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## **2.1 Automotive OEM**

Matthias Zink CEO Automotive OEM

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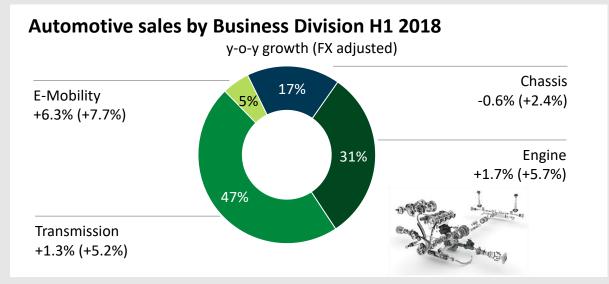
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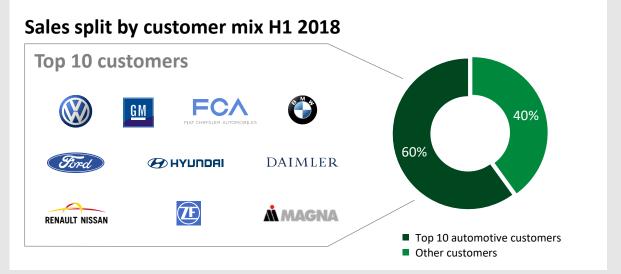
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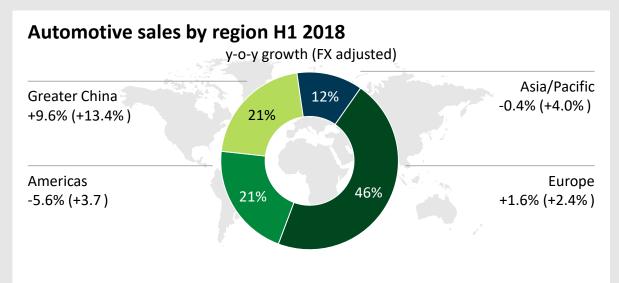
- **1** Automotive OEM at a glance
- **2** Growth strategy Automotive OEM
- **3** Conclusion

## 1 Automotive OEM at a glance – Above market growth continues

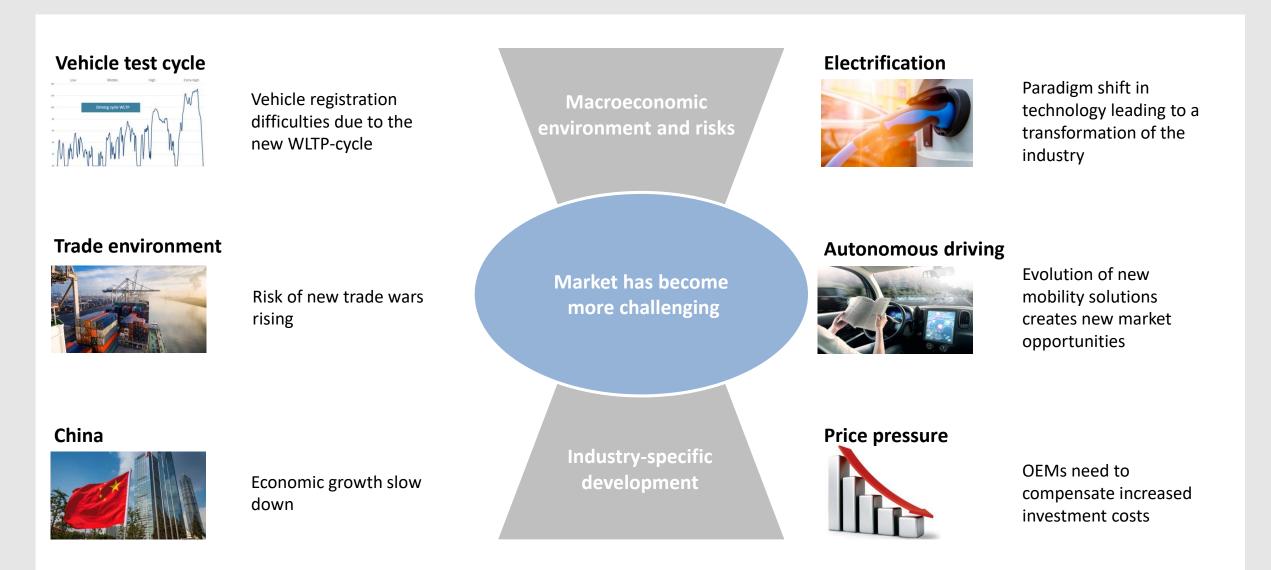
#### Sales and EBIT margin in EUR mn +5.4%<sup>1)</sup> 8,991 8,525 +4.8%<sup>1)</sup> 4,587 4,528 2016 2017 H1 2017 H1 2018 9.2% EBIT margin<sup>2)</sup> 12.9% 10.7% 10.7% <sup>1)</sup> FX adjusted <sup>2)</sup> adjusted & before one off effects



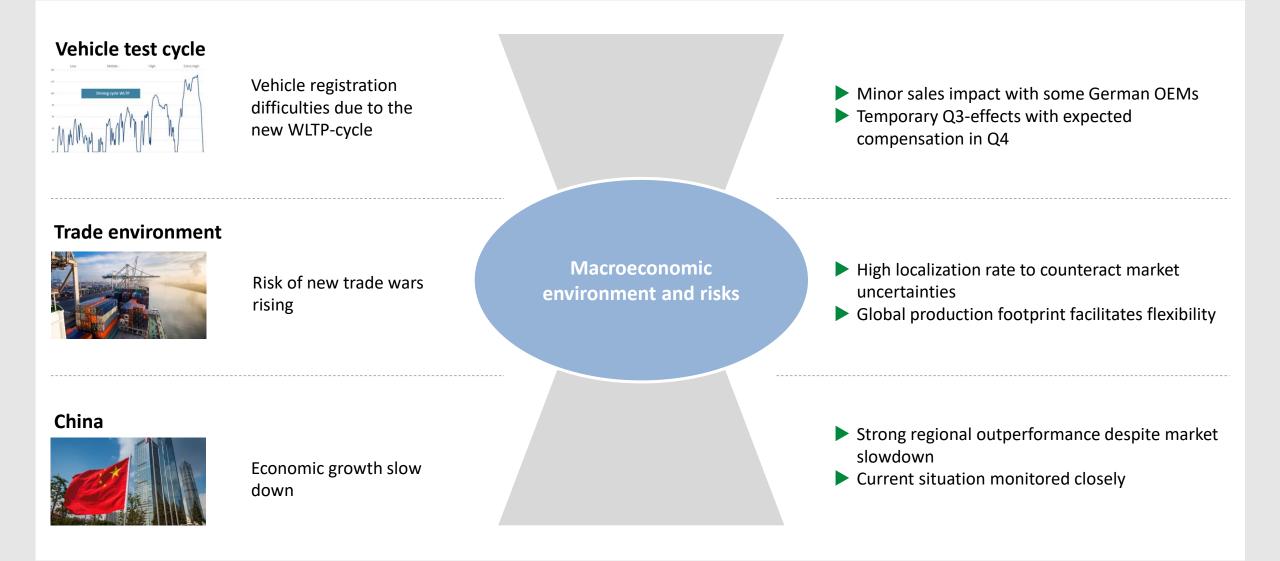




#### 1 Automotive OEM at a glance Challenging environment – Dynamic Automotive Market



# 1 Automotive OEM at a glance **Dynamic Automotive Market – Short-term impact**



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#### Electrification



Paradigm shift in technology leading to a transformation of the industry



- Enhanced Powertrain Strategy with focus on electrification
- Deep Dive by Dr. Jochen Schröder to follow

#### Autonomous driving



Evolution of new mobility solutions creates new market opportunities

Industry-specific development



 New Chassis Strategy towards a full chassis integrator
 Deep Dive by Dr. Dirk Kesselgruber to follow

#### Price pressure



OEMs need to compensate increased investment costs



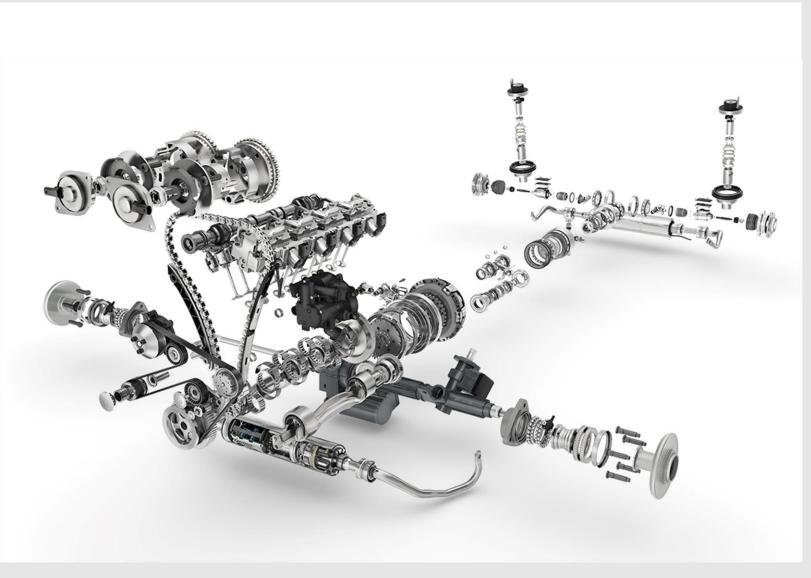
 Further develop process and manufacturing excellence
 Expand technological leadership

#### 1 Automotive OEM at a glance Global Footprint – Strong regional positions to counteract market uncertainties



#### 1 Automotive OEM at a glance **Product portfolio – Vital components and systems in powertrain and chassis**

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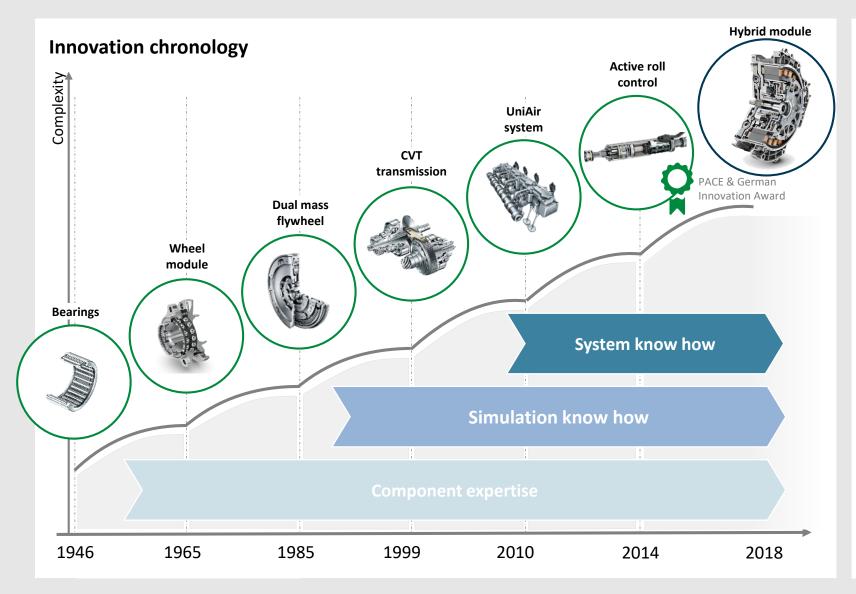
#### **Automotive OEM Product Portfolio**

- Innovative component, subsystem and system supplier along the whole powertrain and chassis
- Strong mechanical background with a high degree of vertical integration
- In a continuous transition to mechatronic powertrain and chassis systems

Strong mechanical base is a prerequisite for electrification/ autonomous driving

## 2 Growth Strategy Automotive OEM Automotive OEM – Success story continues

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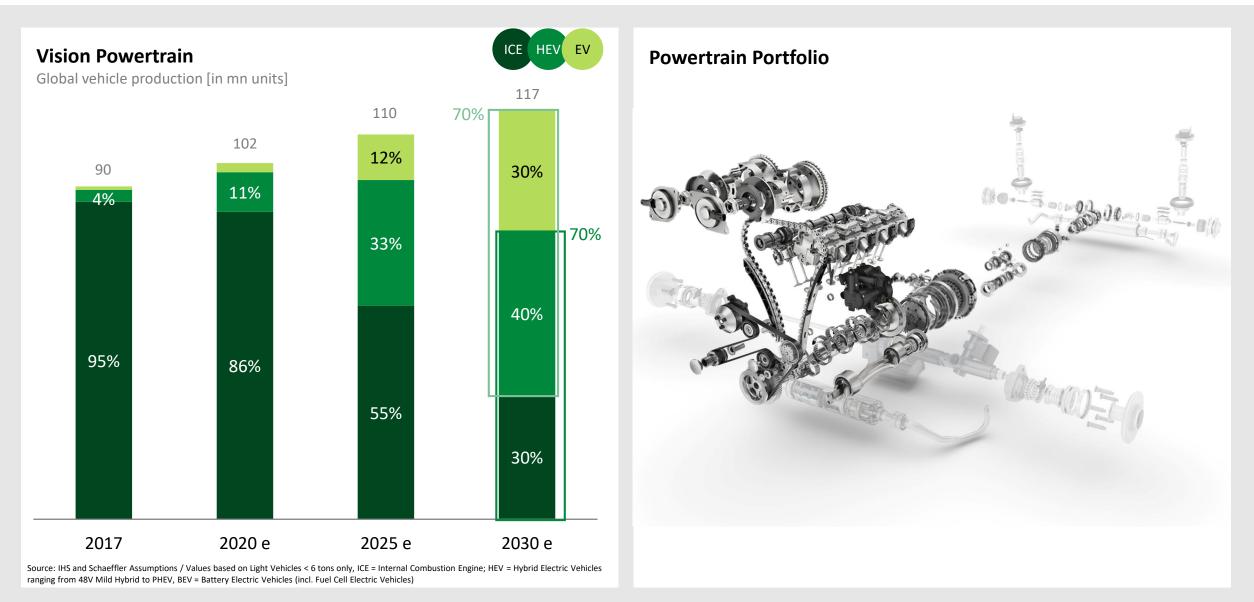


#### Automotive OEM Strategy

- Innovative history and strong track record with new technologies
- Global R&D network to adapt to market challenges and changes
- Operational and manufacturing excellence with a global production footprint

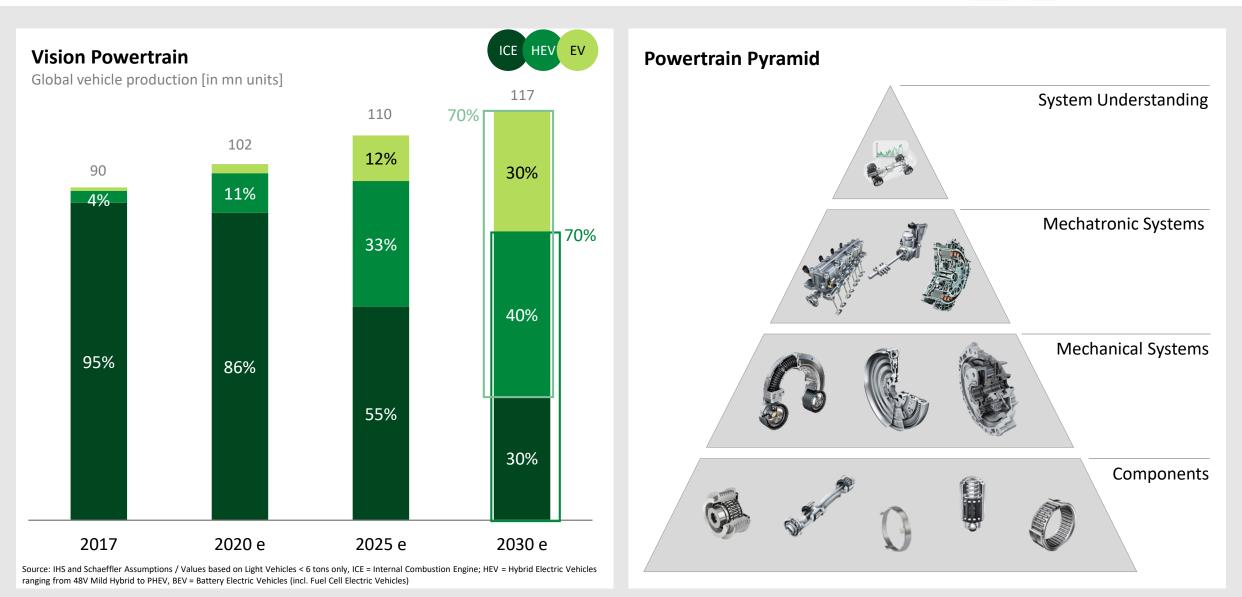
Sustainable & profitable growth through innovation

#### 2 Growth Strategy Automotive OEM **Mobility for Tomorrow – Our Powertrain Strategy**



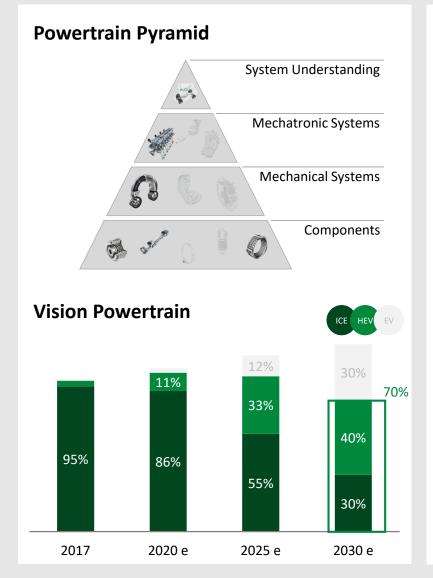
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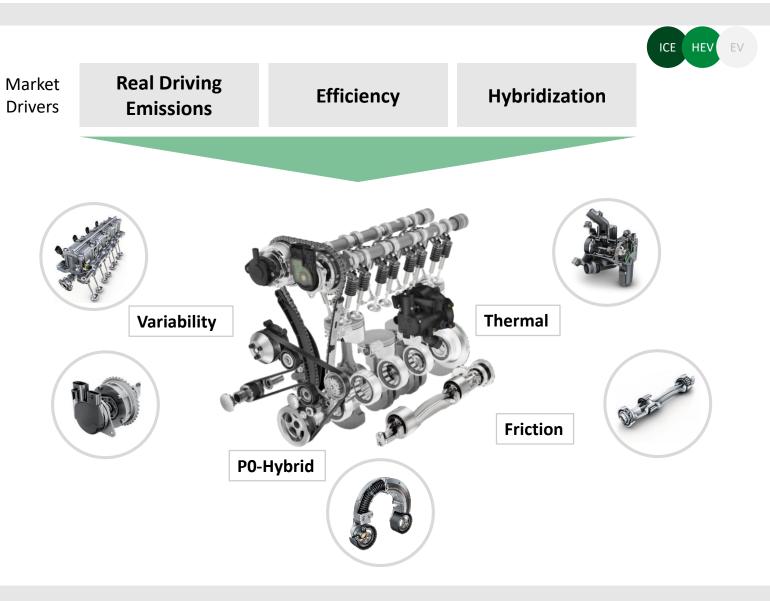




#### 2 Growth Strategy Automotive OEM Engine Systems – Emission reduction offers new business potential

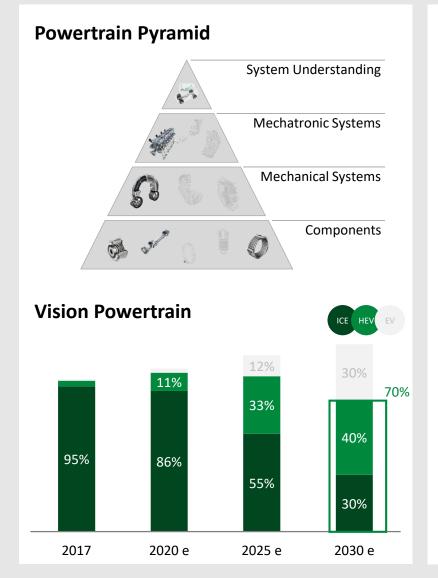


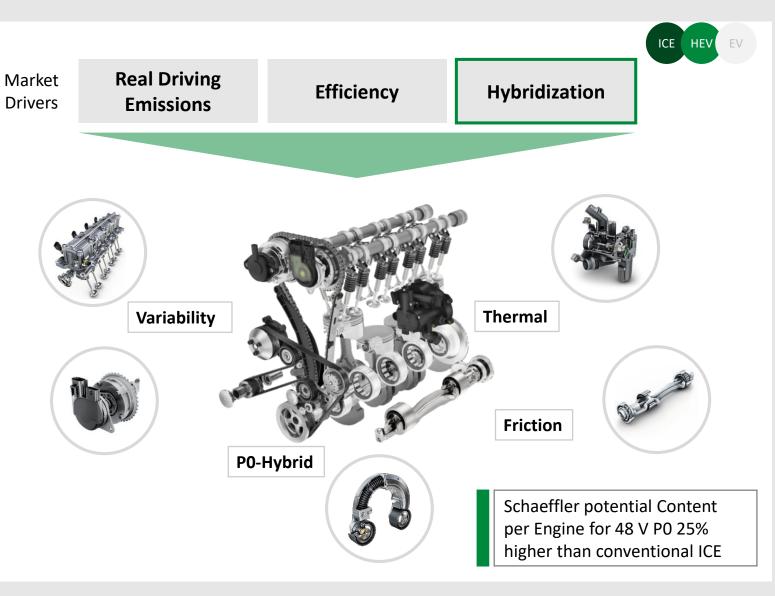




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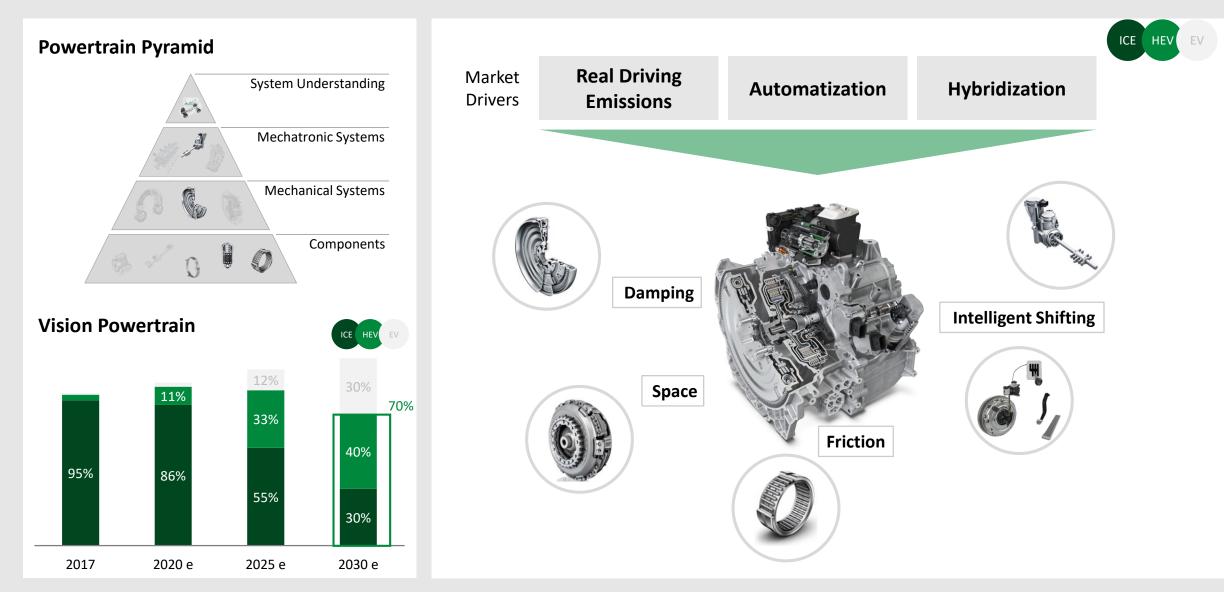






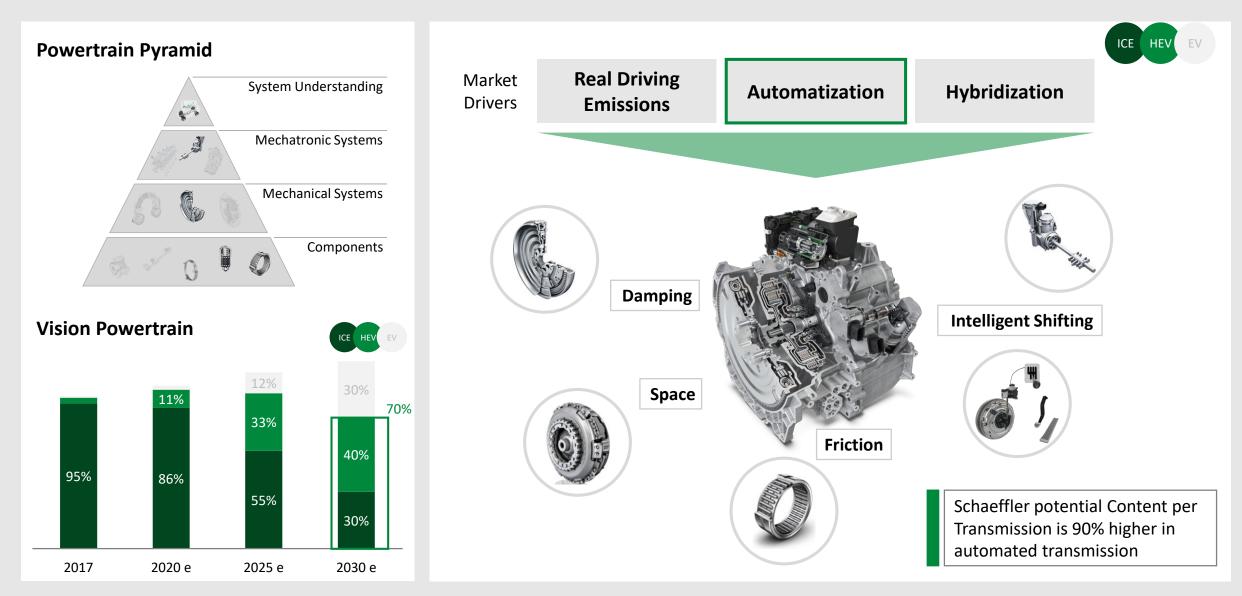
#### 2 Growth Strategy Automotive OEM **Transmission Systems – Higher technical requirements drive business potential**



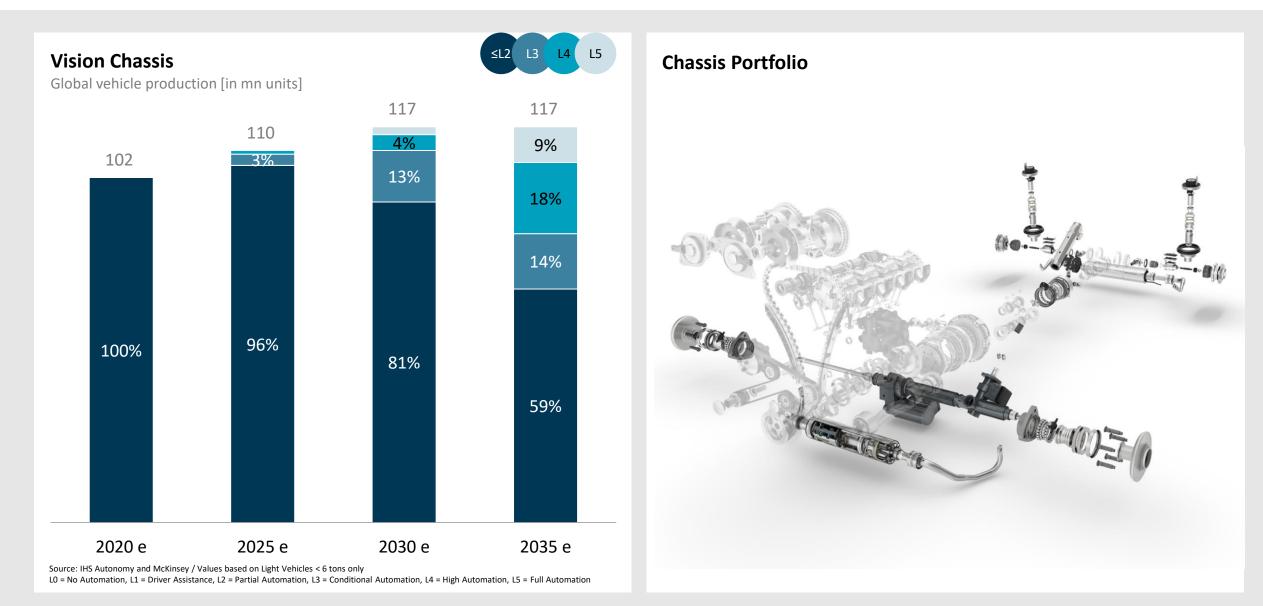


#### 2 Growth Strategy Automotive OEM **Transmission Systems – Higher technical requirements drive business potential**



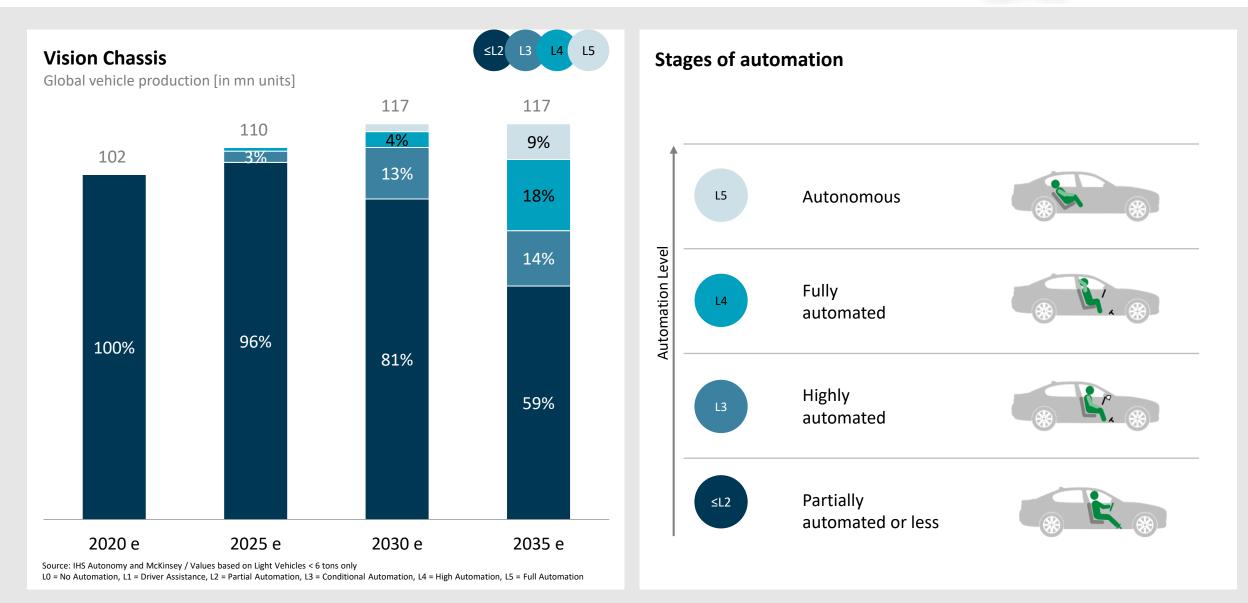


#### 2 Growth Strategy Automotive OEM **Mobility for Tomorrow – Our Chassis Strategy**



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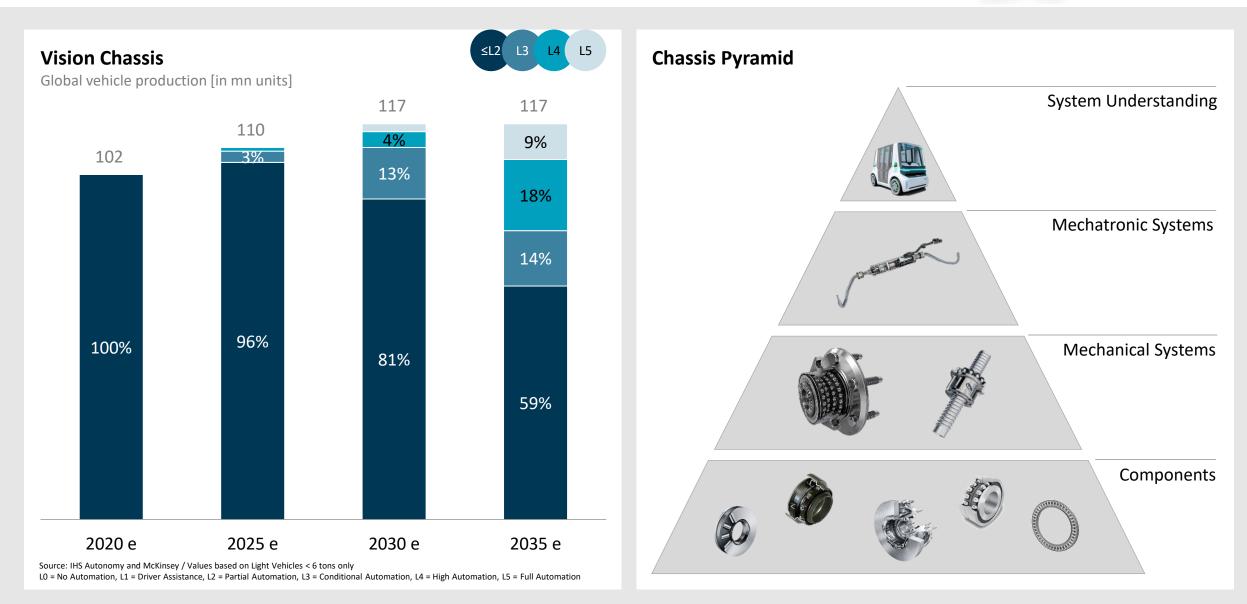




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#### 2 Growth Strategy Automotive OEM **Mobility for Tomorrow – Our Chassis Strategy**



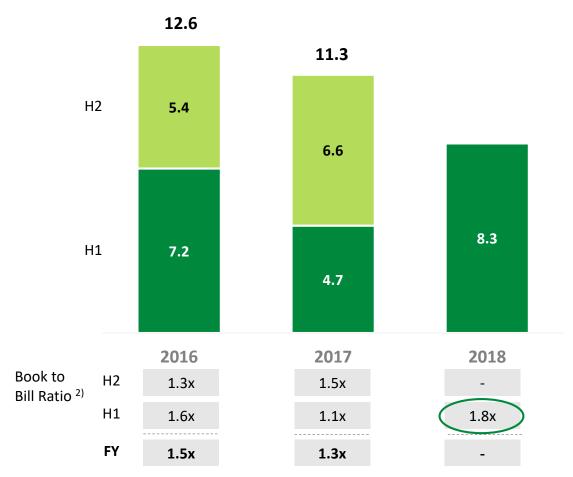


## 2 Growth Strategy Automotive OEM Order Intake Automotive – Promising H1 2018

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Automotive OE Order Intake<sup>1)</sup>

in EUR bn



 $^{1)}$  Received orders in given time period  $^{2)}\,$  Lifetime Sales / Current period revenue

## Order Intake Highlights July/August (Q3)



#### **Planetary Transmission**

- First nominations of a planetary transmission for hybrid vehicle
- Order intake EUR 90 mn

### **Dual-mass Flywheel**

- Nomination by European OEM
- Order intake EUR 200 mn



### **Thermal Management Module**

- Additional nomination in North America
- Order intake EUR 100 mn

#### <sup>3</sup> Conclusion Opportunities and Headwinds (until 2025)

