



CIE Automotive

EARNINGS RELEASE

Managing high value-added processes

December 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. December 2022 Results

2. Balance Sheet

3. 2025 Goals

4. CIE in Stock Exchange

Appendix

1. December 2022 Results

Highlights 2022

01	Turnover	3,838.6 €m <i>+24.1% vs 2021</i>	+9.7 p.p. vs market (*) OUTPERFORMANCE
02	EBITDA	633.4 €m <i>16.5% EBITDA MARGIN</i>	PROFORMA STARTING POINT ≈ 16%
03	Net Income	300.1 €m <i>+12.2% vs 2021</i>	CONTINUING OUR GROWTH PATH
04	Operating cash Generation	402.8 €m <i>66.1% OPERATING CASH/EBITDA</i>	HIGH LEVEL OF CASH GENERATION
05	Liquidity Reserve	1,554 €m	STRONG LIQUIDITY POSITION WITH STRICT CASH MANAGEMENT
06	NFD/EBITDA(**)	1.98x <i>2.37x December 2021</i>	CONTINUOUS DEBT RATIOS IMPROVEMENT
07	Analyst recommendation	100% <i>DO NOT SELL</i>	TARGET PRICE CONSENSUS 29.08€

(*) December 2022 at constant Exchange rate.

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

1. December 2022 Results

Relevant event

On December 15, 2022, CIE Automotive Board of Directors approved the strategic decision to discontinue forging activities in Germany with an eye towards the future.

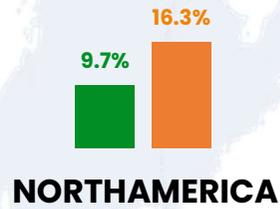
This business was integrated into CIE in 2013, within the framework of the alliance with Indian Group M&M; achieving along this period fully satisfactory results and continuous improvement of its performance.

Its focus on the European truck market and the current energy situation, especially gas in Germany, and given that said business is not CIE Automotive's core-business for these reasons; we want to proceed to its disinvestment and redirect financial and management resources to businesses with a higher return; including other geographies with greater growth potential and other technologies with greater demand from our customers in the context of the industry's mega-trends (decarbonization, lightening the car, comfort...).

1. December 2022 Results

Sales evolution 2022 vs 2021

■ Market
■ CIE



Market **6.7%**
CIE **+16.4%**
△ **+9.7 p.p.**

Constant Exchange rate

Source: Motor vehicles production IHS FEBRUARY 2023 (12 months 2022) (growth % in units).

1. December 2022 Results

€m	31/12/2021	31/12/2022	
Turnover	3,093.3	3,838.6	+24.1%
EBITDA	565.0	633.4	+12.1%
% EBITDA / turnover	18.3%	16.5%	
EBIT	401.9	446.7	
% EBIT / turnover	13.0%	11.6%	
EBT	380.8	421.3	
Net income	267.5	300.1	+12.2%

- Growth in all lines of results 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%).

Note: In order to provide greater transparency and clarity to the information, it is compared with the automotive data published as comparable in the consolidated financial statements published by CIE as of 12/31/2021. The information is different from that published by CIE in 2021 because, according to accounting standards, the specific impacts on the different lines of the income statement of those businesses discontinued in 2022 must be eliminated. See annex with the reconciliation at the end of this document.

1. Q4 2022 Results

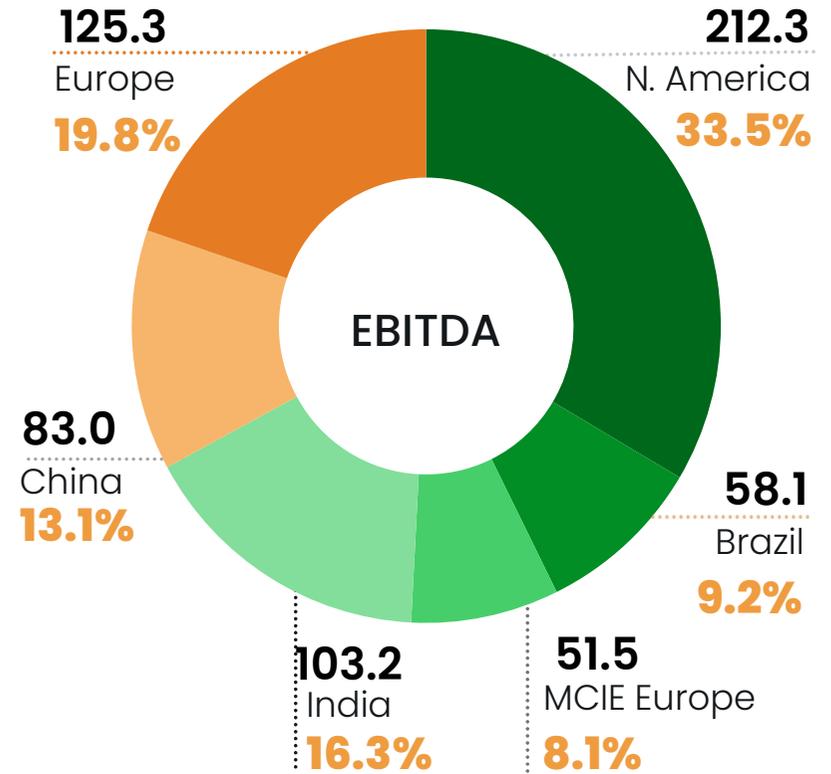
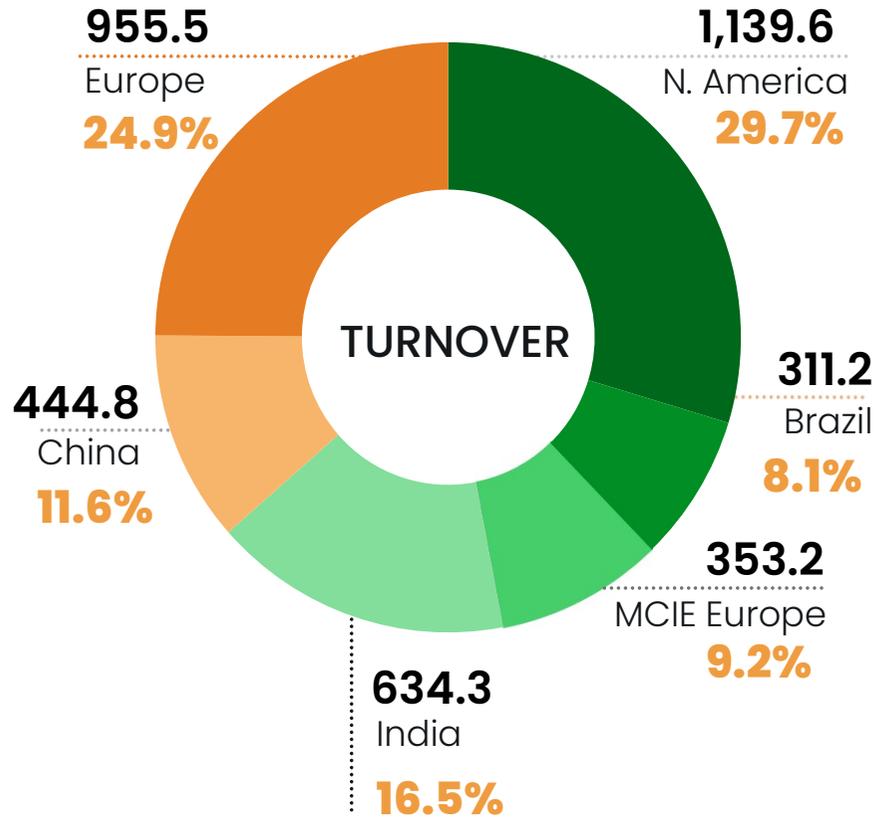
€m	Q4 2021	Q4 2022	
Turnover	770.3	981.4	
EBITDA	137.8	146.0	
% EBITDA / turnover	17.9%	14.9%	
EBIT	90.4	98.7	
% EBIT / turnover	11.7%	10.1%	
EBT	98.7	89.7	
Net income	61.4	64.6	+5.2%

- We maintain our growth path in the last quarter of the year with growth in Turnover, EBITDA, EBIT and Net Income .
- Overperformance reaching excellent results despite pressure from inflation and very high level of energy costs.

Note: In order to provide greater transparency and clarity to the information, it is compared with the automotive data published as comparable in the consolidated financial statements published by CIE as of 12/31/2021. The information is different from that published by CIE in 2021 because, according to accounting standards, the specific impacts on the different lines of the income statement of those businesses discontinued in 2022 must be eliminated. See annex with the reconciliation at the end of this document.

1. December 2022 Results

2022 Divisions Contribution



Data in million euros (€m)

1. December 2022 Results

2022 Divisions Profitability

● NORTHAMERICA

EBITDA **18.6%**
EBIT **14.1%**

● BRAZIL

EBITDA **18.7%**
EBIT **14.9%**

● EUROPE

EBITDA **13.1%**
EBIT **5.7%**

● MCIE EUROPE

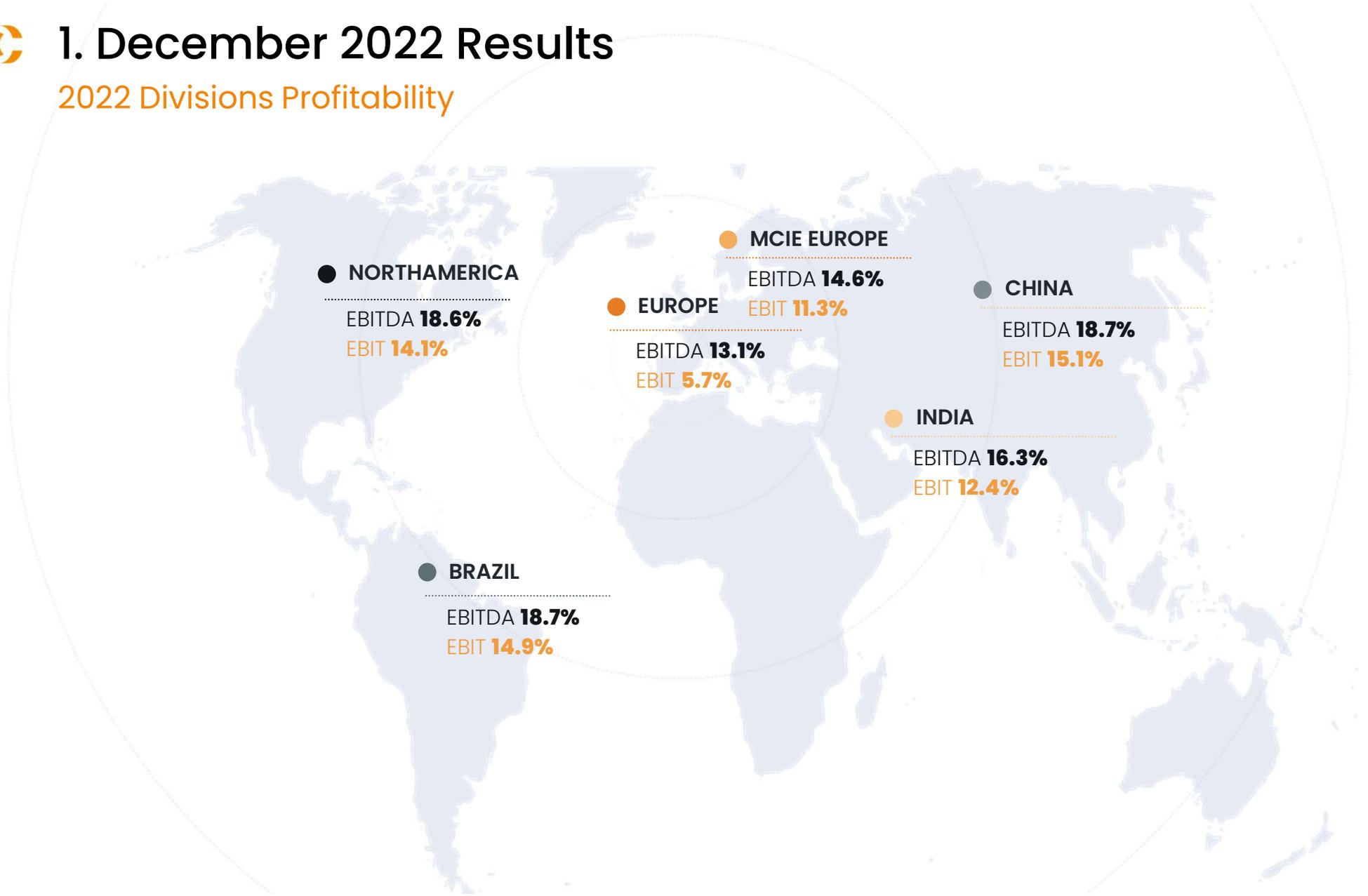
EBITDA **14.6%**
EBIT **11.3%**

● INDIA

EBITDA **16.3%**
EBIT **12.4%**

● CHINA

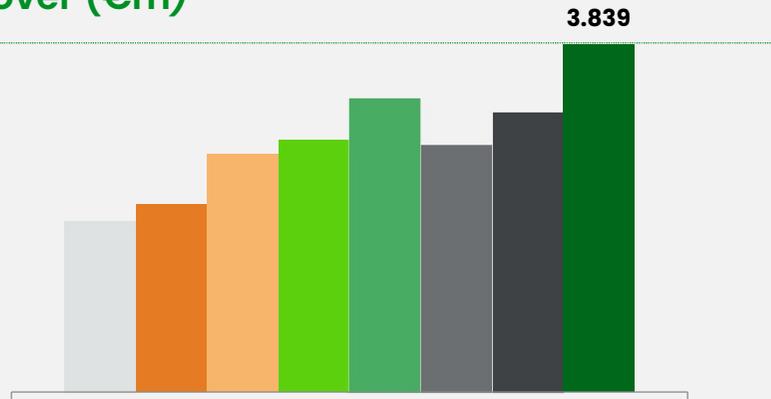
EBITDA **18.7%**
EBIT **15.1%**



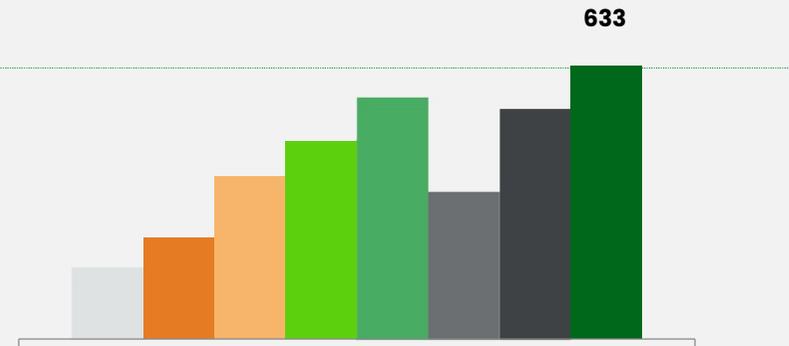
1. December 2022 Results

2015-2022 evolution

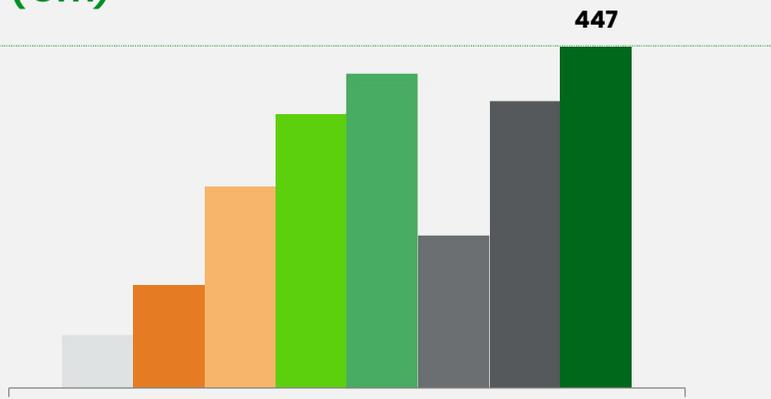
Turnover (€m)



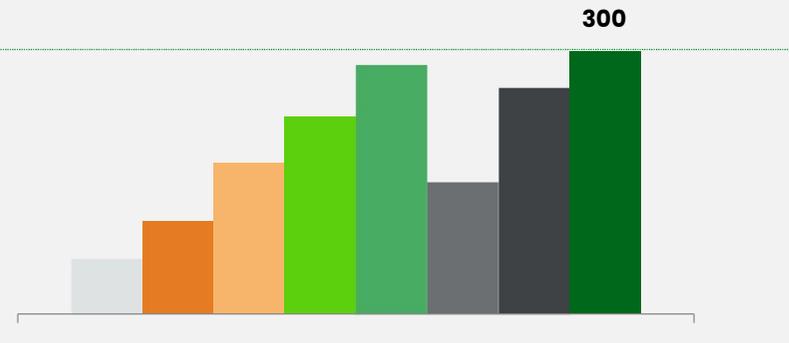
EBITDA (€m)



EBIT (€m)



Net Income (€m)



Comparable Automotive Business
According to IFRS5, discontinued businesses amounts have been reclassified in previous periods for comparative purposes

2. Balance Sheet

Balance sheet evolution

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€m	31/12/2021	31/12/2022
Fixed assets	3,490.3	3,560.8
Net Working Capital	(425.2)	(501.0)
TOTAL NET ASSETS	3,065.1	3,059.8
Equity	1,367.6	1,504.9
Net Financial Debt	1,394.9	1,289.8
Others (net)	302.6	265.4
TOTAL NET LIABILITIES	3,065.1	3,059.8

Non-recourse factoring

296.8 €m

324.5 €m

2. Balance Sheet

Cash Flow December 2022

€m

EBITDA	633.4
Financial Expenses	(23.5)
Maintenance Capex	(99.7)
Tax Payments	(83.4)
IFRS 16 Leases ⁽¹⁾	(24.0)
OPERATING CASH FLOW	402,8
% EBITDA⁽²⁾	66.1%
Growing Capex	(105.6)
Net Working Capital Variation	63.5
Other movements	(43.7)
OPERATING FINANCIAL CASH FLOW	317.0
Payment of dividends and own shares transactions	(154.8)
Business combinations ⁽³⁾	(57.1)
FINANCIAL CASH FLOW	105.1

(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.

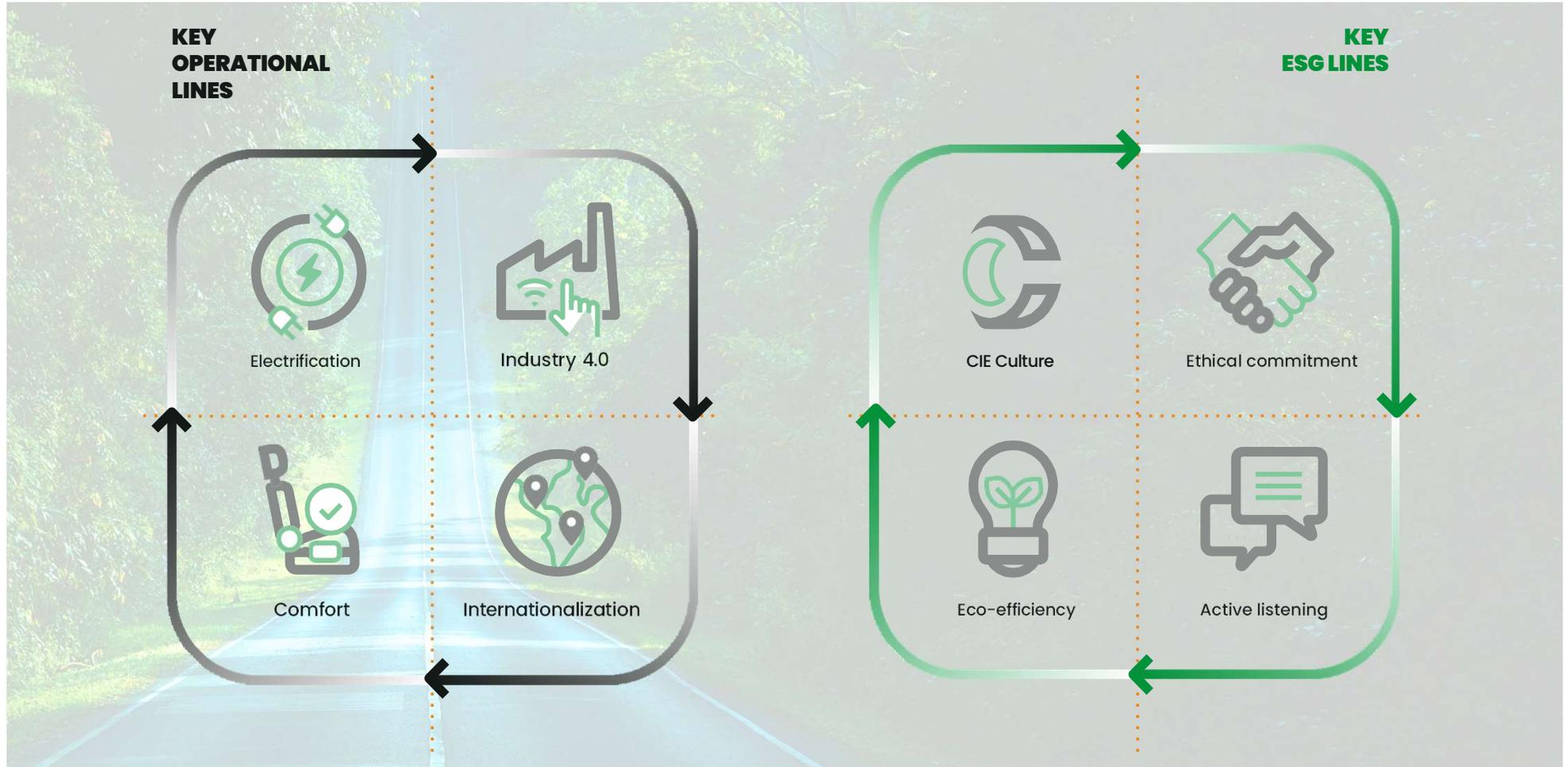
(*) Adjusted NFD and EBITDA data considering 50% of the Chinese JV SAMAP.

€m	31/12/2021	31/12/2022
NFD	1,394.9	1,289.8
Adjusted NFD ^(*)	1,377.1	1,270.0
NFD/EBITDA^(*)	2.37X	1.98X

Debt ratios improvement and high operating financial cash flow generation making possible the high level of investments carried out in corporate transactions (212 €m)

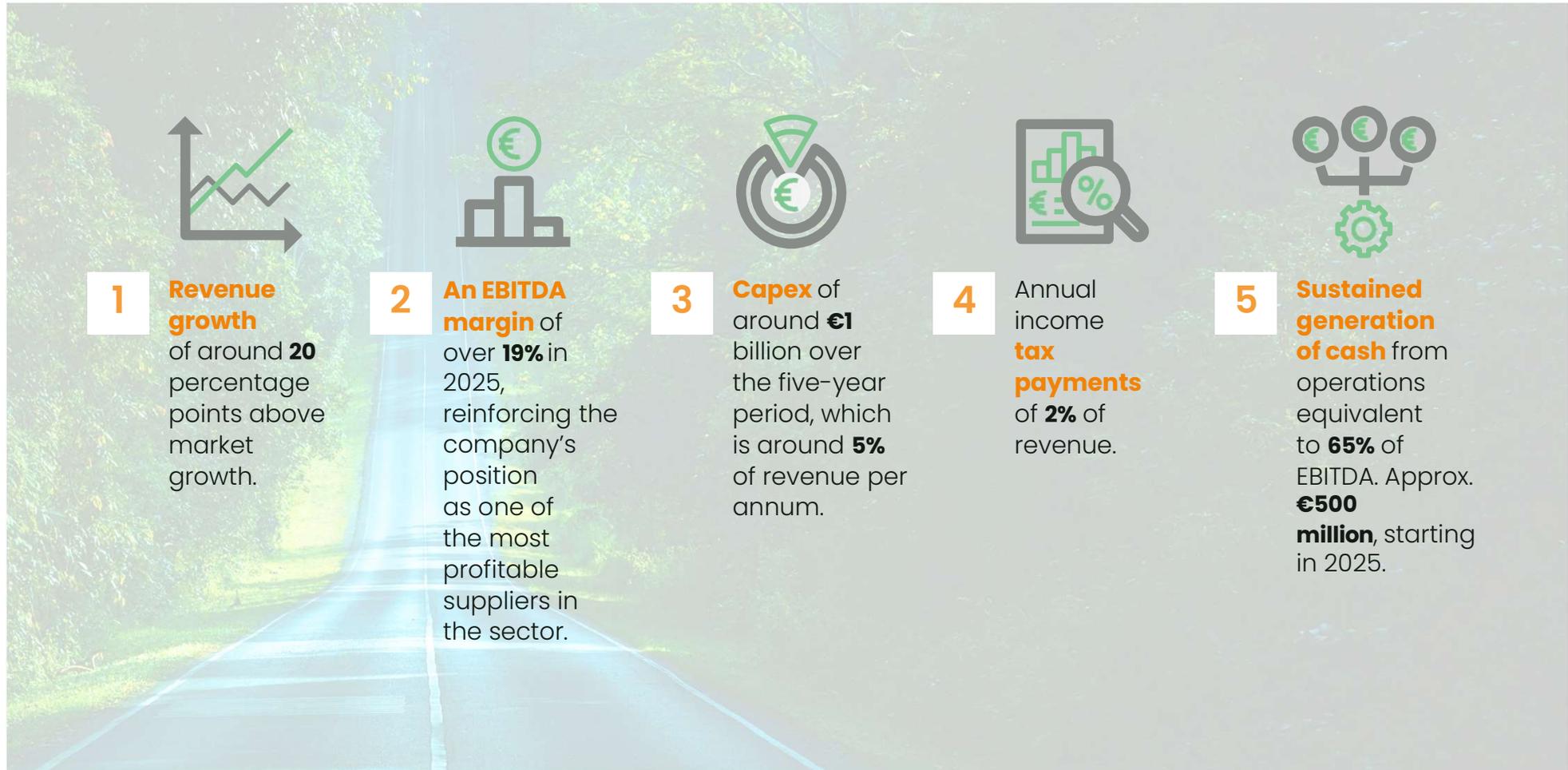
3. 2025 Goals

Strategic Lines



3. 2025 Goals

Operational Commitment – Existing consolidation scope



* The above guidance was determined assuming the existing consolidation scope and revenues at constant exchange rates and without pass-through.

3. 2025 Goals

Operational Commitment – Growth

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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 – Targets 2022

We remain committed to the 79 ESG KPIs defined in Strategic Plan 2025 for the different business areas, with specific targets and deadlines.

All 2022 ESG targets have been met

AREA	KPI	TARGET	
COMPLIANCE	<ul style="list-style-type: none">• Training on Code of Conduct	>95%	
SUPPLY CHAIN	<ul style="list-style-type: none">• Countries purchasing with ESG criteria• Suppliers audited with ESG criteria	100% 25%	
COMMERCIAL	<ul style="list-style-type: none">• Self-assessed plants in NQC >80%• Platforms with customers for self-assessment in ESG• Commercial staff trained in ESG	75% 100% 80%	
M&A	<ul style="list-style-type: none">• Integrations with the ESG Manual implemented	100%	
FINANCE	<ul style="list-style-type: none">• Compliance with sustainable financing requirements	100%	
INVESTOR RELATIONS	<ul style="list-style-type: none">• Feedback to key ESG analysts	100%	

3. 2025 Goals

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ESG Commitment – New environmental commitment

- We want to be pro-active **in our inexcusable commitment against the climate emergency.**
- We recognise the importance of halving global emissions before 2030 at global level and achieving net-zero before 2050.
- We are committed **to meeting the science-based 1.5°C and net-zero emissions targets.**



We secure the short term with the current KPIs till 2025.



Project Supply Chain Race to Zero



SBTi alignment



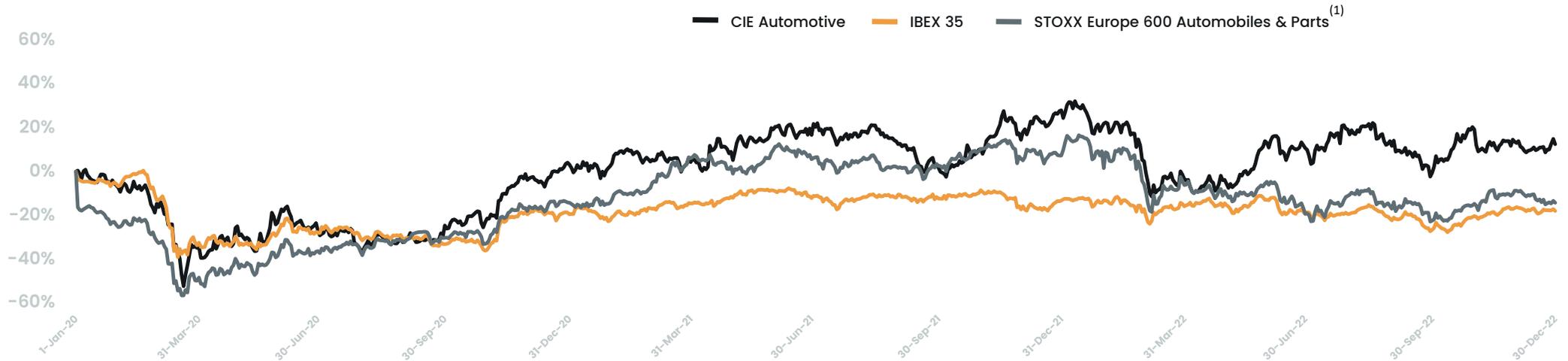
Midterm: 1.5°C



Carbon neutrality 2050

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...).

The complex environment has increased in 2022 (invasion of Ukraine, China's "Zero Covid" policy, soaring inflation, rising interest rates...) which has led to an indiscriminate stock market correction in the sector (-20%).

Despite this adverse context, CIE Automotive delivered excellent results quarter after quarter, once again confirming its resilience and consolidating its position on the podium of the industry's most profitable companies with the best future, which was clearly not reflected in the share price (-12%).

After the exit from the Ibex 35 (June 2022), the share has had a better evolution and we expect this positive trend to continue, correcting and better aligning the fundamental value of the company 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.

APPENDIX I

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.

APPENDIX II

2021 PROFIT COMPARABLE

	€m	DECEMBER CIE P&L PUBLISHED IN 2021 ⁽¹⁾	INTERRUPTION ADJUSTMENT	2021 DECEMBER CIE P&L COMPARABLE ⁽²⁾
Turnover		3,269.1	(175.8)	3,093.3
EBITDA		574.7	(9.6)	565.0
EBIT		403.5	(1.6)	401.9
EBT		380.3	0.5	380.8
Tax expense		(88.2)	(0.1)	(88.3)
Discontinued Activities		1.4	(0.4)	1.0
Profit for the year		293.5	0	293.5
Attributable to non-controlling interests		(25.9)	0	(25.9)
Net Income		267.5	0	267.5

(1) CIE Group income statement published on 31/12/2021.

(2) CIE Group income statement on 31/12/2021 as comparable considering the interruption of the German forging business.

