

Acerinox has reported EBITDA of EUR 114 million in the third quarter of 2024



- Q3 results attest to the Group's resilience despite weak demand in our main markets, the United States and Europe.
- Production increased 21% compared with the second quarter, due to the reactivation of production at Acerinox Europa's plant, with a new collective bargaining agreement signed after an almost five-month strike.
- Acerinox agrees to sell Bahru Stainless for USD 95 million.
- The UK Competition and Markets Authority (CMA) has authorized Acerinox to acquire Haynes International, and the closing of the transaction is now pending only the decision of the Austrian authorities.
- "All these strategic steps will enable us to improve our competitiveness, focus on our core markets and adequately meet the challenges of the future", has stated Bernardo Velázquez, CEO.

In the third quarter of 2024, Acerinox has obtained, after tax and non-controlling interests, a profit of EUR 48 million, which represents a total sum of EUR 162 million for the first nine months of the year.

EBITDA, that amounted to EUR 114 million in the third quarter (EUR 350 million in the first nine months), remained stable and attests to the "resilience of the company in challenging conditions", as stated by Acerinox's CEO, Bernardo Velázquez.

In turn, revenue from January through September amounted to EUR 4.1 billion, which represents a drop of 7% compared with the same period of 2023, due to weak apparent demand in Europe and the United States, as well as lower effective prices and the impact of the strike at Acerinox Europa.

Melting shop production (491 thousand tons) has increased by 21% compared with the second quarter of 2024 (7% higher than in the third quarter of 2023) as a result of the reactivation of the production at Acerinox Europa after a new collective bargaining agreement was signed, after an almost five-month strike.

The results of the high-performance alloys division continue at a good level (with EBITDA of EUR 28 million), although 17% below that of the second quarter as a result of the fall of nickel prices.

As stated by Bernardo Velázquez, Acerinox's CEO, "the strength of our American subsidiary, North American Stainless (NAS), and of our high-performance alloys division, has enabled the Group to report the aforementioned third-quarter EBITDA of EUR 114 million, despite the challenging market conditions within the stainless steel sector".



Outlook

The weakness of the demand for stainless steel will continue for the fourth quarter. The end of year market seasonality and the geopolitical and macroeconomic uncertainties do not permit us to be optimistic in the short-term, despite the fact that inventories continue to be low.

The high-performance alloys market remains stable and the order book of VDM continues to be solid, although its activities will be affected by market seasonality in the fourth quarter.

EBITDA for the final quarter is expected to be higher than in the third quarter due to the sale of Bahru Stainless, and adjusted EBITDA is expected to be lower than in the third quarter. We plan to reduce operating working capital and, consequently, net financial debt.

Our robust strategy and the measures that are being adopted will have positive effects in our results once demand picks up.

Acquisition of Haynes International

On October 24, the UK Competition and Markets Authority (CMA) has authorized Acerinox to acquire Haynes International. The closing of the transaction is now pending only the decision of the Austrian authorities.

This new authorization complements the other authorizations already received from the U.S. antitrust authorities during the first half of the year: the Department of Justice on March 18, and the Committee on Foreign Investment in the United States (CFIUS) on June 27.

On February 5, Acerinox announced the signing of an agreement under which its North American subsidiary, North American Stainless (NAS), will acquire Haynes International (Haynes). The transaction will be carried out entirely in cash.

Two months later, on April 16, the shareholders of Haynes approved (as proposed by the Board of Directors of Haynes International) the acquisition by NAS for the sum of USD 61 per share in cash, which represents a total consideration of USD 798 million, corresponding to an enterprise value of USD 970 million.

After the closing of the transaction, Haynes will become wholly-owned by NAS. Accordingly, the Group will consolidate its presence in the North American market, where it is already the leader in the area of stainless steel, as well as its position in the world high-performance alloys market and will also increase its exposure in the high-margin aerospace sector.

Acerinox agrees to sell Bahru Stainless

Acerinox, S.A. and Worldwide Stainless Sdn. Bhd, a company registered in Malaysia, signed, on October 10, an agreement pursuant to which Acerinox, S.A. will sell its subsidiary Bahru Stainless Sdn. Bhd. for a total sum of USD 95 million. It is expected that the final closing of the transaction will take place at the end of November 2024. Acerinox, S.A. had previously announced, on May 29 of this year, the discontinuance of the activities of Bahru Stainless Sdn. Bhd.