

2021 Second Quarter Results

Gentherm, Inc.
July 29, 2021

Forward-Looking Statement



Except for historical information contained herein, statements in this presentation are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent Gentherm Incorporated's goals, beliefs, plans and expectations about its prospects for the future and other future events. The forward-looking statements included in this presentation are made as of the date hereof or as of the date specified herein and are based on management's reasonable expectations and beliefs. Such statements are subject to a number of important assumptions, risks, uncertainties and other factors that may cause actual results or performance to differ materially from that described in or indicated by the forward-looking statements. Those risks include, but are not limited to, risks that: the COVID-19 pandemic and its direct and indirect adverse impacts on the automobile and medical industries and global economy, which had, and may continue to have, an adverse effect on, among other things, the Company's results of operations, financial condition, cash flows, liquidity, business operations and stock price; borrowing availability under the Company's revolving credit facility, the loss of any key suppliers, or any material delays in the supply chain of the Company or the ORMs and Tier 1s supplied by the Company, including resulting from a shortage of key components (such as semiconductors); the Company's failure to be in compliance with covenants under its debt agreements, which could result in the amounts outstanding thereunder being accelerated and becoming immediately due and payable; the Company's ability to obtain additional financing by accessing the capital markets, which may not be available on acceptable terms or at all; the macroeconomic environment, including its impact on the automotive industry, which is cyclical; any significant declines or slower growth than anticipated in light vehicle production; market acceptance of the Company's existing or new products, and new or improved competing products developed by competitors with greater resources; shifting customer preferences, including due to the evolving use of automobiles and technology; the Company's ability to project future sales volumes, based on which the Company manages its business; reductions in new business awards, which were limited in 2020, and may continue to be limited, due to COVID-19 and related uncertainties; the Company's ability to convert new business awards into product revenues; managing the Company's growth effectively and to integrate successfully any recent business ventures, acquisitions, and strategic investments and alliances into the Company's business; the loss or insolvency of any of the Company's key customers; the impact of price downs in the ordinary course, or additional increased pricing pressures from the Company's customers; the feasibility of Company's development of new products on a timely, cost effective basis, or at all; security breaches and other disruptions to the Company's IT systems; work stoppages impacting the Company, its suppliers or customers; changes in free trade agreements or the implementation of additional tariffs, and the Company's ability to pass-through tariff costs; unfavorable changes to currency exchange rates; the Company's ability to protect its intellectual property in certain jurisdictions; the Company's ability to effectively implement ongoing restructuring and other cost-savings measures or realize the full amount of estimated savings; and compliance with, and increased costs related to, domestic and international regulations. The foregoing risks should be read in conjunction with the Company's filings with the Securities and Exchange Commission (the "SEC"), including "Risk Factors", in its most recent Annual Report on Form 10-K and subsequent SEC filings, for a discussion of these and other risks and uncertainties. In addition, the business outlook discussed in this presentation does not include the potential impact of any business combinations, acquisitions, divestitures, strategic investments and other significant transactions that may be completed after the date hereof, each of which may present material risks to the Company's future business and financial results. Except as required by law, the Company expressly disclaims any obligation or undertaking to update any forward-looking statements to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Use of Non-GAAP Financial Measures*



In addition to the results reported herein in accordance with GAAP, the Company has provided here or elsewhere Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EPS, Free Cash Flow, Net Debt and Revenue excluding the impact of foreign currency translation, each a non-GAAP financial measure. See the Company's earnings release dated July 29, 2021 for the definitions of each non-GAAP financial measure, information regarding why the Company utilizes such non-GAAP measures as supplemental measures of performance or liquidity, and their limitations.

* See Appendix for certain reconciliations of GAAP to non-GAAP historical financial measures

Automotive 2Q 2021 Highlights



- 18 Vehicle launches with 10 OEMs
- Multiple CCS® product launches
 - Chevrolet Bolt
 - Great Wall HAVAL
 - Mercedes EQS
 - Rivian R1T
- Won German Innovation Award 2021 for our innovative Cell Connecting Board with proprietary thin foil technology
- Second consecutive Supplier of the Year Award from General Motors
- Second consecutive recognition by Honda as a top North American Supplier



Continued strong execution in Automotive

New Automotive Business Awards

- First Production Vehicle Award for ClimateSense™
- \$400M in awards across 11 OEMs in 2Q 2021
- Multiple CCS® awards

Ford

Great Wall

Lincoln

Stellantis

- 15 Steering Wheel Heater awards across 4 OEMs
 - Innovative, combined steering wheel heat and hands-on-detection sensor with Audi
- Air-cooling Battery Thermal Management award with Kia



L I N C O L N

STELLANTIS



Continued momentum in new business awards

Medical 2Q 2021 Highlights

- Awarded a 3-year Patient Warming contract with Premier to include ASTOPAD™ and WarmAir® FilteredFlo® products
- Launched Blanketrol®CoolRepeat® in the U.S., enhancing Blanketrol functionality
- Improving hospital access in the U.S.; continued restrictions in Canada, Europe, and Latin America



Well positioned to grow the Medical business

Selected Income Statement Data



Three Months Ended
June 30,

Six Months Ended
June 30,

2021

2020

2021

2020

(Dollars in thousands, except per share data)

	2021	2020	2021	2020
Product Revenues	\$266,005	\$136,061	\$554,540	\$364,674
Automotive	255,105	124,386	534,475	340,858
Medical	10,900	11,675	20,065	23,816
Gross Margin	79,213	26,735	166,882	92,802
Gross Margin %	29.8%	19.6%	30.1%	25.4%
Operating Expenses	47,541	36,632	94,461	83,998
Operating Income (Loss)	31,672	(9,897)	72,421	8,804
Adjusted EBITDA	43,721	124	95,539	32,835
Adjusted EBITDA Margin	16.4%	0.1%	17.2%	9.0%
Diluted EPS - As Adjusted	\$0.85	\$(0.30)	\$1.89	\$0.22

Selected Balance Sheet Data



	June 30, 2021	December 31, 2020
	(Dollars in thousands)	
Cash and Cash Equivalents	\$ 186,863	\$ 268,345
Total Assets	933,876	1,022,839
Debt	48,294	192,434
Current	2,500	2,500
Non-Current	45,794	189,934
Revolving LOC Availability	431,625	288,776
Total Liquidity	618,488	557,121

2021 Guidance

Product Revenue ⁽¹⁾⁽²⁾	\$1.11B - \$1.17B
Adjusted EBITDA Margin ⁽³⁾	17% - 18%
Effective Tax Rate	20% - 22%
Capital Expenditures	\$50M - \$60M

(1) Based on the current forecast of customer orders and production outlook for the balance of 2021.

(2) Foreign exchange rate assumed at current levels.

(3) Due to the inherent difficulty of forecasting the timing and amount of certain items that would impact net income margin, such as foreign currency gains and losses, we are unable to reasonably estimate net income margin, the GAAP financial measure most directly comparable to Adjusted EBITDA margin. Accordingly, we are unable to provide a reconciliation of Adjusted EBITDA margin to net income margin with respect to the guidance provided.



Appendix

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin



	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income (Loss)	\$24,791	\$(10,322)	\$57,700	\$ 1,551
Add Back:				
Income Tax Expense	5,748	205	13,313	5,611
Interest Expense	630	1,361	1,669	2,109
Depreciation and Amortization	9,628	9,847	19,323	20,000
Adjustments:				
Restructuring Expenses	2,091	(598)	2,882	3,168
Unrealized Currency (Gain) Loss	(11)	1,609	(306)	2,374
Gain on Sale of Patents	—	(1,978)	—	(1,978)
Acquisition Expenses	844	—	958	—
Adjusted EBITDA	<u>\$43,721</u>	<u>\$ 124</u>	<u>\$95,539</u>	<u>\$32,835</u>
Product Revenues	\$266,005	\$136,061	\$554,540	\$364,674
Net Income Margin	9.3%	(7.6)%	10.4%	0.4%
Adjusted EBITDA Margin	16.4%	0.1%	17.2%	9.0%

Reconciliation of Adjusted EPS



	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Diluted EPS - As Reported	\$0.74	\$(0.32)	\$1.72	\$0.05
Non-Cash Purchase Accounting Impacts	0.06	0.07	0.12	0.13
Unrealized Currency Loss (Gain)	—	0.05	(0.01)	0.07
Restructuring Expenses	0.06	(0.02)	0.09	0.10
Gain on Sale of Patents	—	(0.06)	—	(0.06)
Acquisition Expenses	0.03	—	0.03	—
Tax Effect of Above	(0.04)	(0.02)	(0.06)	(0.07)
Diluted EPS - As Adjusted	\$0.85	\$(0.30)	\$1.89	\$0.22



GENTHERM

Technology to the next degree™