



**Gestamp** 



# **GESCRAP ACQUISITION**

**DECEMBER 1<sup>ST</sup>, 2022**

# DISCLAIMER

*This presentation has been prepared solely for use at this conference call. By attending the conference call 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 and judgements 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. 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. 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.*

*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).*

# GESCRAP ACQUISITION: KEY HIGHLIGHTS



Strategic acquisition reinforcing our market position



Key lever to access potential market around circular economy



Accretive acquisition



Acquisition with no impact in our 2022 Guidance



Committed to ESG

1. Gescrap consolidated figures as of 2021

# GESCRAP ACQUISITION: TRANSACTION DETAILS

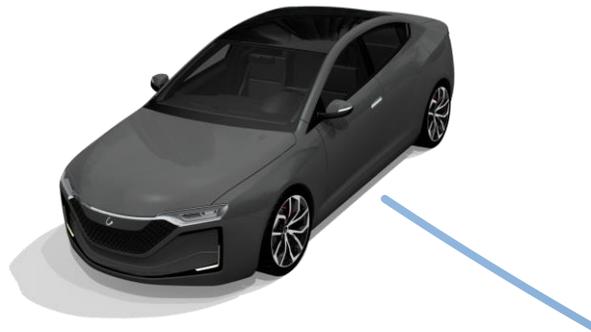
- Gestamp is acquiring a 33.3% stake in Gescrap
- Gescrap is the European leader specialized in the management of high-quality scrap
- Founded in 1994 and based in the Basque Country (Spain), after the Gestamp investment Gescrap is now owned one third each by Gestamp, ACEK and Cosimet Group
- It operates globally being its main markets Europe, America and Asia
- Gescrap has a heterogeneous client base with most relevant steel mills amongst its clients
- Gestamp is a key strategic supplier of high-quality scrap



1. Revenues figures as of December 2021 and the EBITDA adjusted due to extraordinary scrap pricing during 2021.

# HIGH QUALITY SCRAP: A BUSINESS OPPORTUNITY

OEMs are increasingly looking to reduce its Scope 3 emissions by identifying opportunities for improvement both up and down the supply chain, including steel supplies



As a result, tier 1 suppliers are pushed to look for low CO<sub>2</sub> steel

To produce low emissions steel, high quality scrap is a must

Gescrap as a strategic partner to approach a new business opportunity, circular economy

Gestamp positioning in the supply chain of low emissions steel: key product for industry decarbonization

# A STRATEGIC COMPLEMENTARY BUSINESS

Entering into the business of circular economy through the scrap metal recycling...

... with scrap demand booming to produce “low carbon emission steel”...

... a key product for many industries on their path towards decarbonization

Gescrap is a leading premium player with longstanding relationships with its clients, which is key in the industry

OEMs are increasingly looking for green steel thus this acquisition creates a new way of strategic cooperation for Gestamp with its clients as well as steel mills

Positioning in the value chain of one of our sub-products with a differentiated and profitable business model...

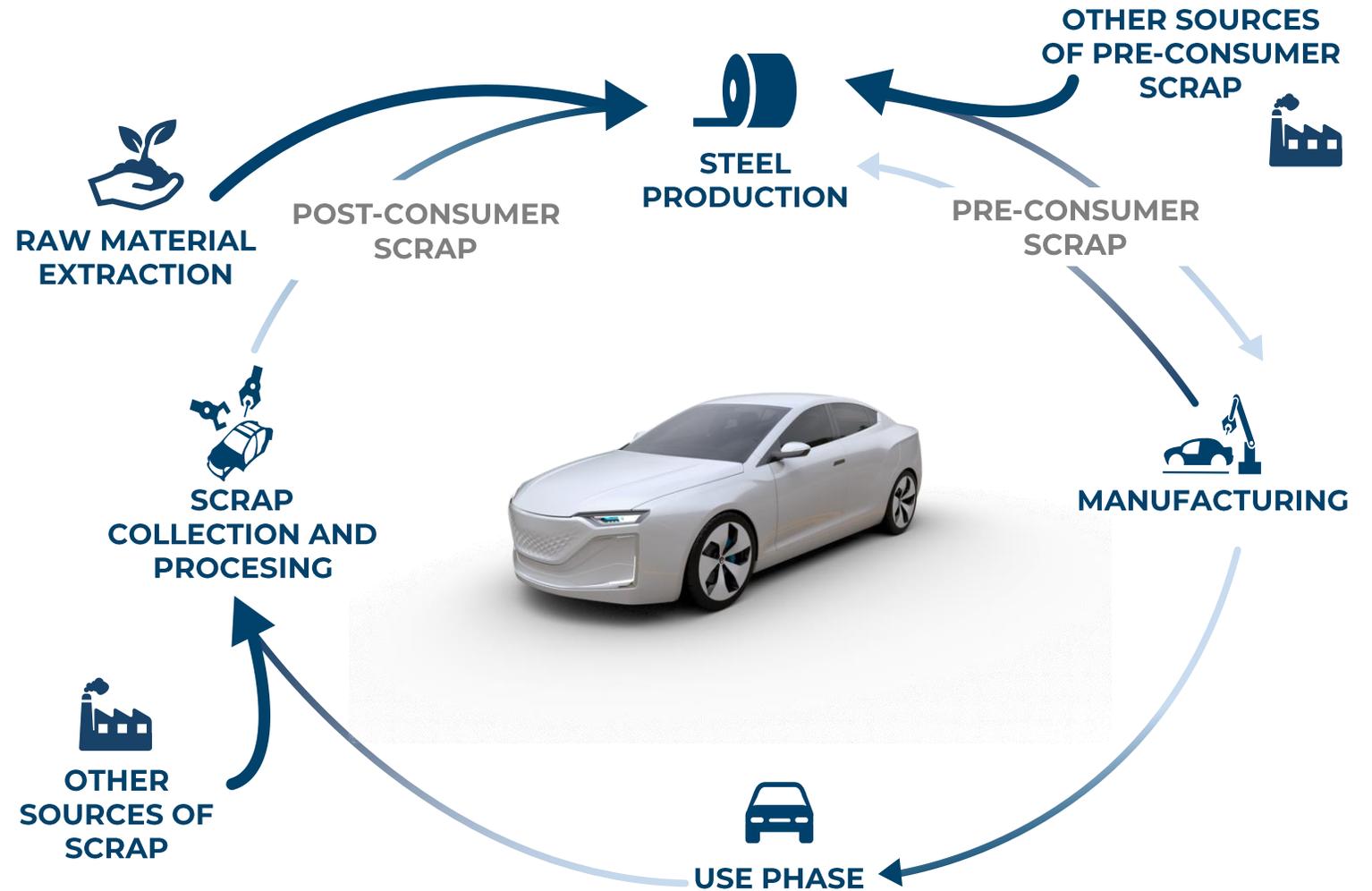
... while taking a leading role in a key product for the “*car circularity*”

Moving forward our ESG commitments while playing a leading role in the auto industry road towards carbon neutrality

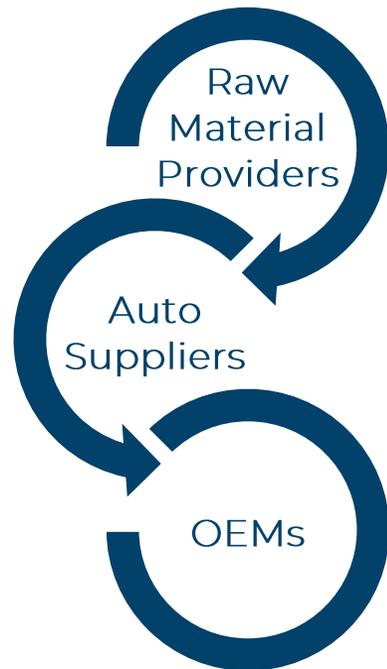
# GESCRAP: THE CIRCULAR ECONOMY OPPORTUNITY

As Next Step on the Road Towards “Net Zero” Auto Industry Needs to Increase its Degree of Circularity

- Steel can be recycled to its original state without losing its properties allowing it to be used indefinitely
- Gestamp is taking an active role in the circular economy opportunity through Gescrap...
- ... supplying high quality scrap to steel producers...
- ... while collaborating with OEMs



## Auto Sector Working Together Towards Carbon Neutrality



*“The steel industry plays a major role in reducing emissions as it is among the three biggest producers of CO<sub>2</sub> (7%-10%<sup>(1)</sup>) of global greenhouse emissions)”*

**ArcelorMittal** has announced a net-zero CO<sub>2</sub> goal for 2050 and a 30% reduction goal for 2030

Austrian **Voest Alpine** has launched the “CO<sub>2</sub>UNTDOWN TO ZERO” setting the goal of 0% CO<sub>2</sub> emissions by 2035

**Stellantis** has created SUSTAINEra Circular Economy, a new business unit announced in the strategic plan

**Renault Group** announced the creation of a new entity entirely dedicated to the circular economy: The Future Is NEUTRAL

Gestamp is committed to work with all its stakeholders towards meeting carbon neutrality target

(1) Source: Our World in Data

# GESTAMP: WORKING TOWARDS BECOMING CARBON NEUTRAL



## Our Approach

Short Term

Scope  
**1 + 2**

c.5% of our emissions

- ✓ >40 plants involved in **energy efficiency processes** to optimize equipment performance and reduce energy consumption
- ✓ Naturgy and Cemig PPA agreement: 100% **renewable energy** consumption in Spain and Brazil
- ✓ Agreement with Poven allowing **self-consumption** across 22 plants in Spain and Portugal

Long Term

Scope  
**3**

c.95% of our emissions, of which c.55% comes from steel

- ✓ Contributing to the **circular economy**: recycling business ecosystem
- ✓ Different initiatives to promote **low carbon steel production**:
  - ✓ **Agreement** with ArcelorMittal to use **XCarb®** green steel certificates in our activities
  - ✓ **ArcelorMittal MoU** to produce & homologate auto parts with low-emissions steel

The Financial Statements of Gescrap within the Group will be Fully Consolidated

(In €m)

	Gestamp 2021 <sup>(1)</sup>	Gescrap 2021 Adjusted <sup>(2)</sup>
<b>Total Revenue</b>	<b>8,093</b>	<b>909</b>
<b>EBITDA</b>	<b>998</b>	<b>55</b>
<b>EBITDA margin (%)</b>	<b>12.3%</b>	<b>6.0%</b>
<b>Net Income</b>	<b>155</b>	<b>36</b>

## Pro forma 2021 impact<sup>(3)</sup>

<b>+608</b>
<b>+55</b>
<b>-23 bps</b>
<b>+12</b>

Acquisition is accretive to **EPS +0.02 €/share** and **ROIC +46 bps**

Gescrap impacts based on 2021 figures except for the adjustment on EBITDA and Net Income due to extraordinary scrap pricing during the year

1. Audited figures as of December 2021
2. Gescrap figures as of December 2021 except the adjustment on EBITDA and Net Income due to extraordinary scrap pricing during 2021.
3. Revenues consolidated impact considering Gestamp scrap business effect: €301m as of December 2021.

# WORKING FOR A SAFER AND LIGHTER CAR



[www.gestamp.com](http://www.gestamp.com)

