

Group figures on Q1 2023

Dr. Stefan Wolf, CEO
Thomas Jessulat, CFO

May 9, 2023



Headlines



Challenging macro environment: only slight GDP growth in Q1¹, inflationary pressures, continuing high price level for materials, ongoing war in Ukraine, supply chains not fully robust



Group sales increased by 12.2% to **quarterly record level** of EUR 487.7m, organically by 12.1%, i.e. outperforming the market, whereas global LV production expanded by 5.7%² compared to Q1 2022



Adjusted EBIT at EUR 26.4m, up 76% y-o-y, adjusted EBIT margin of 5.4% enhanced compared to Q1 2022 (3.5%)



Strong sales growth, material cost inflation results in higher working capital level, **net working capital ratio nearly flat** at 28.0% (Q1 2022: 27.5%)



Operating free cash flow at almost same level as one year ago (EUR -20.3m after EUR -19.8m in prior-year Q1)



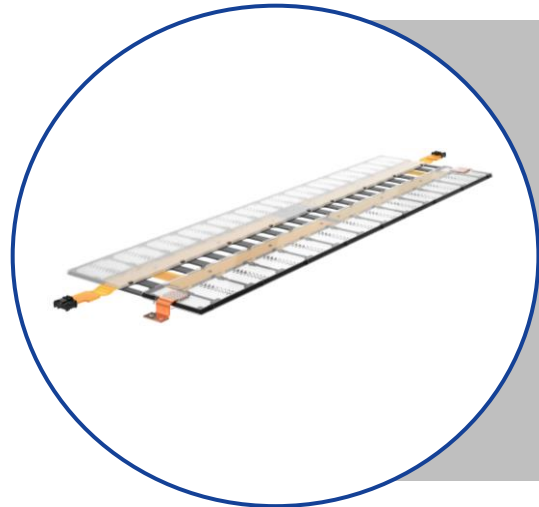
Net financial debt at EUR 372m, net debt/EBITDA ratio at 2.0 after 2.1 in prior quarter and 2.1 in Q1 2022



FY 2023 outlook confirmed

¹ Source: HSBC (April 2023). ² Source: S&P Global Mobility (04/2023).

New orders for e-mobility drive Group's transformation



Cell-contacting system for BMW's NEUE KLASSE

- Large-scale volume over several years
- Received in April 2023
- Start of production in 2025 in Neuffen factory

Cell-contacting system for global battery manufacturer

- Mid-triple-digit million-euro volume
- Term of 9 years
- Ramping up this year



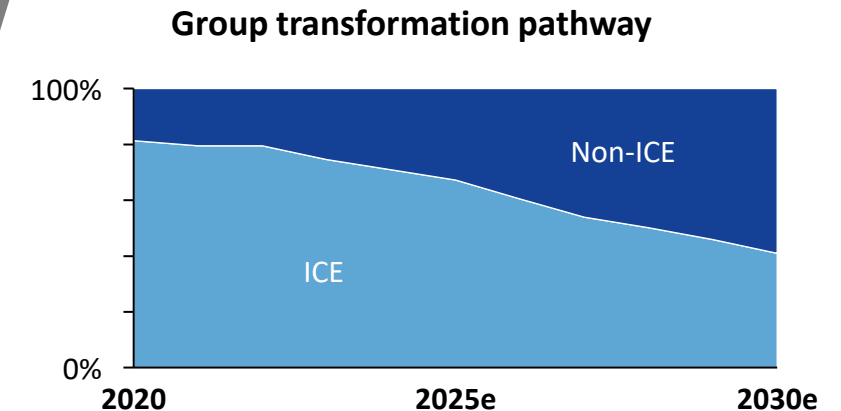
Stacks

- Development and prototype orders for several applications
- Delivery in current year and beyond

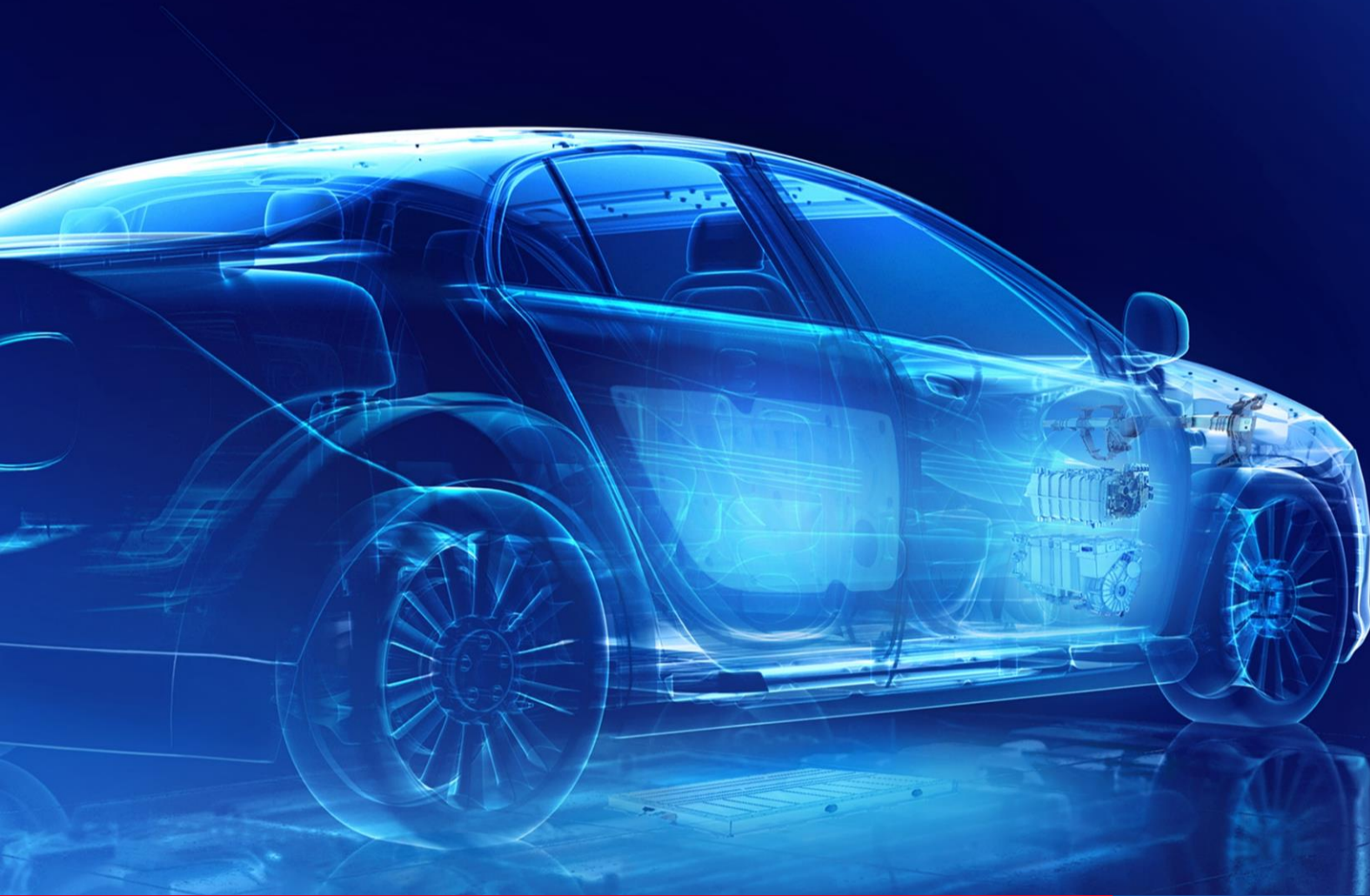
Bipolar plates

- Order for development and supply of European OEM received in 2022
- Another order with high volume announced via ad-hoc this year

Group's transformation pathway (status: March 2023 – not including latest cell-contact systems order)



Non-ICE includes non-automotive business as well as components that are independent of drivetrain technology. ICE includes Aftermarket business. Data after 2027 based on growth assumptions.



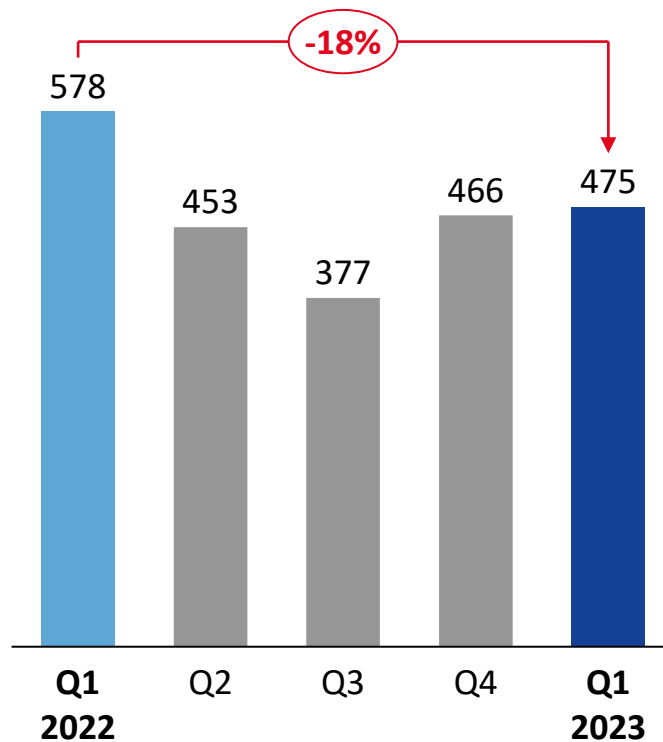
Financials

Thomas Jessulat
CFO

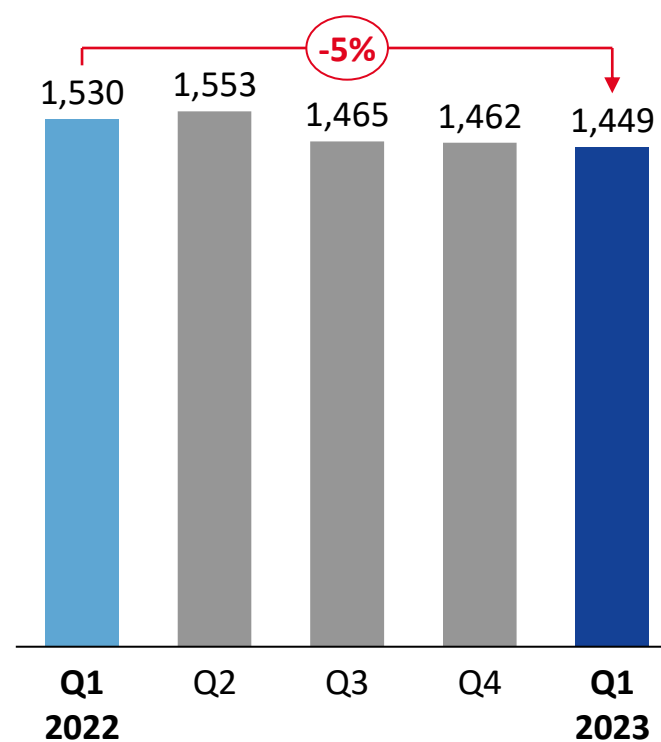
Q1 2023: Orders and sales

Sound order situation, revenue on quarterly record level

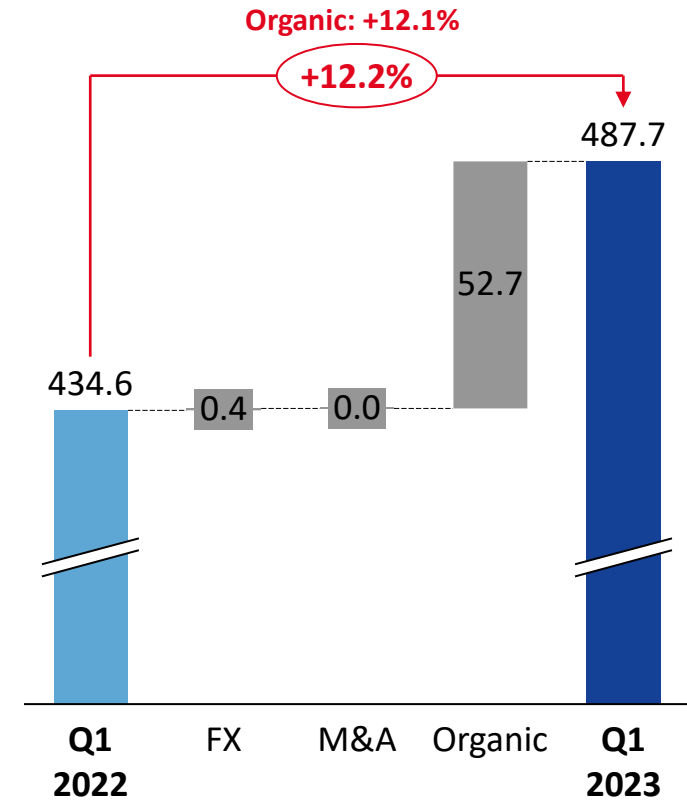
Order intake – in EUR million



Order backlog – in EUR million



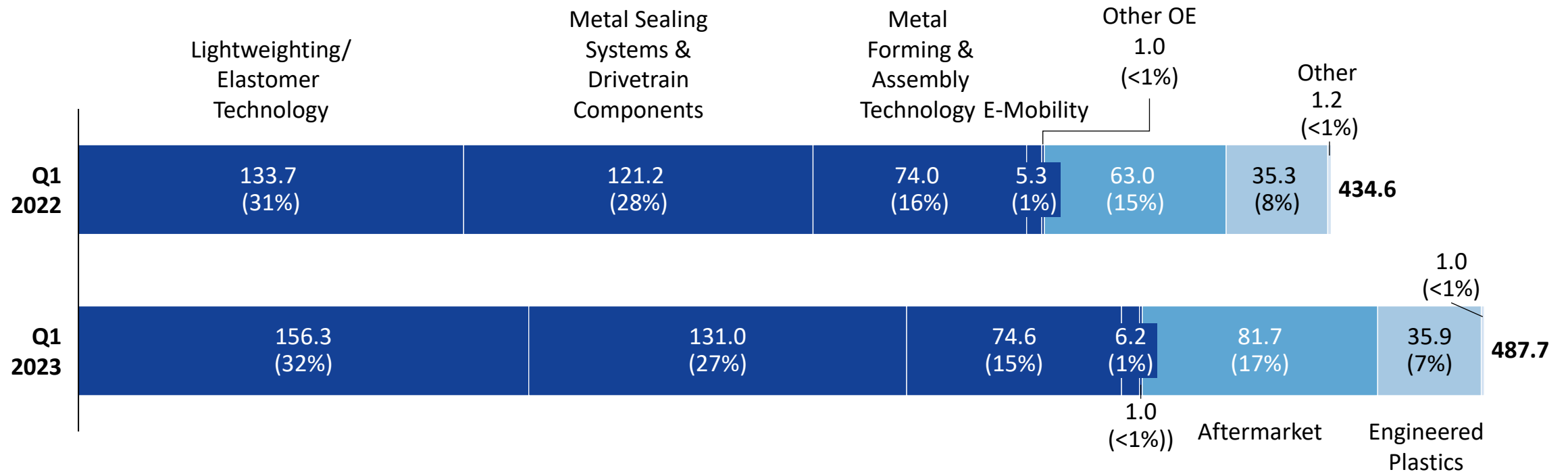
Sales – in EUR million



Q1 2023: Sales

Lightweighting and Aftermarket again with strong growth

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

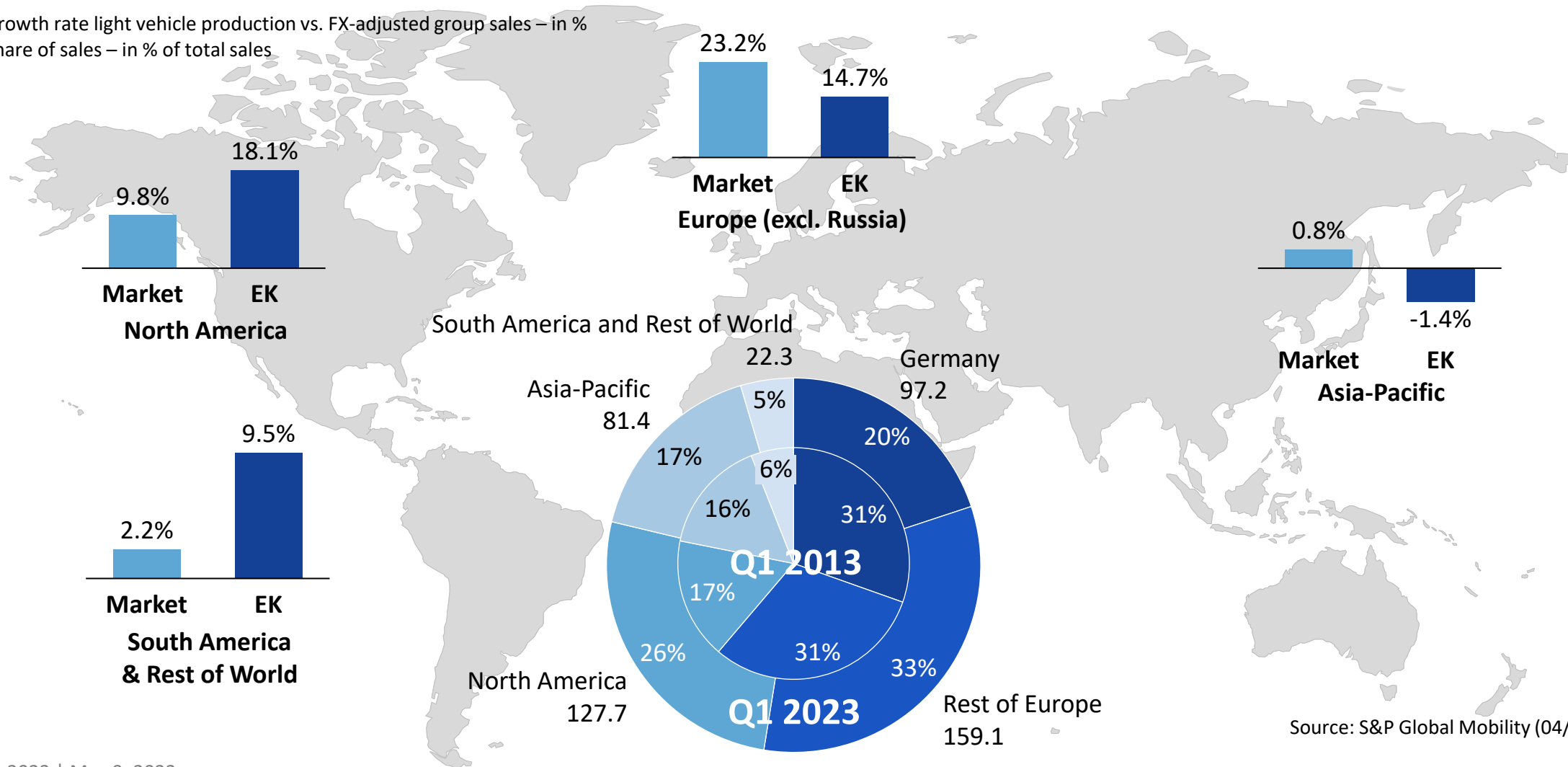


Differences due to rounding

Q1 2023: Sales

Broad geographic sales mix fuels growth

■ Growth rate light vehicle production vs. FX-adjusted group sales – in %
 ■ Share of sales – in % of total sales

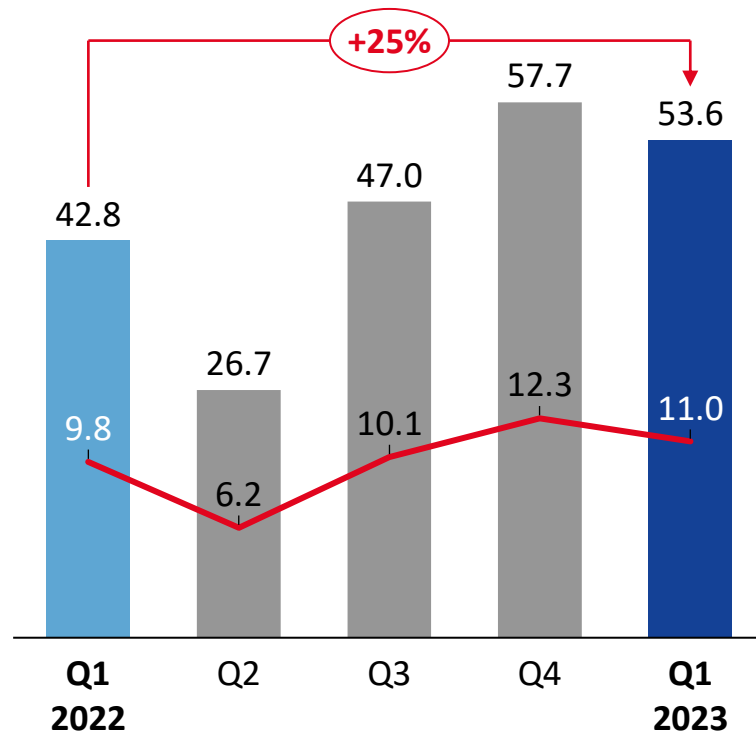


Source: S&P Global Mobility (04/2023)

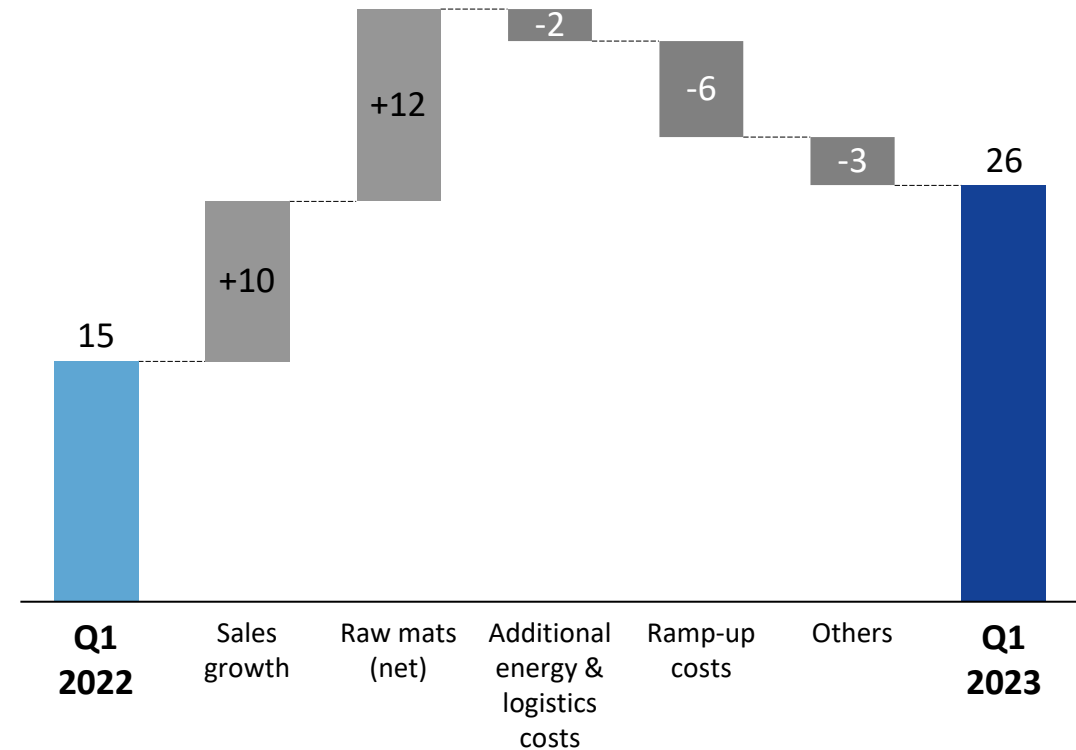
Q1 2023: Earnings

Adjusted EBIT stronger year-on-year

EBITDA – in EUR million
EBITDA margin – in %



Adjusted EBIT bridge – in EUR million

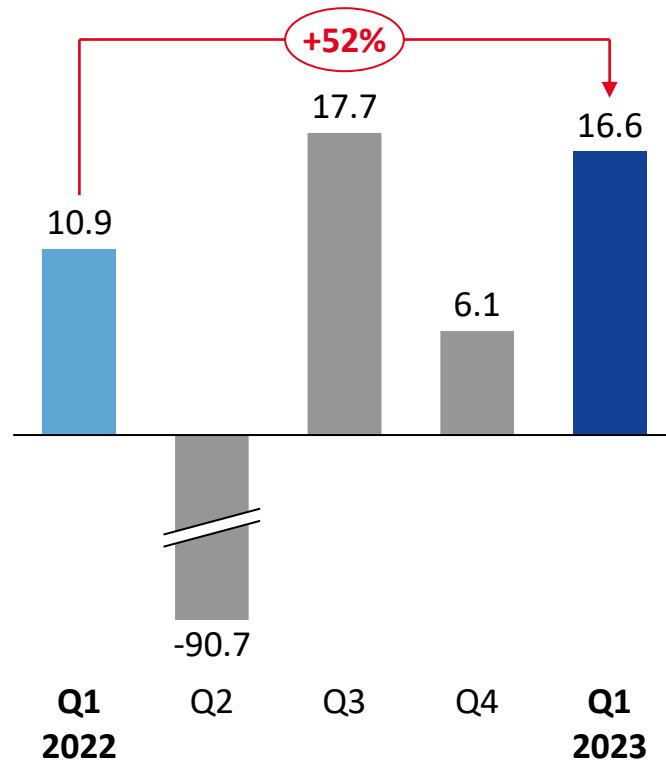


Differences due to rounding

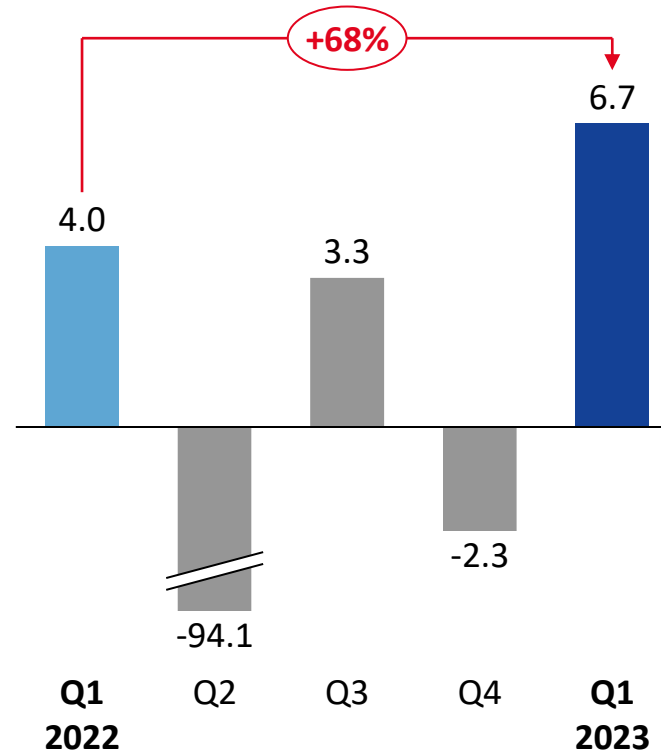
Q1 2023: Earnings

Earnings better than previous quarter and prior-year Q1

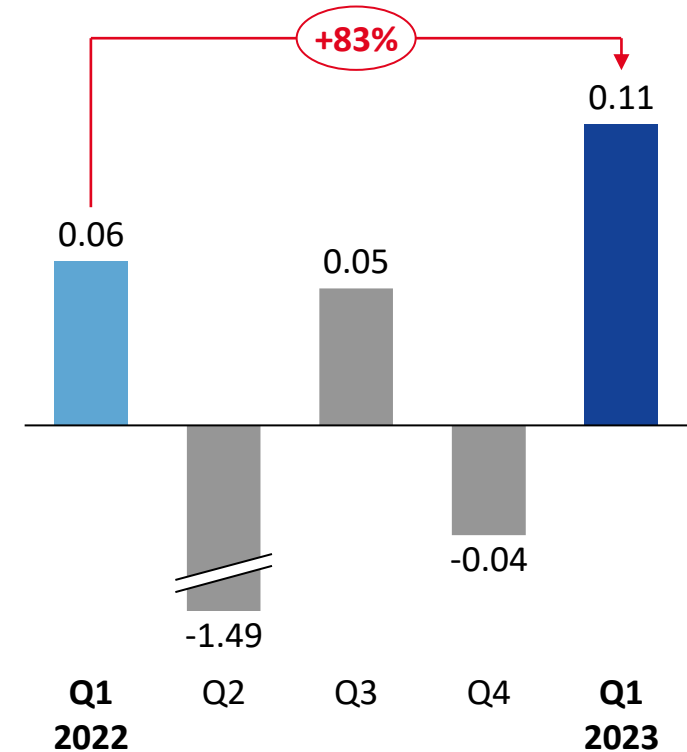
EBT – in EUR million



Net income (attributable to shareholders) – in EUR million



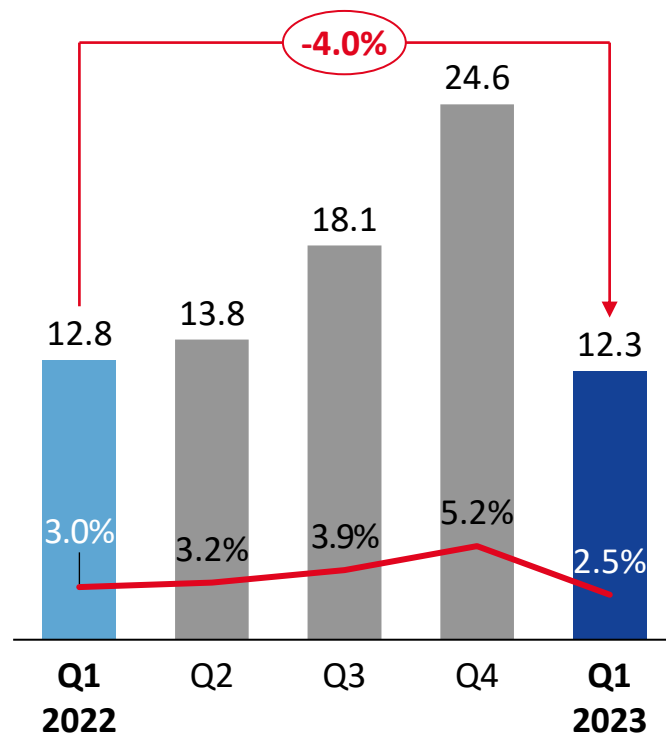
Earnings per share – in EUR



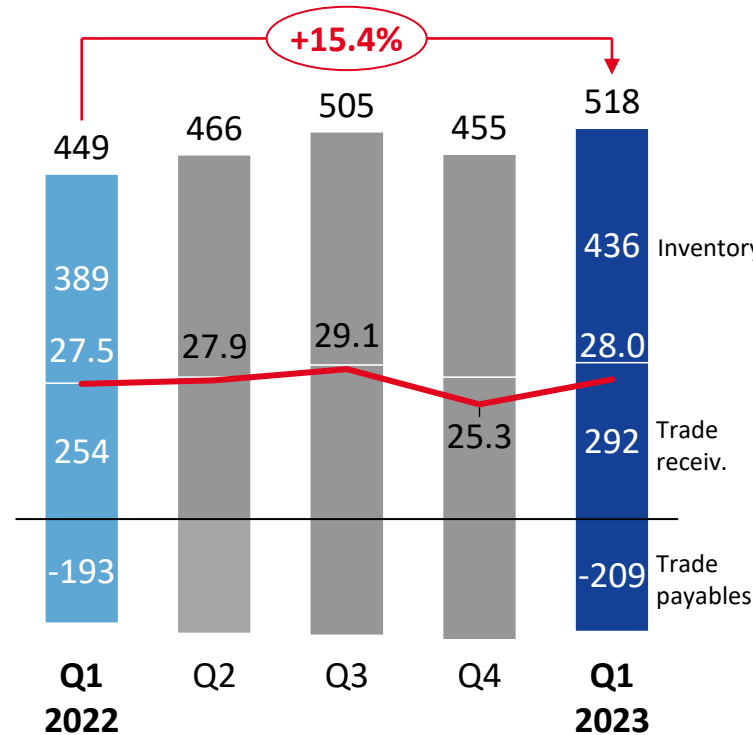
Q1 2023: Cash flow

Net working capital increasing due to sales growth

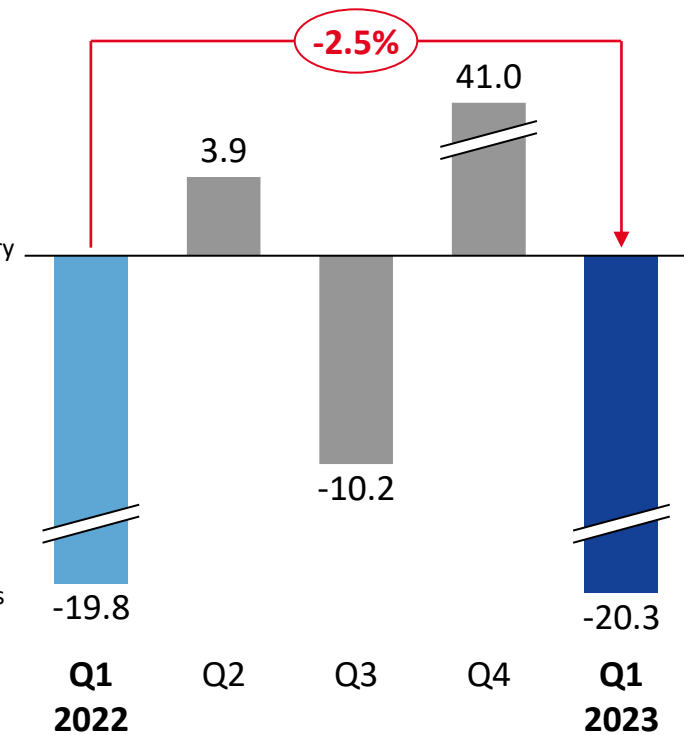
Capex – in EUR million
Capex ratio – in % of total sales



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



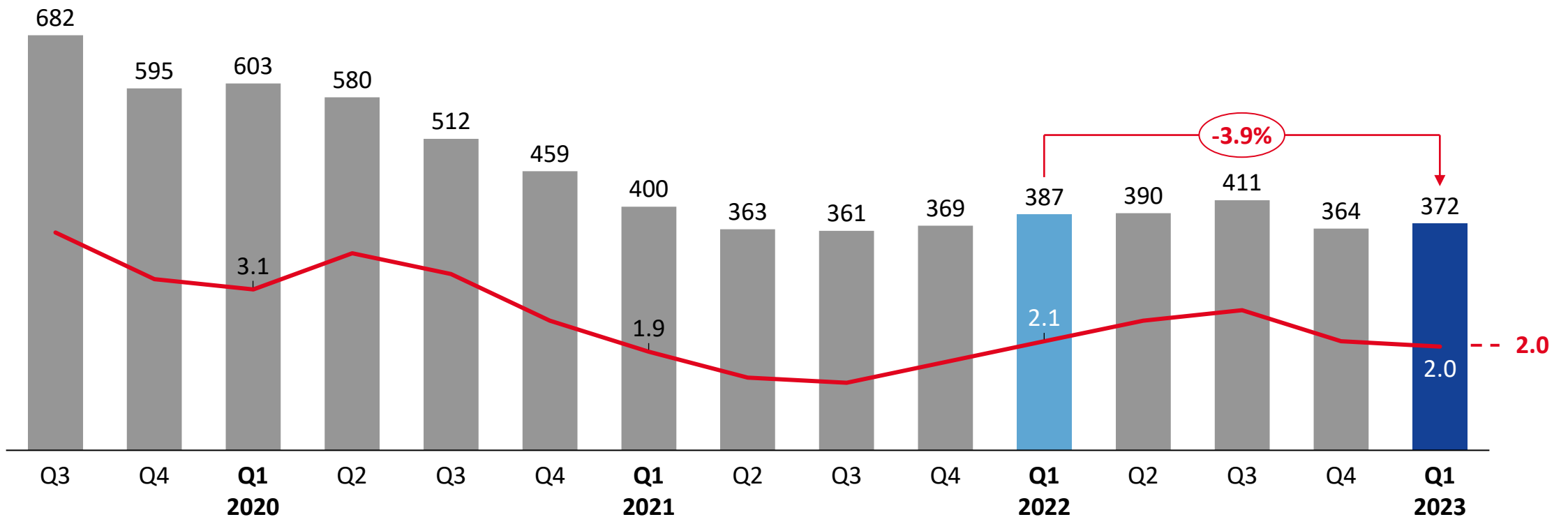
Operating Free Cash Flow – in EUR million



Q1 2023: Balance sheet

Net financial debt/EBITDA reduced to 2.0

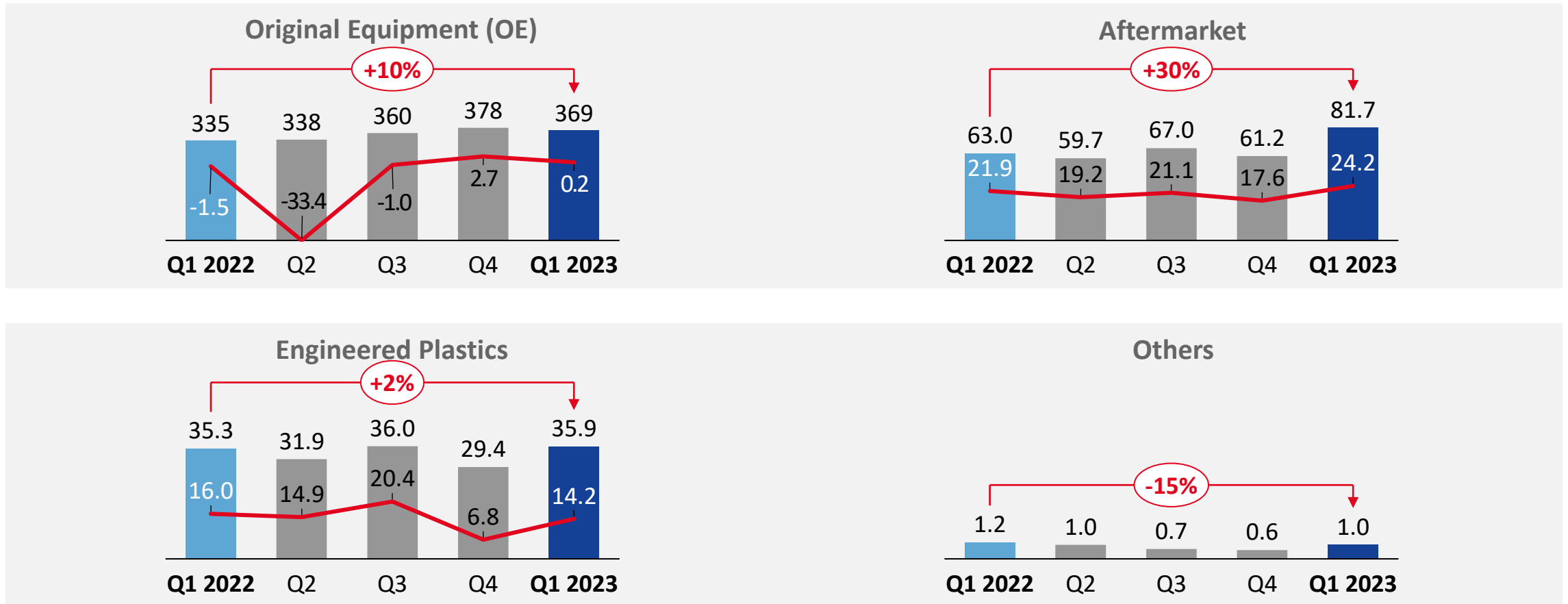
Net Financial Debt – in EUR million
Net Financial Debt/EBITDA



Segments

Improved EBIT margin in OE and Aftermarket

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



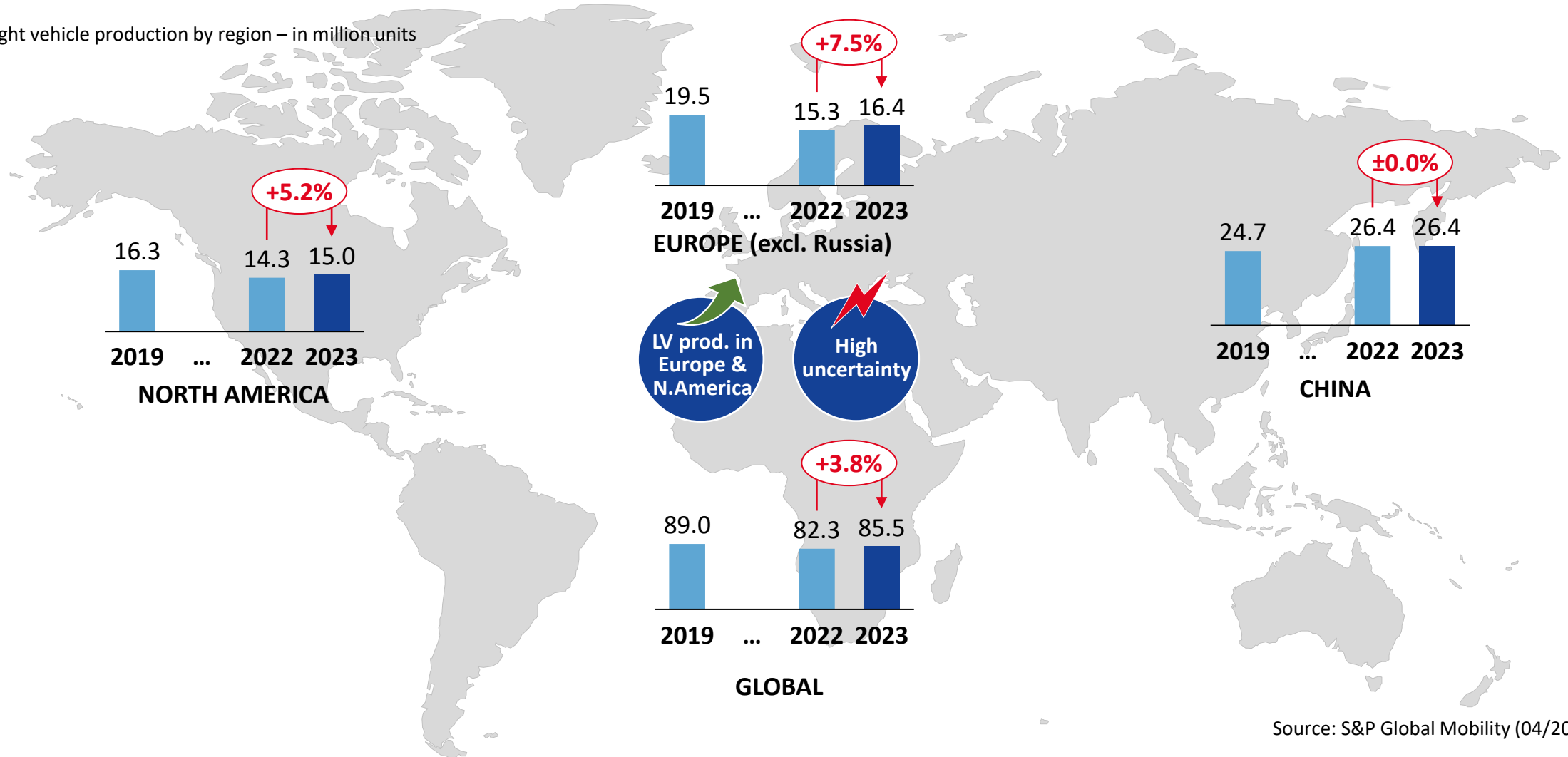


Markets and Outlook

Dr. Stefan Wolf
CEO

Growth in North America and Europe expected, China stagnating

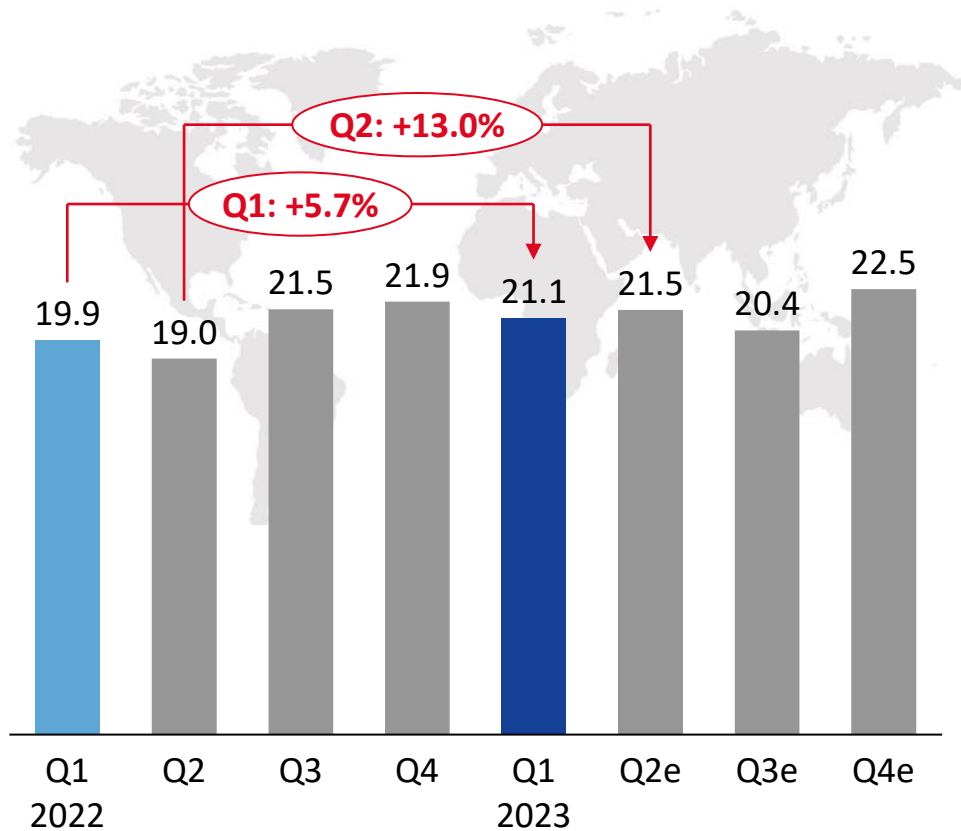
Light vehicle production by region – in million units



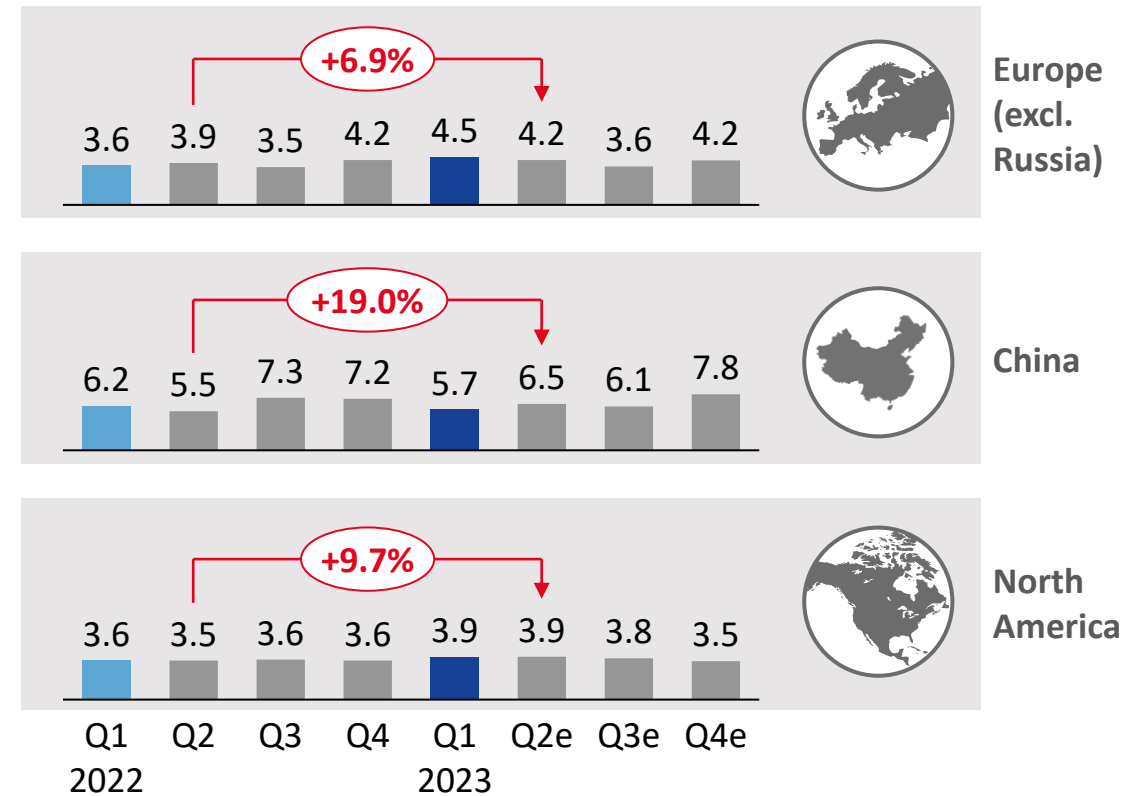
Source: S&P Global Mobility (04/2023)

Growth of >10% expected for Q2, H2 almost flat year-on-year

Global LV production – in million units



LV production in main markets – in million units



Source: S&P Global Mobility (04/2023)

Outlook confirmed

2023

Mid-term

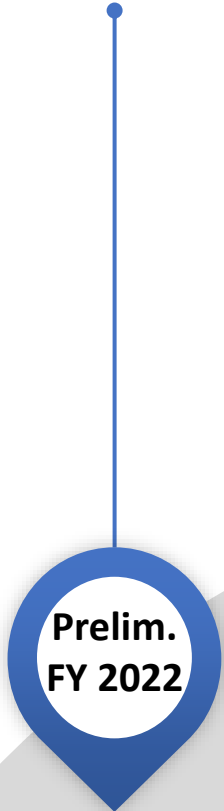
Actual 2022

	2023	Mid-term	Actual 2022
Sales	Organic growth substantially above market level	Organic growth above market level	Organic growth of 7.4 %
EBIT margin (adjusted)	Approx. 5 % of Group revenue	Sustained improvement	3.8 %
Operating FCF	Slight year-on-year improvement	Positive	EUR 14.8m
ROCE	Approx. 7 to 8 %	Sustained improvement	-2.7 %
Net debt / EBITDA	Under 2.0		2.1
Net Working Capital	Slight year-on-year improvement	Approx. 20 % of Group revenue	25.3 %
Capex (in PPE)	Approx. 5 to 7 % of Group revenue		3.9 %
R&D costs	Approx. 5 to 6 % of Group revenue		5.1 %
Equity ratio	40% to 50% of total assets		43.8 %

Financial calendar

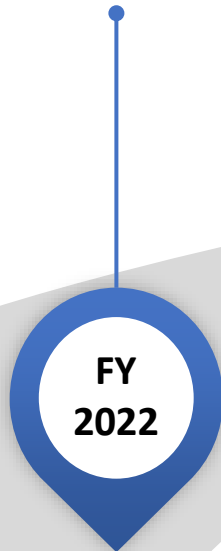
Preliminary figures FY 2022

February 21, 2023



Full figures FY 2022

March 28, 2023



Annual General Meeting

May 16, 2023



Q1 2023
May 9, 2023



Q2 2023
August 3, 2023



Q3 2023
November 7, 2023

The ElringKlinger Difference

1 With our strong technological orientation, we provide solutions for mobility demand.

2 We will utilize our strong market position in ICE business, but focus on new technologies.

3 We will market and further develop our already transformed product portfolio.

We will grow profitably by systems as well as components business. **4**

We will further shape key financial performance indicators. **5**


Sustainability is a key priority for the Group. **6**



Appendix



Structural overview




78%
of Group sales


Original Equipment

Sales: EUR 1,411 million
Employees: 7,959


**Lightweighting/
Elastomer Technology**



**Metal Sealing Systems &
Drivetrain Components**

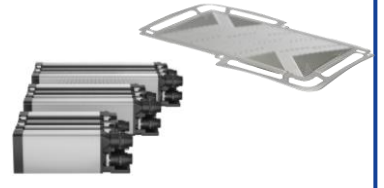


**Metal Forming &
Assembly Technology**




E-Mobility


Fuel Cell Technology (EKPO)



Battery Technology



Drivetrain Technology



Differences due to rounding



14%
of Group sales

Aftermarket

Sales: EUR 251 million
Employees: 276







7%
of Group sales

Engineered Plastics

Sales: EUR 133 million
Employees: 1,028








<1%
of Group sales

Others

Sales: EUR 4 million
Employees: 277

All figures refer to FY 2022

Consolidated income statement

	Q1 2023	Q1 2022
Sales revenue	487.7	434.6
Cost of sales	-376.1	-343.8
Gross profit	111.6	90.8
Gross profit margin	22.9	20.9
Selling expenses	-38.4	-34.3
General and administrative expenses	-25.6	-25.3
Research and development costs	-22.5	-18.8
Other operating income	3.5	4.8
Other operating expenses	-2.6	-3.1
Earnings before interest and taxes (EBIT)	26.0	14.1
Finance income	0.5	8.7
Finance costs	-7.0	-10.1
Share of result of associates	-2.9	-1.9
Net finance costs	-9.4	-3.3
Earnings before taxes (EBT)	16.6	10.9
Income tax expenses	-12.2	-7.0
Net income	4.4	3.8
of which: attributable to non-controlling interests	-2.3	-0.2
of which: attributable to shareholders of ElringKlinger AG	6.7	4.0
Basic and diluted earnings per share (EPS)	0.11	0.06

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

Group – Q1 2023

Consolidated balance sheet

Assets	As of Dec 31, 2022	As of Dec 31, 2022	Liabilities and equity	As of Dec 31, 2022	As of Dec 31, 2022
Intangible assets	149	147	Share capital	63	63
Property, plant, and equipment	888	906	Capital reserves	118	118
Financial assets	14	14	Revenue reserves	648	641
Shares in associates	12	15	Other reserves	3	1
Non-current income tax assets	2	1	Equity attributable to the shareholders of ElringKlinger AG	833	824
Other non-current assets	12	22	Non-controlling interest in equity	70	73
Deferred tax assets	20	20	Equity	903	897
Contract performance costs	6	6	Provisions for pensions	97	97
Non-current contract assets	0	1	Non-current provisions	18	18
Non-current assets	1,103	1,131	Non-current financial liabilities	413	429
Inventories	436	414	Non-current contract liabilities	2	2
Current contract assets	7	8	Deferred tax liabilities	23	24
Trade receivables	292	265	Other non-current liabilities	11	10
Current income tax assets	6	5	Non-current liabilities	564	580
Other current assets	89	105	Current provisions	71	66
Cash and cash equivalents	100	119	Trade payables	209	224
Current assets	929	916	Current financial liabilities	80	73
Total assets	2,032	2,047	Current contract liabilities	14	13
			Tax payable	31	22
			Other current liabilities	161	171
			Current liabilities	566	570
			Total liabilities and equity	2,032	2,047

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

Consolidated statement of cash flows

	Q3 2022	Q3 2021		Q3 2022	Q3 2021
Earnings before taxes (EBT)	17	11	Proceeds from disposals of property, plant and equipment and intangible assets	0	1
Depreciation/amortization (less write-ups) of non-current assets	28	29	Proceeds from disposals of financial assets	4	3
Net interest	5	2	Payments for investments in intangible assets	-5	-5
Change in provisions	5	3	Payments for investments in property, plant and equipment	-12	-13
Gains/losses on disposal of non-current assets	0	0	Payments for investments in financial assets	-6	-3
Share of result of associates	3	2	Net cash from investing activities	-19	-17
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-31	-49	Payments received from non-controlling interests for the acquisition of shares	10	10
Change in trade payables and other liabilities not resulting from financing and investing activities	-19	13	Dividends paid to shareholders and to non-controlling interests	0	0
Income taxes paid	-7	-3	Proceeds from addition of long-term loans	17	25
Interest paid	-5	-2	Payments for the repayment of long-term loans	-31	-65
Interest received	0	0	Changes in current loans	8	57
Other non-cash expenses and income	1	-9	Net cash from financing activities	5	27
Net cash from operating activities	-3	-3	Changes in cash	-17	7
			Effects of currency exchange rates on cash	-1	1
			Cash at beginning of the period	119	110
			Cash at end of period (as per financial statement)	100	118

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

Group – Last 5 quarters

Key figures

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Order intake	475	466	377	453	578
Order backlog	1.449	1,462	1,465	1,553	1,530
Sales	488	469	464	431	435
EBITDA	53.6	57.7	47.0	26.7	42.8
EBIT	26.0	22.6	18.1	-97.1	14.1
EBIT margin <i>in %</i>	5.3	4.8	3.9	-22.5	3.3
EBT	16.6	6.1	17.7	-90.7	10.9
Net income attributable to shareholders	6.7	-2.3	3.3	-94.1	4.0
Earnings per share <i>in EUR</i>	0.11	-0.04	0.05	-1.49	0.06
Capex (in PPE)	12.3	24.6	18.1	13.8	12.8
Operating free cash flow ¹	-20.3	41.0	-10.2	3.9	-19.8
Net working capital ²	518	455	505	466	449
Equity ratio <i>in %</i>	44.4	43.8	42.7	44.0	46.3
Net financial debt ³	372	364	411	390	387
Employees (as at quarter-end) ⁴	9,635	9,540	9,523	9,489	9,396

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

¹ Net cash from operating activities minus net cash from investing activities (excluding acquisitions/divestments and investments in financial assets). ² Inventories and trade receivables less trade payables.

³ Financial liabilities less cash and cash equivalents and less short-term securities. ⁴ The headcount includes all direct and indirect employees. The previous year's figures were adjusted in accordance with a uniform approach.

Group – Last 5 quarters

Segmental figures

		Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Group	Sales	488	469	464	431	435
	EBIT	26.0	22.6	18.1	-97.1	14.1
	EBIT margin <i>in %</i>	5.3	4.8	3.9	-22.5	3.3
Original Equipment	Sales	369	378	360	338	335
	EBIT	0.8	10.3	-3.6	-112.7	-5.0
	EBIT margin <i>in %</i>	0.2	2.7	-1.0	-33.4	-1.5
Aftermarket	Sales	82	61	67	60	63
	EBIT	19.8	10.8	14.1	11.4	13.8
	EBIT margin <i>in %</i>	24.2	17.7	21.1	19.2	21.9
Engineered Plastics	Sales	36	29	36	32	35
	EBIT	5.1	2.0	7.3	4.7	5.6
	EBIT margin <i>in %</i>	14.2	6.8	20.4	14.9	16.0
Others	Sales	1.0	0.6	0.7	1.0	1.2
	EBIT	0.2	-0.5	0.1	-0.5	-0.3
	EBIT margin <i>in %</i>	24.1	-73.7	20.1	-51.1	-27.6

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

Key figures

	2022	2021	2020	2019	2018
Order intake	1,874	1,978	1,483	1,737	1,735
Order backlog	1,462	1,386	1,033	1,030	1,020
Sales	1,798	1,624	1,480	1,727	1,699
EBITDA	174	216	182	181	197
EBIT	-42	102	28	61	96
EBIT margin <i>in%</i>	-2.3	6.3	1.9	3.5	5.7
EBT	-56	101	-14	42	81
Net income attributable to shareholders	-89	56	-41	4	44
Earnings per share <i>in EUR</i>	-1.41	0.88	-0.64	0.06	0.69
Dividend per share <i>in EUR</i>	0.15 ¹	0.15	0.00	0.00	0.00
Capex	69	70	57	92	164
Operating free cash flow ²	15	72	165	176	-86
ROCE <i>in %</i>	-2.7	6.4	1.7	3.4	5.5
Net working capital ³	455	402	403	424	568
Equity ratio <i>in %</i>	43.8	47.0	41.4	41.5	42.8
Net financial debt ⁴	364	369	459	595	724
Employees (as at Dec. 31) ⁵	9,540	9,462	9,724	10,393	10,429

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

¹ Proposal to the Annual General Meeting 2023. ² Net cash from operating activities minus net cash from investing activities (excluding acquisitions/divestments and investments in financial assets). ³ Inventories and trade receivables less trade payables.

⁴ Financial liabilities less cash and cash equivalents and less short-term securities. ⁵ The headcount includes all direct and indirect employees, the 2021 figure was adjusted in accordance with a uniform approach.

Group – Last 5 years

Segmental figures

		2022	2021	2020	2019	2018
Group	Sales	1,798	1,624	1,480	1,727	1,699
	EBIT	-42.2	102.0	28	61	96
	EBIT margin <i>in %</i>	-2.3	6.3	1.9	3.5	5.7
Original Equipment	Sales	1,411	1,280	1,186	1,423	1,408
	EBIT	-111	37	-24	5.1	51
	EBIT margin <i>in %</i>	-7.9	2.9	-2.0	0.4	3.6
Aftermarket	Sales	251	215	183	173	160
	EBIT	50	42	39	30	25
	EBIT margin <i>in %</i>	20.0	19.7	21.4	17.6	15.6
Engineered Plastics	Sales	133	125	108	118	118
	EBIT	20	24	14	16	20
	EBIT margin <i>in %</i>	14.9	18.9	13.0	13.5	16.6
Others	Sales	3.5	4.0	4.3	13.5	14.0
	EBIT	-1.2	-0.8	-1.6	9.9*	1.0
	EBIT margin <i>in %</i>	-34.3	-20.5	-37.2	73.3*	7.1

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

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

Adjusted EBIT for comparing operating profitability



EBIT (reported)

- + Amortization of intangible assets from purchase price allocation (PPA)
- +/- Changes in scope of consolidation
- + Impairment on goodwill
- + Impairment on assets
- Write-ups
- +/- Gains/losses from disposal of entities
- +/- Restructuring and restructuring-related expenses
- +/- Other non-operating effects

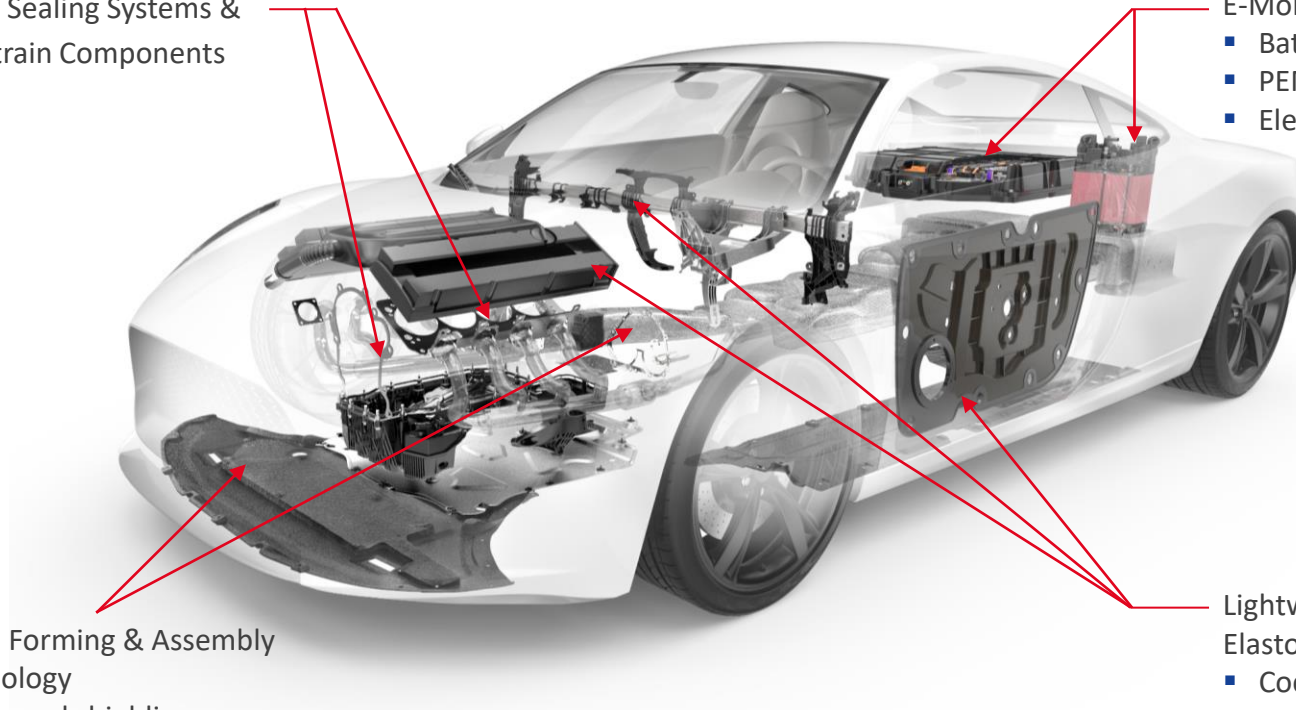
= **EBIT (adjusted)**

Product portfolio

Metal Sealing Systems & Drivetrain Components

E-Mobility

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



Metal Forming & Assembly Technology

- Thermal shielding
- Acoustic shielding

Lightweighting/
Elastomer Technology

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

Group

ElringKlinger represented in all important auto regions

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



Senior management



From left to right:

Reiner Drews, COO (since 2018)

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

Business units
Lightweighting/Elastomer Technology
Metal Sealing Systems & Drivetrain Components
Metal Forming & Assembly Technology

Plants
in the OE segment

Dr. Stefan Wolf, CEO (since 2005)

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

Business units
Electric Drive & Battery Technology

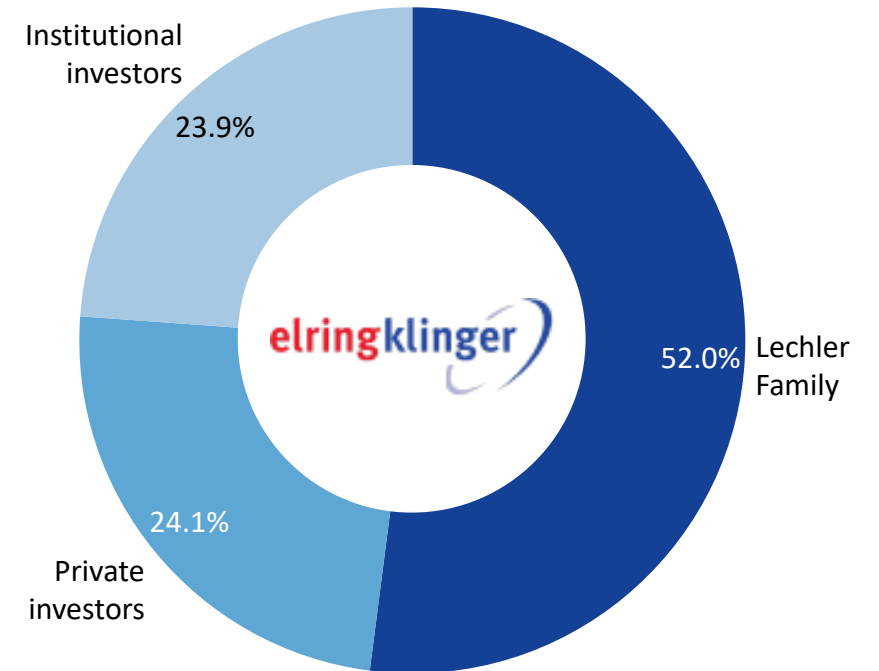
Group

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 enerdag.
- **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 at March 31, 2023



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From left to right: Heiderose Mall, Dr. Philipp Ottenstein, Kathrin Graf, Dr. Jens Winter, Jannik Lorenz



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