



# Investor and Analyst Call H1 2021

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# On Track with our 2021 Priorities



**Business and Financial Performance**



**Digitalization & Cloud**



**Climate Neutral by 2040**



**Technology to Market**

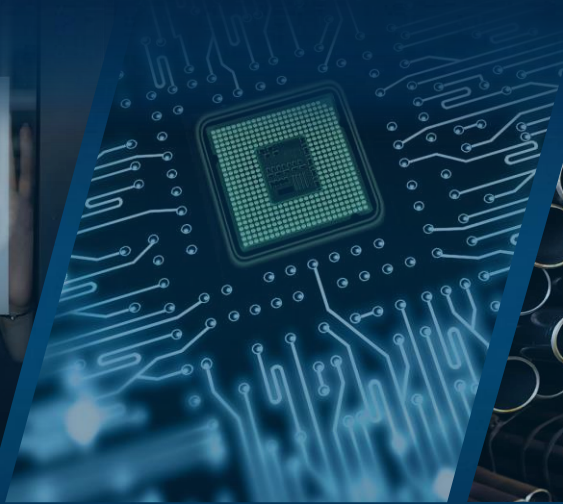


**WABCO Integration**

# Unexpected and Significant Incidents



Corona  
mutations



Semiconductor  
shortages



Material cost



Challenging  
logistics



From the promise ...

... to implementation!



Countdown to Launch  
The #1 Commercial Vehicle Supplier



# Milestones 2021

- Both divisions delivering **above financial commitments** for last 4 Quarters
- New business wins based on **compelling joint solutions**
- **Successful Joint Strategic Plan** – all virtual
- Combined divisions benefit from an enhanced global **R&D network**
- On Plan to **Launch CVS Division** January 2022

➤ **A solid performance in challenging conditions**

# Climate: Setting Course for Net Zero with clear 2030 Targets



**-80%** CO<sub>2</sub> emissions  
from ZF plants  
[Scope 1 & 2, absolute  
CO<sub>2</sub>e, 2030 vs. 2019]



**-40%** CO<sub>2</sub> emissions from  
supply chain &  
**product use**  
[Scope 3, CO<sub>2</sub>e per sales,  
2030 vs. 2019]

# Measures in Focus to Achieve 2030 Targets

## ZF Plants

## Supply Chain

## Products



+20% energy efficiency  
in 10 years



90% of European steel  
from electric arc furnace



>40% fully electrified  
powertrain



100% green power  
in all ZF Locations  
worldwide



50% CO<sub>2</sub> neutral  
road transport  
in ZF logistics network



50% recycled materials  
in ZF products





# Financial Key Figures H1 2021

# Financial Overview H1 2021



**€19.3 billion**  
Sales



**5.2%**  
Adjusted  
EBIT margin



**€-186 million**  
Adjusted Free  
Cashflow



**€12.9 billion**  
Gross debt



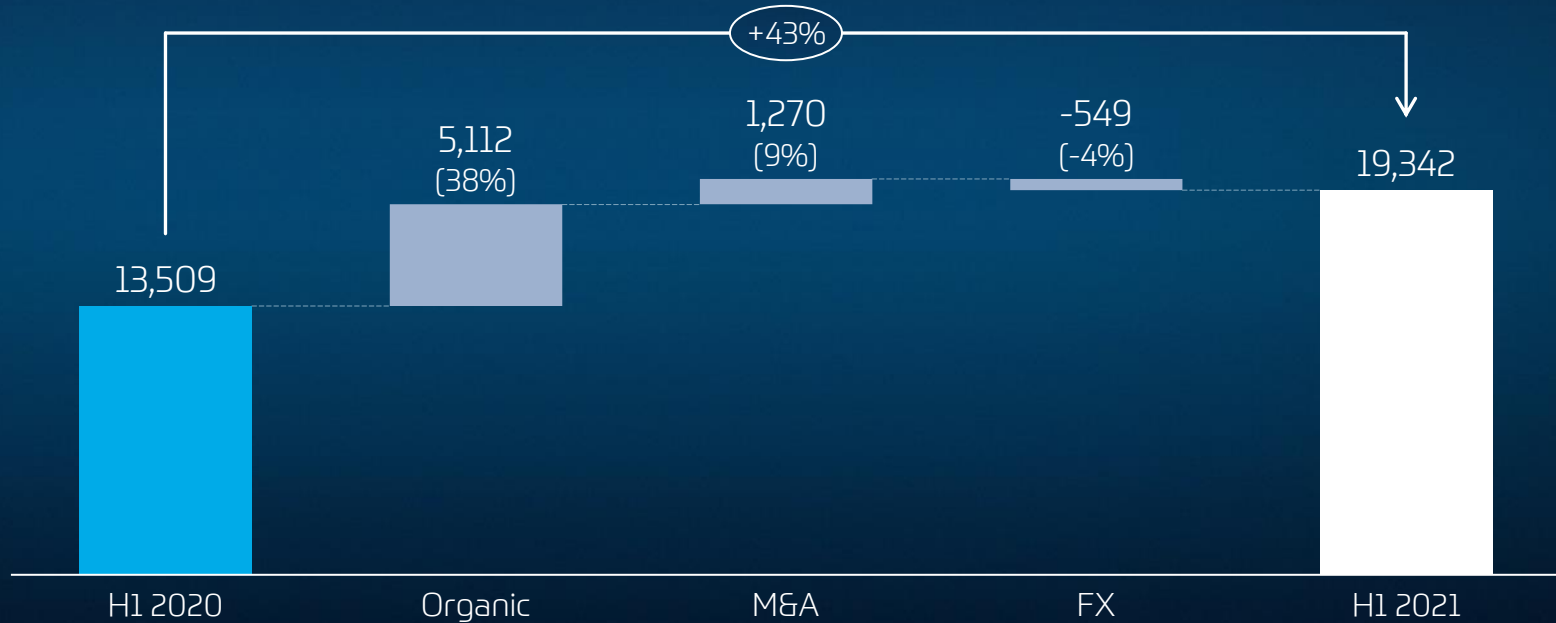
**€1.5 billion**  
Research &  
Development



**€436 million**  
Investments PP&E

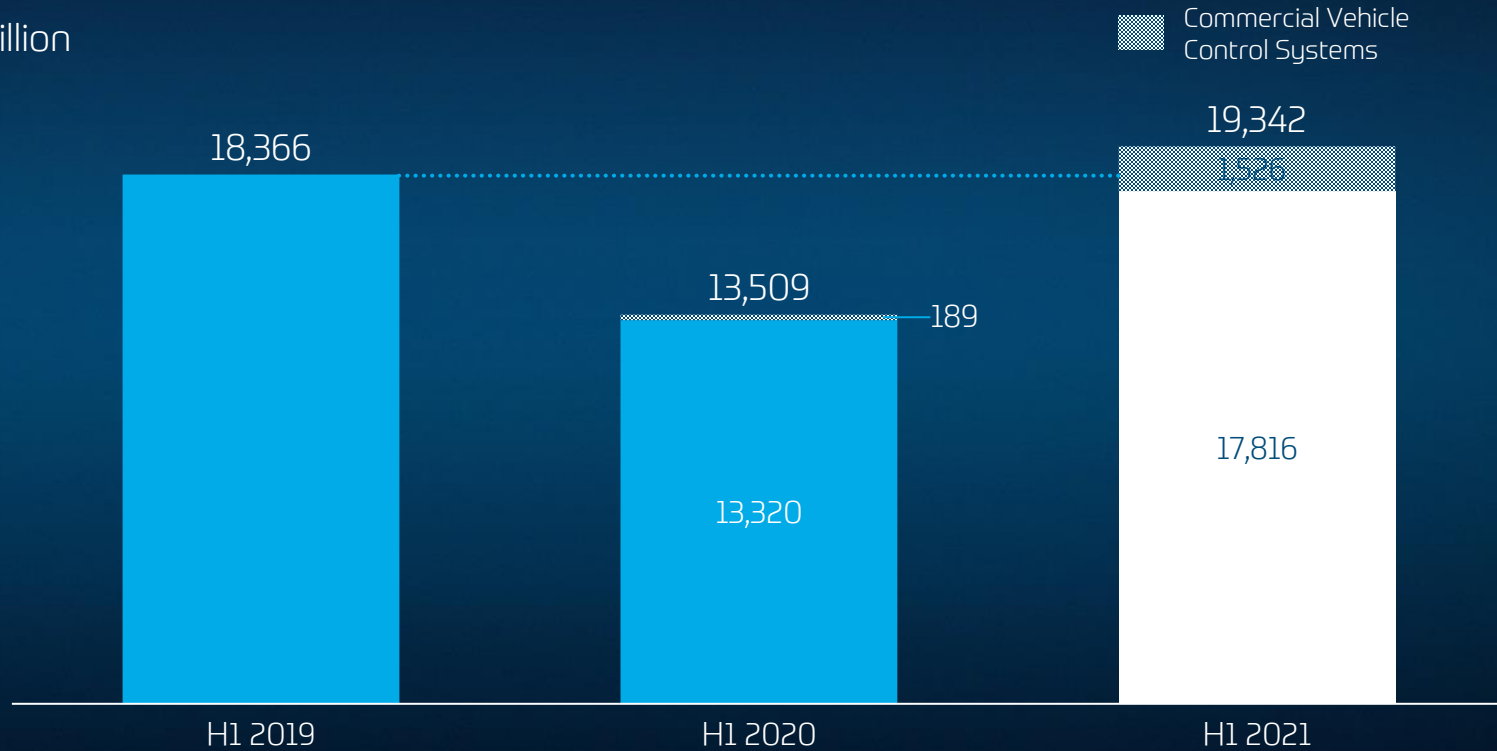
# Sales Development H1 2021

in € million



# Sales Almost on Pre-COVID Level

in € million



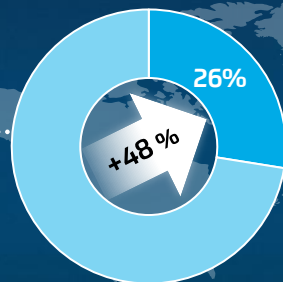


# Sales by Regions

in € million and in % of sales

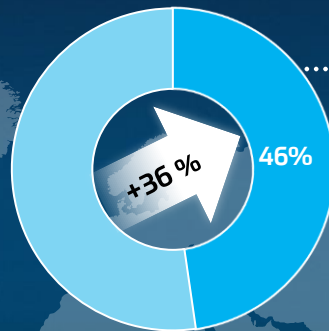
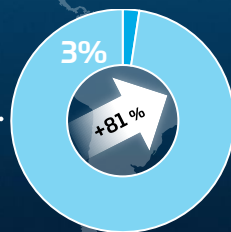
North  
America

5,005



South  
America

491

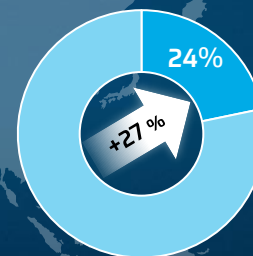


Europe

8,984

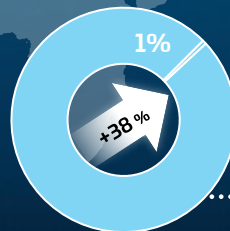
Asia-Pacific

4,659



Africa

203

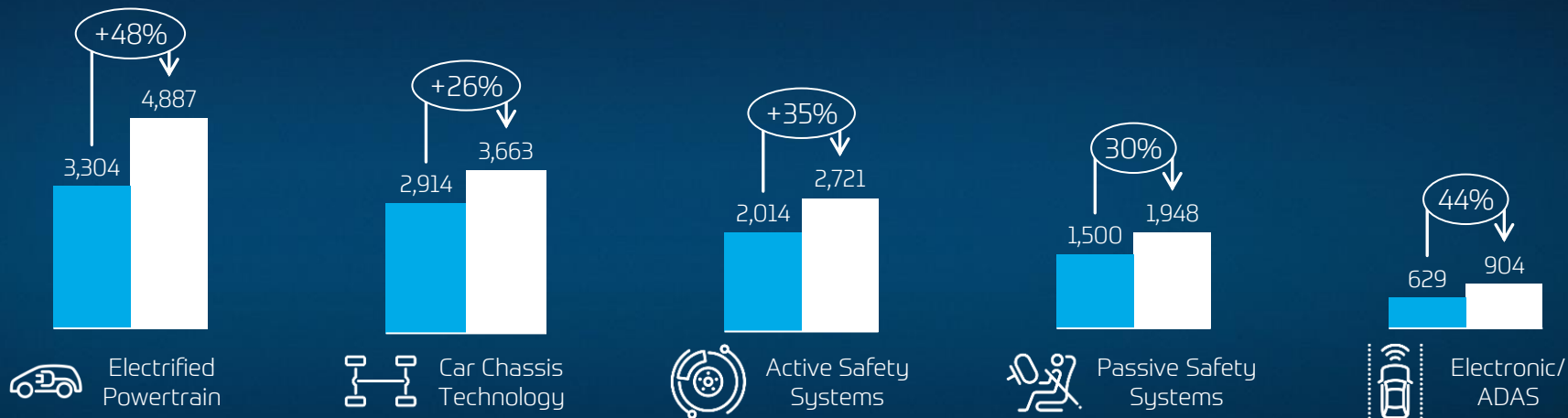


Organic growth in H1 2021 compared to previous year

# Sales by Divisions / Passenger Car

in € million

■ H1 2020 ■ H1 2021



- ZF Passenger Car Divisions in total outperforming the PassCar production by 10 percentage points
- New Division Electrified Powertrain benefits from increased E-Mobility demand
- Bottlenecks in global supply chains gear down PassCar growth

# Sales by Divisions

in € million

■ H1 2020 ■ H1 2021

\* Only included for 1 month in H1 2020

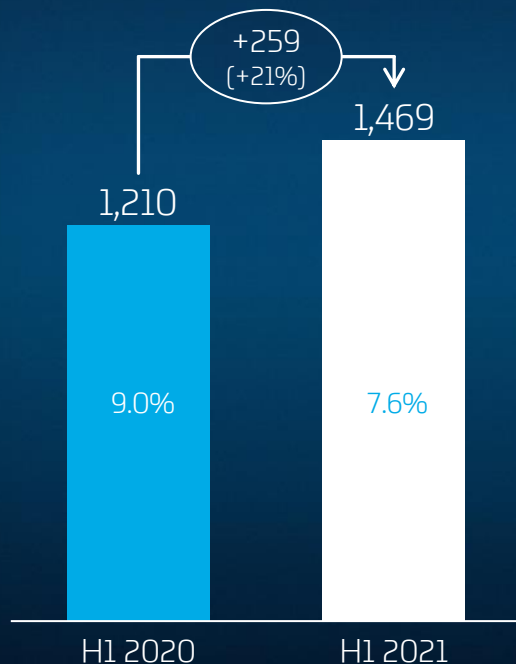


- > Commercial Vehicle Technology with 36% organic sales growth outperforming the market
- > New business wins for system solution in commercial vehicle segment due to joined product portfolio
- > Industrial Technology Division already above pre-COVID level

# R&D Expenditure and Capex

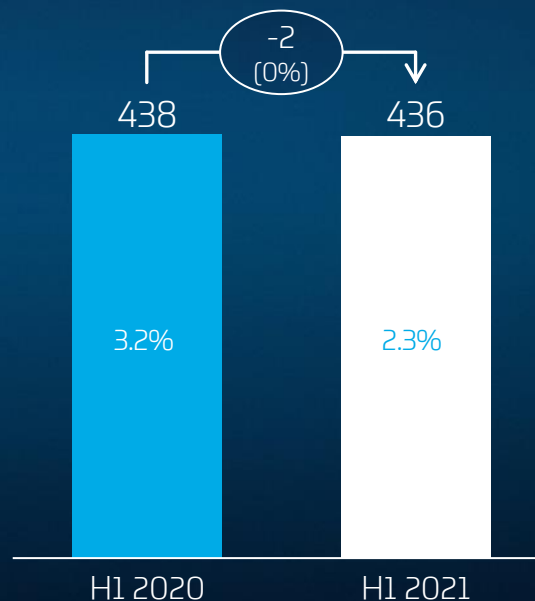
## R&D Expenditure<sup>1)</sup>

in € million and in % of Sales



## Capex<sup>2)</sup>

in € million and in % of Sales



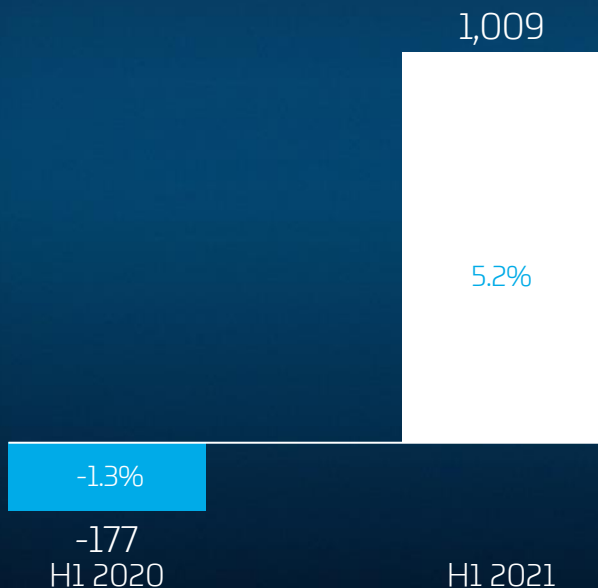
1) R&D Costs recognized in the consolidated statement of profit and loss and the capitalized development costs as inventories and intangible assets and excluding the respective amortization of the capitalized development costs

2) Excluding leasing contracts



# Adjusted EBIT

in € million and margin in %

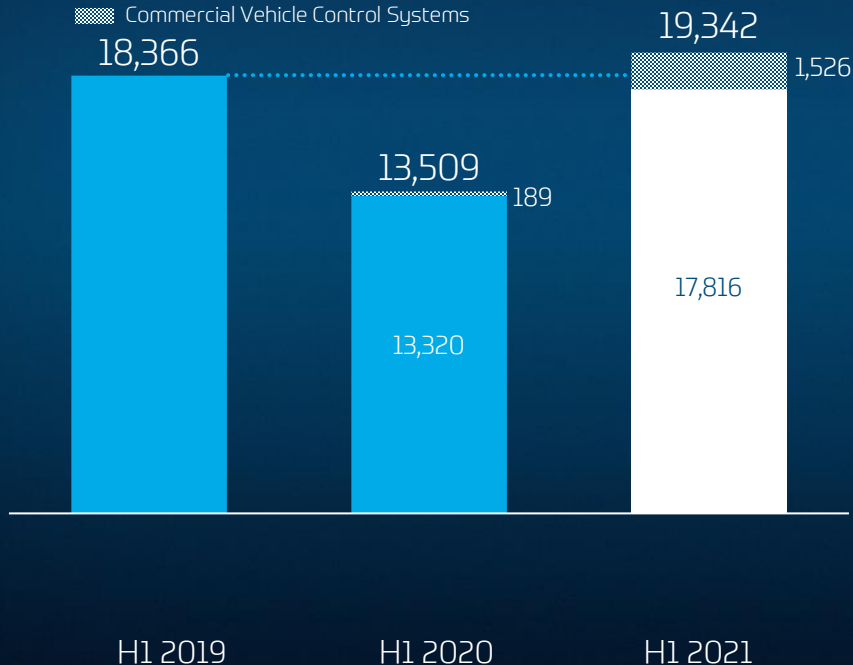


- > Adjusted EBIT above €1 billion
- > Improvement due to higher sales and optimized cost structures
- > Result burdened by
  - > higher logistic costs to secure supply chain
  - > increased costs for raw materials

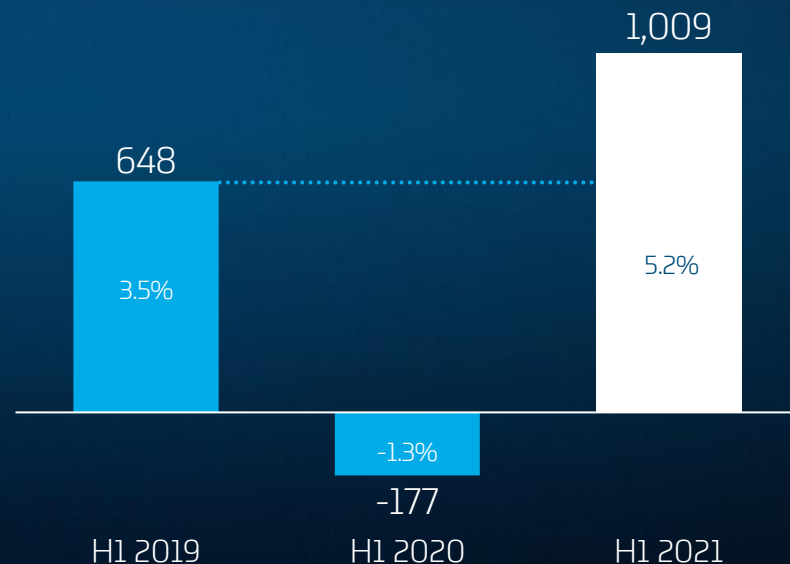
# Sales Almost on Pre-COVID Level / Improved Earnings Quality

## Sales in € million

Commercial Vehicle Control Systems

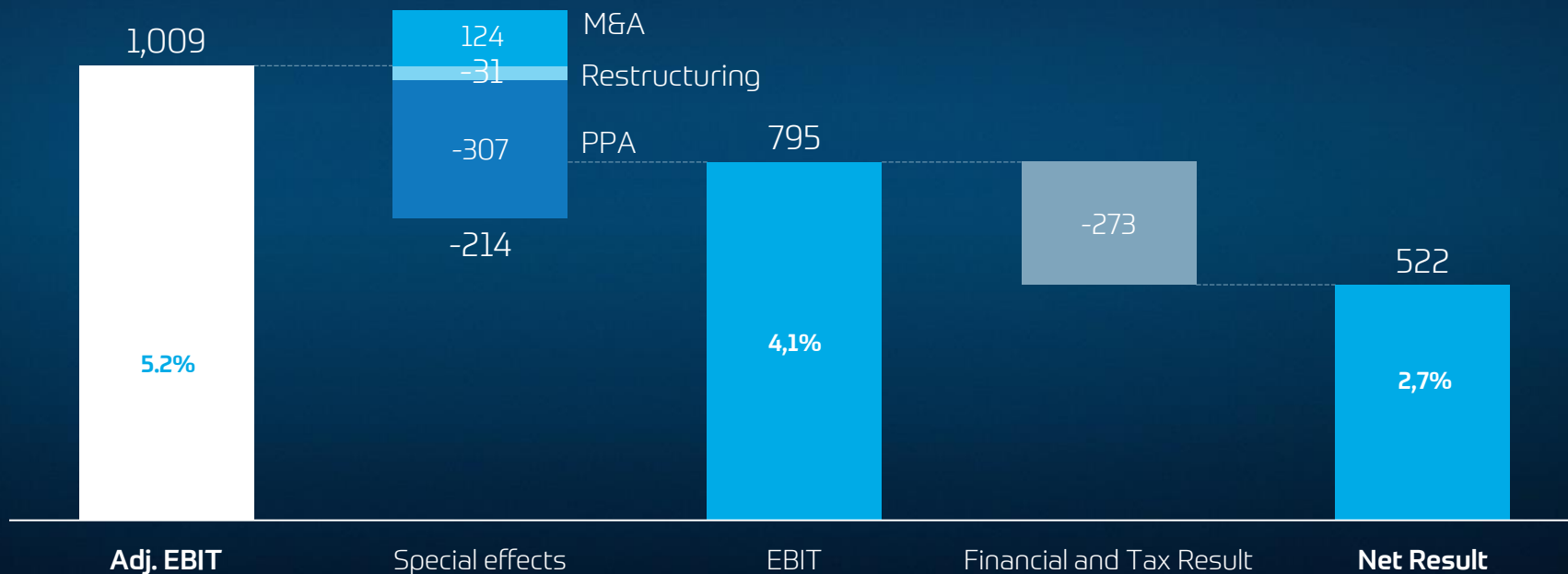


## Adj. EBIT in € million and margin in %



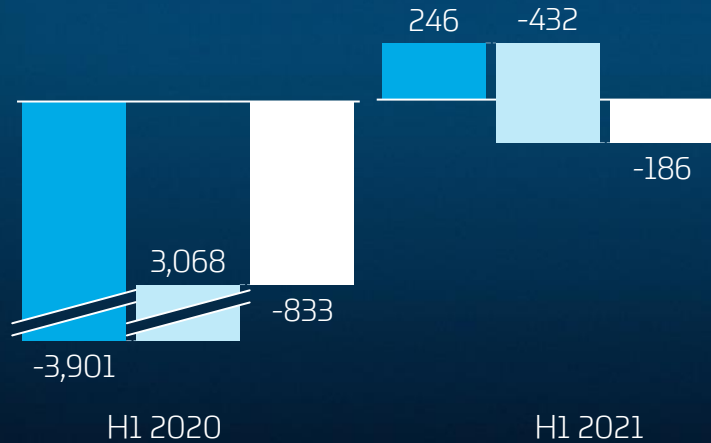
# Net Result after Tax

in € million



# Free Cash Flow

in € million



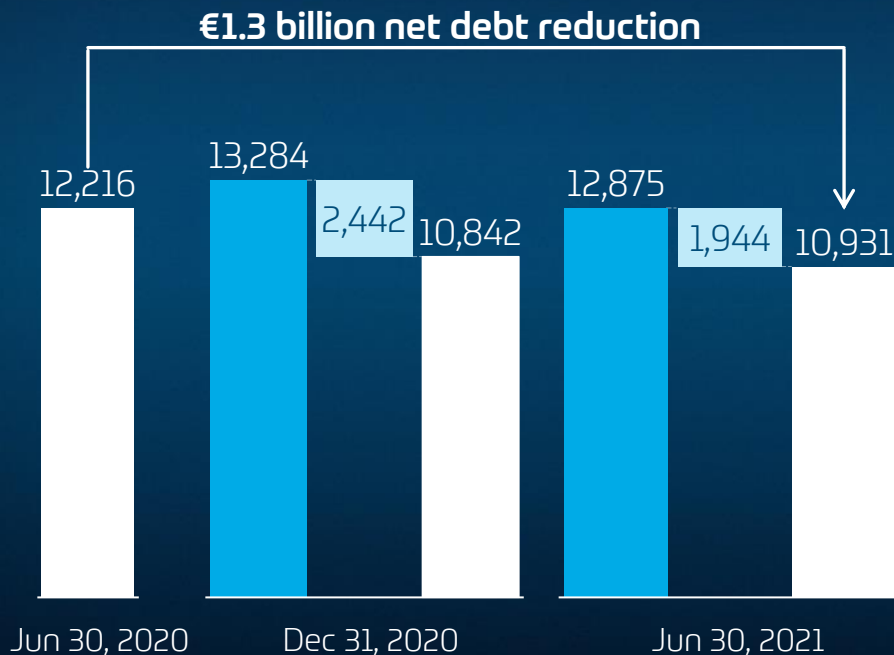
- > Free Cash Flow at €246 million
- > Adjustments of M&A activities 2021 comprise:
  - > Brakes India
  - > sale of shares of WABCO India
- > Free Cash Flow impacted by
  - > semiconductor shortage
  - > higher inventory to secure supply chain

■ Free Cash Flow ■ Adjustments ■ Adjusted Free Cash Flow



# Gross Debt / Net Debt

in € million



- > Gross debt reduced by around €400 million since December 31, 2020
- > Net debt reduced by around €1.3 billion since WABCO acquisition
- > Leverage on June 30, 2021 at 2.8x

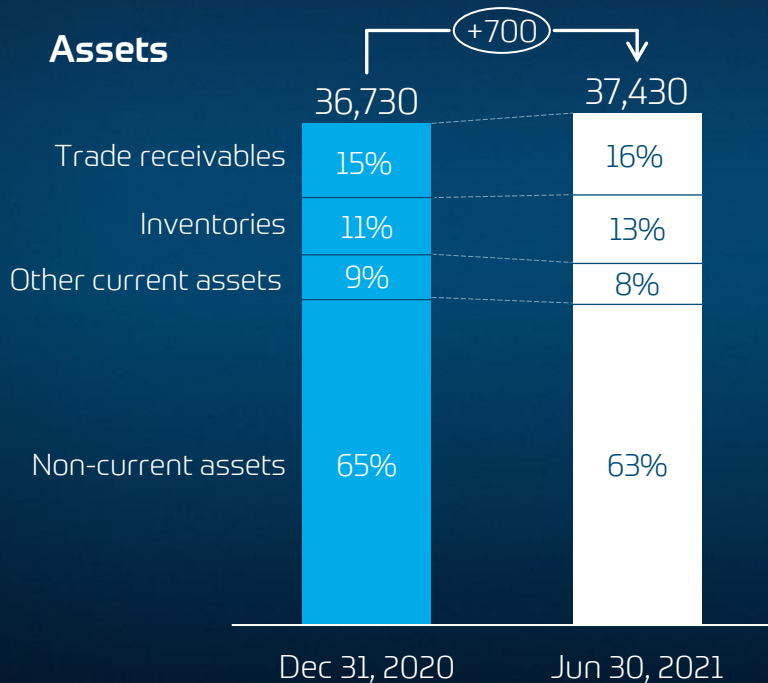
Note: Gross debt = Financial liabilities ./. derivative financial instruments

■ Gross debt   ■ Cash/cash equivalents   ■ Net debt

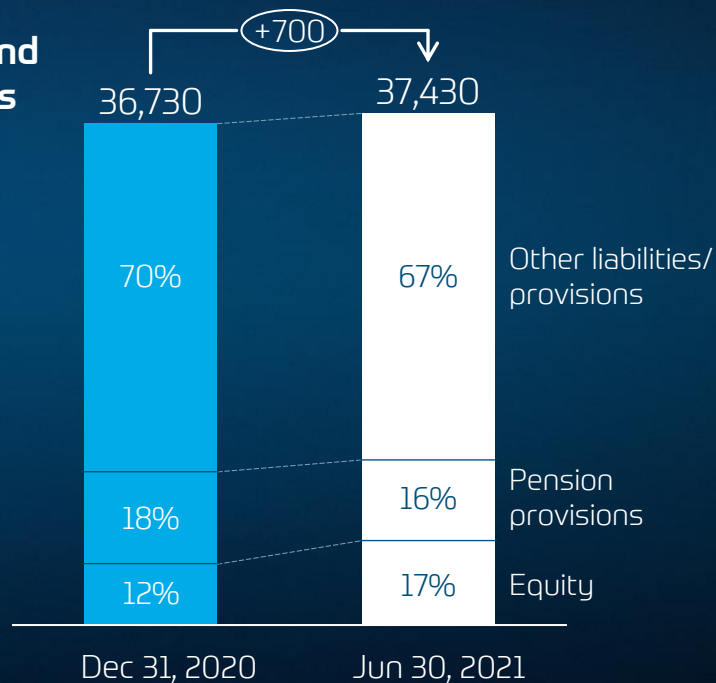
# Balance Sheet

in € million and in % of balance sheet total

## Assets



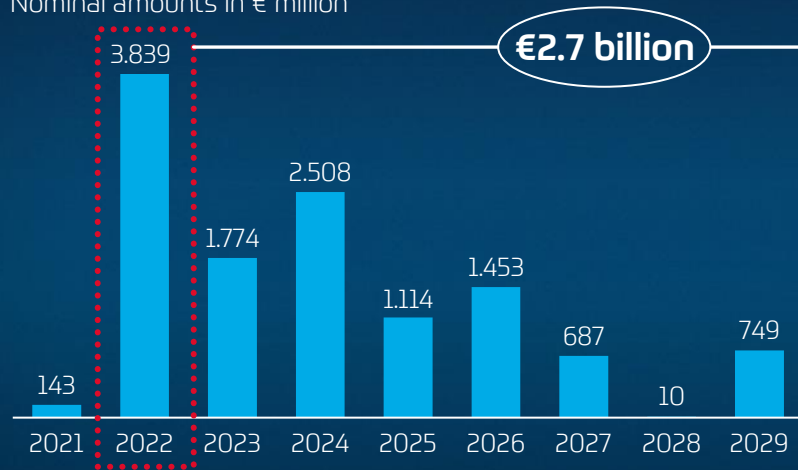
## Equity and Liabilities



# Maturity Profile actively managed

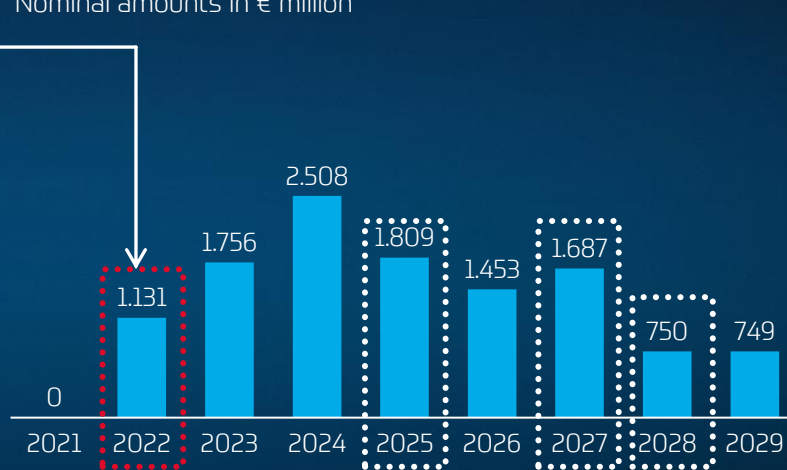
Maturity Profile as of Jun 30, 2020

Nominal amounts in € million



Maturity Profile as of Jun 30, 2021

Nominal amounts in € million

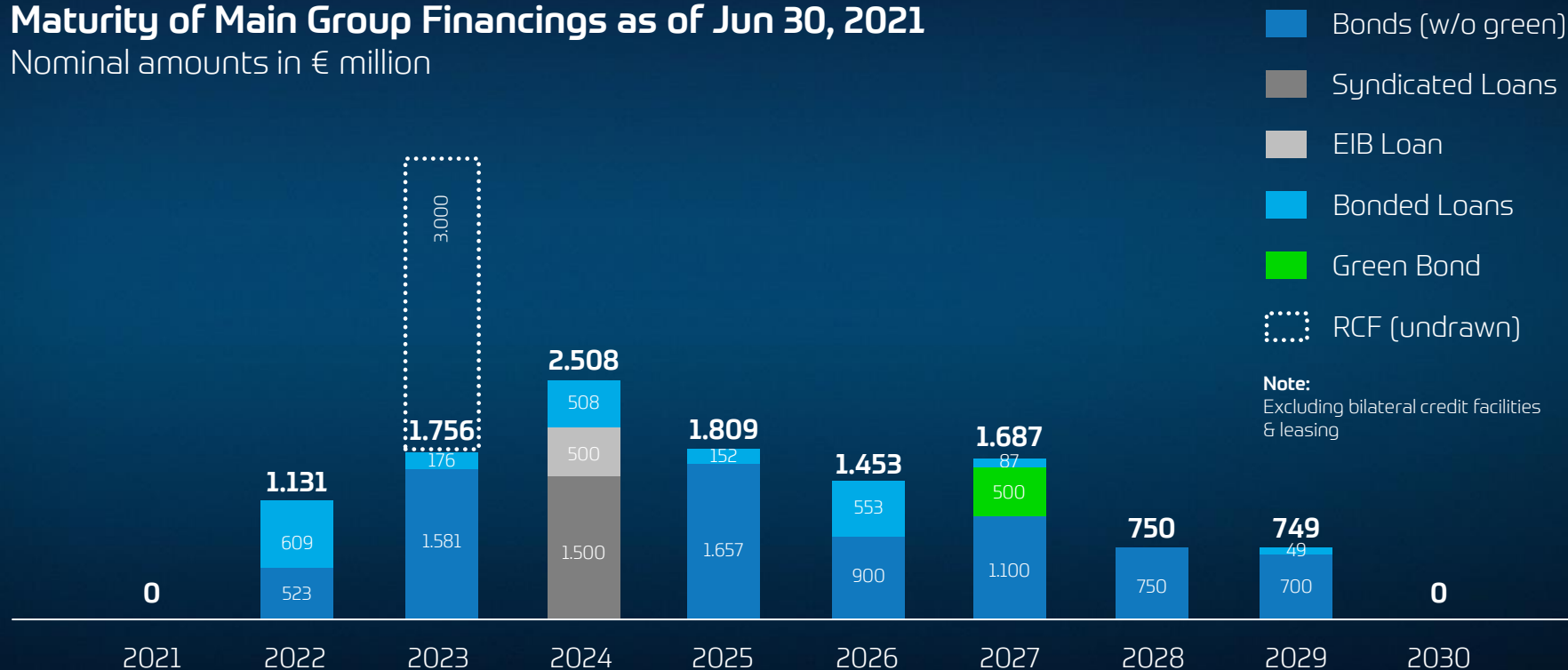


Executed	Apr 2021	Nov 2020	Sept 2020	
Amount	EUR 500,000,000	EUR 500,000,000	EUR 750,000,000	EUR 750,000,000
Term	6 years	6,5 years	5 years	8 years
Pricing	2.0%	2.875%	3.125%	3.875%

# Maturity Profile

## Maturity of Main Group Financings as of Jun 30, 2021

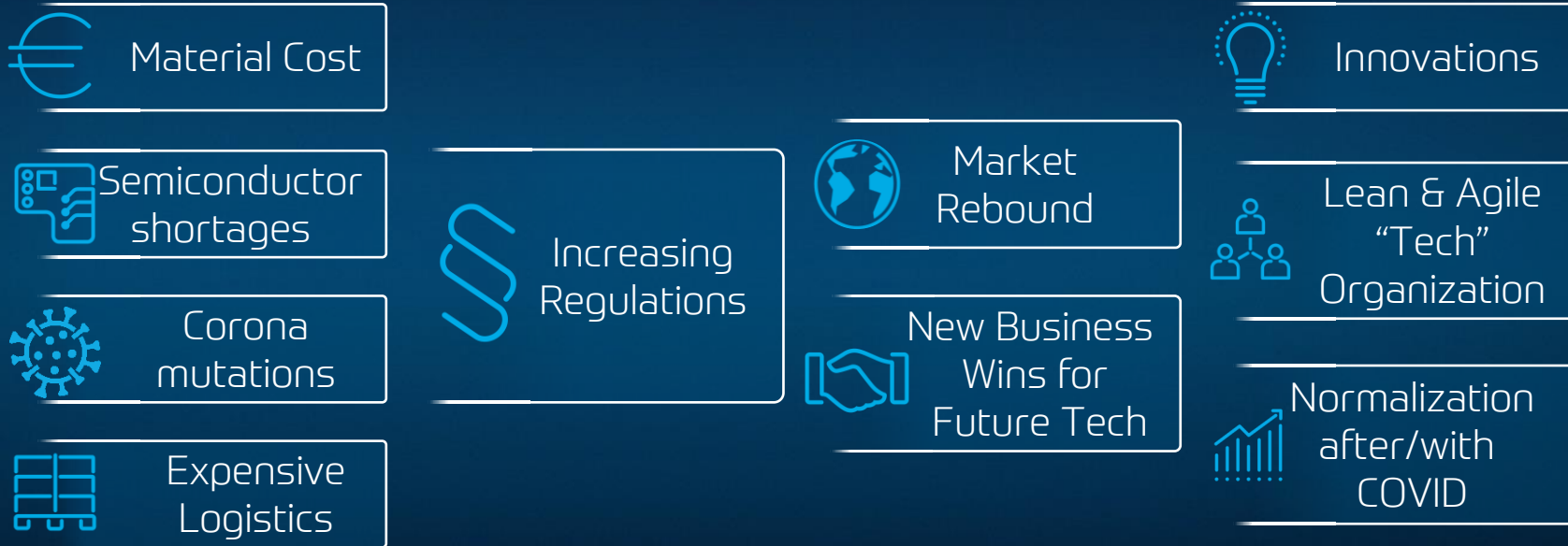
Nominal amounts in € million





# Outlook 2021

# Challenges & Opportunities Remain in 2021

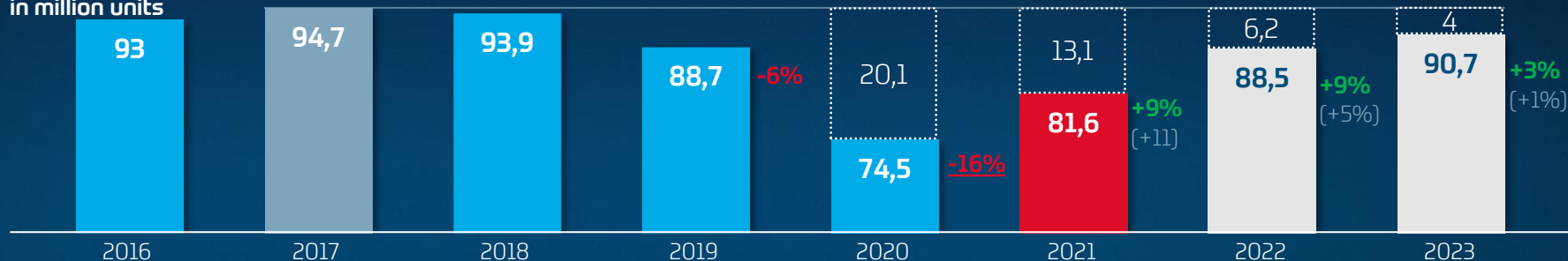


**Executing our Strategy with Confidence**

# Vehicle Production 2021-2023

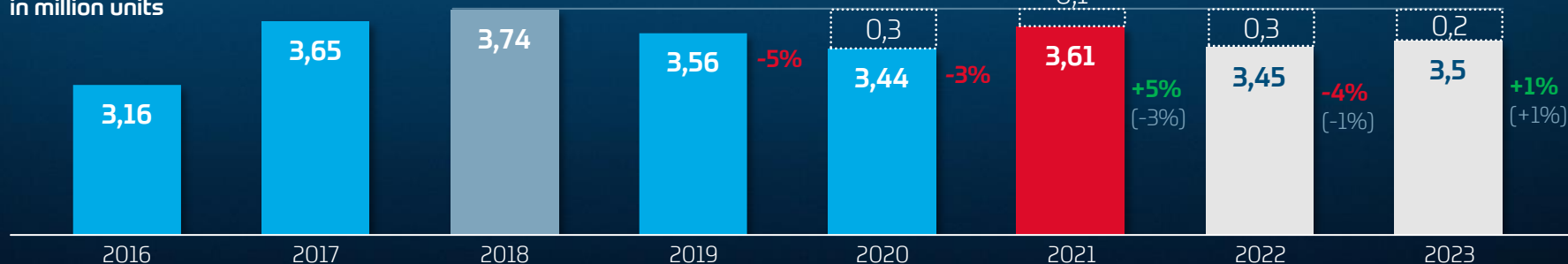
## Global Pass Car & Commercial Vehicle Market <6 t.

in million units



## Commercial Vehicle Market >6 t.

in million units



\* Previous market expectation, communicated during the year end 2020 presentation

# Outlook 2021: Outlook Confirmed



Sales

€ **37-39** billion



EBIT Margin\*

**4.5-5.5** %



Free Cash Flow\*

€ **0.8-1.2** billion

\* adjusted