



DOWLAIS

DOWLAIS GROUP PLC
INVESTEC CONFERENCE
NOVEMBER 2023

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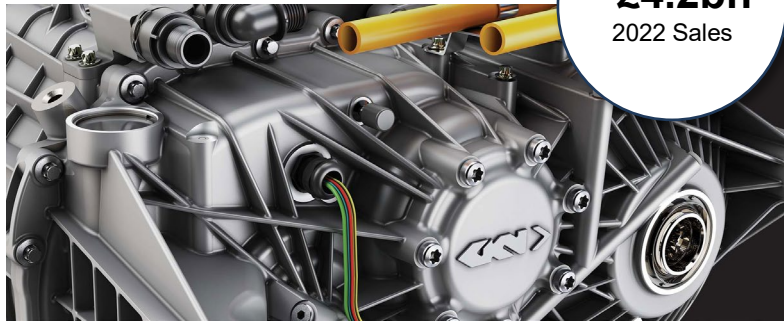
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DOWLAIS OVERVIEW



~£4.2bn
2022 Sales



~£1.0bn
2022 Sales



#1 global driveline supplier

Present on 50% of vehicles¹

Working with 90% of global OEMs²

#1 sinter metals supplier

#2 powder metal supplier

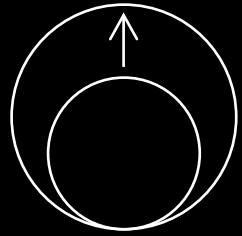
Global supply footprint

Reliable and secure H₂ storage

16 pilot systems

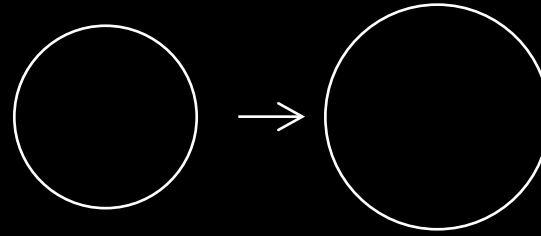
Healthy pipeline of opportunities

¹ Vehicles refers to individual nameplates of global OEMs; ² Global OEMs are those with manufacturing locations in multiple regions



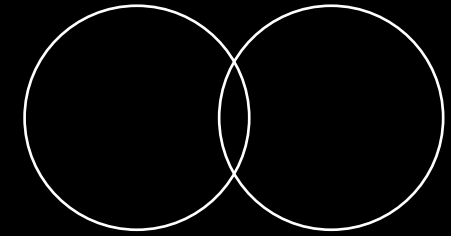
Lead

Market leadership and industry-leading financial performance



Transform

Technological innovation to enable a net zero economy



Accelerate

Sustainable organic growth and disciplined M&A

Mega-trends

Connecting

Autonomous

Shared

Electrification

Customer landscape

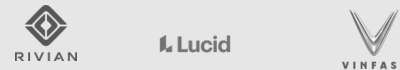
“Traditional” OEMs



Chinese Local OEMs



Pureplay EV OEMs



Geo-politics

Supply chain disruption



Political & military tension



Trade war



Deglobalisation



NOVEMBER TRADING UPDATE HIGHLIGHTS

Continued margin expansion, UAW strike impact absorbed, full year expectations unchanged.

Margin expansion



Operating margin 6.8%¹.
Pre-central cost margin expansion of 100²bps vs prior year period and 90bps vs H1 2023.
On track to achieve operating margin target

Cash generation



Generated adjusted³ free cash flow while investing in growth capex, best cost footprint expansions and executing ongoing restructuring programmes. On track to reduce net debt at year-end.

Portfolio transition



Continued strong order intake. GKN Auto has already achieved a new full year record, while GKN Powder Met. continues to book ICE agnostic orders.

1. Operating margin including central costs, in the period July 1st to October 31st. 2. YoY change is stated at constant currency throughout the document. 3. All adjusted financial measures are defined in the glossary to the interim financial statements



Growth inline with market, continued margin expansion and record order book



Revenue growth

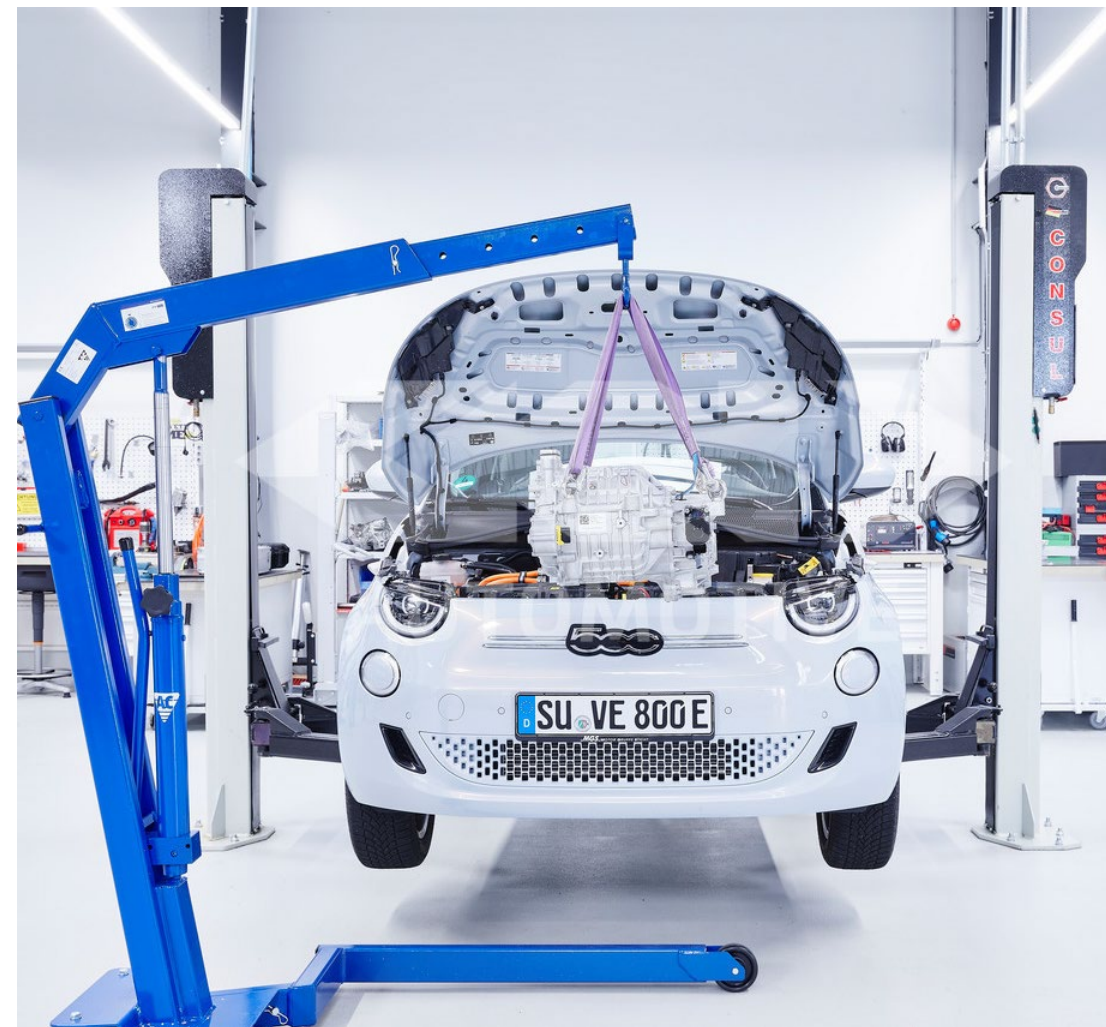
- October-to-date revenue growth of 9%, slightly above light vehicle production
- Strong growth from sids shafts and across all ePowertrain product portfolios

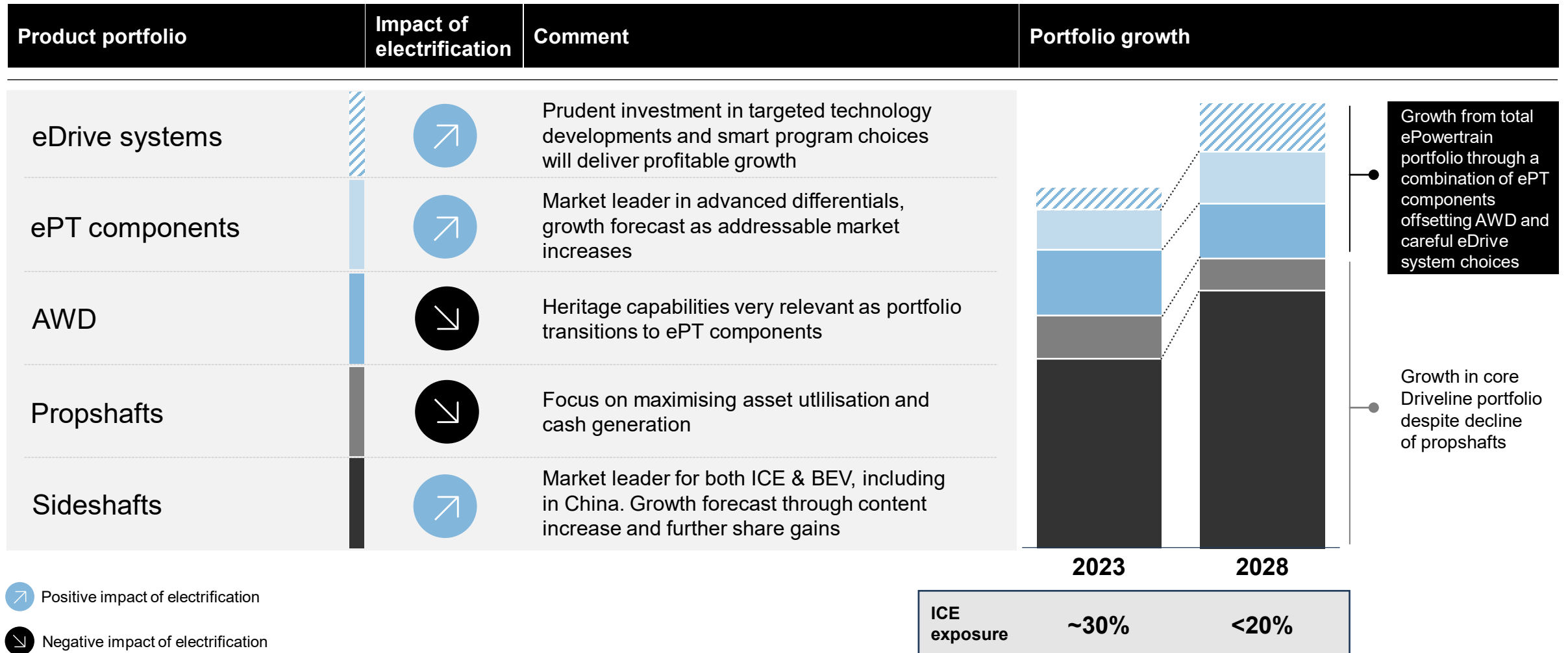
Margin expansion (July – Oct.)

- Adjusted operating margin of 7.6%, up 120bps vs same period prior year and expanded 110bps vs H1 2023
- Operational leverage above 30% driven by strong performance and inflation recovery

Portfolio transition

- >£5bn of new business secured – new full-year record achieved in 10 months
- Multiple torque management component awards and a profitable eDrive system win

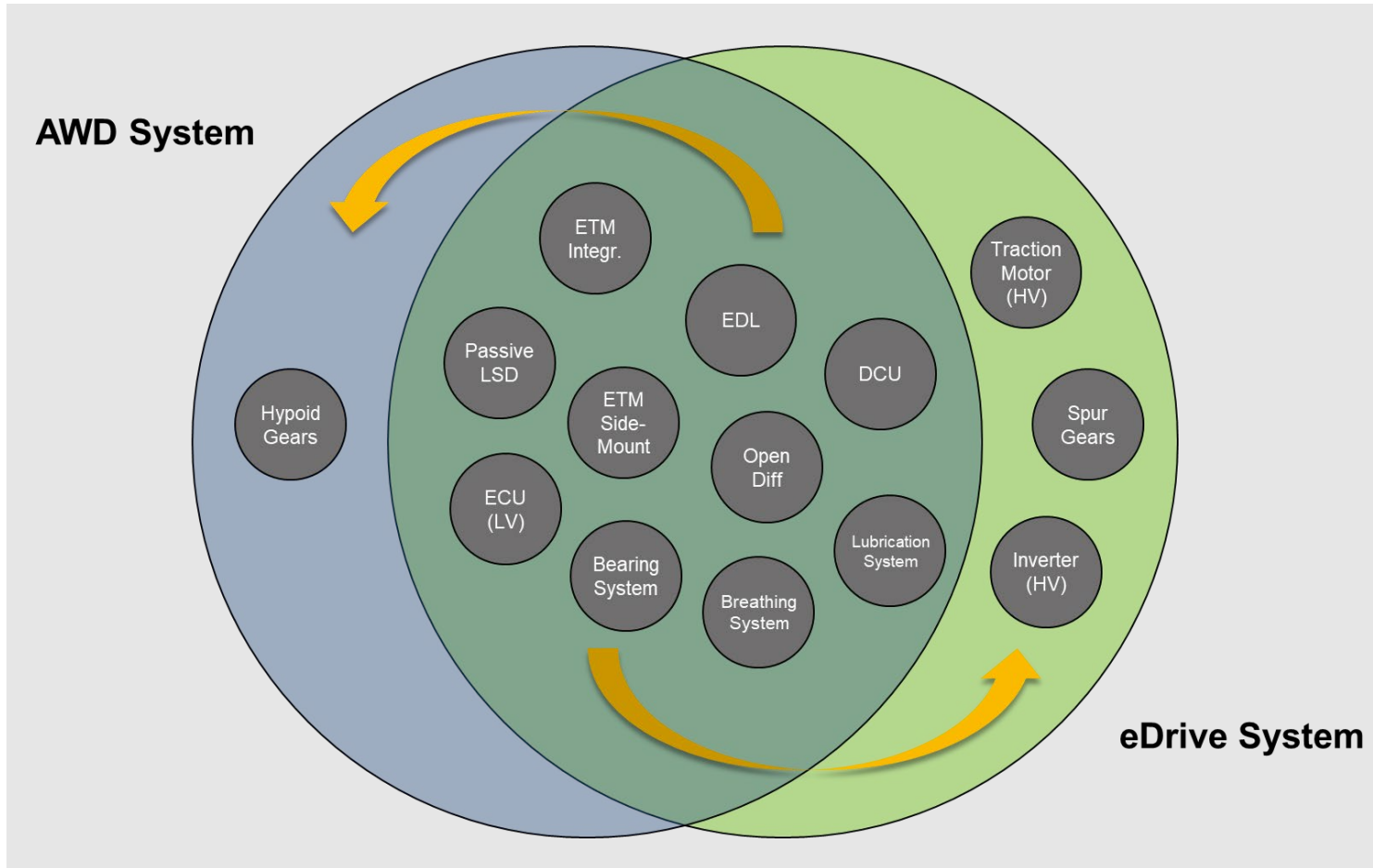




 Positive impact of electrification

 Negative impact of electrification

ePT components continue to be highly relevant for ICE platforms as well as for electrified powertrains



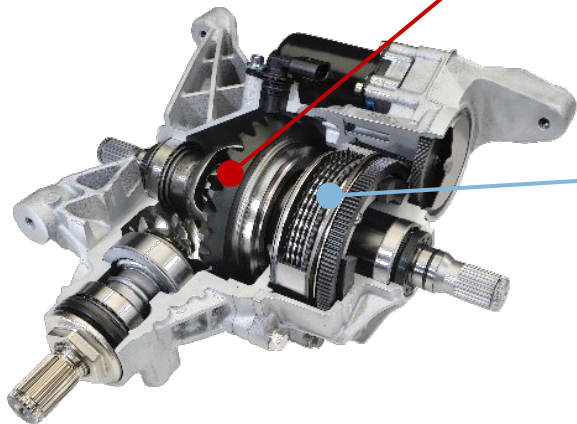
Shared technology between AWD and eDrive Applications

- AWD heritage is the enabler of our eDrive growth, traditional AWD technologies are critical to eDrive success
- Majority of components still required on BEV platforms and continued to be required for current business and last ICE platforms
- **Increased number of AWD architectures and the efficiency focus in BEVs will lead to a growing ePT component market and a progression of the technology**

Most components within an AWD system transition to ePT components portfolio

AWD System

- > Power Take-off Units
- > Rear Drive Units



Hypoid gears & shafts

Open differential



Disconnect Units



Limited Slip Differential (LSD)



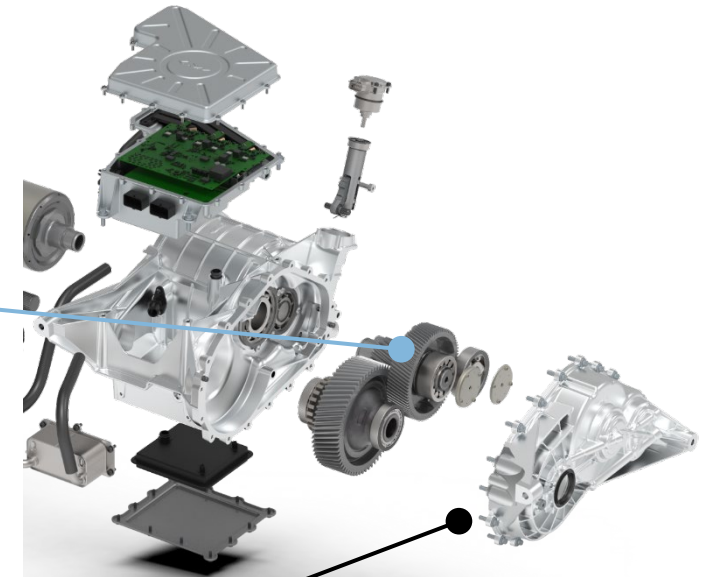
Electronic Torque Manager (ETM)



Helical gears & eDrive gearbox

eDrive System

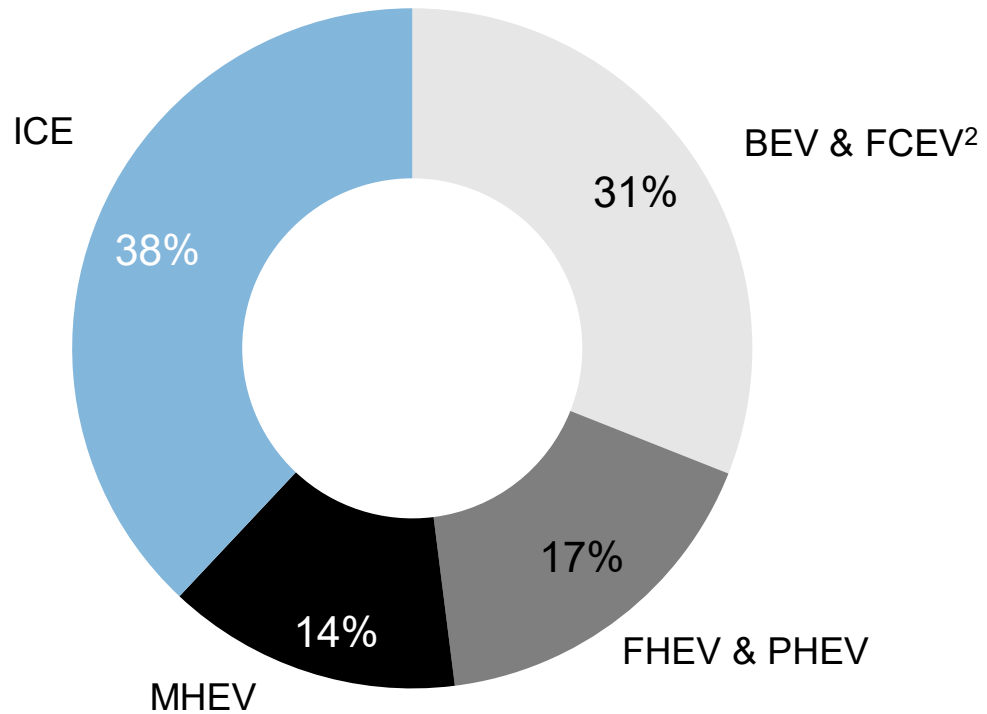
- > Electric Drive Units



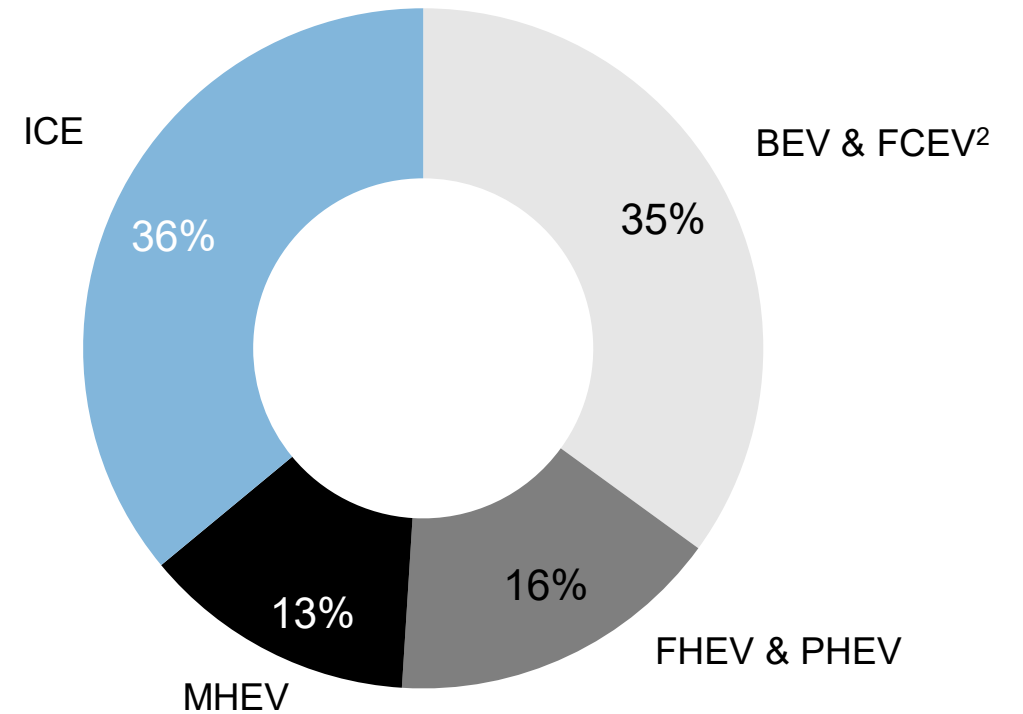
- No re-use
- Transition to eDrive component portfolio
- Incremental eDrive component content

Our EV transition is following the market

GKN Automotive order book for 2027¹



2027 global LV production forecast



¹ Propulsion mix of total order book as at October 2023; ² BEV = BEV + REEV + Series-Hybrid
Source: S&P Global Mobility Alternative Propulsion forecast at October 2023

GKN POWDER METALLURGY



GKN Powder Metallurgy

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Strong profit margin trajectory throughout the period & acceleration of portfolio transition



Revenue growth

→ October-to-date revenue growth of 3%

Margin expansion (July – Oct.)

→ Adjusted operating profit margin of 9%, inline with prior year and H1 2023

Portfolio transition

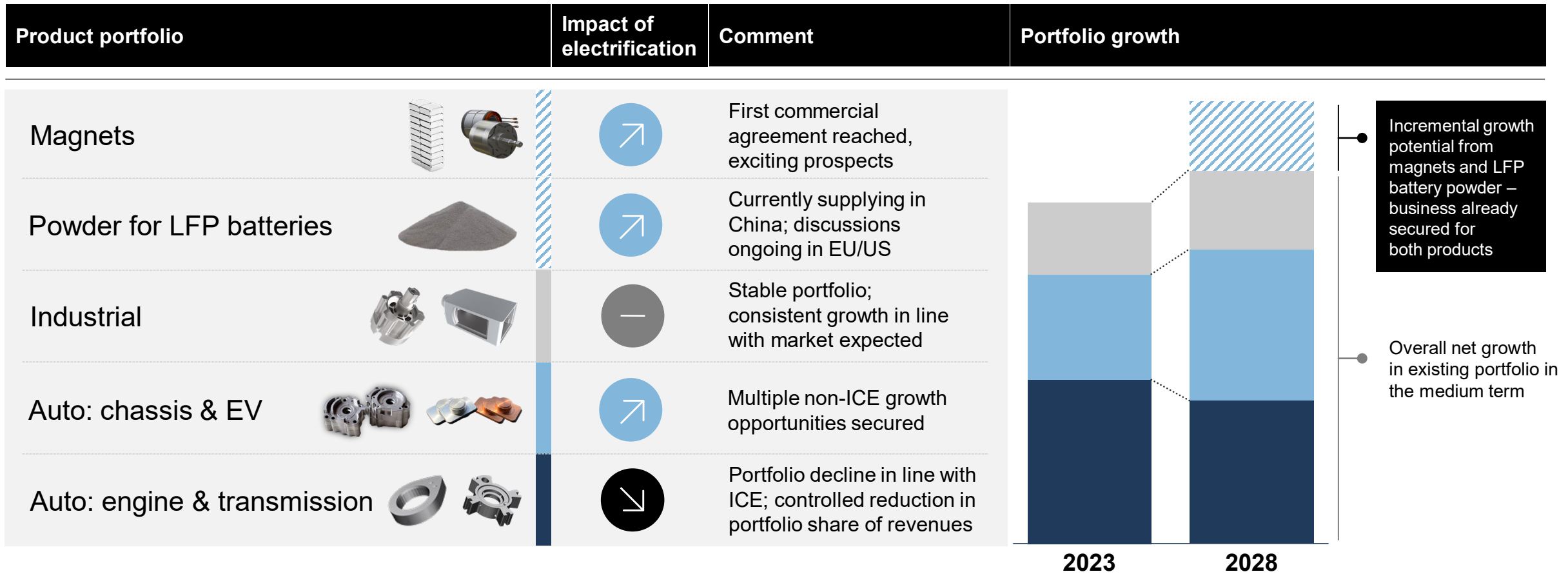
→ Continued to increase its EV portfolio offering and has secured profitable new business wins in the period which position the business for medium-term growth




→ Magnet commercial agreements outlined with interim results were signed with Schaeffler



GKN Powder Metallurgy

Growth from existing portfolio, with incremental opportunities from new EV products



 Positive impact of electrification
  Negative impact of electrification
  Neutral impact of electrification

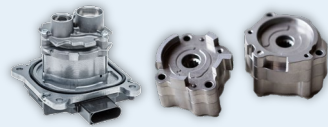
GKN Powder Metallurgy

DOWLAIS

Incremental EV content opportunities identified, and business secured

Thermal Management

Electric Pumps for battery and e-Motor cooling



CPV
Up to £15

Differentials

Gears for EV differentials



CPV
Up to £40

X-by-Wire

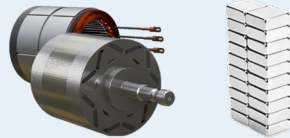
Small gearboxes for electric parking and active brakes



CPV
Up to £15

Magnets

Rare earth magnets for BEV traction motors



CPV
Up to £150

Iron Powder

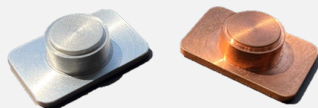
Used for Lithium Iron Phosphate batteries (LiFePO₄)



CPV
Up to £55

Battery Terminal

Used in cylindrical and prismatic battery cells



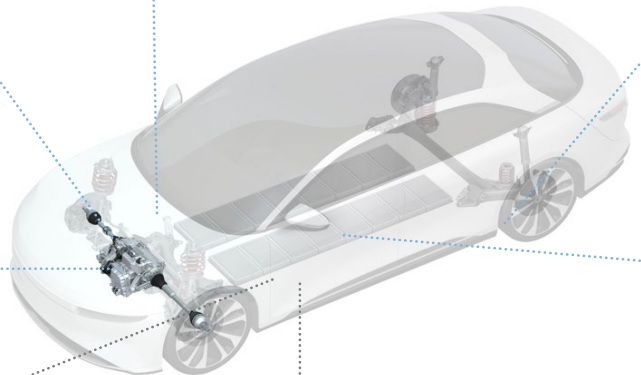
CPV
Up to £60



Bus Bar

Copper bushings for high voltage Bus-Bars



CPV
Up to £12



-  Product developed & commercial agreement secured
-  Product under development

Selected examples only– not exhaustive