PRESS RELEASE

ElringKlinger records revenue growth in first quarter of 2022

- **Group revenue up by 2.5% to EUR 434.6 million in first quarter despite difficult economic environment (Q1 2021: EUR 424.1 million)**
- **EBIT of EUR 14.1 million down year on year mainly due to higher material-related prices (Q1 2021: EUR 48.4 million)**
- **Net debt of EUR 387.4 million below prior-year level (Q1 2021: EUR 400.2 million)**
- **Order backlog at record level of EUR 1,530 million**
- **Contract of CEO Dr. Stefan Wolf extended ahead of schedule until January 31, 2027**

Dettingen/Erms (Germany), May 5, 2022 +++ ElringKlinger AG (ISIN DE 0007856023 / WKN 785602) has confirmed its preliminary results with the publication of its definitive figures for the first quarter of 2022. Asked to comment on the Group's quarterly results, Dr. Stefan Wolf, CEO of ElringKlinger AG, said, "The wider automotive industry is currently exposed to particularly challenging conditions. In spite of this, we can be satisfied with our performance in the first quarter. The year-on-year increase in revenue and our brimming order books clearly illustrate that we are entirely on track when it comes to our strategic market positioning."

Revenue growth amid challenging fundamentals

Despite the adversities afflicting the industry as a whole, such as semiconductor bottlenecks and supply chain volatility, and against the backdrop of the armed conflict between Russia and Ukraine, with all its repercussions, the Group saw revenue expand by EUR 10.5 million or 2.5% to EUR 434.6 million in the first quarter of 2022. In the same period of the previous year, the Group had generated revenue of EUR 424.1 million.

Revenue was boosted slightly by exchange rate movements. Excluding the effects of currencies, revenue decreased slightly by EUR 0.4 million or 0.1% and thus remained largely unchanged year on year. Thus, ElringKlinger once again outperformed global automobile production, which contracted by 4.5% in the first three months, according to IHS data.

In the first three months, revenue from sales generated abroad increased in all regions. The Rest of Europe, which is the region generating the highest revenue within the Group, recorded growth of 2.6%, which was roughly in line with the Group average (2.5%). Revenues in this region increased by EUR 3.3 million to EUR 134.5 million (Q1 2021: EUR 131.2 million). Adjusted for currency effects, growth would have been higher. In the Asia-Pacific region, meanwhile, the effects of the most recent wave of the coronavirus pandemic in parts of China were not yet apparent in the first quarter of 2022: with revenue totaling EUR 85.9 million (Q1 2021: EUR 81.8 million), this region was 5.0% or EUR 4.1 million up on the prior-year figure. In the region comprising North America, revenue grew by 3.5% or EUR 3.5 million to EUR 103.7 million in the first quarter of 2022. In the previous year, it had amounted to EUR 100.2 million in the period from January to March. Here, as in the Asia-Pacific region and region comprising South America and the Rest of the World, exchange rate effects had a beneficial effect.

Brimming order book

Orders remained buoyant at ElringKlinger as it entered fiscal 2022: in the first quarter of the current financial year, the Group's order intake of EUR 578.3 million exceeded the previous year's figure (Q1 2021: EUR 576.6 million) by a further EUR 1.7 million or 0.3%. This also translated into an expansion in the Group's order backlog. After EUR 1,185.6 million as of March 31, 2021, and EUR 1,386.2 million at the end of 2021, order backlog as of March 31, 2022, totaled EUR 1,529.9 million. This represents an increase of 29.0% and 10.4% respectively.

EBIT influenced by exceptional factors

Against the backdrop of consistent cost discipline, the direction taken by material-related prices in particular as well as higher staff costs had an adverse effect on Group earnings in the first three months of 2022. In this context, earnings before interest and taxes (EBIT) fell to EUR 14.1 million. Thus, the Group was able to improve EBIT compared to the preceding quarter (Q4 2021: EUR 3.6 million).

The first quarter of 2021, in which the Group had posted EBIT of EUR 48.4 million, had included the gain on disposal of the Austrian subsidiary of EUR 10.9 million as well as positive non-recurring effects from the pandemic amounting to EUR 3.1 million. The quarter just ended also included exceptional items: provisions for contingent losses in the Original Equipment segment as well as one-off effects within the area of personnel, such as the staff bonus, amounted to EUR 8.7 million, as a result of which adjusted EBIT stood at EUR 22.8 million for the first three months of 2022. This corresponds to an EBIT margin of 3.3% (Q1 2021: 11.4%). Excluding exceptional items, the adjusted EBIT margin was 5.2% in the reporting quarter and 8.1% in the first quarter of 2021.

Net working capital ratio below previous year – Cash flow influenced by difficult business environment

In order to ensure the fulfillment of orders against the backdrop of volatile conditions currently seen within the procurement markets, inventories were expanded in alignment with the situation. Irrespective of this, inventory levels also expanded in view of the Group's solid order books – up by EUR 34.5 million to a carrying amount of EUR 388.8 million. Taking into account trade receivables and trade payables, net working capital amounted to EUR 449.2 million (Mar. 31, 2021: EUR 430.4 million). Expressed as a percentage of revenue, it stood at 27.5% (Q1 2021: 28.5%). In view of the aforementioned factors, underpinned by the continued commitment to a disciplined approach to investing activities, operating free cash flow amounted to EUR -19.8 million (Q1 2022: EUR +28.6 million).

Net debt down year on year

Net debt was scaled back further compared to the end of the first quarter of 2021, down by EUR 12.8 million to EUR 400.2 million as of March 31, 2021. The net debt/EBITDA ratio was 2.1 as of March 31, 2022, compared to 1.9 a year earlier.

Further contract extension for CEO Dr. Stefan Wolf

The contract of CEO Dr. Stefan Wolf, which had been scheduled to expire on January 31, 2023, was extended ahead of schedule by an additional four years until January 31, 2027. Dr. Wolf has been CEO of ElringKlinger AG since 2006. In taking this decision, the Supervisory Board has ensured continuity at the helm of the Group. Furthermore, Theo Becker's appointment as a member of the Management Board was revoked effective from March 31, 2022, after many years of service. Theo Becker had worked at ElringKlinger for a total of 28 years. He joined the company in 1994 and was appointed to the Management Board in 2006.

Significant uncertainties persist in difficult environment

The first quarter of 2022 saw a deterioration in economic conditions, fueled by persistent volatility within the markets for raw materials and primary products, continued shortages of semiconductors, and, in particular, the effects and uncertainties surrounding the armed conflict between Russia and Ukraine. This, too, has led to a hike in material, energy, and logistics costs. Vehicle production continues to be affected by supply chain bottlenecks. Despite the fact that the covid-19 pandemic is subsiding in Europe as well as in North and South America, it has not yet been overcome. China, which is pursuing a strict zero-covid policy, recorded new cases of infection in March, prompting complete lockdowns in regions that are of economic importance. Given the multitude of influencing factors, further effects in respect of revenue and earnings cannot be completely ruled out for the ElringKlinger Group over the course of the year. Overall, the degree of uncertainty is exceedingly high. Therefore, at this point in time, the Group is not in a position to provide a well-founded, reliable forecast for the 2022 financial year. The Management Board of ElringKlinger AG will closely monitor further developments and provide an outlook as soon as the general political and economic situation allows.

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Key financials for Q1 2022

in EUR m	Q1 2022	Q1 2021	Δ abs.	Δ rel.
Order intake	578.3	576.6	+1.7	0.3%
Order backlog	1,529.9	1,185.6	+344.3	29.0%
Revenue	434.6	424.1	+10.5	+2.5%
of which currency			+10.9	+2.6%
of which M&A			±0.0	±0.0%
of which organic			-0.4	-0.1%
EBITDA	42.8	77.2	-34.4	-44.6%
EBIT	14.1	48.4	-34.3	-70.9%
EBIT margin (in %)	3.3	11.4	-8.1	-71.1%
Net finance cost	-3.2	1.0	-4.2	-420.0%
Profit before taxes	10.9	49.4	-38.5	-77.9%
Taxes on income	-7.0	-10.9	+3.9	-35.8%
Net income (after non-controlling interests)	3.8	37.9	-34.1	-90.0%
Earnings per share (in EUR)	0.06	0.60	-0.54	-90.0%
Investments (in property, plant, and equipment and investment property)[1]	12.8	11.6	+1.2	10.3%
Operating free cash flow	-19.8	28.6	-48.4	-169.2%
Net working capital	449.2	430.4	+18.8	4.4%
Equity ratio (in %)	46.3	45.0	+1.3	2.9%
Net financial debt	387.4	400.2	-12.8	-3.2%
Net financial debt/EBITDA	2.1	1.9	+0.2	10.5%
Employees (as of March 31)	9,400	9,597	-197	-2.1%

About ElringKlinger AG
As an automotive supplier, ElringKlinger has become a trusted partner to its customers – with a firm commitment to shaping the future of mobility. Whether optimized combustion engines, high-performance hybrids, or environmentally-friendly battery and fuel cell technology, ElringKlinger provides innovative solutions for all types of drive system. ElringKlinger's lightweighting concepts help to reduce the overall weight of vehicles. As a result, vehicles powered by combustion engines consume less fuel and emit less CO_2, while those equipped with alternative propulsion systems benefit from an extended range. In response to increasingly complex combustion engine technology, the Group also continues to refine and evolve its offering within the area of seals and gaskets in order to meet the highest possible standards. This is complemented by solutions centered around thermal and acoustic shielding technology. Additionally, the Group's portfolio includes products made of the high-performance plastic PTFE, which is also marketed to industries beyond the automotive sector. These efforts are supported by a dedicated workforce of around 9,500 people at 45 ElringKlinger Group locations around the globe.

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.