# INVESTOR PRESENTATION

MARK WALLACE, CEO
HELMUT ZODL, CFO

CLARIOS

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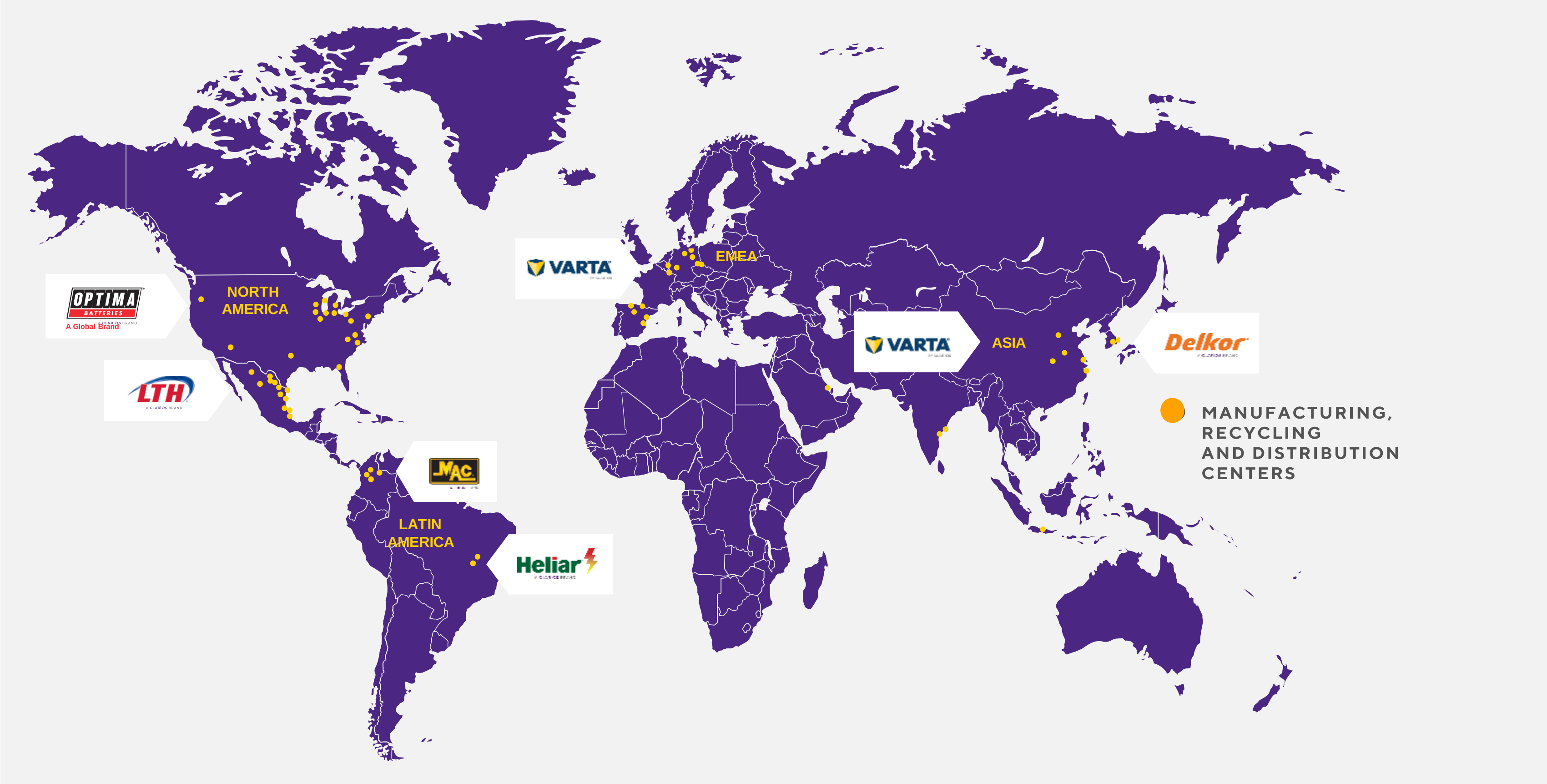
# CLARIOS COMPANY OVERVIEW




## The World Leader in Energy Storage for Low Voltage Mobility:

**#1** Global Market Position

**5-6x** larger than nearest competitor

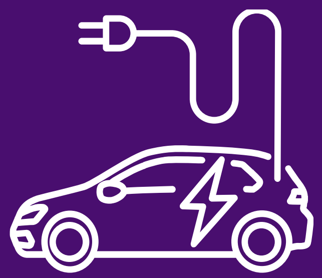
**~150MM** Batteries Sold Annually

**100+** Countries Supplied by our Volume Globally

**UP TO 99%** of the Materials in our Batteries can be Recovered, Recycled and Reused

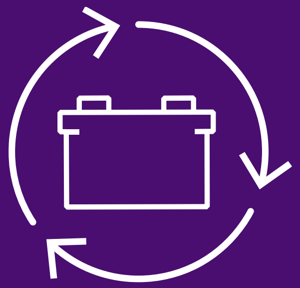
## Global leader in high margin advanced batteries positively positioned in energy transition

# TODAY'S TAKEAWAYS



Our powertrain & battery chemistry agnostic solutions play an integral role in the energy transition

Transportation aftermarket is key driver of our high margin and durable business model



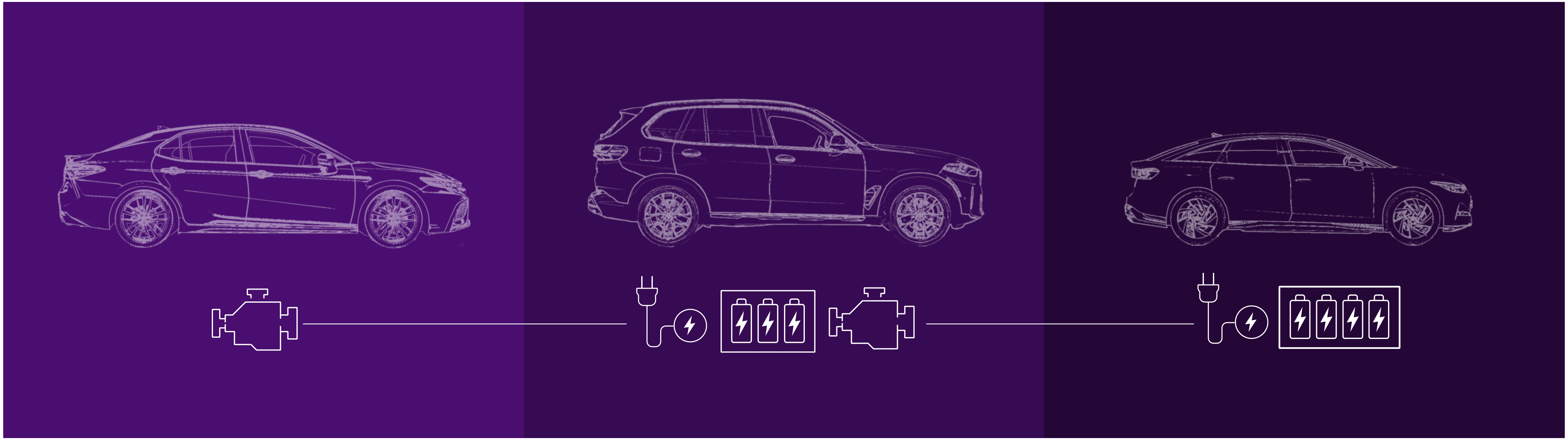
Our sustainability leadership is essential for the decarbonization of transportation

- ✓ Electrification and digitalization create a positive mix-shift tailwind for our business
- ✓ Operational & financial excellence — driving margin expansion & strong free cash flow

**Clarios well-positioned for long-term sustainable growth**

# LOW-VOLTAGE BATTERIES ARE ESSENTIAL FOR ALL VEHICLE POWERTRAINS

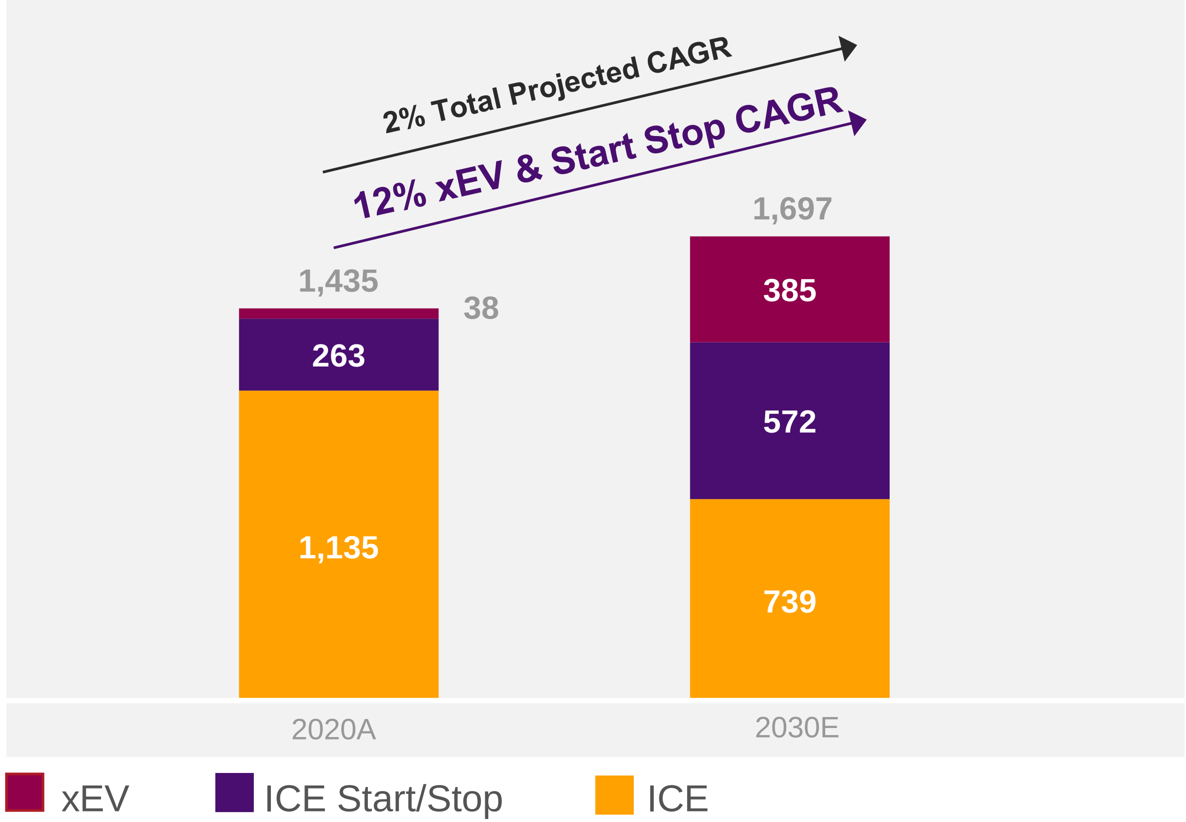
**ICE** | **HYBRID** | **BATTERY ELECTRIC VEHICLE**



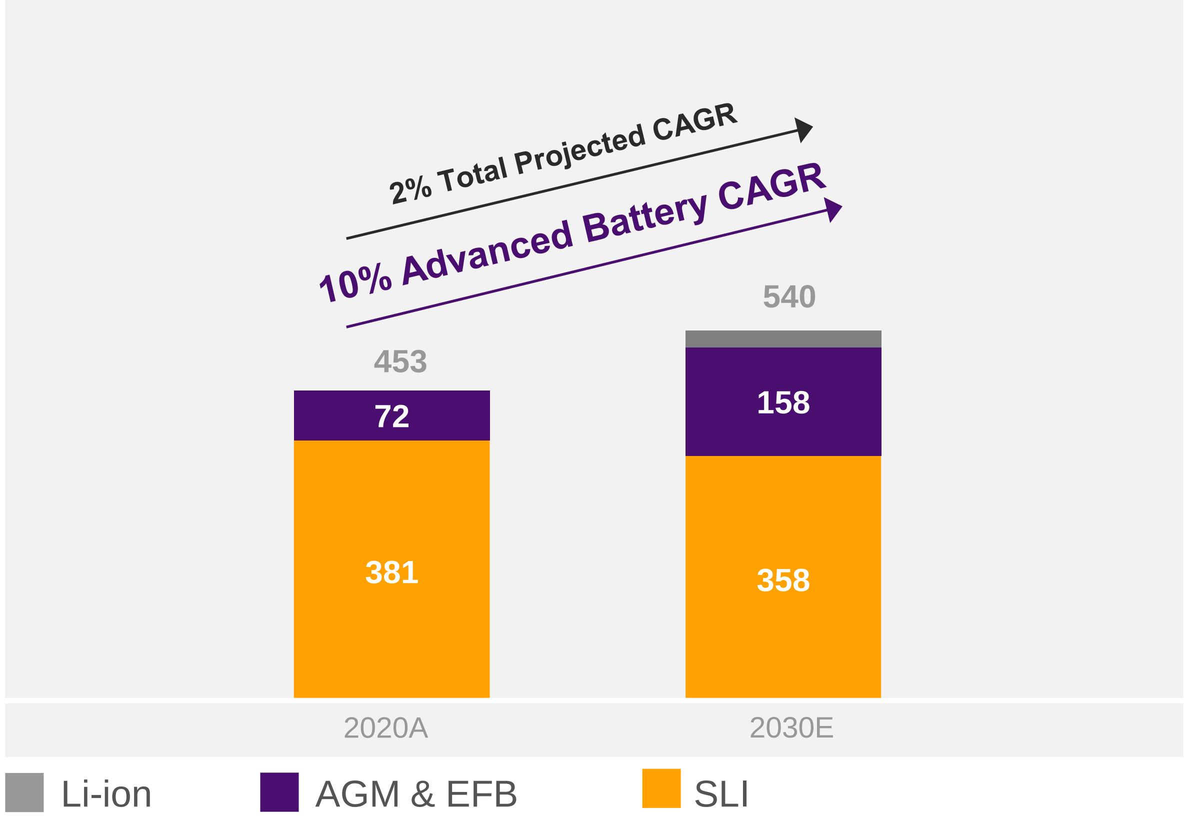
**Increasing complexity, power and safety are driving demand for higher margin advanced batteries – and ultimately more content per vehicle**

# EXPANDING CAR PARC EXPECTED TO RESULT IN MEANINGFUL GROWTH IN GLOBAL BATTERY VOLUMES

## GLOBAL CAR PARC (MM, UNITS)[1]




## GLOBAL BATTERY SALES (MM, UNITS)[2]

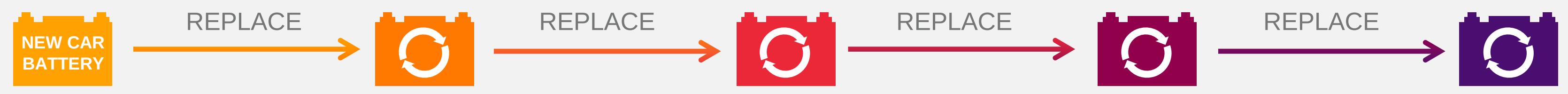



**Industry trends continue to provide tailwinds for global battery volumes**

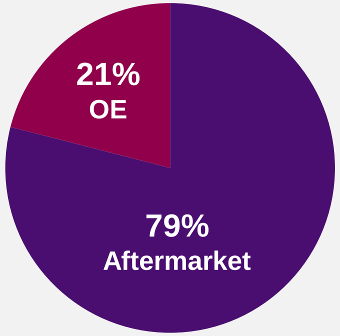
Note: xEV includes MHEV, FHEV, PHEV, BEV and FCEV powertrains
[1] Per IHS Markit
[2] Per internal estimates

# DURABLE AND REPLACEMENT-DRIVEN BUSINESS MODEL

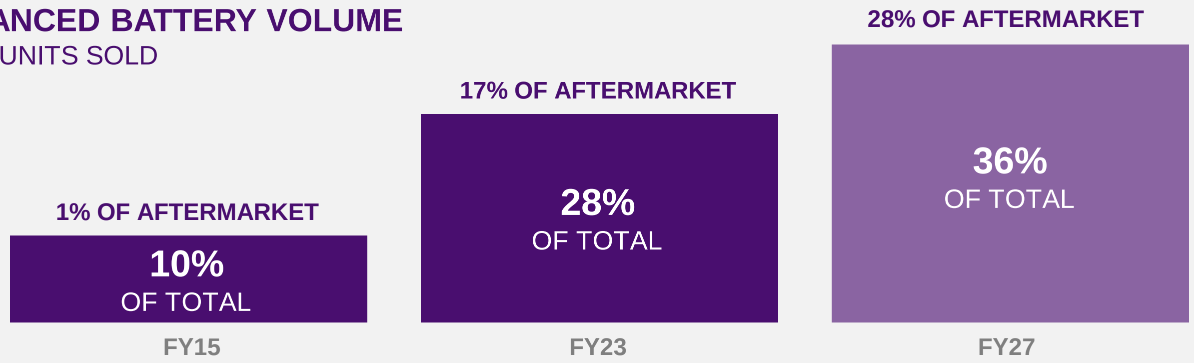
MOBILITY LIFECYCLE (20+ YEARS) LEADING TO **2 – 4 REPLACEMENTS** ON AVERAGE OVER LIFETIME




FY 2023 GLOBAL VOLUMES




**ADVANCED BATTERY VOLUME**
% OF UNITS SOLD

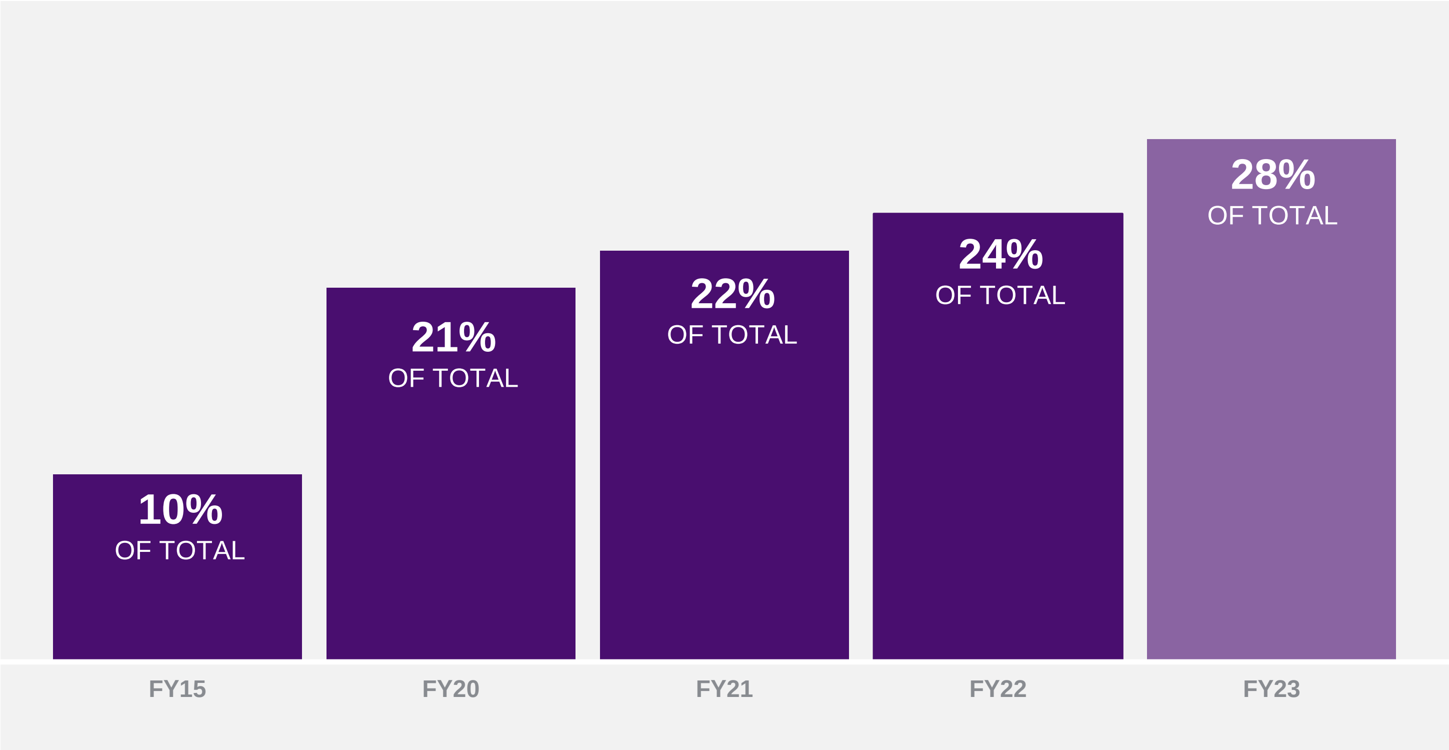



**Advanced battery replacement cycle just beginning & will drive sustainable growth for years to come**

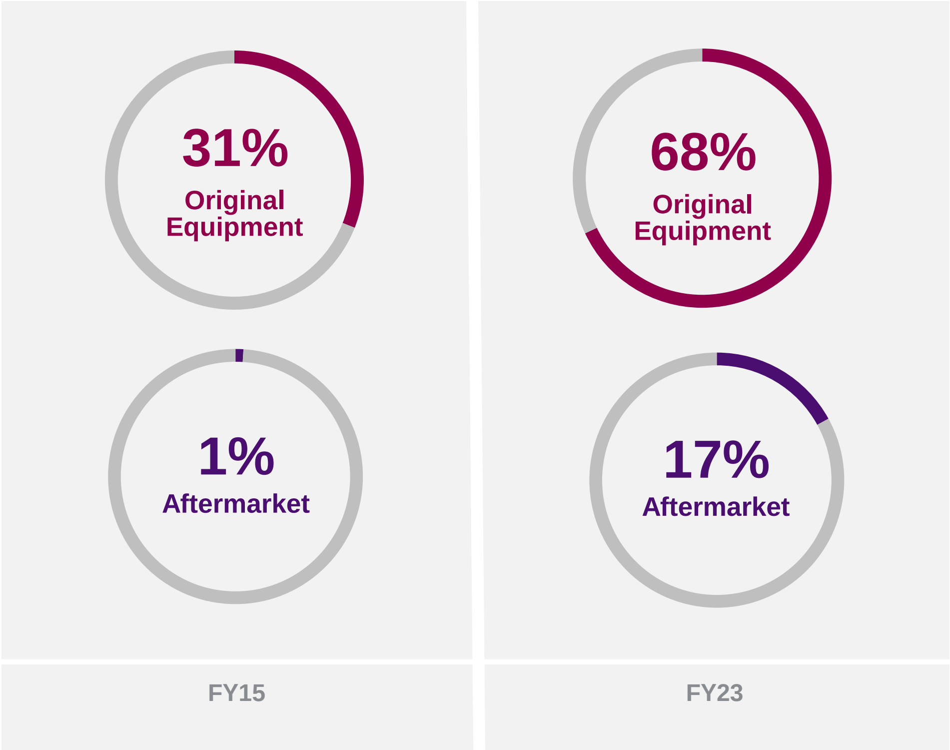
# CONTINUED MIX-SHIFT TOWARD ADVANCED BATTERIES

## MAJOR TAILWIND TO CLARIOS FROM xEV OPPORTUNITY

### CLARIOS ADVANCED BATTERY SALES
% OF TOTAL UNITS SOLD




### ADVANCED BATTERY PENETRATION BY CHANNEL
% OF CHANNEL UNITS SOLD




**Mix shift to more advanced batteries will drive sustainable growth**

# xEV PLATFORM
# WIN HIGHLIGHTS

xEV BY CLARIOS

## AMERICAS


FORD F-150 LIGHTNING


FORD MACH-E


FORD TRANSIT


GM CELESTIQ


CHEVROLET SILVERADO EV


CHEVROLET BLAZER EV

## ASIA


BAIDU ROBO TAXI


MERCEDES BENZ EQS SUV


NISSAN X-TRAIL


INFINITI QX80


BAIC EU5


BMW iX3


KIA NIRO


BMW GREAT WALL MINI


HOZON NETTA GT

## EMEA


VOLKSWAGEN ID.7


AUDI Q6 E-TRON


PORSCHE MACAN


BMW iX1


JEEP COMPASS 4XE


FIAT E-DUCATO


ALFA ROMEO STELVIO


MASERATI GHIBLI


BMW iX2

**Awarded ~150 new BEV platforms to date; continued progress toward target of 300 by FY27**

# POWERTRAIN AGNOSTIC: PORSCHE MACAN

**Macan ICE**

**OE PRODUCTION**
FEB 2014 – PRESENT

2014 → 2025+

**AFTERMARKET REPLACEMENTS**

2019 → 2045+

**Macan EV**

**OE PRODUCTION**
FEB 2024 – 2030+

2024 → 2030+

**AFTERMARKET REPLACEMENTS**

2029 → 2050+

**Regardless of powertrain low-voltage batteries bring a significant long-term annuity in the aftermarket**

# VEHICLES WILL CHANGE MORE IN THE NEXT 10 YEARS THAN THEY HAVE IN THE LAST 100.

## THREE KEY TRENDS IN THE AUTOMOTIVE INDUSTRY




**The low-voltage power system is essential for next wave of automotive innovation**

# INCREASING OUR CUSTOMER VALUE PROPOSITION WITH CONFIGURABLE SOLUTIONS

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## Chemistry Agnostic

## Electronics/ Software

## Diagnostics

**Our customer value proposition is moving beyond the product to include systems and services**

# NEW GENERATION
# LUXURY SEDAN EXAMPLE

## 48V Li-ion

Starter Battery

Electrical Boost

Regenerative Braking
Energy Storage

12V loads – Ignition
on via DC/DC

## 12V AGM

ADAS System Redundancy

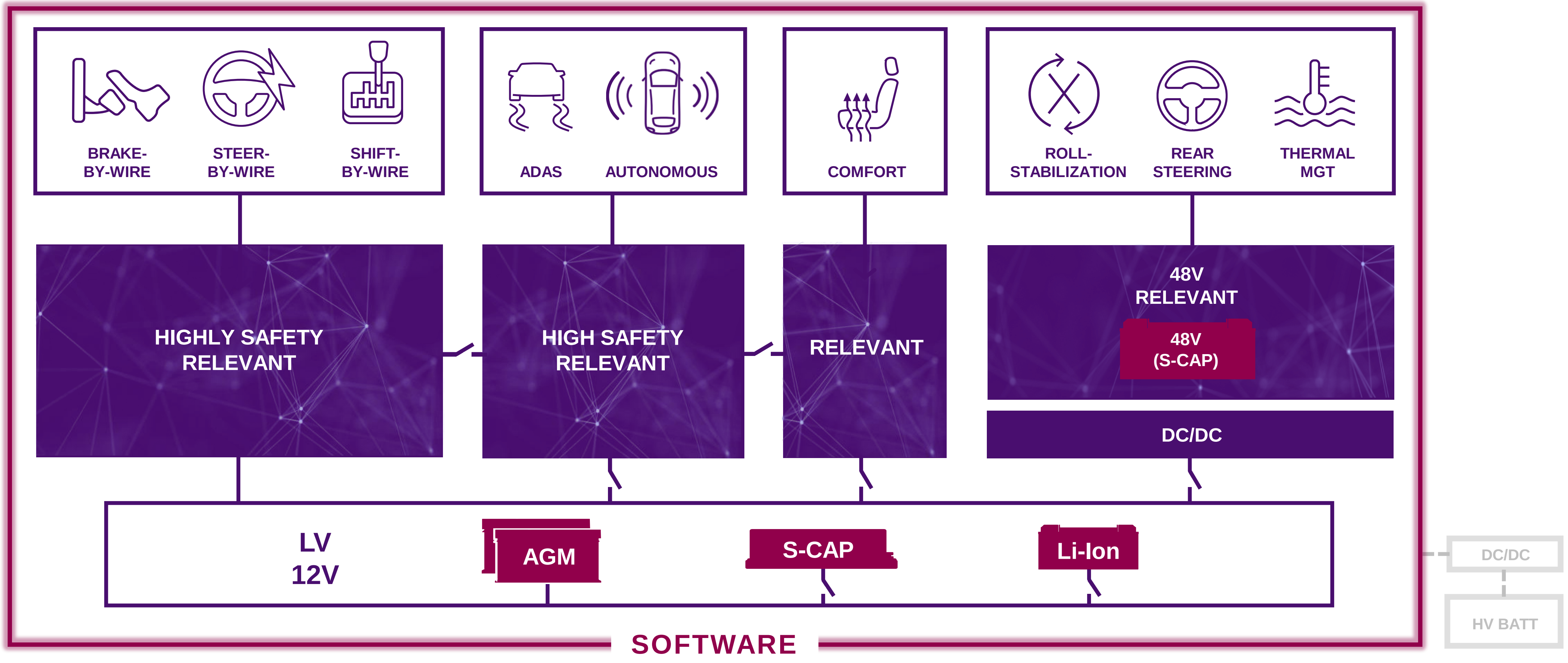
## 12V AGM

12V loads –
Car Parked / Ignition Off

**Multi-battery low-voltage system for supporting high power demands & safety critical redundancy**

# SHIFT TO SOFTWARE DEFINED VEHICLES HAS SIGNIFICANT IMPLICATION ON THE LOW-VOLTAGE SYSTEM

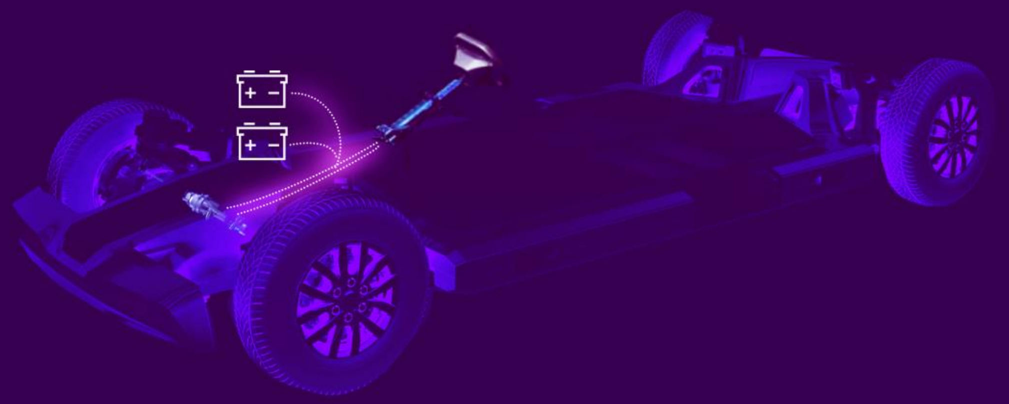
Multi-Low Voltage Architecture Illustration



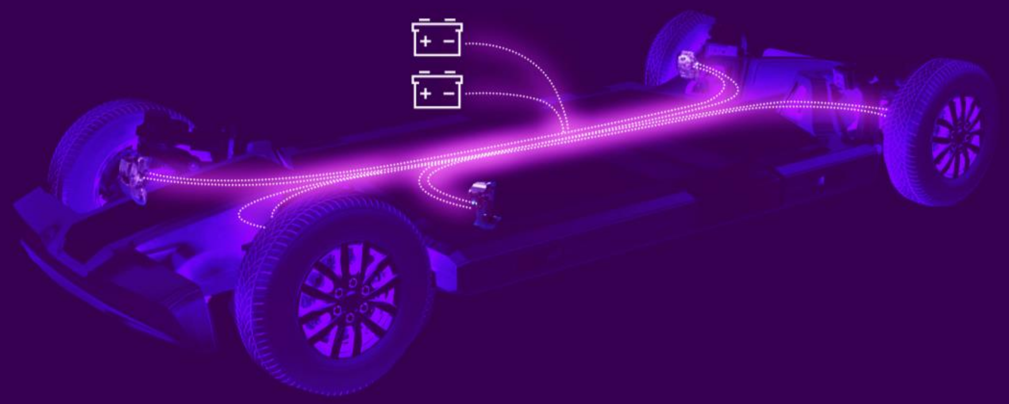

**Multiple low-voltage networks will be required to power growing power and safety needs**

# ELECTRIFICATION OF LEGACY SYSTEMS – APPLICATIONS ARE MOVING FROM MECHANICAL TO ELECTRICAL

## Steer by Wire



## Brake by Wire



**These shifts will REQUIRE redundant power solutions in the low-voltage system for safety**

# CLARIOS' RECYCLING NETWORK ENABLES AN ENVIRONMENTALLY RESPONSIBLE CIRCULAR SUPPLY CHAIN

UP TO

**99%**

Of materials in our batteries can be recovered, recycled and reused

**90%**

Reduction in energy and greenhouse gas emissions by using recycled materials


**8,000**

Batteries recycled every hour in our network globally

**Our circularity and vertical integration provides supply chain resilience and a foundation for future chemistries**

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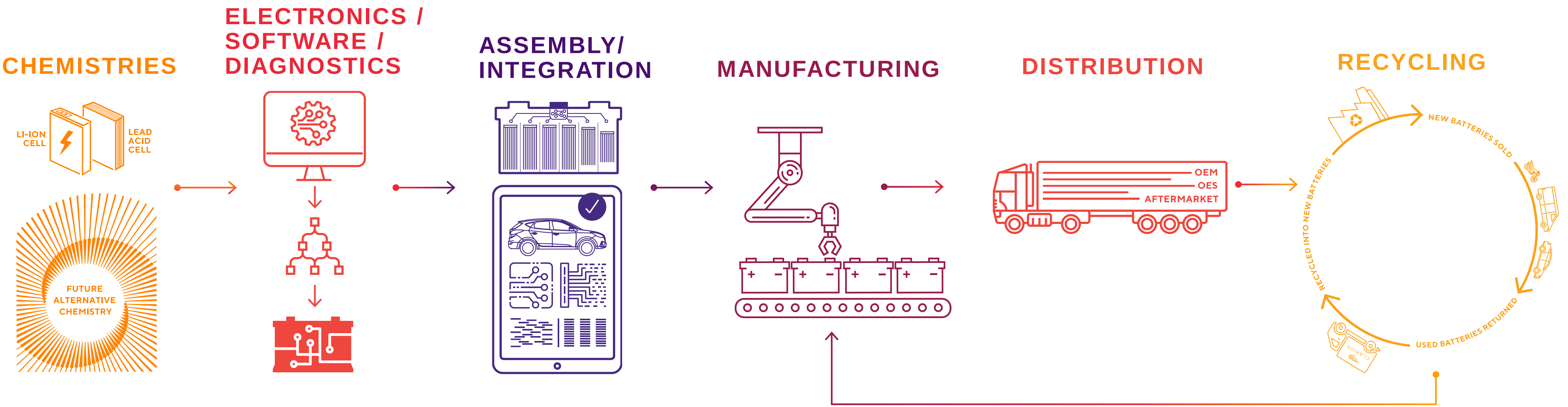
# THE CLARIOS ADVANCED, LOW-VOLTAGE SYSTEMS APPROACH.

## ALL-ENCOMPASSING PROCESS & CAPABILITIES ARE UNLIKE ANYONE ELSE IN THE INDUSTRY




**Our differentiated approach makes us the low-voltage partner of choice for OE and AM customers**

# FY23
# FINANCIAL OVERVIEW

| Reported Revenue[1] | Adjusted EBITDA[2] | Free Cash Flow[3] | Advanced Batteries |
|---|---|---|---|
| ~$10B | ~$1.8B | ~$1.3B | 28% OF UNITS SOLD |
| +8% VS PRIOR YEAR | +13% VS PRIOR YEAR | +44% VS PRIOR YEAR | +19% VS PRIOR YEAR |

[1] For comparable revenue, see reconciliation in the appendix
[2] See reconciliation in the appendix
[3] Net Cash Provided by (used by) Operating Activities – Capital Expenditures + Cash Paid for Interest

**Strong execution and advanced battery tailwind delivers record FY23 financial results**

# FY24 Q1
# FINANCIAL OVERVIEW

| Reported Revenue[1] | Adjusted EBITDA[2] | Free Cash Flow[3] | Advanced Batteries |
|---|---|---|---|
| $2.8B | $553M | $250M | 30% OF UNITS SOLD |
| +11% VS PRIOR YEAR | +12% VS PRIOR YEAR | +140% VS PRIOR YEAR | +16% VS PRIOR YEAR |

[1] For comparable revenue, see reconciliation in the appendix
[2] See reconciliation in the appendix
[3] Net Cash Provided by (used by) Operating Activities – Capital Expenditures + Cash Paid for Interest

**Continuing strong results supporting our customers' increasing demand**

# CONTINUOUS IMPROVEMENT IS FOUNDATIONAL TO OUR BUSINESS

### Commercial Excellence

- Value-added services
- Leading brands
- Strategic pricing

### Operational Efficiency

- Manufacturing throughput
- Sourcing and logistics
- SG&A optimization

### R&D Leadership

- Market driven innovation
- Development speed
- Product engineering cost improvements

**Advanced battery mix shift + execution across all three pillars will drive ongoing margin expansion**

# EFFECTIVE CAPITAL DEPLOYMENT

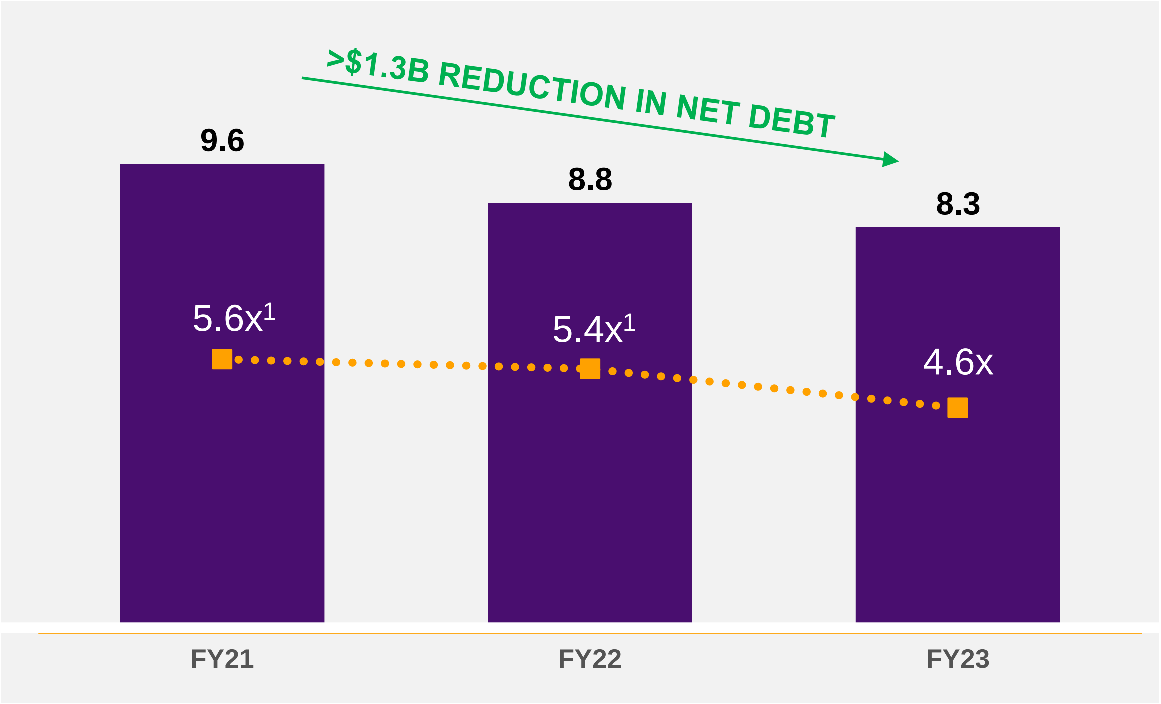
1 **Fund organic growth and productivity**
Reinvest in the business through high return capital projects and development of new technologies

2 **Pay down debt to target leverage range**
Pay down expected to be made possible through cash flow generation and IPO proceeds to reduce leverage over time to target range of less than 3x

3 **Strategic mergers and acquisitions**
Expand addressable markets and acquire new technologies through disciplined M&A

4 **Return of capital to shareholders**
As we approach our long-term target capital structure, we expect to initiate shareholder distributions including a market dividend and share repurchases

NET DEBT ($BN) AND LEVERAGE RATIO




[1]Includes $242M and $144M estimated fair value of subsidiary investment based on the publicly available market price on 9/30/21 and 9/30/22, respectively.

**Strong demonstrated cash generation brings confidence for future growth and optionality**

# MID-TERM FINANCIAL METRICS

| Revenue Growth [1] | EBITDA [2] Growth | Free Cash Flow Conversion %[3] | Net Leverage |
|---|---|---|---|
| 4-6% CAGR | >6%+ CAGR | ~60% | 3X LESS THAN |

[1] Assumes constant lead and FX rates
[2] Refers to Adjusted EBITDA as defined in our financial statements.
[3] Free cash flow conversion % = (Net cash provided by operating activities – capital expenditures + cash paid for interest)/Adjusted EBITDA

**Sustainable growth & cash generation ahead to pay down debt and create capital allocation flexibility**

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# Q & A

# THANK YOU

**STAY CONNECTED AT CLARIOS.COM**

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# APPENDIX

# FY23 EBITDA RECONCILIATION

## (US $MILLIONS)

| | Year Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| **Net income (loss) attributable to the Company** | $ 336 | $ (5) |
| Income attributable to noncontrolling interests | 10 | 6 |
| **Net income** | 346 | 1 |
| Income tax (benefit) provision | 83 | 101 |
| **Income before income taxes** | 429 | 102 |
| Net financing charges | 820 | 626 |
| Restructuring and impairment costs | — | 22 |
| Intangible asset amortization | 378 | 384 |
| Depreciation | 360 | 355 |
| Impacts of purchase accounting (1) | 3 | 3 |
| Pension mark-to-market adjustment (2) | (26) | (53) |
| Core valuation change (3) | (51) | 69 |
| Factoring fees (4) | (107) | (49) |
| Other items (5) | 4 | 139 |
| **Total Adjusted EBITDA** | $ 1,810 | $ 1,598 |

# FY23 HISTORICAL EBITDA ADJUSTMENTS AND RECONCILIATION FOOTNOTES

(1) The amortization of the step-up in value of our equity method investments resulted in a reduction in equity income.

(2) Non-cash accounting impact of net mark-to-market gains related to pension and other postretirement benefit plans.

(3) Represents the non-cash change in value of battery cores primarily due to the change in the value of lead.

(4) Includes costs associated with ongoing receivable factoring programs. To mitigate long collection terms for accounts receivable from certain aftermarket customers, the Company actively engages in receivable factoring programs, through which accounts receivable are sold to third-party intermediaries in exchange for a fee based on a variable interest rate index plus a spread.

(5) Consists of other items including: (i) costs related to strategic and operational initiatives and other items ($23 million and $36 million for the years ended September 30, 2023 and 2022, respectively), (ii) gains and losses on investments in marketable common stock ($45 million gain and $98 million loss for the years ended September 30, 2023 and 2022, respectively), (iii) equipment moving, installation, government subsidy reimbursement costs, and net loss on property sale related to the discontinuation of assembly operations at one of the Company's U.S. plants ($4 million for the year ended September 30, 2022), (iv) closure costs, stranded fixed costs and inefficiencies related to the ramp down in operations at one of the Company's North America recycling plants ($6 million and $3 million for the years ended September 30, 2023 and 2022, respectively), (v) mark-to-market adjustments related to fuel forward contracts which do not qualify for hedge accounting treatment ($2 million gain and $3 million loss for the years ended September 30, 2023 and 2022, respectively), (vi) dividends from investments in marketable common stock ($1 million received for both the years ended September 30, 2023 and 2022), (vii) gain on sale of investment ($3 million for the year ended September 30, 2022), (viii) mark-to-market adjustments related to foreign currency forward contracts which do not qualify for hedge accounting treatment ($2 million loss for the year ended September 30, 2022), (ix) change in estimated future TRA payments ($5 million increase and $4 million decrease for the years ended September 30, 2023 and 2022, respectively), (x) disposal and clean up costs related to certain assets ($7 million loss and $1 million loss for the years ended September 30, 2023 and 2022, respectively), and (xi) service cost, interest cost, and expected return on plan assets related to pension and other postretirement benefit plans ($11 million for the year ended September 30, 2023).

# FY23 COMPARABLE REVENUE RECONCILIATION

## (US $MILLIONS)

| | Full Year | YOY |
|---|---|---|
| **FY23** | | |
| Reported Revenue | $ 10,031 | +8% |
| Lead Valuation - Headwind / (Tailwind) | 80 | |
| FX - Headwind / (Tailwind) | 144 | |
| Comparable Revenue | $ 10,255 | +11% |
| | | |
| **FY22** | | |
| Reported Revenue | $ 9,260 | |

# FY23 FREE CASH FLOW RECONCILIATION

## (US $MILLIONS)

| | Full Year |
|---|---|
| **FY23** | |
| Net cash provided by operating activities | $ 1,086 |
| Less: Capital expenditures | (428) |
| Add: Cash paid for interest | 626 |
| Free cash flow | $ 1,284 |
| | |
| **FY22** | |
| Net cash provided by operating activities | $ 649 |
| Less: Capital expenditures | (299) |
| Add: Cash paid for interest | 539 |
| Free cash flow | $ 889 |

# Q1 EBITDA RECONCILIATION

## (US $MILLIONS)

| | Three Months Ended December 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Net income attributable to the Company** | $ 113 | $ 97 |
| Income attributable to noncontrolling interests | 2 | 3 |
| **Net income** | 115 | 100 |
| Income tax provision | 75 | 73 |
| **Income before income taxes** | 190 | 173 |
| Net financing charges | 192 | 184 |
| Intangible asset amortization | 95 | 92 |
| Depreciation | 89 | 86 |
| Impacts of purchase accounting (1) | 1 | 1 |
| Pension mark-to-market adjustment (2) | — | — |
| Core valuation change (3) | 17 | (14) |
| Factoring fees (4) | (35) | (29) |
| Other items (5) | 4 | 2 |
| **Total Adjusted EBITDA** | $ 553 | $ 495 |

# Q1 HISTORICAL EBITDA ADJUSTMENTS AND RECONCILIATION FOOTNOTES

(1) The amortization of the step-up in value of our equity method investments resulted in a reduction in equity income.

(2) Non-cash accounting impact of net mark-to-market gains related to pension and other postretirement benefit plans.

(3) Represents the non-cash change in value of battery cores primarily due to the change in the value of lead.

(4) Includes costs associated with ongoing receivable factoring programs. To mitigate long collection terms for accounts receivable from certain aftermarket customers, the Company actively engages in receivable factoring programs, through which accounts receivable are sold to third-party intermediaries in exchange for a fee based on a variable interest rate index plus a spread.

(5) Consists of other items including: (i) net costs related to strategic and operational initiatives and other items (($2) million and $5 million for the three months ended December 31, 2023 and 2022, respectively), (ii) gains on investments in marketable common stock ($21 million for the three months ended December 31, 2022), (iii) closure costs, stranded fixed costs and inefficiencies related to the ramp down in operations at one of the Company's North America recycling plants ($2 million and $3 million for the three months ended December 31, 2023 and 2022, respectively), (iv) mark-to-market adjustments related to fuel forward contracts which do not qualify for hedge accounting treatment ($4 million and $1 million loss for the three months ended December 31, 2023 and 2022, respectively), (v) dividends received from investments in marketable common stock ($1 million for the three months ended December 31, 2022), (vi) mark-to-market adjustments related to foreign currency forward contracts which do not qualify for hedge accounting treatment ($4 million and $1 million loss for the three months ended December 31, 2023 and 2022, respectively), (vii) change in estimated future TRA payments ($6 million increase for the three months ended December 31, 2022), (viii) loss on disposal and clean up costs related to certain assets ($5 million for the three months ended December 31, 2022), (ix) service cost, interest cost, and expected return on plan assets related to pension and other postretirement benefit plans ($3 million for both the three months ended December 31, 2023 and 2022), and (x) indirect recovery related to certain tax matters ($7 million for the three months ended December 31, 2023).

# Q1 COMPARABLE REVENUE RECONCILIATION

## (US $MILLIONS)

| | Q1 | YOY |
|---|---|---|
| **FY24** | | |
| Reported Revenue | $ 2,830 | +11% |
| Lead Valuation - Headwind / (Tailwind) | (31) | |
| FX - Headwind / (Tailwind) | (34) | |
| Comparable Revenue | $ 2,765 | +8% |
| | | |
| **FY23** | | |
| Reported Revenue | $ 2,560 | |

# Q1 FREE CASH FLOW RECONCILIATION

## (US $MILLIONS)

| | Q1 |
|---|---|
| **FY24** | |
| Net cash provided by operating activities | $ 107 |
| Less: Capital expenditures | (92) |
| Add: Cash paid for interest | 235 |
| Free cash flow | $ 250 |
| | |
| **FY23** | |
| Net cash used by operating activities | $ (11) |
| Less: Capital expenditures | (100) |
| Add: Cash paid for interest | 215 |
| Free cash flow | $ 104 |