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MAHLE launches cost reduction program

- Economic decline and transformation necessitate savings
- MAHLE anticipates decline in sales for 2019
- Package of measures to ensure sustainable development of the group

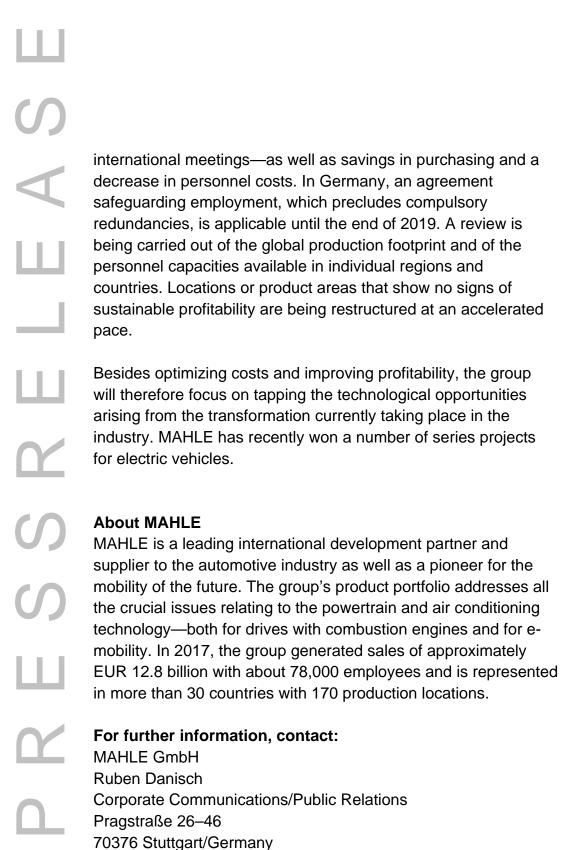
Stuttgart, March 25, 2019 – MAHLE responds to the deterioration in the general economic conditions with an internal cost reduction program. The high expenditure on the transformation, declining sales figures, and negative forecasts for the next few months due to ongoing market uncertainty have made these measures necessary. The objective is to ensure the sustainable development of the group.

Volatile markets, the flattening of economic growth curves, and a multitude of political imponderables, such as trade policy conflicts or the uncertainty surrounding Brexit, are causing the economic situation to deteriorate significantly. Together with the considerable expenditure involved in the technological transformation, regulatory requirements, and declining sales figures, particularly for diesel, this calls for immediate action. MAHLE has therefore launched an internal cost reduction program that supplements the programs already initiated at the start of 2018 to improve profitability.

"We need a strong profit situation to continue consistently transforming the MAHLE Group and remain a technology driver in our industry. The current conditions mean that we need to work even more intensively on our performance and structure," says Dr. Jörg Stratmann, Chairman of the Management Board and CEO of MAHLE.

The cost reduction measures include a general cut in general expenses—for example, for travel, trade fairs, events, and





Phone: +49 711 501-12199 ruben.danisch@mahle.com