



**Transcription**

# **Knorr Bremse AG – Q&A Teil 2**

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## Q&A 2

### 00:00:00 Operator

Thank you. We now start with the first question, which comes from Lucy Carrier, Morgan Stanley. Lucy, your line is now open.

### 00:00:11 Lucie Carrier (Morgan Stanley)

Hi, everyone. Good afternoon. Thanks for taking my question. The first one is around the opportunity in aftermarket in Rail. And I think it would be helpful for us to understand how you think about your installed base in China. So what is currently the installed base? And when you think about aftermarket, how do you think about your conversion rates, you know, what is really forcing operators to work on the aftermarket side with you rather than maybe kind of insourcing or using local supplier? So how should we think about that in terms of opportunity generally speaking for aftermarket but more particularly in China?

### 00:00:55 Frank Markus Weber (CFO)

Have you drawn for that question. I mean, the way you need to think about it is, as we have seen on the chart that was shown previously, we had a very, very strong base and business in the high speed trains, for example, in the middle of the last century. And on Metro, it was growing up to that. Now, when you think of aftermarket, then of course, you have different components. The most attractive component is spares that we sell, we sell them to a certain extent constantly. But you also see spikes in major overhauls that we have. And once our system signs those strengths and we have said before that almost in the in speed trains in the last decade, basically, we delivered to almost all of those high speed trains. So we have a very widespread footprint. And by having that footprint now when those trains get into different overhauled cycles, which is very visible into the future, because we know when they need to be overhauled, it's not just when a plant has a capacity or something like that. That is a defined point, then we deliver our systems once again into those trains. And that applies to the high speed trains and that also applies to the to the Metro trains, of course. And I think a second part of your question was, is there local competition. Of course, there's also competition, there's also constant thinking of how much can be done in house. If the domain know how that we have on our subsystem is that sufficient in house? Sometimes it's not, very often it's not actually and what we are doing is also services locally. Despite the market development in China, we made the decision to increase our local footprint also in China in the market, so we are close to the customers; we are there when they need us. We have shop and shop concepts, so where we are directly there where the trains are overhauled and repaired. And that helps us a lot in order to benefit from that OE market share that we have built up, especially since the mid and beginning of the last decade, and even now continuing to also benefit in the aftermarket arena. I hope that answers your question.



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### 00:03:46 Lucie Carrier

Yes, thank you. Partially I guess, maybe before go to my second question, when you say choose to have the installed base, you will benefit about overhauled cycle and so on. Is this contractual? I guess my question is what gives you the guarantee that you will be effectively serving your entire install base?

### 00:04:07 Frank Markus Weber

Well, there is example where that is contractual, but you cannot think of that everything for the next 40 years is under contract. But it is at the end of the day also our domain know- how, the pairing for example of the friction, the overall system that defines the break rates and with those bright brakes, you get those strengths homologated. If you mess around with those then you might you might damage those things. And then you might run into a risk that is very difficult at the end of the day to maintain and that puts us into a prime spot when it comes to overhaul in order to also serve that business.

### 00:04:58 Lucy Carrier

Thank you very much my second question was around the margin mix across the division. I appreciate China was historically quite high margin. And you expect kind of more flattish growth. But I think it's been probably the case for the past year or two already. And you've also highlighted you expect the share of aftermarket to increase across the portfolio, I mean, normally in China, but also for the rest of the division. So wouldn't that kind of offset or actually benefit, to some extent the margin mix from here, considering China's been already a little bit weaker for the past couple of years, and now we show increasing aftermarket sales as part of the total mix, which we assume that maybe correct me if I'm wrong, which we assume is higher is higher margin than the OE business.

### 00:05:51 Frank Markus Weber

I mean, the aftermarket business helps us in our margin mix, especially also when it comes to, for example, spare parts, which is the bulk of our aftermarket business, there's also other aftermarket businesses that we want to want it to grow into. There's modernization. And there's also new service models in connection also with digitalization preventive maintenance, where we grow into business models that are not just basically selling spare parts, but also creating a benefit for the customers, being more reliable, makes those strengths more reliable. And sometimes we even enter into a performance management regime, so to say, in order to share the benefits with our customers, that also happens. So there's also a wide range of profitability even on the aftermarket side, as you can imagine. But what also determines our profitability as a division overall, is not only the growth, that mostly comes out of the aftermarket, that is where we get a good chunk of the growth from, but also that we have more opportunity to grow in some non-break businesses rather than in break businesses, just because of the market shares, we have still lower market shares in those other systems



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than in the brake system. And there's also a little bit of a different margin regime there. Meaning that those other businesses are not par on par in terms of margins with a brake business. And those components, I will say will define our margin development, also in the future.

### 00:07:52 Sven Weier (UBS)

Yes, thank you, Sofia. The first one was on CVS. And you've talked a lot about the content to Truck, the transition to battery trucks. I was just wondering, you haven't mentioned anything at all regarding new braking system, electromechanical braking system? But does that mean: you're still not really convinced that this is going to take off? And what are maybe the latest developments you see on that side?

### 00:08:24 Dr. Peter Laier (Member of the Executive Board, CVS)

Yes, that is always an interesting question we are receiving for years specifically, when it comes to e-mobility trucks, or fuel cell trucks. Everybody says immediately, then the brakes need to be electromechanical. Well, we don't think so. Why? Because at first, you need to understand that in a truck, the pneumatic system is a second energy system used for a lot of different energy actuators. It's not only brakes, it's for coupling truck and trailer, the trailer itself, it's for the air suspension, for lift down lift up of the truck. So a lot of things which are using compressed air. That's why we still believe in compressed air as well in the new vehicle generations. That's why by the way, we developed as well, those compressors with rotating compressing principles. But for sure we develop in parallel as well full electromechanical brake systems. We see there an opportunity of usage in specific types of trucks. But all around that there is as well growth in the core area of our brakes, as you have seen in the presentation. So it's about those new compressor systems. It's about having more complex brake control systems, where recuperation is needed to have an efficient e-mobility truck. So a lot of opportunities in the brake arena itself and well the brake will not stay exactly the same in e-mobility trucks as we see it right now.

### 00:10:12 Sven Weier

Yes, thank you for that. And if I may just have one follow up on the truck side regarding the situation that you had with Bosch. I think one of the trucks was obviously sorted, so what's the current situation there on the payments? And also the situation, I think on the second trial that was going on.



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### **00:10:34 Dr. Claudia Mayfeld (Member of the Executive Board, Legal & Integrity)**

Thank you. So thank you so much for your question. You know, as you know, the process, the arbitration procedure is still running. We have booked financial liability of 380 million euros. We tried in the summer months to settle the arbitration procedure, but we did not get a final agreement on that. Therefore, Bosch started, again, arbitration proceedings in order to receive an award regarding the purchase price of 379 million euros. In addition, and perhaps you know that as well, there's a second arbitration procedure regarding the delivery of components; that has been started in 2020. It has been suspended on neutral terms in May of this year, in order to try to settle the issue out of court. Since these discussions failed in October, the procedure has been continued now. And we are and, you know, we want to explain, we are in continuous talks with Porsche regarding different topics, among other things, securing our supply of components.

### **00:11:58 Frank Markus Weber**

And just when additional information for my side, the 379 billion is absolutely the same amount that we have been actually having in our books for quite some time. So we do think this is the upper limit that should come out of that.

### **00:12:19 Sven Weier**

Okay, thank you for that. Can I just ask one more question on rate? [Very quickly] I will be quick test on the automated coupling. I saw in the coalition treaty, the new German government is actually mentioning their technology. So maybe question for Dr. Weber? Is there anything concrete now coming from the German government that you can have a kind of first try with Deutsche Bahn, or what are the next steps here? Thank you.

### **00:12:47 Frank Markus Weber**

Yeah, thank you for that question. In order to not get into conflict with Sofia I will try to give a quick answer here. Yes, there are pilot trains out there. There are a lot of tests that are going on. We are full-speed and the development of those systems. A final decision has not been made, I think this needs to be a European initiative overall, because it doesn't make sense to refurbish all those freight costs in one country, because they go cross border, and they mix and match to each other. So this system needs to be implemented. So there's a lot of political lobbying going on, including with the support of Deutsche Bahn and in different countries, that there will be also European subsidies, which has been discussed in the past already, in order to kick this off. I truly believe this will be kicked off, this will need to be kicked off. It is crucial for freight in the in the future. I think by now everybody understood that. A little a little political push in Europe



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will bridge over the over the line. And then in the next few years, we will hopefully start to implement that kind of a system.

### **00:14:15 Akash Gupta (J.P. Morgan)**

Hi, good afternoon, everybody. My first one is for Dr. Wilder. It's a follow up on China Rail aftermarket. And from an earlier question that Lucy asked. So my follow up is, if you look at the scope of your aftermarket business in China on high speed, and compare that scope to what you normally do in European market, and can you tell us whether it's the same or like how different in size and what is covered what is not covered? And then maybe on the same topic, if we look at the scope in Rail aftermarket in China, how that has moved over the last four or five years? Is it the same or like maybe any comment on that? And then I have a follow up.

### **00:14:58 Frank Markus Weber**

I mean, there are of course different kinds of regimes what some, let's say, historical rail operators that have been around for a long time have competencies in-house in terms of overhauling, so that there are minor differences between, let's say, different regions there. But what we have seen in China really is that our aftermarket share was growing meanwhile, it is still lower than our average that we sometimes said, like the 45% That's why we believe we have some catch-up to do there. And that's why we are also saying on the OE side with a market that is over the next few years a little flattish. Not in the long term in the long term, I'm sure it will go again in China as well. But over the next few years, little flattish, there is a growth on the aftermarket side that we also can benefit from, because it refers to our systems basically. Now was there a second part of the question? [Aftermarket development over the last couple of years].

### **00:16:17 Frank Markus Weber**

Oh, yes. But as I said, the aftermarket business grew also in terms of our share of wallet in China. And it will grow further.

### **00:16:32 Akash Gupta**

Thank you. And my second question is on truck business. So first one is when you guide for flattish truck production rate, is this based on your geographical mix, or based on overall market, which is skewed by China given it's quite big in



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size? And then secondly, on the same topic, this partnership with Continental: Can you talk about exclusivity from both your side as well as from Conti's side? Thank you.

### 00:17:03 Frank Markus Weber

First to TPR, that's global TPR global production rates, which we are seeing developing flat, but with differences in the different locations to hit the point Akash, we had an absolute record truck production rate in 2020 in China, and we don't foresee that being repeated. So we see China a little bit going down to a normal level in the course of the next years while truck production will slightly grow in other regions. And as explained before, we have different content per vehicle in the different regions. So this overall mix has two opportunities, short term, we will grow with more truck production in Europe and North America, because actually the content is higher there. But we have significant growth chances in the content in China. So that's a second part of the chance for KB. Regarding the second question Continental as a partner. Yes, we have a partnership with Continental. This partnership is seen for us as a success story. And we will continue with that partnership. We think the technology which we are getting from Conti is superior on the radar and the camera side, we are getting the hardware as you know, the software is then released by us and developed by us and that we are developing then the functionalities and the systems. The contract is made and that ways that Conti needs to be competitive. And then we will cooperate with Continental if the competitiveness is not there we have the freedom as well to go with other partners.

### 00:18:59 Marc Zeck (Stifel)

Thank you for having me. Just two questions on our RVS, if I may, one short term question A couple of weeks ago, you gave a sneak preview on the November order volume for RVS, then you started to get an update regarding November volumes, for October was it better or worse [unclear] That was my first question.

### 00:19:30 Frank Markus Weber

Yes, I mean, we don't have final numbers for November yet, as you can imagine. But I can tell you that also, without naming them now also on some of the large orders, larger orders that are in the market, I mean, the structure in our cases, there's of course some large orders here. And there's also many, many smaller orders. There's quite a few that we could also book in November. Although I don't have the final number yet, so I don't want to comment on that. And as you know, it is always very difficult to see does it cross the line towards the next booking months or not? Yes, that is something I fully understand that some people are asking that question; for me personally, that is not that important. I truly believe that for the fourth quarter that we that we see an order entry that is much stronger than we have seen in all the other quarters. And that is in line with also what we guided, we look at it regularly, see where those orders are, and



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give or take a little bit, which you never can see, does it come in January, December, things like that, at the end of the day for the business? It doesn't matter, either. But give or take it will be in that ballpark.

### 00:20:55 Marc Zeck

Thank you very much. The same question. Well, long term one, I understand that basically China will be flat, I guess that the Joe Biden infrastructure plan and track whatever comes over there, that this will only happen by 2024 2025 at the earliest. So most of the growth of RVS is then in Europe, and in Europe, the European green deals now basically used to plug all the holes that COVID caused and that may resuscitate some, let's say pre pandemic orders, but it will only pull us through probably 2022 through 2023. And I actually see that reflected on your slide on page 46. And over there, I see them for 2024 for a bump in APAC volume that looks like it's there to make the growth rate correct. Could you elaborate why you think that that APAC will all of a sudden grow strongly in 2024. And what it is like in Europe and in 24 and 25? Thank you.

### 00:22:04 Frank Markus Weber

Well, first of all, in those support programs, whether it is in the US and in Europe, we always need to very, very closely look what they are intended for, and how they will be spent. I mean, the vast majority of those programs, it's really more on the infrastructure side than short term, additional trains. But they will of course, follow because it's all about increasing the capacity in the rail system, that is for us of a great benefit in the mid to long run as well, because that only will be possible if trains are either more available, if there are more trains, and things like that. But the vast majority of those spendings, first of all, whether it is in the US or in Europe, goes more into the infrastructure side than into the pure additional vehicle side. And that's also normal, because first the capacity needs to be there. Before then, essentially, the number of trains really can increase. But it is a confirmation basically, of what we expect into the future. More shifts of traffic to rail, we need to prepare ourselves not only in Europe, but also in other regions of the world that is greatly funded by the governments, that is basically what they also understand that is necessary. That's a proof point for our long term strategy.

### 00:23:40 Marc Zeck

Good, thank you. Maybe a quick follow up question here. Are you kind of afraid of the new FDP, Finance Minister in terms of debt breaks and a more spending-conscious mindset? Thank you.





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### 00:23:56 Frank Markus Weber

I don't know if I understand the question. [It's about the FDP, the liberal party, and the question is whether the new finance minister makes you afraid of their policy that might come?] No, he doesn't make me afraid. I think there's overarching trends that are good I mean, that you're also seeing. You know, at the end of the day, the what is from what I could see in this coalition contract that they hammered out that there might be some changes also, for example, in the structure in Deutsche Bahn in Germany, but not as much as was announced before or some parties were thinking of whether it was FDP or "die Grünen". It will, you know, there was this "Ergebnisabführungsvertrag" that will be different, but I think that goes vastly into the right direction and it doesn't scare me at all. I appreciate actually maybe I should say that, I appreciate that there's so much emphasis on funding the rail sector, and also the goals of putting more traffic on rail, I believe that will need to happen. And that is also written down there. So that's good.

### 00:25:15 William Mackie (Kepler Chevreux)

Hi, again. Thank you. Two questions on rail first of all, coming back to the aftermarket business. When we look at the industry, we see the OEMs. Increasingly, and I'm talking about Western Europe, signing multi year service agreements. And the OEMs invariably take the responsibility for the performance and uptime and of the vehicles in operation. So it seems that contractually they take the prime responsibility and must source parts and additional services from third parties like yourself. So I'm just wondering, can you give us a sense of what proportion of your business goes direct in contracted business to the customers, the rail service operator, and what proportion goes towards OEMs? And or via OEMs? And is it fair to say that there is a trend towards, if you like, a disintermediation between suppliers like yourself, and the ultimate customers, i.e. is the train maker coming in between and taking ownership of the data that provides the reliability and the performance of the vehicles.

### 00:26:57 Frank Markus Weber

I mean, first of all, of course, the aftermarket is an attractive business arena. It's not just that we have discovered it for ourselves. There's also others who discovered that for themselves, but that is nothing new; that has been going on for a long time now. And it is also not the case that our customers, as you correctly stated, is the operators only, it is much more so that we - as there is increasing long term maintenance contracts - that the OEMs the car builders so to speak, negotiate with some operators, and that is, again different in different countries, depending on what model there is, but it also is coming up for example, in Germany, there are examples for that. But if that share increases, our share in the service business also increases with them. We have our domain know-how. And it doesn't mean just because they sign a long term maintenance contract, that we cannot add any value. That's the opposite. Actually. We also have partially very long term contracts. Same thing back to back with those car builders. And that's where we also then benefit long term. And there are even examples on the additional benefits side, on the digitalization when it comes to let's say energy consumption, whether it is an Hvac, because Hvac is the biggest energy consumer and the train besides the traction, then we can supply actually, our know-how and also a bit long term contracts with the OEMs in order to generate benefits for their customers, or we do it directly with the operators. And we have examples of all of those. So that is a



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trend that happens. But that does not mean that somebody gets in between and our customers. We have a healthy competition there. And the OEMs also from the service side are also our customers there.

### 00:29:13 William Mackie

Thank you. That's insightful. The second question relates to CVS. And again, difficult - I want to approach the question of the evolution of the automated driving sector. It seems that many OEMs who ultimately will take the regulatory or the legal liability of autonomous driving are partnering in the perception or decision making segments of the evolving value chain or systems. And so ... and at the same time, you have a competitor you mentioned earlier who has a fully integrated suite of capabilities in actuation and decision making across electronics and also is able to provide a bundled offers around transmission and other areas to OEMs. So that there's two thing: I'm thinking about your partnership with Continental is, maybe you can help us understand how you see the success in your positioning on future platforms evolving. Given that it seems that the OEMs are taking an active interest in perception and decision making, and your competitors are offering your customers complete platforms. So how do you kind of bridge that? Because at the moment, you seem to be stuck within actuations and some perception as you describe it. And I wonder how you break out? And also, do you have any, you know, success proof points of platform wins? I mean, you know, 2025 is like tomorrow for developing a platform in the truck sector. So what successes have you had with your partnerships with OEMs on developing autonomous driving systems, because I see some from your competition, but I don't see many from KB.

### 00:31:14 Frank Markus Weber

At first, as you mentioned, automatic driving is a very complex task. Most of the OEMs have now decided to realize that in partnerships, usually it is the case that specifically for what is called driver stakes, so that's the artificial driver in the decision level, the OEMs are partnering up with AI companies, like VEMO or TuSimple or plus AI or Incept IO and you name it. And our role in this constellation is to be the vehicle dynamic partner. So we are supplying brake control, steering, and the related redundancy technology to that, and here we have since years a very positive feedback regarding our redundancy concepts. And we are in intensive discussions with OEMs. We have already a first award for that, and I'm quite sure there is more to come in the future with the discussions which we have right now. So I would see us here on a successful path right now. So we have maybe more flexibility than the one or the other competition here. Giving to the market the offer of our actuators and Track Motion Control Vehicle dynamics, and we can partner with different partners and different setups to realize according to the OEM needs, as you mentioned. In most of the cases we know on the market the OEMs are taking the system responsibility, and they decide whom they want to have in their consortium or partnership, you name it.



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### 00:33:07 William Mackie

Sorry, following up from that, to what extent is there a standardization of protocols between the perception elements, the decision making elements and the actuation elements, once you've, you know, made the decision, and then you're communicating the decision to your actuation functions? Is that already a standardized environment? Or is it very bespoke platform by platform? Is this still evolving? Where are we on that development path?

### 00:33:40 Frank Markus Weber

It's clearly individual or as you call it, bespoke solution per customer, every customer's solving that differently with his own requirements. For sure, the long term future maybe has the targets to standardize that to a certain extent. But please have in mind, the OEMs need to have differentiation opportunities as well in the future to show their DNA and to provide a specific offer to the customer and how to realize automated driving, which kind of approach which kind of functionalities. That is a very good differentiation factor. That's why the OEMs want to keep that as well, in a different way of realizing than having here standard.

### 00:34:37 Vivek Midha (Citi)

Thanks very much Sofia, food afternoon again. I had yet another follow up question on Lucy's aftermarket question. So you highlighted the importance of your know-how, and I was wondering if you're seeing a material difference between your aftermarket conversion rates in China in high speed versus Metro? Thank you.

### 00:35:03 Frank Markus Weber

Not too much, I would say, the aftermarket business, it more would need to be really, at the end of the day subdivided into what kind of aftermarket is? Is it spare parts? Is it overhaul? What is it in terms of aftermarket? And that's in general the more meaningful separation into those? That would be my answer to your question.

### 00:35:44 Vivek Midha

Thank you. And I had another question on China. So you discussed in some detail, the standard Metro issue in the Metro segment there. But if you just can see nothing more colored there, what sorts of timelines do you see is likely for this to start becoming meaningful? Where exactly is this project? What status it has that will be helpful? Thank you.



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### 00:36:10 Frank Markus Weber

Yes. I mean, that's a very good question. You know, there are, of course, activities that should define prototypes right now, prototypes on the Metro side, there are different platforms, there are a and b platforms, and there are different speed limits on those platforms. That's, of course, what's going on. But this is different from the high speed train side that we have also seen a few years ago, that very rapidly went into the direction of a standardized platform. We don't see that here that fast, because in the key differences, there's no centralized decision making on the Metro side, the local authorities decide that themselves. And there's also again deviations from certain standards and things like that. Whereas on the high speed rail side they are procured centrally, more or less one system or one product, you don't have that on the Metro side. And that's why it would take many, many more years than what we have seen on the high speed side.

### 00:37:30 Vivek Midha

Could I quickly follow up on that? I understand what you mean about being less centralized but is it valid to say that you've also seen the Chinese, your local players, they've been able to get some adoption in high speed, which technologically may be more advanced. Does that have any bearing on the speed at which Chinese local solutions may be adopted in Metro? Thank you.

I'm not sure whether I got the question. Did you get it? My understanding was that the fact that high, highly complicated systems in high speed has been adopted there already by local players. The question is, what does it mean? Does it also mean an accelerated adoption of Chinese technology in the middle? No. Okay. Sorry. I mean, it's, it's the connection that I had some trouble, trouble. We're sorry for that. No, no. I mean, I don't see that too much. I mean, there's, there's totally different platforms. And it started really on the on the high speed side. And this also, I mean, metros and high speed trains are rather different from each other, that now Metro will be accelerated, because that happened on the on the high speed side. First. I don't see that. I think the more overarching principle is what I just said that is the principles, how will it be decided whether it will be centralized or rather locally, that is the more important trend, so to say in this development? It's helpful, thank you. Okay, coming to the last question of today, guys, it began Deutsche Bank, your line is now open. Thanks very much. Hi, again, your show slide 22 that the market grows for CVS will be only 3% from 2021 on the walls. So it seems you expect growth in the content of vehicle associated to traffic safety technology to decrease somewhat gradually, at least compared to what it was in the past. So my question is, at what point do you expect the CPV growth to re accelerate again, and what do you expect it to be in the longer run Given everything that's going on in terms of E mobility and automotive autonomous driving, thank you. Yeah, I think we have both said again from three growth factors driving our do this in regard of pipeline, the first his talk production rate, we said our product rate will remain more or less flat for the come, second growth driver is constant to vehicle and we have constant to vehicle we will grow further somehow 4% per year. You see here different opportunities that we need to be it short and long term, short term, we see further growth opportunities with technologies on traffic safety, further reduction of regulations is specifically in Asia which foresee then ESP, Viva systems functions, and things like that, as an ADB is about to come, North America will further grow, that will somehow drive us in content to vehicles until the second half of this decade, then we see more maturity in there. But at that point of time, you have the kicking in of all those new



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industry trends we have talked about before automatic driving e mobility, connectivity digitalization that we have then further concept of equal growth opportunity. And the third level for growth in CVS is always market share gains. And we have seen in the presentation in Russia, how successful we were in the last five, six years to gain market share in China. And I'm still convinced we have here further growth opportunities. And there are other markets where we have as well as the growth opportunities specifically in Asia. So that is what is driving our growth. Okay, so just to be clear, so actually, the content of vehicle growth, you expect is expected to be around four 4% per annum throughout the entire period. Going into the deep end of the decade. I would say it's at first clear that we have this content per week grows out of infant services until somehow the middle 90s. After that, it depends very much how fast these new technologies on immobility and on automatic driving will come into the market. They are I would even see with the technologies which we are developing right now that we are at least on that level, if you're stepping into that, and as we have shown you here on a very good path. Okay, thank you very much, everybody.

### Operator

Okay, we now conclude our Q&A session. Thank you for participating. In case of further questions, please reach out to the investor relations or media department anytime. I will hand over to your no full final remarks.

### Dr. Jan Michael Mrosik

Thank you very much. So in summary, KB is and we are as management team, deeply convinced in our hope we could convey this conviction to you as well, and show you that this is case, KB, as a company is in excellent shape, or businesses in excellent shape as well. And we outperform even in the challenging times that we have nowadays. And here I would like to specifically thank the hawk no blame the team, all our employees worldwide for the dedication and for the power that they're putting into this business and the expertise that make us so successful. We are in growth markets. We are going to grow from our markets perspective, in the medium to long term. And there's lots of opportunities for us out there that we can capitalize on, based on the mega trends that surround us. Mobility, urbanization, sustainability, and digitalization. All of them are major trends to solve the biggest issues of worldwide societies. Sustainability is at the core of our markets, our products, our organization and everything we do. We as quiet KB are going to continue our profitable both paths to technology leadership that we've acquired over decades, and that we're going to build out and build on noble ends the drive to operational excellence to create shareholder value. And all in all, we're going to continue our successful strategy. We're going to add to it in order to enhance the growth and outperform the markets. But it's not about the big change in strategy. It's about continuing what we've been successfully doing for a lot of number a number of years, but modernizing it and evolving it. Having said that, thank you very much for your participation. Thank you very much for your interaction. And see you soon.