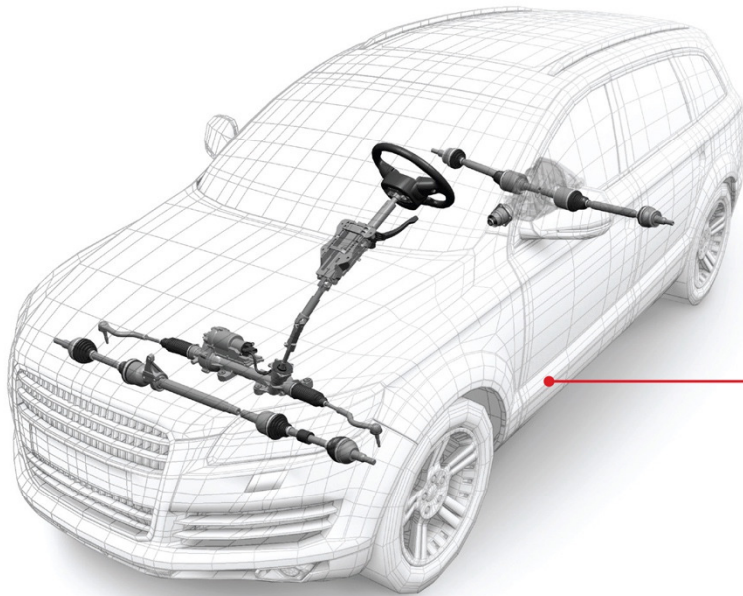




a leader in intuitive motion control



# 2016

## Annual Results Announcement

ELECTRIC  
POWER  
STEERING

COLUMNS &  
INTERMEDIATE  
SHAFTS

DRIVELINE  
SYSTEMS

HYDRAULIC  
POWER  
STEERING

ADAS &  
AUTOMATION  
TECHNOLOGIES

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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. 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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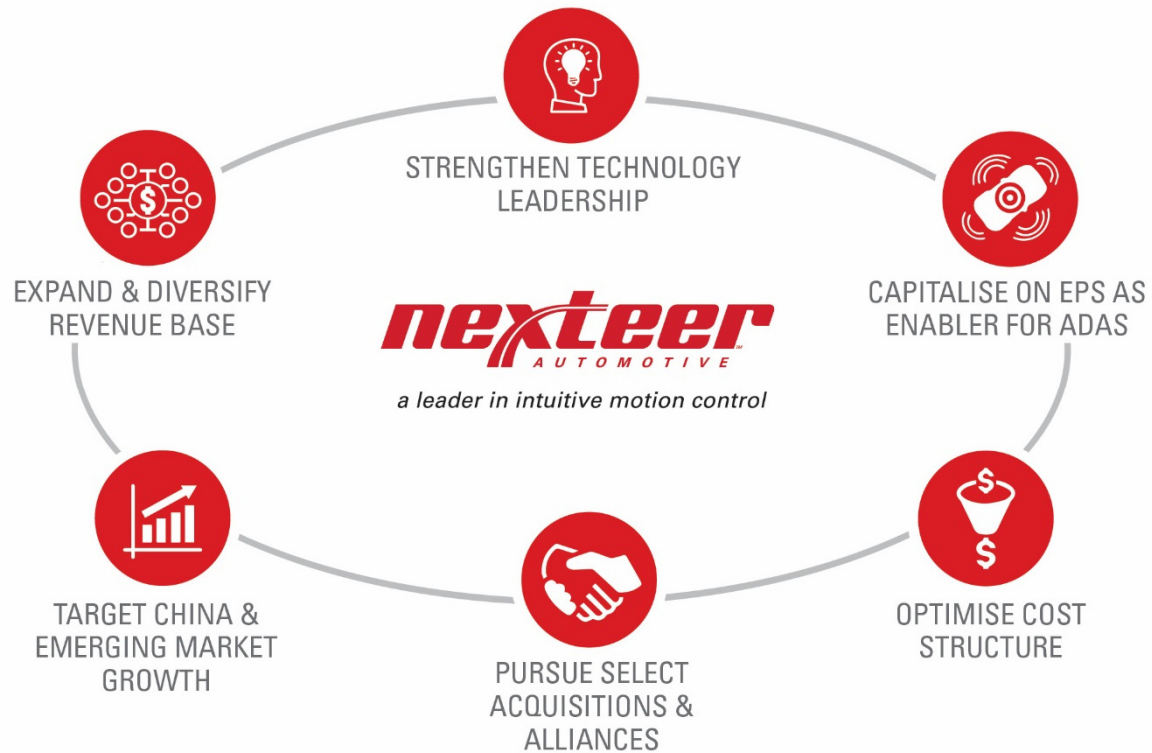
## Business Highlights



## Michael Richardson

Executive Board Director  
President

# STRATEGY FOR PROFITABLE GROWTH



A Well-Defined Plan to Drive Stakeholder Value

## 2016 FY Financial Highlights

- **14% Revenue Growth y-o-y**
- **27% EBITDA Growth y-o-y**
  - EBITDA Margin Expanded 140bps y-o-y to **15.0%**
- **44% Net Profit\* Growth y-o-y**
  - Net Profit Margin Increased 160bps y-o-y to **7.7%**
- **Free Cash Flow of \$226M**

*\* Net Profit Attributable to Equity Holders*

**Record Financial Performance**

## 2016 Business Highlights

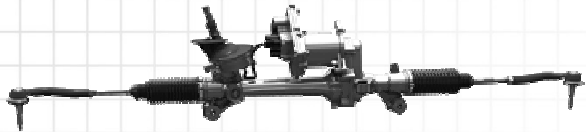


- Demonstrated market leadership with successful launch of **33 new customer programs** across multiple product lines, regions and customers
- Achieved Order-to-Delivery Backlog of **US\$25.6 billion**
- Aligned new divisional structure to **accelerate growth in APAC**
- Expanded research and development to further **drive innovation leadership**
- Continued focus on **manufacturing excellence**

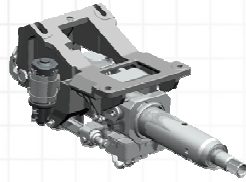
## Launched 33 New Major Customer Programs



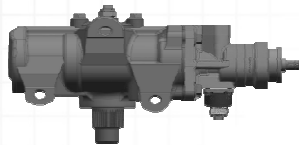
## Program Diversity Fueling Broad-based Growth



**EPS 20**



**Columns 2**



**HPS 1**



**Driveline 10**



# 2017 Award Winning Vehicles



*"The Bolt is responsive with engaging steering, making it relatively fun to drive."*  
- Consumer Reports



*"'Fun to drive' and 'minivan' are words not usually uttered in the same breath, but the Pacifica is easy to maneuver and responds quickly to steering inputs."*  
- Car and Driver Magazine



**Nexteer Technologies**

Chevy Bolt EV: Steering Column, Manual Gear, Intermediate Shaft & FOD seal

Ford Super Duty: Steering Column

Chrysler Pacifica: Rack-Assisted Electric Power Steering & Steering Column



## 2016 Business Highlights

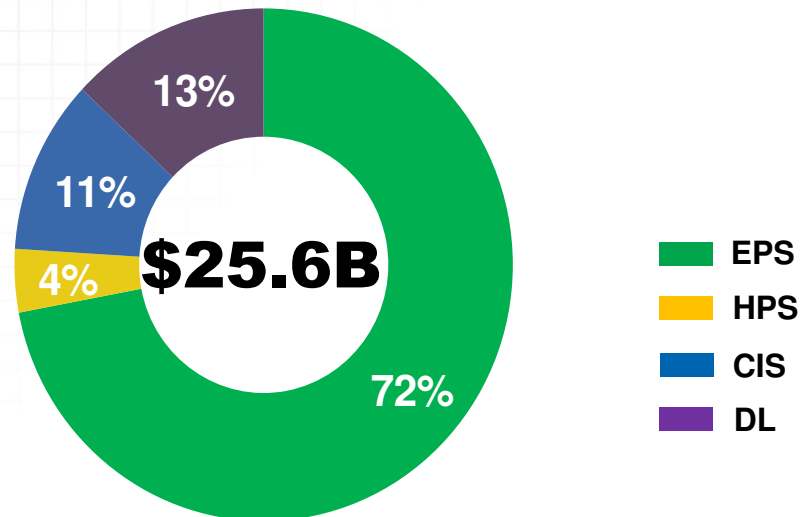


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## Continued Growth & Diversification - Backlog



### Order to Delivery\* as of December 31, 2016



\* For reference purpose, the backlog amount under the "order to launch" method as of December 31, 2016 is US\$13.7 billion. Please note that from the year 2017 onwards, the Company chooses only to disclose the backlog amount under the "order to delivery" method.

\*\* We compile the booked business information through our internal records, and such information has not been audited or reviewed by our auditors.

## 2016 Business Highlights

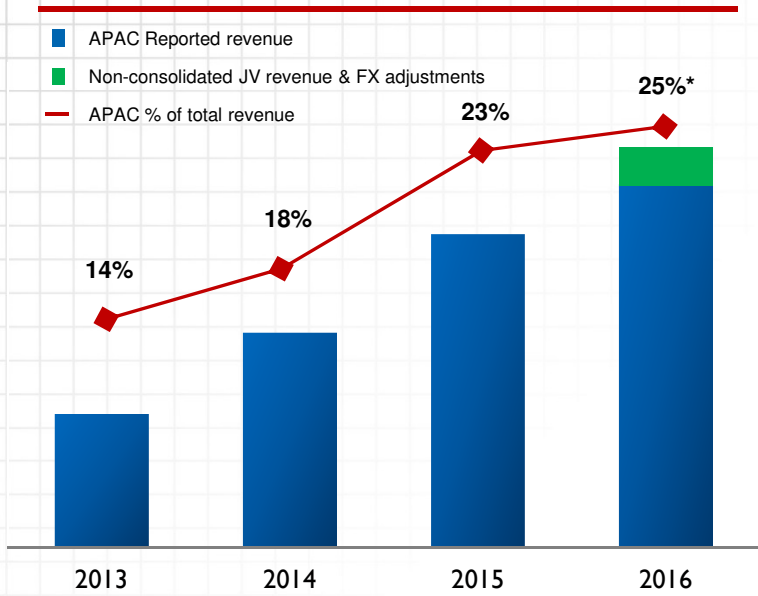


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# Continued Footprint Expansion in APAC



## APAC Market Growth



\* 23% y-o-y (25% with the inclusion of Chongqing JV revenue and reporting on a constant currency basis)



## 2016 Business Highlights

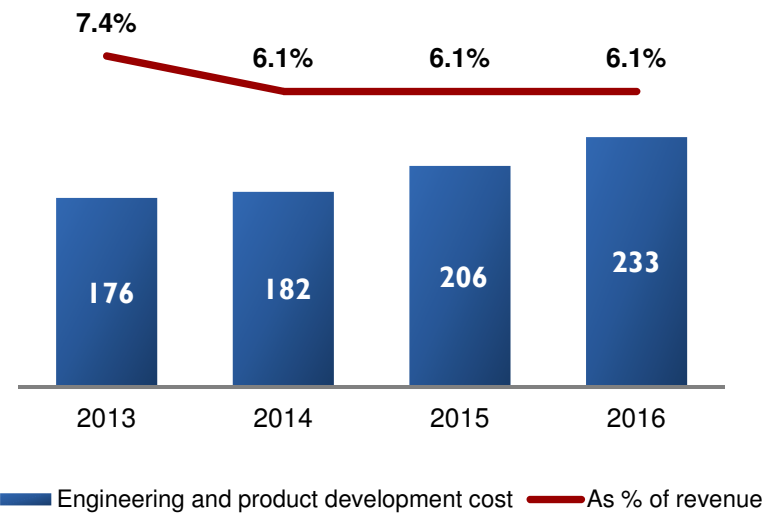


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# R&D Expansion for Innovation Leadership

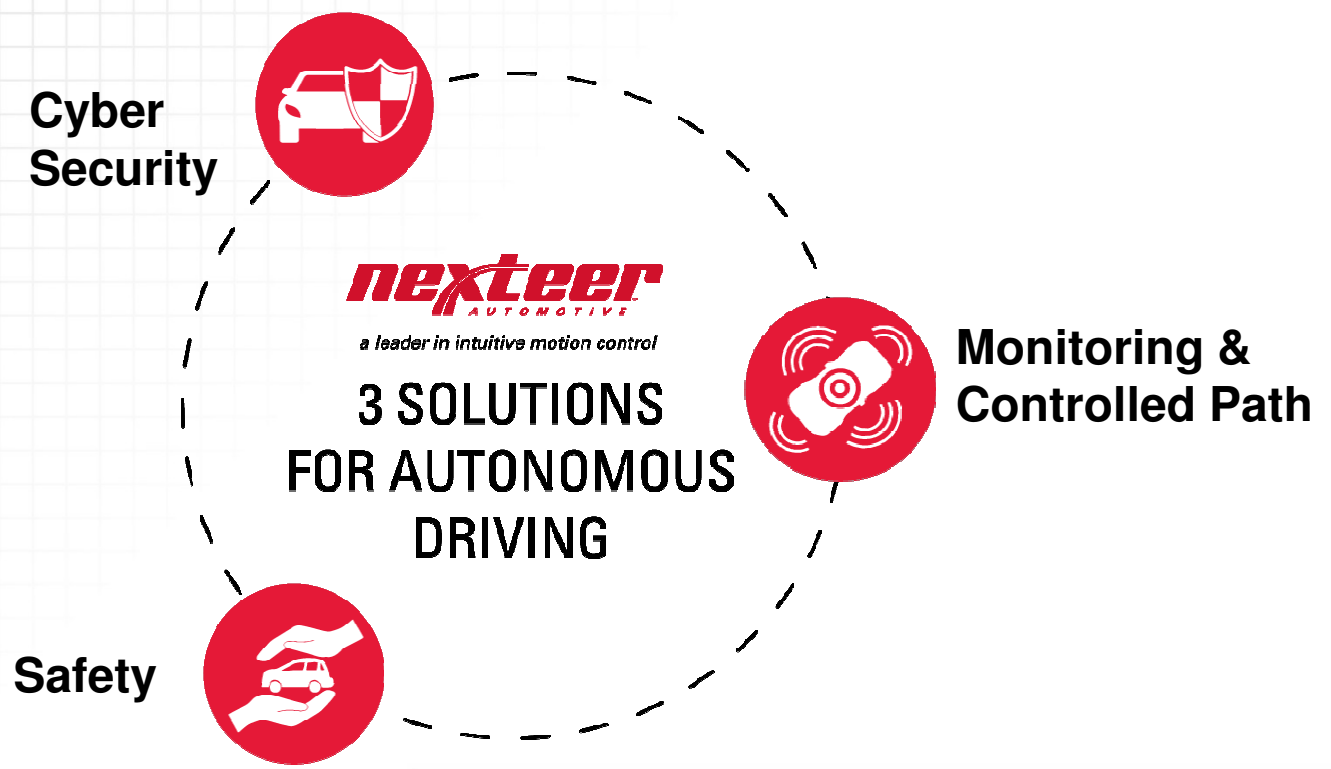


## Investment in Product Development\*



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

# Steering Solutions for Autonomous Driving





# Advancing ADAS Technical Capabilities



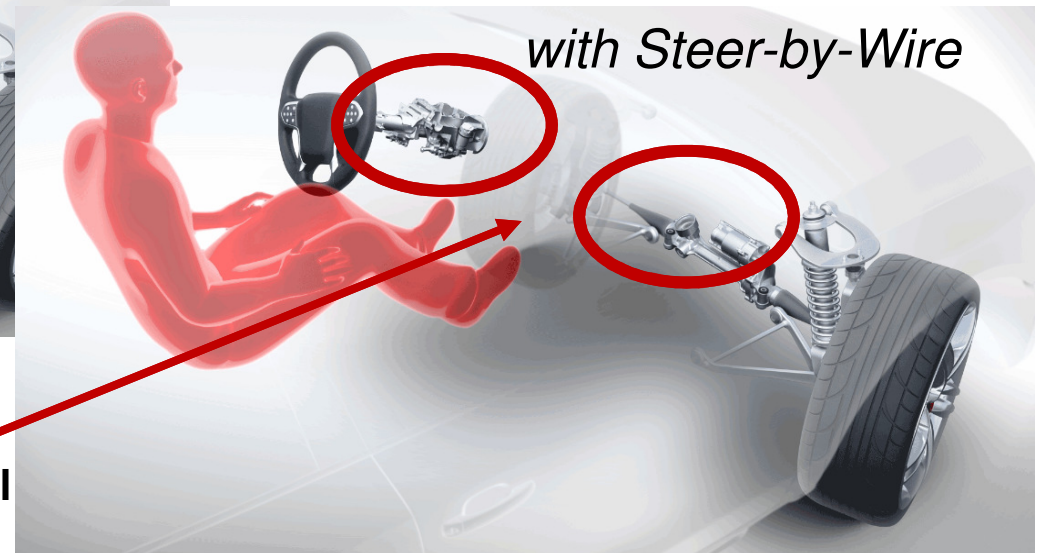
## Intuitive Motion Control & What it means to the automotive industry

- **Nexteer EPS building blocks...**
  - Power Electronics
  - Motor Design
  - Sensor Design
  - Software Algorithms
  - Systems Engineering
  - Closed Loop Servo Control
  - Safety Critical Product Development
- **Are enablers for ADAS & automation technologies**
- **Our in-house tech strategically positions us to meet growing demands in:**
  - Assisted/Automated/Connected Driving
  - Efficient, Clean Energy Demands
  - Personal Mobility

## Steer-by-Wire / Advanced Steering Capability



*without Steer-by-Wire*

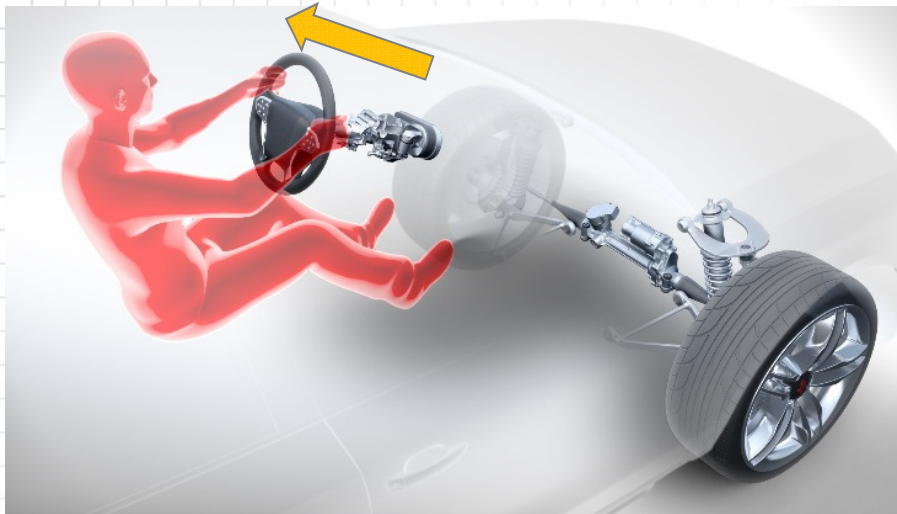


*with Steer-by-Wire*

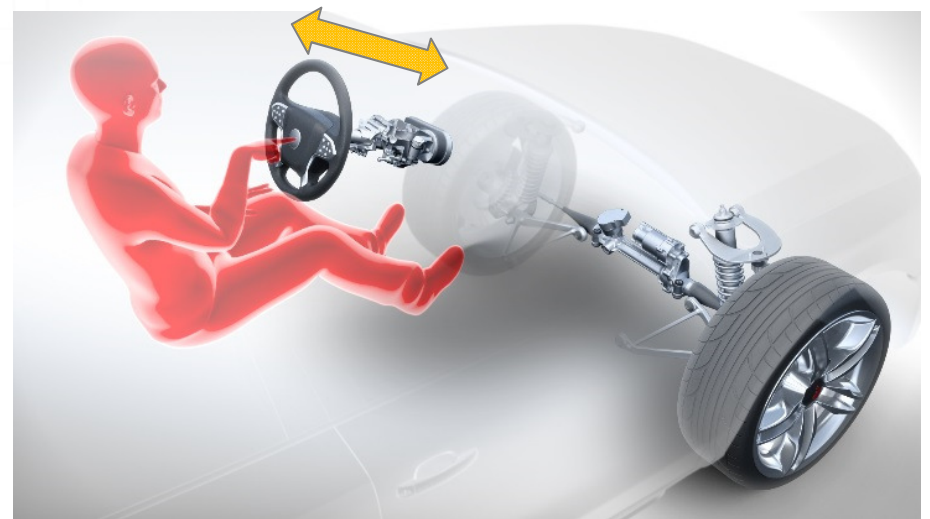
- Eliminates mechanical connection between road wheels & steering wheel
- Adds column & rack actuators

## Steering on Demand™ System

### Intuitive Transition between Manual & Automated Steering



**Manual Override  
from  
Autonomous Mode**



**On-Demand Manual  
and  
Automated Steering**

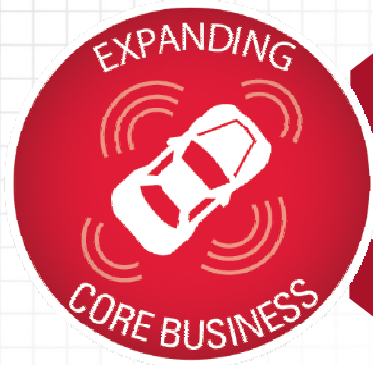
# Quiet Wheel™ Steering = Safety & Security



# Business Expansion - ADAS



## Joint Developmental Projects



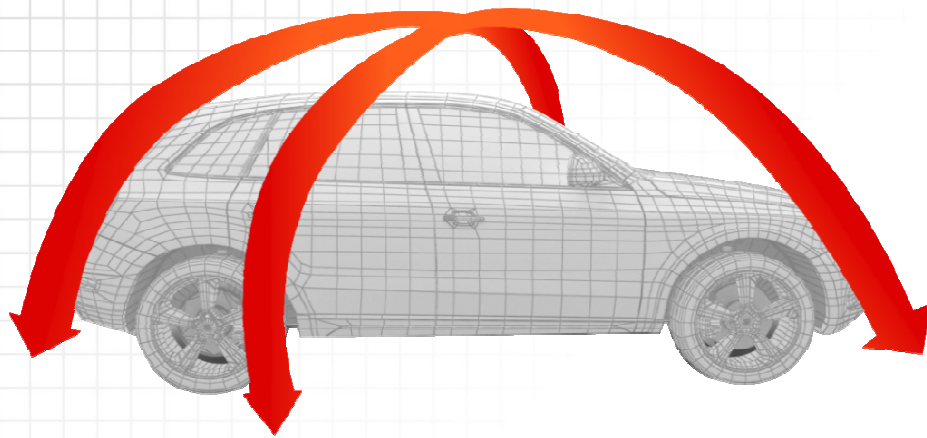
Conventional OEMs

Industry Disruptors

Collaborative Peers



## Business Expansion - ADAS



***Nexteer + Continental***

Advanced  
Motion Control  
through  
*Integrated*  
Steering & Braking



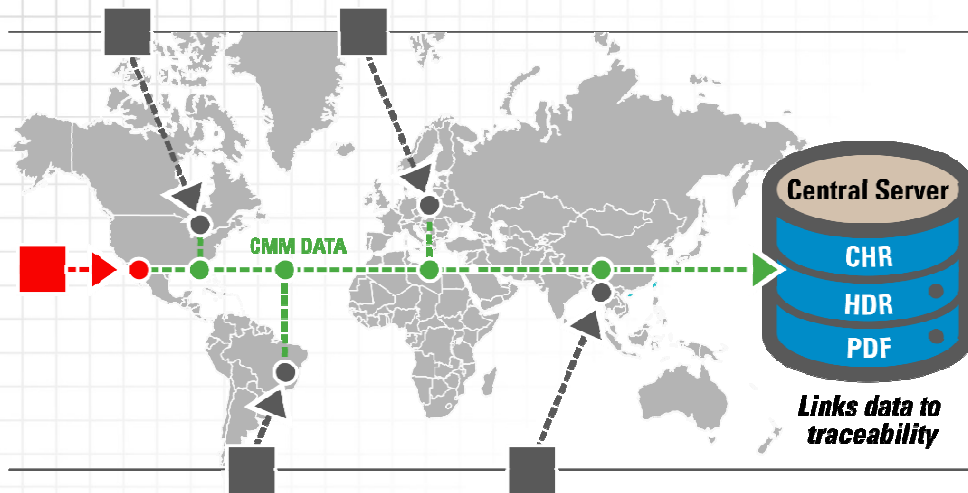
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- Continued focus on **manufacturing excellence**

# Global Process Enhancements Driving Efficiency

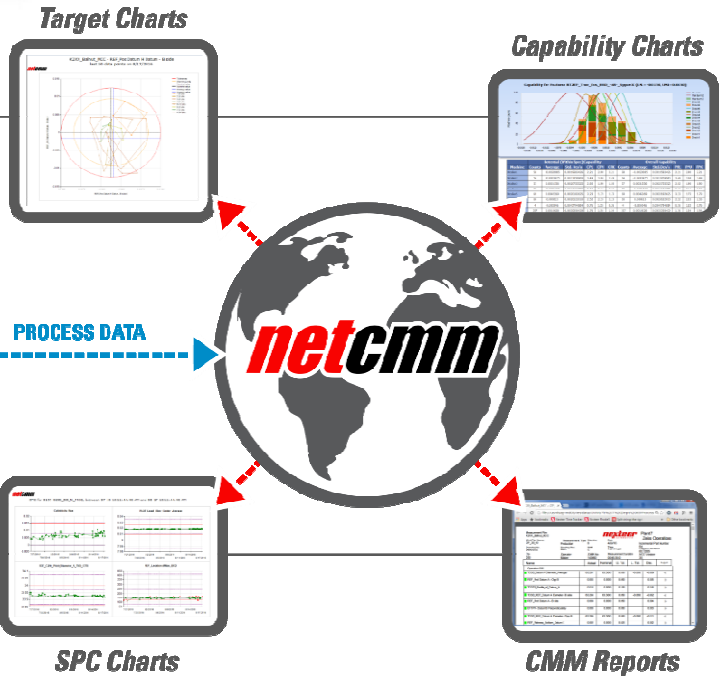


## Zeiss CMM'S Globally Connected



### WHY **netcmm** ?

- Immediate global CMM data access
- Unlimited number of users
- Completely customizable



Centralized Data Diagnostics & Remote Monitoring – Controlling Global Machine Operation





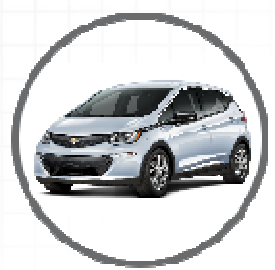
# Industry Recognition



**2017 Frost & Sullivan Internet of Things in Manufacturing Leadership Excellence**



**2017 Motor Trend Truck of the Year**  
(Ford Super Duty featuring Nexteer Column Technology)



**2017 Motor Trend & NAIAS Car of the Year**  
(Chevy Bolt featuring Nexteer Column, Intermediate Shaft and Manual Gear)



**2017 NAIAS Utility of the Year**  
(Chrysler Pacifica featuring Nexteer Rack-Assist Electric Power Steering & Column Technology)



**2016 CEE Manufacturing Excellence Award -- IT for Manufacturing of the Year and Robotics / Automation**



**CEE Manufacturing Excellence Award 2016 Manufacturer of the Year**



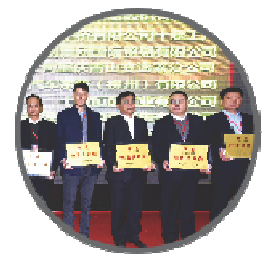
**2016 Leader of Human Resources**  
3<sup>rd</sup> Consecutive Win for Poland



**2016 Highest Quality Award at Quality International Contest**  
Nexteer Poland



**2016 GM Performance Award to Nexteer India**



**2016 DFLZ Advanced Supplier Award to Nexteer Liuzhou Team**

# Industry Recognition



**2016 PSA Logistic Award to Nexteer Porto Alegre**



**2016 Ford APA Q1 Award to Nexteer Suzhou**



**2016 Maruti-Suzuki Quality Award System Award to Nexteer India**



**2016 IDG CSO50 Award for Nexteer Enterprise Security & Operational Productivity**



**2016 SGM Lean Production Award to Nexteer Suzhou Team**



**2016 Automotive News Names Nexteer as #36 in the "Top 100 Global OEM Parts Suppliers List"**



**Nexteer Plant 51 nomination for Ford's Annual World Excellence Award**

## 2017 Enterprise Focus

- **Maintain Core Business Growth**
  - Continue to Improve Operational Efficiency
- **Focus on Accretive M&A**
  - Within Domain of Intuitive Motion Control
- **Accelerate Product Differentiation**
  - Technical Innovation to Increase CPV

### STRATEGY FOR PROFITABLE GROWTH



## Financial Highlights



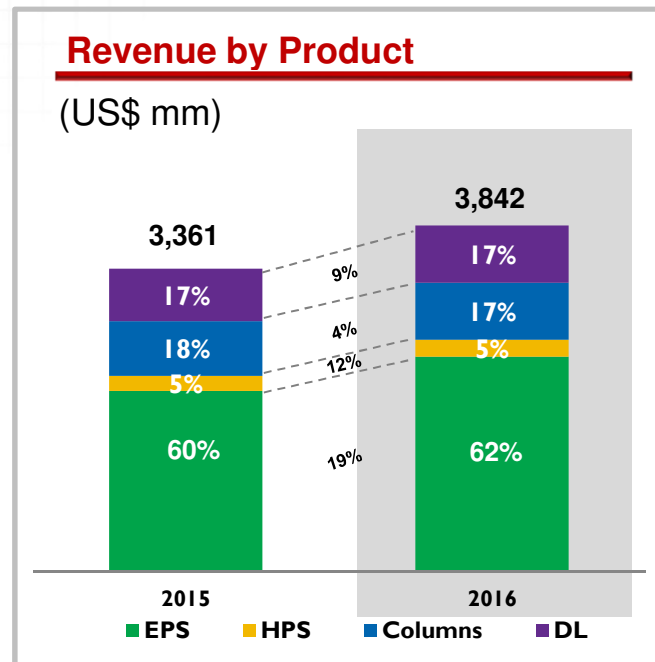
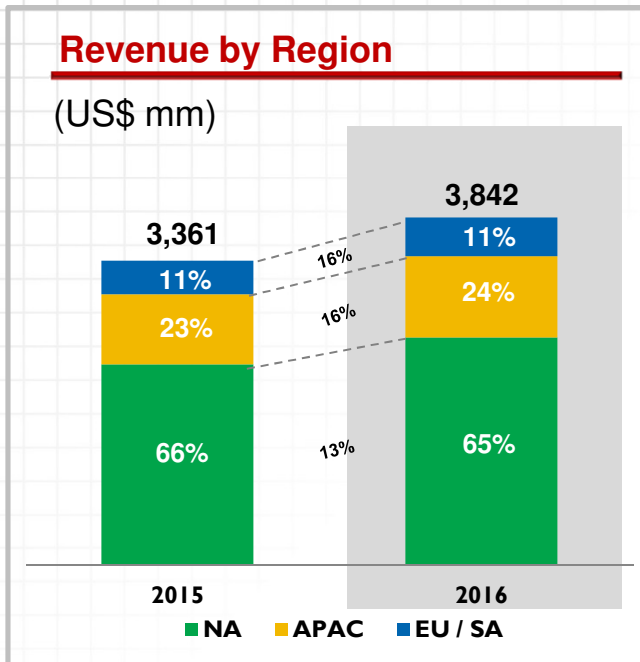
### **Bill Quigley**

Senior Vice President  
Chief Financial Officer

## 2016 FY Financial Results – Snapshot

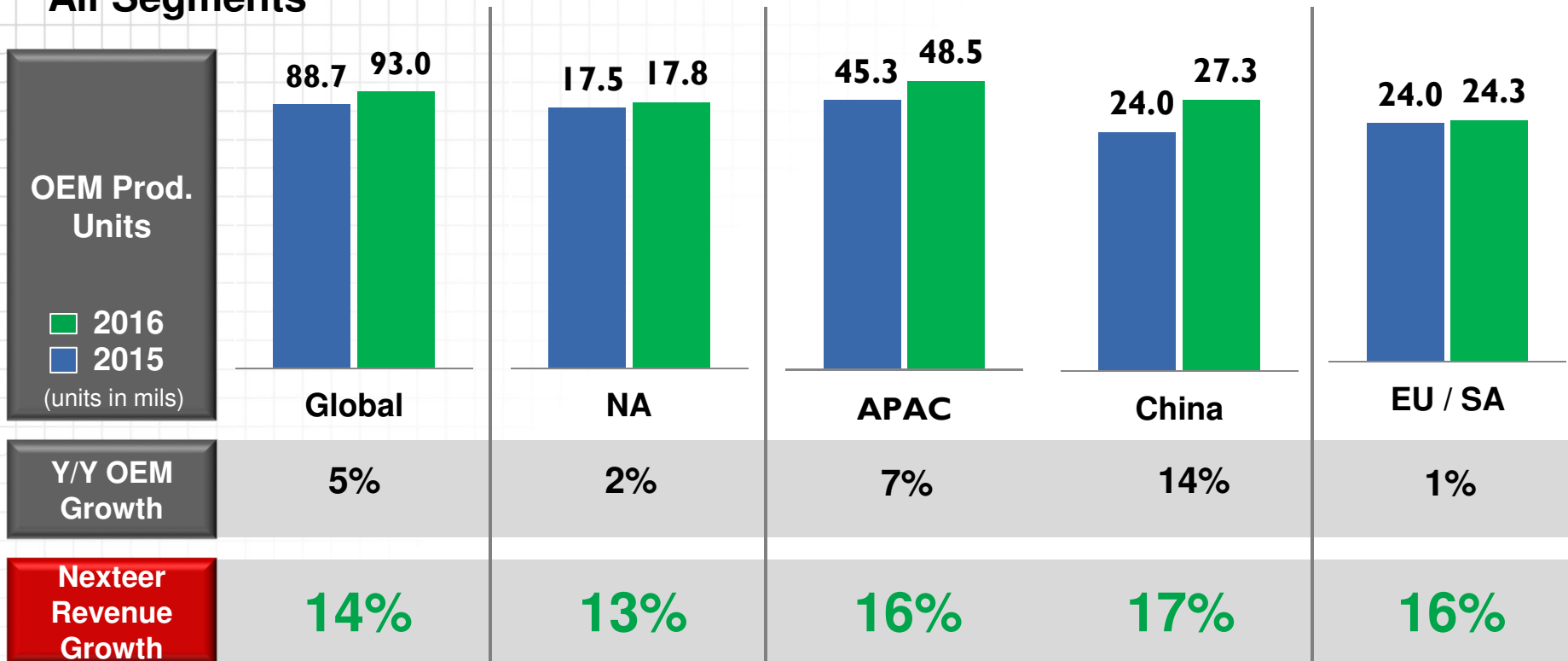
(US\$ mm)	2016	2015	Variance
<b>Revenue</b>	3,842	3,361	14%
<b>EBITDA</b>	578	455	27%
<b>EBITDA margin</b>	15.0%	13.6%	140 bps
<b>Net Profit</b>	295	205	44%
<b>Net Profit margin</b>	7.7%	6.1%	160 bps
<b>Earnings Per Share</b>	\$0.12	\$0.08	\$0.04
<b>Free Cash Flow</b>	226	192	18%

# Region and Product Revenue

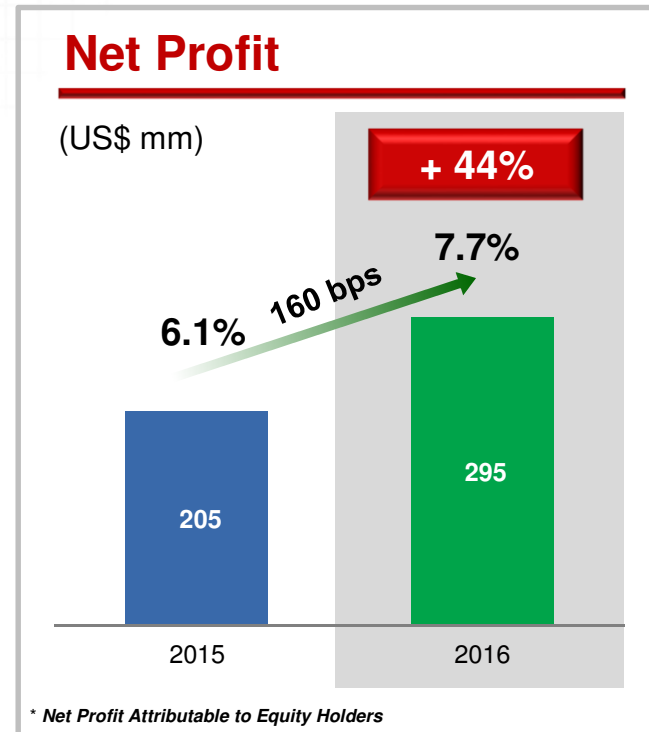
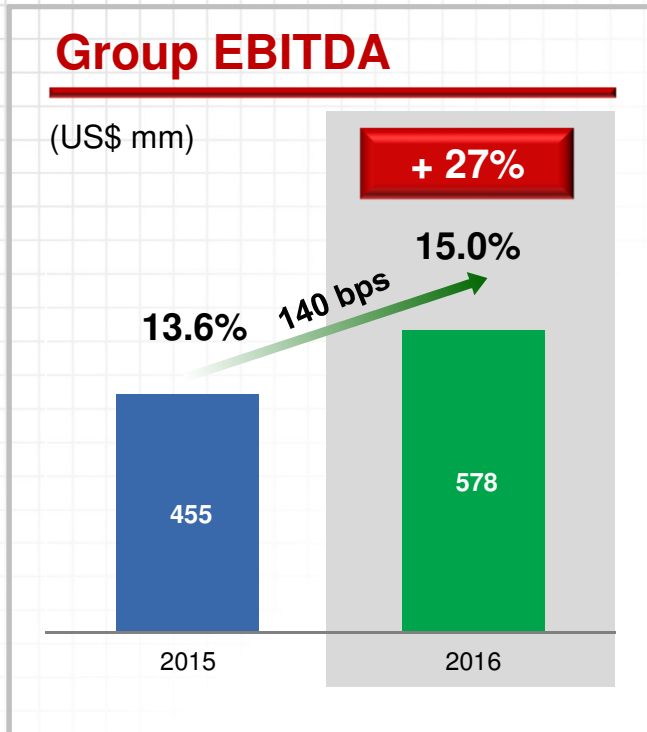


**Revenue Growth Across All Regions and Products**

## Revenue Growth Exceeding OEM Production – All Segments

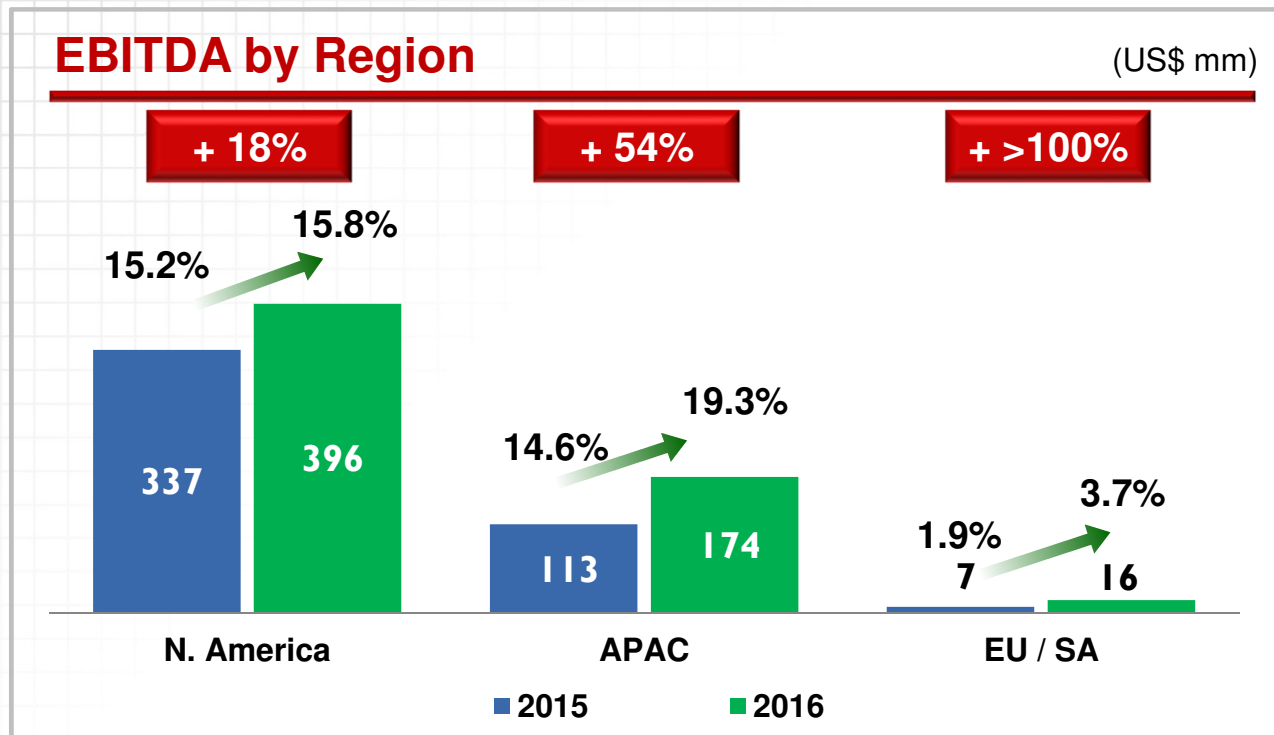


# Earnings Growth and Margin Expansion





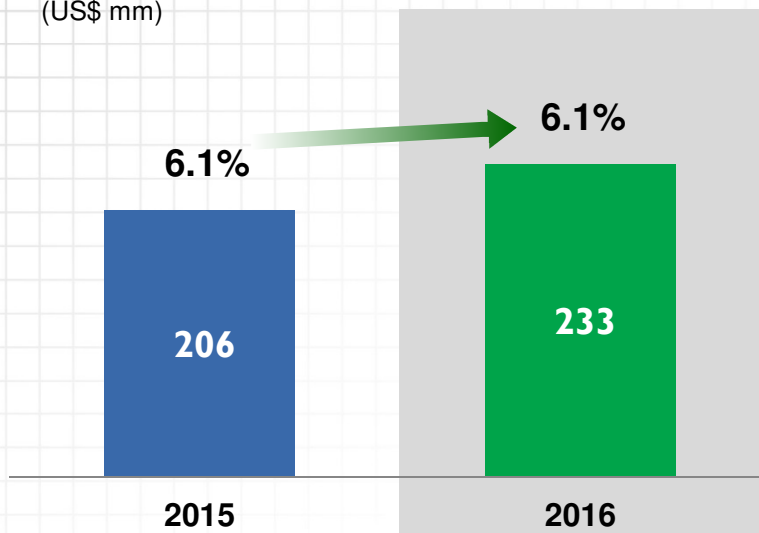
# Margin Expansion Across all Regions



## Continued R&D and Capital Investment

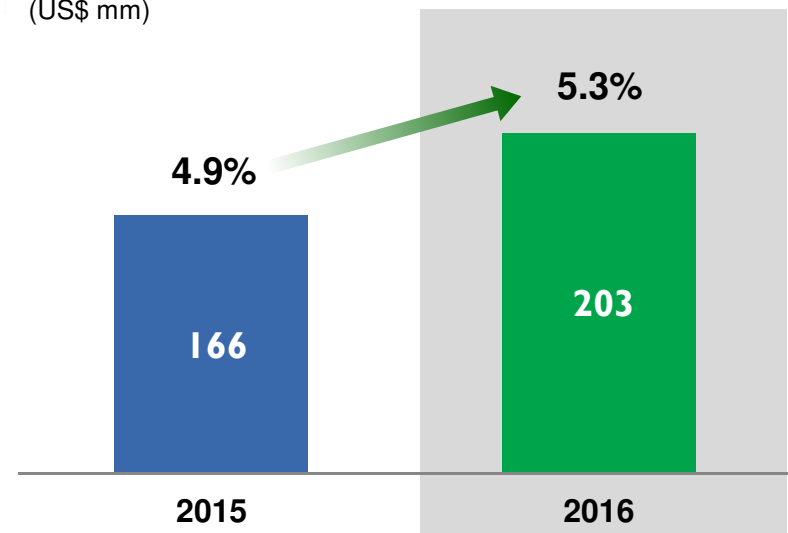
### R&D Expense\*

(US\$ mm)



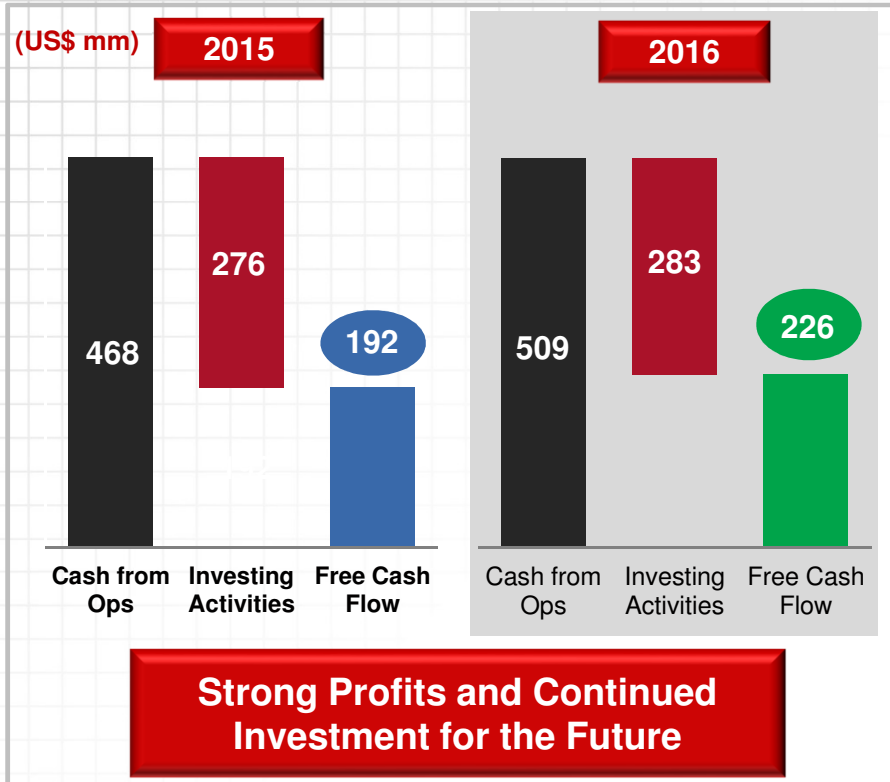
### Capex

(US\$ mm)



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

## Strong Free Cash Flow and Balance Sheet



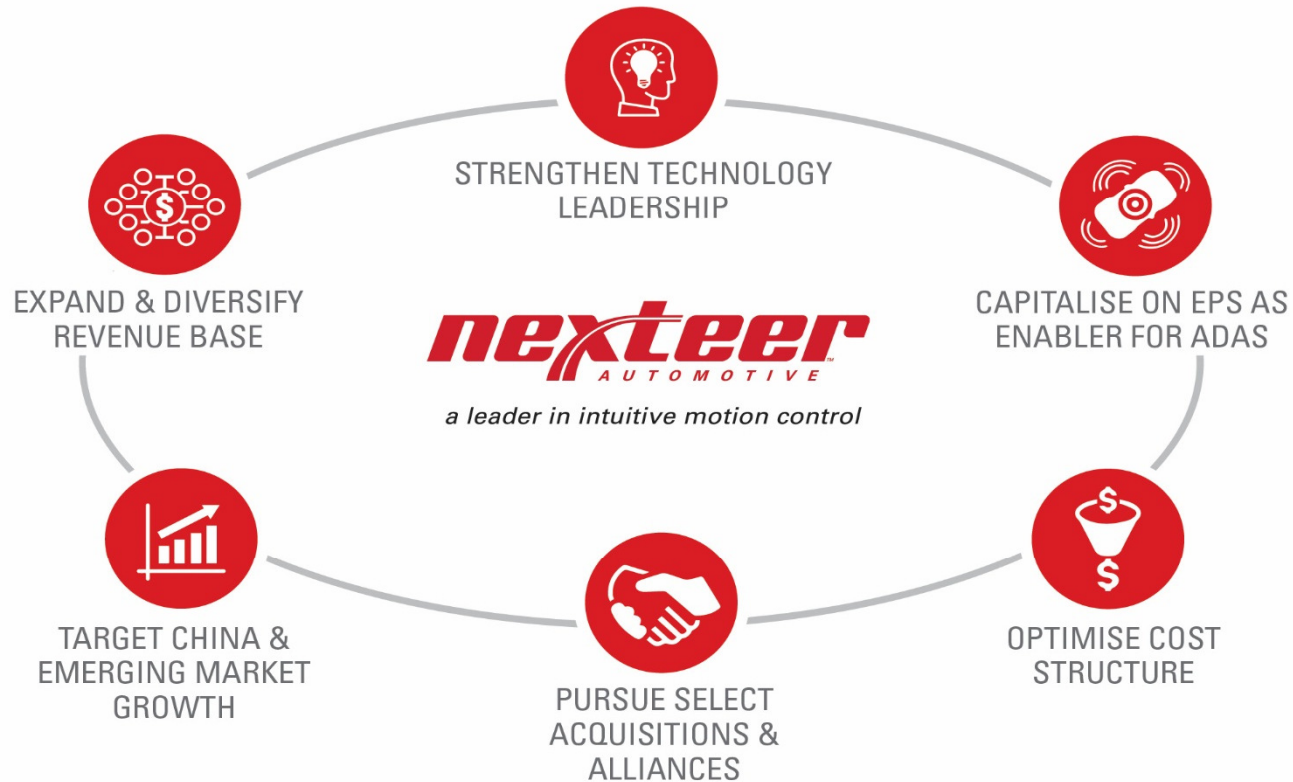
(US\$ mm)

	2016	2015
<b>Cash and Capital</b>		
Gross Debt	564	642
Less: Cash	484	417
Net Debt	<u>80</u>	<u>225</u>
Total Equity	1,091	854
Total Net Capital	1,171	1,079
Net Debt to Net Capital	6.8%	20.9%
<b>Liquidity</b>		
Cash	484	417
Credit Facilities	406	477
Total	<u>890</u>	<u>894</u>
<b>Leverage / Coverage</b>		
Gross Debt to EBITDA	1.0x	1.4x
Net Debt to EBITDA	0.1x	0.5x
Interest Coverage	19.2x	14.7x

## Sound Financial Position Supporting Capital Allocation Priorities



# STRATEGY FOR PROFITABLE GROWTH



A Well-Defined Plan to Drive Stakeholder Value