

ElringKlinger Group

Future Inside



Conference Call  
Results Q1 2013  
May 8, 2013

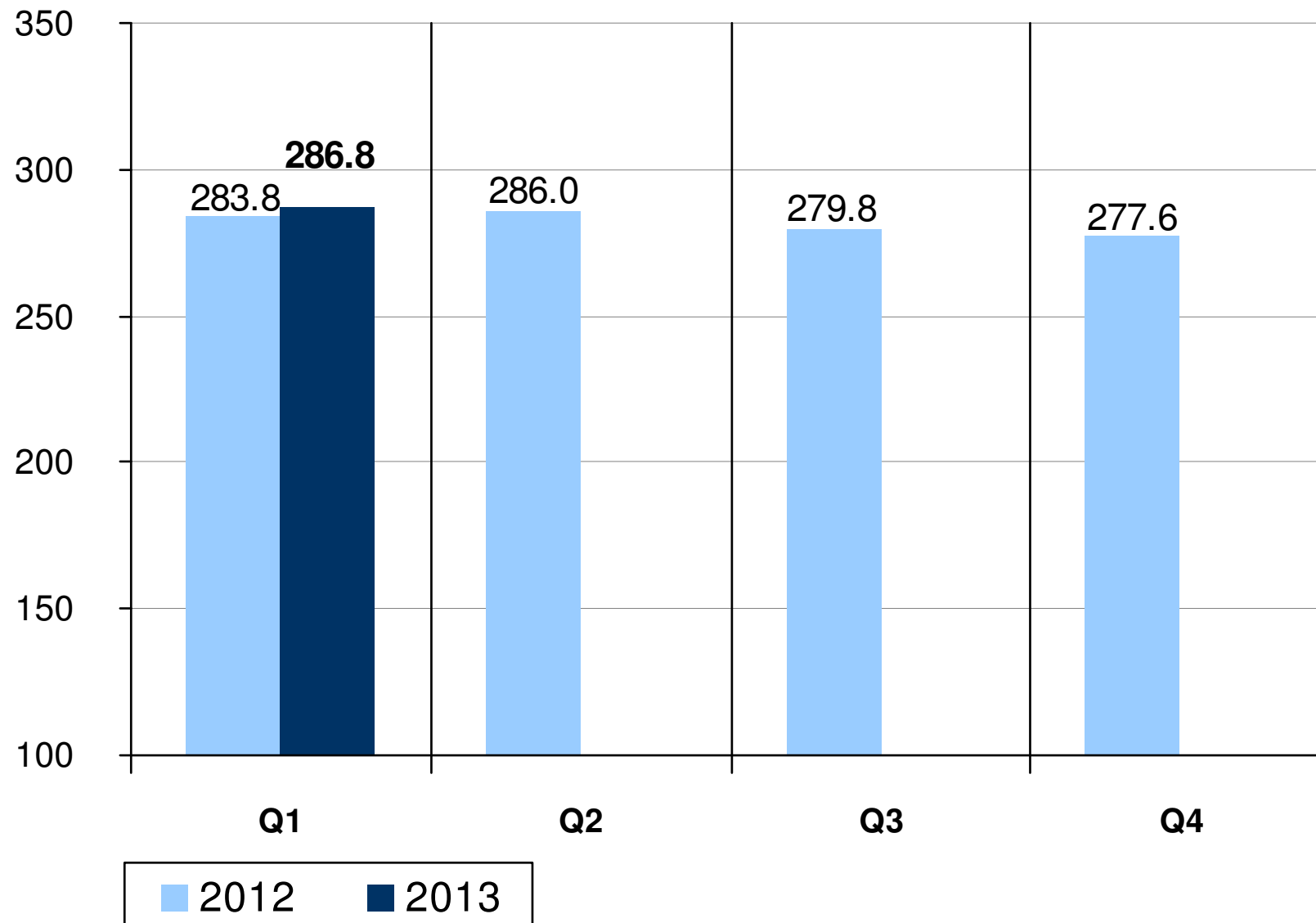


## Q1 2013: Key developments

- Group sales up 1.1 % despite extremely weak European auto markets; Western European car production down 13%, German production fell 10%
- ElringKlinger sales in Asia up by more than 20%
- EBIT down 4.0 % at EUR 35.8 (37.3) mn – incl. EUR 2.5 mn positive FX effects
- Full takeover of South Korean JV contributed EUR 0.9 mn to sales and EUR 0.1 mn to EBT; EUR 1.4 mn other operating income from full consolidation
- Acquisition of the remaining 49% ownership interest in the South African company ElringKlinger South Africa (Pty) Ltd. as of Jan. 1, 2013
- Integration of Hug and Freudenberg:
  - > Successful turnaround at Hug
  - > Freudenberg France still loss-making due to sluggish French market; restructuring expense of EUR 1.8 mn booked in Q1

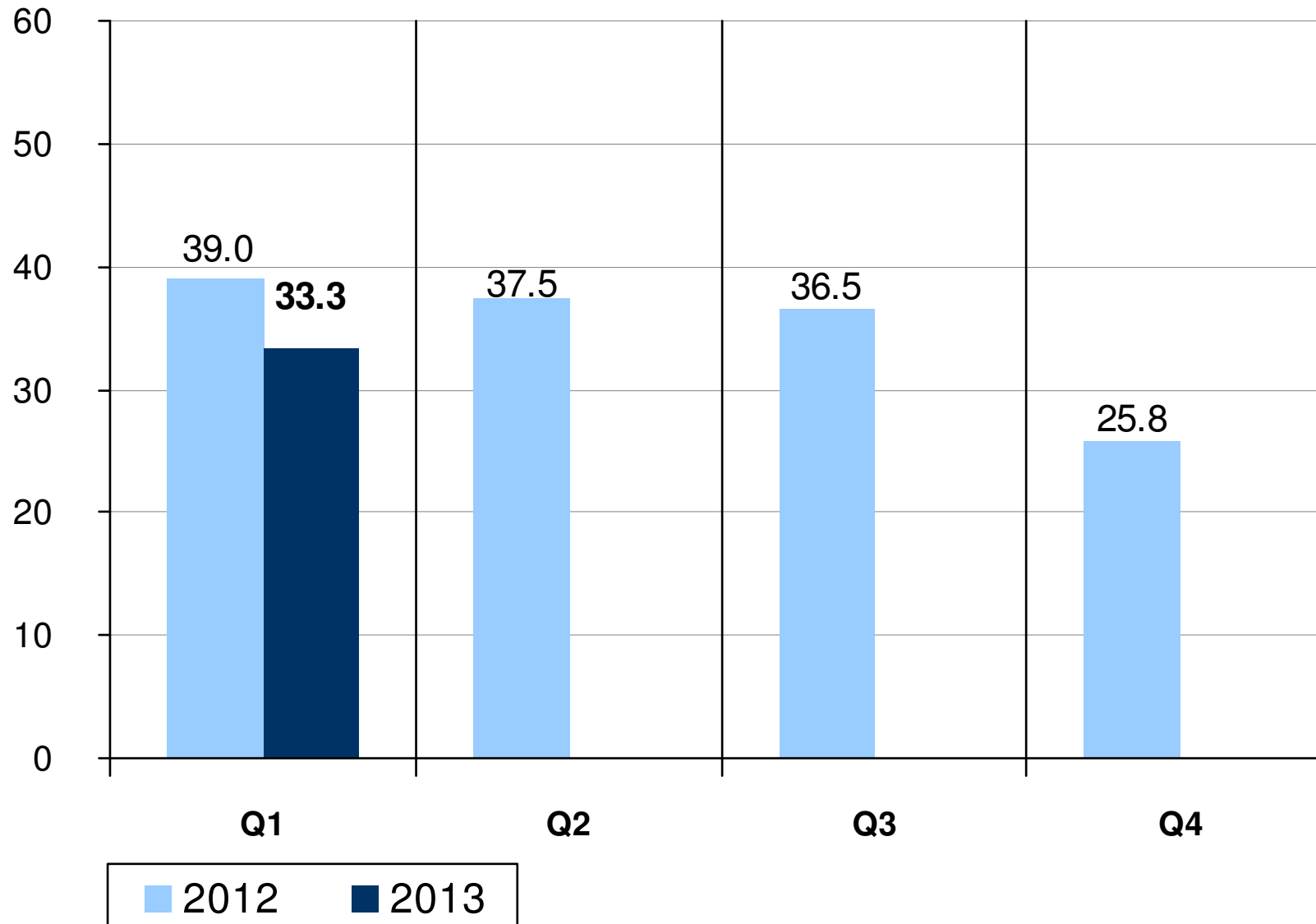
# Sales by quarter

€ mn



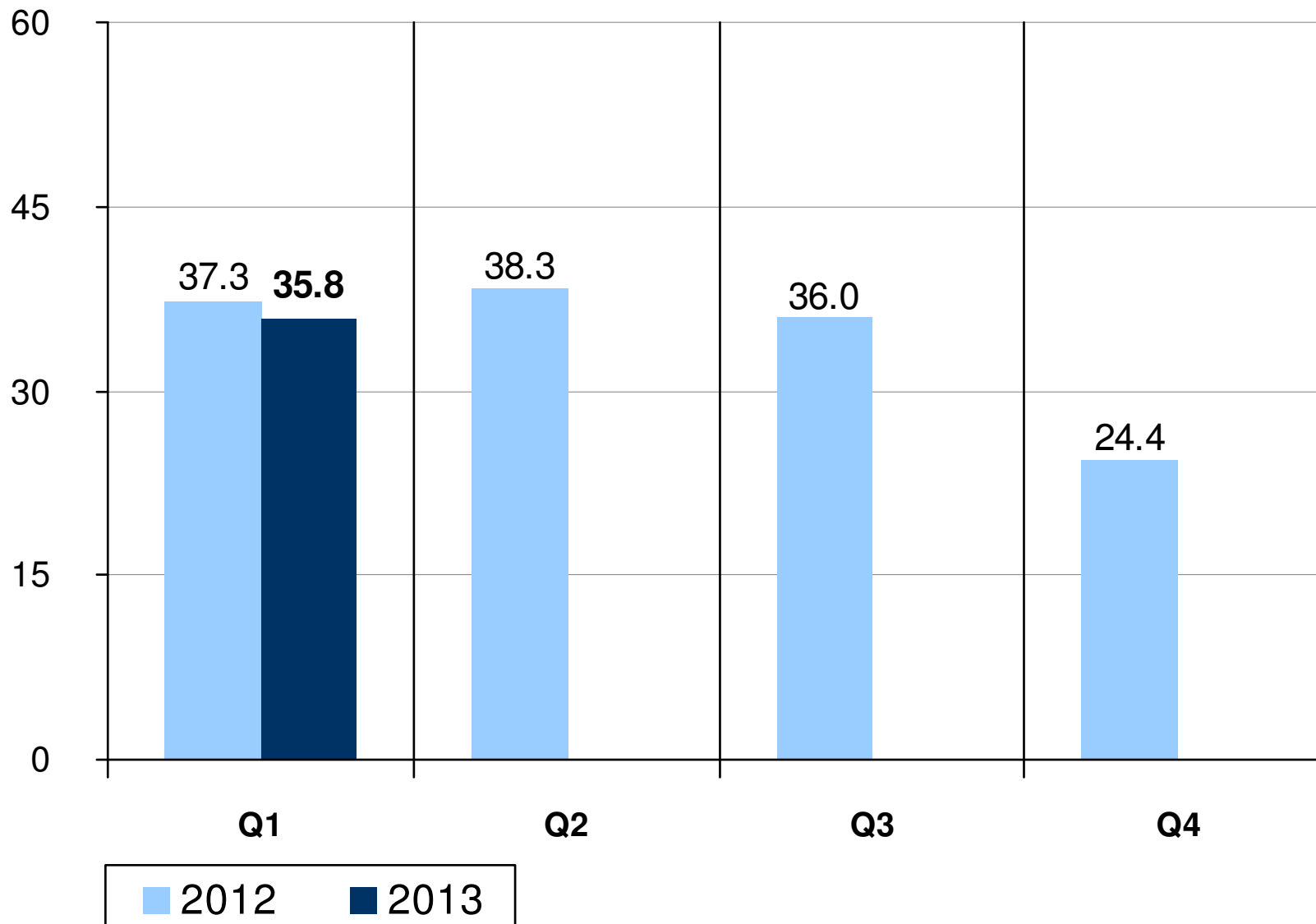
# Q1 2013: Operating result at EUR 33.3 mn

€ mn

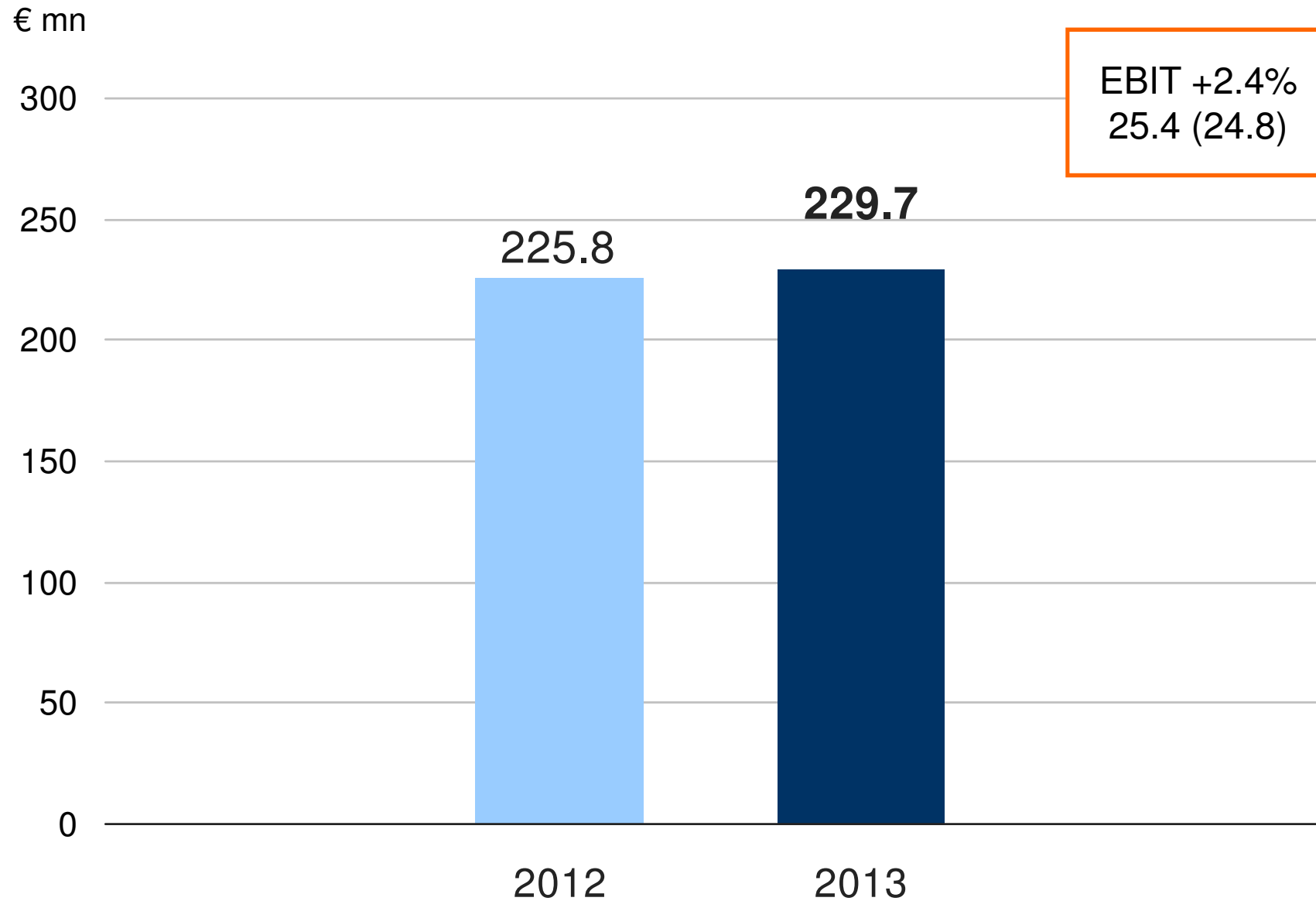


# Q1 2013: EBIT came in at EUR 35.8 mn

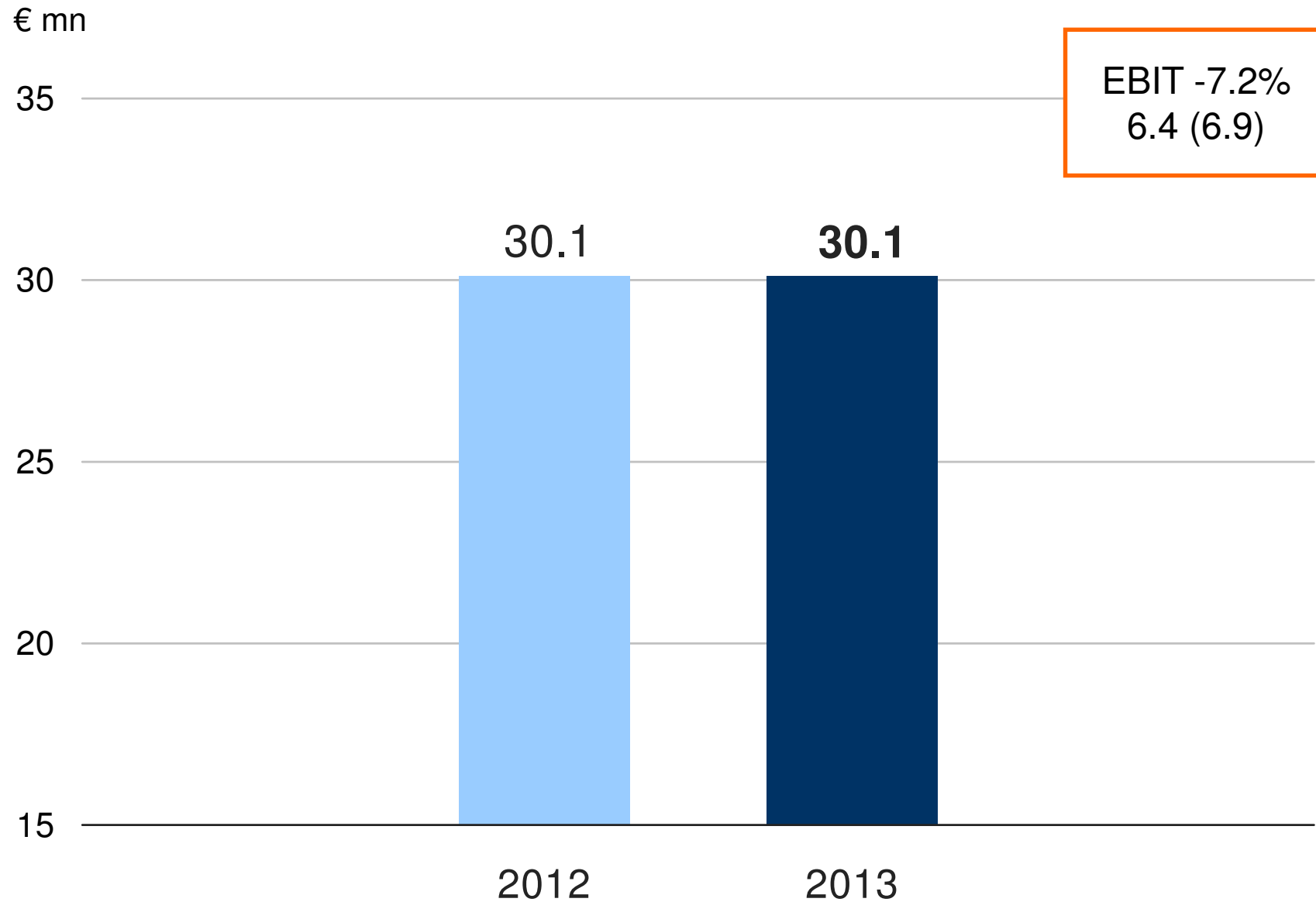
€ mn



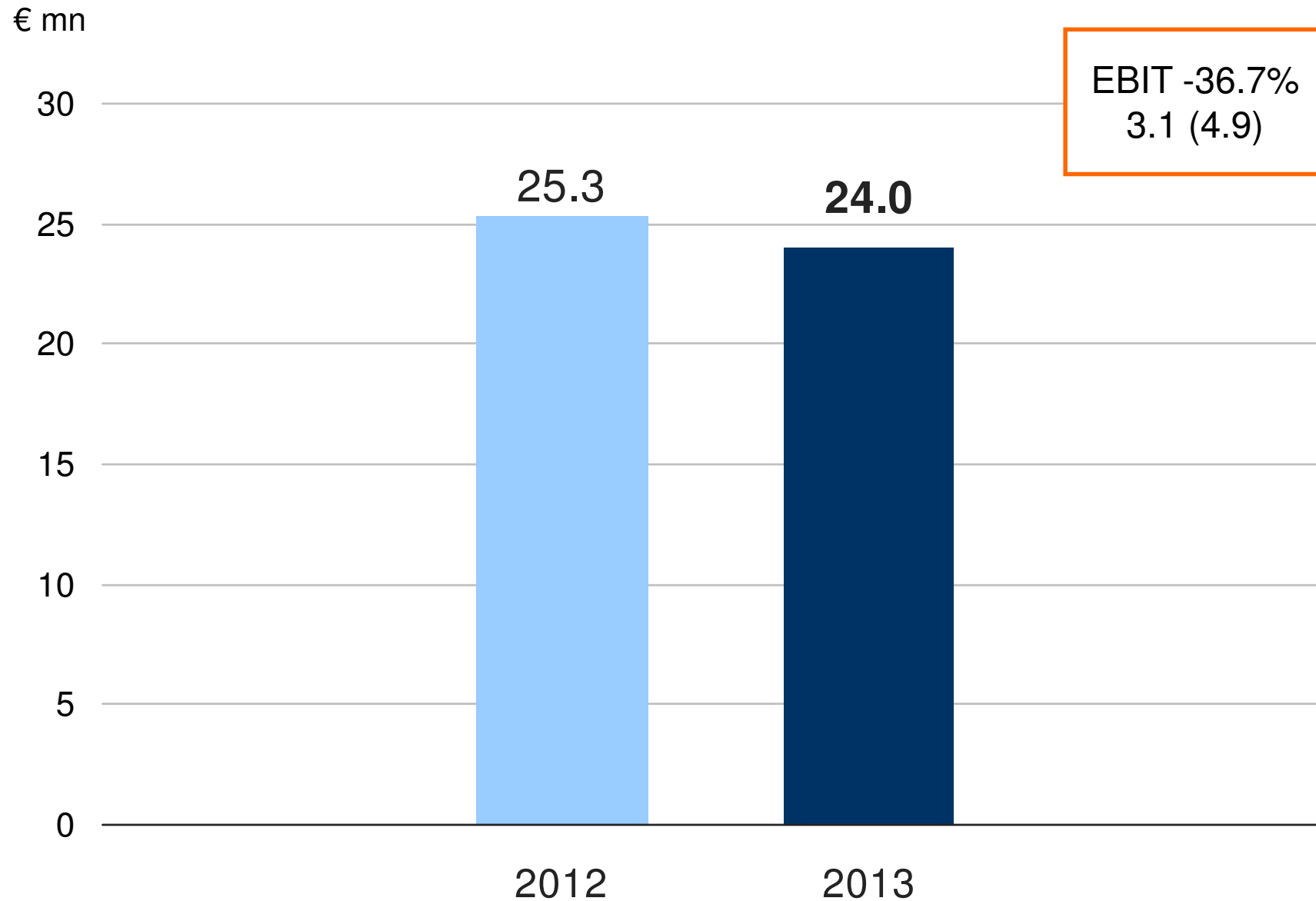
# Q1 2013: OEM sales up 1.7%



## Q1 2013: Aftermarket sales stable



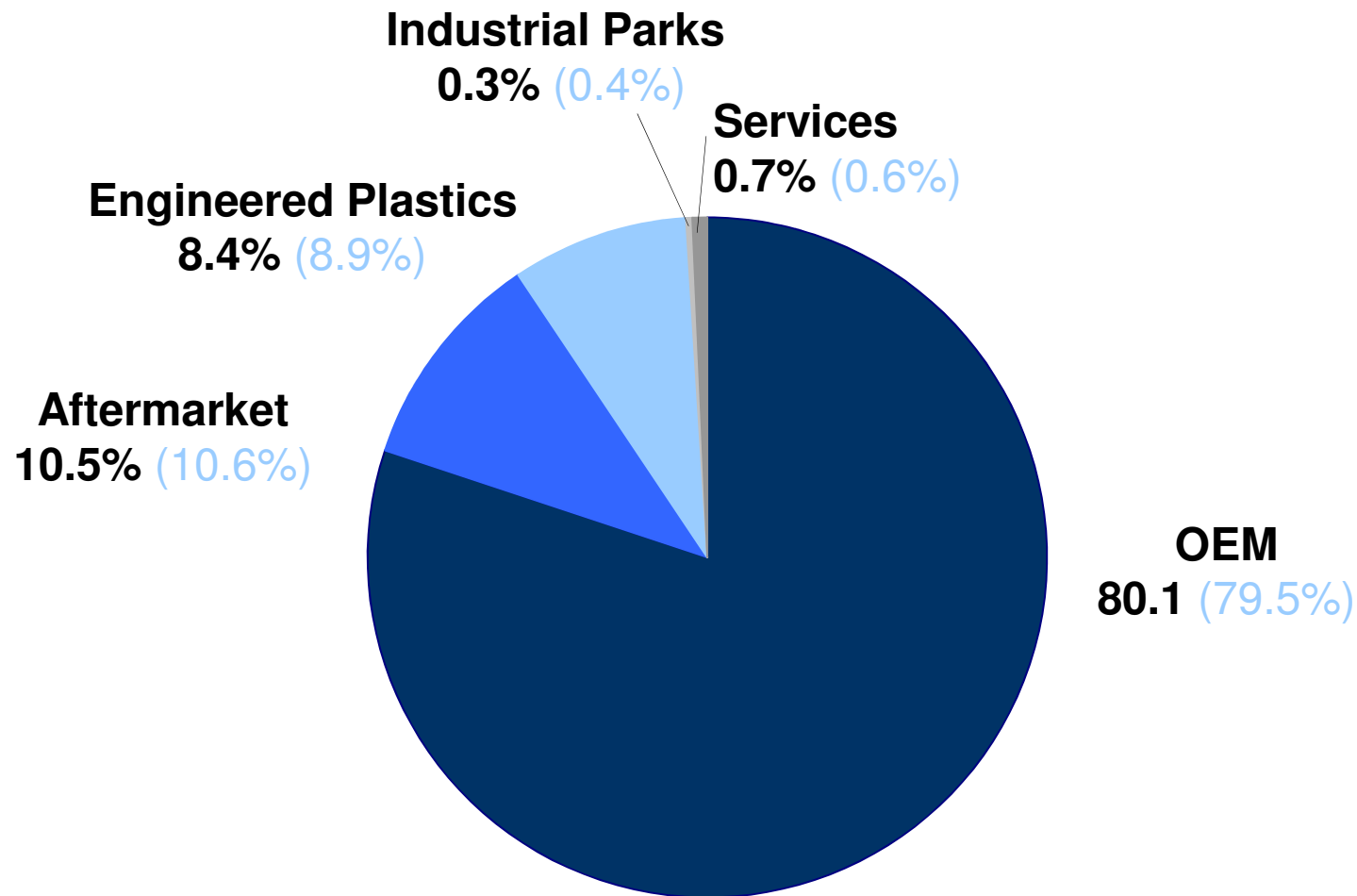
## Q1 2013: Sales Engineered Plastics down 5.1%





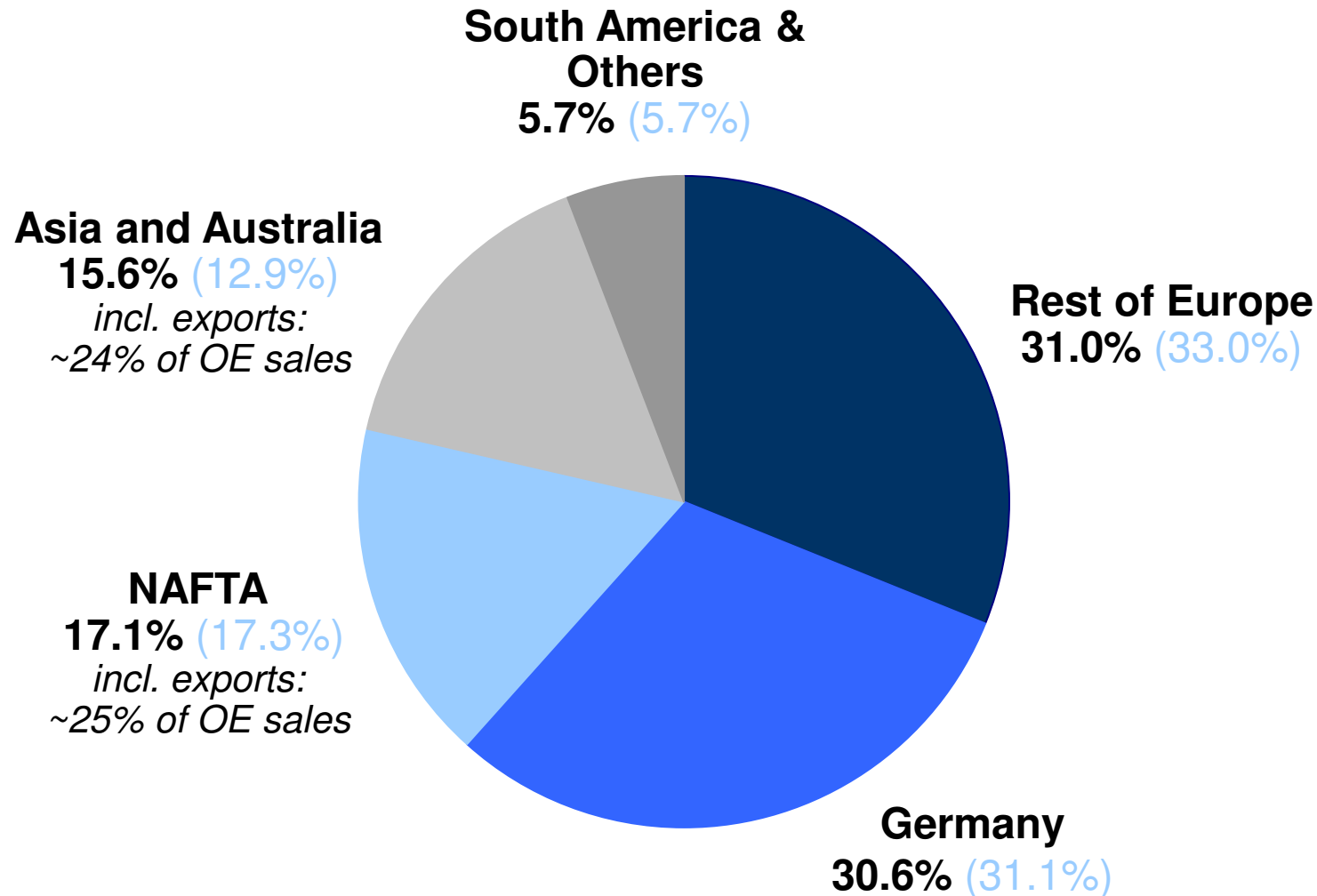
## Group Sales by segment Q1 2013 (py)

OE share up due to structural growth and new product ramp-ups



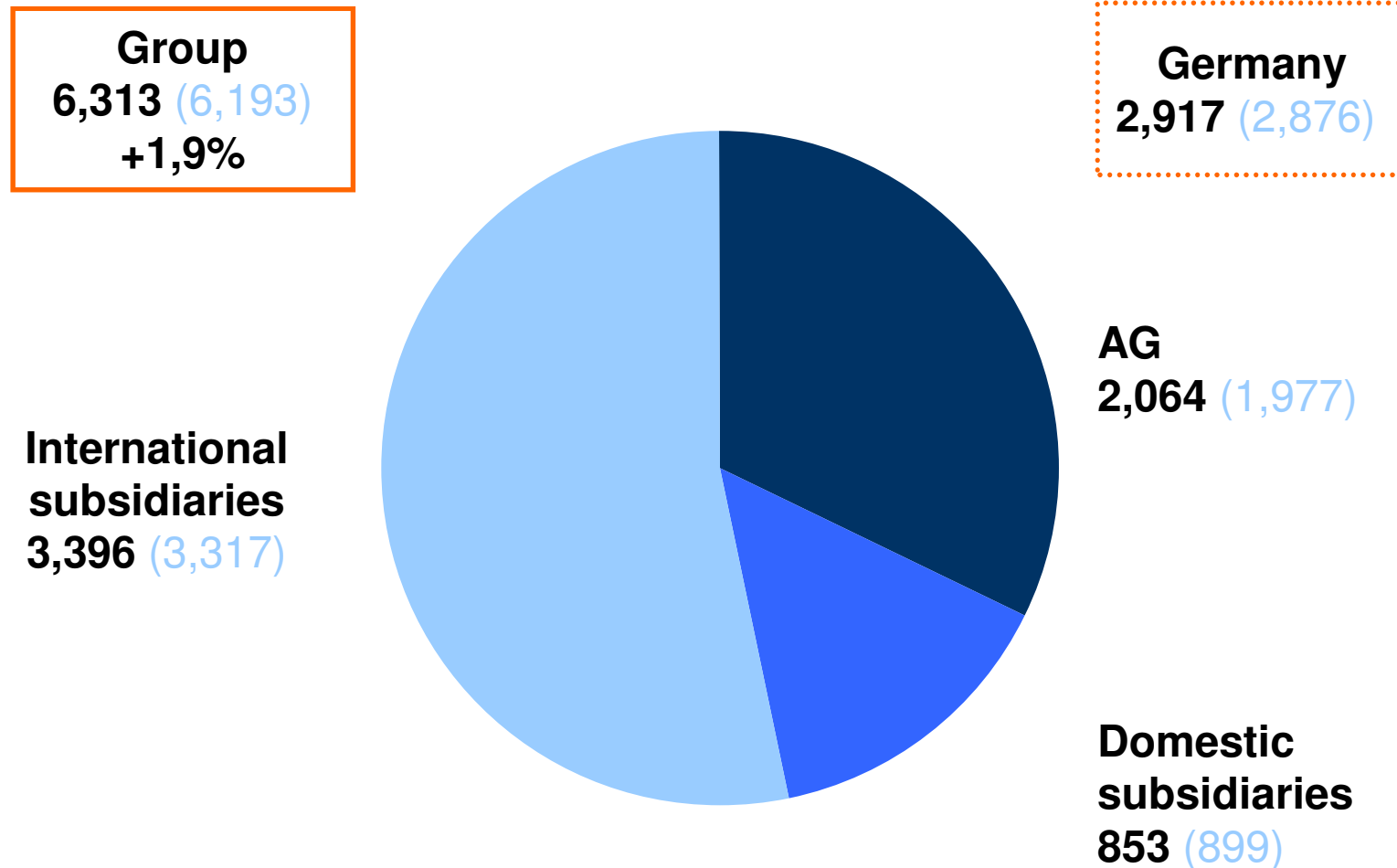
## Group Sales by region Q1 2013 (py)

Almost 50% of OE sales in Asia and the Americas



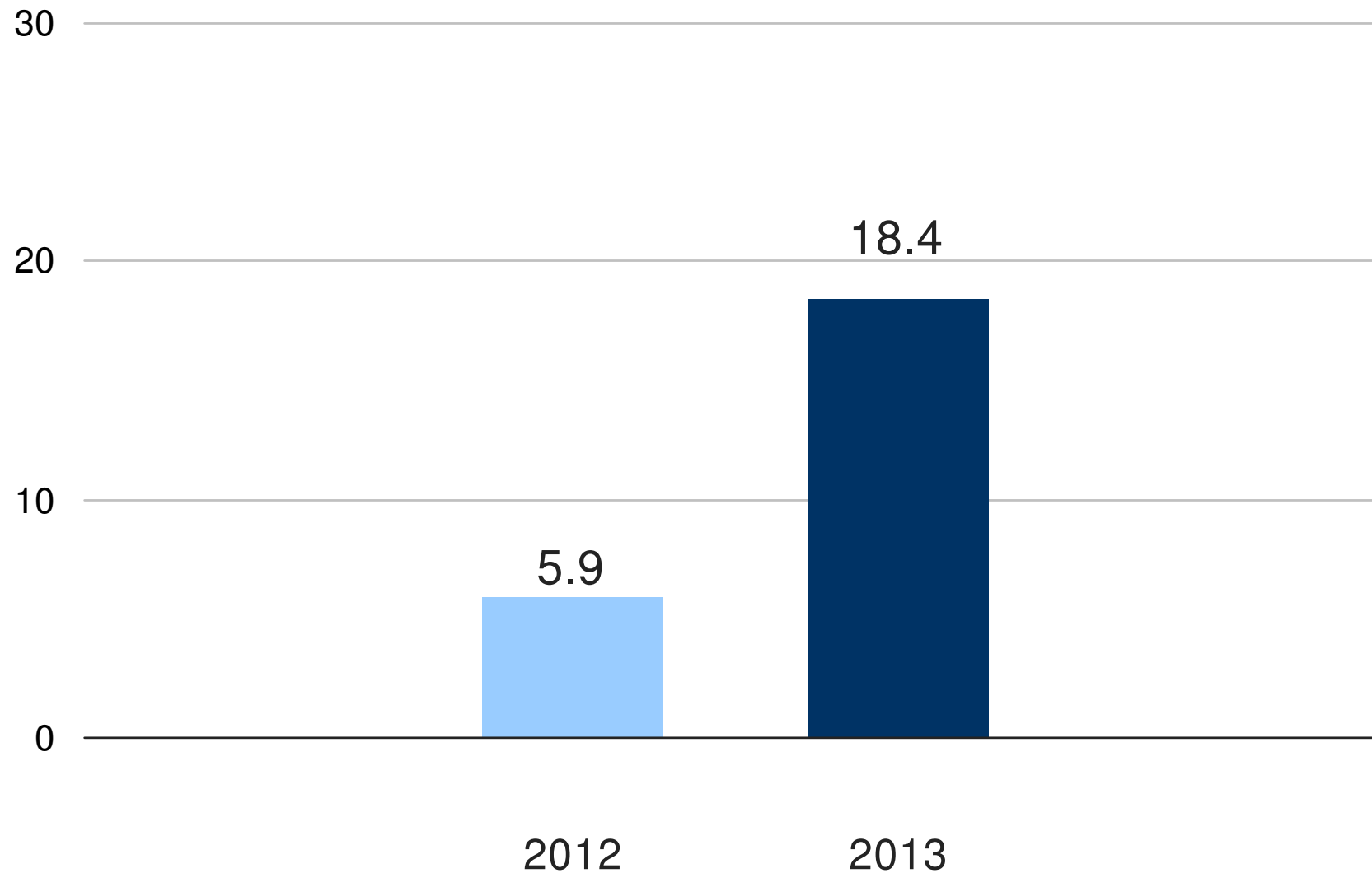
# Employees ElringKlinger Group worldwide – 53.8% outside Germany

as of March 31, 2013 (py)

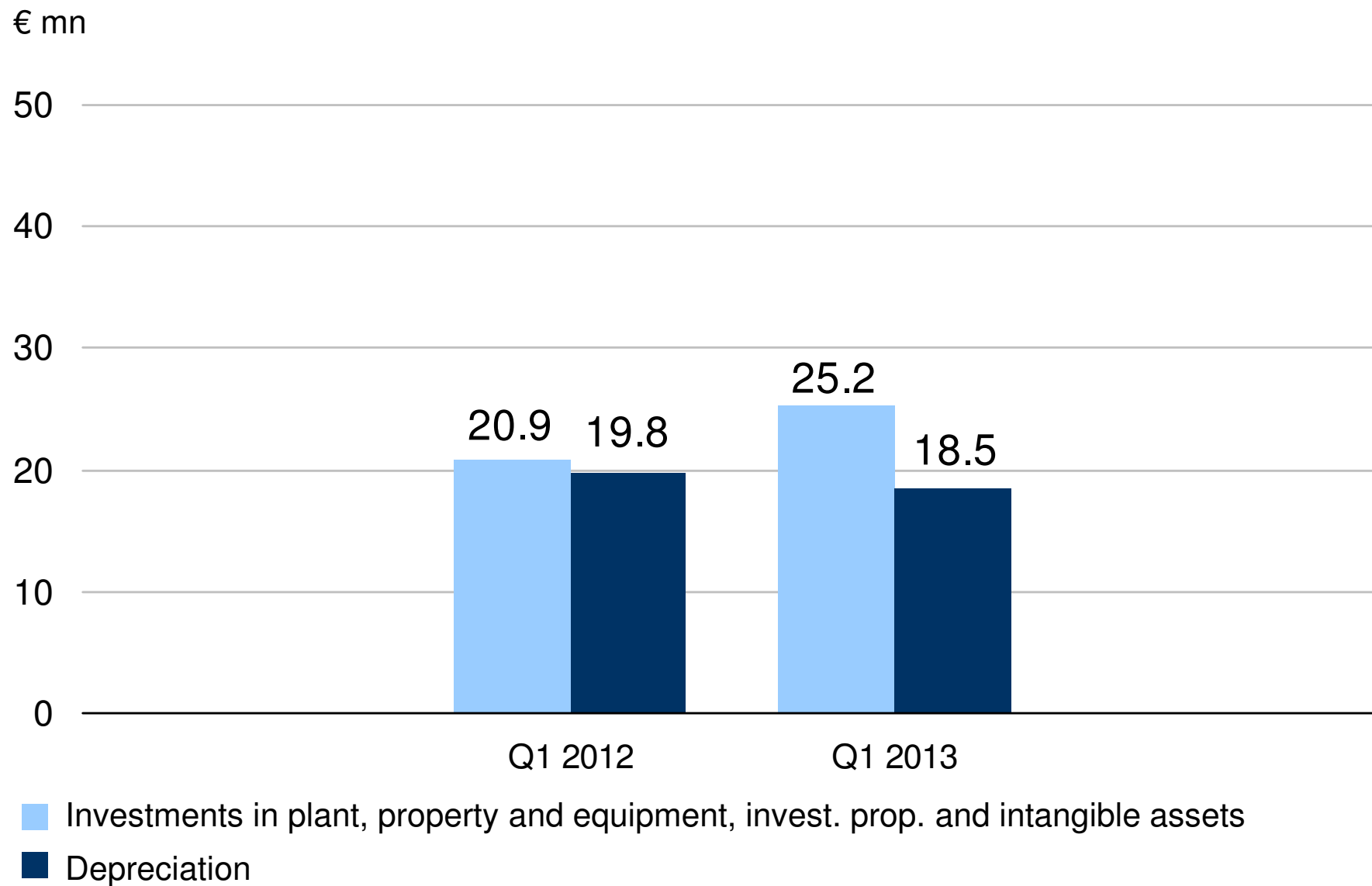


## Q1 2013: Net cash from operating activities improved by EUR 12.5 mn

€ mn



## Q1 2013: Investments vs. depreciation



## Q1 2013: Sales and operating result

in € mn	Q1 2013	Q1 2012	Change in %
<b>Sales</b>	286.8	283.8	+1.1%
<b>Cost of Sales</b>	208.1	199.9	+4.1%
<b>EBITDA<sup>1</sup></b>	54.3	57.0	-4.7%
<b>EBIT<sup>1</sup></b>	35.8	37.3	-4.0%
<b>Operating Result</b>	33.3	39.0	-14.6%

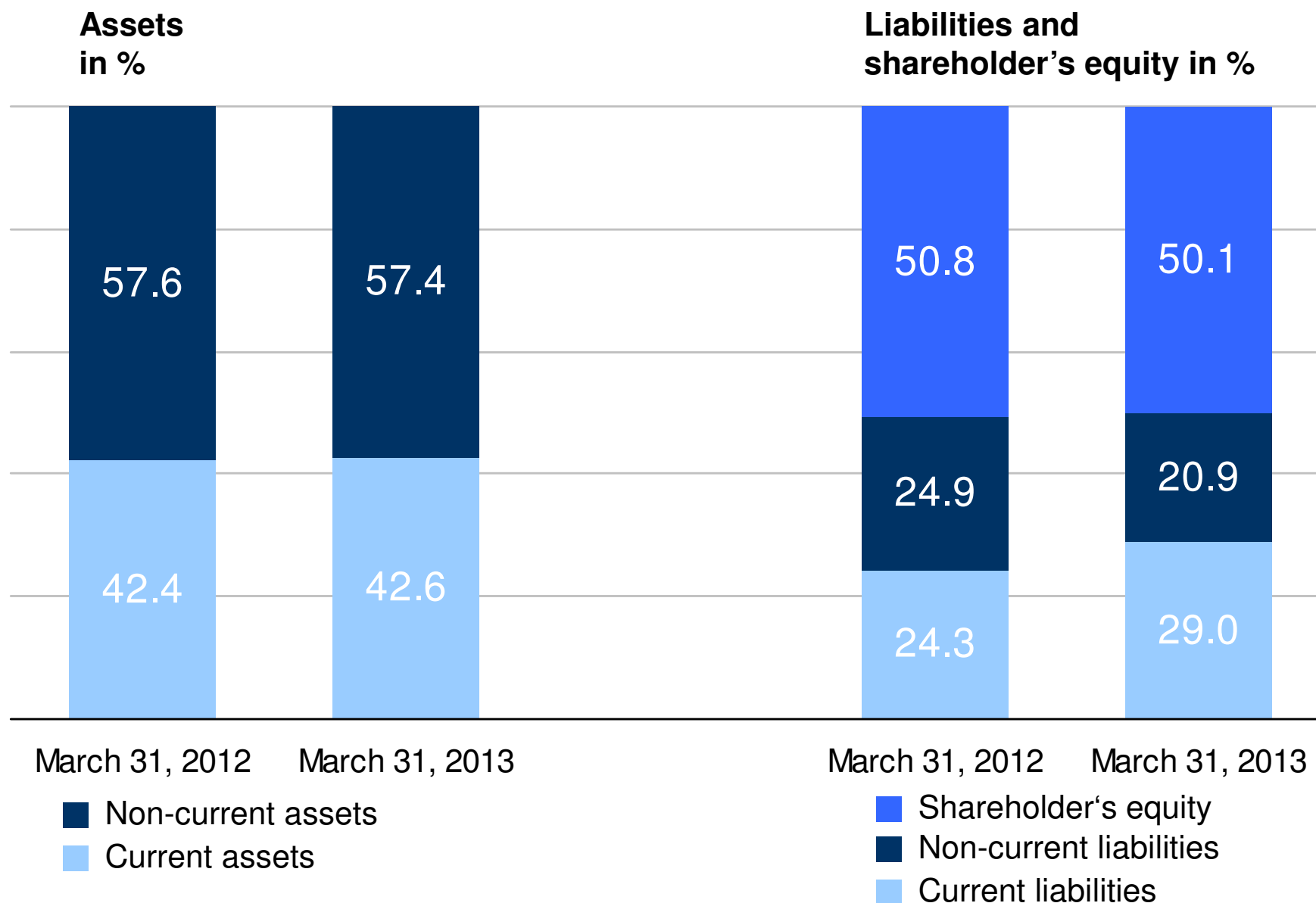
<sup>1</sup> Incl. currency effects

## Q1 2013: Financial Result and Net Income

in € mn	Q1 2013	Q1 2012	Change in %
<b>Net finance cost</b>	0.3	5.0	-94.0%
<b>EBT</b>	33.0	34.0	-2.9%
<b>Taxes</b>	8.4	9.4	-10.6%
<b>Net income</b>	24.6	24.6	-
<b>Profit attributable to EK shareholders</b>	23.8	24.2	-1.7%
<b>EPS (in €)</b>	0.38	0.38	-

# Balance sheet structure as at March 31, 2013

## Equity Ratio above 50%





## Q1 2013: Turnaround at Hug

in € mn	Hug			in € mn	Hug		
	Q1 2012	Q1 2013	Δ		Q1 2012	Q1 2013	Δ
<b>Sales</b>	7.0	11.0	+4.0	<b>EBIT</b>	-1.9	1.1	+3.0
<b>PPA</b>	-0.5	-0.5	-	<b>EBT</b>	-2.0	1.0	+3.0

- Increase in sales, cost savings and process optimization enable performance improvement: 10% EBIT-margin in Q1 2013 incl. PPA
- Start of production in Thale, Saxony-Anhalt, in mid 2013 to limit exposure in CHF and further improve cost structure
- CARB-certification boosting sales in North America
- Expected EBIT contribution between EUR 3 to 4 mn (Swing approx. EUR 7 mn)

## Q1 2013: Restructuring Freudenberg France

in € mn	Freudenberg			in € mn	Freudenberg		
	Q1 2012	Q1 2013	Δ		Q1 2012	Q1 2013	Δ
<b>Sales</b>	13.7	13.4	-0.3	<b>EBIT</b>	0.5	-1.3	-0.8
<b>PPA</b>	-	-	-	<b>EBT</b>	0.2	-1.5	-1.3

- Extremely weak French car market (-14% in Q1 2013) weighs on capacity utilization at EK Meillor – part sales declining
- One-off: Restructuring expenses of EUR 1.8 mn recognized in Q1 2013
- Target: Slight overall EBT improvement for the full year (EUR 0.1 mn in 2012)
- German and Italian production site both at double-digit EBIT-margins
- Group EBIT margin dilution by Hug, FB and Hummel acquisitions: 1.5 PP

## Outlook 2013: Markets

- ElringKlinger expects overall worldwide car production in 2013 to stagnate or increase modestly at best
- At best stabilization (at 25-year-lows) or modest recovery in Western European car sales during the course of HY2 2013
- Demand will be driven by Asia and the Americas
- Truck segment in Europe still burdened by slow economy – pre-buying due to Euro VI introduction might start to have a positive effect in HY2 2013
- New products & structural growth in ElringKlinger's core business combined with a strong position in Asia enable the Group to outgrow the market

## Outlook 2013: Financial performance

- Q1 order intake: plus 23.9% to EUR 333.9 (269.4) mn, order backlog up 15.9% (EUR 503.1 mn)
- Based on the assumption that global vehicle production will stagnate or at best grow modestly, the ElringKlinger Group expects sales to grow by 5 to 7 % organically in 2013;  
Should global car production only stagnate, sales growth will come in rather at the lower end of this range
- Group EBIT margin still burdened to some extent by weaker margins of the acquired entities and related PPA, as well as by pre-expenses for E-Mobility; Dilution will decrease as compared to 2012
- In total, EBIT is expected to grow at a faster rate than sales – targeting a range of EUR 150 to 155 mn (EUR 136 mn in 2012)

ElringKlinger Group

Future Inside



Thank you for your attention!



## 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 dependant 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.