

Q1 2023

Results presentation



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Q1 2023 at a Glance



Q1 EBITDA (226 million EUR) **clearly better than Q4**, even though market conditions remained challenging in Europe



Solid strategy: control the controllables and **focus on our sustainability commitments**



Outlook: Q2 EBITDA slightly higher than Q1



Strong Contributor to the Circular Economy

Key ESG Targets

- Acerinox establishes **6 sustainability targets** with a **vision to 2030** associated with the pillars of the 360° Positive Impact Plan.
- The Group seeks to reduce, reuse and recycle the resources used as possible in order to establish a more **sustainable and productive model**.



TARGET FOR 2030

Q1 RESULTS

<p>WASTE REDUCTION 90% valorization</p>	<p>2023 79%</p> <p>0,00% 10,00% 20,00% 30,00% 40,00% 50,00% 60,00% 70,00% 80,00% 90,00%</p> <p>% achieved YTD</p>
<p>GHG EMISSIONS 20% reduction intensity (Scope 1 & 2) from 2015 baseline</p>	<p>2023 -8%</p> <p>0,00% 5,00% 10,00% 15,00% 20,00%</p> <p>% achieved YTD</p>
<p>WATER REDUCTION 20% reduction withdrawal intensity from 2015 baseline</p>	<p>2023 23%</p> <p>0% 5% 10% 15% 20%</p> <p>% achieved YTD</p>
<p>ENERGY EFFICIENCY 7.5% reduction from 2015 baseline</p>	<p>2023 0,00%</p> <p>0,00% 2,00% 4,00% 6,00% 8,00%</p> <p>% achieved YTD</p>
<p>SAFETY PERFORMANCE 10% year-on-year reduction in LTIFR</p> <p>GENDER DIVERSITY Increase total number of women to 15%</p>	<p>40% reduction vs FY 2022</p> <p>14% female in 2023 YTD</p>

Already recycling 100% of:

- Grinders / Oily paper / Oil (decantation, flame-retardant and hydraulic) / Process scrap and metal recovered / Machined electrodes / Paper / Plastic / Cardboard / Others

Low capacity utilization impacted some of our sustainable KPIs

Q1 2023: The Trough Is Behind Us

MARKET HIGHLIGHTS

STAINLESS STEEL

-  **Destocking process** in the market
-   **Energy prices corrected in Europe but remain high**

USA

-  Apparent demand of flat products decreased 31% YoY
-  Imports dropped 43% YoY
-  Inventories end the quarter normalized
-  Stable base price

EUROPE

-  Apparent demand of flat products decreased 33% YoY
-  Imports dropped 70% YoY
-  Inventories remain above average
-  Prices stood at very low levels

HIGH-PERFORMANCE ALLOYS (HPA)

-  Market maintained its strength and good prospects

CONSOLIDATED RESULTS

Million EUR	Q1 2023	Q1 2022	Q4 2022	% Q1 23 / Q1 22	% Q1 23 / Q4 22
Melting production (thousands of metric tons)	534	668	397	-20%	34%
Net Sales	1,782	2,287	1,693	-22%	5%
EBITDA	226	422	90	-47%	150%
EBITDA margin	13%	18%	5%		
EBIT	182	375	-163	-51%	—
EBIT margin	10%	16%	-10%		
Results before Taxes and Minorities	179	367	-178	-51%	—
Results after Taxes and Minorities	136	266	-185	-49%	—
Operating cash flow (before investments)	-19	74	517	—	—
Net Financial Debt	605	628	440	-4%	37%

Strong EBITDA of
€226 million

Downward **inventory** adjustment of
€82 million

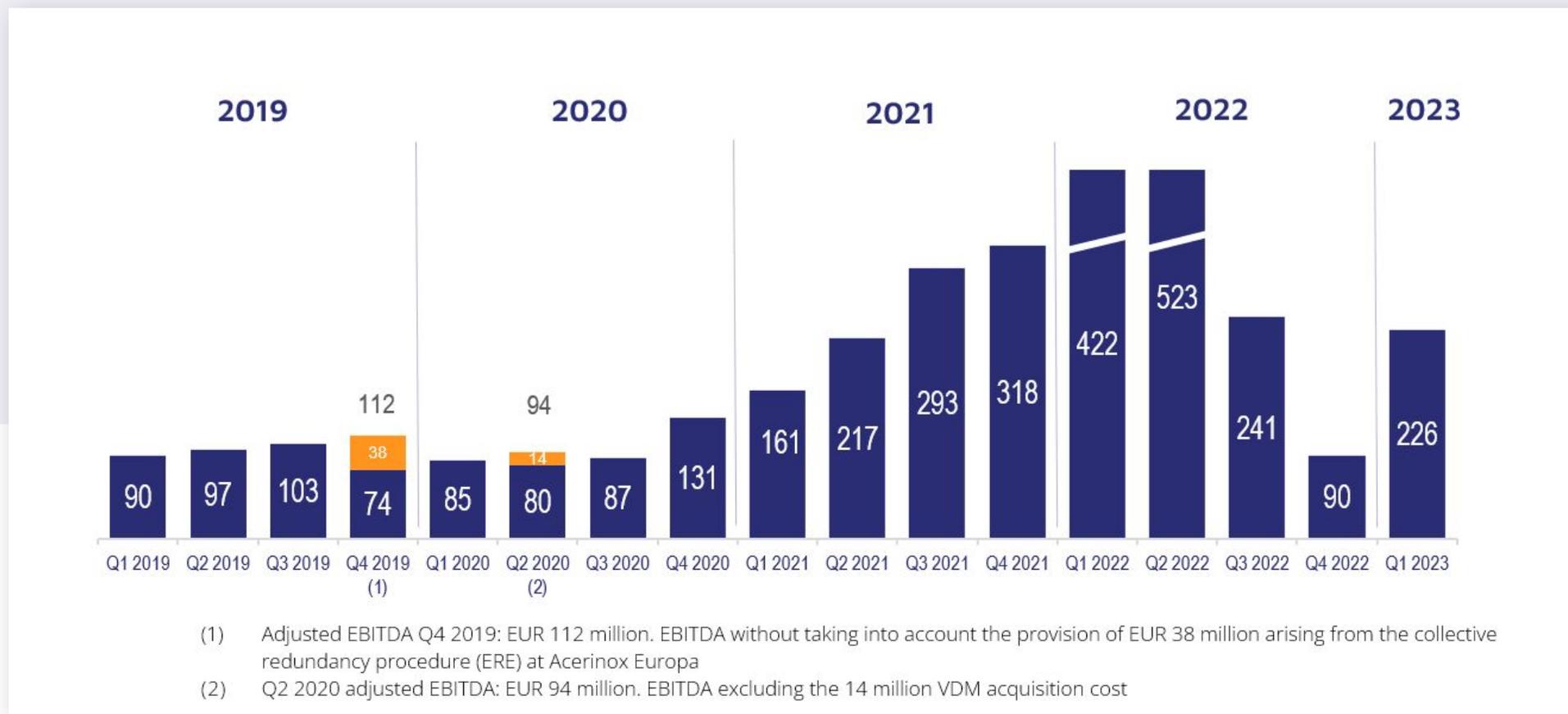
Healthy net debt of
€605 million

Q1 2023: The Trough Is Behind Us



Quarterly EBITDA

Million EUR



Stainless Steel Highlights

Million EUR	Q1 2023	Q1 2022	Q4 2022	% Q1 23 / Q1 22	% Q1 23 / Q4 22
Melting production (thousands of metric tons)	515	646	379	-20%	36%
Net sales	1,476	2,006	1,351	-26%	9%
EBITDA	197	398	70	-51%	183%
EBITDA margin	13%	20%	5%		
Amortization and Depreciation	-35	-39	-41	-10%	-15%
Adjusted EBIT	161	358	29 (1)	-55%	456%
Adjusted EBIT margin	11%	18%	2%		
EBIT	161	358	-175	-55%	-
EBIT margin	11%	18%	-13%		
Operating cash flow (before investments)	113	145	446	-22%	-75%

(1): EBIT stripping out €204 million of Bahru Stainless impairment in Q4 2022



Robust EBITDA of 197 million EUR, with 13% margin

Remarkable operating cash flow of 113 million EUR

All units saw improvements QoQ

Very challenging market conditions continue in **EU**

High-Performance Alloys Highlights



Strong EBITDA contribution of 29 million EUR

Negative operating cash flow given an **investment** of 163 million EUR in operating working capital (**OWC**)

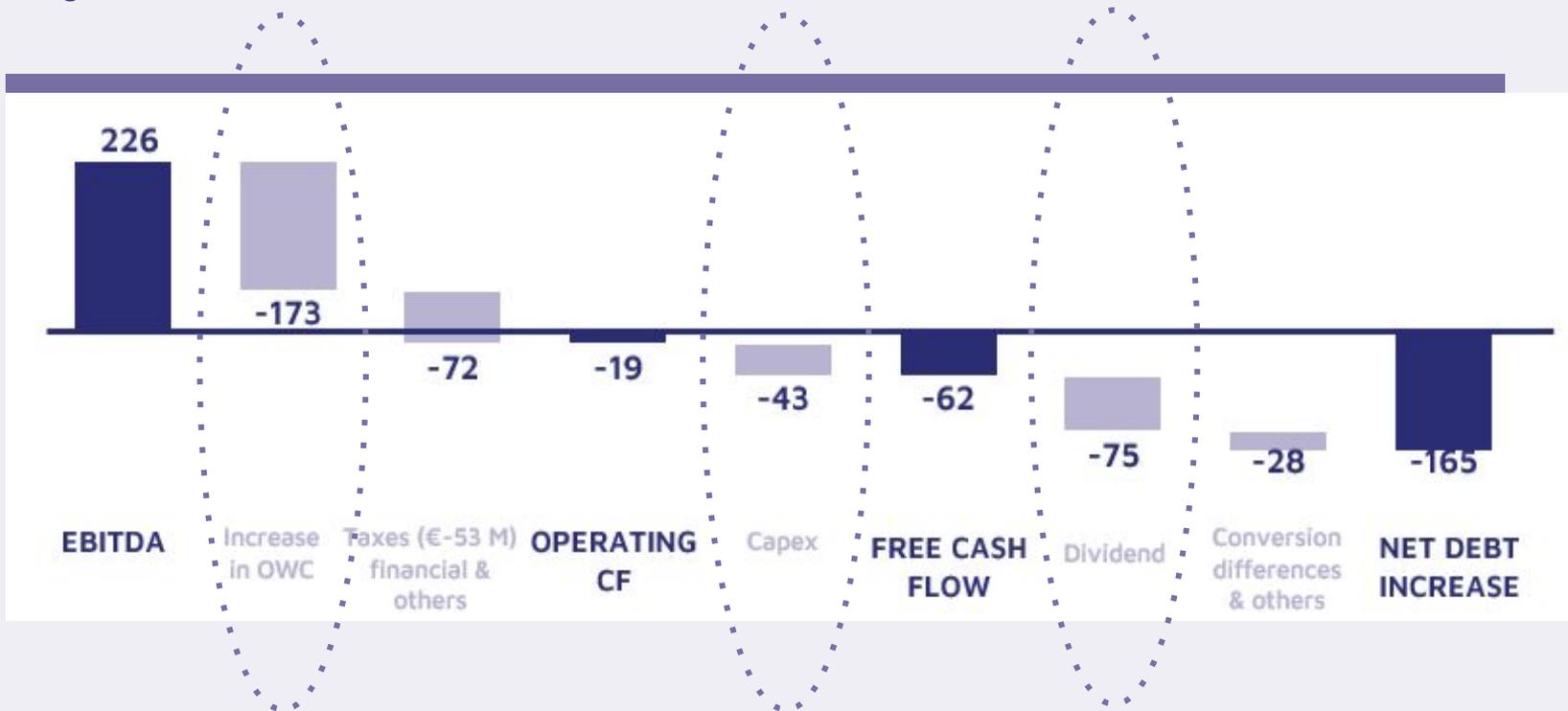
Order books remain solid

Million EUR	Q1 2023	Q1 2022	Q4 2022	% Q1 23 / Q1 22	% Q1 23 / Q4 22
Melting production (thousands of metric tons)	19	22	19	-13%	+2%
Net sales	305	281	341	9%	-11%
EBITDA	29	24	21	22%	38%
EBITDA margin	9%	8%	6%		
Amortization and Depreciation	-6	-6	-6	4%	-5%
EBIT	23	18	15	28%	56%
EBIT margin	8%	6%	4%		
Operating cash flow (before investments)	-132	-71	72	-87%	-

Focus on capital allocation



Million EUR
Q1



We continue to make capital allocation decisions focused on what is **best all around for the business and stakeholders**

Operating CF **-19 million EUR** in Q1 2023

Capital allocation:

- Q1 saw a **-173 million EUR** investment in OWC, mainly in the HPA division
- Dividend of **75 million EUR**
- Very healthy net debt despite the increase this quarter

Conclusions & Outlook



01

The trough is behind us. Q1 saw a **strong start to the year**, even though market conditions remained challenging in Europe



02

Operating cash flow (OCF) of -19 million EUR due to 173 million EUR **investment in OWC**



03

Uncertainties remain: geopolitical tensions, energy prices, and inflation in most of our raw materials and consumables



04

Destocking process already complete in the USA



05

Order book remains strong in HPA. In stainless steel, the USA continues being the most robust market



06

Q2 EBITDA **should remain at a high level, slightly above Q1**



Alternative Performance Measures (Definitions)

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

Operating working capital: inventories + Trade receivables – Trade payables

Net cash flow: profit after tax and non-controlling interests + depreciation and amortisation charge

Net financial debt: bank borrowings + bond issuance - cash

Net financial debt / EBITDA: net financial debt / annualised EBITDA

EBIT: operating income

Adjusted EBIT: EBIT, net of material extraordinary items

EBITDA: operating income + depreciation and amortisation charge + variation of current provisions+ asset impairment

Adjusted EBITDA: EBITDA, net of material extraordinary items

Gearing ratio: net financial debt / equity

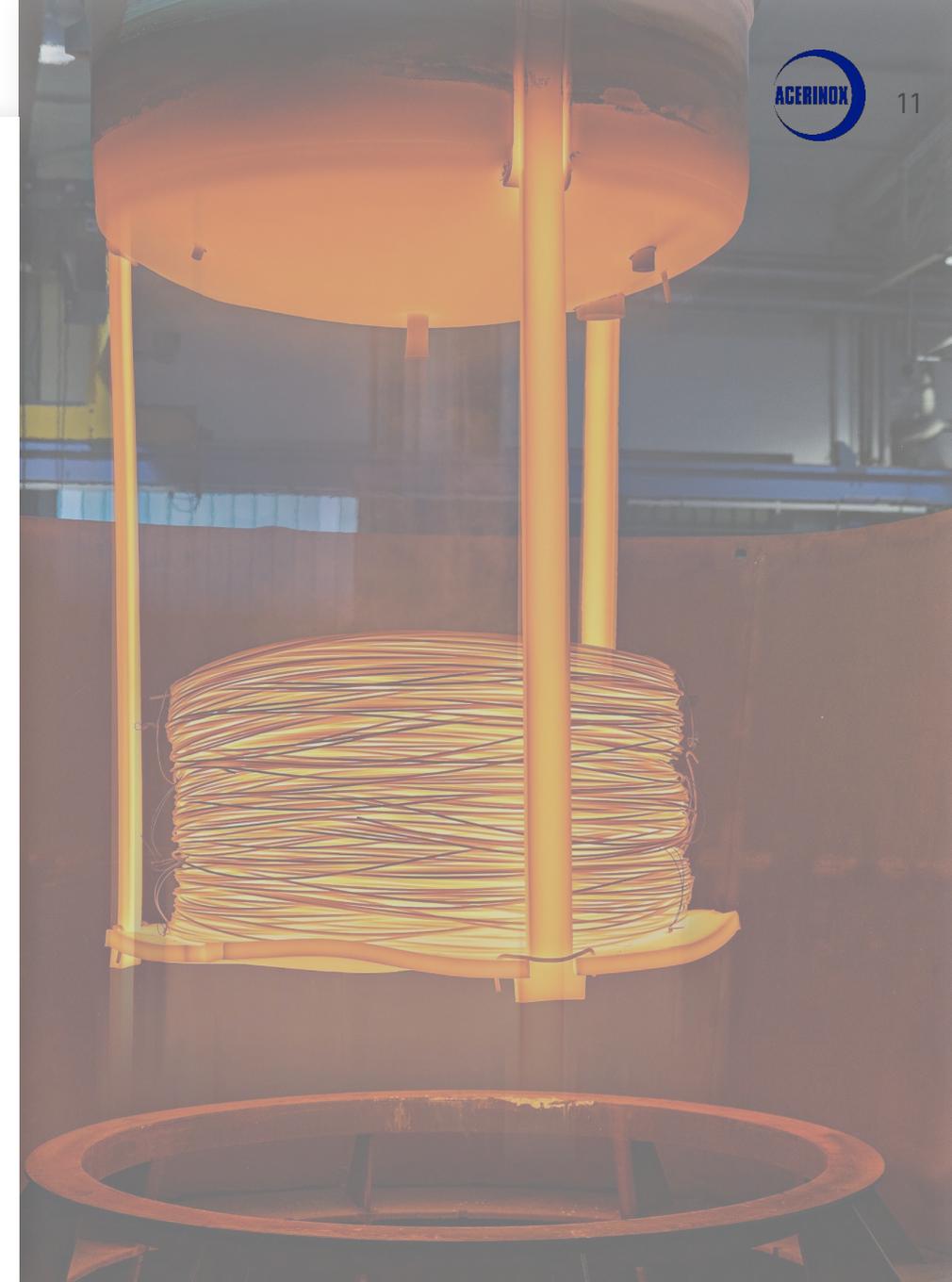
Net financial result: financial income – financial expenses ± exchange rate variations

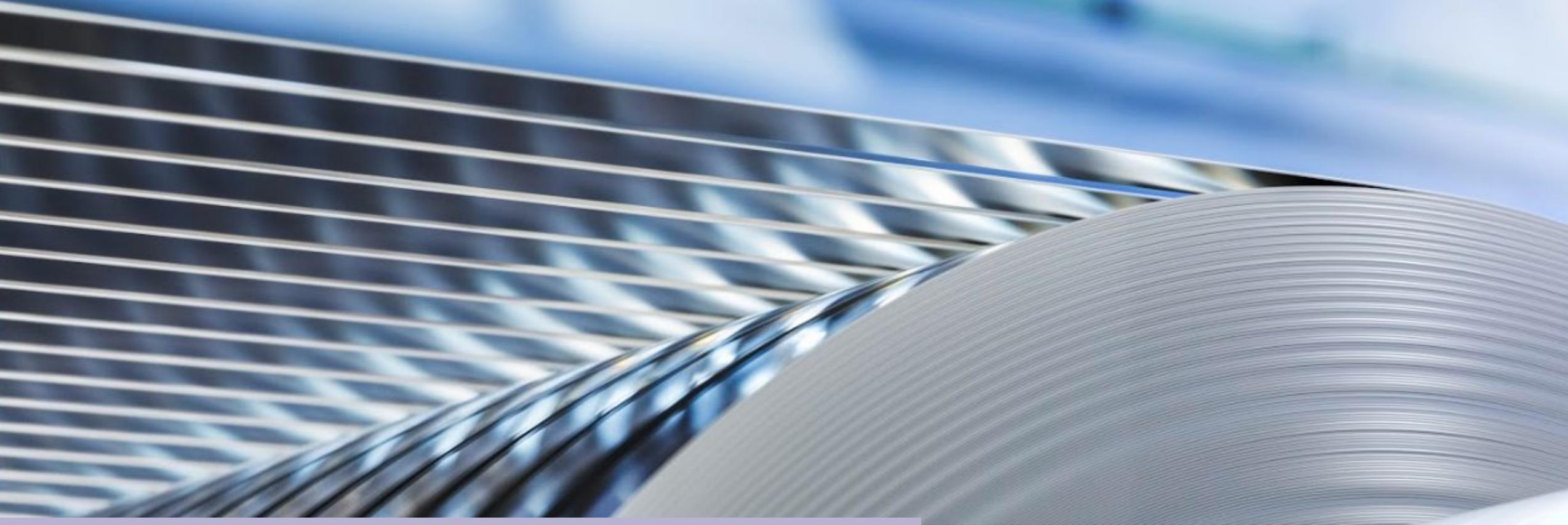
ROCE: operating income / (equity + net financial debt)

ROE: profit after tax and non-controlling interests / equity

ICR (interest coverage ratio): EBIT / financial expenses

LTIFR: Lost Time Injury Frequency Rate





Q&A

