



Investor Update Call – 2020 Half-Year Results | September 7, 2020
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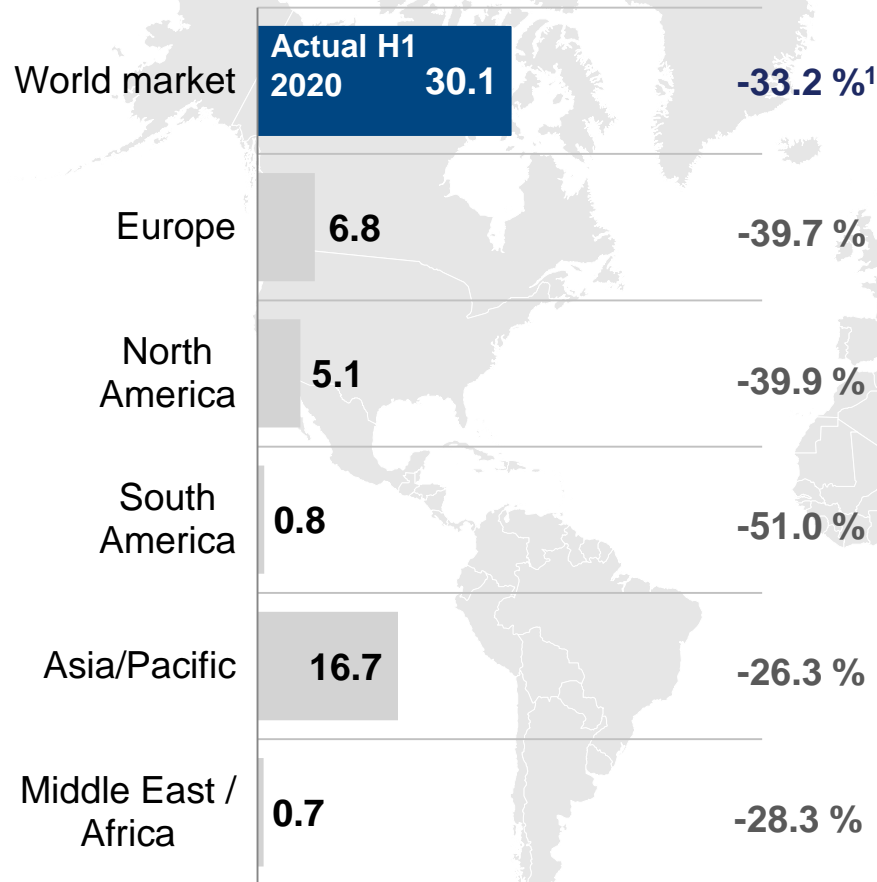
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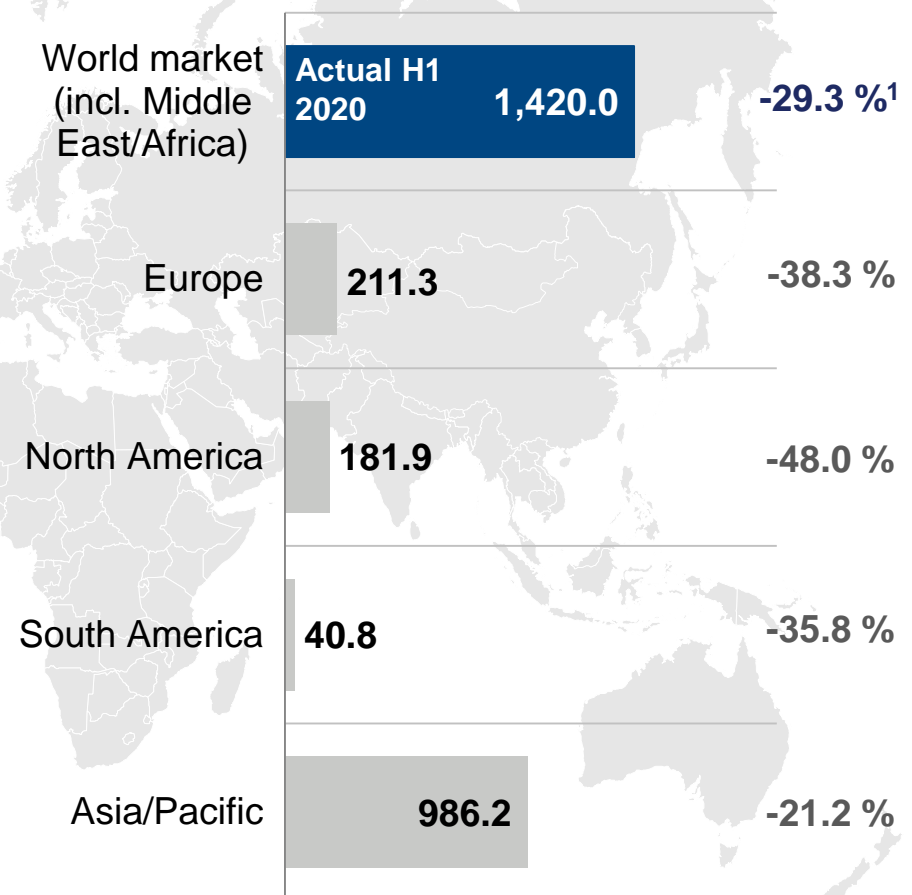
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Market development dominated by global economic downturn due to COVID-19

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



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

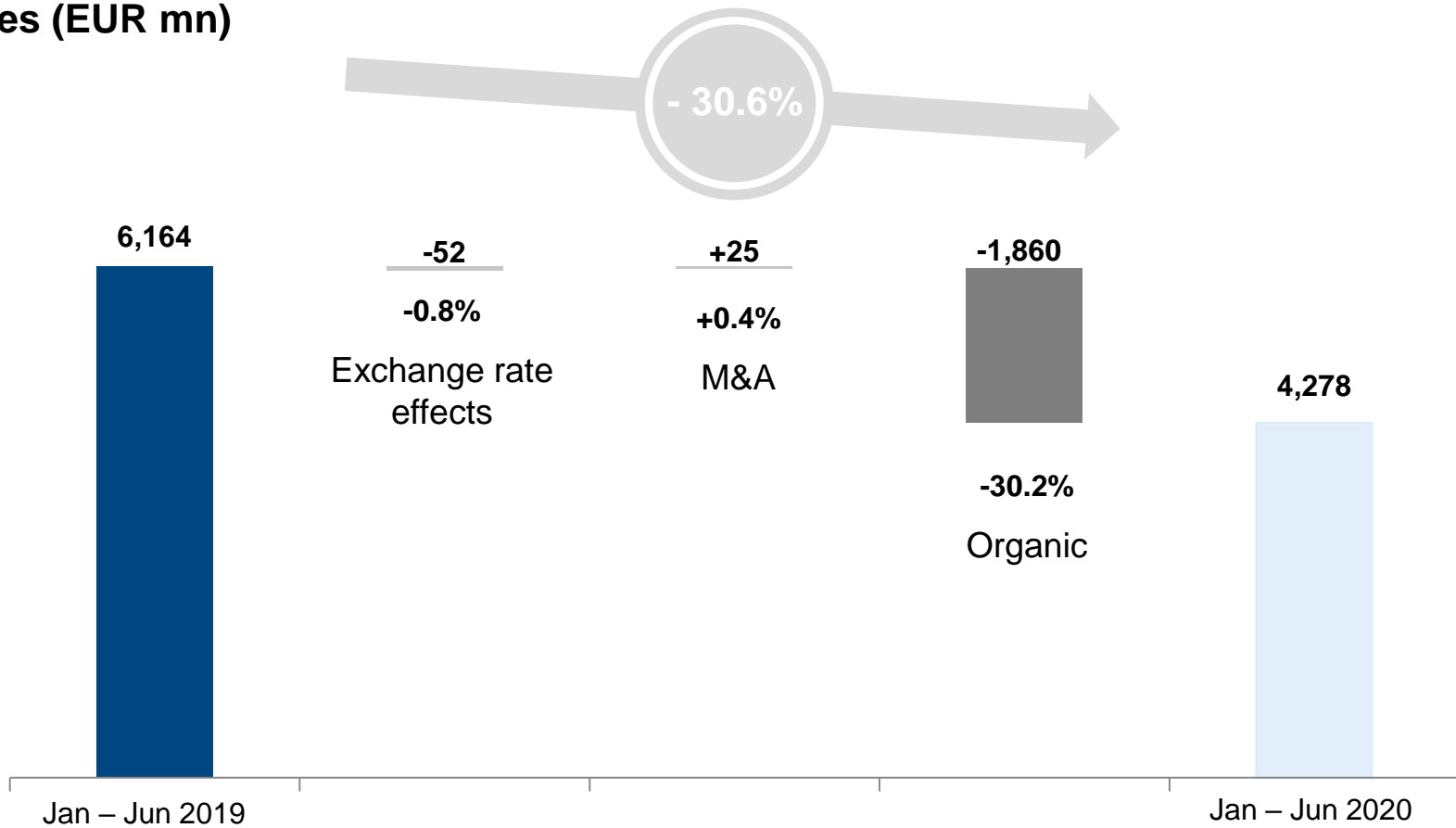


¹ Comparison Actual H1 2020 with Actual H1 2019

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)



Two Covid-19 scenarios

Scenario 1 (U-type shape recovery)

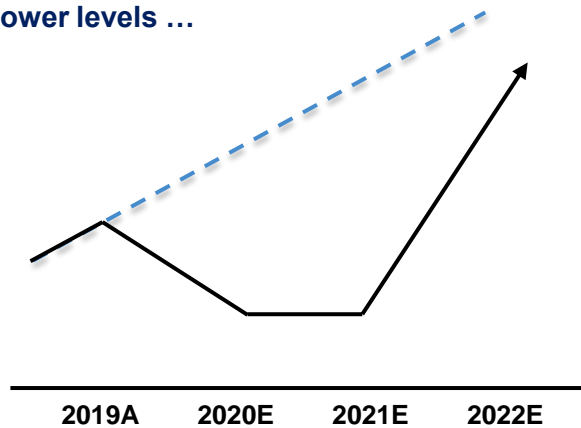
Scenario 2 (Deep U, skewed towards L shape recovery)

SCENARIO

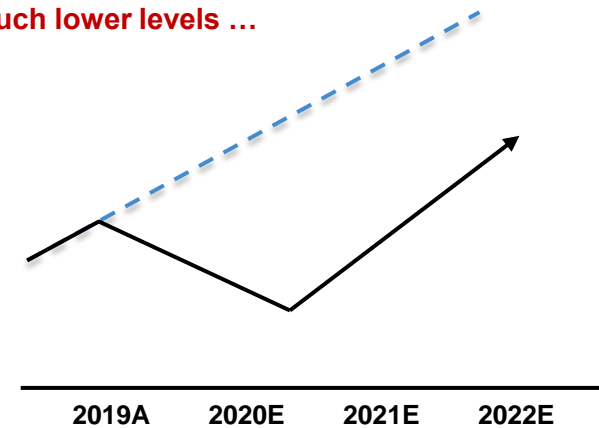
--- Original Outlook

→ Possible outlook

Growth rate resumes at lower levels ...



Growth rate resumes at much lower levels ...

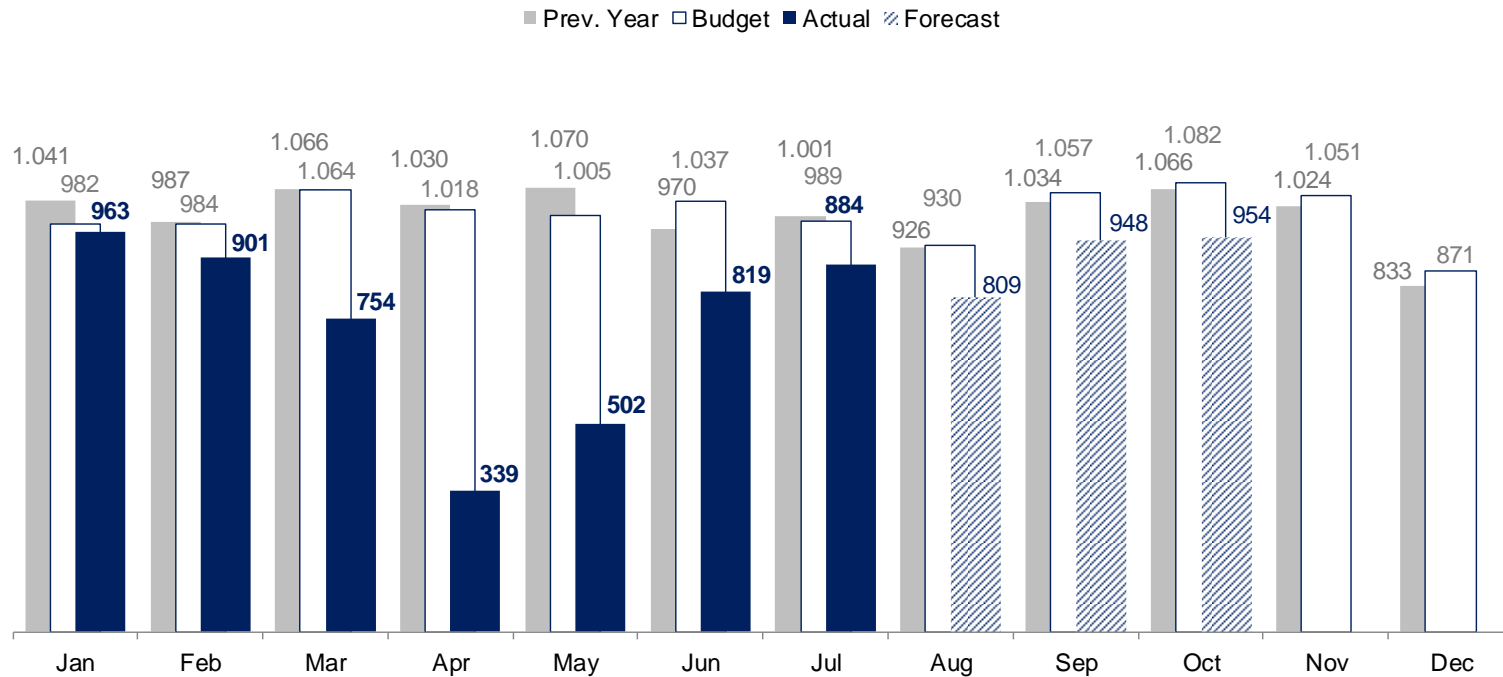


ASSUMPTIONS

- 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

- 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

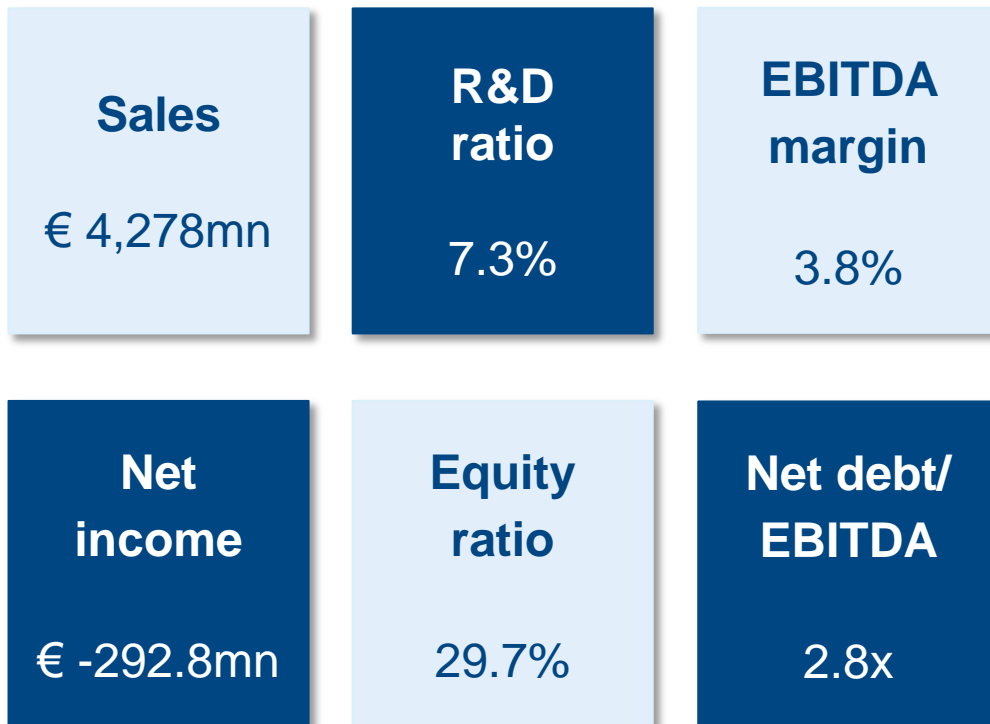
MAHLE Group sales development shows a significant recovery after the shutdown of production plants



▶ Current forecasts show a recovery to 90% of Budget levels

COVID-19 and shutdown of production facilities impacted sales and profitability

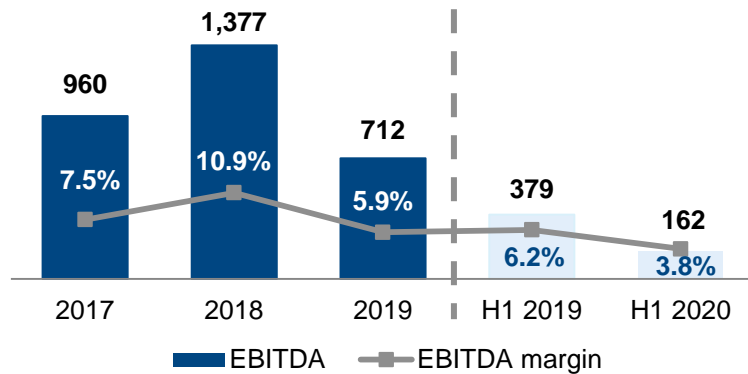
MAHLE Group – Key financials H1 2020



- 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

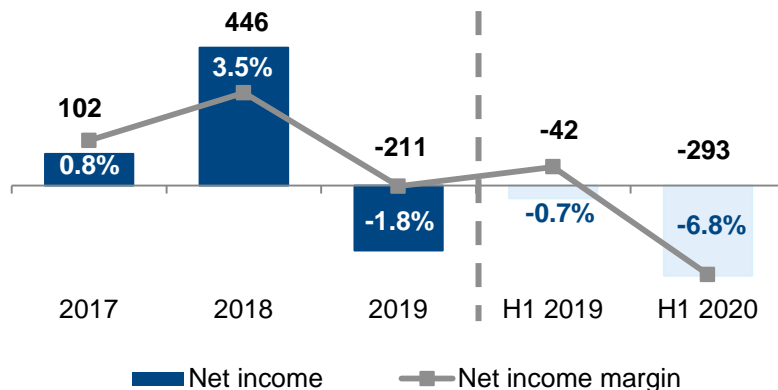
Operational improvements predominated by COVID-effect on shrinking sales

EBITDA (EUR mn)



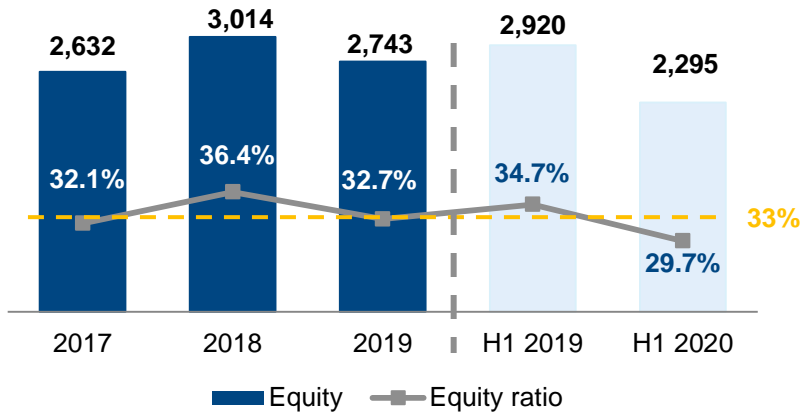
- Decrease in EBITDA & Net Income due to
 - Lower sales
- Positive effects:
 - Personnel costs
 - Productivity
 - Factory performance

Net income (EUR mn)



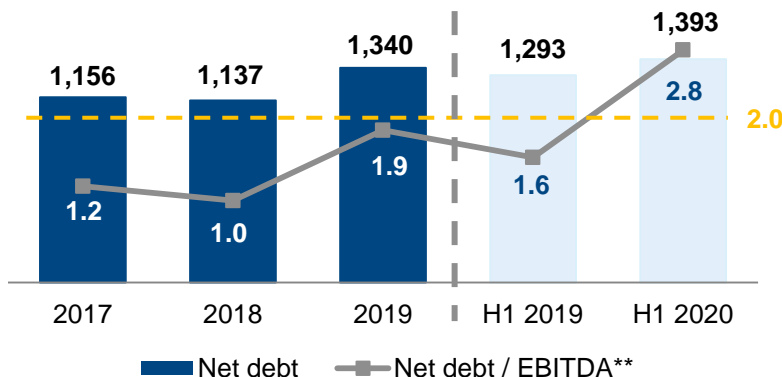
Due to the significant sales decrease, MAHLE KPIs outside of internal thresholds

Equity (EUR mn)



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

Net debt* (EUR mn)

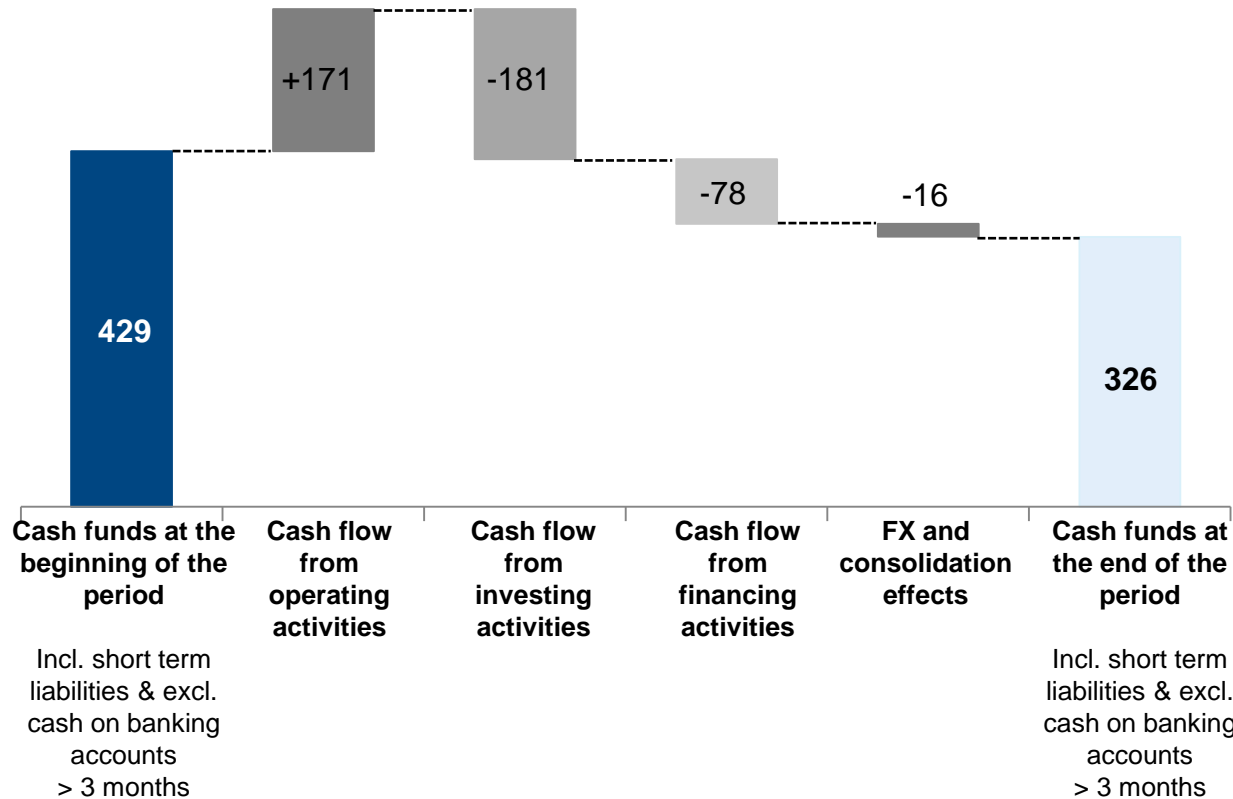


- Net debt/ EBITDA strongly influenced by weak sales after COVID-19 shutdown and significantly above internal threshold

* 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

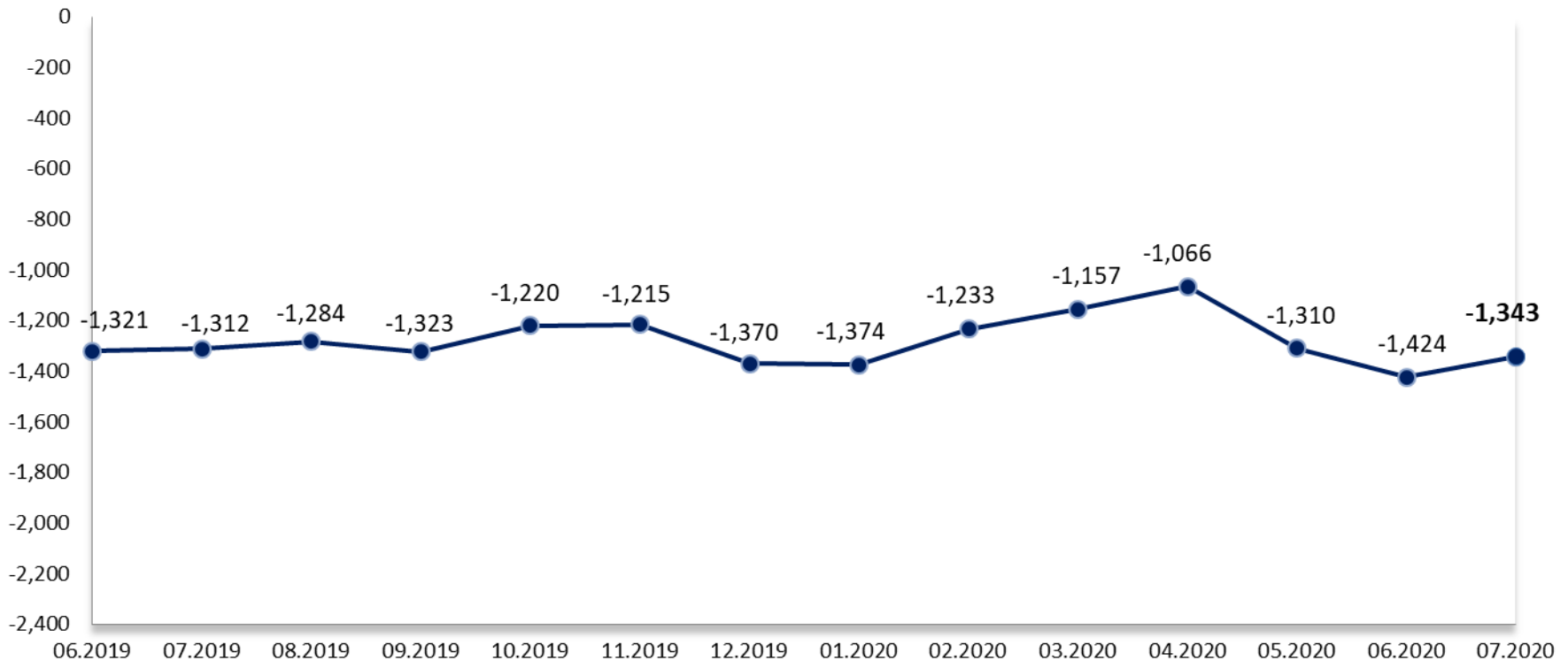
Cash flow development H1 2020 (EUR mn)



- 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)



Liquid Funds ~ Net Debt

Additional syndicated loan facility to secure financial flexibility

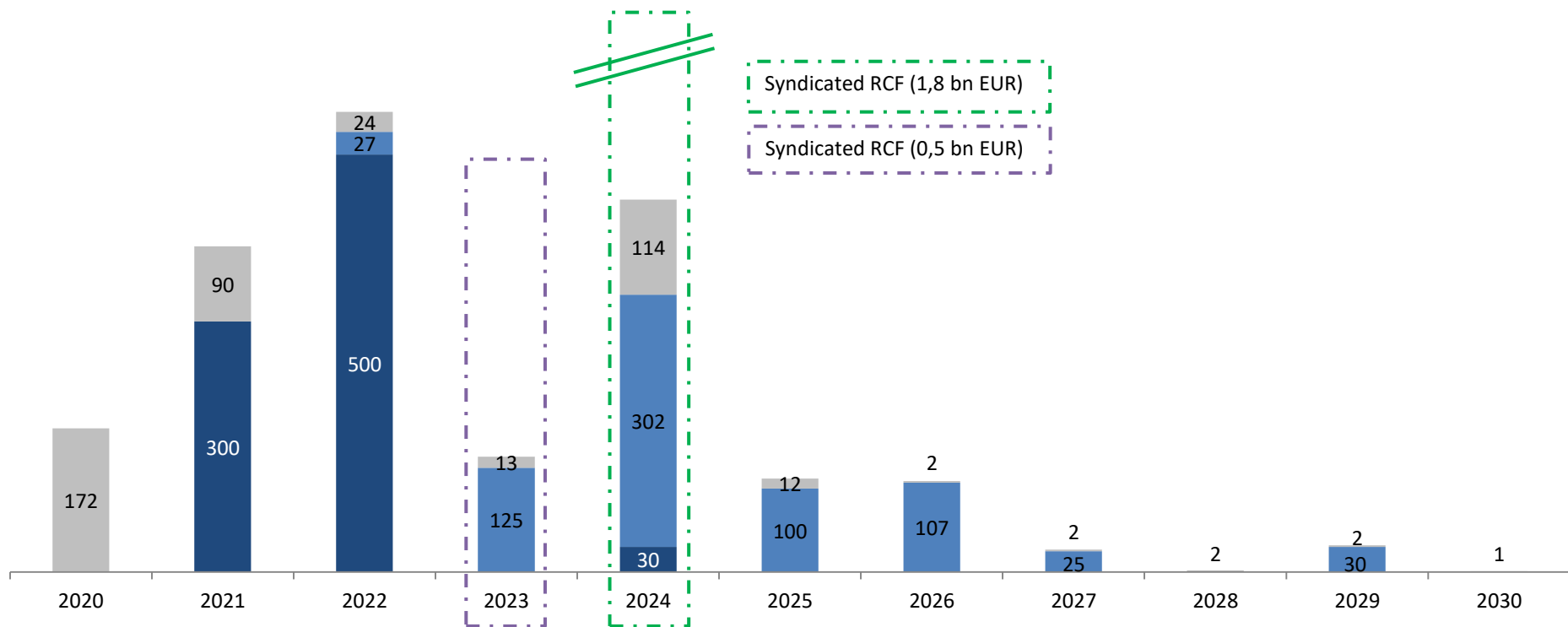
New MAHLE Group Revolving Credit Facility

Lender	Consortium of relationship banks of the company
Facility	Revolving Credit Facility
Facility Amount	EUR 500mn
Tenor	3 years

- 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)

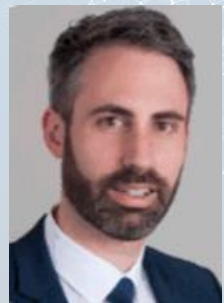
■ Other bank liabilities (433 mEUR)

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Thank you for your attention
Q & A