



Investor and Analyst Call H1 2022

August 3, 2022

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ZF Group

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Living in a World of Crises – Anticipation is Key!

CLOSED

Covid-19
outbreaks
and lockdowns

Semiconductor
shortage

War
in Ukraine

Disrupted
supply chains

Uncertainties
in energy
supply

Rising
inflation

Consequently Pursuing Our Strategy in 2022



Significant new
business wins

Orders for **high performance
hardware and software**

010110
110100
010011



**Adapting structures
and ways of working**
to reflect “new normal”

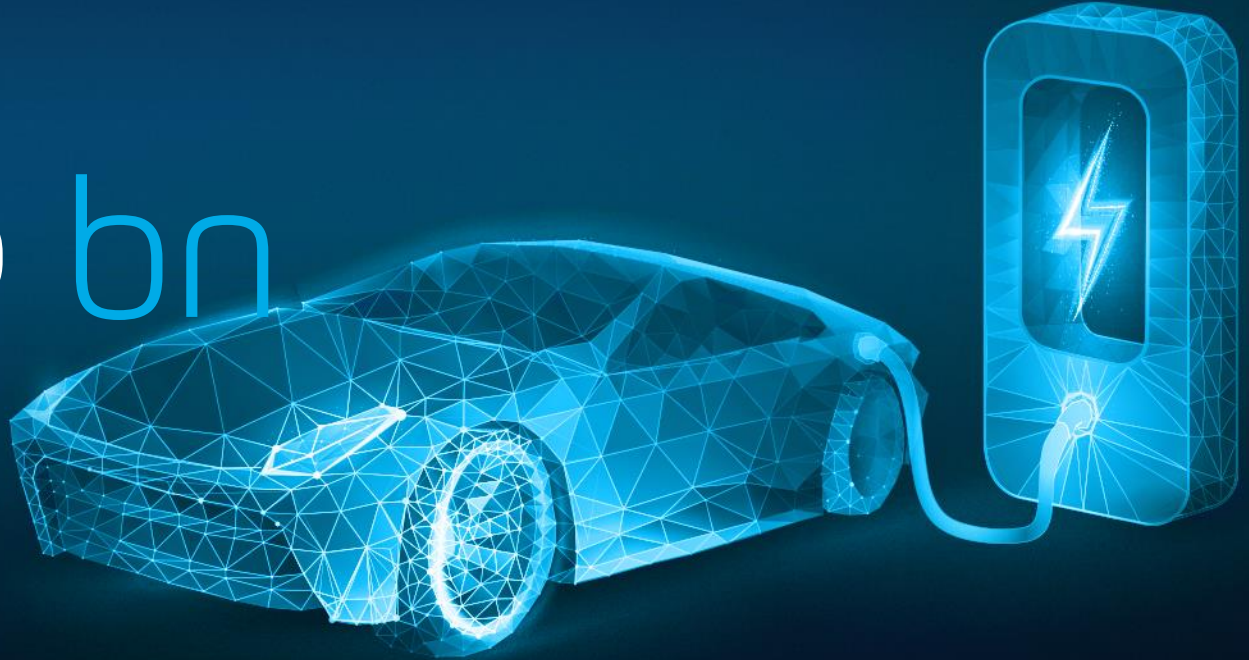
Successfully launched
**Commercial Vehicle
Solutions Division**



ZF's Strategy provides framework in times of crisis

Business Wins Even in Difficult Times: Electric Driveline Orders

€ 23 bn



Wind Power Development Weakening, ZF Business Unit Continues Performing Well



Acting now.
For climate and nature



August 3, 2022 | Half-Year figures as of June 30, 2022

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Financial Key Figures H1 2022

Financial Overview H1 2022



€21.2 billion
Sales



4.0%
Adjusted
EBIT margin



€-630 million
Adjusted Free
Cashflow



€5 billion
Liquidity



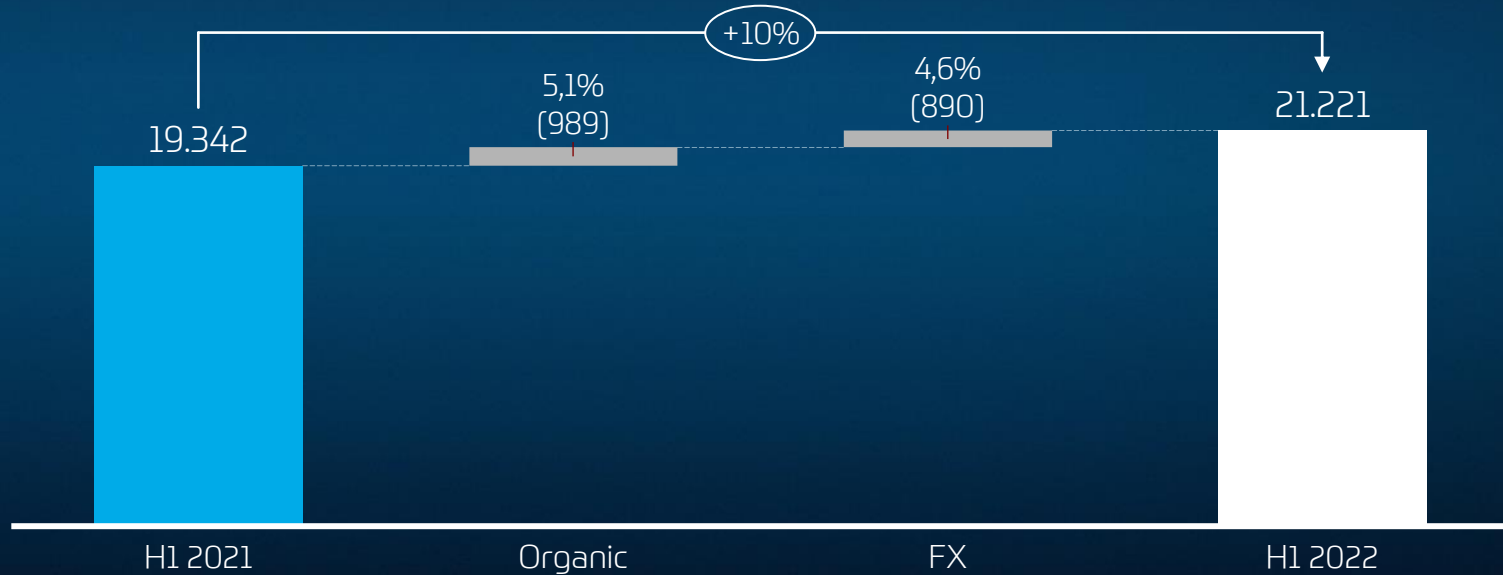
€1.7 billion
Research &
Development



€666 million
Investments PP&E

Sales Development H1 2022

in € million

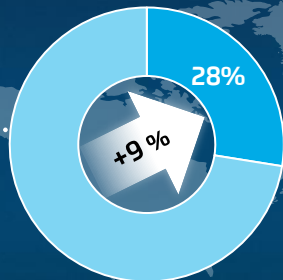


Sales by Regions

in € million and in % of sales

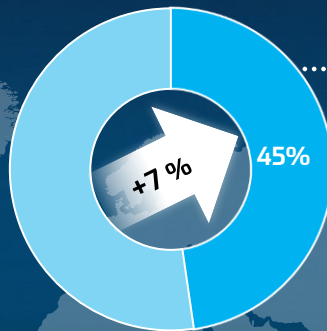
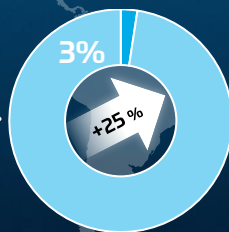
North
America

5,952



South
America

696

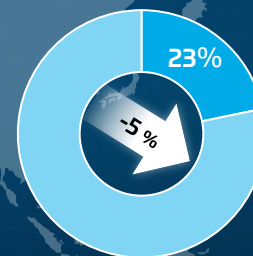


Europe

9,563

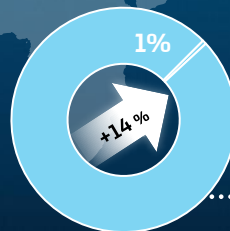
Asia-Pacific

4,770



Africa

240

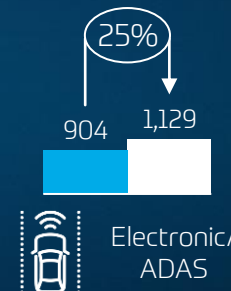
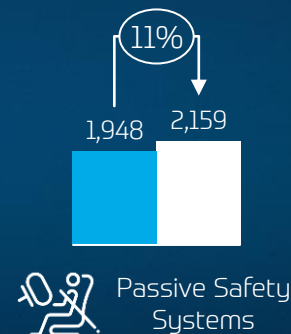
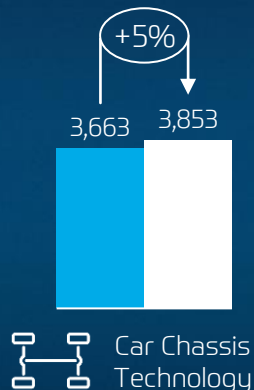
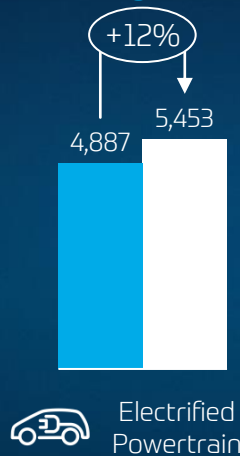


Organic growth in H1 2022 compared to previous year

Sales by Divisions / Passenger Car

in € million

■ H1 2021 ■ H1 2022

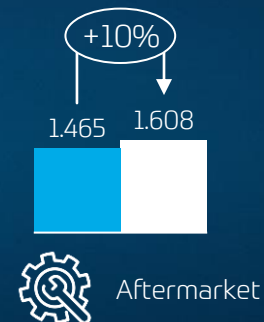
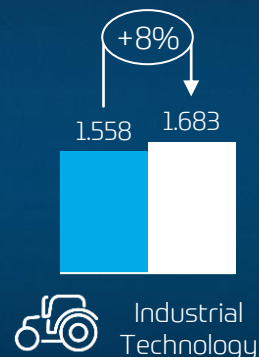
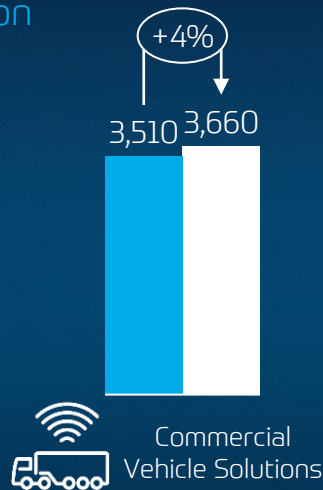


- > ZF Passenger Car Divisions in total 6% organic growth
- > Outperforming the Passenger Car production by 8 percentage points
- > Transformation of E-Mobility in full swing. Business Wins of €21 billion for Electric Driveline

Sales by Divisions

in € million

■ H1 2021 ■ H1 2022

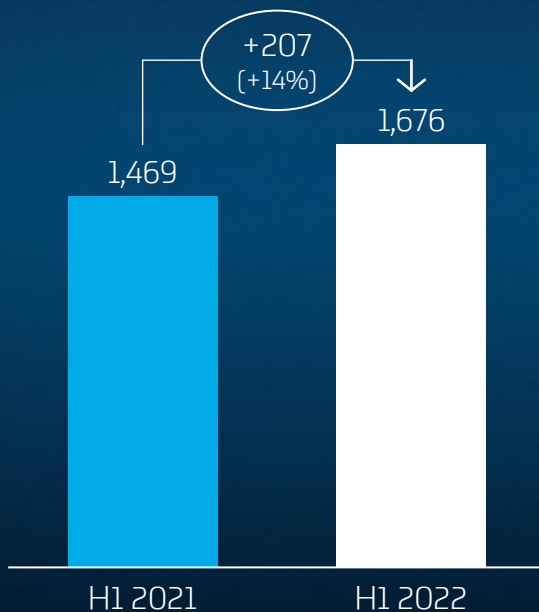


- > Commercial Vehicle Solutions started as new Division as of January 1, 2022
- > New business wins for system solution in commercial vehicle segment due to joined product portfolio
- > Commercial Vehicle Solutions with 32 percentage points market outperformance

R&D Expenditure and Capex

R&D Expenditure¹⁾

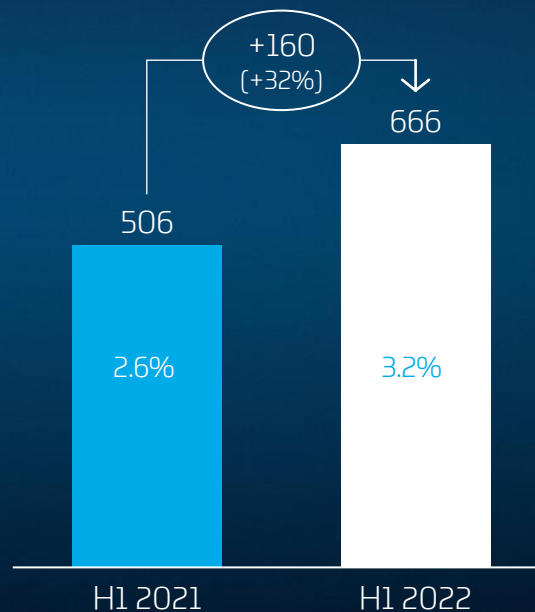
in € million and in % of Sales



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

Capex²⁾

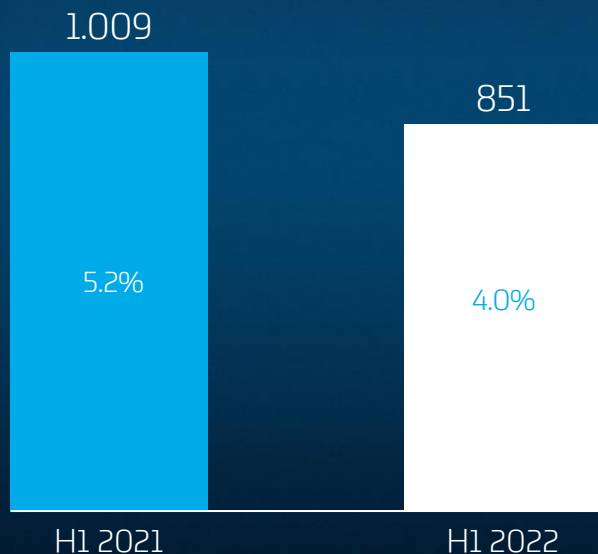
in € million and in % of Sales



2) Incl. leasing contracts

Adjusted EBIT

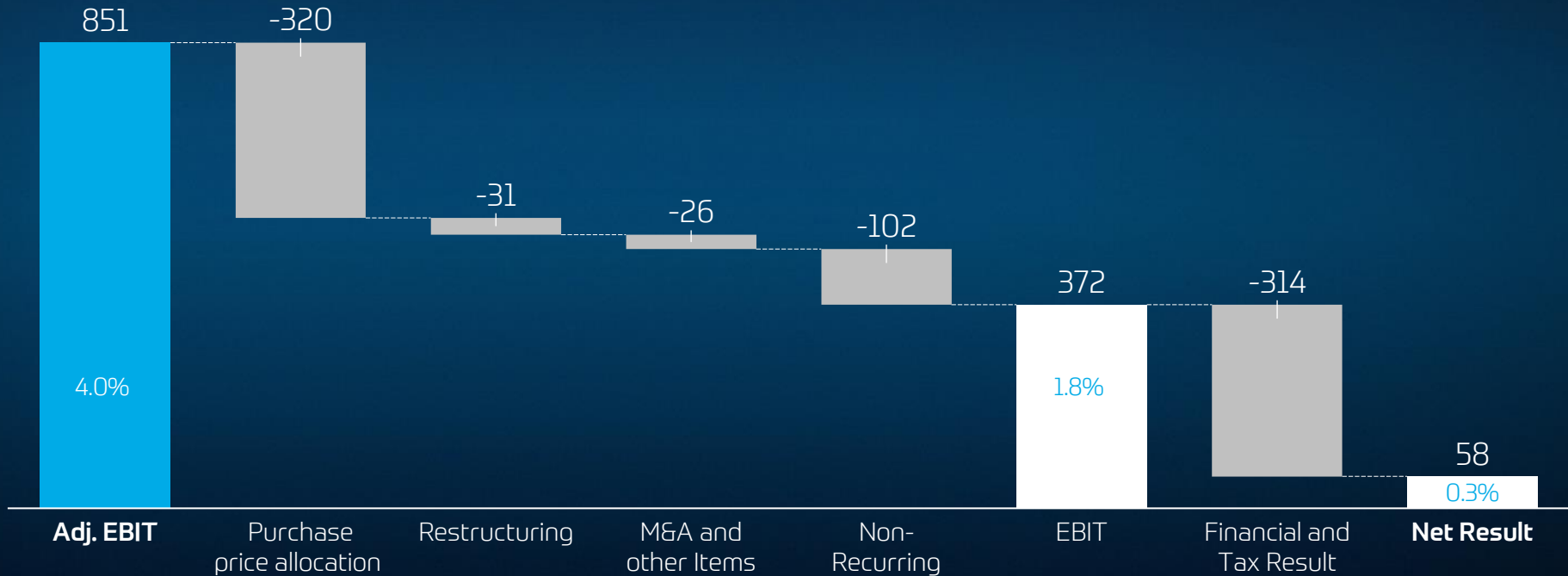
in € million and in % of Sales



- > Adjusted EBIT-margin at 4%
- > Result burdened by
 - > Increased R&D Expenditure to further shape Next Generation Mobility
 - > Upfront cost for new facilities in particular for E-Mobility

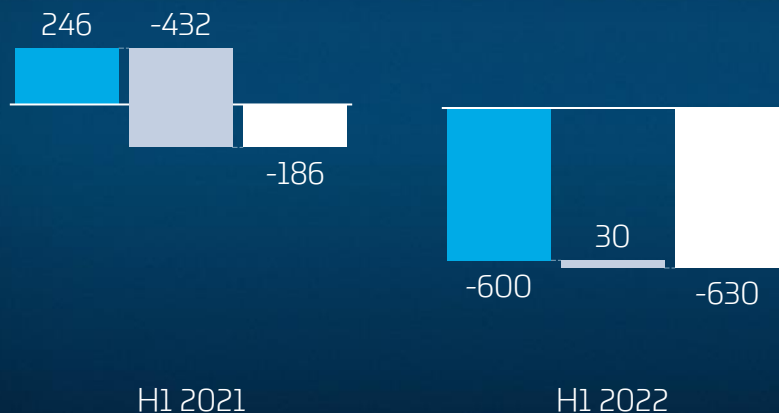
Net Result after Tax

in € million and in % of Sales



Free Cash Flow

in € million

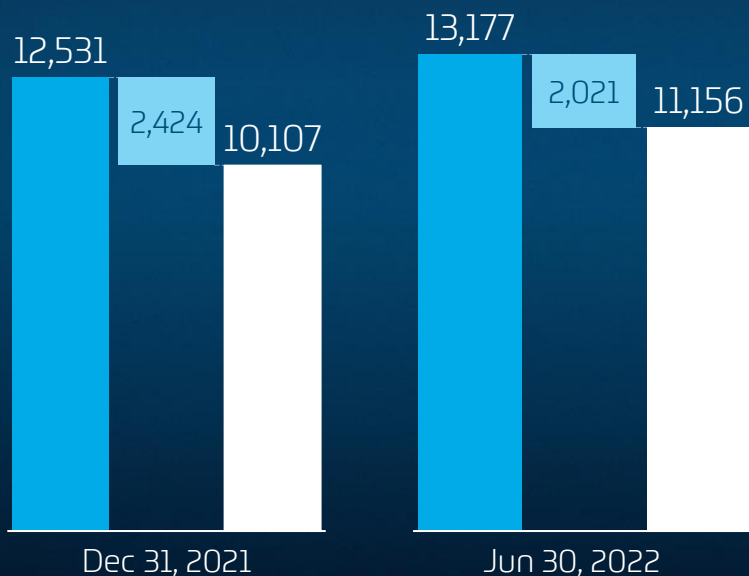


- > Free Cash Flow impacted by
 - > Lower Earnings
 - > Higher investment due to catch-up effects from the previous years
- > Inventory build up since year-end 2021 due to
 - > Inflation
 - > Safety stocks

Free Cash Flow Adjustments Adjusted Free Cash Flow

Gross Debt / Net Debt

in € million



- > Net debt increased by €1 billion due to negative cash flow
- > Liquidity headroom at around €5 billion
- > Leverage on June 30, 2022 at 3.3x

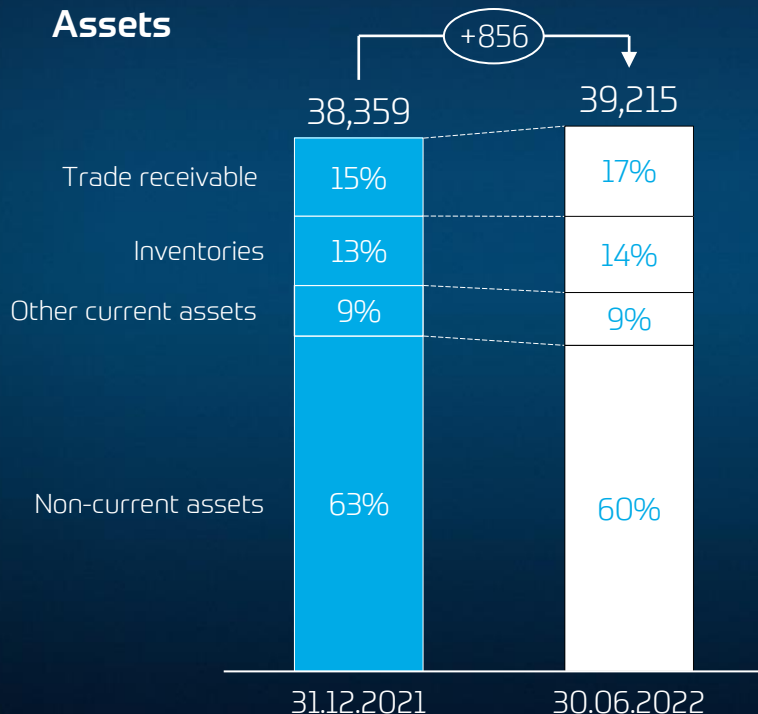
Note: Gross debt = Financial liabilities ./. derivative financial instruments

■ Gross debt ■ Cash/cash equivalents ■ Net debt

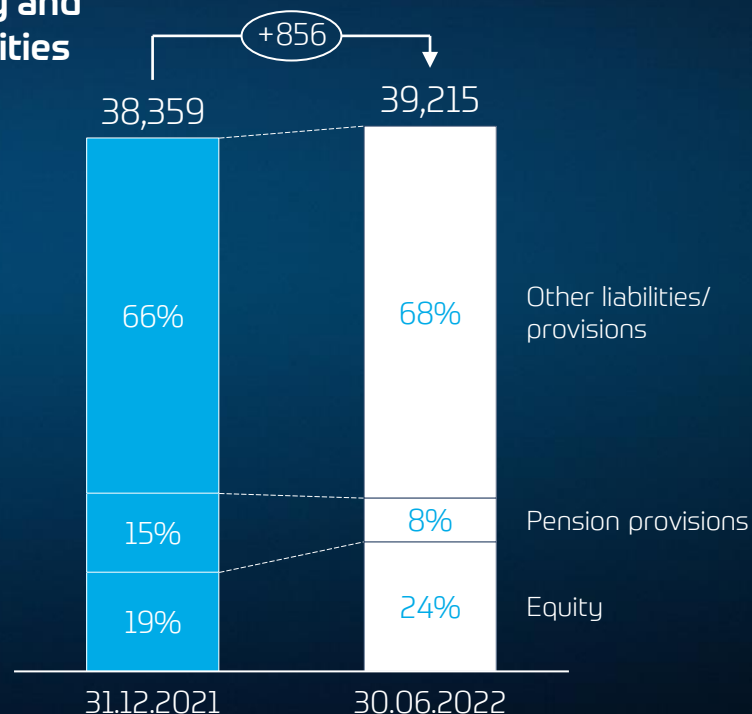
Balance Sheet

in € million and in % of balance sheet total

Assets



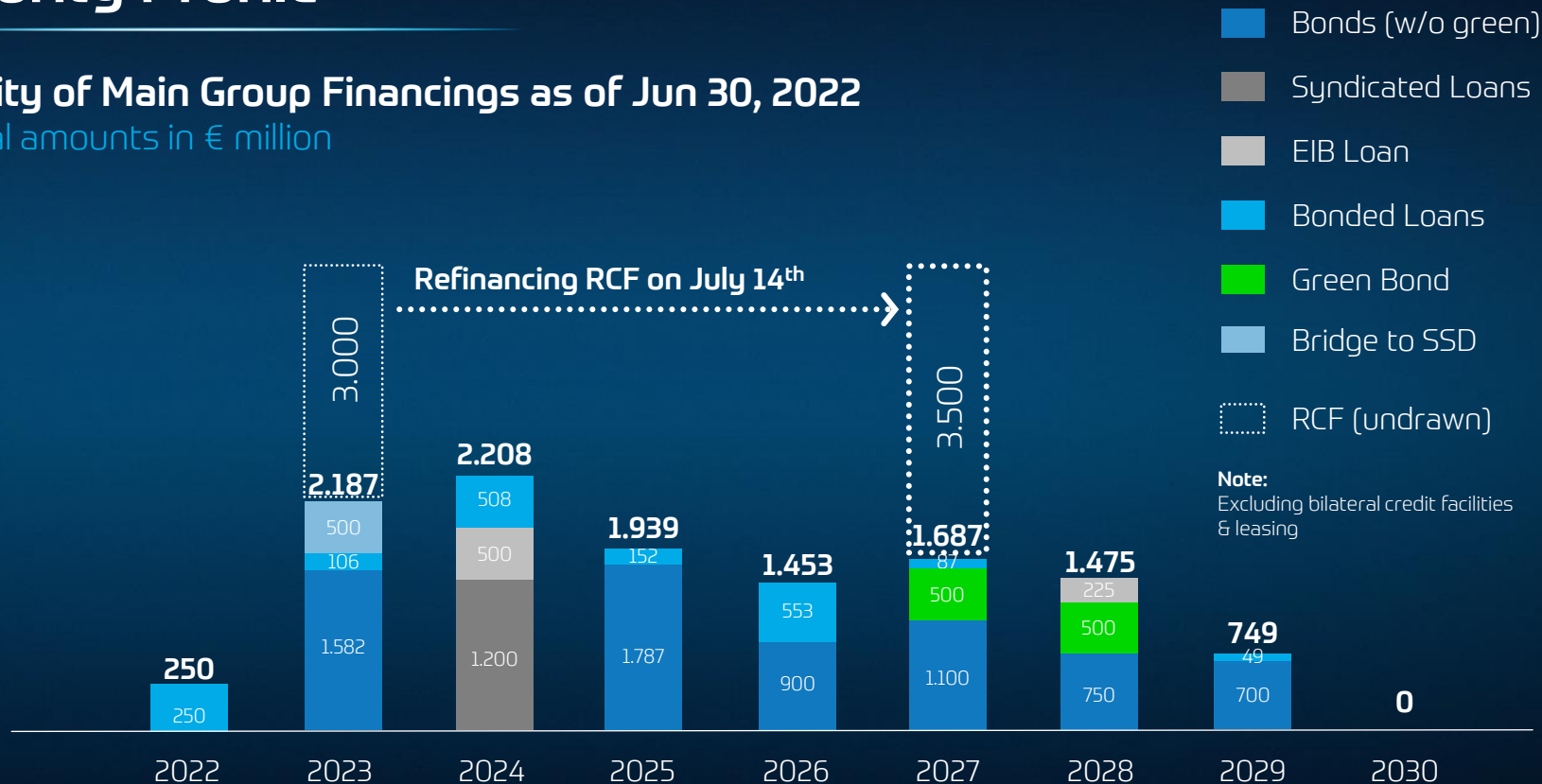
Equity and Liabilities



Maturity Profile

Maturity of Main Group Financings as of Jun 30, 2022

Nominal amounts in € million



Outlook H2 2022

2022 Priorities

1

Continue to manage the manifold crisis

2

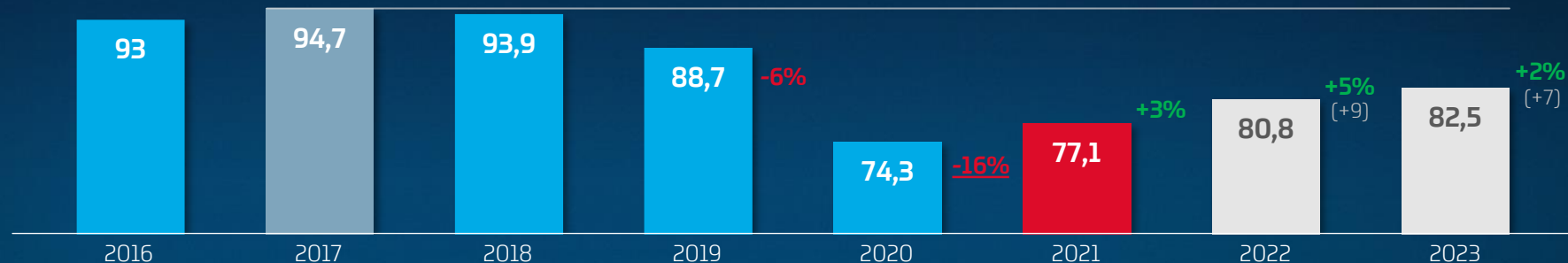
Focused investments in future-oriented technologies

3

Drive ZF's change process

Vehicle Production 2022-2023

Global Pass Car & Commercial Vehicle Market <6 t.



Commercial Vehicle Market >6 t.



2022 Outlook Confirmed, but still with Caveat



Sales

> € **40** billion



EBIT Margin*

4.5-5.5 %



Free Cash Flow*

€ **1-1.5** billion

* adjusted

Q&A