

PRESS RELEASE

ElringKlinger makes successful start to 2023 financial year

- **Group revenue up substantially by EUR 53.1 million or 12.2% to EUR 487.7 million in first quarter of 2023 (Q1 2022: EUR 434.6 million)**
- **Year-on-year improvement in adjusted EBIT at EUR 26.4 million and adjusted EBIT margin at 5.4% (Q1 2022: EUR 15.0 million and 3.5 %)**
- **Solid financial position and cash flows: equity ratio of 44.4%, net financial liabilities down year on year at EUR 372.3 million (Q1 2022: EUR 387.4 million)**

Dettingen/Erms (Germany), May 9, 2023 +++ ElringKlinger AG (ISIN DE 0007856023 / WKN 785602) has published its results for the first quarter of 2023. The Group generated revenue of EUR 487.7 million (Q1 2022: EUR 434.6 million), which represents a year-on-year increase of 12.2%. The effects of currency translation were negligible at EUR 0.4 million or 0.1%.

Commenting on the quarterly results, Dr. Stefan Wolf, CEO of ElringKlinger AG, said, "We are delighted to have once again generated record sales revenue in the first three months of 2023. At the same time, we managed to increase the Group's EBIT and EBIT margin despite the economic challenges and persistently high commodity prices. ElringKlinger is right on track with its determined and early focus on electromobility, underpinned by a strong position in its long-standing fields of business. This is illustrated not least by the high-volume order placed by the BMW Group for cell contact systems, as announced at the end of last week."

Strong revenue growth in Europe and North America

Revenue expanded significantly in the first quarter of 2023, particularly in the two strongest sales regions of the Group. The Rest of Europe accounted for growth of 18.3%, which was in excess of the Group average of 12.2%. Revenue in this region increased by EUR 24.6 million to EUR 159.1 million (Q1 2022: EUR 134.5 million). The region encompassing North America saw revenue grow by 23.1% or EUR 24.0 million to EUR 127.7 million in the first quarter of 2023 (Q1 2022: EUR 103.7 million). Revenue also trended higher in Germany, up by EUR 6.6 million or 7.3% to EUR 97.2 million (Q1 2022: EUR 90.6 million).

Adjusted EBIT margin at 5.4%

Against the backdrop of buoyant revenue growth and elevated material prices in the first quarter of 2023, the Group managed to propel earnings before interest, taxes, depreciation, and amortization (EBITDA) by EUR 10.8 million to EUR 53.6 million (Q1 2022: EUR 42.8 million). At EUR 27.5 million, depreciation and amortization were slightly below the previous year's level (Q1 2022: EUR 28.6 million). In total, the Group generated adjusted earnings before interest and taxes (adjusted EBIT) of EUR 26.4 million (Q1 2022: EUR 15.0 million), which corresponds to an adjusted EBIT margin of 5.4% (Q1 2022: 3.5%).

Equity ratio remains stable within target range of 40 to 50%, net financial liabilities down

The ElringKlinger Group's financial position and cash flows remained solid at the end of the first quarter of 2023. At the end of the quarter, the Group's equity ratio stood at 44.4% (Dec. 31, 2022: 43.8 %) and net financial liabilities at EUR 372.3 million. The latter were thus below the comparable figure of EUR 387.4 million posted for the same quarter last year. The net debt ratio (net financial liabilities in relation to EBITDA) was scaled back from 2.1 to 2.0. As regards cash flows in the first quarter, the substantial funds committed to net working capital in particular resulted in negative operating free cash flow of EUR -20.3 million (Q1 2022: EUR -19.8 million).

Net working capital influenced by several factors

The ElringKlinger Group saw net working capital increase to EUR 518.5 million at the end of the quarter under review, up from EUR 454.7 million at the end of 2022 and up from EUR 449.2 million twelve months earlier. The expansion in net working capital was driven by several factors. The noticeable upturn in revenue in the first quarter led to higher trade receivables. As of March 31, 2023, the latter amounted to EUR 291.5 million (Dec. 31, 2022: EUR 264.9 million). In addition, persistently high material prices and tensions still afflicting some of the procurement markets, coupled with solid order books and factors relating to upcoming series production ramp-ups, propelled inventories upward to EUR 435.9 million (Dec. 31, 2022: EUR 414.0 million). Trade payables, which have a dilutive effect on net working capital, totaled EUR 209,0 million as of the quarter-end (Dec. 31, 2022: EUR 224,1 million).

Slight increase in headcount

Whereas the ElringKlinger Group employed 9,396 people at the end of the first quarter of 2022, this figure had risen by 2.5% to 9,635 by March 31, 2023. In particular, the Group expanded its workforce in Asia-Pacific and Germany. In Germany, upstaffing was centered around fuel cell technology, an area of strategic importance to the future.

Guidance for 2023 confirmed

Confirming its guidance for the current 2023 financial year, the Group continues to expect organic revenue growth to be substantially above the global market level. According to its latest projections, industry service provider S&P Global Mobility estimates that global light vehicle production will expand by 3.8% in 2023. In addition, ElringKlinger expects to further improve its earnings situation in the current financial year thanks to its strict cost discipline and the anticipated increase in revenue. Overall, the Group is forecasting adjusted EBIT of around 5% of its revenue for 2023.

Medium-term forecast

ElringKlinger considers itself to be in an excellent strategic position in the medium and long term. The company was quick off the mark in its efforts to structure its product portfolio in line with the transition toward electromobility and can also build on a first-class market position in its long-standing fields of business. In the medium term, the Group anticipates disproportionately high organic growth compared to global

automotive production levels and continues to expect to improve its adjusted EBIT margin gradually over this period.

Key financials for Q1 2023

in EUR million	Q1 2023	Q1 2022	Δ abs.	Δ rel.
Order intake	474.9	578.3	-103.4	-17.9 %
Order backlog	1,449.0	1,529.9	-80.9	-5.3 %
Revenue	487.7	434.6	+53.1	+12.2 %
of which FX effects			+0.4	+0.1 %
of which M&A			±0.0	±0.0 %
of which organic			+52.7	+12.1 %
EBITDA	53.6	42.8	+10.8	+25.2 %
Adjusted EBIT	26.4	15.0	+11.4	+76.0 %
Adjusted EBIT margin (in %)	5.4	3.5	+1.9 PP	-
EBIT	26.0	14.1	+11.9	+84.4 %
EBIT margin (in %)	5.3	3.3	+2.0 PP	-
Net finance cost	-9.4	-3.3	-6.1	->100 %
EBT	16.6	10.9	+5.7	+52.3 %
Income taxes	12.2	7.0	+5.2	+74.3 %
Net income (after minorities)	6.7	4.0	+2.7	+67.5 %
Earnings per share (in EUR)	0.11	0.06	+0.05	+83.3 %
Investments in PPE (payments)	12.3	12.8	-0.5	-3.9 %
Operating free cash flow	-20.3	-19.8	-0.5	-2.5 %
ROCE (in %)	6.6	3.4	+3.2 PP	-
Net working capital	518.5	449.2	+69.3	+15.4 %
Equity ratio (in %)	44.4	46.3	-1.9 PP	-
Net financial debt	372.3	387.4	-15.1	-3.9 %
Net financial debt / EBITDA	2.0	2.1	-0.1	-4.8 %
Employees (as at March 31)	9,635	9,396	+239	+2.5 %

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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 CO₂, 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 46 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.