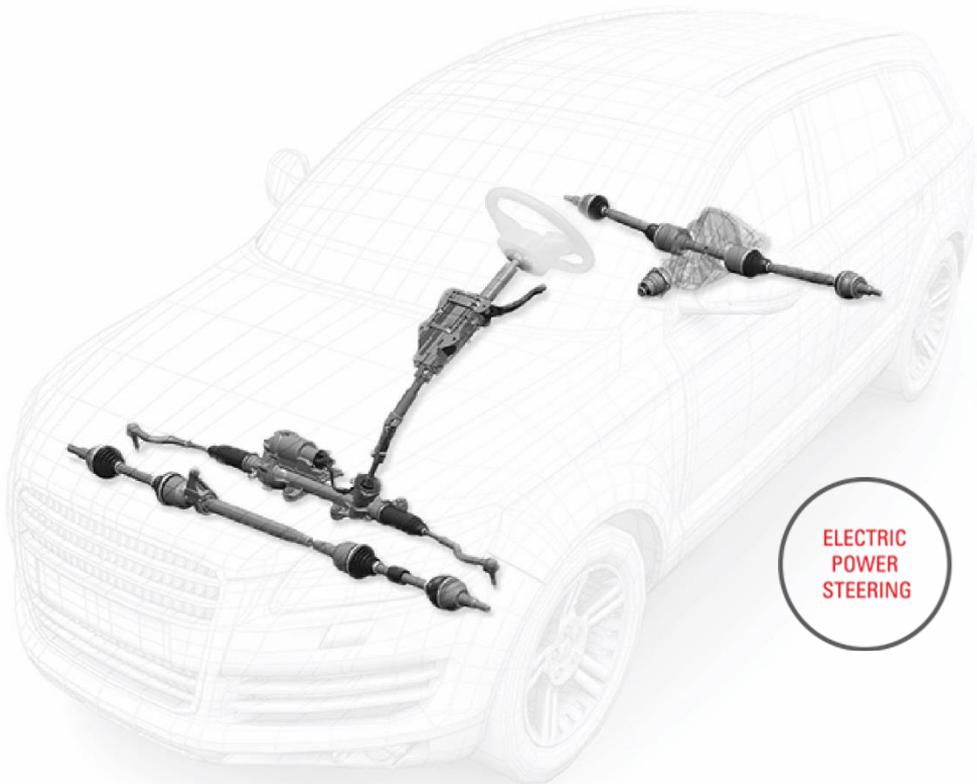




a leader in intuitive motion control



2021

Interim Results Announcement

17 August 2021

ELECTRIC
POWER
STEERING

COLUMNS &
INTERMEDIATE
SHAFTS

DRIVELINE
SYSTEMS

HYDRAULIC
POWER
STEERING

ASSISTED
& AUTOMATED
DRIVING
ENABLERS

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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.

This document does not constitute an offer, solicitation, invitation, or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.

1H 2021 Business Highlights

ROBIN MILAVEC

Executive Board Director
President
Chief Technology Officer
Chief Strategy Officer



Executive Leadership Changes



**ROBIN
MILAVEC**

President,
Chief Technology Officer (CTO),
Chief Strategy Officer (CSO)
& Executive Board Director



**HERVÉ
BOYER**

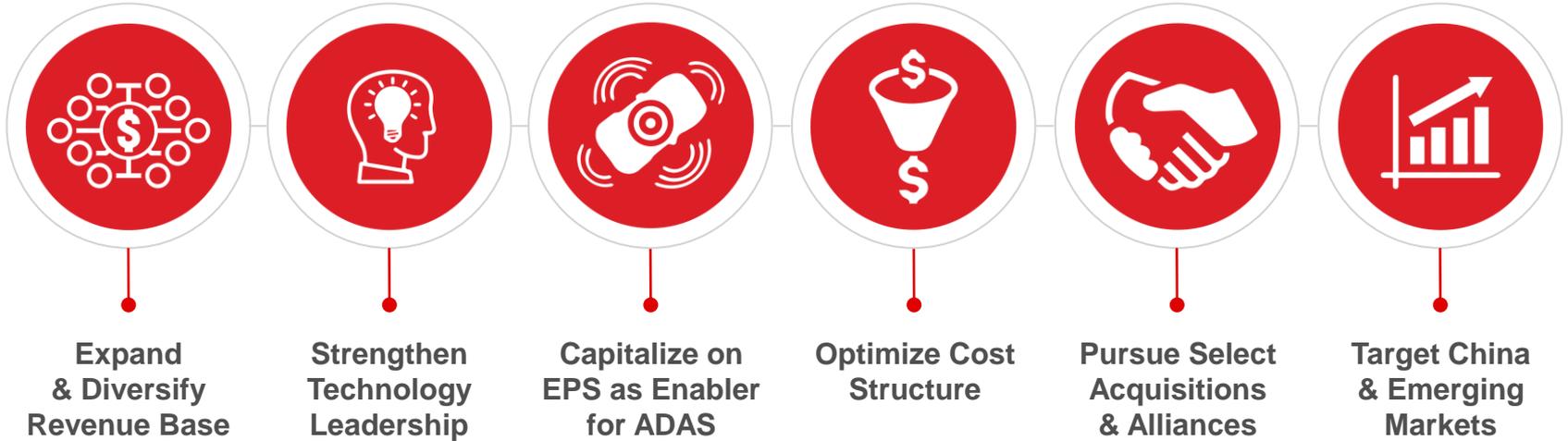
Senior Vice President,
Global Chief Operating Officer
& North America Division President



**MICHAEL
BIERLEIN**

Senior Vice President
& Chief Financial Officer

Strategy for Profitable Growth



A well-defined plan to drive stakeholder value

Business Highlights

- **Successful launch of 16 programs across multiple product lines, regions and customers**

- **New Business Bookings with strong focus on EV programs**

- **Strategic product and technology enhancing market leadership**

- **Industry recognition of operational efficiency and execution**

Business Highlights

● **Successful launch of 16 programs across multiple product lines, regions and customers**

● **New Business Bookings with strong focus on EV programs**

● **Strategic product and technology enhancing market leadership**

● **Industry recognition of operational efficiency and execution**

Launched 16 Major Programs in 1H 2021



NORTH AMERICA (5)



Ford Bronco
REPS; Column



Jeep Grand Cherokee
REPS



Renault Kangoo
Halfshafts



Chevrolet Bolt EUV
CEPS; Halfshafts



Tata Limber EV
Halfshafts



GAC Aion Y
CEPS



Chevrolet Bolt EUV
Halfshafts



Renault Dacia Express
Halfshafts



Infiniti QX60
Halfshafts



Mercedes-Benz C-Class
Halfshafts



Nissan Pathfinder
Halfshafts



Renault Arkana
Halfshafts



Mahindra XUV500
Halfshafts

- Sheppard HD94-Class 8 - Integral Gears

Incumbent business | **New business**

 Electric Vehicle

Ford Bronco Features New Innovation



- **Powerpack Innovation:**

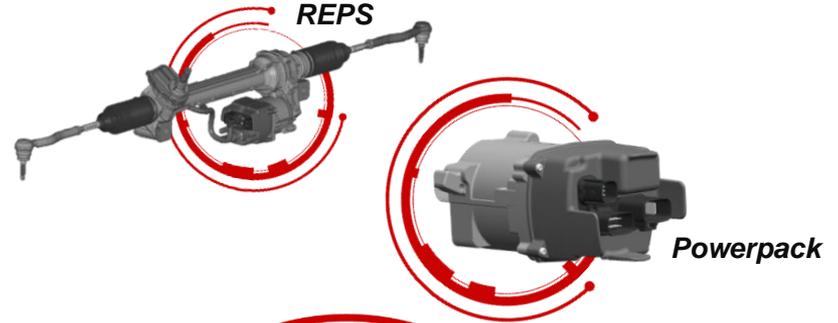
- <10 FIT, Folded Circuit Board
- Improved Packaging, Cost & Safety

- **Rack EPS-enabled ADAS**

- Lane Keeping & Auto Park Assist

- **Enables OTA Flash Updates**

- **Off-Road Profile: Software & Tuning, Development & Validation**



2021
Ford Bronco

Business Highlights

- **Successful launch of 16 programs across multiple product lines, regions and customers**

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Business Wins - 1H 2021



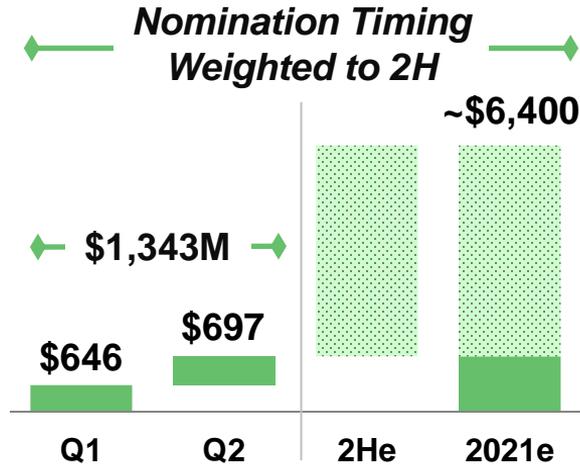
Key Highlights

1st REPS Business Win with Japanese OEM

Secured 100% of incumbent business

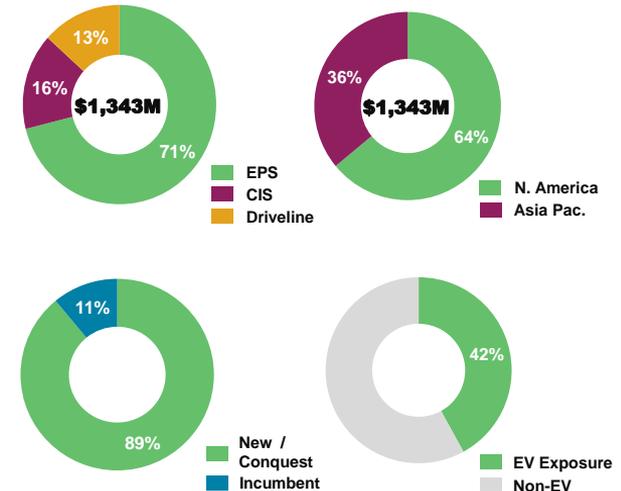
Bookings* & Full-Year Outlook

(\$ in millions)



1H Bookings Composition

(\$ in millions)



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

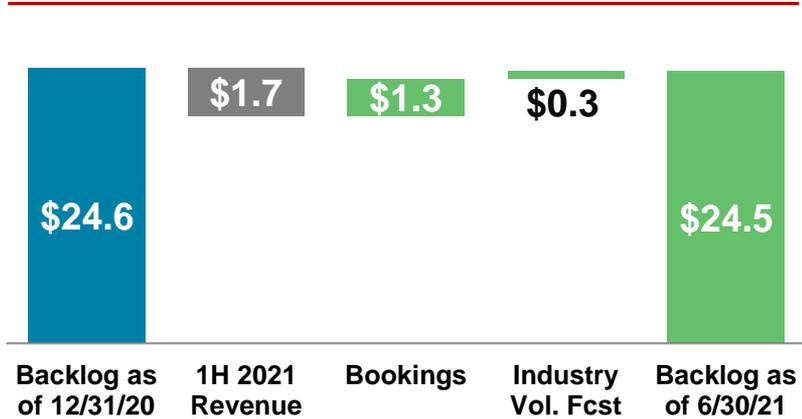
Backlog as of June 30, 2021



ORDER-TO-DELIVERY BACKLOG*

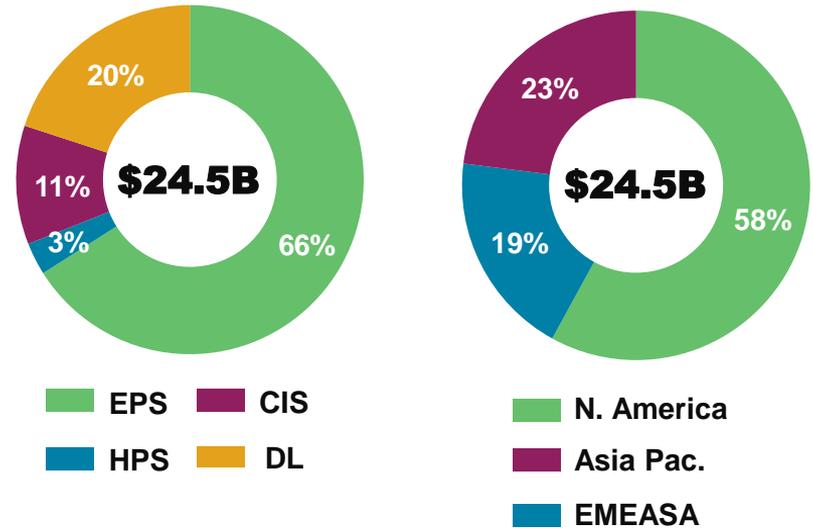
(\$ in billions)

Roll-Forward



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

Composition



Business Highlights

- **Successful launch of 16 programs across multiple product lines, regions and customers**

- **New Business Bookings with strong focus on EV programs**

- **Strategic product and technology enhancing market leadership**

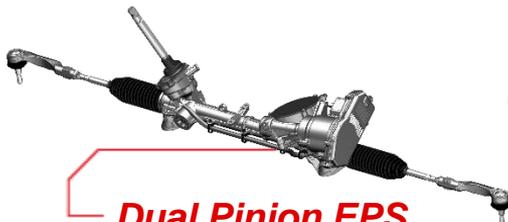
- **Industry recognition of operational efficiency and execution**

Industry Leading Steering & Driveline Technologies Supporting Business Growth



High Output REPS

Expands Breadth of EPS
to LCV & HD Trucks



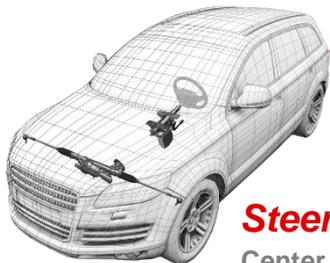
Dual Pinion EPS

Improves Packaging &
Selectable Redundancy



Modular CEPS

Innovates Cost-Efficiency
& Scalability



Nomination of
Automotive News
PACEpilot

Steer-by-Wire

Center Link Across the
Chain of Mega Trends



Stowable Column

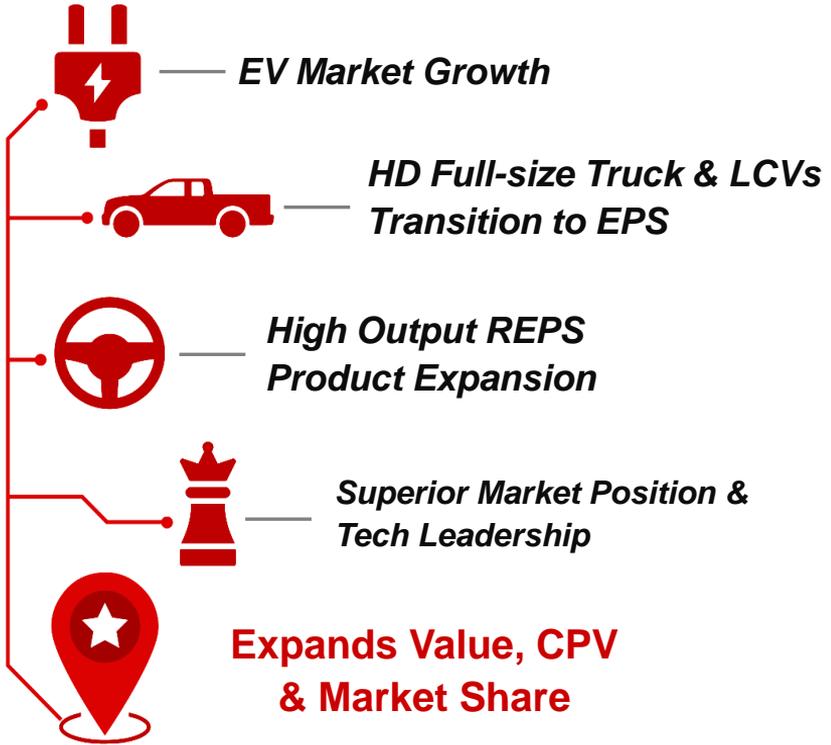
Nomination of
Automotive News
PACEpilot First-to-Market
Stowable Column



Ball Spline Axle Halfshaft

Enables NVH & Durability
at Ultra-High Running Angles

Electrification: Value, CPV & Market Share Expansion



GM Electric Hummer



Chevy Electric Silverado

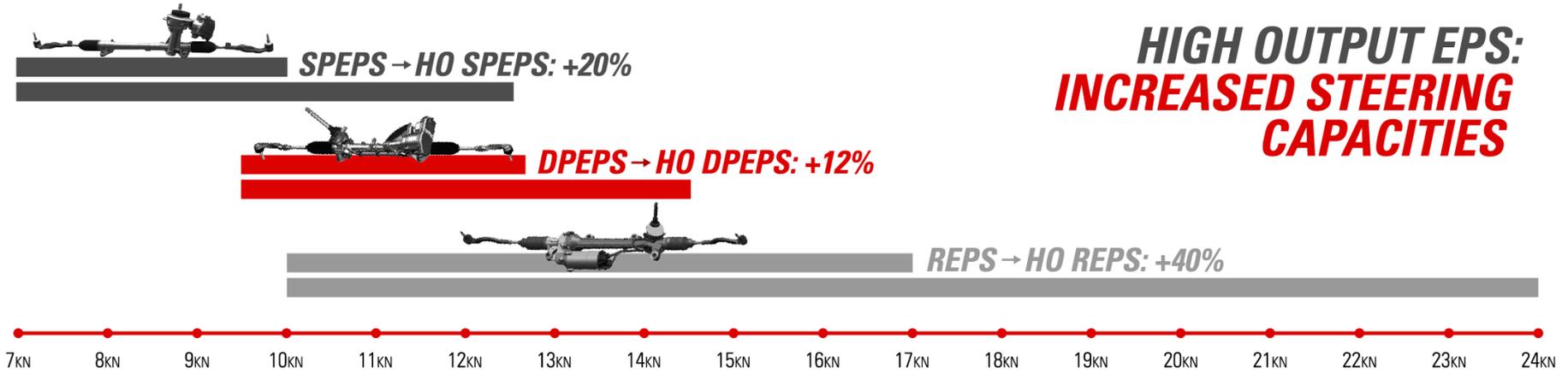


Ford Electric F150



GMC Electric Sierra

High Output EPS Solutions for All Segments of Electric Vehicles



- Offering high output options for all under hood steering systems
- Meeting higher EV loads (B-D vehicle segments) to enhance position in growing Electrification trend
- Solidifying global REPS, European SPEPS market leadership

Acceleration in Safety, Connectivity and Mobility Mega Trends



Mobility (ADAS L3+)



CRUISE

NURO

Connectivity & Software



Advanced Safety, Performance (ADAS L3+)



Brake-to-Steer
for ADAS/AD

Nomination of
Automotive News
PAGE pilot

Cyber Security

Automotive News

Nexteer crafts new ways
to steer clear of cyberattacks

Business Highlights

- **Successful launch of 16 programs across multiple product lines, regions and customers**

- **New Business Bookings with strong focus on EV programs**

- **Strategic product and technology enhancing market leadership**

- **Industry recognition of operational efficiency and execution**

Industry Recognition

- ***GM Supplier of the Year Award***
- ***GM Supplier Quality Excellence Award***
- ***SAIC GM Aftermarket's Excellent Supplier Award***
- ***Chang'An Excellent Supplier Award***
- ***2021 Automotive News PACEpilot Finalist for Steer-by-Wire with Stowable Steering Column & CNX Motion's Brake-to-Steer***
- ***ITEA's Bronze Prize at the American Society of Quality's 2021 World Conference of Quality and Improvement***
- ***National Association of Manufacturers' 2021 Manufacturing Leadership Award for Enterprise Integration Technology Leadership***

Integrating ESG into our Global Business Strategies

SUSTAINABILITY HIGHLIGHTS FIVE KEY FOCUS AREAS



BUSINESS ETHICS



SUPPLY CHAIN



COMMUNITY



VALUE CREATION



HEALTH, SAFETY
and ENVIRONMENT

Environmental



- Global cross-functional Climate Change Task Force (CCTF) coordinating enterprise-level efforts
- Collaborating with internal and external SMEs to conduct TCFD-aligned Physical and Transitional climate risk assessments

Social

- Newsweek's list of America's Most Responsible Companies
- Most Responsible Company in Suzhou Industrial Park Award for Nexteer China
- Expansion Magazine's "Super Empresas 2021" as the Best Places to Work in Mexico for Nexteer Mexico
- Manpower Group's Friendly Place to Work for Nexteer Poland
- 2021 CSO50 Award from IDG's CSO for Innovative Cybersecurity Framework
- "RISE" Program to promote diversity, equity & inclusion

Governance

3-Tiered Sustainability Governance Structure:

1. Board of Directors

● Oversight

2. Steering Committee

● Leadership / guidance

3. Cross-Functional Work Group

● Coordination

1H 2021 Financial Review

**BILL
QUIGLEY**

Senior Vice President
Chief Financial Officer



1H 2021 Financial Summary

(\$ in millions)

Significant Demand Recovery vs. 1H 2020

- Global OEM production up +29% Y/Y; sharp rebound from Q2 2020 low point
- Revenue growth outpaced market – led by APAC and EMEASA
- Strong improvement in earnings and margin performance
- Balance sheet remains strong; successfully refinanced US ABL extending maturity / lower borrowing rate structure

Industry Challenges Weighed on Performance vs. 2H 2020

- Supply constraints accelerated through Q2 2021, increasing volatility / downtime in OEM production
- Driving sequential decline in 1H 2021 OEM production vs 2H 2020 of 11%
- Significant increase in logistics costs; higher premium utilization to support customer production
- Net commodity pressures / challenged supply chain / volatile production / tempering efficiencies

Challenging Operating Environment

1H 2021 OEM Production Environment

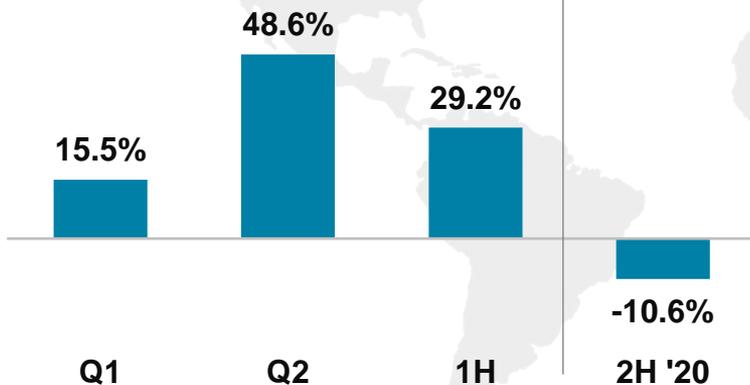
(units in millions)

Global OEM Production Units*

* according to IHS Markit Ltd. July 2021 forecast

	Q1	Q2	1H	2H '20
2021	20.6	18.8	39.4	44.1
vs 2020	2.8	6.1	8.9	(4.7)

Percentage Change



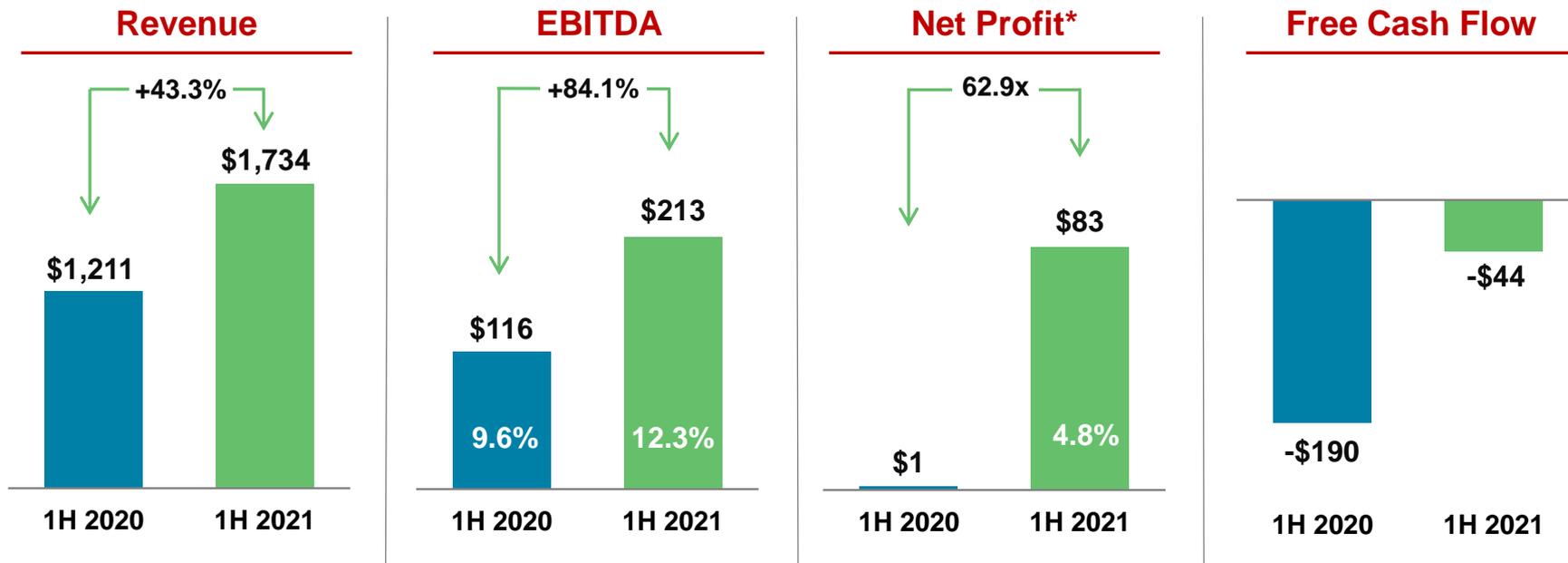
Served Markets (excludes Middle East and Africa)

N. America	Q1	Q2	1H	2H '20
2021	3.6	3.2	6.8	7.9
vs 2020	(0.2)	1.8	1.6	(1.1)
%	-4.5%	132.2%	32.0%	-13.5%
APAC	Q1	Q2	1H	2H '20
2021	11.1	10.3	21.3	24.2
vs 2020	2.9	1.7	4.6	(2.9)
%	34.7%	20.0%	27.2%	-11.9%
EU/SA	Q1	Q2	1H	2H '20
2021	5.4	4.8	10.2	11.0
vs 2020	0.1	2.4	2.5	(0.8)
%	1.0%	100.4%	31.8%	-7.2%

Supply Constraints Impacting OEM Production

1H 2021 Key Financial Metrics

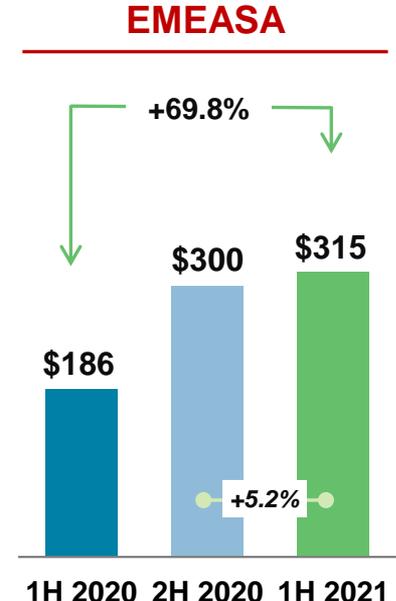
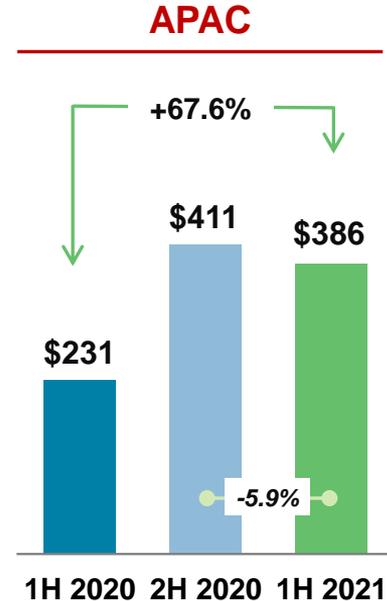
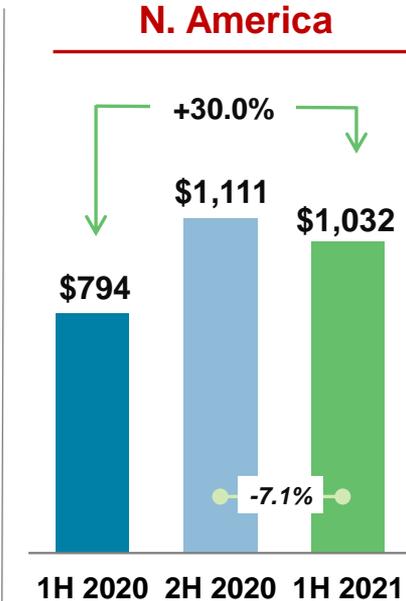
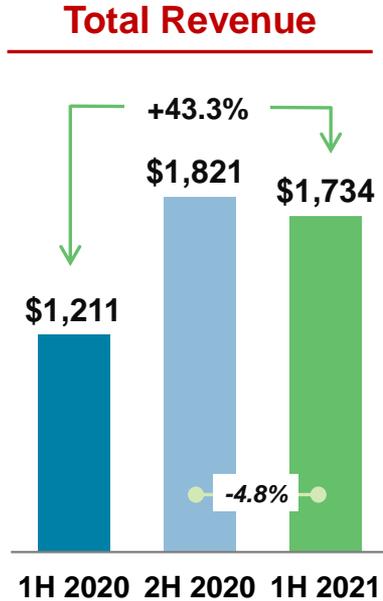
(\$ in millions)



* Net Profit Attributable to Equity Holders

Regional Revenue Performance

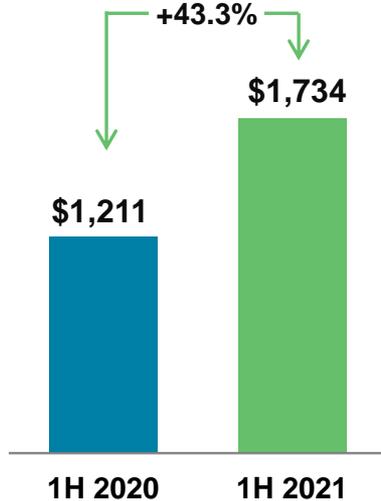
(\$ in millions)



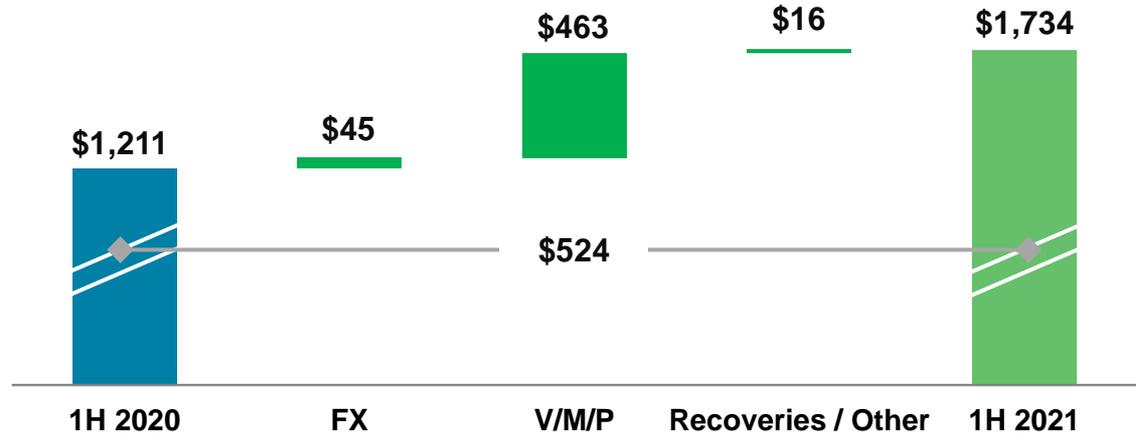
Revenue Bridge – 1H 2021 vs 1H 2020

(\$ in millions)

Total Revenue



Y-O-Y Revenue Drivers



**Strong OEM Production Recovery
All Served Markets**

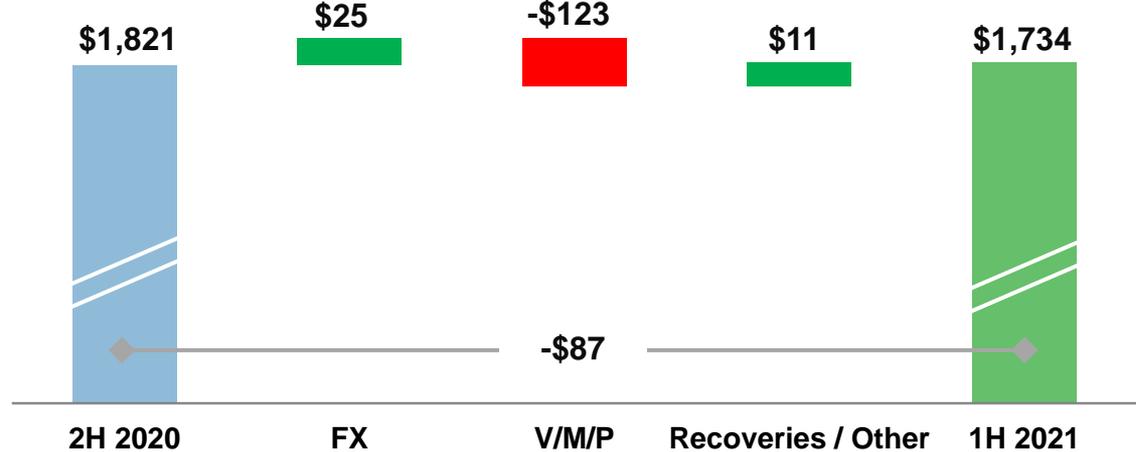
Revenue Bridge – 1H 2021 VS 2H 2020

(\$ in millions)

Total Revenue



Sequential Revenue Drivers



Supply Constraints Driving Sequential Pull-Back in OEM Production

Revenue Growth vs. Market

(\$ in millions)

Light Vehicle Unit Production Change*

According to IHS Markit Ltd. July 2021 forecast

1H 2021 vs:

1H 2020 2H 2020

	1H 2020	2H 2020
Global LVP*	31.1%	-12.1%
NA	32.0%	-13.5%
APAC	27.2%	-11.9%
EU/SA	31.8%	-7.2%

* Weighted global light vehicle production based on Nexteer regional revenue

Adjusted Revenue**

**Adjusted revenue excluding foreign exchange and commodity recovery

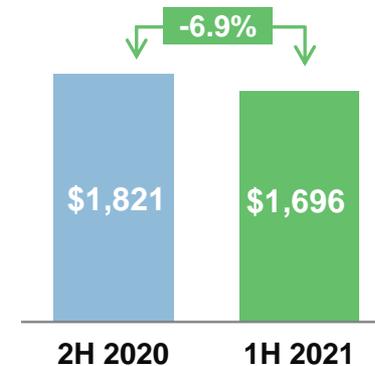
Vs. 1H 2020 (Y-O-Y)
Outpaced Market 730 bps



Region Performance

	Revenue	B/(W)
NA	28.6%	-3.4%
APAC	55.2%	28.0%
EMEASA	59.4%	27.6%

Vs. 2H 2020 (Sequential)
Outpaced Market 520 bps

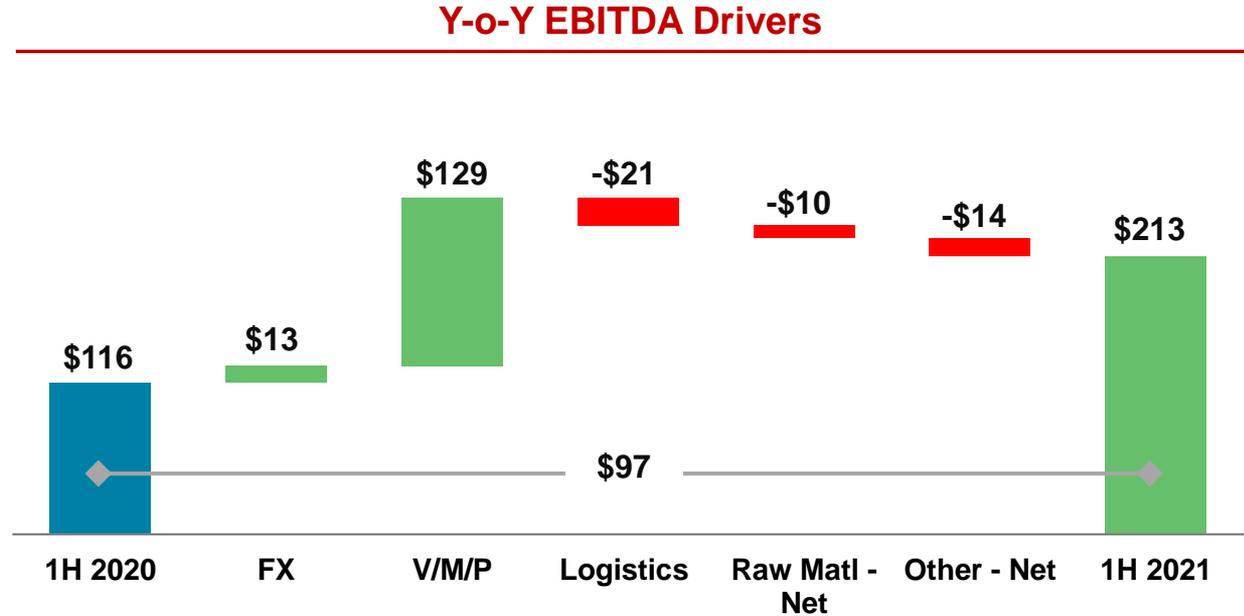
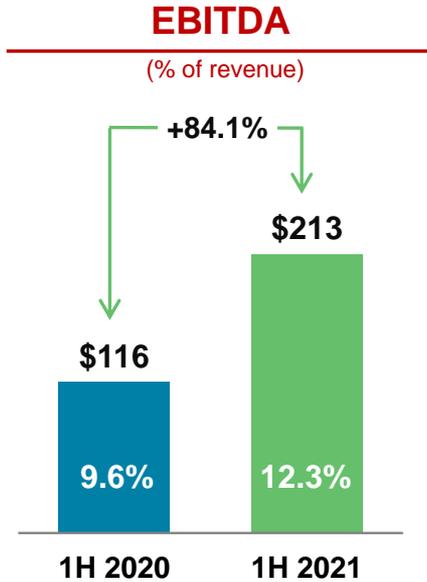


Region Performance

	Revenue	B/(W)
NA	-7.9%	5.6%
APAC	-10.1%	1.8%
EMEASA	1.4%	8.6%

EBITDA Bridge – 1H 2021 vs 1H 2020

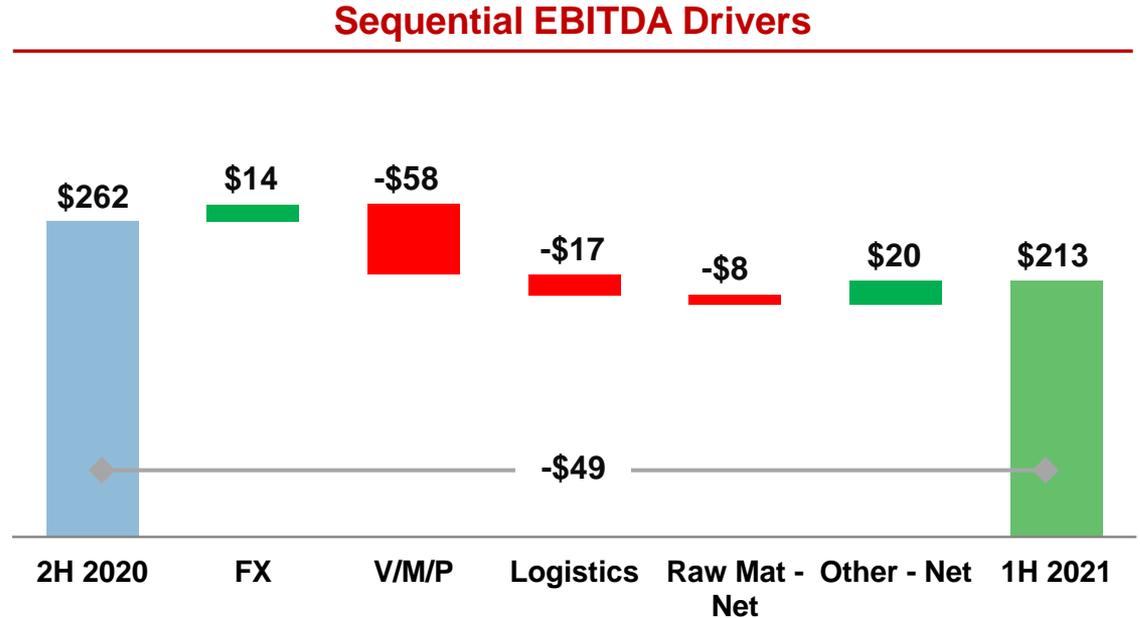
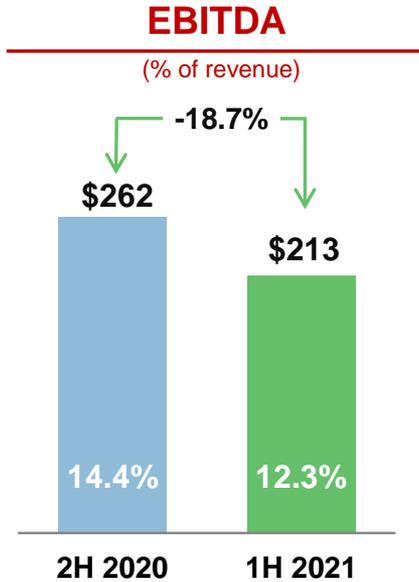
(\$ in millions)



Positive Demand Environment Tempered by Supply Chain Constraints / Cost Pressures

EBITDA Bridge – 1H 2021 vs 2H 2020

(\$ in millions)



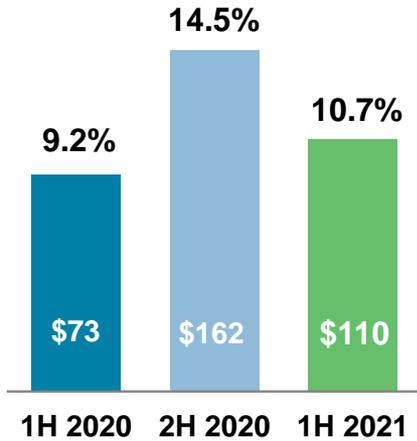
Lower Volume / Volatile Supply and Cost Environment

EBITDA by Region

(\$ in millions)

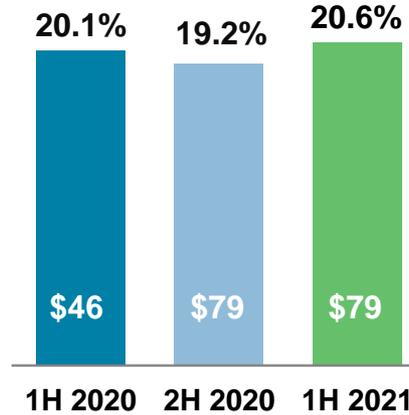
NA

(% of revenue)



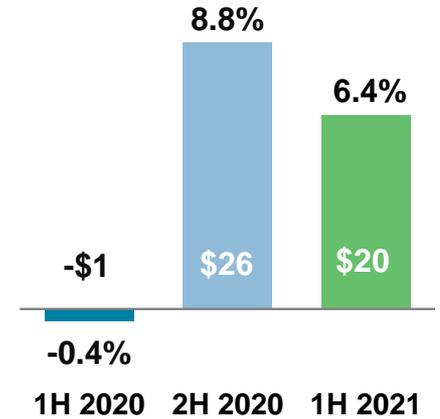
APAC

(% of revenue)



EMEASA

(% of revenue)



EBITDA to Net Profit Bridge

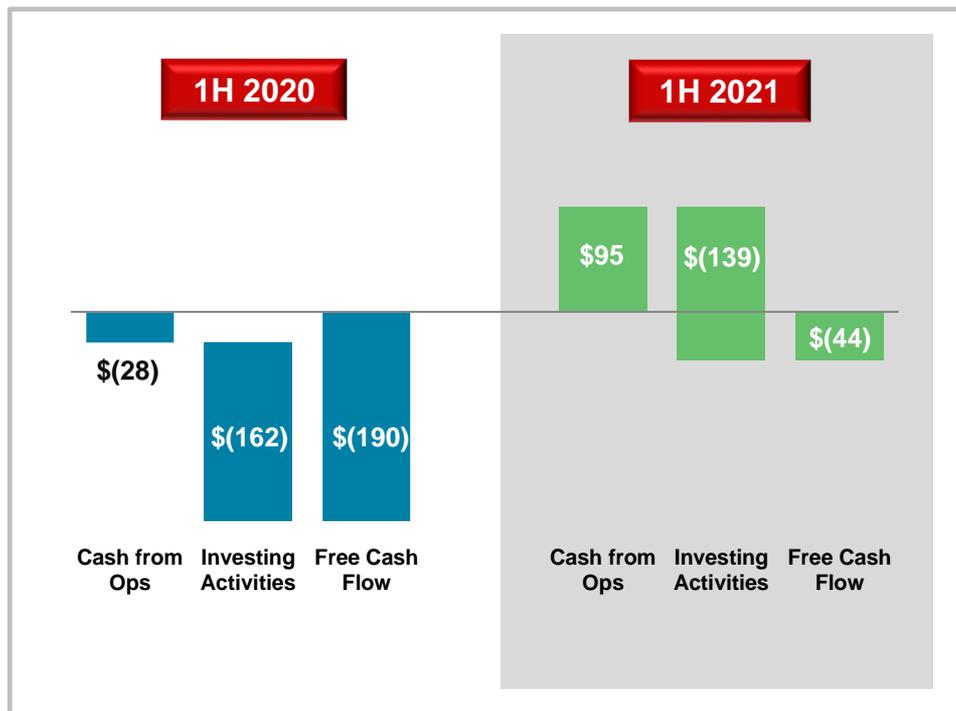
(\$ in millions)

	<u>1H 2020</u>	<u>2H 2020</u>	<u>1H 2021</u>
EBITDA	\$ 116	\$ 262	\$ 213
- D&A Expense	145	115	119
Operating Profit	\$ (29)	\$ 148	\$ 94
+ Share of JV Earnings	-	1	-
- Net Finance Costs	2	3	1
Income Tax Expense / (Benefit)	(34)	26	6
Minority Interest	2	4	4
Net Profit	\$ 1	\$ 115	\$ 83

- 1H 2020 D&A expense included program impairment of \$32M
- 1H 2021 D&A included \$5M recovery of previously impaired programs
- 1H 2020 Income Tax Benefit included US NOL carryback at 35% preferential rate under US CARES Act

1H 2021 Free Cash Flow / Balance Sheet

(\$ in millions)



	Dec 2020	Jun 2021
Cash and Capital		
Gross Debt	\$ 249	\$ 114
Finance Leases	57	67
Less: Cash	553	328
Net Debt / (Cash)	\$ (247)	\$ (147)
Total Equity	\$ 1,921	\$ 1,977
Total Net Capital	\$ 1,674	\$ 1,830
Net Debt / Net Capital	n.a.	n.a.
Liquidity		
Cash	\$ 553	\$ 328
Credit Facilities	379	258
Total	\$ 933	\$ 586
Leverage / Coverage		
Gross Debt to EBITDA	0.7x	0.2x
Net Debt to EBITDA	n.a.	n.a.

Considerations for 2H and Beyond

Navigate Near-term Challenges

Supply Chain Constraints

- ✓ *Low visibility to timing of stability in semiconductor supply*
- ✓ *Elevated commodity and logistics costs driven by unmatched demand / supply*

Operating Efficiency Pressures

- ✓ *Continued volatility in OEM production schedules near-term*
- ✓ *Productivity impact from resurgence of C-19 variants*

Strong Positive Factors Mid-Term

Favorable Economic Growth

- ✓ *Monetary / fiscal stimulus measures*

Continued Global OEM Production Recovery

- ✓ *Inventory replenishment and favorable consumer demand*

Program Launches

- ✓ *Full year ~40 launches; all regions represented*

Strong Conquest Order Booking