



CIE *Automotive*

MANAGING HIGH VALUE ADDED PROCESSES

**EARNINGS RELEASE
REPORT
JUNE 30TH 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.

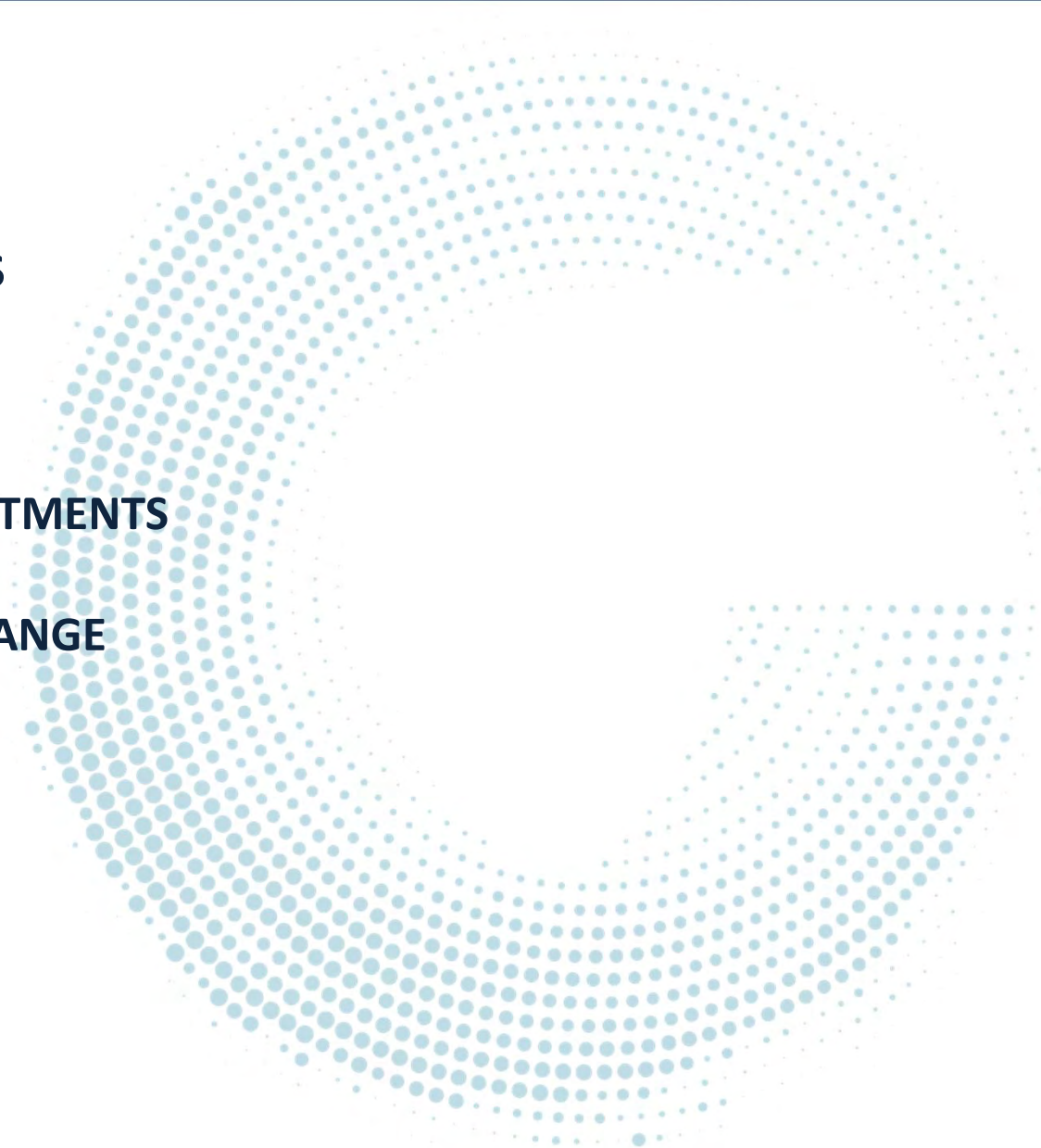
1. JUNE 2019 RESULTS

2. BALANCE SHEET

3. STRATEGIC COMMITMENTS

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APPENDIX



	30/06/2018	%	30/06/2019
Turnover (€ Mio)	1,551.8	+10%	1,702.4
EBITDA (€ Mio)	277.9	+11%	308.0
Net Income (€ Mio)	132.0	+14%	150.1
Equity ^(*)	1,051.2	+11%	1,168.0
Share Price (€ per share) ^(**)	25.28		25.46
Net Financial Debt (€ Mio)	954.2		1,574.0
Adjusted Net Financial Debt (€ Mio)	954.2		1,551.3
Adjusted NFD/Adjusted EBITDA	1.90x		2.39x

(*) Consolidated equity corresponding to the Automotive business, recasted in 2018 with the impact of Dominion.

(**) Share price 30/06/2018 adjusted according to the effect of the Dominion shares dividend in kind.

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 30/06/2018. 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.

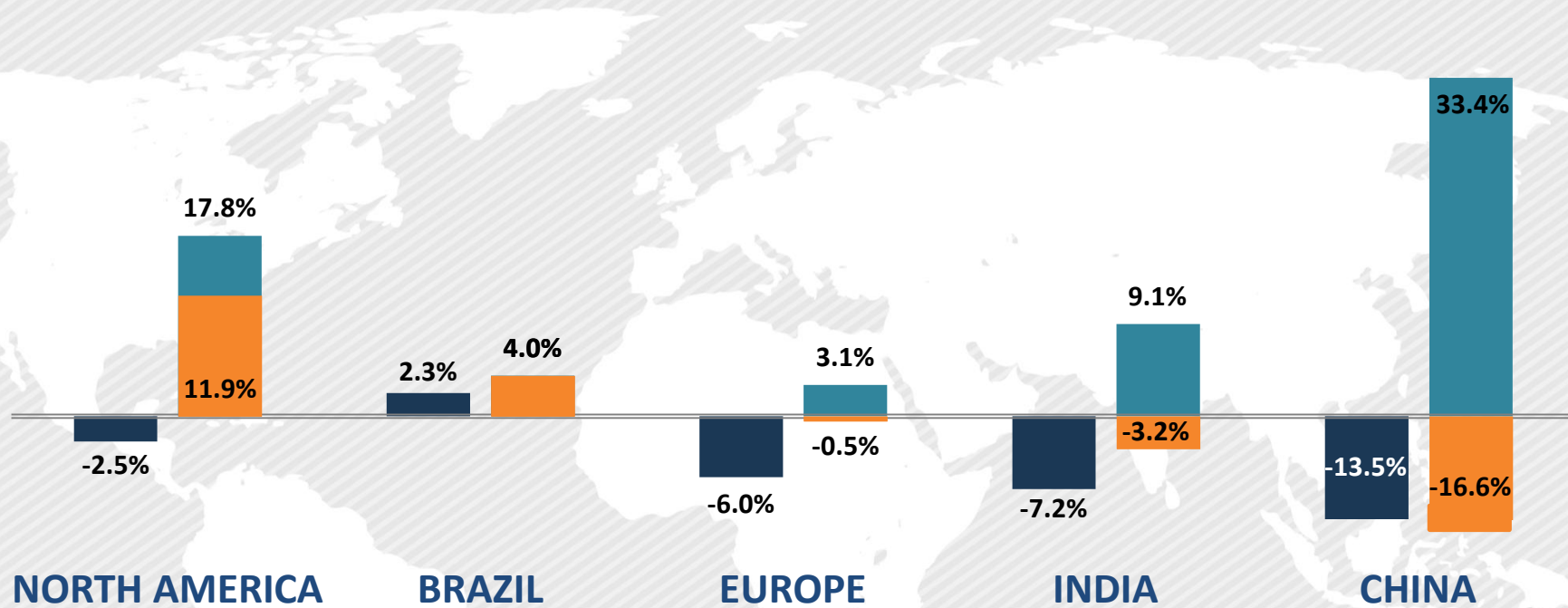


1. JUNE 2019 RESULTS

AUTOMOTIVE GROWTH JUNE 2018-2019 (%)



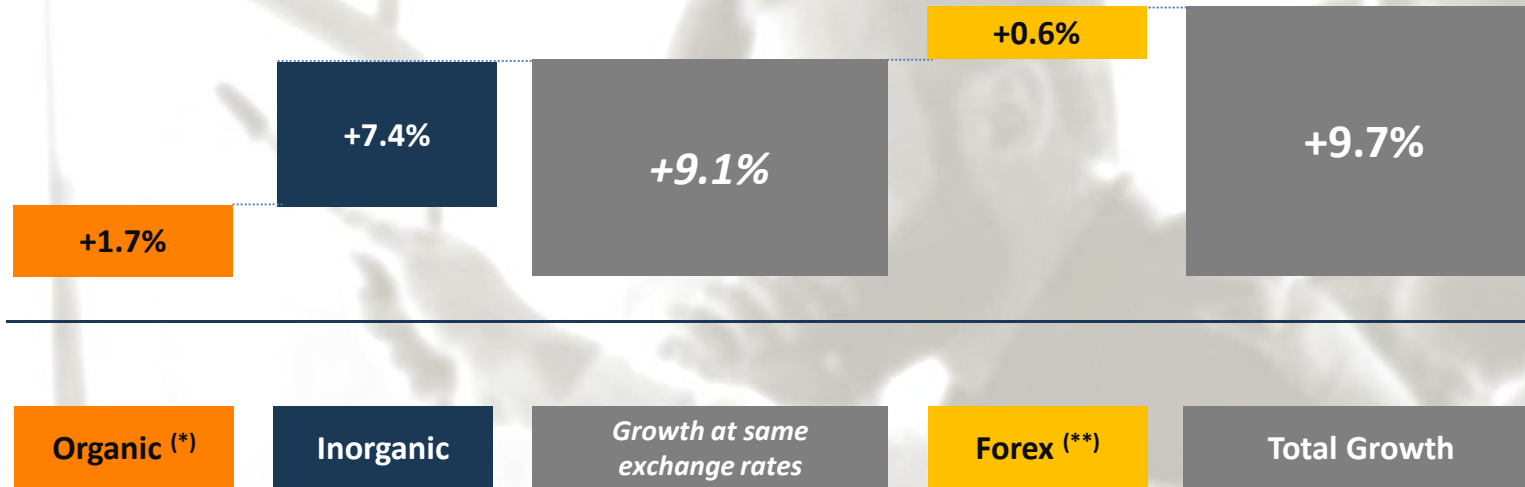
■ Market ■ CIE Total ■ CIE Organic



Global Production -6.7%
CIE Total +9.1%
CIE Organic⁽¹⁾ +1.7%

Source: Motor vehicle production IHS JUNE 2019 (6 Months 2019) (growth % in units).

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



The Group's sales total growth of +9.7% has an additional increase due to the currency translation of +0.6%.

(*) Revenue growth including greenfields.

(**) Forex by divisions: North America +5.8%, Brazil -5.8%, China +0.7%, India +0.6%.

Figures corresponding only to the Automotive segment.

Significant turnover increase supported by new investments and with organic evolution above the market.

Excellent performance of margins, in line with previous quarters.

(€ Mio)	30/06/2018	%	30/06/2019
Turnover	1,551.8	+10%	1,702.4
EBITDA	277.9	+11%	308.0
% EBITDA on turnover	17.9%		18.1%
EBIT	211.1	+7%	226.6
% EBIT on turnover	13.6%		13.3%
Profit for the year	151.5	+11%	168.7
Net Income	132.0	+14%	150.1

Comparable figures corresponding only to the Automotive segment.

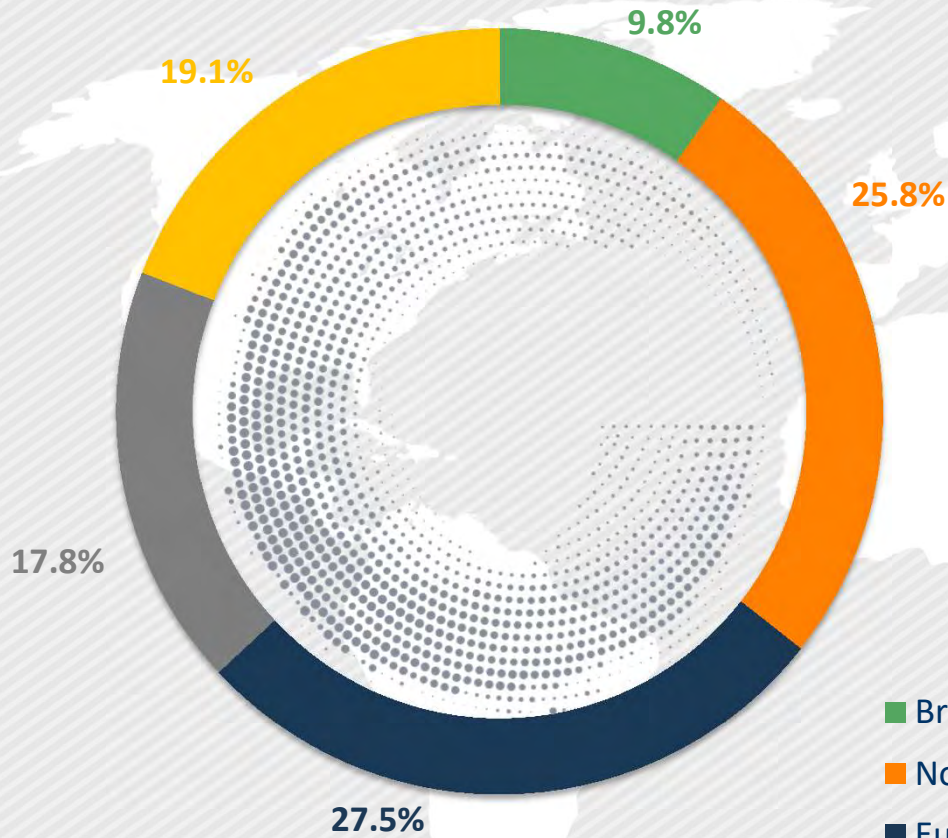
	(€ Mio)	2Q 2018	%	2Q 2019
Turnover		786.8	+13%	890.3
EBITDA		140.5	+12%	157.0
% EBITDA on turnover		17.9%		17.6%
EBIT		106.7	+7%	113.7
% EBIT on turnover		13.6%		12.8%
Profit for the year		78.5	+10%	86.0
Net Income		68.9	+12%	77.5

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

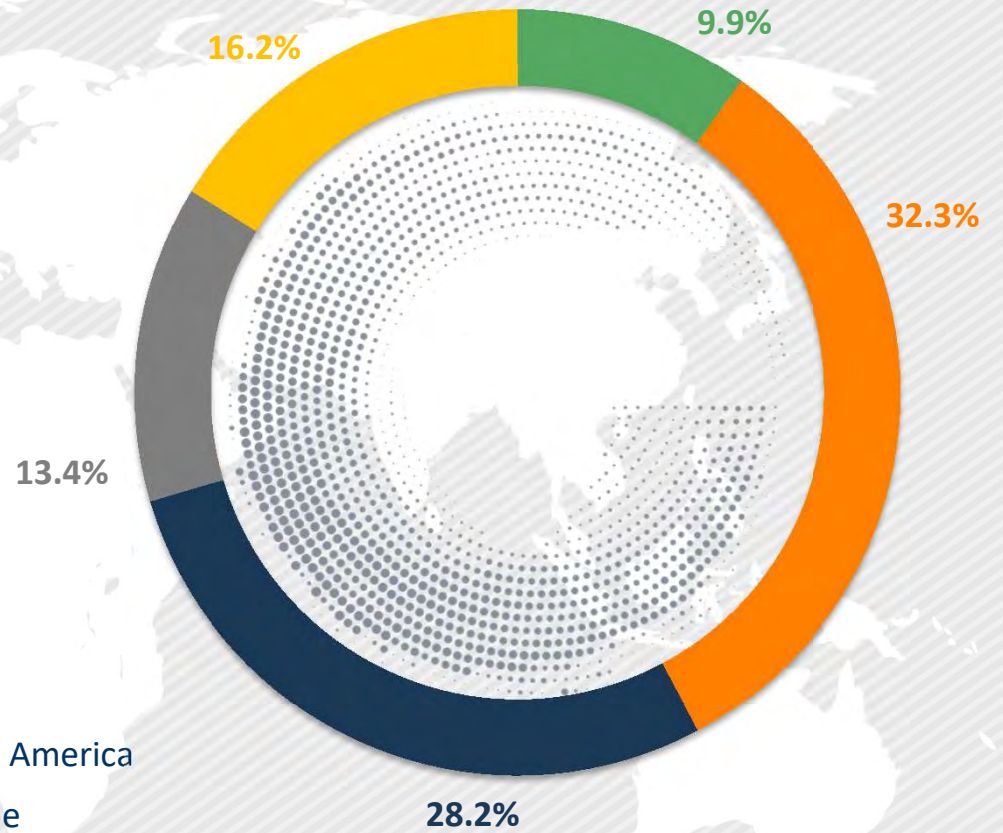
Comparable figures corresponding only to the Automotive segment.



TURNOVER



EBITDA



- Brazil
- North America
- Europe
- MCIE Europe
- Asia(*) (India/China)

(*) China Turnover: 110€ Mio.



JUNE 2019 vs JUNE 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

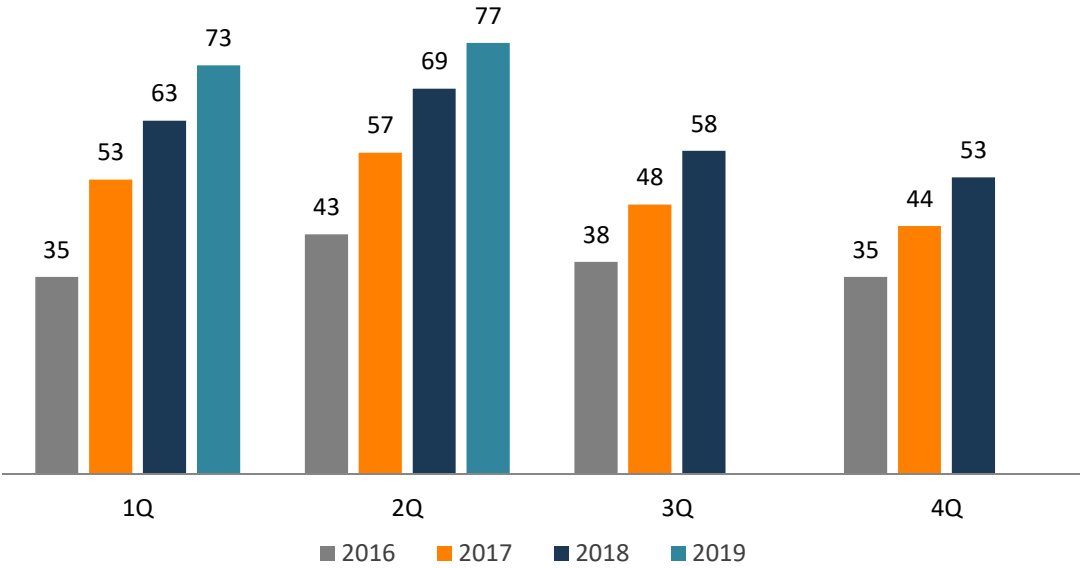
Margins improvement derived from operational improvements carried out

ASIA

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



Net Income (€ Mio)



Figures corresponding only to the Automotive segment.



2.0 BALANCE SHEET

€ Mio	31/12/2018	30/06/2019
Fixed Assets	2,267.7	3,274.4
Net Working Capital	(158.8)	(241.8)
Total Net Assets	2,108.9	3,032.6
Equity	1,048.9	1,168.0
Net Financial Debt	948.2	1,574.0
Others (Net)	111.8	290.6
Total Equity and Liabilities	2,108.9	3,032.6

The amount of the non-recourse factoring to 30.06.2019 is 270 MM€.

RONA

22%

19%

*The **organic RONA** at June the 30th 2019 achieves the **23%***

NFD/EBITDA (*)

2.39X

Net Financial Debt Movement (€ MIO)	JUNE 2019
EBITDA	308.0
Financial Expenses	(19.6)
Maintenance CAPEX	(71.1)
Tax Payments	(24.0)
IFRS 16 Leases ⁽¹⁾	(10.3)
OPERATING CASH FLOW:	183.0
<i>% OPERATING CASH FLOW / EBITDA</i>	<i>59.4%</i>
Greenfields and Growing Capex	(37.7)
Net Working Capital Variation	40.0
Payment of Dividends	(40.1)
Biofuels Business Sale ⁽²⁾	18.7
Business Combination of the year ⁽³⁾	(782.6)
Exchange rate effect in NFD	2.7
Other Movements	(9.9)
FINANCIAL CASH FLOW	(625.8)
Net Financial Debt 31.12.2018	948.2
Net Financial Debt 30.06.2019	1,574.0
Adjusted Net Financial Debt 30.06.2019	1,551.3

(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. and 100% of the share capital of the Indian subsidiary Aurangabad Electricals, Ltd.

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



3.0 STRATEGIC COMMITMENT



MISSION ACCOMPLISHED

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

- *In 1S2019 the **Ebitda margin** beats, once again, its record, standing **at over 18%***
- *The health of our balance sheet allows us to maintain an operating **cash flow generation** higher than **55% of Ebitda***



***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***



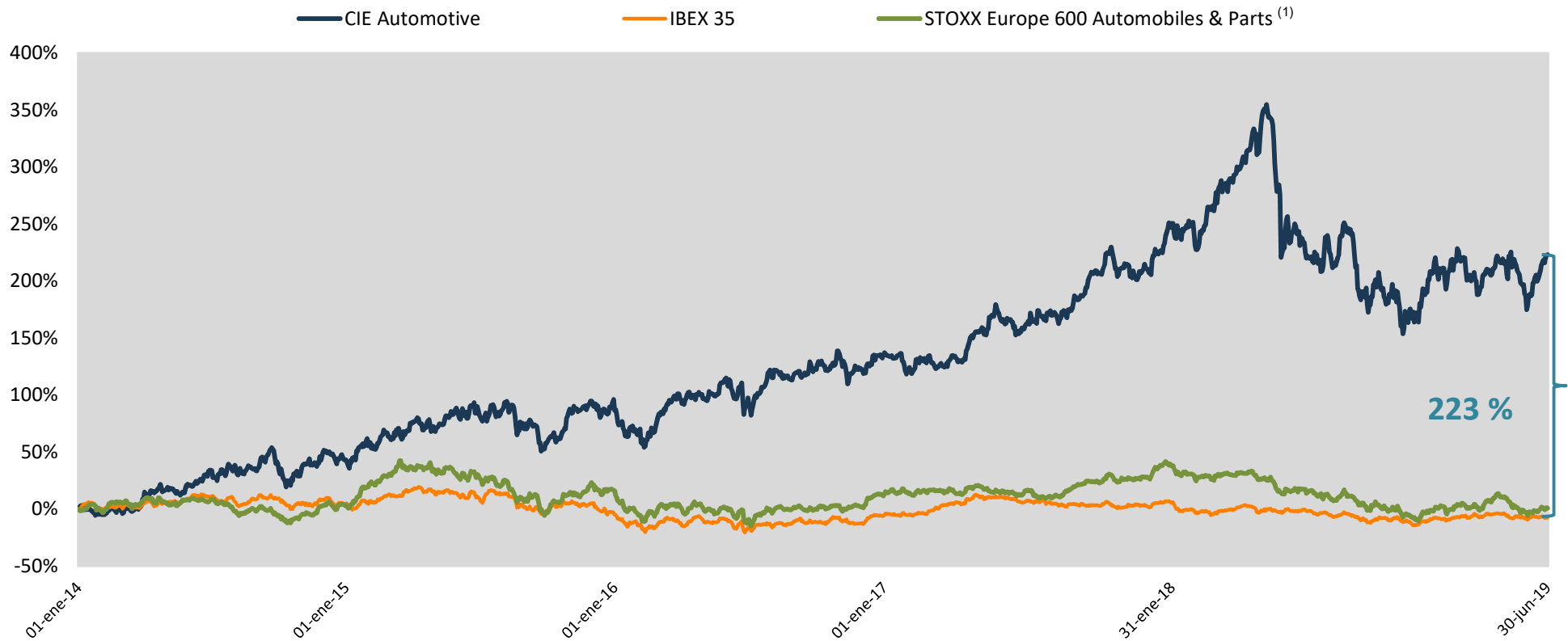
AMBITIOUS GROWTH

The background of the slide features a complex pattern of blue halftone dots of varying sizes and densities, creating a textured, almost abstract effect. A solid dark blue horizontal banner is positioned across the middle of the slide, containing the main title in white, bold, sans-serif font.

4.0 CIE IN STOCK EXCHANGE



CIE SHARE PRICE PERFORMANCE VS IBEX 35



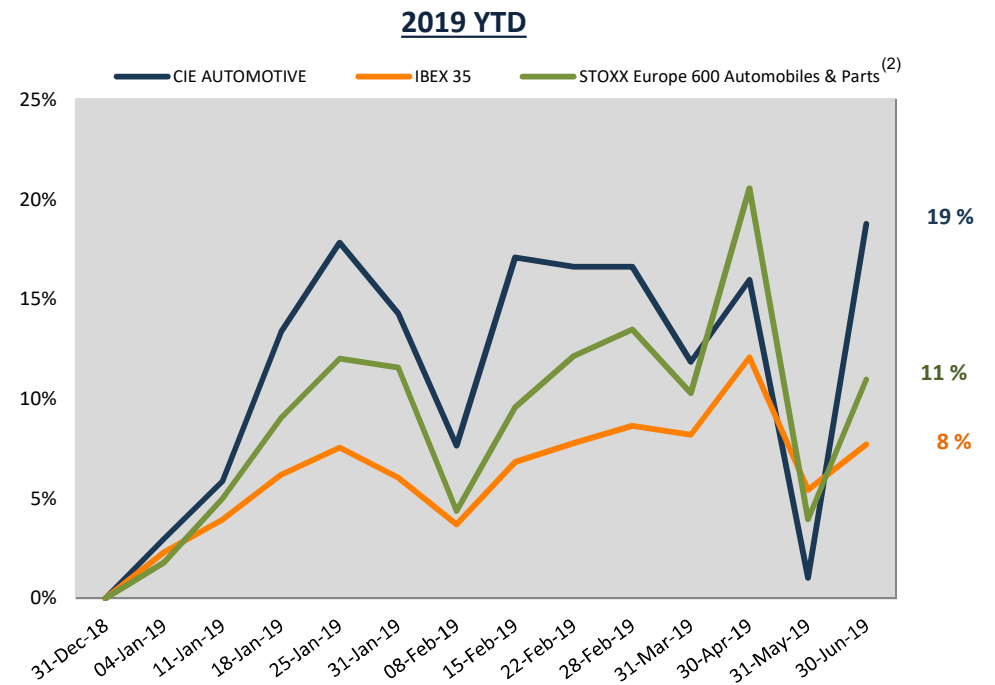
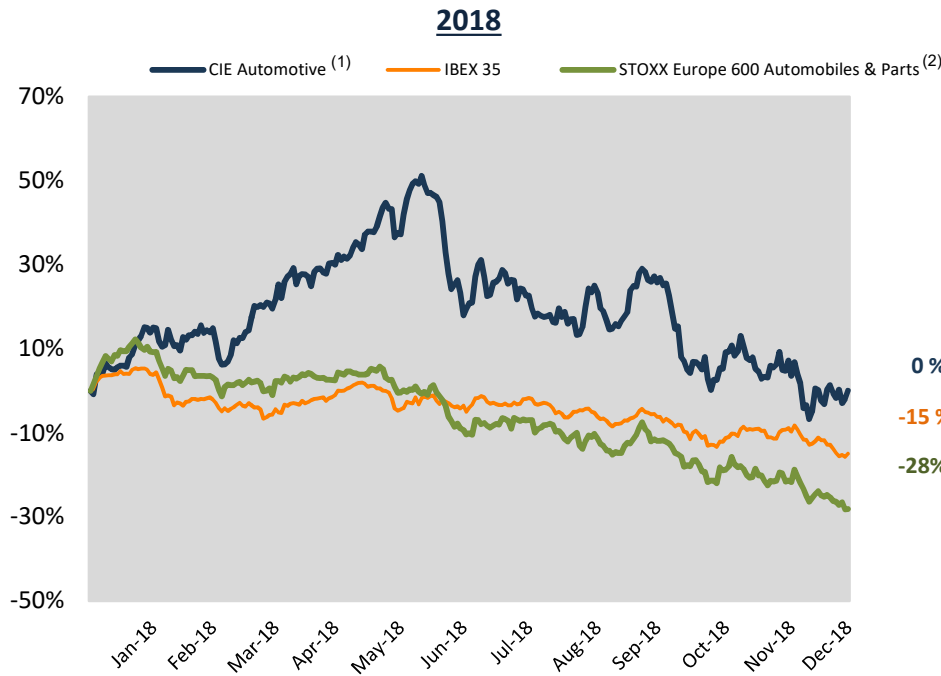
⁽¹⁾ STOXX Europe 600 Automobiles & Parts includes: QEMS: BMW ST, Daimler, Ferrari NV, Fiat, Peugeot, Porsche, Renault & Volkswagen. SUPPLIERS: Faurecia, Michelin, Nokian, Plastic Omnium, Rheinmetall, Schaeffler, Valeo.



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.



EVOLUTION OF CIE SHARE PRICE VS IBEX35/EURO STOXX AUTO



We understand that during 2018 the evolution of the stock moved away from the fundamentals of the company, with external factors influencing the share Price: inclusion of the company in the IBEX 35, commercial war between US and China, multiple profit warnings announced by companies of the sector...



Although 2019 started optimistic about the different macro/geopolitical/sector uncertainties, which was reflected in the positive trend of CIE's share price, concerns are back in the market and severely affecting the 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.

	2019 Until 30/06	2018	2017	2016	2015	2014
Market Cap (€ Mio)	3,284	2,766	3,123	2,388	1,993	1,453
Number of shares (M)	129	129	129	129	129	129
Last price of period (€)	25.46	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)	29,819	87,149	59,318	59,065	60,619	62,970
Effective (€ Mio)	719	2,327	1,244	940	814	600

Source: Madrid Stock Exchange



APPENDIX

APPENDIX I.- RESULTS COMPARISON JUNE 2018



(€ Mio)	CIE P&L PUBLISHED JUNE 2018	DOMINION ⁽¹⁾ P&L JUNE 2018	AUTOMOTIVE P&L JUNE 2018	INTERRUPTIONS ADJUSTMENT AUTOMOTIVE ⁽²⁾	COMPARABLE ⁽³⁾ AUTOMOTIVE P&L JUNE 2018
Turnover	1,566.7	-	1,566.7	(14.9)	1,551.8
EBITDA	277.5	-	277.5	0.4	277.9
EBIT	209.6	-	209.6	1.5	211.1
EBT	193.1	-	193.1	1.5	194.7
<i>Tax Expenses</i>	<i>(42.0)</i>	-	<i>(42.0)</i>	0.0	<i>(42.0)</i>
<i>Discontinued Activities</i>	<i>13.5</i>	<i>(13.2)</i>	<i>0.3</i>	<i>(1.5)</i>	<i>(1.2)</i>
Profit for the year	164.6	(13.2)	151.5	0.0	151.5
<i>Attributable to non- controlling interest</i>	<i>(26.3)</i>	6.8	<i>(19.5)</i>	0.0	<i>(19.5)</i>
Net Income	138.4	(6.4)	132.0	0.0	132.0

⁽¹⁾ Income statement of DOMINION.

⁽²⁾ Income statement of Interrupted activities Automotive.

⁽³⁾ Comparable Income statement of Automotive business as of 30/06/2018.

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.
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 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.
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 Automotive

MANAGING HIGH VALUE ADDED PROCESSES