

## MAHLE plans closure of its location in Öhringen

- High price pressure: location no longer competitive
- No new orders despite comprehensive countermeasures
- Closure in stages up to the end of 2020

Stuttgart/Germany, June 25, 2019 – MAHLE is planning the closure of its Öhringen location in Germany. All on-site operations will be closed in stages up to the end of 2020. The location currently has 240 employees manufacturing air management systems for combustion engines.

On account of its product portfolio, the location has already been under increasing price pressure for several years, particularly due to competition from best-cost locations. Plant structures have been continuously adapted for the deteriorating environment with numerous cutbacks at the location. “Unfortunately, we have now reached a point where the outlook for the plant is not sustainable,” states Wilhelm Emperhoff, Member of the Management Board of MAHLE responsible for the Filtration and Engine Peripherals business unit as well as the Mechatronics division.

The location’s cost structures do not allow for the acquisition of new projects, and most recently, even follow-up orders for existing products with low investment expenditure could no longer be placed in the market. MAHLE’s efforts to generate a sustainable outlook for the Öhringen location with new products and technologies have also proven unsuccessful. We were unable to win any new projects.

As a result of the high financial cost of transformation in the automotive industry, ongoing economic slowdown, and declining demand for diesel vehicles, MAHLE operates in a challenging competitive environment and is increasingly reliant on profitable and sustainable locations. “This is a tough decision for us, but it is

unavoidable given the prevailing situation and negative prospects for the Öhringen location,” states Emperhoff.

In the coming weeks, MAHLE will begin discussions with employee representatives with the aim of making the closure of the location as socially responsible as possible.

### **About MAHLE**

MAHLE is a leading international development partner and supplier to the automotive industry as well as a pioneer for the mobility of the future. The MAHLE Group is committed to making transportation more efficient, more environmentally friendly, and more comfortable by continuously optimizing the combustion engine, driving forward the use of alternative fuels, and laying the foundation for the worldwide introduction of e-mobility. The group’s product portfolio addresses all the crucial issues relating to the powertrain and air conditioning technology—both for drives with combustion engines and for e-mobility. MAHLE products are fitted in at least every second vehicle worldwide. Components and systems from MAHLE are also used off the road—in stationary applications, for mobile machinery, rail transport, as well as marine applications.

In 2018, the group generated sales of approximately EUR 12.6 billion with more than 79,000 employees and is represented in more than 30 countries with 160 production locations. At 16 major research and development centers in Germany, Great Britain, Luxembourg, Spain, Slovenia, the USA, Brazil, Japan, China, and India, more than 6,100 development engineers and technicians are working on innovative solutions for the mobility of the future.

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