

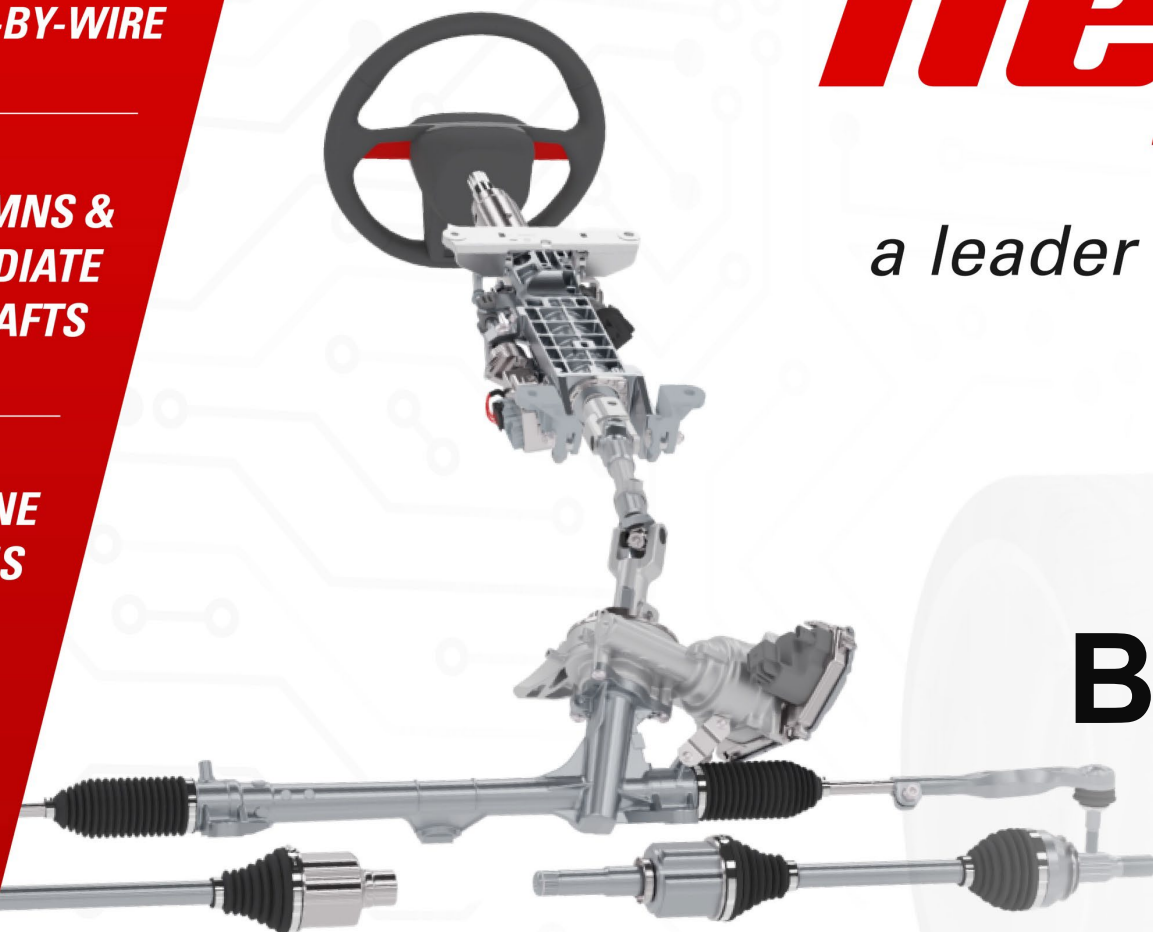
**ELECTRIC  
POWER STEERING  
& STEER-BY-WIRE**

**COLUMNS &  
INTERMEDIATE  
SHAFTS**

**DRIVELINE  
SYSTEMS**

**HYDRAULIC  
POWER  
STEERING**

**SOFTWARE**



***nexteer***<sup>TM</sup>  
**A U T O M O T I V E**

*a leader in intuitive motion control*

# **2023 Q3 Business Update**

16 November 2023

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# Presenters

## ROBIN MILAVEC

Executive Board Director  
President  
Chief Technology Officer  
Chief Strategy Officer



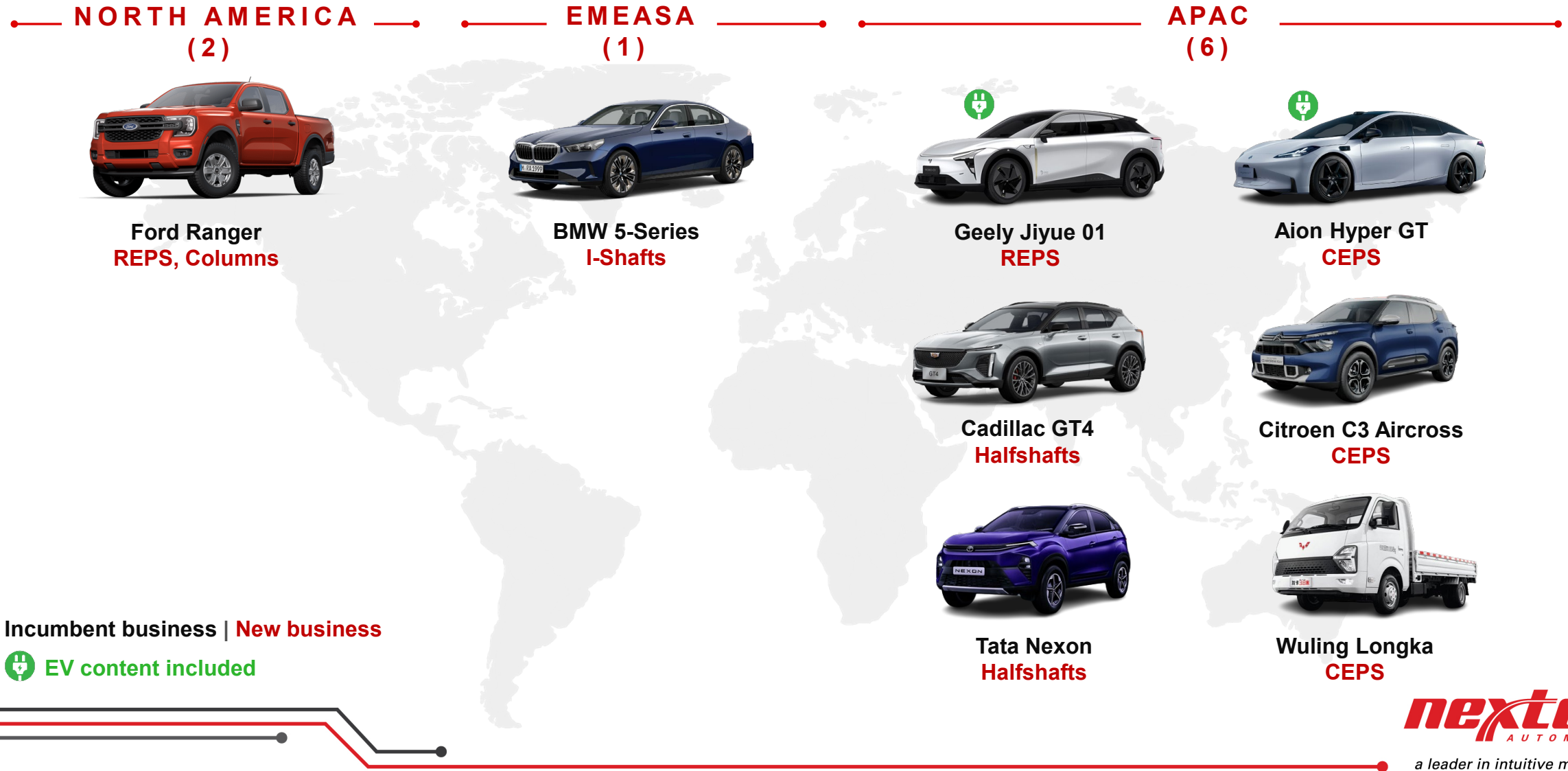
## MIKE BIERLEIN

Senior Vice President  
Chief Financial Officer



# Launched 9 Major Programs in Q3 2023

*All NEW Business & Capitalizes on China NEV OEM Growth*



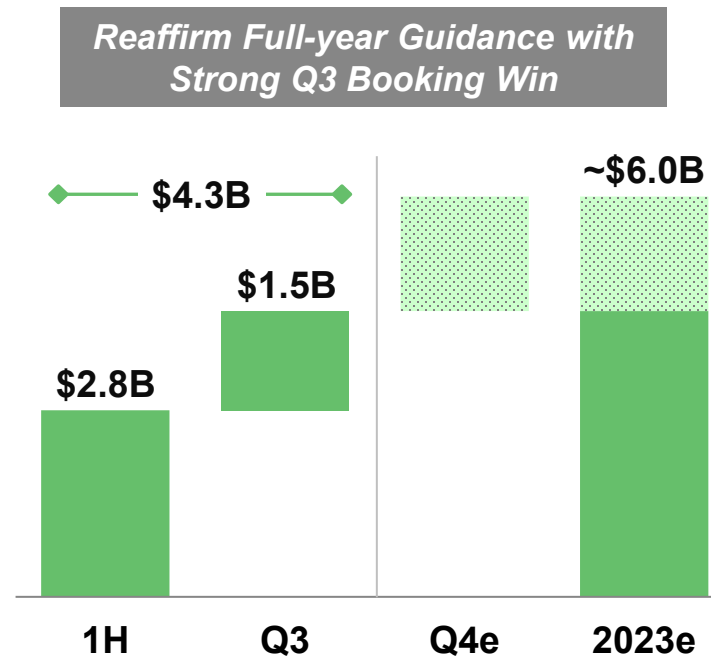
# Business Wins – Q3 & 2023 Outlook

## Key Highlights in Q3

- **First EPS Win with a Global EV Leading OEM = Full Portfolio Represented (EPS, CIS & DL)**
- **First Stand-Alone Software Business Win with a Leading Global OEM**
- **Secured Next-Gen Incumbency Business in EMEASA**

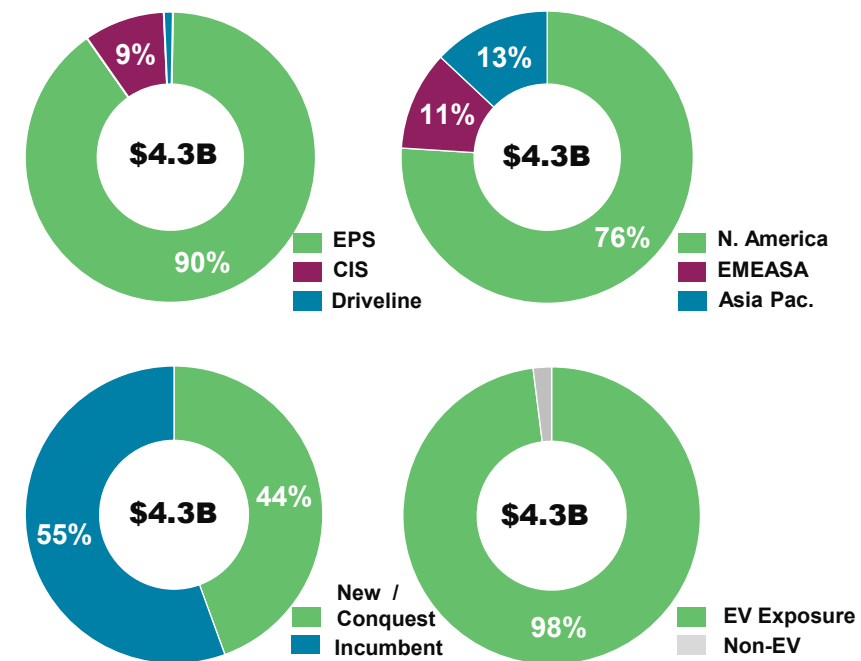
## Bookings\*

(\$ in billions)



## YTD Bookings Composition

(\$ in billions)



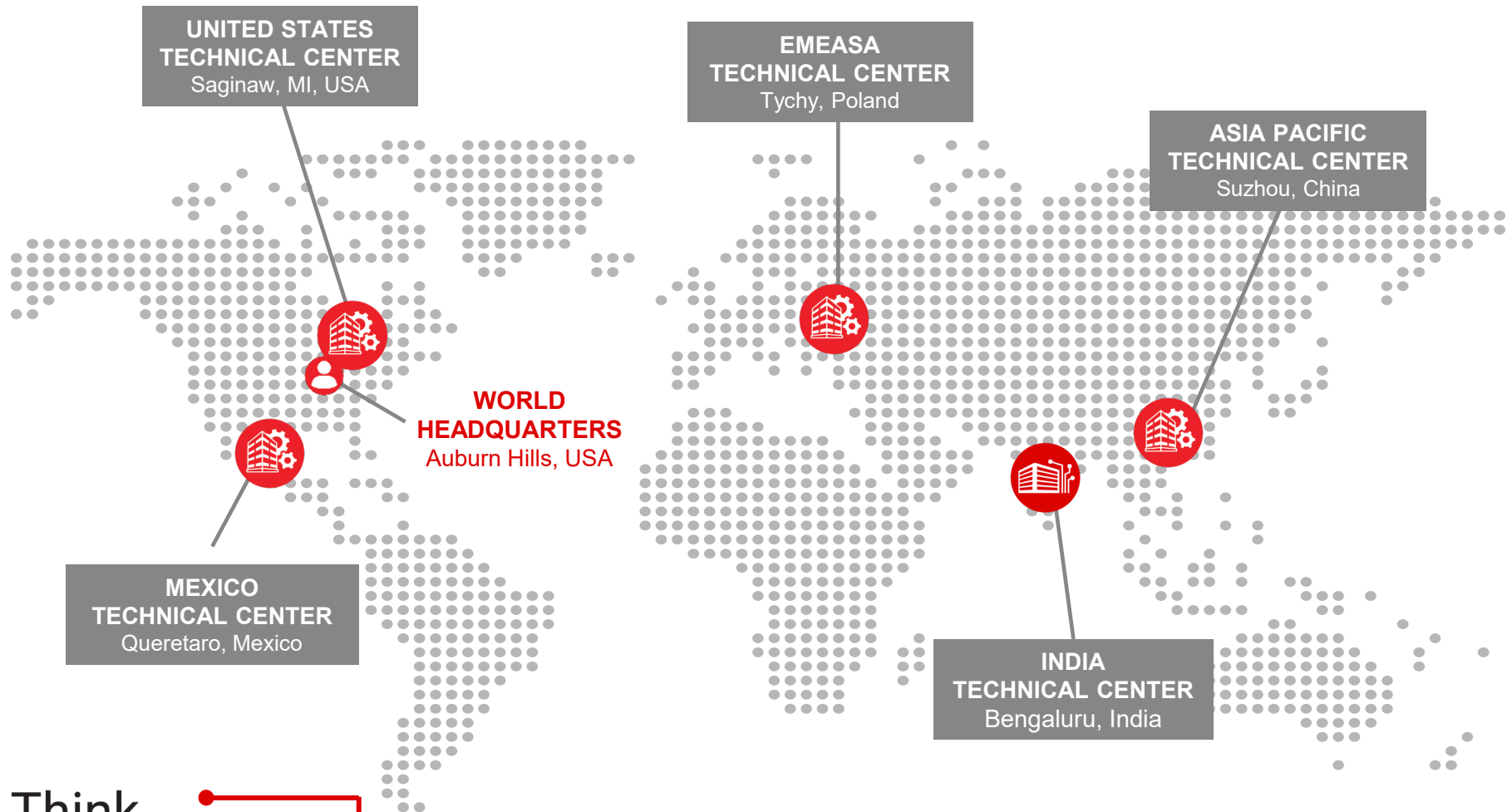
\* Booked business information is compiled through our internal records, and such information has not been audited nor reviewed by our auditors.

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AUTOMOTIVE

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# Balanced & Optimized Global Engineering Footprint



## Divisional Technical Centers

**DIVISIONAL Focus-** Local agility, customer responsiveness, quality,

- Product & Process Application Engr
- Software Applications Engr
- Customer Specific Validation & NVH
- Vehicle Integration & Testing

**GLOBALLY Distributed - Tech Roadmap, Cost/Time Efficiencies & Innovation**

- Portfolio Vision
- R&D Innovation
- Product & Process Architecture
- Advanced Core Product Technology
- Virtual Engr & Simulation Tools



## India Technical Center

- Software Production & Validation
- Cybersecurity
- Virtual Engr & Simulations Tools
- Regional Technical Center Support
- R&D Innovation
- Architecture

Think  
**Global**  
Act **Local**

*Drives Efficiencies, Agility, Innovation,  
Customer & Market Responsiveness*

# GLOBAL PRODUCTION MILESTONE

As of Q3 2023

- Reached global production milestone of 100 million electric power steering (EPS) systems
- Reinforces our global EPS leadership & how we're enabling fuel efficiency, advanced safety & performance for 60+ OEMs globally



# Operating Update

## Operating Exposure

### NA Labor Strike



- North America represents ~55% of Global Revenue
- The majority of regional revenue is with GM, Ford and Stellantis

## Measures

- Limit impact through cost reduction plan (*e.g. layoff and reduced discretionary spending*)

## Financial Impact

- Impact of (\$55M) revenue and (\$15M) EBITDA through October

### Supplier Issue



- A tier-2 supplier was unable to meet its supply commitment causing a customer downtime

- Production has been stabilized
- Resourcing alternative suppliers

- Expect (\$40M) impact in 2H 2023 related to premium freight and additional labor costs
- Potential customer cost recovery



# Near-Term & 2024 Considerations

## Tailwinds

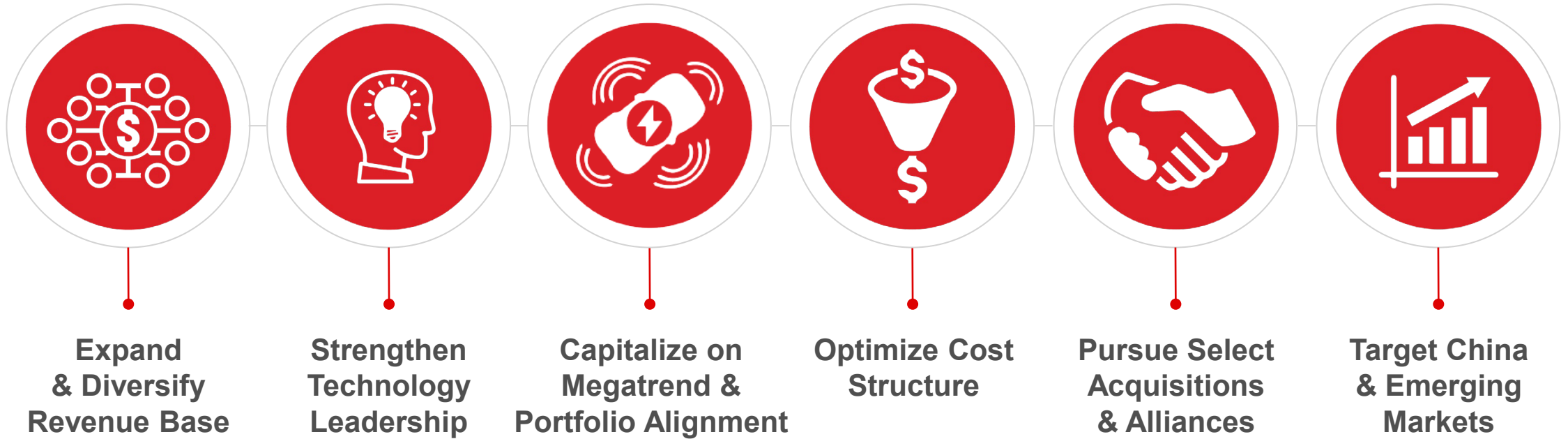
- On-track to achieve record revenue for 2023
- Above market revenue growth in 2024 lead by continued strong performance from Asia Pacific
- Commodity prices & freight deflation
- Fixed cost reduction and footprint initiatives underway to improve profit margins

## Headwinds

- High interest rates & slowing economy could impact consumer demand
- Inflation remains elevated impacting input costs

**Focused on Improving Margin Profile**

# Strategy for Profitable Growth



**A well-defined plan to drive stakeholder value**