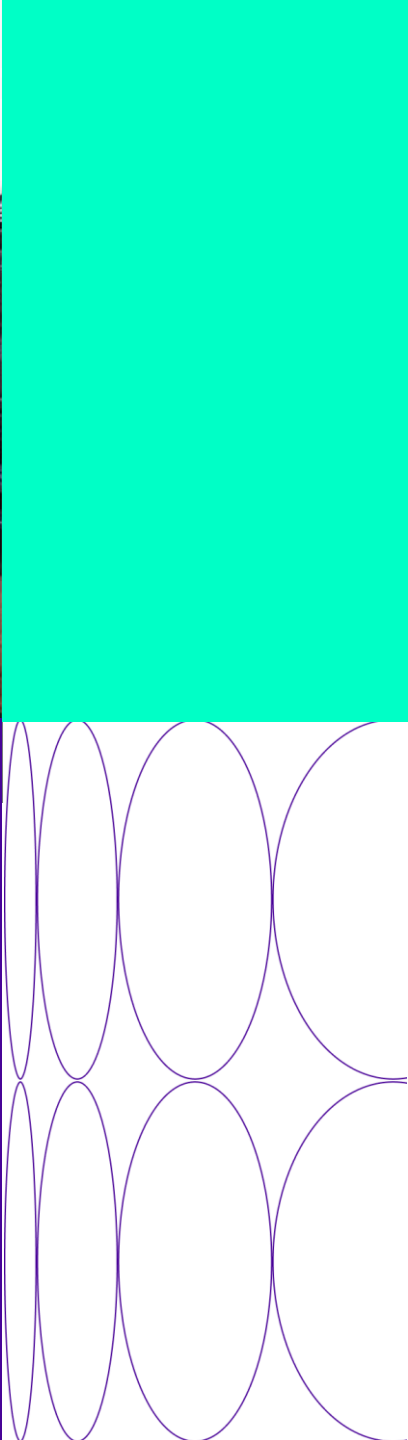




# 2023 Fourth Quarter Results & Full Year Results

February 21, 2024



# Use of Non-GAAP Financial Measures\*

In addition to the results reported herein in accordance with GAAP, the Company has provided here or may discuss on the related conference call Adjusted Operating Expense, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EPS, Free Cash Flow, Net Debt, organic revenue, revenue excluding acquired businesses and foreign currency translation, revenue excluding foreign currency translation, Automotive revenue excluding the impact from the United Auto Workers strike, non-automotive electronics, one-time customer recoveries and foreign currency translation, organic Automotive revenue excluding the impact from the United Auto Workers strike, non-automotive electronics, one-time customer recoveries and foreign currency translation, pro forma product revenues, pro forma Adjusted EBITDA, pro forma Adjusted EBITDA margin and Adjusted Effective Tax Rate, each a non-GAAP financial measure. Starting in 2023, the Company is excluding the impact of non-cash stock-based compensation from its definition of Adjusted EBITDA and Adjusted EBITDA margin. References to Adjusted EBITDA and Adjusted EBITDA margin for prior periods have been recast to exclude the impact of non-cash stock-based compensation. See the Company's earnings release dated February 21, 2024, 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, and for certain reconciliations of GAAP to non-GAAP historical financial measures.

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

# Forward-Looking Statement

Except for historical information contained herein, statements in this presentation are forward-looking statements that are made by Gentherm Incorporated (the “Company”) pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements that address future operating, financial or business performance or strategies or expectations are forward-looking statements. The forward-looking statements included in this presentation are made as of the date specified herein and are based on management's reasonable expectations and beliefs. In making these statements we rely on assumptions and analysis based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we consider appropriate under the circumstances. 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 strategies or expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The forward-looking 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 expressed or implied by such statements. For a discussion of these risks and uncertainties and other factors, please see the Company's most recent Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission, including “Risk Factors.” 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.

# 2023 Highlights



Record \$2.6B in Automotive new business awards



Record company revenue



Record company Adjusted EBITDA



Generated \$120M of cash flow from operations and repurchased \$90M of shares



Strong execution led to record results despite challenging environment

# Winning at Record Pace

✓ Expanding core thermal



CCS<sup>®</sup> expanding globally, including fast growing domestic Chinese OEMs; significant growth in hands-on-detection enabled steering wheel heaters

✓ Growing market share in pneumatic



Won conquest pneumatic lumbar and massage awards with 8 OEMs globally leveraging the Alfmeier acquisition

✓ Leading supplier of combined systems



Won customer programs with combined thermal and pneumatic lumbar / massage solutions

✓ Increasing vehicle content



Leveraging ClimateSense<sup>®</sup> and WellSense<sup>™</sup> to increase vehicle content, demonstrated by new business wins

✓ Differentiating with software

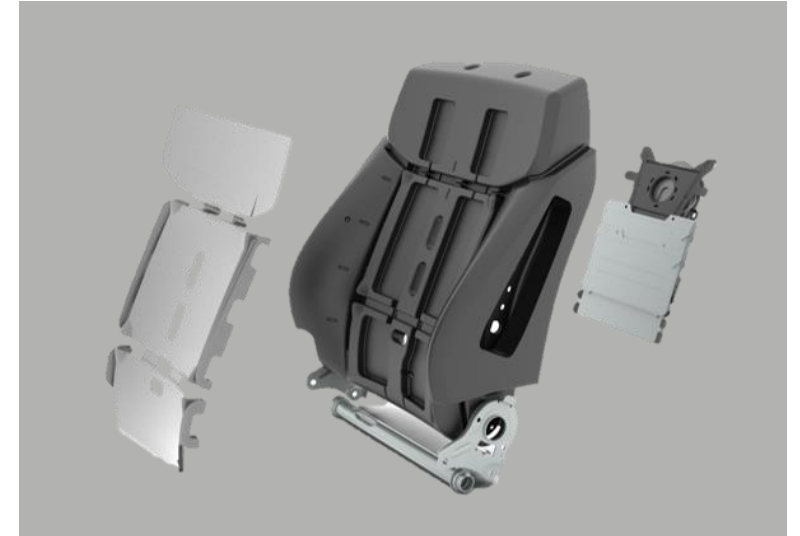
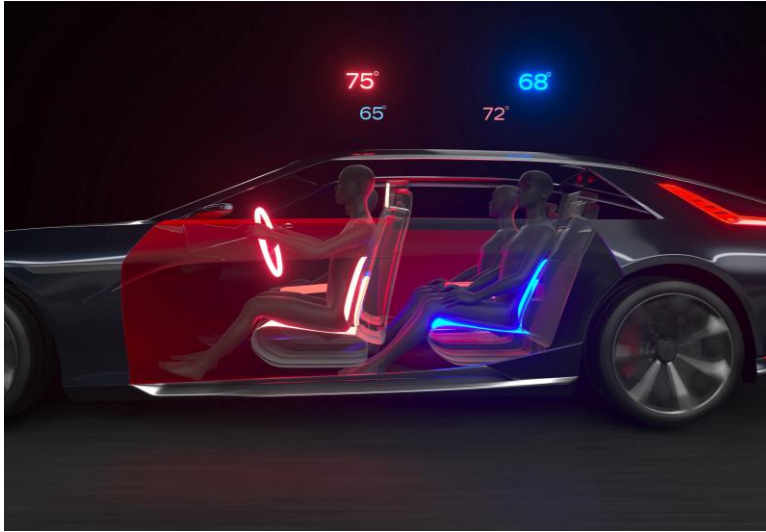


ClimateSense<sup>®</sup> software enabling software defined vehicles

Independent partnership model leading to record wins and deeper customer relationships

# Industry Leading Innovations

**GENTHERM**



## ClimateSense®

- Best-in-class software controlled thermal comfort
- Enhances energy efficiency and vehicle range
- Personalized microclimate

## WellSense™

- Combines thermal, lumbar and massage
- Proprietary software driven wellness and alertness features
- Enabling software defined vehicles

## ComfortScale™

- Modular and scalable hardware
- Easy to integrate across OEMs and Tier 1s
- Enhanced cost efficiency

Increasing content per vehicle with differentiated and proprietary solutions; well positioned to capitalize on the software defined vehicles of the future

# Automotive Highlights

**GENTHERM**

---

# 21

Vehicle launches with 13 OEMs

---

Multiple CCS<sup>®</sup> Launches

Toyota Tacoma

Ford Ranger

Mazda CX-90

BEV Truck with large EV Manufacturer

---



ClimateSense<sup>®</sup> named a finalist for the 2023  
Automotive News PACE Award

---



---

Record Automotive revenues in 2023 including record annual revenues for Climate Control Seat (CCS<sup>®</sup>), Seat Heaters and Steering Wheel Heaters

# New Automotive Business Awards

\$900M

in awards in 4Q



Multiple CCS® Awards from:  
General Motors | Great Wall |  
HKMC | Nissan | Rivian

8

Steering Wheel Heater awards across 7  
OEMs including hands-on-detection  
enabled heater award with BMW, Geely,  
General Motors, Li Auto and Nissan



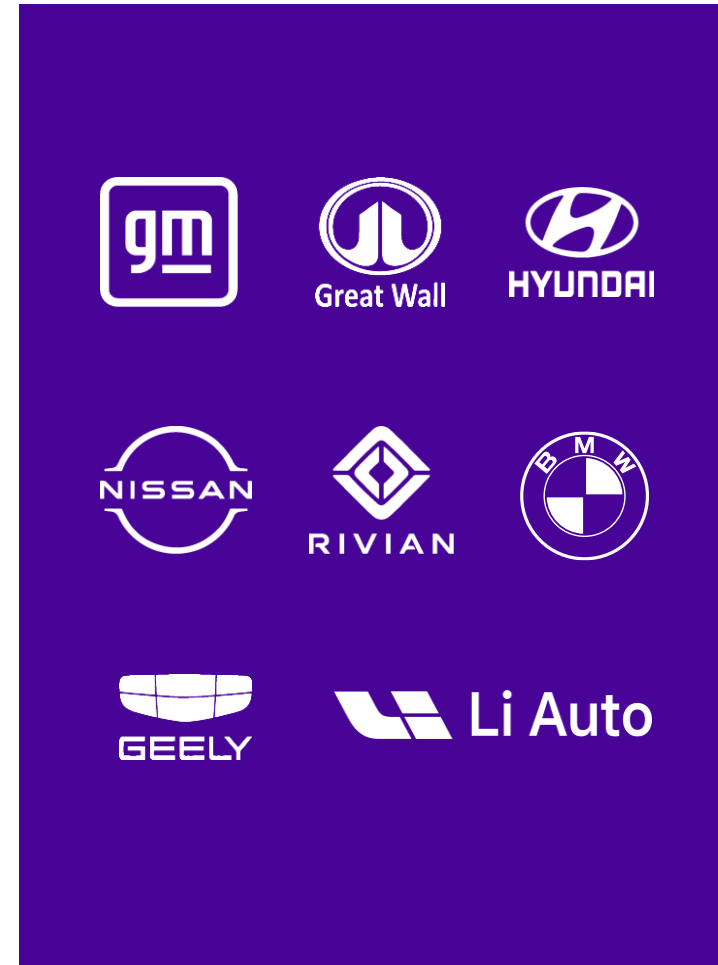
CCS® and multifunction electronic control  
unit awards for General Motors' next  
generation truck platform



Breakthrough scalable ClimateSense®  
software award with General Motors



Paused pursuit of BPS Cell Connecting



Record quarterly and annual Automotive Business Awards driven by accelerating demand for thermal comfort, massage and lumbar solutions



# Medical Highlights

---

15%

Strong revenue growth as a result of higher Blanketrol® sales

---



26 New major hospital account expansion in China



Awarded Blanketrol® III system upgrades throughout Health Trust Performance Group member hospitals

---

Double digit revenue growth leveraging large partnerships, distribution and white label opportunities



# Select Income Statement Data

**GENTHERM**

Three Months Ended December 31

Twelve Months Ended December 31

*(Dollars in thousands,  
except per share data)*

	Three Months Ended December 31		Twelve Months Ended December 31		Pro forma 2022 <sup>(1)</sup>
	2023	2022	2023	2022	
Product Revenues	\$ 366,933	\$ 343,322	\$ 1,469,076	\$ 1,204,656	\$ 1,348,295
Automotive	353,945	332,046	1,422,952	1,161,616	1,305,255
Medical	12,988	11,276	46,124	43,040	
Gross Margin	96,296	69,808	351,624	273,650	
Gross Margin %	26.2%	20.3%	23.9%	22.7%	
Operating Expenses	64,593	66,248	274,185	225,343	
Operating Income	31,703	3,560	77,439	48,307	
Adjusted EBITDA	49,022	40,949	180,584	137,162	139,727
Adjusted EBITDA Margin	13.4%	11.9%	12.3%	11.4%	10.4%
Diluted EPS - As Adjusted	\$ 0.90	\$ 0.47	\$ 2.59	\$ 1.82	

<sup>(1)</sup> Pro forma amounts include the results of Alfmeier as if the acquisition had occurred as of January 1, 2022.

# Select Balance Sheet Data

*(Dollars in thousands)*

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash and Cash Equivalents	\$ 149,673	\$ 153,891
Total Assets	1,234,371	1,239,300
Debt	222,838	235,096
Current	621	2,443
Non-Current	222,217	232,653
Revolving LOC Availability	278,000	264,904
Total Liquidity	427,673	418,795

# 2024 Guidance and 2026 Outlook

	2024 E	2026 E
Product Revenue <sup>(1)(2)</sup>	\$1.5B – \$1.6B	\$1.9B – \$2.0B
Adjusted EBITDA Margin <sup>(1)(2)</sup>	12.5% – 13.5%	~ 16%
Adjusted Effective Tax Rate	26% – 29%	
Capital Expenditures	\$65M – \$75M	

(1) Based on the current forecast of customer orders and light vehicle production in the Company's key markets declining at a low single-digit rate in 2024 versus 2023.

(2) Assumes a EUR to USD exchange rate of \$1.10/Euro.

❖ 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.

# 2024 Priorities



Lead the industry with new Automotive Business Awards and execute on unprecedented award backlog



Execute on Fit-for-Growth 2.0 initiatives to expand margin



Deliver industry leading proprietary innovations such as ClimateSense<sup>®</sup>, WellSense<sup>™</sup> and ComfortScale<sup>™</sup>



Laser focused on key priorities to drive operational execution, profitability improvement and innovation

# Why Gentherm



Pure play leader in thermal management and pneumatic comfort



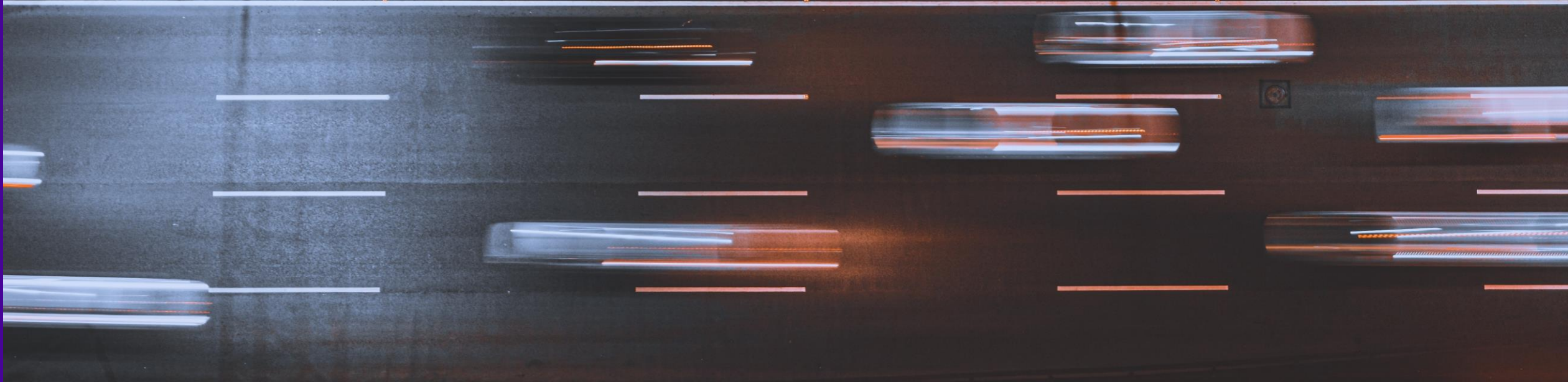
Global automotive market is large with rapidly growing penetration of thermal and pneumatic solutions



Unique, innovative, energy efficient and software driven solutions key to vehicles of the future



Consistent execution against strategic plan with financial discipline



Poised for high-return growth and outpacing the market



# Appendix



# Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

**GENTHERM**

<i>(Dollars in thousands)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net Income (Loss)	\$ 18,087	\$ (4,205)	\$ 40,343	\$ 24,441
Add Back:				
Income Tax (Benefit) Expense	(867)	(57)	14,611	13,941
Interest Expense, net	5,197	3,009	14,641	4,294
Depreciation and Amortization	12,062	13,779	50,416	44,038
Adjustments:				
Restructuring Expenses	1,327	76	4,739	637
Unrealized Currency Loss	4,898	5,678	9,125	4,646
Acquisition and Integration Expenses	578	4,261	5,308	22,618
Non-Automotive Electronics Inventory Charge	575	–	6,064	–
Impairment of Goodwill	–	–	19,509	–
Impairment of Intangible Assets and Property and Equipment	–	15,669	–	15,669
Non-Cash Stock-Based Compensation	3,164	2,771	11,756	7,393
Other	4,001	(32)	4,072	(515)
Adjusted EBITDA	49,022	40,949	180,584	137,162
Product Revenues	366,933	343,322	1,469,076	1,204,656
Net Income Margin	4.9%	(1.2)%	2.7%	2.0%
Adjusted EBITDA Margin	13.4%	11.9%	12.3%	11.4%



# Reconciliation of Adjusted EPS

**GENTHERM**

	Three Months Ended December 31		Twelve Months Ended December 31	
	2023	2022	2023	2022
Diluted EPS - As Reported	\$ 0.56	\$ (0.13)	\$ 1.22	\$ 0.73
Acquisition and Integration Expenses	0.02	0.13	0.16	0.68
Non-Cash Purchase Accounting Impacts	0.05	0.10	0.22	0.29
Unrealized Currency Loss	0.15	0.17	0.28	0.14
Restructuring Expenses	0.04	0.00	0.14	0.02
Non-Automotive Electronics Inventory Charge	0.02	–	0.18	–
Impairment of Goodwill	–	–	0.59	–
Impairment of Intangible Assets and Property and Equipment	–	0.47	–	0.47
Other	0.12	(0.00)	0.12	(0.02)
Tax Effect of Above	(0.07)	(0.28)	(0.33)	(0.48)
Rounding	0.01	0.01	0.01	(0.01)
Diluted EPS - As Adjusted	0.90	0.47	2.59	1.82