

PRESS RELEASE

2023 financial year: ElringKlinger records improved earnings and high nomination volume for e-mobility applications

- **Group revenue up at EUR 1.85 billion, organic growth of 4.6%**
- **Adjusted EBIT rises markedly to EUR 100.1 million, adjusted EBIT margin at 5.4%, significant improvement in operating free cash flow, further reduction in net financial liabilities**
- **Continuity in dividend payment: proposal of EUR 0.15 per share**
- **Guidance 2024: projections for slight organic revenue growth and adjusted EBIT margin of around 5%**
- **CEO Thomas Jessulat: "Overall, ElringKlinger currently finds itself in a very good position. This will be driven in particular by the high volume of nominations that ElringKlinger received for e-mobility applications in 2023."**

Dettingen/Erms (Germany), March 27, 2024 +++ ElringKlinger AG today published its results for the 2023 financial year. In the financial year just ended, the Group managed to increase revenue by 2.7% to EUR 1,847.1 million (2022: EUR 1,798.4 million). In organic terms, revenue growth amounted to as much as 4.6%.

Revenue growth primarily in Europe and North America

ElringKlinger's strongest region in terms of revenue, the Rest of Europe, produced the most vigorous growth for the Group in the 2023 financial year, with revenue there rising by 10.3% to EUR 580.9 million (2022: EUR 526.6 million). In the region encompassing North America, ElringKlinger generated revenue of EUR 482.0 million (2022: EUR 462.8 million), which corresponds to growth of 4.1%. The direction taken by automotive production in Asia-Pacific was subject to volatility during the course of 2023. Thus, the Group recorded revenue of EUR 321.0 million (2022: EUR 354.5 million) in this region, influenced by highly adverse exchange rate effects over the entire financial year.

Adjusted EBIT margin at upper end of guidance

ElringKlinger succeeded in significantly improving both earnings and margins in the financial year just ended. The Group generated earnings before interest, taxes, depreciation, and amortization (EBITDA) of EUR 200.3 million (2022: EUR 174.2 million). Adjusted earnings before interest and taxes (adjusted EBIT) amounted to EUR 100.1 million (2022: EUR 68.4 million), which corresponds to an adjusted EBIT margin of 5.4% (2022: 3.8%). The Group thus fully met its guidance, as presented in March 2023, of an adjusted EBIT margin of around 5% for the full 2023 annual period. Thus, net income attributable to shareholders of ElringKlinger AG amounted to EUR 39.3 million in 2023 (2022: EUR -89.1 million). Correspondingly, earnings per share totaled EUR 0.62 (2022: EUR -1.41).

"Our earnings performance in the financial year just ended was encouraging, and we continued to drive our transformation forward in a determined manner on the basis of our Group strategy. Against the backdrop of a challenging market environment, our wide-ranging product portfolio proved to be a key factor in our success," said Thomas Jessulat, CEO of ElringKlinger AG. "Overall, ElringKlinger currently finds itself in a very good position. This will be driven in particular by the high volume of nominations that ElringKlinger received for e-mobility applications in 2023."

Among these was ElringKlinger's large-scale series nomination from the BMW Group that covers cell contacting systems for the car manufacturer's "Neue Klasse" ("New Class"). EKPO Fuel Cell Technologies, which is fully consolidated in the Group, also secured orders with a volume in the mid triple-digit million euro range. These include bipolar plates, stacks for cruise ships, and stack components for electrolyzers. In addition, there were orders for battery housings and housing components placed by a global Tier 1 supplier and an international battery manufacturer.

Strong operating free cash flow

In financial year 2023, the Group generated an operating free cash flow of EUR 36.7 million (2022: EUR 14.8 million), which represented a significant year-on-year improvement. In addition, net financial liabilities were scaled back further by EUR 41.0 million to EUR 323.2 million (2022: EUR 364.2 million). The equity ratio of 45.3% (2022: 43.8%) remains stable within a long-term target corridor of 40 to 50%.

Dividend proposal of EUR 0.15 per share

The annual financial statements of ElringKlinger AG, which are relevant for the payment of dividends, showed net income of EUR 10.6 million at the end of the reporting period (2022: net loss of EUR 45.5 million). In keeping with its balanced approach with regard to dividend payments, the Management Board and Supervisory Board are committed to ensuring that shareholders benefit appropriately from the Group's success. Thus, the Management Board and the Supervisory Board will jointly propose to the Annual General Meeting that a dividend of EUR 0.15 per share (2022: EUR 0.15 per share) be paid for the 2023 financial year.

Guidance 2024: projections for slight organic revenue growth and adjusted EBIT margin of around 5%

The economic environment continues to be dominated by a high degree of uncertainty and volatility. Against this background, the Group is anticipating further growth in the future, having taken into account its own situation with regard to orders. This will be driven above all by orders in the strategic fields of the future, i.e., in the area of lightweighting and in the various fields of electromobility. The Group therefore anticipates slight organic revenue growth for the 2024 financial year. In the medium term (3 to 5 years), the high-volume series nominations will have a more significant impact, providing the basis for projected annual organic revenue growth of 5 to 7%.

Furthermore, ElringKlinger intends to maintain its approach of strict cost discipline in the current financial year while preparations are being made for the production ramp-up of further series nominations. Overall, the Group is forecasting adjusted EBIT of around 5% of its revenue for the current 2024 financial year. In the medium term (3 to 5 years), ElringKlinger expects an adjusted EBIT margin of around 7% of Group revenue.

The 2023 annual report is available online at:

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

Key financials for FY 2023 and Q4 2023

in EUR million	FY 2023	FY 2022	Δ abs.	Δ rel.	Q4 2023	Q4 2022	Δ abs.	Δ rel.
Order intake	1,690.5	1,874.1	-183.6	-9.8 %	465.0	465.9	-0.9	-0.2 %
Order backlog	1,305.2	1,461.9	-156.7	-10.7 %	1,305.2	1,461.9	-156.7	-10.7 %
Revenue	1,847.1	1,798.4	+48.7	+2.7 %	439.0	469.2	-30.2	-6.4 %
of which FX effects			-34.5	-1.9 %			-10.5	-2.2 %
of which M&A			±0.0	±0.0 %			±0.0	±0.0 %
of which organic			+83.2	+4.6 %			-19.7	-4.2 %
EBITDA	200.3	174.2	+26.1	+15.0 %	52.3	57.7	-5.4	-9.4 %
Adjusted EBIT	100.1	68.4	+31.7	+46.3 %	26.3	33.1	-6.8	-20.5 %
Adjusted EBIT margin (in %)	5.4	3.8	+1.6 PP	-	6.0	7.1	-1.1 PP	-
EBIT	82.9	-42.2	+125.1	+>100 %	18.8	22.6	-3.8	-16.8 %
EBIT margin (in %)	4.5	-2.3	+6.8 PP	-	4.3	4.8	-0.5 PP	-
Net finance cost	-29.7	-13.8	-15.9	->100 %	-10.5	-16.5	+6.0	+36.5 %
Earnings before taxes	53.2	-56.1	+109.3	+>100 %	8.3	6.1	+2.2	+35.6 %
Income taxes	-19.7	-34.6	-14.9	-43.2 %	16.6	-10.4	-27.0	->100 %
Net income (after minorities)	39.3	-89.1	+128.4	+>100 %	22.5	-2.3	+24.8	+>100 %
Earnings per share (in EUR)	0.62	-1.41	+2.03	+>100 %	0.36	-0.04	+0.40	+>100 %
Investments (in PPE)	71.2	69.3	+1.9	+2.7 %	24.9	24.6	+0.3	+1.2 %
Operating Free Cashflow	36.7	14.8	+21.9	+>100 %	41.6	41.0	+0.6	+1.5 %
Dividend per share (in EUR)	0.15*	0.15	±0.0	±0.0 %				
ROCE (in %)	5.6	-2.7	+8.3 PP	-				
Net Working Capital (NWC)	466.3	454.7	+11.6	+2.6 %				
NWC ratio (in %)	25.2	25.3	-0.1 PP	-				
Equity ratio (in %)	45.3	43.8	+1.5 PP	-				
Net financial debt	323.2	364.2	-41.0	-11.3 %				
Net Debt/EBITDA	1.6	2.1	-0.5	-23.8 %				
Employees (as at Dec. 31)	9,576	9,540	+36	+0.4 %				

* Proposal to Annual General Meeting 2024

For further information, please contact:

ElringKlinger AG | Strategic Communications

Dr. Jens Winter

Ph.: +49 7123 724-88335 | E-mail: jens.winter@elringklinger.com

About ElringKlinger AG

As an independent supplier with global operations, the ElringKlinger Group has established itself as a powerful and trusted partner to the automotive industry – acknowledged for its exceptional depth of expertise. Our product portfolio encompasses innovative solutions for passenger cars and commercial vehicles powered by electric motors, hybrid technology, or combustion engines. Alongside the powertrain, other areas of application include the underbody, chassis, braking system, interior, and vehicle body. We were among the frontrunners when it came to positioning ourselves as a specialist in the field of e-mobility – with pioneering battery and fuel cell technology, electric drive units, and associated components and assemblies, such as plastic housings, and punched and formed metal parts.

Customized lightweight components engineered by ElringKlinger can be used throughout the entire vehicle; they deliver tangible benefits in terms of weight reduction, efficiency, and functional integration, especially in e-mobility applications.

We offer specifically adapted sealing systems, thermal, and acoustic shielding parts, and dynamic drive components for a wide range of applications and for any type of drive technology. Additionally, we serve the aftermarket in more than 140 countries with an extensive range of spare parts.

This is complemented by state-of-the-art tooling technology and products made from high-performance plastics – tailored to the requirements of the automotive industry and other sectors. Building on our excellence in the field of components and systems, we are also maintaining our forward momentum in the non-automotive sector.

These efforts are supported by a dedicated workforce of around 9,600 people employed within the ElringKlinger Group. Operating at more than 40 sites worldwide, ElringKlinger has established a global presence and is closely aligned with its customers in all major automotive regions.

Disclaimer

This release 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.