Management Discussion and Analysis of the Financial Condition and Results of Operations for the three months period ended March 31, 2020

Gestamp Automoción, S.A.

May 18, 2020

1. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information and operational data

Unless otherwise indicated, all financial information in this report has been prepared in accordance with IFRS applicable at the relevant date and is presented in Euros. IFRS differs in certain significant respects from generally accepted accounting principles in the US.

Certain information presented in this report has not been prepared in accordance with IFRS or any other accounting standards. As used in this report, this information includes "EBITDA", which represents operating profit before amortization, impairment and depreciation. This report also contains other measures such as: cash, cash equivalent and current financial assets, total financial debt and net financial debt, growth at constant exchange rates, and capex split by categories. We present these non-IFRS measures because we believe those indicators and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

In particular, we believe that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. Growth at constant exchange rates is a numerical translation of our figures from local currencies to euros, and not a description of the situation if the currencies had not moved, as this could have had some other implications on the economy and our business situation and contracts. Capex split in categories is a management judgement, and should not be considered as a substitute for additions of tangible and intangible assets, nor depreciation and amortization. The presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

Rounding adjustments have been made in calculating some of the financial information included in this report. Figures shown as totals in some tables and elsewhere may not be exact arithmetic aggregations of the figures that precede them.

Industry data

In this report, we may rely on and refer to information regarding our business and the market in which we operate and compete in. 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 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. We do not make any representation or warranty as to the accuracy or completeness of any such information set forth in this report.

Forward looking statements and other qualifications

The following discussion and analysis is based on and should be read in conjunction with our historical financials included elsewhere in this quarterly report. Certain capitalized terms used herein have the meaning set out in the offering memorandum for our senior secured notes due 2023 and 2026.

The discussion includes forward looking statements, which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties, which could cause actual events or conditions to differ materially from those implied herein. Please be cautioned not to place undue reliance on these forward looking statements. These forward statements are made as of the date of this report and are not intended to give any assurance as to future results.

2. BUSINESS PERFORMANCE AND RESULT

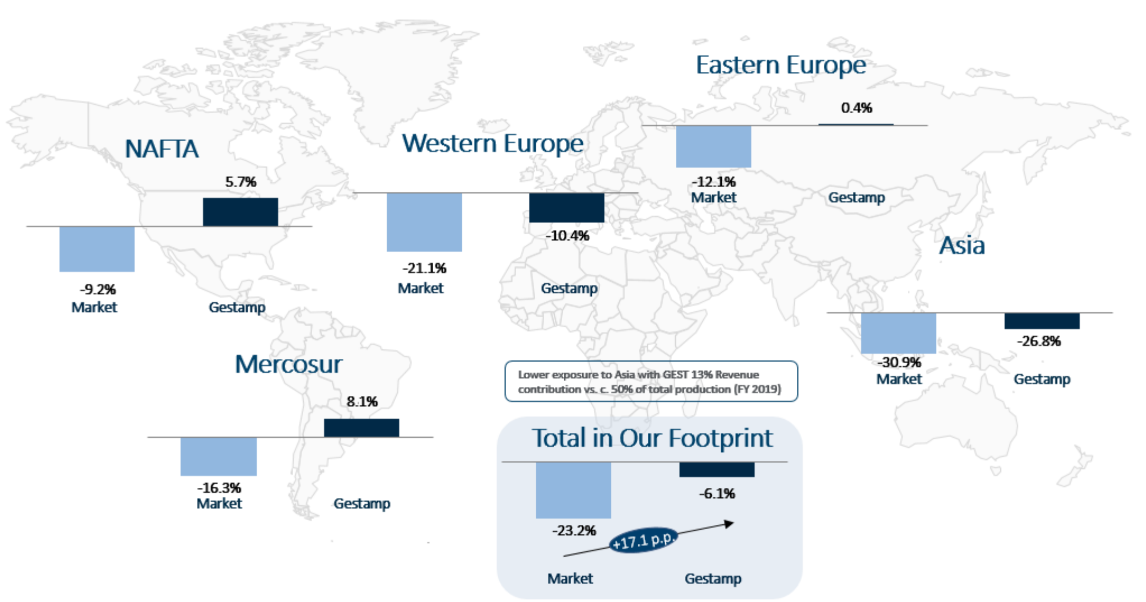
As a result of the unprecedented COVID-19 global pandemic challenge, there is a high level of uncertainty with regards to the global growth of the world economy. The International Monetary Fund *(IMF World Economic Outlook as of April 2020)* revised its latest global GDP growth forecasts downwards to a 3.0% decline for 2020 (-6.3 percentage points lower than January 2020 WEO projections). This trend is expected to revert and the global economy is projected to grow a +5.8% in 2021 (2.4 percentage points higher than January 2020 WEO projections). As the IMF pointed out in the report, many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices.

In this context, in Q1 2020 the auto sector experienced a challenging quarter with a production volume decline of -23.2% in Gestamp's footprint (according to IHS as of May 15th, 2020). All regions in which Gestamp is present experienced a double digit decline, except for NAFTA (-9.2%). Asia (-30.9%) and Western Europe (-21.1%) were the two regions with the strongest declines, followed by Mercosur (-16.3%) and Eastern Europe (-12.1%).

Current auto production volume expectations for the year remain uncertain with an expected decline of 23.0% for 2020 (IHS geographies as of May 15th, 2020). In the face of the COVID-19 crisis, Gestamp has put in place and is executing a comprehensive contingency plan to adapt to the current market environment. Gestamp is actively managing its liquidity and its cost base in order to protect its cash generation position over time.

The first quarter of 2020 has been impacted by the unprecedented challenge of the COVID-19 pandemic and Gestamp has been able to outperform the market as a result of new projects and its lower exposure to Asia versus that of global production volumes. Gestamp outperformed the market production volume growth on a constant currency basis by 17.1 percentage points (in Gestamp's footprint – IHS data as of May 15th, 2020). In this context, revenues in the first quarter of 2020 decreased by 7.3% (-6.1% at constant FX) vs. Q1 2019.

Gestamp Revenue Growth at Constant FX vs. Market Production Growth in Gestamp Markets



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 20 as of 15th May 2020). Western Europe data includes Morocco in line with our reporting

First three months of 2020 compared to first three months of 2019

	First Quarter		
	2019	2020	% Change
Consolidated Income Statement Data		*(Millions of Euros)*	
Operating income	2,250.2	2,060.9	-8.4%
Revenue	2,169.6	2,011.3	-7.3%
Other operating income	40.7	36.1	-11.3%
Changes in inventories	39.9	13.5	-66.2%
Operating expenses	-2,140.6	-2,018.1	-5.7%
Raw materials and other consumables	-1,305.0	-1,199.5	-8.1%
Personnel expenses	-411.1	-404.5	-1.6%
Other operating expenses	-285.4	-264.3	-7.4%
EBITDA	248.7	192.6	-22.6%
Depreciation, amortization and impairment losses	-139.1	-149.8	7.7%
Operating profit	109.6	42.8	-60.9%
Finance income	1.7	1.3	-23.5%
Finance expenses	-29.7	-39.1	31.6%
Exchange gains (losses)	4.0	-5.8	-245.0%
Other	-10.4	-0.7	-93.3%
Profit from continuing operations	75.2	-1.5	-102.0%
Income tax expense	-19.0	0.3	-101.6%
Profit for the period	56.2	-1.2	-102.1%
Profit (loss) attributable to non-controlling interests	-15.5	15.2	-198.1%
Profit attributable to equity holders of the parent	**40.7**	**14.0**	**-65.6%**

Revenues

Revenues reached €2,011.3 million during the first quarter of 2020, of which Body-in-White and Chassis represented €1,734.4 million, Mechanisms €216.3 million, and Tooling and others €60.6 million, a decrease of €158.3 million or -7.3% (or -6.1% at constant FX) versus €2,169.6 million Revenues for the same period in 2019.

The evolution of revenues in the quarter was greatly affected by the unprecedented challenge of the COVID-19 pandemic, which resulted in stoppages of customer and Gestamp plants across all geographies. The first impact was experienced in China, with plant stoppages during the months of January and February. The impact from the pandemic soon spread across all of Gestamp's regions during March, starting with Western Europe in mid-March and then the rest of our geographies a few days later: Eastern Europe, Mercosur, North America and also India. It is important to highlight that March is normally one of the three highest production months in the year so the impact in March has been relevant for the quarter.

Operating expenses

Despite a fast reaction of the group after these sudden stoppages in the different geographies, the effect on expense reduction in Q1 has been limited. During the last part of March and beginning of April the group has been implementing drastic cost flexibility measures that will have a more relevant impact from Q2 onwards. In some geographies, these flexibility measures are being supported with special initiatives by some Governments in reaction to the extraordinary circumstances.

Raw materials and other consumables. Expenses related to raw materials and other consumables decreased by €105.5 million, or -8.1%, to €1,199.5 million from €1,305.0 million during the same period of 2019. The decrease was mainly due to lower sales volumes.

Personnel expenses. Personnel expenses decreased by €6.6 million, or -1.6%, to €404.5 million during the first three months of 2020 from €411.1 million for the first three months of 2019. The decrease applied to almost all geographies, except for North America., which was the only region in which Revenue experienced growth on a reported basis during the quarter.

Other operating expenses. Other operating expenses decreased by €21.1 million, or -7.4%, to €264.3 million in Q1 2020 from €285.4 million in Q1 2019. The decrease is consistent with the decrease in activity reflected in the Revenue line.

EBITDA

EBITDA reached €192.6 million during the first three months of 2020, a decrease of -22.6% or €56.1 million from €248.7 million during the same period in 2019. For the year 2020 Gestamp was expecting to have positive Revenue growth and the cost structure was in accordance with that volume growth expectation. However, customers have reduced volumes due to COVID-19. This has led to an overall misalignment between costs and volumes, resulting in a decrease in overall profitability levels. The sudden stoppages have allowed for limited reaction time to adjust costs during the first quarter of 2020.

Depreciation, amortization and impairment losses. Depreciation expense increased by €10.7 million, or 7.7%, to €149.8 million from €139.1 million in the first quarter of 2019. The increase is a result of the investments made in customer specific programs over recent years.

Operating profit or loss

Operating profit reached €42.8 million in Q1 2020 a €66.8 million decrease, or -60.9%, from €109.6 million during the same period in 2019. The decrease is the result of a lower EBITDA impacted by the COVID-19 pandemic and the increase in depreciation of fixed assets.

Net financial income (expenses)

Net financial expenses increased by €9.8 million, or 35.0%, to €37.8 million during the first quarter of 2020 from €28.0 million during the first quarter of 2019. This increase was primarily due to the net effect of the following factors: firstly, a lower positive impact from the application of IFRS 9 arising from the amendments signed in the first quarter of 2020 and during 2019, respectively, and secondly from the higher interest rate on financial transactions executed in the last quarter of 2019 but which in exchange, have improved the maturity profile of the group's debt.

Exchange gains (losses)

Exchange losses amounted to -€5.8 million in Q1 2020 compared to €4.0 million exchange profits during Q1 2019. The exchange losses in the period were mainly registered in Mexico and Turkey.

Income tax

Income tax was an income of €0.3 million during the first quarter of 2020, which is a decrease of €19.3 million, from the €19.0 million expense during the first quarter of 2019. This is consistent with the lower level of Profit from continuing operations experienced during the quarter.

Profit attributable to non-controlling interests

Results attributable to non-controlling interests during the first quarter of 2020 were a loss, resulting in a positive impact of €15.2 million. This compares to a profit, a negative impact, of €15.5 million during the first quarter of 2019. The loss attributable to non-controlling interest in Q1 2020 is consistent with the evolution of the pre-tax profit and are a result of a loss in those operations in which the group has non-controlling interests.

Financial information by geographic segment

REVENUES

	First Quarter		
	2019	2020	% Change
Revenue	*(Millions of Euros)*		
Western Europe	996.9	894.9	-10.2%
Eastern Europe	322.3	313.5	-2.7%
Mercosur	139.3	125.1	-10.2%
North America	460.3	495.0	7.5%
Asia	250.8	182.8	-27.1%
Total	**2,169.6**	**2,011.3**	**-7.3%**

Western Europe

Revenues in Western Europe reached €894.9 million in Q1 2020, a decrease of €102.0 million, or -10.2% (-10.4% at constant FX) versus Q1 2019. The region experienced continued challenging market conditions across almost all countries, especially during the second half of March as a result of COVID-19. This translated into lower production levels with sudden customer stoppages, especially in Germany, France and the UK. This decrease in activity was partially offset by positive ramp-ups during the quarter in Iberia.

Eastern Europe

During the first quarter of 2020, revenues experienced a decline of €8.8 million, or -2.7% (0.4% at constant FX) versus the first quarter of 2019, reaching €313.5 million. Revenues were impacted by customer shutdowns during the second half of March due to the Coronavirus. In addition to this, Revenues were also negatively impacted by FX headwinds, especially in Turkey.

Mercosur

Revenues in Mercosur reached €125.1 million in Q1 2020, a decrease of €14.2 million or -10.2% (8.1% at constant FX) from €139.3 million Q1 2019. The region experienced a strong negative impact from FX mainly in Argentina. Our activity was impacted by customer planning changes of new project ramp-ups in Brazil. Mercosur also experienced unexpected closure of customer plants in the last weeks of March due to COVID-19.

North America

In North America Revenues increased by €34.7 million, or 7.5% (5.7% at constant FX) in Q1 2020 versus Q1 2019, reaching €495.0 million. Revenue growth was backed by the contribution of project ramp-ups (pre-COVID-19) in line with the investment program carried out over the last years. This positive performance was partially offset by production stoppages in March due to the outbreak of the Coronavirus.

Asia

Revenues reached €182.8 million during the first three months of 2020. This is a decrease of €68.0 million, or -27.1% (-26.8% at constant FX) versus the first three months of 2019. Revenues in China were impacted by COVID-19 during the months of January and February. However, current levels of activity are already recovering in China with all of our facilities in production. Capacity utilization rates are currently increasing at all of the production facilities and the performance is expected to improve as the year progresses.

EBITDA (including IFRS 16 as of January 1st, 2019)

	First Quarter		
	2019	2020	% Change
EBITDA	*(Millions of Euros)*		
Geographic segments			
Western Europe	89.1	69.3	-22.2%
Eastern Europe	49.4	44.1	-10.7%
Mercosur	15.9	5.3	-66.7%
North America	58.7	57.0	-2.9%
Asia	35.6	16.9	-52.5%
Total	**248.7**	**192.6**	**-22.6%**

Western Europe

EBITDA reached €69.3 million, a decrease of €19.8 million, or -22.2% (-22.4% at constant FX) versus Q1 2019 in the region and was impacted by the aforementioned sudden customer stoppages leading to a revenue decline. Given the unexpected nature of the stoppages cost, flexibility measures were implemented during the last part of March, with limited immediate savings in Q1. The cost flexibility measures should have greater impact during next quarters.

Eastern Europe

EBITDA in Eastern Europe reached €44.1 million during the first quarter of 2020, resulting in 10.7% decline (-7.6% at constant FX) or a decrease of €5.3 million when compared to the first quarter of 2019. EBITDA experienced similar dynamics as seen in Western Europe and was impacted by COVID-19. The region experienced a delay of Government actions to address flexibility measures when compared to other regions.

Mercosur

In Mercosur EBITDA reached €5.3 million during the first three months of 2020, a decrease of €10.6 million or -66.7% (-65.4% at constant FX) from €15.9 million in the first quarter of 2019. EBITDA in the region was negatively impacted by FX headwinds and launch costs linked to customer ramp-up delays. Flexibility measures were not implemented as Government related actions were under discussion. It is worth noting that the region experienced a higher relative impact due to the seasonality of the Q1 holiday period (i.e. less number of working weeks).

North America

EBITDA in North America reached €57.0 million in Q1 2020, resulting in a decrease of -2.9% (-4.0% at constant FX) or €1.7 million when compared to Q1 2019. Investments in customer specific programs over recent years were expected to result in increased volumes but these have negatively been impacted by COVID-19 customer stoppages. Profitability levels of our projects have been affected by full cost structure and lower than expected volumes. Cost flexibility measures were implemented at the end of March and are expected to have an impact from Q2 onwards.

Asia

During the first quarter of 2020 EBITDA in Asia reached €16.9 million, resulting in a 52.5% decrease (-52.4% at constant FX) or €18.7 million when compared to the first quarter of 2019. EBITDA in the region was mainly impacted by an extended holiday period shutdown due to COVID-19 during the months of January and February. The profitability trend is expected to improve as the year progresses and demand recovers.

Information on cash flows

	First Quarter	
	2019	2020
	(Millions of Euros)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before taxes and after non-controlling interest from continuing operations	**59.7**	**13.7**
Adjustments to profit	**199.8**	**181.4**
Depreciation and amortization of fixed assets	139.1	149.8
Impairment	0.0	0.0
Change in provisions	4.1	5.0
Grants released to income	-0.8	-1.1
Profit (loss) attributable to non-controlling interests	15.5	-15.2
Profit from disposal of fixed assets	0.1	-0.8
Profit from disposal of financial instruments	9.7	2.1
Financial income	-1.7	-1.3
Financial expenses	29.7	39.1
Share of profits from associates - equity method	-0.2	-0.5
Exchange rate differences	4.3	4.3
Other income and expenses	0.0	0.0
Changes in working capital	**-124.0**	**9.4**
(Increase)/Decrease in Inventories	-71.2	-41.8
(Increase)/Decrease in Trade and other receivables	-168.1	73.0
(Increase)/Decrease in Other current assets	-7.0	-12.6
Increase/(Decrease) in Trade and other payables	123.9	-10.6
Increase/(Decrease) in Other current liabilities	-1.6	1.4
Other cash-flows from operating activities	**-18.9**	**-44.5**
Interest paid	-20.7	-30.6
Interest received	1.7	1.3
Proceeds (payments) of income tax	0.1	-15.2
Cash flows from operating activities	**116.6**	**160.0**

	First Quarter	
	2019	2020
	(Millions of Euros)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on investments	**-232.5**	**-210.4**
Group companies and associates	0.0	0.0
Intangible assets	-29.8	-23.4
Property, plant and equipment	-202.7	-181.4
Other financial assets	0.0	-5.6
Proceeds from divestments	**15.6**	**5.4**
Group companies and associates	0.0	0.0
Intangible assets	2.3	1.2
Property, plant and equipment	3.1	4.2
Other financial assets	10.2	0.0
Cash flows from investing activities	**-216.9**	**-205.0**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds and payments on equity instruments	**-2.8**	**-21.0**
Change in non-controlling interests	-1.8	0.5
Grants, donations and legacies received	5.3	0.4
Other equity movements	-6.3	-21.9
Proceeds and payments on financial liabilities	**50.3**	**322.8**
Proceeds from	**69.5**	**348.8**
Bonds and other securitites to trade	0.0	0.0
Interest-bearing loans and borrowings	54.0	341.6
Net increase of credit lines and commercial discount	14.4	4.6
Borrowings from Group companies and associates	0.0	2.0
Other borrowings	1.1	0.6
Repayment of	**-19.2**	**-26.0**
Bonds and other securitites to trade	0.0	0.0
Interest-bearing loans and borrowings	-2.5	-25.4
Net decrease of credit lines and commercial discount	0.0	0.0
Borrowings from Group companies and associates	-16.7	0.0
Other borrowings	0.0	-0.6
Payments on dividends and other equity instruments	**-37.3**	**-31.6**
Dividends	-37.3	-31.6
Cash flows from financing activities	**10.2**	**270.2**
Effect of changes in exchange rates	**-4.4**	**-4.4**
Cash in assets held for sale	**0.0**	**0.0**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS	**-94.5**	**220.8**

Cash flow from operating activities

Cash flow from operating activities during the first quarter of 2020 increased by €43.4 million to a net amount of €160.0 million from €116.6 million during the same period of 2019. This increase was primarily due to an improvement in working capital management (€9.4 million inflow during Q1 2020 vs. €124.0 million outflow in Q1 2019, implying an increase of €133.4 million vs. Q1 2019). This improvement was partially offset by a decrease in Profit before taxes and after non-controlling interests, including adjustments to results (a decline of €64.4 million in the first quarter of 2020 vs. the first quarter of 2019) as well as higher financial expenses and tax payments (a €25.6 million increase in Q1 2020 vs. Q1 2019).

Working capital

Working capital inflow of €9.4 million during Q1 2020 versus an outflow of -€124.0 million in Q1 2019, representing a €133.4 million improvement quarter on quarter.

Our working capital requirements largely arise from our trade and other receivables, which are primarily composed of amounts owed to us by our customers, inventories primarily composed of raw materials (mainly steel) and other current assets which comprise receivables accounts with the public treasury by the advanced payments of taxes or refunds of taxes.

Our trade and other payables primarily relate to trade payables to our suppliers for raw materials and services, other amounts to the public treasury for taxes and payments to our employees by means of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through funds from other financing sources.

Cash flow from (used in) investing activities

Cash flow used in investing activities during the first quarter of 2020 decreased by €11.9 million to €205.0 million from €216.9 million during the same quarter of 2019. Investments in Q1 2020 were primarily focused on projects in North America, Brazil, Spain, China and Turkey.

Cash flow from (used in) financing activities

Cash flow from financing activities during the first quarter of 2020 amounted to €270.2 million (compared to €10.2 million during the first quarter of 2019) primarily due to a net increase in interest-bearing loans offset in part by the dividend payments.

Investments in fixed assets

	First Quarter	
	2019	**2020**
	(Millions of Euros)	
Capital expenditures		
Intangible assets	25.6	24.7
Tangible assets	174.4	121.0
- Growth Capex	*88.3*	*61.3*
- Recurrent Capex	*86.1*	*59.7*
Total (excl IFRS 16)	**200.0**	**145.7**
- Effect IFRS 16	*17.9*	*43.7*
Total	**217.9**	**189.4**

Investments in fixed assets during the first three months of the year amounted to approximately €145.7 million (€189.4 million including IFRS 16) compared to €200.0 million for the first three months of 2019. This represents a 27% decrease in capital expenditures. Investments in fixed assets primarily consists of expenditure on property, plant and equipment.

Growth capital expenditure has been reduced during the first three months of 2020 to €61.3 million. Growth capex includes greenfield projects, major expansions of existing facilities and new processes/technologies in existing plants.

Recurrent capital expenditure has moderated to levels of €59.7 million during Q1 2020. Recurrent capital expenditure includes investments in plant maintenance and business replacement and was in line with last year's trend.

Intangible capital expenditure during the first three months of 2020 amounted to €24.7 million and includes expenditure on intangible assets such as certain research and development costs.

Contractual obligations

We have contractual commitments providing for payments primarily pursuant to our outstanding financial debt, including the financial obligations arising from the senior secured notes but excluding financial derivatives.

	As of March 31, 2020			
	Total	**Less than 1 year**	**1 - 5 years**	**More than 5 years**
	(Millions of Euros)			
Contractual obligations				
Interest bearing loans and borrowings	3,159.0	266.4	2,395.0	497.6
Financial leases and operating leasing (IFRS 16)	485.4	77.3	256.9	151.2
Borrowings from associated companies	134.5	4.5	113.3	16.7
Other financial debts	21.0	0.0	16.6	4.4
Total Financial Debts	**3,799.9**	**348.2**	**2,781.8**	**669.9**
Operating leases	0.0	0.0	0.0	0.0
Non interest bearing loans	11.0	0.0	10.0	1.0
Current non-trade liabilities	148.8	148.8		
Total Contractual Obligations	**3,959.7**	**497.0**	**2,791.8**	**670.9**

Other Financial Data

	YTD March 31,	
	2019	2020
	(Millions of Euros)	
Other Financial Data		
EBITDA	248,7	192,6
EBITDA excluding IFRS 16	225,1	169,2
Cash, cash equivalent and current financial assets	610,7	970,9
Total Financial Debt	3.397,3	3.799,9
Total Net Financial Debt	**2.786,6**	**2.829,0**
Net Financial Debt excluding IFRS 16	2.378,6	2.402,0

	YTD March 31,	
	2019	2020
	(Millions of Euros)	
Operating profit	109.6	42.8
Adjusted for:		
Depreciation, amortization and impairment losses	139.1	149.8
EBITDA	**248.7**	**192.6**

Cash, cash equivalents and current financial assets include cash and cash equivalents as of March 31, 2020 of €879.4 million and current financial assets of €91.5 million (including loans and receivables, securities and other current financial assets). Net financial debt at March 31, 2020 stood at €2,829.0 million or €2,402.0 excluding IFRS 16.

The following non-trade liabilities are not considered financial debt as of March 31, 2020: €64.1 million in derivative financial instruments, €148.8 million of non-interest bearing short-term liabilities (of which €112.2 million were to suppliers of fixed assets) and €11.0 million of non-interest bearing long-term liabilities.

GESTAMP AUTOMOCION, S.A. AND SUBSUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	March 31, 2019	December 31, 2019	March 31, 2020
Consolidated Balance Sheet Data:		*(Millions of Euros)*	
Non-current assets	5,255.2	5,572.8	5,613.7
Intangible assets	459.2	479.8	479.9
Property, plant and equipment	4,406.5	4,579.8	4,593.9
Financial assets	53.6	71.3	72.1
Deferred tax assets	335.9	441.9	467.8
Current assets	3,118.3	2,914.9	3,107.2
Assets held for sale	0.0	0.0	0.0
Inventories	521.9	451.0	480.4
Assets from contract with customers	719.5	538.4	582.7
Trade and other receivables	1,149.3	1,067.5	949.7
Other current assets	116.9	110.9	123.5
Financial assets	88.7	88.5	91.5
Cash and cash equivalent	522.0	658.6	879.4
Total assets	**8,373.5**	**8,487.7**	**8,720.9**

	March 31, 2019	December 31, 2019	March 31, 2020
Consolidated Balance Sheet Data:		*(Millions of Euros)*	
Equity	2,283.9	2,392.1	2,340.7
Equity attributable to shareholders of the parent	1,832.0	1,902.7	1,869.6
Equity attributable to non-controlling interest	451.9	489.4	471.1
Non-current liabilities	3,659.2	3,887.2	4,089.4
Deferred income	27.3	23.7	23.0
Provisions	125.5	147.6	151.2
Non-trade liabilities	3,197.3	3,329.2	3,526.8
Deferred tax liabilities	290.0	369.5	371.8
Other non-current liabilities	19.1	17.2	16.6
Current liabilities	2,430.4	2,208.4	2,290.8
Non-trade liabilities	424.6	423.7	497.0
Trade and other payables	1,989.0	1,757.8	1,765.1
Provisions	14.3	16.5	16.9
Other current liabilities	2.5	10.4	11.8
Total equity and liabilities	**8,373.5**	**8,487.7**	**8,720.9**

Liquidity

Our Liquidity profile has been improved during Q1 2020, amounting to 1,988 million euros which compares to 1,818 million euros as of December 2019.

Liquidity risk is evaluated as the possibility that the Group will not be able to service its payment commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts or cash liquidity needs which exceed that budgeted.

The Group manages liquidity risk looking for cash availability to cover its cash needs and debt maturity for a period of 12 months, thereby avoiding the need to raise funds on disadvantageous terms to cover short term needs. The available liquidity hold is integrated by cash equivalent and undrawn credit lines, according to the Interim Condensed Consolidated Financial Position, without adjusting them proportionally by the shareholdings, or by resources in subsidiaries subject to administrative authorization.

At March 31, 2020 the cash equivalent amounted to 879.4 million euros, current financial assets of €91.5 million (including loans and receivables, securities and other current financial assets), the undrawn long-term credit lines amounted to 703.5 million euros (including syndicated loans amounting to 325 million euros) and the undrawn short-term credit lines amounted to 313.2 million euros. Debt maturities for the next 12 months from Q1 2020 amounted to 348.2 million euros (270.8 million euros of them from loans and other borrowings and financial debts with associates, and the rest corresponding to financial leases). In the first three months of 2020, the net cash flow used in investing activities (not including intercompany purchases and revenue) have exceeded the net cash flow provided by operating activities in 45.0 million euros.

Liquidity risk management in the next 12 months is complemented with an analysis of debt maturity, seeking an appropriate average maturity and refinancing in advance the short term maturities, especially the first two years. At March 31, 2020 the average maturity of the Group´s net financial debt was 3.8 years (estimated considering the use of cash and credit lines with a maturity date beyond 12 months to repay short term debt).

Our principal source of liquidity is our operating cash flow, which is analyzed above. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control.

We believe that the potential risks to our liquidity include: (i) a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole; (ii) the failure or delay of our customers to make payments due to us; (iii) a failure to maintain low working capital requirements; and (iv) the need to fund expansion and other development capital expenditures.

In the case on lack of liquidity, we may be forced to reduce or delay our business activities and capital expenditures, sell our assets or obtain additional debt or equity financing.