



Results as at 31 March 2019

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



DISCLAIMER

This document has been drawn up in good faith upon the basis of the data and facts available on the day of its publication and should be read together with all the public information provided and/or published by ACERINOX, S.A.

This document may contain statements with regard to the future intentions, forecasts and estimates of ACERINOX, S.A. and its business. These types of statements and/or contents may include declarations or expectations with regard to the current plans, objectives and forecasts of the company and its group, including declarations concerning trends or circumstances which might affect its current financial situation and its ratios, results, strategies, production levels, expenditure, costs, exchange rates, investments and/or dividend policy. It may also contain references to the situation and trends of the market of raw materials, especially nickel and chrome.

These statements and contents have been issued in good faith, upon the basis of the knowledge and information available on the date of this announcement and, despite being reasonable, do not constitute a guarantee of future compliance. These statements and contents are subject to risks, uncertainties, changes and situations beyond the control of ACERINOX, S.A., meaning that they may not comply, in full or in part, with what is expected and/or declared.

Except to the extent required by the applicable law, ACERINOX, S.A. does not assume any obligation to publicly update its future declarations and statements, even when new data are published or further unforeseen events which might affect them arise. ACERINOX, S.A. provides information on the above and other factors which may affect its future statements concerning its business, expectations and/or financial results in the documents it submits to the Spanish National Securities Market Commission. All interested parties are invited to view these documents.

Neither this document nor the information contained herein constitute an offer to sell, purchase or exchange or an invitation to make an offer to buy, purchase or exchange, or a recommendation or advice regarding any asset or financial instrument issued by the Acerinox Group. Any person who acquires assets should do so upon the basis of his or her own judgement after receiving the professional advice deemed appropriate. No kind of investment activity should be performed upon the basis of the information or forecasts contained in this documentation.

Neither ACERINOX, S.A. nor its subsidiaries assume liability of any kind for the damages which may arise from any use of this document or its contents.

Telephone conference and live broadcast of the presentation of the results for the First Quarter of 2019

Acerinox will hold the presentation for the results of the first quarter of 2019, in English, today, 13 May, at 10.00 AM (CET) directed by Miguel Ferrandis, Group CFO, and accompanied by the Investor Relations team.

To access the presentation via telephone conference, you can use one of the following numbers, 5-10 minutes before the start of the event:

Calls from the United Kingdom: +44 207 194 3759

Calls from Spain and other countries: +34 91 114 01 01

Followed by the PIN code: 32551612#

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

Both the presentation and all the audiovisual material will be available on the Acerinox web.

Results for the First Quarter of 2019

- EBITDA totalled €90 million, a figure 56% higher than that of the fourth quarter of 2018 and 24% lower than that of the first quarter of 2018
- Profits after taxes and minority interests totalled €33 million, 103% more than in the fourth quarter of 2018 and 44% less than in the first quarter of 2018
- The Group's revenue, totalling €1,202 million, increased by 6% with respect to the previous quarter and fell by 4% in comparison with the same period the previous year
- Melting production (627,920 tonnes) increased by 22% with respect to the previous quarter and stood 6% lower than in the first quarter of 2018
- Net financial debt as at 31 March 2019 totalled €573 million (€552 million as at 31 December 2018), following the investment of €49 million in treasury shares
- The General Shareholders' Meeting approved an 11% increase in the dividend (from €0.45/share to €0.50/share) and the amortisation of 2% of Acerinox's shares, already acquired
- The Excellence 360° Plan was launched with the aim of achieving recurring annual rises in EBITDA of €125 million from 2023 onwards
- It is expected to maintain the positive trend of results in the second quarter

Quarterly evolution of EBITDA
Millions of EUR (% of sales)



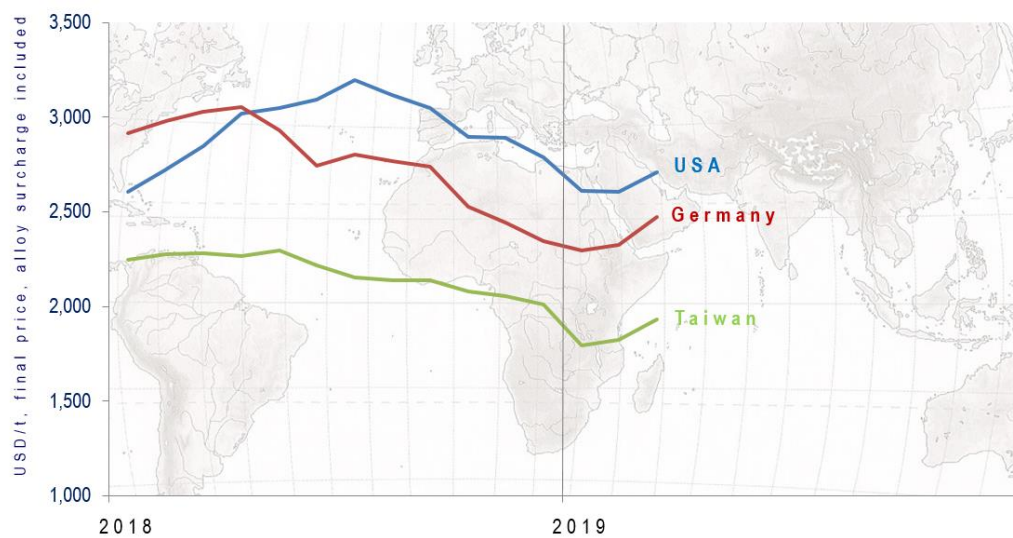
Stainless Steel Market

Activity in the first quarter improved in all the markets, following a very weak fourth quarter.

Prices underwent a downward trend in January and February, due to the falls in alloy surcharges.

Prices of stainless steel sheet 2.0 mm cold-rolled I AISI 304

2018 – March 2019



Source: CRU

In the **European market** the definitive safeguard measures adopted on 1 February 2019 largely corrected the errors of the preliminary measures. Annual quotas have been imposed on the countries accounting for more than 5% of imports; 25% tariffs will be imposed once this amount has been exceeded. A global quota, revisable on a quarterly basis, is being applied to the other countries.

For the time being, according to our data for the first quarter, Europe's imports have fallen by 27% and its market share stands at 22%. The smooth running of the system will boost activity at our factories in Spain and in South Africa, a country that will not be affected by the quotas, owing to the preferential trade treaty in force between the European Union and a group of countries in southern Africa.

As a result of the above, the first quarter witnessed increases in volume among the local European producers, although the price level is still low. As we understand it, the inventories have been corrected and normalized.

The **American market** is not immune to macro-economic uncertainties, but the strength of its economy and the tariffs are having a positive effect and it remains the market recording the best performance.

Inventories took a little longer to be normalized than in Europe, a process which, as we understand it, took place in late March.

The **Asian markets** are suffering from the concentration of surplus production in China and Indonesia, causing stainless steel prices to fall to very low levels.

Raw Materials

The corrections experienced by nickel and ferrochrome since June last year led to reductions in alloy surcharges in both January and February. Since the beginning of the year the price of nickel has recovered, reaching USD 13,000/t, while that of ferrochrome rose to 120 US¢/lb. in the second quarter.

Official price of nickel on the LME
Average daily price for cash/three months (USD/t). 2018 – 31 March 2019



These rises in the price of nickel and ferrochrome will be reflected in the alloy surcharges in the second quarter.

Average quarterly price of ferrochrome

US¢ / Lb. Cr



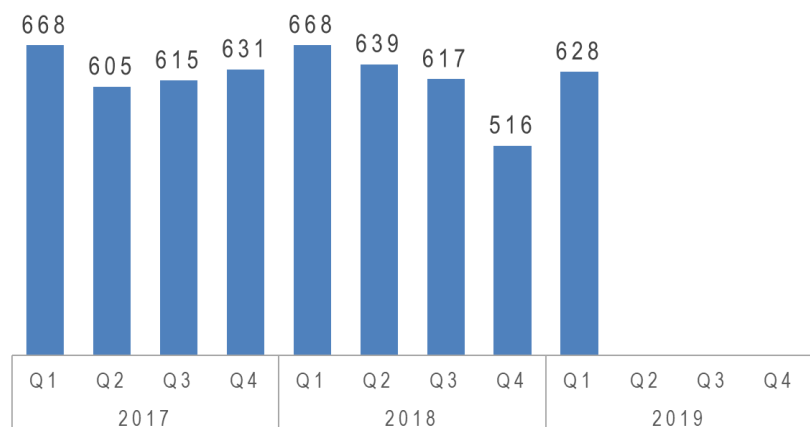
Source: Metal Bulletin

Production

The Acerinox Group's melting production in the first quarter of 2019 (627,920 tonnes) increased by 22% with respect to the previous quarter and stood 6% lower than in the first quarter of 2018.

Quarterly melting production

Thousands of tonnes



Hot-rolled flat production, totalling 531,074 tonnes, increased by 16% with respect to the fourth quarter of 2018 and fell by 8% in comparison with the January-March period of 2018.

Meanwhile, cold rolling production, totalling 422,361 tonnes, increased by 12% compared with the previous quarter and stood 8% lower than in the same period of the previous year.

Acerinox Production
Thousands of tonnes

| | Thousand t | 2019 | | | | Accumulated | 2018 | Variation (%) |
|----------------------------|------------|------|----|----|----|-------------|---------|---------------|
| | | Q1 | Q2 | Q3 | Q4 | | Jan-Mar | |
| Melting shop | | 628 | | | | 628 | 668 | -6.0% |
| Hot rolling shop | | 531 | | | | 531 | 577 | -8.0% |
| Cold rolling shop | | 422 | | | | 422 | 462 | -8.5% |
| Long product (Hot rolling) | | 66 | | | | 66 | 65 | 1.9% |

Long products maintained the positive trend of the previous year. Thus, hot rolling production respectively stood 10% and 2% higher than the figures for the previous quarter and the first quarter of 2018.

Results

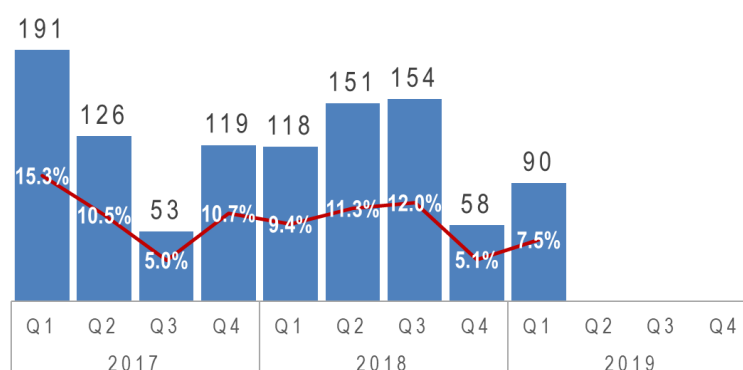
The turnover of €1,202 million represented a fall of 4% with respect to the same period of the previous year, although a change in trend with respect to the fourth quarter was observed, with a 6% increase.

Condensed profit and loss account
Millions of EUR

| | First Quarter | | | Fourth Quarter | |
|--|---------------|--------------|---------------|----------------|---------------------------|
| | 2019 | 2018 | Variation | 2018 | Variation Q1 2019/Q4 2018 |
| Net sales | 1,202 | 1,254 | -4.1% | 1,139 | 5.5% |
| EBITDA | 90 | 118 | -23.5% | 58 | 56.0% |
| <i>% over sales</i> | 7.5% | 9.4% | | 5.1% | |
| EBIT | 45 | 76 | -40.1% | 16 | 175.9% |
| <i>% over sales</i> | 3.8% | 6.1% | | 1.4% | |
| Result before taxes | 45 | 76 | -40.6% | 17 | 164.1% |
| Result after taxes and minorities | 33 | 58 | -43.9% | 16 | 103.3% |
| Depreciation | 46 | 41 | 11.8% | 42 | 9.4% |
| Net cash flow | 78 | 99 | -20.8% | 58 | 35.4% |

EBITDA generated in the quarter, €90 million, was 56% higher than in the previous quarter but 24% lower than in the same period of the previous year, mainly due to the weak prices in Europe and Asia.

Quarterly evolution of EBITDA
Millions of EUR (% of sales)



Depreciation and amortisation figure, totalling €46 million, rose by 12% as a result of the commencement of depreciation of the new equipment at Acerinox Europa.

Profits after taxes and minority interests amounted to €33 million, a figure which, although it stands 44% lower than in the previous year, represents a 103% improvement on that of the fourth quarter of 2018.

Condensed balance sheet
Millions of EUR

| ASSETS | | | | LIABILITIES | | | |
|---------------------------|--------------|--------------|-------------|---|--------------|--------------|--------------|
| | Mar-19 | 2018 | Variation | | Mar-19 | 2018 | Variation |
| Non-current assets | 2,150 | 2,134 | 0.8% | Equity | 2,150 | 2,119 | 1.5% |
| Current assets | 2,589 | 2,474 | 4.7% | Non-current liabilities | 1,205 | 1,226 | -1.7% |
| - Inventories | 1,051 | 1,019 | 3.2% | - Interest-bearing loans and borrowings | 993 | 1,026 | -3.3% |
| - Debtors | 630 | 590 | 6.9% | - Other non-current liabilities | 212 | 200 | 6.3% |
| Trade debtors | 576 | 525 | 9.8% | Current liabilities | 1,384 | 1,262 | 9.6% |
| Other debtors | 54 | 65 | -16.5% | - Interest-bearing loans and borrowings | 462 | 376 | 22.8% |
| - Cash | 882 | 850 | 3.7% | - Trade creditors | 820 | 784 | 4.6% |
| - Other current assets | 26 | 15 | 69.9% | - Other current liabilities | 102 | 102 | -0.6% |
| TOTAL ASSETS | 4,739 | 4,608 | 2.9% | TOTAL EQUITY AND LIABILITIES | 4,739 | 4,608 | 2.9% |

The operating working capital, €807 million, increased by €47 million, chiefly due to the increase in activity during the quarter. Trade receivables increased by €51 million, reflecting the 6% increase in revenue with respect to the previous quarter.

| Million EUR | March 2019 | December 2018 |
|-----------------|------------|---------------|
| Inventories | 1,051 | 1019 |
| Trade debtors | 576 | 525 |
| Trade creditors | 820 | 784 |
| Working capital | 807 | 760 |

Even with these higher operating working capital requirements, the operating cash flow stood at €47 million. After paying €30 million in investments, a free cash flow totalling €17 million was obtained. The group carried out a share buyback programme and, as a result, it purchased treasury shares during the quarter totalling €49 million.

Condensed cash flow statement

Millions of EUR

| | Jan - Mar 2019 | Jan - Dec 2018 | Jan - Mar 2018 |
|--|-------------------|-------------------|-------------------|
| EBITDA | 90 | 480 | 118 |
| Changes in working capital | 4 | -87 | -103 |
| Changes in operating working capital | -47 | -74 | -106 |
| - Inventories | -32 | -28 | -3 |
| - Trade debtors | -51 | 27 | -141 |
| - Trade creditors | 36 | -73 | 38 |
| Others | 51 | -14 | 3 |
| Income tax | -26 | -81 | -22 |
| Financial expenses | 0 | -15 | -4 |
| Others | -21 | 30 | 0 |
| OPERATING CASH FLOW | 47 | 326 | -12 |
| Payments for investments on fixed assets | -30 | -155 | -34 |
| FREE CASH FLOW | 17 | 171 | -46 |
| Dividends and treasury shares | -49 | -128 | -1 |
| CASH FLOW AFTER DIVIDENDS | -32 | 43 | -47 |
| Conversion differences | 11 | 14 | -11 |
| Variation in net financial debt | -21 ↑ | 57 ↓ | -57 ↑ |

The net financial debt as of 31 March 2019 stood at €573 million (€552 million as at 31 December 2018).

As at 31 March, Acerinox has credit lines amounting to €1,874 million, 22% of which are available.

Excellence 360° Plan

Acerinox has launched the implementation of the Planning 360° project within the framework of the Excellence 360° plan.

The project is being conducted in partnership with Minsait, an Indra Group company that collaborates in the implementation of the systems and cultural changes required by a comprehensive project such as this one, bringing together services such as business consultancy, data analytics and so on.

The Excellence 360° Plan seeks to promote and optimise the Acerinox Group's business by increasing the efficiency of all the processes, combining the traditional techniques of the Excellence Plans with the advantages provided by the new digital transformation tools.

This plan will initially be executed between 2019 and 2023, and Acerinox will obtain annual EBIDTA returns totalling €125 million from 2023 onwards.

Shareholders' General Meeting

The Shareholders' General Meeting of Acerinox S.A. held on 11 April in Madrid approved the proposed resolutions listed in the agenda, including an increase in the return to shareholder of €0.50 per share, as opposed to the €0.45 they had been receiving in the past few years, changes to the composition of the Board of Directors and a reduction of the number of members.

The approved dividend represents an increase of 11% compared to the previous fiscal year, and will be distributed in a first payment charged to unrestricted reserves in the amount of €0.30 per share (payable on 5 June 2019) and a second payment charged to the Share Issuance Premium account in the amount of €0.20 per share (payable on 5 July 2019). Moreover, the Shareholders' Meeting agreed to a capital reduction via amortisation of treasury shares acquired by execution of the share buyback programme, up to 2%, approved by the Board of Directors in December. These shares will be amortised in May, as can be read in the Significant Event published today in the CNMV.

Regarding the news within the Board of Directors, the decisions made during the Meeting included the appointment of Mr Ignacio Martín and Mr Donald Johnston as Independent Directors, and Mr Pablo Gómez Garzón and Mr Mitsuo Ikeda as Proprietary Directors, with the first representing the Corporación Financiera Alba and replacing Mr Pedro Ballesteros, and the latter representing Nippon Steel Stainless Steel Corporation and replacing Mr Katsuhisa Miyakusu.

During the Meeting it was also agreed to eliminate a position in the Board of Directors, going from 15 to 14 members, to gradually match its size to the boards of comparable European and Spanish companies.

The changes above resulted in Mr Ballesteros, Mr Miyakusu and Mr Conthe leaving the Board.

Outlook

Inventories in Europe and the United States are at reasonable levels, according to the information available, and imports are expected to remain controlled in both regions, despite which, market conditions remain very competitive.

In this context, the competitiveness of Acerinox will allow to maintain the positive trend of results in the second quarter.

Main economic-financial figures

| CONSOLIDATED GROUP | Year 2019 | | | | 2019 | |
|---|-----------|----|----|----|--------------|---------|
| | Q1 | Q2 | Q3 | Q4 | Accumulated | Jan-Mar |
| Production (Thousand mt) | | | | | | |
| Melting shop | 628 | | | | 628 | 668 |
| Hot rolling shop | 531 | | | | 531 | 577 |
| Cold rolling shop | 422 | | | | 422 | 462 |
| Long product (hot rolling) | 66 | | | | 66 | 65 |
| Net sales (million EUR) | 1,202 | | | | 1,202 | 1,254 |
| Gross operating result/ EBITDA (million EUR) | 90 | | | | 90 | 118 |
| % over sales | 7.5% | | | | 7.5% | 9.4% |
| EBIT (million EUR) | 45 | | | | 45 | 76 |
| % over sales | 3.8% | | | | 3.8% | 6.1% |
| Result before taxes and minorities (million EUR) | 45 | | | | 45 | 76 |
| Result after taxes and minorities (million EUR) | 33 | | | | 33 | 58 |
| Depreciation (million EUR) | 46 | | | | 46 | 41 |
| Net cash flow (million EUR) | 78 | | | | 78 | 99 |
| Number of employees | 6,768 | | | | 6,768 | 6,692 |
| Net financial debt (million EUR) | 573 | | | | 573 | 667 |
| Debt to equity (%) | 26.6% | | | | 26.6% | 33.9% |
| Number of shares (million) | 276 | | | | 276 | 276 |
| Return to shareholders (per share) | --- | | | | -- | -- |
| Daily average shares traded (n° of shares, million) | 1.09 | | | | 1.09 | 1.22 |
| Result after taxes and minorities per share | 0.12 | | | | 0.12 | 0.21 |
| Net cash flow per share | 0.28 | | | | 0.28 | 0.36 |

Alternative Performance Measures (definitions of terms used)

Saving relating to the Excellence Plans: estimated saving on efficiency on the basis of this study defined in each Plan

Operating Working Capital: Inventories + Trade receivables – Trade payables

Net Cash Flow: Results after taxes and minority interest + depreciation and amortisation

Net Financial Debt: Debt with banks + bond issuance - cash

Net Financial Debt / EBITDA: Net Financial Debt / annualized EBITDA

EBIT: Operating income

EBITDA: Operating income + depreciation and amortisation + variation of current provisions

Debt Ratio: Net Financial Debt / Equity

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

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

ROE: Results after taxes and minority interest / Equity

ICR (interest coverage ratio): EBIT/Net financial result