Investor and Analyst Call FY 2022

March 16, 2023

Michael Frick, CFO
Ulf Loleit, Head of Corporate Finance
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2022 – Multi-Crisis Year #4

- Covid-19 & Lockdowns
- War in Ukraine
- Inflation
- Energy Shortage
- Fragile Supply Chains
- ...

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

- 2012: 81
- 2017: 95
- 2020: 75
- 2023: 81
- 2025: 87

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

- 2012: 19
- 2017: 22
- 2020: 16
- 2023: 15
- 2025: 16

-15% decrease

-33% decrease
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

Next Generation Mobility

Passenger Cars

Commercial Vehicles/Public Transportation

Industrial Applications

Digital Lifecycle Solutions

Automated Driving

Vehicle Motion Control

Integrated Safety

Electric Mobility

Software and System Integration

Established Markets (EU, USA, Japan)

Current Customers

New Markets (India, China, ...)

New Mobility Customers

Our Goals

Innovation and Cost Leadership

Balanced Market Penetration

Financial Independence

Globally Attractive Employer

Diversified for Profit

A clean, safe, comfortable and affordable mobility for everyone, everywhere
ZF Performance Program

Increased Competitiveness

Structures, Processes and Technologies

Improved Break-Even

Technology Transformation

OPTIMIZE & FOCUS

RE-INVEST
ZF plans to unite the Active Safety Systems and the Chassis Technology Division for all Dimensions of Vehicle Movement.
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

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
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

2021: 38,313

Organic: 9.3% (3,577)  (+14%)

FX: 5.0% (1,912)

2022: 43,801

Investor and Analyst Call FY 2022
Sales by Regions

in € million and in % of sales

Europe
18,717

Asia-Pacific
10,689

Africa
476

North America
12,487

South America
1,432

Organic growth in 2022

Europe

Asia-Pacific

Africa

Organic growth in 2022
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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D Expenditure in € million</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>3,060</td>
<td>8.0 %</td>
</tr>
<tr>
<td>2022</td>
<td>3,425</td>
<td>7.8 %</td>
</tr>
</tbody>
</table>

\[ \text{Change} = 3,425 - 3,060 = +365 \quad (+12\%) \]

Investments in PP&E ²)
in € million and in % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Investments in € million</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1,605</td>
<td>4.2 %</td>
</tr>
<tr>
<td>2022</td>
<td>1,888</td>
<td>4.3 %</td>
</tr>
</tbody>
</table>

\[ \text{Change} = 1,888 - 1,605 = +283 \quad (+18\%) \]

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 %

H1 2021: 1,010, 5.2%
H2 2021: 851, 4.0%
H1 2022: 900, 4.7%
H2 2022: 1,187, 5.3%

Full Year Result:
2021: 1,910, 5.0%
2022: 2,038, 4.7%

- 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

Adj. EBIT 2,038
Purchase price allocation -730
Restructuring -83
M&A and other Items -116
EBIT 1,109
Financial and Tax Result -733
Net Result 376

Adj. EBIT to Net Result:
- Adjusted EBIT: 4.7%
- Purchase price allocation: -7.4%
- Restructuring: -4.2%
- M&A and other items: -5.7%
- EBIT: 2.5%
- Financial and Tax Result: -9.5%
- Net Result: 0.9%
Free Cash Flow

in € million

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

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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

Note: Gross debt = Financial liabilities / derivative financial instruments
Balance Sheet

in € million and in % of balance sheet total

Assets

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivable</td>
<td>15 %</td>
<td>15 %</td>
<td>+0 %</td>
</tr>
<tr>
<td>Inventories</td>
<td>13 %</td>
<td>14 %</td>
<td>+1 %</td>
</tr>
<tr>
<td>Other current assets</td>
<td>9 %</td>
<td>11 %</td>
<td>+2 %</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>63 %</td>
<td>60 %</td>
<td>-3 %</td>
</tr>
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</table>

Equity and Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other liabilities/provisions</td>
<td>66 %</td>
<td>69 %</td>
</tr>
<tr>
<td>Pension provisions</td>
<td>15 %</td>
<td>9 %</td>
</tr>
<tr>
<td>Equity</td>
<td>19 %</td>
<td>22 %</td>
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</tbody>
</table>

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Investor and Analyst Call FY 2022
# Main Financing Transactions 2022

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RCF</td>
<td>KfW Ipex</td>
<td>SSD</td>
<td>Repayment</td>
</tr>
<tr>
<td>Execution Date</td>
<td>7/22</td>
<td>08/22</td>
<td>08/22</td>
<td>2022</td>
</tr>
<tr>
<td>Amount</td>
<td>€3.5 bn</td>
<td>€250 million</td>
<td>€700 million</td>
<td>€600 million</td>
</tr>
<tr>
<td>Duration/ Maturity</td>
<td>5+1+1 years</td>
<td>5 years</td>
<td>3,5,7 years</td>
<td>01-10 / 2022</td>
</tr>
</tbody>
</table>
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)
- Syndicated Loans
- Green Bonds
- Sustainable Bonded Loans
- RCF (undrawn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bonds (w/o green)</th>
<th>EIB Loan</th>
<th>Bonded Loans / Private Placement (w/o green)</th>
<th>Syndicated Loans</th>
<th>Green Bonds</th>
<th>Sustainable Bonded Loans</th>
<th>RCF (undrawn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>1.687</td>
<td>1582</td>
<td>152</td>
<td>106</td>
<td></td>
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<tr>
<td>2024</td>
<td>2.208</td>
<td>500</td>
<td>508</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>2.308</td>
<td>1.200</td>
<td>1.760</td>
<td>1.760</td>
<td>152</td>
<td>396</td>
<td>1.976</td>
</tr>
<tr>
<td>2026</td>
<td>1.453</td>
<td>900</td>
<td>900</td>
<td>900</td>
<td>553</td>
<td></td>
<td>1.475</td>
</tr>
<tr>
<td>2027</td>
<td>1.976</td>
<td>1100</td>
<td>290</td>
<td>290</td>
<td>87</td>
<td>3.500</td>
<td>1.475</td>
</tr>
<tr>
<td>2028</td>
<td>1.475</td>
<td>750</td>
<td>225</td>
<td>225</td>
<td>500</td>
<td></td>
<td>764</td>
</tr>
<tr>
<td>2029</td>
<td>764</td>
<td>700</td>
<td>49</td>
<td>49</td>
<td>15</td>
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Outlook 2023
Vehicle Production 2022-2023


<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>94.7</td>
<td>-6 %</td>
</tr>
<tr>
<td>2018</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>88.7</td>
<td>-6 %</td>
</tr>
<tr>
<td>2020</td>
<td>74.5</td>
<td>-16 %</td>
</tr>
<tr>
<td>2021</td>
<td>77.1</td>
<td>+3 %</td>
</tr>
<tr>
<td>2022</td>
<td>81.8</td>
<td>+6 %</td>
</tr>
<tr>
<td>2023</td>
<td>81</td>
<td>-1 %</td>
</tr>
</tbody>
</table>

Commercial Vehicle Market >6 t.

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3.16</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>3.65</td>
<td>-5 %</td>
</tr>
<tr>
<td>2018</td>
<td>3.74</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>3.56</td>
<td>-5 %</td>
</tr>
<tr>
<td>2020</td>
<td>3.45</td>
<td>-3 %</td>
</tr>
<tr>
<td>2021</td>
<td>3.41</td>
<td>-1 %</td>
</tr>
<tr>
<td>2022</td>
<td>2.89</td>
<td>-14 %</td>
</tr>
<tr>
<td>2023</td>
<td>3.13</td>
<td>+6 %</td>
</tr>
</tbody>
</table>
Outlook 2023

- **Sales**: > €45 billion
- **EBIT Margin***: 4.7-5.2%
- **Free Cash Flow***: €1-1.5 billion

*adjusted