



Investor and Analyst Call H1 2023

August 2nd, 2023

Michael Frick, CFO

Ulf Loleit, Head of Corporate Finance

ZF Group

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Global Economic Challenges



Sustaining Transformation: Focus & Speed



Strategic Investments in Future-Oriented and Already Profitable Technologies



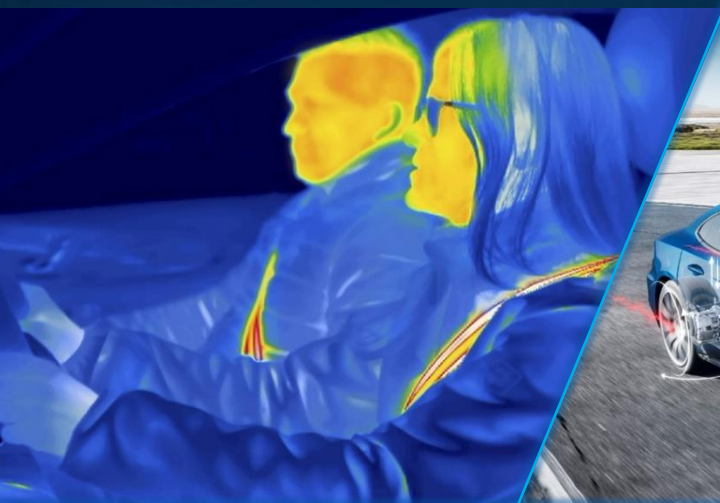
Speed up with Strategic Partnerships



ZF Chassis Modules GmbH

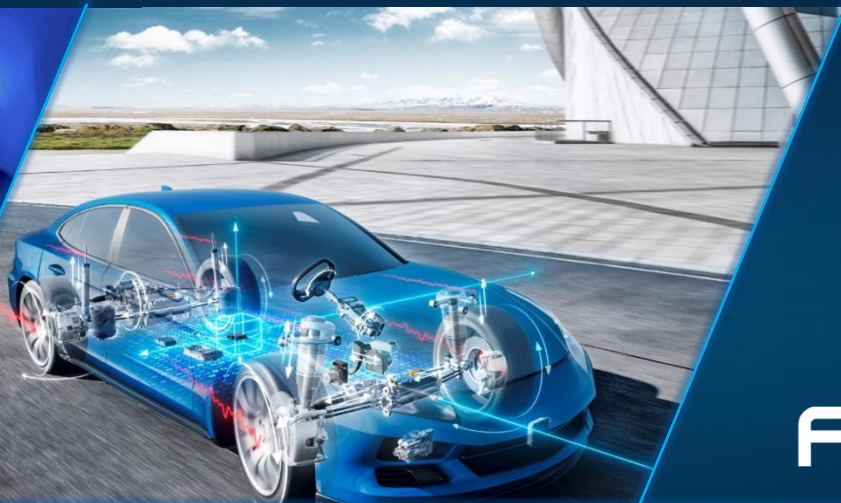
- 50/50 Joint Venture
- Serving global premium and volume car manufacturers
- 25 locations worldwide
- Approximately 3,300 employees
- Business unit's sales are expected to exceed €4 billion in 2023

Reshaping ZF



Carve Out

Passive Safety
Systems



Merger

Active Safety Systems &
Car Chassis Technology



tsetinis

ASAP

Divestments

Financial Overview H1 2023



€23.3 billion
Sales



4.0%
Adjusted
EBIT margin



€-525 million
Adjusted Free
Cashflow



€5.8 billion
Liquidity



€1.8 billion
Research &
Development

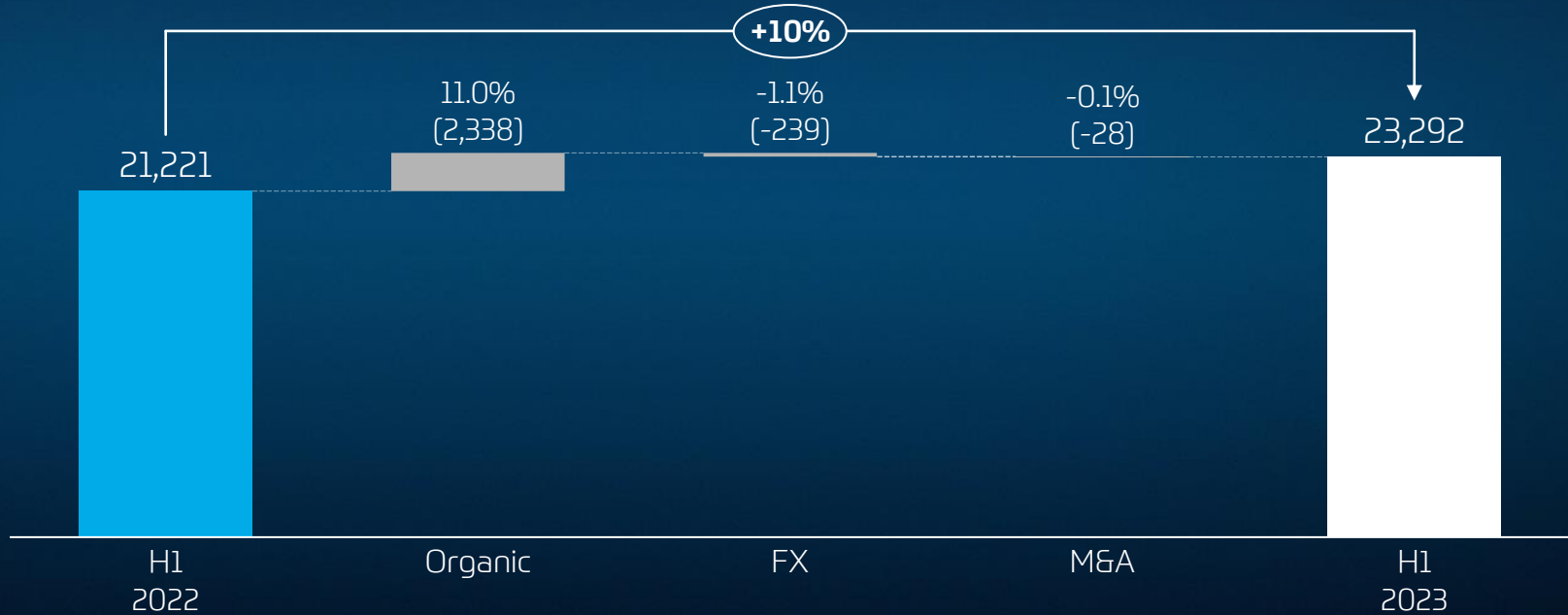


€921 million
Investments PP&E

Financial Key Figures H1 2023

Sales Development H1 2023

in € million

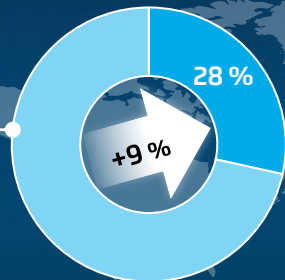


Sales by Regions

in € million and in % of Sales

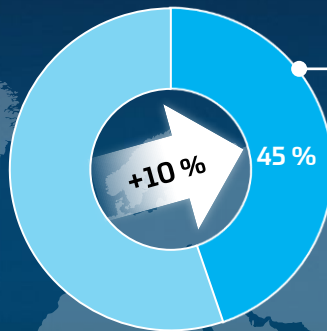
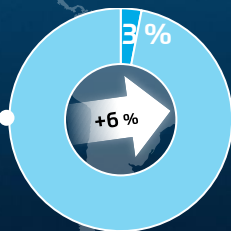
North
America

6,631



South
America

701

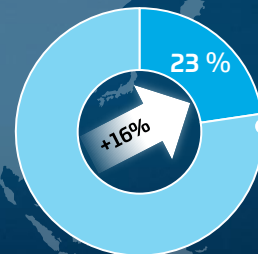


Europe

10,420

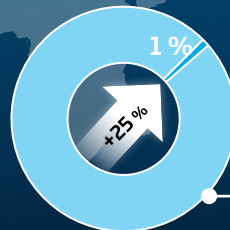
Asia-Pacific

5,276



Africa

264

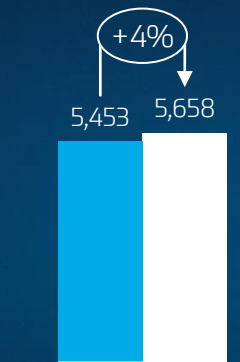


Organic growth in H1 2023 compared to previous year

Sales by Divisions / Passenger Car

in € million

■ H1 2022 ■ H1 2023



Electrified Powertrain



Car Chassis Technology



Active Safety Systems



Passive Safety Systems



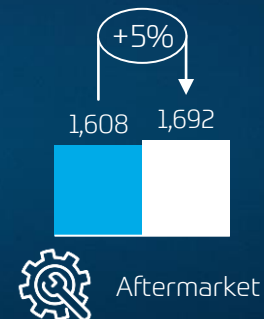
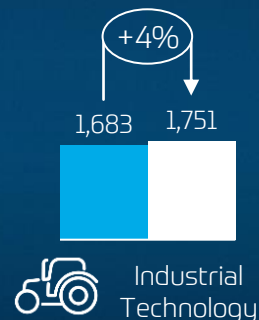
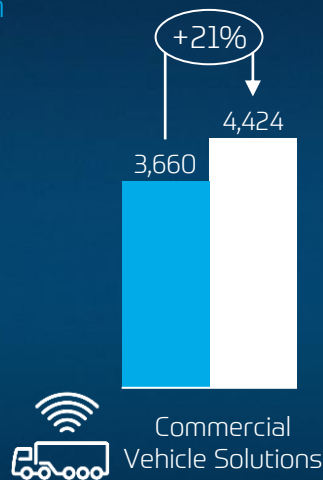
Electronics/ADAS

- > ZF Passenger Car Divisions in total 10 % organic growth
- > Transformation of E-Mobility in full swing. Business Wins increased to more than €30 billion for Electric Driveline
- > Sales of Electric Driveline Solutions (BEV) increased by 81%

Sales by Divisions / Commercial Vehicle, Industry & Aftermarket

in € million

■ H1 2022 ■ H1 2023

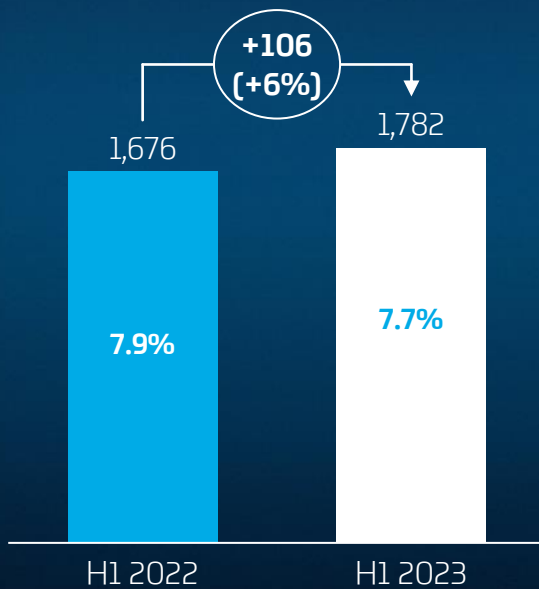


- > Commercial Vehicle Solutions with 22 % organic sales growth
- > Global market for commercial vehicles is recovering with growth expected driven by China, Europe and India

R&D Expenditure and Investments in PPE

R&D Expenditure¹⁾

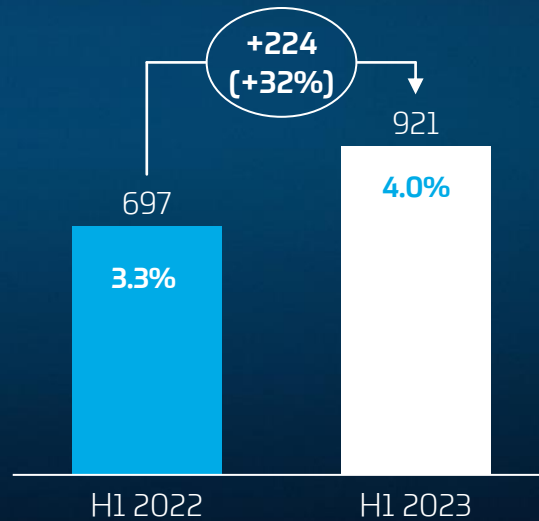
in € million and in % of Sales



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

Investments in PPE²⁾

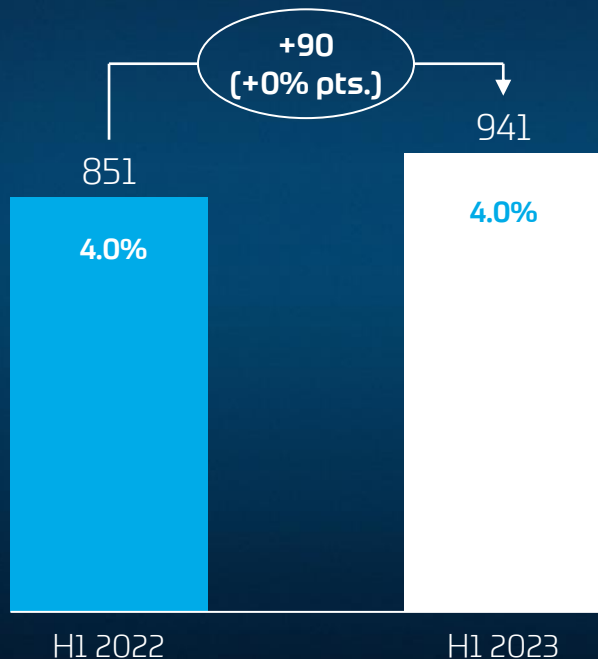
in € million and in % of Sales



2) Incl. leasing contracts

Adjusted EBIT

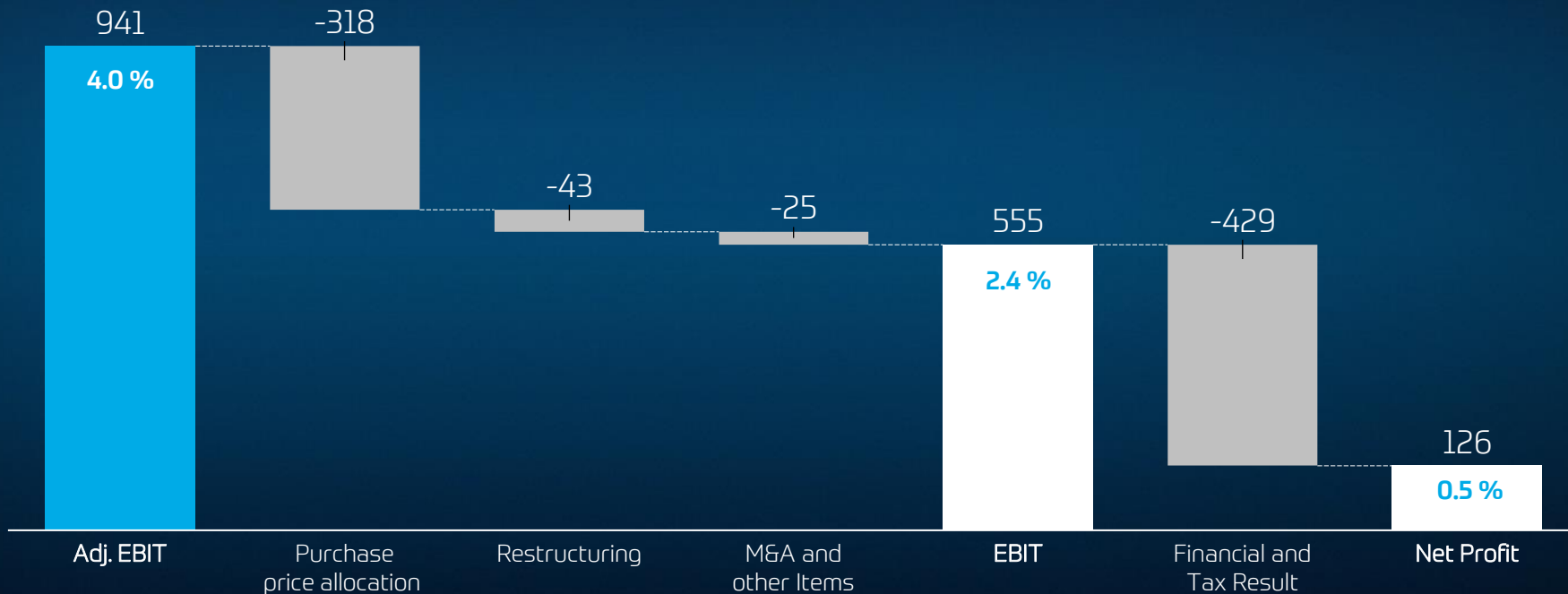
in € million and in % of Sales



- > Adjusted EBIT-margin at 4.0%
- > Result driven by
 - > Margin from organic sales growth
 - > Upfront cost for new facilities
 - > Increased R&D Expenditure to further drive Next Generation Mobility

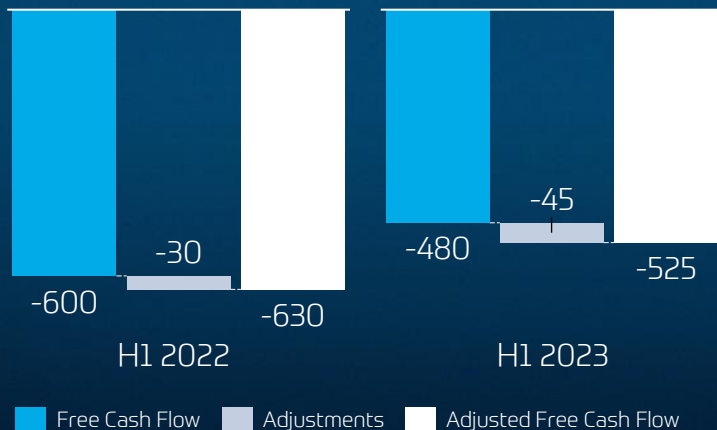
Net Result after Tax

in € million and margin in % of sales



Free Cash Flow

in € million



- > Adjusted Free Cashflow at €-525 million
- > Cashflow from operating activities improved by €300 million
- > Higher investments to support strategy next generation mobility

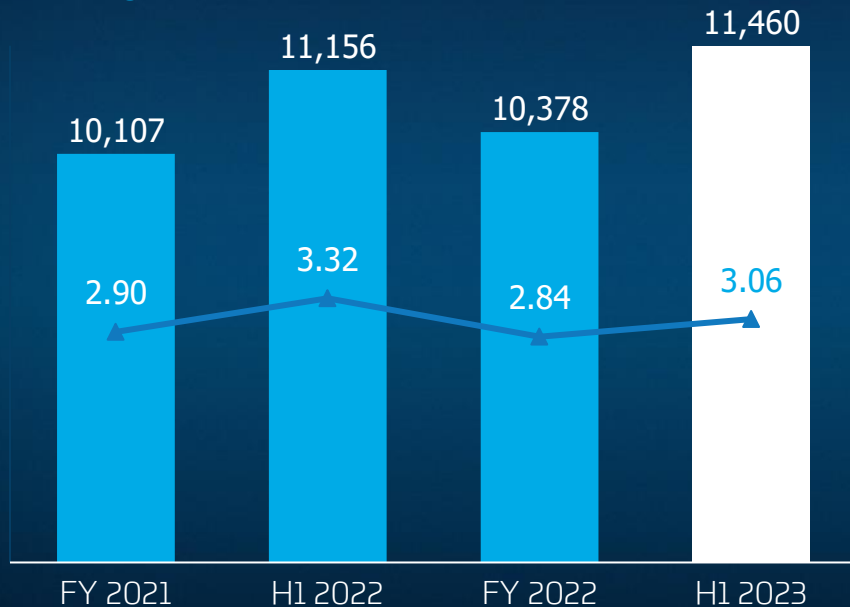


The Group defines free cash flow as cash flow from operating activities plus cash flow from investing activities. The Group defines adjusted free cash flow as free cash flow plus/minus adjustments for M&A activities and investments in/proceeds from securities.

Net Debt/Leverage



in € million



—▲— Leverage ■ Net Debt

Note: The Group defines net debt as gross debt minus cash, cash equivalents as well as marketable securities included in non-current and current financial assets

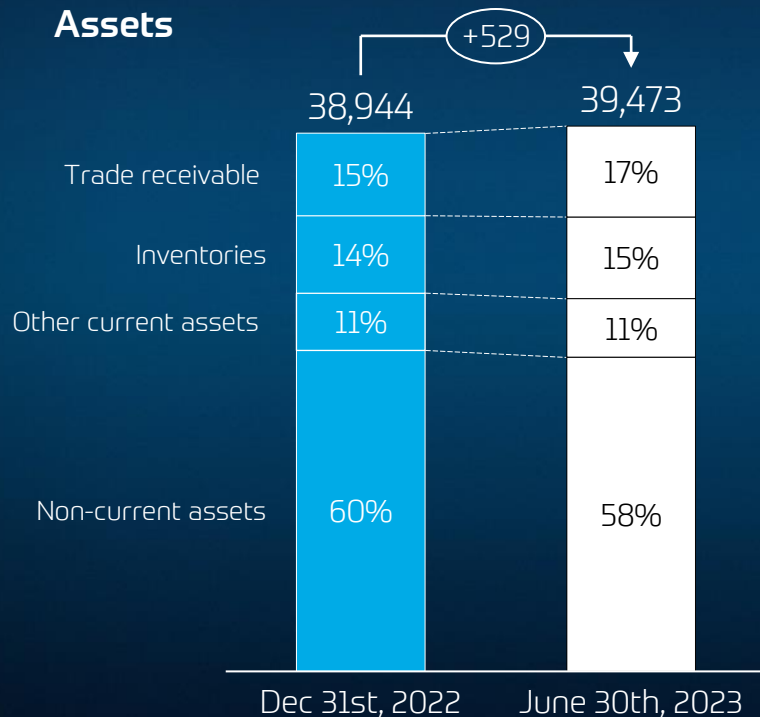
- > Leverage improved year-on-year to 3.06x
- > Repayment of financial instruments of around €1.2 billion
- > Liquidity headroom at €5.8 billion



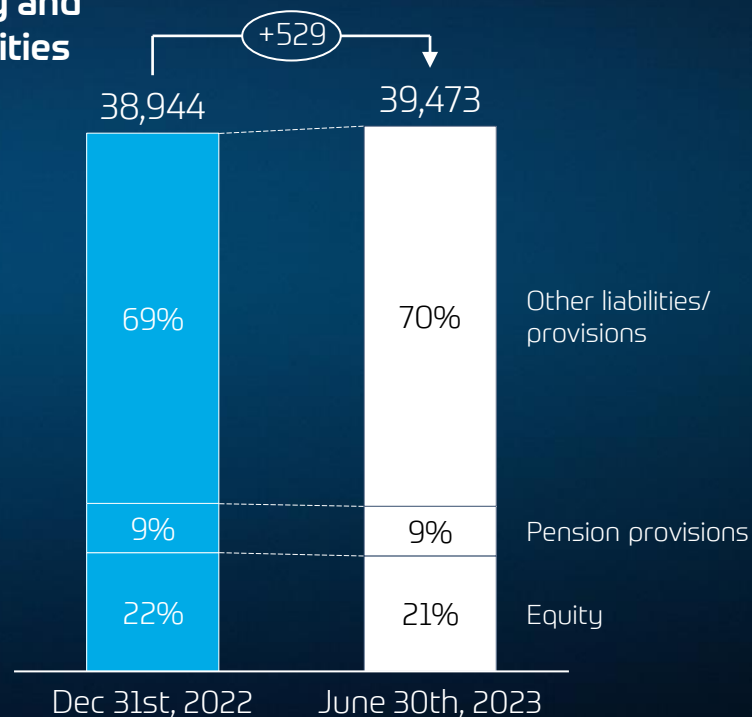
Balance Sheet

in € million and in % of balance sheet total

Assets



Equity and Liabilities



Main Financing Transactions H1 2023

	1	2	3	4
	Green Euro Bond	Green USD Bond	Repayment	RCF Extension
Execution Date	02/23	04/23	2023	07/2023
Amount	€650 million	\$1.2 bn	€1.2 bn	€3.5 bn
Duration/ Maturity	3.5 years	5 + 7 years	H1 2023	Extension from 2027 to 2028

Maturity Profile



Maturity of Main Group Financings as of June 30th, 2023

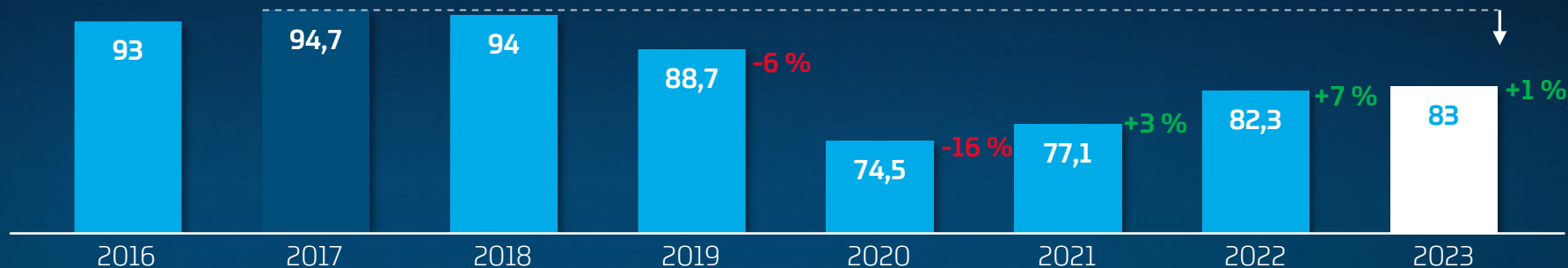
Nominal amounts in € million



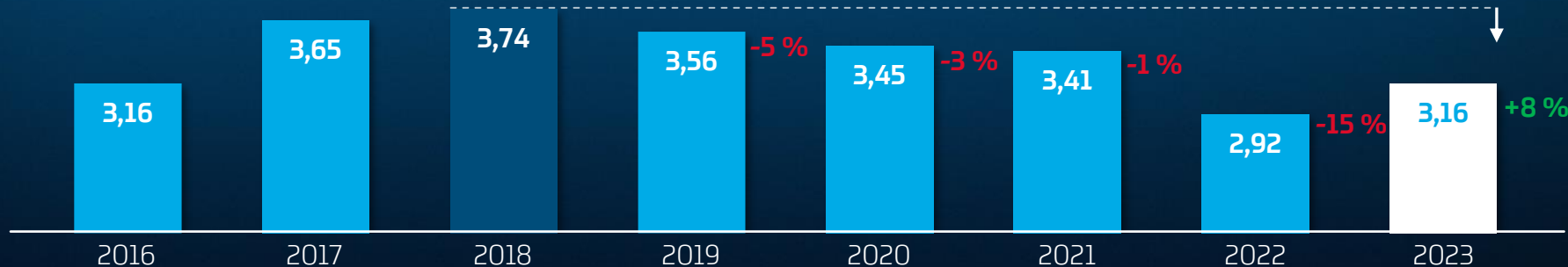
Outlook H2 2023

Vehicle Production 2016-2023

Global Pass Car & Commercial Vehicle Market <6t



Commercial Vehicle Market >6t



2023 Outlook



Sales

> € **45** billion



EBIT Margin*

4.7-5.2 %



Free Cash Flow*

€ **1-1.5** billion

* adjusted

EXPERIENCE
CONNECTED
MOBILITY

FUTURE X MOBILITY

» IAA MOBILITY 2023

September 5 - 10 in Munich

Next Generation Vehicles



- ✓ Vehicle Motion Control in All Three Dimensions
- ✓ Efficient Electrification



Q&A