

# Press release

---

Stuttgart, April 16, 2024

## MAHLE turns the tide

- MAHLE achieves record sales of €12.8 billion in 2023
- Operating profit increased, group result is positive
- CEO Arnd Franz: “MAHLE has managed to reverse the trend. We are on the upswing. We are heading in the right direction!”
- Growing acquisition successes in e-mobility
- Strategy MAHLE 2030+ paying off
- Focus on core products in electrification, thermal management and sustainable combustion engines

**The automotive supplier MAHLE has reversed its business trend. Despite difficult global conditions and rising costs, the company closed the 2023 financial year with record sales and is back in the black. Sales increased organically – adjusted for exchange rate effects – by 8.2 percent to €12.8 billion. Operating profit (EBIT) rose from €60 million to €304 million. The group result was positive at €26 million. “2023 was an important year for MAHLE,” said Arnd Franz, Chairman of the Management Board and CEO, at the company’s annual press conference on Tuesday. “We have a strong market position in our core products and, thanks to our innovations in e-mobility, growing acquisition successes in this sector as well. We are on the upswing. Even though we have another highly volatile year ahead of us. We are heading in the right direction.” The reorientation of the group, as part of the strategy MAHLE 2030+ toward the three strategic areas of electrification, thermal management, and sustainable combustion engines, is paying off, Franz said. MAHLE has consistently worked on improving its earning power and adjusting its portfolio. Examples of this include the group’s divestiture of its 50 percent stake in the joint venture BHTC, and the sale of its original equipment business with thermostats.**

“We will continue along this path in 2024. The goal is to continuously improve our profitability through – for example – excellence initiatives in purchasing, production, sales, and administration,” said Markus Kapaun, member of the Management Board of the MAHLE Group and CFO.

All business units and world regions contributed to the growth in sales. In Europe and North America in particular, the business units primarily connected to the

internal combustion engine grew significantly. The sales of engine systems and components grew by 9.3 percent globally, adjusted for exchange rate effects, to €2.6 billion. The Filtration and Engine Peripherals business unit reported sales growth of 9.7 percent, adjusted for exchange rate effects, to €2.1 billion. The Aftermarket business unit also recorded impressive results. Its sales grew by 22 percent, adjusted for exchange rate effects, to €1.3 billion.

### **Electrification is MAHLE topic of the future**

MAHLE now generates over 60 percent of its sales from technologies and products not directly related to passenger car combustion engines. Accordingly, business units strongly associated with electrification grew sales: the Electronics and Mechatronics business unit increased its sales slightly to €1.4 billion, and the Thermal Management business unit grew by 4.1 percent to €4.6 billion, adjusted for exchange rate effects. Still, both business units felt that sales of battery-powered electric vehicles were not yet as robust as planned. MAHLE is positioning itself to meet increasing demand. To this end, the company continued to expand its product portfolio for electric vehicles in thermal management, and will manufacture new products such as air conditioning systems and battery cooling plates at its European locations.

“Electrification is the topic of the future. Our focus is on electric drives and intelligent charging. We are doing everything we can to make e-mobility more attractive and more affordable,” Franz said. With a new technology kit for electric motors, MAHLE offers drives for passenger cars and commercial vehicles that efficiently and consistently deliver high peak performance without requiring rare earths. Further, the new automated positioning system from MAHLE has been declared the global standard for wireless charging of electric vehicles. MAHLE also recently received two major orders for its new thermal management module, with an order volume totaling just under €1.5 billion. The modules combine a number of components for heating and cooling various systems in the vehicle. In addition to smaller installation spaces and drastically reduced assembly efforts and expenditures, the modular approach enables significantly more efficiency. This approach can increase the cruising range of an electric car by up to 20 percent, as well as markedly improving charging speed. In total, 2023 was a successful acquisition year, with new orders totaling a volume of more than €10.5 billion.

In financial year 2023, MAHLE research and development expenses increased to €673 million. This amounted to 5.3 percent of sales and resulted in 341 new patent applications, as well as 502 inventions. 70 percent of patent applications were related to electrification.

## Diversified group financing ensures flexibility and independence

The company's financing is on a solid and diversified basis. "In order to ensure financial flexibility and independence, we have broadly positioned group financing and continue to work on the diversification and management of maturities," said Kapaun. In February 2024, MAHLE signed a new syndicated loan agreement for €1.6 billion, thereby securing a future-oriented capital structure. The new syndicated loan prematurely replaces the previous loan due in 2025 and consists of a revolving ESG-compliant credit line of €1.2 billion as well as another loan for €400 million.

## Appropriate political and regulatory framework are vital

"As a foundation-owned company, social participation and respect for people and the environment form core MAHLE values. For this reason, like other companies, we require the right framework conditions," Franz said. This is why the European Parliament election in June will play a central role for MAHLE. In the next legislative period, MAHLE hopes for a strong industrial policy focused on competitiveness and location conditions. "We advocate a fact-based policy that does not rely on bans in technology, but rather on diversity," the CEO continued. Franz renewed his call for a multi-path strategy for drives, such as those Japan, China and North America are already pursuing. "We need responsible regulatory action that is aligned with reality – not only so firms can work in a future-proof and profitable way, but also so that the industry can play an active part in shaping the coming employment and social ramifications of the technological transformation."

MAHLE intensified its dialogue with employees and employee representatives in the 2023 financial year. For example, the company agreed with employee representatives on a future collective bargaining agreement to make the German locations competitive in the long term. The number of employees remained stable, at just under 72,500 worldwide in 2023.

## Key figures relative to the same period in the previous year

	2022	2023
<b>Sales</b> (in million euro)	12,434	<b>12,818</b>
<b>EBIT</b> (in million euro)	60	<b>304</b>
<b>EBIT margin</b> (in percent)	0.5	<b>2.4</b>
<b>Group result</b> (in million euro)	-332	<b>26</b>
<b>Equity</b> (in million euro)	1,677	<b>1,611</b>
<b>Employees</b> <sup>1</sup> (number)	71,947	<b>72,373</b>

<sup>1</sup> reference date: 12/31.

The 2023 Annual Report can be found on the MAHLE website at <https://annualreport.mahle.com/en>.

Editor's note: For this press release, you will find photo material and an accompanying audio statement at <https://newsroom.mahle.com/press/en>.

Copyright: MAHLE Group



Arnd Franz, Chairman of the Management Board of the MAHLE Group and CEO.



Markus Kapaun, Member of the Management Board of the MAHLE Group and CFO.



The MAHLE positioning system has become the global standard.



With the new technology kit for electric motors, MAHLE is combining the advantages of its benchmark products SCT and MCT for the first time.



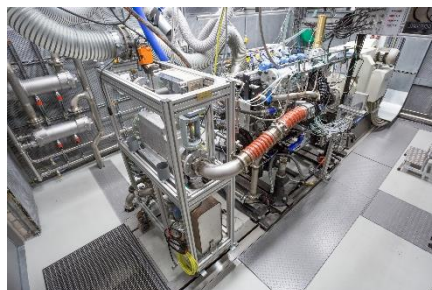
Nature as an example: With its new bionic cooling plate, MAHLE has achieved a leap in technology.



The MAHLE thermal management module enables up to 20 percent more cruising range, less installation space, and lower systems costs.



Battery diagnostic solution for electric vehicles: E-HEALTH Charge combines charging and diagnostics and provides reliable information about the "health" of the high-voltage battery.



At its hydrogen testing center in Stuttgart, MAHLE tests hydrogen engines and fuel cells.



MAHLE Powertrain operates a state-of-the-art development center for battery technologies in Stuttgart.

**Contact persons in MAHLE communications:**

Manuela Hoehne

Head of Corporate Communications & Marketing

Phone: +49 711 501-12506

E-Mail: manuela.hoehne@mahle.com

Ingo Schnaitmann

Head of Media Relations

Phone: +49 711 501-13185

E-Mail: ingo.schnaitmann@mahle.com

---

**About MAHLE**

MAHLE is a leading international development partner and supplier to the automotive industry with customers in both passenger car and commercial vehicle sectors. Founded in 1920, the technology group is working on the climate-neutral mobility of tomorrow, with a focus on the strategic areas of e-mobility and thermal management as well as further technology fields to reduce CO<sub>2</sub> emissions, such as fuel cells or highly efficient, clean combustion engines that also run on synthetic fuels or hydrogen. Today, one in every two vehicles globally is equipped with MAHLE components.

MAHLE generated sales of almost 13 billion euro in 2023. The company is represented with almost 72,500 employees at 148 production locations and 11 technology centers in 29 countries. (Last revised: 12/31/2023)

#weshapefuturemobility