

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 OR 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 22, 2023

**GENTHERM INCORPORATED**  
(Exact name of registrant as specified in its charter)

Michigan  
(State or other jurisdiction  
of incorporation)

0-21810  
(Commission  
File Number)

95-4318554  
(IRS Employer  
Identification No.)

21680 Haggerty Road, Northville, MI  
(Address of principal executive offices)

48167  
(Zip Code)

Registrant's telephone number, including area code: (248) 504-0500

Former name or former address, if changed since last report: N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	THRM	Nasdaq

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

On February 22, 2023, Gentherm Incorporated (the “Company”) hosted a live strategic update for the investment community (the “Event”), as part of its enhanced earnings call. The Event included the presentation materials attached as Exhibit 99.1. In addition, the presentation is available at the Company’s website at [www.gentherm.com](http://www.gentherm.com), which is not incorporated herein by reference.

The information in this Section 7.01, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act except as shall be expressly stated by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

- 99.1 [Investor presentation materials dated February 22, 2023](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

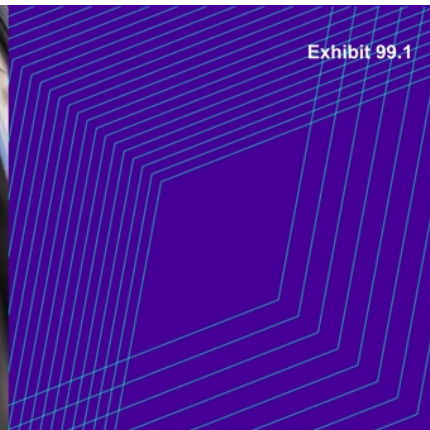
**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**GENTHERM INCORPORATED**

By: /s/ Wayne Kauffman  
Wayne Kauffman  
Senior Vice President, General Counsel and  
Secretary

Date: February 22, 2023



# 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

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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 Hurdzinski

CFO & Executive Director, TI Fluid Systems



SOPHIE Desormière

Chief Growth Officer, Aliaxis



DAVID Heinzmann

President & CEO, Littelfuse Inc.



CHARLES Kunneth

President & CEO, Bio-Techne Corp.



BETSY Meier

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 Eyer

Director; President & CEO Genterm

Engaged, talented and effective Board

# Leadership Team

 <p>PHIL Eyer</p>	 <p>MATTEO Anversa</p>	 <p>RAFAEL Barikas</p>	 <p>YIJING Brenlano</p>	 <p>STEVE Fletcher</p>	 <p>WAYNE Kaufman</p>	 <p>BARB Runyon</p>	 <p>THOMAS Stocker</p>	 <p>JAMIE Wilson</p>	 <p>HUI (HELEN) Xu</p>
President & CEO	Chief Financial Officer	Global Operations & Supply Chain	IR, Strategy & Corporate Development	General Manager, Medical	General Counsel	Chief Human Resources Officer	Europe Automotive, Global Pneumatic & BPS	North America Automotive, Global Sales & Marketing	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
- ● Pilzen, 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

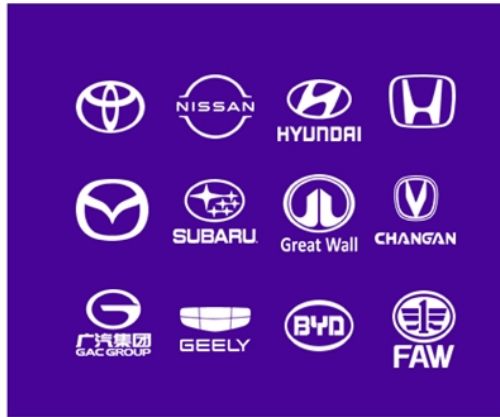
\* 2022 Pro forma, includes full year of Alfmeier revenue

# 50+ Global Automotive Customers

## NORTH AMERICA



## ASIA

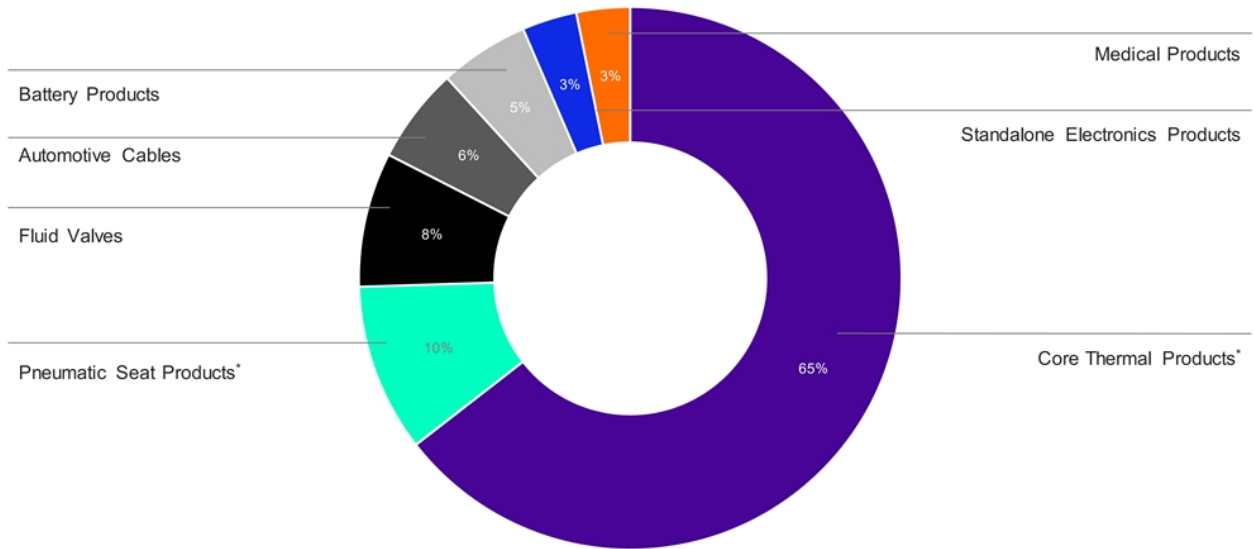


## EUROPE



Extremely well-diversified, global customer base

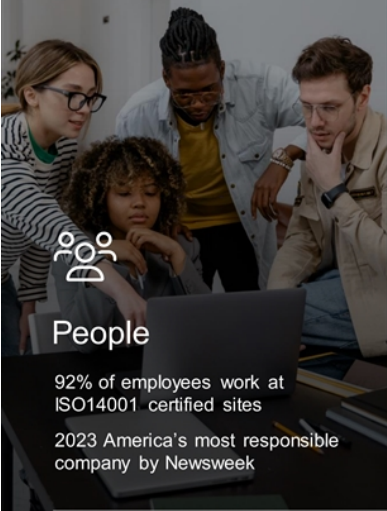
# Market Segments



\* Includes electronics  
2022 Pro forma, includes full year of Allmeier 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

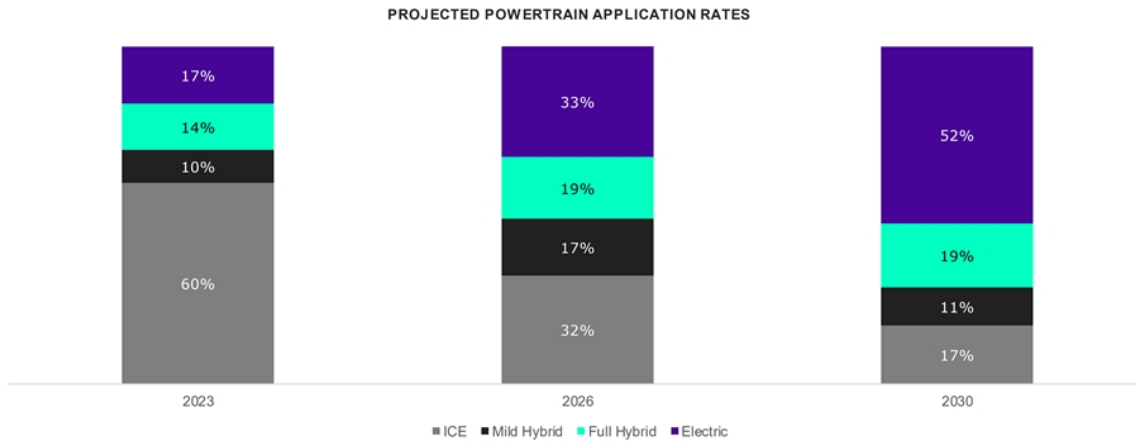
Occupant Monitoring

## 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



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

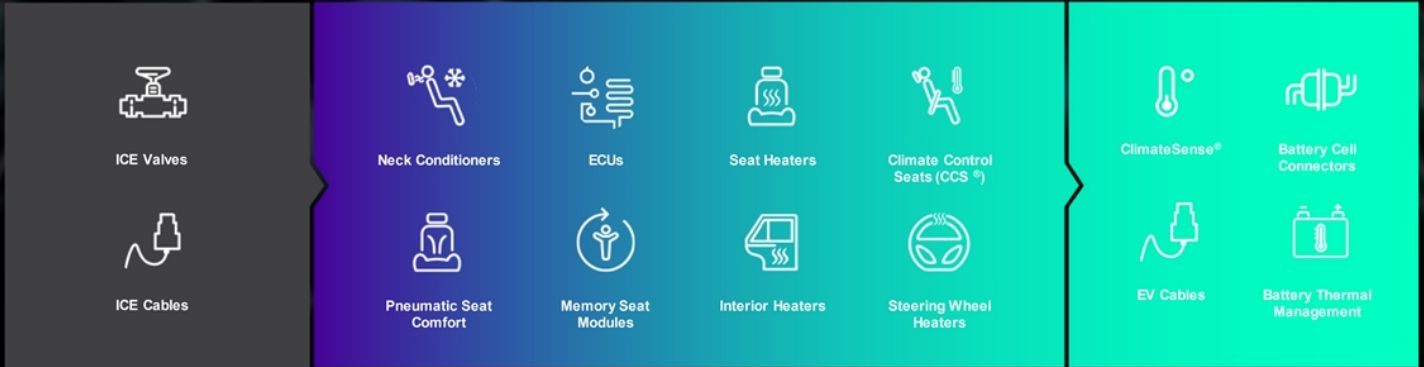


# Portfolio Aligned with Electrification

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



Electric Vehicles accelerate content growth for Genterm

# Consumer Satisfaction Research Summary



Heated Seats



Climate Control Seats



Heated Steering Wheel

Satisfaction



Would Repurchase

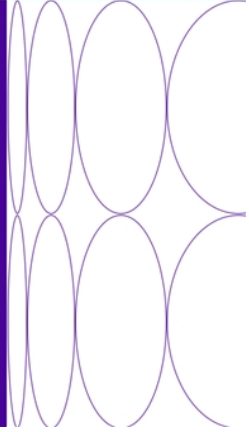


*Study conducted in 2021 in partnership with Escalent (formerly Morpace), covering 3,000+ respondents in North America, Europe and China*

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

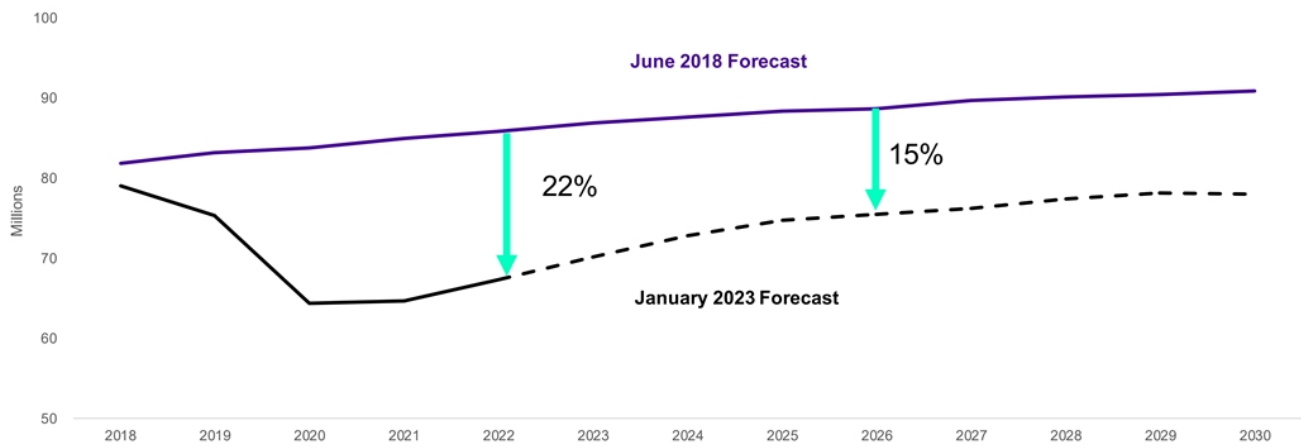


Geopolitical Disruptions

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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

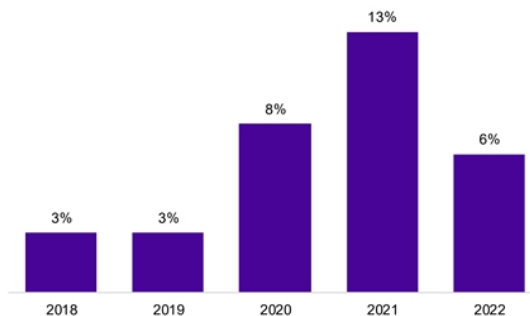
- ✔ Grow 48V Battery Thermal Management
- ✔ Launch Proprietary Foil Battery Heaters
- ✔ Develop foil cell connectors



## 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

## INNOVATIONS BROUGHT TO MARKET

### Technology Leadership



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

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. <b>ClimateSense® Software and User Experience</b><br/>Scalable software, improving comfort, personalization and energy efficiency.</li> <hr/> <li>2. <b>Mechanical Structuring Process for Foils</b><br/>Proprietary, environmentally-friendly technology for flex foil conductors.</li> <hr/> <li>3. <b>PilotSense™</b><br/>Industry first, single layer steering wheel heat and Hands-on-Detection (HOD) solution.</li> <hr/> <li>4. <b>Intelligent Neck Conditioning</b><br/>A compact microclimate device with integrated Electronic Control Unit (ECU) and smart algorithm.</li> <hr/> <li>5. <b>Intelligent Micro-Thermal Module</b><br/>Next Generation CCS® Active.</li> </ol> | <ol style="list-style-type: none"> <li>6. <b>ECU Integrated Cell-Connecting Board</b><br/>Proprietary thin foil cell-connecting system with embedded cell-sensing.</li> <hr/> <li>7. <b>Multi-Function ECU</b><br/>Utilizing proprietary control algorithm to operate a variety of motors – seats, mirrors, etc.</li> <hr/> <li>8. <b>High Voltage Cables</b><br/>Enabling EV's by introducing cables and connectors aimed at high voltage segment.</li> <hr/> <li>9. <b>UV Treo®</b><br/>Advanced cardiovascular heating/cooling device.</li> <hr/> <li>10. <b>Blanketrol CoolRepeat®</b><br/>Dual-Display Temperature Monitor.</li> </ol> |
|--|---|

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



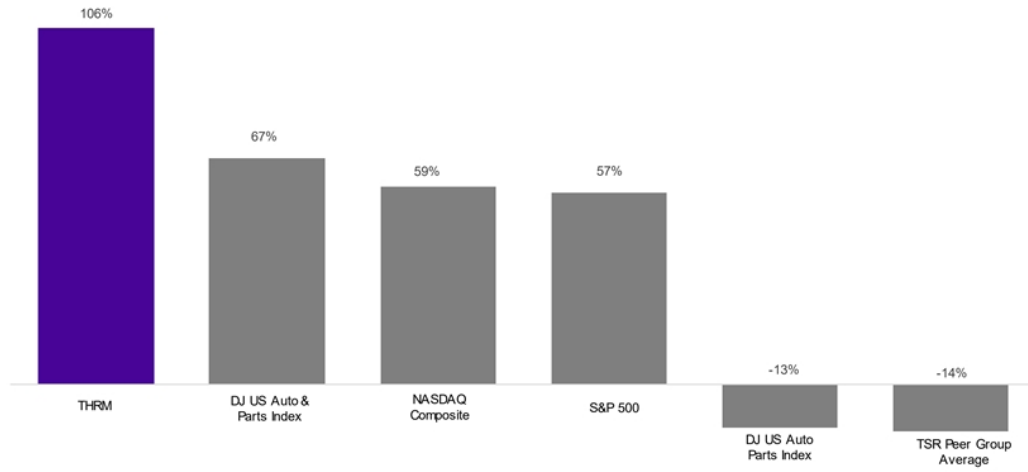
### Capital Allocation

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

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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**



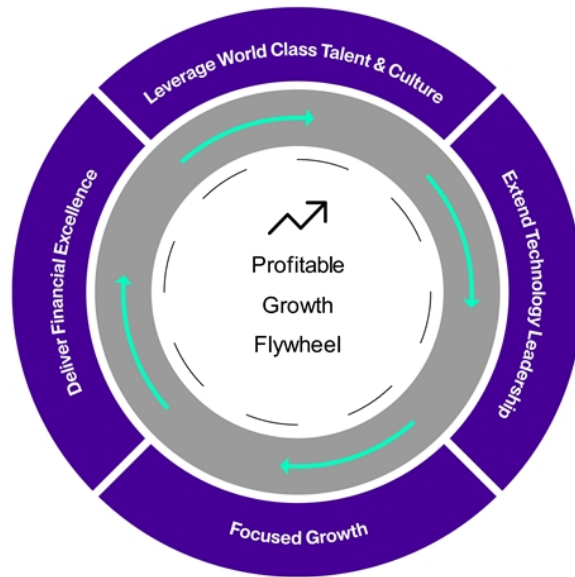
## FUTURE

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

Imagine...



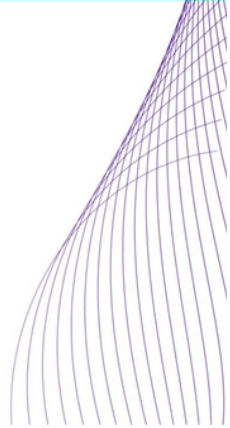
# Our Strategy 2023 and Beyond



Aspiration: \$3 Billion revenue by 2030



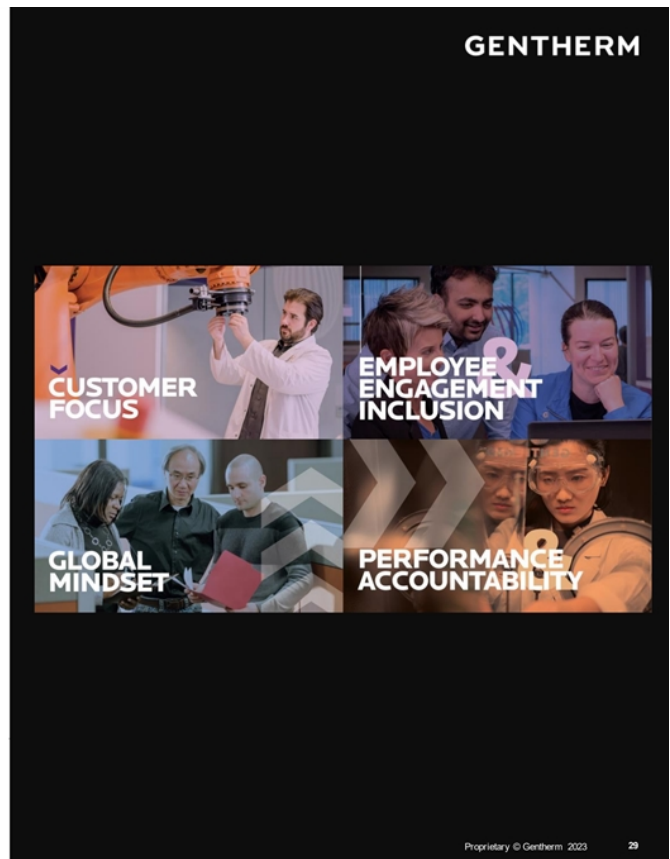
# Strategy 1: Leverage World Class Talent and Culture



# 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

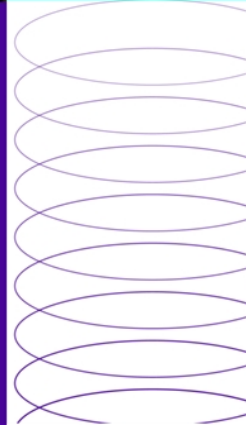
Strong foundation for future acceleration



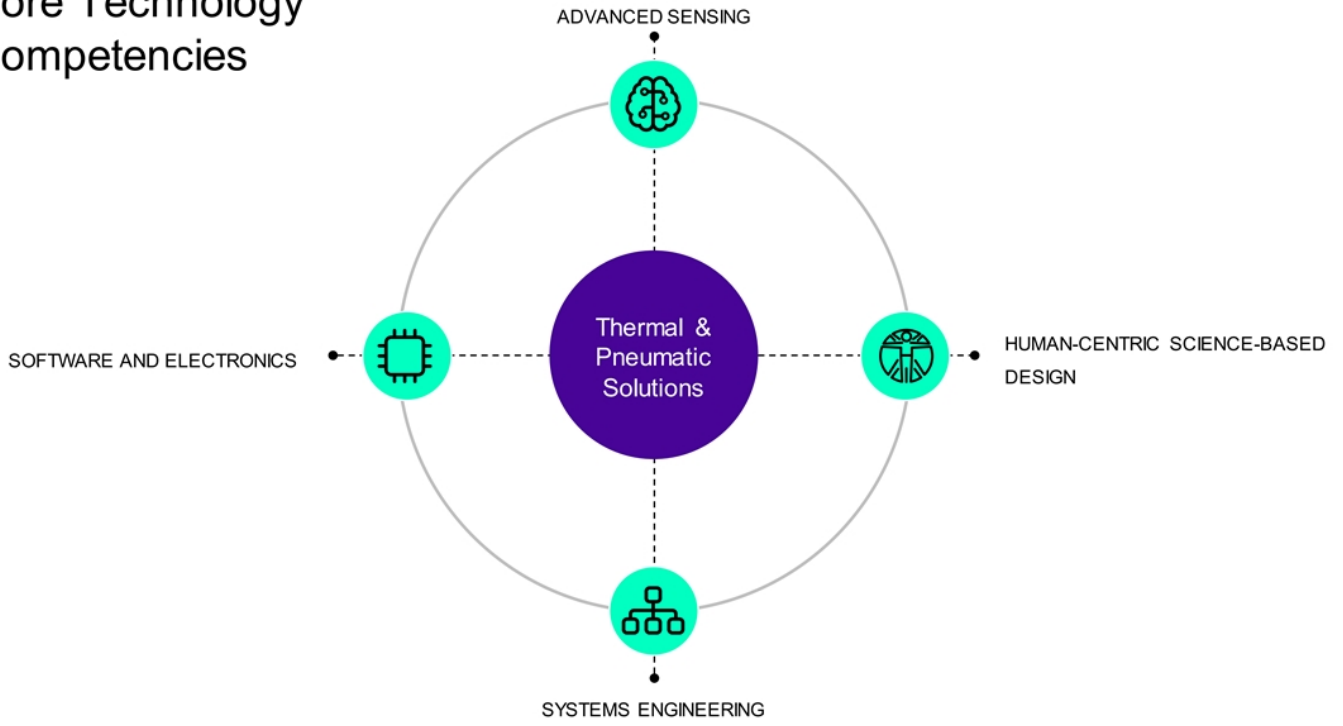




## Strategy 2: Extend Technology Leadership



# 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

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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

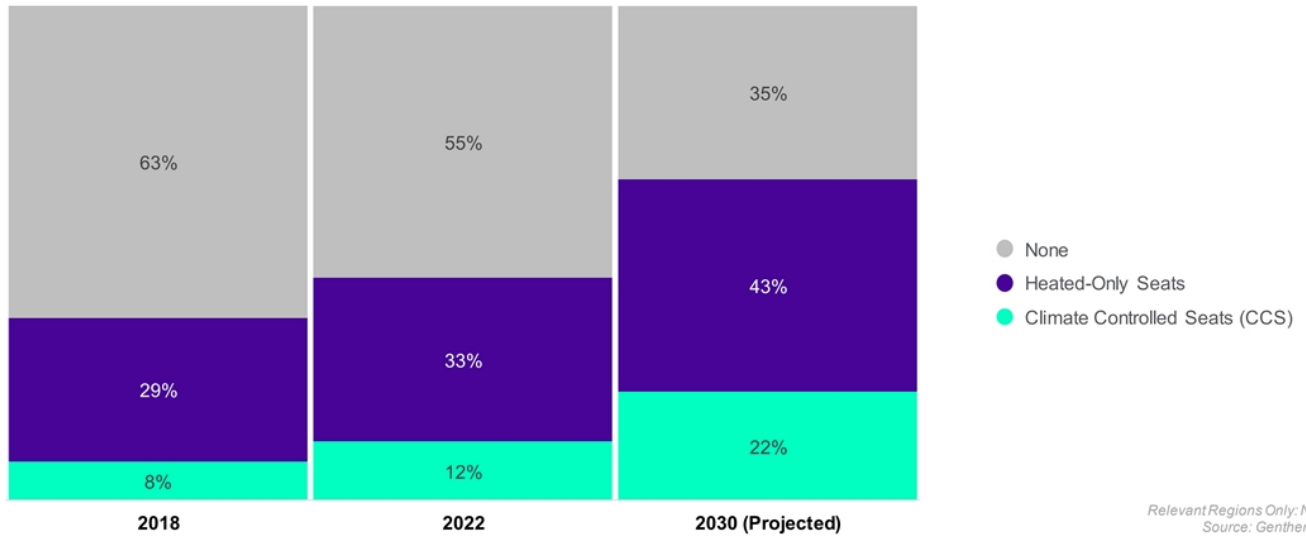
# 01

Accelerate Thermal  
Comfort



# Market Growth Potential - Take Rate Increase

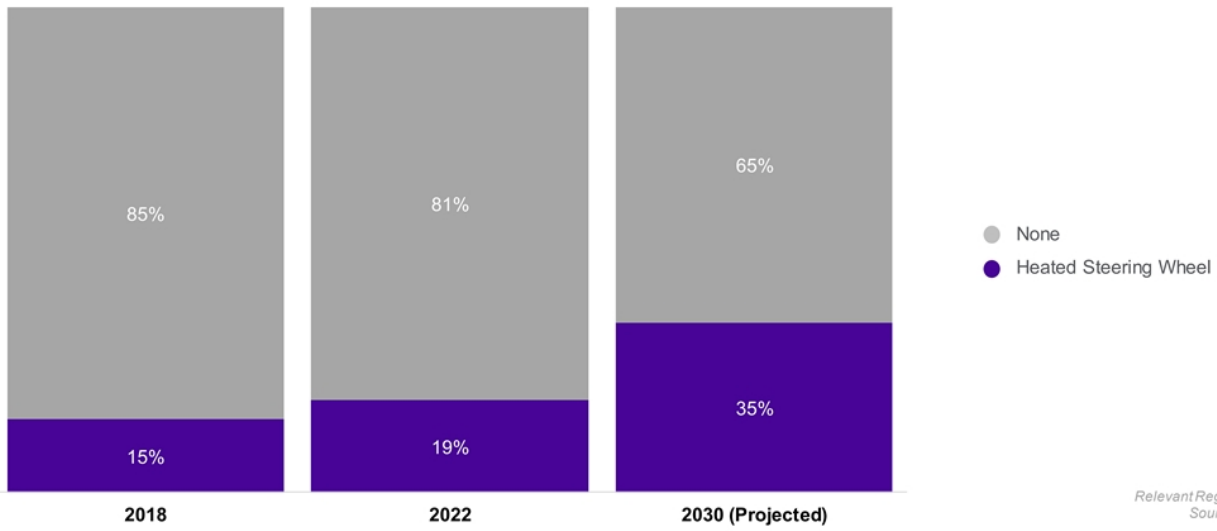
Climate Seats



Significant customer demand for Gentherm's thermal technologies

# Market Growth Potential - Take Rate Increase

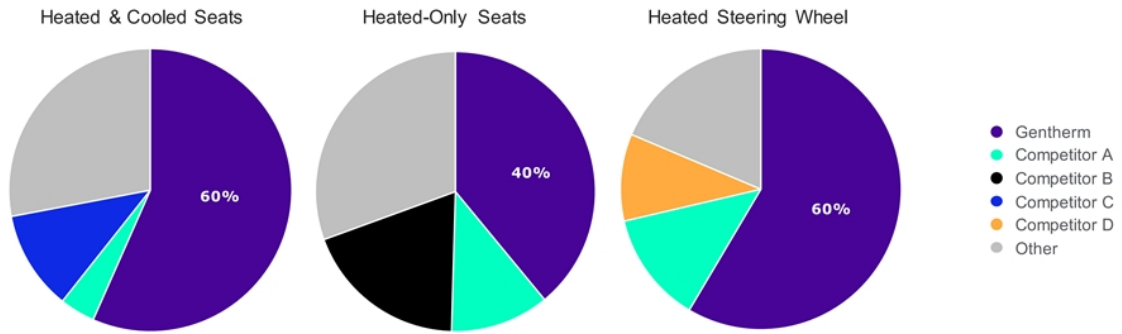
Heated Steering Wheel



Significant customer demand for Gentherm's thermal technologies



# 2022 Global Market Share\*

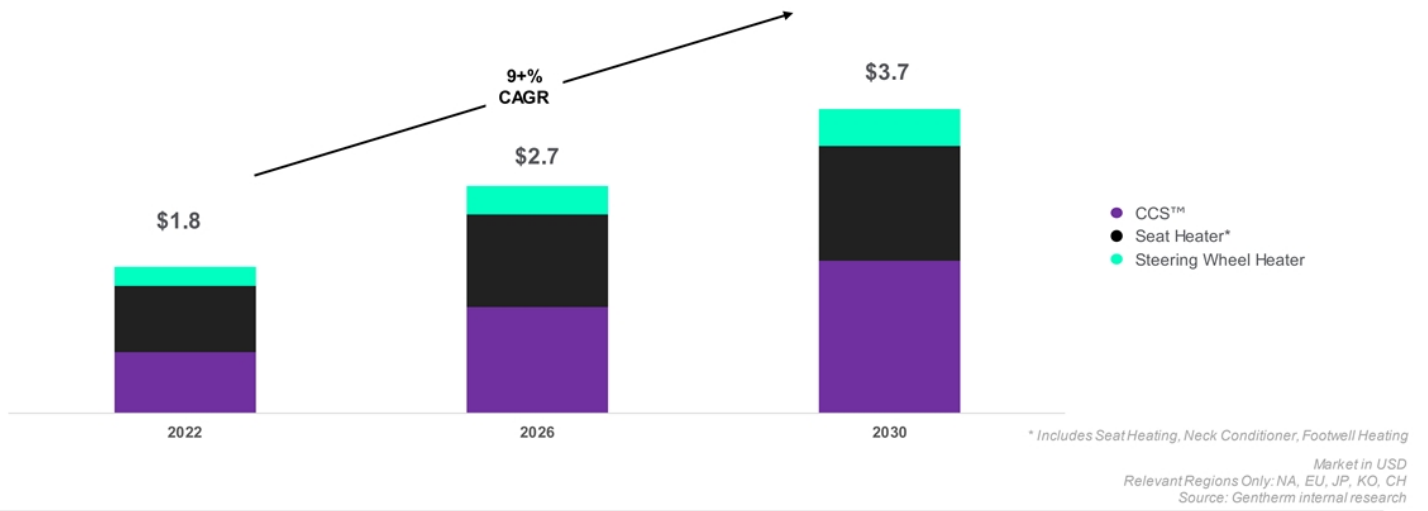


Market in USD  
\*Relevant Regions Only: NA, EU, JP, KO, CH  
Source: Gentherm internal research

Global market share leader

# Market Growth Potential

(Dollars in Billions)



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

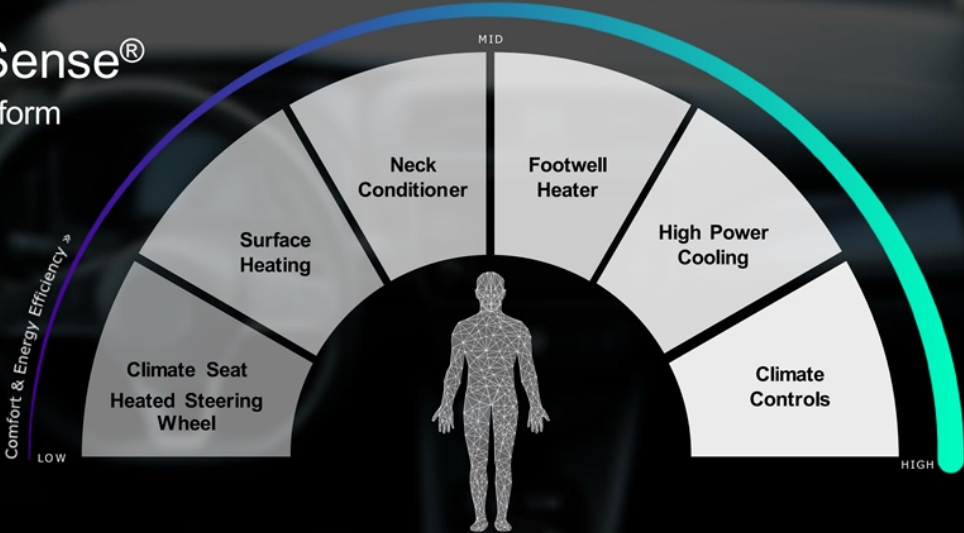
Ready for the future, today

- ✓ 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<sup>®</sup> Scalable Platform



Enabled by Gentherm ClimateSense<sup>®</sup> 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

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- 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



Seat Comfort Solutions

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

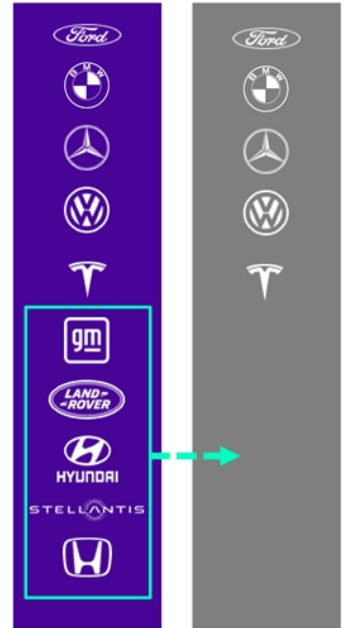
Next generation in intelligent pneumatic seat comfort



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

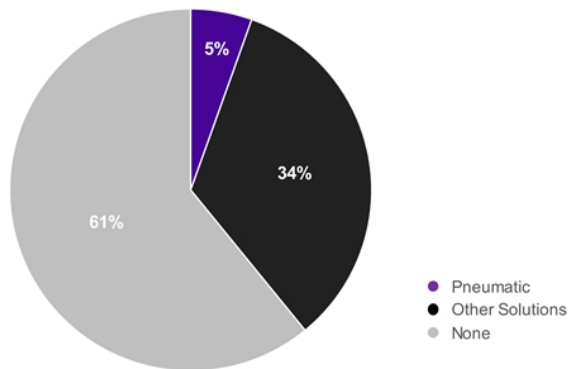
GENTHERM

ALFMEIER





## Comfort Technology Penetration



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

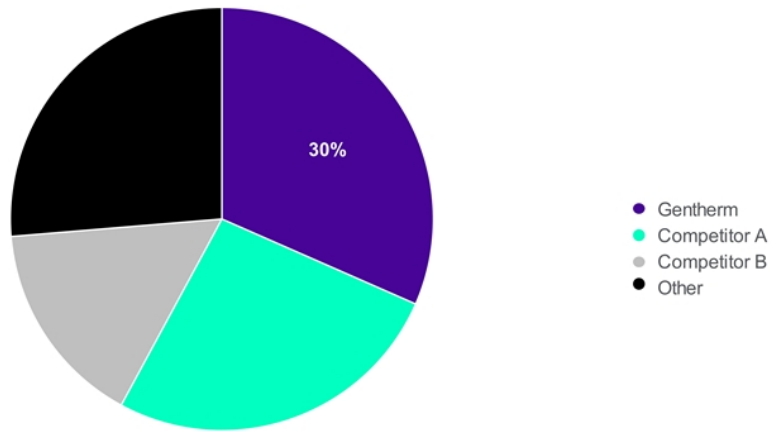
→ Pneumatic will grow the fastest, driven by OEM need for decreased power consumption, space and weight requirements

*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: Genthem 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

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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



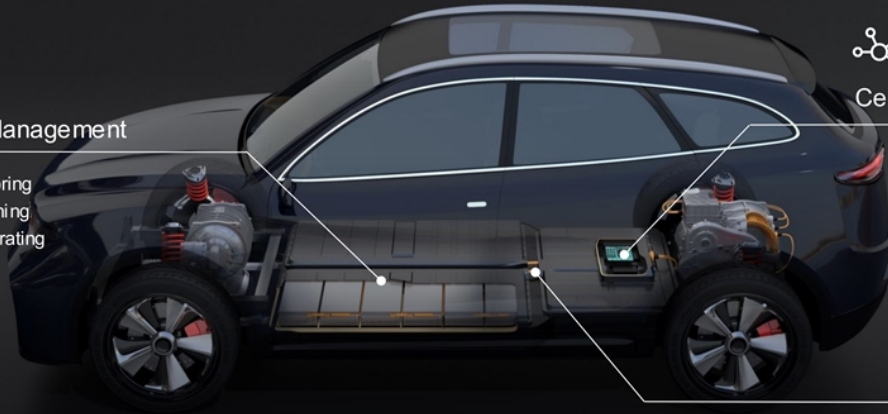
## Cell Connecting Technology

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



## Cable Technology

- High-voltage connections
- Sensing cables
- Battery harnesses



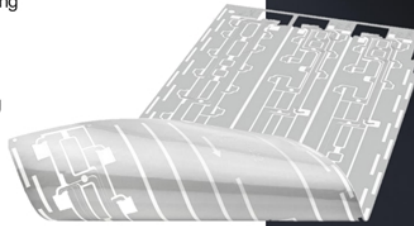
Enabling temperature and cell monitoring optimization for EV batteries

# 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

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- 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



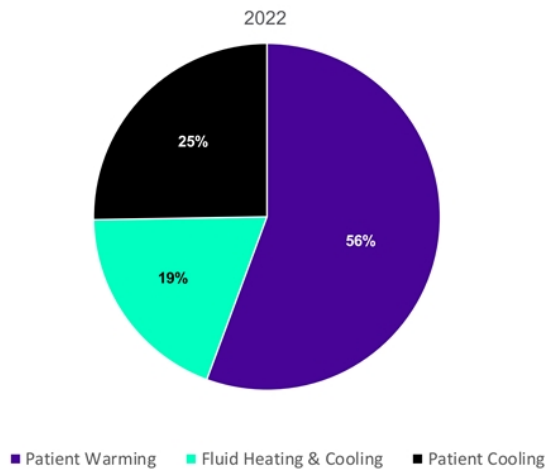
PILLAR

# 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



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



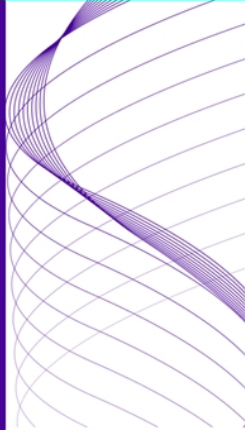
## EXPAND PATIENT THERMAL SOLUTIONS

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- 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

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- ✓ 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

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- ✓ 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

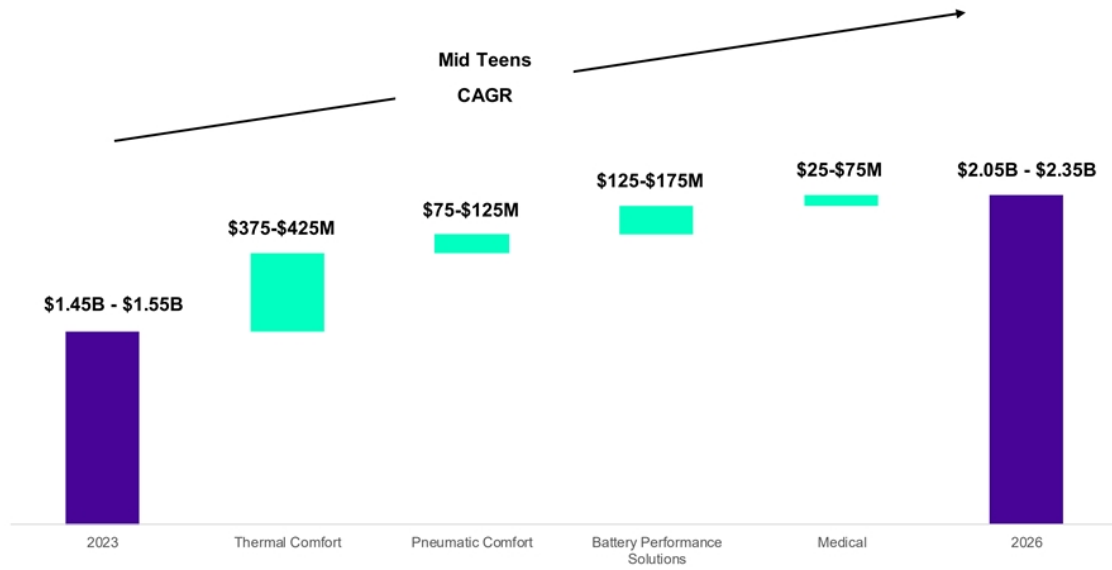
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- ➔ Return to high-teens Adjusted EBITDA Margin
- ➔ Strong Cash Flow generation
- ➔ Maintain a strong balance sheet
- ➔ Balanced capital allocation

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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

- ✔ Increase Adjusted EBITDA margins to high-teens

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

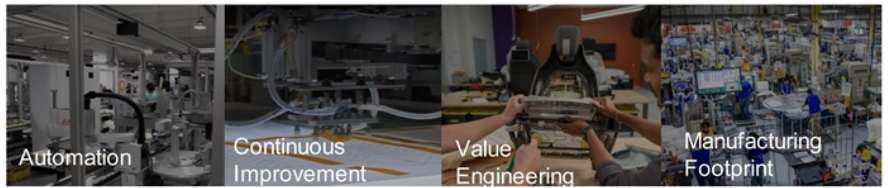
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- ✔ Drive \$20M - \$40M cost savings through purchasing excellence

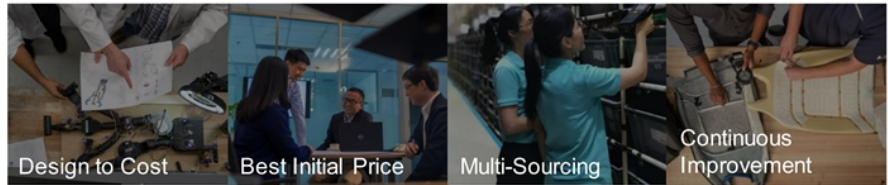
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- ✔ \$10M+ Alfmeier synergies

## Manufacturing Productivity



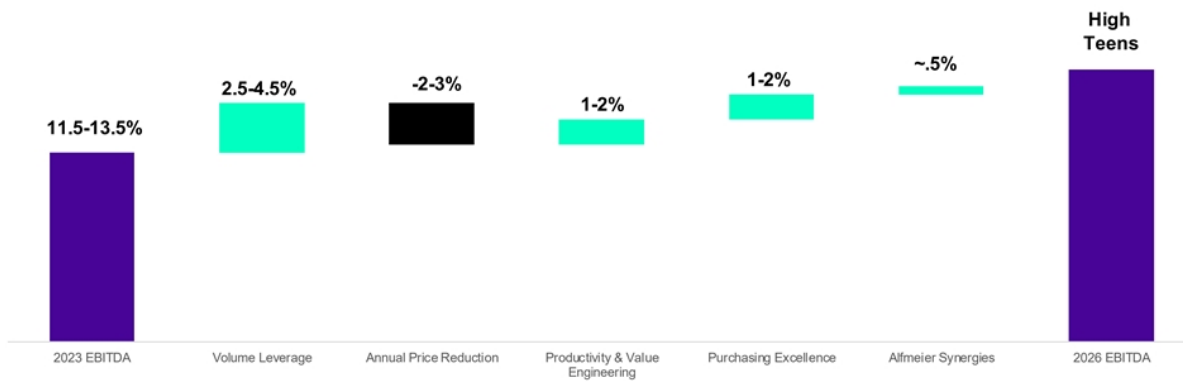
## Purchasing Excellence



Strong execution drives margin improvement

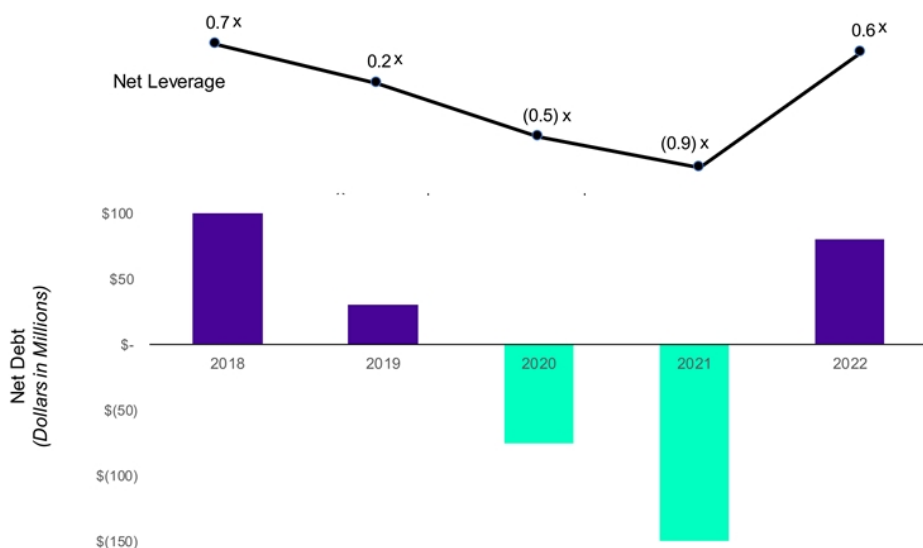


# Adjusted EBITDA: 2023-2026 Projection



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

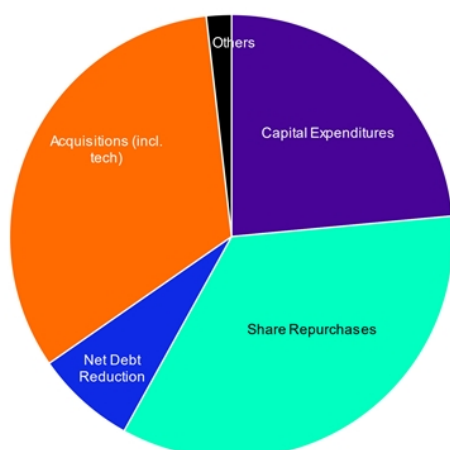
### Looking Forward

➔ 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

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Expand in-cabin content



Accelerate Capabilities



Grow Medical

## Keys to Success

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Strong financial position to enable transaction



Alignment to corporate strategic priorities



Robust due diligence process



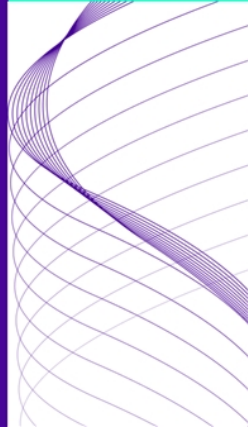
Strong execution of integration

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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



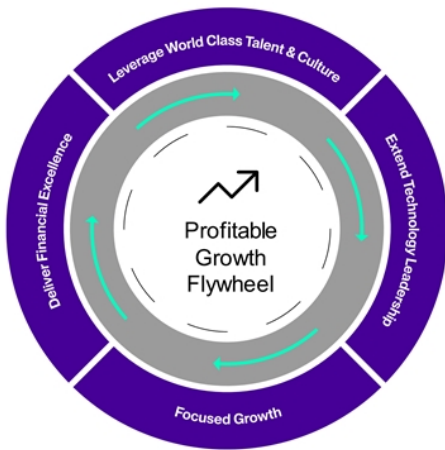
Powerful culture, led by global talent, with Environmental, Social and Governance (ESG) focus at the core



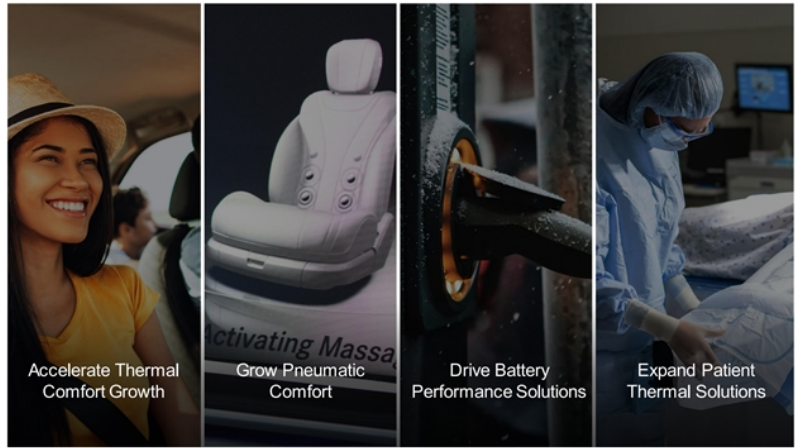
Diverse and proven Board of Directors and Executive Management team

Poised for high-return growth, outpacing the market

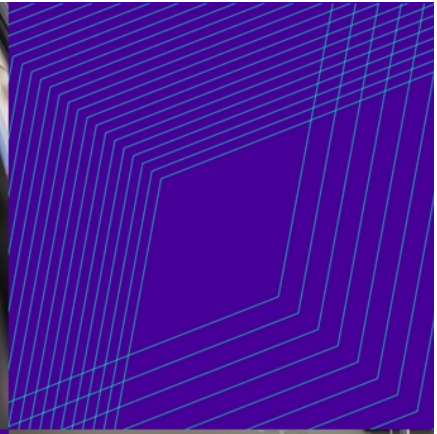
## OUR STRATEGY



## FOCUSED GROWTH PILLARS



Enabled by Gentherm Electronics & Software Systems



# APPENDIX

Proprietary © 2023





## 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.