



CIE Automotive

EARNINGS RELEASE

Managing high value-added processes

September 2022



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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. September 2022 Results
 2. Balance Sheet
 3. 2025 Goals
 4. CIE in Stock Exchange
- Appendix

1. September 2022 Results

Highlights 2022

01	Turnover	3,032.6 €m <i>1,056 €m Q3 2022</i>	+8.3 p.p. vs market (*) OUTPERFORMANCE
02	EBITDA	495.3 €m <i>16.3% EBITDA MARGIN</i>	PROFORMA STARTING POINT ≈ 16%
03	Net Income	235.5 €m <i>+14.3% vs 2021</i>	CONTINUING OUR GROWTH PATH
04	Operating cash Generation	312.1 €m <i>65.5% OPERATING CASH/EBITDA</i>	HIGH LEVEL OF CASH GENERATION
05	Liquidity Reserve	1,379 €m	STRONG LIQUIDITY POSITION WITH STRICT CASH MANAGEMENT
06	NFD/EBITDA(**)	2.13x <i>2.56x September 2021</i>	CONTINUOUS DEBT RATIOS IMPROVEMENT
07	Analyst recommendation	100% <i>DO NOT SELL</i>	TARGET PRICE CONSENSUS 29.47€

(*) September 2022 at constant Exchange rate.

(**) Adjusted NFD and EBITDA data considering 50% of the Chinese JV SAMAP.

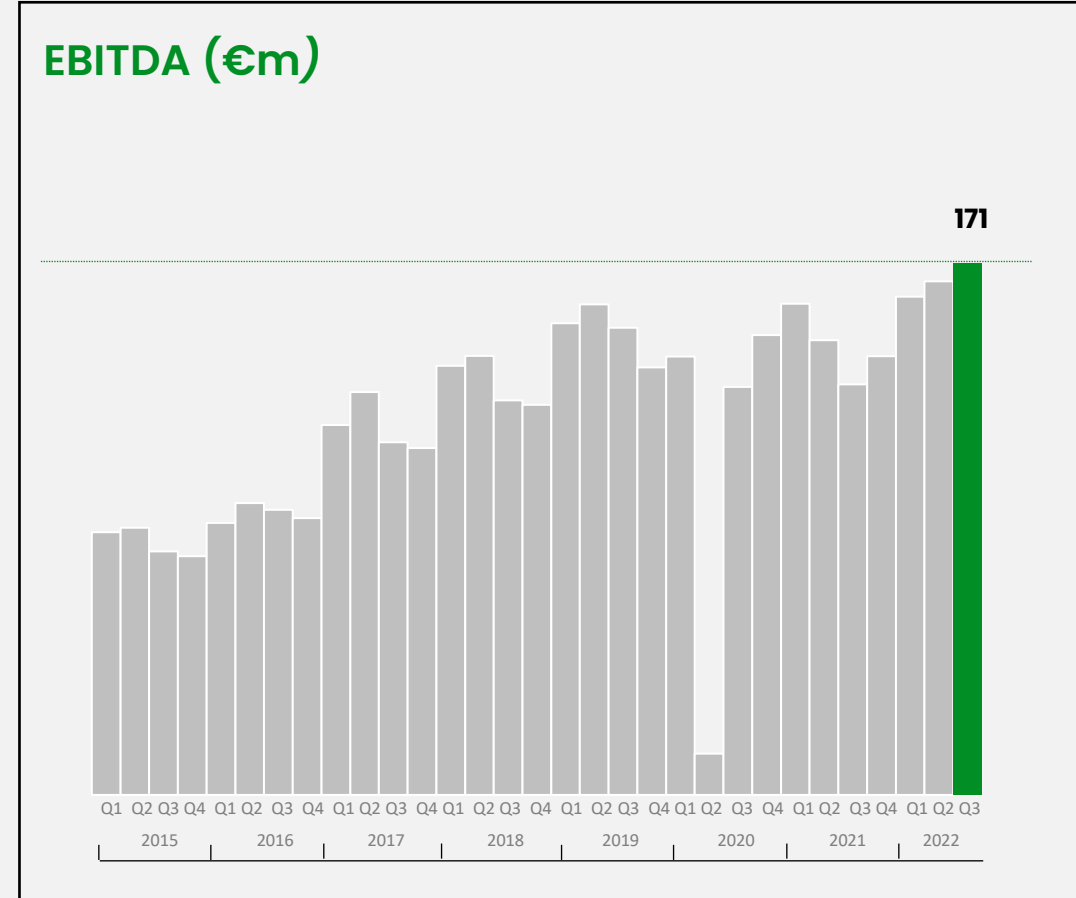
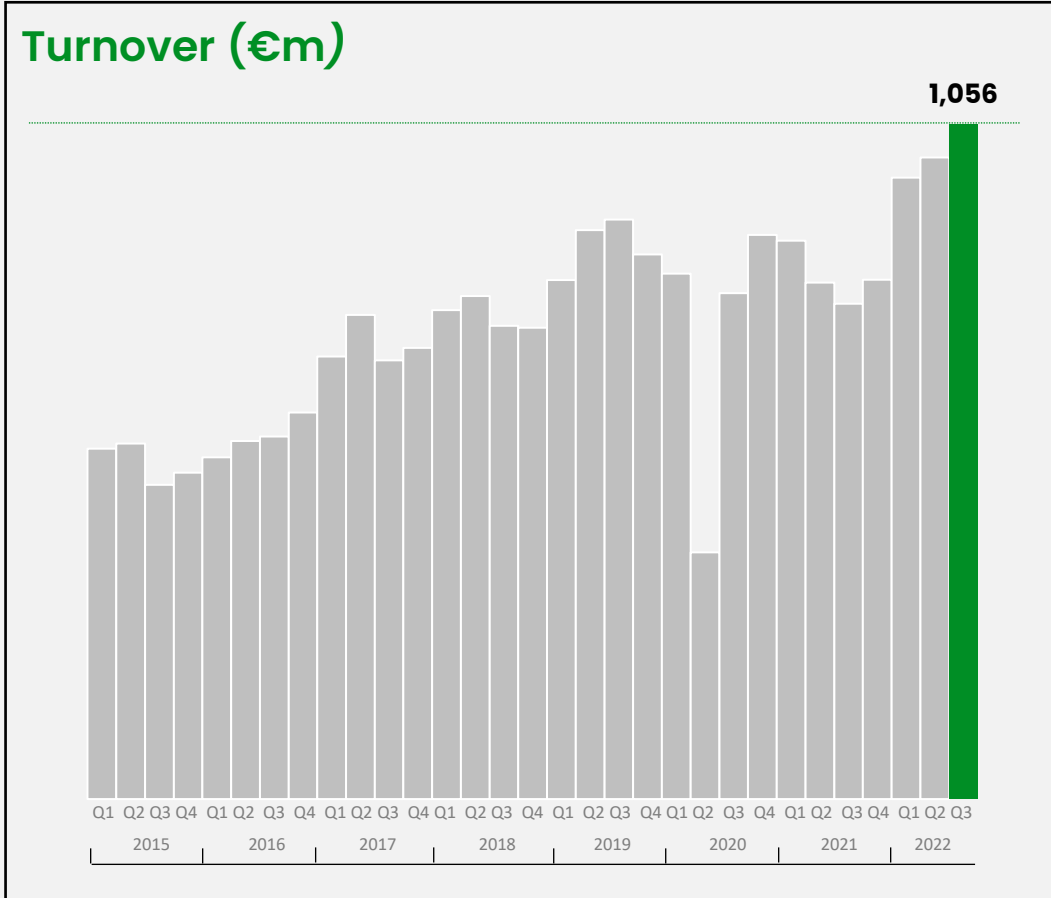
1. Q3 2022 Results

€m	Q3 2021	Q3 2022	
Turnover	775.0	1,056.1	+36.3%
EBITDA	131.4	171.5	
% EBITDA / turnover	17.0%	16.2%	
EBIT	91.8	117.1	
% EBIT / turnover	11.8%	11.1%	
EBT	80.3	110.2	+37.1%
Net income	57.9	75.2	

- Second consecutive historical quarter record exceeding again 1,000 €m turnover and with growth in all lines of results.
- Overperformance reaching excellent results despite pressure from inflation and very high level of energy costs.

1. Q3 2022 Results

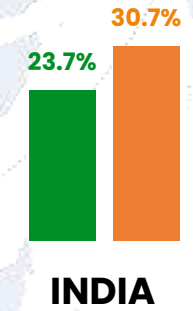
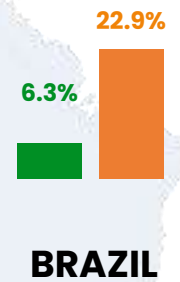
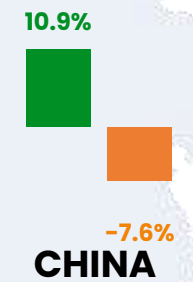
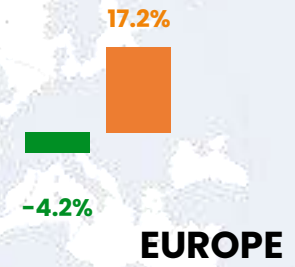
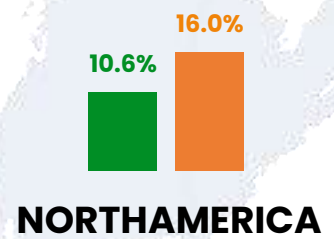
Highest historical quarter in Turnover and EBITDA



1. September 2022 Results

Sales evolution 2022 vs 2021

■ Market
■ CIE



Market 7.5%
CIE +15.7%
△ **+8.3 p.p.**

Constant Exchange rate

Source: Motor vehicles production IHS SEPTEMBER 2022 (9 months 2022) (growth % in units).

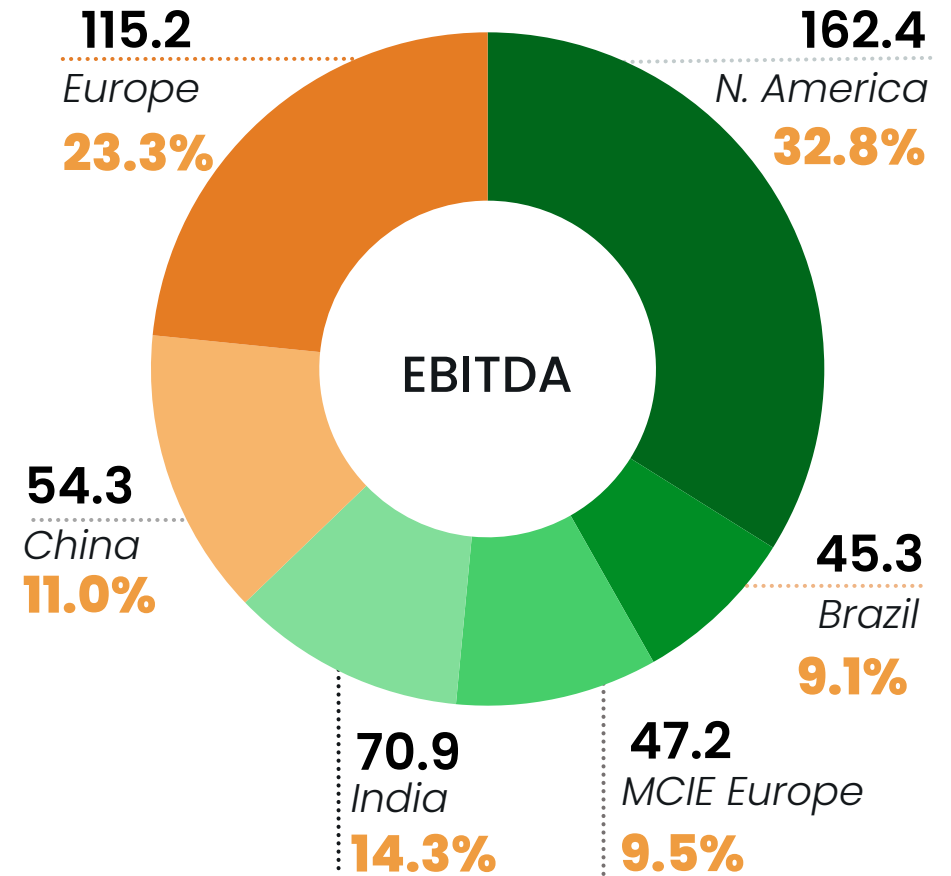
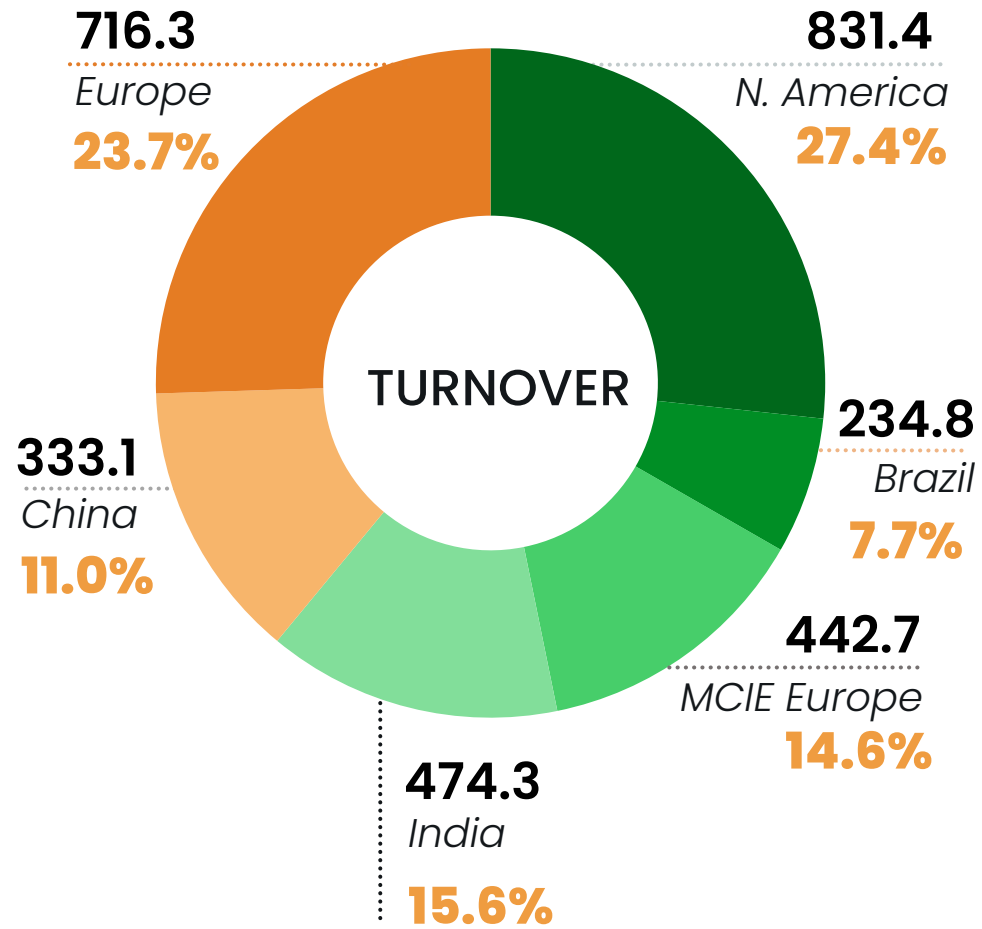
1. September 2022 Results

€m	30/09/2021	30/09/2022	
Turnover	2,456.7	3,032.6	
EBITDA	434.2	495.3	+14.1%
% EBITDA / turnover	17.7%	16.3%	
EBIT	312.4	350.6	
% EBIT / turnover	12.7%	11.6%	
EBT	281.3	332.4	
Net income	206.1	235.5	+14.3%

- Growth in Turnover, EBITDA, EBIT and Net Income even under the market crisis and surpassing market average.
- Despite the strong increase in costs, we improve operating margins that were diluted after 2019 acquisitions (EBITDA proforma \approx 16%, EBIT proforma \approx 11%).

1. September 2022 Results

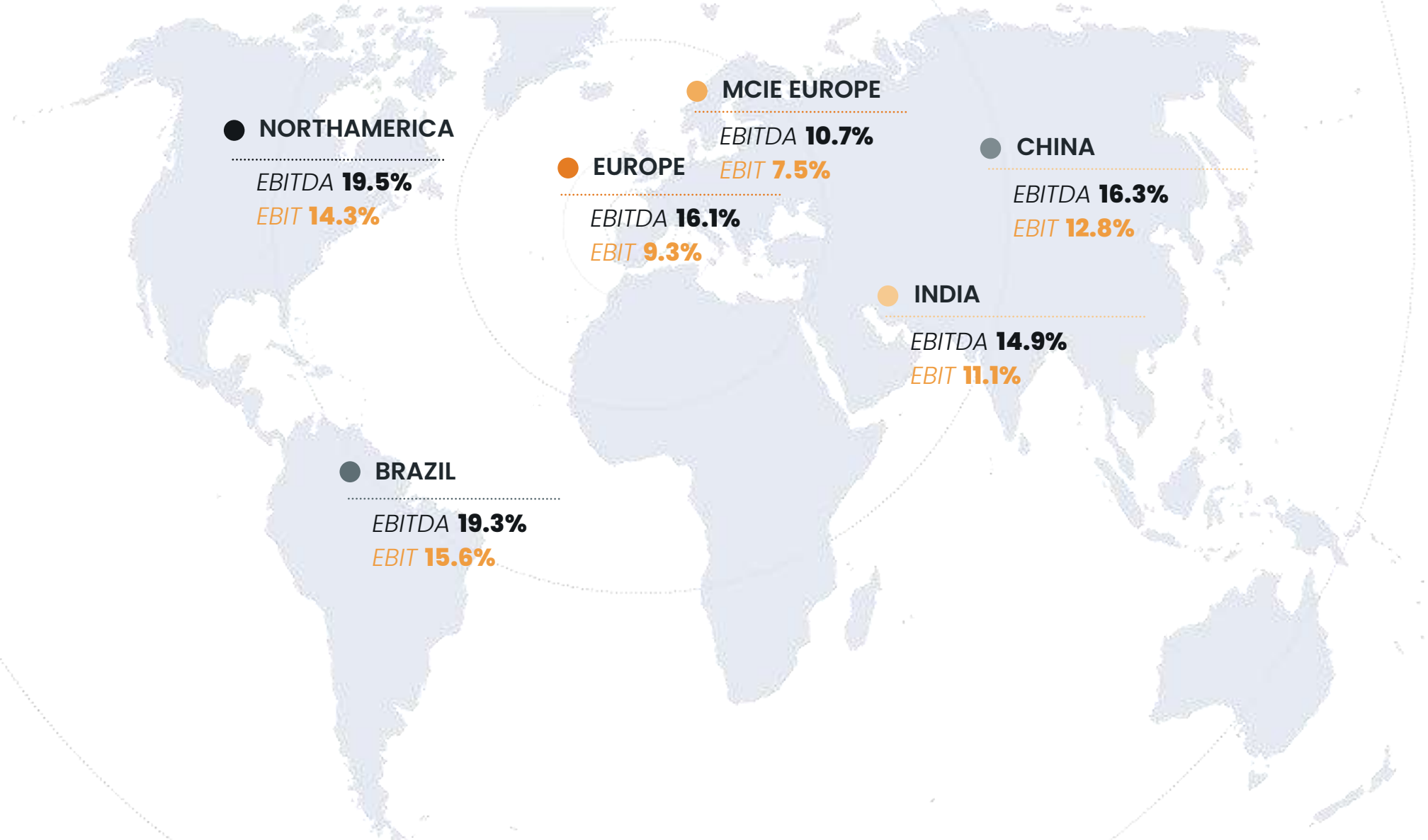
2022 Divisions Contribution



Data in million euros (€m)

1. September 2022 Results

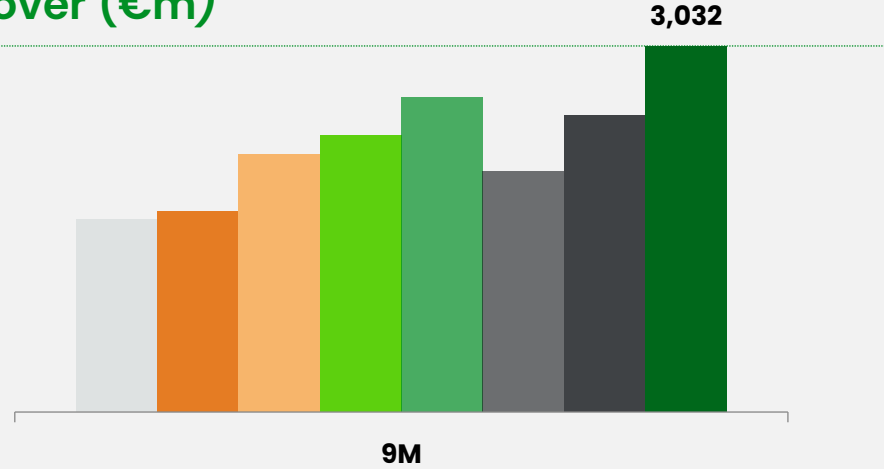
2022 Divisions Profitability



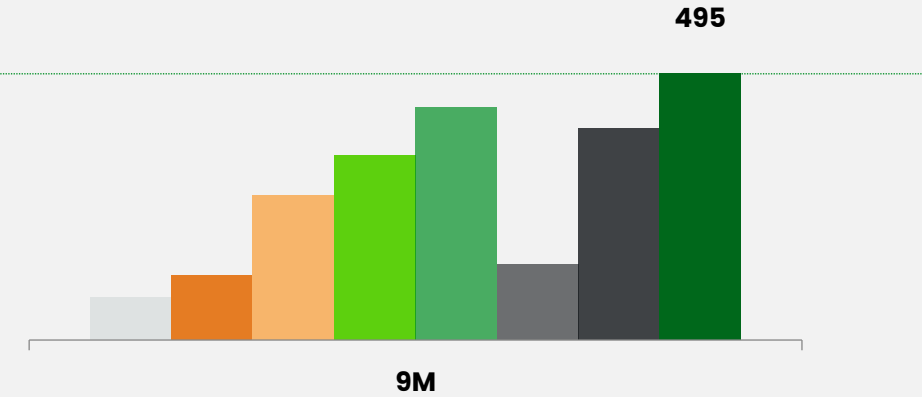
1. September 2022 Results

2015-2022 evolution

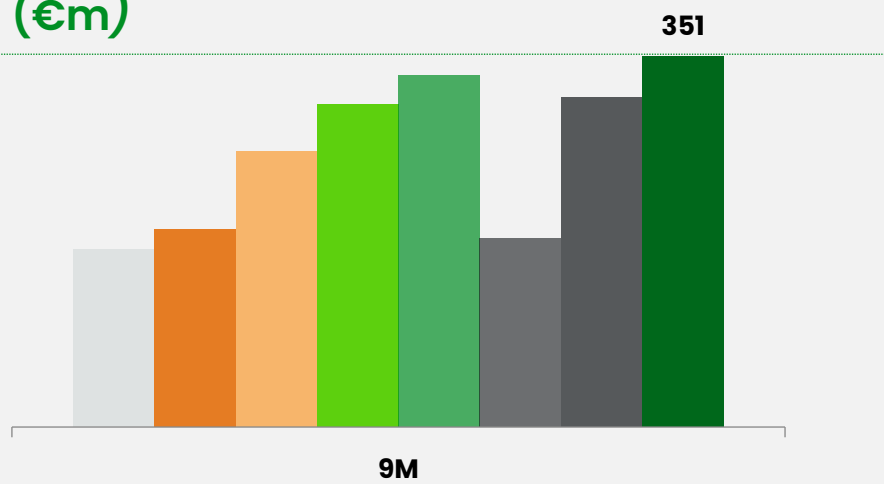
Turnover (€m)



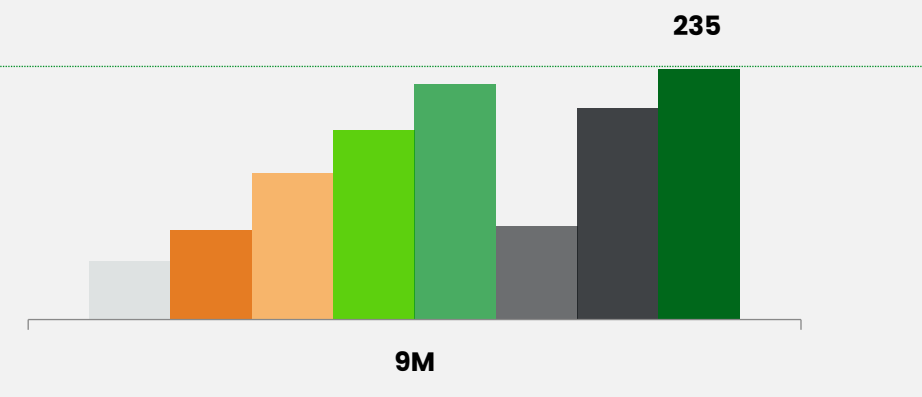
EBITDA (€m)



EBIT (€m)



Net Income (€m)



2. Balance Sheet

Balance sheet evolution

€m	31/12/2021	30/09/2022
Fixed assets	3,490.3	3,759.9
Net Working Capital	(425.2)	(355.4)
TOTAL NET ASSETS	3,065.1	3,404.5

Equity	1,367.6	1,670.0
Net Financial Debt	1,394.9	1,393.8
Others (net)	302.6	340.7
TOTAL NET LIABILITIES	3,065.1	3,404.5

Non-recourse factoring

296.8 €m

404.5 €m

2. Balance Sheet

Cash Flow September 2022

€m

EBITDA	495.3
Financial Expenses	(11.4)
Maintenance Capex	(87.9)
Tax Payments	(64.8)
IFRS 16 Leases ⁽¹⁾	(19.1)
OPERATING CASH FLOW	312,1
% EBITDA⁽²⁾	65.5%
Growing Capex	(70.7)
Net Working Capital Variation	(26.1)
Other movements	(2.8)
OPERATING FINANCIAL CASH FLOW	212.5
Payment of dividends and own shares transactions	(154.3)
Business combinations ⁽³⁾	(57.1)
FINANCIAL CASH FLOW	1.1

(1) Payment of rental fees registered in EBITDA according to the application of IFRS 16 standard.

(2) Operating Cash Flow on the value of EBITDA corrected with the effect of the IFRS 16 standard.

(3) Acquisition of additional shares of the listed subsidiary Mahindra Cie Automotive Ltd.

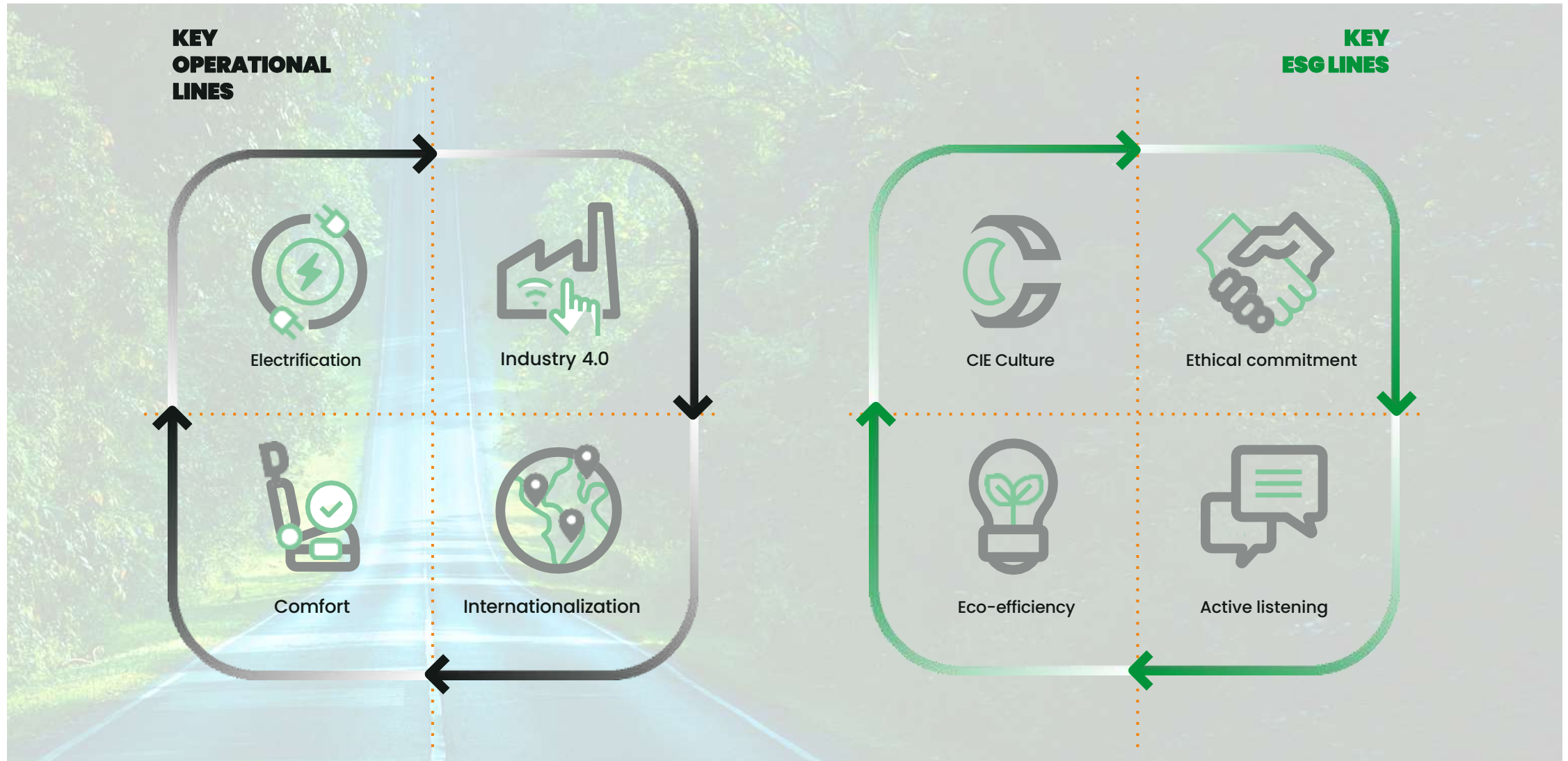
(*) Adjusted NFD and EBITDA data considering 50% of the Chinese JV SAMAP.

€m	31/12/2021	30/09/2022
NFD	1,394.9	1,393.8
Adjusted NFD ^(*)	1,377.1	1,372.2
NFD/EBITDA^(*)	2.37X	2.13X

Debt ratios improvement and high operating financial cash flow generation making possible the high level of investments carried out in corporate transactions (211 €m)

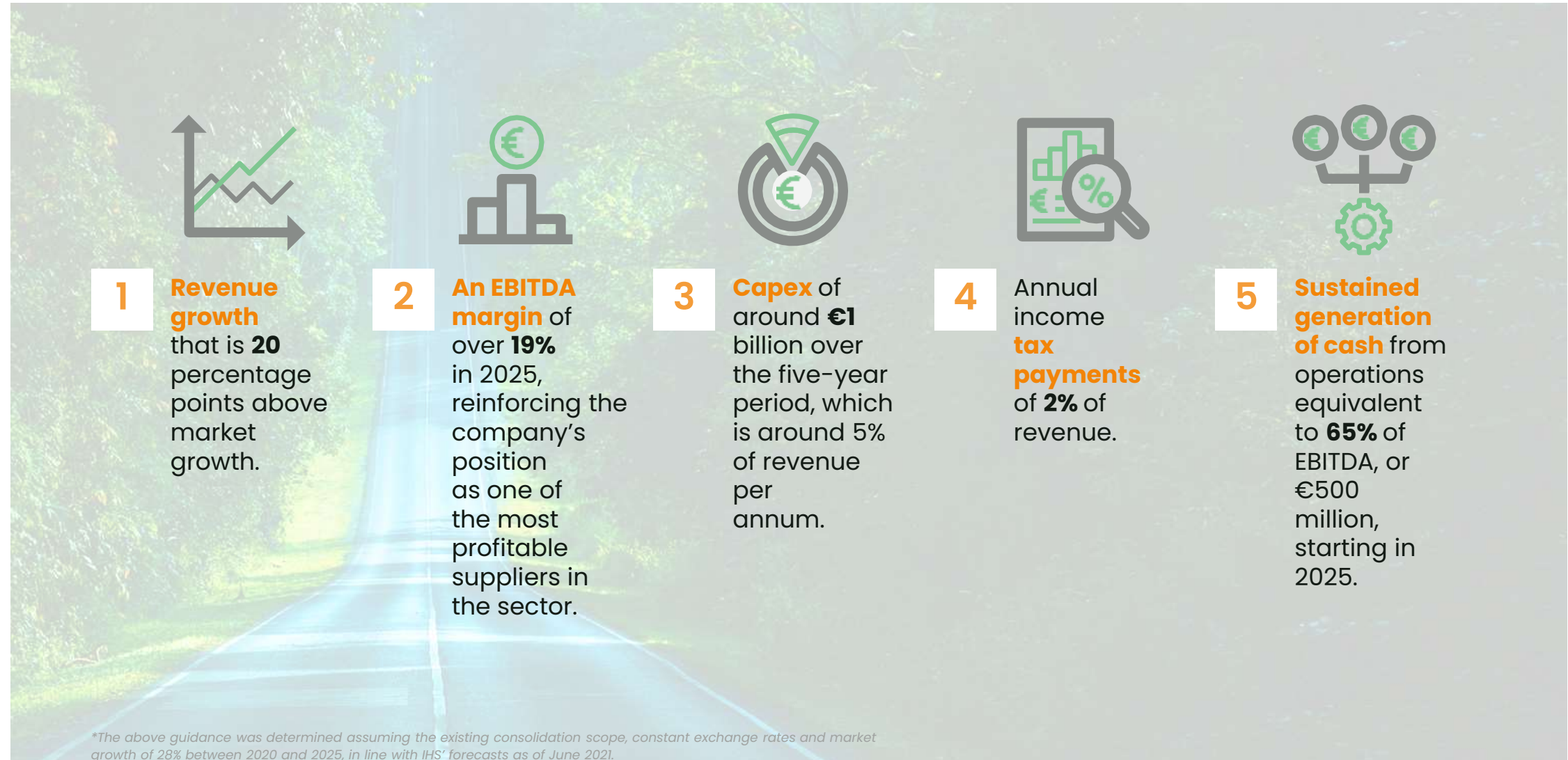
3. 2025 Goals


Strategic Lines





3. 2025 Goals


Operational Commitment – Existing consolidation scope




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1 Revenue growth that is **20** percentage points above market growth.
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2 An EBITDA margin of over **19%** in 2025, reinforcing the company's position as one of the most profitable suppliers in the sector.
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3 Capex of around **€1** billion over the five-year period, which is around 5% of revenue per annum.
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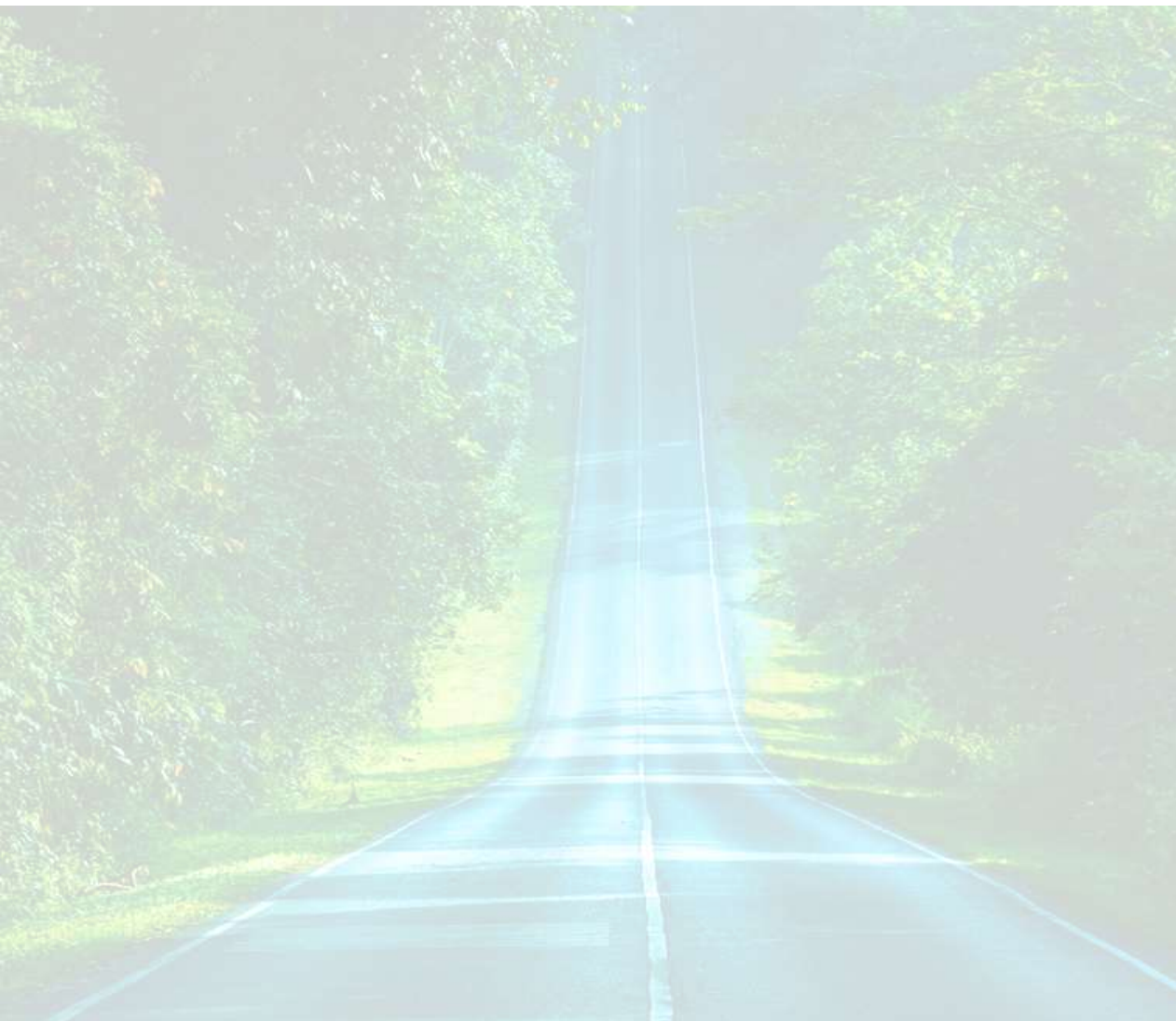
4 Annual income tax payments of **2%** of revenue.
- 

5 Sustained generation of cash from operations equivalent to **65%** of EBITDA, or €500 million, starting in 2025.

*The above guidance was determined assuming the existing consolidation scope, constant exchange rates and market growth of 28% between 2020 and 2025, in line with IHS' forecasts as of June 2021.

3. 2025 Goals

Operational Commitment – Growth

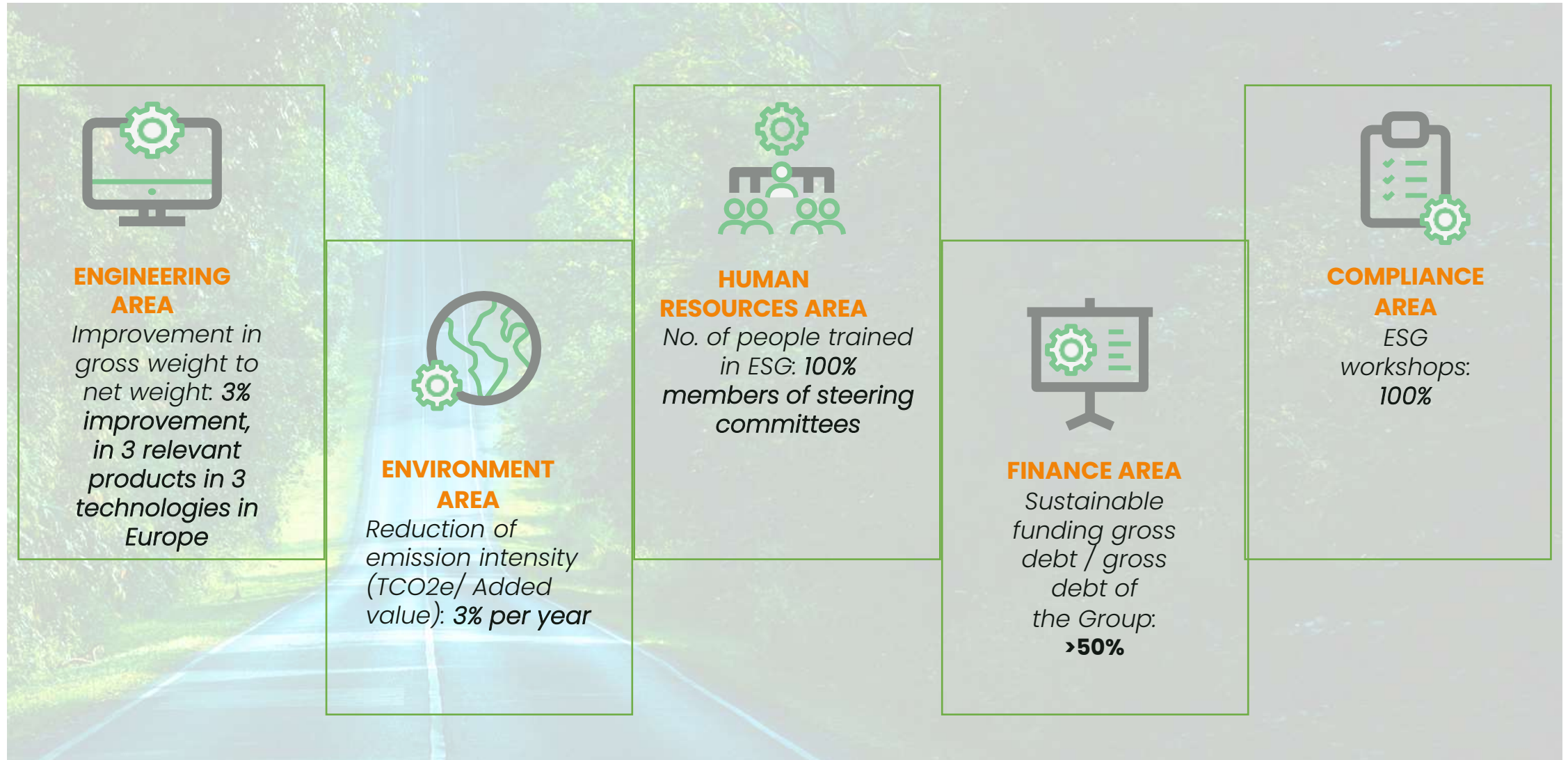


*Thanks to our cash generation capacity, we could **invest up to €1,500 million** without exceeding 2x NFD/EBITDA at the end of the Plan.*

*This investment may be used for **any type of corporate operation** (M&A, buy-back, purchase of minority stakes, etc.); whichever maximises the generation of value at any given time.*

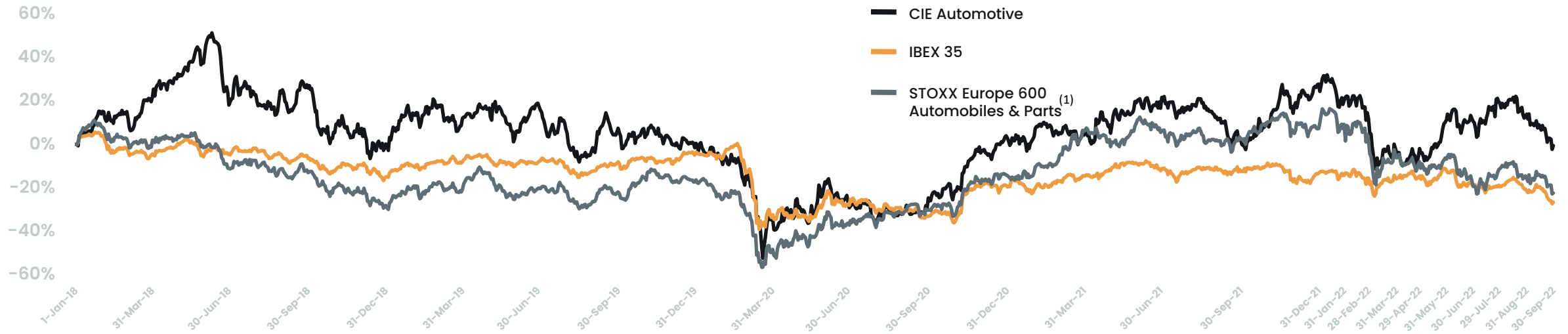
3. 2025 Goals

ESG Commitment



4. CIE in Stock Exchange

Share Price Performance CIE Automotive



During 2020 the pandemic severely impacted CIE Automotive's stock. 2021 added to pandemic bottlenecks, shortages and inflation in the supply chain (semiconductors, raw materials, freights, energy, labor force...), which resulted in historically high inflation.

The complex environment has increased in 2022 (invasion of Ukraine, China's "Zero Covid" policy, soaring inflation, rising interest rates...) which has led to a sharp and indiscriminate stock market correction in the sector.

Despite this extremely complex context, CIE Automotive has once again delivered excellent results and continues to prove its resilience quarter after quarter, placing it on the podium of the industry's most profitable companies with the best future, something that has clearly not been reflected in the share price. We expect that the recent exit from the Ibex 35 (June 2022) will help to better align the company's fundamental value and its share price.

(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.

Alternative performance measurement (APMS)

PERFORMANCE MEASURES	DEFINITION
EBITDA	Net Operating Income + 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 is based on the current agreements with the partner, is consolidated by the equity method.
EBIT	Net Operating Income.
EBT	Earnings before taxes.
Net Income	Recurrent profit attributable to the company's shareholders.
Net Financial Debt (NFD)	Debt with banks and other financial institutions – Cash and equivalents – Other 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 partnet agreements reached.

