

Acerinox agrees signing of a Share-Purchase-Agreement to acquire 100% of VDM Metals from Lindsay Goldberg Vogel

Acerinox, S.A. acquires VDM Metals, a German company, leader producer of specialty alloys

A great opportunity for Acerinox to grow into new markets with tailor-made projects and solutions and higher added value materials

Acerinox, S.A., a global leading stainless steel manufacturer with headquarters in Spain, has reached an agreement for the acquisition from Lindsay Goldberg Vogel GmbH and Falcon Metals BV. of VDM Metals Holding GmbH ("VDM Metals"), with headquarters in Germany and leader producer of specialty alloys.

With this deal, the Acerinox Group is looking to diversify into higher value added sectors. VDM Metals represents a great opportunity for Acerinox to grow into new markets and sectors such as aerospace, chemical industry, medical industry, oil and gas and renewable energies, water treatment and emissions control.

The deal has concluded in the acquisition agreement valued at €532 million. Acerinox will pay €310 million and will assume debt for an amount of €57 million and pension plans and other liabilities for an amount of €165 million. Acerinox will use its existing financing lines available for this acquisition. The transaction implies an EV/EBITDA of 5,5x⁽¹⁾ before synergies.

Following completion of the transaction, Acerinox will focus its efforts on the integration of both companies in order to extract the full value of expected synergies. The incorporation of VDM Metals to the Acerinox Group will increase the net sales and EBITDA by over 20%.

Bernardo Velazquez, CEO of Acerinox states: "We are very excited with this strategic investment in the leading specialty alloys company, with an experienced management team, excellent reputation, with strong R&D capabilities and a broad and high quality customer base. VDM Metals represents the perfect growth platform for Acerinox with solid margins and complementary products and services."

⁽¹⁾Not audited figures. Fiscal year ending 30th September 2019.

Niclas Müller, CEO of VDM Metals states: “We are delighted to become part of the Acerinox Group which presents the opportunity to strengthen and grow of our businesses, being aligned with Acerinox’s long-term strategy and its investment plan.”

Closing of the acquisition is subject to the approval, among others, of the European and US antitrust authorities and it is expected to take place by late Q1 2020. In the meantime the acquisition will be presented to employees of both companies in the coming weeks. Until the final closing, Acerinox and VDM Metals will operate as independent companies.

Acerinox has been advised in this deal by Goldman Sachs International, KPMG and Linklaters.

About Acerinox

Acerinox S.A. is a global leading player in stainless steel manufacturing based in Spain with melting output of 3.5 million Mt. Its production network is made up of six factories, three of them integrated, spread over four continents: Europe, America, Africa and Asia. Our product sales, with more than 11,000 possible combinations, are conducted through a far-reaching commercial network operating with sales in 86 countries. Acerinox is listed on the Spanish stock exchange and is a member of the Ibex 35 with market capitalisation of c. €2.1bn. www.acerinox.com.

About VDM Metals

VDM Metals Group is one of the largest European producers of specialty nickel alloys and is recognized as an innovation leader. The VDM Metals Group, based in Werdohl, develops and manufactures nickel, cobalt and zirconium alloys as well as high-alloyed special stainless steels. For over 85 years, the company has been supplying sheets, , strips, bars, rods, wires and welding fillers to customers in the chemical industry, plant construction, energy generation, oil and gas, electrical and electronics, as well as automotive and aerospace industries. In fiscal year 2017/18, the company with around [2,000] employees achieved a total net turnover of [776] million euros, producing [43,200] tons of semi-finished products and metals. www.vdm-metals.com.

About Lindsay Goldberg

Lindsay Goldberg is a private investment firm that focuses on partnering with families, founders and management teams seeking to actively build their businesses. Founded in 2001, Lindsay Goldberg manages more than \$13 billion of equity capital and takes a relationship driven approach, centered upon a collaborative investment model and supported by its global network of affiliate partners. For more information about Lindsay Goldberg, please visit www.lindsaygoldbergllc.com.

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