

# VITESCO TECHNOLOGIES

FACTBOOK Q1 2024

Regensburg, 08.05.2024

Public

An aerial photograph showing a winding road through a dense green forest. A river flows alongside the road. Two cars are visible on the road: a white car and a yellow car. A thick yellow diagonal line runs across the left side of the image.

vitesco  
TECHNOLOGIES

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# BUILDING AN ELECTRIFICATION POWERHOUSE

**1** | OVERVIEW VITESCO TECHNOLOGIES

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**2** | MARKET OUTLOOK

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**3** | STRATEGIC SETUP

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**4** | FINANCIAL TARGETS

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**5** | ESG

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**6** | Q1 2024 FIGURES

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**7** | ANALYST SHEET

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# 1

# OVERVIEW VITESCO TECHNOLOGIES

# AN OVERVIEW OF VITESCO TECHNOLOGIES



**€9.2 billion**  
FY2023 sales



**~35,500**  
employees

**1,313**

€ million total **electrification sales** during FY 2023

**3.7**

% **adjusted EBIT** – supported by profitability improvements across our entire portfolio

**85**

€ million **free cash flow** during FY 2023



**Leading global provider** of propulsion solutions to make driving more **efficient, cleaner and convenient**



**Electrification pioneer** with **>10 years of field experience** and a portfolio covering all major **current and future scenarios**



**Electronics champion** with strong DNA in **electronics, software and mechatronics**



**Strong position** in **electronic control systems, sensing technologies and actuators**

# EXECUTIVE BOARD OF VITESCO TECHNOLOGIES

November 1, 2023

## EXECUTIVE BOARD



**Chief Executive Officer (CEO)**  
Andreas Wolf



**Chief Financial Officer (CFO)**  
Sabine Nitzsche



**Chief Human Resources Officer (CHRO)**  
Ingo Holstein



**Integrity & Law**  
Stephan Rölleke



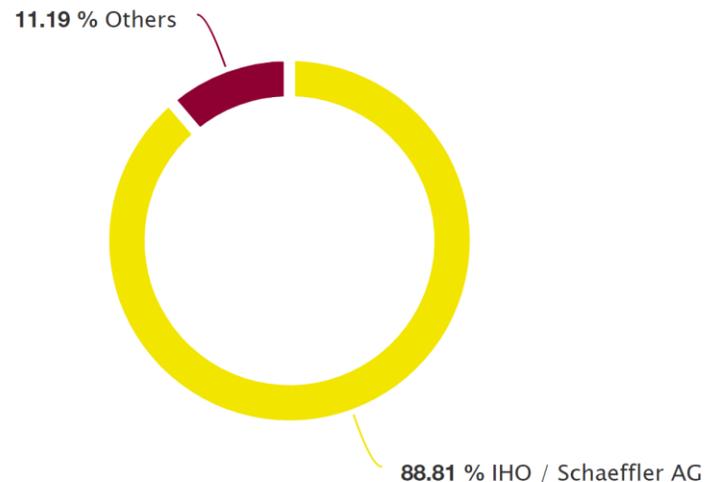
**Division Powertrain Solutions**  
Klaus Hau



**Division Electrification Solutions**  
Thomas Stierle

# DETAILS ABOUT THE VITESCO TECHNOLOGIES SHARE

## Shareholder structure



## Total number of shares outstanding



40,021,196 Shares

## Subscribed capital



100,052,990 Euro

## Par value per share



2.50 Euro

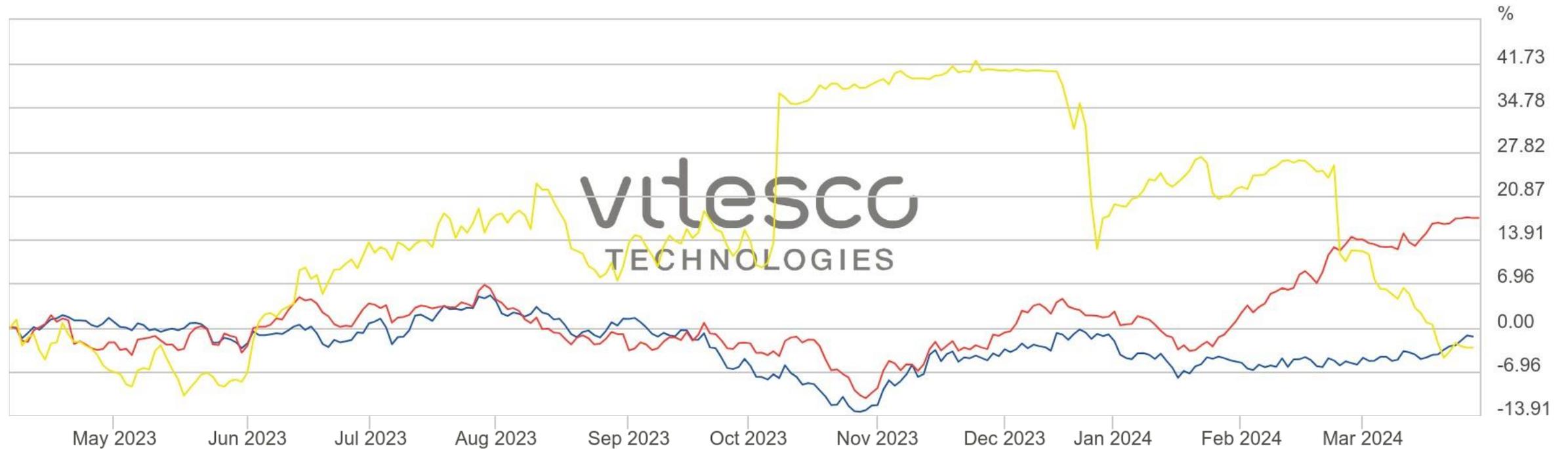
## Market segment



Prime Standard of Frankfurt Stock Exchange

# RELATIVE SHARE PRICE DEVELOPMENT STARTING

— Vitesco Technologies Group AG (Xetra) — MDAX — STOXX Europe 600 Automobiles & Parts



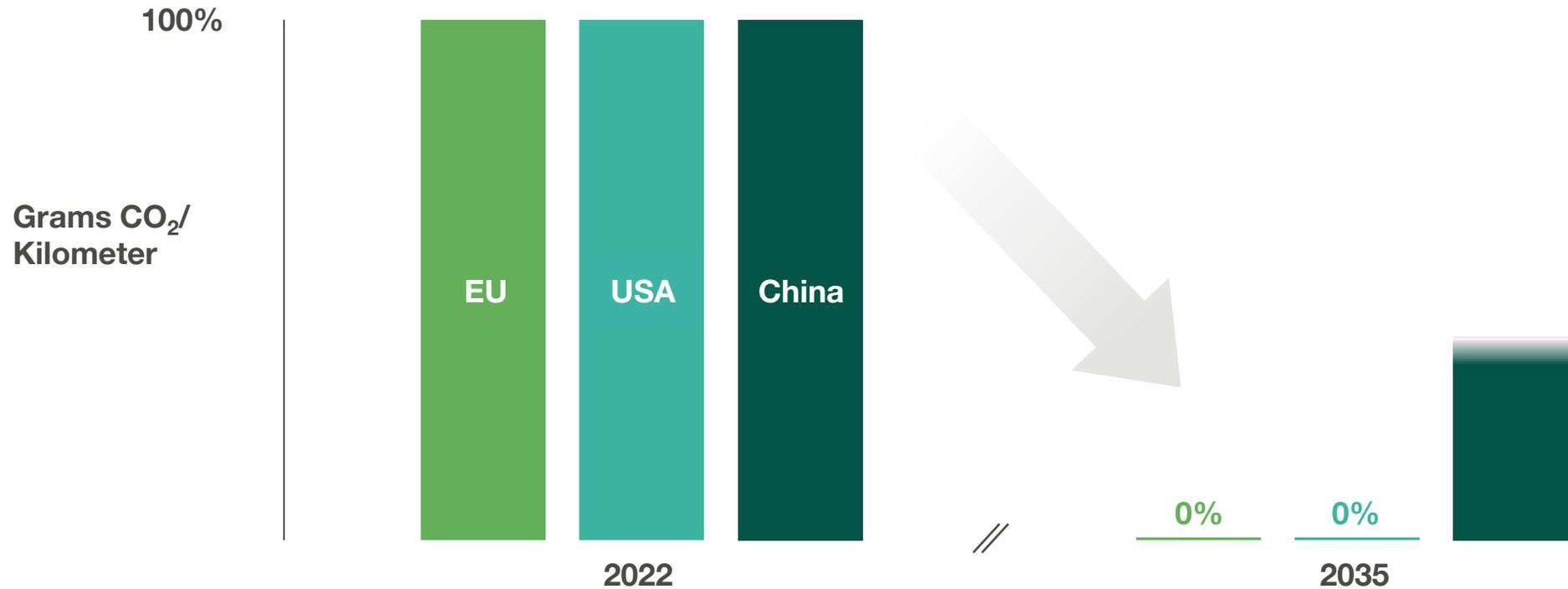
Share price development from April 4, 2023, until March 29, 2024

# 2

## MARKET OUTLOOK

# LEGISLATION WILL CONTINUOUSLY FOCUS ON ELIMINATING CO2 EMISSIONS AND SHAPING FUTURE VEHICLE MARKETS

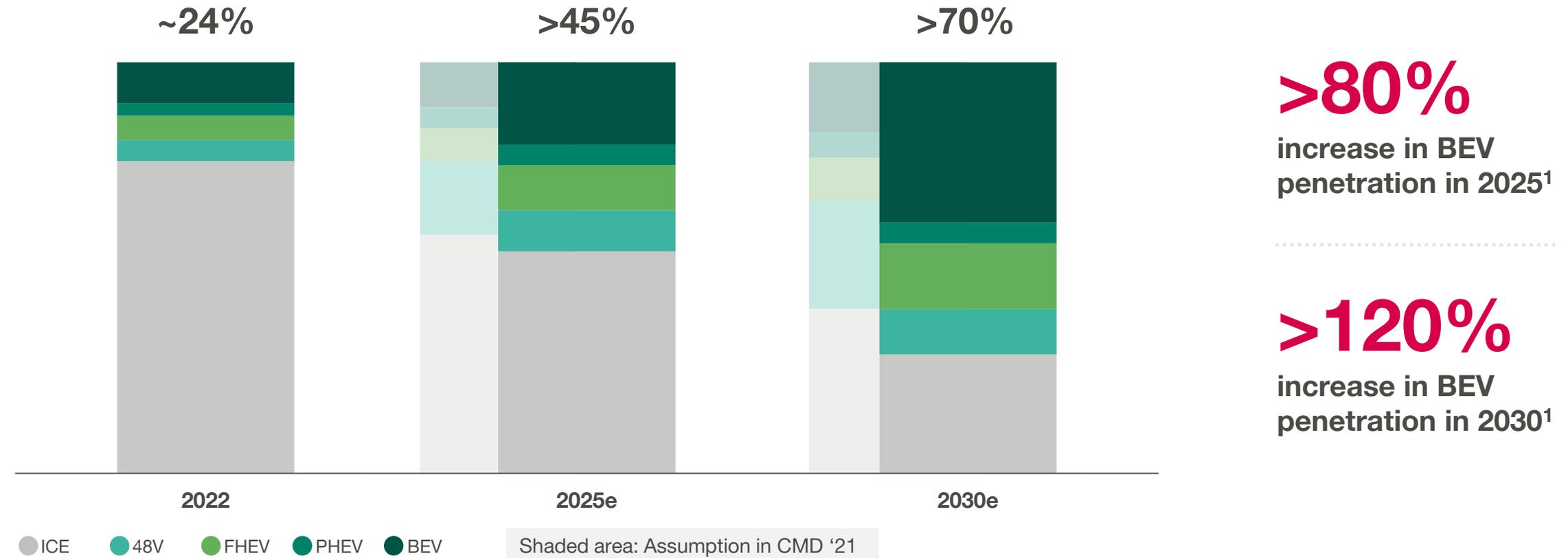
## Passenger car fleet CO<sub>2</sub> emission regulation



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.

# 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 and 03/2023). Previous assumption based on Roland Berger, "Powertrain Market" Study, 12/2020.

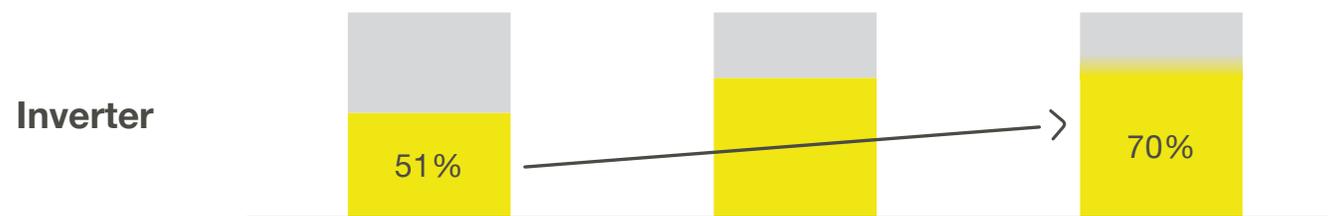
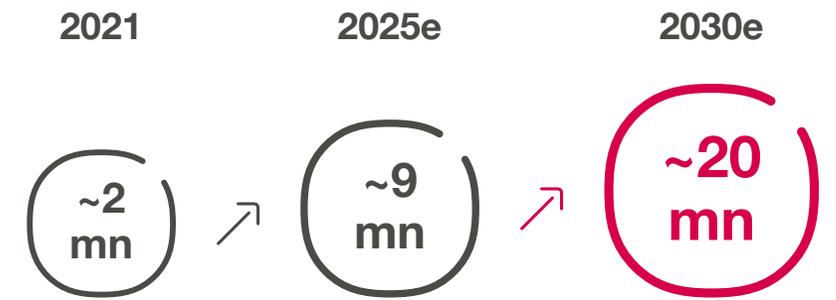
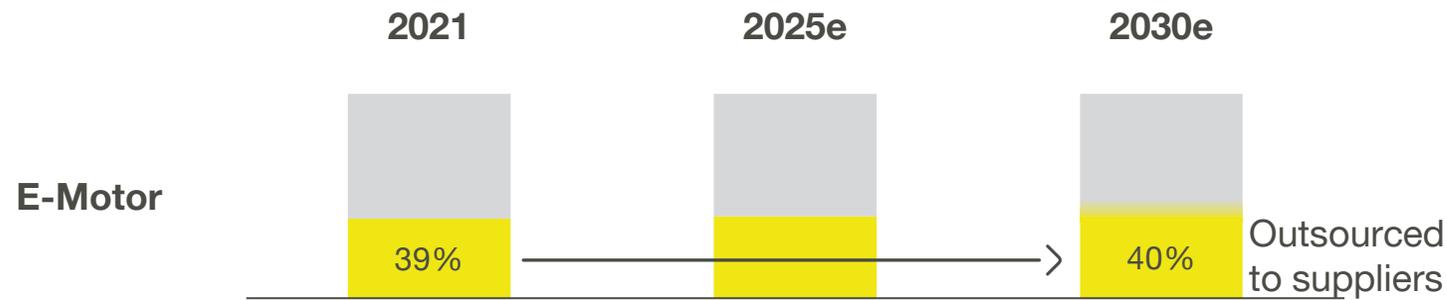
BEV: Battery Electric Vehicle. PHEV: Plug-in Hybrid Electric Vehicle. FHEV: Full Hybrid Electric Vehicle. ICE: Internal Combustion Engine.

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

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

Expectation for share of BEV components sourced from suppliers

Outsourced volume will increase between 8x to 11x

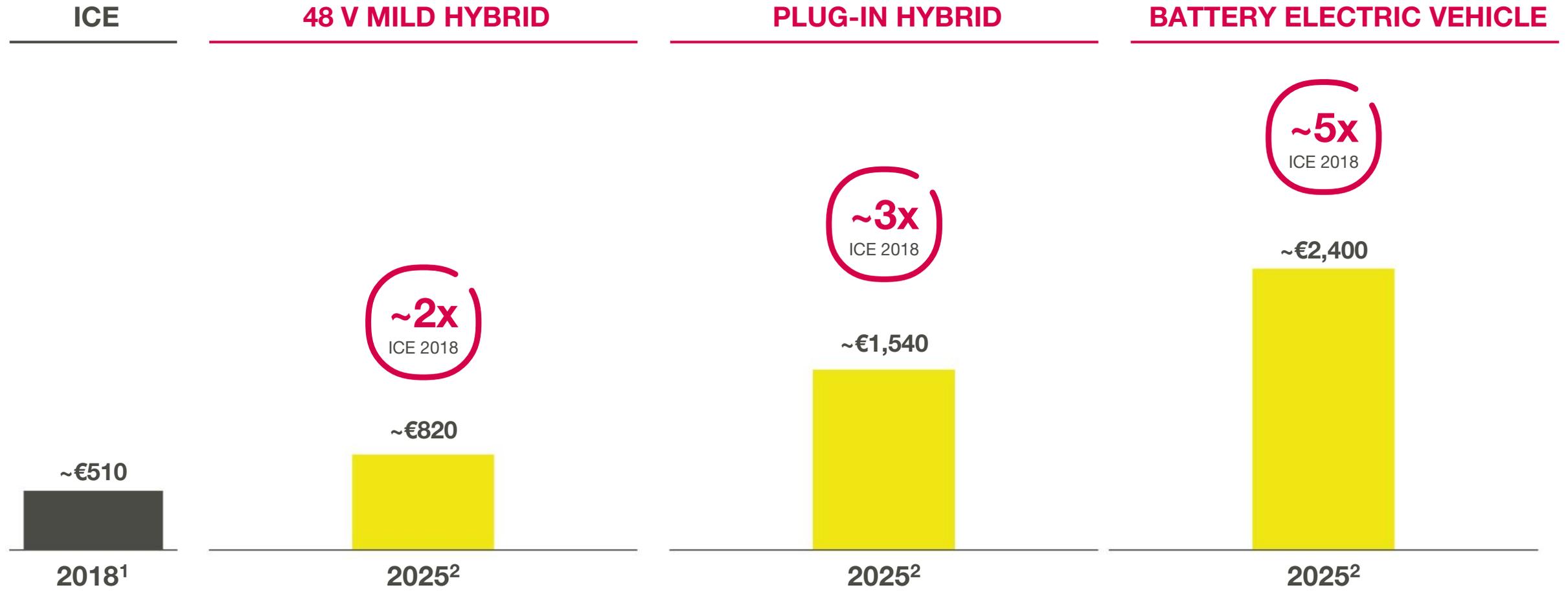


● Outsourced to suppliers ● Insourced by OEMs<sup>1</sup>

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.

# VITESCO TECHNOLOGIES PORTFOLIO OFFERS SUPERIOR CONTENT PER VEHICLE OPPORTUNITIES



Notes: ICE: Internal Combustion Engine. CPV: Content Per Vehicle.

Source: <sup>1</sup> Company estimate based on expert studies prepared in cooperation with Vitesco Technologies. Reflects the CPV opportunity for the portfolio offering in 2018.

<sup>2</sup> Roland Berger, "Powertrain Market" Study, 12/2020. Reflects the CPV opportunity for the current portfolio offering.

**3**

**STRATEGIC  
SETUP**

# POWERTRAIN SOLUTIONS DELIVERS CASH AND VALUE FOR THE TRANSFORMATION



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

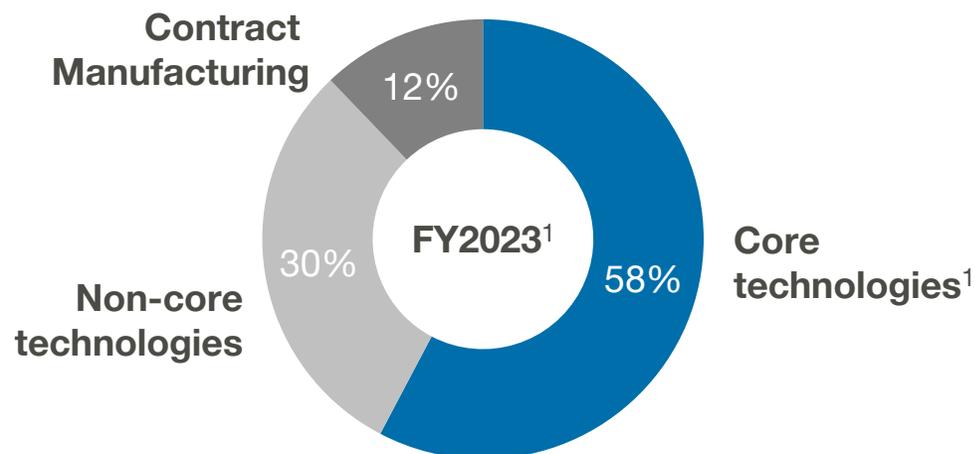


## Aftermarket & Non-Automotive



# PHASE-OUT OF NON-CORE TECHNOLOGIES AND CONTRACT MANUFACTURING IS WELL ON TRACK

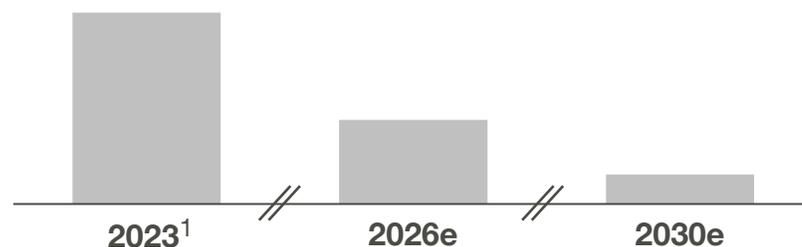
## Sales distribution of Powertrain Solutions division



### Contract Manufacturing



### Non-core technologies



Contract Manufacturing phase-out to be completed in 2026



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

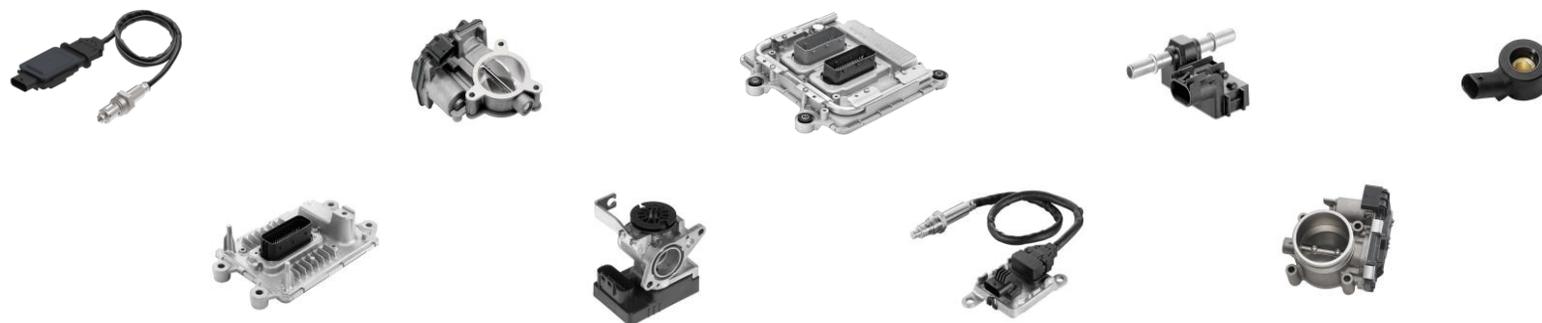


Phase-out supported by divestiture activities amounting to €500 million yearly sales<sup>2</sup> in total – fully effective from FY2024 onwards

<sup>1</sup>Already considering closing of Catalysts & Filters product line divestment. Calculations on a pro forma basis. <sup>2</sup>Since listing in September 2021.

# POWERTRAIN PORTFOLIO CONTRIBUTES STRONGLY TO A CLEAN AND EFFICIENT MOBILITY

Leading market position products contributing to clean and efficient mobility



Leveraging products with leading market position



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



Strong aftermarket sales growth<sup>2</sup> driven by ICE vehicles in operation



Commercial vehicles sales<sup>4</sup>

## Profitability of Powertrain Solutions Division

**>10%**

Double-digit adj. EBIT<sup>2</sup> margin in 2026e

## Vitesco business is resilient and ensures a sustainable cash generation

**>75%**

Cash conversion rate in 2023<sup>3</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> From FY 2021 to FY 2026e. <sup>3</sup> Defined as (Adj. EBITDA - Capex) / Adj. EBITDA. Already considering closing of Catalysts & Filters product line divestment. Calculations on a pro forma basis. <sup>4</sup> In FY 2021

# DIVISIONAL SETUP WILL ENSURE THE FUTURE SUCCESS OF VITESCO TECHNOLOGIES



Division  
**Powertrain  
Solutions**



**Value &  
Cash**



Division  
**Electrification  
Solutions**



**Growth &  
Profitability**



# ELECTRIFICATION SOLUTIONS MAKES MOBILITY CLEAN, SAFE AND AFFORDABLE



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



Master/Zone Controllers



Battery Management System



DC/DC Converter



Gasoline Engine Control Unit



Transmission Control Unit

# 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

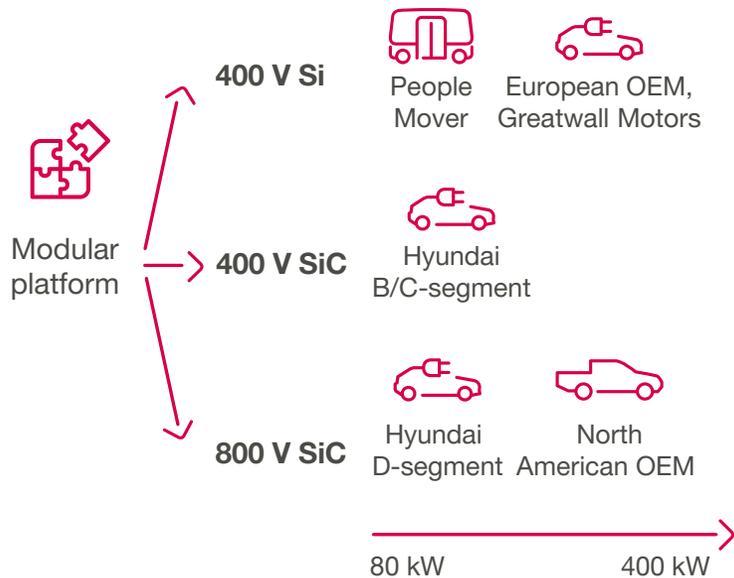


Extensive expertise in system and software development across all products

# OUR DNA: WE USE OUR ELECTRONICS EXPERTISE TO DRIVE MODULAR AND SCALABLE SYSTEMS AND COMPONENTS

## Modular & scalable platforms: our 4th generation inverter

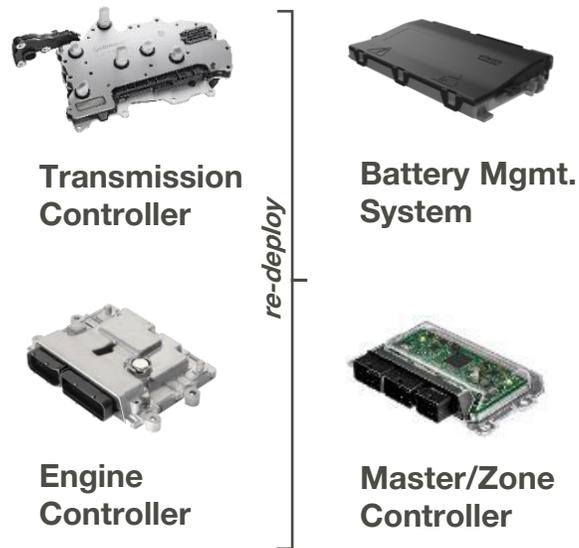
- > Stand-alone and axle drive integrated
- > Capability to power magnet and magnet-free motors
- > Power modules with Si and SiC
- > 400V / 800V readiness, in same package



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

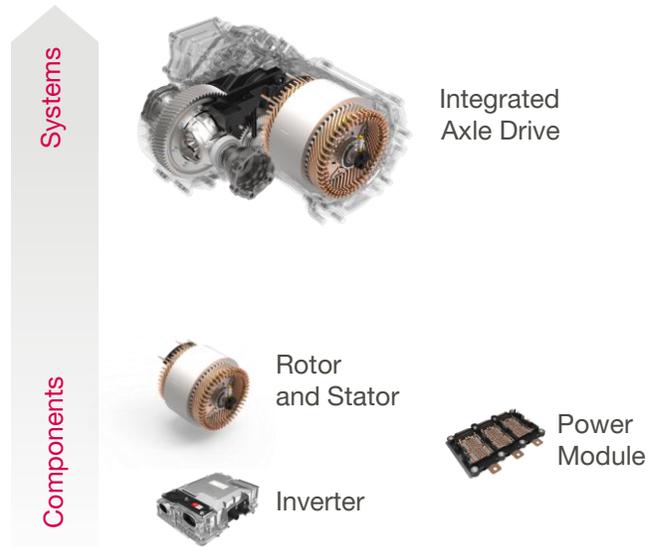
- > 9 out of 10 top OEMs rely on our control units<sup>1</sup>
- > >400 mn electronic units shipped to the market

### Re-deployment in manufacturing and HW & SW modules



## Flexible business models: from components to systems

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



HW: Hardware. SW: Software.  
<sup>1</sup> Top 10 OEM per volume in 2021 worldwide.

# OUR PLAN: WE AIM FOR SUCCESSFUL EXECUTION EXCELLENCE FROM EVERY ANGLE

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>



Our transformation benefits from well-established global supply chains

>90%

Electrification supplier need covered by existing supplier base

>4.5 mn

Vehicles equipped with our electrification solutions<sup>2</sup>

90%

Electronics, electromechanics & metal parts share of total purchasing volume<sup>3</sup>

<p><b>Electronics</b></p> <p>30+ years production experience</p> 	<p><b>Mechanics</b></p> <p>10+ years production experience<sup>3</sup></p> 
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We continuously improve project execution along the product life cycle



**R&D efficiency**  
Implementation of agile methodology to system and software scope

**Project safeguarding**  
Quote maturity assessment for all main platforms resulting in significantly improved project-first-time-right rate

**Project excellence**  
Leadership team members support as champion for key projects

Note: Flags represent the number of Electrification Solutions division<sup>1</sup> production locations in the respective regions.  
<sup>1</sup> Production of certain products requires more than one production line. <sup>2</sup> As of 12/2022. <sup>3</sup> Mechanics related to electrification products.

# STRATEGIC INITIATIVES ACCELERATE OUR TRANSFORMATION AND SECURE FURTHER GROWTH POTENTIAL

## Supplier Partnerships<sup>1</sup>



## ICE Divestments<sup>2</sup>

Securing silicon carbide (SiC) **supply capacity** of almost **€3 billion** to enable anticipated enormous growth in electrification

- > Further **diversification** of **supplier base** regarding future production capacity of important SiC components
- > Access to key semiconductor technology from onsemi by **investing in production capacity** and signing a **long-term supply agreement**
- > Already existing **development partnership** with Rohm further **intensified** with additional supply agreement

Significant progress in **ramping down selected ICE technologies** to further strengthen our **focus on Electrification and Core ICE technologies**

- > More than **10 transactions** including divestures in the field of ICE technologies completed<sup>2</sup>
- > Divested businesses amounting to **€500 million yearly sales<sup>2</sup>** in total – fully effective from FY 2024 onwards
- > About 2,000 employees are affected by these transactions and will thus have a **new home** with a **better strategic fit** outside our company
- > The above stated divestments will **further accelerate** our phase out of still existing Non-Core ICE sales



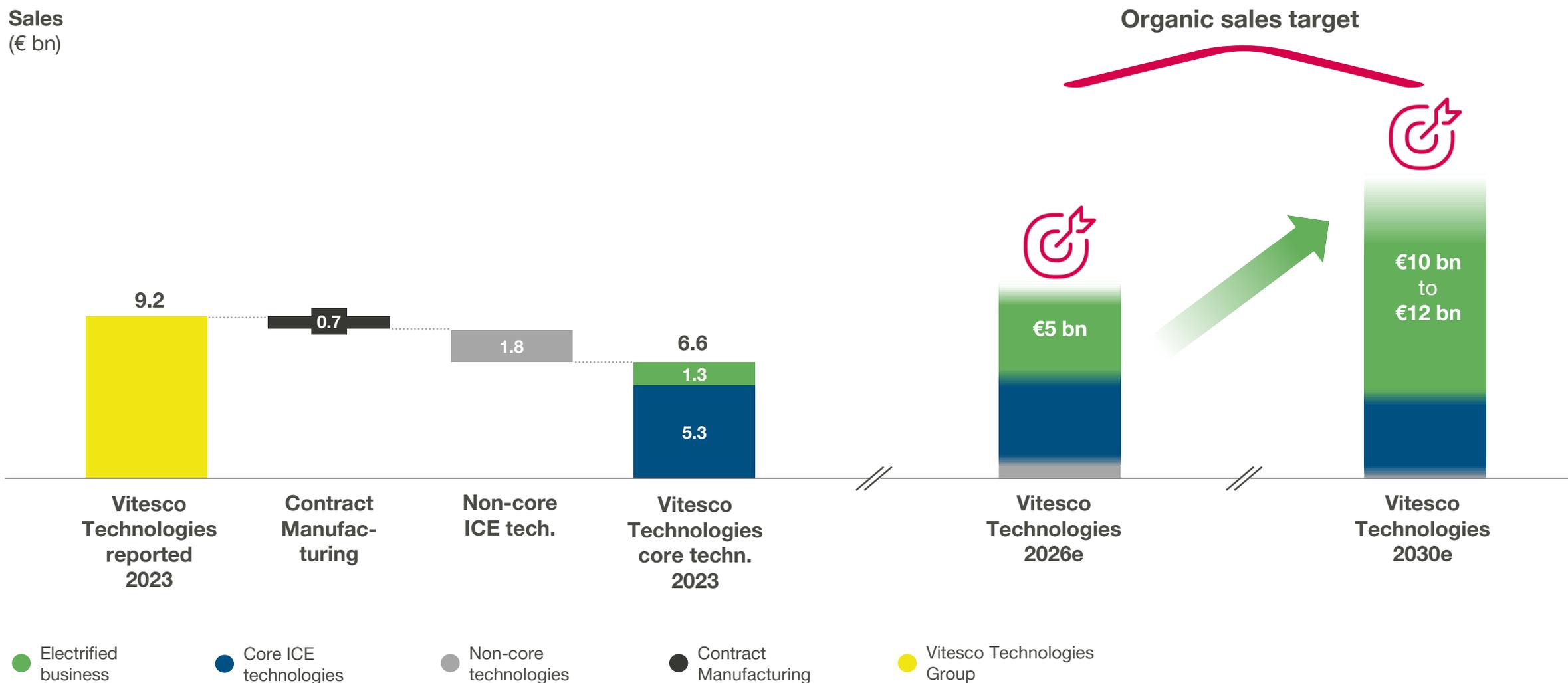
<sup>1</sup> Selected partnerships announced during Q2 2023. | <sup>2</sup> Since listing in September 2021.

**4**

**FINANCIAL  
TARGETS**

# THE ELECTRIFIED BUSINESS WILL CONTINUE TO DRIVE OUR OVERALL MID-TERM GROWTH

Sales  
(€ bn)



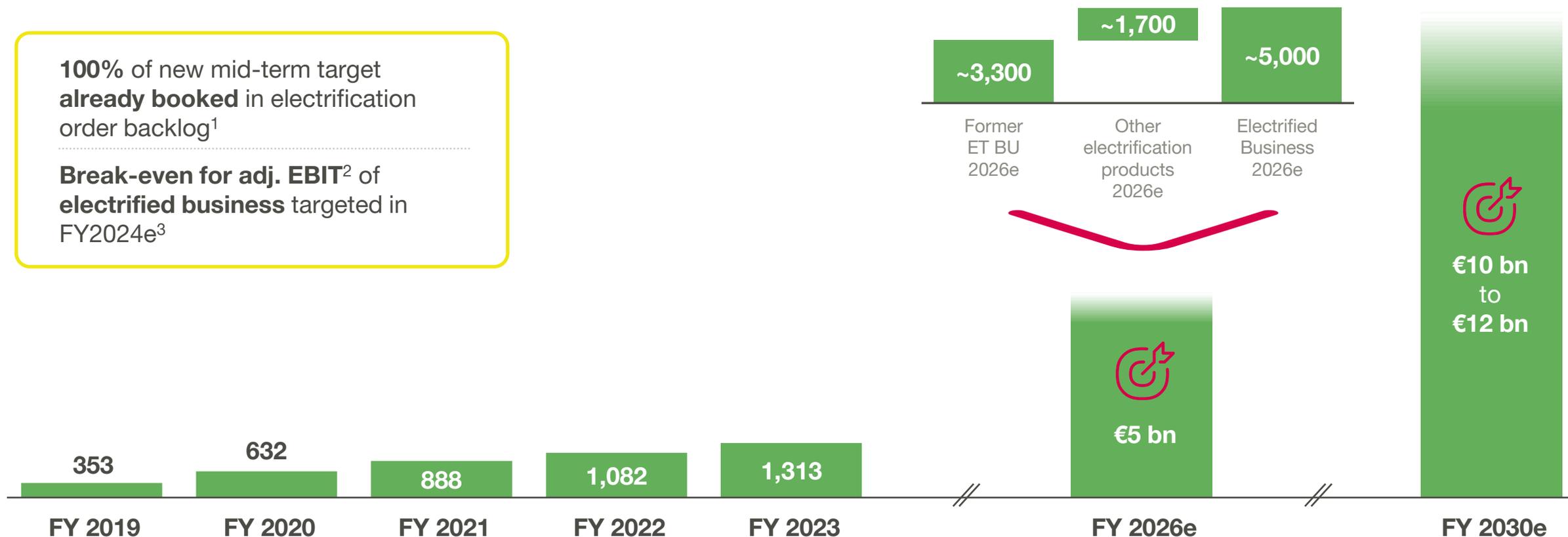
Figures for 2026e and 2030e represent targeted organic sales development of Vitesco Technologies in the respective year. CAGR: Compound annual growth rate.

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

Electrified business (sales in € mn)

100% of new mid-term target already booked in electrification order backlog<sup>1</sup>

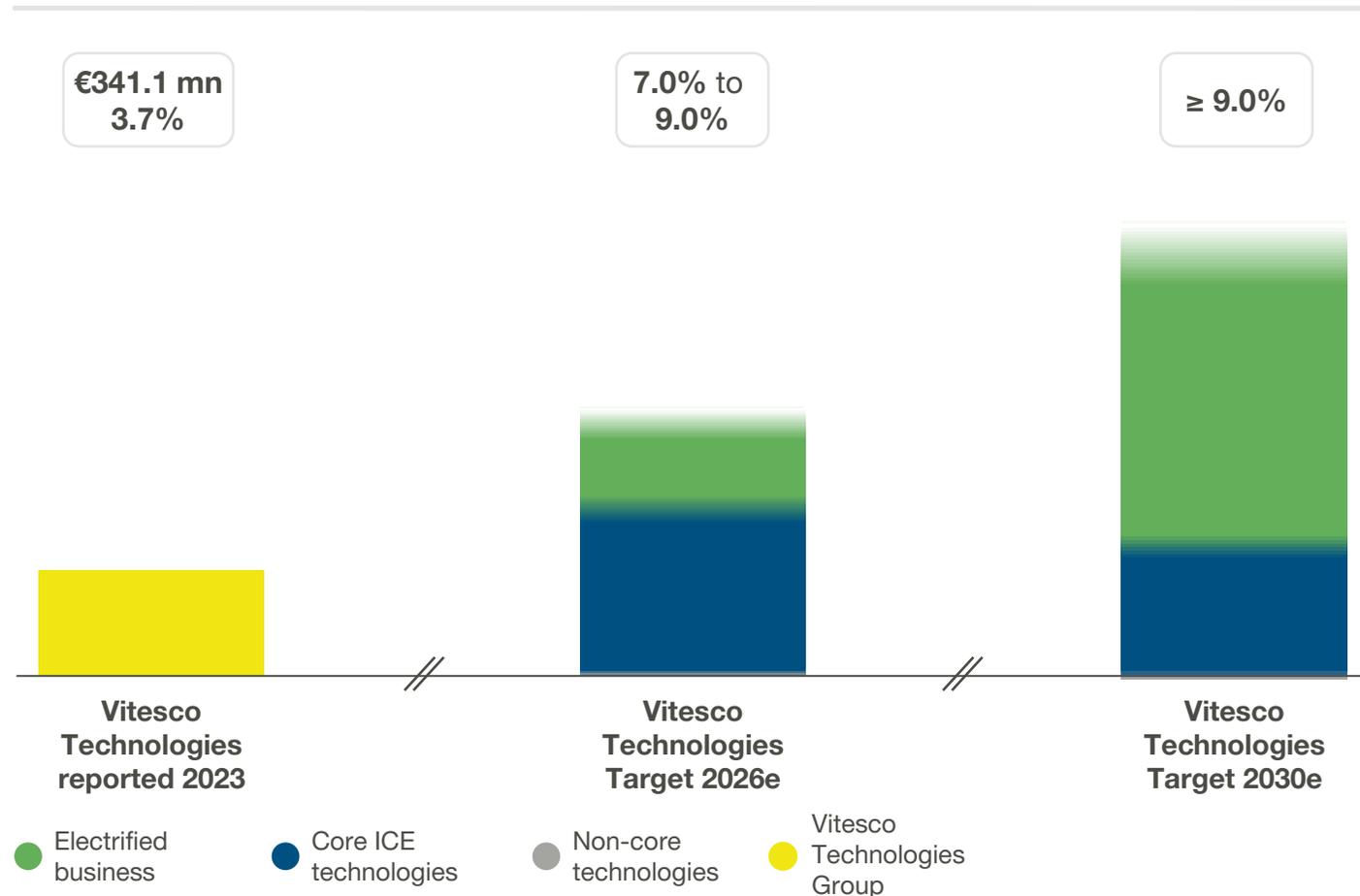
Break-even for adj. EBIT<sup>2</sup> of electrified business targeted in FY2024e<sup>3</sup>



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 04/2023. <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

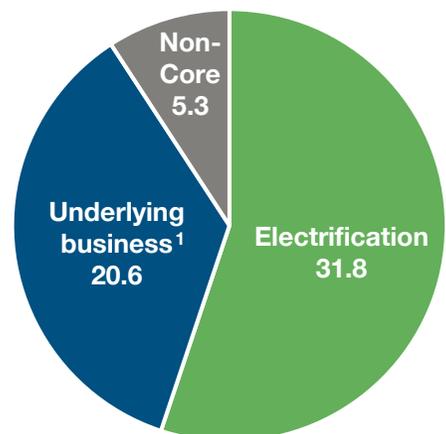
**Powertrain Solutions** division target to ensure **double-digit profitability** in the mid-term

**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.

# ELECTRIFICATION ORDERS CONTINUED TO INCREASE SIGNIFICANTLY THROUGHOUT FY 2023

Order Backlog of 57.6 (€ bn)



## HIGHLIGHTS & COMMENTS

No order activity in non-core ICE technology. Volume extension possible if requested by OEMs for already existing programs

>55% of total order backlog related to electrification products

Strong momentum in electrification order intake across all business units in FY 2023

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> Underlying business excluding electrified part of underlying business.

# WELL-POSITIONED TO BE A WINNER IN ELECTRIFICATION HAVING THE FINANCIAL BASE TO FUND THE TRANSFORMATION

## Summary of our 2026e mid-term targets

<b>Group sales CAGR<sup>1</sup></b>		4.0 – 6.0%		<b>Group</b>	Capex <sup>3</sup> % of sales	~6.0%
<b>Powertrain Solutions</b>	<b>Electrification Solutions</b>	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		Free cash flow <sup>4</sup>	>€400 mn
<b>Group adj. EBIT<sup>2</sup> margin</b>		7.0 – 9.0%			Net debt / adj.EBITDA <sup>5</sup>	<1.0x
<b>Powertrain Solutions</b>	<b>Electrification Solutions</b>	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		Dividend payout <sup>6</sup>	15–30%

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 2022. <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.

**5**

**ESG**

# WE DELIVER ON OUR ESG TARGETS AND DEMONSTRATE A POSITIVE DEVELOPMENT IN OUR KPIS



2022 **11.9%**      2023 **14.2%**      Goal 2030  
€10 – €12  
bn sales

Share of business with electric and electrified solutions



2022 **91.9%**      2023 **94.2%**      Goal 2030  
100%

Climate neutrality rate of total own GHG emissions<sup>1</sup>



2022 **94.6%**      2023 **95.2%**      Goal 2030  
95%

Waste recovery quota<sup>2</sup>



2022 **15.4%**      2023 **17.0%**      Goal 2026  
21%

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



2022 **92.8%**      2023 **98.3%**      Goal 2023  
100%<sup>3</sup>

Share of strategic suppliers covered by Business Partner Code of Conduct<sup>4</sup>



2022 **1.7**      2023 **1.4**      Goal 2027  
1.4

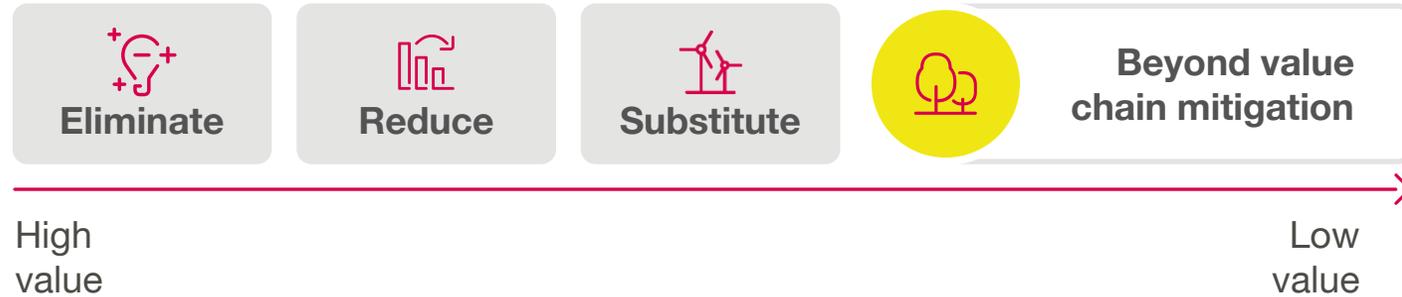
Accident rate (number of accidents per million hours worked)<sup>5</sup>

<sup>1</sup> Definition according to GHG Protocol Corporate Standard and GHG Protocol Scope 2 Guidance. Coverage of the relevant production sites and research and development sites. Calculated according to the market-based method of the GHG Protocol Initiative. Where no contract-specific emission factors were available, the standard emission factors from Defra (09/2021), IEA (12/2022), and the GHG Protocol Initiative were used. Includes the purchase of biomethane. Calculation formula: Own GHG emissions (Scope 1 and 2 market-based) [current year] / Own GHG emissions (Scope 1 and 2 market-based) [base year 2019 (fixed value)] | <sup>2</sup> Defined as the proportion of waste that has been recycled or sent for material recycling, waste-to-energy technologies or other use. Coverage of the relevant production sites and relevant research and development sites. | <sup>3</sup> New goals will be adopted in the course of the 2024 fiscal year. | <sup>4</sup> Basis: Strategic Supplier List (SSL); suppliers must meet various requirements to be listed as a strategic. | <sup>5</sup> Definition: Number of accidents during working hours per million paid working hours. Counted from more than one day lost, i.e., with at least one day lost beyond the day of the accident. Excludes interns, thesis writers, doctoral students, apprentices, dual students, temporary workers, contractors, excludes commuting accidents.

# ESG: COMMITTING TOWARD 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: HUMAN RIGHTS DUE DILIGENCE AND SUPPLY CHAIN DUE DILIGENCE PROCESSES ARE WELL-ESTABLISHED

Currently ongoing



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



## 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: SOLID GOVERNANCE AND COMPLIANCE STRUCTURE IS THE BACKBONE OF 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

6

Q1 2024

# SOLID START INTO THE YEAR DESPITE CHALLENGING CONDITIONS

1,992

€ million **sales** in Q1 2024 – due to expected decline in Contract Manufacturing and divested businesses

33 € million

1.7% **adjusted EBIT** – increased profitability due to less dilutive business

269

€ million total **electrification sales** during Q1 2024

-91 € million

**free cash flow** due to negative one-time effects

708 € million

**order intake** in Q1 2024, thereof 282 € million in electrification business



Vitesco Technologies and Schaeffler AGMs voted in favor of the pending merger

vitesco  
TECHNOLOGIES

SCHAEFFLER



# IMPROVED PROFITABILITY DESPITE CONTINUOUS CHALLENGING MARKET ENVIRONMENT

## Vitesco Technologies Group (€ mn)

	Q1 2023	Q1 2024	Delta
<b>Sales</b>	2,314.2	1,991.9	-322.3
% growth			-13.9%
<b>Adj. EBIT</b>	30.8	33.0	2.2
% margin	1.4%	1.7%	0.3pp
<b>EBIT</b>	-25.3	15.4	40.7
% margin	-1.1%	0.8%	1.9pp
<b>Capex<sup>1</sup></b>	98.0	84.4	-13.6
% of sales	4.2%	4.2%	0.0pp
<b>Free Cash Flow</b>	-41.1	-90.6	-49.5
% margin	-1.8%	-4.5%	-2.7pp
<b>Equity Ratio</b>	39.1%	37.8%	-1.3pp



## Highlights and Recent Developments

### Sales

- > Sales decreased due to consolidation and negative FX effects (2.1pp)

### Adjusted EBIT

- > Increase in profitability supported by decrease of Non-Core sales

### Capex

- > Capex at prior year's level due to strict cash management – fully focused on investing into electrification business

### Free Cash Flow

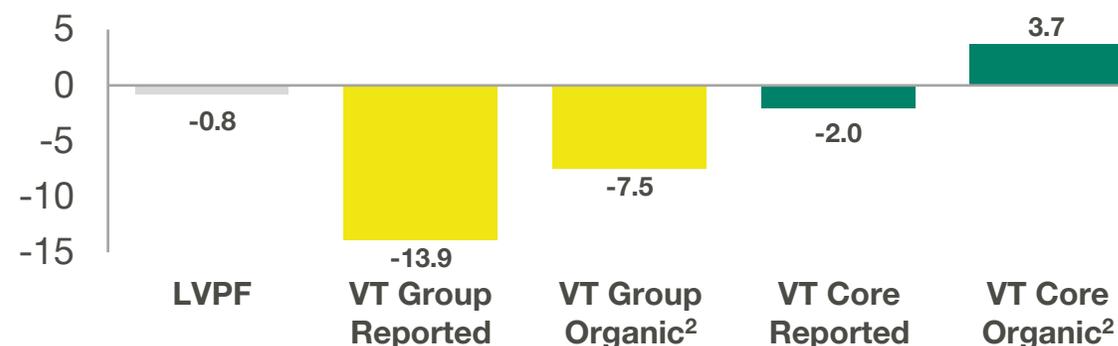
- > Negative free cash flow due to Contract Manufacturing related one-time effects

# CORE BUSINESS GROWTH CONTINUES TO TREND ABOVE GLOBAL PRODUCTION VOLUMES

## Light Vehicle Production<sup>1</sup> (mn units)

	Q1 2024 Production	Q1 Δ YoY
Europe	4.4	-3.5%
North America	3.9	+1.4%
China	6.3	+4.8%
Rest of World	6.6	-5.2%
<b>Worldwide</b>	<b>21.2</b>	<b>-0.8%</b>

## Year-on-year Growth Rates (in %)



### Highlights and Comments – Market

- > Recovery in North America continues at slower rate due to sticky interest rates and tight credit issuance
- > China's LV<sup>3</sup> production supported robust market momentum and by new trade-in program used as stimulus

### Highlights and Comments – Vitesco Technologies

- > Top-line development underlines once more our transformation progress: Core organically outperforms the market while Non-Core sales decrease according to plan
- > Germany stood out positively on a year-on-year basis

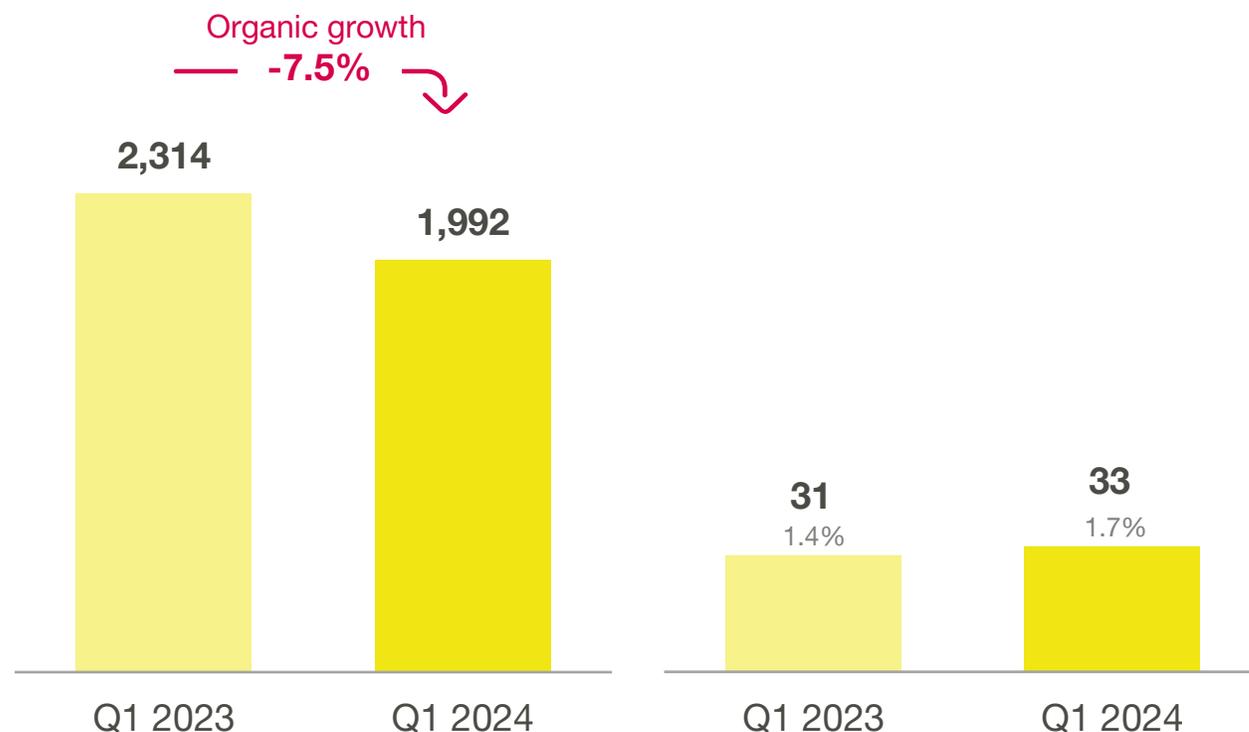
Rounding differences may occur for arithmetical reasons.

<sup>1</sup> Based on S&P Global Mobility, Light Vehicle Production Forecast as of 04/2024. Regions as defined for Vitesco Technologies' sales regions. | <sup>2</sup> Sales without effects from consolidation and FX. | <sup>3</sup> Light Vehicles.

# Q1 CHARACTERIZED BY ACCELERATED PHASE-OUT OF NON-CORE TECHNOLOGIES

Sales (€ mn)

Adjusted EBIT (€ mn)



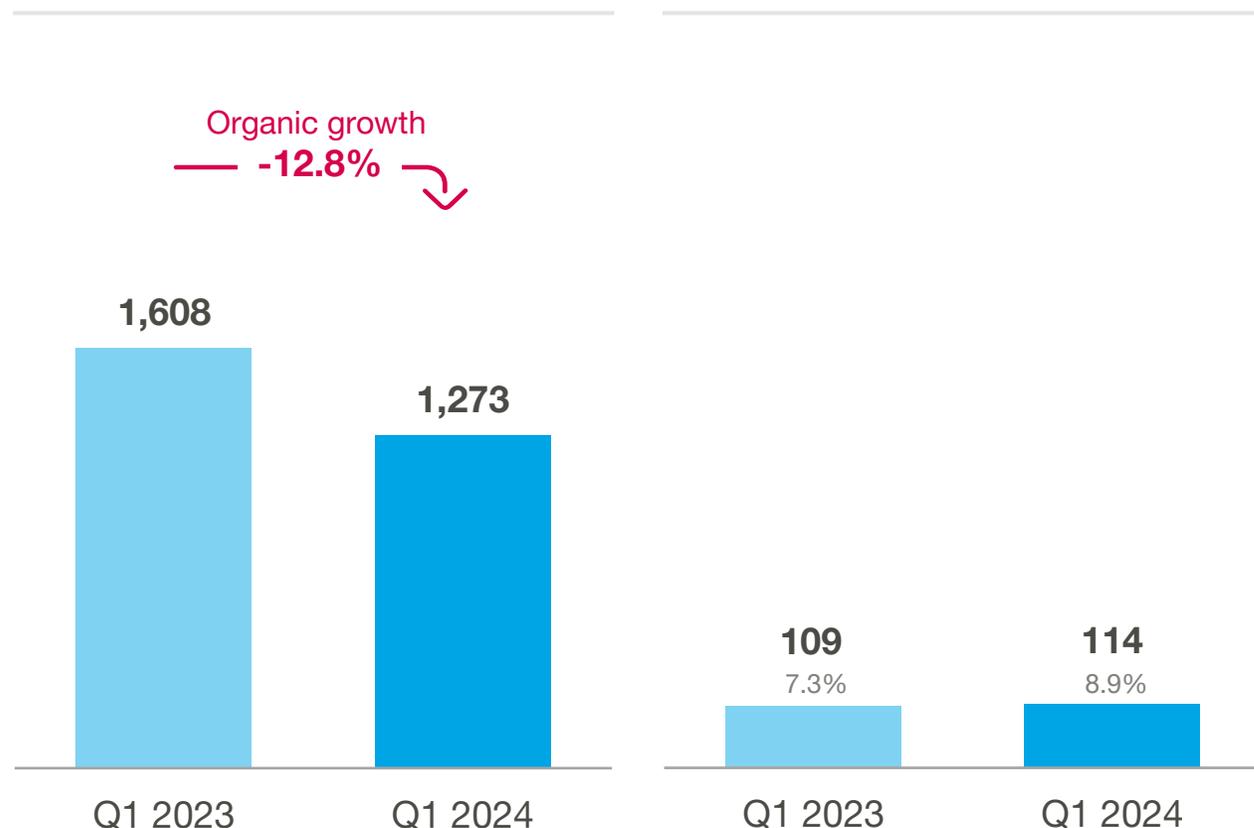
## Vitesco Technologies

- > Organic sales growth 6.7pp below light vehicle production, however Core technologies outperformed organically by 4.5pp
- > Headwinds from currency related effects amounting to 2.1pp
- > Core technologies sales at €1,569 mn (PY: €1,601 mn) and 1.7% adj. EBIT margin (PY: 0.8%)
- > Further ramp-down of Non-Core activities by more than 40% year-on-year in line with internal expectations

# PLANNED SALES DECREASE IN NON-CORE ACTIVITIES SUPPORTS FURTHER IMPROVEMENT IN ADJUSTED EBIT MARGIN

Sales (€ mn)

Adjusted EBIT (€ mn)

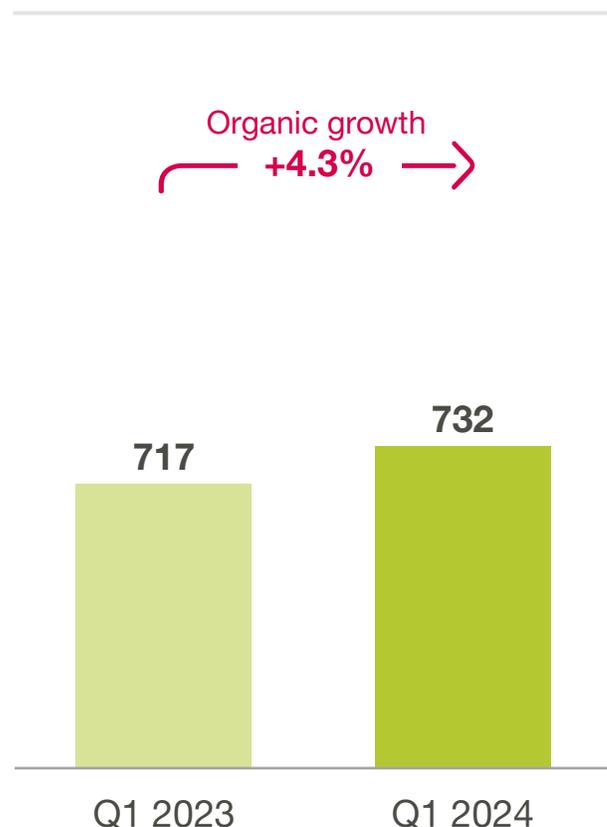


## Powertrain Solutions Division – DIV P

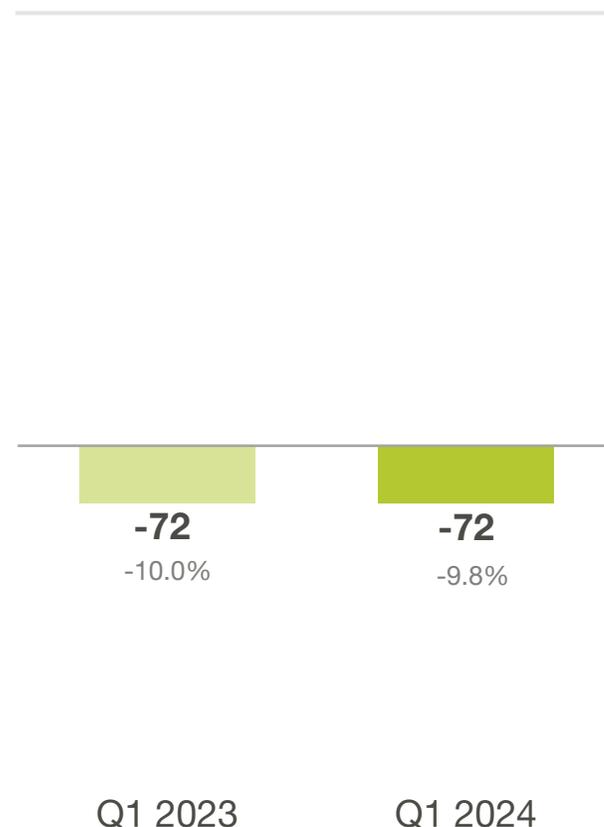
- > Positive development in Core business stood against planned ramp-down in Non-Core activities
- > Sales burdened from currency related headwinds amounting to 2.3pp
- > Contract Manufacturing decreased by ~75% YoY to €60.5 mn sales in Q1 2024
- > Core ICE business at €825 mn (PY: €872 mn) sales and 13.4% adj. EBIT margin (PY: 11.0%)

# UNCHANGED POSITIVE SALES PERFORMANCE SHOWING FURTHER IMPROVEMENT STEPS IN PROFITABILITY MARGIN

Sales (€ mn)



Adjusted EBIT (€ mn)

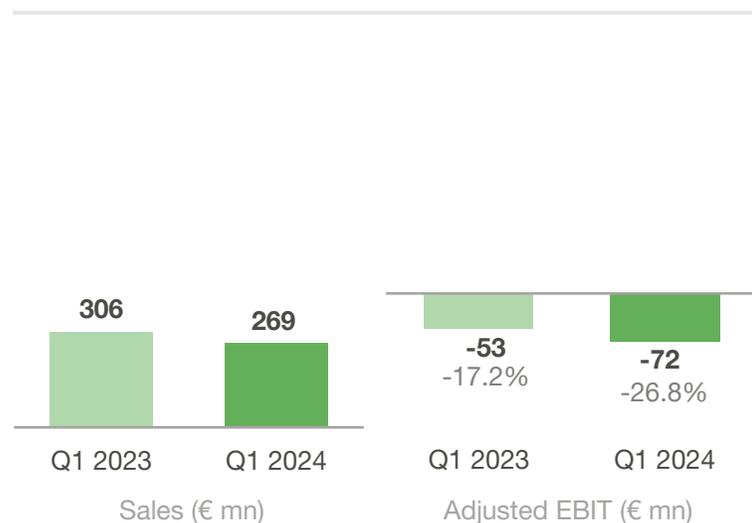


## Electrification Solutions Division – DIV E

- > Positive sales development driven by strong performance in Europe
- > Organic sales growth outperforms global light vehicle production by 5.1pp
- > Sales growth includes currency related headwinds of 2.2pp
- > Adjusted EBIT margin impacted by high input and ramp-up costs for Electrification
- > Core ICE business further improves to break-even level in Q1 2024

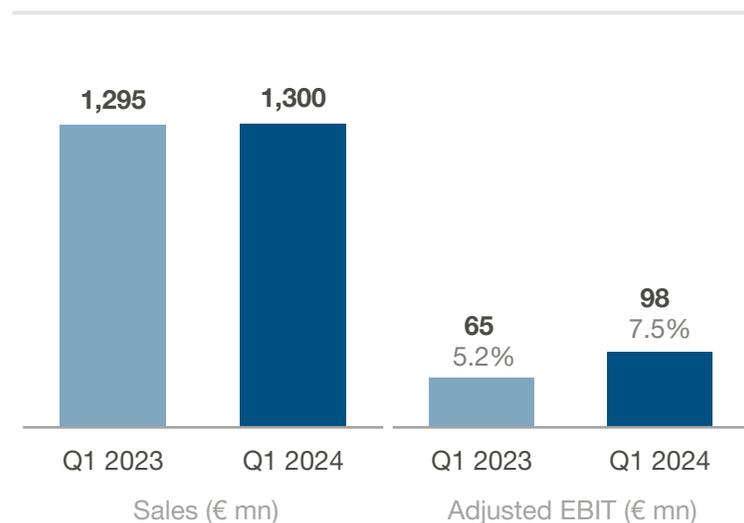
# CORE ICE BUSINESS CONTINUES TO BACK TRANSFORMATIONAL PROGRESS TOWARDS ELECTRIFICATION

## Electrification



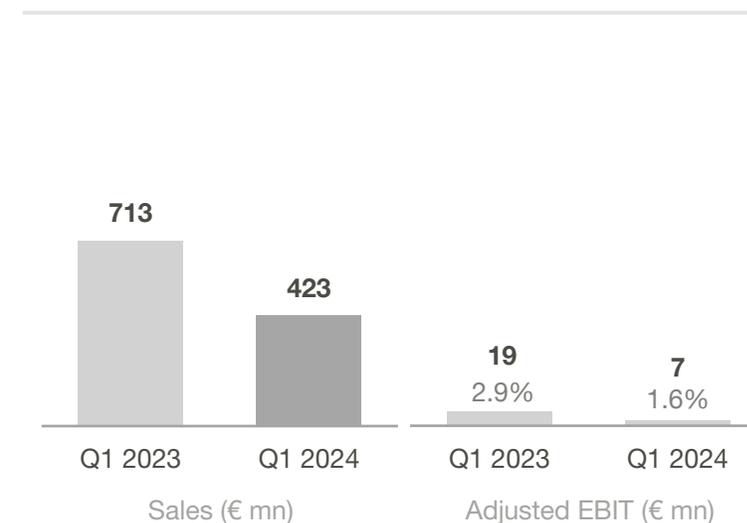
- > Q1 2023 included high volumes from meanwhile phased out projects, which could not be compensated by new product ramp-ups yet
- > Adj. EBIT impacted by high input and ramp-up costs

## Core ICE (excl. Electrification)



- > Steady top-line development despite weak overall market environment
- > Further significant margin step-up reflects resiliency of our Core ICE business

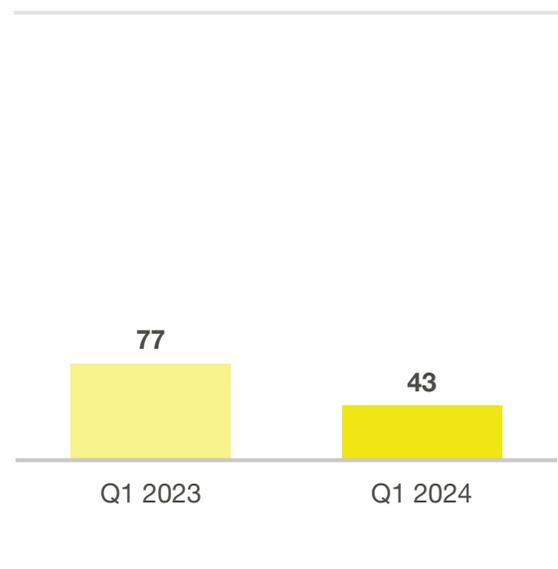
## Non-Core



- > Decrease in Non-Core business, especially in Contract Manufacturing, accelerates as planned
- > Adj. EBIT came in slightly positive

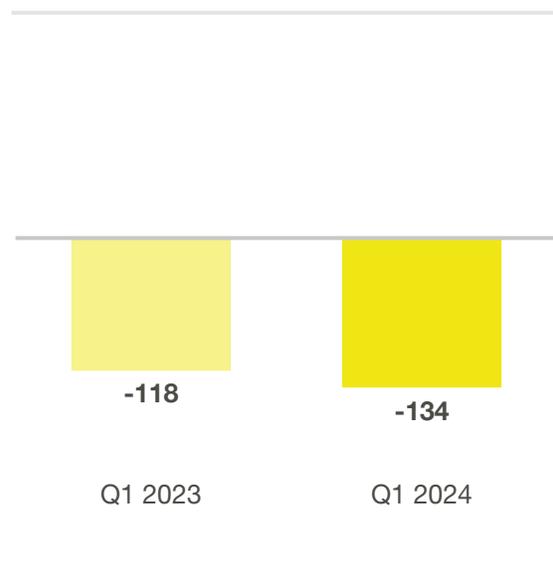
# CASH FLOW BURDENED BY WORKING CAPITAL AND CONTINUED HIGH INVESTMENTS

Operating Cash Flow (€ mn)



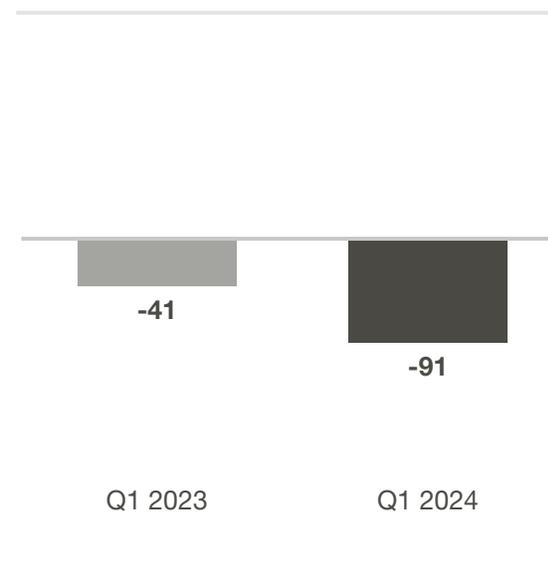
> Decrease in operating cash flow due to lower top-line development and higher working capital

Investing Cash Flow (€ mn)



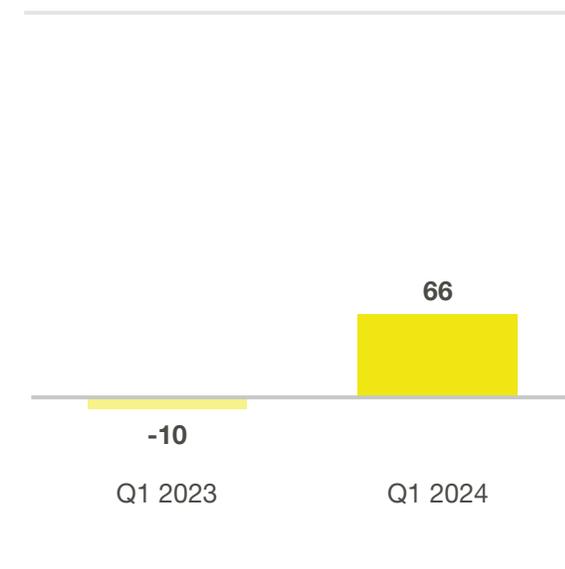
> Higher investing cash flow due to increasing investments for electrification business

Free Cash Flow (€ mn)



> Negative free cash flow resulting from lower operating cash flow and higher investing cash flow

Financing Cash Flow (€ mn)



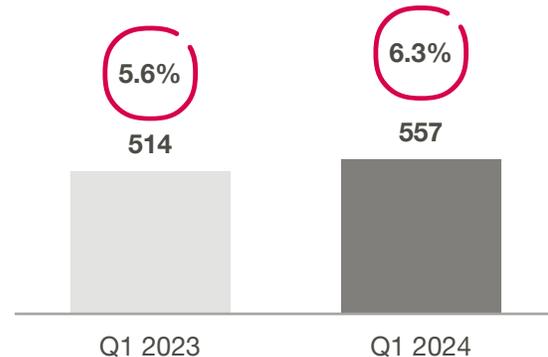
> Financing cash flow affected by utilization of a loan agreement

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

# EQUITY RATIO AND NET DEBT DEMONSTRATE OUR SOLID BALANCE SHEET

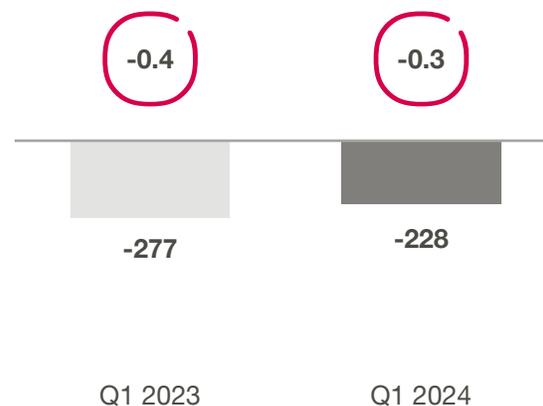
## Net Working Capital (€ mn)

Net working capital/LTM sales



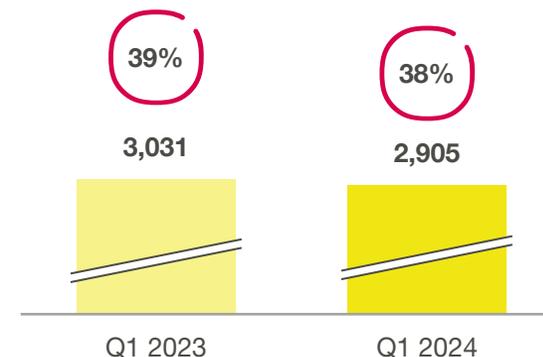
## Net Debt (€ mn)

Net debt/LTM adj. EBITDA

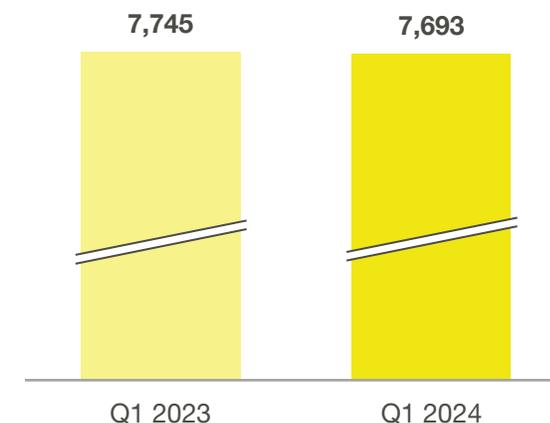


## Total Equity (€ mn)

Equity ratio



## Balance Sheet Total (€ mn)



> Increase in net working capital mainly driven by decrease in accounts payables

> Working capital intensity in line with our long-term projections following ramp-down of Contract Manufacturing

> Net debt/LTM adj. EBITDA ratio remains at solid level and demonstrates our comfortable liquidity situation

> Equity ratio remains at very solid level around 38%

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

# WE RECONFIRM OUR GUIDANCE AND MARKET OUTLOOK FOR FY2024

## Vitesco Technologies Group (€ mn)

	2023	2024E
<b>Sales</b>	9,233	8,300 to 8,800
<b>Adj. EBIT Margin</b>	3.7%	4.5% to 5.0%
<b>Capex<sup>1</sup> Ratio</b>	5.4%	~ 7%
<b>Free Cash Flow</b>	85	~ -350



## Market Outlook

<b>China</b>	→	~ 0% to 2%
<b>Europe</b>	→	~ -3% to -1%
<b>NA</b>	→	~ 0% to 2%
<b>RoW</b>	→	~ -3% to -1%
<b>World</b>	→	~ -1% to 1%

The outlook for fiscal year 2024 does not consider any effects resulting from the integration into Schaeffler.

Light Vehicle Production Forecast for changes of FY 2024 production compared to FY 2023 based on S&P Global Mobility, Light Vehicle Production Forecast as of 04/2024.

Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. Free cash flow defined as operating cash flow plus investing cash flow. | <sup>1</sup> Capex excluding right of use assets (IFRS 16).

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**ANALYST SHEET**

# ANALYST SHEET QUARTERLY FIGURES – Q1 2024

in € mn	Q1 2023*	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
<b>Sales VT Group</b>	2,314.2	2,441.6	2,199.4	2,278.0	9,233.2	1,991.9
<i>(% growth y/y)</i>	2.5%	12.8%	-4.4%	-2.9%	1.8%	-13.9%
<b>For comparison: Global Light Vehicle Production<sup>1</sup> (mn units)</b>	21.37	22.20	22.60	24.19	90.37	21.20
<i>(% growth y/y)</i>	7.2%	16.8%	5.1%	10.5%	9.8%	-0.8%
<b>Division Powertrain Solutions</b>	1,607.7	1,632.5	1,412.4	1,466.2	6,118.8	1,273.0
<i>(% growth y/y)</i>	-1.9%	5.1%	-13.5%	-5.3%	-4.0%	-20.8%
<b>Electrification</b>	22.2	28.5	30.9	31.1	112.7	24.9
<i>(% growth y/y)</i>	4.7%	39.0%	34.3%	11.1%	21.6%	12.2%
<b>Core ICE excl. Electrification</b>	872.4	925.7	798.8	821.3	3,418.2	825.2
<i>(% growth y/y)</i>	3.1%	13.3%	-6.1%	0.0%	2.5%	-5.4%
<b>Non-Core</b>	713.1	678.3	582.7	613.8	2,587.9	422.9
<i>(% growth y/y)</i>	-7.5%	-5.3%	-23.1%	-12.2%	-12.1%	-40.7%
<b>Division Electrification Solutions</b>	716.8	825.2	799.7	820.6	3,162.3	732.2
<i>(% growth y/y)</i>	13.0%	31.8%	16.4%	0.3%	14.3%	2.1%
<b>Electrification</b>	283.7	325.8	293.5	297.7	1,200.7	243.8
<i>(% growth y/y)</i>	23.1%	50.6%	30.7%	-6.4%	21.4%	-14.1%
<b>Core ICE excl. Electrification</b>	433.1	499.4	506.2	522.9	1,961.6	488.4
<i>(% growth y/y)</i>	7.3%	21.9%	9.4%	4.5%	10.4%	12.8%
<b>Adjusted EBIT VT Group</b>	30.8	76.3	76.4	151.3	341.1	33.0
<i>(% of sales)</i>	1.4%	3.1%	3.5%	6.6%	3.7%	1.7%
<b>Adjusted EBIT Division Powertrain Solutions</b>	109.2	109.2	98.1	140.0	464.6	113.8
<i>(% of sales)</i>	7.3%	6.7%	6.9%	9.5%	7.6%	8.9%
<b>Adjusted EBIT Electrification</b>	-0.4	0.0	0.2	7.2	7.0	-3.4
<i>(% of sales)</i>	-1.8%	0.0%	0.6%	23.2%	6.2%	-13.7%
<b>Adjusted EBIT Core ICE excl. Electrification</b>	90.8	102.8	99.9	90.4	392.5	110.3
<i>(% of sales)</i>	11.0%	11.1%	12.5%	11.0%	11.5%	13.4%
<b>Adjusted EBIT Non-Core</b>	18.8	6.4	-2.0	42.4	65.1	6.9
<i>(% of sales)</i>	2.9%	0.9%	-0.3%	6.9%	2.5%	1.6%
<b>Adjusted EBIT Division Electrification Solutions</b>	-71.6	-31.2	-14.3	19.4	-98.1	-71.7
<i>(% of sales)</i>	-10.0%	-3.8%	-1.8%	2.4%	-3.1%	-9.8%
<b>Adjusted EBIT Electrification</b>	-52.3	-52.8	-43.3	-6.8	-153.9	-68.6
<i>(% of sales)</i>	-18.4%	-16.2%	-14.8%	-2.3%	-12.8%	-28.1%
<b>Adjusted EBIT Core ICE excl. Electrification</b>	-19.3	21.6	29.0	26.2	55.8	-3.1
<i>(% of sales)</i>	-4.5%	4.3%	5.7%	5.0%	2.8%	-0.6%

\* Restatement of Q1 2023 figures due to consolidation changes

<sup>1</sup> Based on S&P Global Mobility, Light Vehicle Production Forecast as of 04/2024

Rounding differences may occur for arithmetical reasons

Capex excluding right of use assets (IFRS 16)

# ANALYST SHEET QUARTERLY FIGURES – Q1 2024

in € mn	Q1 2023*	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
<b>Research &amp; Development Expenses (net)</b>	193.4	198.9	158.2	129.1	679.6	167.9
<i>(% of sales)</i>	8.4%	8.1%	7.2%	5.7%	7.4%	8.4%
<b>Depreciation &amp; Amortization</b>	147.7	167.1	128.7	132.4	575.9	116.9
<i>(% of sales)</i>	6.4%	6.8%	5.9%	5.8%	6.2%	5.9%
<b>EBT</b>	-29.3	12.0	60.5	102.5	145.7	13.1
<i>(% of sales)</i>	-1.3%	0.5%	2.8%	4.5%	1.6%	0.7%
<b>Effective Tax Rate</b>	-73.0%	215.8%	49.6%	160.9%	166.2%	-73.3%
<b>Net Result</b>	-50.7	-13.8	30.3	-62.2	-96.4	22.7
<i>(% of sales)</i>	-2.2%	-0.6%	1.4%	-2.7%	-1.0%	1.1%
<b>Operating Cash Flow VT Group</b>	76.9	94.8	203.4	253.9	629.0	42.9
<i>(% of sales)</i>	3.3%	3.9%	9.2%	11.1%	6.8%	2.2%
<b>Capex VT Group</b>	98.0	92.8	141.8	167.2	499.8	84.4
<i>(% of sales)</i>	4.2%	3.8%	6.4%	7.3%	5.4%	4.2%
<b>Free Cash Flow VT Group</b>	-41.1	-20.6	73.4	73.2	84.9	-90.6
<i>(% of sales)</i>	-1.8%	-0.8%	3.3%	3.2%	0.9%	-4.5%
<b>Balance Sheet Total</b>	7,745.2	7,588.5	7,505.6	7,583.1	7,583.1	7,693.3
<b>Equity Ratio</b>	39.1%	38.9%	40.6%	37.6%	37.6%	37.8%
<b>Working Capital</b>	513.6	552.0	529.0	532.5	532.5	557.3
<b>Working Capital/LTM Sales</b>	5.6%	5.9%	5.7%	5.8%	5.8%	6.3%
<b>Short- and Long-Term Financial Debt</b>	451.3	459.3	469.7	726.6	726.6	810.5
<b>Cash &amp; Cash Equivalents</b>	728.1	672.1	739.2	1,063.6	1,063.6	1,038.8
<b>Net Financial Debt</b>	-276.8	-212.8	-269.5	-337.0	-337.0	-228.3
<b>Net Financial Debt/LTM adj. EBITDA</b>	-0.4	-0.3	-0.3	-0.4	-0.4	-0.3

\* Restatement of Q1 2023 figures due to consolidation changes

<sup>1</sup> Based on S&P Global Mobility, Light Vehicle Production Forecast as of 04/2024

Rounding differences may occur for arithmetical reasons

Capex excluding right of use assets (IFRS 16)



**Thank you**

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