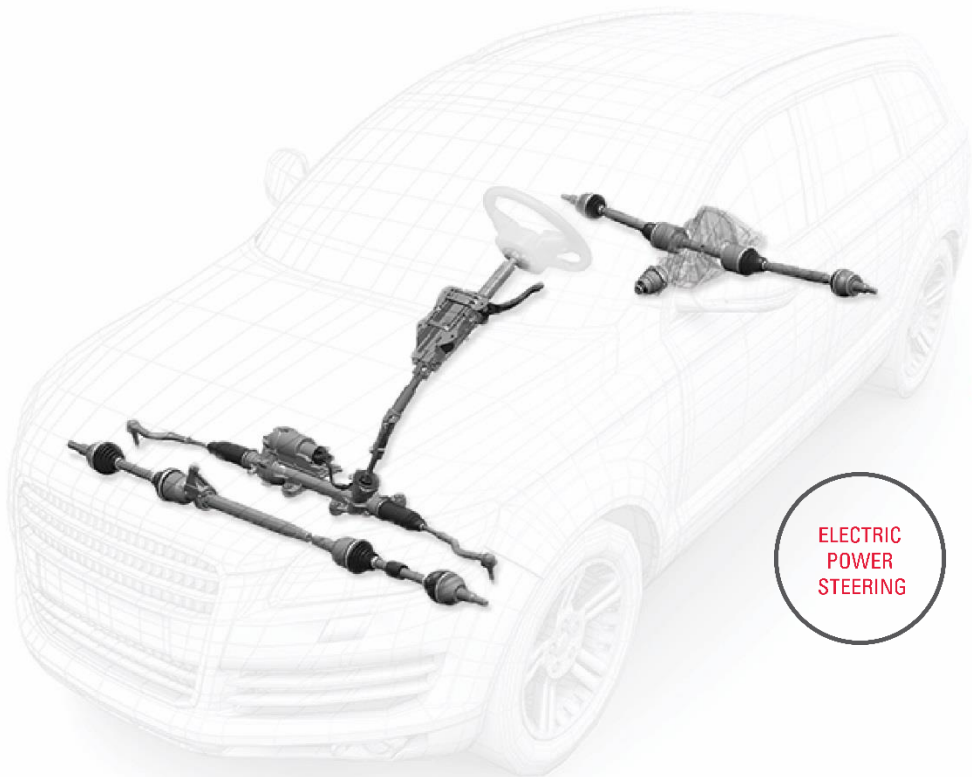




a leader in intuitive motion control



2018

Interim Results Announcement

ELECTRIC
POWER
STEERING

COLUMNS &
INTERMEDIATE
SHAFTS

DRIVELINE
SYSTEMS

HYDRAULIC
POWER
STEERING

ADAS &
AUTOMATED
DRIVING

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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

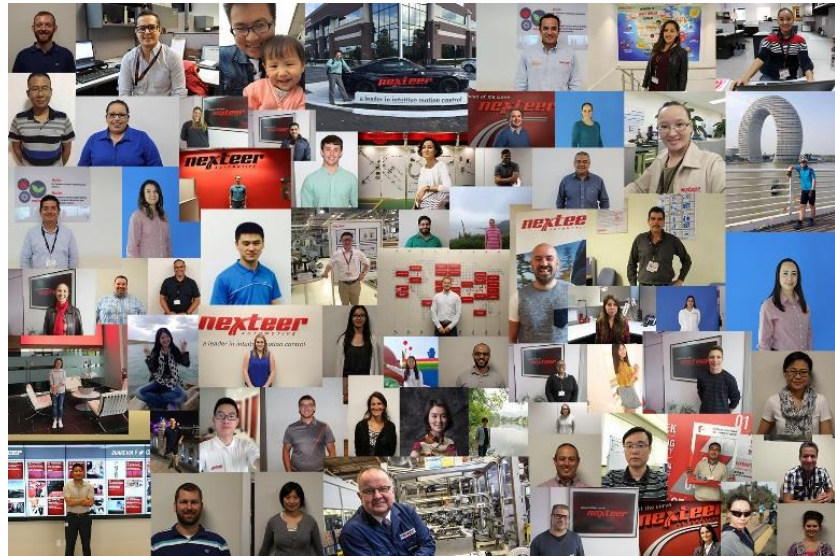


Michael Richardson

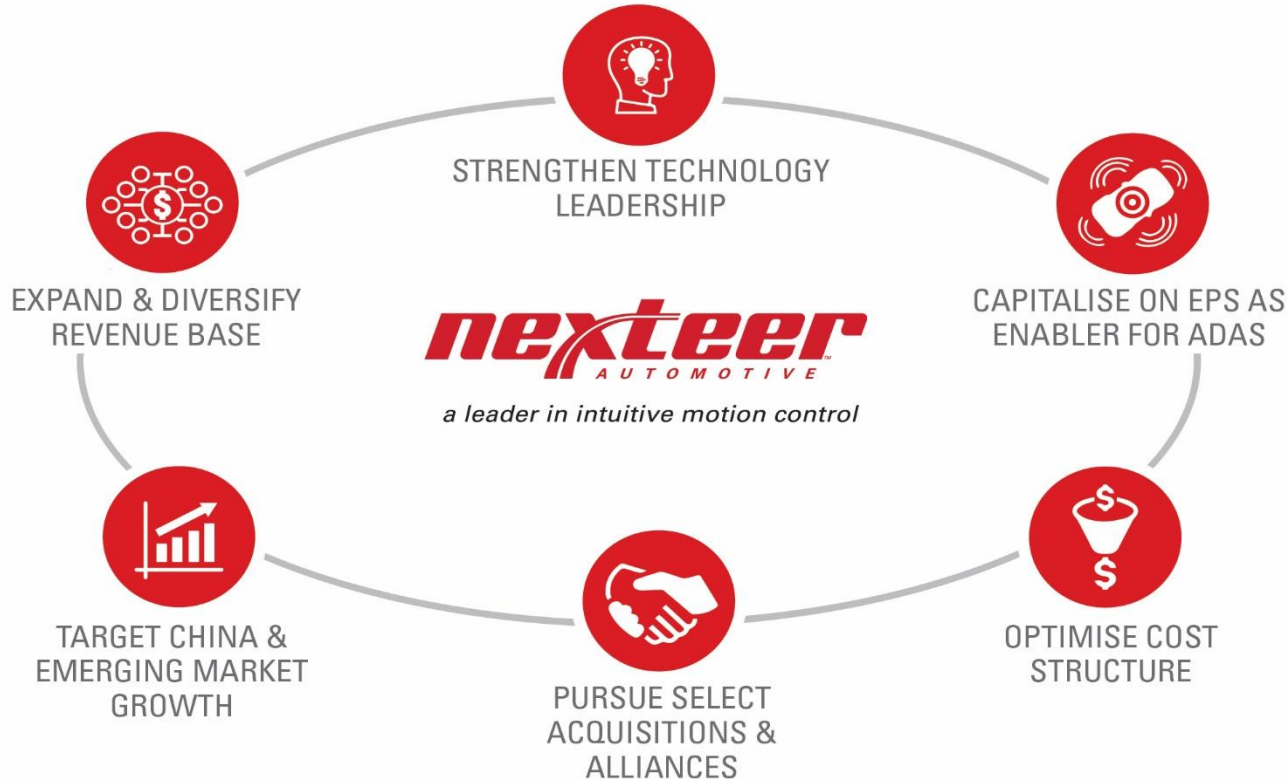
Executive Board Director
President

WHY We Deliver Motion Control Solutions

- Every day, millions of people around the globe depend on Nexteer to deliver:
 - High-quality
 - Application specific
 - Safety-critical motion control solutions
- We deliver protection, personality, performance and passion in driving.
- We make driving safe, fuel-efficient & fun for today's world & an automated future.



STRATEGY FOR PROFITABLE GROWTH



A Well-Defined Plan to Drive Stakeholder Value

2018 1H Business Highlights

Strategic Coherence and Portfolio Discipline



- Successful launch of **8 programs** across multiple product lines, regions & customers
- Increased Order-to-Delivery Backlog to US\$24.9 billion
- Continued global strategic footprint expansion
- Solidified Steering industry leadership as product innovator
- Focused on operational efficiency improvement

Launched 8 Major Customer Programs



- **FCA Ram 1500**
REPS, Column



- **GM Excelle**
CEPS
- **SGMW Wuling Rongguang**
CEPS
- **Chang'An X70A**
CEPS
- **Chang'An Eado**
CEPS
- **FCA Grand Commander**
Column
- **Maruti-Suzuki Swift Dzire Tour**
Driveline

New Vehicle Launch



FCA
Ram 1500



SGMW
Wuling Rongguang



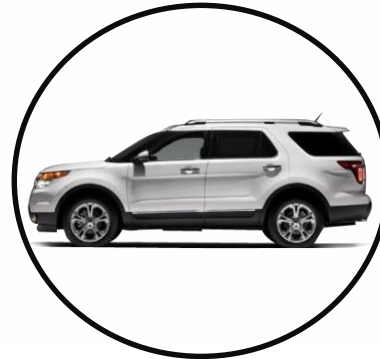
FCA
Grand Commander



GM
Excelle



Maruti-Suzuki Swift
Dzire Tour



Chang'An
X70A



Chang'An
Eado

2018 1H Business Highlights

Strategic Coherence and Portfolio Discipline

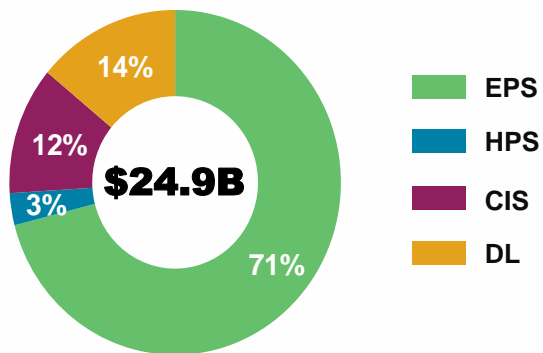
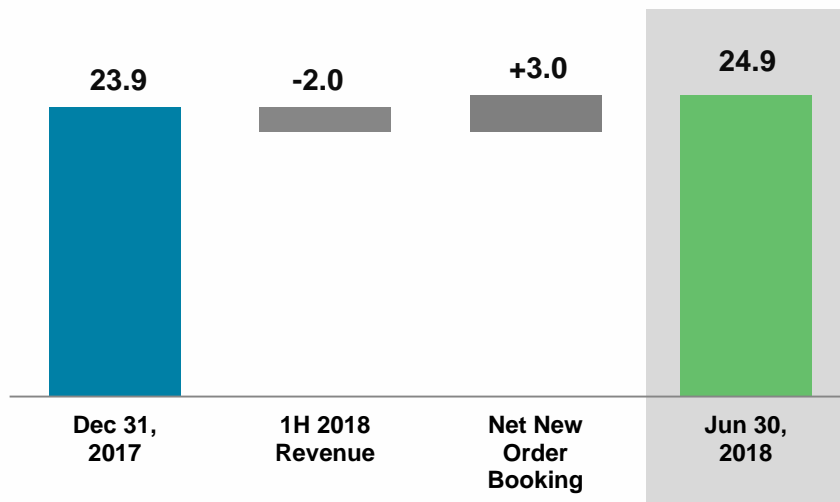


- Successful launch of 8 programs across multiple product lines, regions & customers
- **Increased** Order-to-Delivery **Backlog to US\$24.9 billion**
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Projected Business Rotation



Order to Delivery Backlog* as of June 30, 2018

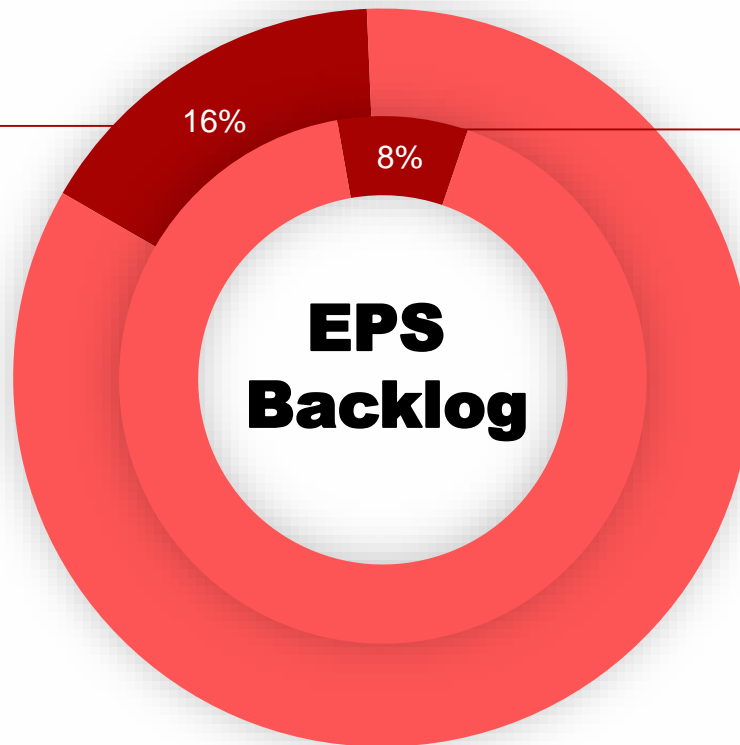


* Booked business information is compiled through our internal records, and such information has not been audited nor reviewed by our auditors.

EPS Featuring New Technology For Industry Trend



16%
EPS enables L3-5
ADAS/AD function



8%
EPS assembly for
Electric Vehicle

2018 1H Business Highlights

Strategic Coherence and Portfolio Discipline



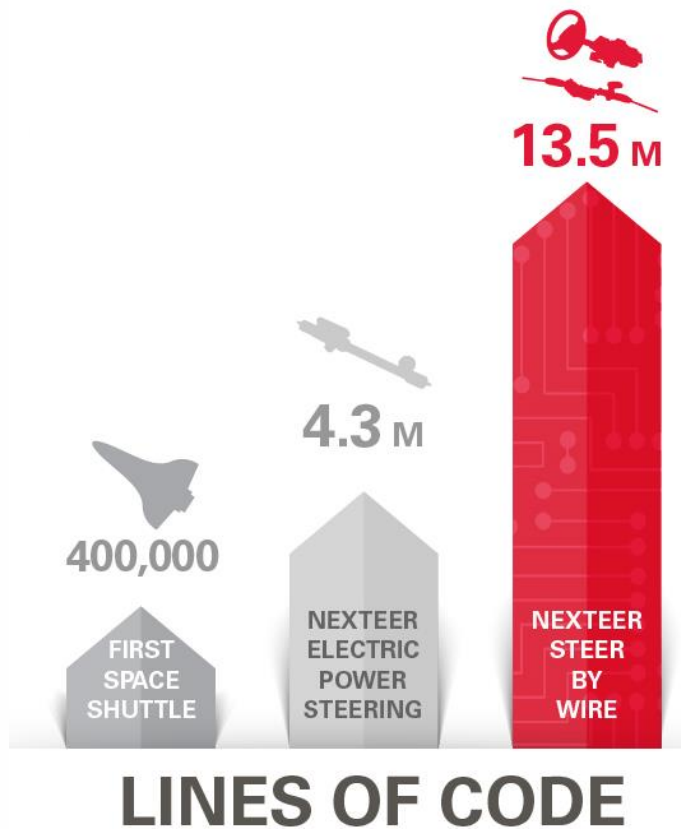
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- Increased Order-to-Delivery Backlog to US\$24.9 billion
- Continued global ***strategic footprint expansion***
- Solidified Steering industry leadership as product innovator
- Focused on operational efficiency improvement

Strategic Manufacturing & Technical Footprint

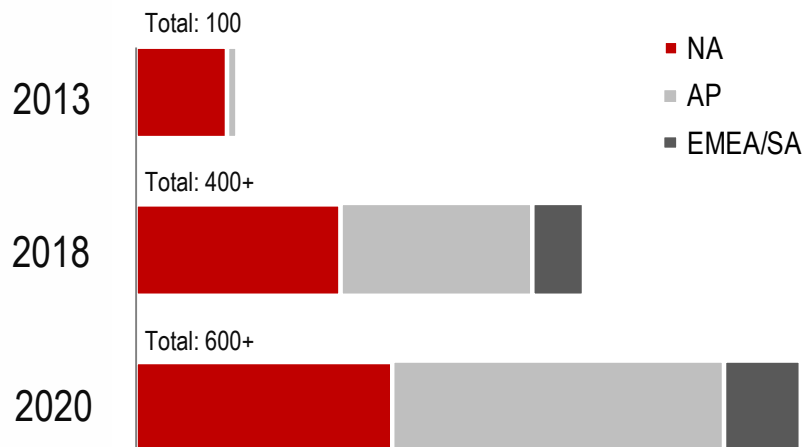
Expansion 1H 2018



Software as a Product Differentiator



Nexteer Software Engineer Growth



2018 1H Business Highlights

Strategic Coherence and Portfolio Discipline



- Successful launch of 8 programs across multiple product lines, regions & customers
- Maintained Order-to-Delivery Backlog of US\$24.9 billion
- Continued global strategic footprint expansion
- Solidified ***Steering industry leadership*** as product innovator
- Focused on operational efficiency improvement

Industry Leadership Validated Through Advanced Technology Projects Awards



12 Programs in Current Development (Levels 3-5) with Key OEM Partners

Lateral Directional Control



LEVEL 3

Conditional Automation

Driver is a necessity, but is not required to monitor and must be ready to take control at all times with notice.



LEVEL 4

High Automation

Driver has the option to control the vehicle
Vehicle is capable of performing all driving functions under certain conditions.



LEVEL 5

Full Automation

Driver has the option to control the vehicle.
Vehicle is capable of performing all driving functions under all conditions.

*

* Source: SAE International

nexteer
AUTOMOTIVE

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Industry Leadership



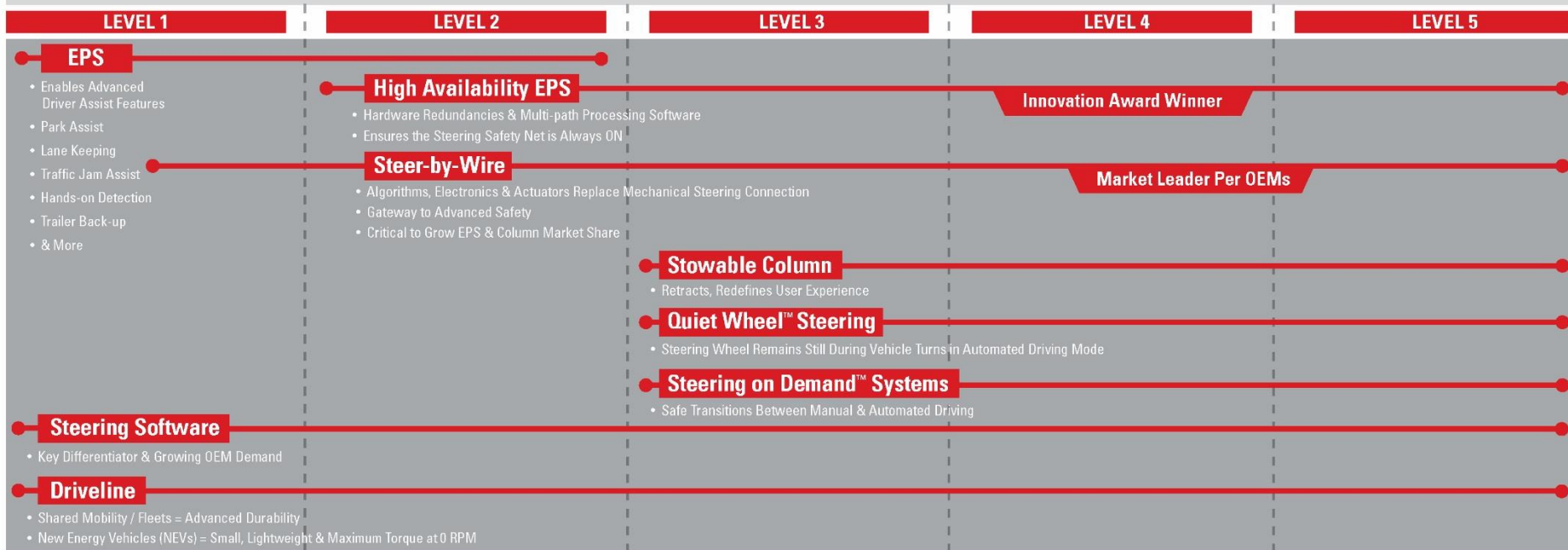
SENSE

PLAN

ACT

nexteer
AUTOMOTIVE

- **10% of Nexteer's Backlog Enables Levels 3-5 ADAS / AD Functions****
 - 16% of Nexteer's Electric Power Steering (EPS) Backlog Enables Levels 3-5 ADAS / AD Functions**
 - Advanced Development Programs Are Not Included in Backlog
- **12 Advanced Development Programs (Levels 3-5) with Key OEM Partners****
- **Strategic Partnerships with Early Adopters:** Global OEMs, CNXMotion, WABCO & Others



Industry Leadership in Core Steering Products



Nexteer recognized as key contributor to GM's delivery of its first **LEVEL 5** ADAS vehicle

2017 Supplier of the Year Innovation



Fully-redundant ADAS Level 5



Industry Leadership in Core Steering Products



Nexteer recognized as key contributor to GM's delivery of its first



ADAS vehicle



*“This is an opportunity for GM to honor those **suppliers who are truly the best of the best.** The automotive industry is transforming at an incredible rate. The relationships we have with our supply base means everything when it comes to **delivering a strong vehicle lineup today & the cutting-edge vehicles and mobility services of tomorrow.**”*

— Steve Kiefer, GM senior vice president,
Global Purchasing & Supply Chain

Technology Leadership

Global Stage, Confidential Showcases & Research Clinics for Early Adopters



2018 1H Business Highlights

Strategic Coherence and Portfolio Discipline



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- Solidified industry leadership as product innovator
- Focused on ***operational efficiency improvement***

Industry Recognition



GM Innovation Award
High Availability EPS



2018 North American Truck of the Year
Lincoln Navigator
Steering Column, REPS



2018 Motor Trend Truck of the Year
Ford F-150
Steering Column, REPS

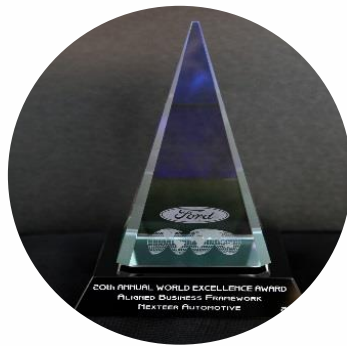


2018 Frost & Sullivan Manufacturing Leadership Award



2018 SGMW Excellent Supplier Award of Indonesian Subsidiary

Industry Recognition



Ford Top Performing Global Suppliers
Ford Excellence Awards



Ford Top Supplier Award - Manufacturing Operations
Queretaro - Silver Award



2018 SGMW Excellent Collaboration Award



Melvin L. Wilcox Innovation Award
Magnetic Torque Overlay (MTO) Team



2018 GAC FCA Excellent Delivery Performance Supplier Award

Financial Highlights



Bill Quigley

Senior Vice President
Chief Financial Officer

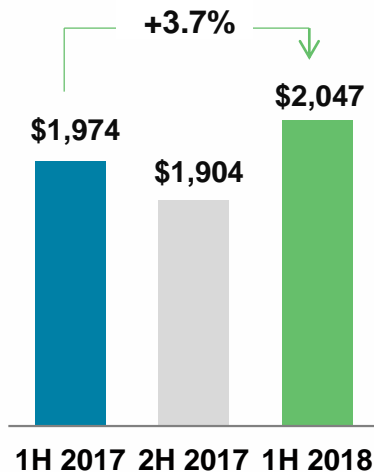
1H 2018 Financial Highlights

- 1. Strong results across key financial metrics**
 - *Higher Y/Y earnings with expected margin profile*
 - *Significant earnings and margin improvement compared to 2H 2017*
- 2. Revenue bolstered by organic growth and currency**
 - *APAC key customer demand tempering revenue*
- 3. Record Net Profit performance**
 - *Cost efficiencies largely on track; monitoring commodity environment*
 - *Benefit from US Tax Reform*
- 4. Significant Free Cash Flow and healthy Balance Sheet**
- 5. Strong customer program awards driving increased Backlog**

1H 2018 Financial Highlights

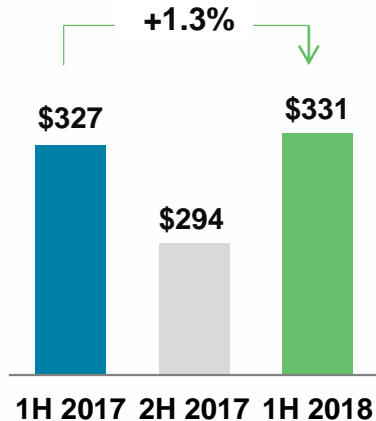
Revenue

(in millions)



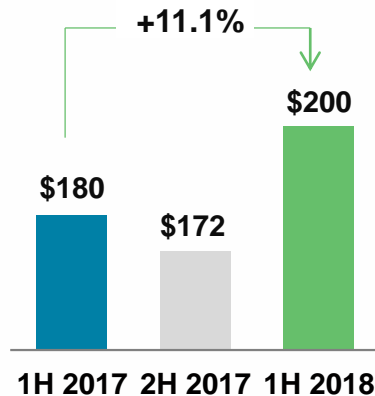
EBITDA

(in millions)



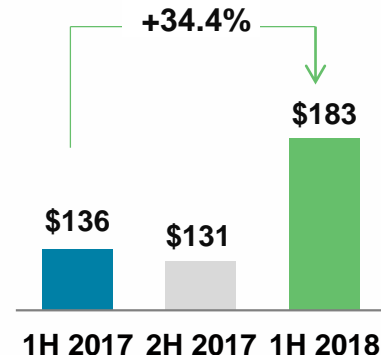
Net Profit

(in millions)



Free Cash Flow

(in millions)

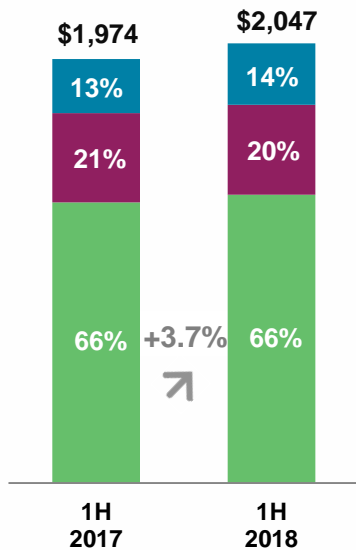


* Net Profit Attributable to Equity Holders

Revenue by Region

Global Revenue

(in millions)

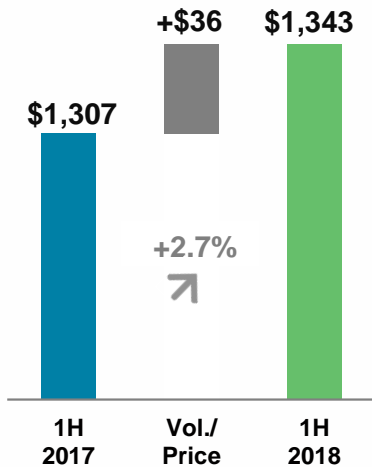


■ N. America ■ Asia Pac. ■ EMEA-SA

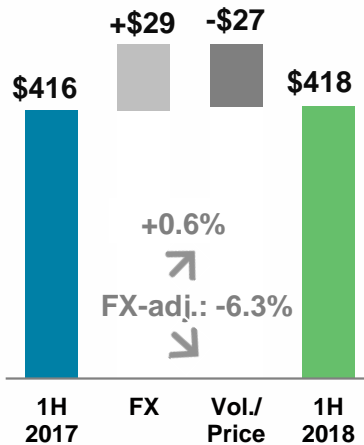
Regional Distribution

(in millions)

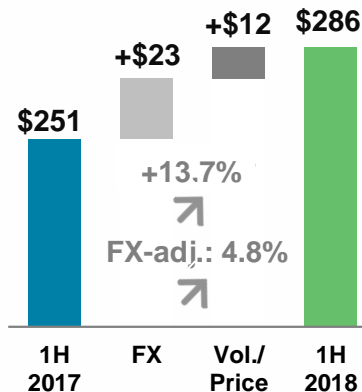
N. America



Asia Pac.



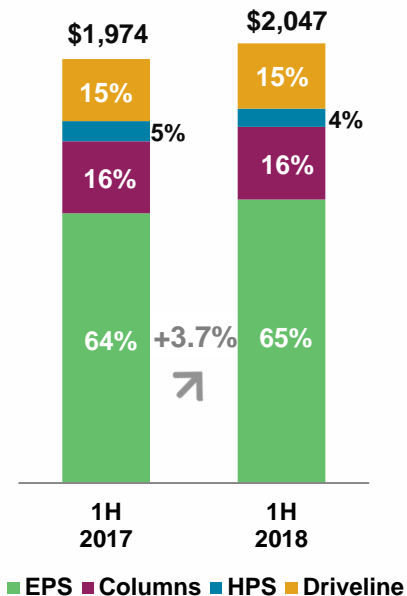
EMEA-SA



Revenue by Product Line

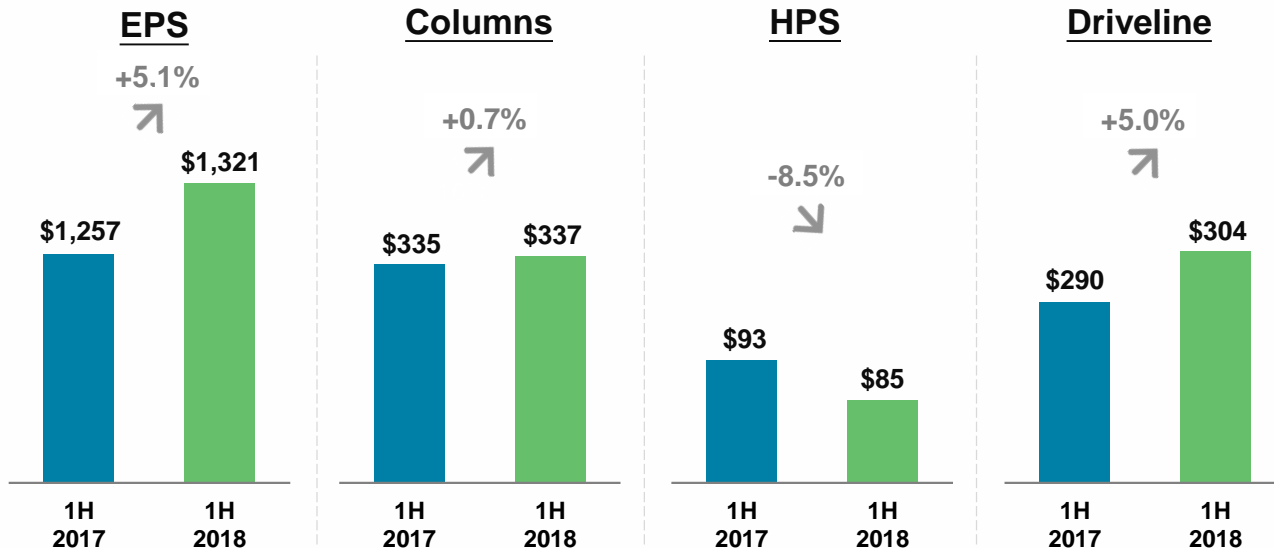
Global Revenue

(in millions; structural %)



Product Distribution

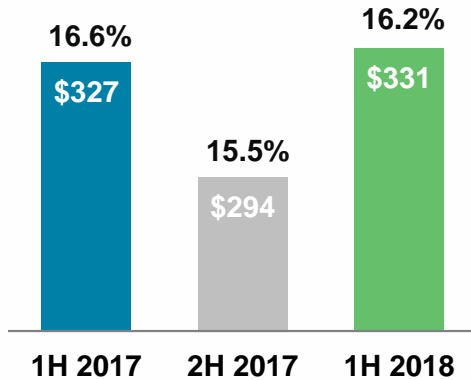
(in millions; growth %)



Earnings and Margin Profile

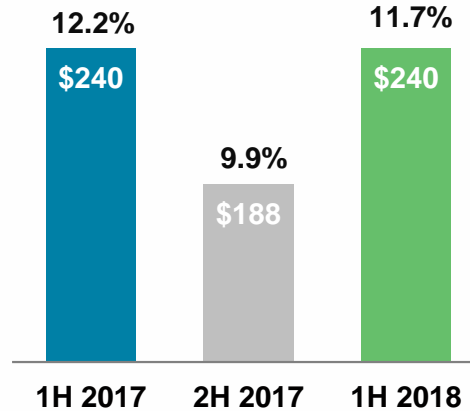
EBITDA

(in millions)



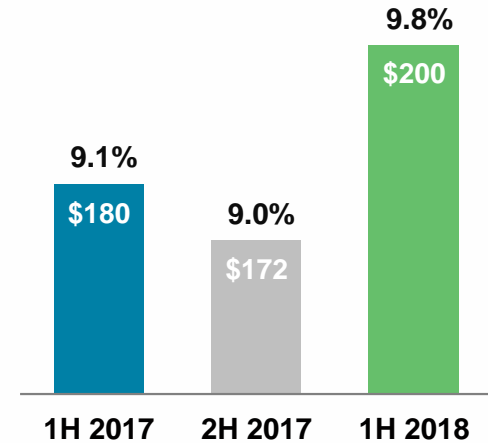
Operating Profit

(in millions)



Net Profit

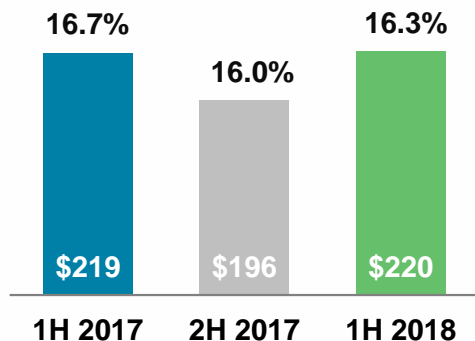
(in millions)



EBITDA Margin Strong Across all Regions

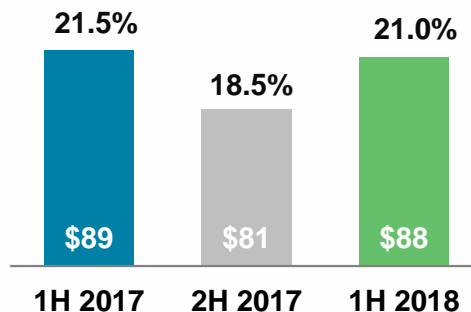
N. America

(in millions)



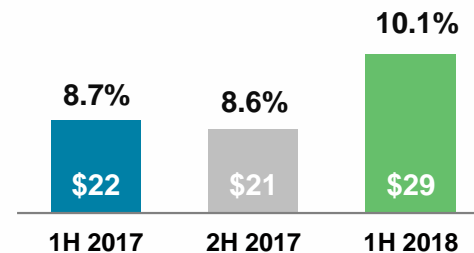
Asia Pac.

(in millions)



EMEA-SA

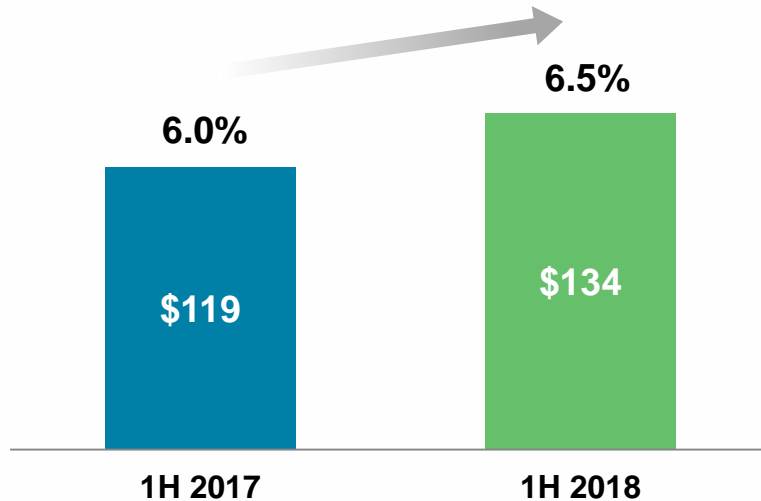
(in millions)



Capital Investment for Future Growth

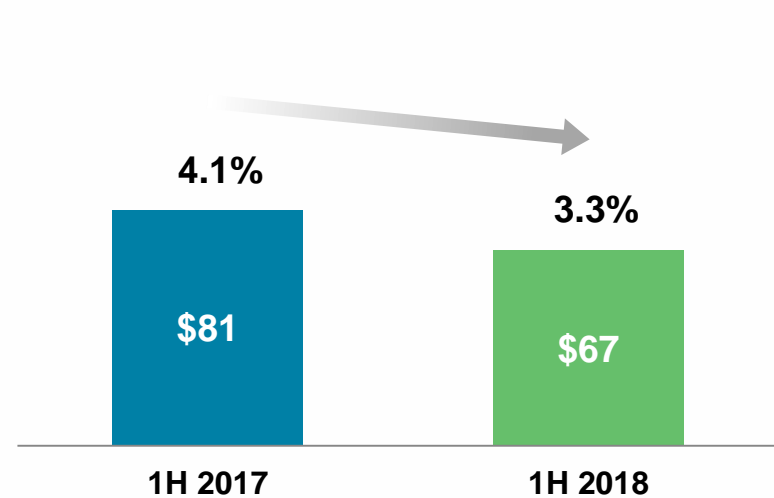
R&D Expense*

(in millions)



Capex*

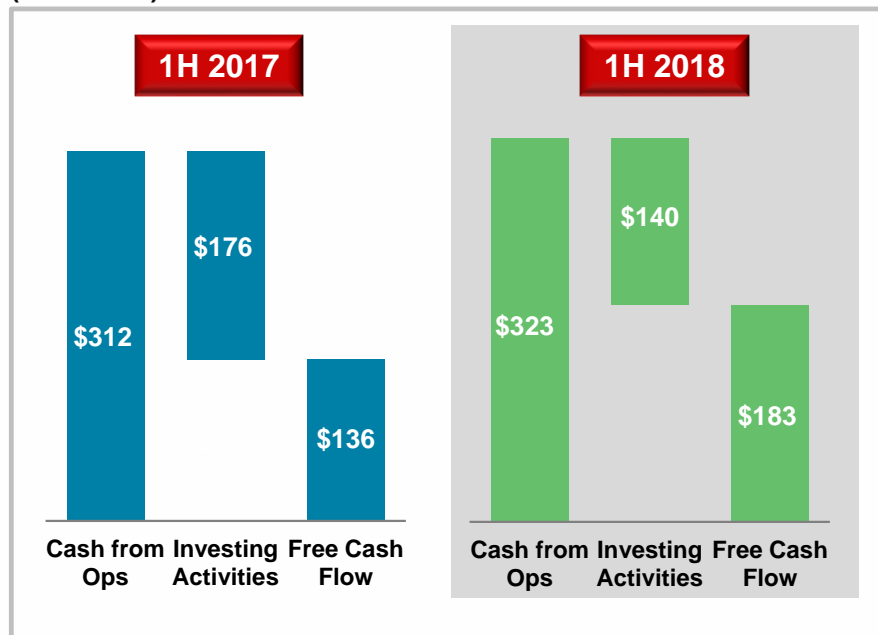
(in millions)



- Including engineering and product development costs charged to income statement and development costs capitalized as intangible asset.
Capex presented based on assets acquired

Strong Free Cash Flow and Balance Sheet

(in millions)



Cash and Capital

	Jun 2018	Dec 2017
Gross Debt	\$412	\$491
Less: Cash	605	601
Net Debt	<u>(\$193)</u>	<u>(\$110)</u>
Total Equity	\$1,548	\$1,441
Total Net Capital	\$1,355	\$1,331
Net Debt to Net Capital	n.a.	n.a.

Liquidity

	Jun 2018	Dec 2017
Cash	\$605	\$601
Credit Facilities	489	456
Total	<u>\$1,094</u>	<u>\$1,057</u>

Leverage / Coverage

	Jun 2018	Dec 2017
Gross Debt to EBITDA*	0.7x	0.8x
Net Debt to EBITDA	n.a.	n.a.

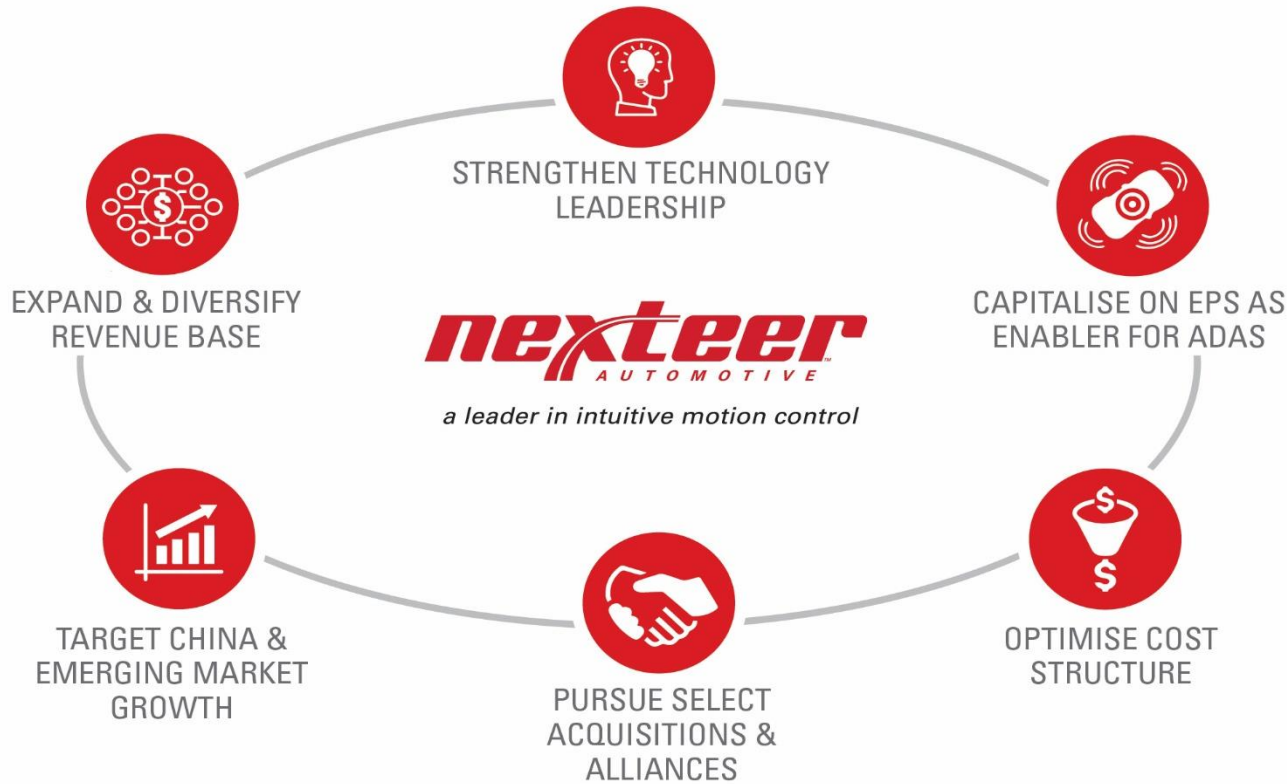
* LTM EBITDA

2018 Rest of Year Considerations

1. Revenue paced by global OEM unit production
2. Potential currency headwind from USD strength
3. Closely monitoring commodity environment – managing supply chain and customer relationships
4. Substantial number of customer program launches
5. Broad customer opportunities driving future growth

Actioning Both Near Term Performance and Long-Term Growth

STRATEGY FOR PROFITABLE GROWTH



A Well-Defined Plan to Drive Stakeholder Value