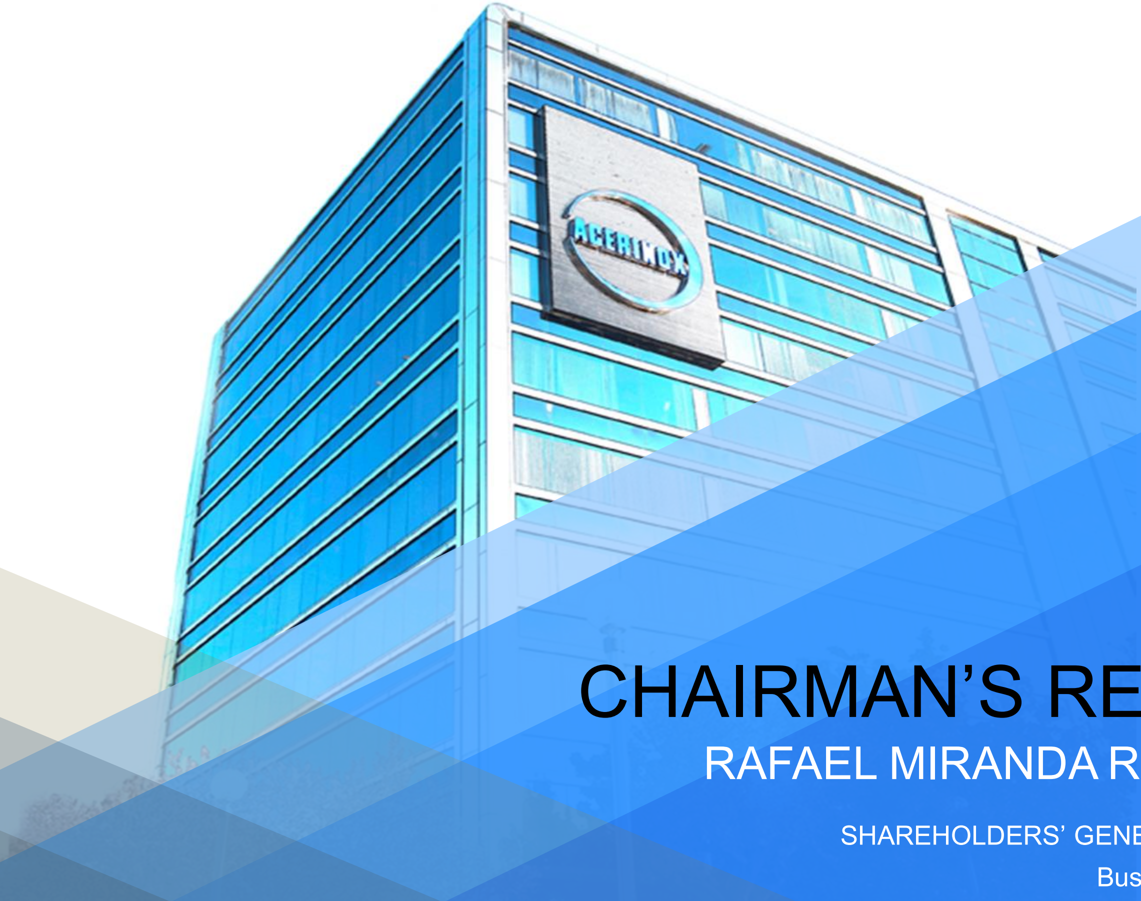
ACERINOX

SHAREHOLDERS' GENERAL MEETING

BUSINESS YEAR 2018



CHAIRMAN’S REPORT

RAFAEL MIRANDA ROBREDO

SHAREHOLDERS’ GENERAL MEETING

Business year 2018

Madrid, 11 April 2019

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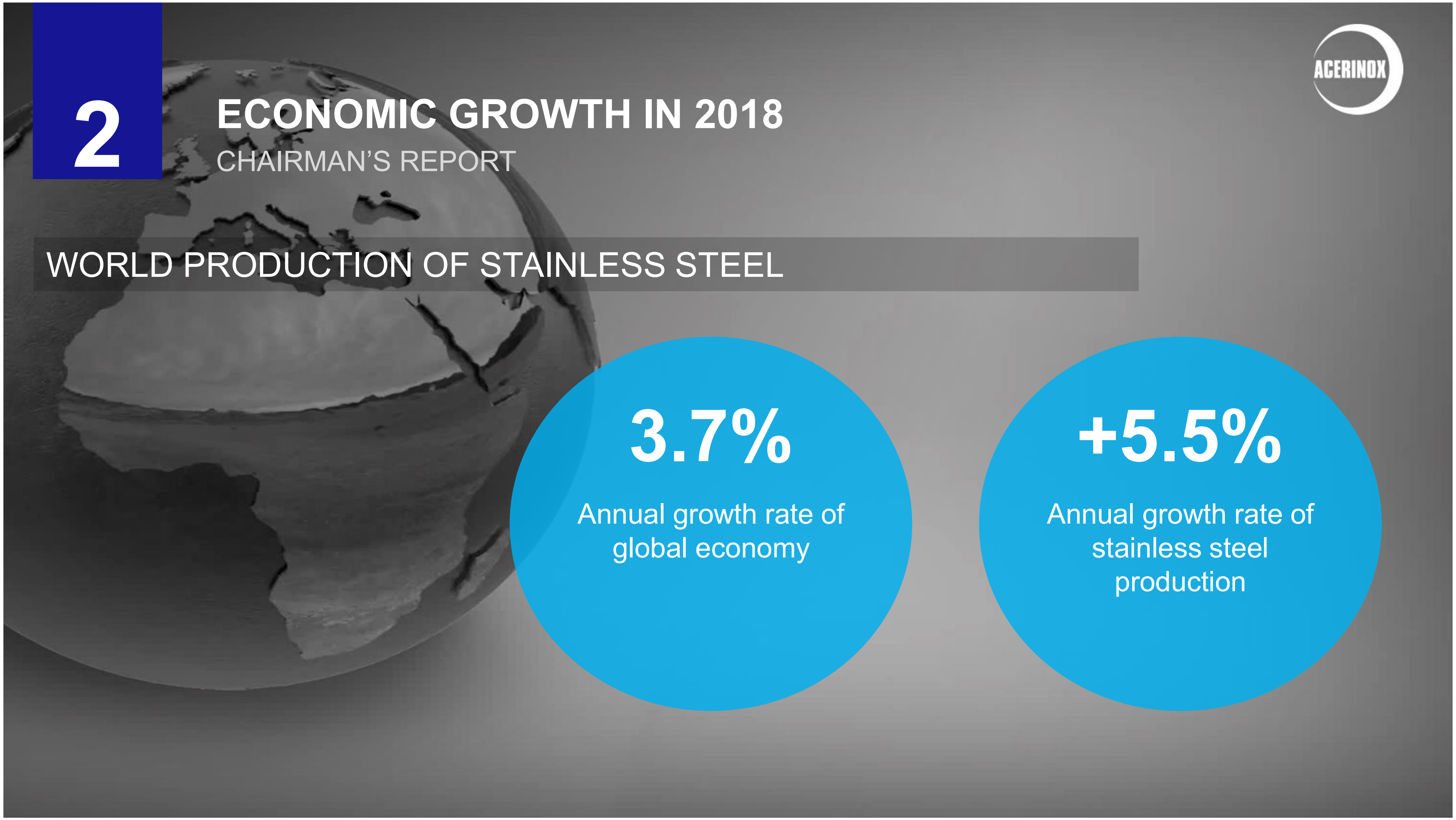
INTRODUCTION

CHAIRMAN'S REPORT

Acerinox has obtained for the second consecutive business year its best results in the last 10 years, with 237 million euros in profits.


2
ECONOMIC GROWTH IN 2018
CHAIRMAN'S REPORT
ACERINOX
WORLD PRODUCTION OF STAINLESS STEEL
3.7%
Annual growth rate of global economy
+5.5%
Annual growth rate of stainless steel production

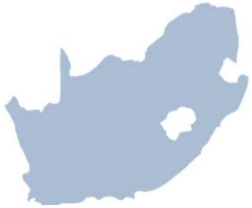
3

ECONOMIC GROWTH IN 2018

+2.9%

Implementation of Section 232, of the Trade Expansion Act of 1962

USA



+0.8%

Columbus has improved its sales in the domestic market

SOUTH AFRICA

+1.8%

Flat product imports have reached a 30% share of the market

EUROPE (EUROZONE)

CHINA

+6.6%

This growth would represent a great opportunity for the development of our industry if it wasn't for the competitive intensity in the Asia-Pacific region.

Source: World Bank

3 ECONOMIC GROWTH IN 2018

CHAIRMAN’S REPORT

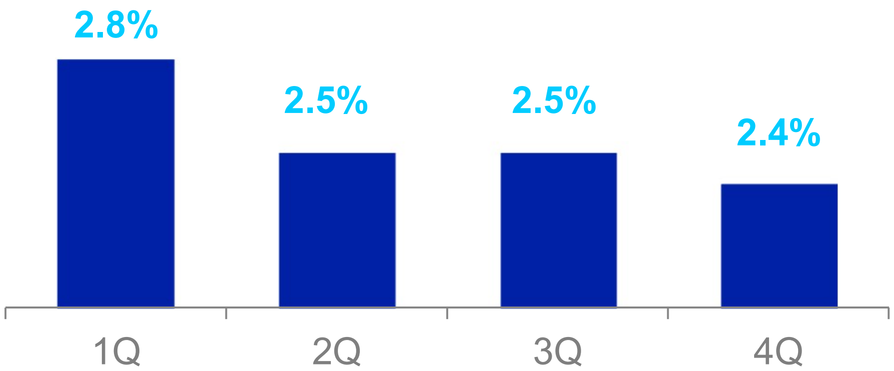
> “The Asian market has been characterized by a supply surplus which has very negatively affected prices in the region, as well as in other parts of the world.”

3

ECONOMIC GROWTH IN 2018

CHAIRMAN'S REPORT

GDP evolution in Spain



Source: Spanish Statistical Office (INE)

"Our economy has had a quite better performance than the European average."

4 ECONOMIC CHALLENGES

CHAIRMAN'S REPORT

PUBLIC DEFICIT

PUBLIC SECTOR'S HIGH DEBT

JOB CREATION

GLOBAL CHALLENGES:

- Digitalization
- Green Economy

DOMESTIC CHALLENGES:

- Population ageing
- Business size
- Optimization of production factors
- Labor flexibility

IMPROVE THE COMPETITIVE POSITION OF OUR COMPANIES AND OUR ECONOMY

5 BUSINESS YEAR RESULTS

CHAIRMAN'S REPORT

ACERINOX

Net sales

€5,011M

+8.3%

Higher than 2017

EBITDA

€480M

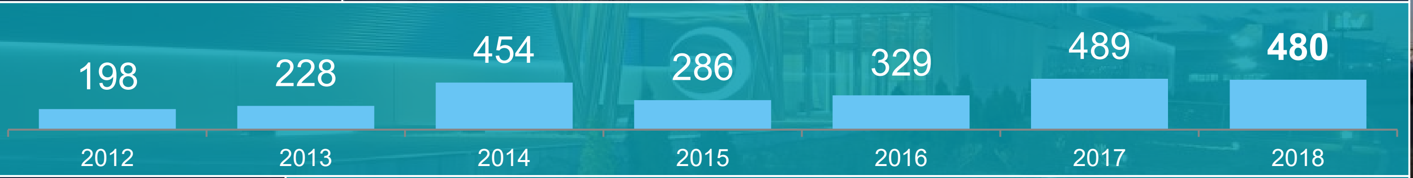
- 1.8%

With respect to 2017

EBITDA

2011 – 2018

Million euros and % sales



EBITDA MARGIN

9.6%

€237M

Net result

5

BUSINESS YEAR RESULTS

CHAIRMAN'S REPORT

€326M
Operating cash flow

€155M
In investments

€128M
Payment of dividends and purchase of treasury stock

€43M
Cash generation

-9.4%
Debt reduction

€552M
Net debt

6 BAHRU STAINLESS

CHAIRMAN'S REPORT

Financial information

- ✓ To carry out a value impairment of Acerinox S.A. investment in Bahru Stainless for 155 million euros.

- ✓ To undertake a capital increase in Bahru Stainless, with no allocation in cash, capitalizing 335.5 million dollars of the loan granted by Acerinox S.A. to its subsidiary once having acquired the 30% of Bahru's shares held by Nisshin Steel.

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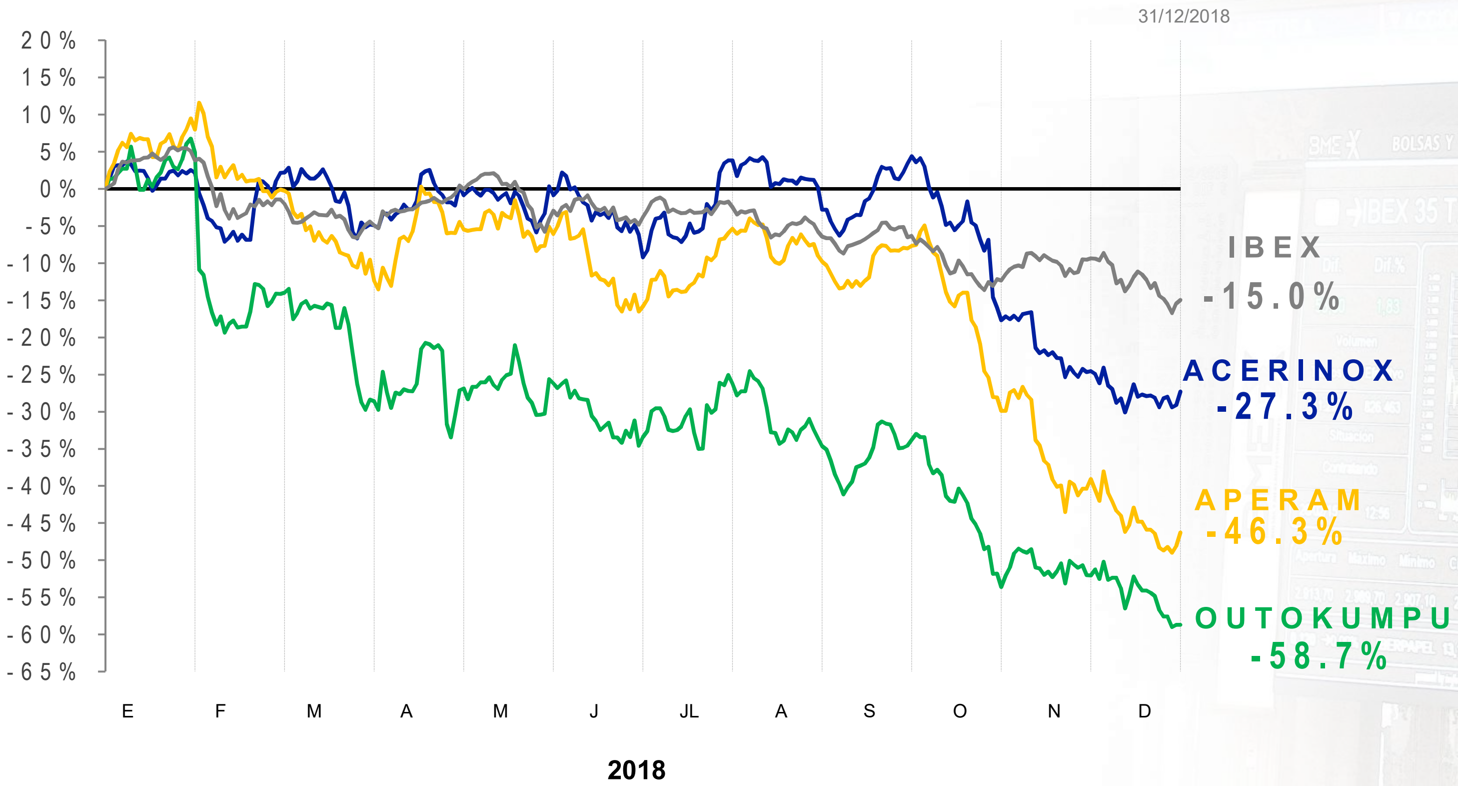
EVOLUTION OF SHARES

CHAIRMAN'S REPORT



Value of shares as of 10 April 2019:

€9.25

+6.83 %

Since 2 February 2019

8

SHAREHOLDERS REMUNERATION

CHAIRMAN'S REPORT

Dividend's increase

8

SHAREHOLDERS REMUNERATION

Share Buy-Back Program

FIRST INITIATIVE

Up to a

2%

of Share Capital

9

CORPORATE GOVERNANCE

CHAIRMAN'S REPORT

Board of Directors

Executive Committee

Audit Committee

Appointments, Remuneration and Corporate Governance Committee

- New system of senior management remuneration
- Succession planning for key posts
- Action plans and other researches

RELEVANT EVENTS

CHAIRMAN'S REPORT

NISSHIN STEEL

NIPPON STEEL & SUMITOMO METAL CORPORATION

ありがとう ございます

Thank you!

歓迎

Welcome!

10 RELEVANT EVENTS

"We believe that the new design of the European Commission safeguard measures will make them more effective and will help reaching the intended goals and therefore improving stainless steel market conditions in the future."

11 APPOINTMENTS

CHAIRMAN'S REPORT

Mr. Ignacio Martín San Vicente as External Independent Director of Acerinox, S.A.

Mr. George Donald Johnston as External Independent Director of Acerinox, S.A.

Mr. Pablo Gómez Garzón as External Proprietary Director of Acerinox, S.A.

Mr. Mitsuo Ikeda as External Proprietary Director of Acerinox, S.A.

12 ACKNOWLEDGEMENT TO THE LEAVING DIRECTORS

CHAIRMAN'S REPORT

Mr. Katsuhisa Miyakusu, External Proprietary Director of ACERINOX, S.A.

Mr. Pedro Ballesteros, External Proprietary Director of ACERINOX, S.A.

Mr. Manuel Conthe, Independent Director of ACERINOX, S.A

13 SUSTAINABILITY

CHAIRMAN'S REPORT

NON-FINANCIAL INFORMATION RECORD

SUSTAINABILITY REPORT - *Global Reporting Initiative (GRI)*

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ESTIMATES OF GLOBAL ECONOMY'S GROWTH

USA

2019

+2.3%

2020

+1.9%

EUROPE (EUROZONE)

2019

+1.3%

2020

+1.5%

CHINA

2019

+6.3%

2020

+6.1%

Source: IMF (Data at April 10, 2019)

ACERINOX

15 KEYS FOR SUCCESS

CHAIRMAN’S REPORT

- A BETTER AND MORE EFFICIENT GEOGRAPHICAL DIVERSIFICATION
- DEVELOPING OUR PRODUCT MIX/NEW MARKET NICHES WITH CHANCES FOR THE FUTURE
- PERMANENT IMPROVAL OF OUR COMPETITIVE POSITION – 360º EXCELLENCE PLAN
- HEALTHY FINANCIAL STRUCTURE – GREATER FOCUS IN CASH GENERATION
- COMPROMISE WITH SUSTAINABILITY
- DEFENSE OF OUR CULTURE WHILE REMAINING COMPATIBLE WITH NEW IDEAS


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PERSPECTIVES
CHAIRMAN'S REPORT
ACERINOX
2020
50 years
"Reinforce our compromise with value generation and social responsibility."

ACERINOX

THANK YOU VERY MUCH FOR YOUR ATTENTION

ACERINOX

SHAREHOLDERS' GENERAL MEETING

BUSINESS YEAR 2018