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

Results

First quarter

2022

Presentation of the results of the first quarter of 2022 via webcast and conference call

Acerinox will hold a presentation for its First Quarter 2022 results, today (11 May) at 10:00 (CEST), led by the Chief Financial Officer, Miguel Ferrandis and accompanied by the Investor Relations team.

To access the presentation by telephone, we ask you to connect 5-10 minutes before the start by using one of the following numbers:

Spain:
919 01 16 44. Pin: 095995

The US:
1 646 664 1960. Pin: 095995

The UK (local):
020 3936 2999. Pin: 095995

Rest of countries:
+44 20 3936 2999. Pin: 095995

The presentation can be found via the Shareholders and Investors section of the Acerinox website (www.acerinox.com).

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

Highlights

"Acerinox obtained the best quarterly result in its history. Despite the effects of the invasion in Ukraine and the disruptions experienced in March, strong demand and excellent management of the Company enabled this new record to be achieved"

First Quarter of 2022

- The accident rate fell by 6% with respect to the first quarter of 2021 (20% lower than the fourth quarter of 2021).
- The prevention measures adopted by the Company have made it possible to minimize the impacts of COVID.
- The Group ceased sales in Russia.
- Melting shop production, 668,035 tonnes, remained stable with respect to the first quarter of 2021 (7% higher than the fourth quarter of 2021).
- Revenue, EUR 2,287 million, increased by 59% compared to the first quarter of 2021 (18% higher than the fourth quarter of 2021).
- EBITDA, at EUR 422 million, was 2.6 times higher than the first quarter of 2021 (33% higher than the fourth quarter of 2021). The EBITDA margin was 18%.
- Profit after tax and non-controlling interests, at EUR 266 million, was 3.4 times higher than the first quarter of 2021 (34% higher than fourth quarter of 2021)
- Operating cash flow amounted to EUR 74 million.
- The Group concluded the share buyback programme of 4%, which commenced in December. The cash outflow of the quarter totalled EUR 115 million (the entire programme totalled EUR 125 million).
- The Group's net financial debt, at EUR 628 million, increased by EUR 50 million with respect to 31 December 2021.

Outlook

The market situation, the control of our costs and the backlog allows us to continue being optimistic for the second quarter, in spite of numerous uncertainties in the international panorama, the price of energy and the inflation experienced in all of our raw materials and consumables.

We expect EBITDA in the second quarter to be slightly better than that reached in the first quarter.

The Group's sales will not be affected by the conflict between Russia and Ukraine, since they account for just 0.4% of total sales.

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

Key economic and financial figures

Consolidated Group

	First quarter		
	2022	2021	2022/2021 Variation
Melting shop production (thousand tonnes)	668	668	0%
Revenue (EUR million)	2,287	1,441	59%
Adjusted EBITDA (EUR million)	422	161	162%
% of revenue	*18%*	*11%*	
EBITDA (EUR million)	**422**	**161**	**162%**
% of revenue	***18%***	***11%***	
EBIT (EUR million)	375	117	219%
% of revenue	*16%*	*8%*	
Profit before tax and non-controlling interests (EUR million)	367	106	248%
Profit after tax and non-controlling interests (EUR million)	**266**	**78**	**242%**
Depreciation and amortisation (EUR million)	46	44	5%
Number of employees at period-end	8,284	8,153	2%
Net financial debt (EUR million)	628	756	-17%
Debt ratio (%)	26%	43%	-41%
Number of shares (million)	271	271	0%
Shareholder remuneration (per share)	0.43 [1]	0.00	---
Daily average shares traded (no. of shares, million)	1.54	0.84	84%
Profit per share after tax and non-controlling interests	0.98	0.29	242%

[1] Indirect remuneration arising from the share buyback programme

	First quarter		
EUR million	Stainless Division	High performance alloys	Consolidated Group
Melting shop production (thousand tonnes)	646	22	668
Revenue	2,006	281	2,287
Adjusted EBITDA	398	24	422
Adjusted EBITDA margin	20%	8%	18%
EBITDA	**398**	**24**	**422**
EBITDA margin	**20%**	**8%**	**18%**
Depreciation and amortisation	-39	-6	-46
EBIT	358	18	375
EBIT margin	18%	6%	16%

Results of the consolidated Acerinox Group

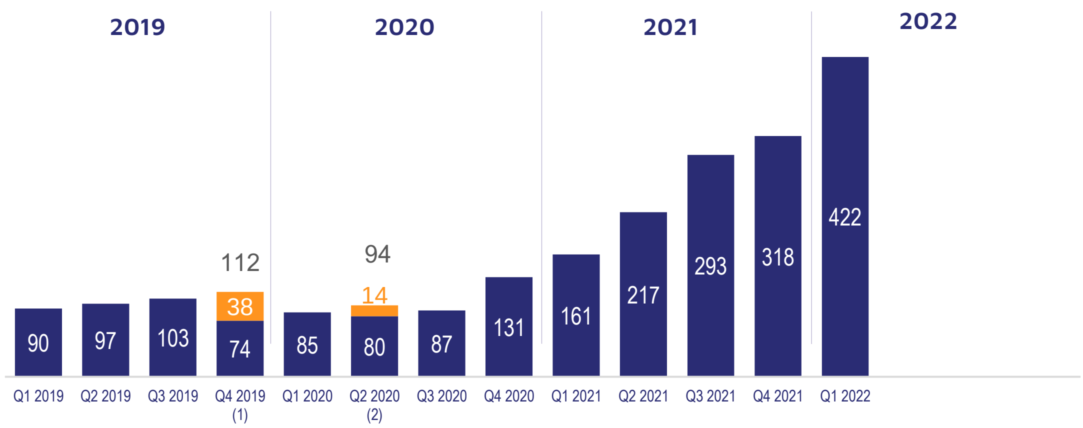
In the first quarter, revenue totalled EUR 2,287, an increase of 59% compared to the first quarter of 2021, driven by the recovery in demand and the improvement in prices, which began in 2021.

The most significant figures are summarised in the following table:

EUR million	Q1 2022	Q1 2021	Q4 2021	% Q1 22 / Q1 21	% Q1 22 / Q4 21
Revenue	2,287	1,441	1,937	59%	18%
Adjusted EBITDA	422	161	318	162%	33%
Adjusted EBITDA margin	18%	11%	16%		
EBITDA	**422**	**161**	**318**	**162%**	**33%**
EBITDA margin	**18%**	**11%**	**16%**		
EBIT	375	117	273	219%	37%
EBIT margin	16%	8%	14%		
Profit before tax	367	106	262	248%	40%
Profit after tax and non-controlling interests	266	78	198	242%	34%
Operating cash flow	74	23	204	218%	-63%
Net financial debt	628	756	578	-17%	9%

Q1 2022 EBITDA, which totalled EUR 422 million, was 33% higher than the previous quarter and was 2.6 times higher than the same period last year. It was the sixth consecutive quarter of increased EBITDA and the second best EBITDA in the Group's history (only surpassed by the fourth quarter of 2006). The EBITDA margin on sales was 18%.

Quarterly EBITDA (EUR million)



(1) Q4 2019 Adjusted EBITDA: EUR 112 million. EBITDA without taking into account the provision totalling EUR 38 million for the layoffs at Acerinox Europa

(2) Q2 2020 Adjusted EBITDA: EUR 94 million. EBITDA disregarding the 14 million for the costs from the purchase of VDM

Profit after tax and non-controlling interests amounted to EUR 266 million, 34% higher than the previous quarter and the best in the Group's history.

Cash generation

The EBITDA generated in the first quarter, which totalled EUR 422 million, enabled the Group to achieve an operating cash flow of EUR 74 million. Working capital increased by EUR 345 million, primarily due to the increase in inventories, which was driven by improved activity and high prices.

The sound financial situation of the Company enabled it to secure raw materials at competitive prices through cash payments. This strategy involves a temporary investment in working capital.

Following investment payments of EUR 22 million, free cash flow amounted to EUR 53 million.

In March, the Group concluded the share buyback programme of 4%, which commenced in December. The cash outflow of the quarter totalled EUR 115 million (the entire programme totalled EUR 125 million).

Cash Flow (EUR million)

	Jan - March 2022	Jan - Dec 2021	Jan - March 2021
EBITDA	**422**	**989**	**161**
Changes in working capital	-345	-460	-153
Income tax	-8	-137	24
Finance costs	-8	-40	-9
Other adjustments to profit	13	36	0
OPERATING CASH FLOW	**74**	**388**	**23**
Payments due to investment	-22	-90	-29
FREE CASH FLOW	**53**	**297**	**-6**
Dividends and treasury shares	-115	-145	0
CASH FLOW AFTER DIVIDENDS	**-62**	**153**	**-6**
Translation differences	13	41	22
Grants and other	-1	0	-1
Changes in net financial debt	**-50**	**194**	**15**

Balance sheet

ASSETS					LIABILITIES				
EUR million	**March 22**	**2021**	**March 21**	**Variation**	**EUR million**	**March 22**	**2021**	**March 21**	**Variation**
Non-current assets	2,073	2,067	2,105	0.3%	Equity	2,464	2,215	1,760	11.3%
Current assets	4,739	3,917	3,038	21.0%	Non-current liabilities	1,907	1,802	1,815	5.9%
Inventories	2,134	1,777	1,337	20.1%	Bank borrowings	1,454	1,368	1,399	6.3%
Receivables	1,095	837	687	30.8%	Other non-current liabilities	453	434	416	4.6%
Trade receivables	1,020	773	636	32.0%					
Other receivables	75	64	51	16.3%	Current liabilities	2,441	1,968	1,567	24.1%
Cash	1,444	1,275	988	13.3%	Bank borrowings	619	485	345	27.6%
Other current financial assets	66	28	25	134.3%	Trade payables	1,526	1,315	1,051	16.0%
					Other current liabilities	296	168	171	76.7%
Total assets	6,813	5,984	5,142	13.8%	Total equity and liabilities	6,813	5,984	5,142	13.8%

Net financial debt increased to EUR 628 million, just EUR 50 million more than in December 2021 despite the increase in working capital (EUR 345 million) and the share buyback programme (EUR 115 million).

At 31 March, Acerinox had immediate liquidity amounting to EUR 1,886 million, of which EUR 1,444 million corresponded to cash and EUR 442 million corresponded to credit lines.

Stainless steel division

Stainless steel market

The confidence in the economy and the improvement in activity continued during the first months of the year; however the volatility of raw material prices in the official markets, together with the geopolitical situation, have generated uncertainty at a global level that has also affected our industry, primarily in March.

COVID, problems in the supply chain, transportation costs and trade defence measures, among other reasons, are favouring the regionalisation of markets.

The US

According to the latest data available, in the first two months of 2022, apparent consumption in the US increased by 17%.

The majority of the economy's sectors that consume stainless steel maintained solid demand during the first quarter of 2022 and continued the strong tendency established during the fourth quarter of 2021.

The tubing, heavy vehicles, sinks and food industry sectors maintained strong activity.

The automotive sector continued to be affected by the semiconductor crisis.

Cold-rolled flat product imports increased, but did not alter the market dynamics in America.

Inventory levels have increased in line with the good market development.

Our North American Stainless (NAS) plant operated at full capacity and implemented two base price increases during the quarter.

Europe

According to the latest data available, in the first quarter, apparent consumption of flat products increased by approximately 15%, and the recovery, which commenced in the last quarter of 2021, continued.

It is worth noting that the system of base prices and alloy surcharges was re-established in our backlog.

Cold-rolled flat product imports increased, due to the surplus of material from China and the high price differential between Europe and Asia, despite the existing trade defence measures. As a result, inventories were at levels close to the average of the last three years.

On 16 March, the European Union approved anti-subsidy measures against India and Indonesia.

Our Spanish plant, Acerinox Europa, was affected by the transport strike and energy costs.

Other regions

The continued overcapacity in China and Indonesia is limiting prices in the Asian markets and causing a significant price differential with the rest of the markets.

In South Africa and Malaysia, our Columbus Stainless and Bahru Stainless plants, respectively, continued with their business diversification strategies and optimised their production capacity.

Stainless division production

The stainless division improved production in all workshops compared to the previous quarter.

	2021					2022	Variation	
Thousand tonnes	**Q1**	**Q2**	**Q3**	**Q4**	**12 months**	**Q1**	**Q1 22 / Q1 21**	**Q1 22 / Q4 21**
Melting shop	650	654	629	608	2,541	646	-1%	6%
Cold rolling	394	400	408	423	1,625	433	9%	2%
Long products (Hot rolling)	63	61	559	62	245	65	3%	4%

Acerinox Europa suffered from the impact of the transport strike in Spain and the three-day stoppage of the melting shop due to the impact of the high energy prices. Nevertheless, the good management of the plant enabled us to obtain satisfactory production levels.

All plants worked at full capacity.

Stainless steel division results

EUR million	**Q1 2022**	**Q1 2021**	**Q4 2021**	**% Q1 22 / Q1 21**	**% Q1 22 / Q4 21**
Melting shop production (thousand tonnes)	646	650	608	-1%	6%
Revenue	2,006	1,273	1,709	58%	17%
Adjusted EBITDA	398	152	303	161%	31%
Adjusted EBITDA margin	20%	12%	18%		
EBITDA	**398**	**152**	**303**	**161%**	**31%**
EBITDA margin	**20%**	**12%**	**18%**		
Depreciation and amortisation	-39	-37	-38	5%	2%
EBIT	358	115	266	211%	34%
EBIT margin	18%	9%	16%		
Operating cash flow (before investments)	145	25	212	491%	-32%

The increased activity experienced in 2021 continued in the first quarter of 2022, and was reflected in increases in production (+6% compared to the previous quarter), with notable increases in margins and good cash generation.

In the first quarter, revenue totalled EUR 2,006 million, giving rise to a 17% increase compared to the previous quarter and a 58% increase compared to the first quarter of 2021.

Quarterly EBITDA amounted to EUR 398 million, with a 20% EBITDA margin.

In Q1 2022, operating cash flow totalled EUR 145 million. Working capital increased by EUR 249 million as a result of the increase in inventories.

EUR million	Jan - March 2022	Jan - Dec 2021	Jan - March 2021
EBITDA	398	929	152
Changes in working capital	-249	-386	-146
Income tax	-7	-133	27
Finance costs	-6	-33	-7
Other adjustments to profit	9	24	-2
OPERATING CASH FLOW	145	400	25

High performance alloys division

High performance alloys market

The high performance alloys market experienced a good first quarter, despite the increase in nickel prices and the collapse of the LME in March.

The positive evolution of the numerous consumer sectors enabled the Group to improve significantly its backlog in terms of both volumes and margins.

The oil and gas sector and the chemical process industry continued with the bullish trend that commenced in the second half of 2021. The aerospace sector experienced a significant recovery, although it is still significantly below normal activity levels.

The automotive sector was hampered by supply problems resulting from the invasion in Ukraine and the lack of semiconductors.

Production

In the first quarter of 2022, melting shop production of the high performance alloys division reflected the good market momentum, with growth of 23% compared to the first quarter of 2021 and 15% compared to the previous quarter.

	2021					2022	Variation	
Thousand tonnes	**Q1**	**Q2**	**Q3**	**Q4**	**12 months**	**Q1**	**Q1 22 / Q1 21**	**Q1 22 / Q4 21**
Melting shop	18	22	19	19	78	22	23%	15%
Finishing shop	8	11	11	11	40	11	38%	7%

Results

Sales increased compared to the previous quarter and the first quarter of 2021, as a result of the good backlog situation and the increase in prices.

EUR million	Q1 2022	Q1 2021	Q4 2021	% Q1 22 / Q1 21	% Q1 22 / Q4 21
Revenue	281	167	227	68%	24%
Adjusted EBITDA	24	10	14	149%	66%
Adjusted EBITDA margin	8%	6%	6%		
EBITDA	**24**	**10**	**14**	**149%**	**66%**
EBITDA margin	**8%**	**6%**	**6%**		
Depreciation and amortisation	-6	-5	-6	3%	-6%
EBIT	18	4	8	335%	114%
EBIT margin	6%	2%	4%		
Operating cash flow (before investments)	-71	-1	-9	-6,108%	-708%

The EBITDA generated during the quarter, which amounted to EUR 24 million, is the highest since the VDM acquisition.

Working capital increased by EUR 96 million due to the significant increase in inventories, which was not only due to the revaluation of the price of nickel, but also due to advance payments to secure the supply of raw materials during the period when the price of nickel was suspended.

The sound financial situation of the Company enabled it to secure raw materials at competitive prices through cash payments. This strategy involves a temporary investment in working capital.

	Jan - March 2022	Jan - Dec 2021	Jan - March 2021
EBITDA	**24**	**61**	**10**
Changes in working capital	-96	-74	-7
Income tax	-1	-4	-3
Finance costs	-1	-7	-2
Other adjustments to profit	3	12	2
OPERATING CASH FLOW	**-71**	**-12**	**-1**

VDM integration synergies

The synergies resulting from the integration of VDM Metals into the Acerinox Group continue to exceed the budget set at the beginning of the integration. If in 2021 €12 million were already added to the Group's profits (51% above those forecast), in the first quarter of 2022 an additional €5 million were recognised (15% above those forecast). The target for 2022 as a whole is EUR 17 million.

The majority of the synergies arise from increased sales, both to mutual customers and to new customers in each of the divisions, thanks to the possibility of being able to offer the most extensive range of products in the sector, benefiting from the use of the facilities of the two divisions.

We also continued to make progress on the rest of our objectives in terms of costs, raw material purchases and general purchases.

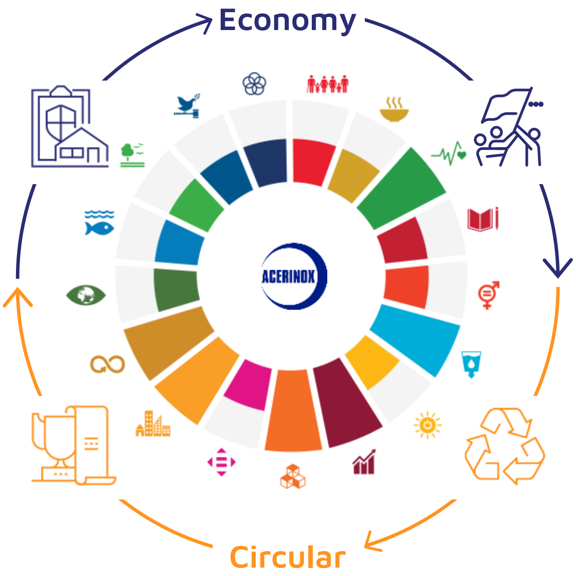
Sustainability

Our ESG Model is a Commitment to the Future

Acerinox contributes directly and indirectly to the 17 SDGs (Sustainable Development Goals), mainly to **Good health and well-being**; **Clean water and sanitation**; **Decent work and economic growth**; **Industry, innovation and infrastructure**; **Sustainable cities and communities** and **Responsible consumption and production**.

Safety, our no.1 priority

Lost Time Injury Frequency Rate - LTIFR x 1,000k. -31.82% reduction in 2021



Committed to the long-term 2030 objectives

Hard-to-abate, ready to adapt

Efficiency at all levels
Energy
Innovation and digitalisation
Resources
Supply chain

A reference in circular economy with a 100% recyclable product

Materials recycled:
Process scrap and metal - 100%
Acids and abrasives - 100%
Metal scale - 89%
Plastic - 98%
Cardboard - 100%
Wood - 88%

Our products are essential, sustainable, versatile and efficient

Acerinox is present in every aspect of life

- Transport
- Food & beverages
- Healthcare & pharmaceutical
- Household & catering

Stainless steel and high performance alloys: sustainable products

- Daily life & adaptation
- Electrical machinery
- Water

Sophisticated products require best-in-class materials

- Art
- Energy & renewables
- Architecture
- Infrastructure & construction

Acerinox manufactures with a Group-wide average recycled content rate of more than 90% and valorises more than 70% of the waste generated. This is further evidence of Acerinox's commitment to a sustainable world and the Circular Economy.

The Group has developed a Strategic Sustainability Plan, called 'Impact 360º', the main pillars of which are as follows:

- 20% reduction in greenhouse gas emissions
- 20% reduction in water withdrawal
- Valorisation of 90% of waste
- 7.5% reduction in energy intensity
- 10% annual reduction in the Lost Time injury Frequency Rate
- 10% annual increase in the proportion of new hires that are minorities

At Acerinox, sustainability goes hand in hand with responsible and efficient consumption of consumables, materials and energy. The Group continues to work on reducing emissions arising from energy, taking a new step in Bahru Stainless, where the milestone that 80% of the electricity used is renewable has been reached.

Furthermore, in the first quarter of 2022, the following achievements were made in the stainless division:

- CO2 emissions intensity fell by 1.3% with respect to the first quarter of 2021 (-1.2% with respect to the previous quarter).
- Energy intensity (GJ/tonne) decreased by 1.2% with respect to the fourth quarter of 2021 (+0.2% compared to the first quarter of 2021.
- Specific water withdrawal intensity (m3/tonne) decreased by 6.9% with respect to the first quarter of 2021 and 19.6% with respect to the fourth quarter of 2021.
- Consumption of recycled waste increased by 19% with respect to the first half of 2021 and 5% with respect to the second half of 2021.

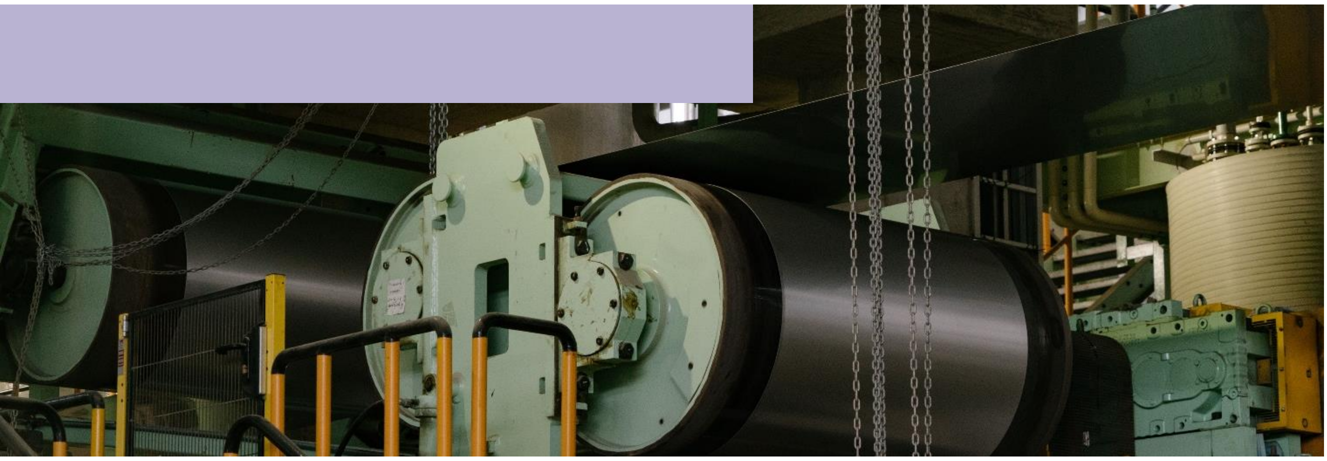
Safety, our priority

The Group’s LTIFR accident rate decreased by 20% compared to the fourth quarter of 2021 and 6.1% compared to the first quarter of 2021.

To commemorate World Steel Safety Day, Acerinox recently celebrated its Safety Week with specific activities and information for employees across the world. Focussing mainly on working at heights and with the participation of hundreds of employees in plants on four continents, training courses, audits of potential hazards and safety improvements took place, resulting in new advances in this area, in addition to an important component of awareness on the subject.

Shareholder remuneration

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



Alternative Performance Measures
(definitions of terms used)

Excellence 360º Plan: estimated efficiency savings for the 2019-2023 period

Operating Working Capital: Inventories + trade receivables – trade payables

Net Cash Flow: Profit/(Loss) after tax and non-controlling interests + depreciation and amortisation

Net Financial Debt: Bank borrowings + bond issuance - cash

Net Financial Debt / EBITDA: Net financial debt / annualised EBITDA

EBIT: Operating income

Adjusted EBIT: EBIT, stripping out material extraordinary items

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

Adjusted EBITDA: EBITDA, stripping out material extraordinary items

Debt Ratio: Net financial debt / equity

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

ROCE: Net operating income / (equity + net financial debt)

ROE: Profit/(Loss) after tax and non-controlling interests / equity

ICR (interest coverage ratio): EBIT / financial expenses

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