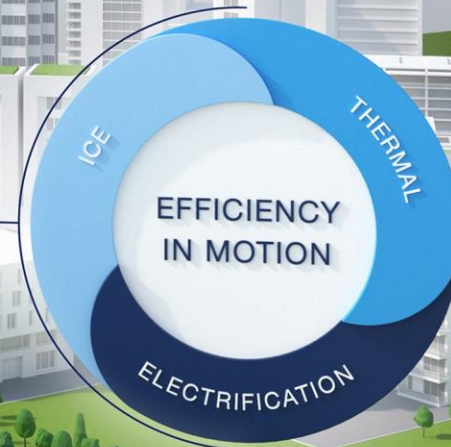


# MAHLE Investor Update Call

## Annual Results 2023

MAHLE Group | April 17, 2024

WE SHAPE  
FUTURE MOBILITY



**MAHLE**

# Disclaimer

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This presentation may contain forward-looking statements and information on the business development of MAHLE. These statements are based on assessments and assumptions relating to the development of the economies of individual countries, and in particular of the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of publication.

The estimates given involve a degree of risk and uncertainty, and the actual developments of e.g. MAHLE's sales, results and financial situation may differ from those forecasted. We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

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Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

# Agenda

1. **2023 - At a Glance** | Mr. Kapaun
2. **Market Development** | Mr. Kapaun
3. **Key Financials** | Mr. Thiele
4. **Financing MAHLE Group** | Mr. Josephs

# 2023 - At a Glance

# 01

# Highlights | Global environment

**Despite continuous volatility in the automotive industry ...**



**Consumer behavior**



**Regulatory environment**



**Competitive dynamics**



**Technological shifts**



**Macroeconomic tensions**

# Highlights | Annual results 2023

... MAHLE continued its upward trend



**Substantial increase  
in the result from  
business activities**

**Performance programs  
and Strategy MAHLE  
2030+ have taken effect**

**Focus on cash and  
profitability  
remains**

# Consequent measures are needed to ensure MAHLE's business performance

CASH  
FLOW

2023

- Consequent execution of profitability improvement measures
- Strict implementation of cash optimization measures to accelerate group wide cash generation
- Further price renegotiations with suppliers & customers, reduction of working capital

BUSINESS  
EXCELLENCE

2025

- Achieve solid profitability within group and across businesses
- Excellence projects in key functions for sustainable value generation
- Asset & portfolio clean up

NEW  
MAHLE

2030

- Corporate Strategy MAHLE 2030 implemented
- Focus on key business areas with TOP 3 market position
- Global footprint and customer base
- On track for sustainability targets

# Shifting from DELIVER23 to Back On Track 2025

## DELIVER23



<b>Operating Result Performance</b>	<b>Cash Flow Performance</b>
	<b>Asset &amp; Portfolio Clean Up</b>

## Back On Track 2025

Ambition to reach an **EBIT Margin between 4.5% - 5.5% (at least Ba2 Rating)** by the end of 2025 by driving functional excellence and structural changes.

1. Improving profitability by executing functional excellence in all core functions of our company, focusing at the net view:

- Topline
- Production
- Purchasing
- R&D cost optimization

2. Structural elements to achieve structural improvements in our organization

- Overhead functions
- Footprint
- Portfolio & Asset Clean-up

3. Optimizing cash flow incl. related processes

- A/R
- A/P
- Capex
- Inventory\*

All profitability and cash related performance programs pooled under one roof

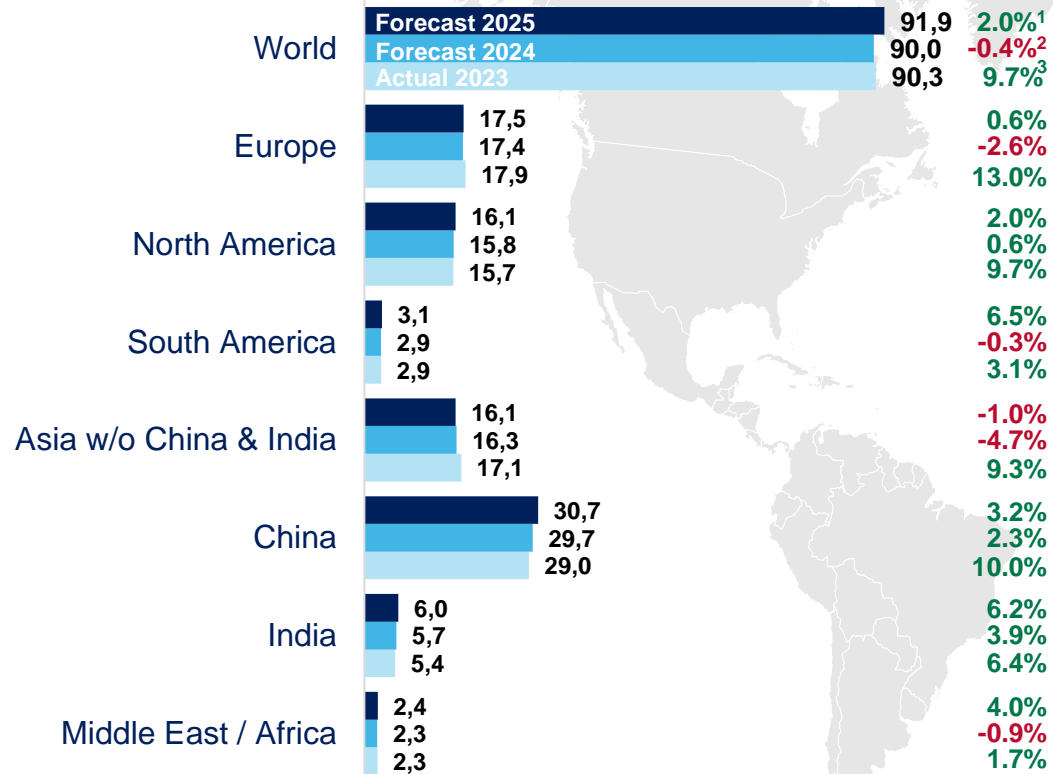


# Market Development

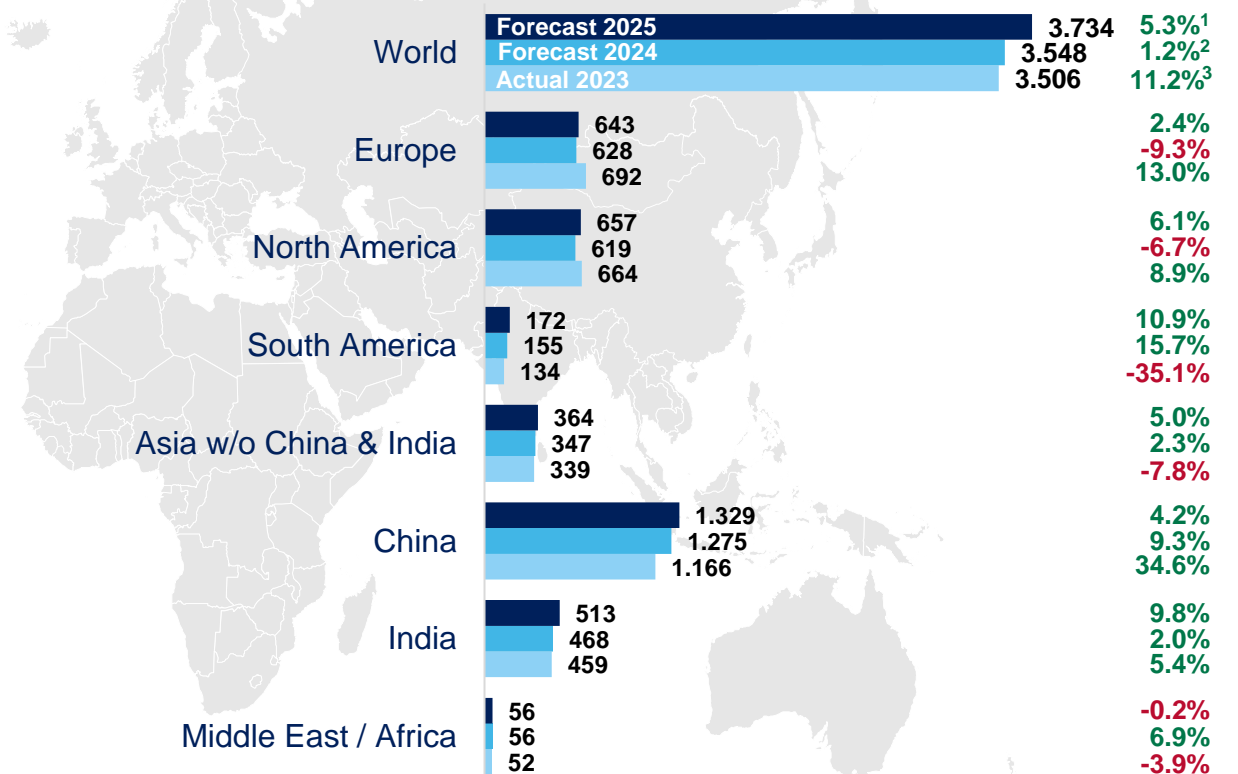
# 02

# Market development in 2024 & 2025

## Production of passenger cars and light commercial vehicles (<6t) [in mn pcs.]

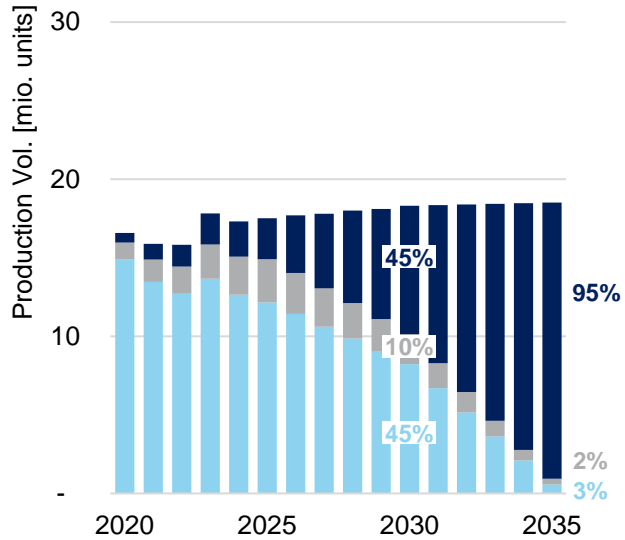


## Production of medium and heavy duty vehicles and buses (>6t) [in tsd pcs.]



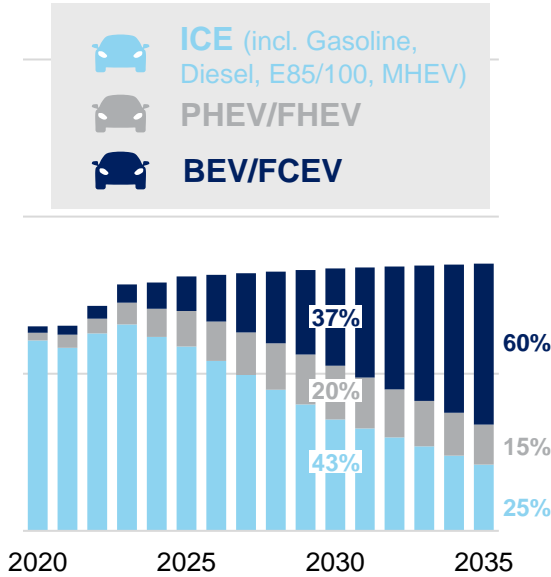
# BEV ramp-up slows down in Europe, Biden Administration backs down on initially ambitious targets & China sees rising PHEV<sup>1</sup> share

## EUROPE



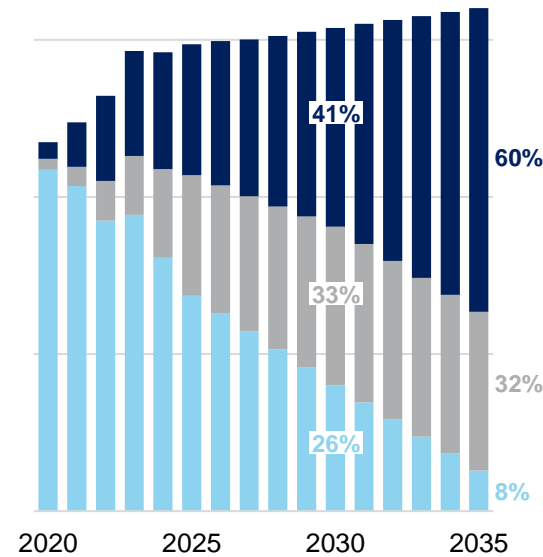
- In long term **EU27 "Fit-for-55"** leads to almost **100% electrification in Europe**
- Sudden **slow down on BEV ramp-up** anticipated early 2024, OEMs rather cut their ambitious targets
- **Forecast reduced** to CO2 legislation conformity (2030: ~55% BEV EU27+UK, result in 45% for Total Europe)

## NORTH AMERICA



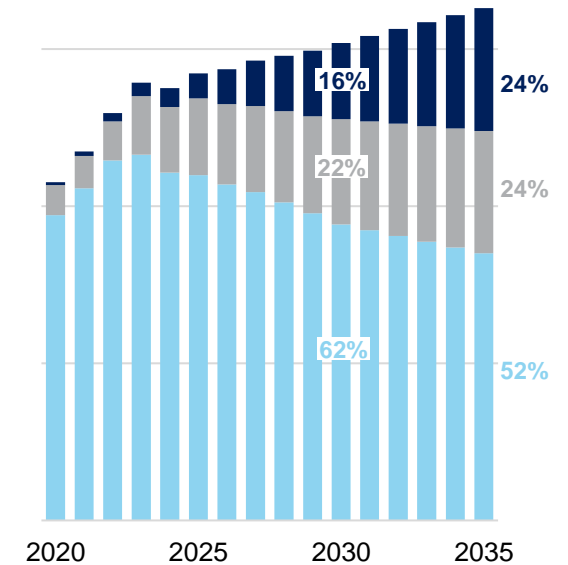
- Initial scenario should have been increased with Biden BEV push
- But recent back down leads to **slight BEV decrease & fits to mandatory GHG<sup>2</sup> legislation**
- Close monitoring of near term (actual sales & election in November)

## CHINA



- Rapid **BEV increase in 2022**, mainly driven by many low-cost EVs, but reduced growth pace in 2023ff expected
- 2023 artificial push of BEV sales due to **price war & rising BEV exports**
- Strongly **rising demand for PHEVs**, fueled by price reductions
- **Exports to EU could be limited** due to EU subsidy investigation

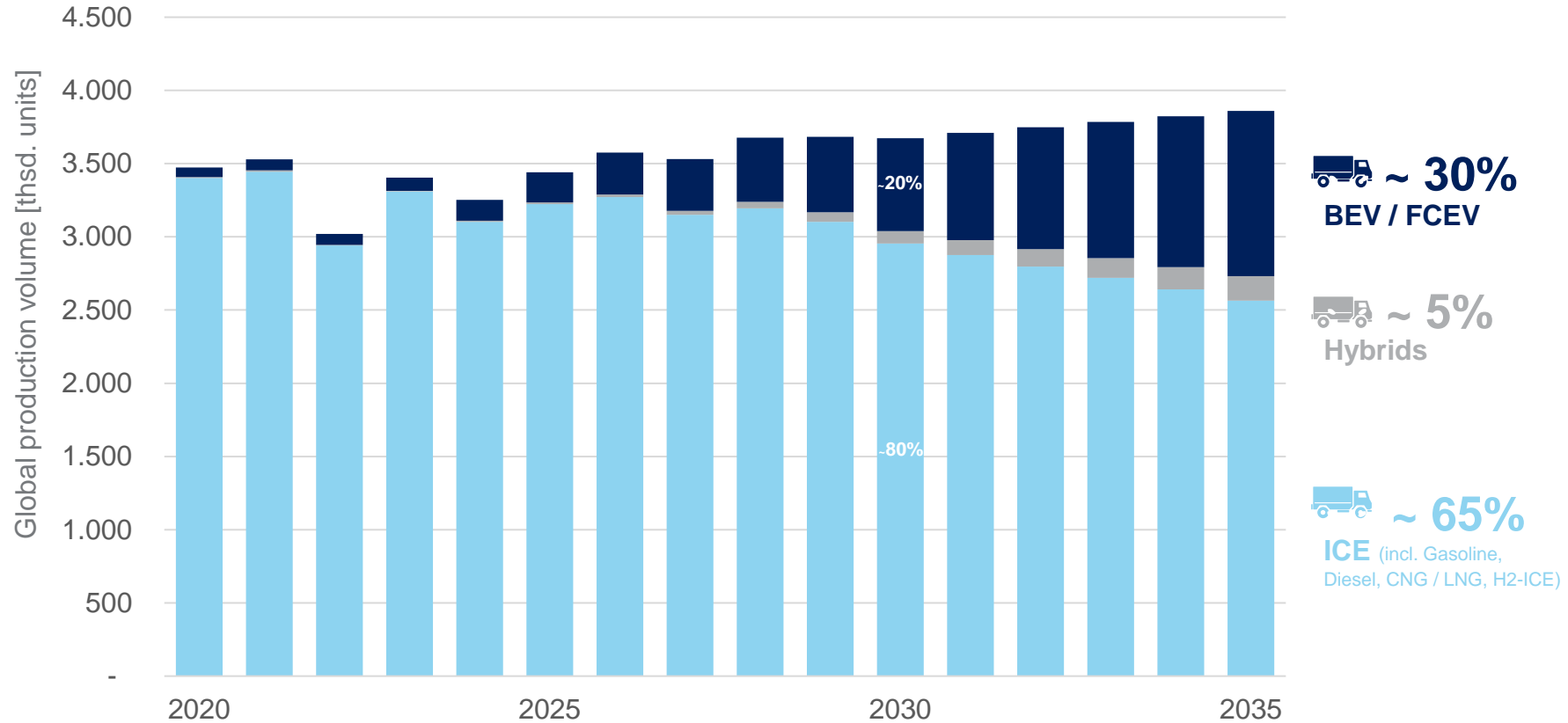
## Other Regions (Asia-Pacific w/o China, South America, Middle East & Africa)



- JP/KR with **BEV production for export**
- ASEAN & S. America as **strong ICE markets**, yet (delayed) EV ramp-up expected



# MAHLE MHD Powertrain Scenario expects strong ramp-up of BEV and FCEV trucks until 2035



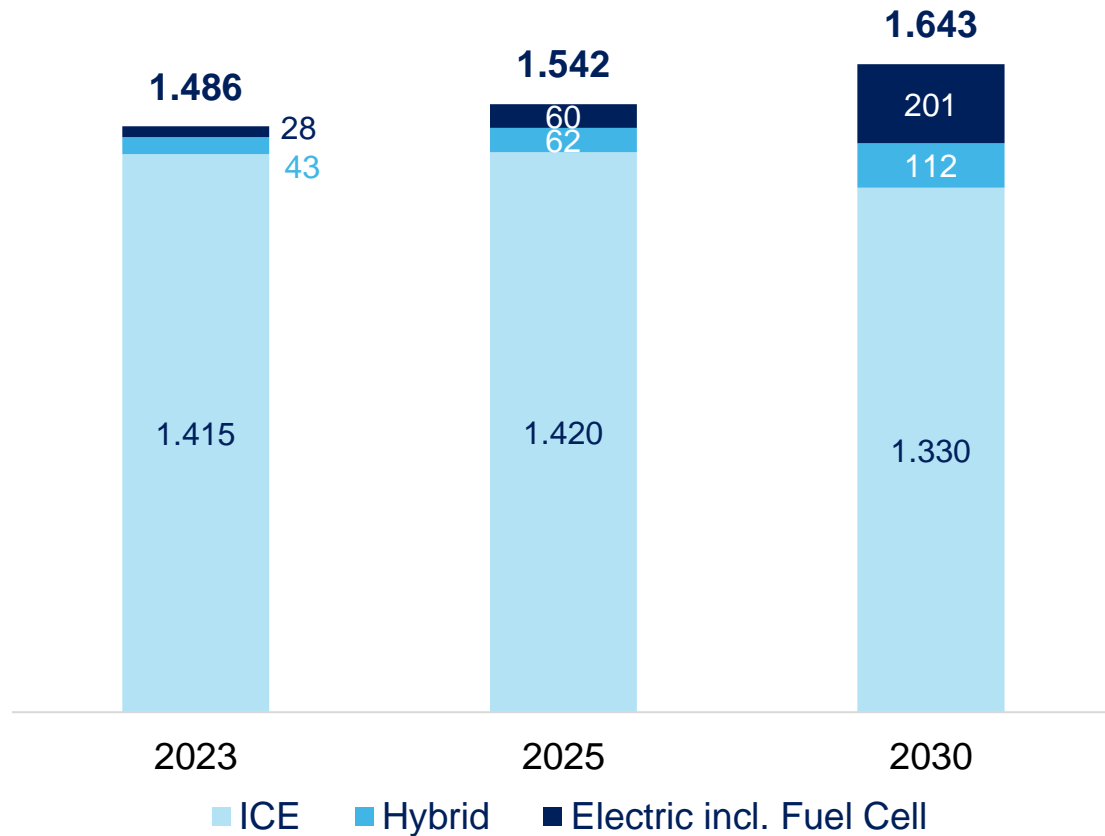
## Main Global Market Characteristics

- MD Trucks:** High BEV share for urban / regional delivery & municipal trucks on short routes, FCEV are pushed in CN / JP / KOR.
- HD Trucks:** CO<sub>2</sub> legislation & TCO is main driver for increased electrification. BEV for short routes, Hydrogen for long haul.
- Buses:** Strong global increase of BEV city buses, FCEV future option for longer routes, e.g. Coaches.

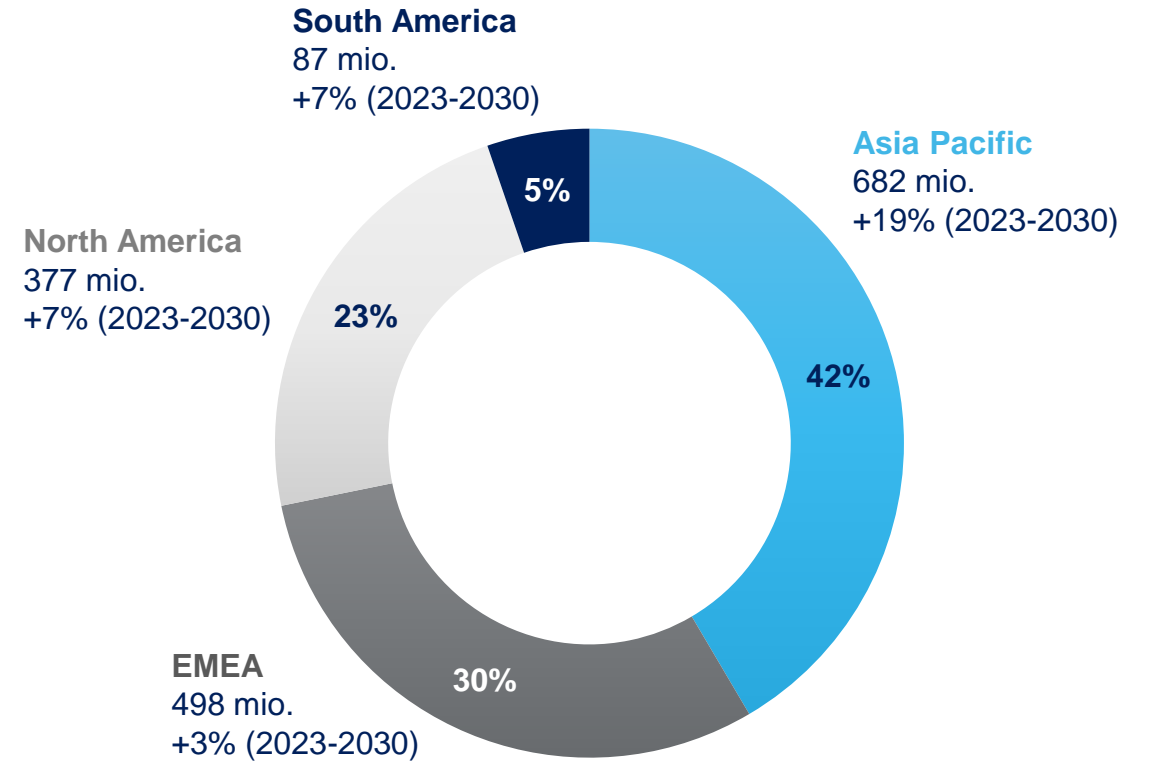
# Vehicle fleet expected to further increase

## Global Light Vehicles in operation forecast

in mio. Vehicles



## Regional split of Global Light Vehicles 2030



\*Source: S&P Global Mobility 10-2023 76/195 Countries Worldwide

# Key Financials

03

# MAHLE Group – key financials 2023



**€ 12.8bn**  
Sales



**7.2%**  
EBITDA margin



**1.5x**  
Net debt\*/EBITDA



**€ 808m**  
Operating Cash Flow



**5.3%**  
R&D Ratio



**19.6%**  
Equity Ratio



**€ 481m**  
Free Cash Flow

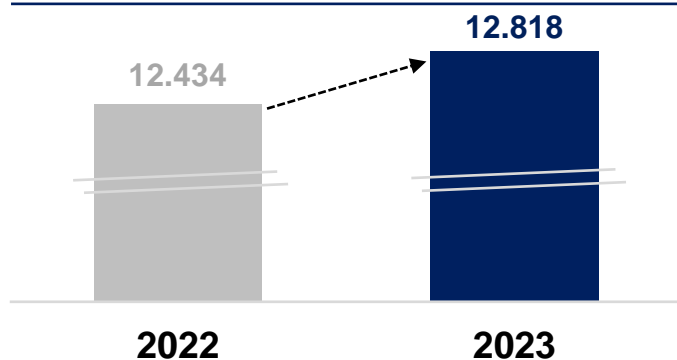


**€ 26m**  
Net Income

# Strong recovery effects in 2023

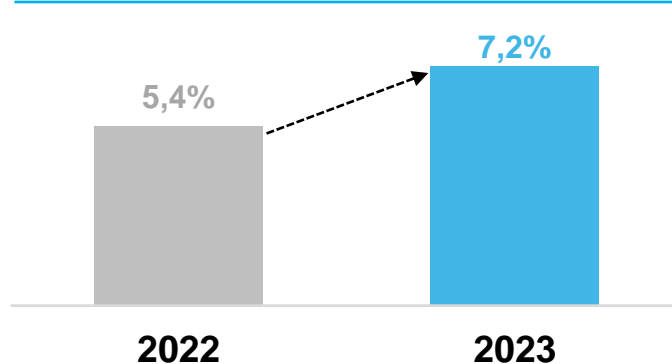
## Sales

In EURm

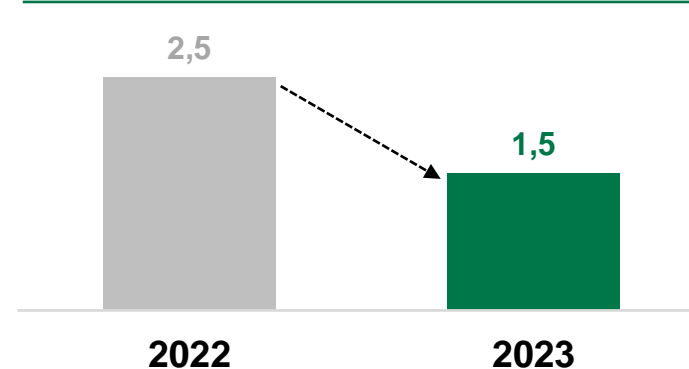


## EBITDA margin

In Percent (%)

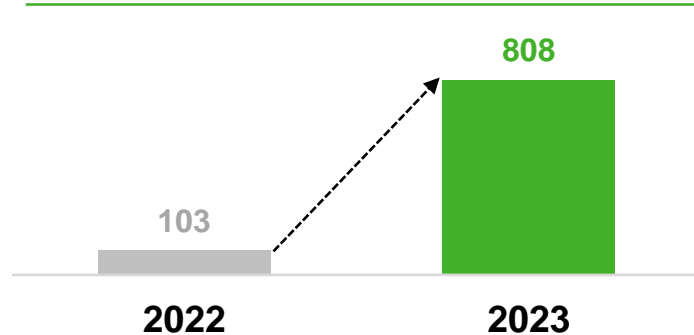


## Net debt\* / EBITDA



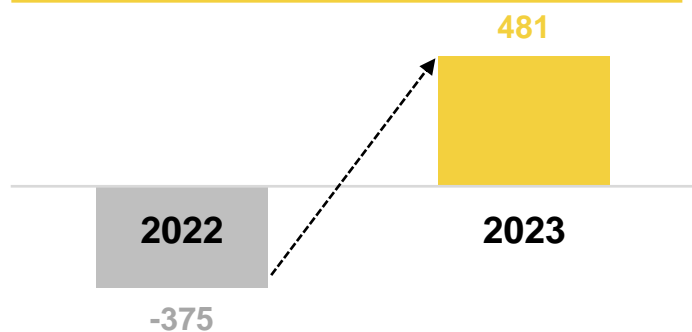
## Operating CF

In EURm



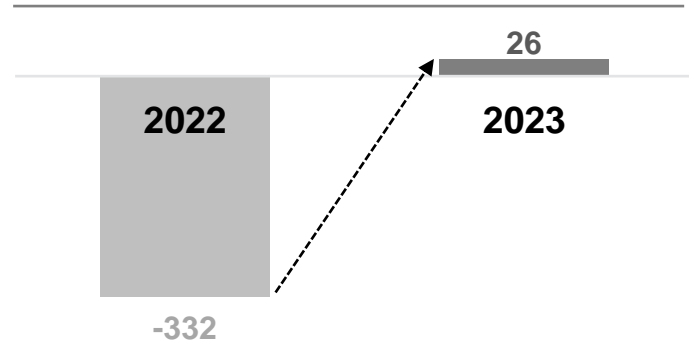
## Free Cash Flow

In EURm



## Net Income

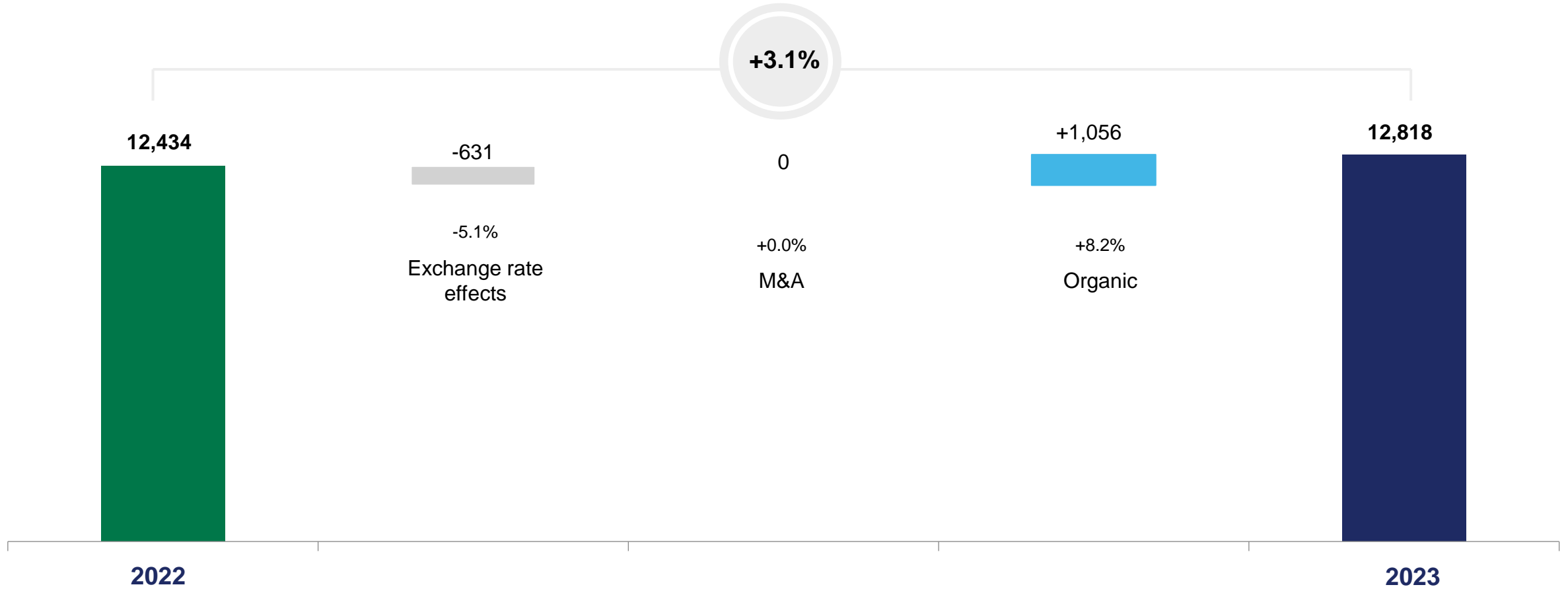
In EURm





# MAHLE Group – strong sales growth

## MAHLE Group Sales In EURm

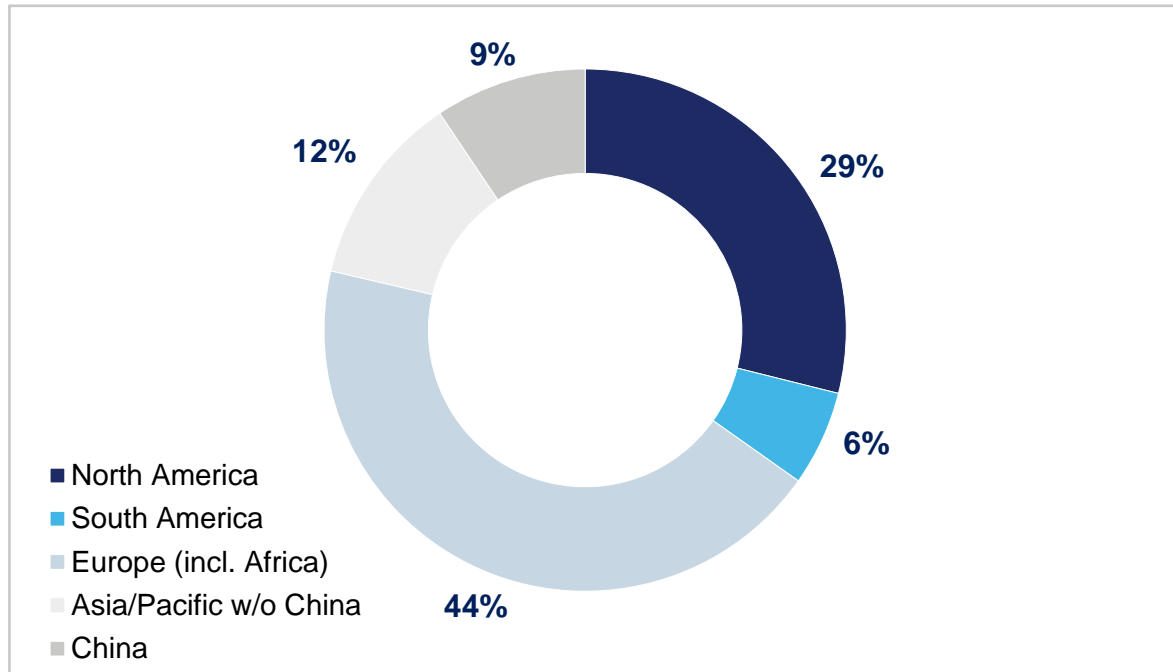


# Strong resilience due to broadly diversified split by geographical sales, segments, customer base and product mix



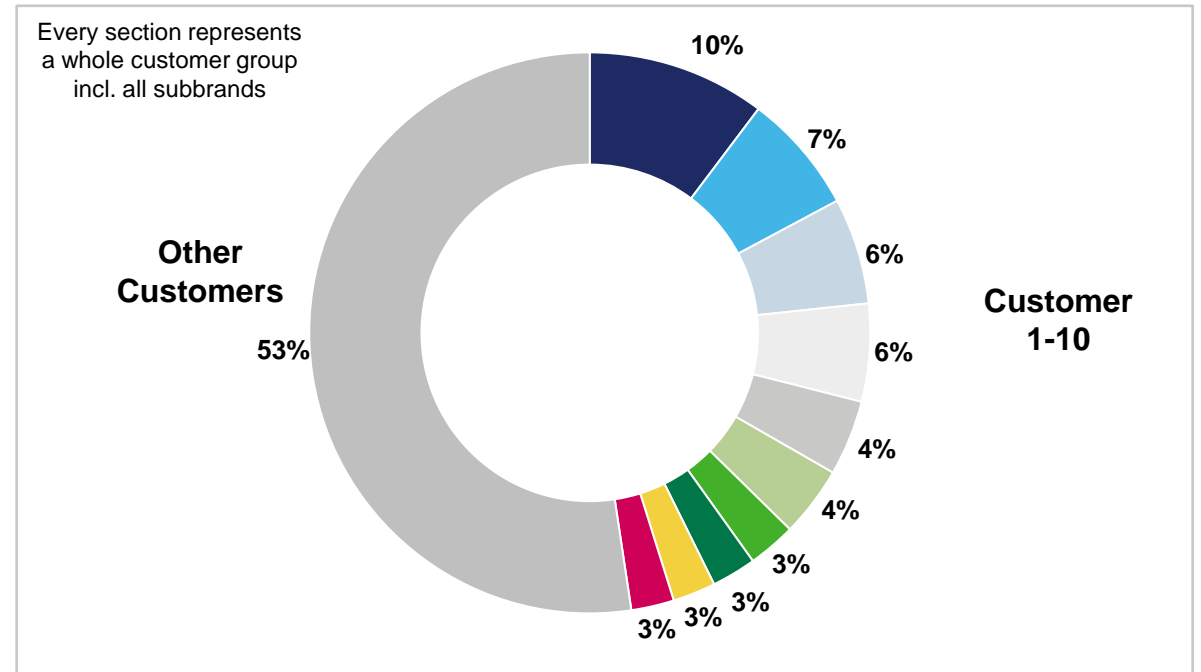
Total Group sales 2023: EUR 12,818 m

## Regional Sales Split\*



\* Illustration by sales markets

## Customers Sales Split\*\* (Top 10)



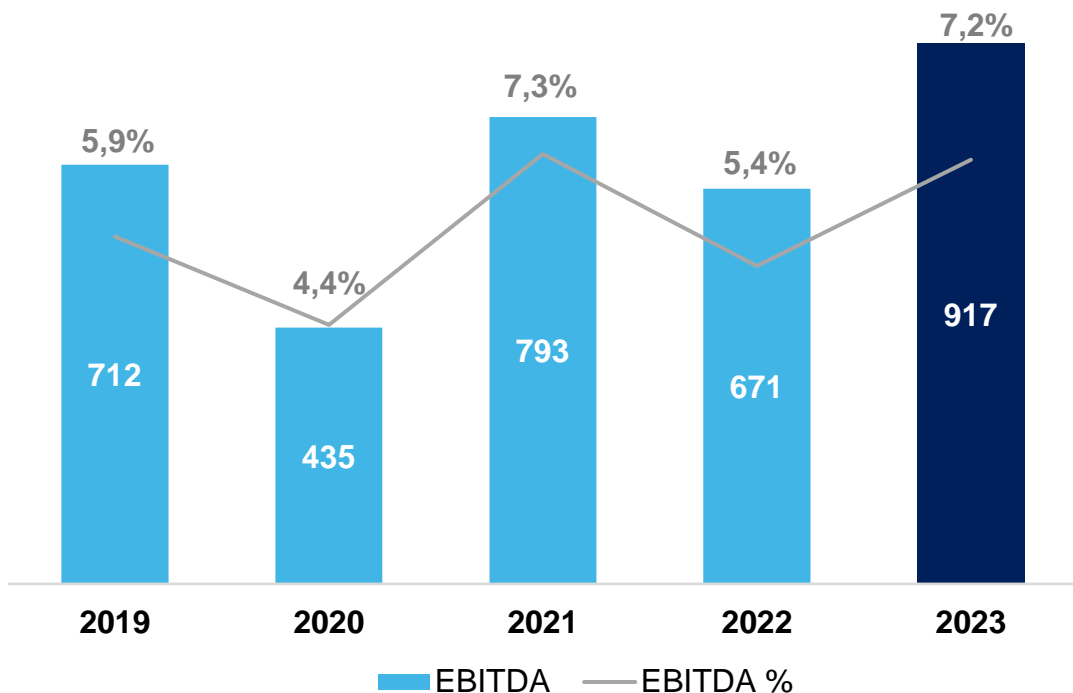
\*\* Rounding differences in sales split



# EBITDA and EBIT development 2019 – 2023

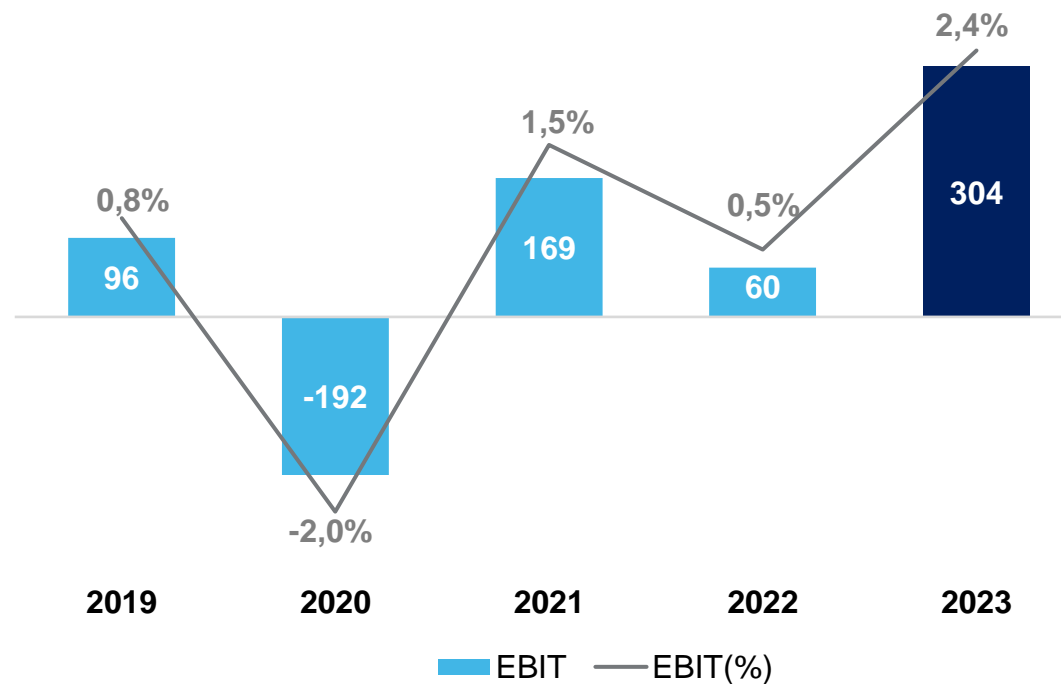
## EBITDA development 2019 – 2023

in EURm and percent (%)



## EBIT development 2019 – 2023

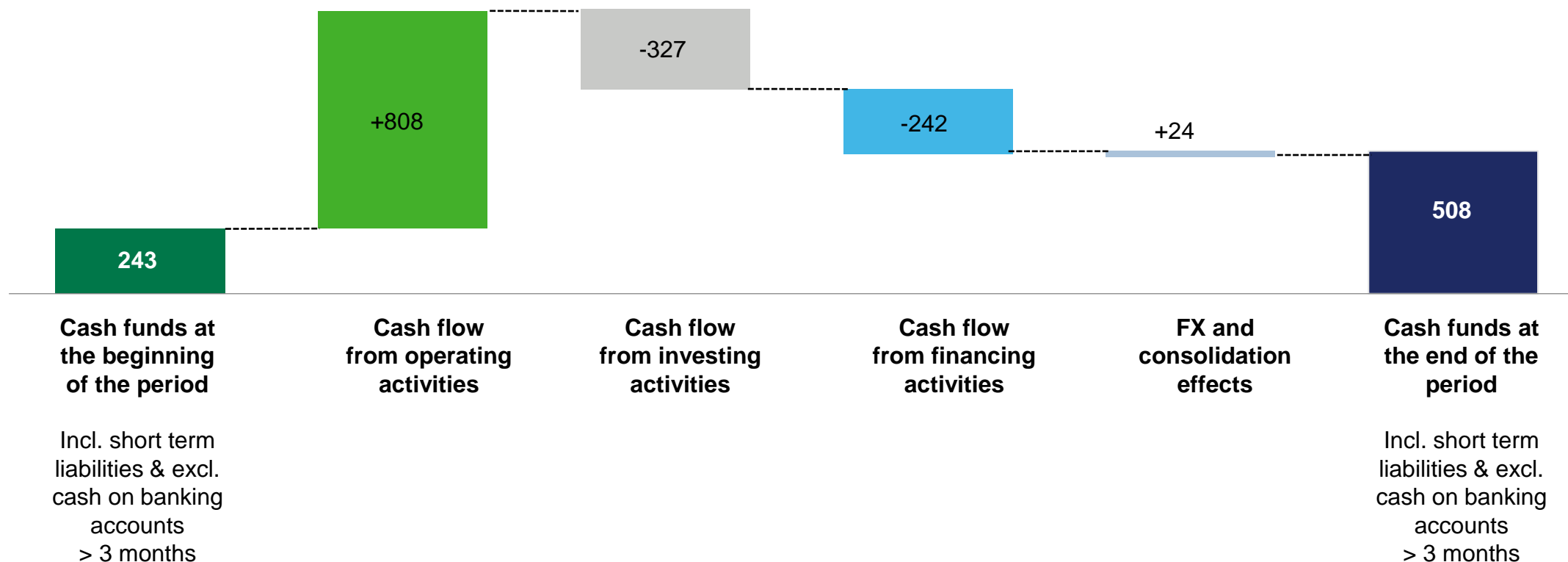
in EURm and percent (%)



# Higher cash mainly driven by improved group net income and significant reduction in capital tied up in net working capital

## Cash Flow development 2023

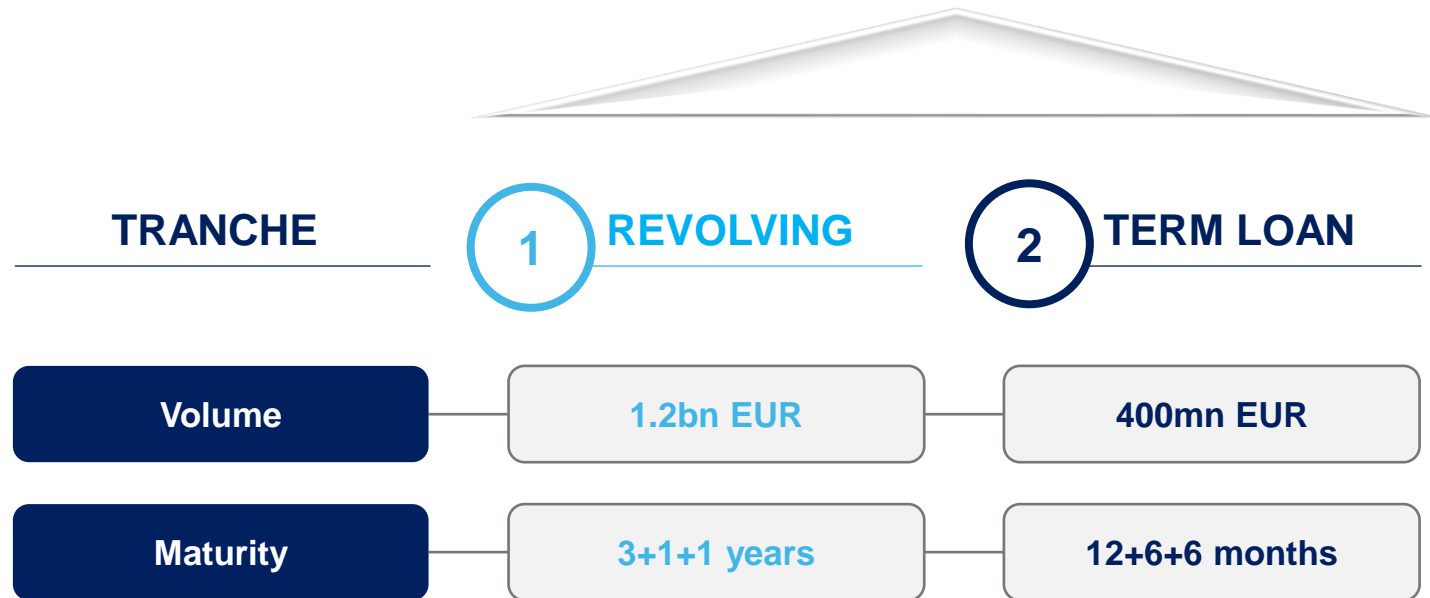
In EURm



# Financing MAHLE Group

04

# What's new?



➤ Furthermore, MAHLE plans to introduce **quarterly reporting** as of Q3 at the latest to further **increase transparency** for banks and investors

MAHLE successfully **renewed its Revolving Credit Facility (RCF)**, future proving its capital structure.

MAHLE and 11 core banks agreed to a **1.2bn EUR Revolving Credit Facility (RCF)** and a **400mn EUR Term Loan Facility (TL)**.

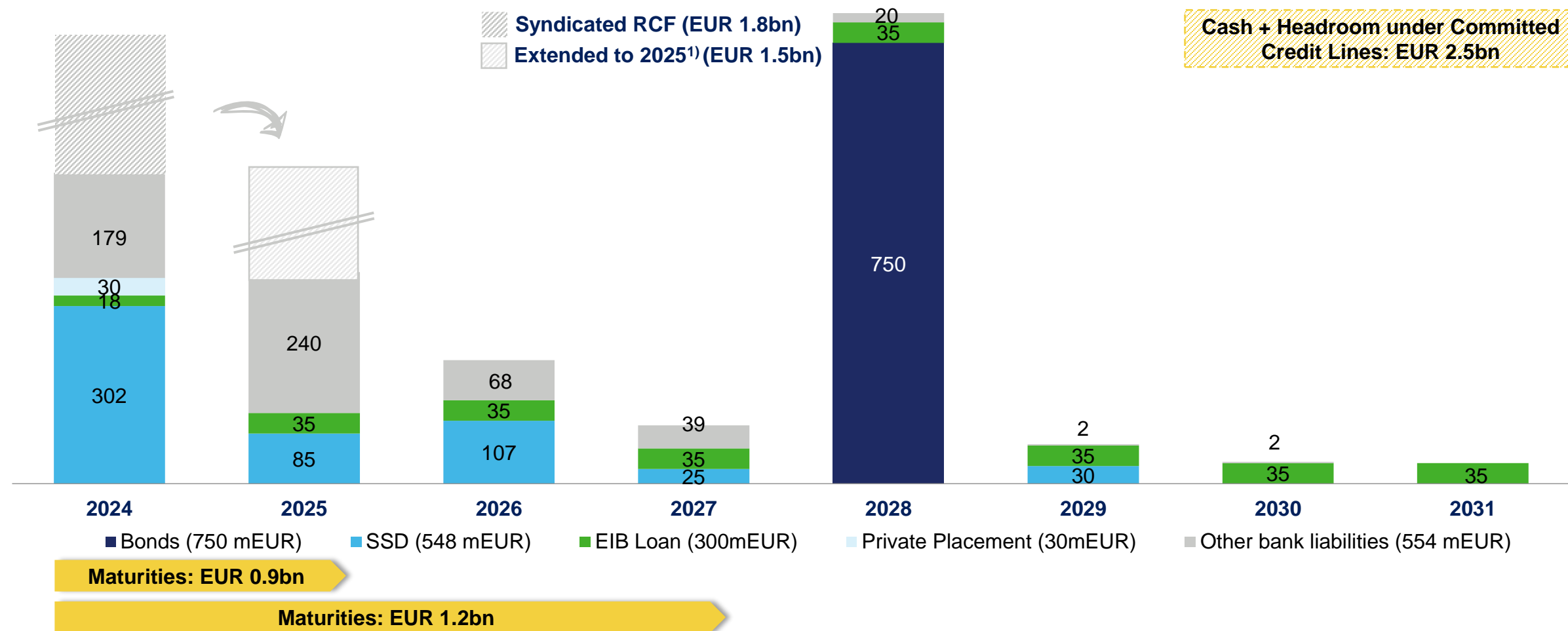
The **RCF** has a **maturity of 3 years** with an extension option 1+1 year and the **Term Loan** has a **maturity of 12 months** with an option to extend 6+6 months.

The new RCF **substitutes the 1.8bn EUR RCF from 2019** which would have been reduced to **1.5bn EUR from July 2024 onwards**.

# Upcoming maturities are well covered by sufficient liquidity

## Maturities until 2031 (December 31, 2023)

In EURm

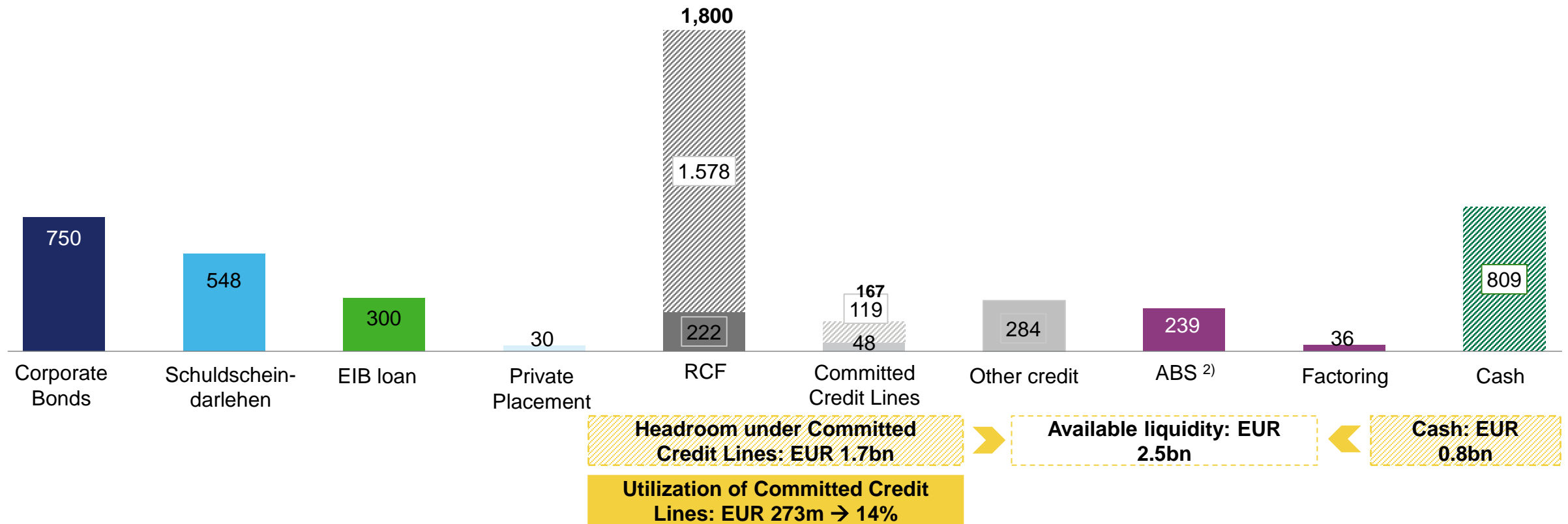


1) Extension to 2025 was made on 1<sup>st</sup> February 2022. EUR 1.467m will be due in 2025 and EUR 333m remain due in 2024

# Broad variety of debt funding sources<sup>1)</sup>

## Funding Status (December 31, 2023)

In EURm



**Total debt funding sources (excl. free EMTN-Program and ABS/Factoring programs): EUR 3.88bn**

1) Besides the visualized sources MAHLE further uses from time to time, project-based funding with (mostly) supranational institutions;  
 2) Receivables value (after deduction of discounts).



# MAHLE publishes Sustainability Report and ESG Facts & Figures

Sustainability Report and ESG Facts & Figures are available yearly



2023 Sustainability Report incl. SDGs

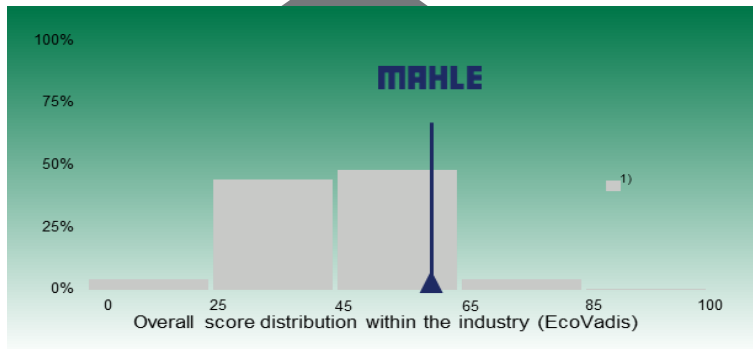


MAHLE ESG Facts & Figures

# MAHLE's ESG performance is rated/validated by EcoVadis, CDP and SBTi

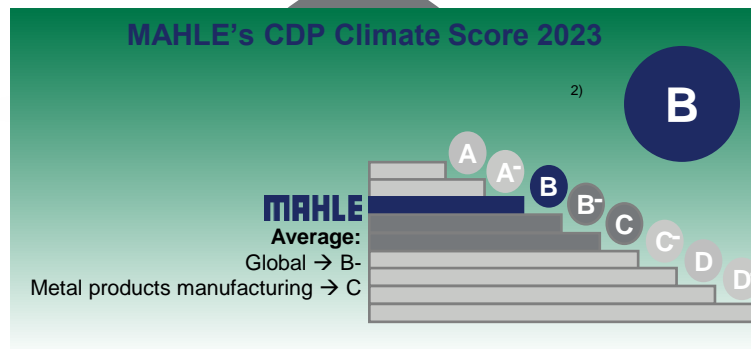
ecovadis

MAHLE is ranked amongst best 20% and improved its rating to 61<sup>1</sup>



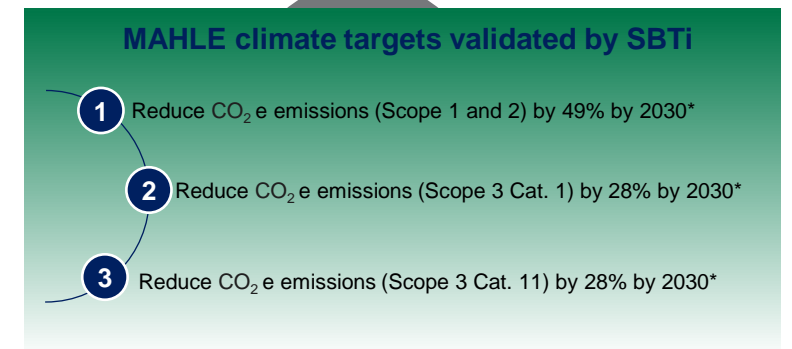
CDP  
DISCLOSURE INSIGHT ACTION

MAHLE received a grade of B in the area of climate & water protection ("Climate Change")



SCIENCE BASED TARGETS

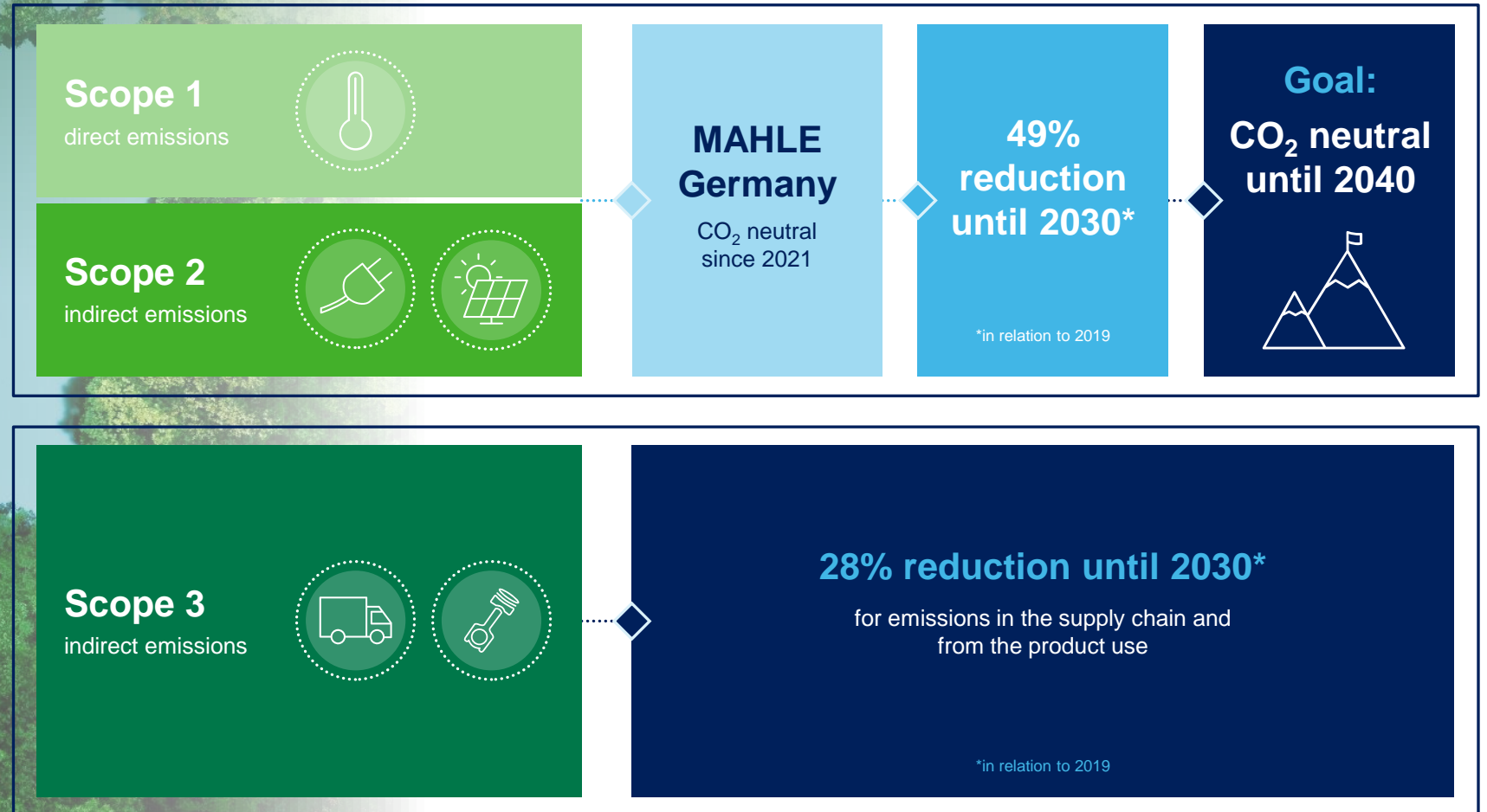
CO<sub>2</sub> emission reduction path until 2030 for Scope 1 to 3 validated by SBTi



Note: 1) All companies rated by EcoVadis in the "Manufacture of parts and accessories for motor vehicles" industry; 2) Scores available from A to D-. Score B = "Management (B/B-): Taking coordinated action on climate issues".

ESG = Environment / Social Responsibility / Governance  
CDP = Formerly the Carbon Disclosure Project  
SDGs = Sustainable Development Goals  
\*compared to base year 2019  
All greenhouse gas ("GHG") emissions are calculated in accordance with the Greenhouse Gas Protocol

# Sustainability is one of our Strategic Goals



MAHLE aims at external validation of the climate targets through the Science-based targets initiative (SBTi).

# MAHLE's sustainability governance

## Group Steering Committee Sustainability



Climate & Environment



Social Topics & Employees



Safety



Sustainable Procurement



Human Rights



Business Ethics & Compliance



Product Development



Sustainable Finance

## Sustainability Report & Ratings

The highest level of **responsibility for sustainability and environmental** management lies with the **Management Board of MAHLE GmbH**

The **Sustainability Steering Committee** reviews MAHLE's sustainability programs and projects on a regular basis

Operational decisions in the **flagship project "CO<sub>2</sub> Roadmap"** are taken by the Committee but will be confirmed by the whole management board

The **Sustainability Program** of MAHLE currently covers **eight strategic topics** that are addressed in key measures like the CO<sub>2</sub> Roadmap

A nighttime cityscape featuring several illuminated skyscrapers. Overlaid on the scene are large, semi-transparent geometric shapes composed of blue and white triangles, resembling a low-poly mesh or a stylized map. The text 'WE SHAPE FUTURE MOBILITY' is positioned in the upper right corner.

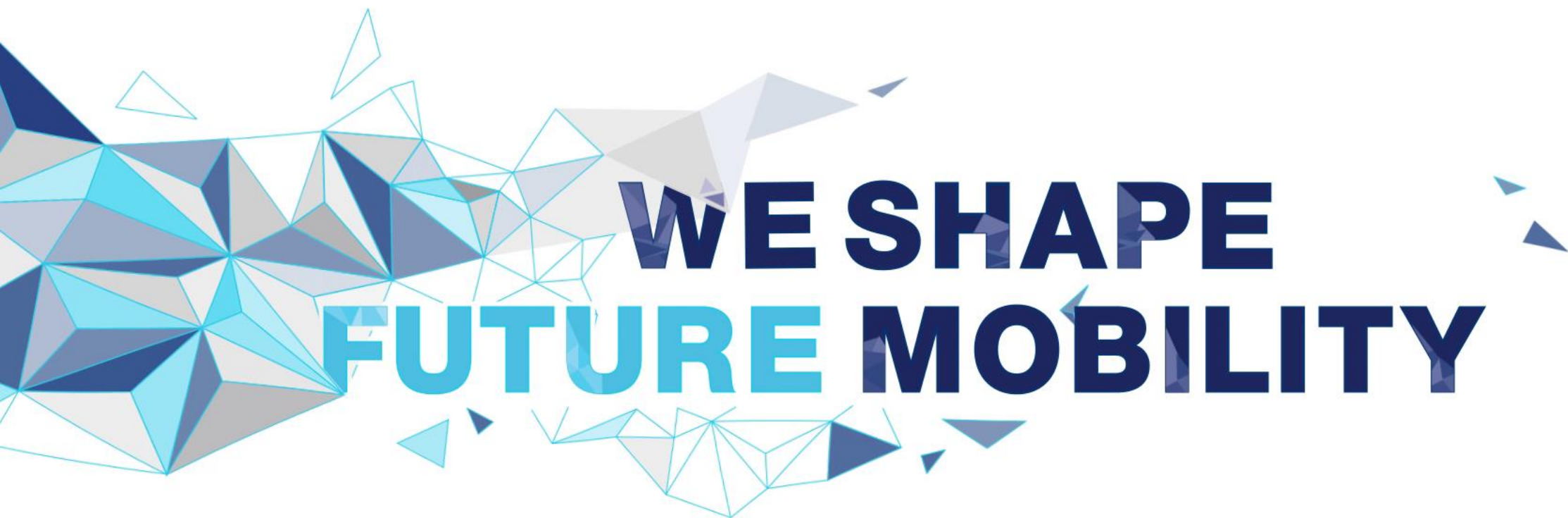
**WE SHAPE  
FUTURE  
MOBILITY**

A solid dark blue horizontal banner with white text.

Thank you for your attention!

A long-exposure photograph of a road at night, showing light trails from vehicles. The road is flanked by trees and streetlights.

**MAHLE**



**WE SHAPE  
FUTURE MOBILITY**

# Contacts



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