

Gestamp achieves record revenues in 2023 of €12,274 million and increases profit by 8%

- Net income amounted to €281 million, record figures for the company
- Leverage has been reduced to its lowest level since Gestamp's IPO, with net debt down 4% to €2,058 million
- The company consolidates its backlog with commitments of €56.6 billion over the next five years, due to its strategic positioning in technology and innovation
- Gestamp has achieved a solid financial profile which sets the basis to continue developing its 2023-2027 Strategic Plan, with the objective of generating profitable and sustained growth over time for all its stakeholders

Madrid, February 27th, 2024. Gestamp, the multinational specialized in the design, development, and manufacture of highly engineered metal components for the automotive industry, presented today its results for 2023. These results reaffirm the company's confidence in achieving the targets set at last year's Capital Markets Day for 2027.

Francisco J. Riberas, Executive Chairman of Gestamp, explained: "2023 has been another record year for the group, demonstrating the strength and success of our strategy to be the Partner Supplier for our clients. Worth highlighting robust revenue growth, efficient margin management despite the year's challenges, and strong cash generation. This has allowed us to reduce our leverage and strengthen our financial profile. I want to highlight and express my gratitude to the more than 44,000 employees who make up Gestamp; they have been key in our success. We continue to focus on profitable and sustainable growth and the opportunities in NAFTA, driving our technology and innovation activity to provide unique and innovative solutions that allow our clients to be at the forefront of the transition to a sustainable mobility".

2023 has been characterized by an increase in vehicle production, which has exceeded all forecasts. More than 90 million vehicles were produced worldwide, surpassing the amount of 2019, but far from the 95 million produced in 2017. The future forecast indicates to a limited growth, which will go from less to more until 2027, when it is expected that vehicle production will reach 94.6 million.

Record financial results in 2023

Gestamp's revenues for the period grew by 14.4% reaching €12,274 million, despite the unfavourable currency environment. The company outperformed the market by 6.7 percentage points (at FX constant and excluding the impact of raw materials) due to Gestamp's strong competitive position with its customers, product differentiation and geographic diversification.

EBITDA between January and December amounted to €1,371 million, a year-on-year increase of 13.4% with a profitability of 12.3% (excluding the impact of raw materials) despite cost pressure in all markets and the impact of foreign exchange. Reported EBIT for the period was €680 million, up 25.9% year-on-year, with a profitability of 6.1% (excluding the impact of raw materials).

Net income for the year reached €281 million, a year-on-year increase of 8%.

Million Euros	2022	2023
Revenues	10,726	12,274
EBITDA	1,210	1,371
EBIT	540	680
Net income	260	281
Net debt	2,145	2,058

Note: All data includes the impact of IFRS 16 Alternative Performance Measures ⁱ

Strengthening financial profile

In line with the commitment made earlier this year, Gestamp has generated €207 million in free cash flow by the end of 2023. As a result, Gestamp’s debt has been reduced to €2.058 million, representing a net debt-to-EBITDA leverage ratio of 1.5x, the lowest ratio achieved by the company since its IPO. This achievement fulfills the objective announced during the Capital Markets Day in 2023 and enables the company to consolidate its ambition to continue growing in the coming years.

Phoenix Plan: NAFTA as a strategic priority for the group

The good performance shown by the group in recent years has been diluted by the NAFTA region. In this market, Gestamp reported an EBITDA margin of 6.7% on sales compared to the rest of its automotive business, which represents 12.6%. As announced at the last Capital Markets Day, Gestamp has set the goal of bringing the margin in this region to double-digit by 2026, in line with the performance of the rest of its geographies.

To this end, Gestamp has launched the Phoenix plan with four key levers: operational improvement with a two-level of intervention restructuring plan affecting 6 facilities, cost savings, attracting the best talent, and commercial lever that ensures profitable growth in the region. The plan will have an extraordinary impact of €100 million among expenses and planned investments pay out between 2024 and 2026.

NAFTA is a key market in Gestamp's future. Returning to the path of profitable growth in this region is a strategic objective and a priority for the entire management team.

EV as a growth driver

Electric vehicle related revenues accounted for 20% of the group's automotive components sales in 2023. This represents a growth of 6 percentage points compared to the previous year. Gestamp has surpassed the percentage of electric vehicle penetration in the market by 3 points, thanks to the strategy of anticipating differentiated solutions for its customers, including products such as the Door Ring and the Battery box.

EV segment will continue to be a growth driver. The trend towards sustainable mobility is a rising reality in all the regions in which Gestamp is present and estimates the penetration of electric vehicles to remain stable for the coming years, with an increase of 26% in the period 2023-2027.

Present growth and future value creation

In 2023, Gestamp achieved a ROCE (Return on Capital Employed) of 17.9% driven by EBIT growth and an investment discipline as levers of a profitable growth strategy. This achievement highlights that value creation for all stakeholders is the backbone of the above-mentioned growth strategy.

Gestamp has also achieved an order backlog for the next five years of up to €56.6 billion, a figure that underpins revenue targets for the 2024-2028 period. This intense commercial activity is the result of the strategic positioning that the company has achieved in the market through its focus on technology and innovation, both in its products and processes.

Gestamp in 2024

The present context points towards a 2024 defined by limited growth in vehicle production (especially in Europe), inflationary pressures, and macroeconomic and geopolitical uncertainty. Despite this, Gestamp faces 2024 with the ambition to outperform the market in a low-single digit range and preserve the profitability of the automotive business. For Gescrap, 2024 will be in line with the previous year. In addition, the objective is to preserve balance sheet strength with cash generation of €200 million (free cash flow) and leverage at levels of 1.0 -1.5x debt to EBITDA.

Gestamp will reinforce its growth profile with investments that will enable it to remain a leader in technology and innovation and ensure the profitability of its operations, two key pillars of the company's strategy.

Leading industrial decarbonization

The industry as a whole, and the automotive sector in particular, is undergoing a deep transformation towards the decarbonization of its activities and its supply chain. Gestamp, as the Partner Supplier to the automotive industry, has an ambitious plan to drive neutrality through energy and material decarbonization.

To meet its commitments, throughout 2023, the company has established new partnerships to promote the use of low-emission steel with high scrap content to enhance circularity. On the one hand, Gestamp has partnered with ArcelorMittal to strengthen sustainability across the automotive supply chain by jointly designing and implementing a circularity scheme to promote the use of scrap as a secondary raw material. A collaboration has also been established with SSAB to supply Gestamp with SSAB Fossil-free™, a fossil-free steel to be used in the production of BiW and chassis products. And finally, as part of the collaboration established with Tata Steel, the company plans to almost double the percentage of recycled steel in components supplied to the automotive sector.

About Gestamp

Gestamp is a multinational specialized in the design, development, and manufacture of highly engineered metal components for the main vehicle manufacturers. It develops products with an innovative design to produce lighter and safer vehicles, which offer lower energy consumption and a lower environmental impact. Its products cover the areas of BiW, chassis and mechanisms.

The Company is present in 24 countries with more than 115 production plants (5 of those under construction), 13 R&D centers and a workforce of more than 44,000 employees worldwide. Its turnover in 2023 was €12,274. Gestamp is listed on the Spanish stock exchange under the ticker GEST.

For more information about Gestamp:

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Alternative Performance Measures

*This press release (the "**Press Release**"), in addition to financial information detailed in the Gestamp Group's financial statements prepared in accordance with International Financial Reporting Standards, contains alternative performance measures ("**APMs**") as defined in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority (ESMA) on October 5, 2015.*

A breakdown of the explanations, definitions and reconciliations of the APMs used in the Press Release can be found, as applicable, in Note 4.6. of the Notes to the Consolidated Financial Statements of the Gestamp Group as of December 31, 2023, as well as in the relevant results presentation, available both on Gestamp's corporate website (<https://gestamp.com/Investors-Shareholders/Economic-Financial-information>) and on the website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores) (www.cnmv.es).