



CIE *Automotive*

MANAGING HIGH VALUE ADDED PROCESSES GLOBALLY

**MID TERM FINANCIAL REPORT
SEPTEMBER 30th 2017**




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1.

September 2017 Results

HIGHLIGHTS SEPTEMBER 2017

	30/09/2016	%	30/09/2017
Turnover (€ Mio)	2,070.3	+30%	2,691.5
EBITDA (*) (€ Mio)	303.7	+31%	399.0
Net Income (*) (€ Mio)	123.0	+35%	165.9
Equity (€ Mio)	1,115.3	+19%	1,326.4
Net Income per share (€)	0.95	+35%	1.29
30.09 Share Price (€ per share)	17.52	+30%	22.69

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





a. Automotive

SEPTEMBER 2017 AUTOMOTIVE RESULTS

(€ Mio)	30/09/2016	%	30/09/2017
Turnover	1,661.8	+30%	2,166.8
EBITDA (*)	271.7	+33%	361.7
% EBITDA on turnover	16.3%		16.7%
EBIT (*)	187.6	+39%	260.6
% EBIT on turnover	11.3%		12.0%

(*) 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.

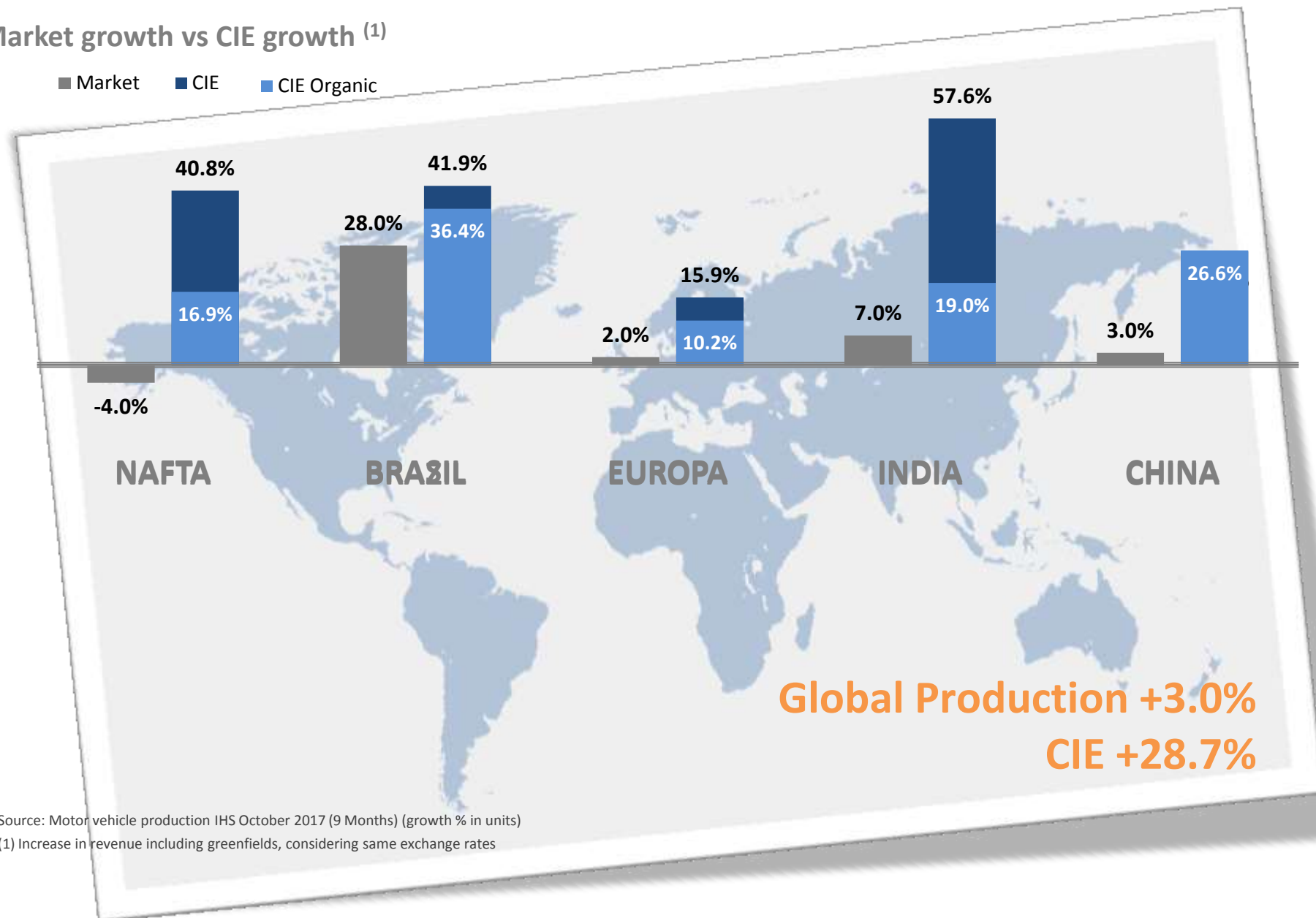
3Q 2017 AUTOMOTIVE RESULTS

(€ Mio)	3Q 2016	%	3Q 2017
Turnover	567.2	+23%	695.7
EBITDA (*)	91.2	+24%	113.5
% EBITDA on turnover	16.1%		16.3%
EBIT (*)	63.0	+30%	81.9
% EBIT on turnover	11.1%		11.8%

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

AUTOMOTIVE GROWTH 2016-2017(%)

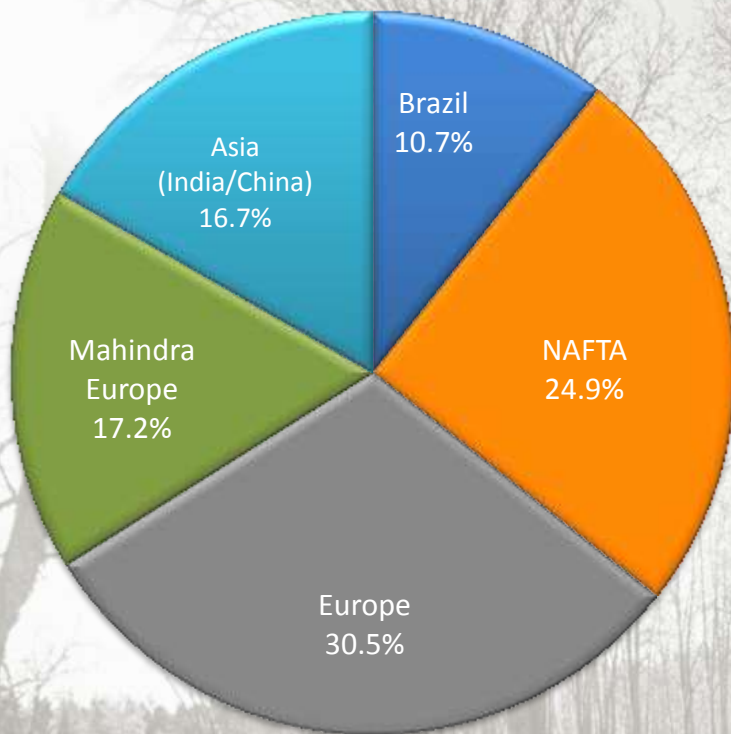
Market growth vs CIE growth (1)



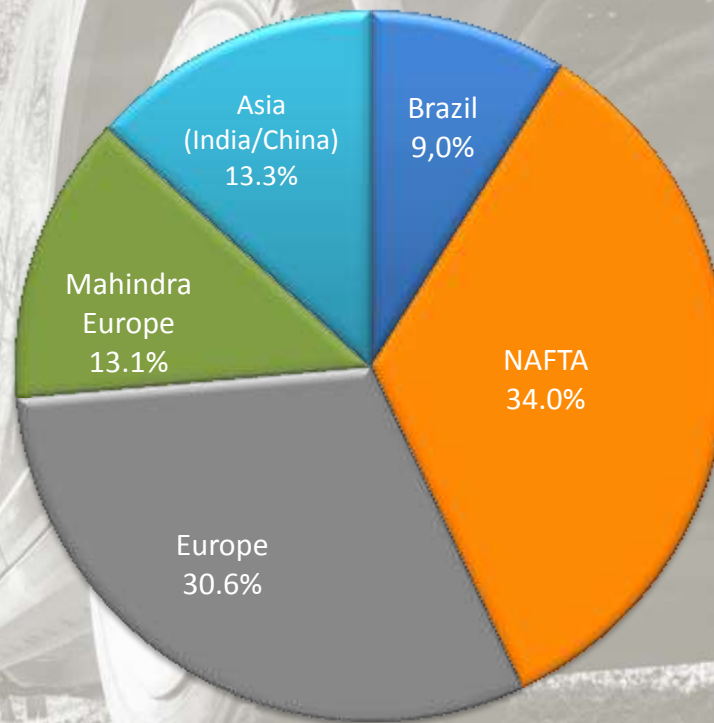
Source: Motor vehicle production IHS October 2017 (9 Months) (growth % in units)
(1) Increase in revenue including greenfields, considering same exchange rates

SEPTEMBER 2017 DIVISIONS CONTRIBUTION

TURNOVER



EBITDA (*)



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

SEPTEMBER 2017 DIVISIONS PROFITABILITY

EUROPE

30/09/16 30/09/17

EBITDA

17.2%

16.7%

EBIT

10.7%

10.8%

Sustainable margins far above market's average

MAHINDRA EUROPE

30/09/16 30/09/17

12.4%

12.7%

8.2%

8.5%

Stable gradual growth in margins, in its way to achieve CIE Group standards

NAFTA

30/09/16 30/09/17

23.5%

22.8%

19.1%

18.6%

Margins significantly higher than CIE Group average that continue growing thanks partially to excellent performance of new greenfields

BRAZIL

30/09/16 30/09/17

10.7%

14.1%

6.2%

10.7%

Margins improvement derived from the operational improvements carried out and supported by market increase

ASIA (INDIA & CHINA)

30/09/16 30/09/17

12.2%

13.2%

7.7%

8.9%

Growing margins as a result of integration of Indian plants in CIE and of new projects industrialization in China



b. Dominion

SEPTEMBER 2017 DOMINION RESULTS

(€ Mio)	30/09/2016	%	30/09/2017
Turnover	408.5	+28%	524.8
Adjusted Turnover ⁽¹⁾	408.5	+23%	502.6
EBITDA (*)	32.0	+17%	37.3
% EBITDA on adjusted turnover	7.8%		7.4%
EBIT (*)	22.5	+7%	24.0
% EBIT on adjusted turnover	5.5%		4.8%

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

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

(1) Adjusted Turnover: Net revenue from sales of terminals in the Commercial Services business

- Global growth of the Adjusted Turnover of ≈23% without considering FOREX effect contributing in additional ≈0.4%. For comparative purposes, ≈8% organic growth of the Adjusted Turnover, above the strategic guidance of 7%.
- Increase of ≈17% and ≈16% in EBITDA (*) and EBITA (**) respectively, supported by operating leverage and in digital model of Dominion Smart Innovation.

3Q 2017 DOMINION RESULTS

(€ Mio)	3Q 2016	%	3Q 2017
Turnover	153.6	+31%	201.8
Adjusted Turnover ⁽¹⁾	153.6	+17%	179.6
EBITDA (*)	11.6	+18%	13.7
% EBITDA on adjusted turnover	7.6%		7.7%
EBIT (*)	8.3	+8%	9.0
% EBIT on adjusted turnover	5.4%		5.0%

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

(1) Adjusted Turnover: Net revenue from sales of terminals in the Commercial Services business

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

C. Consolidated Results

SEPTEMBER 2017 CIE GROUP RESULTS

(€ Mio)	30/09/2016	%	30/09/2017
Turnover	2,070.3	+30%	2,691.5
EBITDA (*)	303.7	+31%	399.0
% EBITDA on turnover	14.7%		14.8%
EBIT (*)	210.0	+36%	284.6
% EBIT on turnover	10.1%		10.6%
Profit for the year	142.3	+39%	197.1
Net Income (*)	123.0	+35%	165.9

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

SEPTEMBER 2017 GROWTH

	AUTOMOTIVE TOTAL	DOMINION TOTAL	CIE TOTAL
Organic Growth	15.9%	7.9%	14.2%
Inorganic Growth	12.8%	20.2%	14.4%
<i>2017 Growth at same exchange rates</i>	<i>28.7%</i>	<i>28.1%</i>	<i>28.6%</i>
Forex	1.7%	0.4%	1.4%
2017 Total Growth	30.4%	28.5%	30.0%

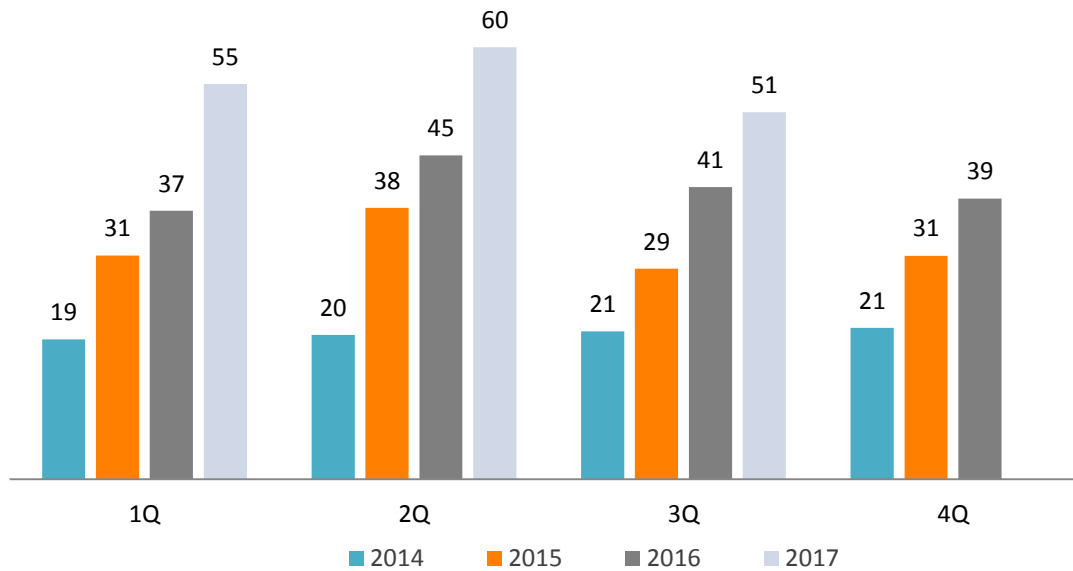
3Q 2017 CIE GROUP RESULTS

(€ Mio)	3Q 2016	%	3Q 2017
Turnover	720.8	+25%	897.5
EBITDA (*)	102.8	+24%	127.2
% EBITDA on turnover	14.3%		14.2%
EBIT (*)	71.3	+27%	90.9
% EBIT on turnover	9.9%		10.1%
Profit for the year	45.8	+34%	61.6
Net Income (*)	40.5	+26%	50.8

(*) 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	30/09/2017
Fixed Assets	2,480.5	2,645.8
Net Working Capital	(248.9)	(288.0)
Total Net Assets	2,231.6	2,357.8
Equity	1,263.3	1,326.4
Net Financial Debt (*)	816.2	929.8
Others (Net)	152.1	101.6
Total Equity and Liabilities	2,231.6	2,357.8

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

The amount of the non-recourse factoring to 30.09.2017 is 242€ 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	0.70x
RONA ⁽¹⁾	16%	17%

CASH FLOW

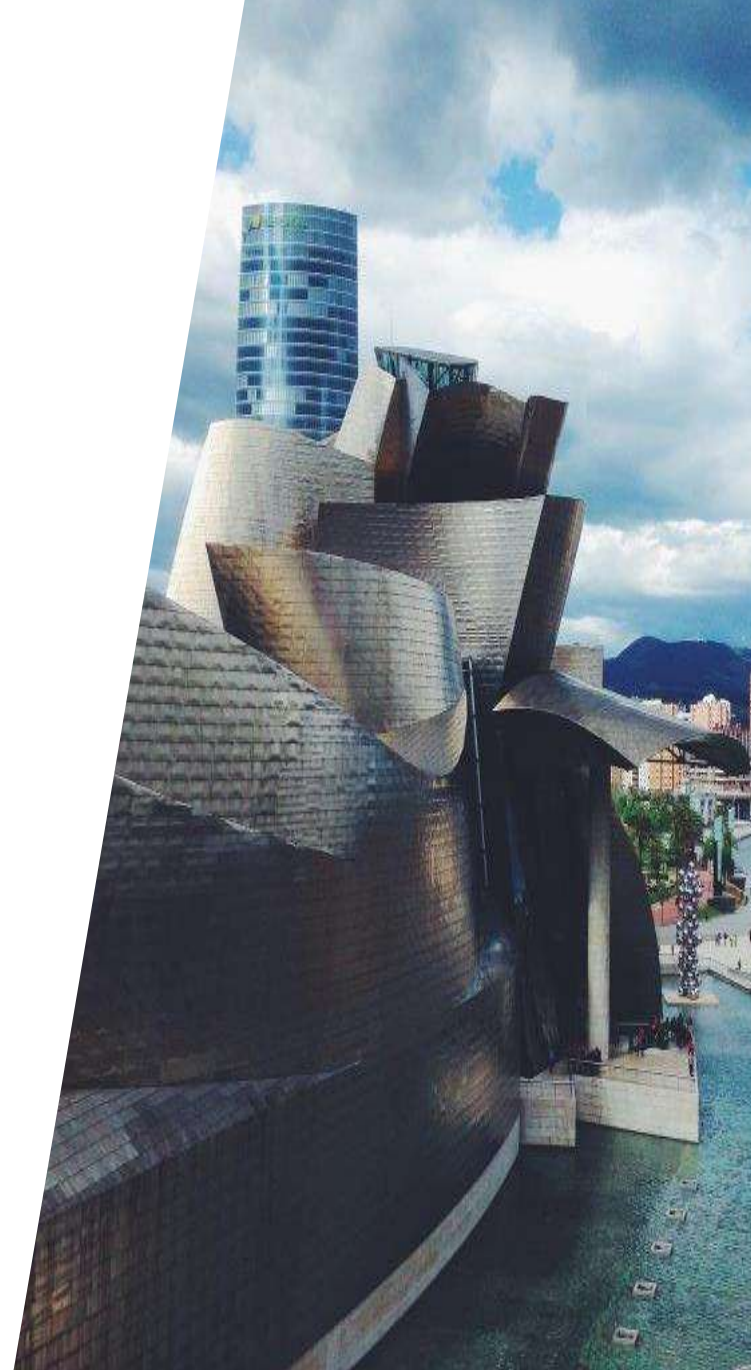
Net Financial Debt Movements	€ Mio
EBITDA	399.0
Financial Expenses	(36.6)
Maintenance CAPEX ⁽¹⁾	(129.4)
Tax Payments	(30.8)
OPERATING CASH FLOW:	202.2
<i>% OPERATING CASH FLOW / EBITDA</i>	50.7%
Greenfields and Growing Capex	(87.8)
Net Working Capital Variation	(12.9)
Payment of Dividends	(52.9)
Newcor Acquisition	(101.5)
Phone House Acquisition	(37.6)
Acquisitions to minority shareholders ⁽²⁾	(5.8)
Previous years acquisition payments ⁽³⁾	(52.9)
Exchange rate effect in NFD	(4.4)
Other Movements	(6.2)
FINANCIAL CASH FLOW	(113.8)
Net Financial Debt 31.12.2016	816.0
Net Financial Debt 30.09.2017	929.8
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%.

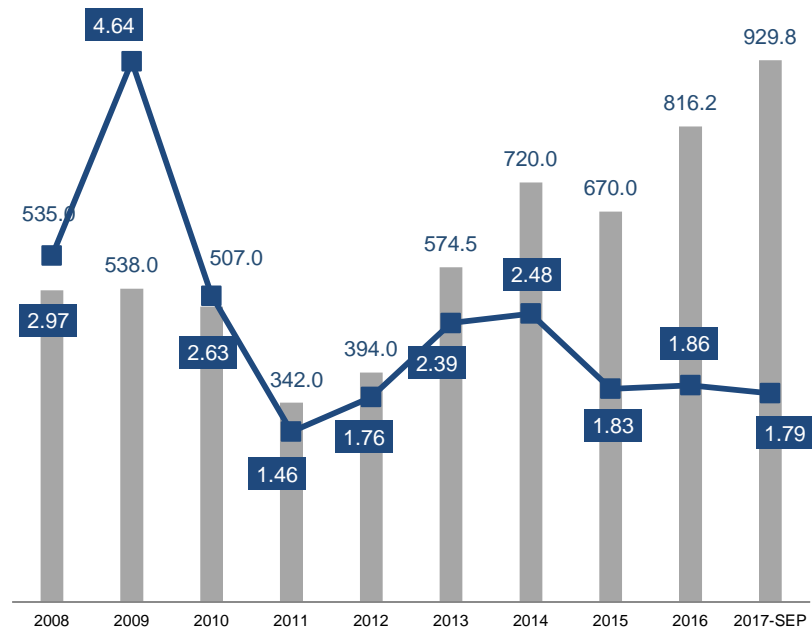
(3) Amaya Tellería and Dominion Group's pending acquisitions payments: International Chimney Corporation (ICC), Beroa and Dominion Energy, S.L.

(4) Last annualized 12 months EBITDA from new companies integrated during the period.

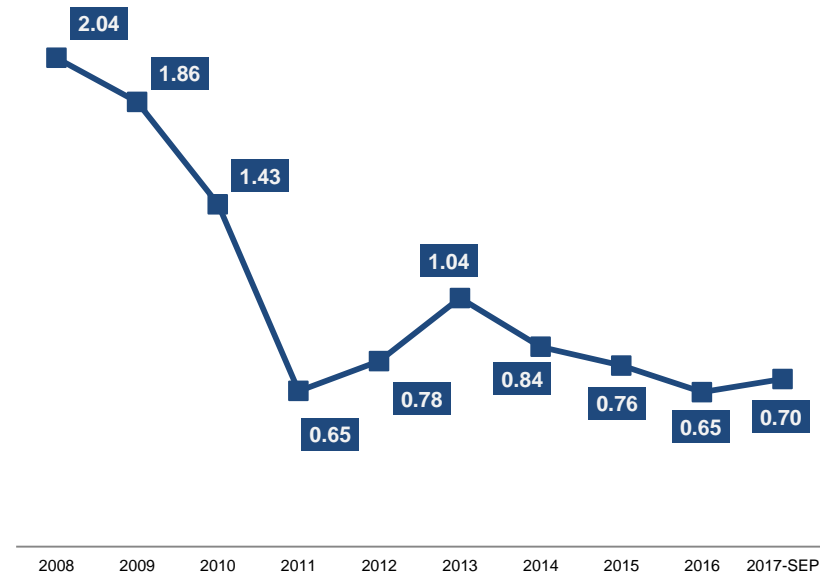


NET FINANCIAL DEBT EVOLUTION

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

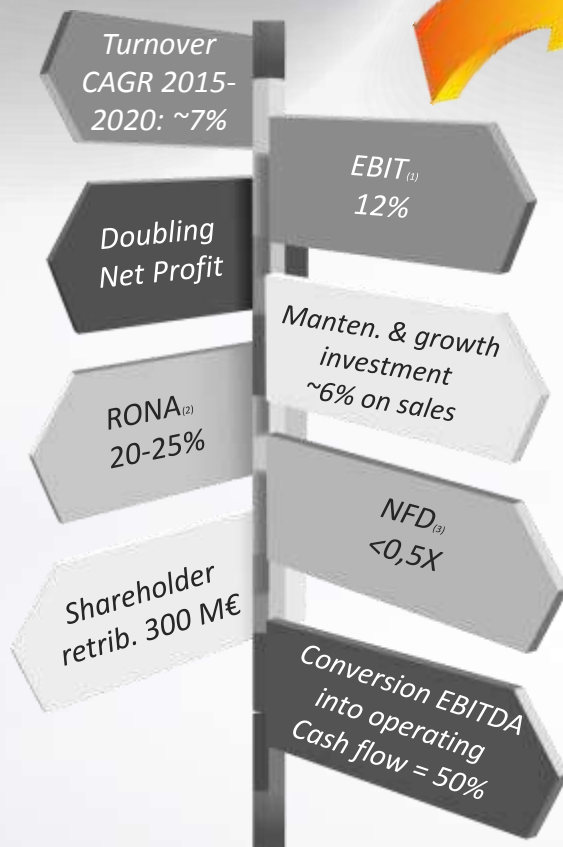
3. Strategic Commitments



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 17/10	2016	2015	2014	2013
Market Cap (€ Mio)	3,142	2,388	1,993	1,453	951
Number of shares (Mio)	129	129	129	129	119
Last price of period (euros)	24.36	18.52	15.45	11.27	8.00
Maximum price of period (euros)	24.58	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)	40,178	59,065	60,619	62,970	44,953
Effective (€ Mio)	788	940	814	600	277

Source: Madrid Stock Exchange



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



CIE Automotive

MANAGING HIGH VALUE ADDED PROCESSES