

ElringKlinger Group

Future Inside



Conference Call

Preliminary Results Q3 2013

October 25, 2013

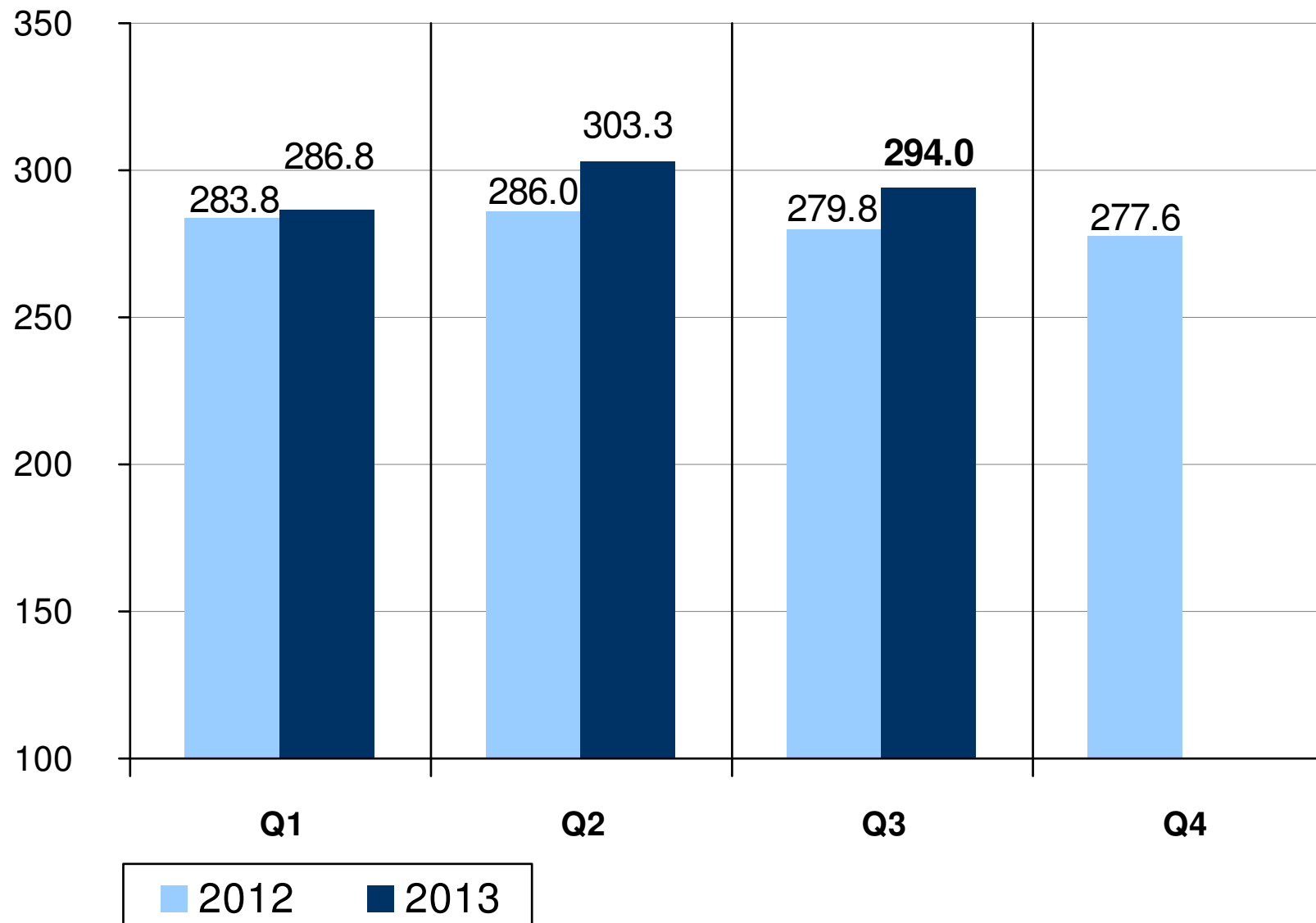


Q3 2013: Key developments

- Group sales up 5.1% (+8.6% before transl. FX effects) despite extremely weak European car markets – once again outperforming global LV production (+2%)
- One-off effect: EUR 1.5 mn other operating expense associated with efforts to unlock new markets in AM segment
- Operating result increases disproportionately by 5.8% to EUR 38.6 mn, despite high E-Mobility pre-expenses and one-time charge (EUR 40.1 mn adjusted)
- EBIT reaches EUR 35.1 mn – burdened by negative FX effects of EUR 3.5 mn
- Freudenberg France slightly positive due to restructuring measures
- Acquisition of another 25% interest in Hug (EK now holding 93.7%); EBIT margin stable in the double digits
- Merger of Hummel-Formen GmbH into ElringKlinger AG

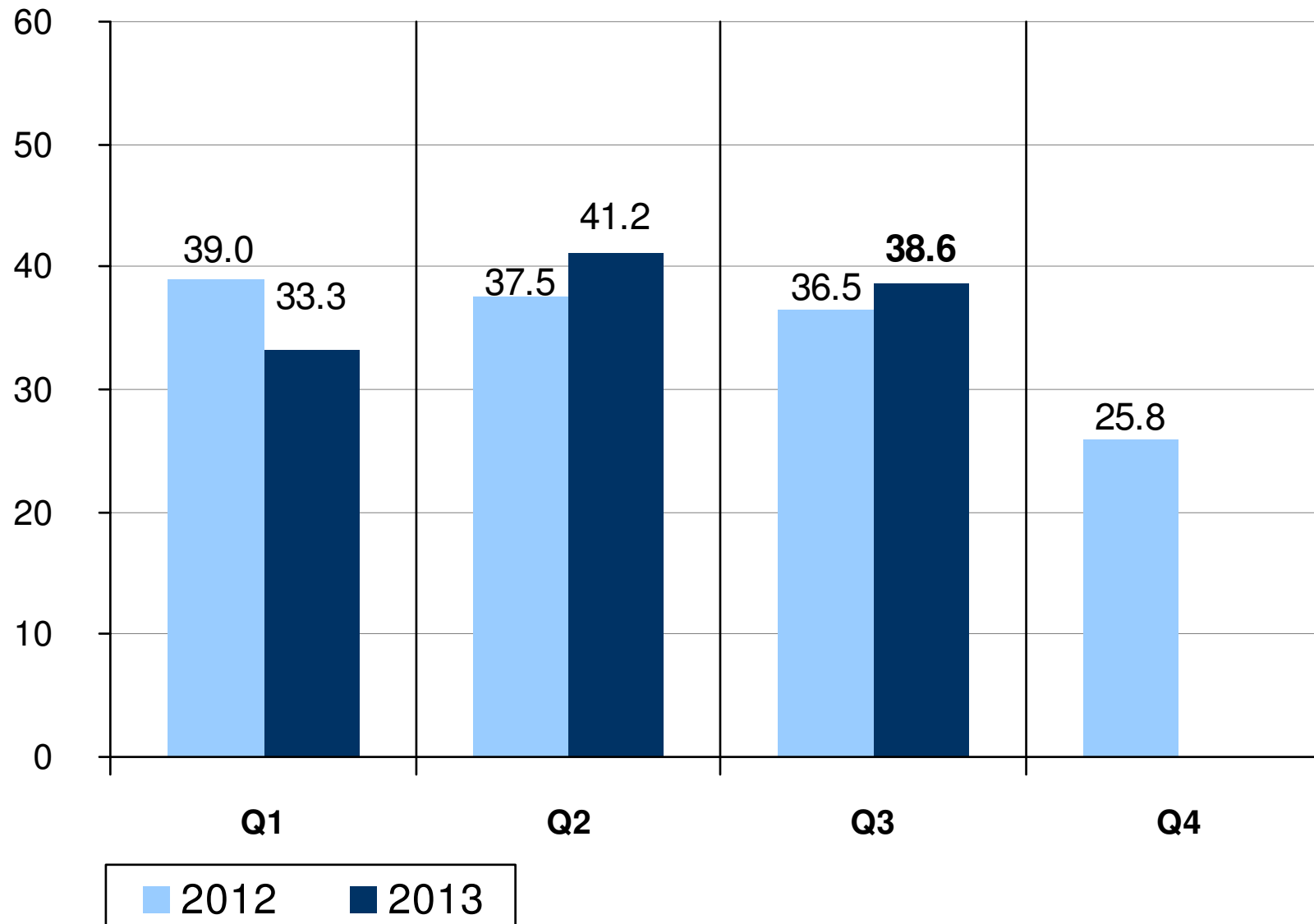
Sales by quarter – negative translational FX impact of EUR 9.8 mn in Q3

€ mn



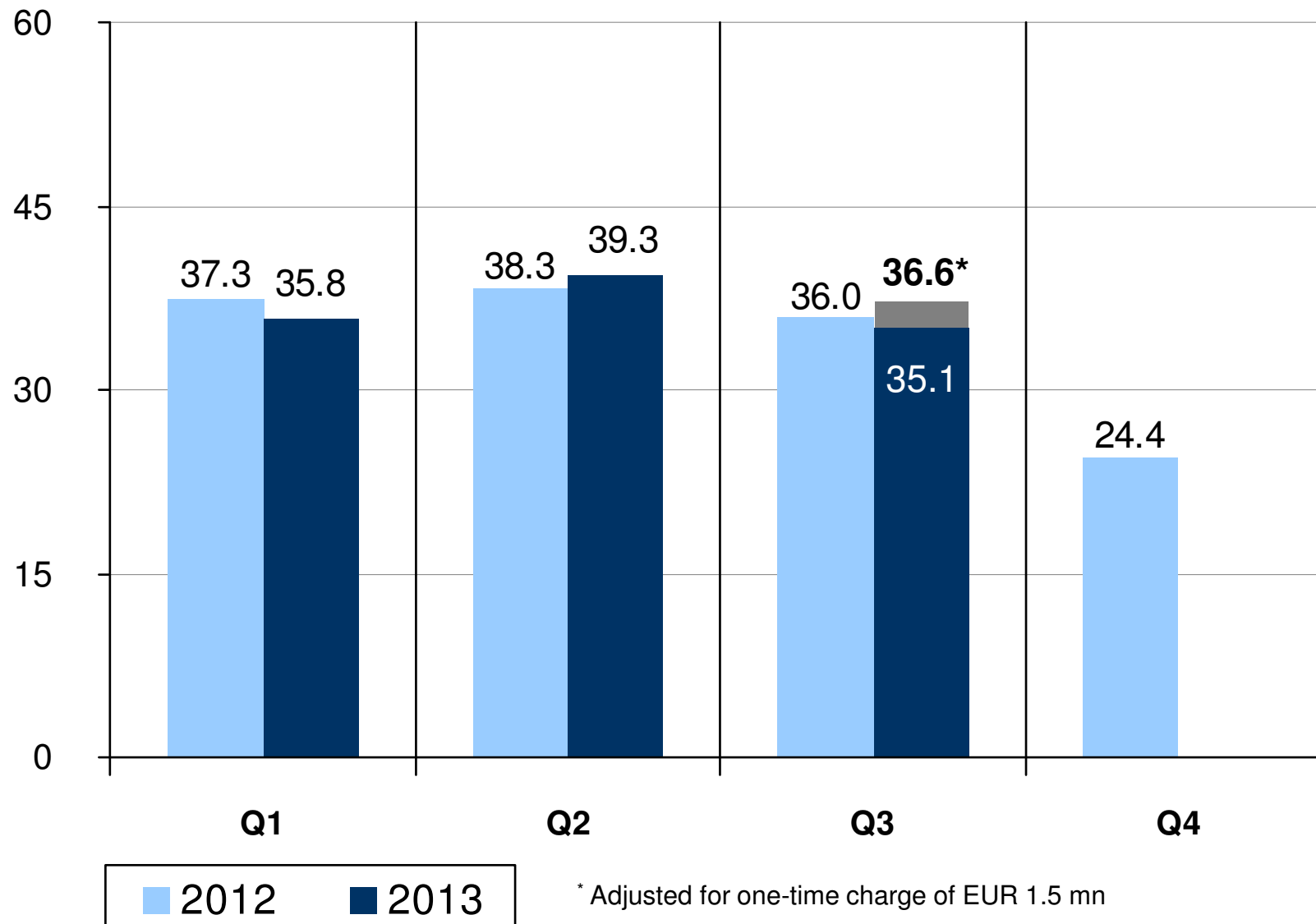
Q3 2013: Operating result at EUR 38.6 mn exceeding prior year – operating margin slightly higher at 13.1% (13.0%)

€ mn

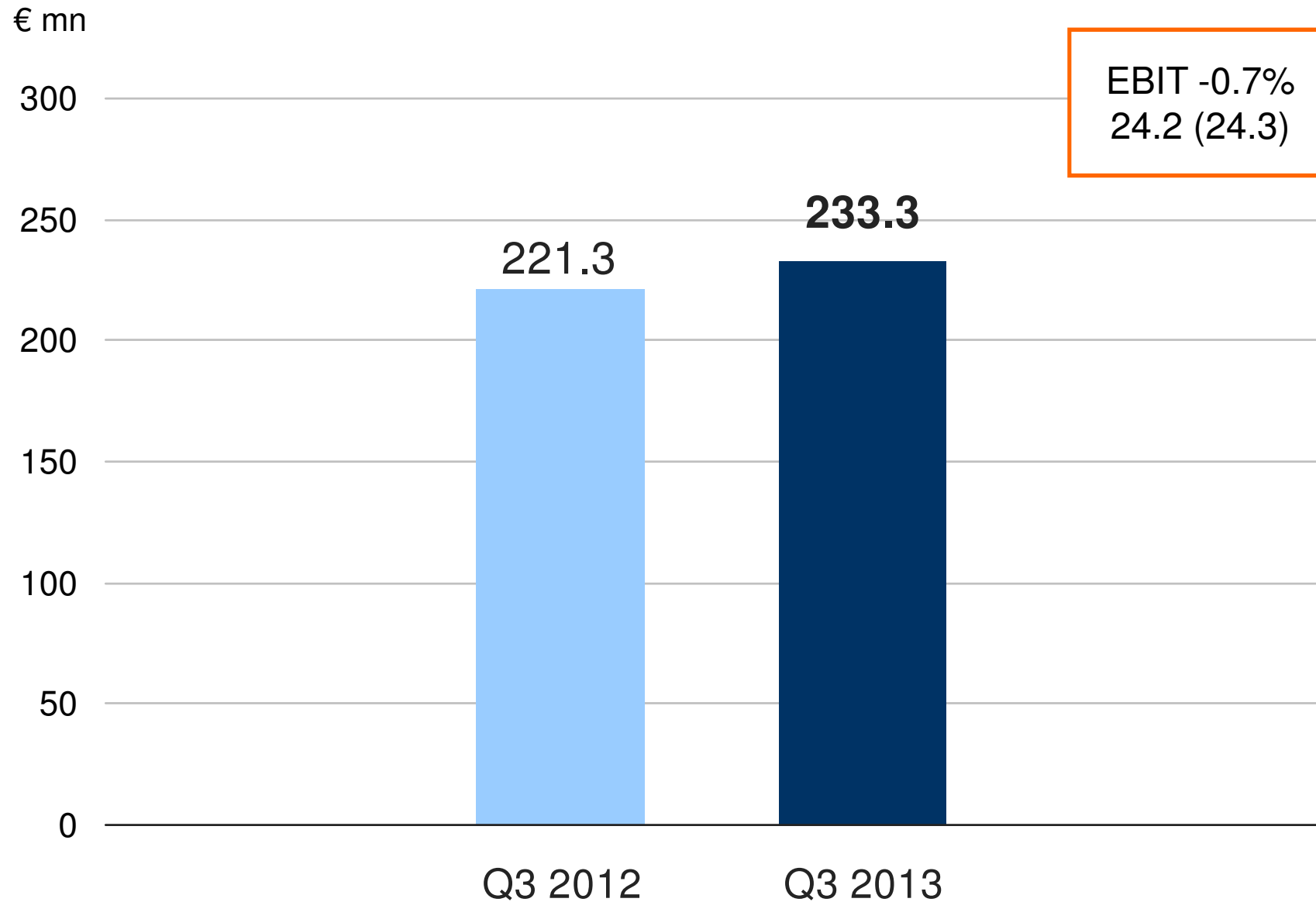


Q3 2013: EBIT came in at EUR 35.1 mn (EUR 3.5 mn negative transactional FX effects and EUR 1.5 mn one-time charge)

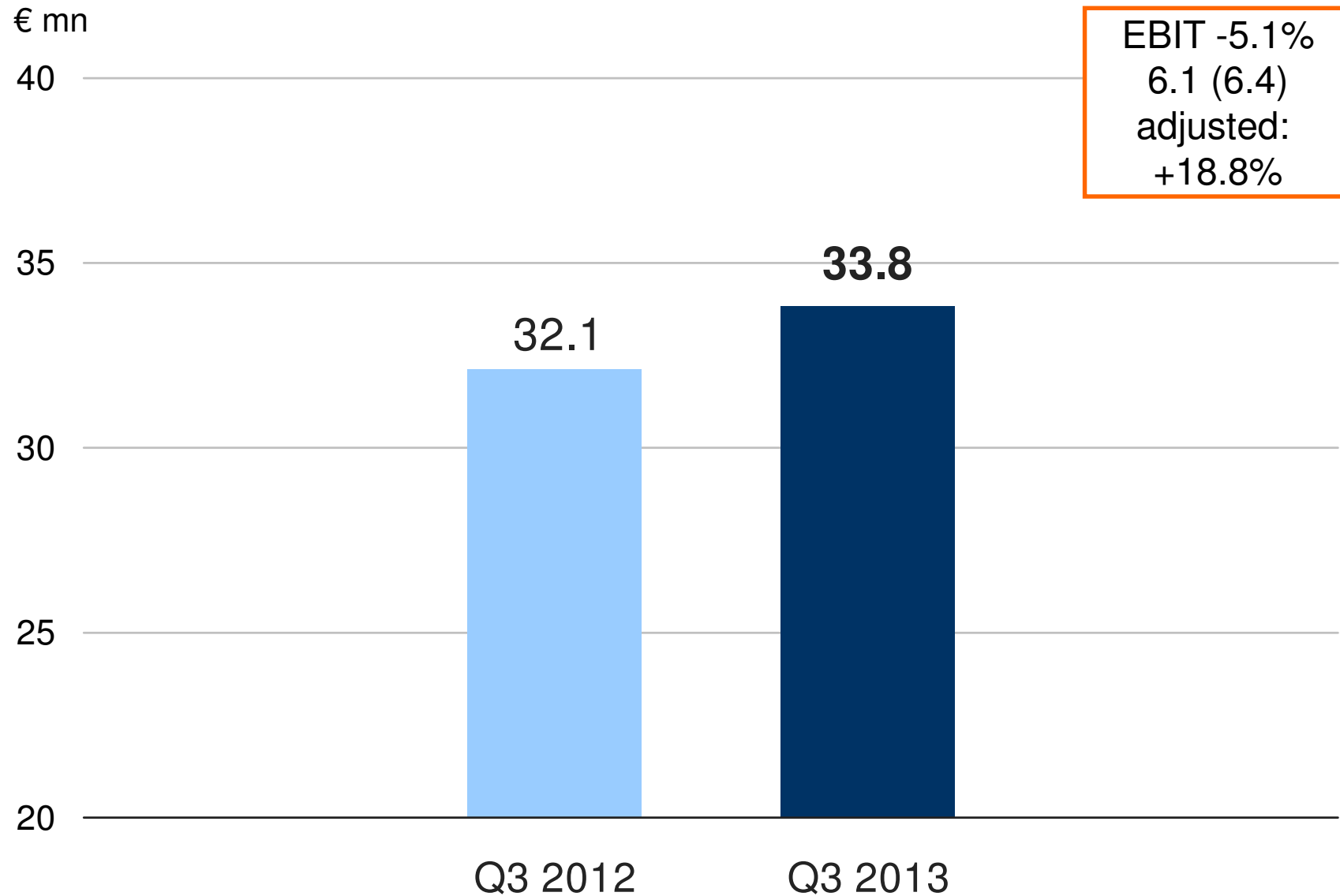
€ mn



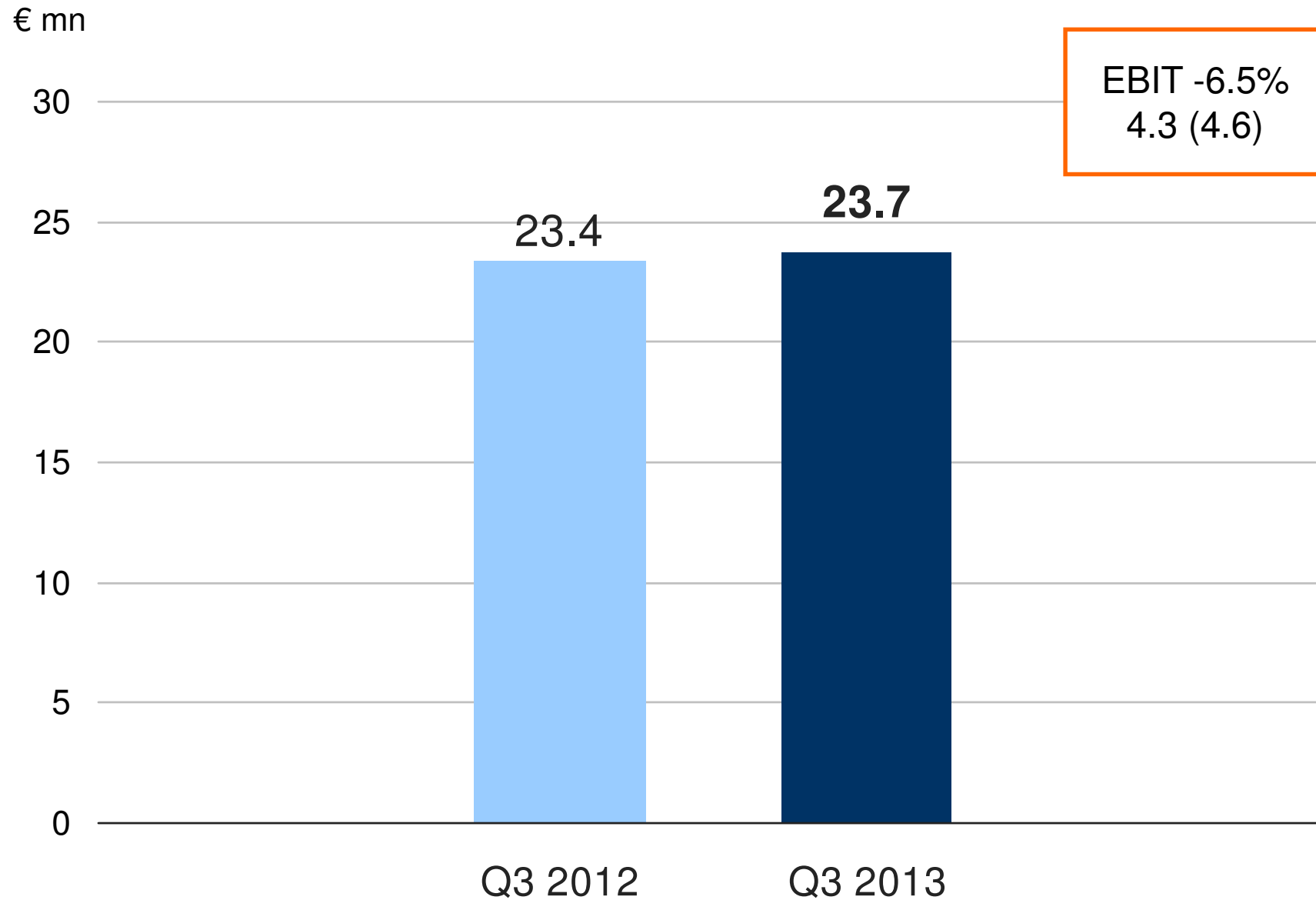
Q3 2013: OEM sales plus 5.4%



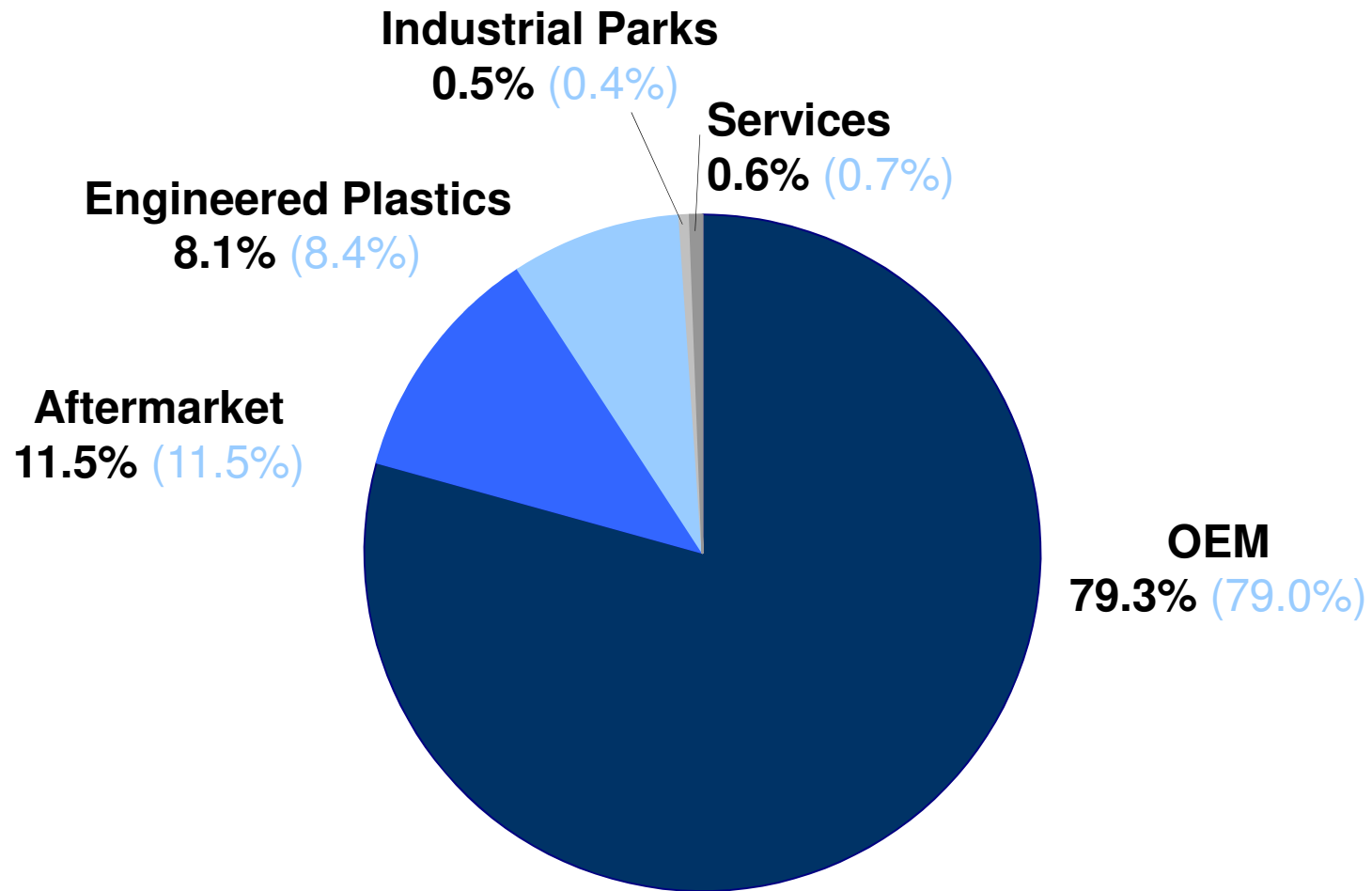
Q3 2013: Aftermarket sales up 5.3% –
EBIT diluted by one-off effect of EUR 1.5 mn



Q3 2013: Sales Engineered Plastics up 1.3%

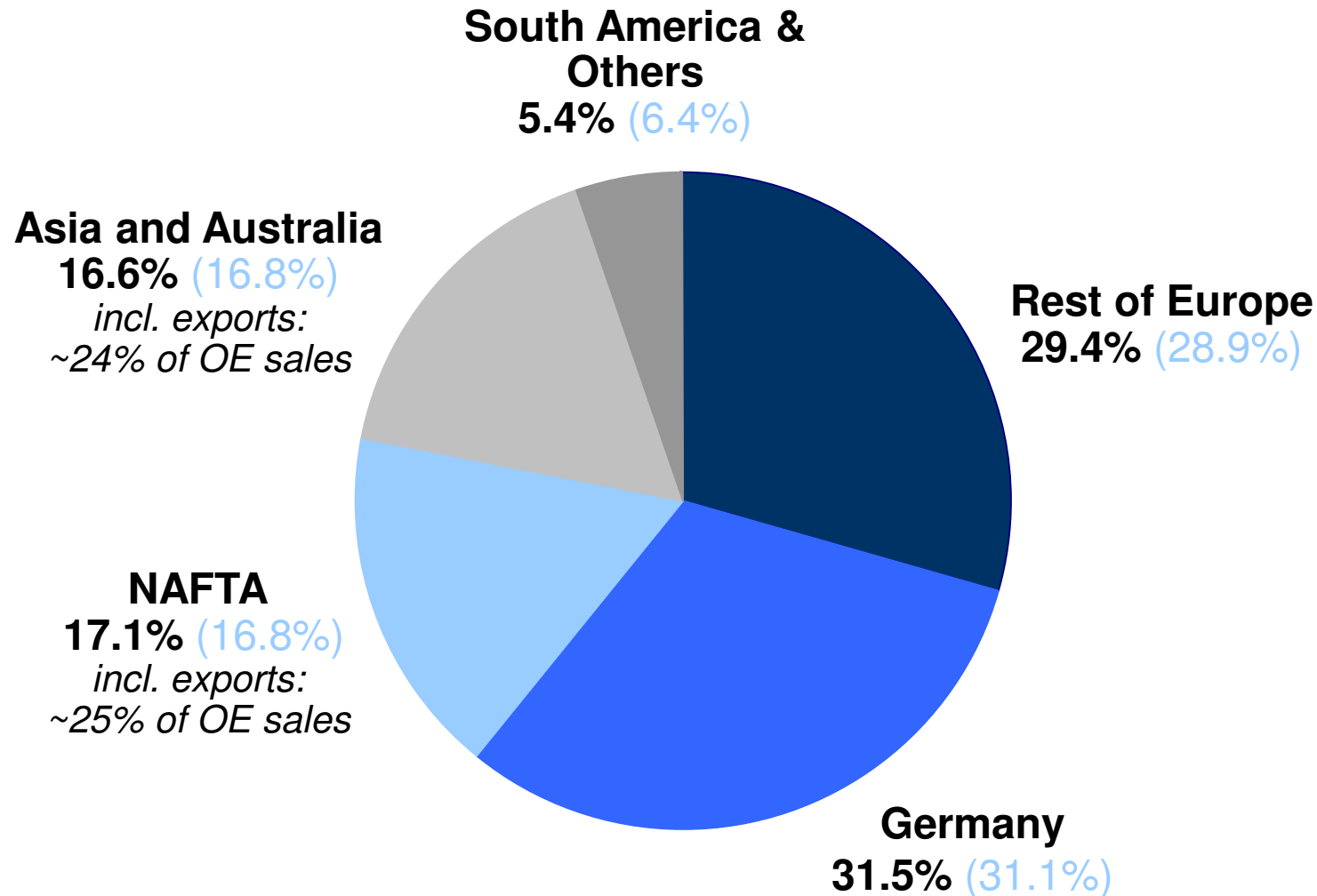


Group Sales by segment Q3 2013 (py)

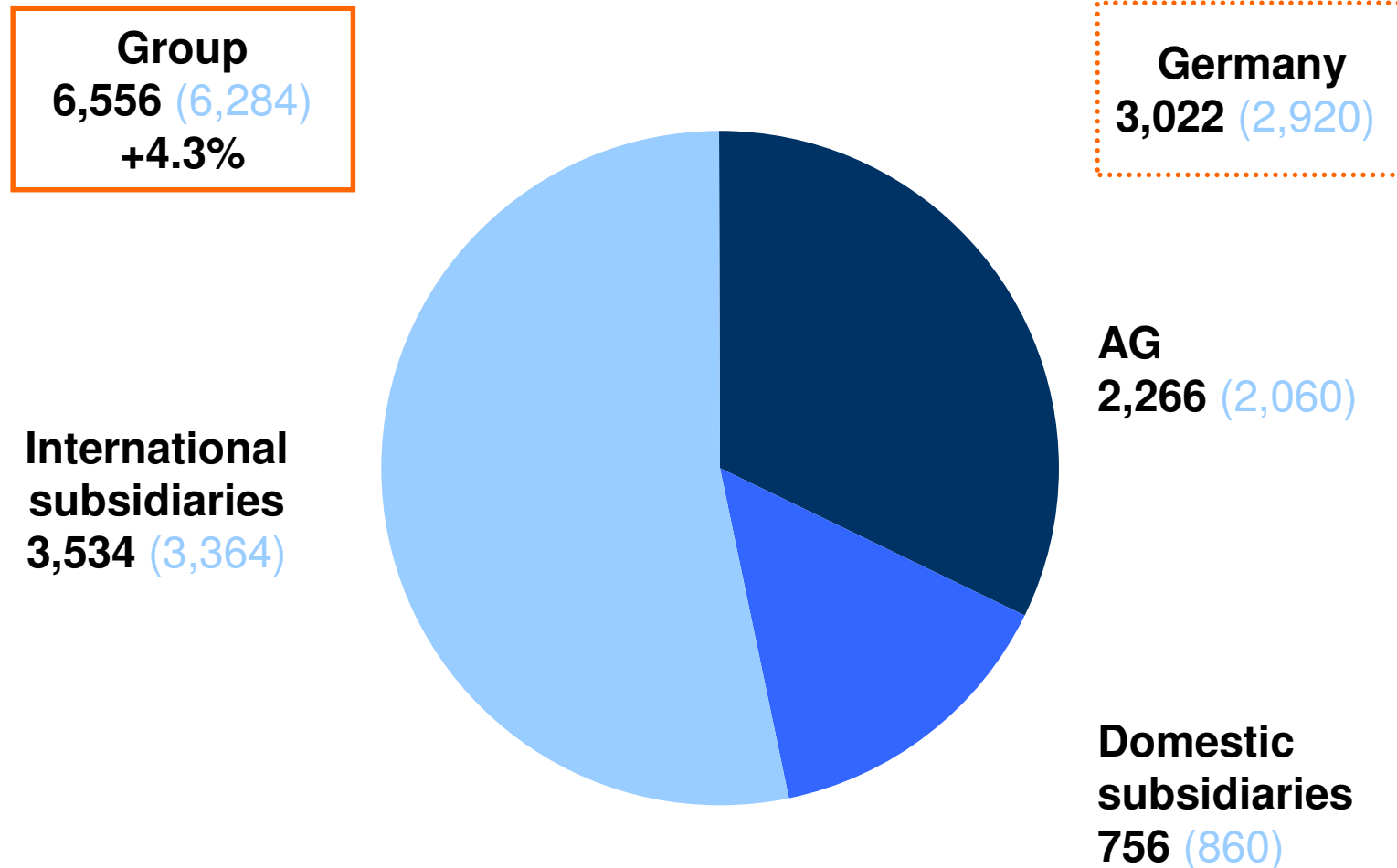


Group Sales by region Q3 2013 (py)

Almost 55% of OE sales in Asia and the Americas



Employees ElringKlinger Group worldwide – merger of Hummel-Formen has number of employees in the AG increase as of September 30, 2013 (py)



Q3 2013: Sales and operating result

in € mn	Q3 2013	Q3 2012	Change
Sales	294.0	279.8	+5.1%
Cost of Sales	207.1	199.1	+4.0%
EBITDA¹	53.4	56.7	-5.8%
EBIT¹	35.1	36.0	-2.5%
Operating Result	38.6	36.5	+5.8%

¹ Incl. currency effects

Q3 2013: Financial Result and Net Income

in € mn	Q3 2013	Q3 2012	Change
Net finance cost	6.3	3.6	+75.0%
EBT	32.3	33.0	-2.1%
Taxes	9.8	8.6	+14.0%
Net income	22.4	24.4	-8.2%
Profit attributable to EK shareholders	22.5	23.3	-3.4%
EPS (in €)	0.36	0.37	-2.7%

Q3 2013: Hug successfully integrated and growing

in € mn	Hug			in € mn	Hug		
	Q3 2012	Q3 2013	Δ		Q3 2012	Q3 2013	Δ
Sales	7.2	13.1	+5.9	EBIT	-0.6	2.3	+2.9
PPA	-0.5	-0.3	+0.2	EBT	-0.7	2.2	+2.9

- CARB retrofit business in the US proves highly successful: Hug supplies U.S. Postal service in California with DPF – market share of ~35%
- New DPF application for ocean cruisers run on bunker oil filed for patent registration
- Acquisition of another 25% interest in Hug, now holding a stake of 93.7% – minority interests within EK Group scaled back
- Expected EBIT contribution 2013: ~ EUR 9 mn (-3.0 mn) incl. EUR 1.5 mn PPA

Q3 2013: Freudenberg France on track

in € mn	Freudenberg			in € mn	Freudenberg		
	Q3 2012	Q3 2013	Δ		Q3 2012	Q3 2013	Δ
Sales	11.5	11.5	-	EBIT	0.7	1.1	+0.4
PPA	-	-	-	EBT	0.5	0.9	+0.4

- French car market showing first signs of stabilization (Sept. 2013 +3.4%), Freudenberg France despite weak sales posting slightly positive earnings in Q3
- Full-year target: Overall moderate EBT improvement (2012: EUR 0.1 mn) assuming slight pick-up in French car market going forward (incl. EUR 1.8 mn restr. charge)
- German and Italian production site both at double-digit EBIT margins
- Group EBIT margin dilution by Freudenberg: minus 0.1 PP

Outlook 2013: Markets

- ElringKlinger expects overall worldwide LV production in 2013 to increase modestly
- First signs of stabilization in Western European car sales, but no fast recovery (September +5.4%, but 9 months still -4.0%)
- Asia and the Americas continue to be the drivers in the short and medium term
- Improvement in order intake in truck segment:
 - > Pre-buying in Europe due to start of EURO VI in Q3 and Q4
 - EURO VI demand will only kick in as from Q2 2014
- New products & structural growth in ElringKlinger's core business enable the Group to sustainably outgrow vehicle markets

Outlook 2013: Financial performance

- Q3 order intake: plus 11.5% to EUR 298.2 (267.5) mn; Book-to-bill ratio > 1
Order backlog up 22.3% (EUR 578.1 mn)
- Based on the assumption that global vehicle production will grow only modestly, the ElringKlinger Group unchanged expects sales to grow by 5 to 7% organically in 2013
- Group EBIT margin still burdened by weaker margins of the acquired Freudenberg entities as well as ongoing high pre-expenses for E-Mob; Dilution decreasing as compared to 2012
- In total, EK expects EBIT to grow at a faster rate than sales – targeting a range of EUR 150 to 155 mn (EUR 136 mn in 2012)
- Should Euro appreciation against major currencies continue unabated, sales and EBIT might come in rather at the lower end of these ranges

ElringKlinger Group

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Thank you for your attention!



Disclaimer – Forward-looking Statements and Predictions

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