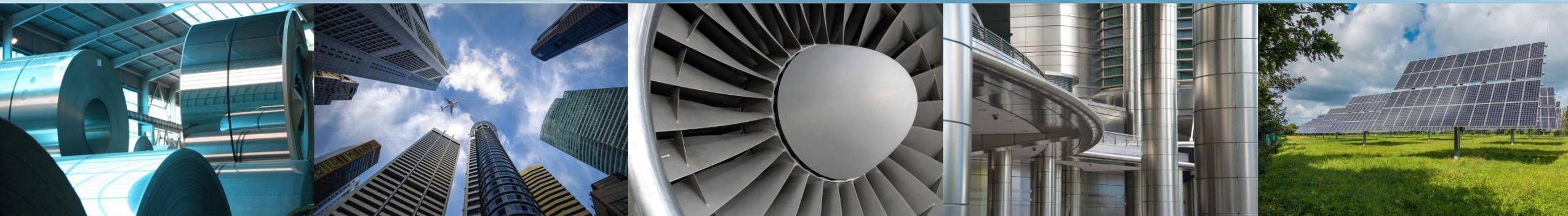


ACERINOX Q2 2020 RESULTS PRESENTATION

29 JULY 2020





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How acerinox faced COVID-19?

- Crisis Committee (end February 2020)
- Action Protocol - First steel company certified by AENOR for its protocols against COVID-19
- Safety and prevention measures
- Secured liquidity
- Refinancing to anticipate future renewals and extend maturities
- Secured the supply chain
- Operating performance, cost control, capital allocation and FCF focus
- Reinforcement of the communication with Board of Directors
- Home working where possible
- Success in communication and collaborative tools: keeping our people connected

We prepared early and acted decisively

H1 Main Financial Figures

Million EUR

	H1 2019	H1 2020	Variation H1 2020/H1 2019
Net Sales	2,442	2,331	-5%
Adjusted EBITDA (1)	186	179	-4%
EBITDA	186	165	-12%
Adjusted EBIT (2)	100	90	-9%
EBIT	100	34	-66%
Results before Taxes and Minorities	98	22	-77%
Results after Taxes and Minorities	69	2	-97%
Operating cash flow (before investments)	104	75	-28%
Net Financial Debt (3)	642	872	36%
Employees	6,836	8,385	23%

(1) EBITDA stripping out 14 million EUR for the expenses of the purchase of VDM

(2) EBIT stripping out 14 million EUR for the expenses of the purchase of VDM and 43 million EUR for the impairment of Bahru Stainless

(3) Includes 313 million EUR for the purchase of VDM and the consolidation of 85 million EUR of the company's debt

VDM integration

**Cost reduction on a like for like basis
(Stainless Division)**

- **Personnel: -9%**
- **Operating: -18%**

**Strong operating cash flow generation:
75 million EUR**

Liquidity amounted to 1,734 million EUR

Robust quarter against the difficult backdrop

Q2 MARKET HIGHLIGHTS

- Q2 severely impacted by COVID-19
 - Raw material prices recovered through quarter
- Europe**
- Imports market share steady at 22% (flat products)
 - Base prices lower QoQ
 - Flat products apparent demand fell 28% QoQ
 - Provisional HR antidumping measures approved
- USA**
- Flat products apparent demand fell 22% QoQ
 - Inventories remain low in absolute terms
 - Imports remain low (Section 232)
 - Stable prices
- Asia**
- Continued irrational overproduction against the backdrop of very weak demand
 - Inventories remain high
 - Prices marginally lower QoQ

Q2 ACERINOX HIGHLIGHTS

- Robust Q2 adjusted EBITDA, 94 million EUR
+11% QoQ
-2% YoY
- Costs down 19% QoQ on a like for like basis
- Strong operating cash flow, 111 million EUR
- Working Capital reduced by 63 million EUR
- Net debt remains firmly under control at 872 million EUR
- Liquidity position improved QoQ (1.7bn vs 1.5bn)
- Q2 Production:
 - 26% melting production QoQ
 - 22% melting production YoY
- Downward inventory adjustment of 20 million EUR
- Impairment in Bahru Stainless of 43 million EUR due to COVID-19

Q2 Main Financial Figures

Million EUR

	Q1 2020	Q2 2020 (1)	Variation Q2 2020/Q1 2020
Net Sales	1,159	1,172	1%
Adjusted EBITDA (2)	85	94	11%
EBITDA	85	80	-6%
Adjusted EBIT (3)	44	46	3%
EBIT	44	-11	---
Results before Taxes and Minorities	41	-19	---
Results after Taxes and Minorities	28	-26	---
Operating Cash Flow (before investments)	-36	111	---
Net Financial Debt (4)	854	872	2%
Employees	6,507	8,385	29%

Lower activity due to COVID-19

Low level of prices

Cost control

Strong cash generation

Negative inventory adjustment 20 million EUR

Impairment of 43 million EUR in Bahru

(1) The purchase of VDM took place on March 17. The second quarter includes VDM results from March to June

(2) EBITDA stripping out 14 million EUR for the expenses of the purchase of VDM in Q2

(3) EBIT stripping out 14 million EUR for the expenses of the purchase of VDM and 43 million EUR for the impairment of Bahru Stainless in the second quarter

(4) Includes 313 million EUR for the purchase of VDM in Q1 and the consolidation of 85 million EUR of the company's debt in Q2

Figures by division

Million EUR

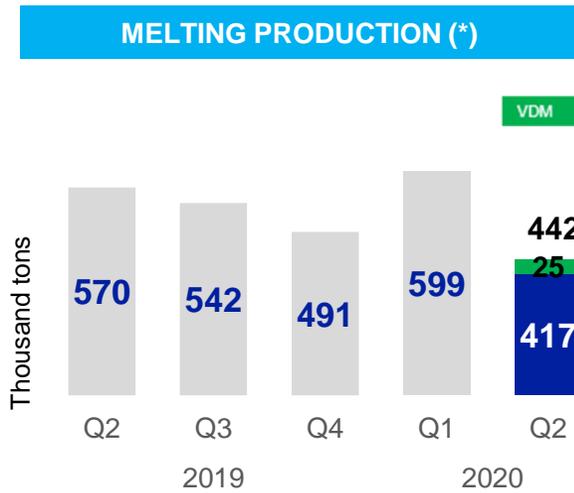
Million euros	Stainless Group			High Performance Alloys
	Q1 2020	Q2 2020	% Var Q2/Q1	Q2 2020 (1)
Melting production (thousand Mt)	599	417	-30%	25
Net sales	1.159	894	-23%	279
Adjusted EBITDA (2)	85	71	-16%	23
Adjusted EBITDA margin	7%	8%		8%
EBITDA	85	57	-33%	23
EBITDA margin	7%	6%		8%
Amortization and Depreciation	41	40	-2%	7
Adjusted EBIT (3)	44	31	-30%	15
Adjusted EBIT margin	4%	3%		6%
EBIT	44	-26	---	15
EBIT margin	4%	-3%		6%

(1) The purchase of VDM took place on March 17. The second quarter includes VDM results from March to June

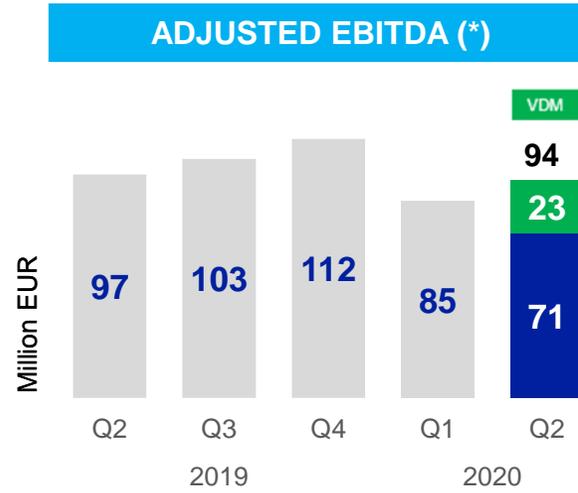
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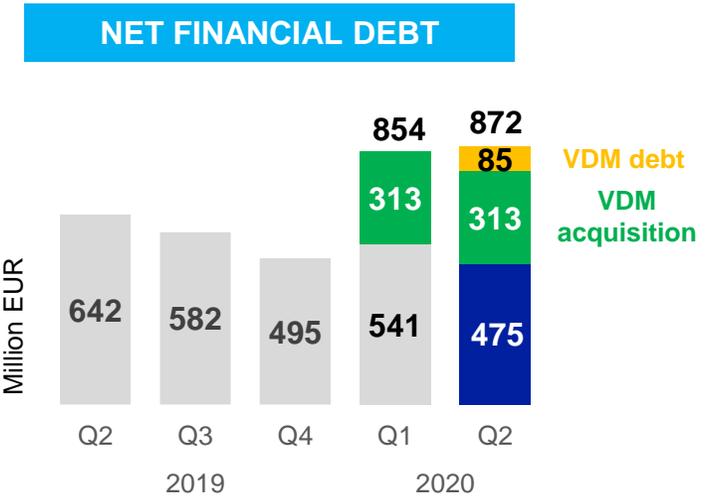
Very robust performance as demand collapsed



(*) The purchase of VDM took place on March 17. The second quarter includes VDM production from March to June



(*) EBITDA stripping out 14 million EUR for the expenses of the purchase of VDM in the second quarter of 2020



Net debt relatively stable QoQ due to:

Lower activity due to COVID-19

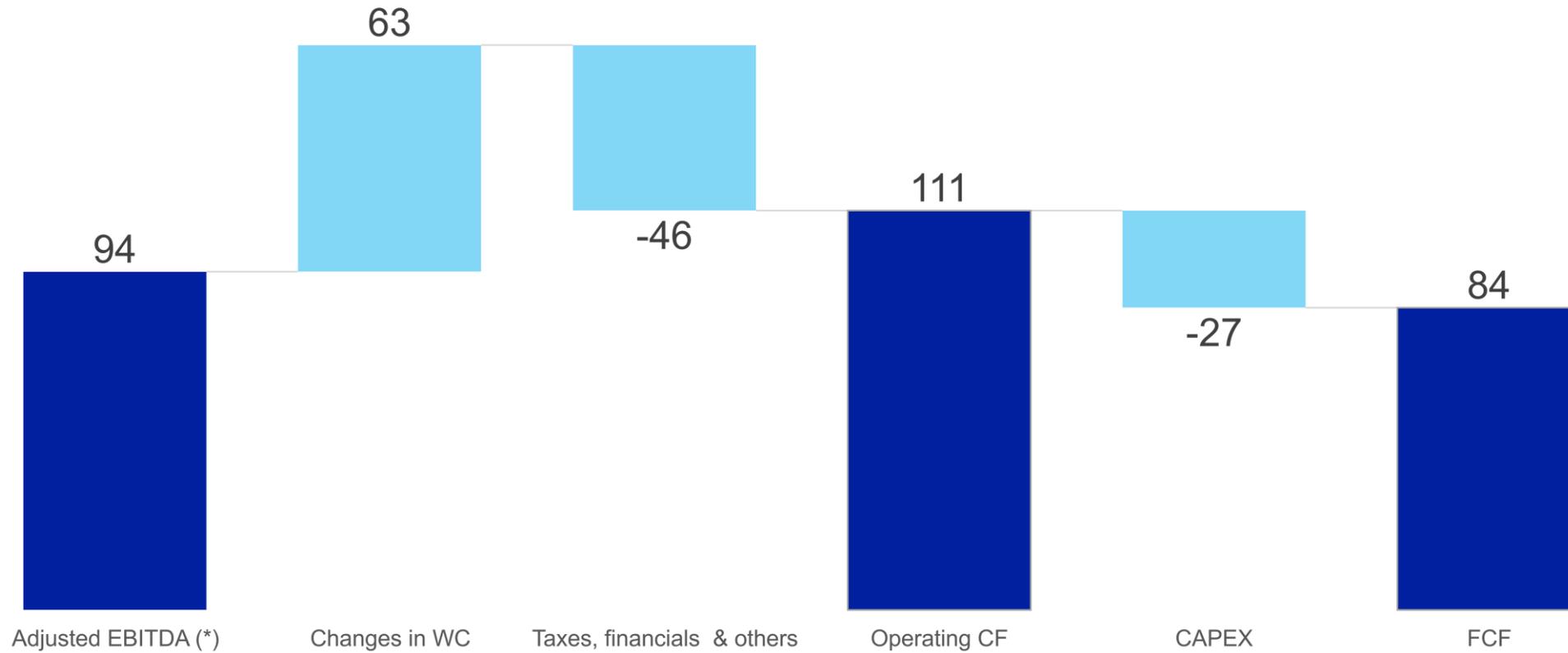
Strong cash generation

Consistent EBITDA sustained through quarters

85 million EUR consolidating VDM debt

Another strong quarter of FCF generation

Million EUR



(*) EBITDA stripping out 14 million EUR for the expenses of the purchase of VDM in the second quarter



Update on VDM integration process

On March 17 Acerinox closed the purchase of VDM Metals

Transition process to ensure business continuity and prioritize the long-term vision

The current work plan is divided into 20 areas and includes a specific integration team

The 3 year synergy target has risen from 14 to 22 million EUR. We do not rule out further areas for improvement

Despite the difficulties due to travel restrictions, the objectives are being met within the established time frame thanks to the effort and commitment of the work teams



Managing through the challenges of COVID-19

What did we do in Q2?

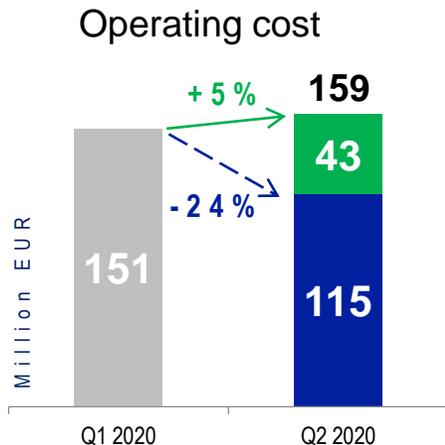
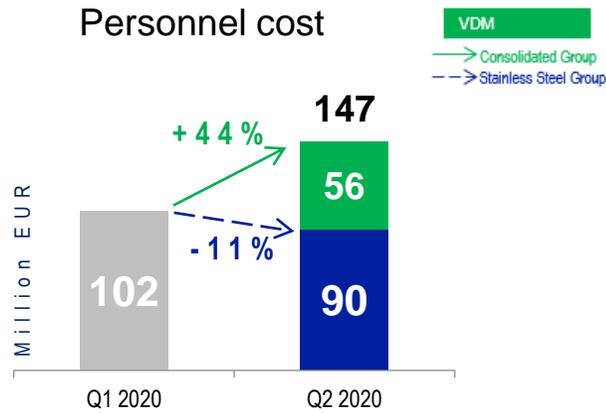
Focus beyond Q2

Our long term strategy remains intact

What did we do in Q2?

FCF focus remains a priority

COST CONTROL



CAPEX REDUCTION



WORKING CAPITAL MANAGEMENT

Inventories reduction: 95 million EUR
 Trade debtors reduction: 93 million EUR
 Trade creditors reduction: 139 million EUR

Working capital reduction: 50 million EUR

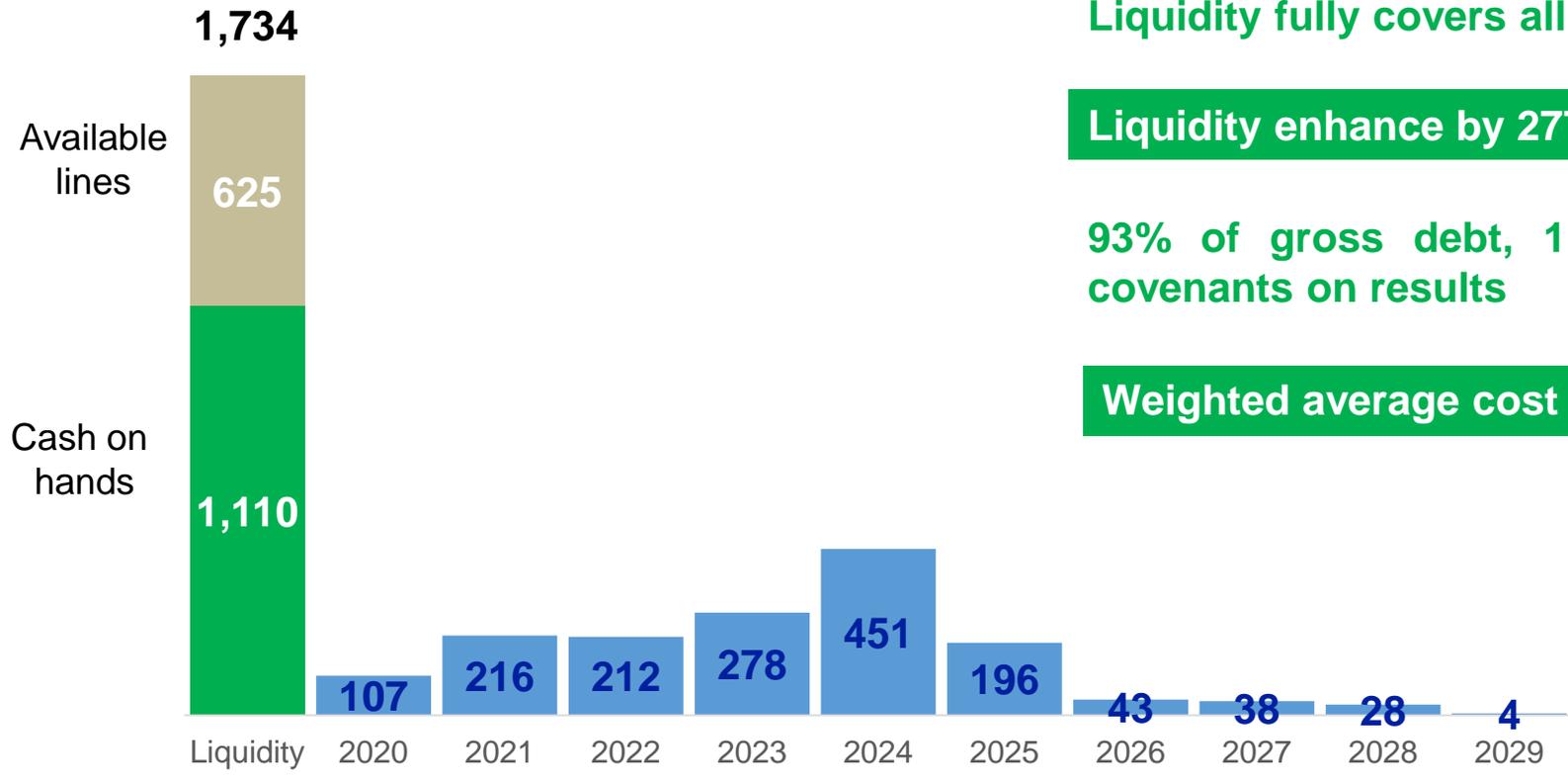
- Personnel cost down 11% like for like
- Operating cost down 24% like for like
- CAPEX discipline maintained
- Significant working capital reduction



What did we do in Q2?

Strength of liquidity remains key

Million EUR



Long-term maturities: 1,575 million EUR

Liquidity fully covers all maturities

Liquidity enhance by 277 million EUR QoQ

93% of gross debt, 1,981 million EUR, is free of covenants on results

Weighted average cost of term debt is 1.5%



Focus beyond Q2 - operational performance and FCF

Million EUR

1. Labour agreements to maintain cost flexibility
2. Ongoing focus on cost control
3. Focus on adding value through high performance alloys
4. Efficient working capital management
5. CAPEX control

Focus will be on operational performance and FCF generation keeping our long term strategy

Our long term strategy remains intact



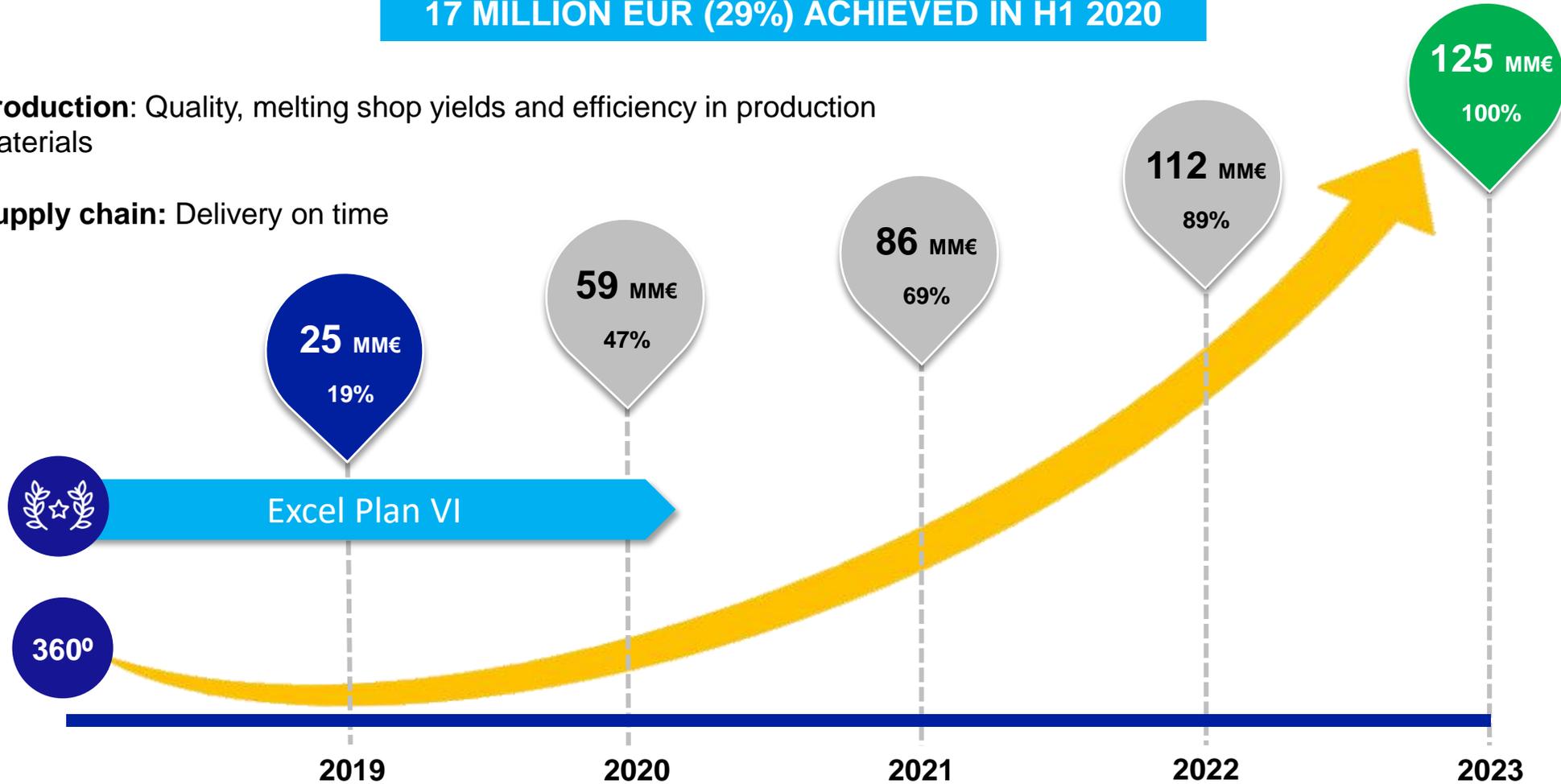
- Intense balance sheet focus that allow us an efficient capital allocation
- Constantly improving due to digitalization and 360° planning, cost reduction programs and optimizing the commercial network
- Added value enhanced by VDM metals and constant review of all the assets of the Group
- Sustainability is the core of our business model
- Acerinox is Circular Economy

Our long term strategy remains intact - Excellence 360°

17 MILLION EUR (29%) ACHIEVED IN H1 2020

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

Supply chain: Delivery on time



Outlook and conclusions

- The remainder of 2020 will continue to be very challenging
- We have probably past the worst but the speed and the strength of the recovery remains impossible to predict
- Signs of recovery emerging in the European stainless steel market
- Faster recovery in the North America stainless steel market
- Slowdown in the High Performance Alloys sector in Q3
- In Q2 we acted decisively to take out costs and further boost liquidity
- As always, we will continue to control the controllable aspects of our business as priority
- Operating performance and capital allocation are the key focus of management attention
- VDM integration progressing well which will allow us to enhance our earnings in the long term
- Regardless of the environment we will never lose sight of our long term strategy
- We expect Q3 EBITDA broadly in line with Q2 reported EBITDA



VALUE CREATION FOR ALL STAKEHOLDERS



APPENDIX



A new global leader in stainless and high performance alloys

Acerinox is a global leader in stainless steel

VDM Metals is a global leader in high performance alloys

Acerinox + VDM Metals add growth opportunities



A new global leader in stainless and high performance alloys

Acerinox is a global leader in stainless steel

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Acerinox + VDM Metals add growth opportunities



2019 Acerinox

- Acerinox is the **most global** stainless steel manufacturing in the world
- Presence on **five continents**, factories on four of them, supplying to customers in 81 countries
- The marketing and sale of the products is carried out through a network consisting of service **centres, warehouses, offices** and **commercial agents**





2019 Acerinox: Global Presence

PRESENCE IN 56 COUNTRIES IN THE 5 CONTINENTS

6,709

EUROPE 3,207
 AMERICA 1,541
 AFRICA 1,298
 ASIA/OC 663

- ▲ Warehouses (25)
- Sales offices (35)
- Service centres (18)
- 👤 Sales agents (15 in 27 countries)
- 🏭 Plants (6)



AFRICA

- Algeria
- Egypt
- Morocco
- South Africa
- Tunisia

AMERICA

- Argentina
- Brazil
- Canada
- Chile
- Colombia
- Guatemala
- Mexico
- Panama
- Peru
- United States
- Venezuela

ASIA

- Azerbaijan
- China
- Hong Kong
- India
- Indonesia
- Kazakhstan
- Malaysia
- Pakistan
- Philippines
- Singapore
- South Korea
- Taiwan
- Thailand
- Vietnam

EUROPE

- Belgium
- Czech Republic
- France
- Germany
- Italy
- Norway
- Poland
- Portugal
- Russia
- Spain
- Sweden
- Switzerland
- United Kingdom

THE MIDDLE EAST

- Bahrain
- Iraq
- Israel
- Jordan
- Kuwait
- Lebanon
- Libya
- Oman
- Qatar
- Saudi Arabia
- Turkey
- United Arab Emirates

OCEANIA

- Australia

Source: WTO, ISITC, CRU, ACX



Acerinnox: History

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

1990, incorporation of NORTH AMERICAN STAINLESS (USA)

Acerinnox S.A. 100%

2002, incorporation of COLUMBUS STAINLESS (South Africa)

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

2009, incorporation of BAHRU STAINLESS (Malaysia)

Acerinnox, S.A. 98%
Hanwa 2%

2020, incorporation of VDM Metals (Germany)

Acerinnox S.A. 100%

MAIN ACERINOX SHAREHOLDERS

Corporación Financiera Alba, S.A .	18.96%
Nippon Steel Stainless Steel Corp.	15.49%
Industrial Development Corp. (I.D.C.)	3.04%
Bravo Andreu, Daniel	3.00%

Source: CNMV (07/28/2020)



Acerinox Principles And Values

VISION

Pillars	Drivers	Strategic Lines			
Belief on a leader product	Growing consumption No replacement	Stainless Steel specialists	Continuous search of product excellence. R+D+i programs in every BU	Presence on global leading projects. Empower Acerinox brand.	Wide product mix, both on steel types, products and finishes.
Operative Excellence	Continuous research of the better quality at the lower cost	Integrated Mills with optimal layout	Light structure. Flexibility on production and commercial management.	Technological innovation. Continuous equipment improve, with the latest technologies	Fixed costs control. Continuous improve programs on variable costs. Excellence Plans.
Global Presence	Organic growth	Strategic Mills location. Production on 4 continents	Exclusive and owned commercial network. Societies in the 5 continents.	Continuous internationalization process	
Financial Strength	Accomplishment of financial ratios	Financial awareness Low leverage Balance strength	Liquidity	Ensure an adequate and competitive dividend to shareholders	Controlled profit reinvestment. Investment plan Capex 2015-2018
Sustainability	Social Commitment	"Zero Accidents" policy	Global leader on climate change	Implementation of environmental footprint programs. Responsible use of resources.	Maximum grade "A" at "Carbon Disclosure Project" (CDP) High marks at GRI program



Our Main Product: Stainless Steel

Is an alloy of iron + chrome ($\geq 10.5\%$) + carbon ($\leq 1.2\%$)

chrome allows the formation of a thin and invisible film on the steel surface, that prevents corrosion to the material

Benefits of Stainless Steel

Excellent corrosion resistance	Long term value	Easy cleaning	Durability	100% recyclable
Impact and mechanical resistance	Fire and heat resistance	Visual attractiveness	Strength-to-weight advantage	Minimal maintenance

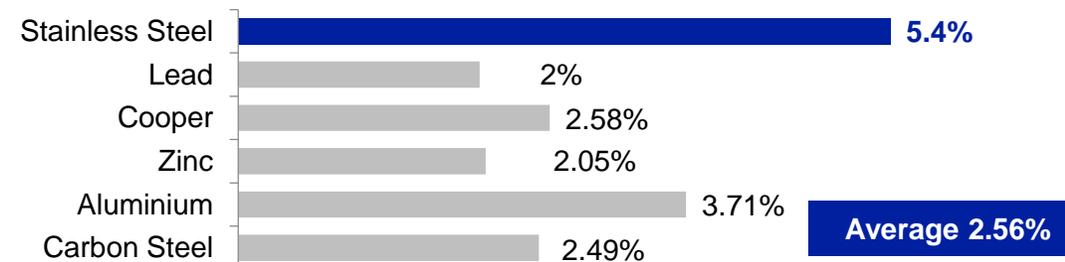
Stainless Steel Grades

	IRON				PRODUCTION
	CARBON	CHROME	NICKEL	MANGANESE	
Ferritic	<0.1%	16-18%	---	<2.0%	25%
Austenitic					
200 series	<0.1%	17-20%	1-6%	5.5-10%	20%
300 series	<0.1%	17-20%	6-22%	<2.0%	53%
Duplex	<0.03%	22-23%	4-7%	<2%	2%

Growth of stainless steel and alternative metallic materials

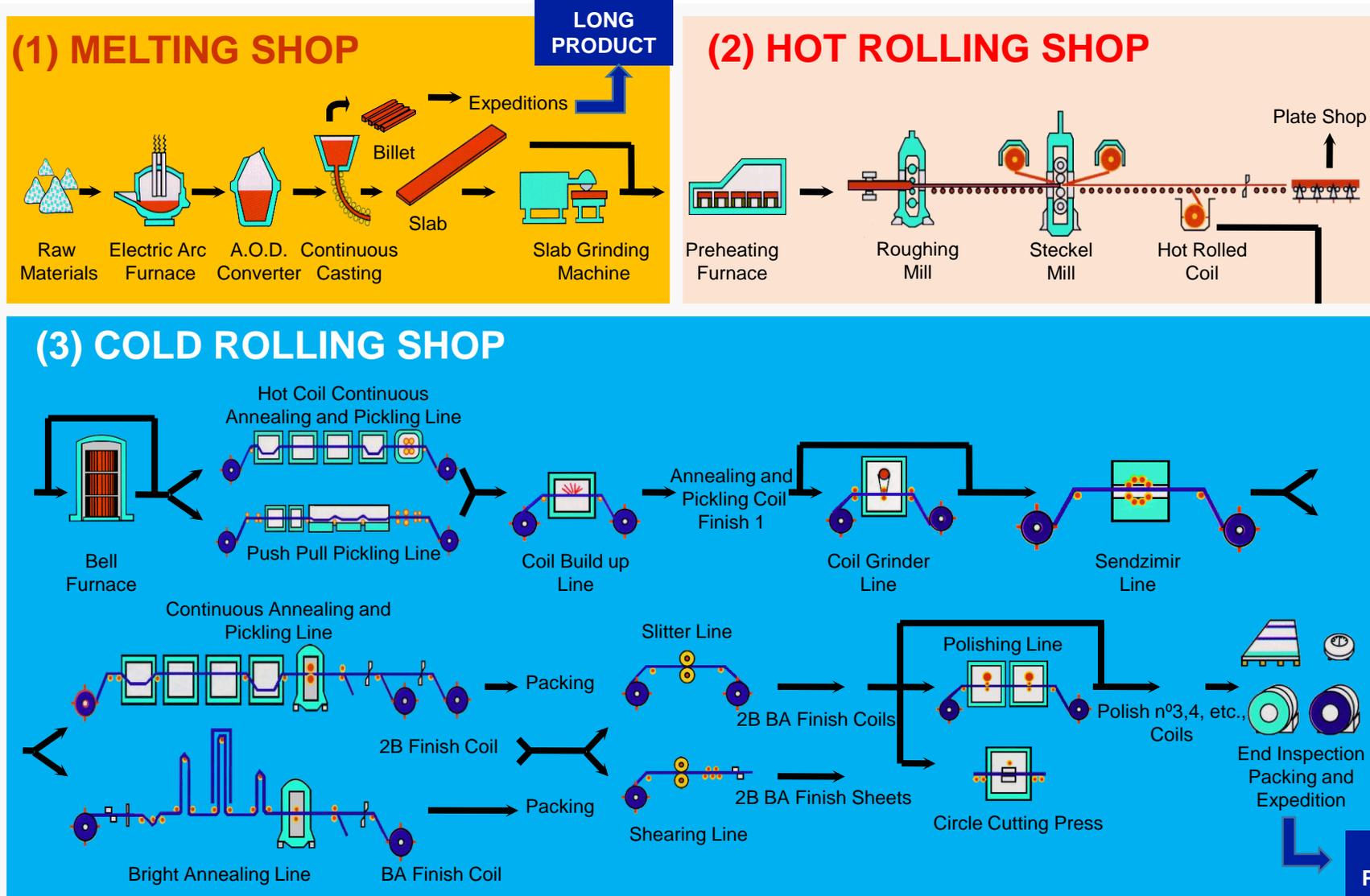
Compound annual growth in % (year 1980-2019)

Source: ISSF





Stainless Steel Production Process





Acerinox Products

FLAT PRODUCT

LONG PRODUCT



Algeciras

1970 | Spain
Melting Shop
Hot Rolling Shop
Cold Rolling Shop



Ponferrada

1957 | Spain
Hot Rolling
Finished Product



Kentucky

1990 | USA
Melting Shop
Hot Rolling Shop
Cold Rolling Shop



Igualada

1990 | Spain
Finished product



Middelburg

2002 | South Africa
Melting Shop
Hot Rolling Shop
Cold Rolling Shop



Kentucky

2003 | USA
Hot Rolling
Finished Product
Integrated with the flat product plant



Johor

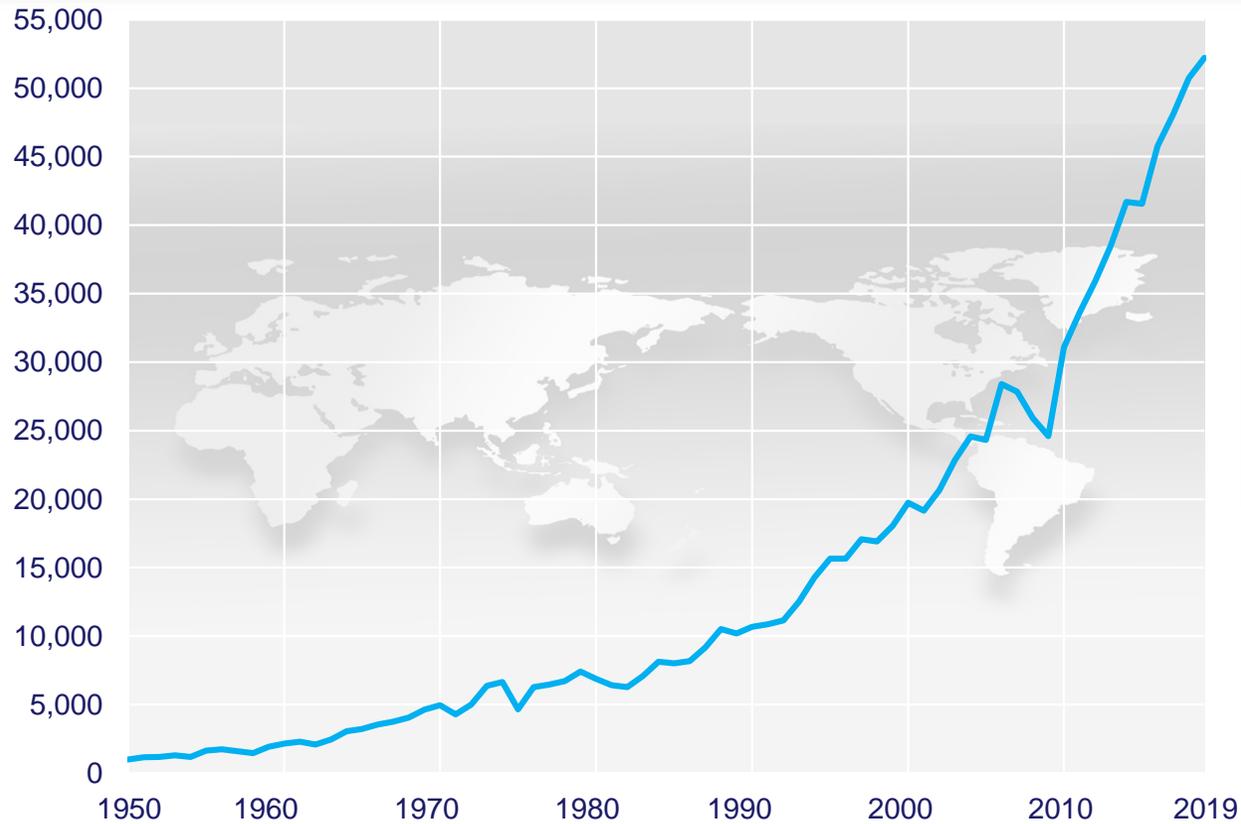
2009 | Malaysia
Cold Rolling Shop



Stainless Steel World Production

Thousand Mt

Compound annual growth rate 1950–2019: + 5.9%



World production
of Stainless Steel
in 2019:
52.2 million mt

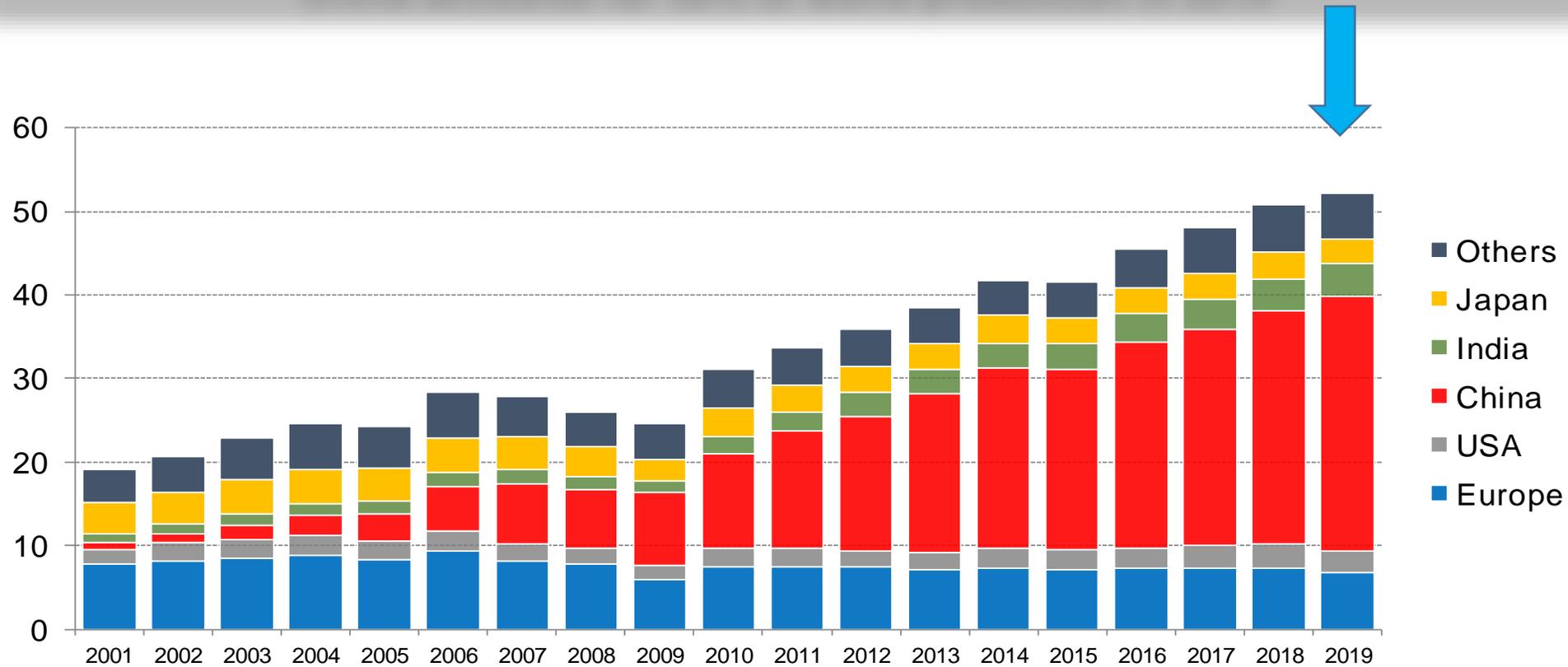
Source: ISSF and Acerinox



Stainless Steel World Production

Million Mt

China accounts for 58% of world production in 2019



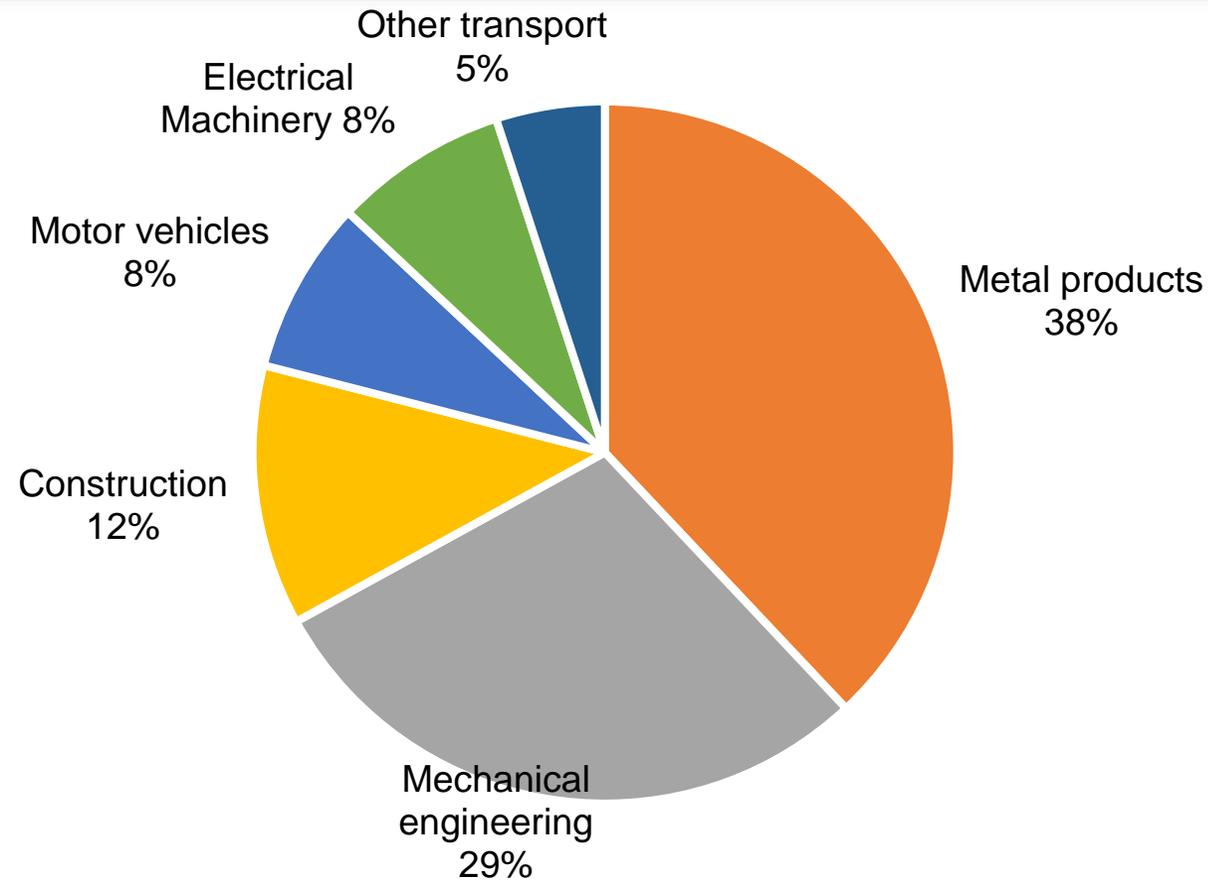
Others: Brazil, Russia, S. Africa, S. Korea, Indonesia

Source: ISSF



Stainless Steel Use Per Sector, 2019

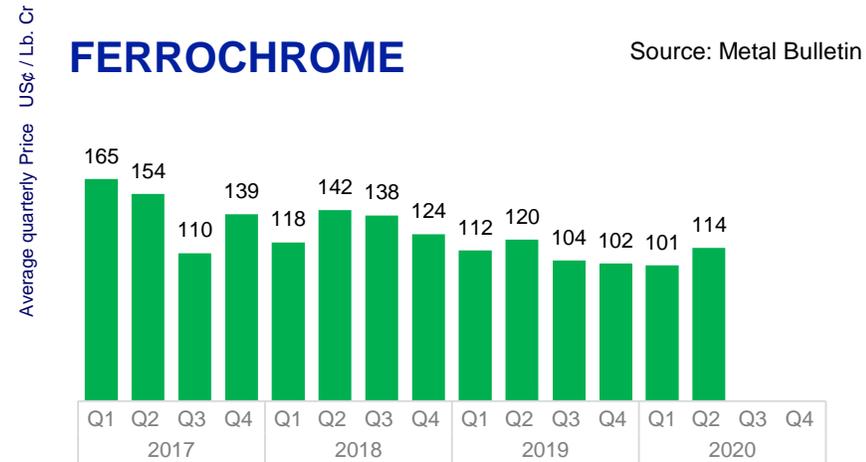
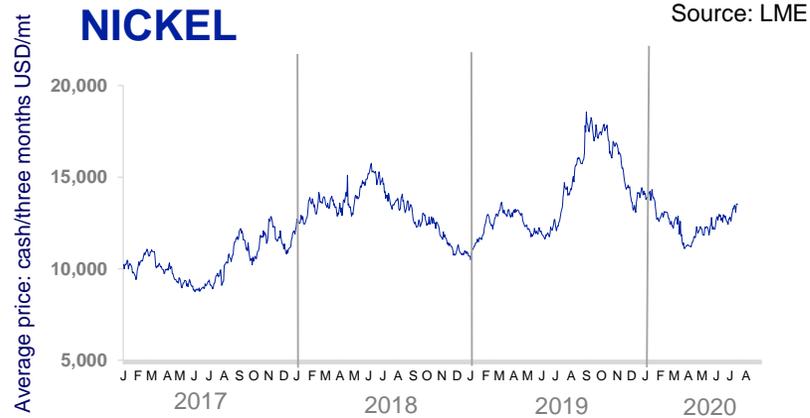
Diversified product



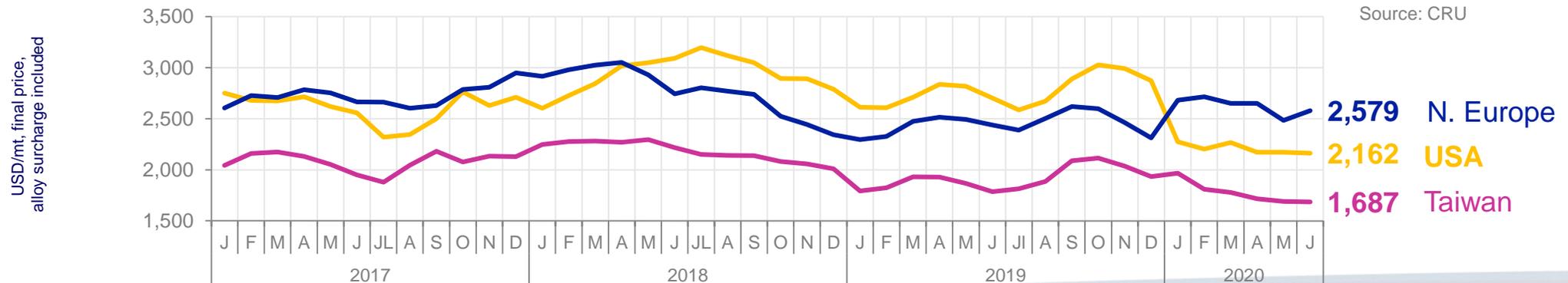


Market Performance: Prices

Raw materials



Stainless steel cold rolled sheet prices aisi 304 2.0 mm



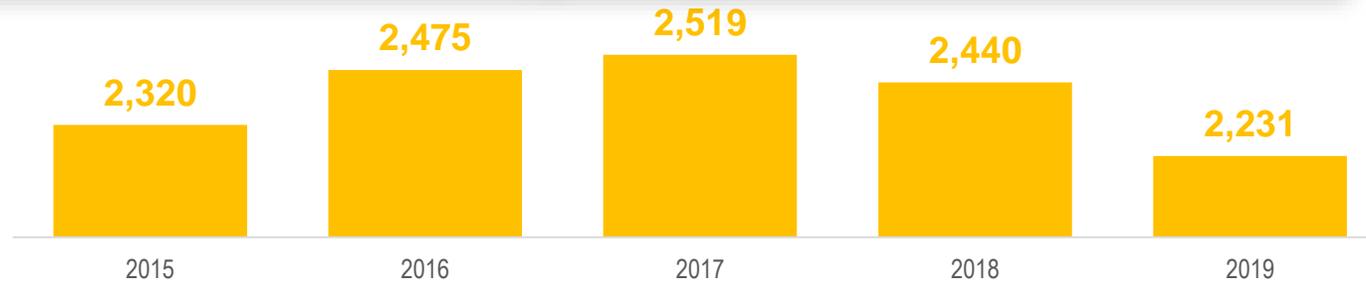


Acerinox Stainless Steel Production

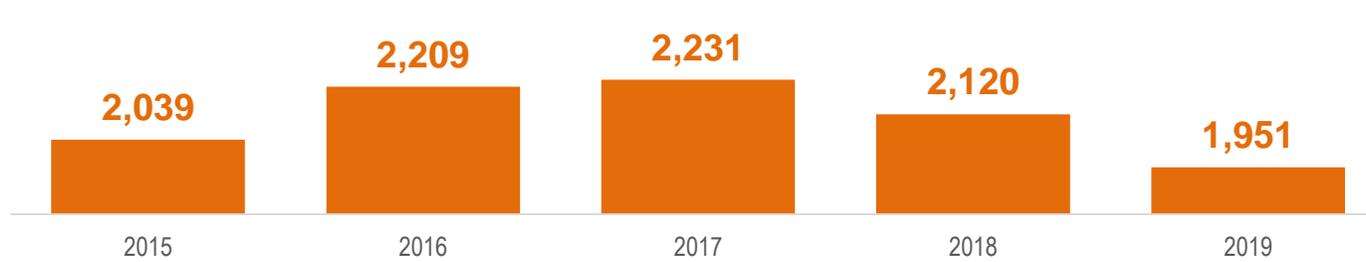
Thousand Mt

Acerinox has three full integrated plants

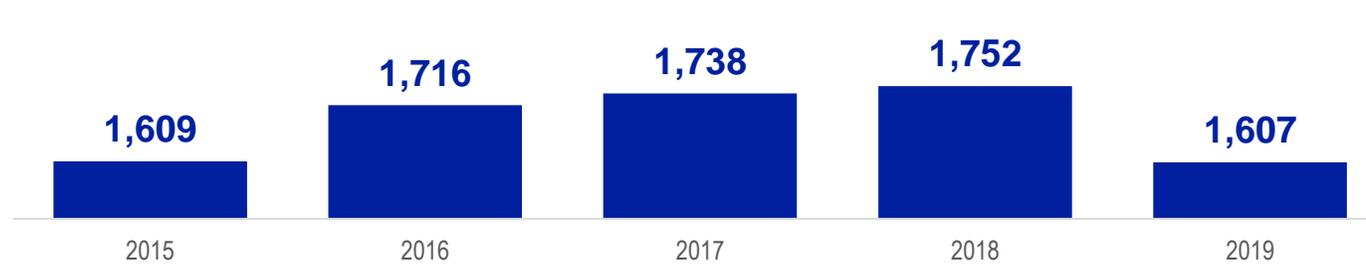
MELTING SHOP



HOT ROLLING



COLD ROLLING

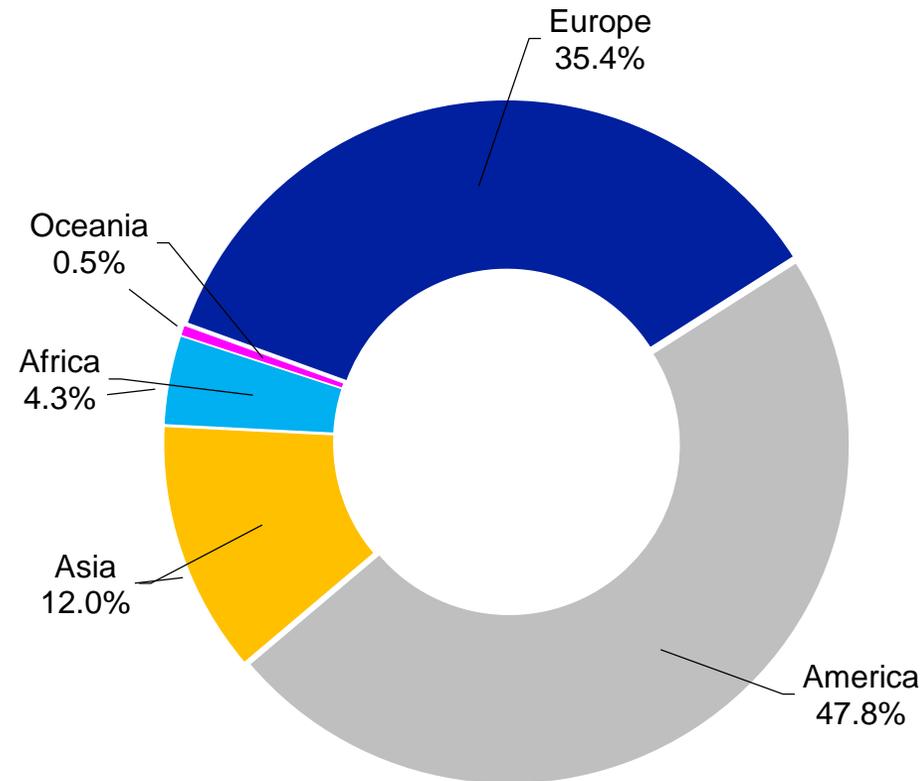




Acerinox Stainless Steel Division: sales geographical mix

Presence in 5 continents

Year 2019

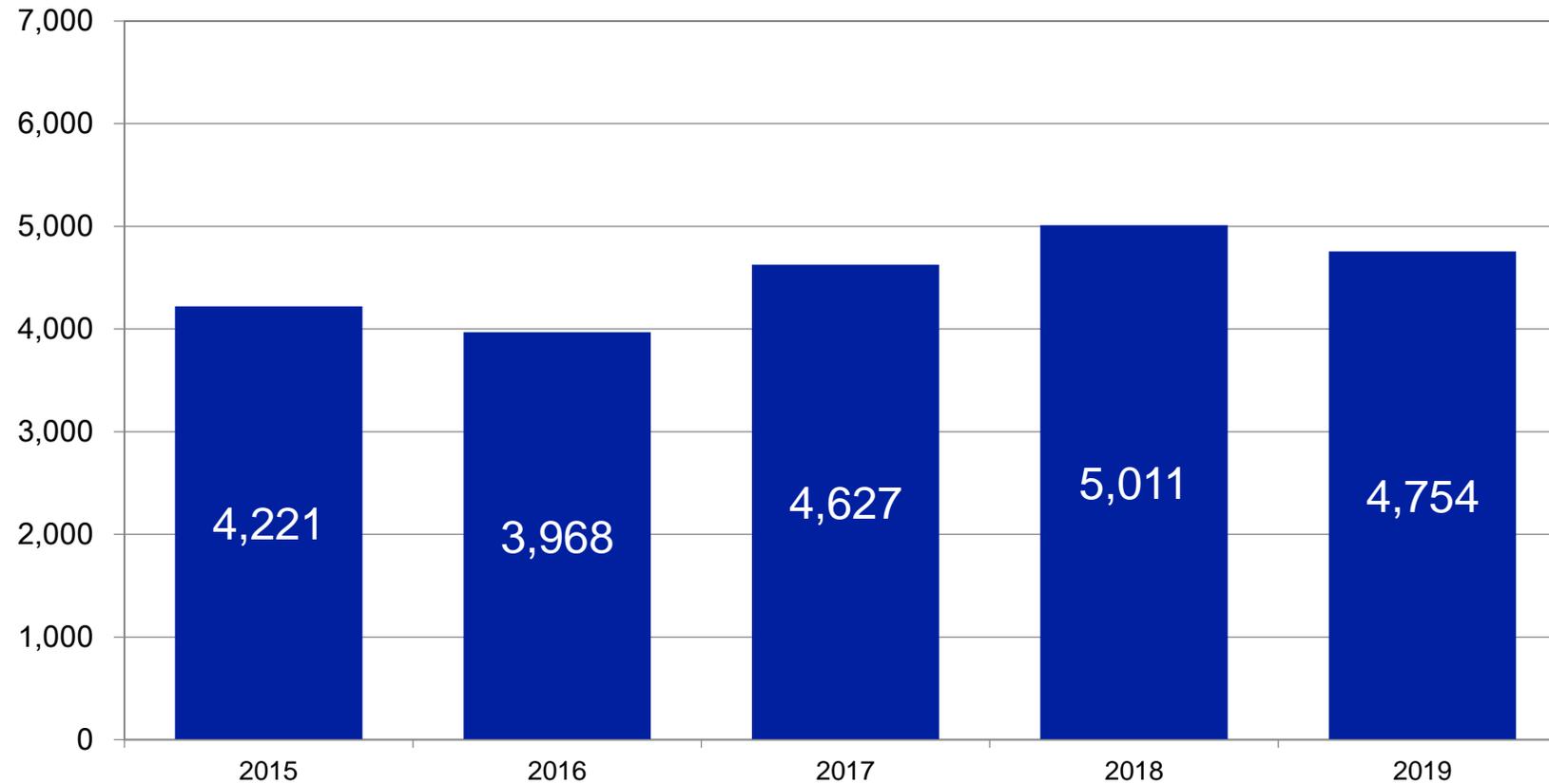




Acerinox stainless steel main figures

Net sales

Million EUR

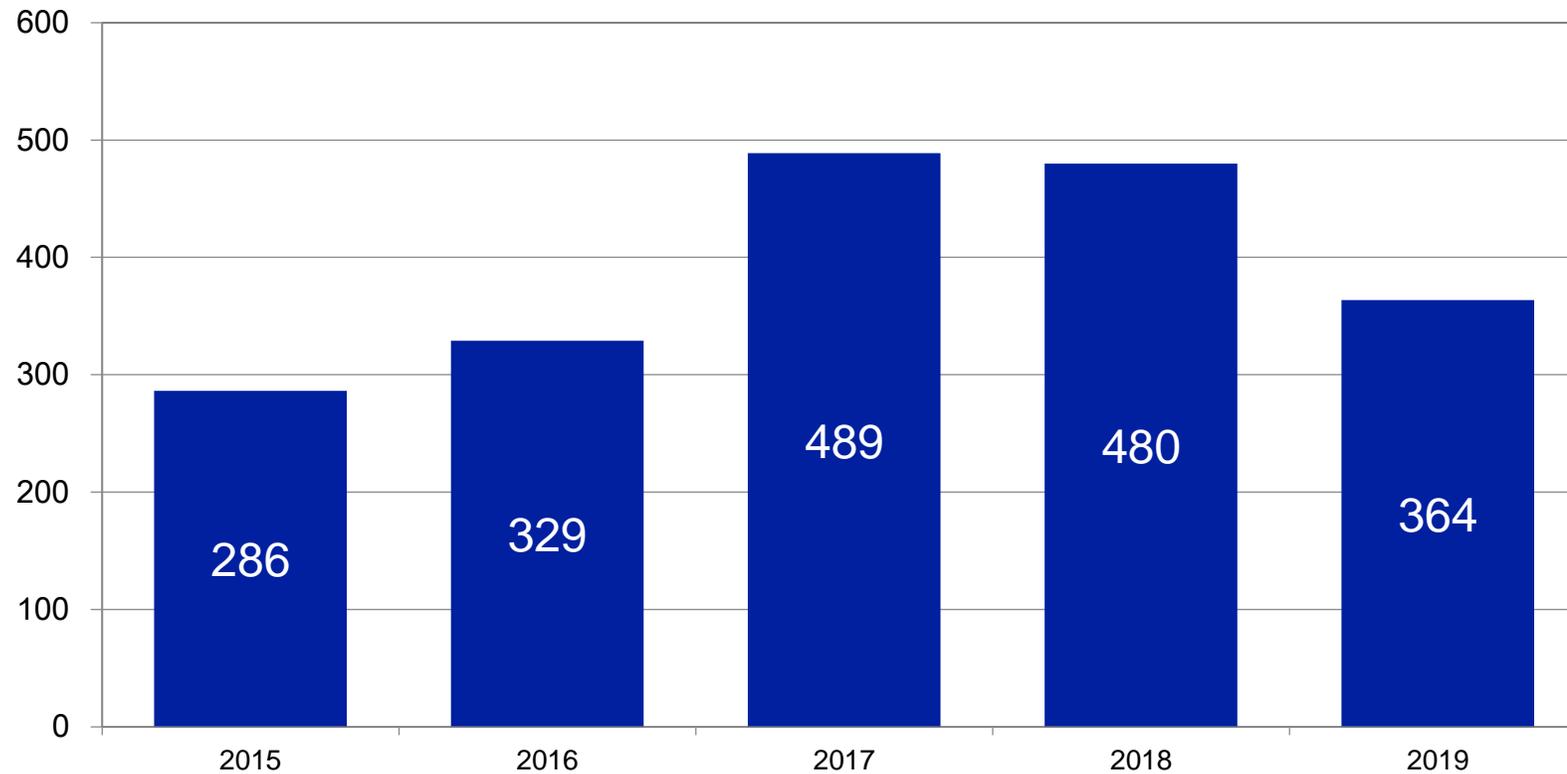




Acerinox stainless steel main figures

EBITDA

Million EUR

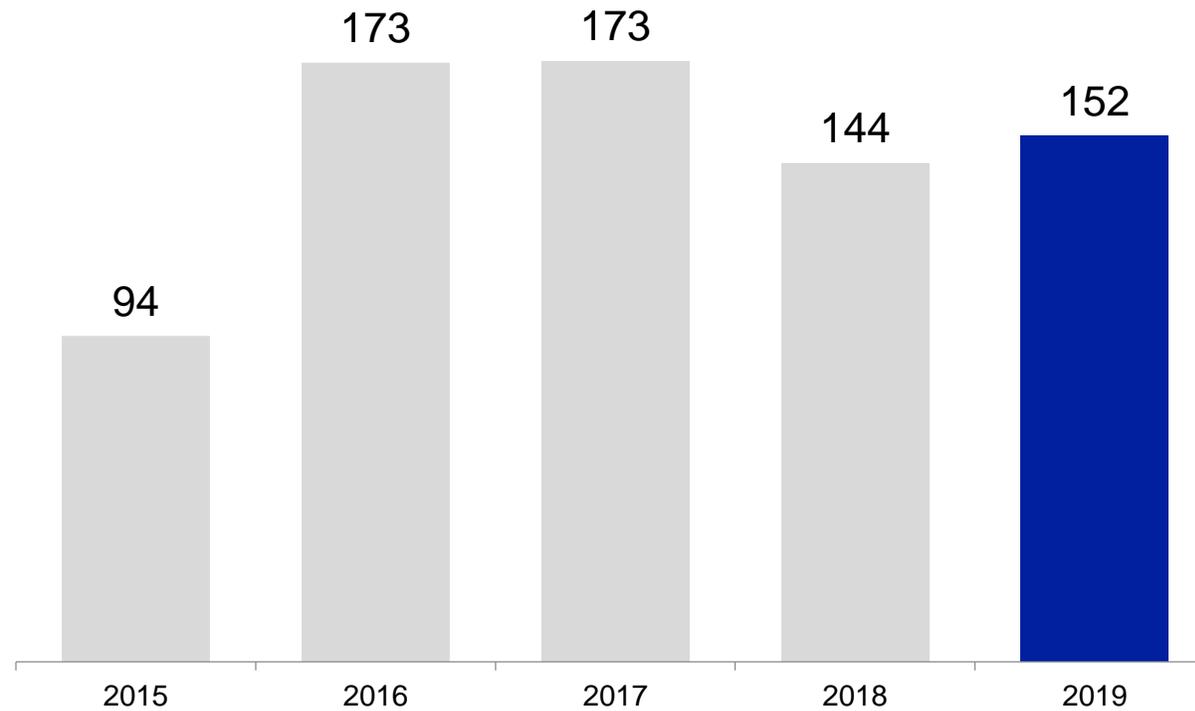




Acerinox stainless steel main figures

CAPEX 2015-2019

Million EUR

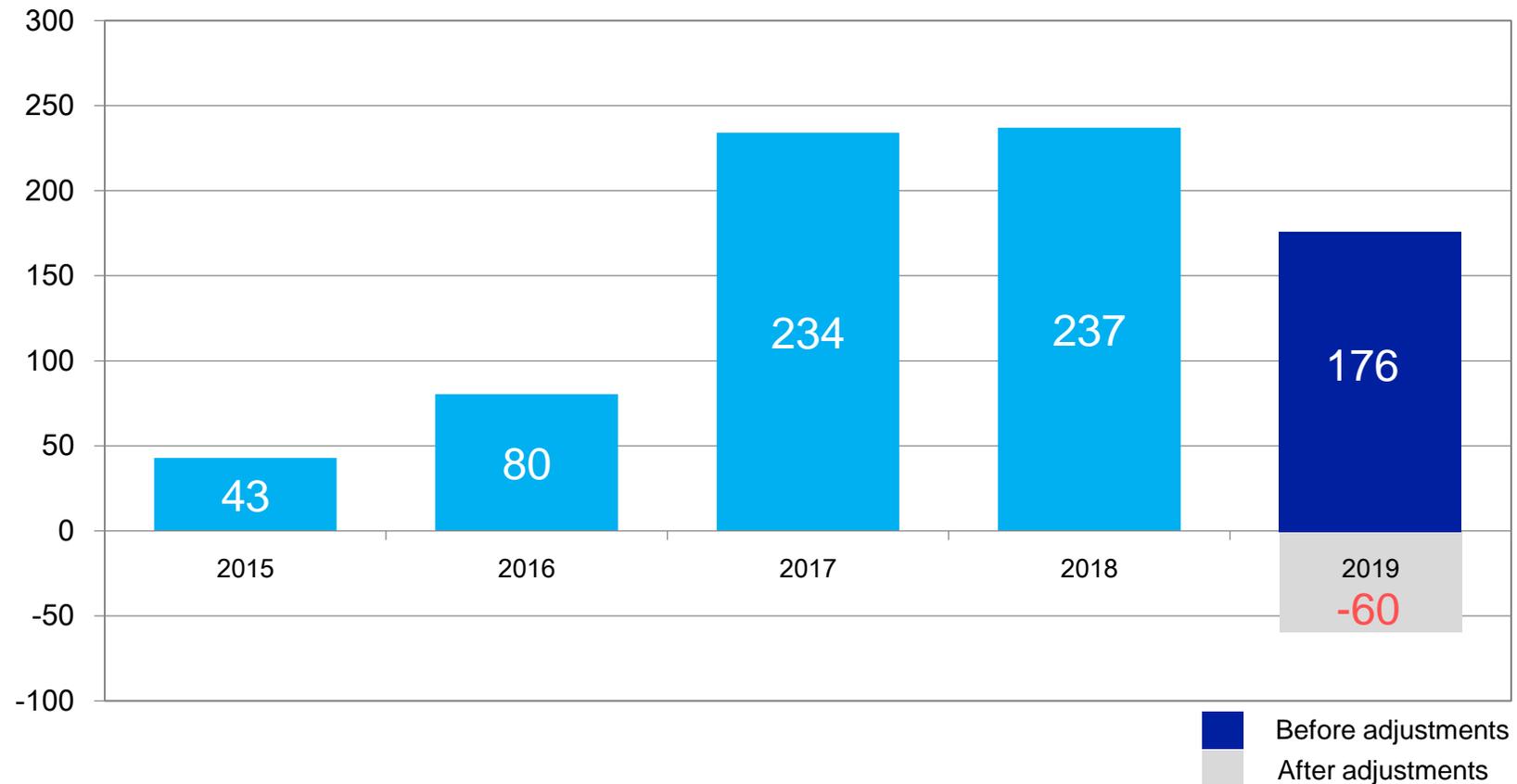




Acerinox stainless steel main figures

Net profit

Million EUR

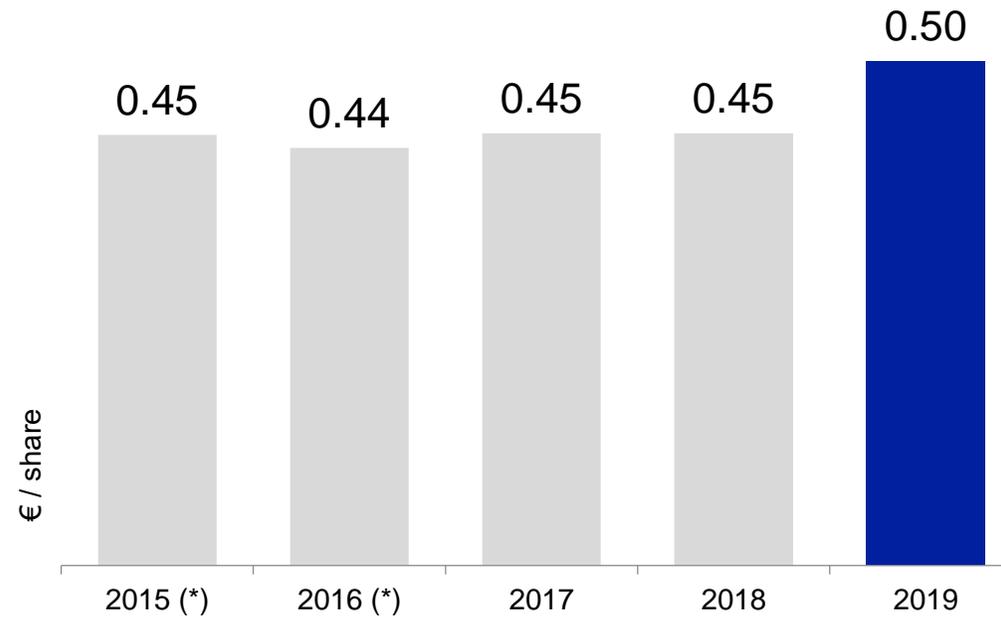




Acerinox stainless steel main figures

Return to Shareholders

(*) Scrip dividend





A new global leader in stainless and high performance alloys

Acerinox is a global leader in stainless steel

VDM Metals is a global leader in high performance alloys

Acerinox + VDM Metals add growth opportunities



About VDM Metals

Technology Leader in High Performance Alloys for Mission-Critical Applications		7 Production Facilities in Germany and the US	
12 Subsidiaries, 6 Sales Offices, 4 Service Centres, 18 Agents		62 Alloy Patent Applications	
Global leader in High Performance Alloys		Serving International CPI, O&G, Automotive, E&E and Aerospace End Markets	
€97 million FY 2018/19 ⁽¹⁾ Adjusted EBITDA ⁽²⁾	€852 million FY 2018/19 ⁽¹⁾ Production Sales	11% FY 2018/19 ⁽¹⁾ Adjusted EBITDA Margin	> 1,700 Customers > 2,000 Employees

Note:

1. Fiscal year ending on 30 September 2019
2. Excluding non recurrent items

CPI: Chemical, Processing Industry
O&G: Oil and Gas
E&E: Electrical and Engineering



2020 Added value enhanced by VDM metals

Why does VDM Metals add value?

Market leader with growth Potential

- Globally #1 in high performance alloys market
- Reputation of excellence and strong brand name
- Significant growth potential in specialty alloys

Technology innovation and product excellence

- Innovation leader with excellent R&D know-how
- Company with the most product patents in the Industry
- Able to supply a full spectrum of high quality specialty alloys

Why does VDM Metals add value to Acerinox Group?

Enhancement and diversification of product mix and synergy potential

- Complementary product with similar end uses
- Expertise in projects and tailor-made solutions
- Boost sales with a wider product portfolio
- Potential to create an R&D leader
- Potential synergies of at least €22 million per annum
- Synergies beyond synergies

High Performance Alloys: not always visible but always indispensable now and for a sustainable future

Sophisticated niche products with high growth potential

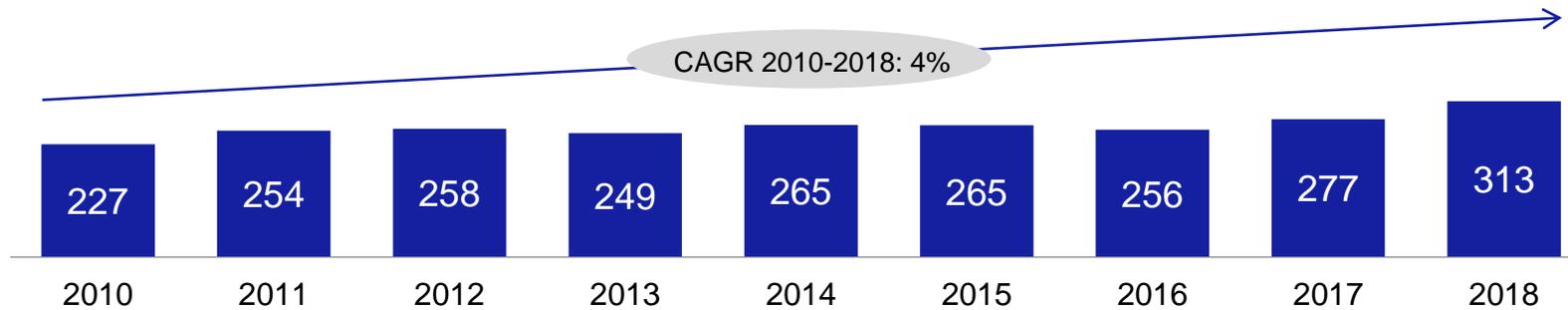




Demand for high performance alloys

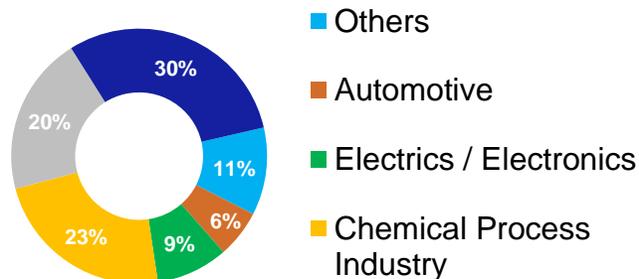
High performance alloys is a strong growth market

Specialty Alloys' Market (excl. Seamless Tube)



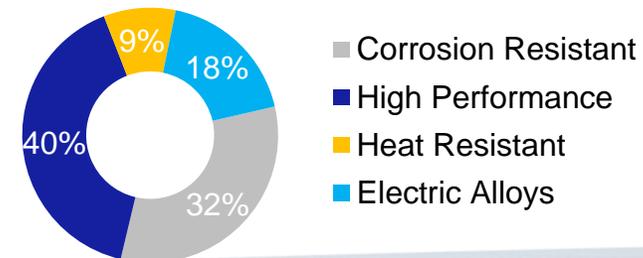
■ Market (000' tonnes)

Market Breakdown by End-User (2018)



Source: SMR

Market Breakdown by Alloy type (2018)

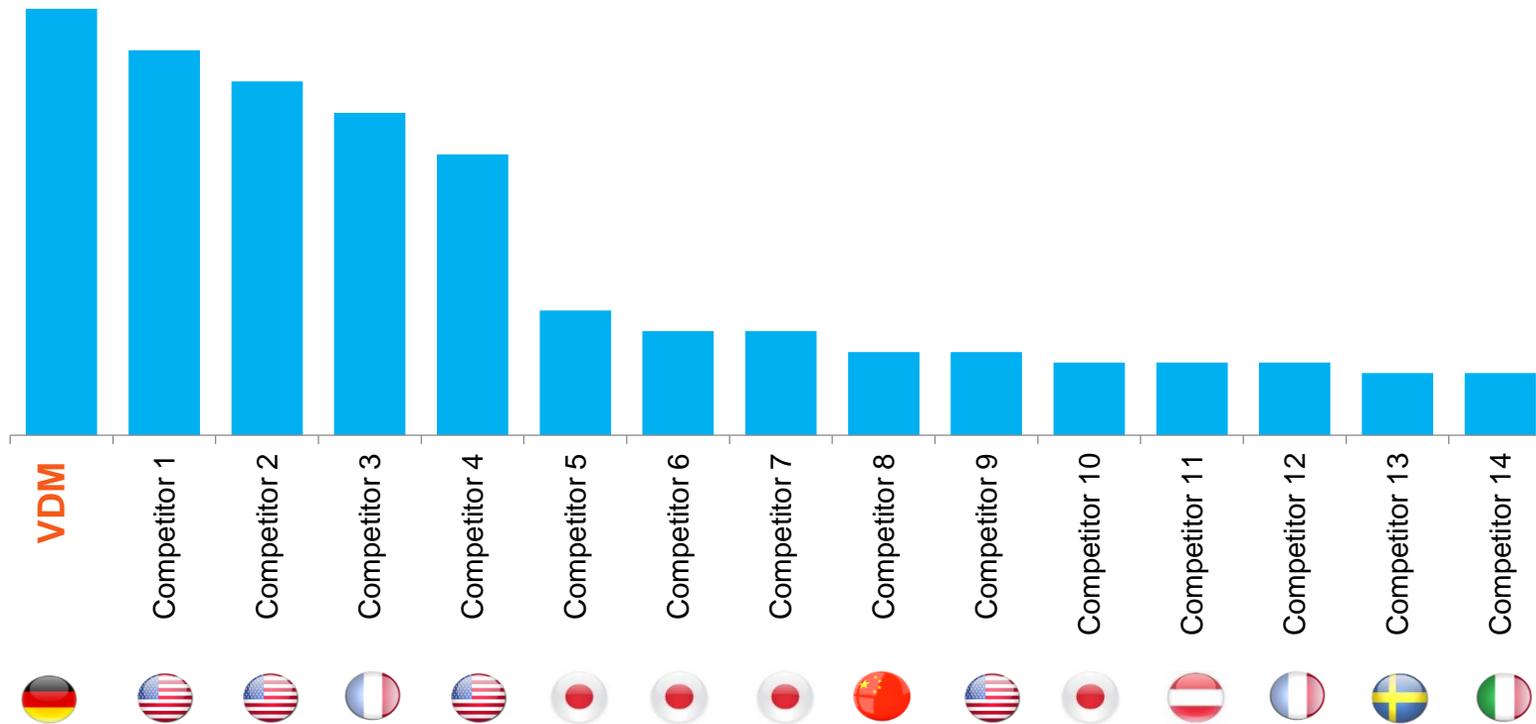




VDM Metals global market position

Unique opportunity as the largest producer in high performance alloys

in 000' tons

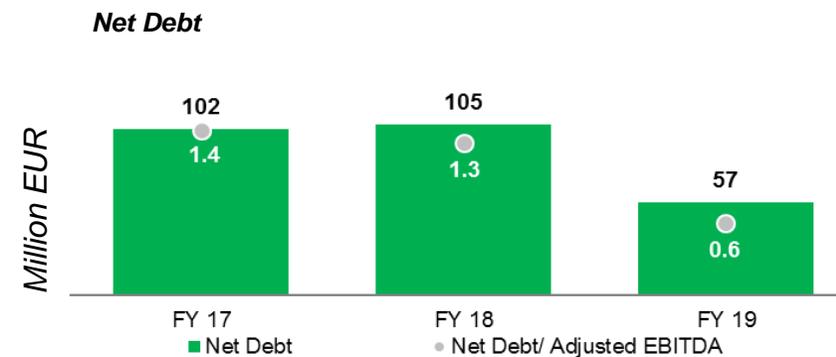
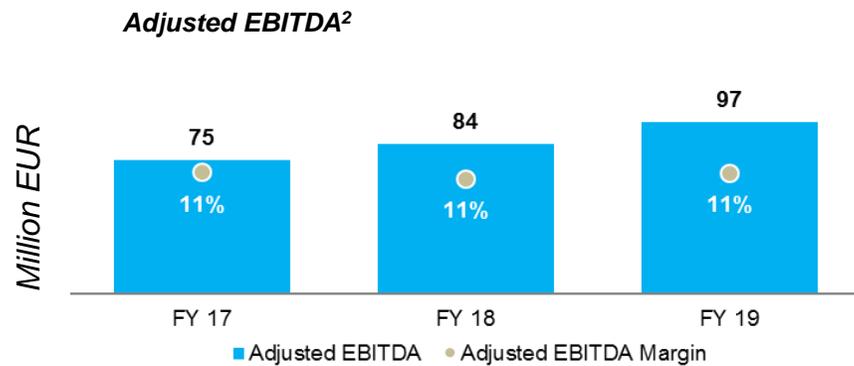
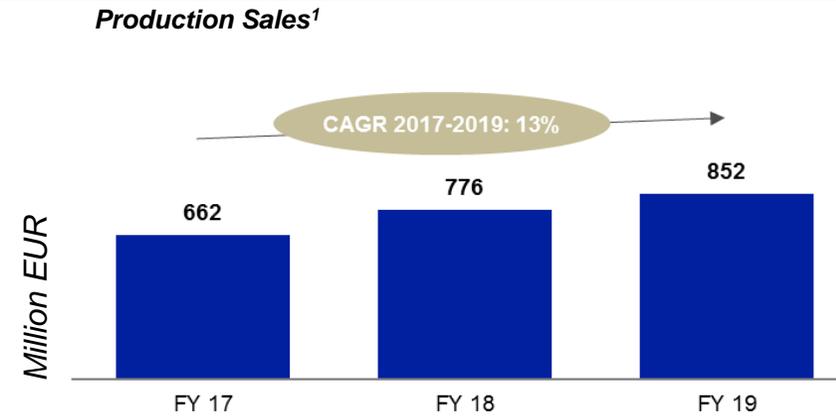
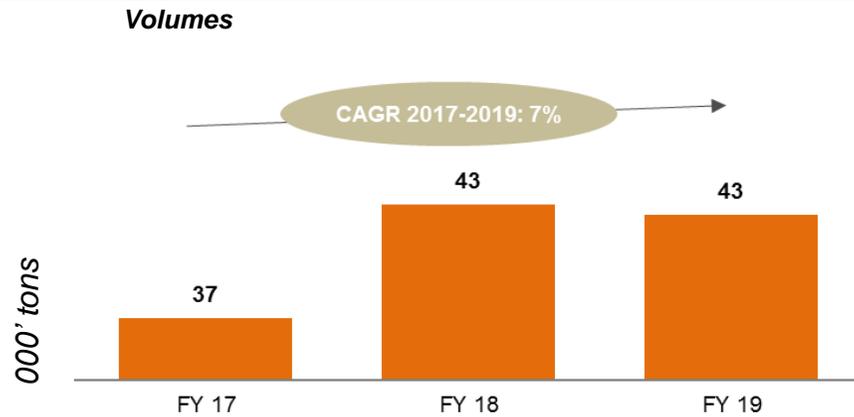


Source: SMR Q3 2018



VDM Metals global market position

Solid revenue and earnings growth in recent years



Note: FY ending in September, 30; ¹ Production Sales relate to the sale of metal alloy products and services (primarily toll manufacturing), and excludes revenues from nickel trading and semiconductor and system technology products; ² Excluding non recurrent items



A new global leader in stainless and high performance alloys

Acerinox is a global leader in stainless steel

VDM Metals is a global leader in high performance alloys

Acerinox + VDM Metals add growth opportunities



Acerinox Products

FLAT PRODUCT



Algeciras

1970 | Spain

Melting Shop
Hot Rolling Shop
Cold Rolling Shop



Kentucky

1990 | USA

Melting Shop
Hot Rolling Shop
Cold Rolling Shop



Middelburg

2002 | South Africa

Melting Shop
Hot Rolling Shop
Cold Rolling Shop



Johor

2009 | Malaysia

Cold Rolling Shop

LONG PRODUCT



Ponferrada

1957 | Spain

Hot Rolling
Finished Product



Igalada

1990 | Spain

Finished product



Kentucky

2003 | USA

Hot Rolling
Finished Product
Integrated with the flat product plant

HIGH PERFORMANCE ALLOYS

VDM Metals

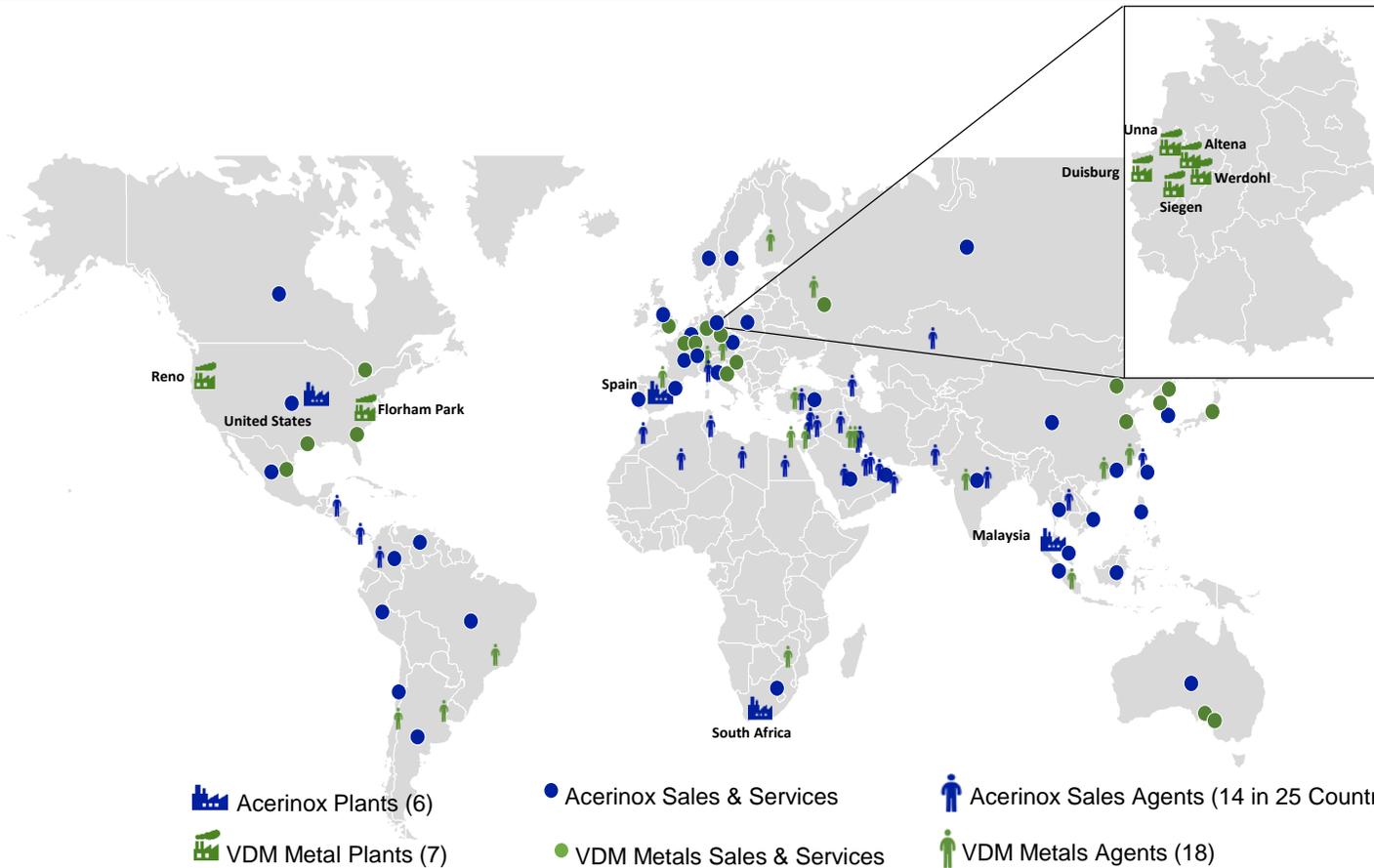


2020 | Germany

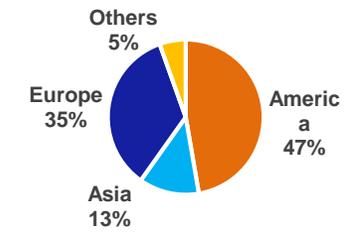


Combined global footprint and sales by region

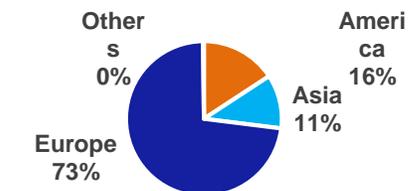
Strong regional complementarity



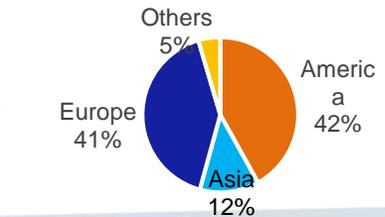
Acerinox (2018)



VDM Metals (2018)

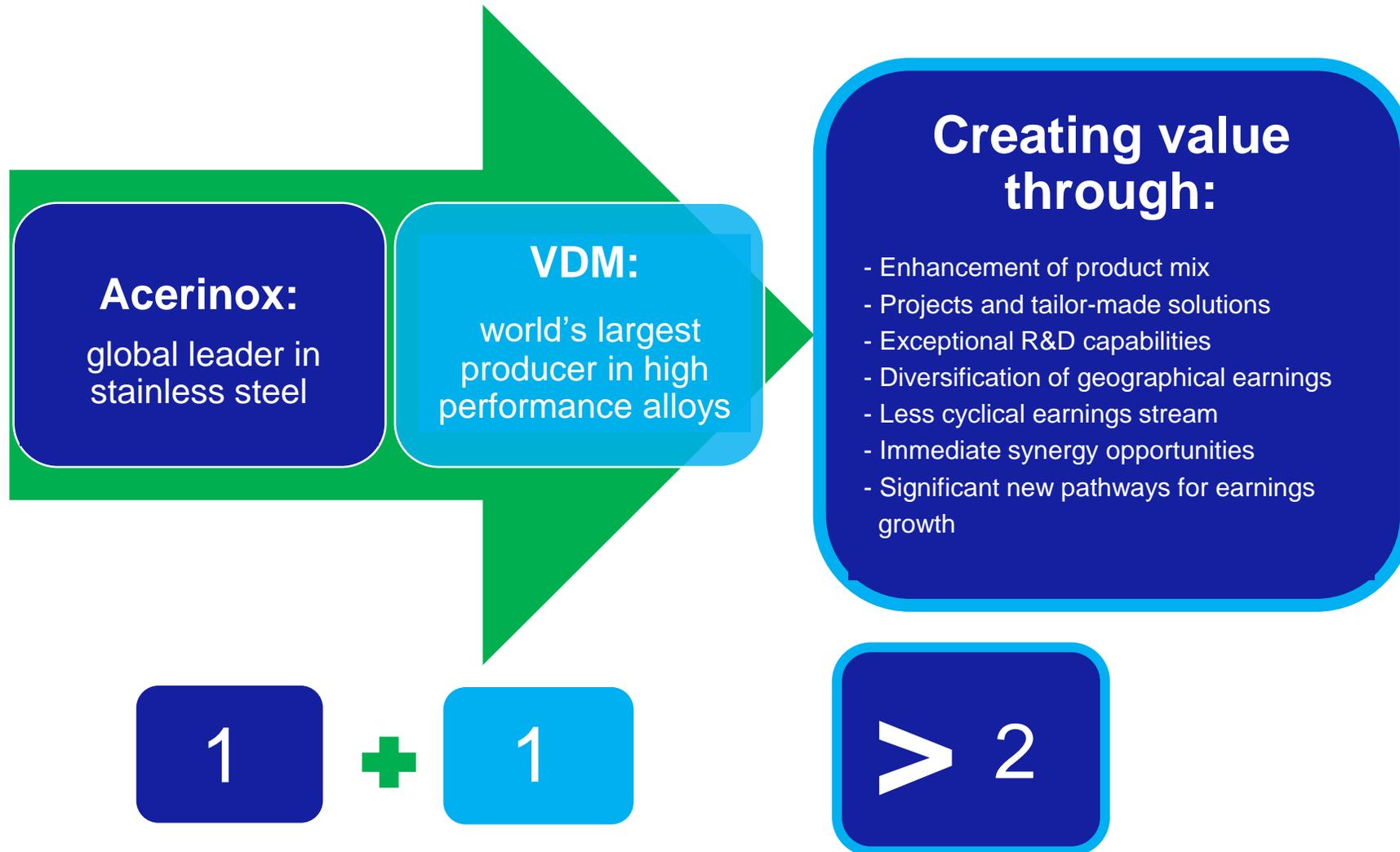


Combined (2018)





A new global leader in stainless and high performance alloys





VALUE CREATION FOR ALL STAKEHOLDERS