

Gestamp reached €83m net profit in the first half of the year

- Revenues reached €4,076m during the first half of the year and reflect an improvement vs. H1 2020, which was notably impacted by Covid-19
- Revenues in Q2 2021 have amounted to €1,967m outperforming the auto production market, which has been impacted by semiconductors shortage
- Gestamp registers four consecutive quarters of EBITDA margins above 12%
- Francisco J. Riberas, Gestamp's Executive Chairman: "Gestamp will continue working on improving the efficiency and added value of the Company. We upgrade our 2021 guidance, improving the Capex to revenues ratio and net debt level"

Madrid, 26 July 2021.- Gestamp, the multinational company specialized in the design, development and manufacture of highly engineered metal components for the automotive industry, has presented its results for Q2 and H1 2021 in which the company has delivered solid figures and outperformed the market despite a second quarter strongly impacted by semiconductors shortage.

The company has reached in the second quarter €32m of Net Profit (vs. €-134m in Q2 2020) and revenues during this period have amounted to €1,967m, which represents an increase of 95.9% at constant FX versus Q2 2020, outperforming by 49.8% the markets where Gestamp has presence.

The Group has recorded a very strong quarter in terms of margin and EBITDA stood at €240m reaching 12.2% of EBITDA margin (vs. 2.3% registered in Q2 2020) and even higher than pre-Covid margin of Q2 2019 (with an EBITDA margin of 11.6%). Thus, Gestamp registers four consecutive quarters of EBITDA margins above 12%.

Revenues of €4,076m recorded during H1

Gestamp reported revenues and EBITDA for the H1 2021 of €4,076m and €498m, respectively. Revenues for the six months represent a growth rate of 40.3% at constant FX vs. H1 2020 and outperforms the auto production market by 10.8 percentage points. Gestamp has outperformed the market in almost all geographies except Asia, which has been slightly below the market growth rate.

Net profit reached €83m during the period, which reflects a significant improvement vs. H1 2020, when it recorded €-120m, significantly impacted by Covid-19 crisis. On the other hand, the operational improvements implemented as part of Gestamp's transformation plan have enabled the Company to maintain very solid profitability levels in the first half of the year with an EBITDA margin of 12.2%.

Million Euros	H1 2020	H1 2021
Revenues	3,045	4,076
EBITDA	216	498
EBITDA margin (%)	7.1%	12.2%
EBIT	-87	208
Net profit	-120	83
Net debt (excl. IFRS 16)	2,652	2,066
Operating Leases	386	414

Focus on increasing profitability, Free Cash Flow (FCF) generation and guidance update on Capex to sales and net debt

The Company continued to focus on Free Cash Flow generation as one of its main priorities and despite activity weighed down by the impact of the semiconductors shortage, Gestamp managed to generate €19m of FCF in the first half of the year, which would become €91m assuming full year 2020 factoring levels.

Gestamp is focused on preserving its financial position, implementing cost reduction measures, Capex moderation and Working Capital Management. To achieve this, in line with the company's solid financial policy and objective of reducing financial costs to increase net profit and shareholder return, Gestamp redeemed at par value all of its €500m senior secured notes due in 2023 in May. It has also recently initiated a minority buyback strategy and is working to increase 2019 net income by 30% by 2022.

Gestamp has strengthened its financial profile during the last year and has reduced leverage to levels below 2.2x Net Debt to EBITDA. This improvement in financial profile has been acknowledged by the recent upgrade by Moody's Gestamp's corporate rating to Ba3 with a stable outlook.

The company confirms FY guidance on revenue and EBITDA level but improves capex to revenues ratio (excl. IFRS 16) to less than 6.5% from ~ 7% and net debt level (excl IFRS 16 and Transformation Plan) from less than €2bn to more than €100m below FY 2020 net debt.

"Gestamp has delivered a solid H1 2021 vs. H1 2020 figures and the Group will continue working on improving the efficiency and added value of the Company. We continue to follow closely the uncertainties of the automotive market around semiconductor shortage impact but we maintain our 2021 guidance, improving it on capex to revenues ratio and net debt level", Gestamp's Executive Chairman, Francisco J. Riberas, stated.

"At Gestamp, we have been working for years with specific products for Electric Vehicles such as the Battery Box. Thus, among other projects, we are leveraging the projects around Next Gen EU funds in our commitment to the new challenges of a more sustainable mobility", he added.

About Gestamp

Gestamp is a multinational specialized in the design, development and manufacture of highly engineered metal components for top vehicle manufacturers. It develops products with an innovative design to produce lighter and safer vehicles, including EVs, which offer improved energy consumption and a reduced environmental impact. Its products cover the areas of body-in-white, chassis and mechanisms.

The company is present in 24 countries with more than 100 manufacturing plants, 13 R&D centers and a workforce of more than 40,000 employees worldwide. Its turnover was €7,456m in 2020. Gestamp is listed on the Spanish stock market under the GEST ticker.

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