

Financial Year 2023

## **Marquardt Sets Course for Future Growth**

- High investments made worldwide despite economic weakness
- Key successes in all business units
- Outlook: 2024 remains challenging - ambitious medium and long-term growth planned

*Rietheim-Weilheim, Germany, May 15, 2024* – The Marquardt Group set the course for future growth in the 2023 financial year despite the gloomy economy. The family-owned company made numerous investments worldwide and strengthened its position in strategic business areas such as e-mobility. The focus was on the further expansion of the global production network, the introduction of battery management systems and the development of new human-machine interfaces. In a market environment characterized by purchasing restraint and planning uncertainties, the mechatronics specialist generated sales of just under 1.4 billion euros; this corresponds to a decline of 2.2% compared to 2022.

"The persistently weak global economy, the negative impact of geopolitical crises, a lack of customer call-offs and a shortfall in unit sales have put us under extreme pressure in 2023 and impacted our business," says Dr. Harald Marquardt, Chief Executive Officer of the Marquardt Group. "Nevertheless, we continued to invest against the general economic trend, consistently pursued our path in all business areas and sales regions and pushed ahead with innovations. This was only possible with the help of our employees, who tackle major obstacles head on, demonstrate a remarkable creative drive and show a high degree of flexibility, perseverance and passion."

### **Key successes in all business units**

With its latest business unit "Power and Energy Solutions", Marquardt has won further pioneering projects. After Europe and Asia, the company also achieved a breakthrough in the USA in the past financial year:

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Marquardt is supplying a renowned customer with newly developed high-voltage sensors that ensure greater safety in electric vehicles. Marquardt also brought control units for fuel cell systems into series production. The developments are used in commercial vehicles and, in future, in stationary applications such as electrolyzers for the production of hydrogen.

The "Human Machine Interfaces" business unit also won several new projects in 2023. Marquardt is supplying a European premium vehicle manufacturer with high-quality gear selector switches and steering wheel control panels. The total sales volume amounts to a high three-digit million figure over lifetime.

For the "Entry and Authorization Systems" business unit, the focus in 2023 was on the "Push and Drive 3" digital key system. In Asia, Marquardt started series production for a renowned manufacturer. The company achieved further success with a patented capacitive door handle sensor. The sensor offers unprecedented functional reliability even in damp and wet conditions and was in particularly high demand from customers in Korea, Europe and the USA in 2023.

### **Position in the global truck market expanded**

The past financial year was mixed for the Mechatronic Devices business unit: The market for power tools, heating and household appliances was under severe pressure; following the high-growth years of the coronavirus pandemic, in which many consumers invested in home and garden maintenance and white goods, consolidation set in worldwide. In contrast, Marquardt was able to expand its position in the truck market globally and supply renowned manufacturers with innovative switches, parking brakes and drive authorization systems. In addition, business with the E-Lock locking system, which significantly improves the charging process of vehicles with electric or plug-in hybrid drives and protects them against theft, continued to develop positively.

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### **High investment in global production network**

Despite the tense global economy and difficulties in planning, the Marquardt Group made significant investments in the future in 2023: In India, the construction of a new plant in Talegaon near Pune is well advanced. Series production for the Indian market, including products for e-mobility, is scheduled to start as early as the end of 2024.

Just over four years after opening its second plant in China in the city of Weihai, Marquardt has doubled its production space at this location to a total of 50,000 m<sup>2</sup> by the end of 2023. Among other things, battery control units for electric vehicles, anti-theft driving authorization systems, door handle sensors and displays are manufactured in Weihai.

Marquardt is making another major investment in El Fejja, Tunisia, near the capital Tunis. The company broke ground for another plant there in the current financial year; production of high-quality control surfaces for the interiors of premium vehicles will begin there as early as mid-2024.

Marquardt has also almost completed the construction of a second plant at its Thuringian site at Erfurter Kreuz, Germany. A three-digit million euro sum is being invested in the new building, machinery and equipment; battery management systems for electrically powered vehicles will be produced there from mid-2024.

### **Above-average investment in research and development**

Expenditure on research and development once again amounted to an above-average 10% of sales in the 2023 financial year. Marquardt registered almost 100 new patents and property rights in the reporting period.

The focus of development work included human-machine interfaces that provide an answer to the technological shift towards autonomous vehicles with a new operating architecture. Marquardt is also driving forward the development of hologram systems that enable significantly improved perception without dependence on environmental influences

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such as sunlight, water, dirt or dust. With its innovation activities, the company has also been able to expand its position in components for cell contacting and cell monitoring systems, which are crucial for the safety and efficiency of fuel cells and hydrogen applications.

### **Sustainability management: emissions significantly reduced**

As part of its global sustainability management, Marquardt achieved further improvements in sustainable energy generation and use in the past financial year: By generating its own renewable electricity, purchasing green electricity and improving energy efficiency worldwide, Marquardt was able to reduce its CO<sub>2</sub> emissions by over 16,000 tons in 2023 compared to the previous year. The company provides information on its various sustainability initiatives and focal points in its sustainability report, which it published at the end of 2023 in accordance with the criteria of the Global Reporting Initiative (GRI).

### **Focus on productivity and cost efficiency**

As at December 31, 2023, the Marquardt Group employed around 10,000 people worldwide, including 1,300 engineers. Compared to the number of employees in 2022, this represents a reduction of around 700 employees worldwide.

"We produced less due to a lack of demand and our plants were not fully utilized throughout the year, so we adjusted our personnel structures in production and production-related areas, as well as in indirect areas," explains Dr. Harald Marquardt. In view of the persistently gloomy economic situation, the company has taken further steps and launched a global program to improve productivity and cost efficiency called "PACE".

### **Outlook: 2024 remains challenging – ambitious long-term growth planned**

"The metal and electrical industry has been in a state of economic emergency since 2019: recession, coronavirus slump, supply bottlenecks, energy crisis and price explosion - the industry as a whole is still

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not getting off the ground. Expectations remain very subdued and many companies have not yet bottomed out," says Dr. Harald Marquardt. "With regard to the development of the Marquardt Group, we assume that 2024 will remain challenging in Germany and worldwide. However, we continue to take a very positive view of the medium and long-term development of our company. We invested systematically in electromobility years ago and expect significant growth momentum in this area from 2025 onwards. We are also developing new concepts for the vehicle interior of the future and our innovations in other markets such as heating, ventilation and air conditioning technology, white goods, cleaning appliances, power tools and industrial applications are proving convincing. Aware of this promising starting position, we planned ambitious growth for the coming years last year with our "Marquardt Strategy 2030". With our global, highly motivated Marquardt team, we will successfully follow this path."

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**Marquardt-Press-Dr.-Harald-Marquardt.jpg:** Dr. Harald Marquardt: "In 2023, we invested against the general economic trend and continued to consistently pursue our path in all business areas and sales regions."



**Marquardt-Press-Bedienarchitektur:** Marquardt is responding to the technological shift towards autonomous vehicles with a new operating architecture.



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**Marquardt-Press-Hologramm:** Contactless hologram display: Marquardt is driving forward the development of new operating concepts.



**Marquardt-Press-Facts-Figures-2023-EN.jpg:** Key figures of the Marquardt Group for the 2023 financial year.

## 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 around 10,000 members of staff worldwide at 22 locations in four continents. Turnover in the 2023 financial year was just under 1.4 billion euros. Each year, Marquardt invests around ten percent of its revenues in research and development.

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