

# The Acerinox Group achieves its best half-yearly results since the First Half of 2007

- *Profit after tax and non-controlling interests amounted to EUR 203 million, compared with EUR 2 million in the January-June 2020 period.*
- *Melting shop production, at 1,343,946 tonnes, increased by 29% with respect to the first half of 2020.*
- *Revenue, amounting to EUR 3,066 million, increased by 32% in comparison with the same period of 2020.*
- *EBITDA, which totalled EUR 378 million, was 2.3 times higher than in the first half of 2020. The EBITDA margin was 12%.*
- *Acerinox launches a line of sustainable products.*
- *The Group has been awarded with the Golden Level by Ecovadis for its commitment to sustainability.*

The Acerinox Group has achieved the best half-yearly results in 14 years, with EBITDA of EUR 378 million (130% higher than the same period of 2020) and profit after tax and non-controlling interests of EUR 203 million (EUR 78 million in the first quarter and EUR 125 million in the second), compared with just EUR 2 million in the January-June 2020 period.

Revenue totalled EUR 3,066 million in the half year, representing a 32% increase on the first half of 2020, thanks to a sound performance in terms of both volume and price.

The Group's total production, which improved in both the stainless steels division (+28%) and the high performance alloys division (+6%), increased by 29% compared with the same period in 2020 to 1,343,946 tonnes.

Net financial debt, amounting to EUR 838 million, increased by EUR 66 million with respect to 31 December 2020, following the increase in working capital (EUR 253 million) and the payment of a dividend (EUR 135 million).

## Outlook

The improvement that commenced in summer 2020 was maintained in the second quarter. In view of the positive demand situation and the greater visibility afforded to us by our backlog, we estimate that EBITDA will improve from the second to the third quarter, both in the stainless steel and the high performance alloys divisions.

Expected cash generation in the third quarter will enable us to reduce the net financial debt of the Group.

## Sustainability

With respect to the 2030 Sustainability Goals, in the first half of 2021:

- *The Group continued to achieve the goals relating to green loans from BBVA, Sabadell and CaixaBank.*
- *The intensity of CO2 emissions (scope 1+2) fell by 5% with respect to the first half of 2020 (-6% with respect to the preceding half year).*
- *Energy intensity fell by 2% with respect to the first half of 2020 (-3% with respect to the preceding half year).*
- *The cumulative LTIFR accident rate in the first half of 2021 represented a 34% reduction with respect to the first half of 2020 (-45% reduction with respect to the preceding half year).*
- *Water consumption intensity was reduced by 18% from 2020 to 2021.*

In the first half of 2021, the Group was awarded a Gold-level rating by the EcoVadis Sustainability rating platform.

In addition to this ranking among companies from all over the world, the Acerinox Group attaches particular importance to the recognition received from its own industry, having been awarded the three prizes in the sustainability category by the International Stainless Steel Forum (ISSF).

## SUSTAINABLE STEEL

In line with Acerinox's commitment to sustainability, and in order to promote the use of sustainable products and facilitate our customers' access to a better economy, the Company is launching a sustainable stainless steel product line.

We expect this product line to be very well received in industries such as the domestic appliance, automotive and construction industries, among others.

These products, characterised by the large proportion of recycled material used in the manufacturing process and by the use of renewable energies, will be accompanied by the pertinent certificates issued by a top-level company.

A large, light blue watermark of the Acerinox logo, consisting of the word "ACERINOX" in a bold, sans-serif font inside a circle, is positioned in the lower-left quadrant of the page.

## **Integration of VDM Metals**

The German company VDM Metals, a leader in the production of high performance alloys, was acquired in March 2020.

Despite the difficulties arising as a result of the uncertainty surrounding COVID-19 and global travel restrictions, the online meetings held enabled major milestones to be satisfactorily reached and achieved a positive result of the integration.

Synergies valued at EUR 5.2 million were achieved in the first half of the year, 42% higher than the estimated target for this period. Best practices in the stainless steel and high performance alloys divisions, which were incorporated into long- and flat-product technical exchange projects, both in Europe and the United States, boosted efficiency in the manufacture of standard products. Shared resources enabled new products to be created in eight different types of alloy, such as wide coil, plates and precision strips.

Furthermore, the high performance alloys division has been included in the Excellence 360° cost reduction and efficiency improvement program.

The development of joint commercial strategies allows customer relations to be optimised and presence to be increased in the project and high performance alloy sectors in certain geographical areas.

