



# At the center of evolution and innovation.

Delphi Annual Investor Day

Tuesday, February 26, 2013

Cipriani 42<sup>nd</sup> Street®, New York, NY

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Innovation for the Real World

# Welcome

**Jack Monti**

Director of Investor Relations

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# Forward-looking statements

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This presentation, as well as other statements made by Delphi Automotive PLC (the “Company”), contain forward-looking statements that reflect, when made, the Company’s current views with respect to current events and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to the Company’s operations and business environment, which may cause the actual results of the Company to be materially different from any future results. All statements that address future operating, financial or business performance or the Company’s strategies or expectations are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are discussed under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s filings with the Securities and Exchange Commission. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect the Company. It should be remembered that the price of the ordinary shares and any income from them can go down as well as up. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except as may be required by law.

# Agenda

9:00 - 9:15 a.m.	Opening remarks	Rodney O'Neal, Chief Executive Officer and President
9:15 - 9:40 a.m.	Technology overview	Jeff Owens, Chief Technology Officer and Executive Vice President
9:40 - 9:55 a.m.	Green – Gasoline Direct injection	Kevin Quinlan, Vice President, Gas Engine Management
9:55 - 10:10 a.m.	Green – Hybrid & Electric Vehicles	Beth Schwarting, Vice President, Electronic Controls
10:10 - 10:40 a.m.	Safe & Connected – Connecting safely	Jugal Vijayvargiya, President, Electronics & Safety
10:40 - 11:00 a.m.	Safe & Connected – Electrical Architecture	Liam Butterworth, President, Connection Systems
11:00 - 11:15 a.m.	Coffee break	
11:15 - 11:35 a.m.	China	Majdi Abulaban, President, Electrical/Electronic Architecture and Asia Pacific
11:35 - 11:55 a.m.	Enterprise Operating System	Jim Spencer, Executive Vice President of Operations
11:55 - 12:15 p.m.	Financial review	Kevin Clark, Chief Financial Officer and Executive Vice President
12:15 - 12:45 p.m.	Closing remarks / Q & A	Rodney O'Neal, Kevin Clark, Jeff Owens & Jim Spencer
12:45 - 1:15 p.m.	Strolling buffet lunch	

# Opening remarks

Rodney O'Neal

Chief Executive Officer and President

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# Today's presenters



**Jeff Owens**  
Technology overview



**Kevin Quinlan**  
Gasoline Direct injection



**Beth Schwarting**  
Hybrid & Electric Vehicles



**Jugal Vijayvargiya**  
Connecting safely



**Rodney O'Neal**  
Opening remarks



**Liam Butterworth**  
Electrical Architecture



**Majdi Abulaban**  
China



**Jim Spencer**  
Enterprise Operating System



**Kevin Clark**  
Financial review

# At the center of evolution and innovation

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## Evolving industry

- Global platforms a reality
- China becomes the largest market
- HEV/EV emerging
- Foundation built for Connected vehicles
- Consumers and regulators demanding active safety

## Evolution creates innovation opportunity

- Enhancing fuel efficiency
- Addressing regional consumer preferences
- Seamlessly integrating electronics content
- Making cars safer for drivers, passengers and pedestrians

## Uniquely positioned for the future

- Advanced technologies
- Global footprint
- Industry-leading cost structure
- Flawless operating execution
- Diversified business model

**Positioned to drive value in an evolving world**

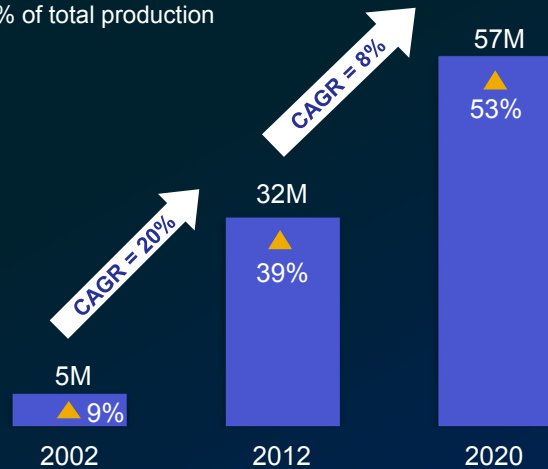
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# Evolving industry

## Global platforms become reality

### Number of global platform vehicles

▲ % of total production



Ford Focus



Toyota Camry



Chevrolet Cruze



Audi A3



VW Passat



VW Touran

### VW MQB Platform

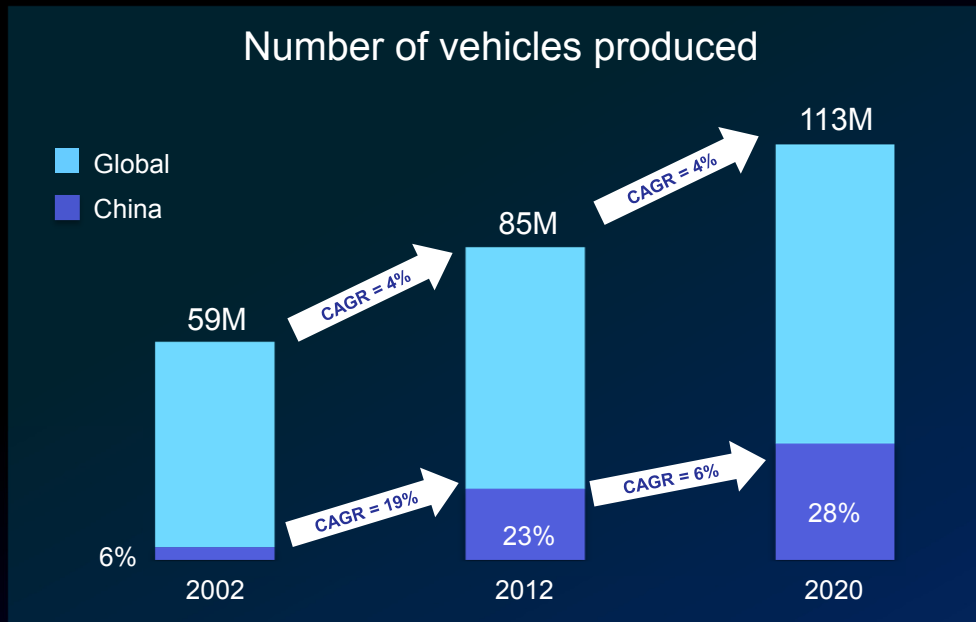
The “global car” has truly emerged in the past decade

Source: January 2013 IHS Automotive – Platforms > 1M vehicles per year

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# Evolving industry

## China becomes the largest market



Market fueling global growth

Source: January 2013 IHS Automotive - heavy, medium, and light duty vehicle production

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# Evolving industry

## HEV/EV emerging

Oil prices up – improving fuel economy<sup>1</sup>

	2002	2012	2020
Oil (WTI barrel)	\$26	\$94	\$119
Gas (gallon, U.S. avg)	\$1.34	\$3.62	\$3.83
Avg. mpg (U.S.)	22	24	40

HEV/EV vehicles produced<sup>2</sup>









**Regulatory demand driving significant growth in HEV/EV vehicles**

1. U.S. Energy Information Administration

2. January 2013 IHS Automotive

# Evolving industry

## Foundation built for Connected vehicles

	1990's Internet hits mainstream <ul style="list-style-type: none"><li>• Access internet at home and work</li><li>• From paper to digital media</li></ul>	2000's Mobile connectivity <ul style="list-style-type: none"><li>• Widespread, global mobile access</li><li>• Smartphones emerge mid-decade and grow fast</li></ul>	2010's Always Connected <ul style="list-style-type: none"><li>• Data &gt; voice</li><li>• Access content at all times – not just on your PC</li></ul>
Content providers			
Mobile services / device manufacturers			
Consumer products / automotive			
			

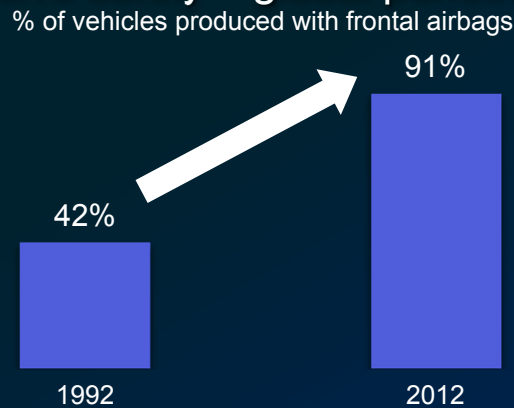
Rapid acceleration of content in the vehicle

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# Evolving industry

## Consumers and regulators demanding active safety

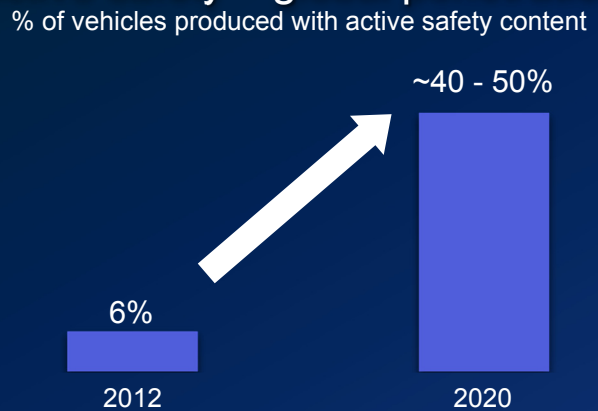
### Passive safety – global penetration



#### Examples of passive safety products

- Airbags
- Occupant sensing
- Seatbelts
- Seatbelt pretensioners

### Active safety – global penetration

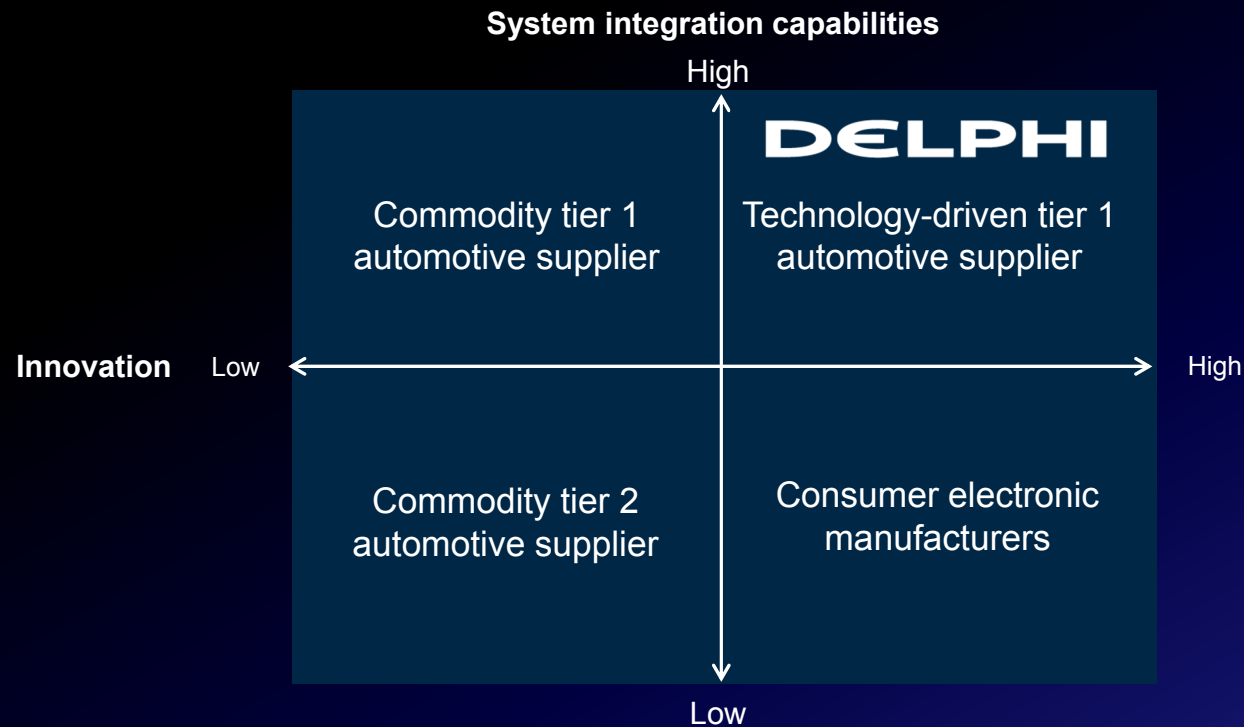


#### Examples of active safety products

- Forward collision avoidance
- Blind spot detection
- Lane departure warning
- Night vision

**Active safety enables safer access to content**

# Technology-driven tier 1 suppliers at center of evolution



**Combined system integration and innovation capabilities  
create value for our customers**

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# Significant evolution ahead

	Future drivers of change	Implications for automotive industry
Connectivity and safety	<ul style="list-style-type: none"><li>• More data</li><li>• Broadly available</li><li>• Consumers need to be always Connected</li></ul>	<ul style="list-style-type: none"><li>• More channels delivering content to the car</li><li>• Data rich content</li><li>• Enhanced driver distraction – and the need to make content safe</li></ul>
Fuel efficiency	<ul style="list-style-type: none"><li>• Stricter regulation – particularly in emerging markets</li><li>• Higher oil prices</li><li>• Growing fuel delivery infrastructure</li></ul>	<ul style="list-style-type: none"><li>• More alternative powertrains<ul style="list-style-type: none"><li>▪ Electrification</li><li>▪ Alternative fuels</li></ul></li><li>• Other fuel efficiency enhancements (e.g.: lighter weight materials)</li></ul>
China	<ul style="list-style-type: none"><li>• Rapidly growing middle class</li><li>• Further urbanization</li><li>• Focus on reducing pollution</li><li>• Growing local OEMs</li></ul>	<ul style="list-style-type: none"><li>• China increasingly fuels global growth</li><li>• Nearly half of global production growth, through 2020</li></ul>

**Evolution drives industry growth and opportunity**

# Our priorities

Innovate

Provide solutions to our customers' challenges

Execute

Flawlessly execute to drive customer satisfaction

Reduce costs

Continually optimize lean cost structure

Invest in future

Continued investment in high return growth initiatives

Shareholder returns

Return capital to shareholders

**Our position at the center of evolution and innovation drives value**

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# Technology overview

Jeff Owens

Chief Technology Officer and Executive Vice President

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# Building on our legacy of innovation

Safe, Green and Connected



- More valid than ever
- Still drives the industry

Focused on solutions to customers' problems

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# 54.5 MPG average by 2025



August 8, 2012

## Government Sets Strict Fuel Economy Goal

“...the biggest technological challenge to the auto industry since...1975”

The New York Times

January 21, 2013

## Climate Goals Center Stage

“President Obama made addressing climate change the most prominent policy vow of his second Inaugural Address.”

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# Here comes the internet of cars



**WIRED**

January 4, 2013

## The era of smart mobility is going to change everything

“This isn’t just an evolution of technology-enabled, connected vehicles.

This goes beyond self-driving cars.”

**The Detroit News**

January 31, 2013

## Distracted driving to remain post-LaHood NHTSA focus

“...very, very close to finalizing voluntary in-vehicle guidelines to help automakers prevent distracted driving...”

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# On the road: driver assisted cars



## WALL STREET JOURNAL

January 3, 2013

### Toyota, Audi move closer to driverless cars

“Audi unveils car that can park itself”

## Bloomberg

February 6, 2013

### Self-driving cars more Jetsons than reality for Google designers

“Strickland said...are a long way off”

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# Innovations of distinction

Winner of 15 PACE awards



2013 finalists



MyFi® Connected Radio



Gen 4 MAP Pressure Sensor



F2E Distributed Pump  
Common Rail System



Vehicle Sound Generator

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# Thomson Reuters names world innovation leaders



Top 100 global innovators

“If I had asked my customers  
what they wanted,  
they would have  
said a faster horse.”

*Henry Ford,  
on the essence of the innovative organization*

# Green



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# Green is no longer just for niche vehicles

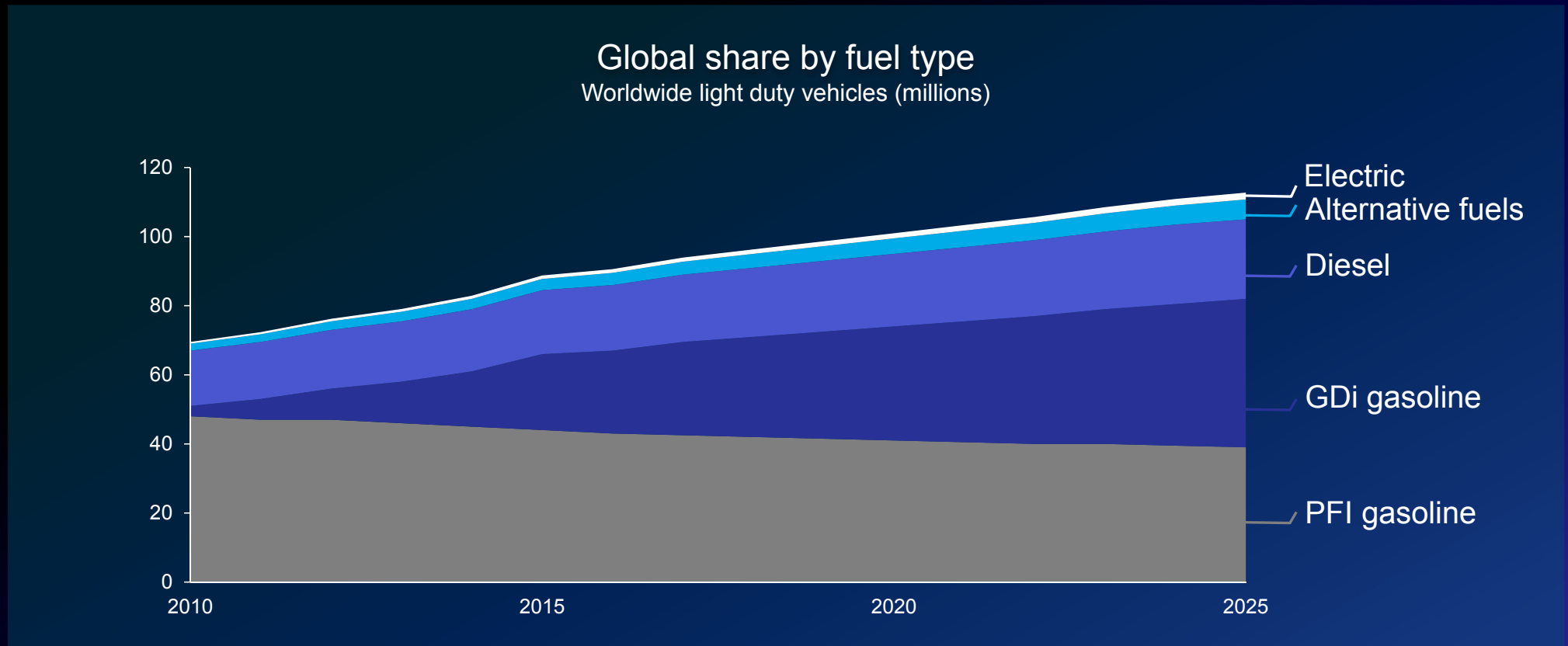


FORD FUSION



Consumer interest in Green is growing

# Internal combustion engine is dominant



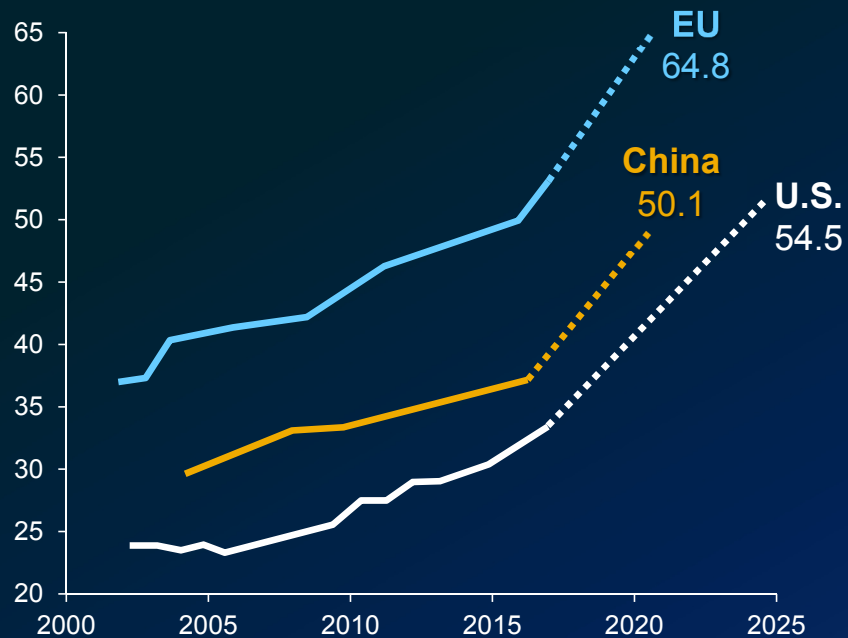
Source: November 2012 IHS Automotive

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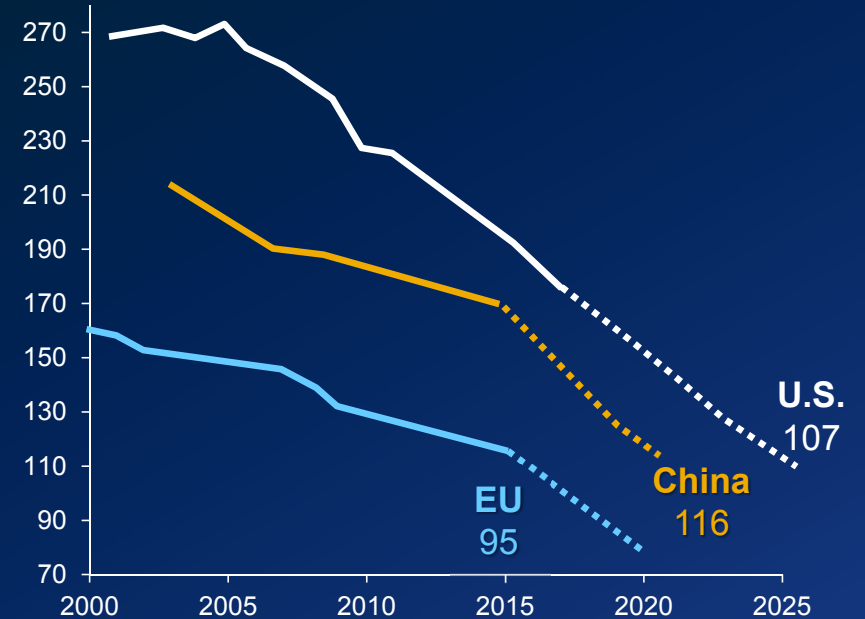


# Government regulation more stringent

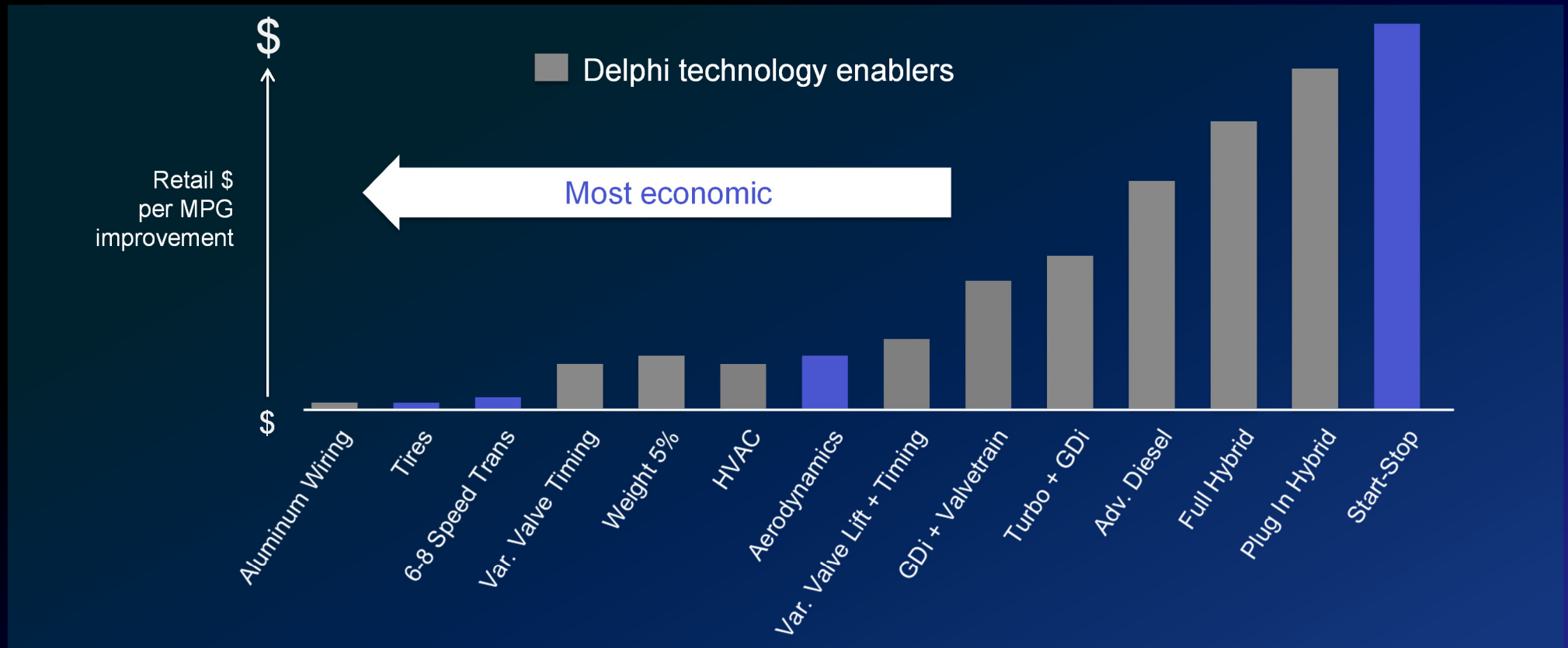
Miles per gallon



Grams CO<sub>2</sub> per kilometer



# A range of fuel economy solutions



Source: NHTSA 2011 for 2017–2025 rule making  
Delphi ITO assessment

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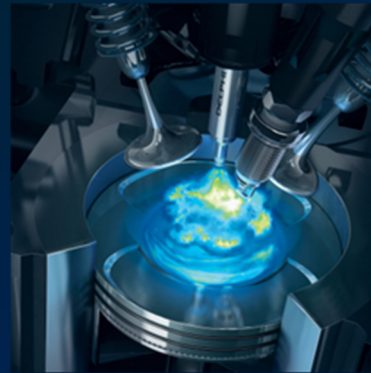
# Systems expertise in demand on 3 continents

## Control

Air

Fuel

Spark



## Optimize

Efficient

Clean

Fun



Hardware

Software

Electronics

Calibration

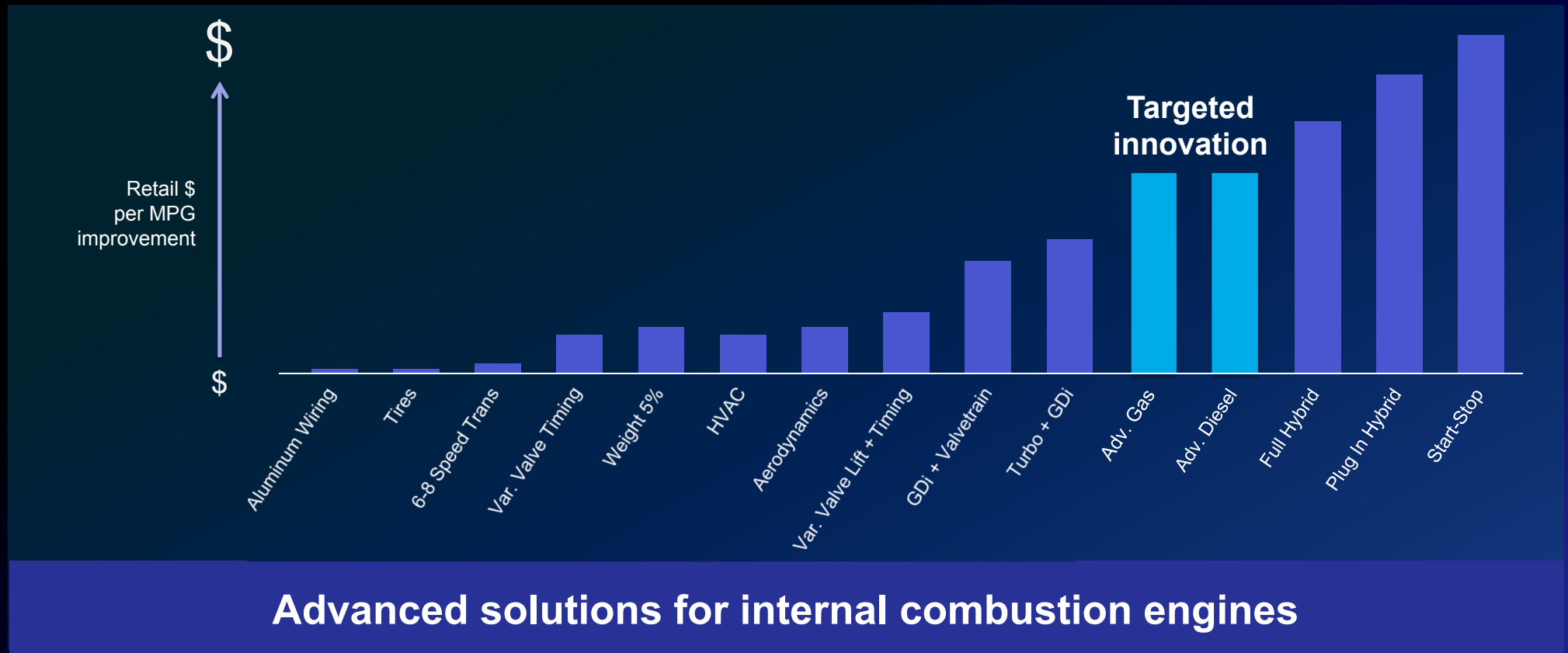
Certification

Diagnostics

**Optimizing the combustion process**

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# Working to expand range of solutions



Source: National Highway Traffic Safety Administration 2011 for 2017 - 2025 rule making. Delphi ITO assessment.

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# What's next? Internal combustion

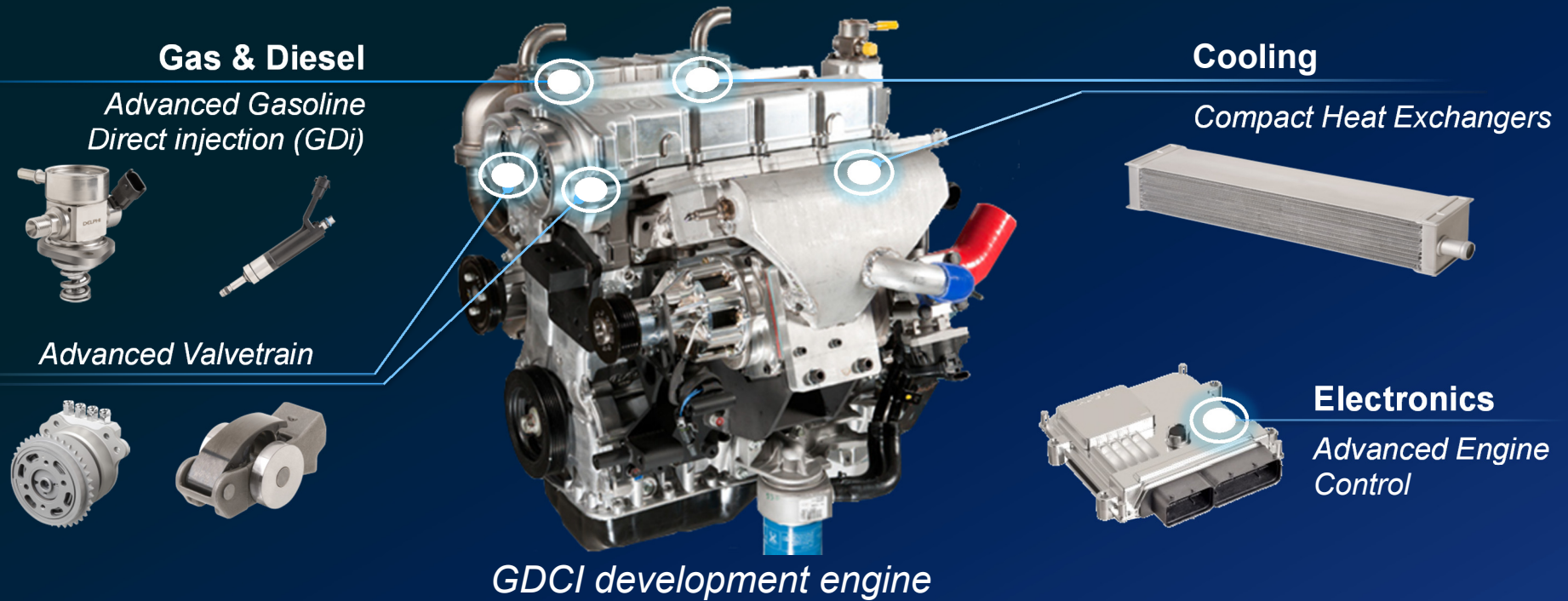
	Diesel	Target	Gasoline
Fuel efficiency	Best	Best	Good
Drivability	Best	Best	Best
Emissions	Good	Best	Best
Fuel type		Gas	

## Match the best of diesel & gas

- ✓ Low fuel consumption
- ✓ Equivalent performance
- ✓ Low emissions
- ✓ Competitive cost

***GDCI – Gas Direct-injection Compression Ignition***  
Optimum performance at an incremental price point

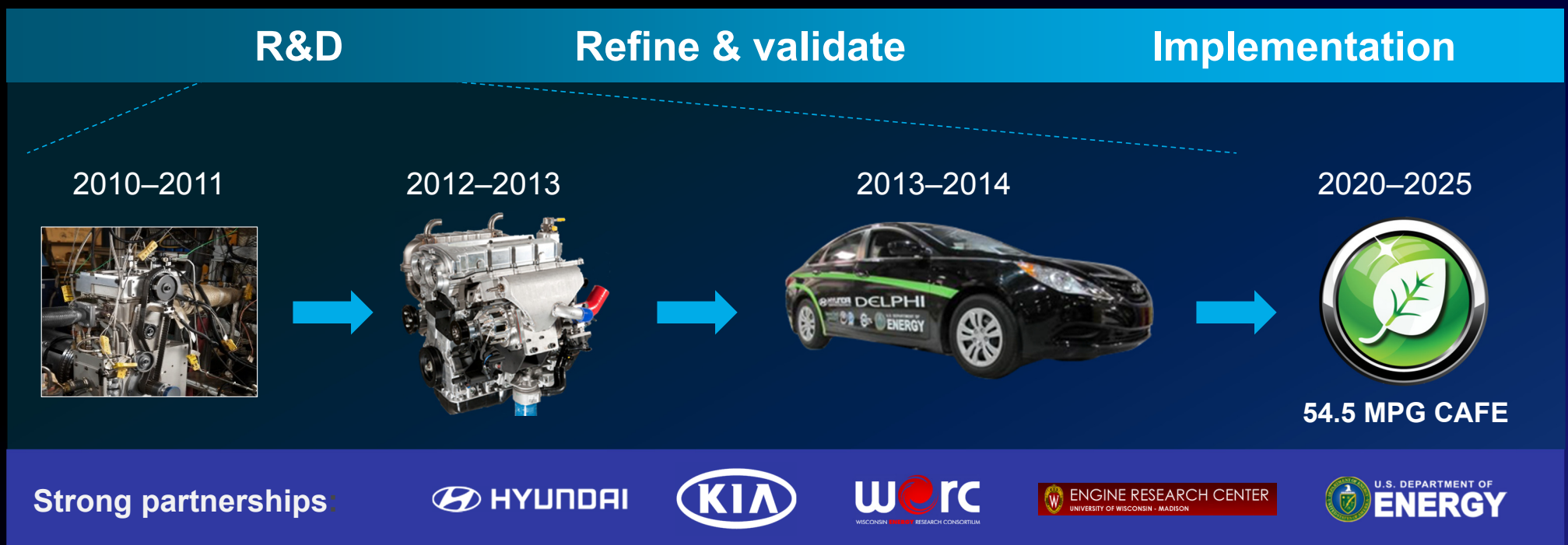
# Systems expertise to take on the GDCI challenge



Leveraging fuel injection, valve train, controls and heat transfer capabilities

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# GDCI development is meeting expectations



Commercialization on track for end of decade

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A nighttime photograph of a city street with long-exposure light trails from cars. In the foreground, there are three red and white chevron road signs on a black post. The background shows a curved road with white lane markings and distant city lights.

# Safe

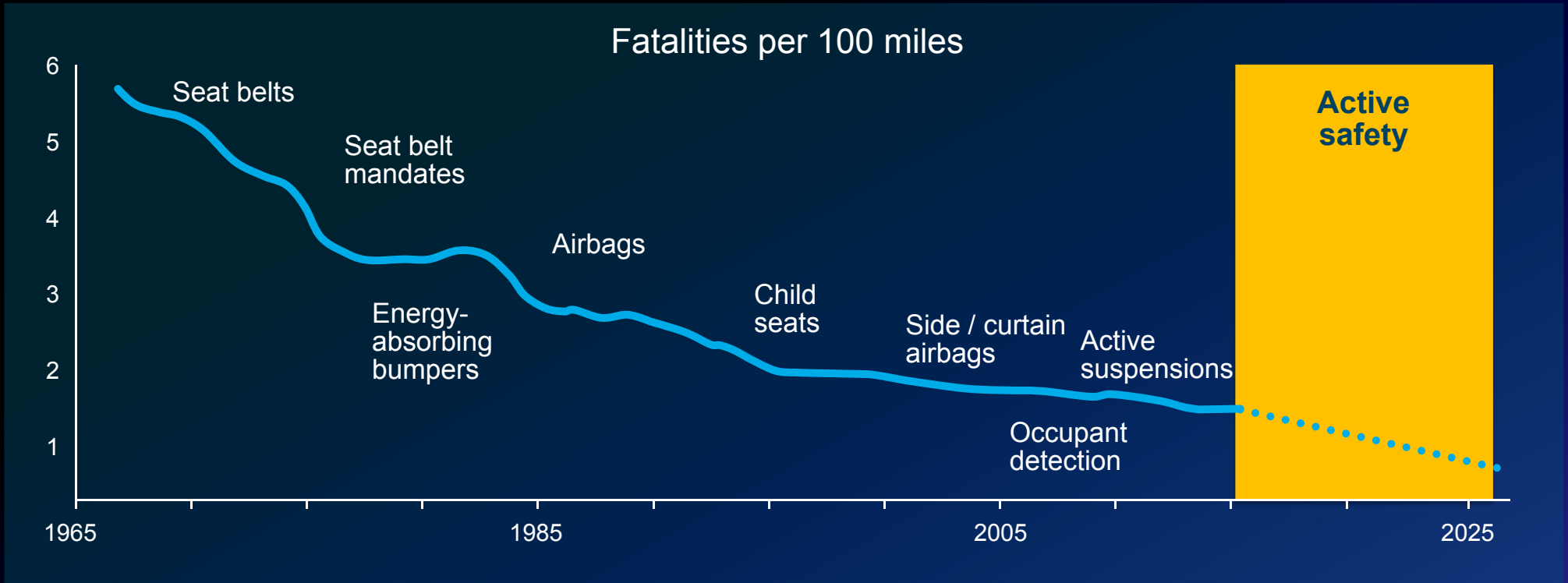


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# Active safety – key to connecting safely



**An extra ½ second of warning can mitigate 60% of crashes**



# Tipping point for active safety

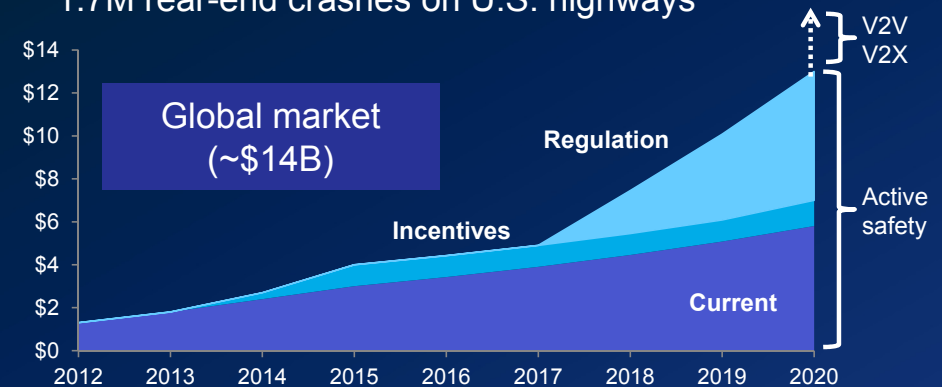


## EuroNCAP

Vehicles sold in Europe will need automatic emergency braking by 2014 to earn a five-star safety rating

## NHTSA

Forward collision warning systems have the potential to reduce nearly 15% of the estimated 1.7M rear-end crashes on U.S. highways



**10x increase in active safety market by 2020**



# What's next? The safety eco-system

**V2V**  
Vehicle  
to Vehicle



**V2I**  
Vehicle  
to Infrastructure

**U.S. DOT launches largest ever  
road test of Connected Vehicle  
Crash Avoidance Technology**



3,000  
vehicles

73 lane miles of  
roadway

Curve speed  
warning

Cooperative  
Intersection  
Collision  
Avoidance  
System

**DOT to determine next steps on connected vehicles in 2013**

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# Connected



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# Digital gadgets more important for car buyers



January 11, 2013

## Smartphones in the Driver's Seat

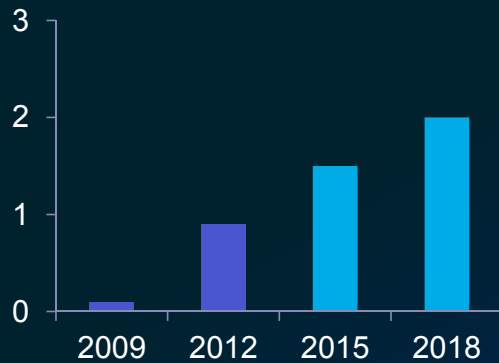
"Never before has the relationship between the car and the smartphone been so vital – and on display – as at the Consumer Electronics Show"

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# Consumers always Connected





## Global smartphone growth



0.9B units sold in 2012

1.5B forecast for 2015

## In car smartphone use

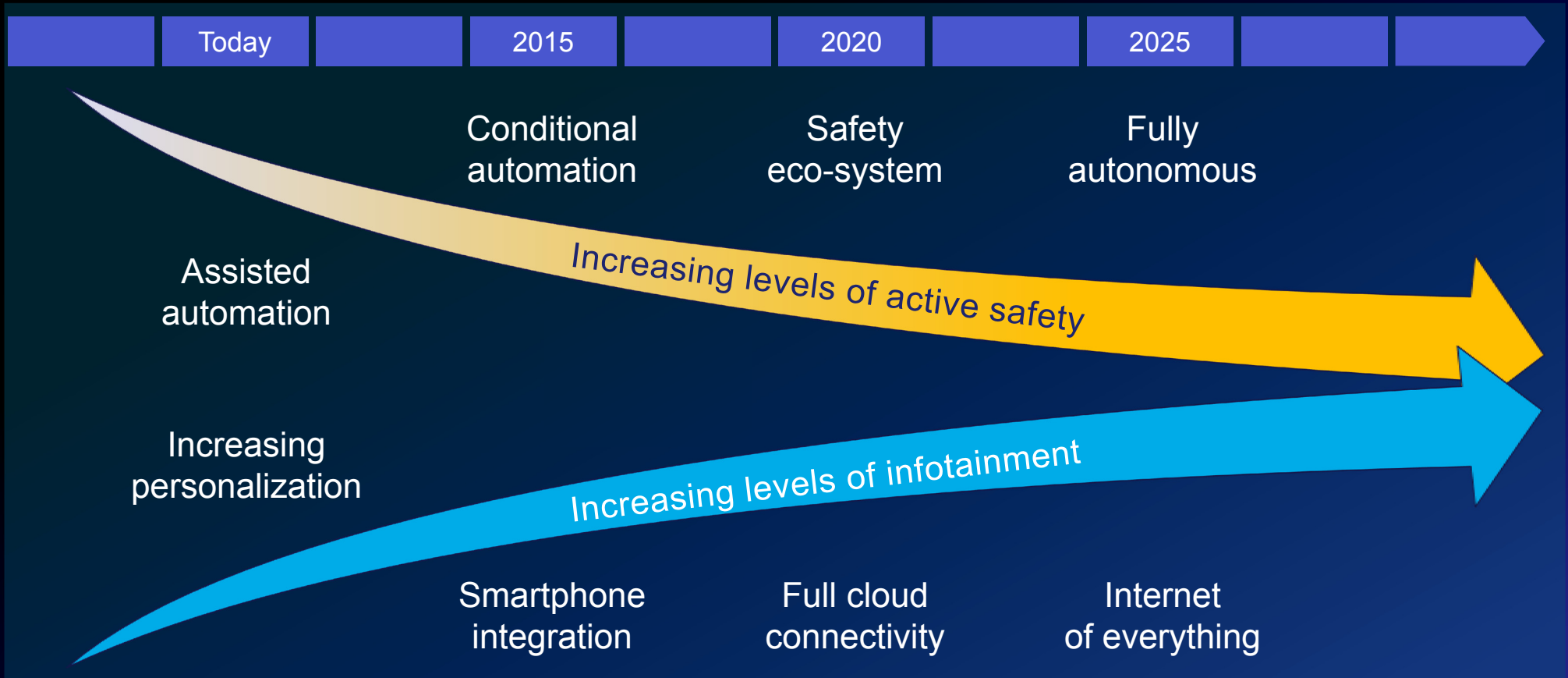
-  89% Calls
-  68% Navigation
-  39% Texting
-  31% Internet, email, and apps



**70% of new car buyers now have smartphones**

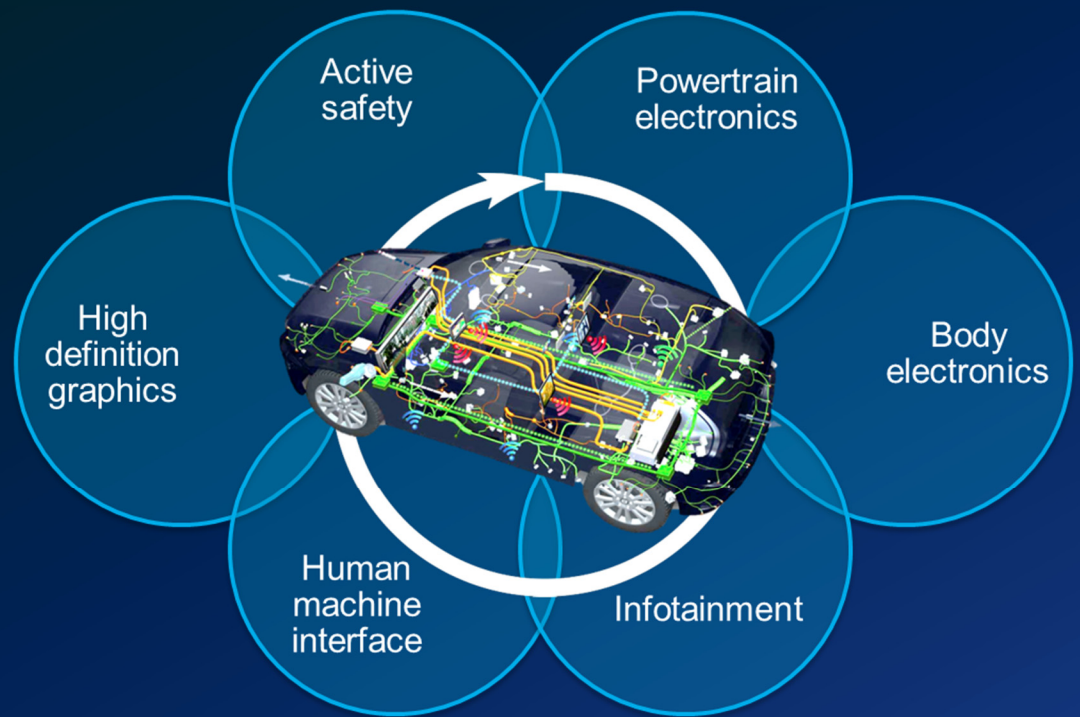
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# What's next? Convergence of technologies



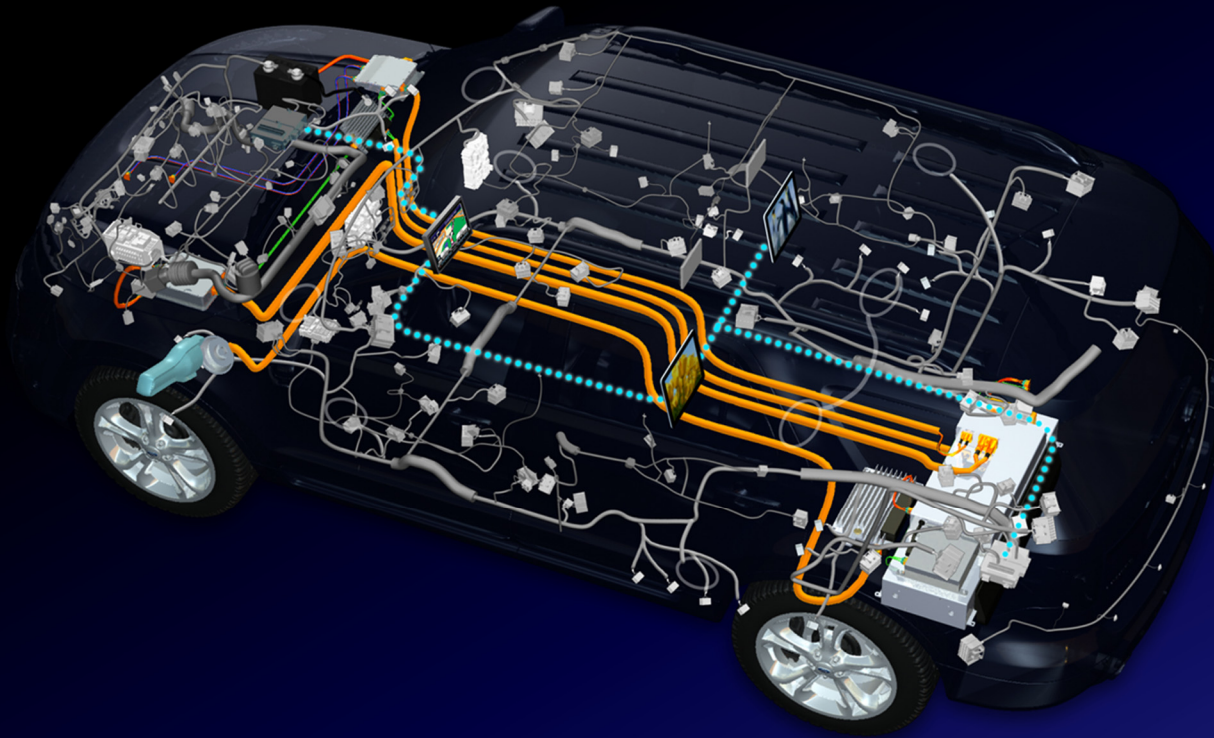
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# Megatrends drive growth



# Most sophisticated device a consumer will own

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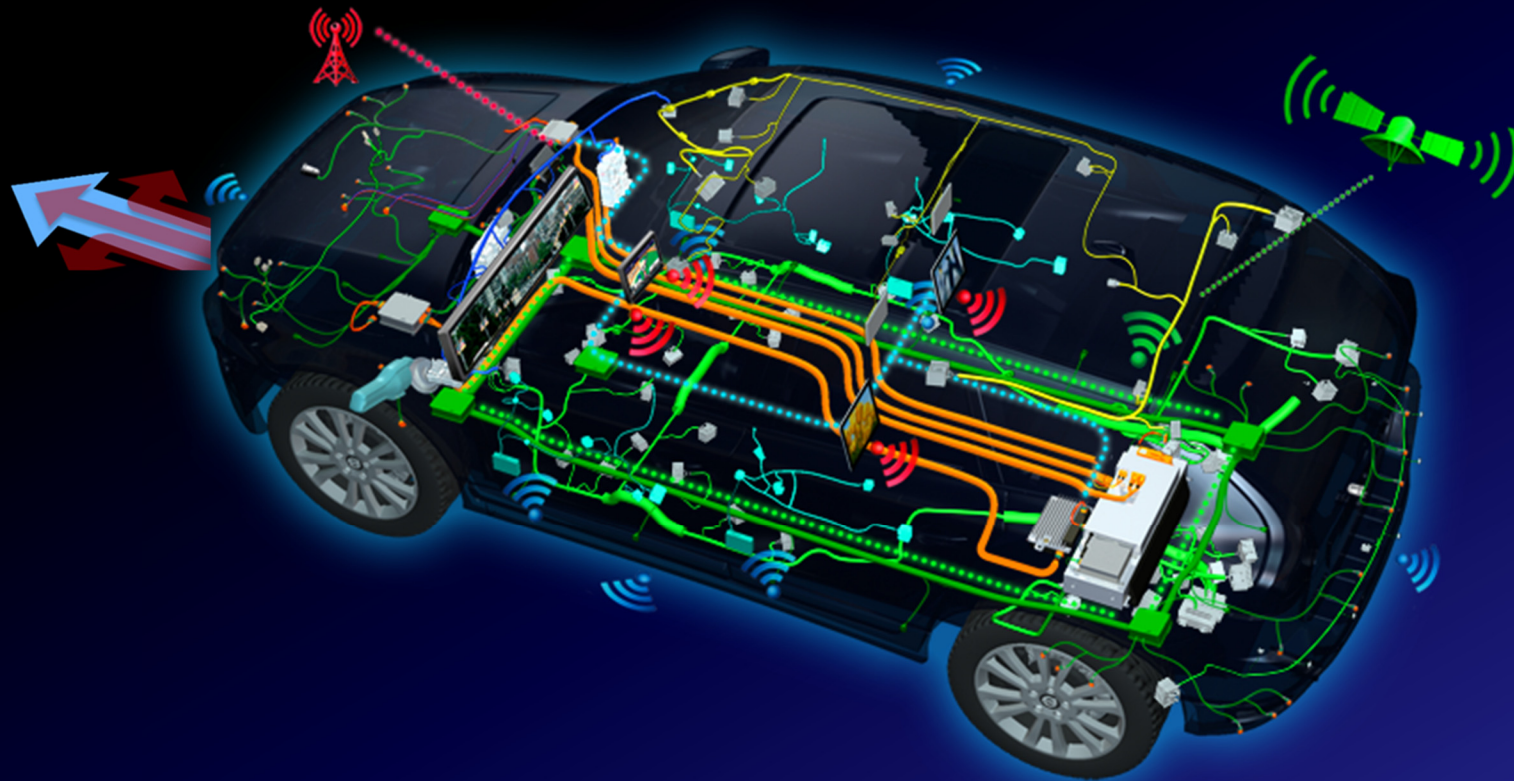


**Optimized architecture manages the complexity**

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# Megatrends driving content and ever-increasing complexity

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# Innovation on a global scale

15 major  
technical  
centers

Customer  
support centers

7,000 patents

60 major awards

Significant investment in  
technology development  
with more than...

- \$1.6B invested annually  
in research, development  
& engineering
- 18,000 scientists, engineers  
and technicians worldwide



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# At the center of evolution and innovation

U.S., Mexico,  
Brazil  
**7,000**  
engineering  
employees



France, Poland,  
Germany,  
Luxembourg  
**6,000**  
engineering  
employees



China, India,  
S. Korea  
**5,000**  
engineering  
employees



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# Gasoline Direct injection (GDi)

Kevin Quinlan

Vice President  
Gas Engine Management

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# Green

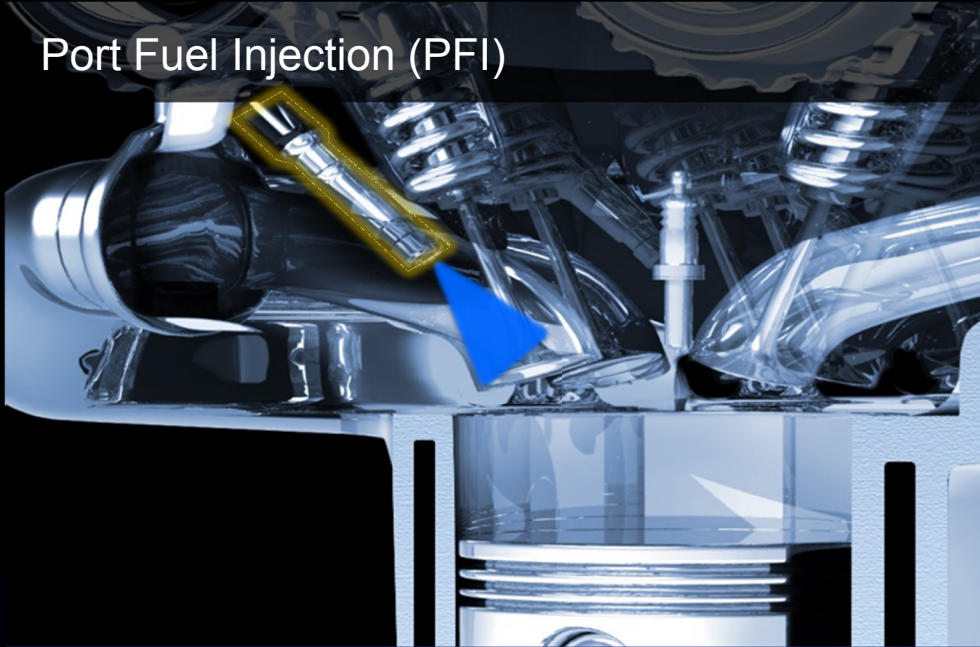


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# Window of opportunity: transition to GDi

Port Fuel Injection (PFI)



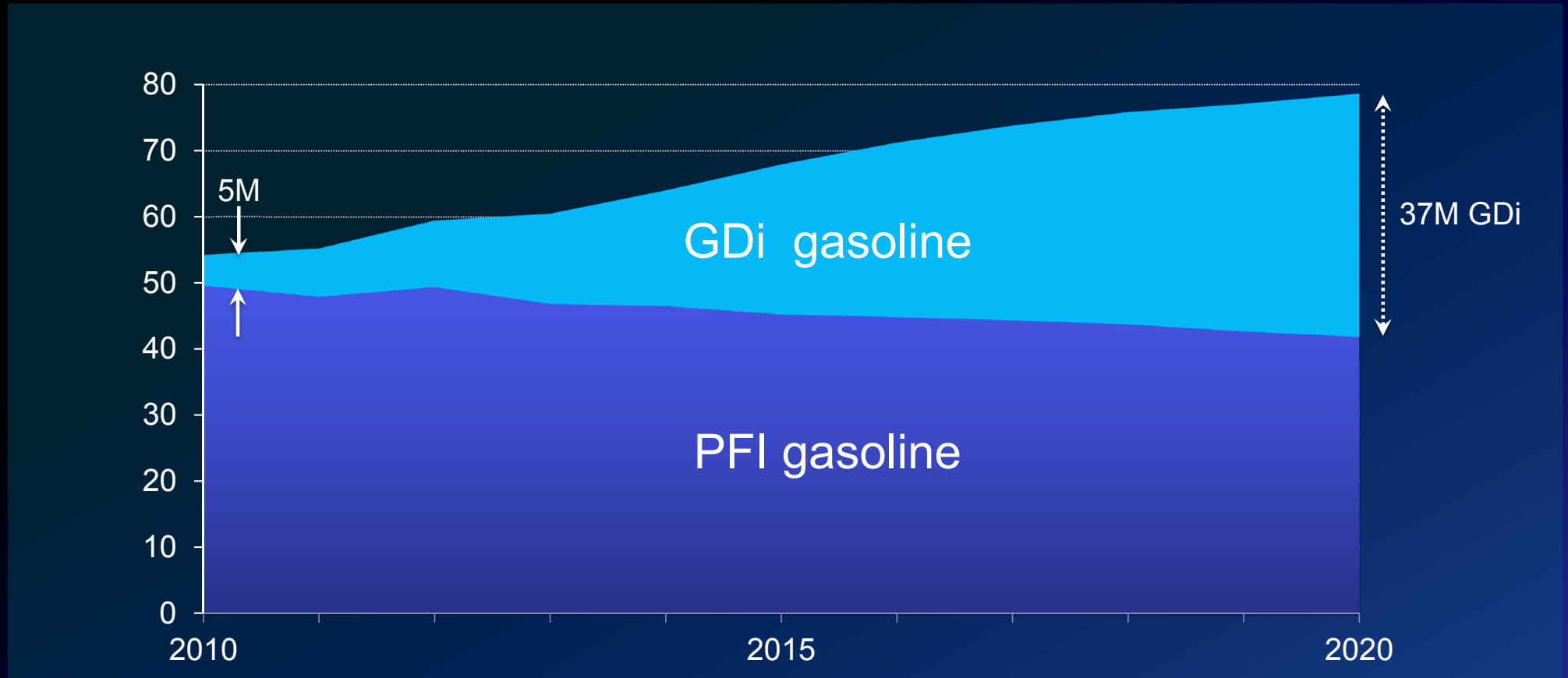
- “Good” fuel economy
- Cost-sensitive markets

Gasoline Direct injection (GDi)



- Improved fuel economy
- More power and torque
- Lower emissions

# GDi is projected to grow in the market

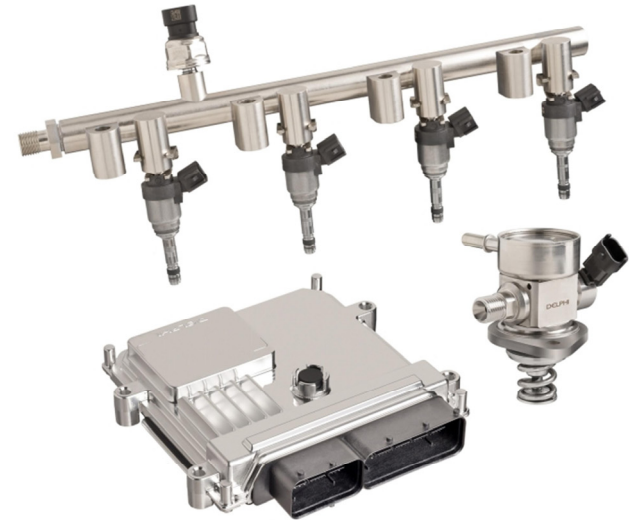
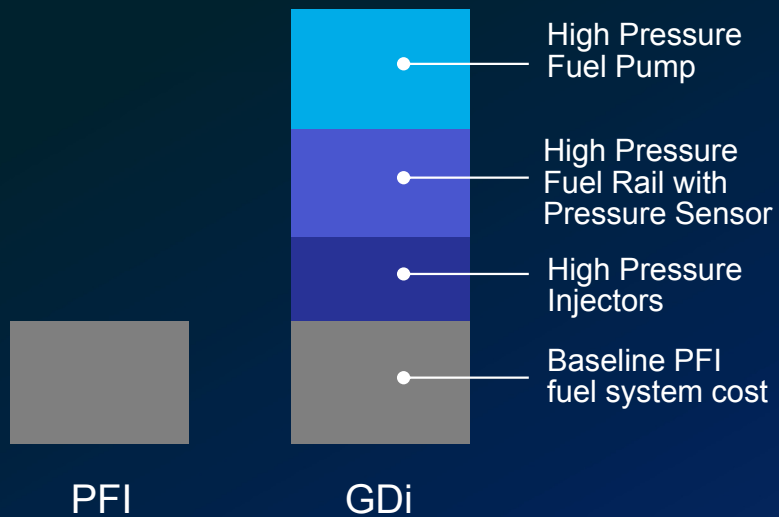


Source: IHS November 2012

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# The multiplier effect

More than 3-fold revenue increase on fuel delivery system



Automotive News  
**PACE Award**

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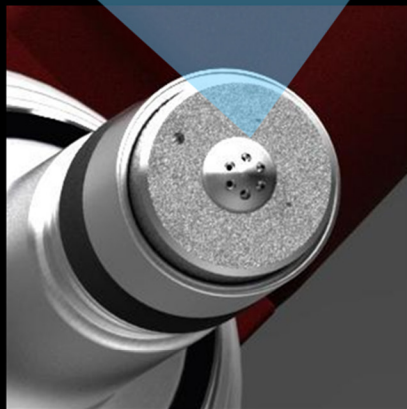
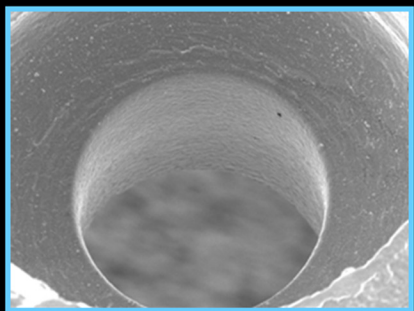
# Delphi Multec® 12 GDi injector

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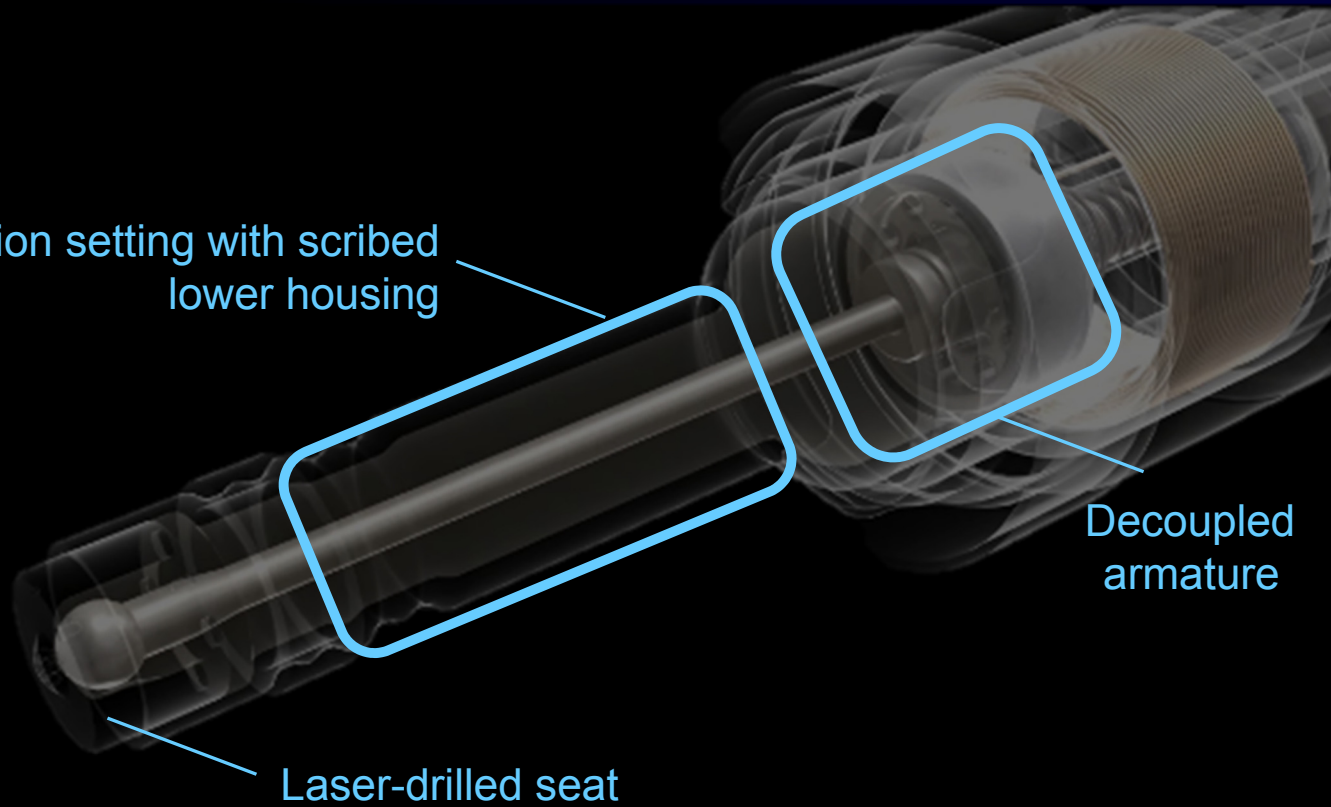


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# Delphi Multec® 12 GDi injector



Precision setting with scribed  
lower housing

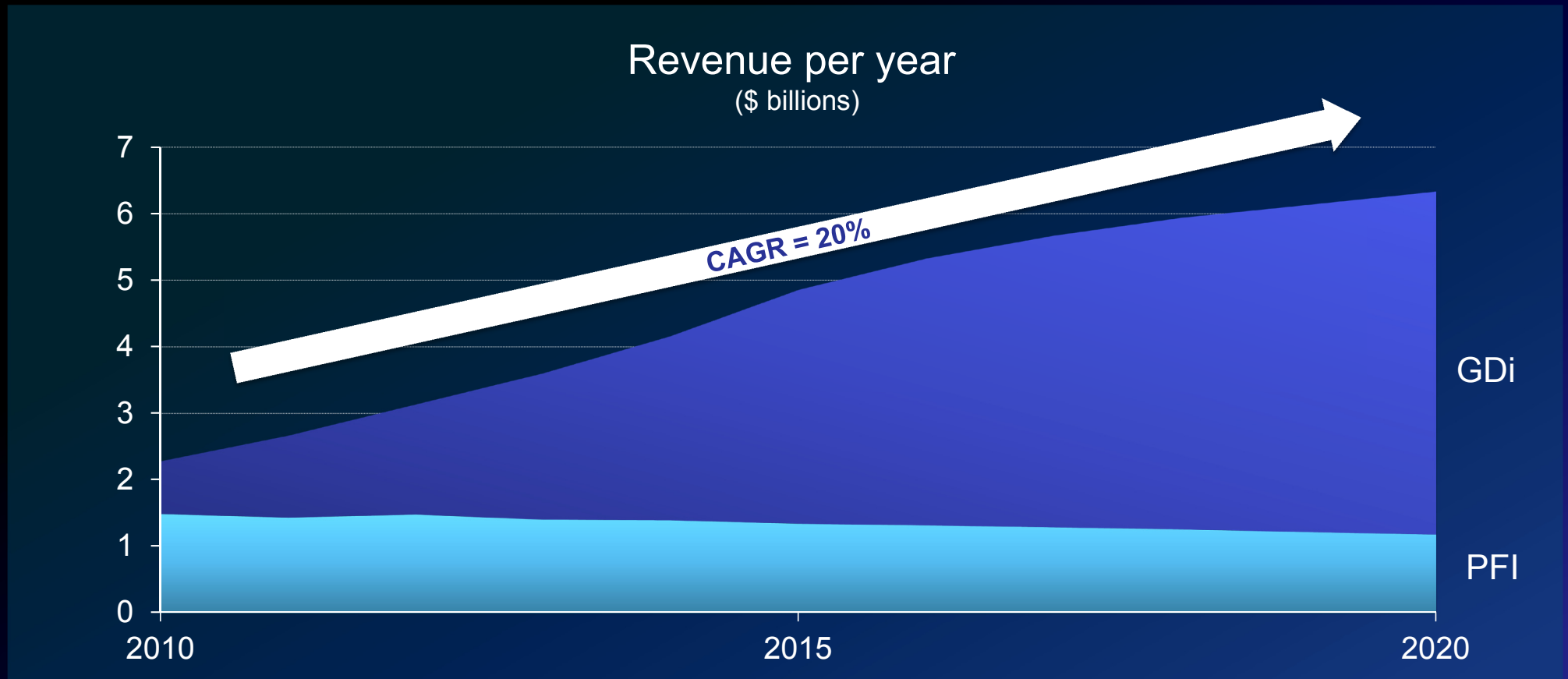


Decoupled  
armature

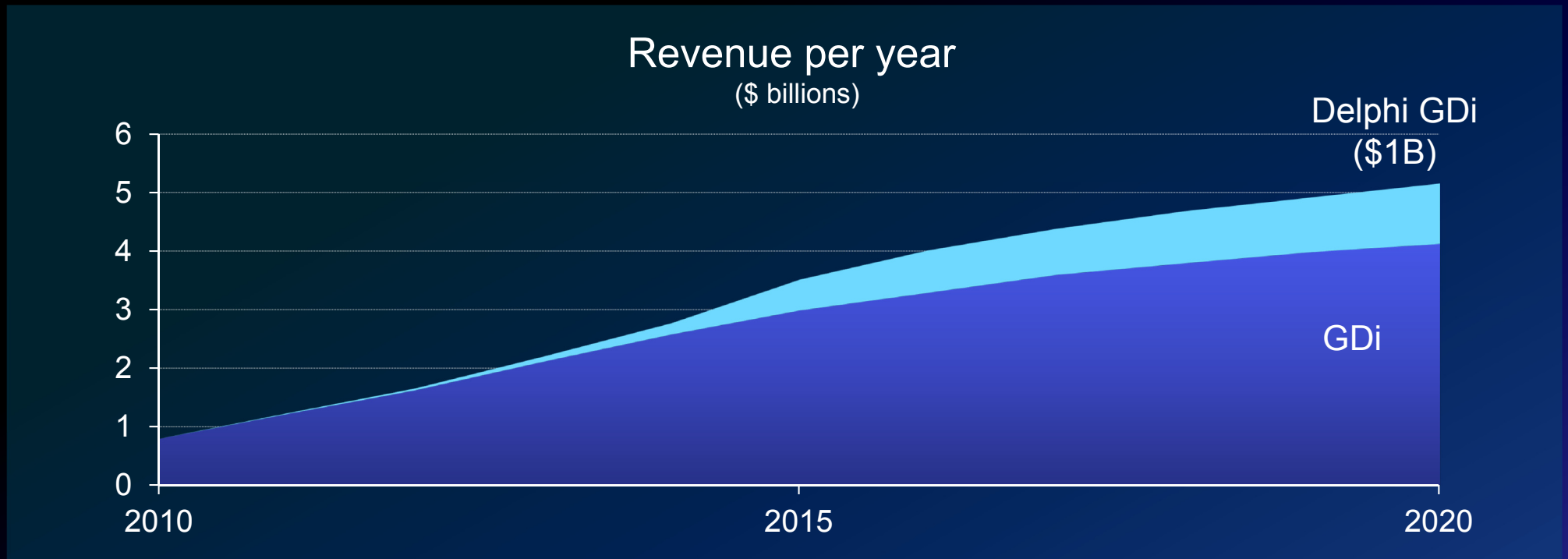
Laser-drilled seat

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# Global GDi market revenue growth



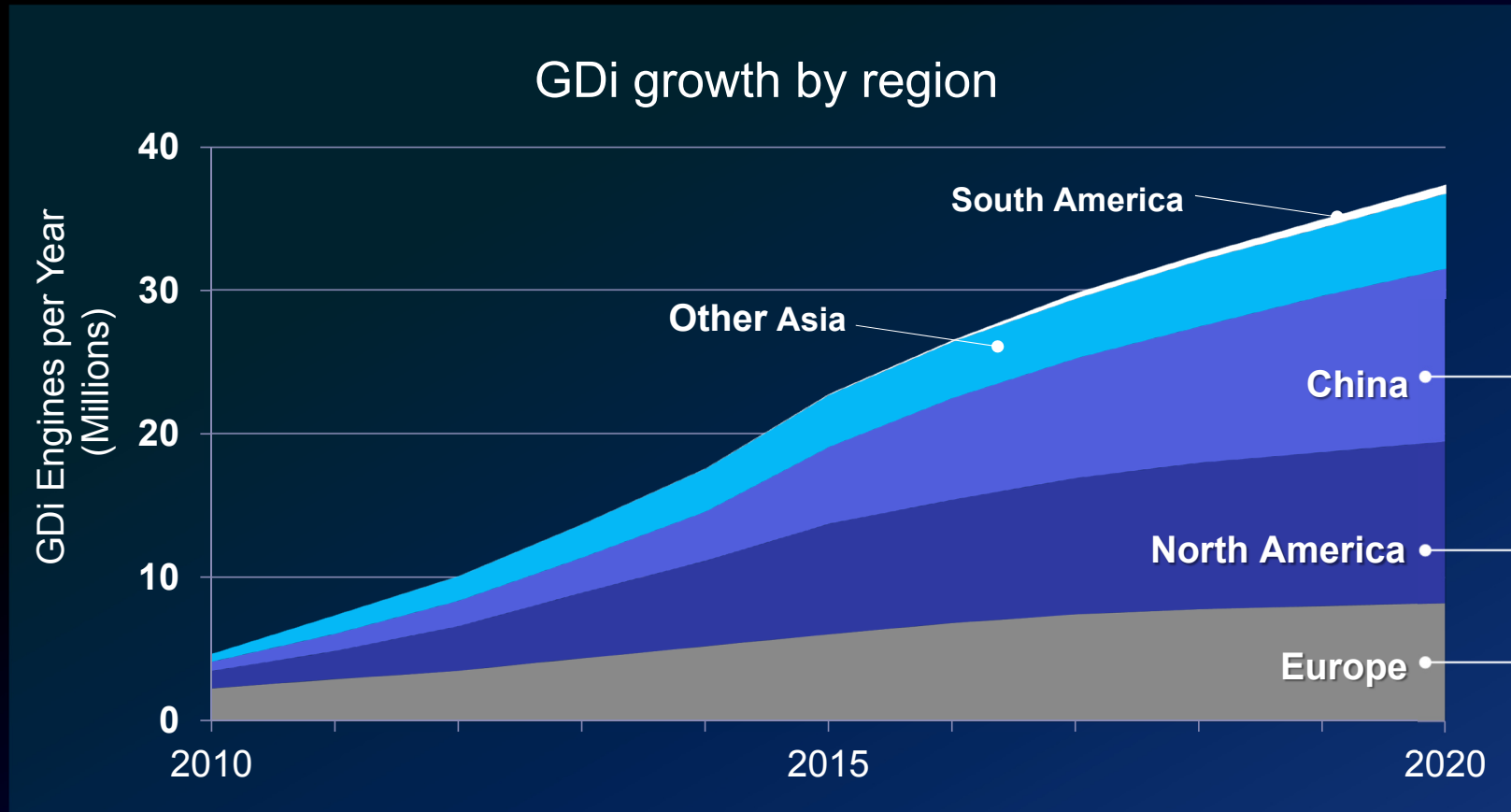
# Delphi GDi revenue growth



Moving from #4 to #3

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# GDi growth is global



## Manufacturing Footprint Plan

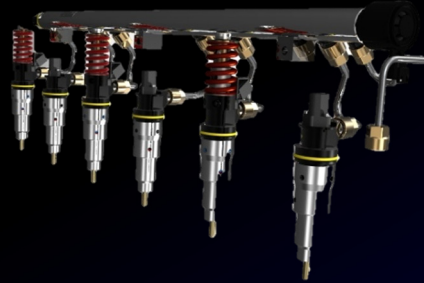


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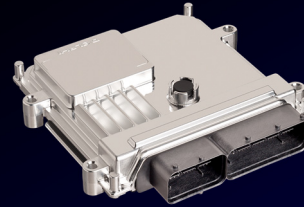
# Positioned at the center of evolution and innovation



Gasoline  
Injection System



Diesel  
Injection System



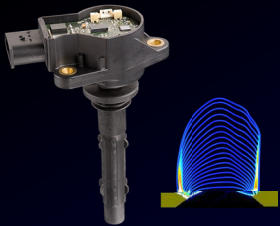
Engine  
Control Modules



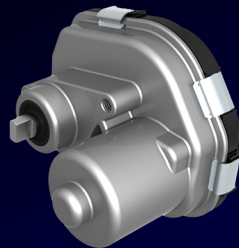
2-Step  
Variable Valve Lift



Electric  
Cam Phaser



Multi-Charge  
Ignition Coil



Remote Actuator  
for Turbo Control



Ammonia Sensor  
and Controller



Particulate Matter  
Sensor and Controller



Heated Canister

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# Hybrid & Electric Vehicles

**Beth Schwarting**

Vice President  
Electronic Controls

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# Green



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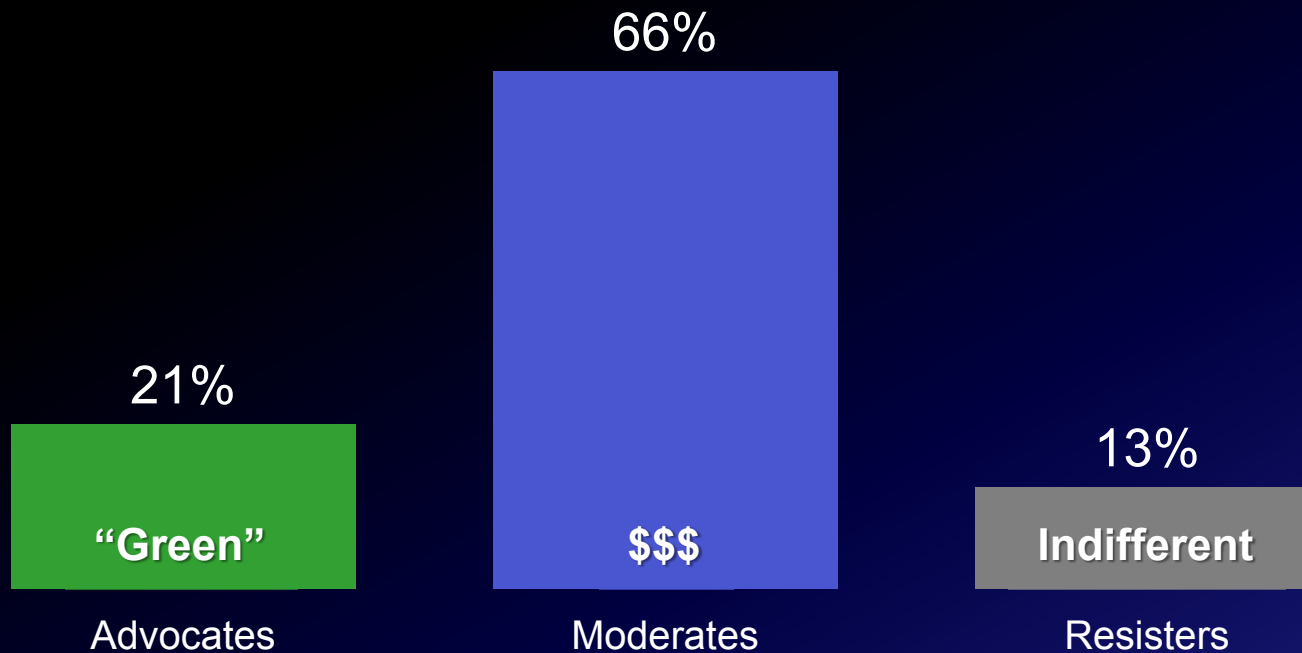
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# Electrification strategy



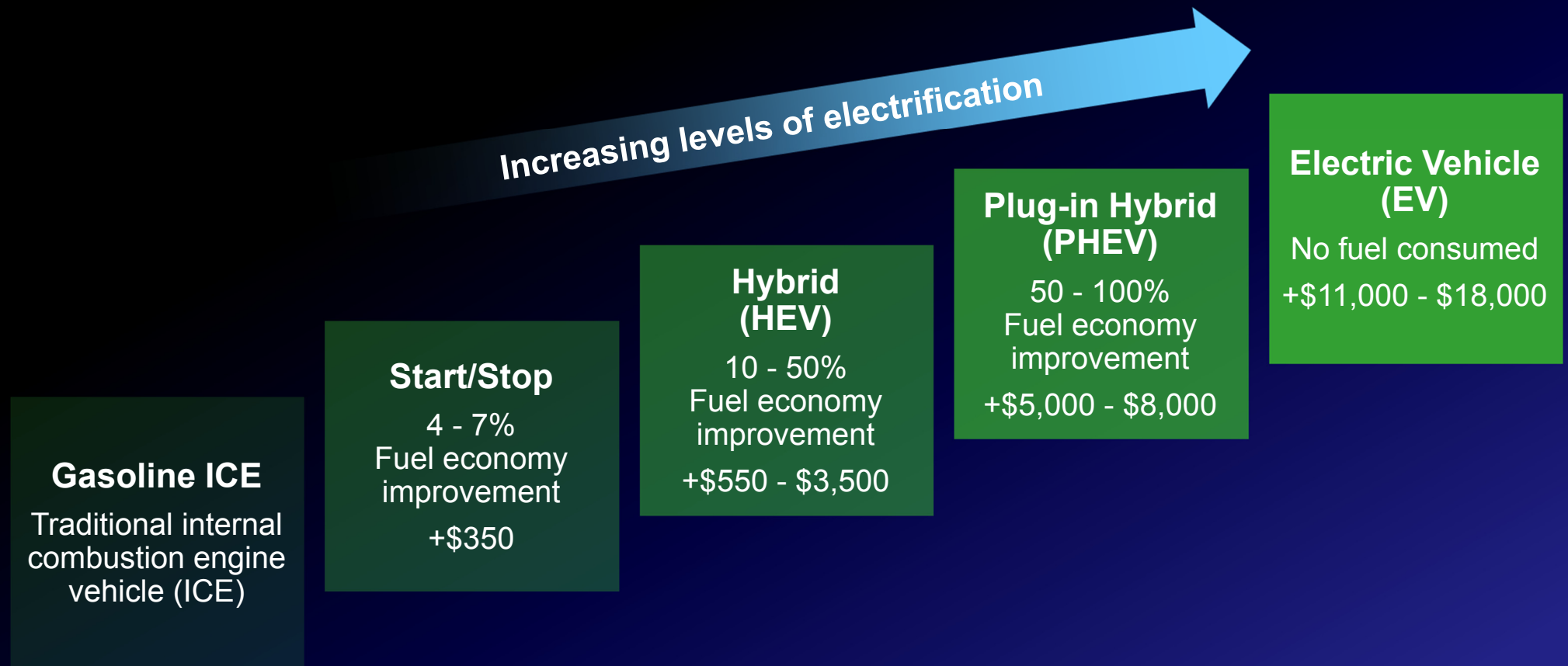
- Staged and ready
  - Natural extension of portfolio
  - Systems and packaging expertise
  - Early market entrant
  - Partner of choice for customers and governments
- Responsive to the opportunity and risks
  - Regulations, technology and fuel prices

# Consumer preferences emerging



**Hybrids are economical at \$3,000 price premium**

# Vehicle electrification on-cost

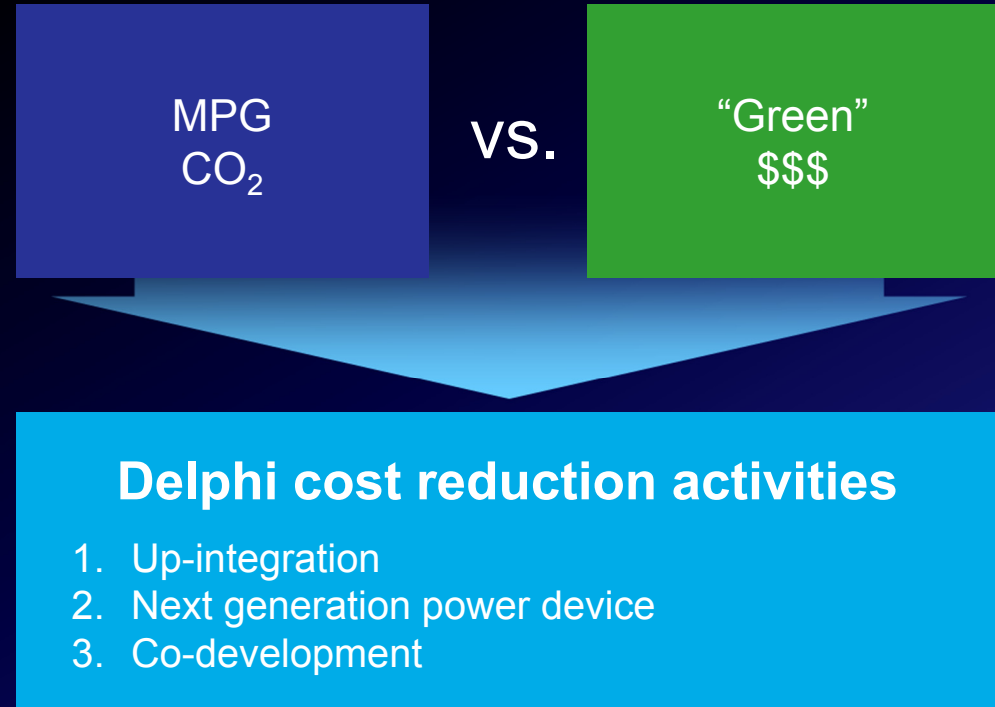


Source: EPA, Direct Manufacturing Cost, 2015

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# Striking a balance

- Vehicle manufacturers pulling many levers
  - Managing fleet mix
  - Partnerships and JVs
- Next generation cost reduction



Lower cost → Payback model → Higher volumes

# Hybrids, Plug-in Hybrids and Electric Vehicles



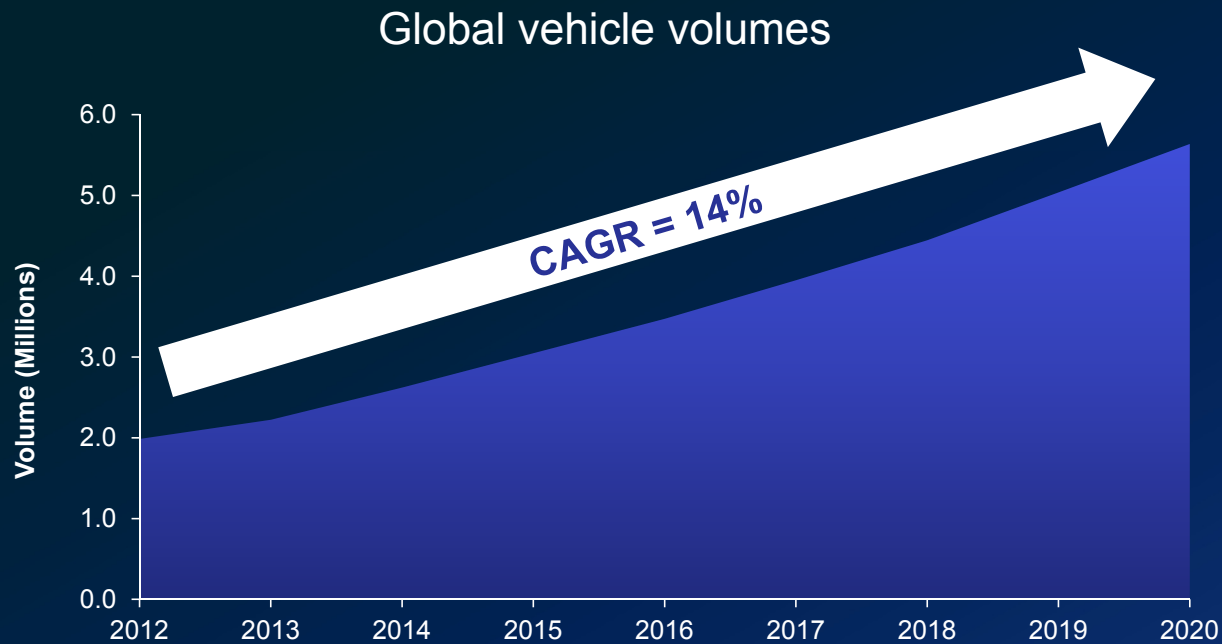
TOYOTA



HONDA

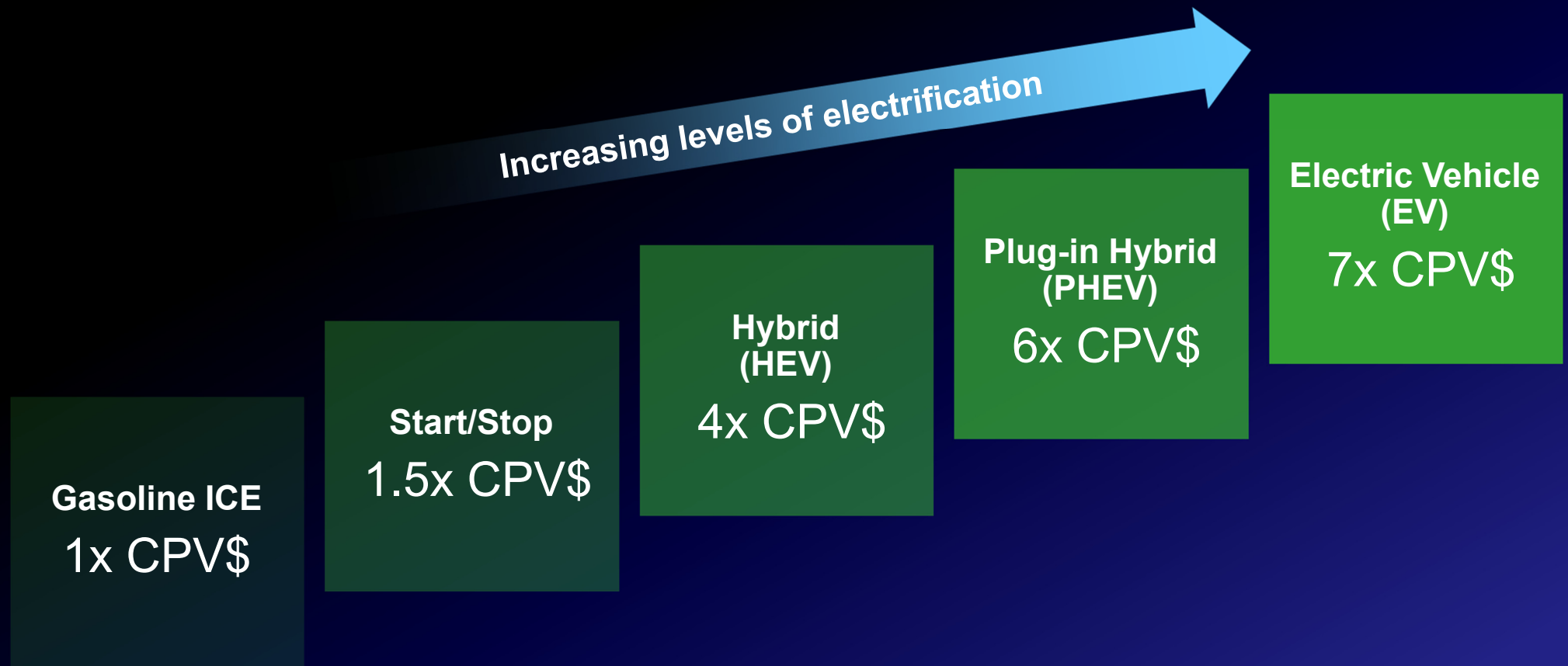


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Volumes will nearly triple by 2020

# Content per vehicle



Source: Content per vehicle Delphi estimate, 2015

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# Production experience with global customers



Ford C-Max Energi



SAIC Roewe 750



Chevrolet Volt



Ford Fusion Hybrid (2012)



Fisker Karma



Fiat 500 EV

Power  
Distribution  
Box



Battery Pack  
Controller



High Voltage  
Wiring



Battery Pack



Mild Hybrid  
System



Inverter /  
Converter /  
Controls



DC/DC  
Converter



Manual  
Service  
Disconnect



Portable  
Charger



High Voltage  
Electrical  
Center



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# Well positioned

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**Plan to win**

**Leading portfolio**

**Systems expertise and scalability**

**Production experience and early entrant advantage**

**Poised to capture market**

**DELPHI**

**MyFi<sup>®</sup>**

Connecting safely

**Jugal Vijayvargiya**

President  
Electronics & Safety

**DELPHI**

Innovation for the Real World

# Connected



**DELPHI**

Innovation for the Real World

# Delphi's “connecting with safety” mission

---

**Enable consumers’  
digital lifestyle in their  
Connected car, safely  
and seamlessly**



**DELPHI**

# MyFi<sup>®</sup> experience starts with Connected infotainment

Computing platform

Cloud connectivity

Mobile device connectivity

In-vehicle wireless network

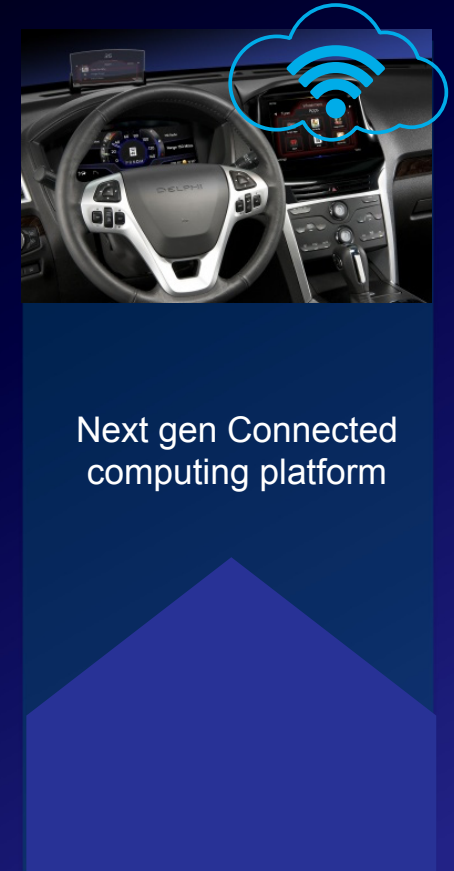
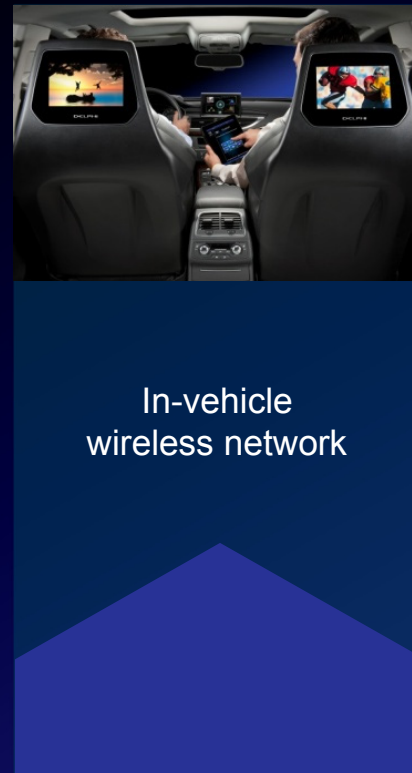
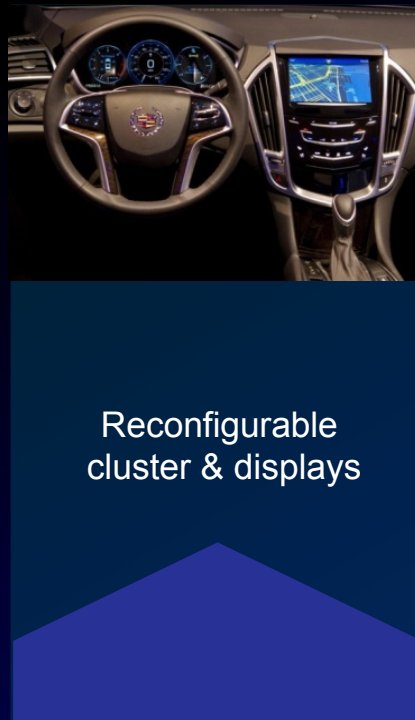
Reconfigurable display

Voice control and command



**DELPHI**

# Feature demands are driving exponentially increasing levels of infotainment



**DELPHI**

# System integration expertise with key partners is defining market leadership

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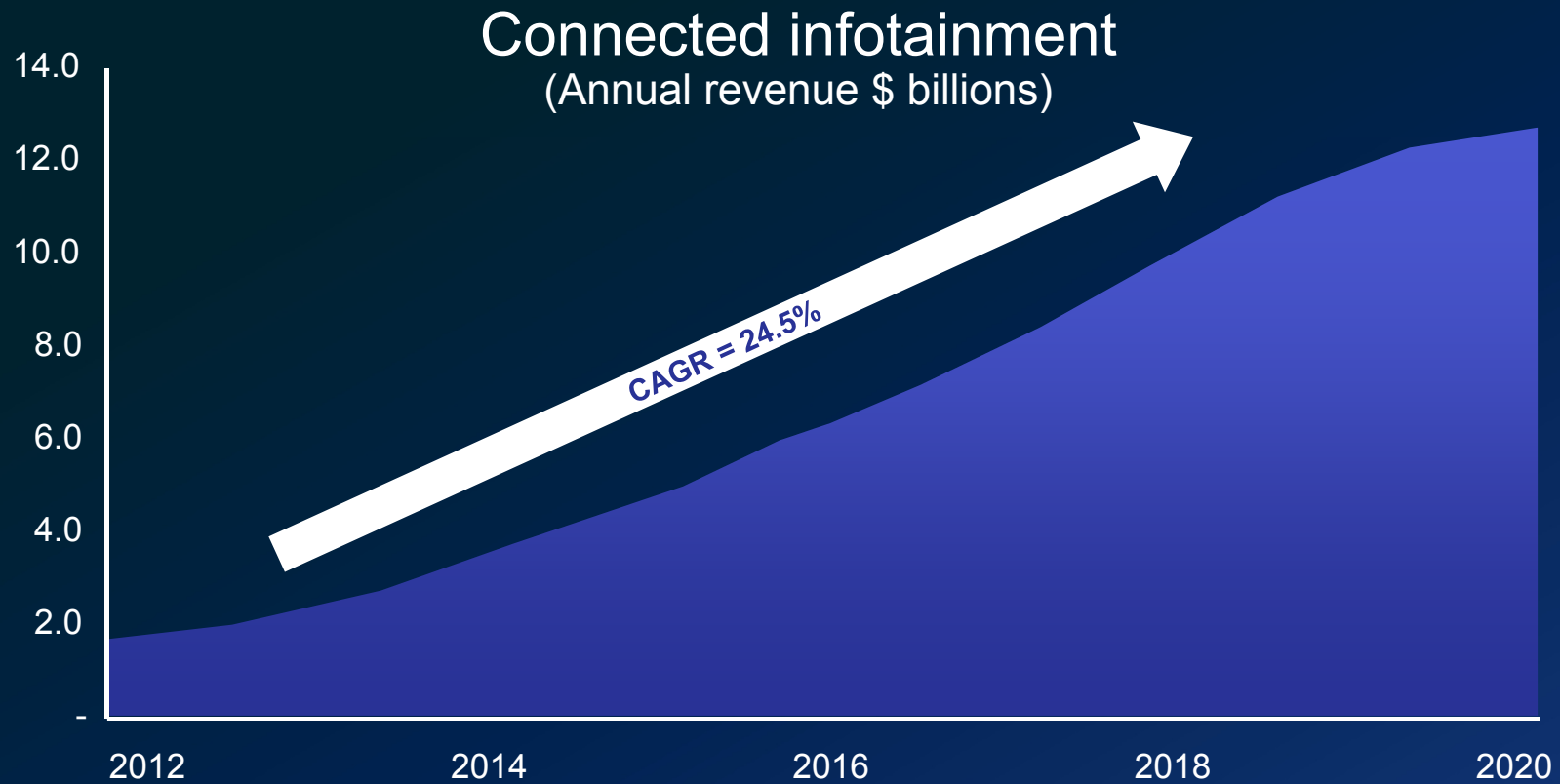
OS  
platform

Cloud  
content

Computing  
platform

Voice  
recognition

# Connected infotainment fuels explosive market growth



# MyFi<sup>®</sup> builds on an industry-leading active safety portfolio

Electronically Scanning Radar (ESR)

Intelligent Forward View

RACam – integrated radar & camera

Rear and Side Detection System

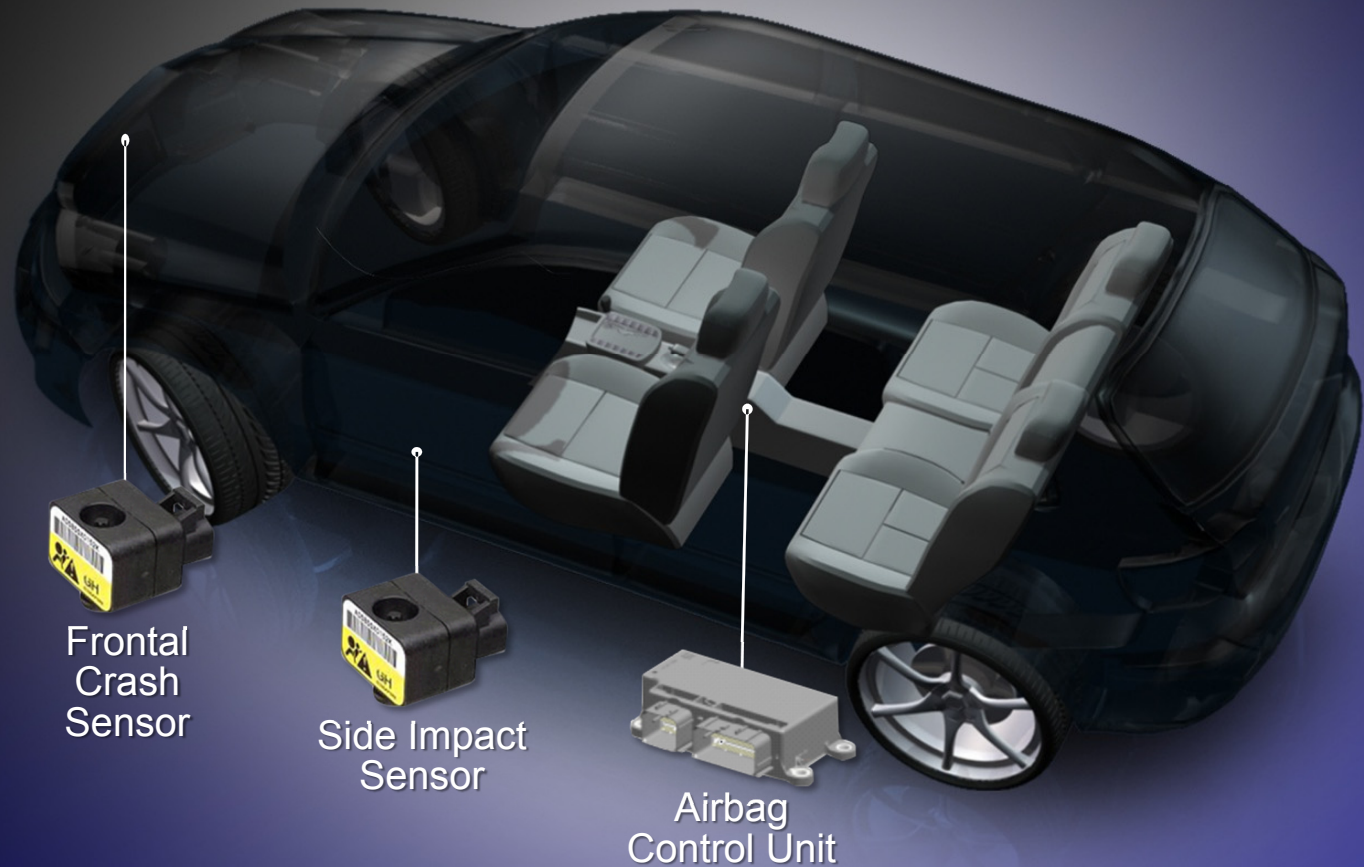


**DELPHI**

# Democratization of active safety continues

---

Yesterday...

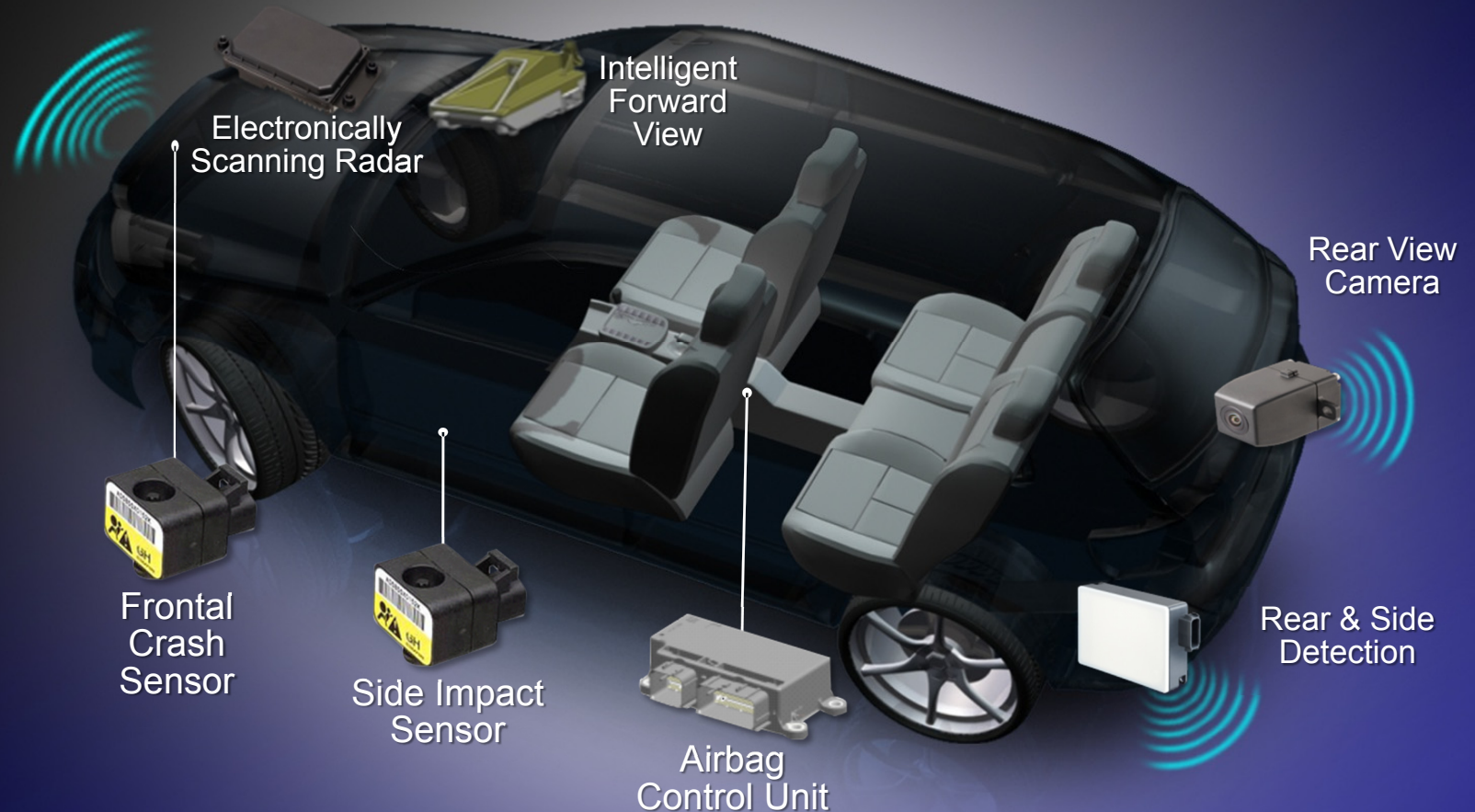


**DELPHI**

# Democratization of active safety continues

Yesterday...

Today...



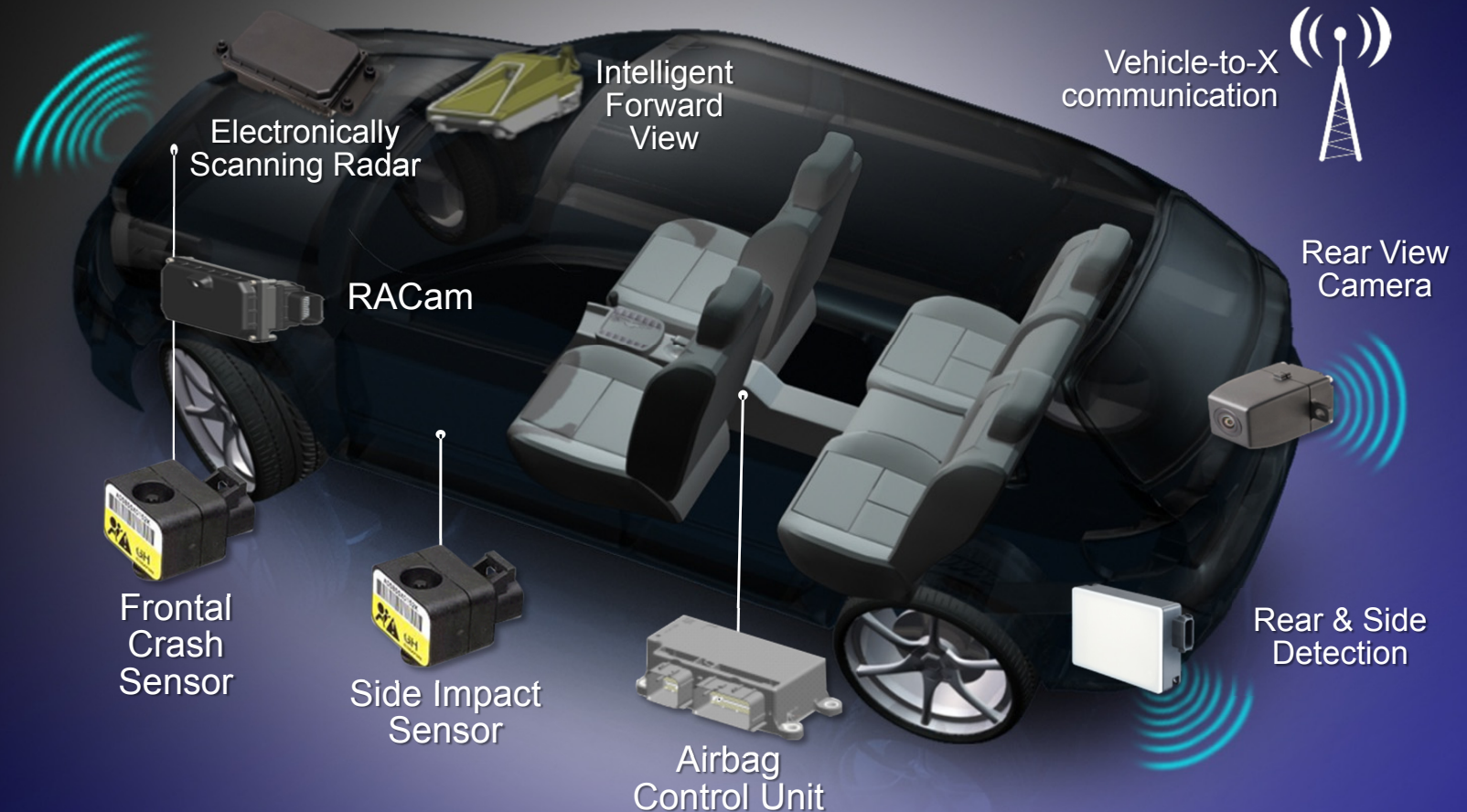
**DELPHI**

# Democratization of active safety continues

Yesterday...

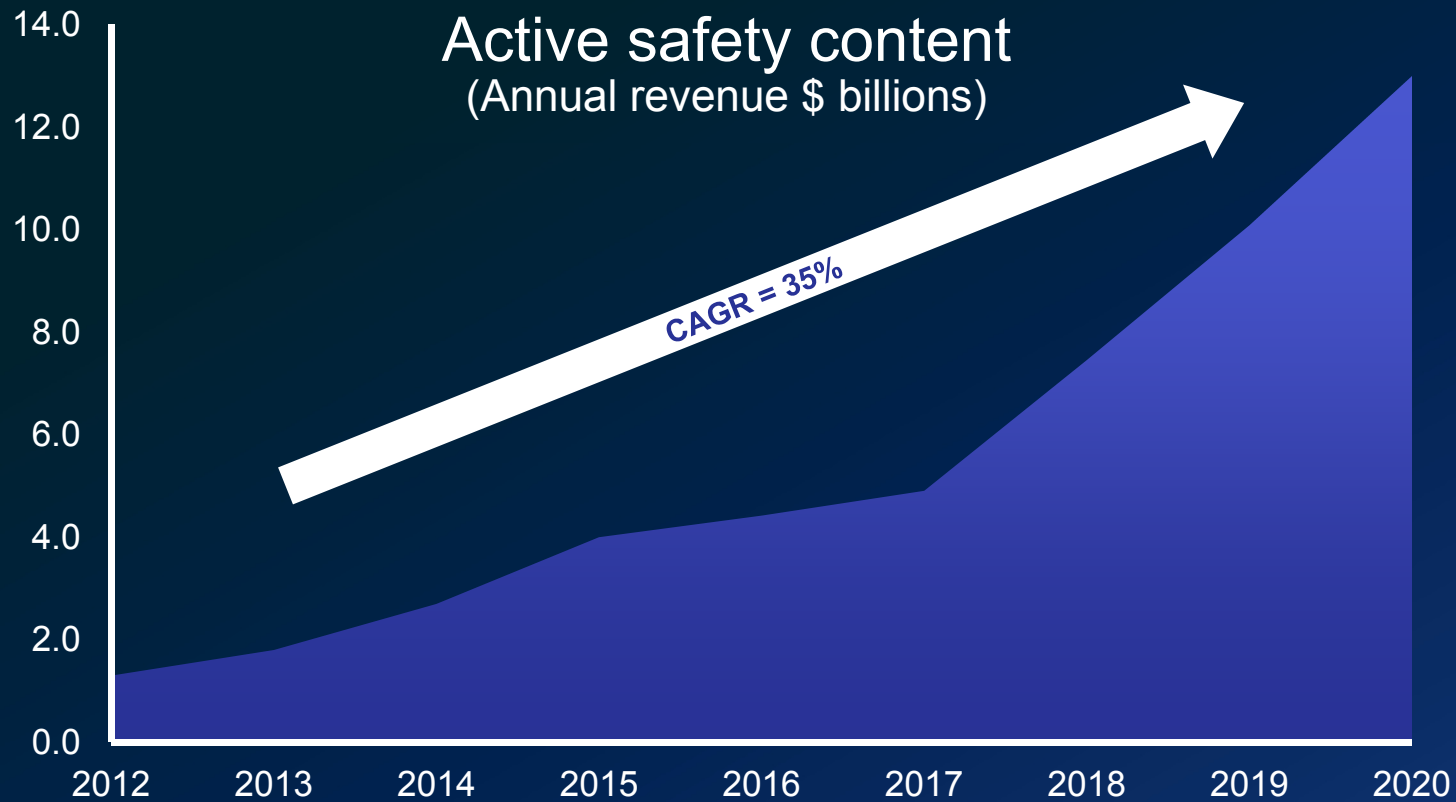
Today...

Tomorrow



**DELPHI**

# Leading to substantial market growth

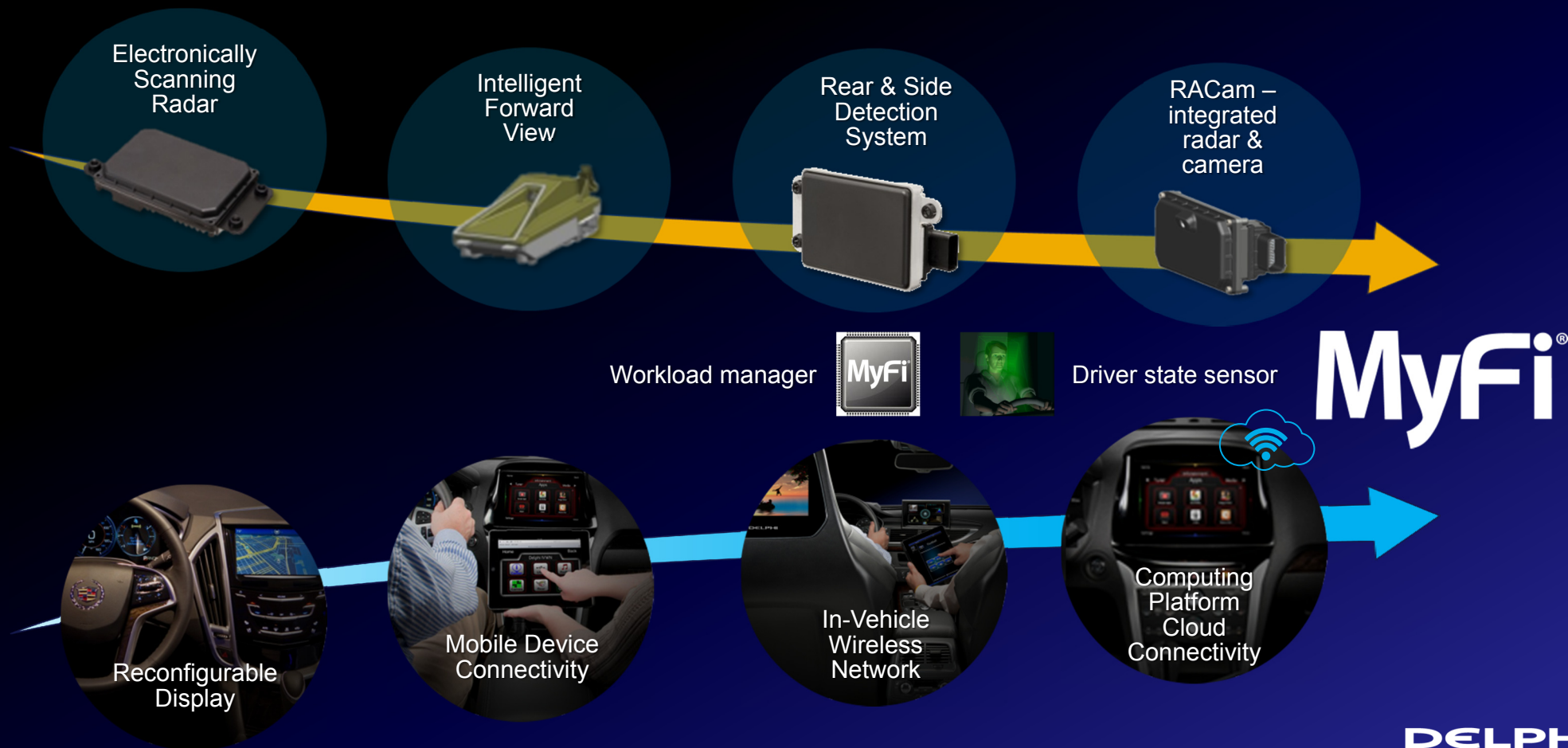


Source: June 2012 IHS Automotive and Delphi estimate

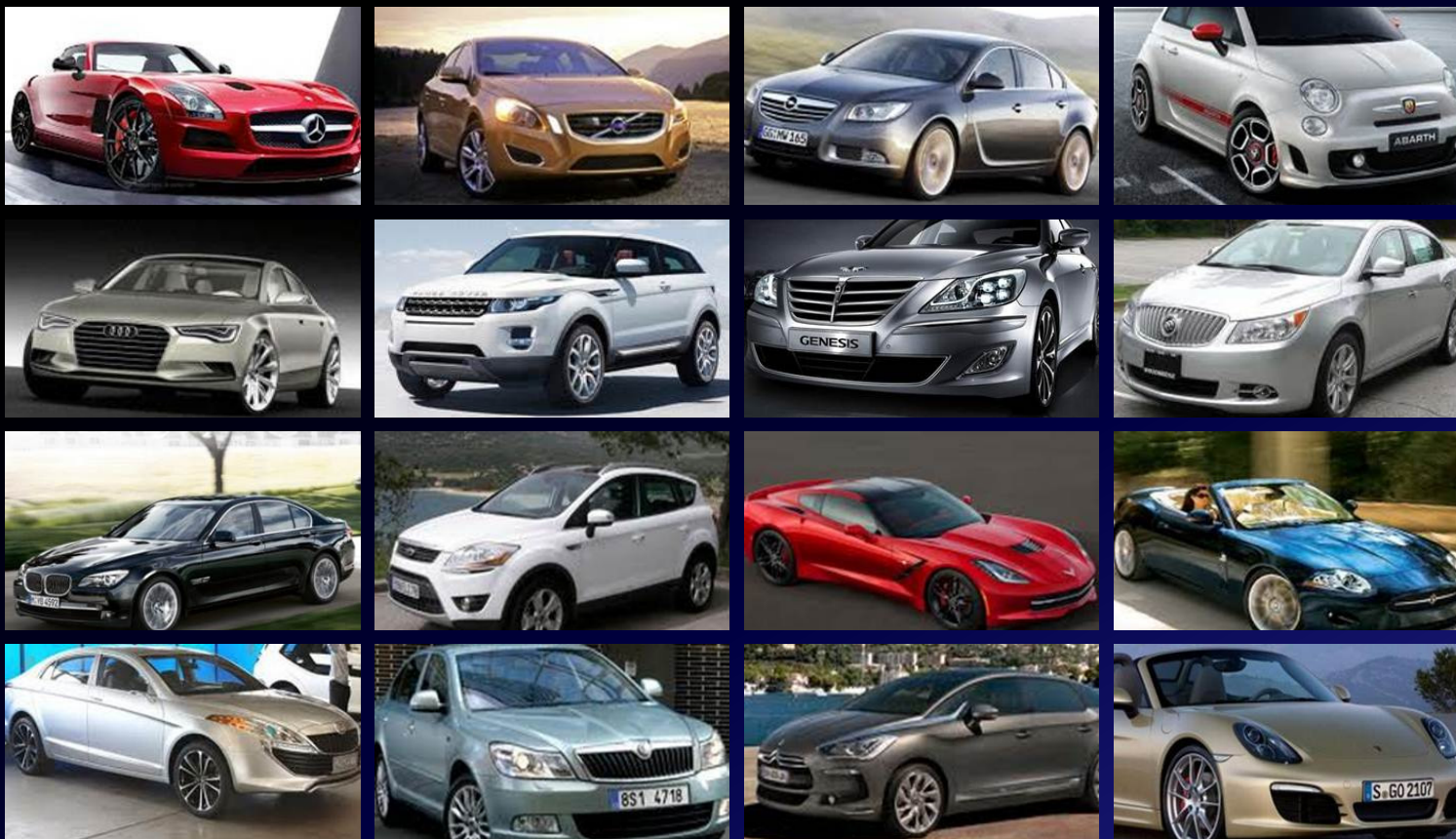
**DELPHI**

# What's next?

## Always Connected – always Safe



# Connected infotainment and active safety broad customer base



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# 57 new vehicle launches for infotainment and active safety in 2013



DELPHI

Delphi *is enabling*  
consumers' digital lifestyle  
in their Connected car,  
safely and seamlessly

**AT THE CENTER OF  
EVOLUTION AND  
INNOVATION**



**DELPHI**

# Electrical Architecture

Liam Butterworth

President  
Connection Systems

**DELPHI**

Innovation for the Real World

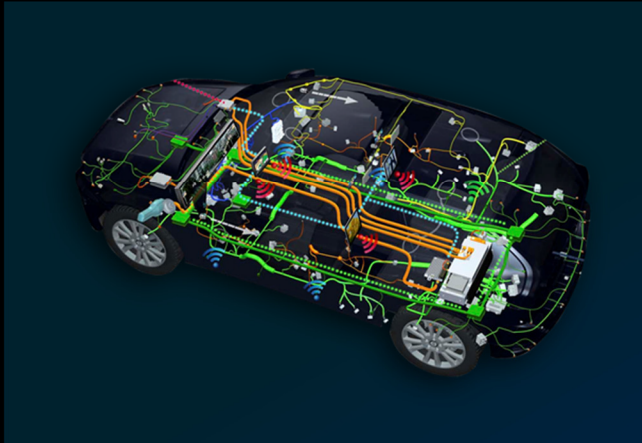
# Connected



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Innovation for the Real World

# Global market leader



Full architecture  
systems capability



Global market  
leading capabilities



Stronger  
through acquisition

**The leading position in a high growth market**

**DELPHI**

# Electrical Architecture

Connects

Protects

Activates



**DELPHI**

# Megatrends drive content



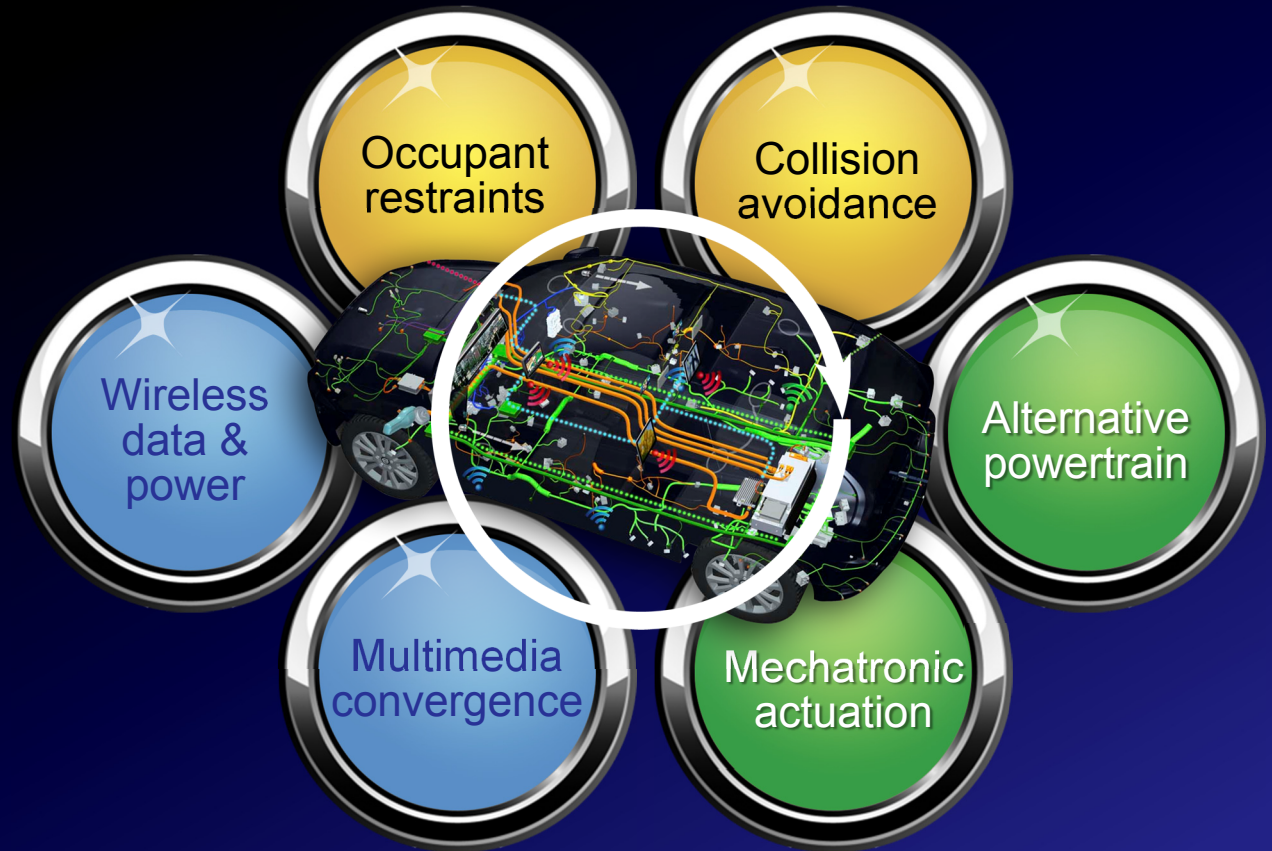
Safe



Green

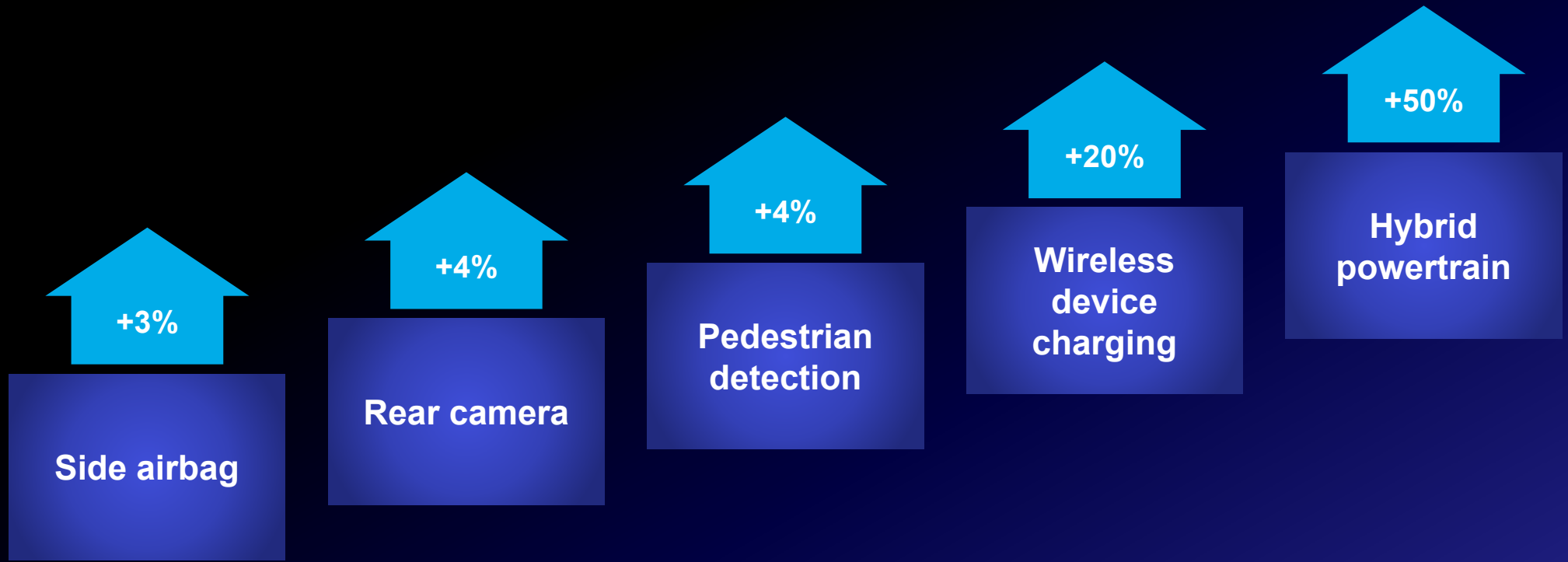


Connected



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# Feature content



Content drives growth and complexity

# Complexity

Cable

1.0  
miles



1.5  
miles

High voltage

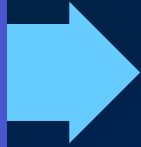
12V



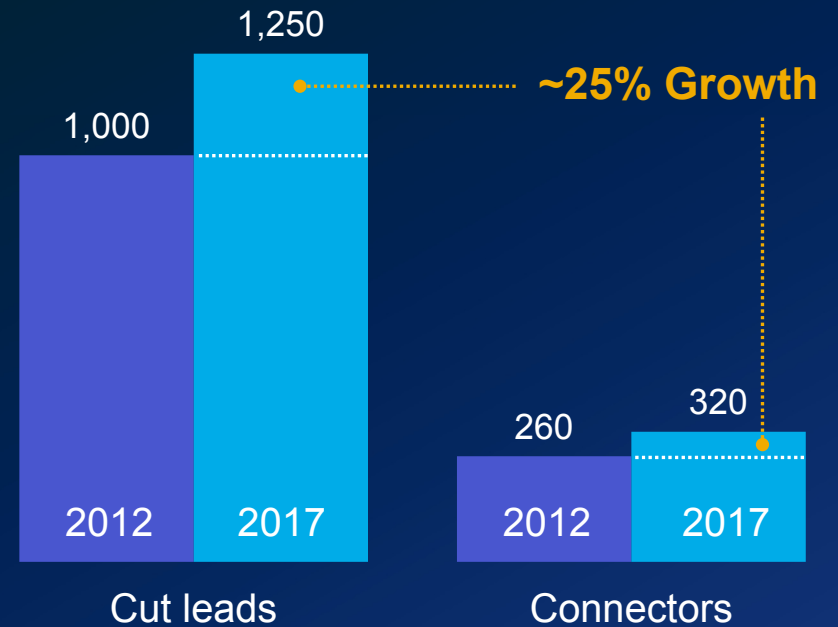
300V  
/  
600V

Copper content

7.5 kg

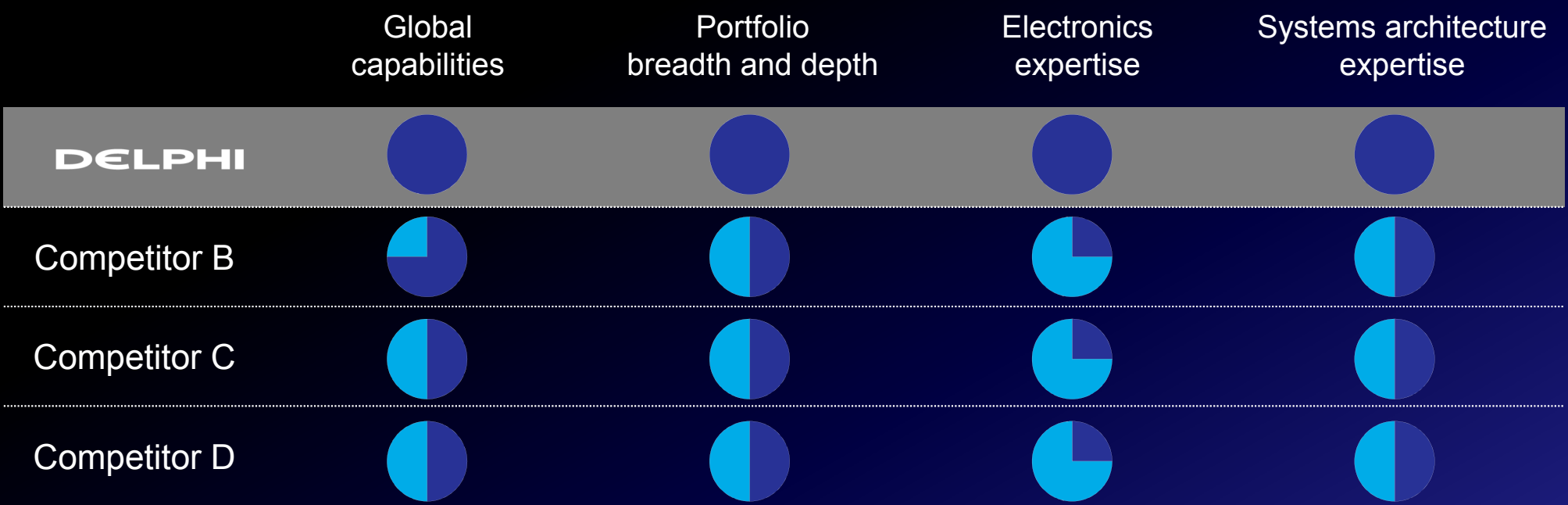


15.0  
kg



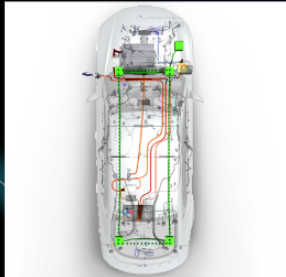
Increased complexity demands innovation

# Systems supplier capabilities

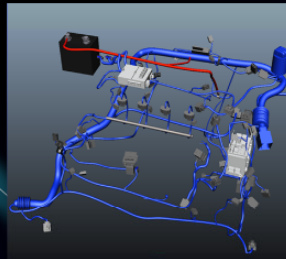


Delphi best positioned in the market

# Delphi Velocity™ Tool Suite: Supporting the entire development process



Architecture  
development & optimization



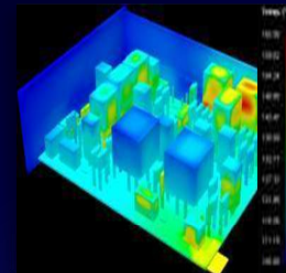
System & packaging design



Design for manufacturability



Product development



Simulation  
Mechanical, electrical & thermal



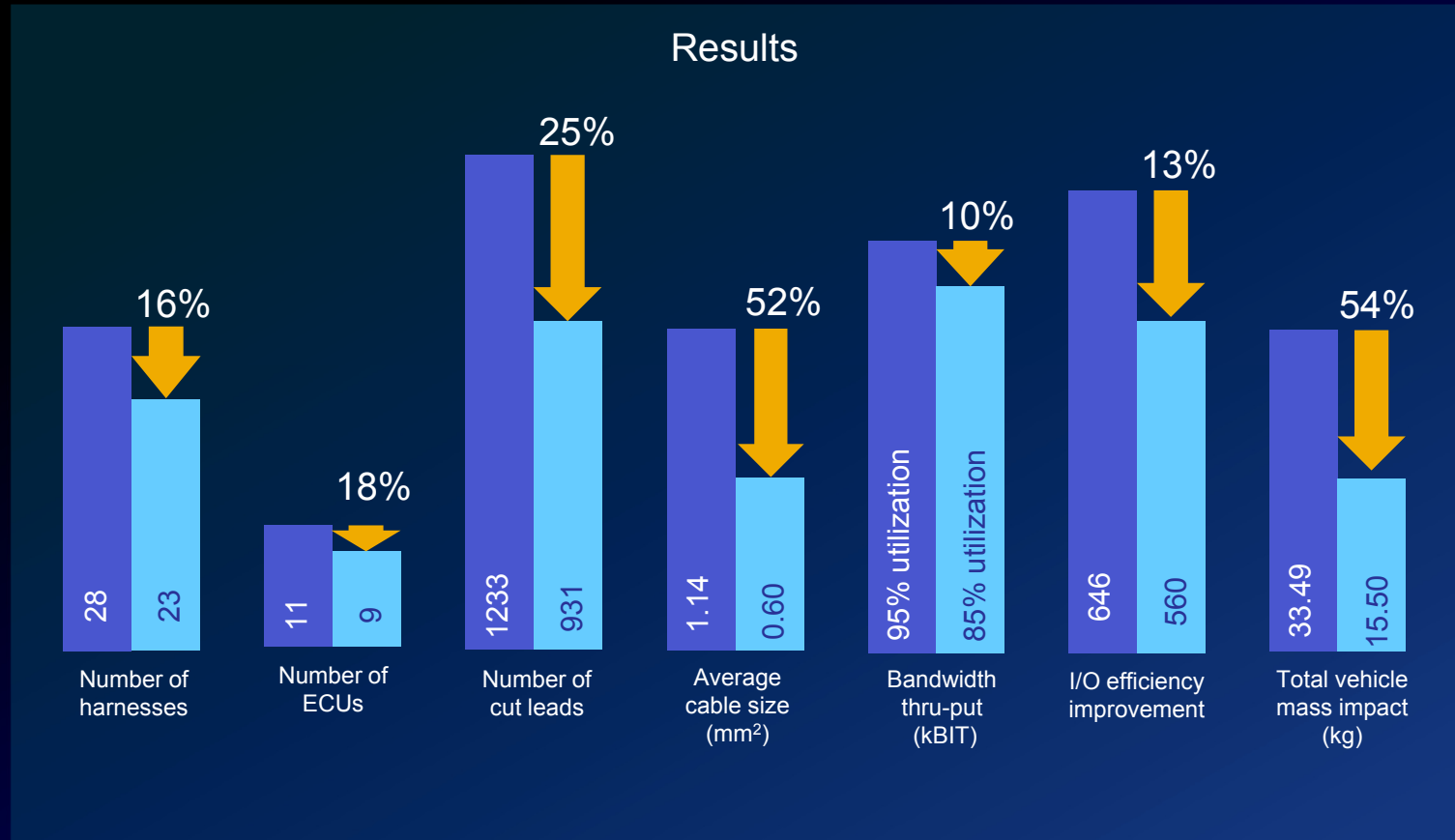
Validation & testing

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# Delphi Velocity™ Tool Suite: Level 3 “architecture development”

- Clean sheet architecture design

- Total system optimization
- Performance / reliability increase
- Mass and cost reduction



# Connected



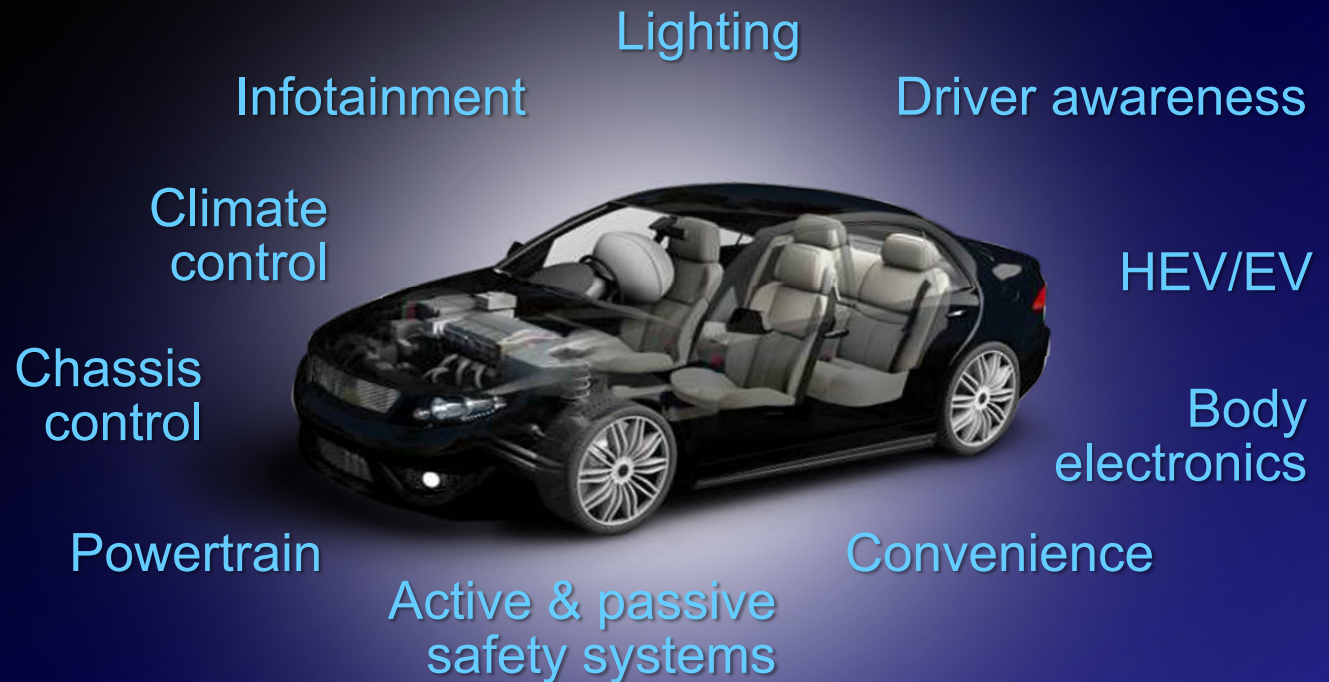
**DELPHI**

Innovation for the Real World

# World-leading automotive connection systems product portfolio

---

- Safety restraint systems
- High power
- Data connectivity
- Electrical centers
- Housings and terminals
- Sealings
- Mechatronics packaging and pin headers



**DELPHI**

# Connector performance

The vehicle environment is becoming more extreme

Driving extreme performance requirements

## Mechanical shock

Up to 100 G's

A head-on car  
collision at 100  
miles / hour

## High temp

150°C for 1000hrs

Three times the  
hottest day in Death  
Valley

## Cold / heat cycle

-40°C to 150°C

Coldest day in the  
North Pole to Death  
Valley  
...300 cycles!

## Water proof

Seal after shake-bake-  
shock

Immersion 15 feet  
below the ocean  
surface

## Vibration

30 G's at hot and  
freezing temperatures

Direct engine mount  
at high RPM's

## Resistant to:

Salt spray, gasoline,  
trans fluid,  
corrosive gasses,  
dust, fire

Failures are costly

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# MVL acquisition enhances connector portfolio

		MVL	DELPHI	Combined
Safe				
Green				
Connected				

Expands capabilities and drives margin expansion

# Integration status update

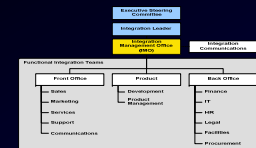
4 months since closing

212 integration projects

Strong market momentum

On track to deliver \$80 million in synergies

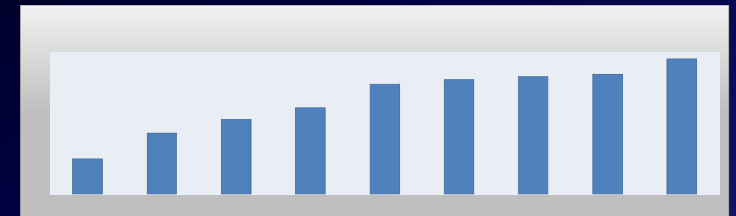
PMO structure



Project charters

The screenshot shows a project charter template with various fields for project information, including project name, objectives, scope, and key stakeholders.

Financial tracking



Project plans

The screenshot shows a project plan template with columns for task names, start dates, end dates, and progress status.

Status reports

The screenshot shows a status report template with columns for project names, status, and other relevant information.

# Summary

---

**Market leading position**

**Megatrends drive growth**

**Total solutions provider**

**Getting stronger through acquisitions**

**At the center of evolution and innovation**

# China

## Majdi Abulaban

President

Electrical/Electronic Architecture and Asia Pacific

**DELPHI**

Innovation for the Real World

# Delphi in China

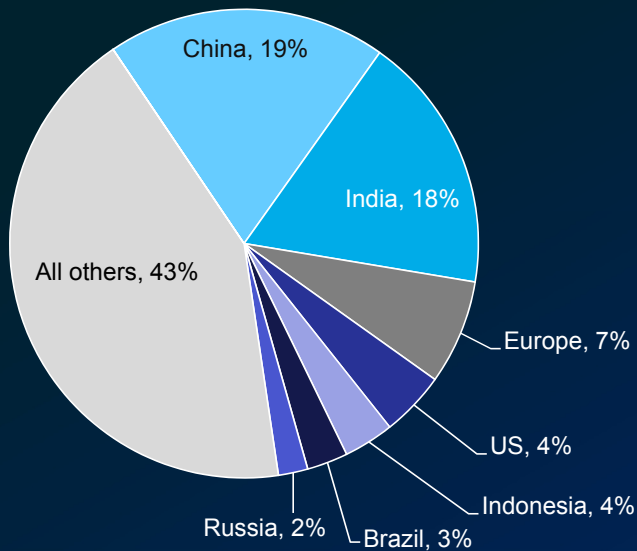
- Unprecedented growth opportunity
- Portfolio aligned with market
- Unmatched technical capabilities
- Strong relationships with leading OEMs
- Control of all operations



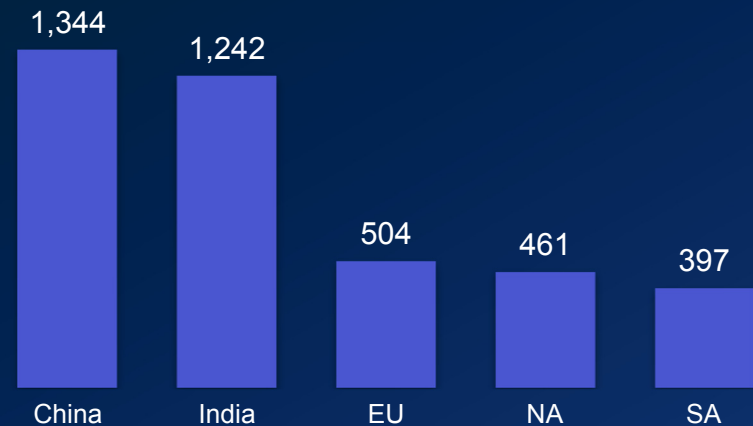
**DELPHI**

# China's scale

Share of global population  
(2011)



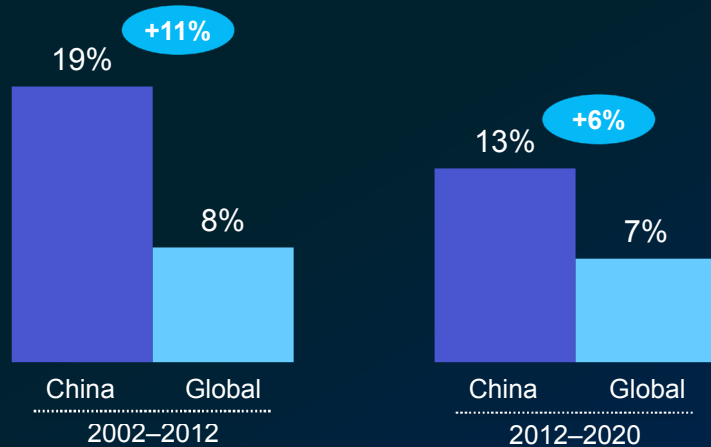
2011 population  
(Millions)



**China's population presents massive growth opportunity**

# World's #2 economic powerhouse...poised for #1

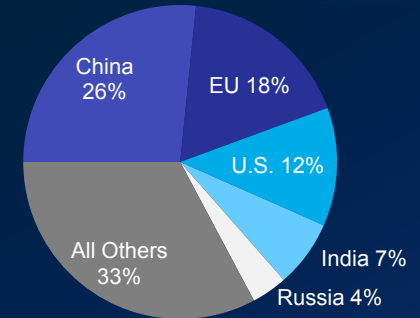
## GDP CAGR



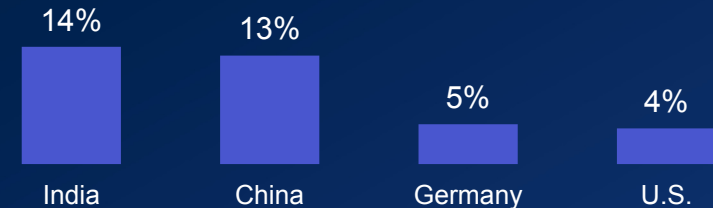
2002  
#4 global economy

2012  
#2 global economy

## Global GDP growth 2012–2020 (%)



## GDP CAGR 2012–2020



Demographics drive nearly 2x global growth

# Consumption: a national priority

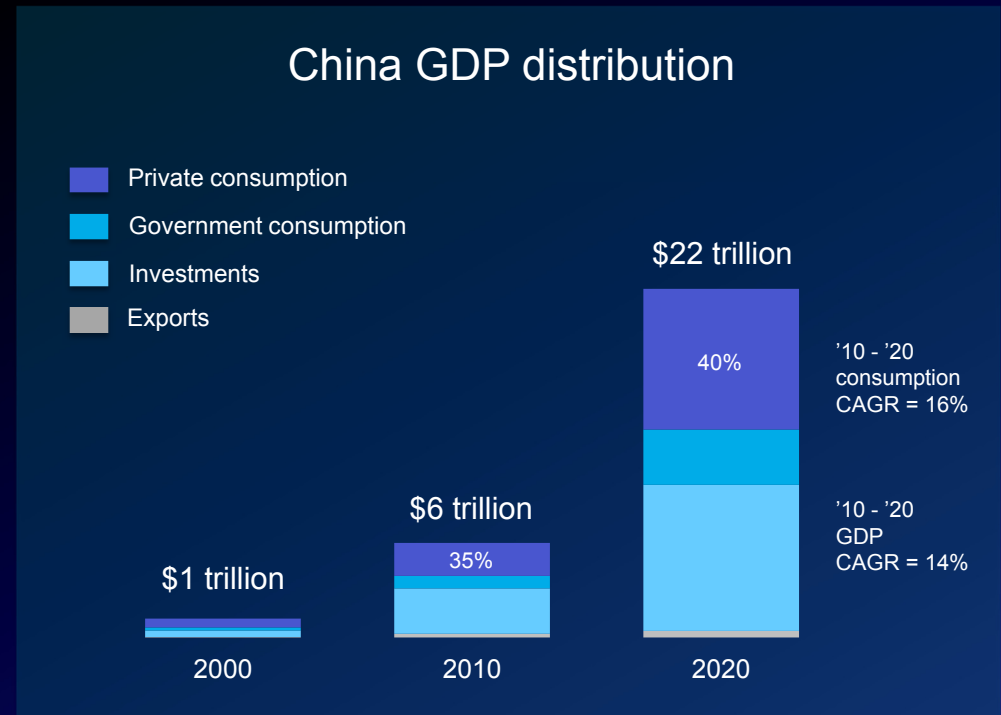
## 12th five-year plan (2011–2015)

### • Priorities

- Rebalance economy from investment to consumption
- Shift growth focus from urban and coastal to rural and inland
- Accelerate economic openness and reform

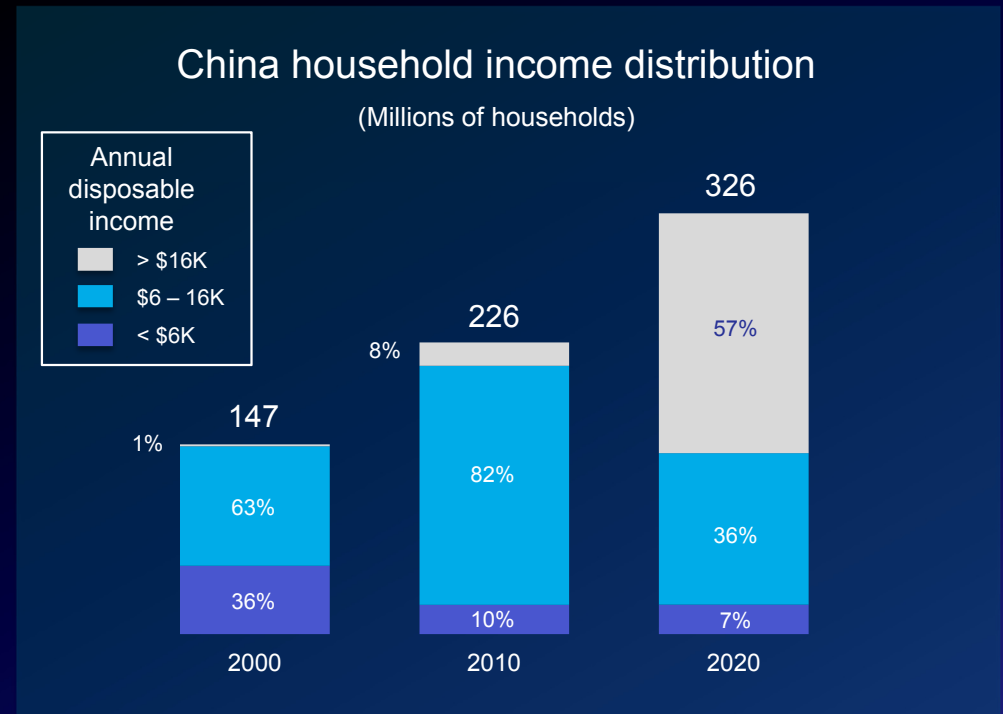
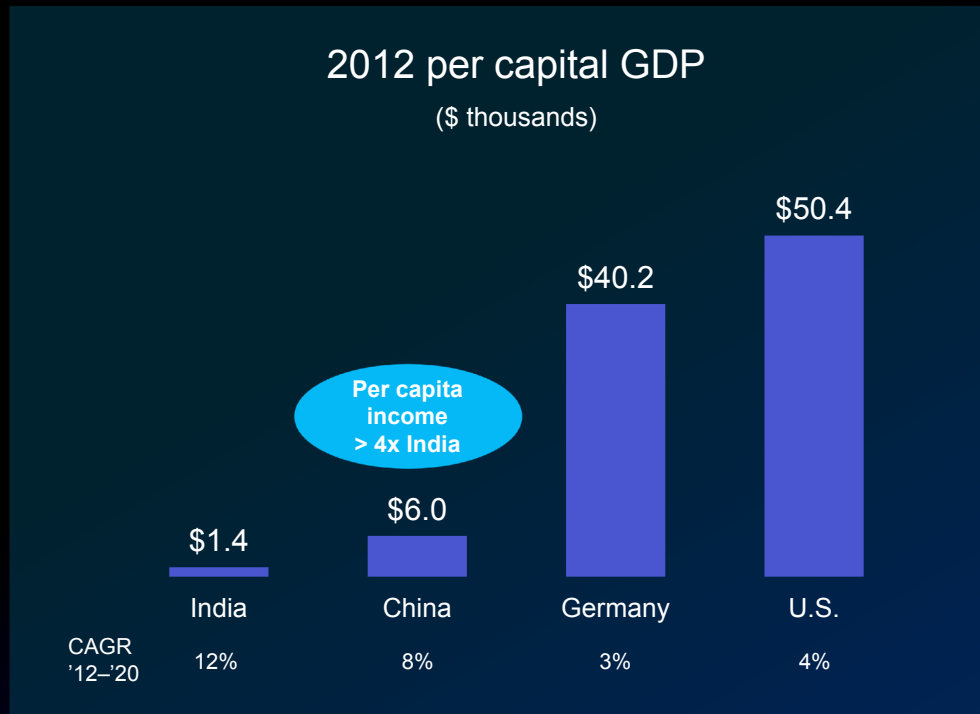
### • Key target

- GDP growth 8%
- Income growth 7%
- Urbanization rate 51.5%



**New government supportive of consumer driven economic rotation**

# Growing consumer wealth



Number of higher income households growing 10x between 2010 and 2020

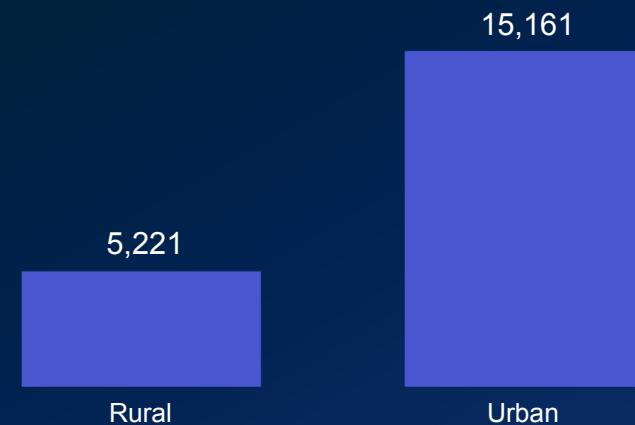
# Urbanization driving consumption

## Increasing urban population

Urban population	<u>China</u>		<u>U.S.</u>
	2005	2025	2009
Mega (10M+)	2	8	0
Big (5 - 10M)	12	15	1
Mid (1.5 - 5.0M)	69	115	5
Small (0.5 - 1.5M)	173	280	28

Cities with >5M people accounted for  
33% of GDP in 2007

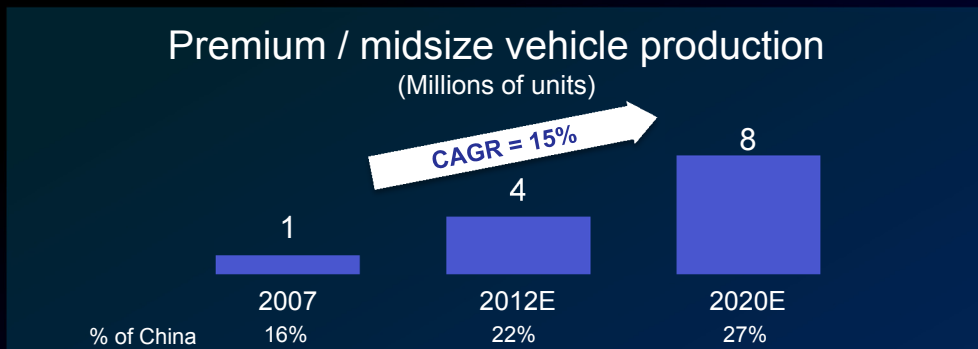
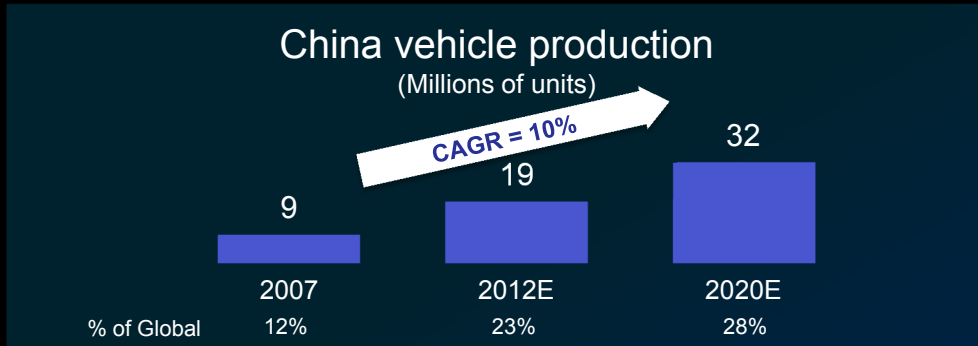
## Annual per capita household consumption (RMB)



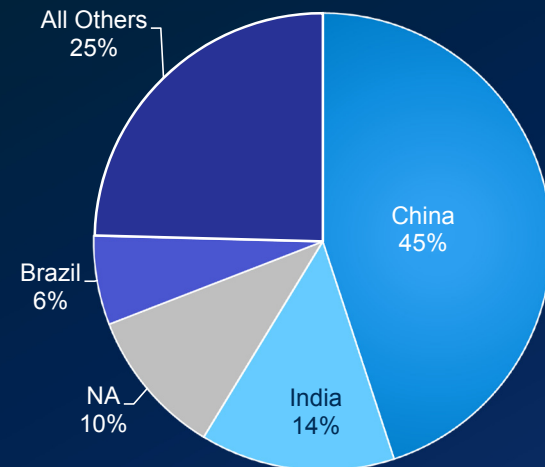
GDP generated by urban population will  
rise from 75% today to 95% by 2025

**Urban growth and consumption are linked**

# The outcome: a massive automotive opportunity



2012–2020 share of unit production growth



Nearly half of global unit growth is from China

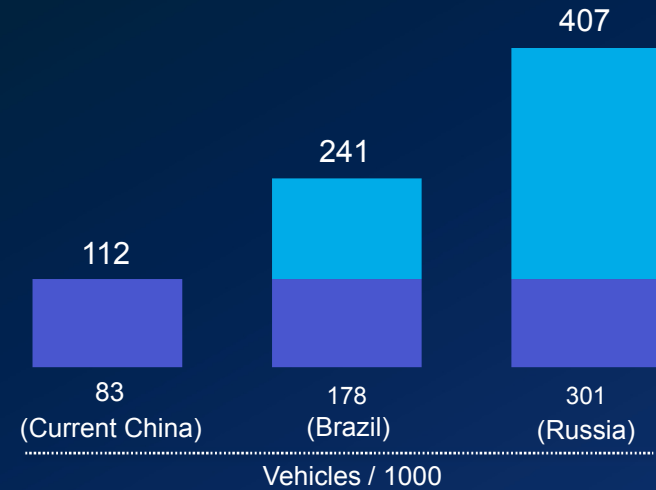
**Above global growth with trend toward higher content**

# Positioned for further explosive growth

Vehicles / 1,000 people



China car parc  
(Millions of units)



Increasing wealth will drive affordability and growth in vehicle population

# Voice of the industry: investing in future growth



## December 2012

€9.8B investment in South and West expansion - production sites located in Ningbo, Foshan, and Urumqi



## November 2012

€3B investment in 700K vehicles annually at the Changchun and Foshan facilities



**November 2012** – Opened second phase of tech center in Shanghai – 250 engineers

**November 2012** – SAIC-GM-Wuling \$1.1B investment in 3rd manufacturing base in Chongqing (400K annual vehicle and engine capacity)



**August 2012** – Launching Lincoln brand in China in 2014

**August 2012** – Broke ground on its 3rd assembly plant in Chongqing with partner Changan Ford (largest global manufacturing location outside of Michigan)



## January 2013

Signed a framework agreement with Guangzhou Automobile Group to manufacture Jeeps in China



## November 2012

Entered into a £1B joint-venture with Chery Automobile to build vehicles at a new plant will be constructed near Shanghai starting in 2014

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# Market is evolving

- Global OEMs localizing content
- China designed global platforms
- Local OEMs going global
- Further premium content growth
- Government focus on new energy
- Fuel efficient vehicles



Additional volume and content growth ahead

DELPHI

# Delphi: well positioned in an evolving market

Local design &  
development capabilities



...globals going local

Global footprint &  
local engineering support



...locals going global

Localized product portfolio



...premium segment localizing

Local capabilities &  
global technology presence



...China designed global platforms

Local design capability &  
localized product portfolio



...locals moving upscale

Local new energy technologies  
GDI / EV / Hybrid



...government driving new energy policy

## Emerging trends support further share gains

**DELPHI**

# Designing in China for China...and the globe

## Shanghai technical centers



- Global OEMs require localization partners to remain competitive
- Local OEMs value “co-development” supply relationships for technology

## Key products designed locally

- |                           |                             |
|---------------------------|-----------------------------|
| • Electrical Architecture | • Power Electronics         |
| • Connectors              | • Gas Fuel Systems          |
| • Electrical Centers      | • Gas Electronics           |
| • HVAC                    | • Fuel Modules              |
| • Powertrain Cooling      | • Canisters                 |
| • Receivers               | • Ignition                  |
| • Body / Security         | • Valvetrain                |
| • Mechatronics            | • Exhaust Sensors           |
| • Reception Systems       | • Dynamic Sensors           |
| • Displays                | • Engine Air Control Valves |
| • Safety Electronics      |                             |

**Local design wins new global and local OEM business**

**DELPHI**

# Case studies: locally-designed premium content



Product: Delphi active safety system

Customer: FAW Red Flag H7

- Auto Braking Assistance
- Forward Collision Warning
- Lane Departure Warning
- Lane Keeping Performance



Product: China voice recognition

Customer: target local OEMs

- Cloud based
- Adaptive learning
- Customized for local consumer preferences

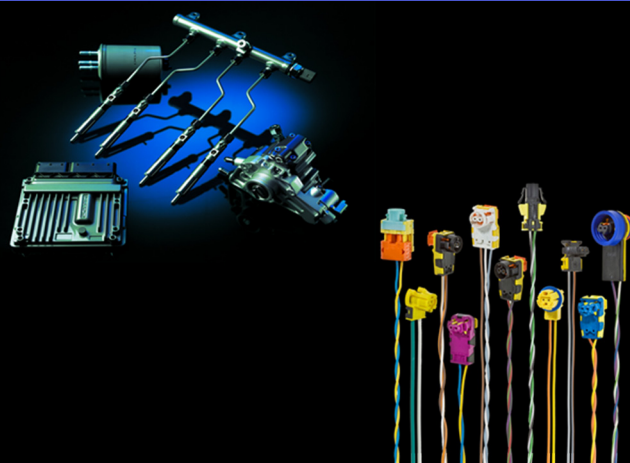
# Significant investment to drive share gains

## Technology



- New EMS Beijing technical center increased design capabilities

## Portfolio



- New Diesel plant in Yantai
  - Acquisition of MVL

## Presence

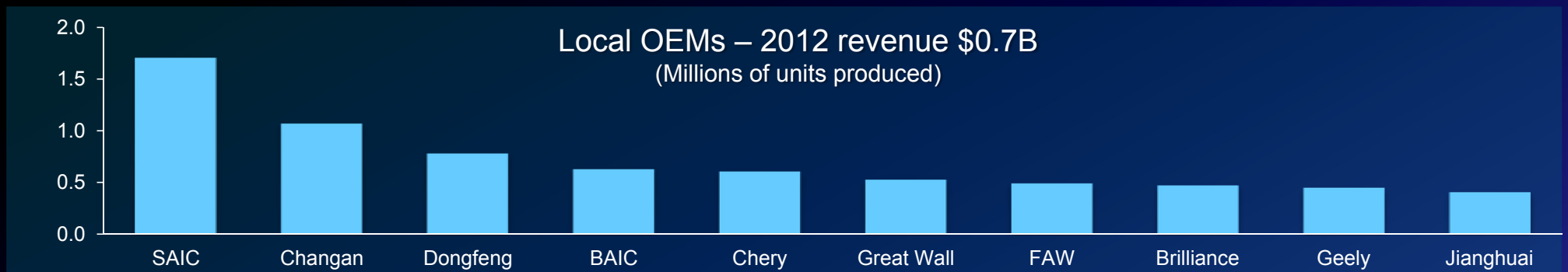
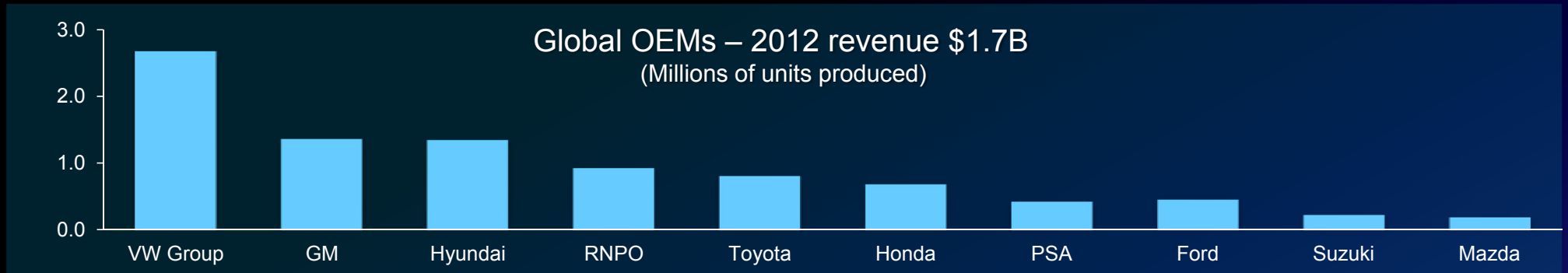


- Investment in western China
  - Two new plants (Chongqing, Chengdu)

**Investment to accelerate growth in China**

**DELPHI**

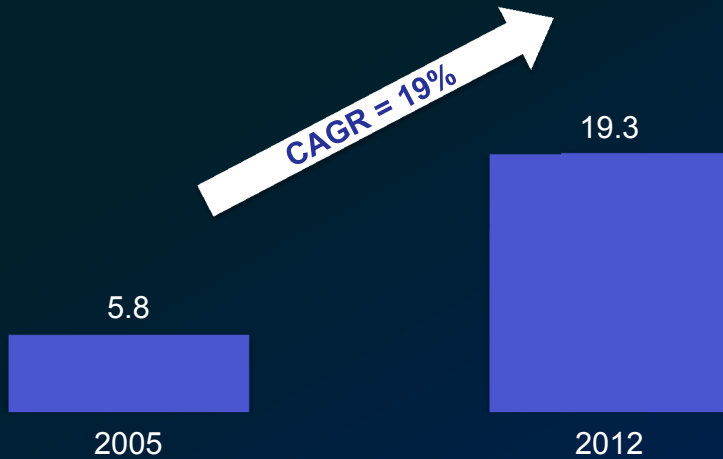
# Winning with global and local players



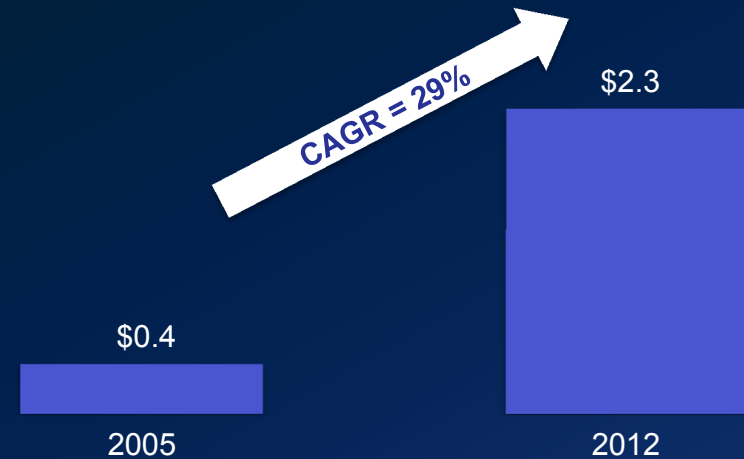
**84% of revenue with top 20 OEMs in China**

# Delphi growing faster than explosive Chinese market

China vehicle production  
(Millions of units<sup>1</sup>)



Delphi China revenue  
(\$ billions)



**Positioned to continue outperforming the market**

# Delphi in China

---

Growth

China: a massive growth opportunity

Customers

Well positioned with global and local OEMs

Presence

Global presence with local capabilities

Investment

Investing in the long term opportunities

**At the center of evolution and innovation**

**DELPHI**

# Enterprise Operating System

Jim Spencer

Executive Vice President of Operations

**DELPHI**

Innovation for the Real World

Delphi global enterprise

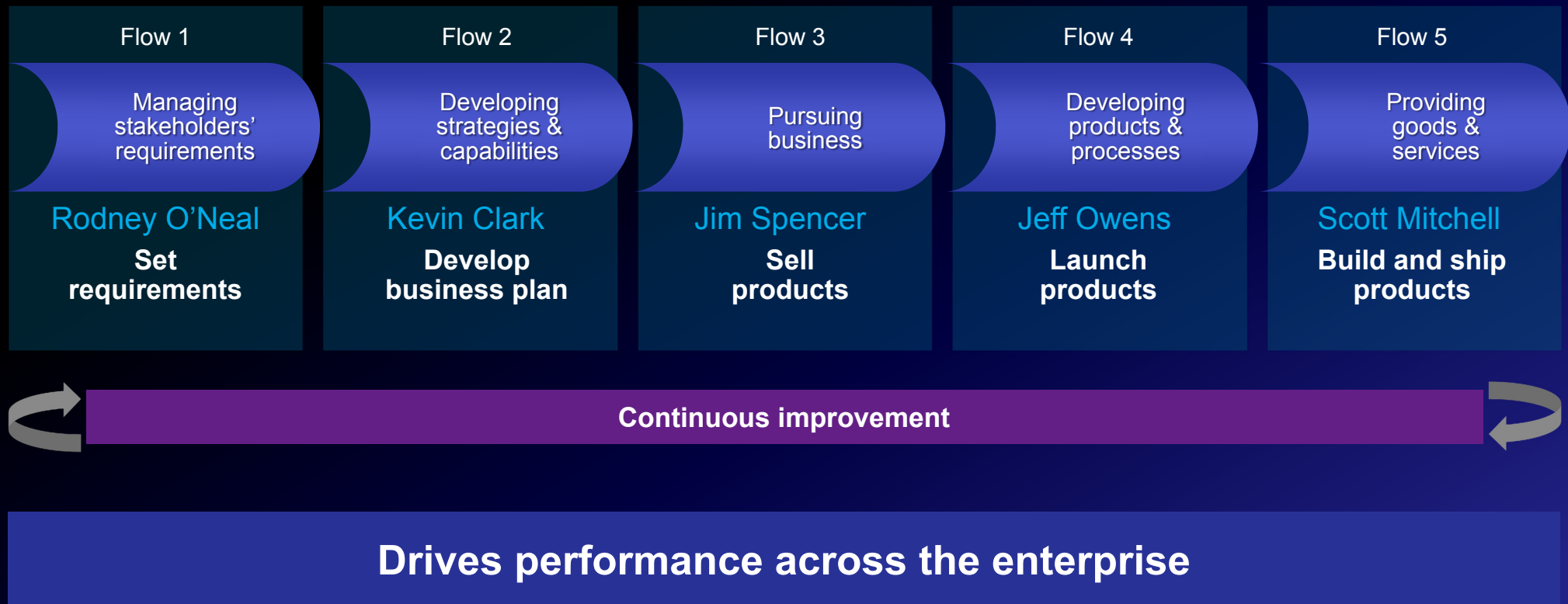
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A glowing globe is the central focus, surrounded by several white, cube-shaped data blocks and two intersecting white orbital rings. The entire scene is set against a dark blue background with a subtle grid pattern.

# Enterprise Operating System

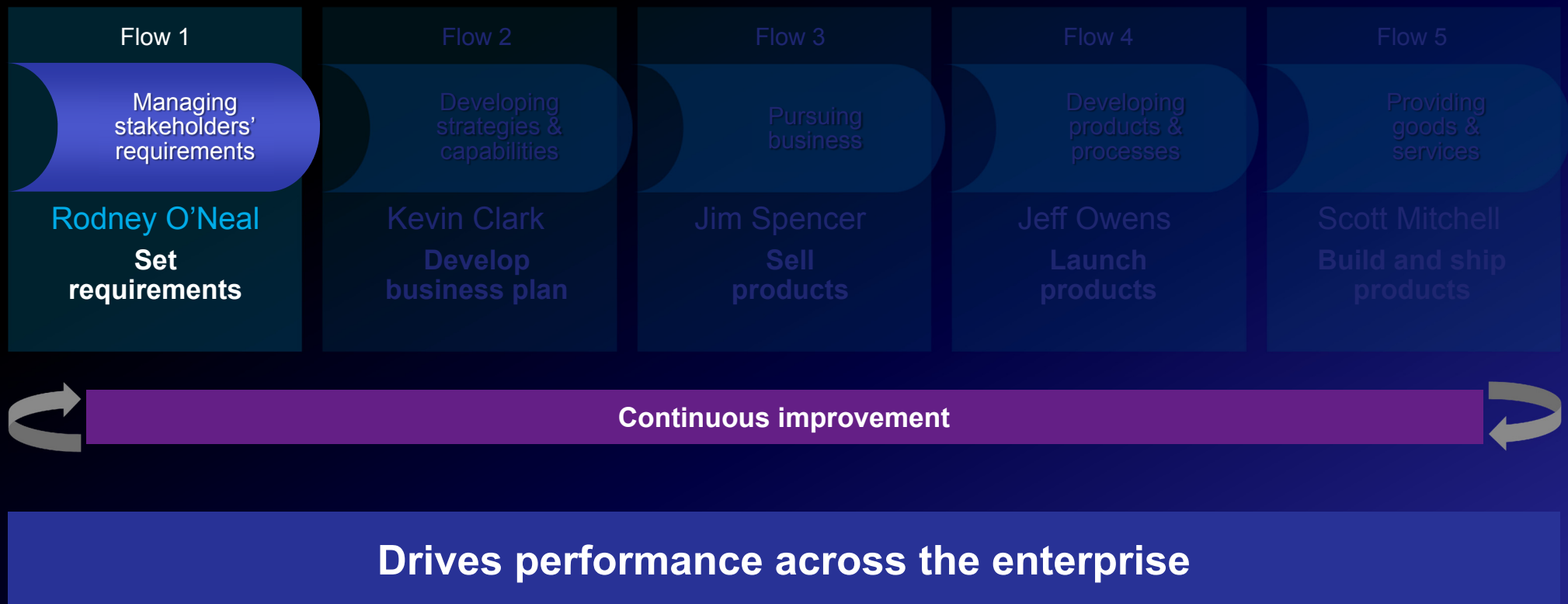
**DELPHI**

# Delphi's Enterprise Operating System (EOS)



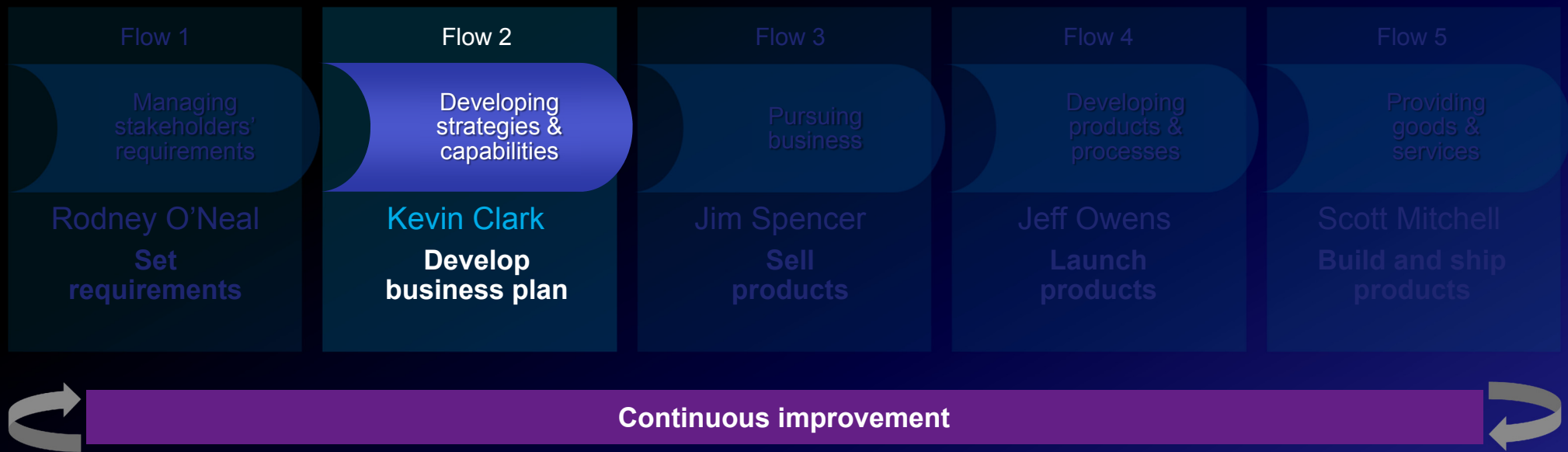
**DELPHI**

# Delphi's Enterprise Operating System (EOS)



**DELPHI**

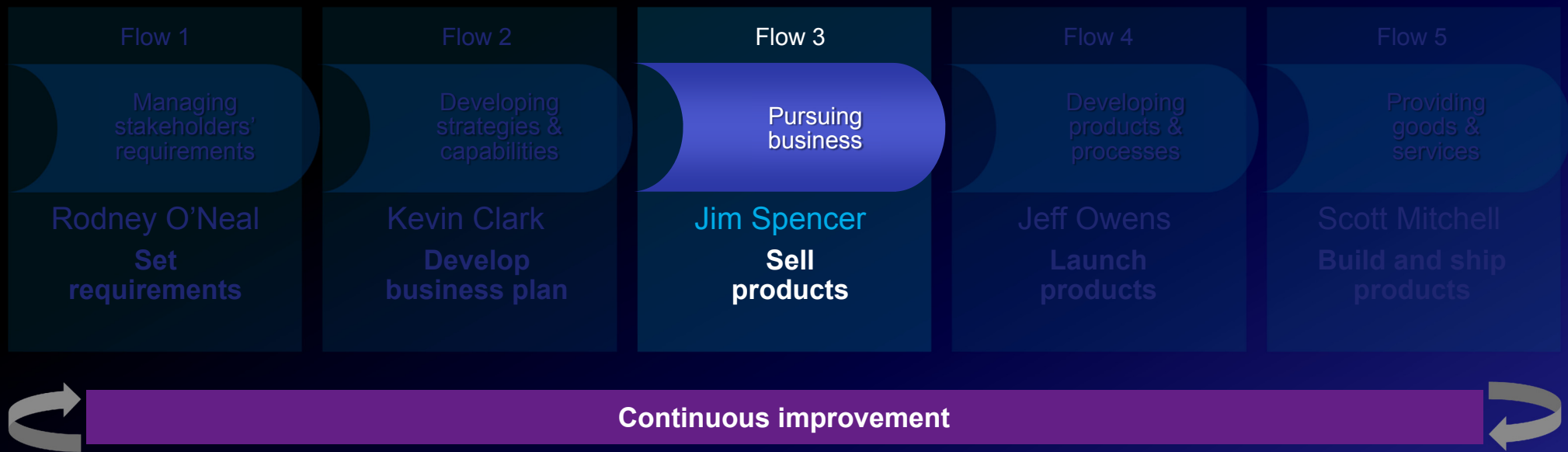
# Delphi's Enterprise Operating System (EOS)



**Drives performance across the enterprise**

**DELPHI**

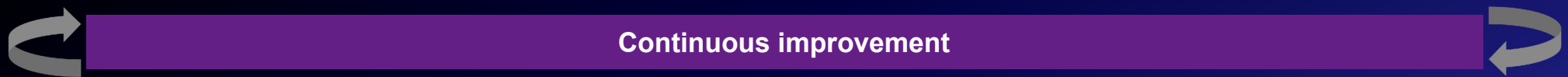
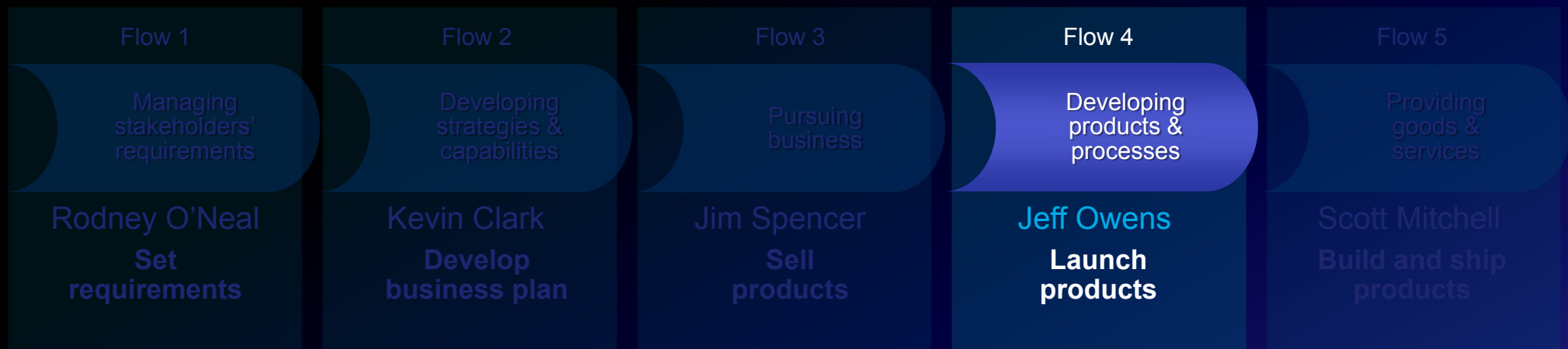
# Delphi's Enterprise Operating System (EOS)



**Drives performance across the enterprise**

**DELPHI**

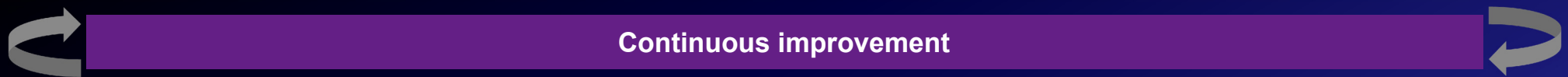
# Delphi's Enterprise Operating System (EOS)



**Drives performance across the enterprise**

**DELPHI**

# Delphi's Enterprise Operating System (EOS)



**Drives performance across the enterprise**

**DELPHI**

# Delphi global enterprise

---

250+ million pieces from 6,400 supplier locations each day

110,000 people; 141 global facilities; >220 million hours

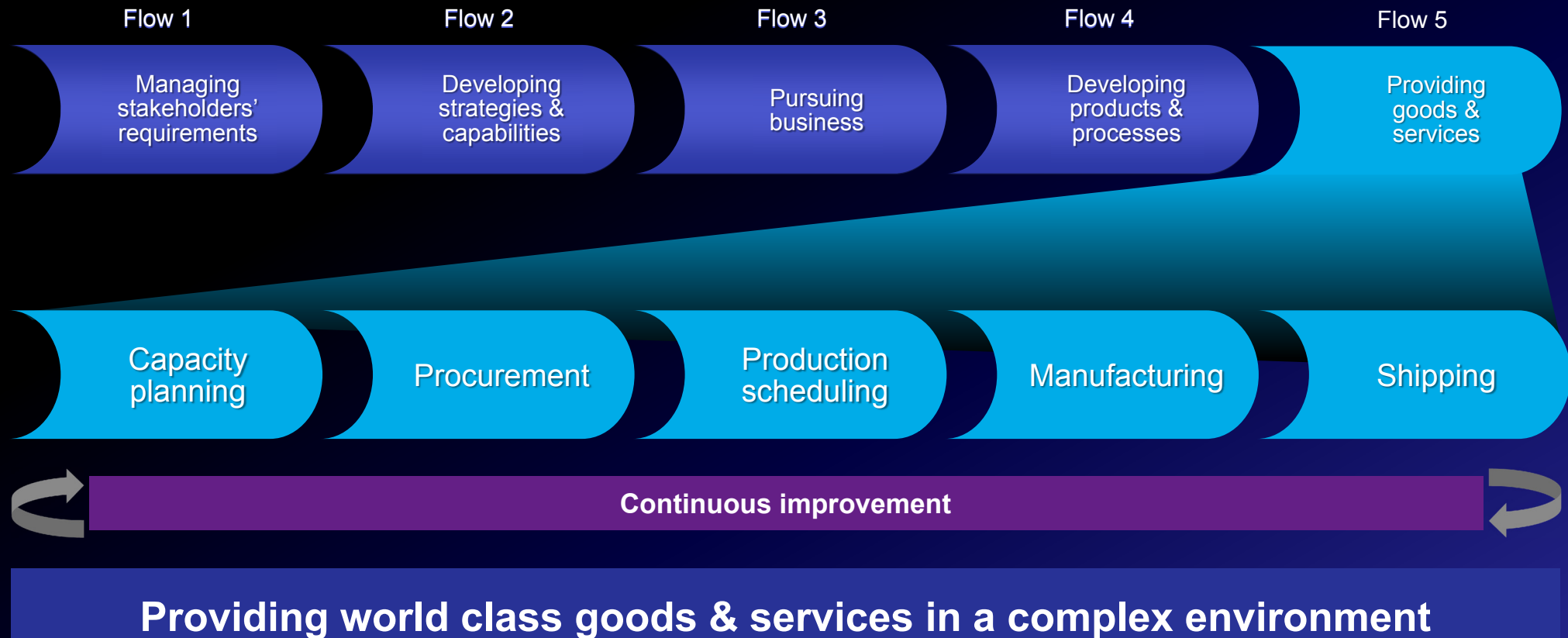
2 million unique part numbers created

Ship >60 million parts every workday to  
23,000 customer locations

**At 99.5%+ on time delivery and quality levels  
of less than two rejected parts per million**

**DELPHI**

# Delphi's Enterprise Operating System – Flow 5: Providing goods & services



# Capacity planning

## Robust footprint optimization

- In-region facility teams
- Real estate database
- Footprint optimization model
- On-time and under budget
- Meet customer requirements



**Maximizing footprint capability – drives faster return on capital**

**DELPHI**

# Capacity planning

Europe manufacturing  
footprint rotation



**DELPHI**

# Capacity planning

Flexible equipment to meet variable customer demand

- Capacity planning tools
  - Global capacity database
  - Flexible design
- Robust bill of process
  - Optimize costs
  - Minimize changeover time
  - Maximize equipment reuse



**Maximizing capital utilization and throughput while responding to customer variability**

**DELPHI**

# Procurement

Managing supply chain material flow and schedule variability

- Delphi Production Control Workbench optimizes:
  - Customer schedules
  - Supplier schedules
  - Supplier production capabilities
  - Inventory by part number
  - Logistics



**Optimize costs across the supply chain**

**DELPHI**

# Procurement

---

## Managing risks associated with the supply chain

- Delphi Supply Chain Risk Mitigation Tool
  - Maps global supply
  - Identifies high-risk sites
  - Develops pro-active mitigation plans
  - Enables mitigation plans
- Quick response to supply chain issues

**Avoiding customer disruptions while minimizing costs**

**DELPHI**



2011 Tōhoku earthquake and tsunami



2011 Thailand floods

# Procurement

## Managing risks associated with the supply chain

- Delphi Supply Chain Risk Mitigation Tool
  - Maps global supply
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**Avoiding customer disruptions while minimizing costs**

**DELPHI**

# Procurement

---

## Managing risks associated with the supply chain

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  - Maps global supply
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  - Develops pro-active mitigation plans
  - Enables mitigation plans
- Quick response to supply chain issues

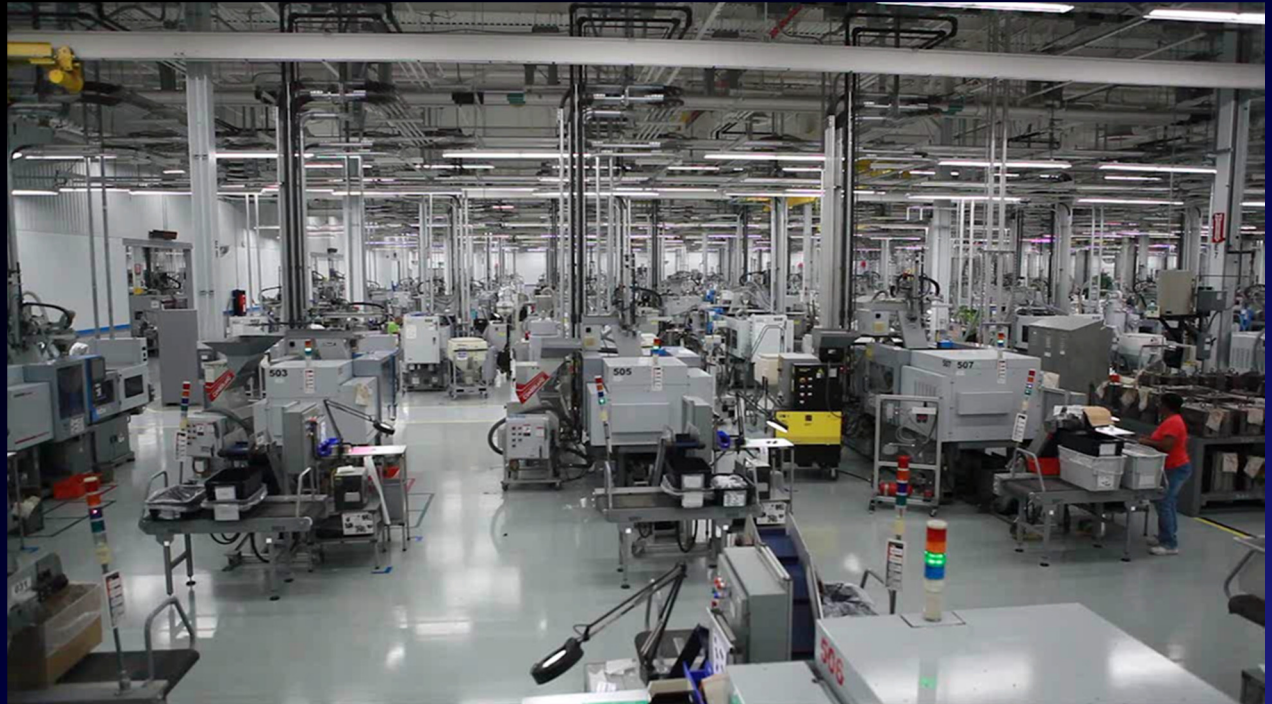
**Avoiding customer disruptions while minimizing inventory  
and controlling costs**

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# Production scheduling

Meeting demand while maximizing resources

- Plant connected to customer requirements
  - Receiving
  - Production scheduling
  - Change overs
  - Delivery
  - Labeling



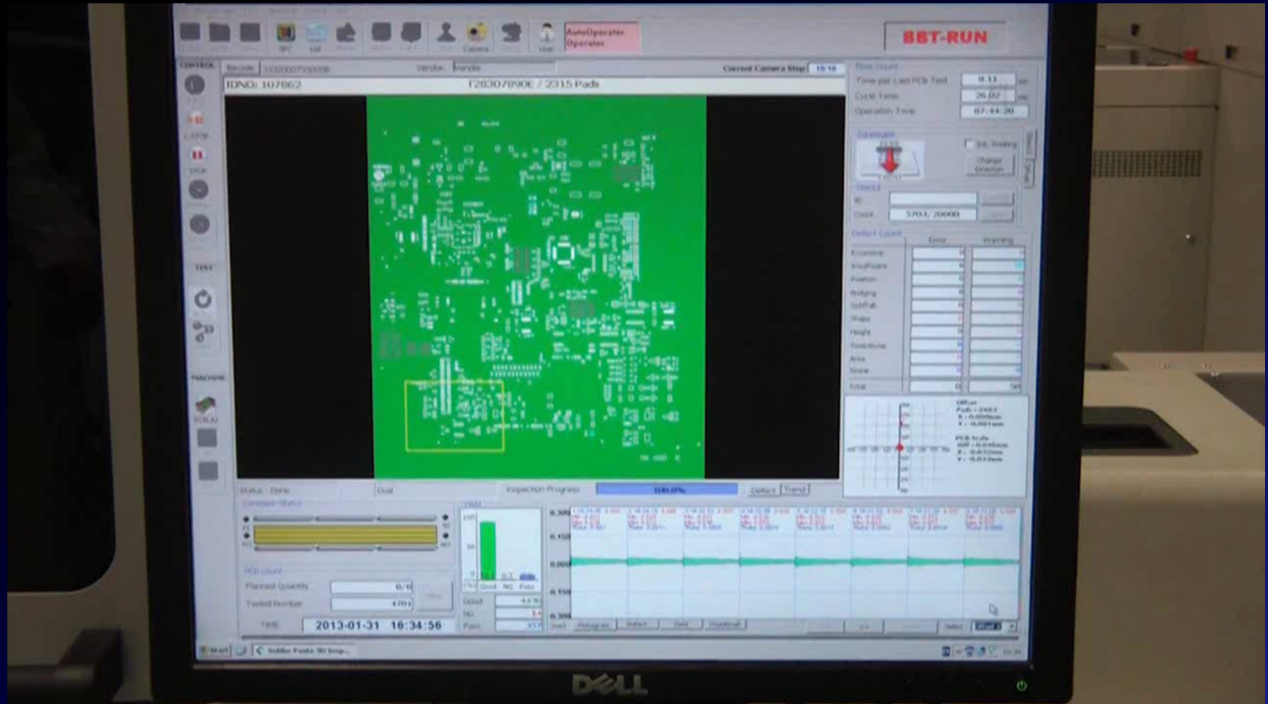
**Supporting right part, right time, right quantity at lowest cost**

**DELPHI**

# Production scheduling

Meeting demand while maximizing resources

- Plant connected to customer requirements
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  - Production scheduling
  - Change overs
  - Delivery
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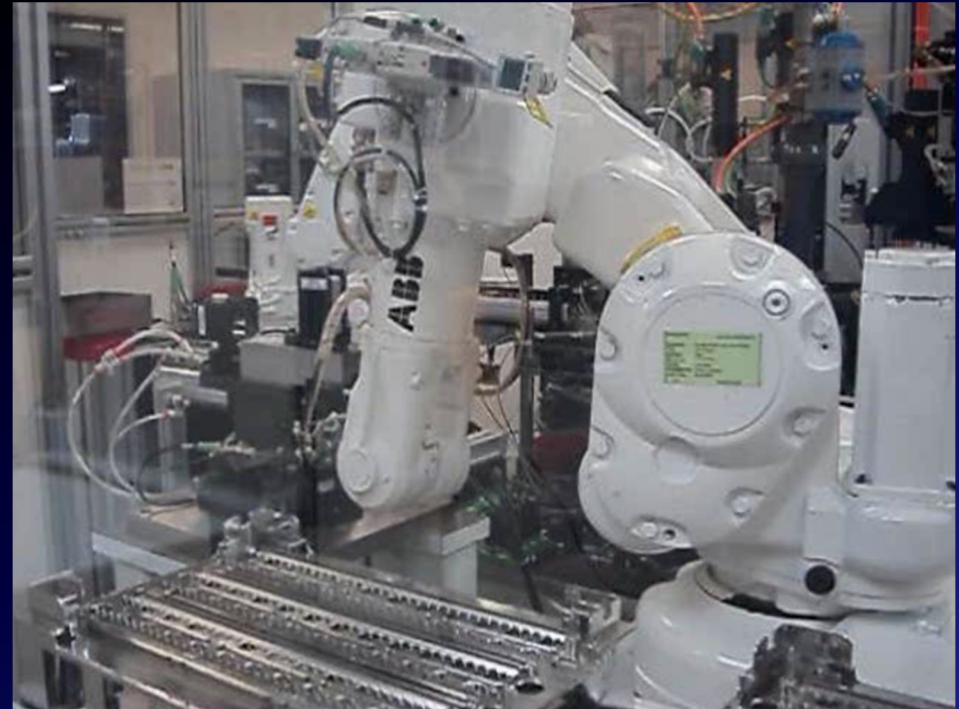
Supporting right part, right time, right quantity at lowest cost

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# Manufacturing

## World class high precision manufacturing

- Advanced lean manufacturing process
- Robust precision tooling and equipment
- Strict quality processes and procedures
- Highly skilled operators



**Able to manufacture cutting edge technology; precision products at high volume anywhere in the world**

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# Manufacturing

Developing a highly trained,  
flexible and skilled workforce

- Delphi's Lean Academy
- Standard operating procedures
- Hands-on experience
- Voice of the customer



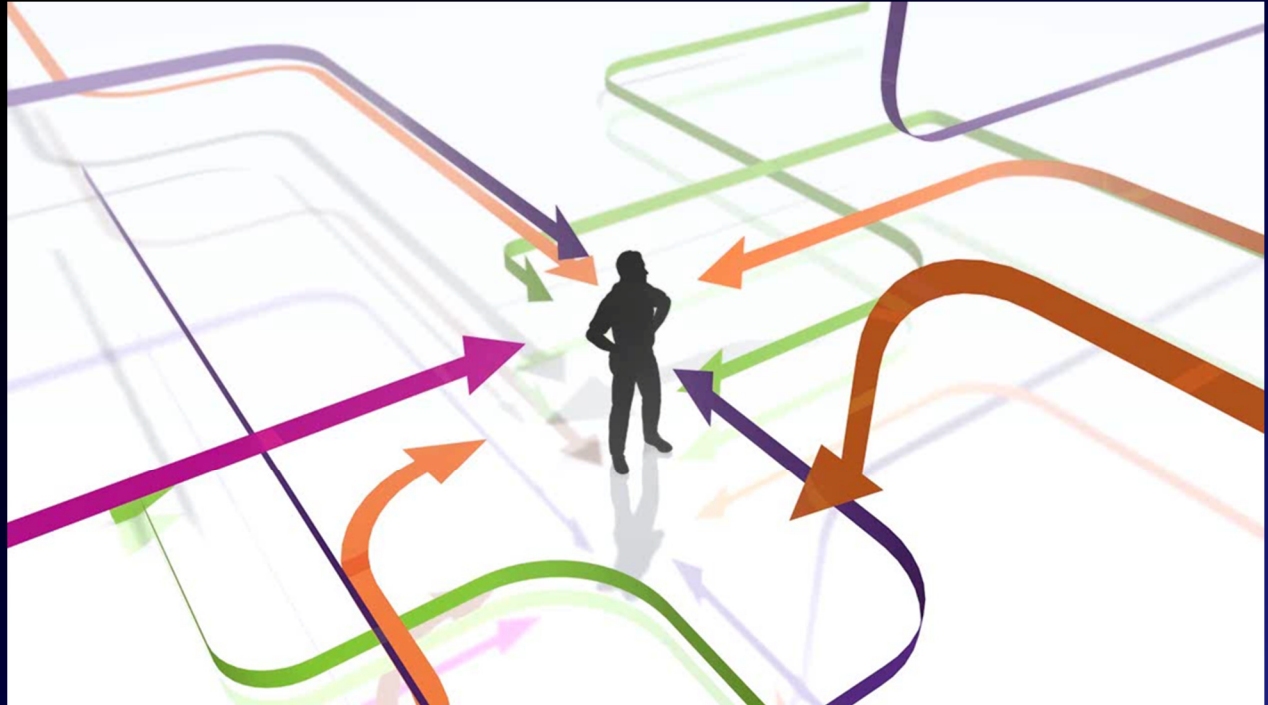
Supporting over 3.1M hours of training annually

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# Shipping

Delivering products  
on-time, every-time

- Integrated supply chain organization
  - Stream-line organization
  - Leveraging our scale
  - Focused on supply chain effectiveness



**Aligning global supply chain to meet customer requirements**

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Delphi global enterprise

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A glowing globe is the central focus, surrounded by several curved, metallic-looking rings that resemble orbits. Numerous small, three-dimensional cubes are scattered around the globe and rings, some appearing to be in motion. The entire scene is set against a dark blue background with a subtle grid pattern.

# Enterprise Operating System

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# Voice of the customer



**Award winning health & safety, quality and technologies in the areas that matter most**

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# Financial review

**Kevin Clark**

Chief Financial Officer and Executive Vice President

**DELPHI**

Innovation for the Real World

# Financial strategy

Continue to build strong track record of execution

- Disciplined revenue growth
- Aggressive cost control
- Margin expansion and strong cash flow conversion

Positioned to grow above market

- Accelerated bookings and higher net new business
- Continued rotation to high growth regions
- MVL revenue synergies

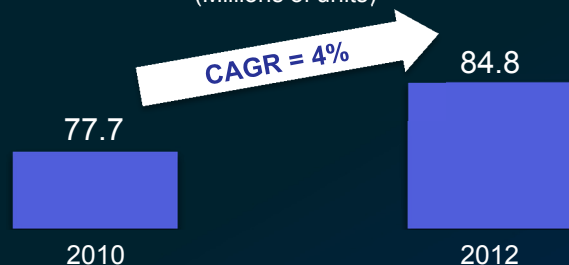
Deliver industry-leading shareholder returns

- Growth in long-term earnings and free cash flow
- Return cash to shareholders

**Increasing shareholder value**

# Transformation has delivered strong financial results

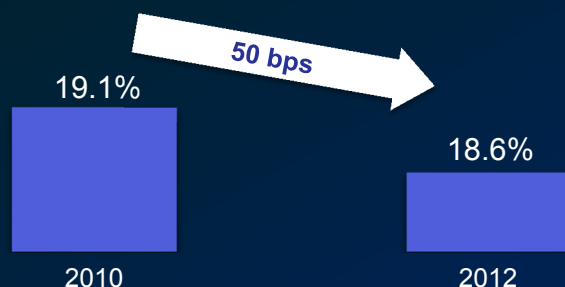
Industry production volumes  
(Millions of units)



Delphi revenue<sup>1</sup>  
(\$ billions)



Manufacturing expense % of revenue<sup>2</sup>



Material cost % of revenue



**Track record of strong revenue growth and cost discipline**

- 1. Revenue adjusted for divestitures and at constant FX rates
- 2. Excludes depreciation and amortization

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# Transformation has delivered strong financial results

Delphi EBITDA margins<sup>1</sup>



Industry average EBITDA margins<sup>2</sup>



Free cash flow<sup>3</sup>  
(\$ billions)



Free cash flow % of net income<sup>3</sup>



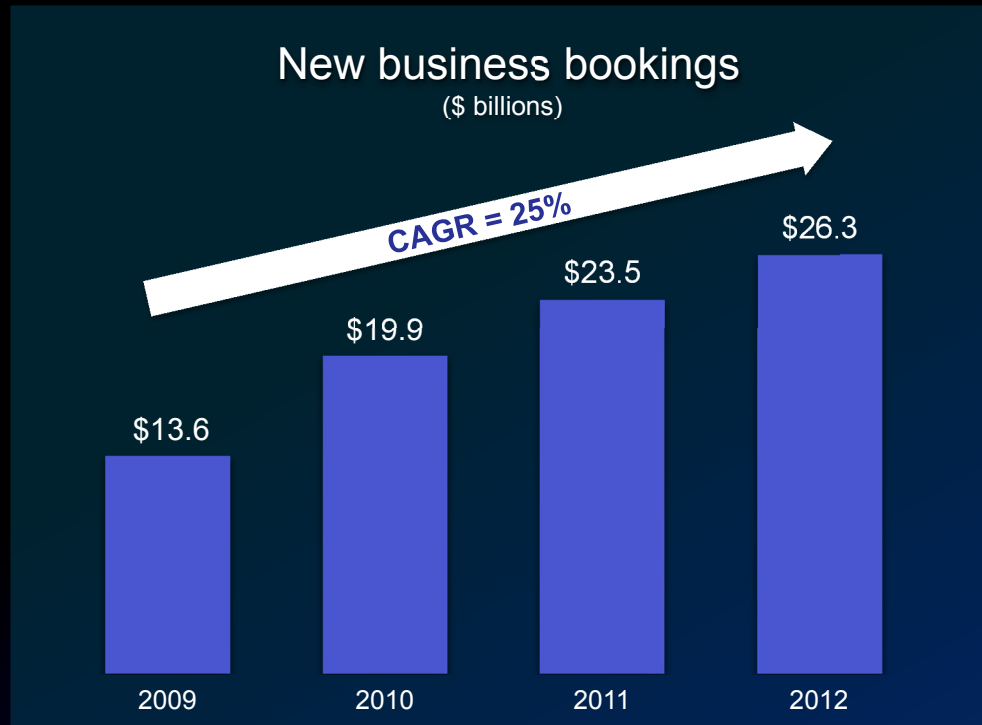
**Solid foundation for margin expansion and cash flow generation**

1. EBITDA margin adjusted for restructuring and acquisition-related costs

2. Peer group consists of: ALV, BWA, HAR, JCI, LEA, TEN, TRW and VC

3. 2012 FCF adjusted for one-time cash payment of awards under the company's long-term incentive compensation plan;  
Net Income adjusted for restructuring and acquisition-related costs

# New business bookings at record level



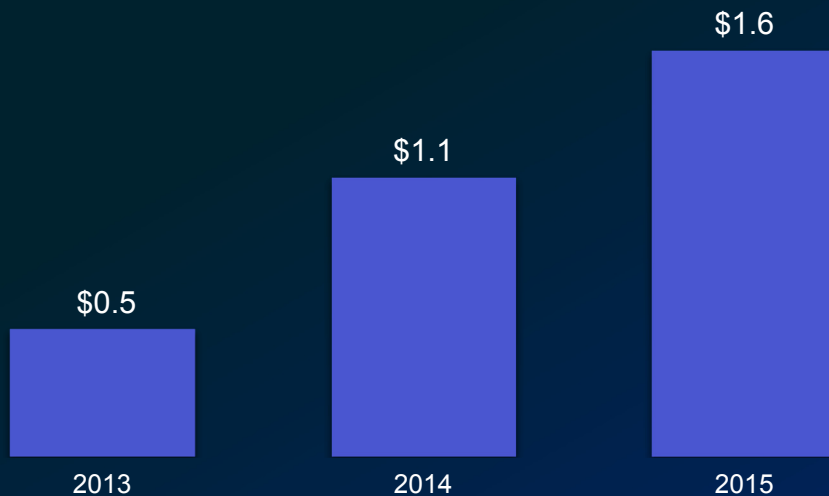
**Acceleration of new business bookings**

Note: Bookings = lifetime gross program revenues awarded, based upon expected volumes and pricing

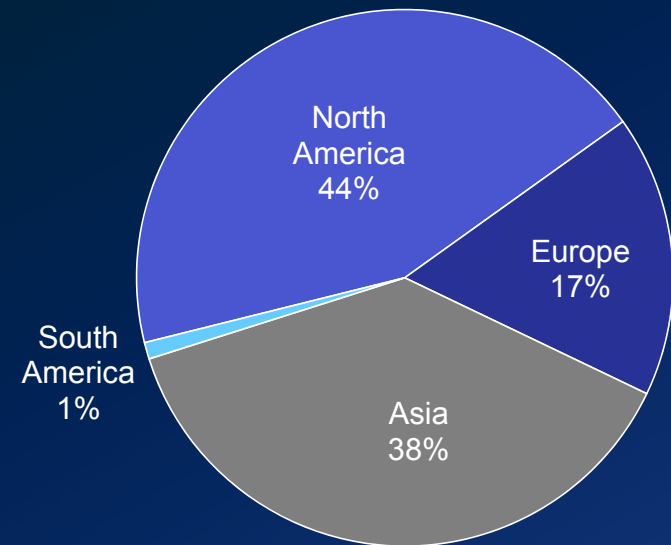
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# Driving an acceleration of net new business

Incremental net new business  
(\$ billions)

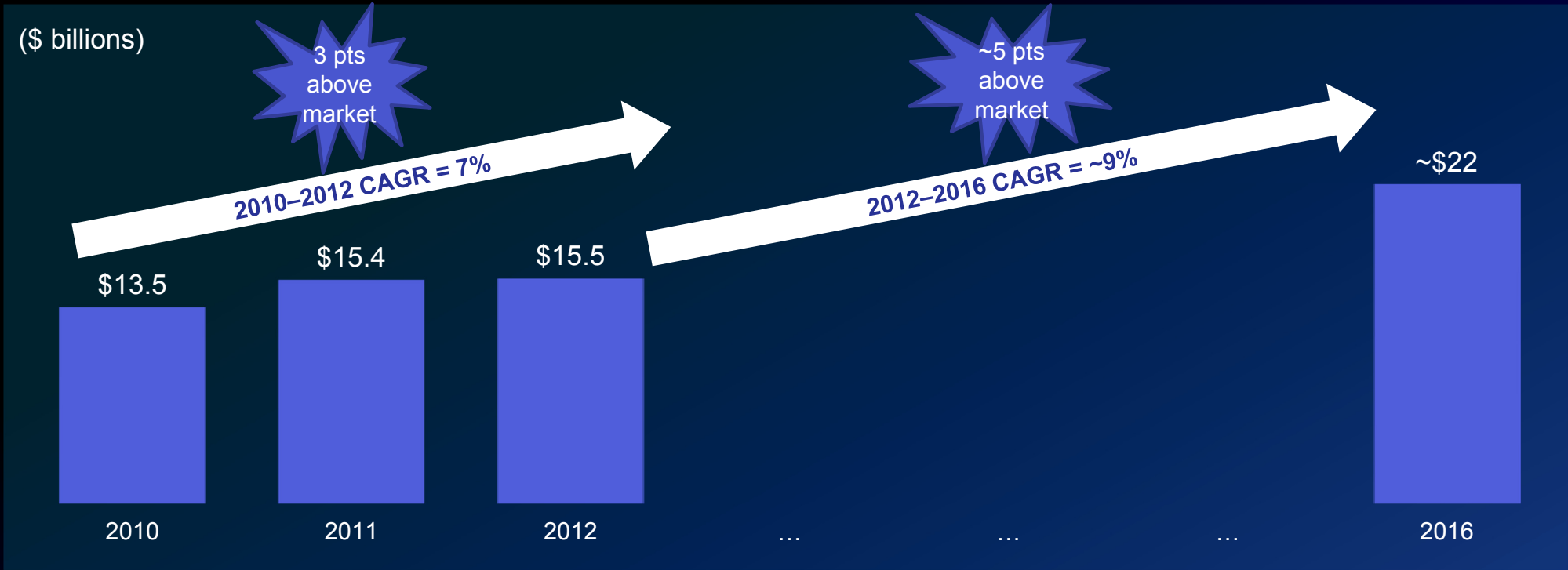


2013-2015 Cumulative  
net new business by region



**\$3.2 billion of cumulative net new business**

# Resulting in revenue growth above market



**Market share gains and vehicle content growth**

Note: Revenue adjusted for divestitures and at constant FX rates

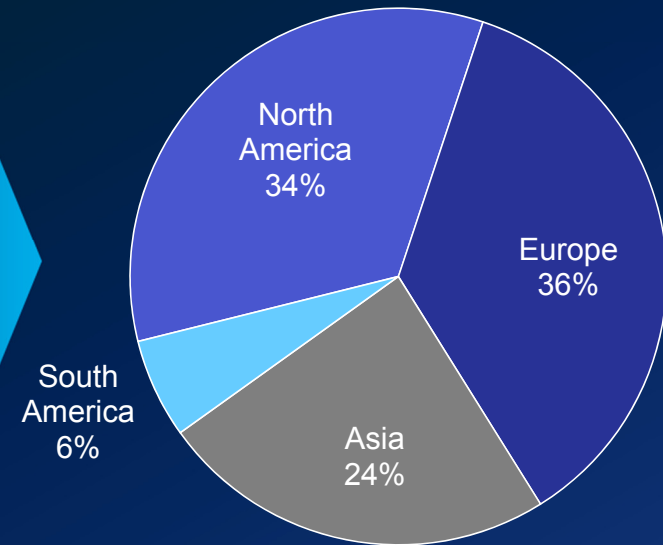
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# Creating a diversified business model

## Geographic growth

Region	'12-'16 production CAGR	'12-'16 Delphi revenue CAGR
North America	3%	~9%
Europe	3%	~6%
Asia	5%	~17%
South America	7%	~8%
Global	4%	~9%

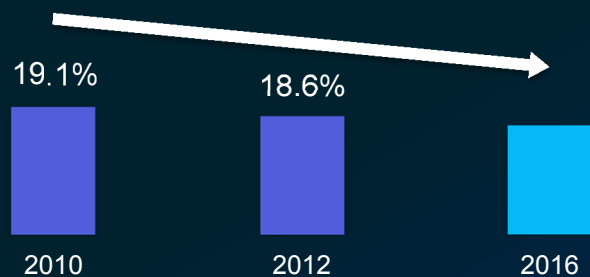
## 2016 revenue by geography



**Balanced mix of regional revenues**

# Continued focus on cost structure

Manufacturing expense % of revenue<sup>1</sup>



Material cost % of revenue



Engineering expense % of revenue<sup>1</sup>



SG&A % of revenue<sup>2</sup>

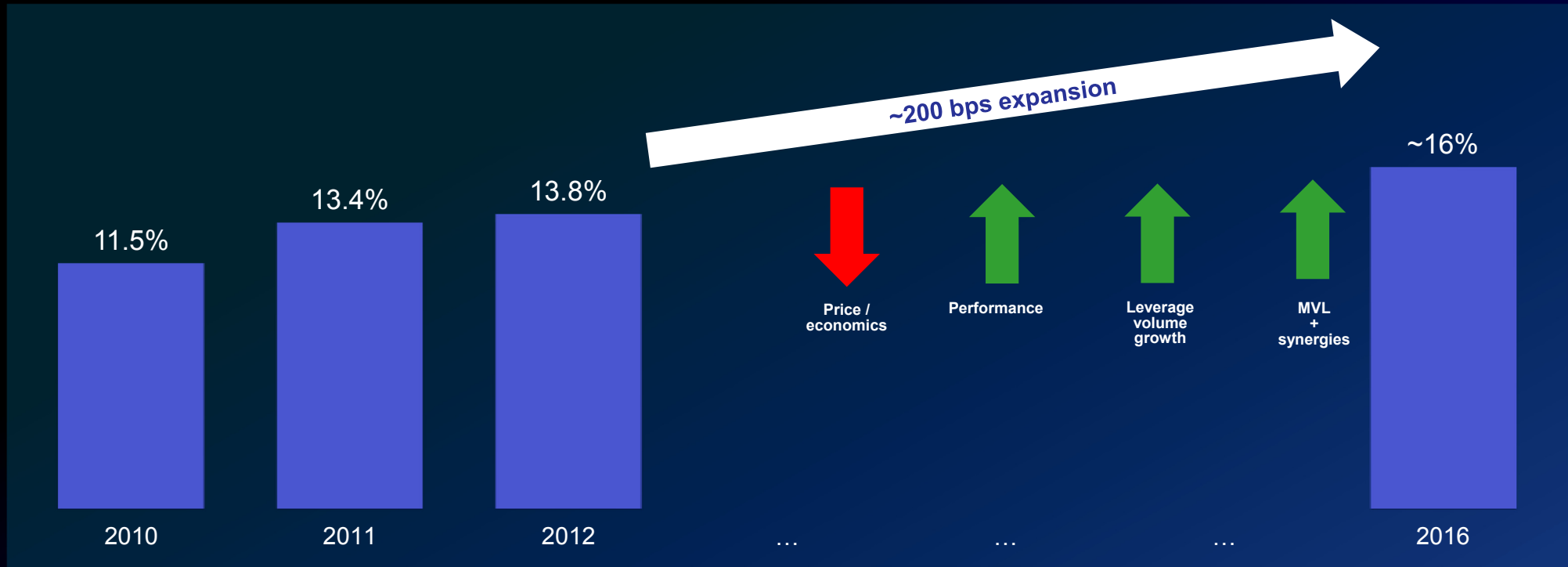


**Performance initiatives and volume improve productivity**

1. Excludes depreciation and amortization

2. SG&A adjusted for long-term incentive plan expense and excludes depreciation and amortization

# Drives EBITDA margin expansion



**Business model with significant operating leverage**

Note: Margins adjusted to exclude restructuring and acquisition-related costs

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# Outlook by segment

Segment	2016 revenue (\$ billions)	2016 EBITDA margin (%)
Electrical Architecture	~\$9.5	~16%
Powertrain	~\$7.0	~17%
Electronics & Safety	~\$4.0	~16%
Thermal	~\$2.0	~11%

**Strong revenue growth and margin expansion across all segments**

# Conservative capital structure

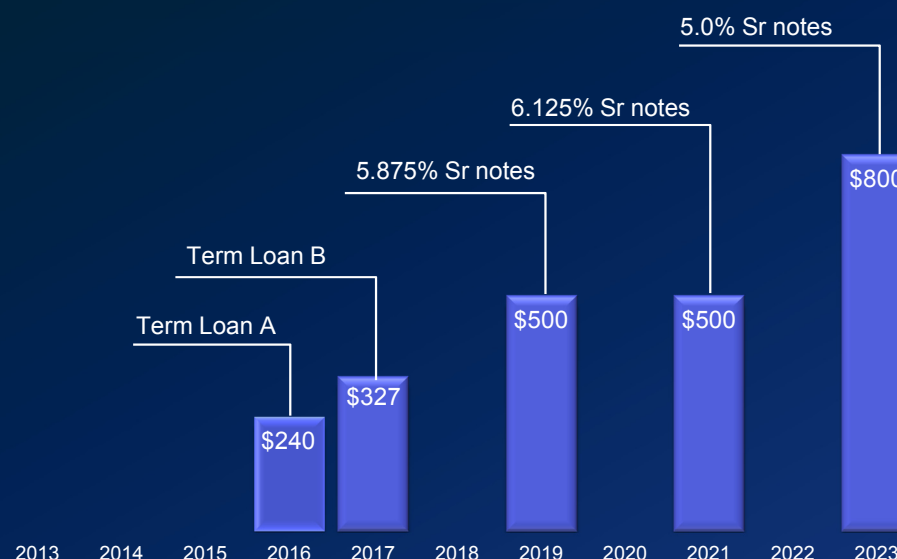
(\$ millions)

	Dec 31, 2011	Dec 31, 2012
Cash <sup>1</sup>	\$1,372	\$1,113
Debt	<u>\$2,103</u>	<u>\$2,464</u>
Net debt	\$731	\$1,351
Debt to EBITDA <sup>2</sup>	1.0x	1.2x
Net debt to EBITDA <sup>2</sup>	0.3x	0.6x
Total liquidity <sup>3</sup>	\$2,656	\$2,397

Memo: 2012 share repurchases

\$403

## Maturity schedule (\$ millions)

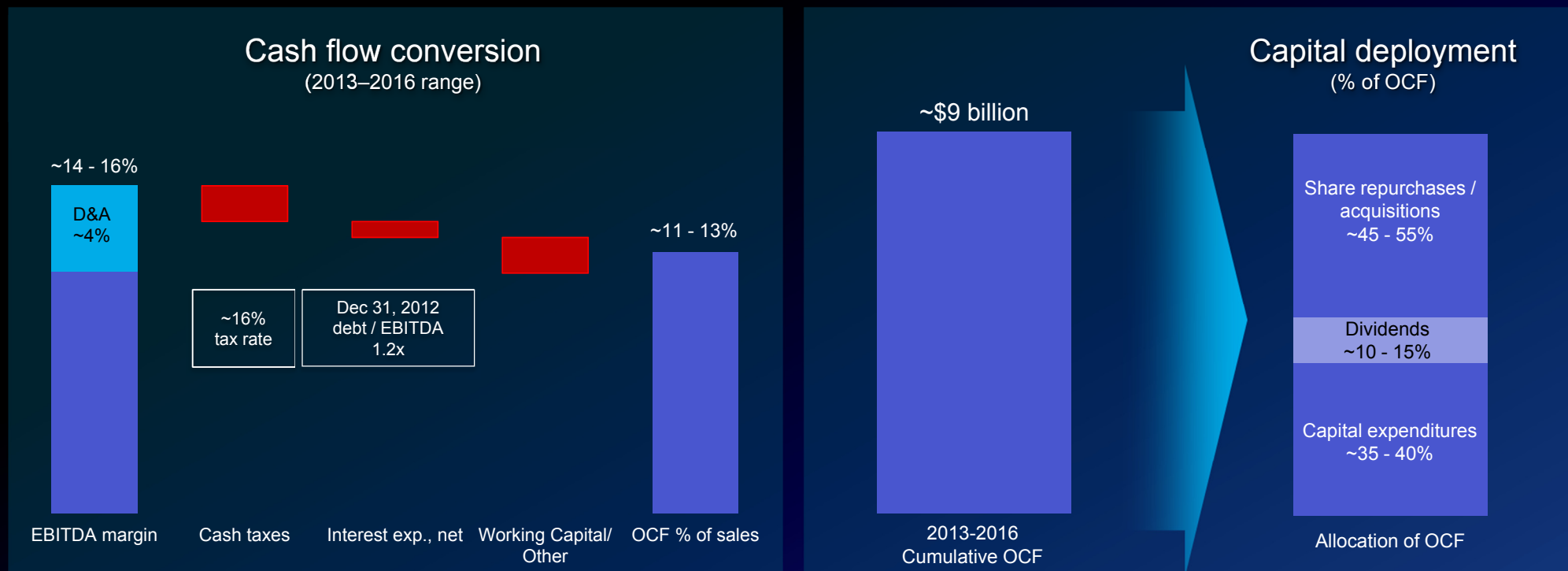


## Investment grade credit metrics

1. Includes restricted cash of \$9M and \$8M at December 31, 2011 and December 31, 2012, respectively
2. Adjusted for restructuring and acquisition-related costs
3. Total liquidity is defined as cash plus revolver availability less outstanding letters of credit

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# Cash flow generation and capital allocation



**Strong cash flow generation provides capital deployment flexibility**

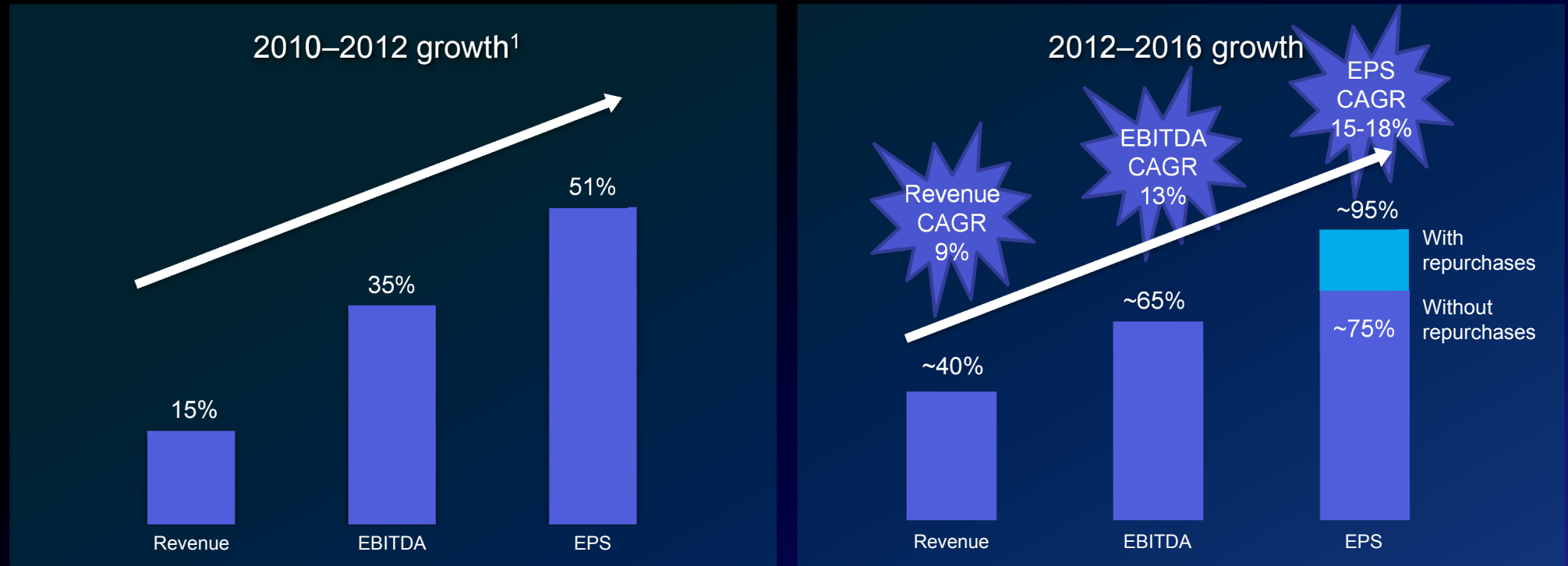
# Dividend initiation

- \$0.68 / share annual dividend
- Paid quarterly
- Record date: March 15, 2013
- Payment date: March 27, 2013



**Increases shareholder value**

# Capital deployment drives EPS growth

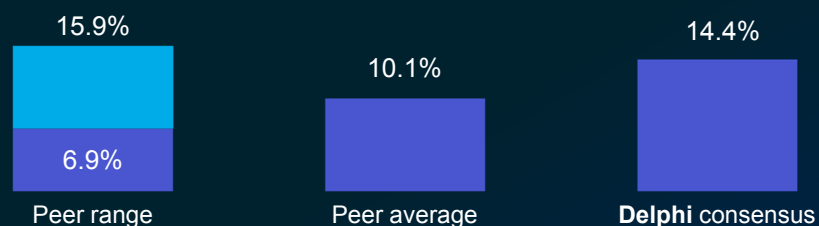


**Using strong free cash flow to create value**

1. Revenue adjusted for divestitures and at constant FX rates. EBITDA adjusted for restructuring and acquisition-related costs. 2010 share count adjusted for redemption of Class A&C and repurchase of Class B shares.

# Financial metrics comparison

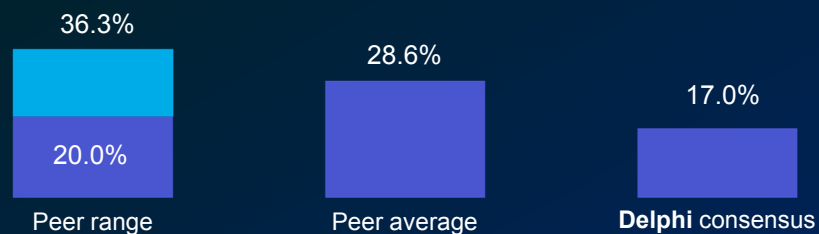
2013 EBITDA margin



2013 EBIT margin



2013 effective tax rate



2013 FCF % to net income



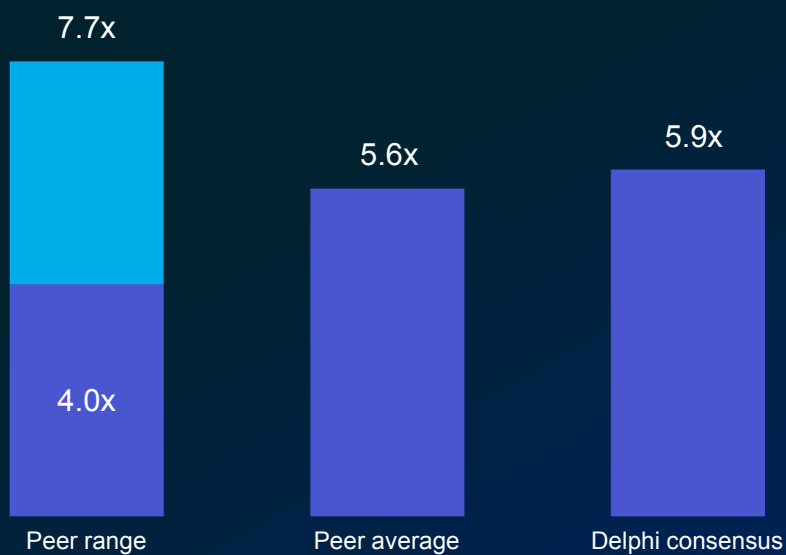
**Industry-leading financial metrics**

Note: Range and averages are for a peer group consisting of: ALV, BWA, HAR, JCI, LEA, TEN, TRW and VC; data represents Capital IQ consensus estimates

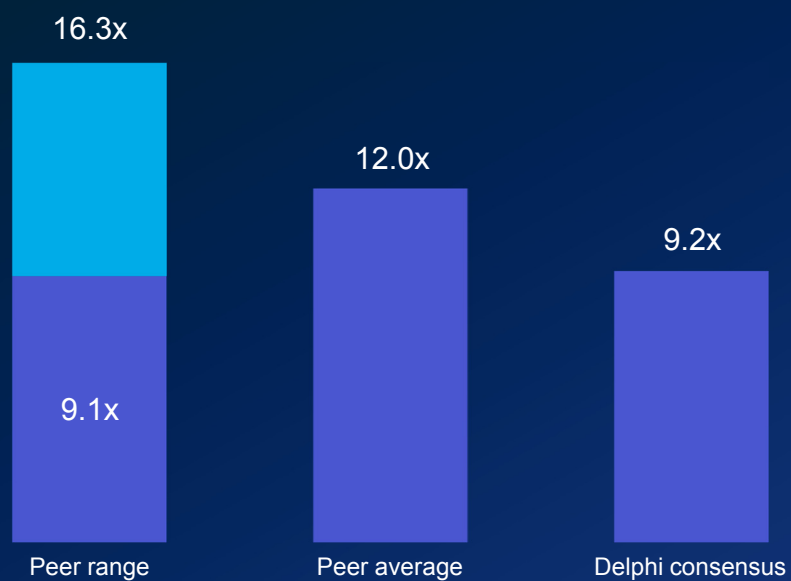
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# Valuation metrics comparison

2013 EV/EBITDA



2013 P/E



**Opportunity for multiple expansion**

Note: Range and averages are for a peer group consisting of: ALV, BWA, HAR, JCI, LEA, TEN, TRW and VC; data represents Capital IQ consensus estimates

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# Investment highlights

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**Well positioned in evolving industry**

**Favorable geographic footprint**

**Industry-leading cost structure**

**Significant margin expansion and cash flow generation**

**Disciplined capital allocation**

**Positioned at the center of evolution and innovation**

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