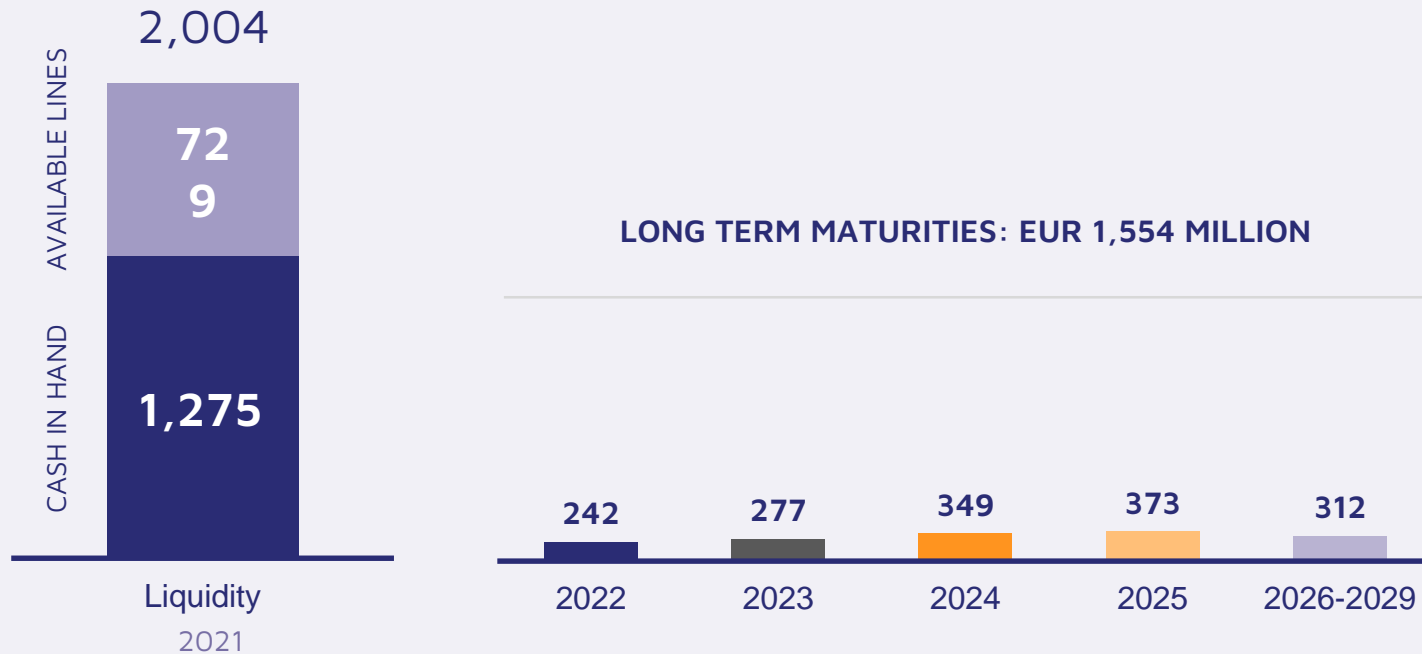
High Performance  
Alloys production





# With a Robust Balance Sheet

Liquidity remains best in class, covering fully all maturities



## Net Debt

Robust balance sheet

Net Financial  
Debt of  
**€578m**

of which **97%** is  
free of covenants on  
results

Weighted Cost  
of Term Debt of  
**1.3%**

Immediate liquidity  
**€2,004m**  
(€1,275m cash)

Gross Debt of  
**€1.8bn**

YEAR 2021



# ... and We Continue to Build on Our Success: Q1 2022 A Record Net Profit



**EBITDA** of 422 million EUR **the second highest ever and the best since Q2 2006**



**Net debt under control** at 628 million EUR



**Net profit** of 266 million EUR **a new record**



**Operating cashflow** of 74 million EUR notwithstanding a 345 million EUR **NWC investment**

Million EUR	Q1 2022	Q1 2021	Q4 2021	% Q1 22 / Q1 21	% Q1 22 / Q4 21
<b>Net Sales</b>	<b>2,287</b>	<b>1,441</b>	<b>1,937</b>	<b>59%</b>	<b>18%</b>
Adjusted EBITDA	422	161	318	162%	33%
Adjusted EBITDA margin	18%	11%	16%		
<b>EBITDA</b>	<b>422</b>	<b>161</b>	<b>318</b>	<b>162%</b>	<b>33%</b>
<b>EBITDA margin</b>	<b>18%</b>	<b>11%</b>	<b>16%</b>		
EBIT	375	117	273	219%	37%
EBIT margin	16%	8%	14%		
Results before Taxes and Minorities	367	106	262	248%	40%
<b>Results after Taxes and Minorities</b>	<b>266</b>	<b>78</b>	<b>198</b>	<b>242%</b>	<b>34%</b>
<b>Operating cash flow (before investments)</b>	<b>74</b>	<b>23</b>	<b>204</b>	<b>218%</b>	<b>-63%</b>
Net Financial Debt	628	756	578	-17%	9%

**These exceptionally strong results were achieved in very challenging market conditions**



3.

## Growth Opportunities and Strategy





# A Solid Long-Term Strategy that Remains Intact





# An Attractive & Resilient Investment Opportunity



## Excellence

- Safety: number 1 priority
- Excellence 360°
- Cost reduction initiatives
- Digital transformation
- Customer centric oriented

Target 2021  
**€ 91 million**

81% Attained



## Value added

- VDM integration on track
- Synergies beyond synergies
- Development of sustainable solutions with our customers

Synergies Target 2021  
**€8 million**

12 million Attained (+51%)



## Strong balance sheet

- Efficient capital allocation
- Consistent shareholder remuneration
- Use Capex to increase value for all stakeholders

Targeting NFD/EBITDA  
**ratio < 1.2** (through the cycle)

2021: **0.58x**



## Sustainability

- Awarded with the **Gold Level** by Ecovadis
- Sustainable loans of €465 million
- Committed to **community engagement**

Acerinox Positive  
**Impact 360°**  
20% of the priority actions  
completed



# Corporate Strategy: Our 2022-2025 Targets



## SAFETY

LTIFR (Lost Time Injury  
Frequency Rate) reduction:

**10% / year**

(2021: 32%)



## EBITDA MARGIN

**> +10%**

(2021: 15%)



## INTEGRATION SYNERGIES

**€22 m** (2023)

(2021: €12 m)



## NFD/ EBITDA

**<1.2x**

(2021: 0.58x)



## SAVINGS 360°

**€140 m** (2023)

(2021: €73 m)



# Acerinox: A Forward-Thinking Investment Opportunity



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**VDM**  
Metals

## 2020 - 2021

ADQUISITION AND FOCUS  
INTEGRATION VDM-METALS

Acerinox, S.A. 100%

- Enhancement of product mix, less cyclical earnings stream
- Geographic earnings diversification
- Immediate synergy opportunities
- New pathways for earnings growth



## 2022-2023

OPEN TO NEW  
INVESTMENT  
OPPORTUNITIES

- Always analysing companies that can complement or improve our efficiencies
- Constant benchmarking of potential growth





# Acerinox: A Forward-Thinking Investment Opportunity

Preparing for future shifts

## CEO's Vision

Our constant pursuit of competitiveness means we are highly efficient. At Acerinox we foresee efficiency and sustainability as two concepts with a single destination.

Because we strive for efficiency, we optimise all the resources required to produce our materials and we endeavour to take advantage of all by-products and waste generated through the manufacturing process.

Evidently, these concepts are closely related to sustainability and the circular economy, but they also underpin our competitive position and improve our profit and loss.

**Bernardo Velázquez**  
CEO

## 2022 - 2023 Challenges



**Identify & leverage**  
inorganic growth  
opportunities



**Increase in energy  
pricing** mainly electricity  
& natural gas



**Step up capacity**  
to cover expected  
increases in demand



- **Geopolitical issues**
- **World conflicts**



**Possible changes in a de-globalisation scenario:**

- Section 232 duties in the US
- Greater controls in China
- Safeguarding measures in Europe
- Trade measures in EU & USA against unfair practices



The background of the slide is a photograph of the New York City skyline at sunset. The Freedom Tower is the most prominent building, with its spire reaching into a sky with soft orange and pink clouds. Other skyscrapers are visible, some with their lights on. The water of the harbor is visible in the foreground.

# Investor Relations Team

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**María Uclés Ruz**  
Investor Relations





# 4.

## More about us



# Production Sites



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## Stainless Steel Division



**KENTUCKY**  
Carrolton, USA



### Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop

### Long product

- Hot Rolling Shop
- Finished Product



**PONFERRADA & IGUALADA**  
León & Barcelona, Spain



### Long product

- Hot Rolling Shop
- Finished Product



**CAMPO DE GIBRALTAR**  
Cádiz, Spain



### Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop



**MIDDELBURG**  
South Africa



### Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop



**JOHOR BAHRU**  
Johor, Malaysia



### Flat product

- Cold Rolling Shop

## High Performance Alloys Division

**VDM Metals**  
A company of ACERINOX



Unna, Duisburg, Siegen, Altena & Werdohl, Germany  
New Jersey & Nevada, USA

### Flat product

- Melting Shop
- Hot Rolling Shop
- Cold Rolling Shop

### Long product

- Hot Rolling Shop
- Finished Product



# ESG, Integral to Acerinox's DNA

Committed to the United Nations' 2030 Agenda



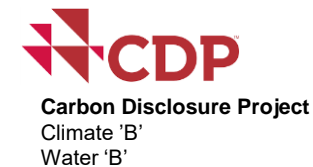
Directly applicable SDGs



Other awards and ratings



Circular Economy Pact





# Acerinox is Present in Every Aspect of Life



## Transport

High corrosion resistance, withstands high temperatures and pressures and offers high mechanical performance.



## Household and catering

Rust resistant, easy to clean. Becoming essential in modern design (cutlery).



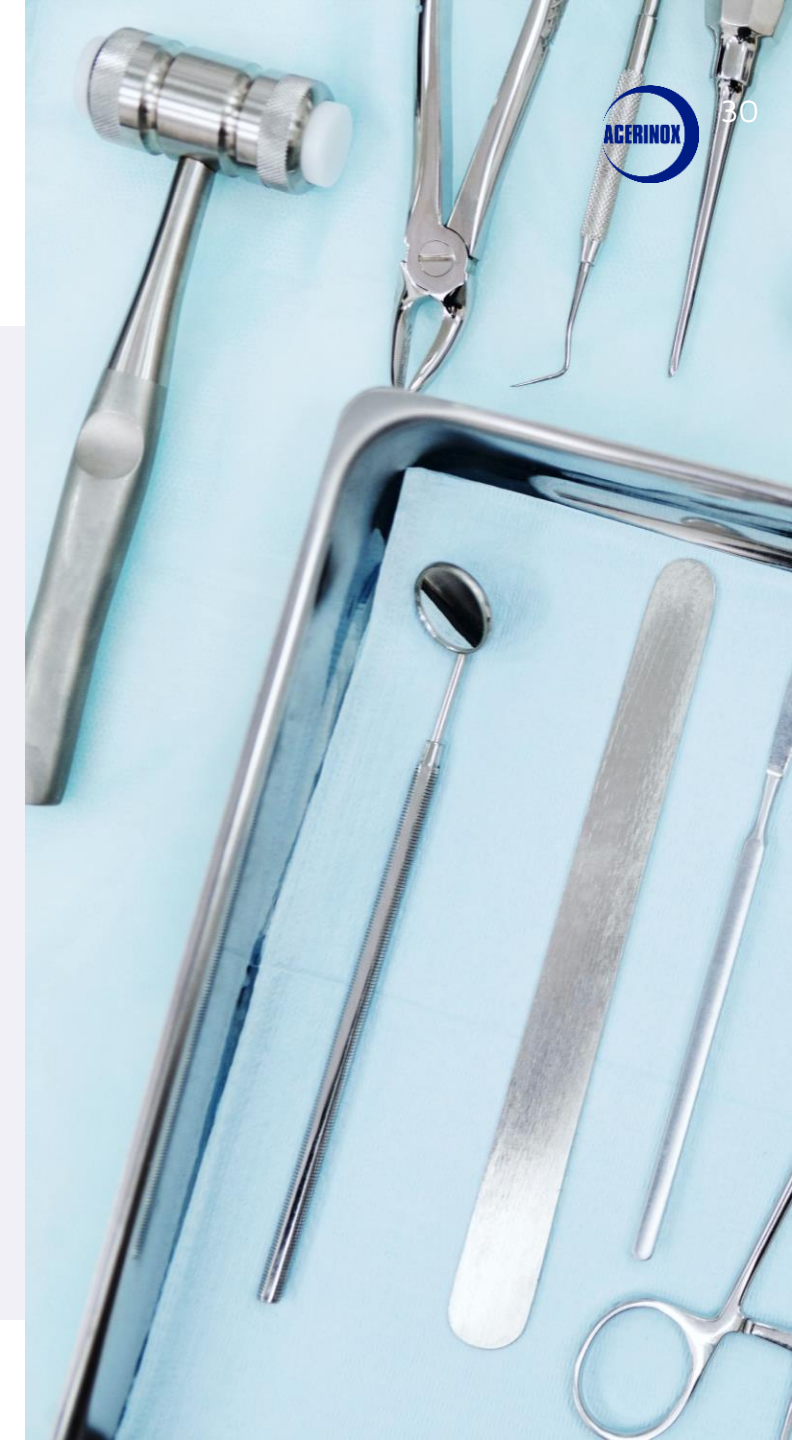
## Food & beverages

Clean and hygienic material, ideal for the production, handling and transportation of foodstuffs.



## Healthcare & pharmaceutical

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





# Stainless Steel and High Performance Alloys:

Sustainable products



## Water

Corrosion is minimal, it does not contaminate water and does not require an additional coating. Allows for design corrections and modifications in situ. Adapts to all types of shapes.



## Daily life & adaptation

Increasingly present in people's daily lives. Pleasant and smooth texture. Hygienic. Easy to clean.



## Electrical machinery

Meets durability and corrosion resistant requirements. Environmentally-friendly.



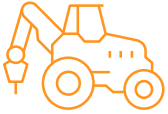
## Other

Excellent malleability, resistant to corrosion, formability and weldability for over half a century.





# Sophisticated Products Require Best In Class Materials



## Infrastructure & construction

Chosen as a structural steel to prevent both carbonation and chloride corrosion. Nickel alloys resistant to high temperatures and corrosion.



## Art

Refurbish historic works, this material has been used on many occasions, especially for sculptures.



## Energy & renewables

Present in the obtaining and distribution of hydrocarbons and biofuels. Essential in the production of ethanol and bioethanol, and in the production of renewable energies.



## Architecture

Important in the construction of buildings and major works. Resistant to corrosion and excellent mechanical properties. Clean and low maintenance.







# Acerinox investment case

Acerinox is a **global leader** in stainless steel and high performance alloys, creating the **most efficient materials for a sustainable future, maximising benefits for society and building value for our stakeholders**

**Contact: [inversores@acerinox.com](mailto:inversores@acerinox.com)**