May 5, 2020

# APTIV

## First Quarter 2020 Earnings Call

APTIV

# Forward Looking Statements

This presentation, as well as other statements made by Aptiv 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 include, but are not limited to, the following: global and regional economic conditions, including conditions affecting the credit market; uncertainties posed by the novel coronavirus (COVID-19) pandemic and the difficulty in predicting its future course and its impact on the global economy and the Company’s future operations; fluctuations in interest rates and foreign currency exchange rates; the cyclical nature of global automotive sales and production; the potential disruptions in the supply of and changes in the competitive environment for raw material integral to the Company’s products; the Company’s ability to maintain contracts that are critical to its operations; potential changes to beneficial free trade laws and regulations such as the United States-Mexico-Canada Agreement and its predecessor agreement, the North American Free Trade Agreement; the ability of the Company to integrate and realize the expected benefits of recent transactions; the ability of the Company to attract, motivate and/or retain key executives; the ability of the Company to avoid or continue to operate during a strike, or partial work stoppage or slow down by any of its unionized employees or those of its principal customers; and the ability of the Company to attract and retain customers. Additional factors 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.

# THANK YOU

## TO OUR APTIV TEAM



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# Strong Execution of Our Business Model

BUILDING A MORE SUSTAINABLE BUSINESS AND HELPING US MANAGE THROUGH COVID-19

**OUR FLEXIBLE AND SUSTAINABLE BUSINESS MODEL…**

**…IS HELPING US THROUGH THESE UNPRECEDENTED TIMES**

- **INDUSTRY LEADING GROWTH PORTFOLIO**
  - Optimized portfolio of advanced technologies
  - Improved market positions around safe, green and connected megatrends
- **IMPROVED COST STRUCTURE**
  - Reduced overhead expenses by $350M last 5 years
  - Significantly lowered fixed cost base; footprint rationalization
- **REVENUE DIVERSIFICATION**
  - No single customer more than ~10% of sales
  - Balanced regional, customer, platform and end market mix
- **BALANCE SHEET STRENGTH**
  - More sustainable business, improved through-cycle resiliency
  - Investment grade credit rating

# Navigating Through Unprecedented Times

STRONG FIRST QUARTER EXECUTION DESPITE CHALLENGING ENVIRONMENT;
SECOND QUARTER, FULL YEAR LACKING VISIBILITY AROUND TIMING AND PACE OF RECOVERY

## 1Q 2020 FINANCIALS

| | |
|---|---|
| REVENUE | **$3.2B** DOWN (7%) |
| EBITDA | **$411M** 12.7% MARGIN |
| OPERATING INCOME | **$231M** 7.2% MARGIN |
| EARNINGS PER SHARE | **$0.68** DOWN (35%) |

## 1Q 2020 PRODUCTION

| | |
|---|---|
| **(20%)** | APTIV WEIGHTED GLOBAL VEHICLE PRODUCTION |
| **(48%)** | CHINA VEHICLE PRODUCTION |
| **(11%)** | NA VEHICLE PRODUCTION |
| **(20%)** | EUROPE VEHICLE PRODUCTION |

## CURRENT ENVIRONMENT

### GLOBAL VEHICLE PRODUCTION

- >(50%) 2Q production decline

### NORTH AMERICA & EUROPE

- Most OEMs have halted vehicle production operations likely until mid/late May
- Restarts will be slow and phased
- Lack of visibility around timing and pace

### CHINA

- OEMs are back up and running, albeit lower levels given weak customer demand

Note: Revenue growth excludes impact of foreign exchange, commodities and divestitures; see appendix for organic growth rates
EBITDA, Operating Income and EPS adjusted for restructuring and other special items; see appendix for detail and reconciliation to US GAAP.

# Decisive Actions Taken to Enhance Financial Flexibility

$600M OF TARGETED CASH SAVINGS IN 2020

| | APTIV ACTIONS |
|---|---|
| PRODUCTION & SUPPLY CHAIN | • Shutdown facilities in China, followed by NA and EMEA, aligned to government restrictions and customer vehicle production schedules |
| COST REDUCTION ACTIONS | • Implemented executive pay cuts, employee furloughs and temporary layoffs<br>• Suspension of 401K matching, merit increase and AIP<br>• Cut discretionary spending and extension of travel ban |
| CAPITAL PRESERVATION | • Suspended dividend of ~$225M annually, share buybacks<br>• ~20% reduction in capital spending<br>• Robust working capital management |
| BALANCE SHEET PROFILE & LIQUIDITY | • Drew down $2B Revolving Credit Facility<br>• Extended credit agreement maturity to August 2022; includes covenant relief period |
| SAFELY RESUMING OPERATIONS | • Deployed Aptiv's Global COVID-19 Pandemic Plan across all sites<br>• Restarts aligned with customer schedules and government approvals |

# Safety and Restart Protocols

COLLABORATING AT ALL LEVELS IS MORE IMPORTANT THAN EVER

## OUR EMPLOYEES

- IMPLEMENTING APTIV'S SAFE OPERATIONS PROTOCOLS[1] ACROSS OUR 140+ SITES
- 22K EMPLOYEES WORKING REMOTELY

## OUR CUSTOMERS & SUPPLIERS

- SHARING OF SAFETY PROTOCOLS AND OPERATIONAL BEST PRACTICES
- CLOSELY COLLABORATING ON RESTART REQUIREMENTS AND PRODUCTION SCHEDULE TIMING

## OUR COMMUNITIES

- SUPPORTING LOCAL HOSPITALS AND ASSISTING IN EPIDEMIC PREVENTION AND CONTROL SERVICES
- APTIV FOUNDATION & APTIV EMPLOYEES HELPING LOCAL COMMUNITIES

## Aptiv's Safe Operations Protocols

1. POLICY / MANAGEMENT
2. PRE-SCREENING / MONITORING
3. SOCIAL DISTANCING / PPE
4. CLEANING / DISINFECTION
5. COMMUNICATION / EDUCATION / TRAINING
6. CASE RESPONSE

[1] *A summary of Aptiv's Safe Operations Protocols and link to the full document is included in the appendix*

# 2020 Vehicle Production Outlook

STEEP DECLINE EXPECTED, RECOVERY UNCERTAIN

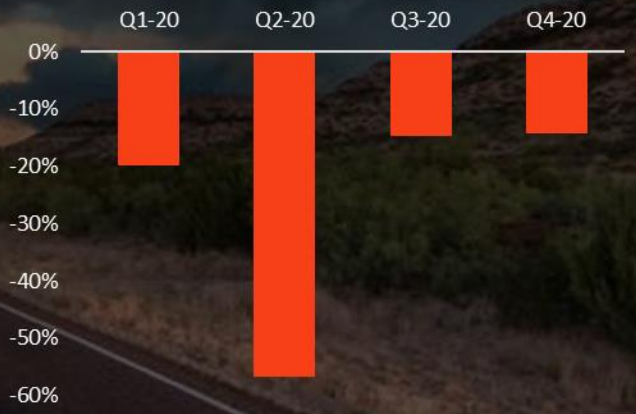
## CURRENT EXPECTATIONS

**KEY APTIV ASSUMPTIONS:**

**FY20 GLOBAL LVP (20-30%)**

- Initial restart planned for mid-April and now extended to mid/late-May
- Plants will resume operations with new safety protocols
- Restarts will be phased, with inefficiencies and supply chain disruptions

**2020 GLOBAL LVP BY QUARTER:**
APTIV WEIGHTED MARKET ASSUMPTIONS



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# Innovating Through the Disruption

COMPETITIVE MOAT EXPANDS AS KEY INVESTMENTS FOR GROWTH CONTINUE

CAPITALIZING ON SAFE, GREEN AND CONNECTED MEGATRENDS WHICH ENABLE THE FUTURE OF MOBILITY

## 1Q 2020 HIGHLIGHTS

### ACTIVE SAFETY

Critical Satellite Architecture program launch with key customer in China

### USER EXPERIENCE

First tranche of launches of our best-in-class Integrated Cockpit Controller with a Global OEM

### HIGH VOLTAGE

New business award with a major European OEM for high voltage electrification

### AUTOMATED DRIVING

Completion of Aptiv / Hyundai JV focused on commercializing autonomous driving technology

# Delivering For Our Key Stakeholders

KEEPING OUR EMPLOYEES SAFE AND MEETING OUR CUSTOMER NEEDS CREATES VALUE FOR ALL STAKEHOLDERS

## OUR PEOPLE

Prioritizing the safety of our employees, their families and our communities and continuing to invest in technology and operations that are safer, greener, and more connected.

## OUR CUSTOMERS

Working closely with our customers and continuing to invest in new program launches to ensure that together we come out stronger than ever on the other side.

## OUR SHAREHOLDERS

Managing change proactively and taking decisive actions to preserve our financial strength and better position Aptiv in this uncertain environment.

# 1Q 2020 vs. 1Q 2019

| *($ millions, except per share amounts)* | 1Q 2020 | Fav / (Unfav) | COMMENTS |
|---|---|---|---|
| REPORTED REVENUE<br>Adjusted Growth %[1] \| Growth Over Market | **$3,226** | **($349)**<br>*(7%) \| 13%* | • Vehicle production down (20%)<br>• AS&UX Up 11% GoM, S&PS Up 13% GoM |
| EBITDA[2]<br>EBITDA Margin | **$411**<br>*12.7%* | **($107)**<br>*(180) bps* | • Lower volume, partially offset by favorable performance<br>• Higher engineering supporting investments for growth |
| OPERATING INCOME[2]<br>Operating Margin | **$231**<br>*7.2%* | **($114)**<br>*(250) bps* | • Variable cost structure softens volume decrementals<br>• FX/Commodities of ($8M) YOY |
| EARNINGS PER SHARE[2] | **$0.68** | **($0.37)**<br>*(35%)* | • $57M share repurchases<br>• 11.2% tax rate |
| OPERATING CASH FLOW | **$161** | **$77** | • Working capital source of cash of $13M<br>• Capital expenditures of $205M, lower by $30M YOY |

1. Revenue growth excludes impact of foreign exchange, commodities and divestitures; see appendix for organic growth rates
2. Adjusted for restructuring and other special items; see appendix for detail and reconciliation to US GAAP



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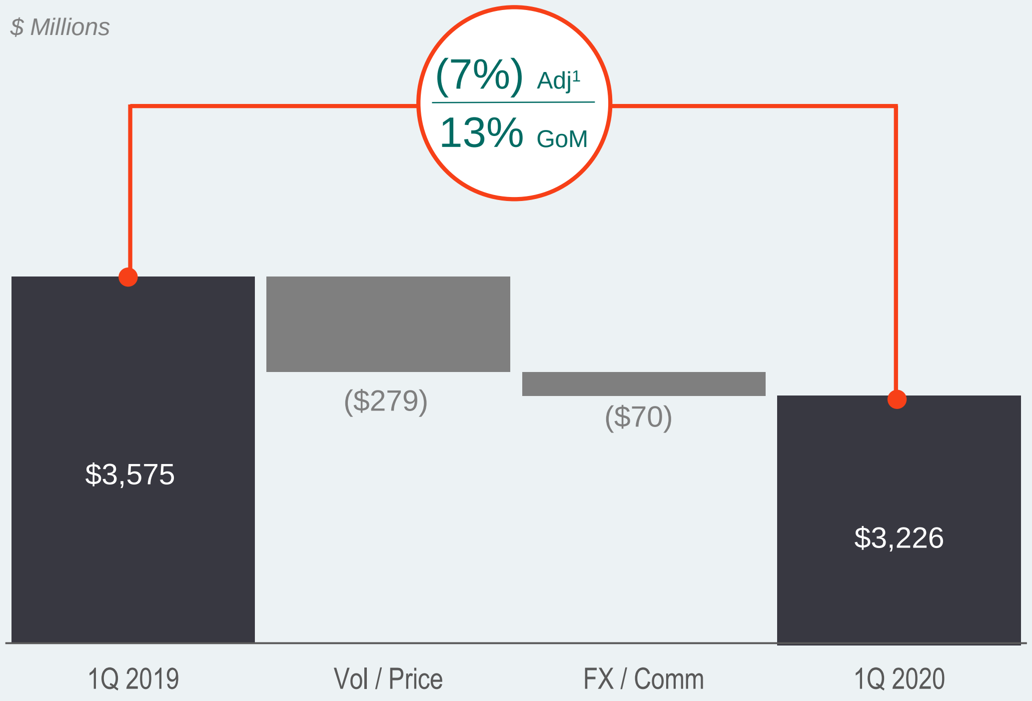
# 1Q 2020 Revenue

GROWTH OVER MARKET ACROSS ALL REGIONS

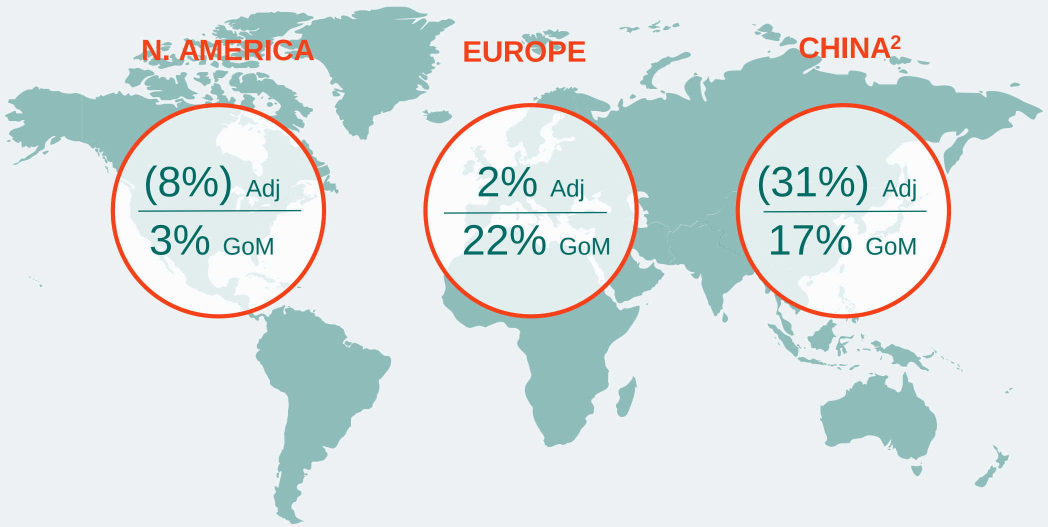
## REVENUE

*$ Millions*




## REGIONAL GROWTH

*Adjusted[1] | Growth Over Market (GoM)*




1. Revenue growth excludes impact of foreign exchange, commodities and divestitures; see appendix slide for organic growth rates
2. Asia Pacific adjusted revenue growth down 22% and growth over market up 9%



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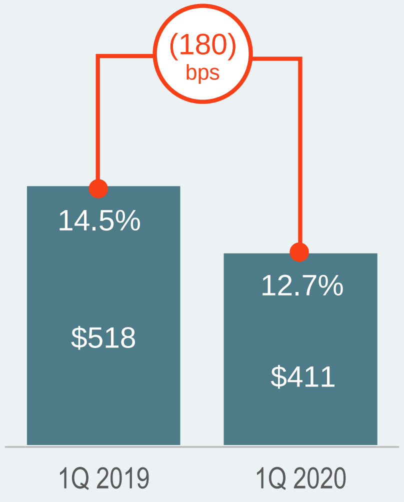
# 1Q 2020 Earnings

EARNINGS REFLECT LOWER VEHICLE PRODUCTION, PARTIALLY OFFSET BY INITIAL COST ACTIONS

## EBITDA[1]

*$ Millions, % of Sales*

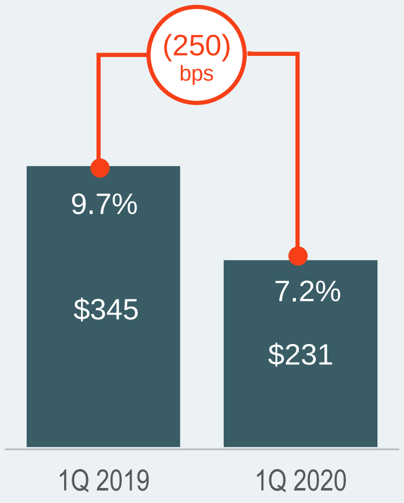
- Lower global vehicle production
- ($12M) impact from FX/Comm




## OPERATING INCOME[1]

*$ Millions, % of Sales*

- Lower global vehicle production
- +$8M from lower mobility investments




## EPS[1]

*Earnings per share $*

- Unfavorable operating income impact of ($0.44)
- 11.2% tax rate; $0.05 benefit YoY driven by lower earnings


1. Adjusted for restructuring and other special items; see appendix for detail and reconciliation to US GAAP



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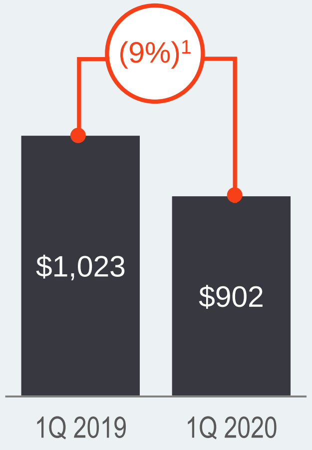
# 1Q 2020 Segment Recap

## SEGMENT REVENUES OUTPACED UNDERLYING VEHICLE PRODUCTION

### ADVANCED SAFETY & USER EXPERIENCE

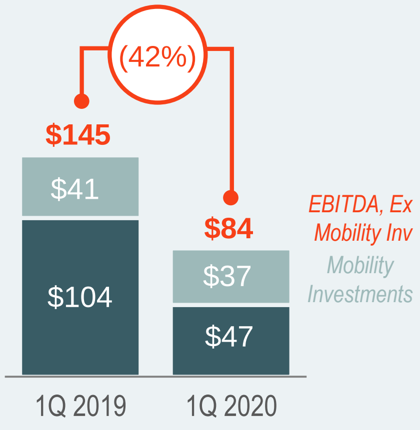
*$ Millions*

**REVENUE**




- Active Safety Up 3%
- User Experience Down (16%)[3]

**EBITDA[2]**

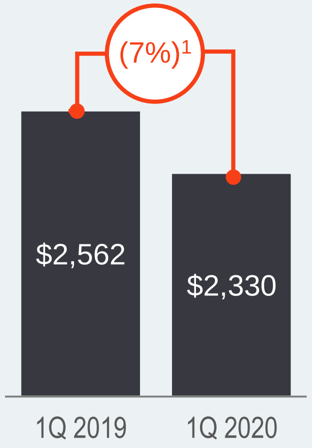



- Lower vehicle production
- Higher engineering spend

### SIGNAL & POWER SOLUTIONS

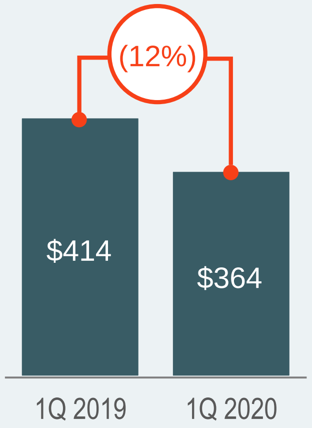
*$ Millions*

**REVENUE**




- High Voltage Up 27%
- CV & Industrial End Markets Down 3%

**EBITDA[2]**




- Lower vehicle production
- ($12M) FX & Commodities YoY

1. Revenue growth excludes impact of foreign exchange, commodities and divestitures; see appendix slide for organic growth rates
2. Adjusted for restructuring and other special items; see appendix for detail and reconciliation to US GAAP
3. User Experience revenue growth including Displays down (19%)



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# Liquidity & Capital Preservation

STRONG LIQUIDITY PROFILE POSITIONS APTIV FOR UNCERTAIN MACRO ENVIRONMENT

## LIQUIDITY UPDATE

*$ Billions*


## LIQUIDITY & CASH CONSERVATION ACTIONS

### TARGETED CASH SAVINGS OF $600M

| *($ Millions)* | Annualized |
|---|---|
| Suspension of Dividend | 225 |
| Reduction in Capital Spending | 150 |
| Furloughs / Temporary Layoffs | 90 |
| Workforce Cost Actions | 55 |
| Extension of Global Travel Ban | 30 |
| Other | 50 |
| **TOTAL CASH SAVINGS** | **$600M** |

## CREDIT UPDATE

### EXTENDED AND AMENDED CREDIT AGREEMENT

- Covers existing Revolving Credit Facility and Term Loan A
- 1 year extension to August 2022
- Covenant increase from 3.5x to 4.5x Debt / EBITDA through Q2 2021 (Covenant Relief Period)

### OUTSTANDING DEBT

- 9 years weighted average debt maturity
- 3.4% weighted average rate
- No maturities until 2024[1]
- Full $2B draw-down of Revolving Credit Facility

1. Excludes the Revolving Credit Facility and Term Loan A



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# Summary

APTIV WILL EMERGE MORE RESILIENT AND UNITED IN OUR MISSION

## STRONG 1Q DESPITE UNPRECEDENTED DECLINES IN VEHICLE PRODUCTION

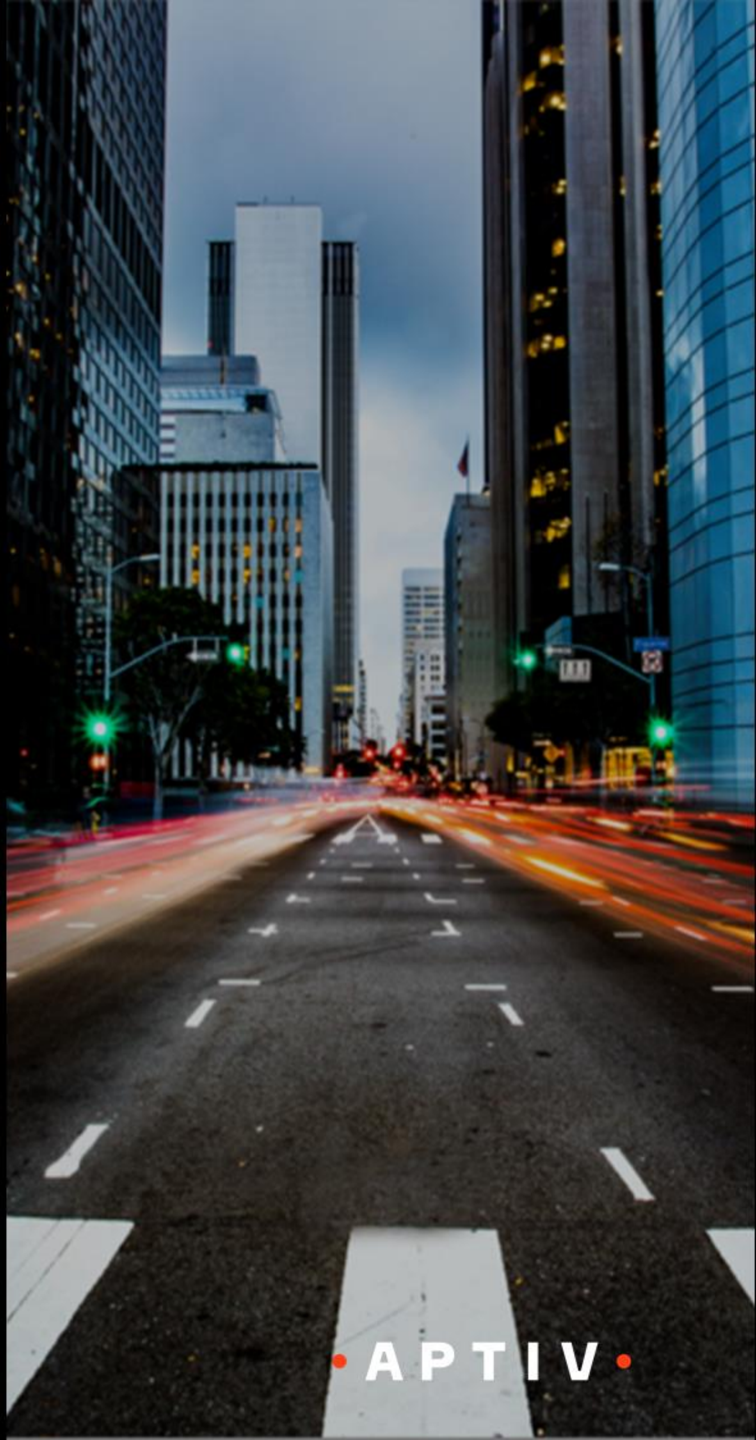
- Maintained strong growth over market
- Implemented decisive actions to preserve liquidity and increase financial flexibility

## INNOVATING AND LEADING THROUGH THE DISRUPTION

- Shifting restart dates and planned slow ramp of production, combined with weak consumer demand, make pace of recovery less certain
- Launched robust employee safety protocols to ensure safe and efficient restart

## APTIV CONTINUES TO DELIVER SUSTAINABLE VALUE CREATION

- Leveraging leading technology portfolio, robust business model and optimized cost structure
- Continue investment in key growth initiatives to further expand competitive moat



# APPENDIX

# 2020 Macro Overview

EXPECTING GLOBAL PRODUCTION DOWN (20-30%) IN 2020

## GLOBAL

| | Aptiv Outlook |
|---|---|
| 1Q20 | (20%) |
| 2Q20 | (50-60%) |
| **FY20** | **(20-30%)** |

## NORTH AMERICA

| | Aptiv Outlook |
|---|---|
| 1Q20 | (11%) |
| 2Q20 | (50-60%) |
| **FY20** | **(20-30%)** |

## EUROPE

| | Aptiv Outlook |
|---|---|
| 1Q20 | (20%) |
| 2Q20 | (50-60%) |
| **FY20** | **(20-30%)** |

## CHINA

| | Aptiv Outlook |
|---|---|
| 1Q20 | (48%) |
| 2Q20 | (25-35%) |
| **FY20** | **(20-30%)** |



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# Summary of Aptiv SAFE Operations Protocols

Click here to view Aptiv's Global COVID-19 Pandemic Plan

## 1 POLICY / MANAGEMENT

- Crisis Management Team at executive level and Emergency Response Teams at sites
- Regular reporting (site preparedness, confirmed / suspected cases) and identification of high-risk operations
- Regular touchpoints with business units, regions, functions, customers, and suppliers
- Ensuring all protocols in place before restart with verification through remote evidence-based checks

## 2 PRE-SCREENING / MONITORING

- Health / risk screenings for employees and visitors, including daily digital survey for all employees
- Restricting access for employees with symptoms, exposure to COVID-19 cases, or travel in the last 21 days
- Non-contact thermometer checks upon arrival and limited door entry points

## 3 SOCIAL DISTANCING / PPE

- Maintaining 6 feet of separation for employees and reinforcing through signs, posters, and markings on floor
- Staggering shift start times / breaks, utilizing physical barriers
- Leveraging work-from-home and limiting in-person meetings
- Ensuring required inventory of employee PPE

## 4 CLEANING / DISINFECTION

- Daily cleaning of high-touch areas every 3 hours and workstations before and after shift
- Professional cleaners perform full site disinfection
- Increased hand washing / sanitizer stations

## 5 COMMUNICATION / EDUCATION / TRAINING

- Site-level training and Q&A on all protocols, including hand washing / hygiene, how to correctly wear / dispose of PPE
- Posters communicating general information, physical distancing, safety measures to take at home, etc.
- Regular updates to employees using multiple communication channels

## 6 CASE RESPONSE

- Guidelines for reporting symptoms, exposure to COVID-19, and suspected cases
- Response requirements if a worker reports symptoms at work or tests positive
- Contact tracing / home isolation / quarantine, with follow-up on employee condition
- Clearance to return to work when appropriate



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# YoY Revenue Growth Metrics

| | 1Q 2020 |
|---|---|
| Reported net sales % change | (10%) |
| Less: foreign currency exchange and commodities | (2%) |
| Less: divestitures and other, net | (1%) |
| **Adjusted revenue growth** | **(7%)** |

| Reflective of management estimates due to integration of businesses | 1Q 2020 |
|---|---|
| **Reported Revenue Growth** | **(10%)** |
| Signal And Power Solutions Reported Revenue Growth | (9%) |
| Advanced Safety And User Experience Reported Revenue Growth | (12%) |
| **Adjusted Revenue Growth[1]** | **(7%)** |
| Signal And Power Solutions Adjusted Revenue Growth[1] | (7%) |
| Advanced Safety And User Experience Adjusted Revenue Growth[1] | (9%) |
| **Organic Revenue Growth[2]** | **(8%)** |
| Signal And Power Solutions Organic Revenue Growth[2] | (8%) |
| Advanced Safety And User Experience Organic Revenue Growth[2] | (9%) |

1 Adjusted revenue growth excludes impact of foreign exchange, commodities, and divestitures.

2 Organic revenue growth excludes impact of foreign exchange, commodities, acquisitions and divestitures.



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# YoY Revenue And Adj. OI By Segment Walks

| ($ millions) | Revenue | OI Adj |
|---|---|---|
| **1Q 2019: Signal And Power Solutions** | **2,562** | **283** |
| Volume, net of contractual price reductions | (173) | (83) |
| FX and commodities | (59) | (9) |
| Operational performance | - | 36 |
| Other | - | (2) |
| **1Q 2020: Signal And Power Solutions** | **2,330** | **225** |
| **1Q 2019: Advanced Safety And User Experience** | **1,023** | **62** |
| Volume, net of contractual price reductions | (110) | (48) |
| FX and commodities | (11) | 1 |
| Operational performance | - | (28) |
| Other | - | 19 |
| **1Q 2020: Advanced Safety And User Experience** | **902** | **6** |
| **1Q 2019: Eliminations And Other** | **(10)** | **-** |
| Volume, net of contractual price reductions | 4 | - |
| FX and commodities | - | - |
| **1Q 2020: Eliminations And Other** | **(6)** | **-** |
| **1Q 2019: Total** | **3,575** | **345** |
| Volume, net of contractual price reductions | (279) | (131) |
| FX and commodities | (70) | (8) |
| Operational performance | - | 8 |
| Other | - | 17 |
| **1Q 2020: Total** | **3,226** | **231** |



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# Non-US GAAP Financial Metrics

| ($ millions) | 1Q 2020 | 1Q 2019 |
|---|---|---|
| Net income attributable to Aptiv | 1,572 | 240 |
| Interest expense | 43 | 38 |
| Other expense (income), net | 1 | (16) |
| Income tax expense | 10 | 33 |
| Equity income, net of tax | (2) | (3) |
| Net (loss) income attributable to noncontrolling interest | (5) | 5 |
| **Operating income** | **1,619** | **297** |
| Restructuring | 28 | 26 |
| Other acquisition and portfolio project costs | 14 | 11 |
| Deferred compensation related to nuTonomy acquisition | 4 | 11 |
| Gain on business divestitures and other transactions | (1,434) | - |
| **Adjusted operating income** | **231** | **345** |

# Non-US GAAP Financial Metrics

| ($ millions) | 1Q 2020 | 1Q 2019 |
|---|---|---|
| Net income attributable to Aptiv | 1,572 | 240 |
| Interest expense | 43 | 38 |
| Other expense (income), net | 1 | (16) |
| Income tax expense | 10 | 33 |
| Equity income, net of tax | (2) | (3) |
| Net (loss) income attributable to noncontrolling interest | (5) | 5 |
| **Operating income** | **1,619** | **297** |
| Depreciation and amortization | 180 | 173 |
| **EBITDA** | **1,799** | **470** |
| Restructuring | 28 | 26 |
| Other acquisition and portfolio project costs | 14 | 11 |
| Deferred compensation related to nuTonomy acquisition | 4 | 11 |
| Gain on business divestitures and other transactions | (1,434) | - |
| **Adjusted EBITDA** | **411** | **518** |



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# Non-US GAAP Financial Metrics

| ($ millions, except per share amounts) | 1Q 2020 | 1Q 2019 |
|---|---|---|
| Net income attributable to Aptiv | 1,572 | 240 |
| Adjusting items: | | |
| Restructuring | 28 | 26 |
| Other acquisition and portfolio project costs | 14 | 11 |
| Deferred compensation related to nuTonomy acquisition | 4 | 11 |
| Gain on business divestitures and other transactions | (1,434) | - |
| Debt extinguishment costs | - | 6 |
| Gain on changes in fair value of equity investments | - | (19) |
| Tax impact of adjusting items (a) | (11) | (2) |
| **Adjusted net income attributable to Aptiv** | **173** | **273** |
| Weighted average number of diluted shares outstanding | 255.83 | 259.55 |
| Diluted net income per share attributable to Aptiv | 6.14 | 0.92 |
| **Adjusted net income per share** | **0.68** | **1.05** |

(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.

# Shares Outstanding

| (millions) | 1Q 2020 | 1Q 2019 |
|---|---|---|
| Weighted average ordinary shares outstanding, basic | 255.51 | 259.08 |
| Dilutive shares related to RSUs | 0.32 | 0.47 |
| **Weighted average ordinary shares outstanding, including dilutive shares** | **255.83** | **259.55** |

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