

VITESCO TECHNOLOGIES

FISCAL YEAR 2022

Regensburg, 23.03.2023

Public



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AGENDA OF THE ANALYST AND INVESTOR CONFERENCE ON THE FY 2022 RESULTS

1 | HIGHLIGHTS FOR FY 2022

2 | OUTLOOK COMPARISON

3 | KEY FIGURES

Andreas Wolf

4 | MARKET DEVELOPMENT

5 | SALES AND ADJUSTED EBIT DEVELOPMENT

6 | CASH FLOW AND LIQUIDITY PROFILE

7 | BALANCE SHEET STRUCTURE

8 | OUTLOOK FOR FY 2023

Werner Volz

WE CONCLUDED A SUCCESSFUL FY 2022 DESPITE CHALLENGING CONDITIONS

9,070

€ million **sales** in FY 2022 – continued market outperformance in a challenging environment.

1,082

€ million total **electrification sales** during FY 2022.

46%

electrification share of the total **order backlog of 58.5 € billion** at year-end 2022.



223

€ million

2.5%
adjusted EBIT – Large part of gross price increases passed on to customers.

>9pp

increase in **adj. EBIT margin** in Electrification Technology BU.

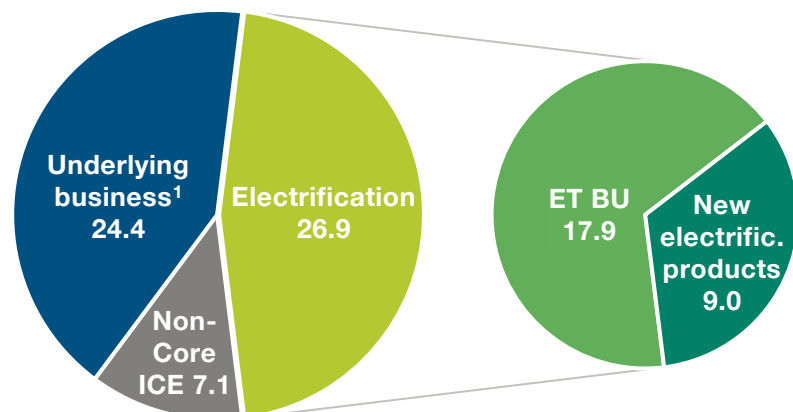


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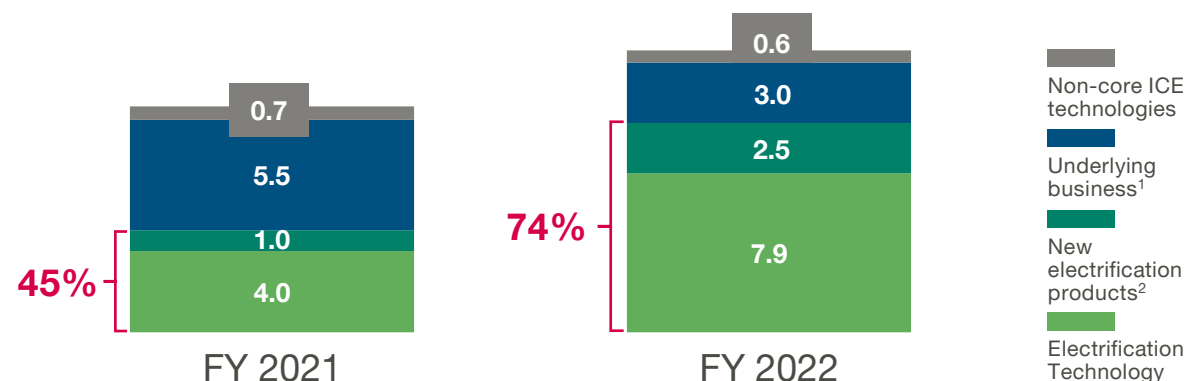
€ billion **electrification order intake** during FY 2022; **total order intake** at **14.0 € billion**.

ELECTRIFICATION ORDERS CONTINUED TO INCREASE SIGNIFICANTLY IN FY 2022

Order Backlog of 58.5 (€ bn)



Order Intake (€ bn)



Highlights and Comments

- > 46% of total order backlog related to electrification products
- > Strong momentum in electrification order intake in all business units

Highlights and Comments

- > Almost 90% of €5 bn targeted mid-term sales for electrified business already booked
- > Book-to-bill ratio in ET BU of 11.4
- > Group book-to-bill ratio at 1.7 (w/o CM BU)

Order intake defined as sum of acquired lifetime sales within the respective fiscal year. Order backlog defined as sum of cumulative order intake not yet booked as sales. |

¹ Underlying business excluding electrified part of underlying business. | ² Electrified part of underlying business.

WE DELIVER ON OUR ESG TARGETS AND DEMONSTRATE A POSITIVE DEVELOPMENT IN OUR KPIs



2021 **10.6%** 2022 **11.9%** Goal 2030
€10 – €12
bn sales

Share of business with electric and electrified solutions



2021 **90.6%** 2022 **91.9%** Goal 2030
100%

Climate neutrality rate of total own CO₂e-emissions¹



2021 **92.6%** 2022 **94.6%** Goal 2030
95%

Waste recovery quota²



2021 **13.6%** 2022 **15.4%** Goal 2026
21%

Share of women in management positions (executives and senior executives)



2021 **90.0%** 2022 **92.6%** Goal 2023
100%

Share of strategic suppliers covered by Business Partner Code of Conduct³



2021 **1.9** 2022 **1.7** Goal 2026
1.4

Accident rate (number of accidents per million hours worked)

¹ Definition according to GHG Protocol Corporate Standard. Includes the relevant production and research and development sites. Calculated using the market-based calculation method of the GHG Protocol Scope 2 Guidance. Where no contract-specific emission factors were available, the standard emission factors from Defra, IEA and GHG Protocol were used. Includes the purchase of biomethane. | ² Defined as the proportion of waste (excl. construction waste) that has been recycled or sent for material recycling, waste-to-energy technologies or other use. |

³ Basis: Strategic Supplier List (SSL); suppliers must meet various requirements to be listed as a strategic supplier.

PROFITABILITY AND CASH FLOW AT THE UPPER END OF OUR UPDATED GUIDANCE

Vitesco Technologies Group (€ mn)

	2022E	2022A	
Sales	9,000 to 9,200	9,070	✓
Adj. EBIT Margin	2.3% to 2.5%	2.5%	✓
Special Effects	50 to 100	79	✓
Capex¹ Ratio	~5%	4.9%	✓
Free Cash Flow	>75	123	✓



Market Development

	2022E	2022A
China	5% to 7%	6.2%
Europe	-3% to -1%	-1.3%
NA	10% to 12%	9.3%
RoW	7% to 9%	9.5%
World	5% to 7%	6.2%

Light Vehicle Production Forecast for changes of FY 2022 production compared to FY 2021. Based on IHS Markit, Light Vehicle Production Forecast as of 01/2023. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. Free cash flow defined as operating cash flow plus investing cash flow. | ¹ Capex excluding right of use assets (IFRS 16).

OUR TRANSFORMATION RESULTED IN IMPROVED KEY FIGURES IN ALL MAJOR AREAS

Vitesco Technologies Group (€ mn)

	FY 2021	FY 2022	Delta
Sales	8,348.5	9,070.0	721.5
% growth	4.0%	8.6%	4.6pp
Adj. EBIT	148.5	222.9	74.4
% Margin	1.8%	2.5%	0.7pp
EBIT	39.5	143.3	103.8
% Margin	0.5%	1.6%	1.1pp
Capex¹	441.4	446.6	5.2
% of sales	5.3%	4.9%	-0.4pp
Free Cash Flow	113.3	123.2	9.9
% Margin	1.4%	1.4%	0.0pp
Equity Ratio	36.3%	40.3%	4.0pp



Highlights and Recent Developments

Sales

- > Impact from FX: 5.2%
- > €1,082 mn electrification sales

Adjusted EBIT

- > Significant increase in profitability despite higher input costs and continued supply chain shortages

Free Cash Flow

- > Cash generation benefits from increased profitability, VAT reimbursements and reporting date related effects

Equity Ratio

- > Equity ratio above 40% due to positive full year result and higher Other Comprehensive Income from pension revaluation

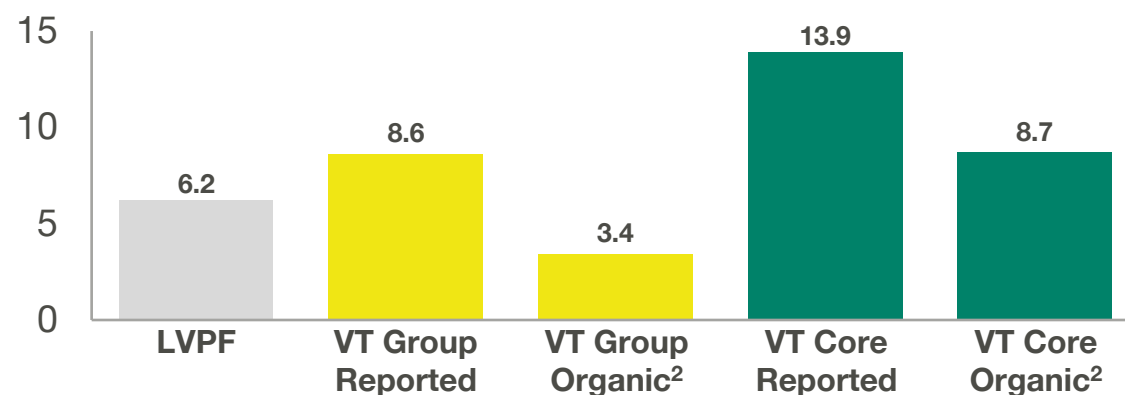
Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. | 1 Capex excluding right of use assets (IFRS 16).

CORE BUSINESS CONTINUES TO OUTPERFORM THE MARKET IN CHALLENGING CONDITIONS

Light vehicle production¹ (mn units)

	22 Production	22 Δ YoY
Europe	15.3	-1.3%
North America	14.4	+9.3%
China	26.4	+6.2%
Rest of World	25.9	+9.5%
Worldwide	82.0	+6.2%

Year-on-year growth rates (in %)



Highlights and Comments

- > European market development burdened by the war in the Ukraine – Chinese market recovery suffers from pandemic related shutdowns especially in H1 2022
- > OEM production focus was on electric vehicles and premium platforms



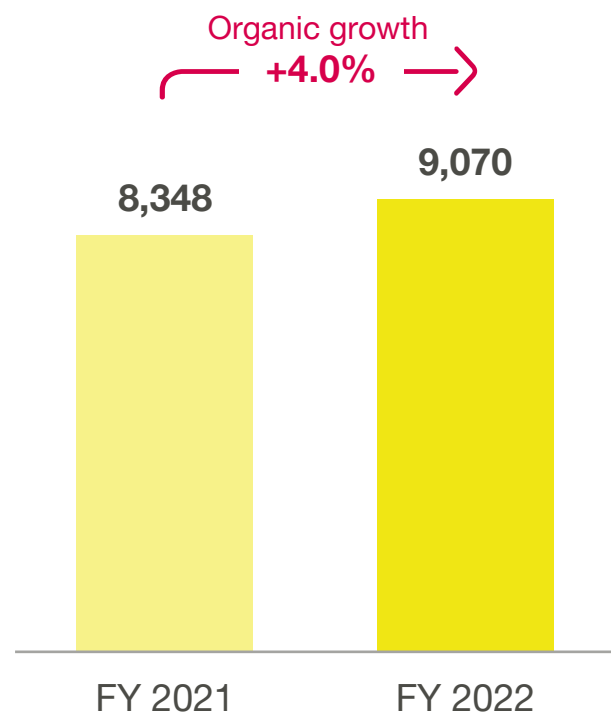
Highlights and Comments

- > Top-line development underlines transformation progress: Core outperforms the market while Non-Core sales decrease according to plan
- > Germany and North America contribute with more than 20% growth year-on-year

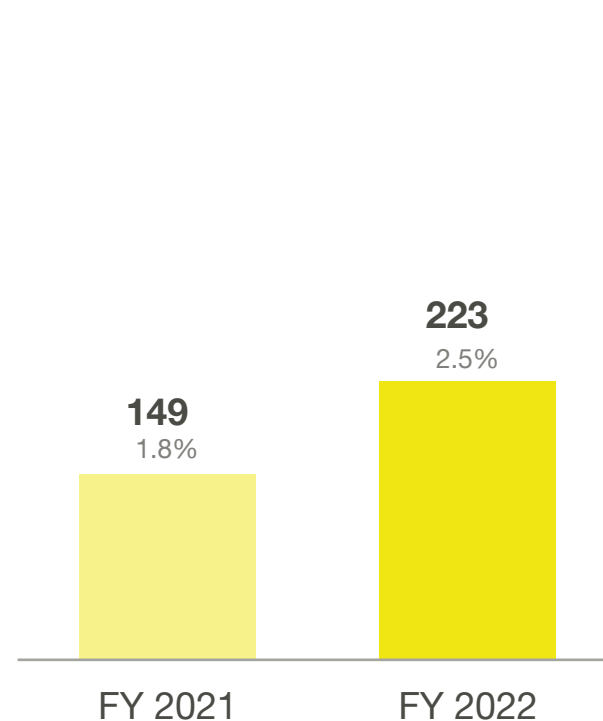
¹ Based on IHS Markit, Light Vehicle Production Forecast as of 01/2023. Regions as defined for Vitesco Technologies' sales regions. | ² Sales without effects from consolidation and FX.

WE MANAGED TO SIGNIFICANTLY IMPROVE OUR PROFITABILITY DESPITE MAJOR HEADWINDS IN THE INDUSTRY

Sales (€ mn)



Adjusted EBIT (€ mn)

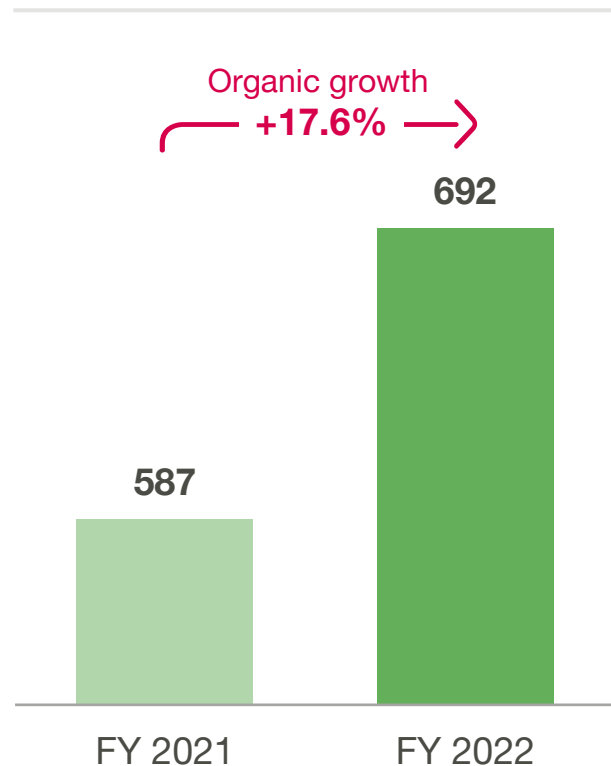


Vitesco Technologies

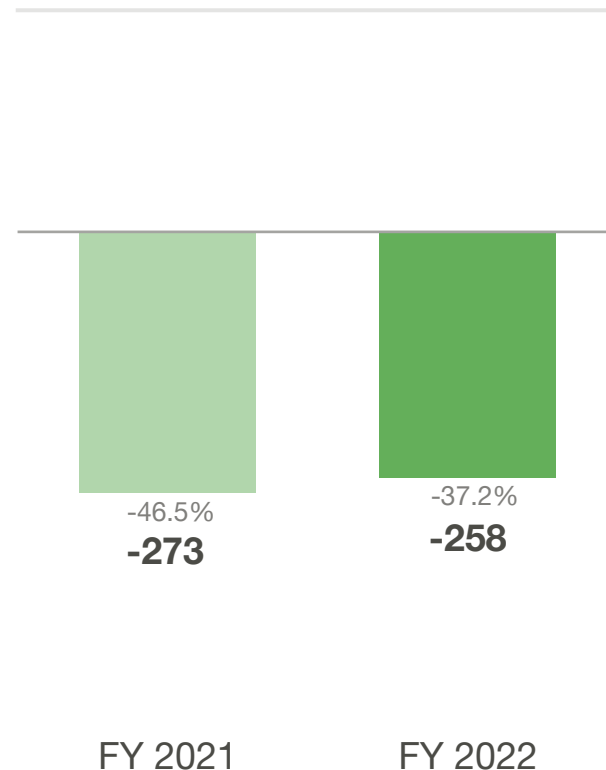
- > Organic sales 2.2pp below light vehicle production; core technologies outperformed by 2.5pp
- > Tailwind from currency effects amounting to 5.2pp
- > Core technologies sales at €6,019 mn (PY: €5,287 mn) and 3.7% adj. EBIT margin (PY: 2.1%)
- > Profitability burdened by supply chain related higher input costs
- > Adj. EBIT margin excl. ET BU of 5.7% (PY: 5.4%)

ELECTRIFICATION TECHNOLOGY ACHIEVES AGAIN MOST DYNAMIC TOP LINE DEVELOPMENT ACROSS ALL BUSINESSES

Sales (€ mn)



Adjusted EBIT (€ mn)



Electrification Technology

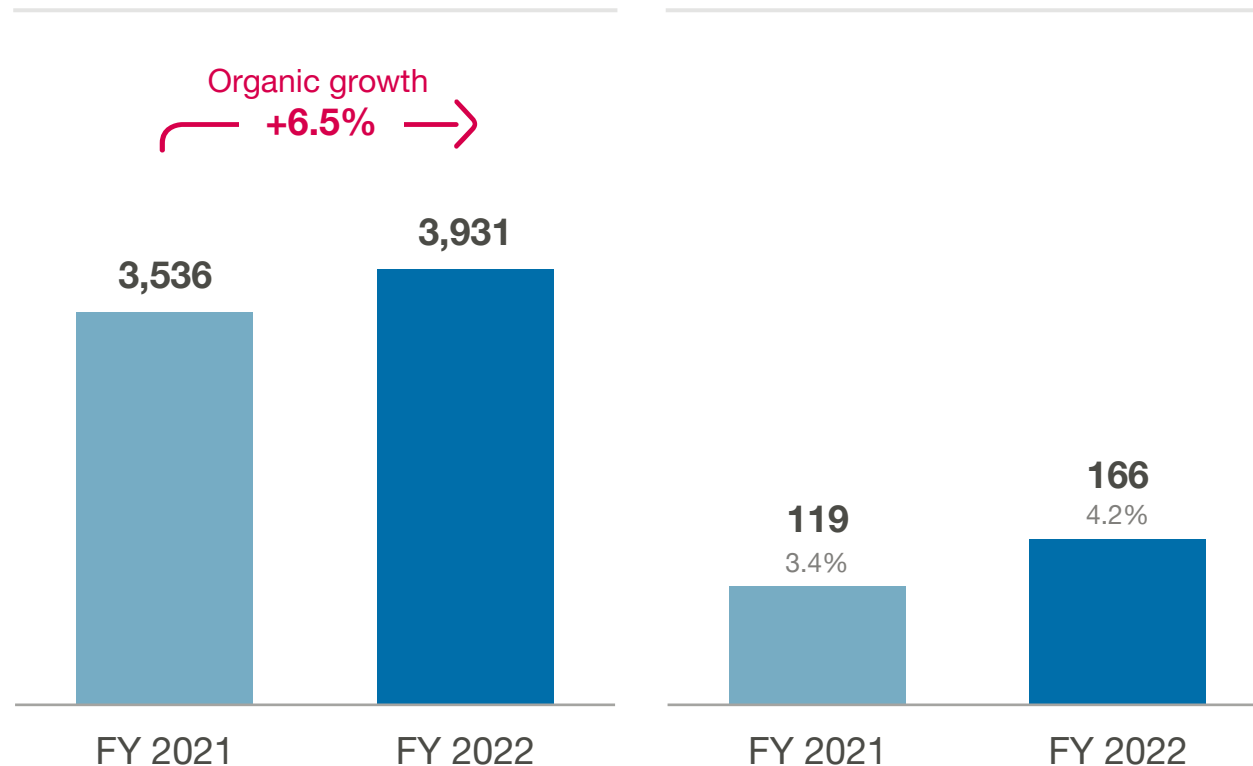
- > Strong sales development in China and Europe
- > ET BU FX tailwind of 0.2pp
- > Adjusted EBIT benefits from scale effects and operational optimization efforts
- > Adjusted EBIT includes increased R&D related to high order intake
- > Record order intake for ET BU of €7.9 bn in FY 2022

Organic Growth: Sales without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

ELECTRONIC CONTROLS RECOVERY TOWARDS THE END OF THE YEAR DRIVEN BY CORE TECHNOLOGIES PERFORMANCE

Sales (€ mn)

Adjusted EBIT (€ mn)



Electronic Controls

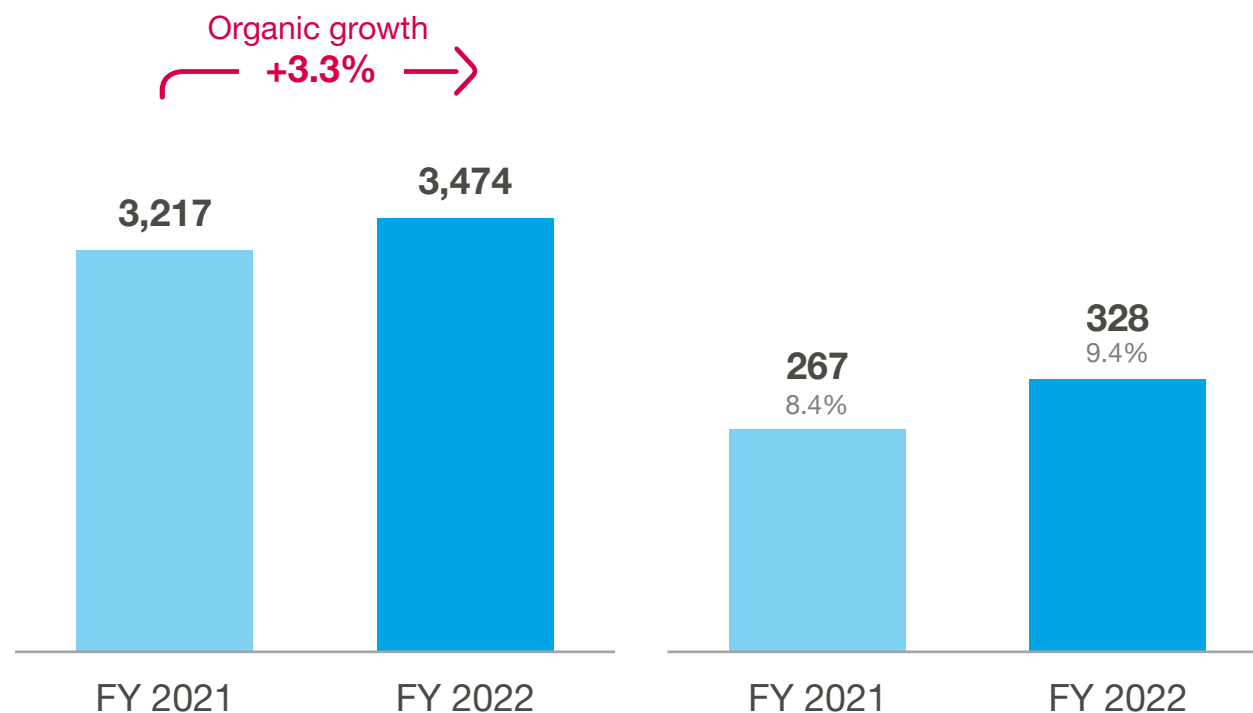
- > Recovery in EC BU mainly driven by strong performance in Korean and North American markets
- > Tailwind from currency effects amounting to 5.4pp
- > Missing customer specific electronics continue to challenge our operational development
- > Adjusted EBIT margin improved due to negotiated price increases coming from cost compensations
- > Core technologies sales at €2,664 mn (PY: €2,206 mn) and 6.2% adj. EBIT margin (PY: 5.6%)

Organic Growth: Sales without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

DOUBLE-DIGIT MARGINS IN SENSING & ACTUATION CORE TECHNOLOGIES DESPITE CHALLENGING MARKET CONDITIONS

Sales (€ mn)

Adjusted EBIT (€ mn)

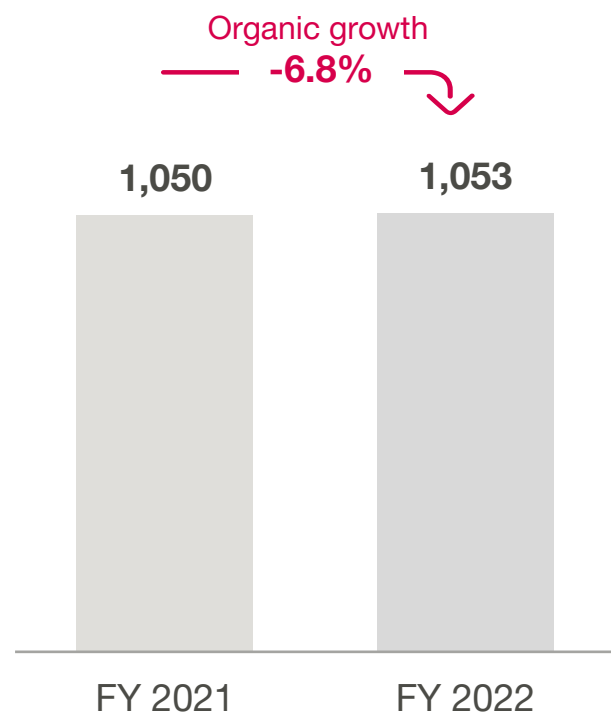


Sensing & Actuation

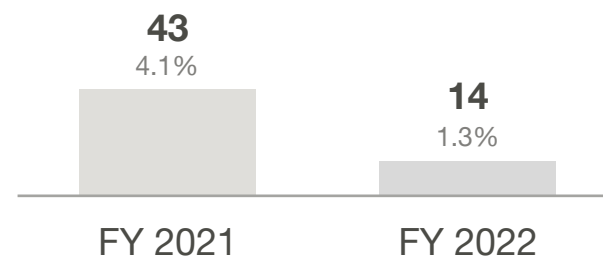
- > Europe and North American markets contributed most to FY sales in S&A BU
- > FX tailwind of 5.4pp included in sales development
- > Profitability increased despite operating loss in non-core technologies by using less broker parts and due to line transfers to best cost locations
- > Cost increases partially covered by customers
- > Core technologies sales at €2,743 mn (PY: €2,535 mn) and 12.4% adj. EBIT margin (PY: 10.5%)

CONTRACT MANUFACTURING IN LINE WITH PHASE-OUT PLAN

Sales (€ mn)



Adjusted EBIT (€ mn)



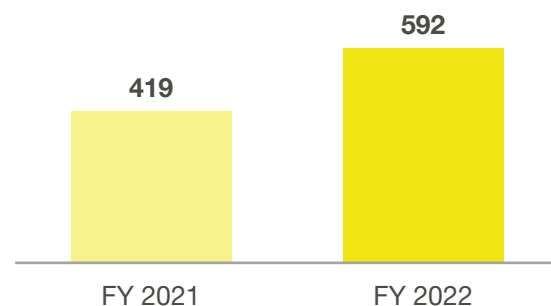
Contract Manufacturing

- > Top-line and bottom-line development in line with Contract Manufacturing phase-out plan
- > FX effects led to €75 mn higher sales in FY 2022
- > Contractually agreed bilateral productivity with Continental led to lower adj. EBIT margin in FY 2022
- > Operating income development neglectable on group level due to bilateral, offsetting effects from purchases from Continental Contract Manufacturing
- > Adjusted EBIT development represents arms-length relationship between Vitesco Technologies and Continental

Organic Growth: Sales without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

CASH FLOW IMPROVEMENTS DUE TO STRONG OPERATIONAL PERFORMANCE AND EARLY PAYMENTS MADE BY CUSTOMERS

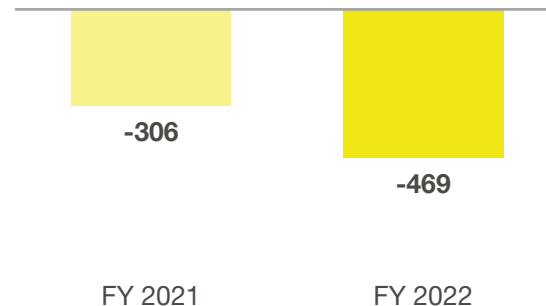
Operating Cash Flow (€ mn)



> Significant operational improvements led to cash inflow

> Operating cash flow benefits from VAT reimbursements in Mexico

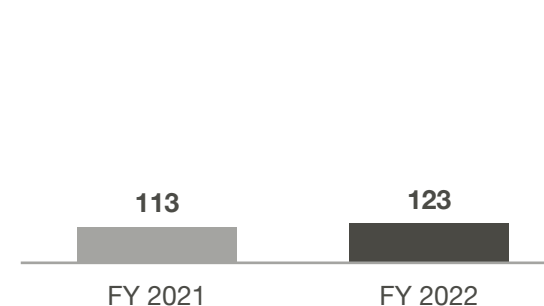
Investing Cash Flow (€ mn)



> Higher capex due to increasing investments especially in H2 2022

> Offsetting effects related to cash inflows from disposals lower than in previous year

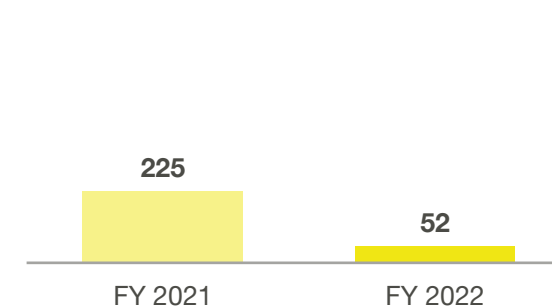
Free Cash Flow (€ mn)



> Strong operating cash flow compensates for increased investing cash flow

> Cash generation also benefits from reporting date related effects

Financing Cash Flow (€ mn)

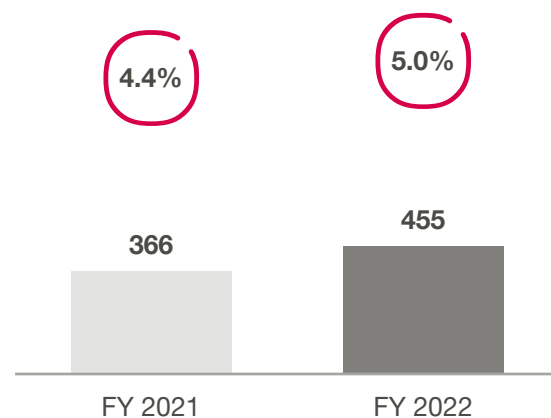


> Financing cash flow includes proceeds from the issuance of the Schuldscheindarlehen of €200 mn

EQUITY RATIO AND NET DEBT DEMONSTRATE OUR STRONG AND SOLID BALANCE SHEET

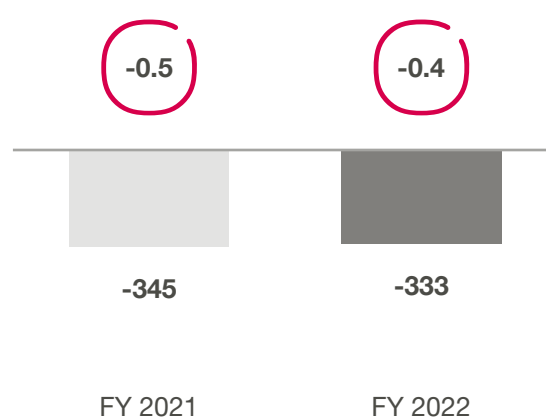
Net working capital (€ mn)

Net working capital/LTM sales



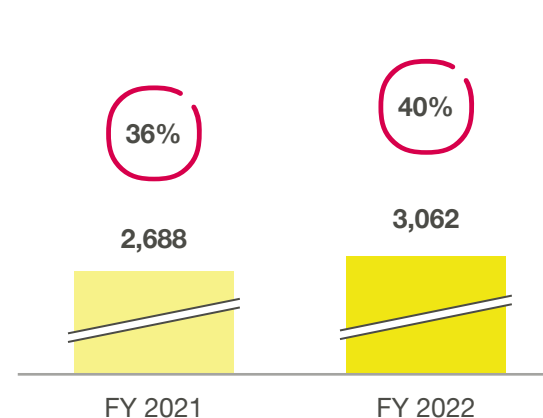
Net debt (€ mn)

Net debt/LTM adj. EBITDA

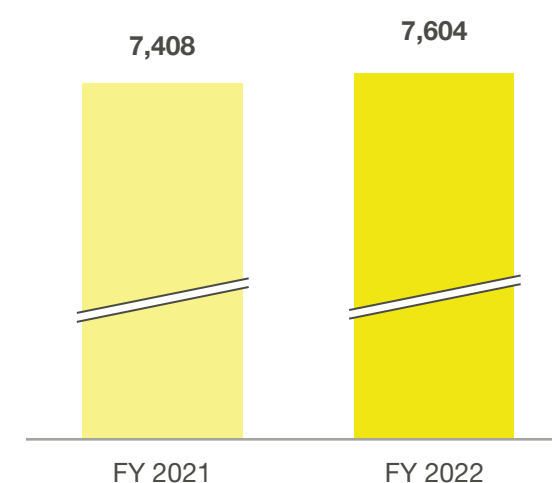


Total equity (€ mn)

Equity ratio



Balance sheet total (€ mn)



- > Increase in net working capital driven by higher inventory and A/R levels
- > Mid-term working capital intensity anticipated to range between 5% to 6%

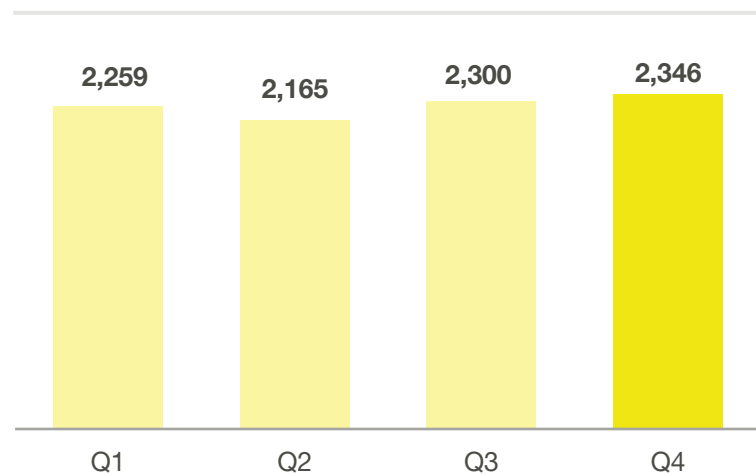
- > Net debt/LTM adj. EBITDA ratio remains at solid level and demonstrates comfortable liquidity situation

- > Increase in equity to more than €3 bn due to positive full year result and higher Other Comprehensive Income from pension revaluation

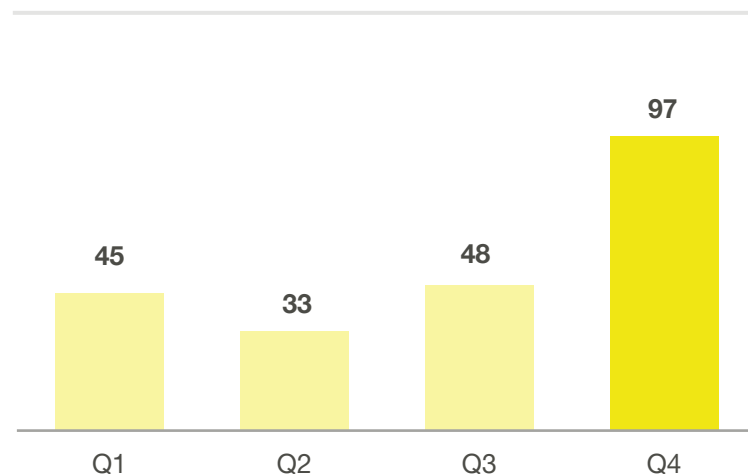
LTM: Last twelve months. Adj. EBITDA before consolidation and special effects.

QUARTER FOUR SHOWS STRONGEST FINANCIAL PERFORMANCE IN FISCAL YEAR 2022

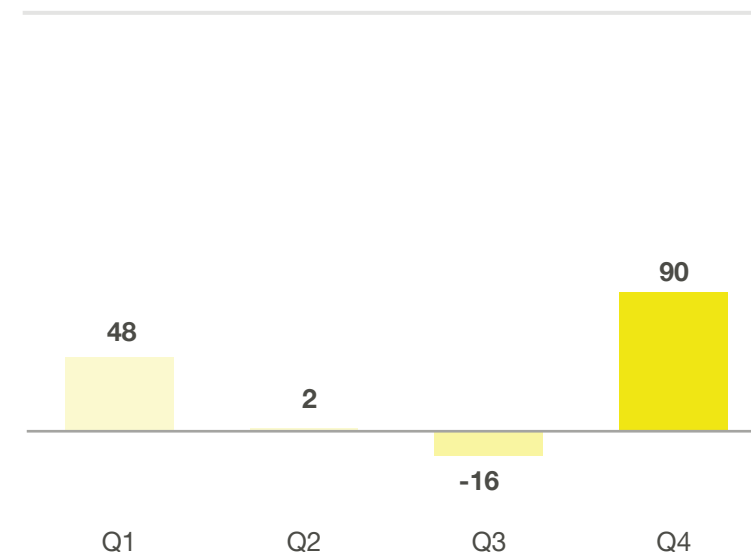
Sales (€ mn)



Adjusted EBIT (€ mn)



Free Cash Flow (€ mn)



> Semi shortages, China lockdowns and war in Ukraine led to a difficult start into fiscal year 2022

> Profitability, especially in H1, suffered from higher gross input costs from material, energy and freight

> Compensation payments from customers resulted in a strong Q4

> Special effects in FY2022 led to distortion of seasonal pattern

Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. Free cash flow defined as operating cash flow plus investing cash flow.

FURTHER TOP- AND BOTTOM-LINE IMPROVEMENTS EXPECTED DESPITE SIGNIFICANT HEADWINDS

Vitesco Technologies Group (€ mn)

	2022	2023E
Sales	9,070	9,200 to 9,700
Adj. EBIT Margin	2.5%	2.9% to 3.4%
Capex¹ Ratio	4.9%	5% to 6%
Free Cash Flow	123	~50



Market Outlook

China		~1% to 3%
Europe		~5% to 7%
NA		~5% to 7%
RoW		~3% to 5%
World		~3% to 5%

Light Vehicle Production Forecast for changes of FY 2023 production compared to FY 2022 based on IHS Markit, 01/2023.

Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. Free cash flow defined as operating cash flow plus investing cash flow. | ¹ Capex excluding right of use assets (IFRS 16).



Q&A

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UPCOMING EVENTS

Corporate Events



Quarterly Statement Q1 2023
May 12, 2023



Annual General Meeting
May 17, 2023



Interim Report H1/Q2 2023
August 10, 2023



Quarterly Statement 9M/Q3 2023
November 14, 2023



Annual Report FY 2023
March 2024

Roadshows and Conferences



Roadshow London
March 24, 2023



HSBC Future Transport Week
March 24, 2023



UBS Electric Car Day
April 4, 2023



Roadshow Canada
April 24, 2023



Roadshow USA
April 25/26, 2023

Q4 INFORMATION

Q4 KEY FIGURES

Vitesco Technologies Group (€ mn)

	Q4 2021	Q4 2022	Delta
Sales	2,037.8	2,346.3	308.5
% growth	-15.8%	15.1%	
Adj. EBIT	42.2	96.9	54.7
% Margin	2.1%	4.1%	2.0pp
EBIT	51.6	74.6	23.0
% margin	2.5%	3.2%	0.7pp
Capex¹	177.2	193.1	15.9
% of sales	8.7%	8.2%	-0.5pp
Free Cash Flow	21.7	89.7	68.0
% margin	1.1%	3.8%	2.7pp
Equity Ratio	36.3%	40.3%	4.0pp

Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. ¹ Capex excluding right of use assets (IFRS 16).



Highlights and Recent Developments

Sales

- > Impact from FX: +4.3%

Adjusted EBIT

- > Adjusted EBIT margin almost doubled to 4.1%

Free Cash Flow

- > Operational performance and reporting date related effects resulted in positive free cash flow

Capex

- > As in previous years, comparably high Capex towards the end of the year

Equity Ratio

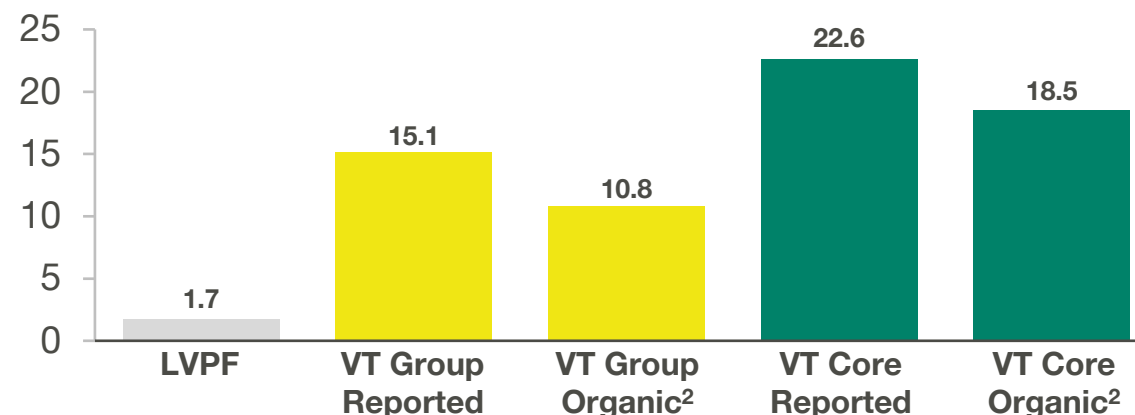
- > Equity ratio benefits from positive Q4 2022 results

ANTICIPATED STRONG PERFORMANCE TOWARDS THE END OF THE YEAR FOLLOWING A LESS DYNAMIC Q3

Light vehicle production¹ (mn units)

	Q4 Production	Q4 Δ YoY
Europe	4.1	4.3%
North America	3.6	7.4%
China	7.2	-6.2%
Rest of World	6.7	6.9%
Worldwide	21.3	1.7%

Year-on-year growth rates (in %)



Highlights and Comments

- > Strong organic growth on both group and core level compared to the market
- > Top-line development underlines transformation progress: Core outperforms Non-Core sales decrease according to plan



Highlights and Comments

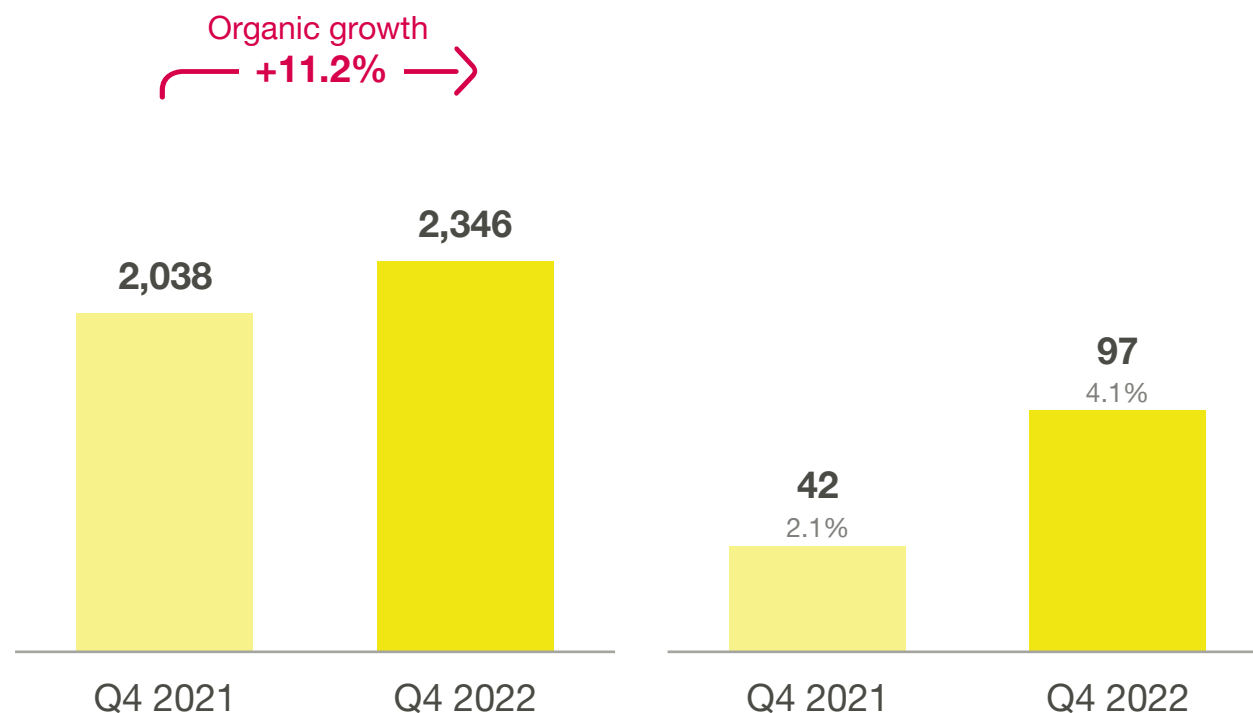
- > Global light vehicle production in Q4 2022 burdened by weak performance in China
- > Strong development of VT group sales in Germany in Q4 2022 (+36% YoY)

¹ Based on IHS Markit, Light Vehicle Production Forecast as of 01/2023. Regions as defined for Vitesco Technologies' sales regions. | ² Sales without effects from consolidation and FX.

Q4 SALES AND ADJUSTED EBIT DEVELOPMENT FOR VITESCO TECHNOLOGIES GROUP

Sales (€ mn)

Adjusted EBIT (€ mn)

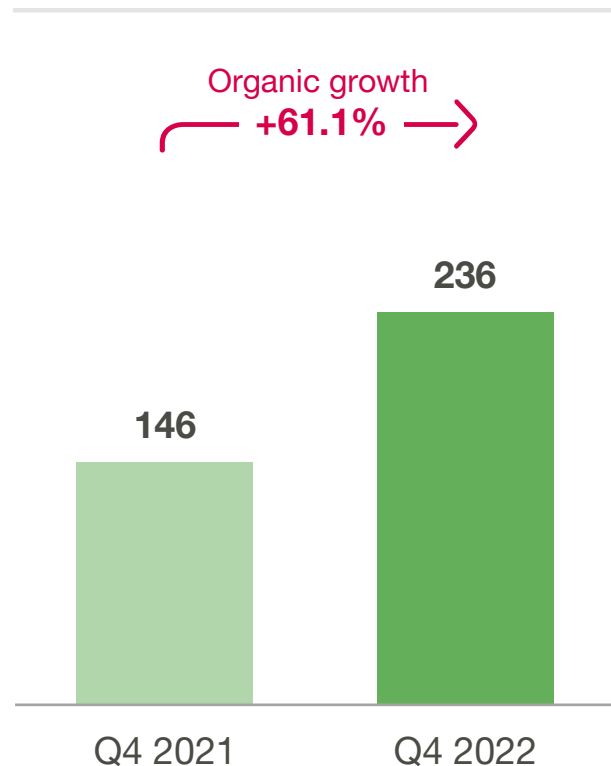


Vitesco Technologies

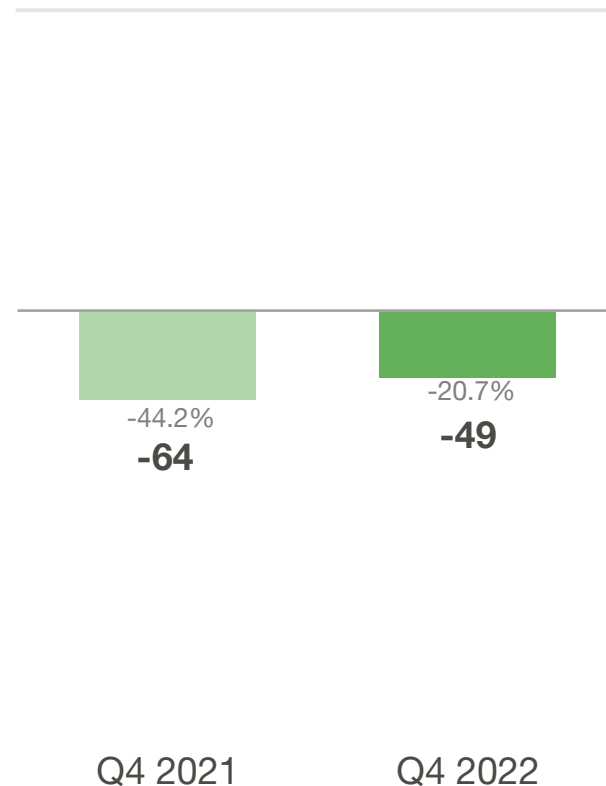
- > Organic sales 9.5pp above light vehicle production
- > Tailwind from currency effects amounting to 4.3pp
- > Core technologies sales at €1,617 mn (PY: €1,319 mn) and 6.1% adj. EBIT margin (PY: 4.1%)
- > Significant increase in adj. EBIT due to R&D reimbursements and strict cost discipline
- > Adj. EBIT margin excl. ET BU business unit of 6.9% (PY: 5.6%)

Q4 SALES AND ADJUSTED EBIT DEVELOPMENT FOR ELECTRIFICATION TECHNOLOGY

Sales (€ mn)



Adjusted EBIT (€ mn)



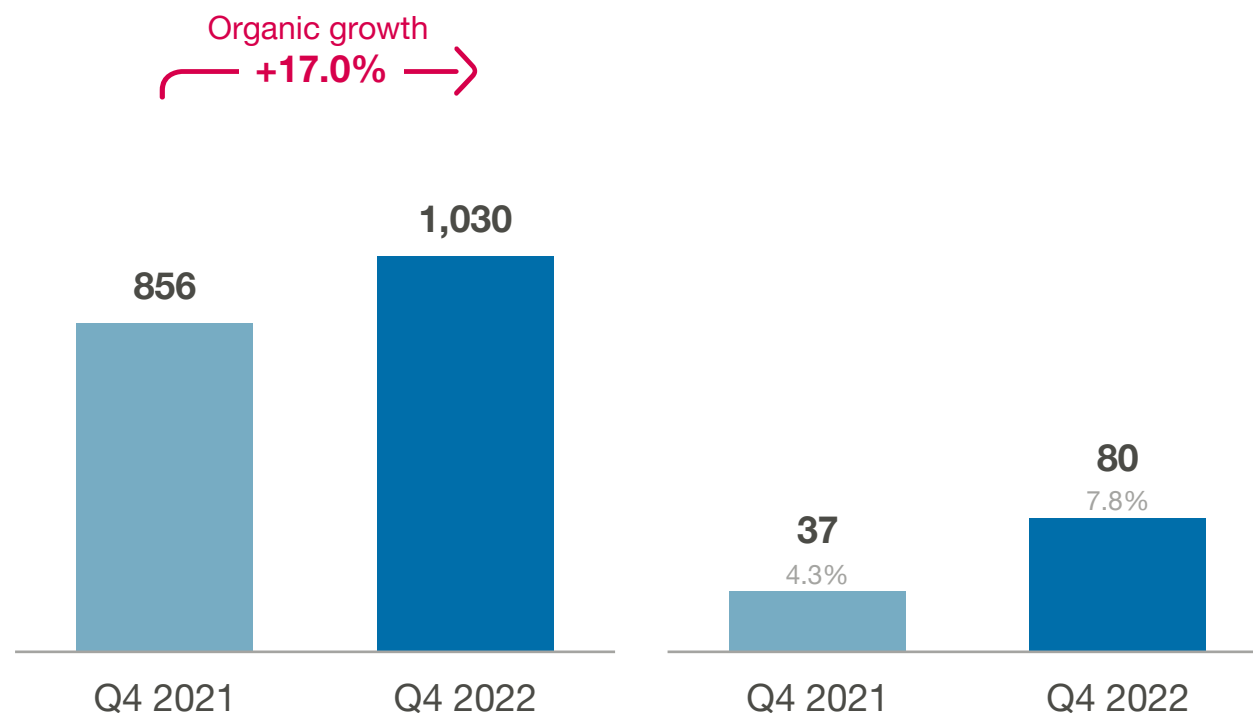
Electrification Technology

- > Positive top-line development mainly driven by European OEMs
- > Top-line still affected by global semiconductor shortage
- > Adjusted EBIT benefits from scale effects and operational optimization

Q4 SALES AND ADJUSTED EBIT DEVELOPMENT FOR ELECTRONIC CONTROLS

Sales (€ mn)

Adjusted EBIT (€ mn)



Electronic Controls

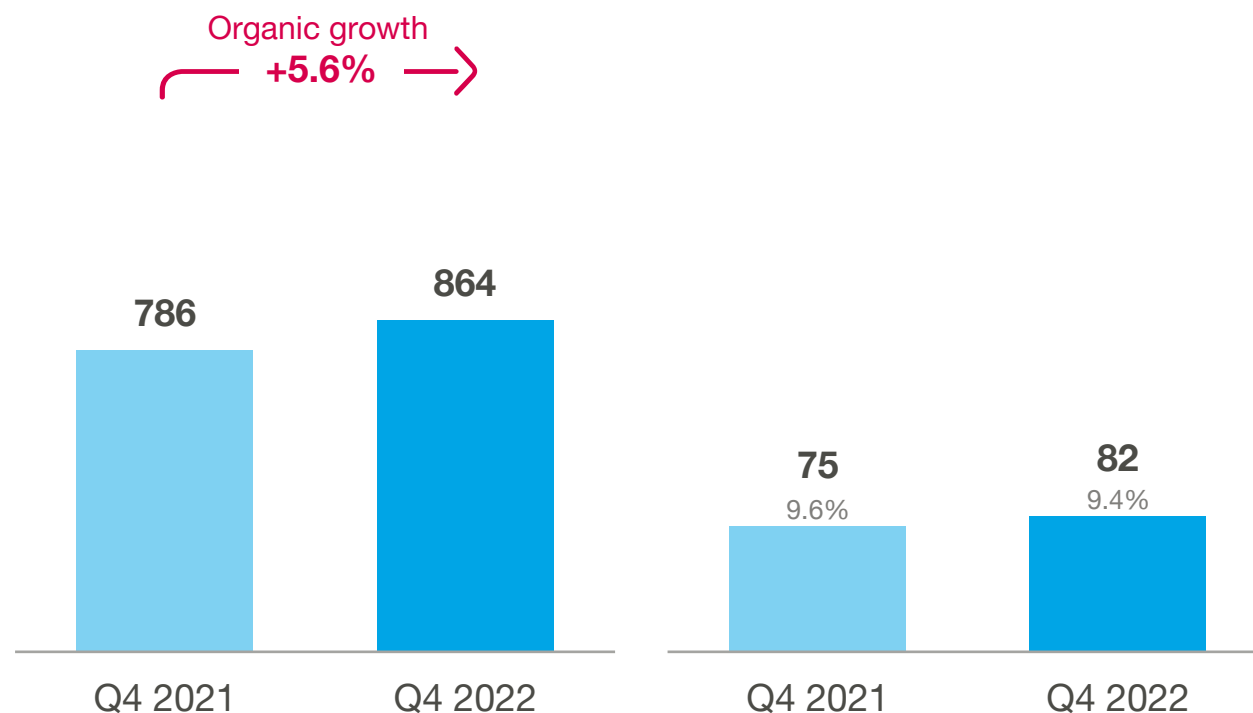
- > Top- and bottom-line growth based on weaker Q4 2021 baseline comparison as well as negotiated price increases with retroactive impacts on full year 2022
- > FX tailwinds in sales of 4.4pp
- > Incremental margin of ~25% thanks to strict cost discipline and cost recoveries
- > Core technologies sales at €734 mn (PY: €554 mn) and 12.0% adj. EBIT margin (PY: 11.5%)

Organic Growth: Sales without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

Q4 SALES AND ADJUSTED EBIT DEVELOPMENT FOR SENSING & ACTUATION

Sales (€ mn)

Adjusted EBIT (€ mn)

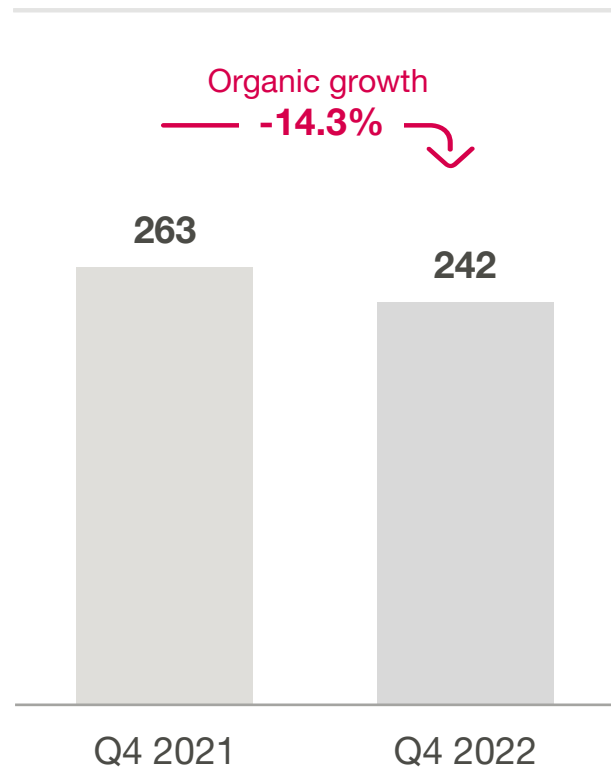


Sensing & Actuation

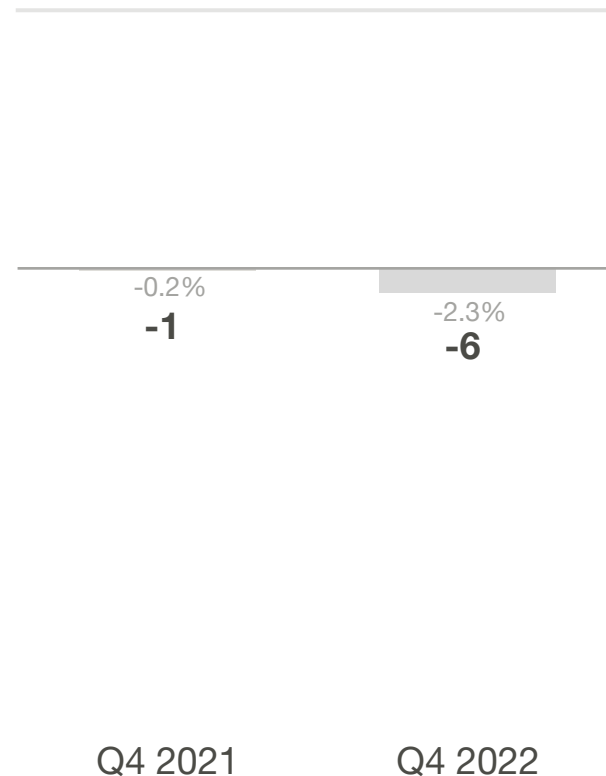
- > Europe and North American markets contributed most to FY sales in S&A BU
- > FX tailwind of 4.3pp included in sales development
- > Cost increases partially covered by customers
- > Core technologies at 10.4% adj. EBIT margin (PY: 9.5%) based on sales of €673 mn (PY: €632 mn)

Q4 SALES AND ADJUSTED EBIT DEVELOPMENT FOR CONTRACT MANUFACTURING

Sales (€ mn)



Adjusted EBIT (€ mn)

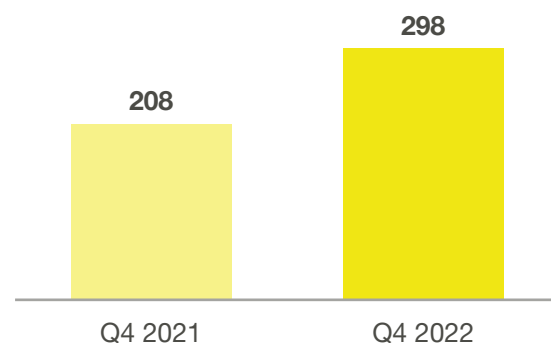


Contract Manufacturing

- > Top-line development in line with Contract Manufacturing phase-out plan
- > Contractually agreed bilateral productivity led to overall lower adj. EBIT margin in FY 2022
- > Adjusted EBIT development represents arms-length relationship between Vitesco Technologies and Continental

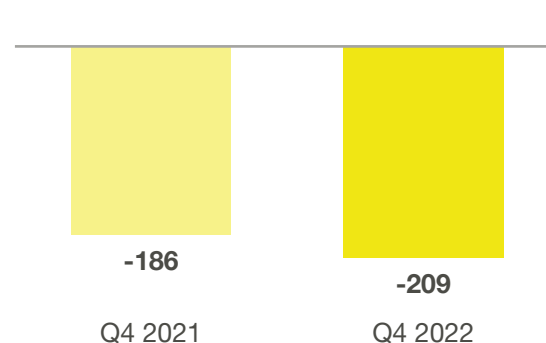
Q4 CASH FLOW PROFILE

Operating Cash Flow (€ mn)



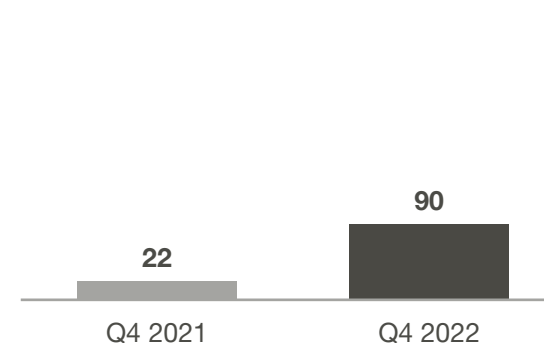
- > Increased profitability led to higher operating cash flow in Q4 2022

Investing Cash Flow (€ mn)



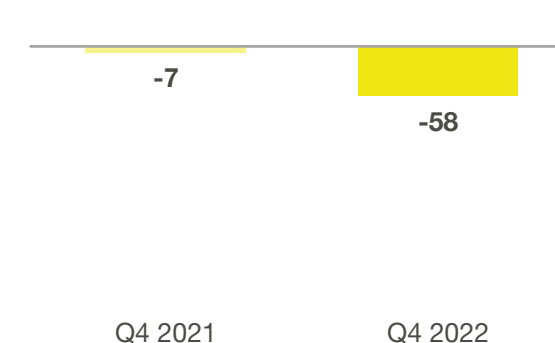
- > Higher capex due to increasing investments especially towards year-end 2022

Free Cash Flow (€ mn)



- > Strong operating cash flow compensates for increased investing cash flow.
- > Cash generation benefits from earlier than anticipated cash inflows from customers

Financing Cash Flow (€ mn)



- > Q4 2022 financing cash flow reflects settlement effects from financial derivatives

THANK YOU