VILESCO TECHNOLOGIES

BUILDING AN ELECTRIFICATION POWERHOUSE

CAPITAL MARKET DAY

Virtual Meeting, March 25, 2021 Vitesco Technologies

Public

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The term "vehicles" as used in this presentation refers to "light vehicles <6 metric tons", unless stated otherwise.

To the extent available and if so denoted, the industry and market data contained in this presentation has been derived from official or third-party sources. All information not separately sourced is derived from Vitesco Technologies' data and estimates, some of which are in turn derived from multiple sources such as internal surveys, customer feedback as well as a commissioned study from Roland Berger, "Powertrain Market" Study, 12/2020 and other third-party sources, including data from IHS Markit tor market experts. The IHS Markit and are not representations of fact. The IHS Markit Materials' are the copyrighted property of IHS Markit Materials are subject to change without notice and IHS Markit has no duty or responsibility to update the IHS Markit Materials. Moreover, while the IHS Markit Materials reproduced herein are from sources considered reliable, the accuracy and completeness thereof are not warranted, nor are the opinions and analyses which are based upon it. IHS Markit is a trademark of IHS Markit. Other trademarks appearing in the IHS Markit tor their respective owners. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee, representation or warranty (either expressly or implied) of the accuracy or completeness of such data or changes to such data contained therein. In addition, certain of the industry and market data contained in this presentation are derived from Witesco Technologies believe that each of these publications, studies and surveys has been prepared by a reputable source, neither company has independently verified the data contained therein. In addition, certain of the industry and market data contained in this presents. and estimates are reasonable and reliable, but their underlying methodology and assumptions have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Market data from third party

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AGENDA

TOPIC	PRESENTER	TIME (CET)
1 INTRODUCTION	H. EBER	01:00 PM
2 BUILDING AN ELECTRIFICATION POWERHOUSE	A. WOLF	01:05 PM
Q&A - CEO		01:35 PM
3 LEVERAGING OUR DNA TO SHAPE E-MOBILITY	W. BREUER, T. STIERLE, K. HAU	01:50 PM
SHORT BREAK		02:20 PM
4 TRANSFORMING INTO THE FUTURE	A. WOLF	02:30 PM
5 FINANCING OUR GROWTH	W. VOLZ	02:45 PM
Q&A - ALL		03:15 PM
6 CONCLUSION	A. WOLF	03:45 PM

VILESCO TECHNOLOGIES

BUILDING AN ELECTRIFICATION POWERHOUSE

CAPITAL MARKET DAY 2 – BUILDING AN ELECTRIFICATION POWERHOUSE

Virtual Meeting, March 25, 2021 Vitesco Technologies

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THE FUTURE IS ELECTRIC. AND IT HAS ALREADY STARTED.

20% OF VEHICLES SOLD IN CHINA SHALL BE NEW ENERGY VEHICLES BY 2025.

Source: Ministry of Industry and Information Technology of People's Republic of China, "Development Plan for the New Energy Vehicles Industry", 12/2020.

LOW EMISSION ZONES ARE EXPECTED IN EUROPE BY 2025.

Source: Roland Berger, "Powertrain Market" Study, 12/2020. Notes: Only including already announced future LEZ (covering also "Zero Emission Zones"), LEZ defined as area where access for vehicles is restricted or deterred to improve air quality.

SS300 BN INVESTMENT BY OEMS IN ELECTRIC MOBILITY BY 2030.

Source: Boston Consulting Group, "Who will drive electric cars to the tipping point?", 01/2020.

THE ELECTRIC FUTURE HAS ALREADY STARTED



Source: ¹ Roland Berger, "Powertrain Market" Study, 12/2020. Notes: Electrification share represents expected outlook on propulsion shares in global light vehicle production by units.



INCREASING AVAILABILITY OF MODELS MEETS A STRONGLY GROWING DEMAND

By 2025, available BEV and PHEV models will be slightly above par with ICE models.





Source: ¹ Expected number of produced models in region Europe incl. UK based on IHS Markit Alternative Propulsion Forecast as of 02/2021. ² Vehicle registrations in EU+UK+EFTA based on ACEA New Passenger Car Registrations by Fuel Type as of 02/2020, 02/2021. Notes: Available models indicated by global nameplate. PV: Passenger Vehicle. BEV: Battery Electric Vehicle. PHEV: Plug-In Hybrid Electric Vehicle. ICE: Internal Combustion Engine (incl. Stop/Start and Micro Hybrids <48 V).

ELECTRIFICATION OFFERING INCREASINGLY MATCHES CONSUMER EXPECTATIONS



Sources/Notes: BEV: Battery Electric Vehicle. ICE: Internal Combustion Engine. ¹352km represents average range of BEV based on expert analysis in 2020, >50% of current BEV with range of 200-400km and >25% with range of >400km; Autobild, "E-Autos und deren Reichweite: Reichweitenangst, aufladen, liegenbleiben", 01/2021. ² Audi e-tron 55 quattro (illustrative example) has an average range of ~365km and completes charging process (~80-100% state of charge using a 150kW charging infrastructure) in 20-30 minutes; ADAC, "Elektroautos auf der Langstrecke: Wie kann das funktionieren?", 02/2020; ADAC, "Audi e-tron quattro: So gut ist der Elektro-SUV", 01/2021. ³ Price for gasoline vehicle: Golf VIII 1.5 eTSI (110kW) (illustrative example, incl. 16% VAT) vs. price for BEV: e-Golf VII (100kW) (comparable electrified illustrative example, incl. 16% VAT), as of 07/2020 and prior to any subsidies. ⁴ ADAC, "Kostenvergleich Elektro, Benzin oder Diesel: Lohnt es sich umzusteigen?", 07/2020. ⁵ Total cost of ownership for Golf VIII 1.5 eTSI (110kW) (illustrative example) vs. e-Golf VII (100kW) (comparable electrified illustrative example) vs. e-Golf VII (100kW) (comparable electrified illustrative example), nd. 10% VAT) as of 07/2020. ⁵ Total cost of ownership for Golf VIII 1.5 eTSI (110kW) (illustrative example) vs. e-Golf VII (100kW) (comparable electrified illustrative example), based on purchase price, average costs for repair, gasoline/electricity and tax as of 07/2020 and assuming ownership period of 5 years, 15,000km annual mileage.



EVERYBODY IS TALKING ABOUT ELECTRIFICATION. WE ARE MAKING IT HAPPEN.

les



OUR PORTFOLIO OFFERS SUPERIOR CONTENT PER VEHICLE OPPORTUNITIES IN ANY FUTURE SCENARIO



Source: ¹ Company estimate based on expert studies prepared in cooperation with Vitesco Technologies. Reflects the CPV opportunity for the portfolio offering in 2018. ² Roland Berger, "Powertrain Market" Study, 12/2020. Reflects the CPV opportunity for the current portfolio offering. Notes: ICE: Internal Combustion Engine. CPV: Content Per Vehicle.



WE HAVE LEADING SOLUTIONS FOR KEY ELECTRIFICATION ARCHITECTURES



ElectrificationSystem supplier offering full rangekey offering:from battery management to drive

Integrated axle drive and components from battery management to charging and power electronics

Source: Company information. Notes: CO₂ savings relate to "tank to wheel" potential vs. pure combustion vehicle based on WLTP (World Harmonized Light-Duty Vehicles Test Procedure).



WE ARE THE FIRST SUPPLIER TO FULLY EMBRACE THE TRANSITION TOWARDS ELECTRIC MOBILITY



Source: Company information. Notes: "First" meaning first mass-market application and OEM independent supplier. BEV: Battery Electric Vehicle. ¹ Cumulative vehicles equipped since 2006.



OUR POWERTRAIN SOLUTIONS PROPEL OUR CUSTOMERS INTO THE ELECTRIFIED FUTURE

EXAMPLES:



Source: Company information. Notes: Depicted products represent product groups and do not represent individual customer variants of the product.



WE ARE PRESENT ON GLOBALLY LEADING PLATFORMS



Source: Company information.¹ IHS Markit, Alternative Propulsion Forecast, 10/2020. Notes: Presence subject to OEM sourcing strategy (single or multiple sources) and vehicle configuration (e.g., motor variant).



WE ARE A YOUNG COMPANY.

WITH A STRONG UNDERLYING BUSINESS BASE.

OUR GROWTH IN ELECTRIFICATION IS FUNDED BY OUR STRONG UNDERLYING BUSINESS

NEW ELECTRIFICATION

ELECTRIFICATION TECHNOLOGY BUSINESS UNIT



VT core technologies sales 2020 VT core technologies sales mid-term target

Source: Company information. Notes: ¹ Excluding non-core ICE technologies and Contract Manufacturing.



INCREASING

ELECTRIFICATION

SHARE

PROFITABLE UNDERLYING BUSINESS AND STRONG ORDER BACKLOG IN ELECTRIFICATION TECHNOLOGY



Source: Company information. Notes: BU: Business Unit. Sales, order backlog and adj. EBIT margin excluding non-core ICE technologies and Contract Manufacturing as per end of FY2020. Adj. EBIT margin before consolidation, amortization of intangibles from PPA and special effects. Order backlog defined as sum of cumulative order intake not yet booked as sales as per end of FY2020.



SOME COMPANIES HAVE PARTS. WE HAVE ENTIRE SOLUTIONS.

WE UNDERSTAND ENTIRE SYSTEMS AND USE OUR KNOWLEDGE AS A PARTNER TO OUR CUSTOMERS



System and architecture understanding

Focus on electronics, mechatronics and differentiating technologies

Relevant to OEMs whether they look for entire systems or single components

Source: Company information.



OUR ELECTRIFICATION CONTENT IS SUBSTANTIAL AND GROWING ACROSS ALL BUSINESS UNITS



Source: Company information. Notes: Example of a Battery Electric Vehicle. Products are selected examples and do not reflect the entire offering.



WE DON'T JUST TALK ABOUT TRANSFORMATION. WE ARE THE TRANSFORMATION.



WE HAVE A CLEAR VIEW OF THE FUTURE AND A RESOLUTE PLAN OF HOW TO GET THERE



PHASE OUT OF NON-CORE ACTIVITIES

- Contract Manufacturing with Continental¹
- Non-core ICE technologies²



- Priority setting on company level
- Electrification across all business units

Contract Manufacturing & non-core ICE technologies sales

2020 mid-term long-term target target



target



1	Footprint rationalization and	
	operational excellence	

Sustainability at the core of what we do

Digitalization



carbon neutral³ scope 1 & 2

TECHNOLOGIE



Source: Company information. Notes: ICE: Internal Combustion Engine. Phase-out timeline may vary depending on strategic decisions and customer demand. ¹ Substantial majority of CM phase-out planned to be completed by 2025. ² Around 1/3 of non-core ICE technologies phase-out planned to be completed mid-term. ³ Referring to scope 1 and 2 CO₂ emissions as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development.

target

OUR NEW MANAGEMENT TEAM HAS PROVEN VISION, DETERMINATION AND FAST EXECUTION





Source: Company information.

WE ARE WELL POSITIONED TO OUTGROW GLOBAL LIGHT VEHICLE PRODUCTION

HISTORIC OUTPERFORMANCE

CLEAR ELECTRIFICATION STRATEGY AND STRONG CORE



Source: ¹ Company information. ² IHS Markit, Alternative Propulsion Forecast, 10/2020. Notes: ³ Sales include non-light vehicle applications like commercial vehicles and two-wheelers. ⁴ Excluding non-core ICE technologies and Contract Manufacturing.



SUSTAINABILITY IS AT THE CORE OF OUR MISSION

POWERING CLEAN MOBILITY



We changed our business model in order to promote electrification solutions to reduce emissions of vehicles.

Example: Electrification share in order intake



SUSTAINABLE VALUE CHAIN



We strive to make our business sustainable all the way – along the whole value chain.

Example: CO₂ emissions (scope 1 & 2)





Source: Company information. Notes: Order intake as per end of FY2020. Notes: Order intake defined as sum of acquired lifetime sales within the respective fiscal year. ¹ Referring to scope 1 and 2 CO₂ emissions as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development.



WE HAVE DEFINED CONCRETE TARGETS TO DRIVE ESG ALONG THE VALUE CHAIN



Source: Company information. Notes: ¹ Referring to scope 1 and 2 CO₂ emissions as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development. ² Includes thermal recovery. ³ The employee net promoter score measures the willingness to recommend a company as an employer to others on a scale from 0 to 10. The index ranges from -100 to 100.



VITESCO TECHNOLOGIES – BUILDING AN ELECTRIFICATION POWERHOUSE

The future of mobility will be electrified

Customer demand for Electric Vehicles is gaining momentum

First supplier to fully embrace the transition towards electric mobility

Profitable underlying business and strong order backlog in electrification across all business units

Driving sustainability is at the core of Vitesco Technologies' mission to power clean mobility

~60% of new light vehiclesworldwide will be electrified by 20301

New BEV and PHEV registrations up by 144% in Europe 2020 vs. 2019²

Early entrant investing in electrification since 2006

Core technologies order backlog of €41 bn, >€13 bn electrification backlog across all business units

100% carbon neutral scope 1&2 target by 2030³

Source: Company information. ¹ Roland Berger, "Powertrain Market Industry Study", 12/2020; electrification share represents expected shares of 48 V-Mild Hybrid, Full-Hybrid, Plug-In-Hybrids and Battery Electric Vehicles in global light vehicle production by units. ² Vehicle registrations in EU+UK+EFTA based on ACEA New Passenger Car Registrations by Fuel Type as of 02/2020, 02/2021. Notes: BEV: Battery Electric Vehicle. PHEV: Plug-in Hybrid Vehicle. Order backlog defined as sum of cumulative order intake not yet booked as sales as per end of FY2020. ³ Referring to scope 1 and 2 CO₂ emissions as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development.



VILESCO TECHNOLOGIES

BUILDING AN ELECTRIFICATION POWERHOUSE

CAPITAL MARKET DAY 3 – LEVERAGING OUR DNA TO SHAPE E-MOBILITY

Virtual Meeting, March 25, 2021 Vitesco Technologies

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WE POWER AHEAD IN ELECTRIFICATION

$4 \!\!\!\!/$ electrification technology

Electrification pioneer with >10 years of experience



Integrated electronic and software architectures



Smart solutions for precise measurement and control

ELECTRIFICATION POWERHOUSE

Strong electrification momentum



>€13 bn electrification order backlog across all business units¹

Leading transition to e-mobility

>5x electrification sales
increase targeted mid-term²

Future-proof skillset



~7,100 engineers, thereof
~5,300 electronics, software and systems³

Source: Company information. Notes: ¹ Order backlog defined as sum of cumulative order intake not yet booked as sales as per end of FY2020. ² Refers to core technologies sales across all business units with 2020 as base year. ³ Number of engineers as per end of FY2020.



OUR DNA PROPELS US INTO THE ELECTRIFIED FUTURE



vitesco

ELECTRIFICATION REQUIRES MULTIPLE ARCHITECTURES



Source: ¹ Roland Berger, "Powertrain Market" Study, 12/2020; ² company information. Notes: Electrification share represents expected outlook on propulsion shares in global light vehicle production by units. Power (in kW) corresponds to typical peak electric drive power of the indicated propulsion types.

GLOBAL PARTNER FOR KEY ELECTRIFICATION ARCHITECTURES

	48 V MILD HYBRID	PLUG-IN HYBRID	BATTERY ELECTRIC
Extensive expertise in software development across all products	Contraction of the second seco	Contraction of the second seco	
MASTER CONTROLLER	\bigtriangledown	\bigtriangledown	\bigtriangledown
DC/AC INVERTER	\bigtriangledown	\bigtriangledown	\bigtriangledown
DC/DC CONVERTER	\bigtriangledown	\bigtriangledown	\bigtriangledown
BATTERY MANAGEMENT SYSTEM	\bigtriangledown	\bigtriangledown	\bigtriangledown
ELECTRIC MACHINE	\bigtriangledown	Not strategic focus	\bigtriangledown
BATTERY PACK	\bigtriangledown	Not strategic focus	Not strategic focus
ON-BOARD CHARGER	Not applicable	\bigtriangledown	\bigtriangledown
THERMAL MANAGEMENT	\bigtriangledown	\bigtriangledown	\bigtriangledown

V Included in Vitesco Technologies portfolio

Source: Company information. Notes: Electric machines for (P)HEV are mostly transmission-integrated solutions dedicated to (P)HEVs. Due to their limited scalability to BEVs they are out of Vitesco Technologies' strategic focus. High Voltage Battery Packs mostly assembled in-house by OEMs. AC: Alternating Current. DC: Direct Current.


7 ELECTRIFICATION TECHNOLOGY

ELECTRONIC CONTROLS

SENSING & ACTUATION

ELECTRIFICATION PIONEER WITH >10 YEARS OF EXPERIENCE

SETTING TECHNICAL BENCHMARKS



48 V DRIVE (1st Generation)



HIGH VOLTAGE INVERTER (3rd Generation)

Highest maximum power¹ for efficient CO₂ reduction

13 kW



Highest volumetric power density² for easy integration **15 kW/liter**



Source: Company information. Notes: Company estimates of benchmarking based on market research, relates to mass production competitors for 2015-2020. ¹ For motor mode. Metric relates to electric power and performance of powertrain. ² Refers to volumetric power density in the 90-150 kW power class.



BEST IN CLASS ELECTRIC AXLE DRIVE SOLUTION



Source: Company information. Notes: Available models indicated by nameplates. ¹ Company estimates based on market research, relates to mass production competitors for 2015-2020.



ELECTRIFICATION TECHNOLOGY BUSINESS UNIT GAINS SCALE AND INCREASES PROFITABILITY



Source: Company information. Notes: All data refers to FY2020 unless stated otherwise. Order backlog defined as sum of cumulative order intake not yet booked as sales. ¹ Relates to change vs. prior financial year.









INTEGRATED ELECTRONIC AND SOFTWARE ARCHITECTURES

WE HAVE APPLIED OUR COMPETENCIES TO EXPAND THE PORTFOLIO FROM ICE TO ELECTRIFICATION SOLUTIONS



Source: Company information. ¹ Roland Berger, "Powertrain Market Industry Study", 12/2020; electrification share represents expected shares of 48 V-Mild Hybrid, Full-Hybrid, Plug-In-Hybrids and Battery Electric Vehicles in global light vehicle production by units. Notes: Illustration displays selected products; Hybrid includes Plug-In Hybrids, Full Hybrids, and 48 V Mild Hybrid. BEV: Battery Electric Vehicle. ICE: Internal Combustion Engine.



WE CREATE A VARIETY OF CUSTOMIZED SOLUTIONS FROM MODULAR BUILDING BLOCKS



Source: Company information.¹ Market positions based on Roland Berger "Powertrain Market" Study, 12/2020. Notes: ASIC: Application-Specific Integrated Circuit.² Top 10 light vehicle OEMs based on number of control units supplied.

WE HAVE SUCCESSFULLY APPLIED OUR SYSTEM INTEGRATION DNA TO NEW HIGH VOLTAGE SOLUTIONS

COMPLEX HV ELECTROMECHANICAL INTEGRATION OUR OPPORTUNITY BENEFITS 4-in-1 Power **Cost efficient** distribution ~44% fewer components, unit reduced wiring annual market growth 3-in-1 in high voltage box Charging 2020-20251 Compact communication unit smaller and lighter 2-in-1 devices HIGH >€2 bn **VOLTAGE One modular** order intake for high BOX **On-board** DC-DC voltage box in FY2020 solution for various charger converter **OEM** platform

Source: Company information.¹ Roland Berger, "Powertrain Market" Study, 12/2020; Notes: Order intake defined as sum of acquired lifetime sales within the respective fiscal year.



ELECTRIFICATION TECHNOLOGY





SMART SOLUTIONS FOR PRECISE MEASUREMENT AND CONTROL

OUR HOLISTIC SENSING AND ACTUATION PORTFOLIO COVERS ALL POWERTRAIN SYSTEMS

STRONG COMPONENTS BUSINESS BASED ON BROAD SYSTEM COMPETENCE



Source: Company information. Notes: ¹ Number of units delivered externally in FY2020. ² Number of final customer groups in FY2020. ³ Based on company estimate of market positions. As per end of FY2020 based on core technologies in business unit Sensing & Actuation.

SCALE OF OPERATIONS

WE CONTINUOUSLY RE-DEPLOY OUR TECHNOLOGIES TO NEW APPLICATIONS



Source: Company information. Notes: Products on the timeline are sorted by implementation year of their start of production.



SMART THERMAL MANAGEMENT SOLUTIONS DRIVE OUR GROWTH IN ELECTRIFICATION



Source: Company information.¹ Roland Berger, "Powertrain Market" Study, 12/2020. Notes: BEV: Battery Electric Vehicle. CPV: Content Per Vehicle Opportunity. ICE: Internal Combustion Engine. Order intake defined as sum of acquired lifetime sales within the respective fiscal year.

WE TEAM UP AND COMBINE OUR EXPERTISE TO CREATE VALUE FOR OUR CUSTOMERS



Source: Company information. Notes: Example of a Battery Electric Vehicle. Products are selected examples and do not reflect the entire offering.



VITESCO TECHNOLOGIES – **BUILDING AN ELECTRIFICATION POWERHOUSE**

Powering ahead in electrification across all business units

Electronics champion propelled by software and system expertise

Global leading position with outstanding technology and **R&D** platforms

Global partner for key electrification architectures

Combined expertise across business units to create solutions with clear value-added

>5x electrification sales increase targeted mid-term¹

~5,300 engineers dedicated to electronics, system & software²

>80% of EC and S&A core technologies are top 1 and 2³

>€13 bn electrification order backlog across all business units

Unified engineering organization for electrification⁴

Source: Company information. Notes: Order backlog defined as sum of cumulative order intake not yet booked as sales as per end of FY2020. ¹ Refers to core technologies sales across all business units with 2020 as base year. ² FY2020 engineering headcount across all business units. ³ 80% of core technologies sales of Electronic Controls and Sensing & Actuation business units as per YE2020 correspond to top 1 and 2 products. company estimate of market positions based on own research and management's assessment of expert studies including Roland Berger, "Powertrain Market" Study, 12/2020. ⁴ Relates to business units Electronic Controls and Electrification Technology. 50



VILESCO TECHNOLOGIES

BUILDING AN ELECTRIFICATION POWERHOUSE

CAPITAL MARKET DAY 4 – TRANSFORMING INTO THE FUTURE

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WE DON'T JUST TALK ABOUT TRANSFORMATION. WE ARE THE TRANSFORMATION.



WE HAVE A CLEAR VIEW OF THE FUTURE AND A RESOLUTE PLAN OF HOW TO GET THERE

VT core



PHASE OUT OF **NON-CORE ACTIVITIES**

- Contract Manufacturing with Continental¹
- Non-core ICE technologies²



- Priority setting on company level (\mathcal{C})
- Electrification across all business units

Contract Manufacturing & non-core ICE technologies sales

> 2020 mid-term long-term target target



target



Footprint rationalization and operational excellence

QP Sustainability at the core of what we do

Digitalization

best-cost production share carbon neutral³ scope 1 & 2

TECHNOLOGIE



Source: Company information. Notes: ICE: Internal Combustion Engine. Phase-out timeline may vary depending on strategic decisions and customer demand. ¹ Substantial majority of contract manufacturing phase-out planned to be completed by 2025.² Around 1/3 of non-core ICE technologies phase-out planned to be completed mid-term; ³ Referring to scope 1 and 2 CO₂ emissions as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development. vitesco

target



PHASE OUT OF NON-CORE ACTIVITIES AND SUSTAINABILITY

A CLEAR VIEW ON THE FUTURE. AND A RESOLUTE PLAN OF HOW TO GET THERE.

SCALE-UP OF

ELECTRIFICATION

OUR PROACTIVE PORTFOLIO TRANSFORMATION TOWARDS ELECTRIFICATION WAS ALREADY INITIATED IN 2019

NON-CORE ICE TECHNOLOGIES

Exit/Phase-out of ICE technologies with **limited market potential:** fuel injection equipment, fuel delivery, turbocharger, selective catalytic reduction systems.

€2.0 billion sales with negative profitability.



CONTRACT MANUFACTURING FOR CONTINENTAL

Contract Manufacturing structure implemented to ensure a time-efficient and cost-optimized exit of formerly shared production plants.

202

€1.1 billion sales to Continental AG and similar vice versa, profitability largely offset on group level.

Substantially completed by 2025

Source: Company information. Notes: ICE: Internal Combustion Engine. Sales as per end of FY2020. Phase-out timeline may vary depending on strategic decisions and customer demand.









POWERING CLEAN MOBILITY.

AS ONE TEAM.

OUR PORTFOLIO FOLLOWS A STRICT PLATFORM APPROACH



Example: Common inverter platform

Example: Interaction of all subsystems of the powertrain

CUSTOMER VALUE



PROFITABLE BUSINESS CASES

Multi-customer platforms

Economies of scale

Optimized investment



2018-2020¹

Source: Company information. Notes: ¹ Gross margin improvement of Electrification Technology business unit from FY2018 to FY2020.



OUR ENTIRE ORGANIZATION IS ELECTRIFIED



- Common prioritization of commercial opportunities across all business units
- Accountability to future executive board

>€13 bn electrification order backlog across all business units¹:

€6.9 bn Electrification Technology BU

€6.3 bn underlying business

C UNIFIED ENGINEERING ○ ORGANIZATION

دُمْ Pool of ~6,000 engineers, including key qualifications for electrification

 \int Efficient staffing to focus projects

Accountability and direct reporting to CEO



 $\vec{\hat{1}}$ FOCUSED TRAINING

Training hours (in thousand)





Source: Company information. Notes: ¹ Order backlog defined as sum of cumulative order intake not yet booked as sales as per end of FY2020.









CREATING SUSTAINABLE VALUE. FOR EVERYONE.

WE CONTINUOUSLY RATIONALIZE OUR FOOTPRINT AND IMPROVE OUR OPERATIONS



Source: Company information. Notes: BCC: Best-Cost Countries. HCC: High-Cost Countries. BCC share reflects sales value of VT products produced in best-cost countries vs total sales value of VT products (excluding Contract Manufacturing to Continental, including products produced by Continental for VT via Contract Manufacturing); one South Korean location was reclassified HCC in FY2019 vs BCC trough FY2018. Smart Glasses: Headset equipped with camera and software allowing remote support e.g., via voice, pointer, screenshots, documents and real-time sketches.¹ Targeted by second quarter 2021.

TECHNOLOGIE

WE COMMIT TO CARBON-NEUTRAL PRODUCTION BY 2030



Source: Company information. Notes: CO2 emissions referring to scope 1 and 2 as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development.



VITESCO TECHNOLOGIES – BUILDING AN ELECTRIFICATION POWERHOUSE

Proactive transformation of entire organization on track

Portfolio strategically positioned for profitable business

Entire organization geared towards electrification

Technology transfer and competitiveness measures initiated

ESG framework guides all activities

Mid-term phase-out of **non-core ICE technologies** and Contract Manufacturing

>55 pp gross margin improvement in Electrification Technology BU 2020 vs 2018¹

Unified engineering organization,
 ~41,000 training hours conducted in 2020²

Footprint focused on electrification,
 70% best-cost share targeted³

100% carbon neutral scope 1&2 target by 20304

Source: Company information. Notes: best-cost referring to plants in best-cost countries. CM: Contract Manufacturing. ICE: Internal Combustion Engine. ¹ Gross margin improvement of Electrification Technology business unit from FY2018 to FY2020. ² Referring to focused training hours in the area of electrification and software. ³ BCC share reflects sales value of VT products produced in best-cost countries vs total sales value of VT products (excluding Contract Manufacturing to Continental, including products produced by Continental for VT via Contract Manufacturing); one South Korean location has been reclassified HCC in FY2019 vs BCC until FY2018. Mid-term plan. ⁴ Referring to scope 1 and 2 CO, emissions as defined by the Greenbourse Gas Protocol. World Besources Institute (WBI). World Business Council for

HCC in FY2019 vs BCC until FY2018. Mid-term plan. ⁴ Referring to scope 1 and 2 CO₂ emissions as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development.



VILESCO TECHNOLOGIES

BUILDING AN ELECTRIFICATION POWERHOUSE

CAPITAL MARKET DAY 5 – FINANCING OUR GROWTH

Virtual Meeting, March 25, 2021 Vitesco Technologies

Public

VITESCO TECHNOLOGIES – BUILDING AN ELECTRIFICATION POWERHOUSE

Track record of continuously outperforming worldwide light vehicle production

Profitable resilient underlying business with major improvements in Electrification Technology

Transformation program will significantly increase profitability and future cash flow

Shift of capital expenditures to boost electrification growth

Sustainable balance sheet to provide future financial flexibility



ADJUSTED EBIT OF €254 MN WITHOUT ELECTRIFICATION TECHNOLOGY DRIVEN BY OUR ROBUST RECOVERY IN H2 2020

VITESCO TECHNOLOGIES (€ MN)

		FY2019	H1-20	H2-20	FY2020
$\widehat{\mathcal{T}}_{\Pi}$	Sales	9,093	3,409	4,619	8,028
	% growth	-0.6%	-26.3%	3.3%	-11.7%
	EBITDA	180	-3	256	253
	% margin	2.0%	-0.1%	5.5%	3.2%
	Adj. EBITDA ¹	536	26	374	400
(E)	% margin	5.9%	0.8%	8.1%	5.0%
Ì	EBIT	-635	-301	-24	-324
	% margin	-7.0%	-8.8%	-0.5%	-4.0%
	Adj. EBIT ²	53	-218	126	-92
	% margin	0.6%	-6.4%	2.7%	-1.1%
	Capex ³	596	162	267	428
Ľ	% margin	6.5%	4.7%	5.8%	5.3%

65

HIGHLIGHTS & COMMENTS



Source: Company information. ⁵ Based on IHS Markit, Automotive Alternative Propulsion Forecast as of 02/2021. Notes: FX: Foreign Exchange Rates. Sales includes non-light vehicle applications like commercial vehicles and two-wheelers. Outperformance refers to sales growth over light vehicle production within the respective period. ¹ Before consolidation and special effects. ² Before consolidation, amortization of intangibles from PPA and special effects. ³ Capex 2019 and 2020 excluding right of use assets (IFRS 16). ⁴ Before changes in the scope of consolidation and exchange-rate effects. ⁶ Operating leverage defined as delta adj. EBIT divided by delta sales. FY2020 operating leverage refers to development in FY2020 vs FY2019, H2 2020 refers to development vs. H1 2020.

WELL BALANCED GLOBAL FOOTPRINT ENABLING OUTPERFORMANCE IN ALL MAJOR MARKETS



Source: Company information. Light vehicle production based on IHS Markit, Automotive Alternative Propulsion Forecast as of 02/2021. Notes: Sales data refers to FY2020 if not stated differently. Sales by region according to the location of Vitesco Technologies companies. Rest of the world represents 0.3% of total sales (FY2018: €58 mn; FY2019: €57 mn; FY2020: €27 mn). CAGR: Compound Annual Growth Rate. Light vehicle production refers to CAGR of FY2018-FY2020 of light vehicle production. Sales includes non-light vehicle applications like commercial vehicles and two-wheelers. Outperformance refers to sales CAGR of SY2018 to FY2018 to FY2020. ¹ Including China (21% of total 2020 VT sales).

STRONG FINANCIAL IMPROVEMENTS BASED ON OUR TRANSFORMATION PROGRAM

VITESCO TECHNOLOGIES (€ MN)

TRANSFORMING INTO AN ELECTRIFICATION POWERHOUSE

		FY2018	FY2019	FY2020
$\widehat{(\widehat{j}_n)}$	Sales	9,143	9,093	8,028
	% growth	0.7%	-0.6%	-11.7%
	EBITDA	636	180	253
	% margin	7.0%	2.0%	3.2%
	Adj. EBITDA ¹	647	536	400
(E)	% margin	7.1%	5.9%	5.0%
Ì	EBIT	184	-635	-324
	% margin	2.0%	-7.0%	-4.0%
	Adj. EBIT ²	225	53	-92
	% margin	2.5%	0.6%	-1.1%
	Capex ³	684	596	428
Ű	% margin	7.5%	6.5%	5.3%



TECHNOLOGIES

Source: Company information. Notes: ICE: Internal Combustion Engine. Phase-out timeline may vary depending on strategic decisions and customer demand. ¹ Before consolidation and special effects. ² Before consolidation, amortization of intangibles from PPA and special effects. ³ Capex 2019 and 2020 excluding right of use assets (IFRS 16). ⁴ Substantial majority of CM phase-out planned to be completed by 2025. ⁵ Around 1/3 of non-core ICE technologies phase-out planned to be completed mid-term. ⁶ Excluding non-core ICE technologies and Contract Manufacturing. ⁷ Electrified part of underlying business.

CLEAR PHASE-OUT PLAN FOR CONTRACT MANUFACTURING



					NON-CORE TECHNOLOGIES		
	in 6 man				Contract		
	in € mn	FY2018	FY2019	FY2020	Manufacturing		
$\widehat{(n)}$	Sales	9,143	9,093	8,028	1,099		
	% growth	0.7%	-0.6%	-11.7%			
	EBITDA	636	180	253	115		
	% margin	7.0%	2.0%	3.2%	10.5%		
	Adj. EBITDA ¹	647	536	400	115		
\bigcirc	% margin	7.1%	5.9%	5.0%	10.5%		
Ì	EBIT	184	-635	-324	53		
	% margin	2.0%	-7.0%	-4.0%	4.8%		
	Adj. EBIT ²	225	53	-92	54		
	% margin	2.5%	0.6%	-1.1%	4.9%		
An	Capex ³	684	596	428	19		
U	% margin	7.5%	6.5%	5.3%	1.7%		

EXIT OR PHASE-OUT OF NON-CORE ICE TECHNOLOGIES



					NON-CORE TEC	HNOLOGIES
	in f mn				Contract	Non-core ICE
	III E IIIII	FY2018	FY2019	FY2020	Manufacturing	technologies
$\widehat{\mathcal{T}}_{\Pi}$	Sales	9,143	9,093	8,028	1,099	1,996
	% growth	0.7%	-0.6%	-11.7%		I I
	EBITDA	636	180	253	115	45
	% margin	7.0%	2.0%	3.2%	10.5%	2.3%
	Adj. EBITDA ¹	647	536	400	115	47
(E)	% margin	7.1%	5.9%	5.0%	10.5%	2.3%
Ì	EBIT	184	-635	-324	53	-143
	% margin	2.0%	-7.0%	-4.0%	4.8%	-7.2%
	Adj. EBIT ²	225	53	-92	54	-132
	% margin	2.5%	0.6%	-1.1%	4.9%	-6.6%
(In)	Capex ³	684	596	428	19	67
	% margin	7.5%	6.5%	5.3%	1.7%	3.3%

OUR CORE TECHNOLOGIES CONSIST OF PROFITABLE UNDERLYING BUSINESS AND GROWING ET BU



					NON-CORE TECHNOLOGIES		CORE TECHNO	LOGIES
	in f mn				Contract	Non-core ICE	~ ~	
in e mn	in e mn	FY2018	FY2019	FY2020	Manufacturing	technologies	Δ	1 1
	Sales	9,143	9,093	8,028	1,099	1,996	4,932	l l
	% growth	0.7%	-0.6%	-11.7%			1	
	EBITDA	636	180	253	115	45	92	
	% margin	7.0%	2.0%	3.2%	10.5%	2.3%	1.9%	
	Adj. EBITDA ¹	647	536	400	115	47	238	
(E)	% margin	7.1%	5.9%	5.0%	10.5%	2.3%	4.8%	
Ì	EBIT	184	-635	-324	53	-143	-234	
	% margin	2.0%	-7.0%	-4.0%	4.8%	-7.2%	-4.7%	
	Adj. EBIT ²	225	53	-92	54	-132	-13	
	% margin	2.5%	0.6%	-1.1%	4.9%	-6.6%	-0.3%	
An	Capex ³	684	596	428	19	67	343	
	% margin	7.5%	6.5%	5.3%	1.7%	3.3%	7.0%	

STRONG CASH GENERATION IN OUR RESILIENT UNDERLYING BUSINESS



					NON-CORE TEC	HNOLOGIES	CORE TECHNOL	OGIES	
	in € mn				Contract	Non-core ICE	2	Underlying	
		FY2018	FY2019	FY2020	Manufacturing	technologies	۷	business	1
$\widehat{\mathcal{T}}_{\Pi}$	Sales	9,143	9,093	8,028	1,099	1,996	4,932	4,526	I
	% growth	0.7%	-0.6%	-11.7%					1
	EBITDA	636	180	253	115	45	92	419	1
	% margin	7.0%	2.0%	3.2%	10.5%	2.3%	1.9%	9.3%	1
	Adj. EBITDA ¹	647	536	400	115	47	238	561	-
	% margin	7.1%	5.9%	5.0%	10.5%	2.3%	4.8%	12.4%	
	EBIT	184	-635	-324	53	-143	-234	167	
	% margin	2.0%	-7.0%	-4.0%	4.8%	-7.2%	-4.7%	3.7%	
	Adj. EBIT ²	225	53	-92	54	-132	-13	332	1
	% margin	2.5%	0.6%	-1.1%	4.9%	-6.6%	-0.3%	7.3%	
							I		1
	Capex ³	684	596	428	19	67	343	227	l I
Ű	% margin	7.5%	6.5%	5.3%	1.7%	3.3%	7.0%	5.0%	

RAPIDLY GROWING ELECTRIFICATION TECHNOLOGY WITH MAJOR OPERATIONAL IMPROVEMENTS



					NON-CORE TECHNOLOGIES		CORE TECHNOLOGIES		
	in € mn	FY2018	FY2019	FY2020	Contract Manufacturing	Non-core ICE technologies	Σ	Underlying business	Electrification Technology
	Sales % growth	9,143 0.7%	9,093 -0.6%	8,028 -11.7%	1,099	1,996	4,932	4,526	406
	EBITDA % margin	636 7.0%	180 2.0%	253 3.2%	115 10.5%	45 2.3%	92 1.9%	419 9.3%	-327 -80.5%
	Adj. EBITDA ¹ % margin	647 7.1%	536 5.9%	400 5.0%	115 10.5%	47 2.3%	238 4.8%	561 12.4%	-323 -79.6%
	EBIT % margin	184 2.0%	-635 -7.0%	-324 -4.0%	53 4.8%	-143 -7.2%	-234 -4.7%	167 3.7%	-401 -98.8%
	Adj. EBIT ² % margin	225 2.5%	53 0.6%	-92 -1.1%	54 4.9%	-132 -6.6%	-13 -0.3%	332 7.3%	-346 -85.2%
	Capex³ % margin	684 7.5%	596 6.5%	428 5.3%	19 1.7%	67 3.3%	343 7.0%	227 5.0%	116 28.5%
SALES PERFORMANCE IN CORE TECHNOLOGIES 6.0PP ABOVE VEHICLE PRODUCTION



Source: Company information. Light vehicle production according to IHS Markit Automotive Alternative Propulsion Forecast as of 02/2021 in mn units. Notes: CAGR: Compound Annual Growth Rate between FY2018 and FY2020. ¹ Includes consolidation (FY2018: €-72 mn; FY2019: €-17 mn; FY2020: €-32 mn). Sales includes non-light vehicle applications like commercial vehicles and two-wheelers.

UNDERLYING BUSINESS WITH ABOVE-AVERAGE PROFITABILITY IS FUNDING RAMP-UP IN ELECTRIFICATION TECHNOLOGY



Source: Company information. Notes: Adj. EBIT before consolidation, amortization of intangibles from PPA and special effects. ¹ Includes consolidation (FY2018: €2 mn; FY2019: €-0 mn; FY2020: €4 mn).



ET BU TO QUICKLY RAMP UP WITH SIGNIFICANTLY INCREASING PROFITABILITY AND BREAK-EVEN TARGETED IN 2024

ELECTRIFICATION TECHNOLOGY DEVELOPMENT



Source: Company information. Notes: Order backlog defined as sum of cumulative order intake not yet booked as sales as per end of FY2020. ¹ Before consolidation, amortization of intangibles from PPA and special effects.



COMMENTS

7.0% TO 9.0% ADJUSTED EBIT MARGIN TARGETED MID-TERM

VITESCO TECHNOLOGIES ADJUSTED EBIT (€ MN) **COMMENTS ON MID-TERM** 225 **Electrification Technology** 53 with major operational (⁄ improvements and new profitable business 678 Double-digit adj. EBIT 605 margins targeted in 332 underlying business with normalization of markets and further cost discipline 65 67 Phase-out of less profitable Vitesco -298 (⁄) non-core ICE technologies -346 -358 **Technologies** and Contract Manufacturing mid-term target -132 -160 **MID-TERM TARGET** -321 -92 7.0-9.0% adj. EBIT margin **FY2018 FY2019 FY2020** on group level, driven by underlying business and ET Contract Electrification Underlying Non-core ICE BU turning profitable Technology business¹ Manufacturing technologies

Source: Company information. Notes: ICE: Internal Combustion Engine. Adj. EBIT before consolidation, amortization of intangibles from PPA and special effects. ¹ Includes consolidation (FY2018: €2 mn; FY2019: €-0 mn; FY2020: €4 mn).

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CAPITAL EXPENDITURES SHIFTS TOWARD CORE TECHNOLOGIES



Source: Company information. Notes: Capex 2019 and 2020 excluding right of use assets (IFRS 16). ¹ Includes consolidation (FY2018: €0 mn; FY2019: €0 mn; FY2020: €0 mn).

CASH FLOW TO IMPROVE AT GROWING PROFITABILITY

KEY CASH FLOW ITEMS (€ MN)

	FY2018	FY2019	FY2020
EBITDA	636	180	253
Δ Net Working Capital (NWC) ¹	-81	151	-179
Other	125	362	-80
Operating cash flow	680	693	-6
Capex ²	-684	-596	-428
Other	40	-42	-21
Investing cash flow	-644	-637	-450
Free cash flow ³	36	55	-456

COMMENTS

NWC FY2019 and FY2020 still highly impacted by carve-out and spin-off effects. FY2018 NWC reflects the normalized NWC levels
 Additional NWC impact by early payments to support supplier liquidity in FY2020
 Negative other changes in FY2020 mainly due to one-off items including tax effects, warranty and restructuring (including carve-out effects)

MID-TERM TARGET

More than €400 mn free cash flow³

Source: Company information. Notes: ¹ As part of the carve-out, assets-deal Trade A/R and Trade A/P were not transferred to VT, therefore part of the NWC change is not cash effective but resulted in a change of equity. ² Capex on PP&E, and software. ³ Free cash flow calculated as operating cash flow.



SOLID BALANCE SHEET AND EQUITY RATIO PROVIDE THE FINANCIAL FOUNDATION FOR OUR TRANSFORMATION

BALANCE SHEET AS PER END OF FY2020 (€ MN) COMMENTS Sound balance sheet with a sustainable and solid capital structure further supported by resolving Total: €8.1 bn Total: €8.1 bn (\checkmark) intercompany relationship with Continental and favorable payment terms in contract manufacturing Equity ratio¹ Property, plant Additional net receivables from financing relations 2.458 Equity 2.649 & equipment (\checkmark) with Continental; resulting in de facto cash & cash equivalents of €663 mn 32.9% Intangibles 950 Other financial obligations mainly consist of Non-current (\checkmark) 1,491 pensions and lease liabilities Other non-325 liabilities current assets Net debt² / €1.0 bn Revolving Credit Facilities provide adj. EBITDA³ (\checkmark) additional financial flexibility Other current 4.074 assets Current 3,922 **MID-TERM TARGET** -1.0x liabilities Maximum <1.0x net debt²/ adj. EBITDA³ targeted; Cash & Dividend payout of 15-30% as target in mid-term 255

Equity & Liabilities

Source: Company information. Notes: ¹ Equity divided by total equity and liabilities. ² Net debt as per end of FY2020 amounts to -€406 mn, which includes long- and short-term debt of €870 mn (incl. financing with Continental), receivables from financing with Continental of €1,021 mn and cash & cash equivalents of €255 mn. Mid-term target not considering inorganic growth. ³ Before consolidation and special effects.



cash equivalents

Assets

ORDER INTAKE SHIFT TO CORE TECHNOLOGIES



Source: Company information. Notes: 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. Green shade in underlying business order backlog and order intake indicates share of electrified business within the underlying business as per end of FY2020. ¹ Ratio of order intake over sales excluding Contract Manufacturing. ² Electrified part of underlying business. ³ Underlying business excluding electrified part of underlying business. vilesco TECHNOLOGIES

OUR TARGETS UNDERLINE OUR AMBITION TO BUILD AN ELECTRIFICATION POWERHOUSE

MID-TERM TARGETS

Sales CAGR ¹ % growth	Group	3.0-5.0%			Sales CAGR ¹ % growth	3.0-5.0%
	Core Technologies	קע	<i>ר</i> ת			
	Electrification Technology	רקרק	More than €2 bn mid-term		Adj. EBIT ² % of sales	7.0-9.0%
	Electronic Controls		Non-core ICE			
	Sensing & Actuation	ア	to be phased-out mid-term		Capex ³ % of sales	~6.0%
	Contract Manufacturing		Subst. phased-out 2025			
	Group	7.0-9.0%		Group	Free cash flow	>€400 mn
Adj. EBIT ² % of sales	Core Technologies	++				
	Electrification Technology	+	Break-even targeted in 2024		Net debt ⁵ /	
	Electronic Controls	++			adj. EBITDA ⁶	<1.0X
	Sensing & Actuation	++			D	
	Contract Manufacturing	+	Subst. phased-out 2025		Dividend payout	15-30%

Source: Company information. Notes: Phase-out timeline may vary depending on strategic decisions and customer demand. ¹ Mid-term growth target as a CAGR based on FY2020. ² Before consolidation, amortization of intangibles from PPA and special effects. ³ Capex excluding right of use assets (IFRS 16). ⁴ FCF calculated as operating cash flow + investing cash flow. ⁵ Net debt as per end of FY2020 amounts to -€406 mn, which includes long- and short-term indebtedness of €870 mn (incl. financing with Continental), receivables from financing with Continental of €1,021 mn and cash & cash equivalents of €255 mn. Mid-term

81 target not considering inorganic growth. ⁶ Before consolidation and special effects. ⁷ Dividend payout defined as dividend payment divided by net income attributable to common shareholders. Timing of dividend payments to be determined at a later stage.

VITESCO TECHNOLOGIES – BUILDING AN ELECTRIFICATION POWERHOUSE

Track record of continuously outperforming worldwide light vehicle production

Profitable resilient underlying business with major improvements in Electrification Technology

Transformation program will significantly increase profitability and future cash flow

Shift of capital expenditures to boost electrification growth

Sustainable balance sheet to provide future financial flexibility

Core technologies **outperformance of 6.0pp**¹ in FY2018-FY2020

ET gross margin improved by >55pp from FY2018 to FY2020 with high cash conversion in underlying business

Strong cash generation targeted mid-term with free cash flow³ above €400 mn

Boost in electrification while overall capex targeted to remain at ~6.0%² mid-term

Net cash position with a net debt⁴ / adj. EBITDA⁵ of -1.0x in FY2020 and **strong equity ratio of 32.9%**⁶

Source: Company information. Notes: ¹ Based on IHS Markit, Automotive Alternative Propulsion Forecast, 16 February 2021. Outperformance refers to sales CAGR vs. CAGR of light vehicle production for FY2018 to FY2020. ² Capex excluding right of use assets (IFRS 16). ³ Free cash flow calculated as operating cash flow + investing cash flow. ⁴ Net debt amounts to -€406 mn, which includes long- and short-term indebtedness of €870 mn (incl. financing with Continental), receivables from financing with Continental of €1,021 mn and cash & cash equivalents of €255 mn. ⁵ Before consolidation and special effects. ⁶ Equity divided by ULCENCODES



THANK YOU!



APPENDIX

ELECTRIFICATION: CORE TECHNOLOGIES FOR LIGHT VEHICLES

OUR SYSTEM COMPETENCES ENABLE PRODUCT AND COMPLETE SYSTEM OPTIMIZATION



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Electrification Technology Business Unit Electronic Controls Business Unit Sensing & Actuation Business Unit



COMBUSTION: CORE TECHNOLOGIES FOR LIGHT VEHICLES

OUR SYSTEM COMPETENCES ENABLE PRODUCT AND COMPLETE SYSTEM OPTIMIZATION



Business Unit

Business Unit

TECHNOLOGIES

Business Unit

NON-CORE COMBUSTION TECHNOLOGIES FOR LIGHT VEHICLES

WITH LIMITED LONG-TERM MARKET PERSPECTIVE











FINANCIAL GOVERNANCE – ELEMENTS OF REPORTING

Basis of preparation	 Combined Financial Statements were prepared in accordance with IFRS as endorsed by the EU as per December 31, 2020, applying the predecessor accounting approach
	> Using the extraction method, assets and liabilities included in Combined Financial Statements correspond to the historically reported amounts from the Consolidated Financial Statements of Continental Group
	> Additional information provided by management per segment focusing on core technologies
	> Vitesco Technologies' reporting currency is Euro (€)
	> Order backlog and order intake are unaudited
	> H1 FY2021 financials including comparable H1 FY2020 figures will be provided at a later stage
Reporting process	> Fully SAP based global reporting system
	Budget planning with 1-year time horizon, strategic planning with additional 4-year time horizon
	> Monthly review of P&L, Balance Sheet, Cash Flow Statement and important KPIs by reporting entities
Adjustments	> EBIT adjustments include (goodwill) impairment. PPA amortization, restructuring as well as carve-out / spin-off
	cost
	> Warranty costs are not part of the adjustments

Source: Company information. Notes: Order backlog defined as sum of cumulative order intake not yet booked as sales. Order intake defined as sum of acquired lifetime sales within the respective fiscal year.

CONTRACT MANUFACTURING IMPACT ON THE FINANCIALS OF VITESCO TECHNOLOGIES IS LARGELY OFFSET

CONTINENTAL RELATIONSHIP: OVERVIEW



HIGHLIGHTS & COMMENTS

Contract Manufacturing structure implemented to ensure a time-efficient and cost-optimized exit of formerly shared production plants

Phase-out planned to be substantially completed by 2025

- Purchasing from Continental shown as costs of goods sold for operational business units
- Profitability largely offset on VT level

Source: Company information. Notes: Phase-out timeline may vary depending on strategic decisions and customer demand.



OVERVIEW OF ADJUSTMENTS TO HISTORICAL OPERATING PROFIT FOR VITESCO TECHNOLOGIES

REPORTED EBIT TO ADJ. EBIT BRIDGE (€ MN)

		FY2018	FY2019	FY2020
Reported EBIT		184	-635	-324
margin in %		2.0%	-7.0%	-4.0%
+ D&A		451	815	577
Reported EBITDA		636	180	253
margin in %		7.0%	2.0%	3.2%
Restructuring	A	14	362	87
Impairment portion of restructuring ¹	Ū	-3	-55	-7
Carve out / Spin-off costs	В	-	46	53
Cons		-	3	14
Adj. EBITDA ²		647	536	400
margin in %		7.1%	5.9%	5.0%
One-off impairment included in D&A ³	C	30	332	86
- D&A w/o one-off	-	-422	-483	-491
Adj. EBIT ⁴		225	53	-92
margin in %		2.5%	0.6%	-1.1%
Warranty costs included in adj. EBIT	D	-159	-193	-124
in % of sales	Ŭ	-1.7%	-2.1%	-1.5%

HIGHLIGHTS & COMMENTS

- Adjustments include (goodwill) impairment,
 PPA amortization, restructuring as well as
 carve-out / spin-off cost. Warranty costs are
 not part of the adjustments
- A Restructuring expenses in FY2020 mainly related to Electronic Controls and phase-out of respective businesses
- (B) Carve-out / Spin-off costs include advisory and one-off costs related to spin-off and ongoing expenses due to transition away from shared plants with Continental
- C One-offs within D&A are mainly due to impairments and included a significant goodwill impairment in FY2019
- D Warranty expenses are extraordinary, but are not adjusted for and therefore fully reflected in adj. EBITDA

Source: Company information. Notes: D&A: Depreciation and Amortization.¹ Already included in D&A.² Before consolidation and special effects.³ Includes impairment, PPA amortization, goodwill impairment, rolling impairment of ET as well as impairment portion of restructuring expenses.⁴ Before consolidation, amortization of intangibles from PPA and special effects.



NET WORKING CAPITAL LEVELS IMPACTED BY CARVE-OUT

NET WORKING CAPITAL DEVELOPMENT (€ MN)

	FY2018	FY2019	FY2020
Inventories ¹	621	621	562
(% of sales)	6.8%	6.8%	7.0%
Accounts receivable	1,553	1,475	1,984
(% of sales)	17.0%	16.2%	24.7%
Accounts payable	1,680	1,964	2,216
(% of sales)	18.4%	21.6%	27.6%
Net Working Capital (NWC)	493	132	330
(% of sales)	5.4%	1.5%	4.1%

KEY DEVELOPMENTS

- NWC FY2019 and FY2020 still highly impacted by carve-out and spin-off effects. FY2018 NWC reflects the normalized NWC levels
- FY2018 NWC assumed regular business relationships with OEMs
- Amongst others, Trade A/P are inflated by service agreements
- 2021 and following, contract manufacturing conditions with Continental will contribute to an increase in Trade A/P

CASH EFFECT

As part of the carve-out, assets-deal Trade A/R and Trade A/P were not transferred to Vitesco Technologies, therefore part of the NWC change is not cash effective but resulted in a change of equity

Source: Company information. Notes: Net Working Capital (NWC) is calculated as (Inventories + Accounts receivable – Accounts payable). ¹ Inventories including work-in-progress R&D (FY2018: €22mn, FY2019: €55mn, FY2020: €56mn).

