



CIE Automotive

COMPANY PRESENTATION

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.

WHAT IS CIE AUTOMOTIVE?

2.

CIE CULTURE

3.

UPDATE ON RESULTS

4.

STRATEGIC COMMITMENT

5.


SUBSEQUENT EVENTS

6.

CIE IN STOCK EXCHANGE

7.

APPENDIX



1.0 WHAT IS CIE AUTOMOTIVE?

INTEGRATION AND MANAGEMENT OF PROCESSES IN A SUSTAINABLE AND PROFITABLE WAY

SALES 2019:
3,461.1 M€

EBIT 2019:
427.1 M€
>12% over sales

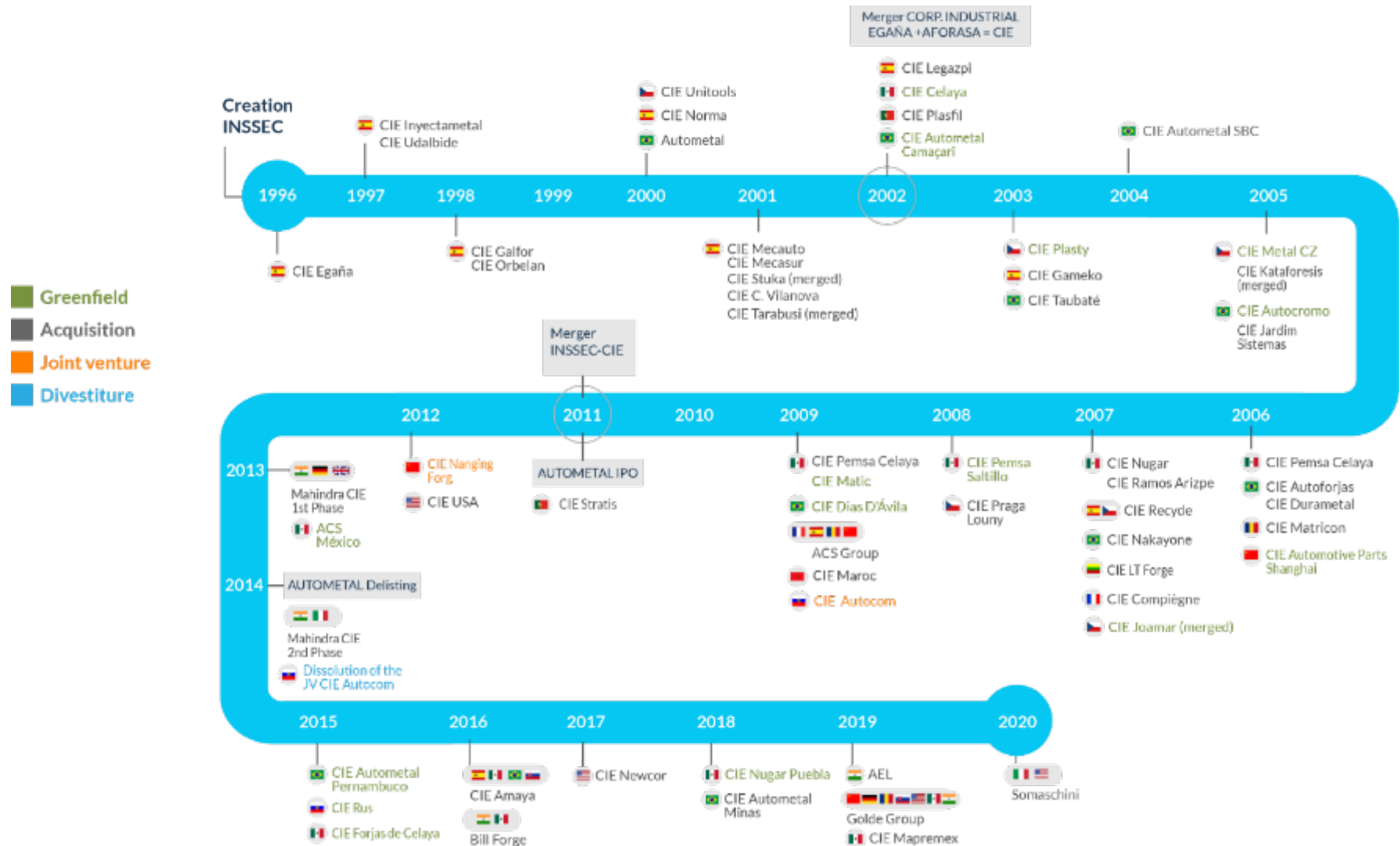
**CURRENT
MKT CAP:**
≈2,400 M€

EBITDA 2019:
594.4 M€
>17% over sales

**NET RESULT
2019:**
287.5 M€
>8% over sales

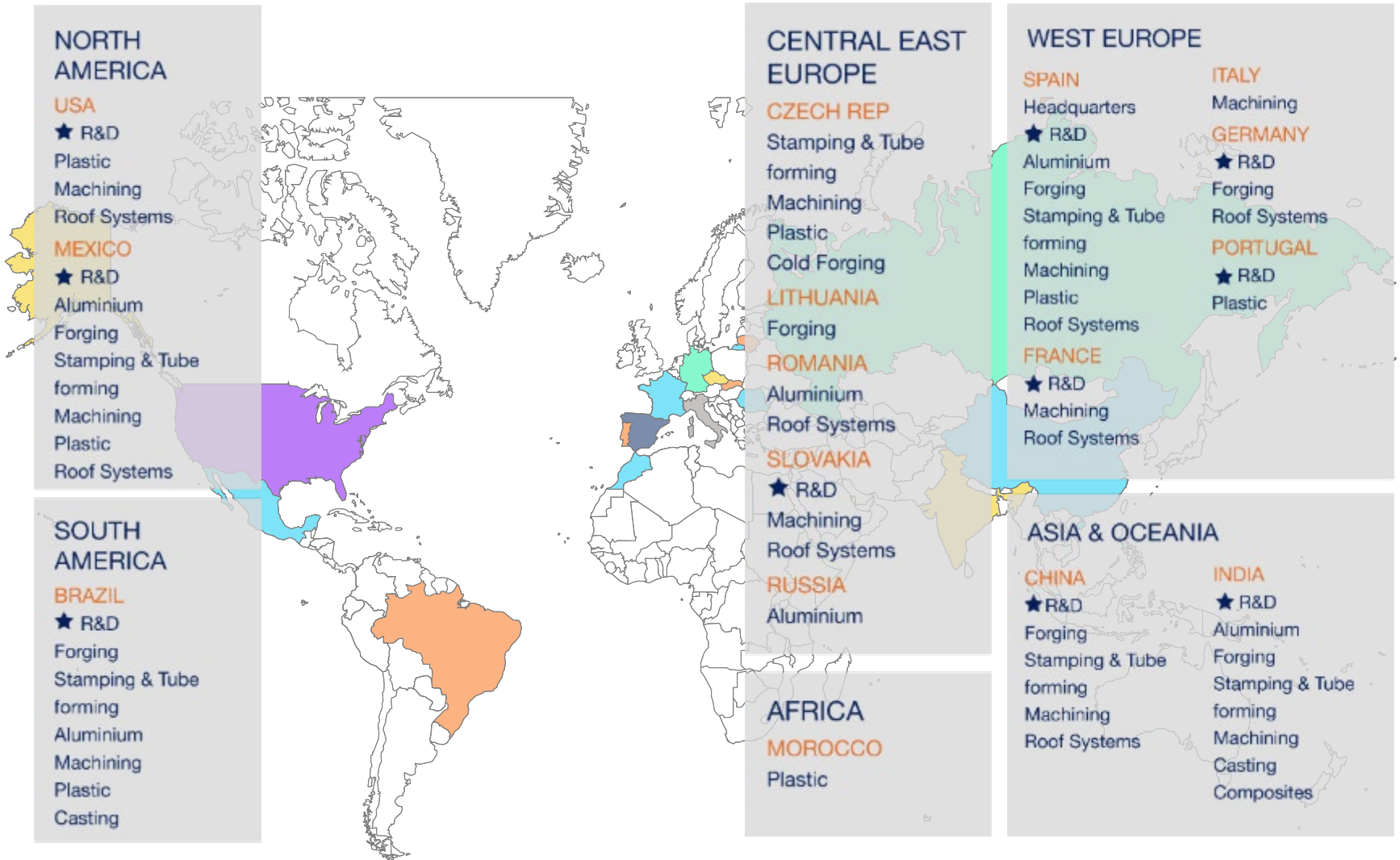
- ▶ Unique business model developed successfully since 1996, with a solid track record and an IRR over 20%.
- ▶ Carried forward in the context of the necessary consolidation of the automotive Tier 2 sector.

A SUCCESSFUL INTEGRATION STORY OF > 20 YEARS



Almost 100 companies and over 28,000 people integrated in Europe, North America, South America and Asia since 1996.

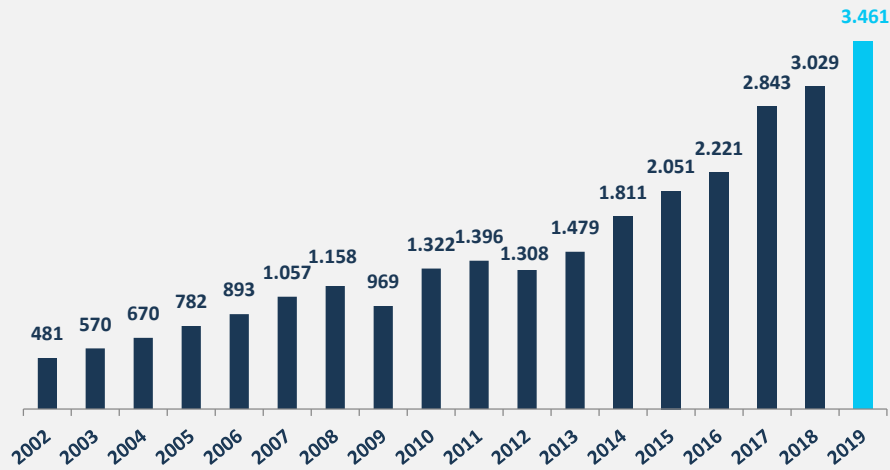
GLOBAL FOOTPRINT WITH ESTABLISHED LOCAL PRESENCE





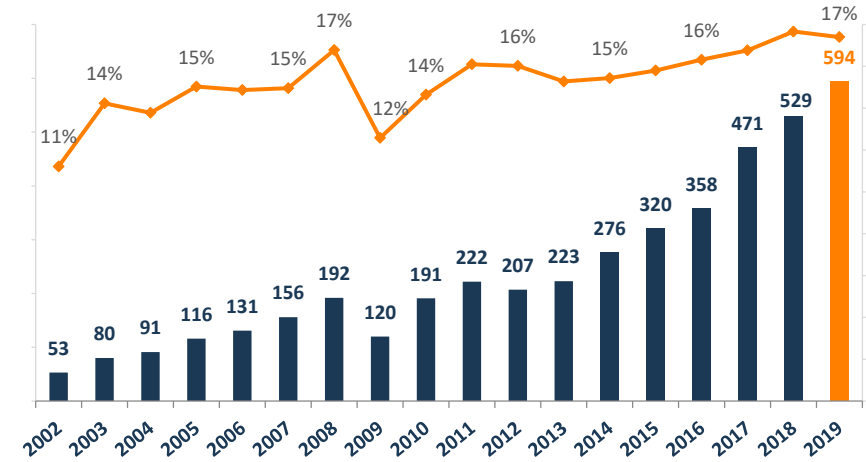
Turnover (M€)

CAGR 2002-2019: 12%



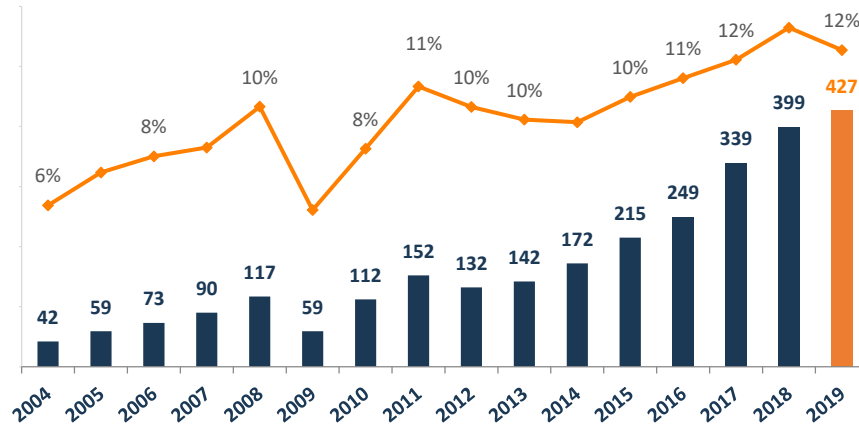
EBITDA (M€)

CAGR 2002-2019: 15%



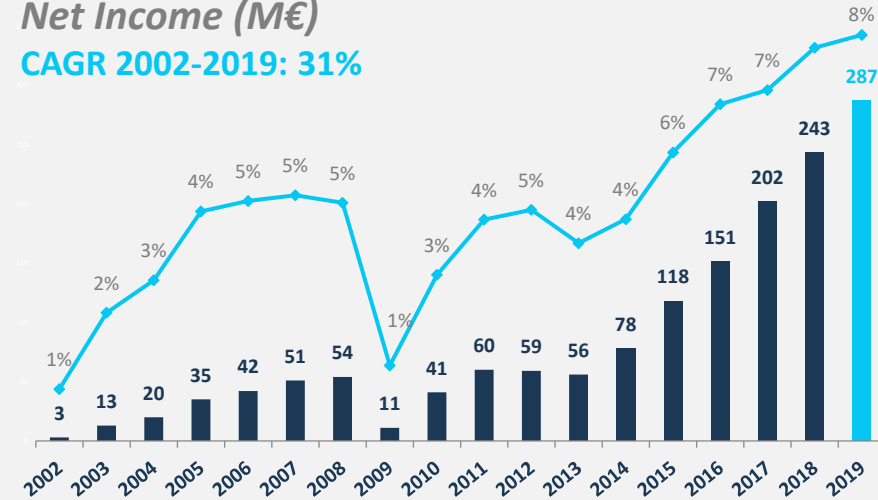
EBIT (M€)

CAGR 2002-2019: 15%



Net Income (M€)

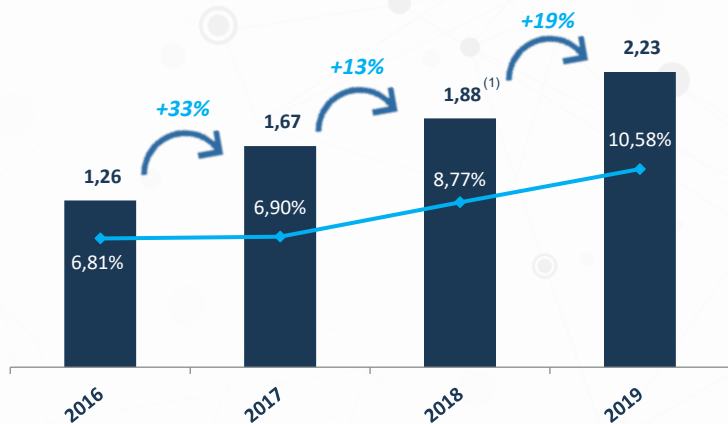
CAGR 2002-2019: 31%



Automotive Business comparable following 2018 accounting perimeter.

EARNINGS PER SHARE (€) & EPS YIELD

CAGR 2016-2019: 21%

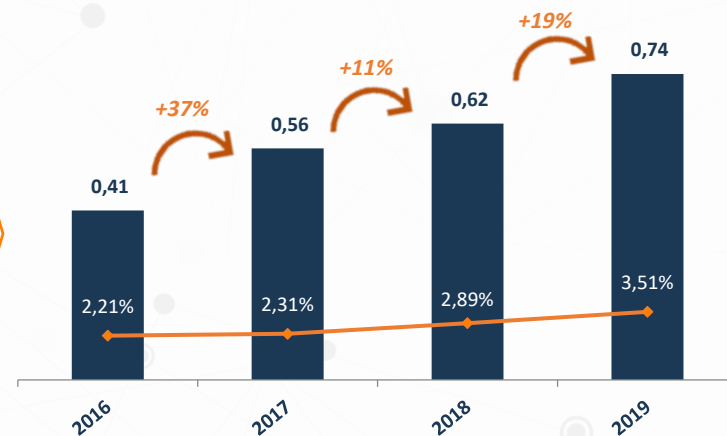


High double digit Earnings growth over the period of the last Strategic Plan has allowed significant growth of dividends.

PAY-OUT POLICY

DIVIDEND PER SHARE (€) & DIVIDEND YIELD

CAGR 2016-2019: 22%



33%

33%

33%

33%

+ A dividend in kind in 2018 valued in more than 400€ or more than 3€/share.

Note: EPS yield and dividend yield are calculated with year end closing share prices.

(1) EPS 2018 is calculated with the normalized automotive business net income (Dominion shares were paid as dividend in kind as of July 3rd, 2018).

2.0 CIE CULTURE

2.1 GEOGRAPHICAL BALANCE

2.2 COMMERCIAL
DIVERSIFICATION

2.3 MULTI –TECHNOLOGICAL
PORTFOLIO

2.4 INVESTMENT DISCIPLINE

2.5 DECENTRALIZED
MANAGEMENT

2.6 ESG

2. OUR BUSINESS MODEL

1
**A NECESSARY
GEOGRAPHICAL
BALANCE**

2
**NON USUAL
COMMERCIAL
DIVERSIFICATION,
AS A DEFENSE
TOOL**

3
**MULTI-
TECHNOLOGICAL
PORTFOLIO,
A FLEXIBILITY
INSTRUMENT**

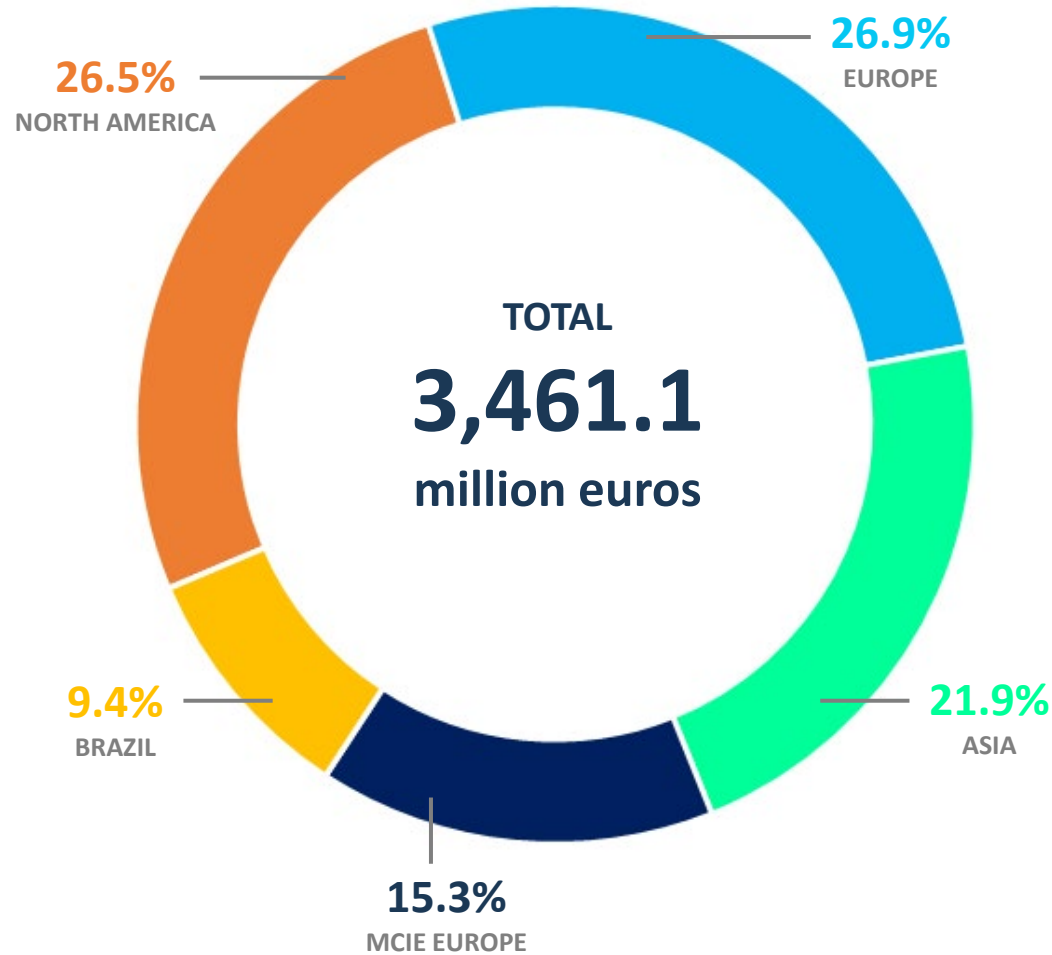
4
**INVESTMENT
DISCIPLINE
AND RETURN
EXIGENCE**

5
**DECENTRALIZED
MANAGEMENT,
FOR VALUE
GENERATION**

6
**ESG
INTEGRATED IN OUR
BUSINESS MODEL**

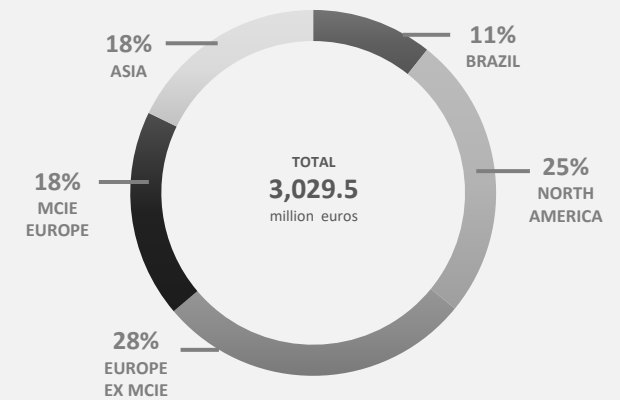


SALES BY GEOGRAPHY 2019

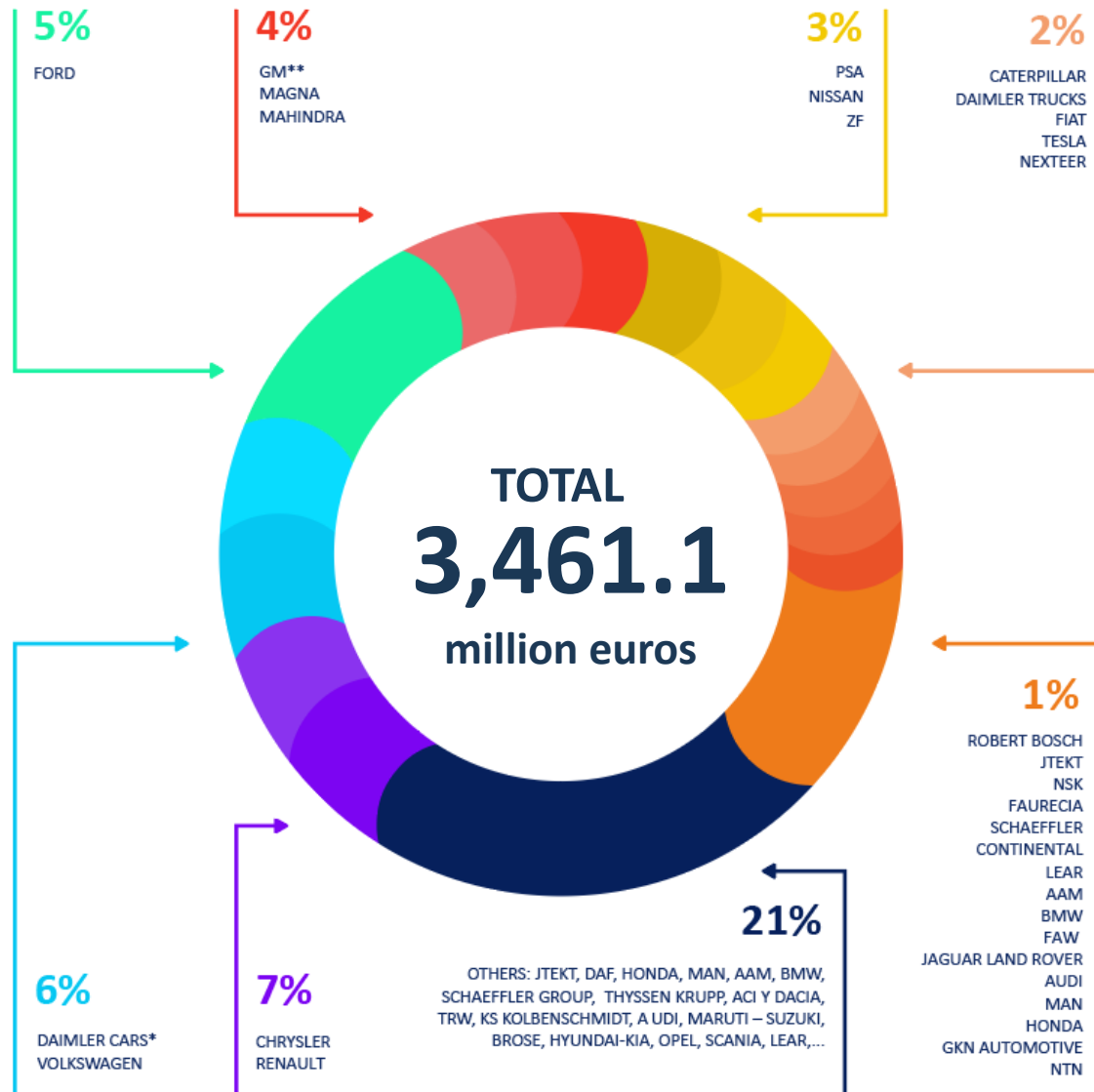


- Healthy geographical balance in sales and results.
- Defensive tool against different cycle momentum in the diverse geographies.
- Represents a key competitive advantage when servicing global platforms.
- 113 production sites.
- ≈ 28.000 employees.
- 10 R&D centres.
- 4 main markets.
- > 7.000 references.

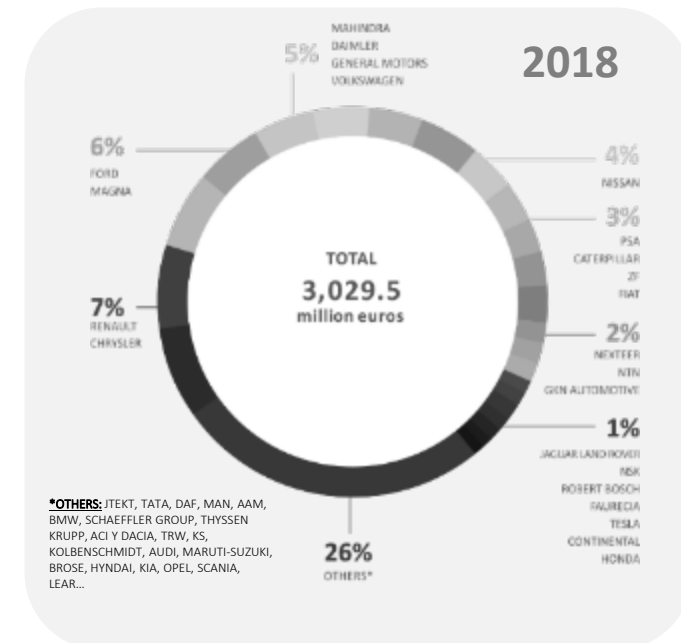
2018



SALES BY CUSTOMER 2019



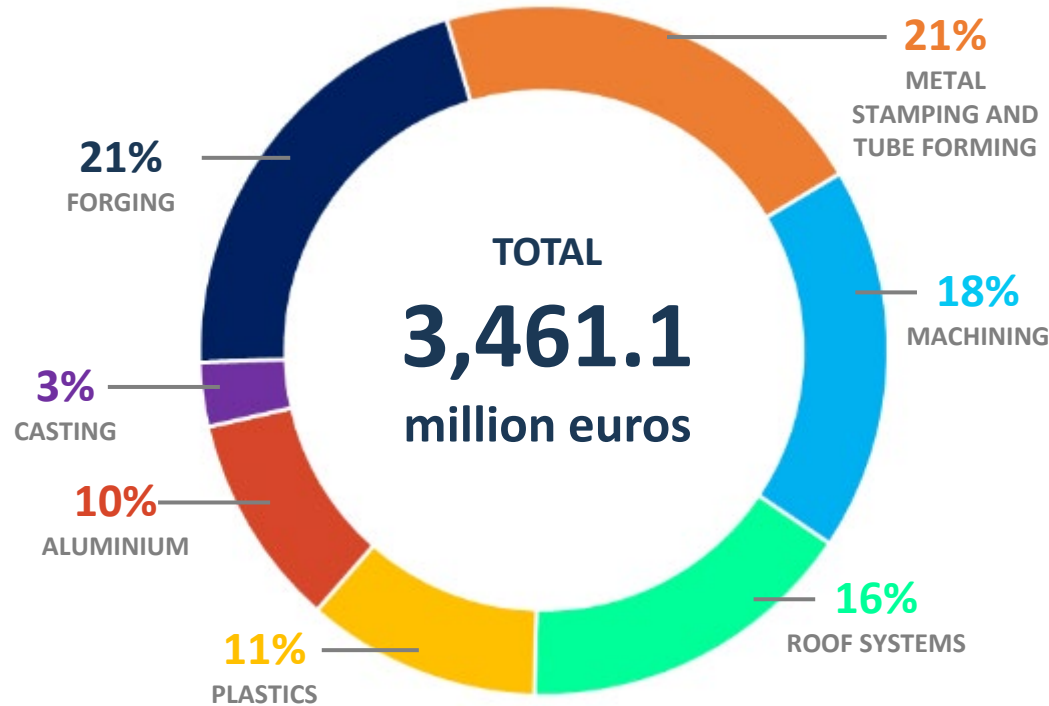
- Limited dependence on single customer, platform or car model enabling price defense.
- Both direct sales to OEMs and Tier 1s (circa 70% - 30%).
- Clients focused on different end market segments which provides additional diversification.
- Solvent, assorted and continuous quotation requests, which allows us investment choice by profitability return criteria.



*Includes 3% of BBAC (BAIC-DAIMLER JV) sales.

**Includes 1% of SGM (SAIC-GM JV) sales.

SALES BY TECHNOLOGY 2019



TECHNOLOGY BY GEOGRAPHICAL AREA – Nº OF PLANTS

	TOTAL	MACHINING ⁽²⁾	STAMPING ⁽³⁾	FORGING ⁽⁴⁾	PLASTIC ⁽⁵⁾	ALUMINIUM ⁽⁶⁾	ROOF SYSTEMS	CASTING
EUROPE ⁽¹⁾	44	15	5	6	5	7	6	
NORTH AMERICA	19	6	5	2	3	1	2	
BRAZIL	15	3	4	1	5	1		1
ASIA (INDIA & CHINA)	32	3	6	8	1	3	9	2
TOTAL	110	27	20	17	14	12	17	3

(1) Includes the CIE Maroc factory in Morocco and the CIE Automotive Rus factory in Russia.

(2) Includes five multi-technology factories (CIE Amaya, CIE Denat, CIE Autocom, CIE Automotive Parts Shanghai and CIE Autoforjas).

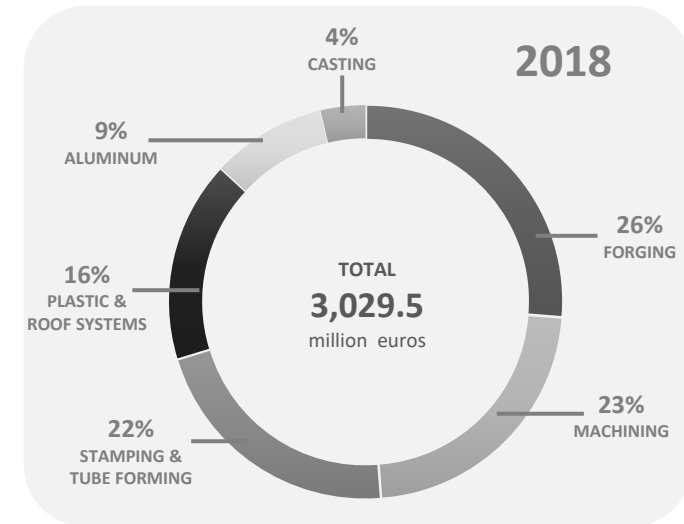
(3) Includes three multi-technology factories (CIE Celaya, CIE Automotive Parts Shanghai and CIE Autometal Diadema).

(4) Includes one multi-technology factory (CIE Autoforjas).

(5) Includes two multi-technology factories (CIE Autometal Diadema and CIE Automotive Parts Shanghai), as well as two facilities in India and one in the US that use composites technology.

(6) Includes four multi-technology factories (CIE Amaya, CIE Denat, CIE Autocom and CIE Celaya).

- One-stop shop for customers, offering the whole range of the existing technologies to produce components.
- Enabling the selection of the technology that better fulfills changing customers needs.
- Allowing CIE to direct investments on winning technologies anytime.
- Allowing to produce multi-technological parts.



2.3 MULTI-TECHNOLOGICAL PORTFOLIO



FORGING



CRANKSHAFT
Engine



CV- JOINTS
Transmission



CV- JOINTS
Transmission



AXLE SHAFT
Transmission



AXLE BEAM
Commercial Vehicles

ALUMINIUM



GEARBOX HOUSING
Gearbox



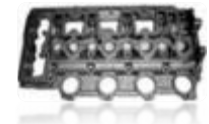
eREDUCER HOUSING
xEV Gearbox



LADDER FRAME
Engine



STEERING HOUSINGS
Steering



CAMSHAFT COVER
Engine

CASTING



TURBO HOUSING
Engine



CRANKSHAFT
Engine



DIFFERENTIAL HOUSING
Transmission



BRAKE DRUM
Brakes



AXLE ARM
Structural Parts

MACHINING



HUBS, OUTER RINGS
Chassis



EPS COMPONENT
Steering



DIFFERENTIAL CASE
Transmission



FLANGE
Transmission



AXLE SHAFT
Commercial Vehicles

2.3 MULTI-TECHNOLOGICAL PORTFOLIO



STAMPING & TUBE FORMING



STEERING COLUMNS
Steering



BRAKE BOOSTER / I-BOOSTER
Brakes



BATTERY PACK COVER
xEV Chassis & Structural Parts



STRUCTURAL PARTS
Chassis & Structural Parts



POWER ELECTRONIC COVER
xEV Electronics

PLASTIC



EMBLEMS & INMOLD DECORATION
Interior & Exterior Trim



CONNECTORS & JUNCTION BOXES
Electronics



LOAD FLOOR
Composite Spray Molding & Thermoforming
Interior trim



ARM REST, CUP HOLDER, PILARS, GRAB HANDLES, SPEAKER GRILLS...
Interior Trim



WHEEL COVERS, REAR-VIEW MIRRORS, DOOR HANDLES
Exterior Trim

ROOF SYSTEM



ROOF SUNSHADES
Shading



FIXED ROOF MODULES
Roofs



OPENING ROOF MODULES
Roofs



FLUSH WINDOWS
Doors & Windows



SUNSHADES
Shading

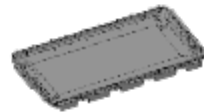
MULTI-TECHNOLOGY



BATTERY BOX PLASTIC - COMPOSITE
xEV Chassis & Structural Parts



BATTERY BOX STAMPING
xEV Chassis & Structural Parts



BATTERY BOX ALUMINIUM
xEV Chassis & Structural Parts



DIESEL & GASOLINE INJECTION RAILS FORGING AND MACHINING
Engine



DIESEL & GASOLINE INJECTION RAILS TUBE FORMING
Engine



STANDARD FLEXIBLE MACHINERY

Valid to produce for different customers and platforms, allowing high saturation of productive capacity.

≈4% recurrent investment level that allows maintenance and market organic growth.



STRICT INVESTMENT DISCIPLINE

Investment analysis discipline, always requiring high returns.

Investments \geq 20% ROI.

Operating Working Capital \approx 0.



EBITDA CONVERSION INTO CASH

Operational efficiency, together with capex control and finance/tax strategies, enables a high average conversion of the EBITDA into Cash.

> 55% conversion level target.

OBJECTIVE: VALUE GENERATION

TEAM
COMMITMENT

CASH FLOW
FOCUS

INDIRECT
PEOPLE
PRODUCTIVITY

DECENTRALIZED
MANAGEMENT
STRUCTURE

NETWORK
SERVICES
SUPPORT

VARIABLE AND
LONG-TERM
INCENTIVES

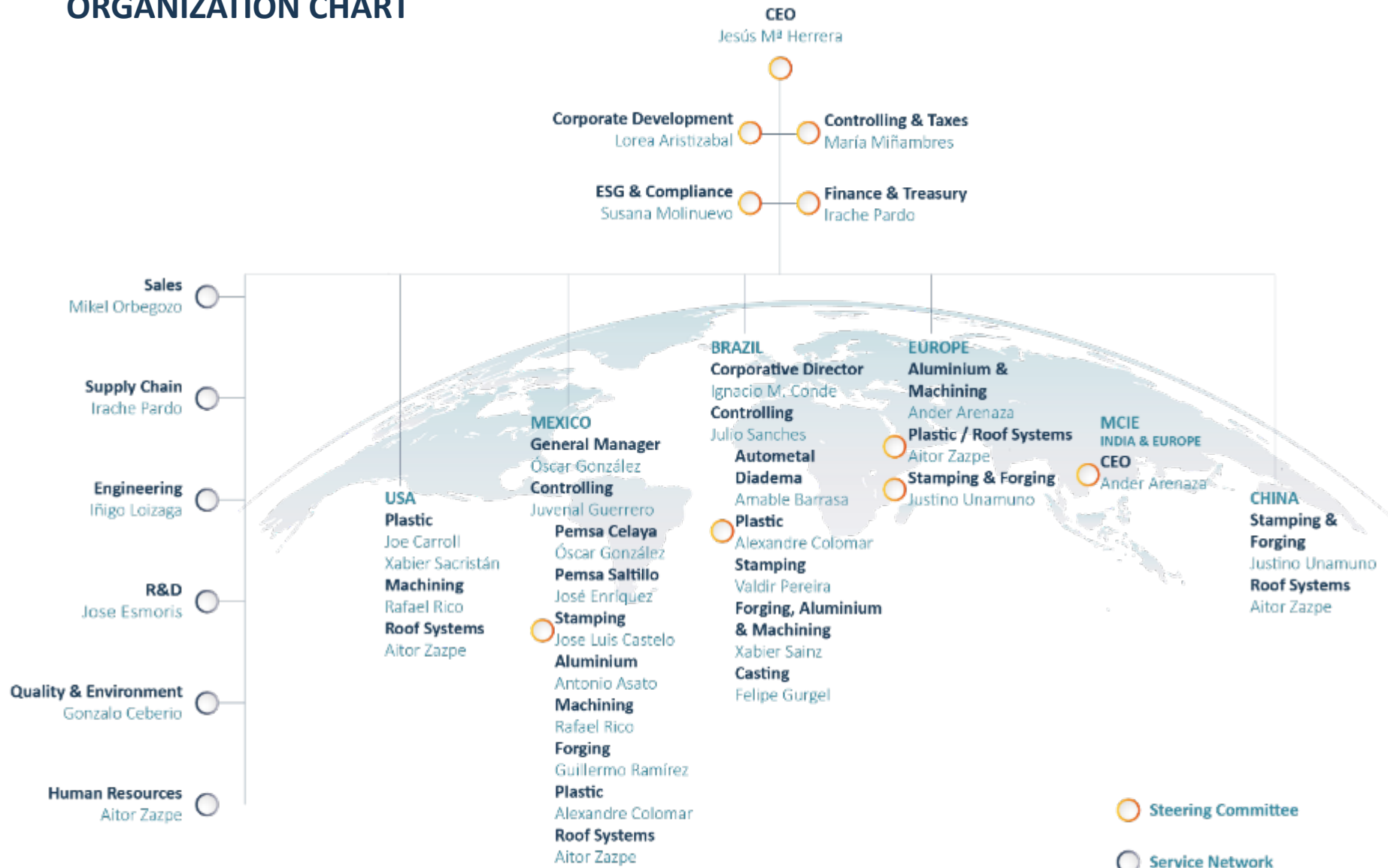
GLOCAL
PRESENCE
AND
ORDERS

LEAN
HEADQUARTERS

UNIVERSAL,
FLEXIBLE,
MULTITASK
ENTREPRENEURS

FAST AND
SIMPLE
DECISION
MAKING

ORGANIZATION CHART





TRIPLE CERTIFICATION

Closing in Triple Certification at all factories: IATF 16949, ISO 14001 and OSHAS 18001.



ENVIRONMENTAL FOOTPRINT

Development of advanced calculations of the Environmental Footprint of the company's products.



CARBON EMISSION COST

Inclusion of the Carbon Emission Cost as a new environmental performance indicator.



CIRCULAR ECONOMY MODEL

Moving towards a Circular Economy Model with the aim of reducing the intake of materials and the production of virgin waste by closing economic and ecological loops.



Balancing industrial activity with minimum environment impact:
Skilled knowledge on production processes enables us for

CONSUMPTION OPTIMIZATION AND MATERIALS REUSE

SUSTAINABLE R&D

CIE Automotive collaborates with a number of associations on a range of research programs. Every year we earmark approx. 2% of our revenue to this effort across its 10 R&D centers, taking a multi-technological and multi-materials approach.

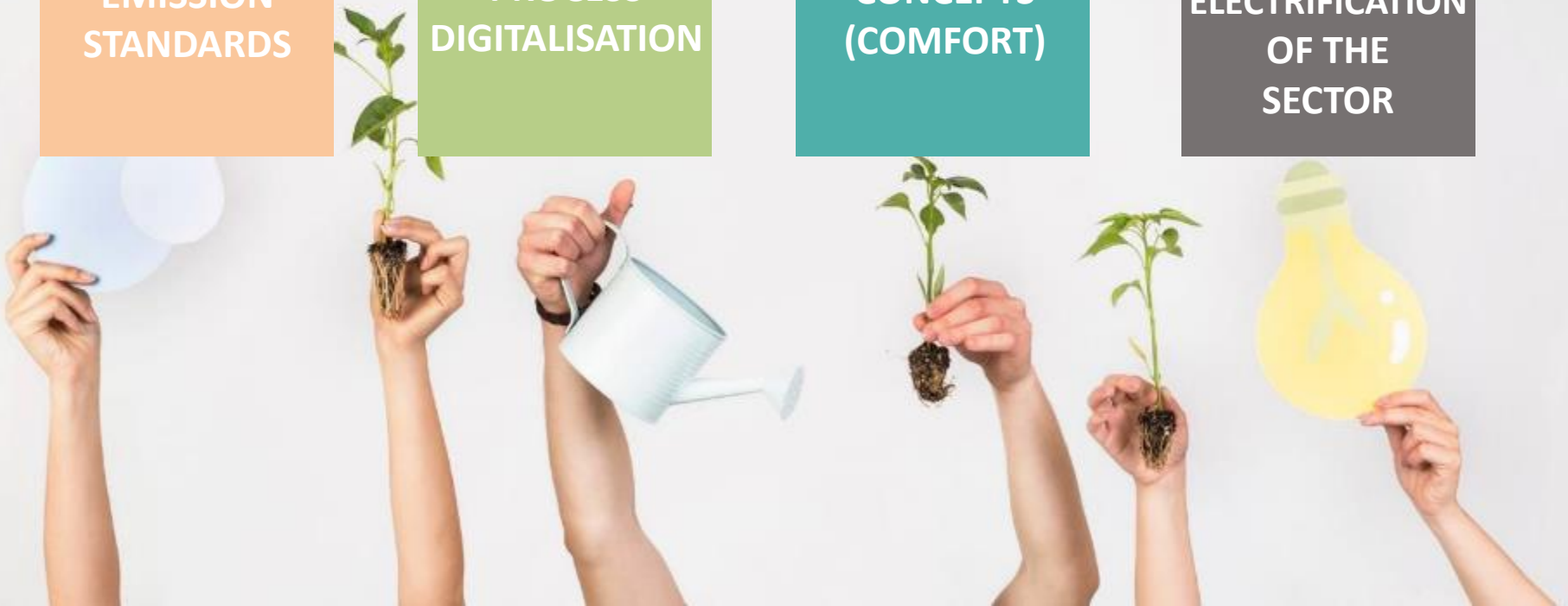
The R&D roadmap initiatives are focused on tackling the challenges posed by the transformation unfolding in the sector:

**VEHICLE
EMISSION
STANDARDS**

**PRODUCT AND
PROCESS
DIGITALISATION**

**NEW MOBILITY
CONCEPTS
(COMFORT)**

**SLOW BUT
STEADY
ELECTRIFICATION
OF THE
SECTOR**



COMMITMENT TO STAKEHOLDERS



IDENTIFICATION OF NINE GROUPS OF STAKEHOLDERS

Stakeholders: shareholders, professionals, customers, business partners, suppliers, society, public authorities, automotive sector and financiers.



GLOBAL ROLL OUT OF OUR CSR WORKSHOPS

- Attended by local executives and managers.
- External and internal analysis of the key issues in the ESG arena.
- Prioritization of the issues identified as relevant.



DECENTRALISED MANAGEMENT MODEL

- Model that eases community engagement decisions and aligns them with each country's specific needs.
- More than 90% of plant managers are local.



STRATEGIC ALLIANCE WITH SAVE THE CHILDREN

First community project at corporate level: “*Caminando hacia el futuro*” (“Walking towards the future”). A collaborative agreement for training support to youth in Mexico.

HUMAN RESOURCES



ZERO TOLERANCE WITH DISCRIMINATION

- Work environment free of bias on the grounds of gender, race, religion, age, sexual orientation, nationality, civil status or socio-economic background.
- Approval of Corporate Equality Plan in order to reduce the salary gap and to get closer to effective gender equality by job category.



ZERO TOLERANCE STANCE ON CHILD AND FORCED LABOUR



COLLECTIVE BARGAINING AGREEMENTS

- Employees' freedom of association and right to collective bargaining.
- All of the agreements make special mention of workplace health and safety matters.



PEOPLE MANAGEMENT MODEL

- Creation of employee skill profiles.
- Evaluation of executive, middle management and skilled workers' job performance.
- Identification of areas for improvement. Continuous training.
- Career Development Programme.
- Global training on human rights matters.



EMPLOYEE ASSISTANCE MEASURES

- In 2019, over €30 million spent in employee support measures in the areas of health, food services, transport and education.
- Compliance with and often exceeding the minimum wage requirements in each country.
- Development of work-life balance measures.

GREEN SUPPLY CHAIN

A SUPPLIER PORTAL

to facilitate end-to-end management and to ensure that the procurement model is framed by the criteria of **OBJECTIVITY, IMPARTIALITY AND EQUAL OPPORTUNITIES.**

OVER 90% OF SUPPLIERS of the product families deemed subject to assessment are **IATF 16949 or ISO 9001 CERTIFIED.**

OVER 20% OF SUPPLIERS of productive material have **ENVIRONMENTAL MANAGEMENT CERTIFICATIONS.**

We share information about our supply chain and **FOSTER TRAINING** at small and medium sized enterprises by leading by example.

Standardisation of the global requirement to **EMBED ESG CRITERIA INTO AUDITS OF SUPPLIERS** of productive material.

CORPORATE GOVERNANCE DRIVEN BY PRINCIPLES OF ETHICS AND TRANSPARENCY.

- ✓ Responsibility for oversight of due compliance with the **Code of Conduct** and the various emanating corporate policies are vested in the **Corporate Social Responsibility Committee**, which reports to the Board of Directors.
- ✓ CIE Automotive, S.A. makes it possible for all people who are part of the organization and its stakeholders to submit doubts and notify irregularities or breaches against ethics or integrity or that infringe the guidelines established in the Code of Conduct through the **Whistle-Blowing Channel**.
- ✓ Upholding **Spanish Law and international Directives** on non-financial information and diversity.

CLOSING OF THE 2018-2019 CORPORATE STRATEGIC PLAN, DESIGNED TO STANDARDIZE AND EMBED ESG CRITERIA ACROSS THE GROUP.

- ✓ Consolidation of the **compilation process** of non-financial information.
- ✓ **External assurance** for GRI indicators.
- ✓ Development of **ESG targets** for each department.
- ✓ Implementation of a **CSR working methodology** that can grow with CIE Automotive.
- ✓ **Development of a communication methodology** with stakeholders.

1

Signatory Member of the United Nations Global Compact and its Spanish Network, for the implementation of the 10 Universally Accepted Principles to encourage business social responsibility in the areas of human rights, labour, environment conservation and anticorruption.

2

Pledge to **contribute to sustainable development** by upholding 8 of the 17 Sustainable Development Goals at the heart of the 2030 Agenda for Sustainable Development.




3

Commitment to ethical and **sustainable development in the management model**.

FTSE4Good INDEX SERIES CONSTITUENT


FTSE
Russell



FTSE Russell confirms that CIE Automotive S.A. has been independently assessed according to the FTSE4Good criteria, and **has satisfied the requirements** to become a constituent of the FTSE4Good Index Series.



Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating **strong Environmental, Social and Governance (ESG) practices**.



The FTSE4Good indices are used by a wide variety of market participants **to create and assess responsible investment funds** and other products.

CIE AUTOMOTIVE ARRANGED AN €80 MILLION BILATERAL SUSTAINABLE LOAN WITH BBVA



**Terms tied to
the ESG score**

**Score provided by
Vigeo Eiris an
environmental
consultant**

**ESG performance
will be evaluated
during the life of
the loan**

**A fresh milestone
in our CSR
commitment**

3.0 UPDATE ON RESULTS:

3.1 RESULTS
3.2 BALANCE SHEET
3.3 CASH FLOW

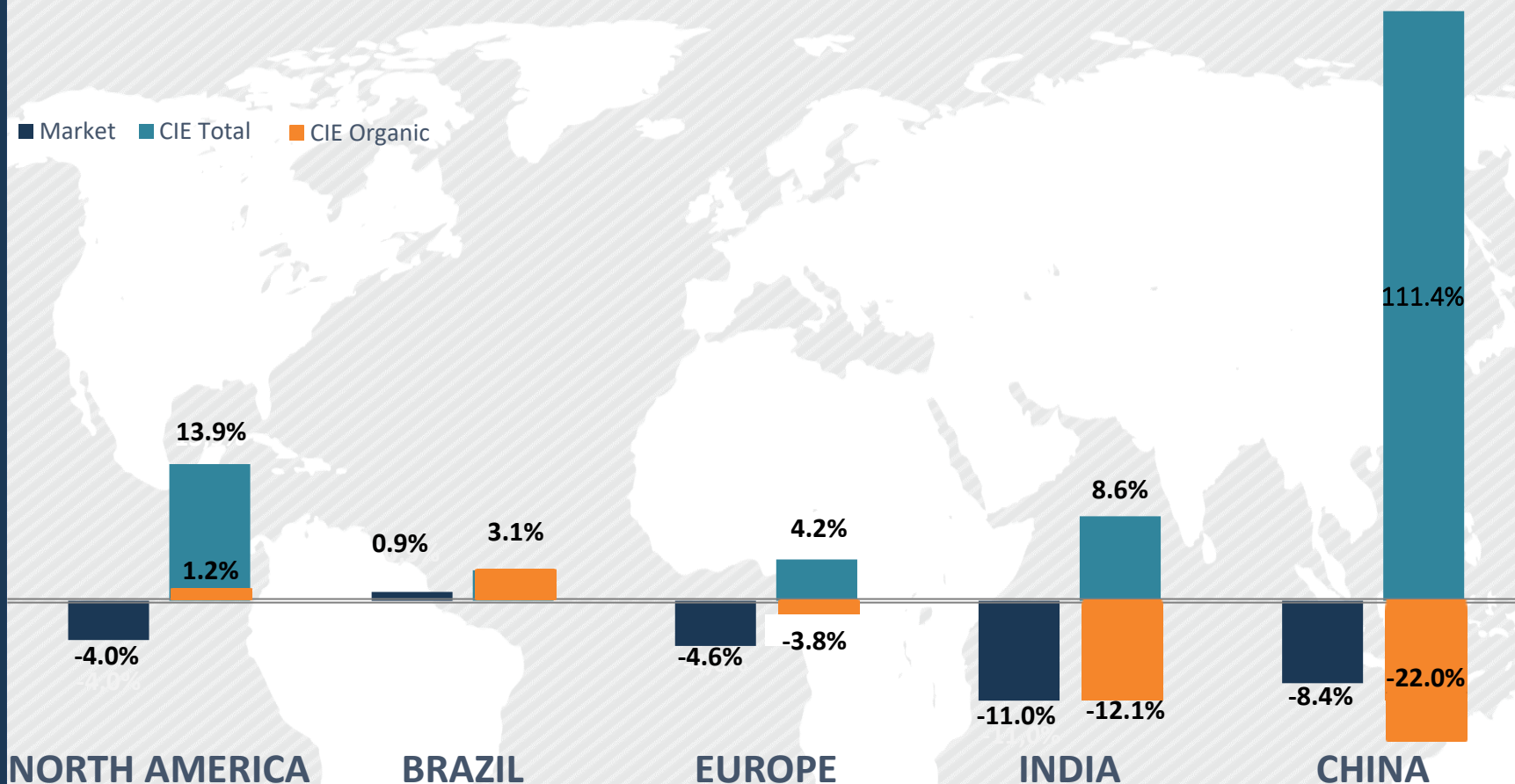
2019 HIGHLIGHTS

	31/12/2018	%	31/12/2019
Turnover (M€)	3,029.5	+14%	3,461.1
EBITDA (M€)	529.0	+12%	594.4
Net Income (M€)	242.8	+18%	287.5
Equity	1,048.9	+18%	1,235.0
Share Price (€ per share) ⁽¹⁾	21.44		21.44
Number of employees	23,270		28,136
Net Financial Debt (M€)	948.2		1,522.0
Adjusted Net Financial Debt (M€)	948.2		1.505,3
Adjusted NFD/Adjusted EBITDA	1.79x		2.32x

Notes: The comparative information is consistent with the consolidated financial statements published by CIE as of 31/12/2018, considering for 2018 the normalized Net Income of the Automotive segment after positive and negative non-recurring adjustments. See appendix I with the reconciliation at the end of this document.

⁽¹⁾ Share price as of 31/12/2019 does not include the discount related to dividend distribution performed in January 2020 ensuring better comparability against share price as of 31/12/2018.

2019 GROWTH

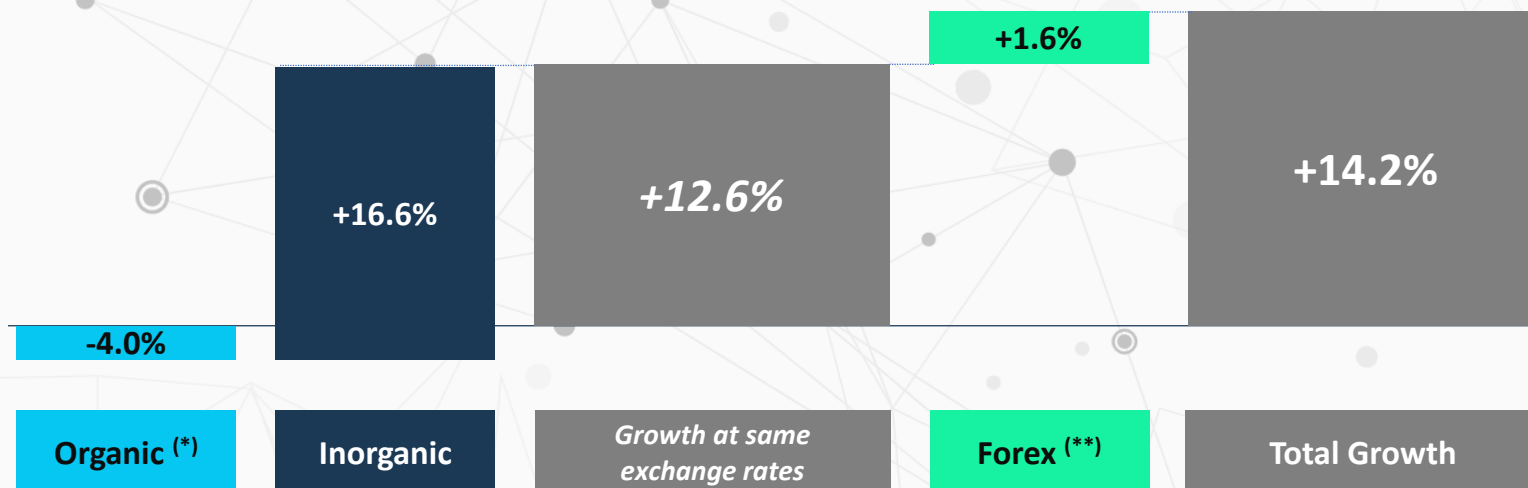


Global Production -5.8%
CIE Total +12.6%
CIE Organic⁽¹⁾ -4.0%

Source: Motor vehicle production IHS DECEMBER 2019 (12 Months 2019) (growth % in units).

⁽¹⁾ Increase in revenue including greenfields, considering same exchange rates.

2019 GROWTH



The Group's sales total growth of +14.2% includes an increase due to the currency translation of +1.6%.

(*) Revenue growth including greenfields.

(**) Forex by divisions: North America +6.3%, Brazil -2.5%, China +2.0%, India +2.6%.

2019 RESULTS

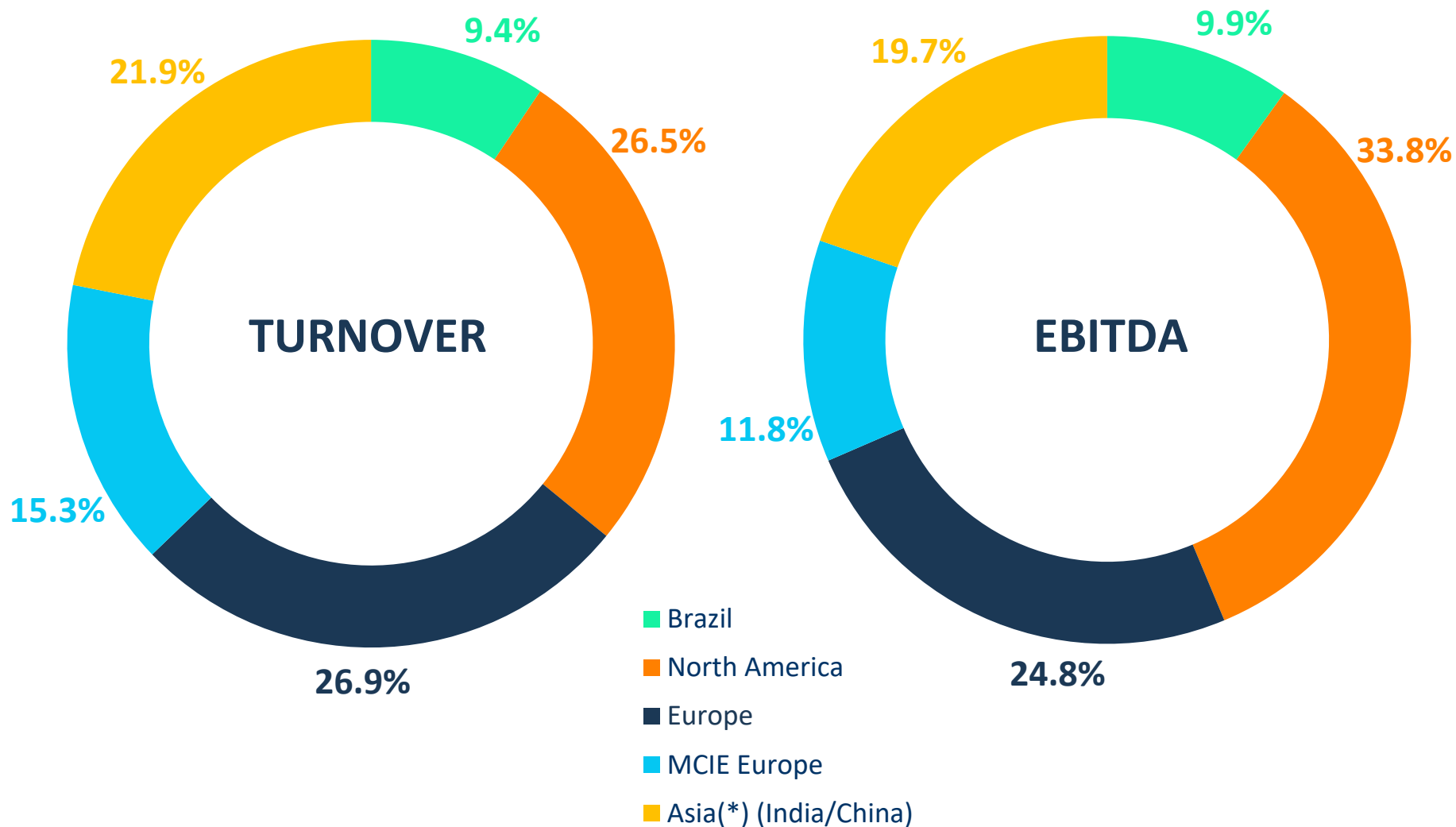
	(M€)	31/12/2018	%	31/12/2019
<p>Significant turnover increase supported by new investments and with organic evolution above the market.</p> <p>Excellent performance of margins, in line with previous quarters.</p>	Turnover	3,029.5	+14%	3,461.1
	EBITDA	529.0	+12%	594.4
	% EBITDA on turnover	17.5%		17.2%
	EBIT	399.2	+7%	427.1
	% EBIT on turnover	13.2%		12.3%
	Profit for the year	279.9	+12%	314.1
	Net Income	242.8	+18%	287.5

4Q 2019 RESULTS

Quarterly margins slightly penalized by the incorporation of new businesses still far from CIE standards.

(M€)	4Q 2018	%	4Q 2019
Turnover	737.4	+16%	852.2
EBITDA	124.8	+10%	136.9
% EBITDA on turnover	16.9%		16.1%
EBIT	92.8	+2%	94.9
% EBIT on turnover	12.6%		11.1%
Profit for the year	61.8	+5%	64.8
Net Income	53.1	+19%	63.2

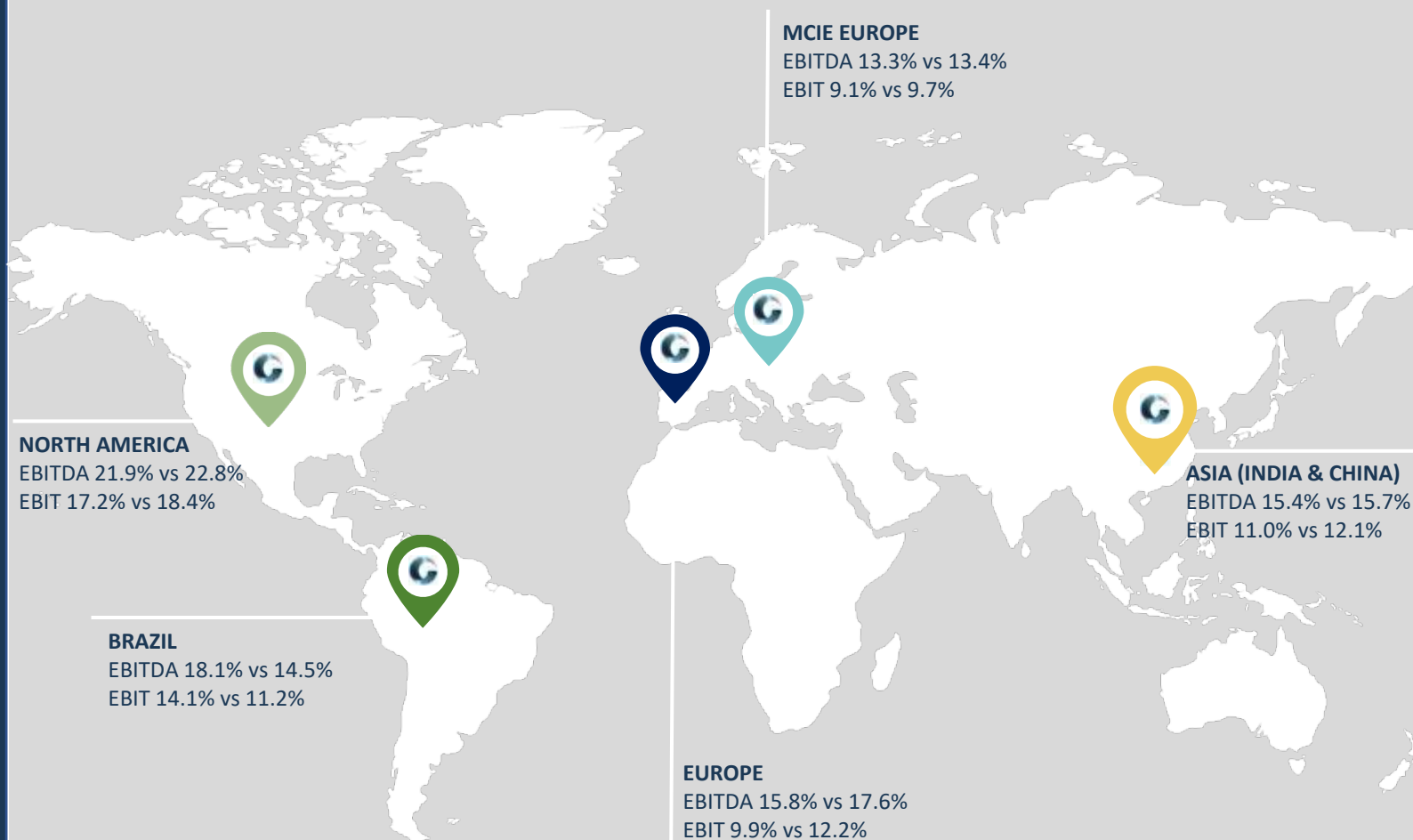
2019 DIVISIONS CONTRIBUTION



(*) China Turnover: 328M€.

2019 DIVISIONS PROFITABILITY

DECEMBER 2019 vs DECEMBER 2018



EUROPE

Sustainable margins far above market's average slightly penalized by the new businesses still far from group's standards

MCIE EUROPE

Stabilization of the gradual growth in margins

NORTH AMERICA

Margins significantly higher than CIE Group average slightly penalized by the new businesses still far from group's standards

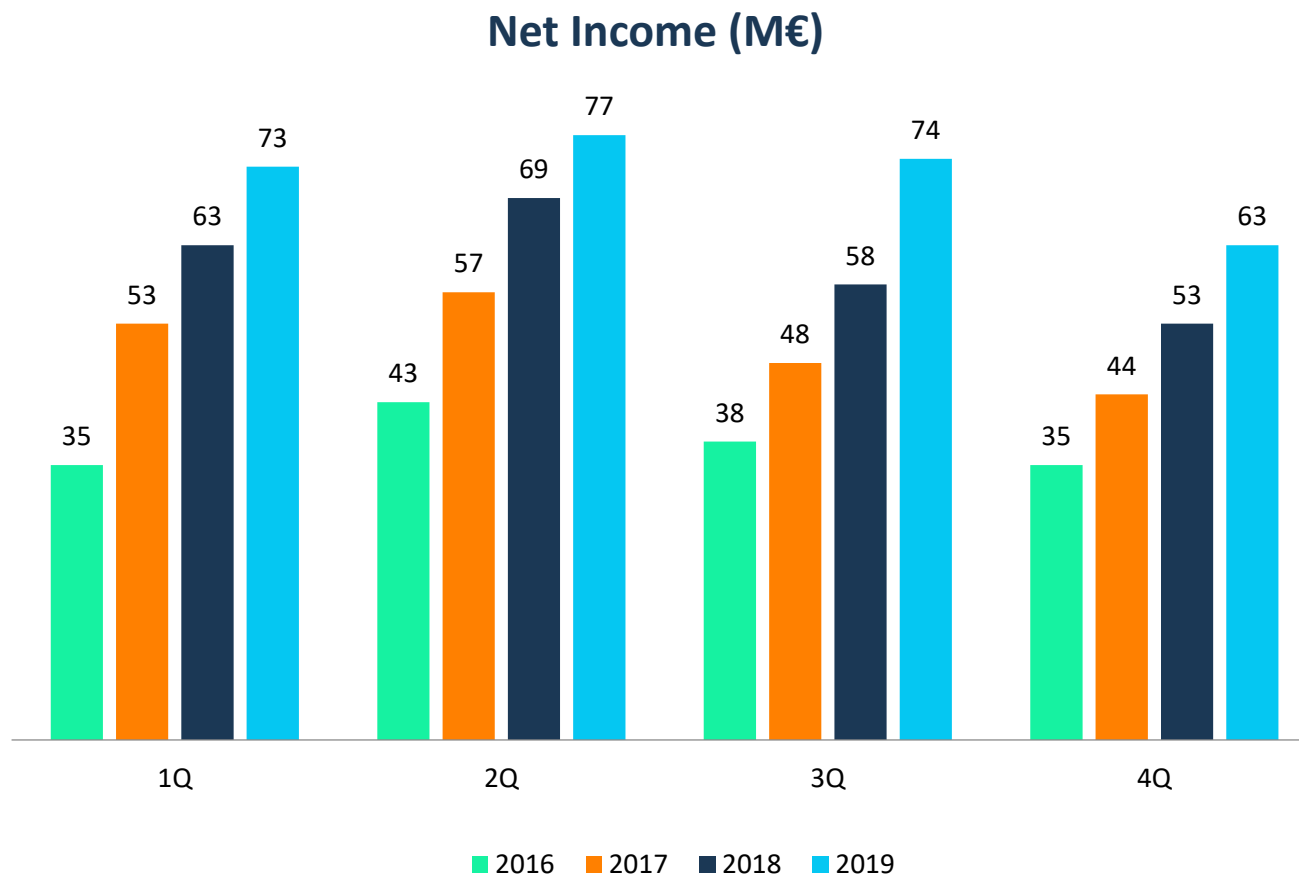
BRAZIL

Margins improvement derived from operational improvements carried out

ASIA

Margins, slightly penalized by the new businesses, still far from group's standards, continue to grow despite the symptoms of market slowdown

2016-2019 QUARTERLY EVOLUTION



2019 BALANCE SHEET

(M€)	31/12/2018	31/12/2019
Fixed Assets	2,267.7	3,393.5
Net Working Capital	(158.8)	(275.5)
Total Net Assets	2,108.9	3,116.0
Equity	1,048.9	1,235.0
Net Financial Debt	948.2	1,522.0
Others (Net)	111.8	361.0
Total Equity and Liabilities	2,108.9	3,116.0

The amount of the non-recourse factoring to 31.12.2019 is 222 MM€.

RONA

22%

18%

The **organic RONA** at December 31st 2019 achieves the **22%**

2019 CASH FLOW



Net Financial Debt Movement (€ MIO)	DECEMBER 2019
EBITDA	594.4
Financial Expenses	(35.4)
Maintenance CAPEX	(136.8)
Tax Payments	(58.8)
IFRS 16 Leases ⁽¹⁾	(22.6)
OPERATING CASH FLOW:	340.8
% EBITDA ⁽⁴⁾	59.6%
Greenfields and Growing Capex	(86.2)
Net Working Capital Variation	58.0
Payment of Dividends	(80.0)
Biofuels Business Sale ⁽²⁾	18.7
Business Combination of the year ⁽³⁾	(802.3)
Exchange rate effect in NFD	(12.1)
Other Movements	(10.7)
FINANCIAL CASH FLOW	(573.8)
Net Financial Debt 31.12.2018	948.2
Net Financial Debt 31.12.2019	1,522.0
Adjusted Net Financial Debt 31.12.2019	1,505.3

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

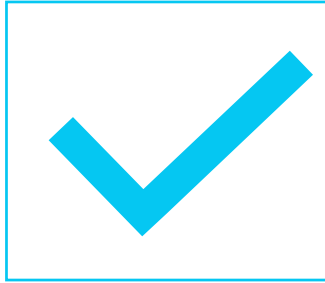
(2) Biofuel plants transmission.

(3) Acquisition of the roof systems design and production business of the American group Inteva Products Inc., 100% of the share capital of the Indian subsidiary Aurangabad Electricals, Ltd. and 100% of the Mexican companies Maquinados de precisión de México S. de R.L. de C.V. and Cortes de Precisión de México S. de R.L. de C.V.

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



4.0 STRATEGIC COMMITMENT

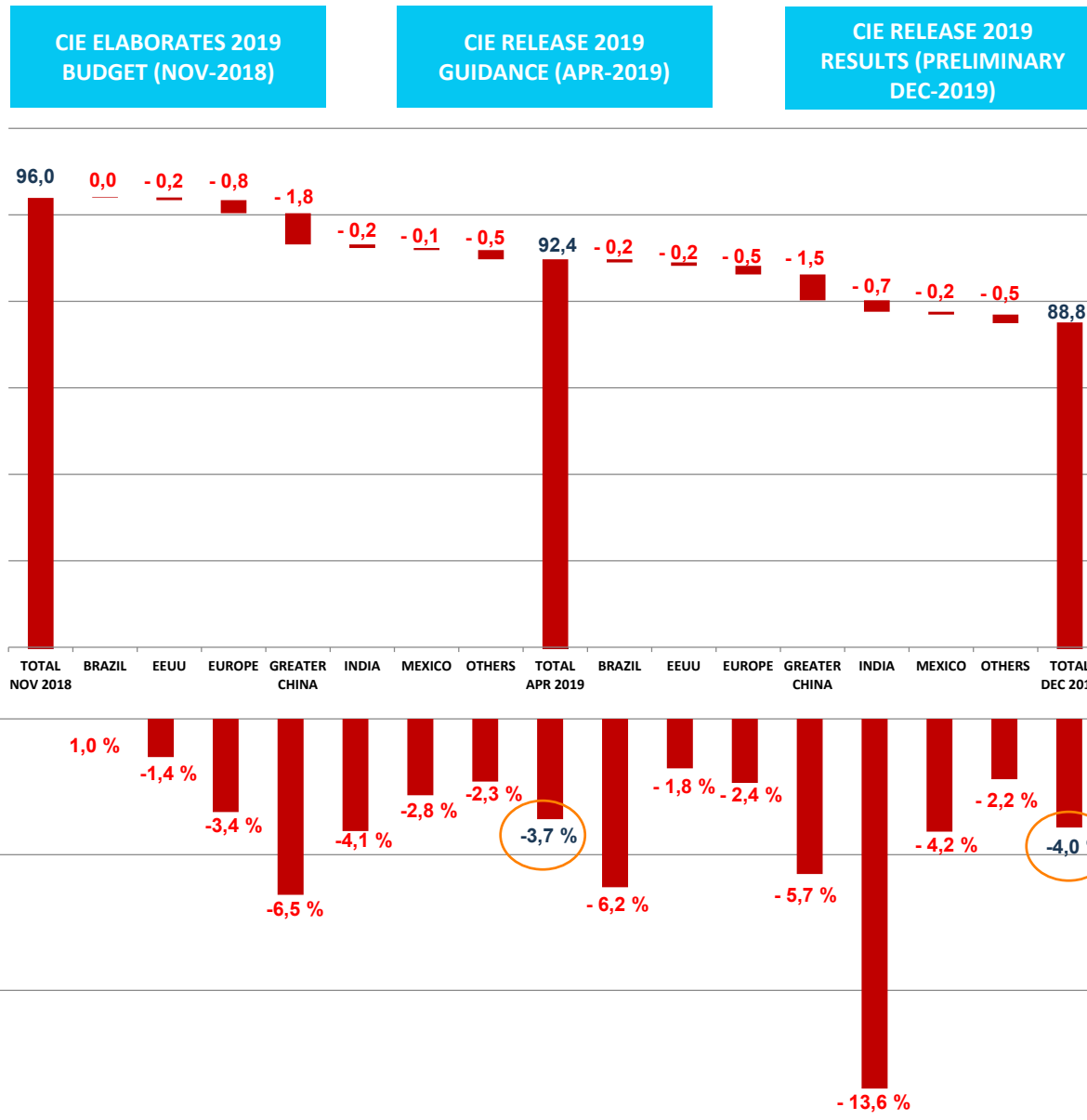


MISSION ACCOMPLISHED

**We achieve the 2020 strategic targets
one year before our commitment**






PRODUCTION VOLUMES EVOLUTION






**DROP OF -7,5%
AND 7,2 MILLION
UNITS IN THE
VEHICLE
PRODUCTION**




2018 PLANT PERIMETER 2019 M&A NOT INCLUDED

	STARTING POINT 2015	ORIGINAL 2020 TARGETS	II UPDATE 2020 TARGETS	GUIDANCE 2019	
SALES	-	2x Market 2016-2020 CAGR \approx 4%	\approx 4x Market 2016-2020 CAGR \approx 7%	> 6x Market 2016-2019 CAGR \approx 9%	
EBITDA	15.4%	>17%	>18%	> 18%	
EBIT	10.2%	\approx 13.0%	>14.0%	\approx 14.0%	

2018 PLANT PERIMETER 2019 M&A NOT INCLUDED

	STARTING POINT 2015	ORIGINAL 2020 TARGETS	II UPDATE 2020 TARGETS	GUIDANCE 2019	
PROFIT AFTER TAXES	6%	≈ 9%	≈ 10%	> 10%	
NET RESULT	118 M€	X2	X2.5	X2.3-X2.5	
CAPEX	7.5%	≈ 7%	≈ 7.5%	≈ 7.5%	

2018 PLANT PERIMETER 2019 M&A NOT INCLUDED

	STARTING POINT 2015	ORIGINAL 2020 TARGETS	II UPDATE 2020 TARGETS	GUIDANCE 2019	
OPERATING CASH FLOW	50%	≈ 50%	≈ 55%	> 55%	
NFD/ EBITDA	2.0X	≈ 0.7X	≈ 1.0X	≈ 1.4X	
RONA ^(***)	16%	> 20%	≈ 23%	≈ 23%	

The high performance of the 2018 perimeter - reaching 2020 targets a year earlier -, together with the already announced acquisitions, lead us to design a:



NEW STRATEGIC PLAN



The background of the slide features a complex network of white lines and dots on a light blue gradient. The dots, representing nodes, vary in size and brightness, with some appearing as larger, glowing spheres. The lines, representing connections, are thin and crisscross the entire frame, creating a sense of a global or digital network.

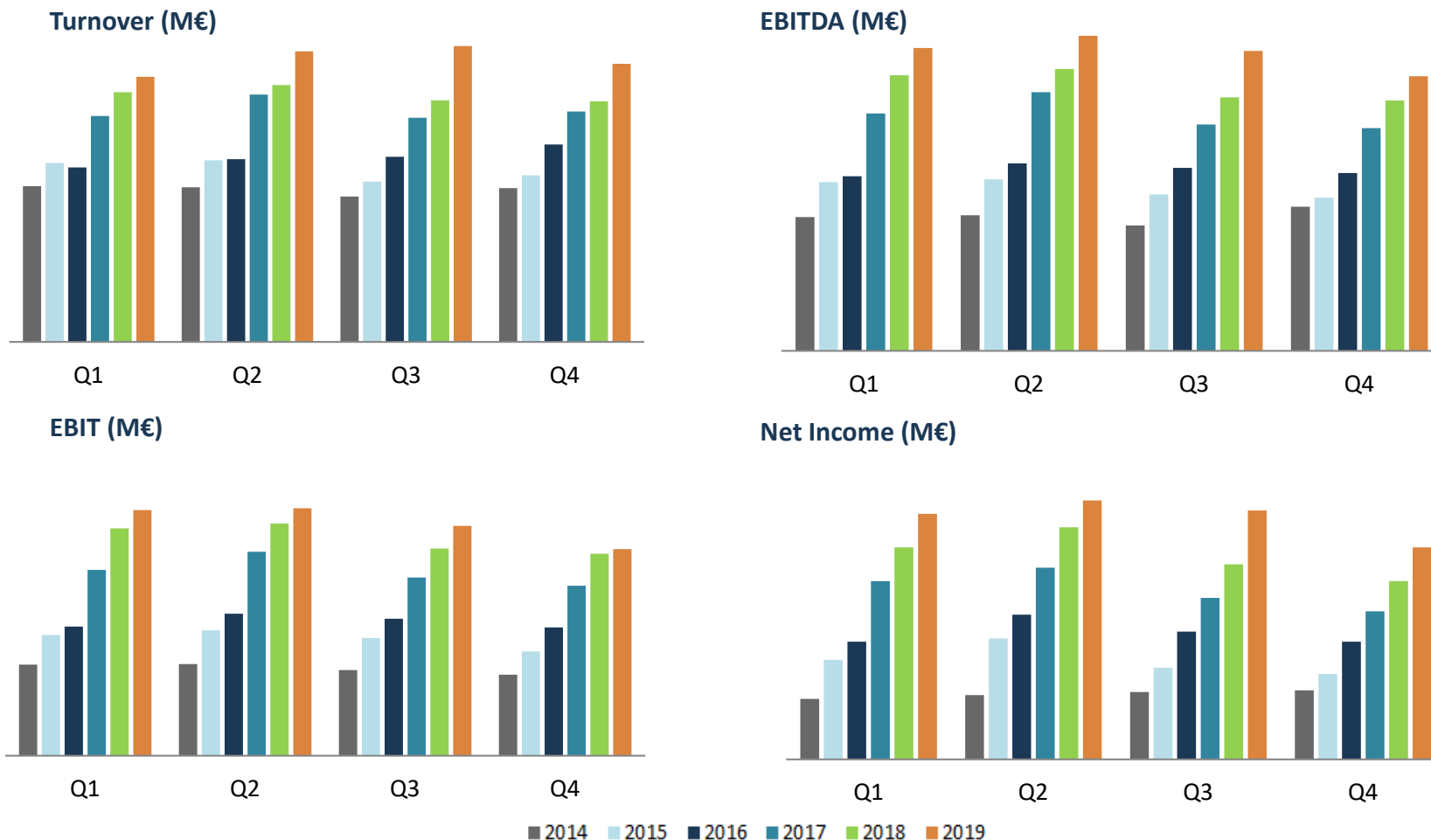
5.0 SUBSEQUENCE EVENTS

Despite the impact of the coronavirus on the market, the proven solvency of our business model allows us to assume the commitment to continue excelling ourselves.

**Q1
2020**

would be the 25th consecutive quarter beating, once again, **our quarterly records.**

QUARTERLY GROWTH 2014 TO 2019

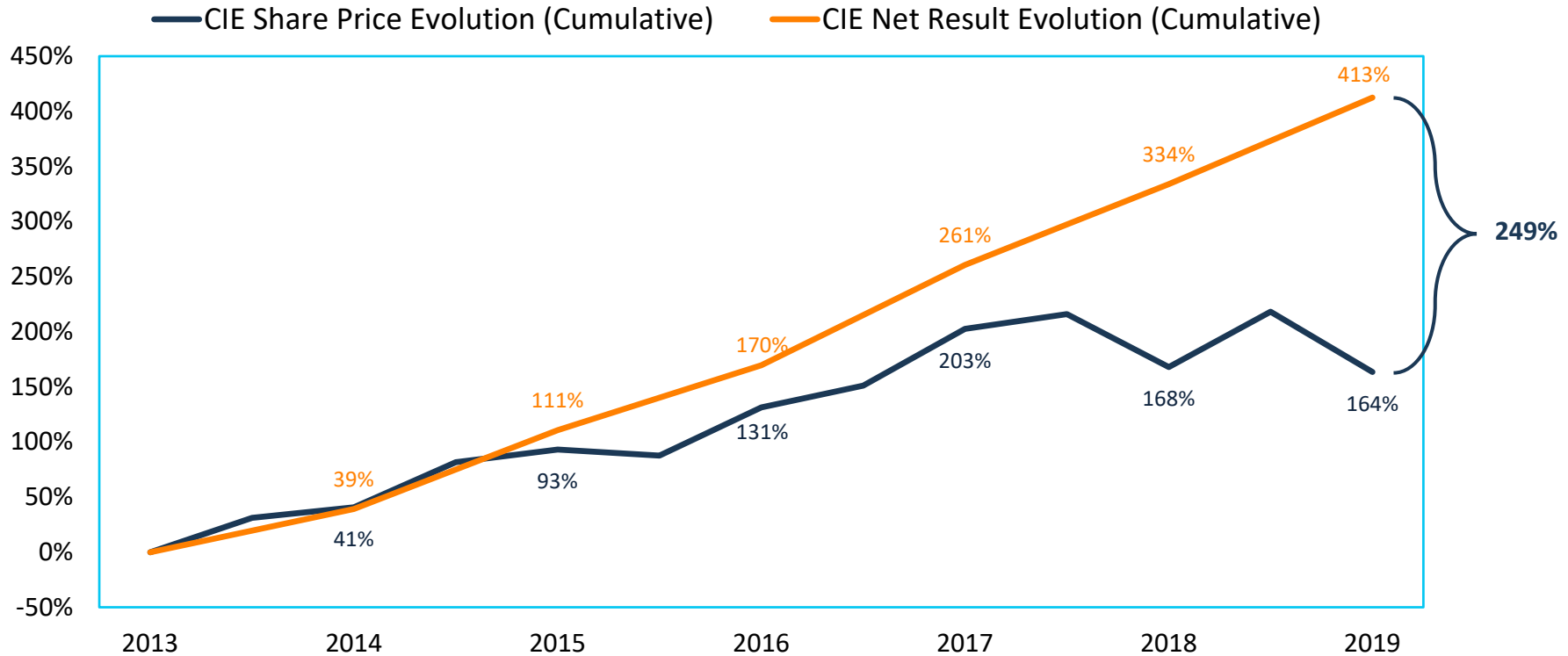


History supports our growing path and our commitment to growth:
24 consecutive quarters beating quarterly record



6.0 CIE IN STOCK EXCHANGE

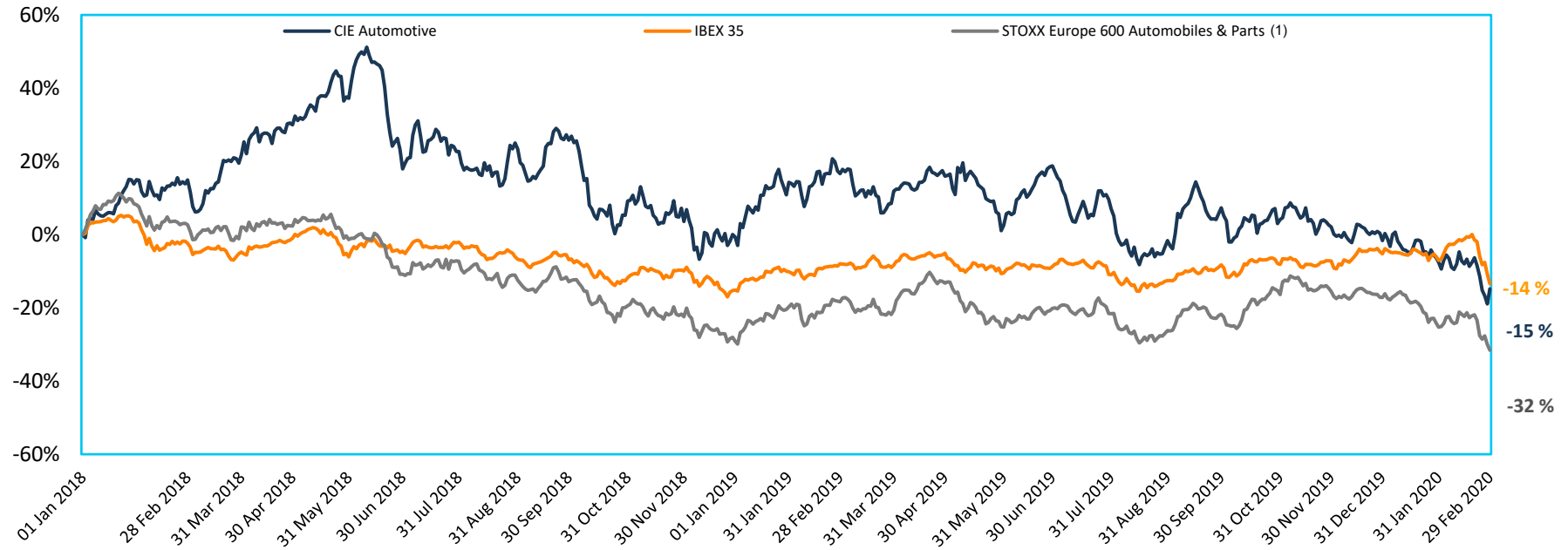
SHARE EVOLUTION VS NET RESULT EVOLUTION



CIE's share price evolution has performed almost in line with net income evolution during the period from 2013 through 2017...

...but a significant mismatch has arisen during the 2017-2019 period, with CIE's valuations severely and baselessly decreasing.

CIE SHARE PRICE PERFORMANCE 2019



During 2019, both the general market and the auto sector have remained extremely challenging, with issues of diverse natures impacting them:

1. **Macroeconomic and geopolitical issues:** continuation of the trade war between the US and China, threat of a potential trade war between the US and the EU, Brexit extension and global economic slowdown, among others.
2. **Auto sector specific issues:** new emission regulations in different markets, general weak consumer confidence caused by economic uncertainty and deferral of purchases due to lack of clarity on EV adoption, among others.

Despite this extremely complex backdrop, CIE has delivered outstanding financial results, something that, clearly, hasn't been reflected in its share price performance.

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

EVOLUTION IN STOCK EXCHANGE

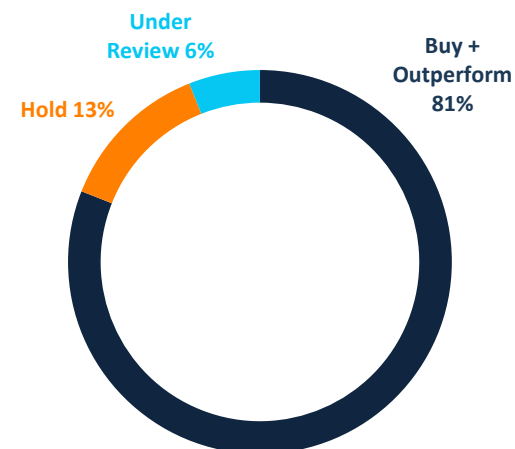
	2020 Until 29/02	2019	2018	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾
Market Cap (M€)	2,356	2,719	2,766	3,123	2,388	1,993	1,453
Number of shares (M)	129	129	129	129	129	129	129
Last price of period (€)	18.26	21.08	21.44	24.21	18.52	15.45	11.27
Maximum price of period (€)	21.98	26.08	36.30 ⁽¹⁾	26.20	18.98	15.46	12.29
Minimum price of period (€)	16.68	19.31	19.90	17.15	11.98	10.65	7.21
Volume (thousand shares)	11,930	57,296	87,149	59,318	59,065	60,619	62,970
Effective (M€)	0,235	1,328	2,327	1,244	940	814	600

Source: Madrid Stock Exchange.

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

#	COMPANY	ANALYST	RECOMMENDATION	PRICE
1	Ahorro Corporación	Álvaro Arístegui	BUY	€29.71
2	Alantra Equities	Álvaro Lenze	BUY	€25.10
3	Bankinter	Esther Gutiérrez	BUY	€29.40
4	BBVA	David Díaz Rico	OUTPERFORM	€33.30
5	Caixabank BPI	Bruno Filipe Bessa	HOLD	€28.55
6	Exane BNP Paribas	Francisco Ruiz	HOLD	€23.00
7	Fidentiis	Enrique Yáñez	UNDER REVIEW	-
8	Intermoney Valores	Virginia Pérez	BUY	€29.10
9	JB Capital Markets	José María Cánovas	BUY	€31.00
10	Kepler	Alexandre Raverdy	BUY	€24.00
11	Link Securities	Iñigo Isardo	BUY	€30.70
12	Nau Securities	Pedro Baptista	BUY	€27.00
13	Renta 4	Iván San Félix	OUTPERFORM	-
14	Sabadell	Alfredo Del Cerro	BUY	€26.85
15	Santander	Robert Jackson	BUY	€29.85
16	Mirabaud	Gonzalo De Cueto	BUY	€25.20
	CONSENSUS	-	-	€28.05

RECOMMENDATIONS





7.0 APPENDIX

RESULTS NORMALISATION DECEMBER 2018

(M€)	CIE P&L DECEMBER 2018	PyG 1S 2018 DOMINION ⁽¹⁾	SURPLUS FROM DOMINION RELATED DIVIDEND	NORMALISATION ADJUSTMENTS ⁽²⁾	NORMALISED AUTOMOTIVE P&L DECEMBER 2018 ⁽³⁾
Turnover	3,029.5	-	-	-	3,029.5
EBITDA	529.0	-	-	-	529.0
EBIT	365.3	-	-	33.9	399.2
EBT	318.5	-	-	44.9	363.4
<i>Tax expenses</i>	<i>(90.1)</i>	-	-	8.7	<i>(81.4)</i>
<i>Discontinued activities</i>	<i>209.1</i>	<i>(13.2)</i>	<i>(238.9)</i>	40.9	<i>(2.1)</i>
Profit for the year	437.5	(13.2)	(238.9)	94.5	279.9
<i>Attributable to non- controlling interest</i>	<i>(40.7)</i>	6.8	-	(3.2)	<i>(37.1)</i>
Net income	396.8	(6.4)	(238.9)	91.3	242.8

⁽¹⁾ Income statement of DOMINION segment until the distribution of the extraordinary dividend.

⁽²⁾ Summary of non- recurrent adjustments registered within CIE Automotive Group's income statement.

⁽³⁾ Normalised Income statement of Automotive business as of 31/12/2018.

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 Normalized Income	Net Income of the Automotive segment excluding non recurrent positive and negative adjustments.
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.
RONA = "Return on Net Assets"	EBIT Last annualized 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.
CAGR	Compound annual growth rate.

CIE GOLDE



PROFILE

- ✓ **Specialisation**
Design, engineering and manufacture of roofs for vehicles.
- ✓ **Footprint**
United States, Mexico, Germany, Slovakia, Romania, China and India.
- ✓ **No. of facilities**
12 factories.
6 R&D centres.
- ✓ **No. of employees**
>2,700 employees.
- ✓ **Customers**
Top automotive OEMs.
- ✓ **2018 revenue**
Almost 850 M€, including 50% of the SAMAP joint venture

TRANSACTION

- ✓ **Rationale**
 - To reinforce its commitment to comfort systems and increase its presence in the roof system segment. The target company's customers, markets and products notably complement those of Advanced Comfort Systems (ACS), the roof system unit CIE Automotive acquired in 2009, since when it has doubled its revenue and boosted its EBITDA margin by 10 points.
 - To become one of the top three global players in the roof system niche, which has been growing consistently in recent years and not been affected by the hybridisation/ electrification processes.
 - To consolidate its strategic commitment to innovation and high-tech engineering by gaining access to new highly complex and sophisticated products and processes.
- ✓ **Price paid**
Approx. 741 M€ (Enterprise Value ≈ 670 M€).
- ✓ **Transaction announcement date**
17 September 2018.
- ✓ **Transaction close**
6 May 2019.

**CIE
GOLDE**

Roof Systems
Division of Inteva

AEL



PROFILE

- ✓ **Specialisation**
Aluminium injection moulding.
- ✓ **Footprint**
India.
- ✓ **No. of facilities**
3 factories.
- ✓ **No. of employees**
>2,300 employees.
- ✓ **Customers**
OEMs and Tier 1 suppliers.
Passenger and two-wheel vehicles.
- ✓ **2018 revenue**
Approx. 108 M€

TRANSACTION

- ✓ **Rationale**
 - To add aluminium injection moulding technology in one of the most promising markets - India - and diversify MCIE India's business, strengthening its presence in the two-wheel segment.
 - AEL is a key supplier for a considerable number of OEMs and Tier 1 suppliers in the passenger and two-wheel vehicles segments in India and internationally. It makes a large variety of bodywork, brake and engine parts using high-pressure and gravity injection processes. AEL also has machining, thermal treatment, coating, assembly and leak testing capabilities, as well as modern tools and moulds.
- ✓ **Price paid**
Approx. 111 M€ (Enterprise Value ≈ 111 M€).
- ✓ **Transaction announcement date**
12 March 2019.
- ✓ **Transaction close**
9 April 2019.

AEL

Aurangabad
Electricals Ltd.

CIE MAPREMEX



PROFILE

- ✓ **Specialisation**
Machined parts.
- ✓ **Footprint**
México.
- ✓ **No. of facilities**
1 factory.
- ✓ **No. of employees**
≈ 400 employees.
- ✓ **Customers**
Tier 1 suppliers.
- ✓ **2018 revenue**
Almost 36 M€.

TRANSACTION

- ✓ **Rationale**
 - To leverage the acquired companies' universe of productive assets to complement CIE Automotive's existing manufacturing activities in Mexico and enable physical and customer expansion going forward.
- ✓ **Price paid**
Approx. 37 M€ (Enterprise Value ≈ 59 M€).
- ✓ **Transaction announcement date**
24 June 2019.
- ✓ **Transaction close**
19 September 2019.

CIE MAPREMEX

Maquinados de Precisión de
México S. de R.L. de C.V.
Cortes de Precisión de
México S. de R.L. de C.V.

CIE SOMASCHINI



PROFILE

- ✓ **Specialisation**
High precision gear systems and transmission solutions.
- ✓ **Footprint**
Italy and United States.
- ✓ **No. of facilities**
3 factories.
- ✓ **No. of employees**
≈ 300 employees.
- ✓ **Customers**
OEMs, Tier 1s and Others | Trucks, passenger vehicles, industrial, and robotics.
- ✓ **2018 revenue**
Almost 70 M€.

TRANSACTION

- ✓ **Rationale**
 - Becoming a top global player within the precision gears segment, having presence within the world's largest 3 markets (Northamerica, Europe and Asia) and within various segments (trucks, passenger vehicles, offroad, etc.). Being a global player means a clear competitive advantage when dealing with our clients.
 - Somaschini provides further geographical diversification and best in class technology with a very high degree of automatization.
- ✓ **Price paid**
Approx. Enterprise Value 77 M€.
- ✓ **Transaction announcement date**
25 September 2019.
- ✓ **Transaction close**
9 January 2020.

CIE SOMASCHINI

SOMASCHINI-Somaschini
S.p.A.
SOM_NA-Somaschini North
America
SOM_SRL- Somaschini
Automotive SRL



CIE Automotive

MANAGING HIGH VALUE ADDED PROCESSES