

CIE *Automotive*

MANAGING HIGH VALUE ADDED PROCESSES GLOBALLY

MID TERM FINANCIAL REPORT
JUNE 30th 2017



DISCLAIMER

- This document has been prepared by CIE Automotive, S.A. ("CIE Automotive"), and is for information purposes only. No reliance may or should be placed for any purposes whatsoever on the information contained in this document or on its completeness, accuracy or fairness. This document and the information contained herein are strictly confidential and are being shown to you solely for your information. The information may not be copied, distributed, reproduced or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient, to any other person (whether within or outside such person's organization or firm) or published in whole or in part, for any purpose or under any circumstances.
- This document is an advertisement and not a prospectus for the purposes of applicable measures implementing EU Directive 2003/71/EC (such Directive, together with any applicable implementing measures in the relevant home Member State under such Directive, the "Prospectus Directive") and as such does not constitute or form part of any offer to sell or issue or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of CIE Automotive or any of its affiliates or subsidiaries, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Investors should not subscribe for or purchase any securities referred to in this advertisement except on the basis of the information contained in any prospectus eventually published in accordance with the Prospectus Directive. The information and opinions contained in this document are provided as at the date of the document and are subject to change.
- This document is not an offer of securities for sale in the United States, Australia, Canada or Japan. The information contained herein does not constitute an offer of securities for sale in the United States, Australia, Canada or Japan. Securities may not be offered or sold in the United States unless they are registered or are exempt from registration. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Copies of this document are not being, and should not be, distributed or sent into the United States. This document does not constitute an offer of securities to the public in the United Kingdom or in any other jurisdiction. The distribution of this document in other jurisdictions may also be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.
- Certain financial and statistical information contained in this document is subject to rounding adjustments. Accordingly, any discrepancies between the totals and the sums of the amounts listed are due to rounding. Certain management financial measures included in this document have not been subject to a financial audit.
- The information and opinions contained in this document are provided as at the date of the document and are subject to verification, completion and change without notice. Neither CIE Automotive nor any of its parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such person's respective directors, officers, employees, agents, affiliates or advisers, undertakes any obligation to amend, correct or update this document or to provide the recipient with access to any additional information that may arise in connection with it.

INDEX

1. Group Results 1S 2017
2. Balance Sheet
3. Strategic Commitments
4. CIE in Stock Exchange





1.

Group Results 1S 2017

HIGHLIGHTS 1S 2017

	30/06/2016	%	30/06/2017
Turnover (€ Mio)	1,349.5	+33%	1,794.0
EBITDA (*) (€ Mio)	200.8	+35%	271.8
Net Income (*) (€ Mio)	82.6	+39%	115.1
Equity (€ Mio)	1,088.5	+19%	1,295.6
Net Income per share (€)	0.64	+39%	0.89
30.06 Share Price (€ per share)	15.01	+34%	20.1
Year end number of employees (nº)	22,854	+26%	28,734 ⁽¹⁾
Net Financial Debt (€ Mio)	597.7	+48%	887.3
NFD/EBITDA (**)	1.58x	+14%	1.79x

(*) EBITDA: Net Operating Income + Amortization & Depreciation, Net Income: Profit attributable to the company's shareholders.

(**) EBITDA of last 12 months annualized in those companies incorporated to perimeter during the period.

(1) The inorganic growth has resulted in an increase of 3,940 people.



a. Automotive

1S 2017 AUTOMOTIVE RESULTS

(€ Mio)	1S 2016	%	1S 2017
Turnover	1,094.6	+34%	1,471.1
EBITDA (*)	180.5	+38%	248.2
% EBITDA on turnover	16.5%		16.9%
EBIT (*)	124.6	+43%	178.7
% EBIT on turnover	11.4%		12.1%

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income.

- Significant increase in turnover with organic growth in all geographical areas.
- Excellent performance of margins in all regions, with a particularly significant EBIT growth.

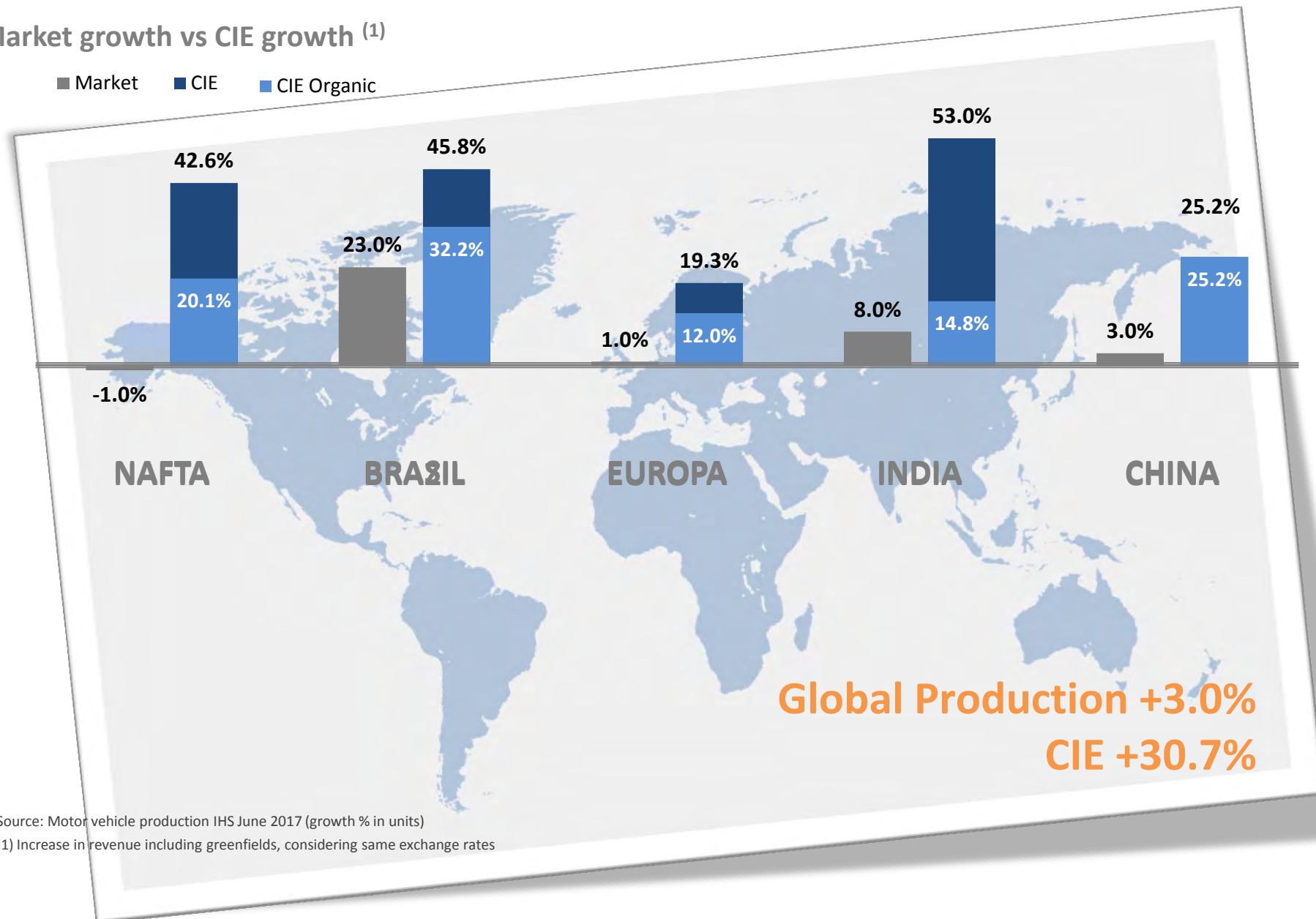
2Q 2017 AUTOMOTIVE RESULTS

(€ Mio)	2Q 2016	%	2Q 2017
Turnover	560.0	+37%	767.9
EBITDA (*)	93.4	+38%	129.3
% EBITDA on turnover	16.7%		16.8%
EBIT (*)	65.3	+43%	93.5
% EBIT on turnover	11.7%		12.2%

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income.

AUTOMOTIVE GROWTH 2016-2017(%)

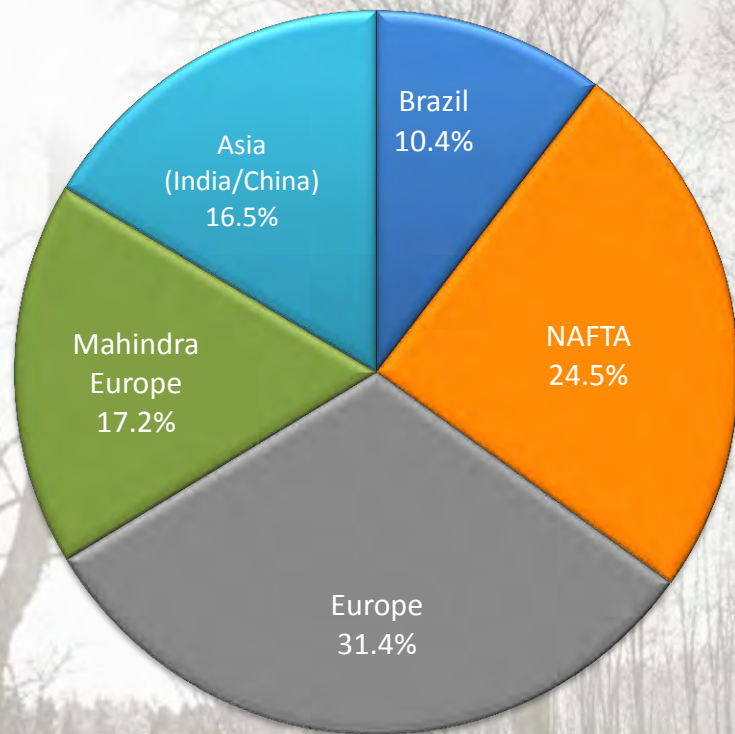
Market growth vs CIE growth (1)



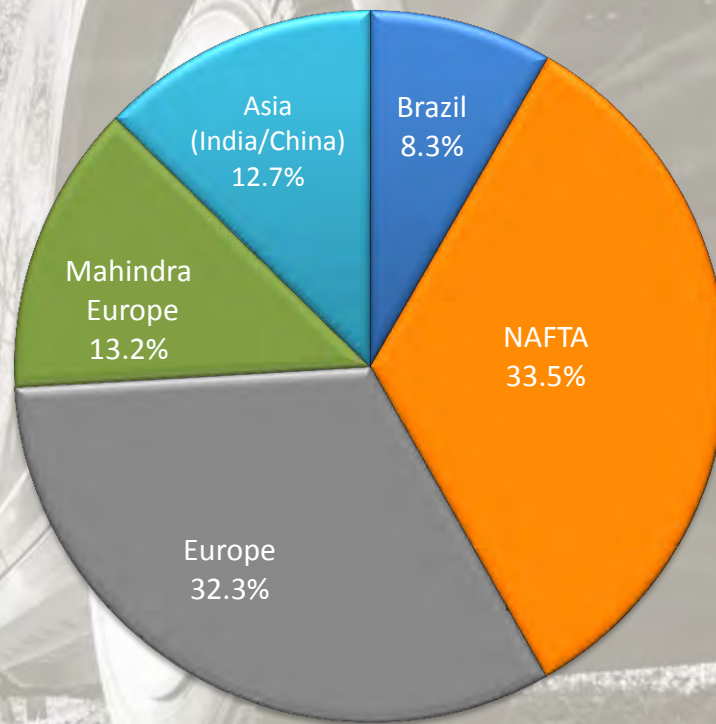
Source: Motor vehicle production IHS June 2017 (growth % in units)
 (1) Increase in revenue including greenfields, considering same exchange rates

1S 2017 DIVISIONS CONTRIBUTION

TURNOVER



EBITDA (*)



(*) EBITDA: Net Operating Income + Amortization & Depreciation

1S 2017 DIVISIONS PROFITABILITY

	EUROPE		MAHINDRA EUROPE		NAFTA		BRAZIL		ASIA (INDIA & CHINA)	
	1S 2016	1S 2017	1S 2016	1S 2017	1S 2016	1S 2017	1S 2016	1S 2017	1S 2016	1S 2017
EBITDA	17.9%	17.3%	12.5%	13.0%	23.8%	23.0%	8.7%	13.5%	12.1%	13.1%
EBIT	11.4%	11.3%	8.2%	8.7%	19.4%	18.9%	4.2%	10.0%	7.7%	8.7%
	Sustainable margins far above market's average		Stable gradual growth in margins, in its way to achieve CIE Group standards		Margins significantly higher than CIE Group average that continue growing thanks partially to excellent performance of new greenfields		Margins improvement derived from the operational improvements carried out and supported by market increase		Growing margins as a result of integration of Indian plants in CIE and of new projects industrialization in China	



b. Dominion

1S 2017 DOMINION RESULTS

(€ Mio)	1S 2016	%	1S 2017
Turnover	254.9	+27%	323.0
EBITDA (*)	20.3	+16%	23.6
% EBITDA on turnover	8.0%		7.3%
EBIT (*)	14.1	+6%	15.0
% EBIT on turnover	5.5%		4.7%

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income.

(**) EBITA: Net Operating Income + PPA Depreciation.

- Global growth of 26% without considering FOREX effect contributing in additional 1%. For comparative purposes, 9% organic growth, above the strategic guidance of 7%.
- Increase of +16% and +16% in EBITDA and EBITA (**) respectively, once normalized in EBIT 2.2 Vs 0.7 € Mio of depreciation in PPAs of the acquisitions, supported by operating leverage and in digital model of Dominion Smart Innovation.

2Q 2017 DOMINION RESULTS

(€ Mio)	2Q 2016	%	2Q 2017
Turnover	131.6	+24%	162.7
EBITDA (*)	11.1	+13%	12.5
% EBITDA on turnover	8.4%		7.7%
EBIT (*)	7.9	+2%	8.0
% EBIT on turnover	6.0%		4.9%

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income.

A blurred image of a road at sunset, with a large white diagonal shape on the right side containing the text.

C. Consolidated Results

1S 2017 CIE GROUP RESULTS

(€ Mio)	1S 2016	%	1S 2017
Turnover	1,349.5	+33%	1,794.0
EBITDA (*)	200.8	+35%	271.8
% EBITDA on turnover	14.9%		15.1%
EBIT (*)	138.8	+40%	193.7
% EBIT on turnover	10.3%		10.8%
Profit for the year	96.5	+41%	135.5
Net Income (*)	82.6	+39%	115.1

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income, Net Income: Profit attributable to the company's shareholders

1S 2017 GROWTH

	AUTOMOTIVE TOTAL	DOMINION TOTAL	CIE TOTAL
Organic Growth	16.8%	8.9%	14.9%
Inorganic Growth	13.9%	16.7%	14.9%
<i>2017 Growth at same exchange rates</i>	30.7%	25.6%	29.8%
Forex	3.7%	1.1%	3.2%
2017 Total Growth	34.4%	26.7%	32.9%

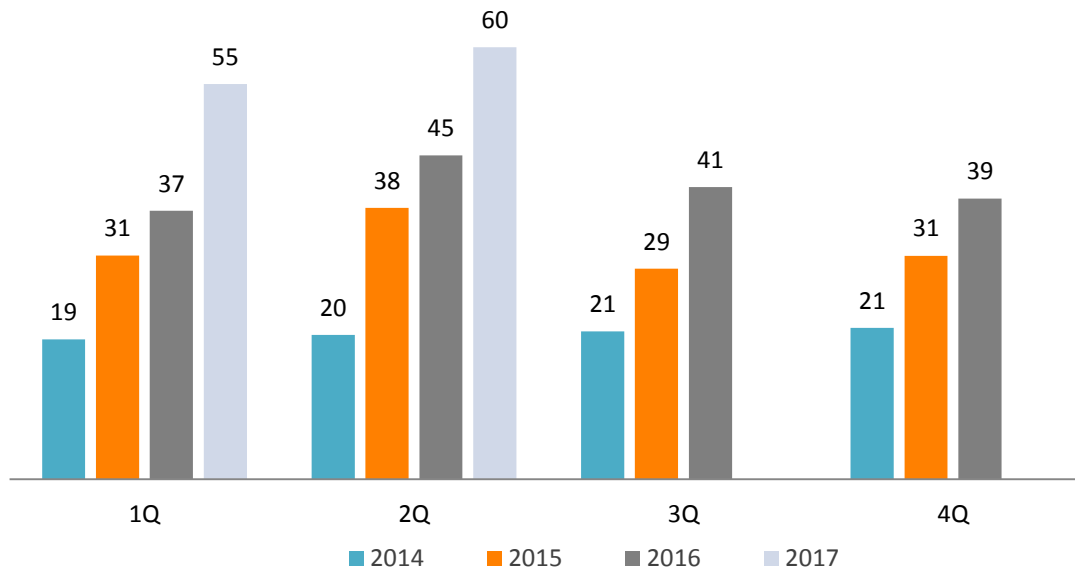
2Q 2017 CIE GROUP RESULTS

(€ Mio)	2Q 2016	%	2Q 2017
Turnover	691.6	+35%	930.6
EBITDA (*)	104.5	+36%	141.8
% EBITDA on turnover	15.1%		15.2%
EBIT (*)	73.2	+39%	101.5
% EBIT on turnover	10.6%		10.9%
Profit for the year	53.4	+32%	70.6
Net Income (*)	45.3	+33%	60.2

(*) EBITDA: Net Operating Income + Amortization & Depreciation, EBIT: Net Operating Income, Net Income: Profit attributable to the company's shareholders

QUARTERLY EVOLUTION 2014/2015/2016/2017

Net Income (€ Mio)



2. Balance Sheet



BALANCE SHEET

€ Mio	31/12/2016	30/06/2017
Fixed Assets	2,480.5	2,582.1
Net Working Capital	(248.9)	(273.4)
Total Net Assets	2,231.6	2,308.7
Equity	1,263.3	1,295.6
Net Financial Debt (*)	816.2	887.3
Others (Net)	152.1	125.8
Total Equity and Liabilities	2,231.6	2,308.7

(*) Net Financial Debt = Debt with banks and other financial institutions – Cash and equivalents

The amount of the non-recourse factoring to 30.06.2017 is -, -€ Mio (224€ Mio in December 2016)

(1) RONA = "Return on Net Assets": EBIT Last annualized 12 Months/ Net Assets (Fixed Assets + Net Working Capital – Goodwill not associated to cash outs).

NFD/Equity	0.65x	0.68x
RONA ⁽¹⁾	16%	17%

CASH FLOW

Net Financial Debt Movements	€ Mio
EBITDA	271.8
Financial Expenses	(18.3)
Maintenance CAPEX ⁽¹⁾	(89.0)
Tax Payments	(21.8)
OPERATING CASH FLOW:	142.7
<i>% OPERATING CASH FLOW / EBITDA</i>	52.5%
Greenfields and Growing Capex	(66.2)
Net Working Capital Variation	16.3
Payment of Dividends	(26.7)
Newcor Acquisition	(101.5)
Acquisitions to minority shareholders ⁽²⁾	(5.8)
Previous years acquisition payments ⁽³⁾	(37.0)
Exchange rate effect in NFD	1.6
Other Movements	5.3
FINANCIAL CASH FLOW	(71.3)
Net Financial Debt 31.12.2016	816.0
Net Financial Debt 30.06.2017	887.3

NFD/EBITDA ⁽⁴⁾

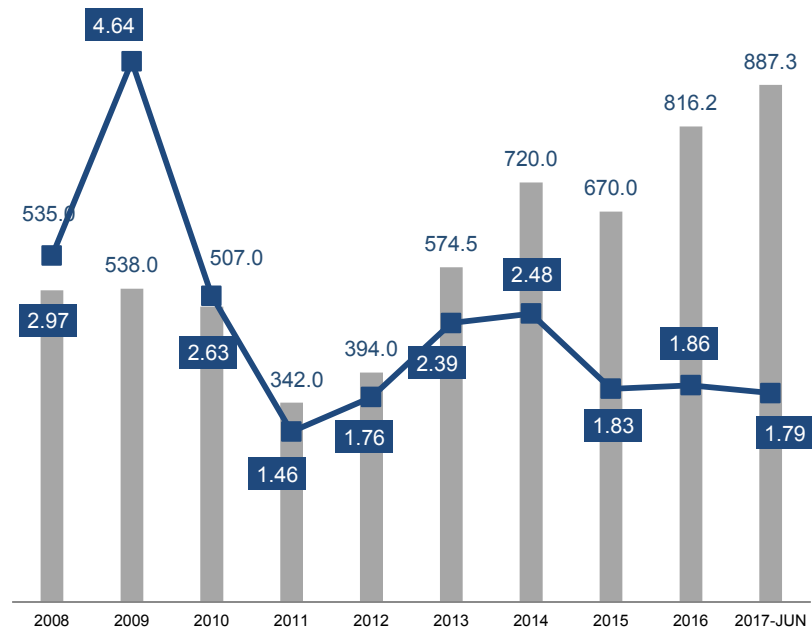
1.79x

- (1) Maintenance CAPEX: The one related to the renovation of the facilities to face market growth.
 (2) Acquisition of an additional 34.9% of the capital of the Brazilian subsidiary Durametel, S.A. reaching a percentage share of 84.9%.
 (3) Amaya Tellería and Dominion Group's pending acquisitions payments: International Chimney Corporation (ICC) and Dominion Energy, S.L.
 (4) Last annualized 12 months EBITDA from new companies integrated during the period.

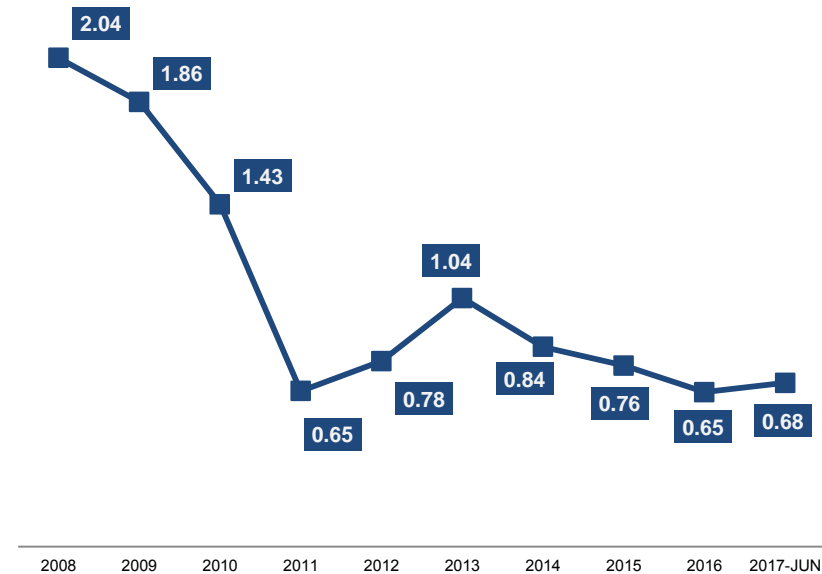


NET FINANCIAL DEBT EVOLUTION

Net Financial Debt (€ Mio)
NFD/EBITDA



NFD/Equity



(*) NFD = Net Financial Debt = Debt with banks and other financial institutions – Cash and equivalents/ EBITDA: Net Operating Income + Depreciation 12 last months

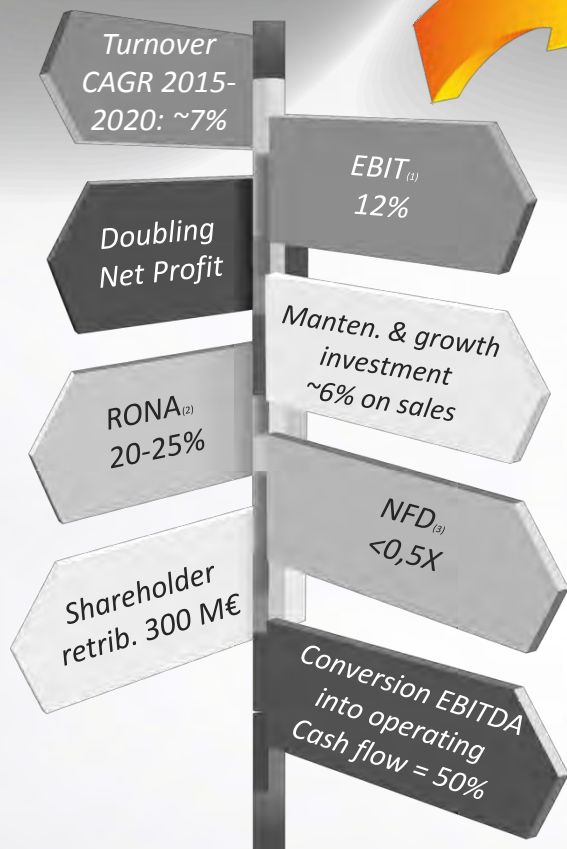
3. Strategic Commitments



STRATEGIC PLAN 2016-2020

STRATEGIC TARGETS 2020

STRATEGIC TARGETS UPDATE AFTER FIRST YEAR



- 1 Turnover CAGR 2016-2020: ~8,5%
- 2 EBIT⁽¹⁾ 12,1%
- 3 Doubling Net Profit a year before (by 2019)
- 4 Maintenance & growth investment ~5,6% on sales
- 5 RONA⁽²⁾ 23%
- 6 NFD⁽³⁾ <0,8X
- 7 Shareholder retribution 323 M€
- 8 Conversion EBITDA into operating Cash flow > 50%

(1) EBIT: Net Operating Income.

(2) RONA = "Return on Net Assets": EBIT/ Net Assets (Fixed Assets + Net Working Capital – Goodwill not associated to cash outs)

(3) Net Financial Debt= Debt with banks and other financial institutions – Cash and equivalents

4. CIE in Stock Exchange



CIE IN STOCK EXCHANGE

CIE share price performance vs Ibex 35



CIE IN STOCK EXCHANGE

	2017 Until 14/07	2016	2015	2014	2013
Market Cap (€ Mio)	2,670	2,388	1,993	1,453	951
Number of shares (Mio)	129	129	129	129	119
Last price of period (euros)	20.70	18.52	15.45	11.27	8.00
Maximum price of period (euros)	22.12	18.98	15.46	12.29	8.35
Minimum price of period (euros)	17.15	11.99	10.65	7.21	5.00
Volume (thousand shares)	32,245	59,065	60,619	62,970	44,953
Effective (€ Mio)	613	940	814	600	277

Source: Madrid Stock Exchange



***Further information on
www.cieautomotive.com***



CIE Automotive

MANAGING HIGH VALUE ADDED PROCESSES