

Primeparts Annual Report

Table of Contents

1. Primeparts at a Glance
2. Our Global Footprint and Scale
3. Business Model Snapshot
4. Letter from the Chief Executive Officer
5. Strategic Highlights of the Year
6. Operating Environment and Actions
7. Report from the Board of Directors
8. Oversight Agenda and Key Decisions
9. Board Composition and Renewal
10. Strategy and Business Model
11. Primeparts 2035 Pathway Priorities
12. Strategic Enablers and Targets
13. Market and Competitive Landscape
14. Passenger and Light Commercial Vehicles
15. Medium and Heavy Commercial Vehicles
16. Financial Review
17. Income Statement Analysis
18. Balance Sheet, Cash, and Liquidity
19. Segment Performance
20. Thermal Systems
21. Electronics and Motion
22. Regional Review
23. Europe and North America
24. Asia Pacific and South America
25. Technology and Innovation
26. Electrification Portfolio Advances
27. Thermal Solutions Breakthroughs
28. Operations and Supply Chain
29. Manufacturing Excellence
30. Procurement and Logistics
31. Quality, Safety, and Customer Satisfaction
32. Quality Systems and Standards
33. Warranty and Field Performance
34. Human Capital and Culture
35. Talent and Development
36. Diversity, Engagement, and Culture
37. Sustainability and ESG
38. Climate and Environmental Stewardship
39. Responsible Sourcing and Compliance
40. Risk Management and Resilience
41. Enterprise Risk Management
42. Financial Risk and Hedging
43. Outlook and Guidance

Primeparts at a Glance

Primeparts is a global development partner and systems supplier to the mobility industry. Our portfolio spans electrification, thermal systems, and efficient combustion technologies. We support passenger, commercial, off-highway, rail, and industrial applications. The Group operated 148 production sites and 11 technical centers. We employed 72,373 people at year-end.

Group sales reached EUR 12.8 billion in the year under review. Organic growth was 8.2 percent despite currency headwinds. EBITDA improved to EUR 917 million, reflecting better mix and execution. EBIT rose to EUR 304 million, a significant recovery from the prior year. Free cash flow benefited from working capital normalization.

We manage five principal business units and four focused profit centers. The units are Powertrain Components, Filtration and Fluid Systems, Thermal Systems, Electronics and Motion, and Aftermarket. Profit centers include Performance and Specialty, Large and Small Engine Components, Industrial Thermal Solutions, and Climate Control Units. Each unit operates with end-to-end accountability for P&L; and cash. Central functions provide shared services and governance oversight.

Our customer base remains diversified across regions and platforms. No single customer represented more than ten percent of sales. Top ten customers together were under half of total revenue. Platform participation spans multi-energy architectures and electric skateboard designs. Primeparts remains a trusted Tier 1 supplier with multi-year awards.

We increased R&D; investment to EUR 673 million. Roughly two thirds targeted electrification and thermal innovations. Battery thermal modules, E-axle components, and power electronics featured prominently. We registered 341 new patents and recorded 502 invention disclosures. Our R&D; workforce reached 5,726 engineers and scientists.

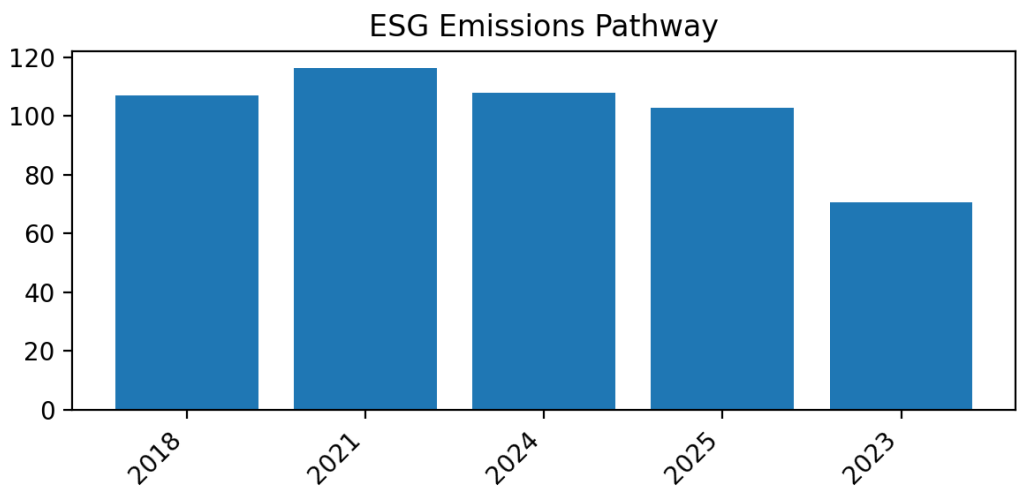
Capital expenditure on tangible assets rose to EUR 491 million. Investments prioritized thermal modules for battery electric vehicles. Additional capacity was deployed for onboard chargers and e-compressors. We maintained disciplined spend in combustion-related portfolios. Capex represented 3.8 percent of sales, modestly above the prior year.

The balance sheet remains resilient and liquid. Cash and near-cash positions closed at EUR 842 million. We held undrawn committed facilities of about EUR 1.7 billion. Net debt declined to EUR 1.35 billion, down year over year. The equity ratio stood at 19.6 percent at year-end.

We advanced portfolio optimization and structural simplification. Non-core assets were divested at accretive valuations. Real estate rationalization supported footprint productivity. Pending transactions in climate control electronics will streamline governance. These actions reinforce

our focus on scalable, technology-led platforms.

ESG Emissions Pathway



Our Global Footprint and Scale

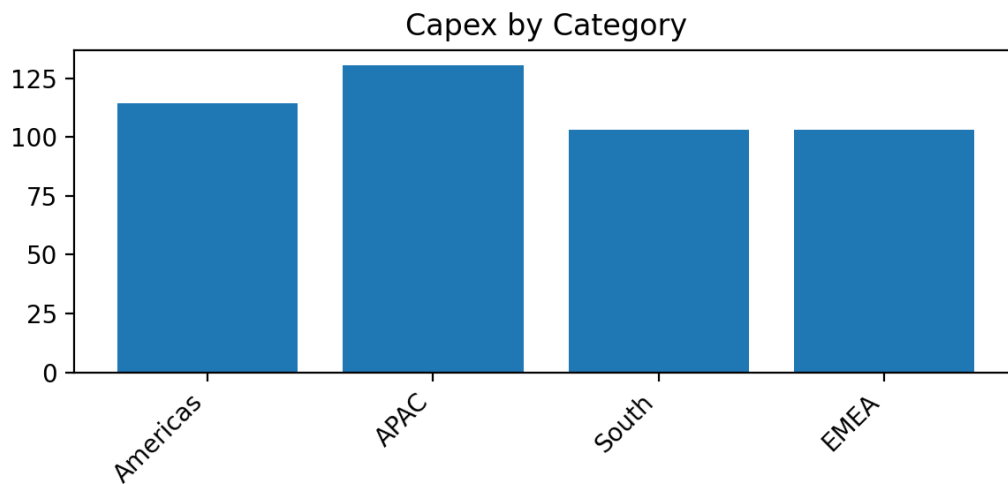
Primeparts operates in 29 countries across all key regions. Europe contributed 46 percent of sales in the period. North America accounted for 28 percent of Group revenue. Asia Pacific represented 20 percent of total revenue. South America and Africa comprised the balance.

We maintained 24 production sites in North America. The region held 15,314 employees at year-end. Sales reached EUR 3,562 million despite FX pressure. A stronger Mexican peso partially offset a softer US dollar. Order activity remained solid in thermal and filtration lines.

In Europe we operated 54 plants across multiple countries. The workforce totaled 31,690 people by year-end. Sales grew to EUR 5,892 million on price and volume. Platform launches supported Thermal Systems and Powertrain Components. Europe remains our largest development and testing hub.

Asia Pacific delivered EUR 2,548 million of revenue. Sixty sites underpinned a diversified regional footprint. Growth in medium and heavy commercial platforms supported thermal content. FX headwinds from key currencies masked underlying progress. Our innovation centers in China and India advanced electrification programs.

Capex by Category



Business Model Snapshot

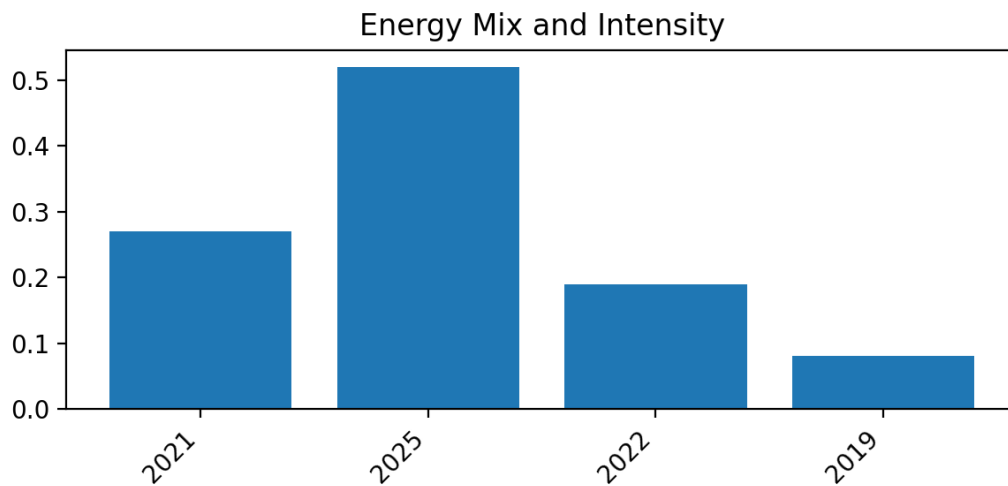
Primeparts creates value through design, industrialization, and lifecycle support. We co-develop component systems with leading OEMs and tier peers. Our model blends high-volume platforms with specialty niches. Digital tools compress cycles from prototype to SOP. Aftermarket extends lifetime value beyond initial vehicle sale.

We monetize through product sales, tooling recovery, and services. Long-term agreements and pricing indices provide transparency. Mix enhancement arises from system integration and software content. Warranty discipline preserves value and customer trust. Working capital is managed through collaborative supply planning.

Technology roadmaps are synchronized with customer platform gates. We pursue common modules across architectures and regions. Modularization reduces complexity and accelerates launches. Continuous improvement programs elevate yield and OEE consistently. Lean, digital, and quality frameworks govern daily performance.

ESG is embedded across all major processes companywide. Scope 1 and 2 decarbonization follows site-specific roadmaps. Scope 3 reduction leverages material substitution and supplier engagement. Human rights due diligence is operationalized in sourcing. Safety systems target industry top-quartile incident rates.

Energy Mix and Intensity



Letter from the Chief Executive Officer

2023 tested our resolve and execution discipline. Demand normalized unevenly across regions and segments. Inflationary inputs and FX shifts complicated comparisons. Primeparts delivered growth, cash, and margin expansion. We exited the year with positive momentum.

We advanced our Primeparts 2035 Pathway with conviction. Electrification and thermal systems led customer awards. Hydrogen-capable engine components validated in real-world trials. Charging technologies progressed with strong ecosystem partners. Our teams delivered under tight launch calendars.

Operational excellence remained a daily priority globally. We reduced scrap, improved OEE, and stabilized yields. On-time delivery improved against ambitious targets. We intensified supplier collaboration amid persistent volatility. Inventory discipline supported robust cash conversion.

We invested in people and capabilities at scale. Critical skills programs expanded across engineering and operations. Internal mobility and leadership academies saw broad uptake. We progressed representation and inclusion across levels. Engagement scores improved materially versus the prior cycle.

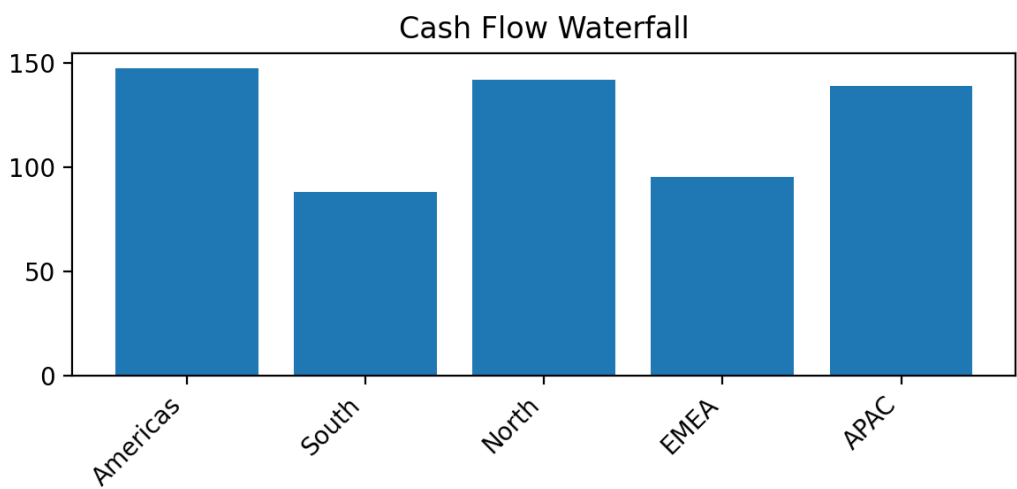
Our sustainability agenda translated into measurable actions. Sites increased renewable electricity procurement substantially. Energy intensity fell through targeted efficiency projects. Material footprints improved with recycled polymers and aluminum. Science-based targets were reaffirmed by external reviewers.

Capital allocation remained balanced and prudent. We funded growth, maintained liquidity, and reduced leverage. Non-core disposals sharpened our focus on scale platforms. We aligned capex with multi-year program visibility clearly. Rigorous hurdle rates filtered competing project proposals effectively.

Looking ahead, our priorities are clear and actionable. Scale thermal platforms for battery electric applications rapidly. Expand Electronics and Motion with targeted program wins. Drive portfolio simplification and concentrate on core modules. Sustain margin progress through pricing and productivity relentlessly.

I thank our customers, suppliers, and shareholders sincerely. Above all, I recognize the dedication of our teams. We will execute with speed, discipline, and transparency. Our strategy is robust, our balance sheet resilient. Primeparts is positioned to create durable value.

Cash Flow Waterfall



Strategic Highlights of the Year

We secured multi-year awards for integrated thermal modules. Awards spanned compact, midsize, and heavy-duty platforms. Content included heat pumps, e-compressors, and coolant valves. Battery cooling plates gained share with bionic channeling. System integration elevated value per vehicle meaningfully.

Electronics and Motion programs advanced from prototypes to SOP. Onboard chargers moved into serial production at two sites. DC–DC converters passed validation under harsh conditions. VortexDrive traction motors completed endurance testing campaigns. MagnoFlux motors validated in magnet-free configurations reliably.

Hydrogen-ready engine component lines expanded with new orders. Steel piston families broadened across displacement bands. Coated cylinder liners supported alternative fuel compatibility robustly. Valve actuation systems improved efficiency and durability concurrently. Duron Engines placed a series order for hydrogen units.

Charging innovations progressed with key partners decisively. AuroraCharge wireless system met alignment standards formally. The Global Mobility Standards Association selected our

positioning. Our chargeNET wired portfolio served depot applications effectively. Urban pilots demonstrated convenience and cost advantages convincingly.

Safety Metrics

region	trir	ltir
EMEA	87.72	81.05
Americas	117.97	148.65
APAC	74.93	78.41
EMEA	111.6	133.3
EMEA	97.51	87.39
Americas	63.33	118.86

Operating Environment and Actions

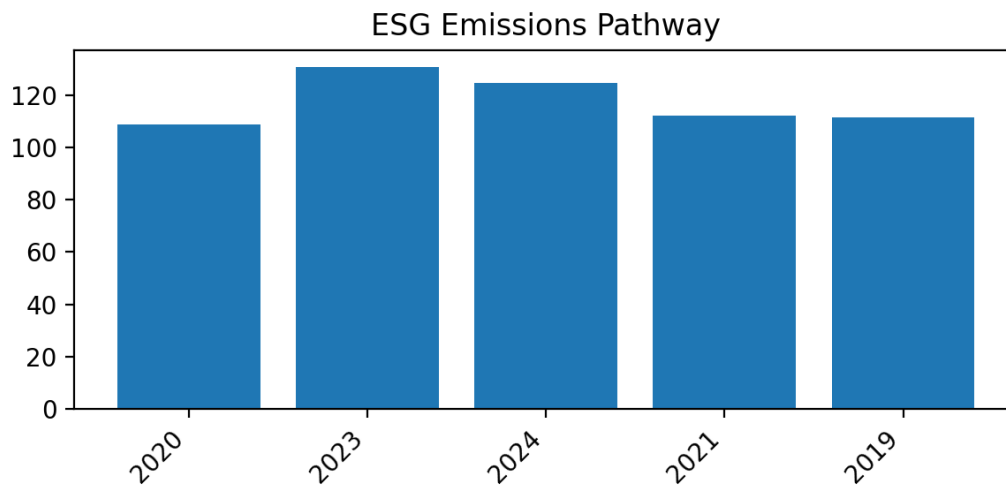
Macro conditions were mixed across geographies and sectors. Europe remained subdued with persistent inflationary signals. North America showed resilience in multiple end markets. Asia Pacific had pockets of robust demand patterns. South America faced currency-related reporting effects significantly.

Supply markets improved unevenly during the period operationally. Semiconductor availability stabilized across most categories. Logistics normalized with lower special freight expenses. Wage inflation and energy remained elevated sequentially. We deployed structured cost pass-throughs where appropriate collaboratively.

We accelerated structural programs to improve productivity companywide. Footprint rationalization reduced complexity and fixed costs meaningfully. Key product line transfers progressed to high-efficiency sites stably. Shared service hubs scaled finance, HR, and IT operations. Digital tools standardized processes and improved transparency measurably.

Cash excellence remained a hallmark of the year. Receivables programs improved days sales outstanding markedly. Inventory turns rose with synchronized planning initiatives. Asset-backed programs diversified liquidity sources smartly. We covered capex from operating cash consistently.

ESG Emissions Pathway



Report from the Board of Directors

The Board convened six scheduled meetings during the year. Additional committee sessions addressed specific strategic topics. Directors reviewed performance, risk, and capital allocation diligently. Management received guidance on strategy, operations, and talent matters. Documentation and follow-ups met governance best practices consistently.

Oversight focused on strategy execution and financial resilience strongly. Directors assessed major program bids and returns carefully. Portfolio optimization plans received detailed scrutiny at length. Cybersecurity and operational safety were recurring agenda items. Climate targets and progress were reviewed every quarter.

Board composition reflects diverse expertise and perspectives. We strengthened industrial technology, finance, and transformation skills. Committee chairs rotated to refresh perspectives periodically. Annual evaluations identified opportunities to enhance board effectiveness. Ongoing education covered regulation, markets, and technology advances.

The Board approved the consolidated financial statements unanimously. External auditors issued an unqualified opinion on the Group. Internal audit reported on control effectiveness across functions. Management implemented remediation plans where needed promptly. The Board monitored progress until closure methodically.

Stakeholder engagement was continuous and constructive throughout. Key customers provided feedback on delivery performance. Supplier summits focused on collaboration and sustainability themes. Employee roundtables covered culture, development, and wellbeing topics. Lenders and ratings agencies discussed liquidity and leverage transparently.

We monitored legal and regulatory developments comprehensively. Supply chain due diligence frameworks were enhanced materially. Reporting systems were readied for expanded ESG disclosures. Data protection standards were reinforced across applications globally. Export

controls and sanctions compliance remained rigorous throughout.

Remuneration remained aligned with long-term value creation. Short-term incentives reflected operational and financial outcomes. Long-term incentives focused on returns and strategic milestones. Clawback provisions and malus mechanisms were reinforced. Pay outcomes aligned with performance and shareholder experience.

The Board expresses gratitude to Primeparts employees globally. Teams delivered complex launches under intense timelines. Execution, safety, and quality improved despite headwinds. We enter the next year with sharpened focus. Governance remains a strategic asset for Primeparts.

Liquidity and Debt Maturity Profile

instrument	amount_eur_m	drawn_eur_m	maturity_year
EMEA	94.74	90.84	2018
South	87.24	112.16	2021
EMEA	78.58	40.97	2019
North	120.81	105.44	2020
APAC	103.6	107.13	2021
EMEA	134.7	115.78	2025
South	71.59	107.68	2020
North	113.55	59.68	2020
Americas	125.48	81.89	2018
APAC	80.26	145.55	2025

Oversight Agenda and Key Decisions

Key program commitments received Board-level approval after diligence. Decision gates followed rigorous financial and risk criteria strictly. Scenario analyses covered demand, cost, and FX sensitivities. Capital intensity and payback were benchmarked to peers. Post-investment reviews are scheduled at program milestones.

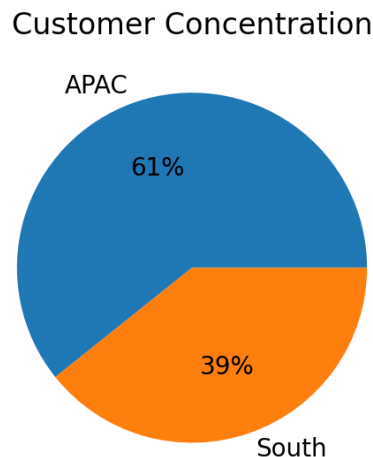
Portfolio moves prioritized focus and scale advantages logically. Climate control electronics share disposal advanced toward closing. Thermostat product line exit reduced complexity significantly. Non-core real estate dispositions improved asset efficiency meaningfully. Acquisitions were screened but not pursued due to returns.

Risk reports were discussed quarterly with management teams. Heatmaps tracked mitigation progress for principal risks. Cyber exercises validated response protocols and recovery plans. Business continuity strategies were refreshed at key sites. Insurance coverages were reviewed

against updated exposure models.

Sustainability remained integrated within core governance cycles. Targets for Scope 1 and 2 remained ambitious. Scope 3 pathways centered on materials and logistics systematically. Supplier engagement programs linked to award criteria credibly. Board oversight tied ESG performance to incentives directly.

Customer Concentration



Board Composition and Renewal

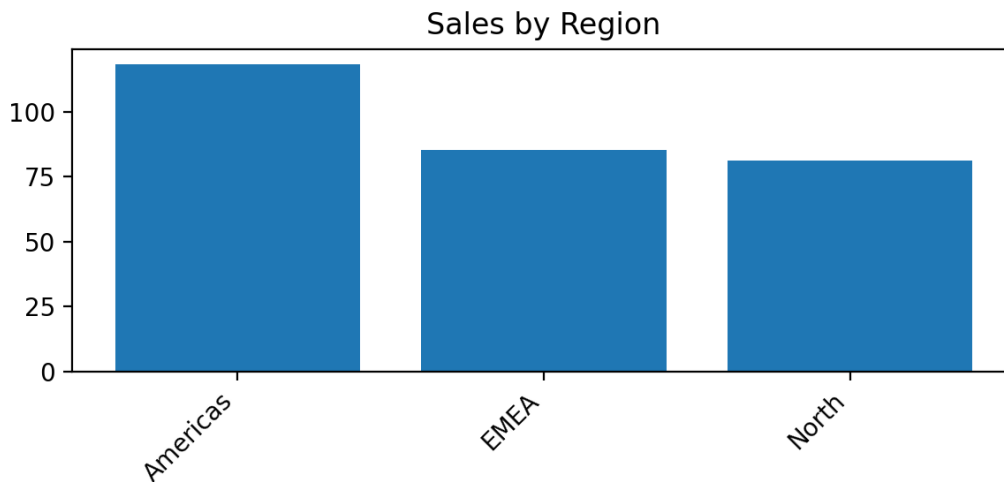
Board renewal followed a structured succession process thoughtfully. Two independent directors joined with global operations experience. A finance expert with capital markets tenure was appointed. An innovation leader strengthened technology oversight materially. Departing directors were thanked for dedicated service.

Committee structures remained lean and effective organizationally. Audit, Risk, Remuneration, and Nominations met regularly. Charters were updated to reflect regulatory changes. Chairs conducted private sessions with auditors when appropriate. Action items were tracked to completion conscientiously.

Induction programs accelerated new director effectiveness quickly. Site visits provided operational context and insights. Program reviews deepened understanding of platform economics. Customer and supplier dialogues informed industry perspectives. Ongoing education addressed governance and accounting updates.

Annual evaluations showed strong board dynamics overall. External facilitation ensured objectivity and depth. Feedback led to agenda reshaping and time rebalancing. More time was allocated to technology roadmaps accordingly. Strategy days were expanded to include deeper dives.

Sales by Region



Strategy and Business Model

Primeparts 2035 Pathway guides our strategic direction decisively. We focus on electrification, thermal systems, and efficient engines. System integration drives higher content per vehicle clearly. Software and controls enhance performance and differentiation. Aftermarket grows with diagnostics and service solutions.

We deploy seven strategic enablers across the Group holistically. These include resilience, end-to-end sustainability, achievers culture, and partnerships. Smart organization, operational benchmark, and aftermarket champion complete the set. Each enabler features quantified 2025 and 2030 milestones. Governance tracks progress through quarterly reviews diligently.

Resilience emphasizes agility, optionality, and shock absorption. Regionalized supply supports continuity and cost competitiveness. Platform modularity reduces complexity and expedites launches. Financial flexibility underpins responsive investment allocation continuously. Scenario planning and stress testing inform contingency actions.

End-to-end sustainability aligns growth with impact reduction concretely. Design for circularity shapes materials and manufacturing decisions. Energy efficiency and renewable sourcing drive site roadmaps. Supplier climate engagement is linked to award criteria tightly. Product life-cycle assessments guide portfolio choices pragmatically.

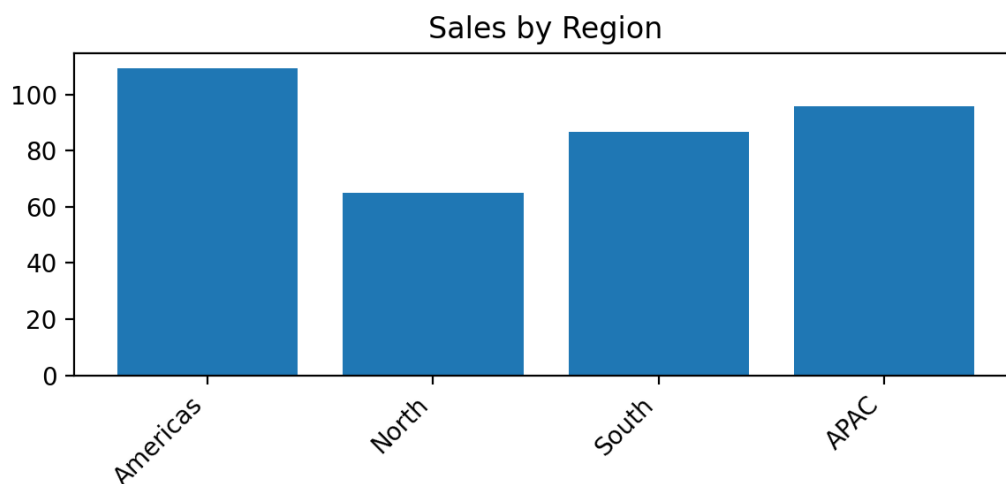
We cultivate an achievers culture with clear accountability expectations. Talent development programs address critical skills at scale. Leadership standards emphasize outcomes, inclusion, and integrity. Recognition frameworks celebrate continuous improvement and innovation broadly. Engagement initiatives promote transparency and listening continuously.

As a trusted global business partner, we deliver reliability consistently. Quality, delivery, and launches meet demanding thresholds. Co-location and digital collaboration enable fast decision-making. Value engineering improves performance-cost ratios iteratively. Joint development accelerates differentiation with OEM customers.

Smart organization and digital enablement improve speed measurably. Enterprise platforms harmonize planning, sourcing, and manufacturing. Advanced analytics guide forecasting, scheduling, and quality detection. Collaborative tools streamline cross-functional workflows effectively. Cybersecurity programs protect assets and operations comprehensively.

Operational benchmark targets top quartile across key metrics. Lean methodologies drive waste identification and removal continuously. OEE, yield, and uptime are managed daily rigorously. Plant performance initiatives capture rapid improvement opportunities. Automation and IIoT elevate transparency and problem solving.

Sales by Region



Primeparts 2035 Pathway Priorities

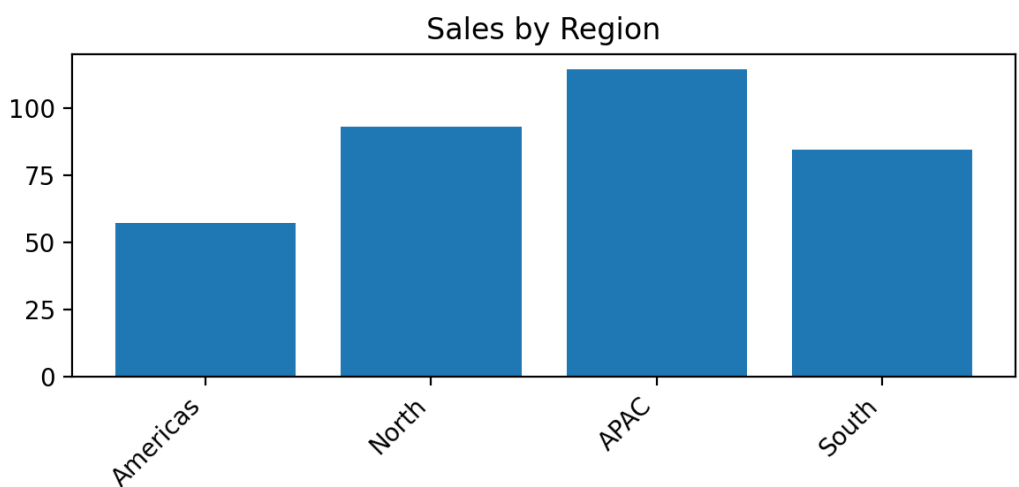
Electrification roadmaps span traction, power electronics, and charging. VortexDrive and MagnoFlux platforms address distinct use-cases. Power modules leverage wide-bandgap semiconductors strategically. AuroraCharge wireless aligns with urban charging deployments. chargeNET wired serves fleet depots and long dwell sites.

Thermal Systems optimize battery, cabin, and powertrain performance. PolarCore modules integrate heat pumps and e-compressors. BionicFlow plates improve cooling capacity and pressure losses. Thermal controllers harmonize vehicle-wide energy utilization continually. Refrigerant transitions comply with upcoming regulations proactively.

Engine efficiency focuses on non-fossil fuels readiness firmly. Steel pistons improve durability and thermal properties. Coatings reduce friction and enhance wear resistance. Valve train solutions support variable operation and emissions. Hydrogen-enabled packages support stationary and mobile applications.

Aftermarket expands diagnostics, tools, and training capabilities. Battery health solutions enable accurate state-of-health assessments. Multi-brand service solutions support independent workshops globally. Digital portals streamline parts identification and logistics. Subscription models complement traditional parts revenue streams thoughtfully.

Sales by Region



Strategic Enablers and Targets

Resilience targets revenue diversity by region and customer. No region to exceed half of Group sales. Top ten customers to remain under fifty percent. Critical dual sourcing across key categories expands coverage. Inventory buffers are right-sized by risk profiles.

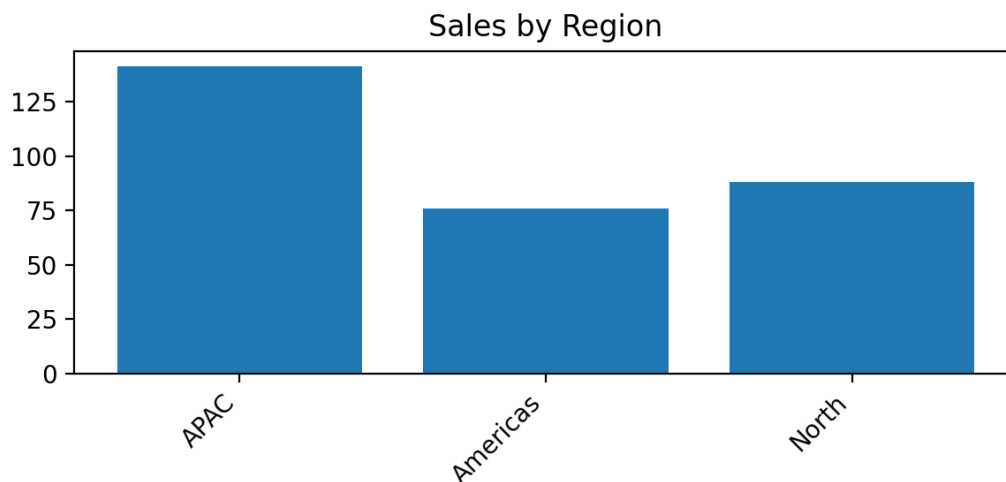
Sustainability targets include validated science-based trajectories. Scope 1 and 2 to halve by 2030. Scope 3 category reductions to reach 28 percent. Recycled content goals are embedded in product design. Supplier engagement covers emissions, labor, and ethics comprehensively.

Operational benchmark sets margin and efficiency thresholds. EBIT to improve by incremental percentage points annually. Overheads to trend down as mix scales positively. Capex aligns with returns above hurdle rates consistently. Cash conversion remains strong through cycles deliberately.

Aftermarket champion targets double-digit growth annually. Expansion into diagnostics and e-mobility care accelerates. Regional distribution partnerships extend reach and responsiveness. Customer satisfaction and NPS are tracked closely. Training academies enhance technician

proficiency meaningfully.

Sales by Region



Market and Competitive Landscape

Global vehicle production grew by low double digits. Passenger and light commercial recovery reflected backlog conversion. Medium and heavy commercial vehicles rebounded strongly overall. Pricing dynamics shifted with incentives and competition visibly. Electrification adoption varied by region and segment significantly.

Europe remained below pre-crisis volume levels materially. North America improved despite labor disruptions briefly. Asia Pacific grew with strong export contributions notably. South America was mixed across markets and segments. Regulatory trajectories continued to evolve regionally and nationally.

Thermal system content rises with electrification clearly. Battery thermal management is now mission-critical technically. Heat pump adoption improves cold-weather vehicle ranges. Cabin comfort and defogging remain essential customer expectations. Charging speeds increase thermal performance demands materially.

Electrification supply chains continued to mature rapidly. Cell technologies advanced energy density and charging rates. Power electronics migrated to higher efficiency devices. Thermal refrigerants shifted to low global warming potential. Ecosystem collaborations became essential to accelerate deployments.

Combustion remains relevant in emerging market contexts. Hybridization provides transitional efficiency gains effectively. Alternative fuels reduce lifecycle emissions meaningfully. Infrastructure constraints shape powertrain mix regionally. Multi-energy platforms will persist

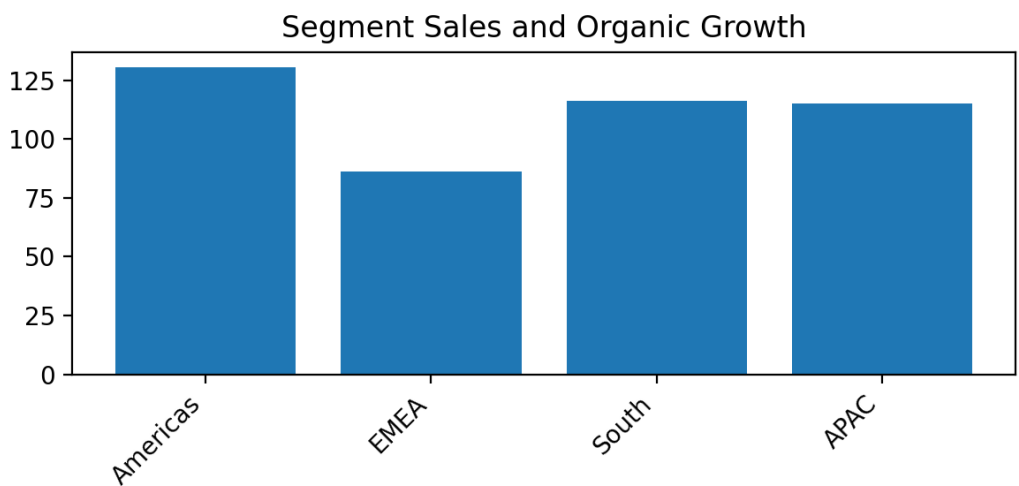
across the decade realistically.

Competitive intensity rose in electronics and thermal arenas. New entrants pursued niche features and agility. Established peers focused on scale and integration strengths. Pricing reflected platform wins and cost positions. Differentiation hinged on reliability, efficiency, and lifecycle cost.

Aftermarket dynamics shifted with fleet electrification trends. Diagnostics and software updates gained prominence rapidly. Battery health transparency drives resale value and trust. Independent workshops require new tooling and training investments. Distribution networks adapt to different demand patterns progressively.

Primeparts competes on systems expertise and execution. Our multi-technology stance matches market heterogeneity. Strategic partnerships extend innovation and market reach. Global manufacturing scale supports quality and cost competitiveness. Customer intimacy remains central to sustained share gains.

Segment Sales and Organic Growth



Passenger and Light Commercial Vehicles

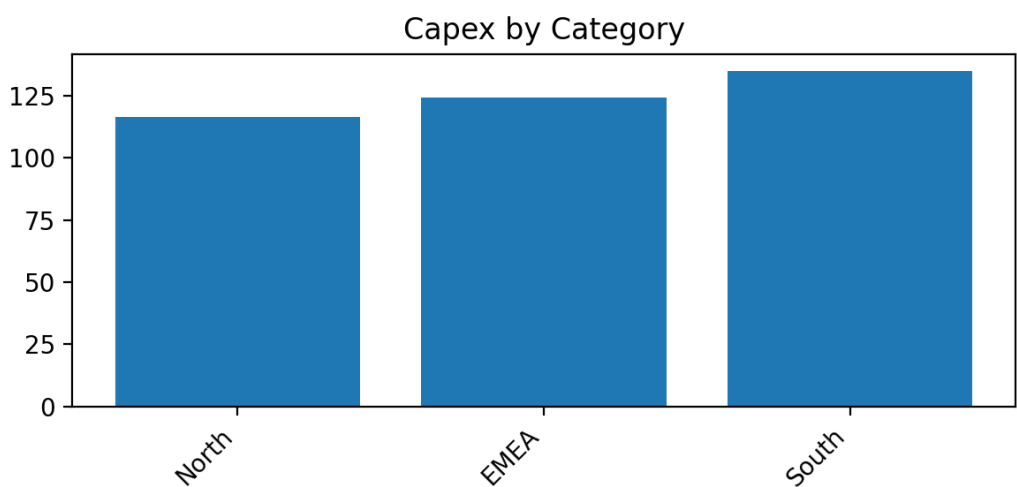
Global production exceeded ninety million units estimated. Europe rose with easing supply constraints notably. North America advanced despite temporary labor actions. China maintained strength with export-driven volumes. India delivered steady growth from rising domestic demand.

BEV adoption varied by country and incentives. Range, charging time, and price remain decisive. Thermal systems content scaled with BEV penetration. Heat pumps improved range in colder climates. Efficient cabin systems balanced comfort and consumption judiciously.

Platform architectures emphasized commonality and modularity. Cross-segment components supported economies of scale. Integration lowered complexity and weight meaningfully. Primeparts aligned modules to platform strategies carefully. Collaboration accelerated from concept to standardization increasingly.

Customer decisions prioritized reliability and launch certainty. Warranty performance and durability influenced awards heavily. System efficiency and noise standards tightened sequentially. Localization and logistics resilience became selection criteria. Lifecycle cost analyses shaped sourcing and carryovers.

Capex by Category



Medium and Heavy Commercial Vehicles

Global M&HCV; volumes improved double digits overall. Backlog reductions supported strong European deliveries notably. North America maintained high utilization and freight activity. China rebounded from a cyclical trough materially. South America normalized after regulatory pre-buys previously.

Thermal duty cycles became more demanding technically. Battery-electric and fuel-cell applications expanded pilot fleets. Waste heat recovery solutions gained renewed attention. Cabin HVAC requirements remained safety critical always. Total cost of ownership reviews intensified procurement scrutiny.

Hydrogen internal combustion attracted growing interest gradually. Components adapted for thermal and fuel properties. Material and coatings progressed in durability and wear. Validation programs expanded across stationary applications first. Duron Engines placed an order for hydrogen power cells.

Primeparts scaled heavy-duty thermal modules at key sites. High-capacity pump systems served long-haul applications. High-efficiency e-compressors supported rigorous duty cycles. Modular controls unified system performance under load. Service kits supported uptime in fleet maintenance programs.

Liquidity and Debt Maturity Profile

instrument	amount_eur_m	drawn_eur_m	maturity_year
North	120.75	107.32	2022
APAC	87.42	107.48	2021
North	94.85	57.36	2022
APAC	71.98	66.7	2019
EMEA	121.85	79.31	2022
South	110.37	97.1	2025
North	149.69	117.88	2025
North	87.07	77.17	2025
APAC	113.71	96.91	2023
EMEA	82.62	96.97	2023

Financial Review

Sales reached EUR 12,818 million for the year. Currency translation reduced reported growth by EUR 631 million. Organic sales rose by EUR 1,015 million year over year. Pricing actions offset material and energy inflation partly. Volume contributions were strongest in Europe and North America.

EBITDA increased to EUR 917 million overall. EBITDA margin improved to 7.2 percent impressively. EBIT rose to EUR 304 million from prior period. EBIT margin improved to 2.4 percent accordingly. Operating result trended above internal plan levels decisively.

Cost of sales ratio fell to 84.9 percent. Productivity, pricing, and volume supported gross margin. Selling expenses declined on lower freight expenses. Administrative costs rose with wage inflation modestly. R&D; spend increased slightly in absolute terms.

Other operating income benefited from disposals and FX effects. Goodwill amortization increased due to select impairments. Warranty provisions were strengthened prudently and timely. Net financial result improved with plan asset performance. Taxes decreased due to deferred tax valuation changes.

Total assets were EUR 8,203 million at year-end. Fixed assets decreased modestly despite elevated capex. Receivables and other assets declined on programs executed. Inventories stabilized despite higher launch activities. Equity decreased slightly on currency and distributions combined.

Net debt fell to EUR 1,352 million significantly. New asset-backed facilities diversified liquidity access meaningfully. Committed credit lines of EUR 1.7 billion remained unused. Syndicated loan renewal de-risked maturity profile proactively. Liquidity headroom supports ongoing investments and resilience.

Operating cash flow reached EUR 808 million strongly. Investing cash outflow was EUR 327 million reported. Financing cash outflow was EUR 242 million moderate. Year-end cash and cash equivalents were EUR 813 million. Cash discipline remains a core leadership focus persistently.

Capital allocation balanced growth, returns, and deleveraging. Growth capex targeted scalable thermal and electronics platforms. Portfolio exits funded debt reduction and core reinvestment. Dividend recommendation reflects improved results and confidence. We maintain flexibility for high-return opportunities prudently.

Quality Performance



Income Statement Analysis

Gross profit reached EUR 1,933 million for the year. Gross margin improved 80 basis points year over year. Freight normalization reduced selling expenses materially. Wage and overhead inflation impacted administration moderately. R&D; spend ratio held at 5.3 percent consistently.

Other operating income totaled EUR 279 million overall. Key drivers included asset sales and corporate transactions. FX gains and reserve releases also contributed materially. Other

operating expenses increased on FX remeasurement losses. Net effect supported EBIT improvement meaningfully.

Financial result improved by EUR 80 million significantly. Plan asset performance rebounded compared to prior year. Interest expense reflected higher base rates globally. Hedging programs mitigated currency exposure effectively. Result from business activities shifted from loss to profit.

Tax expense declined to EUR 109 million materially. Deferred tax valuation improved with profitability trajectory. Withholding taxes also influenced the Group tax rate. Effective rate exceeded normalized long-term expectation. Ongoing structuring seeks to optimize future cash taxes.

Aftermarket KPIs

region	diagnostics_units_k	distribution_nodes	nps
South	63.35	72.29	87.86
EMEA	122.2	82.61	114.09
APAC	78.22	88.4	80.26
APAC	119.65	66.39	79.28
South	110.59	117.26	87.55
South	121.38	99.21	96.19
North	105.59	124.3	155.11
APAC	84.4	111.38	81.4

Balance Sheet, Cash, and Liquidity

Balance sheet total was EUR 8.2 billion at year-end. Fixed assets were EUR 3.19 billion including intangible assets. Working capital released cash through receivables reduction. Inventories held stable with disciplined planning and ramps. Deferred tax assets increased on valuation and timing.

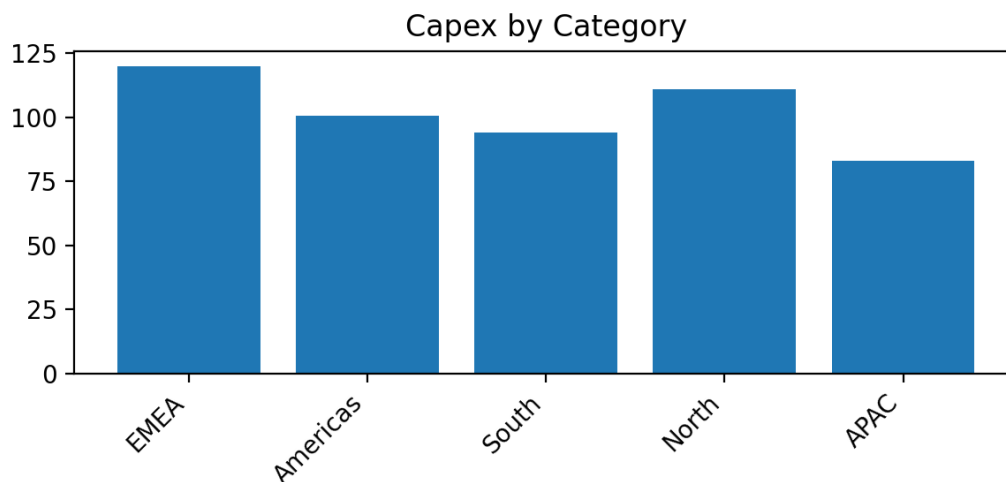
Equity stood at EUR 1.61 billion for the period. Currency effects and distributions reduced equity moderately. Positive result partially offset these headwinds overall. Equity ratio remained near twenty percent consistently. Capital structure supports future growth and volatility absorption.

Net debt decreased by EUR 326 million during the year. Liquidity sources were diversified with ABS programs. Undrawn lines provided substantial liquidity headroom. Maturity profile improved with new syndicated facilities. Relationship banks remained supportive through cycles.

Cash from operations funded investment activities comfortably. Asset sales and corporate transactions added proceeds. Financing outflows reflected repayments and interest costs. Year-end cash was robust for ongoing commitments. We remain focused on disciplined cash

conversion and deployment.

Capex by Category



Segment Performance

Thermal Systems delivered EUR 4,591 million in sales. Organic growth reached 4.1 percent year over year. Battery cooling products grew at double-digit rates. Heat pump systems expanded content per vehicle materially. Product launches progressed across European and Asian sites.

Powertrain Components reached EUR 2,636 million in revenue. Organic growth was 9.3 percent despite FX headwinds. Steel pistons and camshaft systems performed well. Lightweight coatings supported efficiency and durability improvements. Regional growth was strongest in Europe and Asia.

Filtration and Fluid Systems reported EUR 2,136 million in sales. Organic growth was 9.7 percent significantly. Air and oil filtration saw strong volumes globally. Polymer modules reduced weight and enhanced recyclability. North America and Europe delivered robust growth rates.

Electronics and Motion achieved EUR 1,357 million in revenue. Organic growth was 2.5 percent for the year. Onboard chargers and power electronics performed well. E-bike and electric pump markets softened temporarily. Regional growth was strongest in North America.

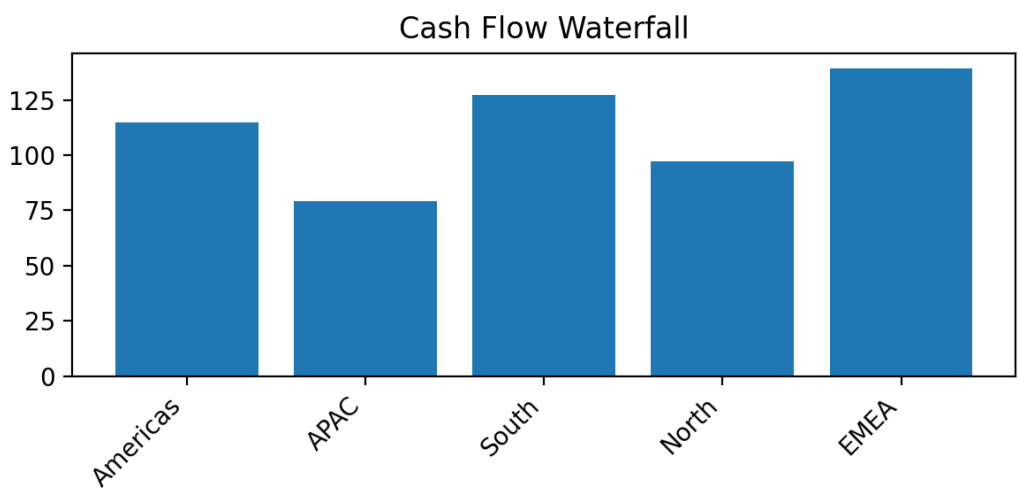
Aftermarket generated EUR 1,256 million in revenue. Organic growth was solid across regions globally. Service Solutions growth continued strongly in two regions. Battery diagnostic solutions gained traction with workshops notably. Argentina FX masked underlying performance in South America.

Industrial Thermal Solutions and specialty areas advanced nicely. Profit centers achieved double-digit organic growth overall. Performance and Specialty gained from motorsport applications selectively. Industrial Thermal served data centers and machinery effectively. Governance enhancements improved focus and accountability materially.

Order book quality remained strong across platforms. Thermal Systems saw substantial multi-year awards pipeline. Electronics and Motion benefited from design-ins globally. Filtration and Fluid Systems maintained resilient aftermarket flow. Powertrain Components aligned with alternative fuels compatibility needs.

Segment leaders executed cost savings and yield improvements. Footprint optimization supported margin enhancement steadily. Engineering reuse accelerated through modular architectures. Digital twins accelerated design and validation cycles. Supplier collaboration compressed ramp curves measurably.

Cash Flow Waterfall



Thermal Systems

PolarCore thermal modules integrated multiple functions elegantly. Modules combined heat exchangers, valves, pumps, and sensors. Integration saved space and reduced complexity significantly. Heat pump architectures improved range up to twenty percent. Software orchestration balanced energy across subsystems adaptively.

BionicFlow battery cooling plates exceeded performance targets. Cooling capacity increased by ten percent demonstrably. Pressure loss decreased by twenty percent simultaneously. Material usage declined by fifteen percent improving footprint. Production ramped at two European and one Asian sites.

E-compressors advanced efficiency and noise improvements concurrently. Designs met low refrigerant leakage standards globally. High-voltage compatibility supported next-generation architectures readily. Validation cycles covered extreme thermal conditions reliably. Supply resilience improved with regionalized sourcing strategies.

Thermal controls software harmonized vehicle thermal energy. Algorithms managed cabin, battery, and power electronics. Efficiency gains translated into range and comfort improvements. Over-the-air updates refined system performance post-SOP. Data models improved predictive maintenance opportunities meaningfully.

Liquidity and Debt Maturity Profile

instrument	amount_eur_m	drawn_eur_m	maturity_year
South	92.15	96.22	2020
Americas	103.47	144.12	2021
EMEA	101.13	46.16	2024
North	126.51	144.94	2022
North	69.67	51.61	2024
North	139.72	102.52	2025
EMEA	115.4	90.2	2022
South	117.12	109.92	2024
South	76.38	94.46	2023
Americas	77.42	140.24	2022

Electronics and Motion

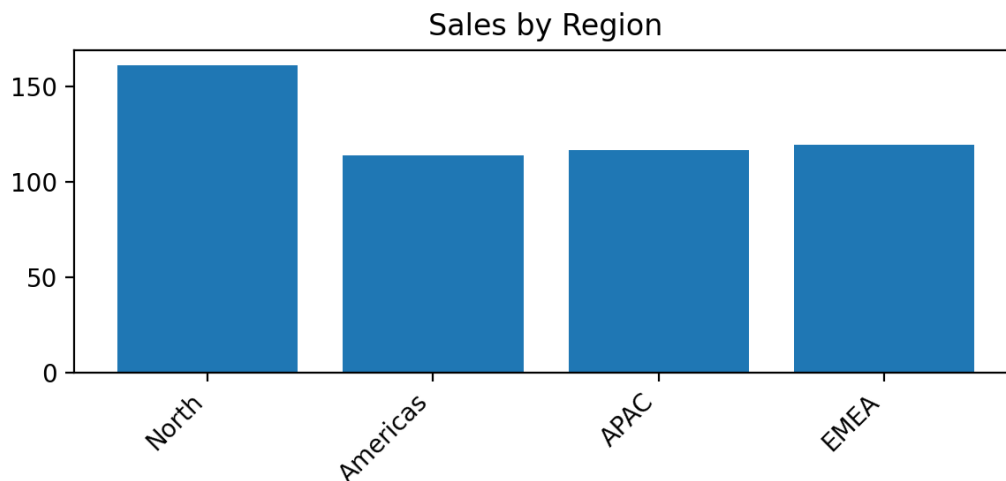
VortexDrive traction motors delivered superior continuous torque. Liquid cooling supported sustained performance under load. High-efficiency designs improved power density metrics. Manufacturing readiness advanced toward multi-site deployment. Lifecycle costs remained competitive versus benchmarks consistently.

MagnoFlux motors eliminated rare earth materials strategically. Contactless power transfer minimized wear and maintenance. Designs supported scalability across vehicle classes flexibly. Validation confirmed reliability under thermal cycling and vibration. Customer interest expanded across multiple platform families.

Onboard chargers achieved multi-voltage compatibility globally. Wide-bandgap devices improved conversion efficiency significantly. Thermal coupling to chassis managed heat effectively. EMC performance passed stringent OEM specifications. Manufacturing automation enhanced yield and throughput sustainably.

Power electronics modules integrated control and diagnostics comprehensively. Board designs reduced parasitics and improved reliability. Conformal coatings enhanced environmental resistance thoroughly. Software stacks enabled rapid calibration and updates. Functional safety met ASIL requirements across programs.

Sales by Region



Regional Review

Europe delivered EUR 5,892 million in sales. Organic growth was 9.1 percent for the year. Program awards supported thermal and filtration expansion notably. Pricing and cost actions balanced inflationary pressures. Program transfer initiatives progressed to high-productivity sites.

North America reached EUR 3,562 million in sales. Organic growth was 2.6 percent despite FX headwinds. Thermal and Powertrain performed strongly across customers. Launch discipline improved stability and delivery metrics. Regional capacity investments supported growth platforms materially.

Asia Pacific delivered EUR 2,548 million in sales. Organic growth was 4.7 percent against FX headwinds. China saw robust M&HCV; and export-driven volumes. India delivered steady growth in multiple product lines. Regional R&D; scaled to serve local platforms efficiently.

South America recorded EUR 759 million in revenue. FX translation impacts masked operational performance significantly. Brazil delivered growth supported by localized platforms. Aftermarket and thermal segments performed resiliently. Argentina operations navigated hyperinflation effects prudently.

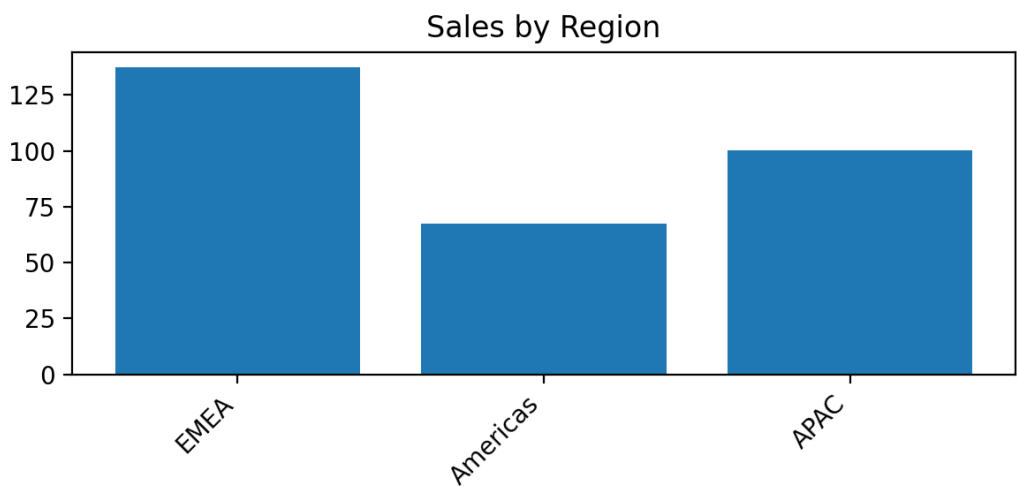
Africa contributed EUR 57 million with strong growth. Thermal Systems dominated regional revenue composition. Localization opportunities are being evaluated for select lines. Training and safety programs scaled across the region. Customer service and logistics were strengthened structurally.

Global footprint strategy balanced cost and continuity. Regional clusters supported cross-border resilience and agility. Dual-sourcing improved availability across critical categories. Logistics flows normalized with improved predictability widely. Regional teams operated with clear accountabilities and metrics.

Customer collaboration deepened with co-located engineering. Joint testing improved design cycles and outcomes. Program reviews aligned ramp curves and inventory plans. Supplier councils focused on quality and sustainability improvements. Responsive communication strengthened trust and execution reliability.

Government engagement addressed regulation and incentives. Thermal refrigerant transitions were prepared proactively. Emissions standards shaped platform content pathways. Trade policies and sanctions were monitored closely. Compliance frameworks ensured consistent adherence across regions.

Sales by Region



Europe and North America

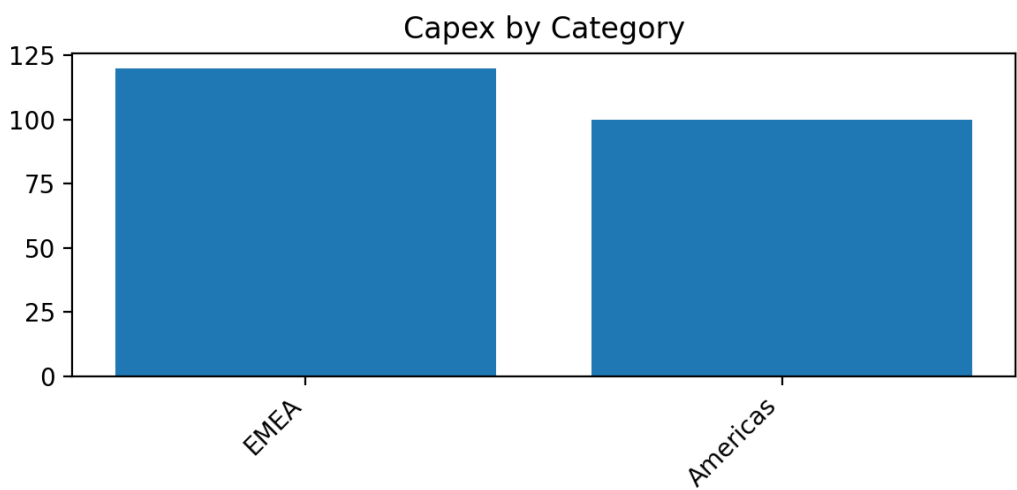
European launches concentrated in thermal integration programs. Industrial engineering reduced assembly time and footprint. Line automation improved repeatability and quality significantly. Energy efficiency projects reduced site consumption materially. Renewables share increased across several locations meaningfully.

North America scaled onboard charger production carefully. Mexican sites improved throughput and first-pass yield. US operations implemented scrap reduction sprints effectively. Customer scorecards reflected improved delivery and quality results. Supplier localization initiatives reduced lead times and cost.

Both regions advanced worker safety performance strongly. Incident rates declined with targeted interventions. Ergonomic improvements reduced musculoskeletal risk noticeably. Leadership standard work reinforced safe behaviors daily. Contractor management programs strengthened site controls robustly.

R&D; collaborations expanded with local institutions strategically. Test cells added capacity for thermal and power electronics. Digital twins enhanced simulation accuracy and speed. Cybersecurity controls reinforced lab networks and equipment. Intellectual property management was strengthened globally.

Capex by Category



Asia Pacific and South America

China operations supported export-oriented platforms effectively. Local sourcing reduced exposure to volatility substantially. Thermal modules aligned with regional refrigerant timelines. Electronics validation expanded for domestic OEM standards. Customer audits reflected strong operational maturity consistently.

India ramped filtration modules with high automation levels. Skilled talent programs improved technical capability pipelines. Co-development with customers accelerated concept to SOP. Supplier development improved quality baselines meaningfully. Logistics hubs strengthened regional responsiveness significantly.

South America balanced FX pressures with operational levers. Pricing mechanisms addressed inflation and supply volatility. Brazil’s operations leveraged longstanding customer relationships. Aftermarket distribution maintained service levels reliably. Safety culture continued to strengthen across facilities.

Regional ESG programs saw visible progress steadily. Renewable energy adoption rose across multiple sites. Waste reduction initiatives improved landfill diversion rates. Community engagement programs supported education and skills. Governance frameworks ensured consistent compliance regionally.

Group Financial Highlights

metric	2021	2022	2023
North	106.68	140.99	83.38
South	105.51	124.35	101.24
Americas	41.88	74.73	112.99
South	82.21	131.46	88.58
Americas	119.05	60.96	101.23
Americas	105.35	129.57	101.16
South	91.88	123.57	92.5
EMEA	90.79	139.44	89.59
Americas	82.98	134.53	126.21
North	99.81	130.76	101.35
EMEA	146.47	111.32	96.62
APAC	81.65	90.89	69.34

Technology and Innovation

Primeparts maintained peak R&D; intensity for the sector. Investment focused on electrification, thermal optimization, and software. Patents filed and granted increased versus prior year. Cross-functional project houses accelerated system-level breakthroughs. Open innovation expanded with select ecosystem partners.

VortexDrive and MagnoFlux formed our core motor families. Designs addressed distinct performance, cost, and material strategies. VortexDrive emphasized continuous torque and liquid cooling. MagnoFlux emphasized magnet-free and contactless transmission. Both delivered high efficiency across duty cycles consistently.

AuroraCharge advanced wireless charging standardization globally. Our automated positioning is now a reference implementation. The Global Mobility Standards Association recognized the

protocol. chargeNET provided flexible depot and destination charging solutions. Reliability and safety passed extensive certification suites successfully.

BionicFlow cooling and PolarCore thermal modules led innovation. Computational fluid dynamics guided channel optimization precisely. Structural design reduced material while improving stiffness. Integrated sensing enabled advanced diagnostics and control. Field data fed models for continuous improvement.

Embedded software became a critical differentiator across systems. Over-the-air update frameworks improved lifecycle performance. Diagnostics delivered granular insights for service optimization. Functional safety and cybersecurity were integral from design. Software-defined thermal and energy control matured materially.

Materials innovation reduced environmental impact measurably. Recycled polymers replaced metals where feasible. Low-GWP refrigerants were qualified across platforms. Coating technologies improved friction and corrosion resistance. Lightweighting supported range and payload improvements meaningfully.

Testing and validation capacity expanded globally at pace. Environmental chambers covered extreme temperature cycles comprehensively. Electromagnetic compatibility labs handled higher power ranges. Endurance rigs replicated real-world duty profiles precisely. Data infrastructure centralized results for faster decisions.

We strengthened our IP portfolio and partnerships carefully. Licensing opportunities emerged in select niches judiciously. Standards participation shaped industry direction responsibly. University collaborations seeded early-stage research avenues. Talent acquisition focused on power, thermal, and software disciplines.

Headcount by Region

region	headcount_2022	headcount_2023	change_pct
North	119.13	97.89	0.64
EMEA	99.43	101.66	0.4
Americas	87.42	87.74	0.01
EMEA	55.5	78.4	0.8
Americas	13.31	95.56	0.9
South	101.25	149.84	0.45

Electrification Portfolio Advances

Traction motors covered multiple voltage classes strategically. Inverters integrated with thermal management to optimize efficiency. Power modules adopted wide-bandgap devices for gains.

EMI performance hit stringent global specifications consistently. Manufacturing lines scaled with modular automation systems.

Onboard chargers delivered global multi-standard compatibility. Thermal integration reduced mass and improved packaging density. Software handled grid diversity and interoperability flexibly. Field reliability met leading benchmarks for uptime. Solid design reuse enabled rapid localization programs.

DC–DC converters supported auxiliary systems efficiently. Isolation and safety margins exceeded regulatory requirements. Thermal strategies balanced conduction and convection effectively. Diagnostics enabled predictive maintenance workflows systematically. Platforms shared components to reduce complexity and cost.

Charging portfolios balanced wireless and wired use cases. AuroraCharge focused on urban convenience deployments. chargeNET met fleet depot operational requirements effectively. Systems integrated seamlessly with vehicle controllers and cloud. Partner ecosystems accelerated adoption and standardization collaboratively.

R&D; Investment and Outputs

year	rd_spend_eur_m	patents_filed	rd_headcount
2025.0	116.69	79.88	108.45
2024.0	65.47	128.96	87.25
2022.0	106.85	88.76	112.0
2023.0	110.18	106.83	98.55
2020.0	62.4	114.1	134.93

Thermal Solutions Breakthroughs

BionicFlow cooling plates set new benchmarks globally. Manufacturing processes ensured consistent micro-channel fidelity. Quality controls used inline imaging and analytics extensively. Plates delivered uniform temperature distribution across pack zones. Integration reduced connectors, seals, and potential leak points.

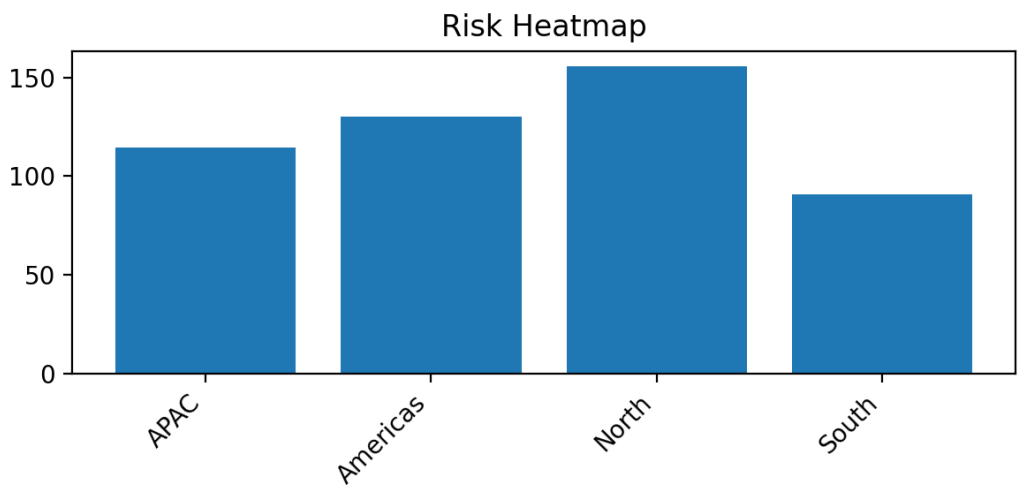
PolarCore modules simplified the under-hood architecture meaningfully. Heat pumps optimized operation across temperature bands. E-compressors delivered high COP and low noise. Valve manifolds reduced joints and improved serviceability. Controller algorithms balanced comfort and efficiency dynamically.

Thermal systems for fuel cells advanced rapidly. Humidification and water management improved stack durability. Heat rejection handled variable load conditions gracefully. Cabin integration addressed NVH and energy efficiency jointly. Prognostics guided maintenance

intervals with high accuracy.

Industrial thermal solutions expanded into data centers. Liquid cooling supported high-density compute racks effectively. Modular skids simplified installation and maintenance tasks. Redundancy designs ensured high availability requirements. Energy efficiency metrics met advanced sustainability goals.

Risk Heatmap



Operations and Supply Chain

Operational excellence underpinned our margin improvements solidly. Lean programs identified waste across value streams. Kaizen events delivered fast, measurable impact repeatedly. OEE improved through SMED, TPM, and problem solving. Digital work instructions standardized best practices effectively.

IIoT platforms scaled to twenty-two plants globally. Sensor data improved uptime and yield continuously. Predictive analytics anticipated equipment failures earlier. SPC dashboards reduced process variability substantially. Cybersecurity controls protected OT networks rigorously.

Network optimization reduced fixed costs and complexity. Selected product lines transferred to higher-efficiency sites. Capacity aligned with regional demand patterns carefully. Workforce redeployment supported skills retention and morale. Customer service levels remained high through transitions.

Supplier development programs strengthened quality and delivery. Dual sourcing covered critical components strategically. Material cost programs used design-to-value approaches. Logistics normalized with lower special freight reliance. Supplier sustainability expectations were

embedded in awards.

Energy efficiency programs cut consumption significantly. Projects covered compressed air, lighting, and drives. Waste heat recovery pilots delivered promising results. ISO 50001 adoption expanded to additional sites. Renewables share increased in total electricity consumption.

Quality frameworks reinforced defect prevention rigorously. Advanced product quality planning started early consistently. FMEAs informed robust design and process controls. Layered audits ensured standards were sustained daily. Customer ppm trends improved to low single-digit levels.

Safety performance improved with leadership engagement visible. Behavior-based safety programs matured across operations. Near-miss reporting increased learning and prevention. Ergonomic redesigns reduced repetitive strain injuries materially. Contractors were integrated into safety systems thoroughly.

Business continuity planning improved resilience meaningfully. Risk reviews covered utilities, logistics, and cyber threats. Playbooks detailed response and recovery sequences. Cross-functional drills validated readiness at key sites. Insurance coverage aligned with updated risk profiles.

Safety Metrics

region	trir	ltir
Americas	102.8	124.55
APAC	122.1	107.58
North	63.7	103.92
EMEA	93.41	120.87
APAC	113.47	74.81
South	98.73	109.84

Manufacturing Excellence

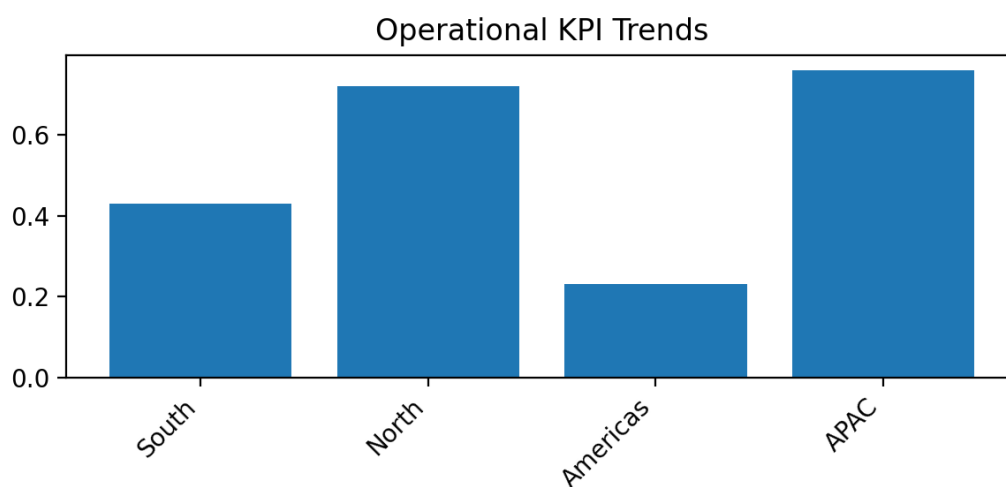
Lean academies trained practitioners across global sites. Simulation labs demonstrated flow and pull principles. Certification programs advanced from yellow to black belts. Plant performance initiatives executed targeted sprints quarterly. Savings tracked with independent validation and finance sign-off.

Automation enhanced throughput, quality, and ergonomics. Collaborative robots handled repetitive tasks effectively. Vision systems improved inspection accuracy significantly. Autonomous mobile robots optimized intralogistics dynamically. ROI hurdles ensured disciplined deployment of capital.

Standard work stabilized processes across shifts consistently. Daily management systems visualized performance in real time. Tiered escalation addressed issues rapidly and sustainably. Structured problem solving addressed root causes methodically. Results cascaded into standardization and replication broadly.

Commissioning approaches reduced time-to-rate materially. Digital twins enabled virtual commissioning and debugging. Early supplier involvement improved manufacturability of designs. Ramp readiness gates aligned cross-functional deliverables. Customer validation plans synchronized with SOP schedules.

Operational KPI Trends



Procurement and Logistics

Commodity strategies balanced risk, cost, and availability. Dual and regional sourcing mitigated disruptions effectively. Indexation mechanisms addressed volatility in key materials. Should-cost modeling supported negotiations and redesigns. Supplier scorecards covered quality, delivery, and sustainability.

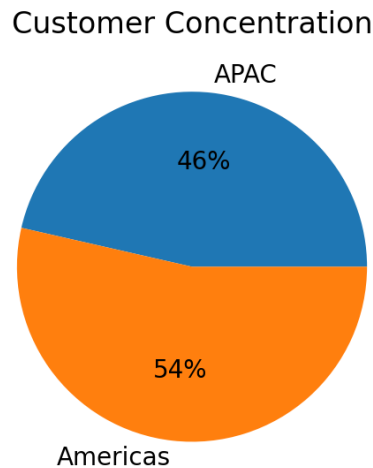
Semiconductor supply improved in most categories. Allocation committees monitored constraints weekly still. Substitution and redesign programs accelerated where necessary. Buffer stocks were maintained for critical chips. Transparency improved through collaborative demand sharing.

Logistics costs normalized compared to peak periods. Mode optimization reduced air freight reliance materially. Milk runs lowered inventory and enhanced reliability. Trade compliance processes were reinforced globally. Digital tools improved ETA visibility and dwell analytics.

Supplier sustainability roadmaps advanced with clear milestones. Emission baselines and targets were jointly agreed. Human rights assessments integrated into onboarding requirements.

Corrective actions tracked through structured follow-ups. Recognition programs celebrated supplier excellence annually.

Customer Concentration



Quality, Safety, and Customer Satisfaction

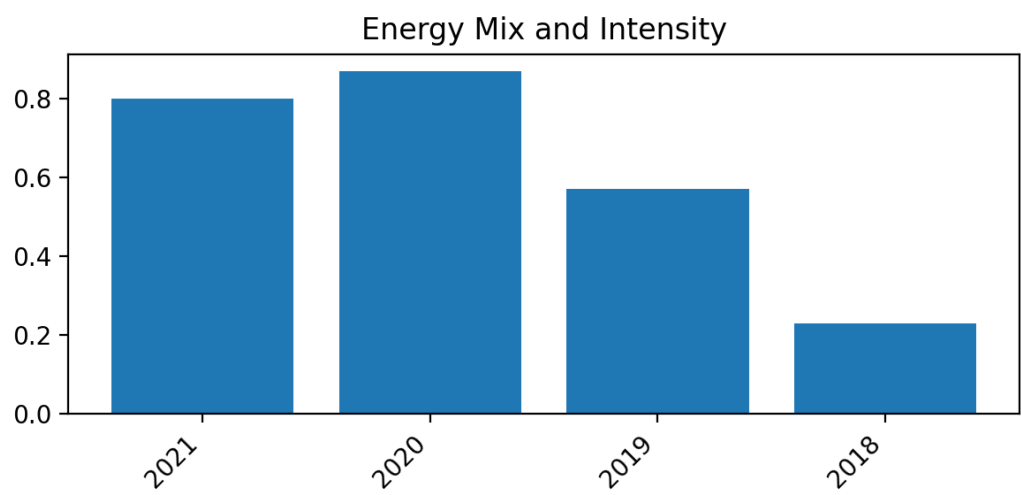
Quality performance improved across key indicators clearly. PPM levels decreased to low single digits. Customer complaints relative to sales remained stable. Warranty reserves reflected prudent risk assessment practices. Awards recognized excellence from multiple customers globally.

Quality systems met stringent sector standards consistently. Group management adhered to IATF requirements rigorously. Internal audits and customer audits verified compliance thoroughly. Digital QMS enabled traceability and analytics at scale. Culture emphasized prevention, not detection, across functions.

Safety outcomes continued trending positively across operations. TRIR and LTIR improved versus the prior year. Safety observations and near misses increased learning. Leadership gemba reinforced shared accountability daily. Contractor governance integrated into site safety systems fully.

Customer satisfaction improved through delivery and launch performance. On-time delivery advanced despite supply challenges. Launch scorecards showed stable ramp and quality metrics. Continuous improvement actions were closed swiftly and firmly. Strategic business reviews deepened cross-functional collaboration.

Energy Mix and Intensity



Quality Systems and Standards

APQP disciplines anchored robust development processes. Design and process FMEAs mitigated high risks early. Control plans stabilized process capability measurement consistently. MSA ensured measurement systems were reliable and repeatable. PPAPs were timely and complete for launch compliance.

Layered process audits kept standards visible daily. Statistical process control prevented drift and defects effectively. First-time capability targets were raised across product lines. Gage R&R; supported continuous metrology improvements. Corrective actions followed 8D rigor and verification.

Supplier quality management emphasized early interventions. Incoming inspection models were risk-based and lean. Supplier development addressed chronic issues collaboratively. Run-at-rate validated capacity and stability before launch. Escalation mechanisms ensured timely remediation of concerns.

Field quality analytics supported early detection capabilities. Connected product data enhanced problem solving efficiency. Root cause analysis leveraged standardized methods consistently. Lessons learned were shared across sites rapidly. Continuous improvement culture accelerated learning organization-wide.

R&D; Investment and Outputs

year	rd_spend_eur_m	patents_filed	rd_headcount
2025.0	108.09	97.12	104.7
2024.0	131.14	128.22	109.07

2025.0	112.59	96.86	87.76
2025.0	67.41	73.29	143.01
2025.0	150.02	109.41	92.38

Warranty and Field Performance

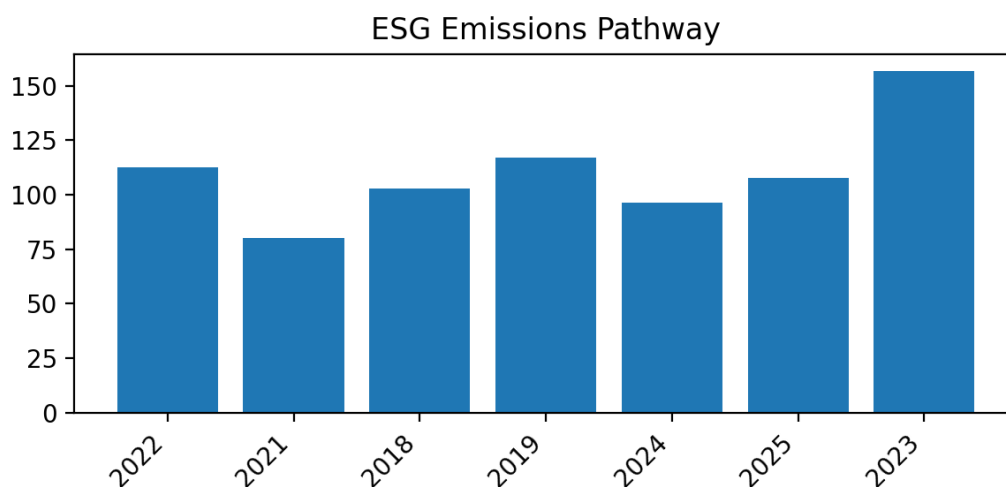
Warranty performance remained within planned levels. Mix normalization influenced accruals prudently and conservatively. Reliability testing expanded coverage of new technologies. Data analytics pinpointed emerging issues earlier. Corrective actions addressed design and process levers swiftly.

Supplier recovery processes ensured accountability and fairness. Contracts provided clarity on responsibilities and thresholds. Collaboration focused on long-term improvements and prevention. Claim cycles were shortened through digital workflows. Financial impacts remained controlled and predictable carefully.

Technical service teams supported customer field performance. Rapid response protocols ensured containment effectiveness. Root cause investigations followed structured methodologies. Updates and retrofits were executed with precision. Customer communication remained proactive and transparent consistently.

Learning loops connected field data to design teams. Requirements and validation plans were updated accordingly. Durability targets were refined based on insights. Component specifications incorporated lessons systematically. Reliability culture strengthened across engineering disciplines widely.

ESG Emissions Pathway



Human Capital and Culture

Our people fuel innovation, execution, and growth. We hired selectively for critical skill roles globally. Internal mobility filled key leadership and technical positions. Engagement improved based on survey participation and outcomes. We advanced representation at multiple leadership levels responsibly.

Learning and development scaled across the organization strongly. Technical academies served power, thermal, and software domains. Leadership programs emphasized outcomes and inclusive behaviors. Digital learning expanded reach and flexibility significantly. Certification pathways recognized skill progression and mastery.

Performance management aligned objectives with strategy tightly. Incentives reflected both financial and non-financial goals. Recognition frameworks celebrated continuous improvement achievements. Talent reviews supported succession and career planning systematically. Employees experienced increased transparency and feedback frequency.

Wellbeing programs addressed safety, health, and balance. Mental health resources expanded availability and access. Ergonomics and fitness initiatives reduced workplace risks. Flexible work models balanced collaboration and focus. Community programs reinforced a sense of purpose and impact.

Diversity, equity, and inclusion advanced through tangible actions. Inclusive hiring practices broadened candidate pools deliberately. Resource groups fostered connection and professional growth. Bias training improved awareness and accountability across teams. Measurement and reporting tracked progress against goals.

Shared service hubs matured capabilities and service quality. Global process owners strengthened standards and controls. Automation eliminated repetitive tasks and improved accuracy. Service levels and satisfaction improved across functions. Career pathways in shared services attracted diverse talent.

Labor relations remained constructive across key sites globally. Dialogue addressed change, training, and reskilling proactively. Agreements supported competitiveness and employment stability responsibly. Joint safety and productivity programs built common goals. Respectful engagement strengthened trust and collaboration measurably.

Ethics and compliance training reached high coverage levels. Code of conduct refreshed policies and guidance recently. Helpline mechanisms ensured safe reporting and action. Investigations and remediations followed consistent standards. Culture emphasized integrity and accountability across operations.

R&D; Investment and Outputs

year	rd_spend_eur_m	patents_filed	rd_headcount
2019.0	77.8	148.26	117.58
2023.0	107.16	97.13	112.83
2018.0	102.1	147.67	51.69
2025.0	112.98	118.92	113.68
2020.0	126.65	127.26	61.39

Talent and Development

Critical roles were mapped to succession systematically. Bench strength improved for engineering and operations roles. Targeted hiring filled niche expertise gaps efficiently. University partnerships expanded early careers pipelines globally. Mentorship programs scaled to support development at pace.

Leadership academies grew global participation meaningfully. Programs blended classroom, on-the-job, and coaching. Diversity of cohorts enriched peer learning outcomes. Capstone projects solved real business challenges directly. Alumni networks supported ongoing growth and collaboration.

Technical academies established certification frameworks robustly. Curricula covered design, systems, and manufacturing topics. Hands-on labs accelerated learning curve effectiveness. Cross-site instructor networks enabled consistent delivery. Industry partners contributed to content and equipment access.

Career frameworks clarified expectations and pathways clearly. Skills taxonomies guided learning investments efficiently. Internal mobility increased through transparent postings. Rotations broadened experience across functions and regions. Retention improved in key technical communities measurably.

R&D; Investment and Outputs

year	rd_spend_eur_m	patents_filed	rd_headcount
2020.0	94.65	50.77	140.53
2023.0	103.25	105.17	85.92
2022.0	99.62	107.26	79.18
2025.0	106.48	93.65	71.65
2021.0	107.78	96.3	73.43

Diversity, Engagement, and Culture

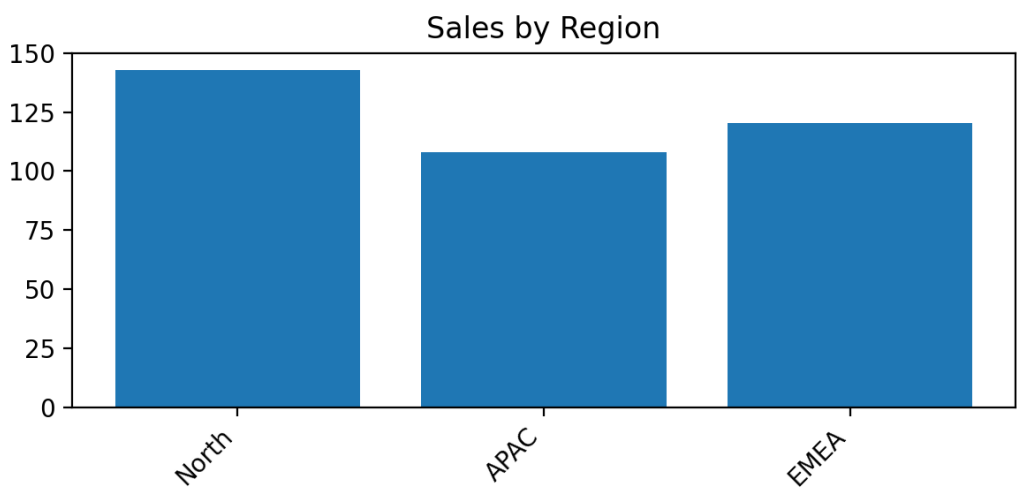
Diversity goals focused on leadership representation strategically. Inclusive hiring practices expanded slates consistently. Interview training reduced bias and improved outcomes. External partnerships broadened sourcing channels globally. Progress is tracked and reported to leadership regularly.

Engagement actions reflected survey insights practically. Managers trained on feedback and action planning. Recognition platforms elevated peer-to-peer appreciation broadly. Collaboration tools supported hybrid work models effectively. Internal communications improved clarity, cadence, and reach.

Culture emphasized accountability, learning, and integrity. Values guided daily decisions and trade-offs. Leaders modeled behaviors through visible actions. Stories showcased role models and best practices. Culture audits informed improvements and mitigations periodically.

Community programs created shared purpose beyond work. STEM outreach supported future talent pipelines. Volunteering strengthened local relationships and impact. Matching donations encouraged broader participation generously. Sustainability days engaged employees in practical actions.

Sales by Region



Sustainability and ESG

Our ESG strategy aligns growth with responsibility clearly. Climate action follows science-based targets validated externally. Resource efficiency and circularity guide product and process. People and communities remain central to our approach. Governance ensures oversight and transparency consistently.

Greenhouse gas reductions progressed across scopes materially. Scope 1 and 2 intensity declined year over year. Renewable electricity share increased significantly across sites. Energy efficiency projects delivered measurable savings globally. Supplier programs initiated Scope 3 reductions collaboratively.

Product design embedded sustainability in early gates. Recycled content targets informed material selections repeatedly. Lightweighting improved total lifecycle emissions measurably. Thermal efficiency enhanced vehicle energy consumption meaningfully. Design-for-disassembly informed end-of-life considerations thoughtfully.

Water stewardship and waste reduction advanced robustly. Sites improved water reuse and conservation strategies. Waste-to-landfill rates declined across multiple plants. Hazardous waste controls strengthened with new technologies. Environmental compliance performance remained strong and consistent.

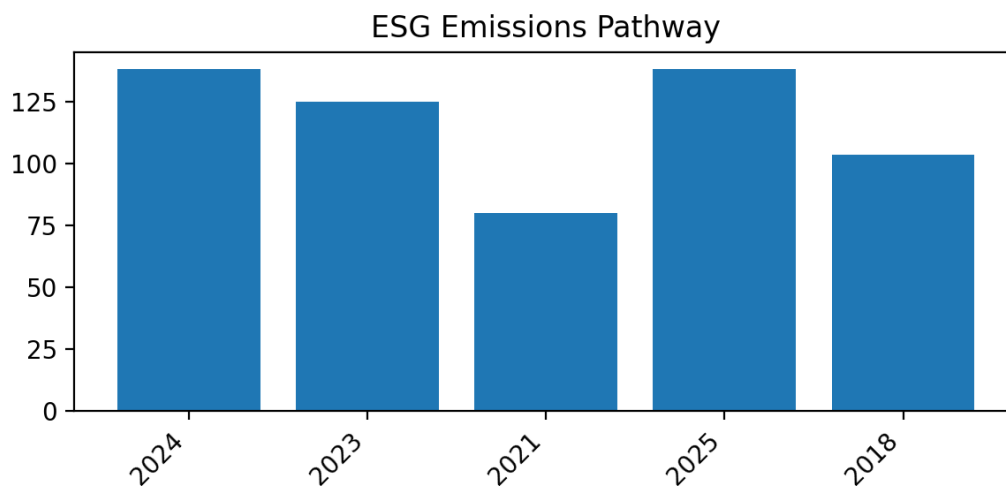
Health, safety, and wellbeing remained a top priority. ISO 45001 certifications expanded to additional sites. Incident rates trended down with targeted programs. Wellness offerings reached more employees and families. Contractor safety oversight strengthened expectations and accountability.

Human rights due diligence frameworks matured notably. Supplier assessments and audits expanded in coverage. Corrective actions were verified through follow-up protocols. Training raised awareness across procurement and operations. Reporting aligned with emerging regulatory expectations thoroughly.

Ethics and compliance programs remained robust groupwide. Code training sustained high completion and effectiveness. Investigations and outcomes followed fair process diligently. Data privacy controls improved with audits and upgrades. Anti-corruption measures remained rigorous in all regions.

ESG performance disclosure improved in breadth and depth. Reporting aligned with global frameworks and standards. Third parties assessed our progress and scores. Stakeholder dialogue informed priorities and roadmaps. Continuous improvement remains embedded in our ESG journey.

ESG Emissions Pathway



Climate and Environmental Stewardship

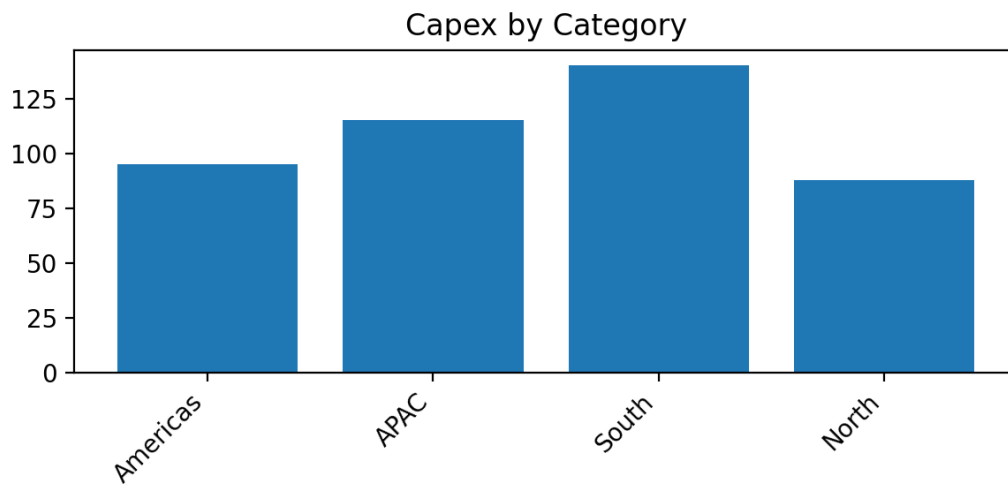
Science-based targets were reaffirmed by independent reviewers. Pathways align with 1.5°C ambitions convincingly. Site-level roadmaps deliver cumulative reductions progressively. Renewable procurement and PPAs expanded coverage significantly. Onsite generation pilots advanced at select facilities prudently.

Energy efficiency investments targeted high-return projects. Compressed air, motors, and HVAC upgrades featured. Advanced monitoring identified persistent savings opportunities. Behavioral programs complemented technical investments effectively. Paybacks remained attractive despite inflationary contexts.

Materials shifts supported Scope 3 reductions. Recycled polymers replaced metals where suitable. Low-carbon aluminum content increased across components. Packaging recycled content and reusability improved. Collaboration with suppliers enabled scalable changes rapidly.

Life-cycle assessments guided product decisions carefully. Hotspot analyses informed redesign opportunities clearly. Trade-offs balanced performance, cost, and impact. Customer collaboration aligned on metrics and methods. Reporting transparency built trust and informed choices.

Capex by Category



Responsible Sourcing and Compliance

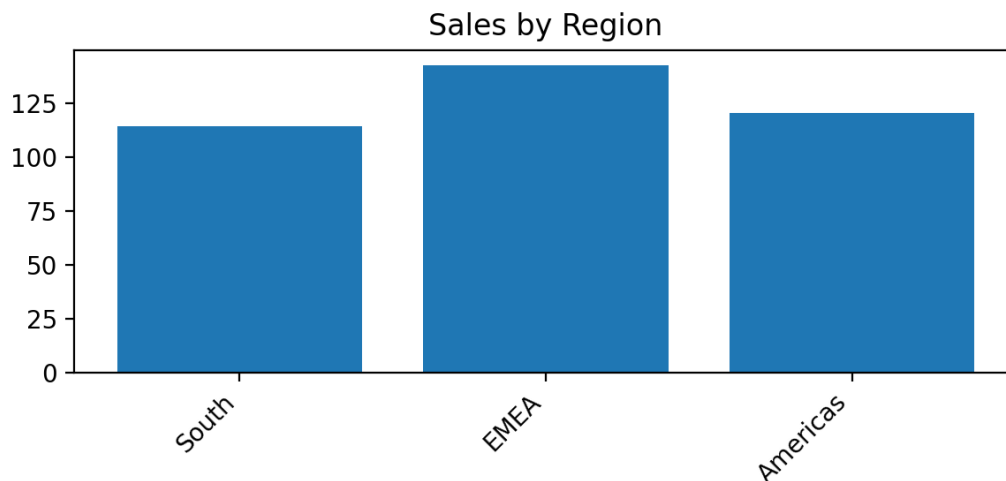
Supplier code of conduct established clear expectations. ESG criteria embedded in sourcing decisions nationally. Assessments prioritized high-risk categories and regions. Corrective actions tracked through shared action plans. Capacity-building helped suppliers meet requirements sustainably.

Human rights due diligence operationalized in procurement. Grievance channels were accessible to stakeholders. Audits covered labor, environment, and ethics holistically. Remediation followed structured and fair processes. Partnerships strengthened industry-wide best practices collectively.

Compliance frameworks reinforced across jurisdictions responsibly. Data protection compliance aligned with regulations thoroughly. Export controls and sanctions screening improved systems. Anti-bribery programs trained employees and partners globally. Monitoring and analytics supported ongoing assurance activities.

Transparency commitments guided external disclosures meaningfully. Reports aligned with recognized sustainability frameworks. Ratings and rankings provided external benchmarking. Stakeholder engagement informed focus and improvements. Materiality reviews updated priorities periodically and thoughtfully.

Sales by Region



Risk Management and Resilience

Primeparts manages risk through a structured framework. The Board and committees oversee principal exposures. Risk owners implement mitigation plans with accountability. Internal audit tests controls and remediation effectively. Reporting cadence ensures timely visibility and response capability.

Market and technology risks remained at the forefront. Adoption of electrification varies across regions materially. Thermal and charging standards continue to evolve. Competitive dynamics shift with new entrants rapidly. We hedge exposure through diversification and partnerships.

Operational risks include supply, quality, and cyber threats. Dual sourcing and inventory buffers mitigate disruptions. Quality systems prevent defects and manage launches. Cybersecurity protects IT and OT environments comprehensively. Business continuity plans guide response and recovery actions.

Financial risks include currency, interest, and liquidity. Hedging programs manage major currency exposures prudently. Funding sources are diversified across instruments. Covenants and maturities are managed proactively. Cash discipline provides resilience through economic cycles.

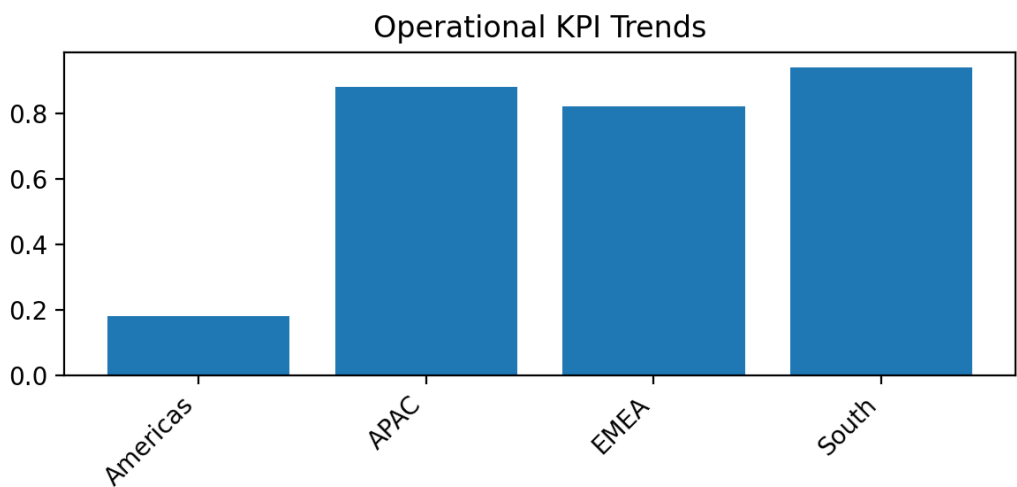
Regulatory risks include ESG, trade, and data domains. Due diligence and reporting obligations are expanding. Export control landscapes evolve with geopolitics frequently. Data protection requires sustained vigilance and investments. We monitor developments and adapt controls continuously.

Reputation risk is managed through conduct and transparency. Code of conduct sets clear standards globally. Speak-up culture enables early identification and resolution. Rapid response ensures issues are contained and addressed. Stakeholder communication remains timely and factual always.

Scenario planning and stress tests inform preparedness robustly. Extreme market scenarios are reviewed annually. Multi-hazard exercises test the organization’s resilience. Lessons learned translate into improvements quickly. Risk appetite aligns with strategy and capital allocation.

Insurance programs complement self-insurance strategically. Policies cover property, business interruption, and liability. Coverage limits reflect updated risk assessments. Claims handling processes are standardized globally. Market relationships remain strong and competitive currently.

Operational KPI Trends



Enterprise Risk Management

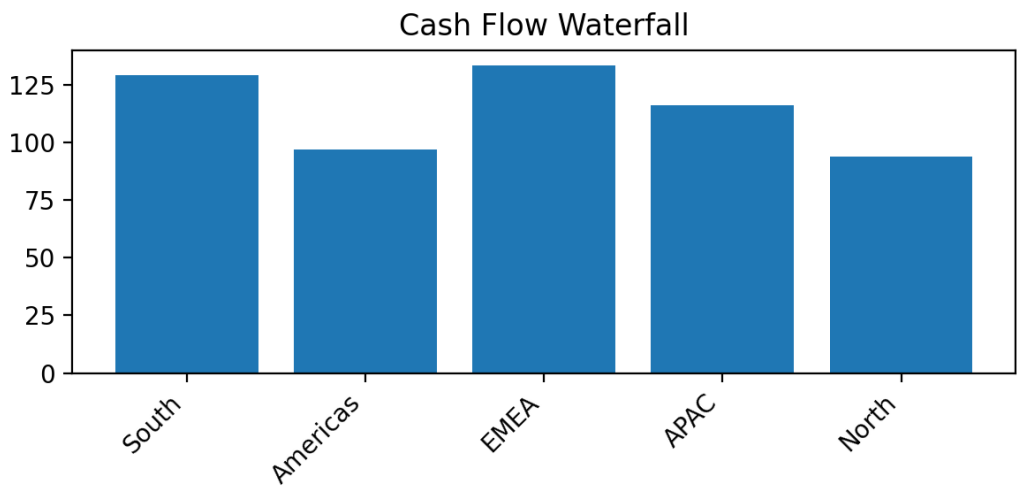
The ERM process cycles quarterly across the Group. Risk identification uses top-down and bottom-up inputs. Prioritization reflects likelihood, impact, and velocity considerations. Mitigations are defined with owners and timelines clearly. Progress is tracked and reported to leadership.

Cross-functional committees coordinate key domains effectively. Supply risk councils convene weekly during volatility. Cyber councils align IT and OT security programs. Quality councils oversee launches and field performance. ESG councils drive sustainability progress and reporting.

Metrics and thresholds trigger escalations predictably. Early warning indicators monitor leading risk signals. Dashboards provide transparency across sites and regions. Assurance combines control testing and process audits. External benchmarking informs continuous improvement ambitiously.

Training builds risk awareness and capabilities broadly. Simulation exercises prepare teams for rare events. Playbooks are maintained and accessible centrally. Lessons learned are documented and cascaded. Culture encourages prudent risk taking with accountability.

Cash Flow Waterfall



Financial Risk and Hedging

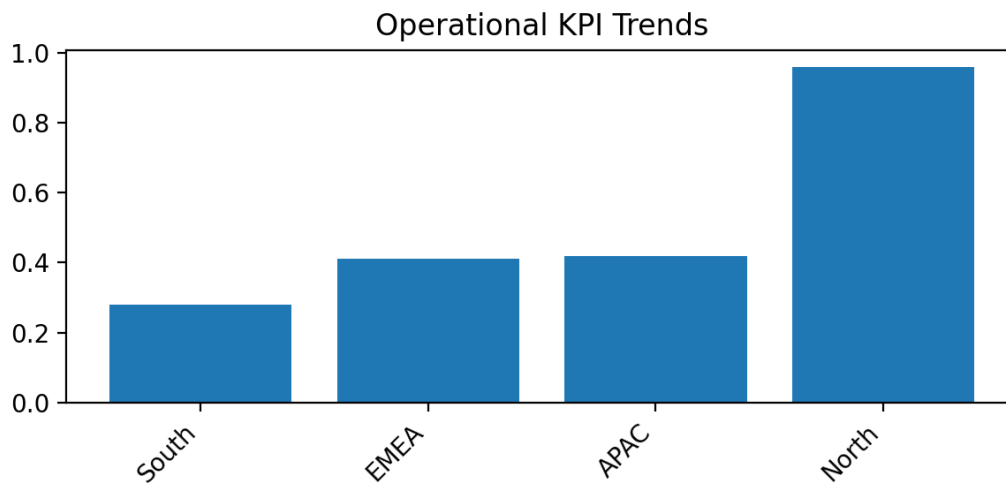
Currency exposures are forecast and hedged systematically. Hedging horizons extend up to twenty-four months. Instruments include forwards, swaps, and natural hedges. Effectiveness is monitored with established accounting methods. Policies restrict derivatives to risk mitigation purposes only.

Interest rate risk is assessed with value-at-risk models. Funding mix balances fixed and floating exposures prudently. Liquidity buffers are maintained above policy thresholds. Bank group diversification limits counterparty concentration risk. Investor communications ensure alignment on strategy and risk.

Working capital risks are managed actively and visibly. Receivable programs improve DSO without customer impact. Supplier terms are optimized through collaboration and tools. Inventory buffers are calibrated by risk and demand. Cash forecasting accuracy improved with analytics adoption.

Compliance risk in finance is tightly controlled. Controls cover authorization, segregation, and reconciliations. Reporting follows rigorous policies and group timelines. External audits confirm fair presentation and adherence. Continuous improvement drives efficiency and control strength.

Operational KPI Trends



Outlook and Guidance

Macro conditions remain uncertain across regions overall. We expect subdued vehicle production in Europe. North America should remain relatively resilient sequentially. Asia Pacific will likely see mixed patterns. South America may stabilize after a volatile phase.

Electrification growth will continue with regional pacing. Thermal content per vehicle will keep rising. Charging ecosystems will expand in targeted deployments. Hydrogen solutions will see early commercial niches. Combustion remains in mix across emerging markets.

We expect slight organic growth in Group sales. EBIT should improve meaningfully with operational leverage. Cash conversion is expected to remain strong. Capex will be aligned with program ramps. Portfolio actions will simplify complexity and elevate focus.

Priorities center on execution, productivity, and growth. Scale thermal modules on key BEV platforms widely. Expand electronics awards with disciplined bid processes. Accelerate aftermarket diagnostics and service solutions growth. Sustain safety, quality, and delivery performance consistently.

Cost discipline will offset inflationary pressures where possible. Design-to-value programs will unlock competitive costs. Supplier collaboration will reduce total landed costs. Digital tools will improve planning and scheduling accuracy. Lean initiatives will maintain momentum across sites.

Sustainability targets will remain fully embedded. Energy projects will reduce emissions and costs jointly. Materials initiatives will scale recycled content and substitution. Supplier engagement will intensify with co-developed plans. Transparent reporting will support stakeholder confidence broadly.

Capital structure will remain robust and flexible. Liquidity headroom will support investments and resilience. Deleveraging will continue with cash generation and portfolio moves. Shareholder distributions will reflect performance and prudence. We will remain opportunistic on high-return opportunities.

We enter the new year with confidence. Backlog and awards support multi-year visibility overall. Our teams are prepared to execute rigorously. Partnerships across the ecosystem will accelerate progress. Primeparts is committed to sustainable value creation.

EBIT Bridge

