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**Market development dominated by global economic downturn due to COVID-19**

**YTD Jan-Jun Production of Passenger Cars and Light Commercial Vehicles [in mn pcs.]**

<table>
<thead>
<tr>
<th>Region</th>
<th>Actual H1 2020</th>
<th>% Change 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>World market</td>
<td>30.1</td>
<td>-33.2 %</td>
</tr>
<tr>
<td>Europe</td>
<td>6.8</td>
<td>-39.7 %</td>
</tr>
<tr>
<td>North America</td>
<td>5.1</td>
<td>-39.9 %</td>
</tr>
<tr>
<td>South America</td>
<td>0.8</td>
<td>-51.0 %</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>16.7</td>
<td>-26.3 %</td>
</tr>
<tr>
<td>Middle East / Africa</td>
<td>0.7</td>
<td>-28.3 %</td>
</tr>
</tbody>
</table>

**YTD Jan-Jun Production of Medium and Heavy Duty Vehicles and Buses (>6t) [in tsd pcs.]**

<table>
<thead>
<tr>
<th>Region</th>
<th>Actual H1 2020</th>
<th>% Change 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>World market (incl. Middle East/Africa)</td>
<td>1,420.0</td>
<td>-29.3 %</td>
</tr>
<tr>
<td>Europe</td>
<td>211.3</td>
<td>-38.3 %</td>
</tr>
<tr>
<td>North America</td>
<td>181.9</td>
<td>-48.0 %</td>
</tr>
<tr>
<td>South America</td>
<td>40.8</td>
<td>-35.8 %</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>986.2</td>
<td>-21.2 %</td>
</tr>
</tbody>
</table>

1 Comparison Actual H1 2020 with Actual H1 2019

Source: Data provided by IHS Markit Copyright © 2020, Light Vehicles up to 6t, LV Production Aug. 2020 and MHD Production Aug. 2020
Half Year sales impacted by pandemic-related production shutdown

Sales (EUR mn)

Jan – Jun 2019: 6,164

-52 (-0.8%)

Exchange rate effects

+25 (+0.4%)

M&A

-1,860 (-30.2%)

Organic

Jan – Jun 2020: 4,278

-30.6%
Two Covid-19 scenarios

**Scenario 1**
(U-type shape recovery)

- Growth rate resumes at lower levels ...

**Assumptions**

- 5 Week Shutdown
- Moderate production recovery 2020 from May to December
- Moderate Consumer confidence recovery expected early 2021
- Market still below Budget in 2021, recovery from 2022 onwards

**Scenario 2**
(Deep U, skewed towards L shape recovery)

- Growth rate resumes at much lower levels ...

**Assumptions**

- 8 Week Shutdown
- Only poor production recovery 2020, starting late May and slow ramp up to Dec.
- Late Consumer confidence revival expected earliest H2 2021
- Prolonged slower growth rates in 2021 & beyond
MAHLE Group sales development shows a significant recovery after the shutdown of production plants.

Current forecasts show a recovery to 90% of Budget levels.
MAHLE Group – Key financials H1 2020

- **Sales**: €4,278mn
- **R&D ratio**: 7.3%
- **EBITDA margin**: 3.8%
- **Net income**: €-292.8mn
- **Equity ratio**: 29.7%
- **Net debt/EBITDA**: 2.8x

- Sales suffered from collapse in global demand
- EBITDA margin primarily effected by lower sales volumes
- R&D ratio increasing as a percentage of sales but in absolute figures declining
Operational improvements predominated by COVID-effect on shrinking sales

Decrease in EBITDA & Net Income due to

- Lower sales

Positive effects:

- Personnel costs
- Productivity
- Factory performance
Due to the significant sales decrease, MAHLE KPIs outside of internal thresholds

- Deterioration in equity ratio limited by a balance sheet contraction. Nevertheless ratio falls below internal threshold

- Net debt/ EBITDA strongly influenced by weak sales after COVID-19 shutdown and significantly above internal threshold

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**Equity (EUR mn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity</th>
<th>Equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,632</td>
<td>32.1%</td>
</tr>
<tr>
<td>2018</td>
<td>3,014</td>
<td>36.4%</td>
</tr>
<tr>
<td>2019</td>
<td>2,743</td>
<td>32.7%</td>
</tr>
<tr>
<td>H1 2019</td>
<td>2,920</td>
<td>34.7%</td>
</tr>
<tr>
<td>H1 2020</td>
<td>2,295</td>
<td>29.7%</td>
</tr>
</tbody>
</table>

**Net debt* (EUR mn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt</th>
<th>Net debt / EBITDA**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,156</td>
<td>1.2</td>
</tr>
<tr>
<td>2018</td>
<td>1,137</td>
<td>1.0</td>
</tr>
<tr>
<td>2019</td>
<td>1,340</td>
<td>1.9</td>
</tr>
<tr>
<td>H1 2019</td>
<td>1,293</td>
<td>1.6</td>
</tr>
<tr>
<td>H1 2020</td>
<td>1,393</td>
<td>2.8</td>
</tr>
</tbody>
</table>

* Net debt = liabilities to banks + bonds – cash in hand, bank balances and checks

** EBITDA for H1 calculated on the basis of trailing 12 months EBITDA
Clear step towards preserving cash by reducing outflows for Capex

**Cash flow development H1 2020 (EUR mn)**

- **Cash funds at the beginning of the period**: 429
- **Cash flow from operating activities**: +171
- **Cash flow from investing activities**: -181
- **Cash flow from financing activities**: -78
- **FX and consolidation effects**: -16
- **Cash funds at the end of the period**: 326

- Reduced operating cash flow mainly attributable to lower sales
- Investing cash flow for property & equipment significantly reduced to EUR 161mn
- M&A cash flow includes payment for additional 5% in MAHLE Behr and the remaining 50% in BHS
- Cash flow from financing activities reflects Schuldschein repayment in May 2020
Liquid Funds development within the two COVID-19 scenarios

Liquid Funds Balance MAHLE Group (EUR mn)
Additional syndicated loan facility to secure financial flexibility

### New MAHLE Group Revolving Credit Facility

<table>
<thead>
<tr>
<th>Lender</th>
<th>Consortium of relationship banks of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility</td>
<td>Revolving Credit Facility</td>
</tr>
<tr>
<td>Facility Amount</td>
<td>EUR 500mn</td>
</tr>
<tr>
<td>Tenor</td>
<td>3 years</td>
</tr>
</tbody>
</table>

- New RCF is a Bridge Facility and will be repaid in the course of new bond issuances
- Tenor of 3 years covers bond maturities in 2021 and 2022
- Additional liquidity buffer to maintain comfortable liquidity headroom
Maturity profile with new syndicated loan facility as additional liquidity cushion

- MAHLE has recourse to a RCF amounting to EUR 1.8 bn with maturity of 5+1+1 years
- In June 2020 MAHLE added a second RCF of EUR 0.5 bn to cover liquidity needs arising through COVID-19

Data as of June 30th, 2020

- Bonds (830 mEUR)
- SSD (716 mEUR)
- Other bank liabilities (433 mEUR)
Investor Relations contacts

Ralph Josephs
Vice President Corporate Finance

Florian Ulrich
Head of Group Financing and Investor Relations

investor.relations@mahle.com
http://www.mahle.com
Thank you for your attention
Q & A