

Business Year 2022

Marquardt Grows in a Challenging Market Environment

- Mechatronics specialist increases sales to over 1.4 billion euros
- E-mobility: growth secured for the coming years
- High investments made in new buildings and development
- Outlook: Significant growth expected in the long term

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Rietheim-Weilheim, Germany, April 20, 2023 – In a market environment characterized by crises and planning uncertainties, the Marquardt Group continued its growth course in the 2022 business year: The globally active family-owned company generated sales of a good 1.4 billion euros; this corresponds to an increase of around 10 percent compared to 2021 (1.3 billion euros). The mechatronics specialist was particularly successful with its solutions for electromobility, high-quality control units for vehicle interiors, innovative drive authorization and access systems, and products for the sustainable and energy-efficient operation of household and heating appliances.

Position Strengthened Worldwide

"Corona lockdowns in China, disrupted supply chains, delayed customer call-offs and massively increased costs for energy and material have negatively impacted our business in the past year and weakened our profitability," says Dr. Harald Marquardt, CEO of the Marquardt Group. "However, our employees once again demonstrated morale in this challenging mixed situation and continued to work with great passion towards a good future. This enabled us to convince our customers with numerous products that make people's lives more sustainable, more comfortable and safer. Our innovative strength has helped us to create our own economy to some extent and expand our position worldwide."

Growth in All Four Business Units

Despite the continuing economic weakness, all business units were able to increase their sales. For example, the company's youngest business unit, Power and Energy Solutions, again achieved double-digit growth and has secured its business in the field of electromobility for the coming years. New projects include a major order for battery management systems won by Marquardt in Asia.

In the "Human Machine Interfaces" business unit, the mechatronics specialist increased its sales with highly integrated user interfaces and intelligent lighting systems for premium vehicles. Marquardt was also successful with rotatable gear shifters with display and steering wheel control units.

In the Entry and Authorization Systems business unit, electronic steering wheel locks, capacitive door handle sensors and electronic keys contributed to growth. In addition, the new "Push and Drive 3" (PnD3) driving authorization system was successfully launched. The PnD3 platform makes access to cars and commercial vehicles via smartphone, among other things, suitable for mass use; the secure transfer of the digital key also opens up new offers and business models for fleet managers, car-sharing providers and car rental companies.

Growth With Energy-Efficient Products

With its "Mechatronic Devices" business unit, Marquardt is helping to shape the development of sustainable and climate-friendly products in several industries. In the past fiscal year, the company was particularly successful in the area of sensors and control units for home and heating appliances. This includes a robust ultrasonic flow sensor that increases efficiency in the control of heat pumps.

High Investment in The Future

Despite the weak economy and difficulties in planning, the Marquardt Group has continued to make substantial investments in the future. In India, the mechatronics specialist opened a new development center

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in Pune and began construction of a new plant in order to better serve the rapidly growing needs of Indian vehicle manufacturers in particular and to help shape the electrification of mobility. At the Weihai site in China, the company has started to double its production area. At its Thuringia site at Erfurter Kreuz, Germany, Marquardt has also begun construction of a second plant at the end of 2022. A three-digit million sum is being invested in the new building, machinery and equipment. Battery management systems for electrically powered vehicles will be produced there from 2024.

Expenditure on research and development again amounted to an above-average 10 percent of sales in the 2022 financial year. In the reporting period, Marquardt applied for almost 100 new patents and industrial property rights.

With its new DemoCar 2.0, the mechatronics specialist presented the latest operating concepts and solutions for the vehicle interior of the future to numerous renowned customers around the world. These include high-quality surfaces that are equipped with numerous hidden functions and turn premium vehicles into mobile living rooms.

Sustainability Management: Emissions Significantly Reduced

As part of its global sustainability management, Marquardt continued to work on key issues such as product and data integrity, environmental and hazardous materials, sustainable supply chains, and climate and environmental protection in the past financial year. Irrespective of the energy crisis, particular attention was paid to sustainable energy generation and use.

By generating its own electricity from renewable sources, purchasing green electricity and improving energy efficiency worldwide, Marquardt has been able to avoid the emission of a total of 12,000 tons of CO₂ over the last two years. Compared to the defined base year 2020, this corresponds to a CO₂ reduction of 28 percent. In the annual rating of the EcoVadis sustainability platform, the company was able to improve

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its score by 10 to 56 percentage points and was thus awarded silver status for the first time.

Around 400 Jobs Created Worldwide

As of December 31, 2022, the Marquardt Group employed around 10,600 people worldwide, including 1,300 engineers. Compared to the number of employees in 2021, this means an increase of around 400 employees worldwide. The company has created new jobs, particularly in software development, in order to successfully shape the transformation and technological change with highly integrated mechatronic system solutions. To cope with its planned growth, Marquardt is looking for qualified specialists worldwide. The company currently offers a total of around 480 vacancies.

Outlook: Economic Sideways Movement in 2023. Significant Growth Expected in the Long Term

"In view of the Russian war of aggression on Ukraine and other geopolitical tensions, the current fiscal year unfortunately remains highly volatile and difficult to plan. The industrial economy has recovered somewhat in recent months. However, the reluctance to spend, particularly in Europe, is still very much in evidence. We therefore expect the economy in the metal and electrical industry to move sideways at best this year," says Dr. Harald Marquardt. "Nevertheless, we are very confident about the medium- and long-term development of our company. We have always been independent of the powertrain and are developing new concepts for the vehicle interior of the future. We invested in electromobility at a very early stage and are helping to shape the mobility revolution with our solutions. In addition, we also succeed in convincing with innovations in other markets such as heating, ventilation and air-conditioning technology, white goods, cleaning equipment, power tools and industrial applications. As a mechatronic system supplier, Marquardt is represented in future technologies with which we create real added value for users in terms of efficiency, safety and comfort. We therefore expect to grow significantly in the coming years."

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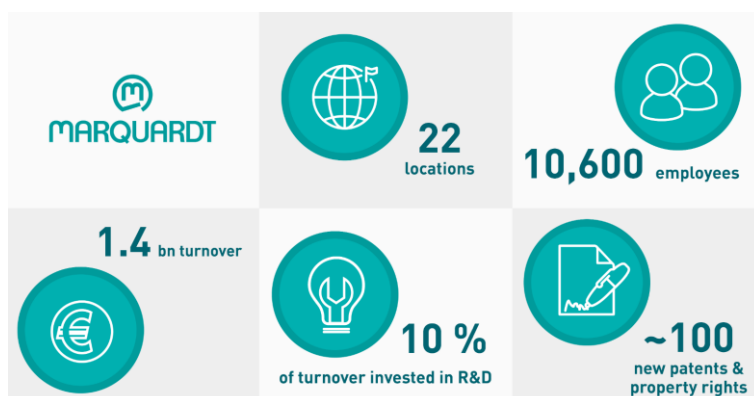
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Marquardt-Press-Dr.-Harald-Marquardt.jpg: Dr. Harald Marquardt:
"Our innovative strength helped us to create our own economy a bit in
2022 and expand our position worldwide."



Marquardt-Press-DemoCar2.0.jpg: Mobile living room: In the Mar-
quardt DemoCar 2.0, the vehicle interior of the future can be experi-
enced.



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Marquardt-Press-Facts-Figures-2022.jpg: Key figures of the Marquardt Group as of fiscal year 2022.

About Marquardt

Marquardt, a family-run company founded in 1925 and based in Rietheim-Weilheim, Germany, is one of the world's leading manufacturers of electromechanical and electronic switches and switching systems. The products of the mechatronics expert are used by many well-known customers in the automotive industry and include operating components, vehicle access, driver authorization systems and battery management systems. The company's systems are also used in household appliances, industrial applications and power tools. Marquardt Group employs approximately 10,600 members of staff worldwide at 22 locations in four continents. The company generated around 1.4 billion euros sales revenue in the fiscal year 2022. Each year, Marquardt invests around ten percent of its revenues in research & development.

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