



**CIE Automotive**

**EARNINGS RELEASE**

**MARCH 2020**

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- CIE's management uses recurrently and in a consistent way during business management certain Alternative Performance Measures, APM which include terms about results, balance sheet and cash flow. CIE understands that those APMs are helpful to explain its activity evolution, so they are presented, defined and reconciled with financial statements in this presentation's Appendix.

**1.**

**MARCH 2020 RESULTS**

**2.**

**BALANCE SHEET**

**3.**

**FORECASTS 2020**

**4.**

**CIE IN STOCK EXCHANGE**



**APPENDIX**

## HIGHLIGHTS 1Q 2020

01	Market share continues to increase	<b>+26 p.p</b> vs market	<b>+1%</b> vs 1Q 2019
02	Excelent evolution of margins	EBITDA <b>17.1%</b>	STARTING POINT PRO FORMA <b>≈16%</b>
03	Cash Generation	OPERATING CASH / EBITDA <b>61%</b>	<b>MANAGEMENT MODEL</b> FOCUSED ON <b>CASH GENERATION</b>
04	Somaschini	ENTERPRISE VALUE <b>71€Mio</b>	<b>TOP PLAYER</b> <b>GEARS</b>
05	Analyst recommendation	<b>100%</b> DO NOT SELL	TARGET PRICE CONSENSUS <b>27.18€</b>
06	Adaptation to the current situation	CIE ADDRESSES THE CURRENT CONTEXT OF THE MARKET UNDER A <b>CONTINUOUS EVALUATION AND DIALOGUE WITH OUR CLIENTS</b> , MANAGING THE <b>MINIMIZATION OF RISKS</b> AND WITH A <b>FOCUS ON LIQUIDITY</b>	

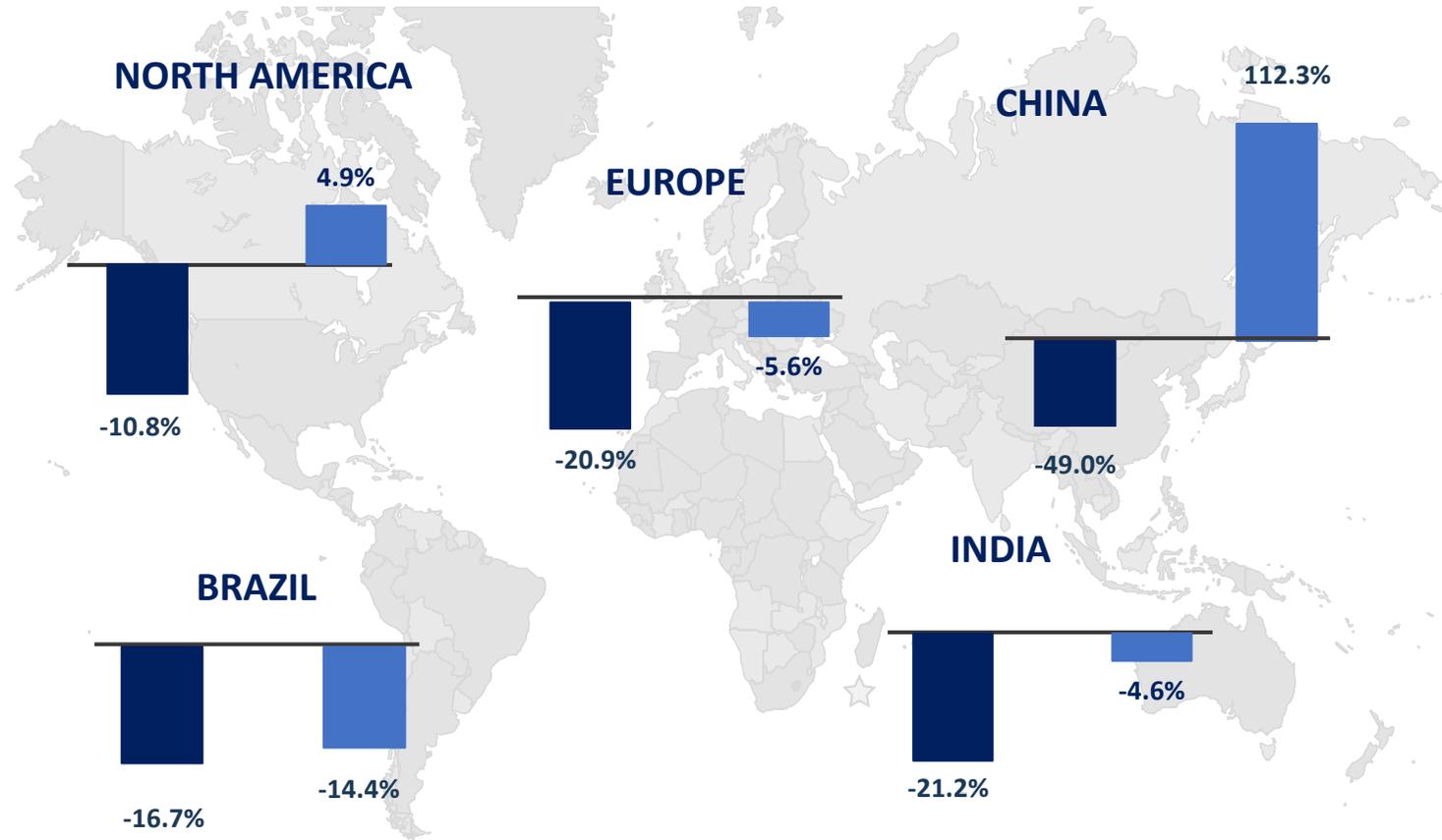


# 1. MARCH 2020 RESULTS

# SALES GROWTH 2020 – 2019

CONSTANT EXCHANGE RATE

MARKET CIE



**Global Market -24.4%**

**CIE +1.8%**



Source: Motor vehicles production IHS MARCH 2020 (3 months 2020) (growth % in units).

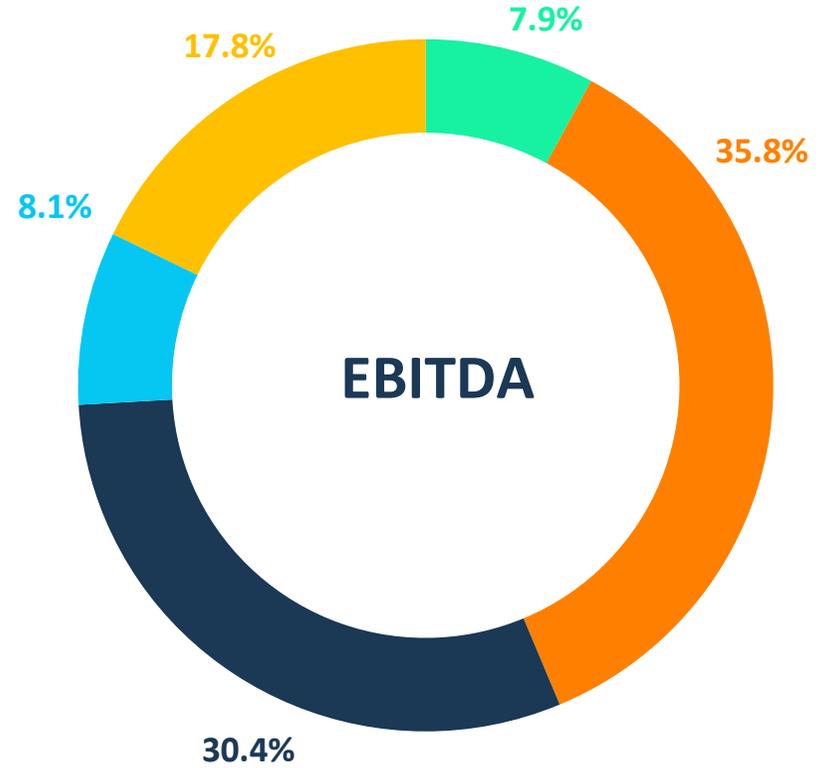
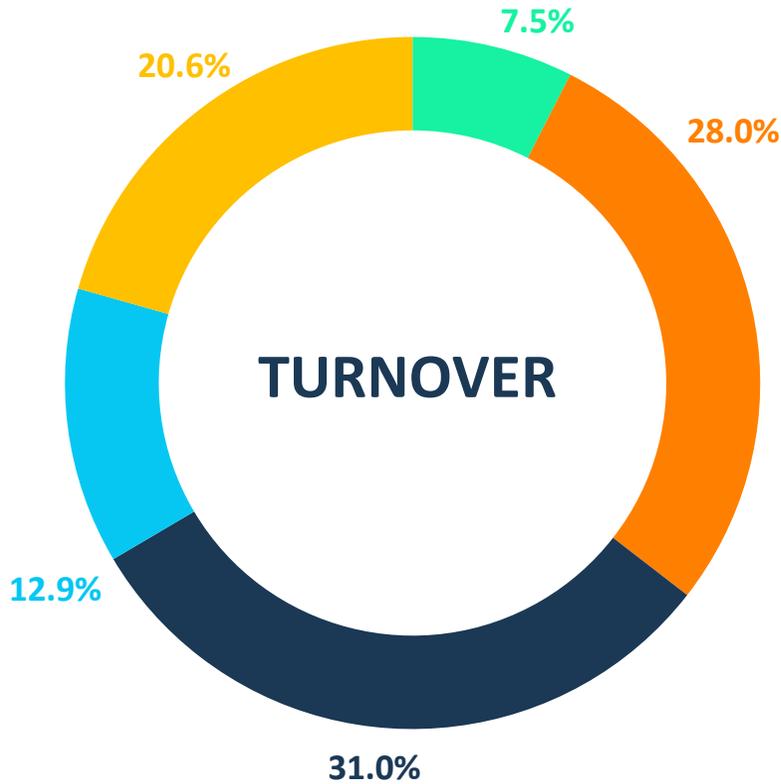


## RESULTS 1Q 2020

(€ Mio)	31/03/2019	%	31/03/2020
Turnover	812.2	+1.2%	822.0
EBITDA	151.0		140.3
<i>% EBITDA on turnover</i>	18.6%		17.1 %
EBIT	112.9		104.3
<i>% EBIT on turnover</i>	13.9%		12.7%
Profit for the year	82.7		77.0
Net income	72.6	+0.2%	72.8

- Once again, beating **quarterly record in sales and in net income**, supported by new investments made.
- **Improvement in operating margins** which were diluted with the latest integrations (Ebitda pro forma ≈16%; Ebit Pro forma ≈ 11%)

# 2020 DIVISIONS CONTRIBUTION

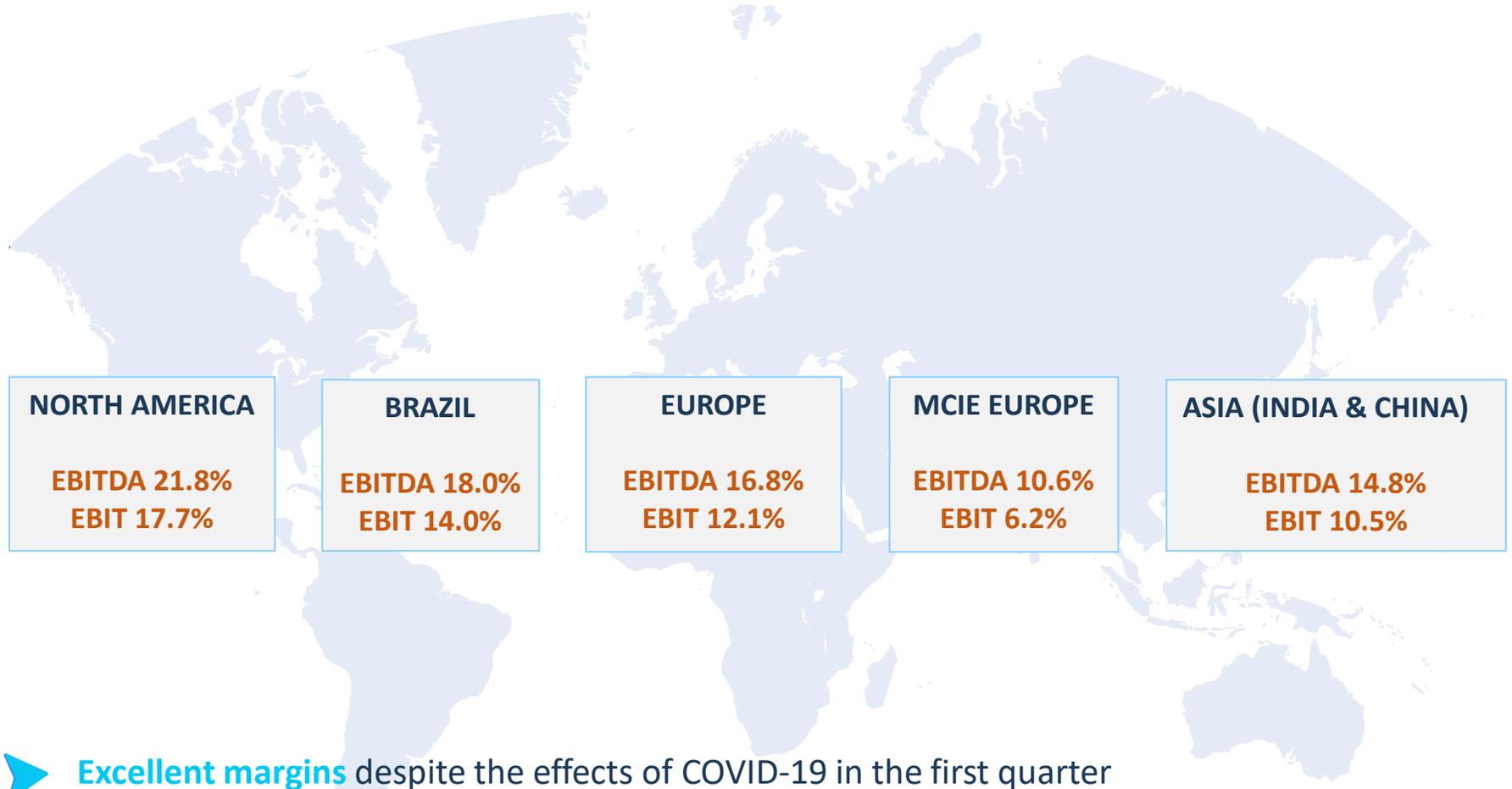


■ Brazil
 ■ North America
 ■ Europe
 ■ MCIE Europe
 ■ Asia (\*) (India/China)

(\* ) China turnover: 76€ Mio.



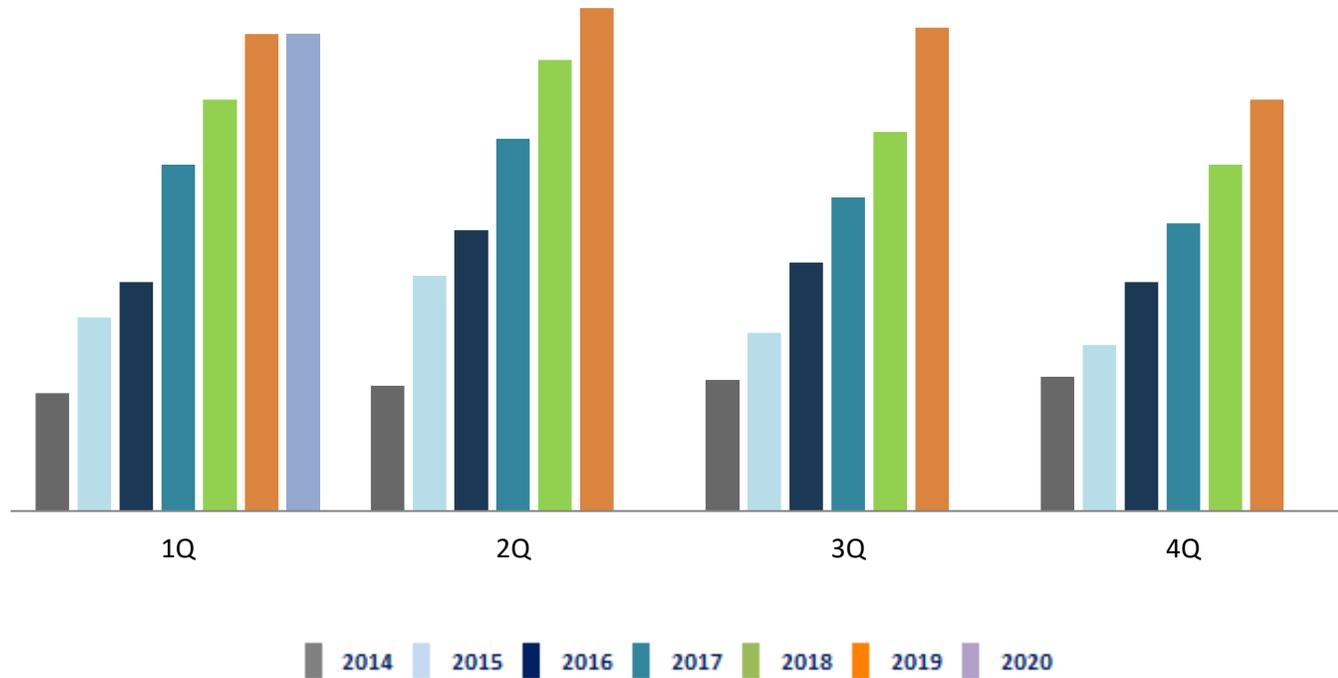
# 2020 DIVISIONS PROFITABILITY



- **Excellent margins** despite the effects of COVID-19 in the first quarter
- We face this great crisis with a **socially responsible attitude**, proof of our constant and firm **commitment to society**

# 2014-2020 QUARTERLY EVOLUTION

Net income (€ Mio)



**History supports our growing path and our commitment to growth:  
25 consecutive quarters beating quarterly record**



## 2. BALANCE SHEET

## BALANCE SHEET EVOLUTION

€ Mio	31/12/2019	31/03/2020
FIXED ASSETS	3,393.5	3,433.5
NET WORKING CAPITAL	(275.5)	(165.8)
<b>TOTAL NET ASSETS</b>	<b>3,116.0</b>	<b>3,267.6</b>

EQUITY	1,235.0	1,211.6
NET FINANCIAL DEBT	1,522.0	1,678.2
OTHERS (NET)	361.0	377.8
<b>TOTAL NET LIABILITIES</b>	<b>3,116.0</b>	<b>3,267.6</b>

*The amount of the non-recourse factoring to 31.03.2020 is 231€ Mio.*

## CASH FLOW

<b>EBITDA</b>	<b>140.3</b>
Financial Expenses	(8.6)
Maintenance Capex	(32.7)
Tax Payments	(11.2)
IFRS 16 Leases <sup>(1)</sup>	(6.6)
<b>OPERATING CASH FLOW</b>	<b>81.2</b>

**% EBITDA <sup>(4)</sup> 60.7%**

Growing Capex	(16.6)
Net Working Capital Variation	(59.9)
Payments of Dividends	(47.7)
Payments of previous acquisitions <sup>(2)</sup>	(17.2)
Business Combination of the year <sup>(3)</sup>	(71.0)
Exchange rate effect in NFD	(24.5)
Transactions with own shares	(24.5)
Other movements	24.0
<b>FINANCIAL CASH FLOW</b>	<b>(156.2)</b>

(1) Payment of rental fee accounted in EBITDA according to the new IFRS 16 regulation.

(2) Pending payments from the acquisition of the solar roof systems of Inteva in 2019.

(3) Acquisition of the gear business of Somaschini S.p.A.

(4) Operating cash flow on the Ebitda value corrected with the effect of IFRS 16.

(\*) NFD and Ebitda data adjusted considering 50% of JV China SAMAP



# 3. FORECASTS 2020

***COVID-19 comes at an optimal time for CIE, with all the integrations finished and the production plants with high levels of profitability and operating cash generation.***

We believe that the worst of this crisis is over (April), our clients are gradually returning to business, and **CIE is in a favorable competitive position** based on the strenghts of its business model:

**FLEXIBILITY**

We have the fixed cost structure and the management model that best adapt to variable volumes

**DECENTRALIZATION  
MULTILOCATION**

The local management of our companies avoids the problems derived from the lack of mobility of people in all countries

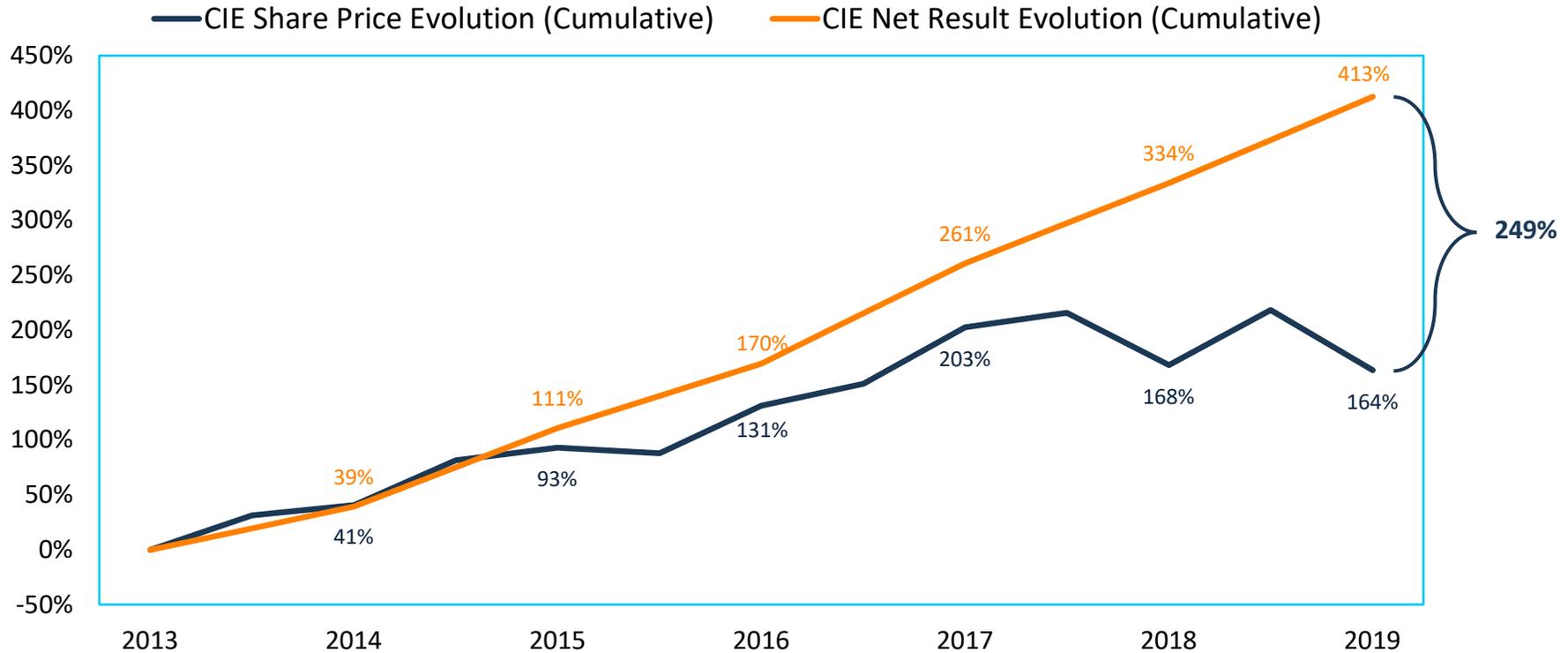
**GEOGRAPHICAL  
DIVERSIFICATION**

Our global demand does not depend on the volume of a single country

*If there is a reasonable evolution in the second semester (IHS estimations), 2020 will be a challenging year, but **positive in results and in operating cash generation.***

# 4. CIE IN STOCK EXCHANGE

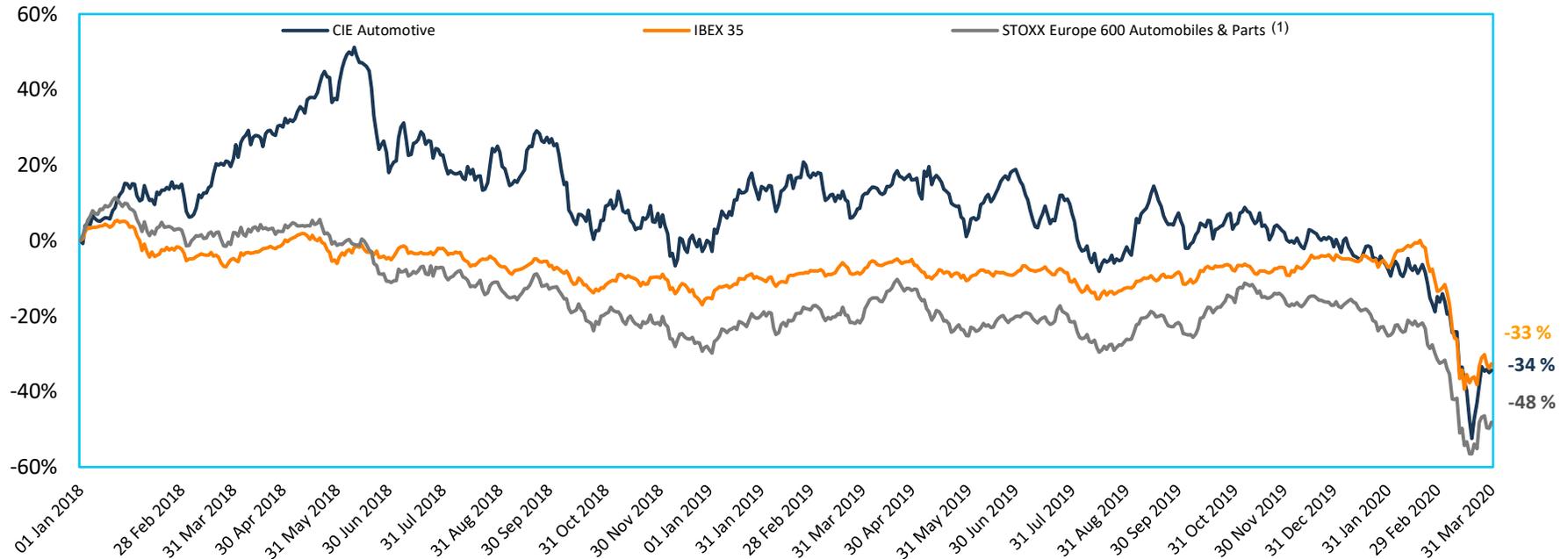
## SHARE EVOLUTION vs NET RESULT EVOLUTION



In a period without movements in the company's equity, CIE Automotive's share price evolution has performed almost in line with Net Income evolution from 2013 through 2017...

...but a significant mismatch has arisen since 2018, with CIE's valuations severely and baselessly decreasing.

## CIE SHARE PRICE PERFORMANCE 2018-2020YTD



Since mid-2018 and coinciding with the entry of CIE Automotive in Ibex 35, financial markets and Auto sector have been heavily impacted both by **geopolitical and macroeconomic issues** (US-China and US-EU trade war, Brexit, global economic slowdown) as well as **Auto sector specific issues** (new emissions regulations, postponement of purchases due to lack of clarity in time horizons, drop in demand for economic uncertainty).

**Despite this extremely complex context, CIE Automotive has delivered quarter after quarter outstanding financial results, what, clearly, hasn't been reflected in its share price performance.**

But in beginning 2020, environment has become even more complicated due to **Covid-19 worldwide crisis**, which is severely affecting both economic activity and financial markets.

<sup>(1)</sup> STOXX Europe 600 Automobiles & Parts includes: QEMS; BMW ST, Daimler, Ferrari NV, Fiat, Peugeot, Porsche, Renault & Volkswagen. SUPPLIERS: Faurecia, Michelin, Nokian, Plastic Omnium, Rheinmetall, Schaeffler, Valeo.

## EVOLUTION IN STOCK EXCHANGE

	2020 Until 31/03	2019	2018	2017 <sup>(1)</sup>	2016 <sup>(1)</sup>	2015 <sup>(1)</sup>	2014 <sup>(1)</sup>
Market Cap (€ Mio)	1,814	2,719	2,766	3,123	2,388	1,993	1,453
Number of shares (Mio)	129	129	129	129	129	129	129
Last price of period (€)	14.06	21.08	21.44	24.21	18.52	15.45	11.27
Maximum price of period (€)	21.98	26.08	36.30 <sup>(1)</sup>	26.20	18.98	15.46	12.29
Minimum price of period (€)	9.71	19.31	19.90	17.15	11.98	10.65	7.21
Volume (thousand shares)	24,528	57,296	87,149	59,318	59,065	60,619	62,970
Effective (€ Mio)	0,422	1,328	2,327	1,244	940	814	600

Source: Madrid Stock Exchange.

<sup>(1)</sup> Upon such dates, CIE Automotive's subsidiary "Global Dominion Access S.A." (Dominion) was still within CIE Automotive's perimeter. CIE Automotive's shares of Dominion were distributed as dividend in kind to CIE Automotive's shareholders upon July 3rd, 2018, with a consequential reduction in CIE Automotive's share price from that date.

# APPENDIX

The background features a series of white, curved, layered lines that create a sense of depth and movement, resembling a stylized architectural or natural structure. The lines are set against a light gray gradient. The word "APPENDIX" is written in a bold, blue, sans-serif font in the upper right quadrant.

# ALTERNATIVE PERFORMANCE MEASURES (APMs)

In addition to the financial information prepared in accordance with generally accepted accounting standards (IFRS), CIE Automotive Group uses in the management of the business recurrently and consistently certain Alternative Performance Measures ('APMs'), which include concepts about result, balance and cash flow, understanding that they are useful to explain the evolution of their activity. Below is a breakdown of all the APMs used in this document, as well as their definition and reconciliation with the financial statements.

PERFORMANCE MEASURES	DEFINITION
EBITDA	Net Operating Income + Recurrent Depreciation.
Adjusted EBITDA	Annualized EBITDA of 12 last months in those companies incorporated to the perimeter during the period. It includes 50% of the Ebitda of Chinese JV SAMAP, which based on the current agreements with the partner, is consolidated by the equity method.
EBIT	Net Operating Income.
EBT	Earnings Before Taxes.
Net Income	Profit attributable to the company's shareholders.
Net Financial Debt	Debt with banks and other financial institutions – Cash and equivalents – Other current and non-current Financial Assets.
Adjusted Net Financial Debt	Net Financial Debt including 50% of Chinese JV SAMAP net financial debt, consolidated by the equity method as per the current partner agreements reached.
Normalized NFD/EBITDA	Net Financial Debt including 50% of Chinese JV SAMAP net financial debt, on the last 12 months Ebitda, eliminating the negative effects of 1Q due to Covid-19.
RONA = "Return on Net Assets"	EBIT last 12 Months/ Net Assets (Fixed Assets + Net Working Capital - Goodwill not associated to cash outs).
Fixed assets	Tangible assets and Intangible Assets, including Goodwill and without including rights of use over leased assets (IFRS 16).
Maintenance CAPEX	The one related to the renovation of the facilities to face market growth.
Operating cash flow (%)	EBITDA – Financial expenses paid – Tax payments – Maintenance CAPEX – Leases under IFRS 16



***CIE Automotive***

MANAGING HIGH VALUE ADDED PROCESSES