

Efficiency in Motion

Annual Press Conference
April 25, 2023



Please check against delivery

Statements:

Arnd Franz

Chairman of the MAHLE Management Board and CEO

Markus Kapaun

Member of the MAHLE Management Board and CFO

Ladies and gentlemen,

I am very pleased to welcome you here today.

After three years of absence, I have rejoined the MAHLE team. I was very pleased to return. After all, I started my career with MAHLE and am very much looking forward to guiding our company into the future. MAHLE has everything it needs for long-term success: strong DNA, talented people and industrial project expertise recognized by the marketplace.

However, we are currently experiencing highly volatile times. The automotive industry is in the midst of the most far-reaching and most difficult transformation in its history. For MAHLE, this not only means tough challenges but also great opportunities. We are shouldering this challenge.

MAHLE will continue to grow in the future – largely through electrification. We will leverage our growth opportunities with a large number of innovative, high-efficiency products for e-mobility and our proven system competence in thermal management, which is important for electrification.

2022 – Another Challenging Year for the Whole Industry and MAHLE



2022 was another extremely challenging year for our industry and for MAHLE. This was chiefly the result of the massive effects of disrupted global supply chains, the semiconductor shortage and the price increases for raw materials, semi-finished products and energy. Production volumes in Europe were considerably reduced. Especially as regards the internal combustion engine, the production capacities available were far in excess of demand.

We have tackled these challenges with determination and found solutions. For example, we have practiced stringent discipline with respect to costs and expenditure and improved our operating performance. In the third quarter of 2022, our countermeasures started to take effect and resulted in considerably improved, positive operating results for our group. We are therefore heading in the right direction.

The necessary price increases for all MAHLE products made a major contribution. I would like to thank our customers throughout the world. As a result of good cooperation and the trust we have developed over the years, we were able to arrive at solutions acceptable for everyone concerned, even in this difficult situation.

Nevertheless, we will need to keep a close eye on the situation. We expect that we will continue to face cost increases not only in 2023 but also over the next few years. The automotive industry can only succeed in its transformation with high-performance component suppliers. For the competitiveness and resilience of component suppliers, it will be essential for fair solutions for dealing with such cost increases to be found fast.

Ladies and gentlemen,

In terms of incoming orders, 2022 was an exceptionally good year, the second-best in the history of our company. We won new orders with a volume of more than €11 billion. Products not dependent on the internal combustion engine accounted for about 50% of this volume.

We achieved record sales with electric drive systems and charging solutions. And there was also record demand for extremely demanding engine components for high-performance solutions in the field of classical drive systems.

With the impetus gathered in 2022, we will continue our upturn in 2023. The information currently available indicates that MAHLE will complete the current financial year, 2023, with better figures. Our objective is to achieve a significant operating profit, to reduce our balance sheet total by optimizing capital employed and active portfolio management as well as a reduction in our current level of debt.

We are focusing our entire energy on shaping the long-term transformation and reacting flexibly to short-term external impacts. This situation will continue to be challenging, but we are a powerful team.

Today, I would especially like to thank our employees. Over the past financial year, they have demonstrated full dedication to MAHLE and our customers. They have played their part in making mobility considerably more climate-friendly.

Markus Kapaun will now present our figures for the 2022 financial year in detail. I would now like to hand over to you, Markus.

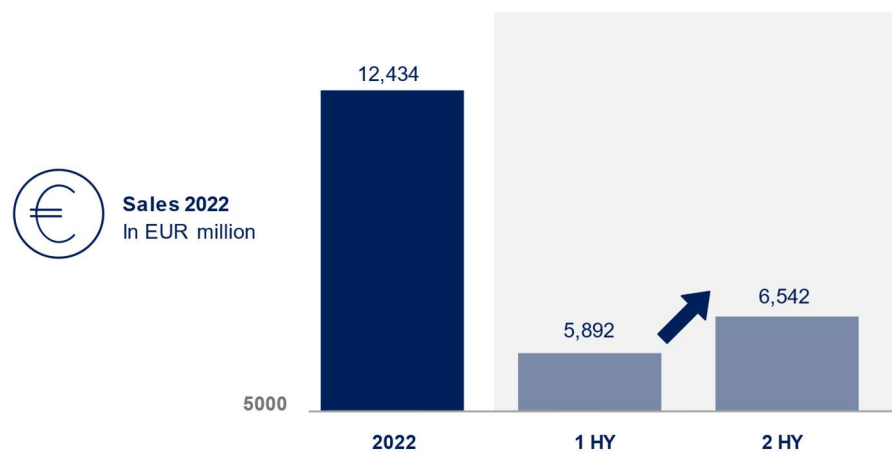
Ladies and gentlemen,

The 2022 financial year consisted of two distinct phases.

In the first half of the year, orders from customers were very subdued for the reasons already described.

In the second half, the situation became considerably less tense and there was a rise in orders received. In certain markets such as North America and Asia, automobile production recovered, while production remained low in Europe.

Recovery in the Second Half of 2022 – 14% Sales Improvement



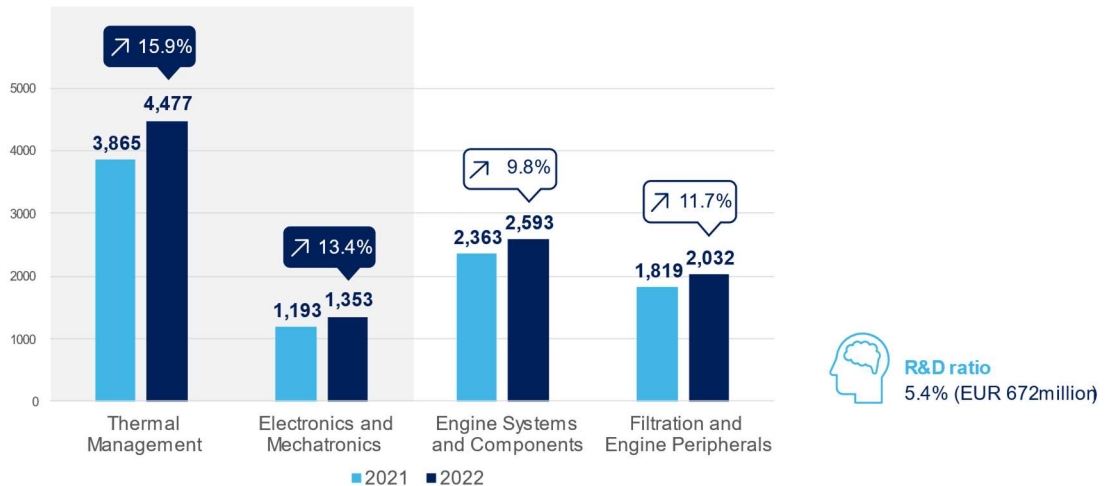
3 | MAHLE | Annual Press Conference | April 25, 2023

All in all, we were able to boost sales by 13.7% to €12.4 billion in 2022 and grew more strongly than the industry as a whole. We have therefore once again reached the pre-pandemic level of 2019.

After eliminating exchange rate effects, our sales grew by 9.7%. We were able not only to boost sales volumes but also to increase our prices – especially in the second half of the year.

Strong Growth in Strategic Core Areas

In EUR million



4 | MAHLE | Annual Press Conference | April 25, 2023

Sales rose in all our business units, but the rise was most pronounced in our future-oriented areas.

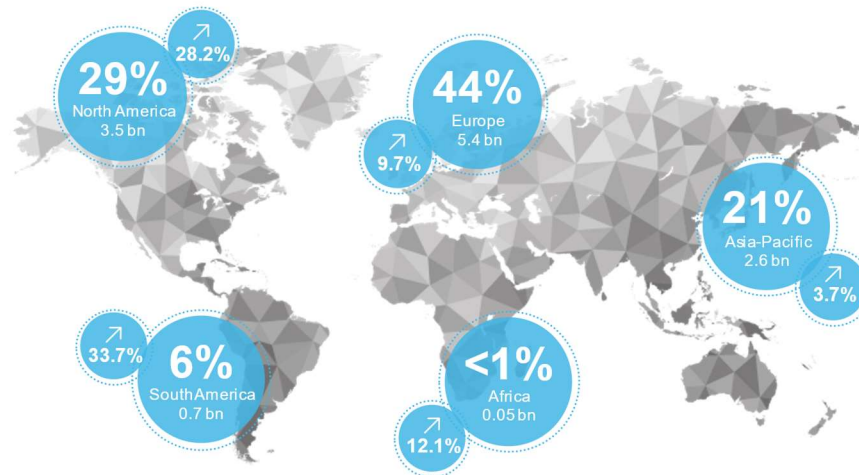
In the Thermal Management business unit, which is especially important for battery-electric vehicles, sales rose by 16% to €4.5 billion. Sales in the Electronics and Mechatronics business unit rose by about 13% to just under €1.4 billion.

These two business units already account for almost half of consolidated sales. We have focused the greater part of our research and development expenditure on these two strategic areas. At €672 million, research and development expenditure was higher than in the previous year. And MAHLE's creative spirit remains unbroken, as we can see from 384 new patent applications and 462 invention reports.

We also recorded significant growth in our business units connected with the internal combustion engine – Engine Systems and Components, as well as Filtration and Engine Peripherals. In this segment, we remain a reliable partner, meeting the demand of our customers in all the regions of the world.

Strong Sales Growth in The Americas

MAHLE Group total sales: EUR 12.4 billion (Sales by region)



5 | MAHLE | Annual Press Conference | April 25, 2023

Growth was strongest in North America. While passenger car and light commercial vehicle production in general grew by 10%, our sales rose by 28% to €3.5 billion, almost 3 times as high as growth in the industry in general. In South America, our sales rose by 34% to €788 million.

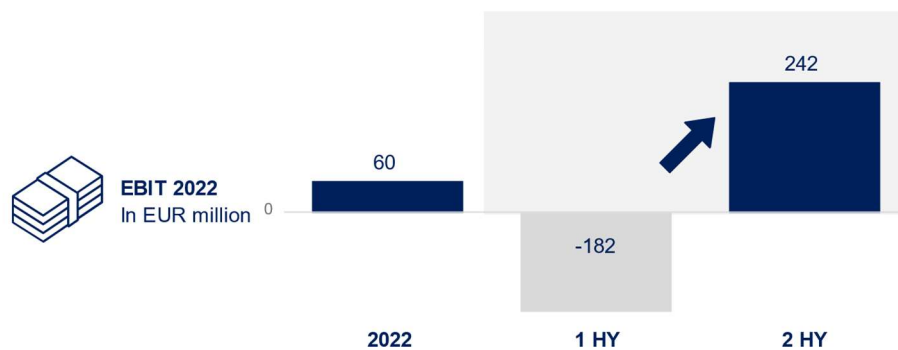
In Europe, where automobile production declined in 2022, we still recorded sales growth of 9% to €5.4 billion.

In China, we faced obstacles especially as a result of the Covid lockdown measures. In contrast, we benefited from high demand in India, where we grew sales by almost 50%, recording our best year to date. Adjusted for exchange rate effects, our total sales in the Asia/Pacific region remained at the level of the previous year.

MAHLE has a broad-based positioning. This applies both to the geographic distribution of sales by regions and to our customer portfolio, which is also very balanced. We supply

products to all passenger car and commercial vehicle manufacturers throughout the world. Our 10 largest customers account for less than 50% of total sales.

Recovery in the Second Half of 2022 – Positive Operating Result



The two distinct phases of the financial year are also evident in our results. Cost increases as a result of the crisis, especially for materials, energy and freight, had a severe negative impact on our result in the first half of the year. We faced additional costs as result of price increases in excess of €800 million.

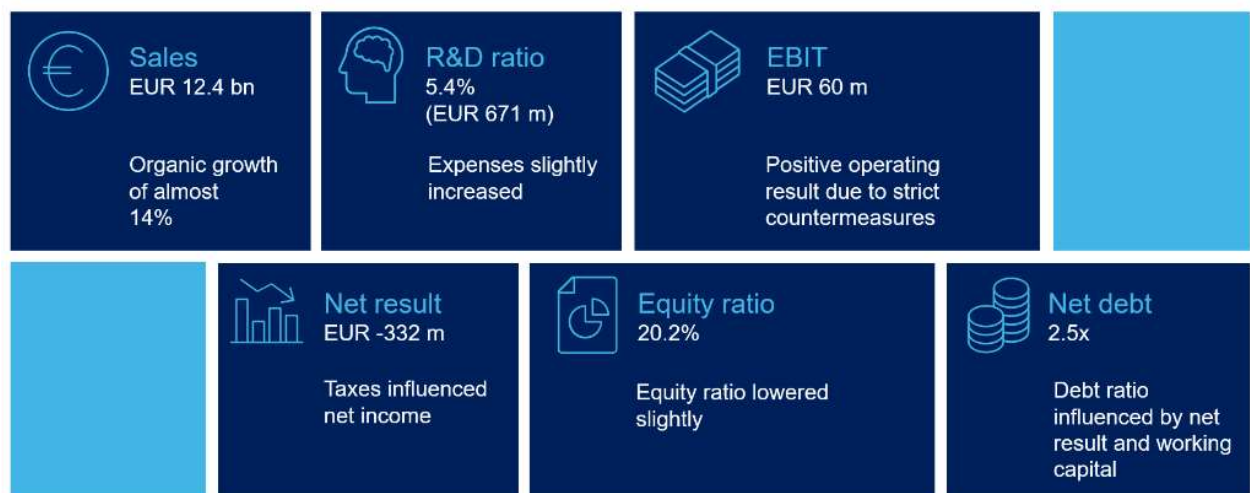
As we have already said, we acted with determination to counter these effects and were therefore able to complete especially the fourth quarter of 2022 with very good results.

We achieved this success through close cooperation with our customers and suppliers in order to distribute these additional costs fairly and equitably via price adjustments and escalation clauses. In addition, we launched a group-wide profitability and cash flow program and boosted productivity.

Following negative EBIT of €182 million in the first half, we were able to post an operating profit of €242 million in the second half of the year. All in all, we therefore recorded positive EBIT of €60 million for the year as a whole.

Nevertheless, our operating result was lower than in the previous year as we have as yet been unable to compensate for all the additional costs incurred.

Sales above Pre-Pandemic Level of 2019



7 | MAHLE | Annual Press Conference | April 25, 2023

All in all, we recorded a consolidated net loss of €332 million. This was mainly due to two factors. First, the financial result was adversely impacted by the negative development in pension plan assets as a result of exchange rate changes. Secondly, our tax burden remained high despite our consolidated loss. This was the result of withholding tax expenses not connected with our result and the fact that we were unable to offset profits and losses recorded by group companies in different countries. These developments are

comprehensible. Nevertheless, it is clear that we will need to significantly improve our results.

This also applies to our equity, which was reduced by the consolidated net loss and our equity ratio therefore fell to 20.2%.

As a result of the net loss for the year and the working capital employed, the net indebtedness shown by our balance sheet rose to €1.7 billion.

The tense situation on procurement markets and supply chain problems resulted in higher purchase prices and therefore also higher inventories.

Our indebtedness, i.e. the ratio of net debt to EBITDA, rose to 2.5 for the year as a whole but improved significantly compared with the first half of the year.

Despite the troubled situation on the markets, our liquidity was and is ensured at all times. MAHLE has stable financing prospects and this has been confirmed by the Moody's rating agency. In addition, we can call upon a diverse, balanced financing portfolio.

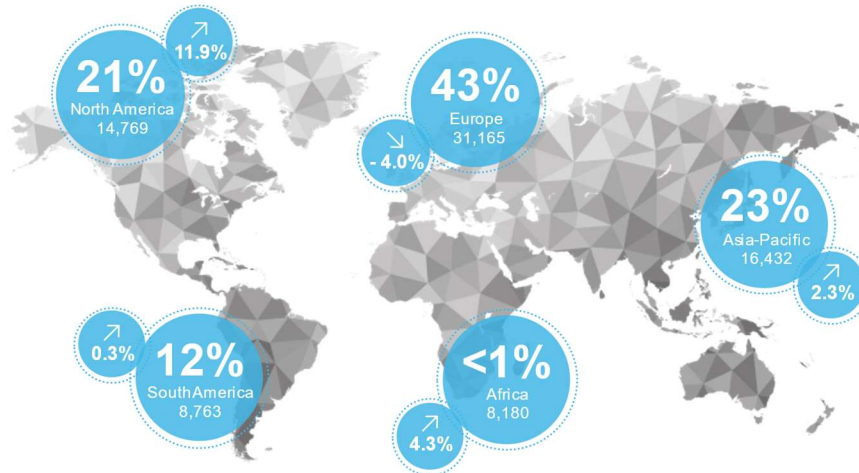
In the summer of 2022, MAHLE was also granted a low-interest loan of €300 million by the European Investment Bank for research and continued development work on zero-emission vehicle technologies.

These additional funds supplement our committed credit lines, of which €1.7 billion had not been drawn down as of the end of the financial year. Together with liquid funds amounting to €600 million, these credit lines ensure a solid and stable financial position.

In the near future, we will be issuing guidelines for sustainable corporate financing, a "Sustainable Finance Framework". On the capital markets, we have seen a strong trend towards green financing products and intend to benefit from this development. With our strategic focus on e-mobility and thermal management, we can offer investors attractive investment opportunities with a positive impact on the environment.

Global Presence in Line with Customer Demand

Headcount increased slightly to 71,947



8 | MAHLE | Annual Press Conference | April 25, 2023

The regional distribution of our about 72,000 employees is in line with the distribution of sales as we produce locally for local markets, which is where our customers need our products.

In the course of 2022, our headcount rose by almost 1%. Additional employees were recruited in our future-oriented areas and in markets with a good order situation and high deployment of production capacities, especially in North America, where we employed 12% more people than in the previous year.

In Europe including Germany, the number of employees fell by 4%. This was due to the difficult market situation and the growing impact of the transformation in the automotive industry.

On the other hand, our headcount in the Asia-Pacific region grew by 2.3%.

I have now completed my presentation and would like to hand you back to Arnd Franz.

Thank you, Markus Kapaun.

Ladies and gentlemen,

The transformation to climate-neutral mobility and growing digitalization will fundamentally change the face of the automotive industry – throughout the world. This also applies to the value stream and to production capacities and also concerns our employees.

Shaping Transformation Together with our Employees



9 | MAHLE | Annual Press Conference | April 25, 2023

This is why we are working together with our employees, employee representative bodies and trade unions with a view to developing appropriate approaches and tools for shaping the future of workplaces in the best possible way. Through our joint “Transformation Dialog” program, we intend to position MAHLE locations in a future-oriented way by taking targeted action.

MAHLE is breaking new ground with the Transformation Dialog. Four pilot locations have successfully implemented or are currently completing the program. The results achieved to date have been positive.

We are working on modern solutions to prepare our employees for future requirements. A key element in these efforts is the worldwide development of digital learning systems, which are already used at MAHLE locations in 20 countries. Last year, we recorded more than 100,000 completed training sessions within our diverse learning programs.

Consequent Measures to Strengthen Business Performance



Ladies and gentlemen,

the transformation of mobility will mean considerable technological and structural upheavals for the automotive industry. For our company, the most important development will certainly be the change in drive systems.

Over the next few years, our efforts will focus entirely on this transformation. We have a clear plan for mastering the challenges and for guiding the company to a successful future without cutting its roots.

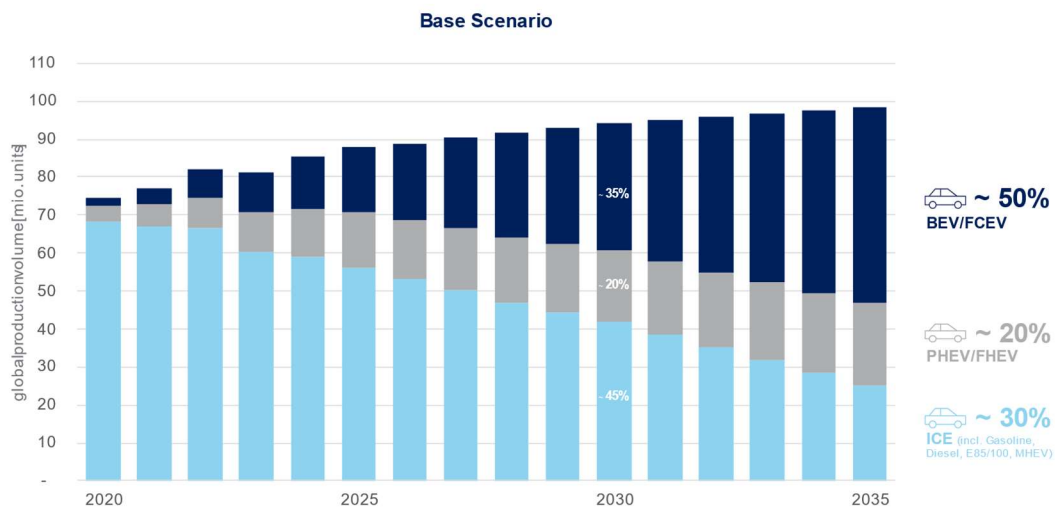
Our focus in 2023 is on profitable growth, results and liquidity.

It will be crucial for our success to continue working on our costs and improving the efficiency of the company. We are concentrating on strengthening the supply chain and on agreeing solutions with our customers and suppliers in a spirit of partnership.

We have launched a program of immediate action that includes all the measures needed to control our result and liquidity within the group. With this program, we will not only achieve short-term improvements but also ensure that MAHLE is back on track for success by 2025 by continuing our excellence initiatives in all areas.

These operational measures have laid the foundation for the implementation of our strategy MAHLE 2030+.

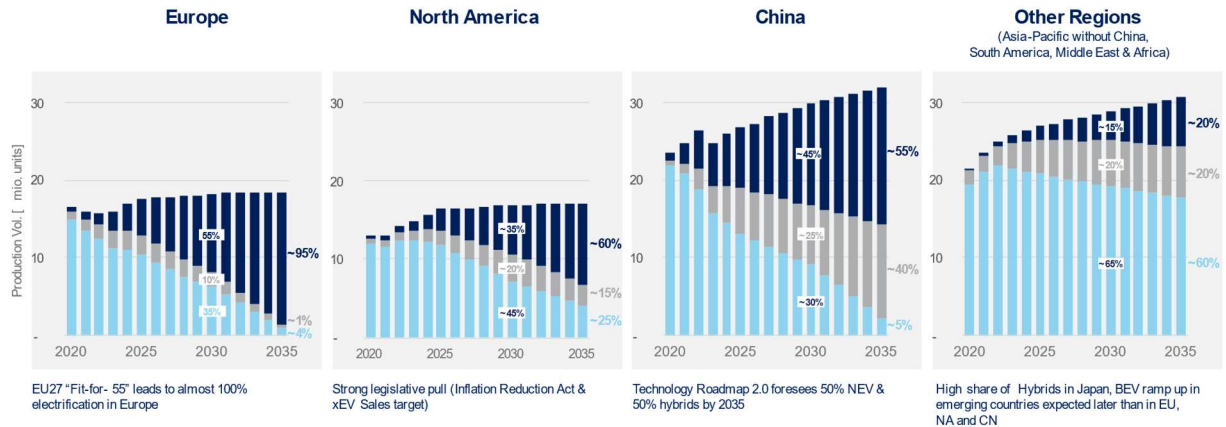
Significant Growth in Battery-Electric and Hybrid Vehicles



The future of mobility is electric. There are no two ways about it. Nevertheless, tomorrow's mobility mix will also include clean, efficient internal combustion engines as well as fuel cells.

In the case of passenger cars, our market projections indicate that the share of battery-electric and hybrid drive systems in overall production could rise from the present figure of 13% to 70% by 2035. However, this would still mean that 50% of passenger cars produced throughout the world would have an internal combustion engine on board.

Powertrain Scenarios for Light Vehicles will be Different in the World Regions

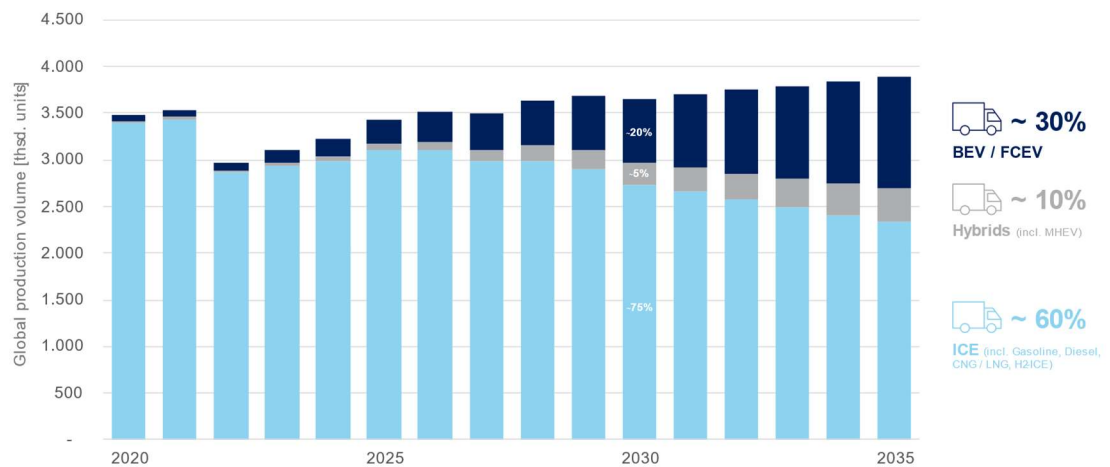


Developments will be very different in the various regions of the world as the mobility and transport requirements in these regions as well as market conditions are highly diverse.

The share of passenger cars with electric drive systems (BEV and hybrid) will grow to 95% in Europe, 90% in China and 75% in North America by 2035. In the other regions of

the world, the internal combustion engine will continue to be predominant after 2035, with a production share of up to 60%.

Combustion Engines Remain Predominant for Commercial Vehicles



13 | MAHLE | Annual Press Conference | April 25, 2023

This also applies to commercial vehicles throughout the world. Current estimates suggest that only about 30 percent of all trucks will have battery-electric or fuel cell drive systems by the middle of the next decade.

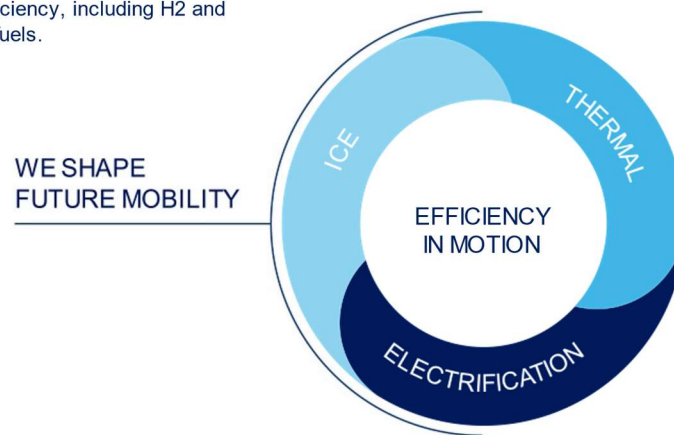
New Corporate Strategy MAHLE 2030+

Cost Leadership Strategy

Improve efficiency, including H2 and non-fossil fuels.

System Solution Strategy

Major supplier of modular and highly efficient thermal management systems with global footprint.



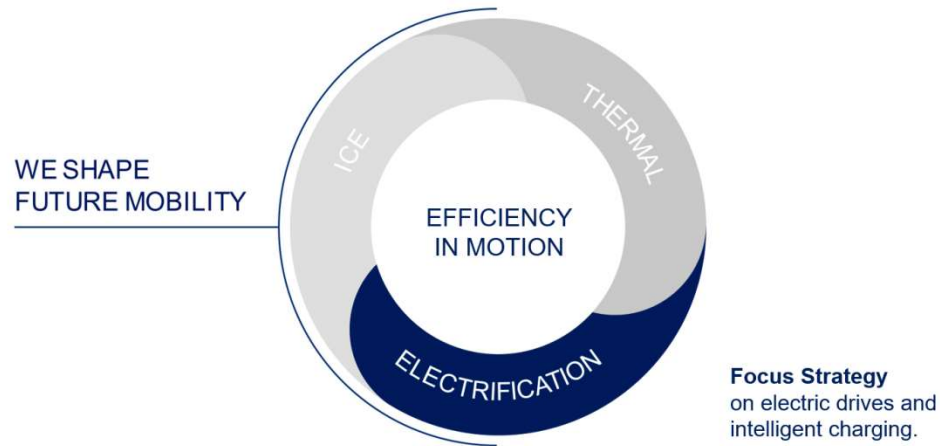
Focus Strategy

on electric drives and intelligent charging.

On the basis of these market forecasts, MAHLE has adopted a clear positioning for the future. In line with our vision, “We Shape Future Mobility“, we are working on the climate-neutral mobility of the future. We intend to offer our customers solutions that are attractive, competitive and sustainable in three strategic areas: electrification, thermal management and clean, efficient internal combustion engines.

We will focus on products where we hold or can win a leading market position. With our solutions, we help in obtaining maximum performance from batteries, fuel cells and fuel tanks by minimizing efficiency losses. This is our mission – “Efficiency in Motion“.

New Corporate Strategy MAHLE 2030+



| MAHLE | Annual Press Conference | April 25, 2023

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Electrification is our key topic for the future.

We focus on electric drive systems and smart charging, so that e-mobility can become affordable, simple and reliable.

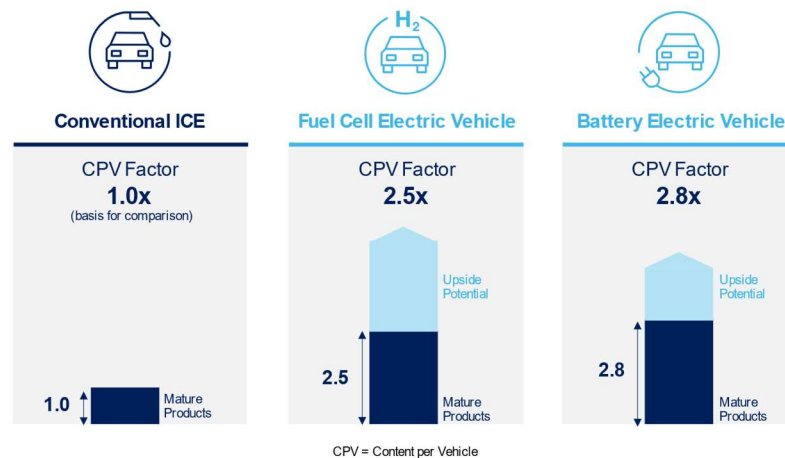
We develop products that help in improving range and performance and forging ahead with fast charging capabilities and charging convenience.

We electrify all types of vehicles – from bicycles to passenger cars, commercial vehicles and construction machinery. MAHLE already sells more than 8 million electric drive systems and electric ancillary systems per year for use in the automotive, urban mobility and industrial sectors.

Electrification is a highly dynamic market. This area accounts for 70% of our patent applications.

Electrification – Triple Sales Potential

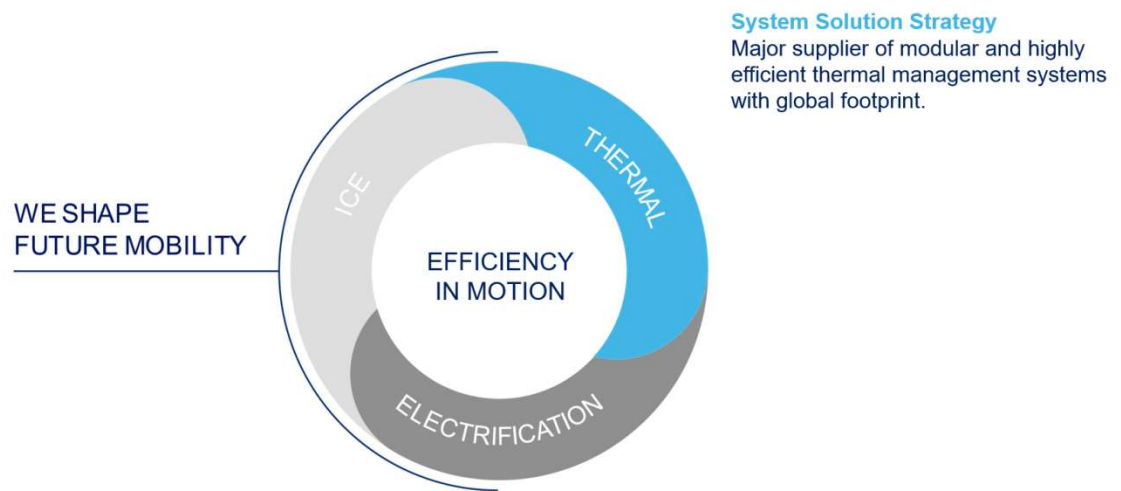
Potential MAHLE Content per Light Vehicle (not considering market penetration)



For MAHLE, the sales potential with electric cars is 2.8 times higher than with vehicles powered by internal combustion engines. We intend to leverage this potential. We have already taken the first decisive steps. In the period up to 2026, leading passenger car and commercial vehicle manufacturers will launch more than 20 electrified vehicle platforms based on MAHLE technology and products. This year, we expect growth of up to 30% in sales of electric drive system components.

Thermal management, i.e. heating and cooling, is crucial for electrification and is a core competence of MAHLE.

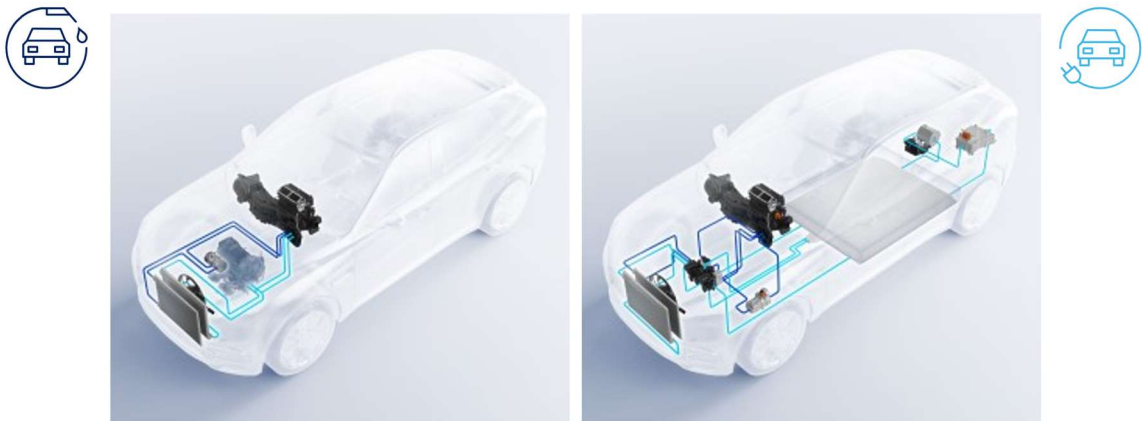
New Corporate Strategy MAHLE 2030+



Following three major acquisitions in Europe, North America and Japan, MAHLE is among the largest suppliers of high-efficiency modular thermal management systems for drivetrains and interior comfort, with a global footprint. We intend to further strengthen our position. Our advantage is that we supply systems for all drive types and vehicle classes, for drivetrains, batteries and vehicle interiors.

With our high system competence, we create solutions with lower space requirements, higher performance and lower overall cost.

Thermal Management Becomes Increasingly Important



18 | MAHLE | Annual Press Conference | April 25, 2023

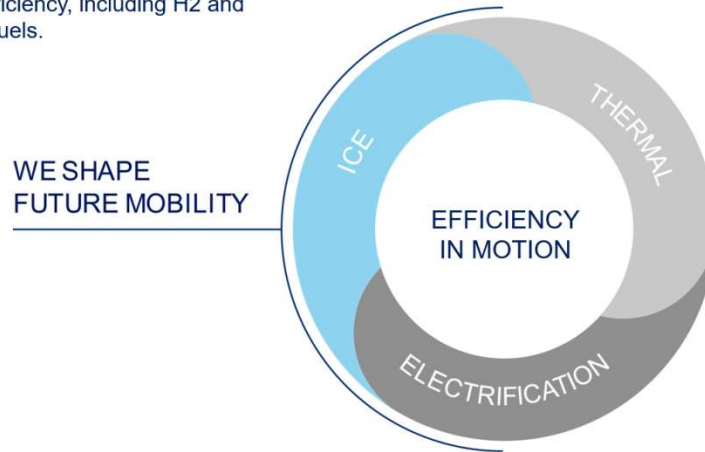
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This diagram shows two stylized vehicles with thermal management components. On the left, you can see a vehicle with an internal combustion engine and, on the right, an electric vehicle. It is quite clear that the thermal management requirements posed by electric vehicles are considerably more complex and diverse than those posed by an internal combustion engine. Electrification and thermal management are topics that are closely meshed. We are among the very few suppliers who offer excellent know-how in both areas. This way, we can help customers achieve better solutions for conventionally powered vehicles, hybrids and battery-electric vehicles.

New Corporate Strategy MAHLE 2030+

Cost Leadership Strategy

Improve efficiency, including H2 and non-fossil fuels.



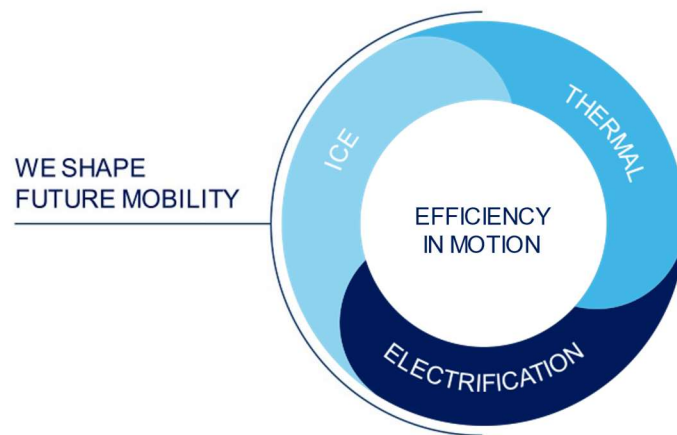
19 | MAHLE | Annual Press Conference | April 25, 2023

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Components for clean, efficient internal combustion engines will also remain important.

We will remain a reliable supplier for internal combustion engines. In this segment, MAHLE will drive efficiency improvements with highly advanced products and optimize its cost structures. Our customers appreciate our continued support for the internal combustion engine within the framework of our strategy. This way, we are currently winning additional market shares. We will continue to earn good profits in this area. This will be the prerequisite for a successful transformation.

We Need all Technologies to Achieve the Climate Goals



20 | MAHLE | Annual Press Conference | April 25, 2023

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Ladies and gentlemen,

There is one thing that I must say quite clearly: e-mobility is a given for MAHLE. Electrification and thermal management are crucial strategic areas for our group.

However, we will be unable to reach the climate protection goals with electrification alone. It is improbable that we will be able to operate all the vehicles in the world using eco-power. The internal combustion engine will also continue to play a role for many years to come. This is why we believe that we must use all the means available to decarbonize internal combustion engine vehicles as rapidly as possible. With climate-neutral fuels, green internal combustion engines are feasible.

This means that we also need to work on sustainable fuels such as e-fuels in addition to hydrogen – in Europe too. The latest decision in Brussels to allow the registration of new internal combustion engine vehicles after 2035 if they are powered using carbon-neutral fuels is a decision in favor of climate protection.

To reach the ambitious climate protection goals, we need innovative competition and not ideologically based restrictions on technology. The mobility requirements for people and goods are extremely diverse, which is why we should think in terms of diverse technologies for the future. A technology-neutral competition of ideas and concepts is the fastest, most highly promising way to achieve climate neutrality.

Ladies and gentlemen,

MAHLE has already embarked on its technological transformation.

2022 Innovations Shaping Future Mobility



Our SCT electric motor is definitely one of our innovation highlights from 2022. The Superior Continuous Torque or SCT electric motor resolves one of the dilemmas posed by electric motors: the wide gap between peak power and continuous power. The SCT

electric motor can deliver high power continuously – for high loads, uphill travel and dynamic driving.

Our Magnet-free Contactless Transmitter or MCT electric motor does not require any rare earth elements. This motor will make the world less dependent on scarce raw materials that give rise to geopolitical conflicts. The motor operates without any wear and is especially efficient at high rotation speeds. In the driving situations that occur most commonly, the efficiency of the drive system is in excess of 95 percent – a value that has only been achieved by formula E racing cars to date.

The response to these two innovative electric motors has been tremendous. Sample tests are under way with a number of customers.

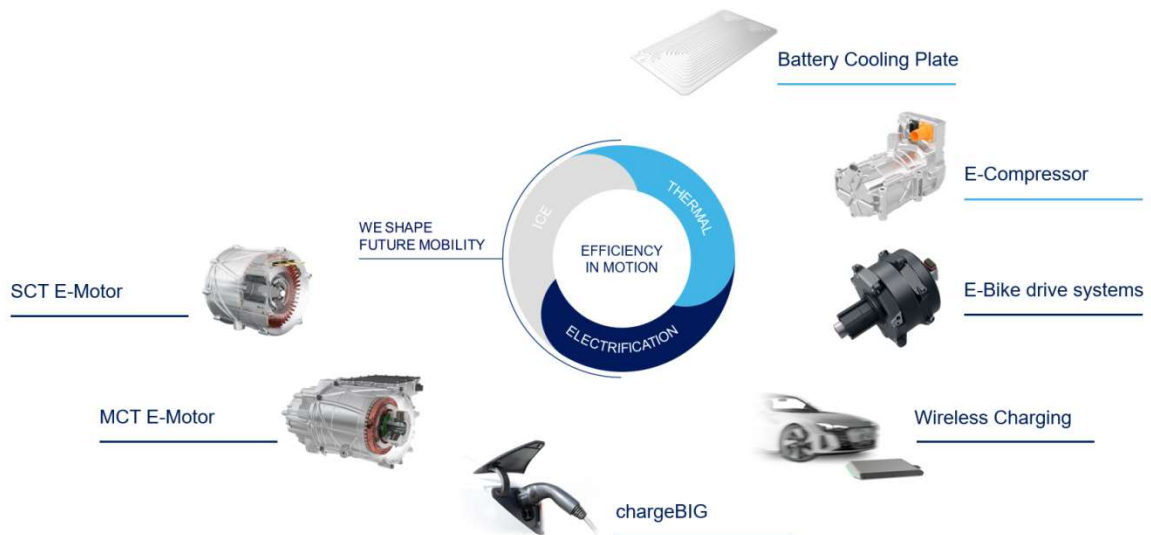
When people talk about electric cars, charging and charging infrastructure are among the main issues raised. The demand is simply enormous.

In MAHLE chargeBIG, we have a tried and tested charging solution available in the marketplace. It is suitable for two-thirds of all charging operations, whenever vehicles are parked for a longer period of time, at home, at the workplace, at the railway station or at the airport. We charge a vehicle as fast as necessary, not as fast as possible. That saves money for the investor and also reduces the strain on vehicle batteries.

We are also working on wireless charging, a solution that it is both convenient and highly promising for electric vehicles in our opinion. We are working in partnership with Siemens to develop the overall system consisting of infrastructure and vehicle technology together. We want to set standards for inductive charging systems.

In the space of a few years, MAHLE has established itself as a technology leader in the e-bike sector with super-lightweight drive systems. Our motors power the lightest production electric racing bike in the world, the lightest performance mountain bike and the lightest gravel bike. To date, almost 50 cycle manufacturers throughout the world have opted for drive components or complete systems from MAHLE Smartbike Systems. In 2023, about 280 models with our technology will be available on the market and the number is set to grow. By 2027, we expect annual sales to exceed €300 million.

2022 Innovations Shaping Future Mobility



21 | MAHLE | Annual Press Conference | April 25, 2023

The star in our thermal management portfolio and the key component of the air conditioning system is our electric compressor which we have successfully launched in the marketplace in a variety of different versions. This includes the most powerful electric air conditioning system compressor in the world, with a rating of up to 18 kW. Our electric compressors are bestsellers. To date, the total order volume has reached about €1.4 billion.

Our new battery cooling plate ensures that the lithium-ion batteries in electric and hybrid vehicles are operated in the optimum temperature range. The total order volume has now reached about €800 million.

As regards the design of innovative heat pump systems, MAHLE is one of the top global suppliers. Heat pumps are an essential component of electric vehicles with a view to reducing energy consumption and allowing the use of smaller, lower-cost batteries.

2022 Innovations Shaping Future Mobility



21 | MAHLE | Annual Press Conference | April 25, 2023

We are involved with MAHLE technologies in all the major fuel cell projects currently in progress in the automotive industry. One of our latest products is the flat membrane humidifier. This is a key component for the reliable operation of fuel cells.

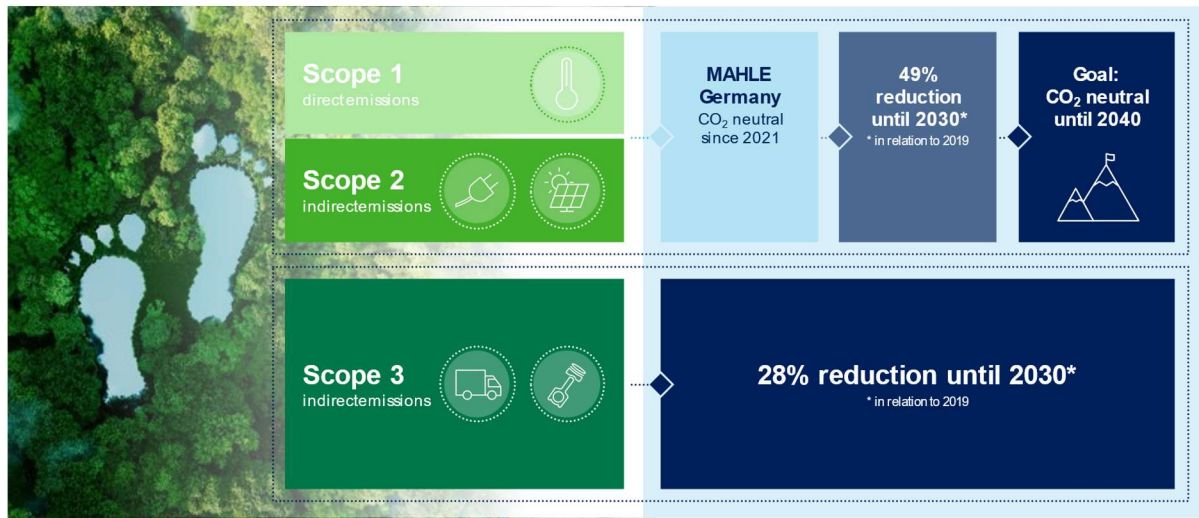
2022 Innovations Shaping Future Mobility



21 | MAHLE | Annual Press Conference | April 25, 2023

In addition to the fuel cell, the hydrogen engine has the potential for making many heavy-duty applications climate-neutral especially fast. MAHLE engine components ensure the highest possible levels of efficiency and operating safety combined with the lowest emissions and competitive cost. The first products will provide proof of these benefits in construction and agricultural machinery in the near future.

By 2040 MAHLE will be CO₂ Neutral in Production



22 | MAHLE | Annual Press Conference | April 25, 2023

Ladies and gentlemen,

As a prime mover of innovation, our mobility products help reduce the global carbon footprint. As a foundation company, sustainable action is part of our vision.

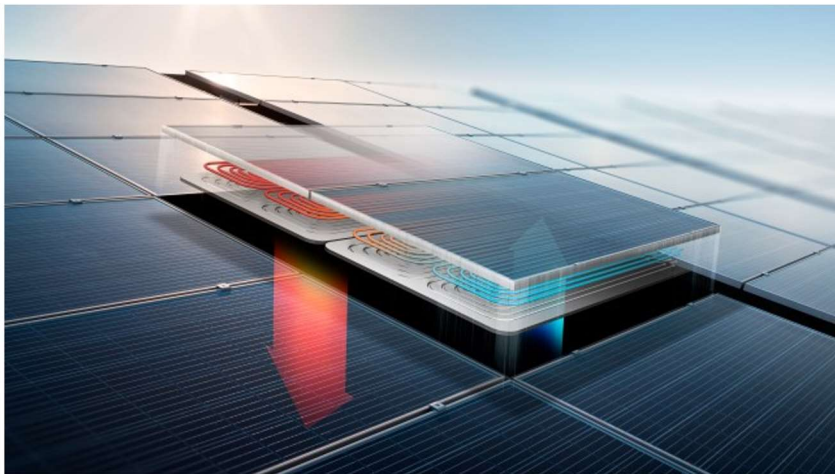
We are committed without reservation to the goals of the Paris Climate Agreement and have also set clear targets. By 2040, we intend to make our production facilities throughout the world carbon neutral. In Germany, we already reached this milestone at the end of 2021.

In this context, we also use eco-power from our own photovoltaic systems.

A group-wide energy-saving initiative aims for an annual improvement of at least 2% in energy efficiency.

MAHLE has also set ambitious targets for the reduction of emissions in the two major Scope 3 areas of the upstream value chain and downstream product utilization. In these areas, emissions are to be reduced by 28% by 2030, compared with 2019.

Sunmaxx PVT – Innovative Electricity and Heat Generation with Automotive Know-how



Maximum use of sunlight
and strong performance with
**over 80% solar
efficiency –**
powered by MAHLE

23 | MAHLE | Annual Press Conference | April 25, 2023

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Finally, I would like to present an example of how we combine our own decarbonization technologies with our CO₂ targets for production. Since 2022, we have been a venture capital investor and a technology partner of the Dresden start-up Sunmaxx PVT.

This clean-tech start-up develops photovoltaic-thermal systems that generate electricity and heat from solar energy. MAHLE supplies a key component of the systems, a cooling plate of the type which we also supply for vehicle production. With this technology, the overall energy yield is boosted to a possibly record-breaking 80%. This is a true breakthrough.

A first reference system for our plant at Vaihingen a.d. Enz is currently in the design stage. Our calculations indicate that this technology could supply a large part of the heat energy and almost three-quarters of the total energy required at this plant from our own sources. That will be a real achievement.

Clear Strategy for Future Growth



1 | MAHLE | Annual Press Conference | April 25, 2023

Ladies and gentlemen,

Let me sum up the main points again:

1. Following a significant improvement in the second half of 2022, we are staying focused in 2023 with a view to continuing our upturn, strongly boosting sales and significantly improving our operating result. Our order books are very well-filled. Our clear target for 2023 is a turnaround in terms of annual net profit.
2. Provisional figures indicate that the upward trend seen in the second half of the year has continued into the first quarter of this year. This shows that we are on the right track with our mix of innovative products for e-mobility and proven competence for internal combustion engines.
3. This year, we want to further strengthen our earnings power. We intend to be back on track for success by 2025.

4. Within the framework of our strategy MAHLE 2030+, we are focusing on electrification and thermal management as well as components for efficient, green internal combustion engines.

Ladies and gentlemen, MAHLE will grow with electrification. With a large number of innovative, highly efficient products for e-mobility. With our proven system competence in thermal management. And with the trust of our customers throughout the world.

Thank you very much for listening to me. Mr. Kapaun and I will now welcome your questions.