



# Gestamp

## First Quarter 2014 Results

June 3<sup>rd</sup> 2014

# Disclaimer

---

This presentation has been prepared solely for use at this presentation of our results for the quarter ended March 31, 2014. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.

This presentation is not an offer for sale of securities in the United States or in any other jurisdiction. This presentation has been prepared for information and background purposes only. It is confidential and does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of Gestamp Automoción, S.A. (the "Company") or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group or with any other contract or commitment whatsoever. Neither this presentation nor any part of it may be reproduced (electronically or otherwise) or redistributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person or published in whole or in part for any purpose without the prior written consent of the Company.

This presentation does not purport to be all-inclusive or to contain all of the information that any person may require to make a full analysis of the matters referred to herein. Each recipient of this presentation must make its own independent investigation and analysis of the Company.

This presentation may contain certain forward-looking statements that reflect the management's intentions, beliefs or current expectations.

These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate. The Company's ability to achieve its projected results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. All forward-looking statements included herein are based on information available to the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

In this presentation, we may rely on and refer to information regarding our business and the market in which we operate and compete. We have obtained this information from various third party sources, including providers of industry data, discussions with our customers and our own internal estimates. We cannot assure you that any of this information is accurate or correctly reflects our position in the industry, and none of our internal surveys or information has been verified by any independent sources.

No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information contained herein.

None of the Company, its advisers, connected persons or any other person accepts any liability for any loss howsoever arising, directly or indirectly, from this presentation or its contents. This shall not, however, restrict or exclude or limit any duty or liability to a person under any applicable laws or regulations of any jurisdiction which may not lawfully be disclaimed (including in relation to fraudulent misrepresentation).

# **Presentation of First Quarter 2014 Results**

*Francisco J. Riberas Mera, President & CEO*

*Francisco López Peña, Vice President & CFO*

*Richard Egües, Director of International Financing*

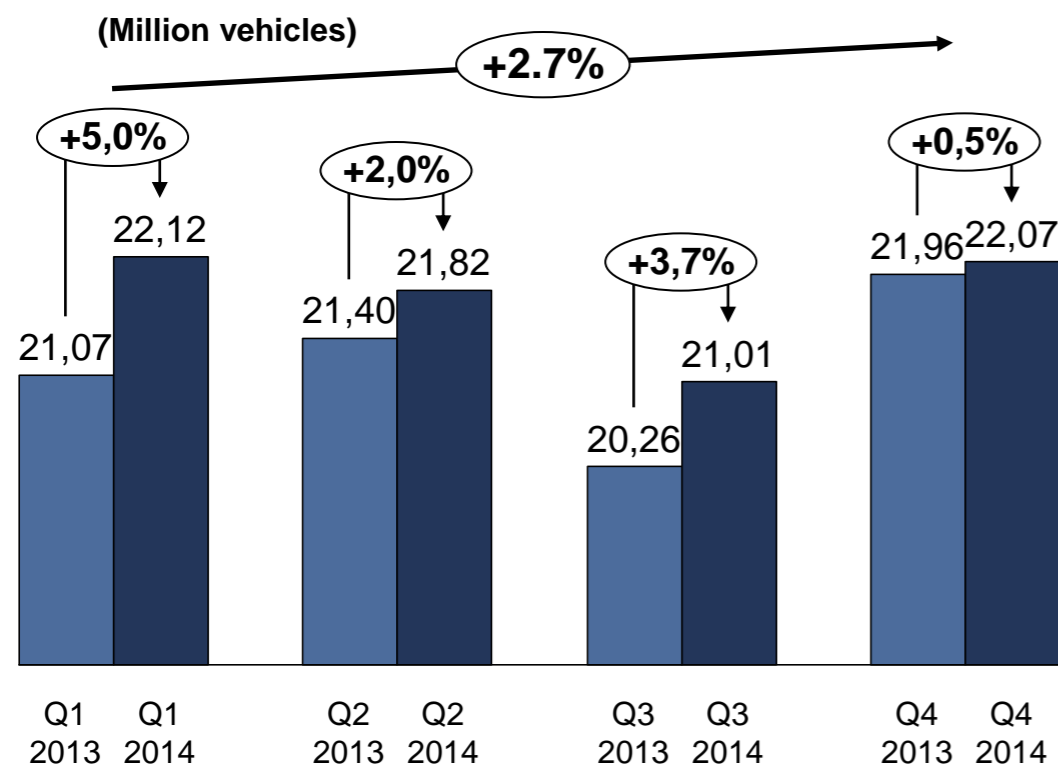
# Introduction – Q1 2014

---

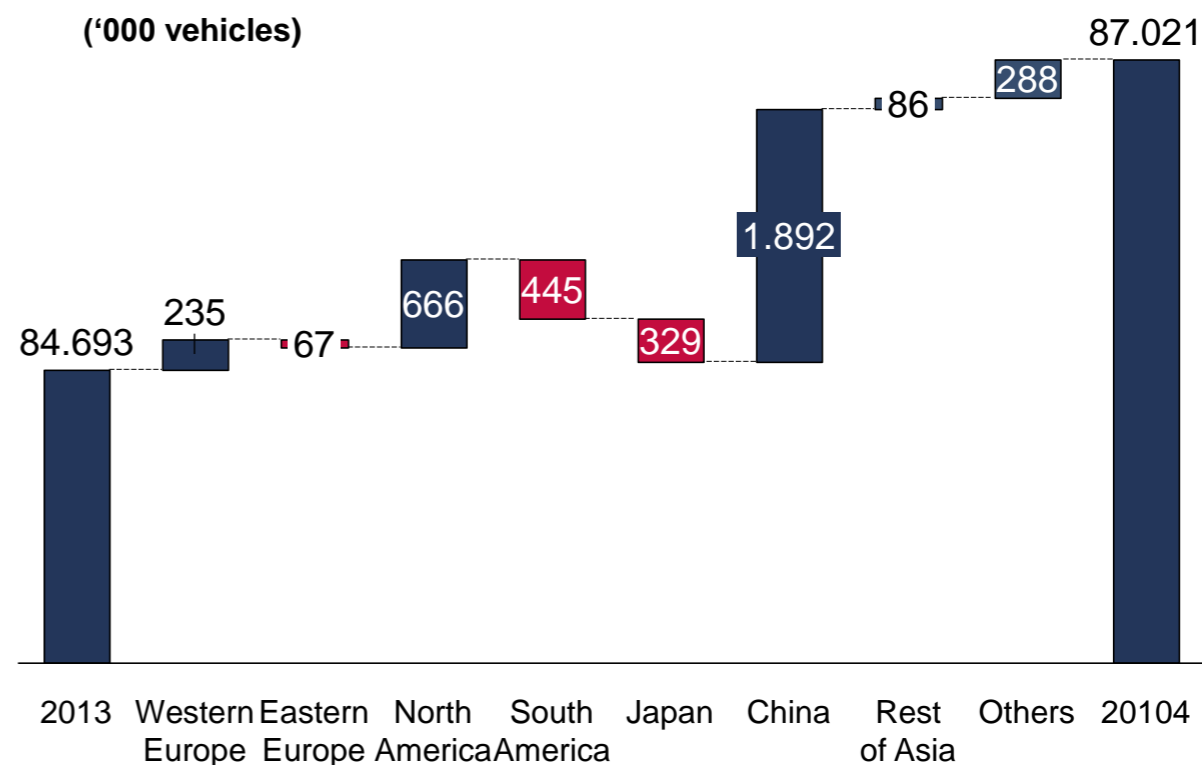
- We have seen positive developments in the first quarter of 2014
  - Western Europe production has picked up
  - Projects under construction in Mexico and Russia are advancing on schedule
  - Project ramp-ups are progressing as expected
  
- However, we also see reason to be cautious regarding adverse currency movements and soft production volumes in some markets
  - Principally in Argentina and Brazil, Turkey, Russia, US, Mexico, India, the local currencies are weaker in Q1 2014 than in Q1 2013
  - Russian, Brazilian and Argentine markets remain soft
  
- We are following through on our moderation of capital expenditure, with total capex in the first quarter of 2014 at a level significantly below the comparable period in 2013
  
- Other recent developments we can share with you :
  - At the end of April we closed the unwinding of the JVs with Sungwoo, as anticipated in our recent presentation of 2013 results
  - Last month we successfully amended our € 850 million Senior Facilities Agreement to reduce the margin ratchet by 125 basis points, effective as of April 1, 2014

# Industry Production Volumes

## Quarterly Comparison



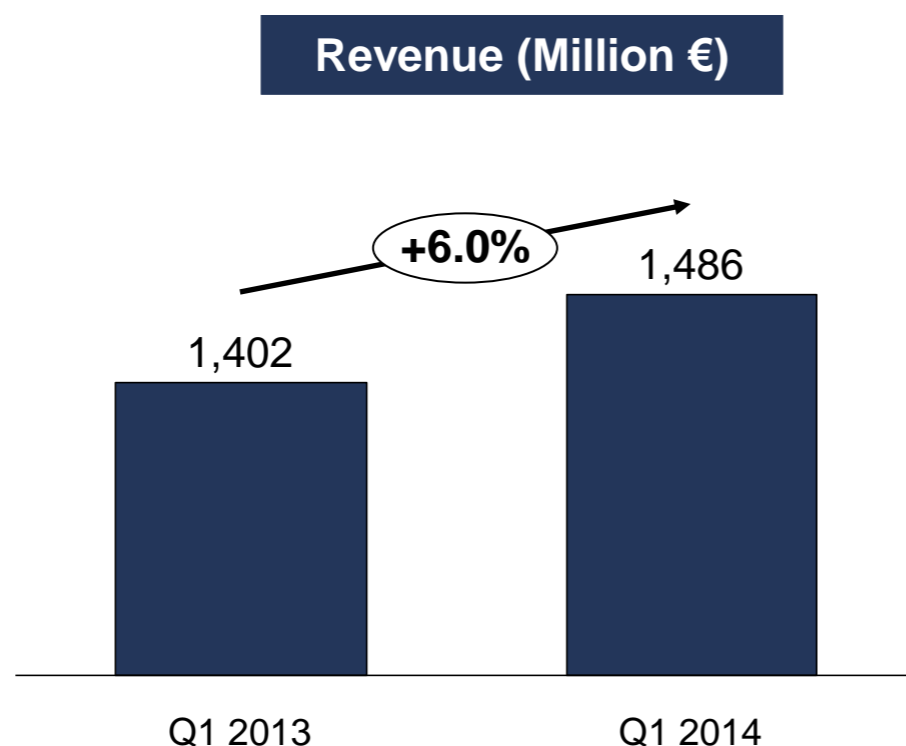
## Geographic Contributions to Growth in 2014



Source: Independent third party

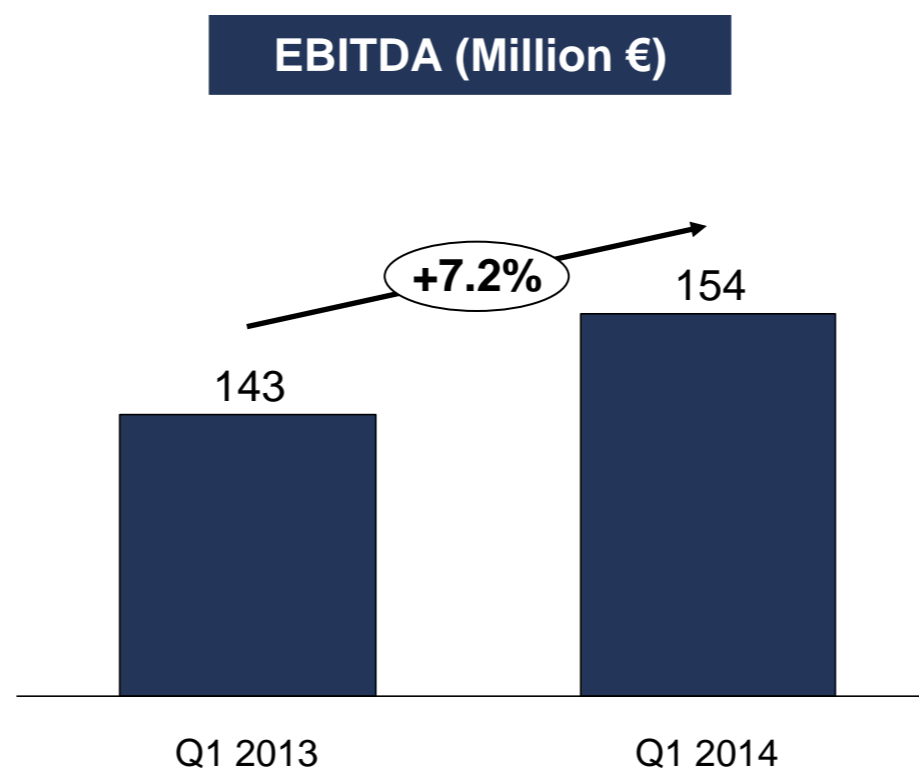
- Global Light Vehicle production is expected to grow 2.7% to 87 million units during 2014
- Q1 2014 production was somewhat better than in Q1 2013; in Western Europe production volumes increased at high single-digit rates, exceeding expectations
- Industry production volumes are expected to continue higher for the remainder of the year, although with more moderate improvements in the quarters ahead compared to 2013
- China will remain the main driver of growth for 2014, with North America, and to a lesser extent Western Europe, contributing to world production growth
- South America and Japan will be a drag on world growth in 2014

# Review of Q1 2014 – Revenue



- Revenue increased by € 84 million, or 6.0%, to € 1,486 million in the first quarter of 2014 compared to sales of € 1,402 million in the first quarter of 2013
- Revenue reflects growth in sales in Western Europe, North America and Asia both from volume recovery and from new projects, especially in China and the US
- However:
  - South American sales declined by € 34 million
  - Depreciation of foreign currencies against the Euro had an estimated overall negative impact of approximately € 75 million during Q1 2014
- Revenue growth in Q1 2014 at constant exchange rates vs. Q1 2013 would have been over 11%

# Review of Q1 2014 – EBITDA



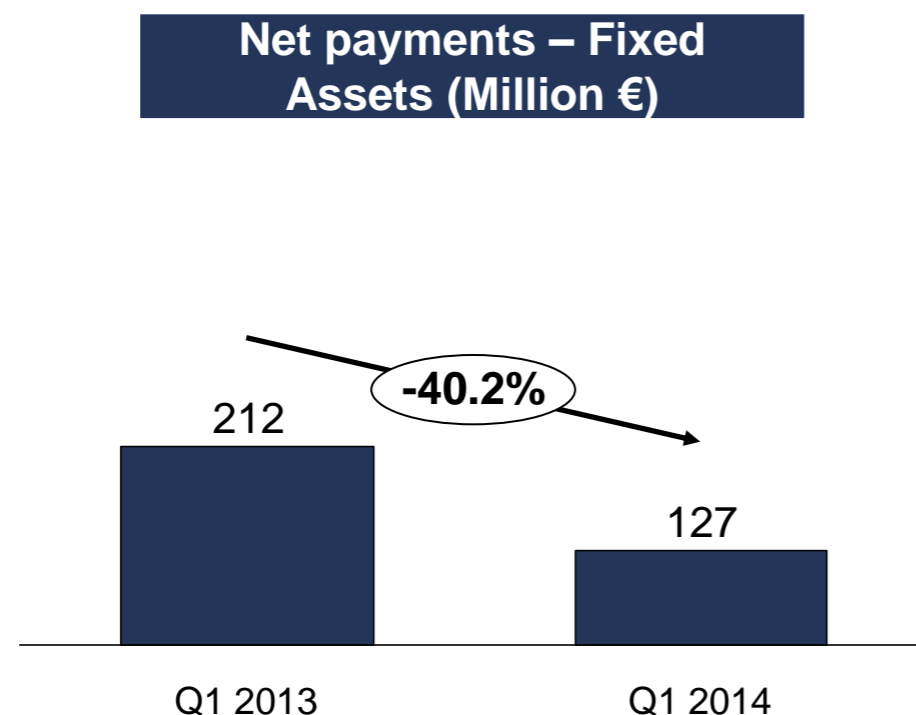
- Consolidated EBITDA increased by 7.2% to € 154 million in the first quarter of 2014 compared to EBITDA of € 143 million in the first quarter of 2013
- This increase is primarily a result of higher volume of activity in Western Europe, North America and Asia in 2014 compared to the comparable period in 2013
- We estimate that Q1 2014 EBITDA was negatively impacted by approximately € 9 million in Q1 2014 due to the effect of depreciated exchange rates in the translation of local operating results into Euros
  - EBITDA growth in Q1 2014 at constant exchange rates vs. Q1 2013 would have been approximately 14%



# Review of Q1 2014 – Investments in Fixed Assets

	First Quarter	
	2013	2014
	<i>(Millions of Euros)</i>	
<b>Capital expenditures</b>		
Intangible assets	26.6	13.1
Tangible assets	142.4	76.3
<b>Total</b>	<b>169.0</b>	<b>89.4</b>
<b>Net payments on investments</b>		
Intangible assets	26.2	13.9
Tangible assets	186.0	113.1
<b>Total</b>	<b>212.2</b>	<b>127.0</b>

- Capex on tangible fixed assets during Q1 2014 amounted to € 76 million, or 46% lower than during Q1 2013
- Net payments on investments were € 127 million in Q1 2014 vs. € 212 million in Q1 2013, representing a decline of 40%
- Net payments include the effect of reductions in payables to fixed asset suppliers





# Application of IFRS 10 and 11

- The Group has adopted IFRS 10 and IFRS 11 this year, implicating changes to the accounting consolidation methods of the Group companies as per the chart below

Company	Shareholding		Consolidaton method	
	March 31, 2014	2013	March 31, 2014	2013
Beyçelik A.S.	50,00%	50,00%	Full	Proportionally
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirket i	50,00%	50,00%	Full	Proportionally
Gestamp Automotive India Private Ltd	50,00%	50,00%	Full	Proportionally
Gestamp Sungwoo Stamping & Assemblies Private Ltd.	50,00%	50,00%	Full	Proportionally
Edscha Pha, Ltd	50,00%	50,00%	Full	Proportionally
Sungwoo Gestamp Hitech Pune Private, Ltd.	50,00%	50,00%	Equity method	Proportionally
Sungwoo Gestamp Hitech Chennai, Ltd.	50,00%	50,00%	Equity method	Proportionally
Gestamp Sungwoo Hitech (Chennai) Private, Ltd	50,00%	50,00%	Equity method	Proportionally
GS Hot Stamping Co, Ltd.	47,49%	47,49%	Equity method	Proportionally
Jui Li Edscha Body Systems Co., Ltd	50,00%	50,00%	Equity method	Proportionally
Jui Li Edscha Hainan Industry Enterprise Co., Ltd	50,00%	50,00%	Equity method	Proportionally
Jui Li Edscha Holding Co., Ltd	50,00%	50,00%	Equity method	Proportionally

- As the IFRS standards require, historical financials have been adapted to facilitate comparison with the previous year

# Net debt and EBITDA, with and without IFRS 10 & 11

- Below we set out for reference reported net debt and EBITDA, both as historically reported and as per adoption of IFRS 10 and 11, for the periods ending on the dates indicated below:

	As reported		Adopting IFRS 10 and 11		
	March 31,	December 31,	March 31,	December 31,	March 31,
	2013	2013	2013	2013	2014
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>		
Interest bearing loans and borrowings	1.562,1	1.717,6	1.566,7	1.746,6	1.789,0
Financial leasing	25,4	23,7	25,4	28,9	28,1
Borrowings from associated companies	67,2	192,1	67,2	210,5	209,0
Other interest bearing loans	75,4	88,6	75,4	88,6	86,8
<b>Total Financial Debt</b>	<b>1.730,1</b>	<b>2.022,0</b>	<b>1.734,7</b>	<b>2.074,6</b>	<b>2.112,9</b>
Cash, cash equivalents and current financial assets	253,5	561,6	271,4	578,0	451,6
<b>TOTAL NET FINANCIAL DEBT</b>	<b>1.476,6</b>	<b>1.460,4</b>	<b>1.463,3</b>	<b>1.496,6</b>	<b>1.661,3</b>
EBITDA	137,8	593,7	143,4	608,7	153,7

- Evolution of net debt during Q1 2014 was within our expectations given seasonality of working capital and other factors





**Gestamp** 