

VITESCO TECHNOLOGIES

Q1 2024 RESULTS

Regensburg, 08.05.2024

Public

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AGENDA OF THE CONFERENCE CALL ON THE Q1 2024 RESULTS

1 | HIGHLIGHTS FOR Q1 2024

2 | KEY FIGURES

3 | MARKET DEVELOPMENT

4 | SALES AND ADJUSTED EBIT DEVELOPMENT

5 | CASH FLOW AND LIQUIDITY PROFILE

6 | BALANCE SHEET STRUCTURE

7 | CONFIRMATION GUIDANCE FOR FY 2024

Andreas Wolf

Sabine Nitzsche

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

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TECHNOLOGIES

SCHAEFFLER



Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects. Order intake defined as sum of acquired lifetime sales within the respective fiscal year.

IMPROVED PROFITABILITY DESPITE CONTINUOUS CHALLENGING MARKET ENVIRONMENT

Vitesco Technologies Group (€ mn)

	Q1 2023	Q1 2024	Delta
Sales	2,314.2	1,991.9	-322.3
% growth			-13.9%
Adj. EBIT	30.8	33.0	2.2
% margin	1.4%	1.7%	0.3pp
EBIT	-25.3	15.4	40.7
% margin	-1.1%	0.8%	1.9pp
Capex¹	98.0	84.4	-13.6
% of sales	4.2%	4.2%	0.0pp
Free Cash Flow	-41.1	-90.6	-49.5
% margin	-1.8%	-4.5%	-2.7pp
Equity Ratio	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

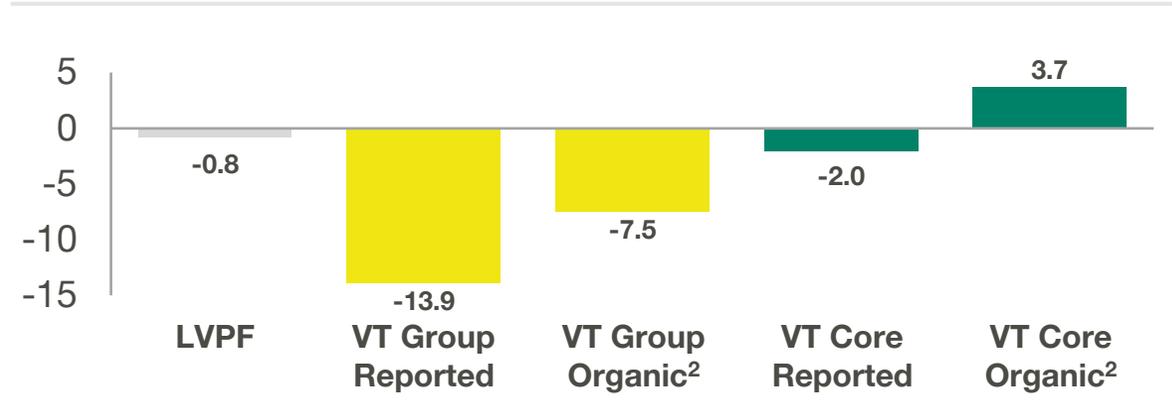
- > Negative free cash flow due to Contract Manufacturing related one-time effects

CORE BUSINESS GROWTH CONTINUES TO TREND ABOVE GLOBAL PRODUCTION VOLUMES

Light Vehicle Production¹ (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%
Worldwide	21.2	-0.8%

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 LV³ 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

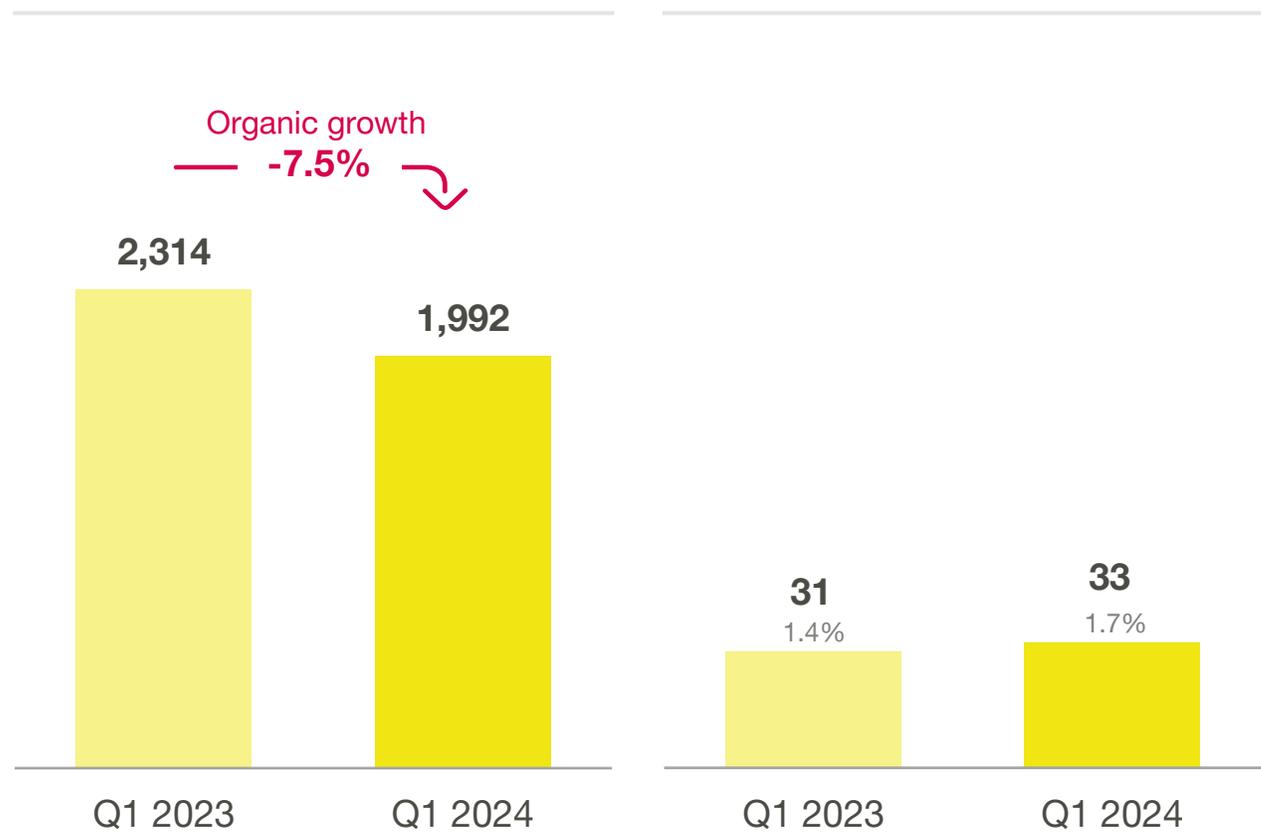
Rounding differences may occur for arithmetical reasons.

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

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

Sales (€ mn)

Adjusted EBIT (€ mn)



Vitesco Technologies

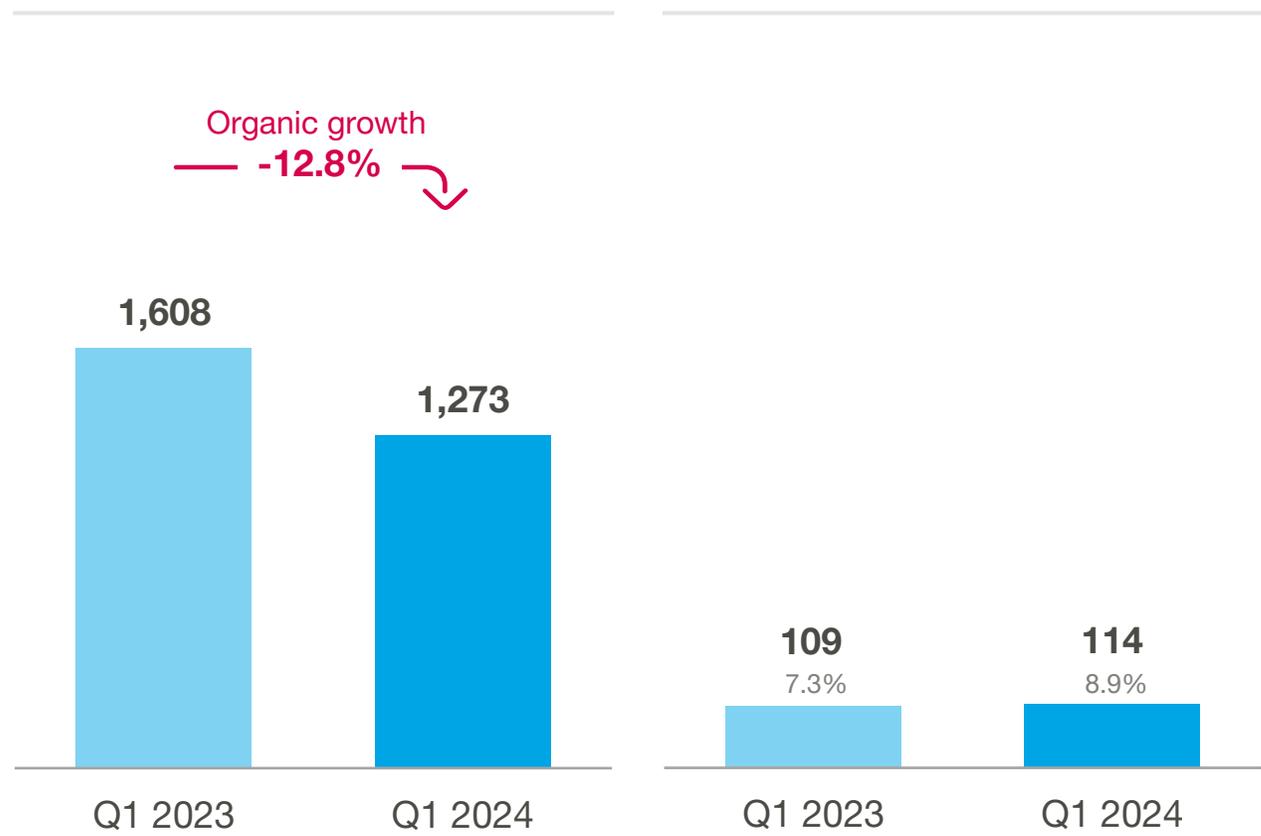
- > Organic sales growth 6.7pp below light vehicle production, however Core technologies outperformed organically by 4.5pp
- > Headwinds from currency related effects amounting to 2.1pp
- > Core technologies sales at €1,569 mn (PY: €1,601 mn) and 1.7% adj. EBIT margin (PY: 0.8%)
- > Further ramp-down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

PP: Percentage Points. 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 SUPPORTS FURTHER IMPROVEMENT IN ADJUSTED EBIT MARGIN

Sales (€ mn)

Adjusted EBIT (€ mn)



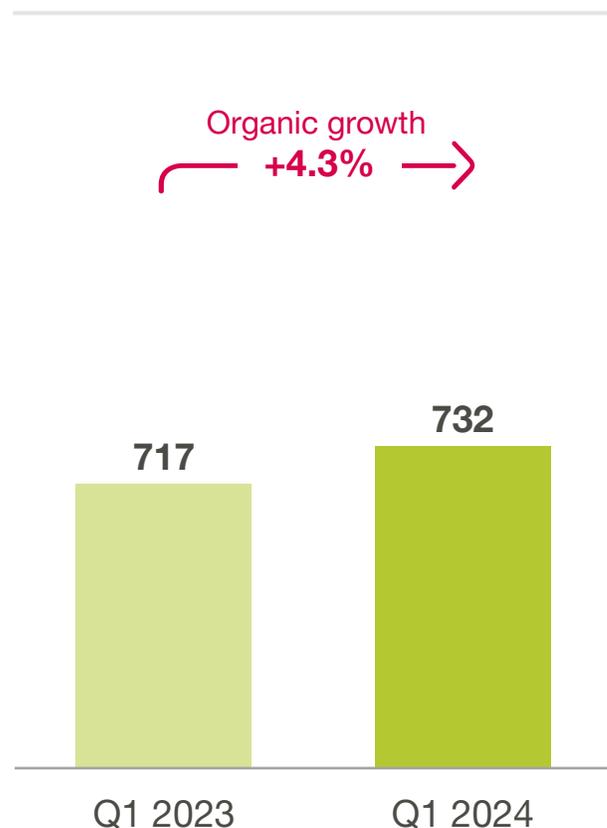
Powertrain Solutions Division – DIV P

- > 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%)

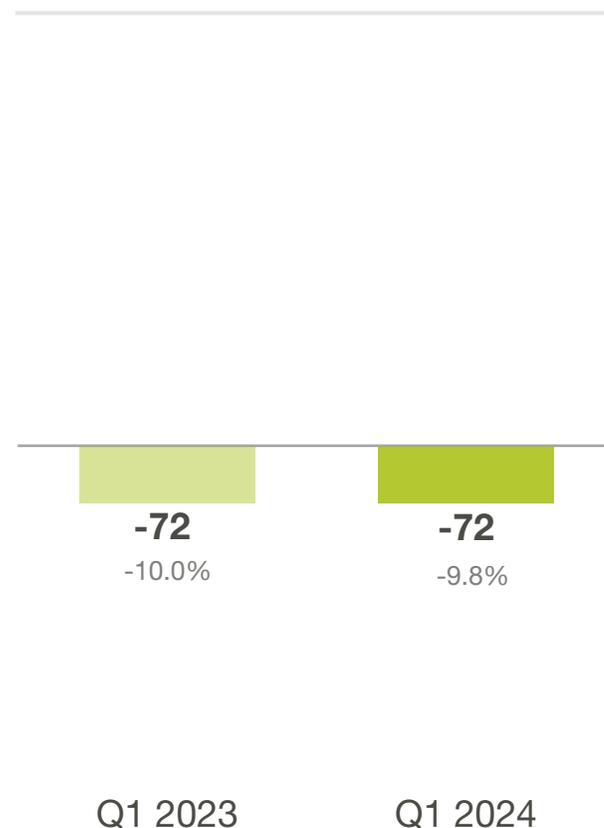
PP: Percentage Points. Organic Growth: Sales without effects from consolidation and FX. Adj. EBIT before amortization of intangibles from PPA, consolidation and special effects.

UNCHANGED POSITIVE SALES PERFORMANCE SHOWING FURTHER IMPROVEMENT STEPS IN PROFITABILITY MARGIN

Sales (€ mn)



Adjusted EBIT (€ mn)

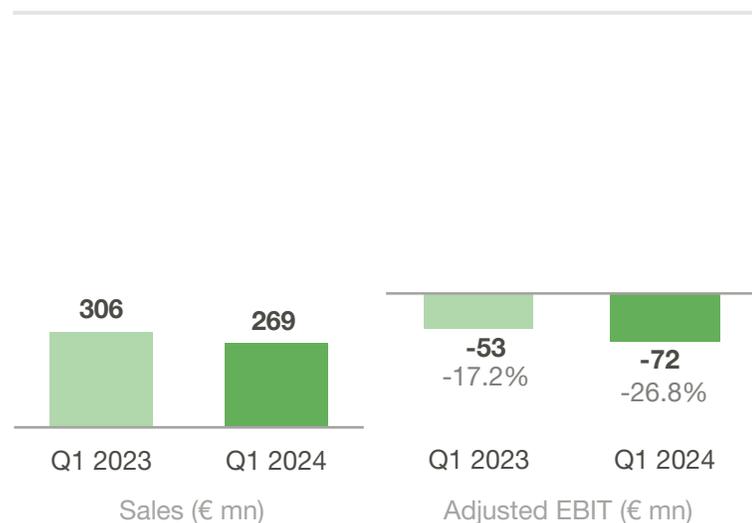


Electrification Solutions Division – DIV E

- > 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

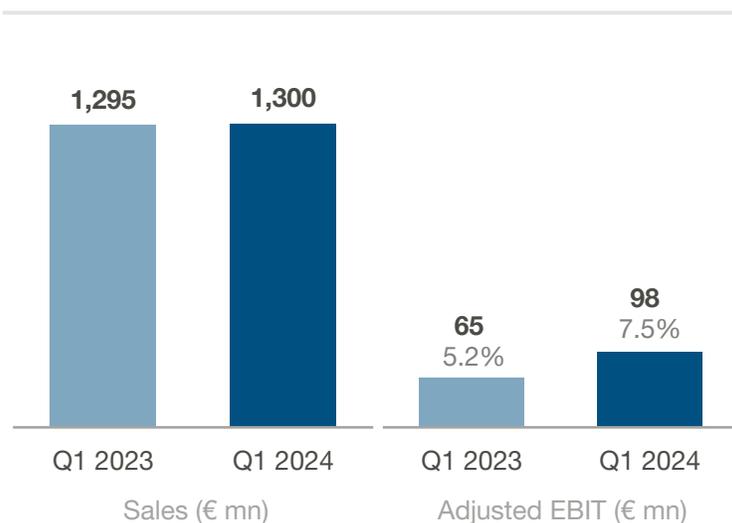
CORE ICE BUSINESS CONTINUES TO BACK TRANSFORMATIONAL PROGRESS TOWARDS ELECTRIFICATION

Electrification



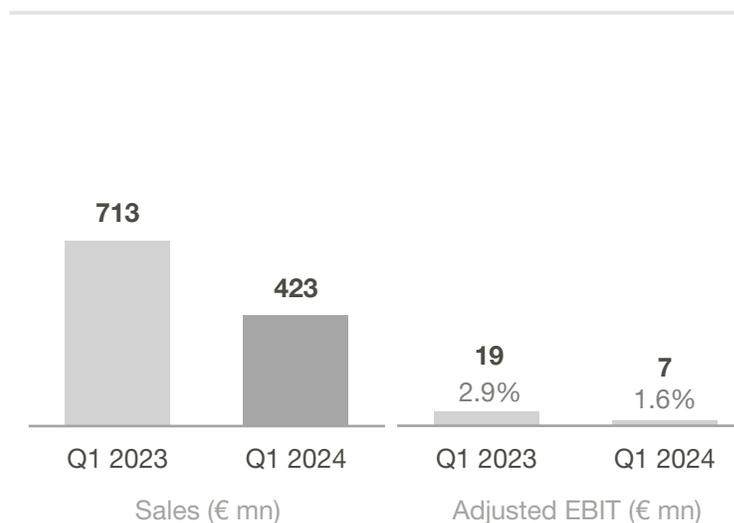
- > Q1 2023 included high volumes from meanwhile phased out projects, which could not be compensated by new product ramp-ups yet
- > Adj. EBIT impacted by high input and ramp-up costs

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

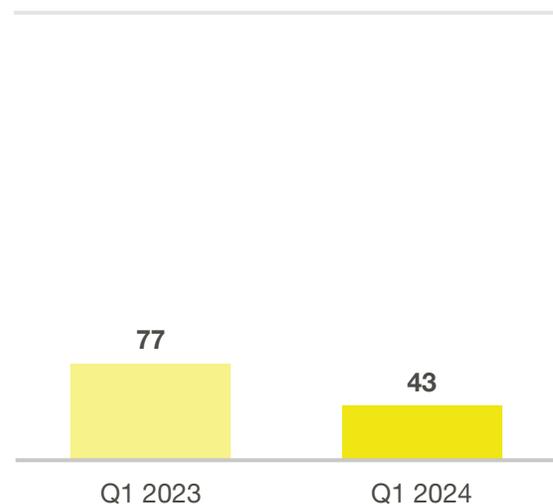
Non-Core



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

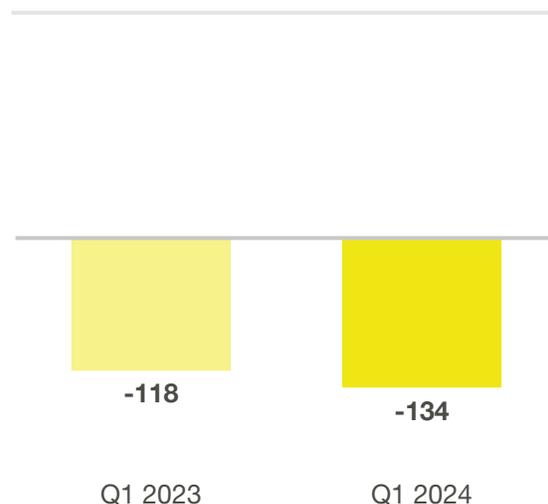
CASH FLOW BURDENED BY WORKING CAPITAL AND CONTINUED HIGH INVESTMENTS

Operating Cash Flow (€ mn)



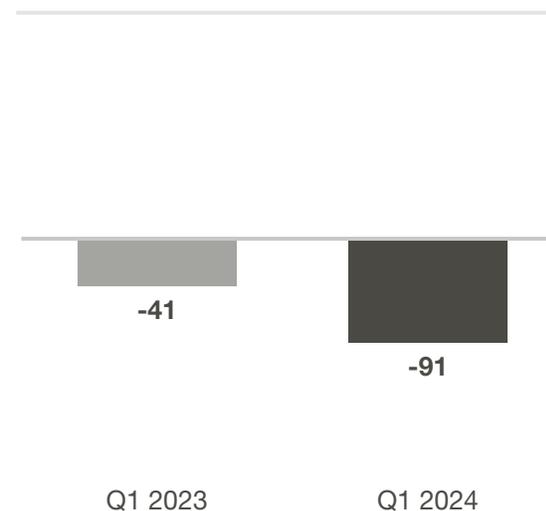
- > Decrease in operating cash flow due to lower top-line development and higher working capital

Investing Cash Flow (€ mn)



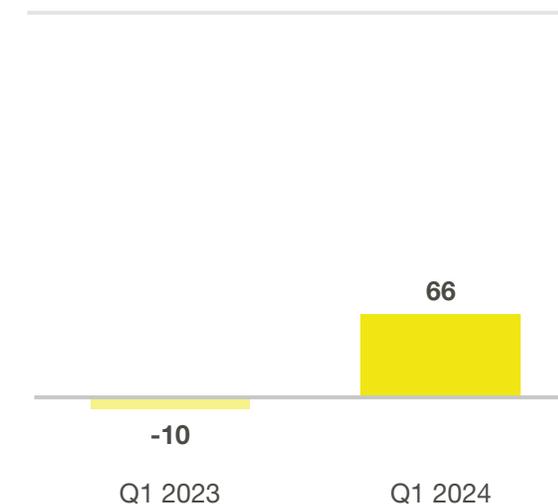
- > Higher investing cash flow due to increasing investments for electrification business

Free Cash Flow (€ mn)



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

Financing Cash Flow (€ mn)

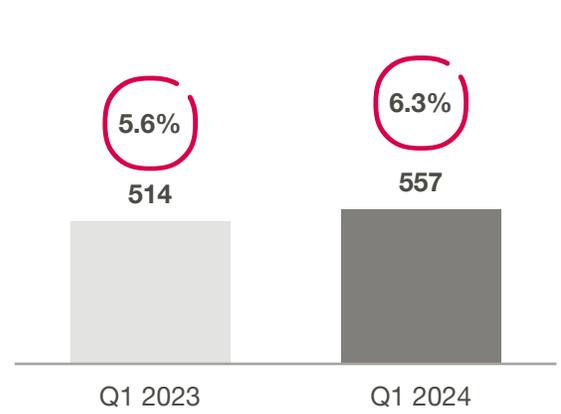


- > Financing cash flow affected by utilization of a loan agreement

EQUITY RATIO AND NET DEBT DEMONSTRATE OUR SOLID BALANCE SHEET

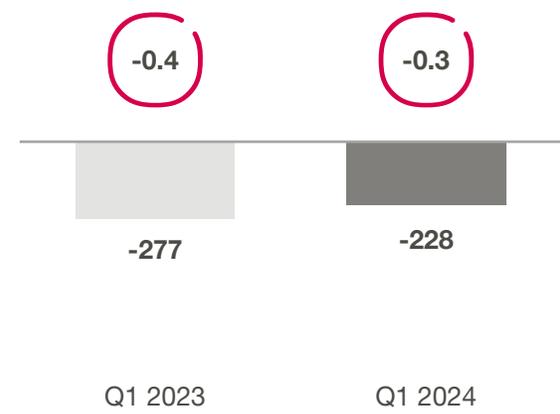
Net Working Capital (€ mn)

Net working capital/LTM sales



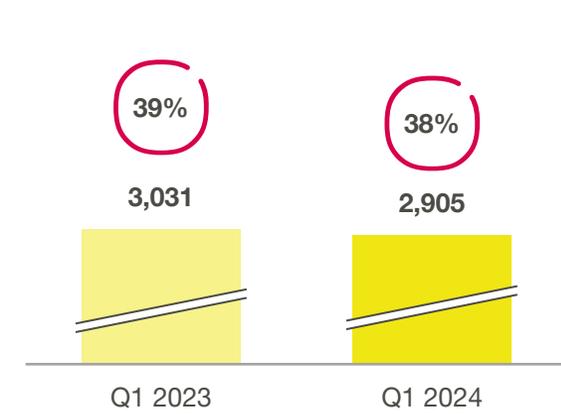
Net Debt (€ mn)

Net debt/LTM adj. EBITDA

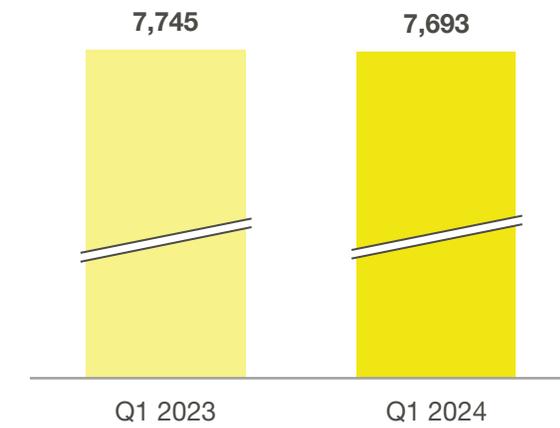


Total Equity (€ mn)

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
Sales	9,233	8,300 to 8,800
Adj. EBIT Margin	3.7%	4.5% to 5.0%
Capex¹ Ratio	5.4%	~ 7%
Free Cash Flow	85	~ -350



Market Outlook

China	→	~ 0% to 2%
Europe	→	~ -3% to -1%
NA	→	~ 0% to 2%
RoW	→	~ -3% to -1%
World	→	~ -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. | ¹ Capex excluding right of use assets (IFRS 16).



Q&A

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UPCOMING EVENTS

Corporate Events



Interim Report H1/Q2 2024
August 13, 2024



Quarterly Statement 9M/Q3 2024
November 14, 2024

Roadshows and Conferences



Citi Virtual Autos Trip, virt.
May 15, 2024



**dbAccess European Champions,
Frankfurt, May 22, 2024**



**J.P. Morgan European Automotive
London, June 04, 2024**



**DB Global Auto Industry
Conference, New York**
June 11, 2024