

QUARTERLY REPORT AS AT MARCH 31, 2022

ROBUST QUARTERLY RESULT DESPITE CONTINUING SEMICONDUCTOR SHORTAGE AND GEOPOLITICAL INFLUENCES

- > Revenue in the first quarter of 2022 at €2,258.6 million (previous year: €2,302.0 million), slightly down year over year due to semiconductor shortage in particular
- > Adjusted EBIT in the first quarter of 2022 at €45.2 million (previous year: €17.1 million) with an adjusted EBIT margin of 2.0% (previous year: 0.7%)
- > Positive free cash flow thanks to increased profitability and low capital expenditure as well as strict working capital management
- > Highly successful order intake of €3.7 billion for electrification business; Total order intake of €4.5 billion for Vitesco Technologies
- > Vitesco Technologies' outlook for the fiscal year reaffirmed; Expectations for global vehicle production adjusted

Performance during Q1 2022

Vitesco Technologies achieved significantly improved earnings in a persistently challenging market environment during the first quarter of 2022. Sales remained almost at the level of the previous year – a year of economic recovery – despite the continuous shortage of semiconductor and short-notice stoppages of production in China due to lockdowns. Positive effects from changes in exchange rates assisted in this development of sales.

While Russia's war of aggression in Ukraine had a significant impact on the development of the share price, there was no lasting impact on operational business development in the first quarter of 2022. In fact, adjusted EBIT even rose significantly compared to the same quarter of the previous year. The key factors included improvements in operating results during the first quarter of 2022 and the Group's ongoing strict cost discipline. Additional expenses due to the shortage of semiconductors also impacted the result in the first quarter of the previous year in the Electronic Controls and Sensing & Actuation business units.

The Group's revenue was €2,258.6 million (previous year: €2,302.0 million), a decline of 1.9%. Adjusted for changes in the scope of consolidation and in exchange rates, revenue fell by 5.6%. Vitesco Technologies' EBIT after adjusting for the effects of changes in the scope of consolidation, depreciation and amortization from purchase-price allocation, and other special

effects came to €45.2 million (previous year: €17.1 million). This corresponds to an adjusted EBIT margin of 2.0% (previous year: 0.7%). Vitesco Technologies' EBIT on a reported basis rose to €37.6 million (previous year: €14.2 million). Net income for the reporting period was -€11.3 million (previous year: -€31.7 million), which makes for -€0.28 earnings per share. Free cash flow decreased mainly because of the development of inventories due to the market situation and because of receivables from customers. It came to an amount of €48.2 million (previous year: €239.1 million). The previous year's figure had also been affected positively through income from the disposal of business operations and through effects from the spin-off. The number of employees as at March 31, 2022, was 37,998 (previous year: 40,052).

The Group's equity was calculated at €2,837.6 million (March 31, 2021: €2,788.1 million) as at the reporting date of March 31, 2022. Accordingly, the Group's total assets of €7,901.0 million (March 31, 2021: €8,248.4 million) made for an equity ratio of 35.9% (March 31, 2021: 33.8%). Vitesco Technologies held cash and cash equivalents of €857.4 million as at the end of March 2022 (March 31, 2021: €273.6 million). They increased in the first quarter of 2022, which was due in particular to the issue and obtainment of a €200.0 million Schuldschein loan. The existing incremental, revolving credit line was in turn reduced from €250.0 million to €50.0 million. After subtracting debt of €483.3 million (March 31, 2021: €239.3 million), excluding pension liabilities, this produces net liquidity of €374.1 million (March 31, 2021: €642.1 million).

Additionally, the first quarter of 2022 was a very successful one in relation to order intake. Vitesco Technologies was able to acquire a total of €4.5 billion in orders. More than 80% of the order intake, equivalent to an order volume of just under €3.7 billion, was recorded for electrification business, particularly for high-voltage applications. Of this amount, €3.5 billion was attributable to the Electrification Technology business unit.

Expectations for Q2 2022

Vitesco Technologies is expecting the more challenging market environment to remain the same in the second quarter of 2022. Local lockdowns in China will likely lead to further production stoppages following the noticeable effects in the first quarter. Ongoing supply constraints, especially with semiconductor and potentially other materials required for production, will continue to result in higher costs for logistics and materials and simultaneously in lower production volumes. The further impacts of Russia's war of aggression in Ukraine might also lead to additional part shortages and corresponding, short-notice adjustments by carmakers. These factors will, in all likelihood, result in the light vehicle production volume in the second quarter of 2022 being on the same level or slightly up on the same quarter of the previous year. A slight decline in light vehicle production is expected for Europe and China.

Market Outlook and Forecast for the 2022 Fiscal Year

Owing to the effects mentioned here for the second quarter, Vitesco Technologies is also adjusting its expectations for global vehicle production in the 2022 fiscal year. The number of vehicles produced is estimated to increase by about 3% to 5% year over year (previously: 8% to 10%). Vitesco Technologies expects the North American market to be the main driver of this increase, with estimated growth of approximately 11% to 13% (previously: 15% to 17%). Europe, on the other hand, is only expected to grow by about 3% to 5% (previously: 17% to 19%). China's vehicle production is expected to change by -2% to 0% (previously: 0% to 2%). However, all estimates remain subject to the same high degree of uncertainty.

In light of the business performance in the first quarter of 2022, the outlook for Vitesco Technologies' expected business development in the 2022 fiscal year as a whole remains nonetheless unchanged from the outlook presented in the annual report. However, the consequences of Russia's war of aggression in Ukraine, regional lockdowns in China, and further shortages or price increases of materials needed for production continue to attach a high degree of uncertainty to this outlook.

Performance of Individual Business Units

The Electrification Technology business unit achieved sales of €161.7 million during the first quarter of 2022 (previous year: €165.2 million). Adjusted EBIT nevertheless improved slightly to -€68.1 million (previous year: -€73.3 million) with an adjusted EBIT margin of -42.1% (previous year: -44.4%). In spite of the continuously high demand for high-voltage electric drive systems and power electronics, the situation in the semiconductor market resulted in reduced sales for the Electrification Technology business unit. However, operational improvements resulting from a higher gross margin year over year helped to increase earnings slightly.

The Electronic Controls business unit recorded revenue of €946.3 million for the first quarter of 2022 (previous year: €984.4 million). Adjusted EBIT came to €22.0 million (previous year: €1.8 million) with an adjusted EBIT margin of 2.3% (previous year: 0.2%). The rising costs and falling revenue caused by the state of the semiconductor market were particularly noticeable in the Electronic Controls business unit. However, the adjusted EBIT margin increased year over year among others thanks to operational improvements.

Revenue in the Sensing & Actuation business unit amounted to €885.9 million in the first quarter of 2022 (previous year: €876.5 million). Adjusted EBIT improved to €84.3 million (previous year: €67.1 million) with an adjusted EBIT margin of 9.5% (previous year: 7.7%). The fallout from the semiconductor shortage could also be felt in the Sensing & Actuation business unit, especially due to the higher material prices. The positive development of the demand in Germany and North America also contributed to the improvement in earnings.

The Contract Manufacturing business unit recorded sales of €278.9 million for the first quarter of 2022 (previous year: €285.7 million). Adjusted EBIT came to €9.2 million (previous year: €20.8 million), while the adjusted EBIT margin was 3.3% (previous year: 7.3%). Accordingly, revenue

development in the first quarter of 2022 reflected the progressive phaseout of contract manufacturing for Continental corporation. Simultaneously, the adjusted EBIT margin shrank as expected.

KEY FIGURES

CONSOLIDATED STATEMENT OF INCOME

€ million	January 1 through March 31	
	2022	2021
Revenue	2,258.6	2,302.0
Cost of sales	-1,942.8	-1,983.6
Gross profit	315.8	318.4
Research and development costs	-241.1	-249.4
Distribution and logistics costs	-35.5	-32.4
General administrative costs	-44.5	-54.4
Other income	95.1	182.0
Other expenses	-52.7	-150.0
Income from equity-accounted investees	0.5	0.0
EBIT	37.6	14.2
Interest income	4.5	3.4
Interest expense	-12.9	-6.4
Effects from currency translation	3.0	4.5
Effects from changes in the fair value of derivative instruments, and other measurement effects	-10.4	-5.9
Finance income	-15.8	-4.4
Earnings before tax	21.8	9.8
Income tax	-33.1	-41.5
Net income	-11.3	-31.7
Net income attributable to noncontrolling interests	—	—
Net income attributable to the shareholders of the parent	-11.3	-31.7
Basic earnings per share in €	-0.28	n. a.
Diluted earnings per share in €	-0.28	n. a.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	January 1 through March 31	
	2022	2021
Net income	-11.3	-31.7
Items that will not be reclassified to profit or loss		
Remeasurement of defined-benefit plans	122.1	96.3
Fair-value adjustments	122.2	96.9
Currency translation	-0.1	-0.6
Tax on other comprehensive income	-2.4	-0.6
Items that can subsequently be reclassified to profit or loss		
Currency translation	50.1	75.5
Cash-flow hedges	1.6	—
Fair-value adjustments	1.6	—
Other comprehensive income	171.4	171.2
Comprehensive income	160.1	139.5
Attributable to noncontrolling interests	—	—
Attributable to the shareholders of the parent	160.1	139.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets, € million	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2021
Goodwill	808.5	803.0	793.1
Other intangible assets	186.2	173.5	160.5
Property, plant, and equipment	2,507.4	2,544.9	2,400.5
Investments in equity-accounted investees	17.4	16.9	15.9
Other investments	23.8	23.8	15.2
Deferred tax assets	279.8	269.3	273.8
Defined-benefit assets	6.4	6.3	3.9
Noncurrent derivative instruments and interest-bearing investments	15.5	14.4	12.6
Other noncurrent financial assets	14.4	18.7	28.7
Other noncurrent assets	10.4	8.3	4.7
Noncurrent assets	3,869.8	3,879.1	3,708.9
Inventories	853.9	805.7	623.8
Trade receivables	1,657.2	1,518.9	2,040.8
Current contract assets	1.1	1.2	7.3
Other current financial assets	66.1	63.6	31.9
Other current assets	495.4	470.0	420.6
Income-tax receivables	72.2	29.1	11.1
Current derivative instruments and interest-bearing investments	16.7	26.5	1,113.7
Cash and cash equivalents	857.4	614.0	273.6
Noncurrent assets held for sale	11.2	—	16.7
Current assets	4,031.2	3,529.0	4,539.5
Total assets	7,901.0	7,408.1	8,248.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Shareholders' equity and liabilities, € million	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2021
Subscribed capital	100.1	100.1	n. a.
Capital reserves	3,504.7	3,504.7	n. a.
Retained earnings	-813.4	-791.3	n. a.
Invested equity attributable to Continental	n. a.	n. a.	3,025.0
Accumulated other comprehensive income	46.2	-125.2	-236.9
Equity attributable to the shareholders of the parent	2,837.6	2,688.3	2,788.1
Noncontrolling interests	—	—	—
Equity	2,837.6	2,688.3	2,788.1
Long-term employee benefits	761.5	866.4	848.4
Deferred tax liabilities	96.4	57.0	44.9
Noncurrent provisions for other risks and obligations	264.8	273.1	331.0
Long-term debt	408.9	199.1	194.2
Other noncurrent financial liabilities	7.3	7.3	—
Noncurrent contract liabilities	11.5	5.9	15.2
Other noncurrent liabilities	90.8	93.6	5.9
Noncurrent liabilities	1,641.2	1,502.4	1,439.6
Short-term employee benefits	307.8	244.1	281.2
Trade payables	2,074.1	1,958.2	2,240.9
Current contract liabilities	54.8	54.5	113.0
Income-tax payables	100.8	83.2	87.5
Current provisions for other risks and obligations	524.1	504.5	482.4
Short-term debt	74.4	69.8	544.4
Other current financial liabilities	201.3	205.1	171.5
Other current liabilities	82.0	98.0	86.7
Noncurrent liabilities held for sale	2.9	—	13.1
Current liabilities	3,422.2	3,217.4	4,020.7
Total assets	7,901.0	7,408.1	8,248.4

CONSOLIDATED STATEMENT OF CASH FLOWS

	January 1 through March 31	
€ million	2022	2021
Net income	-11.3	-31.7
Income tax	33.1	41.5
Finance income	15.8	4.4
EBIT	37.6	14.2
Interest paid	-3.7	-15.9
Interest received	3.1	3.2
Income tax paid	-28.1	-34.4
Depreciation, amortization, impairment, and reversal of impairment losses	134.9	156.8
Income from equity-accounted investees and other investments, including impairment and reversal of impairment losses	-0.5	-0.0
Gains/losses from the disposal of assets, companies, and business operations	-1.0	0.1
Changes in		
Inventories	-37.6	-57.1
Trade receivables	-121.2	-19.7
Trade payables	93.0	-8.1
Employee benefits and other provisions	66.9	121.0
Other assets and liabilities	-35.2	80.7
Cash flow arising from operating activities	108.2	240.8
Cash flow from the disposal of assets	8.4	16.6
Capital expenditure on property, plant, and equipment and software	-52.1	-44.3
Capital expenditure on intangible assets from development projects and miscellaneous	-17.1	-7.5
Cash flow from the disposal of companies and business operations	0.8	33.5
Cash flow arising from investing activities	-60.0	-1.7
Cash flow before financing activities (free cash flow)	48.2	239.1
Changes in debt; derivatives, and interest-bearing financial instruments	184.0	-36.8
Financial transactions with the Continental Group	—	-188.7
Cash flow arising from financing activities	184.0	-225.5
Change in cash and cash equivalents	232.2	13.6
Cash and cash equivalents as at Jan. 1	614.0	255.0
Effect of exchange-rate changes on cash and cash equivalents	11.2	5.0
Cash and cash equivalents as at Mar. 31	857.4	273.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Subscribed capital ¹	Capital reserves	Retained earnings	Invested equity attributable to Continental	Difference on					Total
					Remeasurement of defined-benefit plans	Currency translation	Financial instruments	Equity attributable to shareholders	Non-controlling interests	
As at Jan. 1, 2021	n. a.	n. a.	n. a.	3,056.8	-410.8	-3.7	6.5	2,648.6	—	2,648.6
Net income	n. a.	n. a.	n. a.	-31.7	—	—	—	-31.7	—	-31.7
Other comprehensive income	n. a.	n. a.	n. a.	—	95.7	75.5	—	171.2	—	171.2
Comprehensive income	n. a.	n. a.	n. a.	-31.7	95.7	75.5	—	139.5	—	139.5
Successive purchases	n. a.	n. a.	n. a.	—	—	—	—	—	—	—
Other changes	n. a.	n. a.	n. a.	—	—	—	—	—	—	—
As at Mar. 31, 2021	n. a.	n. a.	n. a.	3,025.0	-315.2	71.8	6.5	2,788.1	—	2,788.1
As at Dec. 31, 2021	100.1	3,504.7	-791.2	n. a.	-301.3	169.5	6.5	2,688.3	—	2,688.3
Amendment to IAS 37 Provisions	—	—	-10.8	n. a.	—	—	—	-10.8	—	-10.8
As at Jan. 1, 2022	100.1	3,504.7	-802.1	n. a.	-301.3	169.5	6.5	2,677.5	—	2,677.5
Net income	—	—	-11.3	n. a.	—	—	—	-11.3	—	-11.3
Other comprehensive income	—	—	—	n. a.	119.7	50.1	1.6	171.4	—	171.4
Comprehensive income	—	—	-11.3	n. a.	119.7	50.1	1.6	160.1	—	160.1
As at Mar. 31, 2022	100.1	3,504.7	-813.4	n. a.	-181.5	219.6	8.1	2,837.6	—	2,837.6

¹ Divided into 40,021,196 registered no-par shares outstanding.

SEGMENT REPORTING

Segment reporting from January 1 through March 31, 2022

€ million	Electrification Technology	Electronic Controls	Sensing & Actuation	Contract Manufacturing	Other/ holding company/ consolidation	Vitesco Technologies Group
External sales	161.7	944.0	874.1	278.8	–	2,258.6
Intercompany sales	–	2.3	11.8	0.1	-14.2	–
Sales (total)	161.7	946.3	885.9	278.9	-14.2	2,258.6
EBIT (segment result)	-68.9	17.2	82.3	9.2	-2.2	37.6
As % of sales	-42.6	1.8	9.3	3.3	–	1.7
Depreciation, amortization, and impairment ¹	13.4	65.1	44.5	11.9	–	134.9
Of which impairment ²	–	0.2	0.3	–	–	0.5
Capital expenditure ³	14.5	33.5	23.8	0.5	–	72.3
As % of sales	9.0	3.5	2.7	0.2	–	3.2
Operating assets (as at Mar. 31)	270.7	1,248.7	997.3	128.1	-71.4	2,573.4
Number of employees (as at Mar. 31) ⁴	4,632	15,322	15,321	2,654	69	37,998
Adjusted sales ⁵	161.7	946.3	885.9	278.9	-14.2	2,258.6
Adjusted EBIT ⁶	-68.1	22.0	84.3	9.2	-2.2	45.2
As % of adjusted sales	-42.1	2.3	9.5	3.3	–	2.0

1 Excluding impairment on financial investments.

2 Impairment also includes necessary reversal of impairment losses.

3 Capital expenditure on property, plant, and equipment and software.

4 Excluding trainees.

5 Before changes in the scope of consolidation.

6 Adjusted for amortization of intangible assets from purchase-price allocation, changes in the scope of consolidation, and extraordinary items.

Segment reporting from January 1 through March 31, 2021

€ million	Electrification Technology	Electronic Controls	Sensing & Actuation	Contract Manufacturing	Other/ holding company/ consolidation	Vitesco Technologies Group
External sales	165.2	983.0	868.5	285.3	—	2,302.0
Intercompany sales	0.0	1.4	8.0	0.4	-9.8	—
Sales (total)	165.2	984.4	876.5	285.7	-9.8	2,302.0
EBIT (segment result)	-99.2	-1.1	57.2	82.3	-25.0	14.2
As % of sales	-60.0	-0.1	6.5	28.8	—	0.6
Depreciation, amortization, and impairment ¹	30.4	64.3	47.6	14.5	—	156.8
Of which impairment ²	24.2	0.8	2.8	—	—	27.8
Capital expenditure ³	19.3	43.2	32.2	1.7	—	96.4
As % of sales	11.7	4.4	3.7	0.6	—	4.2
Operating assets (as at Mar. 31)	-32.0	1,102.2	1,134.1	277.4	-44.2	2,437.5
Number of employees (as at Mar. 31) ⁴	3,758	16,506	16,259	3,529	—	40,052
Adjusted sales ⁵	165.2	984.4	869.0	285.7	-9.8	2,294.5
Adjusted EBIT ⁶	-73.3	1.8	67.1	20.8	0.7	17.1
As % of adjusted sales	-44.4	0.2	7.7	7.3	—	0.7

1 Excluding impairment on financial investments.

2 Impairment also includes necessary reversal of impairment losses.

3 Capital expenditure on property, plant, and equipment and software.

4 Excluding trainees.

5 Before changes in the scope of consolidation.

6 Adjusted for amortization of intangible assets from purchase-price allocation, changes in the scope of consolidation, and extraordinary items.

Reconciliation of Sales and Adjusted Sales and of EBITDA and Adjusted EBIT
January 1 through March 31, 2022

€ million	Electrification Technology	Electronic Controls	Sensing & Actuation	Contract Manufacturing	Other/ holding company/ consolidation	Vitesco Technologies Group
Sales	161.7	946.3	885.9	278.9	-14.2	2,258.6
Changes in the scope of consolidation ¹	—	—	—	—	—	—
Adjusted sales	161.7	946.3	885.9	278.9	-14.2	2,258.6
EBITDA	-55.5	82.3	126.8	21.1	-2.2	172.5
Depreciation, amortization, and impairment ²	-13.4	-65.1	-44.5	-11.9	—	-134.9
EBIT	-68.9	17.2	82.3	9.2	-2.2	37.6
Amortization of intangible assets from purchase-price allocation (PPA)	—	0.1	—	—	—	0.1
Changes in the scope of consolidation	—	—	—	—	—	—
Special effects						
Impairment ³	—	0.2	0.3	—	—	0.5
Restructuring ⁴	—	-1.0	-0.3	—	—	-1.3
Restructuring-related expenses	—	2.7	0.2	—	—	2.9
Severance payments	0.2	1.0	0.3	—	—	1.5
Gains and losses from disposals of companies and business operations	—	—	—	—	—	—
Other ⁵	0.6	1.8	1.5	—	—	3.9
Adjusted EBIT	-68.1	22.0	84.3	9.2	-2.2	45.2

1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments were made for additions in the reporting period and for disposals in the year-over-year comparative period.

2 Excluding impairment on financial investments.

3 Impairment also includes necessary reversal of impairment losses. This item does not include impairment that arose in connection with restructuring and impairment of investments.

4 This does not include impairment or reversal of impairment losses.

5 The item "Other" includes expenses for the transformation of Vitesco Technologies into an independent legal entity.

Reconciliation of Sales and Adjusted Sales and of EBITDA and Adjusted EBIT
January 1 through March 31, 2021

€ million	Electrification Technology	Electronic Controls	Sensing & Actuation	Contract Manufacturing	Other/holding company/con solidation	Vitesco Technologies Group
Sales	165.2	984.4	876.5	285.7	-9.8	2,302.0
Changes in the scope of consolidation ¹	—	—	-7.5	—	—	-7.5
Adjusted sales	165.2	984.4	869.0	285.7	-9.8	2,294.5
EBITDA	-68.8	63.2	104.8	96.8	-25.0	171.0
Depreciation, amortization, and impairment ²	-30.4	-64.3	-47.6	-14.5	—	-156.8
EBIT	-99.2	-1.1	57.2	82.3	-25.0	14.2
Amortization of intangible assets from purchase-price allocation (PPA)	—	0.8	0.8	—	—	1.6
Changes in the scope of consolidation	—	—	-1.5	—	—	-1.5
Special effects						
Impairment ³	24.1	0.4	3.0	—	—	27.5
Restructuring ⁴	—	-9.0	-1.4	—	—	-10.4
Restructuring-related expenses	—	2.7	—	—	—	2.7
Severance payments	0.7	0.9	0.6	—	—	2.2
Gains and losses from disposals of companies and business operations	—	—	2.5	-61.5	—	-59.0
Other ⁵	1.1	7.1	5.9	—	25.7	39.8
Adjusted EBIT	-73.3	1.8	67.1	20.8	0.7	17.1

1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments were made for additions in the reporting period and for disposals in the year-over-year comparative period.

2 Excluding impairment on financial investments.

3 Impairment also includes necessary reversal of impairment losses. This item does not include impairment that arose in connection with restructuring and impairment of investments.

4 This includes impairment totaling €0.3 million (€0.5 million at Electronic Controls, -€0.2 million at Sensing & Actuation).

5 The item "Other" includes expenses of €39.8 million for the transformation of Vitesco Technologies into an independent legal entity.

FINANCIAL CALENDAR

2022	Group
Half-Year Financial Report as at June 30, 2022	August 10, 2022
Quarterly Report as at September 30, 2022	November 14, 2022
2023	Group
Annual Press Conference	March 2023
Analyst and Investor Conference Call	March 2023
Annual General Meeting	May 2023
Quarterly Report as at March 31, 2023	May 2023
Half-Year Financial Report as at June 30, 2023	August 2023
Quarterly Report as at September 30, 2023	November 2023

The annual report, the annual financial statements, the half-year financial report, and the interim reports are available online in the "Investors" section of our website at ir.vitesco-technologies.com.

Published by:

Vitesco Technologies Group Aktiengesellschaft, Regensburg, Germany

Contact:

Vitesco Technologies Group Aktiengesellschaft
Siemensstrasse 12
93055 Regensburg
Germany

Telephone: +49-941-203-190-330

E-mail: contact@vitesco.com

vitesco-technologies.com

Executive Board:

Andreas Wolf (Chief Executive Officer)

Werner Volz

Ingo Holstein

Klaus Hau

Thomas Stierle

Chairman of Supervisory Board:

Prof. Siegfried Wolf

Principal place of business: Regensburg

Court of registration: Regensburg local court

HRB 18842

VAT ID no.: DE 327956117