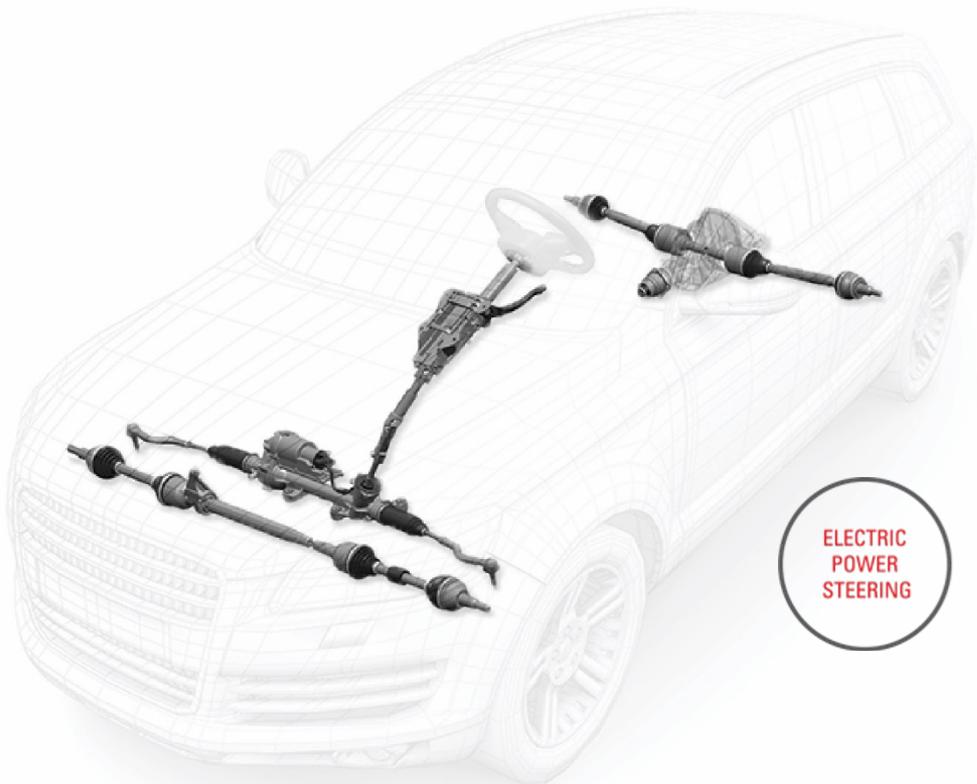




*a leader in intuitive motion control*



# Q3 2021

# Investor Communication

26 Oct. 2021

ELECTRIC  
POWER  
STEERING

COLUMNS &  
INTERMEDIATE  
SHAFTS

DRIVELINE  
SYSTEMS

HYDRAULIC  
POWER  
STEERING

ASSISTED  
& AUTOMATED  
DRIVING  
ENABLERS

# Presenters

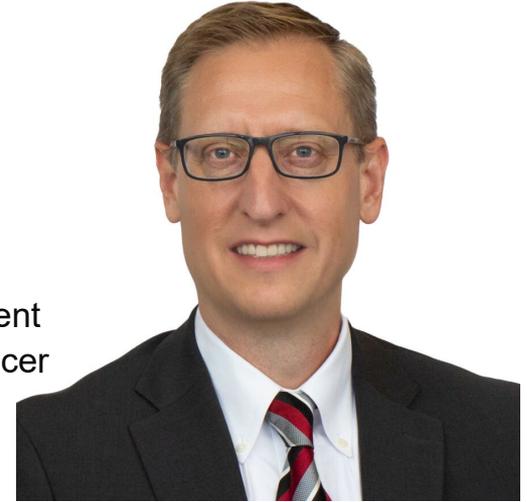
## **ROBIN MILAVEC**

Executive Board Director  
President  
Chief Technology Officer  
Chief Strategy Officer



## **MIKE BIERLEIN**

Senior Vice President  
Chief Financial Officer



# Q3 2021 Business Update

- **Challenged Industry Environment Reflecting Ongoing Semiconductor Shortages, OEM Production Disruptions and Elevated Operating Costs**
- **Successfully Launched 6 Major Customer Programs With More Key EV Launches in Fourth Quarter**
- **Achieved Significant Progress with a Major Global EV Leader and New Business win a N. America Powersports Market Leader**
- **Awarded PACEpilot 2021 Innovation to Watch by Automotive News on Two New Technologies**

# Successfully Launched 6 Major Programs in Q3

EMEASA  
(2)



**BMW iX**  
**Column**



**Fiat Pulse**  
**CEPS**

APAC  
(4)



**Ford Escort**  
**Column**



**VW Polo**  
**Halfshafts**



**Skoda Kamiq**  
**Halfshafts**



**VW Taigun**  
**Halfshafts**

Incumbent business | **New business**

 **Electric Vehicle**

# Business Wins – Q3 YTD and 2021 Outlook

## Key Highlights

1<sup>st</sup> REPS Business Win with Japanese OEM

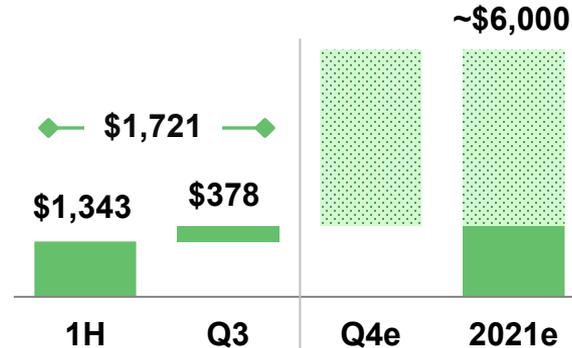
1<sup>st</sup> Steering Business Win in NA Powersports Market

1<sup>st</sup> Steering Business with Major Global EV Leader in Q4

## Bookings\* & Full-Year Outlook

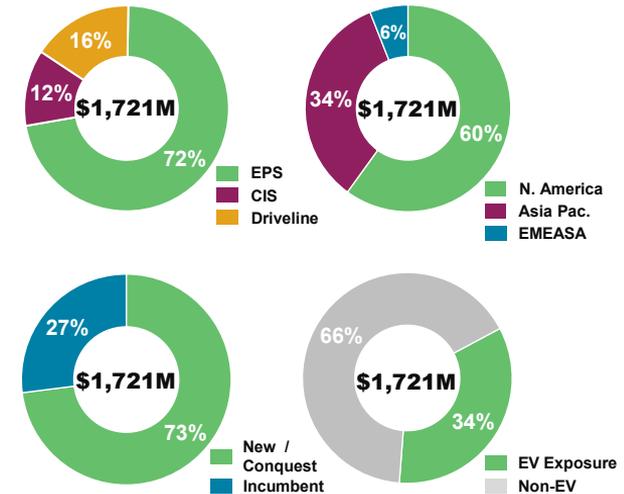
(\$ in millions)

Awards Weighted to 2H;  
Full Year Estimate Reflects Customer Retiming



## YTD 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.

# Industry Recognition

Both **Steering-by-Wire with Stowable Column** and **Brake-to-Steer** Named by *Automotive News* as **PACEpilot 2021 Innovation to Watch**



**Ongoing Commitment to Relentless Innovation That Improves Safety and Performance for Future Mobility**

# Q3 Industry Environment

## OEM Production Fell In Q3 2021 as Semi and Other Supply Chain Constraints Accelerated

- Served markets lower 20% Y-o-Y and 12% sequentially compared to Q2
- September 2021 production lower Y/Y by 29%

## Frequent and Extended Customer Production Shutdowns

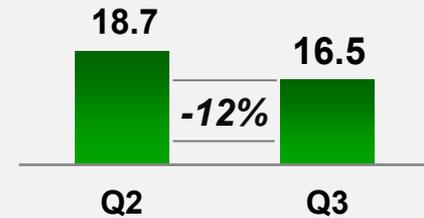
- Driving inefficiencies in both Nexteer operations and broader supply chain
- Further impact from COVID-19 variant outbreaks

## Commodity & Logistics Costs Remain Significantly Elevated

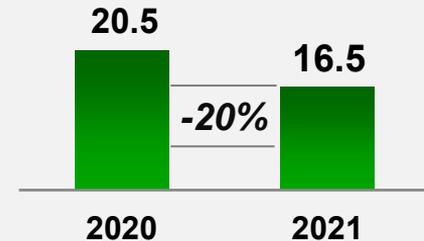
### OEM Production

(units in millions)

#### Q3 2021 vs Q2 2021



#### Q3 2021 vs Q3 2020

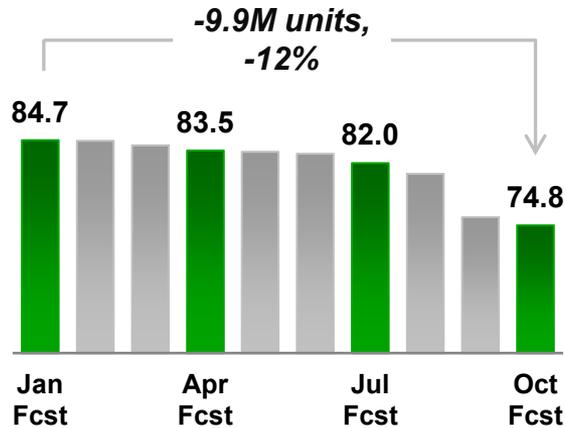


Source: Oct 2021 IHS Markit Ltd.

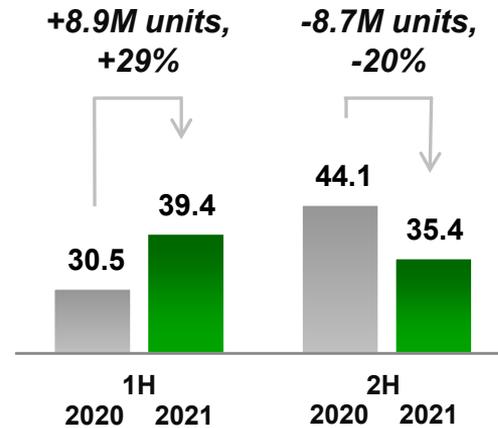
# 2021 Full Year Production Outlook

## 2021 Global Production Forecast

IHS Markit Ltd. 2021 Global Light Vehicle Production Unit Forecast to Forecast (in millions)



## Supply Chain Constraints Continue to Impact Full Year OEM Production Expectations



### OEM Production

Y/Y Growth %

	1H	2He	FYe
Global	29%	-20%	0%
NA	32%	-21%	0%
China	25%	-18%	-1%
APAC	28%	-18%	1%
EMEASA**	31%	-24%	-1%

\*\*EMEASA includes Europe & S. America

**2021 OEM Production Now Expected to be About Even to 2020 with 2H 2021 Lower 20% Pressuring 2H Financial Performance**

Source: Oct 2021 IHS Markit Ltd.

# Summary

## Near-Term Challenges

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- Semiconductor constraint likely to extend into 2022
- Quick / frequent OEM schedule changes
- Cost pressures from demand / supply imbalances & COVID impacts

## Robust Fundamentals Remain

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- Broad economic recovery forecasted to continue
- Strong consumer demand intact in key markets served
- Replenishment of historically low OEM vehicle inventories

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**Building Strong Future While Moving Through  
Difficult Near-Term Environment**