



NEWS RELEASE

Aptiv Reports Third Quarter 2021 Financial Results

2021-11-04

Strong Demand Across Product Portfolio Continues Despite Challenging Environment

DUBLIN, Nov. 4, 2021 /PRNewswire/ -- Aptiv PLC (NYSE: APTV), a global technology company focused on making mobility safer, greener and more connected, today reported third quarter 2021 U.S. GAAP earnings of \$0.32 per diluted share. Excluding special items, third quarter earnings totaled \$0.38 per diluted share.

Third Quarter Financial Highlights Include :

-- U.S. GAAP revenue of \$3.7 billion, down 5% adjusted for currency exchange, commodity movements and divestitures

-- U.S. GAAP net income of \$86 million, diluted earnings per share of \$0.32

- Excluding special items, diluted earnings per share of \$0.38

-- U.S. GAAP operating income margin of 5.9%

- Adjusted Operating Income margin of 6.0%, Adjusted Operating Income of \$219 million; Adjusted EBITDA of \$412 million

Year-to-Date Financial Highlights Include :

-- U.S. GAAP revenue of \$11.5 billion, an increase of 30%

- Revenue increased 24% adjusted for currency exchange, commodity movements and divestitures

-- U.S. GAAP net income of \$512 million, diluted earnings per share of \$1.89

- Excluding special items, diluted earnings per share of \$2.04

-- U.S. GAAP operating income margin of 8.1%



- Adjusted Operating Income margin of 8.3%, Adjusted Operating Income of \$957 million; Adjusted EBITDA of \$1,540 million

-- Generated \$553 million of cash from operations

"Our third quarter performance reflects continued robust demand for our safe, green and connected technologies and our relentless focus on serving customers despite the challenging operating environment," said Kevin Clark, president and chief executive officer. "Persistent and widespread supply chain shortages continue to restrain production capacity for the global automotive market, and we expect that to continue into 2022. However, our automotive customers continue to prioritize their vehicles with higher active safety content, while penetration of high voltage platforms accelerate. These trends, and our unique ability to capitalize on them, are driving record revenue growth over market for Aptiv. We expect our continued investments in high-growth, high-margin technologies, which help our customers transition to the electrified, software-defined vehicle of the future, to result in additional vehicle content and expansive market opportunities for Aptiv."

Third Quarter 2021 Results

For the three months ended September 30, 2021, the Company reported U.S. GAAP revenue of \$3.7 billion, a decrease of less than 1% from the prior year period. Adjusted for currency exchange, commodity movements and divestitures, revenue decreased by 5% in the third quarter. This reflects declines of 9% in Europe and 7% in North America and growth of 1% in Asia, which includes a decline of 3% in China, and growth of 26% in South America, our smallest region.

The Company reported third quarter 2021 U.S. GAAP net income of \$86 million and earnings of \$0.32 per diluted share, compared to \$283 million and \$1.05 per diluted share in the prior year period. Third quarter Adjusted Net Income, a non-GAAP financial measure defined below, totaled \$108 million, or earnings of \$0.38 per diluted share, compared to \$320 million, or \$1.13 per diluted share, in the prior year period.

Third quarter Adjusted Operating Income, a non-GAAP financial measure defined below, was \$219 million, compared to \$389 million in the prior year period. Adjusted Operating Income margin was 6.0%, compared to 10.6% in the prior year period, reflecting adverse impacts from lower than expected global vehicle production rates, the continued impacts of the COVID-19 pandemic and the worldwide semiconductor shortage on the global automotive supply chain. Depreciation and amortization expense totaled \$193 million, compared to \$192 million in the prior year period.

Interest expense for the third quarter totaled \$36 million, as compared to \$38 million in the prior year period.

Tax expense in the third quarter of 2021 was \$25 million, resulting in an effective tax rate of approximately 14%. Tax benefit in the third quarter of 2020 was \$2 million, resulting in an effective tax rate of approximately (1)%, as a result of net discrete tax benefits of \$38 million, or approximately 12 points, primarily due to the favorable tax

impacts of certain intragroup reorganizations during the third quarter of 2020, which were intended to streamline and simplify the Company's operating and legal structure.

The Company generated net cash flow from operating activities of \$4 million in the third quarter, compared to \$559 million in the prior year period.

Year-to-Date 2021 Results

For the nine months ended September 30, 2021, the Company reported U.S. GAAP revenue of \$11.5 billion, an increase of 30% from the prior year period. Adjusted for currency exchange, commodity movements and divestitures, revenue increased by 24% during the period. This reflects growth of 24% in Europe, 24% in North America, 22% in Asia, which includes growth of 19% in China, and 65% in South America, our smallest region.

For the 2021 year-to-date period, the Company reported U.S. GAAP net income of \$512 million and earnings of \$1.89 per diluted share, compared to \$1,486 million and \$5.63 per diluted share in the prior year period. Year-to-date Adjusted Net Income totaled \$579 million, or \$2.04 per diluted share, compared to \$206 million, or \$0.77 per diluted share, in the prior year period.

The Company reported Adjusted Operating Income of \$957 million for the nine months ended September 30, 2021, compared to \$391 million in the prior year period. Adjusted Operating Income margin was 8.3% for the nine months ended September 30, 2021, compared to 4.4% in the prior year period. Depreciation and amortization expense totaled \$583 million, an increase from \$556 million in the prior year period.

Interest expense for the nine months ended September 30, 2021 totaled \$114 million, as compared to \$125 million in the prior year period.

Tax expense for the nine months ended September 30, 2021 was \$101 million, resulting in an effective tax rate of approximately 12%. Tax benefit in the prior year period was \$6 million, resulting in an effective tax rate of nil.

The Company generated net cash flow from operating activities of \$553 million in the nine months ended September 30, 2021, compared to \$614 million in the prior year period. As of September 30, 2021, the Company had cash and cash equivalents of \$2.7 billion and total available liquidity of \$5.3 billion.

Reconciliations of Adjusted Revenue Growth, Adjusted Net Income, Adjusted Net Income Per Share, Adjusted Operating Income, Adjusted EBITDA 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.

Full Year 2021 Outlook

The Company's full year 2021 financial guidance is as follows:

(in millions, except per share amounts)	Full Year 2021
Net sales	\$15,100 - \$15,500
Adjusted EBITDA	\$1,940 - \$2,090
Adjusted EBITDA margin	12.8% - 13.5%
Adjusted operating income	\$1,150 - \$1,300
Adjusted operating income margin	7.6% - 8.4%
Adjusted net income per share (1)	\$2.30 - \$2.80
Cash flow from operations	\$1,225
Capital expenditures	\$650
Adjusted effective tax rate	12%

(1) The Company's full year 2021 financial guidance includes approximately \$0.80 per diluted share for the anticipated equity losses to be recognized by Aptiv from the performance of the Motional autonomous driving 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 +1.866.548.4713 (U.S.) or +1.323.794.2093 (international) or through a webcast at ir.aptiv.com. The conference ID number is 7839365. 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) benefit, 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) benefit, 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 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.

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.

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.

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. 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 and resulting from the United Kingdom's exit from the European Union, commonly referred to as "Brexit"; uncertainties posed by the 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 and other materials integral to the Company's products, including the current semiconductor supply shortage; 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; 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.

APTIV PLC

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions, except per share amounts)			
Net sales	\$ 3,654	\$ 3,668	\$ 11,484	\$ 8,854
Operating expenses:				

	3,138	3,021	9,639	7,693
Cost of sales	263	229	784	698
Selling, general and administrative	37	36	111	107
Amortization	1	18	21	118
Restructuring	—	—	—	(1,434)
Gain on autonomous driving joint venture				
Total operating expenses	<u>3,439</u>	<u>3,304</u>	<u>10,555</u>	<u>7,182</u>
Operating income	<u>215</u>	<u>364</u>	<u>929</u>	<u>1,672</u>
	(36)	(38)	(114)	(125)
Interest expense	1	1	2	(6)
Other income (expense), net				
Income before income taxes and equity loss	<u>180</u>	<u>327</u>	<u>817</u>	<u>1,541</u>
	(25)	2	(101)	6
Income tax (expense) benefit				
Income before equity loss	<u>155</u>	<u>329</u>	<u>716</u>	<u>1,547</u>
	(51)	(24)	(146)	(40)
Equity loss, net of tax				
Net income	<u>104</u>	<u>305</u>	<u>570</u>	<u>1,507</u>
Net income attributable to noncontrolling interest	3	6	11	2
Net income attributable to Aptiv	<u>101</u>	<u>299</u>	<u>559</u>	<u>1,505</u>
Mandatory convertible preferred share dividends	(15)	(16)	(47)	(19)
Net income attributable to ordinary shareholders	<u>\$ 86</u>	<u>\$ 283</u>	<u>\$ 512</u>	<u>\$ 1,486</u>
Diluted net income per share:				
	\$ 0.32	\$ 1.05	\$ 1.89	\$ 5.63
Diluted net income per share attributable to ordinary shareholders	<u>271.20</u>	<u>270.38</u>	<u>271.14</u>	<u>267.14</u>
Weighted average number of diluted shares outstanding				

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CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2021	December 31, 2020
	(Unaudited)	
	(in millions)	
ASSETS		
Current assets:		
	\$ 2,741	\$ 2,821
Cash and cash equivalents	52	32
Restricted cash	2,715	2,812
Accounts receivable, net	2,119	1,297
Inventories	477	503
Other current assets	<u>8,104</u>	<u>7,465</u>
Total current assets		
Long-term assets:		
	3,193	3,301
Property, net	381	380
Operating lease right-of-use assets	1,852	2,011
Investments in affiliates	973	1,091
Intangible assets, net	2,504	2,580
Goodwill	644	694
Other long-term assets	<u>9,547</u>	<u>10,057</u>
Total long-term assets	<u>\$ 17,651</u>	<u>\$ 17,522</u>
Total assets		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
	\$ 8	\$ 90
Short-term debt	2,544	2,571
Accounts payable	1,282	1,385
Accrued liabilities	<u>3,834</u>	<u>4,046</u>
Total current liabilities		
Long-term liabilities:		
	4,000	4,011
Long-term debt	493	525
Pension benefit obligations	301	300

Long-term operating lease liabilities	524	540
Other long-term liabilities	5,318	5,376
Total long-term liabilities	9,152	9,422
Total liabilities Commitments and contingencies	8,294	7,905
Total Aptiv shareholders' equity Noncontrolling interest	205	195
	8,499	8,100
Total shareholders' equity	\$ 17,651	\$ 17,522
Total liabilities and shareholders' equity		

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Nine Months Ended September 30,

2021 2020

(in millions)

Cash flows from operating activities:

	\$ 570	\$ 1,507
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	583	556
Restructuring expense, net of cash paid	(42)	—
Deferred income taxes	(5)	10
Loss from equity method investments, net of dividends received	152	46
Loss on modification of debt	1	4
Gain on autonomous driving joint venture, net	—	(1,434)
	118	64

Other, net		
Changes in operating assets and liabilities:		
	99	(51)
Accounts receivable, net	(819)	60
Inventories	(37)	(144)
Accounts payable	(49)	19
Other, net	(18)	(23)
Pension contributions		
Net cash provided by operating activities	<u>553</u>	<u>614</u>
Cash flows from investing activities:		
	(430)	(489)
Capital expenditures	4	6
Proceeds from sale of property	(45)	(49)
Cost of business acquisitions and other transactions, net	14	—
Proceeds from sale of technology investments	(2)	(1)
Cost of technology investments	(11)	1
Settlement of derivatives		
Net cash used in investing activities	<u>(470)</u>	<u>(532)</u>
Cash flows from financing activities:		
	(30)	(400)
Decrease in other short and long-term debt, net	(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	—	(6)
Dividend payments of consolidated affiliates to minority shareholders	—	(57)
Repurchase of ordinary shares	(47)	(16)
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>(128)</u>	<u>1,644</u>
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash	<u>(15)</u>	<u>(1)</u>
(Decrease) increase in cash, cash equivalents and restricted cash	<u>(60)</u>	<u>1,725</u>
Cash, cash equivalents and restricted cash at beginning of the period	2,853	429
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 2,793</u>	<u>\$ 2,154</u>

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FOOTNOTES
(Unaudited)

1. Segment Summary

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	%	2021	2020	%
	(in millions)			(in millions)		
<u>Net Sales</u>						
	\$ 2,705	\$ 2,656	2%	\$ 8,573	\$ 6,421	34%
Signal and Power Solutions	959	1,020	(6)%	2,940	2,452	20%
Advanced Safety and User Experience	(10)	(8)		(29)	(19)	
Eliminations and Other (a)						
Net Sales	<u>\$ 3,654</u>	<u>\$ 3,668</u>		<u>\$ 11,484</u>	<u>\$ 8,854</u>	
<u>Adjusted Operating Income (Loss)</u>						
	\$ 199	\$ 322	(38)%	\$ 847	\$ 404	110%
Signal and Power Solutions	20	67	(70)%	110	(13)	946%
Advanced Safety and User Experience	—	—		—	—	
Eliminations and Other (a)						
Adjusted Operating Income	<u>\$ 219</u>	<u>\$ 389</u>		<u>\$ 957</u>	<u>\$ 391</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 and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
(in millions, except per share amounts)				
Weighted average ordinary shares outstanding, basic	270.51	270.03	270.44	261.22
	0.69	0.35	0.70	0.28
Dilutive shares related to RSUs	—	—	—	5.64
Weighted average MCPS Converted Shares	271.20	270.38	271.14	267.14
Weighted average ordinary shares outstanding, including dilutive shares				
Net income per share attributable to ordinary shareholders:				
	\$ 0.32	\$ 1.05	\$ 1.89	\$ 5.69
Basic	\$ 0.32	\$ 1.05	\$ 1.89	\$ 5.63
Diluted				

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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
September 30, 2021

Reported net sales % change	— %
	5 %
Less: foreign currency exchange and commodities	— %
Less: divestitures and other, net	
Adjusted revenue growth	(5) %
Nine Months Ended September 30, 2021	
Reported net sales % change	30 %
	6 %
Less: foreign currency exchange and commodities	— %
Less: divestitures and other, net	
Adjusted revenue growth	24 %

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) benefit, 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 September 30,		Nine Months Ended September 30,					
	2021	2020	2021	2020				
(\$ in millions)								
	\$	Margin	\$	Margin	\$	Margin	\$	Margin
Net income attributable to Aptiv	\$ 101		\$ 299		\$ 559		\$ 1,505	
	36		38		114		125	
Interest expense	(1)		(1)		(2)		6	
							13	

Other (income) expense, net	25	(2)	101	(6)				
Income tax expense (benefit)	51	24	146	40				
Equity loss, net of tax	3	6	11	2				
Net income attributable to noncontrolling interest								
Operating income	<u>\$ 215</u>	<u>5.9 %</u>	<u>\$ 364</u>	<u>9.9 %</u>	<u>\$ 929</u>	<u>8.1 %</u>	<u>\$ 1,672</u>	<u>18.9 %</u>
	1	18	21	118				
Restructuring	3	3	7	19				
Other acquisition and portfolio project costs	—	—	—	4				
Asset impairments	—	4	—	12				
Deferred compensation related to acquisitions	—	—	—	(1,434)				
Gain on business divestitures and other transactions	—	—	—	—				
Adjusted operating income	<u>\$ 219</u>	<u>6.0 %</u>	<u>\$ 389</u>	<u>10.6 %</u>	<u>\$ 957</u>	<u>8.3 %</u>	<u>\$ 391</u>	<u>4.4 %</u>

Segment Adjusted Operating Income

(in millions)

Three Months Ended September 30, 2021	Signal and Power Solutions	Advanced Safety and User Experience	Eliminations and Other	Total
Operating income	<u>\$ 200</u>	<u>\$ 15</u>	<u>\$ —</u>	<u>\$ 215</u>
	(4)	5	—	1
Restructuring	3	—	—	3
Other acquisition and portfolio project costs	—	—	—	—
Adjusted operating income	<u>\$ 199</u>	<u>\$ 20</u>	<u>\$ —</u>	<u>\$ 219</u>
Depreciation and amortization (a)	\$ 149	\$ 44	\$ —	\$ 193
Three Months Ended September 30, 2020	Signal and Power Solutions	Advanced Safety and User Experience	Eliminations and Other	Total
Operating income	<u>\$ 311</u>	<u>\$ 53</u>	<u>\$ —</u>	<u>\$ 364</u>
	9	9	—	18
Restructuring	—	—	—	—

	2	1	—	3
Other acquisition and portfolio project costs	—	4	—	4
Deferred compensation related to acquisitions				
Adjusted operating income	\$ 322	\$ 67	\$ —	\$ 389
Depreciation and amortization (a)	\$ 149	\$ 43	\$ —	\$ 192
Nine Months Ended September 30, 2021	Signal and Power Solutions	Advanced Safety and User Experience	Eliminations and Other	Total
Operating income	\$ 837	\$ 92	\$ —	\$ 929
Restructuring	5	16	—	21
Other acquisition and portfolio project costs	5	2	—	7
Adjusted operating income	\$ 847	\$ 110	\$ —	\$ 957
Depreciation and amortization (a)	\$ 451	\$ 132	\$ —	\$ 583
Nine Months Ended September 30, 2020	Signal and Power Solutions	Advanced Safety and User Experience	Eliminations and Other	Total
Operating income	\$ 302	\$ 1,370	\$ —	\$ 1,672
Restructuring	88	30	—	118
Other acquisition and portfolio project costs	10	9	—	19
Asset impairments	4	—	—	4
Deferred compensation related to acquisitions	—	12	—	12
Gain on business divestitures and other transactions	—	(1,434)	—	(1,434)
Adjusted operating income (loss)	\$ 404	\$ (13)	\$ —	\$ 391
Depreciation and amortization (a)	\$ 431	\$ 125	\$ —	\$ 556

(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, income tax (expense) benefit, other income (expense), net, 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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions)			
Net income attributable to Aptiv	\$ 101	\$ 299	\$ 559	\$ 1,505
	36	38	114	125
Interest expense	25	(2)	101	(6)
Income tax expense (benefit)	3	6	11	2
Net income attributable to noncontrolling interest	193	192	583	556
Depreciation and amortization				
EBITDA	\$ 358	\$ 533	\$ 1,368	\$ 2,182
	(1)	(1)	(2)	6
Other (income) expense, net	51	24	146	40
Equity loss, net of tax	1	18	21	118
Restructuring	3	3	7	19
Other acquisition and portfolio project costs	—	4	—	12
Deferred compensation related to acquisitions	—	—	—	(1,434)
Gain on business divestitures and other transactions				
Adjusted EBITDA	\$ 412	\$ 581	\$ 1,540	\$ 943

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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions, except per share amounts)			
Net income attributable to ordinary shareholders	\$ 86	\$ 283	\$ 512	\$ 1,486
Mandatory convertible preferred share dividends	15	16	47	19
Net income attributable to Aptiv	101	299	559	1,505
Adjusting items:				
Restructuring	1	18	21	118
Other acquisition and portfolio project costs	3	3	7	19
Asset impairments	—	—	—	4
Deferred compensation related to acquisitions	—	4	—	12
Gain on business divestitures and other transactions	—	—	—	(1,434)
Debt modification costs	—	—	1	4
Loss (gain) on change in fair value of publicly traded equity securities	1	—	(8)	—
Tax impact of adjusting items (a)	2	(4)	(1)	(22)
Adjusted net income attributable to Aptiv	\$ 108	\$ 320	\$ 579	\$ 206
Adjusted weighted average number of diluted shares outstanding (b)	283.57	284.09	283.51	267.14
Diluted net income per share attributable to Aptiv	\$ 0.32	\$ 1.05	\$ 1.89	\$ 5.63
Adjusted net income per share	\$ 0.38	\$ 1.13	\$ 2.04	\$ 0.77

(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% 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 nine months ended September 30, 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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions)			
Weighted average number of diluted shares outstanding	271.20	270.38	271.14	267.14
	12.37	13.71	12.37	—
Weighted average MCPS Converted Shares Adjusted weighted average number of diluted shares outstanding	283.57	284.09	283.51	267.14

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 discontinued operations and 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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions)			
Cash flows from operating activities:				
Net income	\$ 104	\$ 305	\$ 570	\$ 1,507
Adjustments to reconcile net income to net cash provided by operating activities:				
	193	192	583	556

Depreciation and amortization	(14)	(13)	(42)	—
Restructuring expense, net of cash paid	(439)	(41)	(757)	(135)
Working capital	(6)	(7)	(18)	(23)
Pension contributions	—	—	—	(1,434)
Gain on autonomous driving joint venture, net	166	123	217	143
Other, net				
Net cash provided by operating activities	<u>4</u>	<u>559</u>	<u>553</u>	<u>614</u>
Cash flows from investing activities:				
	(169)	(117)	(430)	(489)
Capital expenditures	—	(22)	(45)	(49)
Cost of business acquisitions and other transactions, net	14	—	14	—
Proceeds from sale of technology investments	(1)	(1)	(2)	(1)
Cost of technology investments	(2)	—	(11)	1
Settlement of derivatives	2	2	4	6
Other, net				
Net cash used in investing activities	<u>(156)</u>	<u>(138)</u>	<u>(470)</u>	<u>(532)</u>
Adjusting items:				
	—	22	45	49
Adjustment for cost of business acquisitions and other transactions, net				
Cash flow before financing	<u>\$ (152)</u>	<u>\$ 443</u>	<u>\$ 128</u>	<u>\$ 131</u>

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	
	2021 (1)	
	<u>(\$ in millions)</u>	
<u>Adjusted Operating Income</u>	\$	Margin (2)

Net income attributable to Aptiv	\$ 665	
	149	
Interest expense	(1)	
Other income, net	125	
Income tax expense	205	
Equity loss, net of tax	14	
Net income attributable to noncontrolling interest	1,157	7.6 %
Operating income	55	
Restructuring	13	
Other acquisition and portfolio project costs	1,225	8.0 %
Adjusted operating income	\$ 1,225	8.0 %
 <u>Adjusted EBITDA</u>		
Net income attributable to Aptiv	\$ 665	
	149	
Interest expense	125	
Income tax expense	14	
Net income attributable to noncontrolling interest	790	
Depreciation and amortization	1,743	11.4 %
EBITDA	(1)	
Other income, net	205	
Equity loss, net of tax	55	
Restructuring	13	
Other acquisition and portfolio project costs	2,015	13.2 %
Adjusted EBITDA	\$ 2,015	13.2 %

(1) Prepared at the estimated mid-point of the Company's financial guidance range.

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

	Estimated Full Year 2021 (1)	
	(\$ and shares in millions, except per share amounts)	
<u>Adjusted Net Income Per Share</u>		
Net income attributable to ordinary shareholders	\$	602
Mandatory convertible preferred share dividends		63
Net income attributable to Aptiv		665
Adjusting items:		
		55
Restructuring		13
Other acquisition and portfolio project costs		1
Debt modification costs		(8)
Gain on change in fair value of publicly traded equity securities		(4)
Tax impact of adjusting items		
Adjusted net income attributable to Aptiv	\$	722
Adjusted weighted average number of diluted shares outstanding		283.62
Diluted net income per share attributable to Aptiv	\$	2.34
Adjusted net income per share	\$	2.55

(1) Prepared at the estimated mid-point of the Company's financial guidance range.

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SOURCE Aptiv PLC