CIE Automotive

MANAGING HIGH VALUE ADDED PROCESSES

EARNINGS RELEASE REPORT

MARCH 31ST 2019

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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.

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HIGHLIGHTS MARCH 2019

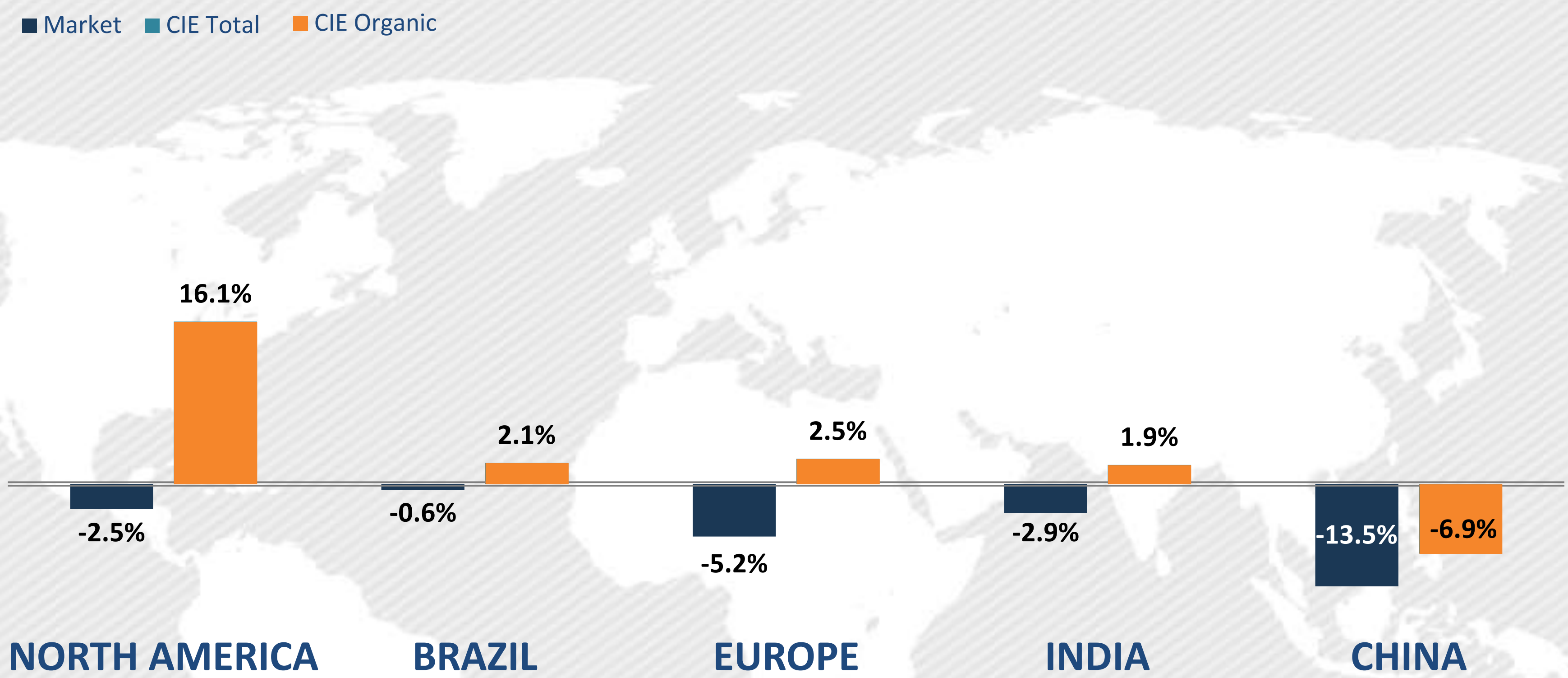
	31/03/2018	%	31/03/2019
Turnover (€ Mio)	765.0	+6%	812.2
EBITDA (€ Mio)	137.4	+10%	151.0
Net Income (€ Mio)	63.1	+15%	72.6
Equity (*)	1,078.2	+7%	1,155.2
Share Price (€ per share) (**)	26.09		23.98
Net Financial Debt (€ Mio)	1,001.2		943.6
NFD/EBITDA (***)	2.04x		1.74x

(*) Consolidated equity corresponding to the Automotive business, recasted in 2018 with the impact of Dominion.
(**) Share price 31/03/2018 adjusted according to the effect of the Dominion shares dividend in kind.
(***) EBITDA of last 12 months annualized in those companies incorporated to perimeter during the period.

Notes: In order to provide greater transparency and clarity to the information, the same is compared with the automotive data published as comparable in the consolidated financial statements published by CIE as of 31/03/2018. The information is different from the one published by CIE in 2018 because, due to accounting standards, the specific impacts on the different lines of the income statement of those businesses interrupted in 2018 must be eliminated. See appendix I with the reconciliation at the end of this document.

1. MARCH 2019 RESULTS

AUTOMOTIVE GROWTH MARCH 2018-2019 (%)



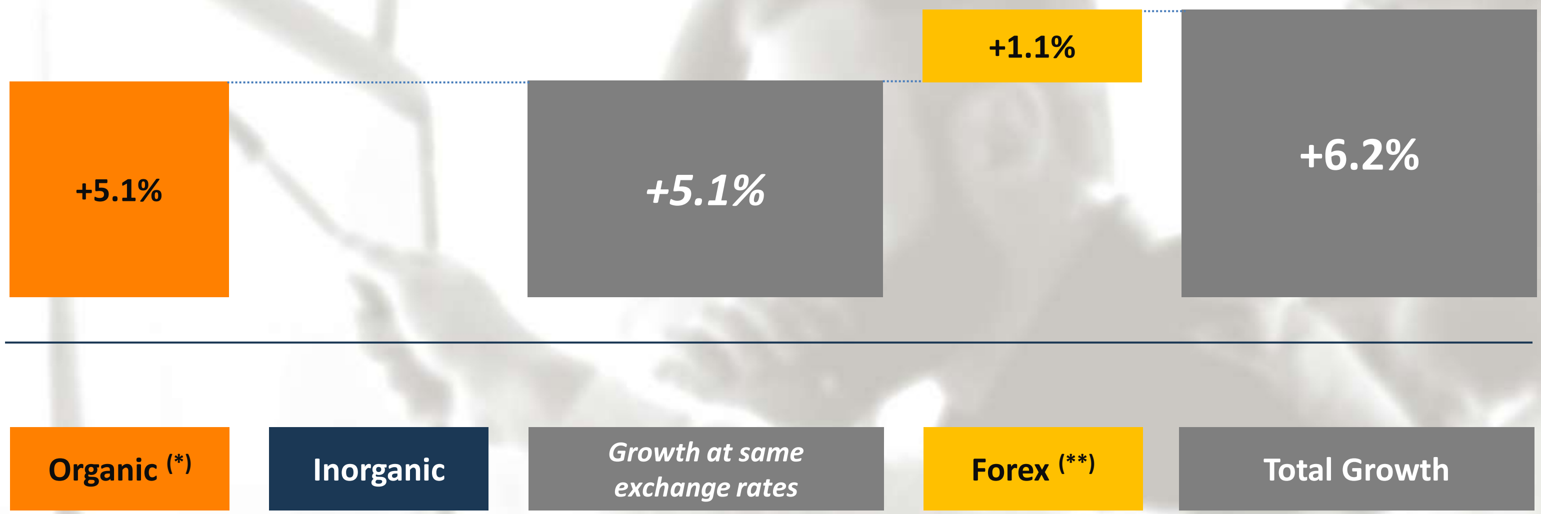
Global Production -6.7%

CIE Total +5.1%

CIE Organic[(1)] +5.1%

Source: Motor vehicle production IHS MARCH 2019 (3 Months 2019) (growth % in units).

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



The Group's sales total growth of 5.1% has an additional increase due to the currency translation of 1.1%.

(*) Revenue growth including greenfields.
(**) Forex by divisions: North America +9.5%, Brazil -7.0%, China +1.8%, India -1.1%.
Figures corresponding only to the Automotive segment.

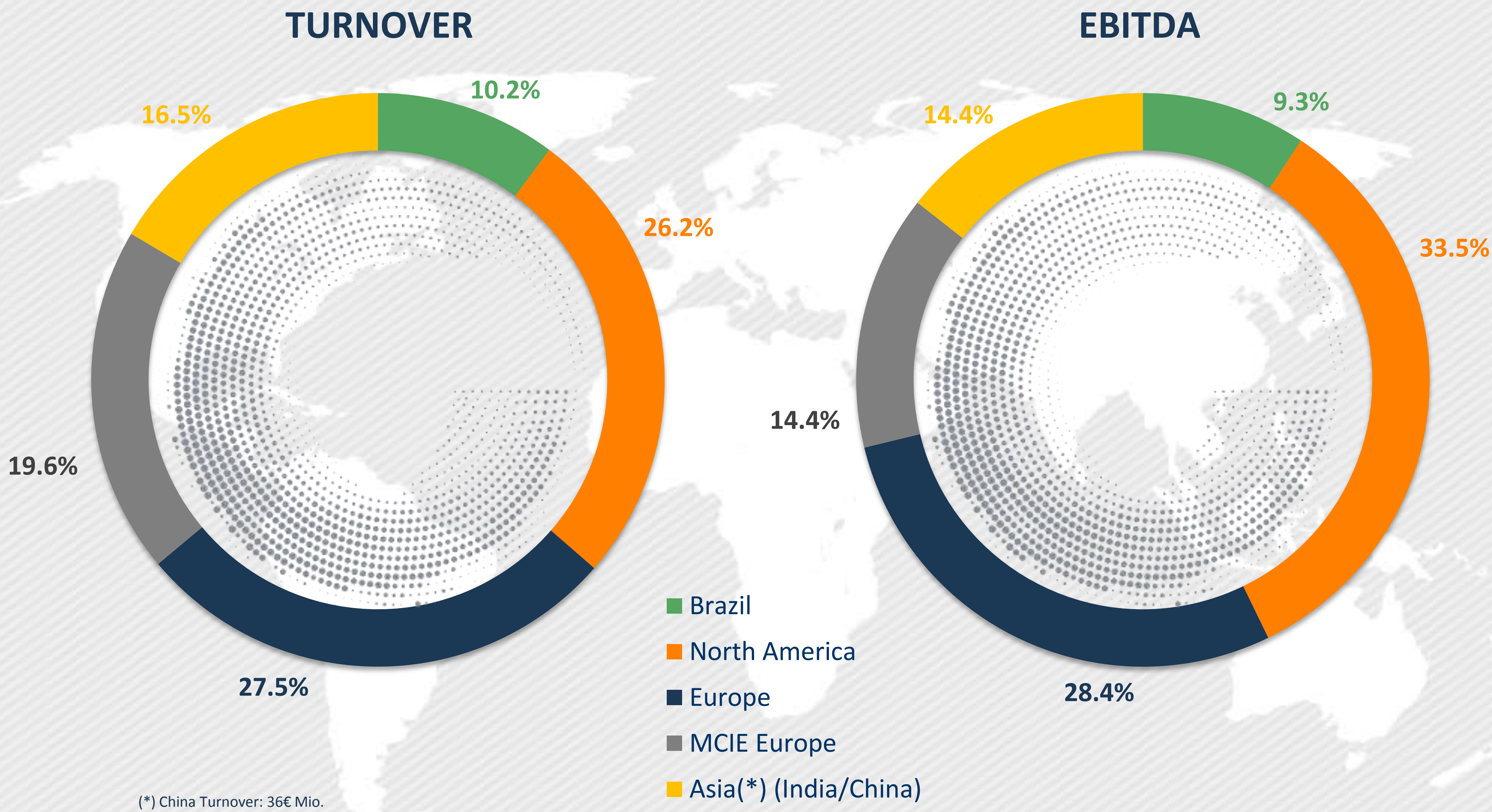
Significant increase in turnover with relevant organic growth in most relevant geographical areas unlike the evolution of the Sector in the different markets.

Excellent performance of margins, in line with previous quarters.

(€ Mio)	31/03/2018	%	31/03/2019
Turnover	765.0	+6%	812.2
EBITDA	137.4	+10%	151.0
% EBITDA on turnover	18.0%		18.6%
EBIT	104.5	+8%	112.9
% EBIT on turnover	13.7%		13.9%
Profit for the year	73.0	+13%	82.7
Net Income	63.1	+15%	72.6

Comparable figures corresponding only to the Automotive segment.

MARCH 2019 DIVISIONS CONTRIBUTION



(*) China Turnover: 36€ Mio.

MARCH 2019 DIVISIONS PROFITABILITY

MARCH 2019 vs MARCH 2018

EUROPE

Sustainable margins far above market's average

MCIE EUROPE

Stabilization of the gradual growth in margins

NORTH AMERICA

Margins significantly higher than CIE Group average

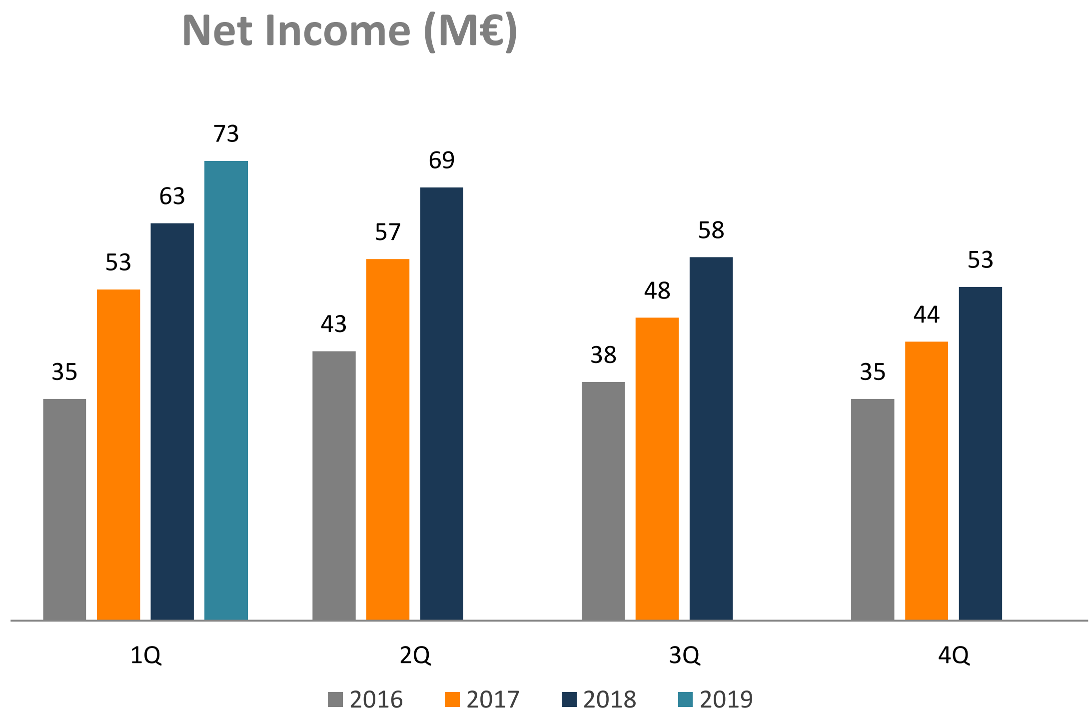
BRAZIL

Margins improvement derived from operational improvements carried out

ASIA

Continued growing margins despite the market slowdown

QUARTERLY EVOLUTION 2016/2017/2018/2019



Figures corresponding only to the Automotive segment.

2.0 BALANCE SHEET

€ Mio	31/12/2018	31/03/2019
Fixed Assets	2,267.7	2,356.9
Net Working Capital	(158.8)	(90.7)
Total Net Assets	**2,108.9**	**2,266.2**
Equity	1,048.9	1,155.2
Net Financial Debt	948.2	943.6
Others (Net)	111.8	167.4
Total Equity and Liabilities	**2,108.9**	**2,266.2**

The amount of the non-recourse factoring to 31.03.2019 is 250 MM€.

RONA	*22%*	*21%*

Net Financial Debt Movement	MARCH 2019
EBITDA	**151.0**
Financial Expenses	(7.1)
Maintenance CAPEX	(37.0)
Tax Payments	(10.6)
IFRS 16 Leases (1)	(3.9)
OPERATING CASH FLOW:	**92.4**
% OPERATING CASH FLOW / EBITDA	*61.2%*
Greenfields and Growing Capex	(18.7)
Net Working Capital Variation	(42.6)
Payment of Dividends	(40.0)
Biofuels Business Sale (2)	18.7
Exchange rate effect in NFD	0.3
Other Movements	(5.4)
FINANCIAL CASH FLOW	**4,6**
Net Financial Debt 31.12.2018	948.2
Net Financial Debt 31.03.2019	943.6

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

3.0 STRATEGIC COMMITMENTS

MISSION ACCOMPLISHED

We achieve the 2020 strategic targets one year before our commitment

GUIDANCE 2019 – 2018 PERIMETER

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

GUIDANCE 2019 – 2018 PERIMETER

	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%

GUIDANCE 2019 – 2018 PERIMETER

	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 - which includes reaching the 2020 targets a year earlier -, together with the already announced acquisitions, lead us to design a

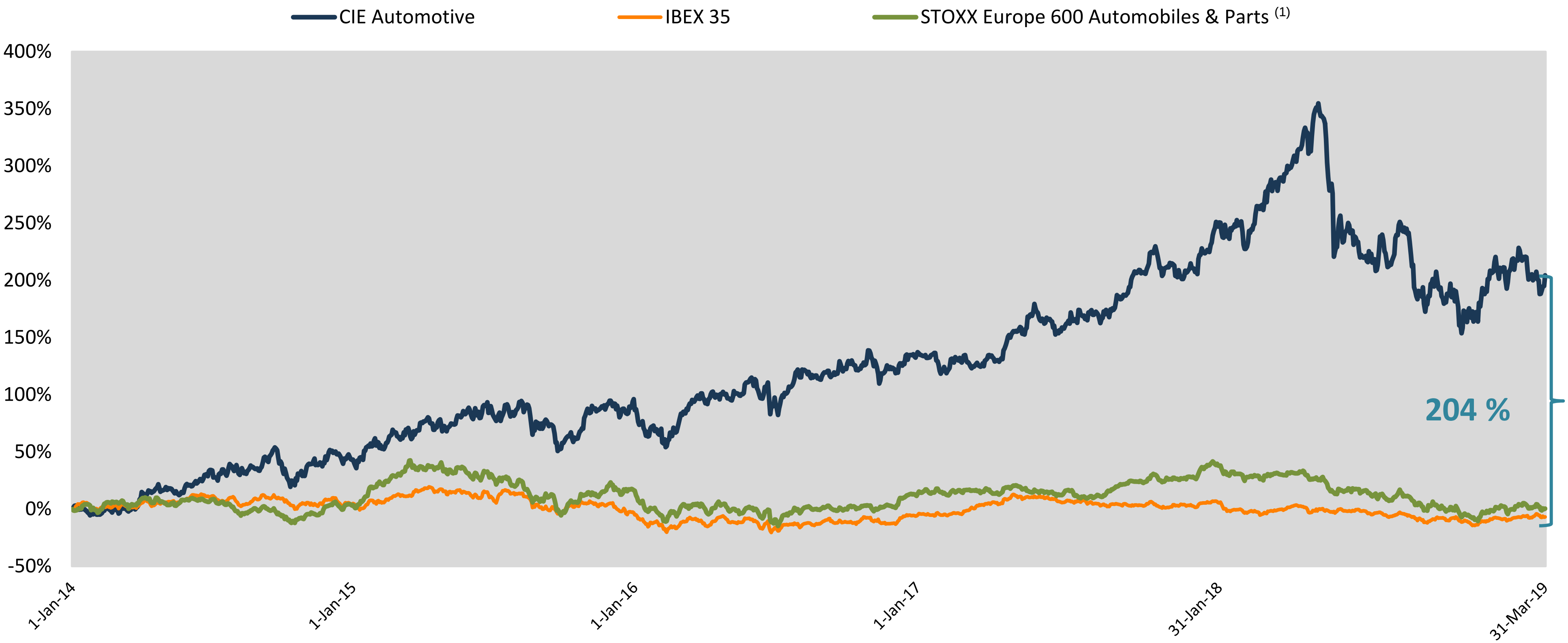
<u>New Strategic Plan</u>


CIE
2025
AMBITIOUS GROWTH

4.0 CIE IN STOCK EXCHANGE

CIE IN STOCK EXCHANGE

CIE SHARE PRICE PERFORMANCE VS IBEX 35

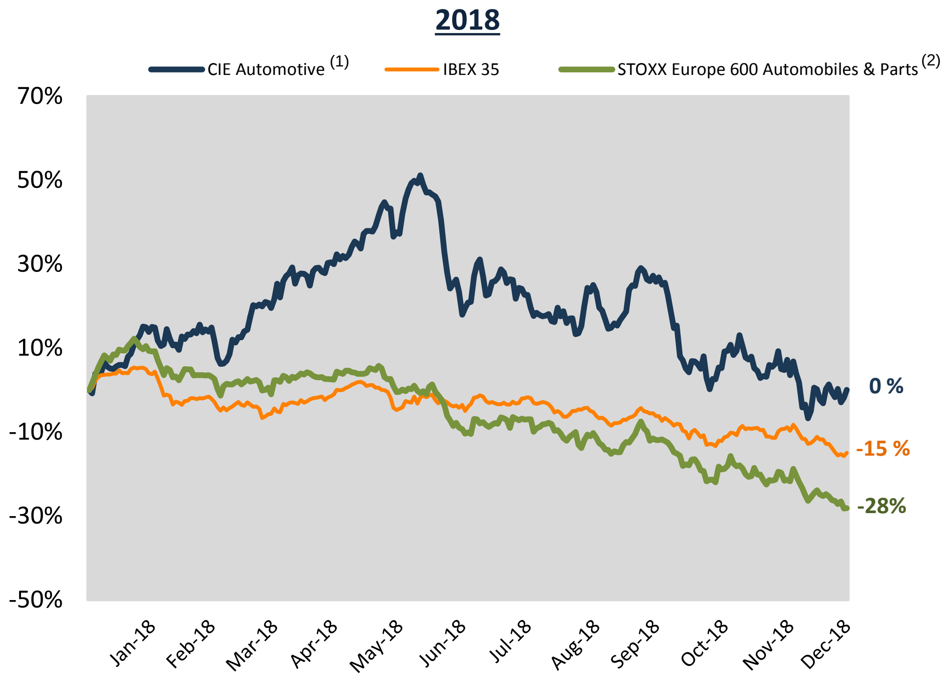


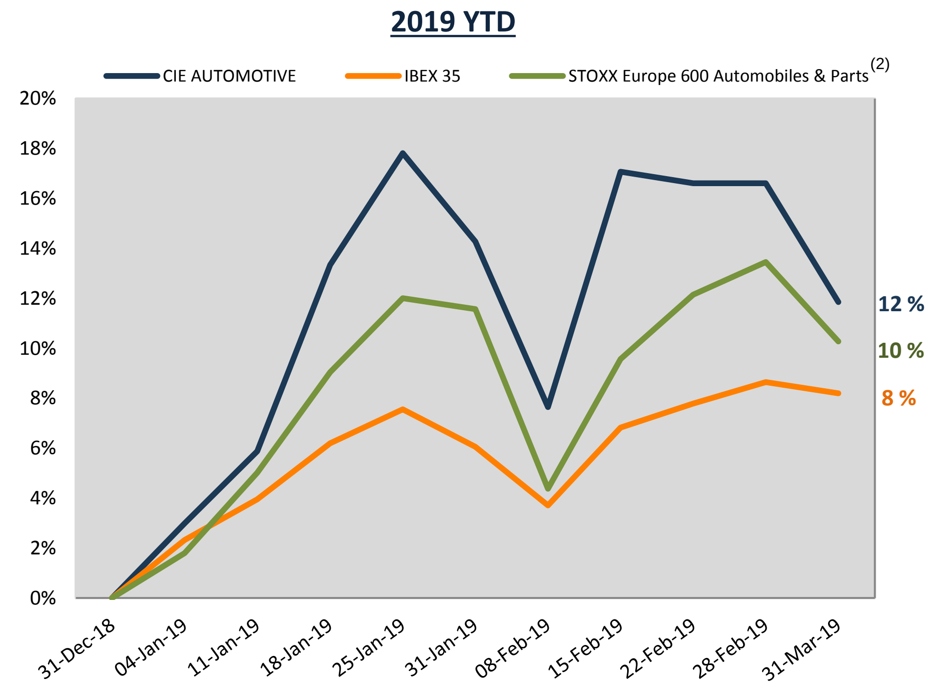
[1] STOXX Europe 600 Automobiles & Parts includes: OEMS: BMW ST, Daimler, Ferrari NV, Fiat, Peugeot, Porsche, Renault & Volkswagen. SUPPLIERS: Faurecia, Michelin, Nokian, Plastic Omnium, Rheinmetall, Schaeffler, Valeo.

During the last five years, the Stock of CIE Automotive has consistently and significantly beaten IBEX 35 index, as well as STOXX Europe 600 Automobiles & Parts.

CIE IN STOCK EXCHANGE

EVOLUTION OF CIE SHARE PRICE VS IBEX35/EURO STOXX AUTO





We understand that during 2018 the evolution of the stock has moved away from the fundamentals of the company. External factors have influenced: inclusion of the company in the IBEX 35, commercial war between US and China, multiple profit warnings announced by companies of the sector…

However, 2019 seems to have started optimistic concerning the different macro/geopolitical/sector uncertainties, what is being reflected in the positive trend of CIE's share price.

(1) 2018 Share price adjusted according to the effect of the Dominion shares dividend in kind.

(2) 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.

CIE IN STOCK EXCHANGE

	2019 Until 29/03	2018	2017	2016	2015	2014
Market Cap (M€)	3,093	2,766	3,123	2,388	1,993	1,453
Number of shares (M)	129	129	129	129	129	129
Last price of period (€)	23.98	21.44	24.21	18.52	15.45	11.27
Maximum price of period (€)	26.08	36.30	26.20	18.98	15.46	12.29
Minimum price of period (€)	20.56	19.90	17.15	11.98	10.65	7.21
Volume (thousand shares)	16,014	87,149	59,318	59,065	60,619	62,970
Effective (M€)	384	2,327	1,244	940	814	600

Source: Madrid Stock Exchange

APPENDIX

APPENDIX I.- RESULTS COMPARISON MARCH 2018

(M€)	CIE P&L PUBLISHED MARCH 2018	DOMINION[1] P&L MARCH 2018	AUTOMOTIVE P&L MARCH 2018	INTERRUPTIONS ADJUSTMENT AUTOMOTIVE[2]	COMPARABLE [3] AUTOMOTIVE P&L MARCH 2018
Turnover	1,046.0	(274.3)	771.7	(6.7)	765.0
EBITDA	151.4	(14.2)	137.2	0.2	137.4
EBIT	112.3	(8.6)	103.7	0.7	104.5
EBT	101.9	(6.7)	95.2	0.8	96.0
Tax Expenses	*(22.9)*	*0.3*	*(22.6)*	*0*	*(22.6)*
Discontinued Activities	*0.4*	*0*	*0.4*	*(0.8)*	*(0.4)*
Profit for the year	79.4	(6.4)	73.0	0	73.0
Attributable to non-controlling interest	*(13.3)*	*3.4*	*(9.8)*	*0*	*(9.8)*
Net Income	66.1	(3.0)	63.1	0	63.1

[1] Income statement of DOMINION.

[1] Income statement of Interrupted activities Automotive.

[3] Comparable Income statement of Automotive business as of 31/03/2018.

APPENDIX II.- 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.
EBIT	Net Operating Income.
EBT	Earnings Before Taxes.
Net Income	Profit attributable to the company´s shareholders.
Net Normalised 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.
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 Automotive

MANAGING HIGH VALUE ADDED PROCESSES