2021 Second Quarter Results

GRUPO ANTOLIN

Investors Presentation
July 27th, 2021

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Participants

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Chief Executive Officer

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Chief Financial Officer

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Head of Capital Markets & IR

Grupo Antolin HQ, Burgos, Spain

27,000 EMPLOYEES

150 FACTORIES

26 TCO

26 COUNTRIES

Intelligent. Integrated. Inside.

Creating **Intelligent** Vehicles. Developing **Integrated** Solutions. Providing talent from the **Inside**.

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Strategic Highlights (I/II)

Focusing on becoming a leading provider of a wide range of innovative and technological solutions

Building an innovative ecosystem in continuous expansion through collaboration with key partners

- Partnership with Plug and Play and Startup Autobahn, the largest startup platforms, to collaborate in the development of new technologies and innovative solutions applied to the interior of the car

Strengthening the customer base and product portfolio in China

- Focusing on developing electronic and lighting projects to increase technology and added-value in our traditional products
- Projects with new customers such as Evergrande

Advanced Engineering Team is working on new projects, which include advanced electronics, functional lighting systems and active surfaces, to increase the value-added of our products

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Strategic Highlights (II/II)

New ESG targets included in the Sustainability Strategic Plan to align ourselves with our clients' commitments

Value for the **planet**

Carbon neutral company

- **CO_2 Neutral on Operations (scope 1 & 2) by 2040**
  - 30% CO_2 Emissions by 2028

Circular business

- Eco-design. **Life Cycle Analysis (LCA) of main products**
- **10% Non-hazardous waste** by 2028
- Incorporating recyclable and natural materials

Value of the **people**

0 accidents. A safe & healthy work environment

- **<2.30** Reduction of the **global frequency index**
- Reinforcing the commitment to health & safety culture

Diversity, equity & inclusion, applied to talent

- Focused on **knowledge, values, skills & experiences**
- Working on **specific plans** on tangible dimensions: gender, functional, age, race, cultural, backgrounds
- Increase in **women promotion at management level**

A value-added **business**

A reference in Ethics, Integrity & Compliance

- **0** confirmed **ESG violations/complaints**
- **100%** of workforce **trained in Code of Ethic**

A responsible supply chain

- **100%** adherence to Supplier **Code of Conduct** by 2028
- **95% Direct Supply chain assessed** for ESG by 2028
- Promoting initiatives for the contributing to economy and society future

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Main Economic Highlights

Sales

- During Q2 2021, **Total Sales** were **€1,040.7 million**, thus representing a **108.6% increase** (*110.0% increase on a like for like basis*) vs the same period last year
  - **Component sales of €952.2** million, an **increase of 90.7%** vs Q2 2020
  - **Tooling sales** for the period stood at **€88.5** million vs an almost nil figure in the same period last year, being this difference explained by the Covid
- FX evolution eroded our global sales figure by around €7.7 million mainly due to the negative evolution of the USD, Mexican Peso and Brazilian real against the Euro

EBITDA

- During Q2 2021, EBITDA rose to **€74.5 million**, representing a significant increase when compared to the loss of €24.2 million posted in the same period last year, while **EBITDA Margin** improved to **7.2%** vs -4.8% in Q2 2020 as a result of the recovery in sales and production levels on a global basis following the lift in the restrictions imposed by the Covid, as well as due to the synergies unleashed across business units and regions thanks to the efficiency plans
- **EBITDA figure includes a €12.5 million restructuring cost** due to footprint optimization. **Excluding this effect**, Q2 2021 EBITDA would have been of **€87.0 million**, thus representing a **margin of 8.4%**
- FX impact on our global EBITDA figure was nonsignificant during the period

EBIT

- Finally, **EBIT** surged to **€5.9 million** in Q2 2021 vs the loss of €97.5m in the same period last year, while **EBIT Margin** was **0.6%** vs -19.5% in Q2 2020. **Excluding restructuring costs, Q2 2021 EBIT would have been of €18.4 million**, thus representing a *+1.8% margin*

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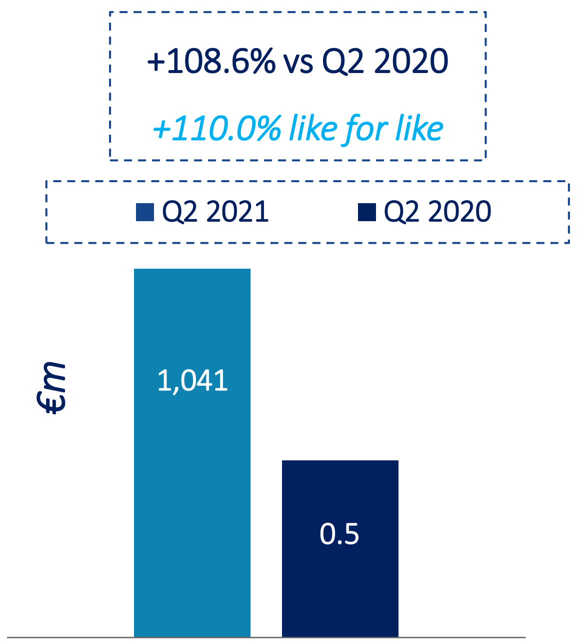
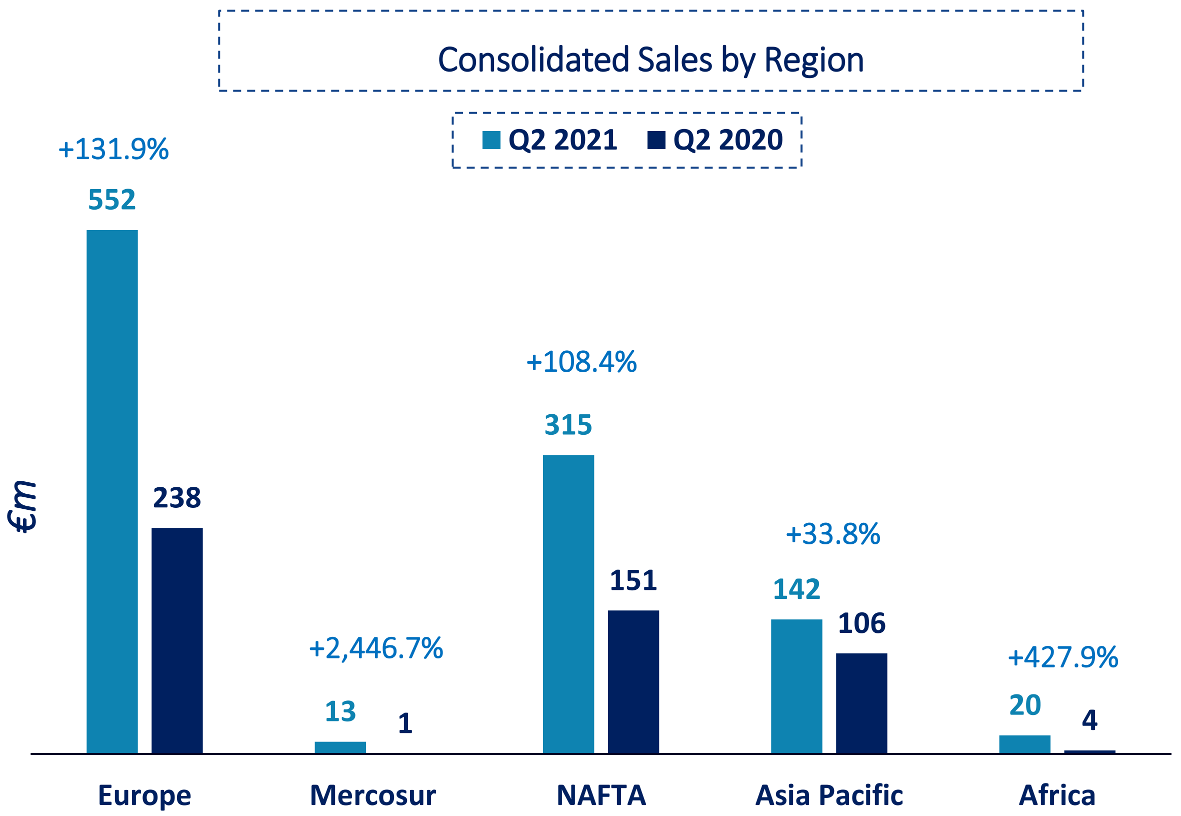
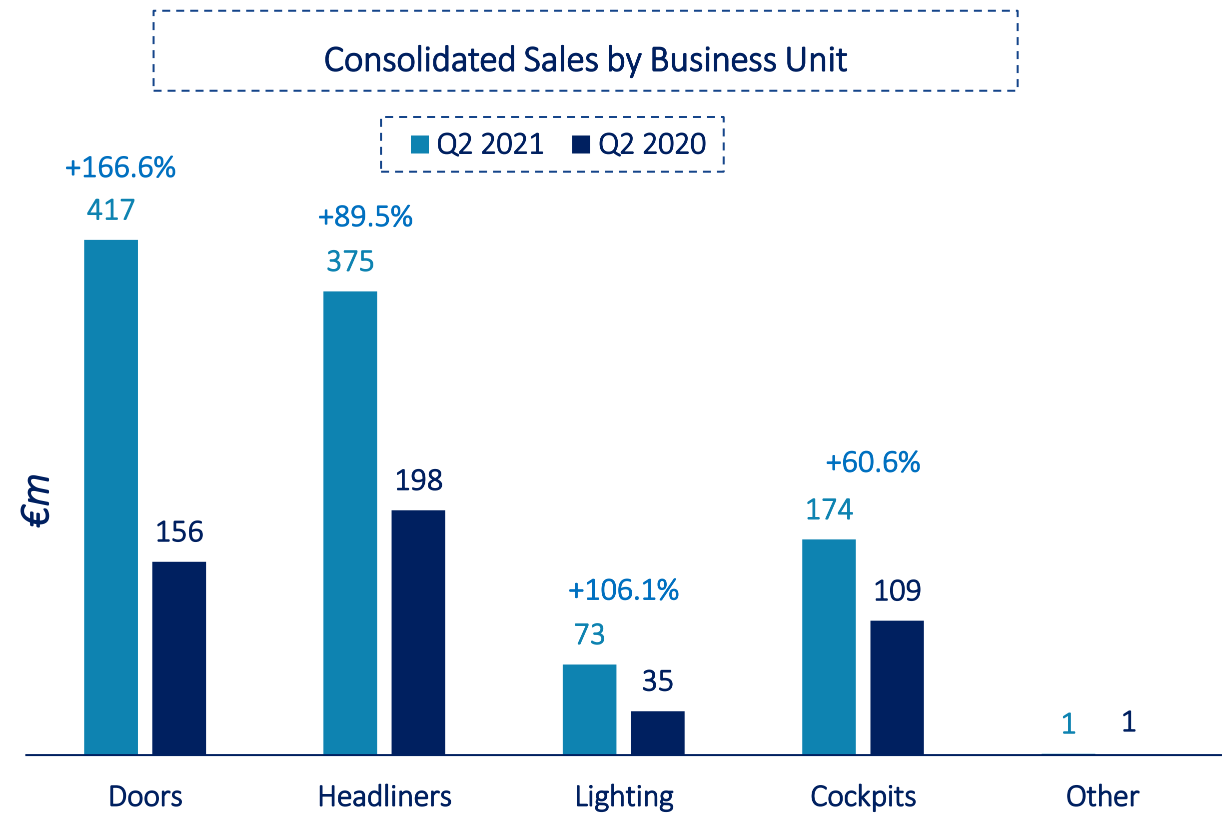
Global Sales evolution vs Q2 2020

Consolidated sales

euro million







- During the Second Quarter of the year, our global sales figures extended the positive trend following the normalization of economic conditions and the lift in restrictions imposed by the Covid pandemic, which boosted both demand and production levels within the auto industry across regions and business units
  - ❑ On a region basis, sales surged in all the areas in which we operate during Q2 2021 when compared to the same period last year, particularly in Europe (+131.9%), NAFTA (+108.4%), Africa (+427.9%) and Mercosur (+2,446.7%), and to a lesser extent in Asia (+33.8%). In this regard, Europe was boosted by the significant increase in tooling sales vs Q2 2020
  - ❑ When looking at our business units, all of them posted significant sales increases during the period. Doors (+166.6%) and Headliners (+89.5%) recovered following the Covid period in which both segments were heavily impacted on a global basis, while Lighting (+106.1%) and Cockpits (+60.6%) benefitted from their higher exposure to China, which recovered earlier and quicker than other areas. Also, both Doors and Headliners were boosted by higher tooling sales
  - ❑ FX evolution eroded our global sales figure by around €7.7 million mainly due to the negative evolution of the USD, Mexican Peso and Brazilian real against the Euro

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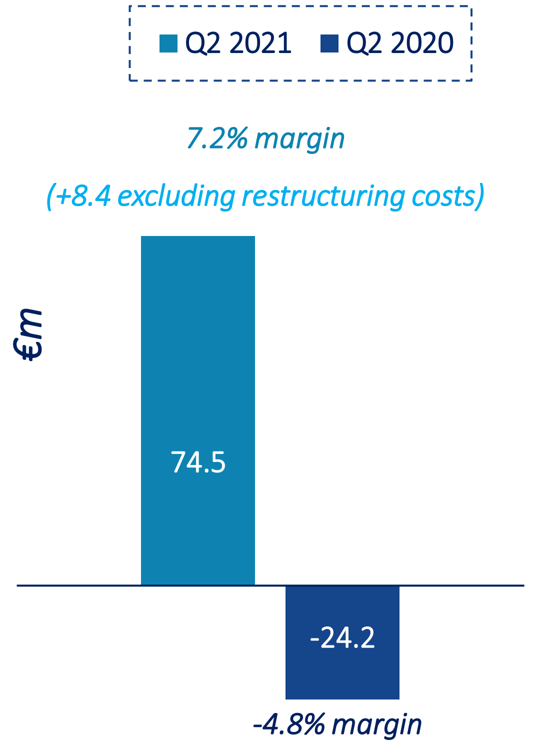
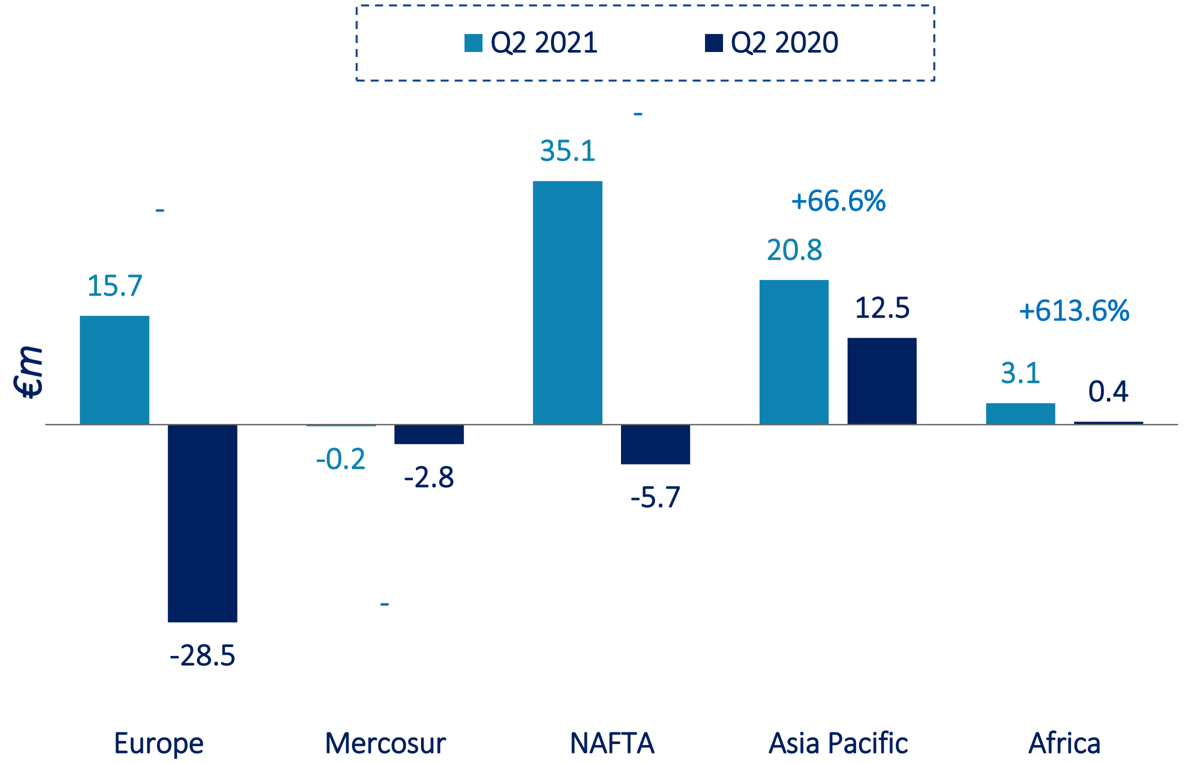
EBITDA and EBITDA Margin evolution vs Q2 2020

Consolidated EBITDA

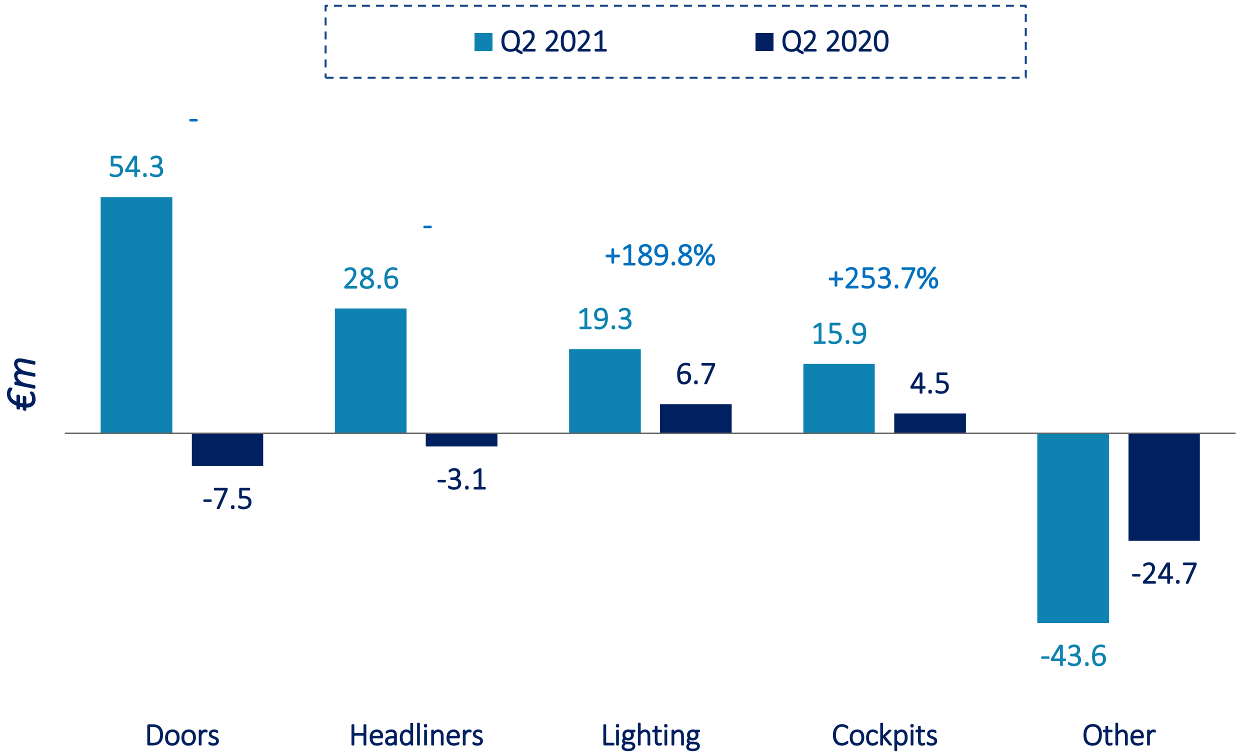
euro million



Consolidated EBITDA by Region



Consolidated EBITDA by Business Unit



- Consolidated EBITDA improved during Q2 2021 following the positive trend in global sales and production volumes on a global basis. This figure is significantly better than the one reported back in Q2 2020, where restrictions and lockdowns eroded our profitability to a large extent
  - ❑ EBITDA Margin stood at 7.2% (*+8.4 if we exclude costs associated to footprint optimization*) vs -4.8% in Q2 2020 due to a combination of the sales increase and the synergies unleashed across business units and regions as a result of the different efficiency plans launched worldwide aimed at rationalizing and adapting our corporate structure to the new competitive and market landscape
  - ❑ On a region basis, Europe and NAFTA improved to a large extent, as both were heavily impacted by the Covid pandemic during Q2 2020, while Asia and Africa benefitted from the quicker recovery in economic conditions and demand. Also, restructuring initiatives in Europe boosted the regional performance.
  - ❑ From a segment perspective, EBITDA improved at all our business units due to higher sales and cost cutting initiatives launched worldwide to improve both products and processes

Note. EBITDA figures for Europe include adjustments related to Group Structure costs, as our global HQ is in Spain. Also, Europe figures were affected by a €12.5 million restructuring cost, which from a business unit perspective was recorded in the "Other" segment

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Main Financial Highlights

Debt and Liquidity

- **Net Debt stood at €864m as of June 30th, 2021** vs €878m as of March 31st ,2021. However, if we consider the non-recourse factoring as a debt, Net debt stood at 882m as of June 30th, 2021 vs €916m as of March 31st ,2021
    - ❑ For covenant purposes, Net Debt as of June 30th, 2021, was €847m
    - ❑ NFD/EBITDA Leverage ratio: 2.6x in Q2 2021 vs 3.8x in Q1 2021
- **Gross Debt as of June 30th, 2021, stood at €1,201m** vs €1,216 as of March 31st, 2021
    - ❑ Average maturity of debt: 5.2 years. RCF of €195m still undrawn
- **Total liquidity as of June 30th, 2021, was €594m** vs €599m as of March 31st, 2021
    - ❑ vs. short term maturities of €46m in 2021 (*including accrued interest*). **Cash available of €337m**

Working Capital

- **NWC decreased by €35m** during Q2 2021 vs Q1 2021
- Decrease of Tooling working capital by €22m; Operating working capital decreased by €13m (*considering the lower usage of non-recourse factoring*)

CAPEX

- **Q2 2021 CAPEX was €46m** vs €49m in Q1 2021, with lower investments in tangible assets and an increase in intangibles

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Debt and Capital Structure

Gross Debt as of June 30th, 2021: €1,201m

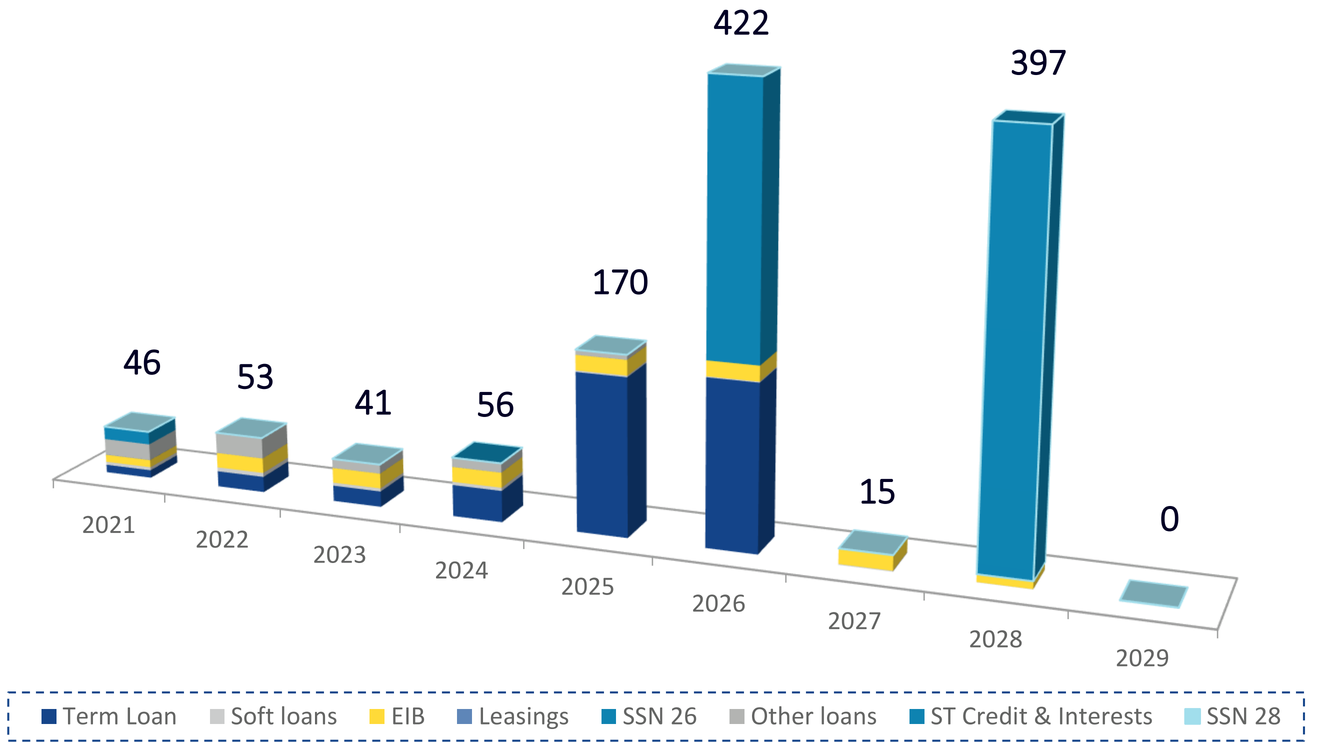
- €640m senior secured notes
- €373m senior financing
- €100m EIB facility
- €4m soft loans with cost; €13m soft loans with no cost
- €55m state-aid loans, of which €5m with no cost
- €12m other facilities, of which €9m are credit lines
- €3m accrued interests
- Average maturity of debt: 5.2 years
- NFD/EBITDA Leverage ratio: 2.6x in Q2 2021 vs 3.8x Q1 2021

Liquidity position as of June 30th, 2021: €594m

- Vs minimum liquidity covenant of €150m
- Cash available of €337m
- Committed available credit lines €256m, including €195m RCF still undrawn

Net Debt as of June 30th, 2021: €864m

- For covenant purposes, Net Debt totaled €847m (*excludes soft loans and aids loans without financial cost, includes cash considering a 12-month FX average*)
- Undrawn new EIB loan €40m



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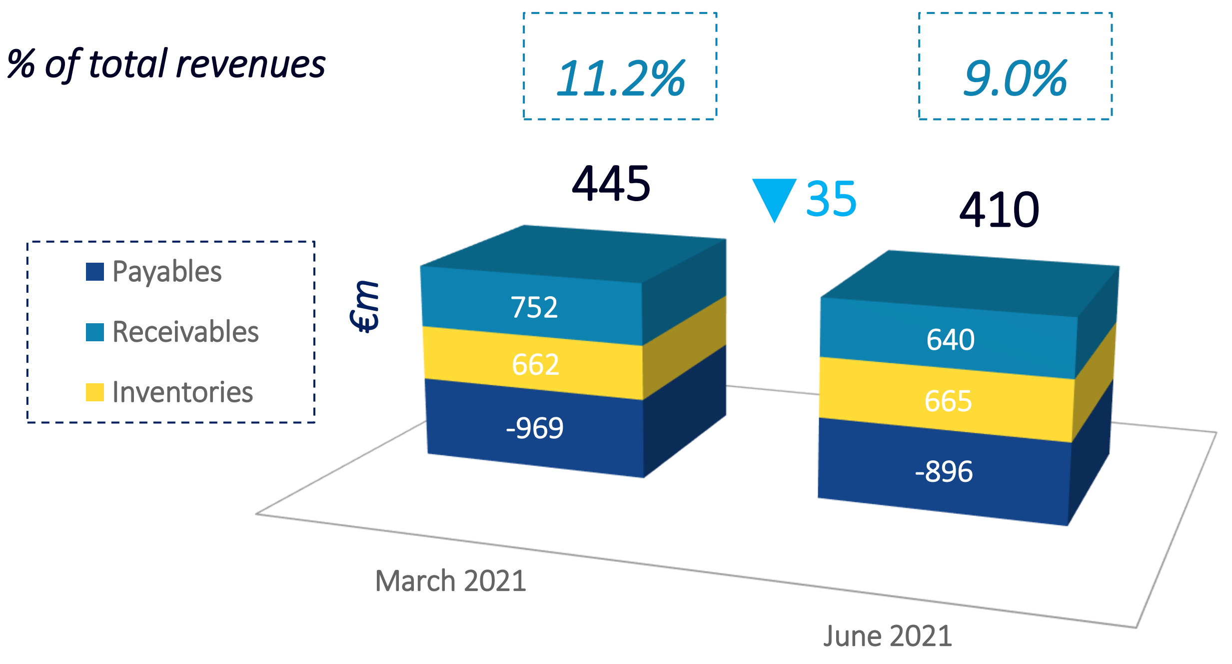
Free Cash Flow, NWC and CAPEX

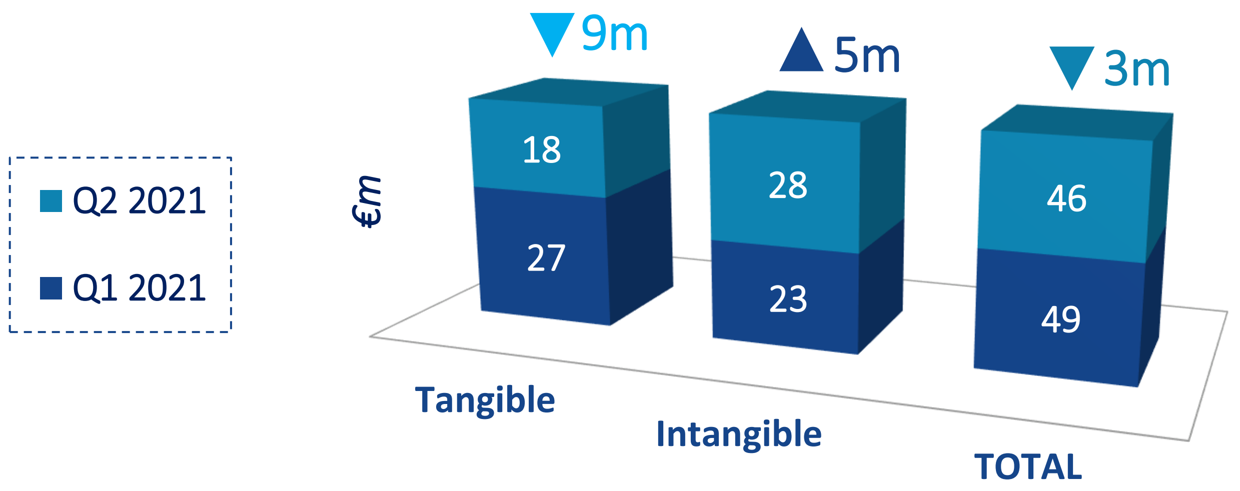
Net Working Capital evolution

- **NWC decreased by €35m** during Q2 2021 vs Q1 2021
- Decrease of Tooling working capital by €22m
- Operating working capital decreased by €13m (*considering the effect of the factorized invoices €19m as of June 30th vs €38m as of March 31st*)
- Operating working capital as % of LTM component sales was 7.7%
- Continued focus on working capital optimization
- Commitment to maintaining year-end operating working capital in line with historic averages of c. 10% Component Revenue



CAPEX evolution

- **Q2 2021 CAPEX was €46** vs €49m in Q1 2021
- Increasing investments in intangible assets and reduction in tangibles



	EBITDA	CAPEX	TAXES	Working Capital: Working Capital	Working Capital: Factoring	Free Cash Flow
Q1 2021	80	(49)	3	(92)	(10)	(69)
Q2 2021	58	(46)	(5)	54	(19)	42
Q3 2021	-	-	-	-	-	-
Q4 2021	-	-	-	-	-	-
Total	**138**	**(96)**	**(2)**	**(37)**	**(30)**	**(27)**

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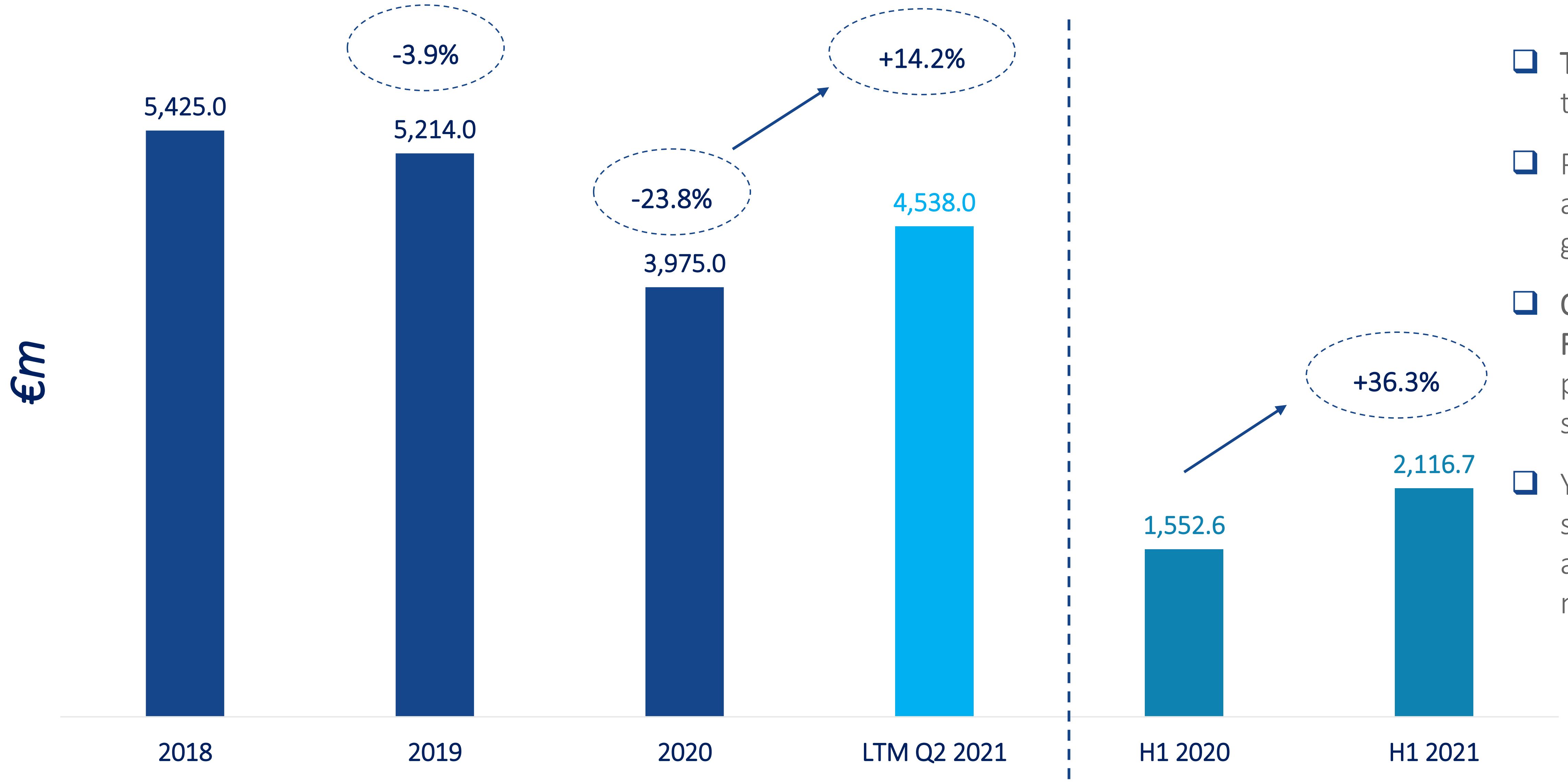
YTD June 2021 Trading Update: Sales

Lower level of sales vs 2019 due to segment repositioning and restructurings, but much more profitable



- **Total Sales rose in YTD June 2021 by +36.3%** vs the same period last year
- Positive market conditions within the automotive industry remained and supported global sales growth
- **On a LTM basis, sales grew by +14.2% vs 2020 FY** following the recovery after Covid pandemic across regions and business segments
- YTD June 2021 figures were impacted to some extent due to shortages in both chips and certain raw materials, which we hope will not last long and normalize during H2 2021

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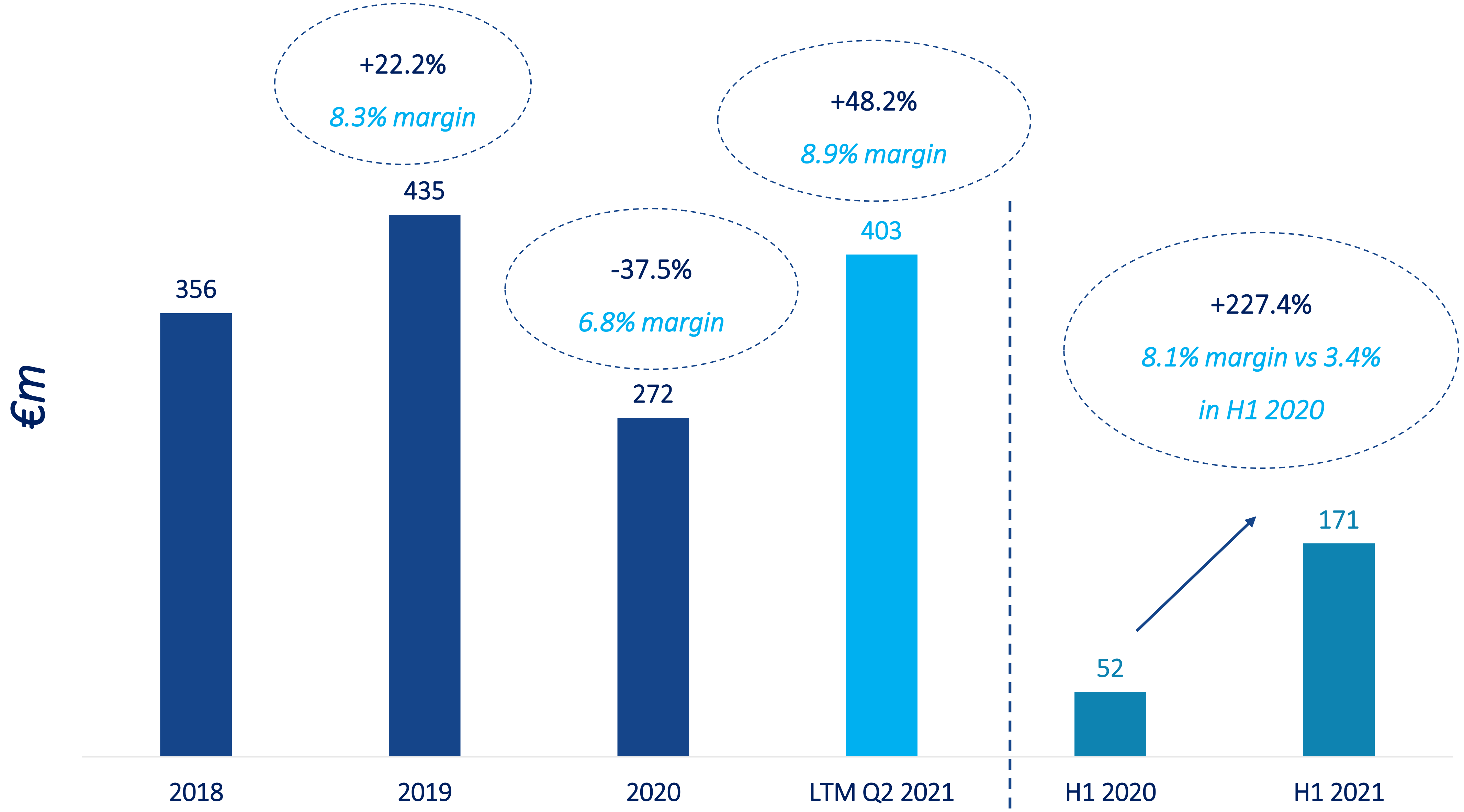
YTD June 2021 Trading Update: EBITDA

Profitability improved to a large extent due to a combination of both significant increases in sales across business units and regions plus the structural costs saved as a result of the efficiency plans implemented worldwide



- Total YTD June 2021 EBITDA grew by +227.4% vs the same period last year
- EBITDA Margin surged by +470 basis points when compared with the same period last year (8.1% vs 3.4%)
- EBITDA Margin negatively impacted by footprint optimization. Excluding this effect, EBITDA would have grown by +251.3%, while EBITDA Margin for the period would have been +8.7%, even higher than that of YTD June 2019 Pre-Covid (+8.7% vs +8.5%, +20 basis points improvement)
- On a LTM basis, we posted a significant improvement of EBITDA (+48.2%) and EBITDA Margin (+8.9% vs +6.8%). Also, EBITDA Margin stood above 2019 FY levels (8.9% vs 8.3%, +60 bps improvement) despite the relatively lower level of sales
- NFD/EBITDA leverage ratio improved and stood at 2.6x as of June 30th, 2021 (vs 3.8x as of March 31st, 2021)

Note. 2021 LTM figures do not include the effects of restructuring costs

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2021 Full Year Guidance

We reiterate our guidance figures for 2021

2021 Preliminary Guidance

- Total Sales: €4.3-4.4bn
- EBITDA Margin: 8.5-9.0% of total sales
- CAPEX: 5-5.5% of total sales
- NFD/EBITDA: <2.5x
- Working Capital: 8-10% of total sales
- Structural Cost Savings: €70-80m

Main Guidance Assumptions

- **Total Sales** to continue benefitting from positive market dynamics within the global auto industry across regions and segments
- **EBITDA margin** expected to benefit from higher sales plus efficiency plans aimed at rationalizing our structure
- **Financial strategy** to continue focusing on improving credit profile, preserving capital and improving both liquidity and financing sources
- **Global strategy** focused on building up our technological capabilities within high-growth segments and regions, such as lighting/HMI and Asia
- Issues related to chips shortages and volatility in prices of certain raw materials expected to normalize during the second half of the year

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