

SHAREHOLDERS MEETING

24 April 2018



CIE Automotive

TABLE OF CONTENTS

1. CIE Automotive in 2017

- 1. Milestones
- 2. Economic results
- 3. CIE in Stock Exchange

2. Strategic Commitment

- ❖ II Targets update 2016-2020 - Automotive

3. Q1 2018 results

1. CIE Automotive en 2017

1. Milestones

2. Economic results

3. CIE in Stock Exchange



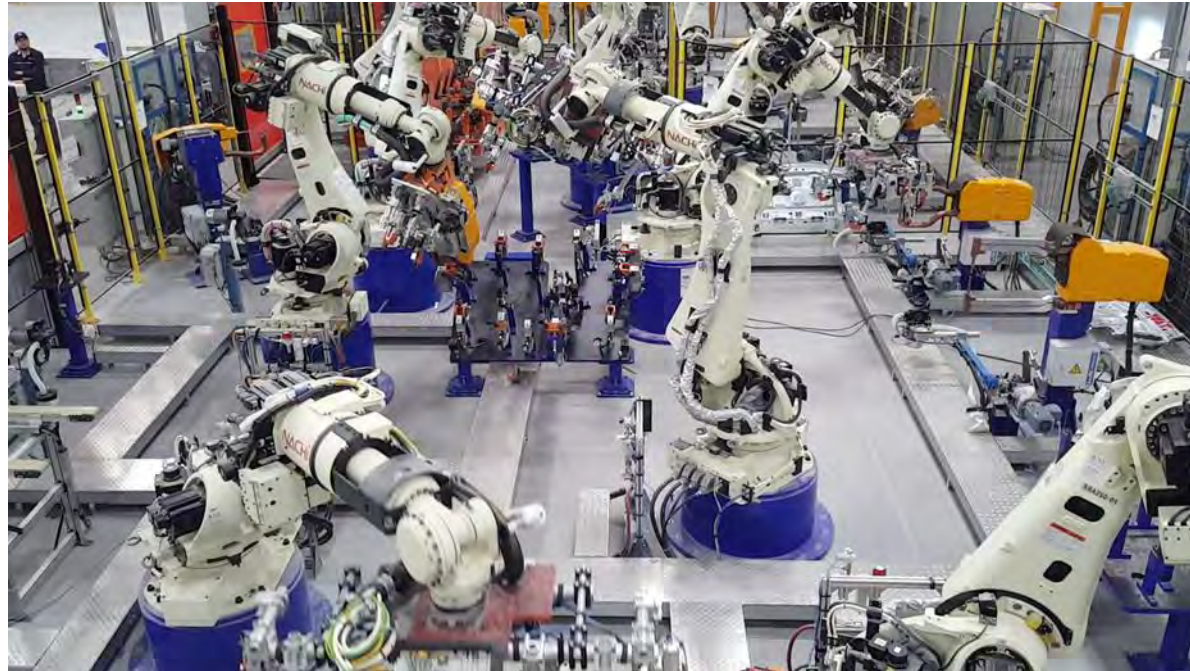
1.1 Milestones



1.1

Milestones

Organic growth



Inorganic growth

INW/COB

Phone House

1.1

Milestones



Human Resources

	2016	2017
No. of employees	26,072	30,948
Job creation (net)	3,260	4,876
Diversity		
Men	86%	84%
Women	14%	16%
Automotive		
• Europe*	6,034	6,221
• NAFTA	4,711	6,142
• Brazil	3,010	3,574
• Asia (India/China)	7,171	6,962
Smart Innovation	5,146	8,049
Lost-time injuries	630	588
Injury frequency rate	15.1	11.2
Injury severity rate	0.4	0.2

(*) CIE Maroc (Morocco) included.

1.1

Milestones

Innovation & technology

LINES OF INITIATIVE UNDERTAKEN IN 2017

- Vehicle light-weighting.
- Propulsion systems and energy storage.
- Reduction of internal combustion engine fuel consumption and emissions.
- Facility efficiency.
- Smart manufacturing processes.
- Use of new advanced materials and processes for joining dissimilar materials.

LINES OF INITIATIVE IDENTIFIED FOR 2018

- Progress on components related with electric vehicles.
- Implementation of advanced industrialisation.

In 2017, CIE Automotive earmarked about 2% of its revenue to the work undertaken by its R&D centres

READY FOR DECARBONISATION

1.1

Milestones

Corporate Social Responsibility

CIE pledged to contribute to sustainable development by upholding the 17 Sustainable Development Goals (SDGs) at the heart of the 2030 Agenda for Sustainable Development.



1.1

Milestones



Awards


- CIE Automotive awarded 'Best stock in the Top 10 on fundamentals' by financial daily elEconomista.
- As well as Dominion "The best new entrance in Stock Exchange in 2016".


1.1


Milestones

Customer recognition

		
OPEX (OPERATIONAL EXCELLENCE) BRAZIL CIE AUTOMETAL DIADEMA	EXCELLENT QUALITY SUPPLIER MEXICO CIE PEMSA CELAYA	QUALITY EXCELLENCE INDIA BILL FOR GE
<i>OpEx (Operational Excellence).</i> Prize awarded for the best performance in terms of defect-free parts deliveries.	Excellent quality supplier.	<i>Quality Excellence.</i>


BEST SUPPLIER BRAZIL CIE JARDIM SISTEMAS
Best supplier.

		
BEST PLANT SPAIN ACS IBÉRICA	BEST PLANT SPAIN CIE NORMA	BEST PLANT FRANCE CIE COMPIÈGNE
<i>Best plant:</i> the second year in a row that this factory was named the best overall facility.	<i>Best plant.</i>	<i>Best Plant:</i> the third year in a row that this factory was named the best overall facility. As a result, it has been elevated to the status of 'Best of the best plants', a distinction only 11 PSA suppliers have achieved.


KEY SUPPLIER SPAIN CIE GAMEK O
Key supplier.

1.1

Milestones

Customer recognition



SQEP CHINA

NANJING AUTOMOTIVE FOR GING

SQEP INDIA

MCIE GEARS

SQEP (Supplier Quality Excellence Process).

Supplier for 10 years in a row.

SQEP (Supplier Quality Excellence Process).



BENCHMARK SUPPLIER MEXICO

CIE PEMSA SALTILLO

Benchmark supplier, having obtained the highest score in all of NAFTA in the WCM audit.



20 YEARS OF COLLABORATION BRAZIL

CIE DURAMETAL

Prize for 20 years of collaboration and alliance.



EX CELLENCE IN QUALITY MEXICO

CIE MATIC

Prize awarded by Nexteer Planta Querétaro for the firm's contribution to achieving excellence in quality.



LOGISTIC AWARD SLOVAKIA

CIE MAR SK

Logistic award.



ZERO DEFECT INDIA

MCIE GEARS

Zero Defect Quality Culture.



BEST QUALITY IMPROVEMENT FRANCE

ACS FRANCE

Best quality improvement.

1. CIE Automotive in 2017

1. Milestones

2. Economic results

3. CIE in Stock Exchange



1.2

Economic results



**CIE Automotive
has beaten its
historical records
again**

2017 CIE Group results

(€ Mio)	31/12/2016	%	31/12/2017
Turnover	2,879.0	+29%	3,724.5
Adjusted Turnover ⁽¹⁾	2,879.0	+26%	3,626.0
EBITDA (*)	407.5	+30%	530.4
% EBITDA on turnover	14.2%		14.6%
EBIT (*)	279.3	+35%	376.2
% EBIT on turnover	9.7%		10.4%
Profit for the year	190.2	+36%	258.2
Net Income (*)	162.4	+33%	215.4

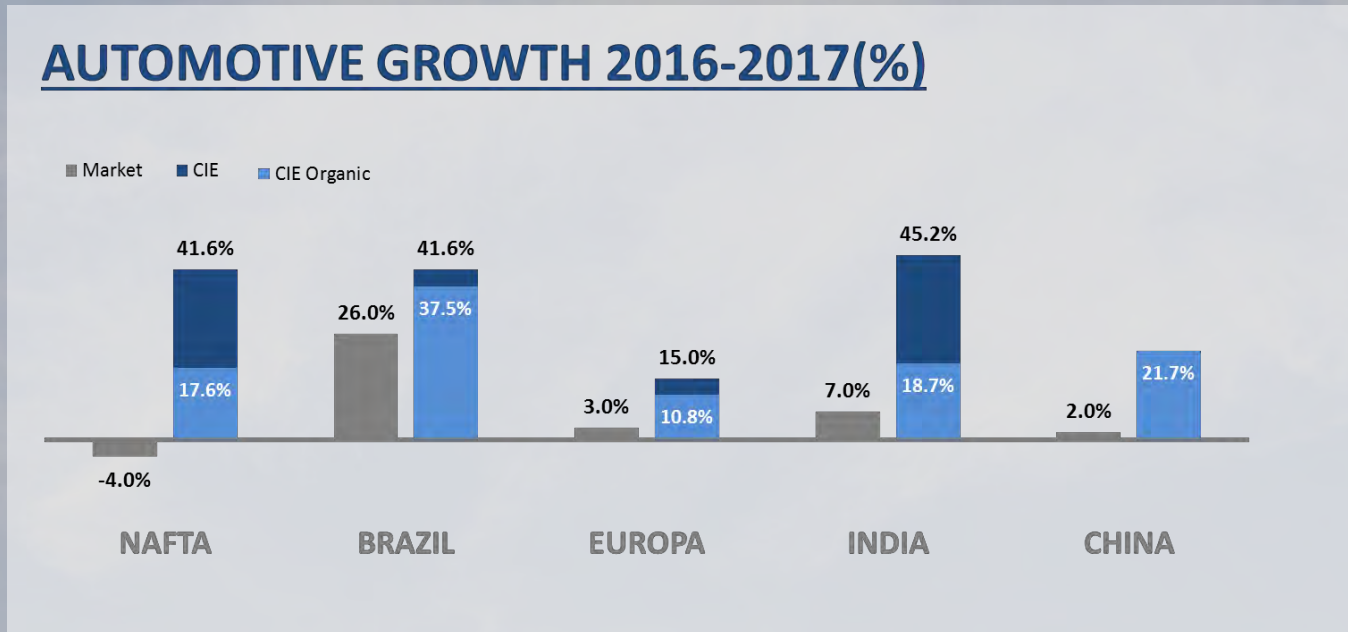
(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income, Net Income: Profit attributable to the company's shareholders

(1) Adjusted Turnover: Net revenue from sales of terminals in the Commercial Services business

1.2

Economic results

2017 Automotive results



Global production +2,0%
CIE Total +27,0%
CIE Organic ⁽¹⁾ +16,1%

Source: Motor vehicle production IHS January 2018 (12 Months) (growth % in units)

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

1.2

Economic results



2017 Automotive results

(€ Mio)	31/12/2016	%	31/12/2017
Turnover	2,266.5	+27%	2,881.2
EBITDA (*)	360.3	+31%	472.7
% EBITDA on turnover	15.9%		16.4%
EBIT (*)	246.5	+37%	338.1
% EBIT on turnover	10.9%		11.7%

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income.

1.2

Economic results



2017 Automotive results

EARNINGS BY REGION

	Revenue (€million)	Revenue mix, %	EBITDA mix, %
Europe	879.6	30.5%	30.5%
Mahindra Europe	498.8	17.3%	14.2%
NAFTA	718.8	24.9%	32.5%
Brazil	304.1	10.6%	9.1%
Asia (India China)	479.9	16.7%	13.7%

1.2

Economic results

2017 Automotive results

Divisions profitability 2017 vs 2016

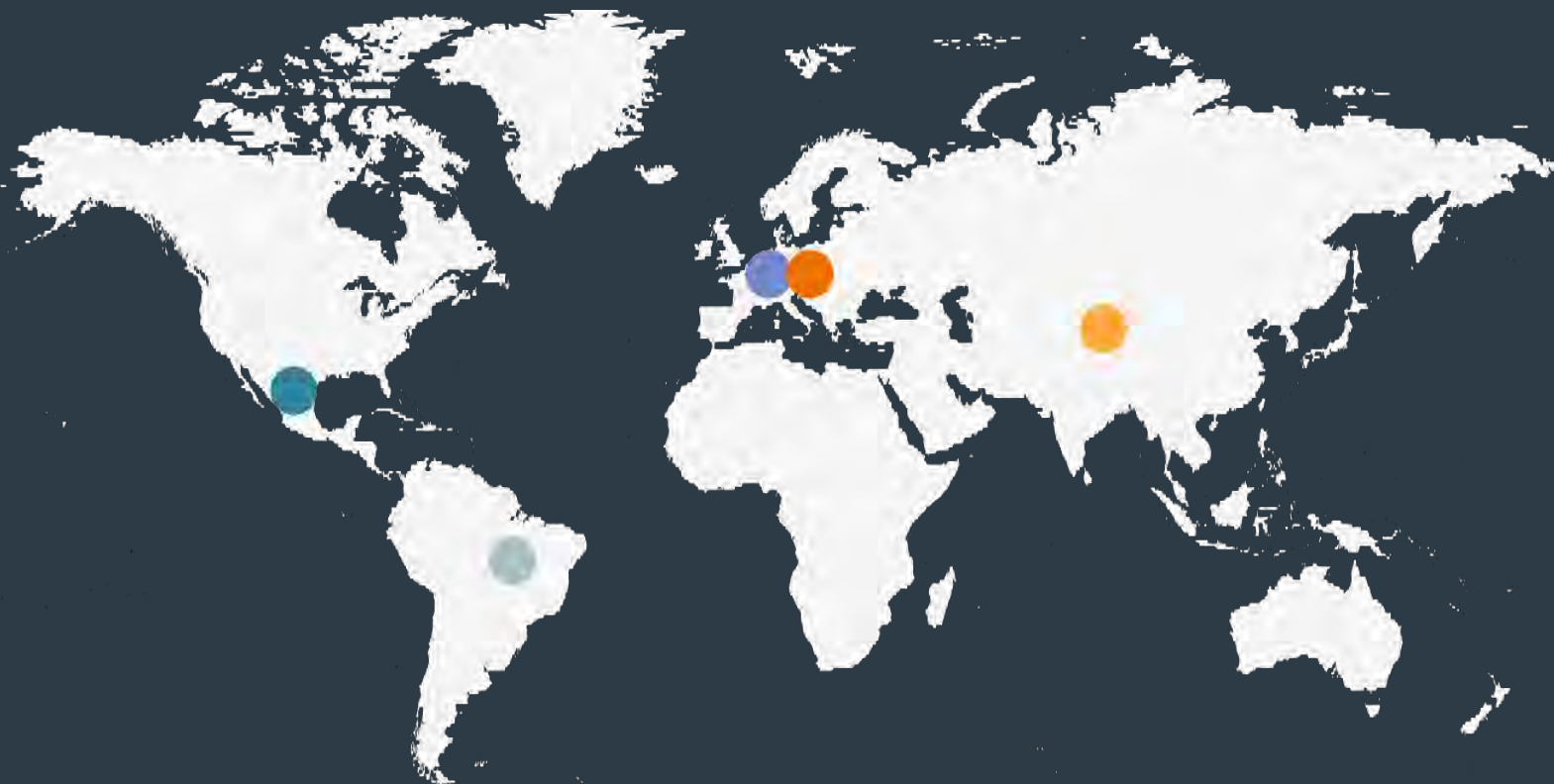
● **NAFTA**
EBITDA 21,4% vs 23,0%
EBIT 17,2% vs 18,6%

● **BRASIL**
EBITDA 14,2% vs 8,4%
EBIT 10,7% vs 4,1%

● **EUROPA**
EBITDA 16,4% vs 17,4%
EBIT 10,6% vs 11,2%

● **MCIE EUROPA**
EBITDA 13,4% vs 11,4%
EBIT 9,0% vs 7,0%

● **ASIA (India/China)**
EBITDA 13,5% vs 12,2%
EBIT 9,1% vs 7,7%



1.2

Economic results



2017 Dominion results

(€ Mio)	31/12/2016	%	31/12/2017
Turnover	612.5	+38%	843.3
Adjusted Turnover ⁽¹⁾	612.5	+22%	744.8
EBITDA (*)	47.2	+22%	57.7
% EBITDA on adjusted turnover	7.7%		7.7%
EBIT (*)	32.8	+16%	38.1
% EBIT on adjusted turnover	5.4%		5.1%

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income, Net Income: Profit attributable to the company's shareholders.

(**) EBITA: Net Operating Income + PPA Depreciation.

(1) Adjusted Turnover: Net revenue from sales of terminals in the Commercial Services business

1.2

Economic results

The continued improvement in the returns obtained on the Group's assets drove the RONA to 19%, up from 16% in 2016.

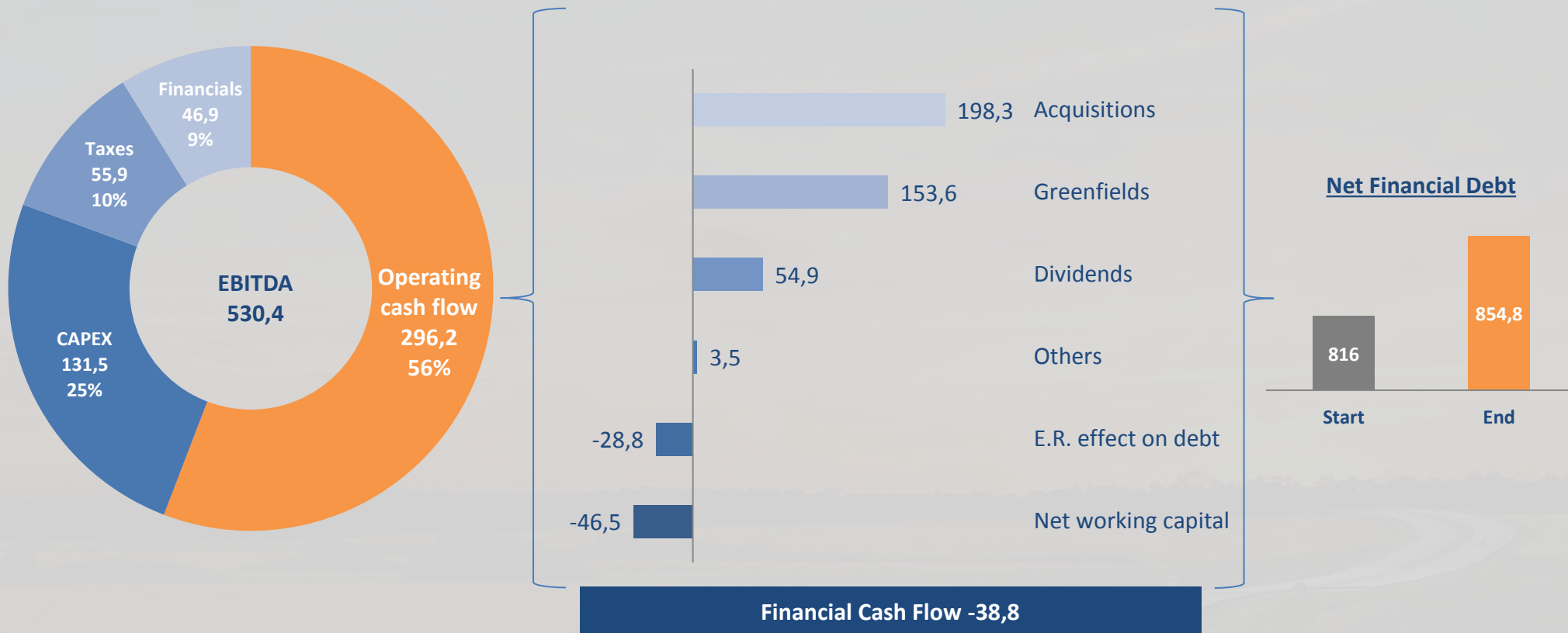
Balance Sheet

€ Mio	31/12/2016	31/12/2017
Fixed Assets	2,480.5	2,660.8
Net Working Capital	(248.9)	(350,6)
Total Net Assets	2,231.6	2,310.2
Equity	1,263.3	1,336.9
Net Financial Debt (*)	816.2	854.8
Others (Net)	152.1	118.5
Total Equity and Liabilities	2,231.6	2,310.2

1.2

Economic results

Cash flow & Debt (MM€)



1.2

Economic results



Net Financial Debt



1. CIE Automotive in 2017

1. Milestones

2. Economic results

3. CIE in Stock Exchange

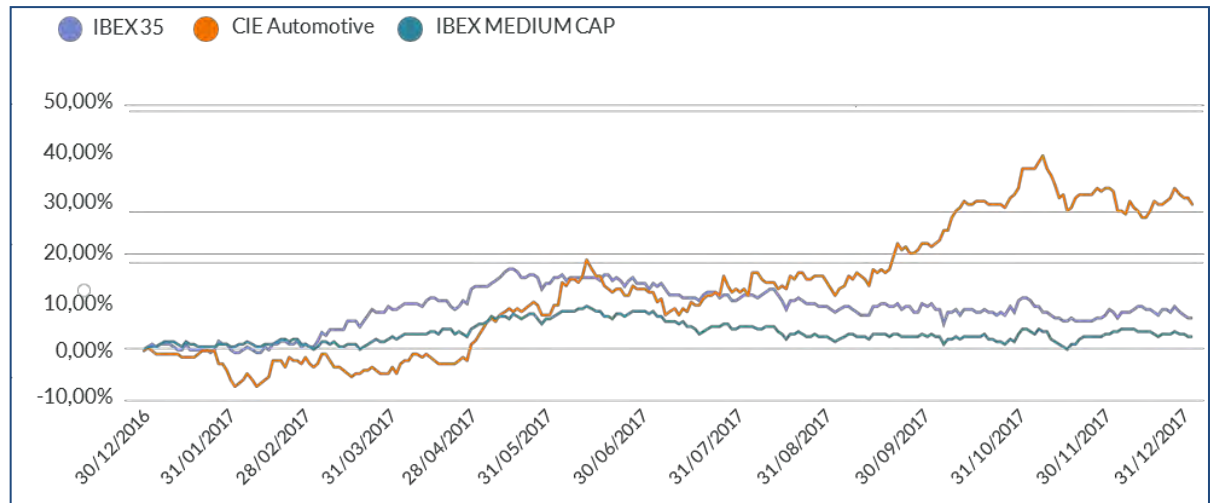


1.3

CIE in Stock Exchange

CIE Automotive did better than all the main Spanish stock indices, outperforming the IBEX-35 by 23%.

CIE share price performance vs Ibex35 & IBEXMCP



1.3

CIE in Stock Exchange

	2017	2016	2015	2014	2013
Market Cap (€ Mio)	3.123	2.388	1.993	1.453	951
Number of shares (Mio)	129	129	129	129	119
Last price of period (euros)	24,21	18,52	15,45	11,27	8,00
Maximum price of period (euros)	26,20	18,98	15,46	12,29	8,35
Minimum price of period (euros)	17,15	11,99	10,65	7,21	5,00
Volume (thousand shares)	59.318	59.065	60.619	62.970	44.953
Effective (€ Mio)	1.244	940	814	600	277

Source: Madrid Stock Exchange

2. Strategic Commitment

- ❖ II Targets update 2016-2020
 - Automotive

II TARGETS UPDATE 2016-2020 – AUTOMOTIVE

Current plant perimeter – Future M&A during 2018-2020 not included

**^ TURNOVER
2018-2020:**

**~3x
MARKET**

IN 2020:

**EBITDA > 18%
EBIT > 14%
EAT > 10%
over sales**

IN 2020:

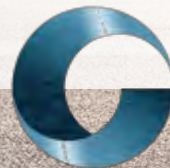
RONA ~23%

IN 2020:

**OPERATING
CASH FLOW
~55% EBITDA**

IN 2020:

**NFD /
EBITDA ~1x**



TARGETS UPDATE 2020 - AUTOMOTIVE

Current plant perimeter – Future M&A during 2018-2020 not included

• Performance

	Starting point 2015	Original 2020 Targets	II Update 2020 Targets
GROWTH	-	2x Market 2016-2020	~ 4x Market 2016-2020
EBITDA⁽¹⁾ /SALES	15.4%	> 17%	> 18%
EBIT⁽²⁾ /SALES	10.2%	~ 13,0%	> 14.0%
NET PROFIT⁽³⁾	118 € Mio	x2	X2.5

(1) EBITDA: Net Operating Income + Amortization & Depreciation.

(2) EBIT: Net Operating Income.

(3) Net Profit: Profit attributable to the company's shareholders.

TARGETS UPDATE 2020 - AUTOMOTIVE

Current plant perimeter – Future M&A during 2018-2020 not included

• Balance Sheet

Starting point 2015	Original 2020 Targets	II Update 2020 Targets	
16%	> 20%	~ 23%	RONA ⁽¹⁾
2.0x	~ 0.7x	~ 1.0x	NFD ⁽²⁾ /EBITDA
50%	~ 50%	~ 55%	OPERATING CASH FLOW ⁽³⁾
7.5%	~ 7% 2016-2020	~ 7.5% 2016-2020	CAPEX

(1) RONA = EBIT / Net Assets (Fixed Assets + Net Working Capital – Goodwill not associated to cash outs).

(2) NFD = Debt with banks and other financial institutions – Cash and equivalents.

(3) Cash Flow Generation = (EBITDA – Financial Expenses – Maintenance Investment – Tax Payments) / EBITDA.

STRATEGIC PLAN HIGHLIGHTS - AUTOMOTIVE

> 200pp of improvement of operating margins in the next 3 years

The profit of the year before minority interest exceeds 10% on sales in 2020

Growth of Net Result of ~ 50% in the next 3 years

More than 60 € Mio of additional Net Result in 2020 to the initially planned

400 € Mio more dividends for Dominion shares settlement and for additional result

3.

Q1 2018 results

HIGHLIGHTS MARCH 2018

	31/03/2017	%	31/03/2018
Adjusted Turnover ⁽¹⁾	863,4	+12%	964,0
EBITDA (*) (MM€)	130,0	+16%	151,4
Net Income (*) (MM€)	54,9	+21%	66,1
Share Price (€ per share)	18,48	+57%	29,00
Net Financial Debt /EBITDA (**)	1,98x		1,69x

(1) Adjusted Turnover: Net revenue from sales of terminals in the Commercial Services business.

(*) EBITDA: Net Operating Income + Depreciation, Net Income: Profit attributable to the company's shareholders.

(**) EBITDA of last 12 months annualized in those companies incorporated to perimeter during the period.

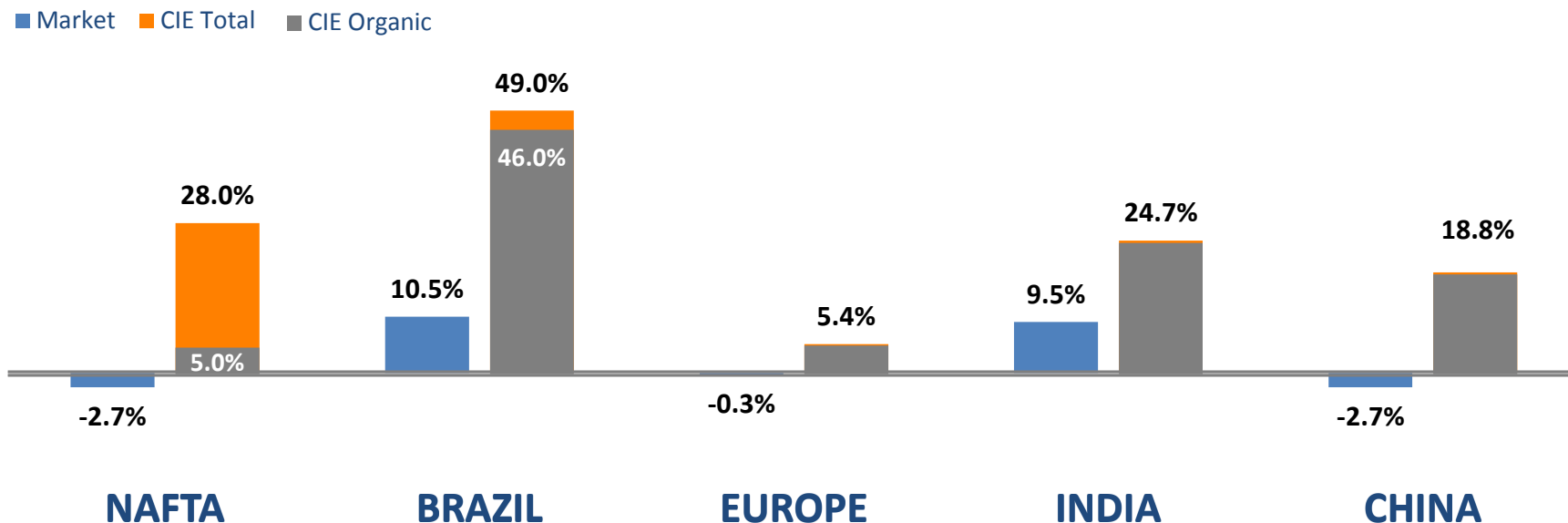
3.

Q1 2018 RESULTS

Automotive



AUTOMOTIVE GROWTH 2017-2018(%)



Global Production -0.7%
CIE Total +16.7%
CIE Organic⁽¹⁾ +12.1%

Source: Motor vehicle production IHS APRIL 2018 (3 Months) (growth % in units).

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



MARCH 2018 RESULTS

AUTOMOTIVE

(€ Mio)	31/03/2017	%	31/03/2018
Turnover	703.1	+10%	771.7
EBITDA (*)	118.9	+15%	137.2
% EBITDA on turnover	16.9%		17.8%
EBIT (*)	85.2	+22%	103.7
% EBIT on turnover	12.1%		13.4%

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income.

3.

Q1 2018 RESULTS

Dominion

MARCH 2018 RESULTS

DOMINION

(€ Mio)	31/03/2017	%	31/03/2018
Turnover	160.3	+71%	274.3
Adjusted Turnover ⁽¹⁾	160.3	+20%	192.3
EBITDA (*)	11.1	+28%	14.2
% EBITDA on adjusted turnover	6.9%		7.4%
EBIT (*)	7.0	+23%	8.6
% EBIT on adjusted turnover	4.4%		4.5%

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income, Net Income: Profit attributable to the company's shareholders.

(**) EBITA: Net Operating Income + PPA Depreciation.

⁽¹⁾ Adjusted Turnover: Net revenue from sales of terminals in the Commercial Services business.

3.

Q1 2018 RESULTS

Consolidated results



MARCH 2018 CIE GROUP RESULTS

(MM€)	31/03/2017	%	31/03/2018
Turnover	863.4	+21%	1,046.0
Adjusted Turnover ⁽¹⁾	863.4	+12%	964.0
EBITDA (*)	130.0	+16%	151.4
% EBITDA on adjusted turnover	15.1%		15.7%
EBIT (*)	92.2	+22%	112.3
% EBIT on adjusted turnover	10.7%		11.7%
Profit for the year	64.9	+22%	79.4
Net Income (*)	54.9	+21%	66.1

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income, Net Income: Profit attributable to the company's shareholders.

⁽¹⁾ Adjusted Turnover: Net revenue from sales of terminals in the Commercial Services business.

3.

Q1 2018 RESULTS

CIE in Stock Exchange

CIE IN STOCK EXCHANGE

	2018 Until 31/03	2017	2016	2015	2014	2013
Market Cap (€ Mio)	3,741	3,123	2,388	1,993	1,453	951
Number of shares (Mio)	129	129	129	129	129	119
Last price of period (euros)	29.00	24.21	18.52	15.45	11.27	8.00
Maximum price of period (euros)	29.28	26.20	18.98	15.46	12.29	8.35
Minimum price of period (euros)	23.70	17.15	11.99	10.65	7.21	5.00
Volume (thousand shares)	12,128	59,318	59,065	60,619	62,970	44,953
Effective (€ Mio)	327	1.244	940	814	600	277

Source: Madrid Stock Exchange

*Just half way through our 2016-2020 strategic plan,
we have already achieved initial objective set to*

***DOUBLE THE VALUE
OF THE COMPANY***



THANK YOU



CIE Automotive

www.cieautomotive.com