

VITESCO TECHNOLOGIES

Q3 2023 RESULTS

Regensburg, 14.11.2023

Public

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AGENDA OF CONFERENCE CALL ON THE Q3 2023 RESULTS

1 | HIGHLIGHTS FOR Q3 2023

2 | KEY FIGURES

3 | MARKET DEVELOPMENT

4 | SALES AND ADJUSTED EBIT DEVELOPMENT

5 | CASH FLOW PROFILE

6 | BALANCE SHEET STRUCTURE

7 | OUTLOOK FOR FY 2023

Andreas Wolf

Sabine Nitzsche

ANOTHER SOLID QUARTER BACKED BY STRONG PROFITABILITY AND CASH FLOW GENERATION

2,199

€ million **sales** in Q3 2023 – impacted by planned decrease in Non-Core sales and negative FX

76

 € million

3.5% **adjusted EBIT** – as a result of improved profitability in Electrification and Core ICE business

2,473

€ million **order intake** in Q3 2023, thereof **1.5 € billion** in **Electrification**

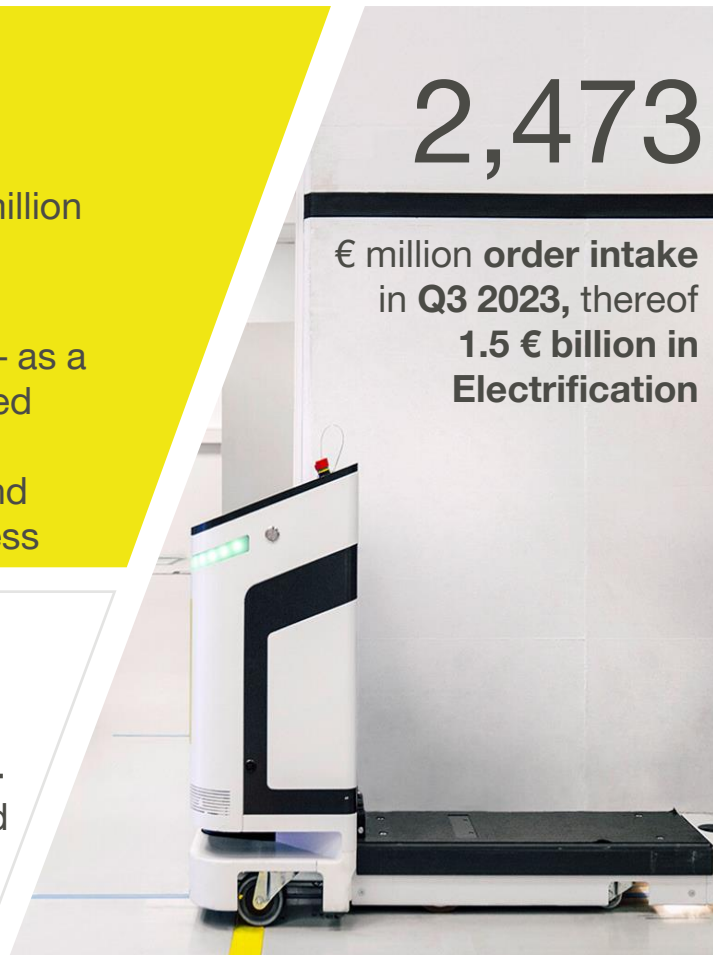
324

€ million total **Electrification sales** during Q3 2023

73

 € million

free cash flow - due to increased profitability



Schaeffler AG announced tender offer for Vitesco Technologies shares for 91 € on October 9, 2023



PP: Percentage Points. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. Order intake defined as sum of acquired lifetime sales within the respective reporting period.

POSITIVE BOTTOM LINE DEVELOPMENT IN A GRADUALLY IMPROVING MARKET ENVIRONMENT

Vitesco Technologies Group (€ mn)

	Q3 2022	Q3 2023	Delta
Sales	2,300.1	2,199.4	-100.7
% growth			-4.4%
Adj. EBIT	44.7	76.4	31.7
% margin	2.0%	3.5%	1.5pp
EBIT	2.4	67.7	65.3
% margin	0.1%	3.1%	3.0pp
Capex¹	88.9	141.8	52.9
% of sales	3.9%	6.4%	2.5pp
Free Cash Flow	-16.3	73.4	89.7
% margin	-0.7%	3.3%	4.0pp
Equity Ratio	40.7%	40.6%	-0.1pp

Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. | ¹ Capex excluding right of use assets (IFRS 16).



Highlights and Recent Developments

Sales

- > Significant planned ramp-down of Non-Core businesses led to lower sales

Adjusted EBIT

- > Less dilutive Non-Core sales as well as improved profitability in Electrification and Core ICE business results in increased group level performance

Capex

- > Higher investments driven by project ramp-ups related to large number of launches in 2023 and 2024

Free Cash Flow

- > Despite higher Capex - increased free cash flow due to higher operating cash flow

Equity Ratio

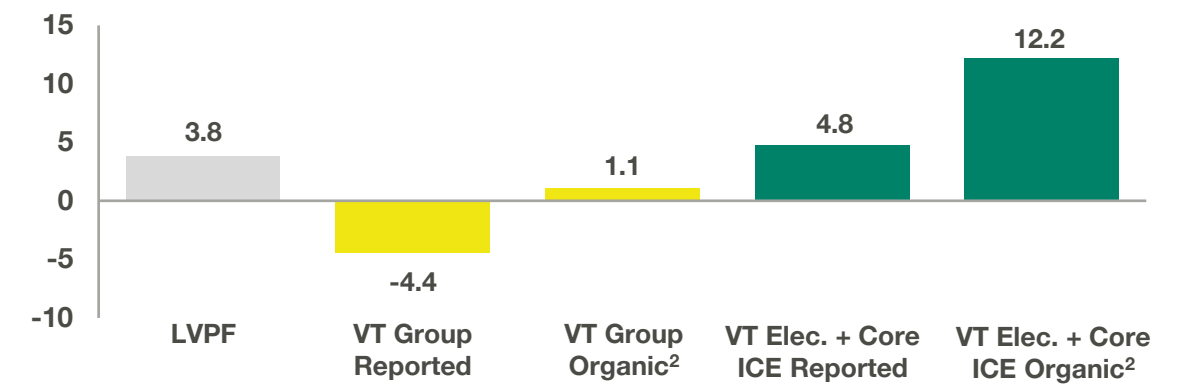
- > Remains at a very solid level above 40%

CORE BUSINESS CONTINUES TO OUTPERFORM GLOBAL LIGHT VEHICLE PRODUCTION

Light Vehicle Production¹ (mn units)

	Q3 2023 Production	Q3 Δ YoY
Europe	3.7	+4.2%
North America	4.0	+9.0%
China	7.5	+0.4%
Rest of World	7.2	+4.5%
Worldwide	22.3	+3.8%

Year-on-Year Growth Rates (in %)



Highlights and Comments - Market

- > Light vehicle production recovered worldwide during Q3 2023, supported by release of pent-up demand
- > China continuous to recover given ongoing strength in export activity however Chinese CV³ market remains rather weak

Highlights and Comments - Vitesco Technologies

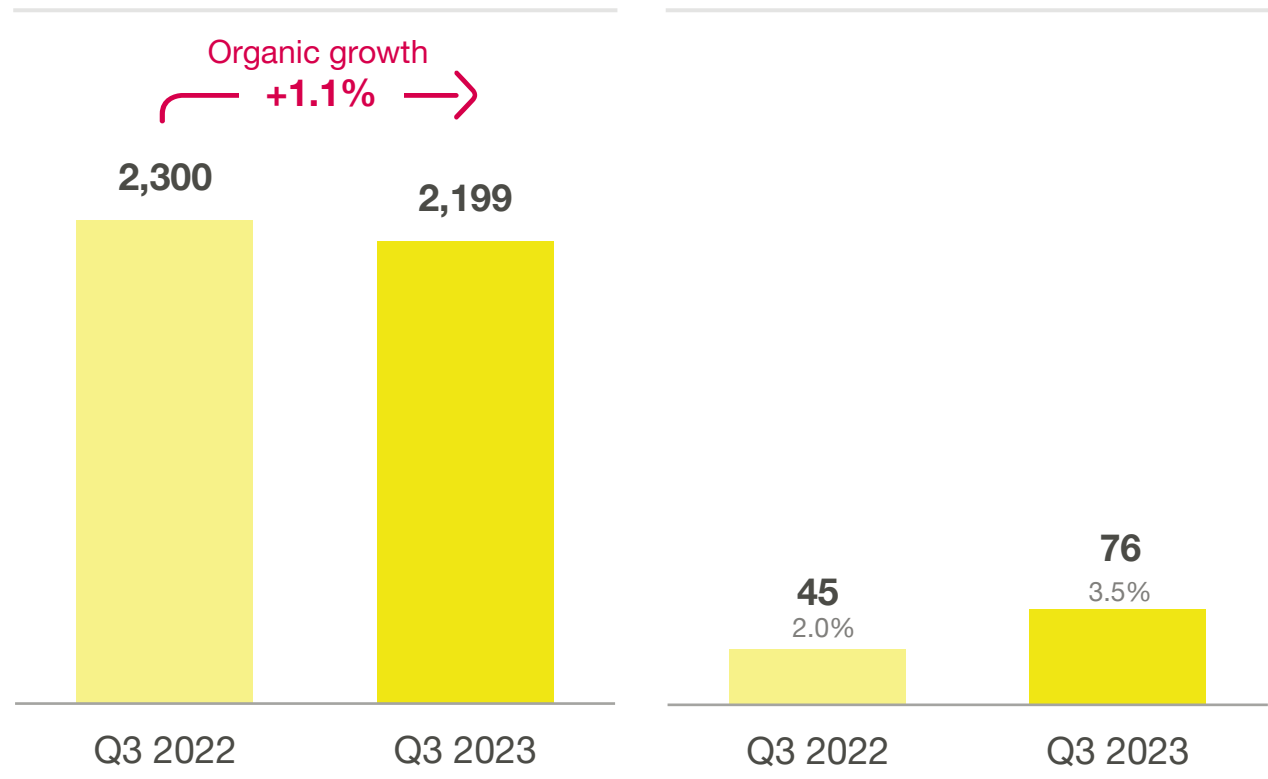
- > Electrification and Core ICE business continue to significantly outperform the market organically
- > Strong Vitesco Technologies' sales in Asia was offset by rather weak development in other key markets

¹ Based on S&P Global Mobility, Light Vehicle Production Forecast as of 10/2023. Regions as defined for Vitesco Technologies' sales regions. | ² Sales without effects from consolidation and FX. | ³ Commercial Vehicles.

OPERATIONAL IMPROVEMENTS RESULTED IN INCREASING ADJUSTED EBIT MARGINS

Sales (€ mn)

Adjusted EBIT (€ mn)



Vitesco Technologies

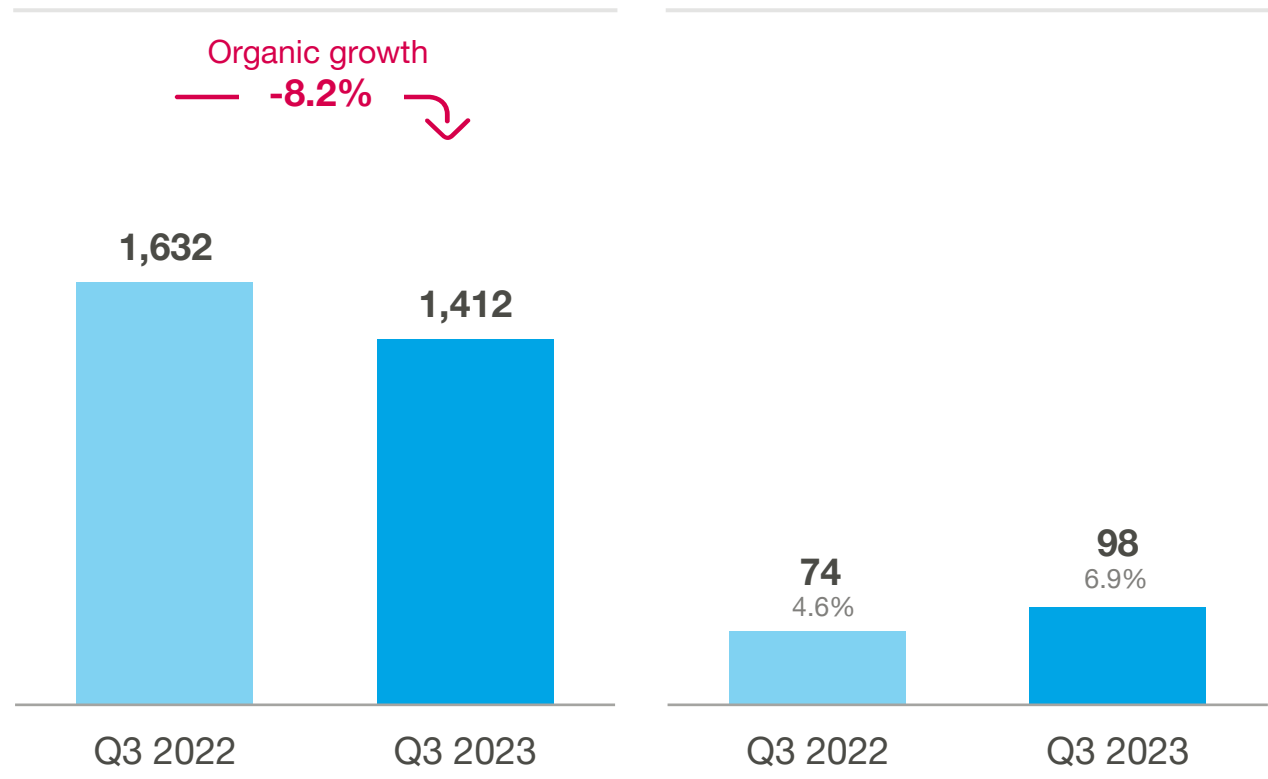
- > Organic sales growth of 1.1% at group level means underperformance of 2.7pp to LVPF of 3.8%
- > Electrification and Core ICE technologies outperformed the global market organically by 8.4pp
- > Sales burdened from currency related headwinds amounting to 4.1pp
- > Further ramp-down of Non-Core activities by 175 € million in line with internal expectations
- > Compensation agreements by customers contributed to overall improved profitability

Organic Growth: Sales without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

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

Sales (€ mn)

Adjusted EBIT (€ mn)



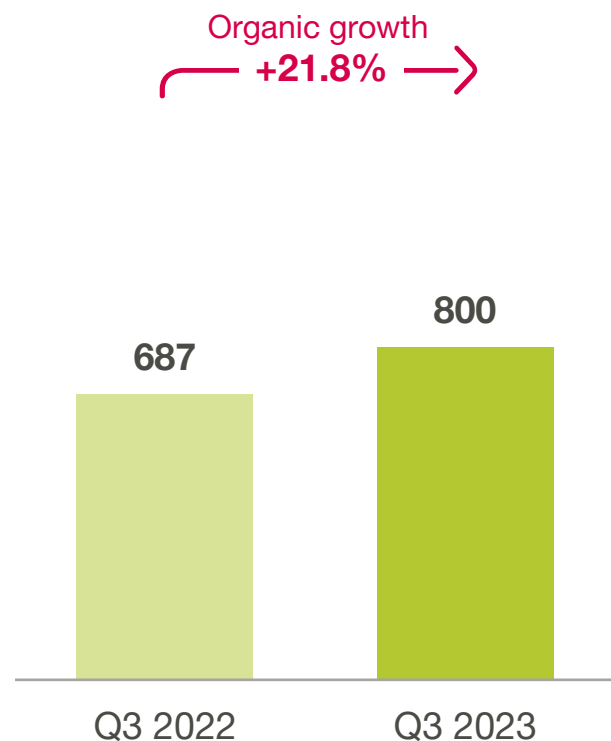
Powertrain Solutions Division – DIV P

- > Positive development in Core business stood against planned ramp-down in Non-Core activities
- > Sales burdened from currency related headwinds amounting to 3.5pp
- > Contract Manufacturing decreased by ~40% YoY to 163 € million
- > Continuous cost containment supports overall profitability in Q3 2023
- > Still resilient Core ICE business contributes with 12.5% adj. EBIT margin in DIV P

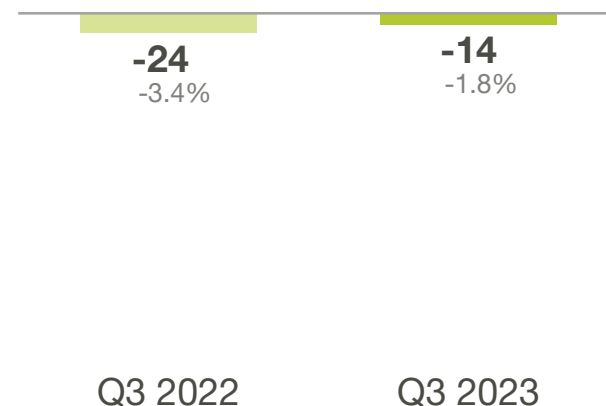
Organic Growth: Sales without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

UNCHANGED STRONG SALES PERFORMANCE IN A SEASONALLY MODERATE QUARTER

Sales (€ mn)



Adjusted EBIT (€ mn)

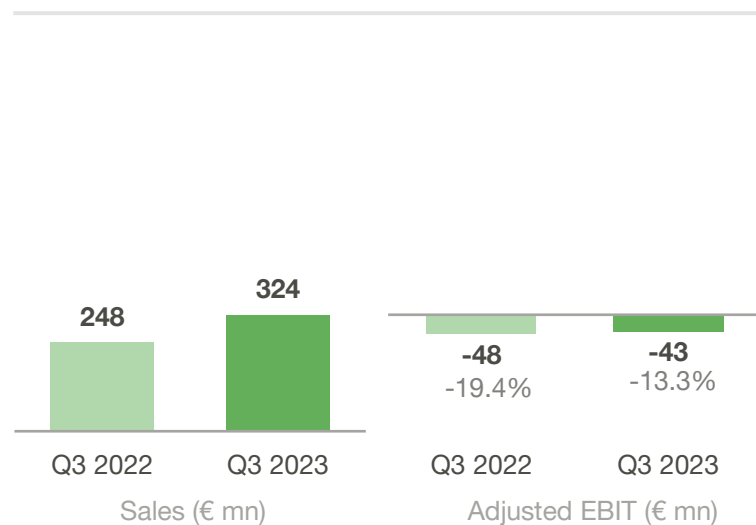


Electrification Solutions Division – DIV E

- > Positive sales development driven by strong performance in Asia and Germany
- > Outperformance of 18.0pp compared to global light vehicle production
- > Sales growth includes currency related headwinds of 5.4pp
- > Adjusted EBIT margin improved despite higher input and ramp-up costs for recent order wins
- > Core ICE business in DIV E benefits from overall market development and further stabilized supply chains resulting in 5.7% adj. EBIT margin

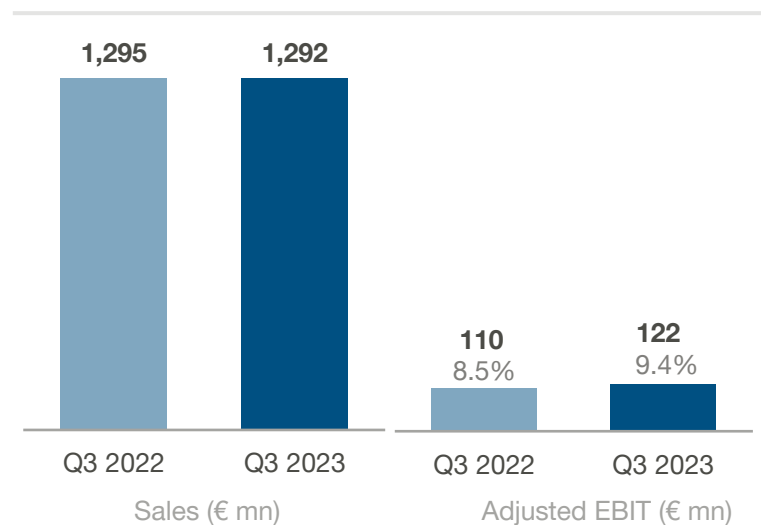
ELECTRIFICATION AND CORE ICE BUSINESS SET TO DELIVER ON MID-TERM TARGETS

Electrification



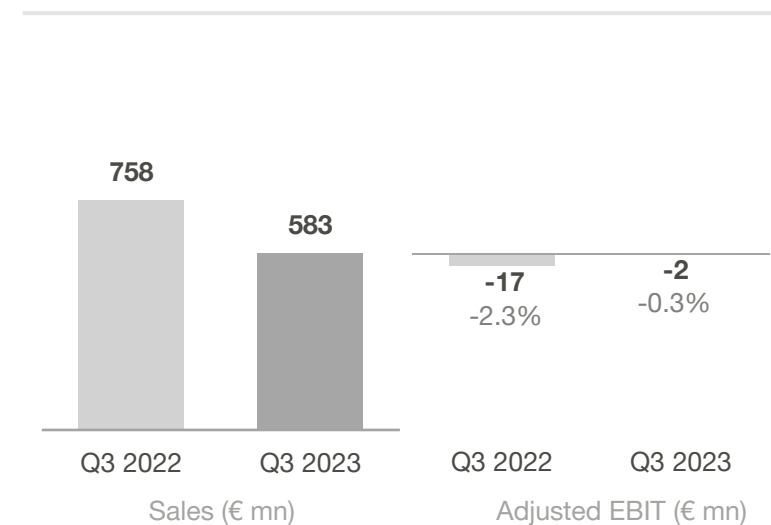
- > Sales growth of ~30% due to ramp-ups of new products
- > Further increasing volumes support adj. EBIT margin improvement

Core ICE (excl. Electrification)



- > Flat sales development due to negative FX effects
- > Margin step-up towards double digit adj. EBIT levels

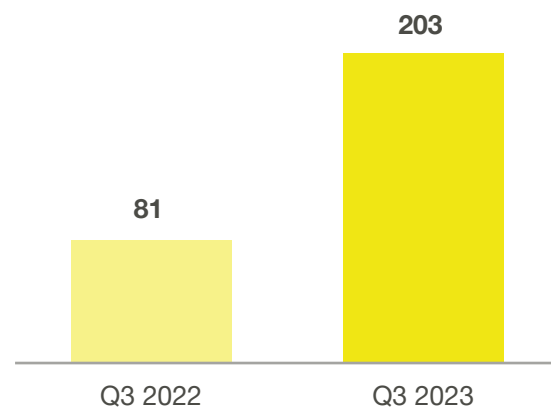
Non-Core



- > Decrease in Non-Core business progressing according to plan
- > Adj. EBIT continuous to trend at break-even levels

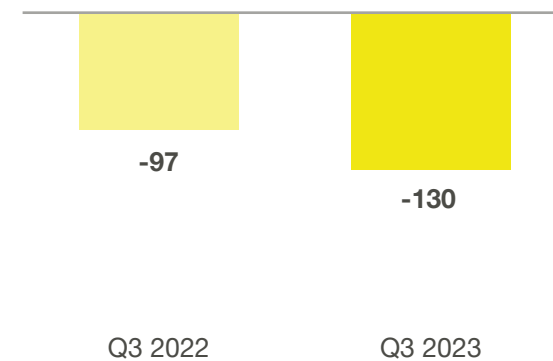
STRONG CASH GENERATION DRIVEN BY OPERATIONAL IMPROVEMENTS

Operating Cash Flow (€ mn)



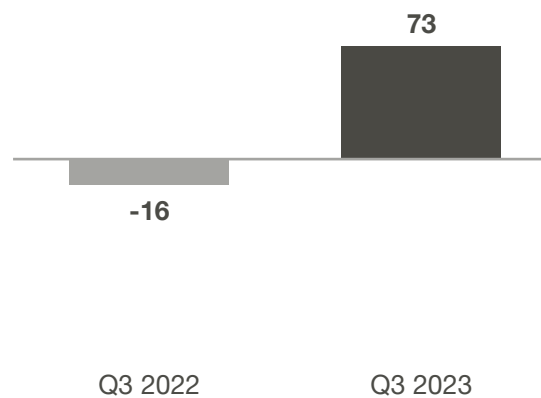
- > Increase in operating cash flow essentially due to improved profitability

Investing Cash Flow (€ mn)



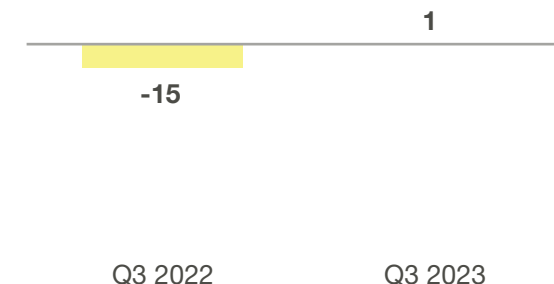
- > Higher investing cash flow due to spendings prior to project ramp-ups

Free Cash Flow (€ mn)



- > Positive free cash flow resulting from higher operating cash flow

Financing Cash Flow (€ mn)

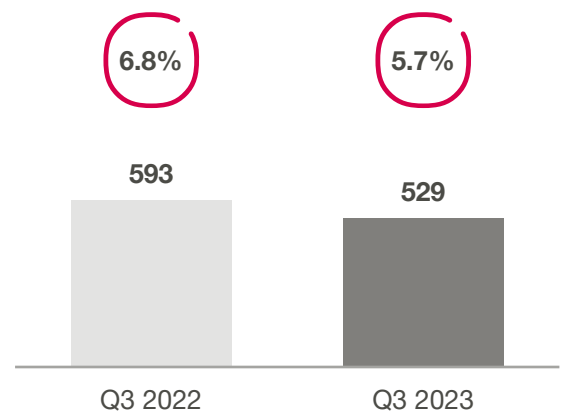


- > Q3 2023 financing cash flow slightly positive due to bank overdrafts

EQUITY RATIO AND NET DEBT REMAIN INDICATIVE OF OUR STRONG AND SOLID BALANCE SHEET

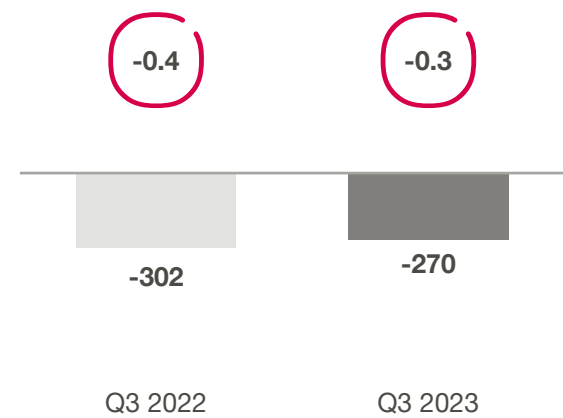
Net Working Capital (€ mn)

Net working capital/LTM sales



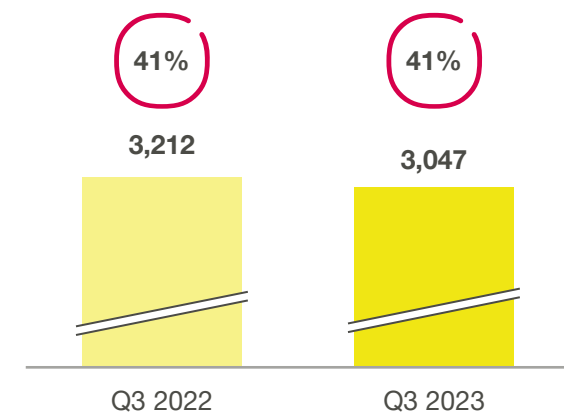
Net Debt (€ mn)

Net debt/LTM adj. EBITDA

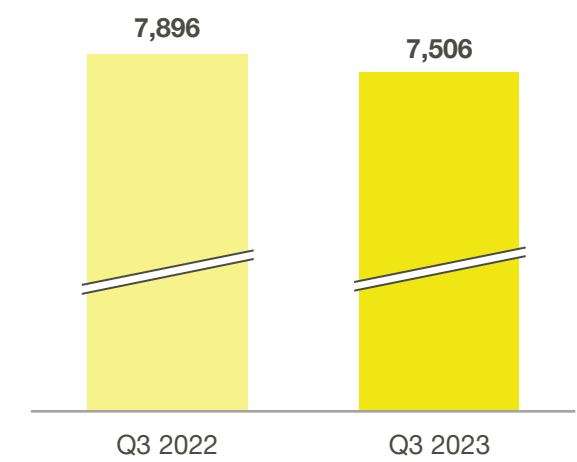


Total Equity (€ mn)

Equity ratio



Balance Sheet Total (€ mn)



- > Decrease in net working capital mainly driven by lower inventories and A/R
- > Working capital intensity within anticipated mid-term range of 5% to 6%

- > Net debt/LTM adj. EBITDA ratio remains at solid level and demonstrates comfortable liquidity situation
- > Equity ratio remains at very solid level above 40%

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

ACHIEVEMENT OF FULL YEAR GUIDANCE IS WELL ON TRACK WITH PROFITABILITY TRENDING AT THE UPPER END

Vitesco Technologies Group (€ mn)

	2022	2023E
Sales	9,070	9,200 to 9,700
Adj. EBIT Margin	2.5%	2.9% to 3.4%
Capex¹ Ratio	4.9%	5% to 6%
Free Cash Flow	123	~50



Market Outlook

China		~5% to 7% Prev: ~0% to 2%
Europe		~10% to 12% Prev: ~7% to 9%
NA		~5% to 7% Prev: ~6% to 8%
RoW		~6% to 8% Prev: ~3% to 5%
World		~6% to 8% Prev: ~3% to 5%

Light Vehicle Production Forecast for changes of FY 2023 production compared to FY 2022 based on S&P Global Mobility, Light Vehicle Production Forecast as of 10/2023.
Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. Free Cash Flow defined as Operating Cash Flow plus Investing Cash Flow. | ¹ Capex excluding right of use assets (IFRS 16).



Q&A

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UPCOMING EVENTS

Corporate Events



Preliminary Results FY 2023
February 2024



Annual Report FY 2023
March 2024



Annual General Meeting 2023
April / May 2024



Quarterly Statement Q1 2024
May 2024

Roadshows and Conferences



**BNP Paribas Exane MidCap CEO
Conference, November 15, 2023**



**Electric Revolution Conference,
London, November 22, 2023**



**UBS Mobility Conference 2023,
Paris, November 29, 2023**



**Goldman Sachs 15th Annual
Global Autos Conference,
London, December 06, 2023**

THANK YOU