



**MID TERM FINANCIAL REPORT  
MARCH 31<sup>ST</sup> 2018**



MANAGING HIGH VALUE ADDED PROCESSES GLOBALLY

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- CIE 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.

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# 1.

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## March 2018 Results



# HIGHLIGHTS MARCH 2018

	31/03/2017	%	31/03/2018
Turnover (€ Mio)	863.4	+21%	1,046.0
EBITDA (*) (€ Mio)	130.0	+16%	151.4
Net Income (*) (€ Mio)	54.9	+21%	66.1
Equity (€ Mio)	1,334.6	+3%	1,379.7
Net Income per share (€)	0.43		0.51
Share Price (€ per share)	18.48	+57%	29.00
NFD/EBITDA (**)	1.98x		1.69x

(\*) 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.

# 1.

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March 2018 Results

## Automotive



# MARCH 2018 RESULTS

## AUTOMOTIVE

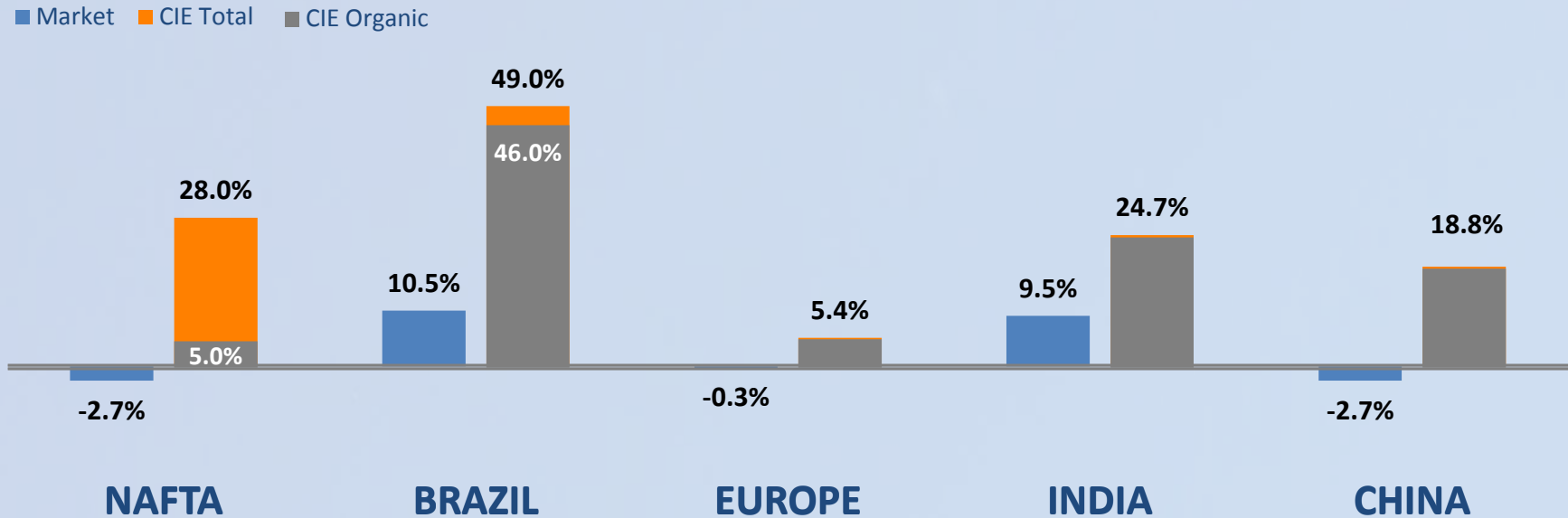
*Significant increase in turnover with relevant organic growth in all geographical areas.*

*Excellent performance of margins, in line with previous quarters.*

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

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

# AUTOMOTIVE GROWTH 2017-2018(%)

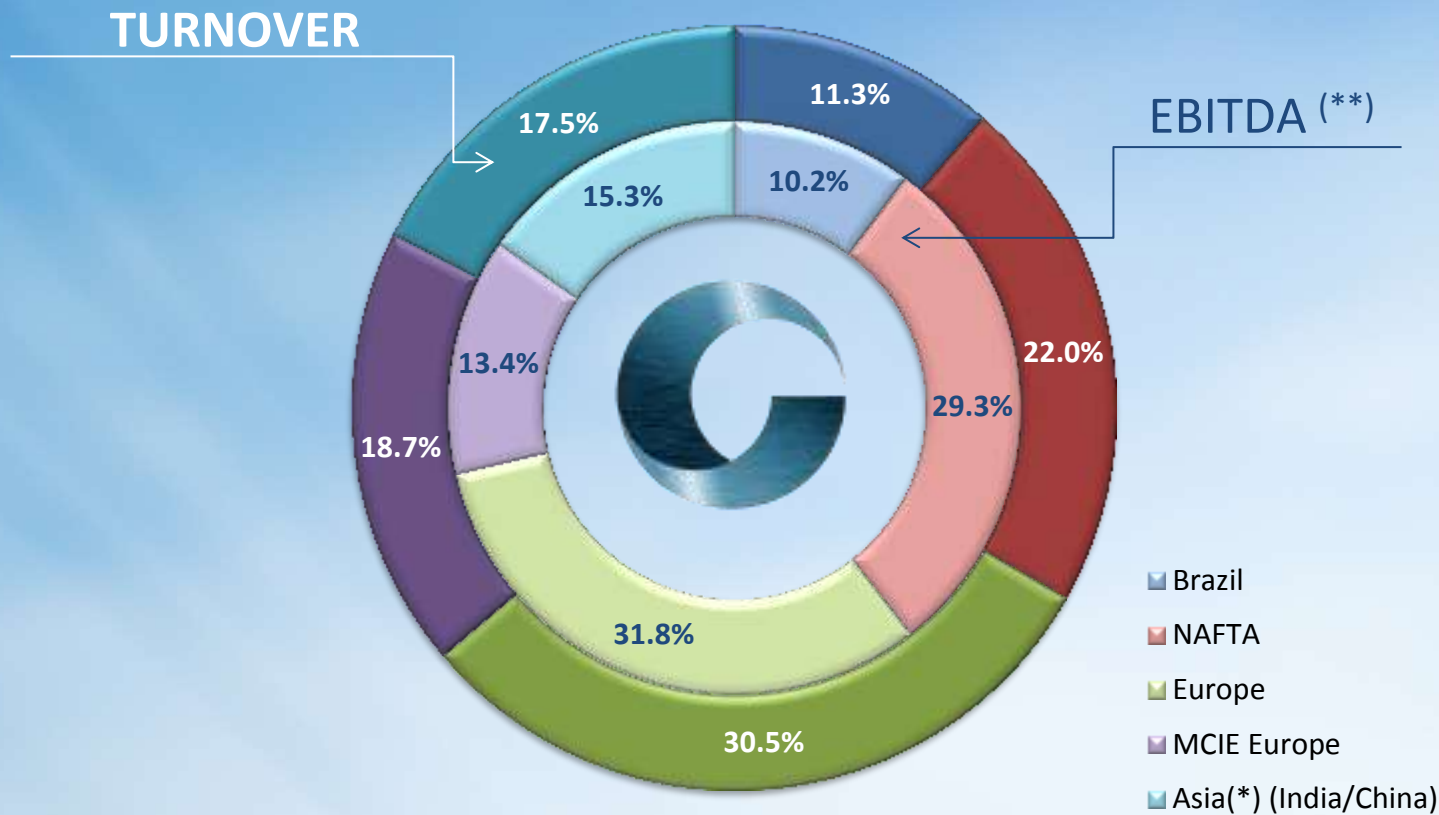


**Global Production -0.7%**  
**CIE Total +16.7%**  
**CIE Organic<sup>(1)</sup> +12.1%**

Source: Motor vehicle production IHS APRIL 2018 (3 Months) (growth % in units).  
 (1) Increase in revenue including greenfields, considering same exchange rates.



# MARCH 2018 DIVISIONS CONTRIBUTION

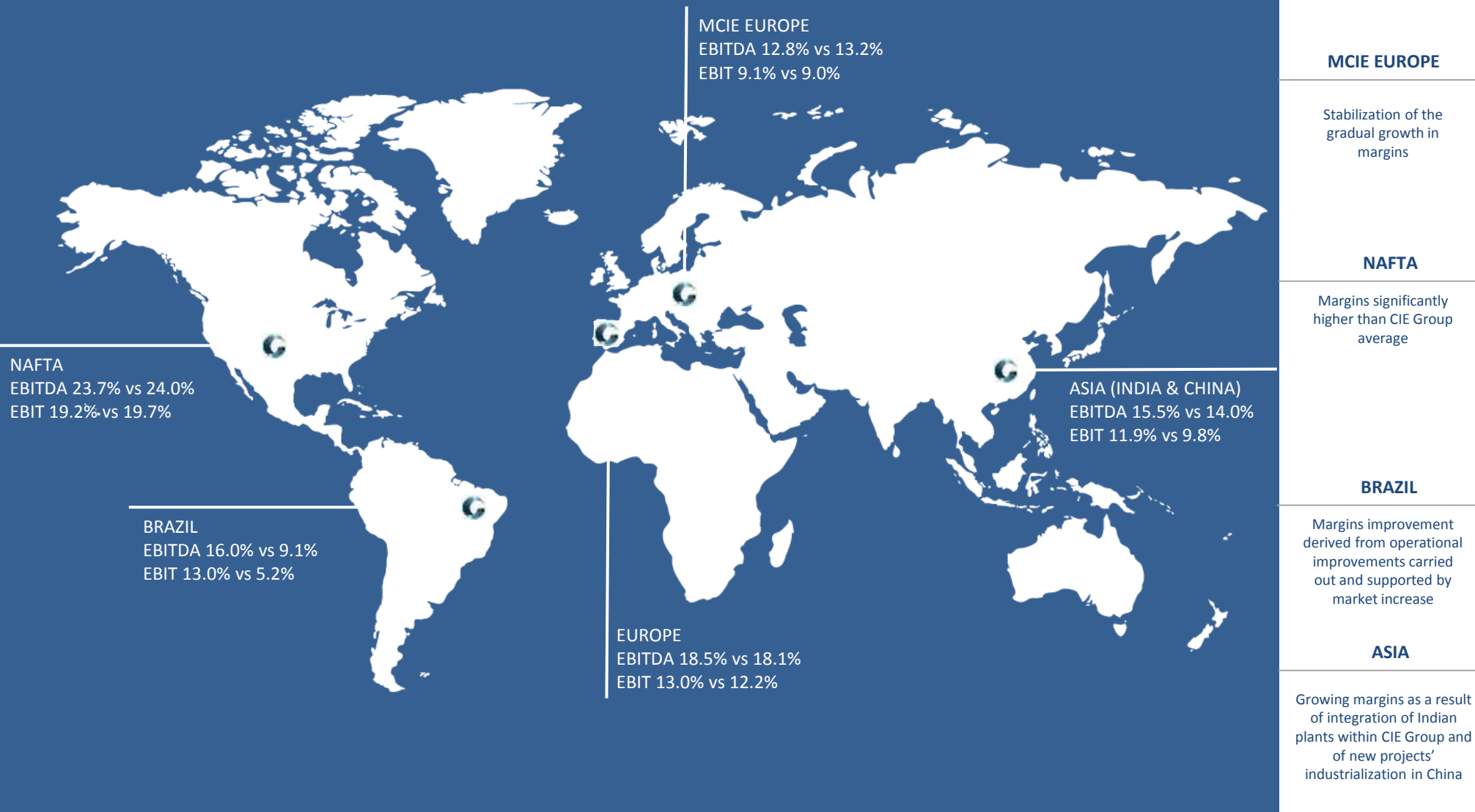


(\*) China Turnover: 38 € Mio.

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

# MARCH 2018 DIVISIONS PROFITABILITY

## 31/03/2018 vs 31/03/2017



# 1.

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March 2018 Results

# Dominion

Meeting goals, adjusted turnover growth of ≈23% without negative FOREX effect of ≈3.5% and organic growth at comparable perimeter of ≈11% above strategic guidance of 7%.

Increase of ≈28% and ≈ 22% in EBITDA(\*) and EBITA(\*\*) supported by operating leverage and including different depreciation profile of Phone House.

Net Income(\*) increase of ≈34% after new companies' acquisition and supported by EBIT(+) improvement and balance sheet expenses.

# MARCH 2018 RESULTS

## DOMINION

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

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



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March 2018 Results

# Consolidated Results



# MARCH 2018 CIE GROUP RESULTS

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

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

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

# MARCH 2018 GROWTH

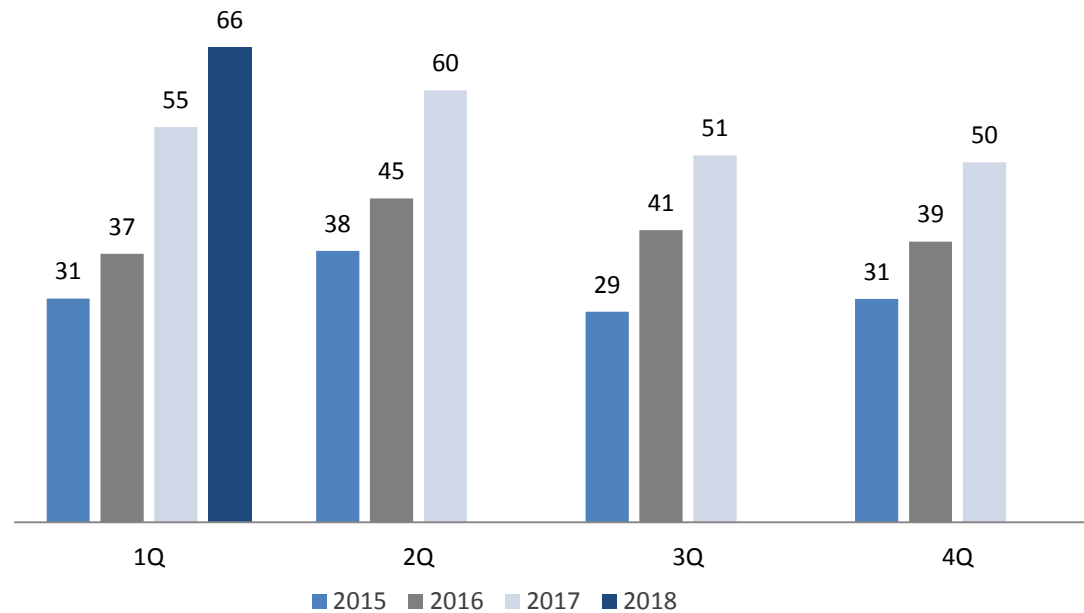
	<b>AUTOMOTIVE TOTAL</b>	<b>DOMINION TOTAL</b>	<b>CIE TOTAL</b>
Organic Growth (*)	<b>12.1%</b>	<b>10.8%</b>	<b>12.0%</b>
Inorganic Growth	<b>4.6%</b>	<b>12.7%</b>	<b>6.1%</b>
<i>2018 Growth at same exchange rates</i>	<b>16.7%</b>	<b>23.5%</b>	<b>18.0%</b>
Forex (**)	<b>-7.0%</b>	<b>-3.5%</b>	<b>-6.4%</b>
<b>2018 Total Growth</b>	<b>9.7%</b>	<b>20.0%</b>	<b>11.6%</b>

(\*) Increase in revenue including greenfields.

(\*\*) Forex by divisions: NAFTA -17.0%, Brasil -23.8%, China -7.2%, India -12.2%, Dominion -3.5%.

# QUARTERLY EVOLUTION 2015/2016/2017/2018

Net Income<sup>(\*)</sup> (€ Mio)



(\*) Net Income: Profit attributable to the company's shareholders.



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## Balance Sheet



# BALANCE SHEET

€ Mio	31/12/2017	31/03/2018
Fixed Assets	2,660.8	2,669.9
Net Working Capital	(350.6)	(260.3)
<b>Total Net Assets</b>	<b>2,310.2</b>	<b>2,409.6</b>
Equity	1,336.9	1,379.7
Net Financial Debt (*)	854.8	936.5
Others (Net)	118.5	93.4
<b>Total Equity and Liabilities</b>	<b>2,310.2</b>	<b>2,409.6</b>

*The amount of the non-recourse factoring to 31.03.2018 is 258€ Mio.*

<b>NFD/Equity</b>	<b>0.64x</b>	<b>0.68x</b>
<b>RONA (**)</b>	<b>19%</b>	<b>19%</b>

(\*) 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).

NFD/EBITDA<sup>(4)</sup>

1.69X

## CASH FLOW

Net Financial Debt Movement	MARCH 2018
<b>EBITDA</b>	<b>151.4</b>
Financial Expenses	(10.0)
Maintenance CAPEX <sup>(1)</sup>	(41.7)
Tax Payments	(11.4)
<b>OPERATING CASH FLOW:</b>	<b>88.3</b>
<i>% OPERATING CASH FLOW / EBITDA</i>	<i>58.3%</i>
Greenfields and Growing Capex	(29.0)
Net Working Capital Variation	(75.6)
Payment of Dividends	(36.0)
Current year Business Combinations <sup>(2)</sup>	(1.0)
Previous years acquisition payments <sup>(3)</sup>	(28.4)
Exchange rate effect in NFD	5.0
Other Movements	(5.0)
<b>FINANCIAL CASH FLOW</b>	<b>(81.7)</b>
Net Financial Debt 31.12.2017	854.8
Net Financial Debt 31.03.2018	936.5

(1) Maintenance CAPEX: The one related to the renovation of the facilities to face market growth.

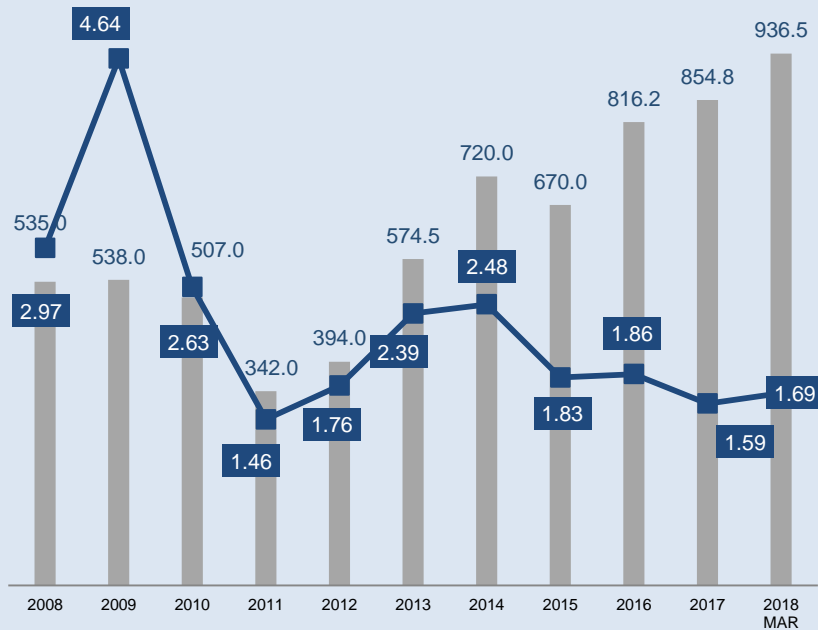
(2) Acquisition of 100% of the share capital of the Brazilian subsidiary Zanini Industria de Autopeças Ltda.

(3) Dominion Group's pending acquisitions payments: International Chimney Corporation, Commonwealth Dynamics, Inc and The Phone House.

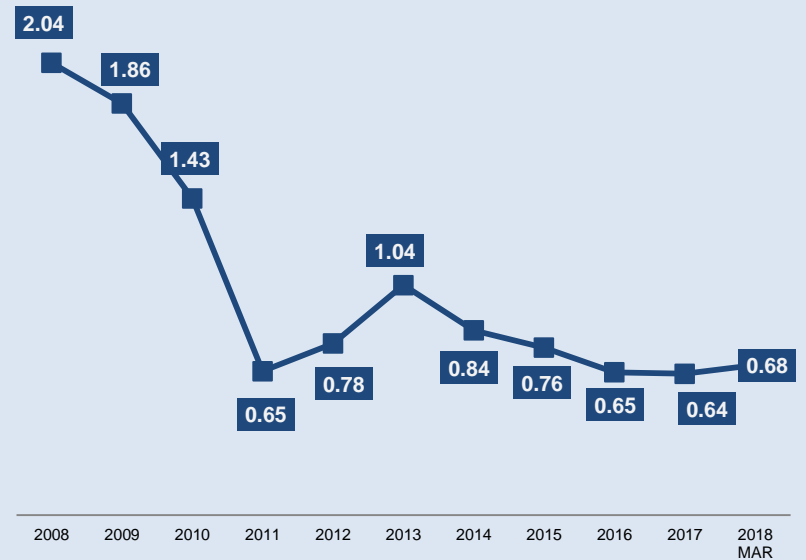
(4) Last annualized 12 months EBITDA from new companies integrated during the period.

# NET FINANCIAL DEBT EVOLUTION

Net Financial Debt (€ Mio)  
NFD(\*)/EBITDA



NFD(\*)/Equity



(\*) NFD = Net Financial Debt = Debt with banks and other financial institutions – Cash and equivalents / EBITDA: Net Operating Income + Depreciation 12 last months.



# 3.

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## Strategic Commitments



# 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:**

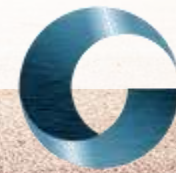
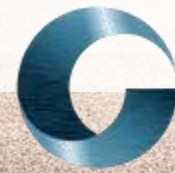
**RONA ~23%**

**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
<b>GROWTH</b>	-	<b>2x Market 2016-2020</b>	<b>~ 4x Market 2016-2020</b>
<b>EBITDA<sub>(1)</sub> /SALES</b>	<b>15.4%</b>	<b>&gt; 17%</b>	<b>&gt; 18%</b>
<b>EBIT<sub>(2)</sub> /SALES</b>	<b>10.2%</b>	<b>~ 13,0%</b>	<b>&gt; 14.0%</b>
<b>NET PROFIT<sub>(3)</sub></b>	<b>118 € Mio</b>	<b>x2</b>	<b>X2.5</b>

(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 <sup>(1)</sup>
2.0x	~ 0.7x	~ 1.0x	NFD <sup>(2)</sup> /EBITDA
50%	~ 50%	~ 55%	OPERATING CASH FLOW <sup>(3)</sup>
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



# 4.

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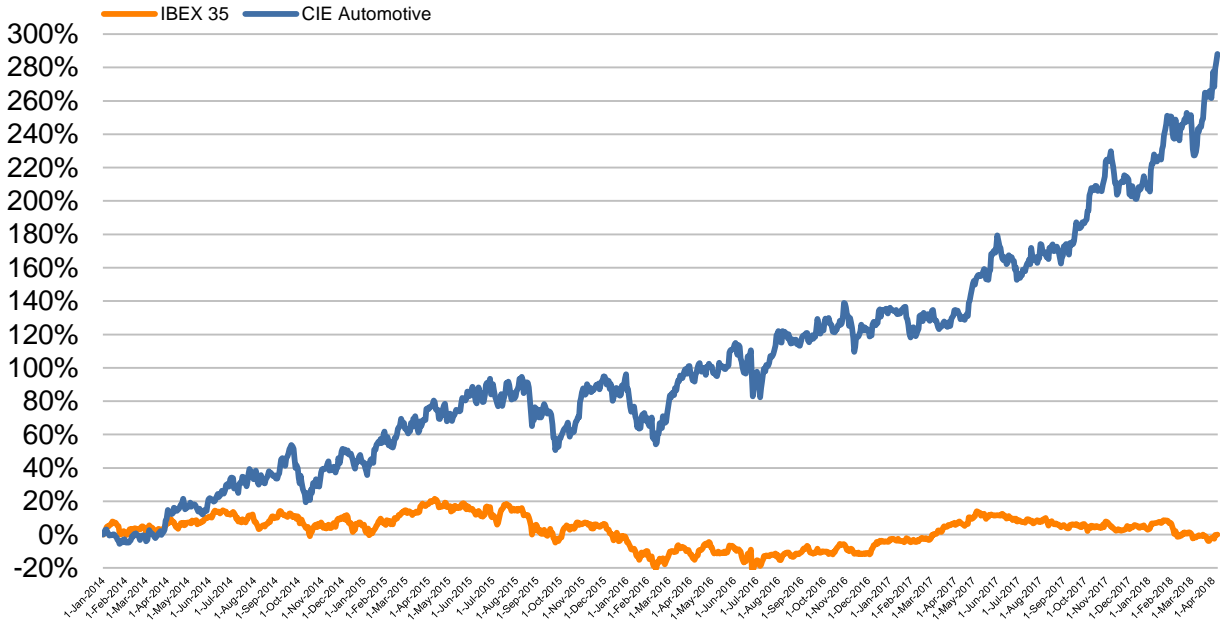
## CIE in Stock Exchange





# CIE IN STOCK EXCHANGE

## CIE share price performance vs Ibox 35





# 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



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