

GENTHERM

STRATEGY UPDATE

FEBRUARY 22, 2023



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 (the “SEC”), 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.

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 EBITDA, Adjusted EBITDA margin, Adjusted EBITDA excluding non-cash stock-based compensation, Adjusted EBITDA margin excluding non-cash stock-based compensation, Free Cash Flow, Net Debt, organic revenue, and pro forma product revenues, each a non-GAAP financial measure. Starting with 2023, the Company will exclude the impact of non-cash stock-based compensation from its definition of Adjusted EBITDA and Adjusted EBITDA margin. Forward-looking references to Adjusted EBITDA and Adjusted EBITDA margin herein exclude the impact of stock-based compensation as newly defined. References to Adjusted EBITDA and Adjusted EBITDA margin for prior periods have not been recast and include the impact of non-cash stock-based compensation. See the Company's earnings release dated February 22, 2023, 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.

OUR MISSION

Creating and delivering extraordinary solutions that make meaningful differences in everyday life, by improving health, wellness, comfort, and energy efficiency

Positively impacting people's lives around the world

Why Gentherm



Pure play leader in thermal management and pneumatic comfort



Global automotive market is large and under-penetrated with thermal and pneumatic solutions



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



Global reach and industry-leading manufacturing capabilities



Consistent execution against strategic plan



Strong cost management and profitability, above market returns



Powerful culture, led by global talent, with Environmental, Social and Governance (ESG) focus at the core



Diverse and proven Board of Directors and Executive Management team

Poised for high-return growth, outpacing the market

Board of Directors

RON Hundzinski



CFO & Executive Director, TI Fluid Systems

SOPHIE Desormière



Chief Growth Officer, Aliaxis

DAVID Heinzmann



President & CEO, Littelfuse Inc.

CHARLES Kummeth



President & CEO, Bio-Techne Corp.

BETSY Meter



Partner & Managing Director, KPMG Detroit Retired, 2021

BYRON T. Shaw II



President, Byron Shaw LLC

JOHN Stacey



Special Advisor, Harman International Retired CHRO, 2022

PHIL Eyler



Director; President & CEO Gentherm

Engaged, talented and effective Board

Leadership Team

PHIL EYLER



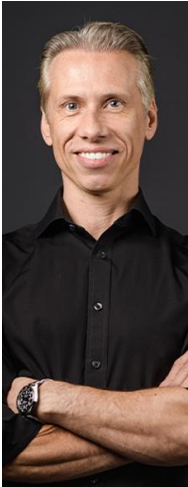
President & CEO

MATTEO ANVERSA



Chief Financial Officer

RAFAEL BARKAS



Global Operations & Supply Chain

YIJING BRENTANO



IR, Strategy & Corporate Development

STEVE FLETCHER



General Manager, Medical

WAYNE KAUFFMAN



General Counsel

BARB RUNYON



Chief Human Resources Officer

THOMAS STOCKER



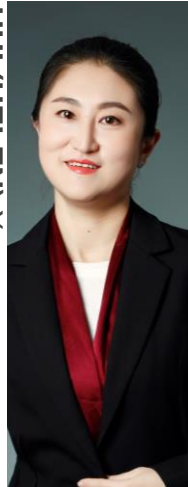
Europe Automotive, Global Pneumatic & BPS

JAYMI WILSON



North America Automotive, Global Sales & Marketing

HUI (HELEN) XU



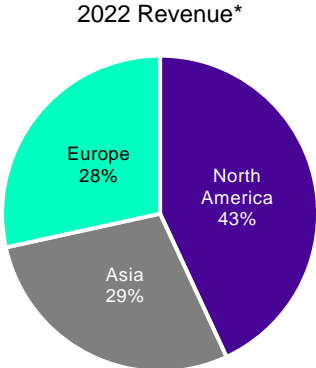
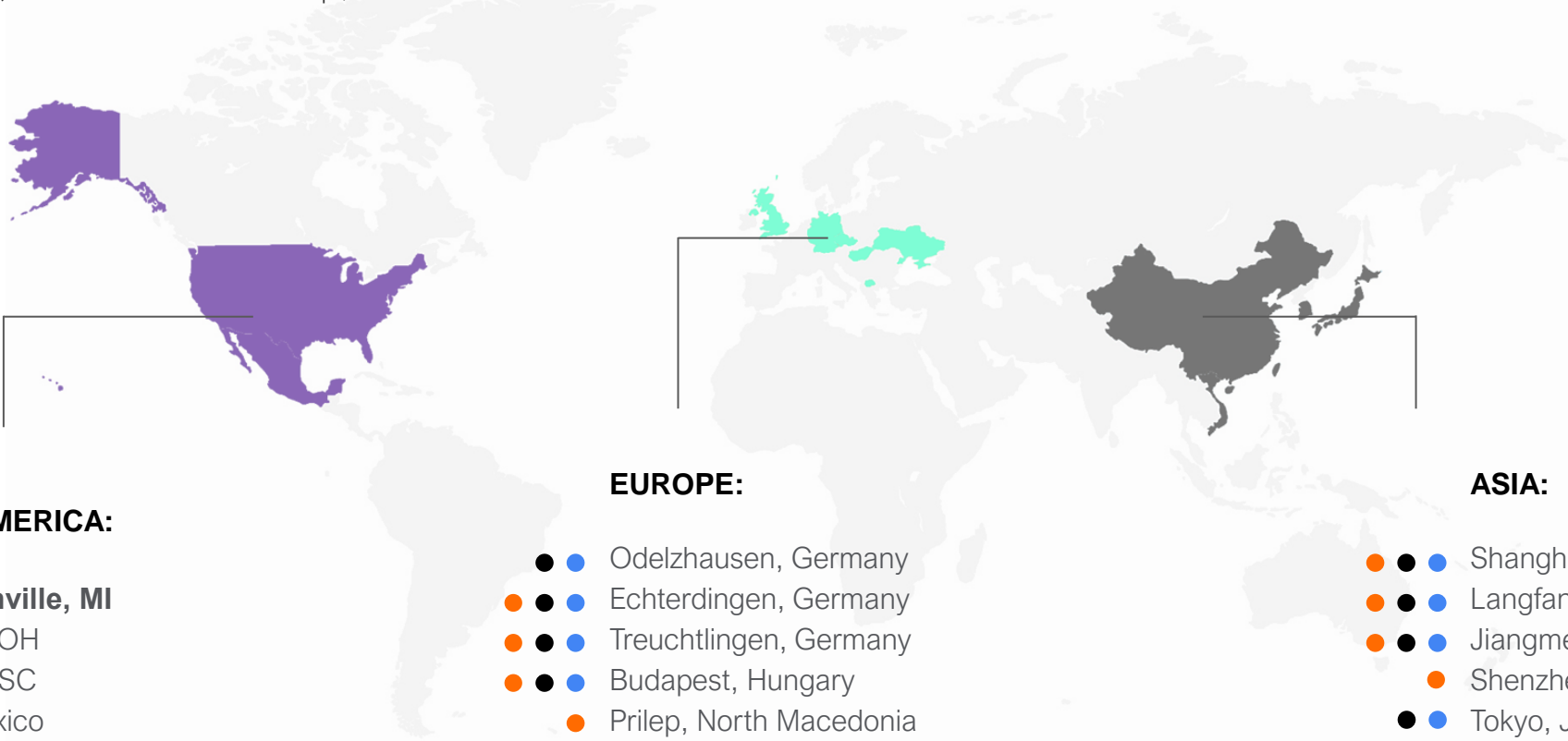
Asia Automotive, Global Thermal Comfort

High performing, battle-tested leadership team

Our Locations

30+ LOCATIONS | 14,000+ TEAM MEMBERS | \$1.3B REVENUE*

- Manufacturing and Distribution
- Sales and Support
- Engineering



NORTH AMERICA:

- ● **HQ - Northville, MI**
- ● Cincinnati, OH
- ● Greenville, SC
- ● Acuña, Mexico
- Celaya, Mexico
- Monterrey, Mexico

EUROPE:

- ● Odelzhausen, Germany
- ● Echterdingen, Germany
- ● Treuchtlingen, Germany
- ● Budapest, Hungary
- Prilep, North Macedonia
- Pilsen, Czech Republic
- Vynohradiv, Ukraine

ASIA:

- ● Shanghai, China
- ● Langfang, China
- ● Jiangmen, China
- Shenzhen, China
- Tokyo, Japan
- Seoul, South Korea
- Ha Nam, Vietnam

Extremely well positioned with broad global reach and strong manufacturing capabilities

* 2022 Pro forma, includes full year of Alfmeier revenue

50+ Global Automotive Customers

NORTH AMERICA



ASIA

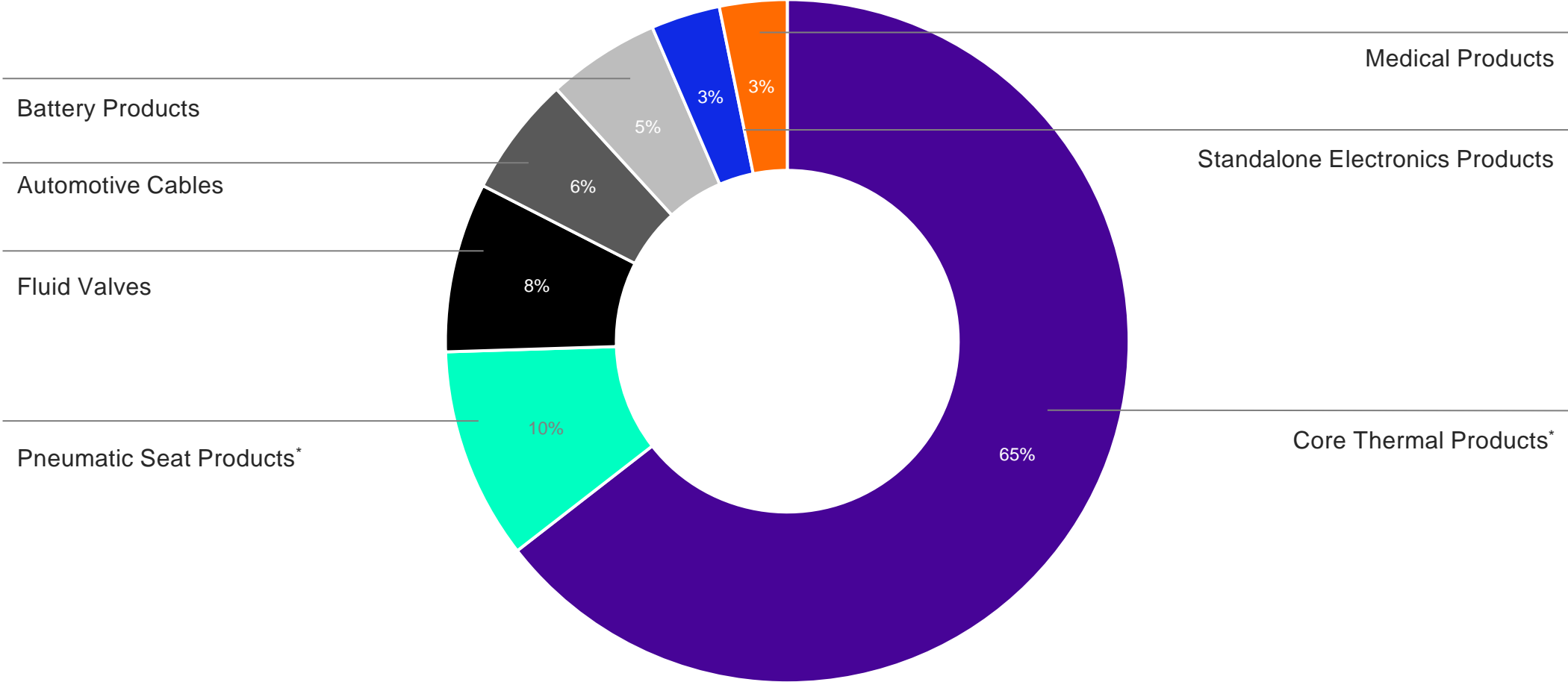


EUROPE



Extremely well-diversified, global customer base

Market Segments



* Includes electronics
2022 Pro forma, includes full year of Alfmeier revenue

Achieved significant product diversification since 2018, while maintaining focused growth strategy

Our Sustainability Journey



People

92% of employees work at ISO14001 certified sites
2023 America's most responsible company by Newsweek



Planet

100% renewable energy in 2022 at Northville, Treuchtlingen, Stuttgart and Pilsen locations



Places

8,500+ community volunteer hours



Product

ClimateSense® enables up to 70% energy savings, 30+% BEV range extension*

* Based on testing conducted by General Motors

ESG is at the core of Gentherm identity

Key Industry Trends

Vehicle Electrification Software-Defined Vehicle Smart Devices/Features Comfort & Wellness Redefined

Improved Patient Outcomes ADAS Proliferation Personalized Experience Occupant Monitoring

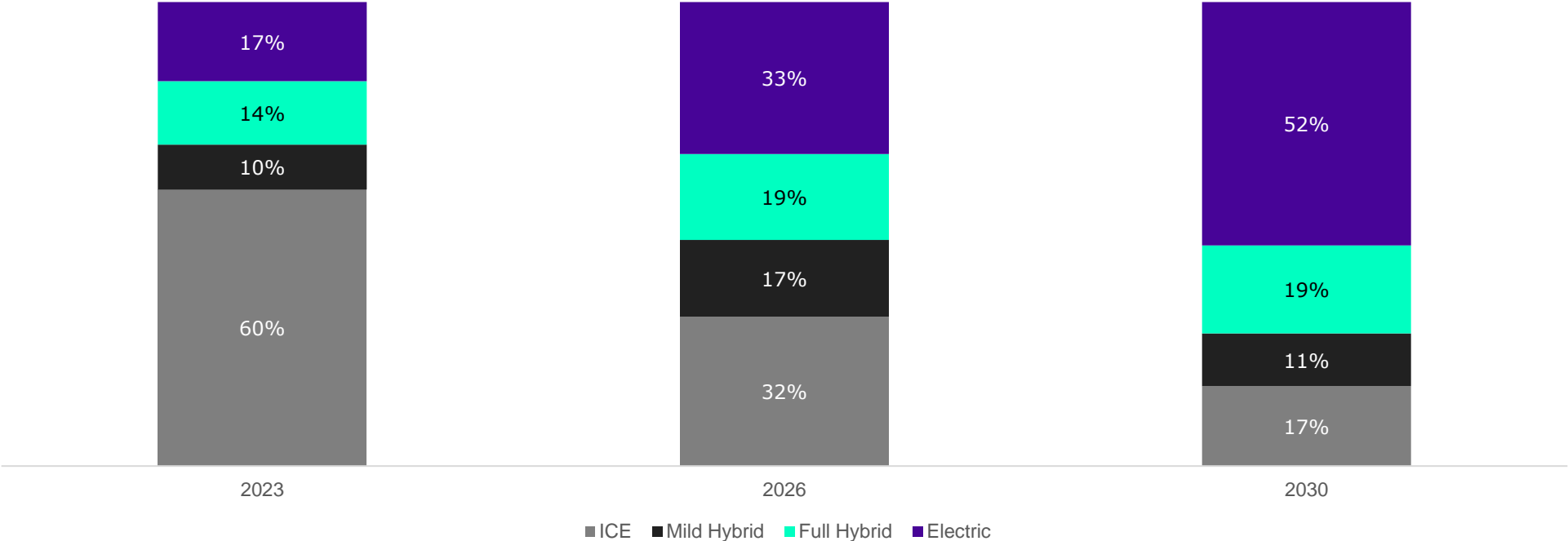
GENTHERM OPPORTUNITIES

- ✓ Focus on human comfort and health
- ✓ Demand for BEV range extension solutions
- ✓ Increasing adoption rates for comfort products
- ✓ Energy optimization
- ✓ Miniaturization of HVAC
- ✓ Sensor, software and algorithm-based solutions
- ✓ Feature integration

Gentherm is at the nexus of health, wellness, comfort and energy efficiency

Vehicle Electrification

PROJECTED POWERTRAIN APPLICATION RATES



Source: S&P Global Light Vehicle Powertrain Alternate Propulsion Forecast January 2023
Relevant Regions Only: NA, EU, JP, KO, CH

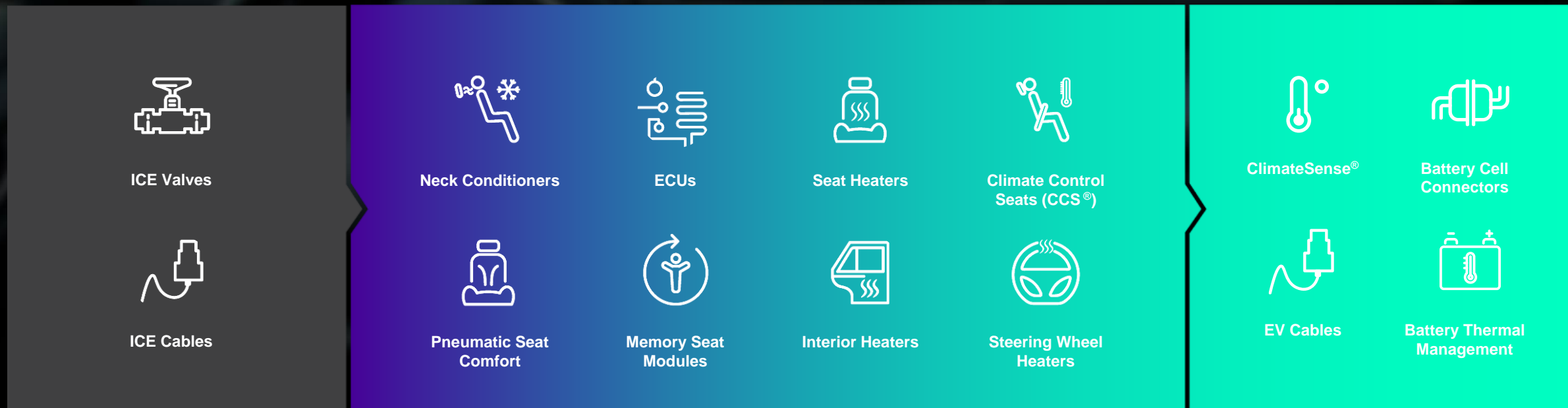
Accelerating transition to electrified powertrains represents a significant growth opportunity for Gentherm

Portfolio Aligned with Electrification

Internal Combustion Engine (ICE)-only

Electric Vehicle (EV)-enablers

Electric Vehicle (EV)-specific



Traditional Mobility

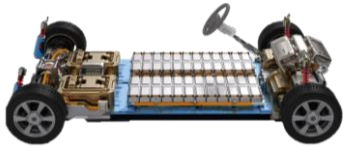
Full Electrified Mobility

Well positioned to capitalize on the significant shift to electrified powertrains

Equipping EVs of Today and Tomorrow



Battery Performance Solutions



EV Range Extending Climate Comfort Solutions

Digital Intelligence



ICE Gentherm

Content*:

\$30 - 300

\$\$



BEV Gentherm

Content*:

\$150 - \$1,000

\$\$\$\$



* Actual content varies per vehicle

Electric Vehicles accelerate content growth for Gentherm

Consumer Satisfaction Research Summary



Heated Seats

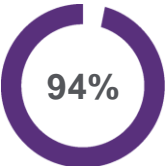
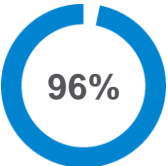
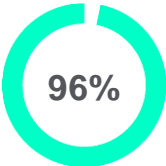


Climate Control Seats

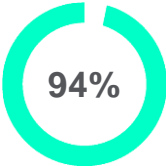


Heated Steering Wheel

Satisfaction



Would Repurchase

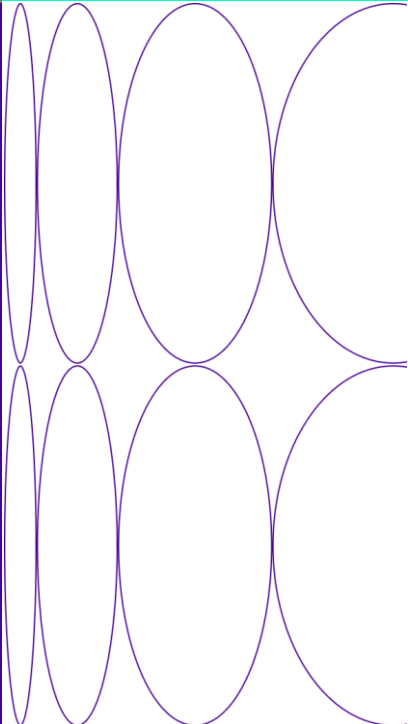


Study conducted in 2021 in partnership with Escalent (formerly Morpace), covering 3,000+ respondents in North America, Europe and China

Consumers across the globe are highly satisfied with our thermal products and plan to repurchase



2018-2022 Update



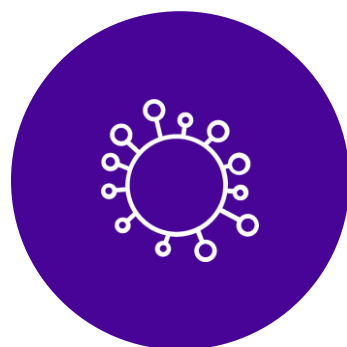
2018 Strategy Recap

Our Strategy

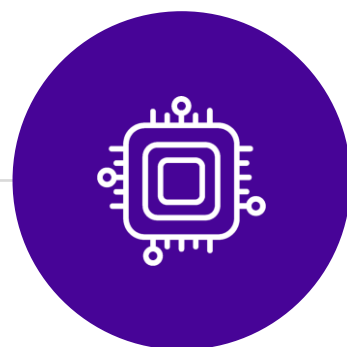


Five years of relentless strategic execution have delivered results

Three Years of Industry Challenges



COVID



Semiconductor Shortages



Cost Inflation



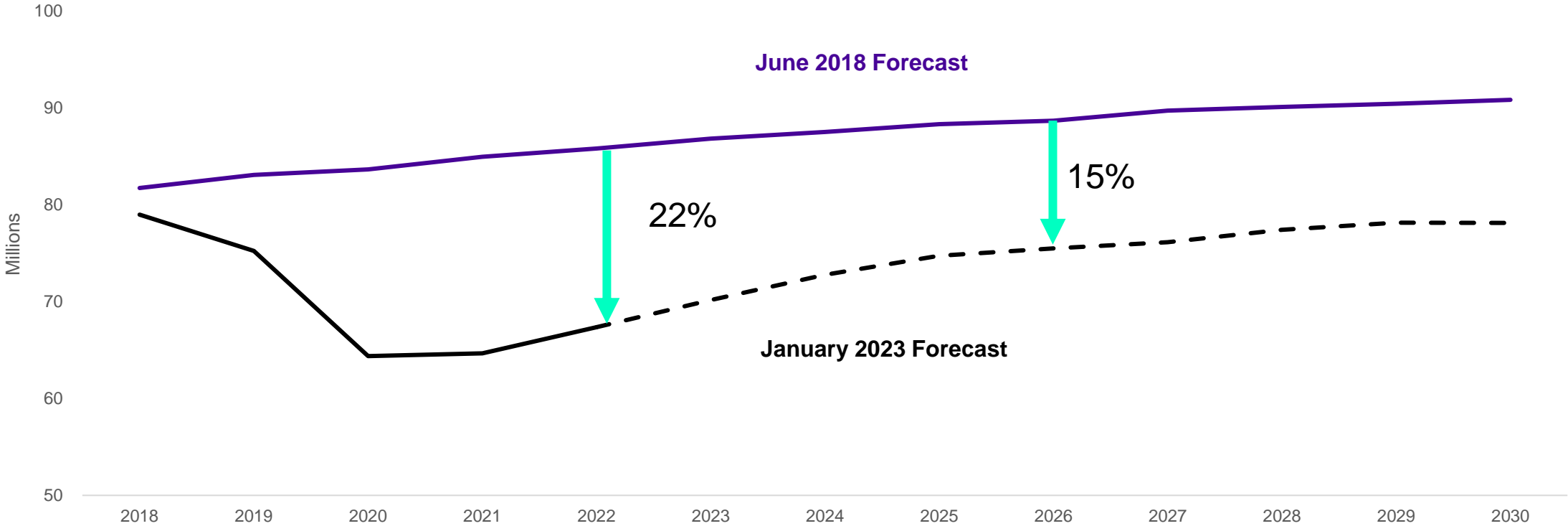
Transport Delays



Geopolitical Disruptions

Implemented strong measures to de-risk and built a foundation for accelerated growth

Global Vehicle Volume



Sources: S&P Global Light Vehicle Production Forecast June 2018
S&P Global Light Vehicle Production Forecast January 2023
Relevant Regions Only: NA, EU, JP, KO, CH

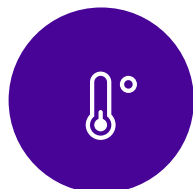
Significant reduction in vehicle production since 2018 forecast

Strategy 1: Focused Growth



1.1 Accelerate Core Climate & Comfort

- ✓ Grow and Expand with Key Customers
- ✓ Expand Product Portfolio
- ✓ Grow in Asia



1.2 Introduce ClimateSense®

- ✓ Develop ClimateSense® Platform
- ✓ Win Production Award



1.3 Drive Battery Performance Solutions

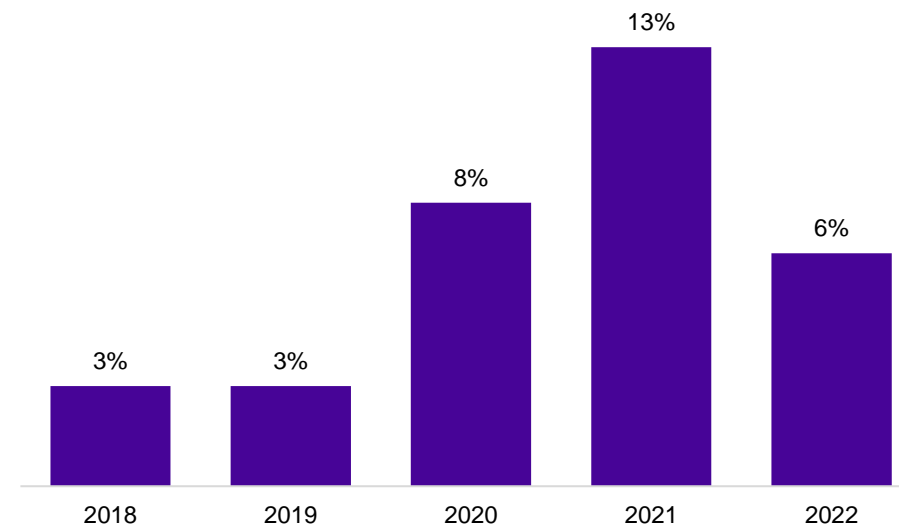
- ✓ Grow 48V Battery Thermal Management
- ✓ Launch Proprietary Foil Battery Heaters
- ✓ Develop foil cell connectors



1.4 Expand Patient Medical

- ✓ Optimize Product Portfolio
- ✓ Strategic Acquisitions

**AUTOMOTIVE REVENUE GROWTH
OUTPERFORMANCE VS MARKET***

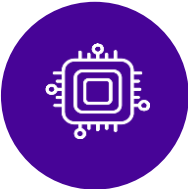


Excluding FX impact

** Relevant Regions Only: NA, EU, JP, KO, CH*

Delivered strong results in Focused Growth Initiative

Strategy 2: Extend Technology Leadership



Technology Leadership

- ✓ Thermal Engines
- ✓ Thermophysiology
- ✓ Software/Electronics/Sensing
- ✓ Simulation
- ✓ Integration

INNOVATIONS BROUGHT TO MARKET

- | | |
|---|---|
| <p>1. ClimateSense® Software and User Experience
Scalable software, improving comfort, personalization and energy efficiency.</p> <hr/> <p>2. Mechanical Structuring Process for Foils
Proprietary, environmentally-friendly technology for flex foil conductors.</p> <hr/> <p>3. PilotSense™
Industry first, single layer steering wheel heat and Hands-on-Detection (HOD) solution.</p> <hr/> <p>4. Intelligent Neck Conditioning
A compact microclimate device with integrated Electronic Control Unit (ECU) and smart algorithm.</p> <hr/> <p>5. Intelligent Micro-Thermal Module
Next Generation CCS® Active.</p> | <p>6. ECU integrated Cell-Connecting Board
Proprietary thin foil cell-connecting system with embedded cell-sensing.</p> <hr/> <p>7. Multi-Function ECU
Utilizing proprietary control algorithm to operate a variety of motors – seats, mirrors, etc.</p> <hr/> <p>8. High Voltage Cables
Enabling EVs by introducing cables and connectors aimed at high voltage segment.</p> <hr/> <p>9. UV Treo®
Advanced cardiovascular heating/cooling device.</p> <hr/> <p>10. Blanketrol CoolRepeat®
Dual-Display Temperature Monitor.</p> |
|---|---|

Delivered meaningful product and technology portfolio additions

Strategy 3: Expand Margins & ROIC



Corporate Restructuring

- ✓ Divest/Exit Non-Core Products
- ✓ Execute Fit for Growth Initiative
- ✓ SG&A Rationalization
- ✓ Engineering Cost Efficiency

Strategy 4: Optimize Capital Allocation to Drive Shareholder Return

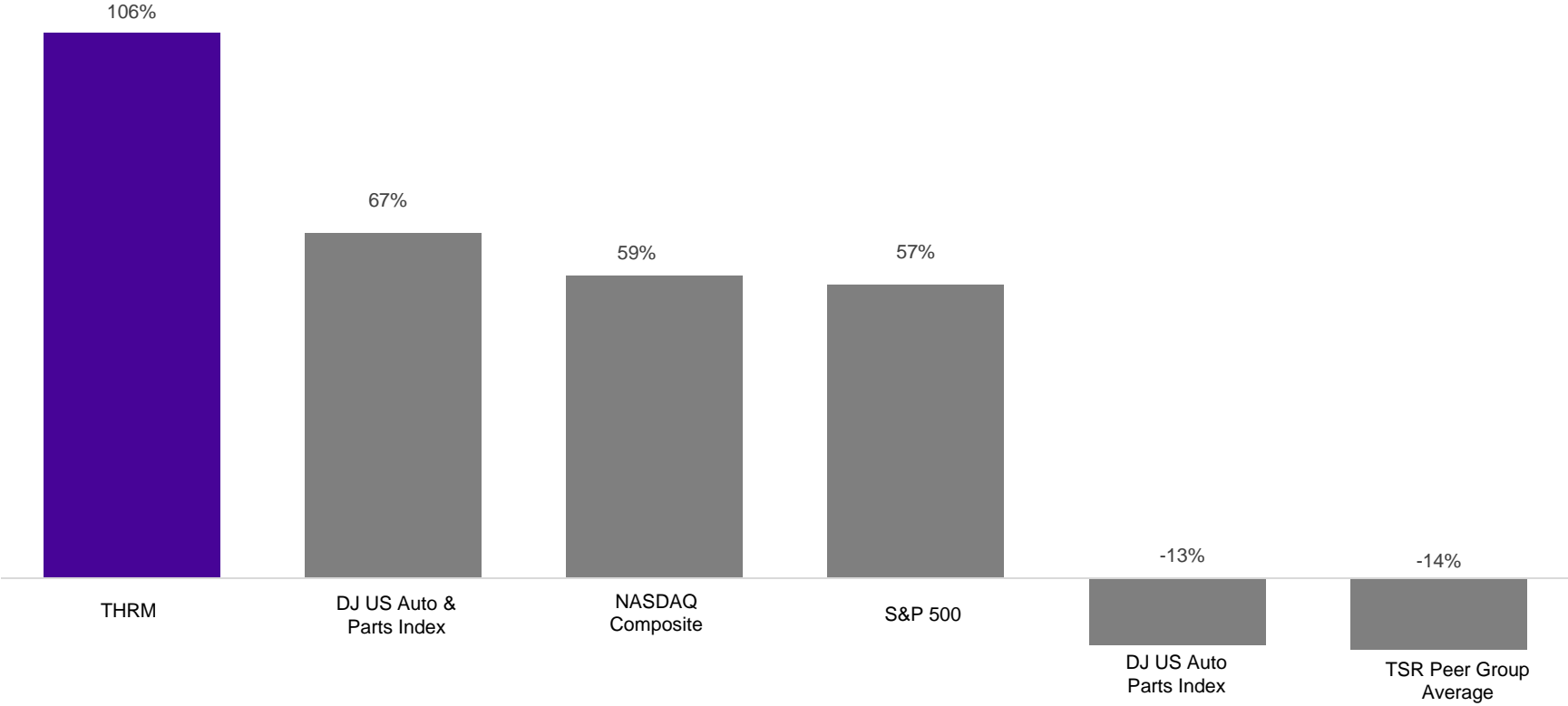


Capital Allocation

- ✓ Increase liquidity
- ✓ Capex projects to drive organic growth
- ✓ Opportunistic share repurchase
- ✓ Strategic Acquisitions

Transformed into a resilient company with financial discipline

Five Year Total Shareholder Return



5-year Total Return from 12/31/2017 through 12/31/2022
Source: Nasdaq, FactSet
TSR peer group as listed in 2022 Proxy

Best in class shareholder returns

Our Journey



PAST

Global **market leader** and developer of innovative **thermal management technologies**



NOW

Expand beyond thermal with **comfort, health and wellness**



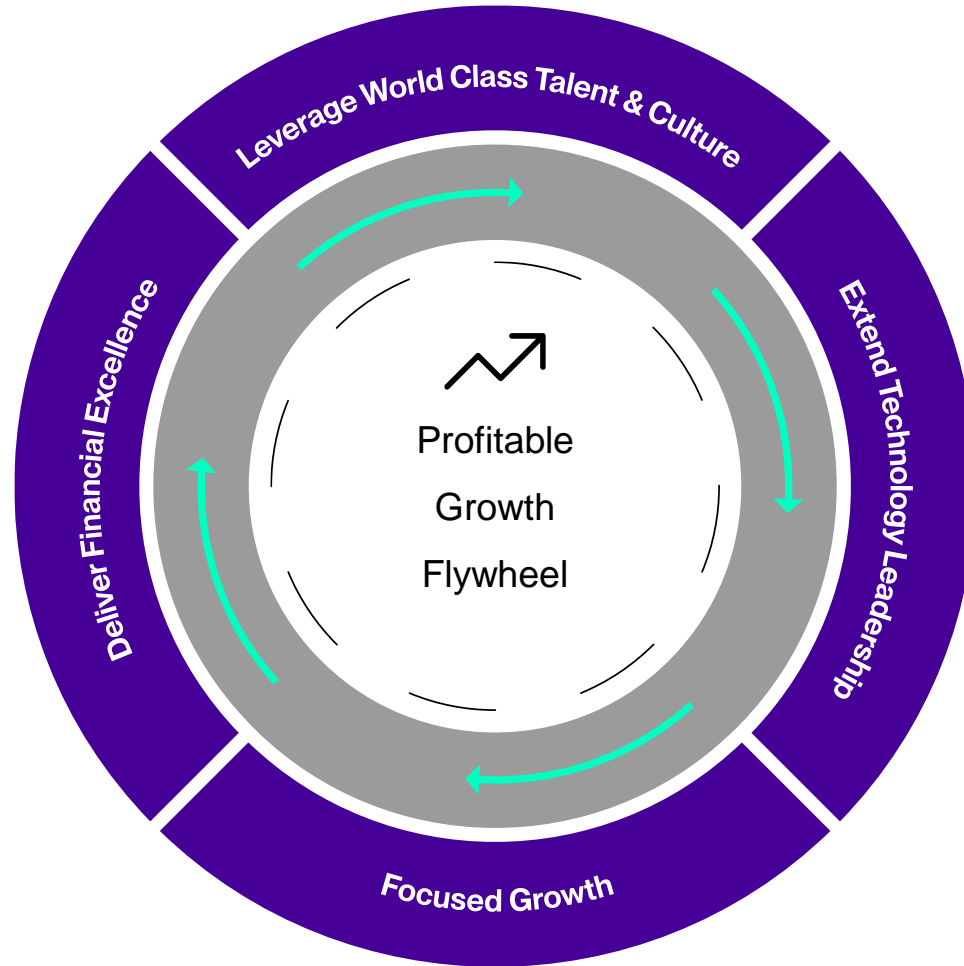
FUTURE

Continuing **evolution** to an integrated, **human science-driven systems** innovator, encompassing **hardware**, electronics, **software** algorithms and **advanced sensing capabilities**

Imagine...



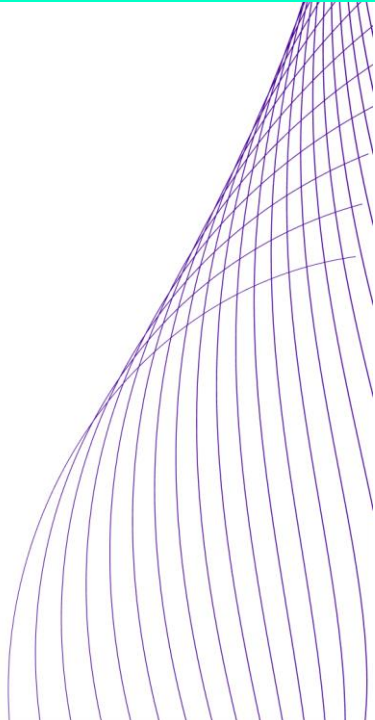
Our Strategy 2023 and Beyond



Aspiration: \$3 Billion revenue by 2030



Strategy 1: Leverage World Class Talent and Culture



Human Capital and DE&I Progress

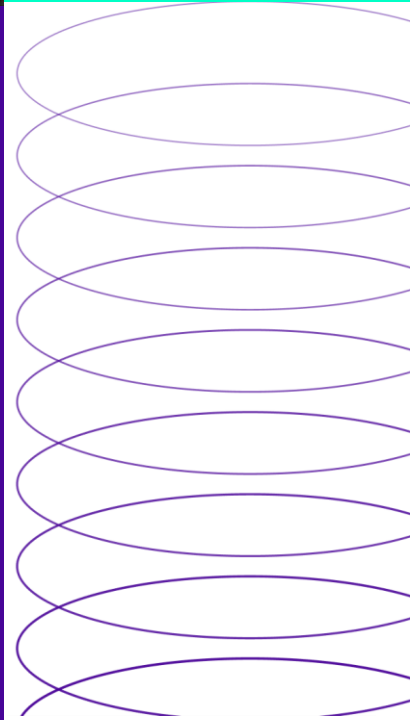
- ✓ Engrained winning culture behaviors
- ✓ Dramatic enhancement of talent through internal development and recruitment
- ✓ Established Diversity, Equity, and Inclusion (DE&I) as a foundation of the company with remarkable results
- ✓ Industry-leading manufacturing culture and environment with best-in-class safety results
- ✓ Adopted Board and Governance best practices
- ✓ Strong community outreach

Strong foundation for future acceleration

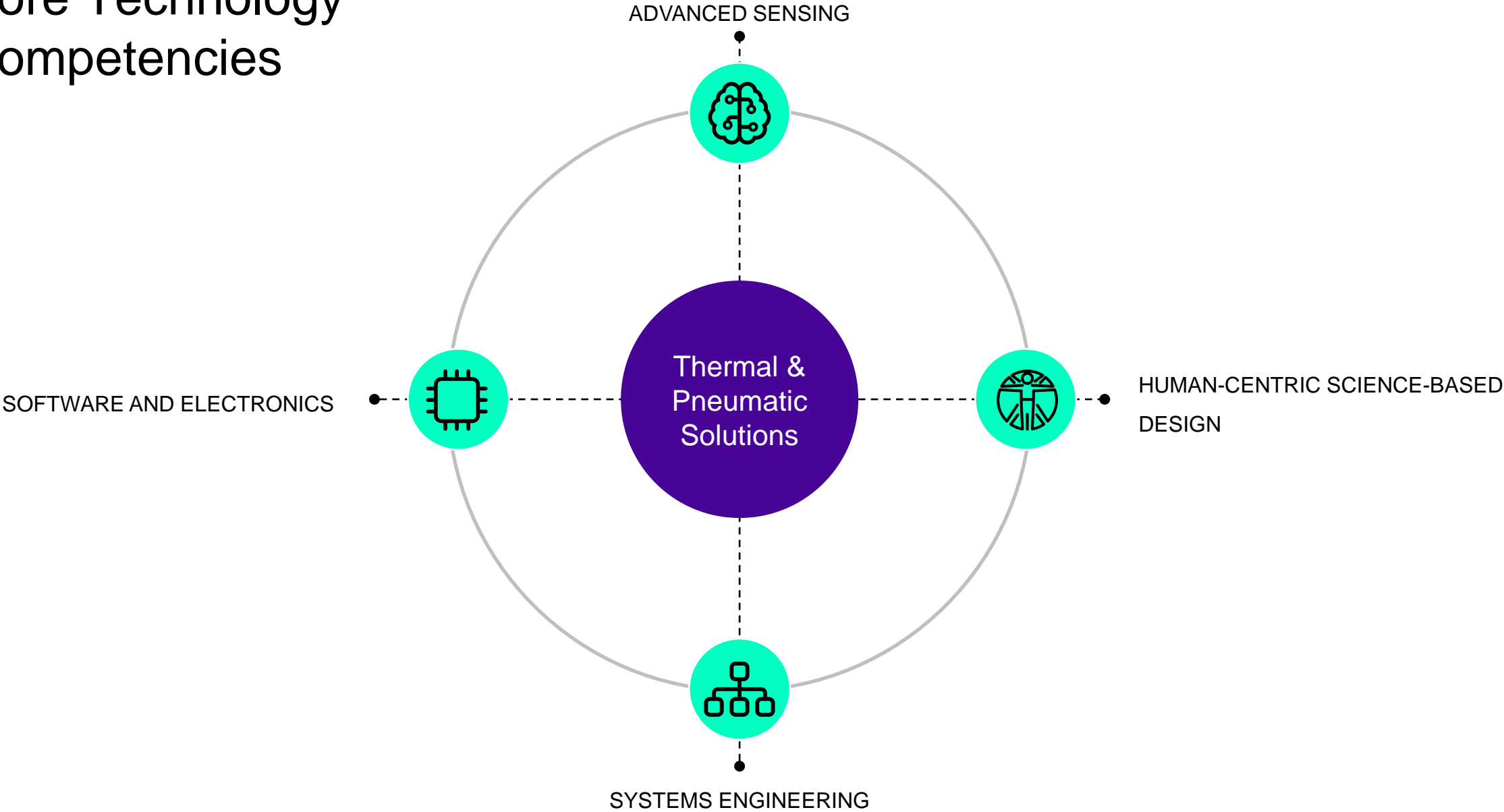




Strategy 2: Extend Technology Leadership



Core Technology Competencies



Empowering the Software-Defined Vehicle

Thermal and Pneumatic Comfort and Wellness modes enabled by software:

- Recovery
- Mood
- Alertness
- Pain Management

Post sale feature additions through over-the-air updates

Technology strategy is perfectly aligned with Software Defined Vehicle





Strategy 3: Focused Growth



Focused Growth Pillars

Accelerate Thermal
Comfort Growth

Grow Pneumatic
Comfort

Drive Battery
Performance Solutions

Expand Patient
Thermal Solutions

Enabled by Gentherm Electronics & Software Systems

PILLAR

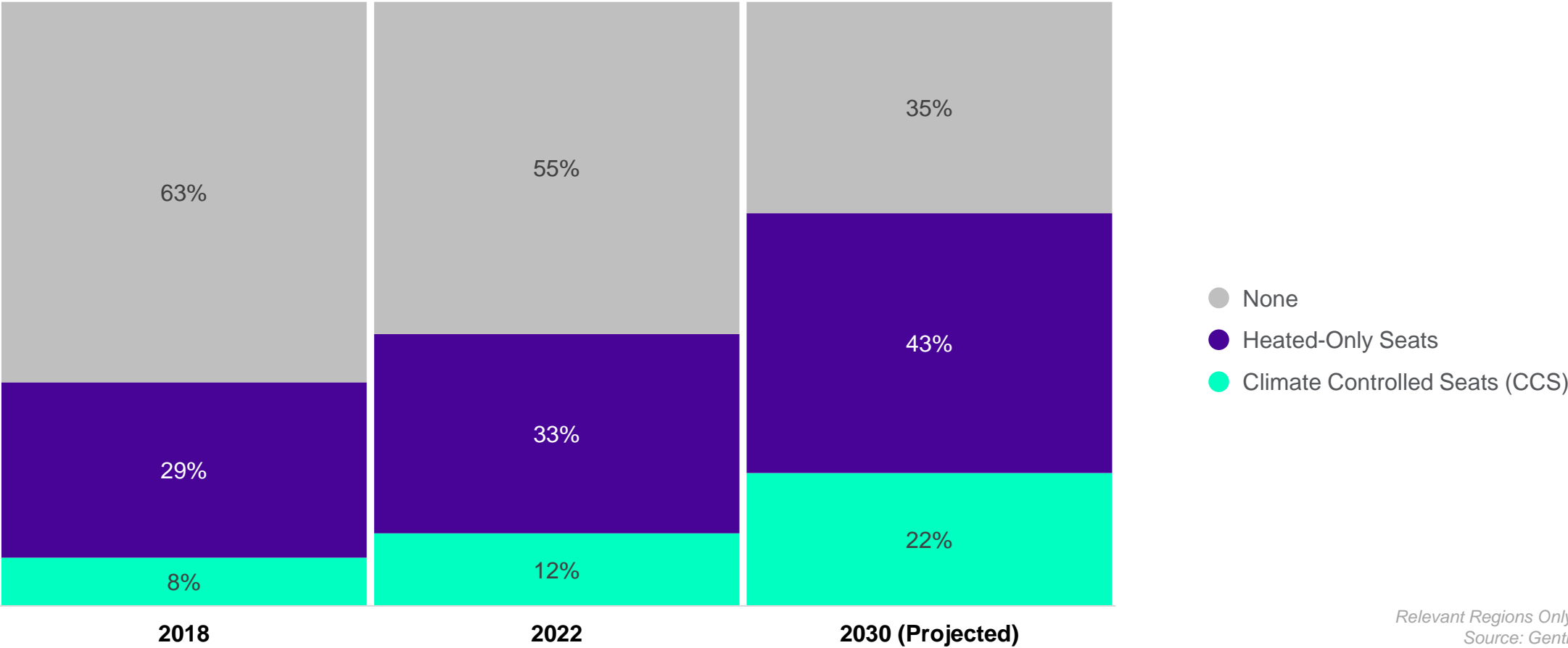
01

Accelerate Thermal
Comfort



Market Growth Potential - Take Rate Increase

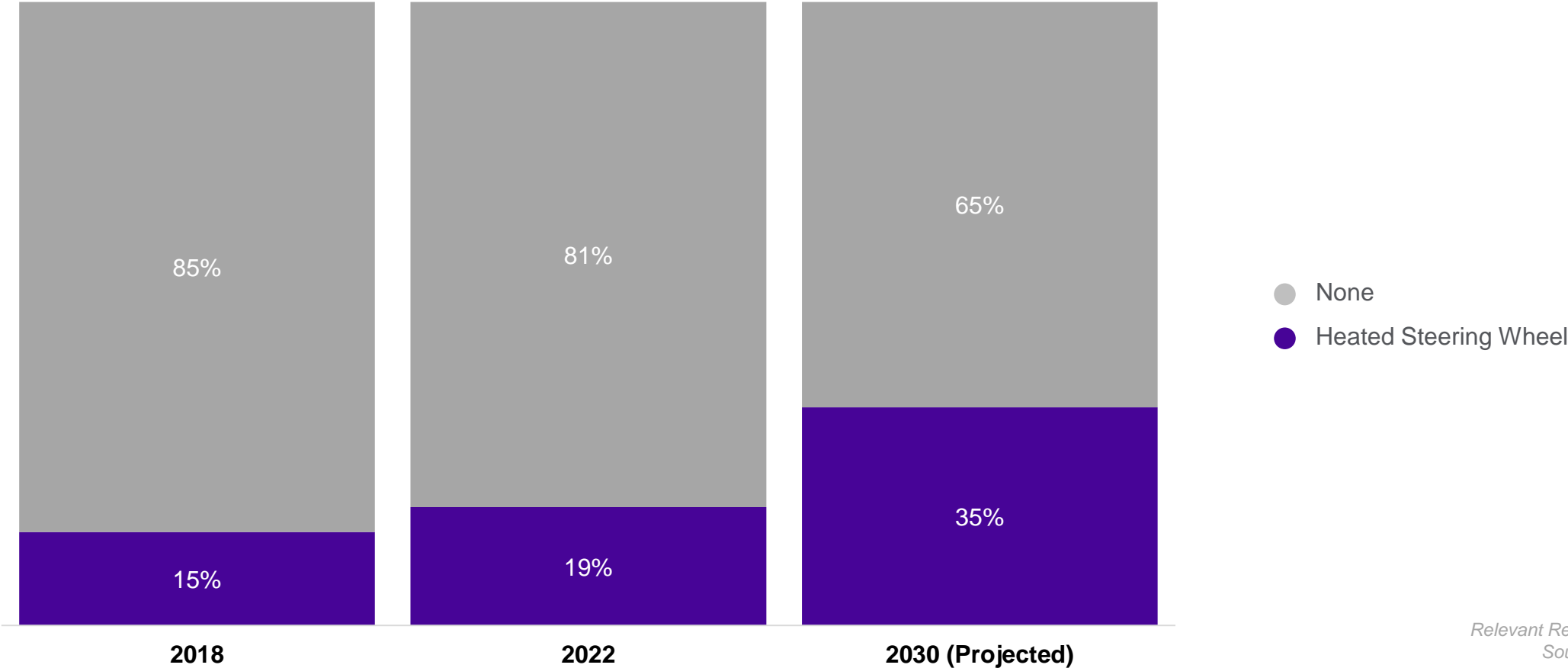
Climate Seats



Significant customer demand for Gentherm’s thermal technologies

Market Growth Potential - Take Rate Increase

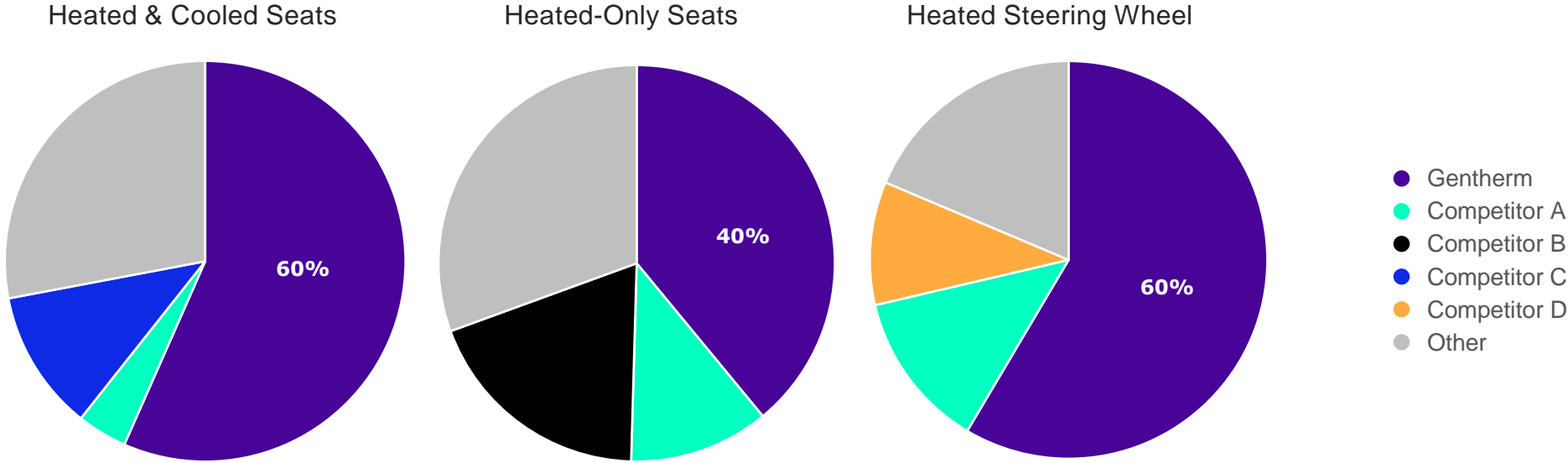
Heated Steering Wheel



Market in vehicles
Relevant Regions Only: NA, EU, JP, KO, CH
Source: Gentherm internal research

Significant customer demand for Gentherm’s thermal technologies

2022 Global Market Share*

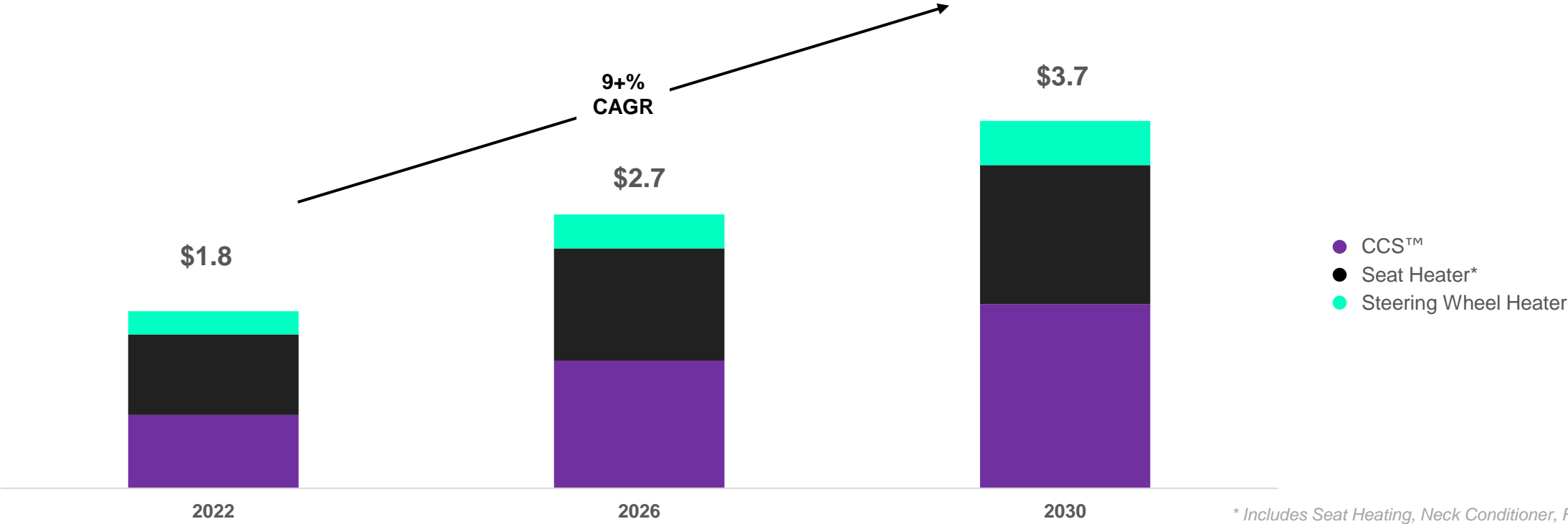


Market in USD
*Relevant Regions Only: NA, EU, JP, KO, CH
Source: Gentherm internal research

Global market share leader

Market Growth Potential

(Dollars in Billions)



* Includes Seat Heating, Neck Conditioner, Footwell Heating

Market in USD
Relevant Regions Only: NA, EU, JP, KO, CH
Source: Gentherm internal research

Thermal comfort proliferation will outpace vehicle production growth

Sustainable Competitive Advantage

- ✓ Largest independent supplier of thermal and pneumatic products
- ✓ In-house Electronics capabilities
- ✓ Proven track record of getting new products to market
- ✓ Customer Relationships and Program Execution
- ✓ Global R&D and manufacturing footprint
- ✓ Science-focused, human-centric technology leadership
- ✓ Thermophysiology and Physiotherapy are differentiators

Gentherm has numerous competitive advantages in thermal comfort



ClimateSense®

Innovative Microclimate Solutions

Ready for the future, today

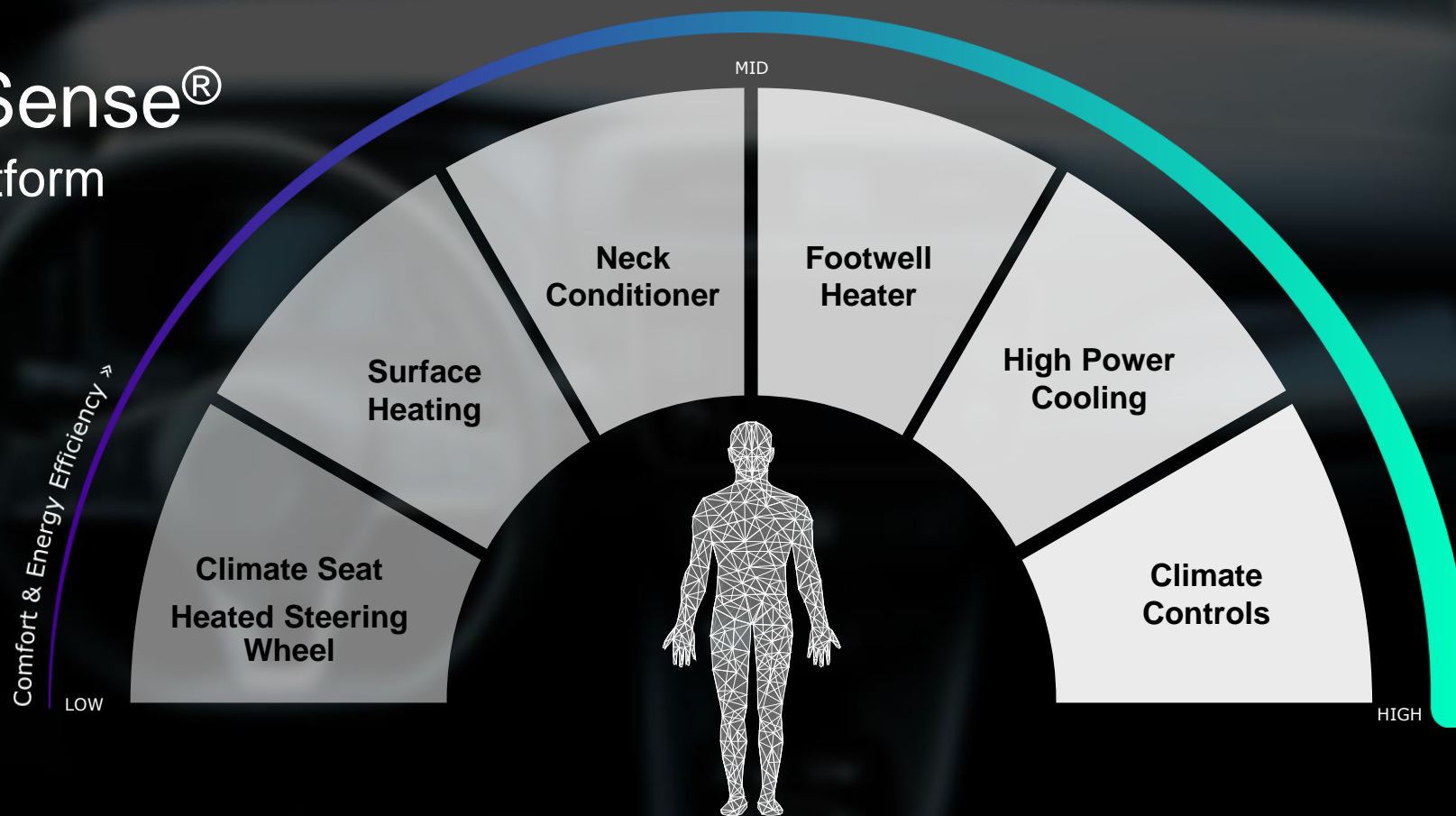
- ✓ Intelligent climate zones per occupant
- ✓ Self-regulating control through advanced sensing and algorithms
- ✓ Reduced energy consumption
- ✓ Greater styling freedom and weight improvement
- ✓ Enabling smaller central HVAC system to heat and cool entire vehicle
- ✓ Full-electric pre-conditioning

Perfect thermal comfort and energy efficiency in one intelligent, integrated system



ClimateSense[®]

Scalable Platform



Enabled by Gentherm ClimateSense[®] Software and Electronics

Based on data collected through the study of Thermophysiology

Opportunity to increase thermal revenue per vehicle – up to 4x

Key Success Factors: Speed to market, scalable and modular solution



ACCELERATE THERMAL COMFORT

- Drive take rate increase
- Expand ClimateSense®
- Build on strong key customers
- Grow in Asia
- Increase content and features

PILLAR

02

Grow Pneumatic
Comfort



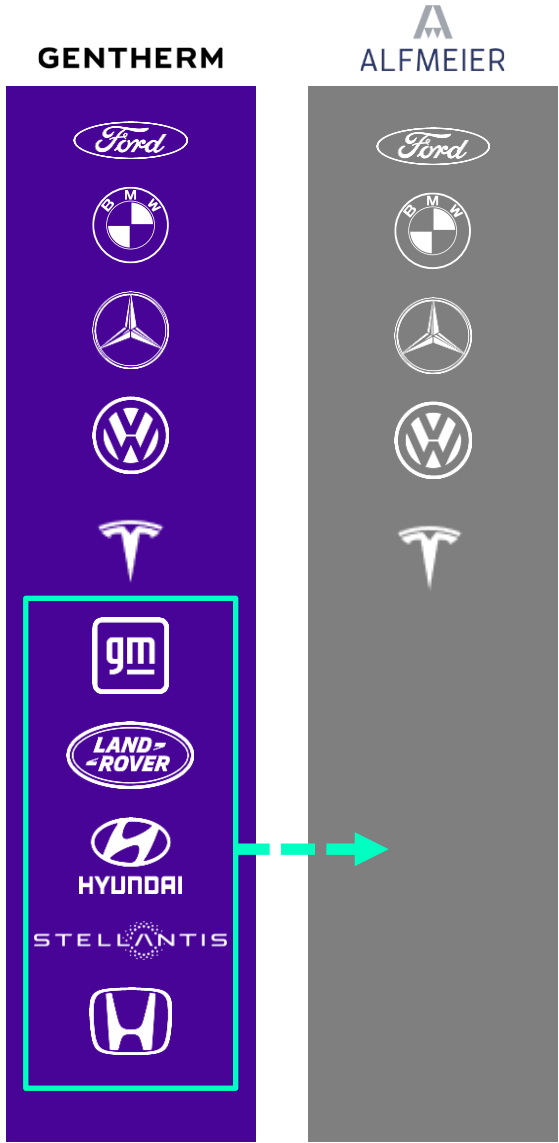
Overview of Pneumatic Comfort Business

Business Highlights

- Headquartered in Treuchtlingen, Germany
- Innovative market leader in Automotive lumbar and massage
- Pioneered SMA technology for pneumatic massage and lumbar
- ~2,000 Employees globally
- Operations in Germany, Czech Republic, United States, Mexico, and China

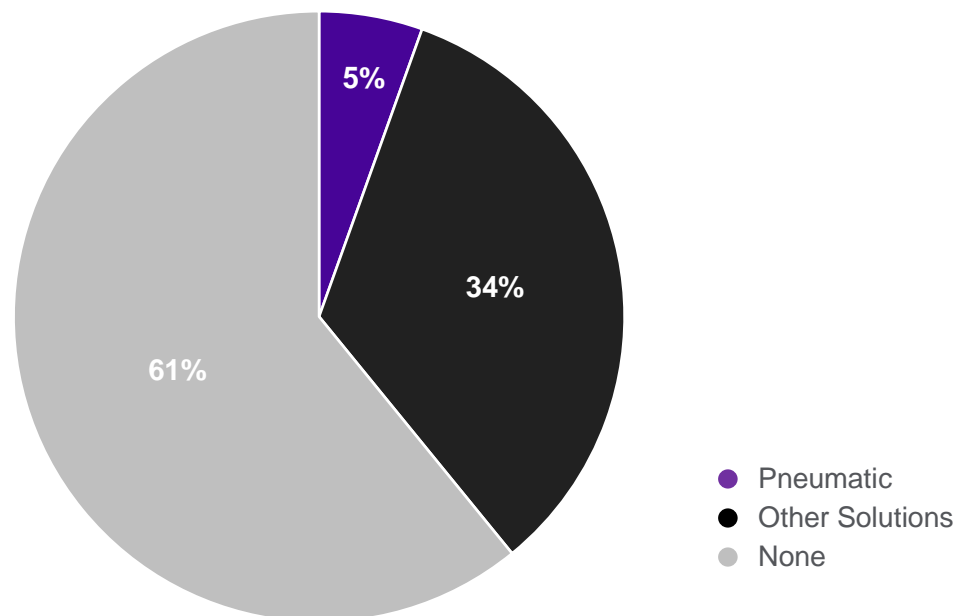


- 4-Way lumbar support
- Massage Systems
- Side Bolster Adjustment
- Electronics & Software



Integration of Alfmeier and Gentherm creates the largest global supplier of thermal and pneumatic comfort for Automotive

Comfort Technology Penetration



→ Consumer demand for comfort will drive an increase in all types of massage and lumbar systems

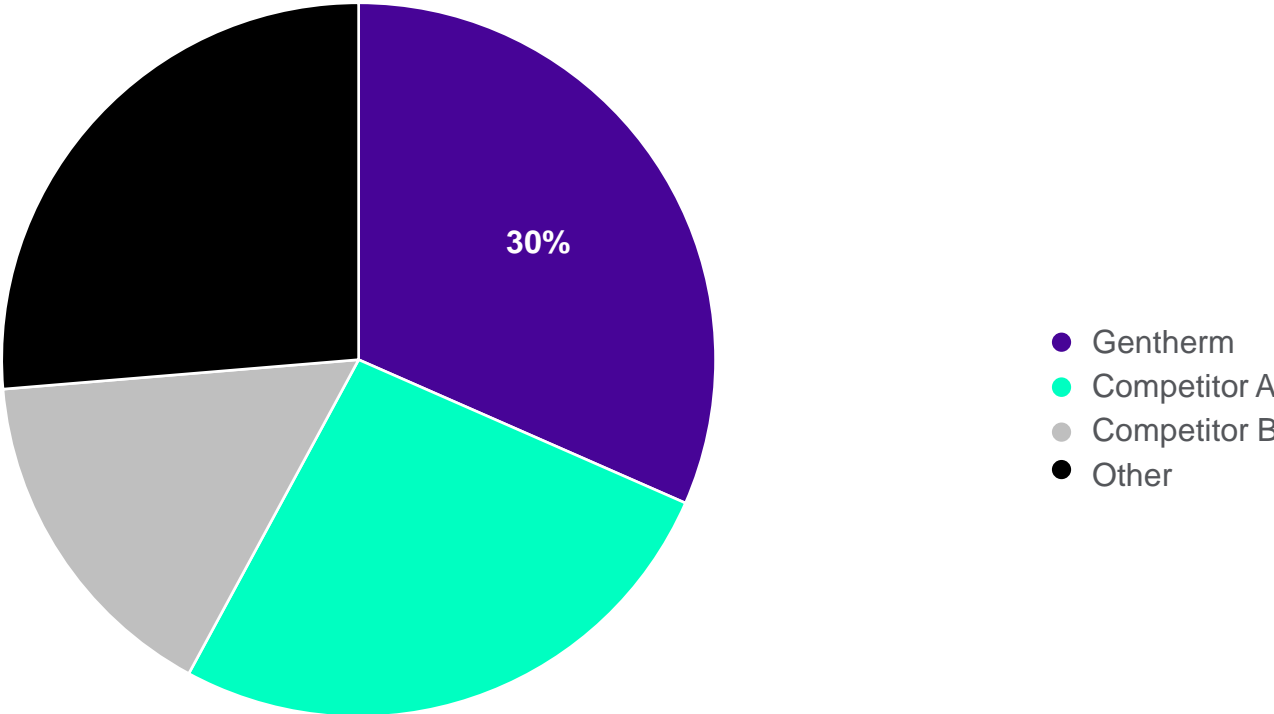
→ Pneumatic will grow the fastest, driven by OEM need for decreased power consumption, space and weight requirements

*Market in vehicles
*Relevant Regions Only: NA, EU, JP, KO, CH
Source: Gentherm internal research*

Pneumatic market is expected to grow significantly

2022 Global Market Share*

Pneumatic Seat Comfort



*Market in USD
*Relevant Regions Only: NA, EU, JP, KO, CH
Source: Genthern internal research*

Market leader in pneumatic seat comfort solutions

Breakthrough Integrated Solution

The application of thermal and massage technologies for health and wellness in automotive seating



Localized
Treatment



Pulsating
Treatment



Contrast
Treatment

Using Thermophysiology and medical science to enhance vehicle occupant experience and well-being





GROW PNEUMATIC COMFORT

- Grow with established customers
- Drive take rate increase
- Penetrate Asia
- Expand in North America
- Introduce innovative pulsating massage

PILLAR

03

Drive Battery
Performance Solutions

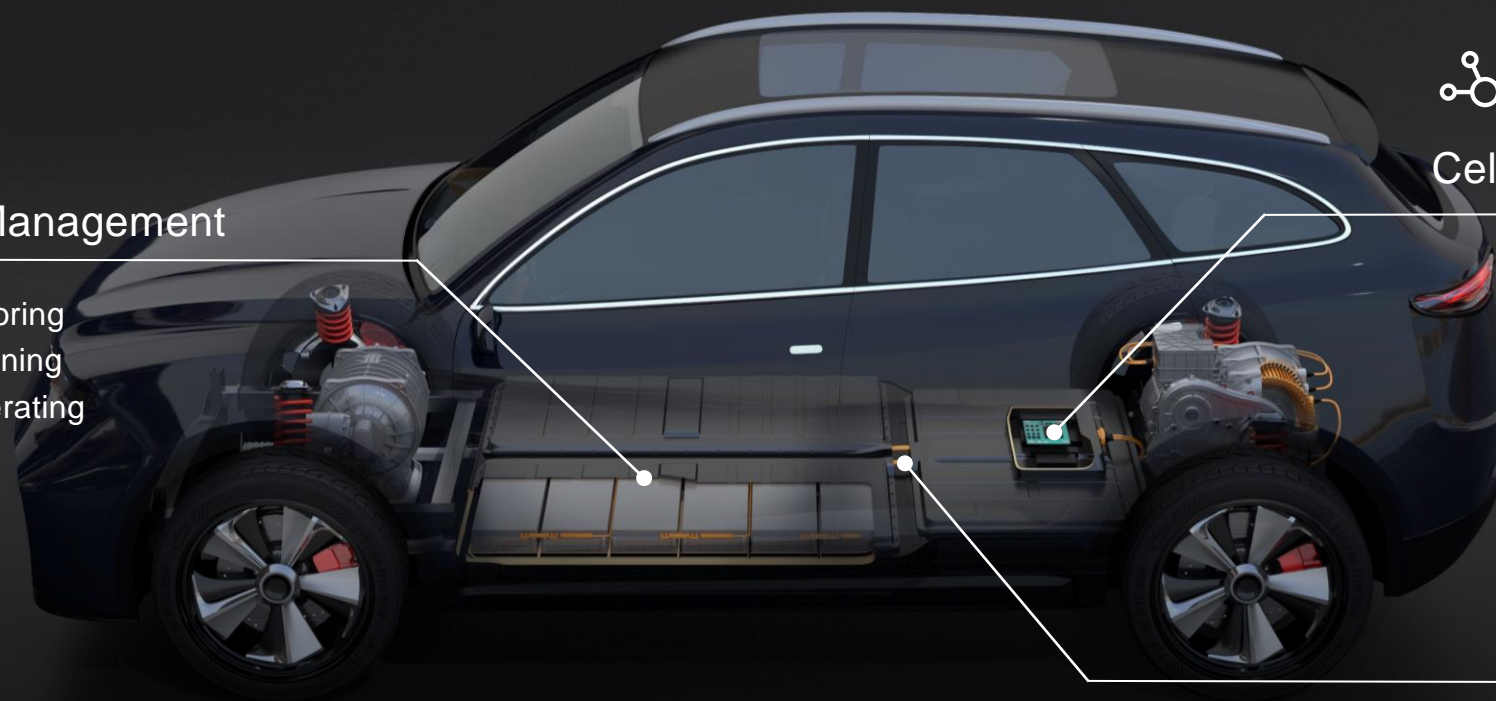


Battery Performance Core Competencies



Battery Thermal Management

- Temperature monitoring
- Battery pre-conditioning
- Maintenance of operating temperature



Cell Connecting Technology

- Customized serial/parallel connecting
- Temperature sensing
- Voltage sensing



Cable Technology

- High-voltage connections
- Sensing cables
- Battery harnesses

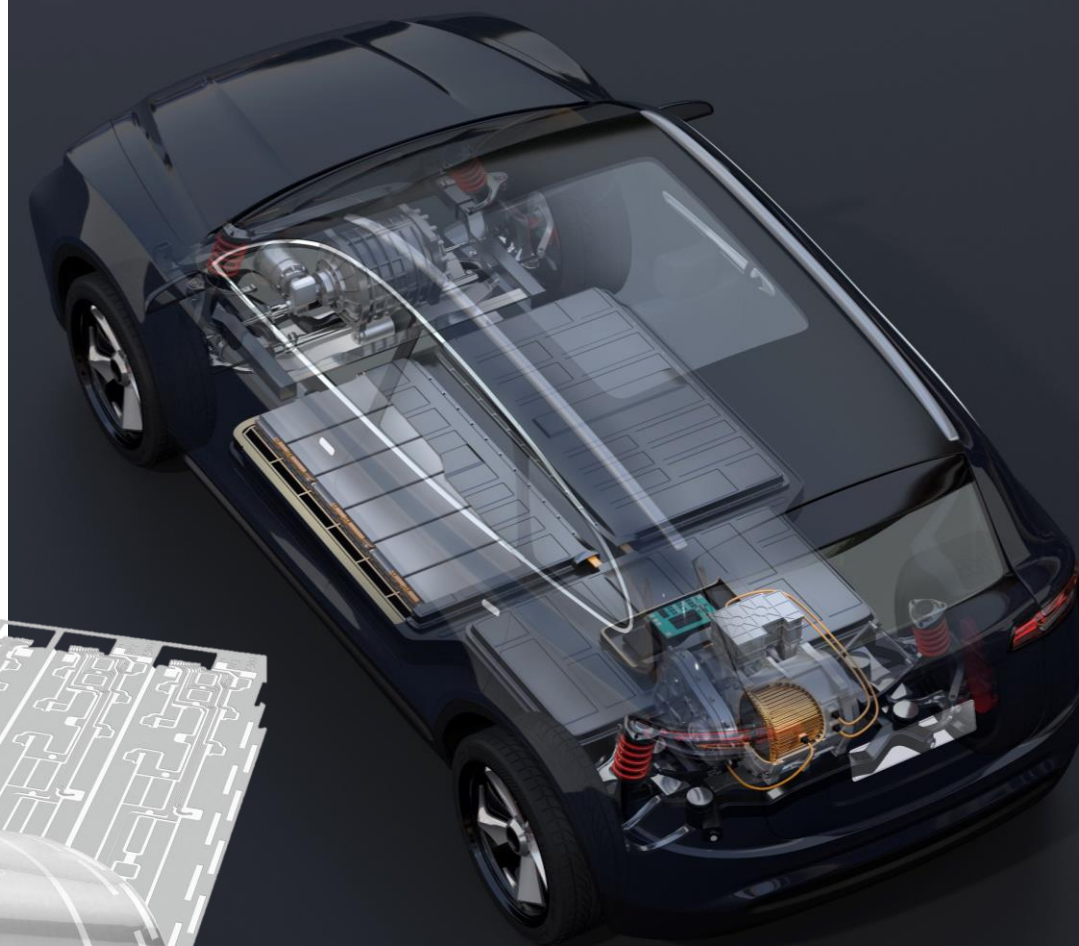
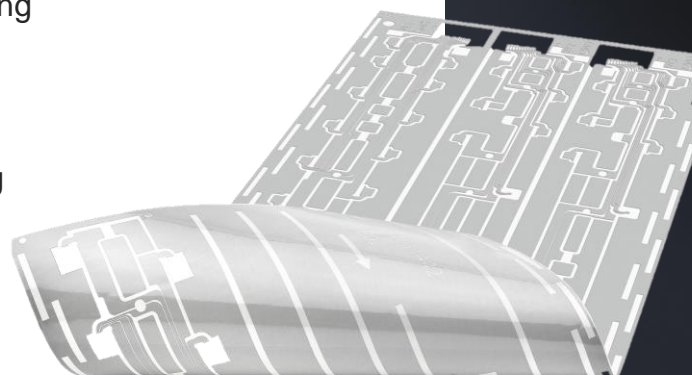
Enabling temperature and cell monitoring optimization for EV batteries

Proprietary Cell Connecting Technology

Replacing complex sensor cable harnesses with innovative flex foil conductors

Benefits of Gentherm's proprietary Mechanical Structuring Process technology:

- Fully automatic, high speed production process
- 99% improvement in environmental impact vs chemical etching*
- Significant reduction of manufacturing complexity
- Flexible material selection
- Technology used both for cell connecting and battery heating
- First launched with BMW in 2022



Cost effective, environmentally friendly, fast and scalable

* Based on testing conducted in 2022 by the Fraunhofer Institute in Europe



DRIVE BATTERY PERFORMANCE SOLUTIONS

- Gain foothold in battery cell connecting market with innovative and environmentally friendly flex foil solution
- Expand value proposition with smart cell connectors
- Continue to solve customer challenges with battery heating and cooling solutions
- Opportunistically grow high voltage cable business

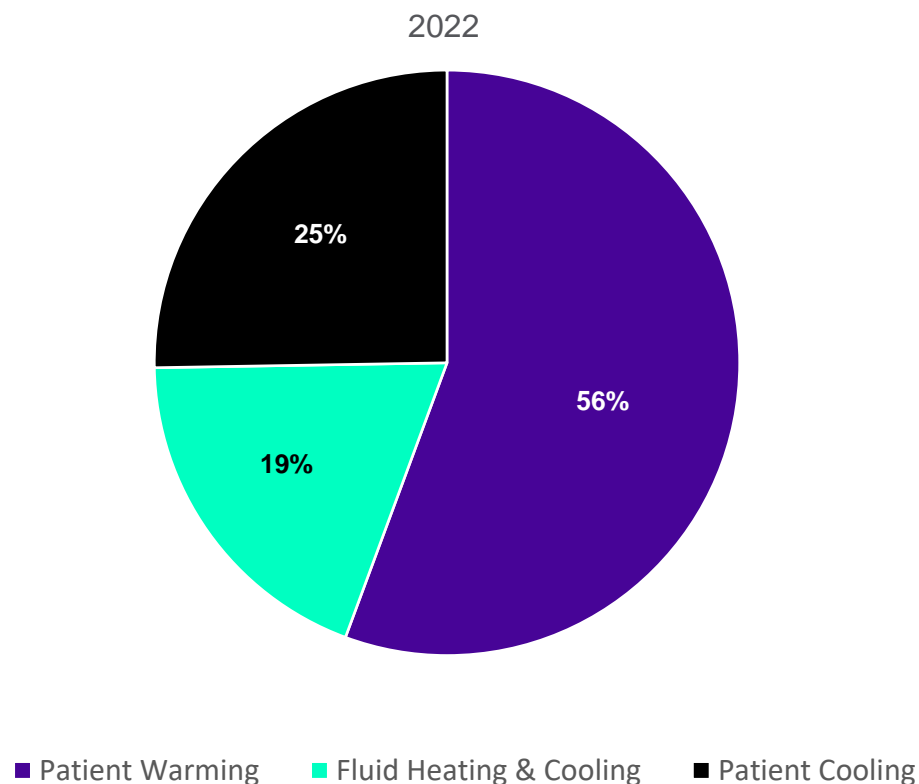
PILLAR

04

Expand Patient
Thermal Solutions



Global Patient Thermal Management Market Exceeds \$2.5B



- Large market with superior contribution margins
- Industry's broadest patient thermal management portfolio
- Core thermal technology shared with Automotive, driving product development synergies and low relative investment
- Highly-fragmented market, ripe for disruption
- Unique source of credibility with automotive customers

Source: Gentherm internal research

Patient thermal management is a significant differentiator for Gentherm

Modalities of Patient Thermal Management



Gentherm is the only company in the market that offers all three modalities



EXPAND PATIENT THERMAL SOLUTIONS

- New product and technology introductions
- Take share with differentiated resistive warming
- Expand in Europe and China
- Diversify go-to-market channels



Strategy 4: Deliver Financial Excellence



Our Financial Journey

2018 - 2021

- ✓ Achieved high-teens Adjusted EBITDA Margin in 2H20 and 1H21
- ✓ Realigned cost structure; reduced operating expenses 15% vs 2017
- ✓ Generated \$370M free cash flow, 1.5X Net Income
- ✓ Returned \$240M to shareholders through share buybacks

2022

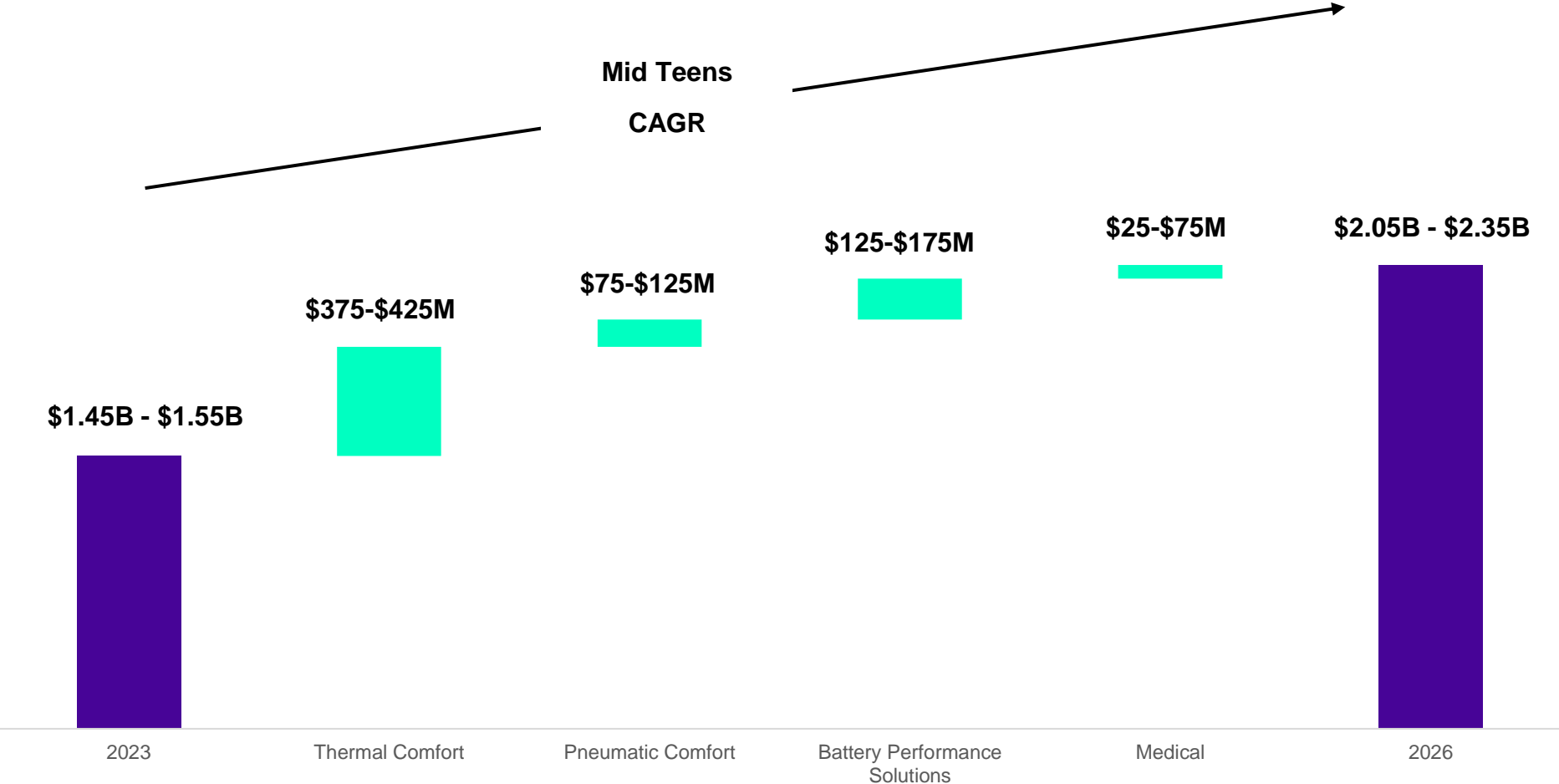
- ✓ Entered 2022 with net cash position
- ✓ Deployed over \$220M cash towards strategic acquisitions (Alfmeier and Dacheng)
- ✓ Mitigated impact of supply chain disruptions and historical inflation through pricing discipline
- ✓ Completed Alfmeier and Dacheng acquisitions, while maintaining net leverage below 1.5X

Looking Forward

- ➔ Return to high-teens Adjusted EBITDA Margin
- ➔ Strong Cash Flow generation
- ➔ Maintain a strong balance sheet
- ➔ Balanced capital allocation

Disciplined financial management funding organic and inorganic growth

Revenue 2023-2026 Projection



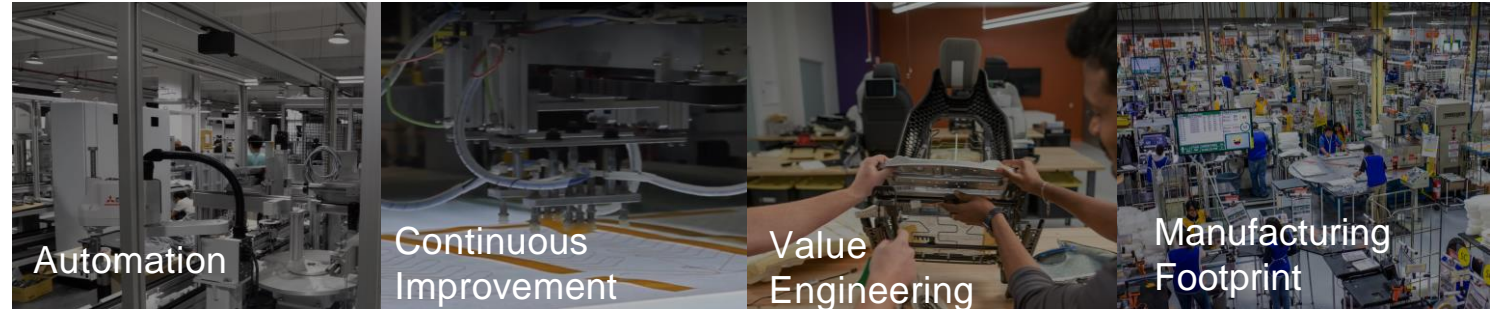
Significant Automotive content growth drives above market revenue growth

2024 – 2026 Profitability Roadmap

Manufacturing Productivity

- ✓ Increase Adjusted EBITDA margins to high-teens

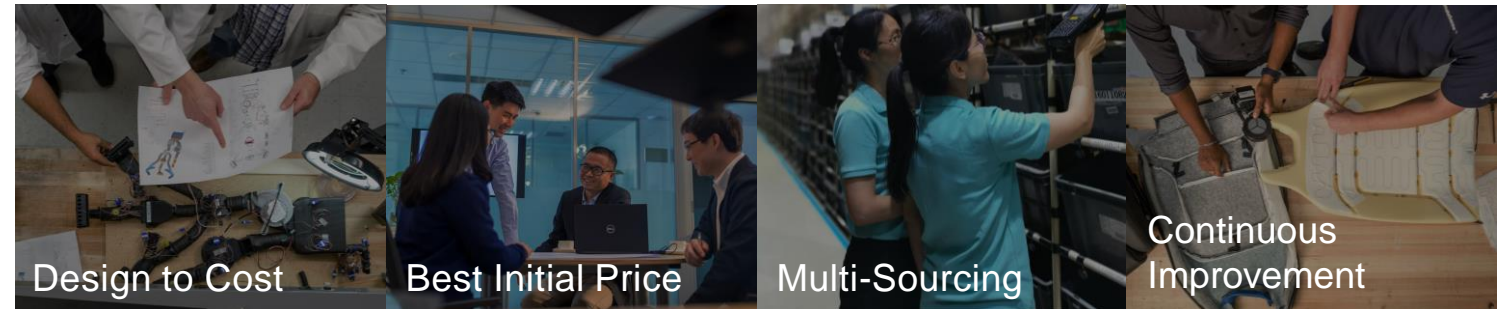
- ✓ \$30M - 50M margin expansion through manufacturing productivity



Purchasing Excellence

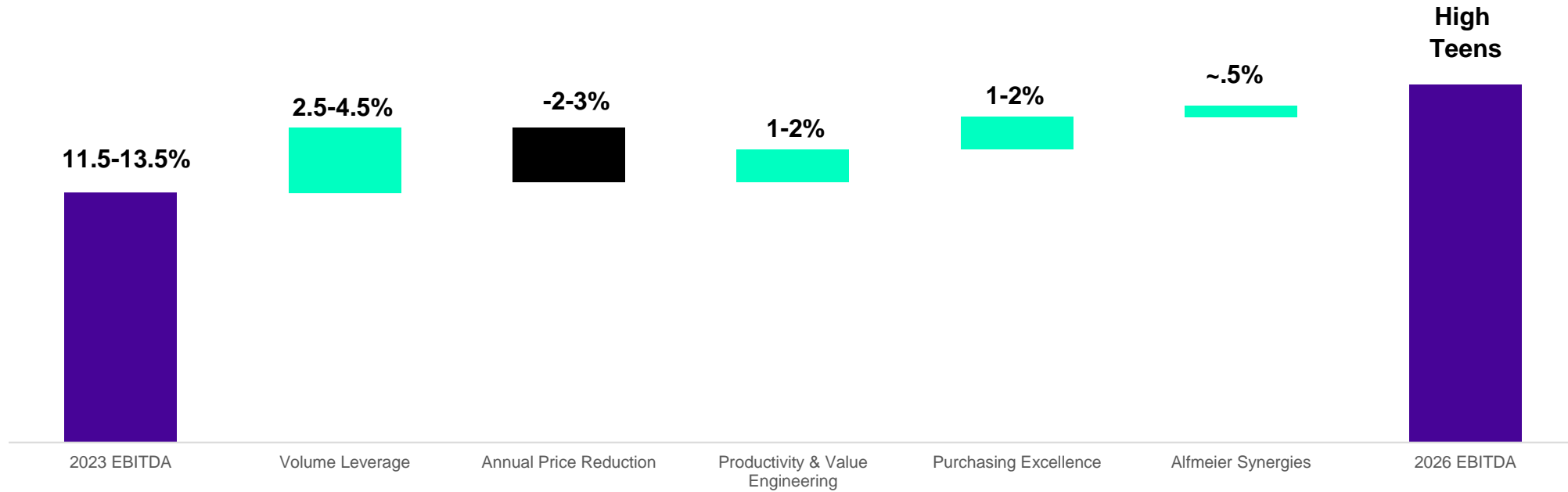
- ✓ Drive \$20M - \$40M cost savings through purchasing excellence

- ✓ \$10M+ Alfmeier synergies



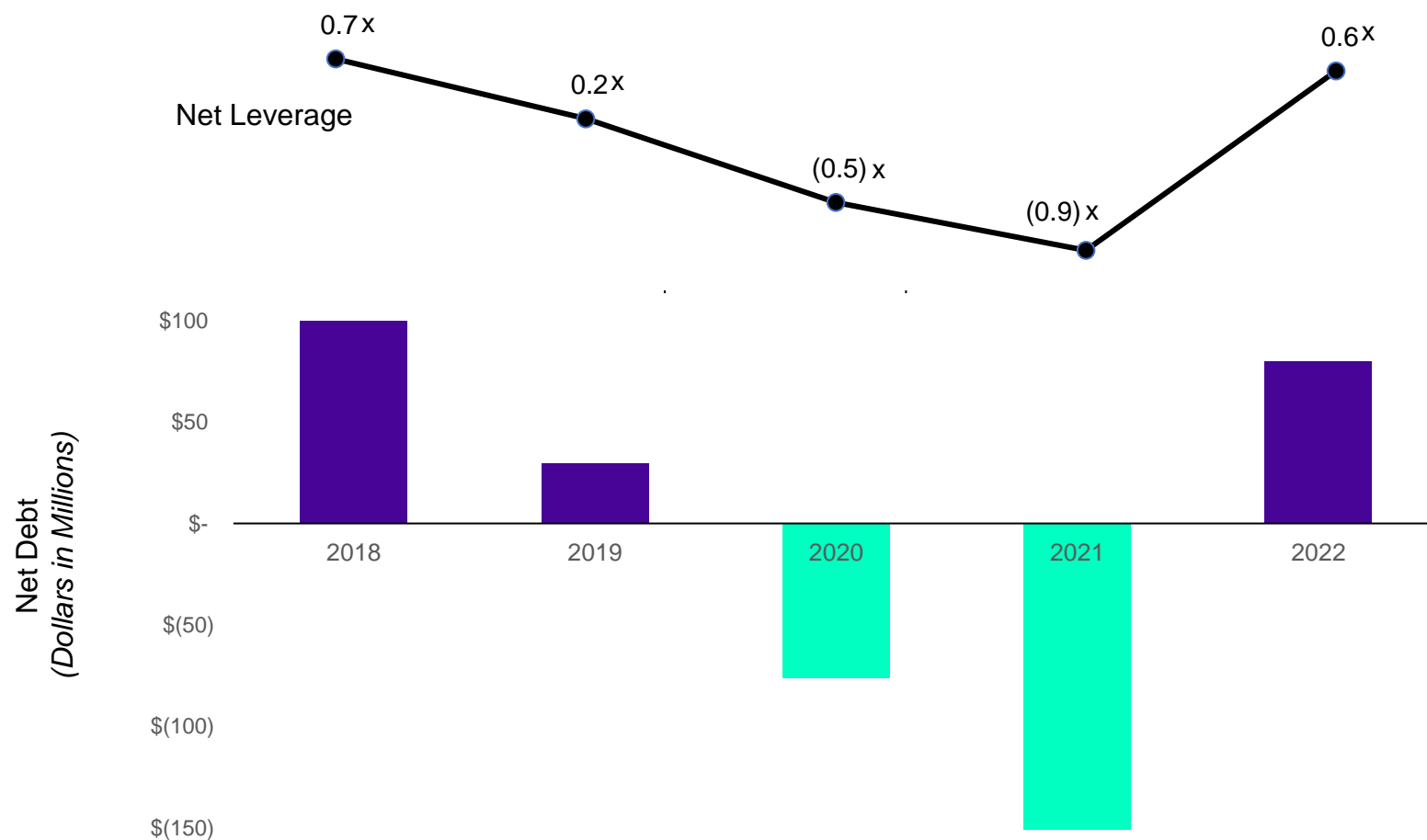
Strong execution drives margin improvement

Adjusted EBITDA: 2023-2026 Projection



Operational execution drives margin expansion

Maintain Strong Balance Sheet



✓ Progressively reduced debt between 2018 and 2021

✓ Leveraged strong balance sheet to acquire Alfmeier and Dacheng in 2022

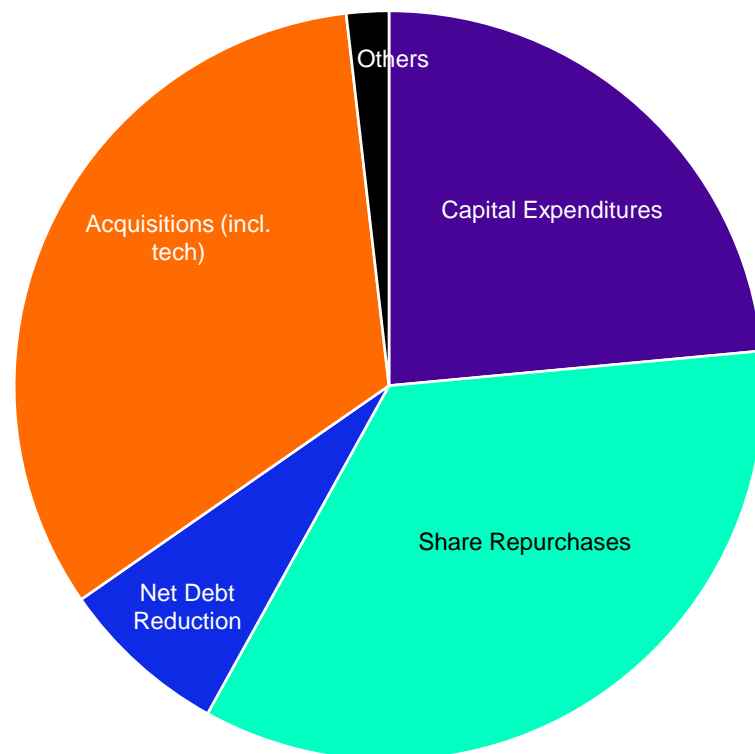
Looking Forward

➔ Strengthen free cash flow conversion while increasing capital expenditures to invest in capacity growth

Focus on cash flow generation and working capital optimization

Capital Allocation

2018 – 2022 Uses of Cash



Way Forward

- ✓ Continue to fund organic growth

- ✓ Deploy capital towards EPS accretive strategic M&A

- ✓ Return cash to shareholders through opportunistic share buybacks

- ✓ Maintain net leverage below 1.5X

Continue disciplined capital allocation strategy

M&A Strategy

M&A Priorities



Expand in-cabin
content



Accelerate
Capabilities



Grow
Medical

Keys to Success

✓ Strong financial position
to enable transaction

✓ Alignment to corporate
strategic priorities

✓ Robust due diligence
process

✓ Strong execution of
integration

Disciplined and strategic M&A process is in alignment with organic growth objectives

Strategy 4: Deliver Financial Excellence

- Return to High-teens Adjusted EBITDA Margin
- Strengthen Free Cash Flow conversion
- Maintain a strong balance sheet
- Balanced capital allocation strategy

Why Gentherm



Pure play leader in thermal management and pneumatic comfort



Global automotive market is large and under-penetrated with thermal and pneumatic solutions



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



Global reach and industry-leading manufacturing capabilities



Consistent execution against strategic plan



Strong cost management and profitability, above market returns



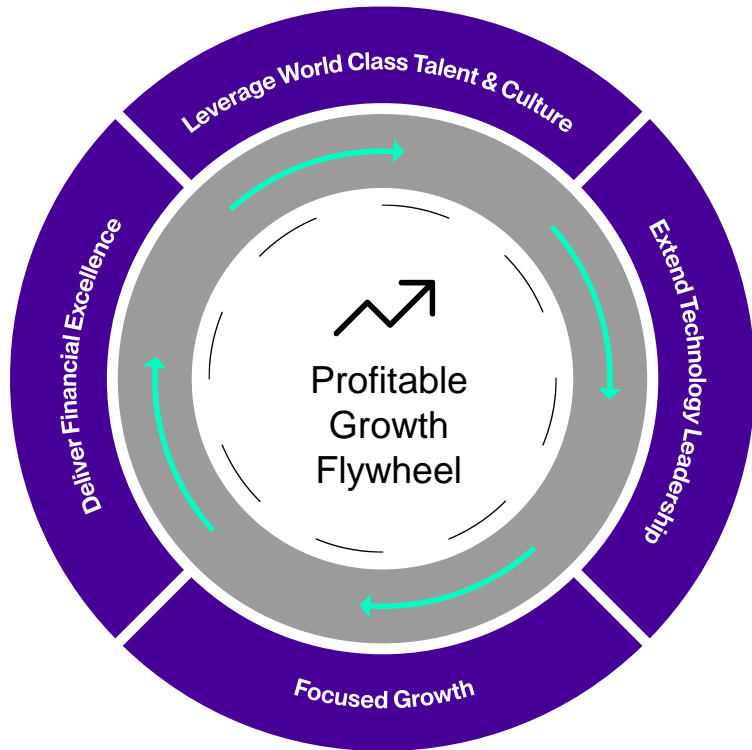
Powerful culture, led by global talent, with Environmental, Social and Governance (ESG) focus at the core



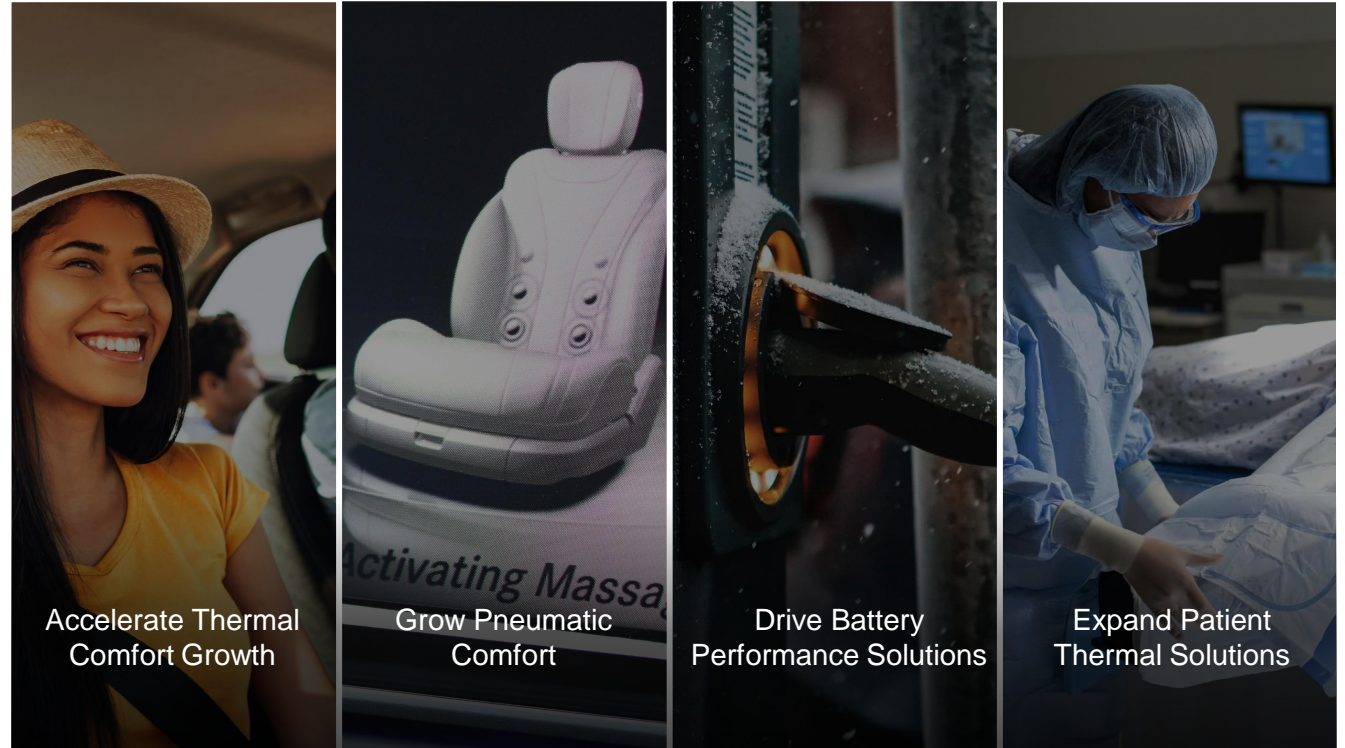
Diverse and proven Board of Directors and Executive Management team

Poised for high-return growth, outpacing the market

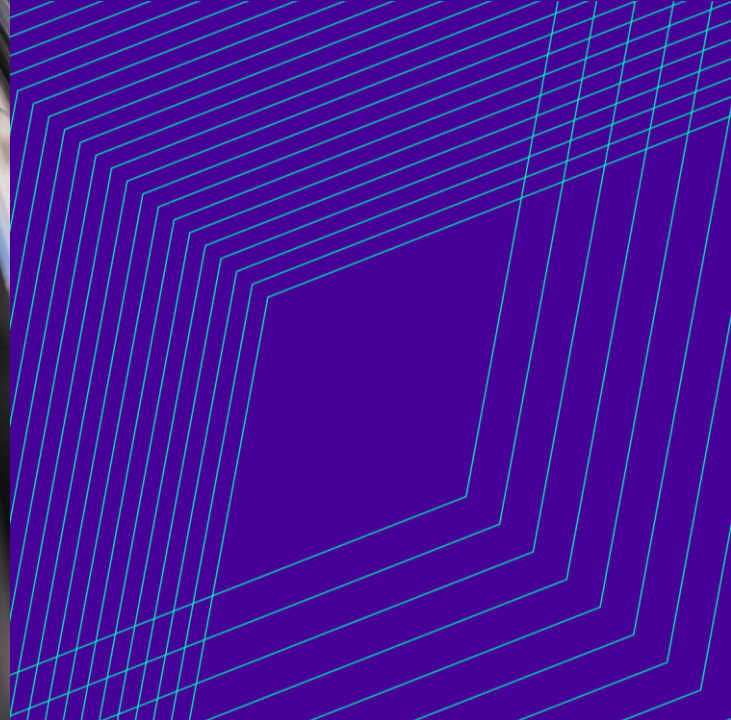
OUR STRATEGY



FOCUSED GROWTH PILLARS



Enabled by Gentherm Electronics & Software Systems



APPENDIX



Definitions of Abbreviations

- BEV – Battery Electric Vehicle
- BTM – Battery Thermal Management
- CCS® – Climate Control Seat (Heat/Cool)
- ECU – Electronic Control Unit
- HVAC – Heating, Ventilation and Air Conditioning
- ICE – Internal Combustion Engine
- iMTM - Intelligent Micro-Thermal Module
- OEM – Original Equipment Manufacturer
- SDV – Software-Defined Vehicle*
- SMA – Shape Memory Alloy

** Any vehicle that manages its operations, adds functionality, and enables new features primarily or entirely through software.*