



Presentation of Q1 2019 Results

May 6th, 2019

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Key Highlights for Q1 2019

Financial Overview

Closing Remarks

- Revenues during Q1 2019 have performed well with an increase of **5.4%** (6.8% at constant FX) driven by the positive impact from new projects that have started operations, resulting in an **outperformance of the auto production market which has remained challenging**
- In terms of profitability, **EBITDA grew by 7.5%** (or 9.1% at constant FX) resulting in an **11.5% margin** including the new accounting treatment for operating leases (IFRS 16)
- **Ongoing auto market uncertainties have led to production volume declines** vs. Q1 2018 in all of Gestamp's geographies, especially in **Western Europe** (Germany and UK) and **China**
- Gestamp has recently **strengthened its presence with local Chinese OEMs** with the **signing of two MOUs** with BHAP and Wuling, respectively as well as displaying its **lightweight capabilities in EV at Auto Shanghai 2019**
- **Gestamp has also continued to increase its footprint** with the inauguration of a new plant in San Luis Potosi (Mexico) and currently has 3 additional plants under construction to be opened during 2019

Note: IFRS 16 operating lease adjustment included as of 1st January 2019

| (In €m) | Q1 2018 | Q1 2019 |
|----------------------------|-----------------------|---------|
| Total Revenue | 2,058 | 2,170 |
| EBITDA | 231 | 249 |
| EBITDA margin (%) | 11.2% | 11.5% |
| EBIT | 129 | 110 |
| EBIT margin (%) | 6.3% | 5.1% |
| Net Income | 63 | 41 |
| Net debt | 2,100 | 2,379 |
| Operating Leases (IFRS 16) | <i>Not applicable</i> | 408 |

Q1 2019 Revenue increased by 6.8% at constant FX and EBITDA increased by 9.1% at constant FX

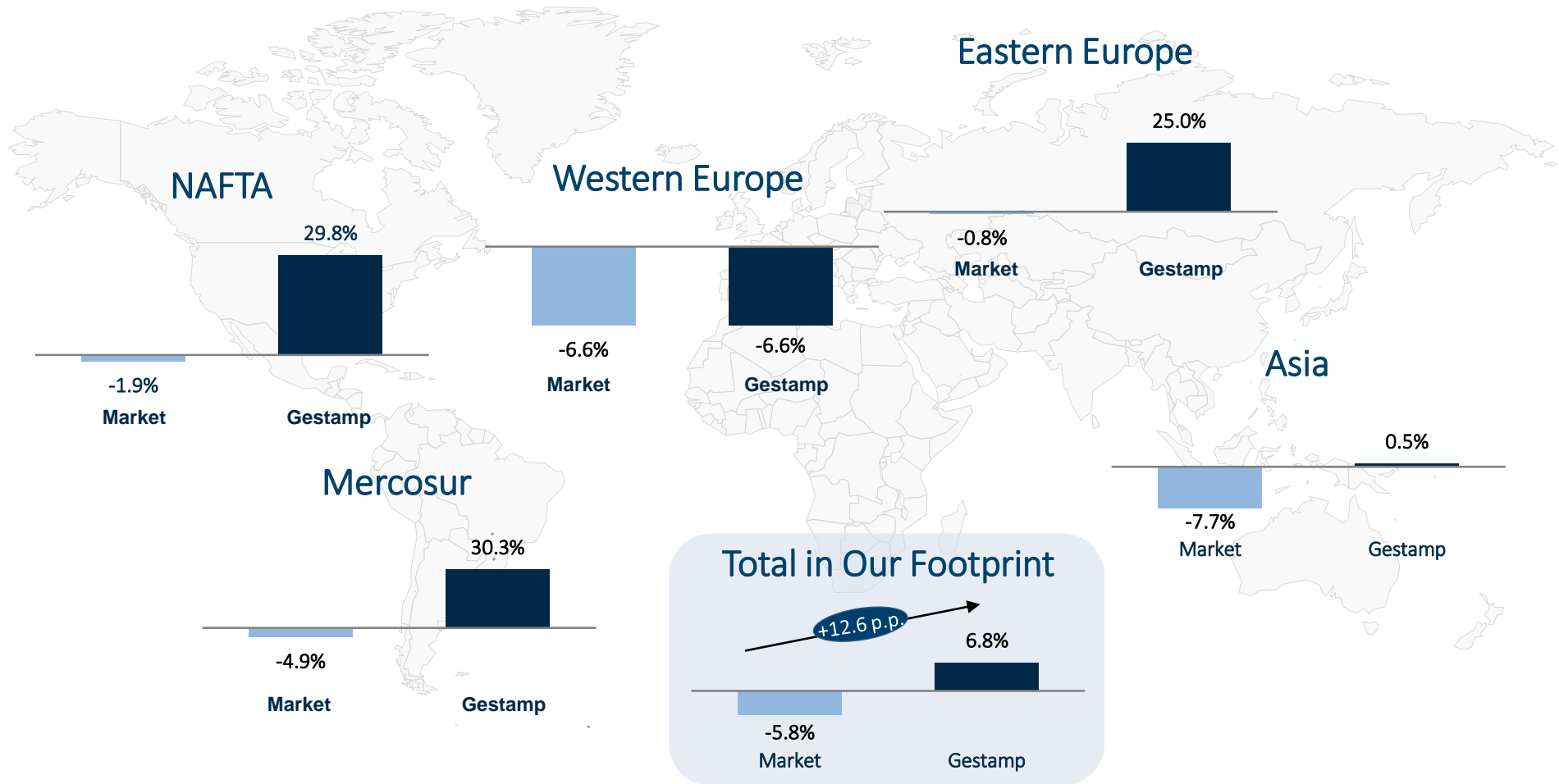
Note: IFRS 16 operating lease adjustment included as of 1st January 2019

- The automotive market environment has **remained challenging** and the first quarter of the year experienced a **5.8%⁽¹⁾ decline in global light vehicle production volumes**
- All regions in which Gestamp is present saw **volume decreases during Q1** with **Western Europe (-6.6%)⁽¹⁾** and **China (-13.5%)⁽¹⁾** experiencing the strongest declines, followed by **NAFTA (-1.9%)⁽¹⁾** and **Mercosur (-4.9%)⁽¹⁾** whilst volumes in **Eastern Europe showed only a moderate decrease (-0.8%)⁽¹⁾** vs. Q1 2018
- **Market uncertainties** seen in H2 2018 have **continued to impact the first quarter of 2019**
 - **Powertrain uncertainties**
 - **Brexit outcome scenarios**
 - **Ongoing trade tensions**
 - **Weaker global economy**
- **OEMs are looking for new developments and solutions** in order to **accomplish EU CO₂ regulation targets**, leading to an increase of **outsourcing to global suppliers** which strengthens Gestamp's position in capturing new business
 - **Strengthening electrification strategies** with an increased number of new EV models being announced
 - **Looking for lightweight solutions** to develop lighter ICE⁽²⁾ vehicles as well as increase autonomy of EVs
- **Global auto production forecasts for 2019/20E have turned more cautious** with volumes expected to evolve by **-0.6%⁽¹⁾ in 2019E** and **+1.5%⁽¹⁾ in 2020E** (lower production volumes in absolute terms vs. previous forecast)

Note: Market production volume growth as of IHS April 2019

(1) Production volume growth is based on countries in Gestamp's production footprint (IHS data as of April 2019); (2) Internal Combustion Engine

Gestamp Revenue Growth at Constant FX vs. Market Production Growth in Gestamp's Footprint



Note: Gestamp's growth at constant FX used for comparability with production volumes. Market production volume growth is based on countries in Gestamp's production footprint (IHS data for Q1 2019 as of April 2019)



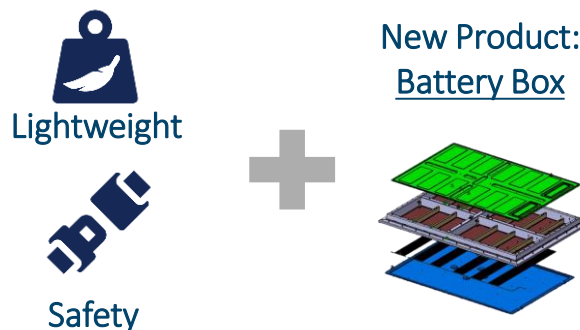
Strengthening Presence with Local Chinese OEMs



- Signed two MoUs with local Chinese players (April 19)
 - MoU with BHAP to foster growth in China and enhance growing EV opportunities
 - MoU with Wuling⁽¹⁾ to cooperate within the Guangxi Zhuang region
- Auto Shanghai 2019
 - Lightweight capabilities focused on EVs displayed



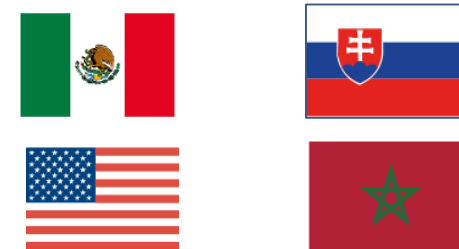
A Twofold Approach to the EV Market



- Enhanced lightweight and safety requirements
 - New generation of HS solutions in place in order to reduce weight
- New products for EVs: Battery Box - additional opportunity for Gestamp
 - High added value: aluminum & joining technologies
 - Increased number of enquiries and several programs awarded



Increasing Footprint – Plant Openings in 2019

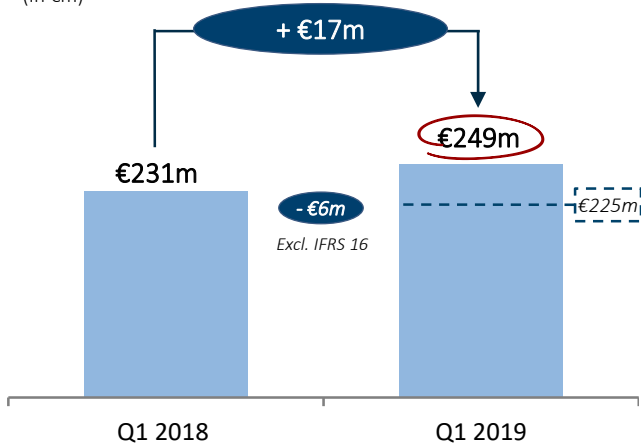


- Inauguration of a new plant in San Luis Potosi, Mexico (March 19)
 - Hot stamping capabilities and Gestamp's first hydroforming press in Mexico
- 3 additional plants under construction to be opened in 2019
 - Gestamp Chelsea
 - Gestamp Nitra
 - Gestamp Tuyauto Morocco

(1) Liuzhou Wuling Automobile Industry Co., Ltd. (WLAI)

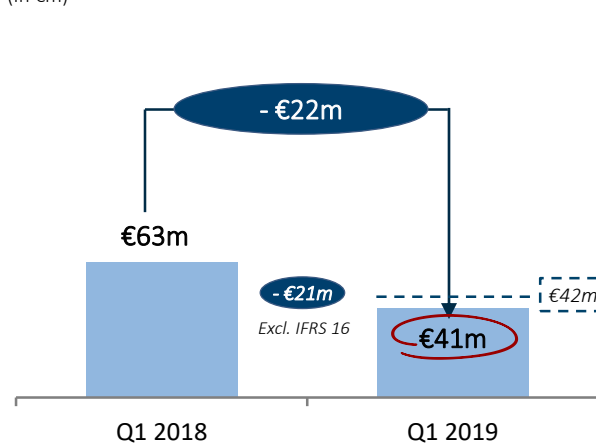
EBITDA ⁽¹⁾

(In €m)



Net Income

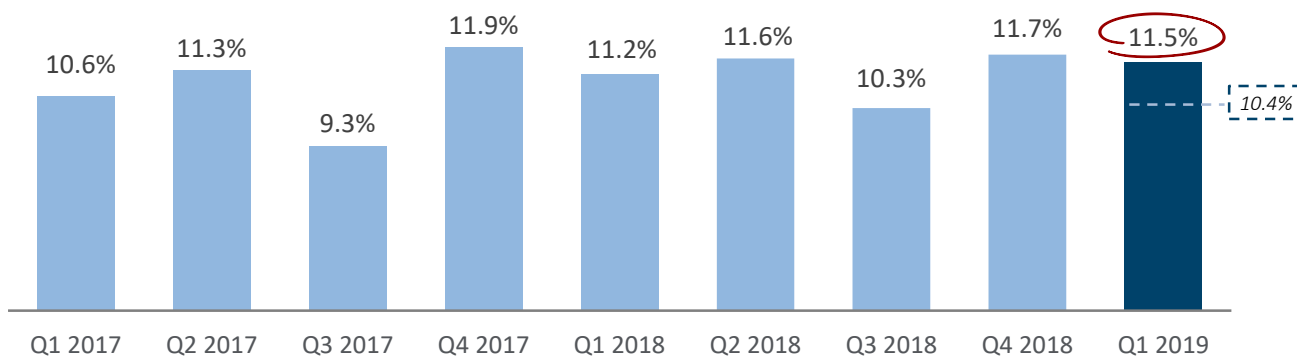
(In €m)



Considerations

- EBITDA of €249m, a 7.5% increase or 9.1% at constant FX, including the impact from IFRS 16
- Net Income reached €41m, impacted by
 - Increase in D&A
 - Increase in minorities

EBITDA Margin Evolution



Considerations

- EBITDA margin reached 11.5% including IFRS 16 impact
 - Negative impact from Western Europe, Asia and Mercosur
 - Improvement in NAFTA and Eastern Europe but still impacted by project ramp-ups

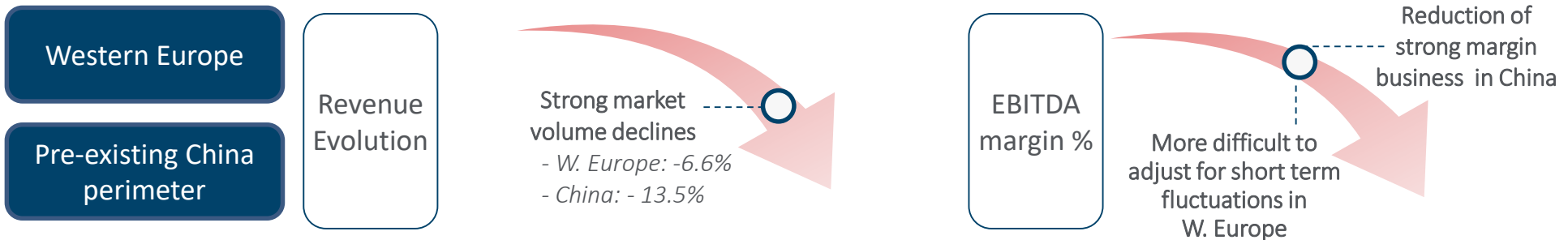
Note: IFRS 16 operating lease adjustment included as of 1st January 2019

(1) EBITDA increase of 9.1% at constant FX in Q1 2019

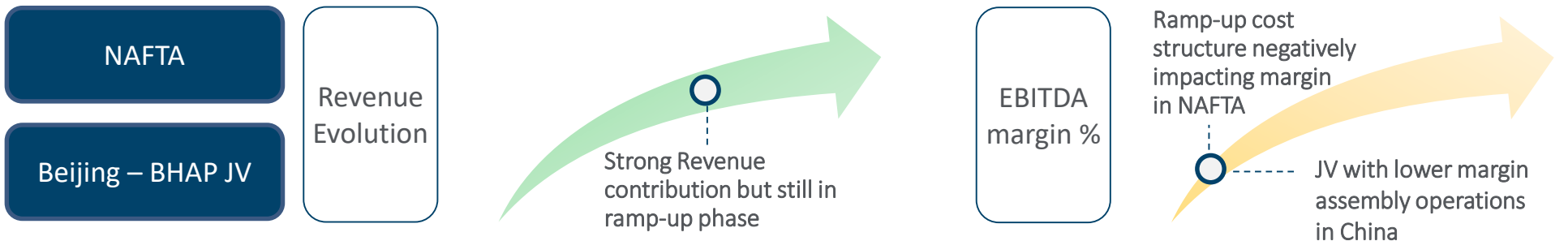
Excluding IFRS 16

- Different business mix vs. Q1 2018 which has a temporary negative impact on EBITDA and EBIT profitability (excl. IFRS 16)
- Growth and profitability driven by underlying market dynamics as well as ramp-up of recently deployed growth capex

Impact from Underlying Market Dynamics



Impact from Ramp-up of Operations



Revenue growth of 6.8% at constant FX but temporary decrease in EBITDA and EBIT margins

Note: Market production volume growth is based on countries in Gestamp's production footprint (IHS data for Q1 2019 as of April 2019)

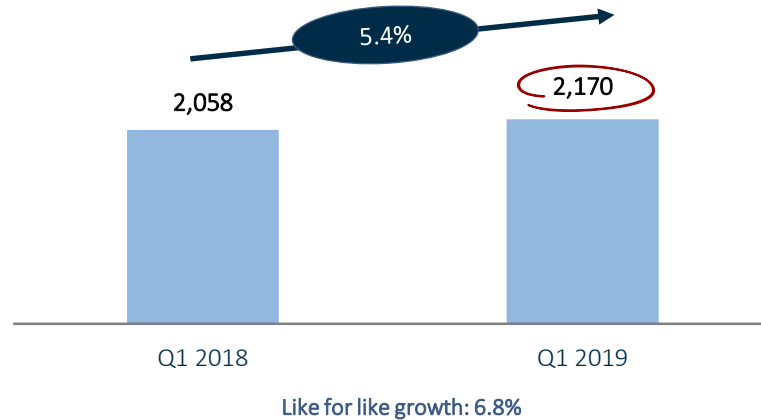
Key Highlights for Q1 2019

Financial Overview

Closing Remarks

Revenue

(In €m)



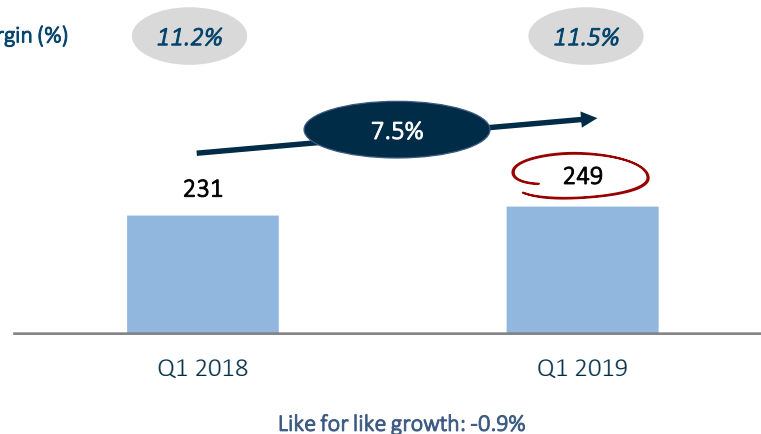
Considerations

- Revenue increase of 5.4% or 6.8% at constant FX, reaching €2,170m
 - Solid growth in NAFTA, Eastern Europe and Mercosur
 - Continued FX headwinds mainly in Turkey and Argentina
 - Negative market performance in Asia partially offset by contribution from JV with BHAP
 - Decrease in Western Europe linked to volume declines in Germany and the UK

EBITDA

(In €m)

EBITDA margin (%)



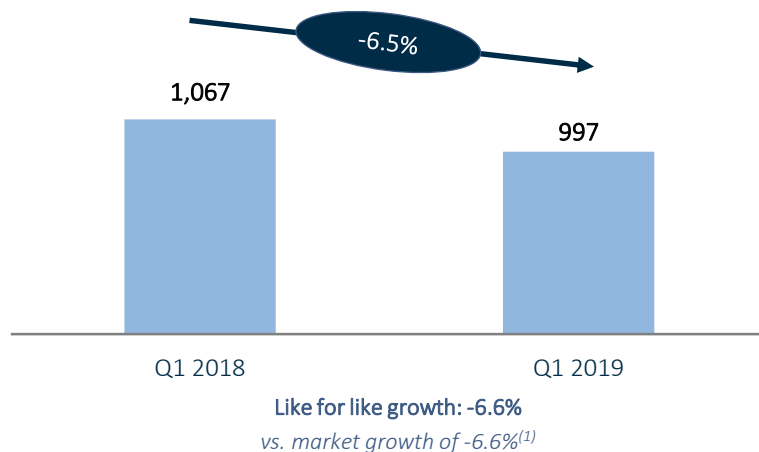
Considerations

- EBITDA increase of 7.5% with margin moving up to 11.5%
 - Positive impact from IFRS 16
 - Profitability negatively impacted by weaker volumes in Western Europe, Asia and Argentina
 - Positive margin evolution in Eastern Europe and NAFTA linked to ramp-up of projects

Note: IFRS 16 operating lease adjustment included as of 1st January 2019; Like for like growth – at constant FX and excluding IFRS 16 impact

Revenue

(In €m)



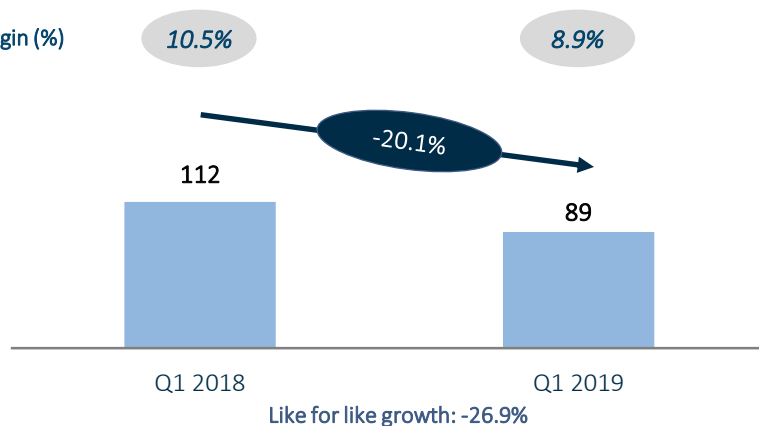
Considerations

- Revenue decrease of 6.5%, reaching €997m
 - Lower production levels especially in Germany, and lower volumes in the UK mainly due to **Brexit uncertainty**
 - **Slower ramp-up** of some projects and customer stoppages leading to **lower volumes**

EBITDA

(In €m)

EBITDA margin (%)



Considerations

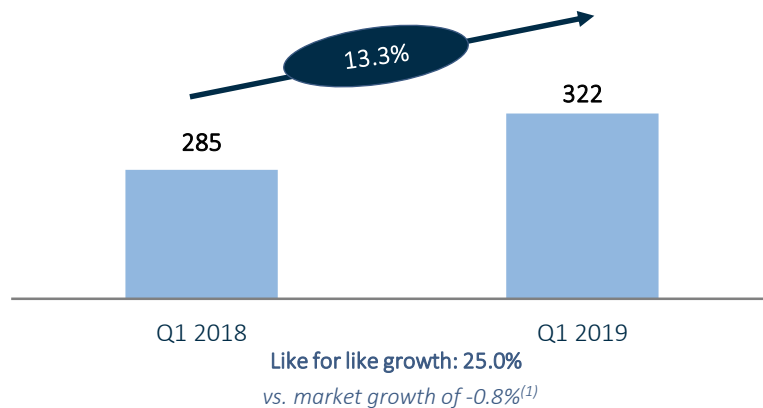
- EBITDA decrease of 20.1%, reaching €89m
 - EBITDA impacted by previously mentioned **lower volumes**
 - Profitability expected to **improve in coming quarters**
 - **Positive impact** from IFRS 16

Note: IFRS 16 operating lease adjustment included as of 1st January 2019; Like for like growth – at constant FX and excluding IFRS 16 impact

(1) Market production volume growth is based on countries in Gestamp's production footprint (IHS data for Q1 2019 as of April 2019)

Revenue

(In €m)



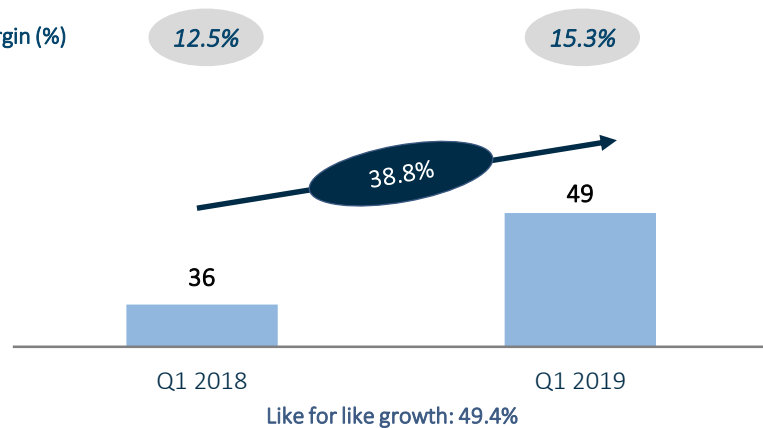
Considerations

- Revenue growth of 13.3% or 25.0% at constant FX reaching €322m
 - Strong performance in almost all countries in the region, partially offset by FX headwinds (mainly in Turkey)
 - Solid growth coming from ramp-ups of projects

EBITDA

(In €m)

EBITDA margin (%)



Considerations

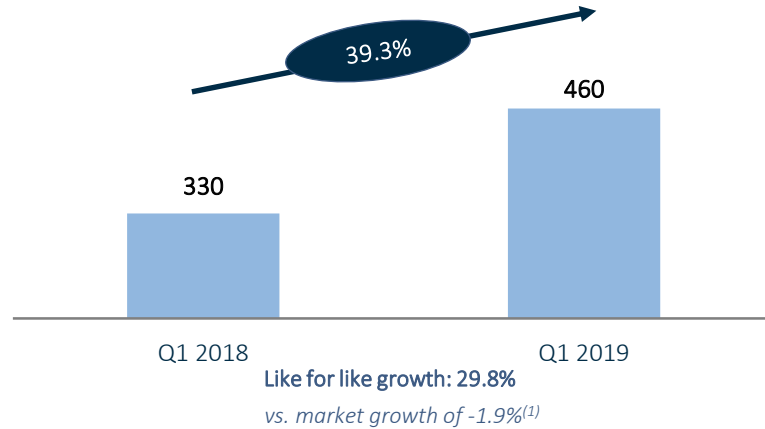
- EBITDA of €49m resulting in 38.8% growth
 - EBITDA margin expansion driven by overall volumes growth and lower ramp-up
 - FX headwinds
 - Positive impact from IFRS 16

Note: IFRS 16 operating lease adjustment included as of 1st January 2019; Like for like growth – at constant FX and excluding IFRS 16 impact

(1) Market production volume growth is based on countries in Gestamp's production footprint (IHS data for Q1 2019 as of April 2019)

Revenue

(In €m)



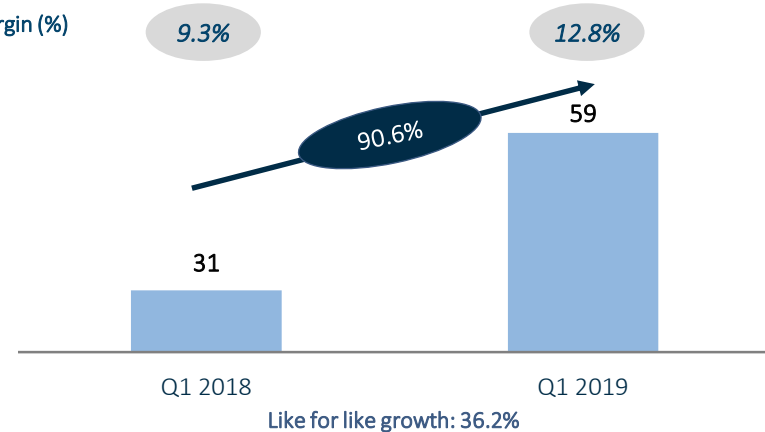
Considerations

- Revenue growth of 39.3%, reaching €460m
 - Growth in both the US and Mexico as a result of project ramp-ups
 - Strong above-market growth in both countries as evolution is linked to new projects

EBITDA

(In €m)

EBITDA margin (%)



Considerations

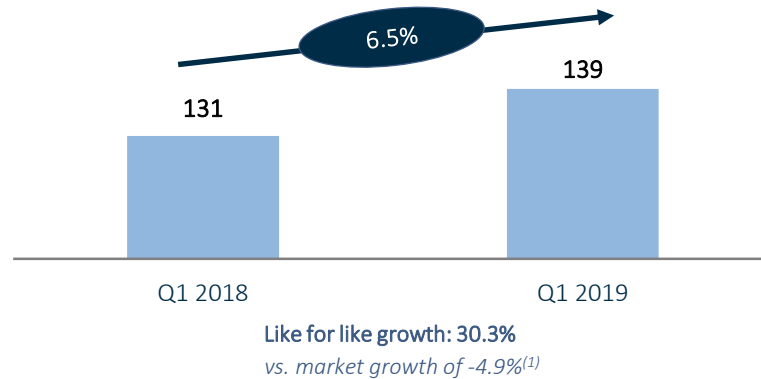
- EBITDA increase of 90.6%, reaching €59m
 - Strong impact from IFRS 16 – growth excluding IFRS 16 of 45.5% to €45m and margin of 9.8%
 - Profitability still impacted by launch costs and having full cost structure in place without having run-rate volumes
 - Improvement of profitability vs. Q4 2018 from 7.7% to 9.8% (excl. IFRS 16)
 - Margin expansion expected

Note: IFRS 16 operating lease adjustment included as of 1st January 2019; Like for like growth – at constant FX and excluding IFRS 16 impact

(1) Market production volume growth is based on countries in Gestamp's production footprint (IHS data for Q1 2019 as of April 2019)

Revenue

(In €m)



Considerations

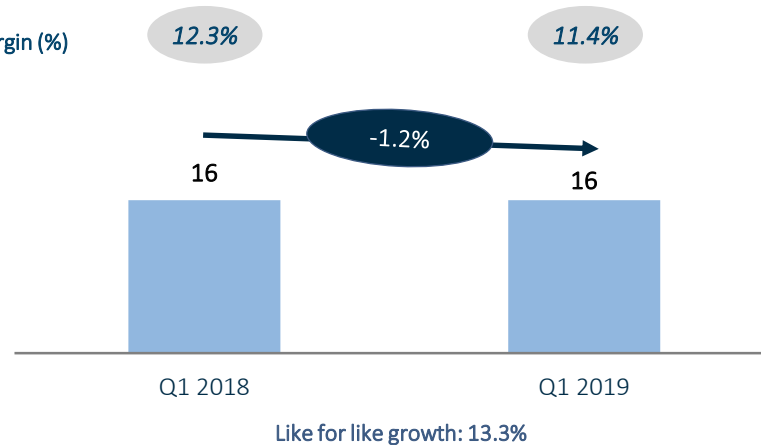
- Revenue growth of 6.5%, reaching €139m
 - Strong growth in Brazil partially offset by volume reduction in Argentina
 - High FX impact

Note: Argentina hyperinflation IFRS adjustment of -€0.4m for Q1 2019

EBITDA

(In €m)

EBITDA margin (%)



Considerations

- EBITDA decrease of -1.2%, reaching €16m
 - Margin decrease in Argentina due to volume declines and restructuring cost
 - Strong FX headwinds
 - Minimal impact from IFRS 16

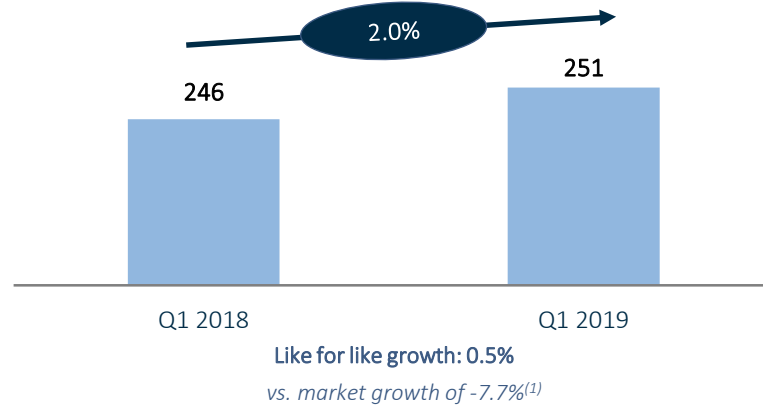
Note: Argentina hyperinflation IFRS adjustment of -€0.04m for Q1 2019

Note: IFRS 16 operating lease adjustment included as of 1st January 2019; Like for like growth – at constant FX and excluding IFRS 16 impact

(1) Market production volume growth is based on countries in Gestamp's production footprint (IHS data for Q1 2019 as of April 2019)

Revenue

(In €m)



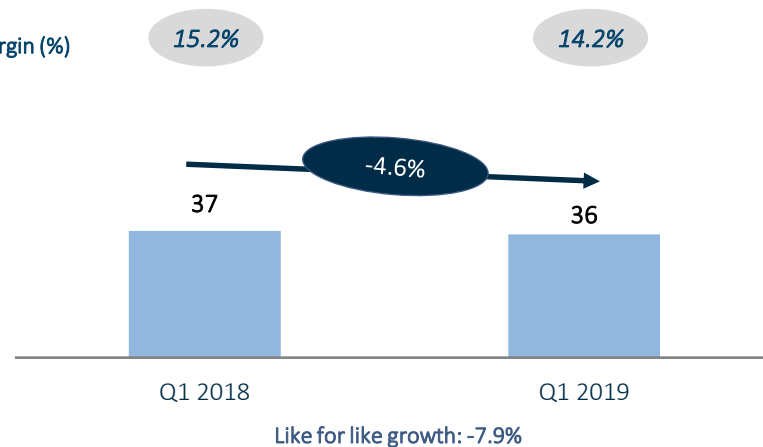
Considerations

- Revenue growth of 2.0%, reaching €251m
 - Weaker market dynamics especially in China with double digit declines as well as volume declines in India
 - Chinese market expected to recover during the upcoming quarters
 - JV with BHAP already starting to contribute, leading to market outperformance

EBITDA

(In €m)

EBITDA margin (%)



Considerations

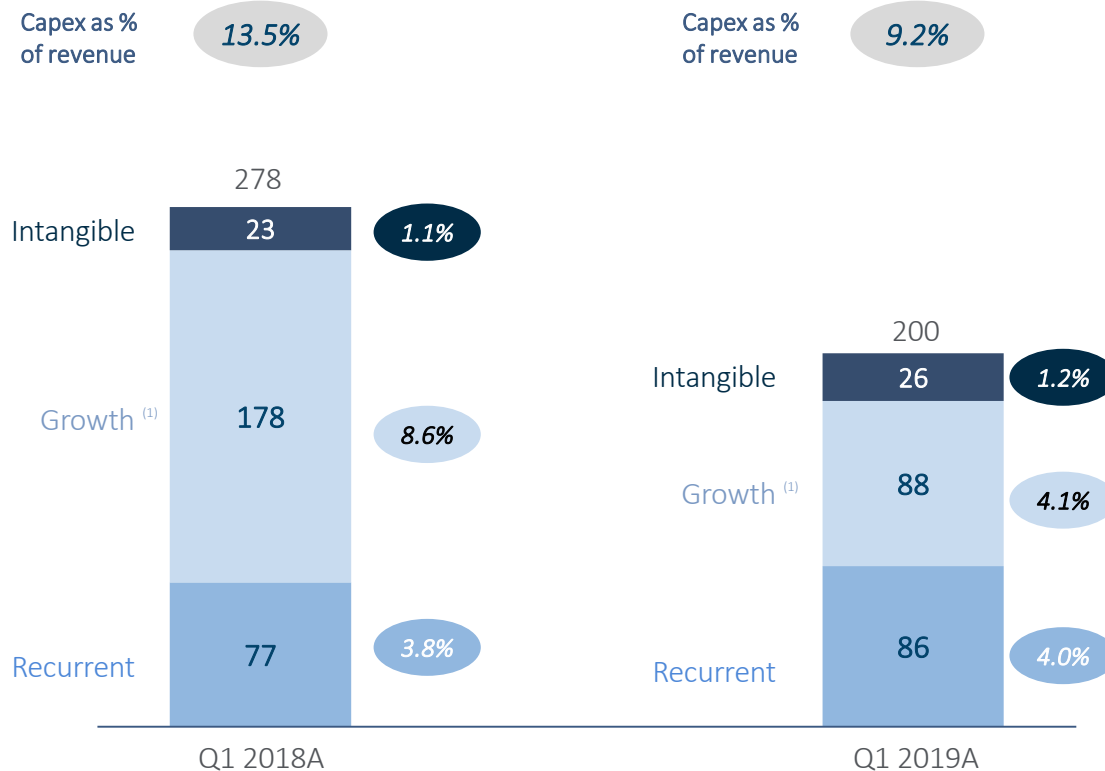
- EBITDA decrease of 4.6%, reaching €36m
 - Slight decrease in margin mainly linked to decline in volumes outside of the JV with BHAP
 - JV with BHAP: assembly operations implying lower capital employed and also margin
 - Good overall margin despite difficult market dynamics
 - Slight positive impact from IFRS 16

Note: IFRS 16 operating lease adjustment included as of 1st January 2019; Like for like growth – at constant FX and excluding IFRS 16 impact

(1) Market production volume growth is based on countries in Gestamp's production footprint (IHS data for Q1 2019 as of April 2019)

Capex Breakdown

(In €m)

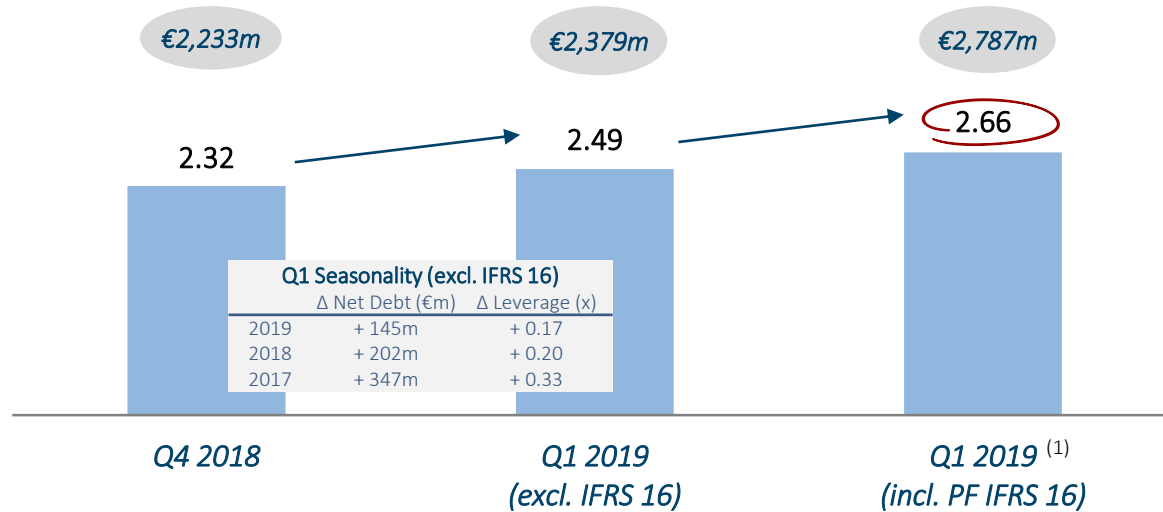


Considerations

- Gestamp has **continued to make investments** to support **high-quality projects** expected to drive **profitable future growth**
- Capex in line with guidance provided for **FY 2019** as a percentage of revenue
- **Growth** capex moderated, while recurrent capex in line with last year's trend
- Capex including IFRS 16 amounted to €218m

(1) Growth capex defined as capital expenditure on greenfield property, plant & equipment, major plant expansions and new customer products/technologies

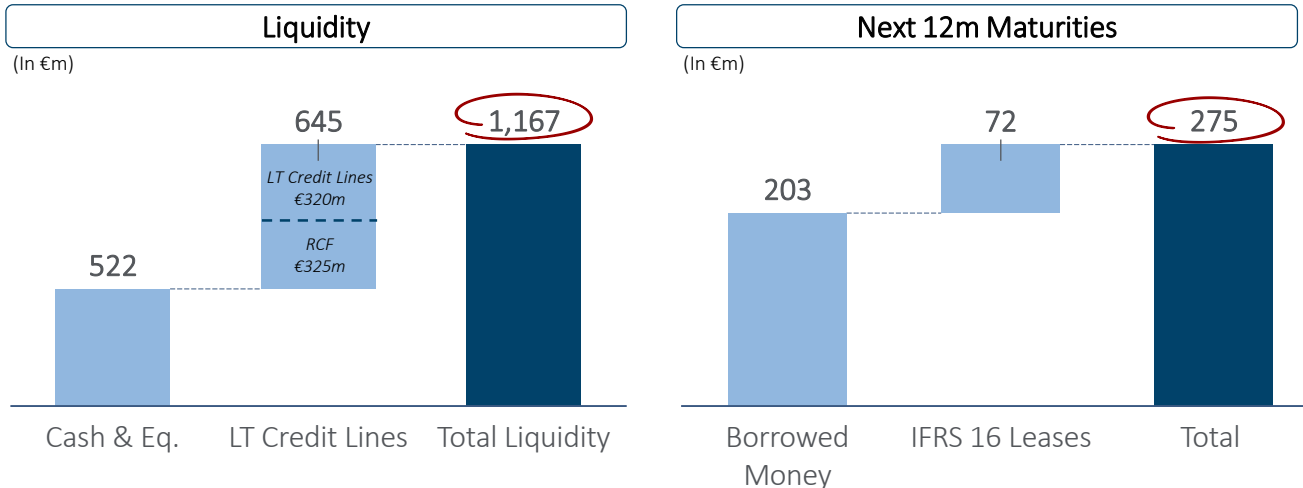
Net Financial Debt (x) / EBITDA



Considerations

- Leverage increase of 0.2x is in line with historical Q1 seasonality
- Net debt increase of €145m during Q1
 - €38m impact from interim dividend paid during the quarter
 - Seasonal investment in working capital of €124m
- Net debt including IFRS 16 stood at €2,787m

Liquidity vs. Short-term Maturities



Considerations

- Cash and LT undrawn committed credit lines comfortably exceed maturities till march 2020
- Borrowed money maturities in the next 12 months amount to €203m (of which €105m in Q1 2020)
- Leases under IFRS 16 add €72m payments considered as debt principal

(1) EBITDA IFRS 16 adjustment for Q1 2019 annualized for LTM EBITDA pro-forma purposes

Key Highlights for Q1 2019

Financial Overview

Closing Remarks

- **Good revenue growth** driven by **ramp-up of new projects outperforming the auto production market**, which has remained challenging
- Group **profitability expected to grow in H2** due to **better expected volumes** and **increasing maturity of the new projects**
- **OEMs are looking for new developments and solutions** in order to address new EV requirements as well as to reduce weight to help accomplish CO2 emissions regulation targets
 - **New products for EVs: Battery Box** represent an **additional opportunity for Gestamp** with increased number of enquiries and several programs awarded
 - **Lightweight solutions:** Development of **lighter vehicles** to (i) reduce **CO2 emissions in ICE cars** and (ii) increase **autonomy for EVs**
- Gestamp has continued to make **additional investments** and **increase its footprint**, with the inauguration of a new plant in Mexico as well as 3 under construction, **to support its business in the coming years**
- Gestamp has recently **strengthened its presence with local Chinese OEMs** with the **signing of two MOUs** with BHAP and Wuling respectively, **as well as displayed its lightweight capabilities in EV at the Auto Shanghai 2019**



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