

Motionparts Annual Report

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Foreword from the Chair

Ladies and gentlemen, Motionparts entered 2023 with clear intent and measured resolve. We faced rapid shifts in technology adoption and regulatory complexity. Our diversified portfolio provided ballast and optionality. We balanced transformation investments with disciplined execution in core franchises. The outcome was resilient growth, stronger margins, and sharpened strategic focus.

We titled this report Crossroads to reflect deliberate choices under uncertainty. Our markets are rewiring around electrification, software, and sustainability. Customer needs are fragmenting by region, price point, and use case. The policy landscape is evolving at speed across major economies. In this setting, timing and capital discipline matter greatly.

Our approach is as pragmatic as it is ambitious. We invest where we possess differentiated know-how and scale. We exit or reshape where structural returns fall short. We form partnerships when speed and ecosystem breadth create advantage. We keep our balance sheet strong to sustain optionality.

In 2023 we delivered solid top-line growth while improving operating leverage. We restructured our Mobility organization to increase speed and accountability. We deepened our software capabilities with new platforms and tooling. We expanded our semiconductor capacity and testing footprint. We advanced our clean heat and building solutions portfolio.

We also acted on competitiveness across the enterprise. We simplified operating models to reduce cost and cycle time. We concentrated manufacturing where demand density and skills align. We intensified productivity programs in engineering, procurement, and SG&A.; We aligned incentives to free cash flow and return on capital employed. We maintained strict hurdle rates on all growth spending.

Our people remained the decisive factor. They adapted to new architectures, tools, and ways of working. They supported customers through supply constraints and transitions. They embraced data-driven decision making in daily routines. Their commitment underpinned our outcomes. I thank every colleague for these contributions.

Looking ahead, the agenda remains demanding. We must scale electrified systems profitably. We must commercialize hydrogen technologies responsibly. We must monetize software over product lifecycles. We must maintain excellence in our traditional businesses. We must do all this while advancing our ESG commitments.

We will proceed with confidence and humility. Confidence borne of technical depth and global reach. Humility grounded in customer reality and capital stewardship. We will correct course quickly when facts change. We will report our progress with rigor and transparency. Thank you

for your continued trust in Motionparts.

AI Use Cases and Benefits

use_case	scope	kpi_improvement_percent	sites_covered
North	EMEA	0.45	130.29
APAC	APAC	0.42	124.65
North	North	0.06	73.24
Americas	South	0.83	92.22
EMEA	South	0.0	102.07
APAC	Americas	0.05	95.46
South	South	0.49	70.85
South	Americas	0.27	98.95
Americas	Americas	0.69	82.61
EMEA	Americas	0.87	98.73
APAC	APAC	0.94	112.64
South	Americas	0.75	105.18
EMEA	APAC	0.93	126.56
EMEA	EMEA	0.16	121.5
Americas	Americas	0.16	123.02
Americas	EMEA	0.42	111.96
South	South	0.81	84.82
North	Americas	0.95	146.32
Americas	North	0.9	114.64
South	South	0.4	101.33

2023 Performance Highlights

Revenue reached 91.6 billion euros, up 3.8 percent versus prior year. Currency-neutral growth was 8.0 percent within guidance. EBIT from operations rose to 5.3 percent, improving 100 basis points. Profit after tax increased to 2.64 billion euros. Capital expenditure was 5.5 billion euros with disciplined phasing.

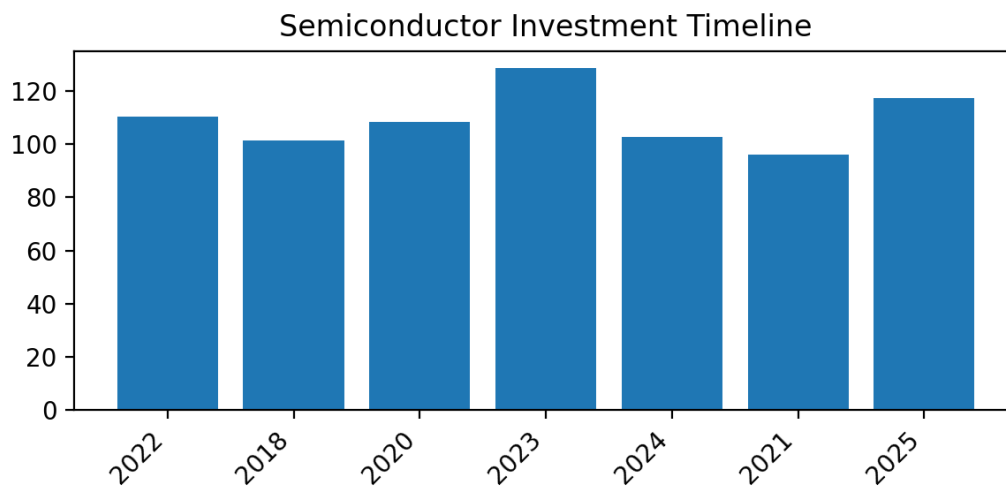
R&D; expense totaled 7.33 billion euros, or 8.0 percent of sales. We prioritized software, power electronics, and thermal systems. We funded platform reuse to reduce nonrecurring engineering. We advanced digital tools to accelerate development cycles. We sharpened portfolio governance and exit criteria.

The balance sheet remained strong and liquid. Total assets were 108.3 billion euros at year-end. Equity was 47.9 billion euros, representing 44 percent of assets. Net financial position supported

investment cadence and resilience. We preserved headroom for inorganic opportunities.

Headcount was 429,416 at year-end. We onboarded talent in software, semiconductors, and systems engineering. We redeployed roles from sunset areas to growth programs. We expanded training in generative AI and product sustainability. We reinforced leadership development across regions.

Semiconductor Investment Timeline



Strategic Priorities for 2024

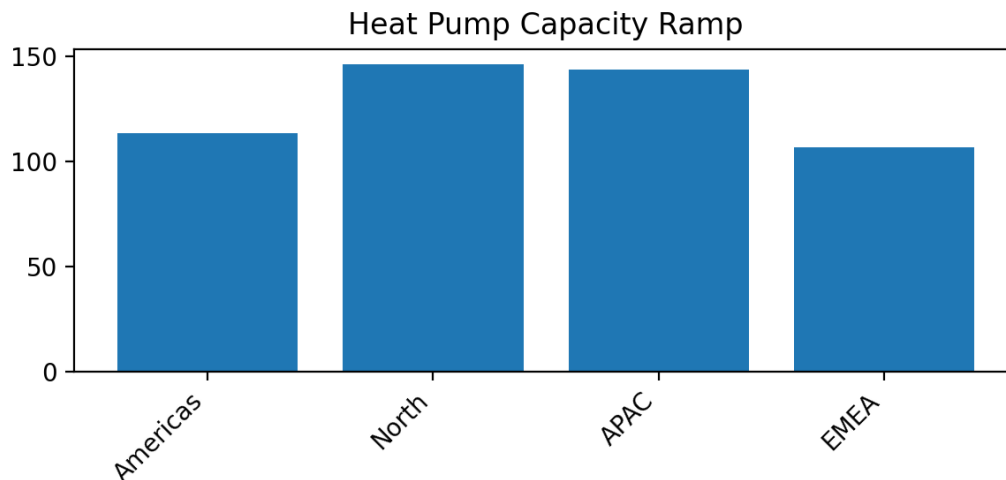
We target 5 to 7 percent revenue growth in 2024. We aim to maintain EBIT from operations roughly at 2023 levels. We will absorb near-term restructuring and ramp costs. We will protect investments in platforms and capacity. We will prioritize cash conversion and working capital discipline.

Mobility will execute its new operating model at scale. Domain teams will align roadmaps by architecture layers. Hardware and software boundaries will be more modular. Common engineering services will improve reuse and velocity. Customer program steering will be tighter and faster.

We will broaden our geographical balance with local-for-local. We will advance manufacturing and supplier localization programs. We will deepen presence in North America and South Asia. We will expand test and backend processes in Southeast Asia. We will strengthen regional software hubs to serve local needs.

We will progress ESG targets with concrete actions. We will increase renewable power procurement across sites. We will reduce scope 3 emissions through design and logistics levers. We will expand circular programs in key product families. We will strengthen safety and inclusion outcomes globally.

Heat Pump Capacity Ramp



Company Profile and Key Data

Motionparts is a diversified provider of technology and services. We operate in mobility, industrial technology, consumer goods, and energy and building solutions. We serve customers in more than sixty countries with local teams. Our strategy integrates hardware, software, and services. Our purpose is to improve life through practical innovation.

Our segments address structural trends with long runways. Electrification, automation, and digitalization reshape demand. Sustainability requirements are rising across value chains. Customers value reliable execution and lifecycle partnership. Our portfolio is designed to meet these needs coherently.

We maintain a distinctive ownership structure to enable independence. A charitable foundation holds the majority of economic interests. Voting rights are predominantly exercised by an industrial trust. This framework shields long-term strategy from short-term pressures. It supports significant upfront investments for future growth.

We operate over four hundred locations worldwide. We run manufacturing at scale with advanced quality systems. We co-locate engineering near customers and plants. We develop software from hubs across three continents. We coordinate through global process standards and shared platforms.

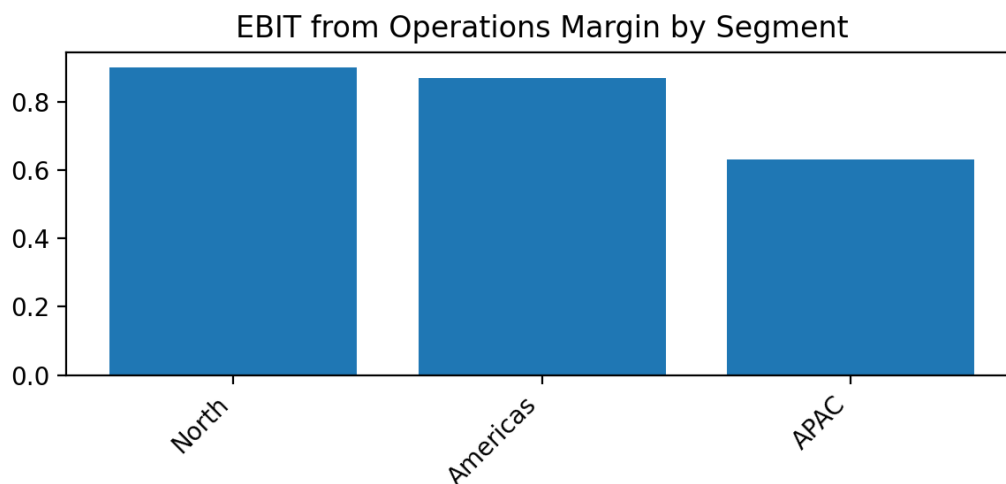
We invest persistently in R&D; to sustain our edge. Core domains include sensor technology, embedded software, and power electronics. We combine domain expertise with platform architectures. We target reuse and modularity to speed time to market. We emphasize design-to-cost and design-to-sustainability.

We manage capital through disciplined allocation routines. We rank opportunities by strategic fit and financial returns. We apply stage-gate governance to large programs. We sharpen exit paths for subscale or declining activities. We recycle capital proactively toward higher-return uses.

We engage stakeholders with transparency and accountability. We maintain regular dialogue with customers and partners. We consult employee representatives on key changes. We report ESG progress against externally reviewed targets. We align incentives with performance and principles.

We build culture around ownership and learning. We expect leaders to simplify and empower. We recognize results and constructive challenge. We invest in capabilities for the next decade. We honor our commitments to communities and the environment.

EBIT from Operations Margin by Segment



Ownership and Governance Structure

The Motionparts Foundation holds approximately ninety-four percent of economic interests. A legacy family holding owns roughly five percent. The company retains a small treasury share. Voting rights are largely vested in Motionparts Industrial Trust. This arrangement safeguards continuity and entrepreneurial freedom.

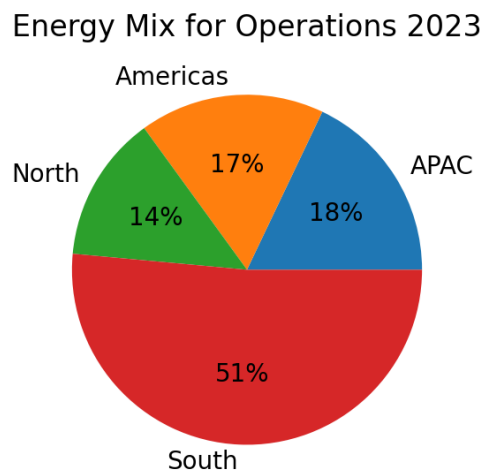
The supervisory board appoints, advises, and oversees the management board. It is composed equally of shareholder and employee representatives. Committees operate for audit, risk, and remuneration matters. The board evaluates strategy, performance, and control systems. It monitors succession and diversity targets.

The management board sets strategy and runs operations. It delegates segment P&L; authority and common functions. It enforces capital discipline and portfolio reviews. It sponsors

transformation programs and talent development. It upholds compliance and sustainability commitments.

Targets for women in leadership are defined and monitored. We track progress at multiple management levels. We extend measures to subsidiaries under codetermination. We aim for global representation reflecting our workforce. We review and adjust actions annually.

Energy Mix for Operations 2023



Global Footprint and Capabilities

We operate a global manufacturing network with regional clusters. Plants specialize by technology and product family. We run flexible lines to balance variety and cost. We apply common standards for quality and safety. We invest in automation and analytics to improve throughput.

Our engineering footprint spans one hundred thirty plus sites. Software centers deliver embedded and cloud solutions. Systems teams integrate mechanics, electronics, and software. Test centers validate to demanding functional safety levels. Collaboration tools connect teams across time zones.

Supply chain design aligns with resilience and efficiency. Dual sourcing is pursued for critical components. Buffer strategies are tailored by volatility and lead times. Nearshoring options are evaluated for key modules. Supplier development programs enhance quality and sustainability.

Customer centers provide application engineering and service. Training hubs support installers and technicians. Digital channels extend service reach and speed. Lifecycle offerings generate recurring revenue streams. Feedback loops inform roadmaps and product improvements.

Headcount by Region and Function

region	engineering	manufacturing	sales_service	administration
South	107.64	105.02	105.41	107.07
EMEA	96.95	65.13	110.92	116.89
APAC	100.19	87.3	99.23	126.8
EMEA	93.25	94.71	99.06	82.51
APAC	144.63	97.9	59.75	100.15
EMEA	114.61	106.1	106.23	137.56
South	142.41	57.05	115.63	78.14
South	80.68	101.77	63.11	64.59
EMEA	31.59	78.71	94.41	87.24
North	137.59	146.09	84.22	87.34
South	104.03	87.68	119.07	113.11
APAC	131.87	91.83	112.93	119.67

Governance and Supervisory Oversight

The supervisory board met regularly throughout the year. It reviewed strategy, budgets, and major investments. It challenged management on performance and market assumptions. It examined risk reports and compliance updates. It monitored the execution of restructuring programs.

The audit committee engaged closely with internal and external auditors. It assessed the quality of financial reporting and controls. It reviewed audit plans and significant findings. It monitored remediation of identified deficiencies. It oversaw non-financial reporting assurance.

The remuneration committee aligned incentives with objectives. It refined performance metrics to emphasize cash and returns. It linked variable pay to transformation milestones. It calibrated targets to market conditions and budgets. It ensured transparency and fairness.

Board succession planning advanced during the year. Skills matrices were updated for future needs. Diverse talent pipelines were reviewed against targets. External and internal candidates were benchmarked. Transition plans were tested through committee work.

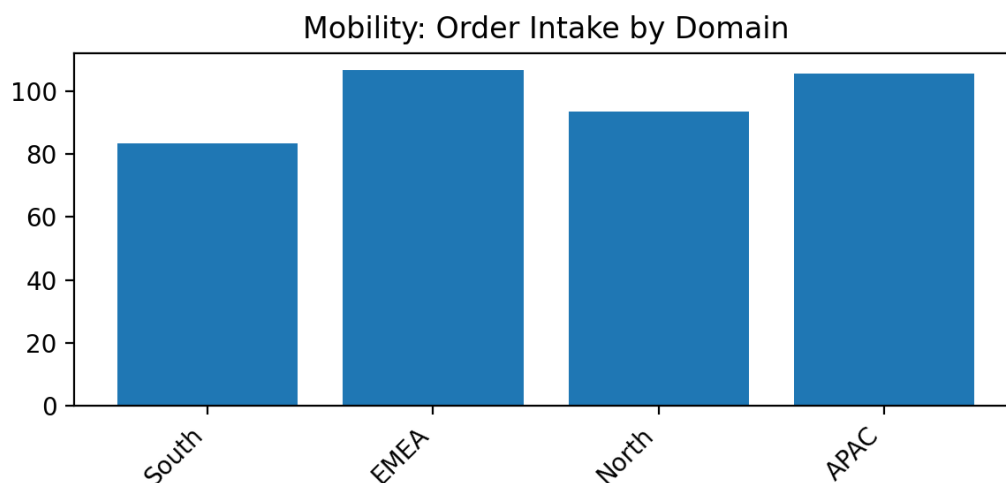
The board visited key sites to observe operations firsthand. It held deep dives on software and semiconductor expansion. It met customers to hear market perspectives directly. It engaged with employee representatives on change impacts. It reinforced culture and values through tone from the top.

Statutory auditors issued an unqualified opinion. Financial statements and management reports were approved. The board endorsed the appropriation of profits. It confirmed compliance with relevant governance codes. It recommended continued strengthening of control systems.

The board established a technology and innovation review cadence. It tracks platform milestones and capital at risk. It evaluates ecosystem partnerships and buy versus build. It monitors talent density and critical skills coverage. It challenges time-to-market and cost competitiveness.

The board reaffirmed the company's mission and guardrails. It will continue to protect independence and long-term thinking. It will insist on discipline in growth and restructuring. It will maintain focus on safety, ethics, and sustainability. It will hold management to high standards of delivery.

Mobility: Order Intake by Domain



Compliance and Ethics

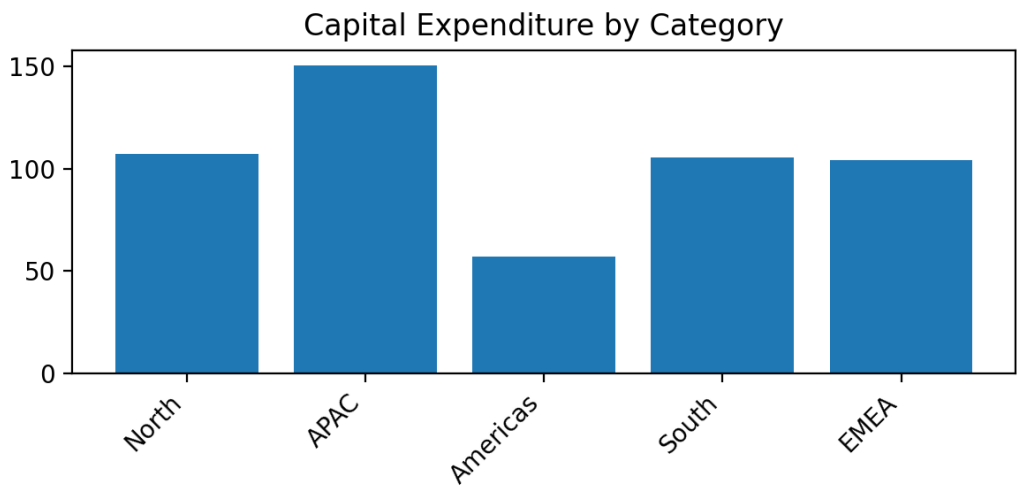
We maintain a global compliance management system. Policies cover antitrust, anti-bribery, data protection, and trade. Training is mandatory and risk-based by role. Speak-up channels are available and protected. Investigations are independent and timely.

We performed targeted compliance risk assessments. We refreshed third-party due diligence procedures. We enhanced export control screening for sensitive items. We strengthened privacy by design in digital offerings. We improved reporting on corrective actions.

Our code of business conduct applies to all associates. Leaders are accountable for embedding standards. We audit culture indicators alongside outcomes. We sanction violations consistently and fairly. We reward ethical leadership in evaluations.

We cascade supplier standards through contracts. We perform audits and remediation jointly with partners. We escalate material breaches and disengage when necessary. We support capability building for smaller partners. We integrate sustainability into sourcing decisions.

Capital Expenditure by Category



Board Diversity and Effectiveness

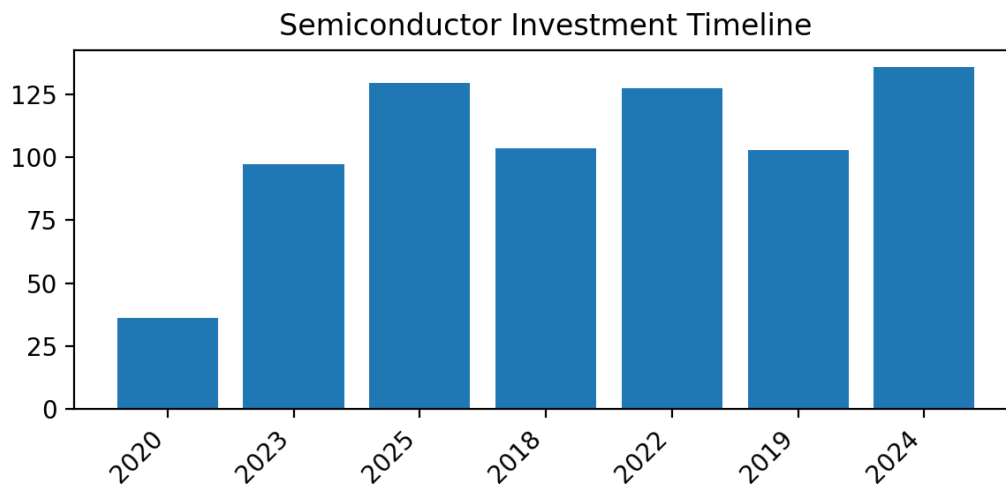
We target balanced boards across experience and perspectives. We add expertise in software, semiconductors, and energy systems. We strengthen regional insight in North America and South Asia. We maintain industrial, financial, and regulatory competence. We refresh composition in a planned cycle.

We evaluate board effectiveness annually. External facilitation is used periodically. We survey members on information quality and debate. We adjust agendas for strategic depth and risk focus. We assign clear actions and follow-through.

We maintain robust induction and continuous education. New members visit plants and engineering centers. They meet customers and partners early in tenure. They receive briefings on core technologies and markets. They engage with leadership teams beyond formal settings.

We monitor time commitments and conflicts of interest. We enforce limits to preserve attention and independence. We disclose relevant activities transparently. We encourage dialogue with stakeholders within policy. We uphold the integrity of oversight processes.

Semiconductor Investment Timeline



Strategy at the Crossroads

Our strategic thesis centers on durable trends and advantaged assets. Electrification, software-defined products, and sustainability are converging. Customers need integrated systems and credible lifecycle partners. Regions diverge in policy, cost, and consumer adoption. We orchestrate our portfolio to these realities.

We aim for 6 to 8 percent average annual growth through 2030. We assume inflation in line with central bank targets. We plan to compound margins by mix and efficiency. We will expand recurring revenue across segments. We will grow faster in selected regions and domains.

We prioritize platforms that scale across applications. We focus on electric drive systems, thermal management, and controls. We invest in vehicle computers and middleware for mobility. We build software platforms for factories and buildings. We design services to monetize installed bases.

We manage the portfolio with rigor and pace. We invest to defend and extend advantaged positions. We reshape or exit areas facing structural headwinds. We acquire selectively to accelerate market entry. We partner where ecosystem breadth creates value.

We drive transformation through domain operating models. We align roadmaps across hardware, software, and services. We concentrate talent in mission-critical teams. We standardize tools and processes for speed. We measure progress with outcome-based KPIs.

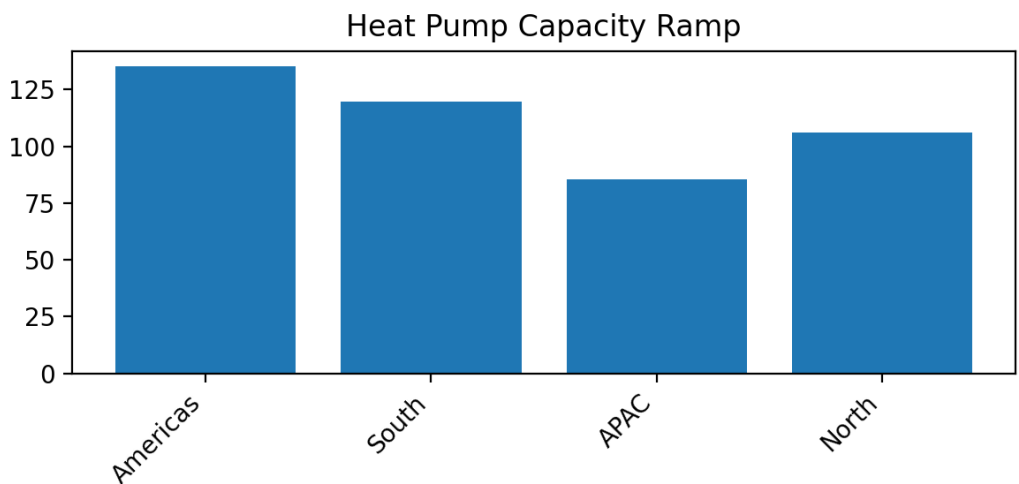
We embed sustainability as a source of advantage. We design products for energy efficiency and repairability. We expand recycled content and circular pathways. We decarbonize operations with credible milestones. We make safety and inclusion non-negotiable.

We strengthen resilience as a strategic capability. We diversify supply sources for critical technologies. We rebalance manufacturing footprints with local-for-local. We build digital twins

for faster response and recovery. We stress test plans against macro and policy shifts.

We sustain culture that enables decisive execution. We simplify decision rights and empower teams. We elevate product ownership and accountability. We celebrate learning and constructive dissent. We anchor incentives in value creation and values.

Heat Pump Capacity Ramp



Capital Allocation Framework

We allocate capital to maximize risk-adjusted value creation. We first fund safety, quality, and license to operate. We then prioritize organic investments in platforms. We reserve capacity for selective M&A; and partnerships. We commit to maintain a strong investment-grade profile.

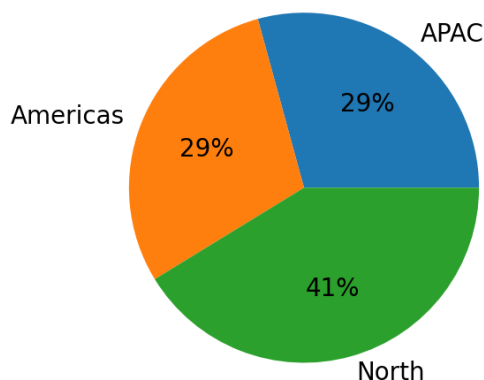
We apply hurdle rates reflecting risk and option value. We stage funding to de-risk large programs. We review milestones quarterly at management board level. We rebase or exit when economics deteriorate. We recycle capital rapidly to higher-return uses.

We target a balanced mix of growth and cash generation. We scale recurring revenue to smooth cycles. We reduce working capital intensity through design and planning. We optimize asset turns across the network. We improve free cash flow conversion structurally.

We align executive incentives with capital productivity. Metrics include ROCE and free cash flow to sales. Transformation milestones feature in scorecards. Long-term value creation outweighs short-term volume. Governance is transparent and consistent.

Revenue by Region 2023

Revenue by Region 2023



Regional Growth Priorities

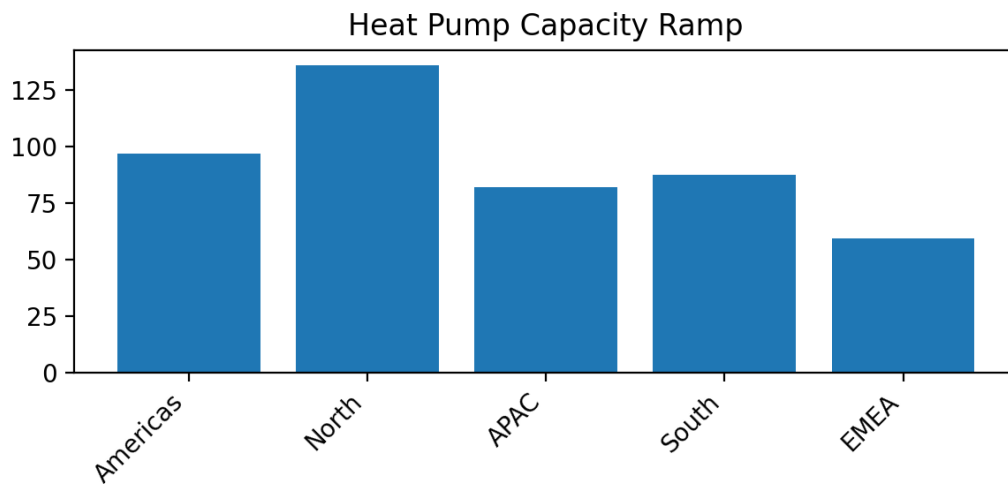
We will deepen presence in North America with local assets. We are expanding manufacturing for key components. We are adding software and engineering capacity. We are broadening channels in consumer and building markets. We are strengthening partnerships with regional customers.

In South Asia we are scaling R&D; and production. We are localizing supply chains for competitive cost. We are tailoring portfolios to market-specific needs. We are investing in vocational training and supplier development. We are building local ecosystems for service delivery.

In Southeast Asia we are expanding backend and testing. We are growing service hubs for industrial and building solutions. We are enhancing distribution and installer networks. We are introducing digital services at accessible price points. We are collaborating with local institutions on skills.

In Europe we are optimizing and modernizing footprints. We are consolidating sites to concentrate competencies. We are investing in energy-efficient facilities and equipment. We are focusing on premium segments and lifecycle services. We are advancing cross-border platform integration.

Heat Pump Capacity Ramp



Market Environment and Competitive Landscape

Global growth moderated in 2023 amid tightening financial conditions. Industrial production recovered unevenly across regions and sectors. Consumer confidence was pressured by inflation and housing weakness. Energy prices eased but remained elevated versus pre-shock levels. Policy support varied by jurisdiction and theme.

Mobility markets rebounded to pre-pandemic production volumes. Supply constraints eased in semiconductors and logistics. Electrified vehicle penetration continued to rise globally. Regional adoption patterns diverged with incentives and infrastructure. Competitive intensity increased with new entrants and platforms.

Industrial technology markets stayed resilient with backlogs. Factory automation demand was solid in electronics and logistics. Mobile machinery faced mixed trends by end markets. Pricing discipline held in most categories. Customers prioritized energy efficiency and flexibility.

Consumer goods markets normalized from pandemic highs. DIY and garden categories experienced demand rebalancing. Professional tools saw steady replacement cycles. Channels continued to shift toward omnichannel and pure online. Competitive landscapes evolved with consolidation and new models.

Energy and building markets enjoyed policy-driven momentum. Heat pumps and hybrid systems gained share in multiple regions. Building security and automation benefited from modernization needs. Customer decision cycles lengthened in some segments. Service models gained traction with digital enablement.

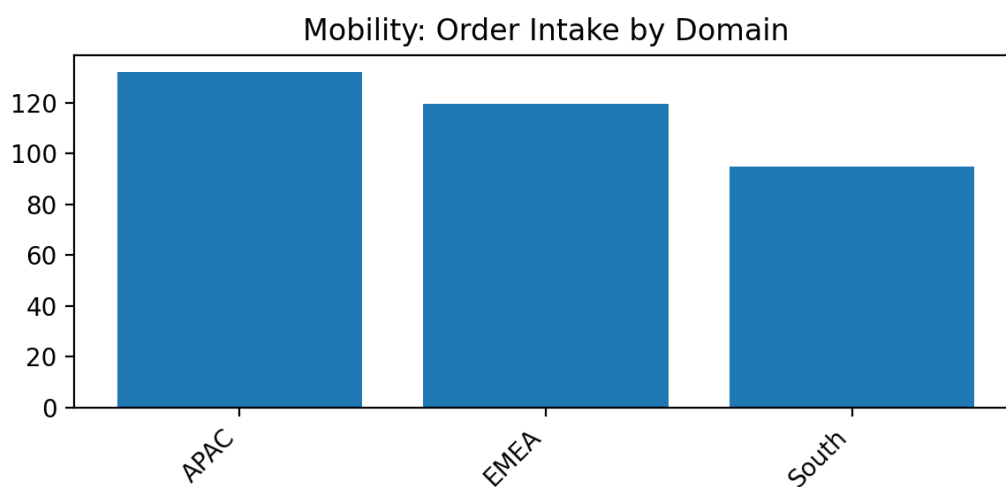
Regulatory frameworks advanced across decarbonization and safety. Emissions standards tightened for vehicles and buildings. Extended producer responsibility expanded in several

markets. Cybersecurity requirements were strengthened for connected devices. Public funding programs supported strategic technologies.

Competitive dynamics intensified across domains and regions. Cost competition increased with new suppliers and geographies. Software and data became central differentiators. Ecosystems and alliances influenced platform selection. Customers sought fewer, more capable partners.

We responded with focus, agility, and partnership. We refined segment plays by customer and region. We accelerated platform and cost roadmaps. We deepened collaboration with key accounts. We strengthened our ecosystem and channel reach.

Mobility: Order Intake by Domain



Mobility Market Dynamics

Vehicle production returned to roughly ninety-three million units. Semiconductor availability improved materially through the year. Electrified mix increased with continued regional dispersion. Policy changes affected incentives and consumer behavior. New entrants expanded share in selected markets.

Customers accelerated moves to centralized E/E architectures. Domain compute and middleware gained prominence. Software content increased across trims and price bands. Over-the-air update capabilities expanded in fleets. Cybersecurity and safety certifications remained critical hurdles.

Powertrain choices diversified around use cases and regions. Battery electric grew strongly in certain segments. Hybrids remained important for cost and infrastructure reasons. Hydrogen applications progressed in heavy duty and selected niches. Alternative fuels maintained relevance in specific markets.

We positioned platforms to match these patterns. We offered modular e-axles and inverters across classes. We advanced brake and steering integration for dynamics. We expanded middleware and basic software offerings. We deepened services for lifecycle revenue capture.

Safety Performance

region_tier	trir_2022	trir_2023	improvement_percent
EMEA	98.31	95.4	0.72
APAC	133.85	110.35	0.39
South	69.44	127.74	0.1
Americas	123.59	121.0	0.43
APAC	58.73	93.66	0.06
Americas	99.66	115.81	0.81
North	89.46	103.64	0.82
South	73.16	59.78	0.89
South	121.54	123.46	0.86
APAC	76.54	107.47	0.25
Americas	124.62	94.11	0.87
North	110.32	174.42	0.86
Americas	79.59	98.17	0.24
APAC	136.43	125.59	0.21
North	93.21	120.33	0.65

Industrial, Consumer, and Building Trends

Industrial automation benefited from labor shortages and reshoring. Customers invested in flexible cells and software-defined control. Predictive maintenance and energy optimization gained traction. Open ecosystems improved interoperability and speed. Services expanded as part of solution bundles.

Consumer tools faced price sensitivity and category downshifts. Pros favored durable, high-performance, and cordless ecosystems. DIY users sought ease, safety, and value. Accessories remained a critical attachment and margin driver. Digital content influenced awareness and choice.

Building solutions saw rising demand for efficiency and resilience. Heat pump adoption was supported by policy and economics. Security and life safety upgrades progressed in public and private assets. Building management systems integrated more domains. Services portfolios expanded with analytics and remote.

We refined plays aligned to these trends. We invested in open control platforms and partner apps. We broadened cordless ecosystems and alliances. We scaled training and installer enablement for heat pumps. We built integrator capabilities for complex projects.

Headcount by Region and Function

region	engineering	manufacturing	sales_service	administration
North	96.69	99.71	131.19	98.03
North	112.54	99.84	64.9	86.66
Americas	91.26	107.79	101.99	87.17
Americas	75.34	60.87	69.52	66.37
South	95.25	102.75	92.22	88.82
EMEA	77.83	79.7	113.91	86.87
APAC	120.8	79.98	62.81	62.52
Americas	131.82	58.77	113.96	126.05
Americas	88.28	114.25	90.56	81.08
South	130.35	113.61	92.88	94.93
North	93.97	74.84	105.37	86.53
EMEA	55.68	31.83	38.43	96.13

Mobility Segment Review

Our Mobility segment undertook a major realignment. We created domain organizations to increase speed and coherence. We focused on electrified motion, vehicle dynamics, and compute. We strengthened software and semiconductor capabilities. We sharpened aftermarket and services propositions.

Revenue grew with improved supply and ramp execution. Profitability improved despite upfront investments. Mix benefited from electrified components and ADAS content. Cost programs offset inflation and launch inefficiencies. Order intake remained healthy across regions.

Electrified motion advanced materially in product maturity. We launched 800-volt solutions with faster charging. We expanded e-axle coverage across vehicle classes. We improved thermal systems for range and comfort. We scaled power electronics manufacturing with partners.

Vehicle dynamics made step changes in integration. We introduced advanced integrated brake control systems. We aligned steering and stability to central control. We enhanced software control models for agility and safety. We prepared for by-wire architectures in future platforms.

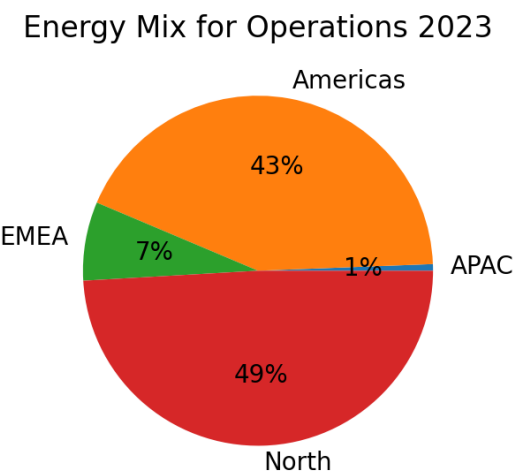
Compute and software progressed on multiple fronts. We expanded middleware and basic software offerings. We delivered hardware-agnostic perception algorithms. We improved development tooling with generative AI. We increased reuse across programs and customers.

Aftermarket and lifecycle services grew steadily. Diagnostics and workshop solutions broadened coverage. Fleet services added condition and energy insights. Digital platforms connected services and parts. Franchise networks extended training and standards.

Semiconductor strategy delivered capacity and resilience. We expanded 200-millimeter capabilities for MEMS and power. We progressed 300-millimeter plans for future scaling. We opened a new testing center in Southeast Asia. We advanced conversion plans at an acquired U.S. site.

Hydrogen technologies reached production milestones. We commenced fuel cell system series production. We developed hydrogen engine components for heavy duty. We planned stack recycling for precious metals recovery. We piloted electrolysis components for green hydrogen.

Energy Mix for Operations 2023



Electrified Motion and Powertrain Transition

We view the powertrain transition as multi-path and regionally paced. Battery electric leads for many light-duty applications. Hybrids remain important as technology and infrastructure bridge. Hydrogen plays roles in heavy duty, long range, and specific duty cycles. Alternative fuels reduce emissions in legacy fleets.

Our electrified motion portfolio is modular and scalable. Motors, inverters, and gearsets combine as e-axes. Thermal systems optimize range, comfort, and durability. Software coordinates energy and thermal flows predictively. Architectures enable reuse across segments and brands.

We improve cost and performance through design and scale. We standardize core modules aggressively across programs. We localize manufacturing to reduce logistics and risk. We deepen supplier partnerships for critical materials. We automate assembly and test for throughput and quality.

We manage launch risk through phase gates and analytics. We run digital twins for lines and products. We validate with accelerated cycles and expanded test coverage. We staff cross-functional launch teams with clear accountabilities. We monitor field data tightly for early issue resolution.

Cash Flow Summary

line_item	2022_eur_m	2023_eur_m
South	93.72	72.02
APAC	132.01	107.32
Americas	81.68	84.01
Americas	139.9	129.9
North	110.15	105.27
Americas	125.6	124.21
Americas	55.15	121.83
EMEA	82.52	49.41
South	131.4	162.33
EMEA	108.14	89.95
APAC	73.63	99.9
APAC	62.41	68.81

Vehicle Dynamics, Compute, and Software

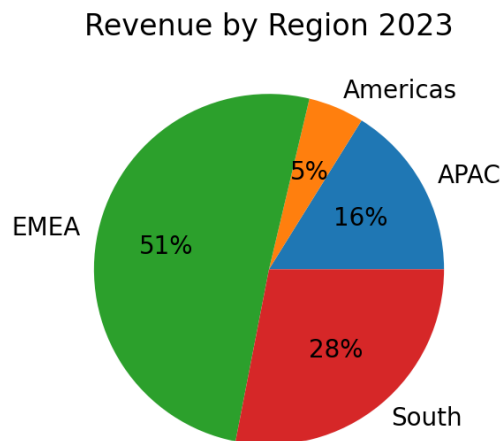
We are integrating brake, steering, and propulsion control. Central control models improve stability and agility. Software defines behavior tuned to use cases. Hardware abstraction increases portability and reuse. Functional safety remains a foundational discipline.

We advance the software-defined vehicle step by step. Domain computers consolidate control units. Middleware standardizes communication and services. Over-the-air enables lifecycle feature deployment. Cybersecurity is embedded across the stack.

Our ADAS portfolio expands in capability and range. Perception software operates hardware-agnostically. Parking and maneuvering functions improve safety and convenience. Highway automation advances with redundancy and validation. Toolchains accelerate algorithm development.

ETAS, our software subsidiary, enables broader adoption. It provides basic software and development tools. It offers cybersecurity solutions end to end. It consults on architectures and integration. It supports customers inside and outside Motionparts.

Revenue by Region 2023



Industrial Technology Segment Review

Industrial Technology delivered growth and strategic progress. Hydraulics benefited from robust demand and acquisitions. Factory automation grew with platform adoption and partners. Software and services gained traction across offerings. Profitability improved through mix and cost actions.

We integrated a compact hydraulics specialist in North America. We combined portfolios to enlarge addressable markets. We aligned manufacturing and logistics networks. We harmonized channels and customer coverage. We advanced cultural integration with joint programs.

Electrification of mobile machinery is a strategic focus. Our e-drive platform serves multiple equipment types. Energy recovery and control algorithms improve efficiency. Modular batteries and charging interfaces enable flexibility. Partnerships extend reach and speed to market.

Industrial hydraulics advanced in digitization and efficiency. Smart valves and controls improved precision and uptime. Digital twins simplified engineering and commissioning. New motors reduced weight and lifecycle emissions. Software tools integrated sizing, control, and diagnostics.

Factory automation scaled an open control ecosystem. Partner count exceeded ninety with growing app libraries. Modular hardware improved flexibility for machines. Customers reduced engineering time and increased OEE. Energy optimization features gained adoption.

We expanded and optimized the footprint for resilience. We opened and ramped new sites in Europe and the Americas. We consolidated locations to concentrate skills and flow. We increased value creation in China and North America. We invested in logistics and foundry upgrades for reliability.

Our manufacturing solutions unit grew with e-mobility. It delivered assembly and test systems for batteries and drives. It expanded customer base outside Motionparts. It integrated analytics and MES for performance. It strengthened lifecycle service offerings.

Our connected industry unit won anchor software programs. It equipped a battery cell factory with digital solutions. It advanced low-code tools for line builders. It broadened digital factory suites for SMEs. It integrated data products across manufacturing platforms.

Headcount by Region and Function

region	engineering	manufacturing	sales_service	administration
APAC	48.22	142.26	133.16	114.32
EMEA	104.49	87.43	119.59	66.88
South	154.57	113.57	72.97	89.87
APAC	139.84	65.17	111.75	117.55
North	114.62	79.54	105.37	95.31
North	86.49	111.59	106.37	116.07
Americas	100.95	104.85	85.46	125.36
South	40.62	86.64	122.03	100.35
Americas	128.4	63.06	63.1	58.6
South	88.4	82.93	156.22	108.88
North	116.98	127.01	95.68	104.37
EMEA	84.68	151.69	95.73	82.55

Hydraulics and Mobile Electrification

Mobile hydraulics remains vital for force and durability. Electrification complements, not replaces, core strengths. E-axes and hydraulic integration enable new architectures. Control software coordinates power and precision. Customers see fuel savings and CO2 reductions in field.

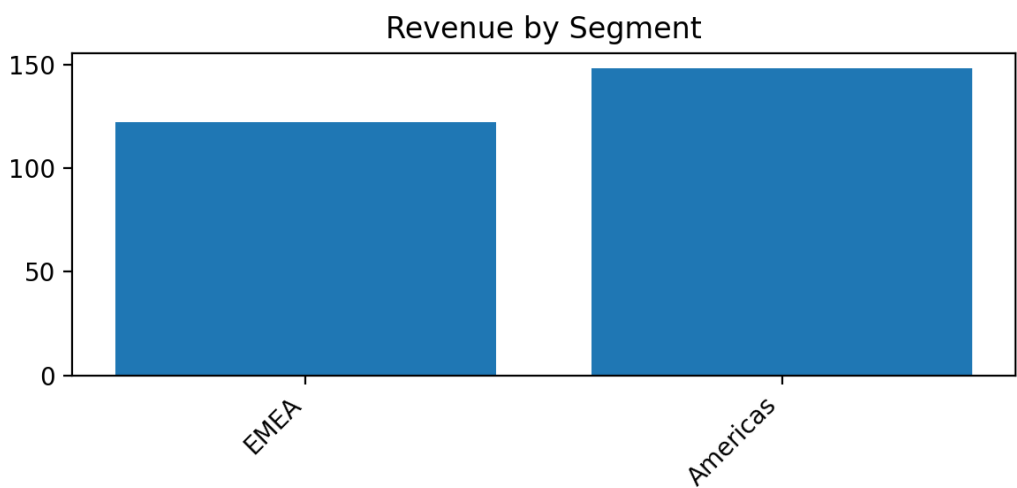
We tailor solutions by machine class and duty cycle. Compact equipment benefits from rapid electrification. Heavy equipment adopts hybrid approaches pragmatically. Charging infrastructure and duty cycles guide economics. Retrofit options expand addressable fleets.

We develop joint ventures in local markets. Partners bring proximity and application expertise. We add platform technology and industrialization capabilities. We accelerate product localization

and cost competitiveness. Governance ensures speed with control.

We advance talent and supplier ecosystems. We train technicians for high-voltage and software. We support supplier upgrades for quality and sustainability. We embed safety practices for new systems. We share field learning across regions rapidly.

Revenue by Segment



Open Automation and Digital Services

Open control platforms reduce vendor lock-in and costs. App ecosystems speed deployment and innovation. Modular hardware keeps options open for customers. Analytics enable predictive and prescriptive maintenance. Energy features deliver measurable savings.

We certify partners and apps to quality standards. We provide SDKs and developer support widely. We curate marketplaces for discoverability and trust. We ensure security and lifecycle support commitments. We align roadmaps with key OEM partners.

Services complete the solution and drive outcomes. We offer consulting for architecture and migration. We deliver commissioning and optimization packages. We operate remote monitoring and update services. We price for value and uptime improvements.

We cultivate communities and learning. We host developer events and challenges. We share examples, templates, and best practices. We support universities and vocational training. We evolve standards with industry bodies.

AI Use Cases and Benefits

use_case	scope	kpi_improvement_percent	sites_covered
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EMEA	APAC	0.92	41.77
South	Americas	0.64	42.75
South	Americas	0.69	86.66
South	South	0.75	68.06
APAC	North	0.23	120.96
EMEA	APAC	0.56	99.77
South	Americas	0.88	89.93
North	Americas	0.94	91.67
South	Americas	0.58	66.54
South	EMEA	0.01	98.64
South	South	0.33	139.52
North	North	0.42	96.93
APAC	APAC	0.58	84.49
South	APAC	0.7	66.28
APAC	North	0.53	96.52
APAC	North	0.61	110.1
Americas	APAC	0.45	67.82
APAC	EMEA	0.62	79.79
North	South	0.36	145.29
EMEA	EMEA	0.79	38.0

Consumer Goods Segment Review

Consumer Goods navigated normalization and competition. Demand softened in DIY and garden categories. Professional tools maintained steadier trajectories. Pricing and mix management protected gross margins. Cost programs mitigated volume deleverage.

We reorganized to align to customer and channel needs. We integrated DIY and professional tools into one unit. We combined outdoor and garden into a focused business. We invested in accessories to support ecosystems. We strengthened North America go-to-market.

Cordless ecosystems remained at the core of strategy. We expanded 18-volt platforms with cross-brand alliances. We introduced batteries with longer life and faster charge. We enhanced safety and ergonomics in designs. We broadened breadth across trades and tasks.

Digital and omnichannel gained share in sales and service. We improved content, configurators, and communities. We partnered with leading multichannel retailers. We grew pure online relationships and assortments. We scaled direct-to-pro experiences selectively.

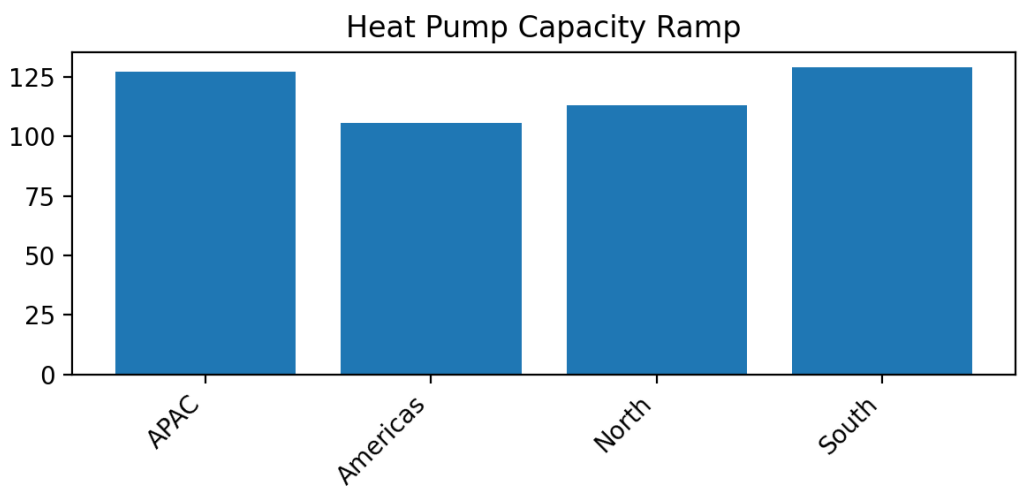
Accessories delivered resilience and attachment. We innovated in abrasives, bits, and blades. We introduced SKUs for robotics-assisted processes. We invested in application expertise and education. We optimized supply for availability and cost.

We advanced sustainability in products and packaging. We increased recycled content without performance loss. We reduced packaging volume and plastics significantly. We designed for disassembly and repair where feasible. We collaborated with external experts for guidance.

We managed restructuring to reduce complexity and cost. We simplified portfolios and reduced redundancies. We consolidated development and support functions. We optimized footprint with minimal disruption. We supported people transitions with care.

We preserved optionality for recovery and innovation. We maintained pipeline for segment-relevant launches. We protected marketing for trade and user engagement. We invested in testing and standards leadership. We prepared to capture demand when categories rebound.

Heat Pump Capacity Ramp



North America Growth Agenda

North America represents over forty percent of the tools market. We are tailoring portfolios to regional preferences. We are investing in brand and category leadership. We are strengthening field sales and user engagement. We are expanding accessories and attachments assortments.

We are enhancing supply and service responsiveness. We are improving inventory positioning and forecasting. We are integrating repair and calibration services. We are expanding training for retailers and trades. We are building communities around use cases.

We are leveraging alliances to extend ecosystems. Cross-brand battery compatibility increases adoption. Joint marketing expands reach and relevance. Shared roadmaps align innovation and timing. Standards encourage confidence and commitment.

We are measuring progress with granular KPIs. We track share by channel and category. We monitor repeat purchase and attachment rates. We assess content effectiveness and conversion. We refine plans based on insights and feedback.

Cash Flow Summary

line_item	2022_eur_m	2023_eur_m
South	109.02	130.87
Americas	106.23	79.93
Americas	84.46	144.25
North	121.63	98.16
Americas	145.19	103.94
South	141.2	137.66
North	102.43	84.76
APAC	126.03	117.64
EMEA	135.69	81.52
EMEA	102.16	54.39
EMEA	91.9	69.71
Americas	141.41	106.7

Sustainable Product Development

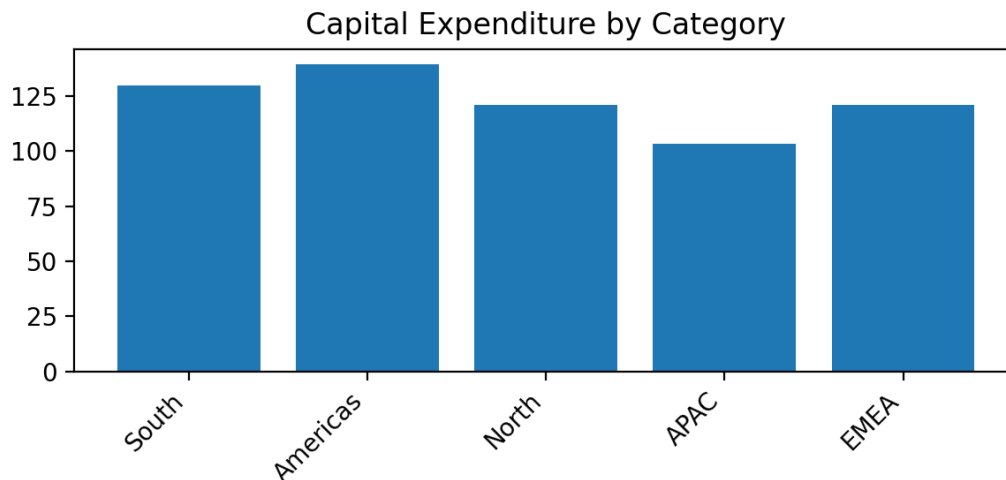
We embed sustainability in the product development process. Gate reviews include carbon, materials, and repairability. Teams use tools to quantify environmental impacts. Targets guide design choices and supplier selection. Training builds capabilities across functions.

We increase recycled content progressively. We validate performance equivalence rigorously. We communicate transparently to users and partners. We explore take-back and refurbishment models. We incorporate learnings into next generations.

We optimize packaging for impact and cost. We reduce volume and plastic significantly. We adopt mono-materials for recycling. We improve supply chain logistics efficiency. We maintain protection and shelf appeal.

We engage with NGOs and standards bodies. We invite critique to improve and accelerate. We share progress and challenges openly. We align with evolving regulations proactively. We influence through science-based positions.

Capital Expenditure by Category



Energy and Building Technology Segment Review

Energy and Building delivered strong growth and margin expansion. Heat pumps and hybrid systems gained share. Security and building automation pursued integrator-led wins. Services and recurring revenue continued to scale. Portfolio actions sharpened focus and returns.

We prioritized high-efficiency heating and cooling solutions. We expanded capacity across European sites. We launched hybrid systems matched to legacy building stock. We advanced control algorithms for comfort and efficiency. We strengthened installer networks and training.

We focused the building technology portfolio on systems integration. We expanded presence in North America with acquisitions. We planned divestment of selected product lines. We invested in project delivery and service capabilities. We aligned offerings across security, energy, and automation.

Our global service solutions business grew across industries. It scaled emergency and monitoring services. It expanded logistics and pharma tech-enabled operations. It advanced omnichannel customer support platforms. It improved efficiency with AI-powered tools.

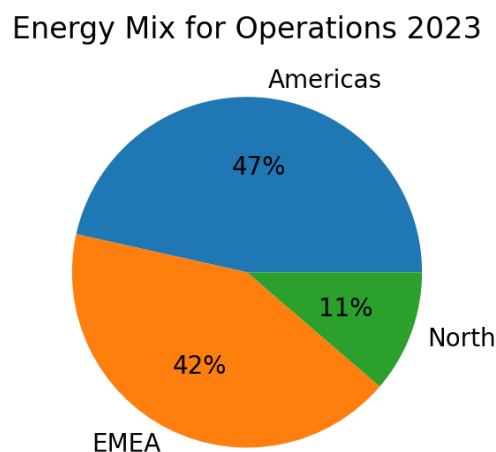
We delivered complex projects in iconic and critical sites. We modernized life safety systems with minimal disruption. We integrated energy management into building operations. We coordinated multi-year programs with stakeholders. We ensured compliance and performance over lifecycle.

We improved economics through design and execution. We standardized platforms across markets and projects. We modularized to reduce site work and risk. We optimized procurement for cost and availability. We enhanced commissioning and remote support.

We navigated policy and subsidy shifts across regions. We adjusted marketing and demand programs quickly. We supported customers through application and compliance. We aligned production to realistic demand scenarios. We preserved flexibility for mix and timing.

We deepened ecosystem partnerships and alliances. We worked with utilities and grid operators on programs. We collaborated with universities on skills and innovation. We engaged with standards bodies on interoperability. We built trust with customers through delivery.

Energy Mix for Operations 2023



Heat Pump Network and Enablement

We are investing over the decade to scale heat pump capacity. We are adding lines and labs in multiple European sites. We are training thousands of installers and partners. We are enhancing service and support infrastructure. We are tailoring products to local building realities.

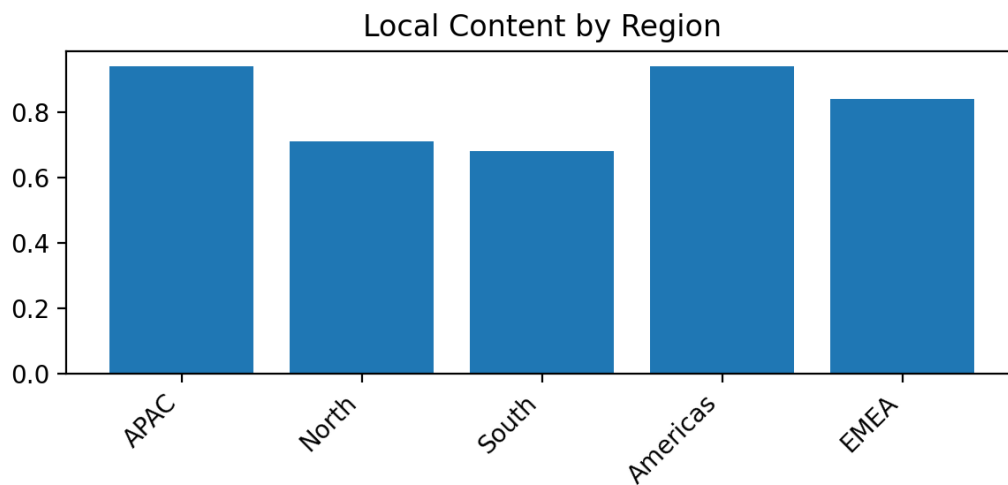
We optimize hybrid systems for retrofit scenarios. We integrate with existing radiators and boilers. We improve controls to balance comfort and cost. We support financing and incentives navigation. We measure performance and share insights.

We reduce product cost through design and scale. We modularize platforms for variants and markets. We localize components and suppliers responsibly. We raise yields and productivity with automation. We continuously improve based on field data.

We communicate benefits clearly to consumers and installers. We provide tools to size and simulate outcomes. We simplify installation and commissioning steps. We offer service plans

and remote diagnostics. We build long-term relationships around comfort and savings.

Local Content by Region



Systems Integration and Services

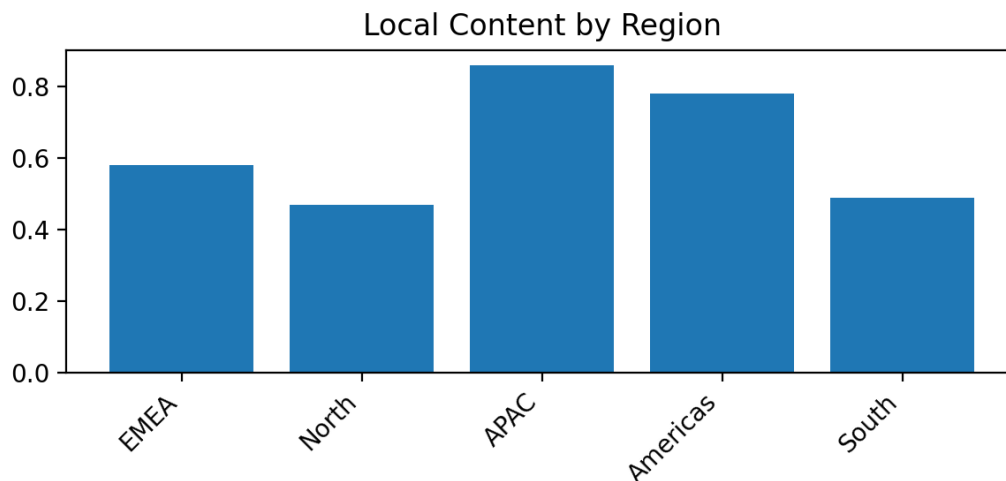
We concentrate on integrator-led building solutions. We deliver security, energy, and automation as systems. We assume responsibility for design, delivery, and lifecycle. We coordinate with multiple stakeholders and trades. We measure outcomes and optimize continuously.

We build capability at scale across regions. We standardize methods and tools for consistency. We invest in project management and commissioning. We expand remote operations and analytics centers. We develop talent pipelines with partners.

We refine portfolio through active management. We retain and invest where we have scale and advantage. We divest or partner where focus creates value. We reinvest proceeds into growth platforms. We maintain discipline throughout cycles.

We advance digital layers across offerings. We integrate data from devices and systems. We apply AI for anomaly detection and optimization. We deliver dashboards and automation rules. We secure systems end to end.

Local Content by Region



Innovation and R&D;

Innovation remained central to Motionparts performance. R&D; investment of 7.33 billion euros supported platforms. We emphasized software, power electronics, and thermal systems. We advanced sensor technologies and perception algorithms. We elevated tools and methods across engineering.

We managed R&D; as a strategic portfolio. We balanced core, adjacent, and transformational bets. We staged funding by maturity and risk. We targeted high reuse across products and segments. We focused on value and time to impact.

We strengthened collaboration across disciplines and sites. We aligned architectures across hardware and software. We standardized toolchains and data models. We shared components and services through internal marketplaces. We measured productivity and quality rigorously.

We invested in enabling infrastructure and labs. We expanded simulation and HIL capabilities. We improved validation throughput with automation. We enhanced cybersecurity testing and certification. We built facilities for power and thermal testing.

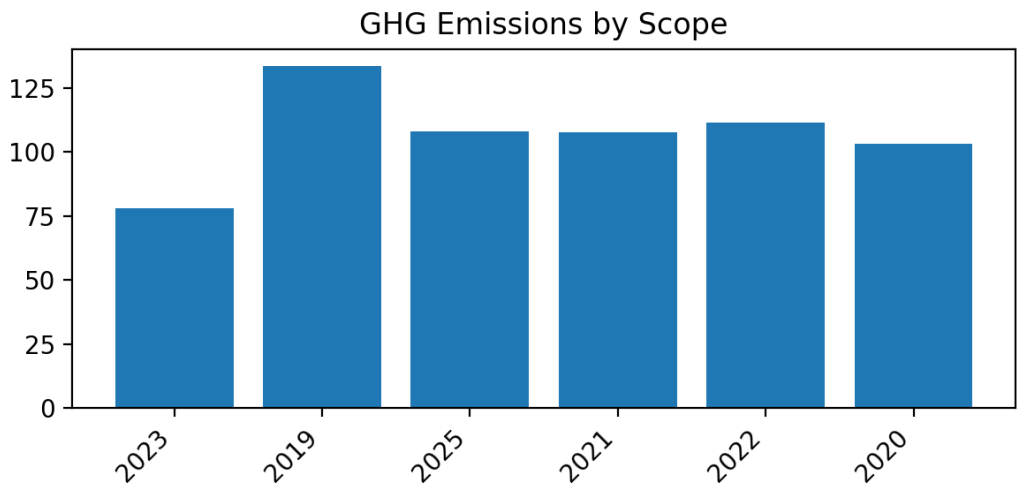
We trained engineers in generative AI and modern practices. We adopted coding assistants and model-based tools. We created synthetic data pipelines for perception. We automated documentation and test case generation. We freed capacity for higher-value work.

We strengthened academic and startup partnerships. We co-invested in research on materials and control. We piloted novel AI methods with specialist firms. We contributed to open standards and communities. We fostered ecosystems around our platforms.

We managed IP strategically to protect and enable growth. We filed patents on core algorithms and architectures. We licensed selectively to expand markets. We enforced rights against infringement responsibly. We shared where ecosystem adoption benefits the whole.

We assessed and sunset projects with discipline. We stopped lidar hardware development for cost-performance reasons. We reallocated teams to radar and compute priorities. We redeployed tools and labs efficiently. We shared lessons learned across programs.

GHG Emissions by Scope



Semiconductor Strategy and Capacity

Semiconductors are foundational to our products and systems. We expanded 200-millimeter capacity for MEMS and power. We progressed 300-millimeter plans for future volumes and nodes. We opened a testing center in Southeast Asia for scale. We advanced conversion of an acquired U.S. fab for power devices.

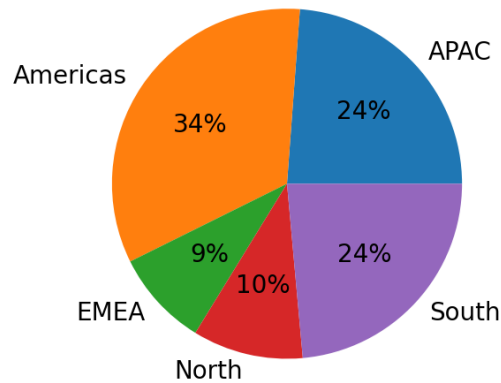
We balanced internal and external sourcing pragmatically. We manufactured strategic components for differentiation. We partnered broadly for capacity and technology access. We diversified by region to reduce concentration risk. We invested in skills and equipment sustainably.

We prioritized silicon carbide for electrified powertrains. We improved yields and defect density with experience. We optimized device architectures for efficiency and cost. We broadened wafer sourcing and substrate partnerships. We aligned product roadmaps with customer launches.

We integrated semiconductor design with system engineering. We co-optimized hardware and control algorithms. We validated in system context to accelerate ramp. We leveraged common test methods and data. We reduced cycle times and variability meaningfully.

Revenue by Region 2023

Revenue by Region 2023



Software Platforms and Tools

We invested in shared software platforms across segments. We built middleware and basic software for mobility. We advanced factory and building platforms with open APIs. We curated internal marketplaces for reusable components. We measured adoption and impact explicitly.

We upgraded toolchains for modern software engineering. We standardized CI/CD and test automation across teams. We integrated model-based and code-centric workflows. We improved observability and telemetry for products. We reduced friction and waste in development.

We embraced generative AI to augment engineers. We deployed coding assistants with guardrails. We generated synthetic data for perception and testing. We automated documentation and compliance artifacts. We monitored outcomes and safety carefully.

We enhanced cybersecurity by design practices. We threat-modeled systematically across stacks. We integrated secure development lifecycle gates. We tested red-blue at product and system levels. We maintained certifications and incident readiness.

Headcount by Region and Function

region	engineering	manufacturing	sales_service	administration
Americas	91.09	103.59	131.38	104.79
EMEA	68.66	73.06	101.85	75.9
Americas	85.56	129.22	102.49	86.59
EMEA	72.08	80.04	105.65	101.13
EMEA	89.8	97.12	65.22	88.48
EMEA	90.6	78.11	117.53	122.16
APAC	116.21	130.21	91.41	87.57
South	97.02	89.41	101.89	112.32

South	112.44	109.81	67.36	51.5
North	117.37	131.98	58.46	126.1
Americas	103.19	100.52	92.03	105.44
Americas	105.44	95.98	85.78	80.93

Digitalization and AI

Digitalization is a core lever for growth and efficiency. We defined a group-wide strategy with shared metrics. We focused on customer-centric solutions and ecosystems. We accelerated internal process digitization at scale. We built skills and empowered digital talent.

We measured software and services revenue consistently. We tracked recurring revenue across segments. We aligned portfolio choices to digital opportunity. We created governance for partnerships and data use. We reported progress quarterly to the board.

We scaled AI across products and operations. We deployed generative AI in engineering and support. We applied machine learning in manufacturing and logistics. We embedded AI in assistance, control, and optimization. We governed AI responsibly and transparently.

We modernized enterprise platforms for speed. We accelerated rollout of new ERP and analytics stacks. We standardized data models and integration patterns. We automated workflows and approvals extensively. We improved user experience and compliance.

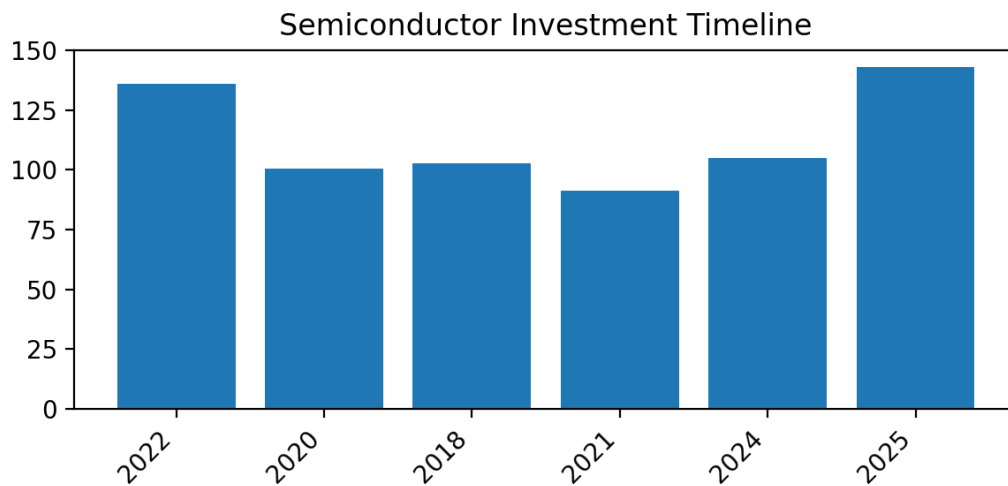
We cultivated digital communities and practices. We trained thousands through internal academies. We recognized digital champions and contributions. We rotated leaders through digital roles and missions. We recruited specialists into critical domains.

We partnered to accelerate and de-risk. We worked with startups on frontier AI applications. We co-developed with customers where outcomes align. We integrated third-party services where value is clear. We kept core capabilities and IP under Motionparts control.

We measured benefits to validate investments. We tracked cycle time, quality, and cost improvements. We measured engagement and satisfaction for users. We assessed incremental revenue from digital services. We adjusted priorities based on evidence.

We maintained security and privacy by design. We enforced identity and access controls strictly. We encrypted data at rest and in motion. We audited and tested continuously. We responded and learned from incidents transparently.

Semiconductor Investment Timeline



Generative AI Adoption

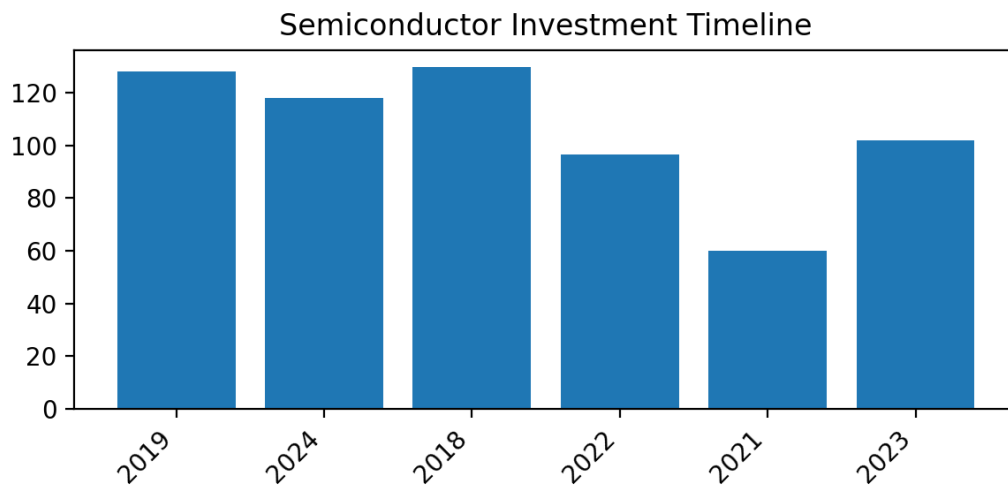
We rolled out an internal generative AI assistant at scale. Associates used it for coding, writing, and analysis. We provided guardrails and training for safe use. We monitored adoption and outcomes closely. We iterated quickly on prompts and patterns.

Engineering benefited from acceleration in routine tasks. Code suggestions reduced keystrokes and errors. Test generation improved coverage and speed. Documentation improved clarity and consistency. Productivity gains freed time for design and problem-solving.

Manufacturing applied generative methods for vision. Synthetic images supplemented scarce defect datasets. Models trained faster and generalized better. Inspection time reduced and first-pass yield improved. Changeover times shortened with smarter recipes.

Support operations improved responsiveness and quality. AI assisted agents with suggestions and summarization. Knowledge bases updated faster and more accurately. Customer satisfaction scores improved steadily. Cost per interaction declined meaningfully.

Semiconductor Investment Timeline



Data Platforms and Ecosystems

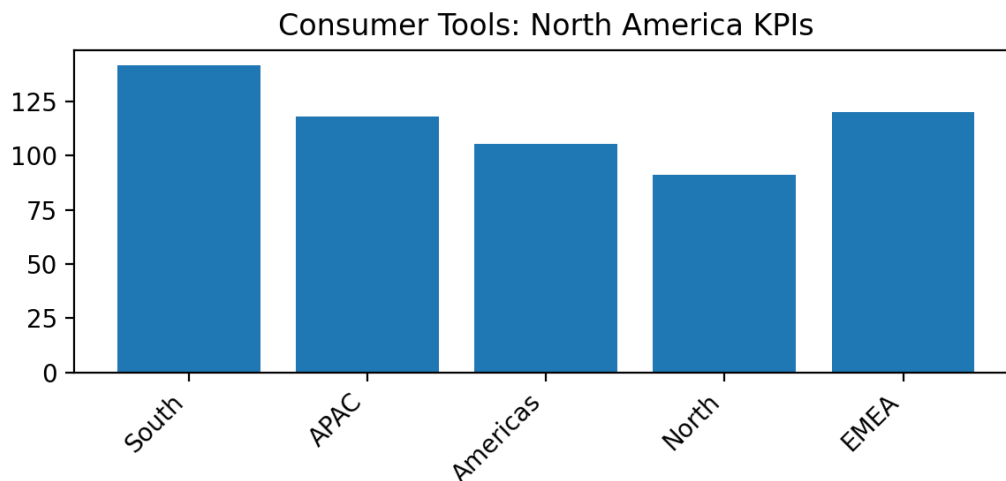
We invested in common data platforms across units. We standardized ingestion, storage, and governance. We enabled self-service analytics within guardrails. We supported AI workloads with appropriate tooling. We optimized cost and performance continuously.

We built ecosystems around installed bases. We connected devices securely to cloud and edge. We generated insights for maintenance and optimization. We enabled automation through APIs and rules. We monetized through subscriptions and outcomes.

We partnered with customers on data sharing. We defined clear contracts and value exchanges. We protected privacy and competitive interests. We co-created apps for specific outcomes. We expanded offerings based on validated demand.

We aligned data practices with regulation and ethics. We managed consent and rights diligently. We minimized data and secured retention. We audited algorithms for bias and fairness. We published principles and reports openly.

Consumer Tools: North America KPIs



Sustainability and ESG

We pursue sustainability as strategy and responsibility. We balance economic, environmental, and social goals. We set targets and measure progress transparently. We integrate ESG into decisions and operations. We engage stakeholders consistently and constructively.

Our operational decarbonization remains on track. We have been carbon neutral on scopes 1 and 2 since 2020. We reduce residual emissions through four levers. We prioritize efficiency, self-generation, and green procurement. We offset remaining emissions as a last resort.

We address scope 3 emissions with credible plans. We target a fifteen percent absolute reduction by 2030. We redesign products for efficiency and materials. We decarbonize logistics through mode and route shifts. We engage suppliers with standards and support.

We advance circularity across product lifecycles. We design for disassembly and refurbishability. We increase recycled content progressively. We expand repair and reman programs where feasible. We develop recycling partners and pathways.

We uphold human rights across our value chain. We operate a risk-based due diligence system. We assess and remediate issues proactively. We maintain multiple channels for reporting concerns. We train and support suppliers to improve.

We invest in safety and wellbeing. We target accident rate reductions with clear goals. We deploy prevention programs and standards. We invest in ergonomics and mental health. We track and share performance across sites.

We advance diversity, equity, and inclusion. We set targets for women in leadership. We expand programs for underrepresented groups. We embed inclusive practices in hiring and progression. We measure and report outcomes transparently.

We align reporting with leading frameworks. We secure external assurance where appropriate. We disclose methodologies and boundary choices. We seek review of targets by credible bodies. We invite stakeholder feedback and adapt.

AI Use Cases and Benefits

use_case	scope	kpi_improvement_percent	sites_covered
APAC	North	0.17	83.33
EMEA	EMEA	0.88	107.44
South	APAC	0.41	57.4
North	Americas	0.71	130.7
Americas	South	0.94	136.08
EMEA	South	0.9	122.14
Americas	APAC	0.14	105.37
South	South	0.12	116.82
South	Americas	0.51	108.01
EMEA	APAC	0.38	74.78
South	North	0.01	87.71
South	North	0.56	122.37
APAC	South	0.92	127.09
North	EMEA	0.26	94.82
APAC	North	0.08	82.86
Americas	North	0.24	95.25
South	EMEA	0.52	78.63
EMEA	EMEA	0.22	72.23
Americas	EMEA	0.67	87.63
South	Americas	1.0	129.41

Climate Action Roadmap

We improved our energy mix across sites in 2023. We expanded onsite solar and heat recovery. We extended green power contracts to new countries. We invested in efficiency upgrades with short paybacks. We reduced residual emissions requiring offsets.

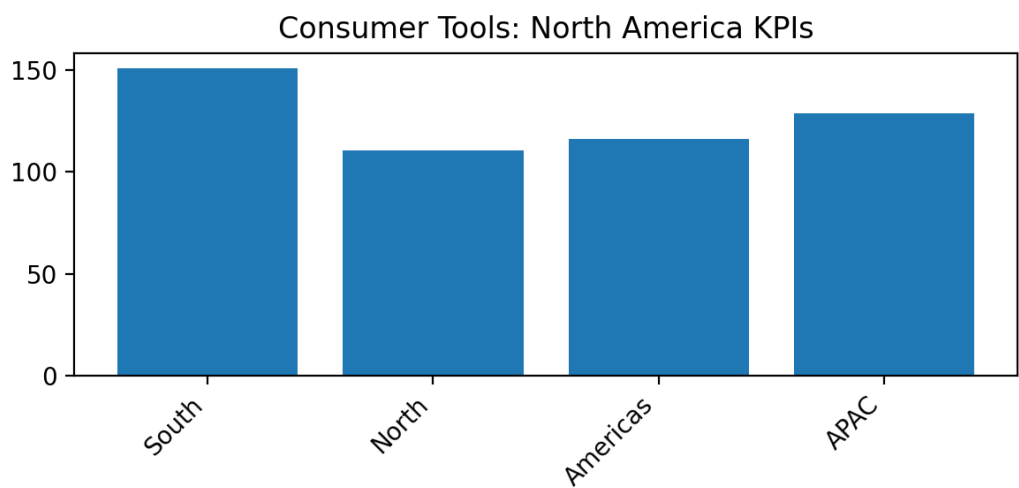
We advanced product-level carbon reductions. We improved efficiency in motors and drives. We reduced standby consumption in devices. We optimized thermal systems for less energy use. We measured and verified improvements objectively.

We engaged suppliers to reduce embodied emissions. We set expectations for materials and processes. We supported transitions to renewables and efficiency. We developed alternative

materials and designs. We tracked progress and recognized improvements.

We prepared for evolving policies and disclosures. We upgraded data systems for auditability. We aligned internal metrics to external frameworks. We trained teams on new requirements and methods. We maintained flexibility to respond quickly.

Consumer Tools: North America KPIs



Human Capital and Safety

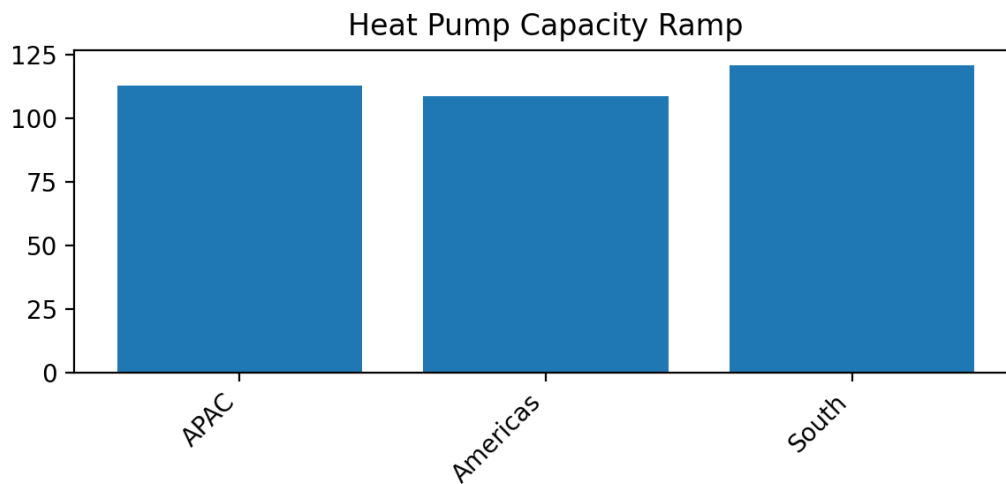
We invested in skills for the future. We scaled training in software and systems. We expanded programs for AI and data. We supported reskilling from sunset areas to growth. We built communities of practice and mentoring.

We strengthened safety management globally. We standardized audits and leading indicators. We deployed incident prevention campaigns widely. We improved ergonomics through design and equipment. We shared best practices across plants and regions.

We advanced inclusion and equity initiatives. We set representation and progression targets. We trained leaders in inclusive behaviors. We expanded flexible work and benefits options. We measured results and adjusted programs.

We engaged employees through open dialogue. We met frequently with representative bodies. We communicated changes with transparency. We supported transitions with redeployment and training. We celebrated achievements and contributions widely.

Heat Pump Capacity Ramp



Operations and Supply Chain Resilience

Operational robustness remained a priority in 2023. We navigated energy, logistics, and supply variability. We improved throughput as constraints eased. We reduced premium freight and expedites significantly. We maintained customer delivery performance at high levels.

We diversified sources for critical technologies. We added alternate suppliers and geographies. We qualified materials and processes for flexibility. We increased inventory buffers selectively. We monitored risk signals with better data.

We rebalanced manufacturing footprints strategically. We localized content in target regions. We consolidated to concentrate expertise and flow. We invested in automation and digital twins. We improved energy efficiency and ergonomics.

We strengthened sales and operations planning rigor. We improved demand sensing and segmentation. We aligned supply to realistic scenarios. We reduced complexity and dead stock. We improved forecast accuracy materially.

We deployed advanced analytics to improve decisions. We optimized lots, sequences, and changeovers. We detected anomalies early to prevent issues. We benchmarked performance across lines and sites. We scaled improvements quickly with playbooks.

We raised supplier performance through partnership. We shared forecasts and technical roadmaps. We co-invested in capacity and capability. We audited sustainability and safety standards. We recognized excellence and supported improvement.

We improved logistics reliability and cost. We shifted modes to rail and ocean where possible. We optimized routes and loads with tools. We expanded regional distribution where needed. We reduced emissions and costs simultaneously.

We exercised crisis management disciplines. We ran drills and refined escalation paths. We maintained redundancy for critical processes. We coordinated cross-functionally with clear roles. We documented and learned from events.

Headcount by Region and Function

region	engineering	manufacturing	sales_service	administration
APAC	63.44	80.45	84.51	128.72
South	38.04	74.02	92.39	101.41
North	121.47	187.24	89.59	93.7
APAC	86.05	132.48	78.95	98.42
South	77.48	89.85	115.84	89.22
South	100.48	106.47	140.58	115.92
APAC	101.35	109.08	155.63	88.77
APAC	101.47	88.15	107.5	108.2
North	100.7	80.88	108.03	119.16
APAC	94.66	116.01	104.64	116.67
EMEA	60.84	64.1	150.58	91.03
South	79.25	142.76	140.12	100.31

Manufacturing Excellence and Digital

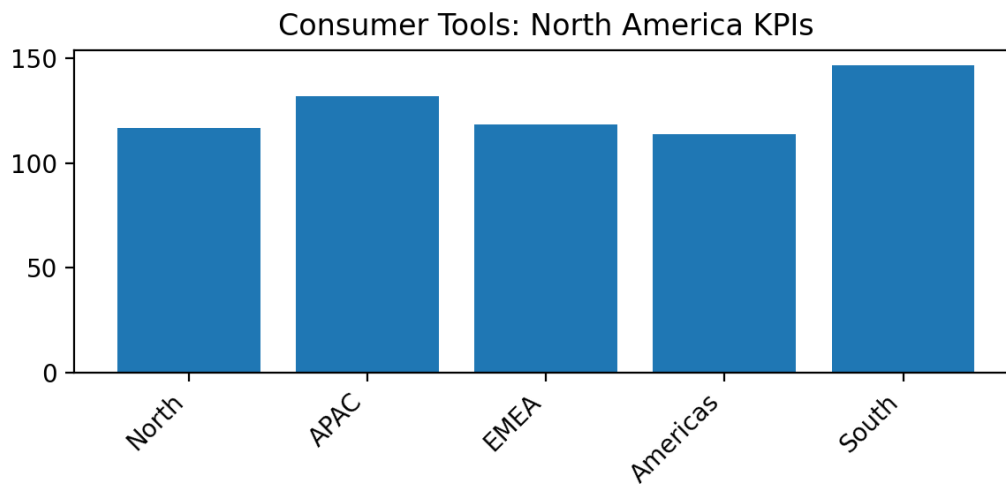
We advanced our digital factory program significantly. We connected more machines with standardized data. We rolled out MES upgrades across plants. We applied AI for predictive maintenance at scale. We improved OEE and reduced downtime consistently.

We standardized best practices across sites. We deployed playbooks for setup reduction. We improved line balancing and ergonomics. We reduced scrap and rework through analytics. We trained teams in problem-solving and lean.

We improved energy efficiency in operations. We monitored consumption in real time. We optimized compressed air and HVAC systems. We recovered heat and reused water. We invested where ROI met thresholds.

We enhanced quality systems with analytics. We detected patterns before defects escaped. We accelerated containment and corrective action. We shared insights across similar processes. We reduced customer complaints meaningfully.

Consumer Tools: North America KPIs



Supplier Development and Sustainability

We strengthened supplier selection and onboarding. We evaluated technical, financial, and ESG factors. We set clear expectations and KPIs from start. We planned joint improvements and audits. We integrated data feeds to monitor performance.

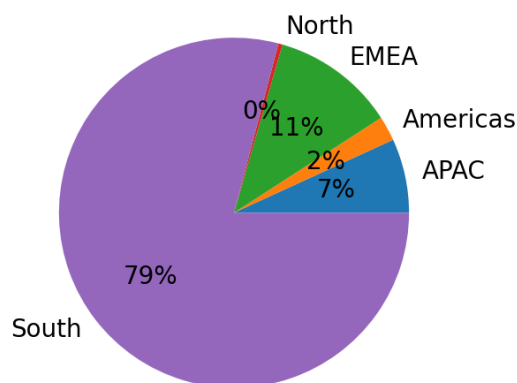
We supported suppliers through transitions. We co-developed process upgrades and automation. We facilitated access to training and tools. We helped plan renewable energy adoption. We shared best practices and benchmarks.

We enforced standards consistently and fairly. We escalated issues rapidly and transparently. We suspended or exited when remediation failed. We recognized and rewarded exemplary performance. We built long-term partnerships on trust.

We diversified to reduce concentration risks. We developed alternatives for critical components. We expanded sourcing regions sensibly. We balanced cost, risk, and sustainability. We reviewed portfolios quarterly.

Energy Mix for Operations 2023

Energy Mix for Operations 2023



Risk Management and Opportunities

We run an enterprise risk management system end to end. We identify, assess, and mitigate risks systematically. We integrate risk into strategy and operations. We monitor indicators and scenarios continuously. We report to the board at defined intervals.

Macro and policy risks remained elevated. Growth and inflation uncertainty affected demand and costs. Policy changes influenced incentives and compliance. Geopolitical tensions impacted supply and logistics. We maintained contingency plans and buffers.

Technology and execution risks were actively managed. Platform and program risks were reviewed regularly. Cybersecurity threats were monitored and addressed. Quality and safety risks remained paramount. Talent and culture risks were tracked and mitigated.

Financial risks were hedged prudently. We managed interest rate and currency exposures. We aligned debt maturity with investment horizons. We maintained liquidity reserves and committed lines. We preserved rating headroom for flexibility.

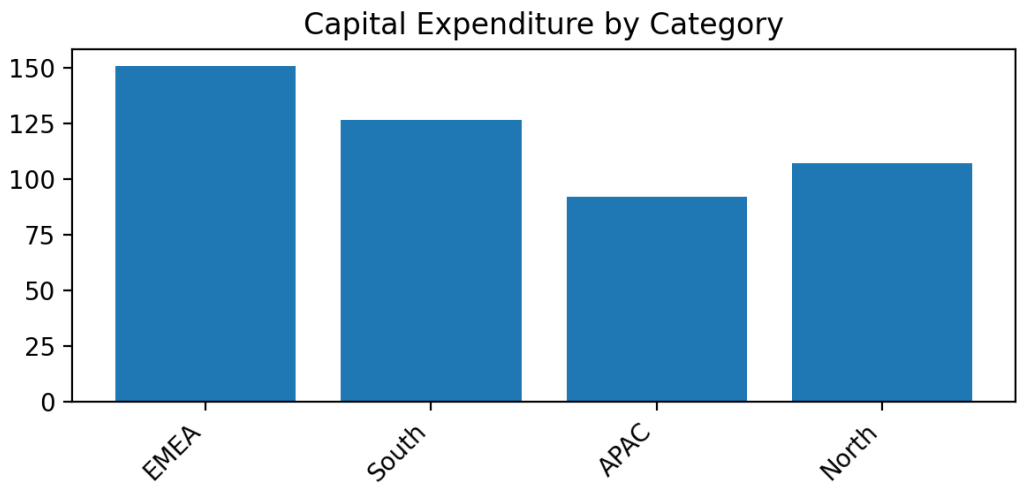
Compliance and legal risks were contained. We strengthened controls and training programs. We improved monitoring and investigations. We resolved matters promptly and fairly. We learned and improved processes consistently.

Opportunities were significant across domains and regions. Electrification and software created new revenue pools. Industrial automation and services expanded addressable markets. Building efficiency and safety accelerated with policy. Regional growth prospects widened with localization.

We pursued opportunities with discipline and speed. We invested in advantaged platforms and capacity. We acquired selectively to accelerate scale. We partnered to widen ecosystems and reach. We exited or reshaped where returns lagged structurally.

We measured outcomes and refined plans. We adjusted resource allocation to evidence. We reprioritized programs based on customer traction. We adapted go-to-market to channel shifts. We maintained alignment across the enterprise.

Capital Expenditure by Category



Financial Risk and Hedging

We hedge transactional currency exposures systematically. We align hedges with forecast horizons and confidence. We use natural hedges where possible and sensible. We diversify funding sources across instruments and regions. We maintain liquidity buffers for resilience.

We manage interest rate risk within policy bands. We balance fixed and floating exposures prudently. We align maturities with asset lives and cash flows. We stress test for rate shocks and scenarios. We preserve flexibility for prepayment and refinancing.

We ensure counterparty and concentration risk controls. We define limits and monitor exposures daily. We assess counterparties for creditworthiness regularly. We diversify across banks and instruments. We escalate and remediate as needed.

We maintain insurance programs for key risks. We review coverage terms annually. We benchmark costs and limits to peers. We integrate risk financing with mitigation efforts. We adjust based on loss experience and exposures.

Key Financial Data 2022–2023

metric	2022	2023	change_percent
North	134.03	97.42	0.61

North	71.88	91.73	0.04
APAC	134.19	102.57	0.27
South	70.31	129.54	0.04
EMEA	117.89	94.32	0.49
Americas	126.71	124.38	0.33
Americas	73.05	110.56	0.01
South	118.23	107.84	0.31
South	70.15	133.01	0.14
EMEA	92.51	70.45	0.59
North	97.59	90.6	0.26
North	109.56	116.66	0.74

Cybersecurity and Data Privacy

We maintain a defense-in-depth cybersecurity program. We protect endpoints, networks, and applications. We monitor with SOC operations around the clock. We test with internal and external red teams. We remediate vulnerabilities promptly.

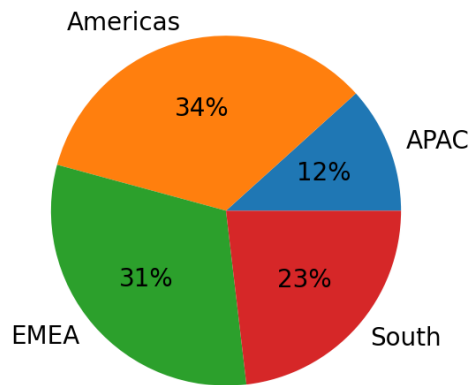
We certify products to relevant standards. We implement secure development lifecycles. We manage SBOMs and vulnerability disclosures. We patch products and systems systematically. We support customers with guidance and tools.

We protect personal and sensitive data rigorously. We minimize collection and retention appropriately. We enforce access controls consistently. We train employees continually and role-based. We respond to incidents with transparency.

We govern cybersecurity at the board and management levels. We set policies and metrics for oversight. We align investments with risk and strategy. We coordinate with regulators and industry bodies. We report status and improvements regularly.

Revenue by Region 2023

Revenue by Region 2023



Outlook and Capital Allocation

We expect 2024 to remain complex but manageable. Supply conditions continue to normalize. Demand patterns vary by region and segment. Policy changes create both headwinds and lifts. We plan with scenarios and agility.

We guide 5 to 7 percent revenue growth for the year. We aim to keep EBIT from operations around prior levels. We will absorb restructuring and startup costs prudently. We will maintain investment in platforms and capacity. We will improve cash conversion structurally.

We will progress strategic priorities deliberately. Mobility will scale its new operating model. Industrial technology will grow open ecosystems. Consumer goods will strengthen North America and sustainability. Energy and building will deepen integration and services.

We will manage portfolio and capital actively. We will fund high-return organic opportunities first. We will complete planned portfolio actions. We will remain ready for selective M&A.; We will preserve financial strength and flexibility.

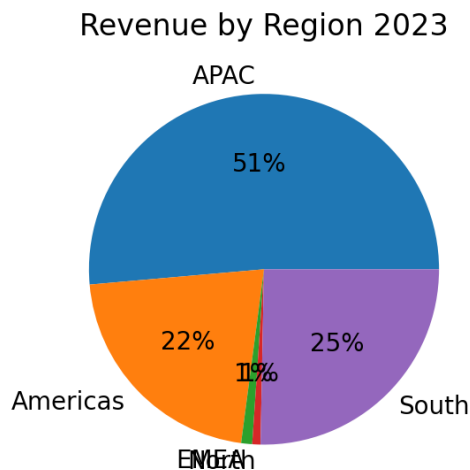
We will advance ESG commitments credibly. We will reduce emissions across scopes meaningfully. We will enhance safety and inclusion outcomes. We will expand circular programs and reporting. We will engage stakeholders openly and often.

We will continue to invest in people and culture. We will build skills for the next decade. We will empower teams with clear missions and tools. We will recognize performance and behaviors. We will sustain a learning and ownership culture.

We will measure, learn, and adapt. We will review outcomes with honesty and speed. We will adjust resource allocation to evidence. We will simplify where complexity adds no value. We will maintain focus on customers and execution.

We remain confident in Motionparts' path. Our assets and teams are strong and aligned. Our strategy is clear and grounded. Our execution is improving step by step. Our commitment to long-term value is unwavering.

Revenue by Region 2023



Guidance by Segment

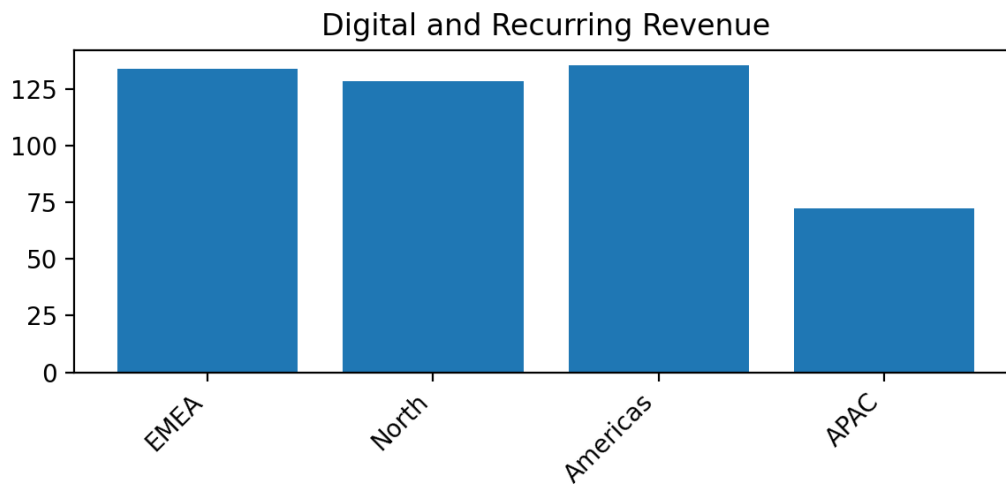
Mobility expects mid-single-digit growth with mix benefits. Electrified motion and ADAS drive content gains. Aftermarket and services provide stability. Semiconductor and hydrogen programs continue to build. Margin progression is paced by investments and cost actions.

Industrial Technology targets solid growth above markets. Hydraulics benefits from portfolios and localization. Factory automation grows with open platforms and apps. Services and software expand share of revenue. Margins improve with scale and productivity.

Consumer Goods plans for stabilization and selective growth. North America expansion contributes progressively. Cordless ecosystems and accessories remain core. Digital and omnichannel deepen engagement and reach. Efficiency programs support margin resilience.

Energy and Building anticipates continued momentum. Heat pumps grow with capacity and enablement. Integrator business expands in key regions. Services scale with analytics and remote. Margins benefit from mix, design, and execution.

Digital and Recurring Revenue



Capital Expenditure and R&D; Priorities

Capex will focus on capacity and modernization. We prioritize semiconductors, electrified systems, and heat pumps. We fund automation and energy efficiency in plants. We align with localization and resilience objectives. We stage investments with demand and milestones.

R&D; will focus on platform leverage and differentiation. We allocate to software, power electronics, and controls. We advance AI-enabled features and tools. We increase reuse across domains and products. We manage bets with stage gates and portfolios.

We monitor returns and adjust rapidly. We review ROI and milestones quarterly. We reallocate from laggards to leaders. We exit where economics or strategy weaken. We communicate changes transparently.

We maintain financial strength through cycles. We preserve liquidity and rating headroom. We diversify funding sources and maturities. We hedge appropriately for stability. We balance ambition with prudence.

Consumer Tools: North America KPIs

