



GENERAL SHAREHOLDERS' MEETING

2019 BUSINESS YEAR



CHAIRMAN'S REPORT

RAFAEL MIRANDA ROBREDO

GENERAL SHAREHOLDERS' MEETING

2019 Business Year

Madrid, 22 October 2020

- Acerinox is making a tremendous effort on all levels to minimise the impact of the pandemic on our business.
- Ensuring the health and safety of everyone is above all other criteria.
- Solidarity with our surroundings.
- Paying attention to cash generation. Sound liquidity position.
- Preserving the unity and commitment of everyone.

“Expressed appreciation to the Board, the Executive Team and all workers for their efforts over these months and their exemplary behaviour.

50 ANNIVERSARY

CHAIRMAN'S REPORT



2019 RESULTS

CHAIRMAN'S REPORT



Turnover
€ **4,754** million

+6.4%

Higher than the average of the last 10 years

ADJUSTED EBITDA
€ **402** million

+44%

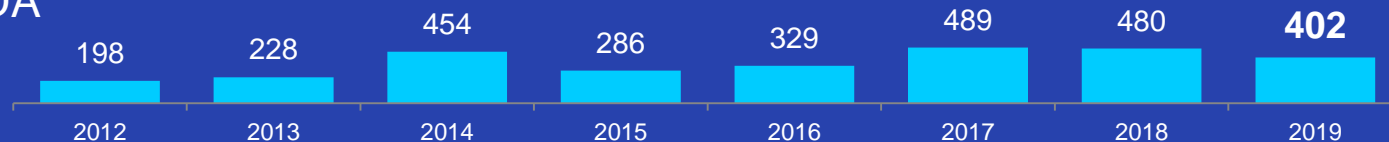
Increase in shareholder remuneration

€ **184*** million

Shareholder remuneration

ADJUSTED EBITDA
2012 – 2019

Million euros and % on sales



Cash generation
€ **359** million

€ **128** million

Payments for investments in fixed
assets

*Includes indirect remuneration through the share buyback programme

2019 RESULTS

CHAIRMAN'S REPORT

- Brexit
- Growing global protectionism
- Layoffs in the Acerinox Europa factory
- Impairments:
 - Impairment of assets in Bahru
 - Goodwill generated from the acquisition of Columbus
 - Tax credits of the Parent



Acerinox has demonstrated its strength as the most global company in the sector thanks to its financial solidity, positive cash flow generation and its leadership in the American market.

FIRST HALF OF 2020 RESULTS

CHAIRMAN'S REPORT



Negative effects of the pandemic

- Temporary closures of certain factories
- Decrease in steel production compared to the first quarter
- 13% decrease in cumulated steel production compared to the first half of 2019

- Swift response to the crisis
- Efficient management of fixed and variable costs
 - Personnel -9%*
 - Operational costs -18%*
- Integration of VDM Metals
- Good results at NAS in the US

Effective management

* Reduction of costs in the Stainless Division

FIRST HALF OF 2020 RESULTS

CHAIRMAN'S REPORT



ADJUSTED EBITDA

€ **179** million

-4%

Compared to the same period in 2019

€ **2** million

Profit after taxes and minority interests

€ **75** million


Operating cash flow

€ **872** million

Net financial debt

Liquidity position

€ **1,734** million

The background of the entire slide is a photograph of a large industrial facility, likely a steel mill. It features massive blue structural beams and large yellow cylindrical components, possibly part of a continuous casting system. The perspective is looking down into the facility, creating a sense of scale and depth.

VDM METALS

CHAIRMAN'S REPORT



“
The purchase and integration of VDM Metals enabled us to become world leaders in the high performance alloys market.

VDM Metals

A company of ACERINOX

VDM Metals

A company of ACERINOX

- Valued at €532 million.
- Synergies of €22 million identified.
- Group EBITDA +20% in a standard year.
- The ratio of the company's valuation in relation to its EBITDA is 5.5 times before the synergies between the two companies.

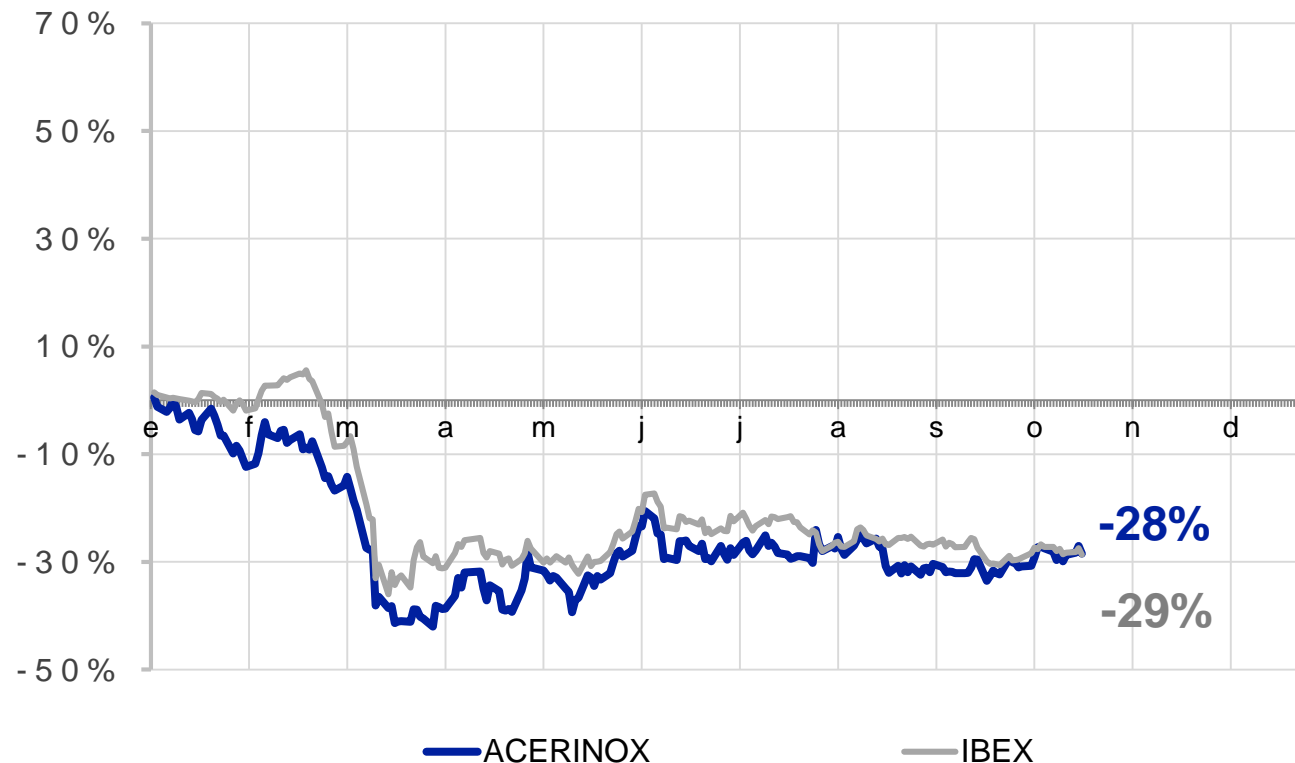
EVOLUTION OF SHARES IN 2019

CHAIRMAN'S REPORT



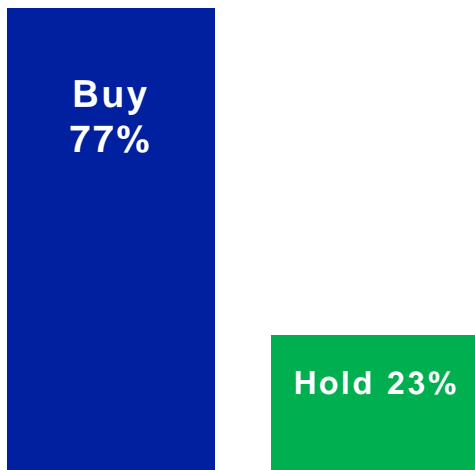
EVOLUTION OF SHARES IN 2020

CHAIRMAN'S REPORT



ANALYSTS RECOMMENDATIONS

CHAIRMAN'S REPORT



- The Company has made a commitment to have 30% women on the Board of Directors.
- In 2019, the number of meetings held increased.

- 35 sessions held in 2019

- 4 monographic sessions on strategic matters

33%

women on the
Board

Committees' activities:

- The Audit Committee has its own revised regulation within the Board's Regulation
- The Appointments, Remuneration and Corporate Governance Committee has its own revised regulation within the Board's Regulation
- Creation of a new Sustainability Committee

RESOLUTIONS SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING

CHAIRMAN'S REPORT



- Adaptation of the Articles of Association and the Regulation for the General Meeting of Shareholders to the current climate.
- The Board of Directors proposes remuneration of EUR 0.40 as a dividend and EUR 0.10 as a share premium refund.
- New appointments in the Board.

RESOLUTIONS SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING

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The Board of Directors proposes the appointment of:

- Ms Leticia Iglesias Herraiz as Independent Director
- Mr Francisco Javier García Sanz as Independent Director

RESOLUTIONS SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING

CHAIRMAN'S REPORT



Acknowledgement to the leaving Directors:

- Mr Mvuleni Geoffrey Qhena – Proprietary Director

- Mr Ryo Hattori – Proprietary Director

- Mr Mitsuo Ikeda – Proprietary Director

- Mr Braulio Médel Cámara – Independent Director

“The COVID pandemic has changed models and paradigms of our economic systems that we thought were unchangeable, it has questioned the production model based on global supply chains, based only on cheap labour and, for us, it has placed value on the weight held by industry in the economic structures of countries.

STRATEGY FOR THE FUTURE

CHAIRMAN'S REPORT



Acerinox is committed to sustainability and demonstrates this by including the matter in the Group's strategy.

- A sound financial and balance sheet structure
- Excellence in our operations
- Reinforcement of the added value to our products and customers
- Sustainability



STRATEGY FOR THE FUTURE

CHAIRMAN'S REPORT



“Acerinox’s commitment to sustainability in its broadest sense is at the forefront of our strategy.”





THANK YOU FOR YOUR ATTENTION



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