

Figures on Q3 2022

Dr. Stefan Wolf, CEO
Thomas Jessulat, CFO

November 3, 2022

Headlines



Difficult market environment: ongoing war in Ukraine, high material, energy and logistics prices, inflationary pressures, distortions of supply chains, regional lockdowns in China, LV production below pre-Covid-level



Group sales increased by 15.9% to **quarterly record level** of EUR 464.1m, organically by 11.5%, compared to a very strong prior-year Q3 base, while global LV production increased by 27.5% compared to Q3 2021



Improving trend in earnings: EBIT at EUR 18.1m after weak Q2, down y-o-y due to higher raw material energy and logistics expenses, EBIT margin of 3.9 % enhanced compared to Q1 (3.3%) and Q2 (-0.4%¹)



Sales growth, broad cost inflation and temporarily increased inventory result in **higher working capital level**, net working capital ratio at 29.1% (Q3 2021: 25.4%)



In this complex economic environment, **operating free cash flow negative** at EUR -10.2m after EUR 3.9m in Q2 2022 and EUR 8.1m in Q3 2021



Net financial debt robust at now EUR 411m, net debt/EBITDA ratio at 2.7 after 2.5 in prior quarter



FY 2022 outlook confirmed

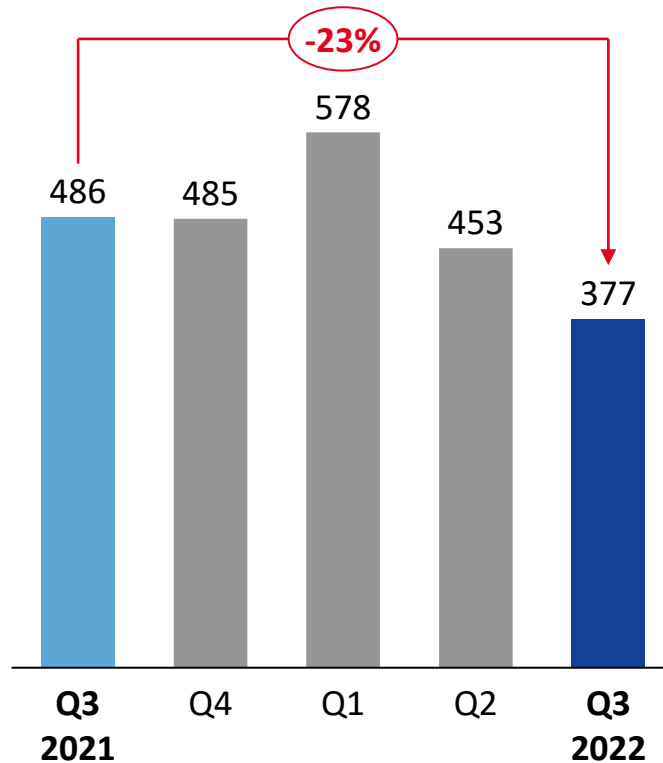
¹ On operating level

Financial details

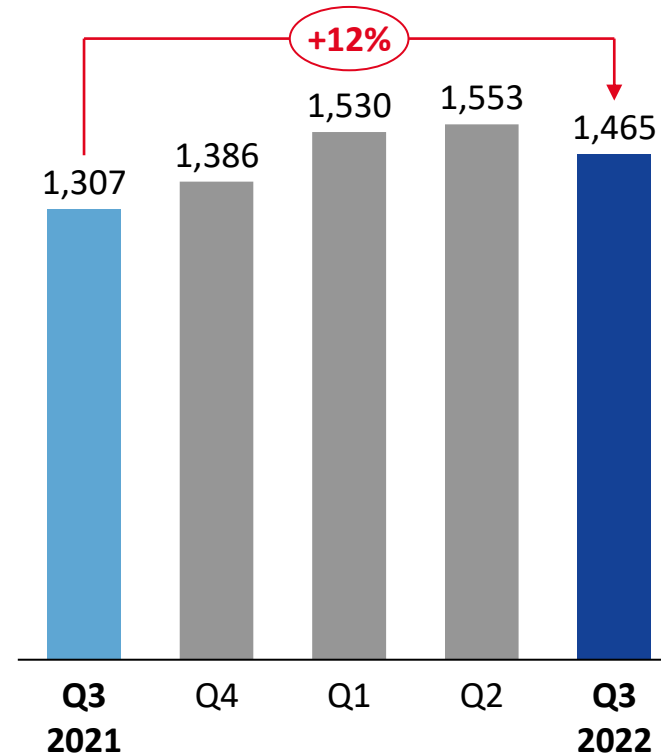
Q3 2022

Sales at quarterly record level, supported by FX tailwind

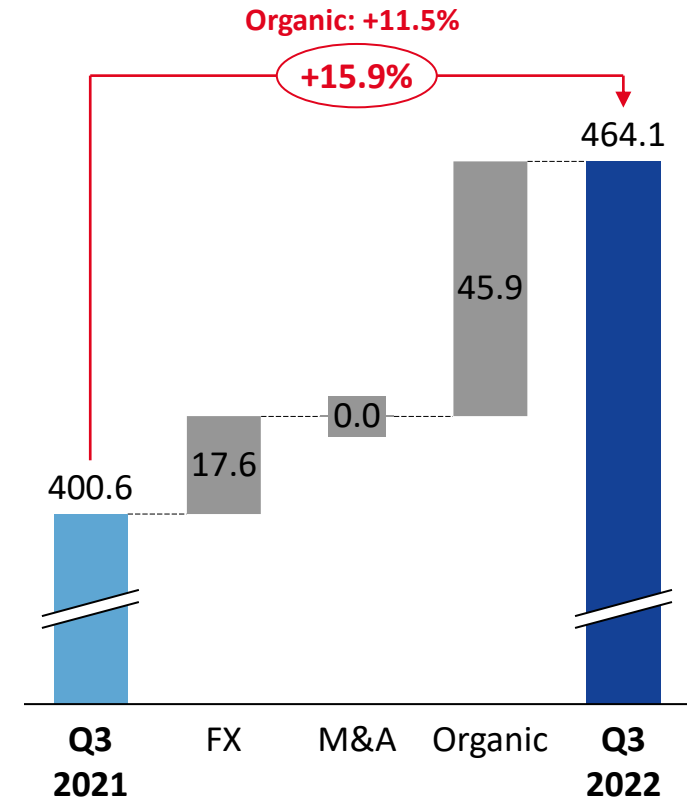
Order intake – in EUR million



Order backlog – in EUR million

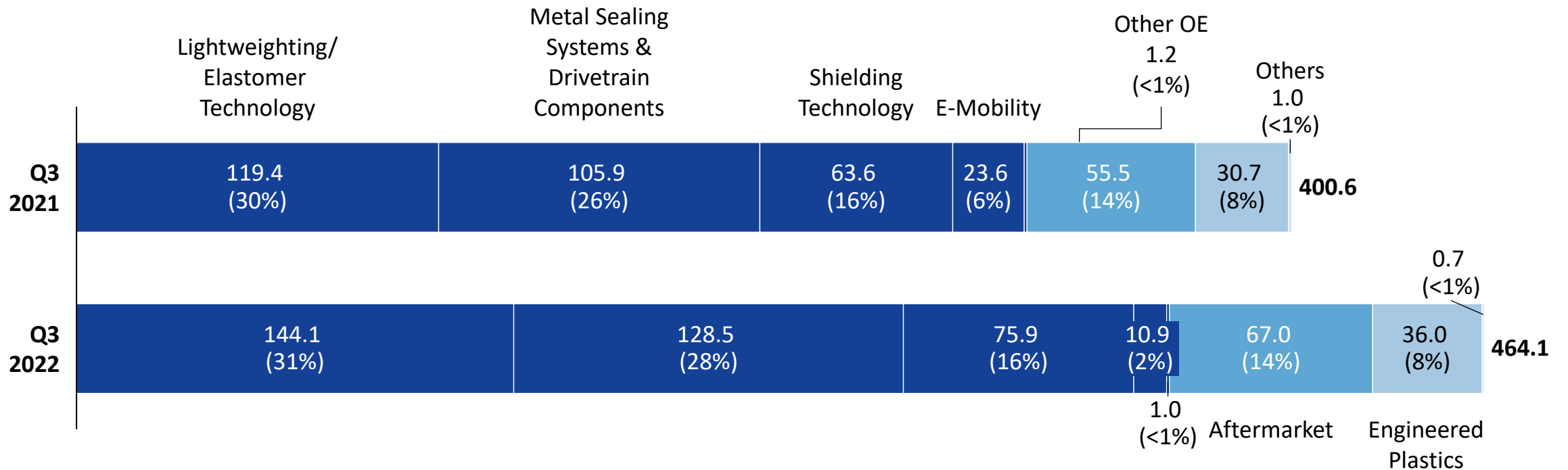


Sales – in EUR million



Major segments substantially expand revenues

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

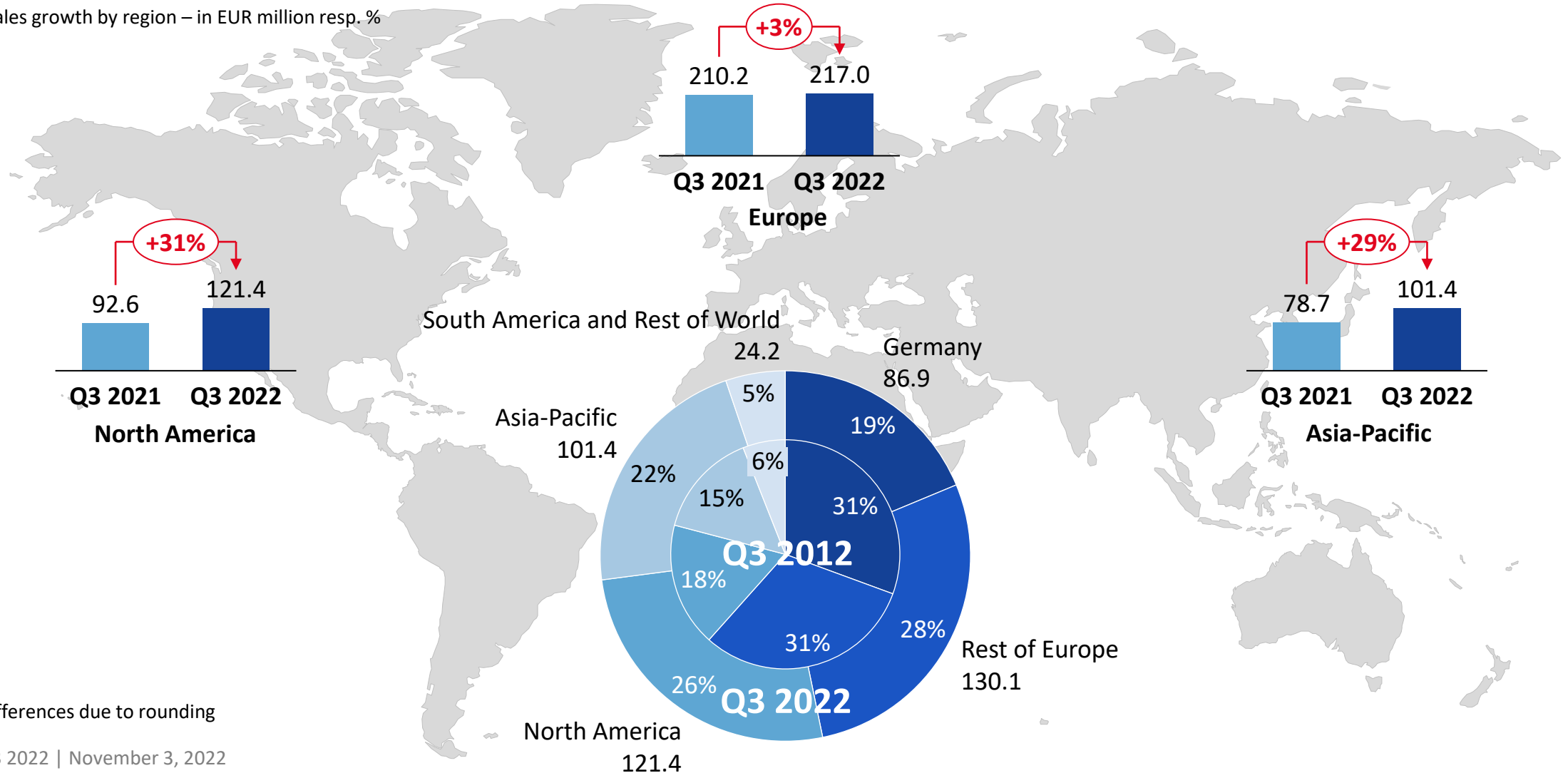


Differences due to rounding

Q3 2022

Strong growth in North America and Asia-Pacific

Sales growth by region – in EUR million resp. %

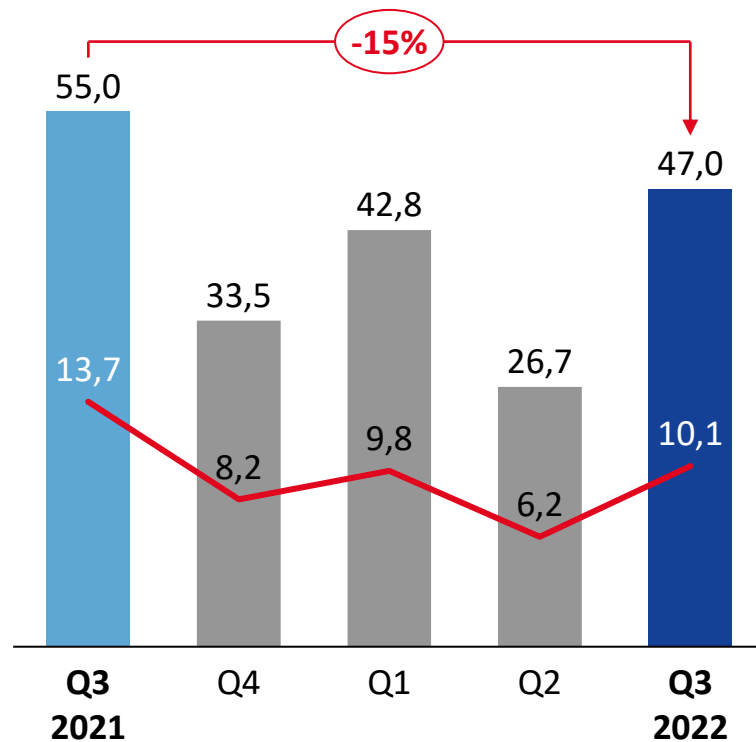


Differences due to rounding

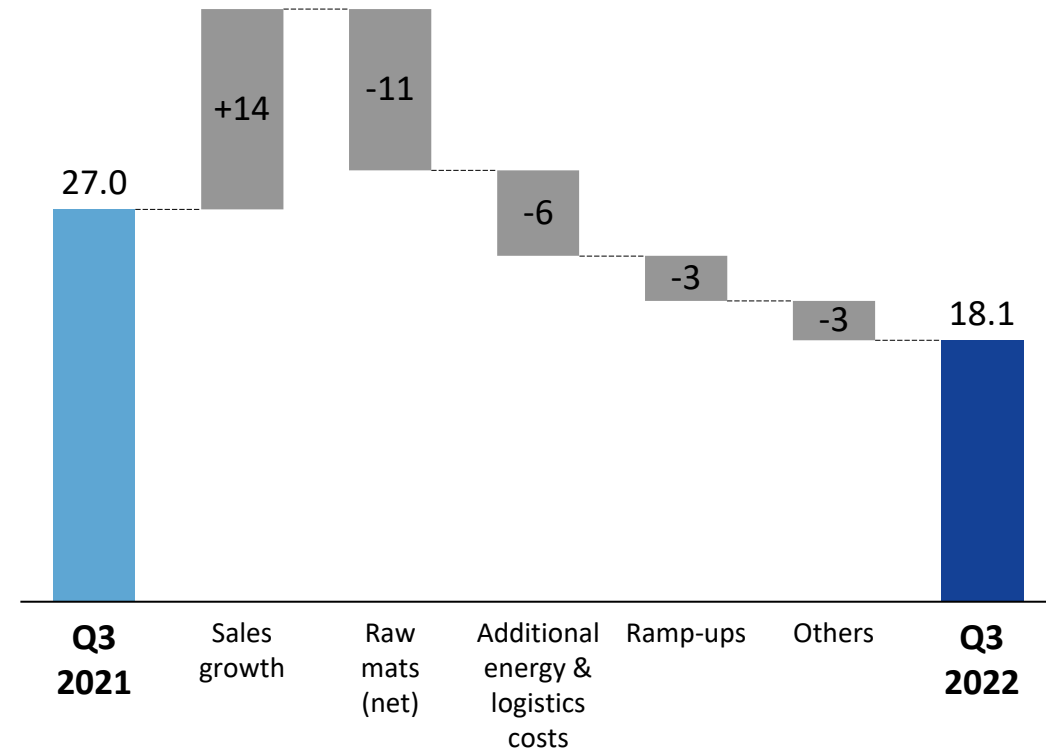
Q3 2022

Margins improving compared to previous FY2022 quarters

EBITDA – in EUR million
EBITDA margin – in %



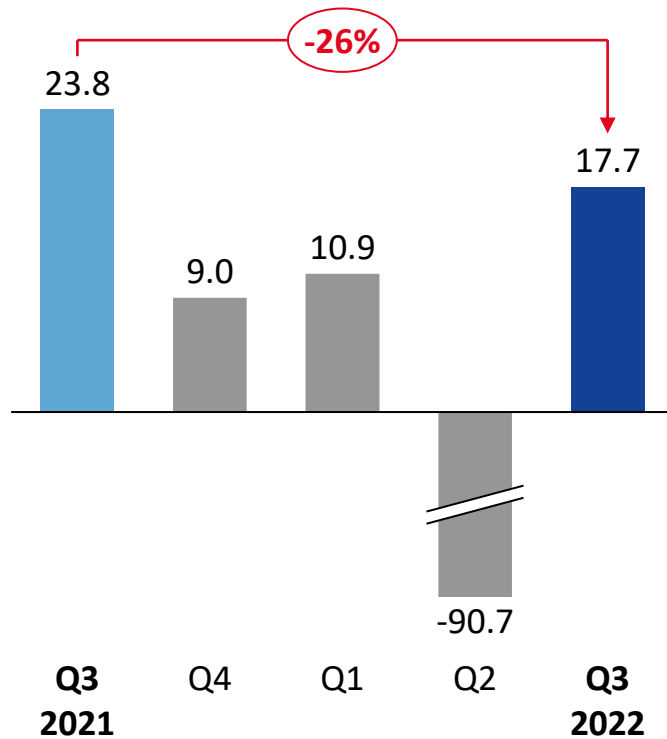
EBIT bridge – in EUR million



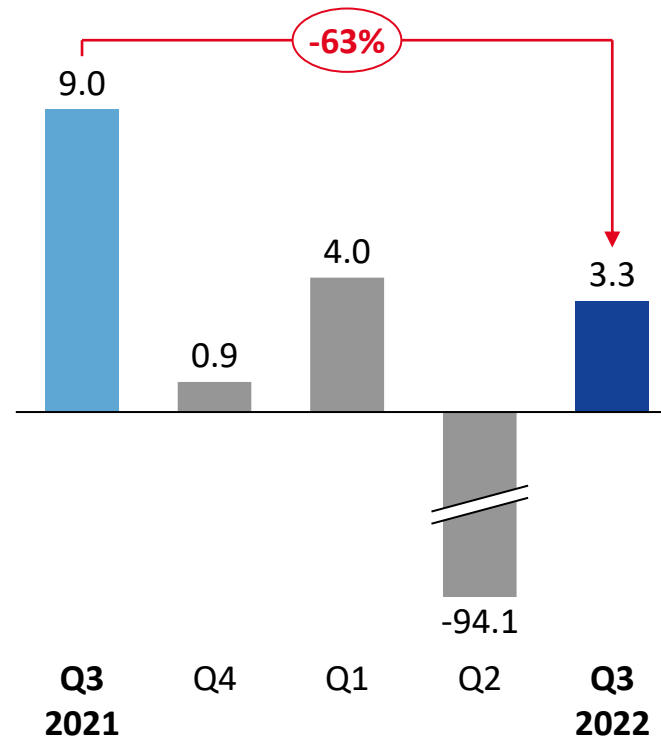
Differences due to rounding

Group earnings heading upwards, but below prior-year Q3

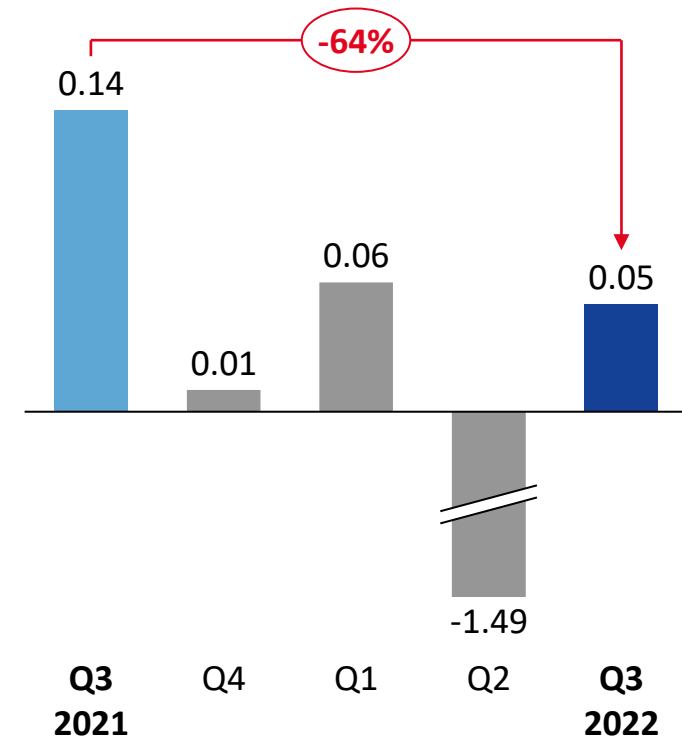
EBT – in EUR million



Net income (attributable to shareholders) – in EUR million



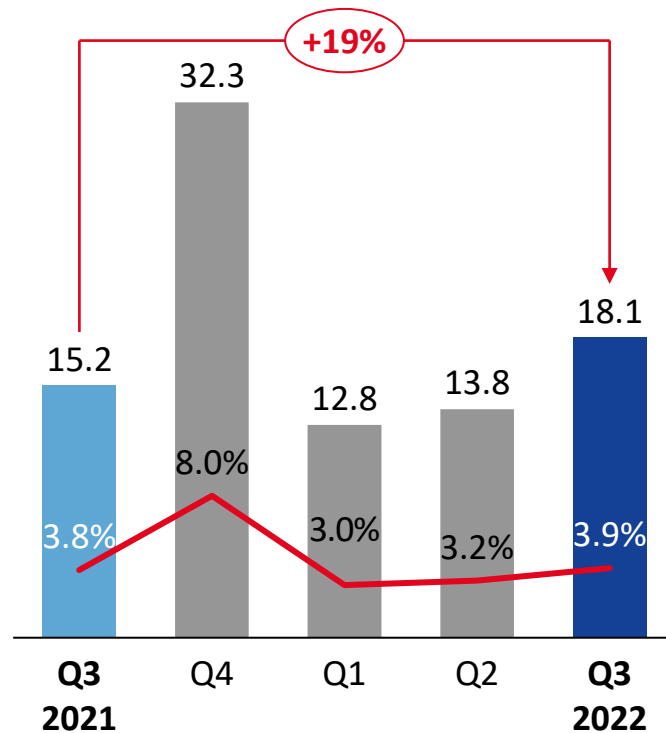
Earnings per share – in EUR



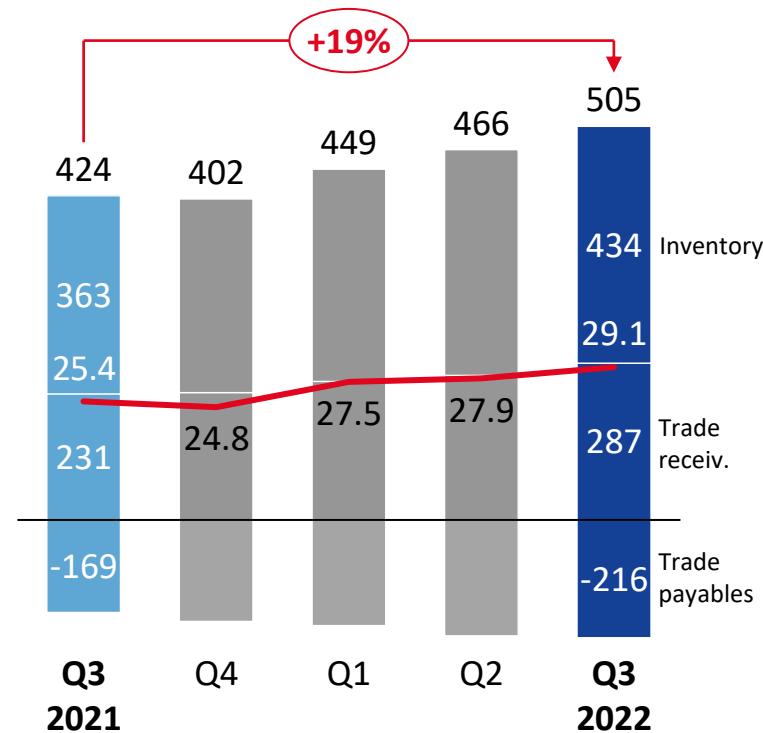
Q3 2022

Working capital following sales trend and cost inflation

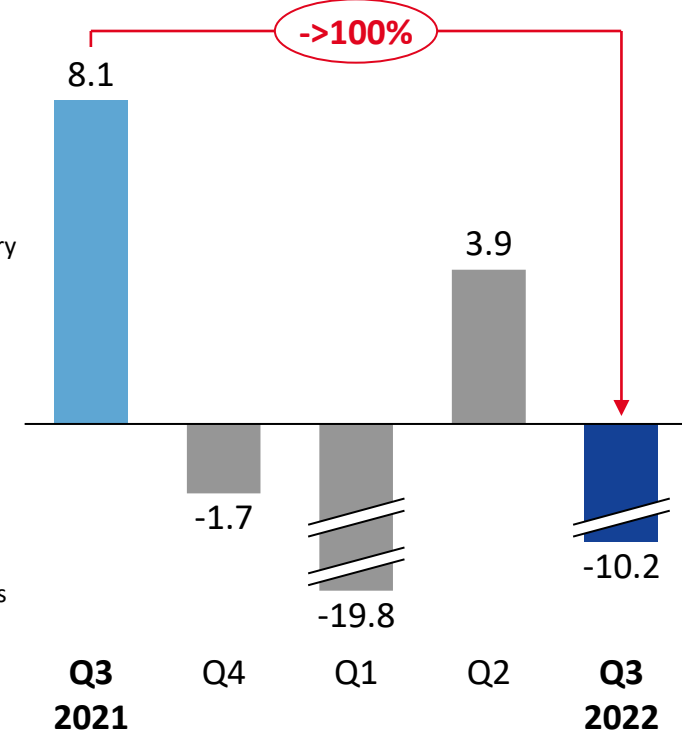
Capex – in EUR million
Capex ratio – in % of total sales



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

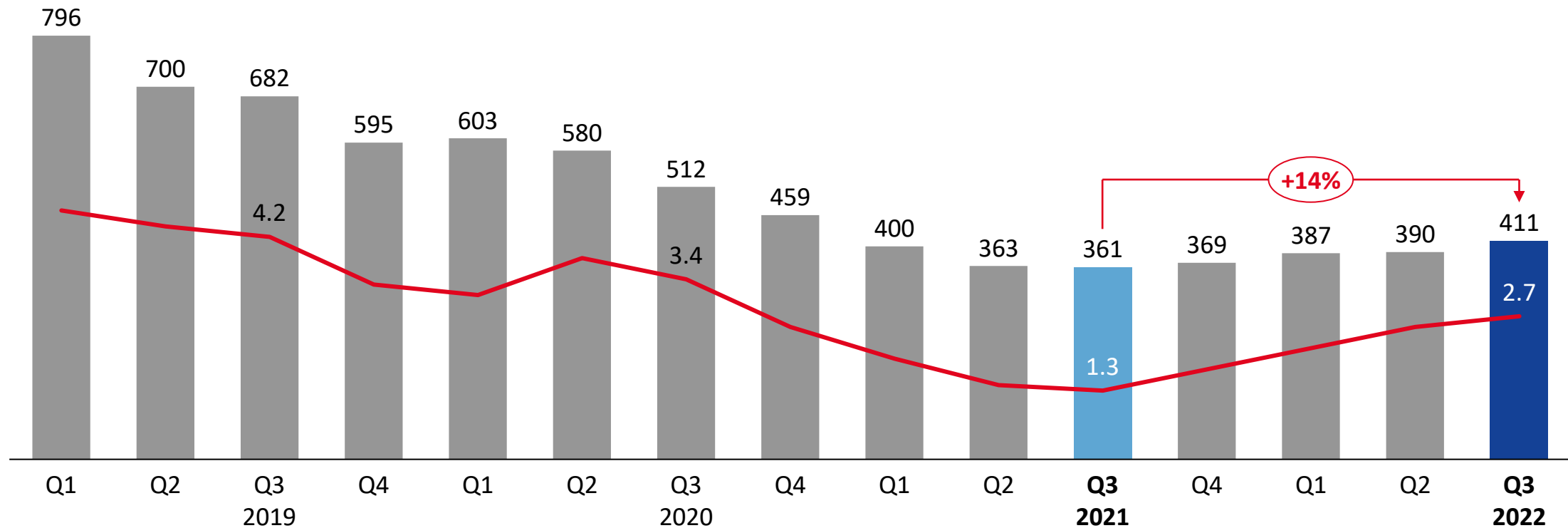


Operating Free Cash Flow – in EUR million



ElringKlinger with robust net debt on low level

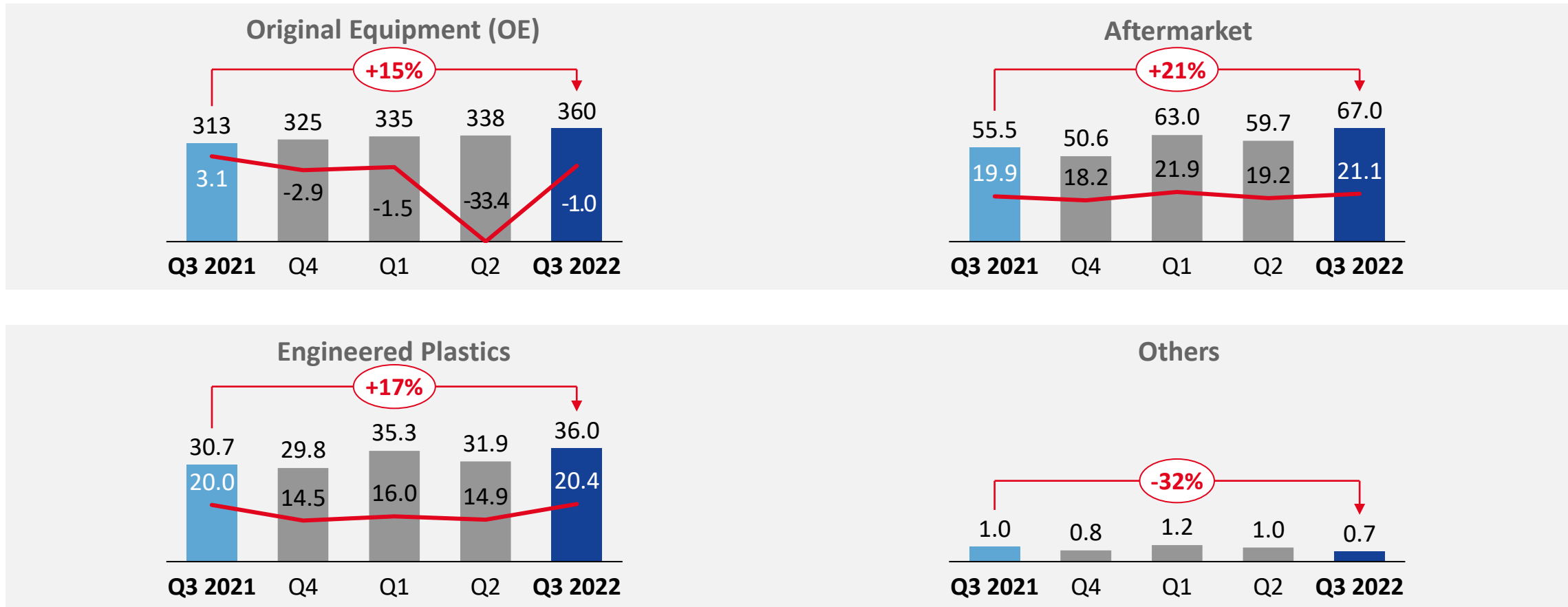
Net Financial Debt – in EUR million
Net Financial Debt/EBITDA



Q3 2022

Strong performance of Aftermarket and Engineered Plastics

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



Markets and Outlook

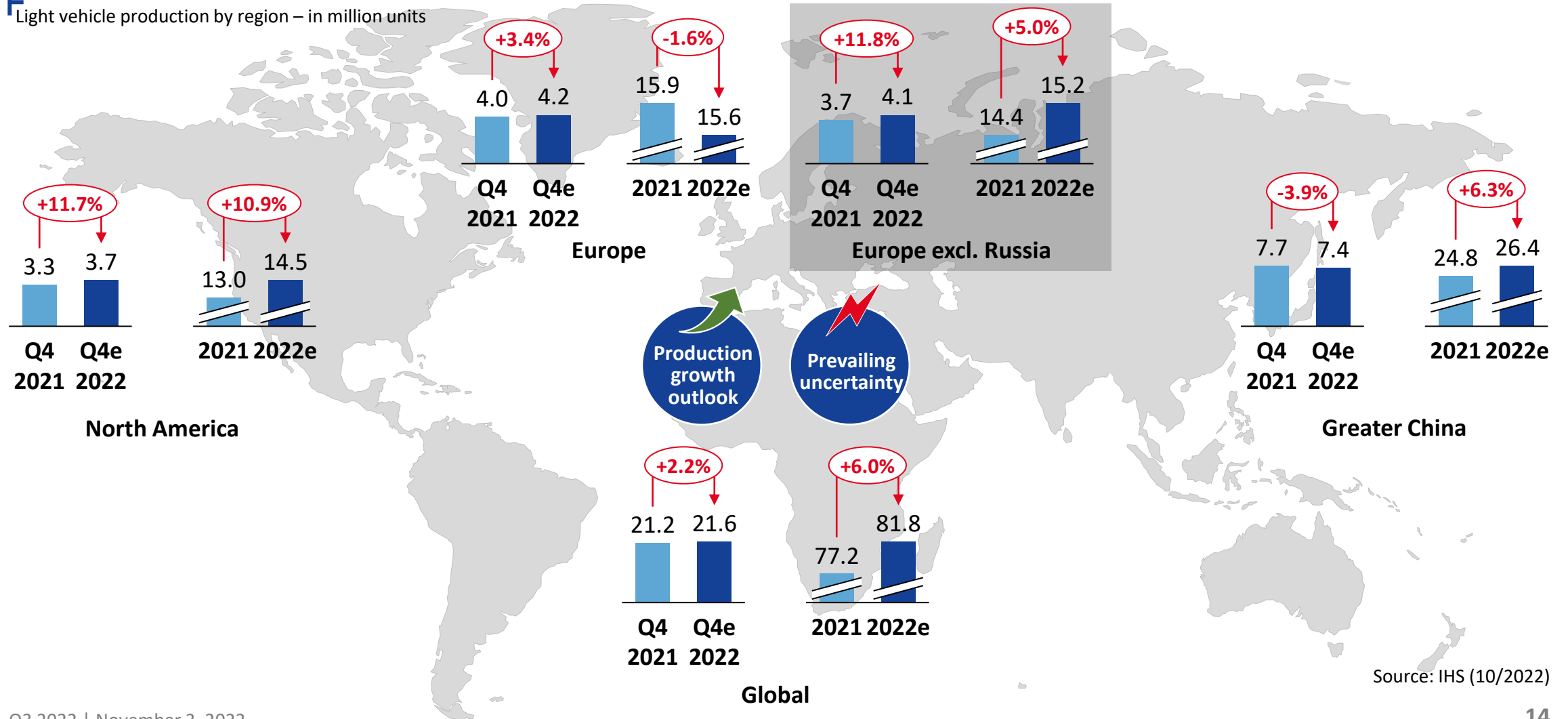
Uncertain geopolitical and macroeconomic environment



- **Geopolitical risks** amplify
 - War in Ukraine with unclear outcome and repercussions, gas shortage possible
 - Rising tensions in the Pacific region and resurgence of protests in Iran
- **Inflationary pressures remain high**
 - Persistently high prices for raw material, energy, and logistics
 - Labor costs expected to increase
 - Tightening monetary policy hampering growth of advanced economies
- **Coronavirus pandemic** globally still unresolved, Chinese zero-Covid policy might impact supply chains
- **Semiconductor supply squeeze** ongoing

Positive year-end quarter expected

Light vehicle production by region – in million units



Source: IHS (10/2022)

Outlook confirmed

2022

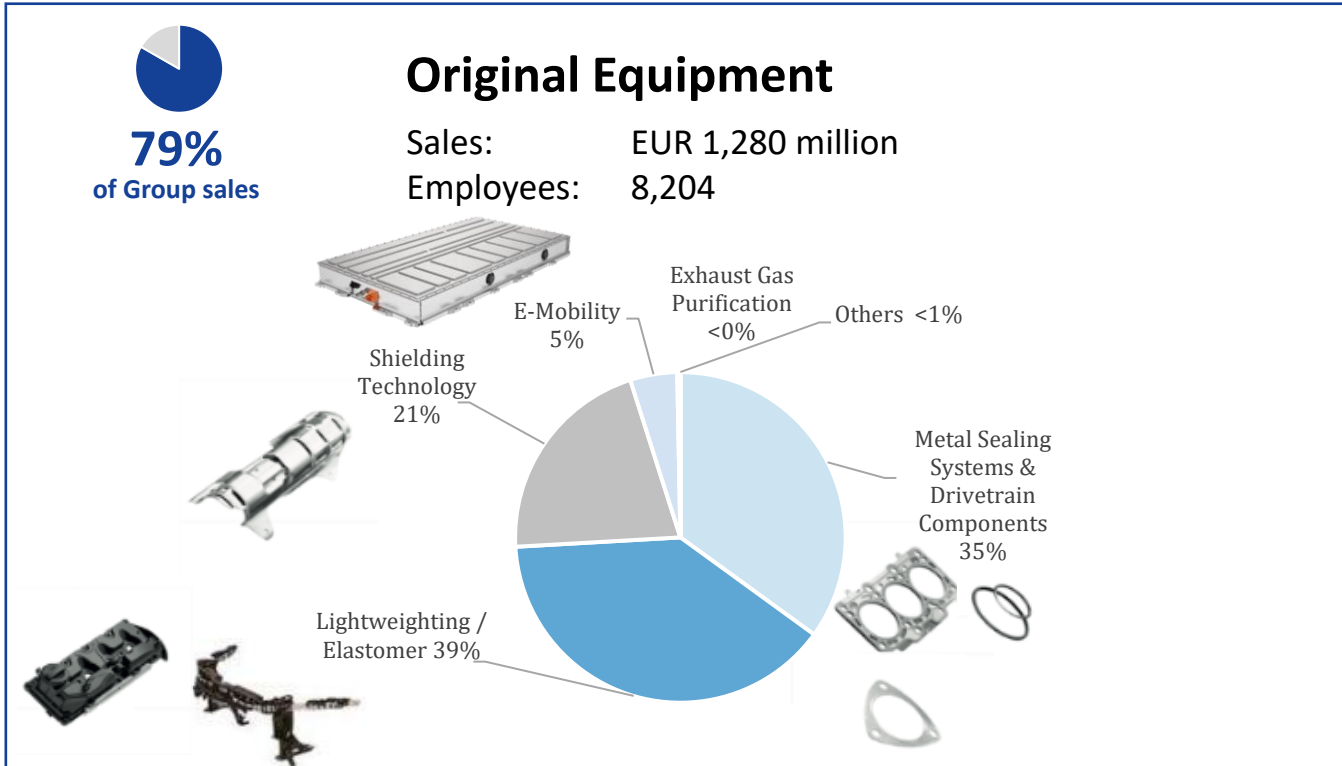
Mid-term

Actual 2021

	2022	Mid-term	Actual 2021
Sales	Organic growth slightly above market level	Organic growth above market level	Organic growth of 10.1 %
EBIT margin	On operating level (excl. one-offs) appr. 2 % to 3 % of Group revenue	Sustained improvement	6.3 %
Operating FCF	Slightly positive	Positive	EUR 72.0m
ROCE	Significantly below previous year's level	Sustained improvement	6.4 %
Net debt / EBITDA	Between 2.0 and 3.0	Under 2.0	1.7
Net Working Capital	Slightly above previous year's level in relation to Group revenue	Approx. 20 % in relation to Group revenue	24.8 %
Capex	Approx. on previous year's level relation to Group revenue	Approx. 5 to 7 % in relation to Group revenue	4.3 %
R&D costs	Approx. 5 % to 6 % of Group revenue	Approx. 5 to 6 % of Group revenue	5.1 %
Equity ratio	40 % to 50 % of total assets	40% to 50% of total assets	47.0 %

Appendix

Structural overview



Group sales
EUR 1,624m

EBIT
EUR 102.0m

EBIT margin
6.3 %

Employees
9,466

All figures refer to FY 2021

Consolidated income statement

	Q3 2022	Q3 2021
Sales revenue	464.1	400.6
Cost of sales	-372.2	-306,3
Gross profit	91.8	94.3
Gross margin	19,8	23,5
	in %	
Selling expenses	-35.2	-28.8
General and administrative expenses	-23.6	-22.1
Research and development costs	-16.2	-16.5
Other operating income	4.9	2.2
Other operating expenses	-3.7	-2.1
Operating result (EBIT)	18.1	27.0
Finance income	25.1	6.2
Finance costs	-24.7	-7.0
Share of result of associates	-0.8	-2.4
Net finance costs	-0.4	-3.2
Earnings before taxes (EBT)	17.7	23.8
Income tax expenses	-13.8	-14.4
Net income	3.9	9.4
of which: attributable to non-controlling interests	0.6	0.4
of which: attributable to shareholders of ElringKlinger AG	3.3	9.0
Basic and diluted earnings per share (EPS)	0.05	0.14
	in EUR	

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

Consolidated statement of financial position

Assets	As of Sep 30, 2022	As of Dec 31, 2021	Liabilities and equity	As of Sep 30, 2022	As of Dec 31, 2021
Intangible assets	148	216	Share capital	63	63
Property, plant, and equipment	939	939	Capital reserves	118	118
Financial assets	15	16	Revenue reserves	644	740
Shares in associates	12	14	Other reserves	9	-18
Non-current income tax assets	1	1	Equity attr. to shareh. of ElringKlinger AG	834	904
Other non-current assets	22	42	Non-controlling interest in equity	77	79
Deferred tax assets	26	32	Equity	911	982
Contract performance costs	7	8	Provisions for pensions	96	141
Non-current contract assets	0	1	Non-current provisions	18	17
Non-current assets	1,169	1,267	Non-current financial liabilities	476	357
Inventories	434	354	Non-current contract liabilities	2	1
Current contract assets	8	9	Deferred tax liabilities	28	24
Trade receivables	287	233	Other non-current liabilities	7	7
Current income tax assets	6	16	Non-current liabilities	627	546
Other current assets	93	101	Current provisions	67	60
Cash and cash equivalents	132	110	Trade payables	216	186
Current assets	960	823	Current financial liabilities	80	136
Assets held for sale	1	0	Current contract liabilities	19	16
Total assets	2,131	2,090	Tax payable	25	19
			Other current liabilities	187	145
			Current liabilities	593	561
			Liabilities in connection with assets held for sale	0	0
			Total liabilities and equity	2,131	2,090

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

Consolidated statement of cash flows

	Q3 2022	Q3 2021		Q3 2022	Q3 2021
Earnings before taxes (EBT)	18	24	Proceeds from disposals of PPE, intangible assets and investment property	1	-1
Depreciation/amortization (less write-ups) of non-current assets	29	28	Proceeds from disposals of financial assets	2	2
Net interest	3	3	Proceeds from the disposal of subsidiaries	0	0
Change in provisions	1	5	Payments for investments in intangible assets	-6	-3
Gains/losses on disposal of non-current assets	0	0	Payments for investments in PPE and investment property	-18	-15
Share of result of associates	1	2	Payments for investments in financial assets	-4	-1
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-42	-24	Net cash from investing activities	-24	-18
Change in trade payables and other liabilities not resulting from financing and investing activities	1	10	Payments received from non-controlling interests	0	0
Income taxes paid	-6	-18	Dividends paid to shareholders and to non-controlling interests	0	-6
Interest paid	-4	-4	Proceeds from addition of long-term loans	127	28
Interest received	0	0	Payments for the repayment of long-term loans	-128	-68
Other non-cash expenses and income	11	-1	Changes in current loans	7	-1
Net cash from operating activities	12	26	Net cash from financing activities	6	-47
			Changes in cash	-5	-38
			Effects of currency exchange rates on cash	2	2
			Cash at beginning of the period	135	163
			Cash at end of period (as per financial statement)	132	126

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

Key figures

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Order intake	377	453	578	485	486
Order backlog	1,465	1,553	1,530	1,386	1,307
Sales	464	431	435	406	401
EBITDA	47.0	26.7	42.8	33.5	55.0
EBIT	18.1	-97.1	14.1	3.6	27.0
EBIT margin <i>in %</i>	3.9	-22.5	3.3	0.9	6.7
EBT	17.7	-90.7	10.9	9.0	23.8
Net income attributable to shareholders	3.3	-94.1	4.0	0.9	9.0
Earnings per share <i>in EUR</i>	0.05	-1.49	0.06	0.01	0.14
Capex (in PPE)	18.1	13.8	12.8	32.3	15.2
Operating free cash flow ¹	-10.2	3.9	-19.8	-1.7	8.1
Net working capital ²	505	466	449	402	424
Equity ratio <i>in %</i>	42.7	44.0	46.3	47.0	46.7
Net financial debt ³	411	390	387	369	361
Employees (as at quarter-end)	9,525	9,492	9,400	9,466	9,554

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

¹ Net cash from operating activities minus net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

² Inventories and trade receivables less trade payables

³ Financial liabilities less cash and cash equivalents and less short-term securities

Group – Last 5 quarters

Segmental figures

		Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Group	Sales	464	431	435	406	401
	EBIT (reported)	18.1	-97.1	14.1	3.6	27.0
	EBIT margin <i>in %</i>	3.9	-22.5	3.3	0.9	6.7
Original Equipment	Sales	360	338	335	325	313
	EBIT (reported)	-3.6	-112.7	-5.0	-9.3	9.6
	EBIT margin <i>in %</i>	-1.0	-33.4	-1.5	-2.9	3.1
Aftermarket	Sales	67	60	63	51	55
	EBIT (reported)	14.1	11.4	13.8	9.2	11.1
	EBIT margin <i>in %</i>	21.1	19.2	21.9	18.2	19.9
Engineered Plastics	Sales	36	32	35	30	31
	EBIT (reported)	7.3	4.7	5.6	4.3	6.1
	EBIT margin <i>in %</i>	20.4	14.9	16.0	14.5	20.0
Others	Sales	0.7	1.0	1.2	0.8	1.0
	EBIT (reported)	0.1	-0.5	-0.3	-0.6	0.2
	EBIT margin <i>in %</i>	20.1	-51.1	-22.8	-32.2	16.4

Differences due to rounding

Group – Last 5 years

Key figures

	2021	2020	2019	2018	2017
Order intake	1,978	1,483	1,737	1,735	1,732
Order backlog	1,386	1,033	1,030	1,020	1,001
Sales	1,624	1,480	1,727	1,699	1,664
EBITDA	216	182	181	197	238
EBIT (reported)	102	28	61	96	137
EBIT margin <i>in%</i>	6.3	1.9	3.5	5.7	8.3
EBT	101	-14	42	81	110
Net income attributable to shareholders	55.7	-41	4	44	70
Earnings per share <i>in EUR</i>	0.88	-0.64	0.06	0.69	1.10
Dividend per share <i>in EUR</i>	0.15	0.00	0.00	0.00	0.50
Capex	70	57	92	164	156
Operating free cash flow	72	165	176	-86	-67
ROCE <i>in %</i>	6.4	1.7	3.4	5.5	8.2
Net working capital	402	403	424	568	553
Equity ratio <i>in %</i>	47.0	41.4	41.5	42.8	44.0
Net financial debt	369	459	595	724	655
Employees (as at Dec. 31)	9,466	9,724	10,393	10,429	9,611

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

Group – Last 5 years

Segmental figures

		2021	2020	2019	2018	2017
Group	Sales	1,624	1,480	1,727	1,699	1,664
	EBIT (reported)	102.0	28	61	96	137
	EBIT margin <i>in %</i>	6.3	1.9	3.5	5.7	8.3
Original Equipment	Sales	1,280	1,186	1,423	1,408	1,382
	EBIT (reported)	37	-24	5.1	51	86
	EBIT margin <i>in %</i>	2.9	-2.0	0.4	3.6	6.2
Aftermarket	Sales	215	183	173	160	157
	EBIT (reported)	42	39	30	25	32
	EBIT margin <i>in %</i>	19.7	21.4	17.6	15.6	20.3
Engineered Plastics	Sales	125	108	118	118	111
	EBIT (reported)	24	14	16	20	19
	EBIT margin <i>in %</i>	18.9	13.0	13.5	16.6	16.7
Others	Sales	4.0	4.3	13.5	14.0	13.8
	EBIT (reported)	-0.8	-1.6	9.9*	1.0	0.7
	EBIT margin <i>in %</i>	-20.5	-37.2	73.3*	7.1	5.1

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

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

Product portfolio

Metal Sealing Systems & Drivetrain Components

E-Mobility

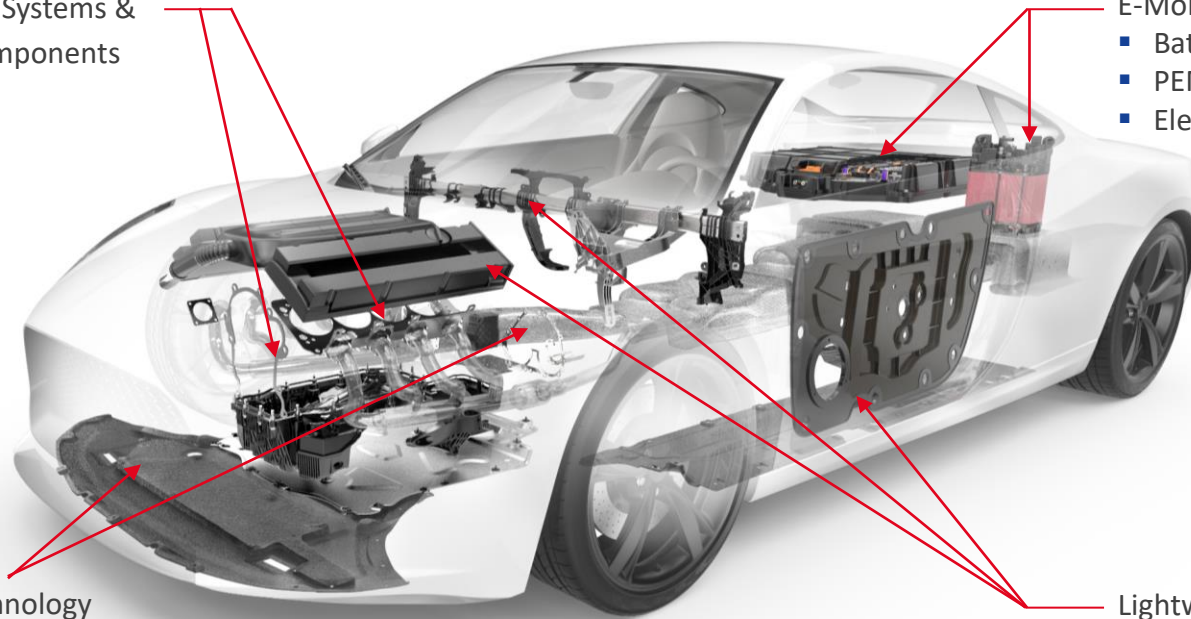
- Battery module
- PEM fuel cell
- Electric drive unit (EDU)

Shielding Technology

- Thermal shielding
- Acoustic shielding

Lightweighting/
Elastomer Technology

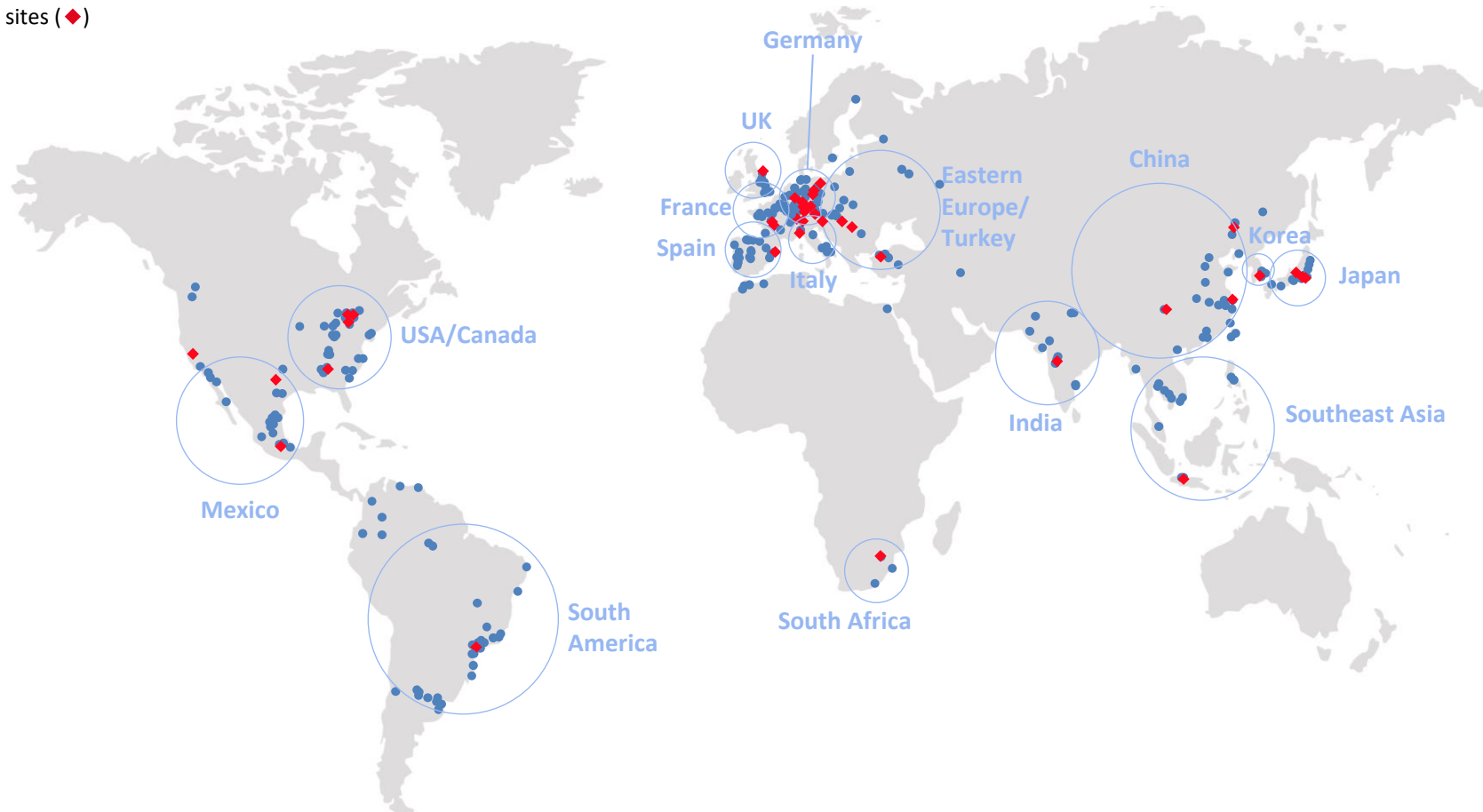
- Door module carrier
- Cockpit cross-car beam
- Plastic modules (cam cover)



Group

ElringKlinger represented in all important auto regions

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



Group Senior management



From right to left:

Dr. Stefan Wolf, CEO (since 2005)

Corporate units
HR
Legal & Compliance
Marketing & Communications
Sales Original Equipment
Strategic Communications

Business units
Aftermarket

Group entities
EKPO Fuel Cell Technologies
Engineered Plastics segment
Aftermarket segment

Thomas Jessulat, CFO (since 2016)

Corporate units
Finance
Global Strategy & Digital Transformation
Information Technology
M&A and Innovations
Procurement & Supply Chain Management

Business units
Electric Drive & Battery Technology

Reiner Drews, COO (since 2018)

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

Business units
Metal Sealing Systems & Drivetrain Components
Lightweighting/Elastomer Technology
Shielding Technology

Plants
in the OE segment

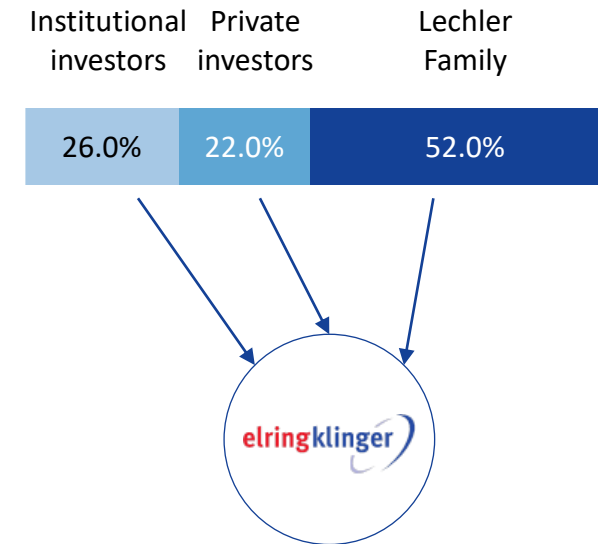
Group

More than 140 years of experience

History of ElringKlinger in very brief

- **1879** Paul Lechler establishes a merchandising business in Stuttgart for technical products and gaskets.
- **1885** Richard Klinger establishes an engineering office in Vienna.
- **1924** The first Lechler cylinder-head gaskets are produced.
- **1964** Elring production and development moves from Stuttgart to Dettingen/Erms.
- **1993** Elring goes to Asia: The joint venture Changchun Elring Gaskets Co. Ltd. has been founded.
- **1994** Elring GmbH merges with Automotive Division of Richard Klinger GmbH to ElringKlinger GmbH.
- **1997** ElringKlinger founds new plants in UK, Brazil, Mexico, and the U.S.
- **2000** ElringKlinger GmbH merges with parent company ZWL Grundbesitz- und Beteiligungs-AG and is renamed as ElringKlinger AG.
- **2001** ElringKlinger intensifies R&D work on fuel cell components, especially on its internal sealing.
- **2002** Registered shares of ElringKlinger AG are traded at Frankfurt and at Stuttgart Stock Exchange.
- **2010** ElringKlinger receives its first order for series production of cell contact systems used in lithium-ion batteries.
- **2013** ElringKlinger acquires tool maker Hummel Formen GmbH which enables the company to offer structural lightweight components.
- **2017** ElringKlinger extends its portfolio to alternative drive technologies by acquiring a stake in hofer.
- **2018** ElringKlinger sells interest in Hug and in new energyday.
- **2020** ElringKlinger enters into new strategic partnerships with Airbus and Plastic Omnium in fuel cell business.
- **2021** EKPO Fuel Cell Technologies begins business operations.
- **2022** ElringKlinger defines CO2 targets and signs Climate Protection Agreement

Shareholder structure as of December 31, 2021



ElringKlinger AG
Strategic Communications
Max-Eyth-Str. 2
72581 Dettingen/Erms | Germany
Mail: info@ir.elringklinger.com

Disclaimer

Forward-looking statements and predictions

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