

# ACERINOX

2017

FIRST QUARTER RESULTS

# DISCLAIMER

This document may contain forward-looking information and statements about ACERINOX, S.A., its subsidiaries and/or its management.

These forward-looking statements include financial projections and estimates and their underlying assumptions, and statements regarding the intent, belief or current expectations or forecasts of ACERINOX, S.A. and/or its management, as well as statements regarding future performance, plans, objectives, operations, business, strategy, capital expenditures, results of operations, markets and products. These forward-looking statements or forecasts may also include assumptions regarding future economic and other conditions, such as future nickel or chrome prices and, in general, are subject to risks, uncertainties and variables beyond ACERINOX's control that can adversely affect them.

These forward-looking statements and information do not constitute historical facts and can generally be identified by the use of terms such as "expects", "anticipates", "believes", "plans", "estimates" and similar expressions. ACERINOX, S.A. believes they all are reasonable but are not a guarantee of future performance, prices, results of operations, benefits or dividend payout policies. ACERINOX, S.A. future financial condition, financial ratios, business, results of operations and dividends could differ materially from those expressed or implied in or projected by such forward-looking statements, information and forecasts.

All forward-looking statements included herein are based on information available on the date hereof. Except as required by applicable law, ACERINOX, S.A. does not undertake any obligation to publicly update or revise any forward-looking statements and information, even in the event of new information being published or new events occurring.

Investors, holders of ACERINOX, S.A. securities and shareholders in ACERINOX, S.A. are cautioned not to place undue reliance on the forward-looking statements and information, which speak only as of the date they were made. All subsequent oral or written forward-looking statements or information attributable to ACERINOX, S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by this cautionary statement.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever for any loss arising from any use of this document, or its contents, or otherwise arising in connection with this document. Moreover, this document nor any part of it constitutes a contract, nor may it be used for incorporation into or interpretation of any contract or other type or agreement.

The points contained in this disclaimer must be taken fully into account by all persons or entities obliged to take decisions or to draw up or to publish opinions on securities issued by ACERINOX, S.A., in particular, by the analysts and investors reading this document. All the aforesaid persons are invited to consult the public documentation and information that ACERINOX, S.A. reports to or files with the bodies responsible for supervising the main securities market and, in particular, with the Spanish National Securities Market Commission (CNMV in its Spanish initials).

# MAIN FINANCIAL FIGURES OF ACERINOX

Million EUR

	Q1 2017	Q1 2016	Variation
NET SALES	1,252.48	953.35	31.4%
EBITDA	191.24	40.99	366.6%
EBIT	146.12	0.55	26567.4%
RESULT BEFORE TAXES	140.80	-7.35	---
RESULT AFTER TAXES & MINORITIES	97.95	-8.31	---
Net Financial Debt	600.55	693.41	-13.4%
No. of employees	6,616	6,502	1.8%

Q1 results  
reflect good  
market  
conditions

Results boosted  
by the increase  
in raw materials  
prices

# SECTOR INDICATORS



Auto  
Production



Construction



Home  
Appliances



**+1.3%**

Year to February  
Source: ACX Business  
Intelligence

**+2.1%**

Eurofer's estimate for  
2017

**+0.3%**

Eurofer's estimate  
for 2017



**-2.9%**

Year to February  
Source: Wards Auto

**+3.0%**

Year to February  
Source: US Census Bureau

**+5.1%**

Year to February  
Source: AHAM



**+7.9%**

Year to March  
Source: CAAM

**+8.9%**

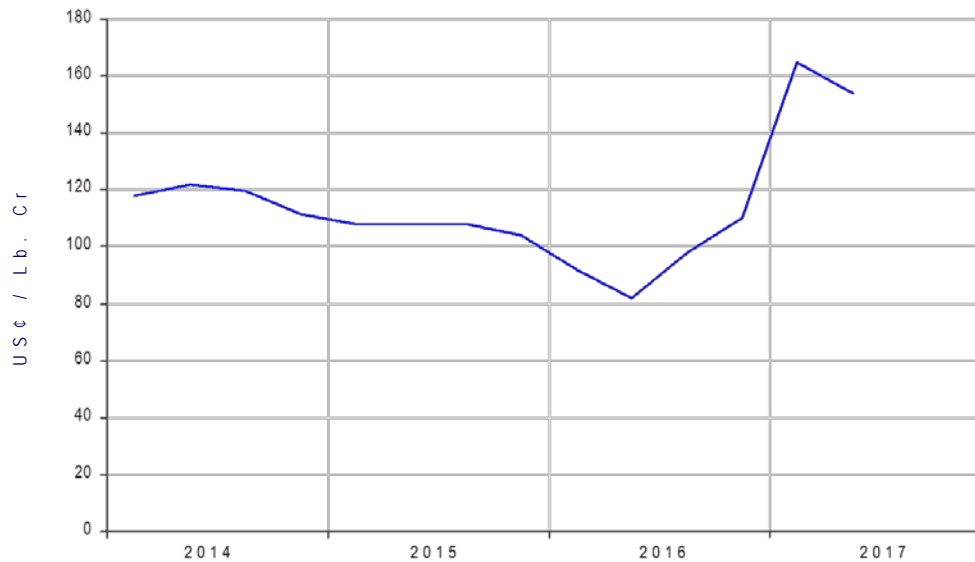
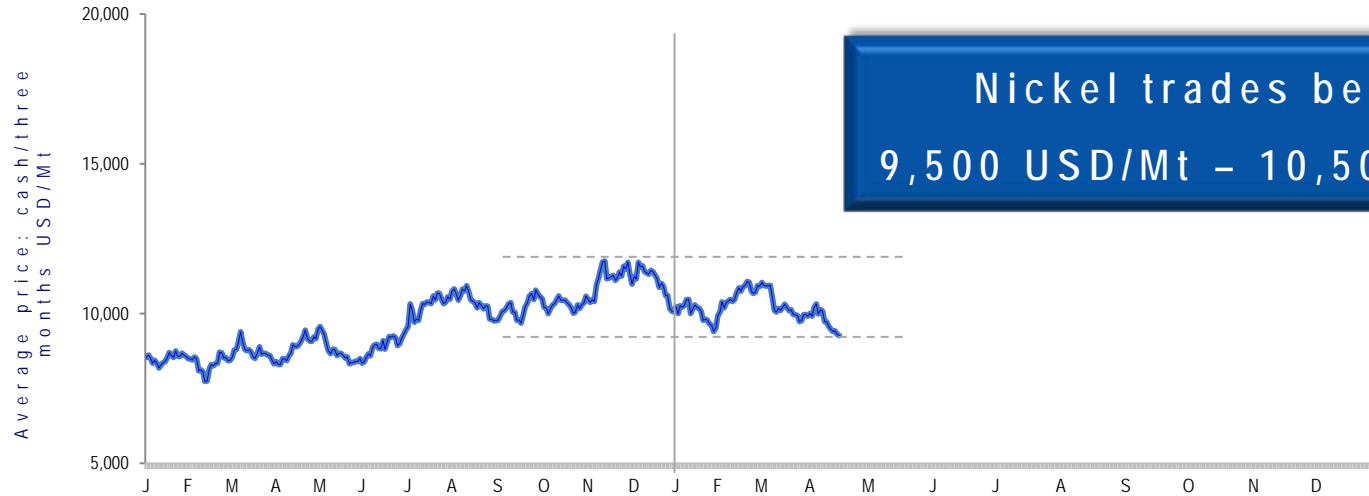
Year to February  
Source: NBS

**+11.7%**

Year to March  
Source: NBS

# RAW MATERIAL PRICES

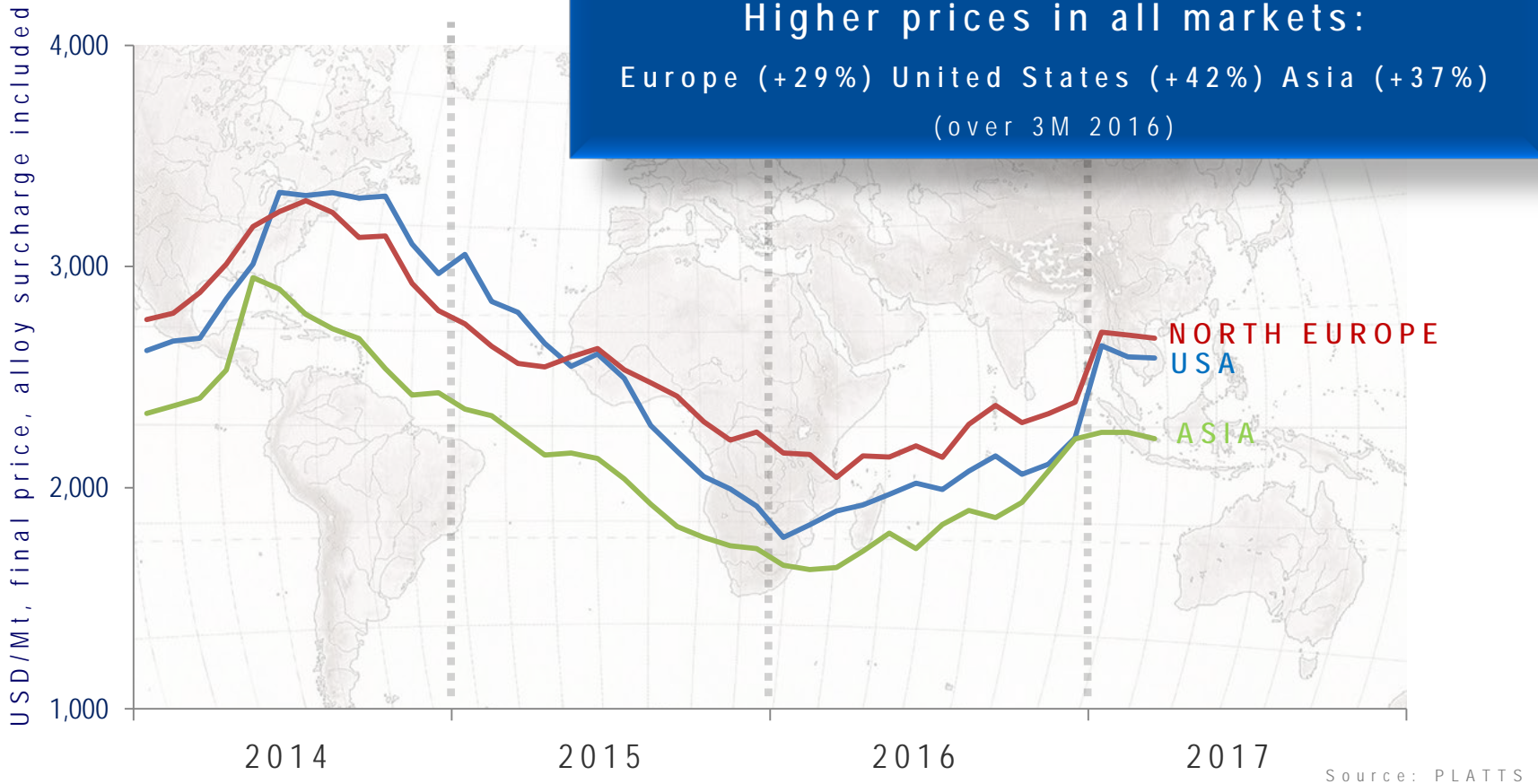
Years 2016 and 2017, up to April 25



Surge in ferrochrome prices

# STAINLESS STEEL COLD ROLLED COIL PRICES

## AISI 304 2.0 mm



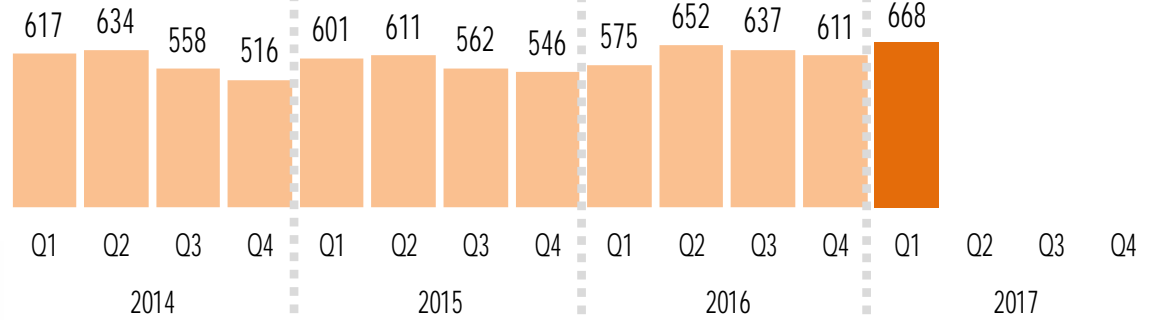
Increase of base price and alloy surcharge in Q1

# PRODUCTION

Thousand Mt

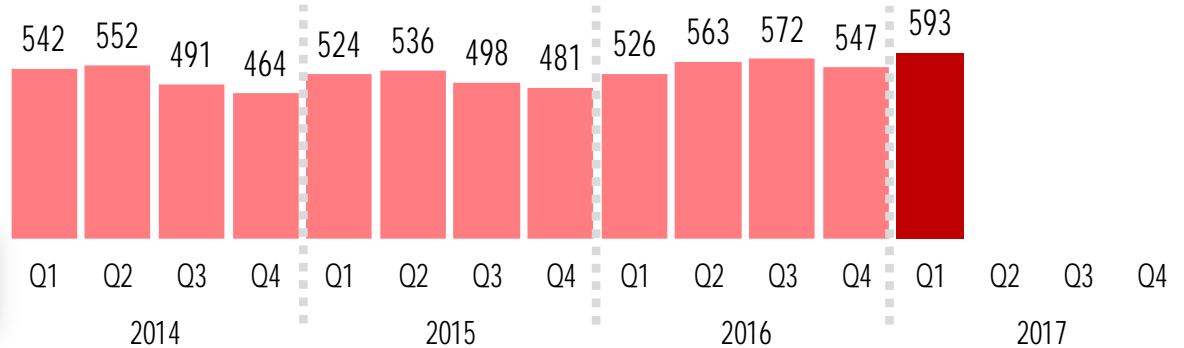
## MELTING SHOP

+16% over Q1 2016  
+9% over Q4 2016



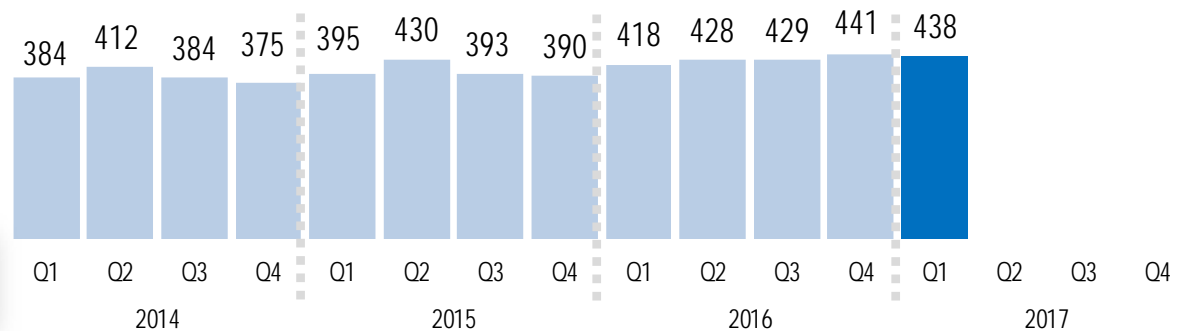
## HOT ROLLING

+13% over Q1 2016  
+8% over Q4 2016



## COLD ROLLING

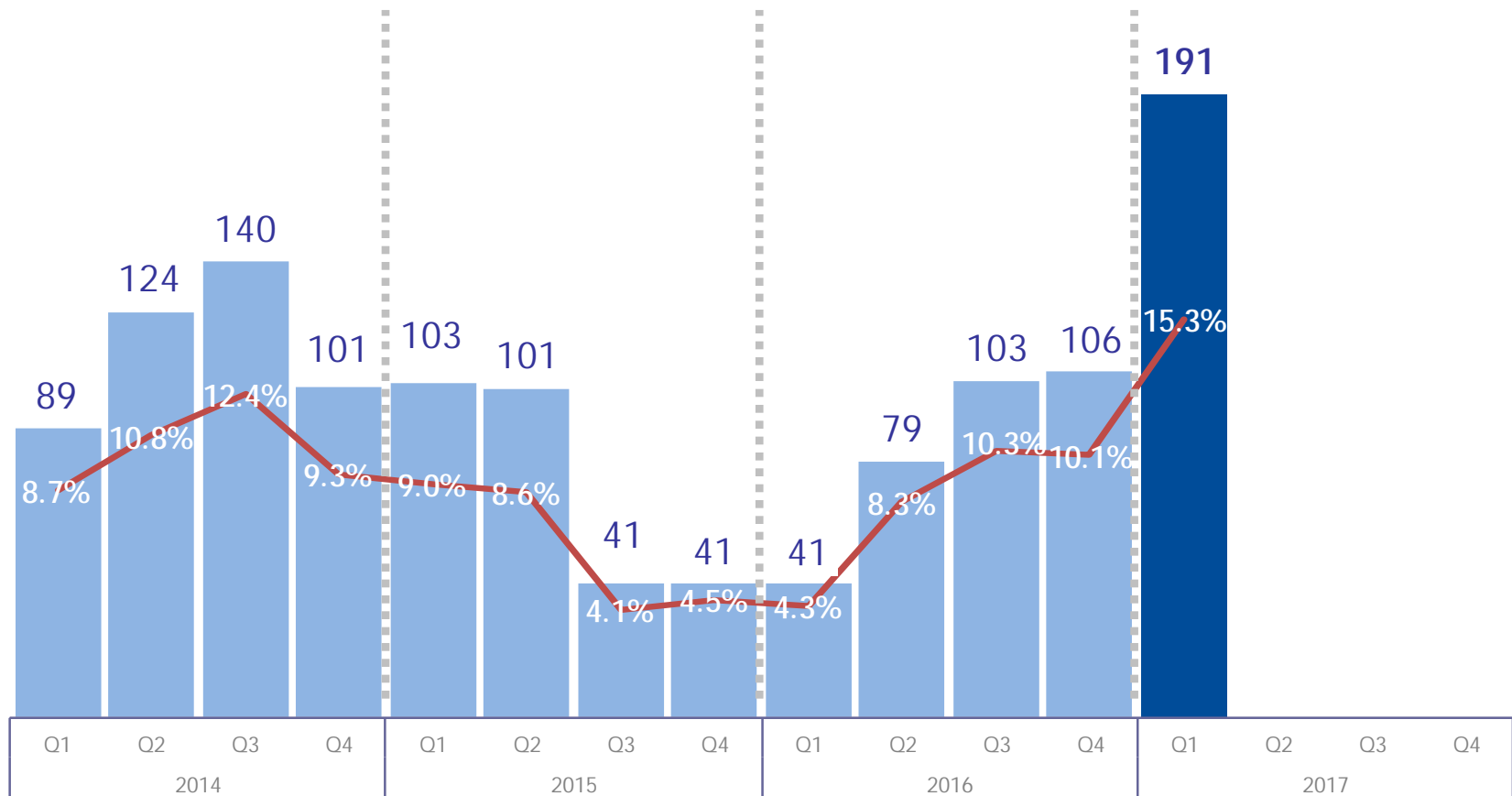
+5% over Q1 2016  
-1% over Q4 2016



# QUARTERLY EVOLUTION OF OUR EBITDA

Million EUR

Return to EBITDA margin previous to crisis





# BALANCE SHEET

Million EUR

## ASSETS

	Mar 17	2016	Variation
<b>Non-current assets</b>	<b>2,311.29</b>	<b>2,357.53</b>	<b>-2.0%</b>
<b>Current assets</b>	<b>2,389.54</b>	<b>2,097.51</b>	<b>13.9%</b>
- Inventories	1,068.32	887.42	20.4%
- Debtors	695.54	575.51	20.9%
<i>Trade debtors</i>	637.29	527.79	20.7%
<i>Other debtors</i>	58.25	47.73	22.1%
- Cash and other current assets	625.69	634.58	-1.4%
<b>TOTAL ASSETS</b>	<b>4,700.83</b>	<b>4,455.05</b>	<b>5.5%</b>

## LIABILITIES

	Mar 17	2016	Variation
<b>Equity</b>	<b>2,239.18</b>	<b>2,168.68</b>	<b>3.3%</b>
<b>Non-current liabilities</b>	<b>1,160.46</b>	<b>1,191.17</b>	<b>-2.6%</b>
- Interest-bearing loans and borrowings	903.25	936.81	-3.6%
- Other non-current liabilities	257.21	254.37	1.1%
<b>Current liabilities</b>	<b>1,301.19</b>	<b>1,095.20</b>	<b>18.8%</b>
- Interest-bearing loans and borrowings	301.49	281.61	7.1%
- Trade creditors	894.45	712.97	25.5%
- Other current liabilities	105.25	100.61	4.6%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,700.83</b>	<b>4,455.05</b>	<b>5.5%</b>

	Mar '17	Dec '16	Mar '16
<b>Working Capital</b>	<b>811</b>	<b>702</b>	<b>666</b>
<b>Net financial Debt</b>	<b>601</b>	<b>620</b>	<b>693</b>

# CASH FLOW STATEMENT

Million EUR

	Jan - Mar 2017	Jan - Dec 2016	Jan - Mar 2016
Result before taxes	140.8	127.9	-7.4
Adjustments for:	47.9	215.1	41.6
<i>Depreciation and amortisation</i>	45.3	169.8	40.2
<i>Changes in provisions and impairments</i>	-0.5	-8.4	-3.1
<i>Other adjustments in the result</i>	3.1	53.7	4.5
Changes in working capital	-100.8	16.3	14.4
<i>Changes in operating working capital</i>	-108.9	-4.1	32.1
· <i>Inventories</i>	-108.9	-62.5	87.8
· <i>Trade debtors</i>	-109.5	-88.3	-56.7
· <i>Trade creditors</i>	181.5	146.7	0.9
<i>Others</i>	8.2	20.3	-17.6
Other cash-flow from operating activities	-11.2	-90.5	-3.9
<i>Income tax</i>	-5.3	-55.8	3.5
<i>Financial expenses</i>	-5.8	-34.6	-7.4
<b>NET CASH-FLOW FROM OPERATING ACTIVITIES</b>	<b>76.7</b>	<b>268.8</b>	<b>44.7</b>
Payments for investments on fixed assets	-52.5	-156.4	-30.7
Others	0.0	-0.9	-0.4
<b>NET CASH-FLOW FROM INVESTING ACTIVITIES</b>	<b>-52.5</b>	<b>-157.3</b>	<b>-31.0</b>
<b>NET CASH-FLOW AFTER INVESTING ACTIVITIES</b>	<b>24.2</b>	<b>111.5</b>	<b>13.7</b>
Acquisition of treasury shares	0.0	-0.1	0.0
Dividends paid to shareholders and minorities	0.0	-26.7	0.0
Changes in net debt	-12.2	18.3	-61.0
<i>Changes in bank debt/private placement</i>	-13.7	27.7	-76.4
<i>Conversion differences</i>	1.4	-9.4	15.4
Attributable to minority interests	0.0	0.0	0.0
Others	0.0	0.9	0.2
<b>NET CASH-FLOW FROM FINANCING ACTIVITIES</b>	<b>-12.2</b>	<b>-7.6</b>	<b>-60.8</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>12.0</b>	<b>103.9</b>	<b>-47.1</b>
Opening cash and cash equivalents	598.5	480.0	480.0
Effect of the exchange rate fluctuations on cash and cash equivalents	-6.3	14.6	-12.0
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>604.2</b>	<b>598.5</b>	<b>420.9</b>

Positive  
Cash Flow

Increase in  
working capital:  
higher volume  
and prices

Investments in  
NAS and  
Acerinox Europa

ACERINOX

**Q&A**

2017

FIRST QUARTER RESULTS