



# FY 2021 RESULTS PRESENTATION

FEBRUARY 28<sup>TH</sup>, 2022

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# SOLID FY 2021 DESPITE LOWER AUTO MARKET VOLUMES

**Challenging Auto Market** during 2021..

...but with a **Fast reaction** at all levels to adapt...

...and allowing us to **comfortably meet 2021 guidance**

1

**+8.1 p.p Outperformance<sup>(1)</sup>**  
vs. global auto production

2

**EBITDA margin**  
reaching **12.3%**,  
+210bps vs. 2020

3

**FCF<sup>(2)</sup> generation** of  
**€248m** in FY 2021,  
or **€524m**  $\Sigma$ FY20-21

4

**Net income come back,**  
allowing to pay a dividend against 2021



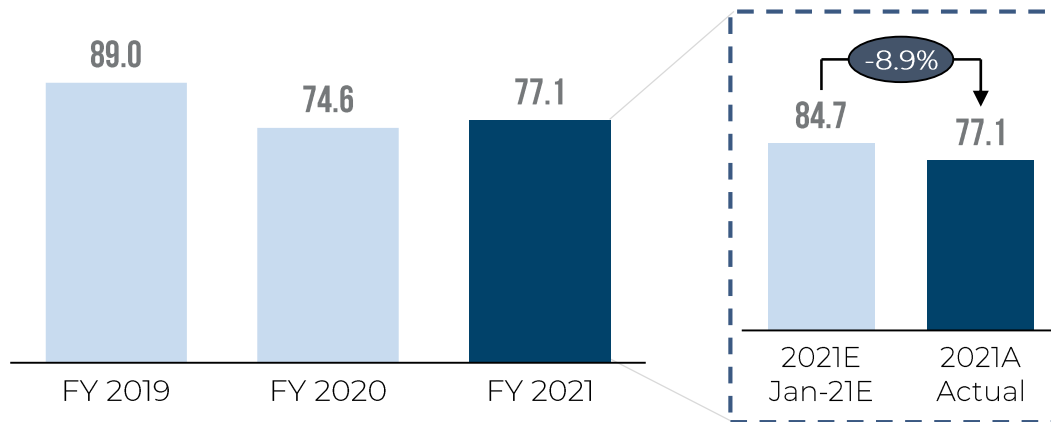
1. Measured on a constant FX basis. IHS production data as of February 2022

2. FCF defined as Net Debt reduction excluding minority acquisitions, dividends, share repurchases as well as potential M&A items

# STRUCTURAL STEP-UP IN MARGINS TO ABOVE 12% IN FY 2021

## Lower than expected market volumes

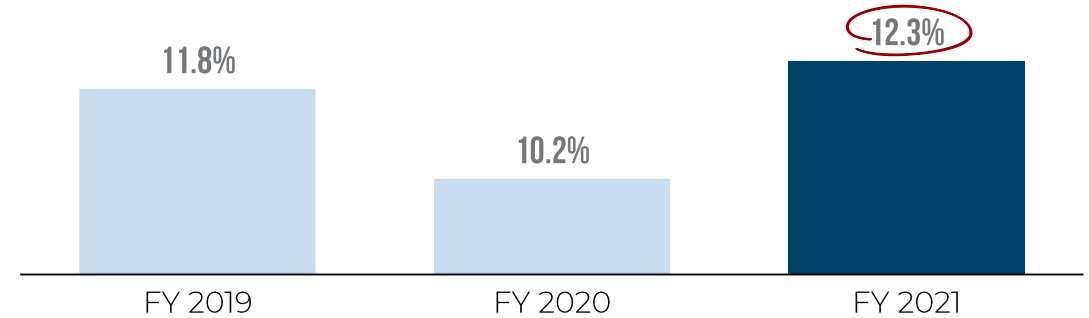
1 2021 volumes at **77.1Mveh<sup>(1)</sup>** or **-8.9% (-7.6Mveh)** vs. expectations at the beginning of 2021



2 **Volatile production schemes** impacted by **supply chain constraints**, shortage of semiconductors

3 **New COVID-19 variants** still impacting global production

## Structural step-up in profitability to > 12%



 **+2.1% margin expansion in 2021 vs. 2020**, with a volatile market environment and **only +3% in production**

 **+0.5% EBITDA margin in 2021 vs. 2019** despite **-13% lower auto market production**

 **Fixed cost structure reduction + efficiency measures**, but with **some inflationary pressures already** embedded in H2 21

Consolidating profitability > 12% despite lower market volumes and some inflationary pressures already seen in H2 2021

1. IHS production data as of February 2022

# COMFORTABLY MEETING OUR IMPROVED 2021 GUIDANCE

	Guidance 2021		FY 2021	
	February 2021	July 2021 - <u>Improved</u>	Reported	
<b>Revenues <sup>(1)</sup></b>	Mid-single digit outperformance to the market	Mid-single digit outperformance to the market	+8.1 p.p. outperformance	✓
<b>EBITDA margin</b>	EBITDA margin >12%	EBITDA margin >12%	12.3%	✓
<b>Capex <sup>(2)</sup></b>	~ 7% of revenues	< 6.5% of revenues	6.5%	✓
<b>Net Debt <sup>(2)</sup></b>	<€ 2bn	>€100m reduction vs. FY 2020	€ 190m net debt reduction	✓

Despite lower than initially expected market volumes, Gestamp has comfortably achieved its Financial Targets for FY 2021

1. On a constant FX basis  
 2. Excluding IFRS 16

# FINANCIAL PERFORMANCE IN FY 2021

(In €m – excl. TP)

	FY 2020	FY 2021
<b>Total Revenue</b>	<b>7,456</b>	<b>8,093</b>
<b>EBITDA</b>	<b>757</b>	<b>998</b>
<b>EBITDA margin (%)</b>	<b>10.2%</b>	<b>12.3%</b>
<b>EBIT</b>	<b>158</b>	<b>413</b>
<b>EBIT margin (%)</b>	<b>2.1%</b>	<b>5.1%</b>
<b>Net Income</b>	<b>-71</b>	<b>155</b>
<b>Capex</b>	<b>560</b>	<b>531</b>
<b>Net debt</b>	<b>2,485</b>	<b>2,266</b>



FY 2021 Revenue increased by +8.5% (+11.2% at constant FX) and EBITDA improved by +31.7% (+36.7% at constant FX)

# FINANCIAL PERFORMANCE IN Q4 2021

(In €m)	Q4 2020	Q4 2021
<b>Total Revenue</b>	<b>2,373</b>	<b>2,214</b>
<b>EBITDA</b>	<b>297</b>	<b>297</b>
<b>EBITDA margin (%)</b>	<b>12.5%</b>	<b>13.4%</b>
<b>EBIT</b>	<b>140</b>	<b>140</b>
<b>EBIT margin (%)</b>	<b>5.9%</b>	<b>6.3%</b>
<b>Net Income</b>	<b>20</b>	<b>55</b>
<b>Capex</b>	<b>144</b>	<b>192</b>

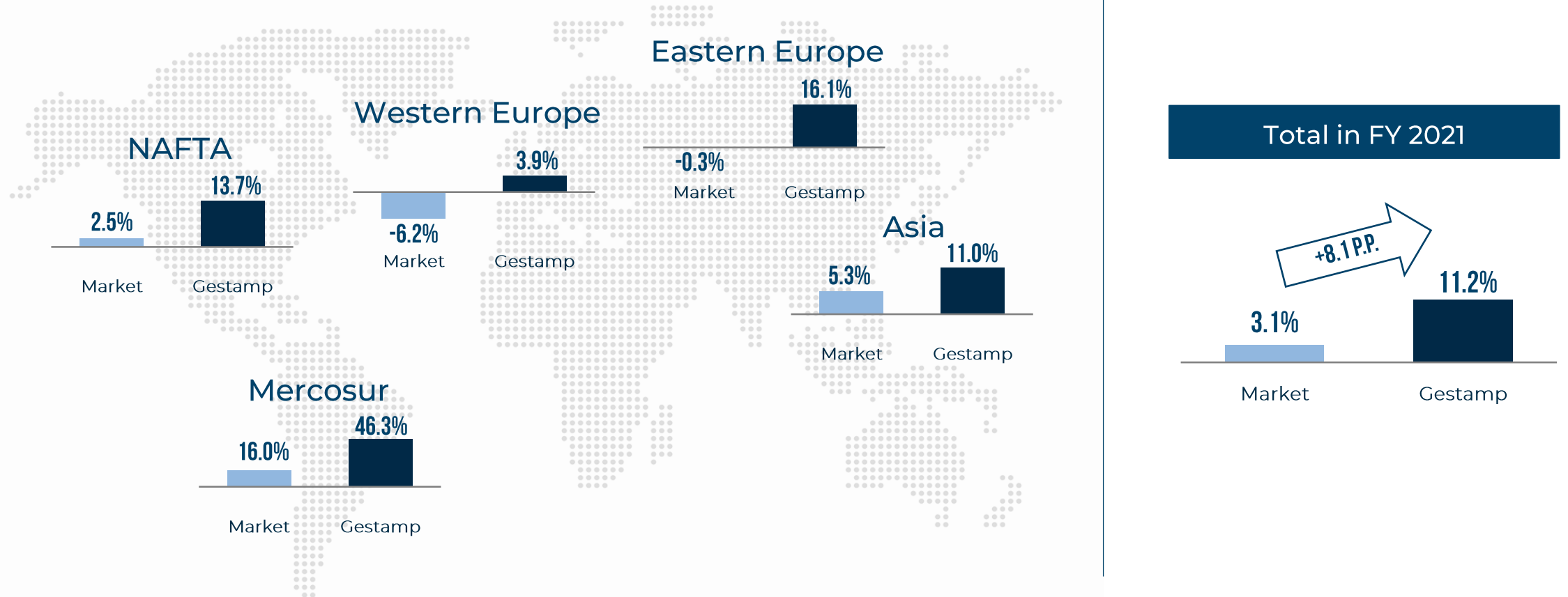


Q4 2021 Revenue decreased by -6.7% (-6.4% at constant FX) and EBITDA declined by -0.1% (+3.3% at constant FX)



# ALL REGIONS GROWING ABOVE THE MARKET IN FY 2021

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



Outperformance of +11.8 p.p. on a weighted basis<sup>(2)</sup> in FY 2021

1. 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 FY 2021 as of February 2022). Western Europe data includes Morocco in line with our reporting.  
 2. Market and Gestamp weighted growth measured with FY 2021 geographical weights as a base

# STRUCTURAL ADJUSTMENTS TO NEW MARKET ENVIRONMENT

Up to 2019: High growth period

2020-2021: Structural changes

2022+: towards a sustainable future

**c. +€1bn**

Revenue in  
2017-2019A

**40k**  
**Employees**  
worldwide

**€2.5bn**

Cumulative  
Capex  
2017 – 2019A

**+17**  
**Plants**

(>100 in total)  
2017 – 2019A

**New auto production market  
volume scenario (-12Mveh)**

**Transformation  
Plan implementation**

- Fixed cost reduction
- Operational stabilization
- Capex moderation
- Working capital management

**EBITDA margin improvement  
to 12.3% in 2021**

**Already tackling inflation in labour  
costs and energy in H2 21**

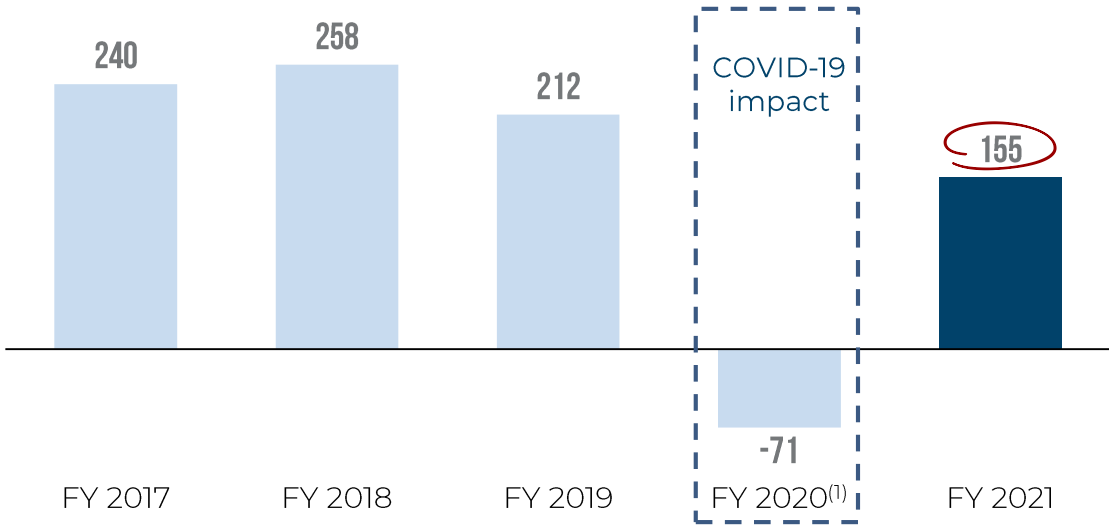
**Improved starting point vs. 2019**  
despite significantly lower production

- ✓ Consolidated step-up in profitability level
- ✓ Proven FCF generation & conservative leverage level
- ✓ Continued transformation & efficiency initiatives - ATENEA

Gestamp has successfully adapted to the new market environment with a strong focus on profitability and FCF

# CONTINUOUS FINANCIAL PERFORMANCE IMPROVEMENT

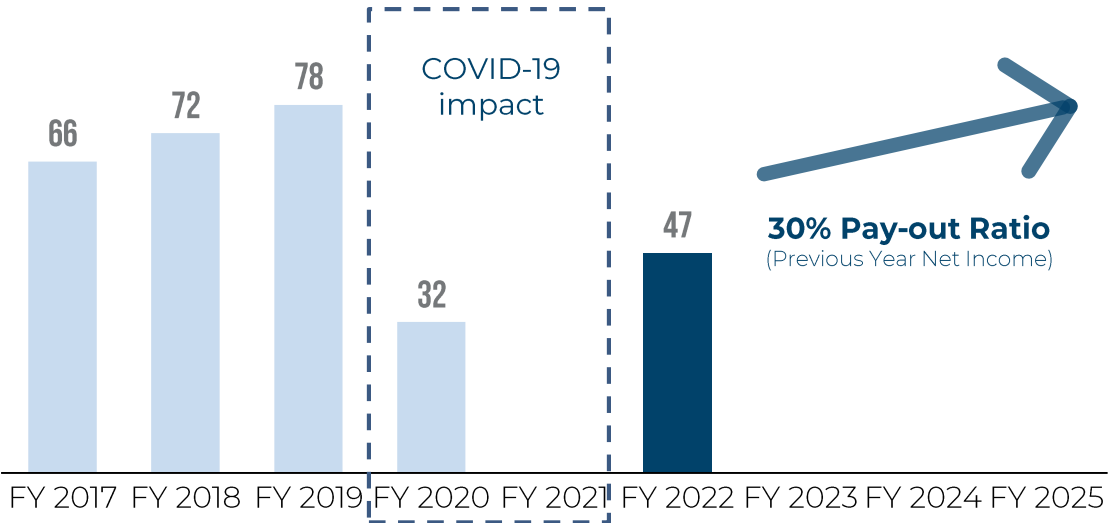
## Net Income evolution (€m)



**Solid Net Income in 2021 at €155m**

- Improved EBITDA margin
- Lower net financial expenses
- Selected acquisition of minorities
- Improved tax management

## Back to dividend payment



**Our 30% payout dividend policy has always been in place**

- Only cancelled the second payment related to 2019 results (payable in 2020) due to COVID-19
- Shareholders' remuneration policy based on a clear cash allocation strategy

1. FY 2020 net income excludes the impact from the Transformation Plan; including it Net Income in FY 2020 was €-151m..



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# STRONG PERFORMANCE ACROSS ALL REGIONS

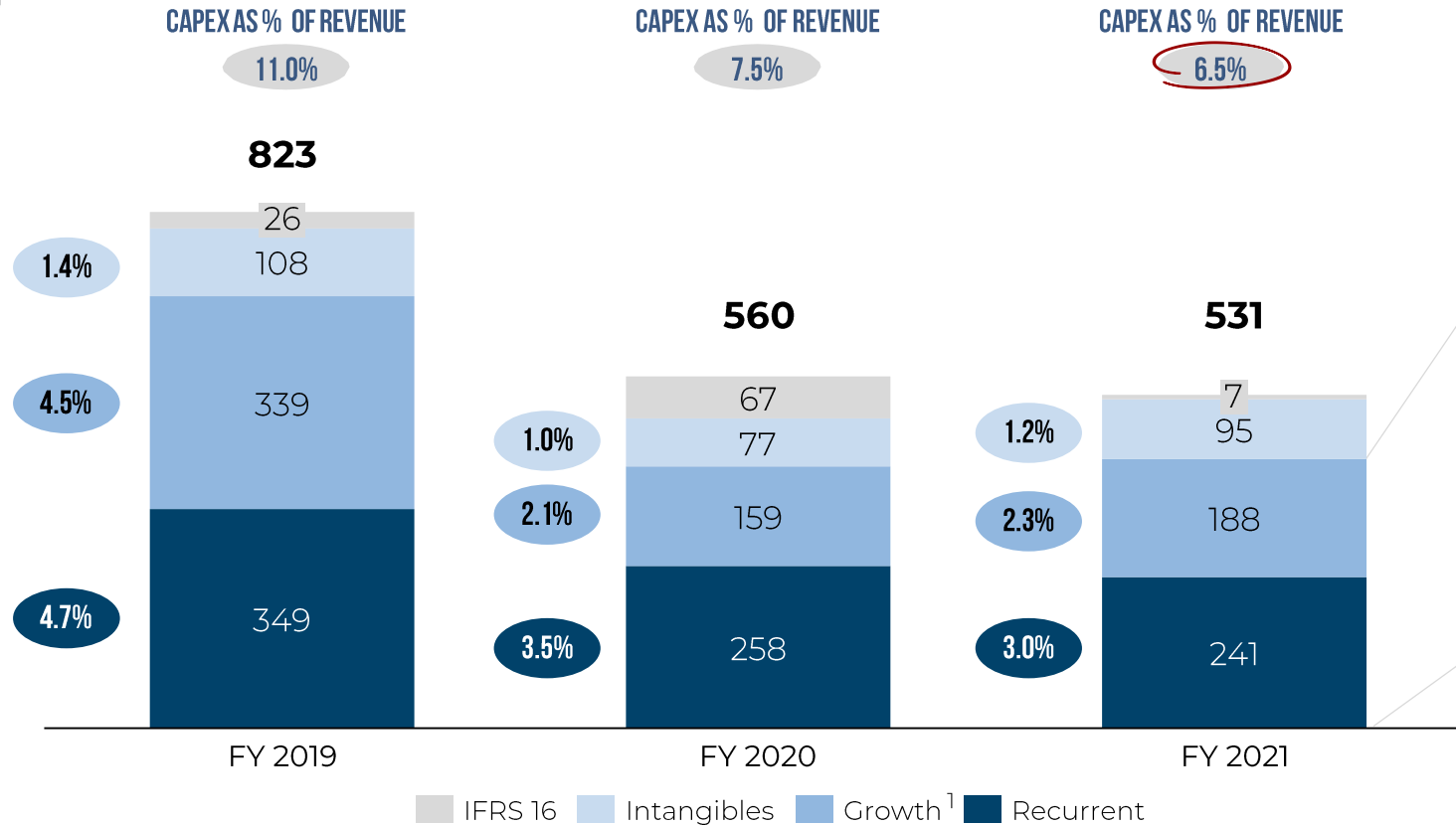
	Revenues (€m)			EBITDA (€m)			EBITDA Margin (%)	
	FY 20	FY 21	VAR. (%)	FY 20	FY 21	VAR. (%)	FY 20	FY 21
Western Europe	3,180	3,317	4.3%	265	339	28.0%	8.3%	10.2%
	OUTPERFORMANCE: +10.0 P.P.			PERFORMANCE AT CONSTANT FX: +27.7%				
Eastern Europe	1,209	1,286	6.3%	183	235	28.4%	15.1%	18.3%
	OUTPERFORMANCE: +16.4 P.P.			PERFORMANCE AT CONSTANT FX: +45.4%				
NAFTA	1,659	1,846	11.3%	155	202	29.9%	9.4%	10.9%
	OUTPERFORMANCE: +11.2 P.P.			PERFORMANCE AT CONSTANT FX: +31.6%				
Mercosur	391	495	26.4%	9	56	512.0%	2.4%	11.4%
	OUTPERFORMANCE: +30.3 P.P.			PERFORMANCE AT CONSTANT FX: +593.5%				
Asia	1,016	1,149	13.1%	145	165	14.1%	14.2%	14.4%
	OUTPERFORMANCE: +5.8 P.P.			PERFORMANCE AT CONSTANT FX: +12.2%				
Gestamp	7,456	8,093	8.5%	757	998	31.7%	10.2%	12.3%
	OUTPERFORMANCE: +8.1 P.P.			PERFORMANCE AT CONSTANT FX: +36.7%				

1. Gestamp's growth at constant FX used for comparability with production volumes. Market production volume growth based on countries in Gestamp's production footprint (IHS data as of February 2022). W. Europe data includes Morocco in line with our reporting. Outperformance calculated on a constant FX basis.

# CONTINUED CAPEX MODERATION WITH A FOCUS ON EV

## Reported Capex Breakdown

(In €m)



**>40%** of our 2021 tangible capex is **EV related**

**c. 30%** dedicated to **Battery Boxes**

Capex moderation has allowed us to meet our guidance at 6.5% of revenues

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

# POSITIVE FREE CASH FLOW GENERATION IN FY 2021

(In €m)

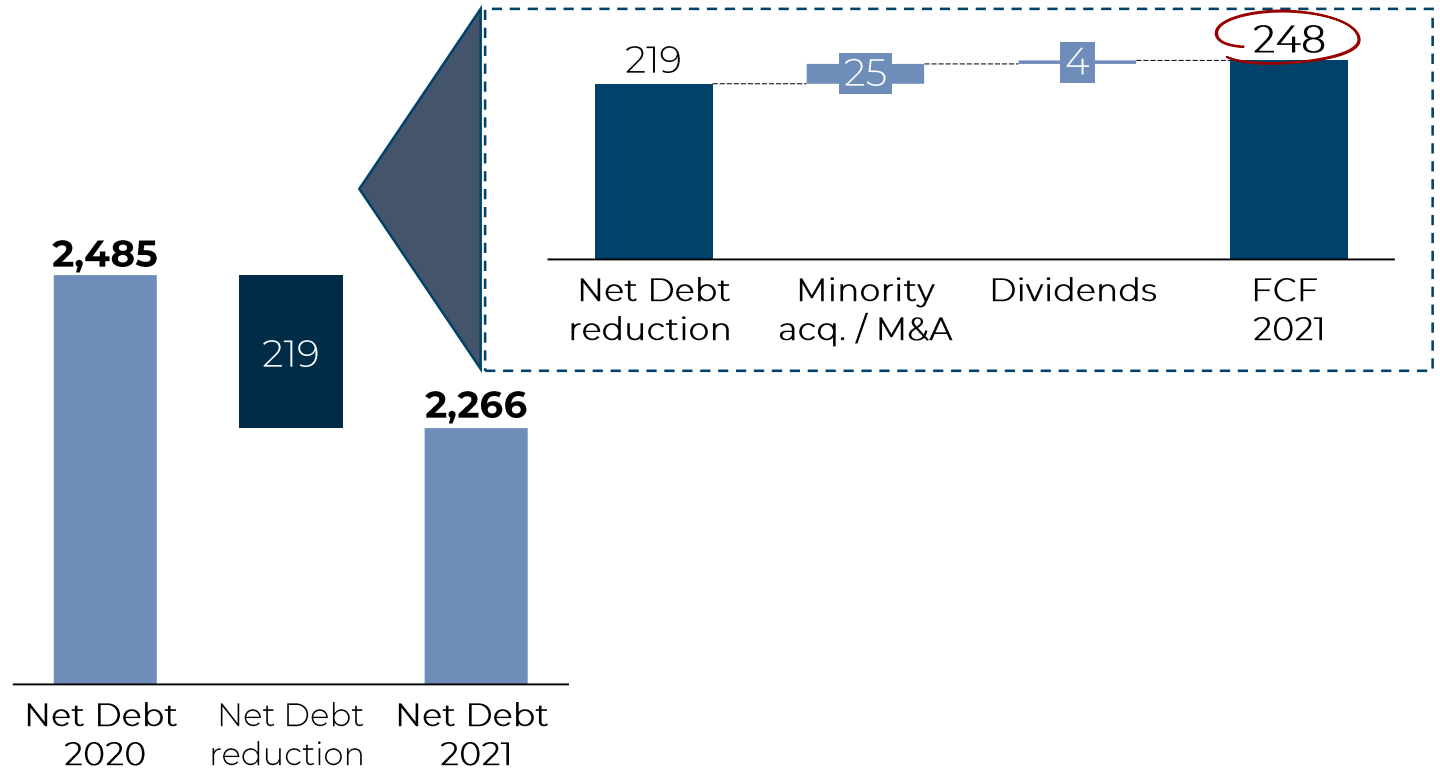
## High Investment Period

- ✓ Capturing attractive opportunities...
- ✓ ...no immediate impact on EBITDA / profitability ...
- ✓ ...but leading to higher leverage due to high growth capex spending

## Today

- ✓ Strong strategic positioning
- ✓ Improving group profitability from project ramp-ups
- ✓ Capex moderation and WK management
- ✓ Strong FCF generation

## Strong FCF generation profile



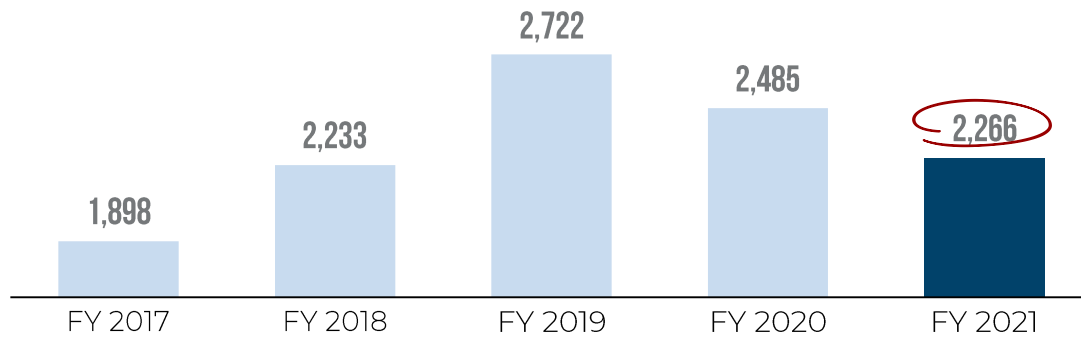
Free Cash Flow Generation of €248m in FY 2021

1. FCF defined as Net Debt reduction excluding minority acquisitions, dividends, share repurchases as well as potential M&A items

# CONTINUED NET DEBT REDUCTION IN FY 2021

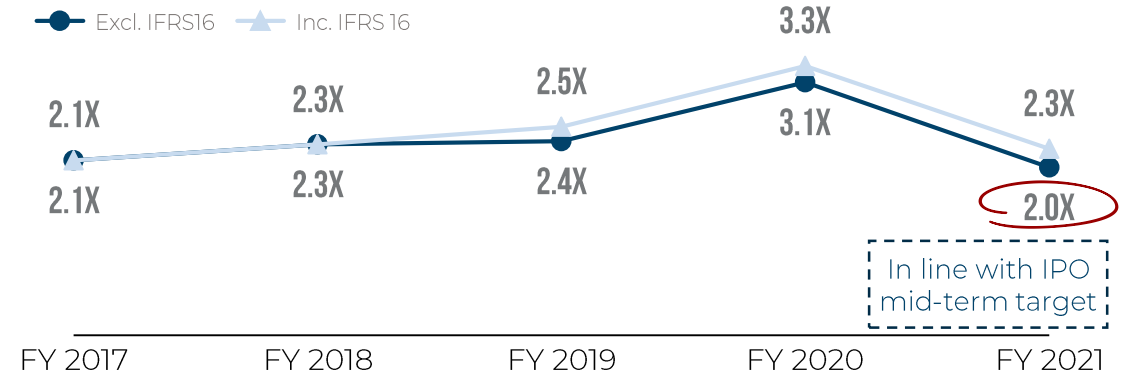
## Strong Net Debt reduction (inc. IFRS 16)

€-456m Net Debt reduction over the last two years

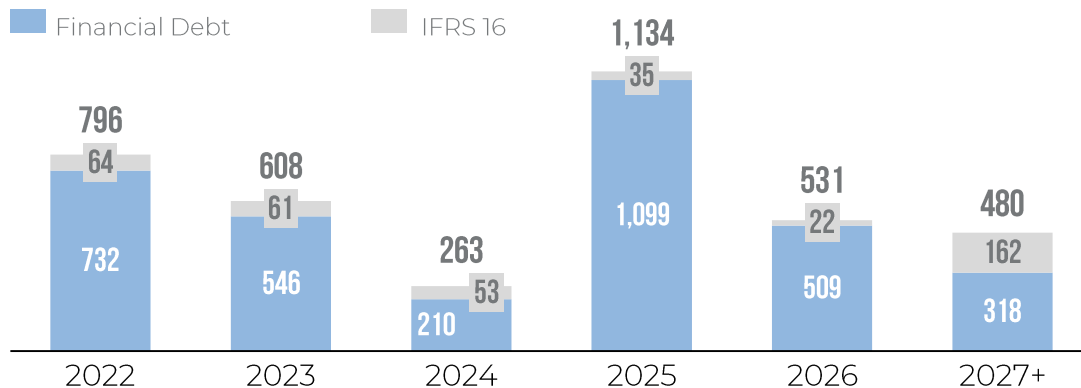


## ND/EBITDA improvement

Lowest ND/EBITDA in the last five years



## Debt Maturities (in €m)



## Considerations

- Active management of Gestamp's capital structure
- Current leverage and maturity profile is well balanced
- Continue seeking a balanced financial structure

1. Net Debt / EBITDA calculated by excluding Transformation Plan at EBITDA level in 2020 but including its cash impact at net debt





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# KEY LEVERS FOR 2022 CMD GUIDANCE

Changed scenario vs. guidance



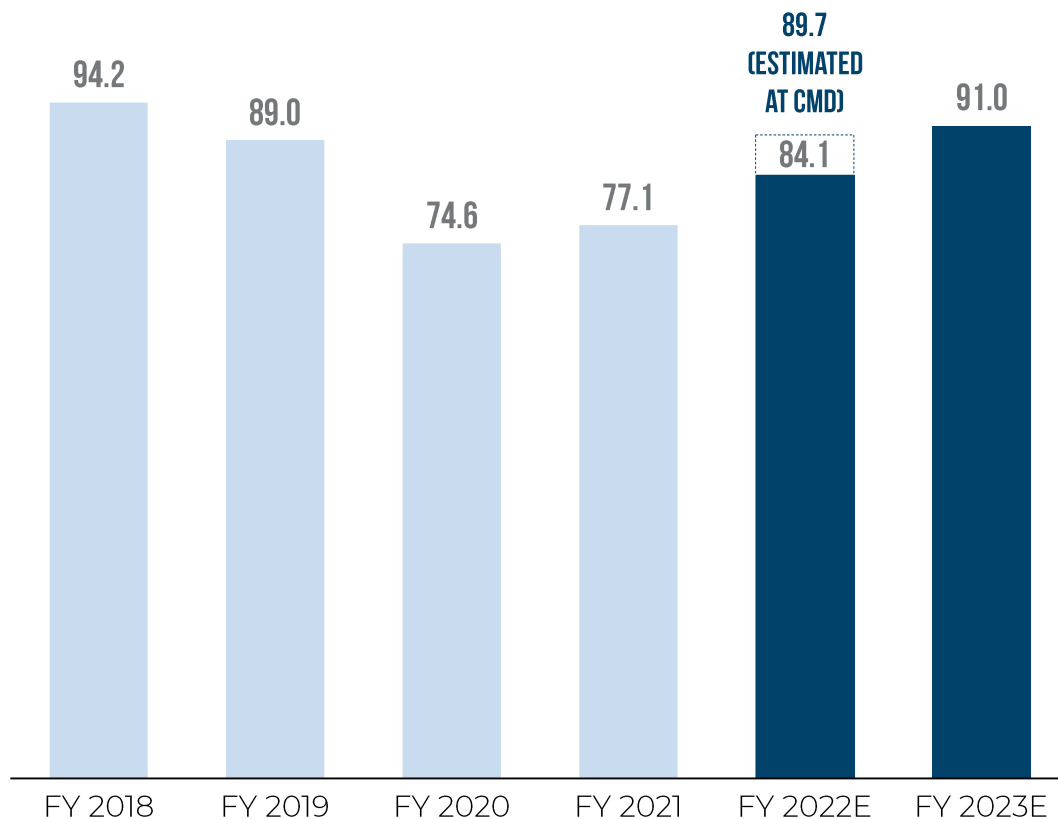
## Key Guidance Considerations

- ✓ Fixed cost reduction
  - ✓ Operational stabilization
  - ✓ Industry 4.0
  - ✓ ATENEA
- Market volumes similar to 2019
  - Normal raw material scenario
  - Normal inflation environment

Several of the pillars of our 2022 guidance have changed – auto market volumes and raw material prices

1. Run-rate EBITDA margin excludes the impact from the Transformation Plan in 2020

## IHS Light Vehicle Production Evolution<sup>(1)</sup> (Mveh)



1. IHS Production Forecasts as of February 2022

## Market recovery slower than expected

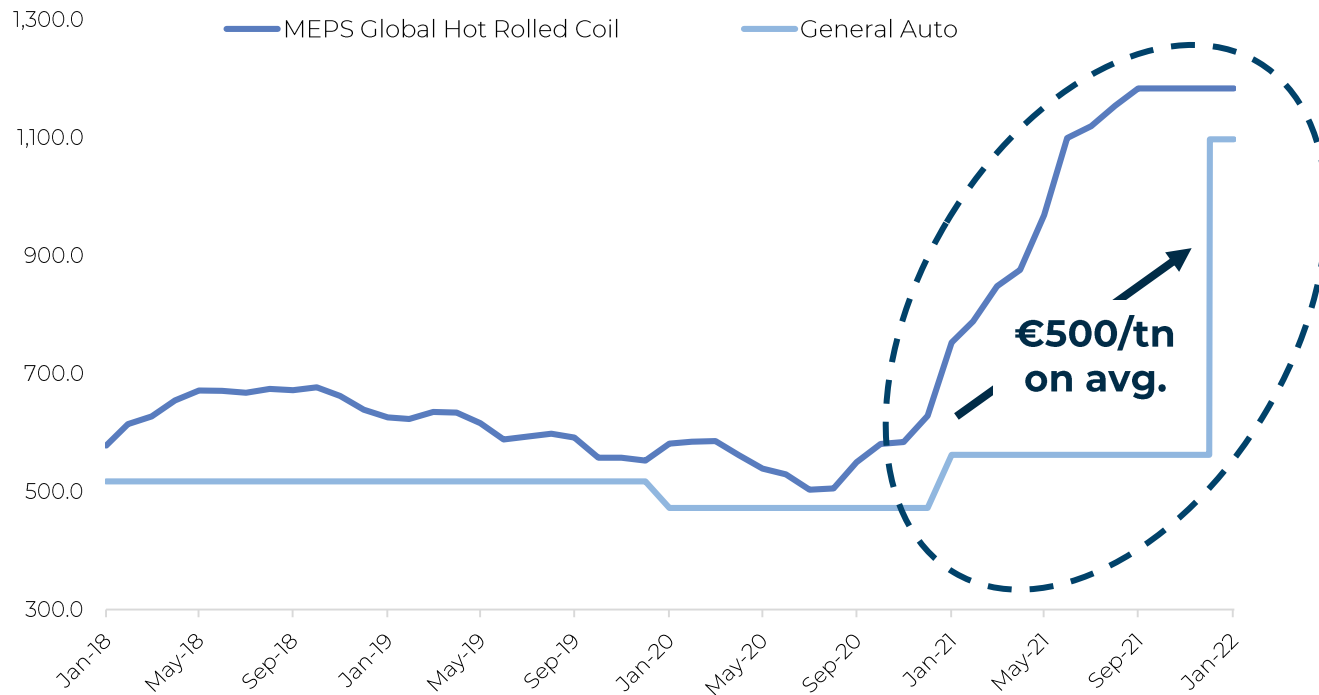
- Progressive market recovery expected over the next two years
- 2022 should still see some uncertainty due to semiconductors shortage and inflation pressure
  - Downward revision of volumes vs. expectation at CMD in June-21
- By 2023 the market should recover production volumes in line with 2019 levels

## Future growth should come mainly from EVs

- Global decarbonization targets are increasing
- This should push EV growth to replace ICE vehicles in the coming years

# FACING SIGNIFICANT RAW MATERIAL PRICE INFLATION

## An unprecedented increase in steel price



Spot steel prices have experienced an extraordinary increase during 2021

This increase will impact auto contracts during 2022

- Pass-through mechanisms in place

The impact from the increase will vary significantly by region and customer

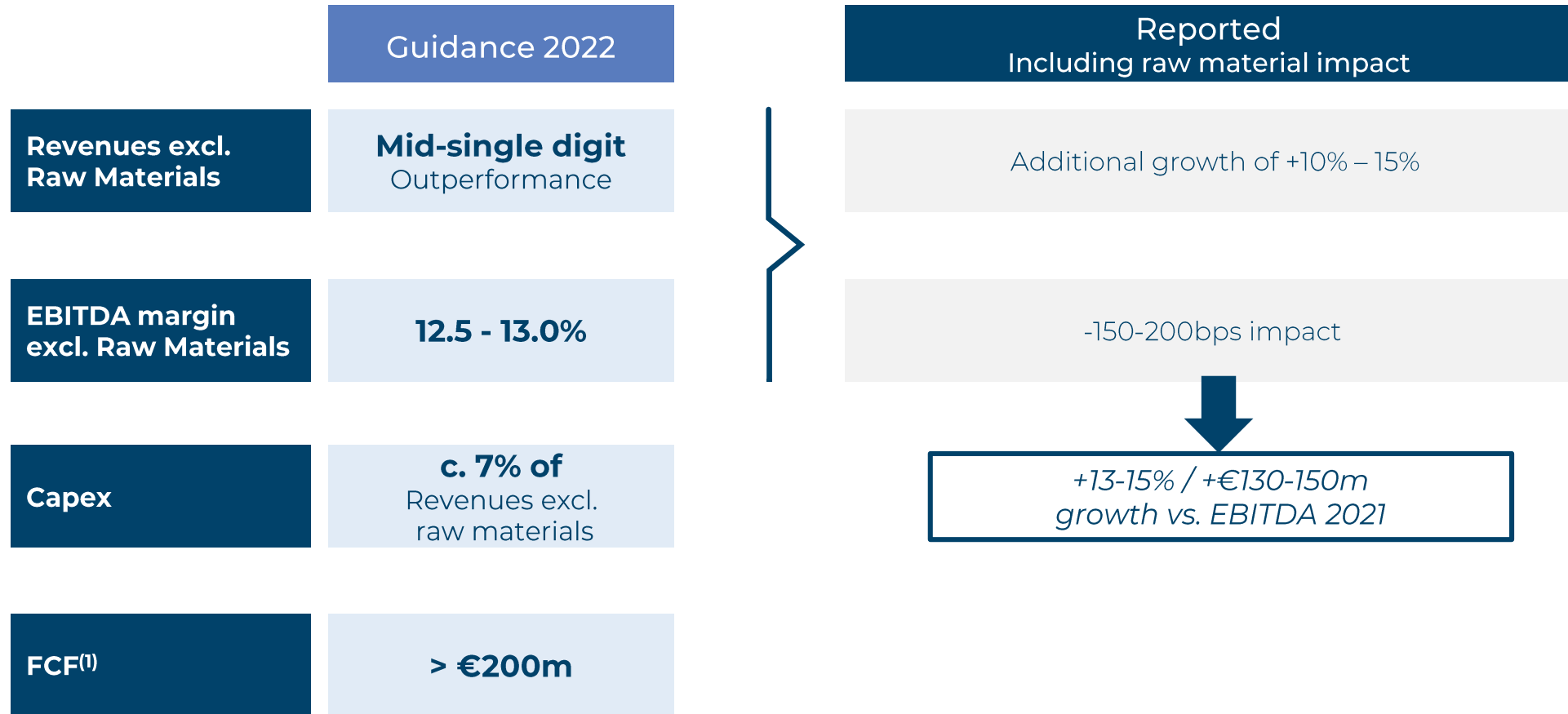
- Europe will be the region that will see the highest increases

Increasing inflationary pressures in energy and labour costs

No impact on EBITDA in absolute terms from raw materials but some pressure from inflation (labour and energy)

1. Sources: Bloomberg and MEPS index for hot-rolled coil steel prices  
2. These listed references do not reflect the final variations in input costs for the Company and should be considered as illustrative examples

# OUTLOOK FOR 2022

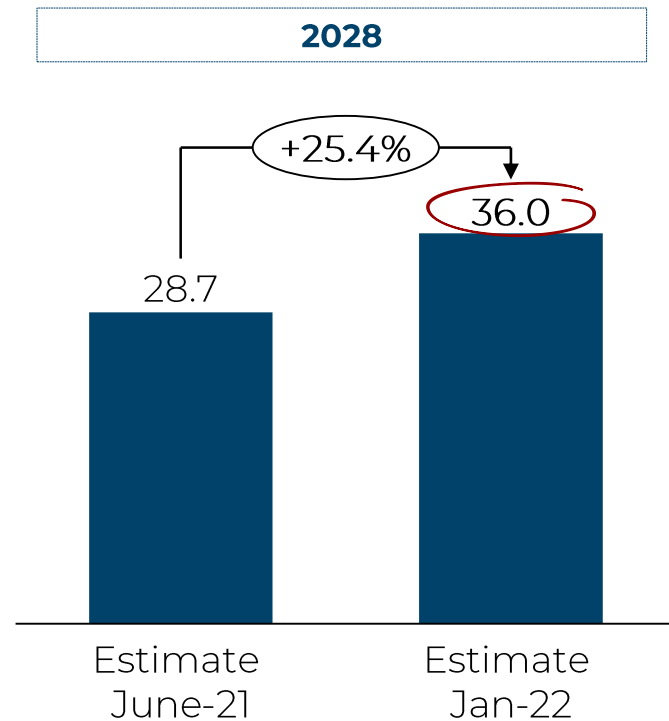


We are committed on delivering on our guidance

1. FCF defined as Net Debt reduction excluding minority acquisitions, dividends, share repurchases as well as potential M&A items

# ATTRACTIVE OPPORTUNITIES ARISING FROM ELECTRIFICATION

## Acceleration in EV growth<sup>(1)</sup> estimates (Mveh)







EVs expected to represent c.35% of total LV production by 2028, vs. 28% estimated in Jun-21

Gestamp strategic positioning allows capturing opportunities arising from the powertrain transition

## Opportunities for Gestamp

### Growth opportunities for EVs already under development

-  **Technological Expertise**  
To adapt our traditional products to the needs for EVs
-  **New content**  
Broader scope around Battery Systems: products / solutions
-  **New players**  
Production from new Pure EV players expected at 11.6Mveh in 2020-2025 period
-  **Outsourcing**  
OEMs to focus their investments on CASE, thus increasing outsourcing of our products

### Constantly exploring new opportunities to grow in EV

1. IHS Powertrain Jun21 Forecast; IHS Powertrain Jan22 Forecast / EV includes BEV and PHEV

# 2021 INITIATIVES WITHIN OUR ESG STRATEGY

Gestamp created an ESG Committee in June 2021 at the Board level to supervise and ensure compliance of ESG policies



- Renewable energy consumption in our Spanish footprint
- Aligned with SBTi Scope 1 & 2 Targets

10-year PPA



- First Tier 1 supplier in the auto sector
- Part of our commitment for the reduction of our CO2 impact

Green steel certificates



Code.org

Expand access to computer science in schools

Digitalization education

Solar panels installation



- Allowing self-consumption across 22 plants in Spain and Portugal
- Aligned with SBTi Scope 1 & 2 Targets

Group and BoD trained in ESG



- Mandatory online education for all employees
- Goal to have 100% of the Group and BoD trained in ESG by 2022

Zero Waste Certificate



- First Group in the automotive sector to achieve this certificate
- 63% of the Group's plants with Complete traceability of waste





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Gestamp 

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