

ElringKlinger Group
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ElringKlinger Group acquires
M&W Manufacturing Co., USA
February 13, 2015

ElringKlinger acquires M&W Manufacturing Co., Warren (Detroit), USA (M&W)

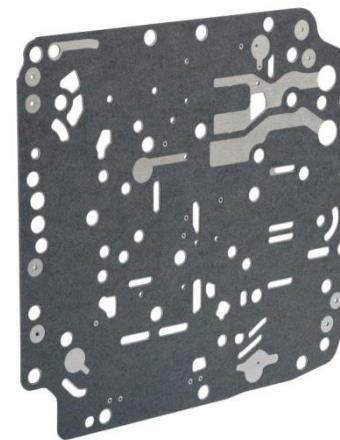
- Closing: February 12, 2015 in Warren, USA
- Take over of 100% interest from owner family
- Inclusion in scope of consolidation retrospectively as from 1st February 2015
- M&W is an automotive supplier and manufacturer of spacer plates for automatic transmissions
- Based in Warren near Detroit /Michigan
- 100 employees



- M&W, Detroit (Michigan)
- existing EK NAFTA sites:
 - Plymouth (Michigan/US),
 - Buford (Georgia/US)
 - Leamington (Canada)
 - Piracicaba (Mexico)

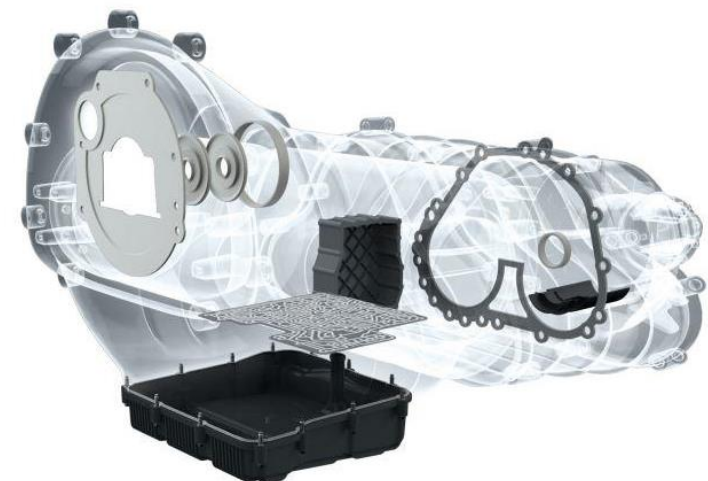
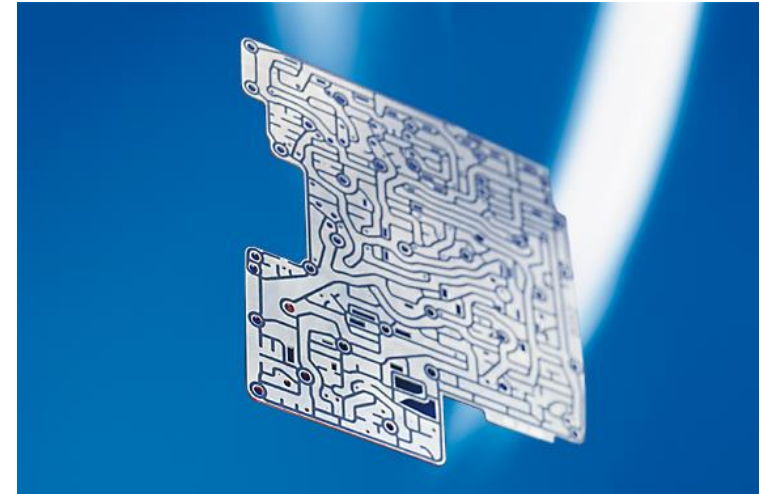
M&W – market leader in North America

- Market leading position in the US-market for spacer plates in automatic/ double clutch transmissions
- Asia: First orders from China, yet no production footprint
- Top customers: Ford, GM, Chrysler, transmission manufacturers
- Production restricted to the US: Two production sites in Warren and Roseville, Michigan
- Intense demand of US clients for a worldwide supply base



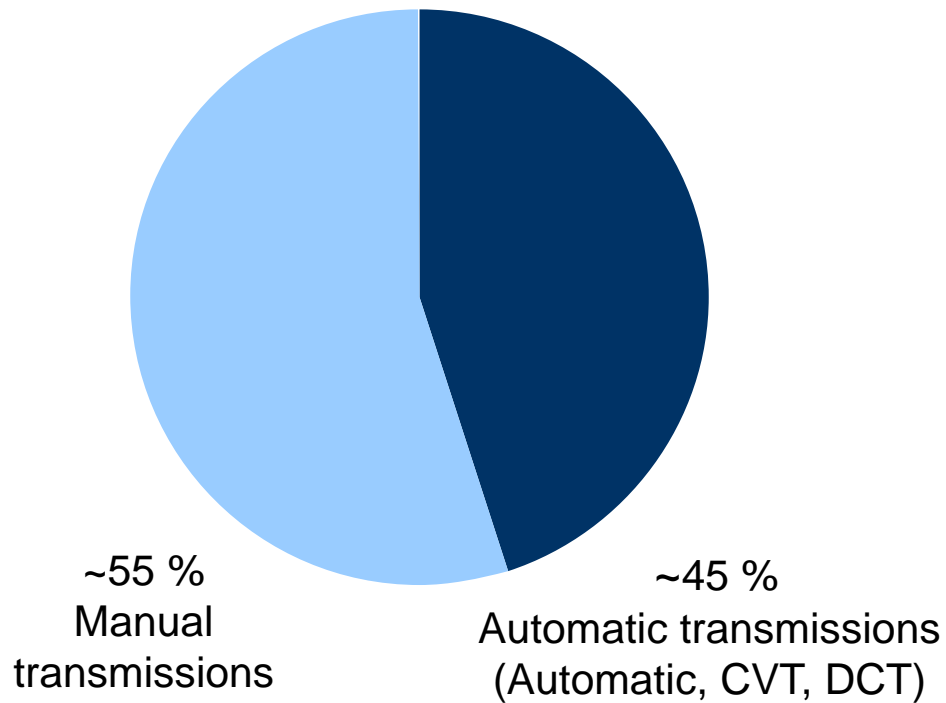
Strategic Reasoning

- Together with M&W, ElringKlinger advances to premier supplier of transmission spacer plates in the North American market
- Global expansion move of Specialty Gaskets division
2014 the division generated approx. EUR 200 mn in sales with a high share in Europe
- M&W's product designs & technology complement ElringKlinger's screen printing operations
- Leveraging global footprint: Rapid roll out of M&W products at ElringKlinger Group's facilities around the globe

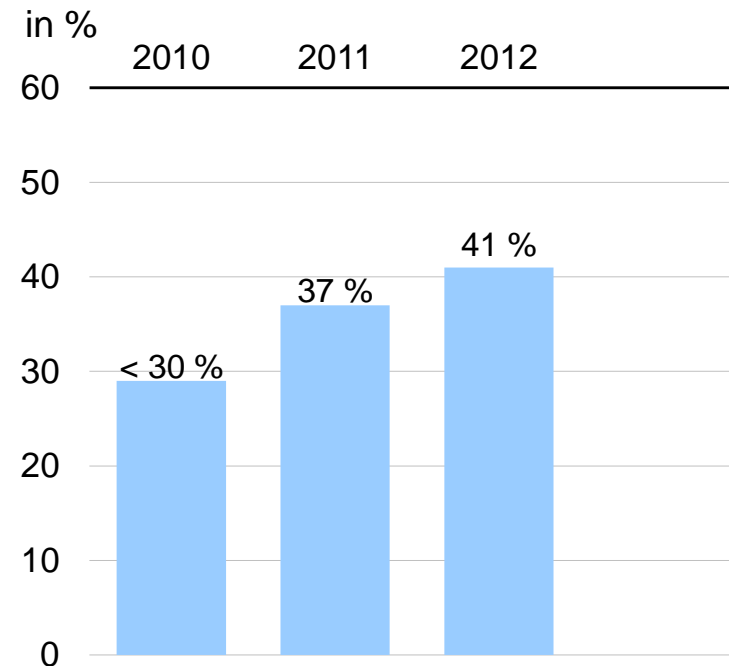


Soaring penetration of automatic transmissions in EU/ China

2014 Share worldwide



Western Europe's car production:
Continued growth of automatics

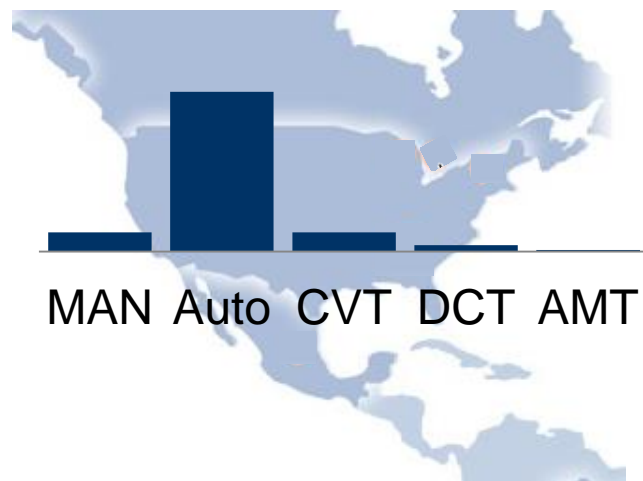


DCTs and multi-speed automatics share gains

Leading global auto markets provide significant potential

North America:

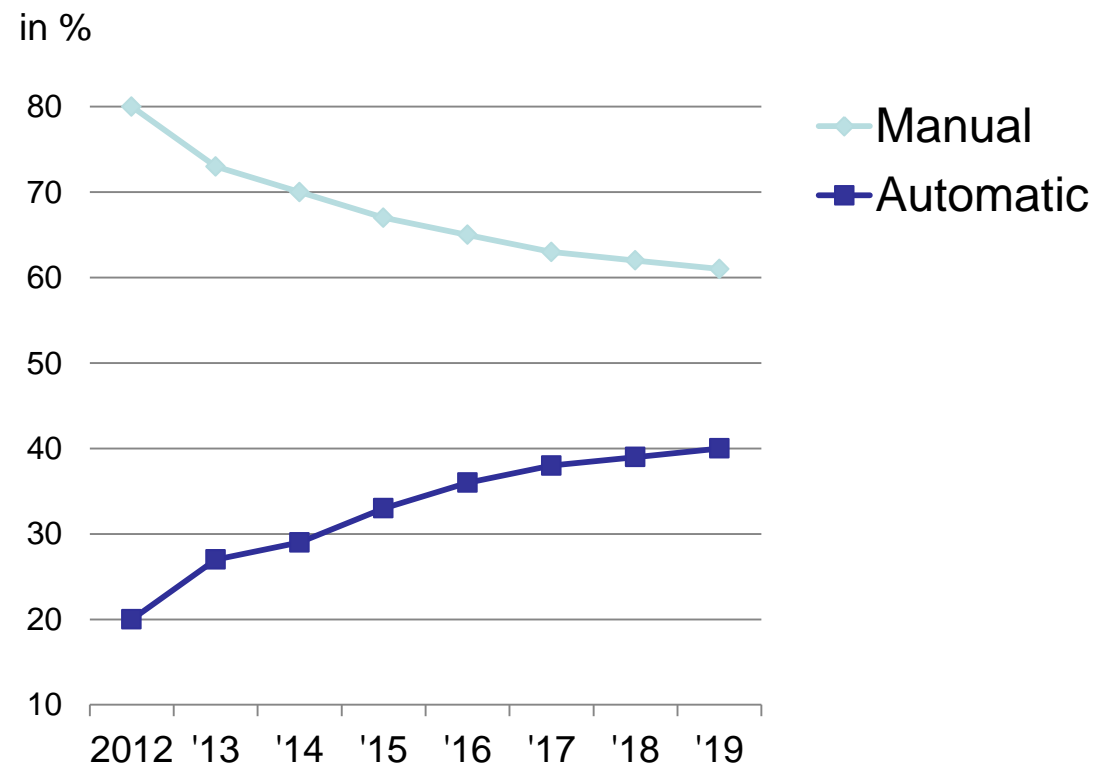
95 % of light vehicles are “automatics”



Source: IHS

China:

Consumers trending towards “comfortable drives”



Sales/ earnings performance & financial targets

- 2015 full year sales revenue target of EUR 33 to 34 million; M&W contribution will be for 11 months only!
- Clean EBIT margin (pre ppa) in the high single-digit range
- Purchase price ~0.8-times estimated 2015 sales revenues
- PPA estimated at approx. EUR 2 mn p.a.
- ~0.2 PP temporary dilution to Group margin incl. PPA
- Cost savings & earnings expansion potential:
 - pooled purchasing
 - further automation of production processes
 - workflow optimization
 - development synergies

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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 are 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.