

# Driving Excellence



**MAHLE Investor Update Call -  
Quarterly Report Q1/2024**

June 13, 2024

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# AGENDA

- 01 KEY HIGHLIGHTS
- 02 QUARTERLY MARKET AND BUSINESS HIGHLIGHTS
- 03 QUARTERLY FINANCIAL RESULTS
- 04 OUTLOOK AND UPCOMING EVENTS

# KEY HIGHLIGHTS

01

# KEY HIGHLIGHTS Q1/2024



## **SALES EUR 3.0bn**

Decrease in sales (-8.4% vs. Q1/2023) due to lower production volumes in Europe and North America as a consequence of lower customer demand.



## **EBITDA MARGIN 6.5%**

Despite lower sales, EBITDA increased +0.8pp compared to Q1/2023.



## **NET DEBT\*/EBITDA\*\* 1.6x**

NET DEBT/EBITDA remained nearly at the level of year-end 2023.



## **FREE CASH FLOW EUR -104m**

Improved Free Cash Flow vs. Q1/2023 (EUR+29 m) despite higher expenditures on tangible fixed assets.



## **NEW REVOLVING CREDIT FACILITY**

1.2 bn EUR Revolving Credit Facility (RCF) with a duration until 2027, with two one-year extension options.

# CONSEQUENT MEASUREMENT 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



**Operating Result Performance**

**Cash Flow Performance**

**Asset & Portfolio Clean Up**

## 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

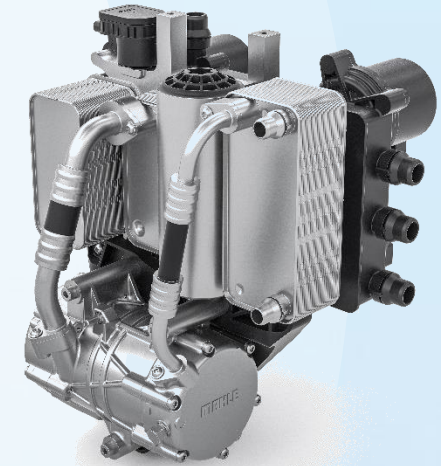
- A/R
- A/P
- Capex
- Inventory\*

**All profitability and cash related performance programs pooled under one roof**

# NEW BUSINESS IN THERMAL MANAGEMENT

## MAHLE successful with major orders for thermal management modules (TMM)

- One of the contracts is the **largest individual order** in MAHLE company history and the other an innovative car manufacturer in Asia
- The total order volume for both projects is just under **€1.5 billion**
- MAHLE thermal management modules play a **key role** in increasing the **cruising range** as well as its **charging speed of electric vehicles**
- The **modular design** approach from MAHLE enables **smaller installation spaces** and **drastically reduces assembly expenditures**
- Thermal management modules play a **key role in e-mobility**, by helping to make vehicles attractive and affordable




**Powerhouse:**  
The thermal management module from MAHLE reduces installation space and costs. It works much more efficiently and can increase the cruising range of an electric car by up to 20 percent.

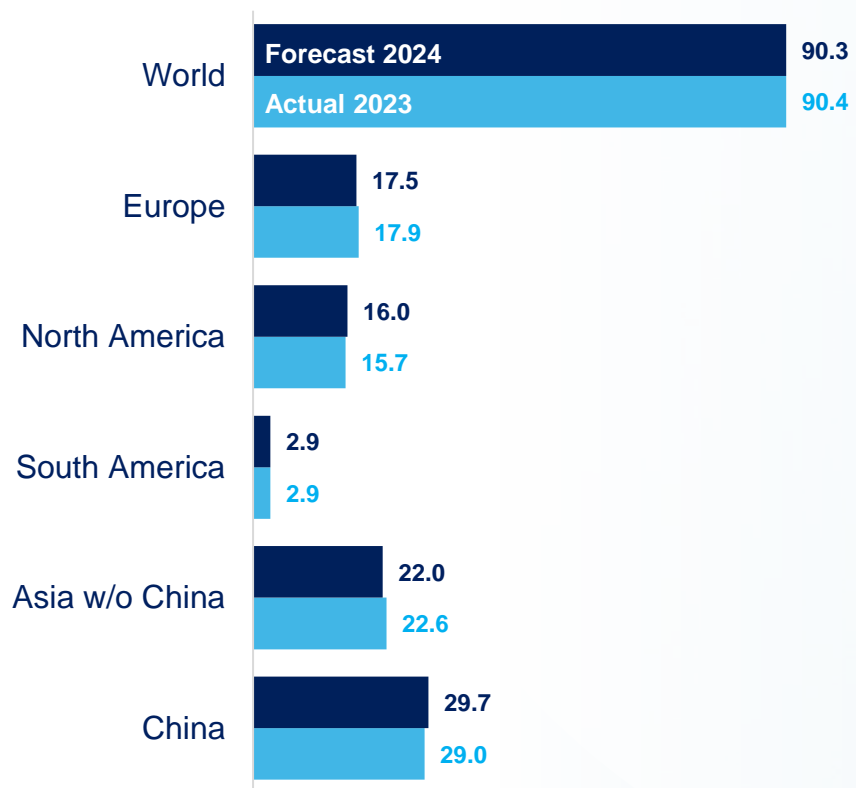


# QUARTERLY MARKET AND BUSINESS HIGHLIGHTS 02

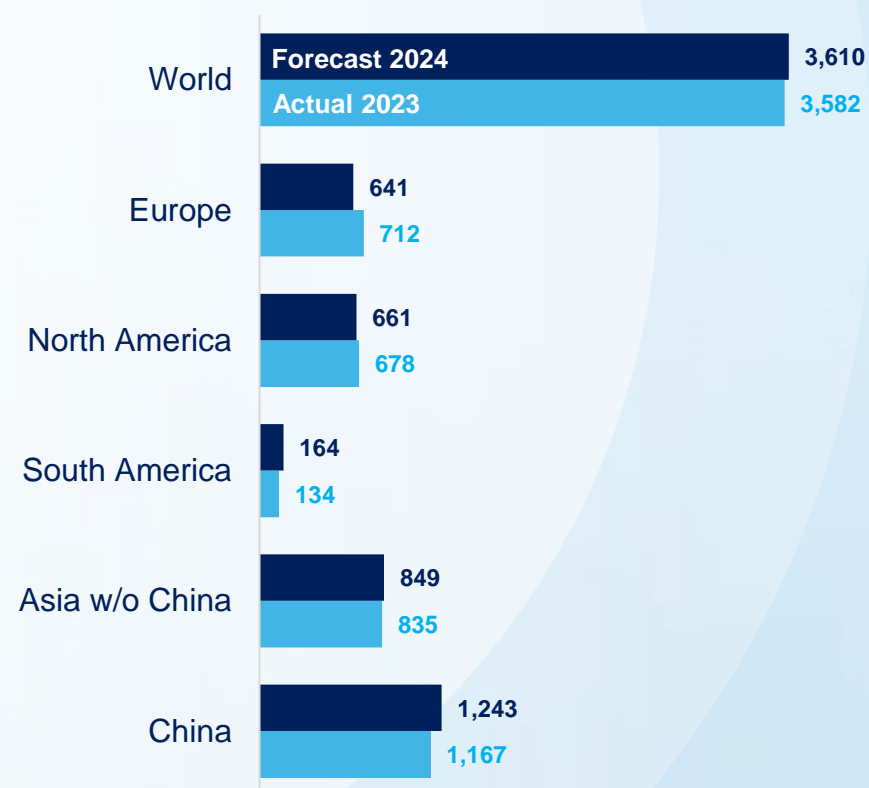


# GLOBAL LV & MHD PRODUCTION 2023<sup>1</sup> vs. 2024<sup>1</sup>

 **Yearly production of passenger cars and light commercial vehicles (<6t) [in mn pcs.]**

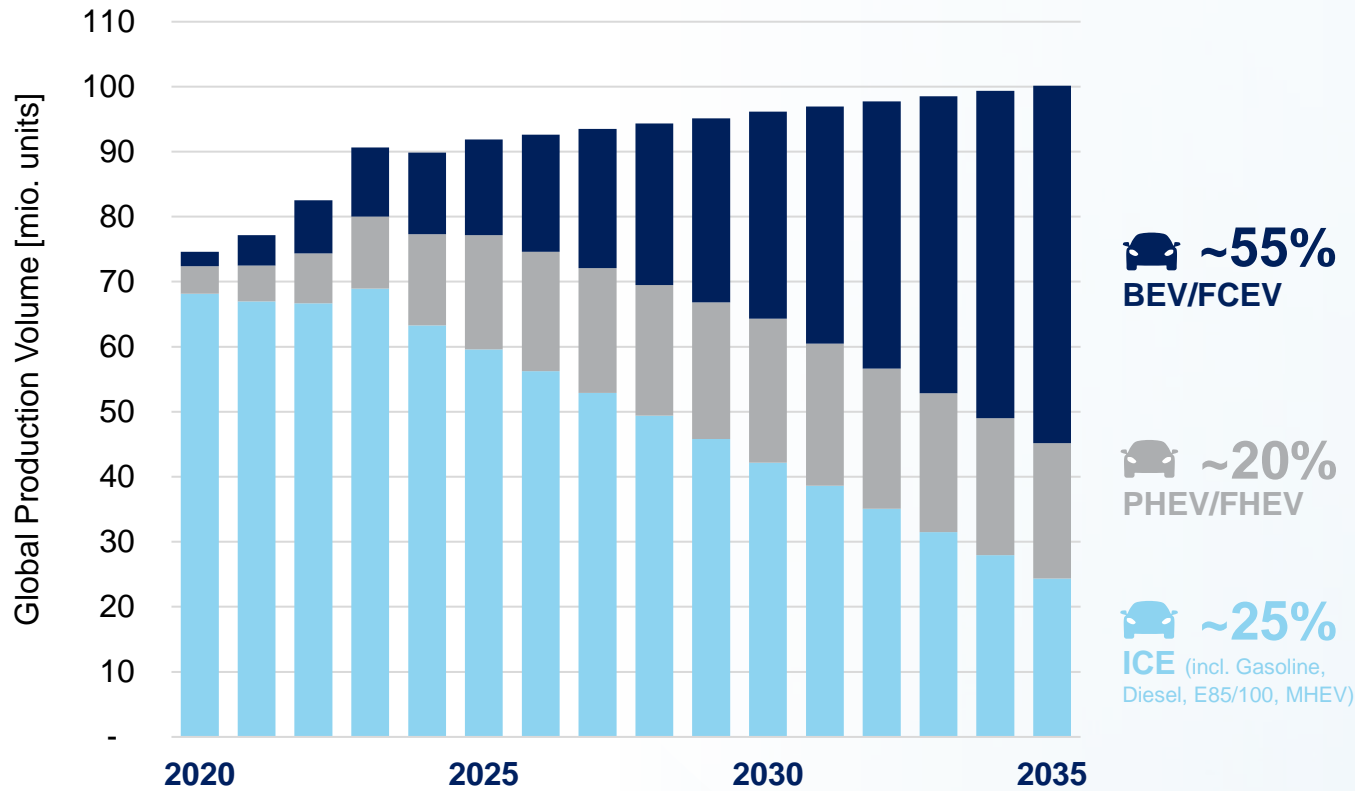


 **Yearly production of medium and heavy duty vehicles and buses (>6t) [in tsd pcs.]**





# LV POWERTRAIN BASE SCENARIO – Q1/2024



## MAHLE LV Powertrain Scenario expects ICE drop until 2035

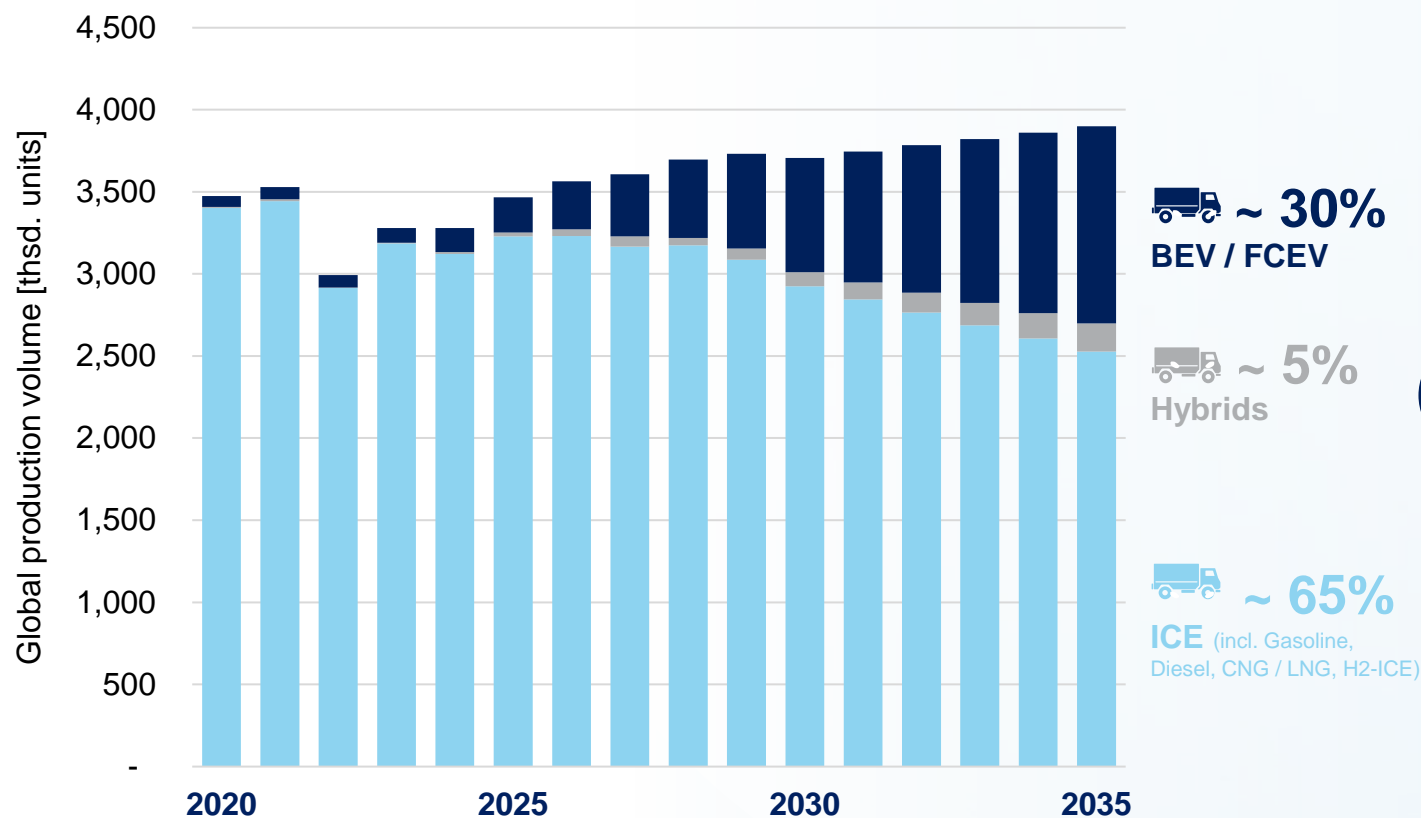
Legislation leads to increasing electrification globally, particularly in EU, CN & NA.

BEV ramp-up pace recently slowed down in Europe & Biden Administration backs down on initially ambitious targets.

China sees rising PHEV/REEV share.



# MHD POWERTRAIN BASE SCENARIO – Q1/2024



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

**MD Trucks:** High BEV share for urban / regional delivery & municipal trucks on short routes, FCEV are pushed in CN / JP / KOR.

**HD Trucks:** CO2 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.

# QUARTERLY FINANCIAL RESULTS

# 03

# MAHLE SALES by BUSINESS UNIT – Q1/2024

## Business Units



Engine Systems  
and Components



Filtration and  
Engine Peripherals



Thermal  
Management



Electronics and  
Mechatronics



Aftermarket

SALES

EUR 634m  
21%

EUR 500m  
17%

EUR 1,038m  
34%

EUR 305m  
10%

EUR 328m  
11%

## Profit Centers & Services



Motorsports and  
Special  
Applications



MAHLE  
Powertrain



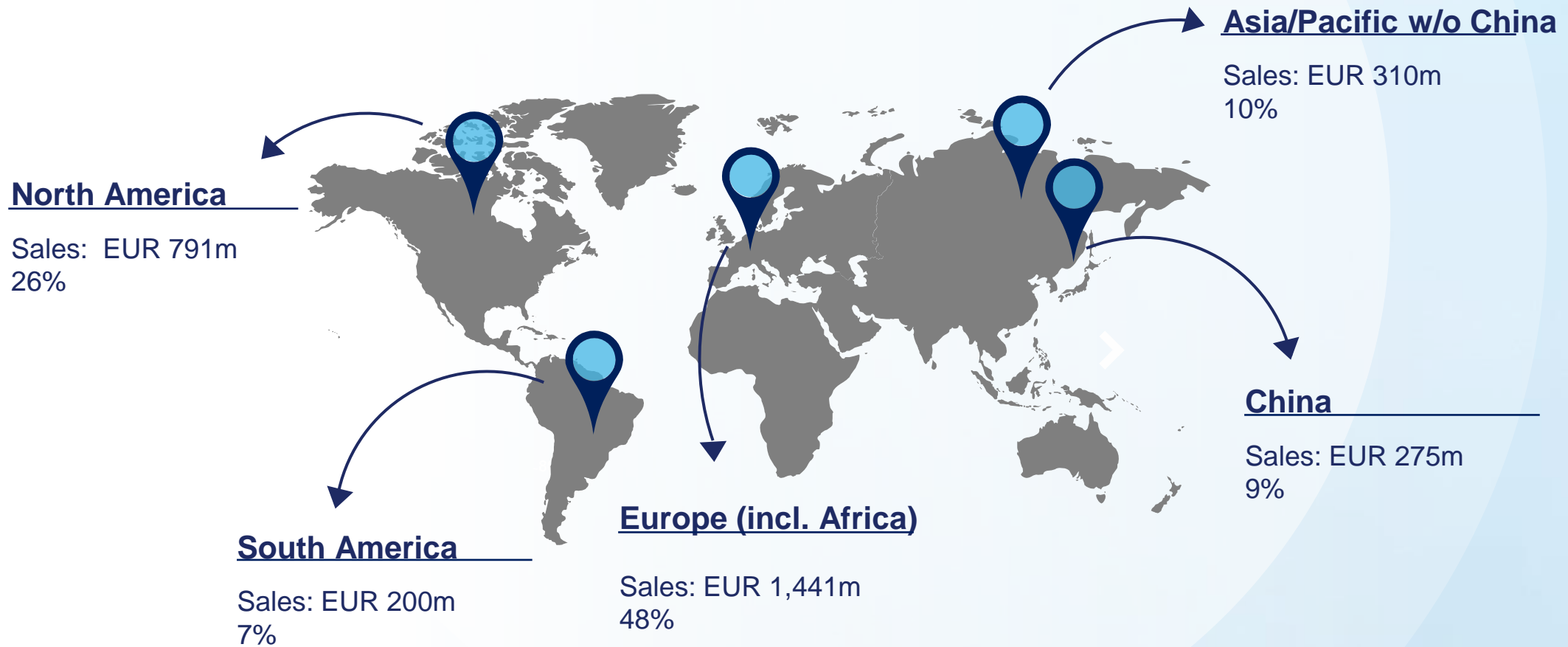
Large and Small  
Engine  
Components



Industrial Thermal  
Management

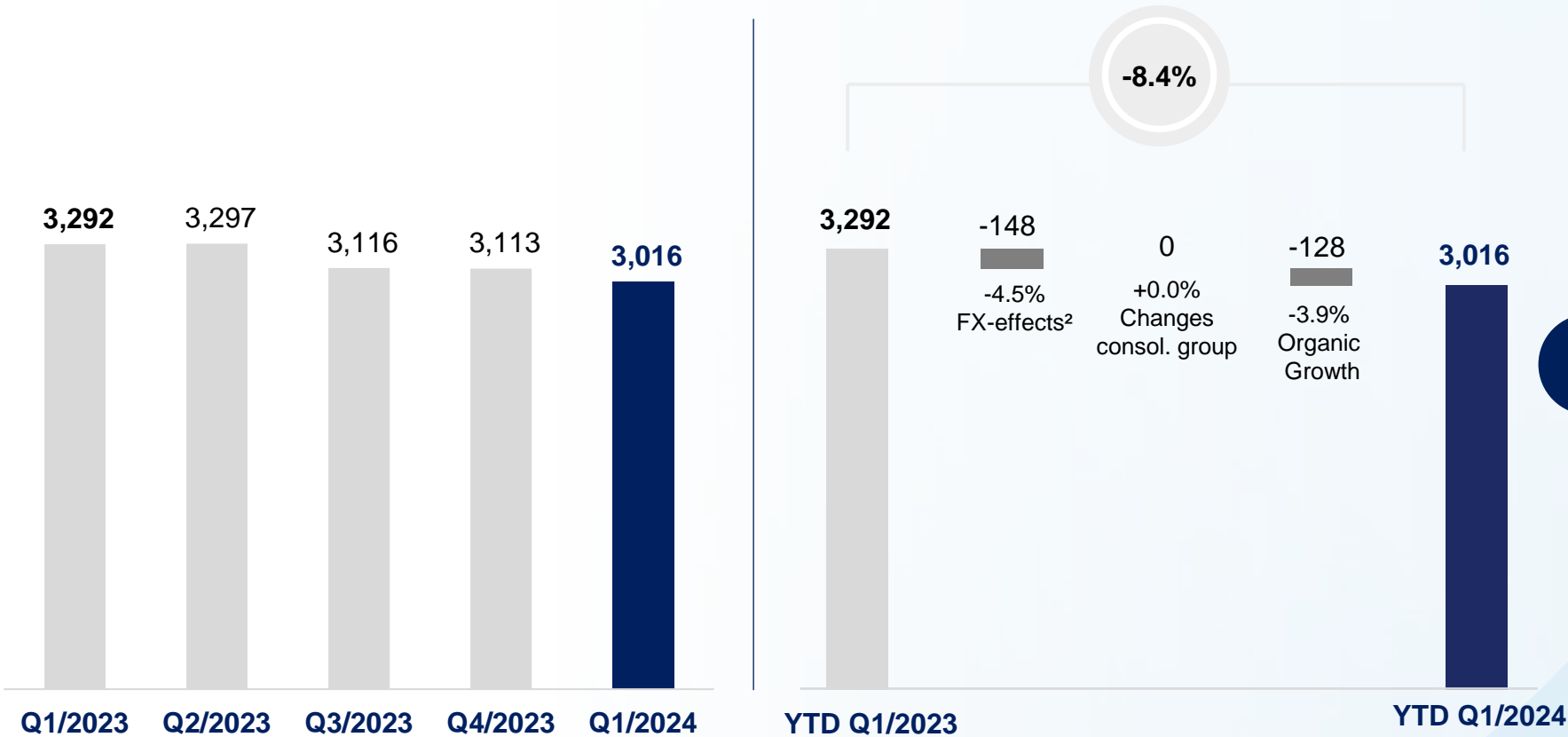
EUR 212m  
7%

# MAHLE SALES by REGION – Q1/2024



# MAHLE GROUP SALES – Q1/2024

## Sales Quarterly and YTD Result (in EURm) <sup>1</sup>



Sales in Q1/2024 were **8.4%** below Q1/2023 due to **lower production volumes in Europe and North America** as a consequence of **lower customer demand** as well as due to **negative FX** translation effects.

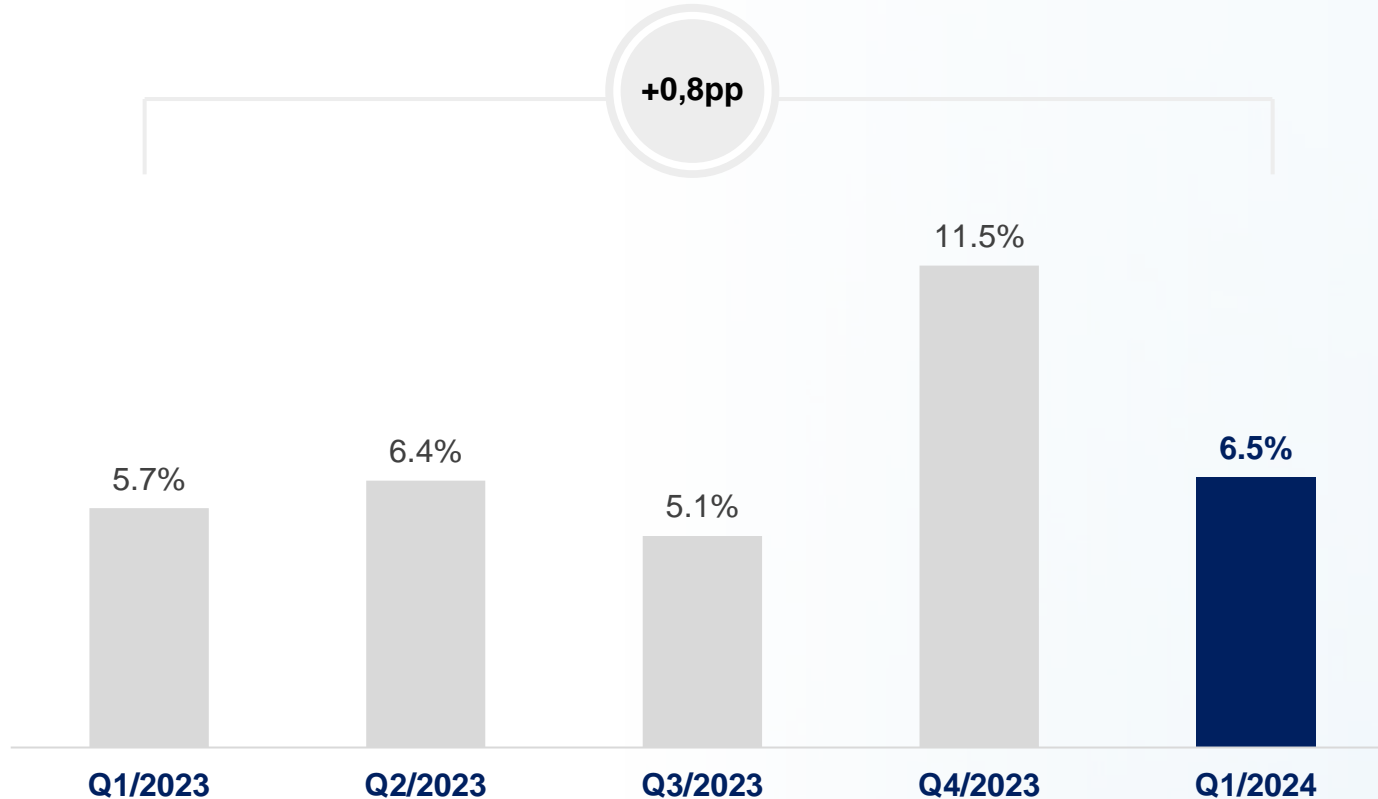
Adjusted for negative currency effects, sales declined **organically by 3.9 percent** in comparison to Q1/2023.

<sup>1</sup> Based on Sales by Country of production  
<sup>2</sup> FXII -Effect



# MAHLE EBITDA – Q1/2024

## EBITDA Quarterly Result

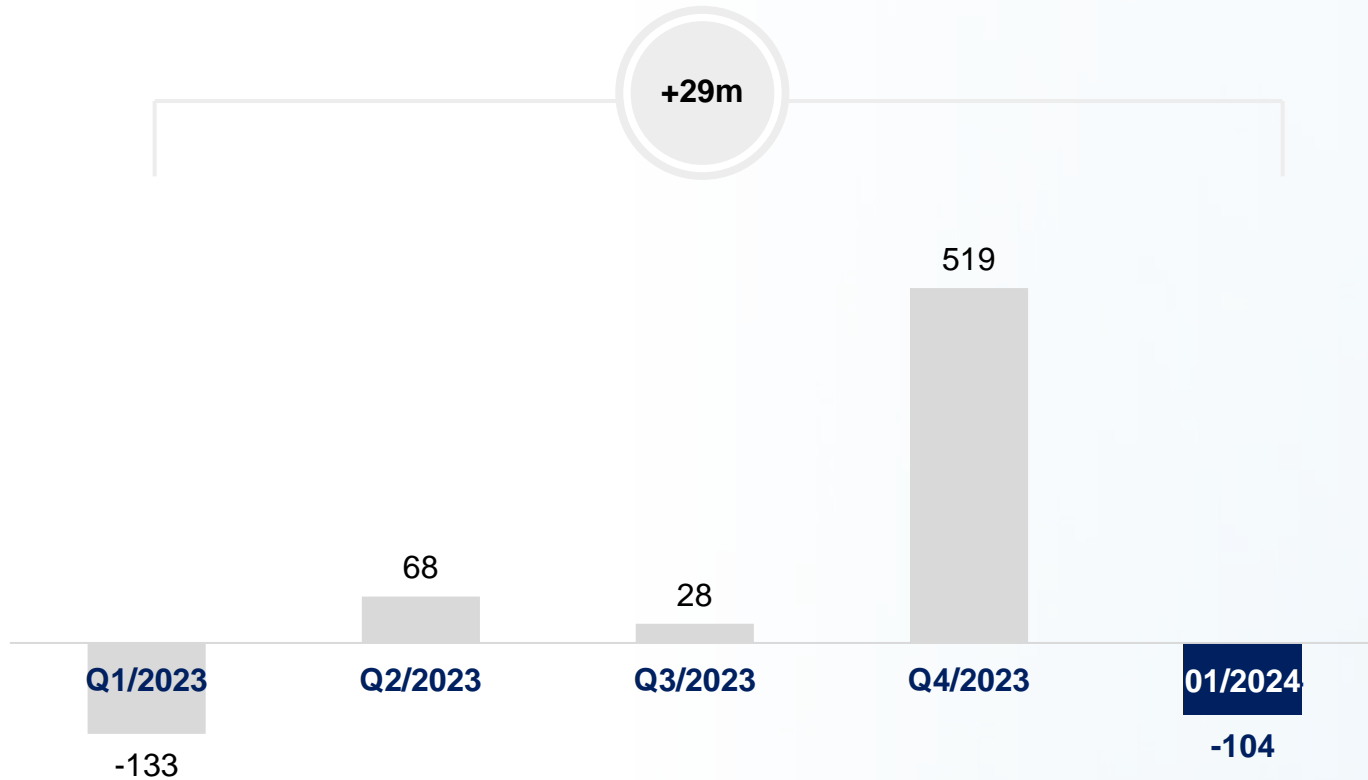


Despite lower sales, EBITDA **increased** both in absolute and relative terms compared to Q1/2023.

Achieved **productivity increases** and **sales price adjustments** offset **volume declines** as a consequence of lower customer demand as well as inflationary increases in **personnel costs**.

# MAHLE FREE CASH FLOW – Q1/2024

## Free Cash Flow Quarterly Results (in EURm)

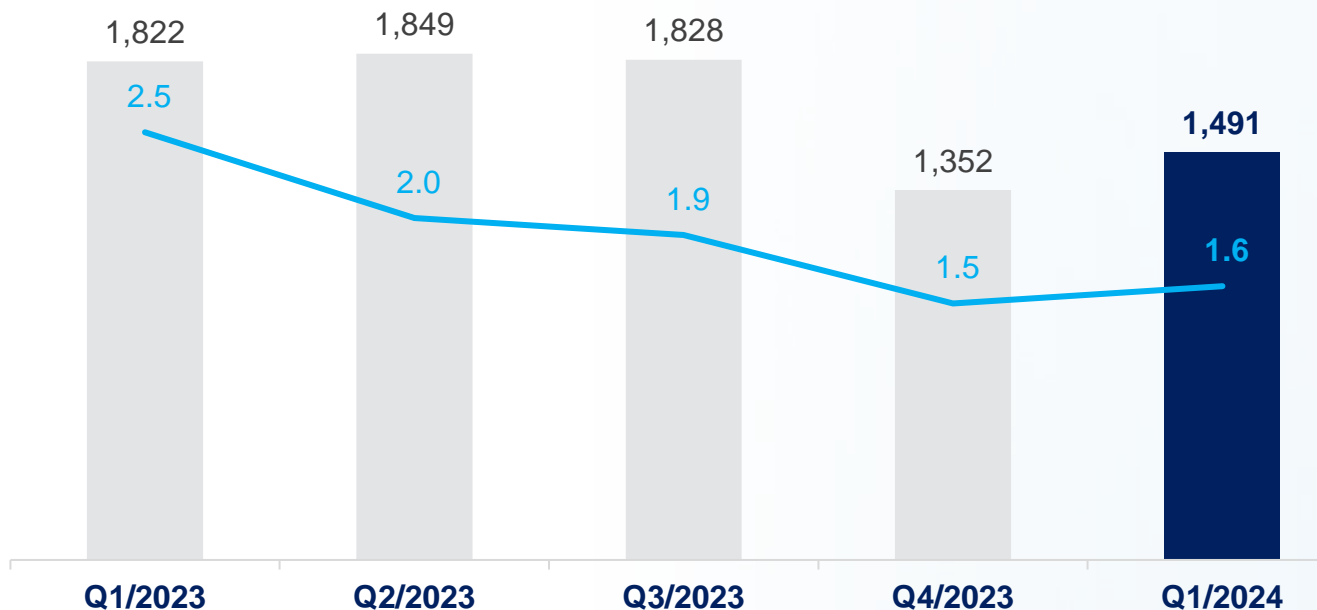


Free Cash Flow in Q1/2024 was **EUR -104m**. Improved by **EUR 29m** compared to Q1/2023.

Main reasons are **improved working capital** and cash inflows from new **factoring program**.

# MAHLE NET DEBT & LEVERAGE RATIO – Q1/2024

## Net Debt and Leverage Ratio



**Net debt** improved to **EUR 1,491m** compared to Q1/2023. Improvement mainly driven by higher **cash flow generation** and higher **working capital financing**.

**Net debt** compared to **YEC 2023** rose mainly due to seasonally higher level of capital tied up in net working capital.

**Leverage Ratio** is at **1.6**. Slightly increased compared to YEC 2023 due to higher net debt.

# OUTLOOK AND UPCOMING EVENTS

04

# FINANCIAL OUTLOOK



**~ EUR 12.3bn**  
SALES



**~ 1.1x**  
NET DEBT/EBITDA

# FINANCIAL CALENDAR & UPCOMING IR EVENTS

## UPCOMING IR EVENTS 2024/2025

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**September 05, 2024**

Investor Update Call – Half Year Closing, via Meetyoo

**December 02, 2024**

Investor Update Call – Quarterly Report Q3, via Meetyoo

**April, 2025**

Investor Update Call – Annual Results 2024, via Meetyoo

**MAHLE** Homepage Investor Relation

# Q & A

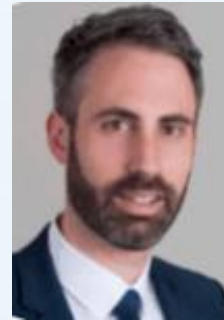
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