



# Capital Market Day 2021

## Automotive Technology

Essen, December 2nd, 2021



Foto: Porsche AG



Foto: Ford



# Leadership team with vast automotive and operational experience



**Dr.-Ing. Karsten Kroos**  
CEO & CFO | Since 2019

>30<sup>1</sup>

- Leading mgmt. roles in engineering, business development, sales, business transformation and restructuring on plant-, BU- and corporate-level
- Development of several global market leaders with above average growth rates
- Strong experience in in- and external board positions
- More than 30 years in automotive and industry businesses, thereof more than 26 years with direct P&L responsibility

1990<sup>2</sup>



**Frank Altag**  
COO | Since 2019

>30<sup>1</sup>

- Multiple years in CEO role of BU Dynamic Components
- Simultaneously Chief Operations Officer of business segment Automotive Technology
- Various leading roles in automotive context of thyssenkrupp
- Leadership experience with large German OEM

1999<sup>2</sup>



**Kerstin Ney**  
CHRO | Since 2019

>30<sup>1</sup>

- Multiple years of experience in leading HR positions across thyssenkrupp (Automotive and further industrial experience)
- Broad experience in transformation and reorganization projects
- Broad international project experience in China, USA, Europe
- Excellent network among DAX/MDAX HR-leaders and within co-determination






1991<sup>2</sup>

1. Years of industry experience | 2. With tk since

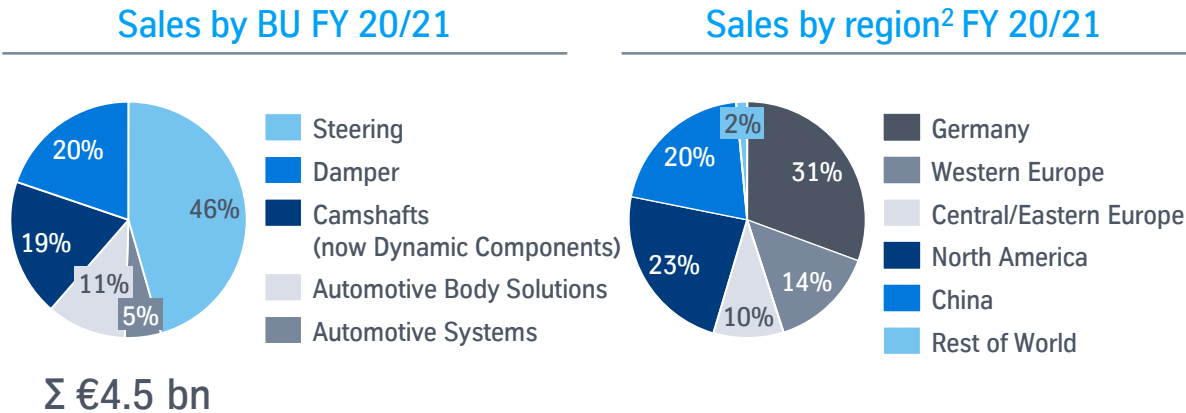


# AT with international set-up and diverse product portfolio to serve across customer segments

## High-tech components and systems as well as automation solutions for vehicle manufacturing

				
Steering	Damper	Dynamic Components	Autom. Body Solutions	Automotive Systems
Cold forging Steering column Rack-EPS <sup>1</sup> Column-EPS <sup>1</sup>	Passive, (Semi-) active Air springs & modules	Assembled camshafts Modules Variable systems Rotor shafts	Chassis and body in white Standard products Tool manufacturing	Axle assembly Module assembly

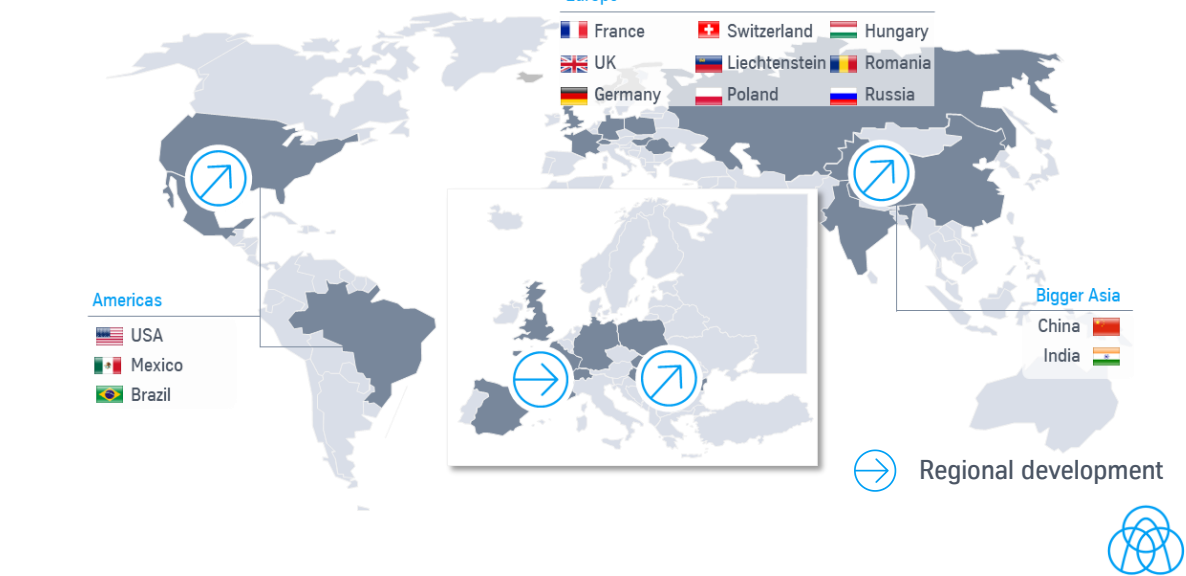
## Diverse product portfolio with international relevance



## AT is one of the leading suppliers and engineering partners to the international auto industry

Established premium ...	and volume OEMs	NEW Electric vehicle OEMs	NEW and Chinese OEMs
Audi	Ford	Nio	BAIC
BMW	GM		
	Hyundai	Polestar	FAW
Jaguar Land Rover	Mazda		
	Renault-Nissan-Mitsubishi	Tesla	Geely
	Stellantis		
Mercedes-Benz	Toyota		GWM
	Volkswagen		
Porsche	Volvo		SAIC

## AT has positioned itself internationally close to its customers in growing markets to partake in even the largest global platforms



1. Electric Power Steering (EPS) | 2. FY 20/21. Sales according to home state principle, addition of regional sales (not consolidated)



# AT portfolio with 80% of sales independent of Internal Combustion Engine (ICE) development

## Components, systems and services

Exemplary

Steering column

Steering gear



**BU Steering**  
Full system steering supplier

(Semi-) active dampers

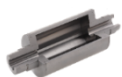


**BU Damper**  
For OE and aftermarket business



Camshafts

Rotor shafts



**BU Dynamic Components**  
For conventional and alternative engines

Chassis and body in white



**BU Automotive Body Solutions**  
New set-up as chassis and body supplier

Module assembly












**BU Automotive Systems**  
Assembly and logistics services

ICE dependent

ICE independent



# Leading market positions established – Future technology trends offering further growth potential

					
	Steering	Damper	Dynamic Components	Autom. Body Solutions	Automotive Systems
Long term sales development	 E-mobility, Autonom. Driving	 E-mobility, Autonom. Driving	 Efficient drives/engines	 Lightweight solutions	 <sup>1</sup> Services
Current market positioning	<ul style="list-style-type: none"> <li>Holistic steering system provider with <b>strong software &amp; E/E<sup>3</sup> competence</b></li> </ul>	<ul style="list-style-type: none"> <li>Focus on <b>active and semi active damping systems</b> leveraging a strong brand</li> </ul>	<ul style="list-style-type: none"> <li>Leverage strong ICE position for <b>transformation and parallel diversification</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Integrated provider and engineering partner</b> with serial business capabilities</li> </ul>	<ul style="list-style-type: none"> <li><b>Portfolio rounding off</b> for selected key OEMs</li> </ul>
Competitive position	<ul style="list-style-type: none"> <li>No. 1 steering column</li> <li>No. 4 total steering market</li> </ul>	<ul style="list-style-type: none"> <li>No. 1 semi active dampers</li> </ul>	<ul style="list-style-type: none"> <li>No. 1 assembled camshafts and sliding cam systems</li> </ul>	<ul style="list-style-type: none"> <li>No. 4 plant engineering<sup>2</sup></li> </ul>	

1. Comparable basis IFRS15 | 2. Related to BU SY assessment and competitive data. New BU AB assessment ongoing | 3. Electric/Electronic



In line with market growth



Above market growth



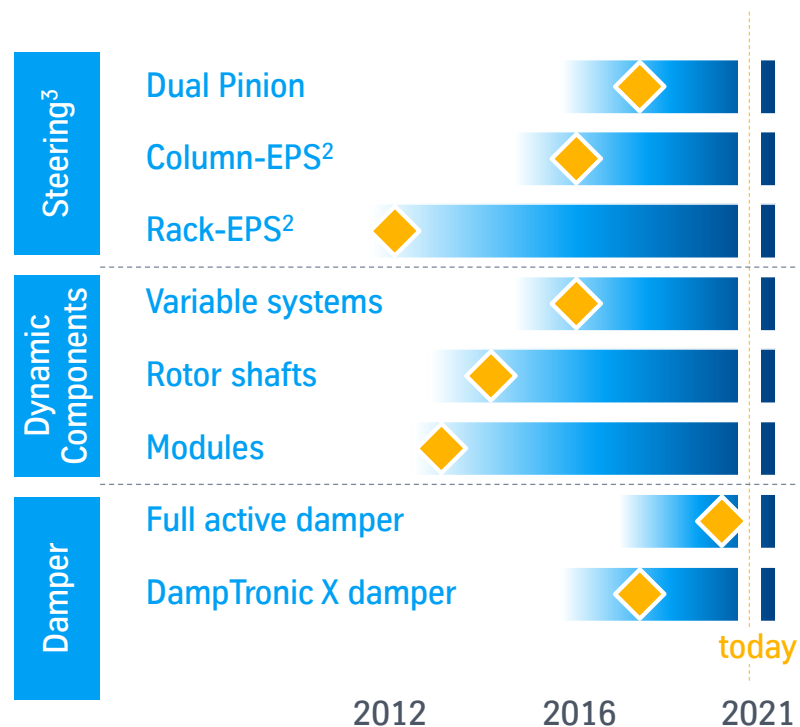
Strongly above market growth





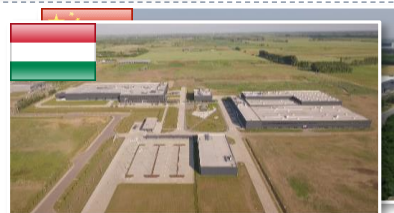
# Early and consequent portfolio development along future technologies

## New products State of the art technology



◆ First SOP

## New plants<sup>1</sup> Global footprint



## More intelligence and more content per car



Steering column

X~5  
»»



EPS<sup>2</sup>



Assembled camshaft

X~15  
»»



Modules



Passive damper

X~5  
»»



Semi-active damper

Approximate price multiplier



1. Exemplary | 2. Electric Power Steering (EPS) | 3. Full portfolio player



# Strong recovery in FY 20/21 – Current outlook of FY 21/22 with market related uncertainty

[€ mn]

Financial parameters	Financials		Outlook			
	FY 19/20 <sup>1</sup>	FY 20/21	Estimation FY 21/22	Comment	Mid-term target	Comment
Sales	4,090	4,522	→	Continued semiconductor shortage and not reliably predictable customer call-offs	↑	Above market growth, >5,500 sales
EBIT adj.	-166	264	↘	Increased material, transport and energy costs	↑	Reaching benchmark performance, 7-8% EBIT adj. margin
EBIT adj. margin [%]	-4	5.8	↘		↑	
BCF	-595	59	→	BCF on stable level	↗	CCR min. 0.5

1. FY 19/20 figures adjusted for portfolio changes and new special items guideline



# Automotive Technology – Value creation based on passion for innovation and financial performance

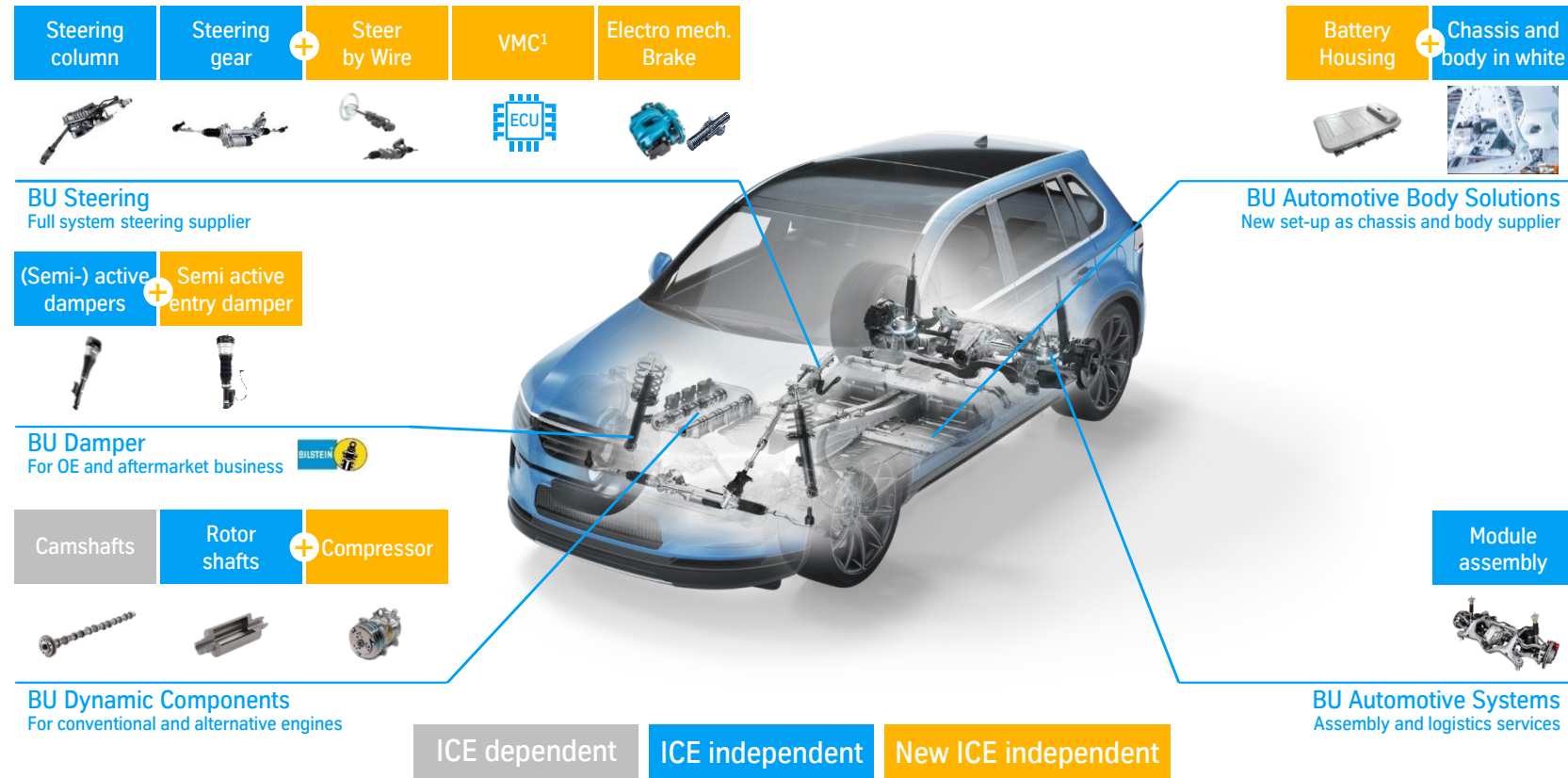
## Investment highlights

- 1 | Mission critical components & systems
- 2 | Leverage strong ICE position for transformation of dynamic components business
- 3 | Sound order book & strong customer base
- 4 | Global footprint with customer proximity
- 5 | Restructuring & improved resilience
- 6 | Digitized products, processes & business models





# 1 Mission critical components with huge growth potential



- AT supplies mission critical components globally
- Majority of AT business is independent of ICE
- New products support growth and foster diversification
- AT as chassis system provider to major OEMs

>€15 bn potential market volume<sup>2</sup> via new products

1. Vehicle Motion Control (VMC) | 2. VMC, Steer-by-wire, compressor, battery housing, electro mechanical brake



# ① BU Steering Electric/Electronic competence center built up as major internal software hub

## BU Steering competence center Budapest



### Scope of Budapest E/E<sup>1</sup> development

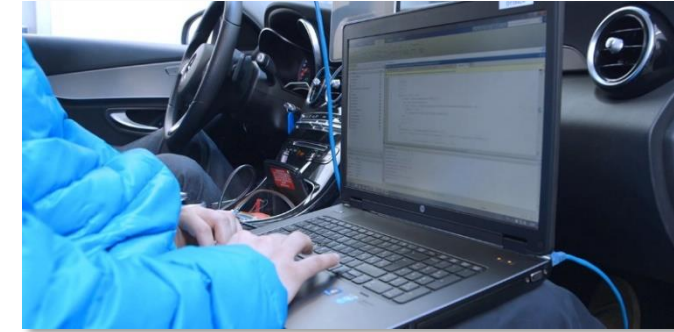
- E/E<sup>1</sup> design including hardware/software design, implementation, testing and integration
- Competence in highest security level ASIL<sup>2</sup> D

### Headcount development



~45% of total  
R&D work-  
force BU ST

## E/E<sup>1</sup> competence center as internal software hub



- ST established as system partner
- Software & E/E<sup>1</sup> competence with ~950 Software developers in Hungary
- ST as AT internal technology hub, further AT BUs get supported with SW & E/E<sup>1</sup> competence



## ② Leverage existing high performance ICE business to further drive transformation and diversification of powertrain business

### Status quo

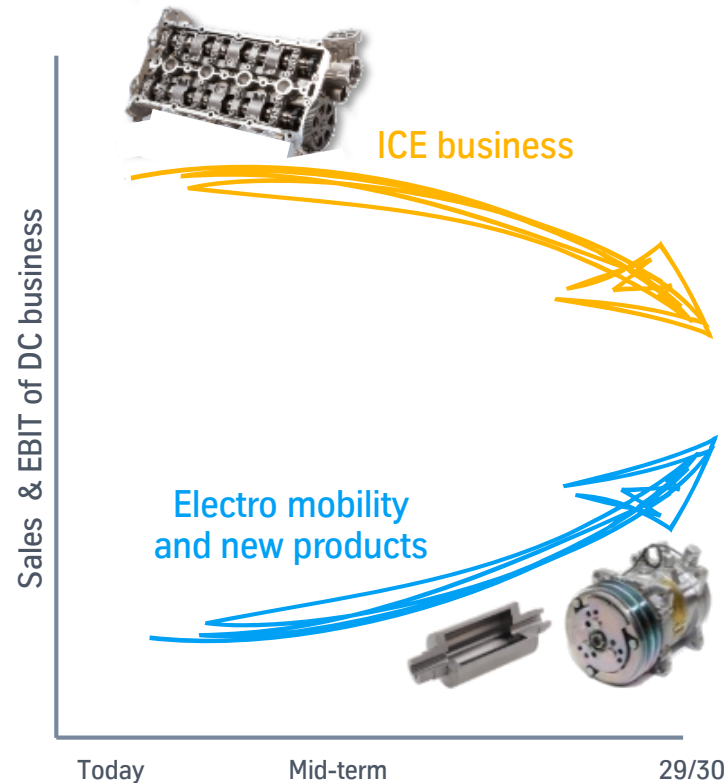
#### BU Dynamic Components

By far **market leader** for assembled camshafts

Very **strong order intake** of >€4 bn lifetime sales in last 3 years

**Takeover of competitor business** and in-house production

Ongoing discussions with major OEMs regarding **end of life supply**



### Way forward

Continuous **growth of existing rotor shaft** business

Rotor shafts with **increasing value and new functionality** (e.g. increased complexity due to cooling necessity)

Further expansion through **diversification in e-mobility** (e.g. AC compressor)





### ③ Solid market positions with established OEMs and new players

Exemplary

~85% of plan sales<sup>1</sup> backed with booked business

Established premium ...	and volume OEMs	NEW Electric vehicle OEMs	NEW and Chinese OEMs
Audi	Ford	Nio	BAIC
BMW	GM	Polestar	FAW
Jaguar Land Rover	Hyundai	Tesla	Geely
Mercedes-Benz	Mazda		GWM
Porsche	Renault-Nissan-Mitsubishi		SAIC
	Stellantis		
	Toyota		
	Volkswagen		
	Volvo		
Well established partner of leading automotive OEMs		Supplier for key EV players	Serve top Chinese OEMs

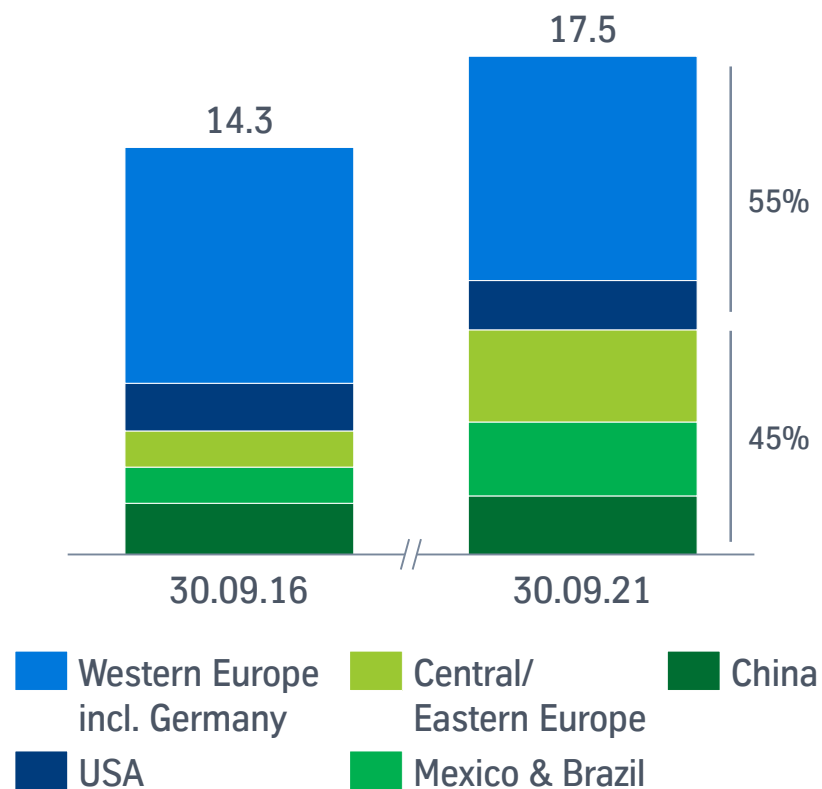
1. FY 21/22 to mid-term AT total



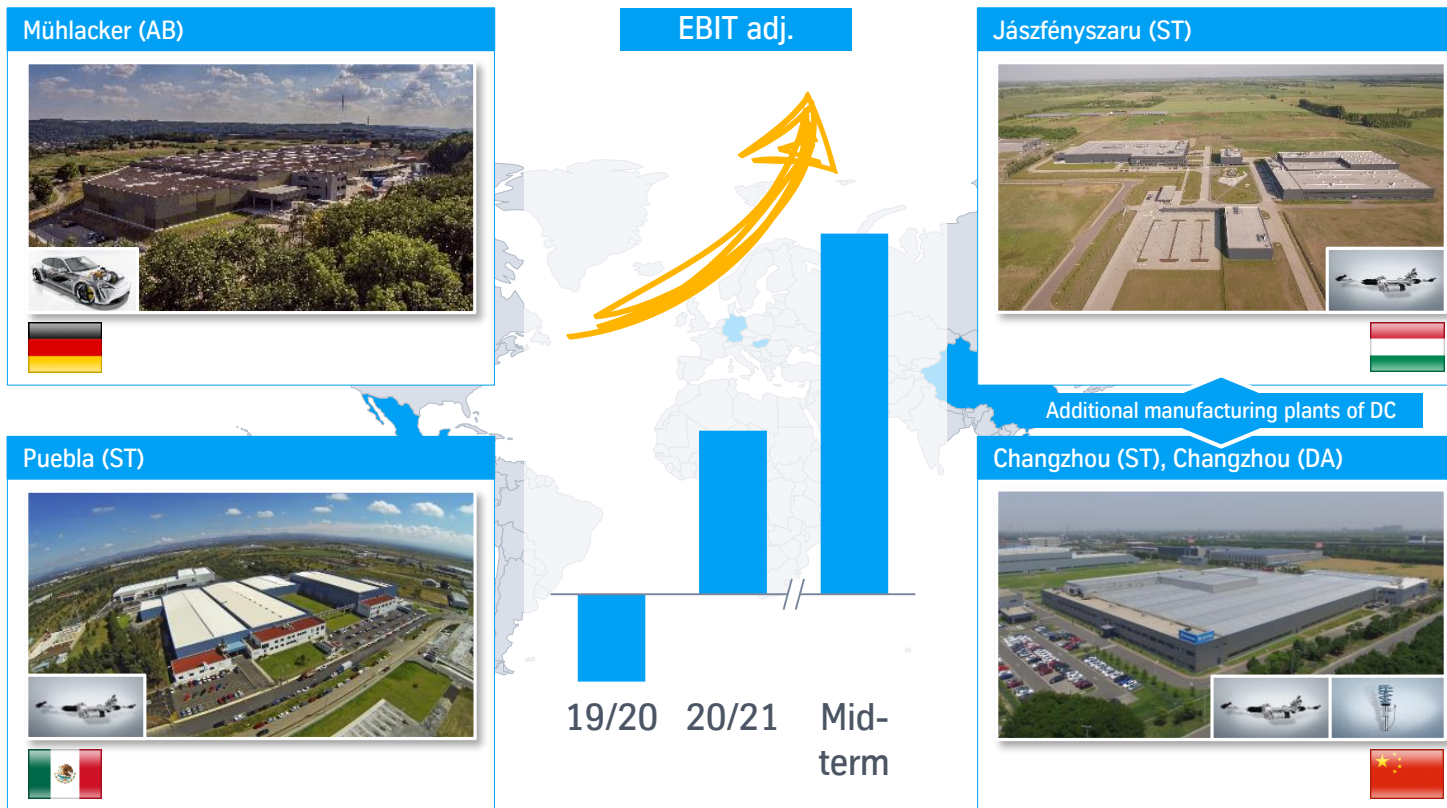
# 4 Global set-up with focus on customer proximity and best cost locations

## Bottom line improvements

FTE [k] by region<sup>1</sup> with  
clear trend to best cost regions



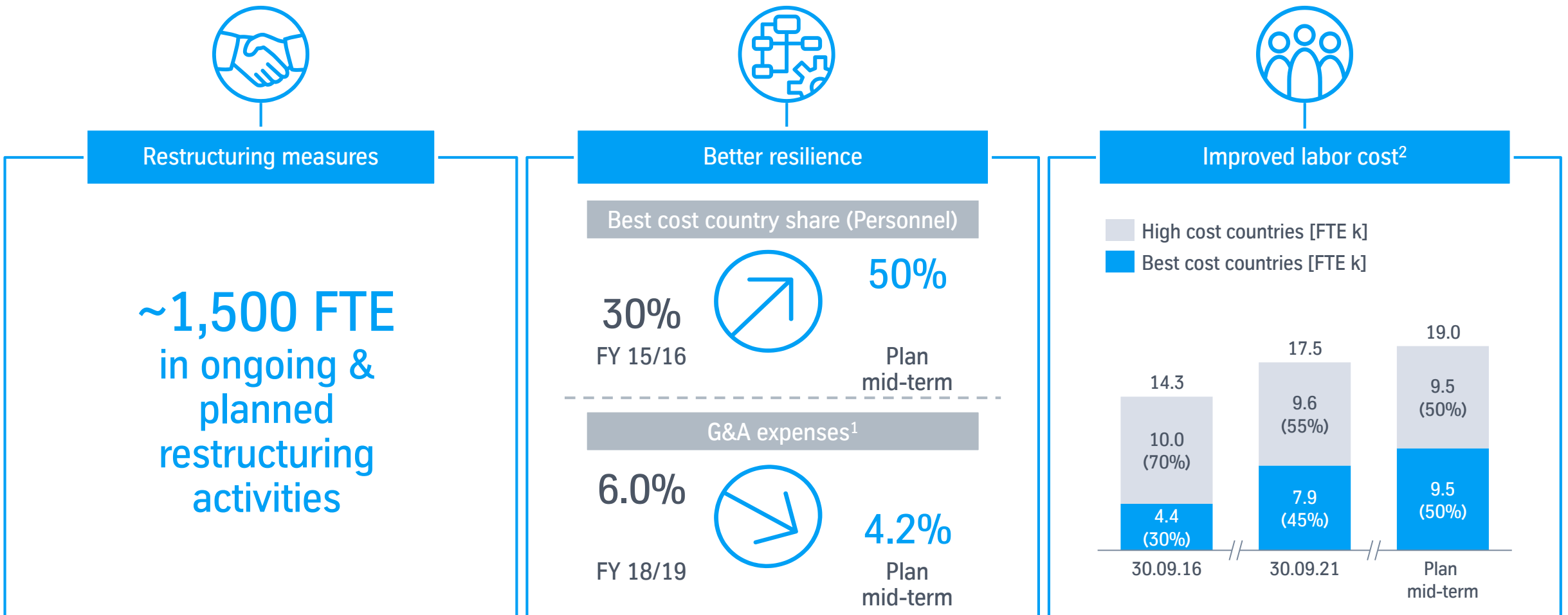
New plants: Customer proximity and above average financial performance



1. Internal FTE comparable excl. Automotive Body Solutions, w/o Rest of World (10FTE 30.09.21)



## ⑤ Structural cost improvements: Restructuring, better resilience & best cost set-up



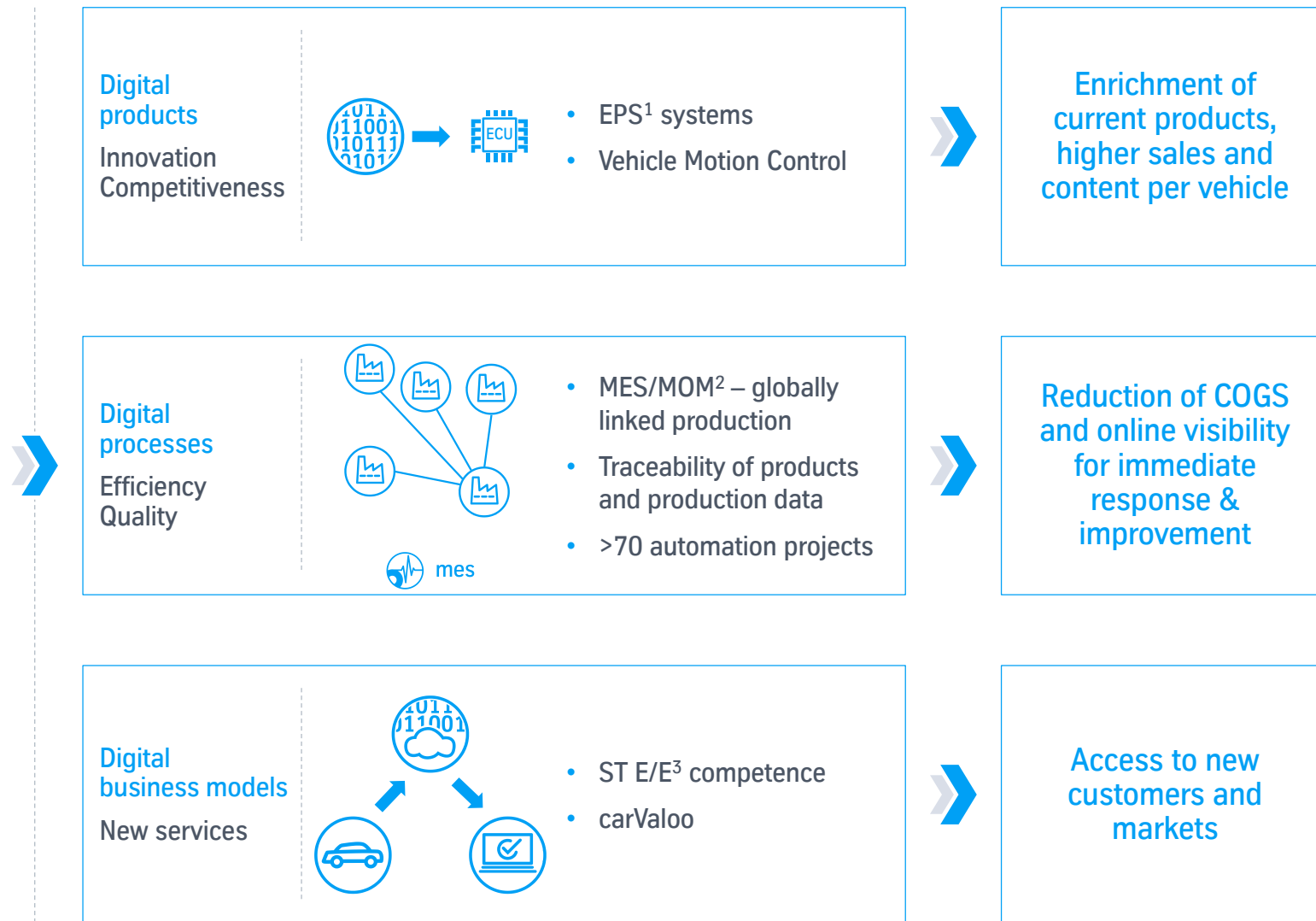
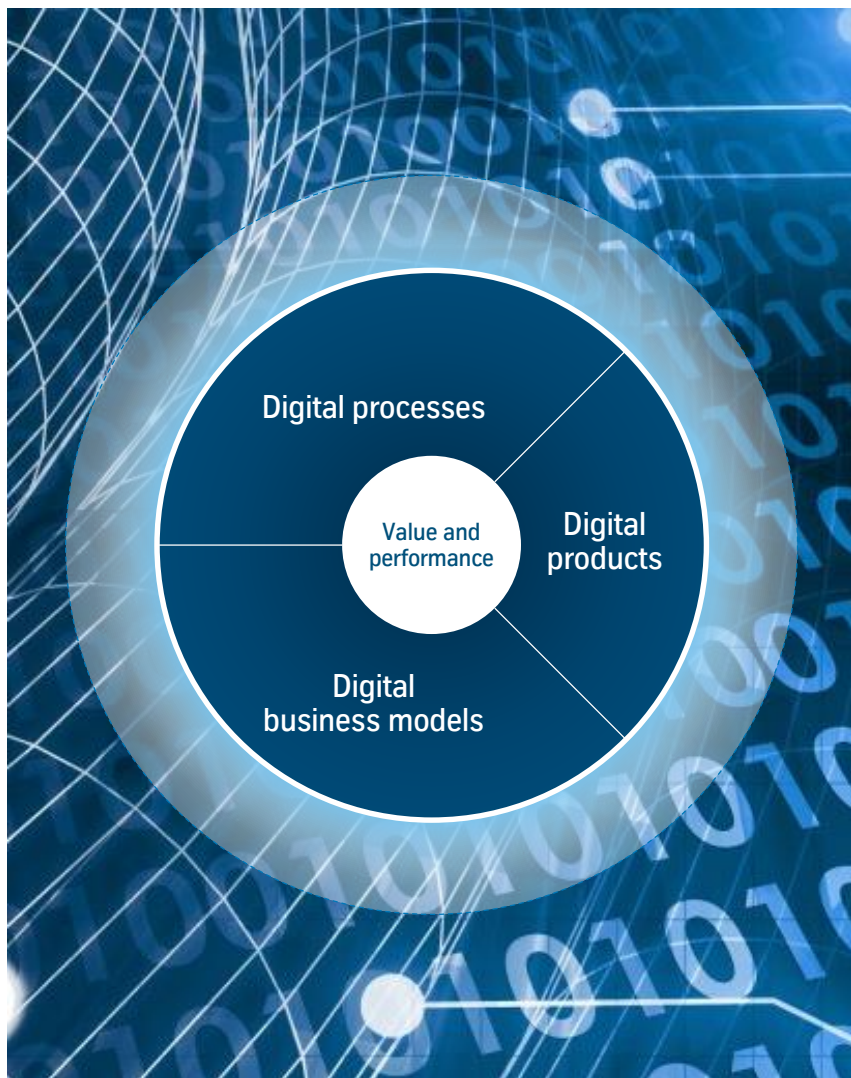
1. 18/19 without SY, from FY 20/21 on incl. AB | 2. Internal FTE comparable excl. Automotive Body Solutions, w/o Rest of World (10FTE 30.09.21)





## ⑥ Digitalization as fundamental driver of future competitiveness

Exemplary



1. Electric power steering | 2. Manufacturing Execution System, Manufacturing Operations Management | 3. Electric/Electronic



# Automotive industry with highest aspirations regarding sustainability



## tk Automotive roadmap and exemplary measures:



1. Scope 1 and 2: Own emissions; Scope 3 Emissions incl. supply chain



# Automotive Technology – Committed to realize sustainable shareholder value

## Conclusion

- 80% of business already based on non ICE related future oriented technology
- Semiconductor shortage actively managed
- Growth with existing and new products
- Structural topics approached to reach benchmark performance levels
- Mid-term target margin level of 7-8% and CCR min. 0.5





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