

# Press release

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Stuttgart, April 15, 2025

## MAHLE holds its ground in a difficult market environment

- Positive consolidated net result despite fall in sales to €11.7 billion
- Higher profitability of 3.6 percent (EBIT margin) thanks to cost and efficiency improvements
- Debt reduced and liquidity ensured
- Innovation power unbroken: focus remains on core products for electrification, thermal management and sustainable internal combustion engines
- CEO Arnd Franz: “We have stayed on course. Our MAHLE 2030+ strategy is gaining traction and allows us to be profitable despite difficult market conditions.”
- MAHLE expects tougher conditions in 2025 and therefore remains cautious and cost-aware

**The automotive supplier MAHLE completed the 2024 financial year with a positive consolidated net result despite difficult market conditions. The operating profit – earnings before interest and tax (EBIT) – rose from €304 million to €423 million compared with the previous year, corresponding to an EBIT margin of 3.6 percent. After eliminating exchange rate and deconsolidation effects, there was an organic fall of 5.6 percent in sales to €11.7 billion. The main reasons for this development were weak markets in Europe and North America as well as sluggish demand for electric vehicles outside China. “It is only thanks to hard work that we were able to assert our position in terms of business operations,” said Arnd Franz, Chairman of the Group Management Board and CEO, at the company’s Annual Press Conference on Tuesday. “Our MAHLE 2030+ strategy is gaining traction and allows us to be profitable despite difficult market conditions. Our transformation continues to gather pace.” MAHLE has worked consistently to improve its earnings power in many areas. In addition, the company streamlined its portfolio in order to heighten its focus on the strategy areas of electrification, thermal management and efficient, sustainable internal combustion engines. Through these efforts, MAHLE was able to significantly reduce its debt by €186 million. Thanks to successful refinancing, the liquidity of the group is ensured. In view of tougher market conditions expected among other things as a result of the recently imposed US import tariffs, MAHLE remains cautious and cost-aware for 2025.**

## **Market developments and challenges**

“Despite the extremely adverse conditions we faced and the resulting fall in sales, we were able to stabilize our position. This is a success and the result of sustained, consistent transformation work,” said Markus Kapaun, Member of the Group Management Board and CFO.

Market developments are reflected in almost all business units. In Thermal Management, MAHLE achieved sales of €4.1 billion. Adjusted for negative exchange rate and deconsolidation effects, this business unit reported an organic fall in sales of 9.9 percent. Sales in the Electronics and Mechatronics Business Unit amounted to €1.3 billion, some 5.7 percent lower than the prior-year figure, adjusted for exchange rate effects. There was also a decline in classical internal combustion engine business. The Engine Systems and Components Business Unit reported sales of €2.4 billion, 8.0 percent below the prior-year figure adjusted for exchange rate effects. 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, mainly due to organic growth of over 10 percent in the Asia/Pacific region.

## **Profitability boosted by portfolio streamlining and efficiency measures**

Despite the fall in sales, MAHLE succeeded in raising its return on sales to 3.6 percent. The main reason was a consistent streamlining of the portfolio. Among other items, the group sold its share in the Behr-Hella Thermocontrol (BHTC) Joint Venture and its OEM business with thermostats.

Furthermore, MAHLE implemented a comprehensive package of process and efficiency improvement measures in 2024. Sales and administration structures were optimized. The production network was reviewed and further adjusted. Property not required was sold and employee numbers were adjusted to falling sales.

## **Debt reduced, equity ratio improved**

Through these measures, MAHLE was able to significantly reduce its debt by €186 million to €1.2 billion in 2024. The debt ratio, i.e. the ratio of net debt to EBITDA, improved from 1.5 to 1.2. MAHLE safeguarded its liquidity through successful refinancing and can therefore continue its transformation path successfully. For the first time in five years, the equity ratio once again moved upwards, improving to 20.1 percent.

## **Research and development**

In the 2024 financial year, MAHLE invested €630 million in research and development. The R&D investment ratio, referred to sales, was slightly higher than in 2023, at 5.4 percent. In the year under review, MAHLE reported 536 new inventions and 427 new patent applications. These figures highlight the

innovative strength of the group and the determination of MAHLE to further reinforce its position as a driver of technological progress in the industry.

### **Innovations and orders received**

The innovation highlight of 2024 was the new bionic high-performance fan. The noise-reducing effect of this fan 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. Further innovations were a new evaporative cooling system for fuel cell trucks and the integration of the Superior Continuous Torque electric motor with liquid management in a fully electrified drive axle for heavy trucks.

The consistent focus on innovations paid dividends. In the 2024 financial year, MAHLE recorded new orders with a total volume of €10.3 billion across all three strategy areas, powertrain types and vehicle classes. MAHLE received an order for a thermal management module with a volume of €1.2 billion, the largest single order in the history of the company to date. Further new orders covered battery cooling systems and electric compressors with a total volume in excess of €1 billion.

MAHLE remains on track with the implementation of its group strategy MAHLE 2030+. A key growth market is China, where the company already cooperates with all international vehicle and engine manufacturers as well as key Chinese OEMs. MAHLE sees growth prospects for its electrification and thermal management offerings especially in the field of New Energy Vehicles (NEV).

### **New group structure and new business fields**

At the end of the year under review MAHLE initiated a new group organization. The company has merged business units in order to strengthen the future-oriented areas of electrification and thermal management in industrial and structural terms and has also slimmed down its Management Board. The streamlined group structure will make internal cooperation faster and more efficient and lay the foundation for establishing a high-performance future-proof production network. In addition, the regions will be strengthened.

With the development of holistic solutions connected with mobility and the vehicle life cycle, the Lifecycle and Mobility Business Unit will be a cornerstone of MAHLE's growth and earnings. The group sees considerable potential for growth in non-automotive business, especially in view of its expertise in thermal management and compact electric motors as well as its broad-based technology portfolio.

### **Sustainability strategy achieves successes**

For the first time, MAHLE reached the "A list" of the independent organization Carbon Disclosure Project. Thanks to the consistent reduction of carbon dioxide

emissions in production, the upstream supply chain and the utilization phase of its products, the group is among the best companies in the automotive industry. With the figure of 47 percent which has already been reached, MAHLE is well on track to achieve its goal of a 49 percent reduction in Scope 1 and 2 CO<sub>2</sub> emissions by 2030.

### **(Geo-) political and economic conditions must be right**

Looking at the current financial year, MAHLE CEO Arnd Franz referred to conditions that had become tougher. “In addition to the challenges in connection with the transformation of our industry which has been made significantly more difficult in Europe through a lack of commitment to technological diversity, we are now faced by massive burdens as a result of the import tariffs recently imposed by the USA on all imports. As a globally active company committed to free and fair trade, we cannot understand this trade policy.” He said that the tariffs would place a massive burden on automotive supply chains and result in cost increases for the automotive industry and in the final resort to higher costs for consumers. Franz appealed to politicians to negotiate sustainable solutions in order to avoid these burdens.

The MAHLE CEO welcomed the accelerated review of CO<sub>2</sub> regulation announced by the EU Commission and once again called for a clear commitment to technological diversity. “In Europe and Germany, two thirds of our jobs depend on the internal combustion engine. This technology offers five times as many jobs as e-mobility. For this reason, we need to take an honest approach to the question of how we intend to shape the path to carbon neutrality effectively in political and industrial terms – not only with respect to climate protection but also with respect to employment and social policies.”

He added that the transformation of the automotive industry and MAHLE would be shaped by economic policy and regulatory decisions. MAHLE would only be able to create jobs again when there had been a sustained improvement in economic and political conditions.

### **Key figures compared with the previous year**

	2023	2024
<b>Sales</b> (€ million)	12,818	<b>11,681</b>
<b>EBIT</b> (€ million)	304	<b>423</b>
<b>EBIT margin</b> (percent)	2.4	<b>3.6</b>
<b>Consolidated net profit</b> (€ million)	26	<b>22</b>
<b>Equity</b> (€ million)	1,611	<b>1,548</b>
<b>Headcount</b> <sup>1</sup> (number of people)	72,373	<b>67,708</b>

<sup>1</sup> as at December 31

The 2024 annual report is available on the MAHLE website at <https://annualreport.mahle.com/en>.

Note for journalists: you will find images connected with this press release and CEO audio statements at: <https://newsroom.mahle.com/press/de/>

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Arnd Franz, Chairman of the MAHLE Group Management Board and CEO



Markus Kapaun, Member of the MAHLE Group Management Board and CFO



In 2024, for the first time, MAHLE reached the "A list" of the independent organization Carbon Disclosure Project.



The innovation highlight of 2024 was the new bionic high-performance fan for electrified trucks, the design of which was based on the wings of an owl.



MAHLE has the systems expertise to develop a fully electrified drive axle for heavy duty trucks with fully integrated Superior Continuous Torque E-motors and liquid management.



The new evaporative cooling system from MAHLE can increase the performance and range of fuel cell trucks.



The order for a thermal management module with a volume of €1.2 billion, which MAHLE received in 2024, was the largest single order in the history of the company to date.



MAHLEs hydrogen Power Cell Unit (PCU) makes internal combustion engines fit for climate-neutral operation.



"Zero emission" thanks to MAHLE engine components: the "MAN hTGX", winner of the Truck Innovation Award 2025 \*

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**About MAHLE**

MAHLE is a leading international development partner and supplier to the automotive industry with customers in both passenger car and commercial vehicle sectors. Founded in 1920, the technology group is working on the climate-neutral mobility of tomorrow, with a focus on the strategic areas of electrification and thermal management as well as further technologies to reduce carbon emissions, such as fuel cells or highly efficient, clean combustion engines that also run on renewable fuels, such as hydrogen. Today, one in every two vehicles globally is equipped with MAHLE components.

MAHLE generated sales of €11.7 billion in 2024. Employing just under 68,000 people at 135 production locations and 11 technology centers, the company is represented in 28 countries. (as at: 12/31/2024)

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