

# Q2 2022 figures

Dr. Stefan Wolf, CEO  
Thomas Jessulat, CFO

August 4, 2022

# Headlines



**Difficult market environment:** another lockdown in parts of China, ongoing war in Ukraine with uncertain outcome, high price levels on raw material markets, distortions of supply chains, increasing energy and logistics costs etc.



Nevertheless, **Group sales increased** by 9.4% to EUR 430.6m, organically by 5.6%, while global LV production remained static at around 0 %



Earnings affected by impairments with a total of EUR 95.4m, mainly due to high interest rate level, **operating EBIT** (excl. one-offs) therefore **at EUR -1.6m**, stated EBIT at EUR -97.1m



**Continued focus on efficient working capital management** in order to cope with current supply chain bottlenecks on global markets; net working capital ratio at 27.9% (Q2 2021: 25.0%)



In this environment, **operating free cash flow of EUR 3.9m generated** after EUR 37.0m in Q2 2021 and EUR -19.8m in the first quarter of 2021



**Net financial debt again on low level** of now **EUR 390m**, net debt/EBITDA at 2.5 (Q1 2022: 2.1)



Against the backdrop **of many challenging factors, outlook for FY 2022** still subject to a **high degree of uncertainty**

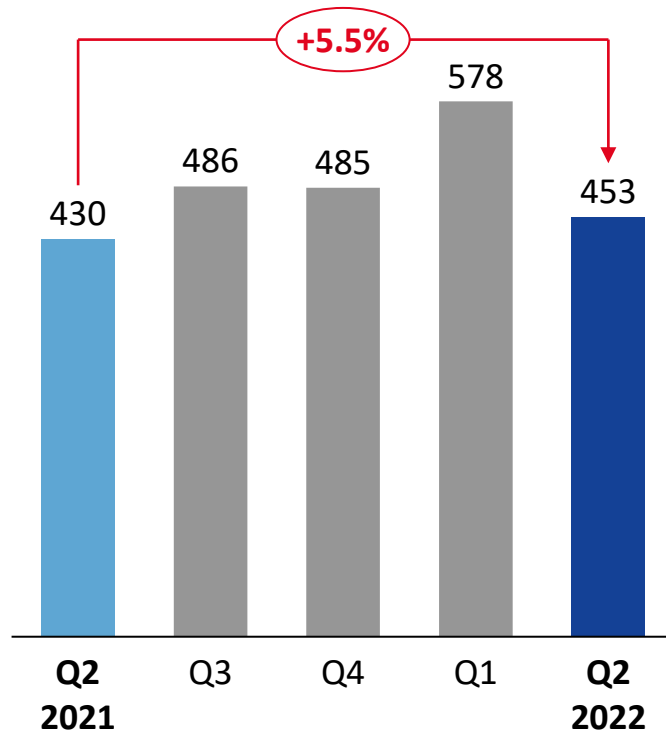


# Financial details

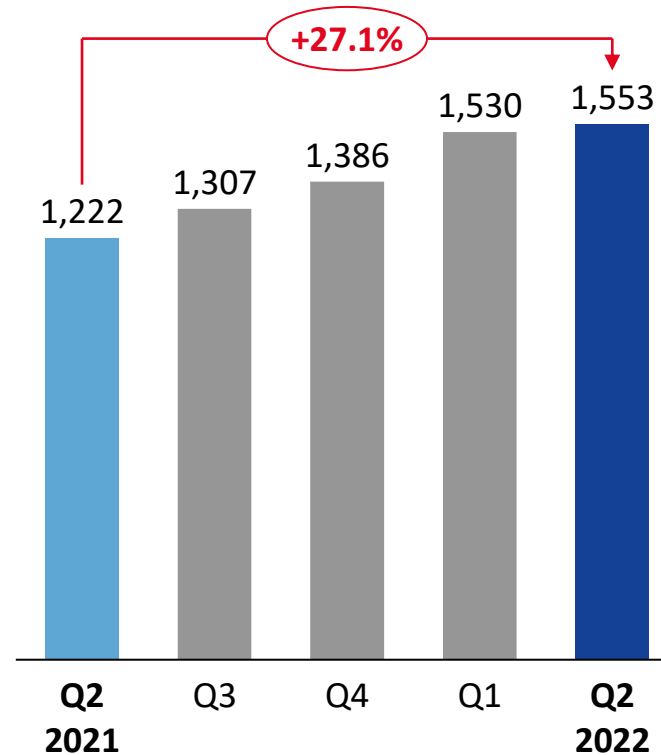
Q2 2022

# Order backlog once again at record level

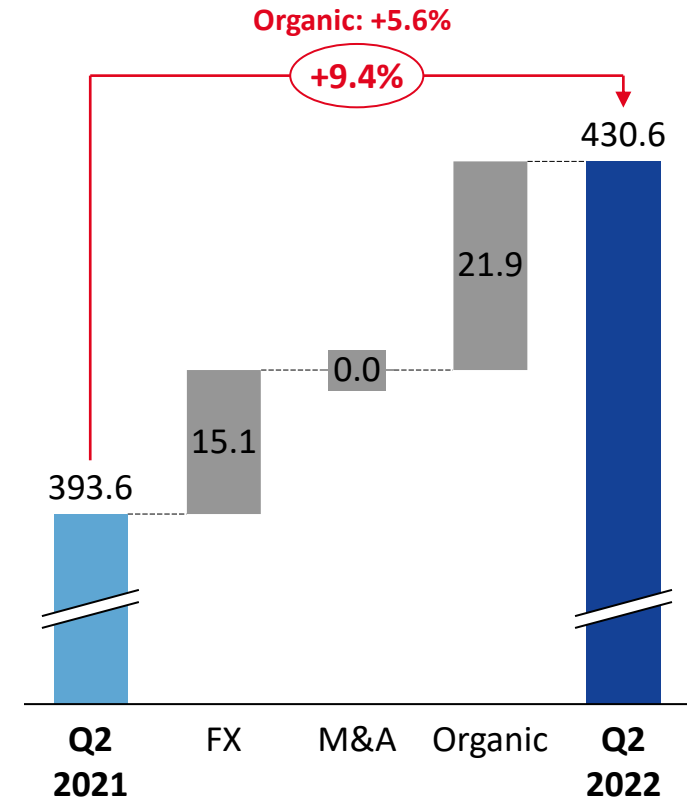
Order intake – in EUR million



Order backlog – in EUR million

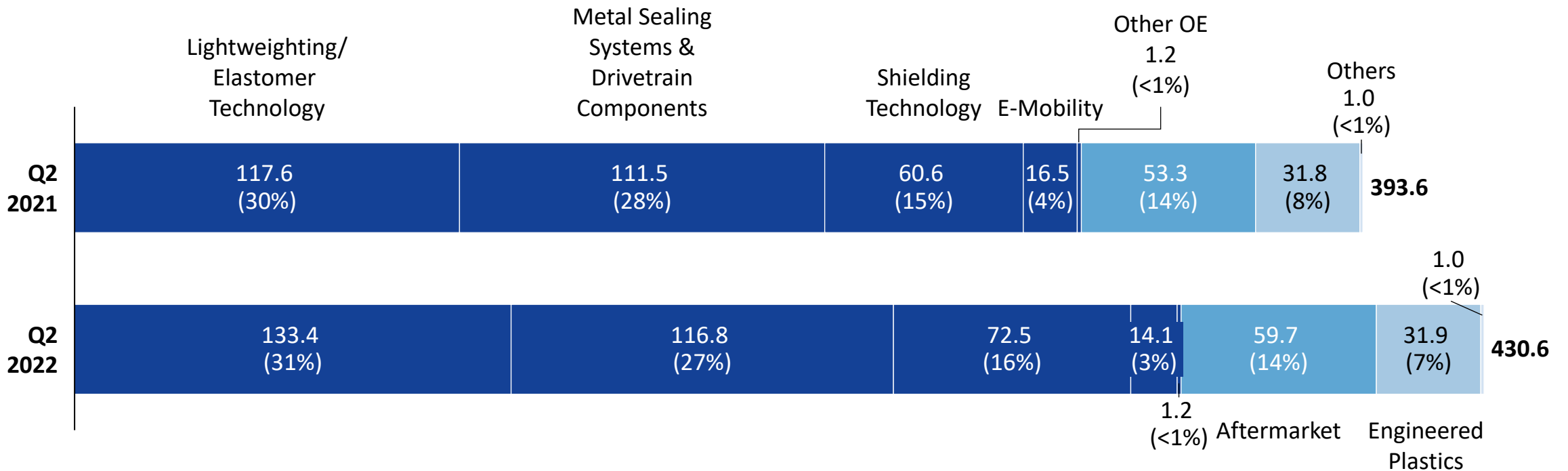


Sales – in EUR million



# Growth generated in all segments

Sales by segment/business unit – in EUR million  
Share of sales – in %

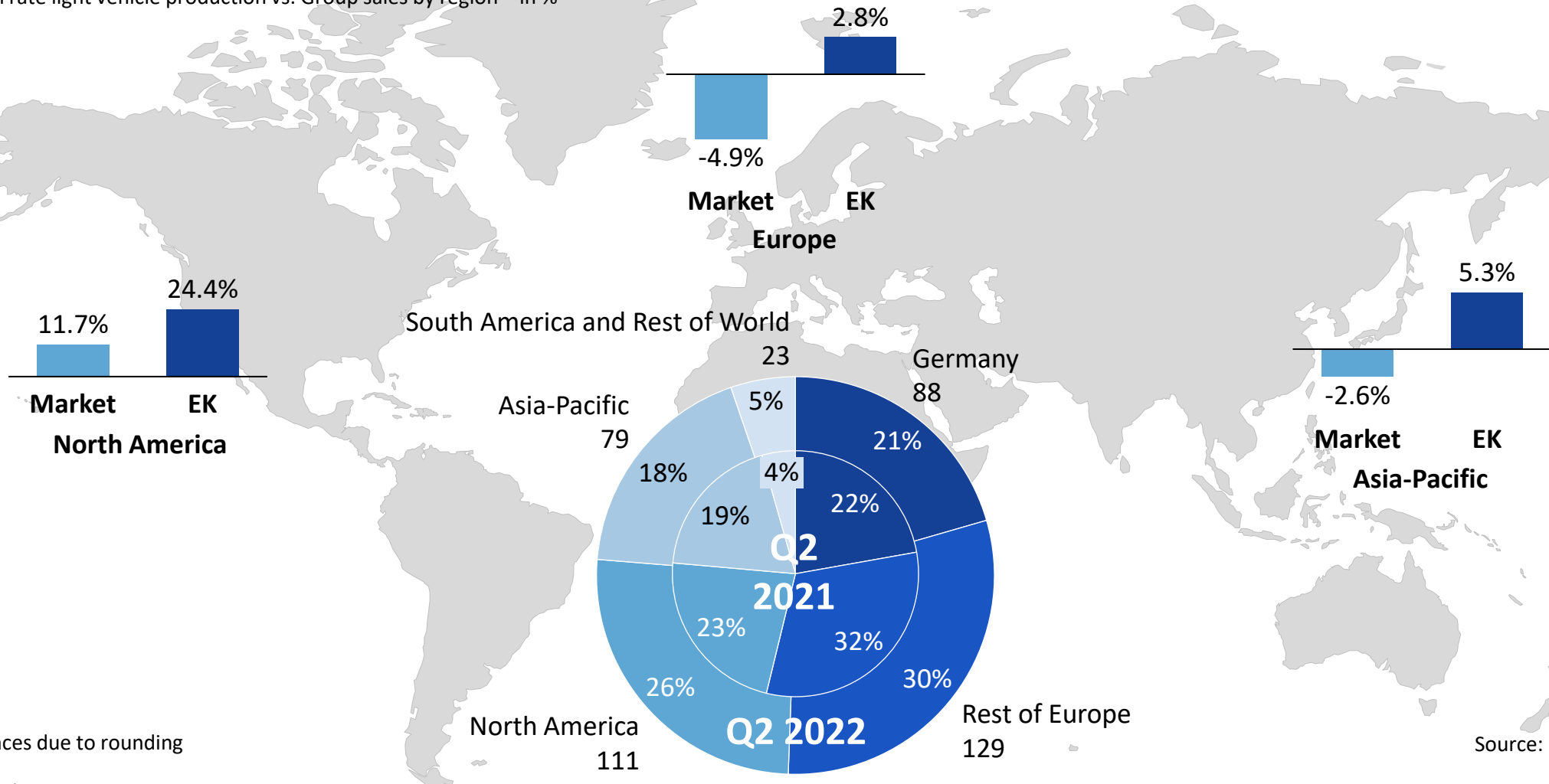


Differences due to rounding

Q2 2022

# Strong performance in all major regions

Growth rate light vehicle production vs. Group sales by region – in %



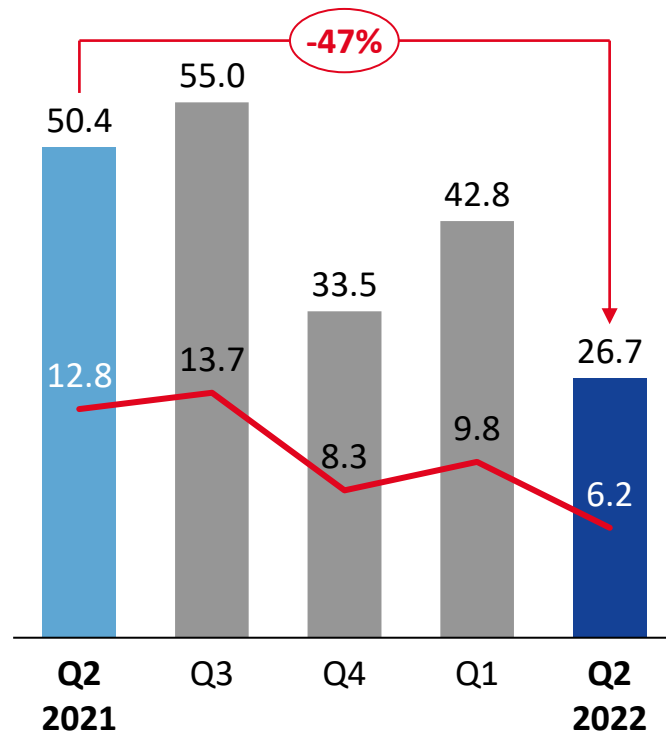
Differences due to rounding

Source: IHS (07/2022)

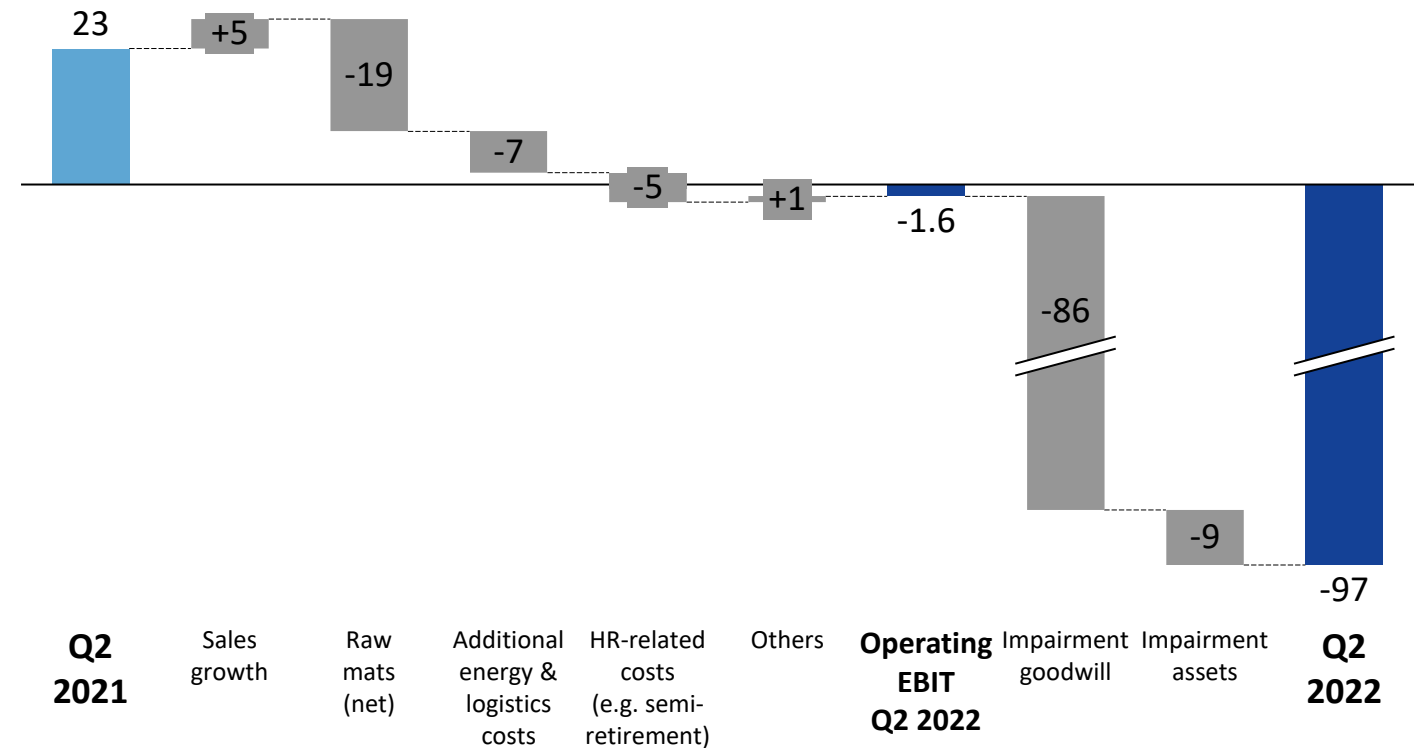
Q2 2022

# Operating EBIT affected by higher input costs

EBITDA – in EUR million  
EBITDA margin – in %



EBIT bridge – in EUR million



Differences due to rounding



# Revaluation effects due to higher interest rate level

Assets	June 30, 2022	Dec 31, 2021	Liabilities and equity	June 30, 2022	Dec 31, 2021
Intangible assets	140	216	Share capital	63	63
Property, plant, and equipment	935	939	Capital reserves	118	118
Financial assets	15	16	Revenue reserves	640	740
Shares in associates	12	14	Other reserves	17	-18
Non-current income tax assets	1	1	<b>Equity attr. to shareh. of ElringKlinger AG</b>	<b>839</b>	<b>904</b>
Other non-current assets	32	42	Non-controlling interest in equity	76	79
Deferred tax assets	27	32	<b>Equity</b>	<b>915</b>	<b>982</b>
Contract performance costs	7	8	Provisions for pensions	95	141
Non-current contract assets	1	1	Non-current provisions	18	17
<b>Non-current assets</b>	<b>1,169</b>	<b>1,267</b>	Non-current financial liabilities	383	357
Inventories	413	354	Non-current contract liabilities	1	1
Current contract assets	7	9	Deferred tax liabilities	29	24
Trade receivables	265	233	Other non-current liabilities	7	7
Current income tax assets	9	16	<b>Non-current liabilities</b>	<b>533</b>	<b>546</b>
Other current assets	77	101	Current provisions	65	60
Cash and cash equivalents	135	110	Trade payables	212	186
<b>Current assets</b>	<b>906</b>	<b>823</b>	Current financial liabilities	153	136
Assets held for sale	1	0	Current contract liabilities	18	16
<b>Total assets</b>	<b>2,077</b>	<b>2,090</b>	Tax payable	23	19
			Other current liabilities	158	145
			<b>Current liabilities</b>	<b>629</b>	<b>561</b>
			Liabilities for assets held for sale	0	0
			<b>Total liabilities and equity</b>	<b>2,077</b>	<b>2,090</b>

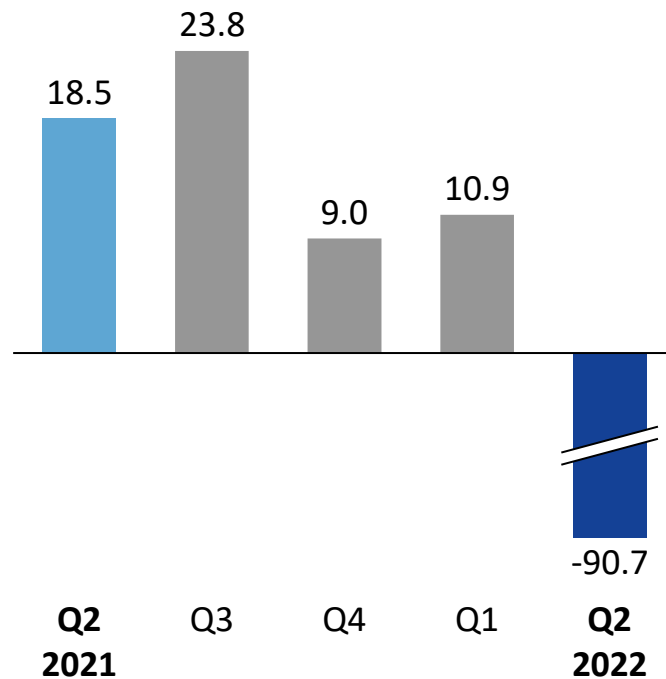
Impairment of goodwill  
(EUR -86.1m)

Reduction of pension provisions  
(EUR -46m)

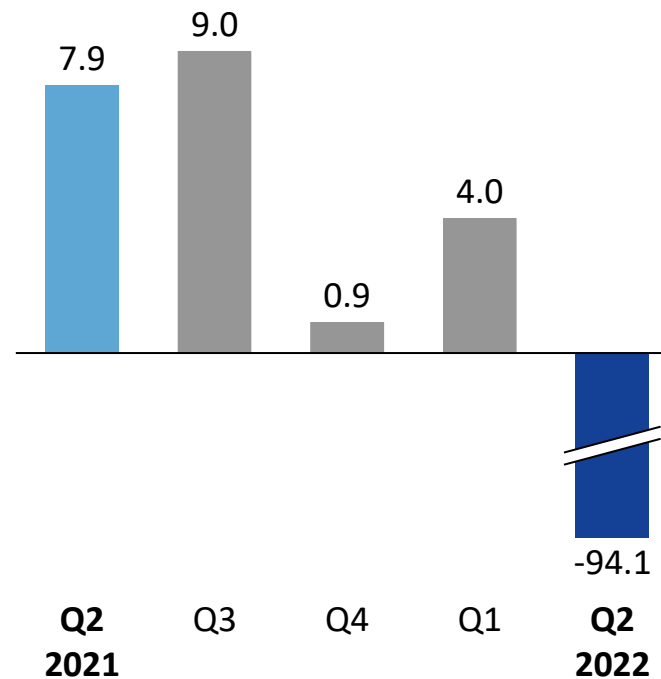


# Group earnings under the impact of exceptional items

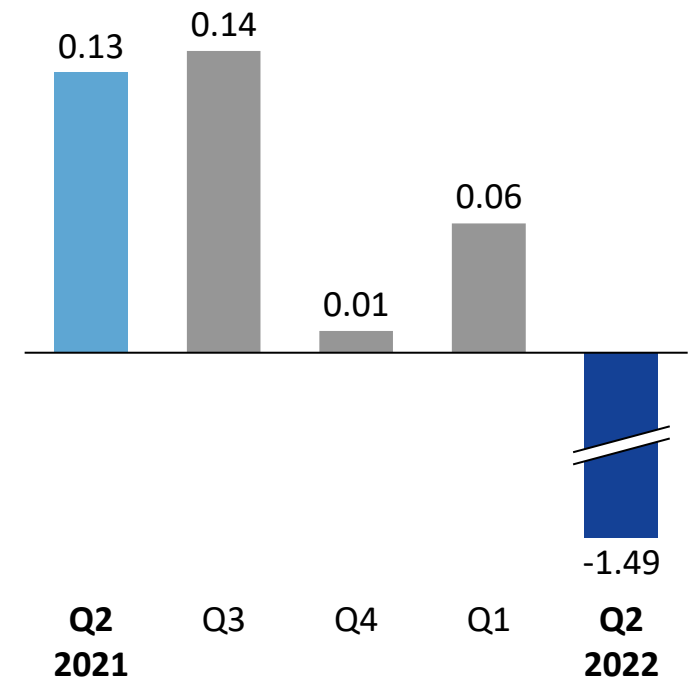
EBT – in EUR million



Net income (attributable to shareholders) – in EUR million



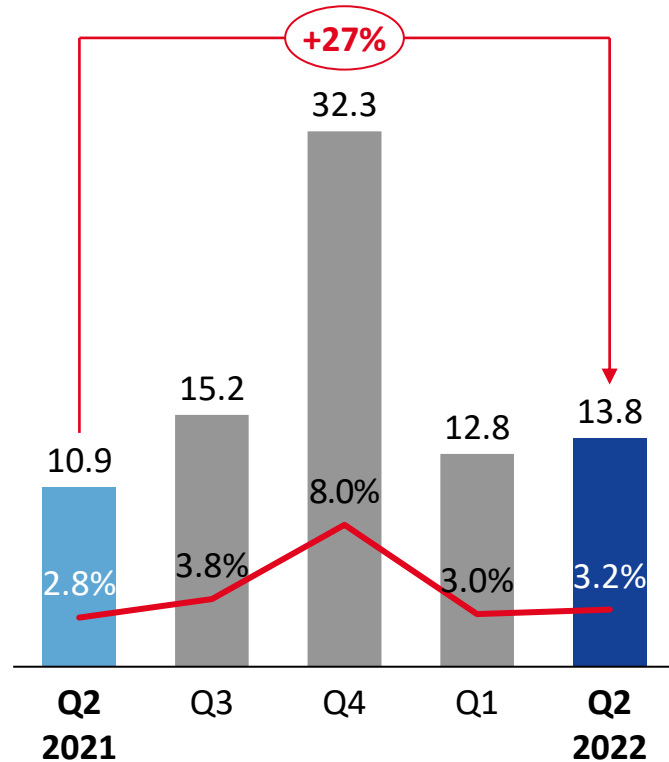
Earnings per share – in EUR



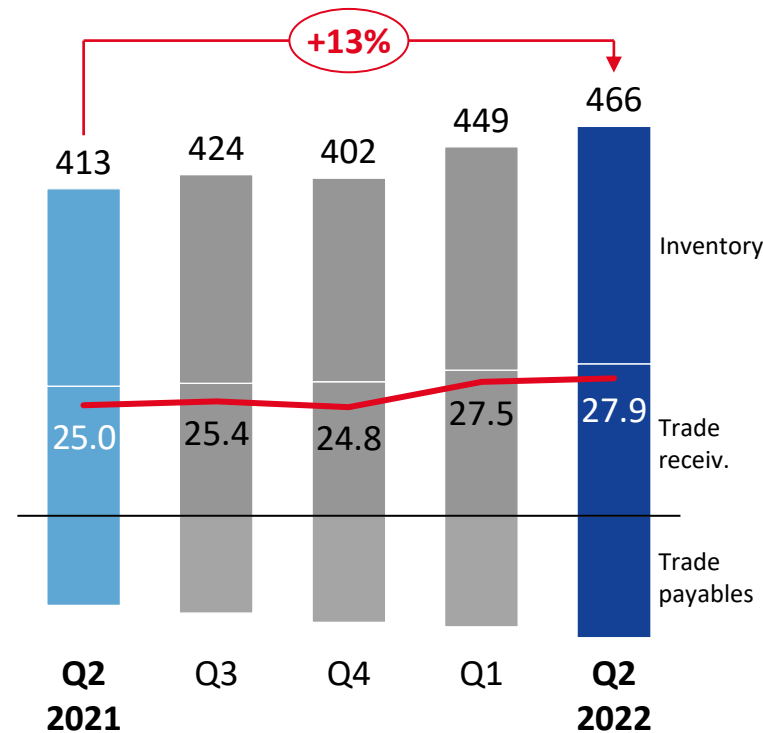
Q2 2022

# Higher inventory to counteract supply chain bottlenecks

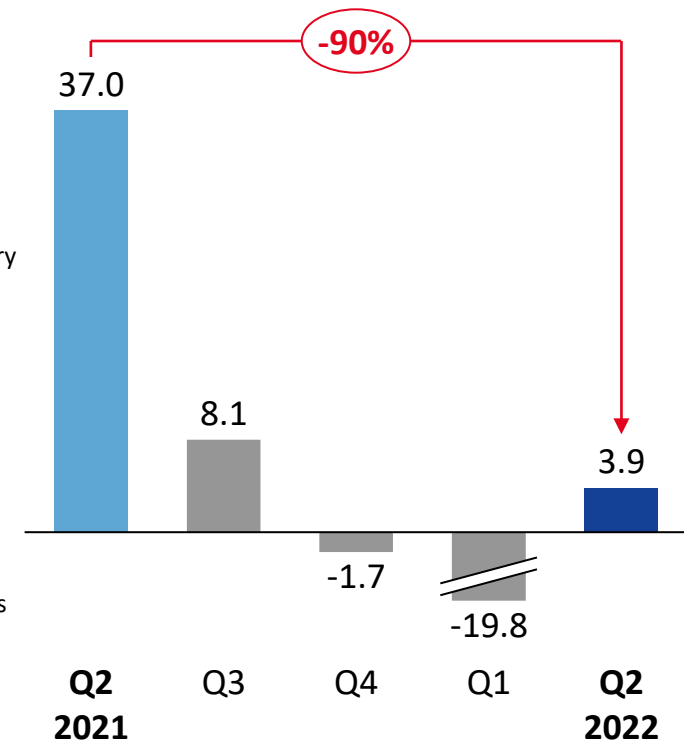
Capex – in EUR million  
Capex ratio – in % of total sales



Net Working Capital (NWC) – in EUR million  
NWC ratio – in % of total sales



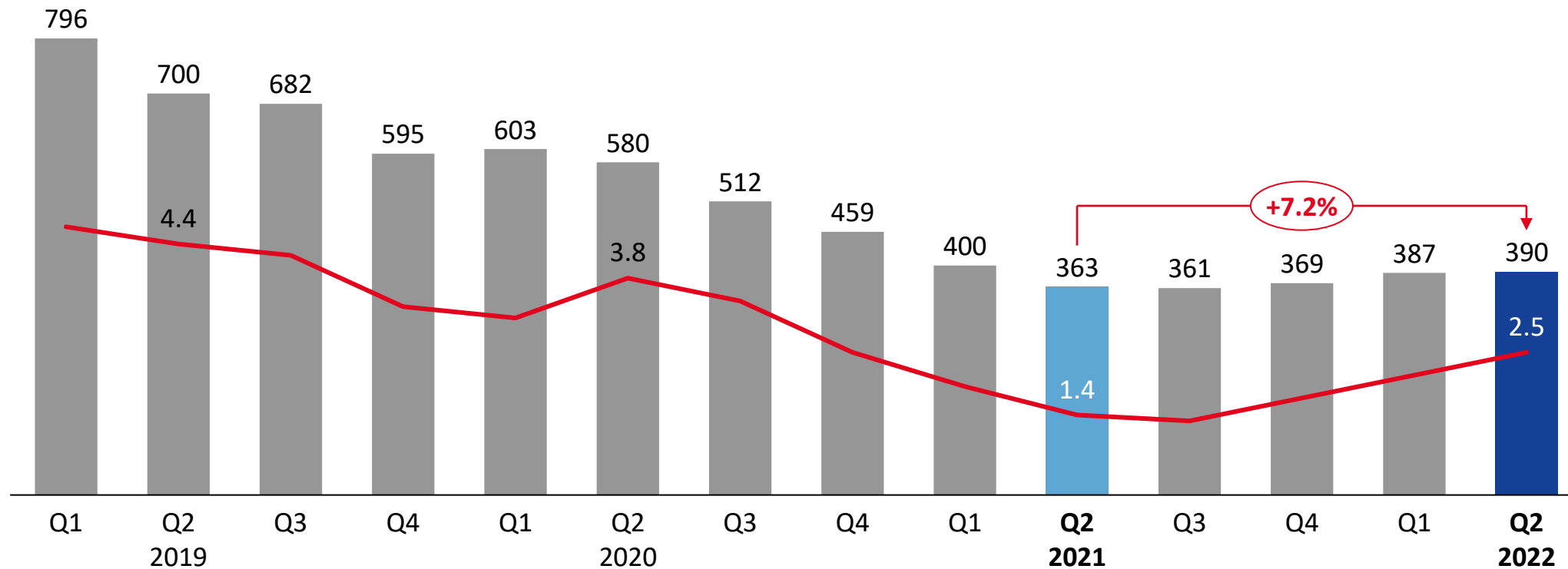
Operating Free Cash Flow – in EUR million



Q2 2022

# Net debt still on low level despite challenging factors

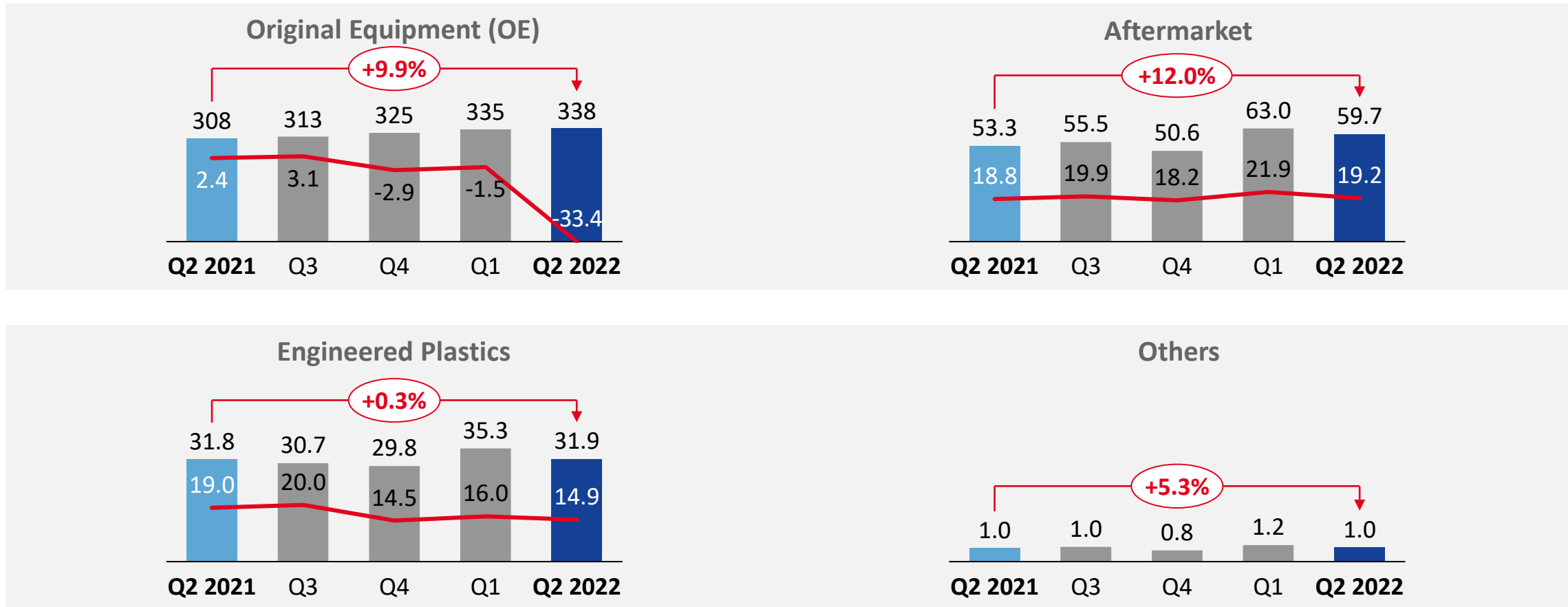
Net Financial Debt – in EUR million  
Net Financial Debt/EBITDA





# Aftermarket and Engineered Plastics with robust margins

Sales – in EUR million  
 EBIT margin – in % of segmental sales



# Markets and Outlook



# Uncertainty remains, influenced by numerous factors

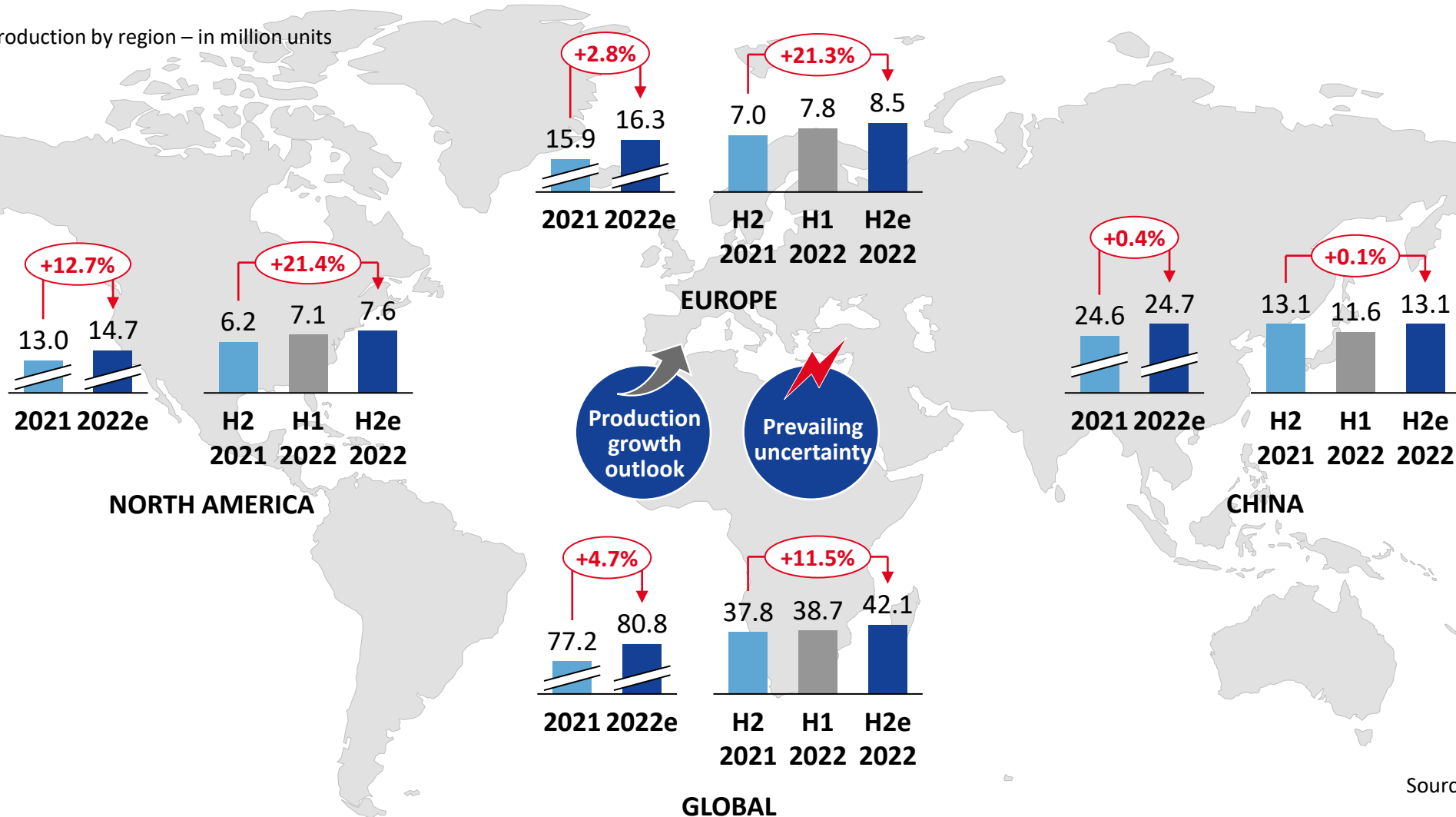


- **Geopolitical risks** amplify
  - War in Ukraine with unclear outcome and repercussions
  - Potential for conflict in the Pacific region and possible resurgence of tensions in Middle East
- **Inflationary pressures remain high**
  - Surging prices for raw material, transportation, and energy
  - Labor costs expected to increase
  - Tightening of monetary policy measures could impede growth
- **Coronavirus pandemic** remains imponderable
- **Semiconductor shortage slows down,** but still exists



# Strong growth in Europe and North America expected for H2

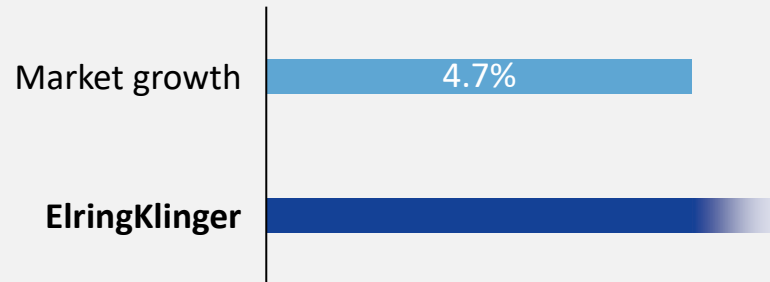
Light vehicle production by region – in million units



Source: IHS (07/2022)

# Outlook against the backdrop of uncertainty

## Sales

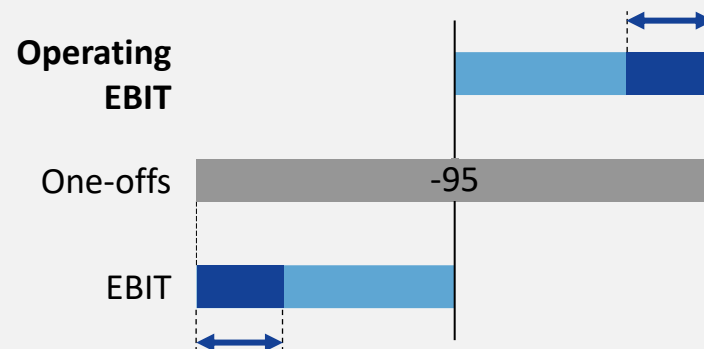


Organic growth slightly above market level

### Assumptions:

- Despite high uncertainty, no major revision of market forecasts (currently +4.7%\*)
- No further impact by war in Russian-Ukrainian conflict
- No impact by tensions in other regions
- Stabilization of supply chains and raw material price levels

## EBIT margin



approx. 2% to 3%

approx. -2% to -3%

\*Source: IHS (07/2022)

# Assessment of key figures

## 2022

## Mid-term

## Actual 2021

	2022	Mid-term	Actual 2021
<b>Sales</b>	Organic growth slightly above market level	Organic growth above market level	Organic growth of 10.1 %
<b>EBIT margin</b>	On operating level (excl. one-offs) appr. 2 % to 3 % of Group revenue	Sustained improvement	6.3 %
<b>Operating FCF</b>	Slightly positive	Positive	EUR 72.0m
<b>ROCE</b>	Significantly below previous year's level	Sustained improvement	6.4 %
<b>Net debt / EBITDA</b>	Between 2.0 and 3.0	Under 2.0	1.7
<b>Net Working Capital</b>	Slightly above previous year's level in relation to Group revenue	Approx. 20 % in relation to Group revenue	24.8 %
<b>Capex</b>	Approx. on previous year's level relation to Group revenue	Approx. 5 to 7 % in relation to Group revenue	4.3 %
<b>R&amp;D costs</b>	Approx. 5 % to 6 % of Group revenue	Approx. 5 to 6 % of Group revenue	5.1 %
<b>Equity ratio</b>	40 % to 50 % of total assets	40% to 50% of total assets	47.0 %



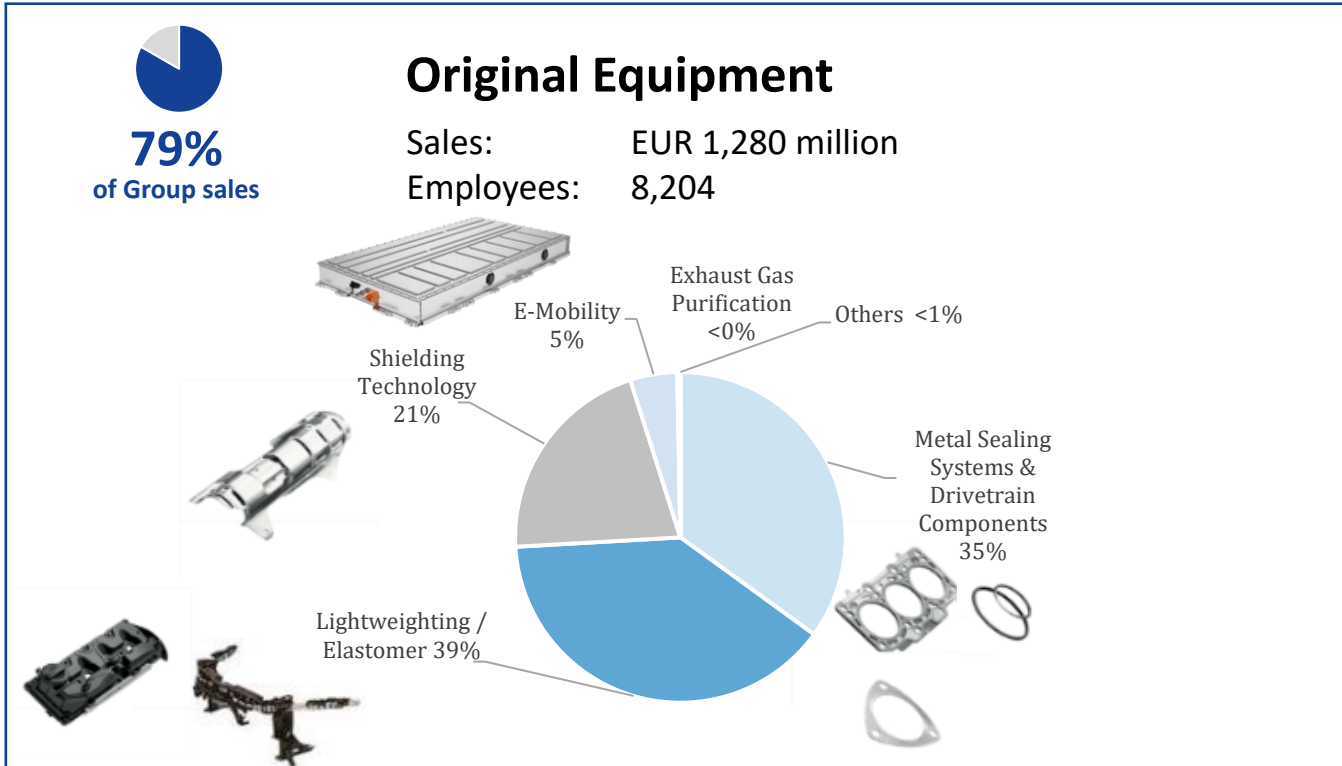
Q&A





# Appendix

# Structural overview



**Group sales**  
EUR 1,624m

**EBIT**  
EUR 102.0m

**EBIT margin**  
6.3 %

**Employees**  
9,466

All figures refer to FY 2021

# Consolidated income statement

	Q2 2022	Q2 2021
<b>Sales revenue</b>	<b>430.6</b>	<b>393.6</b>
Cost of sales	-366.2	-302.8
<b>Gross profit</b>	<b>64.4</b>	<b>90.7</b>
Gross margin	15.0	23.1
	in %	
Selling expenses	-35.5	-29.1
General and administrative expenses	-23.9	-21.1
Research and development costs	-15.4	-18.5
Other operating income	2.7	3.9
Other operating expenses	-89.4	-2.9
<b>Operating result (EBIT)</b>	<b>-97.1</b>	<b>23.0</b>
Finance income	21.5	2.4
Finance costs	-15.9	-6.2
Share of result of associates	0.7	-0.8
<b>Net finance costs</b>	<b>6.3</b>	<b>-4.6</b>
<b>Earnings before taxes (EBT)</b>	<b>-90.7</b>	<b>18.5</b>
Income tax expenses	-3.4	-12.0
<b>Net income</b>	<b>-94.1</b>	<b>6.5</b>
of which: attributable to non-controlling interests	0.0	-1.4
of which: attributable to shareholders of ElringKlinger AG	-94.1	7.9
<b>Basic and diluted earnings per share (EPS)</b>	<b>-1.49</b>	<b>0.13</b>
	in EUR	

All figures in EUR million unless otherwise describe, differences due to rounding

# Consolidated statement of financial position

Assets	As of June 30, 2022	As of Dec 31, 2021	Liabilities and equity	As of June 30, 2022	As of Dec 31, 2021
Intangible assets	140	216	Share capital	63	63
Property, plant, and equipment	935	939	Capital reserves	118	118
Financial assets	15	16	Revenue reserves	640	740
Shares in associates	12	14	Other reserves	17	-18
Non-current income tax assets	1	1	<b>Equity attr. to shareh. of ElringKlinger AG</b>	<b>839</b>	<b>904</b>
Other non-current assets	32	42	Non-controlling interest in equity	76	79
Deferred tax assets	27	32	<b>Equity</b>	<b>915</b>	<b>982</b>
Contract performance costs	7	8	Provisions for pensions	95	141
Non-current contract assets	1	1	Non-current provisions	18	17
<b>Non-current assets</b>	<b>1,169</b>	<b>1,267</b>	Non-current financial liabilities	383	357
Inventories	413	354	Non-current contract liabilities	1	1
Current contract assets	7	9	Deferred tax liabilities	29	24
Trade receivables	265	233	Other non-current liabilities	7	7
Current income tax assets	9	16	<b>Non-current liabilities</b>	<b>533</b>	<b>546</b>
Other current assets	77	101	Current provisions	65	60
Cash and cash equivalents	135	110	Trade payables	212	186
<b>Current assets</b>	<b>906</b>	<b>823</b>	Current financial liabilities	153	136
Assets held for sale	1	0	Current contract liabilities	18	16
<b>Total assets</b>	<b>2,077</b>	<b>2,090</b>	Tax payable	23	19
			Other current liabilities	158	145
			<b>Current liabilities</b>	<b>629</b>	<b>561</b>
			Liabilities in connection with assets held for sale	0	0
			<b>Total liabilities and equity</b>	<b>2,077</b>	<b>2,090</b>

All figures in EUR million unless otherwise describe, differences due to rounding



# Consolidated statement of cash flows

	Q2 2022	Q2 2021		Q2 2022	Q2 2021
Earnings before taxes (EBT)	-91	18	Proceeds from disposals of PPE, intangible assets and investment property	1	1
Depreciation/amortization (less write-ups) of non-current assets	124	27	Proceeds from disposals of financial assets	2	2
Net interest	3	2	Proceeds from the disposal of subsidiaries	0	0
Change in provisions	1	-1	Payments for investments in intangible assets	-6	-4
Gains/losses on disposal of non-current assets	0	0	Payments for investments in PPE and investment property	-14	-11
Share of result of associates	-1	1	Payments for investments in financial assets	0	-4
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-17	9	<b>Net cash from investing activities</b>	<b>-17</b>	<b>-15</b>
Change in trade payables and other liabilities not resulting from financing and investing activities	28	15	Payments received from non-controlling interests	20	0
Income taxes paid	-7	-21	Dividends paid to shareholders and to non-controlling interests	-14	-2
Interest paid	-2	-2	Proceeds from addition of long-term loans	71	29
Interest received	0	0	Payments for the repayment of long-term loans	-19	-63
Other non-cash expenses and income	-16	0	Changes in current loans	-48	-2
<b>Net cash from operating activities</b>	<b>23</b>	<b>50</b>	<b>Net cash from financing activities</b>	<b>11</b>	<b>-37</b>
			Changes in cash	16	-2
			Effects of currency exchange rates on cash	1	0
			Cash at beginning of the period	118	165
			<b>Cash at end of period (as per financial statement)</b>	<b>135</b>	<b>163</b>

All figures in EUR million unless otherwise describe, differences due to rounding

Group – Last 5 quarters

# Key figures

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Order intake	453	578	485	486	430
Order backlog	1,553	1,530	1,386	1,307	1,222
Sales	431	435	406	401	394
EBITDA	26.7	42.8	33.5	55.0	50.4
EBIT	-97.1	14.1	3.6	27.0	23.0
EBIT margin <i>in %</i>	-22.5	3.3	0.9	6.7	5.9
EBT	-90.7	10.9	9.0	23.8	18.5
Net income attributable to shareholders	-94.1	4.0	0.9	9.0	7.9
Earnings per share <i>in EUR</i>	-1.49	0.06	0.01	0.14	0.13
Capex (in PPE)	13.8	12.8	32.3	15.2	10.9
Operating free cash flow <sup>1</sup>	3.9	-19.8	-1.7	8.1	37.0
Net working capital <sup>2</sup>	466	449	402	424	413
Equity ratio <i>in %</i>	44.0	46.3	47.0	46.7	46.0
Net financial debt <sup>3</sup>	390	387	369	361	363
Employees (as at quarter-end)	9,492	9,400	9,466	9,554	9,608

All figures in EUR million unless otherwise describe, differences due to rounding

<sup>1</sup> Net cash from operating activities minus net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

<sup>2</sup> Inventories and trade receivables less trade payables

<sup>3</sup> Financial liabilities less cash and cash equivalents and less short-term securities

Group – Last 5 quarters

# Segmental figures

		Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Group</b>	Sales	431	435	406	401	394
	EBIT (reported)	-97.1	14.1	3.6	27.0	23.0
	EBIT margin <i>in %</i>	-22.5	3.3	0.9	6.7	5.9
<b>Original Equipment</b>	Sales	338	335	325	313	308
	EBIT (reported)	-112.7	-5.0	-9.3	9.6	7.3
	EBIT margin <i>in %</i>	-33.4	-1.5	-2.9	3.1	2.4
<b>Aftermarket</b>	Sales	60	63	51	55	53
	EBIT (reported)	11.4	13.8	9.2	11.1	10.0
	EBIT margin <i>in %</i>	19.2	21.9	18.2	19.9	18.8
<b>Engineered Plastics</b>	Sales	32	35	30	31	32
	EBIT (reported)	4.7	5.6	4.3	6.1	6.0
	EBIT margin <i>in %</i>	14.9	16.0	14.5	20.0	18.9
<b>Others</b>	Sales	1.0	1.2	0.8	1.0	1.0
	EBIT (reported)	-0.5	-0.3	-0.6	0.2	-0.3
	EBIT margin <i>in %</i>	-51.1	-22.8	-32.2	16.4	-28.0

Differences due to rounding

## Group – Last 5 years

# Key figures

	2021	2020	2019	2018	2017
Order intake	1,978	1,483	1,737	1,735	1,732
Order backlog	1,386	1,033	1,030	1,020	1,001
Sales	1,624	1,480	1,727	1,699	1,664
EBITDA	216	182	181	197	238
EBIT (reported)	102	28	61	96	137
EBIT margin <i>in%</i>	6.3	1.9	3.5	5.7	8.3
EBT	101	-14	42	81	110
Net income attributable to shareholders	55.7	-41	4	44	70
Earnings per share <i>in EUR</i>	0.88	-0.64	0.06	0.69	1.10
Dividend per share <i>in EUR</i>	0.15*	0.00	0.00	0.00	0.50
Capex	70	57	92	164	156
Operating free cash flow	72	165	176	-86	-67
ROCE <i>in %</i>	6.4	1.7	3.4	5.5	8.2
Net working capital	402	403	424	568	553
Equity ratio <i>in %</i>	47.0	41.4	41.5	42.8	44.0
Net financial debt	369	459	595	724	655
Employees (as at Dec. 31)	9,466	9,724	10,393	10,429	9,611

All figures in EUR million unless otherwise describe, differences due to rounding

\*Proposal to the Annual General Meeting 2022



Group – Last 5 years

# Segmental figures

		2021	2020	2019	2018	2017
<b>Group</b>	Sales	1,624	1,480	1,727	1,699	1,664
	EBIT (reported)	102.0	28	61	96	137
	EBIT margin <i>in %</i>	6.3	1.9	3.5	5.7	8.3
<b>Original Equipment</b>	Sales	1,280	1,186	1,423	1,408	1,382
	EBIT (reported)	37	-24	5.1	51	86
	EBIT margin <i>in %</i>	2.9	-2.0	0.4	3.6	6.2
<b>Aftermarket</b>	Sales	215	183	173	160	157
	EBIT (reported)	42	39	30	25	32
	EBIT margin <i>in %</i>	19.7	21.4	17.6	15.6	20.3
<b>Engineered Plastics</b>	Sales	125	108	118	118	111
	EBIT (reported)	24	14	16	20	19
	EBIT margin <i>in %</i>	18.9	13.0	13.5	16.6	16.7
<b>Others</b>	Sales	4.0	4.3	13.5	14.0	13.8
	EBIT (reported)	-0.8	-1.6	9.9*	1.0	0.7
	EBIT margin <i>in %</i>	-20.5	-37.2	73.3*	7.1	5.1

All figures in EUR million unless otherwise describe, differences due to rounding

\*incl. EUR 8.6m from the sale of the industrial park in Hungary

# Product portfolio

Metal Sealing Systems & Drivetrain Components

E-Mobility

- Battery module
- PEM fuel cell
- Electric drive unit (EDU)

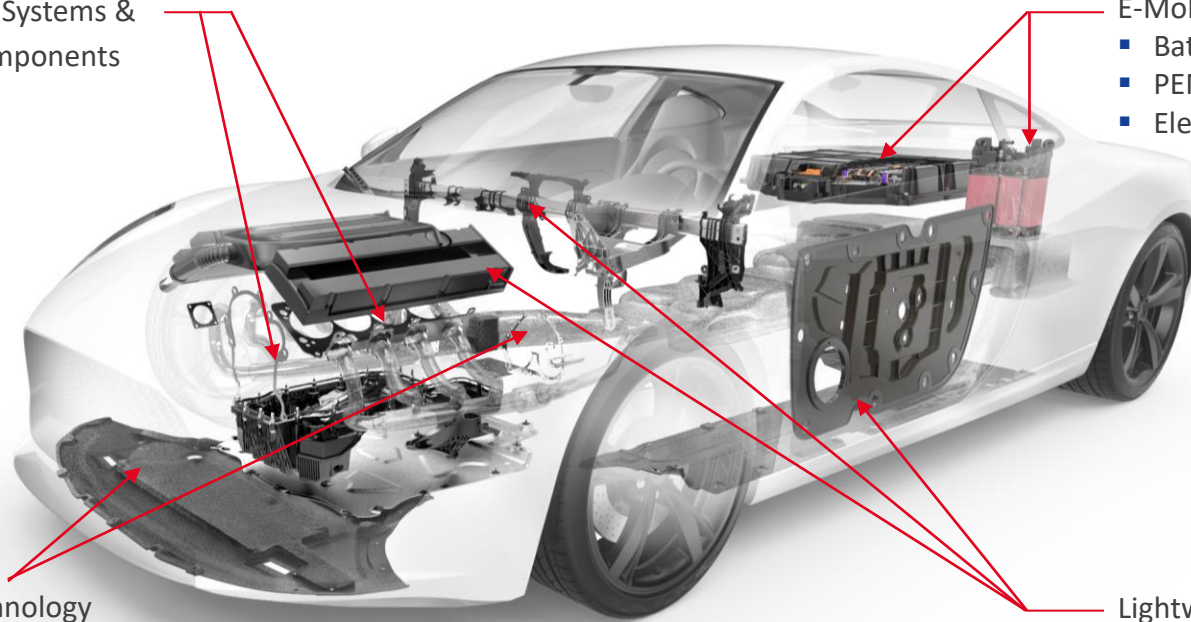
Shielding Technology

- Thermal shielding
- Acoustic shielding

Lightweighting/

Elastomer Technology

- Door module carrier
- Cockpit cross-car beam
- Plastic modules (cam cover)



Group

# ElringKlinger represented in all important auto regions

Production locations of global top 15 OEMs (●)  
ElringKlinger production sites (◆)



# Group Senior management



From right to left:

**Dr. Stefan Wolf, CEO** (since 2005)

**Corporate units**  
HR  
Legal & Compliance  
Marketing & Communications  
Sales Original Equipment  
Strategic Communications

**Business units**  
Aftermarket

**Group entities**  
EKPO Fuel Cell Technologies  
Engineered Plastics segment  
Aftermarket segment

**Thomas Jessulat, CFO** (since 2016)

**Corporate units**  
Digital Transformation  
Finance  
Global Strategy & Digital Transformation  
Information Technology  
M&A and Innovations  
Procurement & Supply Chain Management

**Business units**  
Electric Drive & Battery Technology

**Reiner Drews, COO** (since 2018)

**Corporate units**  
Production and Tooling  
Product Risk Management  
Quality & Sustainability Management  
Real Estate & Facility Management

**Business units**  
Metal Sealing Systems & Drivetrain Components  
Lightweighting/Elastomer Technology  
Shielding Technology

**Plants**  
in the OE segment

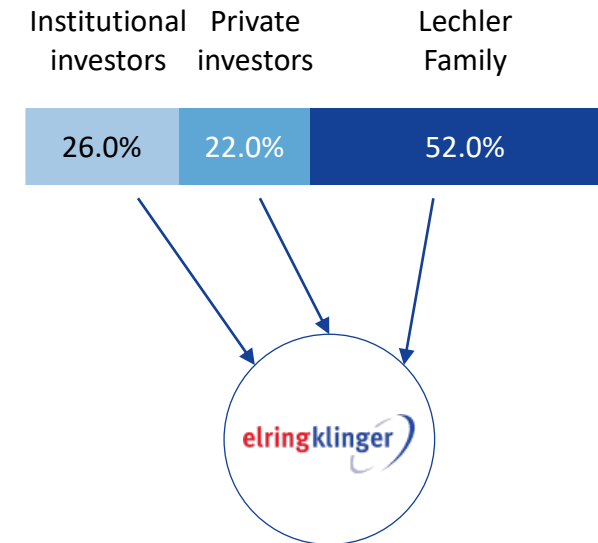
Group

# More than 140 years of experience

## History of ElringKlinger in very brief

- **1879** Paul Lechler establishes a merchandising business in Stuttgart for technical products and gaskets.
- **1885** Richard Klinger establishes an engineering office in Vienna.
- **1924** The first Lechler cylinder-head gaskets are produced.
- **1964** Elring production and development moves from Stuttgart to Dettingen/Erms.
- **1993** Elring goes to Asia: The joint venture Changchun Elring Gaskets Co. Ltd. has been founded.
- **1994** Elring GmbH merges with Automotive Division of Richard Klinger GmbH to ElringKlinger GmbH.
- **1997** ElringKlinger founds new plants in UK, Brazil, Mexico, and the U.S.
- **2000** ElringKlinger GmbH merges with parent company ZWL Grundbesitz- und Beteiligungs-AG and is renamed as ElringKlinger AG.
- **2001** ElringKlinger intensifies R&D work on fuel cell components, especially on its internal sealing.
- **2002** Registered shares of ElringKlinger AG are traded at Frankfurt and at Stuttgart Stock Exchange.
- **2010** ElringKlinger receives its first order for series production of cell contact systems used in lithium-ion batteries.
- **2013** ElringKlinger acquires tool maker Hummel Formen GmbH which enables the company to offer structural lightweight components.
- **2017** ElringKlinger extends its portfolio to alternative drive technologies by acquiring a stake in hofer.
- **2018** ElringKlinger sells interest in Hug and in new energyday.
- **2020** ElringKlinger enters into new strategic partnerships with Airbus and Plastic Omnium in fuel cell business.
- **2021** EKPO Fuel Cell Technologies begins business operations.
- **2022** ElringKlinger defines CO2 targets and signs Climate Protection Agreement

## Shareholder structure as of December 31, 2021



**ElringKlinger AG**  
**Strategic Communications**  
 Max-Eyth-Str. 2  
 72581 Dettingen/Erms | Germany  
 Mail: [info@ir.elringklinger.com](mailto:info@ir.elringklinger.com)



# 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.