

Investor and Analyst Call FY 2023

March 21st, 2024

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2023 – Year of Decisions



Achieving our financial targets



Reorganizing the Group structure



Investing in future growth areas



Mastering new product launches



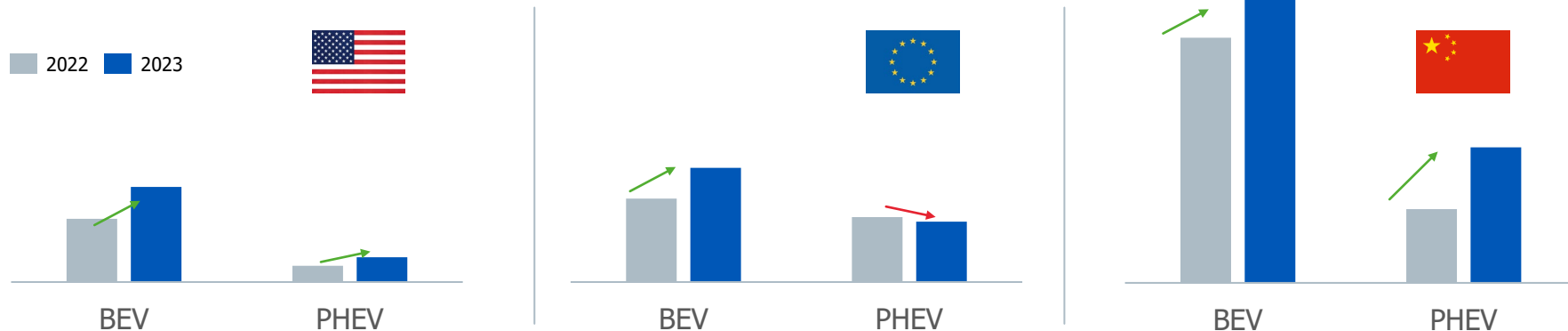
Becoming more sustainable and digital



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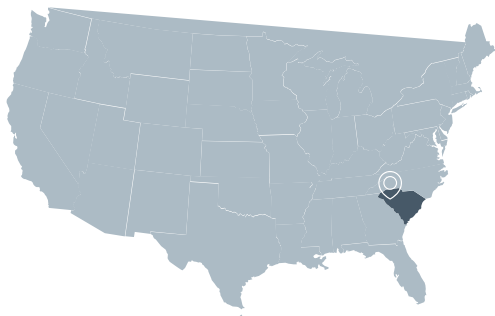
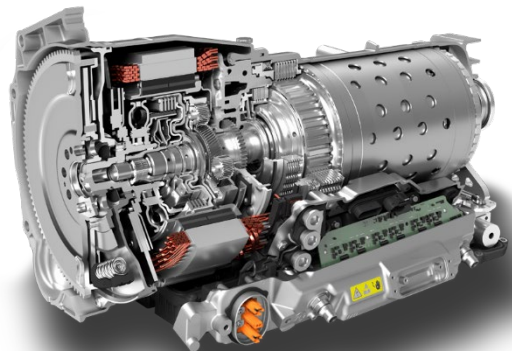
Plug-in Hybrids for a Smooth Transition to Electric Mobility



Sources: ACEA, CAAM, Wardsauto



Flex Manufacturing Facilities Support Transformation and Local-for-Local Approach

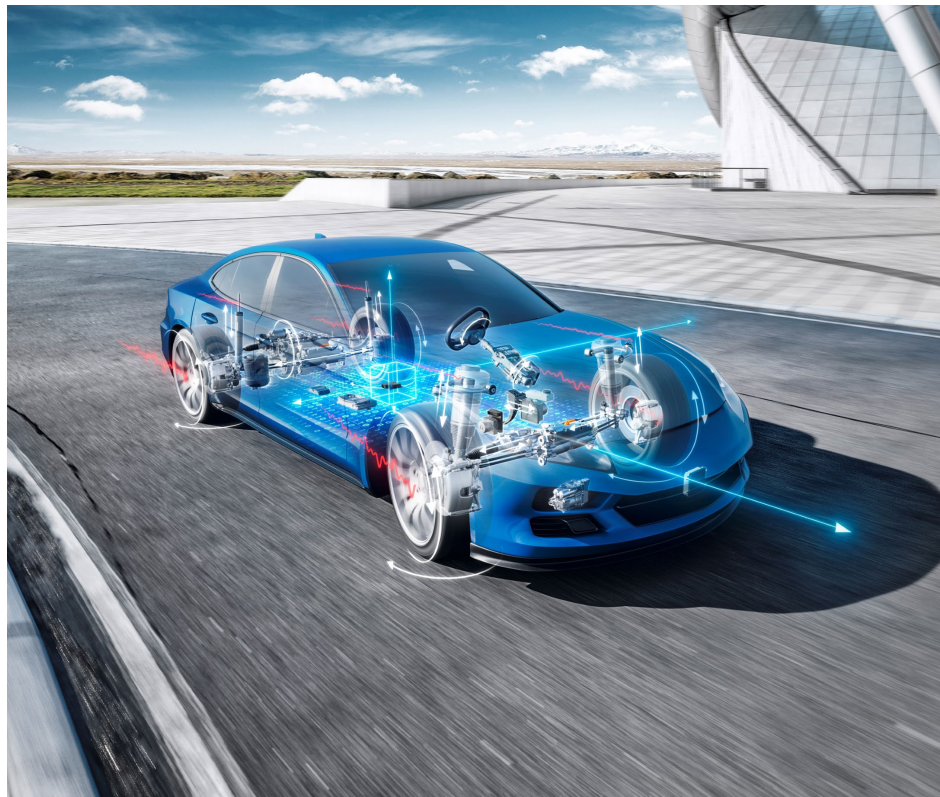


Transferring Technology Know-How Across Segments



Creating higher efficiency and state-of-the-art products

Chassis Champion across Segments



Mastering all Dimensions:

Braking, Steering, Damping

Hardware, Software, Electronics

For Cars, Trucks & Industry

2024: ZF ProAI Enters Series Production



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2023 Financials

2023 Key Figures



€46.6 billion
Sales



5.1 %
Adjusted
EBIT margin



€1.4 billion
Adjusted
Free Cash Flow



168,738
Employees



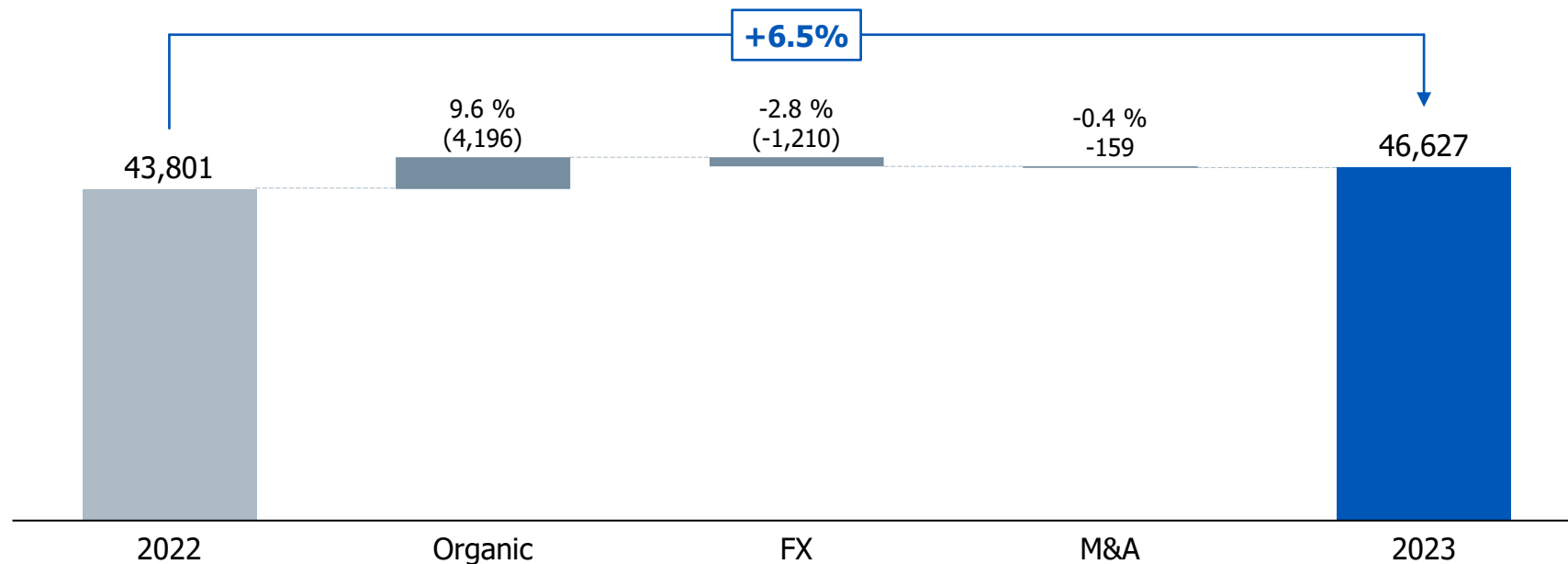
€3.5 billion
Research &
Development



€2.2 billion
investments in
property, plants
and equipment

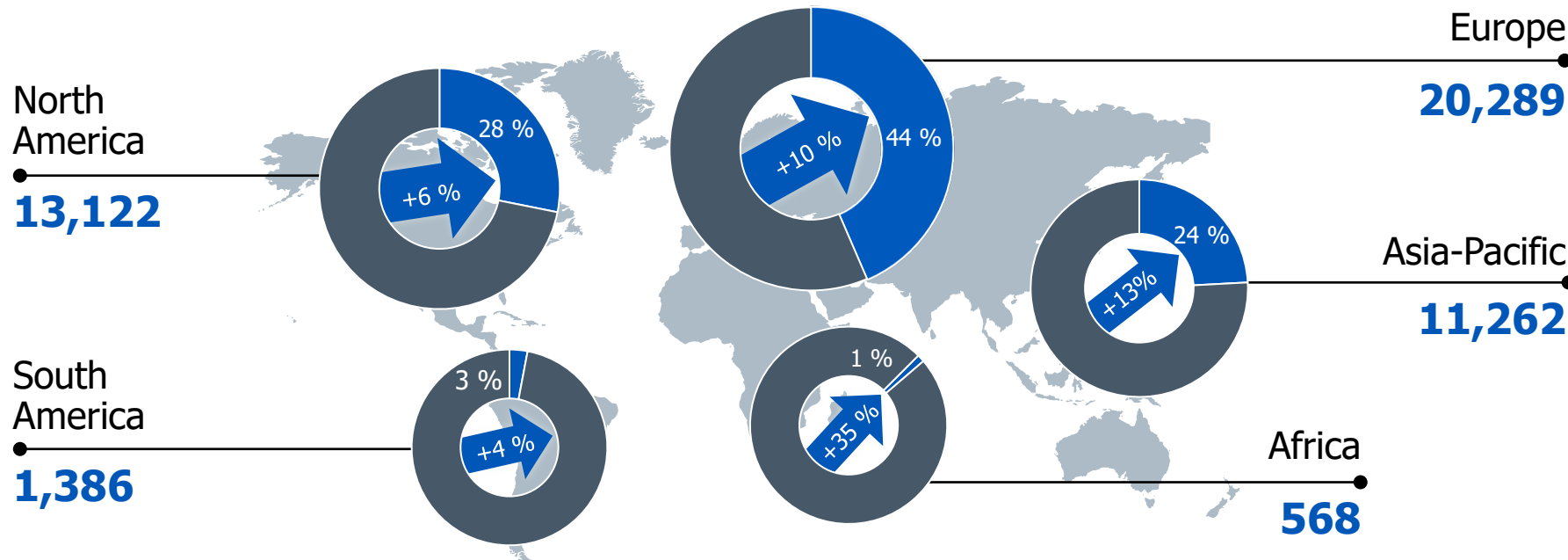
Sales Development

in € million



Sales by Regions

in € million and in % of sales



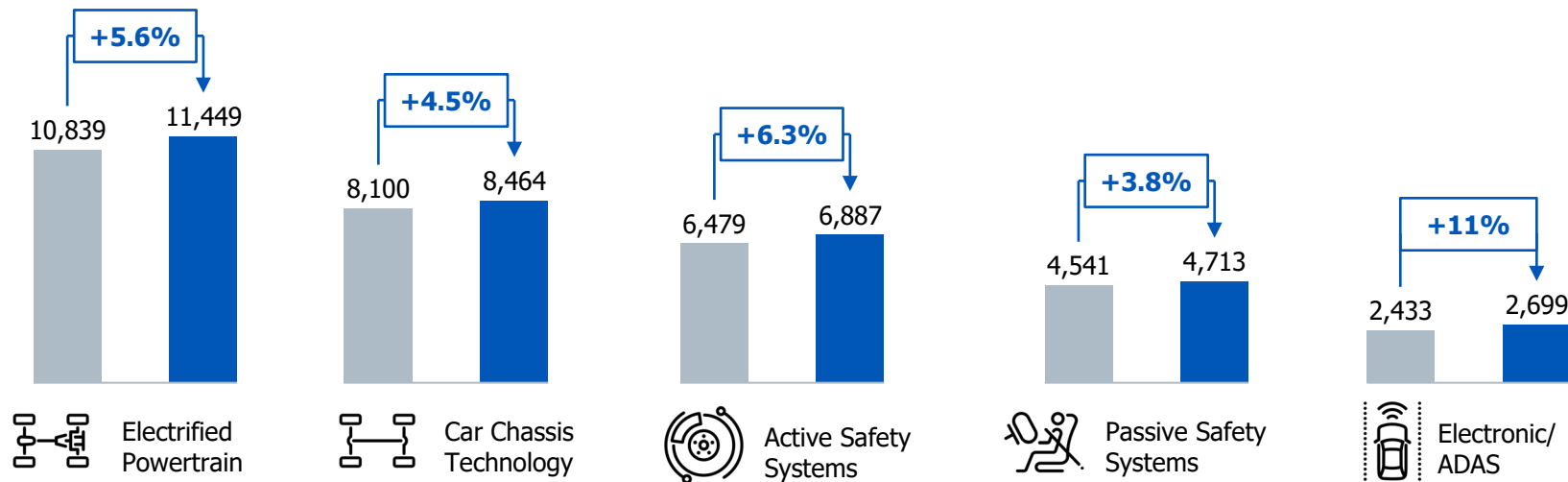
📈 Organic growth in 2023

Sales by Divisions

Passenger Car

in € million

■ 2022 ■ 2023



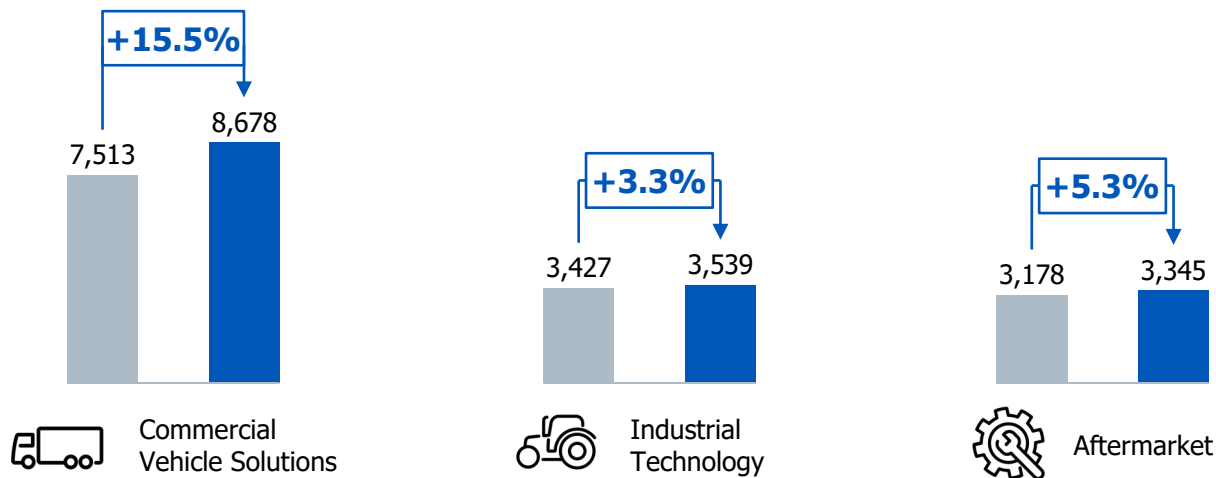
- Won high-voltage E-Mobility business worth more than 31 billion EUR
- Electronics/ADAS division with double digit organic growth benefiting significantly from transformation
- Electrified powertrain BEV sales increased by ~60%, clearly above market development

Sales by Divisions

Commercial Vehicle, Industry & Aftermarket

in € million

■ 2022 ■ 2023

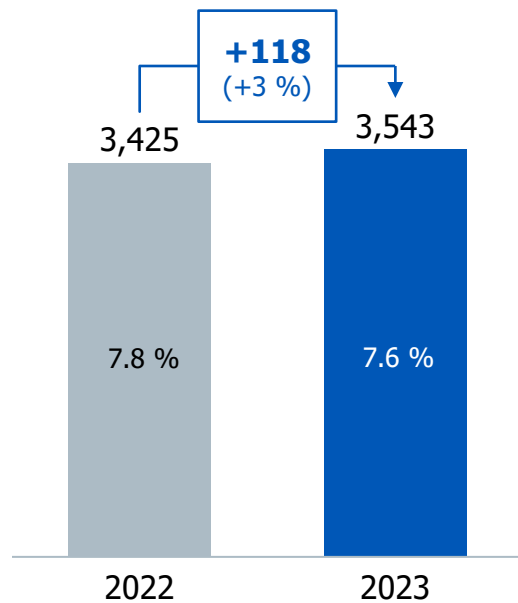


- Strong organic sales growth in our Commercial Vehicle Solutions division of ~19.5%
- Outperforming the commercial vehicle market by ~4.5%-pts.
- Industrial Technology with org. sales growth of ~8.3%, Aftermarket ~10.3%, high FX and M&A effects

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

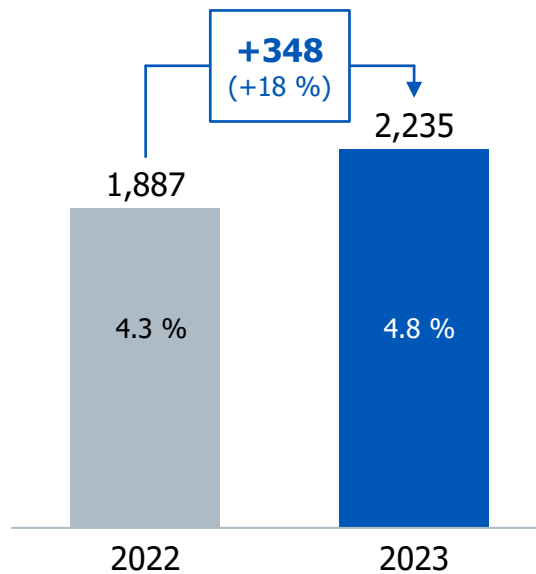
R&D Expenditures ¹⁾

in € million and in % of sales



Investments in PP&E ²⁾

in € million and in % of sales



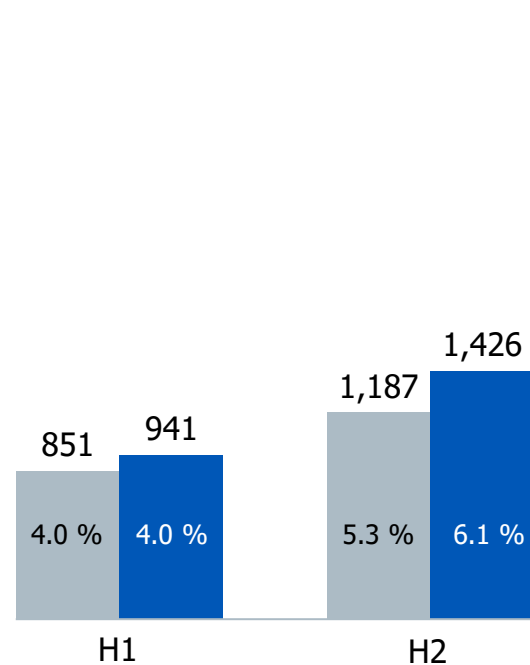
■ 2022 ■ 2023

- 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

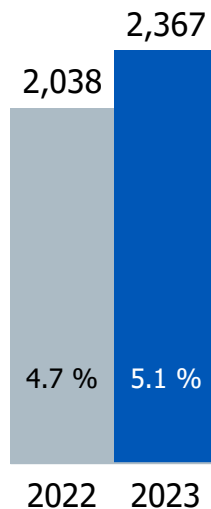
Adjusted EBIT

in € million and margin in %

■ 2022 ■ 2023



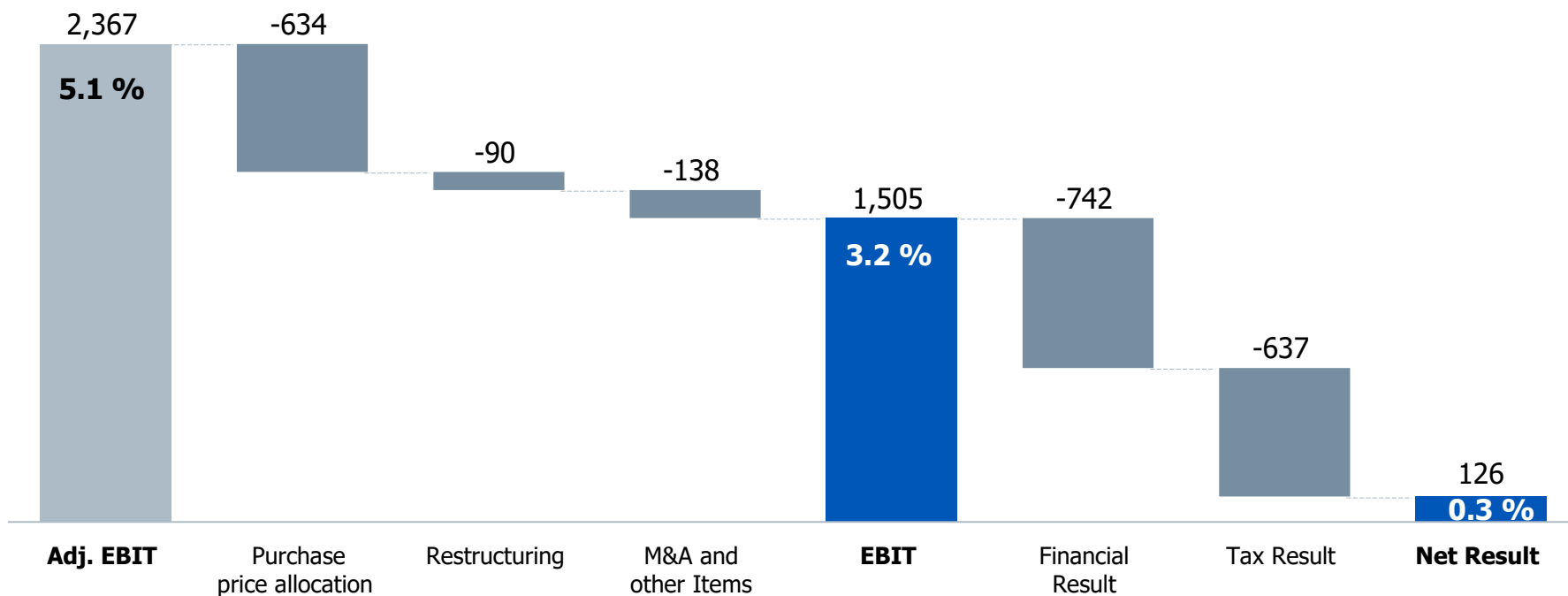
Full-Year Result



- Adjusted EBIT margin at the upper end of the guidance range with 5.1%
- Margin impacted by
 - Margins on strong organic sales growth
 - Seasonality of recoveries and material savings
 - Increased R&D expenditure to further drive next generation mobility

Adjusted EBIT to Net Result

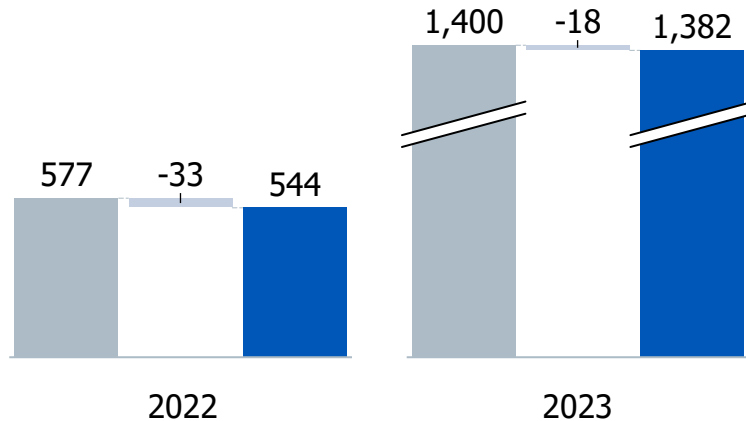
in € million



Free Cash Flow

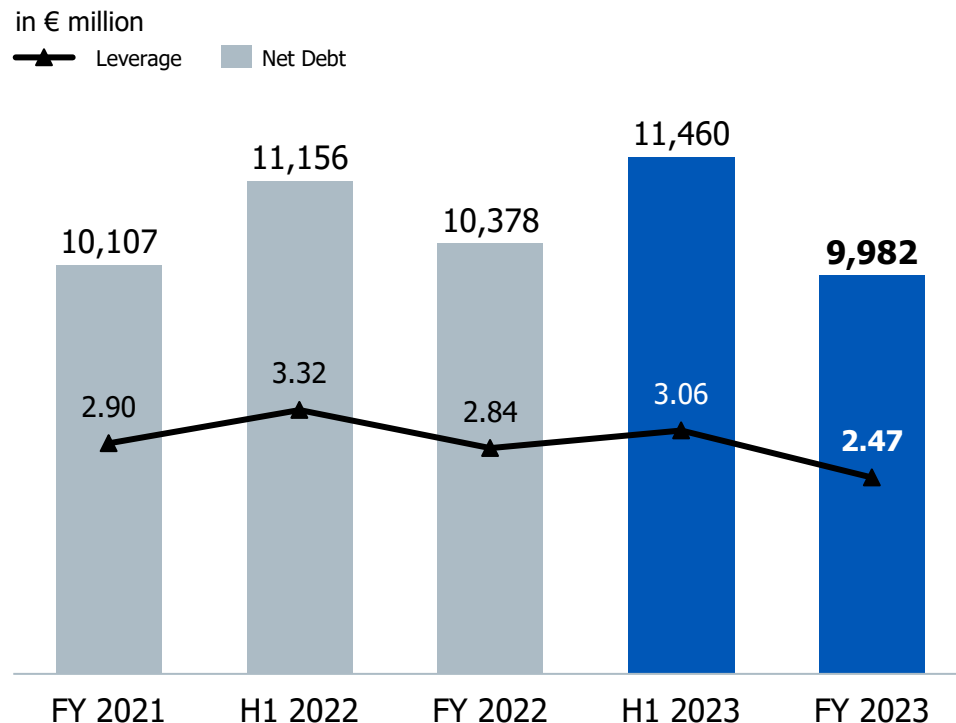
in € million

Free Cash Flow Adjustments Adjusted Free Cash Flow



- Free Cash Flow at the upper end of the guidance
 - Strong operative cash generation with higher earnings before taxes
 - Positive contributions from active inventory management
 - High investments into new technologies

Net Debt and Leverage



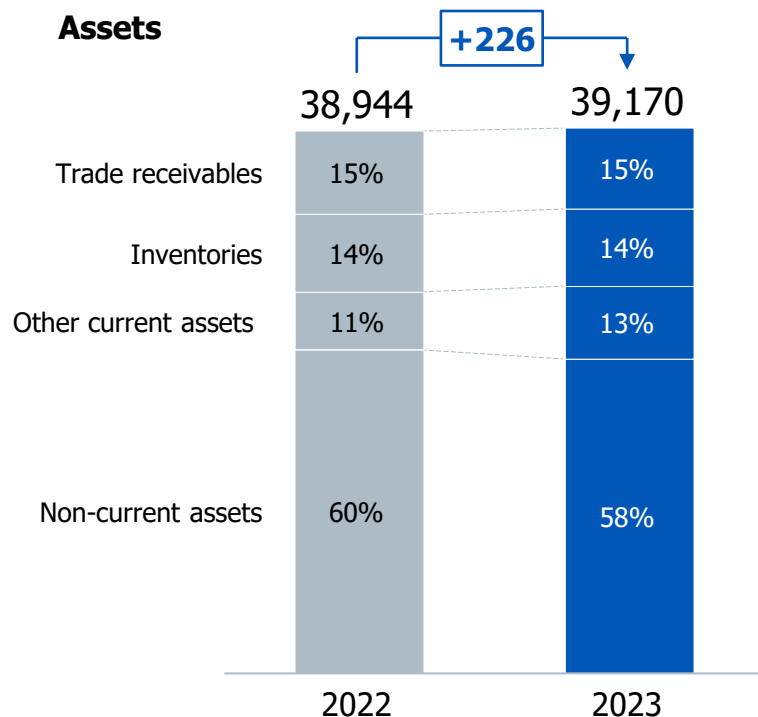
- Net Debt decrease vs. previous year of €396 million due to higher Free Cash Flow
- Liquidity headroom above €7 billion
- Leverage at 2.47x significantly reduced year-over-year

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

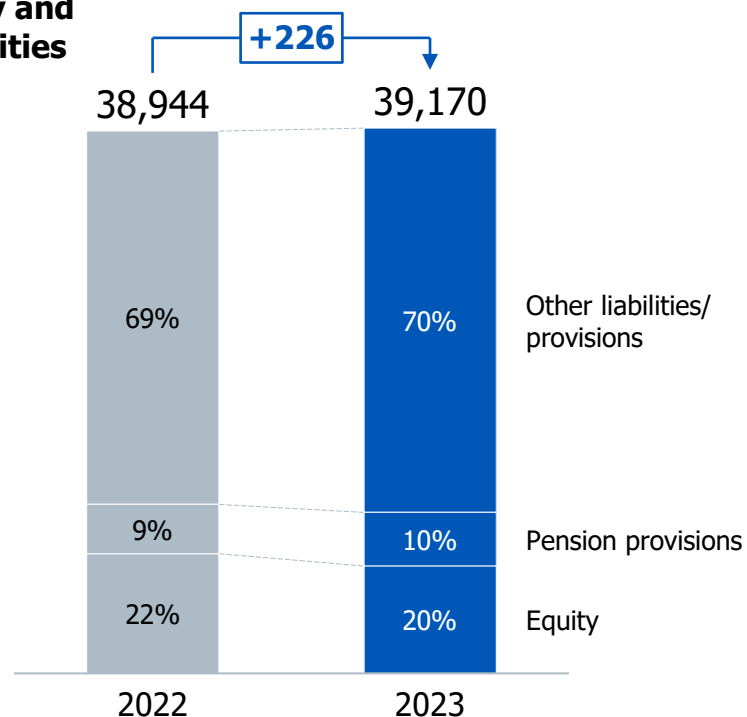
Balance Sheet

in € million and in % of balance sheet total

Assets



Equity and Liabilities



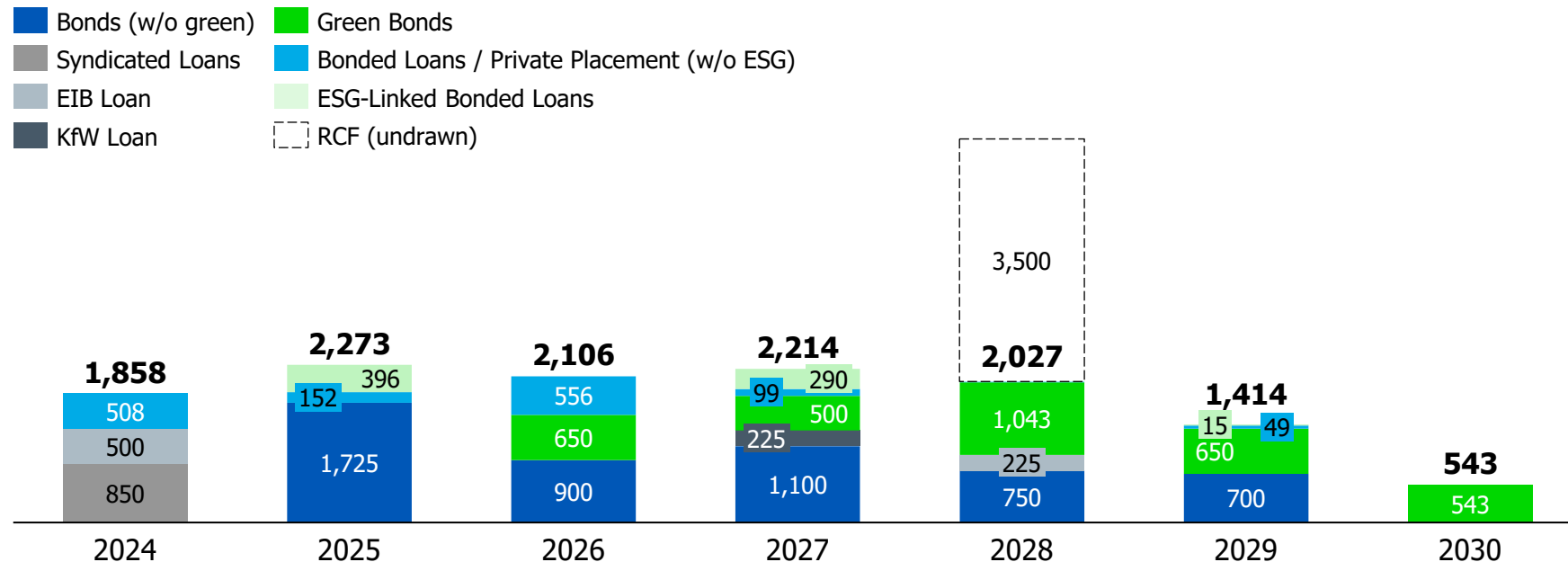
Main Financing Transactions 2023

	1	2	3	4	5	6
	Green Euro Bond	Green USD Bond	Repayment	KfW Ipex	RCF Extension	Green Euro Bond
Execution Date	02/23	04/23	2023	06/2023	07/2023	09/2023
Amount	€650 million	\$1.2 bn	~€2 bn	€225 million	€3.5 bn	€650 million
Duration/ Maturity	3.5 years	5 + 7 years	2023	Until 08/2027	Extension from 2027 to 2028	5.5 years

Maturity Profile

Maturity of Main Group Financings as of Dec 31st, 2023

Nominal amounts in € million

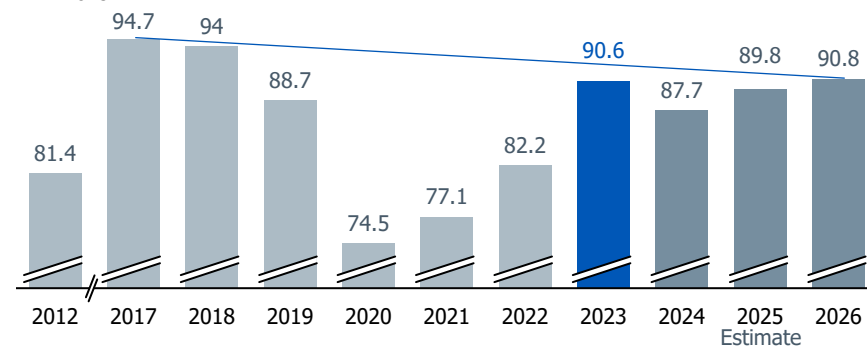


2024 Outlook

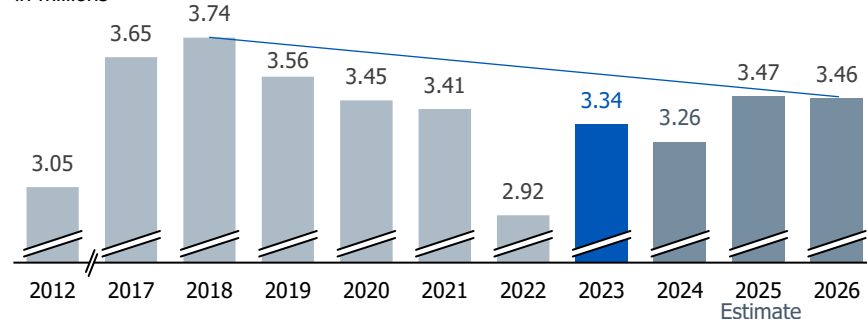
Global Vehicle Production Declines



Global Vehicle Production (Pass Cars & CV < 6 tons)
in millions



Global Commercial Vehicle Production (> 6 tons)
in millions



Outlook 2024



Sales

> € 45 billion

> 5% organically



EBIT Margin*

4.9% - 5.4%



Free Cash Flow*

> € 0.8 billion

* adjusted

Thank you.