



2017 Annual Results Announcement



a leader in intuitive motion control

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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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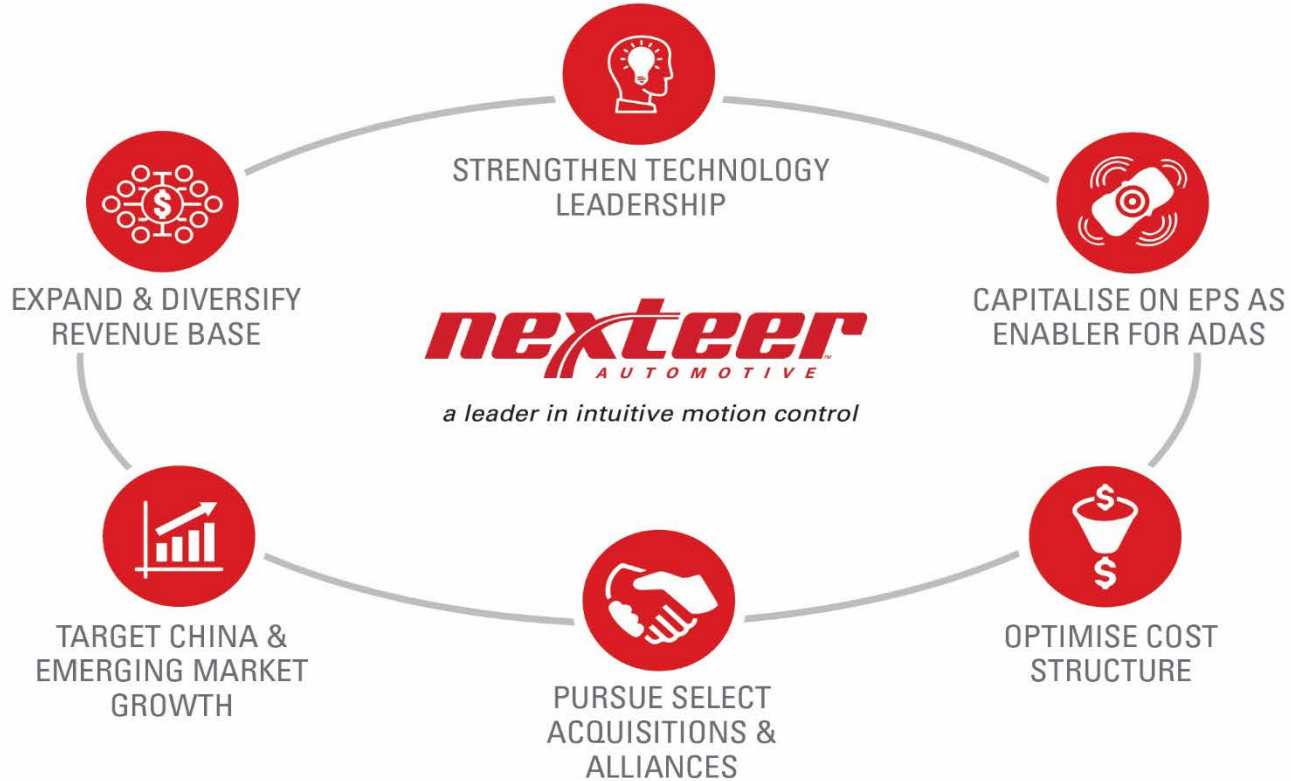
Business Highlights



Michael Richardson

Executive Board Director
President

STRATEGY FOR PROFITABLE GROWTH



A Well-Defined Plan to Drive Stakeholder Value



2017 Business Highlights

- Demonstrated market leadership with successful launch of **32 new customer programs** across multiple product lines, regions & customers
- Maintained Order-to-Delivery Backlog of US\$23.9 billion
- Continued expanding and rotating global business footprint
- Enhanced innovation leadership to drive core business growth
- Increased focus on operational efficiency improvement



Launched 32 Major Customer Programs



- GM Enclave / Terrain
Equinox / Traverse
REPS & Driveline
- FCA Jeep Wrangler
Columns & Driveline
- Ford Expedition / Navigator
REPS & Columns



- GM Crossland
SPEPS
- PSA Citroen C3 Aircross
SPEPS
- FCA Argo & Cronos
CEPS



- Renault Lodgy
Driveline
- Tata Ace, Iris, Majic, Zip, Osprey
Driveline
- GM Velite & Equinox
Driveline
- SGMW Conifero S, Cortez & C-SUV
CEPS
- BMW 1-Series & X1
SPEPS
- Changan CS55, Eado PHEV (C207)
CEPS



50 Million Electric Power Steering Unit Production Milestone





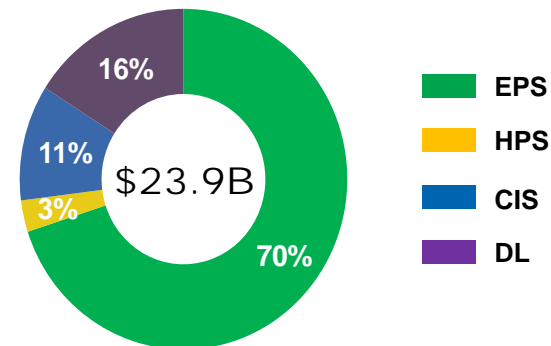
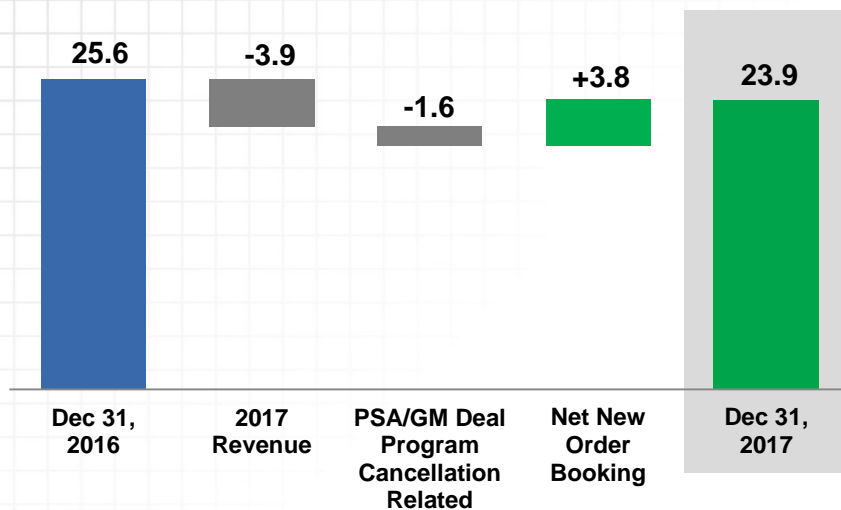
2017 Business Highlights

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Business Rotation to a Richer Product Mix

Order to Delivery Backlog* as of December 31, 2017



* Booked business information is compiled through our internal records, and such information has not been audited nor reviewed by our auditors.



... and a Broader Customer Base

3 New EPS
Customers



4 New NEV
Programs





2017 Business Highlights

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Expanding Global Manufacturing, Customer Service Center and Technical Center Footprint



Juarez,
Mexico

Dongfeng JV,
Wuhan, China

CSC,
Atsugi, Japan

New APAC TC,
Suzhou, China

Wholly-owned Plant
Liuzhou, China

Cikarang,
Indonesia

Porto Real,
Brazil

Keysborough,
Australia (closure)

- | | |
|----|--|
| Q1 | Dongfeng JV formed
Brazil Porto Real new facility grand opening
Mexico Juarez new plant grand opening |
| Q2 | Indonesia Cikarang new plant grand opening |
| Q3 | Japan Atsugi customer service center opening |
| Q4 | New APAC Technical Center groundbreaking
China Liuzhou own-property plant groundbreaking
Australia Keysborough manufacturing facility closed |

Rotating Product Planning & Engineering Closer to Customer



 **TECH CENTER**

 **CUSTOMER SERVICE CENTER**

 **PROTOTYPE**

 **NOISE & VIBRATION**

 **LAB**

 **TEST TRACK**



Expanding the Nexteer Difference

Full-Service Provider

| Customer Focused | Service-Oriented | Flexible |



Design



Prototyping



Validation



Software



Electronics



System
Integration



2017 Business Highlights

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autöMOBILID
NAIAS DETROIT



North America Truck of the Year
Lincoln Navigator
Nexteer Technologies: Steering
Column, Rack Electric Power Steering

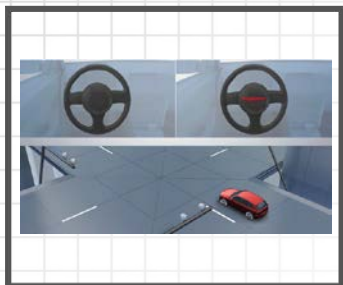


Motor Trend Car of the Year
Chevy Bolt
Nexteer Technology: Column
Electric Power Steering

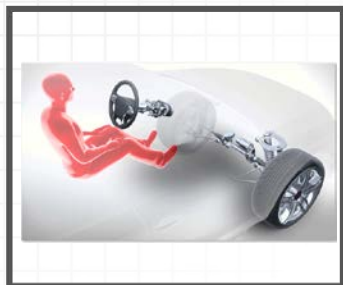


Motor Trend Truck of the Year
Ford Super Duty Truck
Nexteer Technology: Steering
Column

Advanced Technology Suite



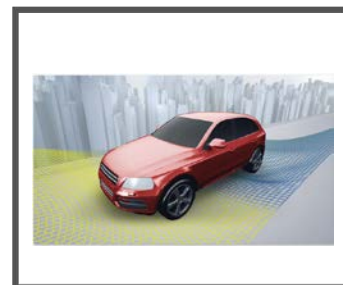
Quiet Wheel™ Steering
Redefines U/X



Steering on Demand™ System
*shown w/ Stowable Column
Safe Transitions*



Steer by Wire
*Centerpiece Enabler of
Advanced Functions & Safety*



High Availability EPS
Safety Net Always ON



Cyber Security
*Validates True
Motion Commands*



Advanced Technology Demonstration





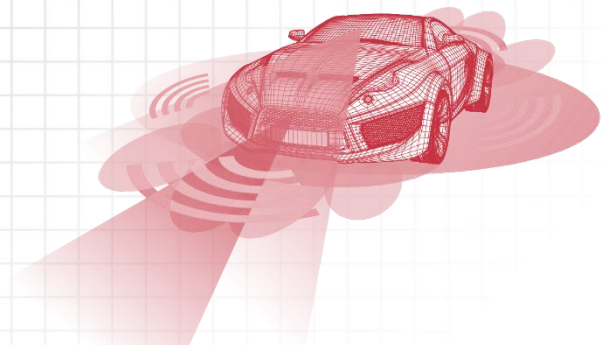
Advanced Technology Demonstration





Advanced Technology Projects

Lateral Directional Control



**7 ADAS Development
Contracts secured in 2017**



**2 Steer-by-Wire Development
Contracts secured in 2017**



Vision

Accelerating Trusted Motion
Control through Collaboration





Strategic Alliances

New Alliances to expand addressable market in China



长安汽车
CHANGAN



DFM



Entered into new joint ventures for expanding driveline and EPS businesses in China



Strategic Alliances

Strategic Partnerships delivering full dynamic control - for light and commercial vehicle



Motion control systems and for automated driving

WABCO

Exclusivity with a leading global supplier of CV technologies





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- Increased focus on **operational efficiency improvement**



Operational Efficiency

DIGITAL TRACE MANUFACTURING™

Connects all Global Data Points into 1 Smart System



Traceability • Machine & Tooling Data • Total Productive Maintenance • Quality Systems • Inventory • Data Acquisitions • Product Design Data

2017
Frost & Sullivan
"Enterprise
Technology
Leadership"
Award

Enhances:

- Quality & Traceability
- Customer Value
- Responsiveness
- Capacity Optimization
- Ergonomics & Productivity
- Proactive Decision-Making

nexteer
AUTOMOTIVE
a leader in intuitive motion control

MANUFACTURING LEADERSHIP AWARDS

FROST & SULLIVAN



Industry Recognition



**Saginaw & Suzhou
Plants won GM
Supplier Quality
Excellence Award**



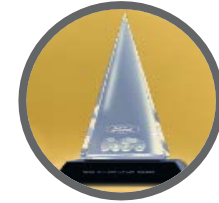
**Nexteer Liuzhou
Plant Won 2017 Best
Supplier Award from
SGMW**



**Nexteer Juarez Plant
Won Toyota Quality
Performance
Certificate**



**Nexteer Saginaw Plant
(Column) Won FCA 2016
Outstanding Quality
Award**



**Nexteer Suzhou Plant
Won Ford Annual
World Excellence
Award**



**Nexteer Suzhou Plant and
GM China Joint Team Won
the 1st Prize in China
Association for Quality
National Lean Project
Competition**



**Nexteer Zhuozhou Plant
Black Belt Team Won the 1st
Prize Award in China
Association for Quality
National Six Sigma Project
Competition**



**Nexteer India won
Excellence Award in the
National Level Quality Circle
Competition**



**Nexteer Suzhou Plant
awarded 2017 Excellent
Supplier from Dongfeng
Peugeot Citroen (DPCA)**



**Nexteer Liuzhou Plant
Won 2017 Excellent
Supplier Award from
Dongfeng Liuzhou Motor**

Financial Highlights



Bill Quigley

Senior Vice President
Chief Financial Officer

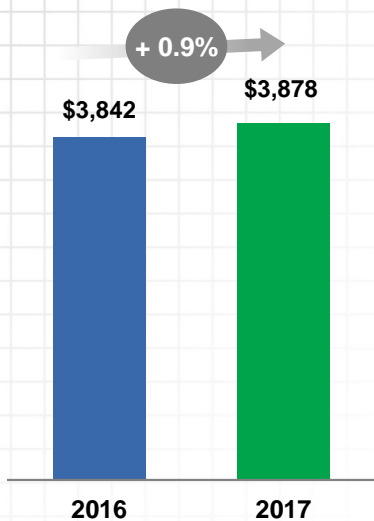
2017 Financial Highlights

- **Record financial results for 2017**
- **Revenue in-line with key customer production**
- **Strong earnings and margin expansion**
 - *Non-recurring tax benefit from U.S. Tax Reform*
- **Committed investment to new product technologies**
- **Working capital management and capital investment discipline**
- **Significant cash flow performance and strong balance sheet**
- **Continued delivery of superior value to shareholders**

2017 Financial Highlights

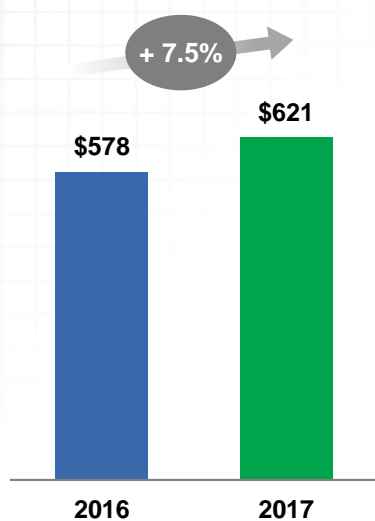
Revenue

(in millions)



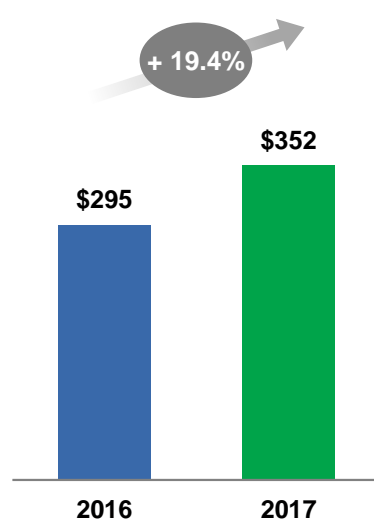
EBITDA

(in millions)



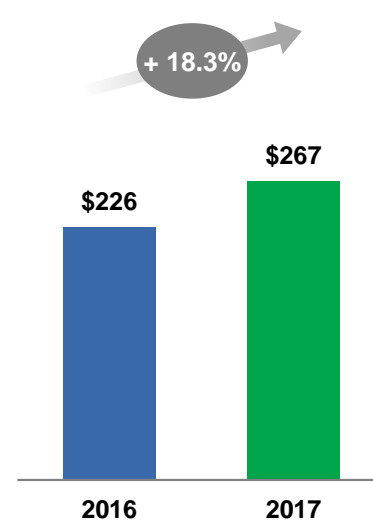
Net Profit*

(in millions)



Free Cash Flow

(in millions)

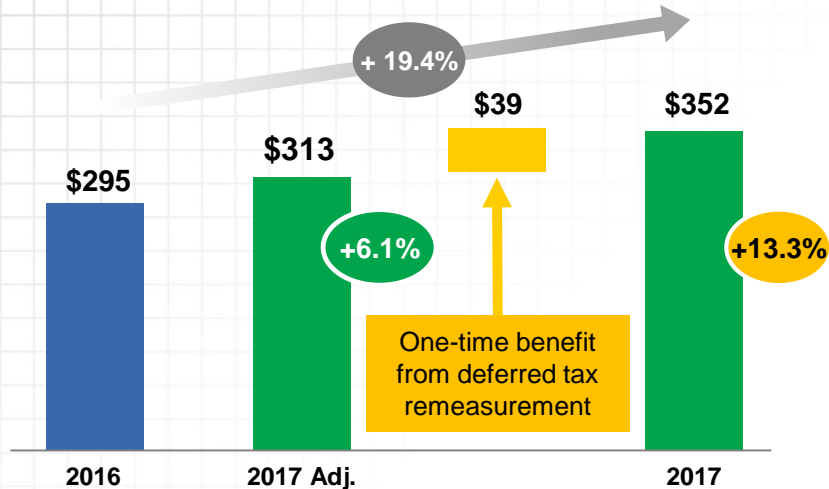


* Net Profit Attributable to Equity Holders

U.S. Tax Reform Impact on Net Profit

2017 Net Profit

(in millions)



Ongoing Impacts from U.S. Tax Reform

Favorable

- Reduced Corporate federal tax rate
- Preferential tax rate on foreign derived intangible income
- Immediate expensing of certain capitalised assets

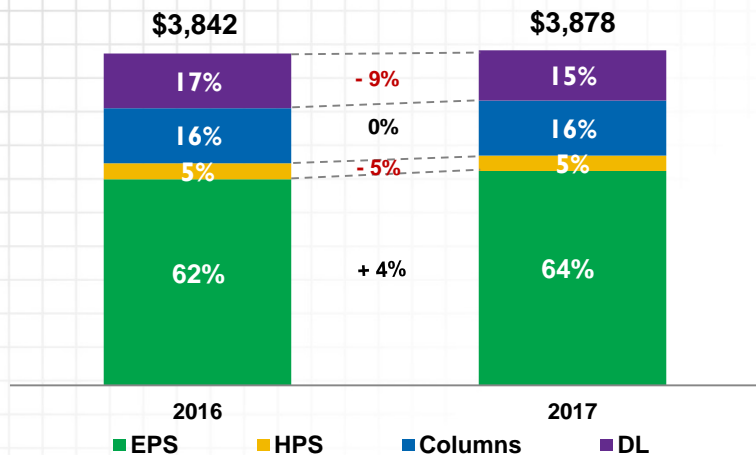
Unfavorable

- Section 199 (deduction of U.S. manufacturing expense) repealed
- Base Erosion Anti-abuse Tax ('BEAT') implementation
- Interest expense deductibility limits

Revenue Distribution by Product and Region

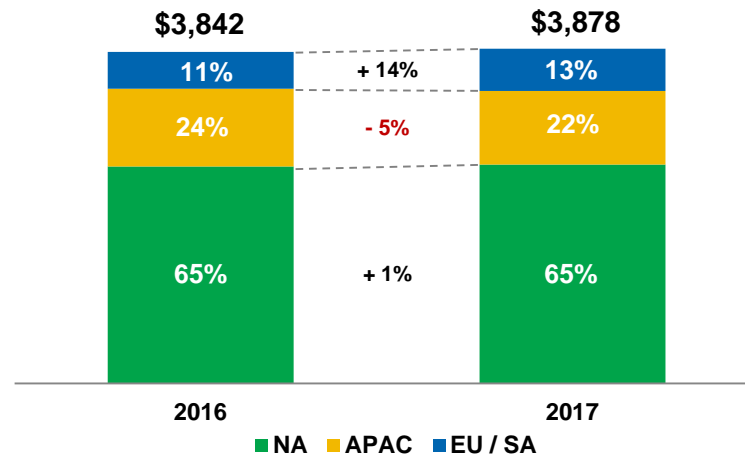
Revenue by Product

(in millions)



Revenue by Region

(in millions)

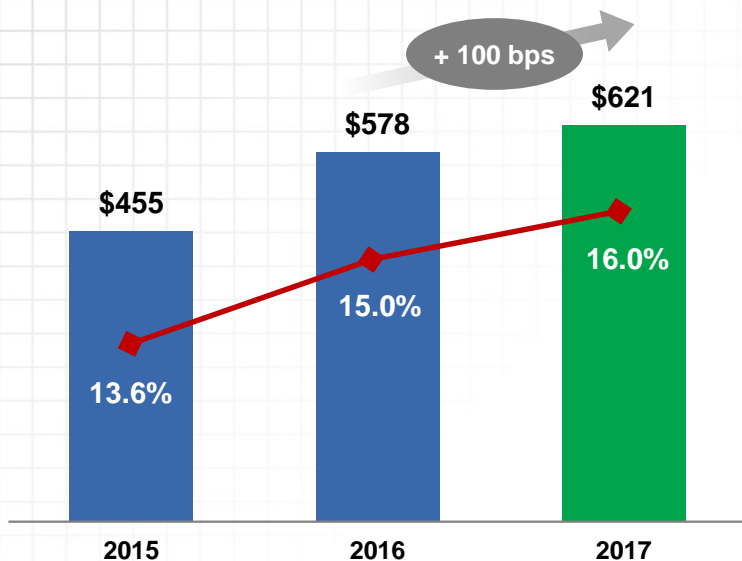


Revenue Growth with Richer Product Mix

Profit and Margin Progression

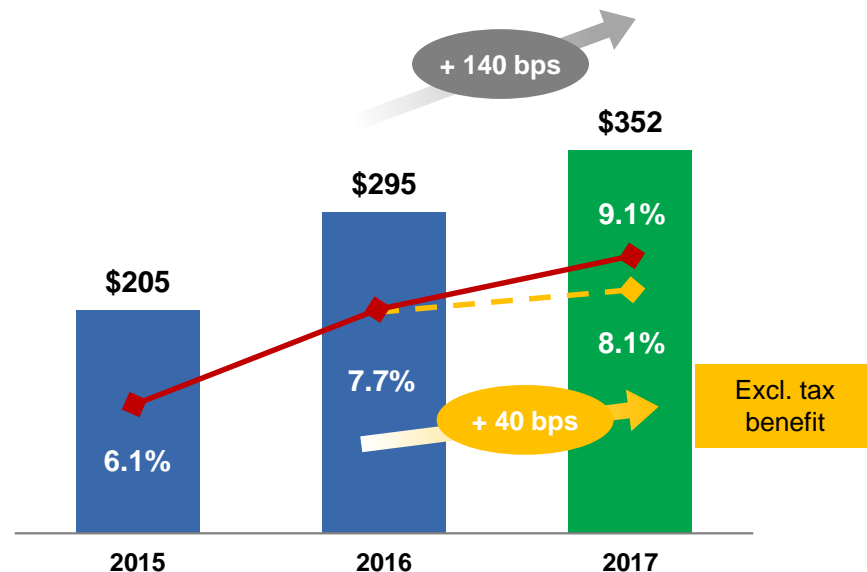
EBITDA Margin

(in millions)



Net Profit Margin

(in millions)

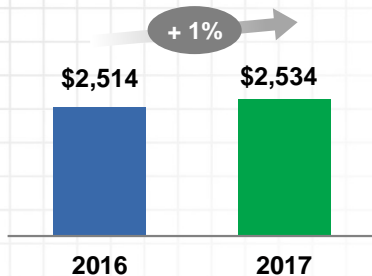


Margin Expansion Across all Regions

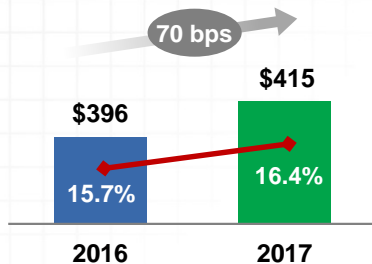
N. America

(in millions)

Revenue

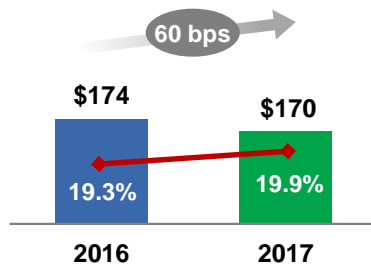
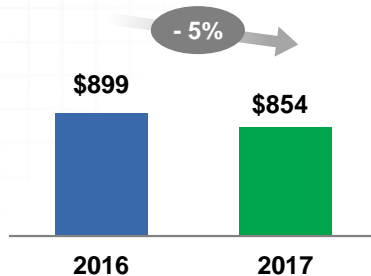


EBITDA / %



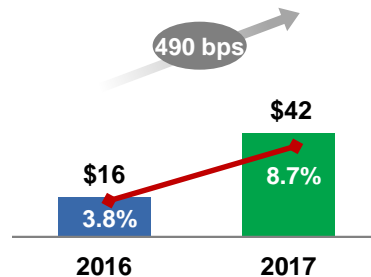
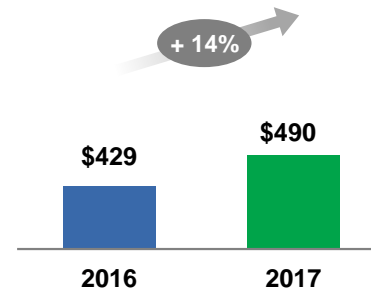
Asia Pacific

(in millions)



EU / S. America

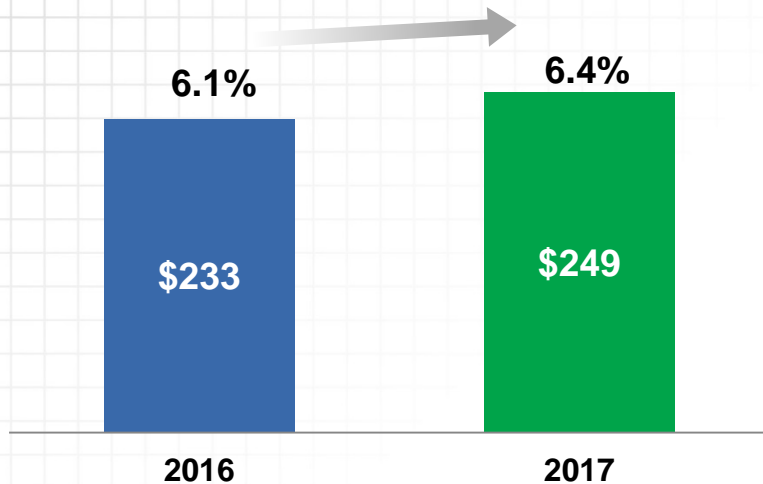
(in millions)



R&D and Capex Investment for the Future

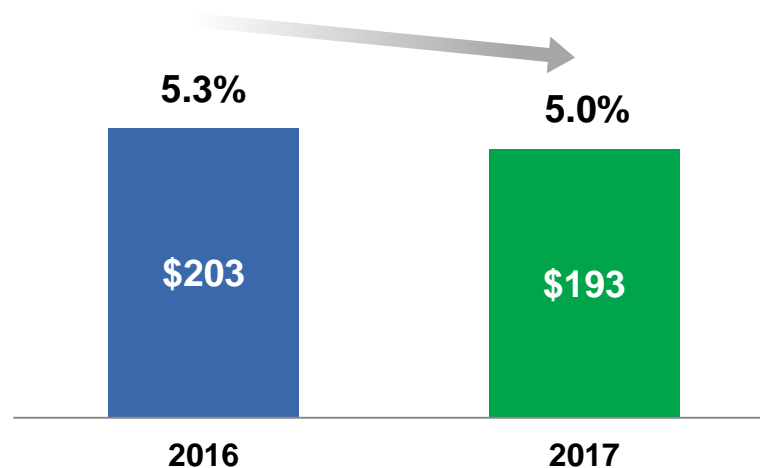
R&D Expense*

(in millions)



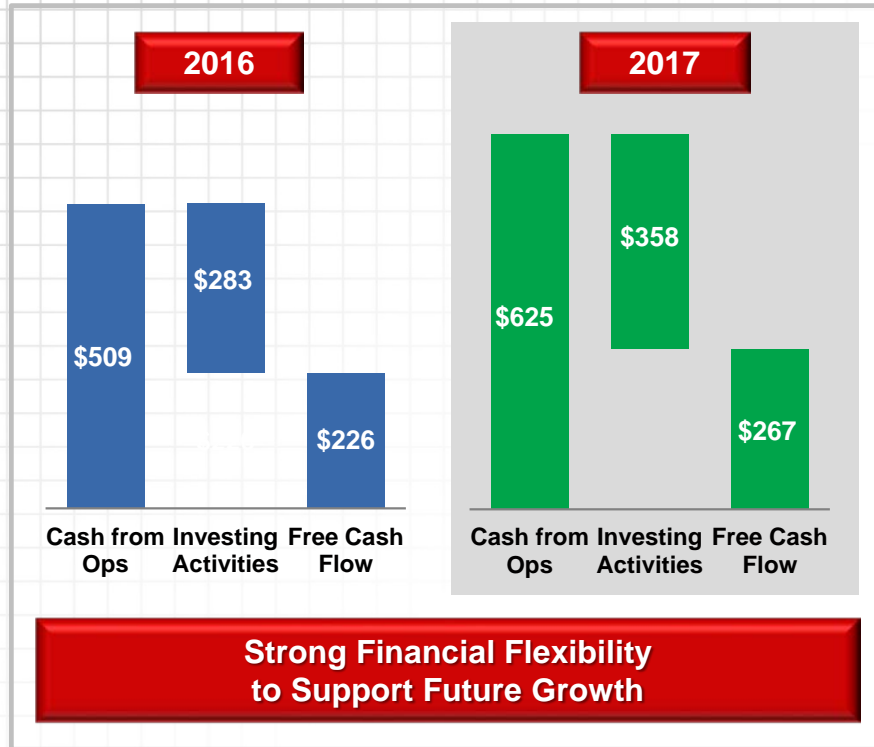
Capex

(in millions)



* Including engineering and product development costs charged to income statement and development costs capitalized as intangible asset of \$7.3 in 2016 and \$10.7M in 2017

Strong Free Cash Flow and Balance Sheet (in millions)

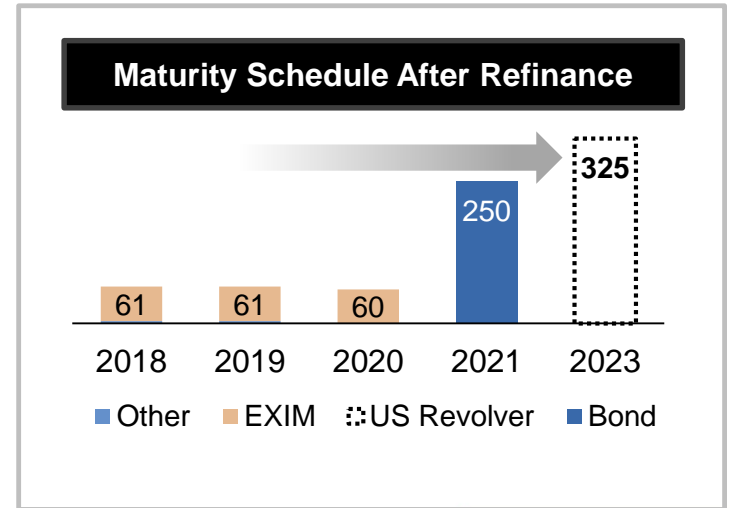
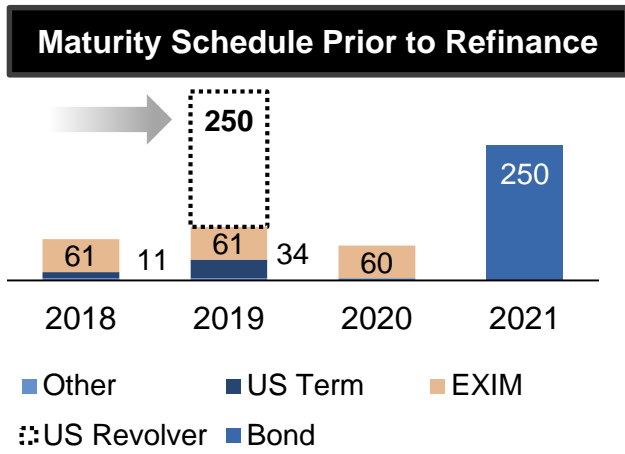


	2017	2016
Cash and Capital		
Gross Debt	\$491	\$564
Less: Cash	601	484
Net (Cash) / Debt	<u>(\$110)</u>	<u>\$80</u>
Total Equity	\$1,441	\$1,091
Total Net Capital	\$1,331	\$1,171
Net Debt to Net Capital	n.a.	6.8%
Liquidity		
Cash	\$601	\$484
Credit Facilities	456	406
Total	<u>\$1,057</u>	<u>\$890</u>
Leverage / Coverage		
Gross Debt / EBITDA	0.8x	1.0x
Net Debt / EBITDA	n.a.	0.1x
Interest Coverage	29.1x	19.1x

U.S. ABL Refinancing

- Completed refinancing of \$250m U.S. ABL in February 2018
- Increased availability from \$250m to \$325m
- Extended maturity from 2019 to 2023

- Paid-off in full remaining term loan balance (\$45m at YE 2017)
- Interest expense savings more than offsets refinancing costs in 2018



Sound Financial Position Supporting Capital Allocation Priorities



Sound Financial Position Supporting Capital Allocation Priorities



Invest to Drive Organic Growth

- R&D spending of \$249m
- Capital investment of \$193m
- 3 year cumulative investment of \$1.257b



Shareholder Returns

- Net profit and margin expansion
- 2017 dividend of \$70m
- \$170m 3 year cumulative return to shareholders



Debt Service & Capital Market Access

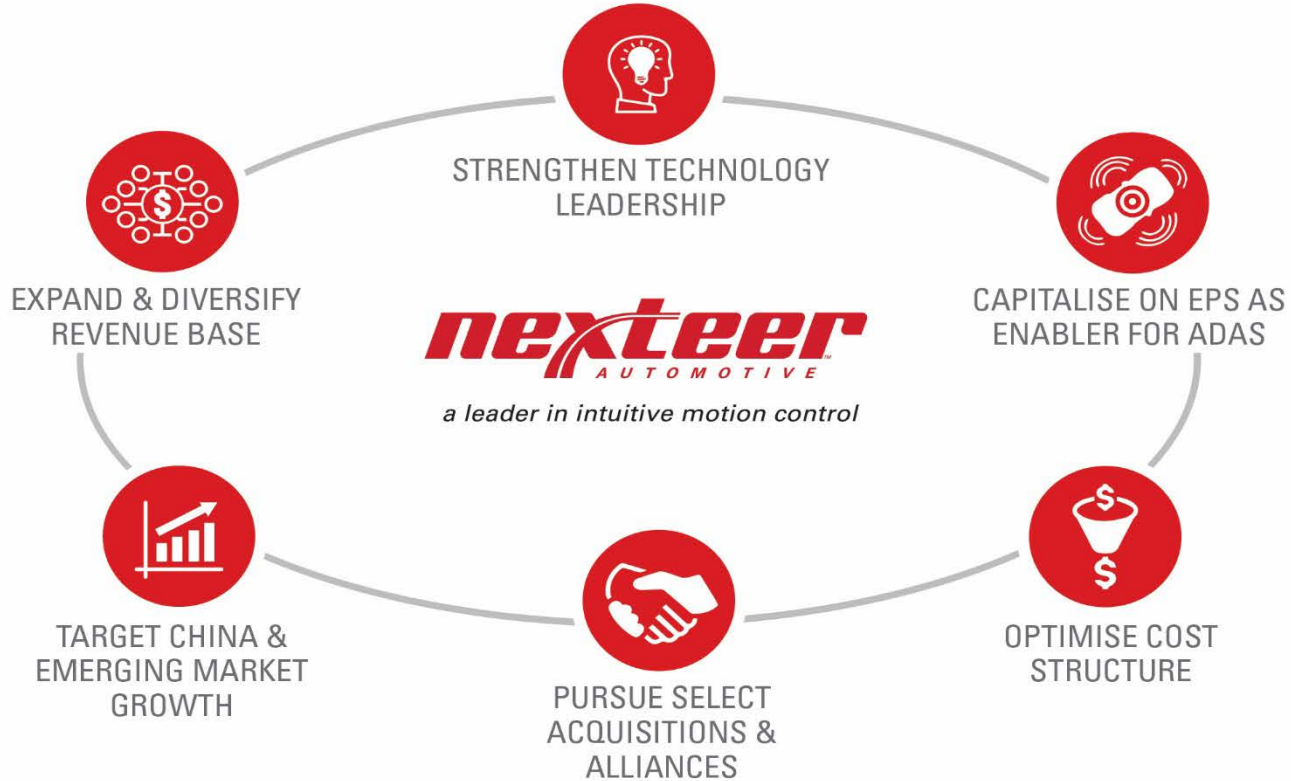
- S&P IG rating
- Net cash position
- ABL refinancing
- Pay-down in full of U.S. term loan



Pursue Select Acquisitions & Alliances

- CNX Motion arrangement
- Dongfeng JV
- WABCO supply partnership

STRATEGY FOR PROFITABLE GROWTH



A Well-Defined Plan to Drive Stakeholder Value