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Gaining Traction

Annual Press Conference 2025

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Statements:

Arnd Franz

Chairman of the MAHLE Management Board and CEO

Markus Kapaun

Member of the MAHLE Management Board and CFO

Arnd Franz

Ladies and gentlemen,

I am also very pleased to welcome you here today.



Almost precisely a year ago today, I said that 2024 would once again be a challenging year. We knew that demand would remain volatile and weak in an environment characterized by continuing geopolitical tensions and economic obstacles. Our expectations were therefore very subdued.

However, the fall in sales of more than €1 billion compared with our record figure for 2023 was even worse than we had expected. This drastic slump in sales was mainly due to weak markets especially in Europe and North America, certain key customers seeing falling sales resulting in lower order volumes for MAHLE products, slower growth in China and the continuing sluggish demand for electric vehicles outside China.

The conditions for our efforts to further strengthen our company were therefore very poor. However, I would like to start with the good news; we have nevertheless made progress with key goals of our group strategy MAHLE 2030+.

2024 Sees Progress in 2030 Strategy Goals



Thanks to hard work, we were able to hold our ground in business operations and once again closed 2024 with a positive result. Despite the drastic slump in sales, we even succeeded in slightly increasing our profitability to a sales margin of 3.6 percent. Under these conditions, this is a good result, although it means that we still have a considerable amount of work ahead of us if we are to reach our strategic target of 7 percent.

There were two main reasons for the improvement: first, we continued with the consolidation of our portfolio. We sold our OEM business with thermostats and our share in the Behr-Hella Thermomotors (BHTC) joint venture.

Second: we have done our homework with respect to operations. We consistently forged ahead with our process and efficiency improvements, strengthened our cost discipline and optimized our sales and administration structures. We reviewed and adapted our production network. We sold property we no longer needed and adjusted the number of our employees to our lower sales figure. In addition, we decided and embarked on the fundamental reorganization of our group.

Despite the adverse conditions, we reduced our debt. Thanks to successful refinancing, we placed our group financing on a new footing. MAHLE therefore has a stable financing structure and a balanced financing portfolio. This means that we have the financial power to consistently continue the course we have engaged on. Our liquidity is ensured and the financial markets trust us.

Our innovative power remains unbroken. Our products in the strategy areas of electrification, thermal management and clean, efficient internal combustion engines are in demand. We earn 80 percent of our sales in business with automobile manufacturers with products where we are among the top three suppliers in the marketplace.

In 2024, we once again cooperated closely with our business partners to compensate for the additional costs arising in the supply chain through external factors and to at least partially absorb fluctuations in orders. I would like to thank all our customers and partners for their trusting and constructive cooperation. We all agree that we can only master the challenges we currently face together.

We also achieved key successes with our sustainability strategy. For the first time, MAHLE reached the “A list” of the independent organization CDP - Carbon Disclosure Project. Thanks to the consistent reduction of carbon dioxide emissions in production, the upstream supply chain and the utilization phase of our products, we are among the best companies in the automotive industry. With the 47 percent reduction we have currently reached compared with the base year of 2019, we are well on track to achieve our goal of a 49 percent reduction in Scope 1 and 2 CO₂ emissions by 2030.

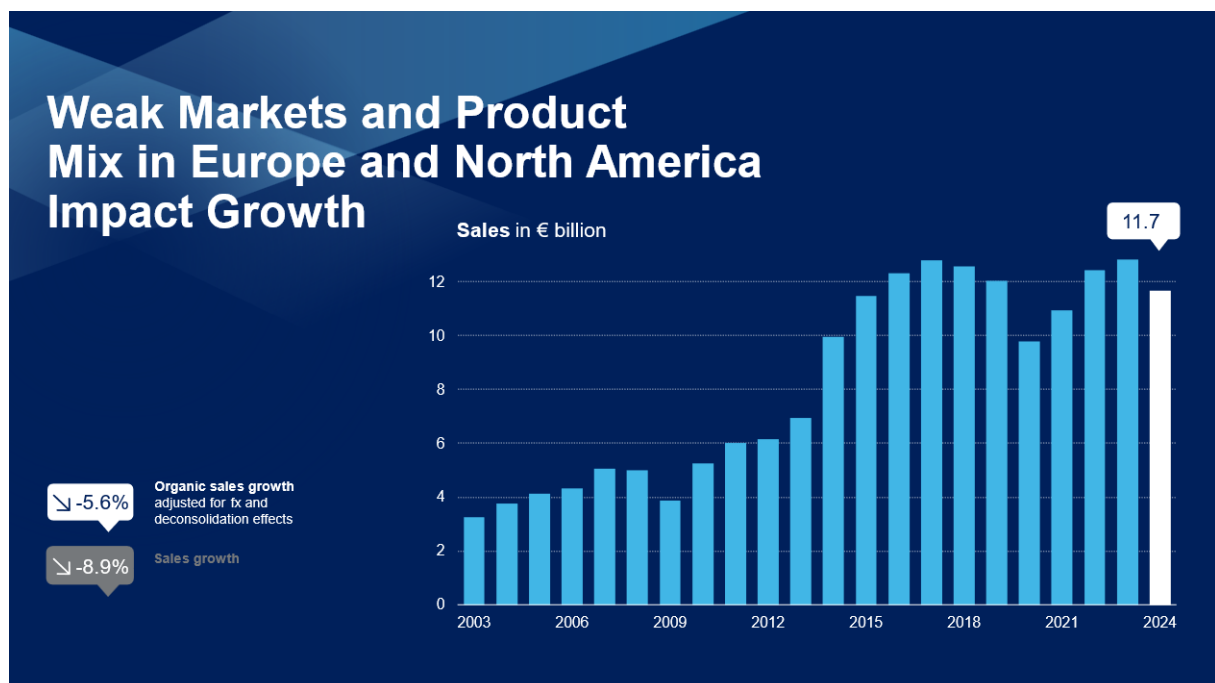
Ladies and gentlemen, although external conditions are reducing or delaying the effects of many of these measures, we can clearly state that we are heading in the right direction. Our MAHLE 2030+ strategy is gaining traction. MAHLE stayed on course. Our transformation is gathering pace.

I would like to thank the entire MAHLE team most sincerely for their high level of dedication and these achievements which were due to intensive, concentrated work in all areas of the company. May I also thank our Supervisory Board and our shareholders, the MAHLE Foundation and MABEG, for their support.

Before I deal with some topics in more detail and come to the challenges we face in the current financial year, our CFO Markus Kapaun will now present the key figures for the 2024 financial year.

[Markus Kapaun]

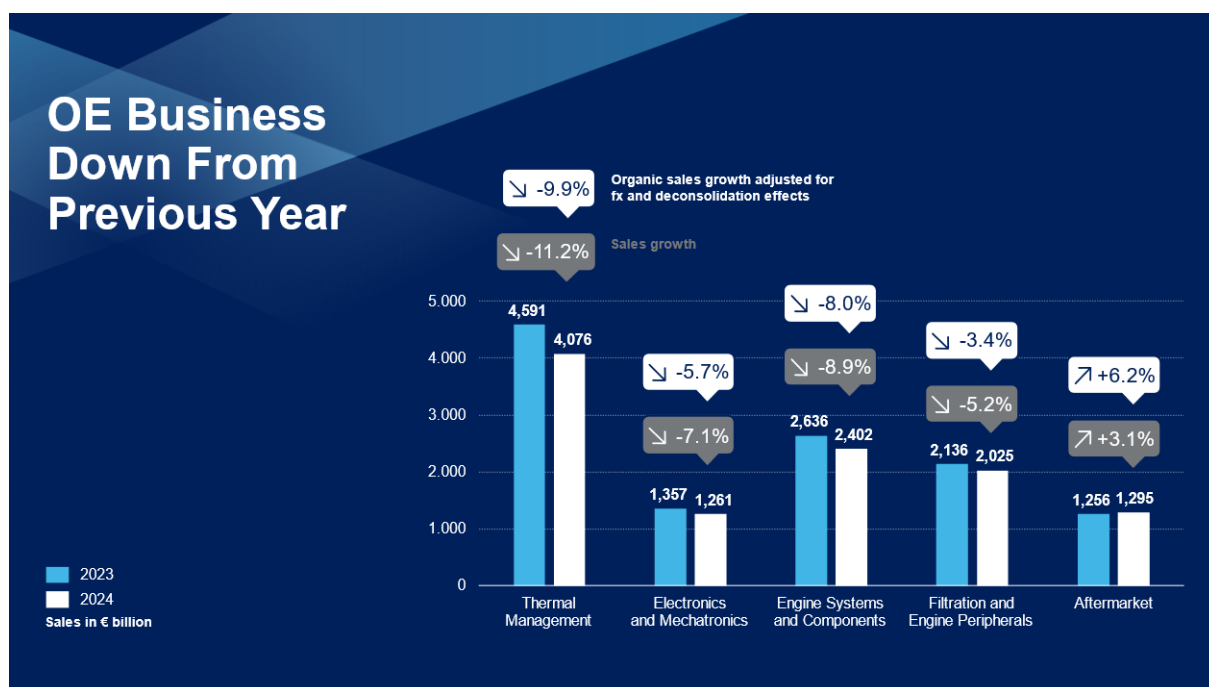
Thank you, Arnd Franz.



2024 was characterized by a challenging market environment and falling volumes. In addition, the continued delay in the ramp-up of e-mobility adversely impacted the development of our sales.

Following the record sales figure of €12.8 billion in 2023, the MAHLE Group closed the 2024 financial year with sales of €11.7 billion. After eliminating deconsolidation effects and

negative exchange rate effects totaling €-415 million, the organic fall in sales was 5.6 percent.



Weak markets had a negative impact on OEM business throughout the MAHLE Group. All four business units recorded lower sales - here, the stronger exchange rate of the euro against many other currencies also had an effect. In Thermal Management, we achieved sales of €4.1 billion, adjusted for negative exchange rate effects as well as the effects of the sale of our thermostats product group, this corresponded to an organic fall in sales of 9.9 percent. Without adjustment, the decline was 11.2 percent compared with the previous year.

Sales in the Electronics and Mechatronics Business Unit amounted to €1.3 billion, 5.7 percent lower than the prior-year figure adjusted for exchange rate effects. Without adjustment, the figure was 7.1 percent lower. This fall concerned the mechatronics segment and was largely the result of the poor development of e-mobility in the vehicle and e-bike sectors. In the electronics segment, we were able to slightly increase our sales figure despite very lower customer orders.

There was also a decline in classical internal combustion engine business. We achieved sales of €2.4 billion in the Engine Systems and Components Business Unit, 8.0 percent below the prior-year figure adjusted for exchange rate effects and 8.9 percent without adjustment. Our Filtration and Engine Peripherals Business Unit reported sales of about €2.0 billion, corresponding to a fall of 3.4 percent compared with 2023 or 5.2 percent without adjustment.

Only the Aftermarket Business Unit recorded growth in sales. The sales figure of €1.3 billion represents a 6.2 percent increase on the prior-year figure adjusted for exchange rate effects and 3.1 percent without adjustment. This rise was mainly due to organic growth of over 10 percent in the Asia/Pacific region.

Well Balanced Sales and Workforce Across Regions



We are near to our customers throughout the world, develop innovations in a targeted way on the basis of the requirements posed by the relevant markets and produce almost solely on a regional basis, in other words where customers need our products. Our sales are therefore distributed evenly between our core markets in Europe, North and South America, and Asia/Pacific.

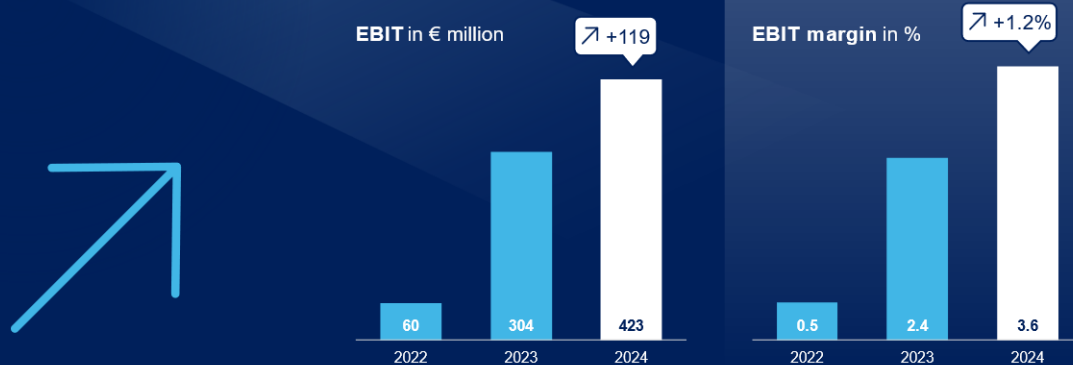
In the year under review, our sales fell in all regions with the exception of South America. The development of sales was adversely impacted by negative exchange rate effects in all regions, especially in South America and Asia/Pacific.

As at year-end 2024, MAHLE employed 67,708 people throughout the world. Our workforce was reduced by a total of 4,665 employees, or 6.4 percent, as a result of adverse sales developments in almost all business units, especially in Engine Systems and Components as well as in Thermal Management.

The main reasons for this reduction were the sale of our shares in the Behr-Hella Thermocontrol (BHTC) Joint Venture, representing about 1,300 employees, and the sale of the thermostats product group, with almost 500 employees.

Let us now take a look at our result.

Higher Efficiency and Excellence Lead to Improved Operational Performance

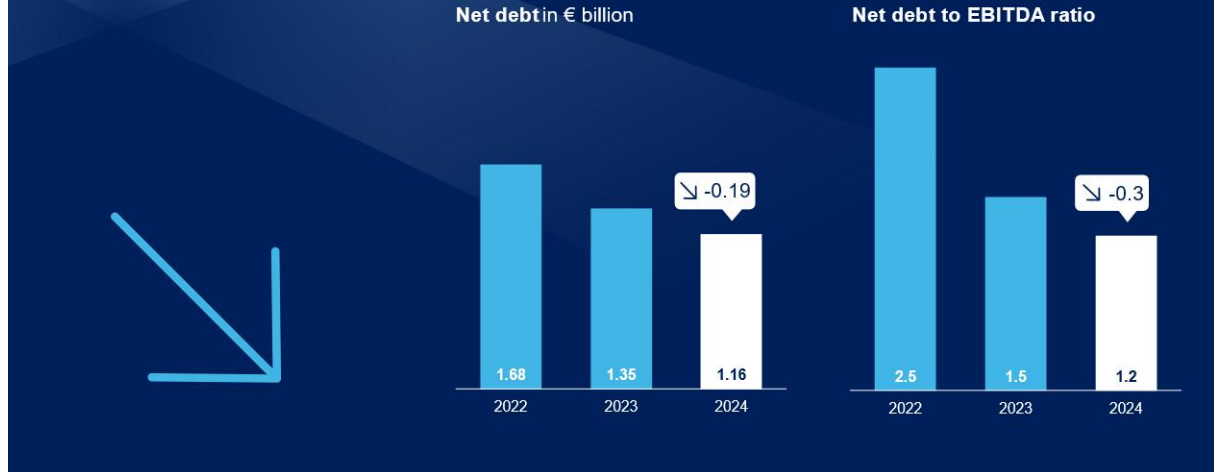


In 2024, our earnings situation was severely impaired by the significant fall in sales. Higher personnel expenses in the wake of pay increases and inflation also had an adverse impact on our result. To counteract these effects, we intensified measures to improve our profitability within the framework of our “Back on Track 2025” profitability and liquidity improvement program. We achieved significant improvements in productivity in almost all areas.

Among other things as a result of the sales of shares in companies, we were able to significantly increase our earnings before interest and tax (EBIT) compared with the previous year. EBIT rose from €304 million to €423 million and we therefore achieved our forecast of a significant improvement in EBIT. Our EBIT margin rose from 2.4 percent in 2023 to 3.6 percent in 2024, a gratifying development.

On the bottom line, also as a result of increased tax burdens in Germany, Brazil, Mexico and China, we recorded net profit of only €22 million, €4 million lower than the figure for 2023. Our target had been higher. However, the fact that we were able to maintain our position in this way despite adverse external effects and the massive fall in sales is a success and the result of sustained hard work.

Significantly Reduced Net Debt



We worked consistently to further reduce our net debt, which fell by €186 million. Our debt ratio, i.e. the ratio of net financial debt to EBITDA, improved from 1.5 to 1.2. This is a solid value.

The significant reduction is largely due to cash inflow from the sale of our shares in the BHTC joint venture and our improved operating result.

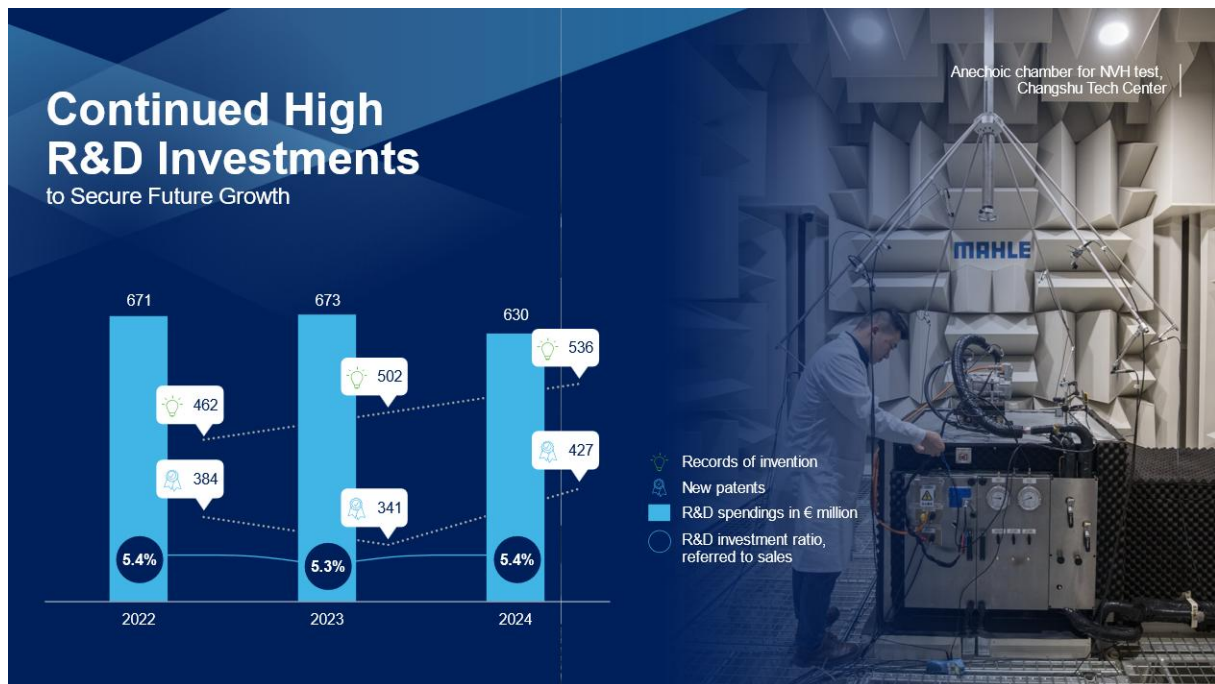
For the first time in five years, our equity ratio once again moved in the right direction – upwards. We were able to improve the figure to 20.1 percent. This is still far below our target and underlines the fact that we still have a lot to do.

Against the backdrop of our generally conservative liquidity management policy, we were able to make optimum use of the financing possibilities offered by the banking and capital market sectors and to put them to good use at an early stage. In February 2024, we concluded a syndicated loan agreement covering an amount of €1.2 billion to replace the previous syndicated loan which would have been repayable in 2025. We also issued a bond in the amount of €500 million to lay the foundation for the further optimization, diversification and sustained safeguarding of our long-term financing structure. Cash inflow from the corporate bond was used for the repayment of financial debt which was due and for general corporate purposes.

In December 2024, MAHLE applied for an extension of the syndicated loan agreement by one year to 2028. This extension was granted with the approval of all lenders in January 2025. The extension gives us security and stability for the next few years and bears witness to the trust placed by the capital market in our strategy. This positive response in a troubled economic and geopolitical environment is a clear signal that we are doing the right thing. We are on track to regain our old strength.

The message is therefore that we are moving forward and MAHLE is solidly positioned.

With that I hand you back to Arnd Franz.



[Arnd Franz]

Thank you, Markus Kapaun.

Ladies and gentlemen, MAHLE is a technology group. Our innovative strength is part of our DNA. In the 2024 financial year, MAHLE invested €630 million in research and development. Our R&D investment ratio, referred to sales, was slightly higher than in 2023, at 5.4 percent.

In the year under review, MAHLE recorded 536 inventions and filed 427 new patent applications. These figures were higher than in 2023 and highlight the innovative strength of our team and our determination to shape the mobility of the future. About 70 percent of patent applications concerned electrification.

In line with our strategy MAHLE 2030+, we focused in 2024 on the development of technologies in our future-oriented areas of electrification, thermal management and efficient, sustainable internal combustion engines. MAHLE stands for technological diversity with a view to achieving rapid, effective decarbonization of the mobility sector using all the levers at our disposal. We are firmly convinced that the use of renewable fuels such as hydrogen, synthetic fuels or biofuels will ensure that the internal combustion engine must and will make a key contribution to climate protection. This potential should not be underestimated and should not be ignored in view of the fact that internal combustion engines will remain relevant for decades to come in a global context.

At the same time, we are focusing our entire innovative power on products for electrification and thermal management, which will be extremely important for electrification.

MAHLE Innovations are Driving Sustainable Mobility



This was also the case in 2024. One highlight was the new bionic high-performance fan. This was modeled on the example of the feathers of an owl. The noise-reducing effect is so strong that fuel cell and battery electric vehicles are only about half as loud as vehicles with conventional fans during battery charging or at full load. Another innovation premiered in 2024 was our new evaporative cooling system. This is so effective that fan operation can be reduced, saving energy which can then boost the propulsion power and range of an electrified truck.

For the first time, we also showed how our Superior Continuous Torque electric motor with liquid management can be integrated in a fully electrified drive axle for trucks. Thanks to the unique continuous performance and high efficiency of the system, a 35-ton fuel cell truck with this technology could reach the highest point of the Brenner pass, driving from Innsbruck towards Bolzano, about three and a half minutes faster than a diesel truck.

MAHLE also has appropriate solutions for climate-compatible internal combustion engines. Our new Power Cell Unit ensures robust, reliable operation of internal combustion engines using hydrogen or methanol fuel.

In the passenger car sector, we launched a development partnership with Valeo, among other things to develop an innovative magnet-free electric axle. MAHLE is contributing its expertise in the area of magnet-free rotors to this partnership.

In the spare parts and service area, we reinforced our position as a global full-service provider especially by adding products for diagnostic and maintenance services for electric vehicles. For example, E-HEALTH Charge can assess the health of a high-voltage battery in only a few minutes. You will be able to see this for yourselves here today.

And these are only a few examples.

Acquisition Success With New Mobility Products



Our order books are a clear confirmation that our customers appreciate our innovative ideas. In the 2024 financial year, MAHLE received new orders with a total volume of over €10 billion – across all three strategic areas, all powertrain types and all vehicle classes.

The order with a total amount of €1.2 billion for our thermal management module, the largest in the history of the company, is especially worthy of mention. However, the MAHLE battery cooling systems and electric compressors also convinced our customers and order volumes here were over €1 billion.


In addition to vehicle solutions, we also marketed a new, innovative cooling module for fast truck charging stations to a leading European manufacturer. This product may also be used in fast charging stations for passenger cars as well as in marine applications and rail systems.

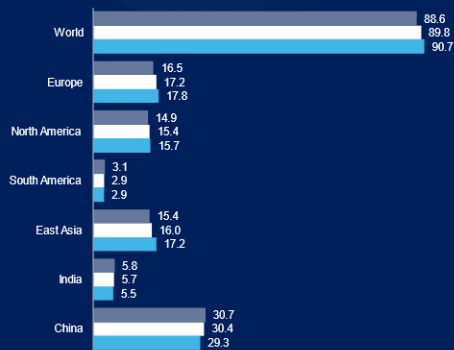
We were also successful in electrification, for example with electric motors for passenger cars and e-bikes and on-board charging systems. However, we were also affected by reluctance with respect to e-mobility. The OEMs postponed many projects.

Our business with components for conventional internal combustion engines remains important and stable. We won our largest orders, with a total volume of about half a billion euros over the term of the contracts, for pistons and our power cell unit. Here too, we are moving ahead with sustainable mobility. An outstanding example is the order placed for our powercell unit for the hydrogen engine of the MAN hTGX truck.

Together with biofuels, hydrogen is a promising solution for decarbonizing the traffic sector. Several hydrogen engines are currently being trialed by MAHLE. This year, DEUTZ will be a further manufacturer to start series production of hydrogen engines with MAHLE components. Within this lighthouse project, the components will initially be used in stationary engines. You will be able to take a close look at an engine of this type today.

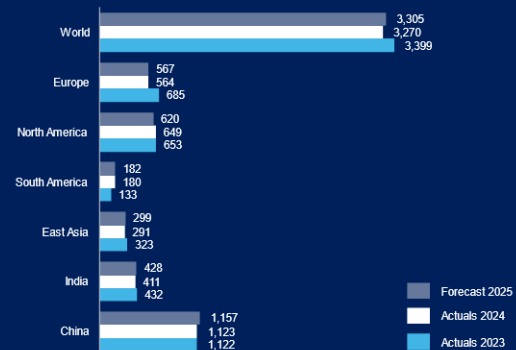
Global Market Development Tariffs Impact Outlook

 Yearly production of passenger cars and light commercial vehicles (<6t) [in mn pcs.]



Source: MAHLE FC 03/2025

 Yearly production of medium and heavy duty vehicles and buses (>6t) [in k pcs.]



Ladies and gentlemen, we expect that there will once again be little dynamics in the market in 2025. Production of passenger cars and light commercial vehicles in Europe and North America will continue to shrink. The US import tariffs will burden vehicle production in Europe, Japan and South Korea significantly. Slight growth is only expected in China and India. The commercial vehicle market will probably not be more dynamic than in 2024.

What does this mean for us?

Full Speed Ahead with MAHLE 2030+

CASH FLOW

- Successfully closed in December 2023
- Execution of **profitability improvement** measures
- Implementation of **cash optimization measures** for group-wide cash generation
- Intensified **price renegotiations** with suppliers & customers
- Reduction of working capital

DELIVER23

BUSINESS EXCELLENCE

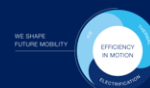
- Successfully started in January 2024
- **Solid profitability** within group and across businesses
- **Excellence projects in key functions** for sustainable value generation
- **Asset & portfolio clean up**



Back on Track 2025

NEW MAHLE

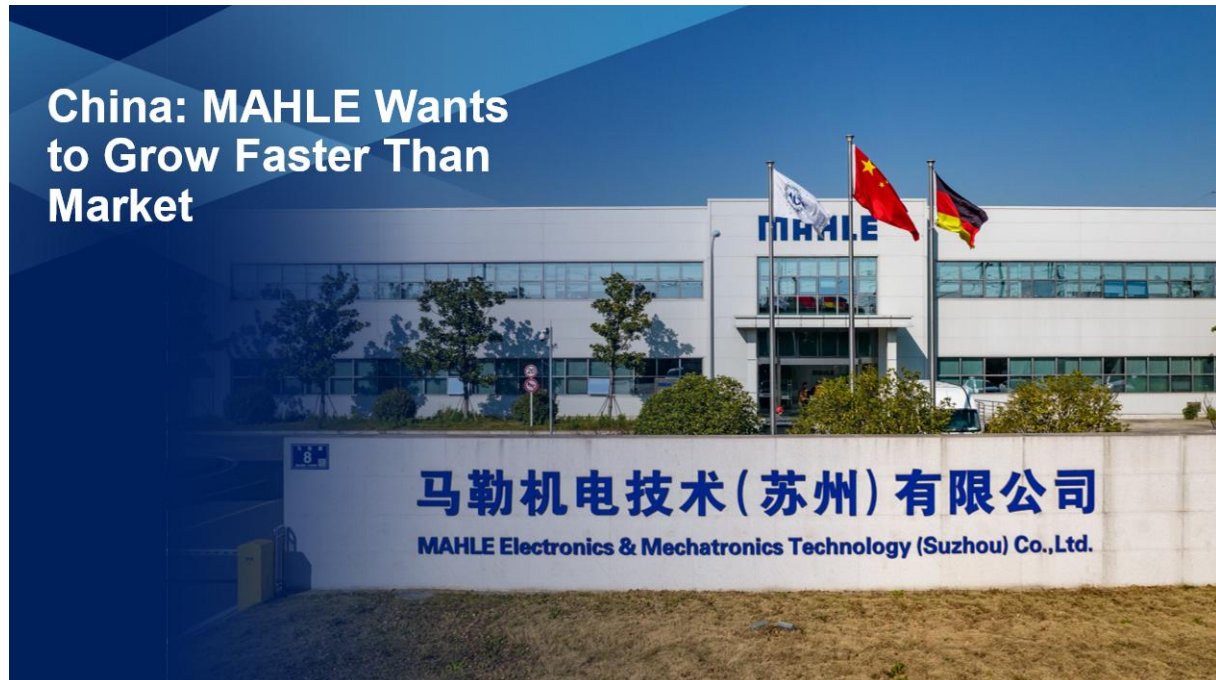
- Corporate strategy MAHLE 2030+ executed
- Sustainable success in all business areas
- **All Group Goals 2030** achieved
- Major transformation progress accomplished through **Strategic Enablers**
- **Production & R&D Footprint Transformation** well progressed in line with market development
- **Streamlining Group Structure**



We will keep our foot on the gas pedal for the implementation of our group strategy MAHLE 2030+. We have the clearly defined goal of bringing MAHLE back on track for sustained success. We are currently in Phase 2 "Business Excellence" of our strategy. We will build on

the success of the corporate measures taken to date and our “Back on Track 2025” program. We are striving for sales growth with sustainable profitability as our top priority.

An important market where we are determined to continue our growth is China.



China is simply essential. MAHLE has a total of about 7,000 employees in over 30 plants in the country, including 500 engineers at two advanced technology centers.

In China, we are cooperating with all the international vehicle and engine producers as well as key Chinese OEMs. We produce and develop products for the Chinese market and the world in China.

Especially with regard to New Energy Vehicles, we see growth prospects for our electrification and thermal management offerings. Chinese OEMs are especially interested in our thermal management module, air conditioning systems and the electric compressor as well as the liquid management module and our charging electronics. Very recently, we received a contract for our DC/DC converter which is used in electric vehicles from an International car manufacturer in China.

China is important for us because of its size and its speed. If you want to bring technology onto the roads fast, China is the right place. China is our boot camp. What we learn and train in China, such as significantly faster and more efficient development and production processes, will not only make us strong in China. It will also bring benefits in other regions of the world.



Holistic Data-Driven Solutions for Full Vehicle Lifecycle

A further pillar of growth and earnings is our Lifecycle and Mobility Business Unit. We are pursuing ambitious sales and profitability targets in our business with spare parts and services. For a long time now, we have no longer been simply a supplier of filters and piston rings. An established product range, diagnostic solutions for passenger cars and commercial vehicles and workshop equipment as well as electrification and digitalization competence make us a partner and service provider for workshops and dealers on the route to the future of mobility.

This is also concerned with the development of holistic solutions for mobility over the entire vehicle life cycle. The mobility of the future will be characterized by fleets, connectivity, urbanization, highly assisted vehicles and diversified powertrain solutions.

MAHLE will benefit from these trends and develop digital offerings allowing direct links between drivers and fleet operators on the one hand and service partners such as workshops, car park and charging infrastructure operators, filling stations and insurers on the other hand. In order to achieve safe, clean, affordable mobility in the future, we believe that it will be essential for data from and about vehicles to be made available via business models based on partnership. With more than 45 million diagnostic operations, MAHLE will play its part in establishing digital ecosystems and mobility.

Finally, we intend to focus more strongly on our potential in non-automotive business and to achieve above-average growth in the segments of energy and infrastructure, leisure and logistics, industrial applications and special vehicles.

Non-Automotive Business has Great Potential

Core Business

Additional Business Potential



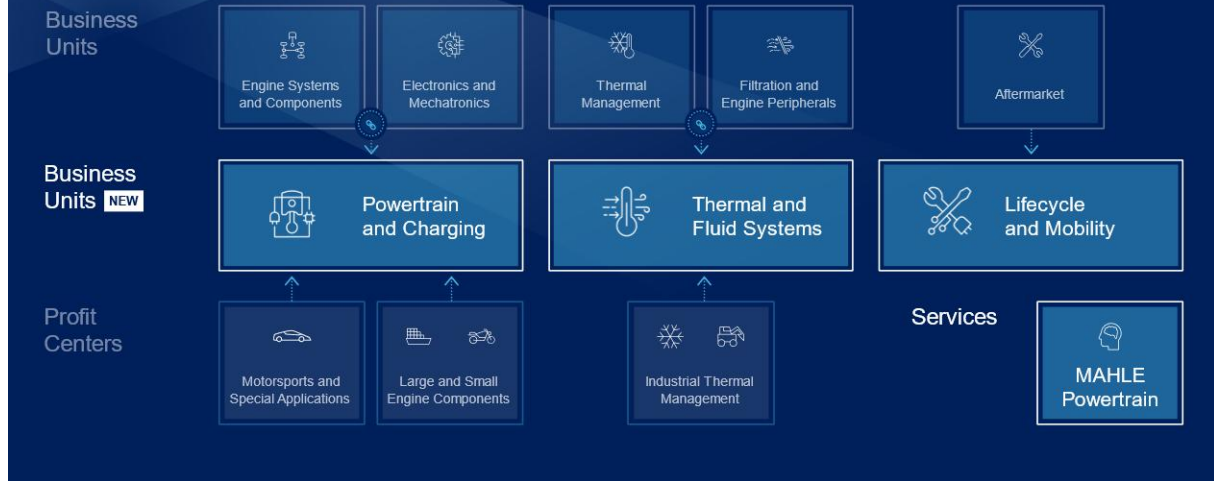
MAHLE is already setting standards in the e-bike market at the present day. More than 60 cycle manufacturers from all segments have placed their trust in ultra-lightweight propulsion motors complete with batteries, control and sensor systems from MAHLE SmartBike Systems. We are also active in the rail and marine sectors as well as in security and defense technology. Last year, our total sales outside the automotive sector reached €700 million. Over the next five years, the figure will rise to more than €1 billion. However, the potential is significantly greater. Therefore we are currently taking a close look at this business field.

Especially with our thermal management expertise, we are very well positioned. Our thermal management technologies are already being used to cool fast charging stations and high-performance charging cables for electric vehicles. High-performance computer centers, heat pumps and solar plants can also benefit from these technologies. Our small electric motors not only power e-bikes, motorcycles or golf carts but are also ideal propulsion systems for logistics vehicles and equipment.

Our strengths are evident: MAHLE is an established brand with a high level of recognition. We have experienced teams, long-term business experience, a global production and development network, the highest level of production expertise, and international customer orientation with top performance in innovation, production and service.

Ladies and gentlemen, our new corporate organization is a catalyst for our group strategy that should not be neglected. This organization has been in place since January this year. Through the consolidation of our business, we are strengthening our strategic areas of electrification and thermal management both structurally and in industrial terms.

New Group Structure for More Efficiency and Speed



Five former business units have become three. In addition, we completed the full integration of our thermal management business into the group by acquiring the remaining shares in our MAHLE Behr subsidiary with effect from January 1, 2025. And we have reduced the number of members of our Group Management Board from seven to four.

Our new group structure will not only make internal cooperation faster and more efficient. It has also laid the foundation for a high-performance future-proof production network.

We are working intensively to review the future viability of our plants and to make them fit for the new world of mobility, wherever this is possible. Where we are unable to achieve these objectives, we will need to close or sell plants. Last year, this was the case with Gaildorf in Germany, Mattighofen in Austria and Charleston in the USA.

Staying on Transformation Course Most Challenging in Europe



At the same time, we have continued to develop our plants for the future, with a view to meeting the demand of our customers for products and development services in the best possible way. Some examples: we significantly expanded our plant at Ramos Arizpe, Mexico to strengthen our presence in the North American market. In Thailand, we expanded our development center for East Asia so that we can also implement e-mobility projects there. At the MAHLE Tech Center in Jundiaí, Brazil, our Global Biomobility Center started operations and is now leading our efforts within the group to develop advanced biofuels to rapidly decarbonize the traffic sector, especially in the southern hemisphere, together with the countries of the Global Biofuels Alliance.

Following 40 years of producing aluminum and steel pistons, our US plant at Morristown is to be our first plant producing electric compressors in the USA from 2026 onwards.

In Changshu, China, we are currently expanding our production and development complex for e-mobility. We not only want to practice innovation and excellence in development but also to reinforce this approach in production – this way, we will be able to find appropriate responses to the rapid development cycles in China.

What is happening in Europe? In view of the ban on internal combustion engines from 2035 onwards, our industry faces massive challenges here. In Europe, two thirds of jobs within the group depend on the internal combustion engine. This technology offers five times as many jobs as e-mobility. According to the European Association of Automotive Suppliers, CLEPA, there has been a net loss of almost 56,000 jobs throughout Europe over the past four years. The Association predicts a net loss of up to 275,000 jobs by 2040 in a “BEV-only” scenario. There will be a severe fall in employment in the internal combustion engine sector at the same time as only a limited increase in employment connected with electric vehicles. This is why we must deal honestly with the question of how the path to carbon neutrality is to be accomplished in political and industrial terms– not only with respect to climate protection but also with respect to employment and social policies.

I therefore strongly welcome the fact that the EU Commission intends to bring forward the review of CO₂ regulation originally scheduled for 2026. This will provide an opportunity for placing regulation on a broader technological basis and allowing technological diversity.

However, we still lack a clear commitment to technology neutrality on the part of Brussels. The EU Commission must specifically state how CO₂ requirements can be shaped in a technology-neutral way. In addition to battery electric vehicles, we also need hybrid vehicles, increasingly using renewable fuels, if we are to rapidly reduce CO₂ emissions and safeguard hundreds of thousands of jobs in Europe. No other market in the world has opted solely for battery electric vehicles, not even the largest market for battery-electric vehicles, China.

Europe must abandon its narrow “battery only” approach as this will lead to an industrial and climate policy cul-de-sac. As, in the final resort, it will be the customer who will decide.

Europe Needs to Restore its Competitiveness

Strengthen the internal market

Reduce cost & burden of bureaucracy

Promote international trade agenda
and build resilient supply chains

Create future-proof infrastructure
to enable transformation

Commit to technological diversity

In addition to the challenges of the transformation in our industry, we now face massive burdens as a result of the recently imposed US tariffs on all imports. For us, as a globally active company committed to free and fair trade, this trade policy is difficult to understand. Tariffs are fatal for automotive supply chains and will result in additional cost and, in the final resort, to higher consumer prices in the USA. I appeal to politicians to negotiate sustainable solutions with a view to avoiding these additional burdens. Europe will only be able to find solutions for the challenges currently faced with a strong economy and a united approach.

The heart of the European automotive industry beats in Germany. However, our country is facing enormous challenges. We expressly welcome the fact that the CDU/CSU and SPD have made a clear commitment to Germany as an automotive location in their coalition agreement and support technological diversity. However, we would have liked to see a clearer rejection of technology bans.

As particularly positive we see the concrete announcements: reduction of electricity costs, introduction of super depreciation, reduction of bureaucracy and reduction of corporation tax. These measures set the course in the right direction – they are crucial for our competitiveness in the global market. The key to success now lies in rapid and pragmatic implementation. We also need genuine structural reforms to make the change sustainable. Bringing Germany back to the forefront of global industry is a mammoth task for which there is not much time in the face of tough global competition. What we need now is clarity, courage and strength in implementation.

MAHLE has done its homework in Germany and worked profitably in 2024. We are therefore in a position to pay in full the profit participations agreed for our employees covered by collective bargaining agreements. With the continuing transformation to e-mobility and even more so with a ban on sustainable combustion engines in Europe, employment at MAHLE and special benefits for employees will come under massive pressure and significant cuts will be needed.

Ladies and gentlemen, the conditions for our business have become tougher. This is why we must remain cautious, alert and cost-conscious. We will concentrate and build on our strengths.

The MAHLE team knows what will be most important in 2025: to stay focused, continue process optimization, be innovative and make appropriate decisions for the future. This will be a path-breaking year for MAHLE.

Let me sum up:



1. In an extremely difficult environment with declining markets, MAHLE has closed the 2024 financial year with a consolidated profit and improved its profitability despite a severe fall in sales.
2. Our strategy is gaining traction. MAHLE has stayed on course and done its homework. We have stabilized the company and further boosted our resilience.
3. We have reduced our debt and established a solid financing structure. We have the financial power to continue the course we have engaged on. Our liquidity is ensured.
4. We continue to work in a focused way on our costs and our productivity and will expand our business with competitive and attractive products. MAHLE is committed to technological diversity and is prepared to use all the levers available for the successful orientation of the company towards the future.
5. Our business will remain demanding or even difficult for the foreseeable future. The transformation of our industry and of MAHLE will be dominated by economic policy and regulatory decisions. Only when the political and economic conditions have durably improved will MAHLE be able to create employment again. 2025 will be a landmark year.

Thank you very much, ladies and gentlemen. Markus Kapaun and I look forward to your questions.