



Automotive Technology

Equity Story

November 2023

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thyssenkrupp



# Leadership team with vast automotive and operational experience



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



**Andreas Ruks**  
CFO | Since 2023



**Kerstin Ney**  
CHRO | Since 2019











**Frank Altag**  
COO | Since 2019

**>90 year of combined industry experience**

# AT with international setup and diverse product portfolio to serve customer segments

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

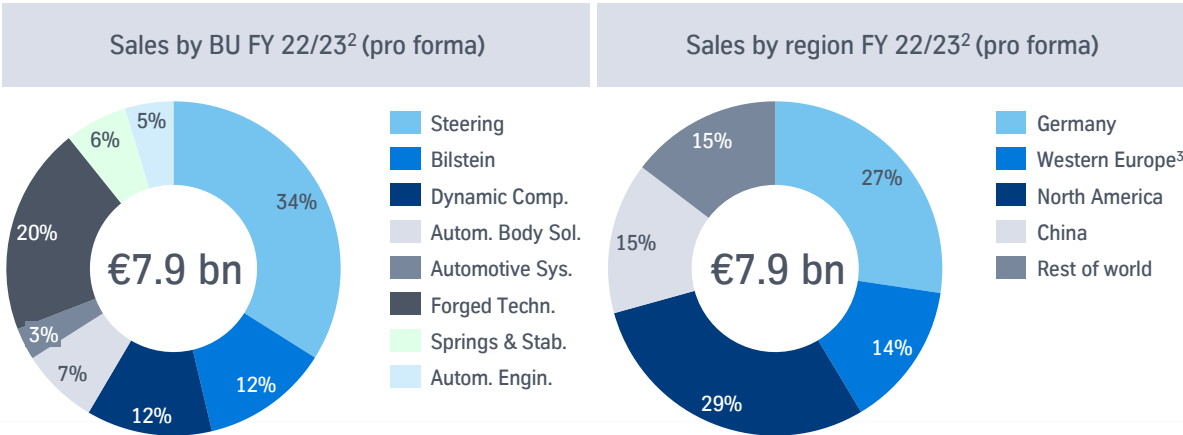
Steering	Bilstein	Automotive Systems	Dynamic Components	Forged Technologies	Automotive Body Solutions	Springs & Stabilizers	Automation Engineering
<div>  <ul style="list-style-type: none"> <li>Column-EPS1</li> <li>Steering column</li> <li>Rack-EPS1</li> <li>Cold forging</li> </ul> </div>	<div>  <ul style="list-style-type: none"> <li>Passive, (Semi-) active</li> <li>Air springs &amp; modules</li> </ul> </div>	<div>  <ul style="list-style-type: none"> <li>Axle assembly</li> <li>Module assembly</li> </ul> </div>	<div>  <ul style="list-style-type: none"> <li>Rotor shafts</li> <li>Modules</li> <li>Variable systems</li> <li>Assembled camshafts</li> </ul> </div>	<div>  <ul style="list-style-type: none"> <li>Crankshafts</li> <li>Conrods</li> <li>Truck axle components</li> <li>Under-carriages</li> <li>Track systems</li> </ul> </div>	<div>  <ul style="list-style-type: none"> <li>Chassis and body in white</li> <li>Standard products</li> <li>Tool manuf.</li> </ul> </div>	<div>  <ul style="list-style-type: none"> <li>Springs</li> <li>Stabilizers</li> </ul> </div>	<div>  <ul style="list-style-type: none"> <li>Battery and powertrain solutions</li> <li>Fuel cell solutions</li> <li>Conveyor systems</li> <li>Services</li> </ul> </div>

M&A process ongoing

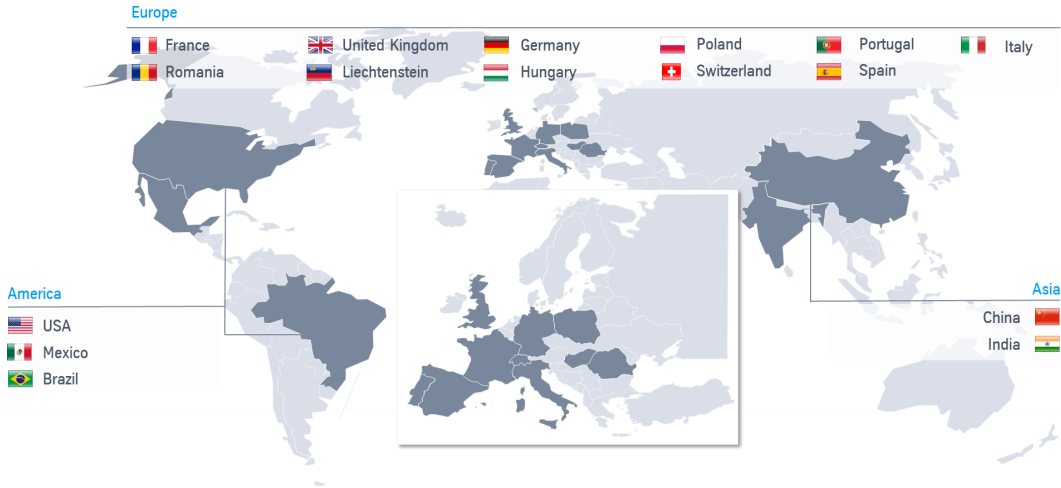
## AT is a major supplier and engineering partner to the international automotive industry – selected examples

Passenger vehicles				Trucks/ Off-highway	Construction/ Mining
Established premium	Volume OEMs	NEW EV OEMs	Chinese OEMs		
<ul style="list-style-type: none"> <li>Audi</li> <li>BMW</li> <li>Jaguar Land Rover</li> <li>Mercedes-Benz</li> <li>Porsche</li> </ul>	<ul style="list-style-type: none"> <li>Ford</li> <li>GM</li> <li>Hyundai</li> <li>Mazda</li> <li>Stellantis</li> <li>Toyota</li> <li>Volkswagen</li> <li>Volvo</li> <li>Renault-Nissan-Mitsubishi</li> </ul>	<ul style="list-style-type: none"> <li>Nio</li> <li>Polestar</li> <li>Tesla</li> </ul>	<ul style="list-style-type: none"> <li>BAIC</li> <li>FAW</li> <li>Geely</li> <li>GWM</li> <li>SAIC</li> <li>BYD</li> </ul>	<ul style="list-style-type: none"> <li>Caterpillar</li> <li>Cummins</li> <li>DAF Paccar</li> <li>Daimler Truck</li> <li>Iveco</li> <li>John Deere</li> <li>MAN</li> <li>Navistar</li> <li>Scania</li> <li>Volvo Truck</li> </ul>	<ul style="list-style-type: none"> <li>Bobcat</li> <li>CNH Group</li> <li>JCB</li> <li>John Deere</li> <li>Liebherr</li> <li>Sandvik</li> <li>Tigercat</li> <li>Vermeer</li> <li>Volvo</li> <li>Wacker Neuson</li> </ul>

## Diverse product portfolio with international relevance



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

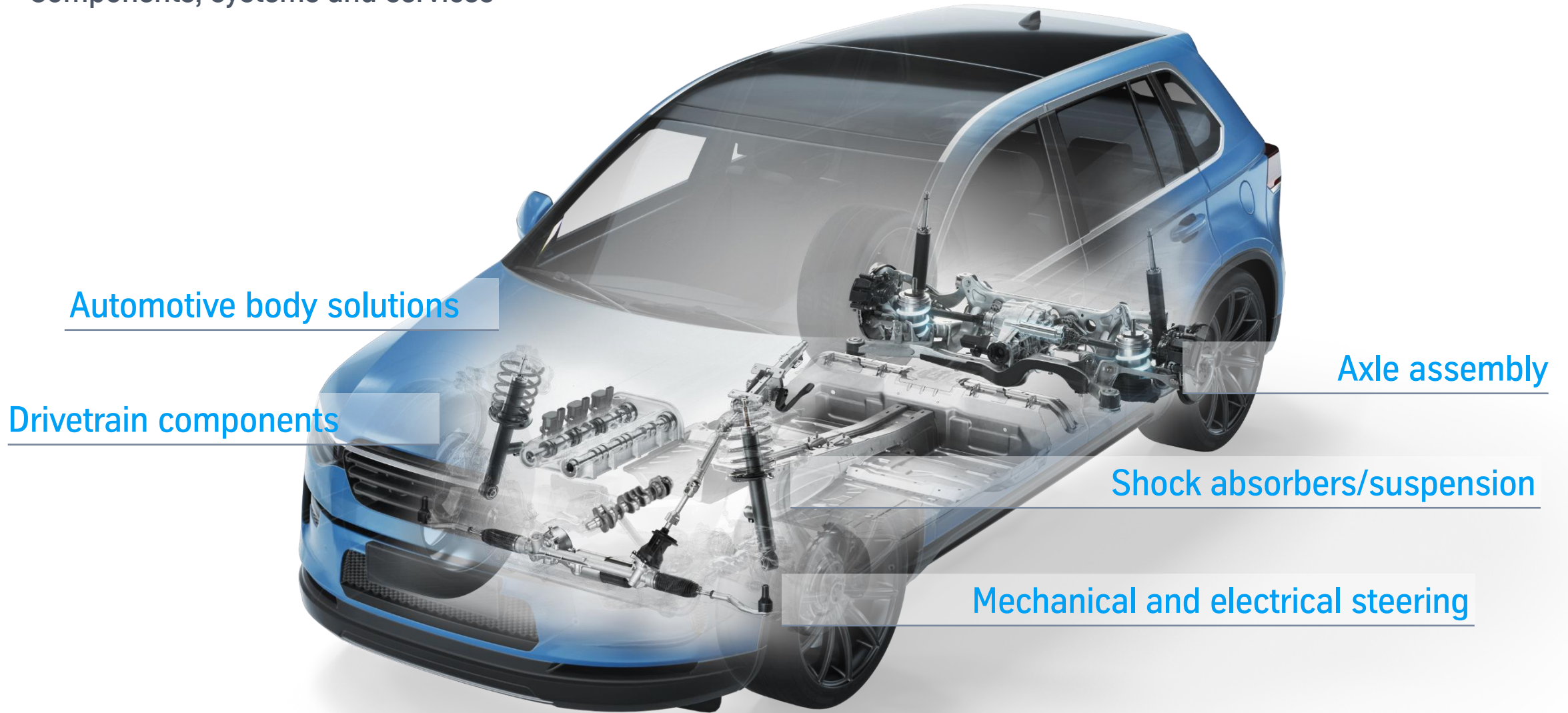


1. Electric Power Steering (EPS) 2. Total external sales 3. incl Liechtenstein



# AT portfolio<sup>1</sup> with >70% of sales independent from ICE development

Components, systems and services















1. Excluding SP, AE





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

						
	Steering	Bilstein	Automotive Systems	Dynamic Components	Forged Technologies	Automotive Body Solutions
Long term sales development	 E-mobility, autonomous driving	 E-mobility, autonomous driving	 Services	 Efficient drives/engines	 UC <sup>3</sup> and chassis growth compensates ICE decline	 Lightweight solutions
Current market positioning	Holistic steering system provider with <b>strong software &amp; E/E<sup>1</sup> competence</b>	Focus on <b>active and semi-active damping systems</b> leveraging a strong brand	<b>Portfolio complementation</b> for selected key OEMs	Leverage strong ICE position for <b>transformation and parallel diversification</b>	<b>Steel forging company</b> supplying OEMs in automotive, construction and mining	<b>Integrated provider and engineering partner</b> with serial business capabilities
Competitive position	No. 1 steering column No. 4 total steering market	No. 1 semi-active shock absorbers		No. 1 assembled camshafts and sliding cam systems	No. 1 steel forging company	No. 4 plant engineering <sup>2</sup>

1. Electric/Electronic 2. Related to BU SY assessment and competitive data 3. Undercarriages



In line with market growth



Above market growth

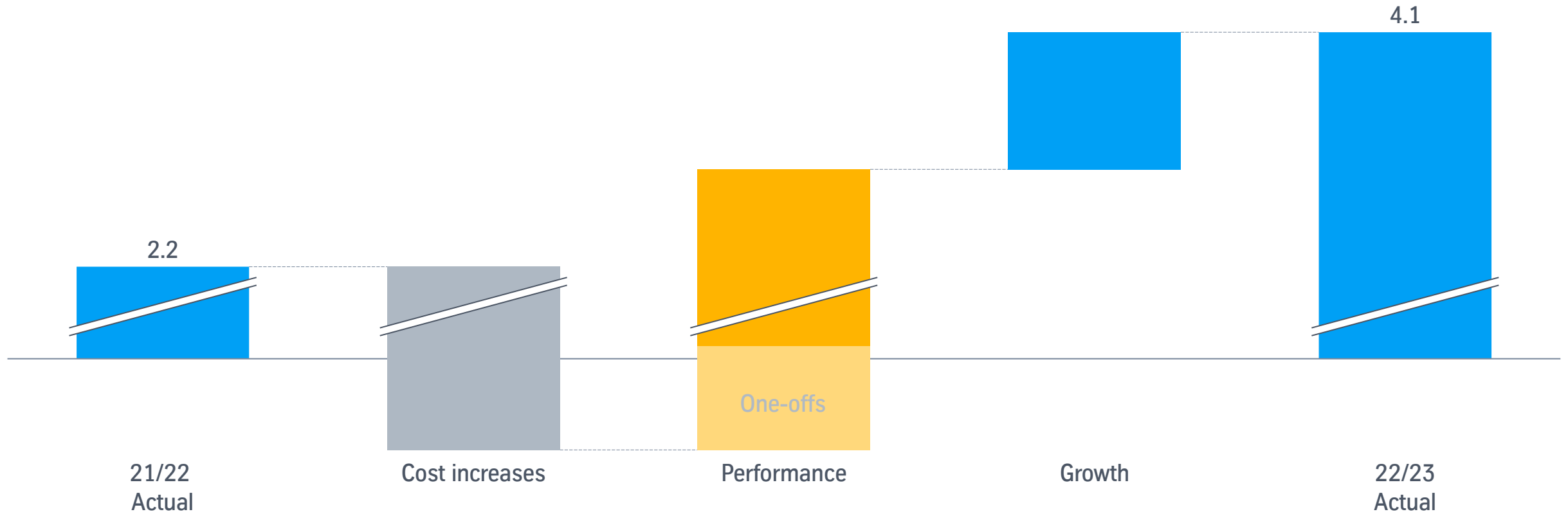


Strongly above market growth



## Recap 22/23: Managing of macroeconomic headwinds by driving performance and growth

EBIT adj. margin %



# AT: Well positioned in turbulent markets

## External factors

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- Europe and North American automotive markets to remain below previous peaks; Europe with stagnating outlook
- Rising importance of Chinese OEMs in global markets, esp. Europe
- Accelerated BEV adoption across all core markets
- Unsettled economic outlook and reduced consumer confidence
- Rising wage and energy costs
- Growing requirements for ESG along whole supply chain

## Management actions

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- Optimize factory utilization across AT businesses
- >70%<sup>1</sup> of AT offerings are engine (ICE or E-mob) independent
- Increased best cost country share for both personnel and material setup to improve competitiveness and resilience
- Ability to further enforce sales and procurement measures to manage cost increases and supply challenges (e.g. material, logistics, energy, personnel)
- APEX performance program to reinforce initiatives and support mid-term targets



1. Excluding SP, AE



# FY 22/23: Still challenging market conditions – outlook cautiously positive

Financial KPIs	 Financials		 Outlook		Mid-term target (excl. SP, AE)
	FY 22/23 as reported	FY 22/23 new setup <sup>1</sup>	FYE 23/24 <sup>2</sup> new setup <sup>1</sup>	Comment	
Sales	€5.5 bn	€7.9 bn		Increasing business by ramp-up of new projects, stable market conditions	>€7.5 bn sales
EBIT adj.	€223 mn	€266 mn		Improved measures to manage increased material, transport, energy and personnel costs	7-8% EBIT adj. margin
EBIT adj. margin	4.1%	3.4%			
BCF	€202 mn	€159 mn		Further improvement of BCF	CCR min. 0.5

1. Including FT, SP, AE pro forma 2. In relation to FY 22/23





# AT with new setup: Strong focus on performance to continue – “CMD-Margin” in sight

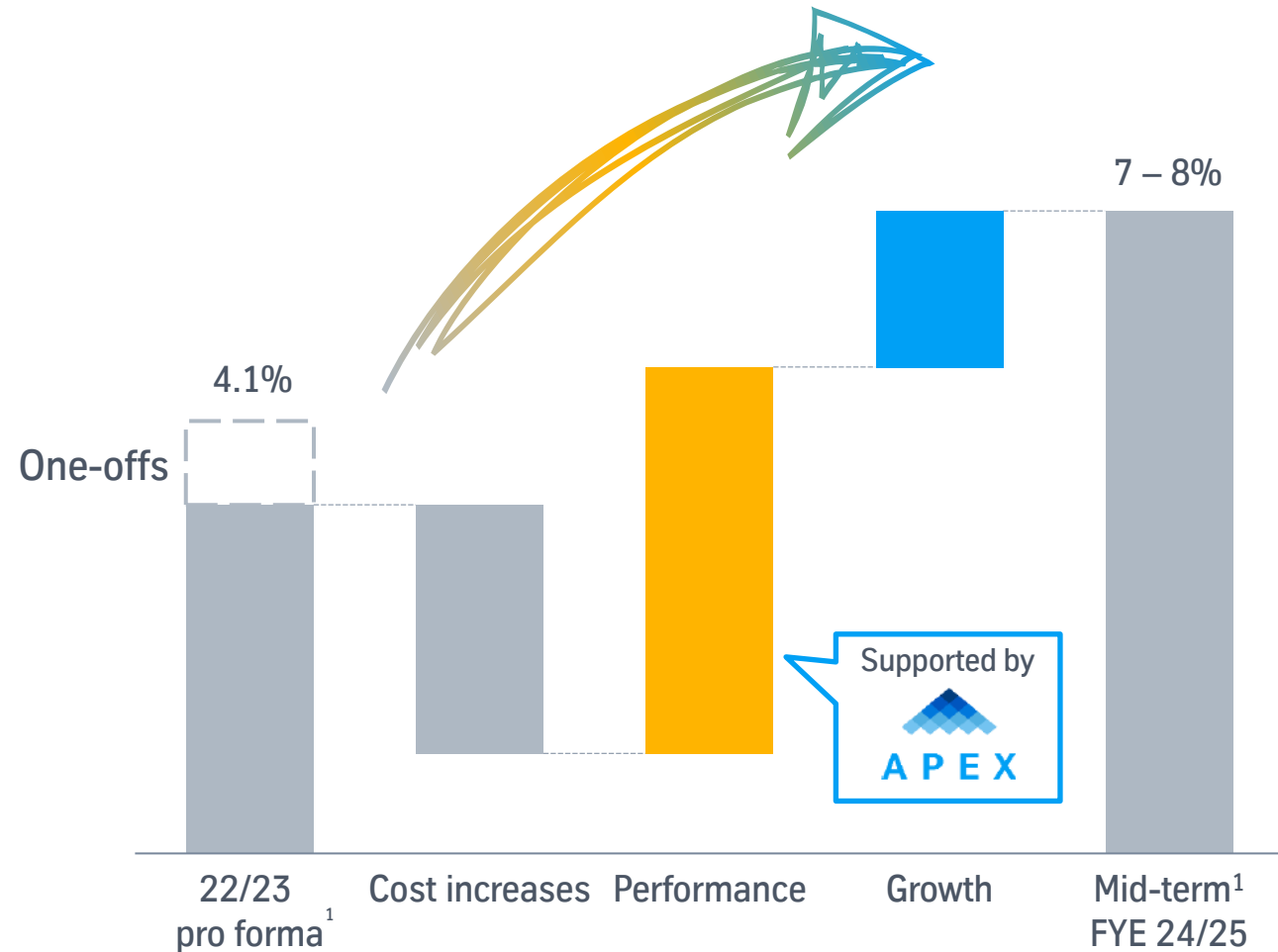
EBIT adj. margin %

## Growth

- ▶ Attractive product portfolio
- ▶ Good order book
- ▶ Broad customer base
- ▶ Promising innovations

## Performance

- ▶ Profitable ramp-up of new projects
- ▶ Operational excellence
- ▶ Pass through price increase
- ▶ Claim Management



1. Omission of SP, AE assumed



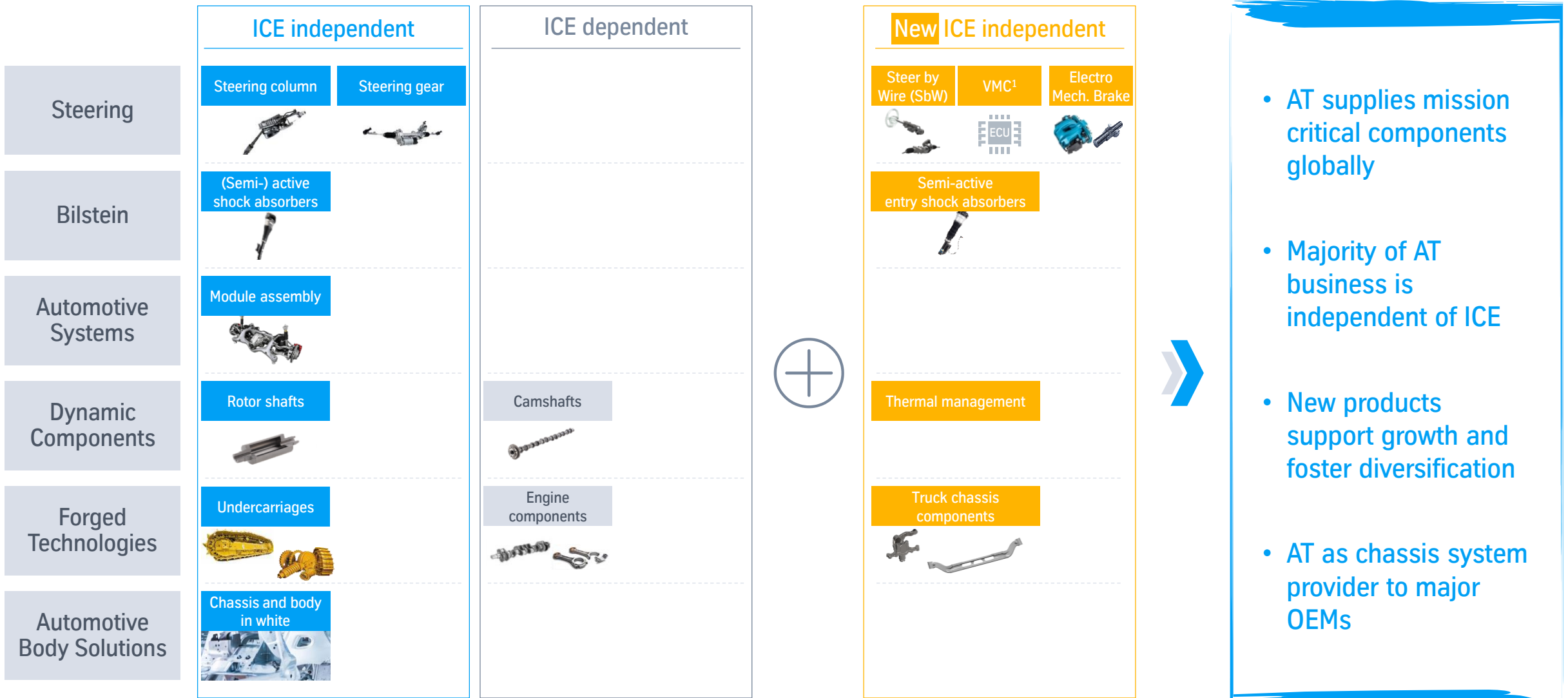
# Automotive Technology – value creation based on passion for innovation and financial performance

## Investment highlights

- 1 | Mission critical components & systems
- 2 | Growth of core business and taking advantage of current market developments
- 3 | Sound order book & strong customer base
- 4 | Global footprint with customer proximity
- 5 | Performance improvement across all businesses
- 6 | Digitized products, processes & business models



# 1 Mission critical components with huge growth potential



1. Vehicle Motion Control

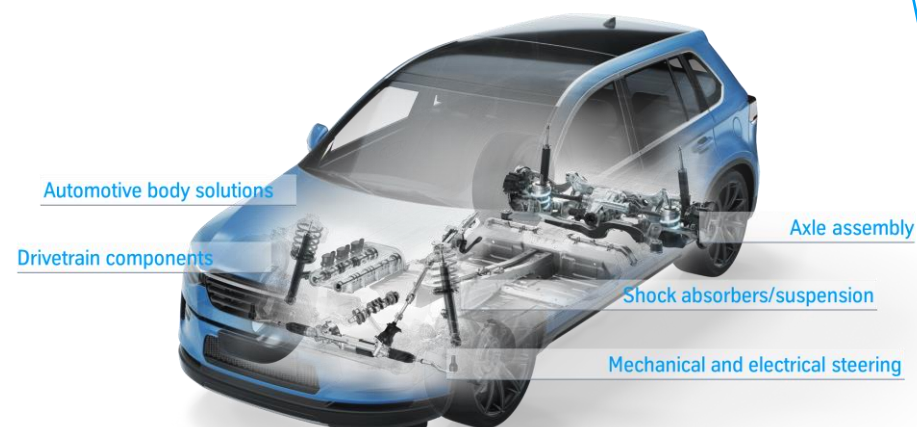




## ② We continue to grow in our core businesses and drive the automotive industry transformation

Exemplary

### Recap: Business portfolio AT



1. Steer by Wire







### Strong growth planned for core businesses with further diversification impulse driven by E-mobility

	Status quo	Way forward
BU Steering	<p>Market leader in steering column and leading position in total steering market</p> <p>Early involvement as partner for international established and new OEMs</p> <p>Significant E/E competence driven by hub in Budapest</p>	<p>Continuous growth with existing and new customers in core business</p> <p>Potential for external growth and technological positioning through partnership options</p> <p>Further expansion of product portfolio through SbW<sup>1</sup> applications</p>
BU Dynamic Components	<p>By far market leader for assembled camshafts</p> <p>Very strong order intake of &gt;€4 bn lifetime sales in last 3 years</p> <p>Takeover of competitor business and in-house production of OEMs</p> <p>Ongoing discussions with major OEMs regarding end of life supply</p>	<p>Continuous growth of existing rotor shaft business</p> <p>Rotor shafts with increasing value and new functionality (e.g. increased complexity due to cooling necessity)</p> <p>Further expansion through diversification in E-mobility (e.g. AC compressor)</p>
BU Forged Technologies	<p>Largest steel forging company in the world</p> <p>Diverse customer portfolio supplying to leading OEMs in automotive, construction and mining</p>	<p>Product portfolio transformation based on strong market position</p> <p>Decline with ICE components compensated by growth with chassis products and in the undercarriage (Berco) business</p>



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

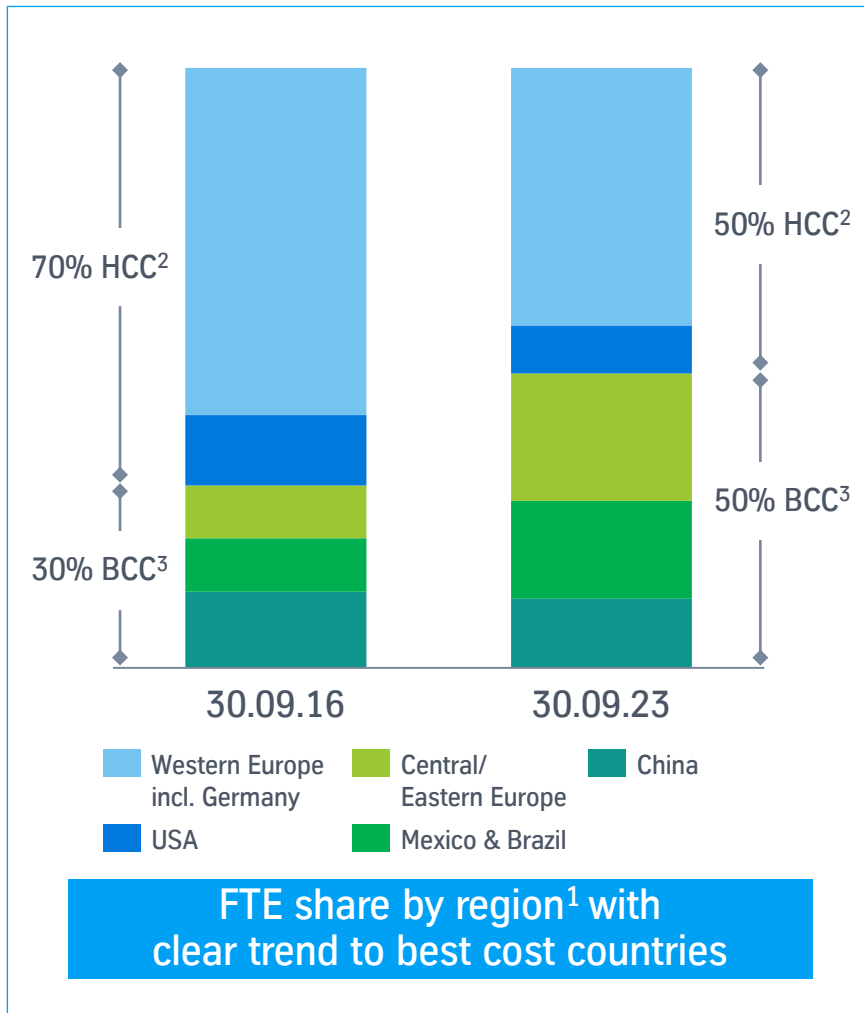
Exemplary

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Established premium 	Volume OEMs 	NEW EV OEMs 	NEW and Chinese OEMs 		
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## 4 Global setup with focus on customer proximity and best cost locations

### Bottom line improvements



1. AT as reported 2. High cost countries 3. Best cost countries 4. Incl. SP, AE



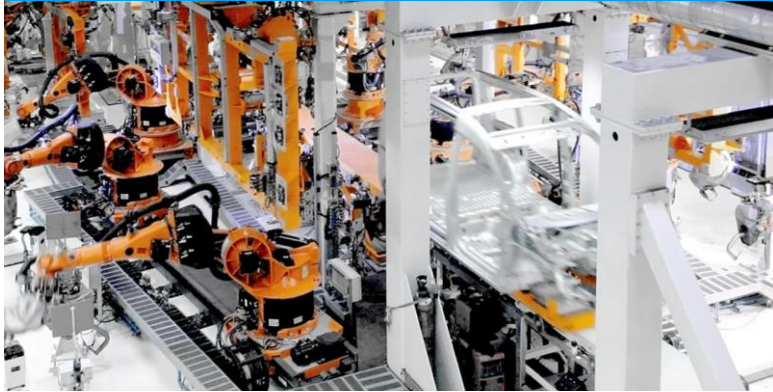


## ⑤ Performance improvements across all businesses supporting mid-term targets

Excerpt



### Operational Excellence



- Improve structural cost base
- Increase plant performance
- Review supply chain setup



### Procurement and Commercial Excellence



- Implementation of sales measures across all BUs
- **Procurement:** reduction of material cost and foster local sourcing
- Further improve change and claim management
- Review order and product portfolio



### Strategy



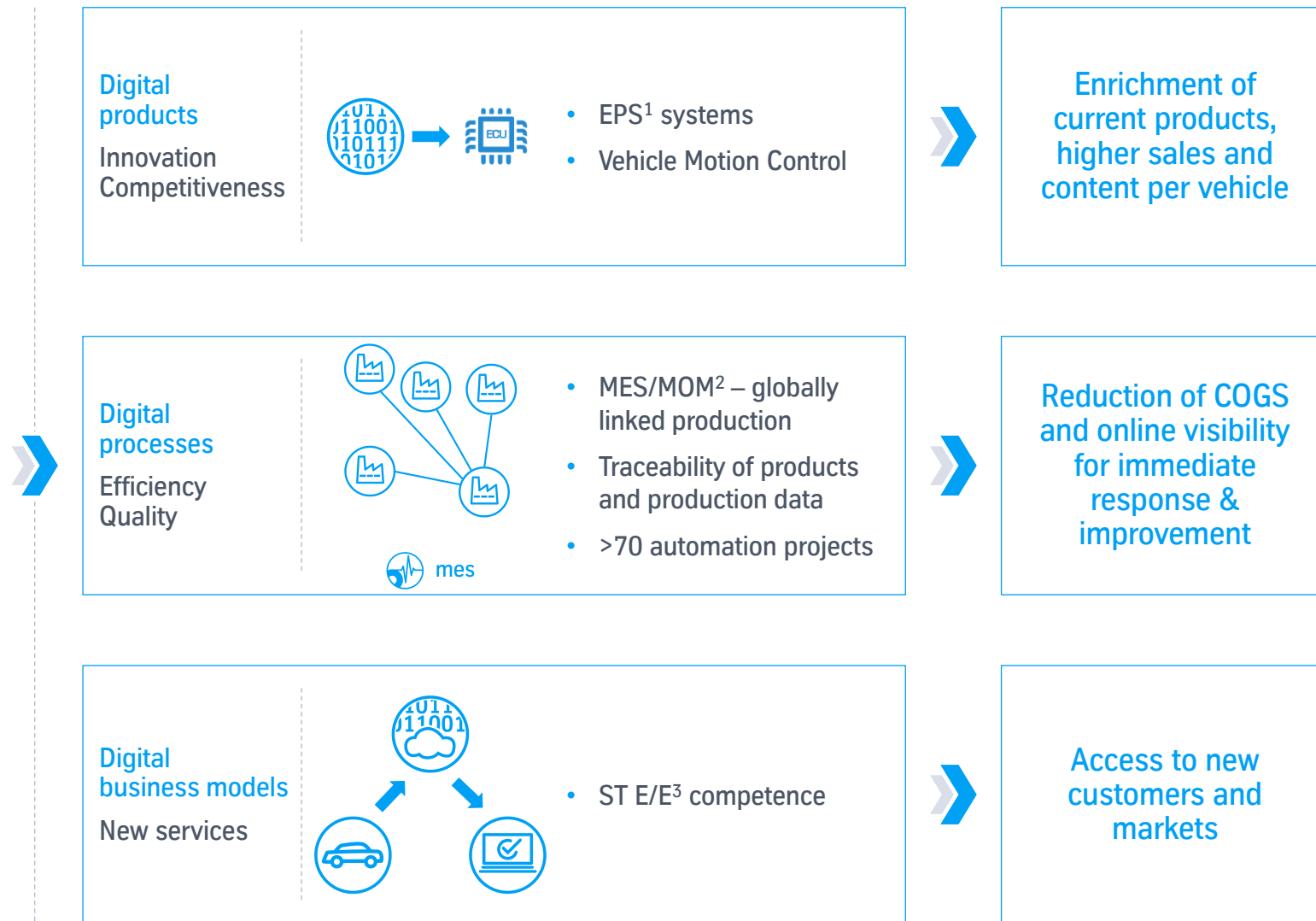
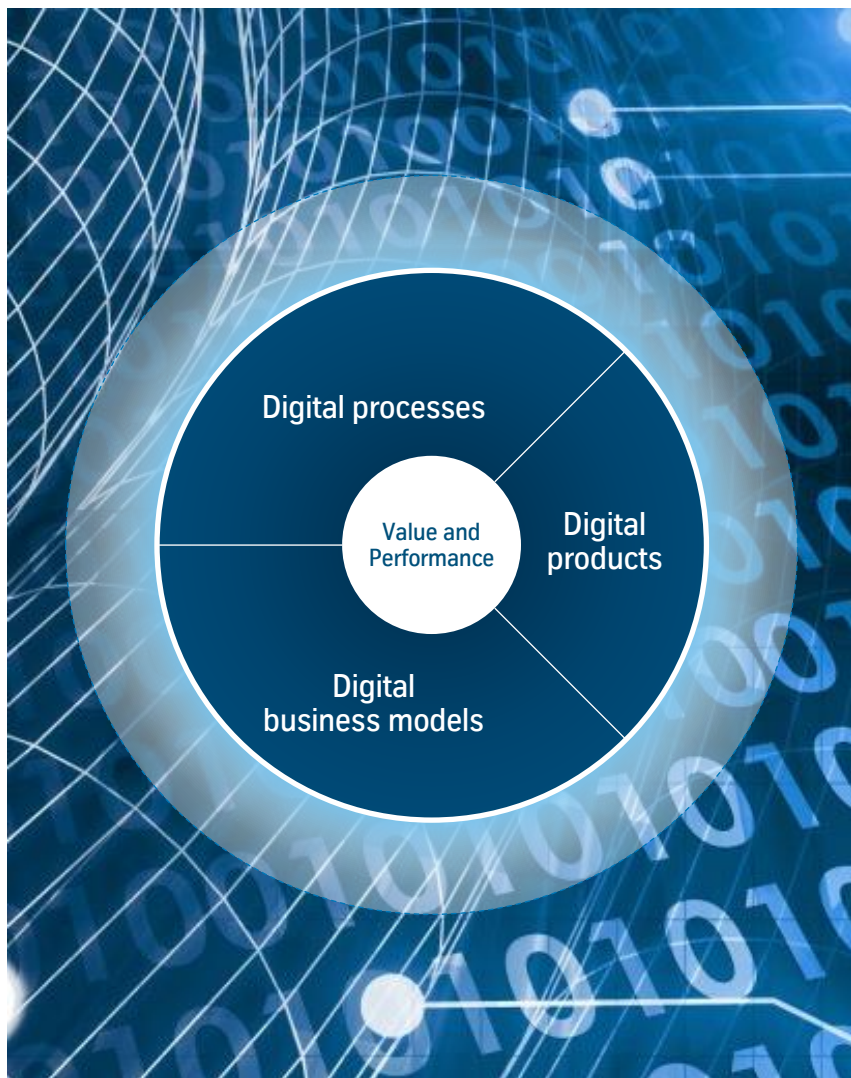
- Drive innovations and leverage market trends
- Assess portfolio
- Improve allocation of funds
- Drive sustainability
- Review/adjust operating model

Initiatives driven via APEX performance program



## 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 Technology light vehicle sustainability roadmap:



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





# Automotive Technology – committed to realize sustainable shareholder value

## Conclusions

- >70%<sup>1</sup> of AT business already based on non ICE related future oriented technology
- Current and expected market challenges actively managed
- Growth with existing and new products
- Structural topics addressed to reach benchmark performance levels
- Mid-term target<sup>1</sup> margin level of 7-8% and CCR of min. 0.5

1. Excluding SP, AE



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