



Fuel cell  
Battery  
Hybrid  
Combustion

## Preliminary figures FY 2018

February 20, 2019



FY 2018

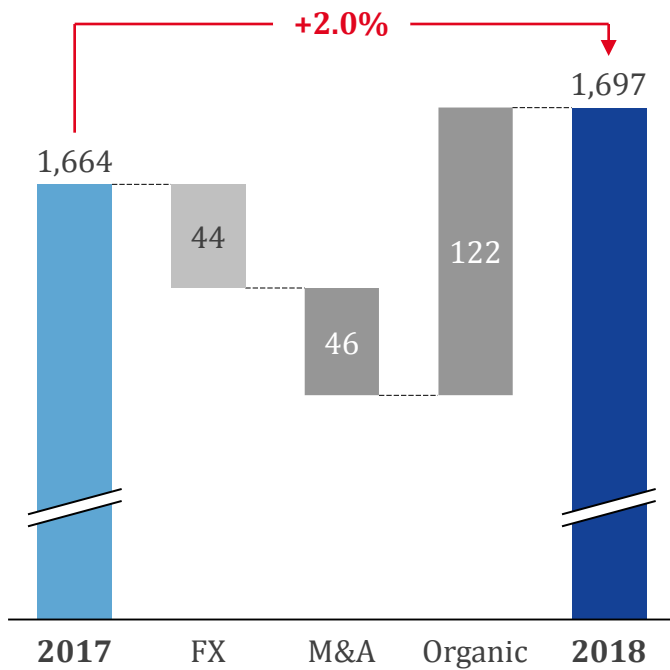
## Headlines

- **Top line growth** of 2.0% to **EUR 1,697 (1,664) million** – organically up by strong **7.3%**
- **EBIT pre PPA** impacted by external and internal factors – down versus prior year at **EUR 100 (142) million**
- **EBIT margin pre PPA** slightly below expectations at **5.9% (8.5%)**
- **Sales** in Q4 comes in at **EUR 429.8 (419.3) million**, **organic growth** of **7.1%** – **EBIT pre PPA** at **EUR 11.9 (30.7) million**
- Management Board proposes to **suspend** the **dividend** for the 2018 financial year
- **Financial position improved**: syndicated loan of EUR 350 million over minimum term of 5 years improves maturity profile
- **Outlook 2019**

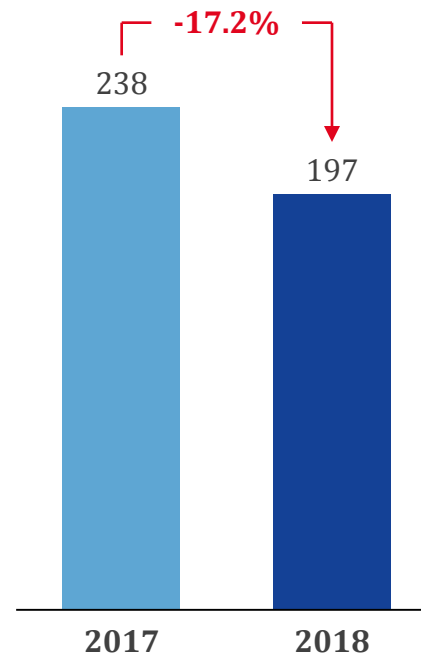
# Preliminary figures FY 2018: Income statement

## Ongoing strong organic growth

Sales – in EUR million



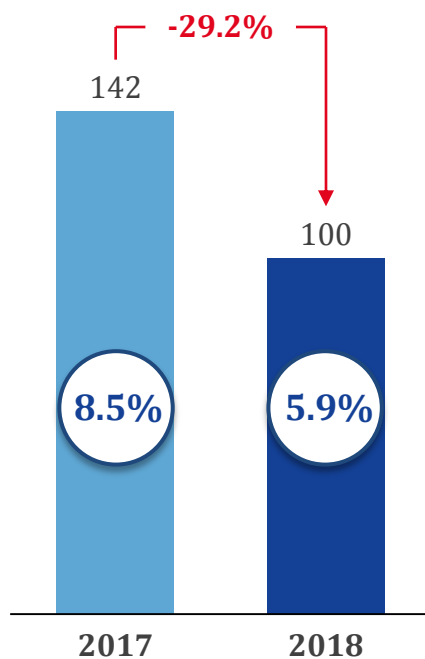
EBITDA – in EUR million



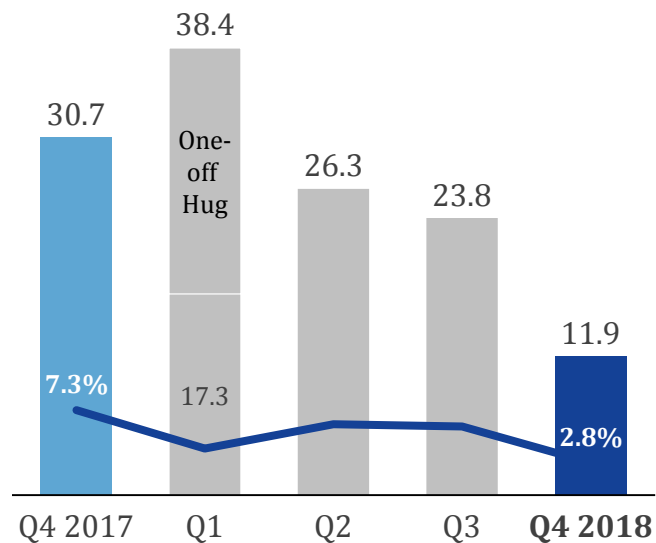
## Preliminary figures FY 2018: Income statement

# Earnings impacted by external and internal factors

EBIT pre PPA – in EUR million



EBIT pre PPA per quarter – in EUR million/ in %

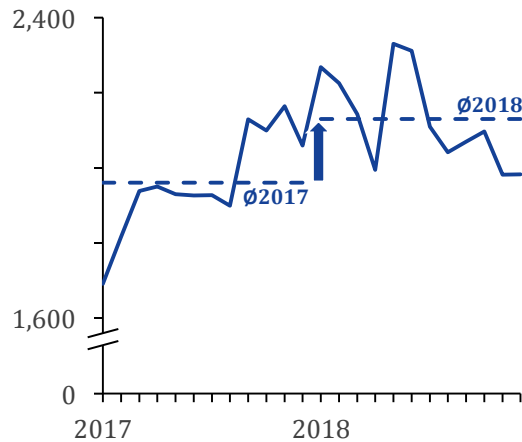


Differences due to rounding

Preliminary figures FY 2018: Important factors on earnings level

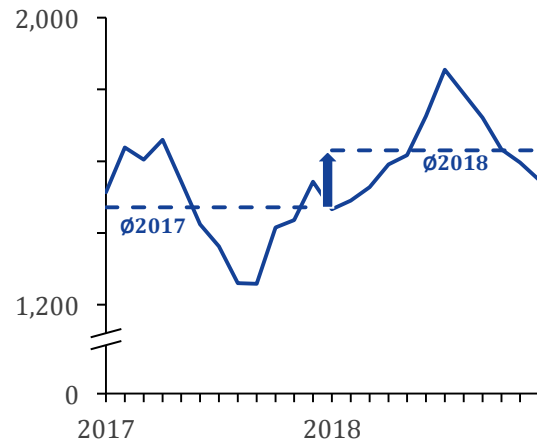
## Strongly increasing commodity prices burden earnings

Commodity price – in EUR per ton



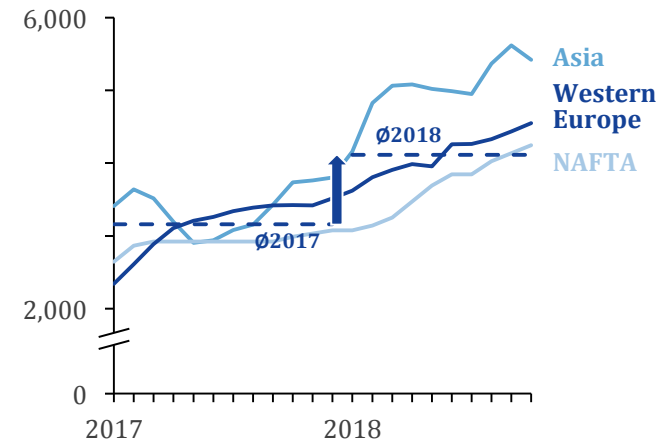
### Aluminum

- Esp. in business unit Shielding Technology
- Impact by US tariffs



### Steel alloy surcharge

- Esp. in business units Cylinder-head and Specialty Gaskets
- Impact by US tariffs



### Polyamide (PA6.6)

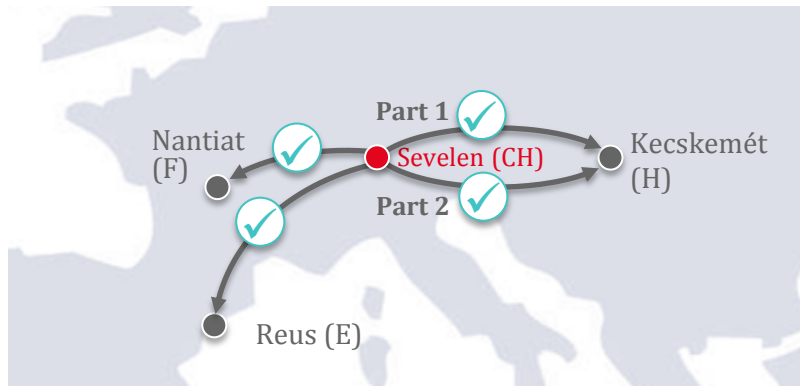
- Esp. in business unit Lightweighting/Elastomer
- Global shortage of supply due to high demand

### Countermeasures

- Extending the penetration rate of price escalation clauses in contracts
- Successful renegotiations on pricing
- Broadening the range of global suppliers

Preliminary figures FY 2018: Important factors on earnings level

## Cost optimization programs in Switzerland and NAFTA



### Migration and optimization program in Switzerland on track

- Migration of production to other locations finalized by end of 2018
- Further optimization of fixed cost structure until end of 2019

#### Countermeasures

- Clearance of additional storage facilities
- Adjustment of staff level
- Optimization of logistical processes



### Persistently high demand in NAFTA region

- Exceptional costs for overnight freights, extra shifts and external control
- Optimization program implemented

#### Countermeasures

- Additional production lines and more staff
- Optimized logistical processes
- Gradual adjustment of prices

## Syndicated loan improves maturity structure of financial debt

- ElringKlinger concluded a **syndicated loan** on February 15, 2019
- Volume: **EUR 350 million**
- Maturity: minimum term of **5 years**
- Proceeds to be used for general corporate funding and refinancing of existing bilateral credit lines
- Further **improvement of maturity profile** and more solid foundation of corporate planning

Preliminary figures FY 2018: Dividend

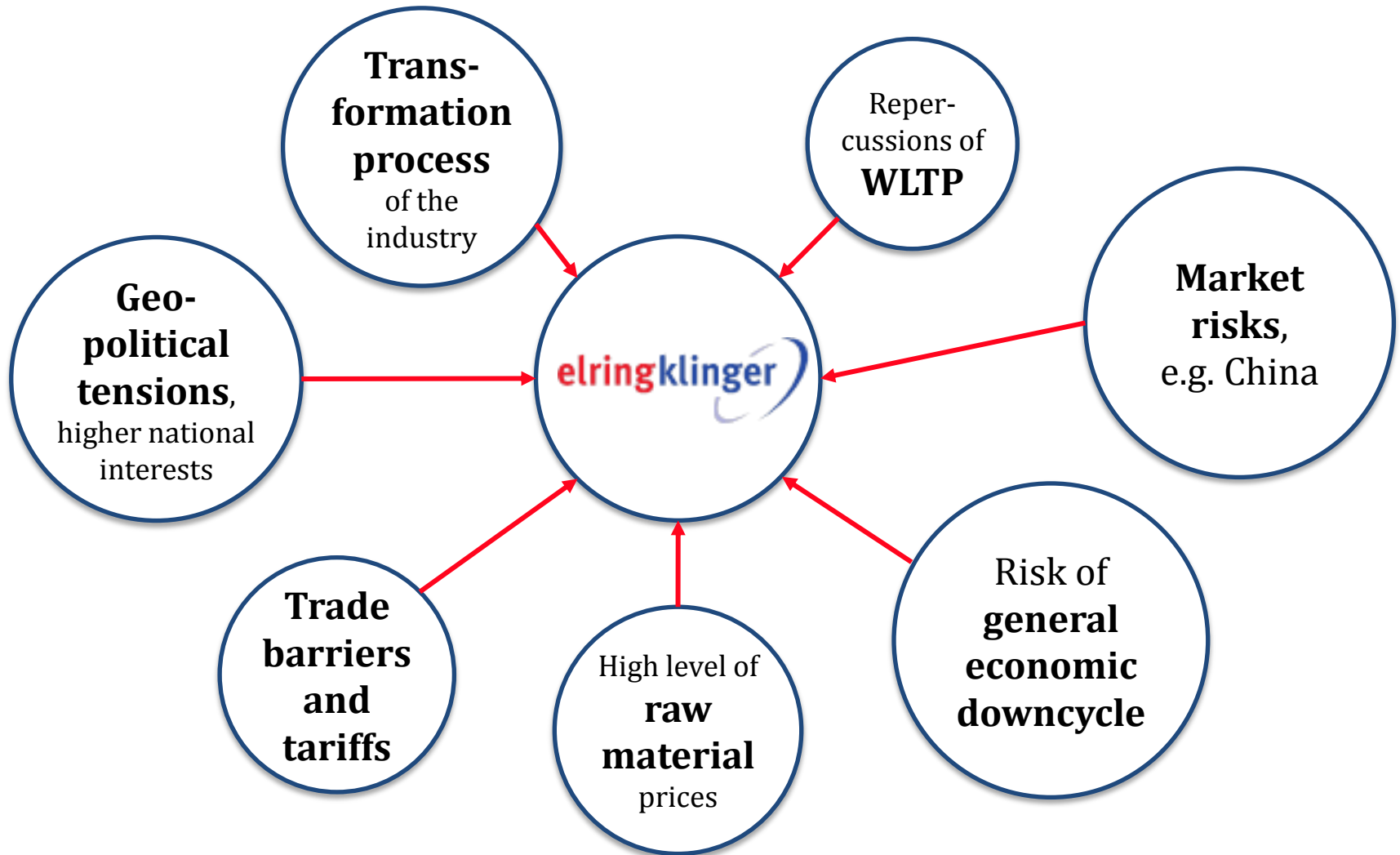
## Suspension of dividend proposed

- Taking into account the earnings situation and the corresponding cash flow and debt ratios, the Management Board suggests to deviate from the Group's dividend policy to distribute between 30 and 40% of Group net income after non-controlling interests
- The Management Board proposes to **suspend\*** the **dividend** for the **2018** financial year
- Suspension of dividend will strengthen internal financing for the Group's transformation process

\*Proposal of the Management Board to AGM



## High level of uncertainty due to challenging environment



## 2019 – A year of transformation



# 2019

Global LV production:  
0 – 1%

Organic sales:  
2 – 4 %-points  
above global markets

EBIT margin pre PPA:  
4 – 5%

Operating FCF:  
Positive

# Mid-term

LV production CAGR:  
+2%

Organic sales:  
above global markets

EBIT margin pre PPA:  
Successive improvement

Operating FCF:  
Steady improvement

Q&A



elringklinger

# Disclaimer

## **Forward-looking statements and predictions**

This presentation contains statements about the future. These statements are based on current expectations, market evaluations and predictions by the Management Board, and on information that is currently available to them. The statements about the future should not be interpreted as guarantees of the future developments and results that they refer to. Whilst the Management Board is convinced that the statements that have been made, and the convictions and expectations on which they are based, are realistic, they rely on suppositions that may conceivably prove to be incorrect; future results and developments are dependent on a multitude of factors, they involve various risks and imponderabilities that can affect whether the ongoing development deviates from the expectations 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.