

1Q21 Conference Call  
MAHLE Metal Leve S.A.

Investor Relations | May 14, 2021



**MAHLE**

# Agenda

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- 03 Net Revenues Performance by Market
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# 1Q21 Conference Call

- **Net Sales Revenue:** R\$ 835.0 million in 1Q21, up 45.5% compared with 1Q20;
- **Domestic Aftermarket:** in 1Q21, the Company reported a 64.2% increase in sales compared with 1Q20;
- **Domestic OE:** in 1Q21, the Company reported an increase in sales of 40.5% compared with 1Q20;
- **Aftermarket Exports:** in 1Q21, the Company reported an increase in sales of 53.9% compared with 1Q20;
- **Original Equipment Exports:** in 1Q21, the Company reported an increase in sales of 35.7% compared with 1Q20;
- **EBITDA margin:** 23.9% in 1Q21 versus 15.9% in 1Q20.
- **Supplementary dividends:** The Annual General Meeting approved on April 29, 2021 a dividend distribution of R\$ 48.6 million relating to FY 2020. The Company paid out R\$ 119.2 million for the full year 2020, representing 100.0% of its net profit (after legal deductions).




Key indicators			
(R\$ million)	1Q21 (a)	1Q20 (b)	(a/b)
Net revenue	835.0	573.8	45.5%
EBITDA	199.2	91.5	117.7%
EBITDA margin	23.9%	15.9%	8 p.p.
Profit for the year	126.2	21.5	487.0%
Net margin	15.1%	3.7%	11,4 p.p.


# Brazil & Argentina Registration and Production (1Q21 x 1Q20)



Light vehicles (ths)	 Brazil	 Argentina	 Total
Sales	498.5 -6.7%	86.3 20.2%	584.9 -3.5%
Production	559.5 0.8%	89.3 35.3%	648.8 4.4%



Medium and heavy vehicle (ths)	 Brazil	 Argentina	 Total
Sales	29.4 23.6%	4.0 63.1%	33.4 27.3%
Production	38.3 24.7%	0.7 66.7%	38.9 25.2%

5.4%  
  
 Total vehicles production

Sources: Anfavea, Adefa, Acaras, IHS and Indec.

# Vehicle production in the main exports markets

Vehicle Production in the main export market (in thousands)			
Vehicle Production in the main export market (in thousands)	Jan-Mar 2021 (A)	Jan-Mar 2020 (B)	A/B
Production of Light vehicle	3,609	3,780	-4.5%
Production of medium and heavy vehicle	149	127	17.3%
<b>North America</b>	<b>3,758</b>	<b>3,907</b>	<b>-3.8%</b>
Production of Light vehicle	4,556	4,710	-3.3%
Production of medium and heavy vehicle	145	132	9.8%
<b>Europe</b>	<b>4,701</b>	<b>4,842</b>	<b>-2.9%</b>
<b>Total Vehicle Production</b>	<b>8,459</b>	<b>8,750</b>	<b>-3.3%</b>

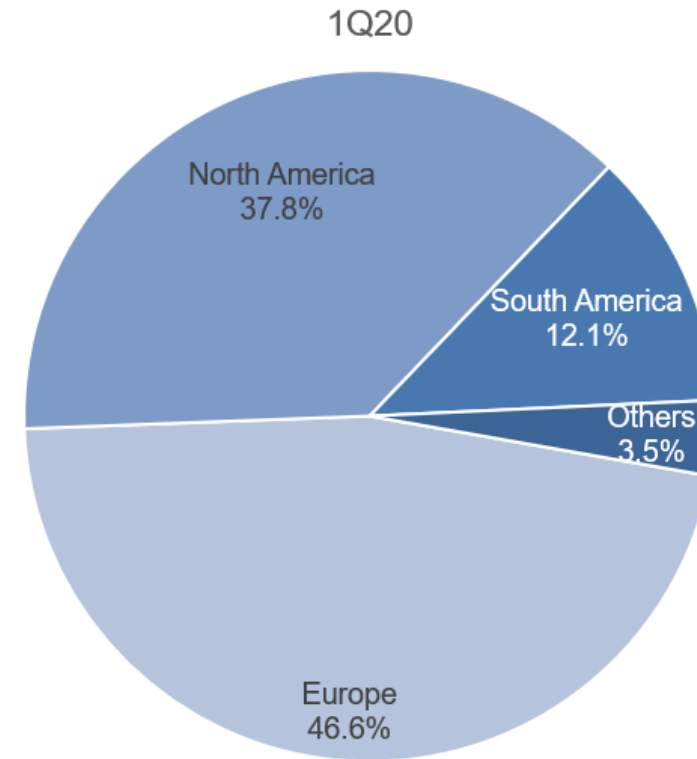
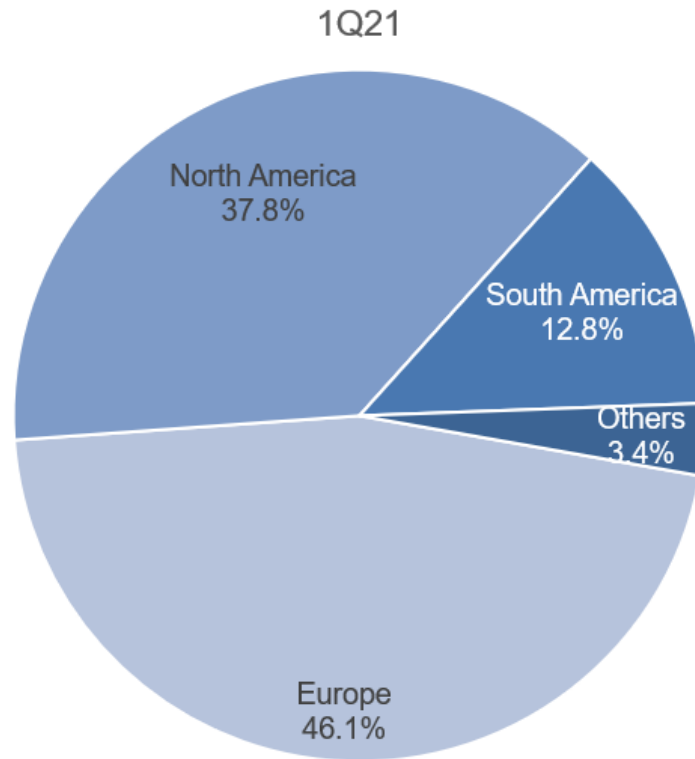
Source: IHS

# Net Revenues Performance by Market

Net revenue by market (R\$ Million)		1Q21 (a)	Volume/Price (b)	FX-Variation (c)	1Q20 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment	Domestic <sup>1</sup>	234.0	69.9	(2.4)	166.5	42.0%	-1.5%	40.5%
	Export	304.1	5.2	74.8	224.1	2.3%	33.4%	35.7%
	<b>Subtotal</b>	<b>538.1</b>	<b>75.1</b>	<b>72.4</b>	<b>390.6</b>	<b>19.2%</b>	<b>18.6%</b>	<b>37.8%</b>
Aftermarket	Domestic <sup>1</sup>	237.5	105.3	(12.4)	144.6	72.8%	-8.6%	64.2%
	Export	59.4	13.2	7.6	38.6	34.3%	19.6%	53.9%
	<b>Subtotal</b>	<b>296.9</b>	<b>118.5</b>	<b>(4.8)</b>	<b>183.2</b>	<b>64.7%</b>	<b>-2.6%</b>	<b>62.1%</b>
<b>Total</b>		<b>835.0</b>	<b>193.6</b>	<b>67.6</b>	<b>573.8</b>	<b>33.7%</b>	<b>11.8%</b>	<b>45.5%</b>

<sup>1</sup> Domestic market includes Brazil and Argentina.

# MAHLE Metal Leve's consolidated exports by region



# Summary P&L

## Gross margin

Summary P&L (R\$ million)	1Q21 (a)	1Q20 (b)	H.A. (%) (a/b)	V.A. (%) (a)	V.A. (%) (b)
<b>Net sales revenue</b>	<b>835.0</b>	<b>573.8</b>	<b>45.5%</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of sales	(578.8)	(412.1)	40.5%	-69.3%	-71.8%
<b>Gross profit</b>	<b>256.2</b>	<b>161.7</b>	<b>58.4%</b>	<b>30.7%</b>	<b>28.2%</b>
Gross margin	30.7%	28.2%	2,5 p.p.		



# Summary P&L Expenses

- **Selling expenses:**

- In 1Q21 were impacted principally by freight and variable selling expenses and increased by 12.5% against growth of 45.5% of net sales revenue.

- **General and administrative expenses:**

- in 1Q21 were impacted principally by the increase in maintenance, materials and utilities expenses.

- **R&D expenses:**

- Due to the COVID-19 pandemic, in 1Q21 the Company was conservative with respect to R&D spending and has focused on developing products that sell quickly.

- **Other operating income (expenses):**

- Lower expense in the period, mainly due to provision/reversal for labor contingencies.

Summary P&L (R\$ million)	1Q21 (a)	1Q20 (b)	H.A. (%) (a/b)	V.A. (%) (a)	V.A. (%) (b)
<b>Net sales revenue</b>	<b>835.0</b>	<b>573.8</b>	<b>45.5%</b>	<b>100.0%</b>	<b>100.0%</b>
Selling and distribution expenses	(48.6)	(43.2)	12.5%	-5.8%	-7.5%
General and administrative expenses	(27.6)	(25.3)	9.1%	-3.3%	-4.4%
Technology and product development expenses	(15.9)	(19.2)	-17.2%	-1.9%	-3.3%
Other operating income (expenses)	(4.7)	(8.7)	46.0%	-0.6%	-1.5%
<b>SG&amp;A expenses to net sales revenue</b>	<b>9.1%</b>	<b>11.9%</b>	<b>-2,8 p.p.</b>		

# Operating income measured by the EBITDA

Changes for the quarter	Amount	Margin
<b>EBITDA 1Q20</b>	<b>91.5</b>	<b>15.9%</b>
Gross profit	94.5	
Selling and distribution expenses	-5.4	
General and administrative expenses	-2.3	
Technology and product development expenses	3.3	
Other operating income (expenses)	4.0	
Equity in the results of investees	-0.1	
Gains/losses on net monetary position	13.2	
Depreciation	0.5	
<b>EBITDA 1Q21</b>	<b>199.2</b>	<b>23.9%</b>

# Net financial result

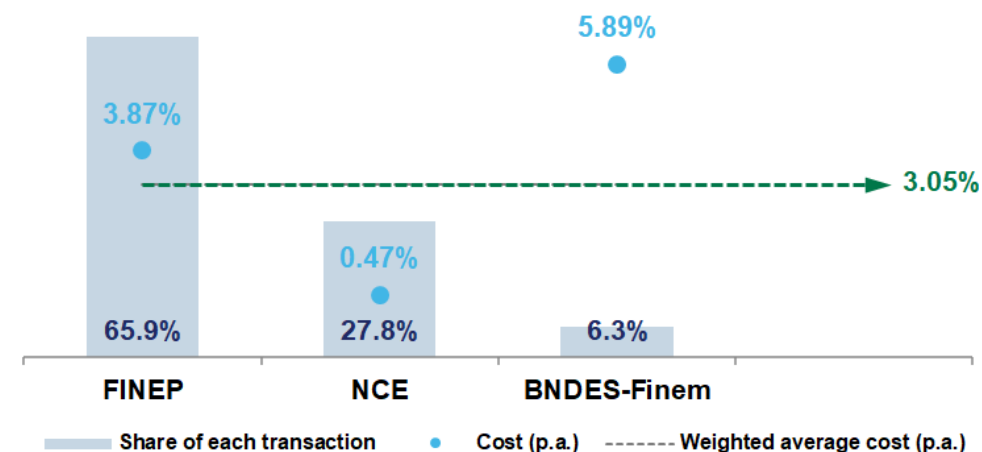
Finance income and costs (R\$ million)	1Q21 (a)	1Q20 (b)	Var. (a - b)
Interest income on financial investments	5.5	1.6	3.9
Interest on loans	(7.5)	(3.9)	(3.6)
Other income	(0.3)	1.1	(1.4)
Finance costs, net	(2.3)	(1.2)	(1.1)
1. Accounts receivable / Accounts payable Exchange Var. (1.1. + 1.2.)	1.9	21.8	(19.9)
1.1. Exchange Variation	13.4	45.4	(32.0)
1.2. FX-Hedging	(11.5)	(23.6)	12.1
2. ACC Exchange Variation	(0.7)	(41.1)	40.4
3. Other transactios	2.0	(13.4)	15.4
Exchange variation and Gain (loss) on derivatives (ii) - (1+2+3)	3.2	(32.7)	35.9
Monetary variation, net	(5.3)	(5.6)	0.3
Other	(1.6)	(1.0)	(0.6)
Monetary variation, net + Others (iii)	(7.0)	(6.7)	(0.3)
<b>Finance income (costs) (i + ii + iii)</b>	<b>(6.0)</b>	<b>(40.6)</b>	<b>34.6</b>
Interest rates and volumes (average)	1Q21 (a)	1Q20 (b)	Var. (a - b)
Investment Yield	5.0%	4.3%	0,7 p.p.
Cost of debt	4.3%	3.5%	0,8 p.p.
Investments - average (R\$ million)	430.0	216.9	98.2%
Average debt (R\$ million)	(426.2)	(507.2)	-16.0%

# Indebtedness

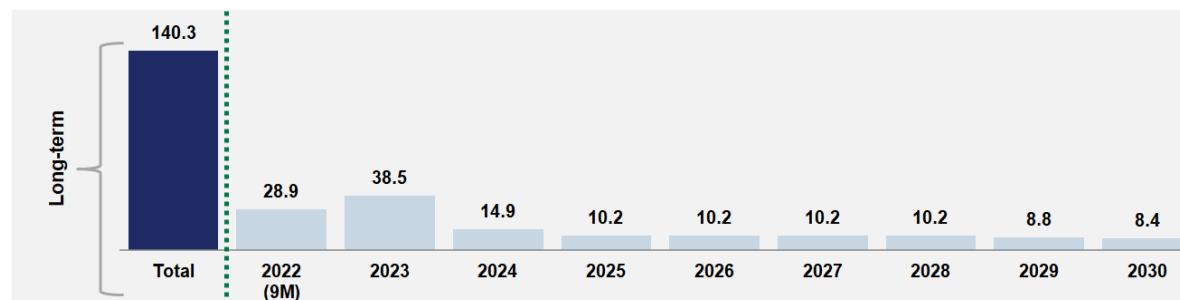
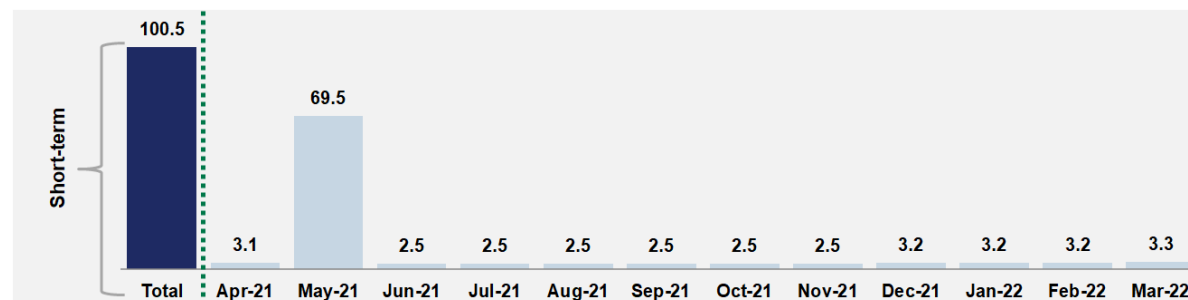
- The **Net indebtedness** is shown below:

Net debt (R\$ million)	03.31.2021 (a)	12.31.2020 (b)	Variation (a-b)	% Debt (a)	% Debt (b)
Cash / banks / cash investments/ Loans to related parties (i):	450.6	685.5	(234.9)		
Liabilities (ii)	(240.8)	(552.3)	311.5	-100%	-100%
Short-term	(100.5)	(402.4)	301.9	-42%	-73%
Long-term	(140.3)	(149.9)	9.6	-58%	-27%
<b>Net position (i - ii)</b>	<b>209.8</b>	<b>133.2</b>	<b>(76.6)</b>		

- The chart below shows our borrowings **by type** with respective **costs**, and weighted average cost in the end of 1Q21:



- Below is presented the **maturities** of short-term and long-term indebtedness (R\$ million):



# Capex and Depreciation

Capex & Depreciation (in millions of R\$)	1Q21	1Q20
Capex	14.1	4.9
Total depreciation	26.0	25.6
Capex	1Q21	1Q20
% net sales revenue	1.7%	0.9%
% of depreciation	54.2%	19.1%
<b>Net sales revenue</b>	<b>835.0</b>	<b>573.8</b>

# Questions & Answers