



Acerinox recognises its best ever January to September results

- In the first nine months of the year, the Acerinox Group recognised profits after tax and non-controlling interests amounting to EUR 741 million.
- The Group's main market, the United States, remains strong for the coming months. The high levels of imports and inventories reached in the summer have led us to reduce production and sales in order to optimise margins.
- Meanwhile, the European market continues to be affected by the uncertainties derived from the conflict in Ukraine and the energy crisis and its consequences on the European industry.

Acerinox recognised **revenue of EUR 6,996 million**, giving rise to a 47% increase compared to the first nine months of 2021.

Moreover, **EBITDA, which totalled EUR 1,186 million**, was 77% higher than that of the same period in 2021, and the EBITDA margin on sales increased to 17%.

Melting shop production, 1,792,480 tonnes, decreased by 10% compared to the same period in 2021.

In this regard, **the High Performance Alloys division** (VDM Metals) recognised a remarkable performance and **achieved the best results in its history**.

€133 million in profit during the third quarter

The third quarter was characterised by weakness in apparent demand once the inventory rebuilding process was completed. In spite of this, the Acerinox Group obtained commendable results, achieving a profit after tax and non-controlling interests of EUR 133 million and EBITDA of EUR 241 million, in line with expectations, despite higher energy prices.

Revenue totalled EUR 2,175 million and production reached 502,366 tonnes.

"The outlook for our main market, the United States, is positive, while in Europe uncertainty prevails, due to the war and high energy prices"

Bernardo Velázquez
CEO of Acerinox

Outlook

Our main market, the United States, maintain a better tone than the rest of the markets. This is expected to continue in the coming months. The high levels of imports and inventories reached in the summer have led us to reduce production and sales in order to optimise margins. The Chief Executive Officer, Bernardo Velázquez, has assured that “the outlook in our main market, the United States, is positive, while in Europe uncertainty prevails, due to the war and high energy prices.

The fourth quarter will be affected by the inventory reduction in the market and the aforementioned circumstances, and we expect EBITDA to be lower than in the third quarter. Even so, the 2022 results will be the best in our history, thus demonstrating our capacity to take advantage of the good moments in the cycle and the level of competitiveness achieved. In the fourth quarter we expect a reduction in working capital, which would have a positive effect on cash generation and debt reduction.

Moreover, as the CEO stated, “the change seen in our customers' expectations has led to high inventories in most markets, initiating a regularisation process that we expect will end by early 2023”.

Share buyback programmes conclude

On 30 August, 10,821,848 shares of Acerinox, S.A. were removed from trading on the Madrid and Barcelona Stock Exchanges. This marked the end of the implementation of the share buyback programme for 4% of the share capital, which began in December 2021. The second share buyback plan, which was approved by the Board of Directors on 27 July 2022, was completed yesterday, 26 October, with the acquisition of an additional 4% of the share capital.

The Board to propose a dividend increase

In the 2023 General Shareholders' Meeting, the Board of Directors will propose an increase of the annual ordinary dividend to EUR 0.60 gross per share, considering the current number of shares in the company. This dividend will be stable in its total amount and will increase per share as shares acquired through buyback programmes are redeemed.

In addition, and provided that market conditions, the evolution of the Company's results and net debt not exceeding 1.2 times recurring EBITDA "through the cycle", the Board may resolve to provide extraordinary shareholder remuneration through share buyback plans or the payment of extraordinary dividends within the authorisations granted by the General Shareholders' Meeting.

As a general rule, payment of the dividend will be made with a payment on account in January and a supplementary payment in July.

Health and safety

Acerinox maintains its commitment to the health and safety of all employees, with this being the Group's number one priority.

As a result, the Group's LTIFR accident rate continues to decline, down 28% compared to the first nine months of 2021 and down 43% compared to the third quarter of the previous year. In addition, Roldán obtained the Certificate of Preventive Excellence in this quarter.

SUSTAINABILITY

We contribute to sustainable development



Acerinox contributes to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations, particularly via manufacturing entirely and endlessly recyclable products, while also promoting innovation, education, protection of biodiversity, development of professional relationships based on diversity, inclusion, equal opportunities and non-discrimination in the management of people, and the fostering of equality policies, paying special attention to disadvantaged social groups, and protecting and enforcing respect for human rights.

Colaboraciones y agencias de *rating*



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



EUROFER
The European Steel Association



S&P Global



VDM Metals, global market leader in the high performance alloys market, has been awarded Gold status by EcoVadis for the first time. This places VDM in the top five percent of companies with the best EcoVadis rating, joining the rest of the Acerinox Group companies.