

Acerinox achieves good results in a year of strong correction



- **Apparent consumption in the North American and European markets fell by about 20%, an unprecedented correction.**
- **EBITDA, 703 million euros, was the fourth best in our history. We reached a new profitability level, with a sales margin of 11%.**
- **Operating cash flow stood at 481 million euros.**
- **The Group's net financial debt was 341 million euros, representing a 99-million-euro reduction.**
- **Revenue was 6,608 million euros.**
- **Profit after tax and non-controlling interests was 228 million euros.**
- **Acerinox has made an offer to acquire Haynes International. This transaction is pending approval by Haynes shareholders and American authorities.**

Acerinox achieved good results in 2023 thanks to the improvements of recent years and the strategic success of the entry into the sector of high-performance alloys that has allowed the Group to reach a new profitability level in an environment of a sharp drop in demand.

As the CEO of Acerinox, Bernardo Velazquez, explains, the Group achieved these results despite that "2023 was a year of very low activity for the stainless steel market due to the inventory adjustment that began during the second half of 2022. We estimate that apparent consumption in the United States and Europe fell by around 20%. Meanwhile, the high-performance-alloys sector maintained positive performance during the year.

In this challenging macroeconomic and political context, alongside supply chain incidents that affected trade routes, Acerinox achieved an EBITDA of 703 million in 2023. Net profit was 228 million euros and the revenue stood at 6,608 million.

Velázquez says that "2023 was a challenging but positive year for Acerinox," noting that the Group managed to reduce its debt by 99 million, to 341 million.

<i>Million EUR</i>	FY 2023	FY 2022
Melting shop production (in thousands of tons)	1,946	2,190
Net sales	6,608	8,688
EBITDA	703	1,276
EBITDA margin	11%	15%
Adjusted EBIT *	530	1,080
Adjusted EBIT margin *	8%	12%
EBIT	374	876
EBIT margin	6%	10%
Profit/loss before tax	355	831
Income/loss after tax and non-controlling interests	228	556
Operating cash flow	481	544
Net financial debt	341	440



Acerinox allocates 150 million to dividends

In 2023, Acerinox shareholders received 150 million euros in dividends. The Company paid shareholders an interim payment in January and a final payment in July. Consequently, the total paid to shareholders in 2023 was 0.60 euros gross per share, 20% higher than the 2022 dividend.

At the next Annual Shareholders' Meeting, the board will propose a dividend payment of 0.62 euros per share, which constitutes an additional 3.33% increase from the last approved amount after having reduced the number of shares as a result of the last share buyback plan.

On January 26, 2024, an interim dividend payment for 2023 was made in the amount of 0.31 euros per share.

Investments

On February 5, Acerinox announced an offer in which North American Stainless, an Acerinox Group business in the United States, will acquire Haynes International, a US leading developer, manufacturer, and marketer of technologically advanced high-performance alloys. The all-cash transaction, agreed to by the boards of directors of both companies, is pending approval by Haynes shareholders and American authorities.

More information at the following link:

<https://acerinox.com/en/comunicacion/noticias/Acerinox-to-Acquire-Haynes-International/>

As part of this strategy, which is aimed at developing and expanding higher-value-added solutions, Acerinox strengthened its commitment to VDM Metals in 2023 with a new 67-million-euro investment that will increase production by 15% and boost efficiency with additional sales of more than 6,000 metric tons per year from 2026.

More information at the following link:

<https://www.acerinox.com/en/comunicacion/noticias/Acerinox-will-invest-67-million-euros-in-its-high-performance-alloys-division-and-introduces-its-new-Excellence-Plan/>

Previously, the Acerinox Group announced a 244-million-dollar investment in North American Stainless. The objective is to bolster the American subsidiary's leadership in the US and keep pace with the growth of the market. The plant's production capacity will increase by 20% thanks to improvements to productivity based on digital solutions and the purchase of state-of-the-art equipment.

More information at the following link:

<https://www.acerinox.com/en/comunicacion/noticias/Acerinox-invertira-244-millones-de-dolares-en-su-fabrica-de-acero-inoxidable-de-EE.UU/>



Beyond Excellence

In line with its strategy, the Acerinox Group aims to drive operational excellence through Beyond Excellence, an ambitious new program whose goal is to enhance competitiveness.

The pillars of the program (decarbonization, efficiency, development of special steels, productivity, supply chain... all with a focus on the customer), aim to improve EBITDA by 100 million euros between 2024 and 2026 and improve revenues, in addition to fostering a culture of excellence and innovation throughout the organization.

To this end, the Group is implementing new projects for 2024 that will focus on the following areas:

- Improve quality and output in the production of high-value-added stainless steels.
- Optimize the use of recycled materials as the main raw material.
- Increase equipment productivity thanks to digitalization.
- Use of predictive techniques to improve quality and maintenance.
- Improve consumable and energy efficiency, which will result in reduced CO2 emissions.
- Waste recovery

Collective bargaining agreement at Acerinox Europa

Acerinox Europa began the process of renewing the 4th Collective Bargaining Agreement in January 2023, having held 22 rounds of negotiation for over more than a year.

The company plans to implement a change of model at this plant with a focus on the customer and added value in order to face strong market competition and reverse its losses, thereby guaranteeing the plant's viability. This transformation involves adapting the production bonus to the new model and recovering productivity through greater flexibility and performance of different tasks within the same section/department (multi-functionality), without layoffs or salary cuts.

In this context, a strike began on February 5 at the Campo de Gibraltar plant. The strike is ongoing as of the publication of these results, despite the fact that the company has never wavered in its willingness to negotiate.

Impairment of Bahru Stainless

The Group is in the process of strategic reflection on the future of Bahru Stainless and does not rule out cessation of activity. As a result, an impairment of Bahru Stainless's assets was made in the maximum amount, 156 million euros, without resulting in a cash outflow.