

REPORT ON THE 1ST QUARTER

20
24

Key figures

ElringKlinger Group

		1 st Quarter 2024	4 th Quarter 2023	3 rd Quarter 2023	2 nd Quarter 2023	1 st Quarter 2023
Order Situation						
Order intake	EUR million	489.4	465.0	376.8	373.8	474.9
Order backlog	EUR million	1,329.3	1,305.2	1,279.3	1,354.1	1,449.0
Sales/Earnings						
Sales revenue	EUR million	465.3	439.0	451.6	468.7	487.7
Cost of sales	EUR million	354.7	344.2	355.2	368.7	376.1
Gross profit margin		23.8%	21.6%	21.3%	21.3%	22.9%
EBITDA	EUR million	50.8	52.3	47.7	46.8	53.6
EBIT	EUR million	23.8	18.8	21.4	16.7	26.0
EBIT adjusted ¹	EUR million	24.0	26.3	22.7	24.8	26.4
EBIT margin adjusted		5.2%	6.0%	5.0%	5.3%	5.4%
Earnings before taxes	EUR million	17.9	8.3	16.9	11.4	16.6
Net income	EUR million	9.8	24.9	4.7	-0.5	4.4
Net income attributable to shareholders of ElringKlinger AG	EUR million	13.3	22.5	7.8	2.4	6.7
Cash flow						
Net cash from operating activities	EUR million	16.8	70.1	36.2	26.8	-3.4
Net cash from investing activities	EUR million	-22.2	-23.0	-22.6	-25.8	-18.8
Net cash from financing activities	EUR million	30.4	-52.2	-3.8	11.5	4.8
Operating free cash flow ²	EUR million	-5.8	41.6	11.7	3.7	-20.3
Balance Sheet						
Balance sheet total	EUR million	2,060.5	2,008.2	2,025.0	2,041.0	2,032.0
Equity	EUR million	917.3	910.7	884.7	886.0	902.9
Equity ratio		44.5%	45.3%	43.7%	43.4%	44.4%
Net financial debt ³	EUR million	329.1	323.2	366.3	380.1	372.3
Net debt-to-EBITDA ratio ⁴		1.7	1.6	1.8	1.9	2.0
Human Resources						
Employees (as at end of quarter)		9,606	9,576	9,625	9,607	9,635
Stock						
Earnings per share	EUR	0.21	0.36	0.12	0.04	0.11

¹ For definition see Annual Report 2023, section internal control system

² Net cash from operating activities and net cash from investing activities (excluding cash flows for M&A activities and for changes in financial assets)

³ Current and non-current financial liabilities less cash and cash equivalents and less short-term securities

⁴ Net debt/EBITDA

Summary of the first three months 2024

- ElringKlinger Group revenue at EUR 465.3 million in the first quarter of 2024 (Q1 2023: EUR 487.7 million); decline of 4.6% (-3.8% adjusted for currency effects) reflects sluggish market environment: global car production and especially in the high-revenue region of Europe down slightly in the period under review; E-Mobility business unit records revenue growth of around EUR 5 million;
- **Adjusted EBIT** at EUR 24.0 million (Q1 2023: EUR 26.4 million), corresponding to an adjusted EBIT margin of 5.2% (Q1 2023: 5.4%); gross profit margin up slightly;
- **Financial position** remains solid; equity ratio at 44.5% at the end of the first quarter (Mar. 31, 2023: 44.4%); net financial liabilities scaled back markedly year on year to EUR 329.1 million (March 31, 2023: EUR 372.3 million); net debt-to-EBITDA ratio at 1.7 (Mar. 31, 2023: 2.0); net working capital also down year on year to EUR 489.3 million (Mar. 31, 2023: EUR 518.5 million);
- **Net cash from operating activities** in the first quarter of 2024 up year on year at EUR 16.8 million (Q1 2023: EUR -3.4 million); operating free cash flow also higher year on year at EUR -5.8 million (Q1 2023: EUR -20.3 million);
- **Order intake** of EUR 489.4 million (Q1 2023: EUR 474.9 million) up on the previous year, order backlog stands at EUR 1,329.3 million (Mar. 31, 2023: EUR 1,449.0 million).

“Operating within a difficult environment with a slight downturn in the global automotive market, we managed to put in a solid quarterly performance. Revenue was down marginally on the prior-year figure. As regards earnings, we made a good start to the year with our adjusted EBIT margin and are on track to achieve our annual target of around 5%. Overall, our business developed along encouraging lines, as reflected in strong order intake, continued growth of the E-Mobility business unit, and the trajectory of earnings to date.”

Thomas Jessulat, CEO of ElringKlinger AG

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What does the new management team stand for and what does it mean for the future of ElringKlinger? We accompany the three Management Board members, find out how the trio works, and shed light on the five success factors at the heart of the company's goals for 2030.

Read the full report in »Triple« in the latest 2024 issue of »pulse« magazine.

Macroeconomic Conditions and Business Environment

The global economy displayed hardly any momentum in the first quarter of 2024, even though there were signs of a slight upturn in global trade according to the IMF. While inflation continued to ease in many regions, it failed to reach the defined targets in the majority of advanced economies – or at least not at a level that was sustainable. As a result, the key interest rates set by major central banks, such as the Federal Reserve in the United States with an upper limit of 5.5% and the European Central Bank with an interest rate of 4.5%, remained at an elevated level. Against the backdrop of restrictive financing terms, demand for capital goods and from private households remained subdued. Geopolitical conflicts, above all the protracted war in Ukraine and the crisis in the Middle East, exerted downward pressure on the global economy and were a strain on growth.

The pace of economic activity varied within the individual sectors as well as at a regional level. While the US economy, which had previously been robust, lost some of its momentum, Europe, which had been experiencing stagnation in the preceding year, saw a slight recovery as the dampening effect of inflation subsided. China provided little impetus when it came to global growth. The Chinese economy expanded at a slower pace in the quarter under review, having been impacted by the country's unresolved structural problems, such as the real estate crisis and the high level of corporate debt.

Global vehicle production

After a period of growth in 2023, the pace of vehicle production slowed significantly overall in the first quarter of 2024. According to the industry institute S&P Global Mobility, production output of light vehicles, i.e., passenger cars and light commercial vehicles, stood at 21.2 million units worldwide in the first three months of 2024. Compared to the first quarter of the previous year, this corresponds to a slight downturn of 0.8%. After supply-side bottlenecks had been overcome to a large extent, manufacturers were in a position to replenish their stocks over the course of 2023. This, in turn, had a dampening effect on growth in the quarter under review. The direction taken by the individual regions varied, as can be seen in the corresponding table.

GDP growth

Year-on-year change in %	3 rd quarter 2023	4 th quarter 2023	1 st quarter 2024
Germany	-0.3	-0.2	-0.4
Eurozone	0.1	0.1	0.2
USA	2.9	3.1	2.9
Brazil	2.0	2.1	0.1
China	4.9	5.2	4.2
India	8.1	8.4	6.1
Japan	1.6	1.2	0.4

Source: HSBC (March 2024)

International sales markets

International sales markets, on the other hand, showed signs of buoyant growth in the first quarter, as reflected in data presented by the German industry association VDA. Sales figures rose in the key markets of Europe, the United States, China, and India, even though some regions, such as the US and Europe, were still below their pre-covid levels. In Europe (EU, EFTA, & UK), new car registrations increased by 4.9% year on year to 3.4 million vehicles in the first quarter of 2024. While sales in the United Kingdom, France, and Italy showed above-average growth, the corresponding figures for Germany (around 4%) and Spain expanded at a less pronounced rate. In the United States, sales of new light vehicles rose by around 5% to 3.7 million units, in China by around 13% to 4.8 million units and in India by around 12% to 1.1 million units. The Brazilian light vehicle market also increased significantly by around 11% to 0.5 million units, while the Japanese market for passenger cars recorded a decline of around -16% to 1.0 million passenger cars. According to the VDA, the momentum generated in this largely positive first quarter showed signs of waning at the end of the period.

Production Light Vehicles

Region	Vehicles millions		Year-on-year change
	1 st quarter 2023	1 st quarter 2024	
Europe ¹	4.5	4.4	-3.9%
China	5.9	6.2	4.4%
Japan/Korea	3.2	2.9	-9.7%
Middle East/Africa	0.5	0.6	6.5%
North America	3.9	3.9	1.4%
South America	0.7	0.6	-6.0%
South Asia	2.6	2.5	-2.5%
World	21.4	21.2	-0.8%

¹ excl. Russia

Source: S&P Global Mobility, April 2024

Significant Events

Upcoming change to the Supervisory Board of ElringKlinger AG

On March 14, 2024, the Chairman of the Supervisory Board of ElringKlinger AG, Klaus Eberhardt, informed the company of his intention to step down from his position upon conclusion of the upcoming Annual General Meeting on May 16, 2024, and to pass on the chairmanship to younger hands. Eberhardt has been a member of the Supervisory Board since 2013 and took over as Chairman in May 2017. In the context of succession planning, the Supervisory Board resolved at its meeting on March 26, 2024, to propose Mr. Ludger Heuberg as a new member for election by the Annual General Meeting. Heuberg has held the position of CFO for several large companies and can draw on many years of experience in the automotive sector. In addition, the Nomination Committee of the Supervisory Board recommended that Mr. Helmut P. Merch be elected as the new Chairman at the constituting meeting of the Supervisory Board. Merch has been a member of the Supervisory Board of ElringKlinger AG since July 2020.

Further contracts secured by the E-Mobility business unit

ElringKlinger has seen a further increase in the number of nominations received for e-mobility applications. In this context, development contracts for prototypes in the field of battery and fuel cell technology also form an important basis for progress in this area. A prime example of this forward momentum in the first quarter of 2024 is the most recent contract concluded between the Group subsidiary EKPO Fuel Cell Technologies GmbH (EKPO for short) and the Chinese FAW Group for the development and supply of NM12 Single fuel cell modules. The stacks are to be used in the fuel cell system of a vehicle marketed under the premium Hongqi brand. EKPO has operated a site in China since 2022, where it has established extensive development and production capacities. This is also to be seen against the backdrop of efforts to tap into China's important next-generation market for hydrogen-based business.

Sales and Earnings Performance

Revenue down on previous year amid challenging market conditions

Having posted a record level of revenue in the first quarter of the previous year, the ElringKlinger Group generated EUR 465.3 million in revenue for the period from January to March 2024 (Q1 2023: EUR 487.7 million). The direction taken by revenue is to be seen against the backdrop of challenging conditions for the market as a whole: according to industry service provider S&P Global Mobility, global automotive production declined by -0.8% in the first three months of 2024 and by as much as -2.5% in Europe, the strongest market in terms of revenue.

The dilutive effect of exchange rate movements on ElringKlinger's revenue was equivalent to EUR 3.8 million in the first quarter of 2024. While the direction taken by the Mexican peso provided a tailwind, movements in the Turkish lira and Japanese yen had a dampening effect. In organic terms, i.e., excluding currency effects, revenue fell by EUR 18.6 million or 3.8%. There were no effects from changes in the scope of consolidation (M&A activities) on Group revenue in the quarter under review.

Sluggish market momentum in Europe and Asia-Pacific

In its strongest revenue-generating region, the Rest of Europe, the ElringKlinger Group recorded revenue of EUR 153.2 million in the first quarter of 2024 (Q1 2023: EUR 159.1 million). Revenue here was down EUR 5.9 million or 3.7% on the prior-year figure. Assuming stable exchange rates, the year-on-year decline was less pronounced at EUR 2.8 million or 1.8%.

Organic revenue growth in the region encompassing the Rest of Europe was therefore also more favorable than the direction taken by the automotive market as a whole in terms of production output (Europe excluding Germany and Russia), which was down by -2.5%. In Germany, ElringKlinger generated revenue of EUR 94.4 million in the quarter under review (Q1 2023: EUR 97.2 million).

In the Asia-Pacific region, the revenue trajectory mirrored the negative trend seen with regard to production output in the automotive industry, which fell by 1.0% compared to the previous year. The market in this region developed along comparatively heterogeneous lines: while the market in China performed well, automotive production in Japan, Korea, and South Asia trended lower. ElringKlinger generated revenue of EUR 70.7 million in the Asia-Pacific region in the quarter under review (Q1 2023: EUR 81.4 million). Adjusted for currency effects, revenue amounted to EUR 73.7 million in the first three months of the financial year.

North America down slightly, South America and Rest of World post revenue growth

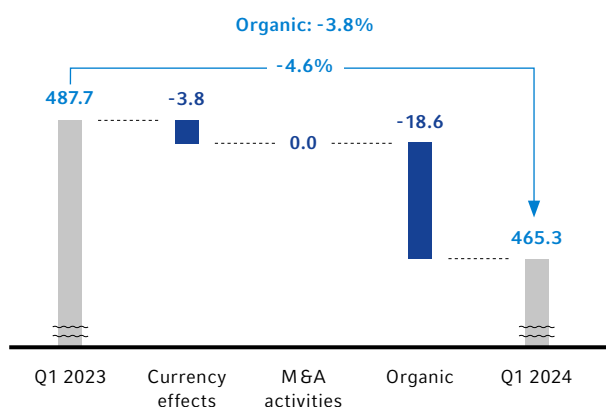
Following strong growth in the previous year, revenue within the sales region of North America declined in the first quarter of 2024. Revenue attributable to this region amounted to EUR 121.3 million in the first three months (Q1 2023: EUR 127.7 million), which corresponds to a change of -5.0%. In this context, exchange rates provided some support. With a 26.1% (Q1 2023: 26.2%) share of revenue, North America is the second strongest region in the Group after the Rest of Europe.

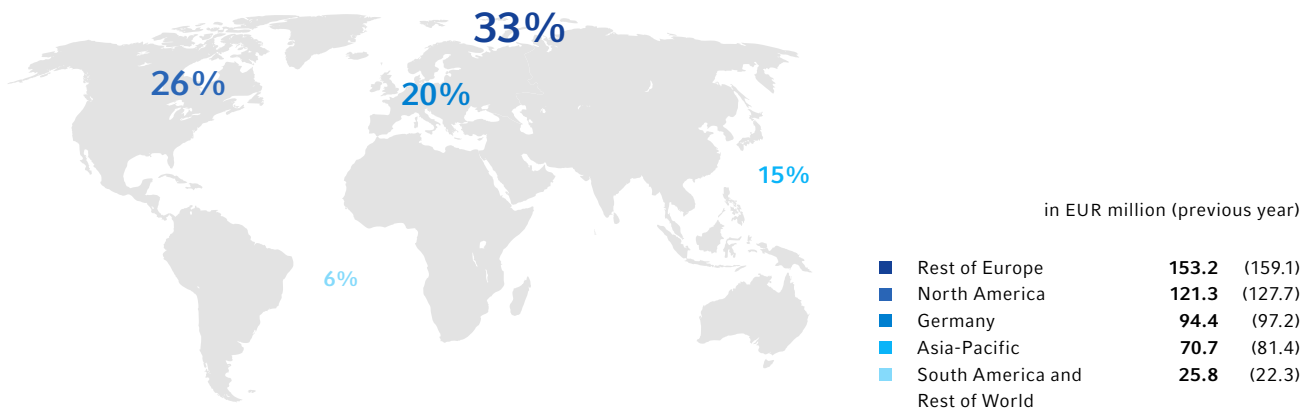
In the region encompassing South America and Rest of World, revenue increased by 15.6% year on year to EUR 25.8 million in the quarter under review (Q1 2023: EUR 22.3 million). Here too, exchange rates had a slightly positive impact: adjusted for currency effects, growth amounted to 13.9%.

Revenue from foreign sales accounted for 79.7% of Group revenue in the first three months (Q1 2023: 80.1%), while revenue generated in Germany accounted for 20.3% (Q1 2023: 19.9%).

Factors influencing Group revenue in 1st quarter 2024

in EUR million



Group revenue by region 1st quarter 2024**Original Equipment: revenue up in E-Mobility unit**

The Original Equipment segment had to contend with a decline in revenue in the first quarter. In the period from January to March 2024, the sluggish momentum seen with regard to automotive production in Europe (excluding Russia) and Asia-Pacific, which S&P Global Mobility put at -3.9% and -1.0% respectively, had an impact on business. In addition, changes in call-off volumes requested by customers as part of their ongoing scheduling arrangements had a dampening effect on segment revenue. Revenue in the Original Equipment segment amounted to EUR 339.5 million in the first quarter of 2024 (Q1 2023: EUR 369.1 million), which corresponds to a decline of EUR 29.6 million compared to the same quarter of the previous year. While revenue in what used to be the traditional Lightweighting/Elastomer Technology, Metal Forming & Assembly Technology, and Metal Sealing Systems & Drivetrain Components business units declined amid challenging market conditions, as outlined above, the E-Mobility business unit recorded growth in the period under review. Revenue from E-Mobility sales increased by EUR 5.1 million or 82.3% to EUR 11.3 million (Q1 2023: EUR 6.2 million), with revenue from new series production orders in the area of battery technology also contributing to this year-on-year growth.

The direction taken by segment revenue was reflected in financial performance, although the year-on-year decline in prices for a number of raw materials had a supportive effect on earnings. In the first quarter of 2024, the segment's adjusted earnings before interest and taxes (adjusted EBIT) of EUR -2.4 million (Q1 2023: EUR 1.1 million) were down on the figure posted for the same period a year ago. This is

equivalent to an adjusted EBIT margin of -0.7% (Q1 2023: 0.3%) for the Original Equipment segment.

Aftermarket growth strategy takes effect

With the growth strategy taking effect, the Aftermarket segment saw a further increase in revenue compared to the same quarter of the previous year. Revenue amounted to EUR 90.4 million in the first quarter of 2024 (Q1 2023: EUR 81.7 million), a year-on-year increase of EUR 8.7 million. Growth was driven by all major sales regions.

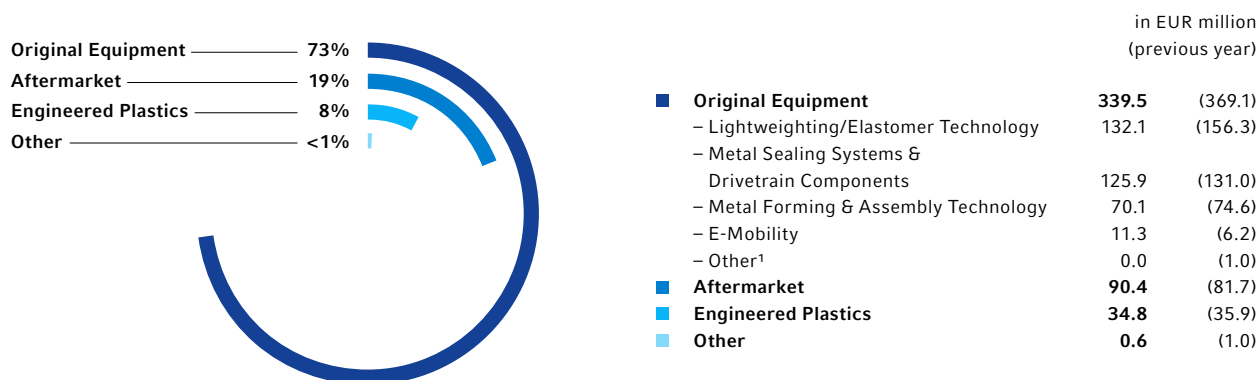
On the back of revenue growth, the segment also saw an increase in earnings. Adjusted EBIT amounted to EUR 22.7 million in the first quarter of 2024 (Q1 2023: EUR 19.8 million). Overall, the adjusted EBIT margin amounted to 25.1%, compared to 24.3% in the same quarter of the previous year.

Engineered Plastics in transformation

The Engineered Plastics segment saw revenue decline by EUR 1.1 million compared to the first quarter of the previous year. Segment revenue amounted to EUR 34.8 million in the period under review (Q1 2023: EUR 35.9 million).

Compared to the same period of the previous year, the cost base was impacted by a further increase in prices for high-performance plastics such as fluoropolymers and higher expenses for research and development as part of the segment's transformation efforts. Overall, the segment achieved adjusted EBIT of EUR 3.3 million (Q1 2023: EUR 5.1 million), corresponding to an adjusted EBIT margin of 9.5% (Q1 2023: 14.2%).

Group revenue by segment and business unit 1st quarter 2024



¹ Until 2023, essentially the Exhaust Gas Purification business unit

Other segment

The segment referred to as “Other” mainly comprises services provided by various subsidiaries. This includes logistics services for the Group’s aftermarket business, in addition to catering services provided by a subsidiary. In the first quarter of 2024, revenue stood at EUR 0.6 million (Q1 2023: EUR 1.0 million), which was down on the prior-year figure. Adjusted segment earnings before interest and taxes improved from EUR 0.2 million in the first quarter of the previous year to EUR 0.4 million.

Slight reduction in headcount

The headcount of the ElringKlinger Group stood at 9,606 (Mar. 31, 2023: 9,635) at the end of the quarter under review, which corresponds to a decrease of 0.3%. While the Group expanded its workforce in Germany, North America, and South America and Rest of World, the number of employees in the Asia-Pacific and Rest of Europe regions decreased. In Germany, upstaffing was centered around fuel cell technology, a field of strategic importance to the future. Overall, the proportion of employees in Germany rose slightly to 42.8% (Mar. 31, 2023: 42.4%). Accordingly, as a percentage, the non-domestic headcount declined marginally to 57.2% (Mar. 31, 2023: 57.6%).

Gross profit margin improved at 23.8%

In the months from January to March, the cost of sales fell by EUR 21.4 million or 5.7% year on year to EUR 354.7 million (Q1 2023: EUR 376.1 million). This was attributable primarily to material-related expenses, which decreased by EUR 18.1 million or 8.4% to EUR 196.4 million (Q1 2023: EUR 214.5 million). Procurement prices for several key raw

materials required by the Group for production purposes trended lower year on year. For example, the price of aluminum fell significantly compared to the first three months of the previous year, and price reductions also had an impact on steels and plastic pellets. Despite these developments, the overall price level for key raw materials was noticeably above the pre-crisis level. Prices for certain elastomers were significantly higher than in the first quarter of the previous year. The cost-of-materials ratio (cost of materials in relation to Group revenue) stood at 42.2% in the period under review (Q1 2023: 44.0%).

Gross profit remained largely unchanged at EUR 110.6 million (Q1 2023: EUR 111.6 million) in the first quarter of 2024. This corresponds to a gross profit margin of 23.8% in the quarter under review (Q1 2023: 22.9%).

Staff costs within the Group, which are accounted for in various functional categories of the income statement, amounted to EUR 157.3 million in the first quarter (Q1 2023: EUR 156.0 million). In total, staff costs rose by 0.8% or EUR 1.3 million, mainly due to higher personnel-related expenses in the area of research and development. Accordingly, staff costs in relation to Group revenue rose from 32.0% in the same quarter of the previous year to 33.8% in the quarter under review, also due to the lower denominator.

The ElringKlinger Group’s selling expenses decreased slightly to EUR 38.1 million in the first quarter of 2024 (Q1 2023: EUR 38.4 million). In this context, slightly higher staff costs were more than offset by lower freight costs. At EUR 26.6 million (Q1 2023: EUR 25.6 million), general and

administrative expenses were slightly higher year on year due to various service-related items.

Research and development ratio at 5.7%

The ElringKlinger Group's research and development (R&D) activities are focused on alternative drive technologies. From January to March 2024, R&D expenses amounted to EUR 21.0 million (Q1 2023: EUR 22.5 million), which was down on the figure recorded in the same quarter of the previous year. In addition, development costs amounting to EUR 5.7 million (Q1 2023: EUR 4.7 million) were capitalized. This resulted in a capitalization ratio of 21.4% (Q1 2023: 17.3%). Research and development costs, including capitalization, amounted to EUR 26.7 million in the first quarter of 2024 (Q1 2023: EUR 27.2 million). At 5.7%

(Q1 2023: 5.6%), the R&D ratio (including capitalized development costs) in the first quarter of 2024 was almost unchanged on the prior-year figure and stood at the upper end of the target corridor of 5 to 6% of Group revenue.

Other operating income fell from EUR 3.5 million in the same quarter of the previous year to EUR 3.2 million in the quarter under review. This includes grants of EUR 0.7 million (Q1 2023: EUR 0.3 million) – recognized in profit or loss – that the ElringKlinger Group received for R&D projects. This contrasted with expenses of at least the same amount. At EUR 4.3 million (Q1 2023: EUR 2.6 million), other operating expenses from January to March 2024 were higher than in the previous year due to various items.

Adjusted EBIT 1st quarter 2024¹

in EUR million	1 st quarter 2024	1 st quarter 2023	Year-on-year change
EBIT	23.8	26.0	-2.2
Impairment losses	0.0	0.0	
of which goodwill impairment losses	0.0	0.0	
Restructuring	0.1	0.3	
Other non-operational effects	0.1	0.0	
Adjusted EBIT	24.0	26.4	-2.4
<i>Adjusted EBIT margin</i>	<i>5.2%</i>	<i>5.4%</i>	<i>-0.2 pp</i>

¹ A detailed definition of adjusted EBIT margin can be found in the "Internal Control System" section of the 2023 annual report.

Adjusted EBIT margin on track for annual target

Against the backdrop of lower revenue, earnings before interest, taxes, depreciation, and amortization (EBITDA) remained comparatively robust at EUR 50.8 million (Q1 2023: EUR 53.6 million). At EUR 27.0 million, depreciation and amortization remained largely unchanged from the previous year (Q1 2023: EUR 27.5 million). In relation to adjusted Group EBIT, the first quarter of 2024 included minor restructuring-related and other non-operating effects (EUR 0.1 million each). Thus, the Group posted adjusted EBIT of EUR 24.0 million (Q1 2023: EUR 26.4 million), which corresponds to an adjusted EBIT margin of 5.2% (Q1 2023: 5.4%). In the first quarter of 2024, the reported Group EBIT of EUR 23.8 million (Q1 2023: EUR 26.0 million) was at a similar level to adjusted EBIT.

Improved net finance result

Net finance cost in the quarter under review stood at EUR -5.9 million, which was a marked improvement on the figure of EUR -9.4 million reported in the first quarter of the previous year. In a year-on-year comparison, the general

hike in market interest rates is reflected in interest expenses in the period under review. This was counteracted by a slight increase in interest income. In total, net interest expense amounted to EUR -4.6 million (Q1 2023: EUR -4.8 million).

Income from associates, which is included in net finance cost and relates to the interest held in hofer AG, amounted to EUR -1.1 million (Q1 2023: EUR -2.9 million). At EUR -1.3 million (Q1 2023: EUR -4.6 million), the net foreign exchange result and other net finance result in the first quarter of 2024 were significantly better than in the same quarter of the previous year; this is attributable to a positive overall effect from foreign exchange gains and losses as well as the aforementioned net result from associates.

Taking net finance cost into account, earnings before taxes for the first quarter of 2024 amounted to EUR 17.9 million (Q1 2023: EUR 16.6 million).

Net finance cost/income 1st quarter 2024

in EUR million	1 st quarter 2024	1 st quarter 2023	Year-on-year change
Net interest result	-4.6	-4.8	+0.2
Net foreign exchange result and other net finance result	-1.3	-4.6	+3.3
Net finance cost	-5.9	-9.4	+3.5

Income taxes down year on year

Income tax expenses in the quarter under review fell by EUR 4.1 million to EUR 8.1 million (Q1 2023: EUR 12.2 million) compared to the first quarter of the previous year, mainly as a result of effects from the change in the transfer pricing system. The effective tax rate, i.e., income tax expense in relation to earnings before taxes, stood at 45.1% for the first quarter just ended (Q1 2023: 73.7%).

Earnings per share doubled

After deducting income tax expenses, the Group recorded net income for the period of EUR 9.8 million (Q1 2023: EUR 4.4 million). Taking into account non-controlling interests of EUR -3.5 million (Q1 2023: EUR -2.3 million), the share of net income attributable to the shareholders of ElringKlinger AG amounted to EUR 13.3 million (Q1 2023: EUR 6.7 million). As of March 31, 2024, the number of shares outstanding that were entitled to a dividend remained unchanged at 63,359,990. Thus, earnings per share amounted to EUR 0.21 in the first quarter (Q1 2023: EUR 0.11).

Financial Position and Cash Flows

The ElringKlinger Group's financial position and cash flows remained very solid in the first quarter of 2024, with an equity ratio of 44.5% and a net debt-to-EBITDA ratio of 1.7. The Group generated net cash from operating activities of EUR 16.8 million. As a result, outflows for investments in property, plant, and equipment amounting to EUR 16.9 million were financed by own funds in the period.

Total assets exceed two billion euros

As of March 31, 2024, the ElringKlinger Group had total assets of EUR 2,060.5 million (Dec. 31, 2023: EUR 2,008.2 million). This represents an increase of 2.6% or EUR 52.3 million compared to the end of 2023, which was attributable to current assets. Compared to the end of the first quarter of 2023, the expansion was less pronounced at EUR 28.5 million or 1.4%.

The carrying amount of non-current assets stood at EUR 1,092.4 million as of March 31, 2024 (Dec. 31, 2023: EUR 1,092.3 million), thus remaining on a par with the figure posted at the end of 2023. Their share of total assets corresponded to 53.0% (Dec. 31, 2023: 54.4%). In this context, property, plant, and equipment constituted the largest item at EUR 859.9 million (Dec. 31, 2023: EUR 858.0 million).

Compared to the end of 2023, this represents a slight increase of EUR 1.9 million. Intangible assets also remained largely unchanged compared to the end of 2023 with a carrying amount of EUR 168.4 million (Dec. 31, 2023: EUR 168.2 million). They mainly include assets generated as part of internal development activities as well as acquired goodwill. The main addition in the quarter under review was capitalized development costs amounting to EUR 5.7 million. Contrary factors included write-downs as well as currency effects in the period under review.

At -0.9%, the total carrying amount of non-current assets was also marginally lower in a twelve-month comparison. Intangible assets increased by EUR 19.7 million compared to the reporting date of March 31, 2023, mainly due to capitalized development costs. At the same time, property, plant, and equipment decreased by EUR 28.0 million.

Investments in associates decreased slightly by EUR 1.2 million to EUR 12.9 million compared to the end of 2023; their carrying amount was EUR 0.9 million higher compared to the figure posted as of March 31, 2023.

Key figures Financial Position and Cash Flows

in EUR million	Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2023
Total equity and liabilities	2,060.5	2,008.2	2,032.0
Equity ratio	44.5%	45.3%	44.4%
Net working capital¹	489.3	466.3	518.5
in relation to Group revenue	26.8%	25.2%	28.0%
Net financial debt²	329.1	323.2	372.3
Net debt-to-EBITDA ratio ³	1.7	1.6	2.0
ROCE ⁴	6.4%	5.6%	6.6%
	1st quarter 2024		1st quarter 2023
Net cash from operating activities	16.8		-3.4
Operating free cash flow⁵	-5.8		-20.3
Investments in property, plant, and equipment (payments)	16.9		12.3
Investment ratio	3.6%		2.5%

¹ Inventories as well as trade receivables less trade payables

² Current and non-current financial liabilities less cash and short-term securities

³ Net financial liabilities/EBITDA

⁴ Return on capital employed; ROCE adjusted (calculation based on EBIT adjusted): Mar. 31, 2024: 6.4%, Dec. 31, 2023: 6.8%, Mar. 31, 2023: 6.7%

⁵ Cash flow from operating activities and cash flow from investing activities, excluding cash flows for M&A activities and for financial assets

Current assets increased by a total of EUR 52.2 million compared to the end of 2023, representing a share of 47.0% (Dec. 31, 2023: 45.6%). They amounted to EUR 968.1 million at the end of the reporting period, compared to EUR 915.9 million three months previously. Working capital, which is made up of inventories and trade receivables, accounts for a significant proportion of this. Compared to the end of 2023, this meant an increase in inventories of EUR 15.8 million or 3.6% to EUR 452.0 million (Dec. 31, 2023: EUR 436.3 million) and an increase in trade receivables of EUR 25.4 million to EUR 272.3 million (Dec. 31, 2023: EUR 246.9 million). Within inventories, both work in progress and finished goods were expanded, the aim being to meet on time any upcoming call-off volumes requested by customers as part of their ongoing scheduling arrangements. The increase in trade receivables was attributable to the below-average level of revenue recorded in December, as a result of factors relating to the reporting date. This is to be seen in the context of the low level of revenue in December. In a twelve-month comparison, the overall level of working capital remained at a comparable figure with a change of -0.4%, with inventories increasing by EUR 16.1 million and trade receivables decreasing by EUR 19.2 million compared to March 31, 2023.

Net working capital down year on year

Net working capital, which encompasses inventories and trade receivables less trade payables, totaled EUR 489.3 million as of March 31, 2024 (Dec. 31, 2023: EUR 466.3 million). It increased by EUR 23.1 million compared to the start of the year, but was scaled back by EUR 29.2 million in a year-on-year comparison. Alongside the influence of working capital, as mentioned above, this trend was also driven by the volume of trade payables. Trade payables rose by EUR 18.1 million compared to the beginning of the year to EUR 235.1 million (Dec. 31, 2023: EUR 216.9 million) and by EUR 26.1 million compared to the end of the first quarter of the previous year.

Expressed as a percentage of revenue, the net working capital ratio as of March 31, 2024, was 26.8% (Dec. 31, 2023: 25.2%). It improved by 1.2 percentage points compared to the previous year's reporting date of March 31, 2023 (28.0%).

Other current assets decreased by EUR 11.9 million compared to the end of 2023, which was attributable primarily to a further contribution made as scheduled by the co-owner in the Group subsidiary EKPO Fuel Cell Technologies GmbH (EKPO for short).

As of March 31, 2024, the ElringKlinger Group had cash and cash equivalents of EUR 137.6 million (Dec. 31, 2023: EUR 113.7 million).

Equity ratio at 45 percent

The ElringKlinger Group again recorded a substantial equity ratio at the end of the first quarter of 2024, standing at 44.5% for the period under review (Dec. 31, 2023: 45.3%), which is comparable to the figure of 44.4% reported one year earlier. Thus, the equity ratio remains within the management's defined target range of 40 to 50%.

Equity amounted to EUR 917.3 million (Dec. 31, 2023: EUR 910.7 million). In the period under review, equity was boosted by net income of EUR 9.8 million and a capital contribution of EUR 4.0 million from the co-owner of EKPO. At the same time, currency translation differences amounting to EUR -7.2 million had the opposite effect.

At EUR 103.1 million (Dec. 31, 2023: EUR 104.0 million), the carrying amount of provisions for pensions was almost on a par with the figure posted at the end of the 2023 financial year.

In addition, non-current and current provisions totaled EUR 82.7 million (Dec. 31, 2023: EUR 74.7 million) at the end of the reporting period. Non-current provisions amounted to EUR 28.1 million and mainly comprised personnel-related obligations, for example for partial retirement, long-service awards, and similar future benefits. The direction taken by provisions in the first quarter of 2024 as a whole is attributable, among other things, to increases in provisions for partial retirement and, to a lesser extent, provisions for contingent losses. Compared to March 31, 2023, the carrying amount of current and non-current provisions decreased by EUR 6.0 million on balance. The reduction was due in part to provisions utilized in 2023 in connection with the discontinuation of production activities at one of the sites in Germany.

Low level of net financial liabilities on stable footing

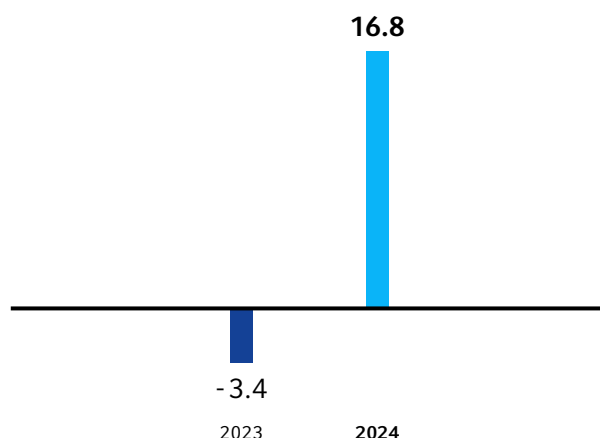
The ElringKlinger Group's net financial liabilities¹ (also known as net debt) amounted to EUR 329.1 million as of March 31, 2024 (Dec. 31, 2023: EUR 323.2 million), significantly lower than in previous years. Compared to the previous year, in which the carrying amount had been EUR 372.3 million as of March 31, 2023, net financial liabilities fell by EUR 43.2 million. The low level of net debt – now on a stable footing – is a result of targeted measures and reflects the management's ambition to maintain a robust financial position for the process of transformation.

The net debt-to-EBITDA² ratio was 1.7 at the end of the first quarter of 2024 (Dec. 31, 2023: 1.6), which represents a significant improvement compared to 2.0 at the end of the first quarter of 2023.

Non-current financial liabilities amounted to EUR 287.0 million at the end of the reporting period (Dec. 31, 2023: EUR 282.2 million), slightly higher than current financial liabilities, which totaled EUR 192.0 million (EUR 167.7 million).

After the first three months of 2024, the ElringKlinger Group reported total non-current liabilities of EUR 454.2 million (Dec. 31, 2023: EUR 443.7 million) and current liabilities of EUR 689.0 million (Dec. 31, 2023: EUR 653.8 million).

Cash flow from operating activities 1st quarter 2024
in EUR million



¹ Current and non-current financial liabilities less cash and cash equivalents and short-term securities
² Earnings before interest, taxes, depreciation, and amortization

Net cash from operating activities at EUR 17 million

The ElringKlinger Group generated net cash from operating activities of EUR 16.8 million in the first quarter of 2024. Compared to the same quarter of the previous year, in which the cash flow was slightly within negative territory at EUR -3.4 million, this represents a marked improvement. The cash inflow in the first quarter of 2024 essentially corresponded to consolidated earnings before taxes of EUR 17.9 million (Q1 2023: EUR 16.6 million). Non-cash earnings components such as depreciation/amortization and write-downs, which – including reversals – amounted to EUR 27.0 million (Q1 2023: EUR 27.5 million), changes in provisions, and unrealized currency effects, together with cash flows relating to changes in recognized assets, such as inventories and receivables, largely offset each other overall.

By its very nature, cash flow from operating activities is heavily influenced by the funds required for net working capital, i.e., cash used for inventories and trade receivables after deducting trade payables, or net working capital. This primarily explains the difference in the direction taken by this item compared to the same quarter of the previous year. Including other assets and liabilities not attributable to investing or financing activities, changes in inventories and trade receivables and payables resulted in an operating cash outflow of EUR 28.3 million in the first quarter of 2024, which was noticeably lower than the cash outflow of EUR 49.7 million in the same quarter of the previous year.

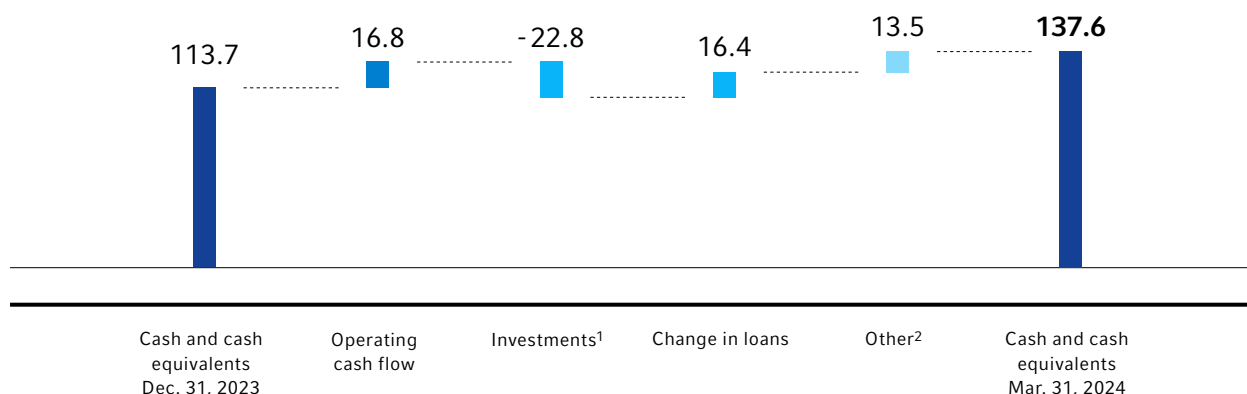
Income taxes paid in the first quarter of 2024 amounted to EUR 6.7 million, comparable to the figure posted in the same period of the previous year (Q1 2023: EUR 6.7 million). Interest paid by the Group in the period under review amounted to EUR 5.0 million (Q1 2023: EUR 4.5 million).

Investment in property, plant, and equipment at EUR 17 million

The ElringKlinger Group invested EUR 16.9 million in property, plant, and equipment in the first quarter of 2024 (Q1 2023: EUR 12.3 million). The increase in capital expenditure compared to the same quarter of the previous year mainly reflects upfront spending on specific customer projects, including in the area of electromobility. In the area of fuel cell technology, for example, which is handled by the Group subsidiary EKPO, investments were made in connection with a large-scale production order for bipolar plates for a global car manufacturer, which is scheduled to ramp up from 2026, in addition to various development projects. Investments made during the quarter under review were channeled into all of the Group's plants around the world; as in previous periods, the focus was on electromobility and the ongoing transformation of the portfolio, which increasingly is also underpinned by incoming orders – including within the Group's long-standing business units.

Changes in cash 1st quarter 2024

in EUR million



¹ Payments for investments in property, plant, and equipment and intangible assets

² Including inflow of EUR 14.0 million from co-owner of EKPO

The investment ratio (payments for investments in property, plant, and equipment relative to Group revenue) for the first quarter of 2024 was 3.6% (Q1 2023: 2.5%).

The ElringKlinger Group spent EUR 5.9 million (Q1 2023: EUR 4.8 million) on investments in intangible assets in the quarter under review, which are related primarily to capitalized development costs.

Year-on-year improvement in operating free cash flow

Operating free cash flow generated by the ElringKlinger Group amounted to EUR -5.8 million in the first quarter of 2024 (Q1 2023: EUR -20.3 million). This represents a significant improvement on the same quarter of the previous year, despite a slight increase in capital expenditure. Operating free cash flow results from cash flow from operating activities less investment outflows. In this context, cash flows for M&A activities (not applicable in the first quarter of 2024) and for financial assets (net amount of EUR -0.4 million in the first quarter of 2024) are not taken into account. The Group was thus able to finance a significant proportion of the outflows for property, plant, and equipment and intangible assets with cash generated from operating activities.

Cash flow from financing activities amounted to EUR 30.4 million in the quarter under review (Q1 2023: EUR 4.8 million). It included proceeds from non-controlling interests in the amount of EUR 14.0 million (Q1 2023: EUR 10.0 million). These were attributable entirely to EKPO and are directed at financing investments in fuel cell technology. In the first three months of 2024, the Group received net cash of EUR 16.4 million (Q1 2023: outflow of EUR 5.2 million) relating to inflows and outflows of long-term loans and the change in short-term loans.

As of March 31, 2024, the ElringKlinger Group had cash and cash equivalents of EUR 137.6 million (Mar. 31, 2023: EUR 113.7 million) and open, unused credit lines of EUR 278.2 million (Mar. 31, 2023: EUR 234.0 million).

Opportunities and Risks

As regards opportunities and risks for the ElringKlinger Group, the first quarter of 2024 saw no significant changes compared to the disclosures made in the 2023 annual report of the ElringKlinger Group.

There are currently no discernible risks that might jeopardize the future existence of the Group as a going concern, either in isolation or in conjunction with other risk factors.

The opportunity and risk report of the 2023 annual report (pages 98 ff.) can be accessed via the ElringKlinger website <https://www.elringklinger.de/ar2023/report-on-opportunities-and-risks>

Report on Expected Developments

Outlook – Market and Sector

After the first three months of 2024, economists anticipate that the global economy will continue to grow slowly but steadily over the remainder of the year. In its latest baseline forecast presented in April 2024, the International Monetary Fund (IMF) predicts growth of 3.2% for the year as a whole, which also corresponds to the rate of expansion in the previous year. A slight acceleration is expected for the advanced economies, where growth is set to edge up from 1.6% in 2023 to 1.7%. This is likely to be offset by a modest slowdown in the emerging and developing economies from 4.3% in 2023 to 4.2%.

According to experts, global inflation is likely to fall further, from 6.8% in the previous to 5.9% in the current year, with advanced economies again expected to reach lower levels more quickly. Core inflation, which excludes energy price trends, is generally expected to fall at a slower rate according to forecasts. Against this backdrop, economic institutes assume that the central banks in many economies will gradually ease their interest rate policies. On the other hand, tighter fiscal policy aimed at curbing government debt through higher taxes and lower government spending is likely to have a negative impact on global growth. According to the IMF, the pace of expansion is expected to remain low overall, which is attributed to various factors such as persistently high borrowing costs, the withdrawal of fiscal support, geopolitical crises including the ongoing war in Ukraine and the conflict in the Middle East, and more pronounced trade barriers – possibly also in the context of rising trade tensions between China and the United States.

GDP growth projections

Year-on-year change in %	2023	2024e ¹
World	3.2	3.2
Advanced economies	1.6	1.7
Emerging and developing countries	4.3	4.2
Germany	-0.3	0.2
Eurozone	0.4	0.8
USA	2.5	2.7
Brazil	2.9	2.2
China	5.2	4.6
India	7.8	6.8
Japan	1.9	0.9

¹ Projection
Source: IWF (April 2024)

Within the eurozone, which has recently been impacted by the effects of high energy costs and tight monetary policy, growth is expected to pick up slightly in 2024, albeit from a low level. The US economy, which proved robust in 2023, is expected to remain a driver of global growth. Economic growth in China is likely to slow in view of the downturn affecting the real estate sector, anemic domestic demand, and mounting government debt.

Stagnation of global vehicle production

According to the April 2024 forecast presented by the industry institute S&P Mobility, global vehicle production will reach 90.3 million light vehicles (passenger cars and light commercial vehicles) in 2024. Overall, this would suggest that the global market is trending sideways at a level similar to the previous year, which had seen significant growth and the replenishment of stocks. While projections for Europe (excluding Russia), Japan/Korea, and Middle East/Africa point to a decline, the key markets of China and North America are expected to continue to grow.

Slight increase in sales markets worldwide

According to data published by the German industry association VDA in April 2024, the international sales markets, measured in terms of new car and light vehicle registrations, are likely to maintain their growth trajectory. In this context, new car registrations in Europe (EU, EFTA, UK) could increase by around 4% to 13.3 million new vehicles in 2024 as a whole. The United States is expected to see an increase of around 2% to 15.7 million light vehicles (passenger cars and light commercial vehicles), while China is forecast to record slight growth of around 1% to 21.9 million passenger cars.

Outlook – Company

The economic environment as a whole remains challenging. Despite an improvement in the general outlook on the back of receding inflation, the economy shows no signs of dynamism at present. The ongoing sense of uncertainty has been exacerbated by geopolitical conflicts and armed hostilities, such as in Ukraine and the Middle East. Other regions, such as the South China Sea, are also experiencing tensions, which may culminate in the introduction of trade barriers. As a cyclical industry, the automotive sector as a whole is impacted noticeably by such underlying conditions. According to forecasts by S&P Global Mobility, global automotive production is likely to trend sideways over the course of this year.

Strong order intake

After the situation with regard to orders had recently returned to more normal levels following buoyant quarterly figures in 2022, order intake picked up again markedly in the three-month period under review. Recording a volume of EUR 489.4 million (Q1 2023: EUR 474.9 million), the Group exceeded its substantial order intake of the same quarter last year by EUR 14.5 million or 3.1%. Adjusted for currency effects, the figure was slightly higher at EUR 490.4 million.

Coinciding with the strong intake of orders, the Group's order backlog was up again quarter on quarter. It amounted to EUR 1,329.3 million in the quarter under review (Q4 2023: EUR 1,305.2 million), which was down on the prior-year figure of EUR 1,449.0 million as of March 31,

Projections Light vehicle production

Region	Vehicles millions		Year-on-year change
	2023	2024e ¹	
Europe ²	17.3	16.8	-3.3%
China	29.0	29.7	2.3%
Japan/Korea	12.8	12.2	-5.1%
Middle East/Africa	2.3	2.2	-1.3%
North America	15.7	16.0	2.1%
South America	2.9	2.9	-0.1%
South Asia	9.8	9.8	0.3%
World	90.4	90.3	0.0%

¹ Projection

² excl. Russia

Source: S&P Global Mobility, April 2024

2023, due to the return to more normal order intake levels in the quarters of the previous year. Foreign exchange rates had a dilutive effect; if exchange rates had remained stable, the figure would have amounted to EUR 1,333.4 million.

Guidance confirmed

Although the economic environment remains challenging, ElringKlinger anticipates slight organic growth in revenue and, as regards earnings performance, an adjusted EBIT margin of around 5% for the 2024 financial year. The Group can thus confirm the guidance presented in its 2023 annual report. In addition, the Group anticipates operating free cash flow of around 2% of Group revenue and ROCE of around 6%. ElringKlinger can also confirm its guidance for the current financial year in respect of the other metrics projected in the combined management report for 2023.

Medium-term outlook also confirmed

Despite the difficult conditions seen within the business environment in which ElringKlinger operates, the company considers itself to be well positioned in the medium to long term. ElringKlinger was quick off the mark in its efforts to embrace the transition toward e-mobility with products engineered specifically for battery and fuel cell systems as well as for electric drive units. The Lightweighting/Elastomer Technology, Metal Sealing Systems & Drivetrain Components, and Metal Forming & Assembly Technology business units, originally focused on the traditional fields of application, have an established market position in product solutions centered around the combustion engine, but are also

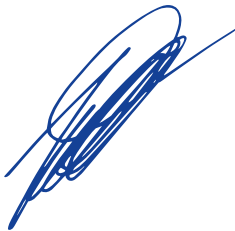
geared up for the transformation of the mobility market, as evidenced by the revenue already achieved or the nominations received most recently and over the course of the preceding year.

Against this backdrop, ElringKlinger anticipates further growth. In the medium term, i.e., over a period of 3 to 5 years,

the Group expects revenue to increase at an annual organic growth rate of around 5 to 7%. With regard to the earnings situation, the Group has set itself the goal of achieving an adjusted EBIT margin of around 7% in the medium term. The Group can also confirm its other medium-term targets.

Dettingen/Erms, May 7, 2024

Management Board



Thomas Jessulat
CEO



Reiner Drews



Dirk Willers

ElringKlinger and the Capital Markets

Stock rally in the first quarter

The direction taken by the financial markets in the first quarter of 2024 was shaped in particular by surprisingly positive economic data, debate concerning inflationary trends, and the emergence of artificial intelligence (AI). Against the backdrop of a slightly higher trajectory of domestic inflation than that seen toward the end of 2023, the US economy proved to be resilient in the period under review. Compared to the end of December, this information led market participants to expect fewer interest rate cuts by the US Federal Reserve over the course of 2024. Nevertheless, stock markets were propelled to new record highs around the globe. In this context, stock prices were driven primarily by hopes of stronger earnings growth, also in connection with AI use cases. There were a number of bright spots for the global economy in the first quarter of 2024. Both Chinese and European economic data proved more favorable in the first quarter than economists had predicted.

The US S&P 500 index ended the first quarter of 2024 up 10.2%, while the Japanese Nikkei rose by as much as 20.6%. In Europe, the DAX40 and the Italian MIB performed relatively well, rising by 10.4% and 14.5% respectively.

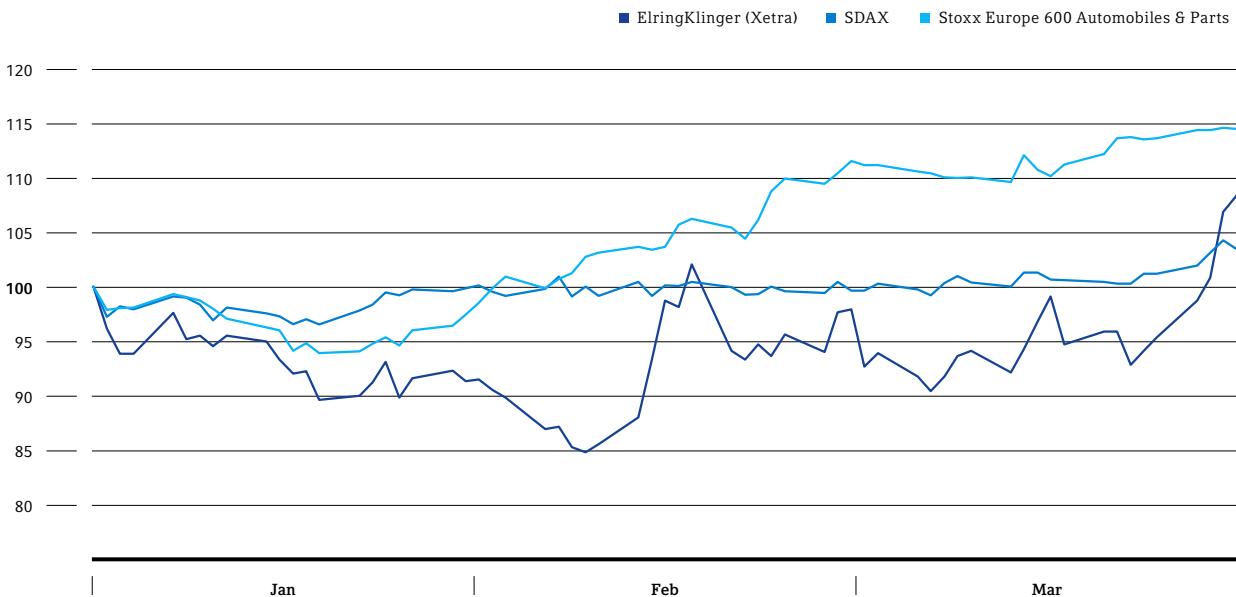
Cyclical stocks recorded strong gains in the first quarter, thus bolstering the German and Italian indices, among others.

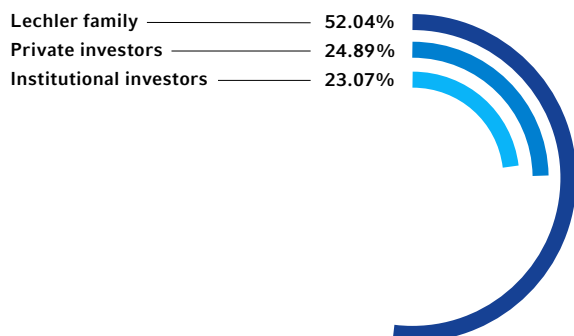
Gains for ElringKlinger shares in the first quarter of 2024

At the beginning of the year, demand for automotive stocks was rather lackluster initially, as a result of which ElringKlinger shares also trended lower in the first month of the year. Having reached a quarterly low of EUR 4.75, ElringKlinger stock was in demand until mid-February, with the share price rising by over 20% to EUR 5.72 on the back of significant volumes. This was followed by a period of profit-taking before the company's share price trended sideways. ElringKlinger's preliminary results for the 2023 financial year, published on March 13, were received favorably by the capital markets, prompting the share price to rise by 2.6% on that day. Finally, the publications at the end of the quarter – initially the press release related to ElringKlinger's dividend, issued subsequent to the Supervisory Board meeting on March 26, and the publication of the definitive results for the 2023 financial year – provided further buoyancy for the stock. ElringKlinger's stock closed the first quarter of 2024 at a price of EUR 6.07, which also represented the high for the quarter. ElringKlinger's stock performance in the first quarter thus exceeded that of the SDAX.

ElringKlinger's share price performance from January 1 to March 31, 2024 (indexed)

in %



Shareholder structure as of March 31, 2024**Trading volume higher than in the previous year**

At 66,950 shares (Q1 2023: 62,152), the average daily volume of ElringKlinger shares traded in the first quarter of 2024 was markedly higher than in the opening quarter of the previous year. The average daily value of ElringKlinger shares traded on German stock exchanges amounted to EUR 354k in the first three months (Q1 2023: EUR 520k), i.e., below the prior-year level. In the quarter under review, ElringKlinger shares displayed a sufficiently high level of liquidity at all times, thus providing the basis for relatively large share transactions to be concluded during this period.

ElringKlinger in dialogue with the capital markets

ElringKlinger maintained its close dialogue with international investors, analysts, and other capital market players over the course of the first quarter of 2024. This included,

for example, involvement in a continental European event organized in a virtual format. To mark the publication of the 2023 Annual Report, the ElringKlinger Group held its analysts' conference in Frankfurt as an in-person event and its annual press conference as a virtual meeting. ElringKlinger's Chief Executive Officer Thomas Jessulat outlined the company's results of the financial year just ended and presented details of the Group's strategic orientation to the journalists and analysts in attendance. The focus here was on the Group strategy referred to as SHAPE30 and the five associated success factors that are to ensure the effective transformation of the Group.

Virtual Annual General Meeting on May 16, 2024

The Supervisory Board of ElringKlinger AG approved the Management Board's proposal to hold the 2024 Annual General Meeting on May 16 in a virtual format. This decision is to be seen primarily within the context of the sustainability of corporate events and as an acknowledgement of the more flexible options for participation open to domestic and foreign shareholders.

In addition, the Supervisory Board confirmed the Management Board's proposal for a dividend payment of EUR 0.15 per share. In an effort to ensure continuity in respect of such distributions, the Supervisory Board and Management Board resolved to propose to the Annual General Meeting that the dividend for the 2023 financial year be kept unchanged at 15 cents per share.

ElringKlinger Stock (WKN 785 602)

	1 st quarter 2024	1 st quarter 2023
Number of shares outstanding	63,359,990	63,359,990
Share price (daily price in EUR) ¹		
High	6.07	9.48
Low	4.75	7.14
Closing price ²	6.07	9.40
Average daily trading volume (German stock exchanges; volume of shares traded)	66,950	62,152
Average daily trading value (German stock exchanges; in EUR)	354,187	519,671
Market capitalization (EUR million) ^{1,2}	384.6	595.6

¹ Xetra trading

² as of March 31

Group Income Statement

of ElringKlinger AG, January 1 to March 31, 2024

EUR k	1 st quarter 2024	1 st quarter 2023
Sales revenue	465,296	487,715
Cost of sales	-354,651	-376,136
Gross profit	110,645	111,579
Selling expenses	-38,111	-38,385
General and administrative expenses	-26,615	-25,606
Research and development costs	-20,961	-22,523
Other operating income	3,175	3,513
Other operating expenses	-4,341	-2,556
Earnings before interest and taxes (EBIT)	23,792	26,022
Finance income	3,052	494
Finance costs	-7,826	-7,017
Share of result of associates	-1,124	-2,926
Net finance costs	-5,898	-9,449
Earnings before taxes	17,894	16,573
Income tax expense	-8,063	-12,216
Net income	9,831	4,357
of which: attributable to non-controlling interests	-3,516	-2,312
of which: attributable to shareholders of ElringKlinger AG	13,347	6,669
Basic and diluted earnings per share in EUR	0.21	0.11

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to March 31, 2024

EUR k	1 st quarter 2024	1 st quarter 2023
Net income	9,831	4,357
Currency translation difference	-7,148	1,641
Share of other comprehensive income of associates	-67	45
Gains and losses that can be reclassified to the income statement in future periods	-7,215	1,686
Gains and losses that cannot be reclassified to the income statement in future periods	0	0
Other comprehensive income after taxes	-7,215	1,686
Total comprehensive income	2,616	6,043
of which: attributable to non-controlling interests	-3,607	-2,597
of which: attributable to shareholders of ElringKlinger AG	6,223	8,640

Group Statement of Financial Position

of ElringKlinger AG, as at March 31, 2024

EUR k	Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2023
ASSETS			
Intangible assets	168,388	168,151	148,657
Property, plant and equipment	859,909	857,981	887,923
Financial assets	11,730	11,646	13,613
Shares in associates	12,898	14,089	11,990
Non-current income tax assets	2,640	2,464	2,221
Other non-current assets	1,784	1,732	11,930
Deferred tax assets	23,980	24,889	20,184
Contract performance costs	5,133	5,348	5,692
Non-current contract assets	5,895	5,991	490
Non-current assets	1,092,357	1,092,291	1,102,700
Inventories	452,029	436,276	435,945
Current contract assets	6,638	7,327	7,003
Trade receivables	272,342	246,908	291,539
Current income tax assets	19,939	20,243	6,071
Other current assets	79,569	91,420	88,639
Cash and cash equivalents	137,618	113,712	100,141
Current assets	968,135	915,886	929,338
	2,060,492	2,008,177	2,032,038

EUR k	Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2023
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	684,596	671,249	648,109
Other reserves	-16,843	-9,719	2,894
Equity attributable to the shareholders of ElringKlinger AG	849,351	843,128	832,601
Non-controlling interest in equity	67,929	67,552	70,257
Equity	917,280	910,680	902,858
Provisions for pensions	103,113	103,968	96,853
Non-current provisions	28,101	23,713	17,977
Non-current financial liabilities	287,046	282,227	412,767
Non-current contract liabilities	1,463	1,562	1,789
Deferred tax liabilities	27,691	25,851	23,449
Other non-current liabilities	6,808	6,419	10,681
Non-current liabilities	454,222	443,740	563,516
Current provisions	54,627	50,939	70,731
Trade payables	235,059	216,931	208,986
Current financial liabilities	192,048	167,711	80,460
Current contract liabilities	13,022	14,740	14,324
Tax payable	14,127	20,933	30,580
Other current liabilities	180,107	182,503	160,583
Current liabilities	688,990	653,757	565,664
	2,060,492	2,008,177	2,032,038

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to March 31, 2024

EUR k

	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2022	63,360	118,238	641,440
Dividend distribution			
Total comprehensive income			6,669
Net income			6,669
Other comprehensive income			
Balance as of Mar. 31, 2023	63,360	118,238	648,109
Balance as of Dec. 31, 2023	63,360	118,238	671,249
Dividend distribution			
Addition to capital reserves ¹			
Total comprehensive income			13,347
Net income			13,347
Other comprehensive income			
Balance as of Mar. 31, 2024	63,360	118,238	684,596

¹ Addition to capital reserves of EKPO Fuel Cell Technologies GmbH

Other reserves					
Remeasurement of defined benefit plans, net	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of ElringKlinger AG	Non-controlling interests in equity	Group equity
-18,760	48,317	-28,634	823,961	72,872	896,833
			0	-18	-18
		1,971	8,640	-2,597	6,043
			6,669	-2,312	4,357
		1,971	1,971	-285	1,686
-18,760	48,317	-26,663	832,601	70,257	902,858
-24,115	48,069	-33,673	843,128	67,552	910,680
			0	-16	-16
			0	4,000	4,000
		-7,124	6,223	-3,607	2,616
			13,347	-3,516	9,831
		-7,124	-7,124	-91	-7,215
-24,115	48,069	-40,797	849,351	67,929	917,280

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to March 31, 2024

EUR k	1 st quarter 2024	1 st quarter 2023
Earnings before taxes	17,894	16,573
Depreciation/amortization (less write-ups) of non-current assets	27,015	27,547
Net interest	4,618	4,826
Change in provisions	7,174	4,625
Gains/losses on disposal of non-current assets	167	-18
Share of result of associates	1,124	2,926
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-35,649	-31,052
Change in trade payables and other liabilities not resulting from financing and investing activities	7,365	-18,679
Income taxes paid	-6,654	-6,685
Interest paid	-5,024	-4,504
Interest received	751	384
Other non-cash expenses and income	-2,025	650
Net cash from operating activities	16,756	-3,407
Proceeds from disposals of property, plant and equipment and intangible assets	256	301
Proceeds from disposals of financial assets	10,726	3,872
Payments for investments in intangible assets	-5,913	-4,840
Payments for investments in property, plant and equipment	-16,905	-12,321
Payments for investments in financial assets	-10,344	-5,852
Net cash from investing activities	-22,180	-18,842
Payments received from non-controlling interests	14,000	10,000
Dividends paid to shareholders and to non-controlling interests	-16	-18
Proceeds from the addition of long-term loans	255	17,260
Payments for the repayment of long-term loans	-5,459	-30,542
Change in current loans	21,611	8,070
Net cash from financing activities	30,391	4,770
Changes in cash	24,967	-17,479
Effects of currency exchange rates on cash	-1,061	-1,483
Cash at beginning of period	113,712	119,103
Cash at end of period	137,618	100,141

Group Sales Revenue

of ElringKlinger AG, January 1 to March 31, 2024

Sales revenue by regions

EUR k	1 st quarter 2024	1 st quarter 2023
Germany	94,413	97,179
Rest of Europe	153,150	159,094
North America	121,293	127,711
Asia-Pacific	70,684	81,443
South America and Rest of World	25,756	22,288
Group	465,296	487,715

Sales revenue by segments

EUR k	1 st quarter 2024	1 st quarter 2023
Lightweighting/Elastomer Technology	132,149	156,273
Metal Sealing Systems & Drivetrain Components	125,886	131,032
Metal Forming & Assembly Technology	70,138	74,615
E-Mobility	11,289	6,194
Exhaust Gas Purification	3	994
Others	1	1
Segment Original Equipment	339,466	369,109
Segment Original Equipment	339,466	369,109
Segment Aftermarket	90,387	81,663
Segment Engineered Plastics	34,836	35,945
Sale of goods and licensing	464,689	486,717
Sale of goods	464,689	486,717
Proceeds from the rendering of services	607	998
Revenue from contracts with customers	465,296	487,715
Income from rental and leasehold	0	0
Group	465,296	487,715

Segment Reporting

of ElringKlinger AG, January 1 to March 31, 2024

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	1 st quarter 2024	1 st quarter 2023	1 st quarter 2024	1 st quarter 2023	1 st quarter 2024	1 st quarter 2023
EUR k						
External revenue	339,466	369,109	90,387	81,663	34,836	35,945
Intersegment revenue	12,016	10,623	0	0	8	16
Segment revenue	351,482	379,732	90,387	81,663	34,844	35,961
EBIT¹	-2,627	819	22,678	19,843	3,293	5,119
Adjustments	238	329	0	0	0	0
EBIT adjusted²	-2,389	1,148	22,678	19,843	3,293	5,119
Adjusted EBIT margin	-0.7%	0.3%	25.1%	24.3%	9.5%	14.2%
Depreciation and amortization ³	-23,523	-24,555	-1,644	-768	-1,601	-1,673
Capital expenditures ⁴	31,114	17,072	1,410	637	913	1,244

¹ Earnings before interest and taxes

² Adjusted for impairments on goodwill, impairments on non-current assets, restructuring and restructuring-related charges and other non-operating effects

³ Scheduled depreciation and amortization

⁴ Investments in intangible assets and property, plant and equipment

	Other		Consolidation		Group	
	1st quarter 2024	1st quarter 2023	1st quarter 2024	1st quarter 2023	1st quarter 2024	1st quarter 2023
	607	998	0	0	465,296	487,715
	3,633	3,114	-15,657	-13,753	0	0
	4,240	4,112	-15,657	-13,753	465,296	487,715
	448	241			23,792	26,022
	0	0			238	329
	448	241			24,030	26,351
	73.8%	24.1%			5.2%	5.4%
	-247	-551			-27,015	-27,547
	142	67			33,579	19,020

Notes to the First Three Months of 2024

General information

ElringKlinger AG is an exchange-listed stock corporation headquartered in Dettingen/Erms, Germany.

The accompanying condensed consolidated interim financial statements of ElringKlinger AG and its subsidiaries as of March 31, 2024, have been prepared on the basis of IAS 34 (Interim Financial Reporting). The interim financial statements conform with the International Financial Reporting Standards (IFRS), including the Interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union.

As the consolidated interim financial statements are presented in a condensed format, the financial statements as of March 31, 2024, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements as of March 31, 2024, have been neither audited nor reviewed in any way by an independent auditor.

They were authorized for issue based on a resolution passed by the Management Board on May 7, 2024.

Accounting policies

The accounting policies applied in this interim report are fundamentally based on the same as those applied in the preparation of the 2023 consolidated financial statements, where they are also explained in detail.

The interim report incorporates estimates and judgments. These may have a direct impact on the amount of assets and liabilities recognized. Due to external factors, such as further unforeseeable consequences regarding the impact of the Russia-Ukraine conflict, the conflict in the Middle East, the tense situation within the commodity markets, the general macro-economic trajectory, and developments within the automotive sector, these are subject to heightened uncertainty. When updating the estimates and judgments, information available in respect of expected economic trends and country-specific measures were taken into account.

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of March 31, 2024, include the financial statements of seven domestic and 35 foreign entities in which ElringKlinger AG holds more than 50% of the interests, either directly or indirectly, or over which, for other reasons, it has the power to govern the financial and operating policies. Inclusion in the consolidated group commences on the date on which control is obtained; it ceases as soon as control no longer exists.

The interests held in hofer AG, Nürtingen, Germany, totaling 24.71% have been accounted for as an associate in non-current Group assets, as ElringKlinger has significant influence over the entity's operating and financial policies. A significant influence over an associate is presumed to exist if an entity holds 20% to 50% of the voting power of the investee.

Compared to the consolidated financial statements as of December 31, 2023, there were no other changes in the scope of consolidation with the exception of the formation of ElringKlinger Plastics Technology (Qingdao) Ltd., based in Qingdao, China.

Newly established entity

ElringKlinger Plastics Technology (Qingdao) Ltd., based in Qingdao, China, a wholly owned subsidiary of ElringKlinger Kunststofftechnik GmbH, based in Bietigheim-Bissingen, Germany, was founded on March 4, 2024.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate		Average rate	
		Mar. 31, 2024	Dec. 31, 2023	Jan.–Mar. 2024	Jan.–Dec. 2023
US dollar (USA)	USD	1.08110	1.10500	1.08247	1.08285
Pound (United Kingdom)	GBP	0.85510	0.86905	0.85533	0.86880
Swiss franc (Switzerland)	CHF	0.97660	0.92600	0.95493	0.97166
Canadian dollar (Canada)	CAD	1.46720	1.46420	1.46497	1.46195
Real (Brazil)	BRL	5.40320	5.36180	5.39450	5.39402
Mexican peso (Mexico)	MXN	17.91790	18.72310	18.33217	19.06578
RMB (China)	CNY	7.81440	7.85090	7.79403	7.68393
WON (South Korea)	KRW	1,458.67000	1,433.66000	1,450.24333	1,420.12250
Rand (South Africa)	ZAR	20.52260	20.34770	20.58237	20.04102
Yen (Japan)	JPY	163.45000	156.33000	162.05667	153.17583
Forint (Hungary)	HUF	395.26000	382.80000	391.21333	380.57417
Turkish lira (Turkey)	TRY	34.94870	32.65310	33.88460	26.25843
Leu (Romania)	RON	4.97350	4.97560	4.97330	4.95140
Indian rupee (India)	INR	90.13650	91.90450	89.96110	89.43426
Indonesian rupiah (Indonesia)	IDR	17,157.87000	17,079.71000	17,090.78000	16,482.53083
Bath (Thailand)	THB	39.41200	37.97300	38.92733	37.71792
Swedish krona (Sweden)	SEK	11.52500	11.09600	11.33607	11.48422

Significant events and business transactions

On March 14, 2024, the Chairman of the Supervisory Board of ElringKlinger AG, Klaus Eberhardt, informed the company of his intention to step down from his position upon conclusion of the upcoming Annual General Meeting on May 16, 2024, in the interests of timely succession planning. The Nomination Committee of the Supervisory Board addressed the issue of succession at short notice and submitted a proposal to the Supervisory Board at its meeting on March 26, 2024, to elect Helmut P. Merch as the new Chairman of the Supervisory Board. This proposal will be submitted to the Annual General Meeting on May 16, 2024.

There were no other significant events or business transactions in the first quarter.

For information relating to factors influencing business performance and our estimates in the context of our guidance, please refer to our comments in the interim management report.

Disclosures relating to financial instruments

This section provides a comprehensive overview of the significance of financial instruments and offers additional information on line items of the statement of financial position containing financial instruments. There was no offsetting of financial instruments recognized by the company.

The following table shows the carrying amounts (CA) and fair values (FV) of financial assets:

EUR k	Cash	Trade receivables	Other current assets	Derivatives	Non-current securities		Other financial investments		Total
	CA	CA	CA	CA	CA	FV	CA	FV	CA
as of Mar. 31, 2024									
Financial assets measured at amortized cost	137,618	272,342	19,057	0	1,362	1,345	8	8	430,387
Financial assets measured at fair value through profit or loss	0	0	9,956	320	0	0	10,144	10,144	20,420
Financial assets measured at fair value through other comprehensive income	0	0	0	0	208	208	8	8	216
Total	137,618	272,342	29,013	320	1,570	1,553	10,160	10,160	451,023
as of Dec. 31, 2023									
Financial assets measured at amortized cost	113,712	246,908	17,864	0	1,362	1,362	8	8	379,854
Financial assets measured at fair value through profit or loss	0	0	19,912	516	0	0	10,055	10,055	30,483
Financial assets measured at fair value through other comprehensive income	0	0	0	0	213	213	8	8	221
Total	113,712	246,908	37,776	516	1,575	1,575	10,071	10,071	410,558

The following table shows the carrying amounts (CA) and fair values (FV) of financial liabilities:

EUR k	Other current liabilities	Current financial liabilities	Current lease liabilities IFRS 16*	Trade payables
	CA	CA	CA	CA
as of Mar. 31, 2024				
Financial liabilities measured at amortized cost	68,084	174,202	17,846	235,059
Financial liabilities measured at fair value through profit or loss	0	0	n/a	0
as of Dec. 31, 2023				
Financial liabilities measured at amortized cost	79,077	152,247	15,464	216,931
Financial liabilities measured at fair value through profit or loss	0	0	n/a	0

EUR k	Derivatives		Non-current financial liabilities		Non-current lease liabilities IFRS 16*	Total
	CA	FV	CA	FV	CA	CA
as of Mar. 31, 2024						
Financial liabilities measured at amortized cost	0	0	250,238	226,974	36,808	782,237
Financial liabilities measured at fair value through profit or loss	10,677	10,677	0	0	n/a	10,677
as of Dec. 31, 2023						
Financial liabilities measured at amortized cost	0	0	250,311	214,324	31,916	745,946
Financial liabilities measured at fair value through profit or loss	9,719	9,719	0	0	n/a	9,719

*In accordance with IFRS 7.29 (d), no disclosure of fair value is made. The subsequent measurement of lease liabilities is based on IFRS 16.

The management has ascertained that the carrying amounts of cash, trade receivables, other current assets, trade payables, other current financial liabilities, and other current liabilities largely correspond to their fair values, primarily as a result of the short maturities of these instruments.

Other current assets also include time deposits and securities in the amount of EUR 12,379k (Dec. 31, 2023: EUR 12,983k) and the current portion of the outstanding contribution from Plastic Omnium measured at present value in the amount of EUR 9,956k (Dec. 31, 2023: EUR 19,912k).

ElringKlinger determines the market value of non-current fixed-interest liabilities to banks and derivatives by discounting expected future cash flows with the current prevailing interest rates for similar financial liabilities with comparable residual terms and the company-specific interest rate.

Other current liabilities include a liability of EUR 39,434k (Dec. 31, 2023: EUR 39,434k) that is attributable to a written put option with the non-controlling shareholders of ElringKlinger Marusan Corporation, a company with its registered office in Tokyo, Japan. The obligation arising from this agreement is measured at fair value through profit or loss. The fair value is determined on the basis of internal estimates relating to the forecast of the company's performance and the choice of the country-specific interest rate used with regard to the liability recognized. A change in the enterprise value by 10% would result in an increase/decrease in the put option by approx. EUR 3,943k (Dec. 31, 2023: EUR 3,943k).

Financial assets and liabilities measured at fair value are classified into the following three-level fair value hierarchy as of the end of the reporting period of March 31, 2024:

EUR k	Level 1	Level 2	Level 3
Mar. 31, 2024			
Financial assets			
Non-current securities	208	0	0
Other financial investments	8	0	10,144
Derivatives*	0	320	0
Total	216	320	10,144
Financial liabilities			
Derivatives*	0	10,677	0
Total	0	10,677	0
Dec. 31, 2023			
Financial assets			
Non-current securities	213	0	0
Other financial investments	8	0	10,055
Derivatives*	0	516	0
Total	221	516	10,055
Financial liabilities			
Derivatives*	0	9,719	0
Total	0	9,719	0

*These are derivatives that do not qualify for hedge accounting.

The following table provides details of the classification of financial assets and liabilities that are not measured at fair value but for which a fair value has been presented, according to the three-level fair value hierarchy as of the end of the reporting period of March 31, 2024:

EUR k	Level 1	Level 2	Level 3
Mar. 31, 2024			
Financial assets			
Non-current securities	1,345	0	0
Other financial investments	0	0	8
Total	1,345	0	8
Financial liabilities			
Non-current financial liabilities	0	226,974	0
Purchase price liability from written put option	0	0	39,434
Total	0	226,974	39,434
Dec. 31, 2023			
Financial assets			
Non-current securities	1,362	0	0
Other financial investments	0	0	8
Total	1,362	0	8
Financial liabilities			
Non-current financial liabilities	0	214,324	0
Purchase price liability from written put option	0	0	39,434
Total	0	214,324	39,434

The levels of the fair value hierarchy are defined as follows:

Level 1: Measurement based on quoted prices.

Level 2: Measurement based on inputs for the asset or liability that are observable in active markets either directly or indirectly.

Level 3: Measurement based on inputs for assets and liabilities not representing observable market data.

The assessment as to whether a transfer has occurred between the levels of the fair-value hierarchy with regard to the assets and liabilities carried at fair value is conducted in each case at the end of the reporting period. No transfers occurred in the reporting period under review.

Contingencies and related-party disclosures

The contingencies and related-party relationships disclosed in the consolidated financial statements for 2023 were not subject to significant changes in the first three months of 2024.

Government grants

Other operating income in the first three months of 2024 includes government grants totaling EUR 690k (Mar. 31, 2023: EUR 284k). These grants were attributable primarily to development projects. In addition, grants under the European funding initiative IPCEI ("Important Project of Common European Interest") were deducted from the carrying amount of capitalized development costs in the amount of EUR 927k (Mar. 31, 2023: EUR 300k) (net method).

Events after the reporting period

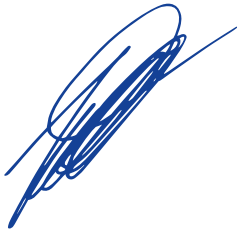
There were no significant events after the end of the interim reporting period that would necessitate additional explanatory disclosure.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dettingen/Erms, May 7, 2024

Management Board



Thomas Jessulat
CEO



Reiner Drews



Dirk Willers

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ElringKlinger AG assumes no responsibility for data and statistics originating from third-party publications.

Further information is available at www.elringklinger.com

Disclaimer – Forward-looking Statements and Forecasts

This report contains forward-looking statements. These statements are based on expectations, market evaluations and forecasts by the Management Board and on information currently available to them. In particular, the forward-looking statements shall not be interpreted as a guarantee that the future events and results to which they refer will actually materialize. Whilst the Management Board is confident that the statements as well as the opinions and expectations on which they are based are realistic, the aforementioned statements rely on assumptions that may conceivably prove to be incorrect. Future results and circumstances depend on a multitude of factors, risks and imponderables that can alter the expectations and judgments that have been expressed. These factors include, for example, changes to the general economic and business situation, variations of exchange rates and interest rates, poor acceptance of new products and services, and changes to business strategy.

Supplementary Notes

Due to rounding, some of the numbers and percentage figures specified in this document may differ from the actual values, particularly in the case of summation and percentage calculations. For the purpose of readability, we have not used gender specific forms of grammar when referring to general designations of people. Specific terms relate to all people irrespective of gender.

This report was published on May 7, 2024, and is available in German and English. Only the German version shall be legally binding.

Financial Calendar 2024

MAY

16

119th Annual General Shareholders' Meeting, Virtual event

AUGUST

07

Interim Report on the 2nd Quarter and 1st Half of 2024

NOVEMBER

12

Financial Results on the 3rd Quarter and 1st Nine Months of 2024

MAY 2025

16

120th Annual General Shareholders' Meeting

Changes to the above dates cannot be ruled out.

We therefore recommend visiting our website to check specific financial dates at www.elringklinger.de/en/investor-relations/financial-calendar

For trade fairs please visit our websites:

www.elringklinger.de/en/press/dates-events

www.elring.com/dates-events



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