

# BUILDING AN ELECTRIFICATION POWERHOUSE

CAPITAL MARKET DAY

Regensburg, October 11, 2022

Public



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# WE ARE BUILDING AN ELECTRIFICATION POWERHOUSE

1   POWERING CLEAN MOBILITY	Andreas Wolf
2   DRIVING SUSTAINABILITY	Ingo Holstein
3   INTRODUCING POWERTRAIN SOLUTIONS DIVISION	Klaus Hau
4   INTRODUCING ELECTRIFICATION SOLUTIONS DIVISION	Thomas Stierle
5   DEFINING NEW MID-TERM TARGETS	Werner Volz
6   QUESTIONS & ANSWERS	Management Team
7   EXECUTIVE SUMMARY	Andreas Wolf

# 1

## **POWERING CLEAN MOBILITY**



## THE ELECTRIFIED FUTURE IS CERTAIN AND ACCELERATING

1  
Legislative pressure is increasing

2  
BEV and PHEV models will outnumber ICE models in 2027

3  
The trend toward electrification keeps on accelerating

## WE ARE A WINNER IN E-MOBILITY

1  
Electric components will largely remain outsourced

2  
We are well positioned with strong order intake

3  
We re-shape our organization to drive the transformation

## OUR TRANSFORMATION PLAN BEARS FRUIT

1  
We deliver on our commitments

2  
We are well on track to achieve our mid-term targets

3  
We raise our sales expectations in electrification

## ESG IS OUR KEY ENABLER TO LONG-TERM SUCCESS

1  
"Powering clean mobility" is our mission

2  
We offer fair and attractive working conditions

3  
We are actively committed to ethical business practices



# THE ELECTRIFIED FUTURE IS CERTAIN AND ACCELERATING



**Legislative pressure  
is increasing**

1

**BEV and PHEV models will  
outnumber ICE models in 2027**

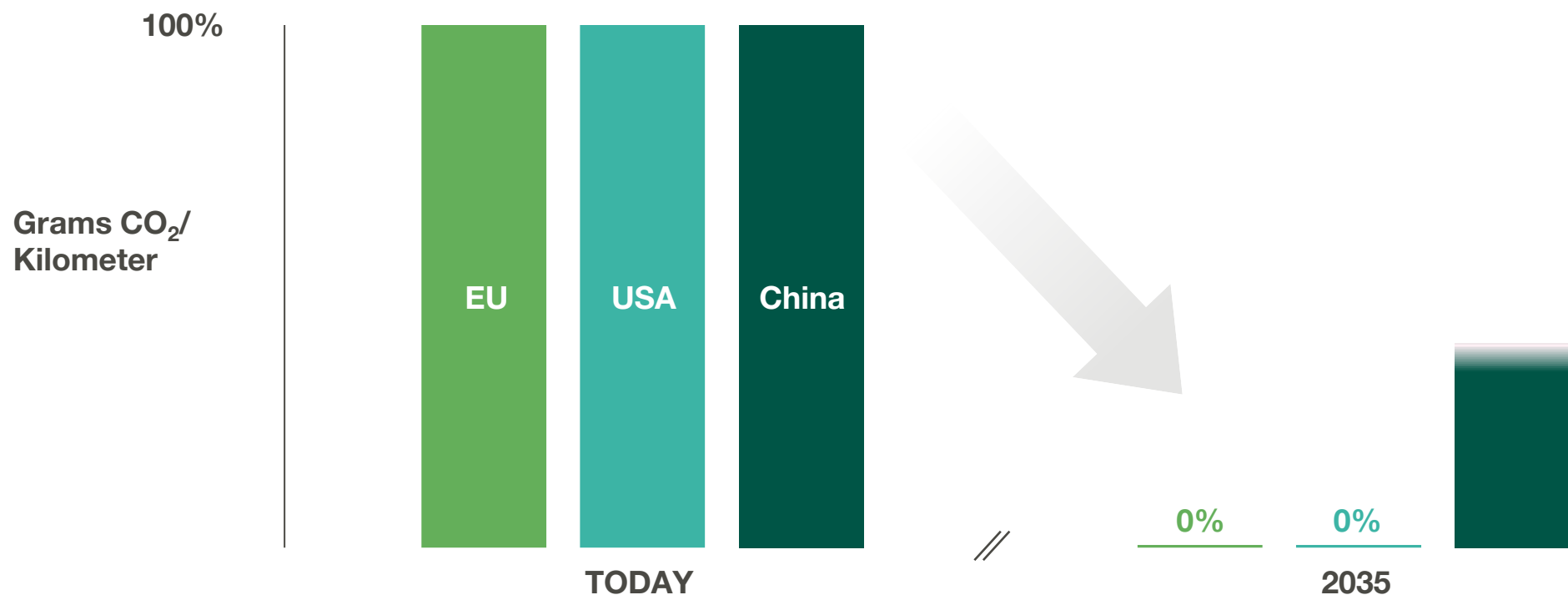
2

**The trend toward electrification  
keeps on accelerating**

3

# LEGISLATION WILL CONTINUOUSLY FOCUS ON ELIMINATING CO<sub>2</sub> EMISSIONS AND SHAPING FUTURE VEHICLE MARKETS

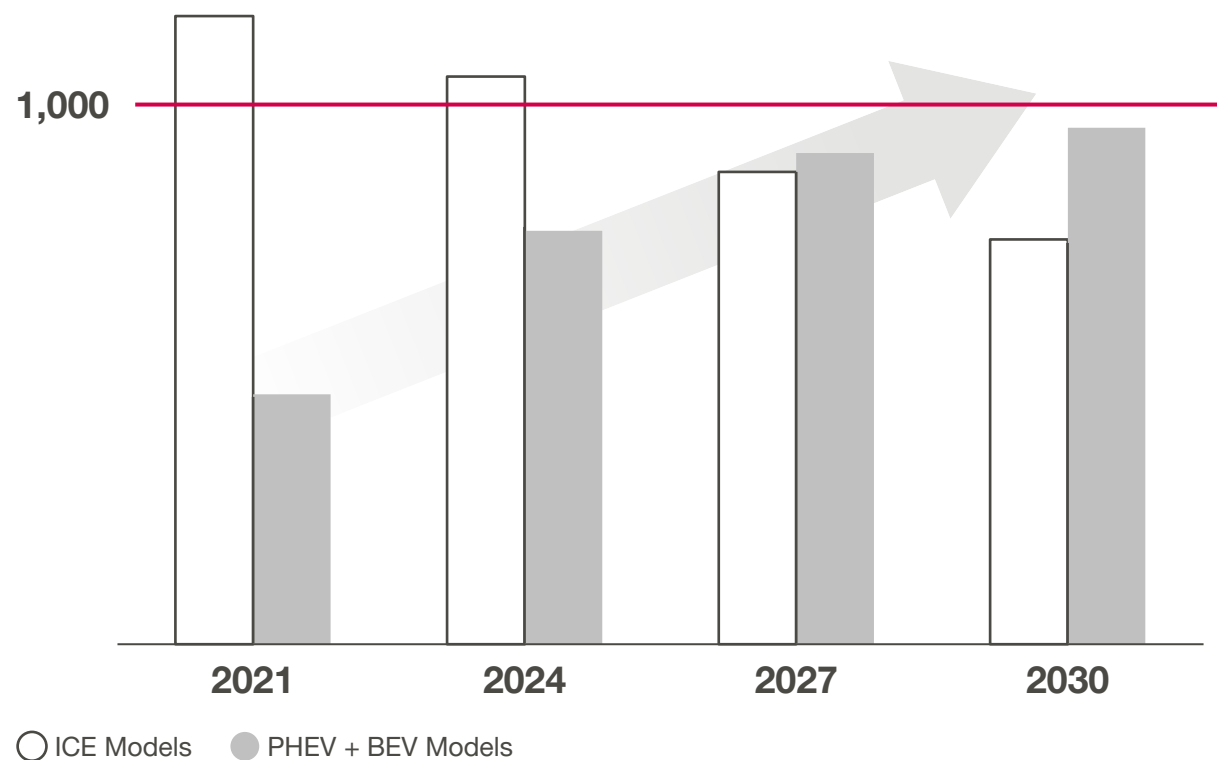
## Passenger car fleet CO<sub>2</sub> emission regulation



Sources: EU: EU monitoring data, CO<sub>2</sub> emission performance standards Regulation EU 2019/63,1; EU "Fit for 55" Package. USA: US EPA 2021 Automotive Trend Report, EPA Final GHG emission rule 2021. China: Internal information.  
Note: Data is not directly comparable as different test procedures apply.

# ALREADY BY 2027, AVAILABLE BEV AND PHEV MODELS WILL OUTNUMBER ICE MODELS

Worldwide number of pure ICE and BEV + PHEV models



**70%**

Increase in available BEV and PHEV models from 2021 to 2024

**110%**

Increase of 48V and FHEV models in ICE-powered vehicles from 2021 to 2024

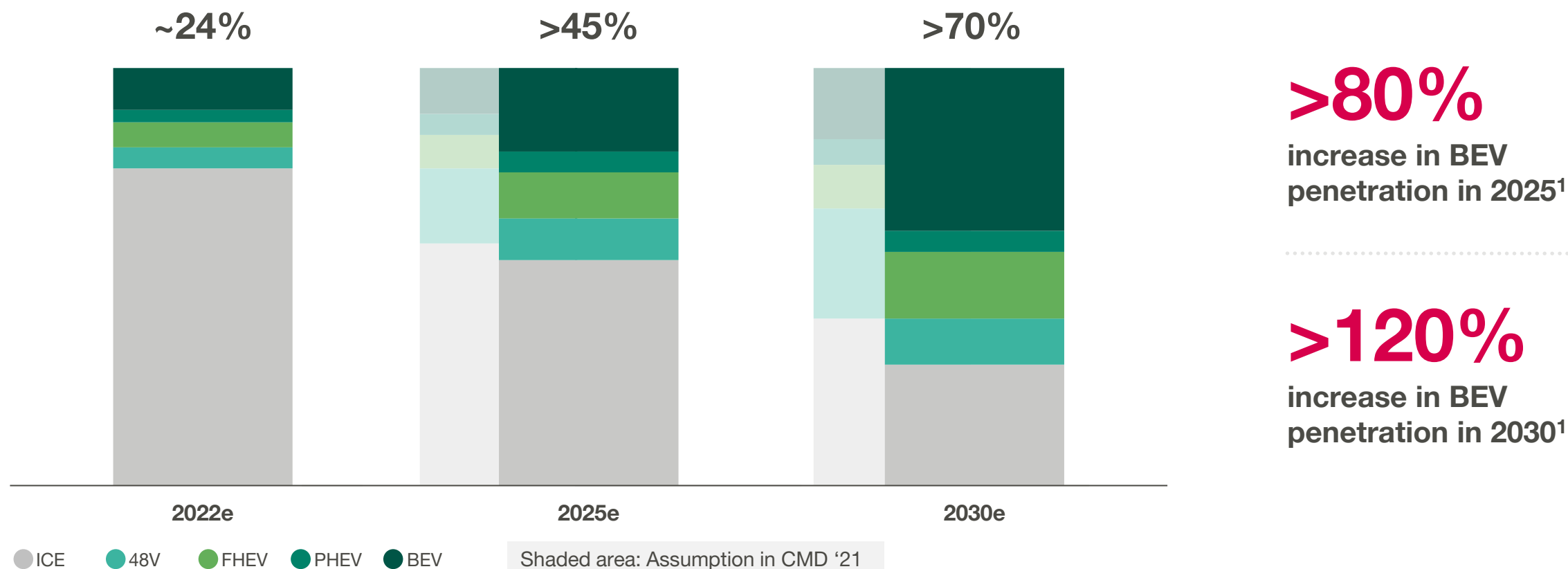
Source: S&P Global Mobility, Light Vehicle Powertrain Forecast (08/2022).

BEV: Battery Electric Vehicle. PHEV: Plug-in Hybrid Electric Vehicle. FHEV: Full Hybrid Electric Vehicle. ICE: Internal Combustion Engine.



# SINCE OUR LAST CMD, THE TREND TOWARD ELECTRIFICATION HAS ACCELERATED EVEN FURTHER

Electrification share in global light vehicle production



Source: Current assumption based on S&P Global Mobility, Light Vehicle Powertrain Forecast (08/2022). Previous assumption based on Roland Berger, "Powertrain Market" Study, 12/2020.

BEV: Battery Electric Vehicle. PHEV: Plug-in Hybrid Electric Vehicle. FHEV: Full Hybrid Electric Vehicle. ICE: Internal Combustion Engine.

<sup>1</sup> Increase in BEV penetration refers to current assumption compared to assumption from previous CMD for the same period.

# WE ARE A WINNER IN E-MOBILITY

**1**  
Electric components will  
largely remain outsourced

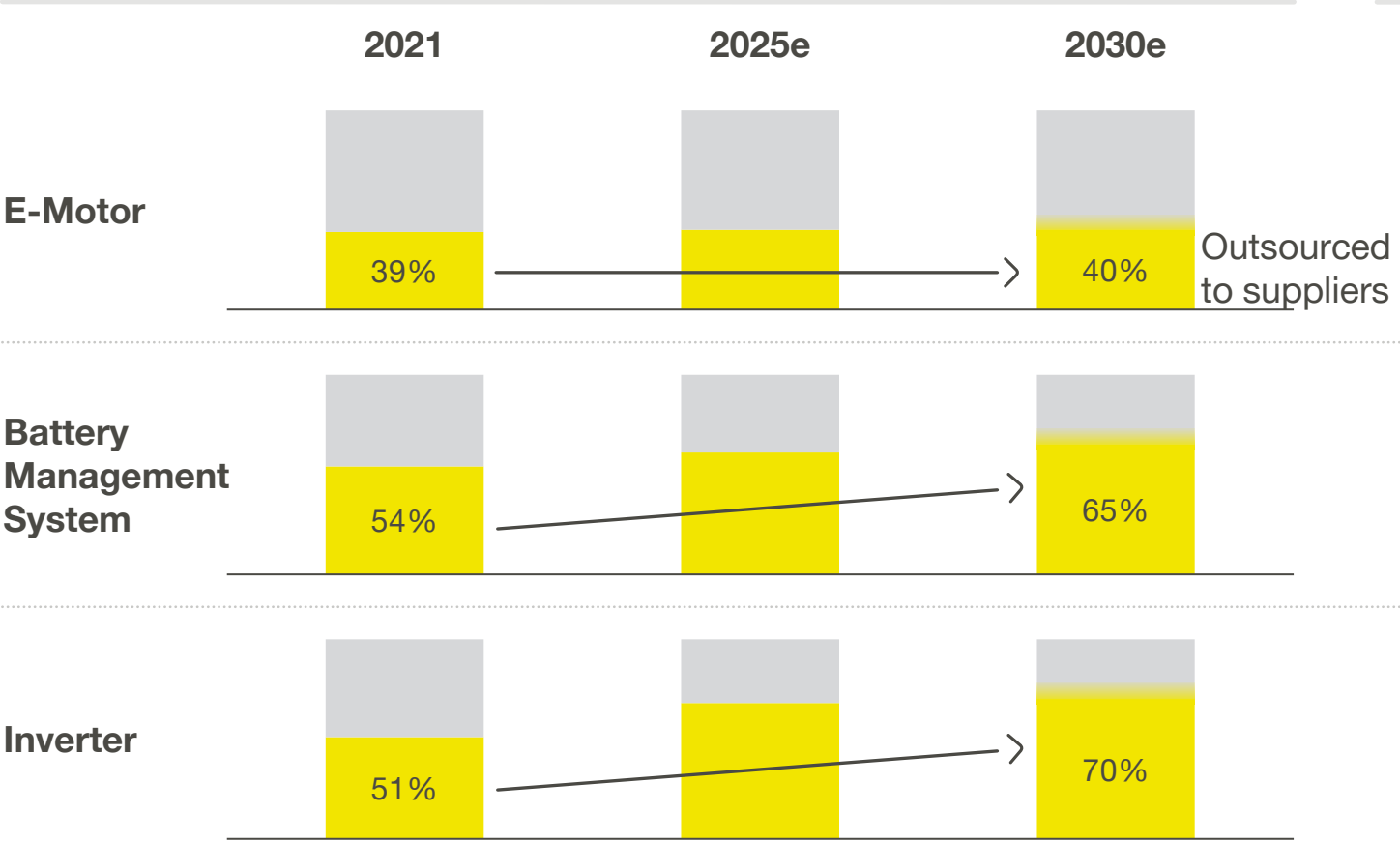
**2**  
We are well positioned  
with strong order intake

**3**  
We re-shape our organization  
to drive the transformation



# ELECTRIC COMPONENTS WILL LARGELY REMAIN OUTSOURCED TO SUPPLIERS BY 2025 AND BEYOND

Expectation for share of BEV components sourced from suppliers



● Outsourced to suppliers    ● Insourced by OEMs<sup>1</sup>

Source: Company estimates. 2030 is based on the assumption of a consistent sourcing strategy from OEMs compared to 2025e.  
Notes: <sup>1</sup> Suppliers may still deliver components (e.g. power module or stator or rotor) since OEMs production are typically not fully vertically integrated.

Outsourced volume will increase between 8x to 11x





# WE SECURED €10 BN OF ELECTRIFICATION ORDER INTAKE SINCE THE BEGINNING OF H2 2021

## Top cumulative order wins (extract)



### Battery Management System



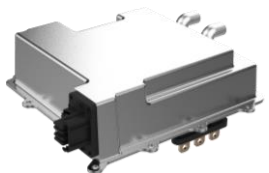
**€2.2 bn**

### High Voltage Box



**€0.4 bn**

### High Voltage Inverter

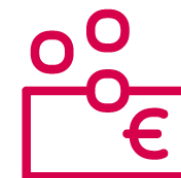


**€2.6 bn**

### Integrated Axle Drive



**€3.3 bn**

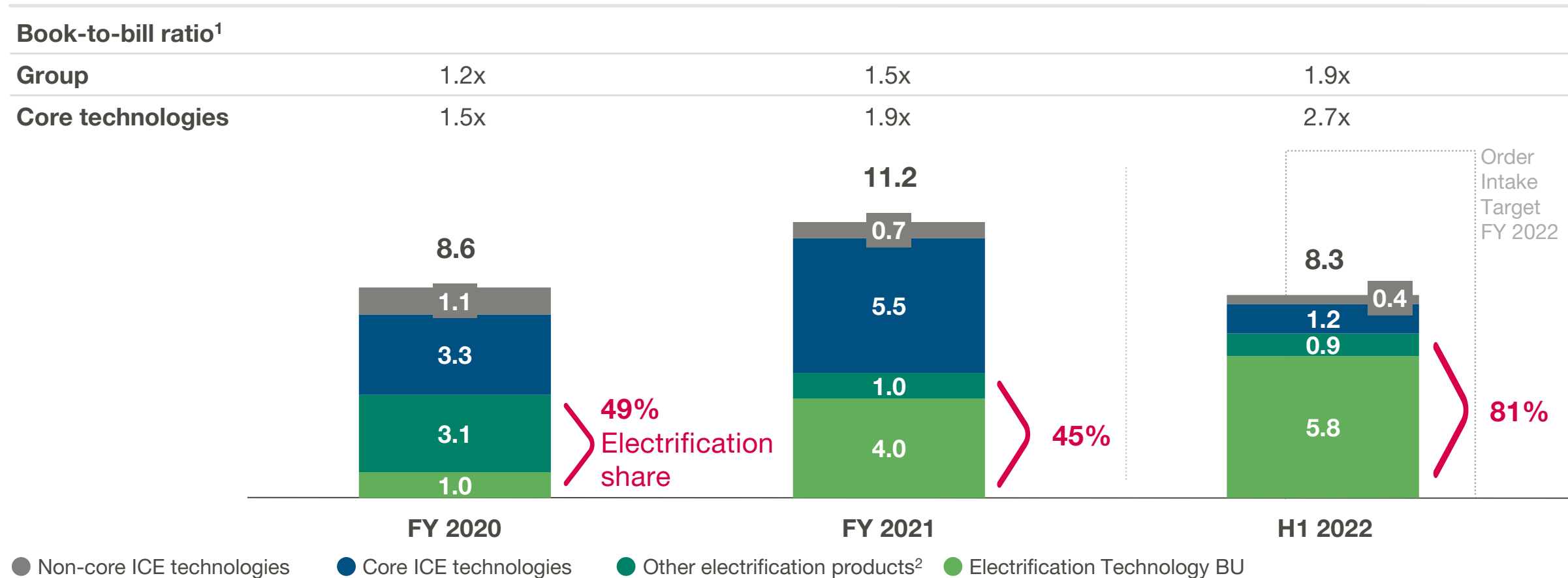


**~€10.0 bn**

**Electrification order intake since beginning of H2 2021<sup>1</sup>**

# OUR ORDER INTAKE MOMENTUM IS CLEARLY DEMONSTRATING OUR STRONG POSITION IN THE MARKET

Order intake (€ bn)



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.

<sup>1</sup> Ratio of order intake over sales excluding Contract Manufacturing. <sup>2</sup> Electrified business of Sensing & Actuation and Electronic Controls business units.

# THE LARGE ORDER WIN FOR OUR THERMAL MANAGEMENT SOLUTIONS PROVES OUR STRONG SYSTEM COMPETENCE



Increased range



Extended lifetime



Fast charging



Improved comfort



## New business win

### Order Intake

- > More than €1 bn business awarded from a global customer in fall 2022
- > Volume awarded for all major electrification markets

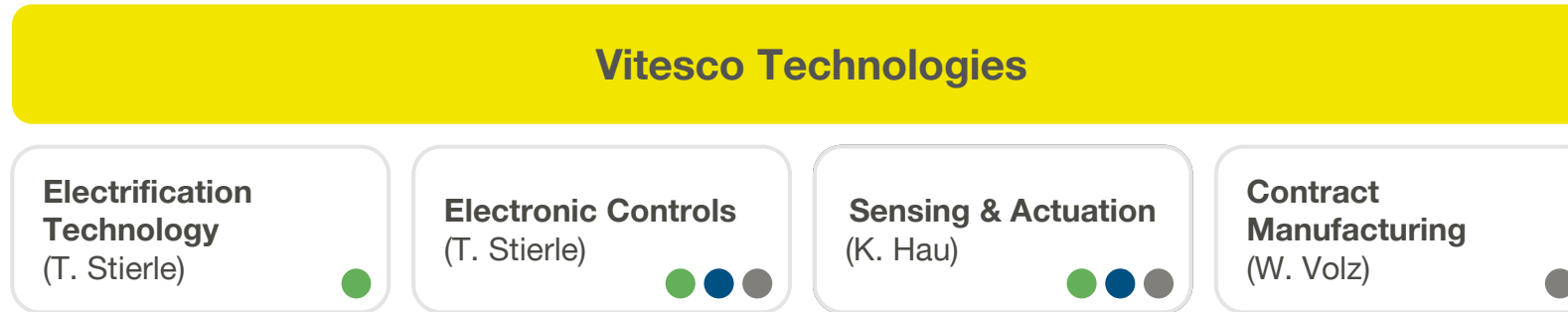
### Specifications

- > Thermal management for battery electric vehicles
- > Regulation of optimum temperature range for high-voltage components
- > Highly integrated thermal management module



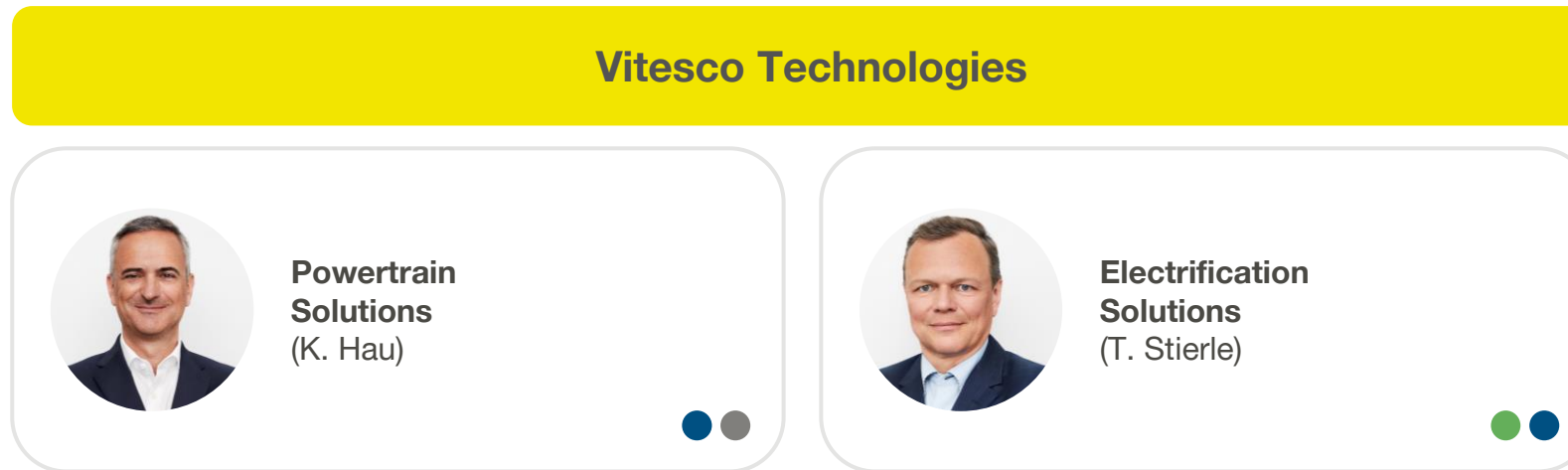
# OUR DIVISIONS REFLECT THE TRANSFORMATION AND FOSTER CUSTOMER PROXIMITY AND TRANSPARENCY

## Current structure (4 Business Units)



**Strategical re-alignment** following company vision

## Structure as per 01/2023 (2 Divisions)



Increased **reporting transparency**



Management structure with focus on **agility** and **customer proximity**



Electrified business



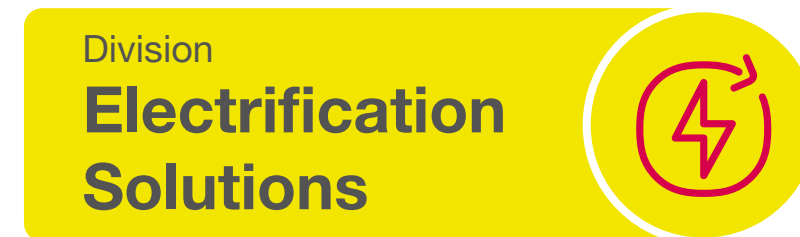
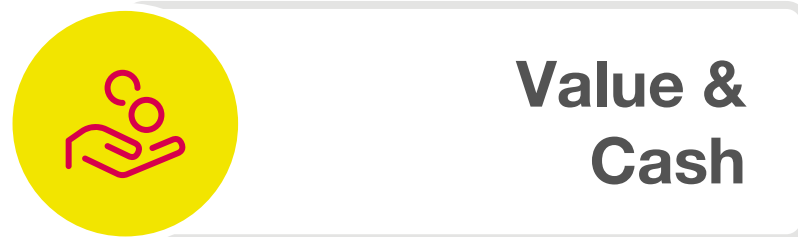
Core ICE technologies



Non-core technologies

# vitesco

TECHNOLOGIES



# OUR TRANSFORMATION PLAN BEARS FRUIT

**We deliver on  
our commitments**

1

**We are well on track to  
achieve our mid-term targets**

2

**We raise our sales  
expectations in electrification**

3





# WE CONTINUOUSLY DELIVER ON OUR COMMITMENTS AND ARE WELL ON TRACK TO ACHIEVE OUR MID-TERM TARGETS

## We are ramping up our electrified business

**> €1  
bn**

Sales target for electrification in FY 2022e

## Our electrification order intake underlines future growth dynamic

**€10.0  
bn**

Electrification order intake since the beginning of H2/2021<sup>1</sup>

## We are actively exploring options to accelerate our transformation



Successful divestment of multiple locations as well as Catalysts & Filter product line

## Profitability in Electrification Technology is improving

**21.5  
pp**

Gross margin improvements y/y in Electrification Technology<sup>2</sup>

## Our core technologies provide cash and value for our transformation

**10.5%**

Adj. EBIT<sup>3</sup> margin in Sensing & Actuation core technologies<sup>2</sup>

## We are executing our transformation according to plan

**> 45%**

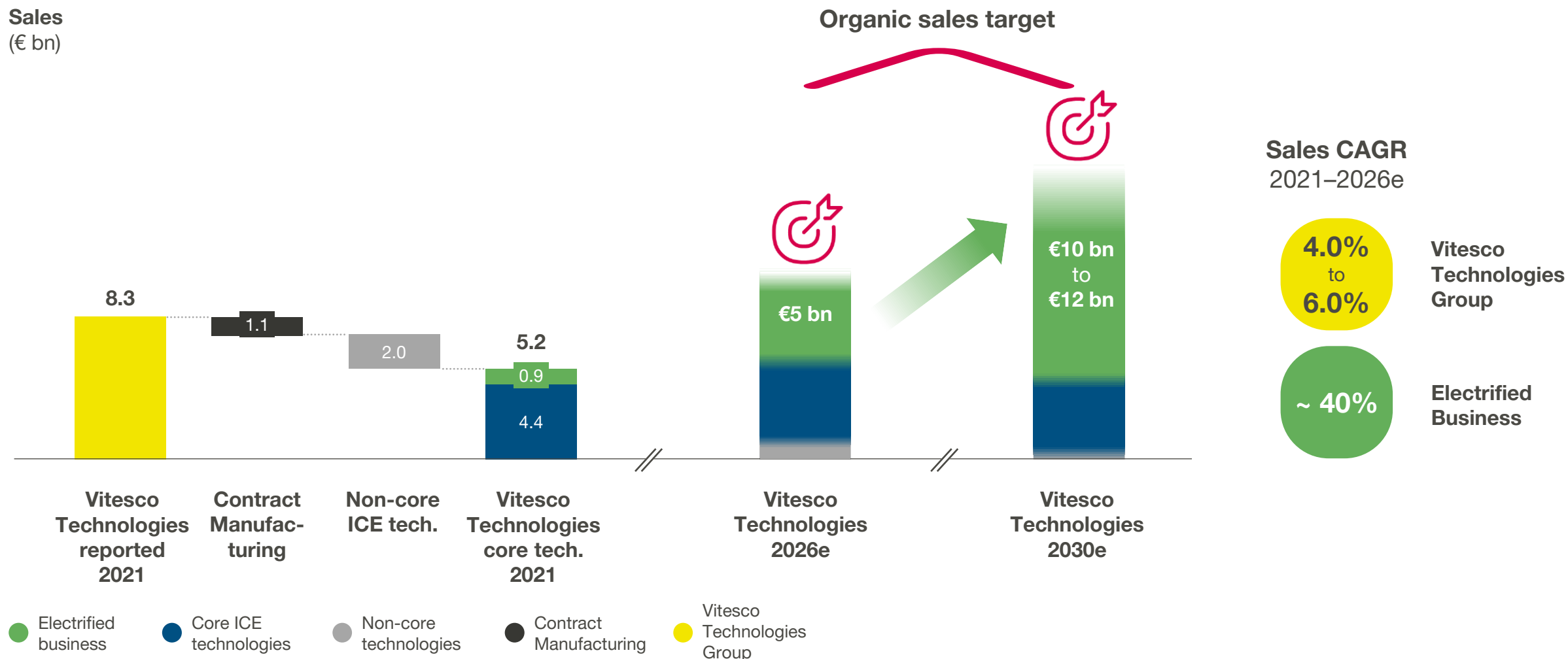
Transformation projects finalized<sup>1</sup>

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

<sup>1</sup> As of 06/2022. <sup>2</sup> In FY 2021. <sup>3</sup> Before consolidation, amortization of intangibles from PPA and special effects.

# THE STRONG ELECTRIFICATION MOMENTUM LEADS TO HIGHER SALES TARGETS FOR THE MID- AND LONG-TERM

Sales  
(€ bn)



Figures for 2026e and 2030e represent targeted organic sales development of Vitesco Technologies in the respective year. CAGR: Compound annual growth rate.

# ESG IS OUR KEY ENABLER TO LONG-TERM SUCCESS



**“Powering clean mobility”  
is our mission**

1

**We offer fair and attractive  
working conditions**

2

**We are actively committed to  
ethical business practices**

3



# ESG IS OUR KEY ENABLER TO LONG-TERM SUCCESS



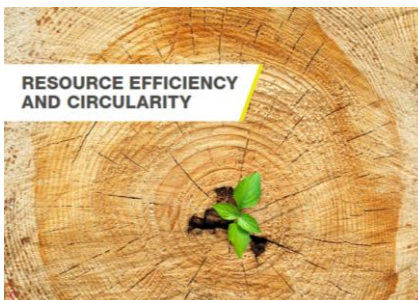
## 10.6%

share of business with electric and electrified solutions



## 90.6%

climate neutrality rate of total own CO<sub>2</sub>e-emissions<sup>1</sup>



## 92.6%

waste recovery quota<sup>2</sup>



## 13.6%

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



## 90.0%

share of strategic suppliers covered by Business Partner Code of Conduct<sup>3</sup>



## 1.9

accident rate (number of accidents per million hours worked)

Note: All data as per end of FY 2021. <sup>1</sup> Definition according to GHG Protocol. Includes the relevant production and research and development sites. Calculated using the market-based calculation method of the GHG Protocol. Where no contract-specific emission factors were available, the standard emission factors from Defra (09/2020) were used. Includes the purchase of biomethane. <sup>2</sup> Definition: Percentage of waste that was recycled or sent for material, thermal, or other recovery. Coverage of relevant production and relevant research and development sites. <sup>3</sup> Basis: Strategic Supplier List (SSL); suppliers must meet various requirements to be listed as a strategic supplier.

# WE ARE STRONGLY POSITIONED...

... IN A HIGHLY DYNAMIC GROWTH ENVIRONMENT

The electrified future is  
certain and accelerating

**>70%**

Electrified vehicle  
share in 2030e<sup>1</sup>

Our transformation  
plan bears fruit

**>€1 bn**

Electrification sales  
in FY 2022e

We are a winner  
in e-mobility

**6.7 bn**

Electrified business order  
intake in H1 2022

ESG is our key enabler  
to long-term success

**90.6%**

Climate neutrality rate of  
total own CO<sub>2</sub> e-emissions<sup>2</sup>



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

<sup>1</sup> Source: Based on S&P Global Mobility, Light Vehicle Powertrain Forecast (08/2022). <sup>2</sup> Definition according to GHG Protocol. Includes the relevant production and research and development sites. Calculated using the market-based calculation method of the GHG Protocol. Where no contract-specific emission factors were available, the standard emission factors from Defra (09/2020) were used. Includes the purchase of biomethane. As per end of FY 2021.

# 2

## DRIVING SUSTAINABILITY



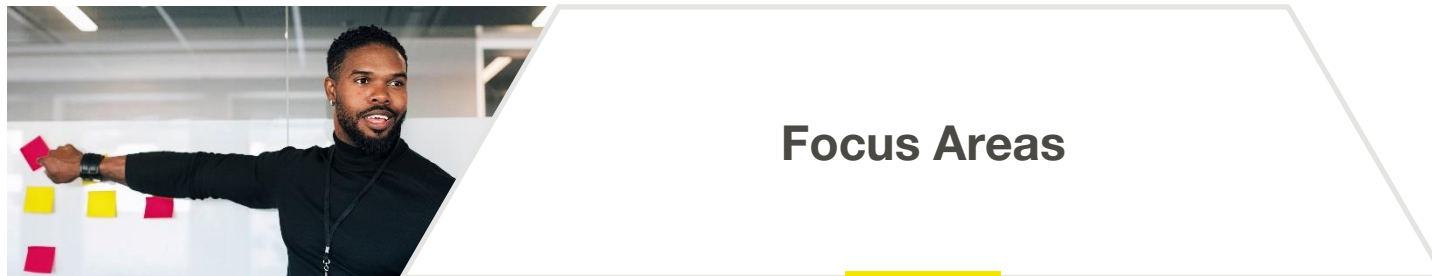
# SUSTAINABILITY IS AT THE CORE OF OUR STRATEGY AND DAILY BUSINESS IN PRODUCTS AND PROCESSES



**Electrified.** Emotion. Everywhere.



Powering **clean** mobility.



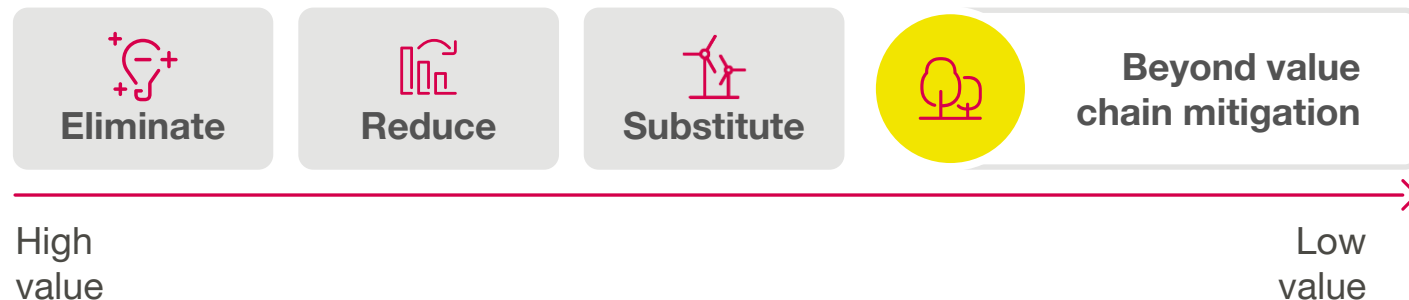
- > **Leader in Electrified Solutions**
- > Business Excellence
- > Investors' Choice
- > Great People, Great Company
- > **Driver of Sustainability**



# ESG: WE COMMIT OURSELVES TO CLIMATE NEUTRALITY ALONG THE ENTIRE VALUE CHAIN BY 2040 AT THE LATEST

## Mitigation hierarchy – decarbonization

Along value chain mitigation



## Accounting & reporting – corporate carbon footprint



## HIGHLIGHTS & OUTLOOK

Electrification and use of **renewable electricity** in the entire value chain

**Carbon neutral production** until 2030 (Scope 1 & 2)<sup>3</sup>

**Reduction of Scope 3 emissions<sup>3</sup> by 25%** between 2021 and 2030 according to SBTi

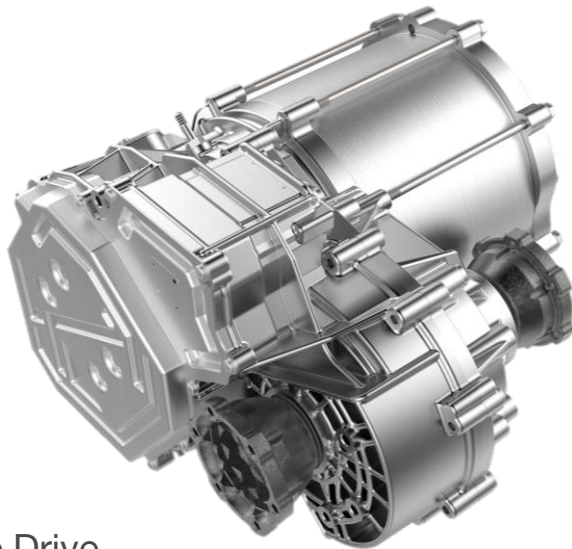
**Climate Neutrality** along the entire value chain **by 2040** at the latest

<sup>1</sup> According to Greenhouse Gas (GHG) Protocol. <sup>2</sup> According to Greenhouse Gas (GHG) Protocol, Science-Based Targets initiative (SBTi), Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosure (TCFD), Carbon Disclosure Project (CDP).

<sup>3</sup> Referring to scope 1, 2 and 3 CO<sub>2</sub> emissions as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development.

# ESG: WE WILL IMPLEMENT LIFE CYCLE ENGINEERING FOR ALL OUR NEW PRODUCTS

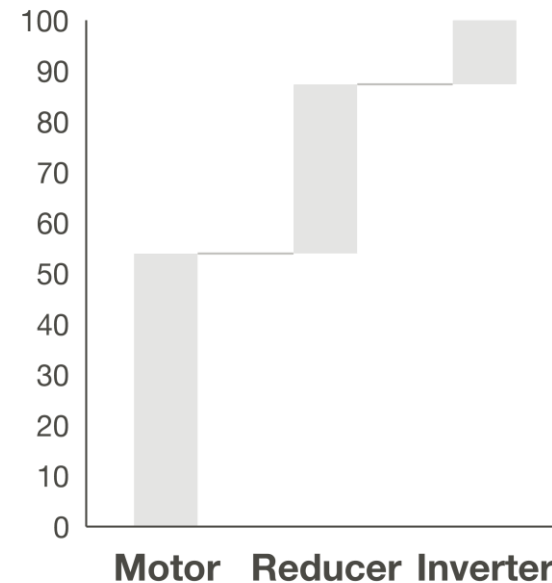
## Product



Axle Drive  
**EMR4**

## Global warming potential

Cradle to gate  
GWP<sup>1</sup> [%]

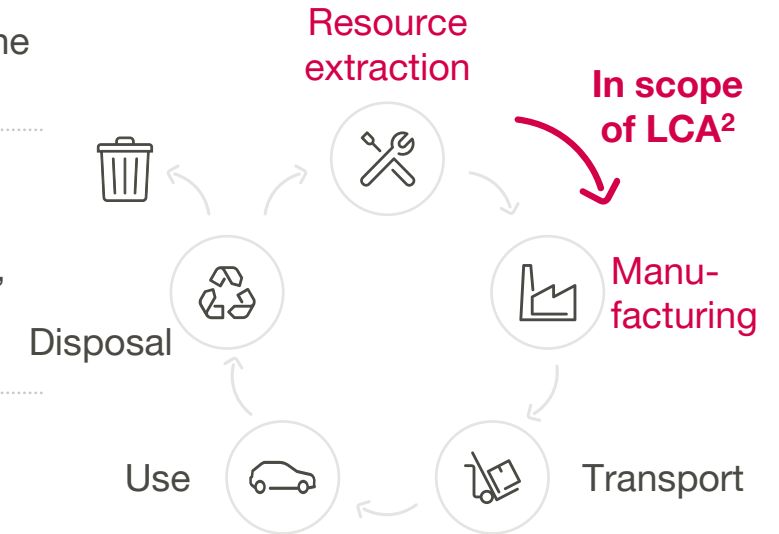


## Life cycle engineering

**LCA<sup>2</sup>**: assesses the **environmental impacts** along the **value chain**

Design for **environment** for the product, e.g., substitution of materials

Design for **circularity** to enable reuse, repairing and remanufacturing



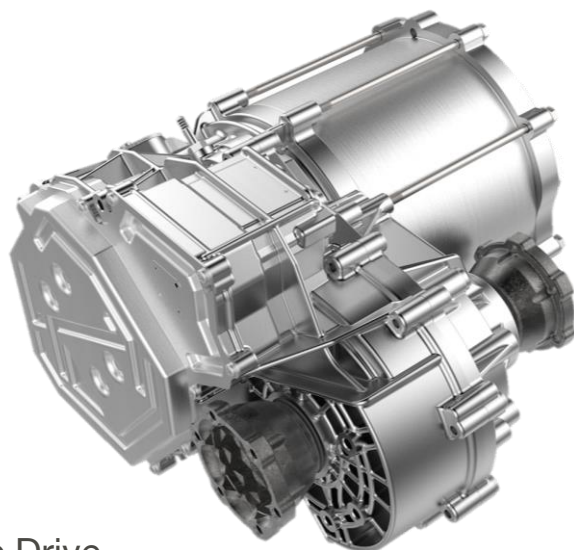
**Our strategic target: 100% Life Cycle Engineering for new products by 2030**



Cradle to gate refers to the upstream processes in the production chain of a product until the stage at which the product is ready for use.  
Source: Company information. EMR4: Electric Motor Reducer 4. <sup>1</sup> Global Warming Potential in CO<sub>2</sub> equivalent. <sup>2</sup> LCA: Life Cycle Assessment.

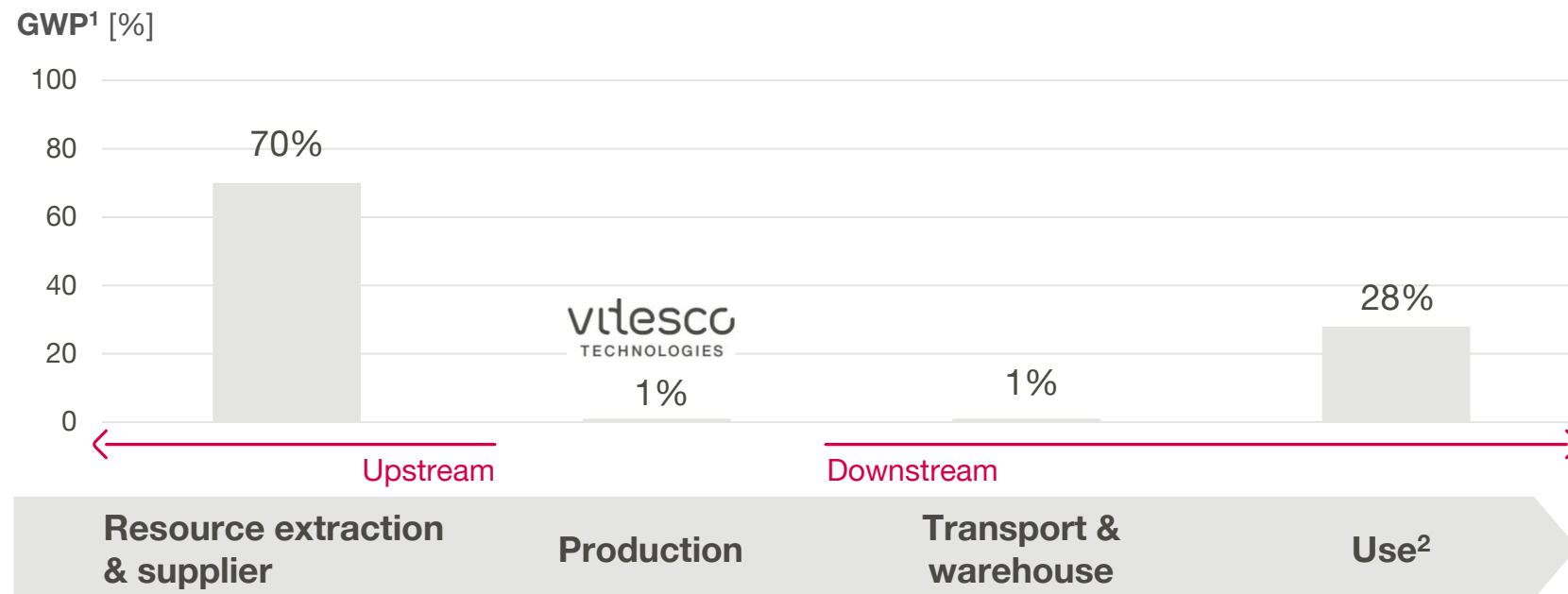
# ESG: OUR PRODUCTS CAN OFFER SIGNIFICANT IMPROVEMENTS OVER THE VALUE CHAIN

## Product



Axle Drive  
**EMR4**

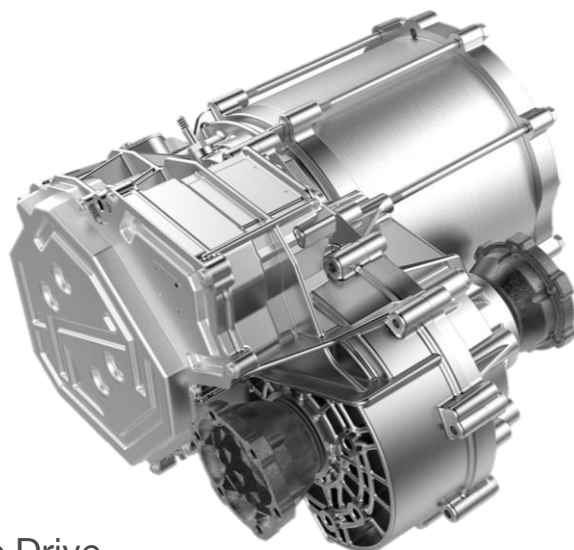
## Global warming potential along the supply chain



Upstream emissions are highly impacted by our component design and choice of materials

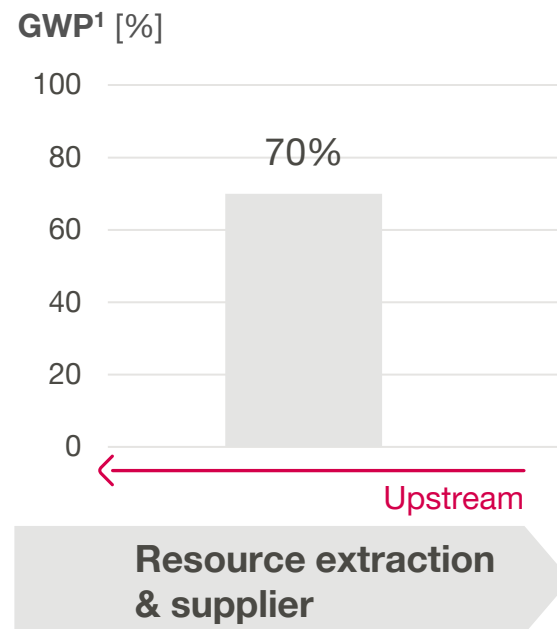
# ESG: OUR PRODUCTS CAN OFFER SIGNIFICANT IMPROVEMENTS OVER THE VALUE CHAIN

## Product



Axle Drive  
**EMR4**

## Global warming potential along the supply chain



## MEASURES

We actively **engage** with our **suppliers** to reduce CO<sub>2</sub> emissions of their **components**

We **joined** the automotive network **Catena-X** to create a global **data eco-system** for the automotive industry

We **create transparency** for our **suppliers** regarding sustainability requirements

We work jointly with our partners on the challenges concerning data and quality



# ESG: OUR HUMAN RIGHTS DUE DILIGENCE AND SUPPLY CHAIN DUE DILIGENCE PROCESSES ARE WELL-ESTABLISHED BY 2023

Currently ongoing



**Fully compliant with the German Supply Chain Act by 2023**



## ACHIEVED MILESTONES

Established a **Human Rights Due Diligence Working Group** and Human Rights and Corporate Social Responsibility unit

Published **Human Rights Policy** and **Code of Conduct** for employees and business associates

Joined the **Responsible Business Alliance**<sup>1</sup>

**Risk assessment** of own operations finalized, assessment of supply chain ongoing

<sup>1</sup> Industry coalition dedicated to corporate social responsibility in global supply chains.

# ESG: OUR SOLID GOVERNANCE AND COMPLIANCE STRUCTURE IS THE BACKBONE OF OUR BUSINESS ACTIVITIES

## Accountability

- > **Experienced** and **diverse** supervisory board with proven industry and financial experts
- > Implementation of additional **risk mitigating structures** such as **compliance management system**

## Transparency

- > **Prime standard** listing, the **highest level of transparency** in European stock markets
- > **Publication of additional information** such as our sustainability report or comprehensive data on governance



## Fairness

- > Consideration and management of different **stakeholder expectations**
- > **Human Rights Policy** and **Code of Conduct** as basis for economic decision making

## Responsibility

- > **Organizational structures** and **responsibilities** are clearly defined in our **Rules of Cooperation**
- > Ensuring **sustainable development** by committing to **climate protection goals** and stakeholder demands

**German Corporate Governance Codex provides the foundation of our governance structures**

# ESG: QUALITY, SAFETY AND COMPLIANCE OF OUR PRODUCTS AND SERVICES IS ONE OF OUR TOP PRIORITIES



## TECHNICAL COMPLIANCE

PRINCIPLE & CULTURE



OBJECTIVES



ORGANIZATION & GOVERNANCE



PROGRAM & PROCESSES



RISK MANAGEMENT



MONITORING & IMPROVEMENT



COMMUNICATION & TRAINING



TECHNICAL INFRA-STRUCTURE & IT



We implemented a Technical Compliance Management System (TCMS)



## FOCUS ON TECHNICAL COMPLIANCE

Protecting company, customers and employees from significant risks and consequences

Clear structure and monitoring mechanism across the complete product lifecycle

Covering all related functions such as engineering, purchasing and operations

Seamless integration into systems and organizations, such as quality and compliance management systems

# WE ARE CONTINUOUSLY WORKING ...

... ON IMPROVING OUR ESG CAPABILITIES

We are committed to  
climate protection

**2040** as a target for scope 3  
climate neutrality<sup>1</sup>

We implement human rights  
due diligence processes

**By 2023** GSCA<sup>2</sup> compliance will be  
achieved and proven

We continuously improve the  
sustainability of our products  
and our supply chain

**100%** Life cycle engineering for new  
products by 2030 targeted

We are building a strong  
governance system

**TCMS** ensures product safety  
and integrity<sup>3</sup>

<sup>1</sup> Referring to scope 3 CO<sub>2</sub> emissions as defined by the Greenhouse Gas Protocol, World Resources Institute (WRI), World Business Council for Sustainable Development

<sup>2</sup> GSCA: German Supply Chain Act. <sup>3</sup> Technical Compliance Management System.



**3**

**INTRODUCING  
POWERTRAIN  
SOLUTIONS  
DIVISION**

# POWERTRAIN SOLUTIONS DELIVERS CASH AND VALUE AS A FOUNDATION FOR OUR TRANSFORMATION

## We focus on



Cash generation and high profitability for our self-funded transformation



Leveraging our products with leading market position



Re-deploying existing technologies into new product applications



Growing our aftermarket and 2-wheeler business



Phasing out non-core technologies and Contract Manufacturing

### Actuation



### Sensorics & Controls



### Hydraulics & Turbocharger<sup>1</sup>



### Aftermarket & Non-Automotive



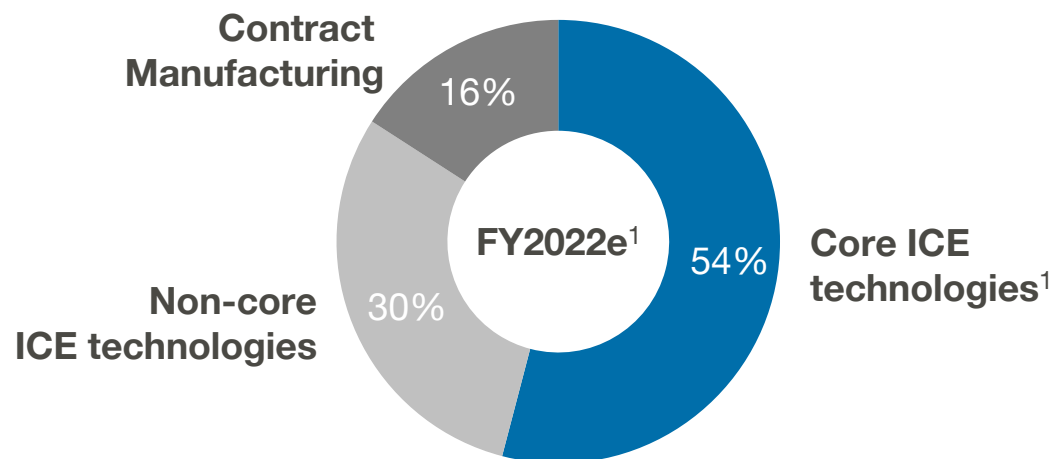
**~€6.1 bn sales<sup>2</sup> in FY 2021**



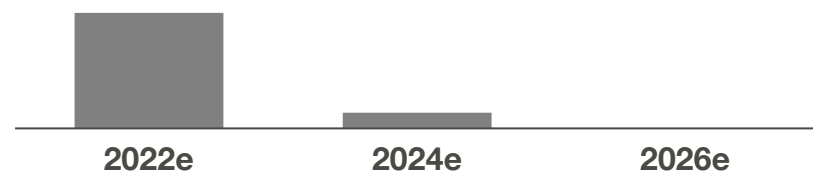
<sup>1</sup> Including Contract Manufacturing. <sup>2</sup> Scope of consolidation as at the end of 2021.

# WE ARE WELL ON TRACK WITH OUR PHASE-OUT OF NON-CORE TECHNOLOGIES AND CONTRACT MANUFACTURING

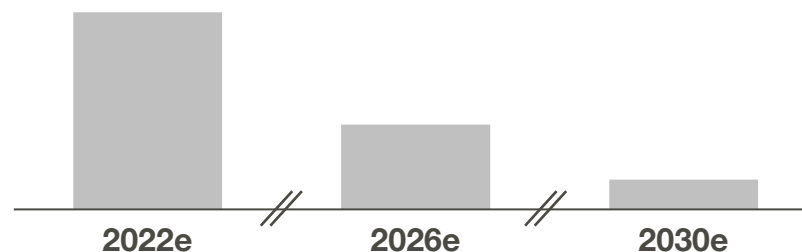
## Sales distribution of Powertrain Solutions division



### Contract Manufacturing



### Non-core ICE technologies



Contract Manufacturing phase-out to be completed in 2026



Strong swing from negative to positive cash conversion of non-core technologies

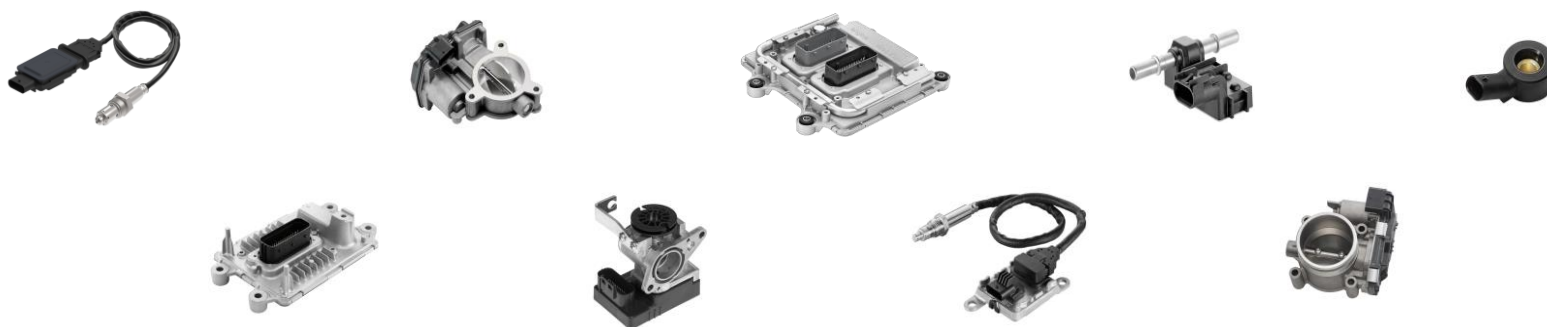


Phase-out supported by divestiture activities

<sup>1</sup> Already considering closing of Catalysts & Filters product line divestment.

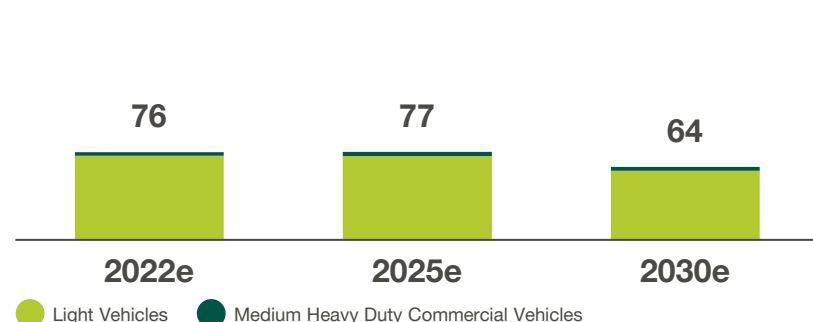
# OUR PORTFOLIO CONTRIBUTES STRONGLY TO A CLEAN AND EFFICIENT MOBILITY – TODAY AND IN THE FUTURE

Leading market position products contributing to clean and efficient mobility



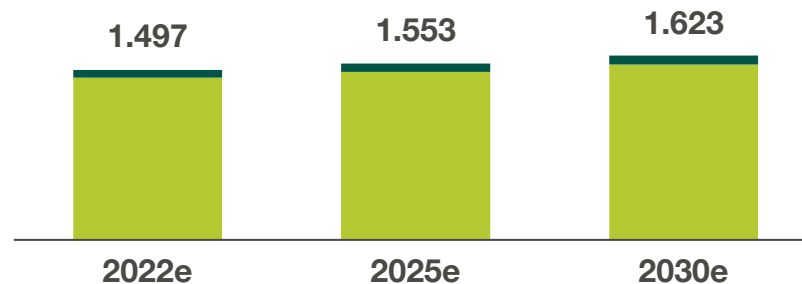
ICE market – vehicle production<sup>1</sup>

[mn units]



ICE market – vehicles in operation<sup>2</sup>

[bn units]



Leveraging products with leading market position



New vehicles with combustion engine even in 2030e<sup>1</sup>



Strong aftermarket sales growth<sup>3</sup> driven by ICE vehicles in operation



Cash conversion rate in 2022e<sup>4</sup>

ICE: Internal Combustion Engine. <sup>1</sup> Source: S&P Global Mobility, Light Vehicle Powertrain Forecast (08/2022). S&P Global Mobility, Medium/Heavy CV Engine Production Forecast (07/2022). Company estimates.

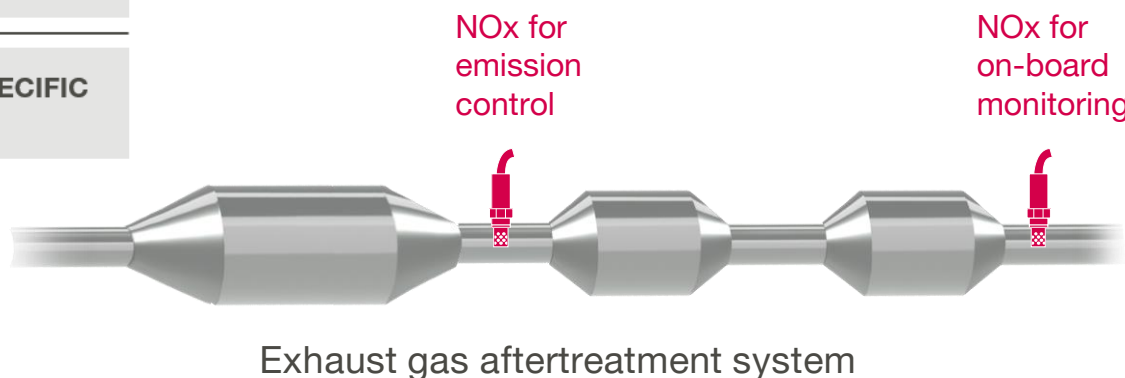
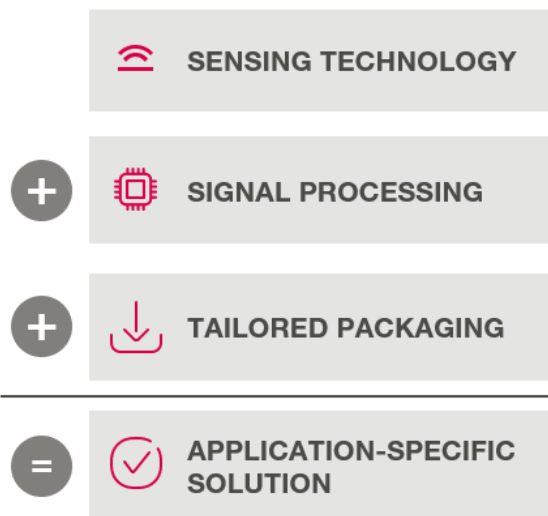
<sup>2</sup> Source: S&P Global Mobility, AftermarketInsight (08/2022). Includes hybrid vehicles. <sup>3</sup> From FY 2021 to FY 2026e. <sup>4</sup> Defined as (Adj. EBITDA – Capex) / Adj. EBITDA. Already considering closing of Catalysts & Filters product line divestment.



# WE CONTINUOUSLY RE-DEPLOY OUR TECHNOLOGIES INTO NEW APPLICATIONS TO ENSURE RESILIENT PROFITABILITY

## NOx sensor for gasoline applications

### OUR FORMULA TO SCALE



Exhaust gas aftertreatment system



Global market leader for NOx sensors



NOx gasoline market potential in 2030<sup>1</sup>



Enabling on-board monitoring and improved emission control



Order intake in H1 2022

# OUR COMMERCIAL VEHICLE ACTIVITIES ARE A STRONG BACKBONE FOR OUR CONTINUOUS SUCCESS

Selected product examples from our commercial vehicle portfolio

## Actuators



## Controls



## Sensors



>€1  
bn

Commercial vehicle sales<sup>1</sup>

>€1.2  
bn

Commercial vehicle order  
intake<sup>1</sup>

>60  
cust.

Strong global CV on-/off-  
highway customer base<sup>1</sup>



Re-deploy well established  
technologies into fuel cell  
applications

# OUR RESILIENT POWERTRAIN BUSINESS ...

... PROVIDES VALUE AND CASH TO ENABLE THE SELF-FUNDED TRANSFORMATION

We are successfully managing the phase-out

**>50%** Non-core ICE technologies to be phased-out until 2026

We continue to leverage our existing products into new applications

**>€500 mn** NOx gasoline order intake in 2022<sup>1</sup>

Our commercial vehicle business is a strong backbone

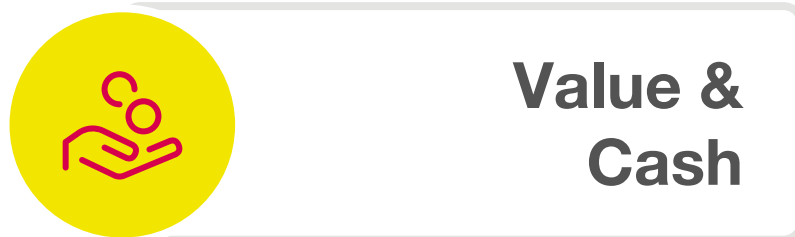
**>€1.2 bn** Commercial vehicle order intake in 2021

Our business is resilient and ensures a sustainable cash generation

**>65%** Cash conversion rate in 2022e<sup>2</sup>

<sup>1</sup> As per end of H1 2022. Order intake defined as sum of acquired lifetime sales within the respective fiscal year. <sup>2</sup> Defined as (Adj. EBITDA – Capex) / Adj. EBITDA.

# OUR NEW DIVISIONAL SETUP WILL ENSURE THE FUTURE SUCCESS OF VITESCO TECHNOLOGIES





# 4

## INTRODUCING ELECTRIFICATION SOLUTIONS DIVISION

# ELECTRIFICATION SOLUTIONS MAKES MOBILITY CLEAN, SAFE AND AFFORDABLE



## What drives us



Adapting to the highly dynamic e-market



Securing order intake for profitable growth



Transforming our workforce from combustion to electrification



Executing safe product launches globally



Leveraging our expertise to power more innovation

## Electric Drive Systems



Integrated Axle Drive



48V Mild-Hybrid Drives



Thermal Management Solutions

## Controls



Inverter

High Voltage Box



Battery Management System



DC/DC Converter

Transmission Control Unit



Master/Zone Controllers



Gasoline Engine Control Unit



~€2.2 bn sales in **FY 2021**



# WE ARE A FULL SYSTEM SUPPLIER WITH MORE THAN 15 YEARS OF EXPERIENCE IN ELECTRIFIED PROPULSION

Systems and components for the powertrain of battery electric vehicles

**Master/Zone Controller**



**Inverter**



**Electric Machine**



**Battery Management System**



**DC/DC Converter**



**On-Board Charger**



**Thermal Management**



Included in Vitesco Technologies' portfolio



Component is part of integrated system



Solutions for 400V and 800V architectures



Propulsion scenario agnostic product design covers also mild, full and plug-in hybrids



Modular solutions with tailormade interfaces to meet our customers' demand



Extensive expertise in system and software development across all products

# OUR NEXT GENERATION INVERTER TAKES MODULARITY AND SCALABILITY TO NEW LEVELS

## Our DNA



**Modular & scalable platforms**

+



**Electronics & system expertise**

+



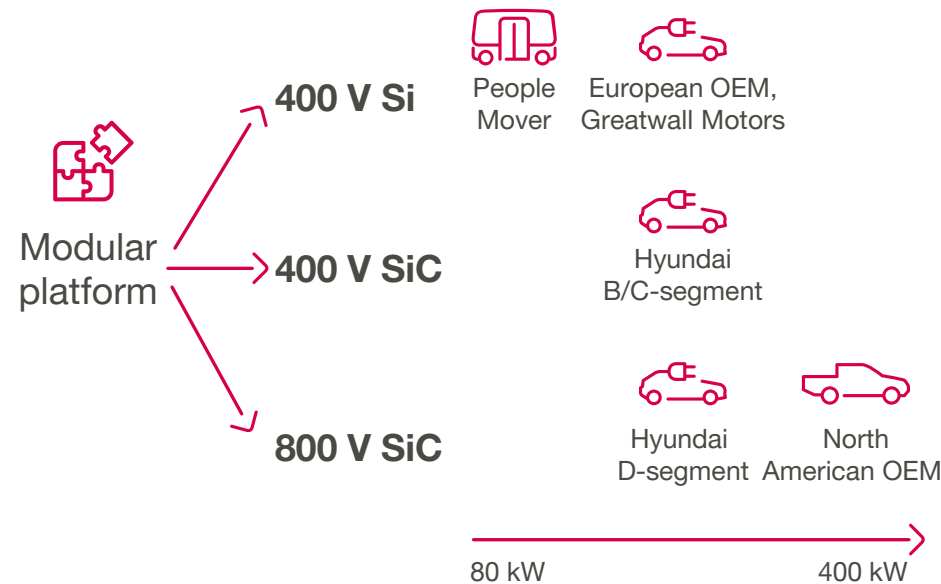
**Flex. business models: components to systems**

=



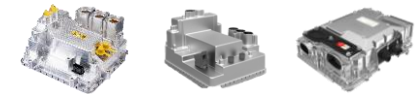
**Product excellence**

## Modular and scalable platforms: Inverter



## Modular design of 4<sup>th</sup> generation inverter for flexible integration

- > Stand-alone and axle drive integrated
- > Capability to power magnet and magnet-free motors



## Adaptable solutions for almost all vehicle segments

- > Power modules with Si and SiC
- > 400V / 800V readiness, in same package
- > Power range 80–400kW



**Modular building blocks enable multiple customer applications based on a common platform**





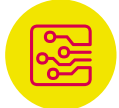
# WE RE-DEPLOY OUR EXTENSIVE ELECTRONICS EXPERTISE ACROSS OUR ELECTRIFICATION PORTFOLIO

## Our DNA



Modular & scalable platforms

+



Electronics & system expertise

+



Flex. business models: components to systems

=



Product excellence

More than 30 years of expertise in electronics, software and systems

9 out of 10  
top OEMs rely  
on our control  
units<sup>1</sup>

>400 mn  
electronic units  
shipped to the  
market



Transmission  
Controller



Engine  
Controller

Re-deployment in  
manufacturing and  
HW & SW modules

100%

Surface Mounted  
Device (SMD) assets

Up to  
80%

Reuse of  
electronics modules<sup>2</sup>

100%

Cyber-security and  
functional safety  
compliant solutions<sup>3</sup>



Battery Mgmt.  
System



Master/Zone  
Controller

HW: Hardware. SW: Software.

<sup>1</sup> Top 10 OEM per volume in 2021 worldwide. <sup>2</sup> For Master Controller and Battery Management System. <sup>3</sup> According to ISO26262 and ISO21434.

# OUR MODULAR PRODUCT PLATFORMS SUPPORT BOTH COMPONENTS AND INTEGRATED SYSTEM BUSINESS

## Our DNA



Modular & scalable platforms

+



Electronics & system expertise

+



**Flexible business models: components to systems**

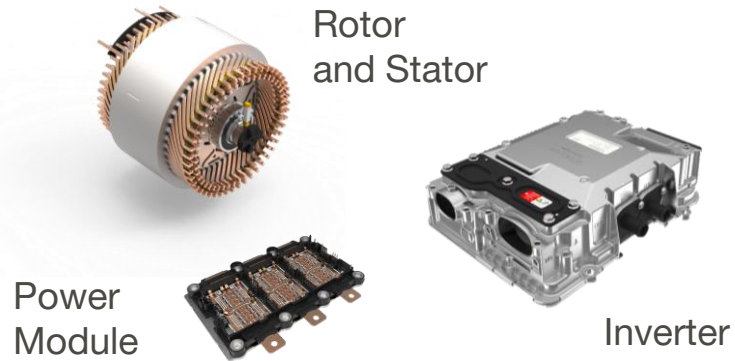
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Product excellence

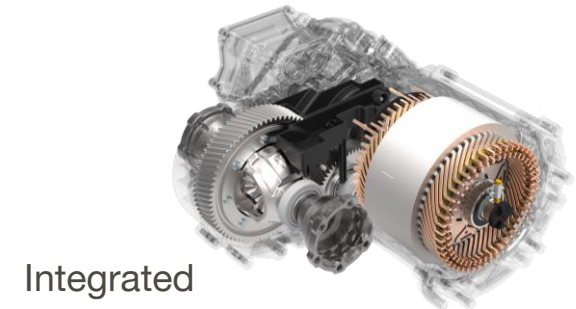
## High voltage integrated axle drive

### Components



**Robust high-performance components**  
8 new series awards<sup>1</sup>

### Integrated systems



**5% increased efficiency<sup>2</sup>**  
**25% lighter<sup>2</sup>**

**For any customer sourcing strategy:**  
**Attractive solutions covering components and complete systems**



<sup>1</sup> New customer projects for axle drive components since the beginning of 2021, not counting awards for volume extensions. <sup>2</sup> Increased efficiency and lower weight compared to previous generation.

# OUR CUSTOMERS VALUE AND TRUST OUR ELECTRIFICATION SOLUTIONS

## Selected single orders by ...

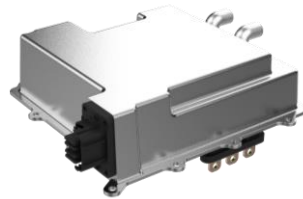


### North American OEMs



Battery Management System (wireless)

€1.7 bn



Inverter

€1.9 bn

### a European OEM



High Voltage Box

€400 mn

### an Asian OEM



Integrated Axle Drive

€2.0 bn

With our diversified and scalable portfolio, we win business with major manufacturers in all key regions



# WE HAVE A CLEAR PLAN TO EXECUTE ON THE ACQUIRED ORDER INTAKE, STARTING WITH ENGINEERING

## Our plan



Engineering transformation

+



Production footprint optimization

+



Safeguard supply chain

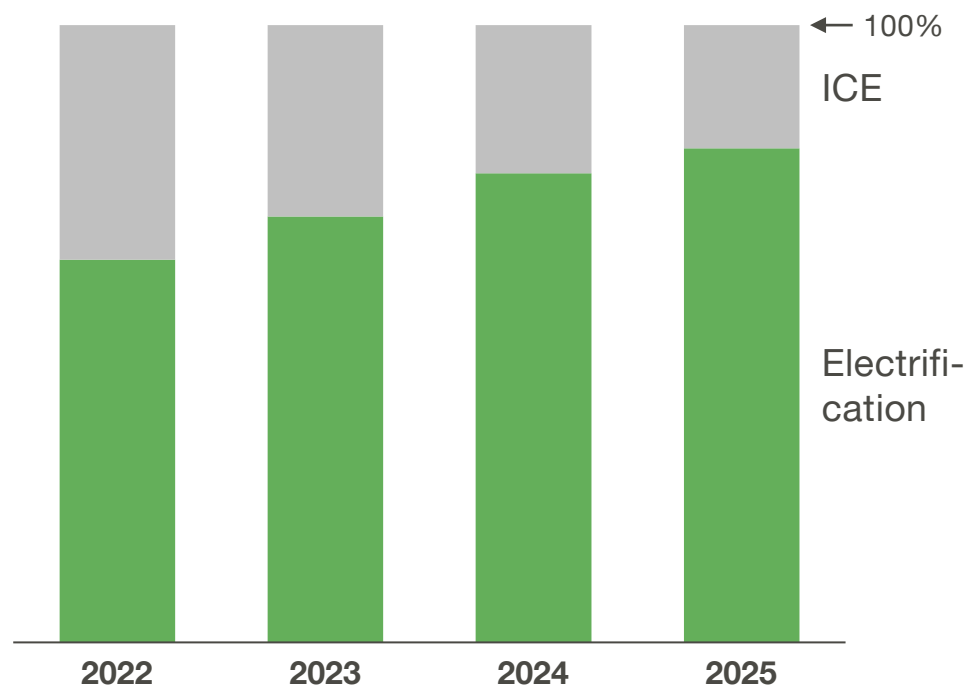
+



Execution excellence

We actively re-deploy our R&D resources toward electrification

Engineering workforce for Electrification Solutions division, by functional area<sup>1</sup>



5,700

Engineers<sup>2</sup> with **electronics, software and system competence**

~60%

of engineering workforce already working on **electrification** projects

~90%

of remaining workforce have **skill sets** enabling transfer towards electrification



# WE SAFELY LAUNCH OUR NEW PRODUCTS IN OUR ESTABLISHED ELECTRONICS MANUFACTURING PLANTS

## Our plan



Engineering transformation

+



Production footprint optimization

+



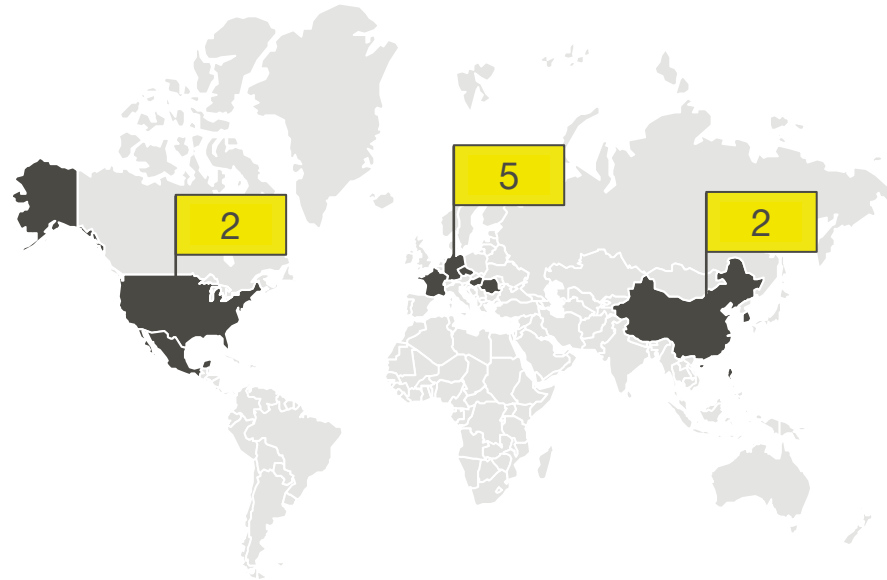
Safeguard supply chain

+



Execution excellence

We produce in the market for the market



>80%

Local for local production

29

New **electrification production lines** installed in 2021 and 2022<sup>1</sup>

13

**Quality awards** received worldwide in 2021

Note: Flags represent the number of Electrification Solutions division' production locations in the respective regions. <sup>1</sup> Production of certain products requires more than one production line.

# OUR LONG-STANDING RELATIONSHIPS WITH OUR SUPPLIERS ARE CARRIED OVER INTO ELECTRIFICATION

## Our plan



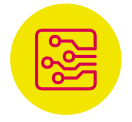
Engineering transformation

+



Production footprint optimization

+



Safeguard supply chain

+



Execution excellence

Our transformation benefits from well-established global supply chains

### Electronics

30+ years production experience



### Mechanics

10+ years production experience<sup>2</sup>



>90%

Electrification supplier need covered by existing supplier base

>4.5 mn

Vehicles equipped with our electrification solutions<sup>1</sup>

90%

Electronics, electromechanics & metal parts share of total purchasing volume<sup>2</sup>

<sup>1</sup> As of 06/2022. <sup>2</sup> Mechanics related to electrification products.

# OUR ENTIRE ORGANIZATION IS GEARED TO ENSURE SUCCESSFUL PROJECT EXECUTION FROM ACQUISITION TO SERIES

## Our plan



Engineering transformation

+



Production footprint optimization

+



Safeguard supply chain

+



**Execution excellence**

We continuously improve project execution along the entire product life cycle



**Acquisition**



**Development**



**Serial production**

### Project excellence

Leadership team members support as champion for key projects

### Project safeguarding

Quote maturity assessment for all main platforms, approved by BU management, resulting in significantly improved project-first-time-right rate

### R&D efficiency

Implementation of agile methodology to system and software scope

# OUR STRATEGIC PARTNERSHIPS WILL ENSURE LEADING TECHNOLOGY AND EFFICIENT E-MOBILITY SOLUTIONS



## Supplier partnerships<sup>1</sup>

### Semiconductor & raw material

- > Cooperation with **key semiconductor suppliers**
- > Securing **technologies access** and **supply** for silicon carbide (SiC) and gallium nitride (GaN)
- > Working on **additional partnerships** in the areas of eSteel, magnets, aluminum die cast, among others



Access to **>50%** of global SiC wafer capacity

## Customer partnerships<sup>1</sup>

### Integrated power electronics

- > Strategic partnership with an electrification pioneer and one of the largest BEV manufacturers
- > Development and production of **highly integrated & compact power electronics** (45% volume reduction)



**Renault Group**

<sup>1</sup> Selected partnerships.



# OUR MODULAR AND SCALABLE TECHNOLOGIES ...

... DRIVE OUR PROFITABLE GROWTH IN A RAPIDLY ACCELERATING E-MARKET

Highly innovative established  
e-mobility powerhouse

**>4.5 mn**

Vehicles equipped with our  
electrification solutions

We leverage our electronics  
competence towards e-mobility  
for successful project execution

**>30**

Years of electronics  
expertise

Strong order intake underlines  
attractiveness of our portfolio

**€10 bn**

Combined order intake  
in H2/2021 and H1/2022

Our strategic partnerships  
drive the future of e-mobility

**4**

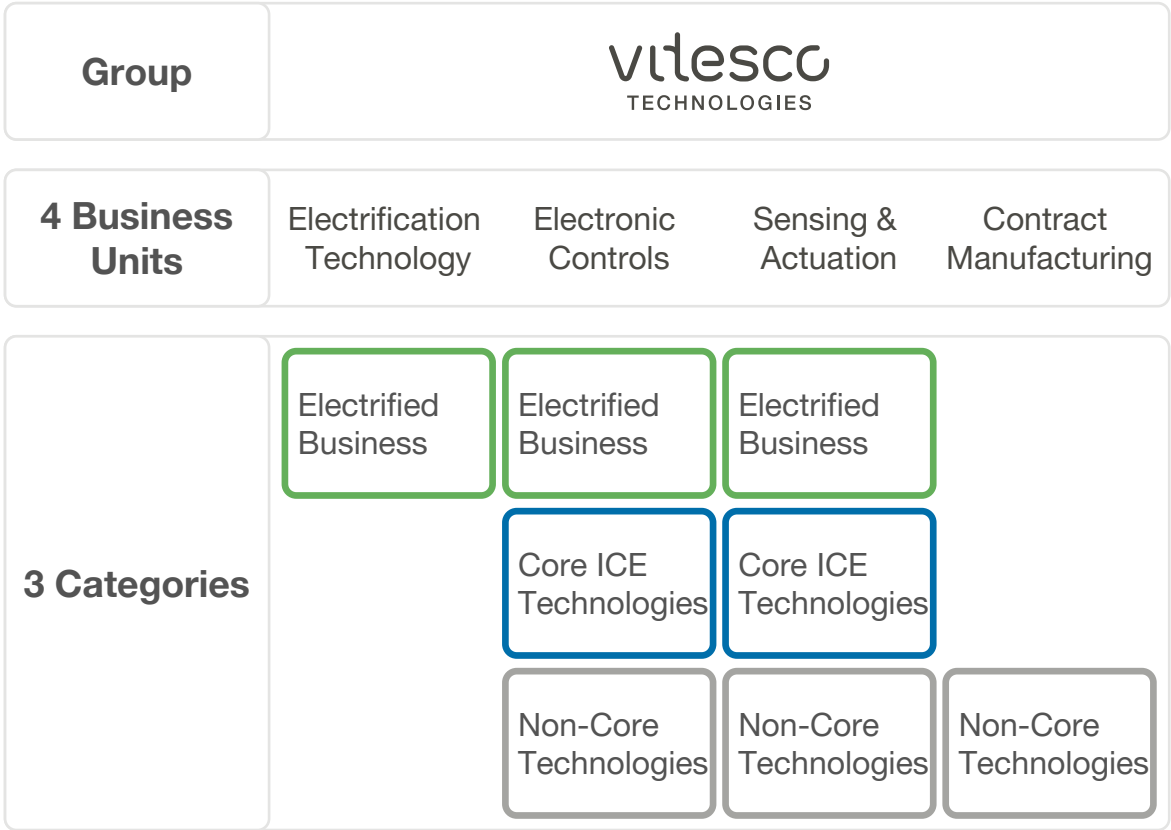
Strategic partnerships and  
cooperations announced so far

**5**

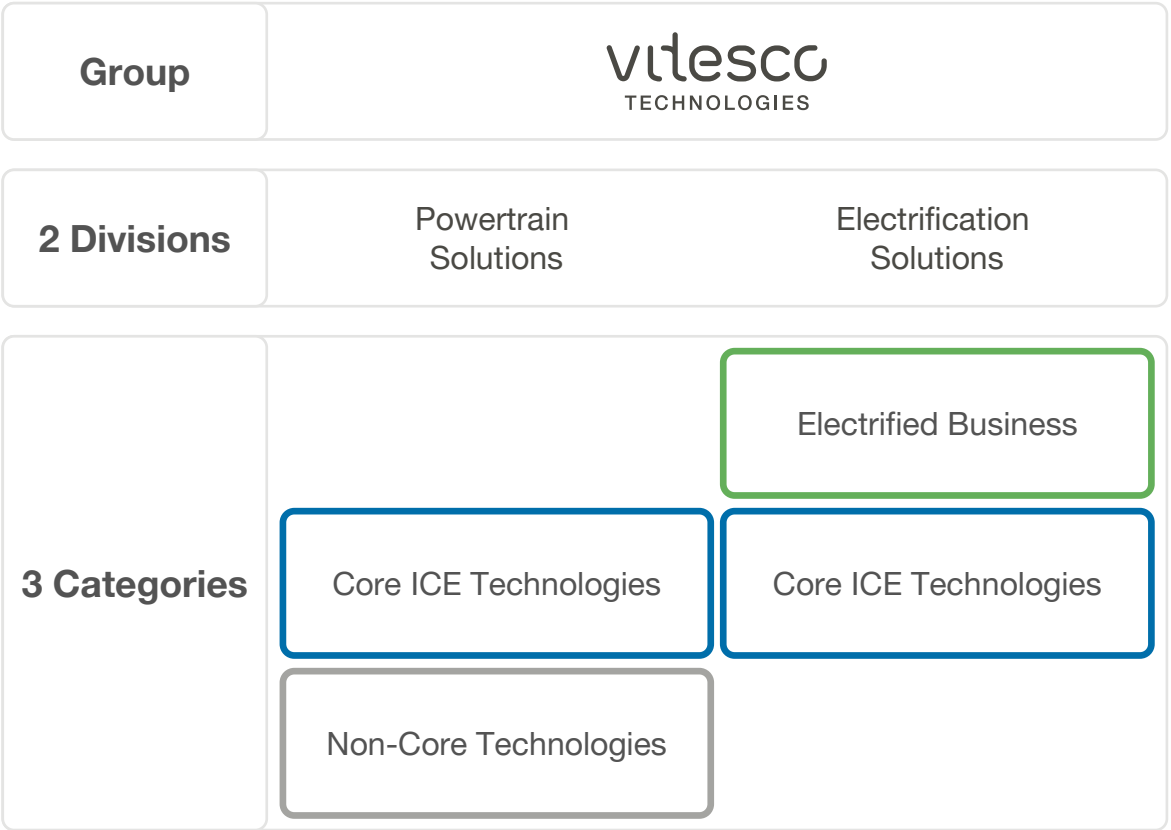
**DEFINING  
NEW MID-TERM  
TARGETS**

# OUR NEW ORGANIZATIONAL STRUCTURE WILL ENSURE CONSISTENT REPORTING AND HIGH TRANSPARENCY

## Former reporting KPIs

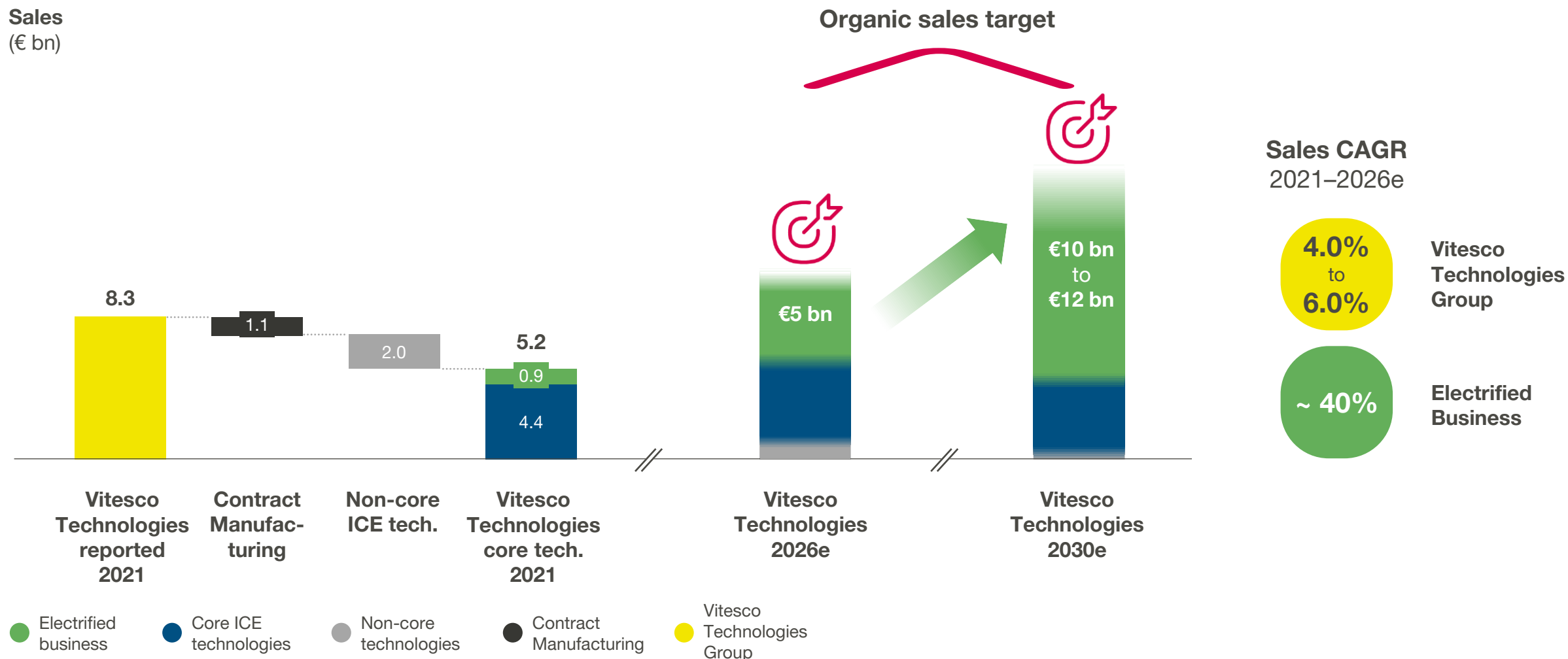


## New reporting KPIs



# THE ELECTRIFIED BUSINESS CAGR OF ~ 40% WILL CONTINUE TO DRIVE OUR OVERALL MID-TERM GROWTH

Sales  
(€ bn)

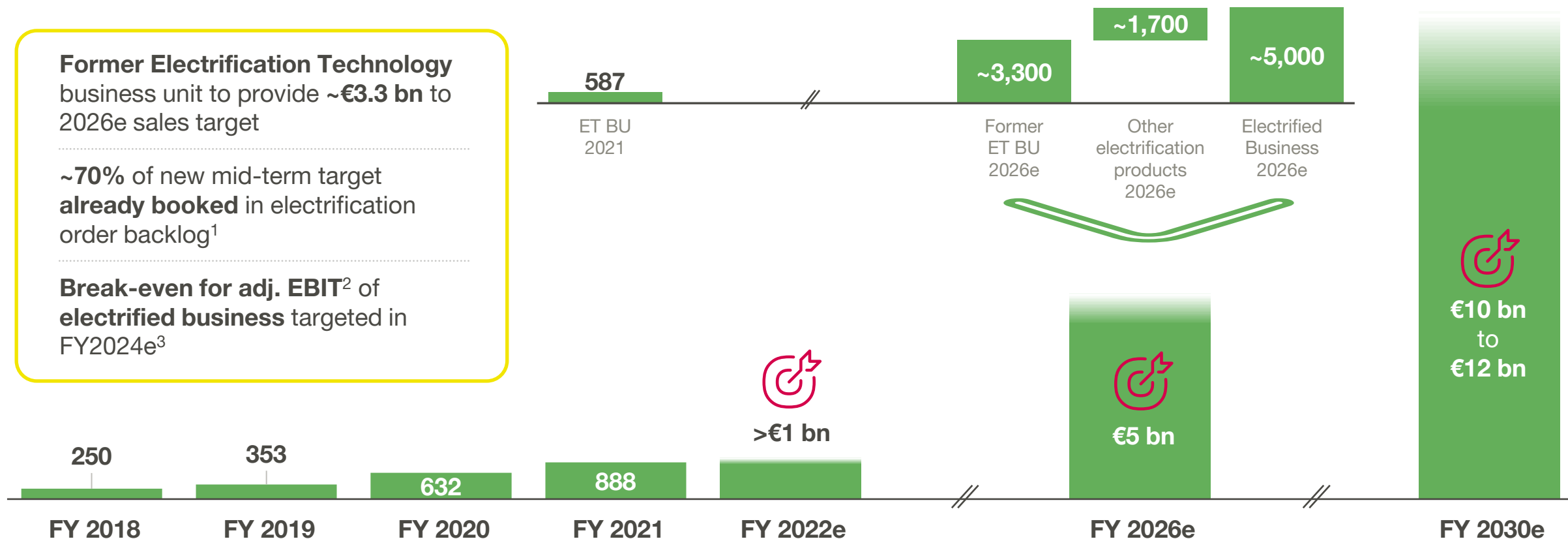


Figures for 2026e and 2030e represent targeted organic sales development of Vitesco Technologies in the respective year. CAGR: Compound annual growth rate.



# OUR ELECTRIFIED BUSINESS WILL BE THE KEY GROWTH DRIVER IN THE UPCOMING YEARS AND BREAK EVEN BY 2024

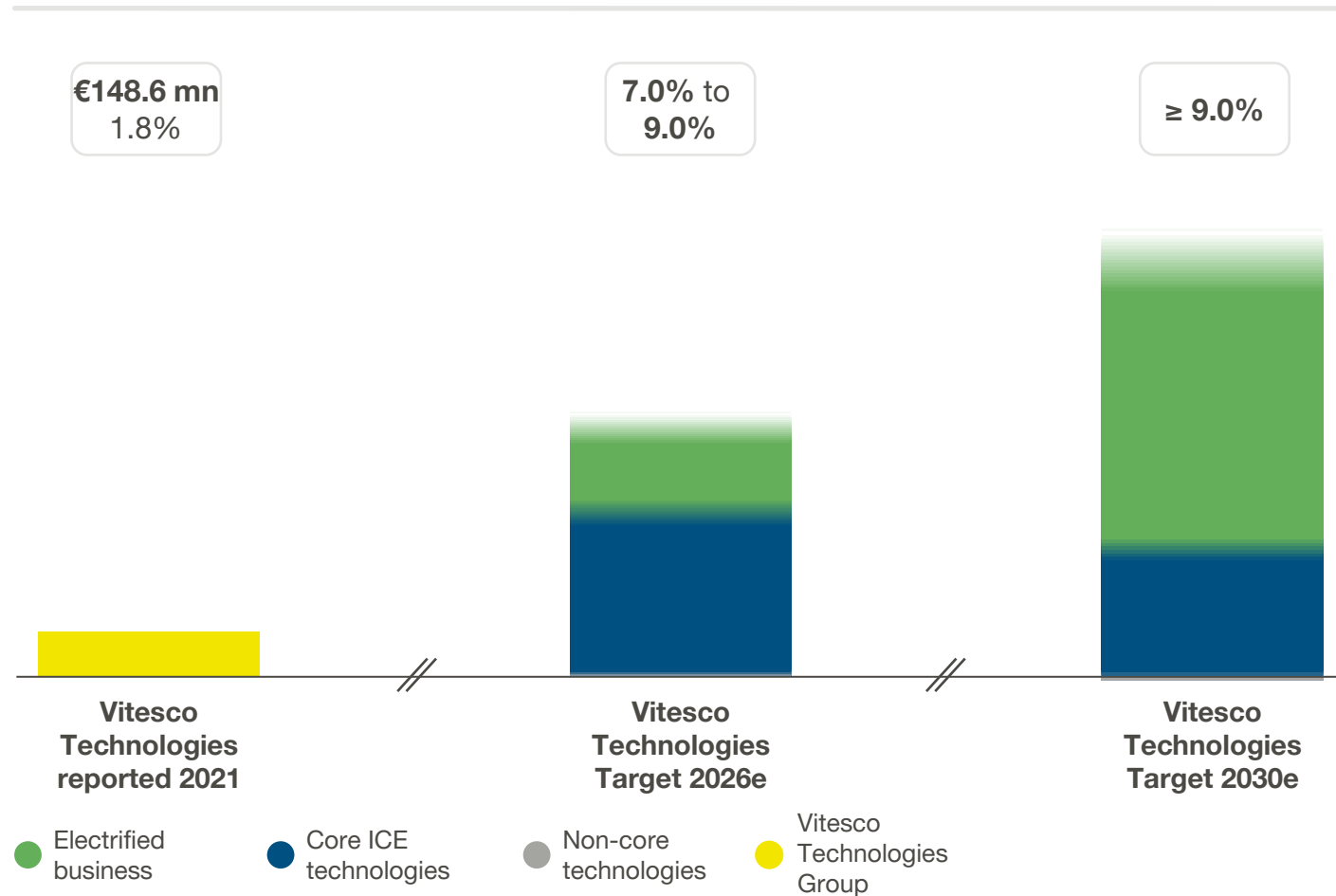
Electrified business (sales in € mn)



ET BU: Electrification Technology Business Unit. Source: Company information. Notes: <sup>1</sup> Order backlog defined as sum of cumulative order intake not yet booked as sales. As per end of 06/2022. <sup>2</sup> Before consolidation, amortization of intangibles from PPA and special effects. <sup>3</sup> Break-even is subject to Vitesco Technologies' ability to pass-on inflationary effects, especially regarding input material.

# SCALE EFFECTS AND OPERATIONAL IMPROVEMENTS WILL RESULT IN 7 TO 9 PERCENT ADJUSTED EBIT MARGIN IN 2026

Adjusted EBIT (in € mn)



## HIGHLIGHTS & COMMENTS

Former target of **7.0% to 9.0% in 2025e** will still be achieved

**Increasing profitability of electrified business and resilient core ICE technologies** will ensure long-term profitability

**Powertrain Solutions** division target to ensure **double-digit profitability** in the mid-term

**Electrification Solutions** division target to reach **group profitability range** in the **mid-term**

Figures for 2026e and 2030e represent targeted adjusted EBIT development of Vitesco Technologies in the respective year. Adjusted EBIT before consolidation, amortization of intangibles from PPA and special effects.

# WE WILL USE OUR LIQUIDITY TO ENSURE PROFITABLE GROWTH AND TO PAY A DIVIDEND TO OUR SHAREHOLDERS

**FREE CASH  
FLOW**

FY 2021  
**€113 mn**

Target 2026e  
**>€400 mn**

**NET DEBT /  
ADJ. EBITDA<sup>2</sup>**

FY 2021  
**-0.5x**

Target 2026e  
**<1.0x**

**EQUITY  
RATIO**

FY 2021  
**36.3%**

Target 2026e  
**30% to 40%**

**DIVIDEND  
POLICY**

Payout target  
**15% to 30%**

Payout expected to start with  
**AGM 2024<sup>3</sup>**

AGM: Annual general meeting. <sup>1</sup> Free cash flow calculated as operating cash flow and investing cash flow. <sup>2</sup> Before consolidation and special effects.

<sup>3</sup> Dividend payout defined as dividend payment divided by net income attributable to shareholder. Payout after approval of AGM in 2024 for result of FY 2023.

# WE ARE WELL-POSITIONED TO BE A WINNER IN ELECTRIFICATION AND HAVE THE FINANCIAL BASE TO FUND THE TRANSFORMATION

## Summary of our 2026e mid-term targets

Group sales CAGR <sup>1</sup>		4.0 – 6.0%	Group	Capex <sup>3</sup> % of sales	~6.0%
Powertrain Solutions	Electrification Solutions			Free cash flow <sup>4</sup>	>€400 mn
CAGR <sup>1</sup> to decrease in mid-single digits due to phase-out		CAGR <sup>1</sup> of above 20% targeted, with €5 bn electrification sales		Net debt / adj.EBITDA <sup>5</sup>	<1.0x
Group adj. EBIT <sup>2</sup> margin		7.0 – 9.0%		Dividend payout <sup>6</sup>	15–30%
Powertrain Solutions	Electrification Solutions				
Double-digit adj. EBIT <sup>2</sup> margin in 2026e		7.0 to 9.0% adj. EBIT <sup>2</sup> margin to be achieved by 2026e			

Source: Company information. Notes: Phase-out timeline may vary depending on strategic decisions and customer demand. <sup>1</sup> Mid-term growth target as a CAGR based on FY 2021. <sup>2</sup> Before consolidation, amortization of intangibles from PPA and special effects.

<sup>3</sup> Capex excluding right of use assets (IFRS 16). <sup>4</sup> Free cash flow calculated as operating cash flow and investing cash flow. <sup>5</sup> Before consolidation and special effects. <sup>6</sup> Dividend payout defined as dividend payment divided by net income attributable to shareholder.

# WE ARE IN EXCELLENT FINANCIAL SHAPE ...

... TO BE A WINNER OF THE TRANSFORMATION

Our core technologies will  
finance the transformation

**>10%**

Adj. EBIT margin targeted  
mid-term in Powertrain  
Solutions division

Despite the transformation, our  
balance sheet remains solid

**<1.0x**

Net debt / adj. EBITDA<sup>2</sup>  
not be exceeded by 2026e

Our current order backlog will result in  
dynamic electrification top-line growth

**~40%**

Mid-term sales CAGR in  
electrified business<sup>1</sup>

Our anticipated strong cash conver-  
sion will allow dividend payments

**15-30%**

Dividend payout,  
starting 2024e

Adjusted EBIT before consolidation, amortization of intangibles from PPA and special effects. CAGR: Compound annual growth rate.

<sup>1</sup> Mid-term growth target as a CAGR based on FY 2021 until FY 2026e. <sup>2</sup> Before consolidation and special effects.



# 6

## QUESTIONS & ANSWERS



**Q&A** 

# 7

## EXECUTIVE SUMMARY

# WE ARE IDEALLY POSITIONED TO SHAPE THE TRANSFORMATION AND BECOME AN ELECTRIFICATION POWERHOUSE

THE ELECTRIFIED FUTURE IS CERTAIN AND ACCELERATING



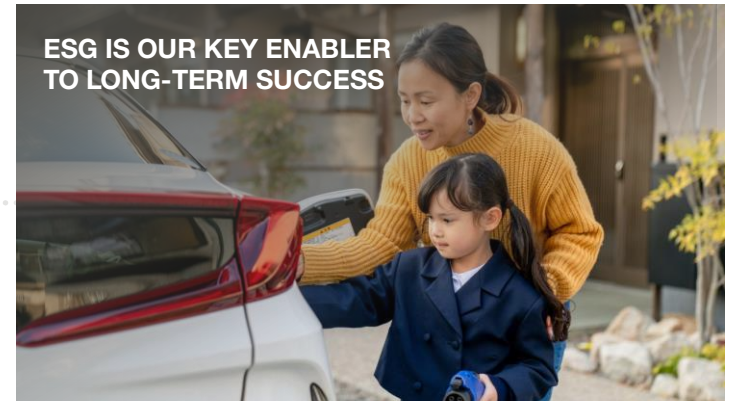
WE ARE A WINNER IN E-MOBILITY



OUR TRANSFORMATION PLAN BEARS FRUIT



ESG IS OUR KEY ENABLER TO LONG-TERM SUCCESS





# HOW TO REACH OUR INVESTOR RELATIONS TEAM

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**THANK YOU**