



Investor and Analyst Call FY 2021

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One-Dimensional Covid-19 Crisis Turned into a Multidimensional Crisis



ZF 2021 Accomplishments



Financial targets achieved



Transformation in full swing



Strong focus on new technologies

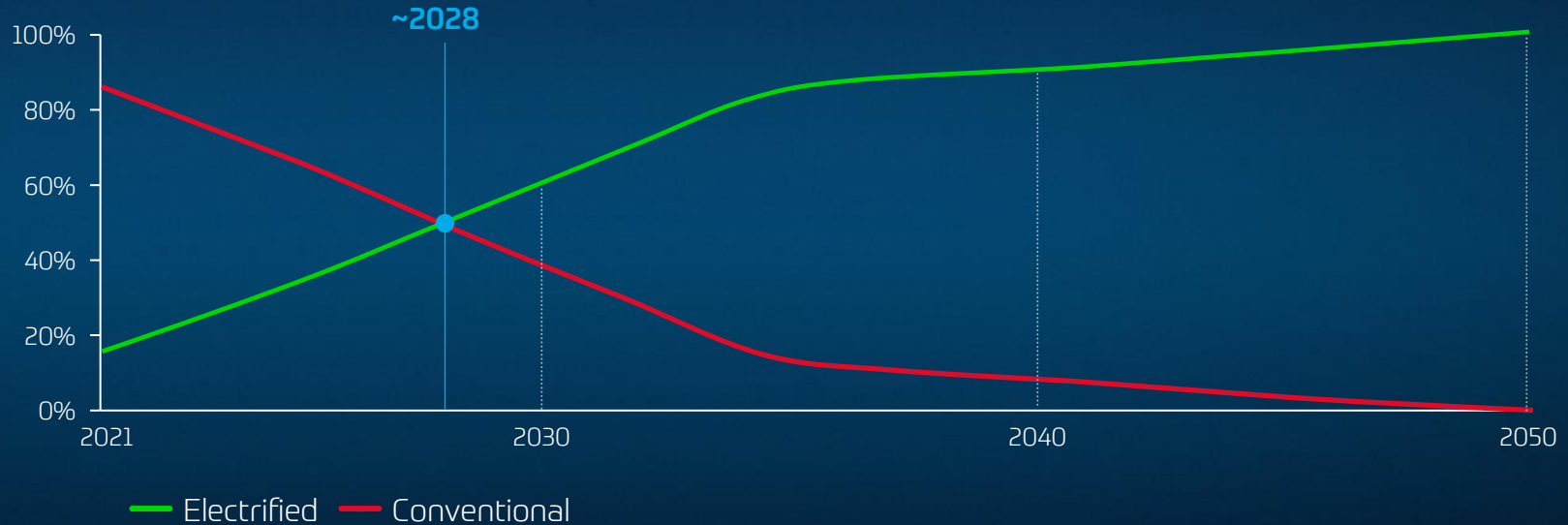


New business wins



Commercial Vehicle Solutions Division launched

Electric Vehicle Sales are Rapidly Growing



ZF is well prepared to meet the demand for electric drives

ZF is an Established Full-range Supplier for E-Mobility

E-Motor
Options



Inverter
Platforms



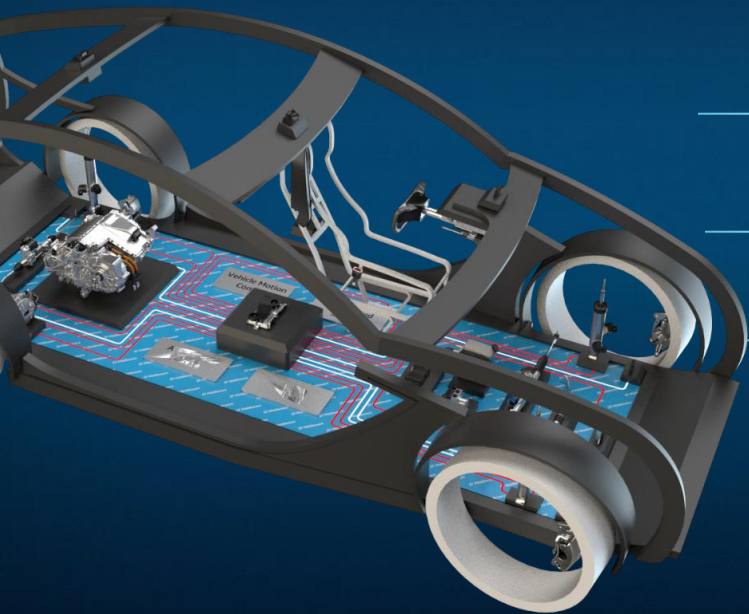
Gearbox
Layouts



Software
Systems



ZF Lives Software



Software-first approach



No more fixed product cycles



Continuous development



Agile methods



Global Software Center established

see. think. act.

Mobilizing
Commercial Vehicle
Intelligence.

NOW.



~ 25,000
Employees

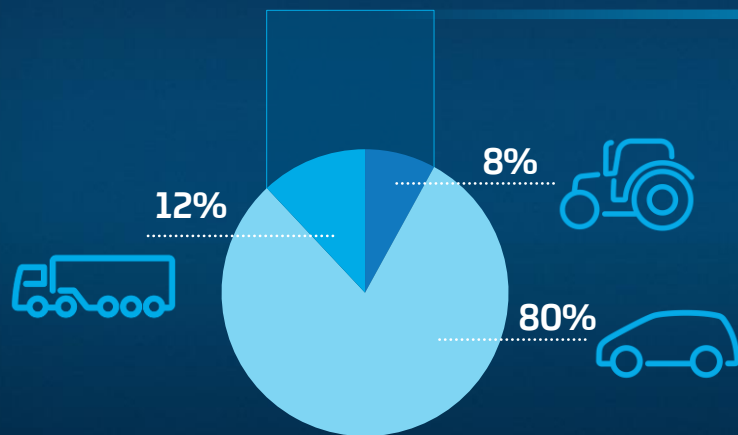


€7 billion
Revenue in 2021



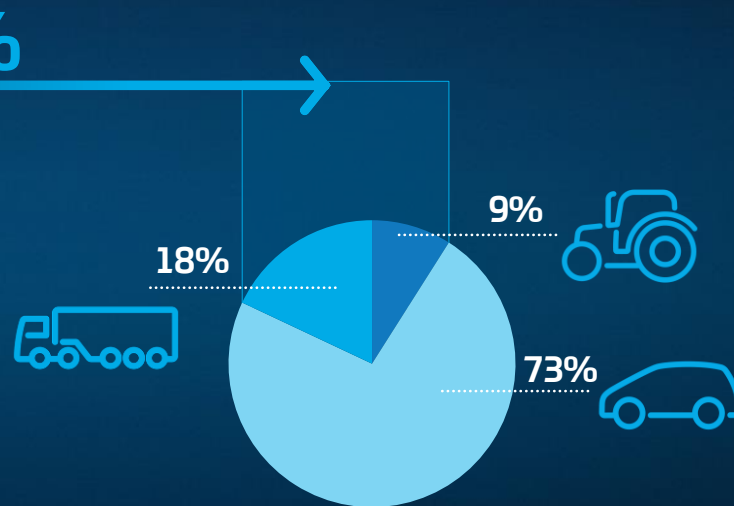
ZF Less Dependent on Passenger Cars

ZF Revenue Composition in 2019



ZF 2019 Sales
€36.5 billion

ZF Revenue Composition in 2021



ZF 2021 Sales
€38.3 billion



Acting now.

Sustainability @ ZF



Acting
for climate
and nature



Acting
for all people



Acting
for lasting values

Financial Key Figures 2021

2021 Key Figures



€38.3 billion
Sales



€1 billion
Adjusted
Free Cash Flow



5.0%
Adjusted
EBIT margin



157,549
Employees



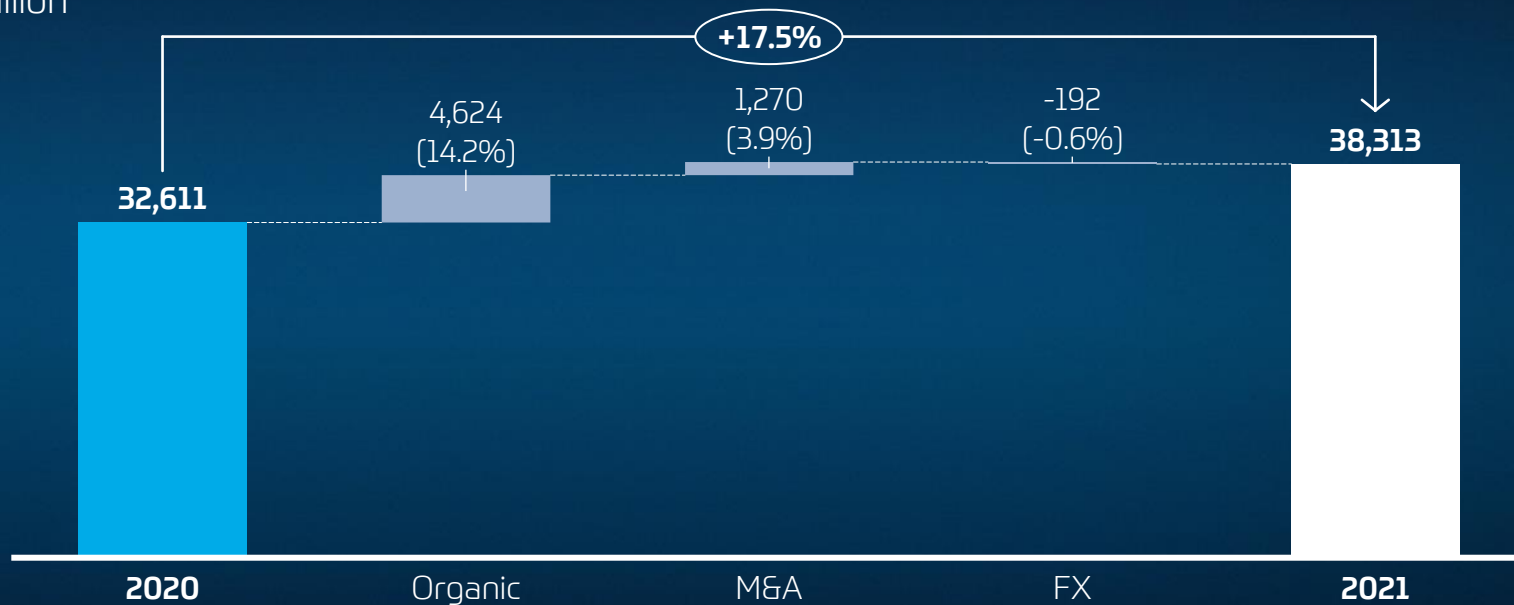
€3.1 billion
Research &
Development



€1.6 billion
Investments
PP&E

Sales Development

in € million



Chip Shortages Limiting Supply Impacted Sales in H2

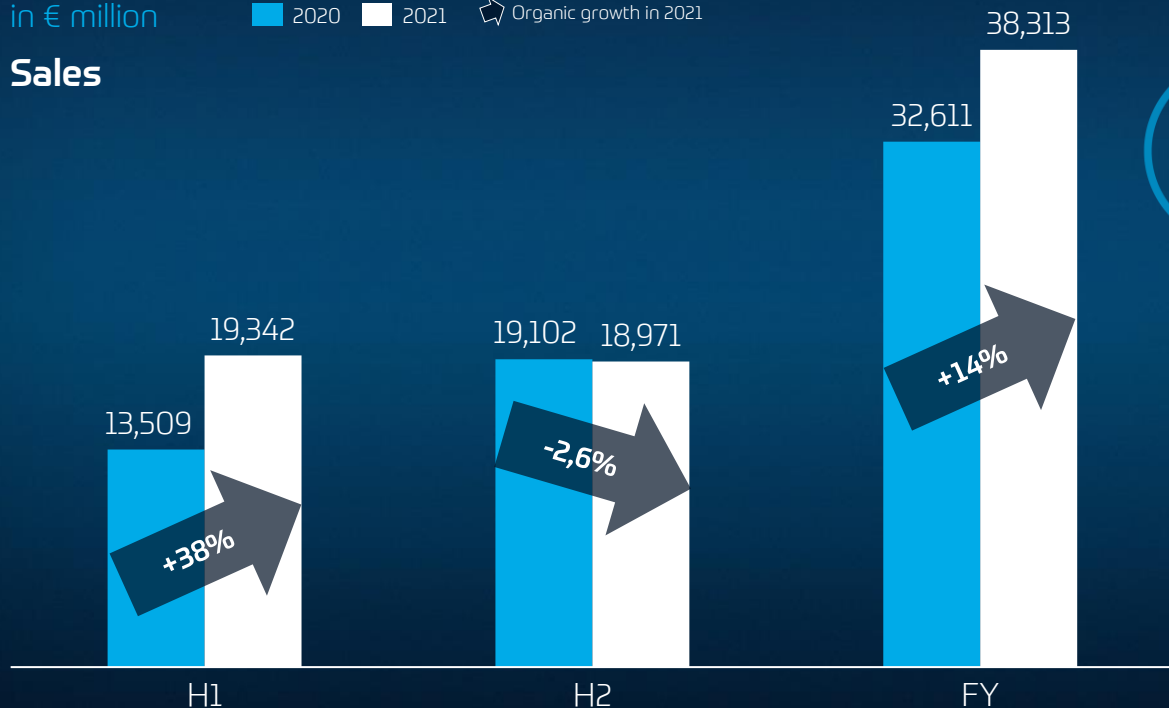
in € million

■ 2020

■ 2021

📈 Organic growth in 2021

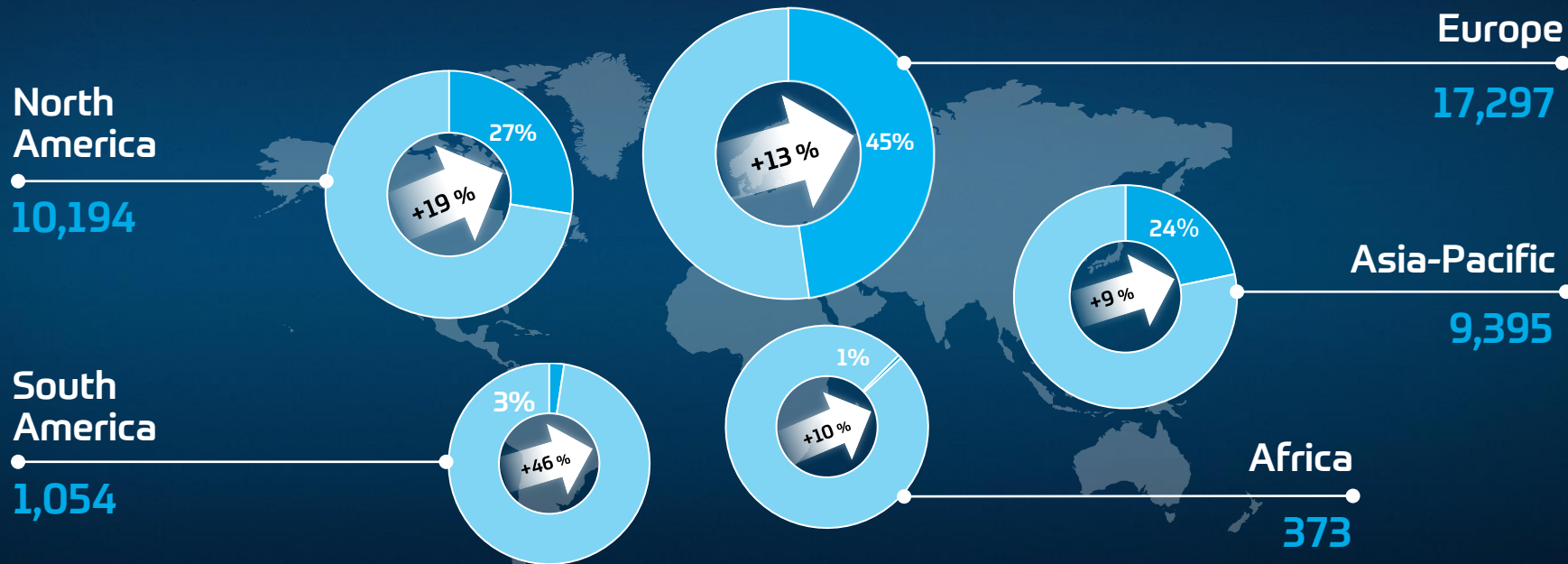
Sales



Due to the lack of semi-conductors, around 10 million vehicles are not built
➤ ZF lost sales around €2.7 billion

Sales by Regions

in € million and in % of sales

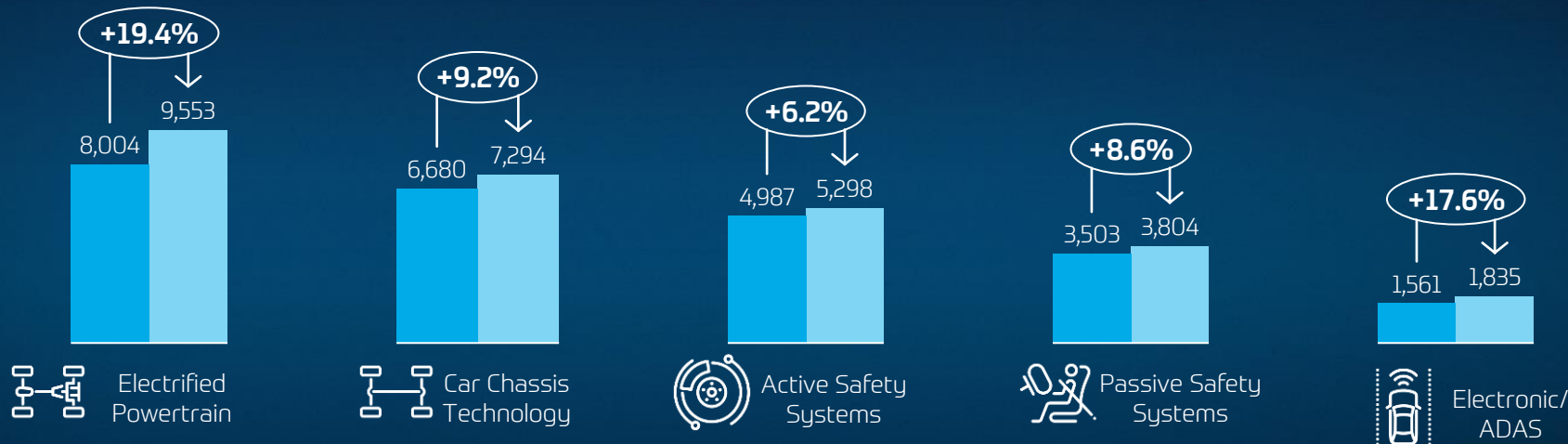


Organic growth in 2021

Sales by Divisions / Passenger Car

in € million

2020 2021

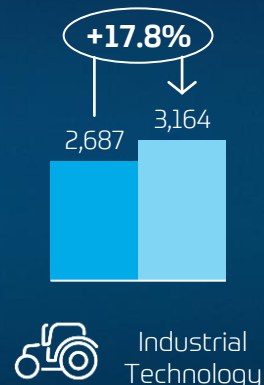


- > ZF Passenger Car Divisions in total 12% organic growth
- > Outperformed the Global Market by +9,3% as especially Premium OEMs pulled ahead
- > Electrified Powertrain and Electronic/ADAS Division with double digit growth benefiting significantly from transformation

Sales by Divisions

in € million

2019 2020

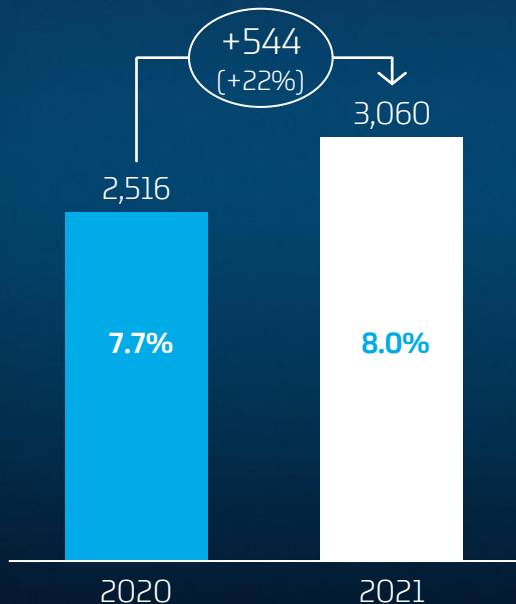


- > Commercial Vehicle Technology grew by 18% despite flat market
- > New division CVCS (former WABCO) included for fully 12 Month for the first time
- > Industrial Technology and Aftermarket double digits sales growth

R&D Expenditure and Investments in Property, Plant & Equipment

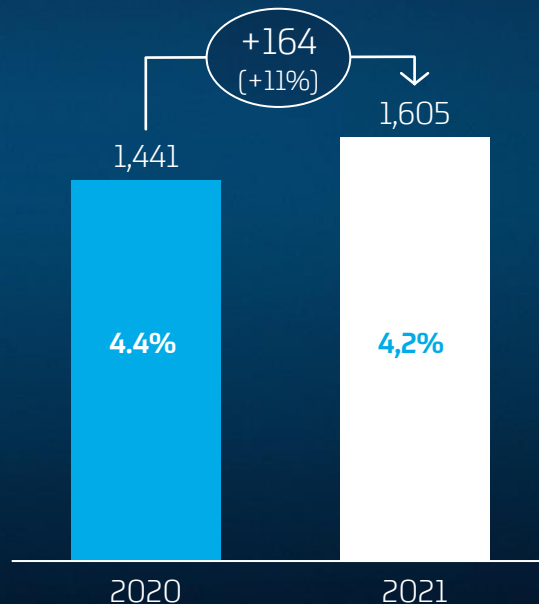
R&D Expenditure ¹⁾

in € million and in % of sales



Investments in PP&E ²⁾

in € million and in % of sales



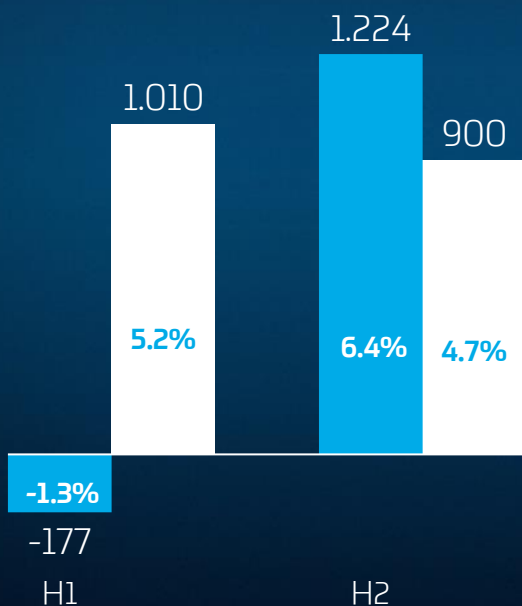
1) R&D Cost recognized in the consolidated statement of profit and loss and the capitalized development cost as inventories and intangible assets and excluding the respective amortization of the capitalized development cost

2) Incl. leasing contracts

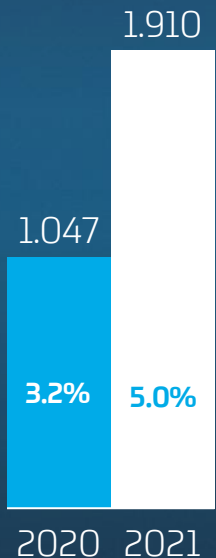
Adjusted EBIT

in € million and margin in %

■ 2020
■ 2021



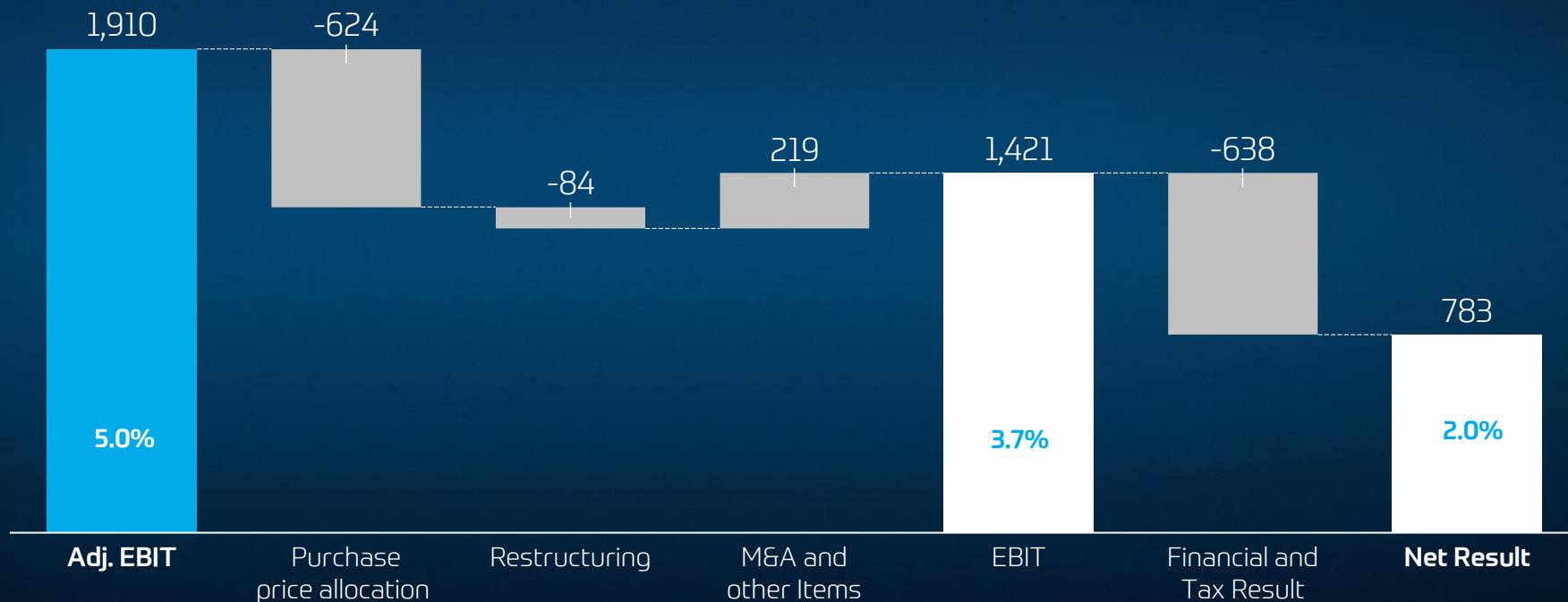
Full Year Result



- > Adjusted EBIT of 5% in the range of our outlook
- > Material price increases with pressure on profit margin in H2
- > Strict cost and price control

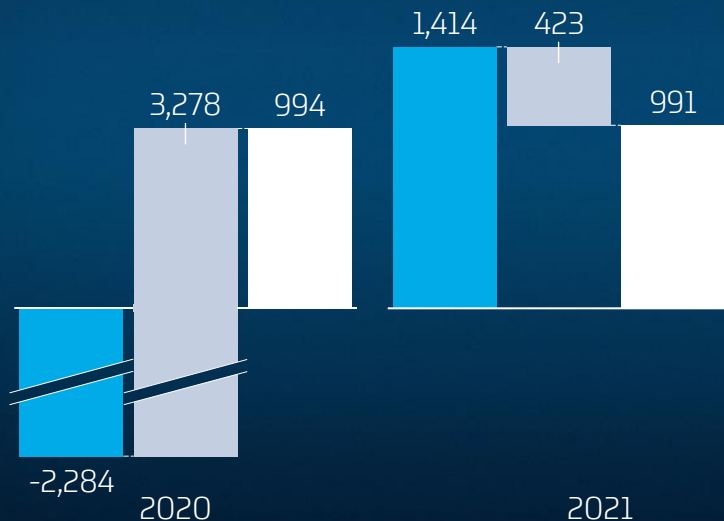
Adjusted EBIT to Net Result

in € million



Cash Flow Target Achieved despite High Inventories

in € million

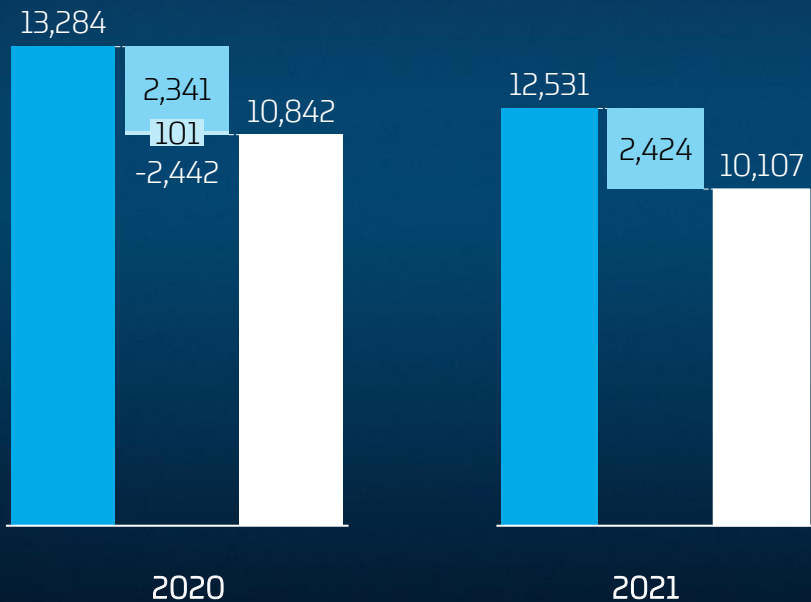


Free Cash Flow Adjustments Adjusted Free Cash Flow

- > Free Cash Flow at €1.414 million
- > Adjustments of M&A activities 2021 comprises:
 - > Brakes India
 - > sale of shares of WABCO India
- > Free Cash Flow impacted by inventories due to
 - > Increased material prices
 - > Securing the supply chain

Gross Debt Reduced by €750 million

in € million



- > Gross debt reduction of €750 million
- > Repayment of financial instruments of around €1.9 billion
- > Leverage at 2.9x

■ Gross Debt ■ Cash & Cash equivalent ■ Net Debt

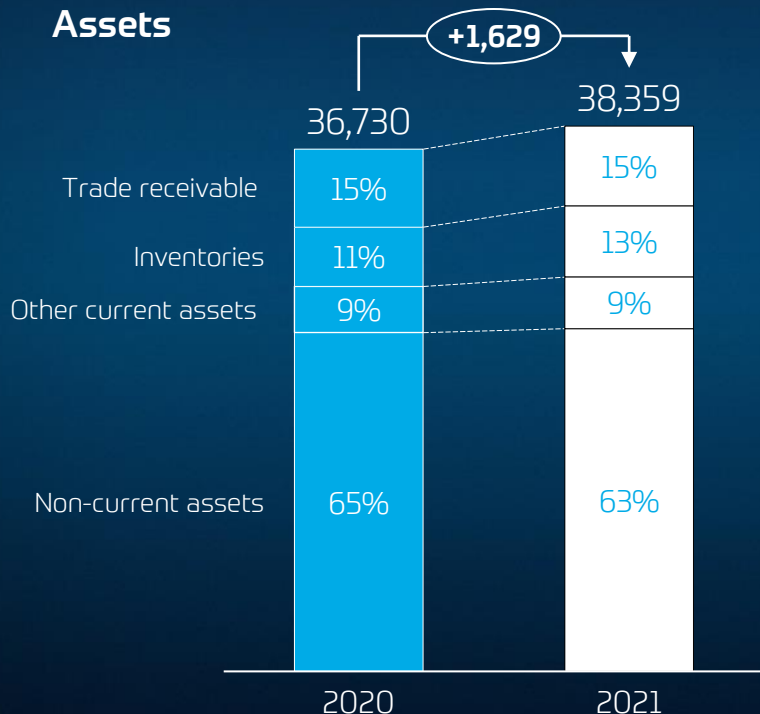
Note: Gross debt = Financial liabilities / derivative financial instruments



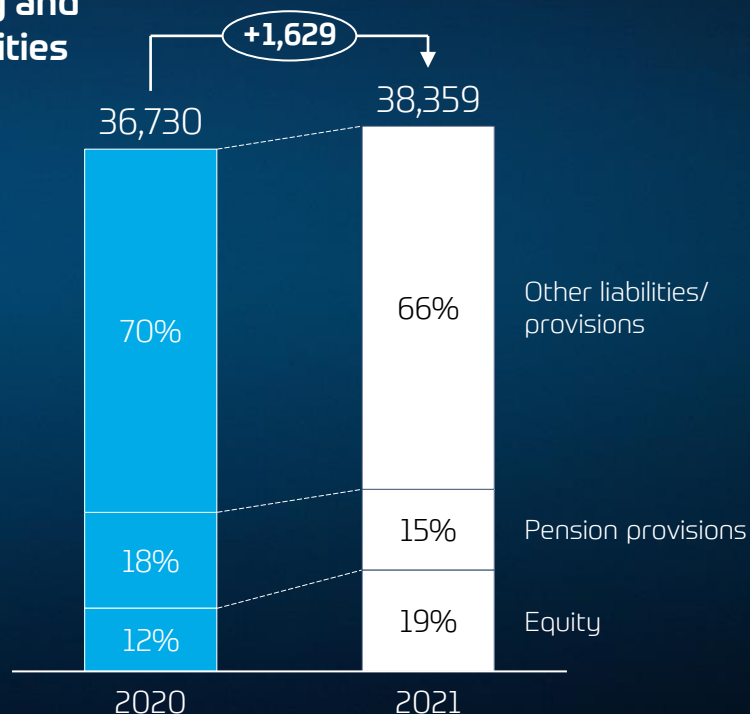
Balance Sheet

in € million and in % of balance sheet total

Assets



Equity and Liabilities



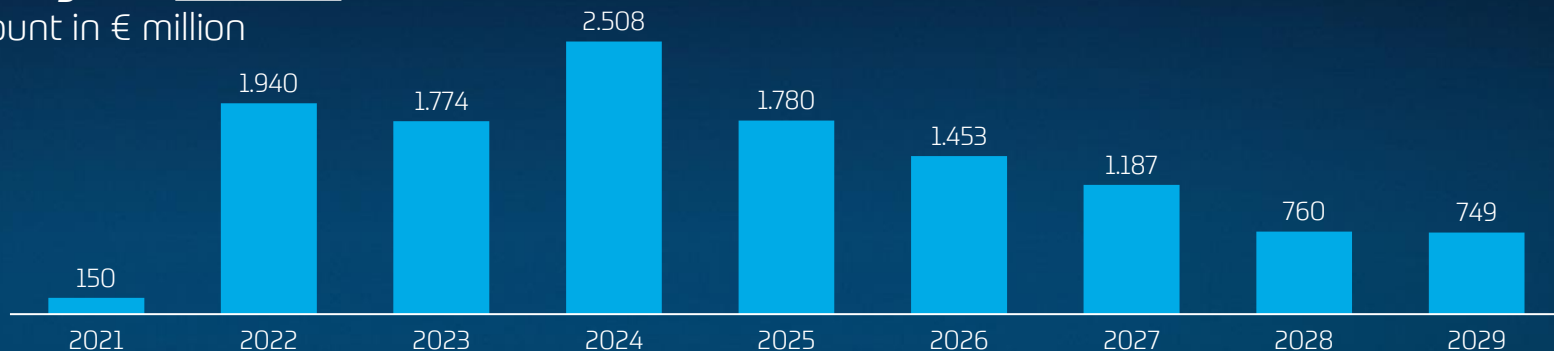
Main Financing Transactions 2021

	1	2	3	4	5	6	7
	EMTN Green Bond 1	EMTN Green Bond 2	EIB Loan	Bonded Loans (ZF)	Bonded Loans (WABCO)	Term Loans	USD Bond
Execution Date	04/2021	10/2021	12/2021	04-07/2021	01-03/2021	03-07/2021	Dez. 2021
Amount	€ 500 Mio.	€ 500 Mio.	€ 250 Mio.	€-410 Mio.	€-165 Mio.	€-800 Mio.	€-550 Mio.
Duration/Maturity	6 Years	6,5 Years	6 Years	06-10/2022 01/ 2023	03/2021 11/2023 11/2028	02/2022 03/ 2024	04/2022
Financing	New Financing	New Financing	New Financing/ not yet drawn	Early Repayment	Early and on-time Repayment	Early Repayment	Early Repayment

Active Management of Maturity Profile of around €2 billion

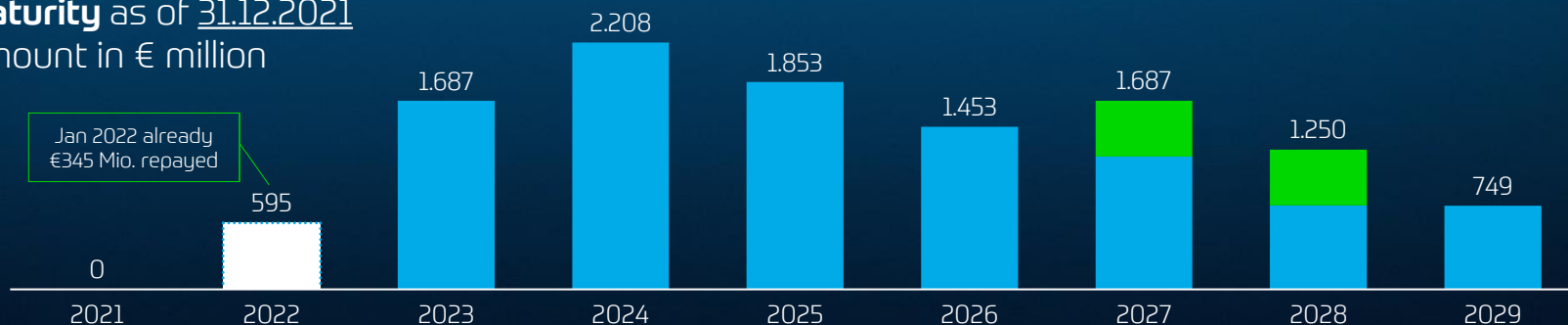
Maturity as of 31.12.2020

Amount in € million



Maturity as of 31.12.2021

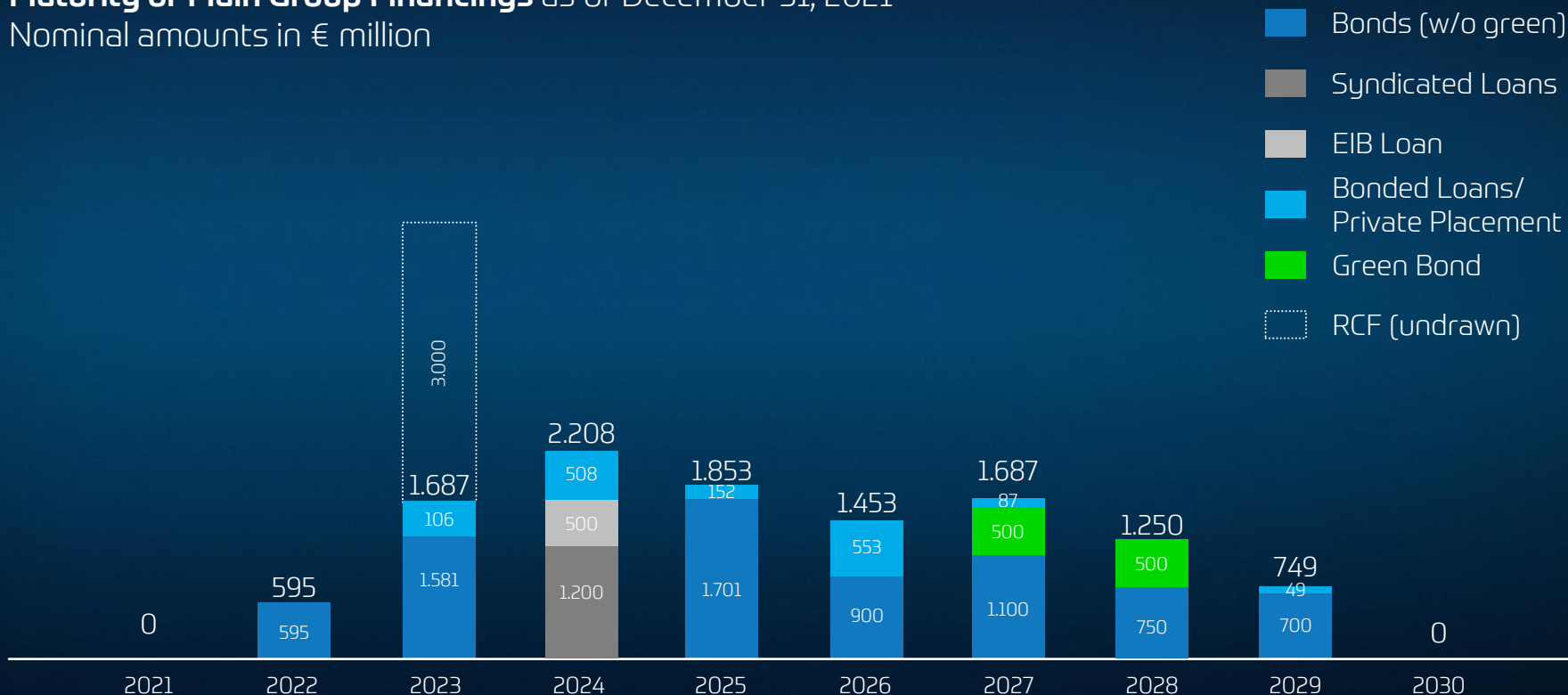
Amount in € million



Maturity Profile Driven by WABCO Financing

Maturity of Main Group Financings as of December 31, 2021

Nominal amounts in € million



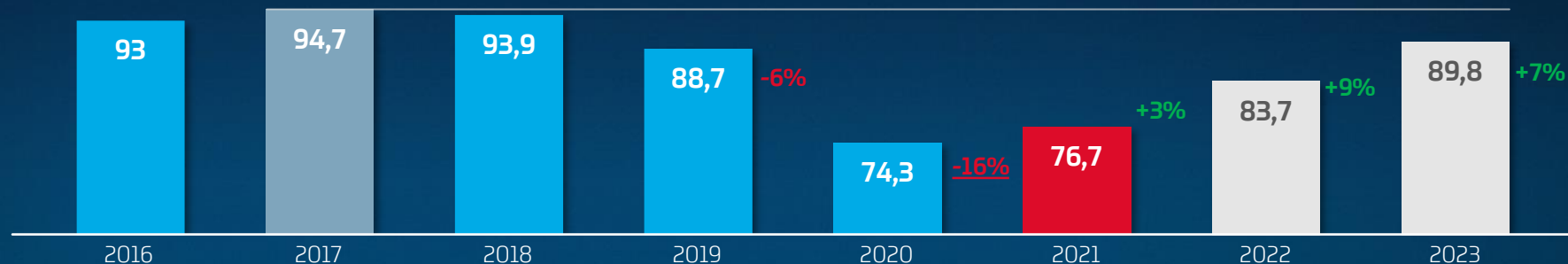
Note: Excluding bilateral credit facilities & leasing

Outlook 2022

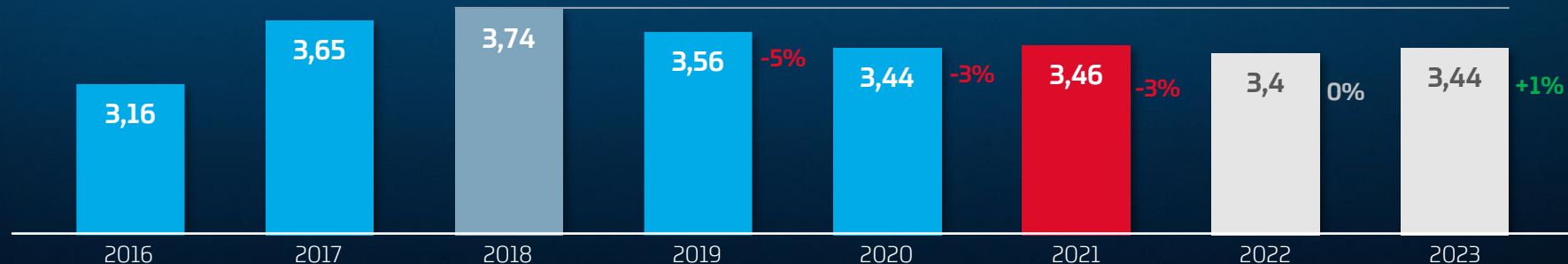


Vehicle Production 2022-2023

Global Pass Car & Commercial Vehicle Market <6 t.



Commercial Vehicle Market >6 t.



Current situation and possible impact



Outlook 2022 – with Caveat



Sales

> € **40** billion



EBIT Margin*

4.5-5.5 %



Free Cash Flow*

€ **1-1.5** billion

* adjusted



Next Generation Mobility