

2021 Fourth Quarter and Full Year Results

Gentherm, Inc.
February 17, 2022

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 are likely to 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; the current supply-constrained environment we are facing involving component shortages, manufacturing disruptions, logistics challenges and inflationary pressures, and any future material delays in the supply chain of the Company or the automotive original equipment manufacturers ("OEMs") or first tier suppliers ("Tier 1s") supplied by the Company; the period of sustained price increases for various material components and shipping costs currently experienced in the automotive industry, which may continue for longer than we expect; the impact of industry or consumer behaviors on future automotive vehicle production, including the development and use of autonomous and electric vehicles and increasing use of car- and ride-sharing and on-demand transportation as a service, as well as related regulations; borrowing availability under the Company's revolving credit facility; 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 in automobile 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 shifts 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 due to the macroeconomic environment, COVID-19 and related uncertainties; the Company's ability to convert new business awards into product revenues; the loss or insolvency of any of the Company's key customers, including due to M&A or other market consolidation of OEMs and Tier 1s; the loss of any key suppliers; 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; labor shortages, wage inflation and 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; compliance with, and increased costs related to, domestic and international regulations, including potential climate change regulations; changes in government leadership and laws, political instability and economic tensions between governments; and severe weather conditions and natural disasters and any resultant disruptions on the supply or production of goods or services or customer demands. 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 Operating Expense, 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 February 17, 2022 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 and page four for the reconciliation of Free Cash Flow.

Full Year 2021 Highlights

- Significantly outperformed the automotive market
- Record Automotive revenue
- \$1.6B in new Automotive business awards
- Expanded our position as a leading supplier in electric vehicle market
- Record Adjusted EBITDA of \$157M
- Record Free Cash Flow* of \$105M

* Free cash flow reflects net cash provided by operating activities (\$143M) less purchases of property and equipment (\$38M)



Continued strong execution despite challenging environment

Automotive 4Q 2021 Highlights



- 15 Vehicle launches with 11 OEMs
- Multiple CCS® product launches
 - Land Rover Range Rover
 - Lincoln Zephyr
 - Nissan Ariya & Pathfinder
 - Infiniti QX60
- Launched high voltage cable solution on Rivian
- Began a new ClimateSense™ development project with a third European OEM



Continued momentum in Automotive

New Automotive Business Awards

- \$540M in awards across 20 OEMs in 4Q 2021
- Multiple CCS® awards
 - Cadillac
 - Great Wall
 - Kia
 - Hongqi
 - Honda
 - Xpeng
- Expanded strong position with one of the largest Electric Vehicle manufacturers with breakthrough CCS® and Seat Heater awards
- 23 Steering Wheel Heater awards across 8 OEMs including 7 hands-on-detection enabled solutions
- Won next generation multi-function electronic control unit award with Ford
- Secured proprietary thin foil battery heating award for Renault PHEV platform



RENAULT

Accelerating adoption of Gentherm technologies in Electric Vehicles

Equipping EVs of Today and Tomorrow

ClimateSense™

Microclimate platform using our proprietary algorithm based on thermophysiology to provide an innovative personalized experience and range extension.

EV Range Extending Climate Comfort Solutions



Neck Conditioner

Steering Wheel Heater

Proprietary Hands-On Detection

Seat Heat/Advanced CCS

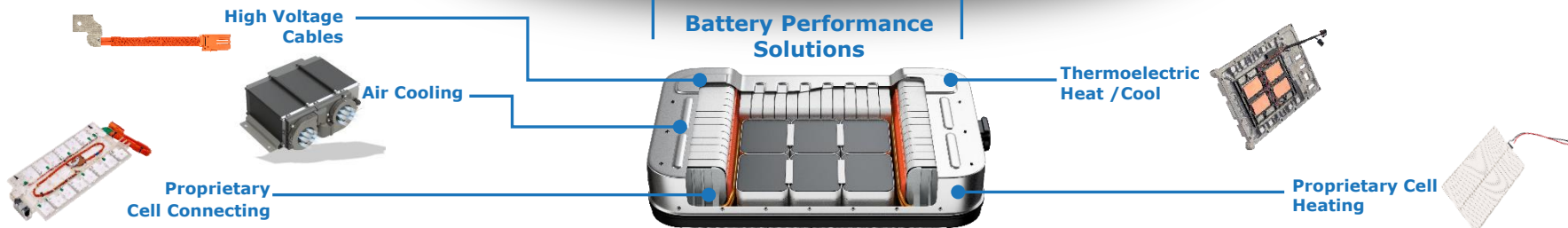
Floor & Ceiling Radiant Heat

Surface Heat

Digital Intelligence

- Thermal and Multi-function Electrical Control Unit
- Advanced Software - Enabling flexible and scalable architectures

Battery Performance Solutions



High Voltage Cables

Air Cooling

Thermoelectric Heat / Cool

Proprietary Cell Connecting

Proprietary Cell Heating

New Innovations Brought to Market in 2021



- 1. ClimateSense™ Software and User Experience**
Scalable software, improving comfort, personalization and energy efficiency.

- 2. FiberTherm™**
Next generation carbon fiber seat heat technology.

- 3. PilotSense™**
Industry first, single layer steering wheel heat and Hands-on-Detection (HOD) solution.

- 4. Intelligent Neck Conditioning**
A compact microclimate device with integrated Electronic Control Unit (ECU) and smart algorithm.

- 5. Intelligent Micro-Thermal Module (i MTM®)**
Next Generation CCS Active.

- 6. ECU integrated Cell-Connecting Board (eCCB)**
Proprietary thin foil cell-connecting system with embedded cell-sensing.

Medical 4Q 2021 Highlights

- Revenue up 17% year over year
- Continued strong demand for Blanketrol® globally
- Formed an exclusive partnership with US Med-Equip to increase Blanketrol® sales via the equipment rental market
- Won multiple ASTOPAD® awards with health systems and hospitals across the U.S.



Well positioned to grow the Medical business

Selected Income Statement Data



Three Months Ended
December 31,

Twelve Months Ended
December 31,

2021

2020

2021

2020

(Dollars in thousands, except per share data)

	2021	2020	2021	2020
Product Revenues	\$248,226	\$288,884	\$1,046,150	\$913,098
Automotive	237,130	279,376	1,004,633	869,998
Medical	11,096	9,508	41,517	43,100
Gross Margin	67,362	92,697	303,631	268,104
Gross Margin %	27.1%	32.1%	29.0%	29.4%
Operating Expenses	45,481	50,790	188,625	178,887
Operating Income	21,881	41,907	115,006	89,217
Adjusted EBITDA	30,932	56,958	156,952	139,939
Adjusted EBITDA Margin	12.5%	19.7%	15.0%	15.3%
Diluted EPS - As Adjusted	\$0.61	\$1.16	\$3.01	\$2.29

Selected Balance Sheet Data



	December 31, 2021	December 31, 2020
	(Dollars in thousands)	
Cash and Cash Equivalents	\$190,606	\$268,345
Total Assets	935,343	1,022,839
Debt	38,750	192,434
Current	2,500	2,500
Non-Current	36,250	189,934
Revolving LOC Availability	440,000	288,776
Total Liquidity	630,606	557,121

2022 Guidance

Product Revenue ⁽¹⁾⁽²⁾	\$1.12B - \$1.22B
Adjusted EBITDA Margin ⁽¹⁾⁽³⁾	14% - 16%
Effective Tax Rate	26% - 28%
Capital Expenditures	\$50M - \$60M

- (1) Based on the current forecast of customer orders, supply chain constraints, estimated recovery of industry-wide semiconductor supply, light vehicle production in the Company's key markets growing at a high single-digit rate in 2022 versus 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



<i>(Dollars in thousands)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
Net Income	\$20,048	\$33,993	\$93,434	\$59,690
Add Back:				
Income Tax Expense	2,459	6,652	20,418	21,866
Interest Expense	574	1,191	2,758	4,559
Depreciation and Amortization	9,261	10,177	38,443	40,306
Adjustments:				
Restructuring Expenses	226	2,351	3,857	5,803
Unrealized Currency (Gain) Loss	(1,791)	1,170	(3,136)	7,661
Gain on Sale of Patents	—	—	—	(1,978)
Acquisition and Divestiture Expenses	155	1,424	1,178	2,032
Adjusted EBITDA	<u>\$30,932</u>	<u>\$56,958</u>	<u>\$156,952</u>	<u>\$139,939</u>
Product Revenues	\$248,226	\$288,884	\$1,046,150	\$913,098
Net Income Margin	8.1%	11.8%	8.9%	6.5%
Adjusted EBITDA Margin	12.5%	19.7%	15.0%	15.3%

Reconciliation of Adjusted EPS



	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
Diluted EPS - As Reported	\$0.60	\$1.02	\$2.79	\$1.81
Acquisition and Divestiture Expenses	—	0.04	0.04	0.06
Non-Cash Purchase Accounting Impacts	0.06	0.07	0.25	0.27
Unrealized Currency (Gain) Loss	(0.05)	0.04	(0.09)	0.23
Restructuring Expenses	0.01	0.07	0.12	0.18
Gain on Sale of Patents	—	—	—	(0.06)
Tax Effect of Above	(0.01)	(0.08)	(0.09)	(0.20)
Rounding	—	—	(0.01)	—
Diluted EPS - As Adjusted	\$0.61	\$1.16	\$3.01	\$2.29



GENTHERM

Technology to the next degree™