

Shiftsupply Annual Report

Table of Contents

1. Letter from the Chief Executive
2. Letter from the Chief Executive — Performance Highlights
3. Letter from the Chief Executive — Strategic Decisions in the Year
4. Company Profile and Operating Model
5. Company Profile — Segment Architecture
6. Company Profile — Global Footprint
7. Strategy and Value Creation
8. Strategy — Portfolio Steering
9. Strategy — Capital Allocation Framework
10. Market Environment and Macroeconomic Context
11. Market Environment — Regional Trends
12. Market Environment — Commodity and Input Costs
13. Customer and Segment Overview
14. Customer and Segment — Mobility Solutions
15. Customer and Segment — Traction Components and Advanced Materials
16. Research and Development
17. R&D; — Software Platforms and Safety
18. R&D; — Materials Science and Circularity
19. Operations and Supply Chain
20. Operations — Manufacturing Excellence
21. Operations — Procurement Strategy
22. Financial Review
23. Financial Review — Income Statement Analysis
24. Financial Review — Cash Flow and Balance Sheet
25. Capital Markets, Shares and Bonds
26. Capital Markets — Shareholder Structure and Engagement
27. Capital Markets — Debt and Liquidity Profile
28. Governance and Board Oversight
29. Governance — Committee Work and Outcomes
30. Governance — Remuneration and Independence
31. Risk Management and Internal Control
32. Risk — Financial Risks
33. Risk — Operational, Legal, and Environmental
34. Sustainability and ESG Performance
35. Sustainability — Climate and Energy
36. Sustainability — Supply Chain Responsibility and Materials
37. People and Organization
38. People — Workforce Development and Skills
39. People — Diversity, Inclusion, and Engagement
40. Digitalization and Data Security
41. Digital — Cybersecurity Enhancements
42. Digital — Data Governance and Platforms
43. Outlook and Guidance
44. Outlook — Scenario Planning and Sensitivities

45. Outlook — Medium-Term Targets and Milestones

Letter from the Chief Executive

Dear shareholders, the past year tested resilience. Shiftsupply delivered disciplined execution and progress. We achieved our adjusted targets under pressure. Inflation, freight, and currency weighed continuously. Nevertheless, our teams delivered strong operational outcomes.

Group sales reached €41.4 billion in 2023. This represented 5.1 percent growth year-on-year. Adjusted EBIT increased to €2.52 billion. The adjusted EBIT margin rose to 6.1 percent. Free cash flow improved markedly to €1.16 billion.

We acted decisively on portfolio focus. We prioritized value-creating areas and capabilities. Our Mobility Solutions unit returned to growth. Traction Components again produced premium margins. Advanced Materials improved resilience despite a soft industrial cycle.

Capital allocation remained disciplined and prudent. We funded growth within operating cash flows. We strengthened the balance sheet materially. Net indebtedness fell to €4.04 billion. The equity ratio increased to 37.4 percent.

We simplified structures and reduced complexity. We lowered fixed costs across functions. We consolidated development sites and tools. We accelerated sourcing synergies and logistics normalization. Our execution cadence improved quarter by quarter.

We sharpened strategic priorities and targets. Near-term profitability is our immediate focus. We pursue mid-term sales of €51–€56 billion. We target an 8–11 percent adjusted EBIT margin. Cash conversion should exceed 70 percent.

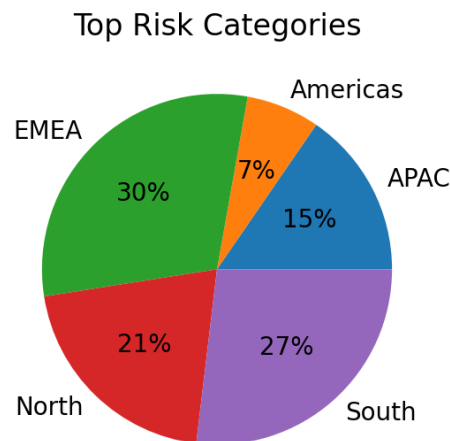
We thank our global workforce sincerely. Over 200,000 colleagues delivered with commitment. Safety and quality remained non-negotiable everywhere. Customer satisfaction scores improved materially in-year. Culture and integrity anchored all decisions.

We propose a dividend of €2.20 per share. The payout aligns with our corridor. We target 20–40 percent of net income. This policy balances investment and returns responsibly. We remain focused on durable value creation.

Shiftsupply enters the new year with confidence. Our order book is healthy and diversified. Operational foundations are stronger than last year. Strategic options are broadened and sequenced. We are positioned to compound value methodically.

We appreciate your continued trust and support. We will deliver with rigor and transparency. We will invest where returns justify. We will simplify wherever complexity impairs speed. We will keep listening to stakeholders closely.

Top Risk Categories



Letter from the Chief Executive — Performance Highlights

Sales grew by €2.01 billion year-over-year. Adjusted EBIT increased by €604.6 million. Adjusted margin expanded by 120 basis points. Free cash flow rose by €1.07 billion. Net indebtedness decreased by 10.3 percent.

Earnings per share improved substantially in 2023. Basic EPS reached €5.78 for the year. Diluted EPS matched basic EPS precisely. Equity increased to €14.13 billion overall. The gearing ratio improved to 28.6 percent.

Segment performance showed balanced contributions. Mobility Solutions sales reached €20.30 billion. Traction Components delivered €13.96 billion in sales. Advanced Materials achieved €6.84 billion overall. Contract Services contributed €0.51 billion.

Profitability dynamics were heterogeneous by segment. Traction Components maintained double-digit margin leadership. Advanced Materials lifted margins materially year-over-year. Mobility Solutions recovered towards breakeven EBIT. Contract Services declined amid volume transfers.

R&D; Investment Allocation

focus_area	spend_2023_eur_m	share_percent
North	84.92	0.95
Americas	153.1	0.38
APAC	110.75	0.3
EMEA	99.1	0.41

EMEA	90.51	0.22
Americas	122.69	0.97
APAC	107.84	0.99
APAC	71.22	0.09
EMEA	92.04	0.45
North	100.91	0.86

Letter from the Chief Executive — Strategic Decisions in the Year

We advanced portfolio streamlining decisively in 2023. A user-experience systems unit became independent. Options were created for strategic partnerships thoughtfully. Additional subscale activities entered formal review. Exit and turnaround paths were defined.

We committed selective capacity expansions regionally. North America capacity will be scaled prudently. Asia-Pacific footprint will be expanded in phases. We will stay close to regional demand. Capital intensity remains strictly return-screened.

We instituted a cost program for Mobility Solutions. The program targets €400 million annual savings. We simplify layers and clarify accountabilities. We focus research intensity on differentiators. We rationalize sites and software toolchains.

We elevated integrity and risk oversight structures. A unified risk and controls function launched. Cyber resilience received focused investment and testing. Export control processes were upgraded comprehensively. Vendor assurance programs were strengthened globally.

ESG KPIs

kpi	2022	2023	target_2025
North	120.24	107.5	96.79
EMEA	147.25	96.9	66.85
APAC	76.61	105.54	134.42
Americas	161.28	80.38	164.08
South	79.86	79.55	122.08
North	121.57	105.97	97.17
APAC	65.09	112.41	115.53
South	138.78	106.96	118.29
Americas	118.79	128.99	122.05
EMEA	104.09	92.18	83.63
Americas	46.61	85.42	99.8
South	121.29	94.68	97.42

Company Profile and Operating Model

Shiftsupply is a diversified industrial technology group. We operate three core business pillars. Mobility Solutions provides integrated vehicle systems. Traction Components provides premium tire technologies. Advanced Materials delivers engineered polymer solutions.

A fourth pillar provides transitional services. Contract Services supports a single external client. It covers separated legacy manufacturing scopes. Volume migrates off gradually as planned. This pillar will sunset over time.

The group operates in 56 countries. We serve customers through 505 primary sites. These include production, R&D, and administration. Our tire retail presence is extensive globally. It includes owned and franchised outlets collectively.

The customer portfolio is well balanced. OEMs represent significant demand in Mobility. Distribution and replacement channels lead in Traction. Advanced Materials serves diverse industrial verticals. Contract Services is single-counterparty by design.

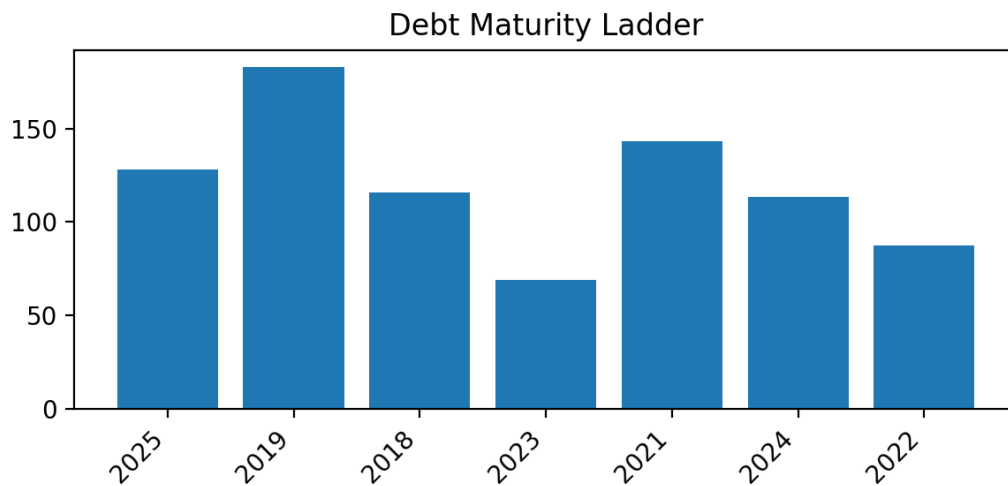
Research and development are embedded globally. We maintain 95 development locations worldwide. Proximity to customers accelerates co-innovation cycles. Central platforms standardize architecture and integration. Materials labs drive compounding and testing excellence.

Our purchasing scale enables cost leadership. Total purchasing volume reached €29.1 billion. Production materials comprised €19.8 billion thereof. Electronic content dominates Mobility Solutions inputs. Rubber chemistry is critical for Traction and Materials.

The operating model is decentralized and accountable. Each pillar owns P&L and strategy. Group functions provide scale and standards. Finance, IT, HR, and Sustainability set frameworks. Compliance and Quality assure consistent execution.

The portfolio is resilient by design. End-market diversity balances cycles effectively. Regional footprints reduce geopolitical concentration risks. Innovation focus supports price and mix discipline. Cash conversion anchors overall capital efficiency.

Debt Maturity Ladder



Company Profile — Segment Architecture

Mobility Solutions comprises five business areas. Architecture and Networking leads vehicle platforms. Autonomous Mobility develops perception and safety. Safety and Motion serves braking and chassis. Software and Central Technologies integrates compute.

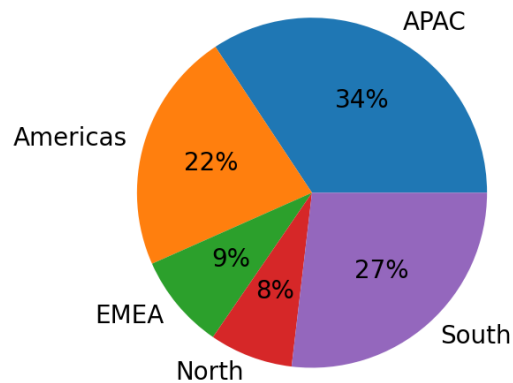
User Experience focuses on displays and interfaces. It operates as an independent organization. Strategic options are actively under evaluation. The unit holds significant customer awards. It scales with software-defined vehicle adoption.

Traction Components organizes by market proximity. Original Equipment serves global vehicle manufacturers. Three regional Replacement businesses manage demand. Specialty Tires cover off-highway and niche. Digital services unify monitoring and lifecycle value.

Advanced Materials is organized for agility. Three regional Industrial Solutions businesses lead. Original Equipment Solutions focuses automotive materials. Surface Solutions delivers interior surface technologies. The setup supports faster decision cycles.

Top Risk Categories

Top Risk Categories



Company Profile — Global Footprint

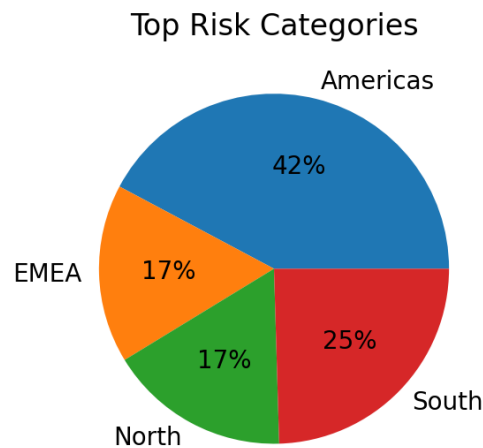
Our manufacturing network spans core markets. Europe remains a scale foundation for us. The Americas provide capacity and proximity. Asia-Pacific anchors growth and supply optionality. Logistics corridors are diversified across modalities.

R&D; hubs are co-located with customers. Software clusters operate in multiple regions. Materials labs are centralized for efficiency. Test tracks and validation sites are global. Supplier development teams are regionally embedded.

Retail presence amplifies brand reach. Owned outlets offer service excellence predictably. Franchise partnerships expand capillarity efficiently. Digital channels support omnichannel customer journeys. Fleet solutions add recurring service revenue streams.

Footprint strategy follows clear principles. Be in the market for the market. Scale where demand is durable and local. Balance capacity with flexible modular investments. Protect supply through multi-sourcing and dual tooling.

Top Risk Categories



Strategy and Value Creation

Our strategy centers on focused growth. We prioritize advantaged platforms and materials. We divest or fix subscale activities decisively. We build repeatable capabilities for speed. We compound returns through disciplined allocation.

Three pillars guide strategic action company-wide. Strengthen operational performance relentlessly each quarter. Differentiate the portfolio toward higher value. Turn change into opportunity systematically and early. Anchor actions in measurable outcomes only.

We target leadership in system integration. Software-defined vehicle architecture drives Mobility Solutions. High-performance compute and middleware are core. Safety and reliability underpin all offers strictly. User interfaces enable intuitive human engagement.

Traction Components scales premium and digital. Larger rim sizes support mix improvement. EV-specific performance broadens approvals materially. Data-driven monitoring strengthens fleet economics. Sustainability features differentiate brand propositions effectively.

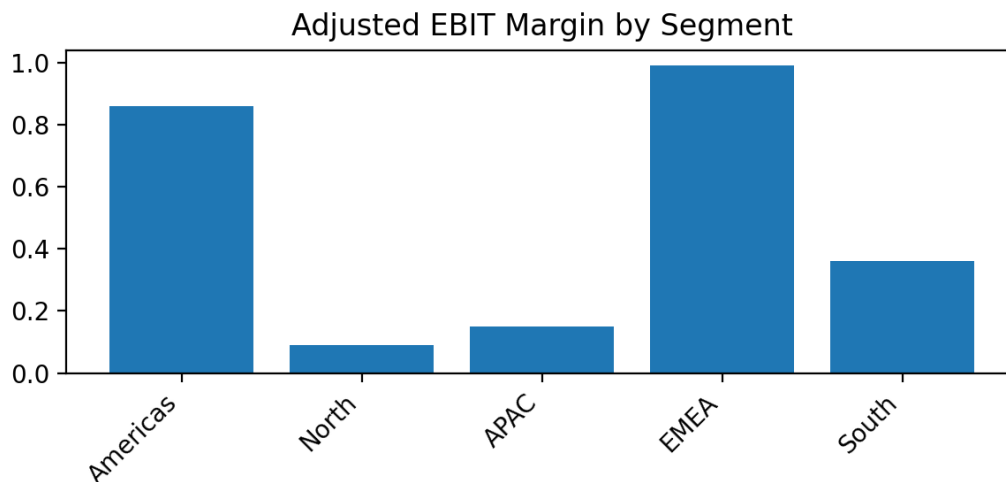
Advanced Materials sharpens its industrial focus. Energy, agriculture, and construction lead growth. Interior surfaces sustain premium demand cycles. Polymer science enables performance differentiation clearly. Electronics integration enhances product functionality conveniently.

We embed value creation in governance. ROCE exceeds WACC in targets consistently. Cash conversion discipline underpins growth funding. Capital intensity is actively managed prudently. Returns drive every investment decision carefully.

Our mid-term targets are explicit and measurable. Group sales reach €51–€56 billion overall. Adjusted EBIT margin reaches 8–11 percent. Cash conversion remains above 70 percent sustainably. Segment-level ROCE thresholds are defined and binding.

We will measure, learn, and adjust. Milestones are sequenced and transparent quarterly. Incentives align to value creation outcomes. Risk-adjusted returns guide sequencing and pace. Stakeholder expectations inform trade-offs responsibly.

Adjusted EBIT Margin by Segment



Strategy — Portfolio Steering

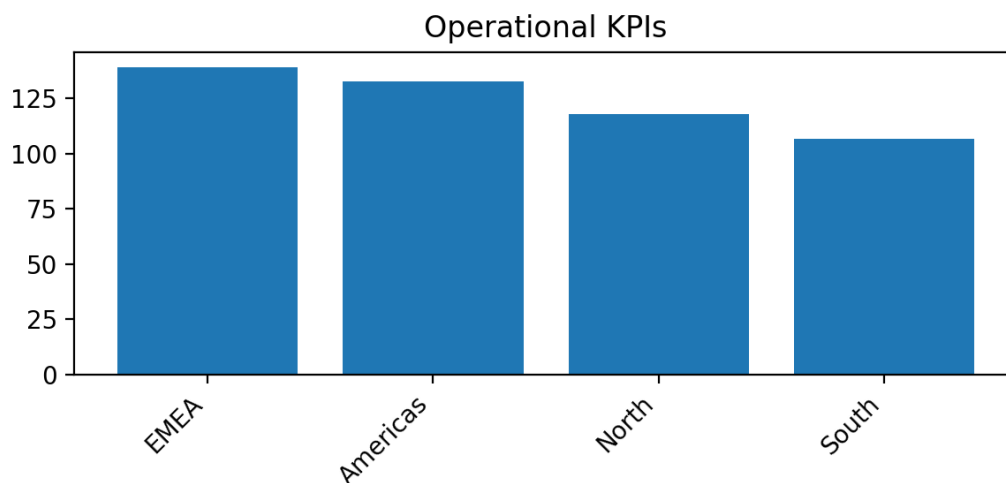
We conduct annual portfolio reviews comprehensively. Each business is scored across economics. Market structure and advantage are assessed. Technology leadership and scalability are evaluated. Optionality and resilience complete the review.

Fix or exit decisions follow thresholds. Underperformers receive time-bound turnaround mandates. Non-core assets enter structured separation tracks. Partnerships are considered when synergy is compelling. Governance enforces cadence and transparency rigorously.

Innovation bets concentrate on flywheels. Platforms with reuse accelerate returns meaningfully. Shared components reduce complexity and cost. Open interfaces increase partner leverage strategically. Customer co-creation reduces adoption risk significantly.

M&A; plays a focused enabling role. Bolt-ons build technology moats selectively. Divestitures sharpen focus and improve returns. Joint ventures expand regional access effectively. Integration playbooks emphasize speed and value.

Operational KPIs



Strategy — Capital Allocation Framework

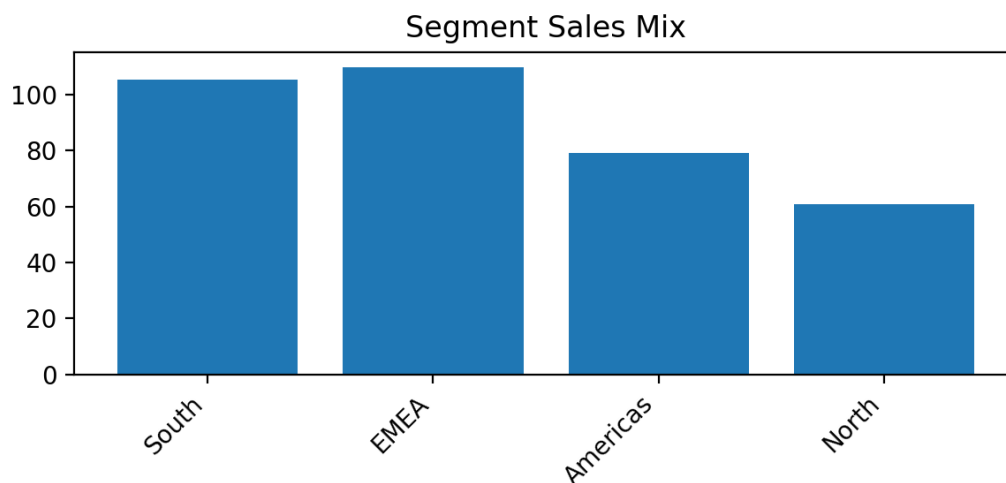
Capital allocation follows strict sequencing always. Maintain investment grade credit metrics consistently. Fund high-return organic growth opportunities. Return excess capital within policy corridors. Preserve optionality for disciplined external moves.

We target capex at 6–7 percent. We concentrate on automation and debottlenecking. Digitalization improves asset turns and uptime. Sustainability projects lower energy intensity structurally. Customer-mandated capacity is co-funded where appropriate.

R&D; intensity reflects platform economics deliberately. Mobility Solutions focuses on software leverage. Traction Components emphasizes compounding science advances. Advanced Materials drives formulation leadership continuously. Tooling reuse reduces total lifecycle cost.

Shareholder returns reflect balanced priorities. The dividend corridor remains 20–40 percent. Opportunistic buybacks may complement when appropriate. Debt maturities are laddered prudently and evenly. Liquidity buffers remain robust throughout cycles.

Segment Sales Mix



Market Environment and Macroeconomic Context

Global markets improved unevenly last year. Inflation moderated from midyear in stages. Interest rates peaked then paused in places. Supply chains stabilized progressively across categories. Freight costs normalized versus prior peaks.

Equity markets rallied into year-end strongly. Investors priced a soft-landing probability increase. Earnings resilience exceeded earlier expectations globally. Rate-sensitive sectors recovered momentum gradually. Energy and materials volatility abated notably.

Automotive production rose versus last year. Semiconductor availability improved materially by quarter. Demand remained mixed across regions and segments. Premium and EV segments outperformed overall volumes. Fleet channels supported stability in replacement demand.

Industrial end-markets were generally softer. Construction slowed in Europe sequentially late. Energy infrastructure investment stayed resilient globally. Agriculture normalized after two strong years. Other verticals exhibited typical cyclical movements.

Commodity inputs moderated in aggregate terms. Oil-linked chemicals eased from peaks gradually. Carbon black and synthetic rubber stabilized. Electricity prices varied strongly across regions. Logistics costs declined as networks normalized.

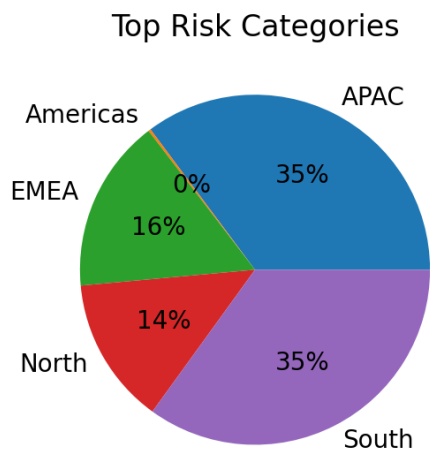
Currencies were volatile throughout the year. The euro strengthened intermittently versus peers. Emerging market currencies diverged meaningfully by quarter. Hedging programs cushioned major transaction exposures. Pricing actions offset residual impacts progressively.

Labor markets remained tight in many regions. Wage inflation persisted amid structural shortages. Automation investments improved productivity steadily. Training programs mitigated

skill gaps thoughtfully. Safety and retention remained absolute priorities.

Regulatory complexity increased across jurisdictions. Sustainability reporting requirements expanded significantly. Export controls tightened in sensitive categories. Data governance standards became more prescriptive. Our compliance systems scaled to requirements methodically.

Top Risk Categories



Market Environment — Regional Trends

Europe recovered unevenly across sectors. Mobility improved with better supply dynamics. Industrial activity softened in construction areas. Energy prices moderated from extreme levels. Policy support remained targeted and conditional.

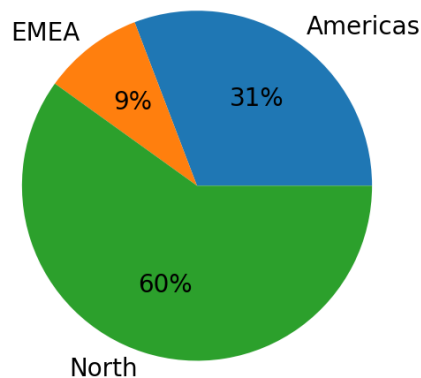
North America maintained steady growth dynamics. Automotive volumes improved despite strikes. Replacement channels remained defensive and resilient. Infrastructure spending supported materials demand pockets. Labor availability improved marginally in H2.

Asia-Pacific showed continued relative strength. China growth moderated but stabilized late. Southeast Asia expanded steadily across markets. India accelerated in several transportation segments. Supply ecosystems deepened and diversified regionally.

Latin America navigated inflation and rates carefully. Demand was mixed by country and segment. Currency volatility required active commercial management. Nearshoring interest increased in certain industries. We expanded selective capabilities regionally.

Top Risk Categories

Top Risk Categories



Market Environment — Commodity and Input Costs

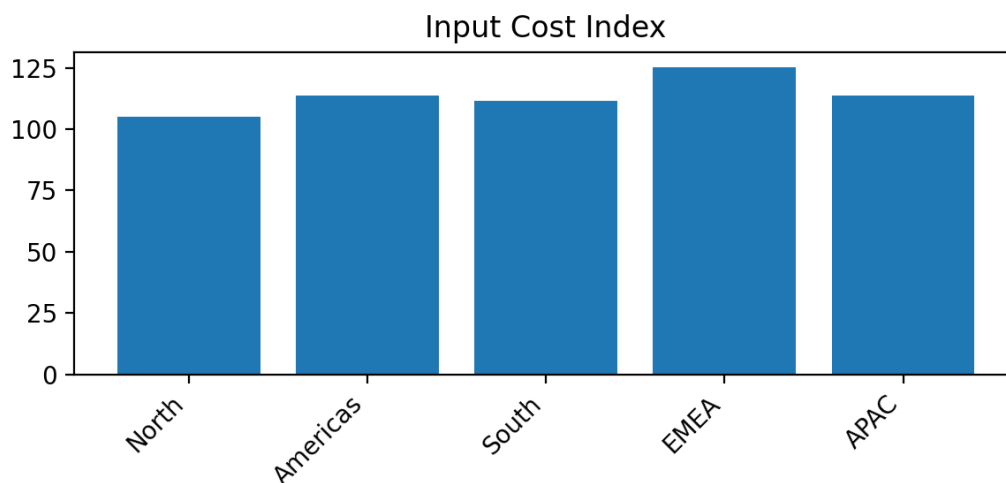
Chemicals followed oil down from peaks. Average input baskets declined year-over-year. The slope flattened into the fourth quarter. Regional dispersion remained significant across plants. Contracting strategies balanced flexibility and certainty.

Rubber markets stabilized with balanced supply. Synthetic rubber pricing normalized progressively. Natural rubber saw seasonal fluctuations expectedly. Carbon black pricing moderated versus 2022. Inventory optimization reduced working capital intensities.

Electronics lead times improved visibly quarter-on-quarter. Allocation pressures eased for key components. Pricing remained above pre-pandemic baselines. Productivity programs offset residual premium costs. Design-to-cost initiatives accelerated across platforms.

Freight costs returned toward historical ranges. Expedite and special freight were reduced. Route planning and consolidation improved significantly. Warehousing contracts were renegotiated effectively. Emissions impacts declined alongside cost trends.

Input Cost Index



Customer and Segment Overview

Our customer base is diversified and stable. Mobility Solutions serves global and regional OEMs. The unit supports premium and volume segments. Technology roadmaps are aligned with software adoption. Safety and reliability remain key differentiators worldwide.

Traction Components serves OEMs and replacement channels. It operates through regional replacement and specialty. Fleet customers value uptime and lifecycle economics. Digital monitoring enhances serviceability and predictability. Brand equity supports premium mix sustainability.

Advanced Materials sells into multiple vertical markets. It provides engineered hoses, belts, and surfaces. Energy, agriculture, and construction drive growth focus. Interior surfaces support premium cabins and comfort. Automotive content remains well managed strategically.

Contract Services supports a single technology client. Volumes are planned to decline progressively. Transitional agreements protect quality and delivery standards. Operational separation continues according to schedule. Risk management remains conservative and structured.

Order intake was healthy across core segments. Mobility Solutions secured major platform awards. User Experience wins supported interior innovation momentum. Traction Components obtained over 500 EV approvals. Advanced Materials won key industrial projects regionally.

Customer satisfaction improved across measured dimensions. Delivery reliability rose as supply stabilized. Quality metrics trended favorably in-year. Engineering collaboration deepened with key partners. Digital interfaces enhanced transparency and responsiveness.

Pricing actions reflected input cost dynamics. Pass-through clauses moderated volatility effects. Mix improvements supported margin resilience. Value-based pricing expanded in services

portfolios. Contract terms included enhanced inflation protections.

Our go-to-market organization matured further. Key account models increased proximity and speed. Regional leadership accelerated decision cycles effectively. Product management sharpened lifecycle economics governance. Commercial excellence programs scaled across segments.

Group Key Financials 2022–2023

metric	2022	2023	delta_percent
North	61.79	79.75	0.5
Americas	63.26	79.69	0.2
South	105.49	133.3	0.21
EMEA	142.48	58.87	0.44
EMEA	117.32	110.06	0.64
South	69.25	99.66	0.47
APAC	89.76	105.65	0.72
North	82.15	141.85	0.99
South	67.45	118.04	0.19
Americas	130.76	112.7	0.88

Customer and Segment — Mobility Solutions

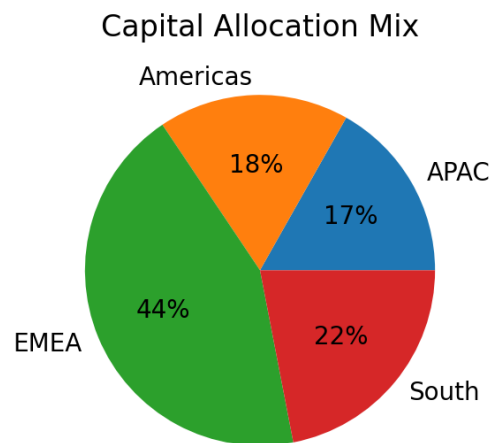
Mobility Solutions delivered €20.30 billion sales. The unit improved adjusted profitability steadily. EBIT approached breakeven due to actions. Order backlog supports multi-year revenue visibility. Software content per vehicle is rising structurally.

Architecture and Networking advanced central compute platforms. Middleware offerings matured and standardized interfaces. Autonomous Mobility progressed assisted driving solutions. Safety and Motion grew braking and chassis content. Cybersecurity was embedded by design comprehensively.

User Experience operated independently for agility. It deepened partnerships with leading OEMs. Displays and clusters adopted new form factors. Head-up displays advanced performance and packaging. Voice and haptic feedback improved driver focus measurably.

A cost program delivered early savings. Headcount optimization reduced management layers effectively. R&D; concentration improved resource utilization significantly. Freight and inventory programs freed cash meaningfully. Supplier resets improved unit economics steadily.

Capital Allocation Mix



Customer and Segment — Traction Components and Advanced Materials

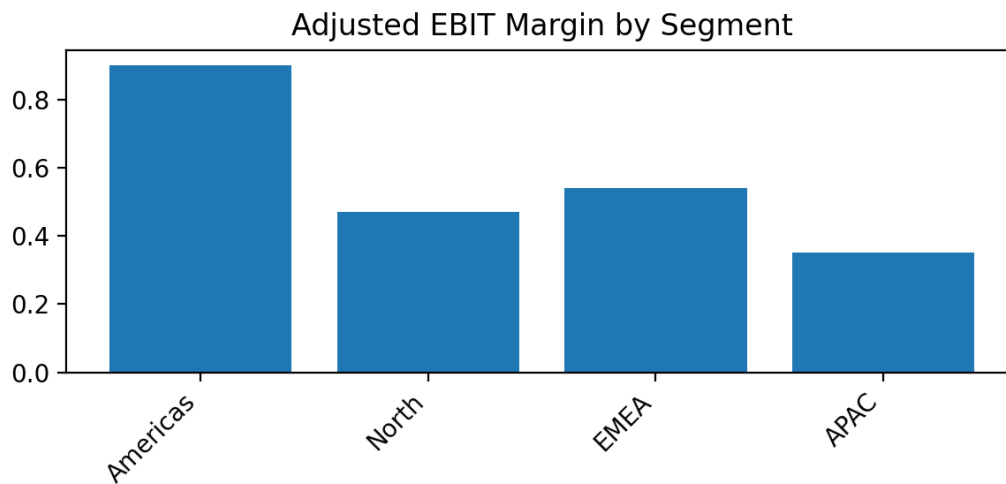
Traction Components generated €13.96 billion sales. Adjusted EBIT margin exceeded 13 percent. Mix shifted toward larger rim sizes. EV fitments expanded across major OEMs. Digital tire services gained strong traction globally.

Regional replacement businesses executed strongly. The Americas delivered robust performances. Europe managed softness with pricing and mix. Asia-Pacific expanded volumes and capabilities. Specialty Tires maintained attractive niche margins.

Advanced Materials reached €6.84 billion sales. Adjusted EBIT margin rose to 6.7 percent. Industrial Solutions were reorganized regionally for speed. Energy and construction demand supported backlog health. Interior surfaces maintained premium share effectively.

Original Equipment Solutions became independent organizationally. Strategic alternatives are under active review now. Separation planning advances without operational disruption. Governance structures and KPIs are established clearly. Value creation options remain open and disciplined.

Adjusted EBIT Margin by Segment



Research and Development

R&D; investment remained a strategic priority. We invested €2.9 billion across programs. Mobility Solutions focused on software and compute. Traction Components advanced materials and digital services. Advanced Materials deepened formulation and integration science.

We prioritized platform modularity and reuse. Shared components reduced complexity meaningfully. Standard interfaces accelerated partner integration. Safety certification processes were harmonized globally. Validation cycles were shortened with model-based techniques.

Software engineering scaled with governance upgrades. Secure coding practices were standardized broadly. Over-the-air update frameworks were strengthened. Diagnostics and telemetry capabilities were expanded. Customer collaboration improved early-stage alignment markedly.

Materials science programs delivered clear progress. Bio-based and recycled inputs were advanced. Wear, rolling resistance, and noise were optimized. Thermal management solutions improved durability and safety. Interior surfaces adopted lighter, low-emission chemistries.

Test infrastructure supported faster iterations. Virtual twins complemented physical testing cycles. Test track utilization increased efficiency noticeably. Accelerated aging protocols improved prediction accuracy. Data pipelines integrated lab and field insights.

Intellectual property remained a core asset. Patent filings increased in priority domains. Trade secrets governance was reinforced globally. Partner co-development agreements protected exclusivities. Licensing strategies supported non-core monetization options.

Talent development continued in key hubs. Training covered agile, safety, and systems. Communities of practice shared reusable assets. Rotations supported cross-domain learning and mobility. University partnerships strengthened early-career pipelines.

R&D; efficiency was management's constant focus. Toolchains were consolidated and standardized globally. Vendor stack rationalization reduced licensing costs. Outsourcing models were refined and targeted. Throughput metrics improved quarter-on-quarter consistently.

ESG KPIs

kpi	2022	2023	target_2025
Americas	59.96	116.48	98.31
EMEA	97.06	114.98	63.2
South	149.82	99.02	106.45
South	90.36	94.69	111.75
South	46.3	114.27	46.79
EMEA	100.84	116.9	58.17
South	92.09	102.84	72.54
South	122.09	88.2	115.42
EMEA	103.65	121.98	81.06
North	102.33	72.0	134.0
South	141.08	63.61	87.54
APAC	103.23	62.21	138.26

R&D; — Software Platforms and Safety

Central compute platforms advanced performance envelopes. Deterministic scheduling improved safety integrity levels. Middleware abstraction reduced ECU proliferation materially. API standardization accelerated integration for partners. Tooling supported verification at scale efficiently.

Cybersecurity was embedded across the lifecycle. Threat modeling guided architecture from inception. Secure boot and encryption were standard. Vulnerability management used coordinated disclosure processes. Red teams validated resilience under stress.

Driver assistance features advanced functionality materially. Perception stacks improved fusion accuracy. Redundancy concepts enhanced fail-operational behavior. Human-machine interfaces reduced distraction and strain. Over-the-air delivery supported rapid feature rollout.

Safety certification processes matured further globally. Standards alignment reduced duplication and waste. Supplier safety audits increased cadence and depth. Data lineage and traceability were fully integrated. Compliance audits reported robust closure rates.

Workforce Composition

category	2022_value	2023_value
North	91.43	100.3
Americas	85.44	120.21
APAC	99.13	111.58
South	131.06	129.14
APAC	63.76	96.99
APAC	95.23	87.92
Americas	137.38	66.94
APAC	117.76	68.96
North	112.29	118.55
South	104.85	76.54
North	113.28	115.48
EMEA	78.49	78.45

R&D; — Materials Science and Circularity

Composite formulations improved weight and strength. Rolling resistance decreased without grip compromises. Wear-life extended under diverse conditions. Acoustic comfort improved across road surfaces. Sustainability metrics improved alongside performance.

Recycled and bio-based inputs scaled responsibly. Supply partnerships secured quality at volume. Traceability systems validated chain-of-custody rigorously. Testing protocols ensured consistent properties across batches. Certifications supported customer specifications and audits.

Design-for-recycling advanced product architectures. Fewer polymer families reduced complexity significantly. Adhesives reformulated for easier disassembly. Labeling standards improved material identification. End-of-life pathways expanded with partners.

Lifecycle analysis guided design decisions. Scope 3 hotspots were prioritized for action. Suppliers engaged through joint improvement plans. Customer collaboration accelerated low-impact adoption. KPIs were integrated into product gates.

R&D; Investment Allocation

focus_area	spend_2023_eur_m	share_percent
Americas	96.85	0.78
APAC	78.29	0.46

Americas	116.1	0.78
APAC	45.84	0.66
Americas	96.06	0.58
APAC	155.27	0.31
North	88.02	0.05
APAC	92.56	0.03
North	75.21	0.76
APAC	77.8	0.07

Operations and Supply Chain

Our operations stabilized significantly during the year. Capacity utilization improved across major plants. Special freight costs declined meaningfully quarter-on-quarter. Inventory turns improved versus the prior year. Delivery reliability increased to pre-crisis levels.

Manufacturing excellence programs scaled group-wide. Lean routines were standardized and refreshed. Automation improved throughput and quality records. Maintenance moved further toward predictive approaches. Energy efficiency projects reduced consumption materially.

Supplier performance improved as markets normalized. Dual sourcing reduced critical part risks. Regionalization strategies de-risked geopolitical concentrations. Supplier scorecards enforced quality and sustainability standards. Early warning systems flagged emerging disruptions promptly.

Logistics networks were rebalanced globally. Ocean and road capacities were diversified. Route optimization reduced miles and emissions. Warehouse automation improved accuracy and cost. Digital control towers enabled end-to-end visibility.

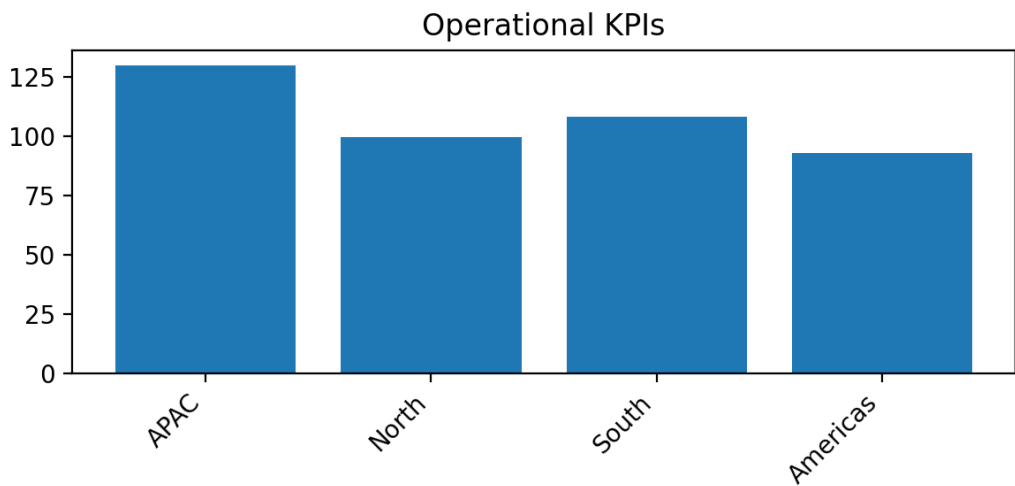
Quality systems maintained strong performance standards. Customer PPM metrics trended downwards steadily. In-process controls reduced scrap and rework. Root cause problem solving accelerated containment speed. Customer audits confirmed systematic improvements worldwide.

Health, safety, and environment remained central. Lost-time incident rates decreased materially. Safety leadership programs reinforced proactive behaviors. Environmental compliance was maintained everywhere. Employee engagement supported continuous improvement culture.

Operational dashboards informed daily management. KPIs were visible at every level. Standard cadences drove accountability and action. Escalation paths were clear and fast. Benchmarking fostered healthy performance competition constructively.

Capital investments targeted high-return projects. Debottlenecking unlocked immediate volume increases. Robotics reduced ergonomic risks significantly. Digital twins improved commissioning and ramp-up. Returns exceeded hurdle rates across the portfolio.

Operational KPIs



Operations — Manufacturing Excellence

Lean foundations were refreshed across sites. Standard work stabilized process outputs reliably. Daily management visualized performance variances. Kaizen events delivered rapid problem resolution. OEE improved in all core lines.

Automation targeted quality-critical processes intelligently. Vision systems reduced inspection variability. Collaborative robots improved ergonomics and flow. AGVs enhanced material handling safety. Analytics guided maintenance schedule optimization.

Energy programs delivered measurable savings. Heat recovery projects reduced gas usage. LED retrofits lowered electricity consumption. Compressed air leaks were systematically eliminated. Renewable sourcing increased where feasible and economic.

Training reinforced capability at the front line. Certification programs enhanced multi-skilling flexibility. Leadership gemba increased coaching frequency. Recognition programs reinforced continuous improvement behaviors. Turnover declined in critical skill roles.

Workforce Composition

category	2022_value	2023_value
EMEA	109.42	115.39

North	103.53	89.76
APAC	82.37	111.36
Americas	82.66	101.98
North	138.51	78.19
APAC	97.8	56.46
Americas	66.49	83.6
EMEA	101.98	81.99
APAC	60.21	120.36
North	91.26	122.78
EMEA	114.87	140.04
EMEA	89.0	98.64

Operations — Procurement Strategy

Strategic sourcing consolidated volumes and partners. Category strategies reflected risk and value. Should-cost models informed negotiations rigorously. Indexation mechanisms balanced volatility fairly. Compliance standards were embedded contractually.

Supplier development focused on capability building. Quality management systems were audited frequently. ESG requirements were verified and monitored. Joint improvement plans addressed emissions hotspots. Incentives aligned to delivery and quality.

Risk management used multi-tier visibility tools. Geographic footprints were balanced prudently across tiers. Inventory buffers were dynamic and surgical. Financial health screenings flagged early warning signs. Recovery protocols were rehearsed periodically.

Innovation scouting engaged supply ecosystems actively. Co-design workshops accelerated manufacturability improvements. Material alternatives reduced single-sourcing exposures. Digital integration streamlined purchase-to-pay processes. Value engineering delivered shared savings reliably.

Workforce Composition

category	2022_value	2023_value
EMEA	111.87	151.58
APAC	85.72	89.86
South	63.48	75.61
South	113.41	112.24
APAC	61.86	67.12
EMEA	118.52	77.16

Americas	112.21	114.1
EMEA	110.11	97.16
APAC	91.23	133.08
North	125.77	85.2
EMEA	119.48	106.23
Americas	118.29	121.43

Financial Review

Group sales were €41,420.5 million in 2023. This was up 5.1 percent from 2022. EBITDA reached €4,078.9 million overall. EBITDA margin was 9.8 percent of sales. EBIT totaled €1,853.8 million for the year.

Adjusted sales totaled €41,302.2 million in 2023. Adjusted EBIT reached €2,517.2 million accordingly. The adjusted margin was 6.1 percent achieved. Free cash flow totaled €1,159.0 million clearly. Net indebtedness was €4,037.9 million at year end.

Equity totaled €14,125.1 million at year end. The equity ratio improved to 37.4 percent. The gearing ratio improved to 28.6 percent. The workforce numbered 202,763 employees globally. This represented a 1.9 percent increase year-on-year.

Earnings per share improved substantially versus 2022. Basic and diluted EPS were €5.78. The dividend proposed is €2.20 per share. The payout aligns with policy and performance. Capital discipline underpinned these shareholder outcomes.

Segment results showed differentiated performance trajectories. Mobility Solutions EBIT approached breakeven performance. Traction Components delivered €1,742.6 million EBIT. Advanced Materials recorded €380.1 million EBIT. Contract Services posted €5.1 million EBIT.

Adjusted EBIT by segment was instructive. Mobility Solutions achieved €388.2 million adjusted. Traction Components delivered €1,887.0 million adjusted. Advanced Materials achieved €448.3 million adjusted. Contract Services delivered €8.0 million adjusted.

ROCE performance improved versus last year meaningfully. Group ROCE increased to 8.9 percent. Mobility Solutions remained negative at -0.6 percent. Traction Components achieved 22.9 percent ROCE. Advanced Materials reached 11.6 percent ROCE.

Liquidity remained ample across the year. Unrestricted cash and equivalents were €2,683.4 million. Undrawn committed lines totaled €4,569.1 million. Commercial paper programs remained unutilized. Maturity profile remained well laddered and balanced.

R&D; Investment Allocation

focus_area	spend_2023_eur_m	share_percent
EMEA	117.94	0.23
APAC	102.07	0.28
APAC	82.0	0.29
EMEA	104.77	0.65
APAC	100.43	0.99
North	105.77	0.99
South	84.69	0.25
EMEA	102.17	0.63
North	67.12	0.92
North	104.45	0.65

Financial Review — Income Statement Analysis

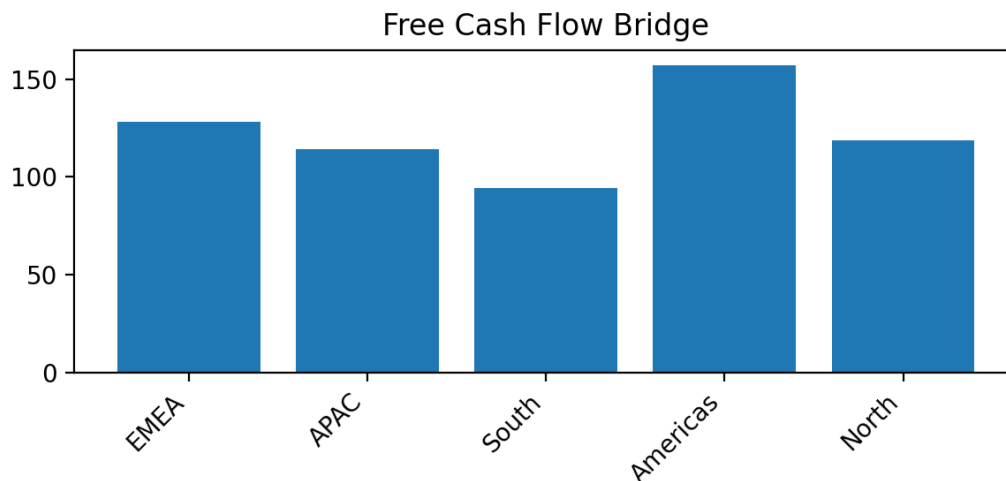
Gross margin reflected pricing and mix improvements. Input cost headwinds abated during the year. Freight normalization supported margin recovery. Overheads declined as cost actions flowed. Operating leverage improved in H2 significantly.

R&D; expenses were aligned to priorities. Mobility Solutions intensity remained elevated strategically. Efficiency programs moderated net expense ratios. Capitalization policies were applied conservatively. Amortization profiles reflected platform lifecycles prudently.

Other operating income and expenses netted. Restructuring charges supported simplification measures. Asset disposals impacts remained manageable and planned. FX translation impacts were contained by hedging. Special freight costs declined each quarter materially.

Financial result reflected the rate environment. Interest expense increased on higher base rates. Derivative valuations were within expected ranges. Currency impacts were largely operationally offset. Tax expense reflected geographic profit mix realities.

Free Cash Flow Bridge



Financial Review — Cash Flow and Balance Sheet

Operating cash flow strengthened markedly year-over-year. Working capital releases supported the improvement. Inventories and receivables declined versus 2022. Payables discipline was maintained consistently throughout. Cash conversion exceeded internal targets comfortably.

Investing cash flows remained disciplined strategically. Capex focused on high-return debottlenecking. Select capacity expansions were co-funded with partners. Digital and sustainability projects were prioritized deliberately. Portfolio transactions were limited and targeted.

Financing cash flows optimized capital structure prudently. Two euro bonds were placed successfully. Proceeds refinanced maturities and extended ladder. Leverage metrics improved despite macro headwinds. Liquidity buffers remained robust and ready.

Balance sheet quality improved substantially in-year. Net debt reduced meaningfully versus last year. Provisions covered restructuring commitments adequately. Pensions remained well funded overall. Equity increased alongside improved profitability and discipline.

Workforce Composition

category	2022_value	2023_value
South	103.21	77.99
Americas	53.53	110.31
Americas	75.8	144.59
Americas	104.14	71.03
APAC	70.8	89.87
South	142.85	87.86
North	105.26	113.28

South	73.5	95.86
South	90.32	79.48
APAC	74.64	55.76
Americas	108.31	111.34
EMEA	87.64	137.66

Capital Markets, Shares and Bonds

Equity markets rallied into year-end broadly. Investors favored quality earnings resilience characteristics. Rate expectations moderated during the fourth quarter. Sector performance reflected supply normalization themes. Shiftsupply shares participated in the rally.

Our shares closed the year at €76.92. The annual low was €59.20 recorded. The annual high was €78.26 achieved. Total return reached 40.7 percent for 2023. The free float remained stable at 54.0 percent.

Market capitalization reached €15.4 billion at year end. Free-float market cap averaged €8.0 billion recently. Index membership remained within major domestic indices. Liquidity and coverage remained healthy and stable. Engagement with investors remained active and transparent.

Two new euro bonds were issued successfully. The first was €750 million five-year. The second was €500 million three-and-a-half-year. Both carried 4.000 percent annual coupons. Pricing reflected investor confidence in credit quality.

Our maturity ladder remains balanced and prudent. 2024 maturities total €725 million approximately. 2025 maturities total €600 million scheduled. 2026 maturities total €750 million scheduled. Later maturities are spread evenly and manageably.

Bond prices increased into year-end materially. Secondary performance reflected rate expectations stabilization. Spread levels tightened alongside investor demand. Outstanding bonds closed the year above issuance. Coverage was strong across geographies and accounts.

We maintained consistent shareholder communications practices. Quarterly disclosures were timely and comprehensive. Capital Market Day clarified strategy and priorities. ESG disclosures expanded in scope and detail. Feedback loops informed board and management discussions.

The share capital structure remained unchanged. Voting rights followed one-share one-vote principles. All shares carried equal dividend rights. The Articles of Association remained stable. ADR programs supported access for foreign investors.

Regional Sales and Growth

region	sales_2023_eur_m	growth_percent
South	116.18	0.44
Americas	55.67	0.87
Americas	120.59	0.35
APAC	142.16	0.15
EMEA	62.39	0.83
APAC	157.35	0.23

Capital Markets — Shareholder Structure and Engagement

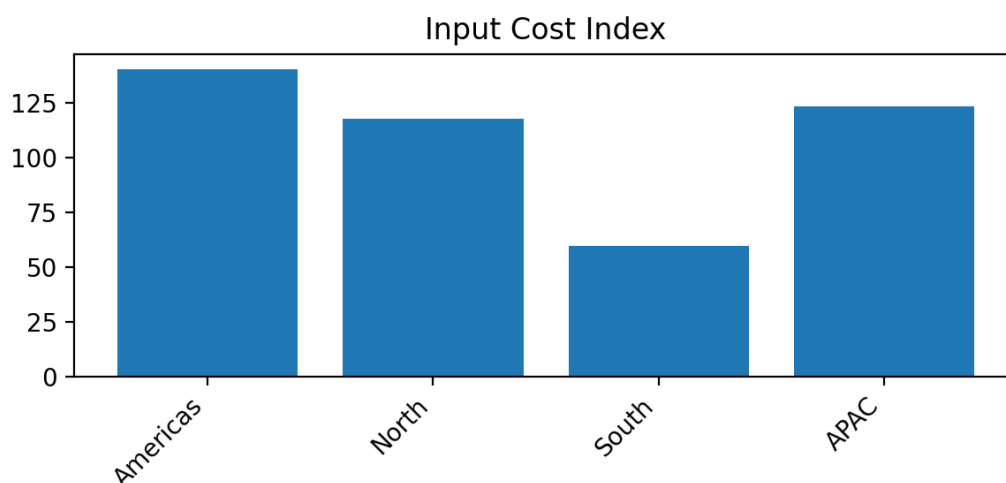
Free-float distribution remained geographically diversified. European holders increased slightly year-over-year. The Americas remained the largest regional base. Asia and other regions were stable overall. Identification coverage exceeded 99 percent accuracy.

We hosted multiple investor events last year. Quarterly calls provided transparency on execution. Roadshows covered major financial centers comprehensively. ESG-focused sessions addressed sustainability priorities. Post-event feedback shaped disclosures and focus.

Our dividend policy balances needs carefully. The corridor remains 20–40 percent range. The proposal of €2.20 reflects performance. It funds growth while rewarding shareholders. Policy supports long-term investor alignment responsibly.

We maintain a consistent disclosure philosophy. We emphasize clarity, comparability, and completeness. Non-GAAP metrics reconcile to statutory measures. Forward-looking guidance includes risk framing. We update on milestones and deviations promptly.

Input Cost Index



Capital Markets — Debt and Liquidity Profile

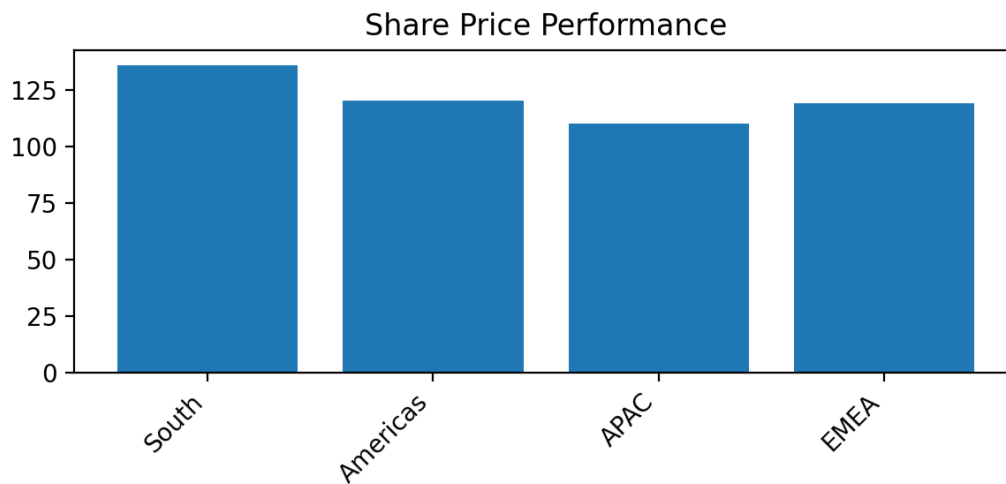
Gross indebtedness totaled €7,170.3 million at year end. Bonds represented approximately 55 percent of gross. Bank liabilities and other debt comprised the remainder. The revolving credit facility remained largely undrawn. Liquidity headroom was ample and secure.

The sustainability-linked RCF anchors bank relationships. Pricing flexes with sustainability performance outcomes. We progressed against KPIs during the year. External assurance supports credibility and measurement. Bank group engagement remained constructive and active.

Commercial paper programs provided optional flexibility. Usage remained at zero during the year. Opportunistic issuance remains available if needed. Limits and documentation are fully maintained. Market access remains robust and diversified.

Debt metrics supported investment-grade objectives. Net leverage declined versus last year notably. Interest coverage remained within framework thresholds. We will continue strengthening metrics methodically. The maturity ladder remains well spaced and balanced.

Share Price Performance



Governance and Board Oversight

Responsible governance guides all corporate actions. The Board oversees strategy, risk, and culture. It engages management with rigor and candor. It protects long-term stakeholder interests consistently. It evaluates its own effectiveness periodically.

The Board met regularly during the year. Standing committees executed their mandates diligently. Materials were comprehensive and timely for meetings. Sessions were held with and without management. Attendance and preparation standards remained high.

The Audit Committee focused on controls and reporting. It reviewed quarterly and annual financial statements. It monitored internal control and risk systems. It oversaw external audit scope and independence. It reviewed sustainability reporting readiness decisively.

The Remuneration and Nominations functions progressed. They refined succession planning for key roles. They proposed adjustments to executive remuneration structures. They emphasized pay-for-performance alignment strongly. They advanced board skills and diversity profiles.

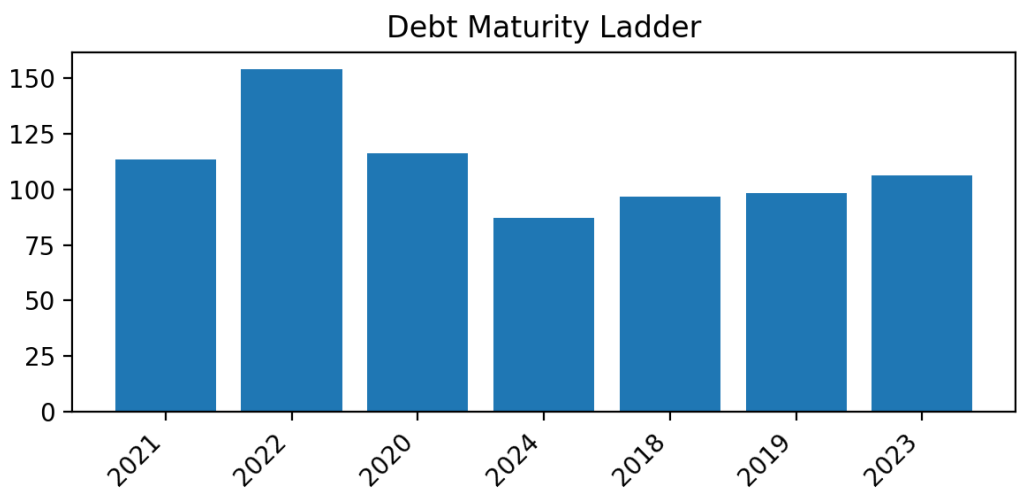
Special committees advanced key investigations diligently. Cyber incident oversight drove structural improvements. Product quality topics were reviewed where necessary. Export control maturity was monitored and strengthened. Closure reports were reviewed and approved.

The Board refreshed policy frameworks thoughtfully. It reconfirmed the code of conduct principles. It updated risk appetite statements to reflect context. It enhanced stakeholder engagement guidelines clearly. It reviewed climate oversight responsibilities carefully.

Independence and conflicts were managed rigorously. Potential situations were disclosed and addressed timely. Recusals were applied where appropriate properly. External directorships were reviewed for time commitments. Training covered evolving legal and regulatory changes.

Board composition reflects experience and balance. Industrial, technology, and finance skills are present. Regional expertise supports global operating needs. Sustainability and digital competencies are strengthened. Tenure is staggered to support continuity.

Debt Maturity Ladder



Governance — Committee Work and Outcomes

The Audit Committee met quarterly and as needed. It reviewed accounting policies and estimates carefully. It evaluated key judgments and disclosures thoroughly. It engaged with external auditors without management. It monitored remediation of control deficiencies promptly.

The Remuneration Committee refined incentive structures. STI and LTI targets reflected strategic priorities. ESG metrics were embedded with measurable outcomes. Peer benchmarking informed competitiveness and prudence. Clawback provisions were reviewed and reinforced.

The Nominations Committee advanced succession planning. Pipeline candidates presented to the full Board. Diversity and skill matrices guided candidate selection. Onboarding programs supported rapid contribution effectively. Board evaluations informed future priorities and composition.

Special committees concluded defined investigations. Closure decisions documented actions taken comprehensively. Lessons informed process and system improvements. Stakeholder communications were clear and proportionate. Oversight transitioned to standing committees appropriately.

Scenario Sensitivities

variable	delta_unit	revenue_impact_eur_m	margin_impact_bps
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EMEA	South	81.57	122.29
EMEA	South	155.67	82.46
EMEA	North	83.46	125.73
APAC	South	75.68	80.16
South	APAC	91.96	126.3
Americas	North	103.33	118.37
Americas	North	140.74	133.42
South	North	131.7	119.68
APAC	APAC	144.11	40.73
APAC	APAC	84.71	110.73
APAC	Americas	107.98	145.83
APAC	Americas	75.27	85.97
North	South	96.58	93.15
APAC	North	83.59	96.86
EMEA	South	55.96	123.27

Governance — Remuneration and Independence

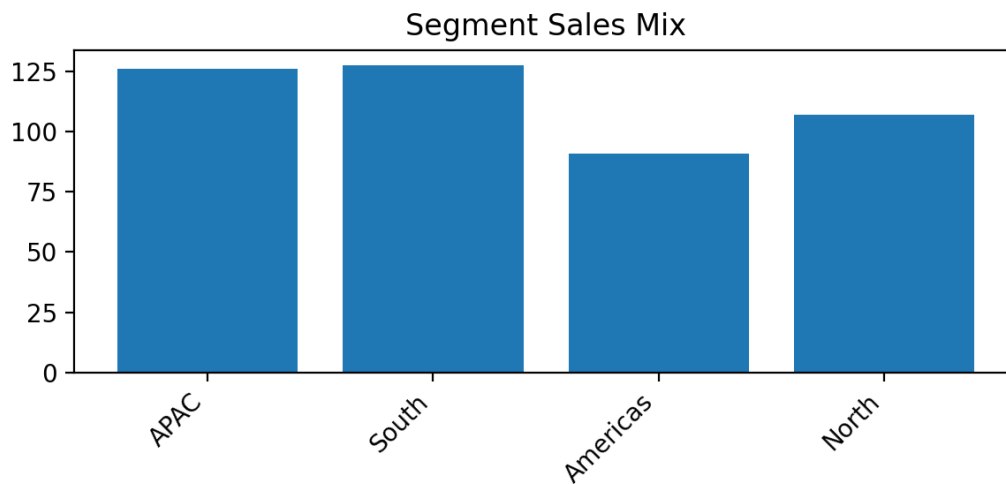
Executive remuneration follows clear principles. Pay aligns with sustainable value creation. Variable elements reflect multi-year horizons. Health, safety, and sustainability enter scorecards. Share ownership guidelines reinforce alignment strongly.

Independence assessments follow codified criteria. Tenure, relationships, and transactions are considered. Annual confirmations are reviewed by the Board. Independence of mind remains paramount always. Committee chairs are independent by design.

Shareholder engagement informs remuneration decisions. Say-on-pay feedback is considered thoughtfully. Disclosures present structure and outcomes clearly. Adjustments reflect strategy and market dynamics. Emphasis remains on performance and accountability.

Remuneration risk is actively managed. Caps and deferrals moderate excessive risk-taking. Malus and clawback protect against misconduct. Post-employment shareholding requirements are enforced. External advisors support benchmark and governance integrity.

Segment Sales Mix



Risk Management and Internal Control

Risk management is integrated across operations. The framework aligns to leading standards globally. Risk appetite is defined and approved annually. Risk culture emphasizes transparency and learning. Controls are designed to be effective and efficient.

Financial risks are monitored continuously across cycles. Liquidity headroom is maintained and tested. Interest rate exposures are modeled and hedged. Currency risks are managed through natural offsets. Counterparty risks are monitored and limited carefully.

Operational risks are assessed systematically group-wide. Supply chain risks receive increased attention constantly. Cybersecurity risks are managed with layered controls. Product quality risks are escalated without delay. Safety risks are mitigated through rigorous programs.

Legal and compliance risks are managed proactively. Export controls and sanctions are governed strongly. Antitrust and anti-bribery programs are enforced. Data protection standards are applied consistently. Training and certification ensure broad compliance coverage.

Internal control over financial reporting is robust. Entity-level controls set the foundation clearly. Process-level controls are documented and tested. Remediation is tracked to timely closure. External assurance confirms design and operating effectiveness.

Emerging risks are scanned and prioritized. Scenario analyses inform strategic responses early. Climate and transition risks are assessed methodically. AI and data governance risks are monitored. Regulatory changes are tracked and operationalized promptly.

Crisis management capabilities are maintained. Playbooks are updated and rehearsed regularly. Cross-functional teams coordinate responses effectively. Communications protocols ensure stakeholder clarity. Lessons learned feed continuous improvement loops.

The Board receives regular risk reporting. Heatmaps summarize exposures and trends. Deep dives focus on material topics. Independent assurance strengthens confidence and credibility. Risk insights inform strategy and capital allocation decisions.

Regional Sales and Growth

region	sales_2023_eur_m	growth_percent
EMEA	104.19	0.68
North	88.81	0.98
Americas	105.49	0.16
Americas	71.66	0.11
Americas	91.51	0.52
APAC	81.98	0.38

Risk — Financial Risks

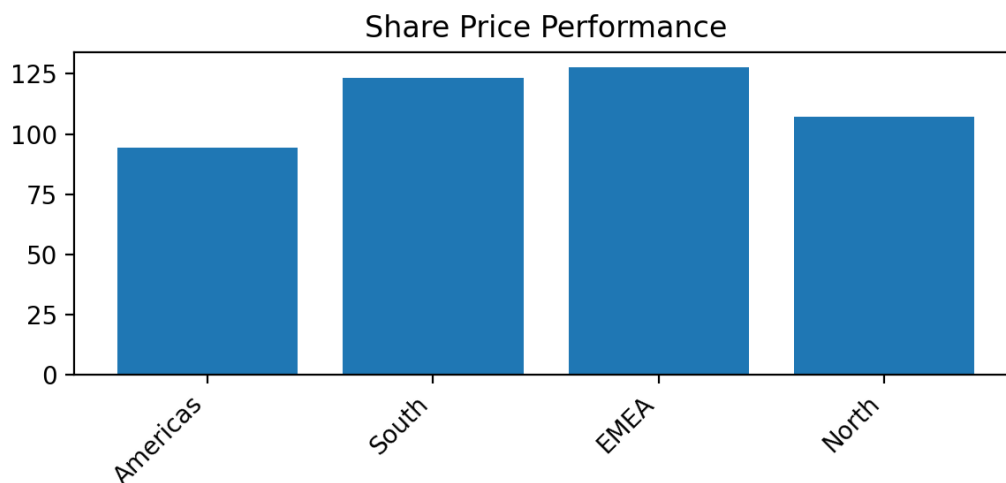
Liquidity risk is controlled with buffers. Committed lines support seasonal needs reliably. Cash forecasts are updated frequently and rigorously. Stress tests validate resilience under scenarios. Investment policies prioritize capital preservation prudently.

Market risks include rates and currencies. Interest exposures are balanced by tenor mix. Currency exposures are hedged selectively and proportionally. Commodities are managed through contracts and passes. Sensitivities inform pricing and negotiations explicitly.

Credit risk arises from customers and banks. Counterparties are rated and monitored regularly. Limits are enforced through systems and governance. Receivables programs diversify and accelerate collections. Concentrations are assessed and mitigated as required.

Compliance risk spans reporting and tax obligations. Disclosure controls ensure completeness and accuracy. Tax positions reflect economic substance prudently. Transfer pricing follows arm’s-length principles. External advisors supplement internal expertise selectively.

Share Price Performance



Risk — Operational, Legal, and Environmental

Supply chain risks include shortages and disruptions. Dual sourcing strategies reduce single-point vulnerabilities. Regionalization mitigates geopolitical routing exposures. Supplier financial monitoring detects early warning signs. Business continuity plans enable rapid recovery.

Cyber risks are managed through defense-in-depth. Identity and access controls are strengthened. Network segmentation limits lateral movement effectively. Incident response exercises are conducted regularly. Third-party risks are assessed and mitigated thoroughly.

Legal risks include investigations and litigation potential. We cooperate with authorities transparently and timely. Remediation plans address root causes comprehensively. Insurance programs provide prudent financial protection. Lessons inform process improvements systematically.

Environmental risks include climate and compliance topics. Transition risks are integrated in strategy decisions. Physical risks are assessed for sites regularly. Emissions and waste controls meet standards. Circularity programs reduce resource dependency progressively.

ROCE by Segment

segment	roce_2022_percent	roce_2023_percent
North	0.27	0.39
APAC	0.79	0.62
Americas	0.2	0.5
Americas	0.19	0.63
Americas	0.79	0.46

Sustainability and ESG Performance

Sustainability is integrated into our strategy. We focus on climate, circularity, and safety. We align with international standards and frameworks. We disclose targets and progress transparently. Governance ensures accountability and continuous improvement.

Climate action targets guide decision-making. We aim to halve Scope 1 and 2 intensity. We advance supplier engagement on Scope 3 impacts. Energy efficiency projects reduce consumption sustainably. Renewables sourcing grows where available and economic.

Circularity informs product design and sourcing. Recycled content increases in materials portfolios. Design-for-recycling principles guide architectures. Take-back pilots inform future scaled pathways. Partnerships enable end-of-life value creation.

Safety is a non-negotiable priority everywhere. We target zero severe incidents across sites. Training and leadership programs are continuous. Technology assists safe operations and ergonomics. Reporting and learning loops drive improvements.

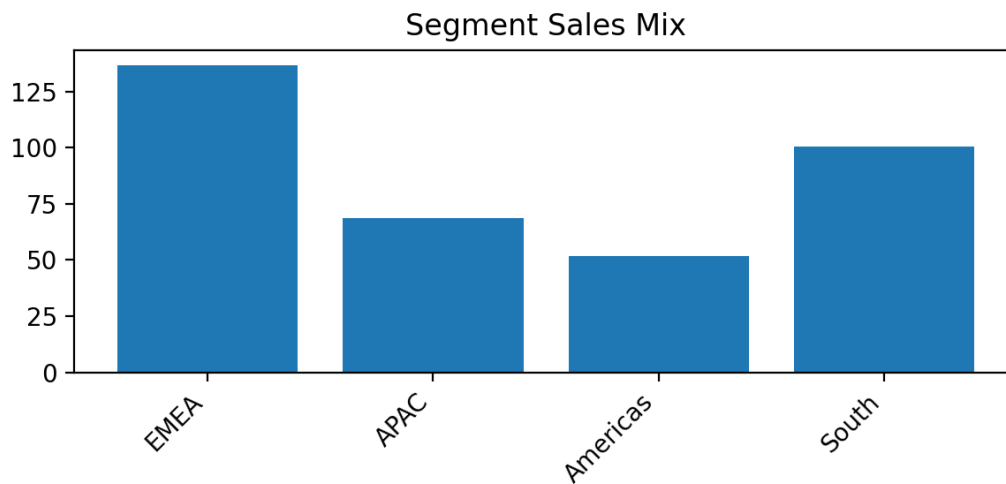
Social responsibility includes people and communities. We invest in skills and employability programs. We support STEM education and inclusion efforts. Volunteering initiatives connect our teams locally. Supplier programs elevate social standards globally.

Governance anchors ethical business conduct firmly. Our code of conduct sets clear expectations. Speak-up channels are accessible and protected. Investigations are handled independently and fairly. Corrective actions are tracked to closure rigorously.

ESG reporting expanded in scope and depth. We prepared for evolving reporting regulations. Data systems improved coverage and traceability. Limited assurance validated selected indicators. Stakeholder feedback informed reporting enhancements.

KPIs link to incentives and decisions. Energy intensity targets are embedded widely. Safety metrics influence leadership remuneration. Supplier ESG performance affects sourcing decisions. Capital projects must meet sustainability screens.

Segment Sales Mix



Sustainability — Climate and Energy

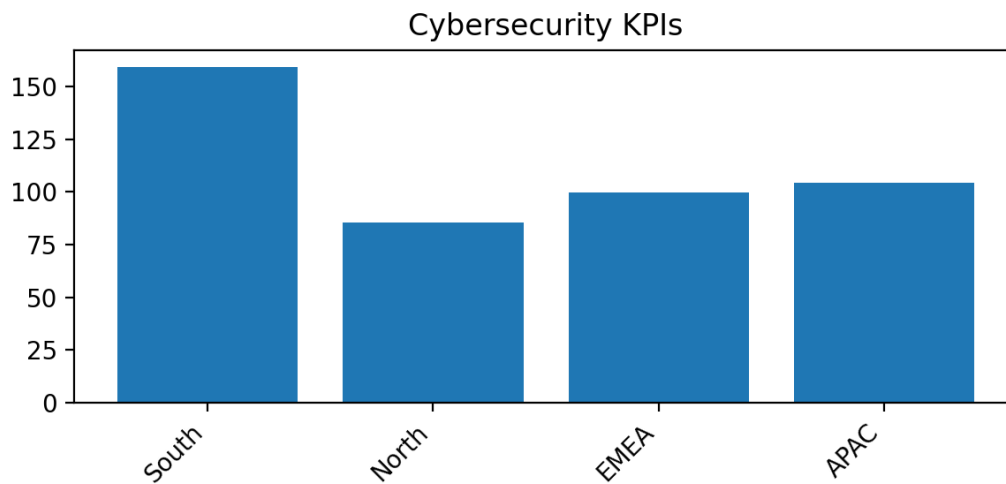
Energy efficiency projects delivered tangible savings. Process heat recovery reduced fuel usage. Variable-speed drives optimized motors significantly. Compressed air systems were sealed effectively. Monitoring systems ensured sustained performance improvements.

Renewable electricity sourcing increased gradually. Contracts were signed where feasible responsibly. Onsite generation pilots advanced economics. Storage pilots supported grid flexibility experiments. Certification ensured credible accounting and reporting.

Scope 3 engagement scaled with key suppliers. Data transparency improved through shared platforms. Joint decarbonization roadmaps identified hot spots. Logistics emissions lowered with optimized routing. Materials substitution reduced embodied carbon where possible.

Climate risk assessments informed resilience plans. Physical risk maps covered critical sites. Adaptation measures were prioritized and funded. Insurance coverage was reviewed and optimized. Board oversight monitored plan execution carefully.

Cybersecurity KPIs



Sustainability — Supply Chain Responsibility and Materials

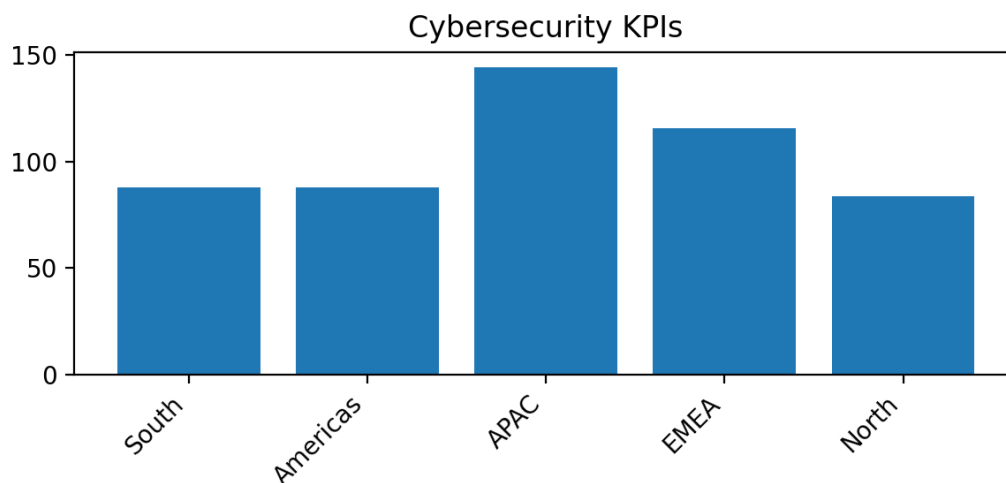
Supplier standards were updated to new benchmarks. Human rights due diligence was strengthened. Audits focused on high-risk geographies and tiers. Corrective actions were verified to closure. Remediation pathways emphasized capability building outcomes.

Materials stewardship advanced chemical management. Restricted substances lists were updated promptly. Safer alternatives were validated and adopted. Transparency improved across product declarations. Customer audits confirmed compliance with confidence.

Circularity programs progressed in targeted areas. Regrind content rose in defined applications. Retreading and repair extended tire life cycles. Closed-loop pilots demonstrated quality feasibility. Partnerships addressed collection and processing at scale.

KPIs monitored progress and accountability. Audit coverage expanded across tiers annually. Incident rates declined versus prior periods. Supplier ESG scores improved with collaboration. Dashboards informed sourcing and development decisions.

Cybersecurity KPIs



People and Organization

Our people delivered in a challenging year. Engagement remained resilient across regions. Capability building supported strategic priorities effectively. Leadership behavior emphasized clarity and empathy. Culture programs strengthened collaboration and trust.

The workforce totaled 202,763 at year end. Growth reflected selective capability investments. Engineering roles expanded in key hubs. Frontline staffing aligned to demand normalization. Attrition stabilized in competitive skill categories.

We invested in learning at scale. Digital academies delivered targeted curricula. Technical certifications increased across platforms. Leadership programs addressed change and resilience. Metrics tracked progression and impact rigorously.

Diversity and inclusion remained priorities company-wide. Representation targets were set and tracked. Inclusive hiring practices were reinforced and monitored. Employee resource groups expanded communities and support. Awareness programs improved allyship and outcomes.

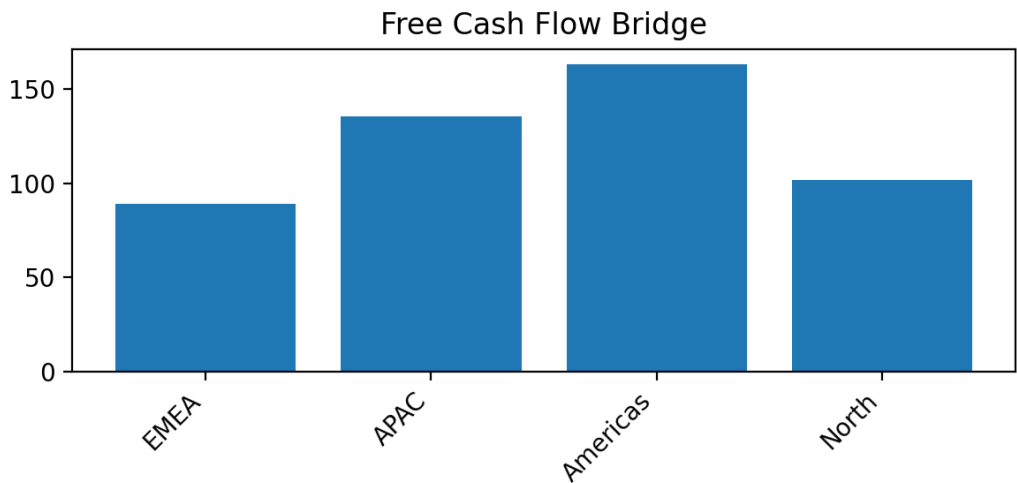
Performance management evolved to continuous conversations. Objectives aligned to measurable outcomes. Feedback cycles became more frequent and actionable. Recognition programs celebrated excellence and improvement. Underperformance was addressed constructively and promptly.

Health and well-being programs expanded coverage. Mental health resources increased accessibility widely. Flexible work policies balanced business needs. Ergonomics investments reduced injury risks. Site amenities supported retention and productivity.

Organization design reduced complexity meaningfully. Layers were streamlined to accelerate decisions. Spans broadened to empower leaders appropriately. Shared services improved service and cost metrics. Governance clarified roles and accountabilities consistently.

Labor relations remained constructive globally. We engaged openly with representatives. Transformation programs emphasized reskilling pathways. From-work-to-work initiatives supported transitions. Local agreements balanced flexibility and fairness.

Free Cash Flow Bridge



People — Workforce Development and Skills

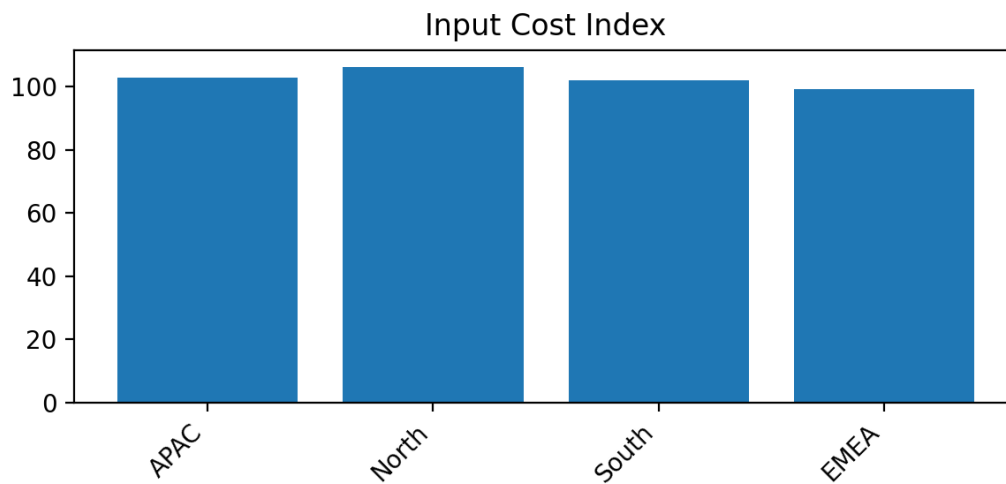
Capability roadmaps linked to strategy execution. Software, safety, and quality were prioritized. Materials science and testing were reinforced. Data and analytics skills expanded broadly. Frontline multi-skilling improved resilience and flexibility.

Learning channels covered multiple modalities effectively. Digital content scaled with high utilization. Virtual labs enabled practical application safely. Instructor-led courses addressed complex topics deeply. Communities of practice sustained ongoing learning.

Career pathways increased internal mobility rates. Transparent frameworks clarified competencies and expectations. Internal marketplaces matched skills to opportunities. Rotations built cross-functional understanding deeply. Succession plans covered critical roles comprehensively.

Measurement drove continuous program improvements. Completion and mastery rates were monitored. Business impact metrics validated effectiveness. Feedback loops refined content and delivery. Investment levels remained aligned to outcomes.

Input Cost Index



People — Diversity, Inclusion, and Engagement

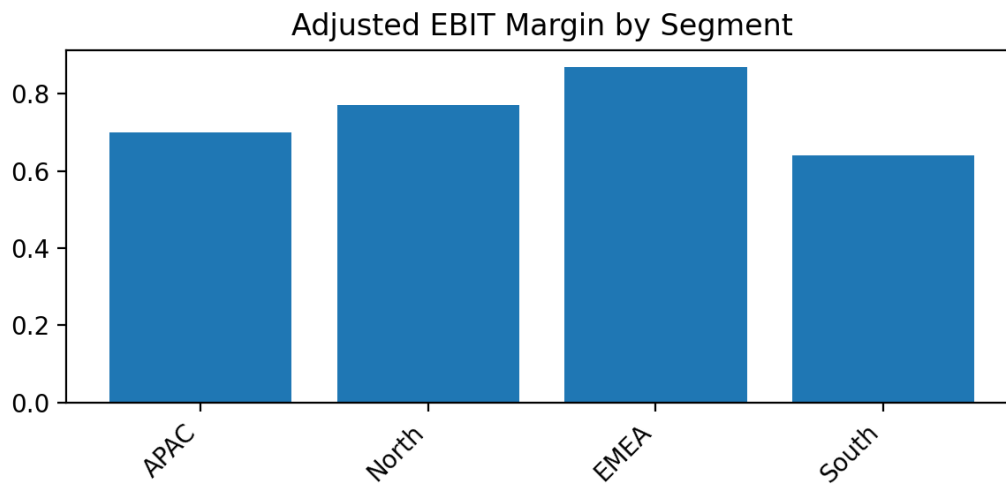
Representation targets guided talent pipelines. Leadership slates improved diversity representation. Inclusive interviewing improved fairness and outcomes. Pay equity analyses guided corrective actions. Policies supported equitable access to opportunities.

Inclusion programs strengthened everyday behaviors. Manager toolkits facilitated inclusive practices. Sponsorship programs supported underrepresented talent. Events fostered connection and learning. Engagement surveys informed local action plans.

Accessibility and flexibility improved participation. Hybrid work models reflected role requirements. Tools enabled inclusive remote collaboration. Site upgrades improved accessibility standards. Benefits addressed diverse life stages and needs.

Accountability mechanisms reinforced progress. Leaders tracked specific diversity metrics. Scorecards were reviewed at governance forums. External benchmarks informed target setting. Progress was disclosed transparently to stakeholders.

Adjusted EBIT Margin by Segment



Digitalization and Data Security

Digitalization accelerated productivity and insight creation. Data platforms unified critical operational datasets. Analytics informed decisions at every level. Automation removed friction from core processes. Governance ensured security and quality throughout.

Cybersecurity investments strengthened our posture. Identity management matured with zero-trust principles. Endpoint protection coverage increased globally. Network segmentation reduced blast radius risks. Monitoring and response capabilities improved markedly.

Data governance matured significantly during the year. Data ownership and stewardship were formalized. Quality controls were integrated and automated. Privacy-by-design principles were applied systematically. Regulatory compliance was assured through controls.

Core systems modernized to cloud architectures. ERP transformations progressed in waves carefully. Manufacturing systems gained standardized connectivity. Integration patterns became reusable and secure. Legacy systems were retired with minimal disruption.

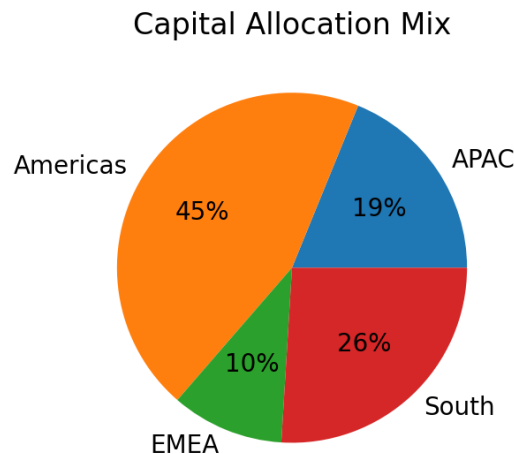
Intelligent automation scaled across functions meaningfully. Finance processes achieved faster close cycles. Procurement automation improved compliance and speed. HR workflows improved employee experience significantly. Customer interfaces became more responsive and transparent.

Digital twins supported operations and engineering. Simulations improved decision confidence across scenarios. Predictive models reduced downtime and scrap. Process mining identified bottlenecks and wastes. Visualizations enabled action at the frontline.

Third-party risk management was tightened. Vendor access was segmented and monitored. Assessments covered cyber and data practices. Contractual requirements clarified responsibilities and responses. Continuous monitoring tools flagged deviations early.

Training and awareness reduced cybersecurity risk. Phishing simulations improved vigilance continuously. Role-based training addressed specific risks. Response drills rehearsed effective containment actions. Culture emphasized shared responsibility for security.

Capital Allocation Mix



Digital — Cybersecurity Enhancements

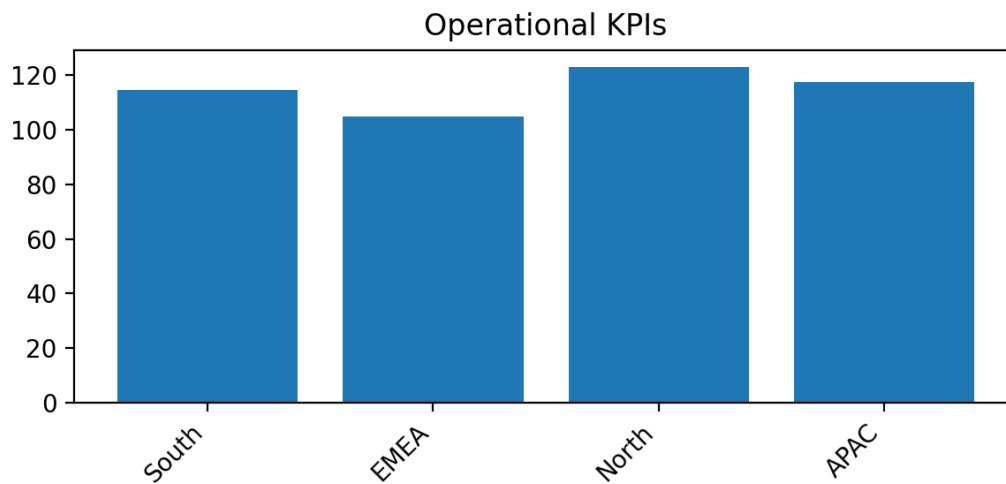
Zero-trust principles guided architecture decisions. Least privilege access became the default. MFA adoption reached near-universal coverage. PAM tools secured critical administrative accounts. Secrets management was standardized and audited.

Detection and response capabilities advanced. EDR solutions provided deeper visibility globally. SIEM and SOAR pipelines accelerated triage. Threat intelligence informed detection content updates. 24x7 monitoring ensured continuous coverage.

Resilience improvements reduced downtime risk. Backups were immutable and tested regularly. Recovery objectives were validated in exercises. Redundancy was added to critical services. Third-party continuity plans were independently reviewed.

Metrics guided cybersecurity governance rigorously. Mean time to detect decreased. Mean time to respond improved. Patch cadence accelerated across asset classes. Audit findings closed within agreed timelines.

Operational KPIs



Digital — Data Governance and Platforms

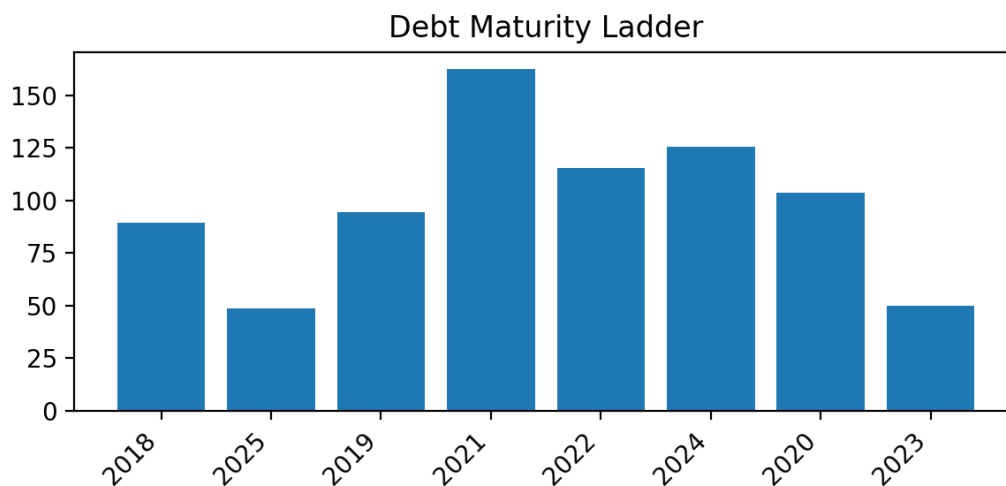
Data ownership clarified accountabilities clearly. Stewardship roles enforced quality and access. Metadata management improved discoverability and reuse. Lineage tracking enabled trust in analytics. Data contracts stabilized upstream and downstream interfaces.

Privacy and compliance were embedded tightly. Records of processing were fully maintained. DPIAs were conducted for new initiatives. Consent and rights requests were automated. Retention policies aligned with legal requirements.

Platform engineering improved reuse and speed. Self-service tools empowered data teams broadly. Reference architectures reduced project lead times. Cost management optimized workloads and storage. Observability improved reliability and user experience.

AI governance frameworks were established. Use cases were risk-scored appropriately. Controls addressed fairness, explainability, and security. Human oversight anchored critical decision points. Transparency guided stakeholder trust and adoption.

Debt Maturity Ladder



Outlook and Guidance

We enter the new year with discipline. Macroeconomic conditions remain mixed across regions. Supply stability and pricing support visibility. We expect continued margin progression year-over-year. Cash conversion should remain above 70 percent.

Group sales are expected to grow modestly. Mix will continue improving in Traction Components. Mobility Solutions should advance profitability further. Advanced Materials should benefit from industrial recovery. Contract Services will continue planned wind-down.

Capital allocation priorities remain unchanged firmly. We will invest in advantaged platforms selectively. We will protect the balance sheet strength. We will maintain the dividend corridor. Optionality for partnerships remains preserved thoughtfully.

Key execution priorities are clearly defined. Mobility cost program will deliver further savings. Traction capacity expansions will ramp on schedule. Materials will scale circularity and efficiency programs. Digital and safety enhancements will continue.

Risks include macro and geopolitical factors. Demand elasticity may vary by region and segment. Commodity volatility could re-emerge if shocks occur. Regulatory changes may increase compliance complexity. Cyber and supply risks remain managed actively.

Opportunities include technology and market shifts. Software-defined vehicles will increase content value. Premium and EV trends support tire mix. Infrastructure investments support materials demand cycles. Digital services will grow recurring revenue contributions.

We reaffirm our mid-term targets explicitly. Sales should reach €51–€56 billion range. Adjusted EBIT margin should reach 8–11 percent. Segment ROCE thresholds remain mandatory and binding. Cash conversion remains above 70 percent sustainably.

We will report progress transparently quarterly. Milestones and metrics will guide accountability. Stakeholders will receive consistent, comparable disclosures. Governance will challenge and support execution effectively. Our teams remain focused on outcomes.

Group Key Financials 2022–2023

metric	2022	2023	delta_percent
South	96.4	77.47	0.7
EMEA	87.83	120.51	0.35
EMEA	67.42	84.44	0.87
South	88.04	78.27	0.2
EMEA	120.35	116.65	0.16
Americas	106.16	93.57	0.1
Americas	79.75	107.12	0.22
Americas	86.65	107.01	0.28
APAC	97.94	91.56	0.87
APAC	131.25	112.94	0.05

Outlook — Scenario Planning and Sensitivities

Our base case assumes stable supply dynamics. Inflation moderates further in core regions. Rates peak and begin gradual declines. Demand remains mixed but constructive overall. Pricing and mix support margin expansion.

A downside case includes recession in Europe. Demand weakens across industrial segments broadly. Pricing discipline offsets partially through mix. Cost actions accelerate to protect margins. Cash preservation measures activate as needed.

An upside case includes stronger China recovery. Premium and EV segments outperform expectations. Replacement demand benefits from fleet usage. Input costs continue gradual normalization. Operational leverage improves profitability significantly.

Sensitivity analyses inform key decisions timely. Revenue and margin bridges quantify impacts. Currency and commodity bands are modeled. Capex phasing flexes to preserve returns. Incentives align to prudent execution across scenarios.

ROCE by Segment

segment	roce_2022_percent	roce_2023_percent
Americas	0.43	0.09

North	0.57	0.06
Americas	0.78	0.41
APAC	0.83	0.95
Americas	0.57	0.74

Outlook — Medium-Term Targets and Milestones

Mobility Solutions targets €26–€29 billion sales. Adjusted EBIT margin aims for 6–8 percent. ROCE thresholds exceed 20 percent medium term. Savings program contributes €400 million annually. Platform reuse lifts development productivity sustainably.

Traction Components targets €17–€18 billion sales. Adjusted EBIT margin aims for 13–16 percent. ROCE exceeds 23 percent medium term. Capacity expansions complete in the Americas and APAC. Digital services scale fleet penetration and revenue.

Advanced Materials targets €8–€9 billion sales. Adjusted EBIT margin aims for 9–11 percent. Industrial share increases toward 60 percent. Circularity delivers cost and resilience benefits. Separation options for OE Materials are progressed.

Group capital intensity remains 6–7 percent. Cash conversion remains at or above 70 percent. Dividend corridor remains consistently applied. Balance sheet metrics strengthen further. Portfolio moves focus on value acceleration.

Adjusted EBIT Margin by Segment

