



NEWS RELEASE

Aptiv Reports Fourth Quarter 2021 Financial Results

2022-02-03

Exceeded Full Year Revenue Outlook with Record Growth Over Market

DUBLIN , Feb. 3, 2022 /PRNewswire/ -- Aptiv PLC (NYSE: APTV), a global technology company focused on making mobility safer, greener and more connected, today reported fourth quarter 2021 U.S. GAAP earnings of \$0.06 per diluted share. Excluding special items, fourth quarter earnings totaled \$0.56 per diluted share.

Fourth Quarter Financial Highlights Include :

-- U.S. GAAP revenue of \$4.1 billion, a decrease of 2%

- Revenue decreased 4% adjusted for currency exchange, commodity movements and divestitures; growth over market of 12% based on AWM¹ of (16%)

-- U.S. GAAP net income of \$15 million, diluted earnings per share of \$0.06

- Excluding special items, diluted earnings per share of \$0.56

-- U.S. GAAP operating income margin of 6.3%

- Adjusted Operating Income margin of 6.6%; Adjusted Operating Income of \$273 million; Adjusted EBITDA of \$461 million

-- Generated \$669 million of cash from operations

Full Year 2021 Financial Highlights Include :

-- U.S. GAAP revenue of \$15.6 billion, an increase of 20%

- Revenue increased 15% adjusted for currency exchange, commodity movements and divestitures; growth



over market of 15% based on flat AWM¹

-- U.S. GAAP net income of \$527 million, diluted earnings per share of \$1.94

- Excluding special items, diluted earnings per share of \$2.61

-- U.S. GAAP operating income margin of 7.6%

- Adjusted Operating Income margin of 7.9%; Adjusted Operating Income of \$1,230 million; Adjusted EBITDA of \$2,001 million

-- Generated \$1,222 million of cash from operations

"In 2021, Aptiv continued to build on its track record of industry leadership, strong execution and financial strength, despite the continued challenging operating environment," said Kevin Clark, president and chief executive officer. "Aptiv's record above-market revenue growth and new business awards of \$24 billion validate the strength of our industry-leading portfolio and commitment to delivering value for customers. The efforts taken to build a more sustainable and resilient business, focused on delivering electrified, software-defined vehicles, are truly making the future of mobility real. We continue to strengthen our competitiveness by investing in advanced technologies including value-enhancing transactions, such as our recently announced Wind River acquisition. Despite our expectations that supply chain disruptions will continue in 2022, I am confident that our strategically positioned portfolio and relentless focus on execution will continue to drive robust performance, reflecting our commitment to delivering sustainable revenue, earnings and cash flow growth translating to value for our shareholders."

Fourth Quarter 2021 Results

For the three months ended December 31, 2021, the Company reported U.S. GAAP revenue of \$4.1 billion, a decrease of 2% from the prior year period. Adjusted for currency exchange, commodity movements and divestitures, revenue decreased by 4% in the fourth quarter. This reflects declines of 14% in Europe and 2% in North America, partially offset by growth of 5% in Asia, which includes 9% in China, and 5% in South America, our smallest region.

The Company reported fourth quarter 2021 U.S. GAAP net income of \$15 million and earnings of \$0.06 per diluted share, compared to \$283 million and \$1.04 per diluted share in the prior year period. Fourth quarter Adjusted Net Income, a non-GAAP financial measure defined below, totaled \$160 million, or \$0.56 per diluted share, compared to \$319 million, or \$1.13 per diluted share in the prior year period.

Fourth quarter Adjusted Operating Income, a non-GAAP financial measure defined below, was \$273 million, compared to \$476 million in the prior year period. Adjusted Operating Income margin was 6.6%, compared to 11.3% in the prior year period, reflecting the continuing adverse impacts of the worldwide semiconductor shortage

on the global automotive supply chain. Depreciation and amortization expense totaled \$190 million, a decrease from \$208 million in the prior year period.

Interest expense for the fourth quarter totaled \$36 million, as compared to \$39 million in the prior year period.

Tax expense in the fourth quarter of 2021 was nil. Tax expense in the fourth quarter of 2020 was \$55 million, resulting in an effective tax rate of approximately 13%.

The Company generated net cash flow from operating activities of \$669 million in fourth quarter, compared to \$799 million in the prior year period.

Full Year 2021 Results

For the year ended December 31, 2021, the Company reported U.S. GAAP revenue of \$15.6 billion, an increase of 20% from the prior year. Adjusted for currency exchange, commodity movements and divestitures, revenue increased by 15% during the year. This reflects growth of 16% in North America, 16% in Asia, which includes 15% in China, 12% in Europe and 45% in South America, our smallest region.

For full year 2021, the Company reported U.S. GAAP net income of \$527 million and earnings of \$1.94 per diluted share, compared to \$1,769 million and \$6.66 per diluted share in the prior year. Full year 2021 Adjusted Net Income totaled \$739 million, or \$2.61 per diluted share, compared to \$525 million, or \$1.94 per diluted share, in the prior year.

The Company reported Adjusted Operating Income of \$1,230 million for full year 2021, compared to \$867 million in the prior year. Adjusted Operating Income margin was 7.9% for full year 2021, compared to 6.6% in the prior year. Depreciation and amortization expense totaled \$773 million, an increase from \$764 million in the prior year.

Interest expense for full year 2021 totaled \$150 million, as compared to \$164 million in the prior year.

Tax expense for full year 2021 was \$101 million, resulting in an effective tax rate of approximately 11%. Tax expense for full year 2020 was \$49 million, resulting in an effective tax rate of approximately 3%.

The Company generated net cash flow from operating activities of \$1,222 million in 2021, compared to \$1,413 million in the prior year. As of December 31, 2021, the Company had cash and cash equivalents of \$3.1 billion and total available liquidity of \$5.6 billion.

Reconciliations of Adjusted Revenue Growth, Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income Per Share and Cash Flow Before Financing, which are non-GAAP measures, to the most directly comparable financial measures, respectively, calculated and presented in accordance with accounting

principles generally accepted in the United States ("GAAP") are provided in the attached supplemental schedules.

Prospective Change in Presentation of Non-GAAP Measures

Effective for the first quarter of 2022, the Company will exclude amortization expense of intangible assets from the calculation of Adjusted Operating Income, Adjusted Net Income and Adjusted Net Income Per Share. Management believes that, going forward, the updated calculations of these non-GAAP financial measures will be more useful to both management and investors in their analysis of the Company's results of operations due to recent and pending acquisitions. Amortization of intangibles is generally the result of a write-up in the value of assets in connection with an acquisition. We believe exclusion of amortization expense will facilitate more comparable operating results of the Company over time, in between periods when the Company is more or less acquisitive and allows for improved comparison with both acquisitive and non-acquisitive peer companies. The Company's outlook for these metrics is presented below under both the new calculation basis excluding amortization expense and the previous basis including amortization expense. For comparative purposes, a recast of full year 2021 results for these measures is included on pages 17 and 18 of this release.

Full Year 2022 Outlook

The Company's full year 2022 financial guidance is as follows:

(in millions, except per share amounts)	Full Year 2022	
	Excluding Amortization	Including Amortization
	(new basis)	(historical basis)
Net sales	\$17,750 - \$18,150	\$17,750 - \$18,150
Adjusted EBITDA	\$2,415 - \$2,695	\$2,415 - \$2,695
Adjusted EBITDA margin	13.6% - 14.8%	13.6% - 14.8%
Adjusted operating income	\$1,750 - \$2,030	\$1,600 - \$1,880
Adjusted operating income margin	9.9% - 11.2%	9.0% - 10.4%
Adjusted net income per share (1)	\$3.90 - \$4.80	\$3.45 - \$4.35
Cash flow from operations	\$2,050	\$2,050
Capital expenditures	\$850	\$850
Adjusted effective tax rate	13.0%	12.5%

(1) The Company's full year 2022 financial guidance includes approximately \$1.05 per diluted share for the anticipated equity losses to be recognized by Aptiv from the performance of the Motional joint venture.

Conference Call and Webcast

The Company will host a conference call to discuss these results at 8:00 a.m. (ET) today, which is accessible by dialing 800.239.9838 (US domestic) or 323.794.2551 (international) or through a webcast at ir.aptiv.com. The conference ID number is 6190564. A slide presentation will accompany the prepared remarks and has been posted on the investor relations section of the Company's website. A replay will be available two hours following the conference call.

Use of Non-GAAP Financial Information

This press release contains information about Aptiv's financial results which are not presented in accordance with GAAP. Specifically, Adjusted Revenue Growth, Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income Per Share and Cash Flow Before Financing are non-GAAP financial measures. Adjusted Revenue Growth represents the year-over-year change in reported net sales relative to the comparable period, excluding the impact on net sales from currency exchange, commodity movements and divestitures. Adjusted Operating Income represents net income before interest expense, other income (expense), net, income tax expense, equity income (loss), net of tax, restructuring, other acquisition and portfolio project costs, asset impairments, gains (losses) on business divestitures and other transactions and deferred compensation related to acquisitions. Other acquisition and portfolio project costs include costs incurred to integrate acquired businesses and to plan and execute product portfolio transformation actions, including business and product acquisitions and divestitures. Adjusted Operating Income margin is defined as Adjusted Operating Income as a percentage of net sales. Adjusted EBITDA represents net income before depreciation and amortization (including asset impairments), interest expense, income tax expense, other income (expense), net, equity income (loss), net of tax, restructuring and other special items.

Adjusted Net Income represents net income attributable to Aptiv before restructuring and other special items, including the tax impact thereon. Adjusted Net Income Per Share represents Adjusted Net Income divided by the Adjusted Weighted Average Number of Diluted Shares Outstanding for the period. The Adjusted Weighted Average Number of Diluted Shares Outstanding assumes the application of the if-converted method of share dilution, if not already applied for U.S. GAAP purposes of calculating the weighted average number of diluted shares outstanding. Cash Flow Before Financing represents cash provided by operating activities plus cash provided by (used in)

investing activities, adjusted for the purchase price of business acquisitions and net proceeds from the divestiture of other significant businesses.

Effective on January 1, 2022, the Company will exclude amortization expense of intangible assets from the calculation of Adjusted Operating Income, Adjusted Net Income and Adjusted Net Income Per Share. The Company will report financial results under this new definition for the first quarter of 2022. Outlook information presented above is calculated under this new definition. The forward-looking non-GAAP measures presented in this release are reconciled under this new definition to their closest GAAP financial measure on pages 19 and 20.

Management believes the non-GAAP financial measures used in this press release are useful to both management and investors in their analysis of the Company's financial position, results of operations and liquidity. In particular, management believes Adjusted Revenue Growth, Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income Per Share and Cash Flow Before Financing are useful measures in assessing the Company's ongoing financial performance that, when reconciled to the corresponding GAAP measure, provide improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company's core operating performance and that may obscure underlying business results and trends. Management also uses these non-GAAP financial measures for internal planning and forecasting purposes.

Such non-GAAP financial measures are reconciled to the most directly comparable GAAP financial measures in the attached supplemental schedules at the end of this press release. Non-GAAP measures should not be considered in isolation or as a substitute for our reported results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures of other companies.

¹ Represents global vehicle production weighted to the geographic regions in which the Company generates its revenue ("AWM").

About Aptiv

Aptiv is a global technology company that develops safer, greener and more connected solutions enabling a more sustainable future of mobility. Visit [aptiv.com](https://www.aptiv.com).

Forward-Looking Statements

This press release, 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 including the potential impact of the proposed acquisition of Wind River Systems, Inc. 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.

APTIV PLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	(in millions, except per share amounts)			
Net sales	\$ 4,134	\$ 4,212	\$ 15,618	\$ 13,066
Operating expenses:				
	3,543	3,433	13,182	11,126
Cost of sales	291	278	1,075	976
Selling, general and administrative	37	37	148	144
Amortization	3	18	24	136
Restructuring	—	—	—	(1,434)
Gain on autonomous driving joint venture				
Total operating expenses	3,874	3,766	14,429	10,948

Operating income	260	446	1,189	2,118
	(36)	(39)	(150)	(164)
Interest expense	(131)	6	(129)	—
Other (expense) income, net	93	413	910	1,954
Income before income taxes and equity loss	—	(55)	(101)	(49)
Income tax expense	93	358	809	1,905
Income before equity loss	(54)	(43)	(200)	(83)
Equity loss, net of tax	39	315	609	1,822
Net income	8	16	19	18
Net income attributable to noncontrolling interest	31	299	590	1,804
Net income attributable to Aptiv	(16)	(16)	(63)	(35)
Mandatory convertible preferred share dividends	\$ 15	\$ 283	\$ 527	\$ 1,769
Net income attributable to ordinary shareholders				
Diluted net income per share:				
	\$ 0.06	\$ 1.04	\$ 1.94	\$ 6.66
Diluted net income per share attributable to ordinary shareholders	271.47	270.91	271.22	270.70
Weighted average number of diluted shares outstanding				

APTIV PLC
CONSOLIDATED BALANCE SHEETS
(Unaudited)

December 31,
2021

December 31,
2020

(in millions)

ASSETS

Current assets:

	\$ 3,139	\$ 2,821
Cash and cash equivalents	—	32
Restricted cash	2,784	2,812
Accounts receivable, net	2,014	1,297
Inventories	499	503
Other current assets	8,436	7,465

Total current assets

Long-term assets:

	3,294	3,301
Property, net	383	380
Operating lease right-of-use assets	1,797	2,011
Investments in affiliates	964	1,091
Intangible assets, net	2,511	2,580
Goodwill	622	694
Other long-term assets	9,571	10,057

Total long-term assets

Total assets

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

	\$ 8	\$ 90
Short-term debt	2,953	2,571
Accounts payable	1,246	1,385
Accrued liabilities	4,207	4,046

Total current liabilities

Long-term liabilities:

	4,059	4,011
Long-term debt	440	525
Pension benefit obligations	304	300
Long-term operating lease liabilities	436	540
Other long-term liabilities	5,239	5,376

Total long-term liabilities

Total liabilities

Commitments and contingencies		
	8,347	7,905
Total Aptiv shareholders' equity		
Noncontrolling interest	214	195
	<u>8,561</u>	<u>8,100</u>
Total shareholders' equity		
	<u>\$ 18,007</u>	<u>\$ 17,522</u>
Total liabilities and shareholders' equity		

APTIV PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Year Ended December 31,	
	<u>2021</u>	<u>2020</u>
	(in millions)	
Cash flows from operating activities:		
	\$ 609	\$ 1,822
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	773	764
Restructuring expense, net of cash paid	(56)	(15)
	(60)	(52)
Deferred income taxes	206	92
Loss from equity method investments, net of dividends received	1	4
Loss on modification of debt	126	—
Loss on extinguishment of debt	—	(1,434)
Gain on autonomous driving joint venture	134	110
Other, net	—	—
Changes in operating assets and liabilities:	—	—
	—	10

	37	(243)
Accounts receivable, net	(710)	(8)
Inventories	265	186
Accounts payable	(75)	220
Other, net	(28)	(33)
Pension contributions		
Net cash provided by operating activities	<u>1,222</u>	<u>1,413</u>
Cash flows from investing activities:		
	(611)	(584)
Capital expenditures	9	10
Proceeds from sale of property	(130)	(49)
Cost of business acquisitions and other transactions, net of cash acquired	22	—
Proceeds from sale of technology investments	(2)	(2)
Cost of technology investments	(17)	(1)
Settlement of derivatives		
Net cash used in investing activities	<u>(729)</u>	<u>(626)</u>
Cash flows from financing activities:		
	(30)	(411)
Decrease in other short and long-term debt, net	(1,473)	—
Repayment of senior notes	1,450	—
Proceeds from issuance of senior notes, net of issuance costs	(24)	—
Contingent consideration payments	(6)	(18)
Fees related to modification of debt agreements	—	1,115
Proceeds from the public offering of ordinary shares, net of issuance costs	—	1,115
Proceeds from the public offering of preferred shares, net of issuance costs	—	(10)
Dividend payments of consolidated affiliates to minority shareholders	—	(57)
Repurchase of ordinary shares	(63)	(32)
Distribution of mandatory convertible preferred share cash dividends	—	(56)
Distribution of ordinary share cash dividends	(45)	(33)
Taxes withheld and paid on employees' restricted share awards		
Net cash (used in) provided by financing activities	<u>(191)</u>	<u>1,613</u>
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash	<u>(16)</u>	<u>24</u>
Increase in cash, cash equivalents and restricted cash	<u>286</u>	<u>2,424</u>

Cash, cash equivalents and restricted cash at beginning of the year	2,853	429
Cash, cash equivalents and restricted cash at end of the year	<u>\$ 3,139</u>	<u>\$ 2,853</u>

APTIV PLC
FOOTNOTES
(Unaudited)

1. Segment Summary

	Three Months Ended			Year Ended		
	December 31,			December 31,		
	<u>2021</u>	<u>2020</u>	<u>%</u>	<u>2021</u>	<u>2020</u>	<u>%</u>
	(in millions)			(in millions)		
<u>Net Sales</u>						
	\$ 3,025	\$ 3,101	(2)%	\$ 11,598	\$ 9,522	22%
Signal and Power Solutions	1,116	1,121	—%	4,056	3,573	14%
Advanced Safety and User Experience	(7)	(10)		(36)	(29)	
Eliminations and Other (a)						
Net Sales	<u>\$ 4,134</u>	<u>\$ 4,212</u>		<u>\$ 15,618</u>	<u>\$ 13,066</u>	
<u>Adjusted Operating Income</u>						
	\$ 237	\$ 358	(34)%	\$ 1,084	\$ 762	42%
Signal and Power Solutions	36	118	(69)%	146	105	39%
Advanced Safety and User Experience						
Adjusted Operating Income	<u>\$ 273</u>	<u>\$ 476</u>		<u>\$ 1,230</u>	<u>\$ 867</u>	

(a) Eliminations and Other includes the elimination of inter-segment transactions.

2. Weighted Average Number of Diluted Shares Outstanding

The following table illustrates the weighted average shares outstanding used in calculating basic and diluted net income per share attributable to ordinary shareholders for the three months and years ended December 31, 2021 and 2020:

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	(in millions, except per share data)			
Weighted average ordinary shares outstanding, basic	270.52	270.03	270.46	263.43
	0.95	0.88	0.76	0.44
Dilutive shares related to RSUs	—	—	—	6.83
Weighted average MCPS Converted Shares				
Weighted average ordinary shares outstanding, including dilutive shares	271.47	270.91	271.22	270.70
Net income per share attributable to ordinary shareholders:				
	\$ 0.06	\$ 1.05	\$ 1.95	\$ 6.72
Basic	\$ 0.06	\$ 1.04	\$ 1.94	\$ 6.66
Diluted				

APTIV PLC

RECONCILIATION OF NON-GAAP MEASURES

(Unaudited)

In this press release the Company has provided information regarding certain non-GAAP financial measures, including "Adjusted Revenue Growth," "Adjusted Operating Income," "Adjusted EBITDA," "Adjusted Net Income," "Adjusted Net Income Per Share" and "Cash Flow Before Financing." Such non-GAAP financial measures are reconciled to their closest GAAP financial measure in the following schedules.

Adjusted Revenue Growth : Adjusted Revenue Growth is presented as a supplemental measure of the Company's financial performance which management believes is useful to investors in assessing the Company's ongoing financial performance that, when reconciled to the corresponding U.S. GAAP measure, provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company's core operating performance and which may obscure underlying business results and trends. Our management utilizes Adjusted Revenue Growth in its financial decision making process, to evaluate performance of the Company and for internal reporting, planning and forecasting purposes. Adjusted Revenue Growth is defined as the year-over-year change in reported net sales relative to the comparable period, excluding the impact on net sales from currency exchange, commodity movements and divestitures and other transactions. Not all companies use identical calculations of Adjusted Revenue Growth, therefore this presentation may not be comparable to other similarly titled measures of other companies.

	Three Months Ended December 31, 2021
Reported net sales % change	(2) %
	2 %
Less: foreign currency exchange and commodities	— %
Less: divestitures and other, net	— %
Adjusted revenue growth	(4) %
	Year Ended December 31, 2021
Reported net sales % change	20 %
	5 %
Less: foreign currency exchange and commodities	— %
Less: divestitures and other, net	— %
Adjusted revenue growth	15 %

Adjusted Operating Income : Adjusted Operating Income is presented as a supplemental measure of the Company's financial performance which management believes is useful to investors in assessing the Company's ongoing financial performance that, when reconciled to the corresponding U.S. GAAP measure, provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company's core operating performance and which may obscure underlying business results and trends. Our management utilizes Adjusted Operating Income in its financial decision making process, to evaluate performance of the Company and for internal reporting, planning and forecasting purposes. Management also utilizes Adjusted Operating Income as the key performance measure of segment income or loss and for planning and forecasting purposes to allocate resources to our segments, as management also believes this measure is most reflective of the operational profitability or loss of our operating segments. Adjusted Operating Income is defined as net income before interest expense, other income (expense), net, income tax expense, equity income (loss), net of tax, restructuring and other special items. Not all companies use identical calculations of Adjusted Operating Income, therefore this presentation may not be comparable to other similarly titled measures of other companies. Operating income margin represents Operating income as a percentage of net sales, and Adjusted Operating Income margin

represents Adjusted Operating Income as a percentage of net sales.

Consolidated Adjusted Operating Income

	Three Months Ended				Year Ended			
	December 31,				December 31,			
	2021		2020		2021		2020	
	(\$ in millions)							
	\$	Margin	\$	Margin	\$	Margin	\$	Margin
Net income attributable to Aptiv	\$ 31		\$ 299		\$ 590		\$ 1,804	
	36		39		150		164	
Interest expense	131		(6)		129		—	
Other expense (income), net	—		55		101		49	
Income tax expense	54		43		200		83	
Equity loss, net of tax	8		16		19		18	
Net income attributable to noncontrolling interest								
Operating income	260	6.3 %	446	10.6 %	1,189	7.6 %	2,118	16.2 %
	3		18		24		136	
Restructuring	8		4		15		23	
Other acquisition and portfolio project costs	2		6		2		10	
Asset impairments	—		2		—		14	
Deferred compensation related to acquisitions	—		—		—		(1,434)	
Gain on business divestitures and other transactions								
Adjusted operating income	\$ 273	6.6 %	\$ 476	11.3 %	\$ 1,230	7.9 %	\$ 867	6.6 %

Segment Adjusted Operating Income

(in millions)

	Signal and Power Solutions	Advanced Safety and User Experience	Total
Three Months Ended December 31, 2021			
Operating income	\$ 227	\$ 33	\$ 260
	3	—	3
Restructuring	6	2	8
Other acquisition and portfolio project costs	1	1	2
Asset impairments			
Adjusted operating income	\$ 237	\$ 36	\$ 273
Depreciation and amortization (a)	\$ 144	\$ 46	\$ 190
Three Months Ended December 31, 2020			
Operating income	\$ 354	\$ 92	\$ 446
	2	16	18
Restructuring	2	2	4
Other acquisition and portfolio project costs	—	6	6
Asset impairments	—	2	2
Deferred compensation related to acquisitions			
Adjusted operating income	\$ 358	\$ 118	\$ 476
Depreciation and amortization (a)	\$ 157	\$ 51	\$ 208
Year Ended December 31, 2021			
Operating income	\$ 1,064	\$ 125	\$ 1,189
	8	16	24
Restructuring	11	4	15
Other acquisition and portfolio project costs	1	1	2
Asset impairments			
Adjusted operating income	\$ 1,084	\$ 146	\$ 1,230
Depreciation and amortization (a)	\$ 595	\$ 178	\$ 773

Signal and

Advanced
Safety and User

Year Ended December 31, 2020	Power Solutions	Energy and Services Experience	Total
Operating income	\$ 656	\$ 1,462	\$ 2,118
	90	46	136
Restructuring	12	11	23
Other acquisition and portfolio project costs	4	6	10
Asset impairments	—	14	14
Deferred compensation related to acquisitions	—	(1,434)	(1,434)
Gain on business divestitures and other transactions			
Adjusted operating income	\$ 762	\$ 105	\$ 867
Depreciation and amortization (a)	\$ 588	\$ 176	\$ 764

(a) Includes asset impairments.

Adjusted EBITDA : Adjusted EBITDA is presented as a supplemental measure of the Company's financial performance which management believes is useful to investors in assessing the Company's ongoing financial performance that, when reconciled to the corresponding U.S. GAAP measure, provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company's core operating performance and which may obscure underlying business results and trends. Our management utilizes Adjusted EBITDA in its financial decision making process, to evaluate performance of the Company and for internal reporting, planning and forecasting purposes. Adjusted EBITDA is defined as net income before depreciation and amortization (including asset impairment), interest expense, net income tax (expense) benefit, other income (expense), equity income (loss), net of tax, restructuring and other special items. Not all companies use identical calculations of Adjusted EBITDA, therefore this presentation may not be comparable to other similarly titled measures of other companies.

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	(in millions)			
Net income attributable to Aptiv	\$ 31	\$ 299	\$ 590	\$ 1,804
	36	39	150	164

Interest expense	—	55	101	49
Income tax expense	8	16	19	18
Net income attributable to noncontrolling interest	190	208	773	764
Depreciation and amortization				
EBITDA	<u>\$ 265</u>	<u>\$ 617</u>	<u>\$ 1,633</u>	<u>\$ 2,799</u>
	<u>131</u>	<u>(6)</u>	<u>129</u>	<u>—</u>
Other expense (income), net	54	43	200	83
Equity loss, net of tax	3	18	24	136
Restructuring	8	4	15	23
Other acquisition and portfolio project costs	—	2	—	14
Deferred compensation related to acquisitions	—	—	—	(1,434)
Gain on business divestitures and other transactions				
Adjusted EBITDA	<u>\$ 461</u>	<u>\$ 678</u>	<u>\$ 2,001</u>	<u>\$ 1,621</u>

Adjusted Net Income and Adjusted Net Income Per Share : Adjusted Net Income and Adjusted Net Income Per Share, which are non-GAAP measures, are presented as supplemental measures of the Company's financial performance which management believes are useful to investors in assessing the Company's ongoing financial performance that, when reconciled to the corresponding U.S. GAAP measure, provide improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company's core operating performance and which may obscure underlying business results and trends. Management utilizes Adjusted Net Income and Adjusted Net Income Per Share in its financial decision making process, to evaluate performance of the Company and for internal reporting, planning and forecasting purposes. Adjusted Net Income is defined as net income attributable to Aptiv before restructuring and other special items, including the tax impact thereon. Adjusted Net Income Per Share is defined as Adjusted Net Income divided by the Adjusted Weighted Average Number of Diluted Shares Outstanding, as reconciled below, for the period. Not all companies use identical calculations of Adjusted Net Income and Adjusted Net Income Per Share, therefore this presentation may not be comparable to other similarly titled measures of other companies.

Three Months Ended		Year Ended	
December 31,		December 31,	
2021	2020	2021	2020
(in millions, except per share amounts)			

Net income attributable to ordinary shareholders	\$ 15	\$ 283	\$ 527	\$ 1,769
Mandatory convertible preferred share dividends	16	16	63	35
Net income attributable to Aptiv	<u>31</u>	<u>299</u>	<u>590</u>	<u>1,804</u>
Adjusting items:				
	3	18	24	136
Restructuring	8	4	15	23
Other acquisition and portfolio project costs	2	6	2	10
Asset impairments	—	2	—	14
Deferred compensation related to acquisitions	—	—	—	(1,434)
Gain on business divestitures and other transactions	—	—	1	4
Debt modification costs	126	—	126	—
Debt extinguishment costs	8	—	—	—
Loss on change in fair value of publicly traded equity securities	(9)	(10)	(9)	(10)
Gain on change in fair value of equity investments without readily determinable fair value	(9)	—	(10)	(22)
Tax impact of adjusting items (a)				
Adjusted net income attributable to Aptiv	<u>\$ 160</u>	<u>\$ 319</u>	<u>\$ 739</u>	<u>\$ 525</u>
Adjusted weighted average number of diluted shares outstanding (b)	<u>283.84</u>	<u>283.28</u>	<u>283.59</u>	<u>270.70</u>
Diluted net income per share attributable to ordinary shareholders	<u>\$ 0.06</u>	<u>\$ 1.04</u>	<u>\$ 1.94</u>	<u>\$ 6.66</u>
Adjusted net income per share	<u>\$ 0.56</u>	<u>\$ 1.13</u>	<u>\$ 2.61</u>	<u>\$ 1.94</u>

(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.

(b) In June 2020, the Company issued \$1,150 million in aggregate liquidation preference of 5.50% Mandatory Convertible Preferred Shares (the "MCPS") and received proceeds of \$1,115 million, after deducting expenses and the underwriters' discount of \$35 million. Dividends on the MCPS are payable on a cumulative basis at an annual rate of 5.50% on the liquidation preference of \$100 per share. Unless earlier converted, each share of MCPS will automatically convert on June 15, 2023 into between 1.0754 and 1.3173 shares of Aptiv's ordinary shares, subject to further anti-dilution adjustments. For purposes of calculating Adjusted Net Income Per Share, the Company has excluded the anticipated MCPS cash dividends and assumed the "if-converted" method of share dilution (the incremental ordinary shares deemed outstanding applying the "if-converted" method of calculating share dilution are referred to as the "Weighted average MCPS Converted Shares" in the following table). The Adjusted Weighted Average Number of Diluted Shares Outstanding calculated below, assumes the conversion of all 11.5 million MCPS and issuance of the underlying ordinary shares applying the "if-converted" method (method already applied for U.S. GAAP purposes of calculating the weighted average number of diluted shares outstanding for the year ended December 31, 2020) on a weighted average outstanding basis for all periods subsequent to issuance of the MCPS. We believe that using the "if-converted" method provides additional insight to investors on the potential impact of the MCPS once they are converted into ordinary shares no later than June 15, 2023.

Adjusted Weighted Average Number of Diluted Shares Outstanding:

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	(in millions)			
Weighted average number of diluted shares outstanding	271.47	270.91	271.22	270.70
	12.37	12.37	12.37	—
Weighted average MCPS Converted Shares				
Adjusted weighted average number of diluted shares outstanding	283.84	283.28	283.59	270.70

Cash Flow Before Financing : Cash Flow Before Financing is presented as a supplemental measure of the Company's liquidity which is consistent with the basis and manner in which management presents financial information for the purpose of making internal operating decisions, evaluating its liquidity and determining appropriate capital allocation strategies. Management believes this measure is useful to investors to understand how the Company's core operating activities generate and use cash. Cash Flow Before Financing is defined as cash provided by operating activities plus cash provided by (used in) investing activities, adjusted for the purchase price of business acquisitions and net proceeds from the divestiture of other significant businesses. Not all companies use identical calculations of Cash Flow Before Financing, therefore this presentation may not be comparable to other similarly titled measures of other companies. The calculation of Cash Flow Before Financing does not reflect cash used to service debt, pay dividends or repurchase shares and, therefore, does not necessarily reflect funds available for investment or other discretionary uses.

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020

	(in millions)			
Cash flows from operating activities:				
	\$ 39	\$ 315	\$ 609	\$ 1,822
Net income				
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	190	208	773	764
Restructuring expense, net of cash paid	(14)	(15)	(56)	(15)
Working capital	349	70	(408)	(65)
Pension contributions	(10)	(10)	(28)	(33)
Gain on autonomous driving joint venture	—	—	—	(1,434)
Other, net	115	231	332	374
Net cash provided by operating activities	<u>669</u>	<u>799</u>	<u>1,222</u>	<u>1,413</u>
Cash flows from investing activities:				
	(181)	(95)	(611)	(584)
Capital expenditures	(85)	—	(130)	(49)
Cost of business acquisitions and other transactions, net of cash acquired	8	—	22	—
Proceeds from sale of technology investments	—	(1)	(2)	(2)
Cost of technology investments	(6)	(2)	(17)	(1)
Settlement of derivatives	5	4	9	10
Other, net	(259)	(94)	(729)	(626)
Net cash used in investing activities	<u>(259)</u>	<u>(94)</u>	<u>(729)</u>	<u>(626)</u>
Adjusting items:				
	85	—	130	49
Adjustment for the cost of business acquisitions and other transactions, net	<u>\$ 495</u>	<u>\$ 705</u>	<u>\$ 623</u>	<u>\$ 836</u>
Cash flow before financing	<u>\$ 495</u>	<u>\$ 705</u>	<u>\$ 623</u>	<u>\$ 836</u>

Recast of Adjusted Operating Income, Adjusted Net Income and Adjusted Net Income Per Share : Effective on January 1, 2022, the Company will exclude amortization expense of intangible assets from the calculation of Adjusted Operating Income, Adjusted Net Income and Adjusted Net Income Per Share. The Company will report financial results under this new definition for the first quarter of 2022. Management

believes that, going forward, the updated calculations of these non-GAAP financial measures will be more useful to both management and investors in their analysis of the Company's results of operations due to recent and pending acquisitions. Amortization of intangibles is generally the result of a write-up in the value of assets in connection with an acquisition. We believe exclusion of amortization expense will facilitate more comparable operating results of the Company over time, in between periods when the Company is more or less acquisitive and allows for improved comparison with both acquisitive and non-acquisitive peer companies. Updated Adjusted Operating Income, Adjusted Net Income and Adjusted Net Income Per Share are shown below for full year 2021 for comparative purposes with our 2022 outlook presented on page 3. Not all companies use identical calculations of Adjusted Operating Income, Adjusted Net Income and Adjusted Net Income Per Share, therefore this presentation may not be comparable to other similarly titled measures of other companies.

Recast Consolidated Adjusted Operating Income

	Year Ended	
	December 31, 2021	
	(\$ in millions)	
	\$	Margin
Net income attributable to Aptiv	\$ 590	
	150	
Interest expense	129	
Other expense, net	101	
Income tax expense	200	
Equity loss, net of tax	19	
Net income attributable to noncontrolling interest		
Operating income	1,189	7.6 %
	148	
Amortization	24	
Restructuring	15	
Other acquisition and portfolio project costs	2	
Asset impairments		
Adjusted operating income	\$ 1,378	8.8 %

Recast Consolidated Adjusted Net Income and Adjusted Net Income Per Share

Year Ended
December 31,

2021

(in millions,
except per share
amounts)

Net income attributable to ordinary shareholders	\$ 527
Mandatory convertible preferred share dividends	63
Net income attributable to Aptiv	<u>590</u>
Adjusting items:	
	<u>148</u>
Amortization	24
Restructuring	15
Other acquisition and portfolio project costs	2
Asset impairments	1
Debt modification costs	126
Debt extinguishment costs	(9)
Gain on changes in fair value of equity investments without readily determinable fair value	(29)
Tax impact of adjusting items (a)	
Adjusted net income attributable to Aptiv	<u>\$ 868</u>
Adjusted weighted average number of diluted shares outstanding (b)	<u>283.59</u>
Diluted net income per share attributable to ordinary shareholders	<u>\$ 1.94</u>
Adjusted net income per share	<u>\$ 3.06</u>

(a) Represents the income tax impacts of the adjustments made for amortization, 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.

(b) See explanation of adjusted weighted average number of diluted shares outstanding on page 14 of this release.

Financial Guidance : The reconciliation of the forward-looking non-GAAP financial measures provided in the Company's financial guidance to the most comparable forward-looking GAAP measure is as follows:

	Estimated Full Year 2022 (1)	
	(\$ in millions)	
<u>Adjusted Operating Income</u>	\$	Margin (2)
Net income attributable to Aptiv	\$ 1,024	
	133	
Interest expense	4	
Other expense, net	188	
Income tax expense	279	
Equity loss, net of tax	10	
Net income attributable to noncontrolling interest		
Operating income	1,638	9.1 %
	150	
Amortization	85	
Restructuring	17	
Other acquisition and portfolio project costs		
Adjusted operating income	\$ 1,890	10.5 %
<u>Adjusted EBITDA</u>		
Net income attributable to Aptiv	\$ 1,024	

	133	
Interest expense		
	188	
Income tax expense		
	10	
Net income attributable to noncontrolling interest		
	815	
Depreciation and amortization		
EBITDA	<u>\$ 2,170</u>	<u>12.1 %</u>
	4	
Other expense, net		
	279	
Equity loss, net of tax		
	85	
Restructuring		
	17	
Other acquisition and portfolio project costs		
Adjusted EBITDA	<u>\$ 2,555</u>	<u>14.2 %</u>

(1) Prepared at the estimated mid-point of the Company's financial guidance range. Adjusted Operating Income is presented under the Company's updated calculation to exclude amortization expense effective on January 1, 2022.

(2) Represents operating income, Adjusted Operating Income, EBITDA and Adjusted EBITDA, respectively, as a percentage of estimated net sales.

	Estimated Full Year
	2022 (1)
	<u>(\$ and shares in millions, except per share amounts)</u>
<u>Adjusted Net Income Per Share</u>	
Net income attributable to ordinary shareholders	<u>\$ 961</u>
Mandatory convertible preferred share dividends	63
Net income attributable to Aptiv	<u>1,024</u>
Adjusting items:	
	25

	150
Amortization	85
Restructuring	17
Other acquisition and portfolio project costs	(40)
Tax impact of adjusting items	_____
Adjusted net income attributable to Aptiv	\$ 1,236
Adjusted weighted average number of diluted shares outstanding	_____
	284.03
Diluted net income per share attributable to Aptiv	_____
	\$ 3.54
Adjusted net income per share	_____
	\$ 4.35

(1) Prepared at the estimated mid-point of the Company's financial guidance range. Adjusted Net Income and Adjusted Net Income Per Share are presented under the Company's updated calculation to exclude amortization expense effective on January 1, 2022.

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