

2020 Second Quarter Results

Gentherm, Inc.
August 4, 2020

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: COVID-19 and its direct and indirect adverse impacts on the automobile and medical industries and the global economy has, and will 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; future borrowing availability under the revolving credit facility is subject to compliance with covenants, and to the extent that the Company's financial performance (including consolidated EBITDA) deteriorates due to COVID-19 impacts or otherwise, the Company's borrowing availability may be substantially less than the full amount of the facility; the Company's failure to be in compliance with covenants under the revolving credit facility due to COVID-19 or otherwise could result in an event of default thereunder, and if the lenders do not agree to amend or waive, the amounts outstanding may be accelerated and become immediately due and payable; additional financing by accessing the capital markets may not be available on acceptable terms, if at all, due to the impact of COVID-19 and additional indebtedness may harm the Company's financial position and impact the Company's ability to comply with covenants under the revolving credit facility; the Company may not realize the expected benefits from any restructuring initiatives it may pursue as a result of the effects of COVID-19; declines in automobile production may have an adverse impact; sales may not increase and the projected future sales volumes on which the Company manages its business may be inaccurate; new business awards may not be converted into product revenues and our projections thereof are not updated after the date initially communicated to us by customers, including for the impact of COVID-19 on future business; new or improved competing products may be developed by competitors with greater resources; customer preferences may shift, including due to the evolving use of automobiles and technology; the Company may lose suppliers or customers; market acceptance of the Company's existing or new products may decrease; currency exchange rates may change unfavorably; pricing pressures from customers may increase; the macroeconomic environment may present adverse conditions; new products may not be feasible; work stoppages impacting the Company, its suppliers or customers, due to labor matters, civil or political unrest, infectious diseases and epidemics or other reasons, could harm the Company's operations; free trade agreements may be altered or additional tariffs may be implemented; customers may not accept pass-through of tariff costs; the Company may be unable to protect its intellectual property in certain jurisdictions; there may be manufacturing or design defects or other quality issues with the Company's products; the Company may be unable to effectively implement ongoing restructuring and other cost-savings measures or realize the full amount of estimated savings; the Company's business may be harmed by security breaches and other disruptions to its IT systems; the Company may be unable to comply with or may incur increased costs associated with complying with domestic and international regulations, which could change in an unfavorable manner; and other adverse conditions in the industries in which the Company operates may negatively affect its results. 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 release 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 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 in accordance with GAAP throughout this presentation, the Company has provided information regarding Adjusted EBITDA and Adjusted EPS, each a non-GAAP financial measure. The Company defines Adjusted EBITDA as earnings (loss) before interest, taxes, depreciation and amortization, deferred financing cost amortization, and other gains and losses that the Company believes are not reflective of its ongoing operations and related tax effects including transaction expenses, CFO transition expenses, impairment of assets held for sale, gain or loss on sale of business, gain on sale of patents, restructuring expenses and unrealized currency gain or loss. The Company defines Adjusted EPS as earnings (loss) per share on a diluted basis, adjusted by gains and losses that the Company believes are not reflective of its ongoing operations and related tax effects including transaction expenses, non-cash purchase accounting impacts, impairment of assets held for sale, gain or loss on sale of business, restructuring expenses, gain on sale of patents, unrealized currency gain or loss, and CFO transition expenses. In evaluating its business, the Company considers and uses Adjusted EBITDA and Adjusted EPS as supplemental measures of its operating performance. Management provides these non-GAAP measures so that investors will have the same financial information that management uses with the belief that it will assist investors in properly assessing the Company's performance and liquidity, respectively, on a period-over-period basis. Other companies in our industry may calculate these non-GAAP financial measures differently than we do and those calculations may not be comparable to our metrics. These non-GAAP measures have limitations as analytical tools, and when assessing the Company's operating performance and liquidity, respectively, investors should not consider these non-GAAP measures in isolation, or as a substitute for net income (loss), earnings (loss) per share or other consolidated income statement data prepared in accordance with GAAP.

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

2Q 2020 Highlights

- > Continued to outperform in each of the key automotive markets
- > \$300M in Automotive new business awards
- > Drove double digit revenue growth in Medical - both year over year and sequentially
- > Reduced operating expense by 30% year over year
- > Generated a 24% increase in cash flow from operations in the first half
- > Strong balance sheet with total liquidity of \$369 million at quarter end



Strong execution despite challenging conditions

Automotive 2Q 2020 Highlights



- > Recognized by General Motors as a 2019 Supplier of the Year Winner
- > 30 Vehicle launches with 29 OEMs
- > Multiple CCS® product launches

Acura MDX

Chevrolet Bolt / Blazer

Chevrolet Silverado

GMC Sierra

Hongqi HS7

KIA K5 / Optima

- > Launched phase two advanced ClimateSense™ development project with BMW
- > Lear and Gentherm introduced INTU™ Thermal Comfort Seating with ClimateSense™ technology



Continued momentum in Automotive

Automotive Awards

- > \$300M in awards in 2Q across 11 OEMs
- > Over 90% win rate in the quarter
- > Multiple CCS® awards

BMW

Cadillac

Ford

GM BEV Platform

Hyundai

- > Steering heater awards across 5 OEMs
- > Expanded business with Toyota with seat heater awards for Lexus RX / NX and Toyota Sequoia



HYUNDAI



Record win rate for new business awards

Medical 2Q 2020 Highlights

- > Record quarterly revenue; up 18% year over year
- > Continued revenue growth in Blanketrol® equipment globally to support temperature management of COVID-19 patients
- > Hemotherm® now able to be utilized for extracorporeal membrane oxygenation (ECMO) therapy under FDA Emergency Use Authorization for COVID-19 patients



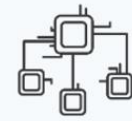
Continued strong growth in the Medical business

Summary

- › Executed against strategic plan
 - Focused growth
 - Divested non-core businesses
 - Realigned cost structure
 - Bringing innovative solutions to market
- › Remain highly focused on strong execution
- › Capabilities to pivot resources to meet immediate customer needs
- › Strong balance sheet and financial resources



Focused
Growth



Extend
Technology
Leadership



Expand Margins
and ROIC



Optimize Capital
Allocation

Positioned well to continue to deliver over the long term

Selected Income Statement Data



Three Months Ended
June 30,

Six Months Ended
June 30,

2020

2019

2020

2019

(Dollars in thousands, except per share data)

	2020	2019	2020	2019
Product Revenues	\$ 136,061	\$ 243,326	\$ 364,674	\$ 501,247
Gross Margin	26,735	72,714	92,802	148,021
Gross Margin %	19.6%	29.9%	25.4%	29.5%
Operating Expenses	36,632	52,657	83,998	106,119
Operating (Loss) Income	(9,897)	20,057	8,804	41,902
Adjusted EBITDA	124	32,162	32,835	67,356
Diluted EPS - As Adjusted	(0.30)	0.47	0.22	1.02

Selected Balance Sheet Data



	June 30, 2020	December 31, 2019
	(Dollars in thousands)	
Cash and Cash Equivalents	\$ 209,170	\$ 50,443
Restricted Cash	2,505	2,505
Total Assets	823,370	727,386
Debt	200,599	80,624
Current	2,500	2,500
Non-Current	198,099	78,124
Revolving LOC Availability	159,342	392,325
Total Liquidity	368,512	442,768



Appendix

Reconciliation of Net (Loss) Income to Adjusted EBITDA



Three Months Ended
June 30,

Six Months Ended
June 30,

	2020	2019	2020	2019
Net (Loss) Income	\$ (10,322)	\$ 2,751	\$ 1,551	\$ 11,165
Add Back:				
Income Tax Expense	205	5,548	5,611	12,443
Interest Expense	1,361	1,240	2,109	2,608
Depreciation and Amortization	9,847	11,094	20,000	22,074
Adjustments:				
Restructuring Expenses	(598)	1,231	3,168	3,145
Impairment Loss	—	9,885	—	20,369
Gain on Sale of Business	—	—	—	(4,970)
Acquisition Transaction Expense	—	342	—	380
Unrealized Currency Loss (Gain)	1,609	71	2,374	(923)
Gain on Sale of Patents	(1,978)	—	(1,978)	—
CFO Transition Expense	—	—	—	1,065
Adjusted EBITDA	\$ 124	\$ 32,162	\$ 32,835	\$ 67,356

Reconciliation of Adjusted EPS



	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Diluted EPS - As Reported	\$ (0.32)	\$ 0.08	\$ 0.05	\$ 0.33
Acquisition Transaction Expenses	—	0.01	—	0.01
Non-Cash Purchase Accounting Impacts	0.07	0.08	0.13	0.15
Unrealized Currency Loss (Gain)	0.05	—	0.07	(0.02)
Restructuring Expenses	(0.02)	0.04	0.10	0.09
Gain on Sale of Patents	(0.06)	—	(0.06)	—
Impairment Loss and Gain on Sale of Business	—	0.29	—	0.46
CFO Transition Expenses	—	—	—	0.03
Tax Effect of Above	(0.02)	(0.03)	(0.07)	(0.03)
Diluted EPS - As Adjusted	\$ (0.30)	\$ 0.47	\$ 0.22	\$ 1.02



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Technology to the next degree™