October 29, 2015

# Third quarter 2015 earnings call



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# Forward-looking statements

This presentation, as well as other statements made by Delphi Automotive PLC (the “Company”), contain forward-looking statements that reflect, when made, the Company’s current views with respect to current events, certain investments and acquisitions and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to the Company’s operations and business environment, which may cause the actual results of the Company to be materially different from any future results. All statements that address future operating, financial or business performance or the Company’s strategies or expectations are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are discussed under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s filings with the Securities and Exchange Commission. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect the Company. It should be remembered that the price of the ordinary shares and any income from them can go down as well as up. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except as may be required by law.



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# Agenda

| | |
|---|---|
| Operations overview<br>• Q3 2015 in review<br>• Summary | **Kevin Clark**<br>Chief Executive Officer |
| Financial overview<br>• Q3 2015 results<br>• Update on 2015 guidance | **Mark Murphy**<br>Chief Financial Officer |
| Q&A | **Kevin Clark/**<br>**Mark Murphy** |



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# Operations overview

Kevin Clark

President and Chief Executive Officer



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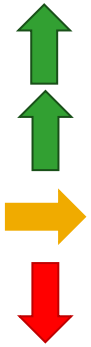
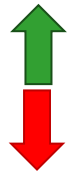
# Macro trends

- Vehicle production
  - North America
  - Europe
  - China
  - South America
- Other macro trends
  - Commodity prices
  - Exchange rates (Euro, GBP, BRL and CNY)





**Challenging macro environment**



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# Q3 highlights

- Delivered record financial results
  - Revenue growth of 6%, 4 pts above market
  - Strong operating income of $470 million; operating margin expansion of 110 bps
  - Returned $477 million of cash to shareholders
- Launched 207 new product programs in Q3, ~30% increase over last year
- Additional value enhancing portfolio modifications
  - Reached agreement to acquire Control-Tec
  - Completed the sale of our Thermal Korea JV and signed agreement to sell our Thermal China JV
  - HellermannTyton transaction on track to close by the end of the year

**Record financial results**

Note: Revenue growth excludes impact of FX, commodities and E&S divestiture; operating income is adjusted for restructuring and other special items; see Appendix for detail and reconciliation to US GAAP



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# Calendar year highlights

- Outlook for 2015
  - Revenue growth of 6%, ~6 pts above market
  - Operating margin expansion to 13 percent
  - Cash flow before financing generation of ~$1.1 billion
- Launching ~1,100 new product programs in 2015
- New business bookings to exceed 2014 levels
- Realigning portfolio: 8 transactions closed in 2015

**Increasing shareholder value**

Note: Revenue growth excludes impact of FX, commodities and E&S divestiture; operating income is adjusted for restructuring and other special items; see Appendix for detail and reconciliation to US GAAP



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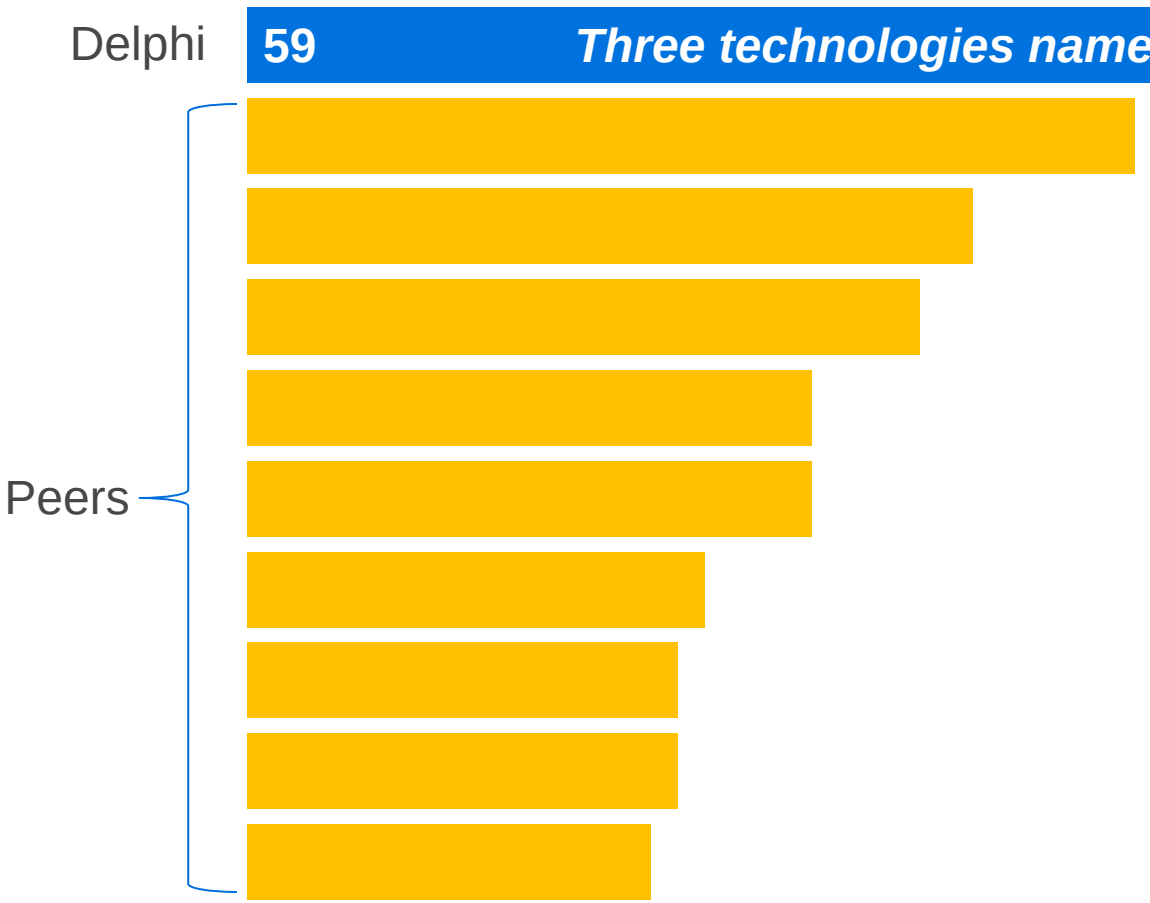
# Automotive News PACE award finalists




Automotive News PACE 20 Years AWARD

EY Building a better working world

TRC Transportation Research Center Inc.




Delphi tops the list of all companies with 59 PACE finalists and awards

**Winner of 17 PACE awards**



Source: Automotive News

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# 2015 IAA Frankfurt motor show















**Showcasing innovative technologies**

# Moving at the speed of software

## Influence of Silicon Valley

2005




2015




## Delphi's technology acceleration

| | 2011 | 2015 | 2019 |
|---|---|---|---|
| Lines of code shipped daily | 200M | 20B | 200B |
| Software revenue | <$50M | $500M | $1.3B+ |
| Software engineers | 2,000 | 4,000 | 8,000+ |
| Key partnerships | <5 | 20+ | 50+ |
| Product launches | 50 | 75+ | 100+ |

**Creating tomorrow's technology**



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# Active Safety portfolio

- Active Safety organic revenue growth
  - Q3 organic revenue grew 60% year-over-year
  - Q3 bookings of over $300 million, bringing year-to-date bookings to over $700 million
  - On track to reach over $1 billion of new business bookings for the third straight year
- Key customer launches
  - Volvo XC90 received top Euro NCAP ratings and sets new benchmark for vehicle safety
  - Launched Rear and Side Detection System with BMW
  - Supporting the Volvo Drive Me autonomous driving project
  - Various European commercial vehicle programs
- Continuing to expand capabilities in 2015
  - Investment in Quanergy for solid state LiDAR capabilities
  - Acquisition of Ottomatika to add software for automated driving
  - Founding member of MIT AVT (“Advanced Vehicle Technologies”) consortium

**Driving ~60% Active Safety revenue growth**



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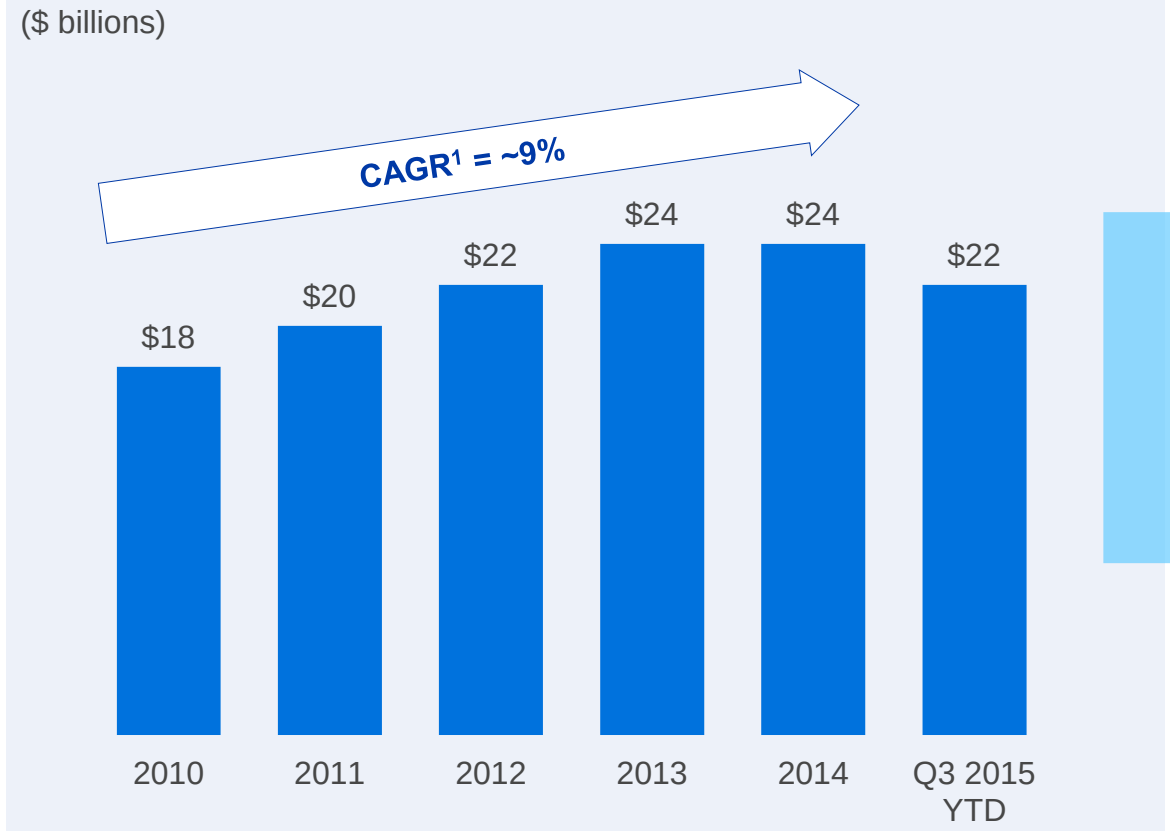
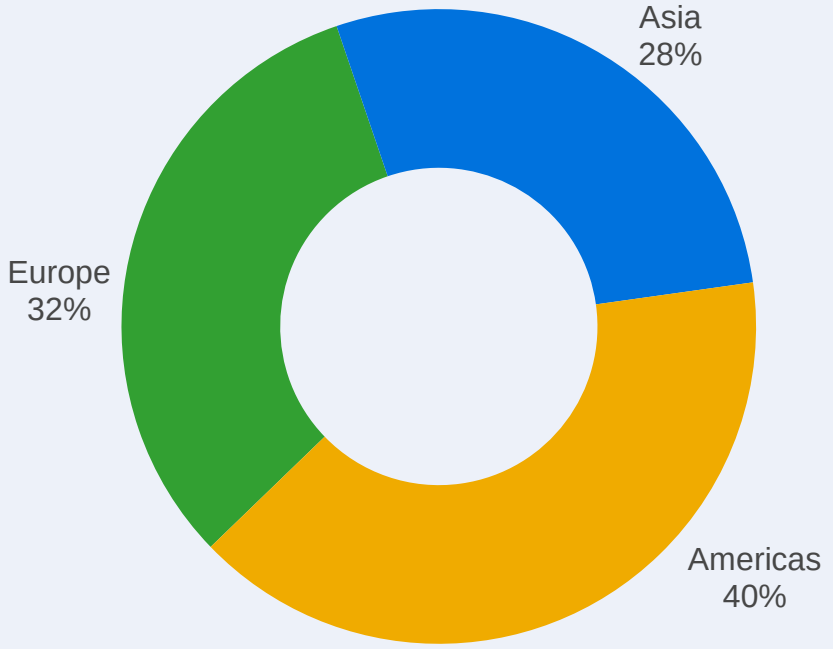
# Bookings growth

## Continued bookings growth




## Q3 2015 YTD bookings by region




**On track to exceed prior year**

1 At constant foreign exchange rates

Note: Bookings = lifetime gross program revenues awarded, based upon expected volumes and pricing



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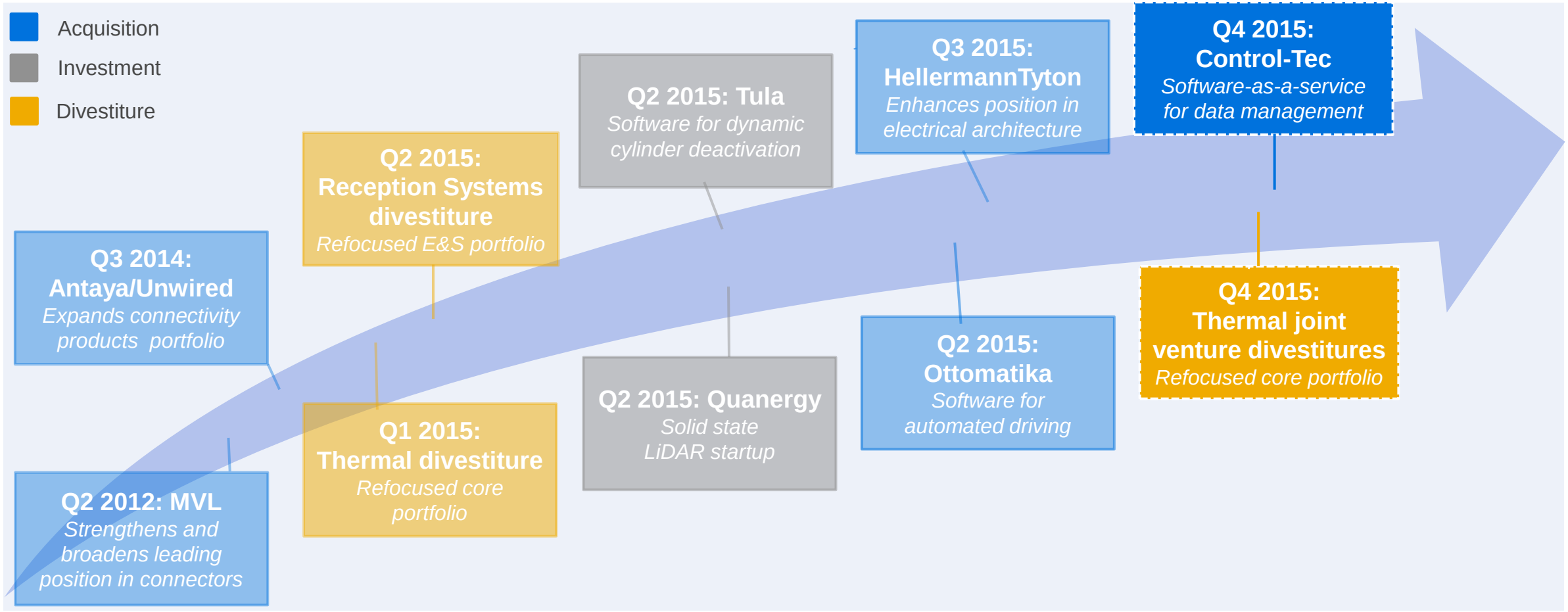
# Value enhancing portfolio modifications




**Transactions that increase shareholder value**



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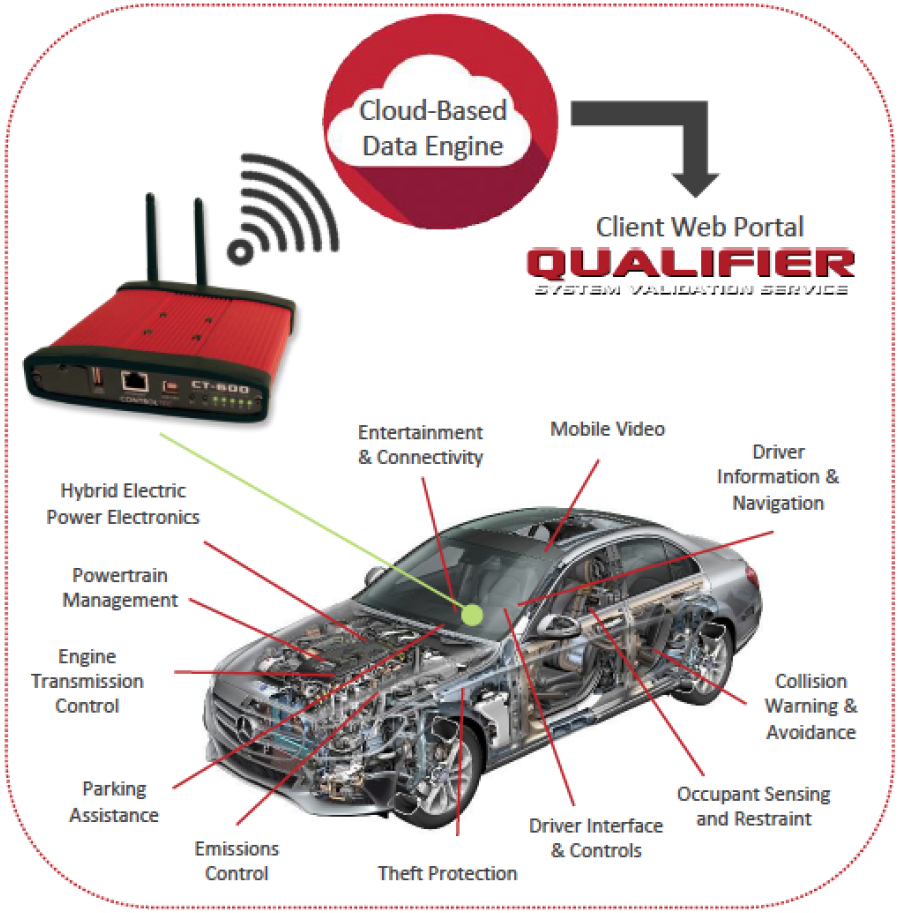
# Delphi to acquire Control-Tec

CONTROLTEC
UNLOCKING THE POWER OF DATA

- Offer summary
  - Purchase 100% of Control-Tec
  - Acquisition funded with cash
  - Expected to close Q4 2015
- Control-Tec overview
  - Provider of telematics-based data acquisition, management and analysis services with best-in-class software tools
  - Real-time cloud based diagnostic updates that significantly reduce testing cycles for vehicle programs
- Strategic rationale
  - Highly scalable software-as-a-service business model
  - Further penetration opportunities with new and existing customers
  - Expanding current offerings into new lines of business




**Further enhances Delphi's software capabilities**

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# Summary

- Record third quarter financial results
  - Revenue growth in excess of market
  - Solid operating performance
  - Continued margin expansion
- Positioned to deliver outperformance in 2015
  - Revenue growth ~6 pts above market
  - Operating margin expansion of 60 bps
  - Free cash flow generation of $1.1 billion
- Continue disciplined capital allocation plan
  - Maintain investment grade ratings
  - Pursue acquisition growth opportunities
  - Return excess cash flow to shareholders

**Continuing to increase shareholder value**

Note: Revenue growth excludes impact of FX, commodities and E&S divestiture; operating margins are adjusted for restructuring and other special items; see Appendix for detail and reconciliation to US GAAP



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# Financial overview


## Mark Murphy

Chief Financial Officer and Executive Vice President




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# Q3 2015 vs. Q3 2014

($ millions, except per share amounts)

| | Q3 2015 | Q3 2014 | B/(W) |
|---|---|---|---|
| Reported revenue | $3,631 | $3,762 | ($131) |
| *Growth %* | | | *(3.5%)/5.6%[1]* |
| Operating income[2] | $470 | $445 | $25 |
| *Operating margin %* | *12.9%* | *11.8%* | *110 bps* |
| Net income[3] | $365 | $340 | $25 |
| Earnings per share[3] | $1.28 | $1.13 | $0.15 |
| *Growth %* | | | *13.3%/19.5%[1]* |

**Record financial results**

1 At constant foreign exchange and commodity rates; revenue excludes impact of the E&S divestiture

2 Adjusted for restructuring and other special items; includes D&A of $131M and $137M for Q3 2015 and Q3 2014, respectively. See Appendix for detail and reconciliation to US GAAP

3 Adjusted for restructuring and other special items; see Appendix for detail and reconciliation to US GAAP



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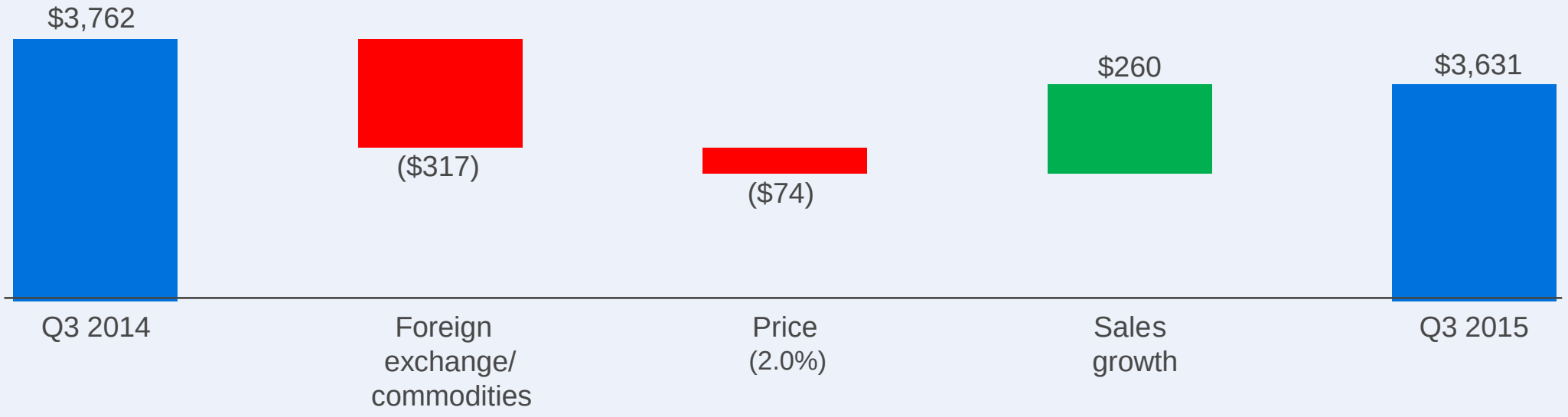
# Revenue growth

Q3 2015 vs. Q3 2014
($ millions)

Year-over-year growth by region

| | Reported Q3 2015 | Adjusted[1] Q3 2015 |
|---|---|---|
| Europe | (11.3%) | 6.0% |
| N. America | 7.8% | 8.9% |
| Asia | 0.4% | 4.7% |
| S. America | (47.2%) | (19.8%) |
| Total | (3.5%) | 5.6% |

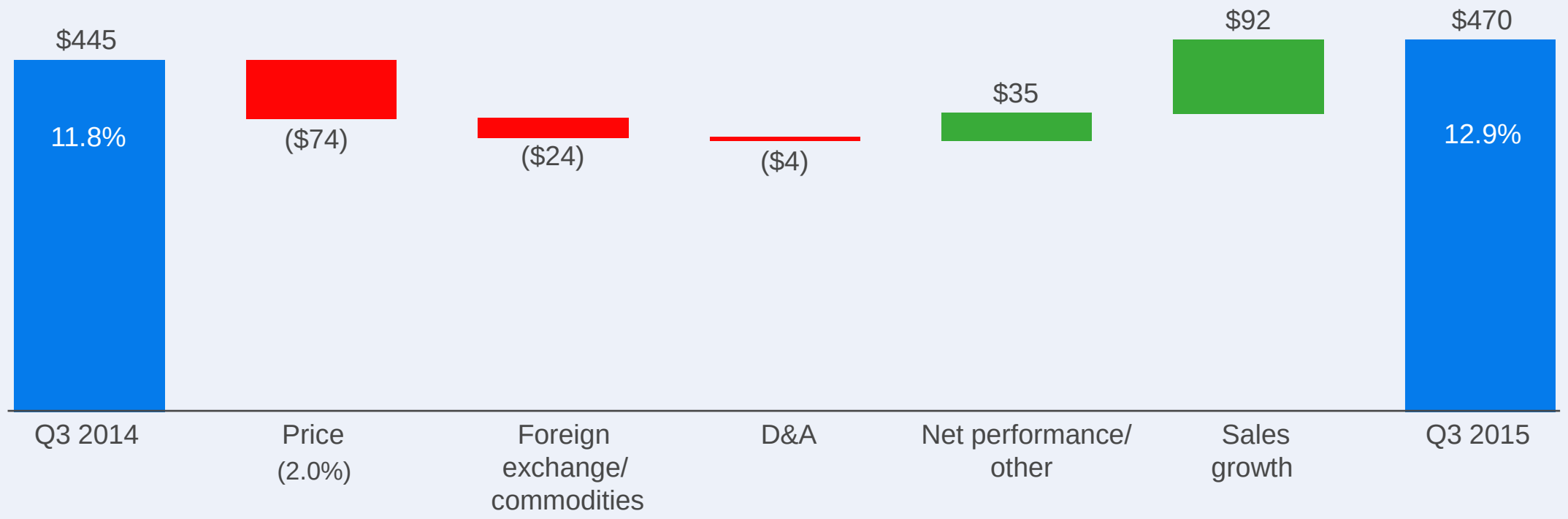



**Revenue growth 4 points over market**

1 Growth rates at constant foreign exchange and commodity rates; excludes impact of the E&S divestiture

# Operating income growth

Q3 2015 vs. Q3 2014
($ millions)




**110 bps of margin expansion**



Note: Operating income adjusted for restructuring and other special items; see Appendix for detail and reconciliation to US GAAP

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# Segment financials

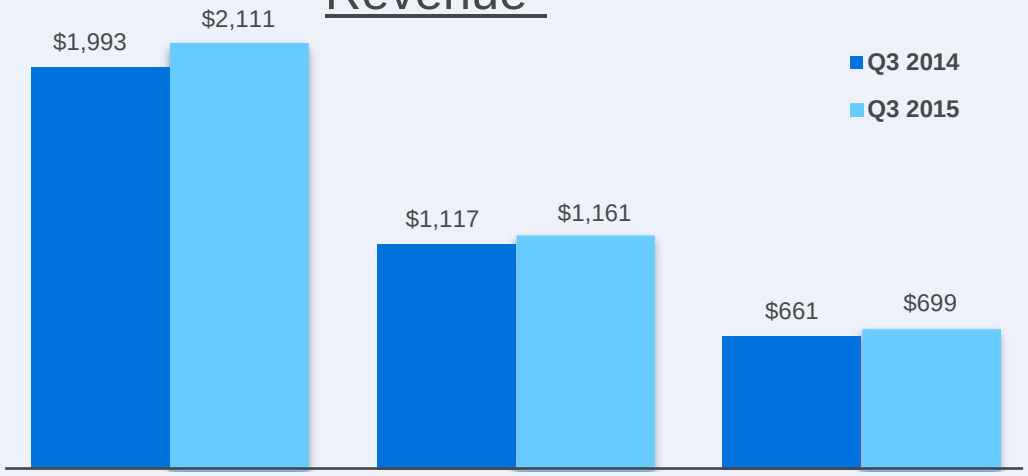
## Q3 2015 vs. Q3 2014

($ millions)

### Q3 2015 growth

| | Reported | Adjusted[1] |
|---|---|---|
| E/EA | (2.6%) | 5.9% |
| Powertrain | (5.4%) | 3.9% |
| E&S | (4.1%) | 5.7% |

### Revenue[1]

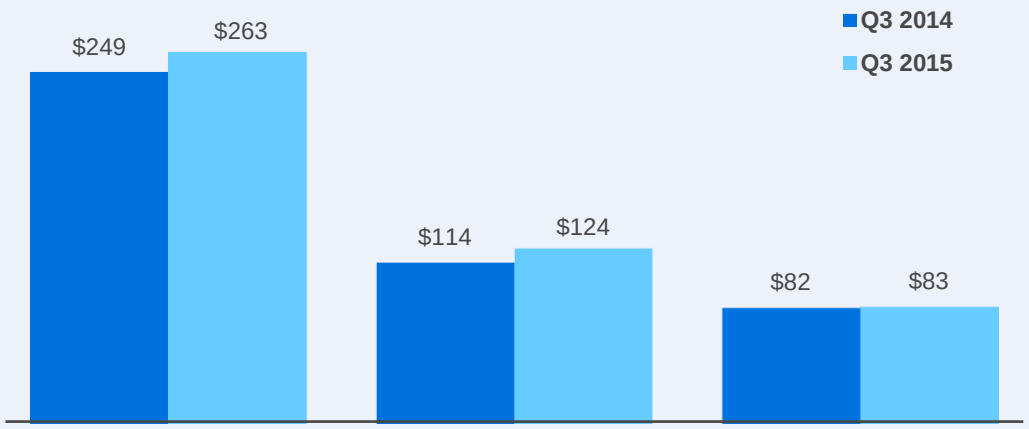



| Reported Revenue | E/EA | | Powertrain | | E&S | |
|---|---|---|---|---|---|---|
| | $1,993 | $1,941 | $1,117 | $1,057 | $704 | $675 |

### Operating income margin[2]

| | Q3 2014 | Q3 2015 |
|---|---|---|
| E/EA | 12.5% | 13.5% |
| Powertrain | 10.2% | 11.7% |
| E&S | 11.6% | 12.3% |

### Operating income[2]




| Reported Op. Income | E/EA | | Powertrain | | E&S | |
|---|---|---|---|---|---|---|
| | $221 | $245 | $104 | $101 | $67 | $115 |

**Strong financial results across all segments**

1 Revenue adjusted for foreign exchange and commodities; excludes impact of the E&S divestiture

2 Adjusted for restructuring and other special items; margin calculations based on reported revenue. See Appendix for detail and reconciliation to US GAAP



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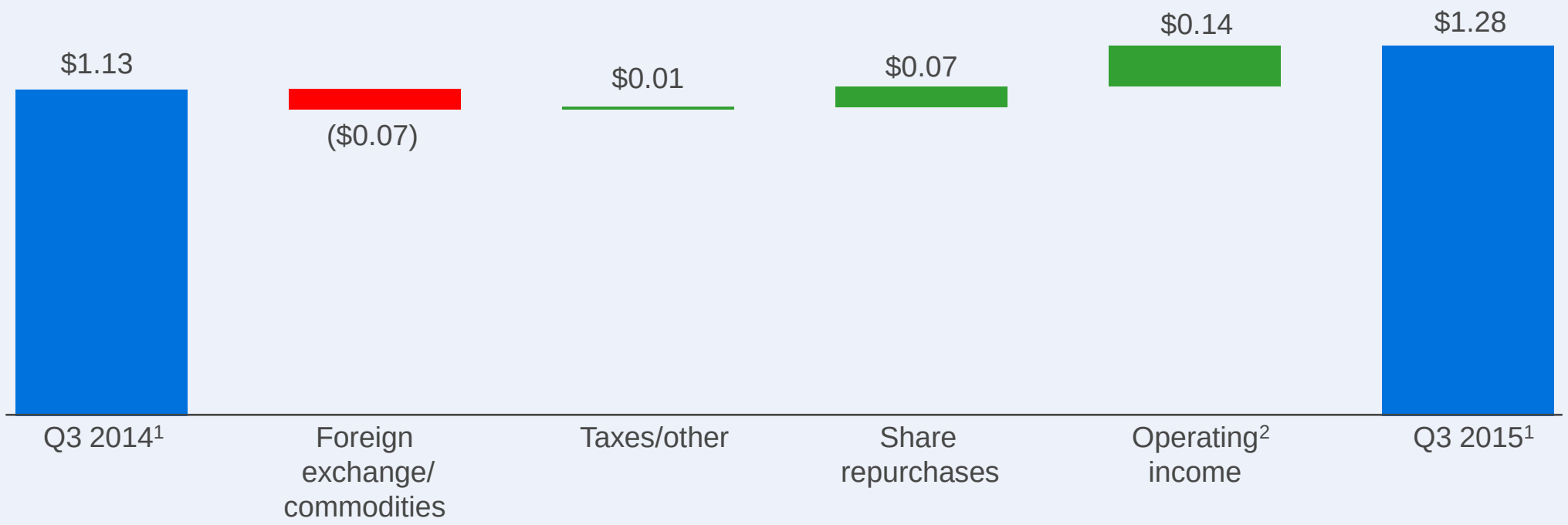
# Earnings per share

Q3 2015 vs. Q3 2014




**13 percent earnings per share growth**

1 Adjusted for restructuring and other special items; see Appendix for detail and reconciliation to US GAAP
2 Adjusted for restructuring and other special items and at constant foreign exchange and commodity rates; see Appendix for detail and reconciliation to US GAAP



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# 2015 guidance assumptions

| | |
|---|---|
| • Global market growth | Flat to ~1% |
| – North America | ~3% |
| – Europe | ~3% |
| – China | Flat to (~1%) |
| – South America | (~20%) |
| • Euro | 1.10 |

**Challenging market**

Source: October 2015 IHS Automotive and Delphi internal estimates
Note: Includes medium/heavy duty trucks



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# 2015 guidance

(millions, except per share amounts)

| | 2015 Outlook |
|---|---|
| Reported revenue | $14,935 - $15,135 |
| *Growth %* | *5% - 6%[1]* |
| Operating income[2] | $1,940 - $1,970 |
| *Operating margin* | *13.0%* |
| EPS[2] | $5.15 - $5.25 |
| Cash flow before financing | ~$1,100 |
| Tax rate[2] | ~16% |

1 Average actual 2014 exchange rates; revenue growth is adjusted for FX, commodities and excludes impact of the E&S divestiture

2 Adjusted for restructuring and other special items; see appendix for detail

Note: Excludes the impact of HellermannTyton



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# Appendix

# Non-US GAAP financial metrics

($ millions)

| | Q3 2015 | Q3 2014 |
|---|---|---|
| Net income attributable to Delphi | $404 | $305 |
| Interest expense | $30 | $33 |
| Other expense (income), net | $11 | ($5) |
| Income tax expense | $61 | $56 |
| Equity income, net of tax | ($5) | ($5) |
| Income from discontinued operations, net of tax | ($54) | ($12) |
| Net income attributable to noncontrolling interest | $14 | $20 |
| Operating income | $461 | $392 |
| Restructuring | $36 | $46 |
| Other acquisition and portfolio project costs | $12 | $3 |
| Asset impairments | - | $4 |
| (Gain) loss on business divestitures, net | ($39) | - |
| Adjusted operating income | $470 | $445 |



The company's 2015 guidance was determined using a consistent manner and methodology

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# Non-US GAAP financial metrics

| ($ millions) | Q3 2015 | Q3 2014 |
|---|---|---|
| Net income attributable to Delphi | $404 | $305 |
| Income from discontinued operations attributable to Delphi, net of tax | ($53) | ($6) |
| Income from continuing operations attributable to Delphi | $351 | $299 |
| Adjusting items: | | |
| Restructuring | $36 | $46 |
| Other acquisition and portfolio project costs | $12 | $3 |
| Asset impairments | - | $4 |
| (Gain) loss on business divestitures, net | ($39) | - |
| Transaction and related costs associated with acquisitions | $12 | - |
| Tax impact of adjusting items (a) | ($7) | ($12) |
| Adjusted net income attributable to Delphi | $365 | $340 |
| Weighted average number of diluted shares outstanding | 284.40 | 300.14 |
| Diluted net income per share from continuing operations attributable to Delphi | $1.23 | $1.00 |
| Adjusted net income per share | $1.28 | $1.13 |

(a) Represents the income tax impacts of the adjustments made for restructuring and other special items by calculating the income tax impact of these items using the appropriate tax rate for the jurisdiction where the charges were incurred



The company's 2015 guidance was determined using a consistent manner and methodology

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# Non-US GAAP financial metrics

| ($ millions) | Q3 2015 | Q3 2014 |
|---|---|---|
| Cash flows from operating activities: | | |
| Income from continuing operations | $364 | $313 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | $131 | $137 |
| Working capital | ($9) | $92 |
| Pension contributions | ($22) | ($23) |
| Other, net | ($70) | ($19) |
| Net cash provided by operating activities from continuing operations | $394 | $500 |
| Cash flows from investing activities: | | |
| Capital expenditures | ($179) | ($184) |
| Net proceeds from divestiture of discontinued operations | $70 | - |
| Cost of business, investment and technology acquisitions, net of cash acquired | ($15) | - |
| Deposit for acquisition of HellermannTyton | ($844) | - |
| Other, net | $28 | $5 |
| Net cash used in investing activities from continuing operations | ($940) | ($179) |
| Adjustment for the cost of business acquisitions, net of cash acquired | $15 | - |
| Adjustment for amount deposited for acquisition of HellermannTyton | $844 | - |
| Adjustment for net proceeds from divestiture of discontinued operations | ($70) | - |
| Cash flow before financing | $243 | $321 |



The company's 2015 guidance was determined using a consistent manner and methodology

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# Shares outstanding

(millions)

| | Three months ended September 30, | |
|---|---|---|
| | 2015 | 2014 |
| Weighted average ordinary shares outstanding, basic | 282.97 | 298.59 |
| Dilutive shares related to RSUs | 1.43 | 1.55 |
| Weighted average ordinary shares outstanding, including dilutive shares | 284.40 | 300.14 |

# The future. Now.



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