

REPORT ON THE 3<sup>RD</sup> QUARTER  
AND 1<sup>ST</sup> NINE MONTHS

20

23



# Key figures

## ElringKlinger Group

		3 <sup>rd</sup> Quarter 2023	2 <sup>nd</sup> Quarter 2023	1 <sup>st</sup> Quarter 2023	4 <sup>th</sup> Quarter 2022	3 <sup>rd</sup> Quarter 2022
<b>Order Situation</b>						
Order intake	EUR million	376.8	373.8	474.9	465.9	376.7
Order backlog	EUR million	1,279.3	1,354.1	1,449.0	1,461.9	1,465.1
<b>Sales/Earnings</b>						
Sales revenue	EUR million	451.6	468.7	487.7	469.2	464.1
Cost of sales	EUR million	355.2	368.7	376.1	377.7	372.2
Gross profit margin		21.3%	21.3%	22.9%	19.5%	19.8%
EBITDA	EUR million	47.7	46.8	53.6	57.7	47.0
EBIT	EUR million	21.4	16.7	26.0	22.6	18.1
EBIT adjusted <sup>1</sup>	EUR million	22.7	24.8	26.4	33.1	18.5
EBIT margin adjusted <sup>1</sup>		5.0%	5.3%	5.4%	7.1%	4.0%
Earnings before taxes	EUR million	16.9	11.4	16.6	6.1	17.7
Net income	EUR million	4.7	-0.5	4.4	-4.3	3.9
Net income attributable to shareholders of ElringKlinger AG	EUR million	7.8	2.4	6.7	-2.3	3.3
<b>Cash flow</b>						
Net cash from operating activities	EUR million	36.2	26.8	-3.4	69.2	12.1
Net cash from investing activities	EUR million	-22.6	-25.8	-18.8	-37.3	-23.8
Net cash from financing activities	EUR million	-3.8	11.5	4.8	-39.0	6.2
Operating free cash flow <sup>2</sup>	EUR million	11.7	3.7	-20.3	41.0	-10.2
<b>Balance Sheet</b>						
Balance sheet total	EUR million	2,025.0	2,041.0	2,032.0	2,046.6	2,130.6
Equity	EUR million	884.7	886.0	902.9	896.8	910.6
Equity ratio		43.7%	43.4%	44.4%	43.8%	42.7%
Net financial debt <sup>3</sup>	EUR million	366.3	380.1	372.3	364.2	411.0
<b>Human Resources</b>						
Employees (as at end of quarter)		9,625	9,607	9,635	9,540	9,523
<b>Stock</b>						
Earnings per share	EUR	0.12	0.04	0.11	-0.04	0.05

<sup>1</sup> Figures of EBIT adjusted 2022 unaudited and preliminary

<sup>2</sup> Net cash from operating activities and net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

<sup>3</sup> Financial liabilities less cash and cash equivalents and less short-term securities

# Summary of Third Quarter and First Nine Months 2023

- **Group revenue** up in organic terms, i.e., adjusted for currency effects, rising by 0.7% to EUR 451.6 million in the third quarter of 2023<sup>1</sup> and by 7.7% to EUR 1,408.1 million in the first nine months; disproportionately large increases in the regions covering Rest of Europe (excluding Germany) and North America; strongest growth in absolute terms in the Lightweighting/Elastomer Technology business unit and the Aftermarket segment; E-Mobility business unit boosts quarterly revenue by 32%;
- **Adjusted EBIT** of EUR 22.7 million in the third quarter and EUR 73.9 million in the period from January to September; adjusted EBIT margin of 5.0% (Q3 2023) and 5.2% (9M 2023), up significantly on the prior-year figure (9M 2022: 2.7%); margins just within positive territory at 0.6% in the Original Equipment segment in both the quarter and the nine-month period;
- **Financial position and cash flows** of ElringKlinger Group remain solid at the end of the reporting period; equity ratio at 43.7%, net financial liabilities at EUR 366.3 million, down significantly by EUR 45 million in the twelve-month period despite consistent dividend payment; debt ratio further improved to 1.8; operating free cash flow of EUR 11.7 million in the quarter under review, marginally negative at EUR -4.9 million in the nine-month period;
- **Order backlog** returns to more normal levels after some strong prior quarters; order intake of EUR 376.8 million at previous year's Q3 level;
- **Other events** in the first nine months of 2023:  
Consistent dividend payment of EUR 0.15 per share; long-standing CEO Dr. Stefan Wolf leaves company as of June 30, 2023 – new composition of Management Board as from October 1, 2023: interim Spokesperson of the Management Board Thomas Jessulat appointed CEO, Reiner Drews remains COO, Dirk Willers new to the Management Board as CSO; further significant orders for e-mobility applications placed by global vehicle and battery manufacturers.

**“We are making significant progress when it comes to the transformation of mobility. This is illustrated by our large-scale series production orders within the field of battery and fuel cell technology in recent months as well as our expansion into new areas of application such as the electrolysis market.”**

**Thomas Jessulat, CEO of ElringKlinger AG**

<sup>1</sup> Unless otherwise specified, changes refer to the same period of the previous year.

# Contents

# 06

## INTERIM GROUP MANAGEMENT REPORT

- 6 Macroeconomic Conditions  
and Business Environment
- 7 Significant Events
- 8 Sales and Earnings Performance
- 15 Financial Position and  
Cash Flows
- 19 Opportunities and Risks
- 20 Report on Expected  
Developments

# 24

## ELRINGKLINGER AND THE CAPITAL MARKETS

# 26

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

26	Group Income Statement
27	Group Statement of Comprehensive Income
28	Group Statement of Financial Position
30	Group Statement of Changes in Equity
32	Group Statement of Cash Flows
33	Group Sales Revenue
34	Segment Reporting
36	Notes
43	Responsibility Statement

Nobody knows yet what the mobility of the day after tomorrow will look like. For us, one thing is certain: it will be virtually emission-free. The transformation is in full process, and ElringKlinger makes an important contribution through core competencies and innovations.

Read more about ElringKlinger's broad product range in the field of new drive technologies in the article »Sustainability at ElringKlinger« of the magazine »pulse« in the 2023 issue.

→ <https://elringklinger.de/en/investor-relations/reports-presentations/financial-reports-pulse-magazine>



# Macroeconomic Conditions and Business Environment

The global economy was restricted to very modest growth in the first nine months of 2023, despite the fact that a number of key economic fundamentals showed signs of slight improvement compared to the previous year. The problems afflicting supply chains, for example, subsided and energy prices retreated somewhat from their peaks in 2022. While inflation has been slowing recently, also thanks to lower commodity prices, underlying inflation remained high. In the third quarter of 2023, inflation in the eurozone was still well in excess of the European Central Bank's 2% target at 5.0%.

In an effort to counter inflation, the major central banks continued to pursue tight monetary policies. The US Federal Reserve raised its benchmark interest rate to a range between 5.25% and 5.5% in the quarter under review, while the European Central Bank (ECB) hiked its rate to 4.5%. In combination with a somewhat restrictive fiscal policy, this had a dampening effect on the economy. In particular, the general propensity to invest in the industrial and private sectors was curbed by the less favorable financing terms resulting from these developments.

The advanced economies saw their gross domestic product (GDP) grow at a very modest pace. In this context, the US economy was more robust than Europe's, which recorded little more than stagnation in the eurozone and even a slight downturn in the case of Germany. Among other things, this reflects the fact that the energy crisis and its repercussions affected the national economies to varying degrees. In the emerging markets, meanwhile, economic growth was comparatively stronger, particularly in India and Brazil. However, economic momentum in China fell short of expectations, despite the decision to scrap infection control measures.

In addition, the effects of geopolitical events, such as the ongoing war in Ukraine in particular, continue to adversely affect economic activity in some regions.

## GDP growth

Year-on-year change in %	1 <sup>st</sup> quarter 2023	2 <sup>nd</sup> quarter 2023	3 <sup>rd</sup> quarter 2023
Germany	-0.3	-0.1	-0.7
Eurozone	1.1	0.5	0.2
USA	1.8	2.5	2.6
Brazil	4.0	3.4	2.5
China	4.5	6.3	4.1
India	6.1	7.8	5.7
Japan	2.0	1.6	1.7

Source: HSBC (October 2023)

## Global vehicle production gets rolling

Recording year-on-year growth of 9.0% in the first nine months, global vehicle production managed to recover from last year's setbacks, driven by improvements in material supplies and slight easing within the energy markets. However, momentum waned in the third quarter of 2023, with quarterly growth standing at 3.8%, although the boost recorded within the first half in particular should be seen against the backdrop of the low comparative base in the previous year. European manufacturers were able to process backlogged orders and significantly expand their output by around 15% in the period from January to September. The third quarter of 2023 saw growth of 4.4%. Production of light vehicles (passenger cars and light trucks) in North America was also up year on year, expanding by around 11% in the nine-month period and by around 9% in the quarter under review, despite news of various strikes in the industry. Another major automotive market, Japan, managed to return to a much stronger footing in 2023. Due to the impact of the lockdown on prior-year figures, the Chinese market recorded a very mixed performance in the respective quarters. Up by around 5% in the first nine months and by around 8% in the third quarter of 2023, Chinese production continued to advance from a strong base, despite a sluggish third quarter.

## Production Light Vehicles

Region	Vehicles millions		Year-on-year change
	Jan. – Sep. 2022	Jan. – Sep. 2023	
Europe <sup>1</sup>	11.1	12.8	15.0%
China	19.1	20.0	4.8%
Japan/Korea	8.0	9.4	16.8%
Middle East/Africa	1.8	1.8	-0.7%
North America	10.7	12.0	11.3%
South America	2.1	2.2	5.9%
South Asia	7.1	7.4	3.2%
<b>World</b>	<b>60.4</b>	<b>65.9</b>	<b>9.0%</b>

<sup>1</sup> excl. Russia

Source: S&P Global Mobility, October 2023

### International sales markets recover

Within the international arena, growth rates were well into positive territory in the majority of sales markets in the first nine months of the year. In the European Union, the number of newly registered cars rose by 16.9% to around 8 million in the first nine months of 2023, according to the German Association of the Automotive Industry (VDA). In the United States, too, sales of light vehicles grew by 14.1% compared

with the same period of the previous year. The Chinese market posted a 7.1% increase in new car registrations, taking the total to a record 17.9 million, nearly 20% up on the volume seen in the first nine months of 2019, i.e., before the coronavirus crisis. Brazil and India also registered solid growth in passenger car and light vehicle sales in 2023, at 9.8% and 8.1% respectively.

## Significant Events

### New Management Board team as of October 1, 2023

On September 28, 2023, the Supervisory Board of ElringKlinger AG decided on the composition of the Management Board of ElringKlinger AG with effect from October 1, 2023. As of this date, the Management Board team consists of Thomas Jessulat, Chief Executive Officer (CEO), Reiner Drews, Chief Operating Officer (COO), and Dirk Willers, Chief Sales Officer (CSO).

In his role as CEO, Thomas Jessulat is responsible for Strategy, Finance, IT, Human Resources, Legal Affairs, and Communication as well as for Battery Technology, Electric Drive Units, and Fuel Cell Technology. In addition to his existing duties, Reiner Drews, in his role as Chief Operating Officer, will also be responsible for Purchasing and Supply Chain Management. As a new member of the Group's Management Board, Dirk Willers will be responsible for the

Aftermarket segment, which he has already headed since 2015, as well as the Engineered Plastics segment and Group Sales and Marketing.

On April 6, 2023, the Supervisory Board of ElringKlinger AG and Dr. Stefan Wolf, who held the position of CEO at that time, had reached an amicable agreement on the termination of his contract as of June 30, 2023, and his departure from the Group. Thomas Jessulat assumed the role of Spokesperson of the Management Board and performed the duties of Dr. Stefan Wolf on an interim basis from July 1 to September 30, 2023. Thomas Jessulat's contract had been extended by the Supervisory Board at its meeting in March 2023 for a further five years until December 31, 2028.

### Dividend remains unchanged following AGM approval

At the Annual General Meeting (AGM) on May 16, 2023, the shareholders of ElringKlinger AG approved all items on the agenda by a large majority. The proposal submitted by the Management Board and Supervisory Board for the payment of a dividend of EUR 0.15 per share, unchanged from the previous year, was also approved by a large majority of the shareholders. In addition, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed as auditor for the current financial year.

### Major orders received for E-Mobility market

In the first nine months of 2023, ElringKlinger received significant orders for its E-Mobility business unit, the details of which were disclosed via official announcements. These included a large-scale series production order from a global automobile manufacturer for the Group subsidiary EKPO Fuel Cell Technologies GmbH ("EKPO" for short), Dettingen/Erms, Germany. This order in the mid-triple-digit million euro range and spanning a period of five years includes the supply of metal bipolar plates for a future fuel cell system developed by the carmaker, which is scheduled to commence in 2026. ElringKlinger also announced that it had received a high-volume order for the supply of cell contact

systems for the BMW Group's "New Class." The large-scale series production order has a term of several years and will ramp up from 2025. ElringKlinger also received a series production order for battery housing components from a major global battery manufacturer. This contract, attributable to the Metal Forming & Assembly Technology business unit, is worth several million euros and will run until 2030. Here, too, the end customer is an international vehicle manufacturer.

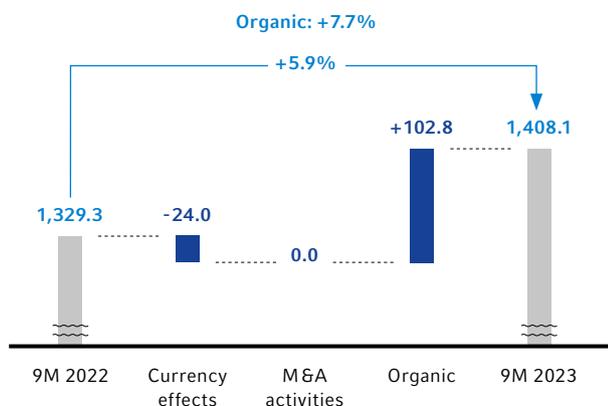
An order placed with EKPO for the development of stack components for use in so-called PEM electrolyzers also represents a further milestone for the ElringKlinger Group. By entering the fast-growing electrolysis market, the Group has taken an important step forward in terms of its strategic positioning.

The above-mentioned contracts illustrate ElringKlinger's outstanding technological capabilities and competitiveness, also within the area of new, alternative drive systems, as well as its expertise relating to industrial-scale production in this field. They are a testament to the company's progress in transforming its product portfolio toward carbon-neutral mobility.

## Sales and Earnings Performance

### Factors influencing Group revenue Jan. – Sep.

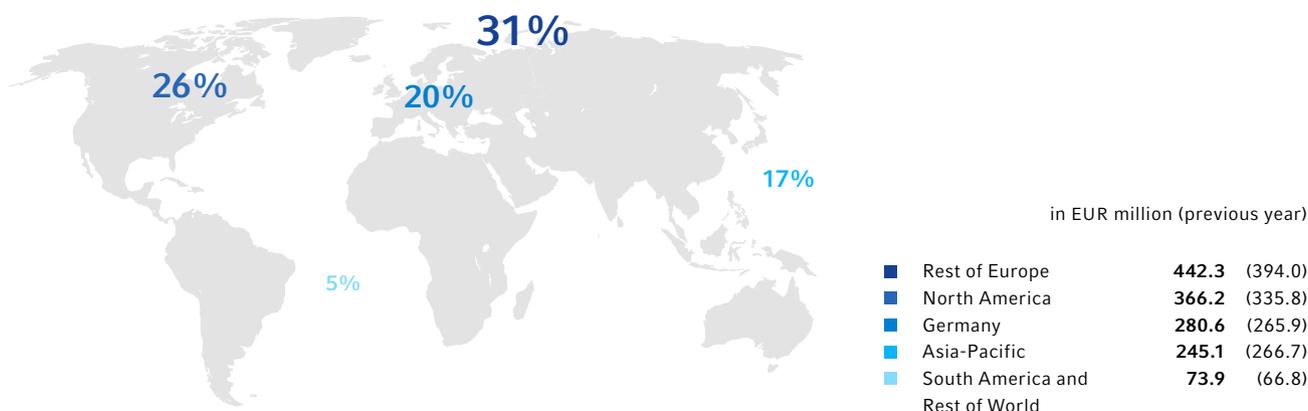
in EUR million



### Slight organic growth in Group revenue

Having recorded vigorous growth in the third quarter of the previous year, with revenue totaling EUR 464.1 million, ElringKlinger saw Group revenue decline by 2.7% to EUR 451.6 million in the quarter under review. Alongside currency effects, business was impacted by a fundamentally challenging macroeconomic environment and volatility in customer call orders relating to ongoing scheduling arrangements in the second half of the year. In regional terms, Group revenue was adversely affected by weak momentum in Asia-Pacific. In addition, price escalator clauses contractually agreed with customers for certain raw materials acted as a drag on growth amid a year-on-year decline in market

## Group sales by region Jan. – Sep. 2023



prices. Looking at the period from January to September 2023, Group revenue improved by EUR 78.8 million or 5.9% to EUR 1,408.1 million (9M 2022: EUR 1,329.3 million).

Revenue was diluted by currency effects both in the quarter under review and in the first nine months. In particular, movements in the Chinese yuan, the Japanese yen, the US dollar, the Canadian dollar, and the Turkish lira created a headwind for sales revenue in the first nine months of 2023, while the direction taken by the Mexican peso was favorable. Adjusted for currency effects, revenue was up slightly by 0.7% or EUR 3.2 million in the third quarter of 2023. Based on the assumption of stable exchange rates, revenue grew by 7.7% in the first nine months of 2023. Thus, organic revenue expanded at a slower rate than global vehicle production as a whole, which was up by 9.0% in the first nine months of 2023 and by 3.8% in the third quarter. There were no effects from changes in the scope of consolidation (M&A activities) first nine months of the year.

#### Growth momentum in Europe, headwinds in Asia

The region accounting for the Group's highest revenue, Rest of Europe, recorded the most dynamic growth in the period under review, with revenue increasing by EUR 7.3 million. Here, ElringKlinger recorded sales revenue of EUR 137.4 million (Q3 2022: EUR 130.1 million), which corresponds to 30.4% of Group revenue. Based on the assumption of stable exchange rates, revenue grew by as much as EUR 11.4 million or 8.8%. In the first nine months of 2023, the Group recorded revenue growth of EUR 48.3 million or 12.3% in this region, taking the figure

to EUR 442.3 million (9M 2022: EUR 394.0 million). Adjusted for currency effects, revenue growth was even more pronounced at EUR 57.0 million or 14.5% in this period.

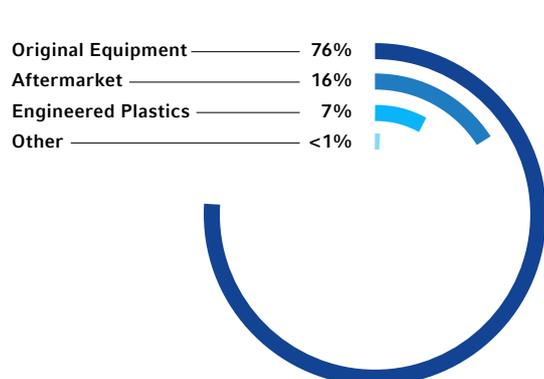
Revenue from sales in Germany also increased slightly by 1.8% to EUR 88.5 million (Q3 2022: EUR 86.9 million) in the quarter under review. At 80.4%, the share of non-domestic revenue in total Group revenue was slightly lower than in the same quarter of the previous year (Q3 2022: 81.3%). In the first nine months of 2023, 80.1% of revenue – almost unchanged year on year – was generated abroad (9M 2022: 80.0%).

The region encompassing North America accounted for more than a quarter (26.3%) of Group revenue in the third quarter of 2023, with revenue totaling EUR 118.6 million (Q3 2022: EUR 121.4 million), making it the Group's second strongest region. Revenue fell by 2.3% year on year, down from a strong comparative base in the same quarter last year. In the third quarter of 2022, vehicle production in North America had benefited from a period of strong recovery. Alongside delays in new project ramp-ups, this was also due to the direction taken by exchange rates; adjusted for currency effects, in fact, growth was marginally positive at 0.8%. In the first nine months of 2023, revenue generated from sales in North America expanded by EUR 30.4 million or 9.1% to EUR 366.2 million (9M 2022: EUR 335.8 million). In North America, the impact of exchange rate movements was minimal in the first nine months of the year: adjusted for currency effects, revenue increased by EUR 29.5 million or 8.8% in the period from January to September.

In the Asia-Pacific region, meanwhile, ElringKlinger generated revenue of EUR 79.8 million between July and September 2023 (Q3 2022: EUR 101.4 million), which corresponds to 17.7% of Group revenue. Vehicle production in the Asia-Pacific region expanded only slightly from the high levels recorded in the previous year. The Chinese market in particular flatlined between July and September following a buoyant second quarter of 2023, a trend that also impacted on ElringKlinger’s regional mix. In the first nine months of 2023, the Group generated revenue of EUR 245.1 million (9M 2022: EUR 266.7 million), a decrease of EUR 21.6 million. This was exacerbated by exchange rate movements. Based on the assumption of stable exchange rates, revenue decreased by EUR 5.4 million or 2.0%.

Revenue in South America and Rest of World totaled EUR 27.3 million in the third quarter of 2023, representing 6.0% of total revenue (Q3 2022: EUR 24.2 million or 5.2% of total revenue). In the third quarter, revenue grew by EUR 3.1 million or 12.8% – well in excess of average growth generated within the Group. In the first nine months, ElringKlinger recorded revenue growth of 10.6% or EUR 7.1 million in this region, taking the total to EUR 73.9 million (9M 2022: EUR 66.8 million). In the first nine months of the year, exchange rates had an adverse effect on growth. Adjusted for currency effects, revenue rose by EUR 7.8 million or 11.7% in the first nine months of the financial year.

**Group sales by segment and business unit Jan.–Sep. 2023**



in EUR million  
(previous year)

<b>Original Equipment</b>	<b>1,071.7</b>	<b>(1,033.5)</b>
– Lightweighting/Elastomer Technology	444.5	(411.2)
– Metal Sealing Systems & Drivetrain Components	379.6	(366.5)
– Metal Forming & Assembly Technology <sup>1</sup>	215.0	(222.5)
– E-Mobility	31.5	(30.3)
– Exhaust Gas Purification & Other	1.1	(3.0)
<b>Aftermarket</b>	<b>231.7</b>	<b>(189.7)</b>
<b>Engineered Plastics</b>	<b>102.4</b>	<b>(103.2)</b>
<b>Other</b>	<b>2.3</b>	<b>(2.9)</b>

<sup>1</sup>Known as “Shielding Technology” up to Dec. 31, 2022

**Original Equipment records slight improvement in margin**

The Original Equipment segment generated revenue of EUR 342.9 million in the third quarter of 2023 (Q3 2022: EUR 360.3 million). Accounting for 75.9% of Group revenue in the quarter under review, Original Equipment remains the Group’s largest segment. In the first nine months, ElringKlinger recorded revenue of EUR 1,071.7 million (9M 2022: EUR 1,033.5 million) in this segment.

The picture within the Original Equipment segment was mixed. While the traditionally classic business units were faced with a downturn in revenue as a result of the challenging factors described above, the E-Mobility business unit recorded revenue growth. With revenue totaling

EUR 138.9 million (Q3 2022: EUR 144.1 million), the Lightweighting/Elastomer Technology business unit again – accounted for the largest share of Group revenue – at 30.8%. In the Metal Sealing Systems & Drivetrain Components and Metal Forming & Assembly Technology business units, revenue in the period from July to September 2023 amounted to EUR 122.1 million (Q3 2022: EUR 128.5 million) and EUR 67.4 million (Q3 2022: EUR 75.9 million) respectively. Despite a delay in the ramp-up of new projects, the E-Mobility business unit generated revenue of EUR 14.4 million in the third quarter of 2023 (Q3 2022: EUR 10.9 million), which represents year-on-year growth of 32.1%. To a larger extent, this figure also included development-related revenue centered around new drive technologies. The E-Mobility business unit also recorded

revenue growth in the first nine months of the year, up by 4.0% to EUR 31.5 million.

Despite having to operate within a challenging business environment, ElringKlinger was able to improve adjusted earnings before interest and taxes (adjusted EBIT) in the Original Equipment segment to EUR 2.1 million (Q3 2022: EUR -3.1 million) in the third quarter, benefiting primarily from a year-on-year reduction in costs associated with the procurement of specific raw materials and energy. The adjusted EBIT margin for the segment stood at 0.6% in the third quarter of 2023 (Q3 2022: -0.9%). As had already been the case over the course of the year, the outcome of renegotiations meant that the Group was, to a large extent, able to pass on elevated commodity prices in structural terms too in the form of price escalator clauses. As a result, adjusted EBIT for the Original Equipment segment amounted to EUR 6.6 million in the first nine months of 2023, compared to EUR -21.4 million in the same period of the previous year, corresponding to an adjusted EBIT margin of 0.6% (9M 2022: -2.1%).

#### **Aftermarket: successful implementation of growth strategy**

With revenue standing at EUR 74.4 million (Q3 2022: EUR 67.0 million) in the third quarter, the Aftermarket segment accounted for 16.5% of Group revenue, making it the second largest segment within the Group. Revenue increased yet again in the third quarter of 2023, up by EUR 7.4 million or 11.0%. Revenue increased in all relevant sales regions, with particularly strong growth in the aftermarket business in Western and Eastern Europe as well as in North and South America. As regards earnings, the segment benefited not only from the revenue trajectory mentioned above but also from a committed approach to cost efficiency. Adjusted EBIT for the aftermarket segment stood at EUR 16.1 million in the third quarter of 2023 (Q3 2022: EUR 14.1 million), corresponding to an adjusted EBIT margin of 21.6% (Q3 2022: 21.0%). In the first nine months, the segment posted adjusted EBIT of EUR 55.0 million (9M 2022: EUR 39.7 million), which translated into an adjusted EBIT margin of 23.7% (9M 2022: 20.9%).

#### **Engineered Plastics records adjusted EBIT margin of 13%**

The Engineered Plastics segment generated revenue of EUR 33.8 million in the third quarter of 2023 (Q3 2022: EUR 36.0 million), representing 7.5% of Group revenue. When making a year-on-year comparison of revenue, alongside a slight headwind from currency effects in the third

quarter, it should be noted in particular that revenue had picked up sharply in the third quarter of 2022. At EUR 102.4 million in the period from January to September 2023 (9M 2022: EUR 103.2 million), segment revenue was almost on a par with the figure posted in the previous year.

As regards earnings, a combination of higher staff, material, and energy costs compared to the third quarter of the previous year exerted downward pressure on segment performance. Adjusted EBIT totaled EUR 4.4 million in the months from July to September 2023 (Q3 2022: EUR 7.3 million). Despite the adverse factors outlined above, the Engineered Plastics segment produced an adjusted EBIT margin of 13.0% in the third quarter of 2023 (Q3 2022: 20.3%), which is above the Group average of 5.0%; in the first nine months, it stood at 11.7% (9M 2022: 17.2%).

#### **Other segment with improved earnings in first nine months**

The segment referred to as "Other" primarily consists of logistics services and rental activities relating to industrial parks. Services for the Aftermarket segment, for example, are covered by this area of the business. In addition, this segment includes the catering service of a subsidiary. In the third quarter of 2023, revenue generated by the Other segment amounted to EUR 0.6 million (Q3 2022: EUR 0.7 million), while the first nine months from January to September produced revenue of EUR 2.3 million (9M 2022: EUR 2.9 million). Adjusted EBIT attributable to this segment was unchanged at EUR 0.1 million (Q3 2022: EUR 0.1 million) in the months from July to September 2023. In the first nine months of the financial year, segment earnings increased by EUR 1.0 million, up from EUR -0.7 million in the same period of the previous year to EUR 0.3 million.

#### **Slight year-on-year increase in headcount**

The headcount within the Group was up slightly by 102 employees or 1.1% over the last twelve months and stood at 9,625 at the end of the third quarter (Sept. 30, 2022: 9,523 employees). While the headcount in the Asia-Pacific region declined by 1.2% or 19 employees, ElringKlinger's workforce in the other regions grew by a total of 121 employees year on year, including 74 employees or 1.8% in Germany and 22 employees or 5.2% in the region encompassing South America and Rest of World. The higher headcount in Germany was attributable mainly to the Group's strategic future areas. In the Rest of Europe and North America, the number of employees changed only slightly,

increasing by 16 and 9 respectively. Overall, in percentage terms, the non-domestic headcount declined slightly to 57.3% (Sept. 30, 2022: 57.6%). Accordingly, the domestic share rose marginally to 42.7% at the end of the quarter (Sept. 30, 2022: 42.4%).

### Improvement in gross profit margin

On the back of lower revenue, the cost of sales also declined in the quarter under review. Compared to the same quarter of the previous year, it decreased at a faster rate than revenue by EUR 17.0 million or 4.6% to EUR 355.2 million (Q3 2022: EUR 372.2 million). The ElringKlinger Group thus managed to improve its gross profit from EUR 91.8 million in the third quarter of the previous year to EUR 96.4 million in the quarter under review, which corresponds to a gross profit margin of 21.3% (Q3 2022: 19.8%). Compared to the same period last year, ElringKlinger also recorded a higher gross profit margin of 21.9% in the nine-month period (9M 2022: 18.6%).

Material-related expenses had a significant influence on the improvement in gross profit in the third quarter of 2023. While prices for raw materials and energy rose rapidly and across the board to a persistently high level in the first nine months of the previous year in the wake of supply-side bottlenecks and due to the outbreak of war in Ukraine, prices for several key raw materials and energy trended lower again in some cases over the course of 2023. In a year-on-year comparison, lower prices for aluminum, steels, and some plastics translated into lower material-related expense in the reporting quarter. However, the downturn in prices did not apply to all raw materials used by ElringKlinger in production: in the case of elastomers, as in the first half of 2023, the situation remained tense against the backdrop of spiraling prices and limited availability. Overall, the cost of materials decreased significantly in the quarter under review, from EUR 220.3 million in the period from July to September 2022 to EUR 205.3 million – down 6.8%. The Group improved its cost-of-materials ratio (cost of materials in relation to Group revenue) by 2.0 percentage points to 45.5% in the quarter under review (Q3 2022: 47.5%).

With a slight increase in the headcount within the ElringKlinger Group and the effects of collective wage increases, particularly in Germany, staff costs also rose year on year. Staff costs within the Group, which are accounted for in various functional categories of the income statement, totaled EUR 141.0 million in the third quarter of 2023 (Q3 2022: EUR 135.8 million). As a consequence, staff costs

in relation to Group revenue increased to 31.2% in the quarter under review (Q3 2022: 29.3%).

Selling expenses included higher costs for external services, such as non-Group distribution logistics, which are partly linked to the expansion of aftermarket business. Selling expenses increased by EUR 2.6 million or 7.4% year on year to EUR 37.8 million in the quarter under review (Q3 2022: EUR 35.2 million). In the first nine months, they rose to EUR 114.1 million (9M 2022: EUR 105.0 million).

General and administrative expenses decreased slightly by 6.8% to EUR 22.0 million in the quarter under review (Q3 2022: EUR 23.6 million). As a percentage of revenue, general and administrative expenses stood at 4.9%, compared with 5.1% in the third quarter of the previous year. In the first nine months, however, they increased slightly by 1.6% to EUR 74.0 million (9M 2022: EUR 72.8 million). Excluding the non-recurring effect in the second quarter of 2023 associated with the termination of the CEO's contract, administrative expenses would have decreased slightly year on year.

### R&D ratio remains within target corridor

When it comes to research and development (R&D) activities, the ElringKlinger Group focuses primarily on the development of products and solutions for alternative drive technologies. In the third quarter of 2023, R&D costs, including capitalization, totaled EUR 23.7 million (Q3 2022: EUR 21.8 million), which is partly due to upstaffing in the strategic future areas, as planned. Of this figure, a total amount of EUR 7.9 million (Q3 2022: EUR 5.6 million) was capitalized. In the first nine months of 2023, R&D costs, including capitalization, totaled EUR 75.8 million (9M 2022: EUR 66.8 million). Of this figure, a sum of EUR 18.5 million (9M 2022: EUR 16.4 million) was capitalized. This translates into a capitalization ratio of 33.6% for the third quarter of 2023 (Q3 2022: 25.8%) and 24.4% for the first nine months of 2023 (9M 2022: 24.6%).

As a result, the R&D ratio (R&D expenses, incl. capitalization, in relation to Group revenue) increased to 5.2% in the third quarter (Q3 2022: 4.7%) and 5.4% in the first nine months (9M 2022: 5.0%).

Other operating income amounted to EUR 3.2 million in the quarter under review (Q3 2022: EUR 4.9 million). One of the factors contributing to this year-on-year change was a reimbursement from an insurance claim that had been

included in the previous year's figure. In the first nine months of 2023, other operating income was slightly above the previous year's level at EUR 12.9 million (9M 2022: EUR 12.4 million).

At EUR 2.6 million (Q3 2022: EUR 3.7 million), other operating expenses in the third quarter were at a low level and down on the prior-year figure. At EUR 11.4 million (9M 2022: EUR 96.2 million), other operating expenses in the period from January to September 2023 were substantially lower than in the same period last year. The year-on-year difference is attributable primarily to impairment losses totaling EUR 95.4 million in the second quarter of 2022.

In the current year, ElringKlinger again received government grants that were directed primarily at development projects in the field of new drive technologies. They amounted to EUR 1.6 million in the third quarter of 2023 (Q3 2022: EUR 2.1 million) and EUR 3.9 million in the first nine months (9M 2022: EUR 4.7 million). This contrasted with expenses of at least the same amount.

#### **Robust EBITDA**

The underlying conditions outlined above, changes in orders placed by customers as part of their ongoing scheduling arrangements, delayed project ramp-ups, exchange rate effects, and, in some cases, lower material prices were the main performance drivers in the third quarter of 2023 and influenced the Group's earnings situation. In the period from July to September, EBITDA (earnings before interest, taxes, depreciation, and amortization) was up 1.5% on the prior-year level at EUR 47.7 million (Q3 2022: EUR 47.0 million). In the first nine months, EBITDA totaled EUR 148.0 million (9M 2022: EUR 116.5 million).

Amortization of intangible assets and depreciation of property, plant, and equipment decreased by 9.0% from EUR 28.9 million in the third quarter of 2022 to EUR 26.3 million in the quarter under review. Depreciation and amortization also decreased in the first nine months of the year, taking the figure to EUR 83.9 million (9M 2022: EUR 181.3 million); this was attributable primarily to impairments of EUR 95.4 million recognized in the second quarter of 2022.

#### **Significant year-on-year improvement in adjusted EBIT**

The third quarter of 2023 saw a year-on-year improvement in Group earnings. The Group achieved adjusted EBIT of EUR 22.7 million (Q3 2022: EUR 18.5 million), corresponding

to an adjusted EBIT margin of 5.0% (Q3 2022: 4.0%). In the period from July to September, non-recurring items resulting in differences between reported EBIT and adjusted EBIT were relatively minor, in this case relating among other things to the discontinuation of production activities at one of the sites in Germany. In the first nine months, the ElringKlinger Group increased its adjusted EBIT from EUR 35.3 million to EUR 73.9 million. The adjusted EBIT margin almost doubled in the first nine months from 2.7% (9M 2022) to 5.2% (9M 2023).

#### **Net finance result impacted by movements in market interest rates**

As in the first six months of 2023, a hike in market interest rates was the primary factor contributing to a year-on-year decline in the net finance result in the third quarter. Lower finance income of EUR 11.8 million (Q3 2022: EUR 25.1 million) was partly offset by lower finance cost, the latter amounting to EUR 16.0 million in the quarter under review (Q3 2022: EUR 24.7 million). Interest expense was affected by spiraling market interest rates over the course of the year. Having said that, the overall impact was limited thanks to the Group's solid financial position. Interest expenses rose from EUR 3.6 million to EUR 7.6 million in the period from July to September. Improved income from associates, which is included in the net finance result and relates to the interest held in hofer AG, of EUR -0.3 million (Q3 2022: EUR -0.8 million) was accompanied by positive effects from changes in foreign exchange rates. Net finance cost amounted to EUR -4.5 million in the third quarter of 2023 (Q3 2022: EUR -0.4 million).

The direction taken by market interest rates is also reflected in the figures for the first nine months of 2023. The net interest result amounted to EUR -19.1 million in the period from January to September 2023 (9M 2022: EUR -8.4 million). The effects of exchange rate changes on the net finance result were marginal in the first nine months of the year. Thus, the net foreign exchange result and other net finance result changed from EUR 11.1 million in the first nine months of the previous year to EUR -0.1 million in the period from January to September 2023, which is mainly attributable to the first half of the year. Net finance cost amounted to EUR -19.2 million (9M 2022: net finance income of EUR 2.7 million).

**Net finance cost/income Jan.–Sep. 2023**

in EUR million	Jan.–Sep. 2023	Jan.–Sep. 2022	Year-on-year change	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	Year-on-year change
Net interest result	-19.1	-8.4	-10.7	-7.0	-3.4	-3.6
Net foreign exchange result and other net finance result	-0.1	11.1	-11.2	2.6	3.0	-0.4
<b>Net finance cost/income</b>	<b>-19.2</b>	<b>2.7</b>	<b>-21.9</b>	<b>-4.5</b>	<b>-0.4</b>	<b>-4.1</b>

In total, earnings before taxes (EBT) in the quarter under review thus amounted to EUR 16.9 million – after EUR 17.7 million in the period from July to September 2022. EBT totaled EUR 44.9 million in the first nine months of 2023 (9M 2022: EUR -62.2 million).

Income tax expenses in the third quarter of 2023 were slightly lower than in the previous year at EUR 12.2 million (Q3 2022: EUR 13.8 million). This translates into an effective tax rate of 72.2% (Q3 2022: 78.1%) for the quarter under review. As had been the case in the previous periods, this was attributable to unrecognized deferred tax assets as well as the regional structure of revenue generated and profits realized. In the first nine months of 2023, income tax expenses were higher year on year at EUR 36.3 million (9M 2022: EUR 24.2 million), which is mainly due to an improvement in earnings.

**Earnings per share of EUR 0.12 in the third quarter of 2023**

After deducting income tax expenses, ElringKlinger recorded net income for the period of EUR 4.7 million (Q3 2022: EUR 3.9 million). In the first nine months of the year, net income for the period of EUR 8.6 million (9M 2022: EUR -86.4 million) was up significantly on the prior-year

period, primarily due to the exceptional items in the second quarter of 2022. Net income attributable to non-controlling interests decreased from EUR 0.6 million to EUR -3.1 million in the third quarter and from EUR 0.4 million to EUR -8.2 million in the period from January to September 2023. Net income attributable to the shareholders of ElringKlinger AG amounted to EUR 7.8 million in the third quarter of 2023 (Q3 2022: EUR 3.3 million) and EUR 16.8 million (9M 2022: EUR -86.8 million) for the first nine months.

As of September 30, 2023, the number of shares outstanding that were entitled to a dividend remained unchanged at 63,359,990. On this basis, earnings per share attributable to the shareholders of ElringKlinger AG amounted to EUR 0.12 in the third quarter (Q3 2022: EUR 0.05) and EUR 0.27 in the first nine months of 2023 (9M 2022: EUR -1.37).

## Financial Position and Cash Flows

The ElringKlinger Group's financial position and cash flows continued to be very solid at the end of the third quarter of 2023. Several key financial indicators again saw a slight improvement compared with the previous quarter. From a consistently high base, the equity ratio rose marginally to 43.7% compared with the figure posted at the end of the first half, while net financial debt decreased slightly to EUR 366.3 million. At EUR 11.7 million, operating free cash

flow in the third quarter of 2023 was also well into positive territory. Thus, ElringKlinger was able to finance its investment measures over the course of the first nine months almost entirely from cash generated from operations in the same period. From January to September 2023, ElringKlinger's operating free cash flow amounted to EUR -4.9 million.

### Key figures Financial Position and Cash Flows

in EUR million	Sep. 30, 2023	Jun. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
<b>Total equity and liabilities</b>	<b>2,025.0</b>	<b>2,041.0</b>	<b>2,046.6</b>	<b>2,130.6</b>
Equity ratio	43.7%	43.4%	43.8%	42.7%
<b>Net Working Capital<sup>1</sup></b>	<b>509.5</b>	<b>529.0</b>	<b>454.7</b>	<b>505.4</b>
Net Working Capital in relation to sales	27.1%	28.0%	25.3%	29.1%
<b>Net financial debt<sup>2</sup></b>	<b>366.3</b>	<b>380.1</b>	<b>364.2</b>	<b>411.0</b>
Net financial debt/EBITDA	1.8	1.9	2.1	2.7
ROCE <sup>3</sup>	5.6%	5.6%	-2.7%	-5.4%

	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	Jan. – Sep. 2023	Jan. – Sep. 2022
Net cash from operating activities	36.2	12.1	59.6	32.1
<b>Operating free cash flow<sup>4</sup></b>	<b>11.7</b>	<b>-10.2</b>	<b>-4.9</b>	<b>-26.2</b>
<b>Investments in property, plant, and equipment (payments)</b>	<b>16.7</b>	<b>18.1</b>	<b>46.4</b>	<b>44.7</b>
Investment ratio	3.7%	3.9%	3.3%	3.4%

<sup>1</sup> Inventories and trade receivables less trade payables

<sup>2</sup> Non-current and current financial liabilities less cash and cash equivalents and securities

<sup>3</sup> Return on capital employed; ROCE adjusted (based on EBIT adjusted): Q3 2023: 6.5 %, 2022: 4.4 %, Q3 2023: 3.0 %

<sup>4</sup> Net cash from operating activities and net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

### Total assets exceed two billion euros

At 54.5%, non-current assets again represented slightly more than half of the Group's assets as of September 30, 2023. Its largest item encompasses property, plant, and equipment, which amounted to EUR 874.6 million at the end of the period under review (Dec. 31, 2022: EUR 905.8 million). This carrying amount was also largely in line with the previous quarter's figure of EUR 875.3 million. In a year-on-year comparison, the figure was down by EUR 64.2 million. Conversely, intangible assets rose to EUR 159.4 million (Dec. 31, 2022: EUR 146.8 million), mainly due to capitalized development costs. In total, the Group recognized additions from investments in property,

plant, and equipment (including additions from leases) and intangible assets of EUR 27.3 million (Q3 2022: EUR 26.6 million) and EUR 70.6 million (9M 2022: EUR 72.0 million) respectively in the third quarter of 2023 and the period from January to September. Depreciation and amortization (including write-ups) for the same periods amounted to EUR 27.4 million (Q3 2022: EUR 28.9 million) and EUR 82.3 million (9M 2022: EUR 85.9 million) respectively.

The carrying amounts of other non-current assets remained largely unchanged compared with the previous quarter. The first nine months of the year saw a reduction in the item "Other non-current assets." This is to be seen against the background of the scheduled payment of EUR 10.0 million by the co-shareholder in EKPO Fuel Cell Technologies GmbH ("EKPO" for short) in the first quarter of 2023, which resulted in a reclassification to current assets and a reduction – by the same amount – of the receivable recognized in assets.

#### Reduction of net working capital in third quarter

Net working capital, which encompasses inventories and trade receivables less trade payables, totaled EUR 509.5 million as of September 30, 2023 (Dec. 31, 2022: EUR 454.7 million). Compared to the previous quarter, it was down by EUR 19.5 million. In a year-on-year comparison, net working capital remained largely unchanged (Sept. 30, 2022: EUR 505.4 million). The decrease in the reporting quarter is mainly due to the lower level of trade receivables, as these are by their very nature correlated to revenues.

Compared to year-end 2022, net working capital was up by EUR 54.8 million or 12.0%. This is mainly due to higher inventories, whose volumes are closely related to order intake or external factors such as price trends and supply chains. The increase was largely attributable to the first quarter of 2023, whereas inventory levels remained stable in the third quarter. This is to be seen against the backdrop of the particularly tense situation within procurement markets at the beginning of the year, coupled with elevated prices for some materials, and factors relating to upcoming series production ramp-ups. Growth in the Aftermarket segment also necessitated increased stockpiling for particularly time-critical merchandise and own-label products in this area.

At the end of the third quarter, trade payables, which have a dilutive effect on net working capital, totaled EUR 200.7 million at Group level (Dec. 31, 2022: EUR 224.1 million). Compared to the end of the first half of 2023, trade payables were down slightly, by EUR 3.2 million, while they decreased by EUR 23.4 million compared to the end of 2022.

Currency effects had no significant impact on the overall change in net working capital, neither in the third quarter nor in the nine-month period of 2023.

Expressed as a percentage of revenue for the past twelve months, the net working capital ratio as of September 30, 2023, was 27.1% (Dec. 31, 2022: 25.3%). This represents a slight improvement on the figure of 28.0% at the end of the first half and on the figure posted at the end of same quarter last year (Sept. 30, 2022: 29.1%).

As of September 30, 2023, the ElringKlinger Group had cash and cash equivalents of EUR 120.3 million (Dec. 31, 2022: EUR 119.1 million).

Current assets recognized by the Group accounted for 45.5% of total assets at the end of the reporting period (Dec. 31, 2022: 44.8%). The carrying amount was EUR 921.3 million (Dec. 31, 2022: EUR 916.1 million).

#### Equity ratio remains stable within target range

As of September 30, 2023, ElringKlinger's equity accounted for 43.7% of total equity and liabilities (Dec. 31, 2022: 43.8%) and continues to provide an important and solid basis for Group financing. Thus, it remains within the management's defined target range of 40 to 50%.

At the end of the third quarter of 2023, equity totaled EUR 884.7 million, compared to EUR 896.8 million at the end of the 2022 financial year. In the quarter under review and the first nine months, it changed by EUR -1.3 million and EUR -12.1 million respectively. In this context, the dividend payment of EUR 13.7 million, which was distributed mainly to shareholders of ElringKlinger AG in the second quarter and to a lesser extent to non-controlling interests in the third quarter, had a dilutive effect. Additionally, this item was impacted by foreign exchange translation differences. These and other minor factors in other comprehensive income amounted to EUR -2.6 million in the third quarter and EUR -13.0 million in the period from January to September. The ElringKlinger Group's net income for the period of EUR 4.7 million in the third quarter and EUR 8.6 million in the first nine months of 2023 had an accretive effect. Additionally, non-controlling interests in equity were higher in the second quarter as a result of a capital increase at the Group subsidiary EKPO, 40% of which is attributable to the co-shareholder.

Amounting to EUR 97.9 million (Dec. 31, 2022: EUR 97.4 million), provisions for pensions were the largest item in the Group's provisions. In addition, non-current provisions stood at EUR 18.5 million (Dec. 31, 2022: EUR 17.8 million) at the end of the reporting period. They mainly include

personnel-related obligations, such as partial retirement, long-service awards, and similar future benefits. Current provisions decreased to EUR 57.4 million as of September 30, 2023, compared to EUR 66.1 million at year-end 2022. The most significant reduction was attributable to the utilization in the third quarter of 2023 of a provision recognized in the 2022 financial year in connection with the discontinuation of specific production activities in Germany.

#### Further reduction in net debt

The ElringKlinger Group's net financial liabilities<sup>2</sup> (also referred to as "net debt") have been steadily scaled back by management since 2019 with the help of targeted measures. Standing at a low level in a multi-year comparison, net debt was reduced by a further EUR 13.8 million subsequent to the end of the first half of 2023 to EUR 366.3 million at the end of the third quarter of 2023 (Dec. 31, 2022: EUR 364.2 million). The reduction is even more significant compared to the same quarter of the previous year, when net financial liabilities had amounted to EUR 411.0 million.

Non-current financial liabilities accounted for the largest share at EUR 283.2 million as of September 30, 2023 (Dec. 31, 2022: EUR 429.2 million). Current financial liabilities amounted to EUR 222.2 million (Dec. 31, 2022: EUR 73.4 million).

The debt ratio, or net debt-to-EBITDA<sup>3</sup> ratio, improved further to 1.8, compared to 2.1 at year-end 2022 and 2.7 a year earlier.

Overall, non-current liabilities recognized by the ElringKlinger Group at the end of the third quarter of 2023 totaled EUR 438.8 million (Dec. 31, 2022: EUR 579.9 million) and accounted for 21.7% of total equity and liabilities, while current liabilities amounted to EUR 701.5 million (Dec. 31, 2022: EUR 569.9 million), which corresponds to a share of 34.6%. The latter include trade payables as the second largest item after financial liabilities. Trade payables declined by a total of EUR 23.4 million in the first nine months of 2023 to EUR 200.7 million (Dec. 31, 2022: EUR 224.1 million). Conversely, other current liabilities increased by a total of EUR 10.0 million in the nine-month period, which is attributable to various deferrals and accruals such as customer bonuses or obligations that are customary in the field of business.

<sup>2</sup> Current and non-current financial liabilities less cash and cash equivalents and short-term securities

<sup>3</sup> Earnings before interest, taxes, depreciation, and amortization

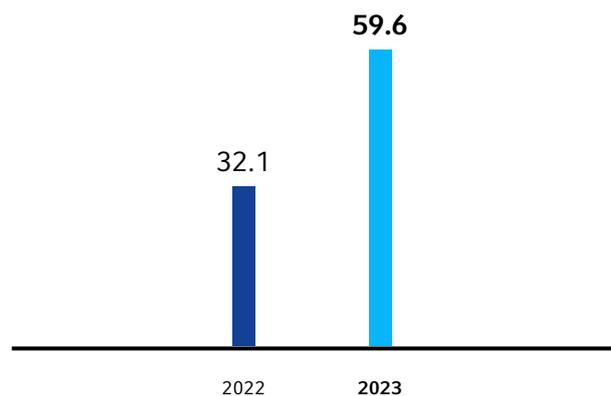
#### Operating cash flow at EUR 60 million

In the first nine months of the year, the ElringKlinger Group generated significantly higher positive cash flow from operating activities than in the same period a year ago. In the third quarter of 2023, net cash from operating activities improved by EUR 24.1 million to EUR 36.2 million (Q3 2022: EUR 12.1 million), while net cash from operating activities in the first nine months was up by EUR 27.5 million year on year to EUR 59.6 million (9M 2022: EUR 32.1 million).

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. In the third quarter of 2023, the generation of cash and cash equivalents benefited from changes in these parameters, particularly due to the direction taken by trade receivables. Including other assets and liabilities not attributable to investing or financing activities, changes in inventories and trade receivables and payables helped to release EUR 21.7 million in cash from operating activities in the third quarter of 2023, compared with a reduction in cash of EUR 40.7 million in the same period of the previous year. In the first nine months of 2023, changes in these items, which are mainly attributable to net working capital, resulted in a net outflow of cash of EUR 26.0 million (9M 2022: outflow of EUR 65.5 million).

Compared to the respective periods of the previous year, both the third quarter of 2023 and the first nine months as a whole each saw higher outflows for income taxes paid, interest paid, and from the change in provisions. For further details, please refer to the Group Statement of Cash Flows presented in the interim financial statements.

#### Cash flow from operating activities Jan.–Sep. in EUR million



### Investment in property, plant, and equipment at EUR 46 million

Capital expenditure by the ElringKlinger Group on property, plant, and equipment amounted to EUR 16.7 million in the third quarter of 2023 (Q3 2022: EUR 18.1 million), which was similar to investment volumes in the previous quarters. In the first nine months, the Group's capital expenditure on property, plant, and equipment totaled EUR 46.4 million (9M 2022: EUR 44.7 million). For the quarter under review, this translates into an investment ratio (payments for investments in property, plant, and equipment in relation to Group revenue) of 3.7% (Q3 2022: 3.9%), while the ratio for the nine-month period from January to September 2023 is 3.3% (9M 2022: 3.4%).

The funds were directed at manufacturing equipment for series production ramp-ups planned within the global production network. This was complemented by investments aimed at further aligning the product portfolio with e-mobility trends. At various sites in Germany, the focus of investments was on equipment for series production orders in the area of lightweighting and for battery technology systems.

The ElringKlinger Group invested EUR 8.1 million in intangible assets in the third quarter of 2023 (Q3 2022: EUR 5.7 million) and EUR 18.9 million in intangible assets in the first nine months of the year (9M 2022: EUR 16.9 million). They mainly include capitalized development costs for fuel cell technology.

### Operating free cash flow up markedly at around EUR 12 million

In the third quarter, ElringKlinger generated operating free cash flow (operating cash flow less cash flow from investing activities adjusted for M&A activities and cash flows for financial assets) of EUR 11.7 million (Q3 2022: EUR -10.2 million). As a result, cash flow improved significantly compared to the two previous quarters as well as on a year-on-year basis. This positive trend is also reflected in the figures for the first nine months of 2023; at EUR -4.9 million (9M 2022: EUR -26.2 million), operating free cash flow was still slightly negative in the year to date but much improved on the previous year. This was attributable in particular to the lower level of funds tied up in inventories and trade receivables. Against this backdrop, the Group was able to finance its investing activities in the period almost entirely from cash generated from operating activities in the same period.

### Reduction in long-term loans

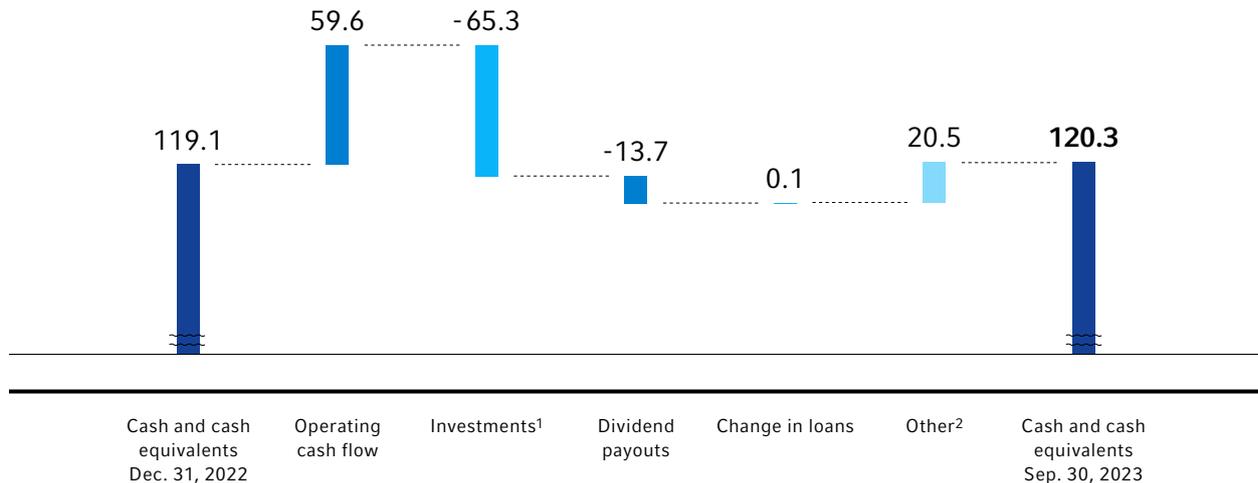
Cash flow from financing activities amounted to EUR -3.8 million in the third quarter of 2023 (Q3 2022: EUR 6.2 million) and EUR 12.5 million in the first nine months (9M 2022: EUR 44.0 million). Overall, this translates into a slight cash outflow in the quarter under review and a cash inflow of EUR 12.5 million in the first nine months.

Essentially, this relates to loan financing, i.e., taking out and repaying long-term loans and changes in short-term loans. In net terms, ElringKlinger used funds of EUR 10.4 million in the third quarter of 2023 (Q3 2022: borrowing of EUR 6.2 million) to repay or reduce loans. In the first nine months of 2023, this balance was close to zero at EUR 0.1 million (9M 2022: inflow of EUR 27.6 million).

Another item of cash flow from financing activities was the distribution to shareholders and non-controlling interests, which was mainly transacted in the second quarter and totaled EUR 13.7 million in the first nine months of 2023 (9M 2022: EUR 13.6 million). Of this amount, EUR 3.4 million (Q3 2022: EUR 0 million) was attributable to non-controlling interests in the third quarter.

Furthermore, payments of EUR 26.0 million in total from the co-owner in the Group company EKPO were recognized during the period under review. Of this amount, EUR 6.0 million was attributable to the second quarter in connection with a capital increase, while two scheduled contributions of EUR 10.0 million each were made in the first and third quarters of 2023.

**Changes in cash Jan.–Sep. 2023**  
 in EUR million



<sup>1</sup> Payments for investments in property, plant, and equipment and intangible assets  
<sup>2</sup> Including inflow of EUR 26.0 million from Plastic Omnium for investment in EKPO

As of September 30, 2023, the ElringKlinger Group had cash and cash equivalents of EUR 120.3 million (Sept. 30, 2022: EUR 131.6 million) and open, unused credit lines of EUR 243.6 million (Sept. 30, 2022: EUR 167.1 million).

## Opportunities and Risks

As regards opportunities and risks for the ElringKlinger Group, the first nine months of 2023 saw no significant changes compared to the disclosures made in the Group’s 2022 annual report.

The conflict in the Middle East between Israel and Palestine escalated on October 7, 2023, following an incursion by Islamist Hamas militias. At present, the heightened conflict in the Middle East has no material impact on the financial position, financial performance, and cash flows of the ElringKlinger Group. Given the uncertainties surrounding the future course of the conflict, it is impossible at this stage to predict any further potential ramifications.

Supply chains had been seriously impaired in 2022, which was accompanied by shortages of materials. This situation has improved somewhat in the course of the year to date.

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 report on opportunities and risks from the 2022 annual report can also be accessed on ElringKlinger’s website at [www.elringklinger.de/ar2022/report-on-opportunities-and-risks](http://www.elringklinger.de/ar2022/report-on-opportunities-and-risks).

# Report on Expected Developments

## Outlook – Market and Sector

Against the prevailing backdrop of persistently high inflation and its detrimental effects, pundits are predicting anemic growth for the global economy as a whole in 2023. In its latest World Economic Outlook of October 2023, the International Monetary Fund (IMF) forecast global growth in the gross domestic product (GDP) of 3.0% for the current year. Thus, growth is expected to be 0.5 percentage points below the previous year’s figure. In the coming year, growth is again expected to be slightly lower at 2.9%.

According to the IMF, global inflation is expected to fall from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024. Core inflation, which excludes energy and food, is expected to remain persistent. Among the uncertainties weighing heavily on economic expansion are a fragile global financial

system and geopolitical uncertainties such as the ongoing war in Ukraine and the rekindled conflict in the Middle East. The Ifo Business Climate Index, an important leading indicator of company sentiment in Germany, had fallen for six months in succession by the end of September 2023. In October 2023, i.e., after the end of the reporting period, it showed a slight improvement again for the first time in many months. It mainly reflects sluggish order intake within the industrial sector and weak foreign demand.

Overall, economic recovery is expected to remain inconsistent following the crises of the past few years. Among the major industrialized countries, only Germany is expected to experience a slight recession of -0.5% in 2023, according to economists.

### GDP growth projections

Year-on-year change in %	2022	Projections 2023	Projections 2024
<b>World</b>	<b>3.5</b>	<b>3.0</b>	<b>2.9</b>
Advanced economies	2.6	1.5	1.4
Emerging and developing countries	4.1	4.0	4.0
Germany	1.8	-0.5	0.9
Eurozone	3.3	0.7	1.2
USA	2.1	2.1	1.5
Brazil	2.9	3.1	1.5
China	3.0	5.0	4.2
India	7.2	6.3	6.3
Japan	1.0	2.0	1.0

Source: IWF, October 2023

### Slowdown in global vehicle production

The performance of global markets in terms of vehicle production and sales has been closely aligned with macroeconomic developments in 2023. While the supply of materials has improved since 2022, inflation and thus less favorable financing terms, compounded by geopolitical uncertainties, pose risks for the automotive sector. Based on current forecasts, most regions are expected to achieve tangible gains

in 2023 compared to prior-year levels, which were insubstantial in some cases. However, according to current forecasts, car production is expected to grow at a weaker rate of 3.5% in the fourth quarter of 2023, after previous quarters had seen rates of change of 7.1% (Q1), 16.8% (Q2), and 3.8% (Q3).

## Projections Light vehicle production

Region	Vehicles millions		
	2022	Projections 2023	Year-on-year change
Europe <sup>1</sup>	15.3	17.2	12.1%
China	26.4	27.9	5.6%
Japan/Korea	11.1	12.7	13.9%
Middle East/Africa	2.2	2.3	2.9%
North America	14.3	15.2	6.3%
South America	2.8	2.9	4.1%
South Asia	9.6	9.8	2.1%
<b>World</b>	<b>82.3</b>	<b>88.6</b>	<b>7.5%</b>

<sup>1</sup> excl. Russia

Source: S&P Global Mobility, October 2023

### Sales markets on the rise worldwide

Germany's industry association VDA has issued a very cautious outlook for new vehicle registrations around the globe in the upcoming final quarter of 2023. According to the association, the rate of growth seen in the year to date will slow against the backdrop of a persistently challenging

environment for the automotive sector. The VDA's projected growth rates for new registrations in the respective regions for 2023 as a whole are as follows: passenger car market Europe (EU, EFTA & UK): 9%, USA (light vehicles) 7%, passenger car market China: 3%, Brazil (light vehicles): 5%.

## Outlook – Company

The global economic environment continues to be shaped by a lack of momentum and persistent uncertainty. While inflationary pressures are showing signs of easing, geopolitical conflicts – such as in Ukraine – remain entrenched or – as in the Middle East – have erupted anew. Volatility remains high and a sense of uncertainty persists in view of the precarious developments in these conflict zones as well as in other regions, such as the South China Sea. These underlying conditions are having a tangible impact on the automotive industry as a cyclical sector and are weighing heavily on expectations, even though moderate growth in light vehicle production is expected globally and in key automotive regions such as China and Europe in the fourth quarter of 2023. In 2024, this is forecast to amount to just 0.6% globally.

### Order intake on a par with the prior-year quarter

ElringKlinger recognizes as orders received and included in the backlog all call orders entered by customers in the respective systems. As a result, order intake and order backlog do not generally comprise the "nominated" volume over the entire term of the contract.

On the back of an extremely buoyant 2022 annual period and first quarter of 2023, ElringKlinger's order situation returned to more normal levels in the quarter just ended. With order intake of EUR 376.8 million, the Group matched the prior-year figure in the third quarter of 2023 (Q3 2022: EUR 376.7 million). In this context, currency effects had a dilutive effect. Based on the assumption of stable exchange rates, order intake would have improved slightly by EUR 4.0 million, or 1.1%, to EUR 380.7 million. Overall, new orders in the first nine months totaled EUR 1,225.5 million, thus falling short of the extremely strong level achieved in the previous year (9M 2022: EUR 1,408.2 million).

In line with order intake in the current year and the high level of revenue in the first half of the year in particular, order backlog was down as of September 30, 2023. At the end of the third quarter, it amounted to EUR 1,279.3 million, which is EUR 185.8 million below the previous year's figure (Sept. 30, 2022: EUR 1,465.1 million). Here, too, the direction taken by exchange rates had a diminishing effect on the Group's order book. Adjusted for currency effects, order backlog would have been EUR 35.5 million higher at

EUR 1,314.8 million, and the year-on-year decline would have amounted to EUR 150.3 million.

#### **Earnings outlook confirmed, revenue guidance revised**

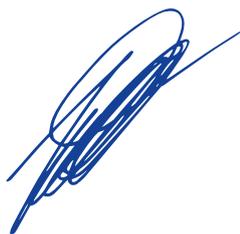
Against the background of the results for the third quarter and the first nine months of 2023, the Group continues to expect an adjusted EBIT margin of around 5% for the 2023 financial year as a whole. With regard to Group revenue, the Management Board of ElringKlinger AG has revised its revenue guidance for the 2023 financial year after an updated internal revenue forecast prompted by higher S&P market projections. Industry data provider S&P Global Mobility had most recently revised upwards its estimates for global light vehicle production to +7.5% after 3.3% at the beginning of the year and 5.3% in mid-2023. Meanwhile, an internal re-assessment resulted in a reduced revenue projection compared to previous forecasting, in particular due to changed year-end orders placed by customers as part of their ongoing scheduling arrangements. Against this backdrop, the Group expects to report organic revenue growth of around 3 to 5% in the 2023 financial year (previously: "significantly above the rate of change in global light vehicle production"). Expectations with regard to the other key financials in 2023 can be confirmed in line with the guidance provided in the outlook section of the 2022 annual report.

#### **Mid-term outlook**

Despite the challenging factors currently driving 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 towards e-mobility with components engineered specifically for battery and fuel cell systems. This is also underpinned by the Lightweighting/Elastomer Technology, Metal Forming & Assembly Technology, and Metal Sealing Systems & Drivetrain Components business units, which at the same time boast a strong market position in the field of classic technologies. Against this backdrop, ElringKlinger continues to expect organic growth to outpace global vehicle production in the future, provided that there are no abrupt and unexpected developments in the market given the general underlying conditions, which are associated with significant uncertainty and in some cases considerable volatility. With regard to the earnings situation, the Group has again set itself the goal of gradually improving its adjusted EBIT margin in the medium term. The other medium-term targets can also be confirmed in line with the outlook presented in the 2022 annual report.

Dettingen/Erms, November 7, 2023

The Management Board



Thomas Jessulat  
CEO



Reiner Drews



Dirk Willers



# ElringKlinger and the Capital Markets

## Cyclical stock under pressure

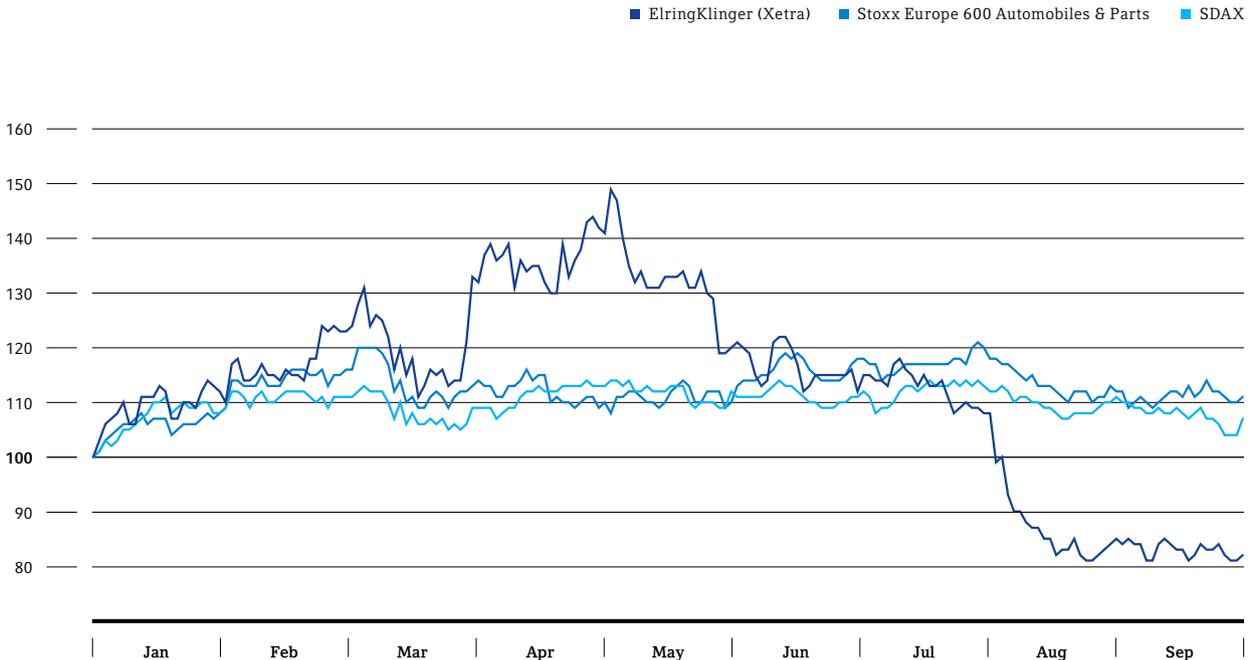
Financial market performance in the third quarter of 2023 was influenced in particular by persistent inflation and the stance taken by central banks in response to these developments. In an effort to support a so-called “soft landing” for the economy, the US central bank, the Fed, paused its interest rate hikes, the most recent increase for the time being having been executed at the end of July. Thus, the benchmark interest rate of the US Federal Reserve most recently ranged from 5.25% to 5.50%. The European Central Bank (ECB), by contrast, raised its key interest rate twice in the summer quarter by 25 basis points in each case – once at the end of July and once in mid-September to its current level of 4.50%. Meanwhile, inflation hovered at a level well above the 2% target set by central banks. In this climate, government bond yields trended higher while equity prices declined compared with the end of June.

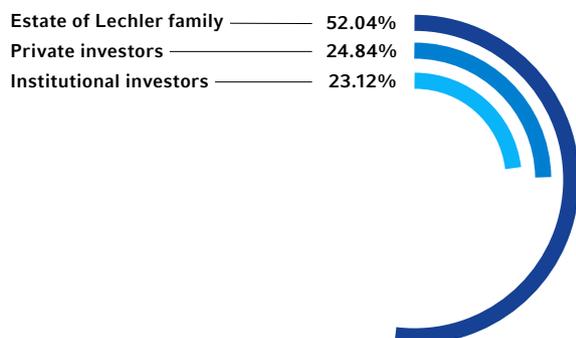
Stock market prices tumbled in almost all regions over the course of the third quarter of 2023. Following a solid performance in July, a period of consolidation set in during the month of August. Headline news from China contributed to negative sentiment among financial market participants. The US S&P 500 index was down 3.6% compared with the end of the second quarter. The European STOXX Europe 600 index lost 2.5% in the same period.

The various sectors developed along highly divergent lines. This can also be seen as a key factor when it comes to regional performance. Cyclical stock suffered particularly heavy losses. Looking at Europe, this pattern was also evident in the German market, where the DAX40 remained relatively lackluster in the third quarter, falling by 4.7%. By contrast, the UK’s FTSE100 gained 1.0%.

## ElringKlinger’s share price performance from January 1 to September 30, 2023 (indexed)

in %



**Shareholder structure as of September 30, 2023****ElringKlinger stock slips in third quarter**

ElringKlinger's share price reached its quarterly high of EUR 8.41 on July 12, 2023. The stock recorded losses as the third quarter of 2023 progressed, reaching its lowest point for the year to date on August 25 with a share price of EUR 5.76. In the second half of the quarter, i.e. from mid-August to the end of September, ElringKlinger's share price entered a period in which it trended sideways in line with the market as a whole, with volumes remaining comparatively low. At the end of the third quarter of 2023, the share price stood at EUR 5.87.

**Trading volume down on previous year**

In the third quarter of 2023, the volume traded was lower than in the same period last year, with 62,008 shares traded on average per stock exchange day (Q3 2022: 77,972 shares). The lower year-on-year volume of shares traded in the summer quarter was also evident among numerous "stock market peers", i.e., similar shares in the automotive sector. In the third quarter of 2023, ElringKlinger shares recorded lower daily trading values on German stock exchanges than in the same period a year ago and, at EUR 412 thousand per day in the third quarter, also achieved a lower average value (Q3 2022: EUR 568 thousand). The stock's liquidity was sufficiently high at all times during the quarter under review, thus providing the basis for large share transactions to be concluded during this period.

**Engaged in dialogue with the capital markets**

ElringKlinger maintained its dialogue with international investors, analysts, and other capital market participants in the third quarter of 2023. On August 3, ElringKlinger AG published its results for the second quarter and first half of 2023. In the context of this publication, the Management Board hosted a conference call as part of which it presented the Group's key financials for the second quarter of 2023 to analysts and journalists. In total, ElringKlinger AG attended three investor conferences and road shows in the third quarter of 2023 – as in-person and virtual events – and also held numerous one-on-one meetings with investors and analysts.

**ElringKlinger Stock (WKN 785 602)**

	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022
Number of shares outstanding	63,359,990	63,359,990
Share price (daily price in EUR) <sup>1</sup>		
High	8.41	8.38
Low	5.76	5.85
Closing price <sup>2</sup>	5.87	5.93
Average daily trading volume (German stock exchanges; volume of shares traded)	62,008	77,972
Average daily trading value (German stock exchanges; in EUR)	411,996	568,223
Market capitalization (EUR million) <sup>1,2</sup>	371.92	375.7

<sup>1</sup> Xetra trading

<sup>2</sup> as of September 30

# Group Income Statement

## of ElringKlinger AG, January 1 to September 30, 2023

EUR k	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	9 months 2023	9 months 2022
<b>Sales revenue</b>	<b>451,646</b>	<b>464,051</b>	<b>1,408,083</b>	<b>1,329,271</b>
Cost of sales	-355,237	-372,224	-1,100,091	-1,082,208
<b>Gross profit</b>	<b>96,409</b>	<b>91,827</b>	<b>307,992</b>	<b>247,063</b>
Selling expenses	-37,817	-35,209	-114,072	-105,015
General and administrative expenses	-22,049	-23,590	-74,018	-72,787
Research and development costs	-15,736	-16,160	-57,288	-50,350
Other operating income	3,171	4,854	12,946	12,445
Other operating expenses	-2,595	-3,668	-11,420	-96,222
<b>Earnings before interest and taxes (EBIT)</b>	<b>21,383</b>	<b>18,054</b>	<b>64,140</b>	<b>-64,866</b>
Finance income	11,836	25,113	21,447	55,264
Finance costs	-16,033	-24,686	-37,865	-50,632
Share of result of associates	-297	-791	-2,820	-1,930
<b>Net finance costs</b>	<b>-4,494</b>	<b>-364</b>	<b>-19,238</b>	<b>2,702</b>
<b>Earnings before taxes</b>	<b>16,889</b>	<b>17,690</b>	<b>44,902</b>	<b>-62,164</b>
Income tax expense	-12,193	-13,821	-36,318	-24,233
<b>Net income</b>	<b>4,696</b>	<b>3,869</b>	<b>8,584</b>	<b>-86,397</b>
Of which: attributable to non-controlling interests	-3,059	559	-8,209	416
<b>Of which: attributable to shareholders of ElringKlinger AG</b>	<b>7,755</b>	<b>3,310</b>	<b>16,793</b>	<b>-86,813</b>
Basic and diluted earnings per share in EUR	0.12	0.05	0.27	-1.37

# Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to September 30, 2023

EUR k	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	9 months 2023	9 months 2022
<b>Net income</b>	<b>4,696</b>	<b>3,869</b>	<b>8,584</b>	<b>-86,397</b>
Currency translation difference	-2,630	-11,420	-12,957	-8,062
Share of other comprehensive income of associates	50	117	-33	-133
<b>Gains and losses that can be reclassified to the income statement in future periods</b>	<b>-2,580</b>	<b>-11,303</b>	<b>-12,990</b>	<b>-8,195</b>
Remeasurement of defined benefit plans, net	0	0	0	33,070
<b>Gains and losses that cannot be reclassified to the income statement in future periods</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,070</b>
<b>Other comprehensive income after taxes</b>	<b>-2,580</b>	<b>-11,303</b>	<b>-12,990</b>	<b>24,875</b>
<b>Total comprehensive income</b>	<b>2,116</b>	<b>-7,434</b>	<b>-4,406</b>	<b>-61,522</b>
Of which: attributable to non-controlling interests	-2,842	770	-9,117	2,156
<b>Of which: attributable to shareholders of ElringKlinger AG</b>	<b>4,958</b>	<b>-8,204</b>	<b>4,711</b>	<b>-63,678</b>

# Group Statement of Financial Position

of ElringKlinger AG, as at September 30, 2023

EUR k	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
<b>ASSETS</b>			
Intangible assets	159,412	146,818	147,507
Property, plant and equipment	874,632	905,777	938,789
Financial assets	13,787	13,533	14,995
Shares in associates	13,816	14,869	11,626
Non-current income tax assets	2,977	1,363	1,316
Other non-current assets	11,755	21,884	21,639
Deferred tax assets	21,164	19,524	25,735
Contract performance costs	5,716	6,137	6,729
Non-current contract assets	436	613	494
<b>Non-current assets</b>	<b>1,103,695</b>	<b>1,130,518</b>	<b>1,168,830</b>
Inventories	440,390	413,952	433,634
Current contract assets	7,480	8,299	8,475
Trade receivables	269,835	264,854	287,315
Current income tax assets	5,548	4,791	6,114
Other current assets	77,754	105,063	93,196
Cash and cash equivalents	120,328	119,103	131,584
<b>Current assets</b>	<b>921,335</b>	<b>916,062</b>	<b>960,318</b>
Assets held for sale	0	0	1,429
	<b>2,025,030</b>	<b>2,046,580</b>	<b>2,130,577</b>

EUR k	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
<b>LIABILITIES AND EQUITY</b>			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	648,729	641,440	643,737
Other reserves	- 11,159	923	8,718
<b>Equity attributable to the shareholders of ElringKlinger AG</b>	<b>819,168</b>	<b>823,961</b>	<b>834,053</b>
Non-controlling interest in equity	65,571	72,872	76,502
<b>Equity</b>	<b>884,739</b>	<b>896,833</b>	<b>910,555</b>
Provisions for pensions	97,889	97,356	95,739
Non-current provisions	18,480	17,758	17,897
Non-current financial liabilities	283,246	429,233	475,954
Non-current contract liabilities	1,513	1,700	1,552
Deferred tax liabilities	27,994	23,782	28,430
Other non-current liabilities	9,629	10,046	7,141
<b>Non-current liabilities</b>	<b>438,751</b>	<b>579,875</b>	<b>626,713</b>
Current provisions	57,437	66,072	66,974
Trade payables	200,745	224,102	215,585
Current financial liabilities	222,212	73,423	79,786
Current contract liabilities	10,826	13,238	18,508
Tax payable	29,811	22,492	25,388
Other current liabilities	180,509	170,545	187,068
<b>Current liabilities</b>	<b>701,540</b>	<b>569,872</b>	<b>593,309</b>
	<b>2,025,030</b>	<b>2,046,580</b>	<b>2,130,577</b>

# Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to September 30, 2023

EUR k

	Share capital	Capital reserves	Revenue reserves
<b>Balance as of Dec. 31, 2021</b>	<b>63,360</b>	<b>118,238</b>	<b>740,054</b>
First time adoption IAS 29 <sup>1</sup>			
<b>Balance as of Dec. 31, 2021</b>	<b>63,360</b>	<b>118,238</b>	<b>740,054</b>
Dividend distribution			-9,504
Purchase of shares of non-controlling interests <sup>2</sup>			
<b>Total comprehensive income</b>			<b>-86,813</b>
Net income			-86,813
Other comprehensive income			
<b>Balance as of Sep. 30, 2022</b>	<b>63,360</b>	<b>118,238</b>	<b>643,737</b>
<b>Balance as of Dec. 31, 2022</b>	<b>63,360</b>	<b>118,238</b>	<b>641,440</b>
Dividend distribution			-9,504
Capital increase <sup>3</sup>			
<b>Total comprehensive income</b>			<b>16,793</b>
Net income			16,793
Other comprehensive income			
<b>Balance as of Sep. 30, 2023</b>	<b>63,360</b>	<b>118,238</b>	<b>648,729</b>

<sup>1</sup> In the context of hyperinflation in Turkey, retroactively

<sup>2</sup> Increase of shares in Elring Klinger Motortechnik GmbH from 92.86% to 100.0%

<sup>3</sup> Capital increase concerning EKPO Fuel Cell Technologies GmbH

Other reserves			Equity attributable to the shareholders of ElringKlinger AG	Non-controlling interests in equity	Group equity
Remeasurement of defined benefit plans, net	Equity impact of controlling interests	Currency translation differences			
-48,731	48,186	-17,374	903,733	78,564	982,297
		3,371	3,371		3,371
-48,731	48,186	-14,003	907,104	78,564	985,668
			-9,504	-4,087	-13,591
	131		131	-131	0
31,867		-8,732	-63,678	2,156	-61,522
			-86,813	416	-86,397
31,867		-8,732	23,135	1,740	24,875
-16,864	48,317	-22,735	834,053	76,502	910,555
-18,760	48,317	-28,634	823,961	72,872	896,833
			-9,504	-4,184	-13,688
			0	6,000	6,000
		-12,082	4,711	-9,117	-4,406
			16,793	-8,209	8,584
		-12,082	-12,082	-908	-12,990
-18,760	48,317	-40,716	819,168	65,571	884,739

# Group Statement of Cash Flows

of ElringKlinger AG, January 1 to September 30, 2023

EUR k	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	9 months 2023	9 months 2022
Earnings before taxes	16,889	17,690	44,902	-62,164
Depreciation/amortization (less write-ups) of non-current assets	26,283	28,936	83,719	181,318
Net interest	7,045	3,357	19,140	8,410
Change in provisions	-12,038	1,117	-9,999	4,502
Gains/losses on disposal of non-current assets	355	201	516	345
Share of result of associates	297	791	2,820	1,930
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	27,057	-41,837	-12,398	-107,964
Change in trade payables and other liabilities not resulting from financing and investing activities	-5,321	1,170	-13,614	42,513
Income taxes paid	-15,410	-6,278	-32,295	-15,613
Interest paid	-6,521	-4,212	-17,277	-8,159
Interest received	368	191	1,373	751
Other non-cash expenses and income	-2,764	10,999	-7,301	-13,798
<b>Net cash from operating activities</b>	<b>36,240</b>	<b>12,125</b>	<b>59,586</b>	<b>32,071</b>
Proceeds from disposals of property, plant and equipment and intangible assets	202	1,418	796	3,312
Proceeds from disposals of financial assets	5,024	2,155	8,904	6,719
Payments for investments in intangible assets	-8,130	-5,740	-18,894	-16,912
Payments for investments in property, plant and equipment	-16,653	-18,050	-46,360	-44,668
Payments for investments in financial assets	-2,994	-3,558	-9,848	-6,594
Payments for shares in associates	0	0	-1,800	0
<b>Net cash from investing activities</b>	<b>-22,551</b>	<b>-23,775</b>	<b>-67,202</b>	<b>-58,143</b>
Payments received from non-controlling interests	10,000	0	26,000	30,000
Dividends paid to shareholders and to non-controlling interests	-3,375	0	-13,688	-13,591
Proceeds from the addition of long-term loans	46,042	127,481	93,536	223,935
Payments for the repayment of long-term loans	-54,191	-128,267	-144,660	-212,382
Change in current loans	-2,253	6,958	51,293	16,058
<b>Net cash from financing activities</b>	<b>-3,777</b>	<b>6,172</b>	<b>12,481</b>	<b>44,020</b>
Changes in cash	9,912	-5,478	4,865	17,948
Effects of currency exchange rates on cash	1,065	1,841	-3,640	3,735
Cash at beginning of period	109,351	135,221	119,103	109,901
<b>Cash at end of period</b>	<b>120,328</b>	<b>131,584</b>	<b>120,328</b>	<b>131,584</b>

# Group Sales Revenue

of ElringKlinger AG, January 1 to September 30, 2023

## Sales revenue by regions

EUR k	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	9 months 2023	9 months 2022
Germany	88,513	86,926	280,596	265,933
Rest of Europe	137,403	130,079	442,257	394,005
North America	118,646	121,446	366,214	335,823
Asia-Pacific	79,761	101,437	245,071	266,734
South America and Rest of World	27,323	24,163	73,945	66,776
<b>Group</b>	<b>451,646</b>	<b>464,051</b>	<b>1,408,083</b>	<b>1,329,271</b>

## Sales revenue by segments

EUR k	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	9 months 2023	9 months 2022
Lightweighting/Elastomer Technology	138,939	144,148	444,516	411,168
Metal Sealing Systems & Drivetrain Components	122,126	128,471	379,590	366,492
Metal Forming & Assembly Technology	67,381	75,909	214,977	222,479
E-Mobility	14,395	10,853	31,515	30,288
Exhaust Gas Purification	39	962	1,104	3,032
Other	5	1	7	19
<b>Segment Original Equipment</b>	<b>342,885</b>	<b>360,344</b>	<b>1,071,709</b>	<b>1,033,478</b>
Segment Original Equipment	342,885	360,344	1,071,709	1,033,478
Segment Aftermarket	74,416	66,964	231,686	189,682
Segment Engineered Plastics	33,756	36,037	102,363	103,227
<b>Sale of goods</b>	<b>451,057</b>	<b>463,345</b>	<b>1,405,758</b>	<b>1,326,387</b>
Proceeds from the rendering of services	589	703	2,325	2,872
<b>Revenue from contracts with customers</b>	<b>451,646</b>	<b>464,048</b>	<b>1,408,083</b>	<b>1,329,259</b>
Income from rental and leasehold		3		12
<b>Group</b>	<b>451,646</b>	<b>464,051</b>	<b>1,408,083</b>	<b>1,329,271</b>

# Segment Reporting

of ElringKlinger AG, July 1 to September 30, 2023

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022
EUR k						
<b>External revenue</b>	<b>342,885</b>	<b>360,344</b>	<b>74,416</b>	<b>66,964</b>	<b>33,756</b>	<b>36,037</b>
Intersegment revenue	10,326	7,551	0	0	67	-148
<b>Segment revenue</b>	<b>353,211</b>	<b>367,895</b>	<b>74,416</b>	<b>66,964</b>	<b>33,823</b>	<b>35,889</b>
<b>EBIT<sup>1</sup></b>	<b>795</b>	<b>-3,571</b>	<b>16,116</b>	<b>14,144</b>	<b>4,392</b>	<b>7,339</b>
Adjustments	1,298	466	0	0	0	0
<b>EBIT adjusted</b>	<b>2,093</b>	<b>-3,105</b>	<b>16,116</b>	<b>14,144</b>	<b>4,392</b>	<b>7,339</b>
Depreciation and amortization	-24,275	-26,199	-797	-559	-1,761	-1,578
Capital expenditures <sup>2</sup>	24,008	25,090	1,541	445	1,084	826

## January 1 to September 30, 2023

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	9 months 2023	9 months 2022	9 months 2023	9 months 2022	9 months 2023	9 months 2022
EUR k						
<b>External revenue</b>	<b>1,071,709</b>	<b>1,033,478</b>	<b>231,686</b>	<b>189,682</b>	<b>102,363</b>	<b>103,227</b>
Intersegment revenue	28,110	20,975	0	0	101	60
<b>Segment revenue</b>	<b>1,099,819</b>	<b>1,054,453</b>	<b>231,686</b>	<b>189,682</b>	<b>102,464</b>	<b>103,287</b>
<b>EBIT<sup>1</sup></b>	<b>638</b>	<b>-121,321</b>	<b>54,382</b>	<b>39,430</b>	<b>11,565</b>	<b>17,719</b>
Adjustments	5,958	99,936	591	222	470	0
<b>EBIT adjusted</b>	<b>6,596</b>	<b>-21,385</b>	<b>54,973</b>	<b>39,652</b>	<b>12,035</b>	<b>17,719</b>
Depreciation and amortization	-73,200	-77,028	-2,368	-1,955	-5,112	-5,108
Capital expenditures <sup>2</sup>	63,073	64,588	2,978	2,384	3,753	3,984

<sup>1</sup> Earnings before interest and taxes

<sup>2</sup> Investments in intangible assets and property, plant and equipment

Other		Consolidation		Group	
3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022	3 <sup>rd</sup> quarter 2023	3 <sup>rd</sup> quarter 2022
589	706	0	0	451,646	464,051
3,361	2,136	-13,754	-9,539	0	0
3,950	2,842	-13,754	-9,539	451,646	464,051
80	142			21,383	18,054
0	0			1,298	466
80	142			22,681	18,520
-577	-600			-27,410	-28,936
670	218			27,303	26,579

Other		Consolidation		Group	
9 months 2023	9 months 2022	9 months 2023	9 months 2022	9 months 2023	9 months 2022
2,325	2,884	0	0	1,408,083	1,329,271
9,667	7,256	-37,878	-28,291	0	0
11,992	10,140	-37,878	-28,291	1,408,083	1,329,271
-2,445	-694			64,140	-64,866
2,720	0			9,739	100,158
275	-694			73,879	35,292
-1,630	-1,782			-82,310	-85,873
838	1,031			70,642	71,987

# Notes to the Third Quarter and First Nine Months of 2023

## 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 September 30, 2023, 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 September 30, 2023, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements as of September 30, 2023, 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 November 7, 2023.

## Accounting policies

The accounting policies applied in this interim report are fundamentally based on the same as those applied in the preparation of the 2022 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 macroeconomic 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 September 30, 2023, include the financial statements of seven domestic and 34 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, 2022, there were no other changes in the scope of consolidation with the exception of the formation of EKPO Fuel Cell Technologies US, Inc., based in Fort Wayne, USA.

### Newly established entity

On June 15, 2023, EKPO Fuel Cell Technologies US, Inc., based in Fort Wayne, USA, a wholly-owned subsidiary of EKPO Fuel Cell Technologies GmbH, based in Dettingen/Erms, Germany, was established.

### Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate		Average rate	
		Sep. 30, 2023	Dec. 31, 2022	Jan. – Sep. 2023	Jan. – Dec. 2022
US dollar (USA)	USD	1.05940	1.06660	1.08158	1.04998
Pound (United Kingdom)	GBP	0.86458	0.88693	0.86880	0.85482
Swiss franc (Switzerland)	CHF	0.96690	0.98470	0.97967	1.00170
Canadian dollar (Canada)	CAD	1.42270	1.44400	1.45789	1.37036
Real (Brazil)	BRL	5.30650	5.63860	5.39930	5.40514
Mexican peso (Mexico)	MXN	18.50300	20.85600	19.09862	21.05364
RMB (China)	CNY	7.73520	7.35820	7.64298	7.07435
WON (South Korea)	KRW	1,425.26000	1,344.09000	1,417.15222	1,354.16083
Rand (South Africa)	ZAR	19.98130	18.09860	19.95817	17.21273
Yen (Japan)	JPY	158.10000	140.66000	151.14333	138.13917
Forint (Hungary)	HUF	389.50000	400.87000	380.13444	393.11083
Turkish lira (Turkey)	TRY	29.05140	19.96490	24.53982	17.45661
Leu (Romania)	RON	4.97350	4.94950	4.94483	4.93403
Indian rupee (India)	INR	88.01650	88.17100	89.08587	82.71542
Indonesian rupiah (Indonesia)	IDR	16,383.62000	16,519.82000	16,317.91556	15,639.00667
Bath (Thailand)	THB	38.67900	36.83500	37.54244	36.80008
Swedish krona (Sweden)	SEK	11.53250	11.12180	11.49514	10.65713

### Significant events and business transactions

On September 28, 2023, the Supervisory Board of ElringKlinger AG appointed Thomas Jessulat, formerly Chief Financial Officer, as Chief Executive Officer of ElringKlinger AG. He had most recently held the position of Spokesperson of the Management Board on an interim basis. In addition, the former head of the Aftermarket segment, Dirk Willers, was newly appointed to the Management Board. Both decisions were made with effect from October 1, 2023.

There were no other significant events or business transactions in the third 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:

	Cash	Trade receivables	Other current assets	Derivatives	Non-current securities		Other financial investments		Total
EUR k	CA	CA	CA	CA	CA	FV	CA	FV	CA
<b>as of Sep. 30, 2023</b>									
Financial assets measured at amortized cost	120,328	269,835	24,919	0	1,311	1,324	8	8	416,401
Financial assets measured at fair value through profit or loss	0	0	9,981	78	0	0	12,259	12,259	22,318
Financial assets measured at fair value through other comprehensive income	0	0	0	0	201	201	8	8	209
<b>Total</b>	<b>120,328</b>	<b>269,835</b>	<b>34,900</b>	<b>78</b>	<b>1,512</b>	<b>1,525</b>	<b>12,275</b>	<b>12,275</b>	<b>438,928</b>
<b>as of Dec. 31, 2022</b>									
Financial assets measured at amortized cost	119,103	264,854	23,538	0	1,311	1,313	8	8	408,814
Financial assets measured at fair value through profit or loss	0	0	19,943	172	0	0	11,990	11,990	32,105
Financial assets measured at fair value through other comprehensive income	0	0	0	0	216	216	8	8	224
<b>Total</b>	<b>119,103</b>	<b>264,854</b>	<b>43,481</b>	<b>172</b>	<b>1,527</b>	<b>1,529</b>	<b>12,006</b>	<b>12,006</b>	<b>441,143</b>

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
<b>as of Sep. 30, 2023</b>				
Financial liabilities measured at amortized cost	70,351	206,071	16,141	200,745
Financial liabilities measured at fair value through profit or loss	0	0	0	0
<b>as of Dec. 31, 2022</b>				
Financial liabilities measured at amortized cost	71,750	56,517	16,905	224,102
Financial liabilities measured at fair value through profit or loss	0	0	0	0

EUR k	Derivatives		Non-current financial liabilities		Non-current lease liabilities IFRS 16	Total
	CA	FV	CA	FV	CA	CA
	<b>as of Sep. 30, 2023</b>					
Financial liabilities measured at amortized cost	0	0	248,749	218,217	34,497	776,554
Financial liabilities measured at fair value through profit or loss	14,566	14,566	0	0	0	14,566
<b>as of Dec. 31, 2022</b>						
Financial liabilities measured at amortized cost	0	0	386,240	243,542	42,993	798,507
Financial liabilities measured at fair value through profit or loss	11,888	11,888	0	0	0	11,888

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 of EUR 18,866 k (Dec. 31, 2022: EUR 19,310 k) and the current portion of Plastic Omnium's outstanding contribution of EUR 9,981 k (Dec. 31, 2022: EUR 19,943 k) measured at present value.

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 38,102 k (Dec. 31, 2022: EUR 38,102 k) 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 cost in the amount of the fair value. 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 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 3,810 k (Dec. 31, 2022: EUR 3,810 k).

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 September 30, 2023:

EUR k	Level 1	Level 2	Level 3
<b>Sep. 30, 2023</b>			
<b>Financial assets</b>			
Non-current securities	201	0	0
Other financial investments	8	0	12,259
Derivatives*	0	78	0
<b>Total</b>	<b>209</b>	<b>78</b>	<b>12,259</b>
<b>Financial liabilities</b>			
Derivatives*	0	14,566	0
<b>Total</b>	<b>0</b>	<b>14,566</b>	<b>0</b>
<b>Dec. 31, 2022</b>			
<b>Financial assets</b>			
Non-current securities	216	0	0
Other financial investments	8	0	11,990
Derivatives*	0	172	0
<b>Total</b>	<b>224</b>	<b>172</b>	<b>11,990</b>
<b>Financial liabilities</b>			
Derivatives*	0	11,888	0
<b>Total</b>	<b>0</b>	<b>11,888</b>	<b>0</b>

\* 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 September 30, 2023:

EUR k	Level 1	Level 2	Level 3
<b>Sep. 30, 2023</b>			
<b>Financial assets</b>			
Non-current securities	1,324	0	0
Other financial investments	0	0	8
<b>Total</b>	<b>1,324</b>	<b>0</b>	<b>8</b>
<b>Financial liabilities</b>			
Non-current financial liabilities	0	218,217	0
Purchase price liability from written put option	0	0	38,102
<b>Total</b>	<b>0</b>	<b>218,217</b>	<b>38,102</b>
<b>Dec. 31, 2022</b>			
<b>Financial assets</b>			
Non-current securities	1,313	0	0
Other financial investments	0	0	8
<b>Total</b>	<b>1,313</b>	<b>0</b>	<b>8</b>
<b>Financial liabilities</b>			
Non-current financial liabilities	0	243,542	0
Purchase price liability from written put option	0	0	38,102
<b>Total</b>	<b>0</b>	<b>243,542</b>	<b>38,102</b>

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 2022 were not subject to significant changes in the first nine months of 2023.

### **Government grants**

Other operating income in the first nine months of 2023 includes government grants totaling EUR 3,947 k (Sep. 30, 2022: EUR 4,748 k). 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 1,097 k (Sep. 30, 2022: EUR 1,471 k) (net method).

### **Events after the reporting period**

The conflict in the Middle East between Israel and Palestine escalated on October 7, 2023, with the Islamist Hamas movement having declared a "military operation." At present, the heightened conflict in the Middle East has no material impact on the financial position, financial performance, and cash flows of the ElringKlinger Group. At this stage, it is not possible to predict any further potential impact.

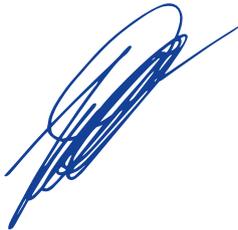
There were no further significant events after the end of the interim reporting period that would necessitate additional explanatory disclosure.

# 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, November 7, 2023

The Management Board



Thomas Jessulat  
CEO



Reiner Drews



Dirk Willers

# Imprint

## ElringKlinger AG

Max-Eyth-Straße 2  
D-72581 Dettingen/Erms  
Germany  
Phone +49 (0) 71 23/724-0  
Fax +49 (0) 71 23/724-90 06  
[www.elringklinger.com](http://www.elringklinger.com)

## IR Contact

Dr. Jens Winter  
Phone +49 (0) 71 23/724-88 335  
Fax +49 (0) 71 23/724-85 8335  
[jens.winter@elringklinger.com](mailto:jens.winter@elringklinger.com)

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

Further information is available at  
[www.elringklinger.com](http://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 November 7, 2023, and is available in German and English. Only the German version shall be legally binding.

# Financial Calendar

MARCH 2024

# 27

Annual Press Conference  
Analysts' Meeting

MAY 2024

# 16

119<sup>th</sup> 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](http://www.elringklinger.de/en/investor-relations/financial-calendar).

For trade fairs please visit our websites:  
[www.elringklinger.de/en/press/dates-events](http://www.elringklinger.de/en/press/dates-events)  
<https://www.elring.com/dates-events>



**ElringKlinger AG**  
Max-Eyth-Straße 2  
D-72581 Dettingen/Erms

