



a leader in intuitive motion control

2015 Annual Results Announcement

15 March 2016

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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, but which have not yet begun production. 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
Senior Vice President, Strategy

Strategy for Profitable Growth

- **Strengthen Technology Leadership**
- **Expand & Diversify Revenue Base**
- **Capitalize on Global Transition to EPS**
- **Target China & Emerging Market Growth**
- **Optimize Cost Structure**
- **Pursue Select Acquisitions & Alliances**

Well-Defined Plan to Drive Stakeholder Value

2015 Financial Highlights

- **Delivered 13% Revenue Growth y-o-y**
- **Expanded EBITDA margin 170bps y-o-y to 13.6%**
- **Increased Net Profit* 70bps y-o-y to 6.1%**
- **Maintained New Business Backlog of \$1.1B**
- **Generated Strong Free Cash Flow**

** Net Profit Attributable to Equity Holders*

2015 Business Highlights

- **Successfully launched 24 new customer programs across multiple product lines, regions and customers**
- Maintained Backlog of \$1.1B following substantial Program Launches
- Increased exposure in China through new program launches and strength of SUV, MPV and Minivan sales
- Invested in research and development to drive innovation leadership
- Increased focus on continuous improvement in operating efficiency and cost competitiveness

Launched 24 New Major Customer Programs

NA

11

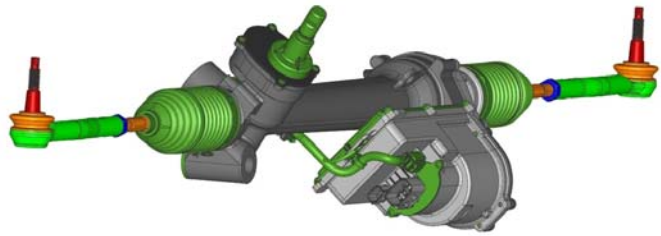
China

6

RoW

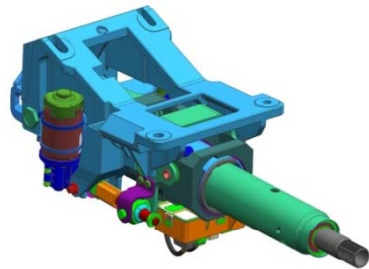
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Program Diversity Fueling Broad-based Growth



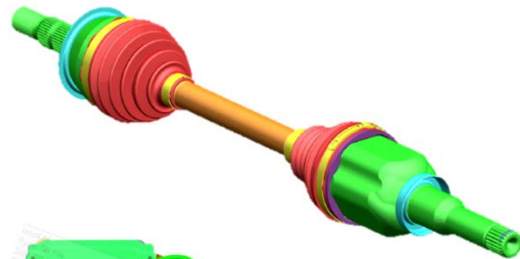
EPS

6



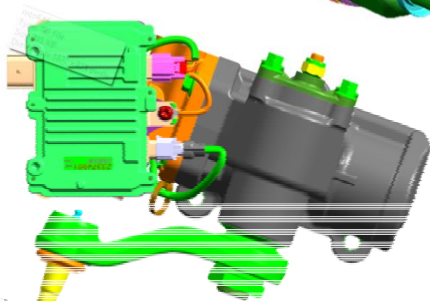
Columns

4



Driveline

10



HPS

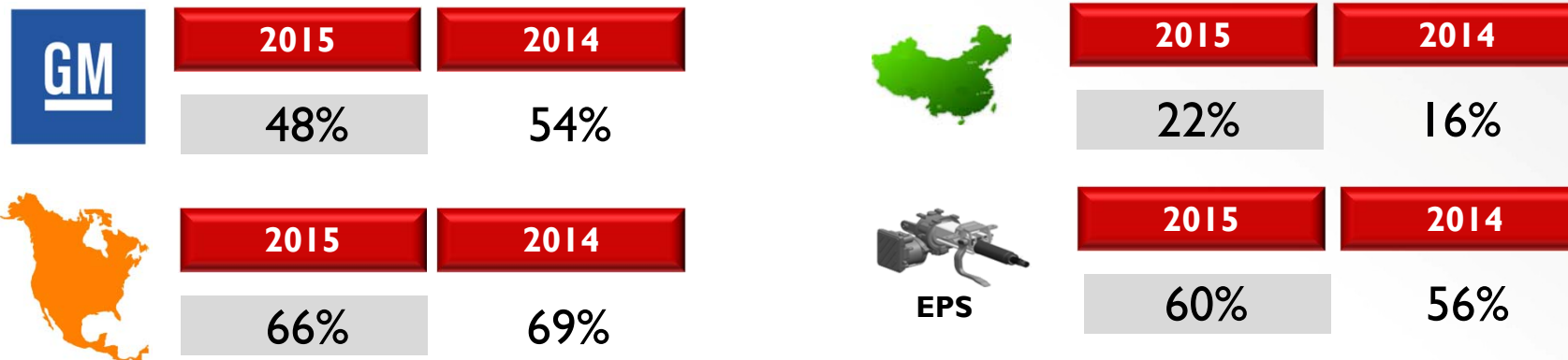
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Continued Diversification of Top Line

2015 Revenue y-o-y Growth

13%

Composition of Total Revenue



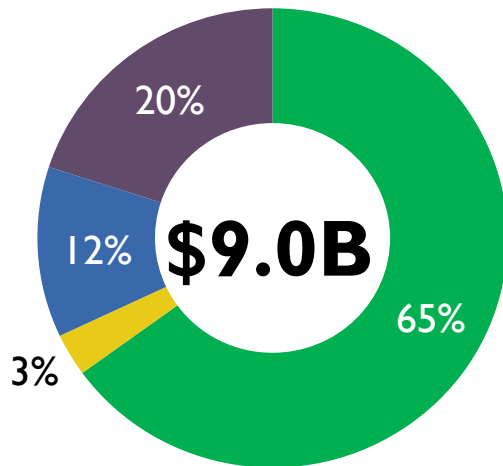
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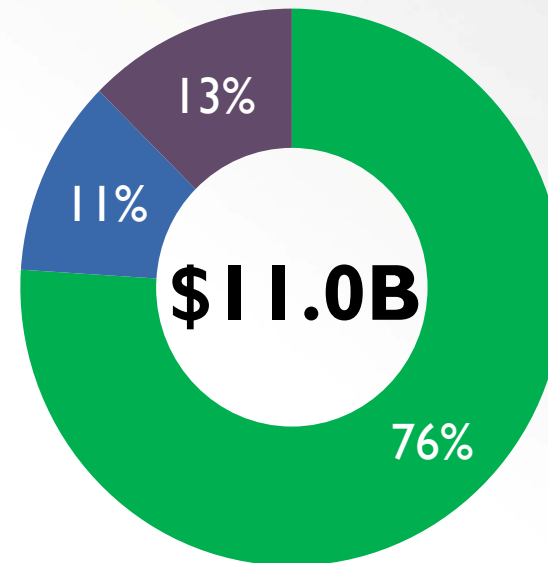
Strong Backlog Demonstrates Demand Across Product Portfolio

Cumulative Booked Business*

As of Dec 31, 2014



As of Dec 31, 2015



EPS

HPS

CIS

DL

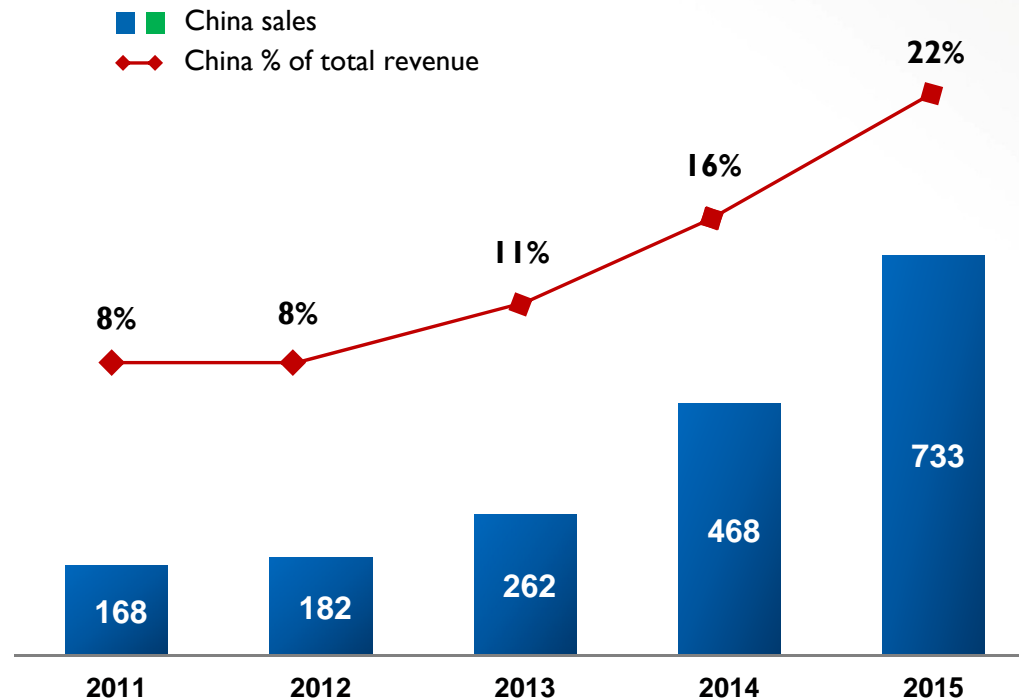
* We compile booked business information through our internal records, and such information has not been audited or reviewed by our auditors; "Booked business" refers to Company's estimation of the value of all booked business under contracts that have been awarded to us, but which have not yet begun production

2015 Business Highlights

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Continued Strong Growth in China

China Market Growth



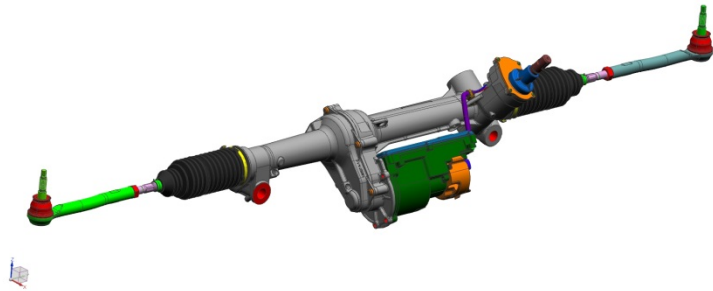
■ Sales up 57% y-o-y, Driven by SUV, MPV, Minivans

■ 6 New Programs Launched in 2015

■ China Producing Complete Nexteer Product Portfolio with Launch of REPS

Achieved Significant Milestones in China

**Launched REPS
Ford Initial Customer**



**Surpassed 1 Million Brush EPS
Delivery in China**



**New Plant in Liu Zhou Expands
Brush EPS Manufacturing Capacity**



**Annual Production of Halfshaft
Surpasses 1 Million in China**

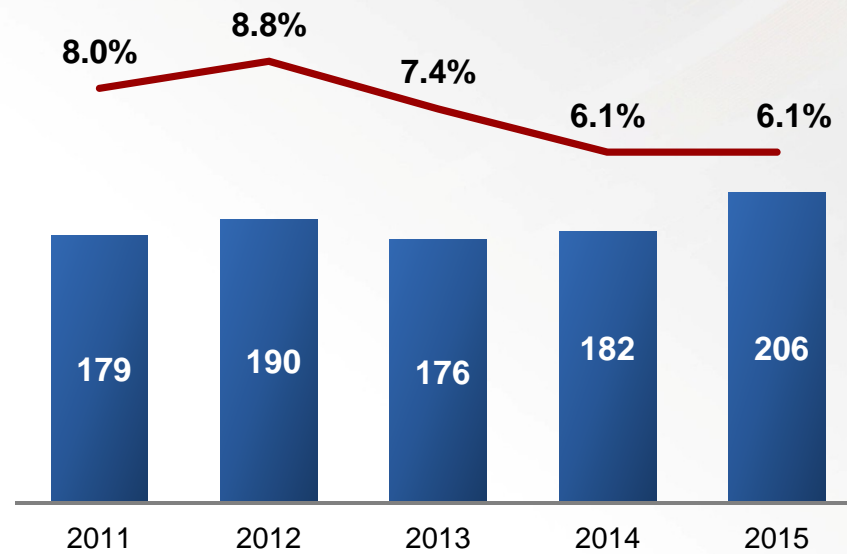


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Commitment to Innovation

Investment in Product Development*



■ Engineering and product development cost
— As % of revenue

	2014	2015
Patents	2014	2015
Applications	145	168
Granted	50	66

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

MAGNASTEER™ with Torque Overlay Achieve ADAS Features on HD Trucks



Focus on Premium Quality, Safety & Comfort

- Lane Keeping
- Pull Compensation
- Stability Control
- Lane Departure Warning
- Wheel Imbalance Rejection
- Park Assist
- Active Return to Center
- Active Damping

Industry First – Intuitive Trailer Control



Ford Pro Trailer

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Continuous Focus on Operational Excellence



SGMW “Best Supplier 2015” Award



DPCA “Best Supplier 2015” Award



DFLZ “Best Supplier 2015” Award



PSA “Best Plant 2015” Award



CNN Expansión Super Empresas (Top Company) Award 2015



Manufacturing Excellence Awards 2015



Enterprise Technology Leadership Award



DEKRA 2015 Innovation in the Automotive Industry Award



2015 “Friendly Place To Work” Manpower award



2015 SIP Best Employer Award

Financial Highlights



Stephen Johnston

Chief Financial Officer (Interim)
Corporate Controller
Chief Accounting Officer

Partner of Choice for Customers and Suppliers Worldwide

Pure Play

Global leader in advanced steering and driveline systems

Competitive Edge

First-class technology, comprehensive product pipeline & integrated solutions platform

Ideally Positioned

Capitalizing on global transition to EPS; growth of China and emerging markets

Predictability

Visible revenue streams from longstanding customers & robust backlog

Financial Strength

Improving profitability, strong balance sheet & strategic capital allocation

Unique Potential for Expansion and Diversification

Key Takeaways

■ Strong Revenue Growth and Diversification

- Revenue Up 13% y-o-y (16%* y-o-y on a Constant Currency Basis)
- Maintained Backlog of \$1.1B following substantial Program Launches

■ Delivering on Profitability Objectives

- Strong Growth in EBITDA and Net Profit
- 1st Reporting Year at Positive Free Cash Flow

■ Seizing China Market Opportunity

- Sales Up 57%
- Distinguishing Nexteer in the Marketplace

■ Commitment to Value Creation for Equity and Debt Stakeholders

- Maintaining Dividend
- Continuing to De-risk the Balance Sheet

* Currency translation impact on Revenue of US\$87 million

Continuing to Meet our Commitment to Driving Stakeholder Value

Macro and Market Commentary

- **North America**
- **China**
- **Europe**
- **Rest of World**

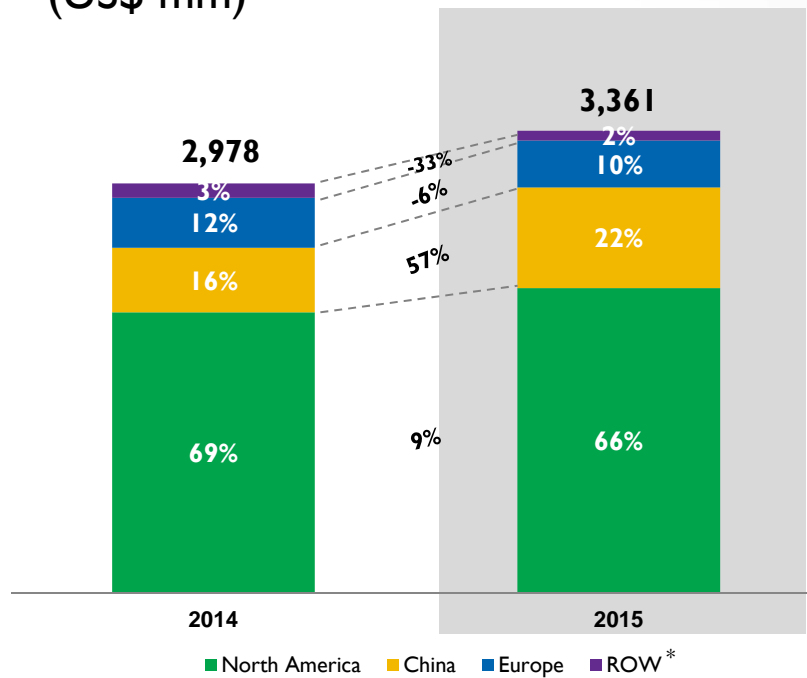
2015 Financial Results – Snapshot

(US\$ mm)	2015	2014	Variance
Revenue	3,361	2,978	13%
EBITDA	455	356	28%
EBITDA margin	13.6%	11.9%	170 bps
Net profit	205	161	27%
Net profit margin	6.1%	5.4%	70 bps
Earnings per share	\$0.08	\$0.06	\$0.02
Free cash flow	192	(21)	213

Continued Regional Diversification and EPS Conversion

Revenue by Region

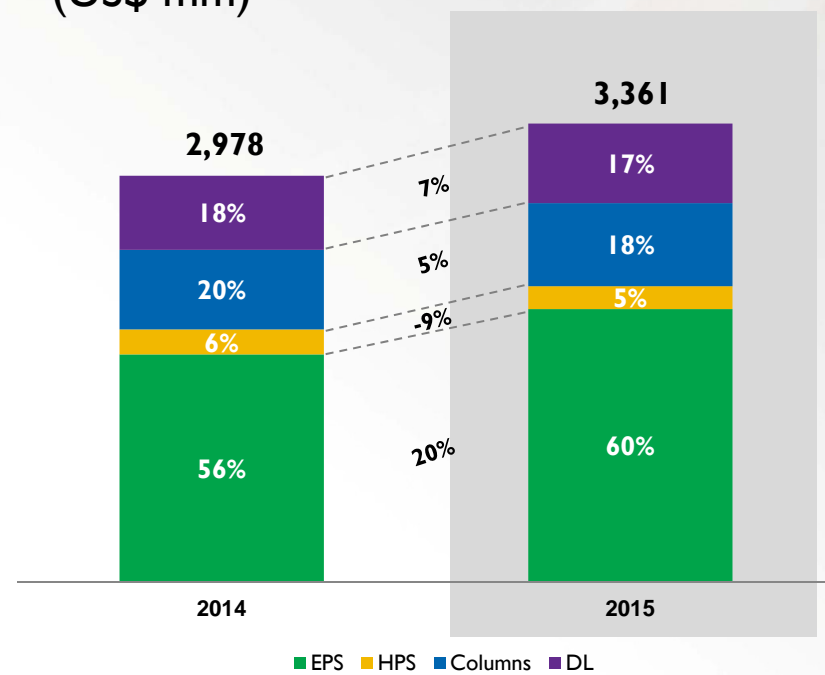
(US\$ mm)



* Including Brazil, India, Korea and Australia

Revenue by Product

(US\$ mm)



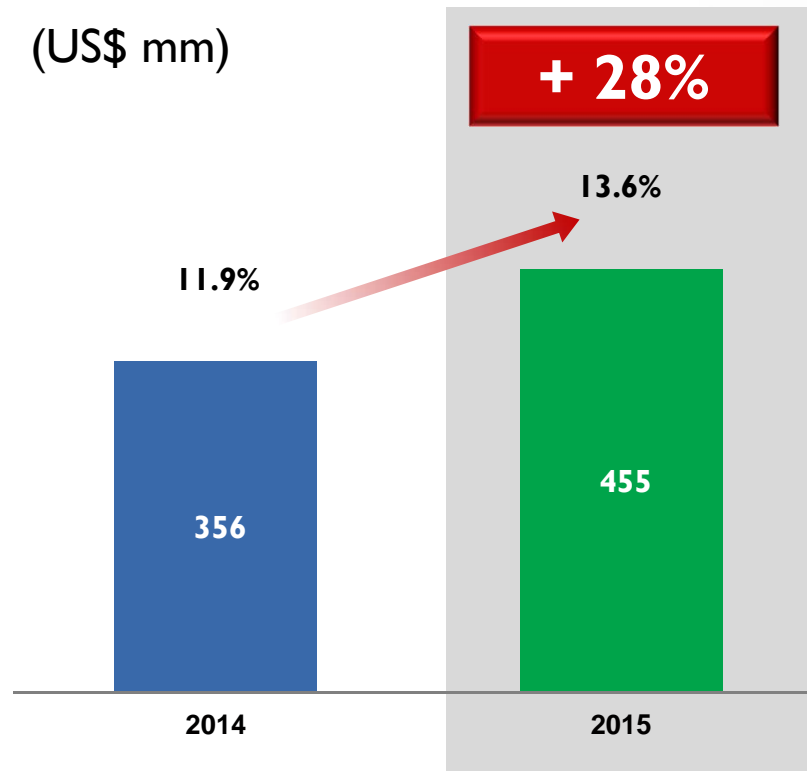
Solid growth in North America and China driven by product launches and customer sales strength

Launched 24 new programs in 2015

Strong Earnings Growth and Margin Accretion

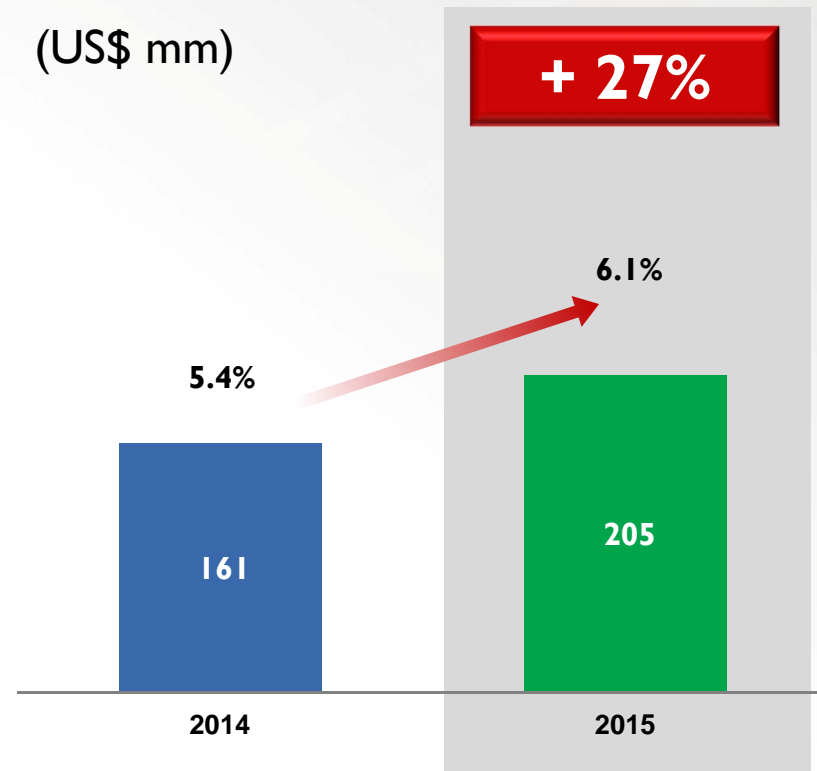
Group EBITDA

(US\$ mm)



Group Net Profit*

(US\$ mm)

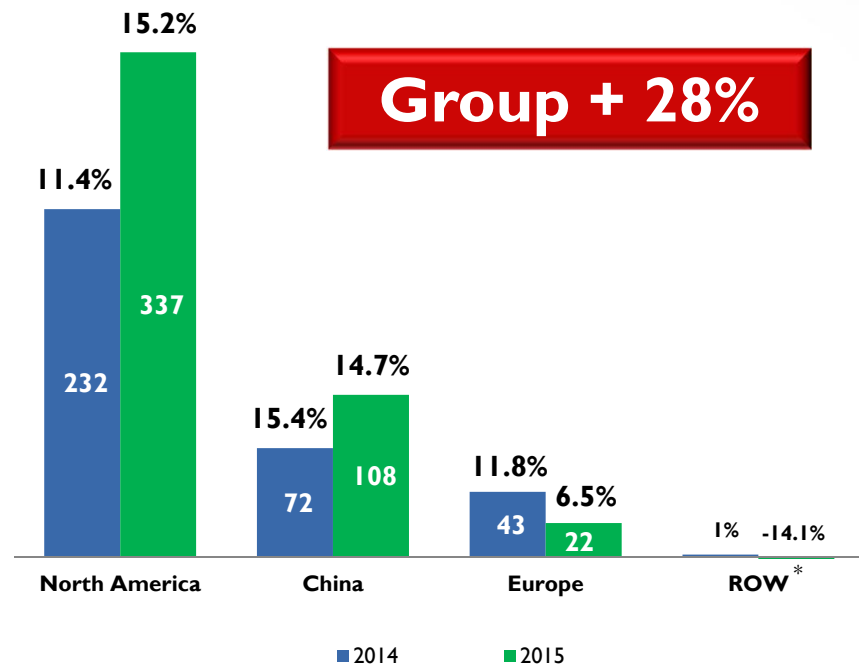


* Net Profit Attributable to Equity Holders

Segment Profitability

EBITDA by Region

(US\$ mm)



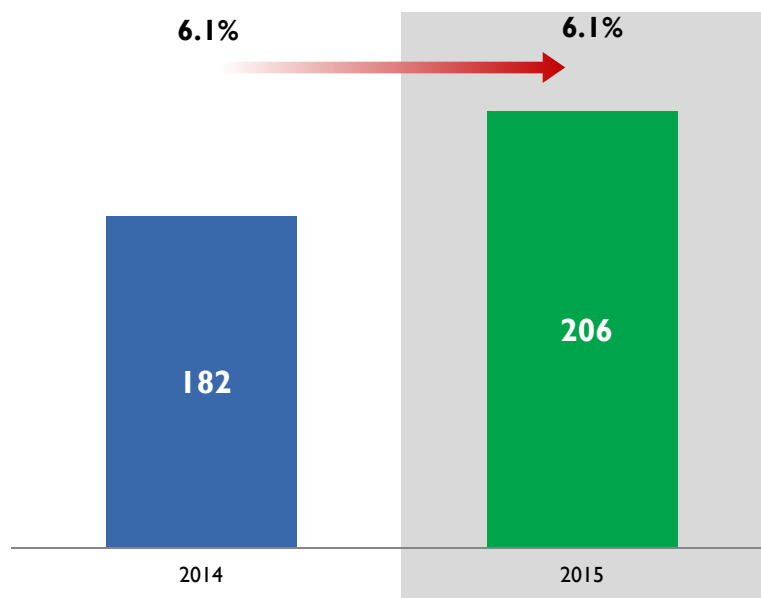
* Including Brazil, India, Korea and Australia

- EBITDA expansion driven by top line growth, EPS conversion, fixed cost discipline and continuous improvement initiatives
- Increased contribution from China and North America
- Strong North America EBITDA margin expansion
- Europe temporarily impacted by program ramp-up and unfavorable FX

Continued Commitment to R&D and Improving Capital Efficiency

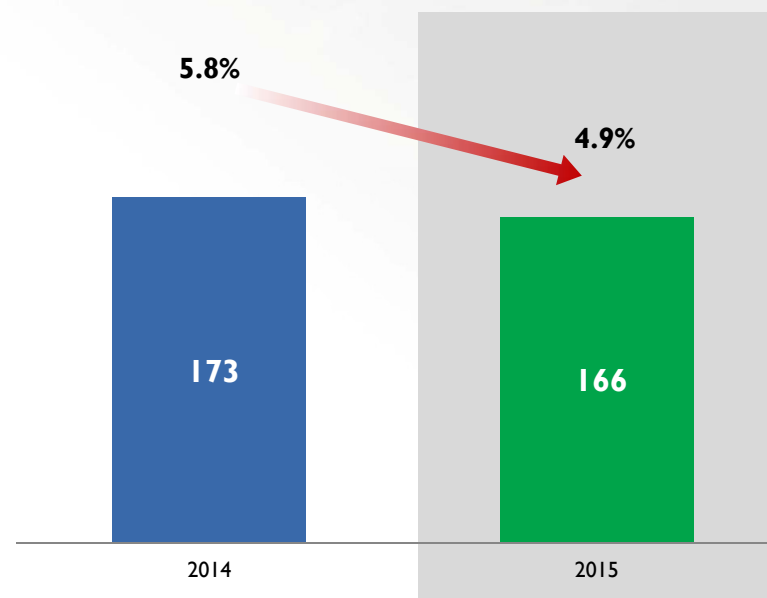
R&D Expense*

(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 Generation

US\$ mm	2012	2013	2014	1H 2015	2H 2015	2015
Cash Provided by Operations	158	223	254	188	280	468
Less Capital Investment	(273)	(277)	(275)	(132)	(144)	(276)
Free Cash Flow	(115)	(54)	(21)	56	136	192

Capital Allocation Priorities

Reinvest in Business to Drive Growth

Launch New Programs

Optimize Global Footprint

Advance Product Innovation

Pursue Select Acquisitions & Alliances

Develop New Technology

Solidify Balance Sheet

Scheduled Debt Repayment

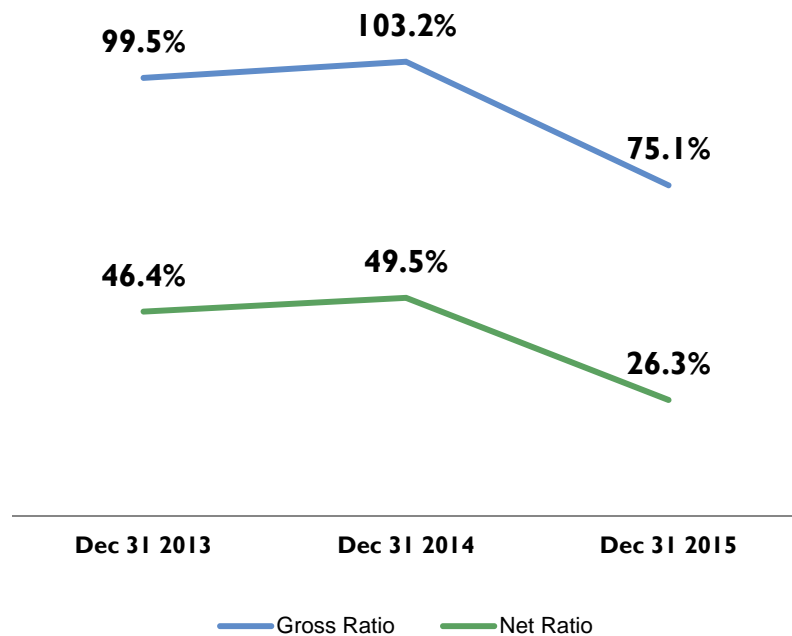
Deliver Return of Capital

Pay Annual Dividend

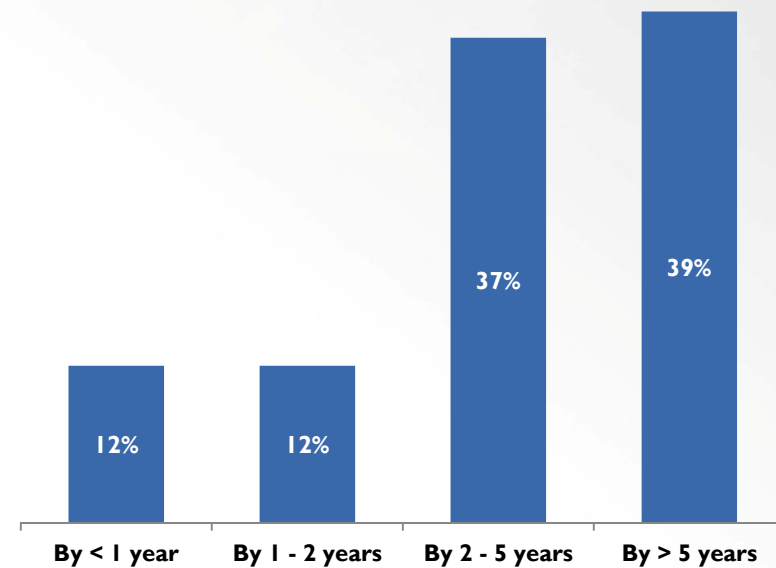
Strong Capital Structure

Gearing Ratio

Gross Ratio: Gross Debts / Equities
Net Ratio: Net Debts / Equities



Debt Maturity Profile



Strategy for Profitable Growth

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Well-Defined Plan to Drive Stakeholder Value