2021
Half-Year Financial Information

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MAHLE can look back on a strong first half-year in 2021 despite difficult economic conditions—such as the global semiconductor shortage, scarcities of steel, aluminum, and copper, and, of course, the coronavirus pandemic, which remains a challenge.

MAHLE has performed well in this demanding environment and grown much faster than the market. In the first half of 2021, we achieved sales of EUR 5.7 billion. Adjusted for consolidation and currency effects, sales rose organically by around 36 percent in comparison with the same period of the previous year.

The operating result (EBIT) in the first half of 2021 amounted to EUR 201 million, after recording a decline in the same period of the previous year—also due to the coronavirus.

We are pleased to report a positive Group result in the first half-year, following the coronavirus-related net loss for the year recorded in the same period of the previous year. We have therefore managed to achieve a quick turnaround.

These positive developments are primarily due to increased volumes. This more than compensated for negative effects, such as increased material prices and more expedited freight for material procurement. In addition, higher productivity had a positive impact on the development of earnings compared with the previous year.

The positive figures also demonstrate that MAHLE has become more profitable and efficient overall. I would like to draw attention to two key aspects:

1. In spite of the challenging conditions, we were able to maintain supply for our customers at all times in the first half-year.

2. With the acquisition of the air conditioning business of former Keihin Corporation, we have further boosted our portfolio and, as a result, strengthened our position in the segment of air conditioning systems.

Overall, we are cautiously optimistic in assessing the first six months. However, they give no cause for euphoria: the economic conditions will remain difficult. This will also have an impact on MAHLE’s operational performance. In addition, we expect that the high volumes of our customers realized in the first half of the year will not be reached in the next 12 to 18 months. The market prospects are becoming gloomier in many places due to uncertainties. This will have a noticeable effect on our sales.

Nevertheless, we remain confident: we still believe that it is possible to close the year with sales growth and a positive result. However, this will require continued strict cost and cash discipline and further work on our cost-cutting programs. After all, it is important that we consistently expand and consolidate the initial successes of our technological and structural realignment.

We are moving ahead quickly and have our objective firmly in our sights: we want to further improve our efficiency and profitability while tirelessly building our Group’s innovative strength in order to successfully and energetically pursue MAHLE’s transformation.

Thank you for offering MAHLE your constructive support on this journey.

Michael Frick
Chairman of the Management Board (ad interim)/
Member of the Management Board Finance
MAHLE GmbH, Stuttgart
Consolidated Half-Year Financial Information 2021

Business Activities and Corporate Structure

MAHLE is a leading global development partner and supplier to the automotive industry. As a technology pioneer for the mobility of tomorrow, we aim to make transportation more efficient, more environmentally friendly, and more comfortable.

MAHLE products are fitted in millions of passenger cars and commercial vehicles. And that is not all: for decades, our components and systems have also been used off the road—in stationary applications as well as for mobile machinery, rail transport, and marine applications.

The MAHLE Group is divided into five business units: Engine Systems and Components, Filtration and Engine Peripherals, Thermal Management, Electronics and Mechatronics, and Aftermarket. Added to this are four profit centers, which serve specific market and customer segments, as well as central service businesses.

The nonprofit MAHLE Foundation controls 99.9 percent of the company’s shares; 0.1 percent of the shares are held by Verein zur Förderung und Beratung der MAHLE Gruppe e. V. (MABEG), which also holds all of the voting rights and thus exercises the shareholder rights. This structure ensures our entrepreneurial independence, which creates the basis for long-term planning and farsighted investment decisions.

Additional information on our business activities and corporate structure can be found in the Group management report for the 2020 business year.

General Information

The present consolidated half-year financial information of MAHLE GmbH is prepared in accordance with Sec. 290 et seq. of the German Commercial Code (HGB) and includes the following information:

- Consolidated Balance Sheet as at June 30, 2021
- Consolidated Income Statement from January 1 to June 30, 2021
- Consolidated Cash Flow Statement from January 1 to June 30, 2021
- Consolidated Statement of Changes in Equity from January 1 to June 30, 2021

This consolidated half-year financial information should be read in conjunction with the consolidated financial statements as of December 31, 2020 as it does not include all the pieces of information and disclosures that are required for the consolidated financial statements at the end of a fiscal year.

The consolidated half-year financial information as of June 30, 2021 was not subject to any audit or review.

The Group’s currency is the euro.

Consolidation Group

The consolidated half-year financial information includes MAHLE GmbH (parent company), headquartered in Stuttgart/Germany and registered with the district court in Stuttgart (commercial register number 638), as well as 24 domestic and 132 foreign subsidiaries. Furthermore, 13 companies were consolidated proportionately according to the percentage of shares, and six companies were valued according to the equity method.

During the business year 2021, MAHLE acquired the air conditioning business from the former Keihin Corporation (now Hitachi Astemo, Ltd.). In this context, the following companies were fully consolidated for the first time:

- MAHLE Behr Thermal Systems (Japan) Company Limited, Japan, as of February 1
- MAHLE Behr Thermal Systems (Thailand) Company Limited, Thailand, as of February 1
- MAHLE Behr Mt Sterling Inc., USA, as of February 1

One fully consolidated company was liquidated during the business year 2021.

In the business year, 13 companies were excluded from the consolidated financial statements due to immateriality. Two companies were not valued according to the equity method due to their immateriality.

Method of Consolidation and Currency Conversion

The method of consolidation and the currency conversion have not changed compared to the consolidated financial statements as of December 31, 2020.

Accounting and Valuation Principles

The accounting and valuation principles have not changed compared to the consolidated financial statements as of December 31, 2020.
### ASSETS

**A. Fixed assets**

1. **Intangible assets**
   - Purchased concessions, industrial and similar rights and assets, as well as licences in such rights and assets: 183,530
   - Goodwill: 219,762
   - Prepayments: 624
   - Total Intangible assets: 403,916

2. **Property, plant, and equipment**
   - Land, leasehold rights, and buildings including buildings on third-party land: 945,966
   - Technical equipment and machinery: 1,487,379
   - Other equipment, fixtures, and furniture: 144,495
   - Prepayments and assets under construction: 363,635
   - Total Property, plant, and equipment: 2,941,475

3. **Financial assets**
   - Shares in affiliated companies: 4,495
   - Shares in associated companies: 36,466
   - Equity investments: 5,686
   - Loans to companies in which participations are held: 90
   - Long-term securities: 15,784
   - Other loans: 27,753
   - Total Financial assets: 90,274

**B. Current assets**

1. **Inventories**
   - Raw materials, consumables, and supplies: 670,999
   - Work in process: 210,186
   - Finished goods and merchandise: 672,809
   - Prepayments: 27,753
   - Prepayments received: 90,274
   - Total Inventories: 1,476,010

2. **Receivables and other assets**
   - Trade receivables: 1,959,138
   - Receivables from affiliated companies: 1,219
   - Receivables from companies in which investments are held: 675
   - Other assets: 424,211
   - Total Receivables and other assets: 2,385,243

3. **Securities**
   - Bonds: 1,280,000
   - Liabilities to banks: 895,922
   - Payments received on account of orders: 9,962
   - Trade payables: 1,296,532
   - Liabilities on bills accepted and drawn: 58,693
   - Liabilities to affiliated companies: 722
   - Liabilities to companies in which investments are held: 2,616
   - Other liabilities: 301,964
   - Total Securities: 3,846,411

4. **Prepaid expenses**
   - 85,866

5. **Excess of plan assets over post-employment benefit liability**
   - 88,866

   **Total ASSETS**

### EQUITY AND LIABILITIES

**A. Equity**

1. **Subscribed capital**
   - 150,000

2. **Capital reserves**
   - 166,430

3. **Revenue reserves**
   - 1,811,748

4. **Equity impact from currency translation**
   - (225,075)

5. **Consolidated unappropriated retained earnings**
   - 0

6. **Consolidated retained profit brought forward**
   - 139

7. **Consolidated half-year net income/loss attributable to the parent company**
   - 218,861

8. **Non-controlling interests**
   - 218,981

**B. Badwill**

- 113,490

**C. Accruals**

1. Accruals for pensions and similar obligations: 766,615
2. Accruals for taxes: 79,193
3. Other accruals: 1,840,440

**D. Liabilities**

1. **Bonds**
   - 1,280,000

2. **Liabilities to banks**
   - 895,922

3. **Payments received on account of orders**
   - 9,962

4. **Trade payables**
   - 1,296,532

5. **Liabilities on bills accepted and drawn**
   - 58,693

6. **Liabilities to affiliated companies**
   - 722

7. **Liabilities to companies in which investments are held**
   - 2,616

8. **Other liabilities**
   - 301,964

**Deferred income**

- 53,631

**E. Deferred income**

- 53,631

**Consolidated Balance Sheet**

**as at June 30, 2021, in EUR '000**

### BASICS

- **Balance Sheet**
- **Income Statement**
- **Cash Flow Statement**
- **Statement of Changes in Equity**

### MAHLE

Half-Year Financial Information 2021
## Consolidated Income Statement

from January 1 to June 30, 2021, in EUR '000

<table>
<thead>
<tr>
<th></th>
<th>2021 - unaudited-</th>
<th>2020 - unaudited-</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sales</td>
<td>5,661,215</td>
<td>4,277,931</td>
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<tr>
<td>2. Cost of Sales</td>
<td>-4,660,680</td>
<td>-3,688,169</td>
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<tr>
<td>3. Gross profit on sales</td>
<td>1,000,535</td>
<td>589,762</td>
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<tr>
<td>4. Selling expenses</td>
<td>-283,975</td>
<td>-253,896</td>
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<td>5. General administrative expenses</td>
<td>-242,509</td>
<td>-251,085</td>
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<tr>
<td>6. Research and development expenses</td>
<td>-327,588</td>
<td>-312,987</td>
</tr>
<tr>
<td>7. Other operating income</td>
<td>193,801</td>
<td>324,439</td>
</tr>
<tr>
<td></td>
<td>thereof from currency translation: 74,513 (prev. yr.: 146,027)</td>
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</tr>
<tr>
<td>8. Other operating expenses</td>
<td>-125,956</td>
<td>-250,739</td>
</tr>
<tr>
<td></td>
<td>thereof from currency translation: -69,667 (prev. yr.: -171,287)</td>
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<tr>
<td></td>
<td>thereof from currency translation: -786,227</td>
<td>-744,268</td>
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<tr>
<td></td>
<td></td>
<td></td>
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<td>9. Investment income</td>
<td>37</td>
<td>3</td>
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<td>10. Income from other securities and long-term loans</td>
<td>16</td>
<td>34</td>
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<tr>
<td>11. Result from associated companies</td>
<td>531</td>
<td>-943</td>
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<tr>
<td>12. Other interest and similar income</td>
<td>9,024</td>
<td>4,965</td>
</tr>
<tr>
<td></td>
<td>thereof from affiliated companies: 35 (prev. yr.: 4)</td>
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<tr>
<td></td>
<td>thereof negative interest income: 402 (prev. yr.: 0)</td>
<td></td>
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<tr>
<td>13. Impairment of financial assets and of securities</td>
<td>-1,178</td>
<td>-4,316</td>
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<tr>
<td>14. Interest and similar expenses</td>
<td>-84,831</td>
<td>-78,127</td>
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<td></td>
<td>thereof from currency translation: 74,513 (prev. yr.: 146,027)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>thereof from currency translation: -69,667 (prev. yr.: -171,287)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>thereof from currency translation: -786,227</td>
<td>-744,268</td>
</tr>
<tr>
<td>15. Result from business activities</td>
<td>137,907</td>
<td>-232,890</td>
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<td>16. Taxes on income</td>
<td>-67,728</td>
<td>-45,906</td>
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<tr>
<td></td>
<td>thereof income from deferred income taxes: 22,920 (prev. yr.: -13,215 expense)</td>
<td></td>
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<td>17. Result after taxes</td>
<td>70,179</td>
<td>-278,796</td>
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<tr>
<td>18. Consolidated half-year net income / net loss</td>
<td>54,882</td>
<td>-292,784</td>
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<tr>
<td>19. Profit applicable to non-controlling interests</td>
<td>-34,172</td>
<td>-25,207</td>
</tr>
<tr>
<td>20. Loss applicable to non-controlling interests</td>
<td>33,098</td>
<td>64,725</td>
</tr>
<tr>
<td>21. Consolidated half-year net income/loss attributable to the parent company</td>
<td>53,808</td>
<td>-253,266</td>
</tr>
</tbody>
</table>
Consolidated Cash Flow Statement from January 1 to June 30, 2021, in EUR '000

1. Cash flows from operating activities
   - Profit for the period (consolidated half-year net income including profit and loss applicable to non-controlling interests) 54,882
   - +/- Depreciation, amortization, and write-downs of fixed assets / reversals of write-downs of fixed assets 304,640
   - +/- Increase / decrease in provisions 116,855
   - +/- Other non-cash expenses / income -16,143
   - +/- Increase / decrease in inventories, trade receivables, and other assets not related to investing or financing activities -321,764
   - +/- Increase / decrease in trade payables and other liabilities not related to investing or financing activities 5,381
   - +/- Gain / loss on disposal of fixed assets -667
   - +/- Interest expense / interest income 73,201
   - Other investment income -569
   - +/- Expenditure / income of exceptional size and incidence -1,221
   - +/- Interest payments / receipts related to interest other than for the provision of capital 121
   - +/- Income tax expense / income 90,648
   - Cash payments relating to expenditure of exceptional size and incidence -37,284
   - +/- Income taxes paid -87,999
   - 180,081

2. Cash flows from investing activities
   - Proceeds from disposal of tangible fixed assets 4,375
   - Payments to acquire tangible fixed assets -125,131
   - Proceeds from disposal of long-term financial assets 2,326
   - Payments to acquire long-term financial assets -1,160
   - Payments to acquire entities included in the basis of consolidation 9,003
   - Cash receipts from the investment of cash funds for short-term cash management 11,138
   - Cash payments for the investment of cash funds for short-term cash management -8,529
   - Interest received 3,455
   - Dividends received 304
   - -108,923

3. Cash flows from financing activities
   - Proceeds from the issuance of bonds and from borrowings 814,468
   - Cash repayments of bonds and borrowings -402,398
   - Proceeds from grants / subsidies received 3,807
   - Interest payment due to leasing agreements -10
   - Interest paid -43,442
   - Dividends paid to shareholders of the parent entity -3,300
   - Dividends paid to minority shareholders -10,125
   - 359,000

4. Cash funds at end of period
   - Net change in cash funds (subtotals 1 - 3) 430,158
   - +/- Effect on cash funds of exchange rate movements and remeasurements -15,835
   - +/- Effect on cash funds of changes in the basis of consolidation -1,647
   - Cash funds at beginning of period 763,842
   - Cash-in-hand, bank balances, and checks 870,580
   - Cash funds at beginning of period 1,176,518
   - +/- Bank balances with an initial term of more than 3 months -4,622
   - Liabilities to banks with an initial term of less than 3 months -102,116
   - Cash funds at beginning of period 763,842
   - thereof from quota-consolidated entities 20,425
   - Cash-in-hand, bank balances, and checks 1,256,300
   - Bank balances with an initial term of more than 3 months -7,788
   - Liabilities to banks with an initial term of less than 3 months -71,994
   - Cash funds at end of period 1,176,518
   - thereof from quota-consolidated entities 17,676

The short-term liabilities which were netted against cash balances contained EUR 47,920k that were related to short-term liabilities based on a committed credit line with a remaining tenor of more than one year.

Cash funds amounting to EUR 2,511k that are restricted on disposal are included.
## Consolidated Statement of Changes in Equity

from January 1 to June 30, 2021, in EUR '000

### MAHLE

#### Half-Year Financial Information 2021

<table>
<thead>
<tr>
<th>PARENT COMPANY</th>
<th>Subscribed capital</th>
<th>Capital reserves</th>
<th>Revenue reserves</th>
<th>Equity impact from currency translation</th>
<th>Consolidated unappropriated retained earnings</th>
<th>Consolidated retained profit brought forward</th>
<th>Consolidated half-year net income/loss attributable to the parent company</th>
<th>Total</th>
<th>Non-controlling interests</th>
<th>Consolidated equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at December 31, 2019</strong></td>
<td>150,000</td>
<td>166,430</td>
<td>2,184,852</td>
<td>-138,147</td>
<td>5,510</td>
<td>0</td>
<td>0</td>
<td>2,366,645</td>
<td>373,805</td>
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<td>Capital increase</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>75</td>
<td>75</td>
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<tr>
<td>Dividend distribution</td>
<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-5,340</td>
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<td>-5,340</td>
<td>-2,189</td>
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<tr>
<td>Currency translation</td>
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<td>-92,246</td>
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<td>-92,246</td>
<td>-22,644</td>
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<tr>
<td>Other items</td>
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<td>7</td>
<td>-246</td>
<td>-170</td>
<td>170</td>
<td>0</td>
<td>-239</td>
<td>-31,991</td>
<td>-32,230</td>
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<tr>
<td>Changes in the consolidation group</td>
<td>0</td>
<td>0</td>
<td>-226</td>
<td>226</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-388</td>
<td>-388</td>
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<tr>
<td>Consolidated half-year net loss</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-253,266</td>
<td>-253,266</td>
<td>-292,784</td>
</tr>
<tr>
<td><strong>As at June 30, 2020 - unaudited</strong></td>
<td>150,000</td>
<td>166,430</td>
<td>2,184,833</td>
<td>-230,413</td>
<td>0</td>
<td>170</td>
<td>-253,266</td>
<td>2,017,554</td>
<td>277,150</td>
<td>2,294,704</td>
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<td>166,430</td>
<td>1,811,451</td>
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<td>3,439</td>
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<td>0</td>
<td>1,852,483</td>
<td>236,188</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>-3,300</td>
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<td>Other items</td>
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<td>Changes in the consolidation group</td>
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<td>295</td>
<td>-295</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>-16</td>
<td>-16</td>
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<tr>
<td>Consolidated half-year net income</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>53,808</td>
<td>53,808</td>
<td>1,074</td>
<td>54,882</td>
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<tr>
<td><strong>As at June 30, 2021 - unaudited</strong></td>
<td>150,000</td>
<td>166,430</td>
<td>1,811,748</td>
<td>-225,075</td>
<td>0</td>
<td>139</td>
<td>53,808</td>
<td>1,957,050</td>
<td>218,981</td>
<td>2,176,031</td>
</tr>
</tbody>
</table>

1 Including effects from hyperinflation adjustments for the country Argentina in accordance with GAS 25