Transcript: Aptiv Equity Offering
June 2020

GOLDMAN SACHS SPEAKER

- Kristen Grippi, Goldman Sachs

APTIV CORPORATE SPEAKERS

- Kevin Clark, President and CEO
- Joe Massaro, EVP and CFO

PRESENTATION

Kristen Grippi:

Slide 1: Thank you for joining Aptiv's June 2020 equity offering presentation. Today's review of our actual financials exclude restructuring and other special items, and will address the continuing operations of Aptiv. The reconciliation between GAAP and non-GAAP measures for our financials are included at the back of the presentation.

Slide 2: Please see slide 2 for a disclosure on forward-looking statements, which reflect Aptiv's current view of future financial performance, which may be materially different from our actual performance for reasons that we cite in our form 10-K and other SEC filings, including uncertainties posed by the COVID-19 pandemic and the difficulty in predicting its future course and impact on the global economy.

Slide 3: Today's presenters: Kevin Clark, Aptiv's President and Chief Executive Officer and Joe Massaro, Aptiv's Chief Financial Officer.

Kevin Clark:

Slide 4: Hello everyone – this is Kevin Clark, CEO of Aptiv. We believe that the execution of our strategic imperatives have built a strong, sustainable business, capable of navigating through the current environment and the decisive actions we have taken to enhance our financial flexibility and improve our liquidity during the recent COVID-19 crisis, will drive continued financial outperformance and long-term value creation. We are confident that our disciplined approach to capital allocation – and the capital raised in this equity offering – will lead to additional value creation opportunities for Aptiv, and drive increased shareholder returns.

Slide 5: Over the last decade, we have been actively transforming Aptiv into a global technology company with an industry-leading portfolio of advanced technology solutions making vehicles safer, greener and more connected.

Slide 6: In 2019, we had solid financial performance despite the relatively weak macro environment, reflecting the strength of our competitive position. New business bookings reached a record $22.1 billion, the direct result of the robustness of our business model. Revenues totaled $14.4 billion -- 9 points of growth over underlying vehicle

production which we translated into strong earnings and cash flow generation; a portion of which we re-invested - both organically and inorganically – to widen our competitive moat and create long-term shareholder value.

Slide 7: We have taken several deliberate actions – including making smart portfolio moves to put further operating leverage in our business model and better position Aptiv to thrive in a much more dynamic environment. For example, we have exited more traditional low-growth commodity product lines including thermal systems, mechatronics and reception systems, while completing a number of acquisitions which enhanced our software and data management capabilities, increased our scale and leverage in vehicle architecture and engineered components, and expanded our presence in adjacent markets. We also spun-off our powertrain segment positioning Aptiv to leverage our unique capabilities around the brain and nervous system of the vehicle. And in March, we completed the formation of the Aptiv - Hyundai autonomous driving joint venture – with Hyundai's up-front cash investment of $1.6 billion; and $400 million of ongoing engineering services positioning both companies to advance our shared vision of making mobility safer, greener, connected, and more accessible. This equity offering positions Aptiv to remain on the offensive and continue to proactively enhance our portfolio of advanced technologies and diversify our revenue base further increasing the robustness and sustainability of our business model.

Slide 8: We go to market and report our financial results through two business segments: Advanced Safety & User Experience – or the brain and Signal & Power Solutions – the nervous system. Starting with Advanced Safety & User Experience on the left. As the need for more complex software development and systems integration expertise increases, our unique ability to offer highly functional, optimized solutions across the Active Safety, User Experience, and Connectivity and Security domains has driven record new business bookings and strong double-digit revenue growth over market in this segment. In 2019, advanced safety and user experience revenues totaled $4.1 billion -- reflecting 12 points of growth over market and excluding the investments that are now a part of the Aptiv-Hyundai automated driving joint venture – the segment's EBITDA margin totaled 14.5 percent. Moving to Signal & Power Solutions on the right. We design and manufacture next-generation vehicle architectures -- including high speed data assemblies, low voltage and high voltage electrical distribution systems, electrical centers, connectors, and cable management solutions, all of which enables the safe, green and connected technologies that are shaping the future of mobility and drives strong growth over market in this segment. In 2019, Signal & Power Solutions revenues totaled $10.3 billion -- reflecting 8 points of growth over market and the segment's EBITDA margins totaled 17.6 percent.

Slide 9: Our competitive moat is expanding just as the total addressable market in both our core and new markets continues to grow. Our core markets are expected to increase approximately 50 percent over the next 5 years, with nearly half of that growth coming from Active Safety and High Voltage Electrification – two areas in which we have a very strong competitive position. Our traditional strengths in areas such as central compute, engineered components, and vehicle architecture also enable us to unlock incremental opportunities in emerging and adjacent markets. In addition, our capabilities in software and data analytics position us well for the emerging areas of autonomous driving and connected services, which bring new business models with recurring, high-margin revenue streams. These expanding addressable markets position us for more profitable and sustainable growth in 2025 and beyond.

Slide 10: Our track record of success is the direct result of the robustness of our business model, which includes: our industry-leading portfolio of advanced technology solutions that are aligned to the safe, green, and connected megatrends, our unique position as the only provider of both the brain and the nervous system of the vehicle – with

industry-leading capabilities in power, data, compute, and software – all foundational elements for every vehicle solution making Aptiv a partner of choice for our customers. Our business model is reinforced by a consistent and deliberate management approach to maximizing shareholder value which includes disciplined, sustainable, and profitable revenue growth and maniacal focus on improving our cost structure which positions us to continuously re-invest -- both organically and inorganically – to further strengthen our business model and create long-term shareholder value.

Slide 11: The actions we have taken over the last few years to transform Aptiv into a global technology company have positioned us to respond and adapt in today's more fluid environment. These actions include: further increasing our focus on the brain and nervous system of the vehicle – and optimizing our portfolio of market relevant technologies that enable a safer, greener, and more connected future of mobility, continuing to improve our industry-leading cost structure generating roughly $350 million in overhead savings over the last five years, and re-investing those savings to further strengthen our capabilities in high growth areas including, active safety, high voltage electrification, and vehicle connectivity. We deliberately improved our revenue diversification – across regions, customers, vehicle platforms, and end markets and as we have executed on our strategic initiatives, we have improved our ability to perform through-cycle, with more sustainable cash flows which has translated into a more sustainable business with a strong balance sheet and a solid investment grade credit rating. These actions – and our ongoing efforts to build a more sustainable business – position Aptiv to successfully navigate virtually any macro environment.

Slide 12: Shown here are some of our industry's toughest challenges. Beginning with safety on the left. The benefits of passive safety solutions have reached their limits, and in fact, due to the current trend in distracted driving, traffic fatalities remain relatively high. As a result, regulators in the US and Europe are pushing NCAP safety standards at a faster pace and most OEMs have agreed to make automatic emergency braking and other ADAS features standard equipment by 2022. As you know, vehicle emissions have also garnered significant attention. Today, air pollution is the number one environmental cause of death in the European Union and the World Health Organization puts it in the top ten causes of death globally. As a result, government regulations regarding CO2 emissions have become increasingly stringent -- and are virtually impossible for OEMs to meet without a substantial increase in vehicle electrification. Lastly, urbanization and consumer expectations are driving demand for more intelligent, integrated, and connected solutions. Experts have estimated there will be 125 billion I-O-T devices in 2030. This proliferation of internet-connected devices help protect our homes, keep us organized; and today, they are helping us stay connected during the pandemic. OEMs are responding, expanding their connected fleets to detect warranty issues faster, and resolve them more efficiently while also identifying new business model and monetization opportunities. Addressing these challenges has the potential to both meaningfully save, and improve lives.

Slide 13: We believe that these secular megatrends are now more important than ever, and in fact, expect these trends to continue to accelerate. Beginning with Safety, our OEM customers continue to launch new advanced safety solutions on their vehicle platforms and democratize these features across their vehicle line-ups. As a reminder, Aptiv provides the building blocks for Active Safety platforms such as advanced perception systems, ADAS domain controllers, and the high-speed networks that integrate them, the sensor fusion that combines multiple sensing modalities together – radar, vision, and lidar -- to deliver the most robust and redundant situational awareness possible as well as the software algorithms that interpret the input from those sensors and cause the vehicle to respond intelligently. Moving to Green, we continue to see an acceleration of powertrain electrification driven by more stringent CO2 regulations, principally in

Europe and China, and increasing consumer demand globally, and are focused on providing solutions that minimize the impact of vehicles on the environment. Aptiv provides the high voltage distribution and connection systems, as well as the cable management solutions, that accelerate powertrain electrification, while also significantly reducing the weight and mass of the vehicle through smarter, more optimized vehicle architectures. Lastly, Connected. We are also helping to deliver the increased connectivity that provides the seamless integration between the passenger, the vehicle, and the world around it, including: secured connected gateways which help send and receive vehicle information through a variety of protocols -- cellular, radio, DSRC, and GPS, solutions that allow you to connect your phone to the vehicle - both wired and wirelessly and we enable over-the-air updates -- which allow the vehicle software and firmware to be updated and improved over time – enhancing vehicle life cycle management. As you can see, each of these areas represent significant content opportunity for Aptiv, and open up new business models and monetization opportunities.

Slide 14: We continue to fully fund investments in several strategic growth initiatives, including Active Safety, High Voltage Electrification, Smart Vehicle Architecture, Engineered Components, and Vehicle Connectivity and our robust pipeline of new business awards validates the fact that our competitive moat is expanding and our leadership position is strengthening. Highlighting a few examples… In Active Safety, our unique approach to flexible satellite architecture has been a game changer for the industry and our recent launch of an L0 to L2+ scalable O-T-A capable solution with an industry-leading customer in China, marks the first in a series of launches with four other OEMs over the next 18 months. In High Voltage Electrification, we continue to expect rapid growth in the number of electrified vehicle platforms, driven by more stringent CO2 regulations and the rapidly declining total cost of ownership. Our strong high voltage product portfolio and leading position in low voltage vehicle architecture has led to several key program awards with leading OEMs. We had over $500 million of High Voltage bookings in the first quarter, including one with a major European OEM for an innovative, long-range EV launching in 2022. In addition, while customers are evolving their vehicle architecture, we see many of them transitioning to more scalable platforms in the future. Our Smart Vehicle Architecture (SVA™) development programs that are underway are validating the benefits of a software-defined vehicle architecture while demonstrating the potential for substantial savings for the OEM and as I mentioned earlier, in March, we completed the formation of the Aptiv - Hyundai autonomous driving joint venture, advancing our shared vision of making mobility more safe, green, connected, and accessible.

Slide 15: Thanks to our unique position as the only provider of both the brain and the nervous system of the vehicle – with industry-leading capabilities in power, data, compute, perception systems, software, and sensor fusion – all foundational elements for every vehicle architecture solution -- we are a partner of choice for our customers. As consumers demand safer and more efficient vehicles, our OEM customers are responding, driving the increased penetration of Active Safety, High Voltage Electrification, and Connectivity across their full vehicle platforms. Our approach of providing scalable platform solutions are unique in the industry saving customers significant weight, packaging size, and cost for like-for-like features and functionality. As OEM customers increasingly look to reduce the expense associated with advanced technologies, Aptiv is well-positioned to capture more value in the vehicle by reducing complexity and generating tangible savings for our customers.

Slide 16: Before I hand it over to Joe, we are committed to delivering these unique solutions in a responsible and sustainable way. Aptiv's commitment to Corporate Social Responsibility goes well beyond our portfolio of safe, green, and connected solutions -- it extends to what powers our business – that is our people and our processes. With our people – our goal is to attract, develop and retain the absolute best talent -- and further enhance our strong corporate

culture. I am proud to say that Aptiv has been recognized as one of the world's most ethical companies by Ethisphere magazine -- for the eighth year running. On processes – we are constantly improving the resiliency and efficiency of our integrated supply chain – from supplier to customer -- while at the same time delivering new commercial solutions to the market. Aptiv aggressively pursues initiatives to reduce emissions, waste, and water consumption in every region in which we operate, which the CDP acknowledged by promoting Aptiv to the exclusive management band level. The elements that enable our disciplined and more sustainable business -- create long term value for all of our stakeholders and we have programs in place to track a range of key performance indicators to ensure we are focused on what really matters – validated by our recent recognitions shown here. I will now hand it over to Joe Massaro for an overview of our financials.

Joe Massaro:

Slide 17: Thanks Kevin. I'll provide some further perspective on Aptiv's financial performance over the next few slides. Starting on slide 17, as Kevin highlighted, our track record of execution and strong financial performance has created significant shareholder value. Our performance is the result of our ability to grow faster than the markets we serve, our relentless focus on optimizing our cost structure, our ability to generate more income and cash and our redeployment of capital…further positioning the company for sustainable and profitable growth. Our record new business awards, driven primarily by continued strong bookings in Active Safety and High Voltage Electrification over the last few years, gives us increased confidence in our ability to sustain strong secular growth over market even in a down production environment. Our disciplined growth strategy has allowed us to shift more of our revenues to faster growing areas within automotive, like higher contented trucks and SUVs while also expanding our capabilities and reach in commercial vehicles and diversified end markets, both organically and inorganically. As a result, growth over market the last two years averaged 9 points, significantly ahead of underlying vehicle production.

Slide 18: As we benefit from more sustainable revenue growth, we also remain laser focused on optimizing our cost structure and redeploying those savings into high return investments for growth. We continue to focus our productivity initiatives in areas that structurally lower our fixed costs, improve service levels, and enhance the flexibility of our business model to position the company for better through-cycle performance. As Kevin mentioned, we've reduced our corporate and overhead expenses by $350 million over the last 5 years which in addition to manufacturing and material cost productivity and savings, has allowed us to grow earnings and cash, while continuing to invest for future growth. As a result, Aptiv can absorb annual volume declines of 45 percent in terms of Adjusted EBITDA break-even, a significant improvement from the initial levels of 20 to 25 percent at the time of the IPO.

Slide 19: Turning to the next slide, our financial framework includes reinvestment in our businesses – both organically and inorganically – to accelerate growth and margin expansion and improve through-cycle resiliency. Our total net engineering spend, which includes advanced design and development work, has increased from approximately 6 to 7 percent of sales over the past few years -- helping to drive the bookings and revenue growth in key technology areas like active safety and high voltage electrification. Our continued focus on maximizing engineering efficiency and effectiveness with reusable software platforms, and other tools, allow us to expand our capabilities in software, artificial intelligence, machine learning and systems engineering faster than we have grown our engineering spend, while our manufacturing and supply chain productivity initiatives allow us to improve capacity utilization to better leverage our physical assets.

Slide 20: This next slide provides some detail on our cash deployment track record over this time, which reflects a proven approach to value creation…Our commitment to reinvest in our growth businesses, is reflected by high ROI capex investments, largely to support new customer wins and expansion of key growth product lines, at the same time we worked to optimize our cost structure. We exited low growth, commodity businesses, like thermal and mechatronics; while our acquisitions have been focused on increasing scale and leverage in our engineered components business, increasing our autotech capabilities in areas such as software, automated driving and data management, and expanding our presence in adjacent markets, achieving synergies consistently in excess of our targets. You'll recall, our acquisition of Winchester Interconnect in 2018, and before that, Hellermantyton in 2015, provided a platform to expand our diversified revenues – which is expected to exceed 15 percent of total revenues in 2020. We have been disciplined acquirers, and we will remain so, as we believe dislocations stemming from the current operating environment will create additional M&A opportunities and our $2 billion offensive capital raise ensures we are well positioned to take advantage of such opportunities. We believe effective capital deployment is a major differentiator for Aptiv and an important lever for shareholder value generation going forward.

Slide 21: On the next slide, we highlight our track record of financial performance following our IPO in November 2011. As you can see, the deliberate actions we have taken to better position the company have translated into stronger revenue growth and financial returns. Growth over market improved dramatically over this time period, as did EBITDA and cash flow, resulting in higher margins. This, coupled with the actions we have taken in the past few years to strengthen our capital structure, maintain conservative leverage and extend the weighted average tenor on our debt, better prepared us for the current crisis in 2020.

Slide 22: Our long-term success as a business and our ability to increase shareholder value are the direct result of the successful execution of our business strategy, generating significantly faster revenue and EBITDA growth than the market than our peers, which has translated into meaningful total shareholder return outperformance.

Slide 23: Turning to the current environment in 2020, it was a difficult start to the year. We began to see the impact of the COVID-19 outbreak at the time government restrictions were imposed across China in late January, lasting into March, at which time, customer shutdowns began across Europe and the Americas. Despite the volatility in the quarter, we had strong execution across our businesses. Revenues of $3.2 billion, were down 7 percent, representing 13 percent growth over market as vehicle production declined 20 percent in the markets we operate in. Adjusted EBITDA and operating income were $411 million and $231 million, respectively, with earnings per share of 68 cents, which excluded the $1.4 billion gain associated with the closing of the autonomous driving joint venture with Hyundai. Lastly, operating cash flow was $161 million, including a net positive contribution from working capital in the quarter and gross leverage ticked up reflecting the full drawdown of the revolver in March.

Slide 24: Turning to the next slide, the impact of COVID-19 on global vehicle production has been more sudden and severe than any recession scenario we have previously planned for. What started as extended production downtime in China after January's lunar new year, evolved into complete shutdowns in Europe and the Americas beginning in mid-March, lasting into mid to late May. As we sit here today, although our production facilities in Europe and the Americas have restarted the situation is fluid and visibility remains lower than normal. With that said, we are currently expecting vehicle production to decline in the range of 20 to 30 percent in 2020 comprised of a trough in the second quarter –

with production declining over 50 percent -- and a slow ramp in the second half of the year. As we noted during our first quarter earnings call in May, we expect Adjusted EBITDA losses that are in the range of $150 to $200 million in the second quarter driven by the shutdowns that occurred in April and May. Although, we are not planning for a rapid recovery in global vehicle production, we do believe the automotive mega trends around safe, green and connected technologies and our efforts to grow our commercial vehicle and diversified revenues will continue to drive our growth over market.

Slide 25: The proactive steps we have taken to protect our employees, deliver for our customers, reduce expenses, conserve capital and preserve optionality has put us on an even stronger footing to deal with this current crisis. After initially seeing the effects of COVID-19 on our employees, suppliers and customers in china, we implemented robust measures to ensure liquidity and capital preservation and reduce operating costs while continuing to ensure we invested in key growth areas and prepared the business to safely operate with COVID-19. Lastly, our $2 billion equity offering reinforces our financial flexibility against any further business disruptions during the recovery while allowing us to continue to invest for growth and take advantage of additional organic and inorganic investment opportunities. I'll now hand it back over to Kevin for his closing remarks

Kevin Clark:

Slide 26: Thanks Joe. Let me wrap up briefly on slide 26. I hope you have a better understanding of Aptiv -- our strategy for sustainable growth, our portfolio of advanced technologies, and our rigorous execution culture. We believe our unique formula further differentiates Aptiv as a company capable of capitalizing on the key Auto 2.0 megatrends driving increased vehicle content and market share gains while also building a more predictable and sustainable business -- better positioned to perform in any macro environment. We are resolute in our values to think and act like owners and remain laser-focused on continuing our track record of outperformance and delivering value to all of our stakeholders – through the continued execution of our strategy. This equity offering positions Aptiv to remain on the offensive and continue to proactively enhance the sustainability of our business model – resulting in outsized value creation for all of our shareholders. Thank you.