

**ELECTRIC
POWER STEERING
&
STEER-BY-WIRE**

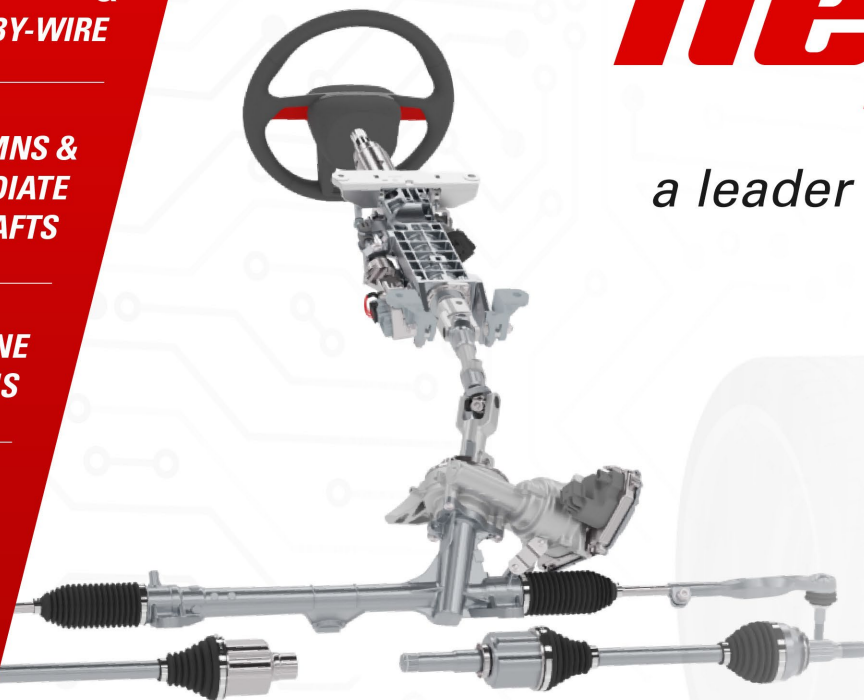
**COLUMNS &
INTERMEDIATE
SHAFTS**

**DRIVELINE
SYSTEMS**

SOFTWARE

eDRIVE

**HYDRAULIC
POWER
STEERING**



nexteer
AUTOMOTIVE

a leader in intuitive motion control

2022

**Interim Results
Announcement**

17 August 2022

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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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Agenda

- **2022 1H Business Overview**
Robin Milavec, Executive Board Director, President,
Chief Technology Officer and Chief Strategy Officer
- **2022 1H Financial Review**
Mike Bierlein, Senior Vice President and Chief Financial Officer
- **2022 2H Considerations**
Mike Bierlein, Senior Vice President and Chief Financial Officer

2022 1H Business Overview

ROBIN MILAVEC

Executive Board Director
President
Chief Technology Officer
Chief Strategy Officer



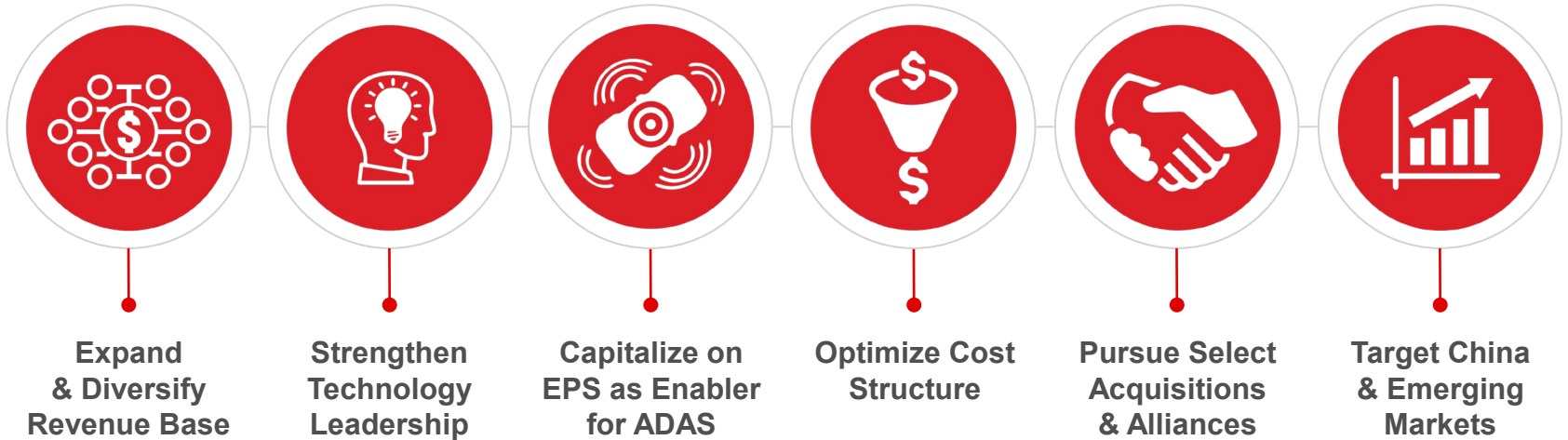
Executive Leadership Change



ZILI LEI

Chairman of the Board
Chief Executive Officer

Strategy for Profitable Growth



A well-defined plan to drive stakeholder value

*“ We are the Leading
**MOTION CONTROL
TECHNOLOGY COMPANY**
that Accelerates Mobility to be
SAFE, GREEN & EXCITING.”*



VISION STATEMENT

2022 1H Business Overview

Successfully launched 17 major programs across all regions

Achieved \$4.4 billion new bookings of 83% represented conquests

- Breakthrough wins with first SbW program, an EV truck and leading Chinese NEV OEMs

Continued commitment to technology leadership and megatrend alignment

- SbW progress, software megatrends and new product line launch

Industry recognition of technology leadership, operational efficiency and execution

Launched 17 Major Programs in 1H 2022



— NORTH AMERICA (1) — — EMEASA (2) — — APAC (14) —



Ford F-150 Lightning
REPS



Renault Captur & Dacia Duster
Halfshafts



Great Wall Kugou
CEPS



Geely Smart #1
Halfshafts



Lynk & Co 01
Halfshafts



Great Wall Tank 500
Columns



Renaults Express, Kangoo, Nissan NV250
Halfshafts



Cadillac Lyriq
Columns; Halfshafts



Chang'An UNI-V
CEPS*



Ford Everest
REPS



Geely Xingyue L
Halfshafts



Lynk & Co 03
Halfshafts



Infiniti QX60
Halfshafts



VW Jetta
Halfshafts



Nissan Pathfinder
Halfshafts



Nissan X-Trail
Halfshafts

Incumbent business | **New business**
 New Energy Vehicle

*Chongqing JV

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New Business Wins – 1H 2022

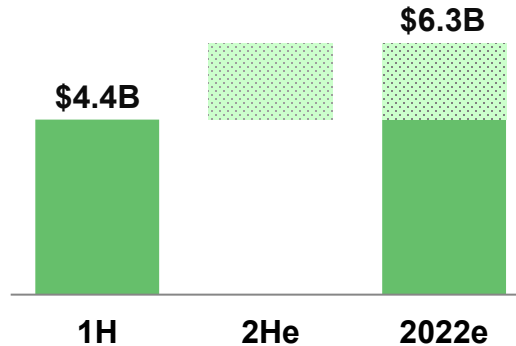


Key Highlights

- Industry 1st High Volume SbW Program with A Leading, Global OEM; Record-Setting Lifetime Revenue Contract
- A New EV Truck Award in NA
- Steering Business Wins with Leading Chinese NEV OEMs
- Further Business Breakthrough with A Major Global EV Leader

Bookings*

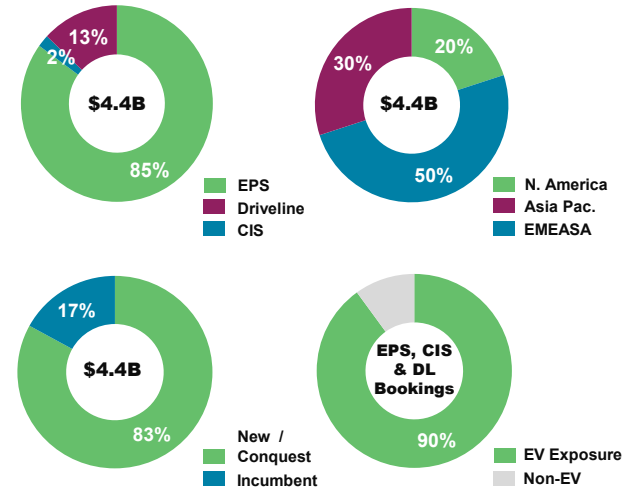
(\$ in billions)



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

Bookings Composition

(\$ in billions)



All amounts are preliminary, unaudited and subject to material change

NEV Spotlight in China

Targeting Mainstream NEV Participants



Traditional OEMs

Being electrified...



GWM



CHANGAN AUTO



GEELY AUTO



WULING



CHERY

NEV OEMs



TESLA

Li Auto

PENG



广汽埃安
GAC AION

MI xiaomi

HiPhi
高合

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Megatrends & Opportunities

- Convergence of megatrends is reinventing our industry
- Our innovations solve motion control challenges across all megatrends
- Creates opportunities for our premium products



Electrification



Software /
Connectivity



ADAS /
Automated
Driving



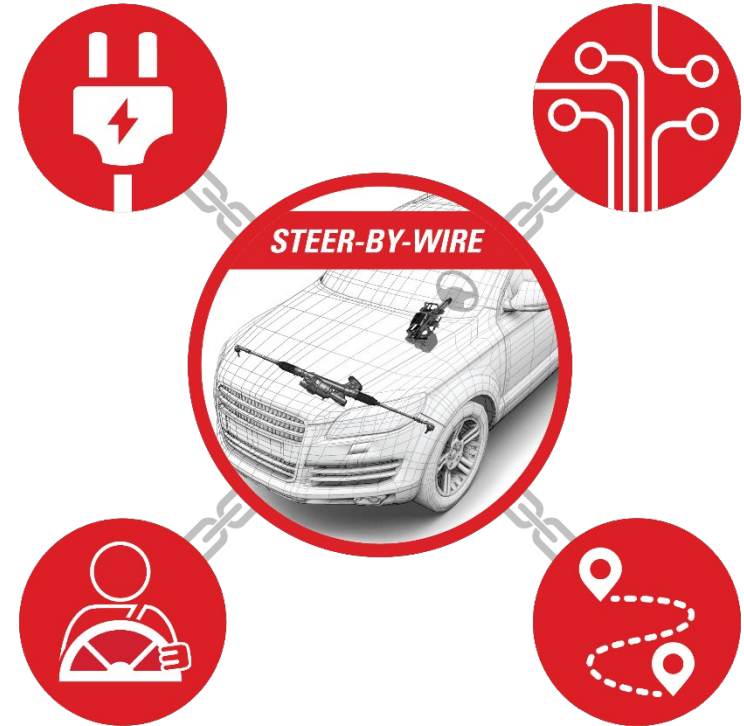
Shared
Mobility

	Electrification	Software / Connectivity	ADAS / Automated Driving	Shared Mobility
Electric Power Steering	✓	✓	✓	✓
Steer-by-Wire	✓	✓	✓	✓
Columns & I-Shafts	✓	✓	✓	
Driveline	✓		✓	✓
eDrive	✓	✓	✓	✓
R&D	✓	✓	✓	✓
CNXMotion JV	✓	✓	✓	✓

SbW: Center Link Connecting Megatrends & Next Steering Conversion Wave



- SbW is the “Center Link” that connects all megatrends. SbW is key in becoming the dominant steering supplier
- First Business Award Received in March 2022 from a global OEM
- Automated Steering Actuator (a SbW derivative) is a 2022 PACE Award Finalists

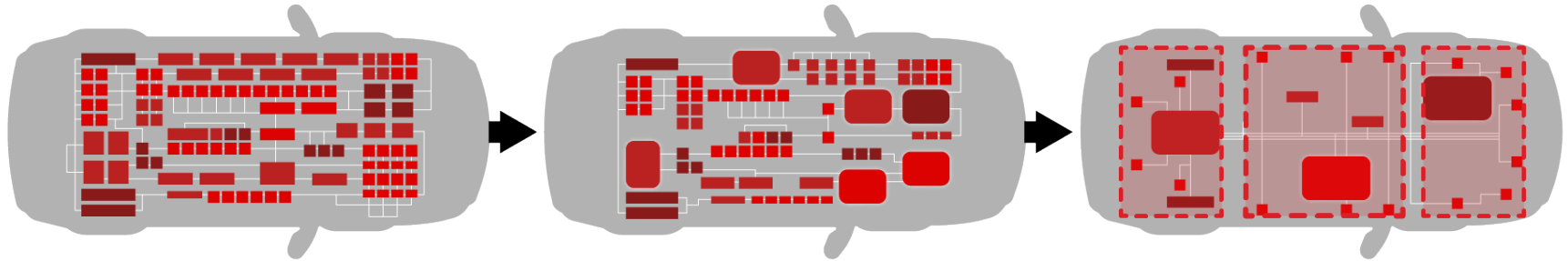


Software-Defined Vehicle Changes Industry



Software becoming a dominant megatrend, and a differentiator in the market; Nexteer's opportunities in chassis domain functions, vehicle health, road condition sensing, etc.

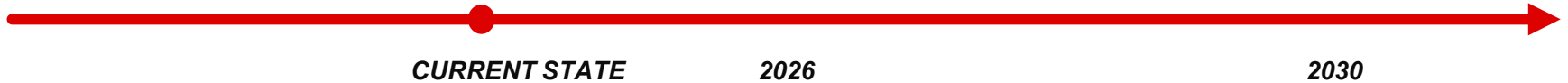
- Vehicle Architecture Evolution
- New System Level Functions and Features



Distributed ECUs

Centralized Cross Domain

Zonal-Based Central Computing



CURRENT STATE

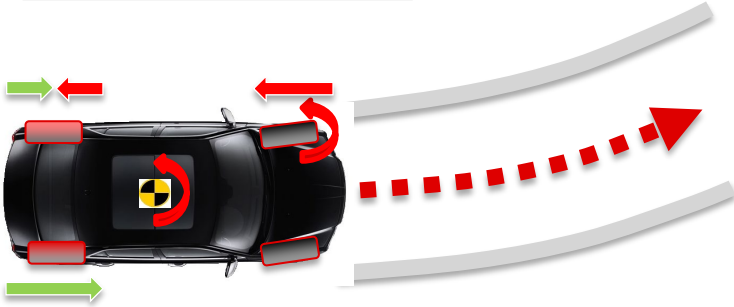
2026

2030

Software Expansion & Industry Recognition

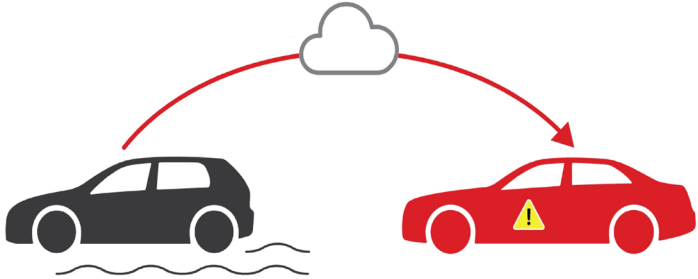


Yaw from Braking/
Powertrain



Brake-to-Steer

Additional Safety Layer for SbW & Levels 1 – 5



Road Surface Detection & Tire Health Management

Enhanced Real-Time Connection for Safer Driving



eDrive Launch: Q3 2022



- Leverages Nexteer's strengths in electric motors, electronics & software
- Supports electrification megatrend
- Launches Q3 2022 with a China OEM



48v Integrated Belt-Driven Starter Generator (iBSG) eDrive



CHOOSE NEXTEER eDRIVE FOR...

- Greater Fuel Efficiency
- Greater Cost Efficiency
- Emissions Reduction
- Enhanced Driver Comfort
- Electrification Alignment

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Industry Recognition

- **2022 Automotive News PACE Finalist - Automated Steering Actuator**
- **2022 Automotive News PACEpilot Finalist - Road Surface Detection & Intuitive Warning Software with Tactile Mobility**
- **2022 Frost & Sullivan's N.A. Market Leadership Award**
- **GM Supplier of the Year Award - Third Consecutive Year**
- **GM Supplier Quality Excellence Award**
- **Geely Excellent Supplier Team Award**
- **Chang'An Excellent Supplier Award**
- **LYNK & CO Excellent Supplier Award**
- **JMC (Ford) Supplier Segment B Certificate**
- **Multiple Workplace Awards/Certification**
- **2022 Manufacturing Leadership Awards from the National Association of Manufacturers - Digital Network Connectivity, Enterprise Integration & Technology**

2022 H1 Financial Review

**MIKE
BIERLEIN**

Senior Vice President
Chief Financial Officer



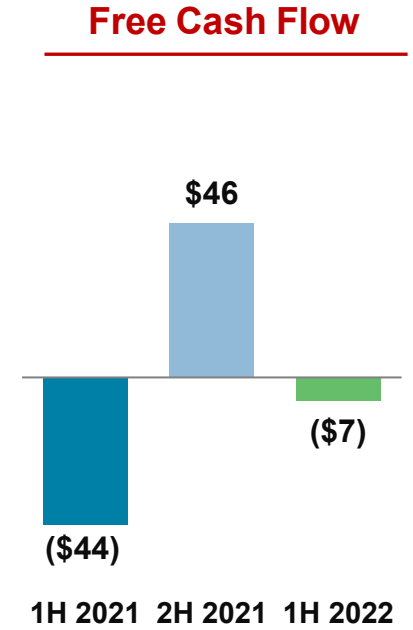
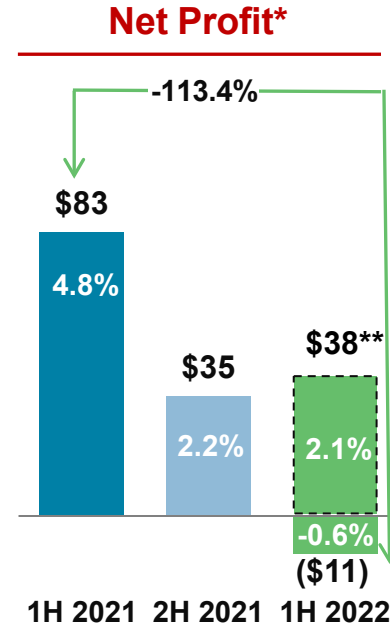
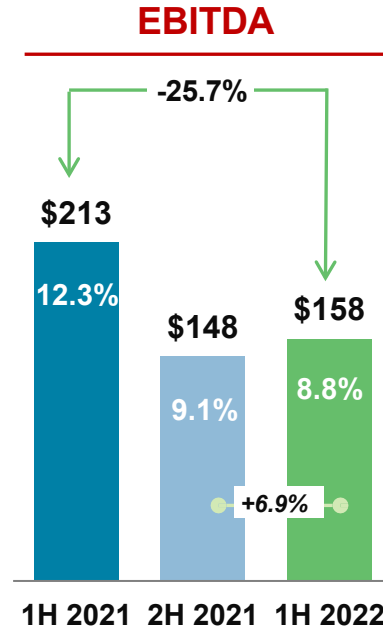
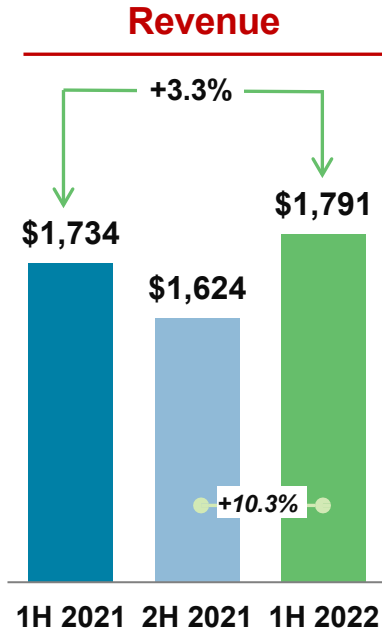
1H 2022 Financial Observations

Continued Challenging Industry Environment

- **Adjusted Revenue Growth Outpaced Market by 490 basis points**
- **Supply Chain Constraints and Macro Factors Impacted OEM Production**
 - *1H 2022 OEM production decreased by (1.8%) compared with 1H 2021*
 - *COVID related lockdowns in China resulting in lower-than-expected production volumes*
 - *EMEASA unstable customer schedules due to Ukraine / Russia crisis*
 - *Semiconductor shortages continue to impact production schedules*
- **Inflationary Pressures Impacting Commodities, Energy and Other Input Costs Have Significantly Compressed Margin in 1H 2022**
 - *Commodity price increases only partially offset by customer price increases*
 - *Customer negotiations to recover inflationary cost increases are ongoing*

1H 2022 Key Financial Metrics

(\$ in millions)



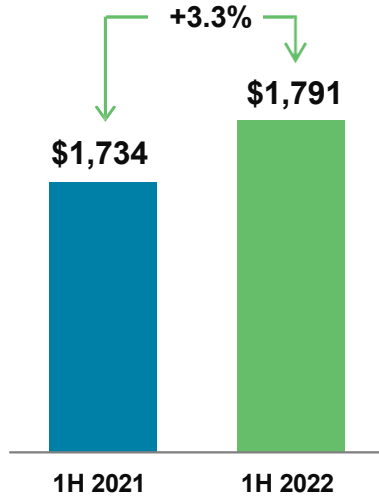
* Net Profit Attributable to Equity Holders
** Adjusted to exclude non-cash unrecognized tax benefit

1H 2022 EBITDA Lower than 1H 2021 Due to Inflationary Pressures; Slightly Improved Compared to 2H 2021

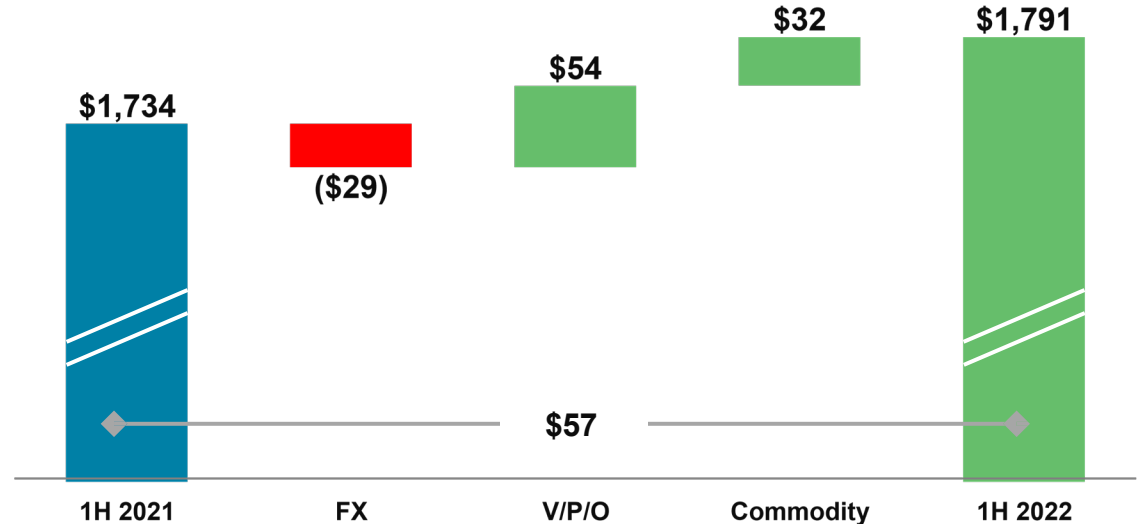
Revenue Bridge – 1H 2022 vs 1H 2021

(\$ in millions)

Total Revenue



Y-O-Y Revenue Drivers



Revenue Growth vs. Market

(\$ in millions)

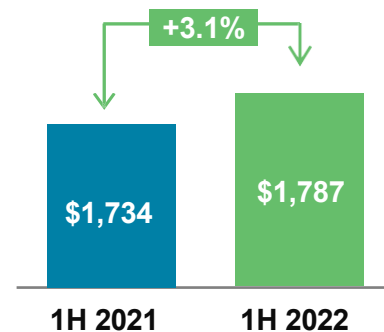
As Reported by IHS Markit – July 2022

(units in millions)	1H 2021	1H 2022	Unit Change	% Change
North America	6.8	7.1	0.3	4.4%
<i>Memo: Full Size Truck</i>	1.5	1.5	(0.0)	-0.5%
Europe	8.8	7.8	(1.0)	-11.3%
South America	1.2	1.2	(0.0)	-0.5%
EU / SA	10.1	9.1	(1.0)	-10.0%
China	11.6	11.8	0.1	1.1%
Other APAC	9.9	9.7	(0.2)	-1.8%
Total APAC	21.6	21.5	(0.1)	-0.2%
Total Global	39.4	38.7	(0.7)	-1.8%

Adjusted Revenue*

* Adjusted revenue excluding foreign exchange and commodity recovery

Vs. 1H 2021 Outpaced Market 490 bps



Regional Revenue Performance

	Revenue	B/(W)
NA	5.3%	0.9%
APAC	-3.2%	-3.0%
EMEASA	4.9%	14.9%

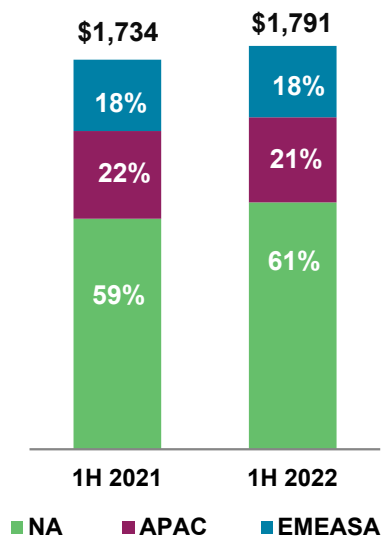
1H 2022 Preliminary Financial Results

(\$ in millions)

Revenue by Region

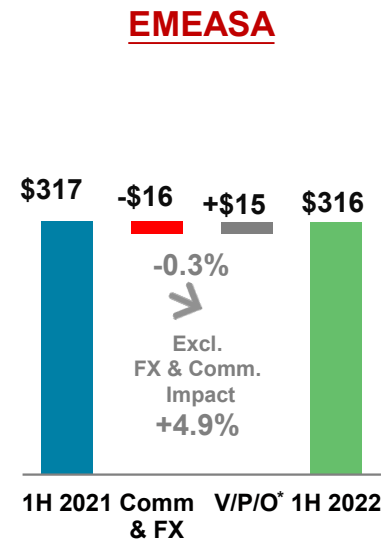
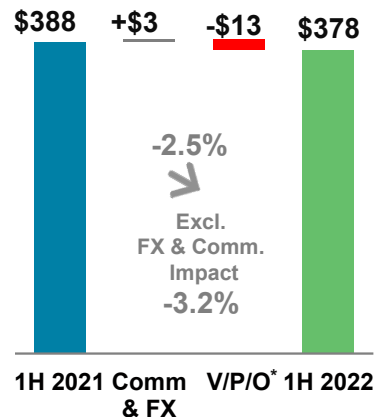
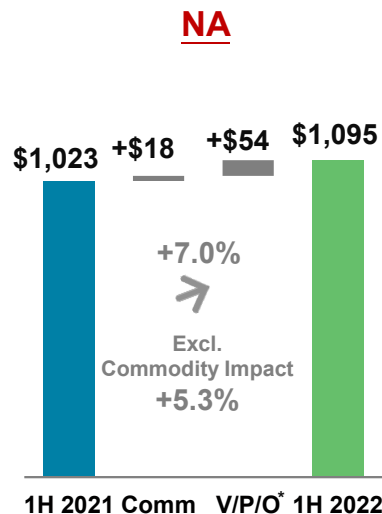
Total Revenue

(structural %)



Regional Distribution

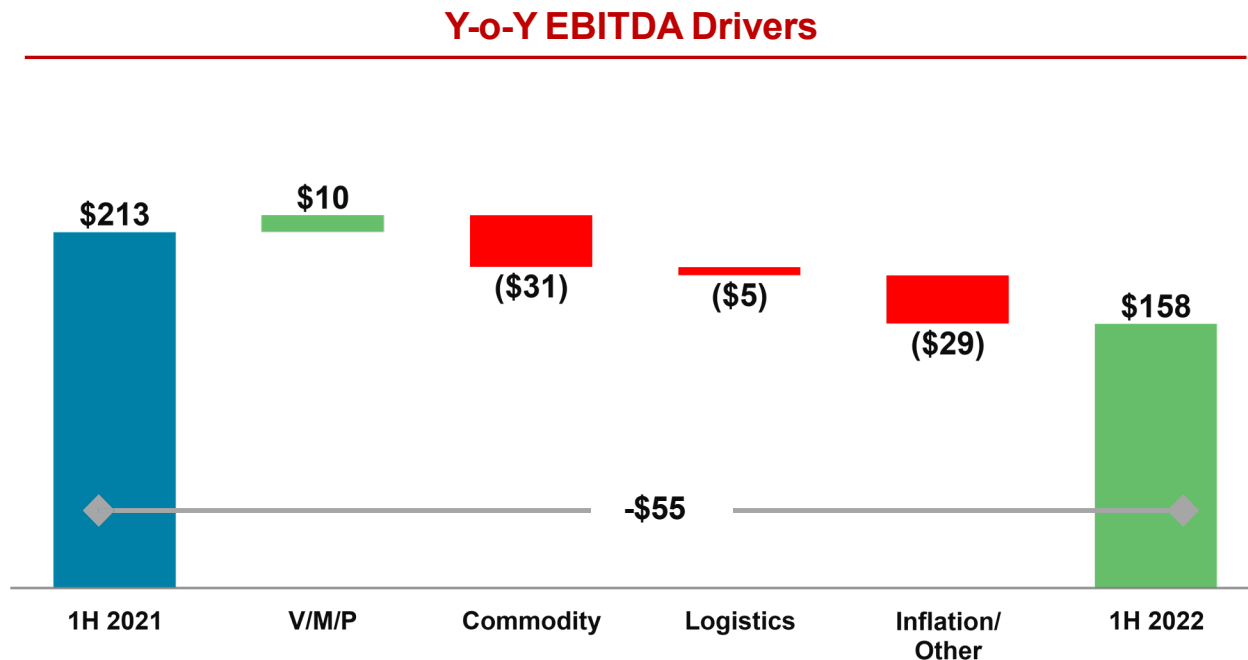
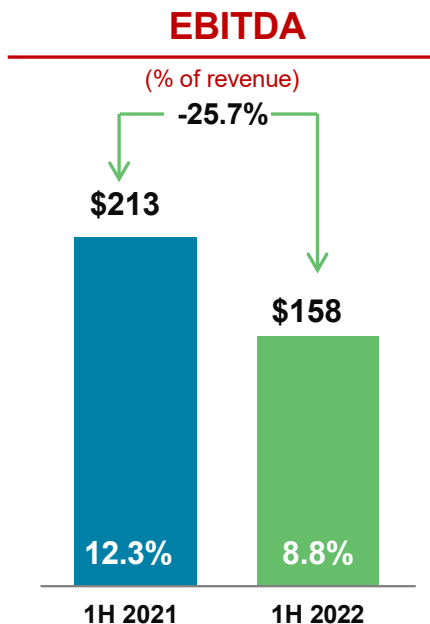
(growth %)



* V/M/P/O: Volume, Mix, Pricing & Others

EBITDA Bridge – 1H 2022 vs 1H 2021

(\$ in millions)



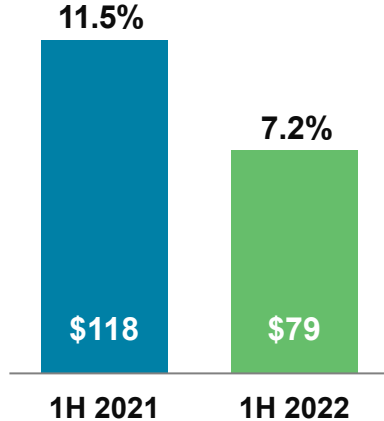
**Earnings Tempered by Inflation / Cost Pressures /
Supply Chain Constraints / Logistics**

EBITDA by Region

(\$ in millions)

NA

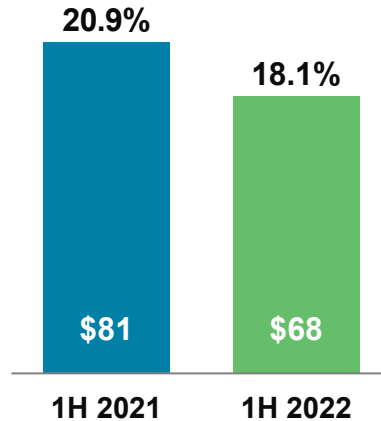
(% of revenue)



Margins Reduced Due to Commodity Costs and Other Inflationary Pressures

APAC

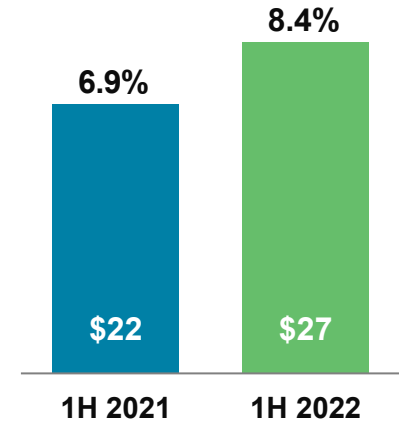
(% of revenue)



Solid Margin Profile Despite Impact of China COVID Lockdowns

EMEASA

(% of revenue)



Improving Margin Despite Significant Macro Headwinds

EBITDA to Net Profit Bridge

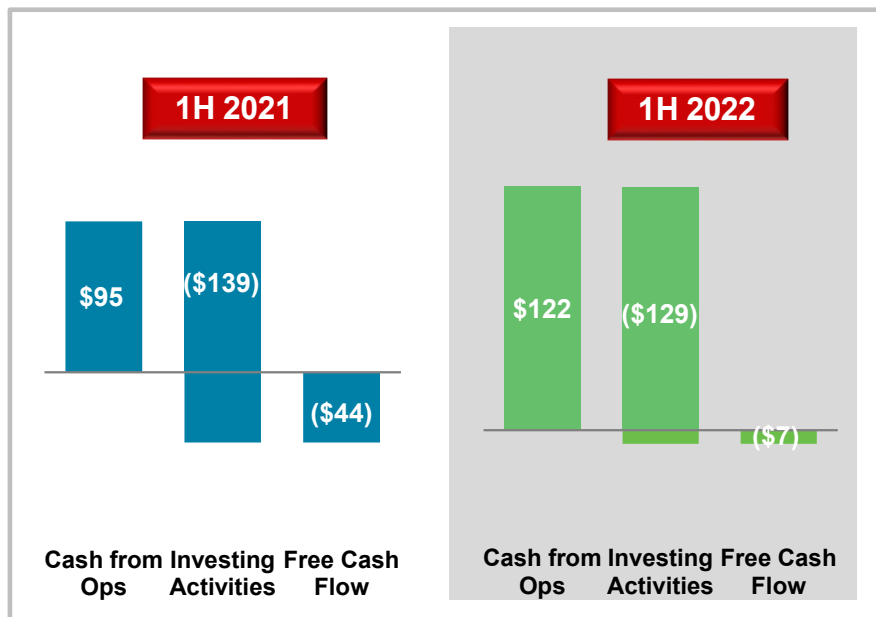
(\$ in millions)

	<u>1H 2021</u>	<u>1H 2022</u>
EBITDA	\$ 213	\$ 158
- D&A Expense	119	136
Operating Profit	\$ 94	\$ 22
+ Share of JV Earnings	-	(2)
- Net Finance Costs	1	-
Income Tax Expense / (Benefit)	6	(20)
Unrecognized Tax Benefit	-	49
Minority Interest	4	2
Net Profit	\$ 83	\$ (11)

- JV Earnings comprised of CNXMotion, DF and Chongqing operations
- 1H 2022 includes \$49M non-cash unrecognized tax benefit related to US deferred tax assets
- Adjusting for this non-cash unrecognized tax benefit, Net Profit is \$38M
- Minority Interest comprised of China DL JVs

1H 2022 Free Cash Flow / Balance Sheet

(\$ in millions)



	Dec 2021	Jun 2022
Cash and Capital		
Gross Debt	\$ 84	\$ 107
Finance Leases	62	58
Less: Cash	<u>327</u>	<u>317</u>
Net Debt / (Cash)	\$ (180)	\$ (153)
Total Equity	\$ 2,003	\$ 1,925
Total Net Capital	\$ 1,823	\$ 1,772
Net Debt / Net Capital	n/a	n/a
Liquidity		
Cash	\$ 327	\$ 317
Credit Facilities	<u>284</u>	<u>312</u>
Total	\$ <u>610</u>	\$ <u>630</u>
Leverage / Coverage		
Gross Debt to EBITDA	0.2x	0.3x
Net Debt to EBITDA	n/a	n/a

2H 2022 Considerations

OEM Production Volume Expected to Increase Significantly in 2H 2022

- IHS forecasts 9% increase 2H 2022 compared to 1H 2022
- Dependent on semiconductor availability and consumer demand remaining strong

Commodity Prices are Trending Lower Providing a Tailwind in 2H

On-going Customer Negotiations for Recovery of Inflationary Costs

Free Cash Flow Increase

- Working capital management
- Disciplined capital expense plan

Light Vehicle Production Forecast

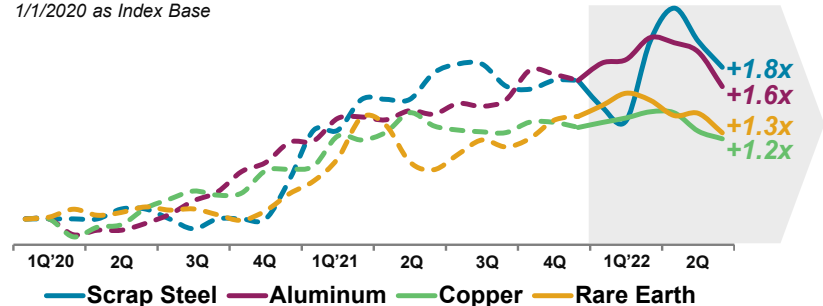
(Units in millions)

	2H 2022	1H 2022	H/H %	2H 2022	2H 2021	Y/Y %
Global	42.1	38.7	9%	42.1	37.8	11%
NA	7.6	7.1	6%	7.6	6.3	21%
China	13.3	11.8	13%	13.3	13.3	0%
APAC	23.6	21.5	10%	23.6	22.4	5%
EMEASA*	9.9	9.1	9%	9.9	8.2	21%

*EMEASA includes Europe and South America

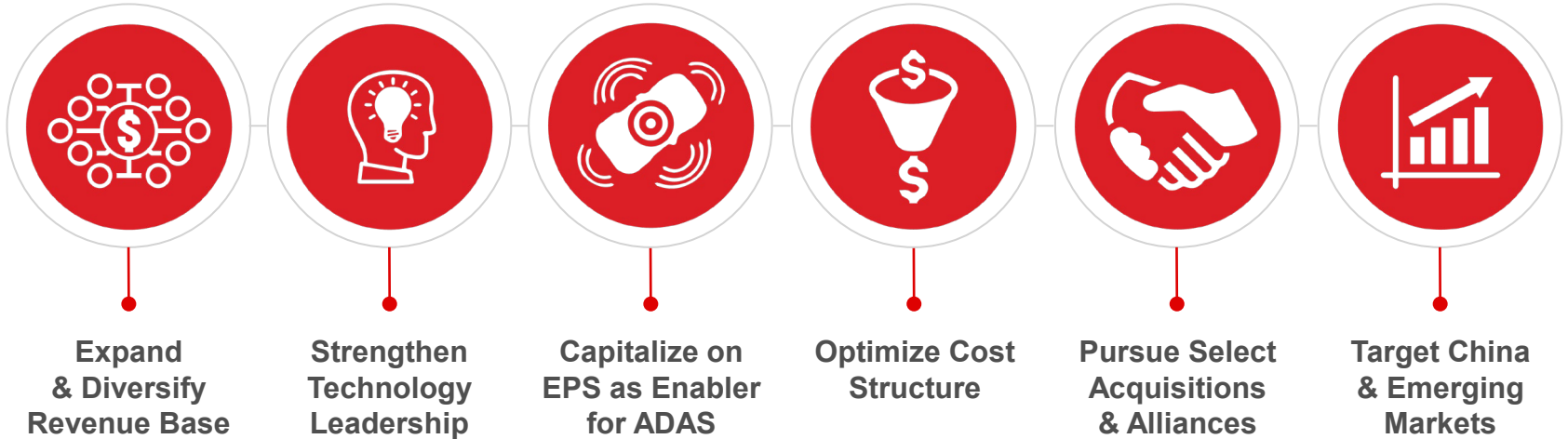
Commodity Prices Inflation

1/1/2020 as Index Base



Source: July 2022 IHS Markit Ltd.

Strategy for Profitable Growth



A well-defined plan to drive stakeholder value