

INVESTOR PRESENTATION · Q4 2026

# Q4 & Full-Year 2026 Results

February 12, 2026 · Seetarama Kotagiri, CEO · Lena Park, CFO

## Forward-Looking Statements

This presentation contains forward-looking statements. Actual results may differ materially. Refer to our Annual Information Form and Q4 2026 MD&A; for a discussion of risks and assumptions.

INVESTOR PRESENTATION · Q4 2026

# 2026 Was a Record Year

Metric	FY 2026	FY 2025	YoY
Sales	\$42.8B	\$41.2B	+4.1%
Adjusted EBIT	\$3.91B	\$3.58B	+9.2%
Adjusted EBIT margin	9.1%	8.7%	+40 bps
Adjusted EPS	\$8.04	\$7.12	+12.9%
Free cash flow	\$2.11B	\$1.89B	+11.4%

**Highlights:** Record sales and EBIT · 41 new program launches (24 electrified) · 4 new facilities · \$94B three-year backlog · 17th consecutive dividend increase.

INVESTOR PRESENTATION · Q4 2026

# Strategic Pillars

## Powertrain Leadership

#1 or #2 global position in transmission systems, fueling systems, and engine timing technologies.

## Electrification Acceleration

Electrified content represented 38% of 2026 backlog. Investment in eDrive units, integrated power electronics, and battery thermal management is scaling production capacity to 2.4M eDrive units annually by 2028.

## Operational Excellence

\$210M of productivity savings in 2026. Adjusted EBIT margin expansion of 40 basis points YoY.

## Capital Discipline

\$1.24B returned to shareholders. Net debt / EBITDA of 0.6x. Investment-grade balance sheet.

INVESTOR PRESENTATION · Q4 2026

# Q4 Segment Snapshot

Segment	Sales (\$M)	EBIT (\$M)	Margin	YoY Margin
Engine Systems	3,402	374	11.0%	+60 bps
Transmission Systems	3,891	412	10.6%	+90 bps
Driveline & Electrification	2,604	189	7.3%	+110 bps
Fueling & Thermal	1,316	104	7.9%	+30 bps

Driveline & Electrification segment delivered the strongest margin expansion as eDrive launch programs reached scale economics in Slovakia and Mexico facilities.

INVESTOR PRESENTATION · Q4 2026

# Three-Year Sales Backlog: \$94B

Period	Backlog (\$B)	Electrified %
2027 launches	32.4	34%
2028 launches	33.8	39%
2029 launches	27.6	42%
Total backlog	93.8	38%

Electrified backlog grew from 29% one year ago to 38% today, reflecting strong wins in dedicated EV and hybrid vehicle architectures across North America, Europe and China.

## INVESTOR PRESENTATION · Q4 2026

# 2027 Outlook

Metric	2027 Guidance	FY 2026 Actual
Sales	\$44.0 – \$46.5B	\$42.8B
Adjusted EBIT margin	9.3% – 9.7%	9.1%
Free cash flow	\$2.2 – \$2.5B	\$2.11B
Capital expenditures	~\$1.9B	\$1.50B
Adjusted EPS growth	+8% to +14%	+12.9%

**Capital allocation priorities:** (1) reinvest in electrification programs, (2) maintain dividend growth, (3) opportunistic share repurchases, (4) selective bolt-on M&A; in power electronics.

INVESTOR PRESENTATION · Q4 2026

# Appendix: Reconciliations & Definitions

Adjusted EBIT excludes restructuring charges, impairments, and certain other non-recurring items. A full reconciliation to the most directly comparable IFRS measure is provided in the Q4 2026 MD&A; available at [investors.tesma.ca](https://investors.tesma.ca). Free cash flow is defined as net cash from operating activities less capital expenditures.

*Investor Relations · [ir@tesma.ca](mailto:ir@tesma.ca) · +1 (905) 326-3000 · TSX: TSM.A · NASDAQ: TSMA*