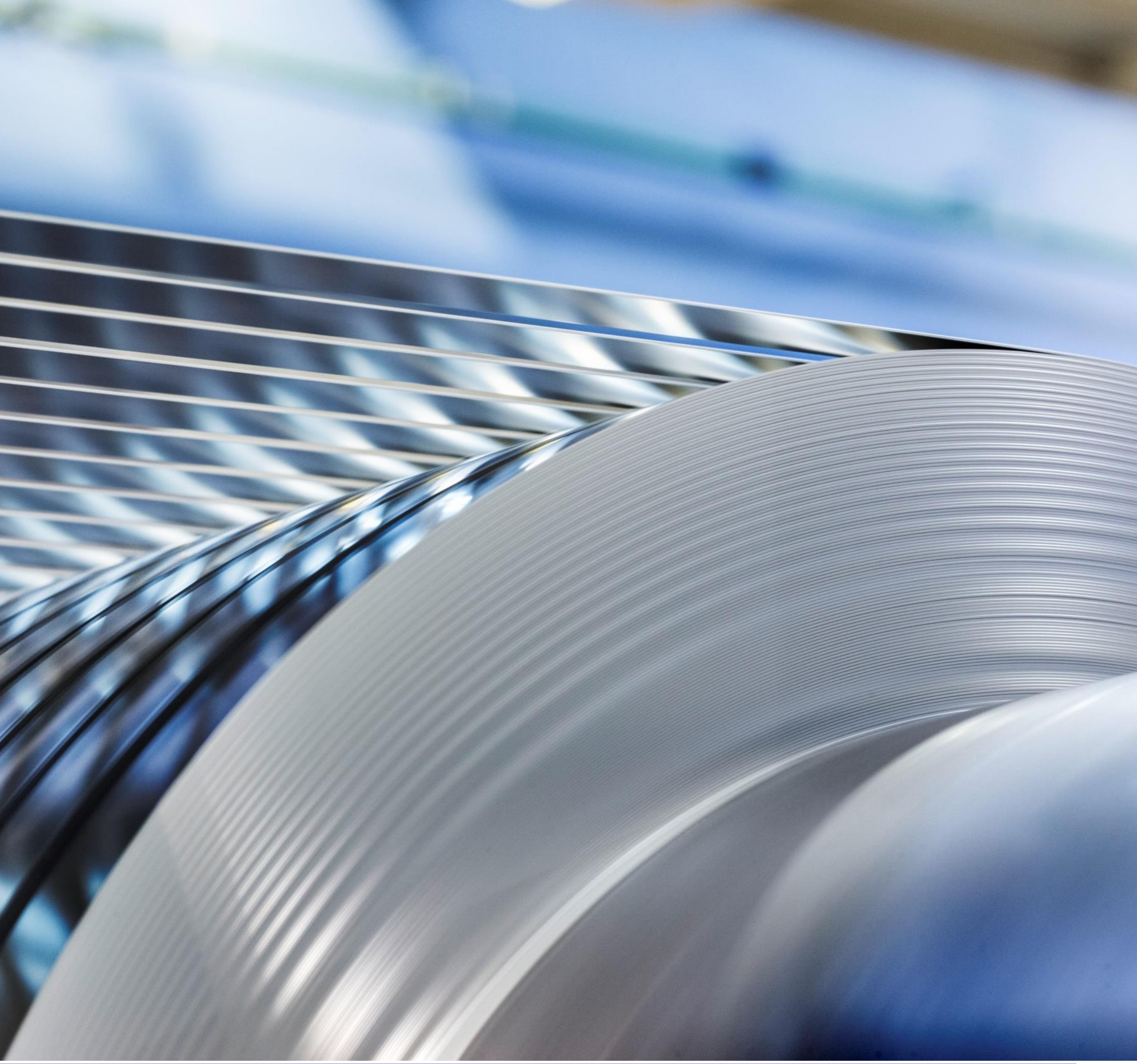


Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Interim Management Report

First Half of

2023

ACERINOX

Presentation of the First Half 2023 results via webcast and conference call

Acerinox will hold a presentation for its Second Quarter 2023 results today, July 26, at 13:30 p.m. CEST, led by the CEO, Mr. Bernardo Velázquez; the COO, Mr. Hans Helmrich; and the CFO, Mr. Miguel Ferrandis, accompanied by the Investor Relations team.

To access the presentation via telephone conference, you can join 5–10 minutes before the event by using one of the following numbers:

From Spain:
919 01 16 44. PIN: 219107

From the United States:
1 646 664 1960. PIN: 219107

From the UK (local):
020 3936 2999. PIN: 219107

All other countries:
+44 20 3936 2999. PIN: 219107

You can follow the presentation through the Shareholders and Investors section of the Acerinox website (www.acerinox.com).

Both the presentation and all audiovisual material will be available on the Acerinox website after the event.

Highlights

"Acerinox achieved good results in the first half of the year in the current complex environment and establishes a new profitability threshold."

Second Quarter of 2023

- Acerinox reported slightly better results than in the first quarter of 2023 but below those of the exceptional second quarter of 2022.
- Melting shop production, at 485,821 tons, decreased by 9% with respect to the first quarter of 2023.
- Revenue, at EUR 1,740 million, was 2% lower than in the first quarter of 2023.
- EBITDA, at EUR 236 million, was 5% higher than in the first quarter of 2023. The EBITDA margin was 14%.
- Operating cash flow was EUR -58 million, due to the increase in working capital of EUR 131 million, and tax payments of EUR 98 million.
- The Group's net financial debt, totaling EUR 721 million, increased by EUR 116 million with respect to 31 March 2023.
- Acerinox was awarded the Gold Medal for Sustainability and Safety at the World Stainless Steel Association Awards.
- Acerinox was awarded the "T for Transparent" seal for its responsible taxation and good corporate governance.

First half of 2023

- The Group's LTIFR accident rate has decreased by 13% compared to year-end 2022.
- Melting shop production, at 1,019,744 tons, was 13% higher than in the second half of 2022 (21% less than the first half of 2022).
- Revenue, amounting to EUR 3,522 million, decreased by 9% with respect to the second half of 2022 (27% less than the first half of 2022).
- EBITDA, which totaled EUR 462 million, was 39% higher than in the second half of 2022 (51% less than the first half of 2022). The EBITDA margin was 13%.
- Operating cash flow amounted to EUR -77 million despite the EUR 304 million increase in working capital.
- The net financial debt/EBITDA ratio is 0.78x.
- Return on Capital Employed (ROCE) is 21%.
- The General Shareholders' Meeting approved the distribution of 0.60 euros/share as a dividend for 2023: 0.30/share was paid out on January 27 and the other 0.30/share on July 17.

Bernardo Velázquez, Chief Executive Officer of Acerinox

"Acerinox has achieved good results in the first half of 2023, especially considering the weakness in the markets due to destocking and lower demand.

These results show the success of the strategic choices made in recent years and the efficiency improvements achieved over the last decade. Thus, Acerinox is managing to flatten the cyclicality of its sector and achieve good results even in the weak moments of the cycle.

Primarily, the business's strength lies in its diversification. In the stainless steel sector, the Group strategically benefits from its geographical diversification, enabling optimal operations based on market conditions. Notably, the American market has showcased positive performance, underscoring its significance as our primary market. Furthermore, through the integration of High-Performance Alloys (VDM Metals), our product portfolio has expanded to include higher-value-added products, enriching our offerings.

Secondly, our global production and distribution network will allow us to stay close to suppliers and customers, support the regionalization process and improve supply chains. This situation will increase the consumption of stainless steel in strategic regions of the world where the appeal of imports has significantly diminished. Acerinox finds itself in a favorable position amidst the logistical hurdles and trade defense measures stemming from the contraction of globalization. The company's ability to supply customers reliably and with exceptional quality, while upholding the highest sustainability standards, sets it apart.

These advantageous factors will be fully capitalized upon, thanks to Acerinox's operational excellence, financial strength, and a well-thought-out capital allocation strategy. This approach will empower the company to pursue organic and inorganic investments, provide returns to shareholders, and effectively reduce the Group's debt."

Outlook

Following the normalization of inventories across all markets, we anticipate a positive impact on our order book in the latter half of the year, despite uncertainties and weakened demand.

In the stainless steel sector, the third quarter will be marked by the seasonal patterns typical of the summer months, especially in Europe.

However, the high-performance-alloys sector continues to enjoy robust demand, particularly in the chemical, petrochemical, and aerospace industries.

As a result, we expect good results in the third quarter, although they may be below those of the second quarter. We also aim to reduce operating working capital as part of our capital allocation optimization strategy.

Main economic and financial figures

Consolidated Group	Quarter		First Half		
	Q1 2023	Q2 2023	2023	2022	Change 2023/2022
Melting shop production (thousands of tons)	534	486	1,020	1,290	-21%
Revenue (EUR million)	1,782	1,740	3,522	4,821	-27%
EBITDA (EUR million)	**226**	**236**	**462**	**945**	-51%
% of sales	***13%***	***14%***	***13%***	***20%***	
EBIT (EUR million)	182	196	378	847	-55%
% of sales	*10%*	*11%*	*11%*	*18%*	
Profit before tax and non-controlling interests (EUR million)	179	191	371	823	-55%
Profit after tax and non-controlling interests (EUR million)	**136**	**142**	**278**	**609**	-54%
Depreciation and amortization charge (EUR million)	43	42	85	94	-10%
No. of employees at period-end	8,286	8,315	8,315	8,429	-1%
Net financial debt (EUR million)	605	721	721	574	26%
Gearing ratio (%)	23%	27%	27%	20%	34%
No. of shares (millions)	260	260	260	271	-4%
Shareholder remuneration (per share)	0.30	0.00	0.30	0.43 [1]	-30%
Average daily volume of trading (millions of shares)	1.24	0.69	0.97	1.59	-39%
Profit per share after tax and non-controlling interests	0.52	0.55	1.07	2.25	-52%

[1] Indirect remuneration arising from the share buyback program

	Second Quarter of 2023			First Half of 2023		
EUR million	Stainless steel division	High-performance alloys	Consolidated Group	Stainless steel division	High-performance alloys	Consolidated Group
Melting shop production (thousands of tons)	465	21	486	979	40	1,020
Net sales	1,369	387	1,740	2,846	692	3,522
EBITDA	191	47	236	388	76	462
EBITDA margin	14%	12%	14%	14%	11%	13%
Depreciation and amortization charge	-34	-6	-42	-69	-12	-85
EBIT	159	42	196	320	65	378
EBIT margin	12%	11%	11%	11%	9%	11%

Results of the Consolidated Group

The first half of the year was marked by difficult conditions in all markets due to the destocking that had already started in the second half of 2022, especially in the stainless steel sector, while the high-performance-alloys sector performed satisfactorily.

The data for the first half of 2023 show a significant improvement compared to the second half of 2022. The second quarter of 2023 shows slightly higher figures than the first quarter of the year, as announced in the previous earnings release.

At EUR 3,522 million, sales in the first half of the year were 27% lower than in the exceptional first half of 2022. Unfavorable price developments led to 9% lower sales compared to the previous half year.

The most significant figures are summarized in the table below:

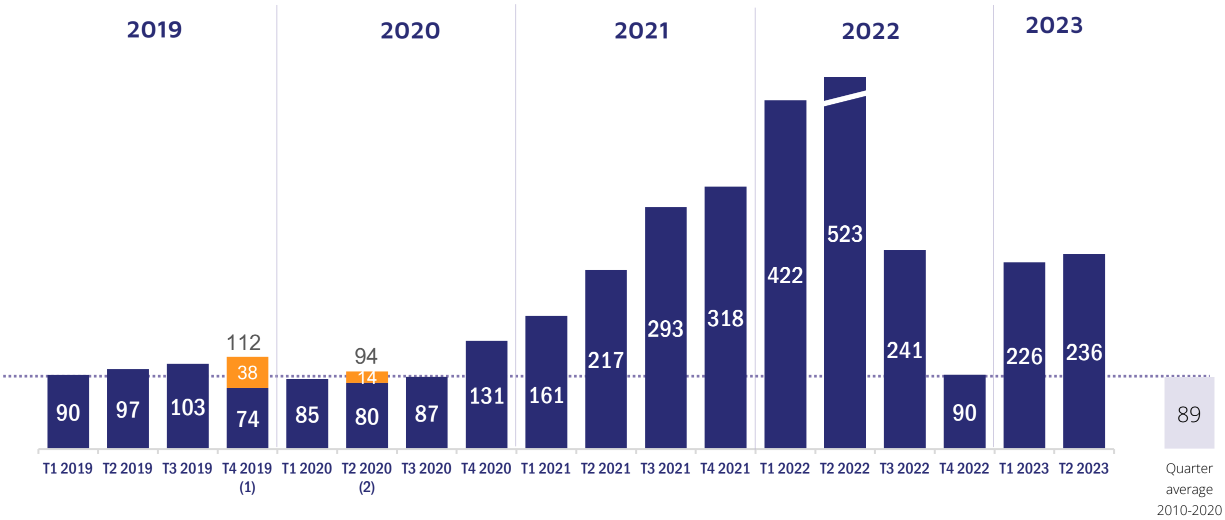
EUR million	Q2 2023	Q1 2023	Q2 2022	H1 2023	H1 2022	% Q2 2023 / Q2 2022	% H1 2023 / H1 2022
Melting shop production	486	534	622	1,020	1,290	-22%	-21%
Net sales	1,740	1,782	2,535	3,522	4,821	-31%	-27%
EBITDA	**236**	**226**	**523**	**462**	**945**	**-55%**	**-51%**
EBITDA margin	**14%**	**13%**	**21%**	**13%**	**20%**		
EBIT	196	182	473	378	847	-58%	-55%
EBIT margin	11%	10%	19%	11%	18%		
Profit before tax	191	179	456	371	823	-58%	-55%
Profit after tax and non-controlling interests	**142**	**136**	**343**	**278**	**609**	**-59%**	**-54%**
Operating Cash Flow	-58	-19	2	-77	77	-	-
Net financial debt	721	605	574	721	574	26%	26%

Total operating costs decreased by 20% compared to H1 2022, driven by lower production and measures adopted for cost variabilization.

The challenging market conditions of the stainless steel sector in Europe have led us to make an inventory write-down to net realizable value in the amount of EUR 96 million.

EBITDA for the first half of the year was EUR 462 million, 39% higher than the previous half-year (51% lower than the same period in 2022). The EBITDA margin on sales in the first half of the year was 13%.

Quarterly EBITDA in millions of euros



(1) Adjusted EBITDA Q4 2019: EUR 112 million, EUR 38 million from the workforce adjustment program in Acerinox Europe
(2) Adjusted EBITDA Q2 2020: EUR 94 million, EUR 14 million from VDM acquisition expenses

The Group has succeeded in consolidating a quarterly EBITDA well above that of the 2010–2020 period (EUR 89 million on average).

EBITDA for the quarter was EUR 236 million, 5% higher than the previous quarter (55% lower than the second quarter of the previous year). The EBITDA margin on sales in the second quarter was 14%.

In the first half, profit after tax and non-controlling interests amounted to EUR 278 million, a significant improvement compared to the second half of the previous year, which was impacted by an impairment of EUR 204 million of assets at Bahru Stainless. Profit after tax and non-controlling interests in the second quarter amounted to EUR 142 million, 5% higher than the first quarter of 2023.

Cash generation

Operating cash flow was EUR -77 million in the first half of the year, mainly due to the increase in working capital (EUR 304 million) and tax payments of EUR 152 million as a result of the good results obtained in the last few quarters.

Working capital increased mainly in the High-Performance-Alloys Division (EUR 202 million) due to the good market situation, the increase in inventories to cope with the very high order backlog and the consequences of substituting nickel from Russia with alternative sources.

Following investment payments of EUR 97 million, free cash flow amounted to EUR -174 million.

The first half of the year saw the payment of the interim dividend, which resulted in a cash outflow of EUR 75 million.

Cash Flow (EUR million)

	Q2 2023	Q1 2023	Q2 2022	H1 2023	H1 2022
EBITDA	**236**	**226**	**523**	**462**	**945**
Changes in working capital	-131	-173	-395	-304	-789
Income tax	-98	-53	-92	-152	-101
Finance costs	0	-1	-6	-1	-14
Other adjustments to profit	-64	-18	-27	-82	35
OPERATING CASH FLOW	**-58**	**-19**	**2**	**-77**	77
Payments due to investment	-54	-43	-24	-97	-46
FREE CASH FLOW	**-112**	**-62**	**-22**	**-174**	**31**
Dividends and treasury shares	-2	-75	0	-77	-115
CASH FLOW AFTER DIVIDENDS	**-114**	**-137**	**-22**	**-251**	**-84**
Conversion differences	-2	-27	78	-28	91
Grants and other	-1	-1	-1	-2	-2
Changes in net financial debt	**-116**	**-165**	**55**	**-281**	**5**

Balance sheet

ASSETS					LIABILITIES				
EUR million	**June 2023**	**2022**	**June 2022**	**Variation**	*EUR million*	**June 2023**	**2022**	**June 2022**	**Variation**
Non-current assets	1,902	1,902	2,112	0%	Equity	2,657	2,548	2,837	4%
Current assets	4,686	4,416	5,382	6%	Non-current liabilities	1,881	1,823	1,748	3%
Inventories	2,265	2,156	2,652	5%	Bank borrowings	1,452	1,394	1,329	4%
Receivables	809	646	1,143	25%	Other non-current liabilities	429	429	419	0%
Trade receivables	694	575	1.60	21%					
Other receivables	116	71	83	64%	Current liabilities	2,051	1,947	2,908	5%
Cash	1,544	1,548	1,518	0%	Bank borrowings	813	594	762	37%
Other current financial assets	68	67	70	-3%	Trade payables	941	1,017	1,688	7%
					Other current liabilities	296	335	458	-12%
Total assets	6,588	6,318	7,494	4%	Total equity and liabilities	6,588	6,318	7,494	4%

The net financial debt of the Group amounted to EUR 721 million, which was EUR 281 million higher compared to the balance on December 31, 2022. This increase can be attributed to various factors mentioned earlier, including the increase in working capital by EUR 304 million, tax payments of EUR 152 million, investment payments totaling EUR 97 million, and dividend payments amounting to EUR 75 million.

On June 30, Acerinox had immediate liquidity of EUR 2,019 million, consisting of EUR 1,544 million in cash and EUR 475 million in available credit lines.

Stainless Steel Division

Stainless steel market

United States

Apparent consumption of flat products fell by 29% in the year to May compared with the same period in 2022, reflecting destocking that normalized in the second quarter of the year.

Demand for stainless steel remained stable in the second quarter of the year compared to the first quarter.

Imports of flat products have stabilized at around 21%, down from 26% in 2022.

Base prices in the US market have remained stable throughout the half year, according to CRU.

Section 232 measures remain in force.

Europe

The European market remains impacted by geopolitical tensions, economic uncertainties, and the effects of inflation on costs, particularly energy costs.

Our estimates indicate a significant 31% decline in apparent consumption of flat products up until May.

Due to weak demand, inventory adjustments, and reduced prices, imports of flat products have experienced a substantial 62% decrease up until May, representing 19% of the total market compared to the same period last year (34% at 2022 year-end).

Safeguard measures have been renewed for an additional year.

Stainless Steel Division production

During the first half of the year, the Stainless Steel Division recorded a 14% increase in steel production compared to the previous half-year. However, this figure is 21% lower compared to the production in the first half of the previous year.

As we mentioned in the first quarter, all factories were impacted by the reduced market stocks process and low apparent demand. Additionally, the Spanish factory faced challenges due to high energy costs, while the South African plant compensates for market weakness by continuing with its diversification program, producing both stainless and carbon steel.

	2022					2023			Variation	
Thousands of tons	Q1	Q2	Q3	Q4	12M	Q1	Q2	H1	Q2 2023 / Q2 2022	H1 2023 / H1 2022
Melting shop	646	601	482	379	2,108	515	465	979	-23%	-21%
Cold rolling	433	416	345	247	1,441	314	304	615	-28%	-28%
Long products (hot rolling)	65	61	59	48	232	42	36	78	-36%	-38%

Stainless Steel Division results

EUR million	Q2 2023	Q1 2023	Q2 2022	H1 2023	H1 2022	% Q2 2023 / Q2 2022	% H1 2023 / H1 2022
Melting shop production (thousands of tons)	465	515	601	979	1,247	-23%	-21%
Net sales	1,369	1,476	2,232	2,846	4,237	-39%	-33%
EBITDA	**191**	**197**	**481**	**388**	**880**	-60%	-56%
EBITDA margin	**14%**	**13%**	**22%**	**14%**	**21%**		
Depreciation and amortization charge	-34	-35	-41	-69	-79	-16%	-13%
EBIT	159	161	439	320	797	-64%	-60%
EBIT margin	12%	11%	20%	11%	19%		
Operating cash flow (before investments)	-43	113	120	70	265	-	-73%

First-half year revenue of EUR 2,846 million was 11% lower than the second half of 2022, but first-half year EBITDA of EUR 388 million was 43% better than the previous half.

In the second quarter, revenue was down 7% at EUR 1,369 million and quarterly EBITDA was 3% lower than the previous quarter at EUR 191 million.

Total operating costs decreased by 27% compared to H1 2022, driven by lower production and measures adopted for cost variabilization.

In the second quarter, despite the decline in sales, the focus on higher-margin products as part of the company's strategy has allowed EBITDA to remain at a similar level to that of the first quarter.

Operating cash flow for the first half of the year amounted to EUR 70 million.

In the second quarter, operating cash flow was significantly impacted by an increase in operating working capital of EUR 91 million. This increase can be attributed to a reduction in supplier financing, which was a result of lower production expected in the third quarter.

The satisfactory cash flow of EUR 113 million achieved in the first quarter has been negatively affected in the second quarter due to the aforementioned increase in working capital.

EUR million	Q2 2023	Q1 2023	Q2 2022	H1 2023	H1 2022
EBITDA	**191**	**197**	**481**	**388**	**880**
Changes in working capital	-91	-10	-253	-102	-537
Income tax	-98	-52	-91	-150	-99
Finance costs	4	3	-5	7	-11
Other adjustments to profit	-49	-24	-13	-73	32
OPERATING CASH FLOW	**-43**	**113**	**120**	**70**	**265**

High-Performance-Alloys Division

High-performance-alloys market

The demand for high-performance alloys has remained robust in the first half of the year.

Notably, the oil and gas, chemical process, and aerospace industries have shown positive performance.

However, the electronics sector has faced headwinds, influenced by the weakened demand in the consumer goods industry.

Production

In terms of production, high-performance-alloy steel mills experienced a 4% increase in the first half of the year compared to the previous half-year. In the second quarter, steel production witnessed a significant surge of 10% compared to the previous quarter.

	2022					2023			Variation	
Thousands of tons	Q1	Q2	Q3	Q4	12M	Q1	Q2	H1	Q2 2023 / Q2 2022	H1 2023 / H1 2022
Melting shop	22	21	20	19	82	19	21	40	-1%	-7%
Finishing shop	11	11	11	11	44	8	12	19	4%	-14%

Results

In the first half of the year, net sales amounted to EUR 692 million, 2% higher than in the previous half year. Turnover in the quarter was EUR 387 million, 27% higher than in the first quarter of the year.

Half-year EBITDA of EUR 76 million was 28% higher than in the previous half-year and represents a new record for VDM Metals. Quarterly EBITDA of EUR 47 million, 64% higher than the first quarter of the year, shows an upward trend. The EBITDA margin on sales for the quarter was 12%.

EUR million	Q2 2023	Q1 2023	Q2 2022	H1 2023	H1 2022	% Q2 2023 / Q2 2022	% H1 2023 / H1 2022
Melting shop production	21	19	21	40	44	-1%	-7%
Net sales	387	305	303	692	584	28%	18%
EBITDA	**47**	**29**	**41**	**76**	**65**	**15%**	**17%**
EBITDA margin	**12%**	**9%**	**14%**	**11%**	**11%**		
Depreciation and amortization charge	-6	-6	-6	-12	-11	2%	3%
EBIT	42	23	36	65	54	17%	20%
EBIT margin	11%	8%	12%	9%	9%		
Operating cash flow (before investments)	-15	-132	-118	-147	-188	-88%	-22%

The increase in working capital amounting to EUR 202 million can be attributed to the favorable market conditions experienced by the sector, resulting in an increase in inventory volume and value. Furthermore, as previously stated, the diversification of alternative nickel suppliers, in order not to depend on Russian nickel, has significantly impacted the working capital requirements in this division, due to the need to increase safety stock levels and reduce the average supplier payment period.

EUR million	Q2 2023	Q1 2023	Q2 2022	H1 2023	H1 2022
EBITDA	**47**	**29**	**41**	**76**	**65**
Changes in working capital	-39	-163	-155	-202	-251
Income tax	-1	-1	-1	-2	-2
Finance costs	-7	-4	-2	-10	-3
Other adjustments to profit	-15	7	-1	-9	3
OPERATING CASH FLOW	**-15**	**-132**	**-118**	**-147**	**-188**

Sustainability Plan 2023

The Sustainability Plan Positive Impact 360º responds to one of the main areas of Acerinox's strategy, which identifies sustainability as one of its fundamental pillars.

Positive Impact 360º encompasses the primary endeavors undertaken by the Group in the domains of corporate, social, and environmental governance. This plan is implemented through yearly sustainability programs, wherein the projects and activities are determined and approved in collaboration with the Group's corporate departments and manufacturing facilities.

The Sustainability Plan, serving as a practical means to enhance the Group's overall performance, is built upon five key strategic pillars.

Ethical, accountable and transparent governance	Eco-efficiency and climate change mitigation	Circular economy and sustainable product	Committed team, culture, diversity, and safety	Supply chain and community impact
Promote the development of a responsible and transparent management model and solid corporate governance, with a sustainable and long-term vision, which identifies and proposes responses to new ESG challenges and opportunities.	Establish commitments and objectives to mitigate climate change and develop an action plan to achieve these.	Integrate circular economy processes into all operations by driving the development of sustainable and low-emission products.	Strengthen the alignment of people with the values of Acerinox, boosting their commitment to sustainability, promoting equality, the development of talent, and the improvement of the climate, guaranteeing safety, health, and well-being.	Be a company recognized in the localities in which we operate for our commitment to local society and creating positive community impact.

During the initial six months of the year, several noteworthy initiatives from the 2023 Sustainability Plan (which has over 200 initiatives in total) have been implemented:

Ethical, accountable, and transparent governance

- Implementation of the new ethical channel and associated procedure.
- Review and update of the Code of Conduct for Business Partners.

Eco-efficiency and climate change mitigation

- Calculation of CO_2 emissions per product.

Committed team, culture, diversity, and safety

- Promote diversity and inclusion of women in our sector through participation in presentations at Vocational Training Schools.
- Safety and Health Week - Implementation of the Cardinal Rules in all factories.

Circular economy and sustainable product

- Certification of slag for use in aggregate solutions in cement.
- Development of the new sustainable product with a lower carbon footprint: ECO Acerinox.

Supply chain and community impact

- Implementation of the new supplier-risk-assessment process.
- Approval of the Group's new Social Action Framework, focused on inclusion.

Sustainability Goals 2030

The monitoring of the Group's 2030 sustainability targets for the first half of 2023 is reported below:

Pillar	2030 targets	Degree of progress H1 2023
	20% reduction in CO_2 emissions intensity (Scopes 1 and 2) vs. 2015	-5% vs 2015
	7.5% reduction in energy intensity vs. 2015	+5% vs 2015
	20% reduction in specific water abstraction vs 2015	-19% vs 2015
	90% waste recycled	79%
	10% annual reduction of the LTIFR	-13%
	15% women in the workforce	13%

Throughout the second quarter, ongoing production adjustments have impacted certain indicators. Nevertheless, the company's operations maintain their efficiency, and our dedication to upholding sustainability commitments remains steadfast.

Notably, we have achieved a significant reduction in the accident rate, a direct result of various initiatives undertaken, including the successful implementation of "Cardinal Rules" across all factories within the Group.

Positioning in ESG ratings and awards

Acerinox is actively engaged in prominent ESG (Environmental, Social, and Governance) assessments, underscoring the notable advancements made in the company's performance in this domain.

In recognition of its business management practices and commitment to sustainability, the company has garnered various accolades and awards.

Notably, Acerinox has achieved an enhanced position and now stands in sixth place in the industrial sector of the Corporate Reputation Business Monitor (Merco).

Acerinox, Gold Medal in Sustainability and Safety at the World Stainless Steel Association Awards

In the Safety category, the project "Smart Safety Zone" by Bahru Stainless was awarded the Gold Award. This initiative significantly enhanced worker safety by implementing barriers equipped with intelligent sensors. These sensors enable early detection and immediate response to human presence and movements, effectively reducing accidents and injuries.

In the area of Sustainability, Acerinox Europe received the Gold Medal for its "Wastewater Reuse Project," which will help to combat the devastating effects of droughts. Acerinox Europe has made great efforts to find ways to better manage water and reduce its water consumption. This project initially reduced water consumption by a remarkable 400 m^3 per week.

Acerinox was awarded the "T for Transparent" seal for its responsible taxation and good corporate governance

After evaluating twelve indicators on responsible taxation, Acerinox has been one of the select 13 companies to receive the "Transparent T Seal 2022" award from the Haz Foundation.

The evaluated indicators encompass various aspects such as cooperation with the Tax Administration, the involvement of the Board of Directors in promoting and overseeing good tax practices, the transparent disclosure of taxes paid and accrued in different countries, the non-presence in tax havens, and lack of any ongoing legal disputes regarding tax matters with the Tax Administration, among other factors.

VDM integration

By the end of the first half of 2023, the Group has achieved real cumulative synergies of EUR 47 million compared to the planned EUR 36 million, amounting to EUR 11 million (+29%) more than estimated at the start of the integration in 2020.

By working together, the sales teams of the two business units succeeded in adding 126 new customers to the Group's customer base. In addition, they have worked together on 8 relevant projects, particularly in the chemical and petrochemical industries, which has given both business units a boost in production.

Our primary focus on the operational front remains on expanding our portfolio of flat and long products, combining the teams from the two units, both in Europe and the US. As a result, we have successfully introduced 19 new products across 17 different alloys. Within the stainless division, ongoing tests are being conducted to manufacture high-performance alloys at our mills. The successful outcome of these tests would mark a significant milestone in the integration process, enabling us to optimize production at our factories and enhance the value proposition of our product mix.

In summary, the integration of other areas has been accomplished satisfactorily, although we are still actively pursuing and capturing synergies.

Investments

Acerinox will invest USD 244 million in its stainless steel factory in the United States

With this expansion, North American Stainless (NAS), the largest integrated stainless steel factory in the United States, will strengthen its position in the market with higher-value-added products. North American Stainless will increase its production capacity by 200,000 tons, 20% more, due to the continuous improvement and the application of digital solutions.

The new equipment planned with this USD 244 million investment will be geared towards increasing the volume of flat products with a special focus on higher-value-added products and steels with special compositions.

NAS will have a new cold-rolling mill and will see the modernization of its annealing and pickling lines and an expansion of its melting shop.

Excellence 360°

The reduced volumes handled in our factories during the initial six months of 2023 have impacted the outcomes of the Excellence 360º Plan. Although EUR 73 million have been saved since the plan's inception, these savings were unable to be fully consolidated due to decreased production in 2023.

Nonetheless, the Group has remained committed to implementing all existing efficiency improvement programs.

Shareholder remuneration

In 2022, the Board of Directors approved a dividend policy stating that an ordinary distribution of EUR 0.60 per share will be made, taking into account the existing number of shares. The dividend will be paid in two installments: an interim payment in January and a final payment in July.

The General Shareholders' Meeting, which took place on May 23, approved the proposal for the distribution of a dividend of 0.60 euros per share. An interim dividend of 0.30 euros per share was paid out in January and a supplementary dividend of 0.30 euros per share was distributed on July 17.

For 2023, Acerinox will allocate EUR 150 million as dividends to its shareholders. On June 30, EUR 75 million, had been disbursed as shareholder remuneration.

Events after the half-year end

Dividend: A total of EUR 75 million was disbursed on July 17, 2023 as a dividend, equating to EUR 0.30 per share. This dividend serves as a complement to the interim dividend previously paid out in January, also totaling EUR 75 million.

Redemption of treasury shares: After the Board meeting on July 24, the 4% capital reduction resulting from the redemption of treasury shares (10,388,974 shares), which took place between August and October 2022, will be carried out.

Alternative Performance Measures
(Definitions)

Excellence 360º Plan: estimated efficiency savings for the 2019–2023 period

Operating working capital: inventories + Trade receivables – Trade payables

Net cash flow: profit after tax and non-controlling interests + depreciation and amortization charge

Net financial debt: bank borrowings + bond issuance - cash

Net financial debt / EBITDA: Net financial debt / annualized EBITDA

EBIT: Operating income

Adjusted EBIT: EBIT, net of material extraordinary items

EBITDA: Operating income + depreciation and amortization charge + variation of current provisions

Adjusted EBITDA: EBITDA, net of material extraordinary items

LTIFR *(Lost Time Injury Frequency Rate*): **(**Total number of accidents with sick leave / Number of hours worked) x 1,000,000

Gearing ratio: net financial debt / equity

Net financial result: Financial income – financial expenses ± exchange rate variations

ROCE: Net operating income / (Equity + Net financial debt)

ROE: profit after tax and non-controlling interests / equity

ICR (interest coverage ratio): EBIT / financial expenses

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