

# GENERAL MEETING OF SHAREHOLDERS

4<sup>th</sup> May, 2023

**1. 2022 YEAR IN REVIEW**

**2. STRATEGIC PLAN 2025**

**3. Q1 2023 RESULTS**

# 1. 2022 YEAR IN REVIEW





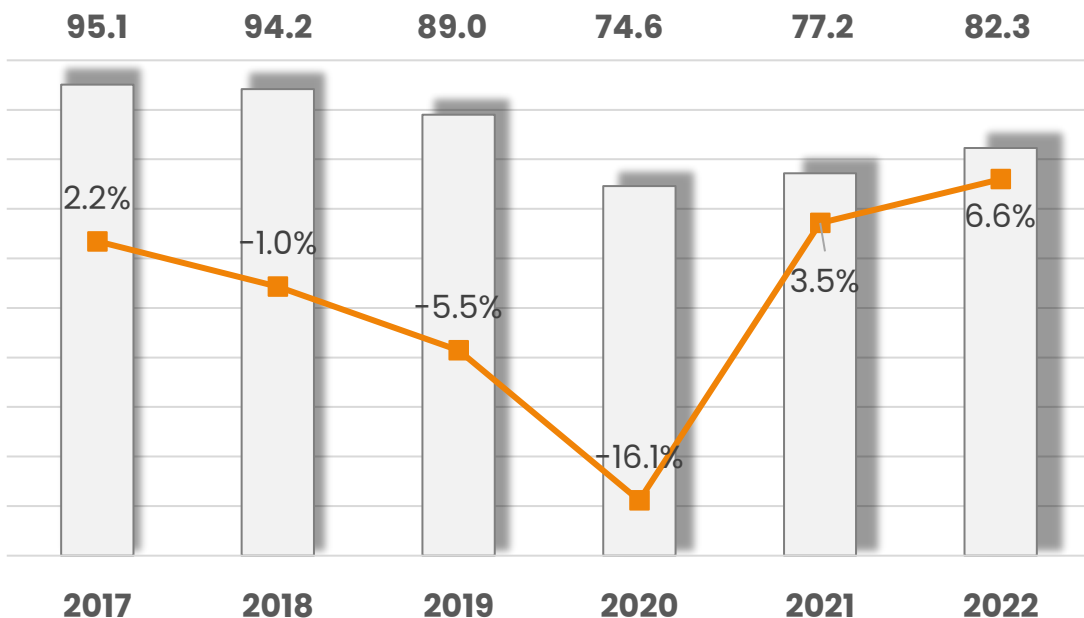
**In 2022 we turned  
obstacles into  
challenges, and  
achieved a  
successful year.**

# 1. 2022 YEAR IN REVIEW

## 1.1. EARNINGS PERFORMANCE

### GLOBAL PRODUCTION

Lower performance than expected



Millions of vehicles and year-on-year variation

### SALES & OUTPERFORMANCE

**3,84 € bn \***

**+24.1%\*\*** VS. 2021

**+9.7 p.p.** VS. MARKET

\*\*Without including 230.1 €m of sales from German forges classified as discontinuing operations in 2022.  
\*\*At a constant exchange rate.

# 1. 2022 YEAR IN REVIEW

## 1.1. EARNINGS PERFORMANCE

€m	31/12/2022	
Turnover	3,838.6	
EBITDA	633.4	+12.1% vs. 2021
% EBITDA / turnover	16.5%	
EBIT	446.7	
% EBIT / turnover	11.6%	
EBT	421.3	
Net Income	300.1	+12.2% vs. 2021

CASH FLOW FROM OPERATIONS		
<b>402.8 €m</b>	66.1%	OF EBITDA
NET DEBT		
<b>1.27 €bn</b>	-7.8%	VS. 2021
(*) Net debt figures adjusted for the group's 50% interest in the Chinese JV, SAMAP.		

Note: On December 15, 2022, CIE Automotive Board of Directors approved the strategic decision to discontinue forging activities in Germany, in order to 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. In the results of the Group presented in this report the specific impacts on the different lines of the income statement of the German forgings business discontinued in 2022 has been eliminated.

**Shareholders, customers, employees and suppliers. Our success is their success and our progress must trickle back to them and broader society.**



# 1. 2022 YEAR IN REVIEW

## 1.2. SHARED VALUE WITH OUR SHAREHOLDERS

- Distribution of €88.2 million of dividends
- €56.3 million invested in the repurchase of shares
- Invested €57.1 million to increase CIE's shareholding in MCIE by 5%





# 1. 2022 YEAR IN REVIEW

## 1.2. SHARED VALUE WITH OUR CUSTOMERS

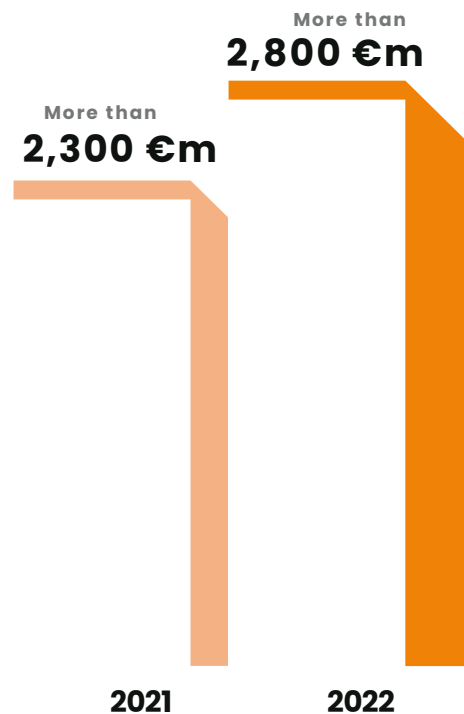


- Increased market share
- Over 80% of our portfolio is fit for any type of vehicle, including electric and hybrid electric cars.
- 50% of the order intake is directed at next-generation vehicles.

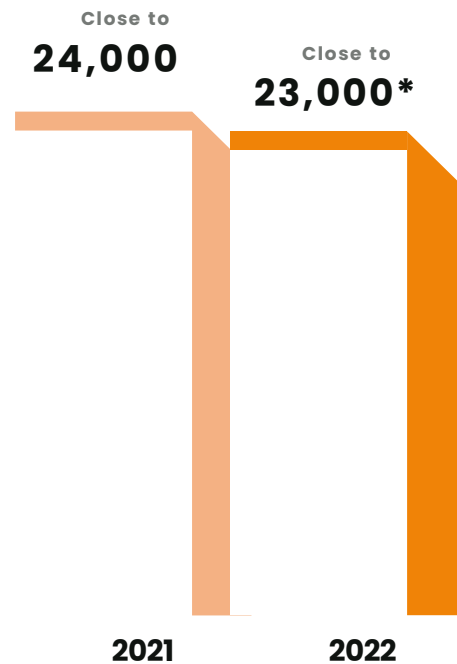
# 1. 2022 YEAR IN REVIEW

## 1.2. SHARED VALUE WITH OUR SUPPLIERS

### Procurement volume



### No. of Suppliers



*Includes €170m of discontinued German forges in 2022 (2021: €137m).*

*\* 92.3% of the suppliers were LOCAL firms*



First automotive sector player in Spain to obtain ISO 20400 sustainable procurement certification.

# 1. 2022 YEAR IN REVIEW

## 1.2. SHARED VALUE WITH OUR EMPLOYEES

Diversity and inclusion assessments completed at 50% of the group's factories

90% of factory managers trained on ESG matters

Expansion of the Ulysses programme to include 12 new students in 3 countries (Mexico, Brazil & India)

Performance of the CIE Safety questionnaire, growth in the number of factories ISO 45001 certified (90% certified, 10 more year-on-year), significant reduction in workplace accidents and improvement in injury frequency and severity rates



## 1.2. SHARED VALUE WITH OUR SOCIETY



### Good tax practices:

CIE Automotive has endorsed the Spanish tax authority's Code of Good Tax Practices.

468.5 €m of total tax contribution; paid in 21 countries.



### Community Work Policy:

Earmarked €1.8 million to different projects:

- Professional training and employment project for refugees and migrants in Brazil.
- CIE Stem Planet, designed to stimulate scientific vocations in the Basque Country.



### Environmental Commitment:

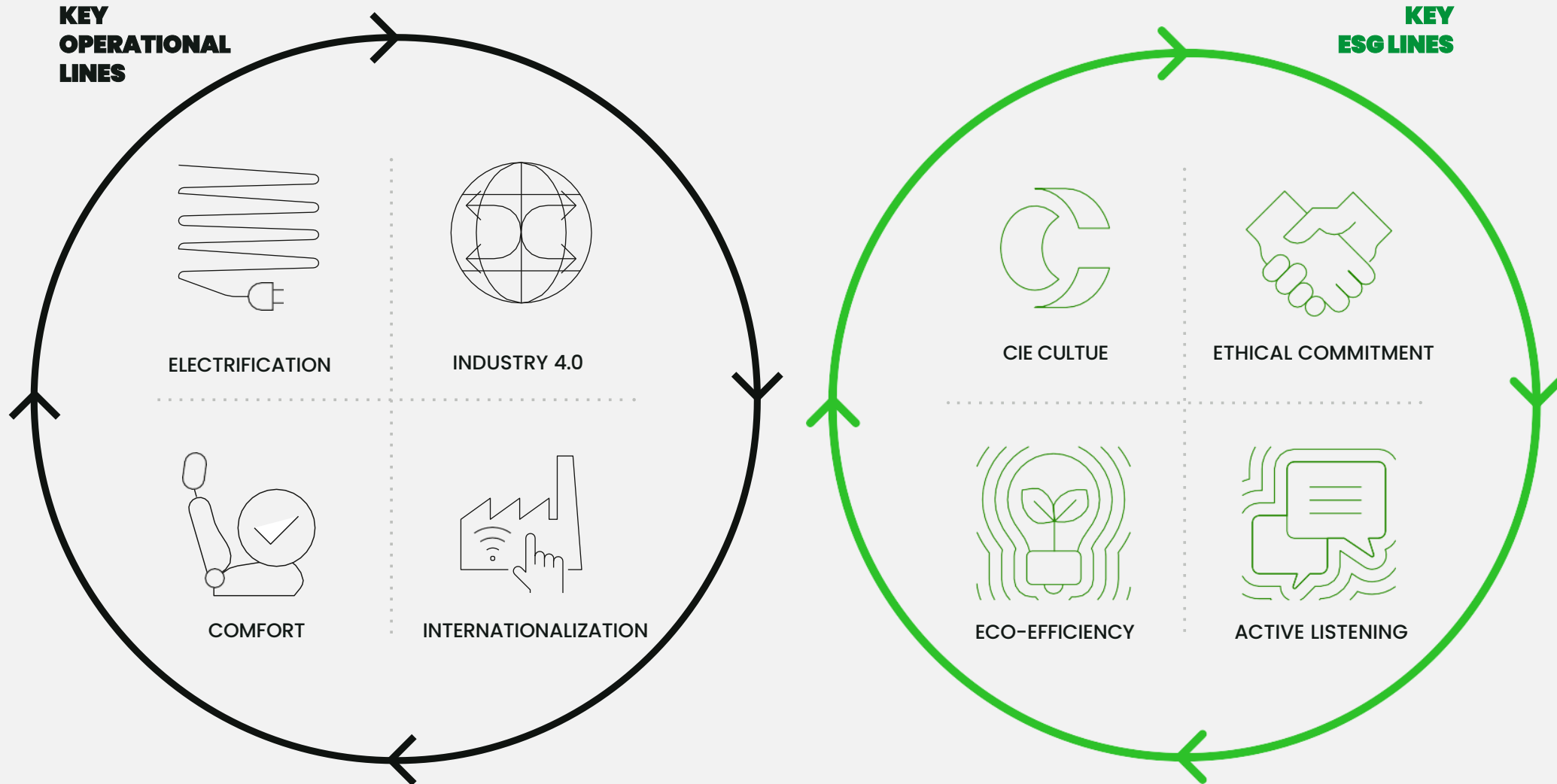
Improvement of environmental indicators vs. 2021:

- Emissions -15.65%
- Water consumption +3.65%
- Waste -8.31%

# 2. 2025 GOALS

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## STRATEGIC LINES



## 2. 2025 GOALS

### OPERATIONAL COMMITMENTS 2025 AND PROGRESS IN 2021/2022

#### OPERATIONAL COMMITMENTS 2025

- 1 Revenue growth  $\approx 20$  percentage points** above market growth over the five-year period
- 2 An EBITDA margin exceeding 19% in 2025**
- 3 CAPEX of  $\approx \text{€1 billion}$**  over the five-year period,  **$\approx 5\%$**  of revenue per year
- 4 Annual income tax payment of  $\approx 2\%$  of revenue**
- 5 Sustained generation of cash** from operations equivalent to  **$\approx 65\%$**  of EBITDA.  **$\approx \text{€500 million}$**  starting in 2025.

#### PROGRESS IN 2021/2022

**$\approx 70\%$  of goal achieved** thanks to **strong organic growth** in all geographies

**$> 50\%$  of goal achieved** despite **the impact of inflation** on our cost base

**In line with the goal,** having invested on average  **$\approx 5\%$  of sales** in these 2 years

**In line with the goal,** having paid  **$\approx 2\%$  of sales** for income tax in these 2 years

**$> 60\%$  of goal achieved,** having already generated  **$\text{€400 million per year}$**  of operating cash

### OPERATIONAL COMMITMENTS 2025 AND PROGRESS IN 2021/2022



Due to the positive evolution of the Plan in 2021/2022 and to our good perspectives for the coming years, we can confirm the maintenance of all our 2025 commitments.

Furthermore, we confirm that thanks to our cash generation capacity, **we could invest up to €1,500m** - of which almost 10% has already been invested in 2021/2022 - 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...); whichever maximizes the generation of value at any given time.



## 2. 2025 GOALS

### ESG TARGETS – PROGRESS IN THE FIRST TWO YEARS OF THE PLAN

**ALL 2021–2022  
ESG TARGETS  
HAVE BEEN MET**



	KPI:	TARGET
<b>COMPLIANCE</b>	• Training on Code of Conduct	>95%
<b>SUPPLY CHAIN</b>	• Countries purchasing with ESG criteria	100%
	• Suppliers audited with ESG criteria	25%
<b>COMMERCIAL</b>	• Self-assessed plants in NQC >80%	75%
	• Platforms with customers for self-assessment in ESG	100%
	• Commercial staff trained in ESG	80%
<b>M&amp;A</b>	• Integrations with the ESG Manual implemented	100%
<b>FINANCE</b>	• Complying sustainable financing requirements	100%
<b>INVESTOR RELATIONS</b>	• Feedback to key ESG analysts	100%

## 2. 2025 GOALS

### ESG COMMITMENT – NEW ENVIRONMENTAL COMMITMENT



We secure the short term with the current KPIs till 2025



Project Supply Chain Race to Zero



SBTi alignment



Limit global warming to 1.5°C



Carbon neutrality in 2050

# 3. Q1 2023 RESULTS

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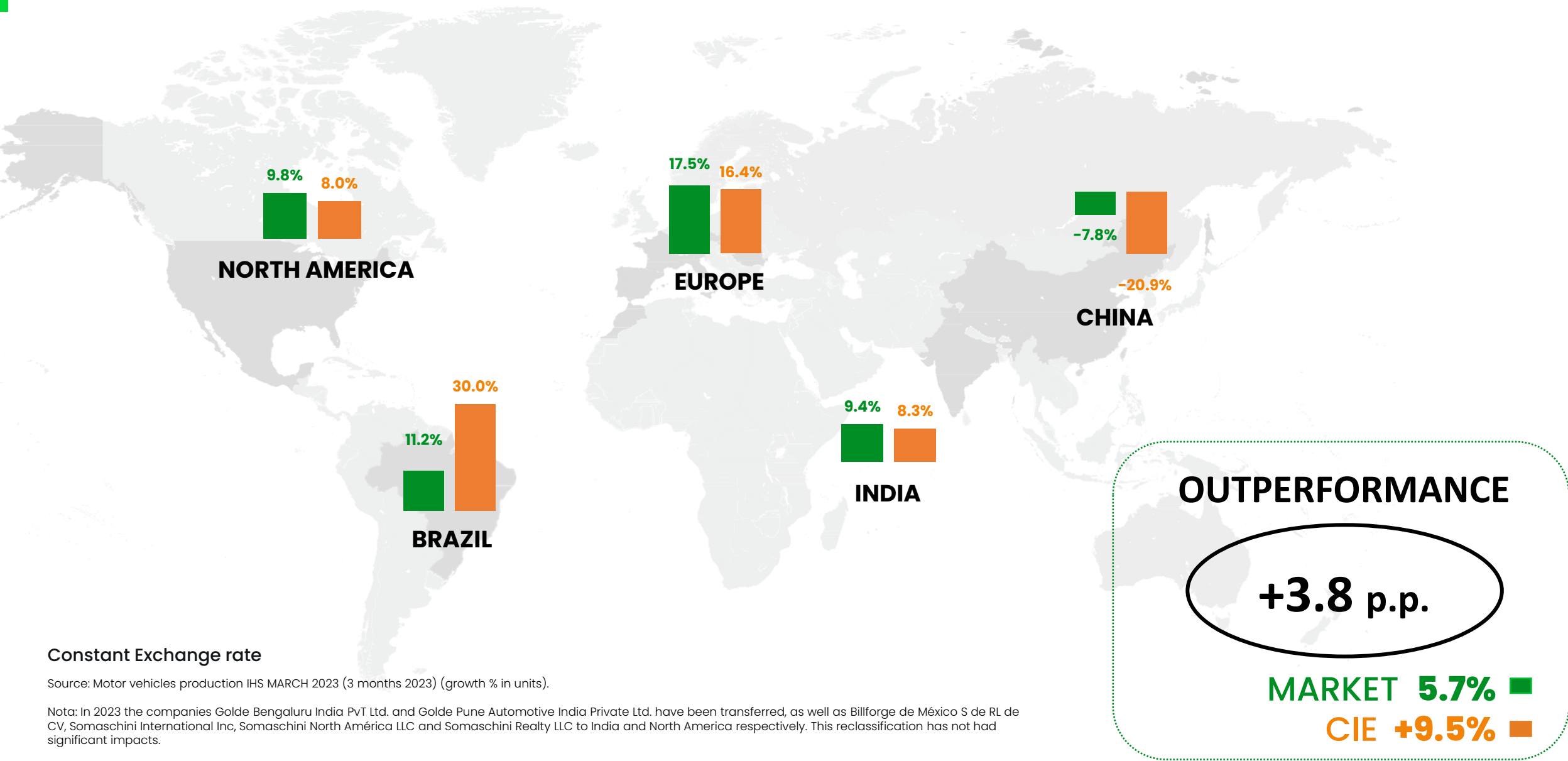
## CIE AUTOMOTIVE 2023 - HIGHLIGHTS

1	TURNOVER	1,008.1 €m	+10.3% vs March 2022	DOUBLE DIGIT GROWTH OUTPERFORMANCE
2	EBITDA	179.3 €m	17.8% EBITDA MARGIN vs 17.2% March 2022	STRENGTHENING OF OPERATING MARGINS
3	NET INCOME	90.0 €m	+9.6% vs March 2022	CONTINUOUS AND SUSTAINED GROWTH
4	OPERATING CASH	113.5 €m	65.5% OPERATING CASH/EBITDA	HIGH LEVEL OF CASH GENERATION
5	LIQUIDITY RESERVE	1,413 €m		STRONG LIQUIDITY POSITION WITH STRICT CASH MANAGEMENT
6	NFD/EBITDA <sup>(*)</sup>	1.86X	vs 2.34x March 2022	CONTINUOUS DEBT RATIOS IMPROVEMENT
7	SHARE PRICE	26.5€	+28.3% vs March 2022	TARGET PRICE CONSENSUS 30.28€

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

# 3. Q1 2023 RESULTS

## SALES EVOLUTION 2023 VS 2022



Constant Exchange rate

Source: Motor vehicles production IHS MARCH 2023 (3 months 2023) (growth % in units).

Nota: In 2023 the companies Golde Bengaluru India Pvt Ltd. and Golde Pune Automotive India Private Ltd. have been transferred, as well as Billforge de México S de RL de CV, Somaschini International Inc, Somaschini North América LLC and Somaschini Realty LLC to India and North America respectively. This reclassification has not had significant impacts.

# 3. Q1 2023 RESULTS

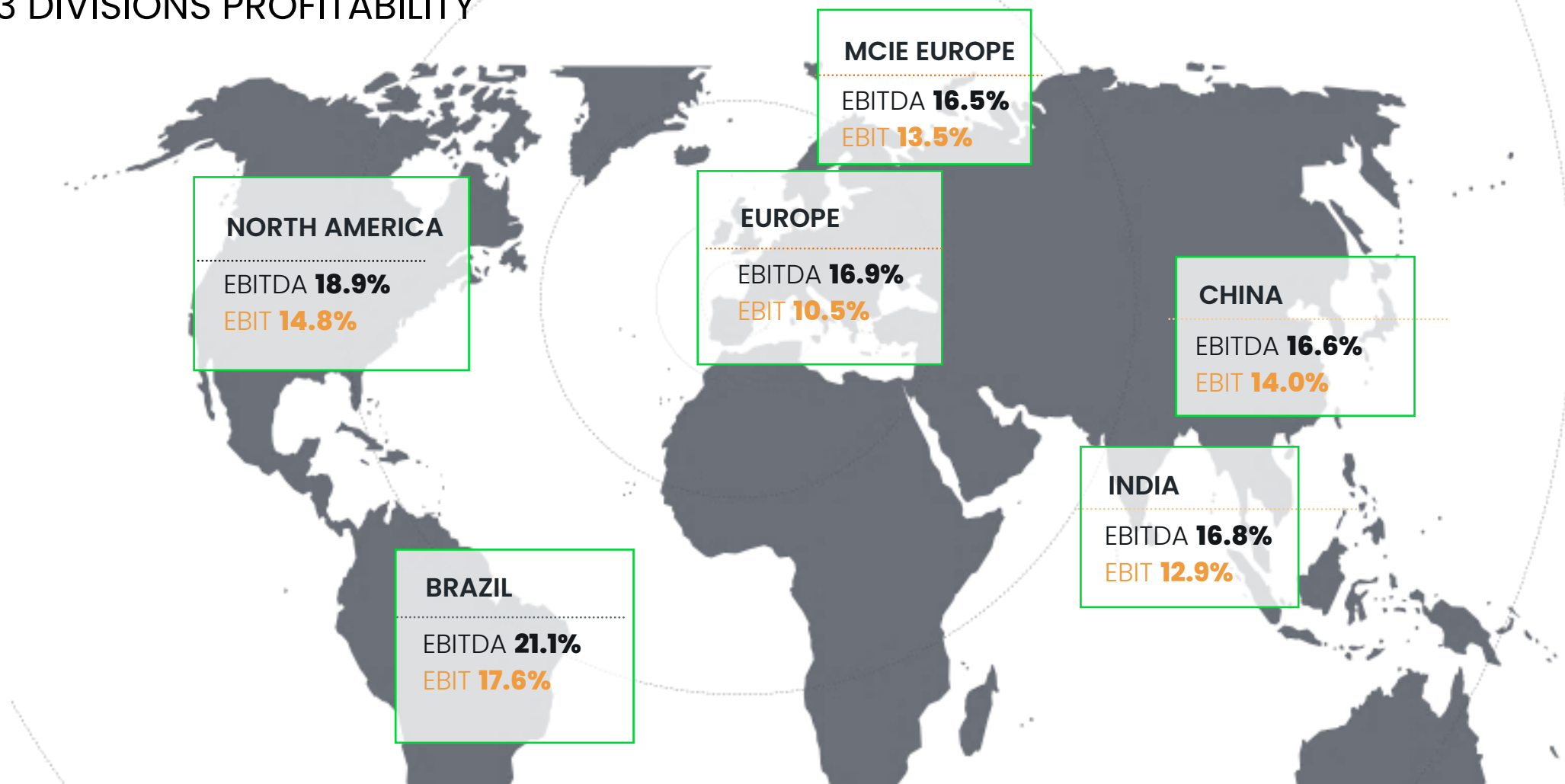
€m	31/03/2022	31/03/2023	
Turnover	914.4	1,008.1	<b>+10.3%</b>
EBITDA	157.5	179.3	<b>+13.8%</b>
% EBITDA / turnover	17.2%	<b>17.8%</b>	
EBIT	117.5	134.3	
% EBIT / turnover	12.9%	<b>13.3%</b>	
EBT	109.3	120.0	
Net income	82.2	<b>90.0</b>	<b>+9.6%</b>

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 31/03/2022. The information is different from that published by CIE in 2022 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.

- Strong growth in all lines of results, highlighting the solid improvement in operating margins. EBIT >13%

# 3. Q1 2023 RESULTS

## 2023 DIVISIONS PROFITABILITY



• All geographies contribute to CIE's success by reaching a minimum double-digit EBIT margin

\* The reclassification of the companies Golde Bengaluru India Pvt Ltd. and Golde Pune Automotive India Private Ltd., as well as Billforge de Mexico S de RL de CV, Somaschini International Inc, Somaschini North America LLC and Somaschini Realty LLC to India and North America respectively, has not had significant impact on margins

# 3. Q1 2023 RESULTS

## CASH FLOW MARCH 2023

€m

<b>EBITDA</b>	<b>179.3</b>
Financial Expenses	(18.1)
Maintenance Capex	(24.4)
Tax Payments	(17.3)
IFRS 16 Leases <sup>(1)</sup>	(6.0)
<b>OPERATING CASH FLOW</b>	<b>113.5</b>
<b>% EBITDA<sup>(2)</sup></b>	<b>65.5%</b>
Growing Capex	(26.1)
Net Working Capital Variation	0.6
Other movements	3.4
<b>OPERATING FINANCIAL CASH FLOW</b>	<b>91.4</b>
Payment of dividends and own shares transactions	(50.6)
<b>FINANCIAL CASH FLOW</b>	<b>40.8</b>

(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.

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

€m	31/03/2022	31/12/2022	31/03/2023
NFD	1,389.1	1,289.8	1,249.0
Adjusted NFD <sup>(*)</sup>	1,370.1	1,270.0	1,233.6
<b>NFD/EBITDA<sup>(*)</sup></b>	<b>2.34X</b>	<b>1.98X</b>	<b>1.86X</b>

**Debt ratios improvement and operating financial cash flow generation with very high shareholder remuneration**



# 3. Q1 2023 RESULTS

## FINANCIAL POSITION

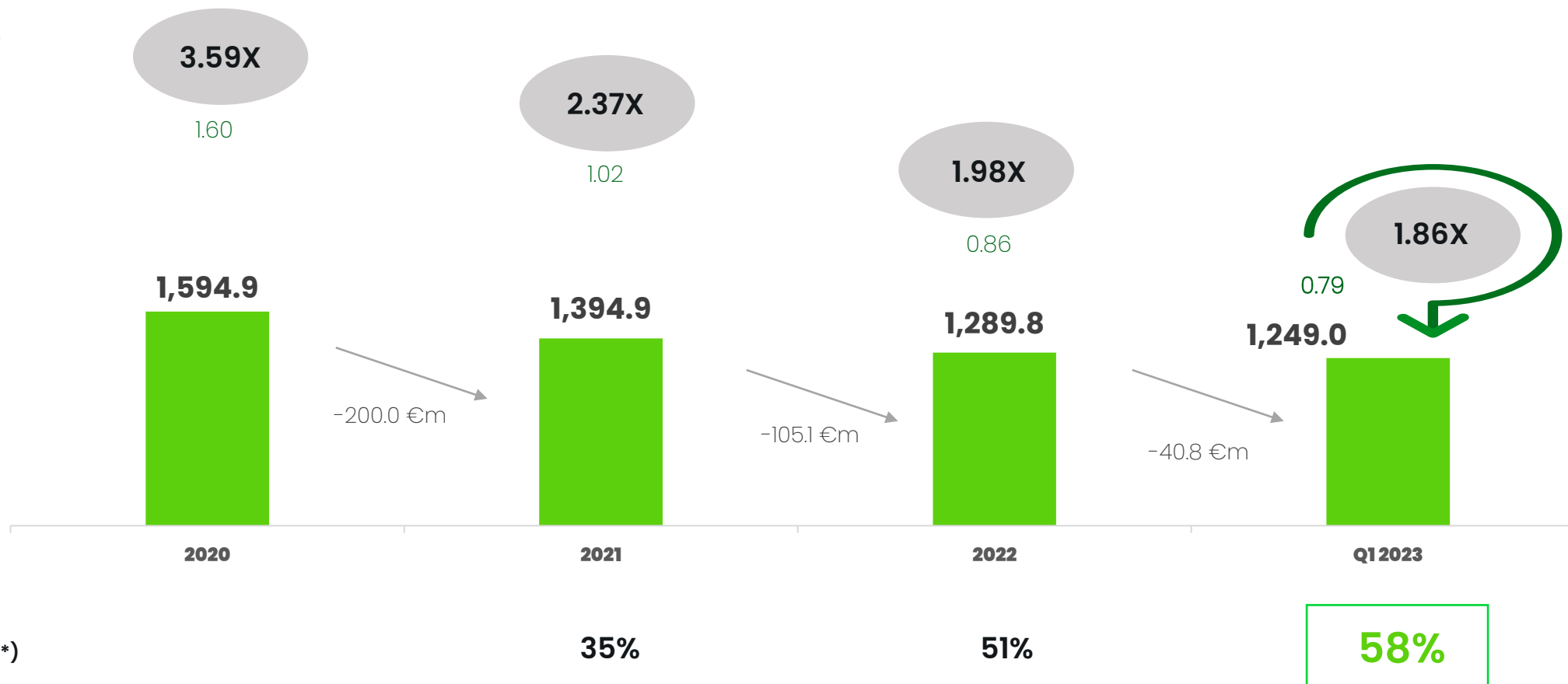
### STRENGTHENING OUR FINANCIAL POSITION

NFD/EBITDA<sup>(\*)</sup>

NFD/Equity

NFD

GFD at fixed interest rate<sup>(\*\*)</sup>



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

(\*\*) Gross financial debt (GFD) at fixed interest rate

# THANK YOU

