

Condensed interim consolidated financial statements

as of March 31, 2024

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Basics

MAHLE GmbH, Stuttgart

Condensed interim consolidated financial statements as of March 31, 2024

Business activities and corporate structure

MAHLE is one of the world’s leading development partners and suppliers to the automotive sector. As a technological pioneer of the mobility of tomorrow, our goal is to make mobility more efficient, more environmentally friendly, and more comfortable. MAHLE products are installed in millions of passenger cars and commercial vehicles. However,

our components and systems are not limited to automotive applications. For decades they have been found in stationary and mobile machinery, as well as in marine and rail transport applications.

The MAHLE Group is divided into five business units: Engine Systems and Components, Filtration and Engine Peripherals, Thermal Management, Electronics and Mechatronics, and Aftermarket. There are also four Profit Centers that serve specific market and customer segments, as well as central service businesses. Our joint venture Behr-Hella Thermocontrol (BHTC) is grouped in the Control Units Profit Center. MAHLE sold its shareholding in the joint venture Behr-Hella Thermocontrol (BHTC) on April 2, 2024.

The non-profit MAHLE Foundation holds 99.9 percent of the company shares. The remaining 0.1 percent is held by the Verein zur Förderung und Beratung der MAHLE Gruppe e. V. (MABEG), which also holds all voting rights and thus exercises shareholder rights. This structure enables us to safeguard our corporate independence and thereby form the basis for long-term planning and investment decisions.

Additional information on our business activities and corporate structure can be found in the Group management report for the 2023 business year.

OWNERSHIP STRUCTURE OF THE MAHLE GROUP

MABEG Verein zur Förderung und Beratung der MAHLE Gruppe e. V.	MAHLE-STIFTUNG GMBH
Company shares 0.1 %	Company shares 99.9 %
Voting rights 100 %	Voting rights 0 %
No profit-participation rights	Receives dividends to finance MAHLE Foundation projects

MAHLE GROUP

BUSINESS UNITS

Engine Systems and Components	Filtration and Engine Peripherals	Thermal Management	Electronics and Mechatronics	Aftermarket
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PROFIT CENTERS & SERVICES

Motorsports and Special Applications
Large and Small Engine Components
Industrial Thermal Management
Control Units*
Central Service Businesses

* Sold as of April 2, 2024

Consolidated balance sheet

as at March 31, 2024, in €'000

	March 31, 2024 -unaudited-	Dec. 31, 2023		March 31, 2024 -unaudited-	Dec. 31, 2023
ASSETS			EQUITY AND LIABILITIES		
A. Fixed assets			A. Equity		
I. Intangible assets			I. Subscribed capital	150,000	150,000
1. Purchased concessions, industrial and similar rights and assets, as well as licences in such rights and assets	90,455	100,903	II. Capital reserves	166,430	166,430
2. Goodwill	89,869	100,479	III. Retained earnings	1,450,940	1,450,975
3. Prepayments	583	480	IV. Equity impact from currency translation	-173,889	-187,330
	180,907	201,862	V. Consolidated unappropriated retained earnings	0	8,128
II. Property, plant, and equipment			VI. Consolidated retained profit brought forward	8,128	0
1. Land, leasehold rights, and buildings including buildings on third-party land	929,184	922,224	VII. Consolidated net income/net loss attributable to the parent company	-31,688	0
2. Technical equipment and machinery	1,337,000	1,337,551	VIII. Non-controlling interests	15,027	22,584
3. Other equipment, fixtures, and furniture	122,647	125,505		1,584,948	1,610,787
4. Prepayments and assets under construction	525,429	528,320	B. Badwill	28,774	33,895
	2,914,260	2,913,600	C. Provisions		
III. Financial assets			1. Provisions for pensions and similar obligations	833,997	841,420
1. Shares in affiliated companies	1,114	1,131	2. Provisions for taxes	135,973	116,559
2. Shares in associated companies	23,015	22,986	3. Other provisions	1,779,231	1,640,035
3. Equity investments	1,825	1,835		2,749,201	2,598,014
4. Loans to companies in which participations are held	90	90	D. Liabilities		
5. Long-term securities	13,970	13,881	1. Bonds	780,000	780,000
6. Other loans	36,821	37,963	2. Liabilities to banks	1,383,789	1,385,035
	76,835	77,886	3. Payments received on account of orders	9,052	9,595
	3,172,002	3,193,348	4. Trade payables	1,279,090	1,302,146
B. Current assets			5. Liabilities on bills accepted and drawn	92,096	69,562
I. Inventories			6. Liabilities to affiliated companies	6,148	5,184
1. Raw materials, consumables, and supplies	752,257	686,850	7. Liabilities to companies in which investments are held	2,382	2,532
2. Work in process	243,134	210,021	8. Other liabilities	303,739	366,483
3. Finished goods and merchandise	678,725	663,206	<i>thereof from taxes: 115,544 (prev. yr.: 136,010)</i>		
4. Prepayments	12,438	13,091	<i>thereof relating to social security and similar obligations: 39,576 (prev. yr.: 41,398)</i>		
5. Prepayments received	-89,671	-96,329		3,856,296	3,920,537
	1,596,883	1,476,839	E. Deferred income	38,433	39,695
II. Receivables and other assets				8,257,652	8,202,928
1. Trade receivables	1,783,283	1,730,863			
2. Receivables from affiliated companies	13,148	9,451			
3. Receivables from companies in which investments are held	1,180	1,431			
4. Other assets	642,411	614,572			
	2,440,022	2,356,317			
III. Other securities	29,322	28,706			
IV. Cash in hand, bank balances, and checks	673,130	813,399			
	4,739,357	4,675,261			
C. Prepaid expenses	31,976	30,431			
D. Deferred tax assets	295,403	284,074			
E. Excess of plan assets over post-employment benefit liability	18,914	19,814			
	8,257,652	8,202,928			

Consolidated income statement

from January 1 to March 31, 2024, in €'000

	2024 – unaudited –	2023 – unaudited –
1. Sales	3,016,145	3,292,475
2. Cost of Sales	–2,498,866	–2,771,835
3. Gross profit on sales	517,279	520,640
4. Selling expenses	–148,490	–163,315
5. General administrative expenses	–163,259	–152,820
6. Research and development expenses	–174,028	–169,905
7. Other operating income	202,465	172,201
<i>thereof from currency translation: 160,306 (prev. yr.: 116,676)</i>		
8. Other operating expenses	–181,694	–156,708
<i>thereof from currency translation: –123,918 (prev. yr.: –115,073)</i>		
9. Investment income	0	461
10. Income from other securities and long-term loans	1	2
11. Result from associated companies	–3	–177
12. Other interest and similar income	7,175	13,492
<i>thereof from affiliated companies: 190 (prev. yr.: 119)</i>		
13. Impairment of financial assets and of securities	–637	–612
14. Expenses from the transfer of losses	–1,067	–2,287
15. Interest and similar expenses	–43,312	–53,200
Result from business activities	14,430	7,772
16. Taxes on income	–45,528	–30,024
<i>thereof income from deferred income taxes: 9,806 (prev. yr.: 13,235 income)</i>		
17. Result after taxes	–31,098	–22,252
18. Other taxes	–7,858	–7,672
19. Consolidated net income/net loss	–38,956	–29,924
20. Profit applicable to non-controlling interests	–17,311	–17,866
21. Loss applicable to non-controlling interests	24,579	25,720
22. Consolidated net income/net loss attributable to the parent company	–31,688	–22,070

Consolidated cash flow statement

from January 1 to March 31, 2024, in €'000

	2024
1. Cash flows from operating activities	
Profit for the period (consolidated net income/net loss including profit and loss applicable to non-controlling interests)	-38,956
Depreciation, amortization, and write-downs of fixed assets/reversals of write-downs of +/- fixed assets	132,132
+/- Increase/decrease in provisions	121,699
+/- Other non-cash expenses/income	1,507
Increase/decrease in inventories, trade receivables, and other assets not related to investing or financing activities	-180,988
Increase/decrease in trade payables and other liabilities not related to investing or +/- financing activities	-63,669
-/+ Gain/loss on disposal of fixed assets	-3,246
+/- Interest expense/interest income	28,710
- Other investment income	3
+/- Expenses/income from the transfer of losses/gains	1,067
+/- Expenditure/income of exceptional size and incidence	-1,420
+/- Interest payments/receipts related to interest other than for the provision of capital	1,574
+/- Income tax expense/income	45,528
- Cash payments relating to expenditure of exceptional size and incidence	-12,398
-/+ Income taxes paid	-44,244
	-12,701
2. Cash flows from investing activities	
+ Proceeds from disposal of intangible fixed assets	189
- Payments to acquire intangible fixed assets	-554
+ Proceeds from disposal of tangible fixed assets	5,639
- Payments to acquire tangible fixed assets	-103,067
+ Proceeds from disposal of long-term financial assets	1,169
- Payments to acquire long-term financial assets	-23
+ Proceeds from disposals of entities included in the basis of consolidation	4,930
+ Cash receipts from the investment of cash funds for short-term cash management	8,600
- Cash payments for the investment of cash funds for short-term cash management	-13,070
+ Cash receipts from grants/subsidies received	1,198
+ Interest received	4,456
+/- Cash received/cash payment due to transfer of gains/losses	-1,067
	-91,600

	2024
3. Cash flows from financing activities	
+ Proceeds from the issuance of bonds and from borrowings	15,778
- Cash repayments of bonds and borrowings	-9,327
- Interest payment due to leasing agreements	-1
- Interest paid	-22,439
	-15,989
4. Cash funds at end of period	
Net change in cash funds (subtotals 1 - 3)	-120,290
+/- Effect on cash funds of exchange rate movements and remeasurements	-17,280
+ Cash funds at beginning of period	507,611
	370,041
Cash-in-hand, bank balances, and checks	813,399
- Bank balances with an initial term of more than 3 months	-8,619
+ Liabilities to banks with an initial term of less than 3 months	-297,169
Cash funds at beginning of period	507,611
<i>thereof from proportionately consolidated entities</i>	20,141
	673,130
Cash-in-hand, bank balances, and checks	673,130
- Bank balances with an initial term of more than 3 months	-10,955
+ Liabilities to banks with an initial term of less than 3 months	-292,134
Cash funds at end of period	370,041
<i>thereof from proportionately consolidated entities</i>	32,471

The short-term liabilities which were netted against cash balances contained €64,621k (previous year: €220,825k) that were related to short-term liabilities based on a committed credit line with a remaining tenor of more than one year.

Cash funds amounting to €15,521k that are restricted on disposal are included.

Consolidated statement of changes in equity

as at March 31, 2024, in €'000

PARENT COMPANY										
	Subscribed capital	Capital reserves	Retained earnings	Equity impact from currency translation ¹	Consolidated unappropriated retained earnings	Consolidated retained profit brought forward	Consolidated net income/net loss attributable to the parent company	Total	Non-controlling interests ¹	Consolidated equity
As at December 31, 2022	150,000	166,430	1,493,586	-161,164	5,177	0	0	1,654,029	23,395	1,677,424
Currency translation	0	0	0	-7,849	0	0	0	-7,849	551	-7,298
Other items	0	0	0	0	-5,177	5,177	0	0	-408	-408
Consolidated net income/ net loss	0	0	0	0	0	0	-22,070	-22,070	-7,854	-29,924
As at March 31, 2023	150,000	166,430	1,493,586	-169,013	0	5,177	-22,070	1,624,110	15,684	1,639,794
As at December 31, 2023	150,000	166,430	1,450,975	-187,330	8,128	0	0	1,588,203	22,584	1,610,787
Currency translation	0	0	0	13,406	0	0	0	13,406	-172	13,234
Other items	0	0	0	0	-8,128	8,128	0	0	0	0
Changes in the consolidation group	0	0	-35	35	0	0	0	0	-117	-117
Consolidated net income/ net loss	0	0	0	0	0	0	-31,688	-31,688	-7,268	-38,956
As at March 31, 2024	150,000	166,430	1,450,940	-173,889	0	8,128	-31,688	1,569,921	15,027	1,584,948

¹ Including effects from hyperinflation adjustments for Argentina and Türkiye in accordance with GAS 25

Condensed notes to the interim consolidated financial statements as of March 31, 2024

General information

The present interim consolidated financial statements of MAHLE GmbH are prepared in accordance with Sec. 290 et seq. of the German Commercial Code (HGB) and include the following information:

- Consolidated balance sheet as of March 31, 2024
- Consolidated income statement from January 1 to March 31, 2024
- Consolidated cash flow statement from January 1 to March 31, 2024
- Consolidated statement of changes in equity from January 1 to March 31, 2024

The interim consolidated financial statements as of March 31, 2024 should be read in conjunction with the consolidated financial statements as of December 31, 2023 as they do not include all the pieces of information and disclosures that are required for the consolidated financial statements at the end of a fiscal year.

The interim consolidated financial statements as of March 31, 2024 were not subject to any audit or review.

The Group's currency is the euro.

Consolidation group

The interim consolidated financial statements include MAHLE GmbH (parent company), headquartered in Stuttgart/Germany and registered with the district court in Stuttgart (commercial register number 638), as well as 23 domestic and 132 foreign subsidiaries. Furthermore, 13 companies were consolidated proportionately according

to the percentage of shares, and five companies were valued according to the equity method.

In the business year, the following fully consolidated company was removed from the scope of consolidation as part of a sale:

- MAHLE Behr Ostrov s.r.o., Mnichovo Hradiště, Czech Republic, as of January 26

Method of consolidation and currency conversion

The method of consolidation and currency conversion have not changed compared to the consolidated financial statements as of December 31, 2023.

Accounting and valuation principles

The accounting and valuation principles have not changed compared to the consolidated financial statements as of December 31, 2023. Income taxes are determined by the companies included in the consolidated financial statements based on estimated taxable income using the underlying income tax rates.

Net assets, financial position, and results of operations

Net assets position

In comparison to the end of 2023, the MAHLE Group's balance sheet total rose by €55 million to €8,258 million as of March 31, 2024. In addition to positive exchange rate effects, the increase is primarily due to a seasonally higher level of capital tied up in net working capital.

Fixed assets decreased by €21 million to €3,172 million as of March 31, 2024 in comparison to the end of the previous year. Depreciation of tangible fixed assets slightly exceeded capital expenditure, but this effect was offset by positive exchange rate effects, resulting in tangible fixed assets remaining at a similar level to that at year-end 2023. Intangible assets decreased by €21 million. This is mainly due to the regular amortization of goodwill and hidden reserves that were disclosed as part of purchase price allocations. Financial assets remained nearly at the previous year's level.

The increase in the balance sheet total compared to the end of last year is mainly due to the increase in current assets. These rose by €64 million to €4,739 million as of March 31, 2024. The main reasons were the rise in inventories to €1,597 million and receivables and other current assets to €2,440 million. This is mainly due to usual seasonal fluctuations and positive exchange rate effects. In contrast, cash and cash equivalents fell by €140 million to €702 million in comparison to year-end 2023. At €346 million, other assets rose by €12 million, mainly due to an increase in deferred tax assets.

On the liabilities side, equity decreased by €26 million to €1,585 million compared to year-end 2023. This was primarily due to the negative result in the first quarter of 2024, whereas currency translation differences had a counteracting effect. Due to the reduction in equity and the expansion of the balance sheet, the equity ratio fell from 19.6 percent to 19.2 percent. The acquisition of the air conditioning business of Keihin Corporation (now Hitachi Astemo, Ltd.) in 2021 resulted in a remaining carrying amount of badwill of €29 million as of March 31, 2024.

Provisions rose to €2,749 million, a rise of €151 million in comparison with the end of the previous year. This is primarily due to the seasonal increase in provisions for outstanding purchase invoices and provisions in the personnel area. Pension provisions decreased by €7 million. In comparison to year-end 2023, total liabilities and deferred income decreased by €66 million, reaching a total of €3,895 million. This decline was primarily driven by a reduction in other liabilities and a decrease in trade payables. The decrease in trade payables of €23 million was partly attributable to the lower sales volume.

In comparison to year-end 2023, liabilities to banks remained widely unchanged at €1,384 million. Bonds were neither issued nor repaid in the first quarter of 2024, so that the corresponding liabilities remained unchanged at €780 million in comparison to year-end 2023. Net debt on the balance sheet rose to €1,491 million, mainly due to the seasonally higher level of capital tied up in net working capital and the net loss for the first quarter of 2024.

Results of operations

In the first quarter of 2024, the MAHLE Group generated sales of €3,016 million; this corresponds to a decrease of 8.4 percent compared to the same period last year. The decline was mainly driven by lower volumes in Europe and North America as a consequence of lower customer demand. In addition, exchange rate effects of €148 million had a negative impact on the development of sales. This was mainly due to the devaluation of important trading currencies, notably the Argentine peso, but also the Turkish lira, the Chinese renminbi, the Japanese yen and the US dollar against the euro. The appreciation of the Polish zloty against the euro had a counteracting effect. Adjusted for the above currency effects, the sales of the MAHLE Group

declined organically by 3.9 percent in comparison to the first quarter of 2023.

Despite lower sales and a challenging market environment, EBIT and EBITDA increased both in absolute and relative terms compared to the first quarter of 2023. Active countermeasures partially offset additional costs, in particular inflationary increases in personnel costs. As a result, EBIT increased from €43 million in the first quarter of 2023 to €64 million in the first quarter of 2024. The EBIT margin rose to 2.1 percent (previous year: 1.3 percent). Adjusted for the effects of purchase price allocations, goodwill amortization, and release of badwill from capital consolidation, the EBIT margin was 2.5 percent (previous year: 1.7 percent). EBITDA increased to €195 million, above the previous year's level of €189 million.

In detail, the main items of the income statement developed as follows: Cost of sales amounted to €2,499 million, a decline of €273 million in comparison to the previous year's value. The cost of sales ratio fell noticeably from 84.2 percent to 82.8 percent despite a significant increase in personnel costs. The gross profit in the first quarter of 2024 amounted to €517 million and was thus at the previous year's level in absolute terms. The gross margin rose from 15.8 percent to 17.2 percent. This is mainly attributable to the fact that the decline in volume resulting from a challenging market environment was offset by achieved productivity increases and sales price adjustments compared to the first quarter of 2023.

Selling expenses were reduced by €15 million to €148 million. The main driver for the decline compared to the same period last year was lower expenses for freight and special freight. General administrative expenses rose from €153

million to €163 million. Mainly due to the increase in personnel costs caused by inflation, the ratio in relation to sales increased from 4.6 percent in the first quarter of 2023 to 5.4 percent in the first quarter of 2024. Despite the challenging environment, we invested €174 million in research and development in the first quarter of 2024, slightly more in absolute terms compared to the same period last year. The ratio of research and development expenses to sales was 5.8 percent (previous year: 5.2 percent).

In comparison to the first quarter last year, the balance of other operating income and expenses rose by €5 million to €21 million. This is primarily due to positive exchange rate effects and was partially offset by expenses from refinancing activities.

The financial result improved to €-38 million in the first quarter of 2024 compared to €-42 million in the same period in the previous year. This is primarily due to lower interest expenses from financing. The result from business activities was at €14 million and therefore higher than the previous year's result of €8 million. In relation to sales, this corresponds to an improvement in the ratio to sales from 0.2 percent to 0.5 percent compared to the same period in the previous year. The expense from taxes on income rose by €16 million to €46 million in comparison to the same period in the previous year. At €8 million, other tax expenses were at the same level as in the same period in the previous year. In total, this results in a net loss for the first quarter of 2024 of €-39 million.

Financial position

MAHLE continues to have a broadly diversified Group funding structure, that has been established in recent years. The financing portfolio mainly consists of a syndicated loan,

euro-denominated corporate bonds, German private placement loans, bilateral loans and factoring/ABS programs. MAHLE pursues the long-term target of an implicit investment grade risk. On April 17, 2024, Moody's changed the outlook on the Ba2 rating of MAHLE from negative to stable, taking into account the stronger 2023 financials. On April 19, 2024, MAHLE was rated by S&P Global for the first time and received a BB rating (outlook stable).

In February 2024, MAHLE signed a syndicated loan agreement of €1.6 billion, replacing the existing syndicated loan that would have fallen due in 2025. The new syndicated loan contains a €1.2 billion revolving credit facility that matures in 2027, giving MAHLE further financing and planning security. In addition, the new syndicated loan includes a €400 million term-loan facility with a tenor of one year to provide back-up funding for upcoming debt maturities in 2024.

In the first quarter of 2024, the cash flow from operating activities amounted to €-13 million (previous year: €-52 million). This was mainly related to the seasonally higher level of capital tied up in net working capital, especially due to increased inventories and trade receivables. In addition, the net loss for the first quarter of 2024 contributed to the cash outflow from operating activities. The net cash outflow of our cash flow from investing activities amounted to €-92 million, which was higher than the cash outflow of €-81 million in the first quarter of 2023. The higher cash outflow for investing activities is partly due to increased expenditures on tangible fixed assets. Cash flow from financing activities also showed a net outflow of €-16 million (previous year: €-30 million), which was mainly due to interest payments.

Report on post-balance sheet date events

On April 2, 2024 MAHLE Behr GmbH & Co. KG, a subsidiary of MAHLE Group, sold its 50 percent stakes in the Behr-Hella Thermocontrol (BHTC), the previous joint venture with Hella. A corresponding agreement for the sale of the shares was signed last year.

In the past reporting year, MAHLE has concluded an agreement with the industrial and investment holding company ADMETOS on the sale of its thermostat business. This transaction was effected on May 2, 2024.

On May 2, 2024, MAHLE issued €500 million senior notes due 2031 at an interest rate of 6.5% per annum. The notes further optimize, diversify and sustainably secure the group's long-term financing structure. The proceeds from the notes will be used (i) to repay certain promissory notes, (ii) to repay other maturing financial indebtedness, (iii) for general corporate purposes and (iv) to pay costs, fees and expenses related to the offering of the notes. The senior notes are guaranteed by certain group companies which also guarantee MAHLE's syndicated loan concluded in February 2024.

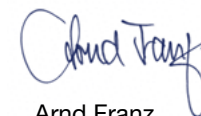
Following the issuance of the senior notes due 2031, the €400 million syndicated term loan facility has been terminated.

Insurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

Stuttgart/Germany, June 07, 2024

The Management Board of MAHLE GmbH



Arnd Franz



Jumana Al-Sibai



Dr. Beate Bungartz



Georg Dietz



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