

Vitesco Technologies reports increase in sales and EBIT for FY2021 and expands e-mobility business

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- › **FY2021: Rise in sales to € 8.3 billion (2020: € 8.0 billion)**
- › **Adjusted EBIT-margin increases to 1.8 percent (2020: -1.2 percent); free cash flow: € 113.3 million (2020: € -455.7 million)**
- › **Total order intake 2021: € 11.2 billion, thereof € 5.1 billion for electrification products**
- › **Sales from electrification products in 2021: € 888 million**
- › **Recent (March 2022) acquisition of customer order for electric axle drive system, volume approx. € 2 billion**
- › **Guidance for 2022: increase in sales in the amount of € 8.6 to 9.1 billion, improvement of adjusted EBIT margin in the amount of 2.2 to 2.7 percent and free cash flow of more than € 50 million. Risk of Russia-Ukraine war not yet taken into account**
- › **Earnings per share FY2021: € -3.05, no dividend for 2021**
- › **Vitesco Technologies will present its first sustainability report on March 29**

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Regensburg, March 25, 2022. Vitesco Technologies, a leading international provider of modern drive technologies and electrification solutions for sustainable mobility, today published its **consolidated financial statements** for fiscal year 2021. Preliminary figures had already been reported on February 21 – the company fully met its forecast for 2021 for all key financial figures.

2021 was a milestone year for Vitesco Technologies: the spin-off from Continental AG, the stock exchange listing in September with a transaction volume of around € 2.4 billion, and, finally, the inclusion in the SDAX index in December.

Further rise in sales and increasing order intake for electrification products

Vitesco Technologies performed well in 2021 despite a continued challenging market environment. Vehicle production stagnated in North America; Europe recorded a decline. Production volumes in China recovered and even grew slightly. In the past financial year, ongoing supply bottlenecks and semiconductor shortages weighed on global market growth for passenger cars and light commercial vehicles.

With its strong international presence and established market position in these core markets, Vitesco Technologies achieved sales growth despite difficult economic conditions: Vitesco Technologies raised its **group sales** organically by 4.1 percent to € 8.3 billion in fiscal year 2021 (2020: € 8.0 billion). With an increase of 44.6 percent, business unit Electrification Technology recorded the strongest organic growth of all units. The adjusted EBIT-margin of business unit Electrification Technology improved by around 39 percentage points. Electrification products accounted for € 888 million of sales.

"Our order intake clearly shows that we place our electrification products in all key markets worldwide. The billion-euro order for 800-volt-inverters with silicon carbide technology from an American car manufacturer recently communicated proves this development," says Andreas Wolf, CEO of Vitesco Technologies. "Today, we are proud to announce another **major order worth around 2 billion euros** for our latest electric drive system."

Adjusted EBIT amounted to € 148.6 million in FY 2021 (2020: € -94.5 million). The **adjusted EBIT margin** at 1.8 percent (2020: -1.2 percent) was slightly above the announced target range of 1.5 percent to 1.7 percent. Operating profit (**EBIT**) climbed to € 39.5 million (2020: € -324 million).

With a **free cash flow** of € 113.3 million (2020: € -455.7 million), the company reached the upper end of the projected bandwidth of € 70 to 120 million. The increase is attributable to significant operating improvements and was achieved despite higher capital expenditure.

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The **balance sheet** of Vitesco Technologies remains very solid with an **equity ratio** of 36.3 percent as of December 31, 2021 (December 31, 2020: 32.9 percent). The group's **net liquidity** stood at € 345.1 million at the end of the fiscal year (December 31, 2020: € 405.7 million).

Despite the challenges presented by the markets, Vitesco Technologies recorded a **total order intake** of € 11.2 billion in the fiscal year 2021, with electrification products contributing € 5.1 billion. The volume of new orders booked was over € 4.8 billion in the fourth quarter alone. Electrification products accounted for more than half of this volume; order intake amounted to € 2.5 billion, of which € 2.0 billion were attributable to business unit Electrification Technology.

Vitesco Technologies was able to further expand its electrification business in the past year. Order intake for high-voltage inverters amounted to more than € 2.5 billion. Incoming orders for electric axle drives worth € 1.1 billion also contribute to the successful implementation of the company's e-mobility strategy. Overall, Vitesco Technologies has an order backlog of more than € 51 billion, 33 percent of which is in the electrification area.

Proposed waiver of dividend

For the year 2021, the consolidated net income attributable to shareholders came in at € -122.0 million. Earnings per share amounted to € -3.05.

No dividend proposal will be submitted for resolution to the Annual General Meeting on May 5, 2022. In the financial year 2020 there were paid no dividends as well, as Vitesco Technologies was still part of Continental AG at that time.

Outlook 2022: Normalization of semiconductor supply expected – consequences of the Russian war in Ukraine not yet assessable

“For the time being, we expect a moderate recovery in production of passenger cars and light commercial vehicles in our core markets and globally in 2022,” says Andreas Wolf, CEO of Vitesco

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Technologies. "We are ideally positioned to participate in this positive trend and to achieve our growth targets. However, the impact of the Russian war in Ukraine on global economic development in the current year cannot yet be conclusively assessed. We are following the events very closely and are constantly evaluating possible implications on our business activities."

Until now, Vitesco Technologies expected that the first half of the year would still be impacted by semiconductor supply shortages with effects on production volumes. To date, the company expects a slow normalization of the supply situation in the second half of 2022 with noticeable effects in the fourth quarter.

Vitesco Technologies expects the strongest increase in production volumes of passenger cars and light commercial vehicles in 2022 for Europe in the range of 17 to 19 percent. According to the company's estimates, production volume in North America will increase by 15 to 17 percent, while it assumes a slight increase of 0 to 2 percent for production figures in China.

Sales and EBIT expectations above previous year's level – Electrification business is a "growth engine"

Against the backdrop of rising production figures as well as the supporting trend toward electrification, Vitesco Technologies expects **group sales** in the amount of € 8.6 to 9.1 billion in fiscal year 2022. The expected reduction in sales from contract manufacturing for Continental AG and from the company's non-core technologies have a counteracting effect.

For the 2022 adjusted EBIT-margin, Vitesco Technologies assumes a range between 2.2 percent and 2.7 percent. Anticipated additional costs resulting from semiconductor supply shortages, wage inflation as well as rising material costs are already included in this estimate. The company forecasts a burden due to special effects of around € 100 to 150 million in 2022.

"In the 2021 financial year, we were able to significantly increase both the return on sales and the cash flow in a market environment that remained difficult," says Werner Volz, CFO of Vitesco

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Technologies. "For the year 2022, we are confident that we will increase our consolidated sales and also further improve our adjusted operating result in view of our successful strategy, our cost discipline, and the continuous operational optimization."

Capital expenditures without consideration for right-of-use-assets in accordance with IFRS 16 are expected to be at about 6 percent of sales.

Vitesco Technologies plans to achieve a free cash flow of more than € 50 million in 2022.

Sustainability strategy to be launched on March 29

The company also used 2021 to develop an ambitious sustainability strategy and its first sustainability report. It will present both on March 29, 2022.

By 2030, Vitesco Technologies wants to achieve climate neutrality for the entire production and for its own business activities. The company has also set itself the ambitious goal of making its entire value chain climate neutral by 2040 at the latest. This also includes all business activities outside the company's own processes - from the extraction of raw materials to the use of products.

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KEY FIGURES FISCAL YEAR 2021 COMPARED TO 2020

€ million	2021	2020	Δ in %
Sales	8,348.5	8,027.7	4.0
EBITDA	523.9	252.9	107.2
in % of sales	6.3	3.2	
EBIT	39.5	-324.3	112.2
in % of sales	0.5	-4.0	
Consolidated profit attributable to shareholders	-122.0	-376.7	67.6
Earnings per share in €, undiluted	-3.05	n. a.	
Earnings per share in €, diluted	-3.05	n. a.	
Sales adjusted ¹	8,348.5	8,016.6	4.1
Adjusted operating result (EBIT adjusted) ²	148.6	-94.5	257.2
in % of adjusted sales	1.8	-1.2	
Free Cashflow	113.3	-455.7	124.9
Net debt	-345.1	-405.7	14.9
Gearing ratio in %	-12.8	-15.3	
Equity	2,688.3	2,648.6	1.5
Equity ratio in %	36.3	32.9	
Number of employees (as of December 31) ³	37,488	40,490	-7.4
Dividend per share in €	–	–	
Year-end price ⁴ in €	43.20	–	
Annual high ⁴ in €	66.88	–	
Low for the year ⁴ in €	37.50	–	

1) Adjusted for changes in the scope of consolidation.

2) Adjusted for amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation and special effects.

3) Excluding trainees.

4) Listing of the Vitesco Technologies share in the XETRA system of Deutsche Börse AG.

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Vitesco Technologies is a leading international developer and manufacturer of state-of-the-art powertrain technologies for sustainable mobility. With smart system solutions and components for electric, hybrid and internal combustion drivetrains, Vitesco Technologies makes mobility clean, efficient, and affordable. The product range includes electrified drivetrain systems, electronic control units, sensors and actuators, and exhaust -gas aftertreatment solutions. In 2021, Vitesco Technologies recorded sales of €8.3 billion and employs around 37,000 employees at about 50 locations worldwide. Vitesco Technologies is headquartered in Regensburg, Germany.

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