

VITESCO TECHNOLOGIES

Q3 2021

Regensburg, November 11, 2021

Public

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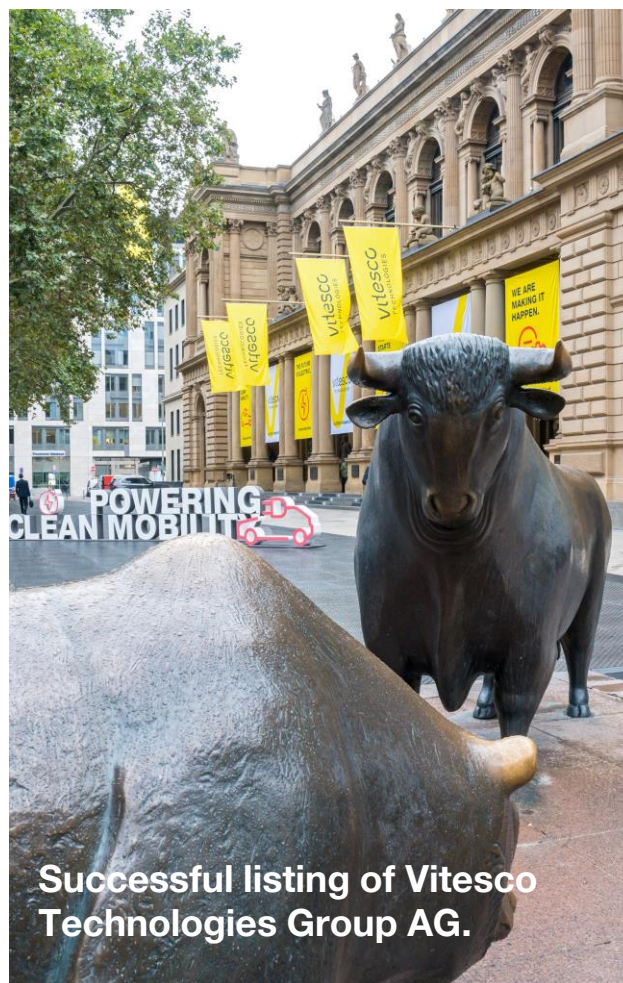
Q3 HIGHLIGHTS AT A GLANCE

1,914

€ million sales in Q3 2021 – continued market outperformance in a challenging environment

770

€ million electrification order intake during Q3 2021



22.8

 € million

1.2 %

adjusted EBIT – highly influenced by semiconductor crisis



Phasing out CM BU

Progress according to plan



2.6

€ billion total order intake during Q3 2021

Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. CM BU: Contract Manufacturing Business Unit.

KEY FIGURES

VITESCO TECHNOLOGIES GROUP (€ MN)

	Q3 2020	Q3 2021	Delta
Sales	2,200.2	1,913.8	-286.4
% growth	-	-13.0%	
Adj. EBIT	102.2	22.8	-79.4
% margin	4.7%	1.2%	-3.5pp
EBIT	-1.4	-51.9	-50.5
% margin	-0.1%	-2.7%	-2.6pp
Capex ¹	83.4	118.2	34.8
% of sales	3.8%	6.2%	2.4pp
Free Cash Flow	340.4	-213.2	-553.6
% margin	15.5%	-11.1%	-26.6pp
Equity Ratio	33.9%	37.1%	3.2pp

HIGHLIGHTS AND RECENT DEVELOPMENTS

Sales

- > Impact from FX: +1.9%

Adjusted EBIT

- > Adjusted EBIT burdened by exceptional items related to semiconductor shortage

Order Intake of €2.6 bn

- > Electrified business order intake: €770 mn, thereof €640 mn in ET BU

Free Cash Flow

- > Increased inventory level and higher spending driving negative free cash flow in Q3

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).

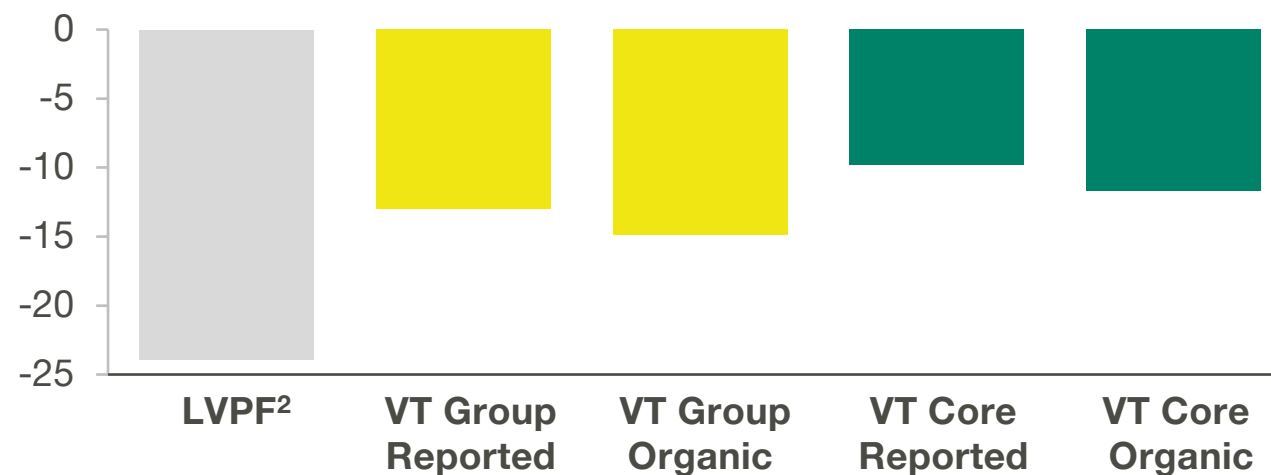
MARKET DEVELOPMENT

VITESCO TECHNOLOGIES

LIGHT VEHICLE PRODUCTION¹ (MN UNITS)

	Q3 Production	Q3 Δ YoY
Europe	3.0	-29.7%
North America	3.0	-25.2%
China	5.3	-16.8%
Rest of World	5.1	-11.6%
Worldwide	16.5	-19.7%

WEIGHTED YEAR-ON-YEAR GROWTH RATES



HIGHLIGHTS & COMMENTS

- > Semiconductor shortages led to lower light vehicle production worldwide
- > OEM production focus was on electric vehicles and premium platforms

HIGHLIGHTS & COMMENTS

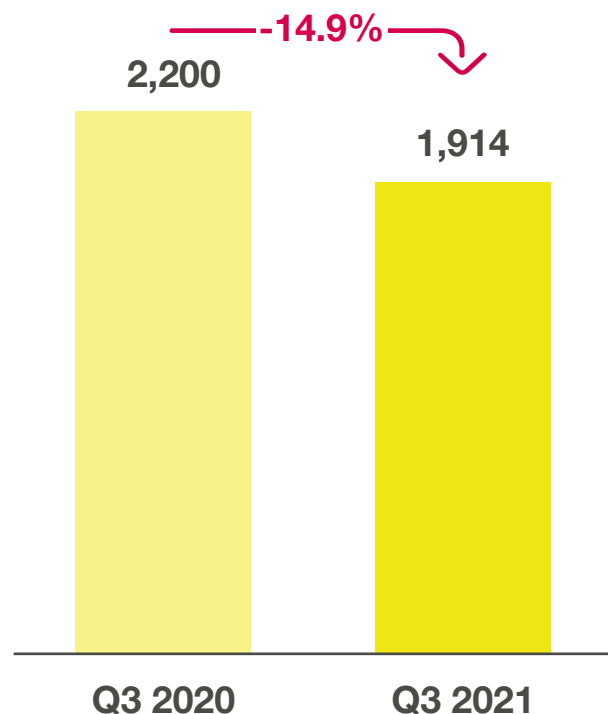
- > VT Group outperformance driven by core business development
- > Asian (ex China) and European (ex Germany) sales contributing to outperformance

¹ Based on IHS Markit, Light Vehicle Production Forecast as of 10/2021. ² Light vehicle production weighted according to Vitesco Technologies' regional sales distribution.

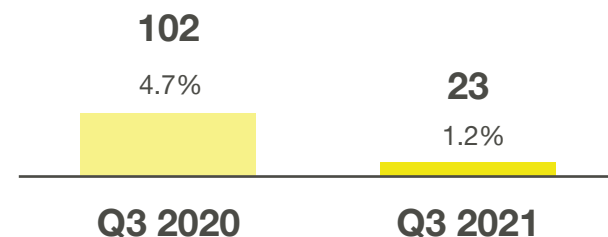
SALES AND ADJUSTED EBIT DEVELOPMENT

VITESCO TECHNOLOGIES GROUP

SALES (€ MN)



ADJUSTED EBIT (€ MN)



HIGHLIGHTS & COMMENTS

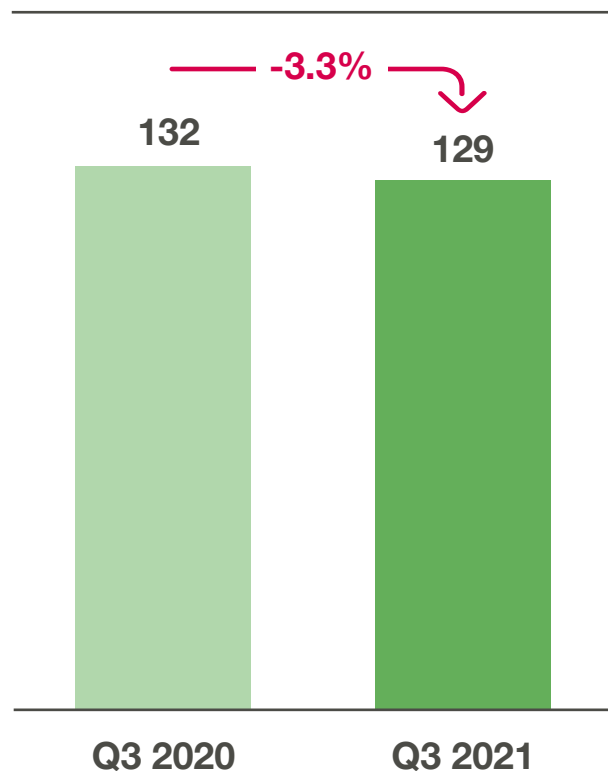
- > Organic sales 9pp above light vehicle production
- > Tailwind from currency effects amounting to 1.9pp
- > Core Technologies sales at €1,226 mn (PY: € 1,359 mn) and 0.8% margin (PY: 6.7%)
- > Burden associated with semi supply constraints of €40 mn
- > Decremental margin of 27.7% amid semiconductor shortages
- > Margin ex. Electrification Technology business unit of 5.2%

↗ Organic Growth. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

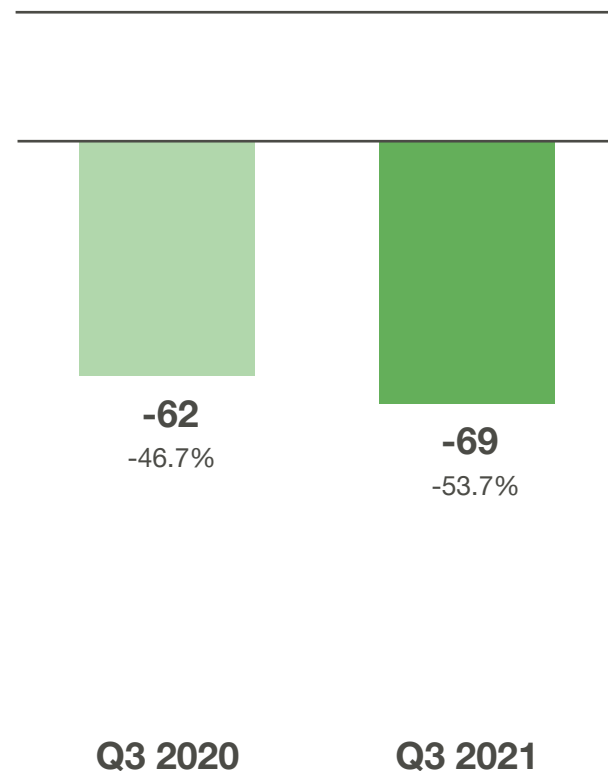
SALES AND ADJUSTED EBIT DEVELOPMENT

ELECTRIFICATION TECHNOLOGY

SALES (€ MN)



ADJUSTED EBIT (€ MN)



HIGHLIGHTS & COMMENTS

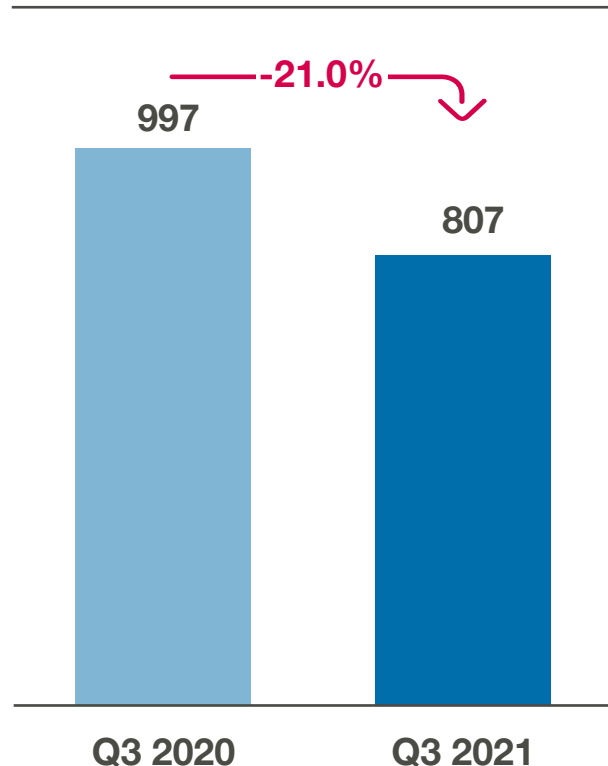
- > Electrification Technology business unit less affected by global semiconductor shortage
- > Positive top-line development in Europe could not compensate for worldwide decreasing volumes
- > Adjusted EBIT burdened by lower sales volumes, R&D expenses and ramp-up costs
- > ET BU order intake of €640 mn in Q3 2021, overall electrification order intake in Q3 of €770 mn

↗ Organic Growth. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

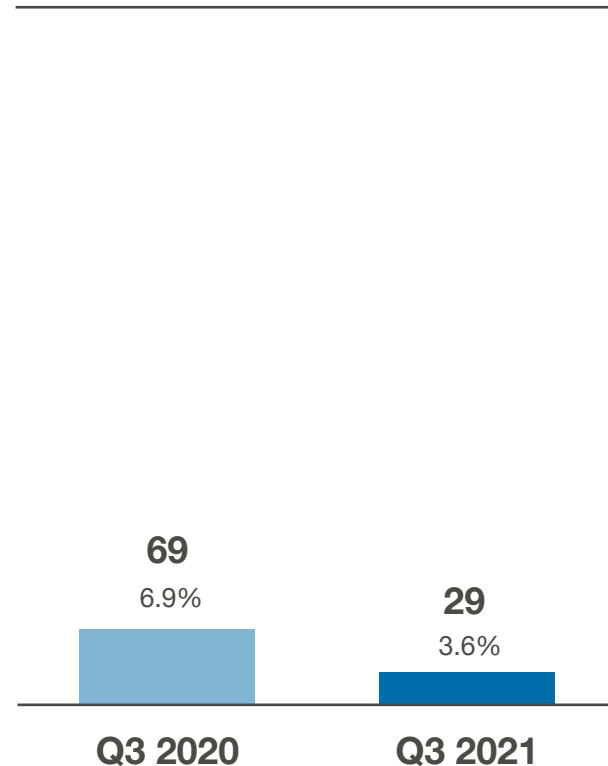
SALES AND ADJUSTED EBIT DEVELOPMENT

ELECTRONIC CONTROLS

SALES (€ MN)



ADJUSTED EBIT (€ MN)



HIGHLIGHTS & COMMENTS

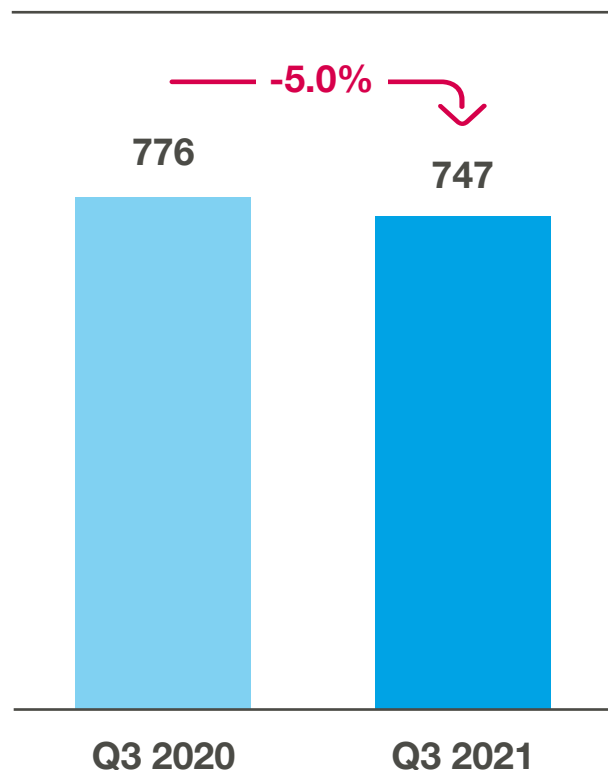
- > Top- and bottom-line development burdened by lost sales and additional costs due to semiconductor shortage
- > Sales development profited from FX tailwinds of 2.0pp
- > Decremental margin of 21.1% despite additional burden related to semiconductor shortage of ~€16 mn
- > Core Technologies sales at €503 mn (PY: €649 mn) and 4.1% margin (PY: 10.9%)

↗ Organic Growth. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

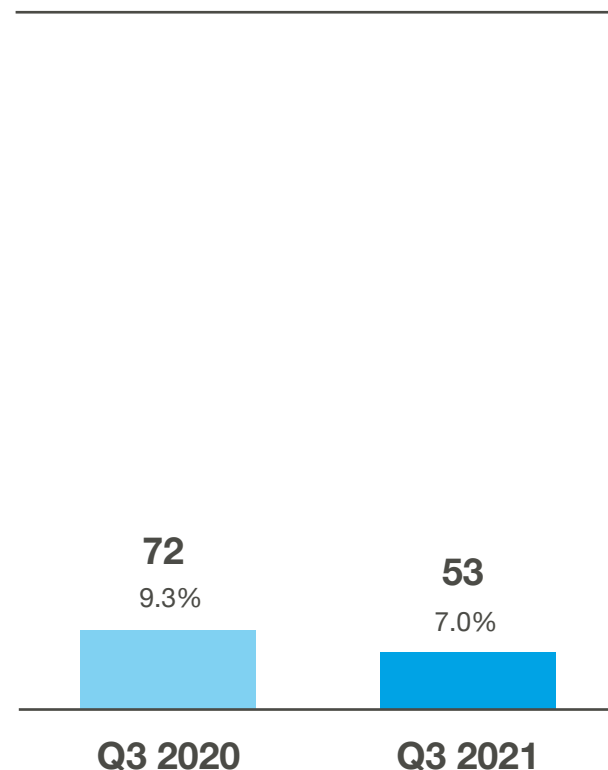
SALES AND ADJUSTED EBIT DEVELOPMENT

SENSING & ACTUATION

SALES (€ MN)



ADJUSTED EBIT (€ MN)



HIGHLIGHTS & COMMENTS

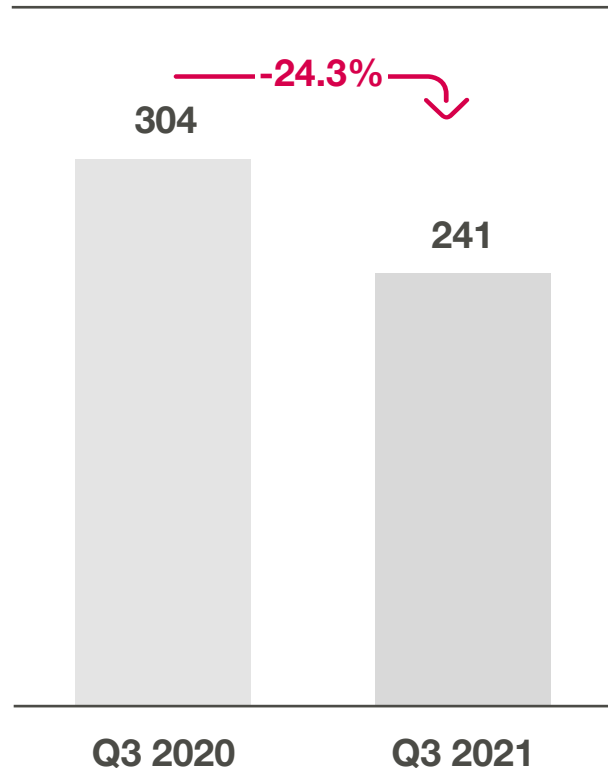
- > Semi shortage with lower effects to top-line development due to utilization of broker parts
- > FX tailwind of 1.2pp included in sales development
- > Positive top-line development in Europe (ex Germany) and China could not compensate for lower sales in Germany and North America
- > Adjusted EBIT burden related to semiconductor shortage of ~€24 mn
- > Core Technologies sales at €603 mn (PY: €586 mn) and 9.7% margin (PY: 13.7%)

↗ Organic Growth. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

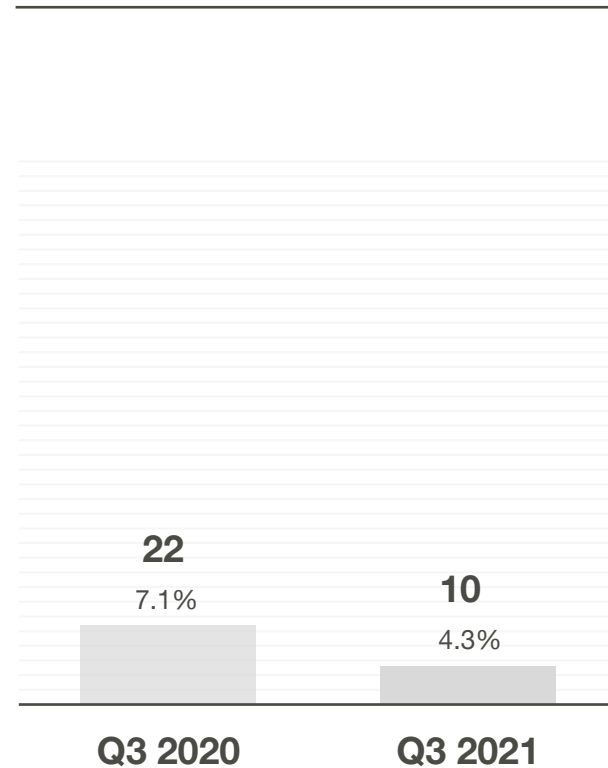
SALES AND ADJUSTED EBIT DEVELOPMENT

CONTRACT MANUFACTURING

SALES (€ MN)



ADJUSTED EBIT (€ MN)



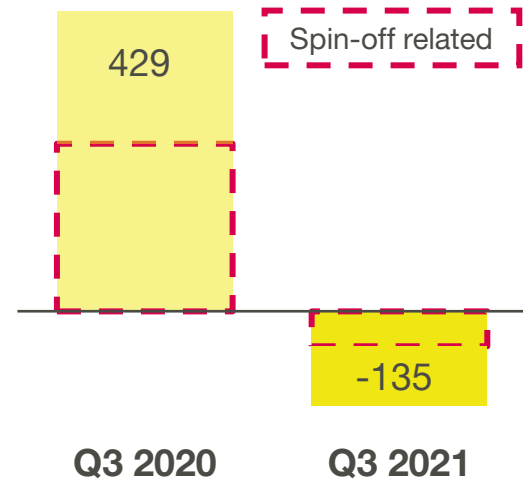
HIGHLIGHTS & COMMENTS

- > Top line development in line with Contract Manufacturing phase-out plan
- > Operating income development neglectable on group level since similar amount of goods is being purchased from Continental Contract Manufacturing
- > Adjusted EBIT development represents arms-length relationship between Vitesco Technologies and Continental
- > Previous year's higher adjusted EBIT margin mainly driven by cost savings and carve-out related special effects

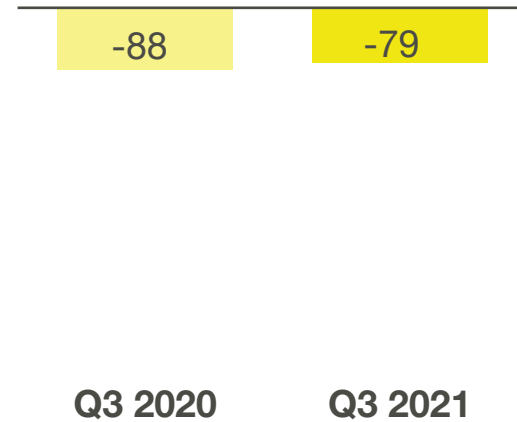
↗ Organic Growth. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

CASH FLOW PROFILE

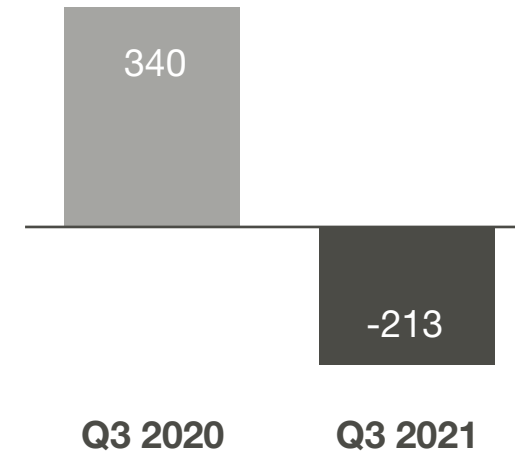
OPERATING CASH FLOW



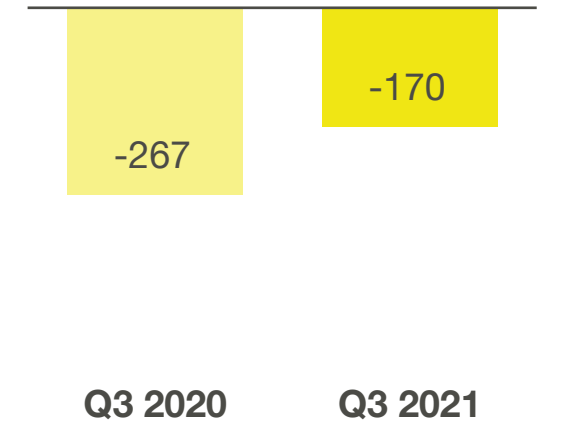
INVESTING CASH FLOW



FREE CASH FLOW



FINANCING CASH FLOW



Operating cash flow

- > Base- and spin-off-effects as well as semi shortage burden cash development
- > Higher working capital intensity mainly due to increase in inventories

Investing cash flow

- > Higher capex associated with increased order intake activities
- > Capex partly offset by cash inflows of ~€45 mn related to divestments

Free cash flow

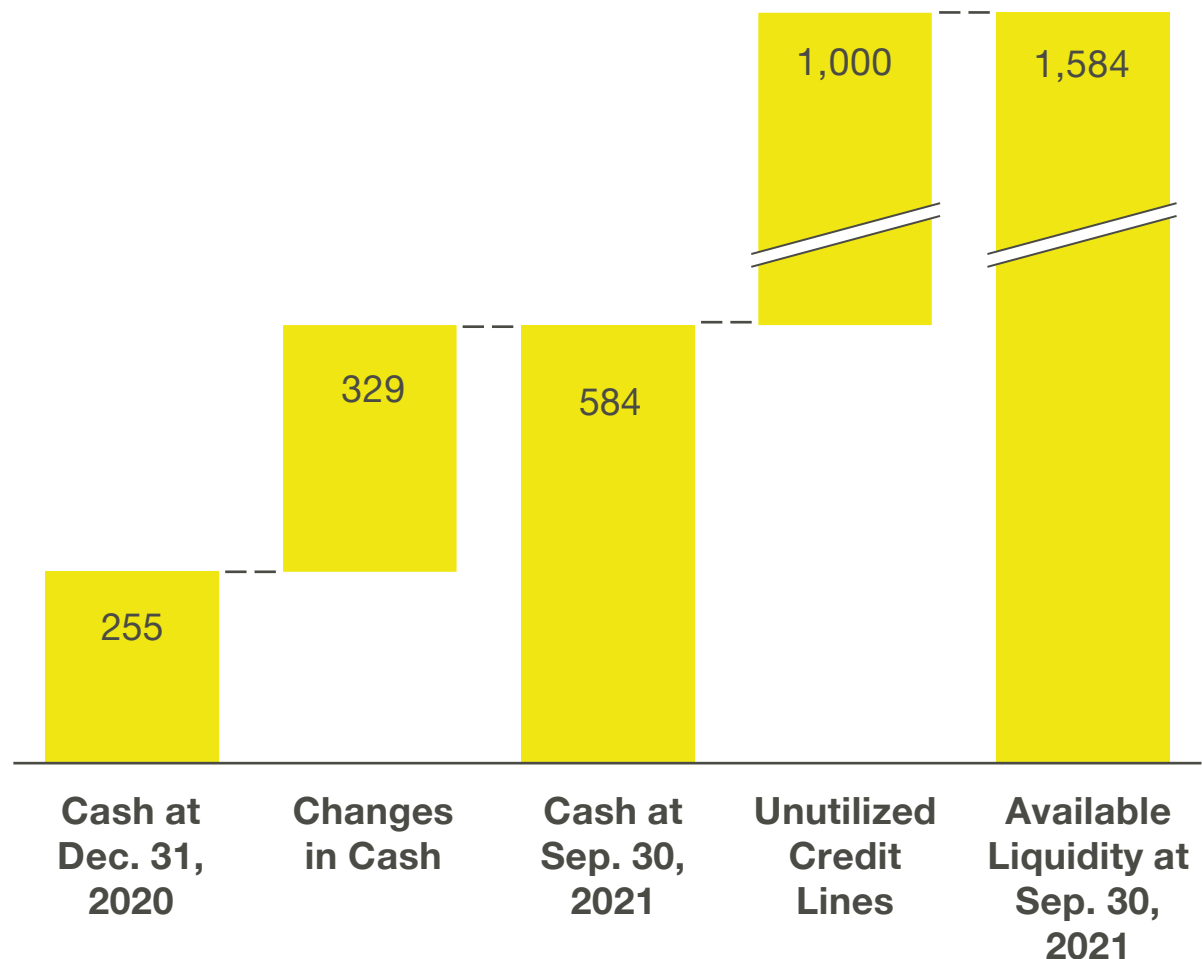
- > 9M FCF still positive despite Q3 cash burn

Financing cash flow

- > Mainly spin-off related transactions w/ Continental

Free cash flow defined as operating cash flow minus investing cash flow. 9M: Nine months.

LIQUIDITY PROFILE



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

HIGHLIGHTS & COMMENTS

Available Liquidity

- > Increase in cash to €584 mn at the end of September despite cash burn in Q3 2021
- > Main driver: end of cash pooling with Continental

Unutilized Credit Lines

- > Consisting of undrawn RCFs (€750 mn and €250 mn)
- > RCFs available until Q3 2024
 - > 2-year prolongation possible

Financial Covenants of the RCF

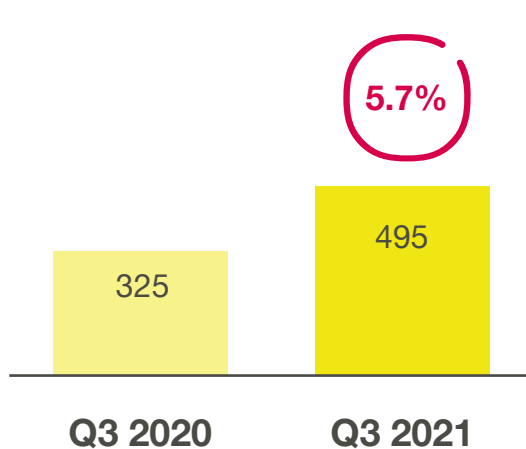
- > Adj. EBITDA
- > Minimum liquidity
- > Leverage ratio

BALANCE SHEET STRUCTURE

KEY BALANCE SHEET ITEMS

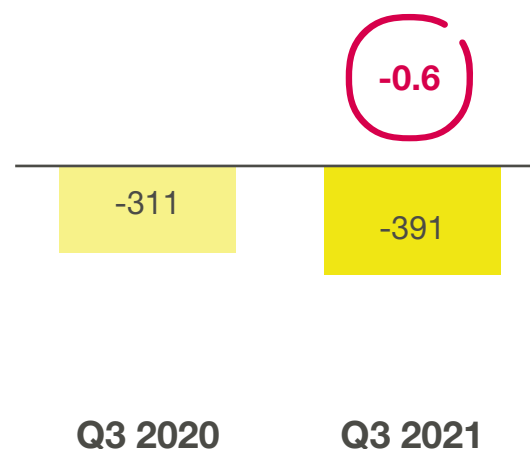
NET WORKING CAPITAL (€ MN)

Net Working Capital / LTM Sales



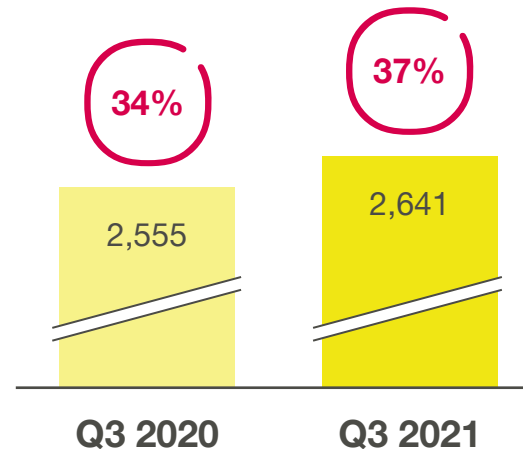
NET DEBT (€ MN)

Net Debt / LTM adj. EBITDA

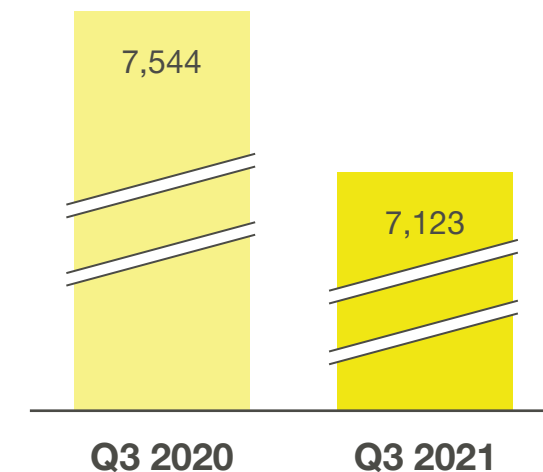


TOTAL EQUITY (€ MN)

Equity Ratio



BALANCE SHEET TOTAL (€ MN)



- > Increase in working capital mainly driven by higher level of inventories
- > Working capital ratio still impacted by longer payment terms associated with Contract Manufacturing

- > Net Debt / LTM adj. EBITDA ratio proving a comfortable liquidity and leverage situation
- > Balance sheet total reduced after settlement of former intercompany A/R and A/P with Continental
- > Increase in equity ratio to 37%

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






OUTLOOK FOR FY 2021

ANTICIPATED CORPORATE AND MARKET DEVELOPMENT

VITESCO TECHNOLOGIES GROUP (€ MN)

	2020	2021E
Sales	8,028	8,200 to 8,400
Adj. EBIT margin	-1.1%	1.5% to 1.7%
Special Effects	223	160 to 190
Capex Ratio	5.3%	5.2% to 5.5%
Free Cashflow	-456	70 to 120

MARKET OUTLOOK¹

China		~ -1%
Europe		~ -3%
NA		+/-0%
RoW		~ +5%
World		+/-0%

¹ Light Vehicle Production Forecast for changes of FY 2021 production compared to FY 2020.



- 1 The future is electric.**
- 2 We are well positioned.**
- 3 We have a clear vision and a resolute plan.**
- 4 We self-fund the transformation.**

Q&A



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UPCOMING EVENTS

FINANCIAL CALENDAR

CORPORATE EVENTS



Quarterly Statement Q3 2021

November 11, 2021



Preliminary FY 2021 Results

February 2022



Annual Report FY 2021

March 2022



Quarterly Statement Q1 2022

May 2022



Annual General Meeting

May 05, 2022

ROADSHOWS AND CONFERENCES



Roadshow Scandinavia

November 16 & 17, 2021



Roadshow Switzerland

November 23 & 24, 2021



Deutsche Bank AutoTech Conference (virtual)

December 9, 2021

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