



Acerinox recognises the best half-year results in its history with profits of EUR 609 million

- The market's inventory restocking process and the tailwind of raw material prices, as well as the good operational performance, led to exceptional results in the second quarter despite the increase in costs and energy.
- Acerinox announces a new 4% share buyback programme for their redemption

From January to June 2022, Acerinox recognised the best half-year results in its 52-year history. Group EBITDA totalled EUR 945 million, increasing by 150% compared to the same period of 2021, when EBITDA totalled EUR 378 million.

The Group's **net profit** amounted to **EUR 609 million**, a 201% increase compared to the same period of 2021, when profits totalled EUR 203 million.

Revenue also increased significantly in the first six months of 2022 to total **EUR 4,821 million**, giving rise to a 57% increase compared to the first half of 2021. During this six-month period, Acerinox produced **1.29 million tonnes**, a slight decrease compared to the same period of 2021, when production totalled 1.34 million tonnes.

The improvement in performance during the first half of 2022 was progressive. In the second quarter of 2022, EBITDA increased by **24% compared to the first quarter**, increasing from EUR 422 million to EUR 523 million. Revenue increased by 11% to **EUR 2,535 million** compared to the previous quarter, and net profit increased from **EUR 266 million in the first quarter to EUR 343 million in the second, a 29% increase.**

Good prospects for the future

There remains a healthy demand from end customers, but there has been a drop in dealer orders following the end of the inventory replenishment process that started at the end of 2020.

The strength of the market and the stability of costs in the US, coupled with the Group's order backlog, provide us with optimism for the third quarter. The exceptional EBITDA achieved in the second quarter, helped by the revaluation of inventories, is a new historical record for Acerinox.

Expected EBITDA in the third quarter of 2022 is likely to be above the average quarterly results of the excellent 2021, the best year in the Group's history. The second half of the year will be marked by the conflict in Russia and Ukraine and the many uncertainties arising therefrom. The factor which causes greatest concern at the moment is energy, not only because of high prices in Spain, but also because of uncertainties about future regular supply in Germany

The Group has very diversified supply sources, in line with its strategy of responsible procurement. Thanks to the efforts made, we have managed to ensure that our supply of raw materials does not depend on countries that do not respect human rights and international law.

Bernardo Velázquez: “We are witnessing a process of regionalisation”

The regionalisation process that is taking place will increase local purchases and will offset, to a certain extent, the economic recession. Not only do we expect a greater local purchasing component in our main markets, but the closer sourcing will also boost the development of the entire industry in the countries in which we operate, which will further promote stainless steel consumption.

If we add to this situation the congestion and high transport costs and the measures against unfair competition in the different markets, which will make exports less competitive, we believe that this new decade that we are starting in such a turbulent way will allow us to value the geographical diversification of the Acerinox Group and all the progress we are making, which will boost Acerinox’s results.

It is for all these reasons, the acquisition of VDM and the progress we have been making with the Excellence 360° Plan, that we expect the market to recognise the real value of the Company.”

We contribute to sustainable development



Acerinox has the firm intention of contributing to the achievement of the **Sustainable Development Goals (SDGs)** approved by the United Nations, among others, by contributing to the fight against climate change through the manufacture of entirely and indefinitely recyclable products; promoting innovation, education, protecting and fostering respect for human rights, the development of professional relationships based on diversity, inclusion, equal opportunities and contributing to the development of the communities where we operate. To this end, Acerinox has a sustainability strategy called '**Acerinox Positive Impact 360**'.



Health and safety, our priority

Acerinox meets its objective of **reducing the accident rate** in all its companies. The Group's LTIFR (Lost Time Injury Frequency Rate) fell by 26% in the first half of 2022 compared to the same period of 2021.

Acerinox hosts 57 Ukrainian refugees

Acerinox ceased its commercial activity in Russia as soon as the invasion in Ukraine began and has arranged for the hosting of 57 Ukrainian refugees in the German cities of Werdohl, Altena and Neuenrade through its high performance alloys subsidiary VDM Metals.

Acerinox announces a new share buyback programme

In view of the Company's financial strength, cash generation prospects and the low level of the share price, the Board of Directors meeting held on 27 July resolved to initiate a new 4% share buyback programme for their redemption. This programme fulfils the Company's commitment to redeem the shares that were issued in the years when the dividend paid was made through scrip dividend.

Furthermore, the Group concluded the share **buyback programme** of 4%, which commenced in December. The cash outflow in this connection in the first quarter was **EUR 115 million** (the entire programme totalled EUR 125 million).

Following approval at the General Shareholders' Meeting held on 16 June 2022, Acerinox remunerated its shareholders **on 5 July with a dividend of EUR 0.50 per share**, totalling EUR 135 million.

Furthermore the Board of Directors resolved to sell the 747,346 shares the Group held in Nippon Steel as it did not consider them strategic. Now that the strategic alliance with Nippon Steel has been finalised, Acerinox has begun commercial activity in Japan.

Carlos Ortega Arias-Paz, new Chairman of Acerinox



The Board of Directors meeting, held after the General Shareholders' Meeting, appointed Carlos Ortega Arias-Paz as Non-Executive Chairman of Acerinox. Ortega is currently Managing Director of Corporación Financiera Alba and is a member of the Board of Acerinox as a Proprietary Director.

Bernardo Velázquez, reappointed as Chief Executive Officer

During the same Board meeting, Mr. Bernardo Velázquez Herreros was re-elected to the position of Chief Executive Officer for a four-year term, thus renewing the position he has held since 2010. He is also currently Chairman of UNESID (Spanish Association of Iron and Steel Companies) and Vice-Chairman of the World Stainless Steel Association.



Donald Johnston, appointed Lead Director

The Board of Directors of Acerinox, S.A. held on 30 June 2022, unanimously approved the appointment of the Independent Director Mr. Donald Johnston as Lead Director, thus contributing to the improvement of good governance.