



Presentation of 9M 2019 Results

October 31st, 2019

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Key Highlights for Q3 and 9M 2019

Financial Overview

Closing Remarks

- In Q3 2019 the auto production volume decline has moderated when compared to previous quarters but volumes have continued to decrease by **-3.2%**, despite the already low comparable base from Q3 2018
- In that context, Gestamp has outperformed the auto production market with revenues during Q3 2019 increasing by **8.7%** (6.3% at constant FX) vs. Q3 2018 or **6.8% growth** (7.0% at constant FX) during **9M 2019** vs. 9M 2018
- EBITDA margin has reached **11.4%** during Q3 2019, which is in line with Q3 2018 when excluding the impact from IFRS 16, despite **temporary negative impact of underlying market conditions and ramp-ups**
- Continued implementation of measures which will progress during Q4 as well as 2020 in order to **adapt to the uncertain auto environment**
 - Moderation of capital expenditures
 - Ongoing execution of cost efficiency plans, with further actions to come in the coming quarters
- During Q3 2019 Gestamp has **started production in its new facility** in Chelsea-Michigan (USA) which **enhances Gestamp's existing footprint** and is expected to **support future growth**

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

(In €m)	Q3 2018	Q3 2019
Total Revenue	1,894	2,059
EBITDA	196	234
EBITDA margin (%)	10.3%	11.4%
EBIT	92	94
EBIT margin (%)	4.8%	4.5%
Net Income	31	28
Net debt	2,498	2,664
Operating Leases (IFRS 16)	<i>Not applicable</i>	407

Q3 2019 Revenue increased by 6.3% at constant FX and EBITDA increased by 16.4% at constant FX impacted by IFRS 16

Note: IFRS 16 operating lease adjustment included as of 1st January 2019; Reported Revenue growth of 8.7% and EBITDA growth of 19.4%

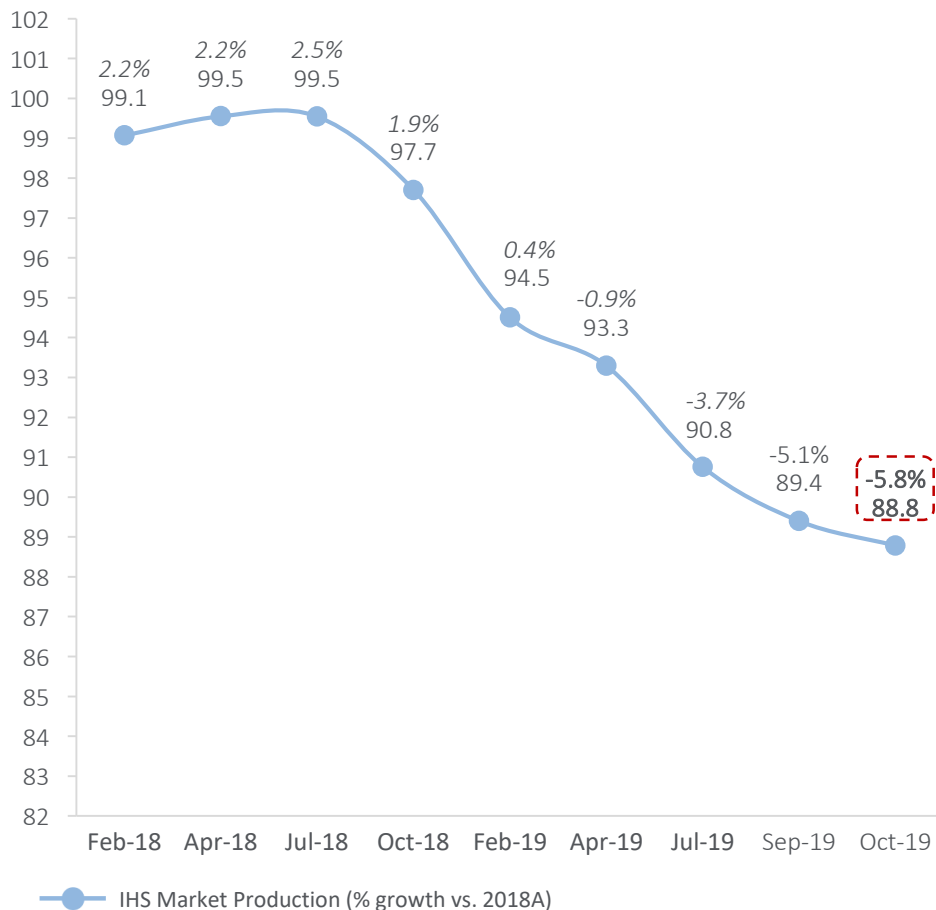
(In €m)	9M 2018	9M 2019
Total Revenue	6,155	6,572
EBITDA	681	755
EBITDA margin (%)	11.1%	11.5%
EBIT	366	338
EBIT margin (%)	6.0%	5.1%
Net Income	163	128
Net debt	2,498	2,664
Operating Leases (IFRS 16)	<i>Not applicable</i>	407

9M 2019 Revenue increased by 7.0% at constant FX and EBITDA increased by 11.1% at constant FX impacted by IFRS 16

Note: IFRS 16 operating lease adjustment included as of 1st January 2019; Reported Revenue growth of 6.8% and EBITDA growth of 10.8%

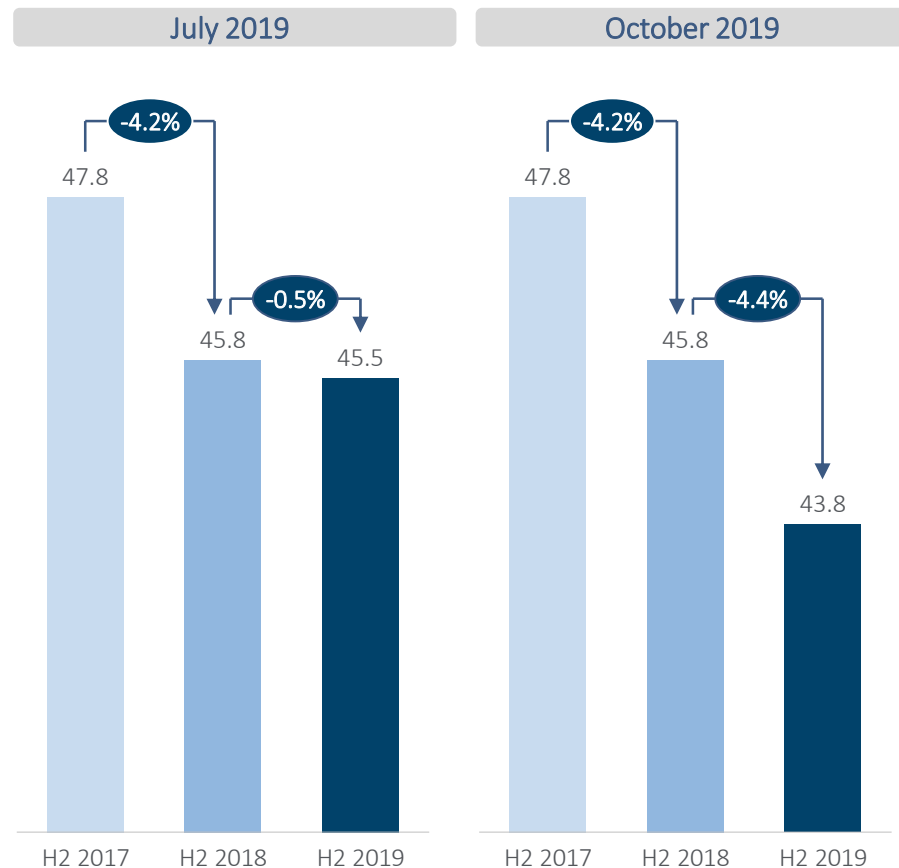
IHS 2019 Global Light Vehicle Production

IHS Global Vehicle Production (Mveh) for 2019E



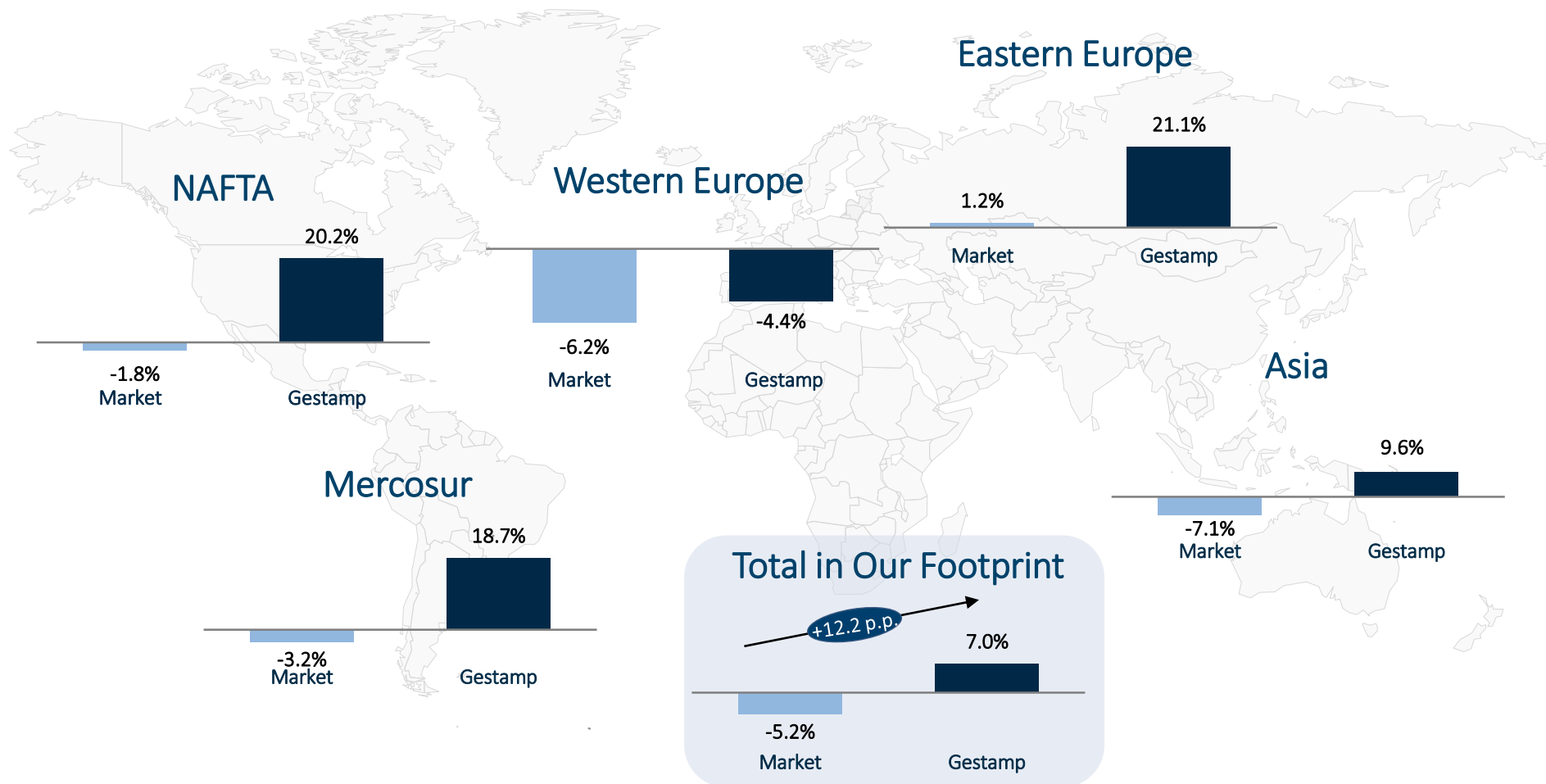
IHS Light Vehicle Production H2 Evolution

IHS Global Vehicle Production (Mveh) for H2 2019E



Note: IHS data as of October 2019

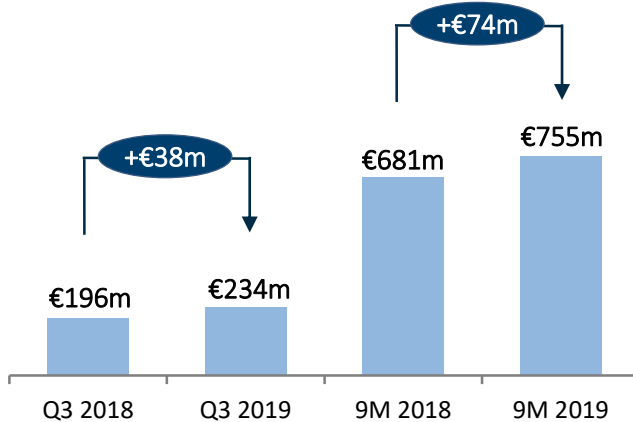
Gestamp Revenue Growth at Constant FX vs. Market Production Growth in Gestamp's Footprint



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 9M 2019 as of October 2019)

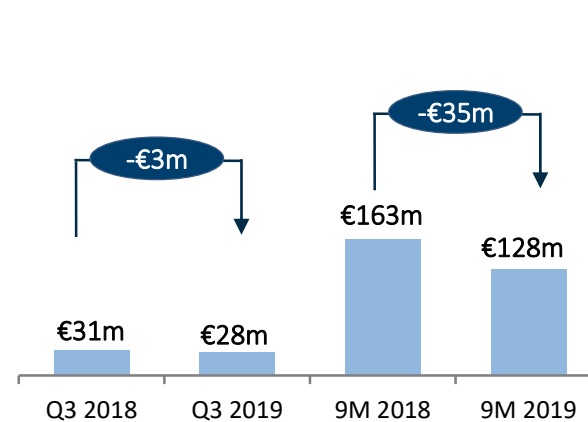
EBITDA ⁽¹⁾

(In €m)



Net Income

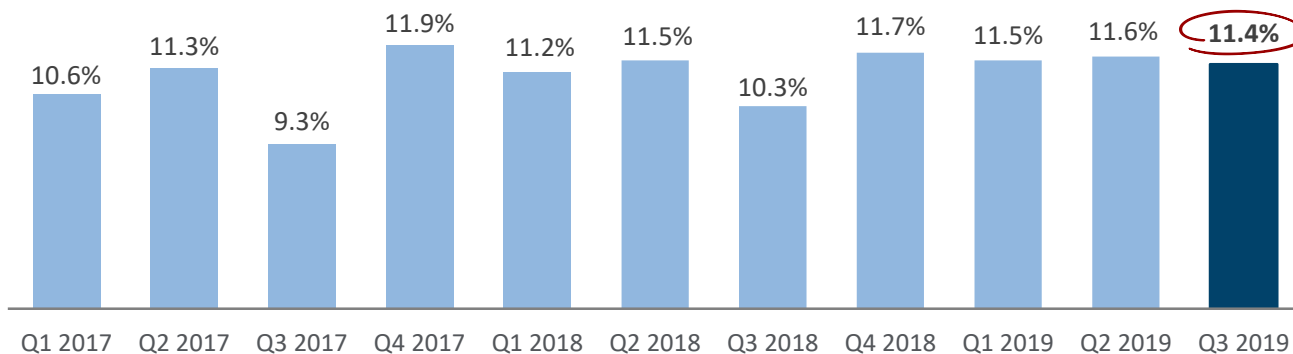
(In €m)



Considerations

- EBITDA of €755m in 9M 19, a 10.8% increase or 11.1% at constant FX, including the impact from IFRS 16
- Improving Net Income trend, closing the gap vs. 2018
 - Net Income in Q3 19 broadly in line with Q3 18 (excl. IFRS 16)

EBITDA Margin Evolution



Considerations

- EBITDA margin in Q3 19 reaching 11.4% or flat at 10.3% vs. Q3 2018 excl. IFRS 16
 - Eastern Europe and Asia as main contributors; NAFTA still impacted by ramp-ups
 - Already impacted by ongoing cost efficiencies

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

(1) EBITDA increase of 16.4% and 11.1% at constant FX in Q3 2019 and 9M 2019, respectively

Action Plan

Capex Moderation

- Capex for 2017 and 2018 amounted to €1.7bn and 10.2% of Revenue
- Capex moderation for 2019 down to ~9.0% of Revenue and further moderation by 2020E

Cost Efficiencies

- Action plan to adjust operations and our corporate cost structure following a high growth period
- Headcount reductions implemented, already reflected in our financials, in countries most affected
 - UK (Brexit)
 - Argentina (uncertainties since summer 2019)
 - China (slowdown since H2 2018)
 - Sweden (market competitiveness)
- Day to day implementation of cost flexibility measures and additional actions to be taken in 2020

Focus on FCF



Continued Capex Moderation

Working Capital Management

EBITDA Improvement

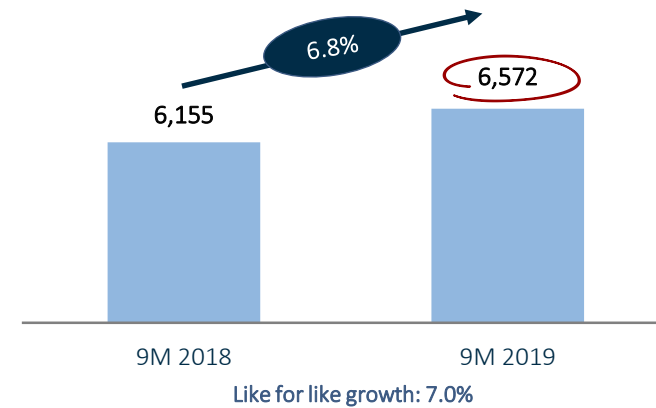
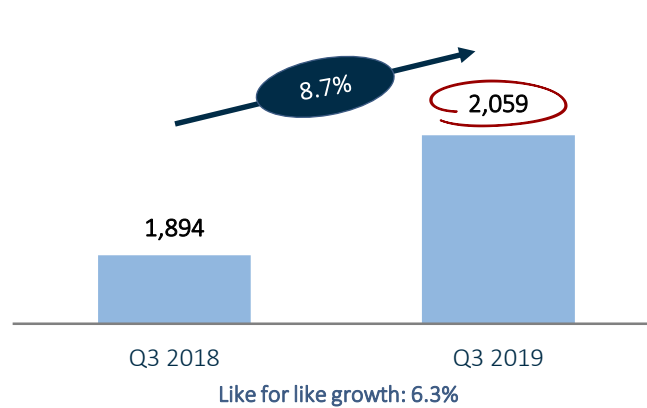
Key Highlights for Q3 and 9M 2019

Financial Overview

Closing Remarks

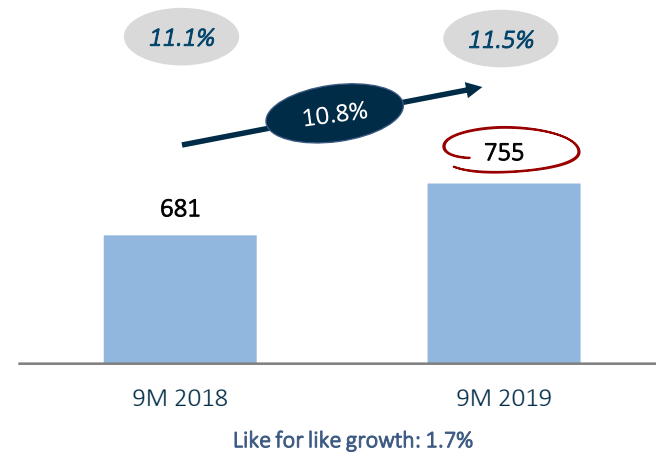
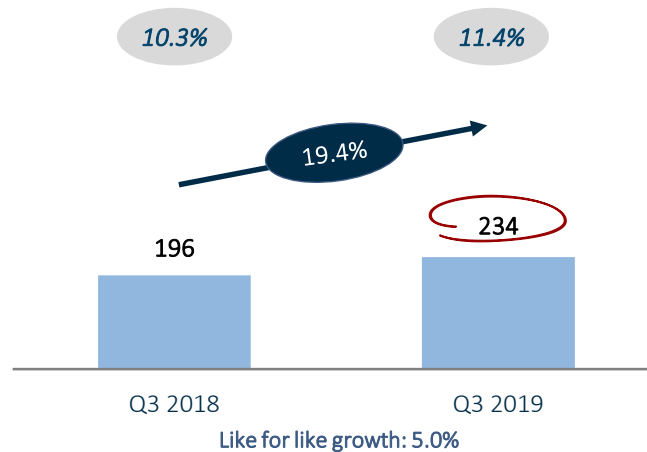
Revenue

(In €m)



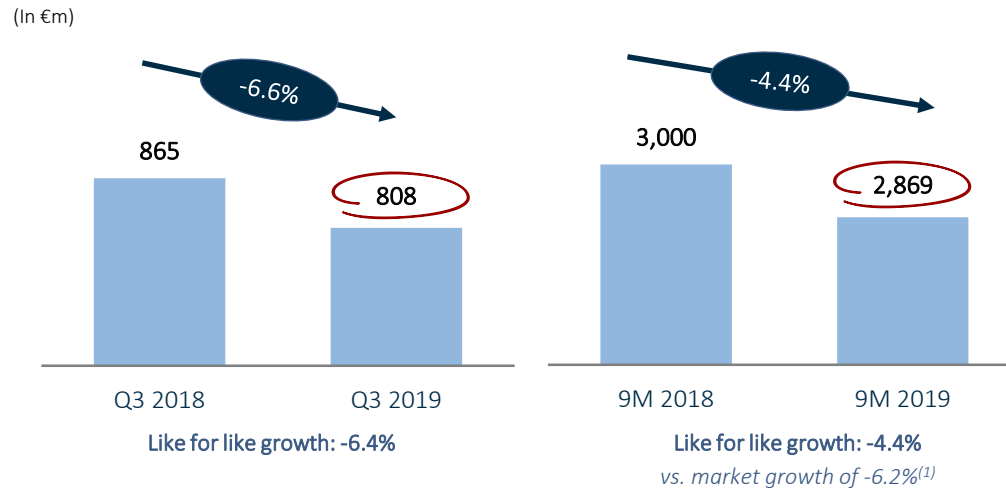
EBITDA

(In €m)
EBITDA margin (%)



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

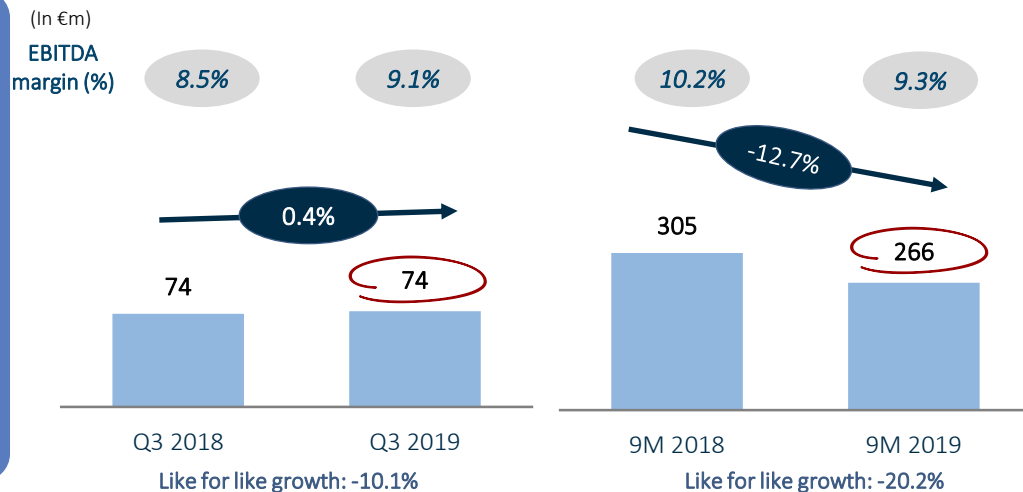
Revenue



Considerations

- Q3 Revenue decrease of 6.6% reaching €808m
 - Challenging market conditions across almost all countries
 - Longer production stoppages during the summer months when compared to 2018
- 9M Revenue of €2,869m resulting in a 4.4% decline
 - 9M impacted by a challenging Q3

EBITDA

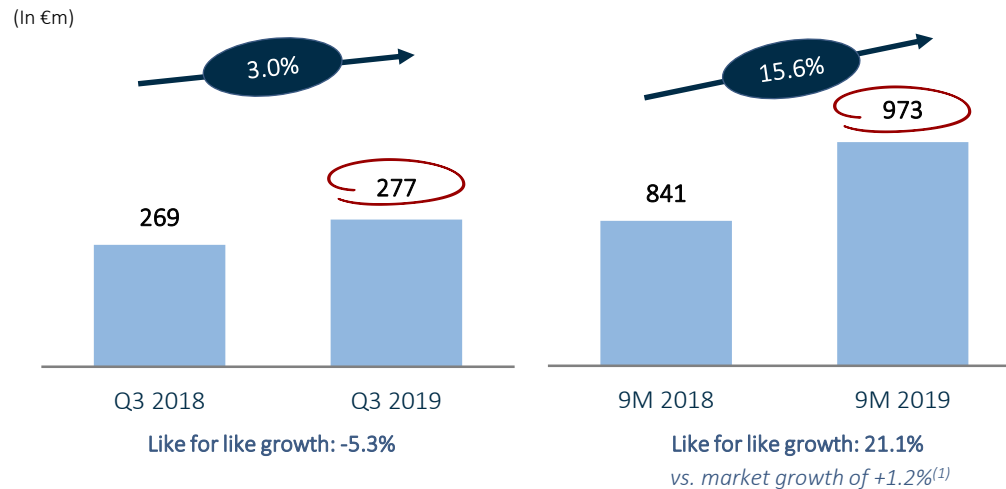


Considerations

- Q3 EBITDA decline when excluding IFRS 16 impact due to challenging market conditions
 - Continued improvement of the quarterly EBITDA gap vs. 2018
 - Impact on costs from efficiency plans across all countries – mainly in Germany, UK and Sweden
- 9M EBITDA decrease reaching €266m impacted by ongoing cost reduction programs

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 9M 2019 as of October 2019)

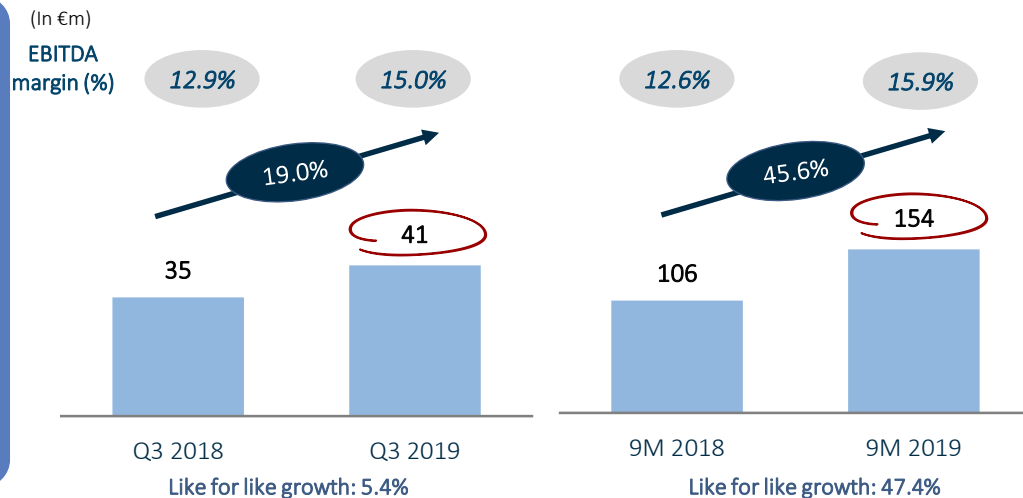
Revenue



Considerations

- Q3 Revenue reaching €277m but moderating growth vs. H1 2019 due to
 - Lower tooling revenues and longer stoppages during the summer; but
 - Positive contribution from ramp-up of new projects mainly in Slovakia / Czech Republic and an increasing contribution from the JV in Bulgaria linked to battery boxes
- 9M Revenue growth of 15.6%

EBITDA

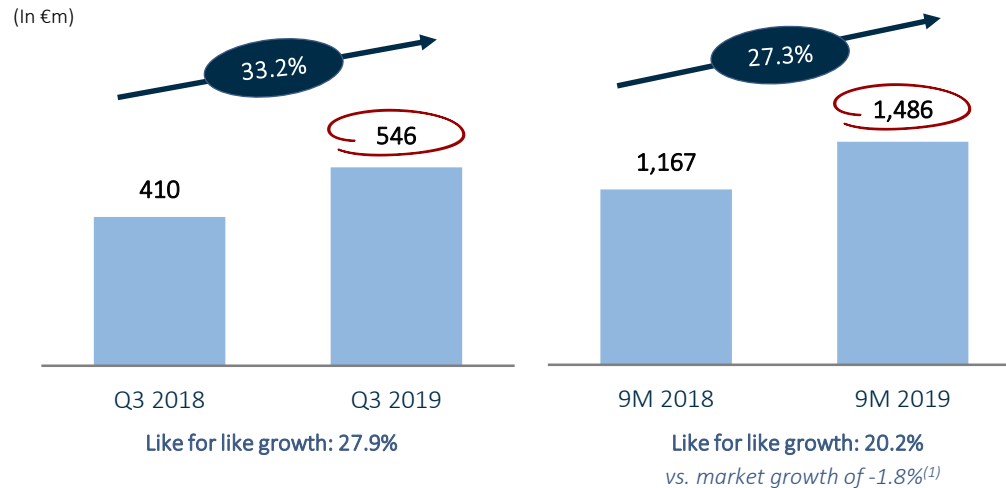


Considerations

- Q3 EBITDA increase reaching €41m
 - EBITDA margin continues to be at healthy levels at 15.0% during the quarter
 - Continued focus on efficiencies
- 9M EBITDA increase reaching €154m, implying an EBITDA margin of 15.9%
 - Similar trends as seen during Q3

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 9M 2019 as of October 2019)

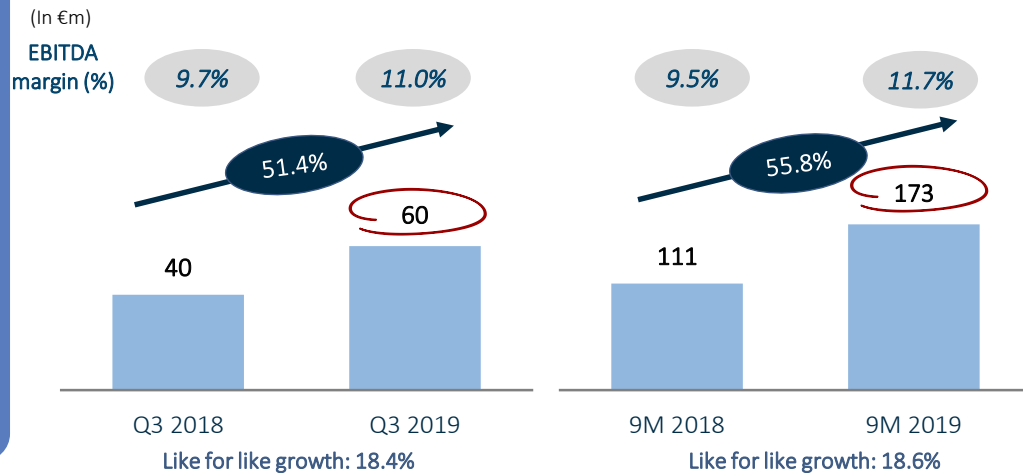
Revenue



Considerations

- Q3 Revenue growth of 33.2% reaching €546m
 - Strong growth in the US mainly driven by the contribution of new projects, although ramping-up slower than expected
- 9M Revenue reaching €1,486m
 - Similar trends as seen during Q3

EBITDA



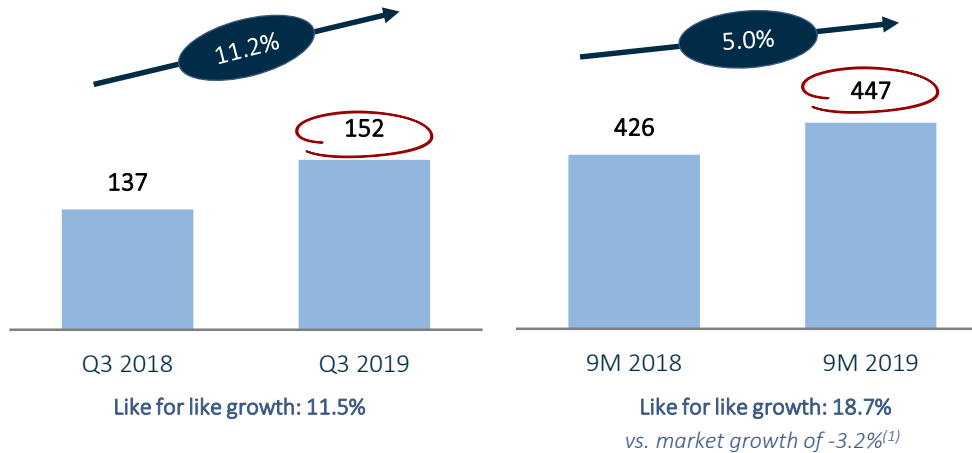
Considerations

- Q3 EBITDA reaching €60m with EBITDA margin still impacted by
 - Having the full cost structure in place in the US and volumes ramping-up slower than normal
- 9M EBITDA increase reaching €173m

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 9M 2019 as of October 2019)

Revenue

(In €m)



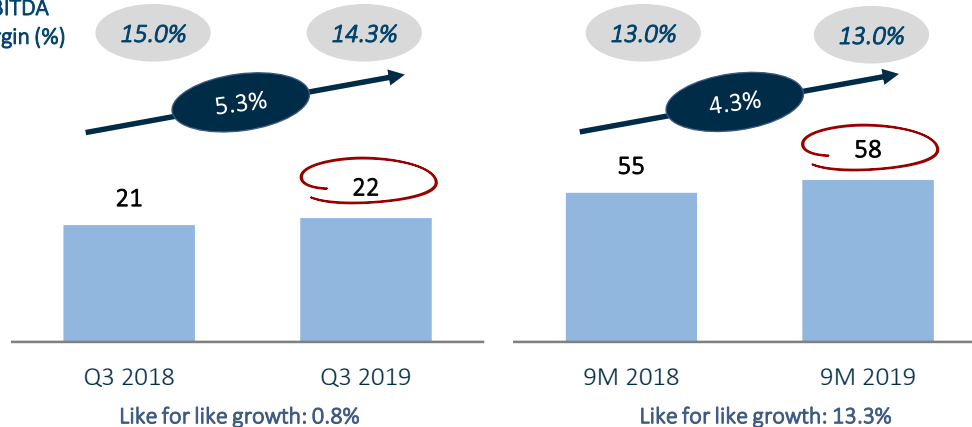
Considerations

- Q3 Revenue increase of 11.2%, reaching €152m
- Strong above-market growth in Brazil from new project launches; partially offset by a
- Strong decrease in Argentina mainly linked to market conditions and FX headwinds
- 9M Revenue of €447m resulting in 5.0% growth
- Improving growth trend vs. H1 2019

EBITDA

(In €m)

EBITDA margin (%)



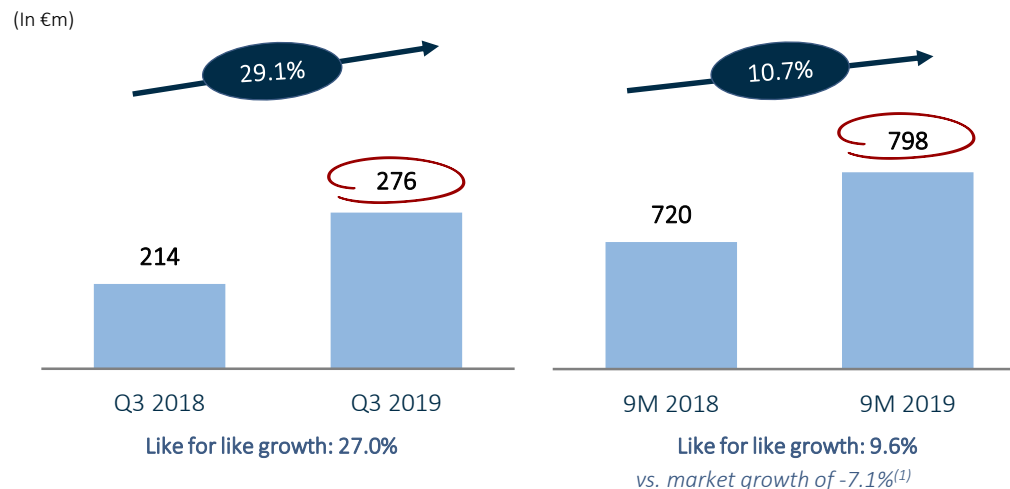
Considerations

- Q3 EBITDA increase reaching €22m
- Ongoing costs from restructuring initiatives in Argentina and negative impact from FX as well as hyperinflation
- EBITDA margin improvement in Brazil
- 9M EBITDA increase to €58m with a stable EBITDA margin of 13.0%

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 9M 2019 as of October 2019)

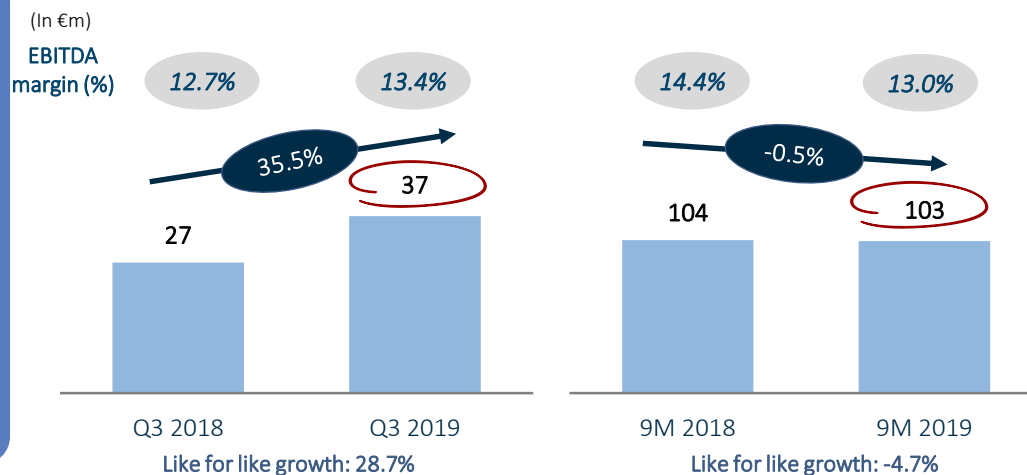
Revenue



Considerations

- Q3 Revenue increase of 29.1% reaching €276m
 - Outperforming market volume growth despite challenging market dynamics in China and India
 - Strong growth mainly driven by contribution from BHAP JV
- 9M Revenue growth of 10.7% driven by similar trends as for the quarter

EBITDA



Considerations

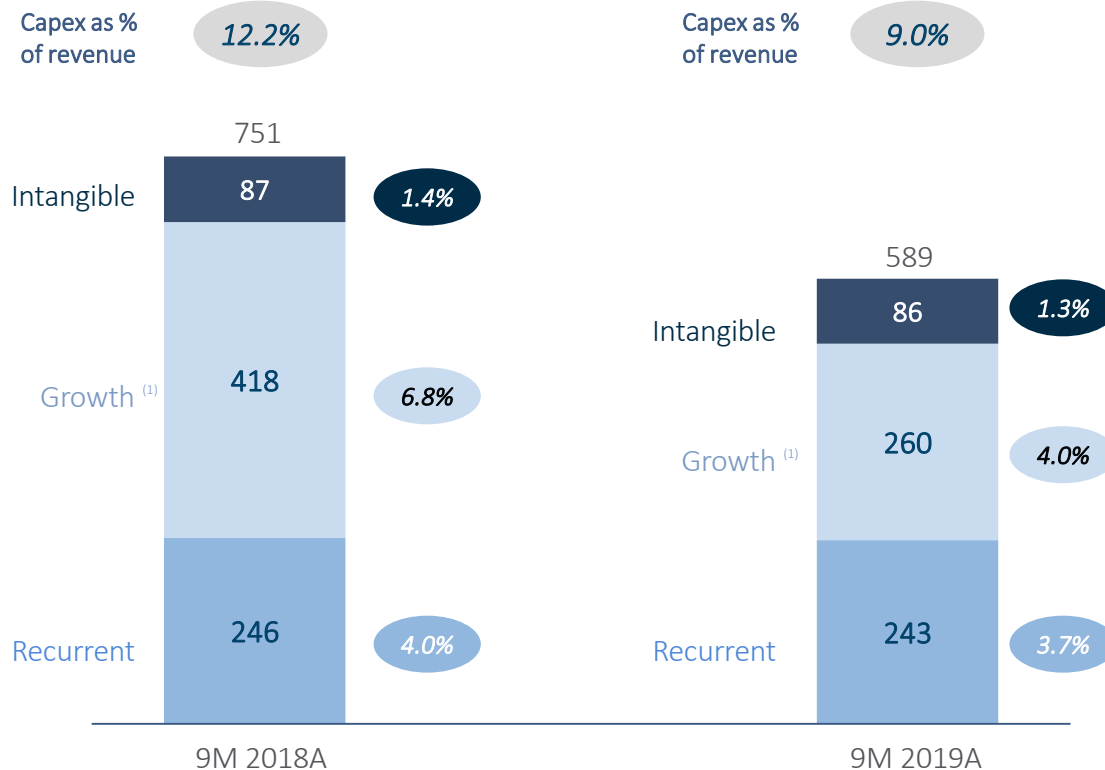
- Q3 EBITDA increase reaching €37m
 - Improvement in profitability with low comparable base in 2018 given the strong market declines experienced in Q3 2018
- 9M EBITDA flat despite challenging market environment
 - Ongoing cost adjustments

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 9M 2019 as of October 2019)

Capex Breakdown

(In €m)

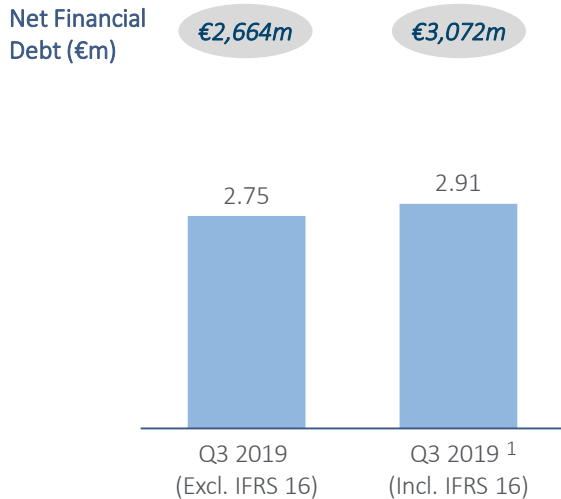


Considerations

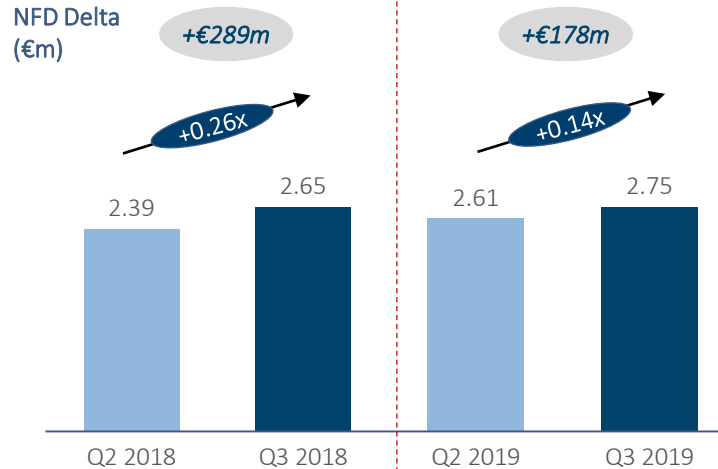
- Gestamp has continued to moderate its investments, reducing total capex by €162m vs. 9M 2018
- Capex over revenues stood at 9.0% as of September 2019, paving the way to meet guidance for the year
- Capex moderation driven by FCF target, not by less opportunities, while keeping significant growth capex to support future revenue increase
- Capex including IFRS 16 amounted to €609m

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

Net Financial Debt / EBITDA (x)



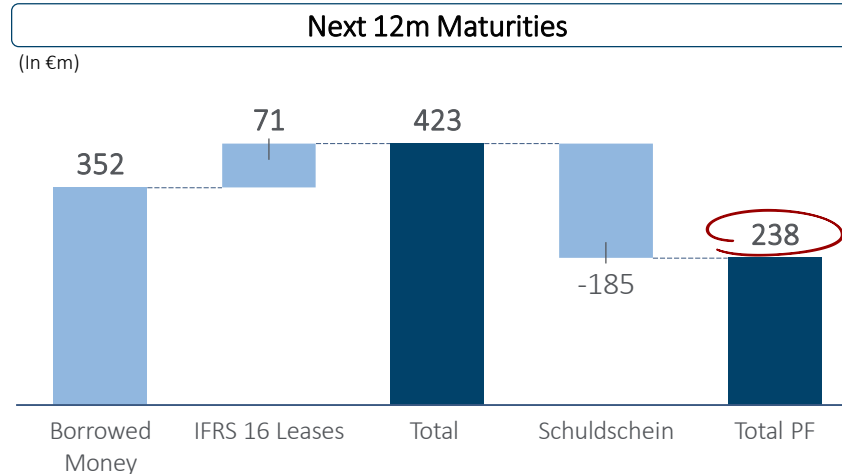
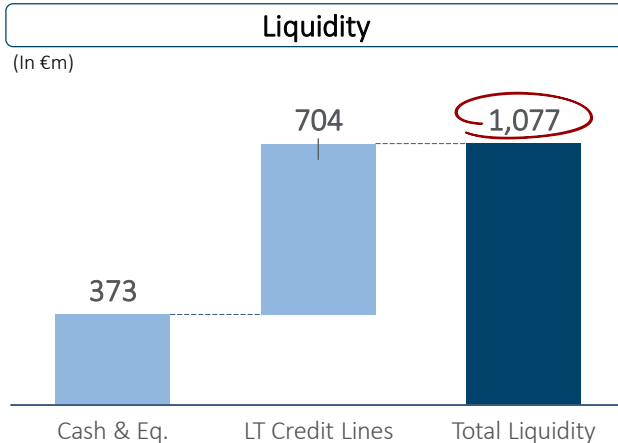
Q3 Seasonality – Excl. IFRS 16



Considerations

- Net financial debt increase of €178m in Q3 (€184m incl. IFRS 16) lower than last year, even when adjusted for lower dividend payments in the quarter (€23m)
- Lower working capital outflow than in 2018, both in the quarter (-€84.2m vs. -€129.5m) and year to date (-€317.4m vs. -€359.6m)
- Net debt ex IFRS 16 stood at €2,664m, to 2.75 x EBITDA. Lower leverage at year end driven by FCF generation in Q4 more than offsetting negative Q3 FCF, and expected EBITDA growth

Liquidity vs. Short-term Maturities



Considerations

- Cash and equivalents plus long term commitments exceed €1bn and comfortably cover next 12m debt maturities
- Recent issuance of Schulschein loans for €185m to reduce short term maturities to €238m, lower than as of June

(1) EBITDA IFRS 16 adjustment for Q1 2019, Q2 2019 and Q3 2019 annualized for LTM EBITDA pro-forma purposes

Key Highlights for Q3 and 9M 2019

Financial Overview

Closing Remarks

	Guidance 2019 ¹	Updated Guidance 2019 ¹
Revenues	Revenue growth: High single digit	Revenue growth: Mid single digit
EBITDA	EBITDA growth: Slightly higher than revenues	> EBITDA 2018
Capex	~ 9.5% of revenues	~ 9.0% of revenues
Leverage	< 2.2x Net Debt / EBITDA	~ 2.4x Net Debt / EBITDA
Dividend	Pay-out ratio: c.30% of Net Income	Pay-out ratio: c.30% of Net Income

⁽¹⁾ On a constant FX basis and excluding IFRS 16

- **During 9M 2019 Gestamp has continued to deliver Revenue and EBITDA growth** despite the challenging automotive production environment
- Gestamp is adapting to the auto market dynamics with the **continued implementation of cost efficiencies and capex moderation**, both of which already **noticeable in H2 19 and in coming quarters**
- **Solid pipeline expected to result in higher growth than the market**, as our competitive positioning remains unchanged with a strong demand for our products, especially Electrification
- **Focus on free cash flow generation** with a more selective capex policy, cost flexibility measures to improve EBITDA and working capital management



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