

MAHLE Investor Update Call – Half-Year Results 2021

MAHLE Group | September 3, 2021



MAHLE

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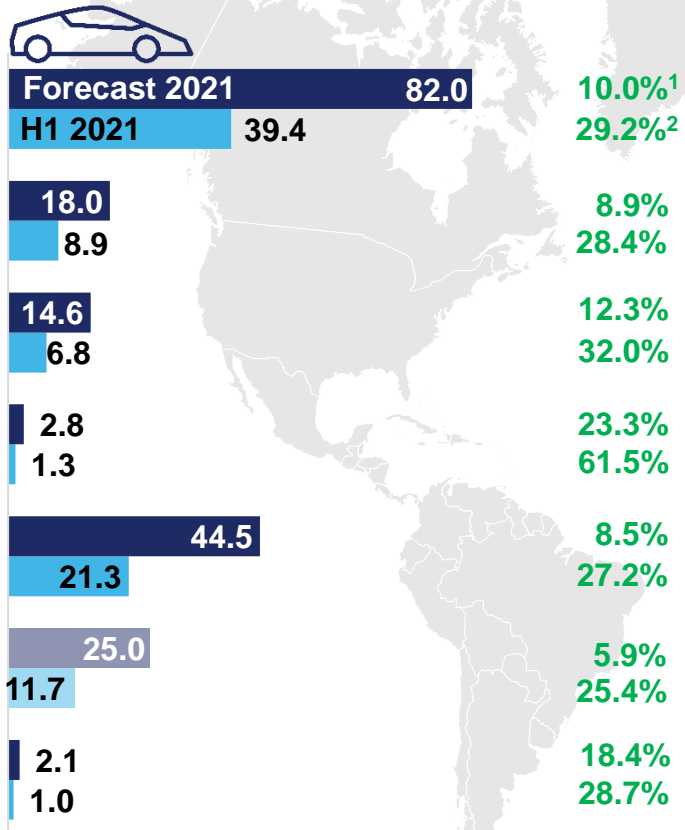
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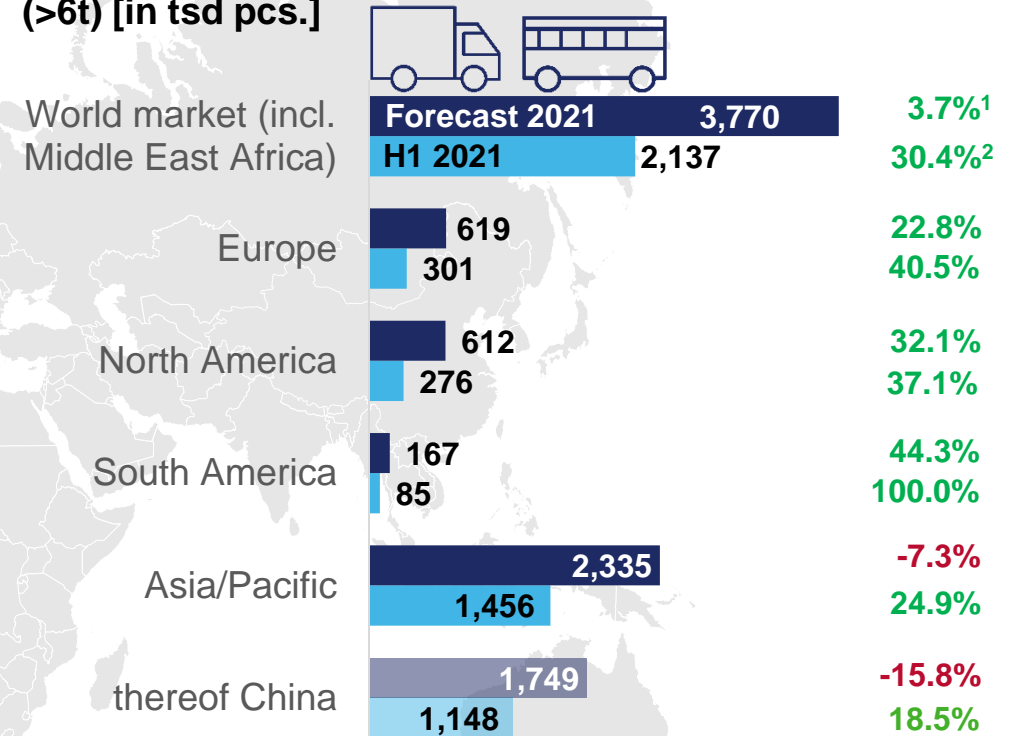
Growth rate of 29% for H1 2021 in market development after COVID-19

Light vehicles and medium and heavy duty vehicles production H1 2021 and forecast 2021

Production of passenger cars and light commercial vehicles [in mn pcs.]



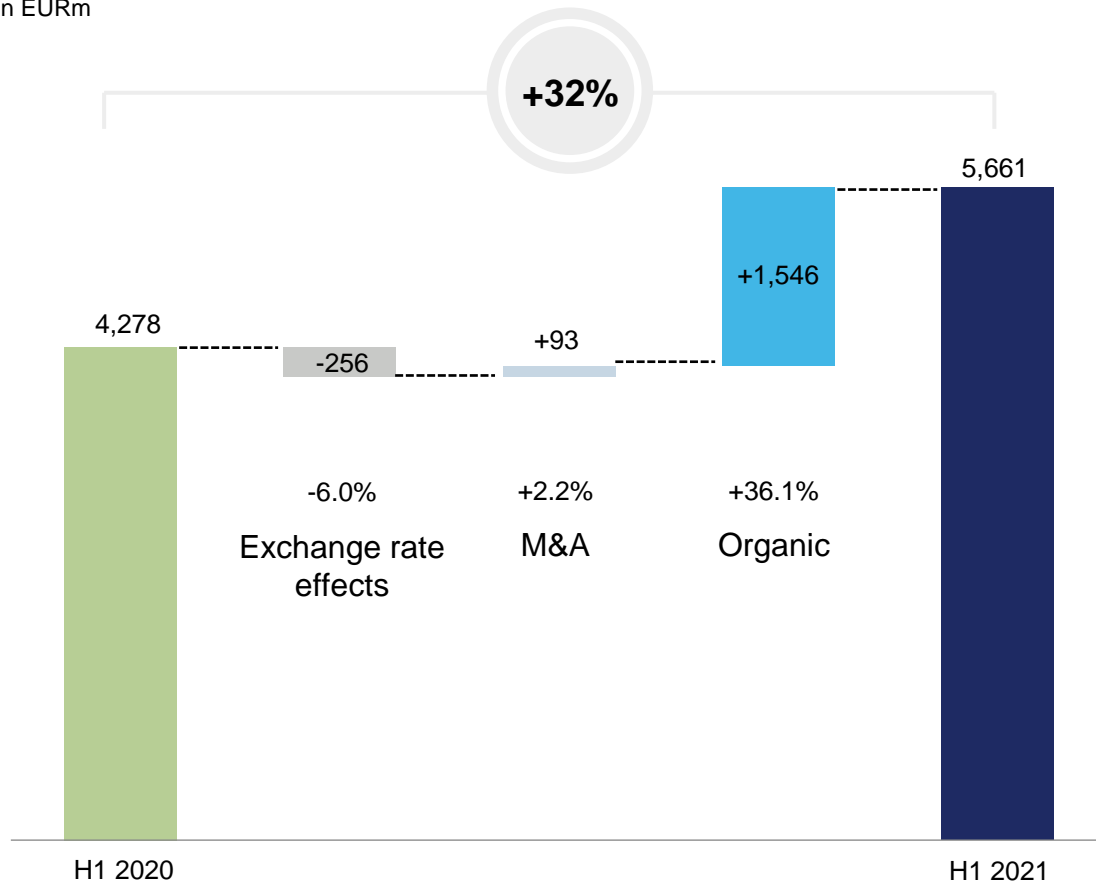
Production of medium and heavy duty vehicles and buses (>6t) [in tsd pcs.]



Sales improved by 32% outperforming market development

MAHLE Group sales

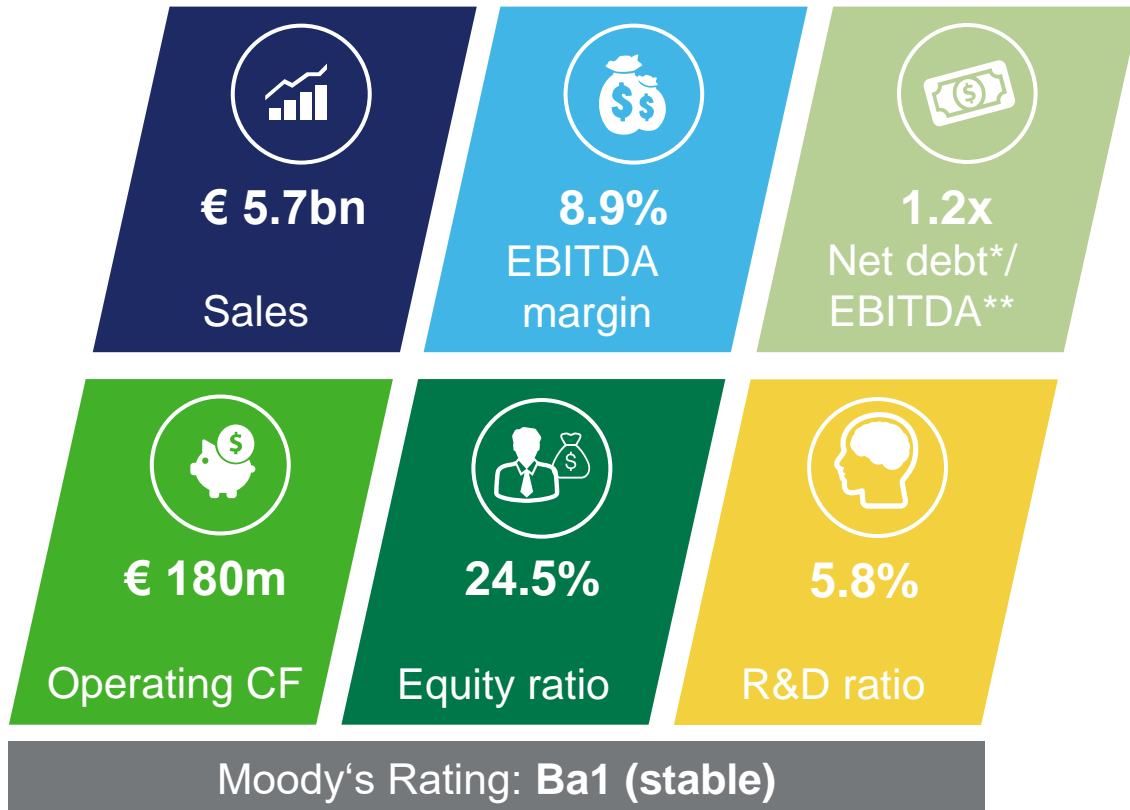
In EURm



- Adjusted for negative exchange rate effects, organic growth was even at 36%
- MAHLE outperformed market growth organically in each region
- Highest proportional organic sales growth in Electronics and Mechatronics
- M&A effects result from purchase of the air conditioning business of former Keihin Corporation (now Hitachi Astemo, Ltd.) as of February 2021

Strong recovery of EBITDA margin and net debt/ EBITDA ratio

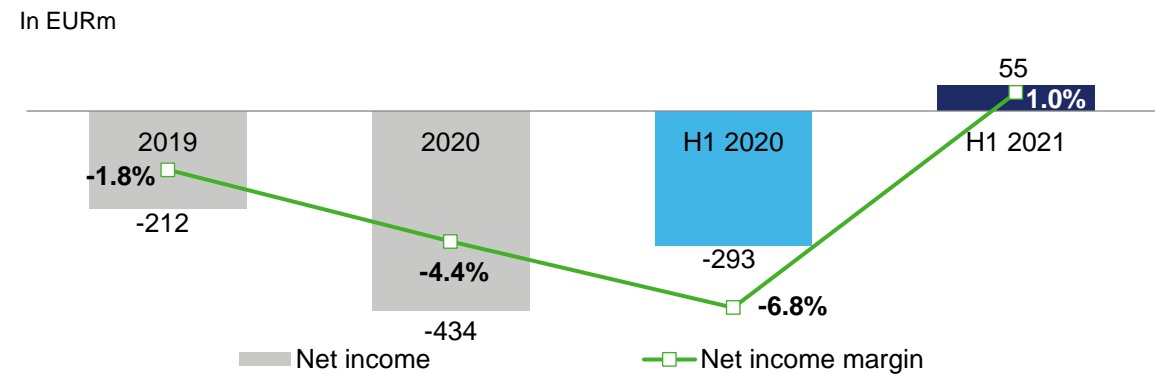
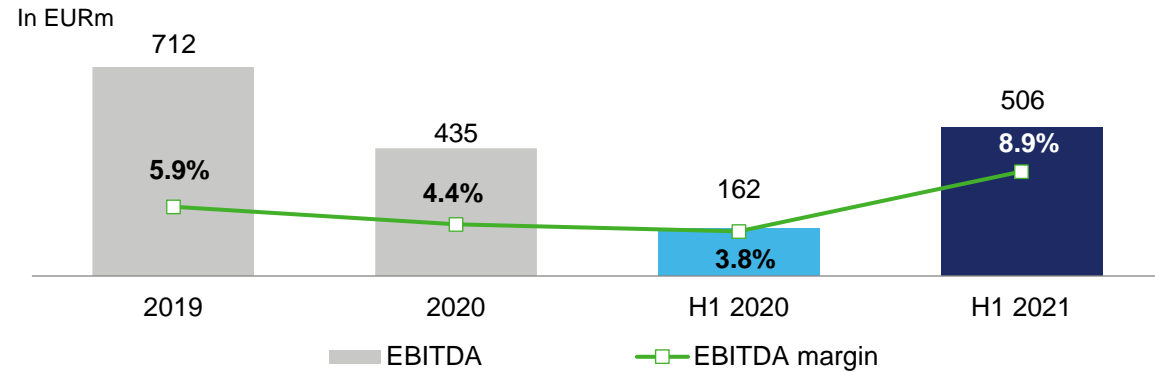
MAHLE Group – key financials H1 2021



- EBITDA margin primarily affected by higher sales volumes and improved productivity
- Net debt/ EBITDA significantly improved
- Equity improved; Equity ratio negatively influenced by extended balance sheet total in the course of new bond issuance and higher working capital
- R&D costs increased to support transformation; ratio slightly lower due to increased revenues

Profitability significantly improved

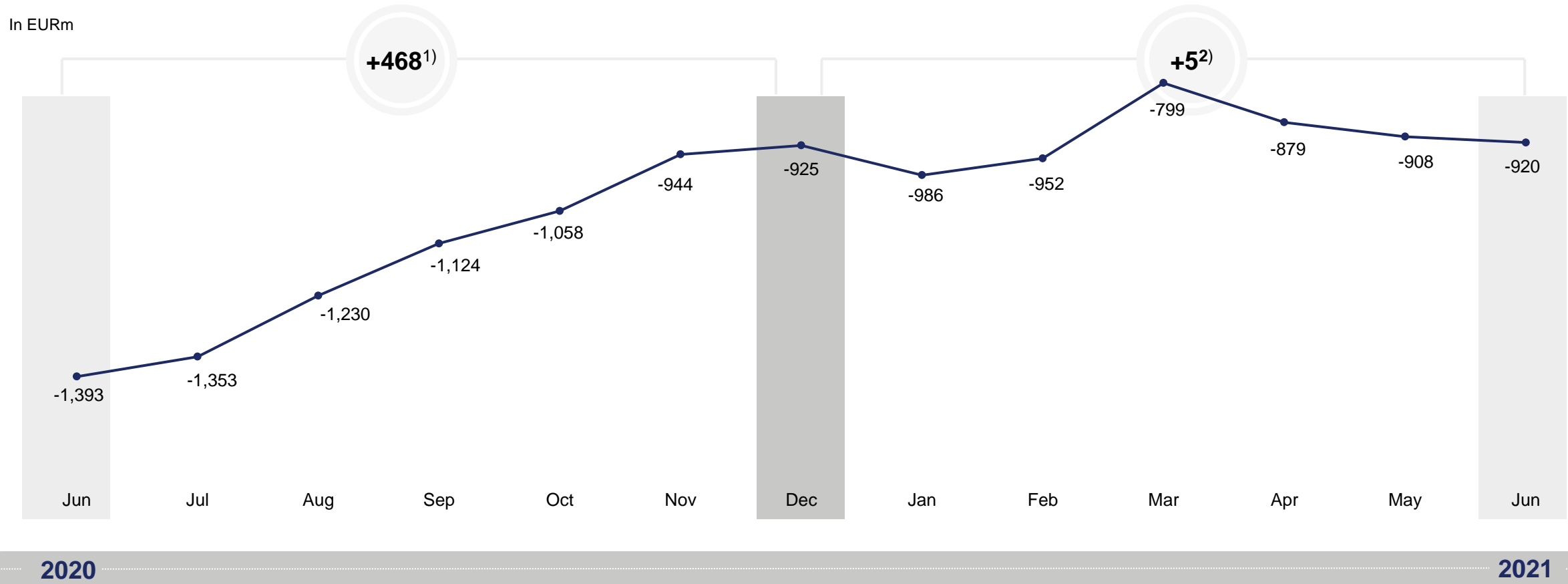
EBITDA* and Net income



- Rise in EBITDA and net income mainly due to higher sales volumes and improved productivity
- No extraordinary impacts on earnings from restructuring costs anymore as in recent years (EUR 347m in 2020; EUR 162m in 2019)
- Increased raw material prices left a dent in earnings
- Net income back to positive territory

A slight net debt reduction continued in the first half of 2021

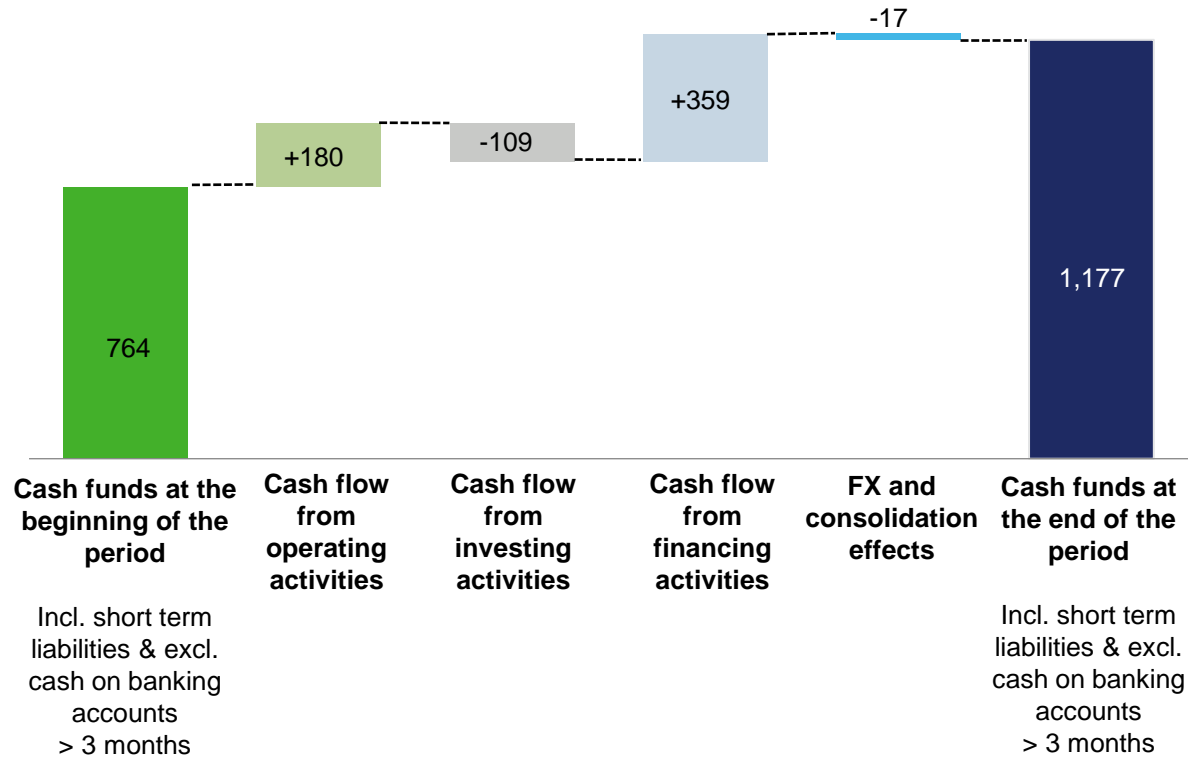
MAHLE Group net debt* development June 2020 to June 2021



Higher cash mainly driven by corporate bond issuance

Cash flow development H1 2021

In EURm



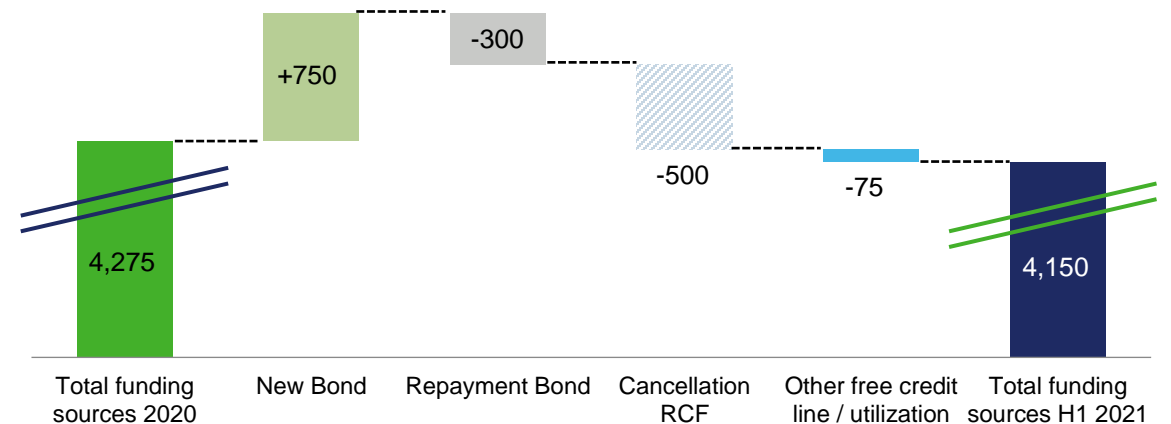
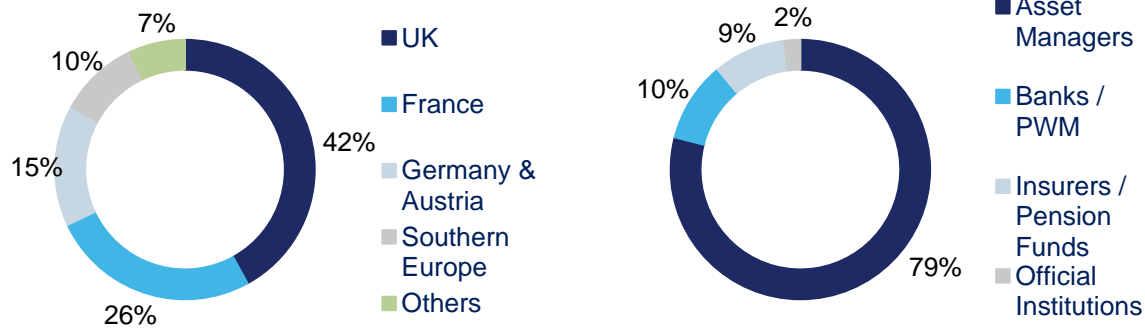
- Operating cash flow significantly hit by higher working capital
- Cash outs for restructuring amounted to EUR 37m
- Cash flow from financing activities reflects bond issuance of EUR 750m compared to repayment of EUR 300m bond of 2014

Largest corporate bond issuance in MAHLE’s history

Refinancing activities and distribution of allocations of new bond by geography and investor type

Transaction	2021 – EUR 750 mn 7-year
Issuer	MAHLE GmbH
Issue Rating	Ba1 (Moody's)
Coupon	2.375% (Fixed, Annual, Act/Act)
Reoffer Price	100.000%
Denomination	EUR 100 k
Maturity Date	14th May 2028
Listing	Euro MTF, Luxembourg

- Improvement of flexibility and independence in transformation
- The inaugural credit rating Ba1 optimized the capital market access
- Diversified order book: granular investor base with new international investors



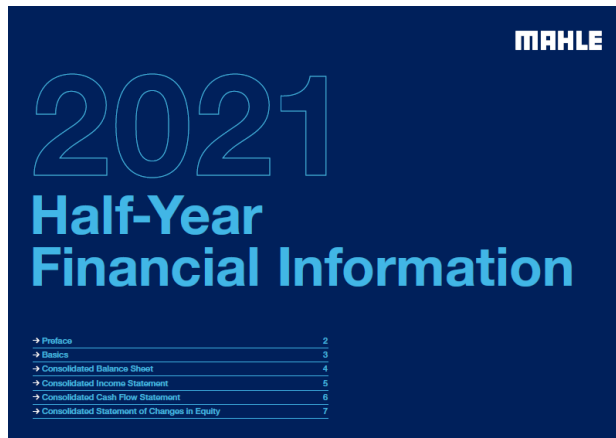
MAHLE offers more transparency to serve investors' needs

MAHLE's inaugural rating and Consolidated Half-Year Financial Information 2021



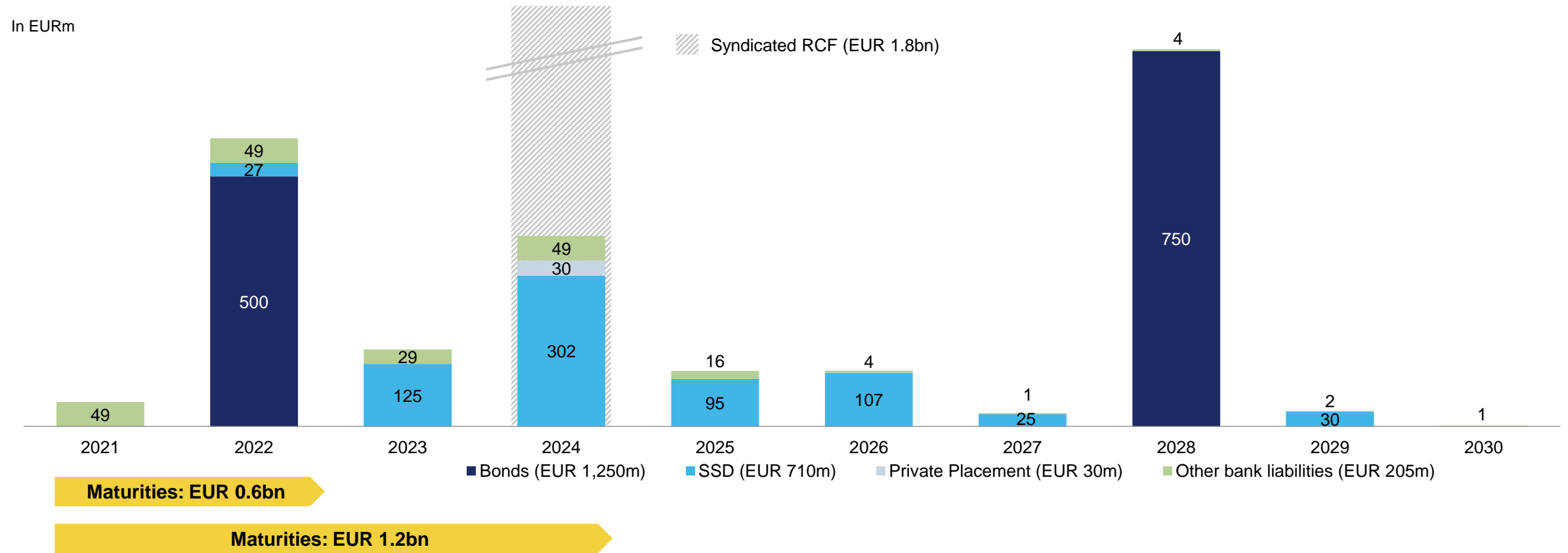
MOODY'S
Ba1
(stable)

- Moody's Credit Opinion dated April 7, 2021:
<https://www.mahle.com/media/germany/investor-relations/rating/moodys-credit-opinion-mahle-gmbh-07apr21.pdf>
- Consolidated Half-Year Financial Information 2021:
<https://www.mahle.com/en/investor-relations/financial-reports/>



Upcoming maturities are well covered by sufficient liquidity

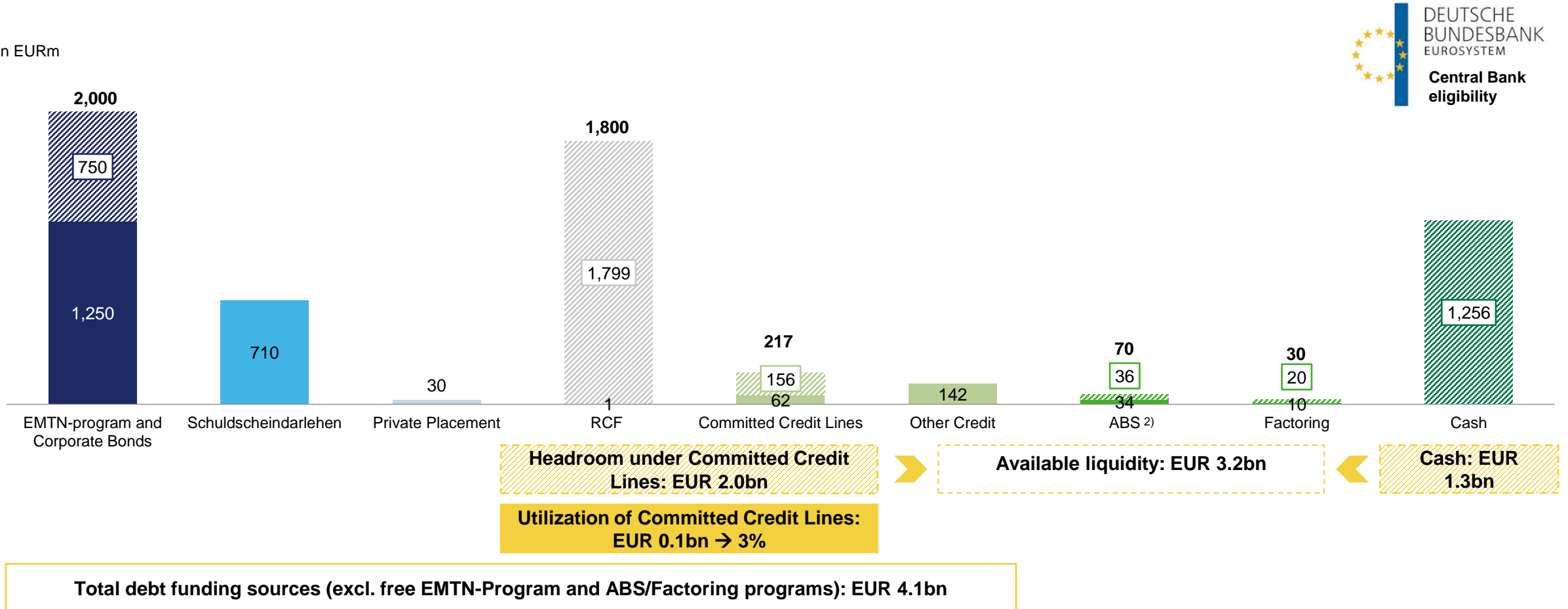
Maturities and funding needs H1 2021



Broad variety of debt funding sources¹⁾ and high liquidity reserves

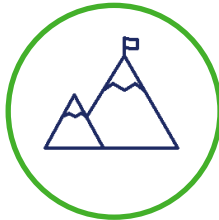
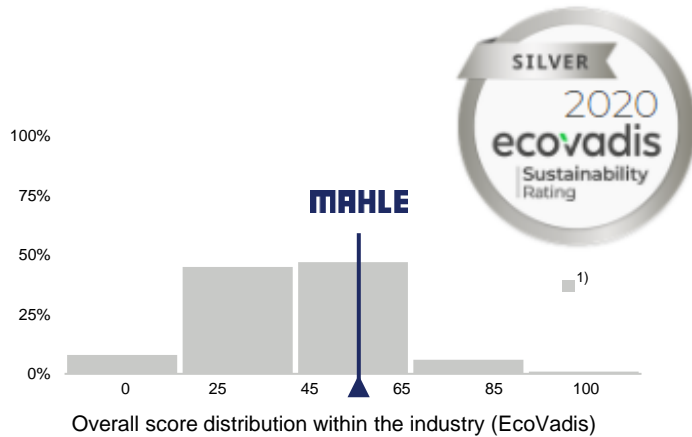
Funding status H1 2021

In EURm



MAHLE's ESG performance is rated by EcoVadis – MAHLE is amongst the best 21%

Overview ESG at MAHLE



The environmental block

LV-ICE dependency continuously reduced over the last years and well positioned in E-Mobility sector



The social block

Based on MAHLE's shareholder structure, a foundation with anthroposophical background, social responsibility is part of MAHLE's DNA



The governance block

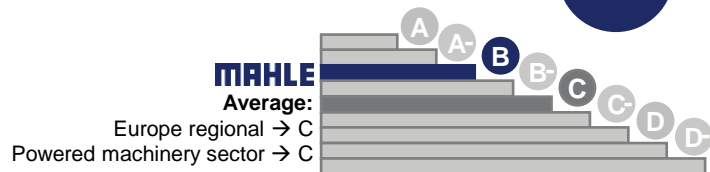
Reorganization of departments and processes regarding ESG and EU taxonomy requirements, backed by increased management support. Compliance and risk management guidelines well established



MAHLE to be carbon-neutral by 2040; German locations even from 2021



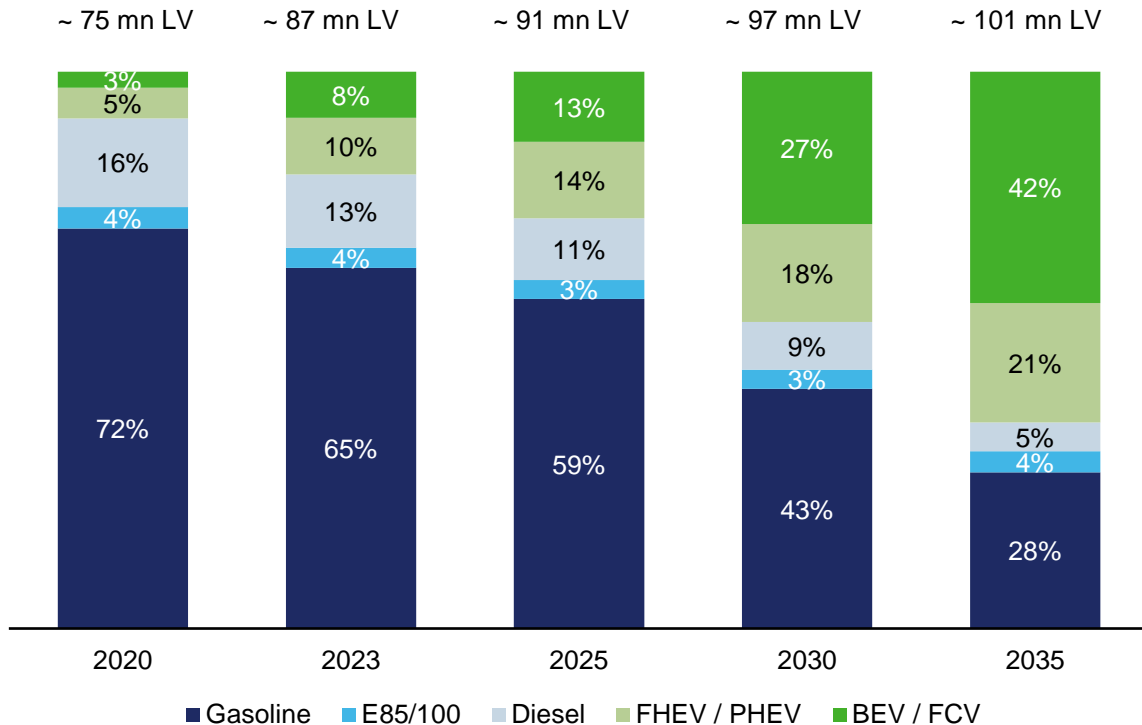
MAHLE's CDP Climate Score 2020²⁾



Sustainability Report available on MAHLE homepage

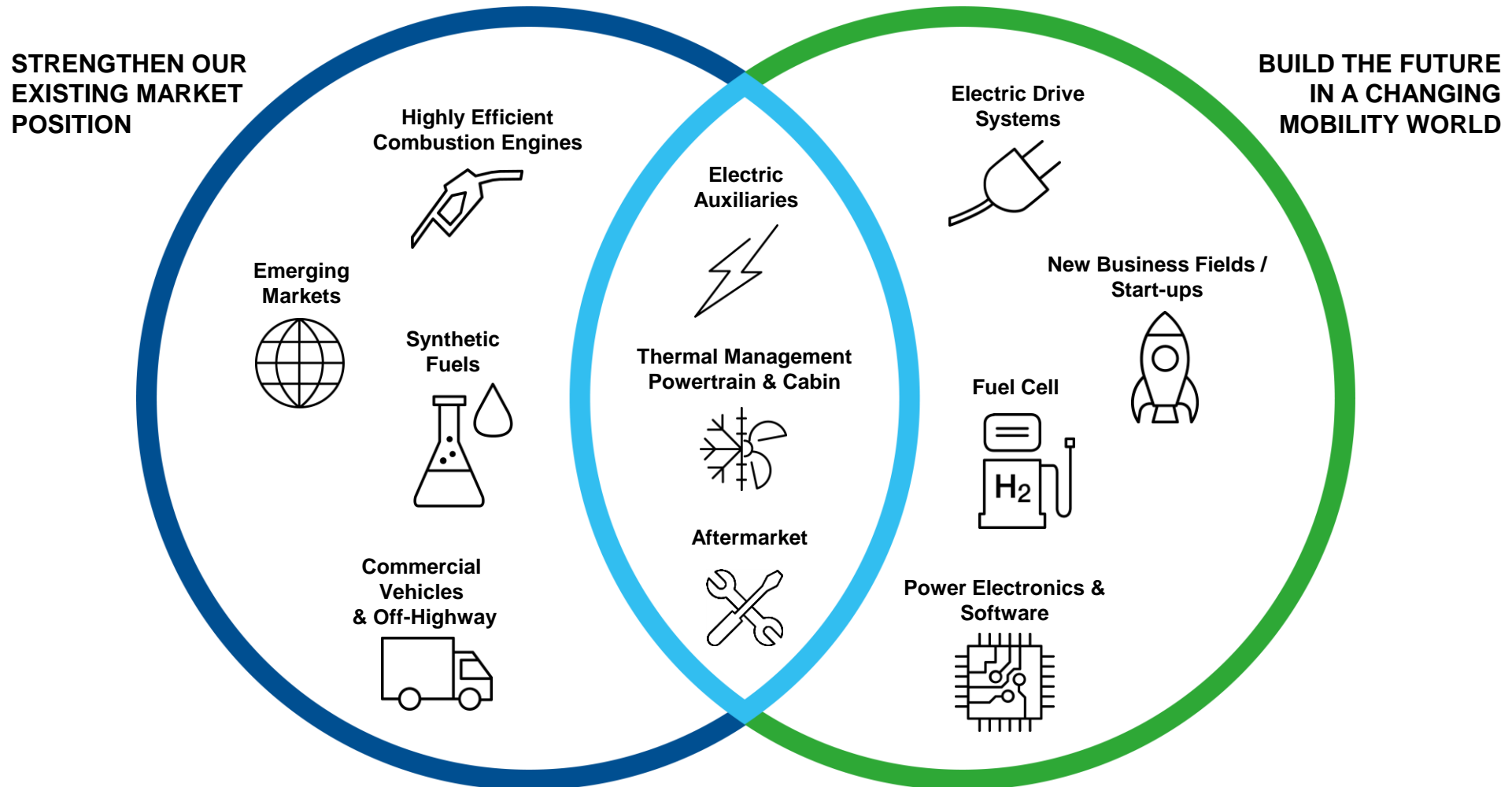
Strong growth of electrified light vehicle powertrains

Light vehicle powertrain mix (worldwide)



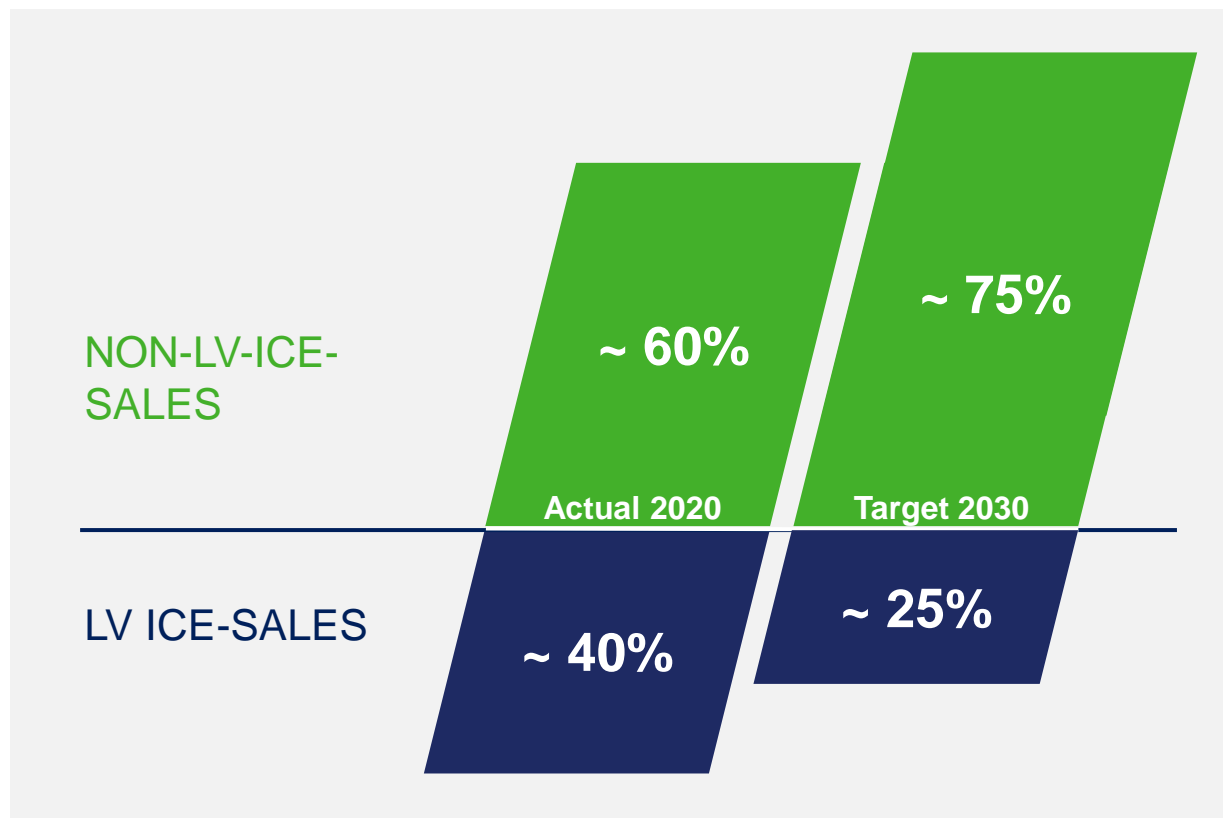
- Despite decline in pure ICE powertrains, combustion engines will still play an important role globally
- Significant global reduction of diesel applications
- Growing powertrain complexity drives demand for integrated system solutions
- Alternative powertrains require specific thermal management solutions (e.g. for BEV and FCV)
- Potential to increase sales per vehicle

MAHLE's Dual Strategy is addressing the market transformation

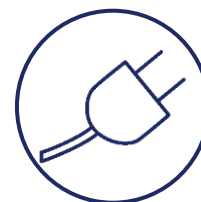


MAHLE's product portfolio is well prepared for a shift in the light vehicle powertrain mix

MAHLE Group total sales share 2020 and target 2030



MAHLE's share of business segments that are independent of the OEM business for passenger car combustion engines already account for approximately 60% of our group sales



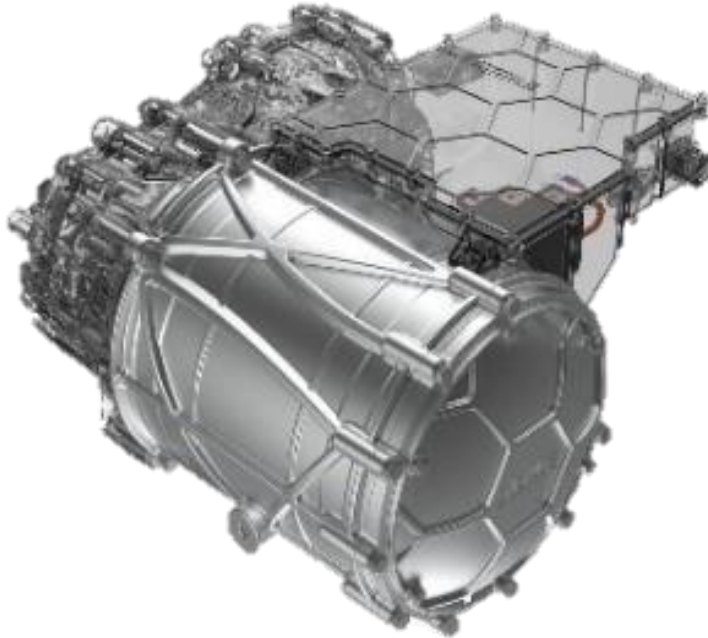
More than 80% of our R&D investments are towards future technologies and strategic sustainable mobility areas



New Electronics and Mechatronics R&D Center in China (2021)

Breakthrough: a new generation of e-motors – combining the benefits of different e-motor types

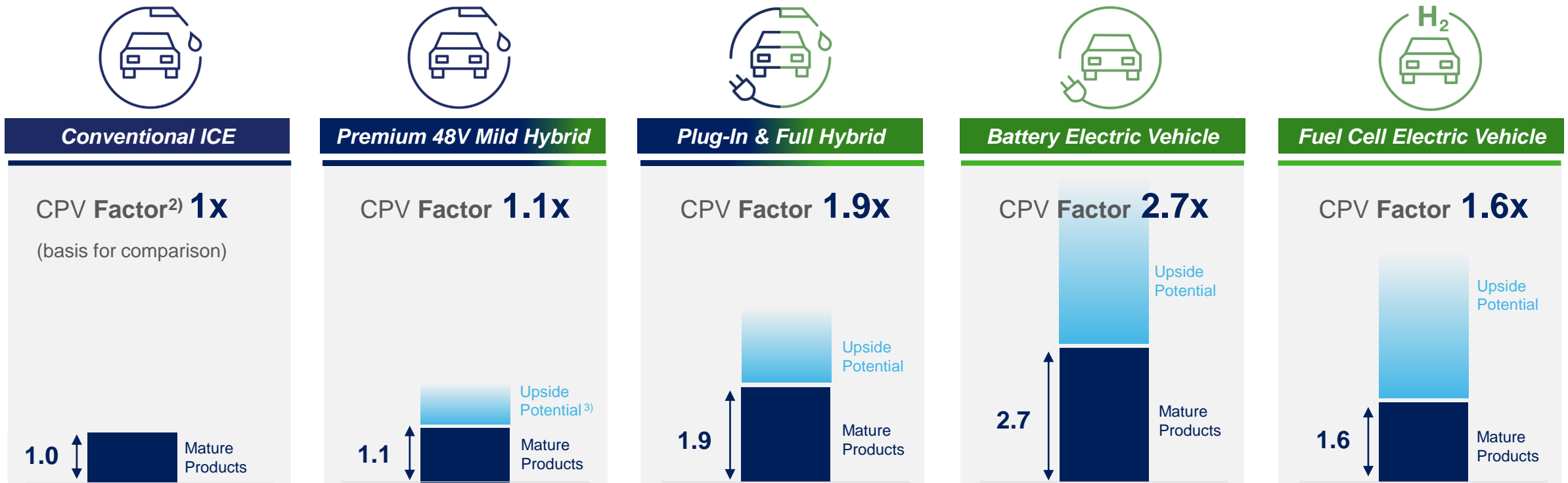
Magnet Free High Voltage Motor



- A big step regarding sustainable e-mobility and resource security – no need for rare earth materials
- Comparatively low costs
- Wear-free thanks to inductive power transmission
- The efficiency is above 95% at almost all operating points – a level that previously has only been achieved by Formula E racing cars
- Easily scalable from small to commercial vehicles
- Many customer requests

Electrification of powertrain offers significant potentials

MAHLE Content per Light Vehicle Potential¹⁾



Conclusion – key credit highlights

Summary



Global Top Tier 1 supplier

- MAHLE Group is among the 25¹⁾ largest automobile suppliers worldwide
- MAHLE's sales are geographically well-balanced covering all relevant OEMs across all main automotive markets



Strong market position

- MAHLE occupies top 3²⁾ rankings in 23 out of 30 main product categories underlying a strong market position in key product areas, backed by its strong reputation, proven quality and technology leadership



Clear strategy in line with financial policy

- Dual strategy combines strengths in traditional segments while pushing ahead with innovative solutions following market trends
- MAHLE's continuous active portfolio management constantly complying with conservative financial policies
- Very limited dividend requirements due to foundation ownership



Future-oriented products

- Business segments that are independent of the OEM business for passenger car combustion engines today already account for about 60 percent of our Group sales
- Current transformation process of the automotive industry enables further boost of MAHLE's sales through increasing content per vehicle



Considerable liquidity reserves

- MAHLE is able to draw from large liquidity and financing reserves of more than EUR 3.0bn
- Moody's rating of Ba1 (stable) further improves access to capital market and thus enhances financial independence and flexibility

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Thank you for your attention!