

VITESCO TECHNOLOGIES

Q1 2022

Regensburg, May 13, 2022

Public

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AGENDA OF THE CONFERENCE CALL ON THE Q1 2022 RESULTS

- 1 HIGHLIGHTS FOR Q1 2022
- 2 KEY FIGURES
- 3 MARKET DEVELOPMENT
- 4 SALES AND ADJUSTED EBIT DEVELOPMENT
- 5 CASH FLOW PROFILE
- 6 LIQUIDITY PROFILE
- 7 BALANCE SHEET STRUCTURE
- 8 OUTLOOK FOR FY 2022



WE CONCLUDED Q1 2022 ABOVE EXPECTATIONS DESPITE MAJOR HEADWINDS IN THE INDUSTRY

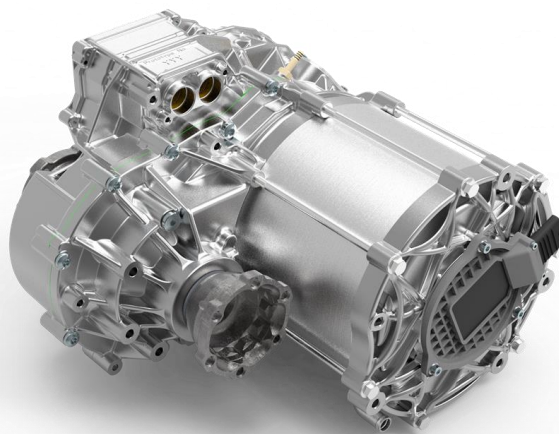
2,259

€ million **sales** in Q1 2022 – despite regional lockdowns in China and ongoing semiconductor shortage

263

€ million total **electrification sales** during Q1 2022

We were awarded with 2 billion euros of order intake from Hyundai Motor Group for our EMR4



45

€ million

2.0%

adjusted EBIT – highly influenced by semiconductor crisis

48

€ million

free cash flow – due to improved profitability

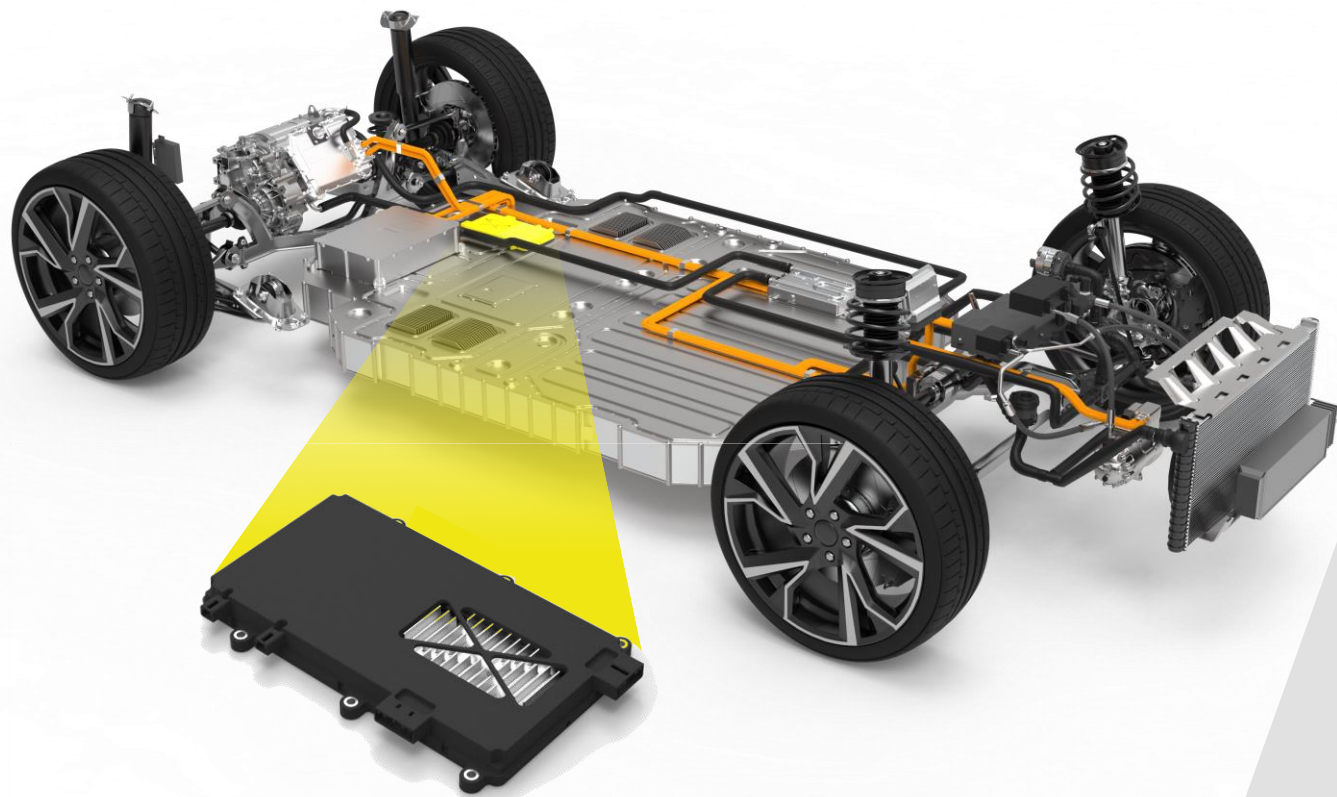


3.7

€ billion **electrification order intake** during Q1 2022; **total order intake at 4.5 € billion**

Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. Order intake defined as sum of acquired lifetime sales within the respective fiscal year.

WE KEEP UP THE ORDER INTAKE MOMENTUM – MAJOR BATTERY MANAGEMENT SYSTEM AWARD IN MAY 2022



HIGHLIGHTS AND COMMENTS

Order Intake

- > Around €1.7 bn business awarded by a global customer

Specifications

- > Battery Management System for 400V and 800V BEV architecture
- > Wireless communication between components

Target

- > Start of production: H1 2024

Order intake defined as sum of acquired lifetime sales within the respective fiscal year.

WE PROVED RESILIENT PROFITABILITY AND CASH GENERATION IN CHALLENGING MARKET CONDITIONS

VITESCO TECHNOLOGIES GROUP (€ MN)

	Q1 2021	Q1 2022	Delta
Sales	2,302.0	2,258.6	-43.4
% growth	-	-1.9%	
Adj. EBIT	17.1	45.2	28.1
% margin	0.7%	2.0%	1.3pp
EBIT	14.2	37.6	23.4
% margin	0.6%	1.7%	1.1pp
Capex ¹	44.3	52.1	7.8
% of sales	1.9%	2.3%	0.4pp
Free Cash Flow	239.1	48.2	-190.9
% margin	10.4%	2.1%	-8.3pp
Equity Ratio	33.8%	35.9%	2.1pp

HIGHLIGHTS AND RECENT DEVELOPMENTS

Sales

- > Impact from FX: +4.0%
- > €263 mn electrification sales

Adjusted EBIT

- > Significant increase in profitability despite burden from semiconductor shortage

Free Cash Flow

- > Q1 2022 proved solid cash generation despite working capital increase; PY was heavily impacted by special effects

Equity Ratio

- > Equity ratio benefits from settlement of former intercompany A/R and A/P with Continental

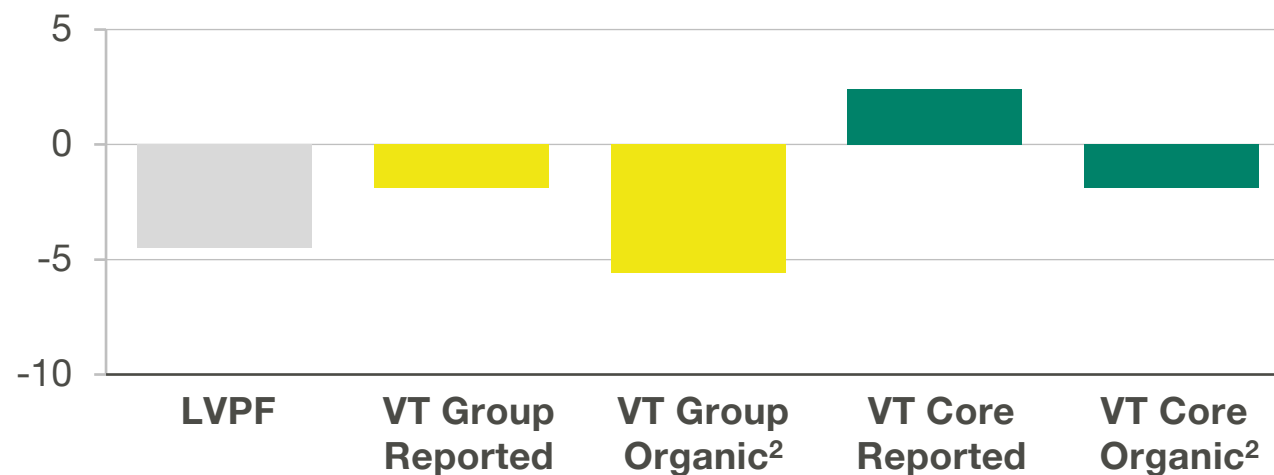
Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. ¹ Capex excluding right of use assets (IFRS 16).

OUR CORE TECHNOLOGIES CONTINUE TO OUTPERFORM THE WORLDWIDE LIGHT VEHICLE PRODUCTION

LIGHT VEHICLE PRODUCTION¹ (MN UNITS)

	Q1 Production	Q1 Δ YoY
Europe	3.8	-18.7%
North America	3.6	-1.9%
China	6.2	6.5%
Rest of World	6.1	-5.7%
Worldwide	19.7	-4.5%

YEAR-ON-YEAR GROWTH RATES (IN %)



HIGHLIGHTS & COMMENTS

- > Semiconductor shortages, China lockdowns and war in Ukraine led to lower light vehicle production worldwide
- > OEM production focus was on electric vehicles and premium platforms

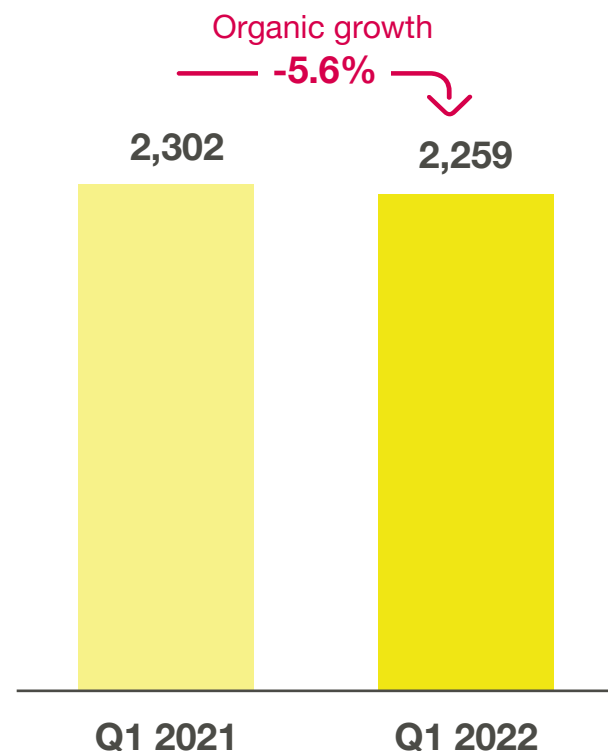
HIGHLIGHTS & COMMENTS

- > Drop in worldwide light vehicle production mainly driven by weak production in Europe
- > High exposure to Europe led to negative mix effects for VT underperformance on group level

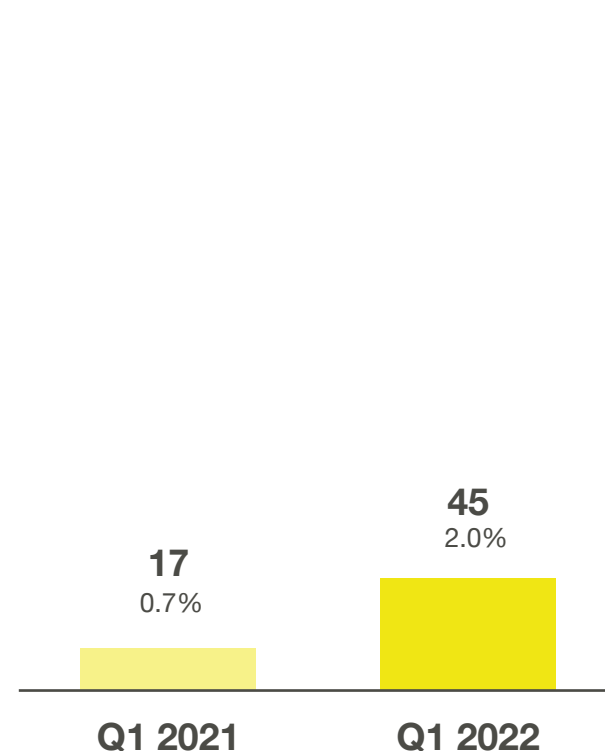
¹ Based on S&P Global Mobility, Light Vehicle Production Forecast as of 04/2022. Regions as defined for Vitesco Technologies' sales regions. ² Sales without effects from consolidation and FX.

OPERATIONAL IMPROVEMENTS RESULTED IN INCREASING ADJ. EBIT MARGINS DESPITE LOWER SALES VOLUME

SALES (€ MN)



ADJUSTED EBIT (€ MN)



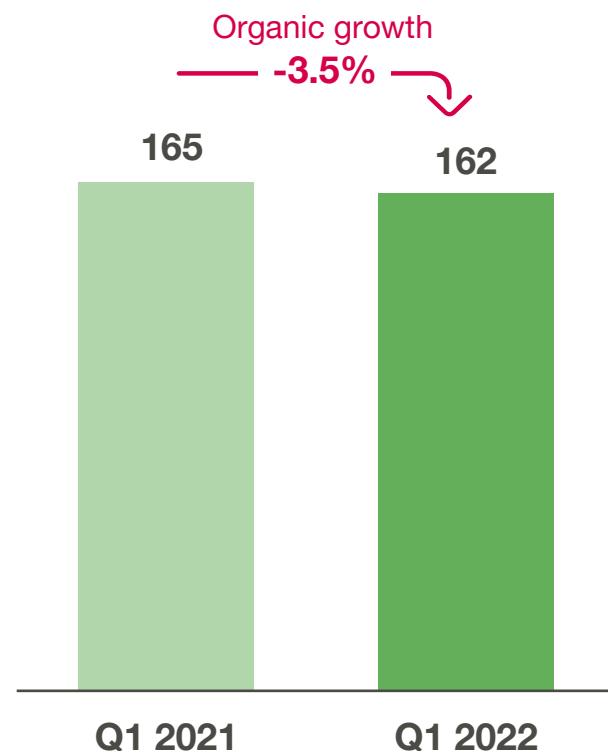
VITESCO TECHNOLOGIES

- > Organic sales 1.1pp below light vehicle production
- > Tailwind from currency effects amounting to 4.0pp
- > Core technologies sales at €1,465 mn (PY: €1,432 mn) and 2.4% adj. EBIT margin (PY: -0.9%)
- > Higher gross input costs from material, energy and freight in Q1 2022 of around €90 mn
- > Q1 2021 additionally burdened by higher semiconductor costs
- > Margin excl. Electrification Technology business unit of 5.4%

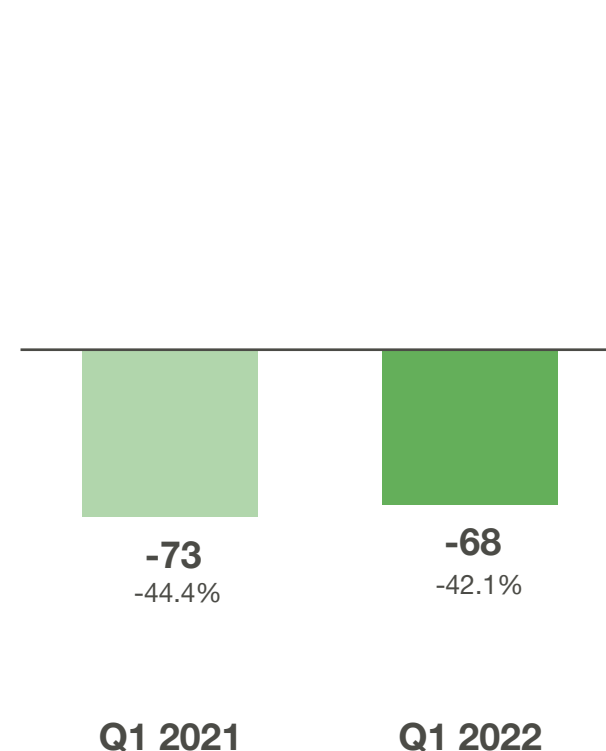
Organic growth: Sales growth without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

ELECTRIFICATION TECHNOLOGY BU REALIZED RECORD ORDER INTAKE IN AN OTHERWISE CHALLENGING QUARTER

SALES (€ MN)



ADJUSTED EBIT (€ MN)



ELECTRIFICATION TECHNOLOGY

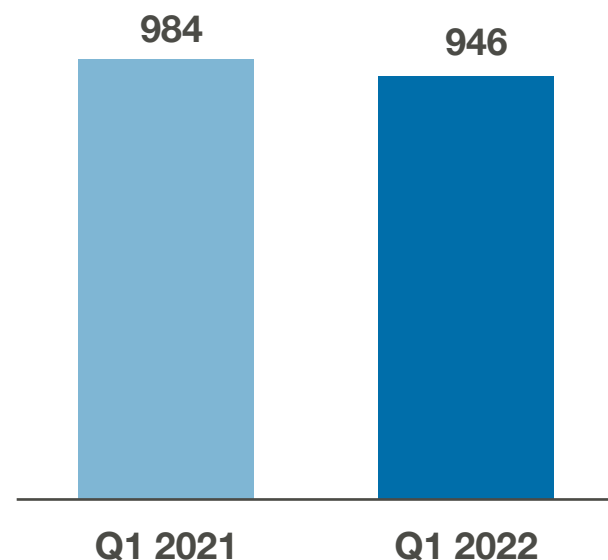
- > Top-line significantly affected by global semiconductor shortage
- > Negative top-line development mainly driven by German market development
- > Adjusted EBIT benefits from increasing gross margin due to operational optimization
- > Ongoing burdens from lower sales volume, R&D expenses, price increases and ramp-up costs
- > ET BU order intake of €3.5 bn in Q1 2022, overall electrification order intake in Q1 of €3.7 bn

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

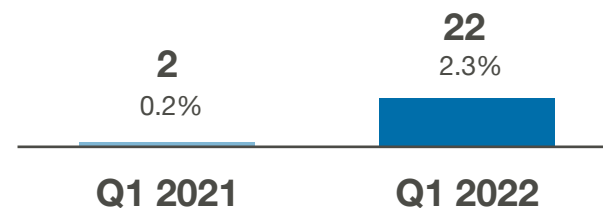
ELECTRONIC CONTROLS BU MANAGED TO INCREASE ITS PROFITABILITY DESPITE THE VOLUME REDUCTION

SALES (€ MN)

Organic growth
-7.8%



ADJUSTED EBIT (€ MN)



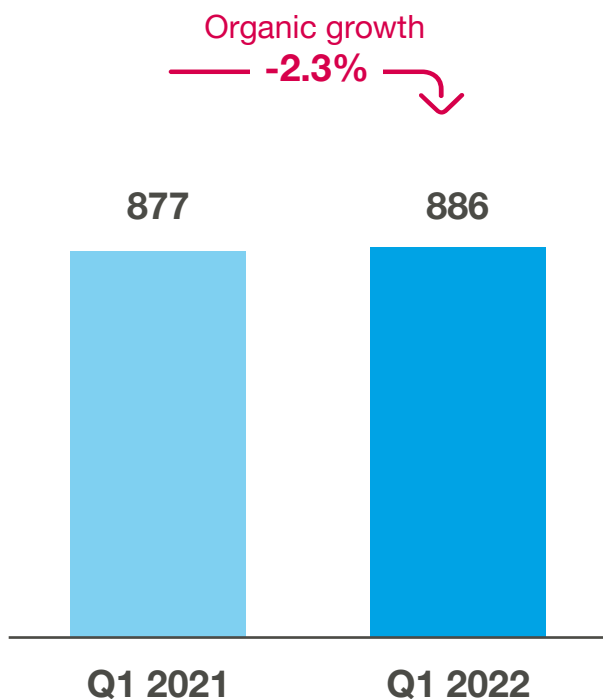
ELECTRONIC CONTROLS

- > Top- and bottom-line burdened by lost sales (esp. Germany and China) and additional costs due to semiconductor shortage
- > FX tailwinds in sales of 4.0pp
- > Adj. EBIT margin increased despite lower volumes and ongoing semiconductor costs
- > Highest margin impact from cost increases, especially from material price
- > Core technologies sales at €605 mn (PY: €602 mn) and 2.1% margin (PY: -0.4%)

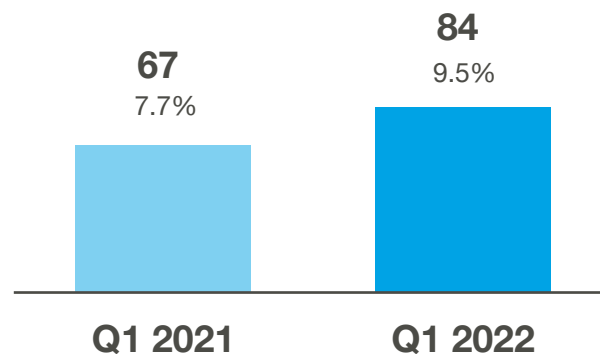
Organic growth: Sales growth without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

SENSING & ACTUATION BU PROFITABILITY ALMOST BACK AT DOUBLE-DIGIT ADJ. EBIT MARGIN IN A CHALLENGING MARKET

SALES (€ MN)



ADJUSTED EBIT (€ MN)



SENSING & ACTUATION

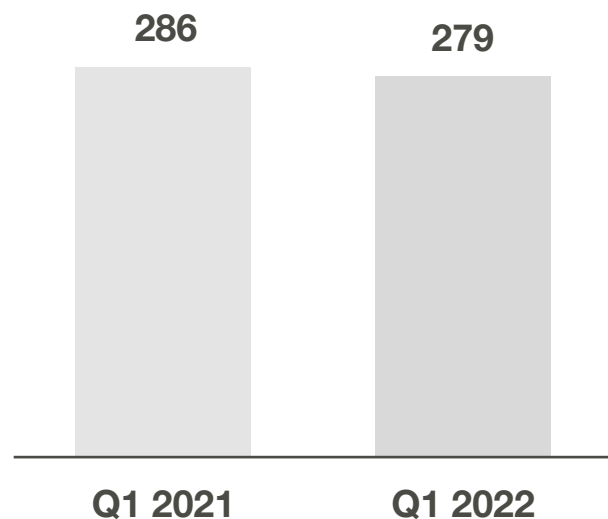
- > Semiconductor shortage with lower effects to top-line compared to Electronic Controls
- > FX tailwind of 4.2pp included in sales development
- > Top-line development mainly driven by increase in demand in Germany and North America
- > Additional margin pressure from higher input costs
- > Core technologies at 13.1% margin (PY: 9.3%) with sales at €713 mn (PY: €674 mn)

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

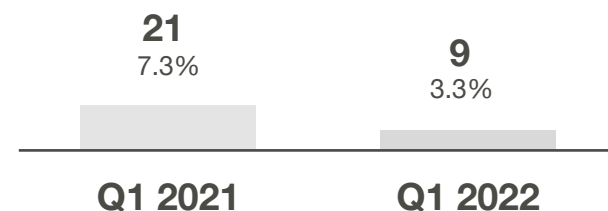
CONTRACT MANUFACTURING BU MARGINS DECLINED AS ANTICIPATED DUE TO BILATERAL PRODUCTIVITY

SALES (€ MN)

Organic growth
-7.4%



ADJUSTED EBIT (€ MN)



CONTRACT MANUFACTURING

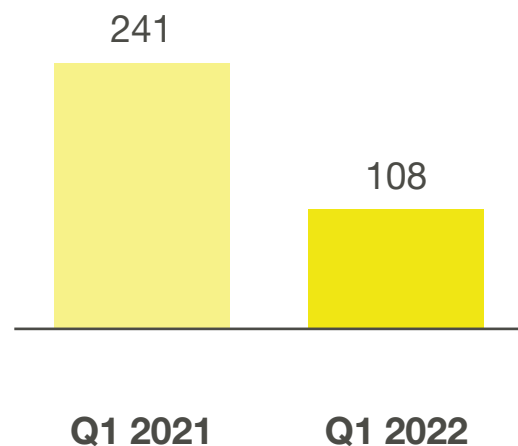
- > Top-line development in line with Contract Manufacturing phase-out plan
- > FX effects led to €14 mn higher sales in Q1 2022
- > Contractually agreed bilateral productivity led to lower margin in 2022
- > Operating income development neglectable on group level due to bilateral, offsetting effects from purchases from Continental Contract Manufacturing
- > Adjusted EBIT represents arms-length relationship between Vitesco Technologies and Continental

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

WE CONTINUE OUR RESILIENT FREE CASH FLOW GENERATION IN A CHALLENGING MARKET ENVIRONMENT

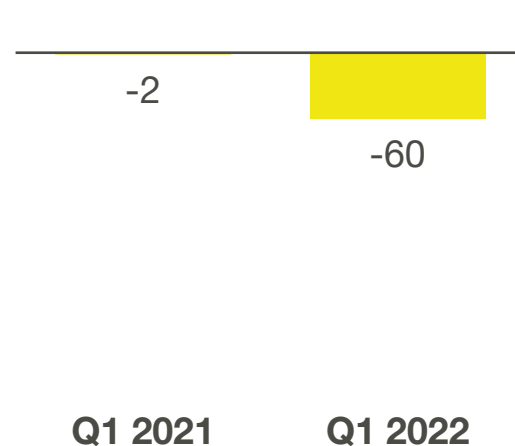
OPERATING CASH FLOW

in € mn



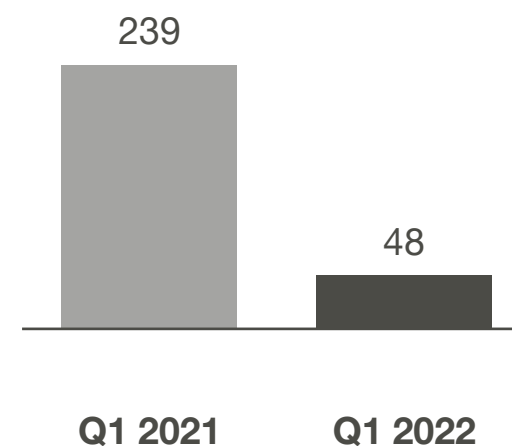
- > Operational performance contributes to positive cash flow despite lower sales
- > Stricter working capital management led to lower cash outflow in Q1 2022

INVESTING CASH FLOW



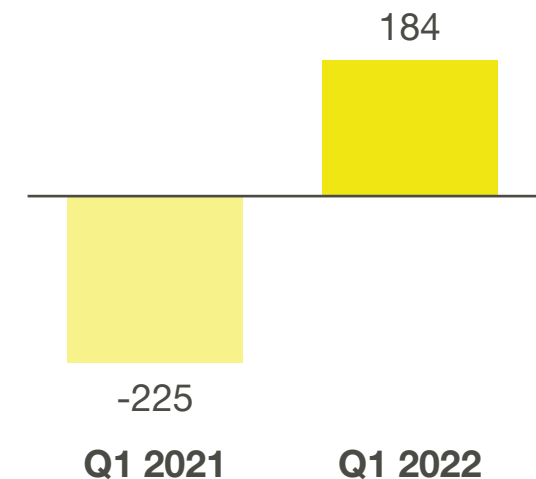
- > Q1 2022 capex slightly above previous year but still on a very low level
- > Cash inflow from disposal led to low investing cash flow in Q1 2021

FREE CASH FLOW



- > Positive free cash flow in Q1 2022 despite headwinds from semiconductor shortage
- > Q1 2021 heavily impacted by spin-off effects

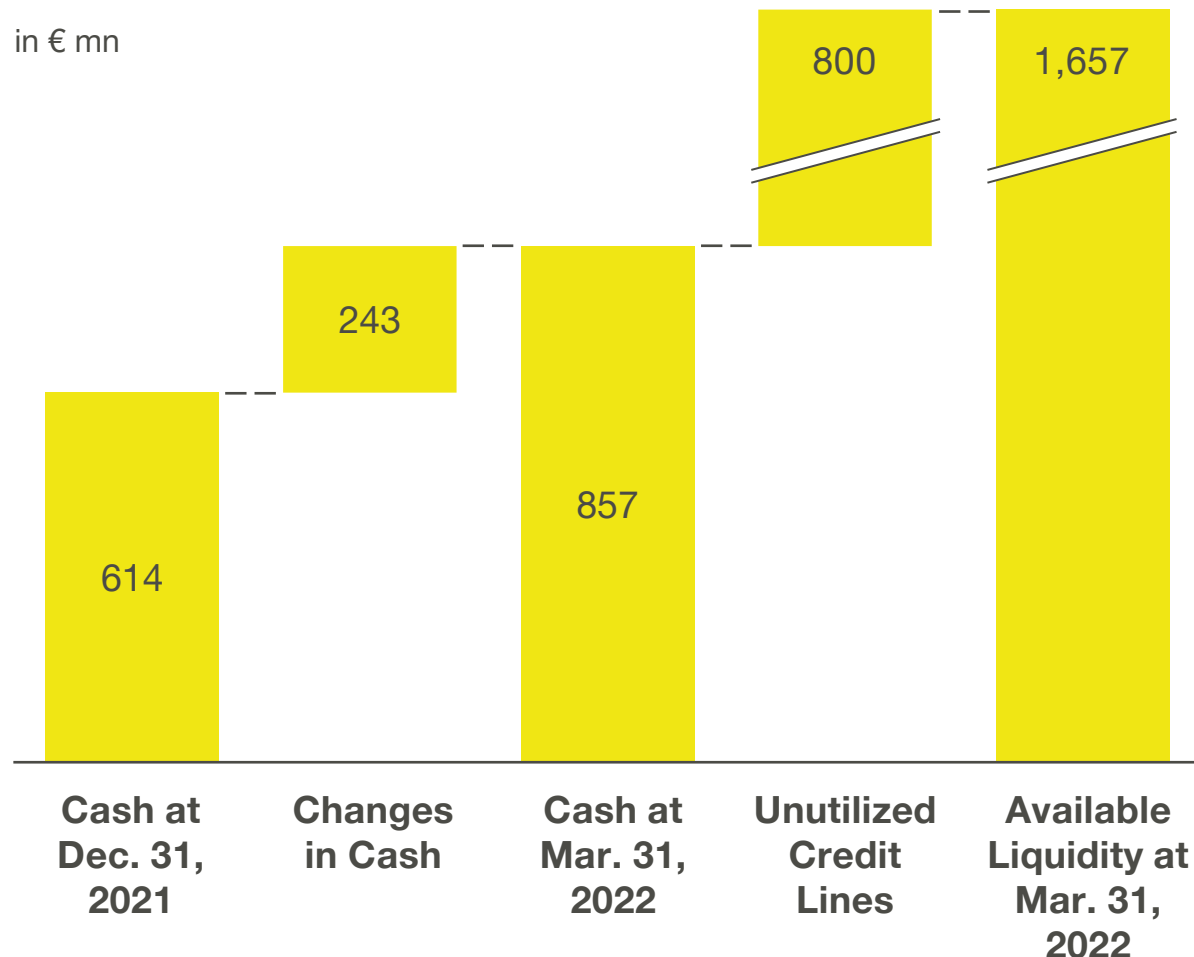
FINANCING CASH FLOW



- > Schuldschein loan drives positive financing cash flow in Q1 2022
- > Q1 2021 driven by financing with Continental

Free cash flow defined as operating cash flow plus investing cash flow.

VERY COMFORTABLE LIQUIDITY SITUATION DUE TO AVAILABLE CASH POSITION AND UNDRAWN RCFS



HIGHLIGHTS & COMMENTS

Available Liquidity

- > Increase in cash to €857 mn at the end of Q1 2022
- > Main driver: Schuldschein loan and resilient free cash flow

Undrawn Credit Lines

- > Available credit lines amounting to a total of €800mn
- > RCF expiration: Q3 2024
 - > Option of 2-year prolongation

Schuldschein Loan

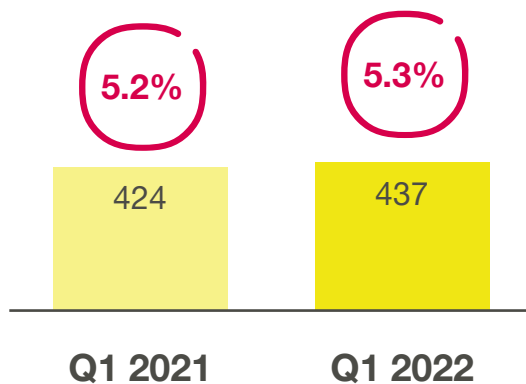
- > €200 mn Schuldschein placed in March, incremental RCF was reduced to €50 mn subsequently

RCF: Revolving Credit Facility. Adj. EBITDA before consolidation and special effects.

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

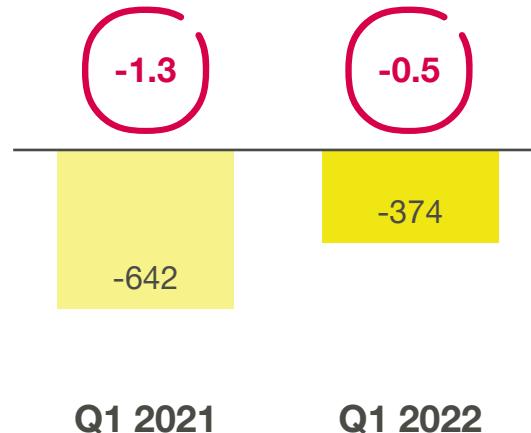
NET WORKING CAPITAL (€ MN)

Net Working Capital / LTM Sales



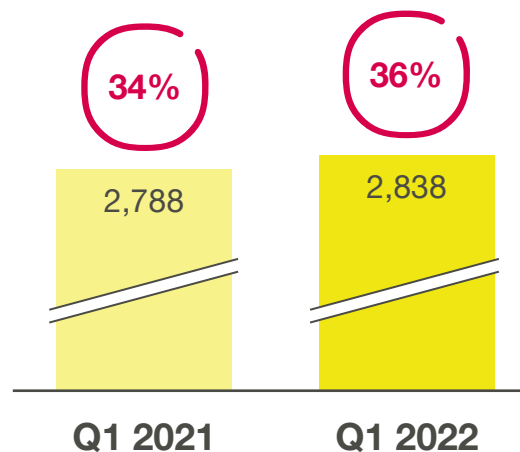
NET DEBT (€ MN)

Net Debt / LTM adj. EBITDA

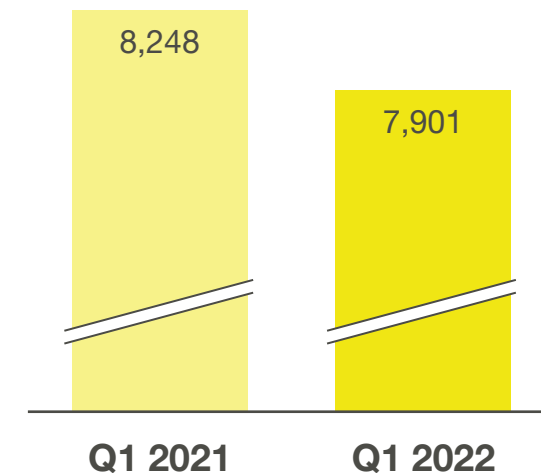


TOTAL EQUITY (€ MN)

Equity Ratio



BALANCE SHEET TOTAL (€ MN)



- > Working capital ratio still impacted by extended payment terms associated with Contract Manufacturing and increase of inventory levels
- > Accounts receivable continue to normalize post spin-off, the resulting decrease offsets year-on-year inventory increase

- > Net Debt / LTM adj. EBITDA ratio proving our comfortable liquidity and leverage situation
- > Increase in equity ratio to around 36%
- > Balance sheet total reduced after settlement of former intercompany A/R and A/P with Continental






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

WE KEEP OUR GUIDANCE UNCHANGED DESPITE THE ADJUSTMENT OF UNDERLYING MARKET ASSUMPTIONS

VITESCO TECHNOLOGIES GROUP (€ MN)

	2021	2022E
Sales	8,348	8,600 to 9,100
Adj. EBIT Margin	1.8%	2.2% to 2.7%
Special Effects	109	100 to 150
Capex¹ Ratio	5.3%	around 6%
Free Cash Flow	113	> 50

MARKET OUTLOOK

China		~ -2% to 0% Previous: ~0% to 2%
Europe		~ 3% to 5% Previous: ~17% to 19%
NA		~ 11% to 13% Previous: ~15% to 17%
RoW		~ 4% to 6% Previous: ~5% to 7%
World		~ 3% to 5% Previous: ~8% to 10%

Light Vehicle Production Forecast for changes of FY 2022 production compared to FY 2021. 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

FINANCIAL CALENDAR

CORPORATE EVENTS



Interim Report H1 2022

August 10, 2022



Quarterly Statement Q3 2022

November 14, 2022



Annual Report FY 2022

March 2023



Annual General Meeting 2023

May 2023

ROADSHOWS AND CONFERENCES



Citi Autos Conference

May 18, 2022



UBS Best of Europe Conference

May 19, 2022



dbAccess German Corporate Conference (Frankfurt)

May 24, 2022



US Roadshow

May 31 to June 02, 2022



Quirin Champions Conference

June 2, 2022



JP Morgan Automotive Conference (London)

June 06 / 07, 2022



DB Global Auto Industry Conference (New York)

June 15 / 16, 2022

THANK YOU