

Group figures on Q2 2023

Thomas Jessulat, Spokesman and CFO

August 3, 2023



Headlines



Macro environment better than one year ago: stabilizing supply chains, global GDP with slight growth in Q2, but ongoing inflationary pressures, repercussions from ongoing war in Ukraine



Group sales increased by 8.8% to EUR 469m, organically by 10.9%, i.e. below Q2 market growth, but in line with LV production in the first six months (organic +11.5%; LVP +11.2%*)



Adjusted EBIT at EUR 24.8m after EUR 1.8m in Q2 2022, adjusted EBIT margin of 5.3% markedly above prior-year level (Q2 2022: 0.4%)



Slight increase of 2.0% in net working capital driven by sales growth and cost inflation, **NWC ratio remains flat** at 28.0% (Q2 2022: 27.9%)



Operating free cash flow on prior-year level with EUR 3.7m in Q2 and EUR -16.5m in H1



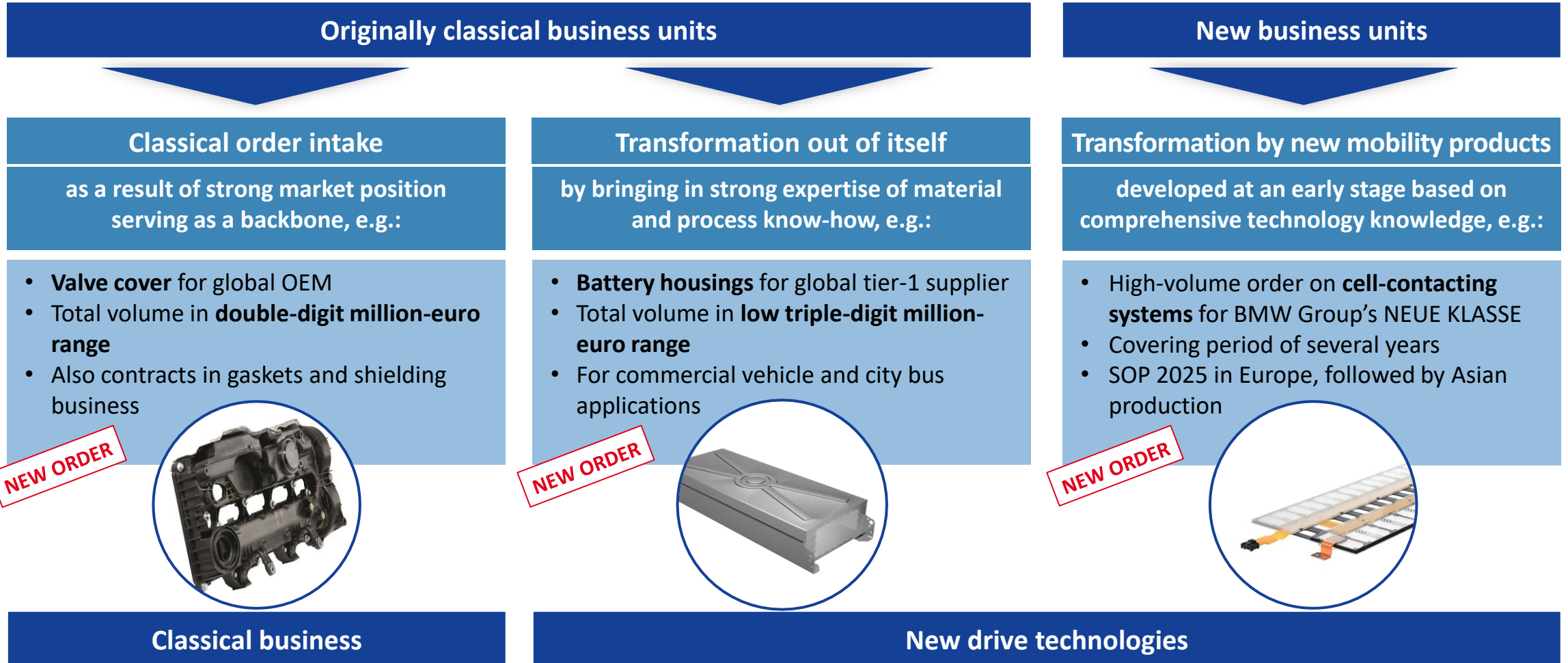
Net financial debt slightly better than previous year's quarter, summing up to EUR 380m (Q2 2022: EUR 372m), net debt/EBITDA ratio slightly reduced to 1.9 (Q2 2022: 2.5)



FY 2023 outlook confirmed

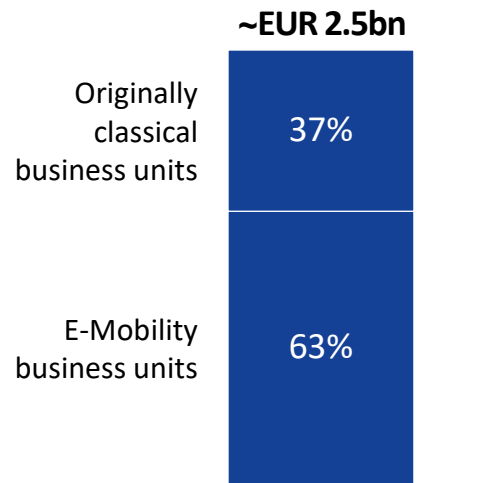
* LVP: Light Vehicle Production; source: S&P Global Mobility (07/2023)

Recent nominations confirm transformation story

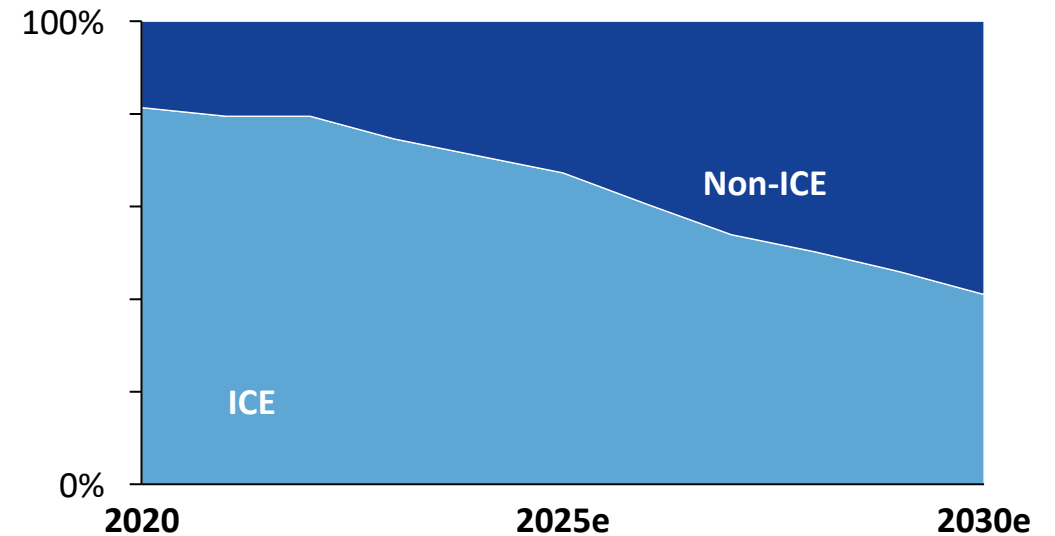


Nomination backlog in E-mobility of around EUR 2.5bn

Total nomination volume for e-mobility applications received in the period from January 2021 to June 2023 – in EUR million or %



Group transformation pathway – in % of total annual sales



Status: June 30, 2023

Non-ICE includes non-automotive business as well as components that are independent of drive-train technology. ICE includes Aftermarket business. Data after 2027 based on growth assumptions. Status: March 2023.

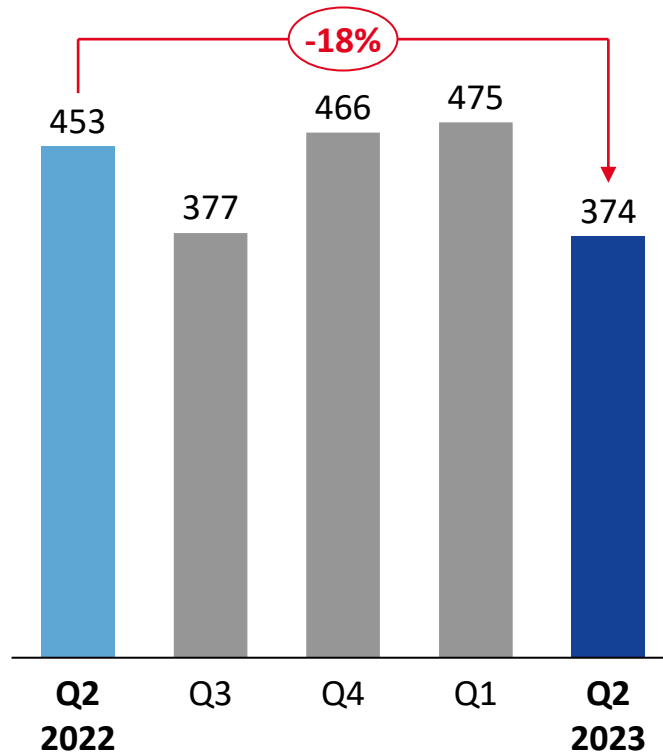
Financials



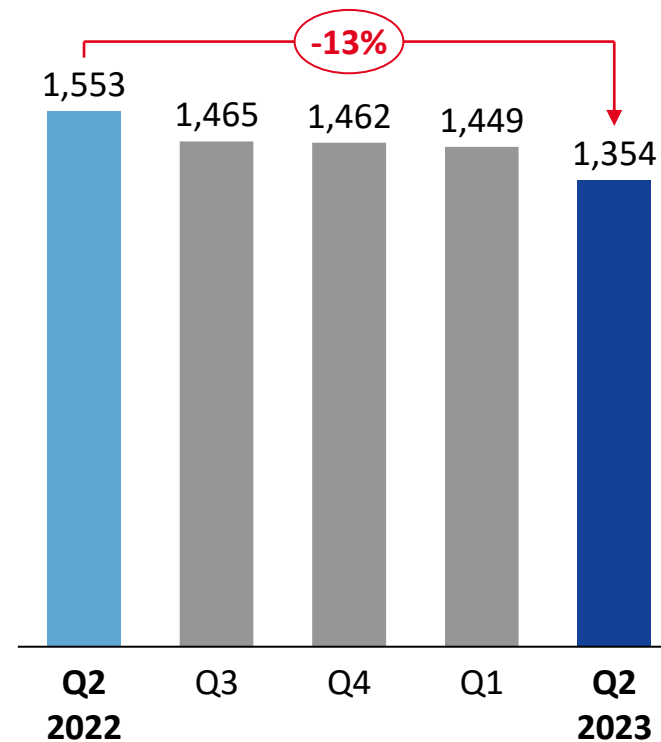
Q2 2023: Orders and sales

Organic revenue growth of more than 10 percent

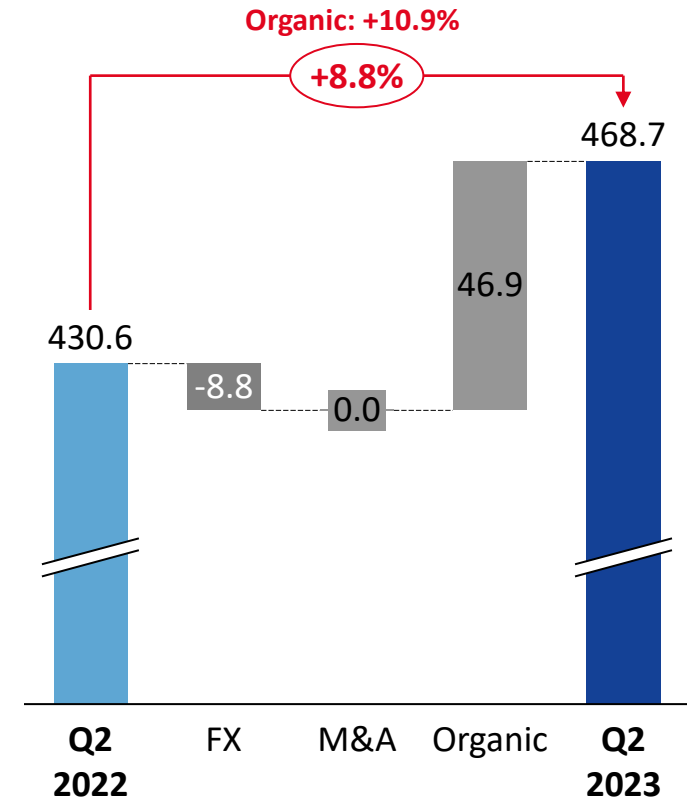
Order intake – in EUR million



Order backlog – in EUR million



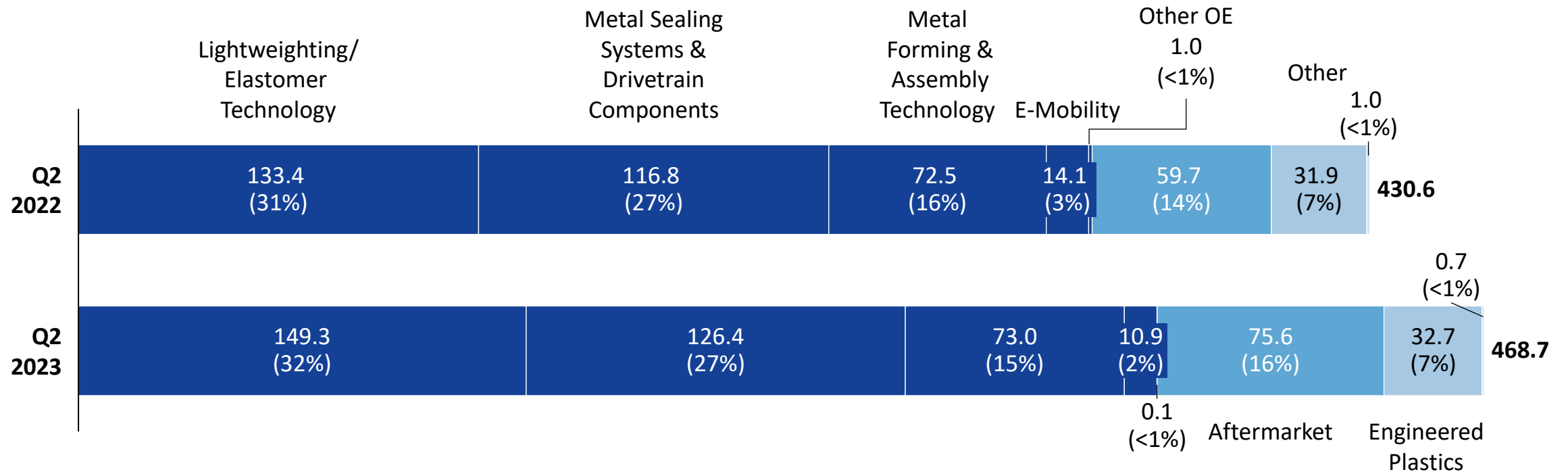
Sales – in EUR million



Q2 2023: Sales

Lightweighting and Aftermarket strongly expanding

Sales by segment/business unit – in EUR million
Share of sales – in %

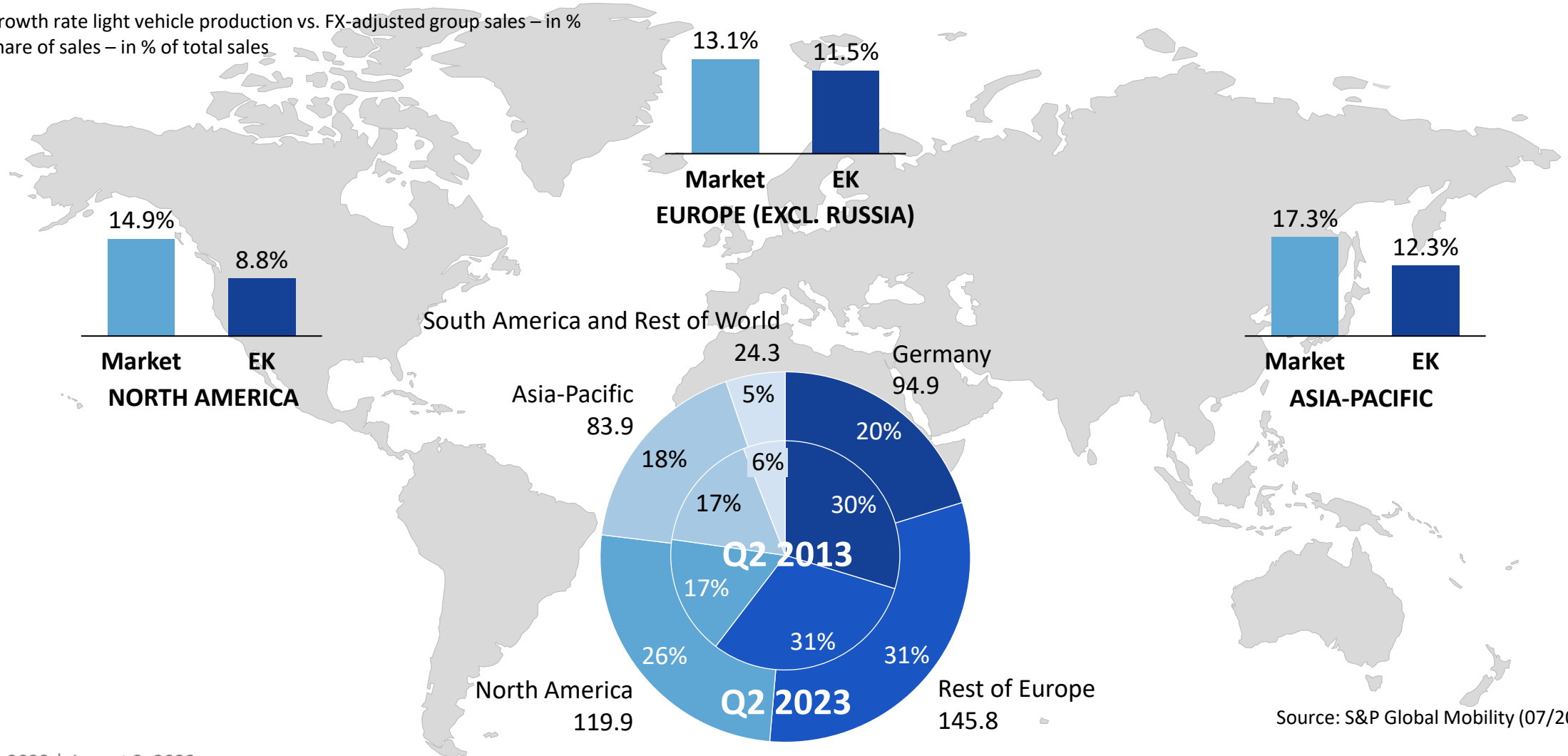


Differences due to rounding

Q2 2023: Sales

Group revenues up in all regions

█ Growth rate light vehicle production vs. FX-adjusted group sales – in %
█ Share of sales – in % of total sales

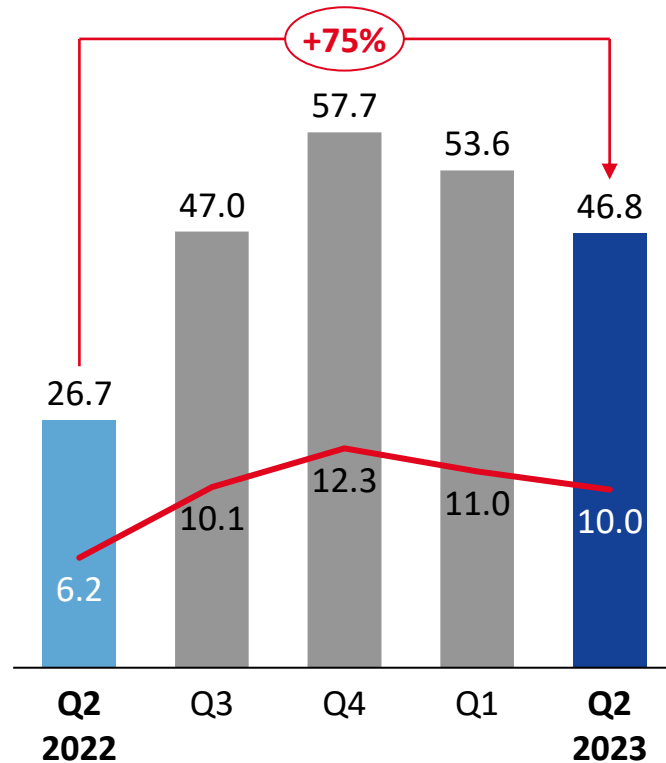


Source: S&P Global Mobility (07/2023)

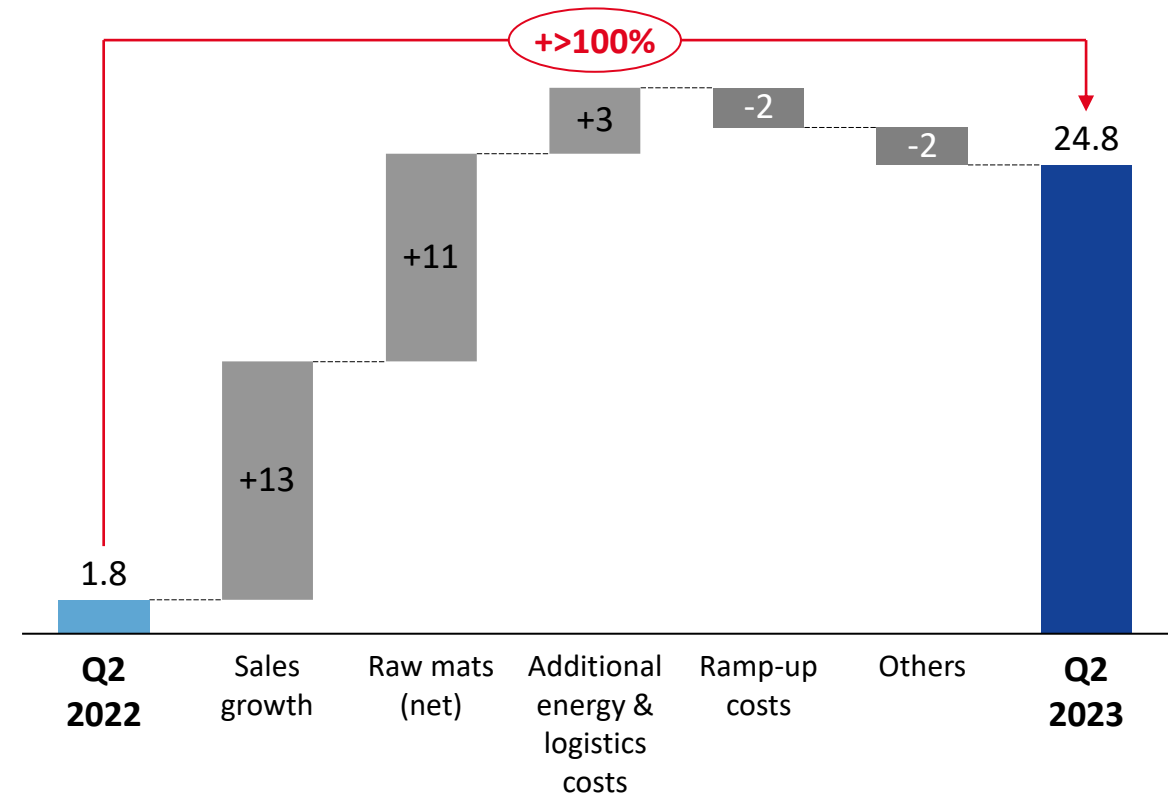
Q2 2023: Earnings

Adjusted EBIT markedly improved year-on-year

EBITDA – in EUR million
EBITDA margin – in %



Adjusted EBIT bridge – in EUR million

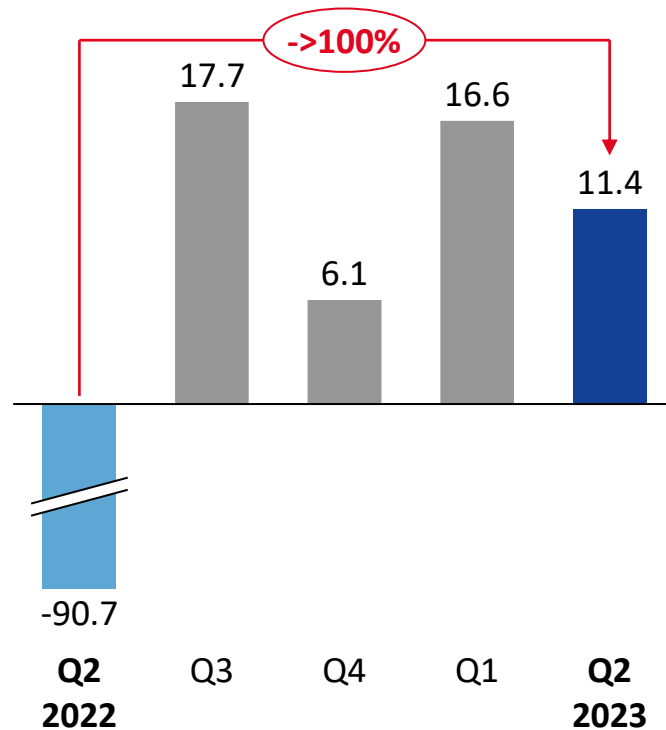


Differences due to rounding

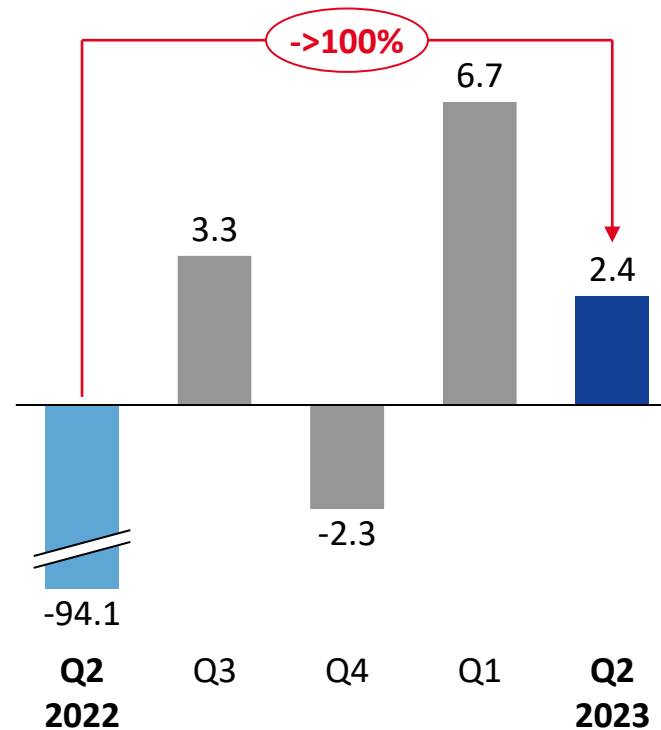
Q2 2023: Earnings

Positive earnings trend continues due to cost discipline

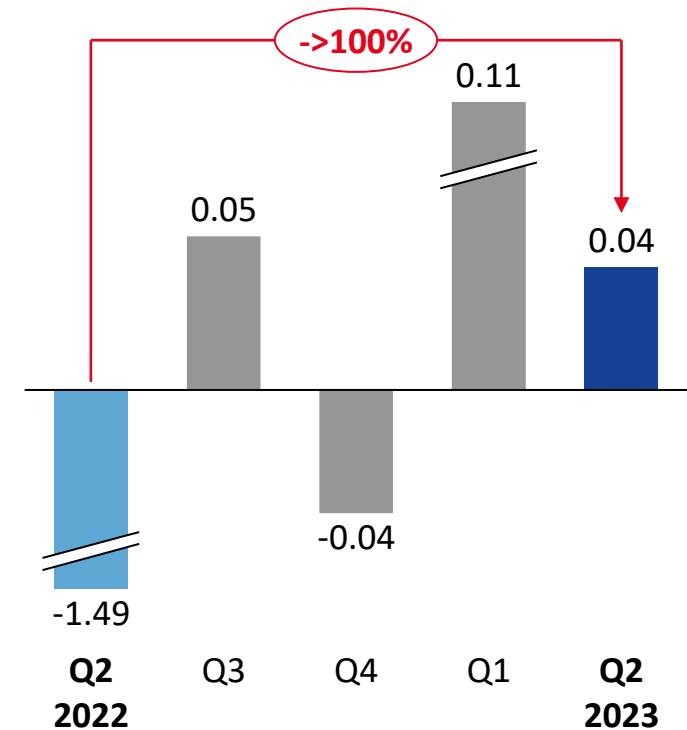
EBT – in EUR million



Net income (attributable to shareholders) – in EUR million



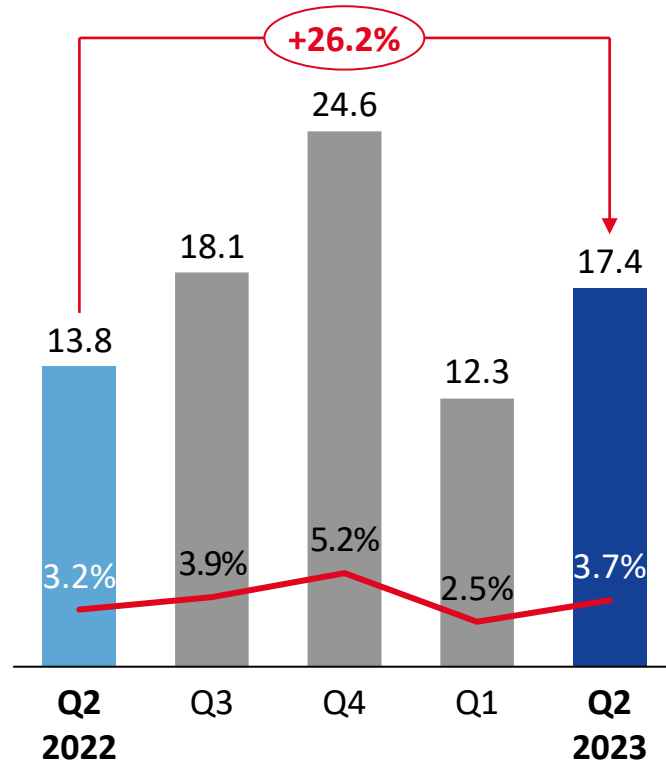
Earnings per share – in EUR



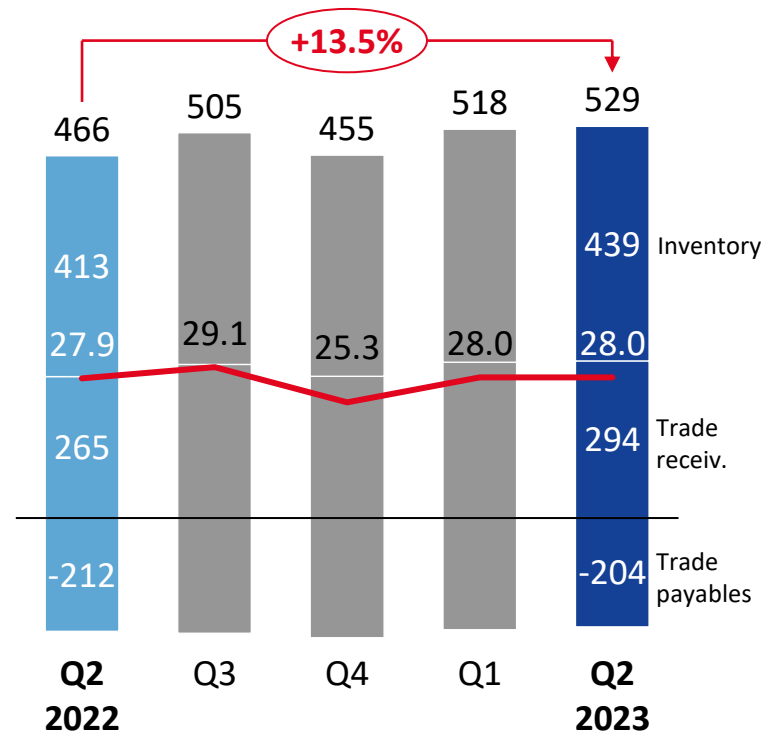
Q2 2023: Cash flow

Operating Free Cash Flow and NWC ratio on prior-year level

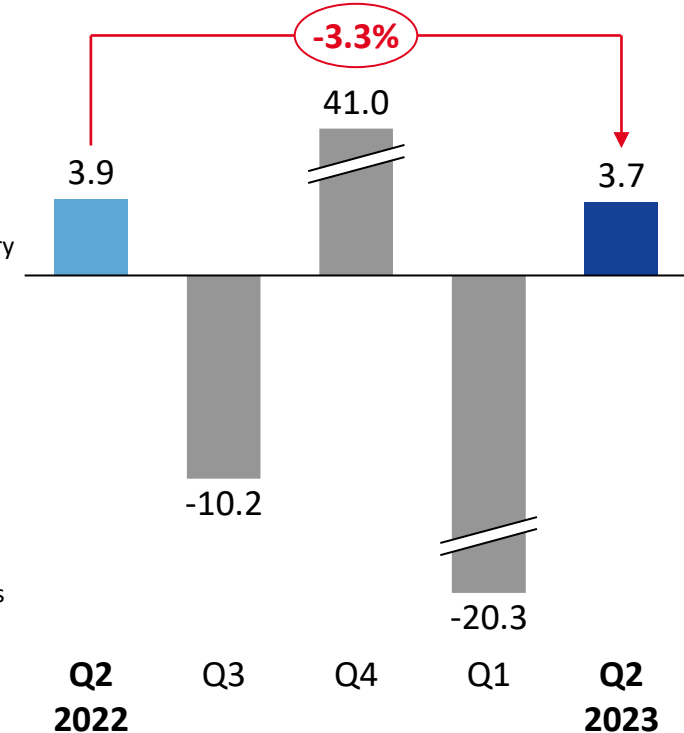
Capex – in EUR million
Capex ratio – in % of total sales



Net Working Capital (NWC) – in EUR million
NWC ratio – in % of total sales



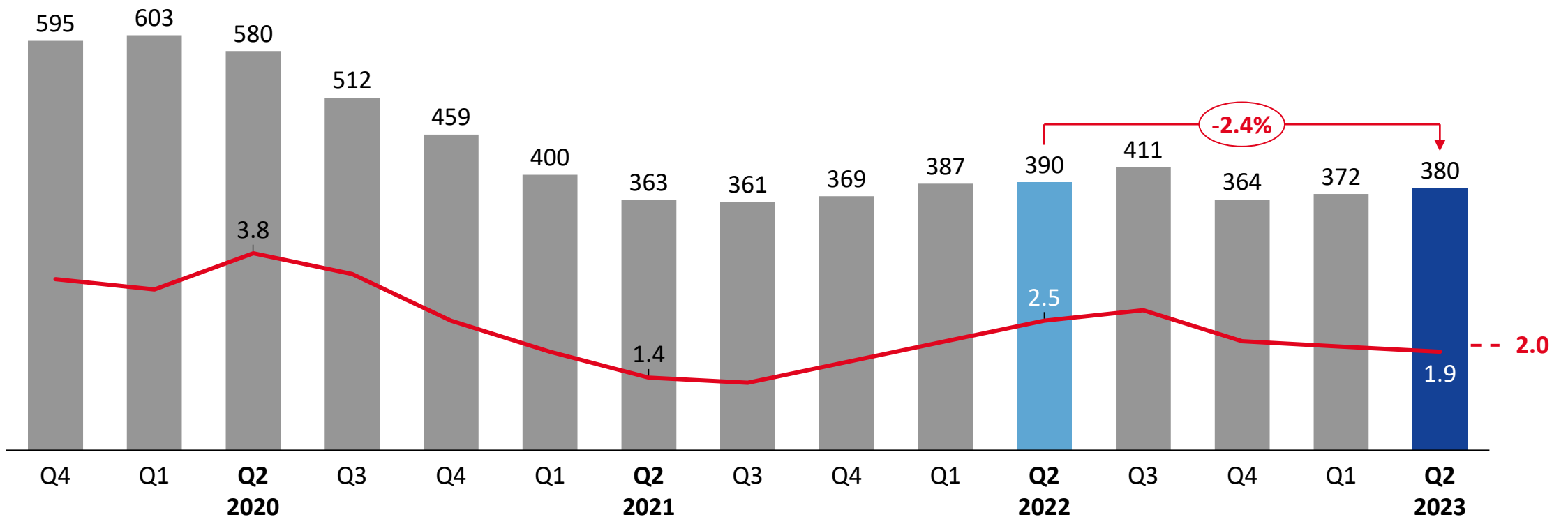
Operating Free Cash Flow – in EUR million



Q2 2023: Balance sheet

Net financial debt/EBITDA ratio continued in target zone

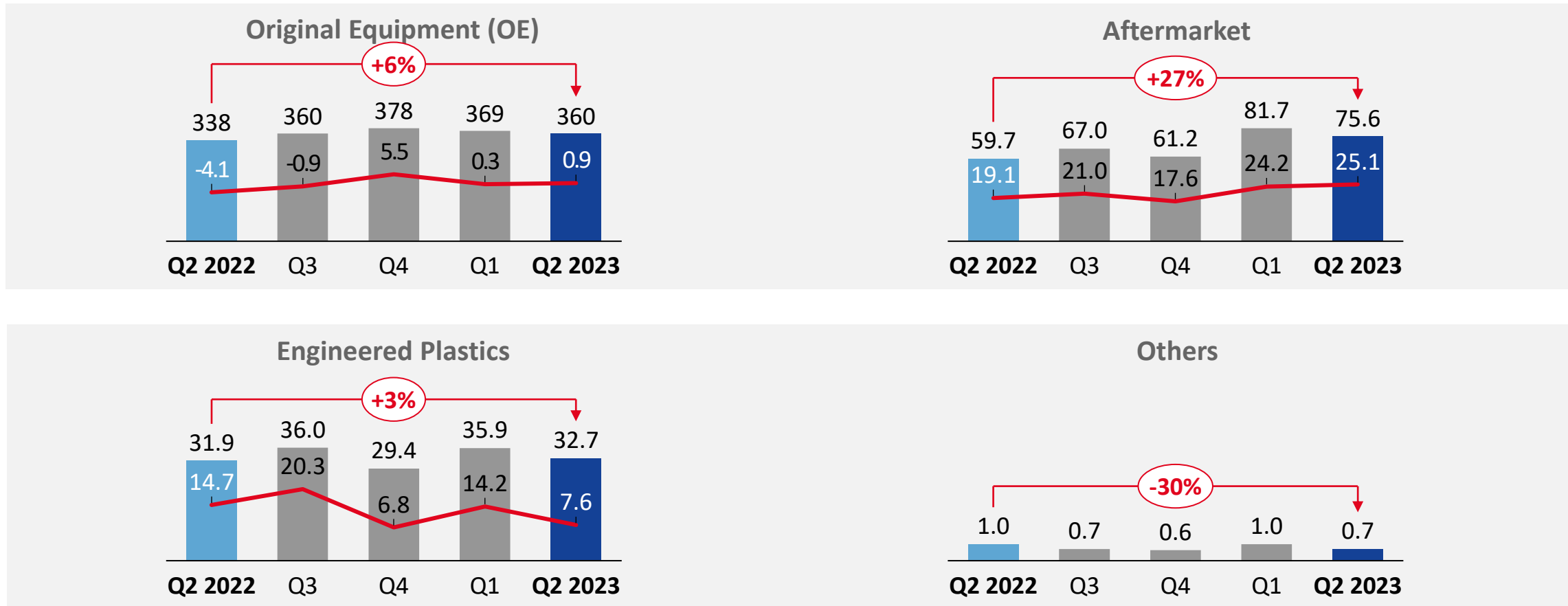
Net Financial Debt – in EUR million
Net Financial Debt/EBITDA



Q2 2023: Segments

All major segments deliver y-o-y sales growth

Sales – in EUR million
Adjusted EBIT margin – in % of segmental sales

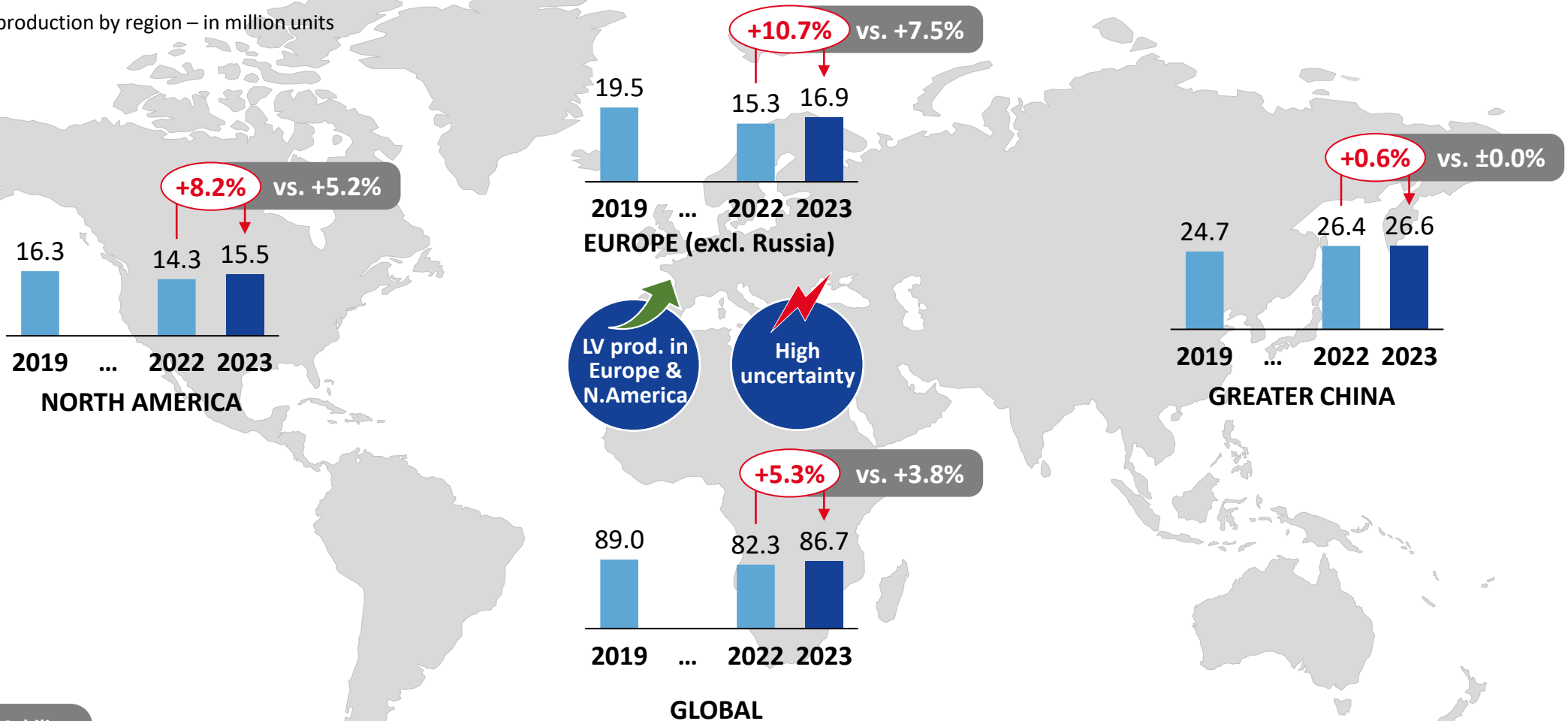


Markets and Outlook



LV production outlook for 2023 slightly lifted...

Light vehicle production by region – in million units



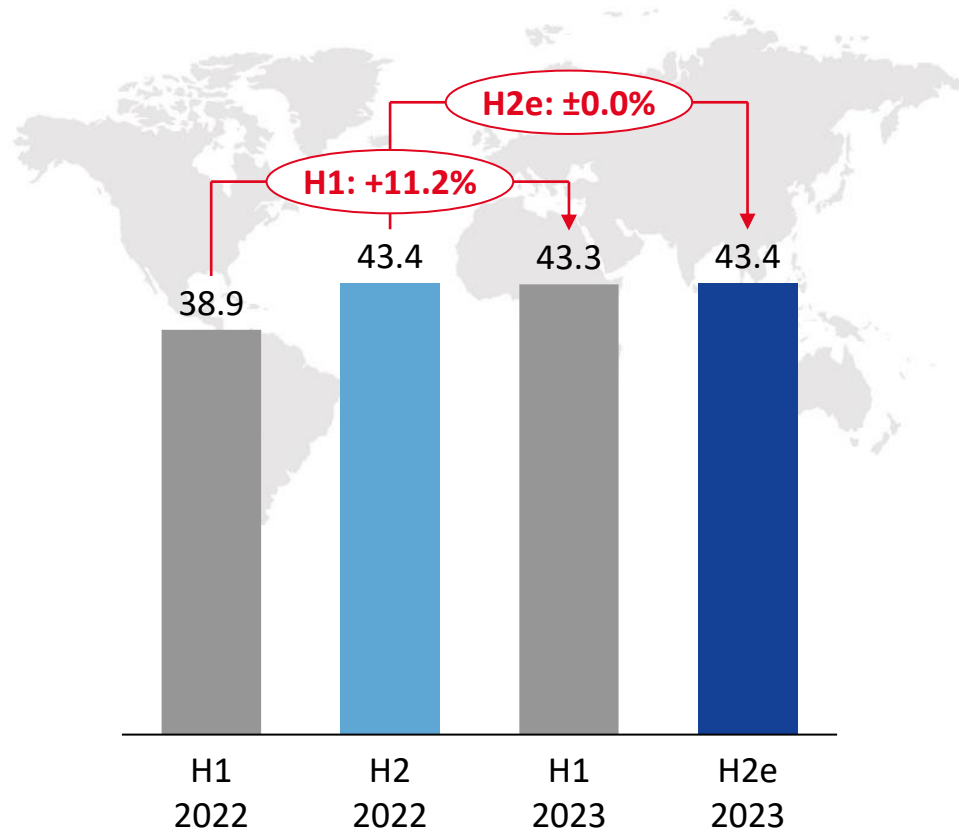
S&P Global Mobility
Release 04/2023

Source: S&P Global Mobility (07/2023)

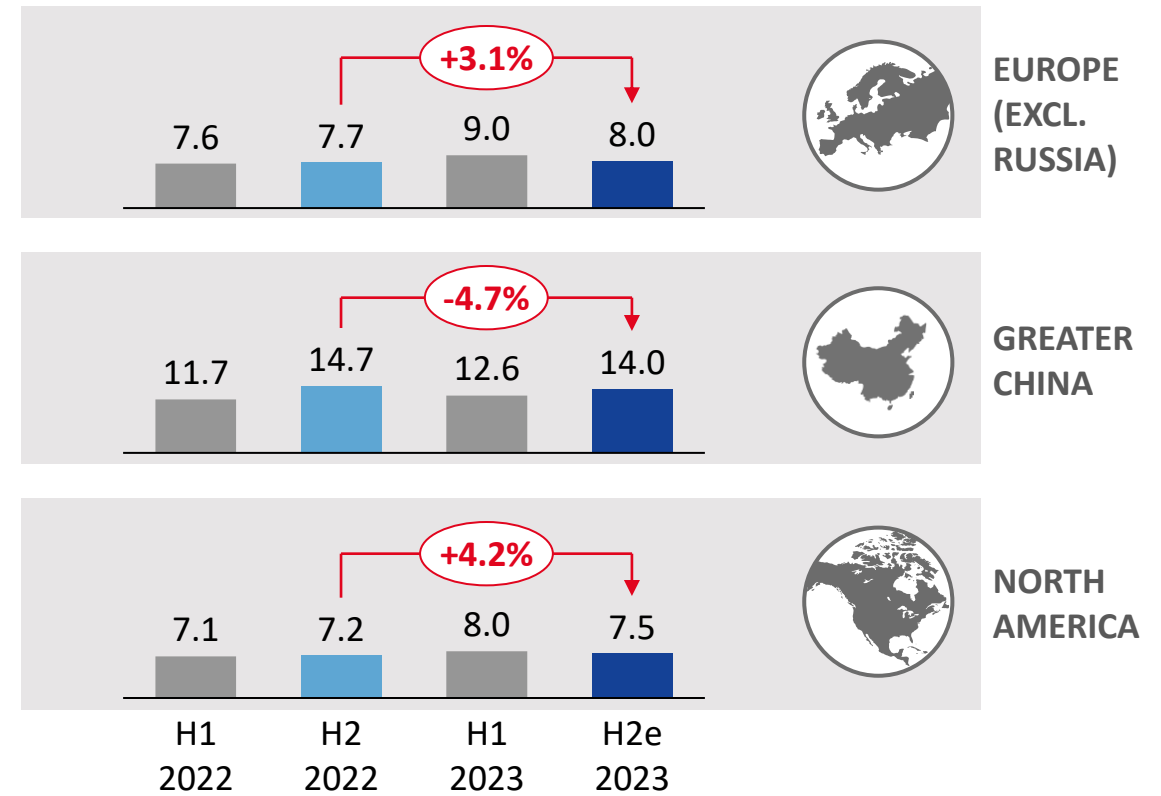
Outlook: Markets

...with strong growth in H1, H2 expected flat year-on-year

Global LV production – in million units



LV production in main markets – in million units



Source: S&P Global Mobility (07/2023)

Outlook confirmed

2023

Mid-term

Actual 2022

	2023	Mid-term	Actual 2022
Sales	Organic growth substantially above market level	Organic growth above market level	Organic growth of 7.4 %
EBIT margin (adjusted)	Approx. 5 % of Group revenue	Sustained improvement	3.8 %
Operating FCF	Slight year-on-year improvement	Positive	EUR 14.8m
ROCE	Approx. 7 to 8 %	Sustained improvement	-2.7 %
Net debt / EBITDA	Under 2.0		2.1
Net Working Capital	Slight year-on-year improvement	Approx. 20 % of Group revenue	25.3 %
Capex (in PPE)	Approx. 5 to 7 % of Group revenue		3.9 %
R&D costs	Approx. 5 to 6 % of Group revenue		5.1 %
Equity ratio	40% to 50% of total assets		43.8 %

The ElringKlinger Difference

1 With our strong technological orientation, we provide solutions for mobility demand.

2 We will utilize our strong market position in ICE business, but focus on new technologies.

3 We will market and further develop our already transformed product portfolio.

We will grow profitably by systems as well as components business. **4**

We will further shape key financial performance indicators. **5**


Sustainability is a key priority for the Group. **6**



Appendix



Structural overview




78%
of Group sales


Original Equipment

Sales: EUR 1,411 million
Employees: 7,959


**Lightweighting/
Elastomer Technology**



**Metal Sealing Systems &
Drivetrain Components**

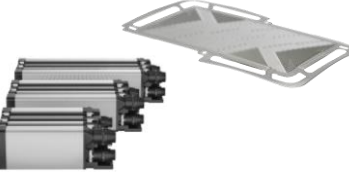


**Metal Forming &
Assembly Technology**



E-Mobility


Fuel Cell Technology (EKPO)



Battery Technology



Drivetrain Technology



Differences due to rounding



14%
of Group sales

Aftermarket

Sales: EUR 251 million
Employees: 276







7%
of Group sales

Engineered Plastics

Sales: EUR 133 million
Employees: 1,028








<1%
of Group sales

Others

Sales: EUR 4 million
Employees: 277

All figures refer to FY 2022

Consolidated income statement

	Q2 2023	Q2 2022
Sales revenue	468.7	430.6
Cost of sales	-368.7	-366.2
Gross profit	100.0	64.4
Gross profit margin	21.3	15.0
		in %
Selling expenses	-37.9	-35.5
General and administrative expenses	-26.4	-23.9
Research and development costs	-19.0	-15.4
Other operating income	6.3	2.8
Other operating expenses	-6.3	-89.4
Earnings before interest and taxes (EBIT)	16.7	-97.1
Finance income	9.1	21.5
Finance costs	-14.8	-15.9
Share of result of associates	0.4	0.7
Net finance costs	-5.3	6.3
Earnings before taxes (EBT)	11.4	-90.7
Income tax expenses	-11.9	-3.4
Net income	-0.5	-94.1
of which: attributable to non-controlling interests	-2.8	0.0
of which: attributable to shareholders of ElringKlinger AG	2.4	-94.1
Basic and diluted earnings per share (EPS)	0.04	-1.49
		in EUR

All figures in EUR million unless otherwise described, differences due to rounding.

Consolidated balance sheet

Assets	As of Jun 30, 2023	As of Dec 31, 2022	Liabilities and equity	As of Jun 30, 2023	As of Dec 31, 2022
Intangible assets	152	147	Share capital	63	63
Property, plant, and equipment	875	906	Capital reserves	118	118
Financial assets	14	14	Revenue reserves	641	641
Shares in associates	14	15	Other reserves	-8	1
Non-current income tax assets	3	1	Equity attributable to the shareholders of ElringKlinger AG	814	824
Other non-current assets	12	22	Non-controlling interest in equity	72	73
Deferred tax assets	21	20	Equity	886	897
Contract performance costs	6	6	Provisions for pensions	98	97
Non-current contract assets	0	1	Non-current provisions	18	18
Non-current assets	1,097	1,131	Non-current financial liabilities	385	429
Inventories	439	414	Non-current contract liabilities	2	2
Current contract assets	7	8	Deferred tax liabilities	26	24
Trade receivables	294	265	Other non-current liabilities	10	10
Current income tax assets	4	5	Non-current liabilities	539	580
Other current assets	91	105	Current provisions	68	66
Cash and cash equivalents	109	119	Trade payables	204	224
Current assets	944	916	Current financial liabilities	125	73
Total assets	2,041	2,047	Current contract liabilities	15	13
			Tax payable	36	22
			Other current liabilities	168	171
			Current liabilities	616	570
			Total liabilities and equity	2,041	2,047

All figures in EUR million unless otherwise described, differences due to rounding.

Consolidated statement of cash flows

	Q2 2023	Q2 2022		Q2 2023	Q2 2022
Earnings before taxes (EBT)	11	-90	Proceeds from disposals of property, plant and equipment and intangible assets	0	1
Depreciation/amortization (less write-ups) of non-current assets	30	124	Proceeds from disposals of financial assets	0	2
Net interest	7	3	Payments for investments in intangible assets	-6	-6
Change in provisions	-3	1	Payments for investments in property, plant and equipment	-17	-14
Gains/losses on disposal of non-current assets	0	0	Payments for investments in financial assets	-1	0
Share of result of associates	0	-1	Net cash from investing activities	-26	-17
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-8	-17	Payments received from non-controlling interests for the acquisition of shares	6	20
Change in trade payables and other liabilities not resulting from financing and investing activities	10	28	Dividends paid to shareholders and to non-controlling interests	-10	-14
Income taxes paid	-10	-7	Proceeds from addition of long-term loans	30	71
Interest paid	-6	-2	Payments for the repayment of long-term loans	-60	-19
Interest received	1	0	Changes in current loans	45	-48
Other non-cash expenses and income	-5	-16	Net cash from financing activities	11	11
Net cash from operating activities	27	23	Changes in cash	12	16
			Effects of currency exchange rates on cash	-3	1
			Cash at beginning of the period	100	118
			Cash at end of period (as per financial statement)	109	135

All figures in EUR million unless otherwise described, differences due to rounding.

Group – Last 5 quarters

Key figures

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Order intake	374	475	466	377	453
Order backlog	1,354	1,449	1,462	1,465	1,553
Sales	469	488	469	464	431
EBITDA	46.8	53.6	57.7	47.0	26.7
EBIT	16.7	26.0	22.6	18.1	-97.1
EBIT margin <i>in %</i>	3.6	5.3	4.8	3.9	-22.5
EBIT adjusted ¹	24.8	26.4	33.1	18.5	1.8
EBIT margin adjusted ¹ <i>in %</i>	5.3	5.4	7.1	4.0	0.4
EBT	11.4	16.6	6.1	17.7	-90.7
Net income attributable to shareholders	2.4	6.7	-2.3	3.3	-94.1
Earnings per share <i>in EUR</i>	0.04	0.11	-0.04	0.05	-1.49
Capex (in PPE)	17.4	12.3	24.6	18.1	13.8
Operating free cash flow ²	3.7	-20.3	41.0	-10.2	3.9
Net working capital ³	529	518	455	505	466
Equity ratio <i>in %</i>	43.4	44.4	43.8	42.7	44.0
Net financial debt ⁴	380	372	364	411	390
Net debt ratio (Net financial debt / EBITDA)	1.9	2.0	2.1	2.7	2.5
Employees (as at quarter-end) ⁵	9,606	9,635	9,540	9,523	9,489

All figures in EUR million unless otherwise described, differences due to rounding. ¹ Figures of EBIT adjusted 2022 unaudited and preliminary. ² Net cash from operating activities minus net cash from investing activities (excluding acquisitions/divestments and investments in financial assets). ³ Inventories and trade receivables less trade payables. ⁴ Financial liabilities less cash and cash equivalents and less short-term securities. ⁵ The headcount includes all direct and indirect employees. The previous year's figures were adjusted in accordance with a uniform approach.

Group – Last 5 quarters

Segmental figures

		Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Group	Sales	469	488	469	464	431
	Adjusted EBIT	24.8	26.4	33.1	18.5	1.8
	Adjusted EBIT margin <i>in %</i>	5.3	5.4	7.1	4.0	0.4
Original Equipment	Sales	360	369	378	360	338
	Adjusted EBIT	3.4	1.1	20.8	-3.1	-13.9
	Adjusted EBIT margin <i>in %</i>	0.9	0.3	5.5	-0.9	-4.1
Aftermarket	Sales	76	82	61	67	60
	Adjusted EBIT	19.0	19.8	10.8	14.1	11.4
	Adjusted EBIT margin <i>in %</i>	25.1	24.2	17.6	21.0	19.1
Engineered Plastics	Sales	33	36	29	36	32
	Adjusted EBIT	2.5	5.1	2.0	7.3	4.7
	Adjusted EBIT margin <i>in %</i>	7.6	14.2	6.8	20.3	14.7
Others	Sales	0.7	1.0	0.6	0.7	1.0
	Adjusted EBIT	0.0	0.2	-0.5	0.1	-0.5
	Adjusted EBIT margin <i>in %</i>	0.0	20.0	-83.3	14.3	-50.0

All figures in EUR million unless otherwise described, differences due to rounding.

Group – Last 5 years

Key figures

	2022	2021	2020	2019	2018
Order intake	1,874	1,978	1,483	1,737	1,735
Order backlog	1,462	1,386	1,033	1,030	1,020
Sales	1,798	1,624	1,480	1,727	1,699
EBITDA	174	216	182	181	197
EBIT	-42	102	28	61	96
EBIT margin <i>in%</i>	-2.3	6.3	1.9	3.5	5.7
EBT	-56	101	-14	42	81
Net income attributable to shareholders	-89	56	-41	4	44
Earnings per share <i>in EUR</i>	-1.41	0.88	-0.64	0.06	0.69
Dividend per share <i>in EUR</i>	0.15 ¹	0.15	0.00	0.00	0.00
Capex	69	70	57	92	164
Operating free cash flow ²	15	72	165	176	-86
ROCE <i>in %</i>	-2.7	6.4	1.7	3.4	5.5
Net working capital ³	455	402	403	424	568
Equity ratio <i>in %</i>	43.8	47.0	41.4	41.5	42.8
Net financial debt ⁴	364	369	459	595	724
Employees (as at Dec. 31) ⁵	9,540	9,462	9,724	10,393	10,429

All figures in EUR million unless otherwise described, differences due to rounding.

¹ Proposal to the Annual General Meeting 2023. ² Net cash from operating activities minus net cash from investing activities (excluding acquisitions/divestments and investments in financial assets). ³ Inventories and trade receivables less trade payables.

⁴ Financial liabilities less cash and cash equivalents and less short-term securities. ⁵ The headcount includes all direct and indirect employees, the 2021 figure was adjusted in accordance with a uniform approach.

Group – Last 5 years

Segmental figures

		2022	2021	2020	2019	2018
Group	Sales	1,798	1,624	1,480	1,727	1,699
	EBIT	-42.2	102.0	28	61	96
	EBIT margin <i>in %</i>	-2.3	6.3	1.9	3.5	5.7
Original Equipment	Sales	1,411	1,280	1,186	1,423	1,408
	EBIT	-111	37	-24	5.1	51
	EBIT margin <i>in %</i>	-7.9	2.9	-2.0	0.4	3.6
Aftermarket	Sales	251	215	183	173	160
	EBIT	50	42	39	30	25
	EBIT margin <i>in %</i>	20.0	19.7	21.4	17.6	15.6
Engineered Plastics	Sales	133	125	108	118	118
	EBIT	20	24	14	16	20
	EBIT margin <i>in %</i>	14.9	18.9	13.0	13.5	16.6
Others	Sales	3.5	4.0	4.3	13.5	14.0
	EBIT	-1.2	-0.8	-1.6	9.9*	1.0
	EBIT margin <i>in %</i>	-34.3	-20.5	-37.2	73.3*	7.1

All figures in EUR million unless otherwise described, differences due to rounding.

* incl. EUR 8.6m from the sale of the industrial park in Hungary

Adjusted EBIT for comparing operating profitability



EBIT (reported)

- + Amortization of intangible assets from purchase price allocation (PPA)
- +/- Changes in scope of consolidation
- + Impairment on goodwill
- + Impairment on assets
- Write-ups
- +/- Gains/losses from disposal of entities
- +/- Restructuring and restructuring-related expenses
- +/- Other non-operating effects

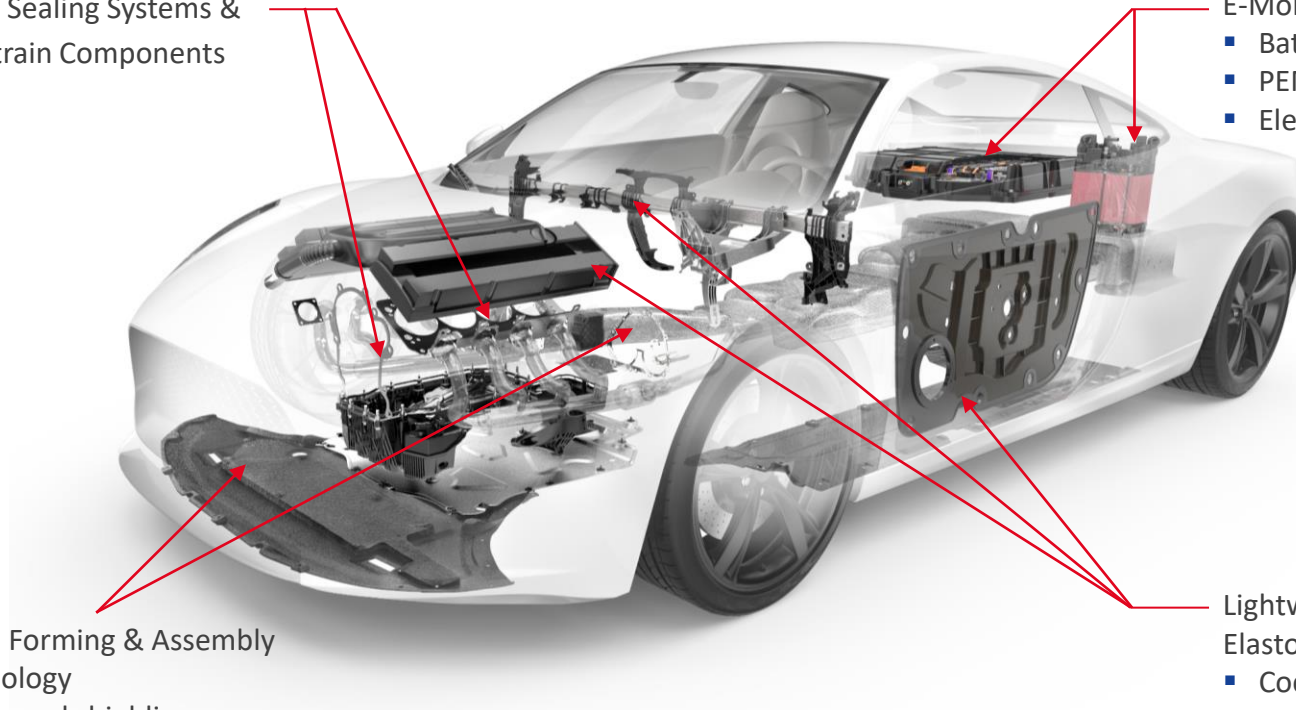
= **EBIT (adjusted)**

Product portfolio

Metal Sealing Systems & Drivetrain Components

E-Mobility

- Battery module
- PEM fuel cell
- Electric drive unit (EDU)



Metal Forming & Assembly Technology

- Thermal shielding
- Acoustic shielding

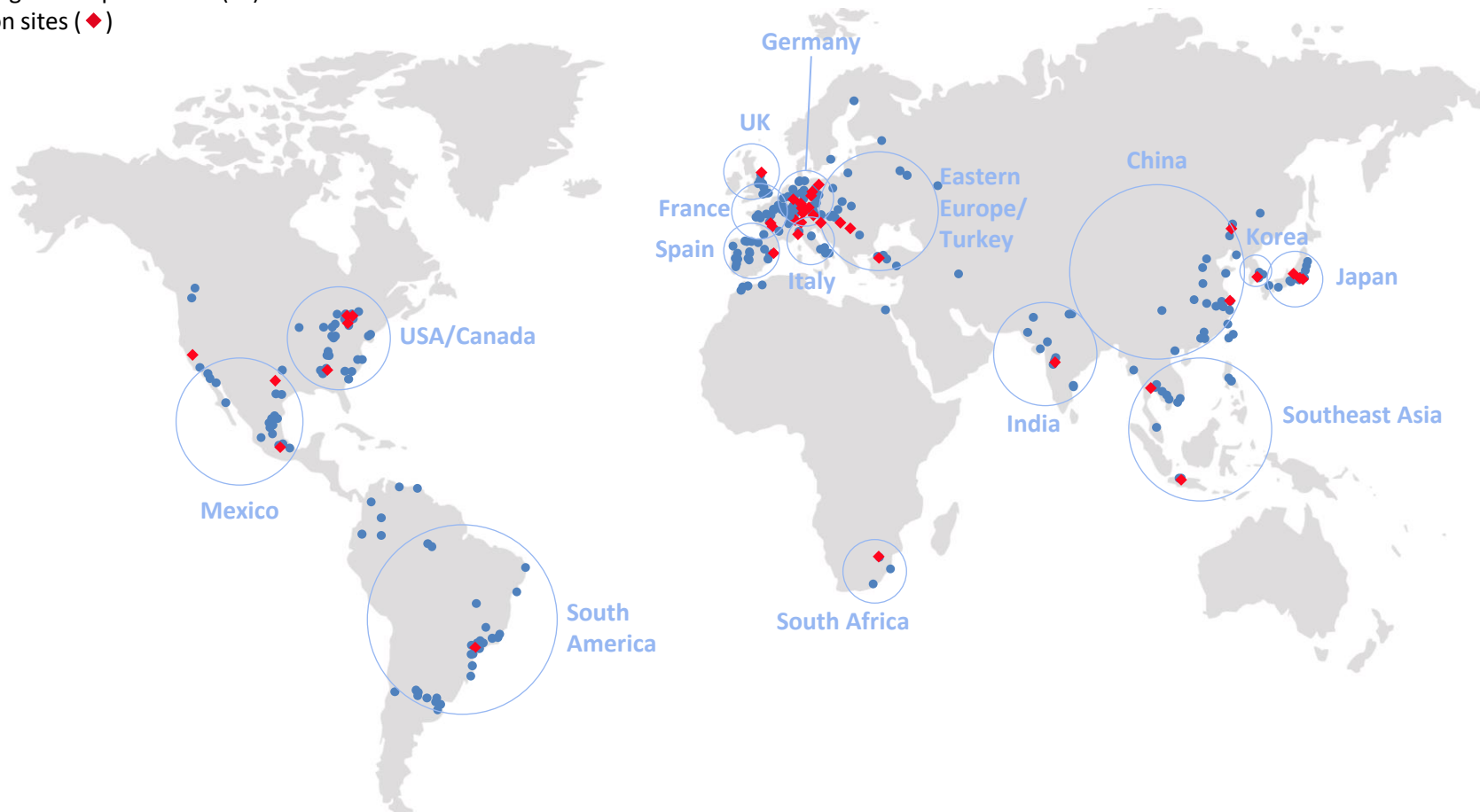
Lightweighting/
Elastomer Technology

- Cockpit cross-car beam
- Door module carrier
- Front-end module
- Plastic modules (cam cover)

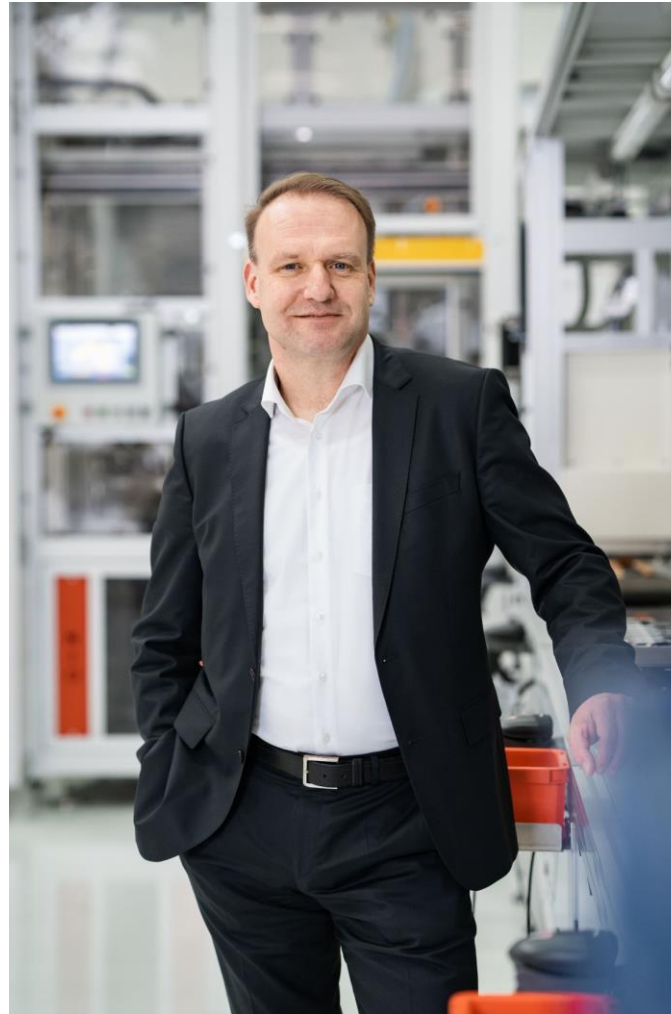
Group

ElringKlinger represented in all important auto regions

Production locations of global top 15 OEMs (●)
ElringKlinger production sites (◆)



Senior management



From left to right:

Thomas Jessulat, Spokesman and CFO

(since 2016, Interim spokesman of the management board since 07/2023)

Corporate units

- Finance
- Digital Transformation
- Information Technology
- M&A and Innovations
- Procurement & Supply Chain Management

Business units

- Electric Drive & Battery Technology

Responsibilities on an interim basis:

Corporate units

- Global Group Strategy
- HR
- Legal & Compliance
- Marketing & Communications
- Sales Original Equipment
- Strategic Communications

Business units

- Aftermarket

Group entities

- EKPO Fuel Cell Technologies
- Engineered Plastics segment
- Aftermarket segment

Reiner Drows, COO

(since 2018)

Corporate units

- Production and Tooling
- Product Risk Management
- Quality & Sustainability Management
- Real Estate & Facility Management

Business units

- Lightweighting/Elastomer Technology
- Metal Sealing Systems & Drivetrain Components
- Metal Forming & Assembly Technology

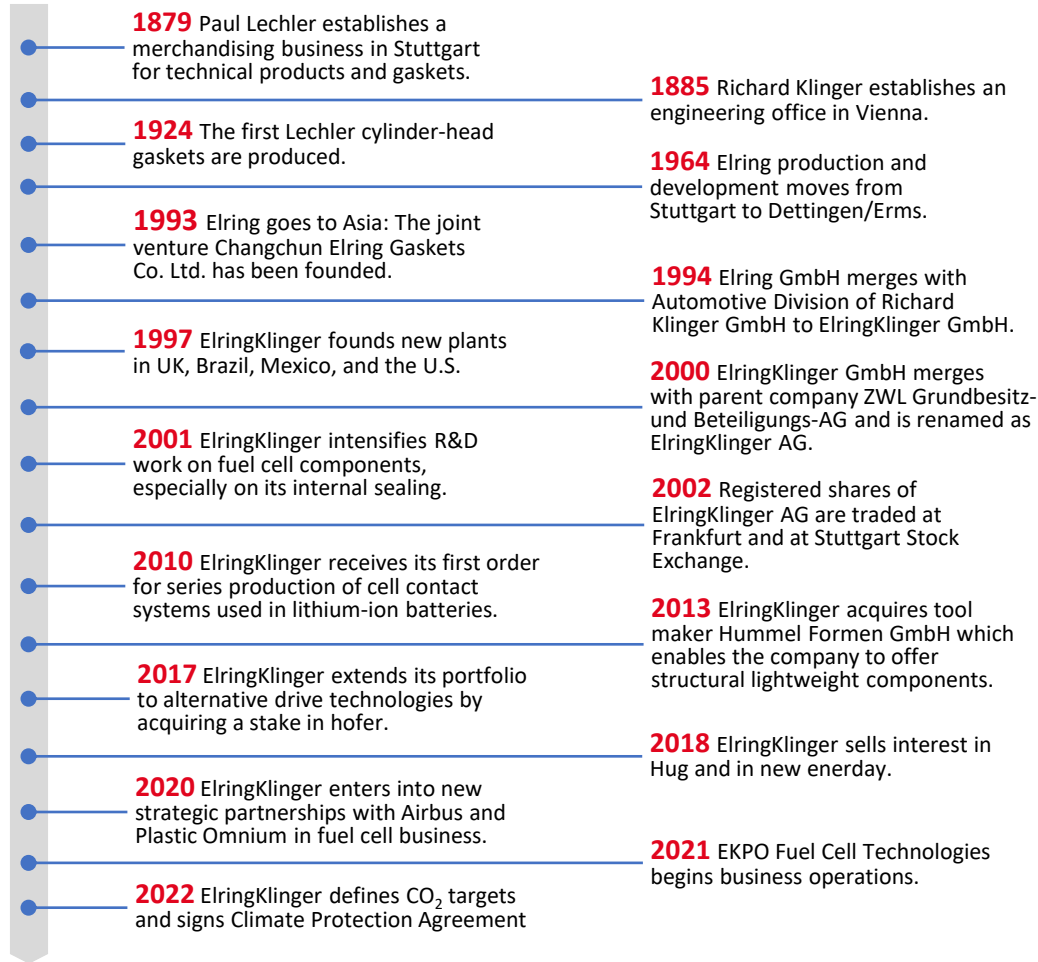
Plants

- in the OE segment

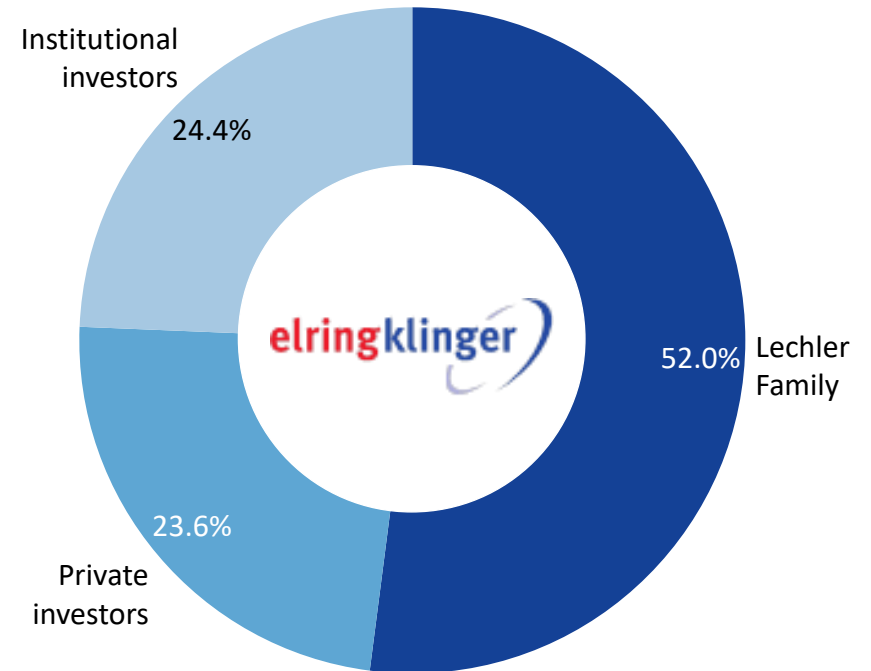
Group

More than 140 years of experience

History of ElringKlinger in very brief



Shareholder structure as at June 30, 2023



Group Contact

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From left to right: Heiderose Mall, Dr. Philipp Ottenstein, Kathrin Graf, Dr. Jens Winter, Jannik Lorenz



Disclaimer

Forward-looking statements and predictions

This presentation contains statements about the future. These statements are based on current expectations, market evaluations and predictions by the Management Board, and on information that is currently available to them. The statements about the future should not be interpreted as guarantees of the future developments and results that they refer to. Whilst the Management Board is convinced that the statements that have been made, and the convictions and expectations on which they are based, are realistic, they rely on suppositions that may conceivably prove to be incorrect; future results and developments are dependent on a multitude of factors, they involve various risks and imponderabilities that can affect whether the ongoing development deviates from the expectations 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.