



# Capital Market Days 2020

## Automotive Technologies

Ticker: CON  
ADR-Ticker: CTTAY  
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and Chairman of the Automotive Board  
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# Transformation of the Automotive Industry

## Six Dominating Trends Will Define the Future of Mobility

Autonomous  
Mobility



User  
Experience



Smart  
Mobility



Safety



Architecture  
and  
Networking



Software



# Transformation of the Automotive Industry

## Expanding Value Creation Opportunities in All Trends

**New World:** Defined by Hardware and Software

**Old World:** Defined by Hardware

### Trends

Autonomous Mobility

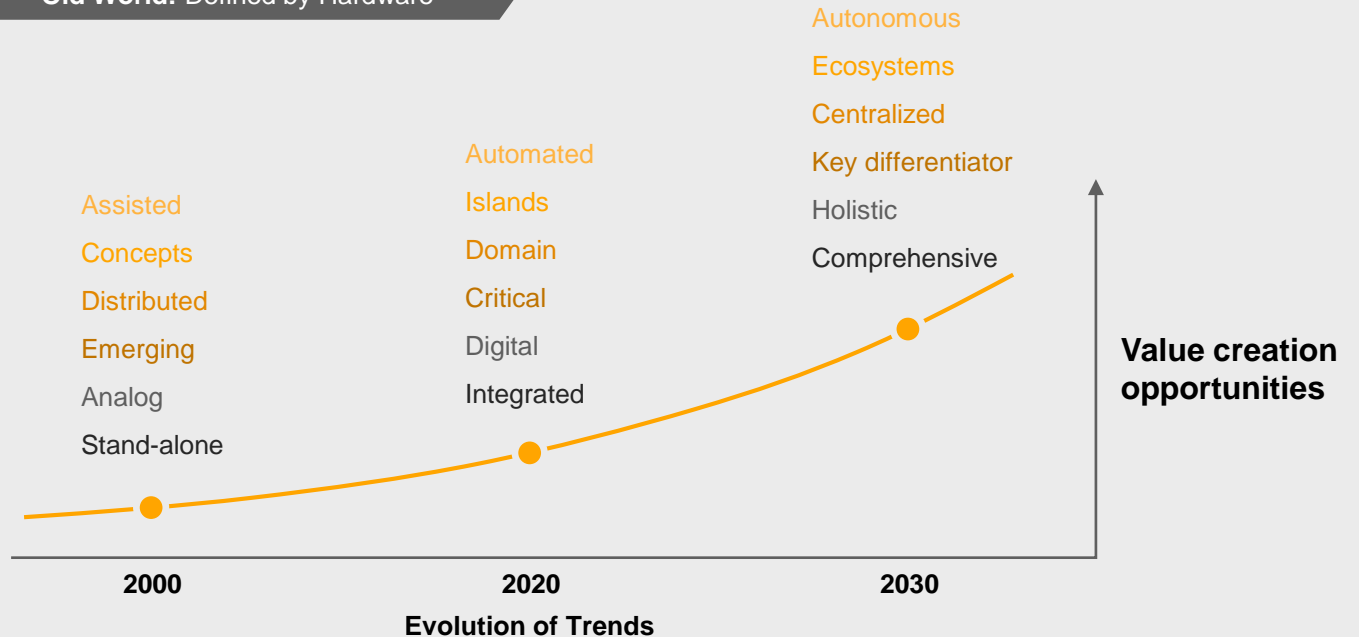
Smart Mobility

Architecture and Networking

Software

User Experience

Safety



# Transformation into Automotive Technologies

New Organization Built Upon Strong and Established Pillars

## Automotive Technologies

**Employees<sup>1</sup>: ~ 47,000**  
**Sales<sup>1</sup>: ~ €7.5 bn**

### Autonomous Mobility and Safety

- › Sensors
- › Hydraulic Brake Systems
- › Electronic Brake Systems
- › Restraint Systems
- › AD and Safety & Motion HPC
- › Cameras
- › Radar
- › LiDAR

**Longstanding  
technology  
leadership**

**Employees<sup>1</sup>: ~ 48,000**  
**Sales<sup>1</sup>: ~ €7.8 bn**

### Vehicle Networking and Information

- › Connectivity & V2X
- › Body and Cockpit HPCs
- › Access Solutions
- › Display & Projection Solutions
- › Body & Network Controls
- › Cabin sensing
- › Tachographs, Fleet Management & Services
- › OES & Aftermarket

<sup>1</sup> Expectation for 2020E

# Transformation into Automotive Technologies

Realigning Our Activities into Action Fields to Better Serve Trends

**Safe. Connected. Convenient.**  
We Drive the Future of Mobility.



Autonomous  
Mobility



Smart  
Mobility



User  
Experience



Safety



Software and Systems Excellence



Architecture and Networking

# Transformation into Automotive Technologies

## Realignment Leverages Synergies Across Multiple Dimensions

### Project management

Managing **highest complexity** across action fields and parties

### Horizontal integration

- › Combining **functions across domains**
- › **Standardized** hardware and software platforms to realize **better economies of scale and scope**

### Vertical integration

Capable of providing **fully functional system stacks**

- › Cloud
- › Functions/services/apps
- › Middleware/OS
- › Basic software
- › Hardware

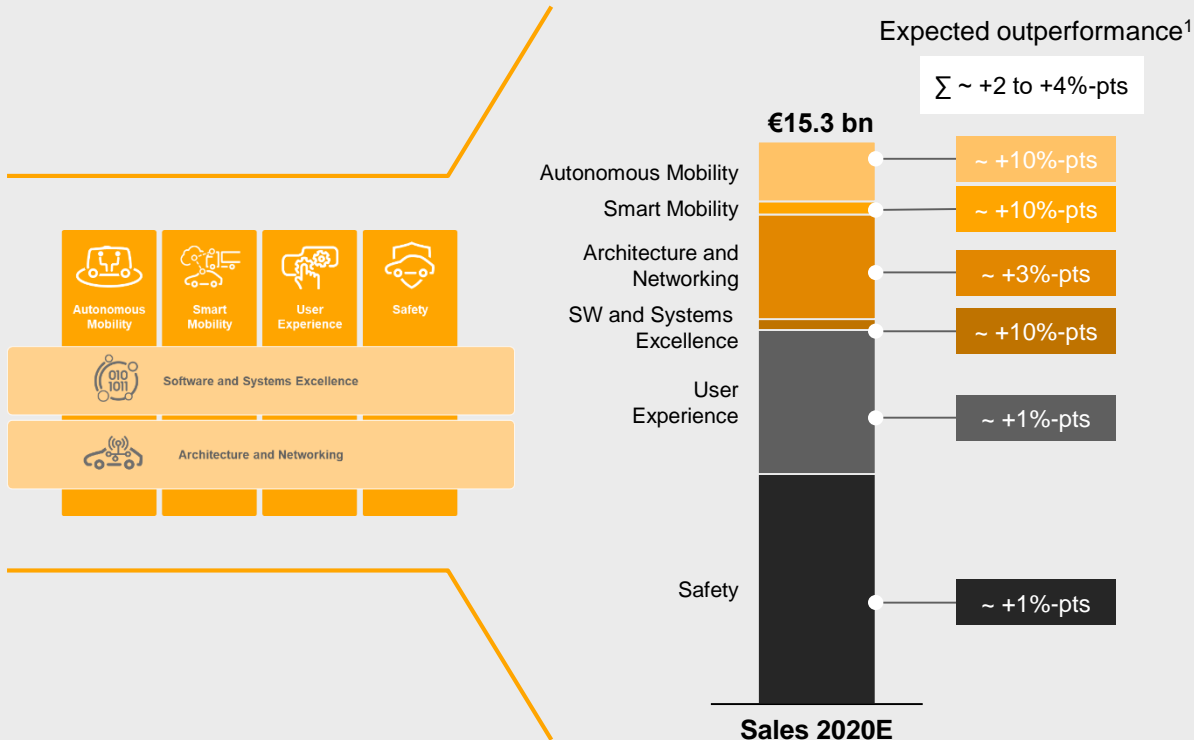


### Scalability across OEs and platforms

- › Most competitive **cost position**, fastest **time to market** and attractive **value proposition**
- › Unique portfolio **breadth and depth**

# Differentiate Our Portfolio

## Action Fields to be Managed as “Growth” or “Value”



### Growth

- › Fast-growing markets
- › Outperformance driven by technological innovation
- › Focus: market position, growth and long-term profitability

### Value

- › Stable, mature markets
- › Profitable business
- › Focus: profitability and cash conversion

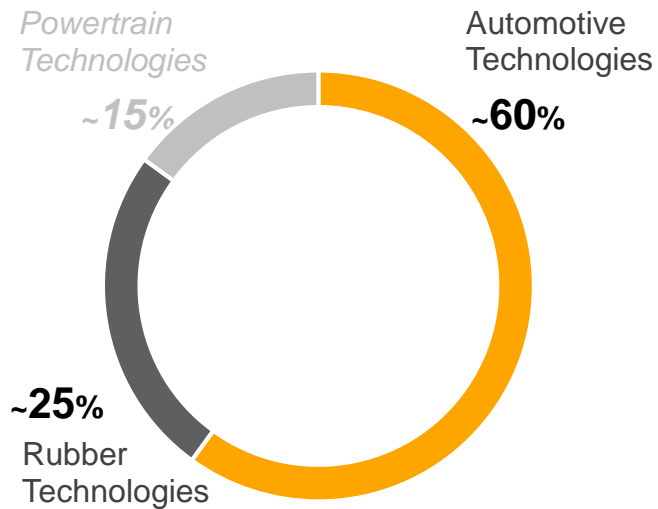
<sup>1</sup> Mid-term organic sales growth above IHS LVP

# Strengthen Operational Performance

## Adjust Our Cost Structure to Deliver Targeted Cost Savings

### Annual gross cost savings target

Total > €1 bn by 2023



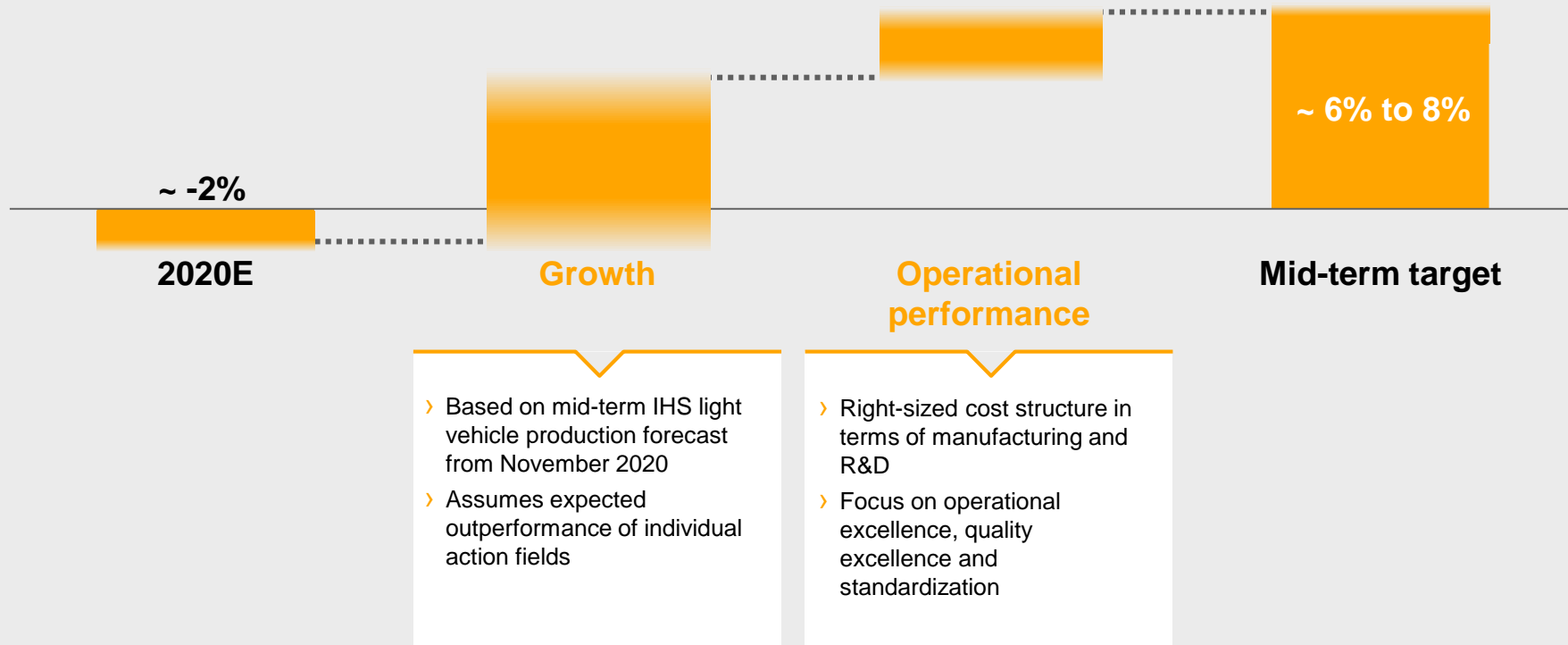
### Contribution from Automotive Technologies

	2019	Mid-term
<b>Best-cost share in manufacturing</b>	<b>~75%</b>	<b>~85%</b>
<b>Best-cost share in R&amp;D</b>	<b>~50%</b>	<b>~60%</b>



# Adjusted EBIT<sup>1</sup> Margin Bridge

We Strive for an Adjusted EBIT<sup>1</sup> Margin of ~ 6% to 8% in the Mid-term



<sup>1</sup> Before amortization of intangible assets from purchase price allocation, changes in the scope of consolidation, and special effects.

# Summary

## Emergence as a Winner of the Automotive Transformation



One of the most **comprehensive, future-oriented** portfolios

**Synergy realization through integration** of action fields

**Clear differentiation** between **growth** and **value**

**Emphasis on operational performance** to deliver targeted cost savings

**Mid-term targets: market outperformance** of **~ +2 to +4%-pts** and **adjusted EBIT margin** of **~ 6% to 8%**

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