



Investor and Analyst Call FY 2022

March 16, 2023

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2022 – Multi-Crisis Year #4



Covid-19 & Lockdowns

War in Ukraine

Inflation

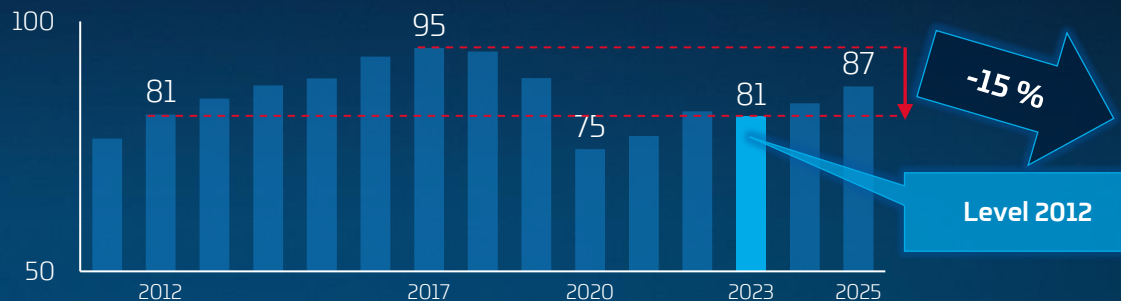
Energy Shortage

Fragile Supply Chains

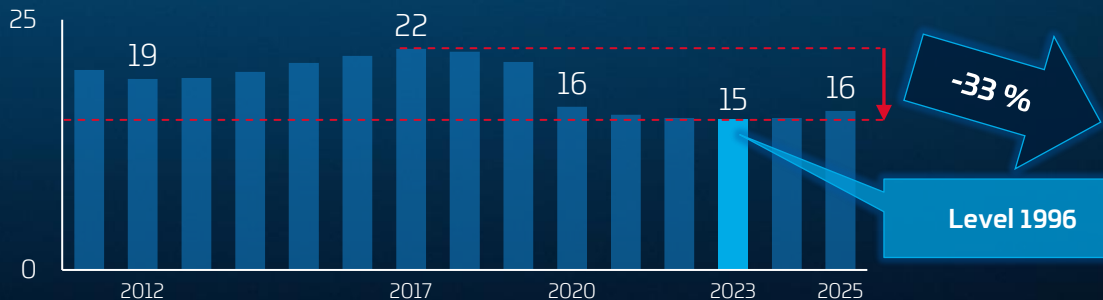
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Global: Pass Car and Light Truck <6t in Mio. Units



Europe: Pass Car and Light Truck <6t in Mio. Units



2022 Achievements



>€30 bn electric mobility order volume



800 Volt Silicon-Carbide Inverters: start of mass production



Highest order intake in ZF's history



First ZF ProAI and ProConnect **customer awards**



Global orders for all-new **by-wire technologies**



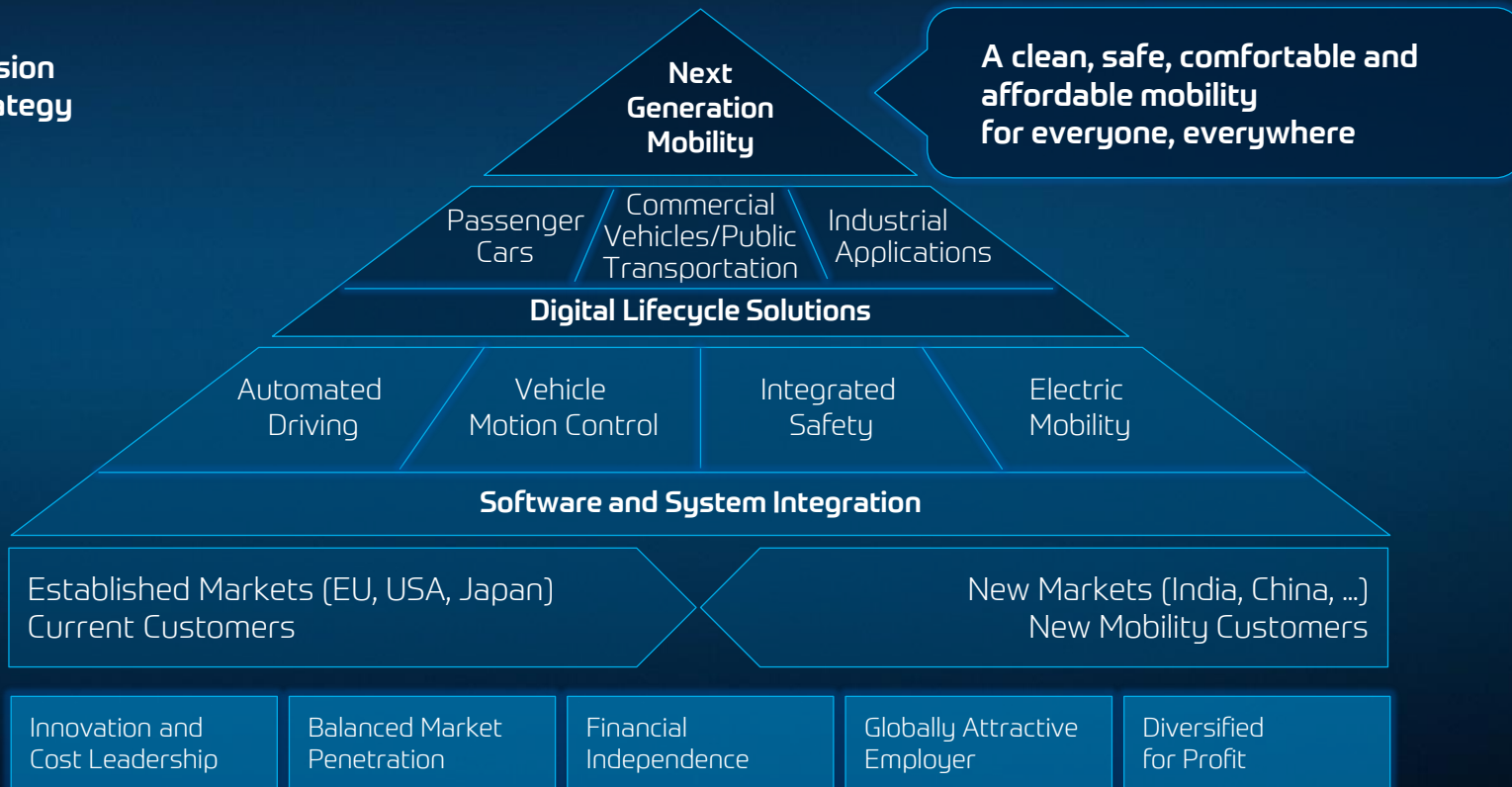
Aftermarket sales increase for third year in a row;
success with digital products and services



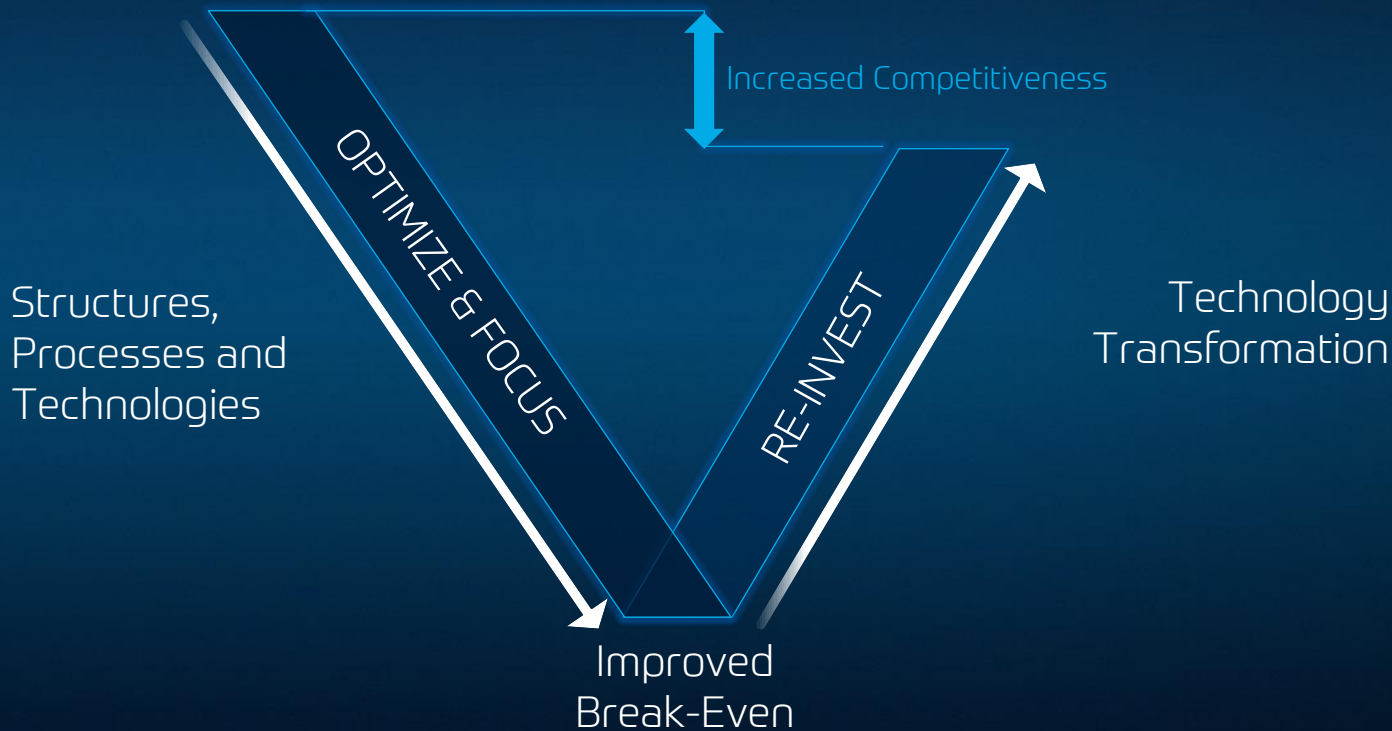
ZF Strategy on Course



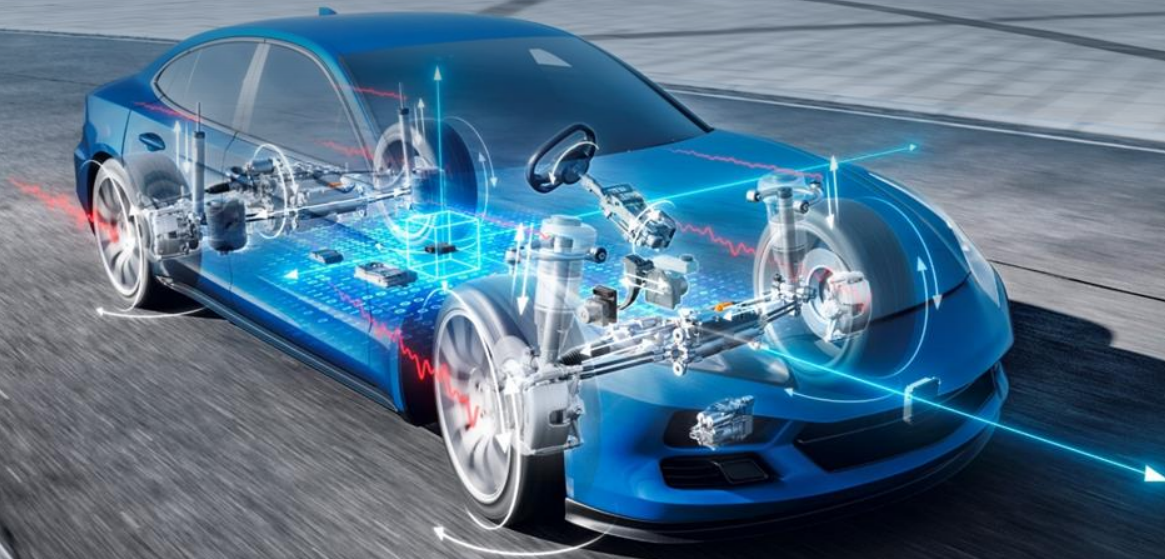
Our Mission and Strategy



ZF Performance Program



By-Wire Technologies for all Dimensions of Vehicle Movement



ZF plans to unite the Active Safety Systems and the Chassis Technology Division

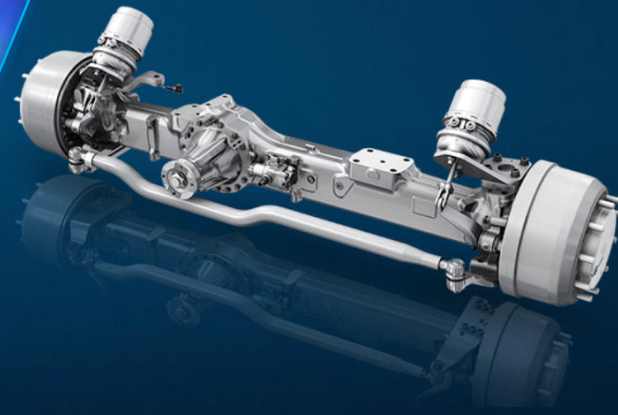
Preparing for Partners and Capital Markets



Shuttles



Division R



Pass Car Axle Business



Acting Now!



“Sustainability is an integral part of the Group strategy”

- ✓ ZF commits to the goal of complete climate neutrality by 2040
- ✓ For the first time, ZF includes ESG criteria in its top management remuneration strategy
- ✓ Success story: Tonality-free wind turbine



Driving Chassis with 800V SiC E-Powertrain



800V Silicon Carbide E-Drive System

Integrated Brake Control 2.0

cubiX Software

Over-the-Air Updates

Active Roll Stabilizer

Electrically Powered Steering Belt Drive

Electronically Controlled Air Suspension

New Digital Solutions Platform for Commercial Vehicle Fleets



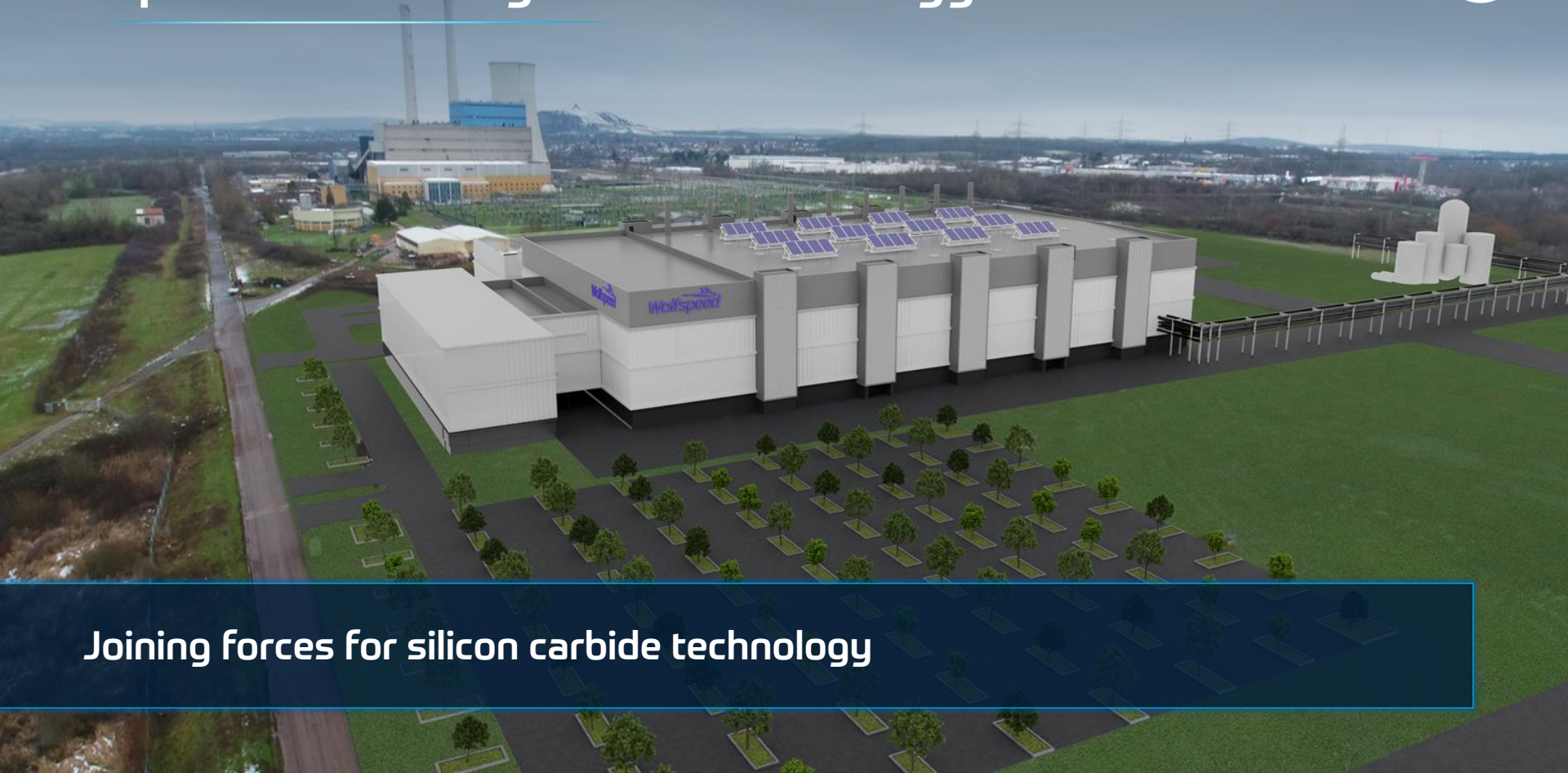
SCALAR

**Backbone for
Transport-as-a-Service**

Launched in 2022

Already 19 Customers

Chips for E-Mobility and Green Energy



Joining forces for silicon carbide technology



Financial Key Figures 2022

2022 Key Figures



€43.8 billion
Sales



4.7 %
Adjusted
EBIT margin



€0.5 billion
Adjusted
Free Cash Flow



164,869
Employees



€3.4 billion
Research &
Development

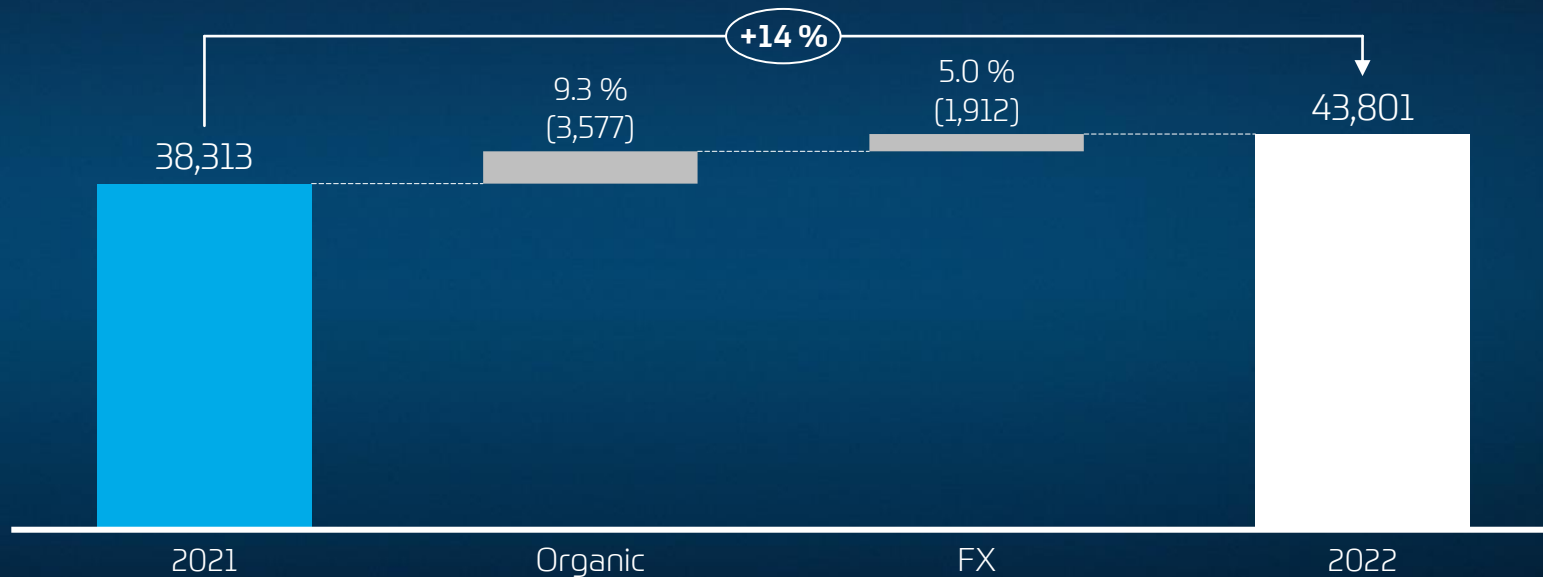


€1.9 billion
Investments in property,
plants and equipment

Sales Development



in € million



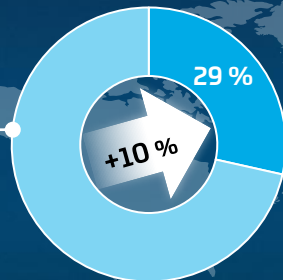
Sales by Regions



in € million and in % of sales

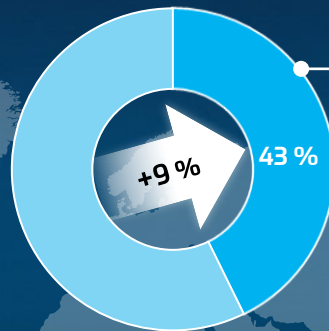
North
America

12,487



South
America

1,432

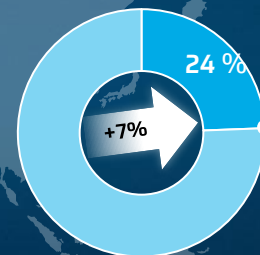


Europe

18,717

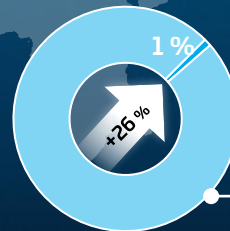
Asia-Pacific

10,689



Africa

476



Organic growth in 2022

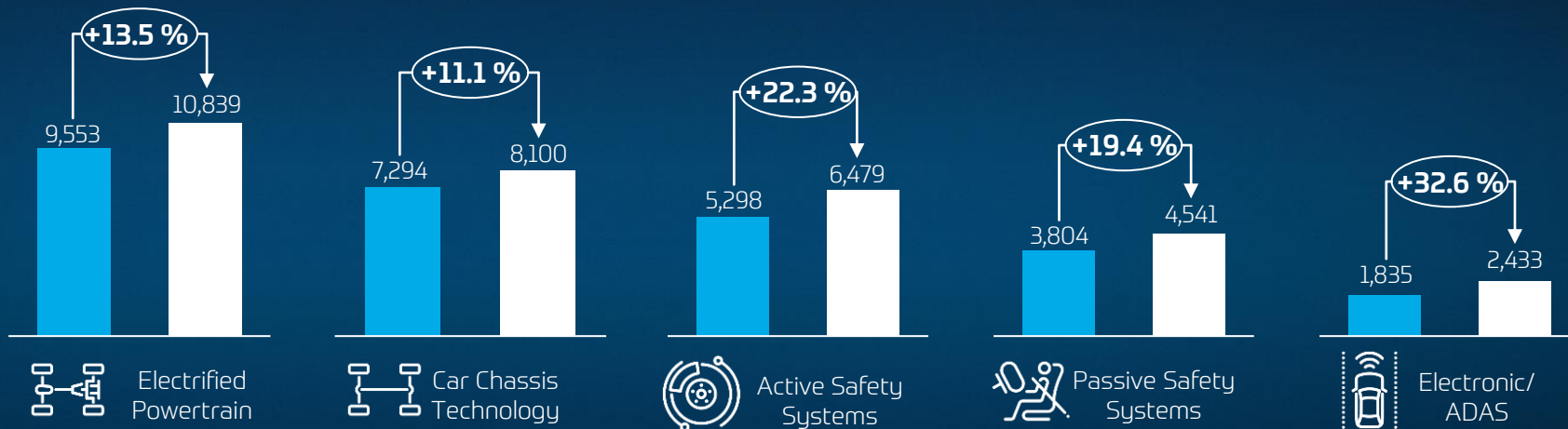


Sales by Divisions / Passenger Car



2021 2022

in € million



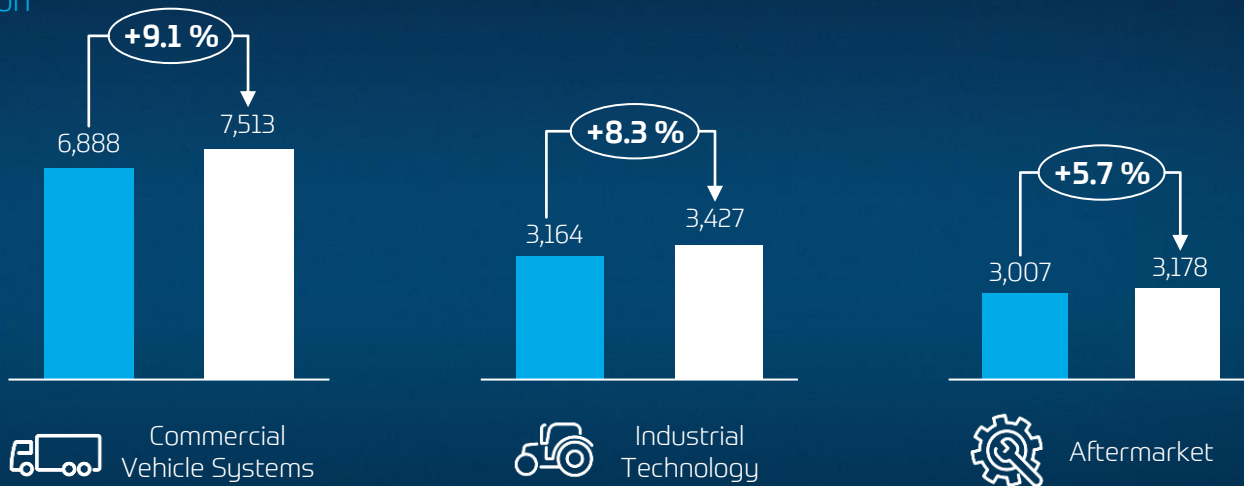
- > Global light vehicle production increases by +6 %
- > ZF Passenger Car Divisions in total 10 % organic growth
- > Electronics/ADAS Division with double digit organic growth benefiting significantly from transformation
- > E-Mobility Drivetrain solutions increased by 45 %



Sales by Divisions / Commercial Vehicle, Industry & Aftermarket

in € million

■ 2021 ■ 2022

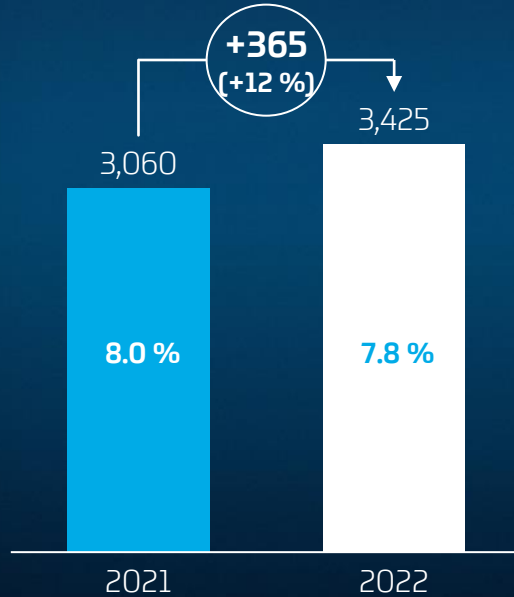


- > Commercial Vehicle Systems (CVS) grew by 9 % despite decline of global production
- > New business wins for system solution in commercial vehicle segment due to joined product portfolio
- > Industrial Technology and Aftermarket with solid growth

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

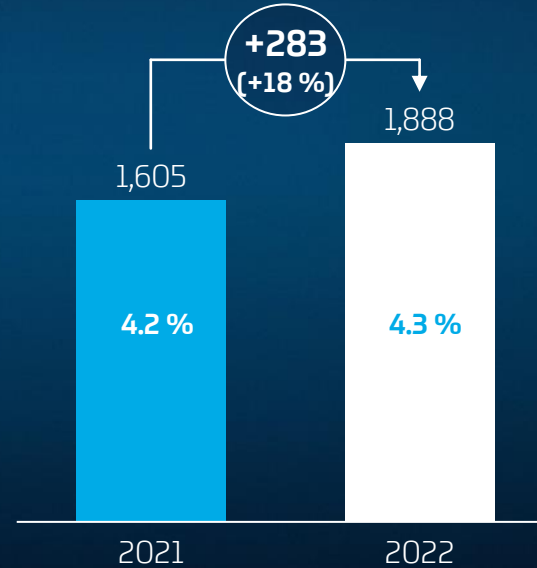
R&D Expenditure ¹⁾

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

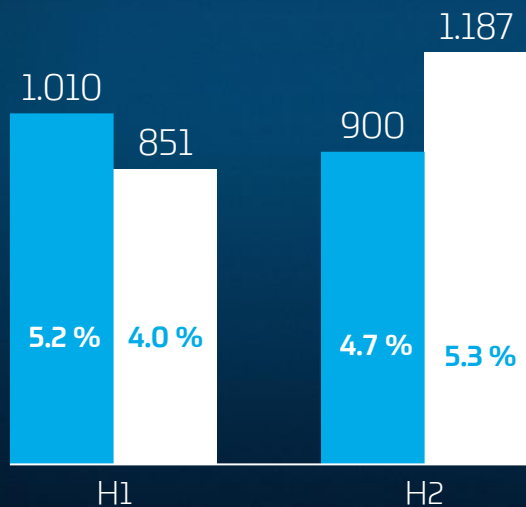
2) Incl. leasing contracts

Adjusted EBIT

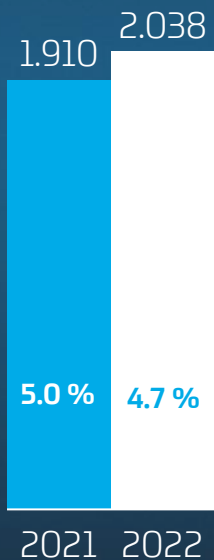


in € million and margin in %

■ 2021 ■ 2022



Full Year Result



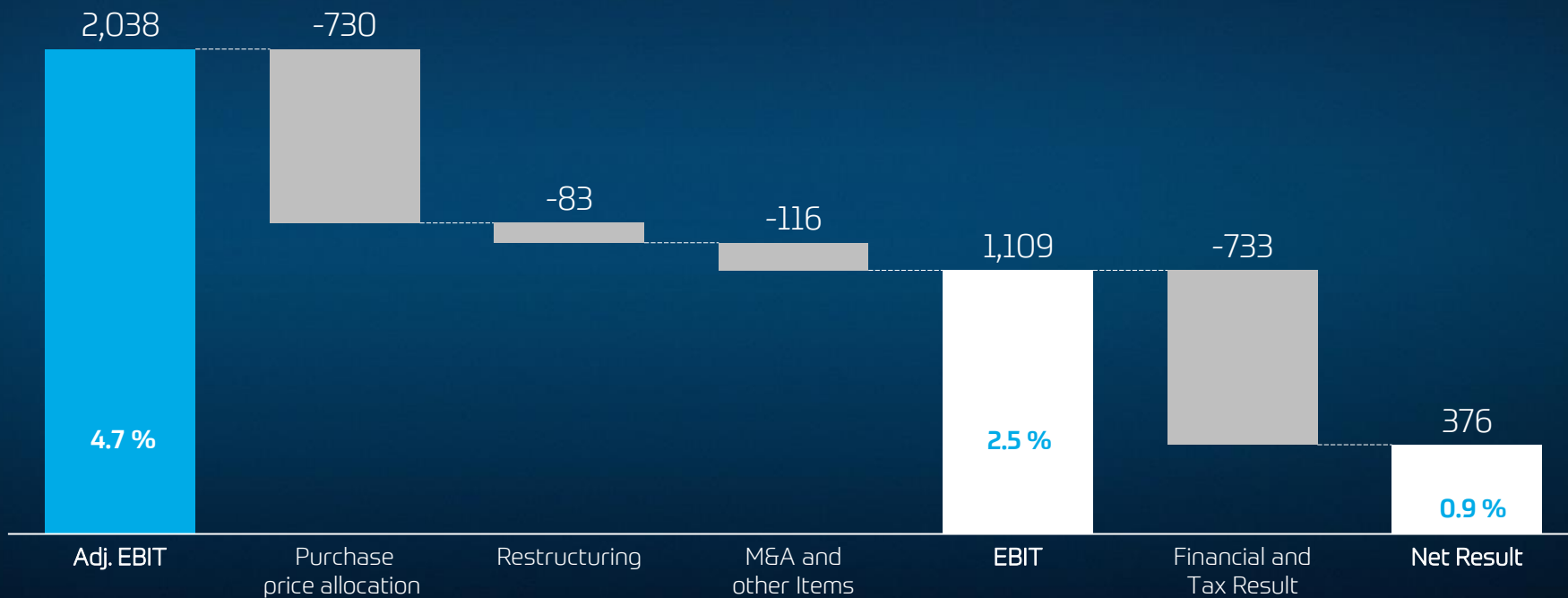
- > Adjusted EBIT-margin of 4.7 %
- > Margin impacted by
 - > Inflationary effects
 - > Upfront cost for new facilities
 - > Increased R&D Expenditure to further drive next generation mobility



Adjusted EBIT to Net Result



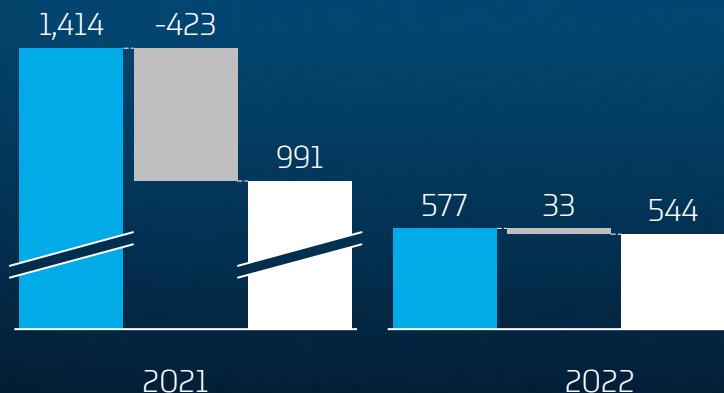
in € million



Free Cash Flow



in € million



Free Cash Flow Adjustments Adjusted Free Cash Flow

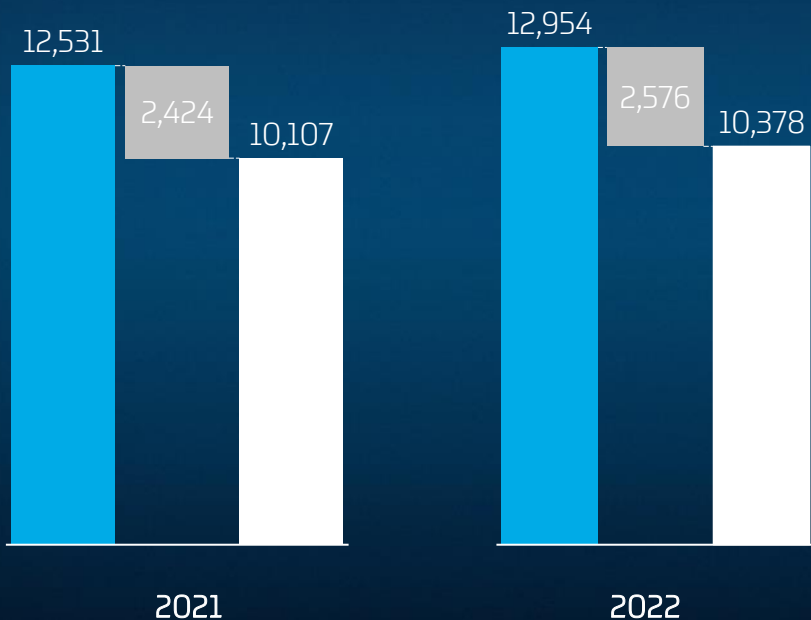
- > Free Cash Flow impacted by
 - > Lower earnings before taxes
 - > Higher investments due to catch-up effects from the previous years
 - > Inventory build up due to increased material prices and safety stocks
 - > Delayed cash inflow from inflation recoveries



Gross/Net Debt



in € million



- > Net Debt increase of €270 million due to lower Free Cash Flow
- > Repayment of financial instruments of around €600 million
- > Liquidity headroom at €6 billion
- > Leverage at 2.8x

■ Gross Debt ■ Cash & Cash equivalent ■ Net Debt

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



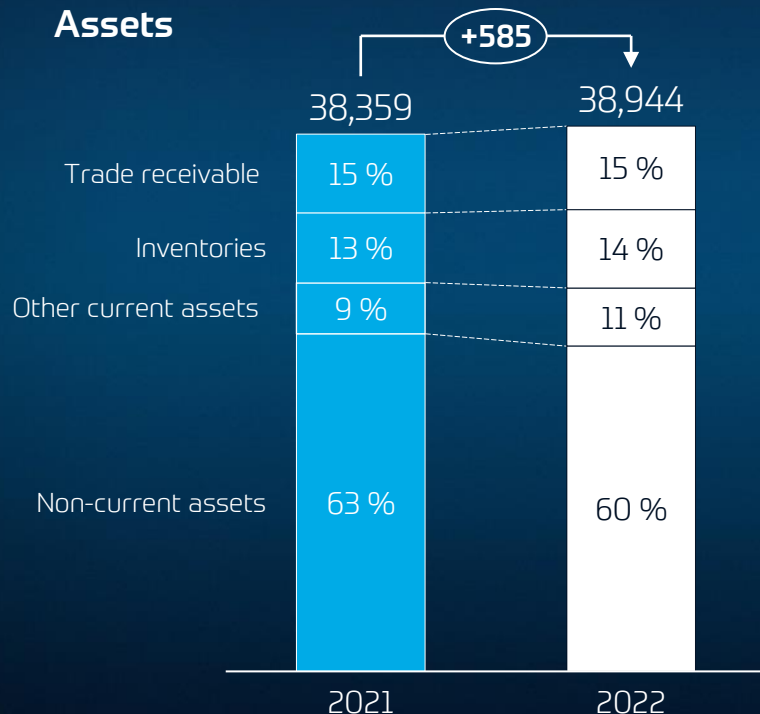
Investor and Analyst Call FY 2022

Balance Sheet

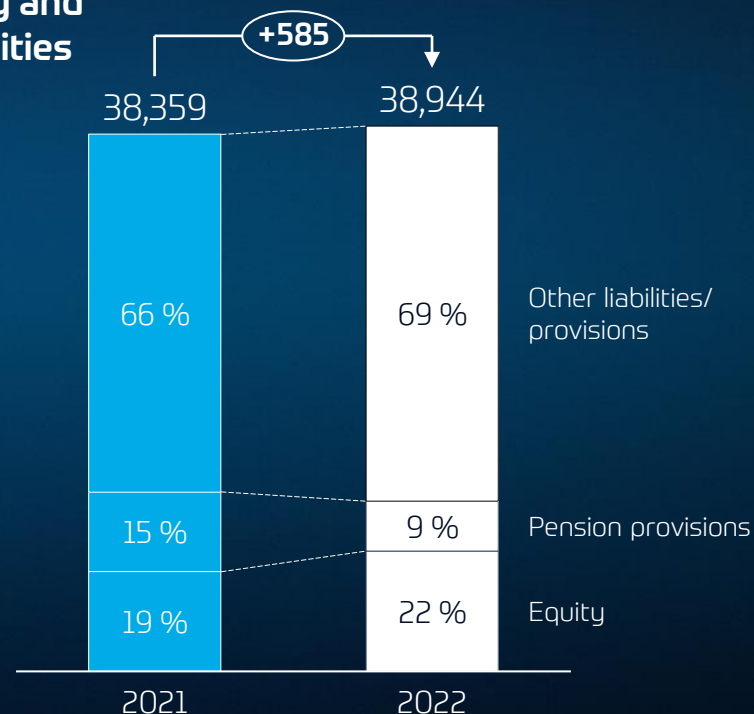


in € million and in % of balance sheet total

Assets



Equity and Liabilities



Main Financing Transactions 2022



	1	2	3	4
	RCF	KfW Ipex	SSD	Repayment
Execution Date	7/22	08/22	08/22	2022
Amount	€3,5 bn	€250 million	€700 million	€600 million
Duration/ Maturity	5+1+1 years	5 years	3,5,7 years	01-10 / 2022

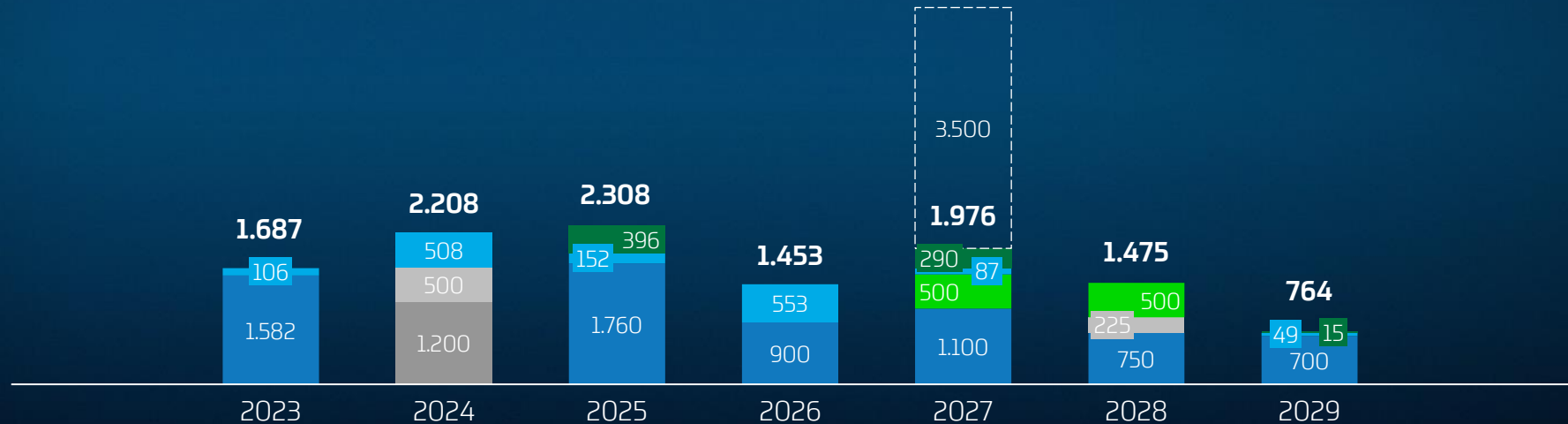


Maturity Profile

Maturity of Main Group Financings as of Dec 31st, 2022

Nominal amounts in € million

■ Bonds (w/o green)
 ■ EIB Loan
 ■ Bonded Loans / Private Placement (w/o green)
 RCF (undrawn)
■ Syndicated Loans
 ■ Green Bonds
 ■ Sustainable Bonded Loans

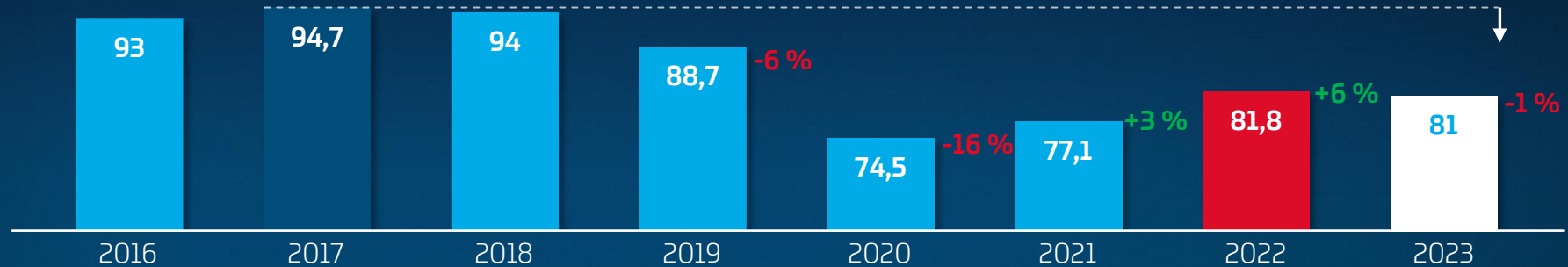




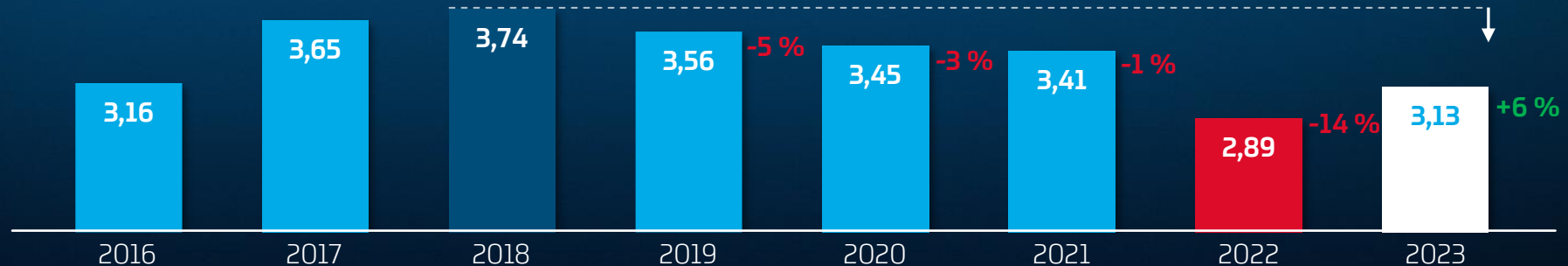
Outlook 2023

Vehicle Production 2022-2023

Global Pass Car & Commercial Vehicle Market <6 t.



Commercial Vehicle Market >6 t.



Outlook 2023



Sales

> € **45** billion



EBIT Margin*

4.7-5.2 %



Free Cash Flow*

€ **1-1.5** billion

* adjusted





Next
Generation
Mobility. NOW.