



a leader in intuitive motion control

2015 Interim Results Announcement

27 August 2015

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In this document, all references to “Booked Business Amount” are to our estimation of the value of all booked business under contracts that have been awarded to us, but which have not yet begun production. The Booked Business Amount is based on estimated lifetime volume of the programs derived from indicative production arrangements provided by the applicable OEM customers and information provided by third-party industry sources. In calculating the Booked Business Amount, we also assume that the relevant contracts will be performed in accordance with their terms. Any modification or suspension of the contracts related to the booked business by our customers could have a material and adverse effect on the value of the booked business. The value of booked business is not a measure defined by International Financial Reporting Standards (“IFRS”), and our methodology for determining the Booked Business Amount may not be comparable to the methodology used by comparable companies in determining the value of their booked business. While we believe that our current Booked Business Amount is a relevant financial metric, the information in relation to the booked business and the Booked Business Amount included in this document does not constitute a projection, forecast or prediction of our profits, and the actual contract value may be different from the estimated Booked Business Amount due to various factors and uncertainties beyond our control. We cannot assure you that our estimated Booked Business Amount contained in this document will be indicative of our future operating results.

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Business Highlights



Michael Richardson

Senior Vice President Strategy
Executive Board Director

Strategy for Profitable Growth

- **Strengthen Technology Leadership**
- **Expand & Diversify Revenue Base**
- **Capitalize on Global Transition to EPS**
- **Target China & Emerging Market Growth**
- **Optimize Cost Structure**
- **Pursue Select Acquisitions & Alliances**

Well-Defined Plan to Drive Stakeholder Value

1H 2015 Financial Highlights

- **Delivered 15% Revenue Growth y-o-y**
- **Expanded EBITDA margin 140bps y-o-y to 13.3%**
- **Increased Net Profit* 30bps y-o-y to 5.9%**
- **Drove Significant Backlog Growth to \$11.5B**
- **Generated Strong Positive Free Cash Flow**

** Net Profit Attributable to Equity Holders*

1H 2015 Business Highlights

- **Successfully launched new production of awarded customer programs across multiple product lines, regions and customers**
- Achieved strong backlog, driving continued growth and diversification
- Increased exposure in China through new program launches and strength of SUV, MPV and Mini-Van sales
- Invested in research and development to strengthen product, technology and manufacturing leadership
- Focused on continuous improvement in operating efficiency and cost competitiveness

Launched 10 New Major Customer Programs

	China	
EPS	 <p>Ford Ranger, Everest</p>	 <p>SGMW Baojun 560, Hong Guang S1</p>
	North America	Rest of World
Column	 <p>Ford F550 / F650 / F750</p>	 <p>Suzuki Every & Every Wagon</p>
Halfshaft	 <p>GM Chevy Equinox, GMC Terrain</p>	 <p>Mahindra Jeeto Eicher Polaris Multix</p>

Top Line Growth and Continued Diversification

Total 1H 2015 Revenue y-o-y Growth

15%

Composition of Total Revenue



1H 2015

49%

1H 2014

56%



1H 2015

20%

1H 2014

13%



1H 2015

67%

1H 2014

70%



EPS

1H 2015

59%

1H 2014

55%

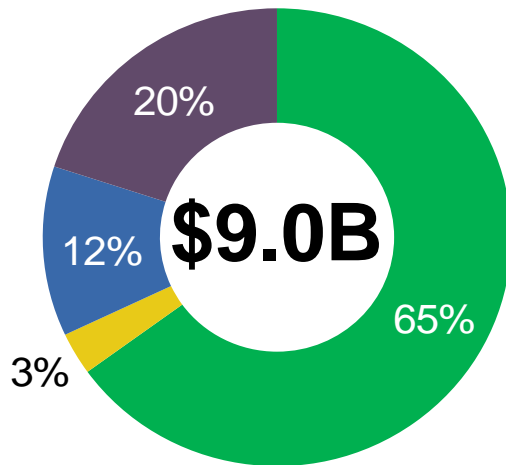
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Strong Backlog to Drive Continued Growth and Diversification

Cumulative Booked Business*

As of Dec 31, 2014



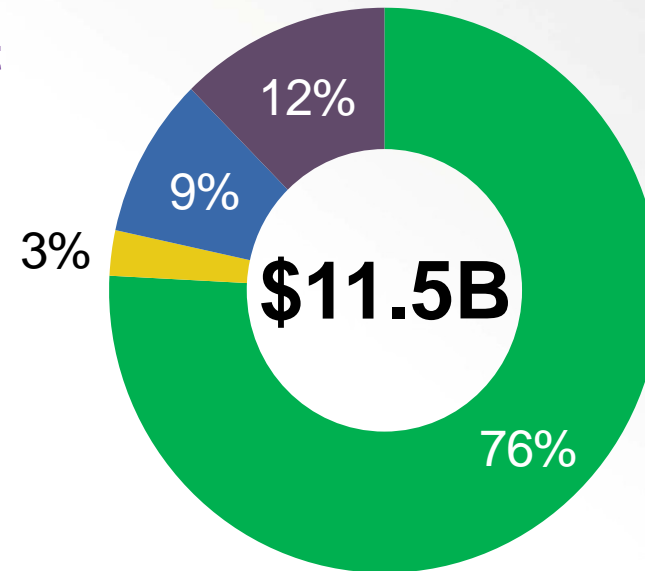
As of Jun 30, 2015

Halfshaft

Column

HPS

EPS



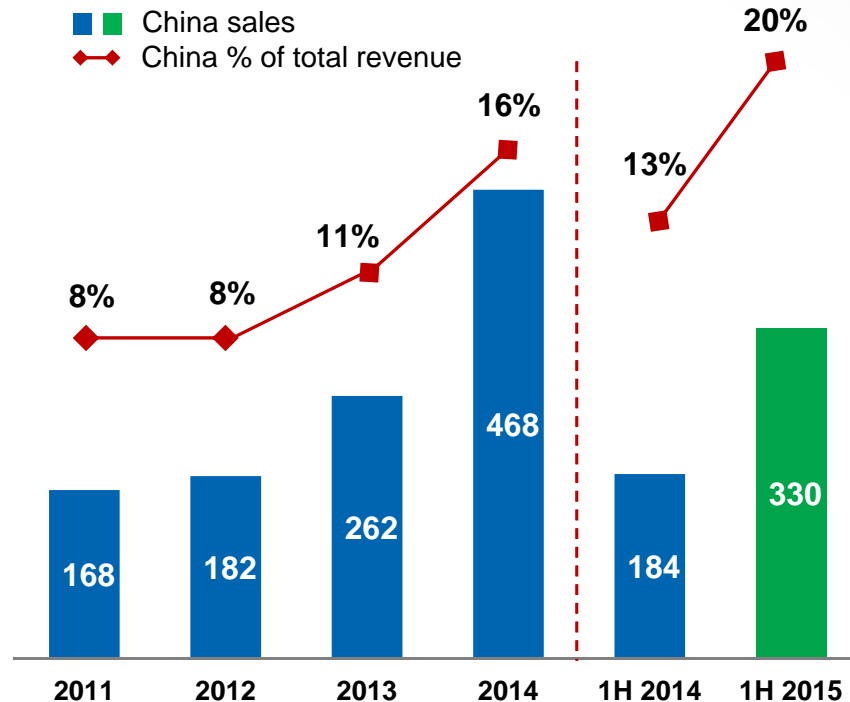
* We compile booked business information through our internal records, and such information has not been audited or reviewed by our auditors; "Booked business" refers to Company's estimation of the value of all booked business under contracts that have been awarded to us, but which have not yet begun production

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Continued Strong Growth in China

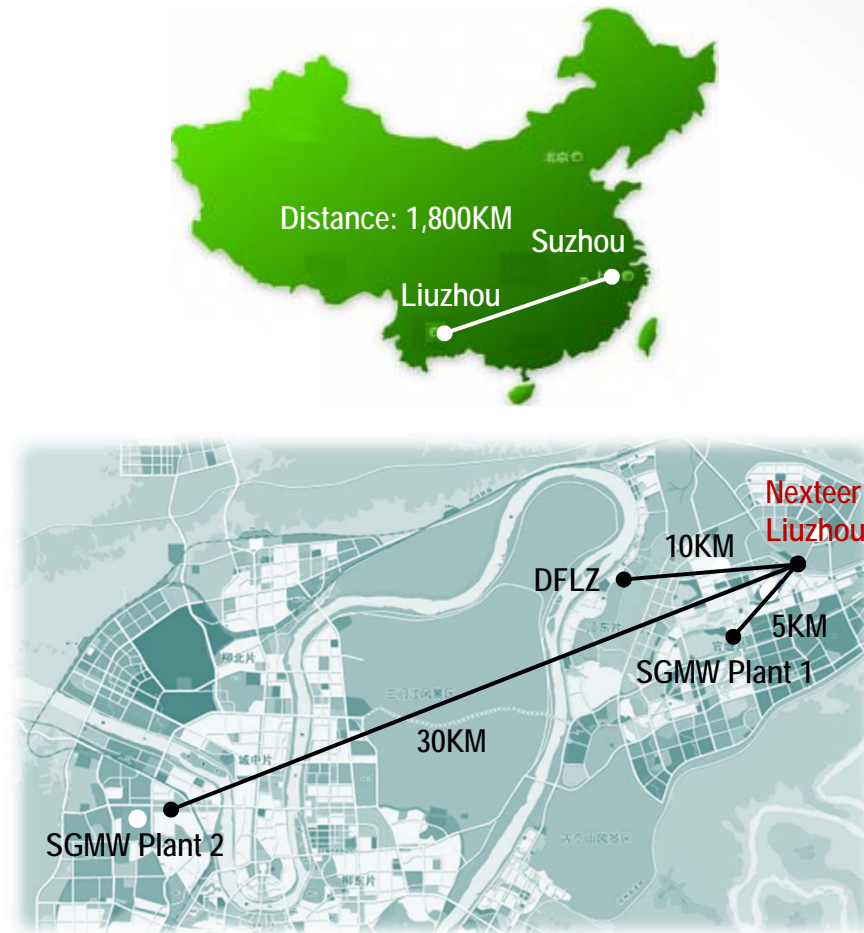
China Market Growth



- Sales up 79% y-o-y
 - Strong main model sales with key customers
 - Particular emphasis on SUV, MPV, Mini-Vans
- Program launch momentum
 - 4 launches in 1H 2015 following 8 in 2H 2014
- Advancing EPS transition
 - Launched REPS – China now producing entire product portfolio
 - Brush CEPS surpassed 1M units since launch in late 2013
 - Capacity expansion in Liu Zhou
 - Continued progress through Changfeng Joint Venture

New Plant in Liu Zhou Expands Brush EPS Manufacturing Capacity

Location



Production Launch

Facility Construction Completed in July



1st EPS Sample Produced in August

Grand Opening in August

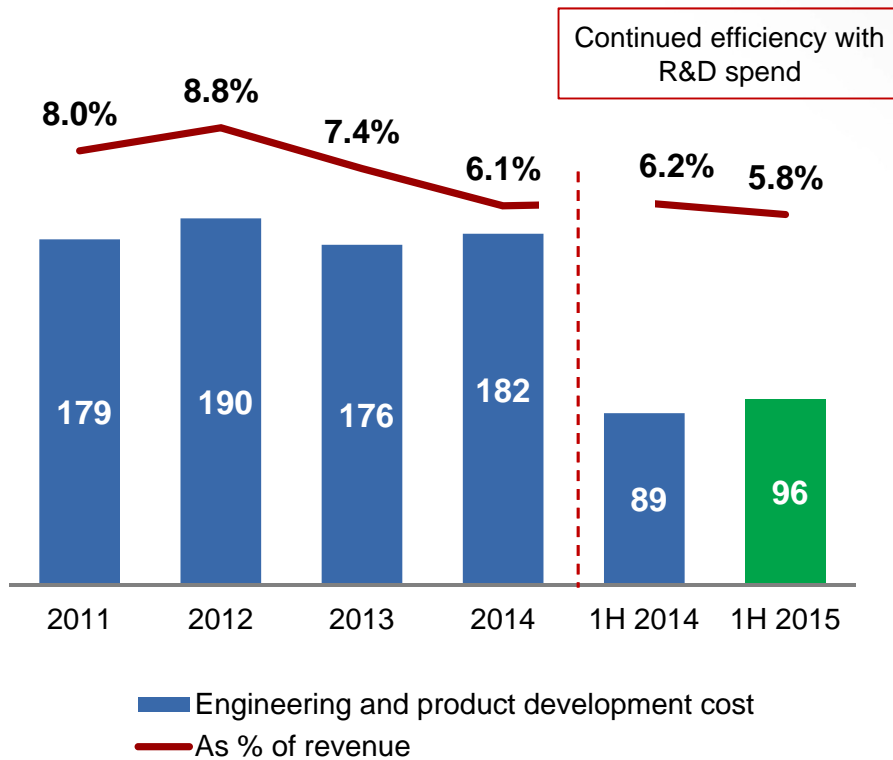


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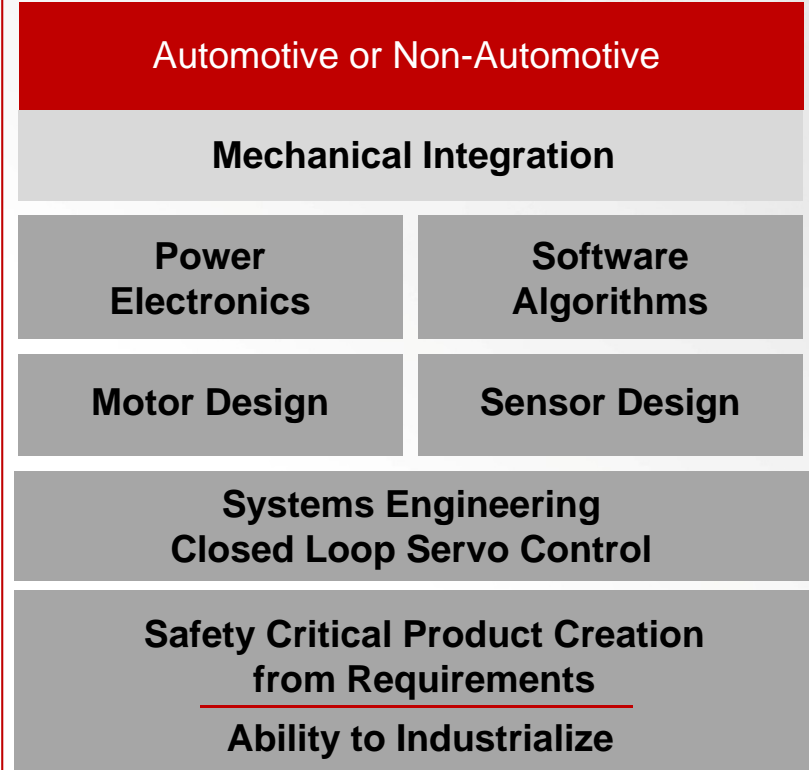
Commitment to Innovation

Investment in Product Development*




*Including engineering and product development costs charged to income statement and development costs capitalized as intangible asset

Intuitive Motion Control Building Blocks




Strengthened Product Leadership




Achieves 30 Million EPS Production Milestone

Nexteer EPS is on...





9/10
Full Size Trucks
in North America



1/4
Small Cars
that use EPS
in Europe



EPS Benefits
Drivers, Automotive OEMs & Our Environment

-  Decreases vehicle weight and increases fuel efficiency
-  Seamlessly integrates with vehicle systems
-  Modular, compact designs (fits a variety of vehicles)
-  Paves the way for Advanced Driver Assist technologies

EPS is the gateway technology to autonomous driving of the future!

Surpassed 1 Million Brush EPS Delivery in China



Nexteer is paving the way from EPS to "intuitive motion control" of the future with its in-house software, electrical and mechanical EPS building blocks.

Voices from Press...



Ford Everest

“Impressive Technology, especially the Hill Launch Assist. New Everest is fun to drive and helps drivers feel confident in any situation.”

Daily News



Mustang GT

“The steering feel: leagues better than what pony cars traditionally have, capable of communicating minute differences in available grip without kickback or grittiness. It's BMW steering, the kind you don't get in a BMW anymore.”

Road & Track



BMW 225i Active Tourer

“The feeling at the handwheel, with, obviously, a variable assistance steering, and a variable ratio, is perfect, honestly perfect, really really really good feeling”

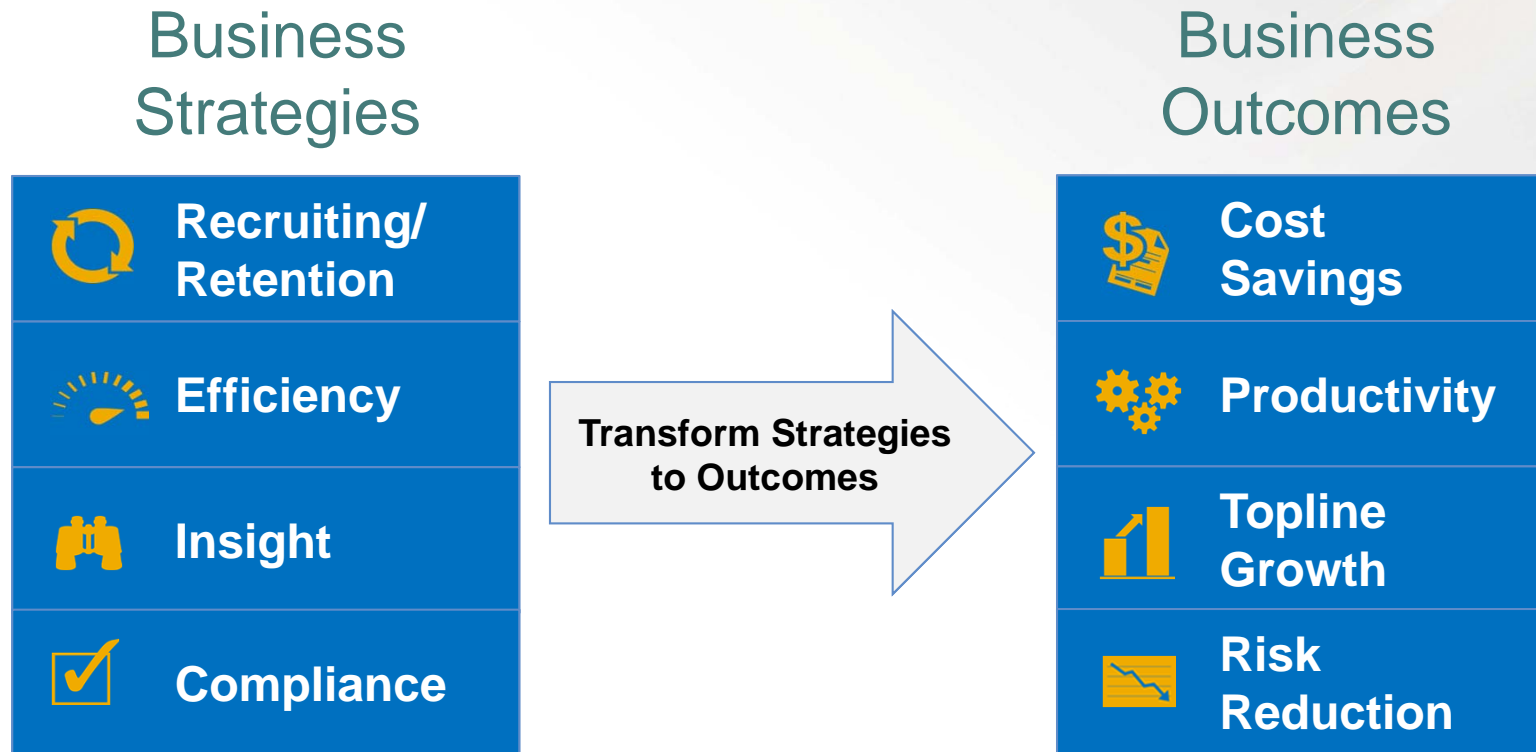
turbo.fr

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Continuous Improvement in Operational Excellence

Human Capital Management System



Driving Strategic Execution and Improvements in Productivity & Results

Continuous Improvement in Operational Excellence



SGMW "Best Supplier" Award



Enterprise Technology Leadership Award



DEKRA 2015 Innovation in the Automotive Industry Award



CNN Expansión Super Empresas (Top Company) Award 2015



Manufacturing Excellence Awards 2015



PSA "Best Plant 2015" Award

Business Highlights



Joseph Perkins

Senior Vice President
Chief Financial Officer

Partner of Choice for Customers and Suppliers Worldwide

Pure Play

Global leader in advanced steering and driveline systems

Competitive Edge

First-class technology, comprehensive product pipeline & integrated solutions platform

Ideally Positioned

Capitalizing on global transition to EPS; growth of China and emerging markets

Predictability

Visible revenue streams from longstanding customers & robust backlog

Financial Strength

Improving profitability, strong balance sheet & strategic capital allocation

Unique Potential for Expansion and Diversification

Key Takeaways

■ Strong Revenue Growth and Diversification

- Revenue Up 15% y-o-y (18%* y-o-y on a Constant Currency Basis)
- Increased Backlog to US\$11.5 Billion

■ Delivering on Profitability Objectives

- Strong Growth in EBITDA and Net Profit
- 1st Reporting Period at Positive Free Cash Flow

■ Seizing China Market Opportunity

- Sales Up 79%
- Distinguishing Nexteer in the Marketplace

■ Commitment to Value Creation for Equity and Debt Stakeholders

- Maintaining Dividend
- Continuing to De-risk the Balance Sheet

* Currency translation impact on Europe Revenue of US\$35 million

Continuing to Meet our Commitment to Driving Stakeholder Value

Macro and Market Commentary

- **North America**
- **China**
- **Europe**
- **Rest of World**

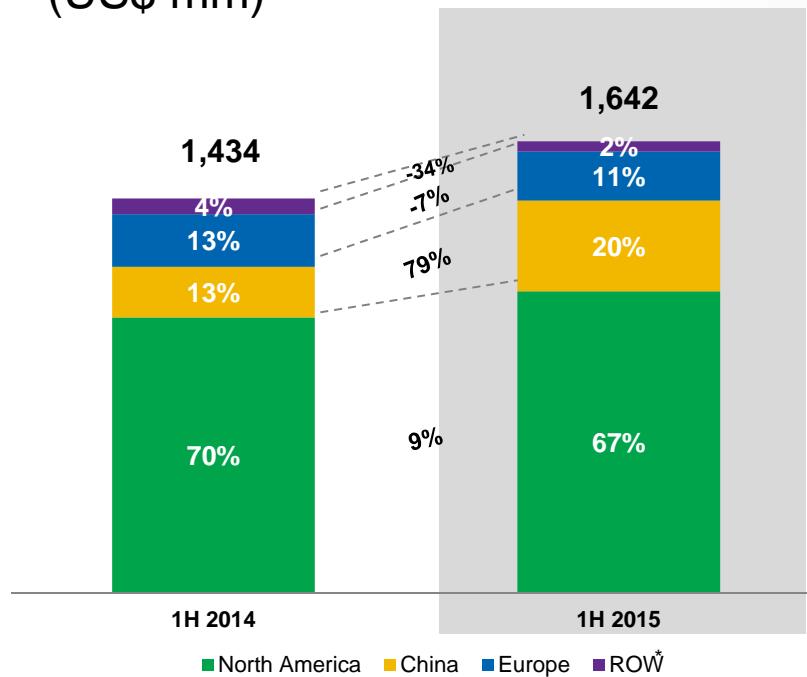
1H 2015 Financial Results – Snapshot

(US\$ mm)	1H 2015	1H 2014	Variance
Revenue	1,642	1,434	15%
EBITDA	218	171	27%
EBITDA margin	13.3%	11.9%	140 bps
Net profit	97	81	19%
Net profit margin	5.9%	5.6%	30 bps
Earnings per share	\$0.04	\$0.03	\$0.01
Free cash flow	56	(64)	-

Continued Regional Diversification and EPS Conversion

Revenue by Region

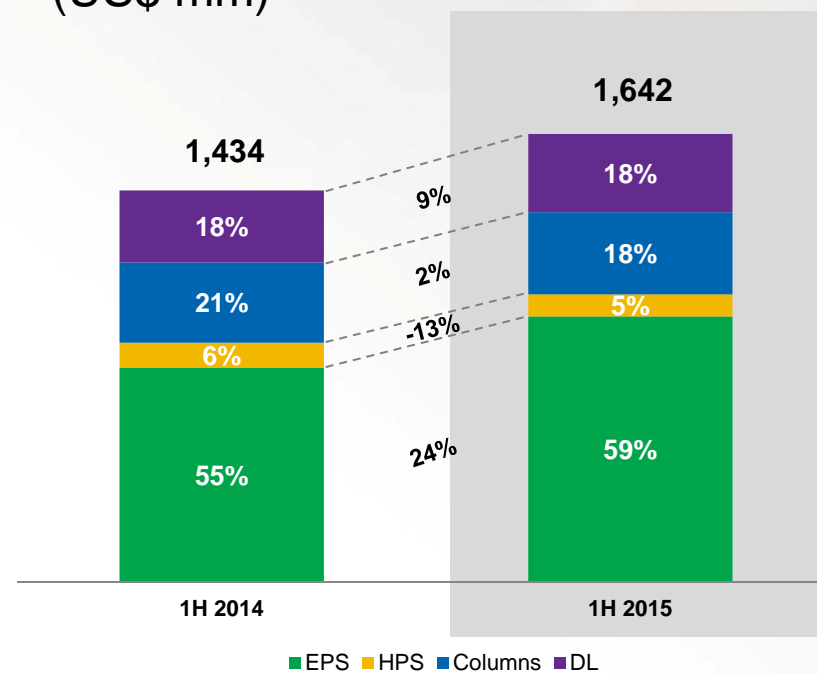
(US\$ mm)



* Including Brazil, India, Korea and Australia

Revenue by Product

(US\$ mm)



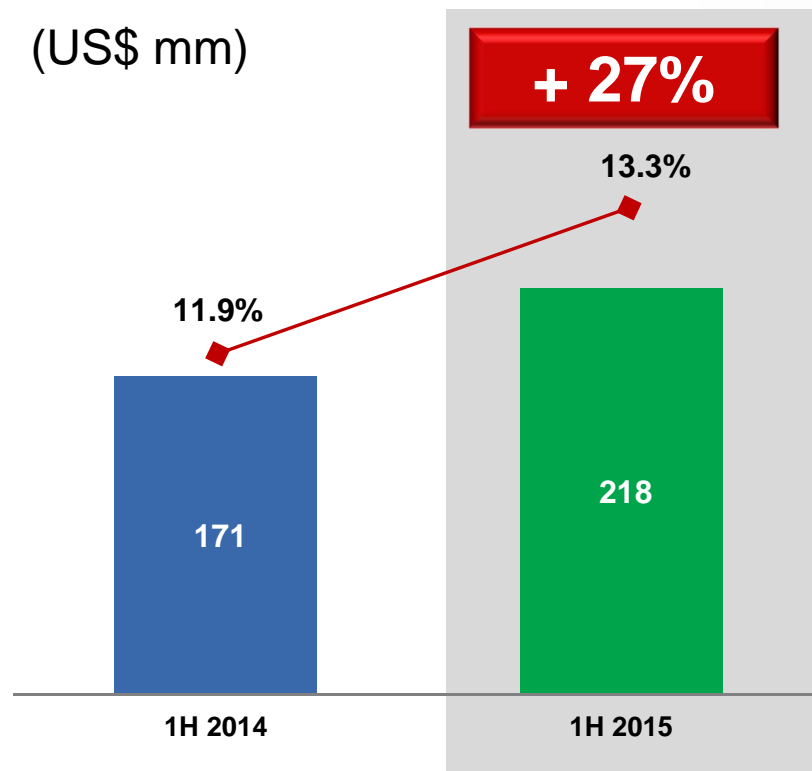
Solid growth in North America and China driven by product launches and customer sales strength

Launched 10 new programs in 1H 2015, following 21 in 2H 2014

Strong Earnings Growth and Margin Accretion

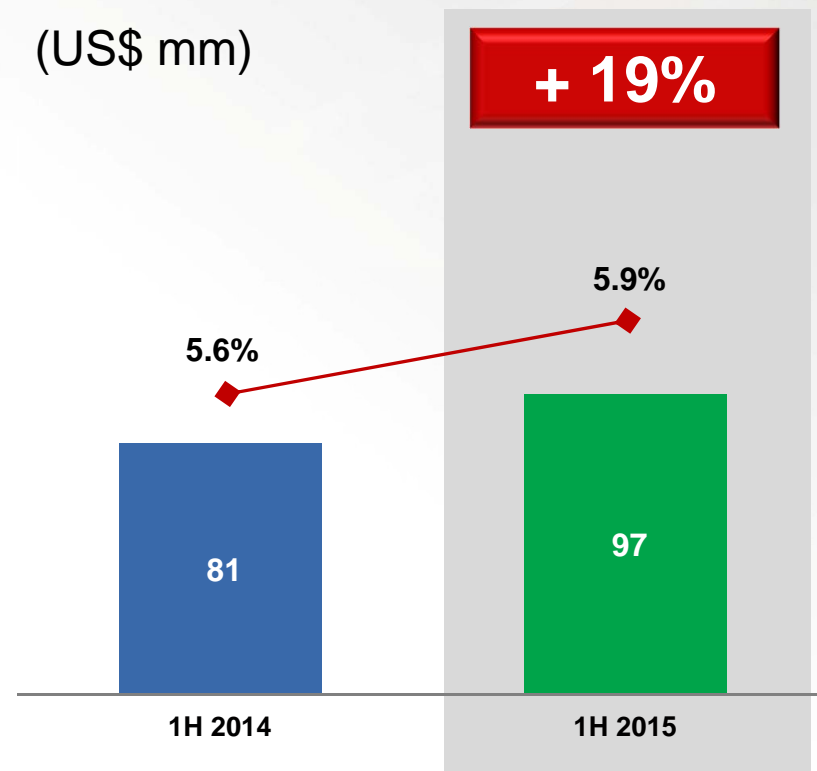
Group EBITDA

(US\$ mm)



Group Net Profit*

(US\$ mm)

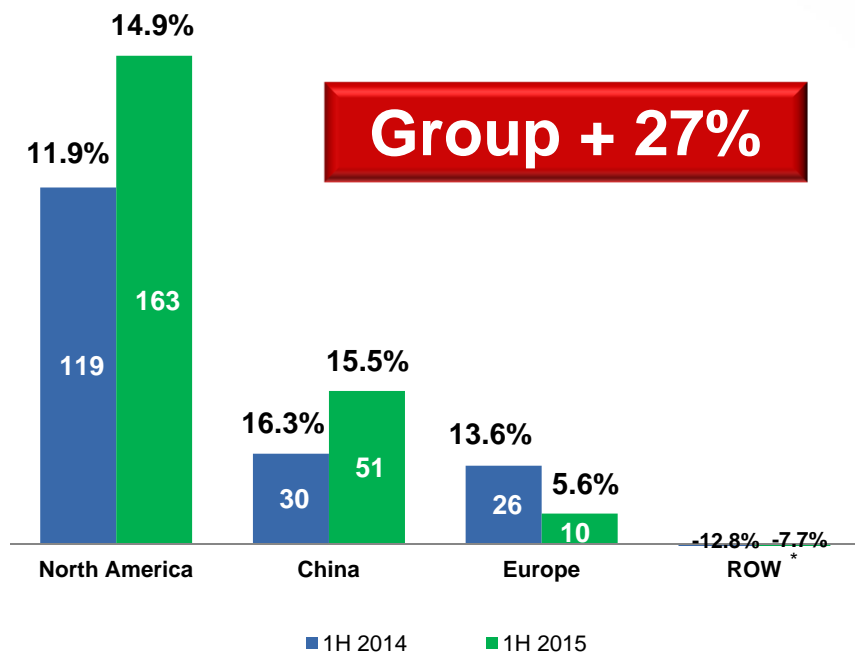


* Net Profit Attributable to Equity Holders

Segment Profitability

EBITDA by Region

(US\$ mm)



* Including Brazil, India, Korea and Australia

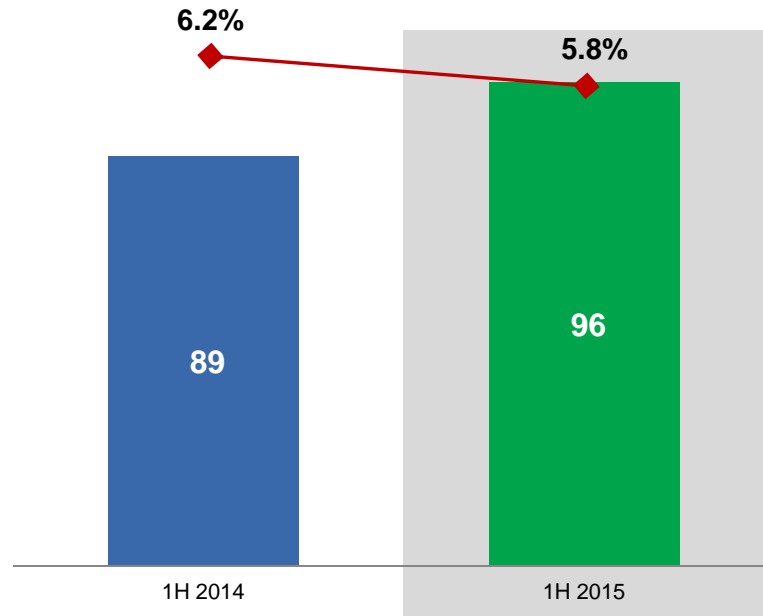
- EBITDA expansion driven by top line growth, EPS conversion, fixed cost discipline and continuous improvement initiatives
- Increased contribution from China and North America
- Strong North America EBITDA margin expansion
- Europe temporarily impacted by program ramp-up and unfavorable FX

Continued Commitment to R&D and Improving Capital Efficiency

R&D Expense*

(US\$ mm)

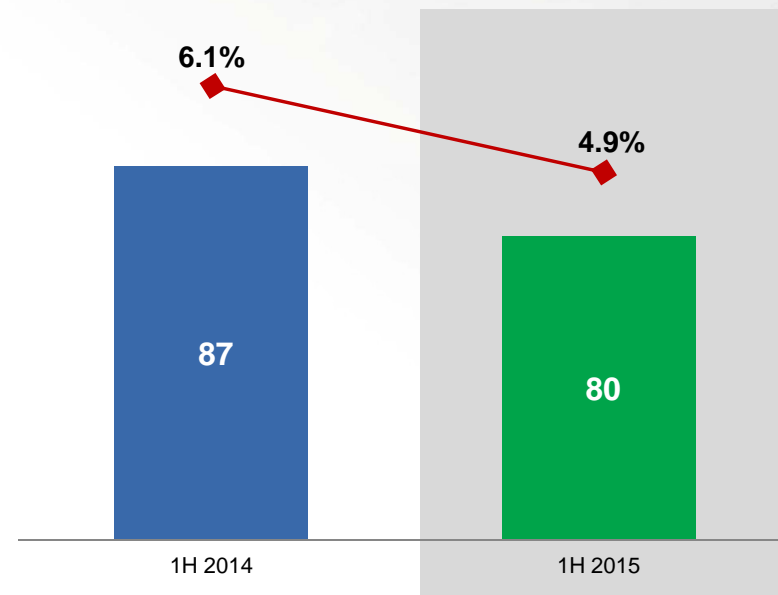
■ Engineering and product development cost ■ As % of revenue



Capex

(US\$ mm)

■ Capex ■ As % of revenue



* Including engineering and product development costs charged to income statement and development costs capitalized as intangible asset

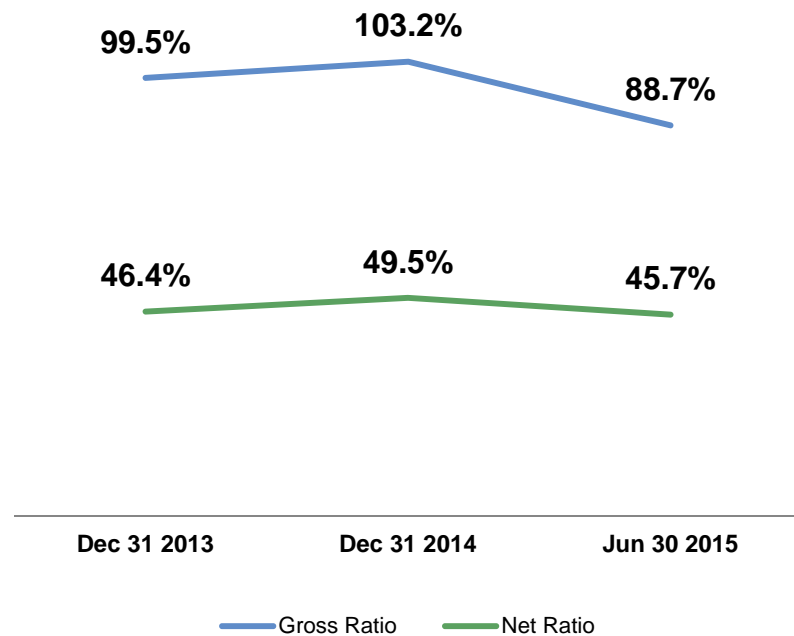
Strong Free Cash Flow Generation

US\$ mm	2012	2013	2014	1H 2014	1H 2015
Cash Provided by Operations	158	223	254	76	188
Less Capital Investment	(273)	(277)	(275)	(141)	(132)
Free Cash Flow	(115)	(54)	(21)	(65)	56

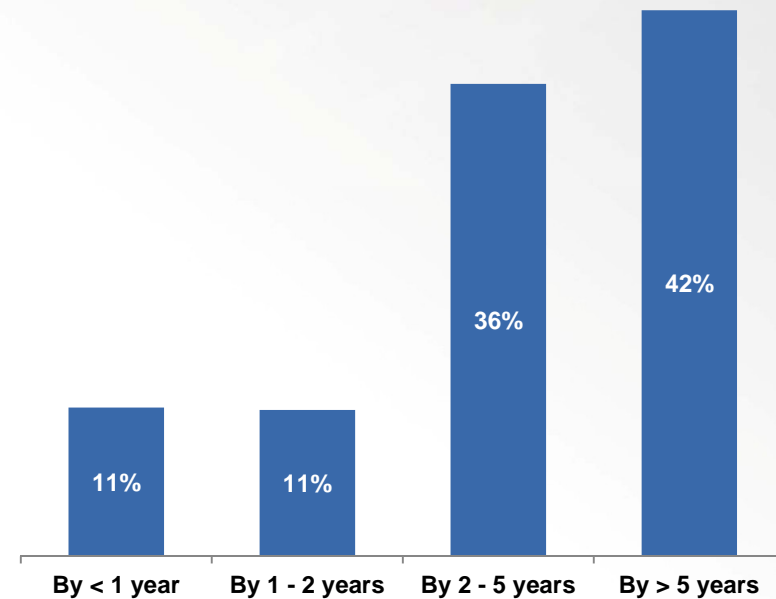
Strong Capital Structure

Gearing Ratio

Gross Ratio: Gross Debts / Equities
 Net Ratio: Net Debts / Equities



Debt Maturity Profile



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