

MDAX newcomer Vitesco Technologies presents results for the first half of 2023

- › Quarterly sales of €2.44 billion (Q2 2022: €2.17 billion); sales of €4.76 billion generated in the first six months of 2023 (H1 2022: €4.42 billion)
- › Adjusted EBIT for Q2 2023: €76.3 million (Q2 2022: €34.9 million) with an adjusted EBIT margin of 3.1 percent (Q2 2022: 1.6 percent); adjusted EBIT for the first six months at €113.4 million (H1 2022: €82.6 million) with an adjusted EBIT margin of 2.4 percent (H1 2022: 1.9 percent)
- › Order intake in Q2 2023: around €5 billion, with electrification products accounting for €4.5 billion
- › Sales of electrification products of €354 million in the second quarter (Q2 2022: €237 million)

Regensburg, August 10, 2023. Vitesco Technologies, a leading international provider of modern drive technologies and electrification solutions for sustainable mobility, published the results for the second quarter and first half of 2023 today. Besides strong order intake, particularly in the electrification business, the second quarter was characterized by signing long-term partnerships between Vitesco Technologies and semiconductor manufacturers.

Orders worth around €5 billion were booked in the past quarter, of which 90 percent (€4.5 billion) were related to electrification products. To comfortably meet all its orders in the long term, Vitesco Technologies joined forces with further key partners – semiconductor manufacturers ROHM and onsemi – and secured itself supply of energy-efficient high-performance silicon-carbide (SiC) semiconductors worth almost €3 billion. “Access to SiC-based technologies is crucial for our tremendous growth in electrification. We are working to secure 100 percent of our semiconductor requirements until 2030,” says CEO Andreas Wolf.

Strong sales growth despite a persistently challenging market

In the second quarter of 2023, Vitesco Technologies generated **group sales** of €2.44 billion (Q2 2022: €2.17 billion). This included sales of **electrification products** of €354 million (Q2 2022:

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€237 million). When adjusted for changes in the scope of consolidation and exchange-rate effects, sales rose by 14.3 percent. The electrification and the core businesses saw sharp growth of 23.9 percent and outperformed the global passenger car market by 8.4 percentage points. There was also an increase in **adjusted EBIT** to €76.3 million (Q2 2022: €34.9 million). This equates to an adjusted **EBIT margin** of 3.1 percent (Q2 2022: 1.6 percent).

In **the first half of 2023** group sales grew by 7.5 percent to €4.76 billion (H1 2022: €4.42 billion). Organic growth stood at 7.8 percent. Vitesco Technologies' adjusted EBIT came in at €113.4 million (H1 2022: €82.6 million) with an adjusted EBIT margin of 2.4 percent (H1 2022: 1.9 percent). Due mainly to impairments in connection with the sale of units from the non-core business, the net income amounted to minus €64.5 million (H1 2022: profit of €25.4 million) and resulted in earnings per share to minus €1.61 in the first six months of 2023 (H1 2022: plus €0.63).

Due to further cost increases and the ongoing negotiations concerning the passing on of additional costs the **free cash flow** fell to minus €20.6 million in the second quarter (Q2 2022: plus €1.6 million). For the first half of 2023, free cash flow came in at minus €61.7 million (H1 2022: plus €49.8 million). **Capital expenditures**¹ on property, plant, and equipment and software amounted to €92.8 million (Q2 2022: €112.5 million). The ratio of capital expenditure to sales is therefore 3.8 percent (Q2 2022: 5.2 percent). As of June 30, 2023, Vitesco Technologies had a solid balance sheet with an **equity ratio** of 38.9 percent (June 30, 2022: 40.4 percent).

CFO Werner Volz: "After a difficult start to the year, we increased our adjusted EBIT margin substantially once again in the second quarter. The improvement in profitability gives us the boost needed to achieve our full-year targets."

Divisional results for Vitesco Technologies

The **Powertrain Solutions** division generated sales of €1.63 billion in the second quarter of 2023 (Q2 2022: €1.55 billion), which

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¹ Excluding right-of-use assets in accordance with IFRS 16.

equates to organic growth of 6.1 percent. In the same period, its adjusted EBIT rose to €109.2 million (Q2 2022: €104.7 million). Its adjusted EBIT margin therefore stood at 6.7 percent (Q2 2022: 6.7 percent). “The division’s core business once again achieved a double-digit adjusted EBIT margin. This strong result is helping us to drive the transformation of Vitesco Technologies,” says CFO Volz.

Based on the positive business performance in China and Germany, the **Electrification Solutions** division increased its sales to €825.2 million in the second quarter of 2023 (Q2 2022: €626.1 million). This equates to strong organic sales growth of 34.5 percent. The division’s adjusted EBIT came in at minus €31.2 million (Q2 2022: minus €60.5 million), relating to an adjusted EBIT margin of minus 3.8 percent (Q2 2022: minus 9.7 percent). The general uptick in the market and stabilizing supply chains also contributed to the improvement in the division’s performance.

Guidance for fiscal year 2023

The outlook for Vitesco Technologies for the fiscal year 2023 remains unchanged, with the company continuing to anticipate sales of €9.2 billion to €9.7 billion for 2023. Vitesco Technologies is also expecting the adjusted EBIT margin for 2023 ranging between 2.9 percent and 3.4 percent and free cash flow at around €50 million.

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Comparison of key figures for the second quarter of 2023 and the first half of 2023 with the prior year 2022

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€ million	January 1 to June 30		Second Quarter	
	2023	2022	2023	2022
Sales	4,755.8	4,423.6	2,441.6	2,165.0
EBITDA	305.9	342.7	183.5	170.2
as % of sales	6.4	7.7	7.5	7.9
EBIT	-8.9	66.3	16.4	28.7
as % of sales	-0.2	1.5	0.7	1.3
Adjusted sales ¹	4,755.8	4,411.5	2,441.6	2,162.4
Adjusted EBIT ²	113.4	82.6	76.3	34.9
as % of sales	2.4	1.9	3.1	1.6
Cash flow before financing activities (free cash flow)	-61.7	49.8	-20.6	1.6
Equity ratio (%)	38.9	40.4		

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.

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 2022, Vitesco Technologies recorded sales of €9.07 billion. It employs almost 38,000 people at around 50 locations. Vitesco Technologies is headquartered in Regensburg, Germany.

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