

Group figures on Q3 2023

Thomas Jessulat, CEO

November 7, 2023



Management Board with focus on continued transformation



Thomas Jessulat, CEO

(Board member since 2016, CEO since 2023)

Corporate units

- Corporate Sustainability
- Finance
- Global Strategy & Digital Transformation
- HR
- IT
- Legal & Compliance
- M&A and Innovations
- Strategic Communications

Business units

- Electric Drive & Battery Technology
- Fuel Cell Technology

Reiner Drews, COO

(Board member since 2018)

Corporate units

- Procurement & Supply Chain Management
- Production and Tooling
- Quality & Sustainability Management
- Real Estate & Facility Management

Business units

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

Dirk Willers, CSO

(Board member since 2023)

Corporate units

- Marketing
- Sales

Business units

- Aftermarket
- Engineered Plastics

Headlines



Macro environment improving slightly, but gradually, LV market more dynamic: supply chains mostly stable, inflation well above 2%-target level, projections for LV production revised upwards for 2023 (global: 7.5%*, after 5.3% in July projection and 3.3% at beginning of the year)



Organic Group revenues up by 0.7% to EUR 452m, Q3 sales facing FX headwinds of -3.4%; 9M revenues up by 5.9%, organically +7.7%



Adjusted EBIT raised to EUR 22.7m after EUR 18.5m in Q3 2022, adjusted EBIT margin improved by +100 basis points to 5.0%, mainly driven by **sales mix** and **lower raw material prices**



Net working capital (NWC) stood at EUR 509m, nearly flat on prior-year Q3, reduced by 4% on Q2 2023; **NWC ratio improved** to 27.1% after 29.1% one year ago



Lower level of inventories and receivables leads to **positive operating free cash flow** of EUR 11.7m in Q3 (Q3 2022: EUR -10.2m)



Net financial debt at EUR 366m, **further reduced** on prior-year Q3 (EUR 411m) as well as Q2 2023 (EUR 380m), net debt/EBITDA ratio reduced to 1.8 compared to 2.7 one year ago



Earnings guidance confirmed for FY 2023, i.e., adjusted EBIT margin of around 5% expected; **FY sales guidance adjusted** on Oct. 25, 2023: organic revenue growth of around 3 to 5% expected

* LV: Light Vehicle; source: S&P Global Mobility (10/2023)

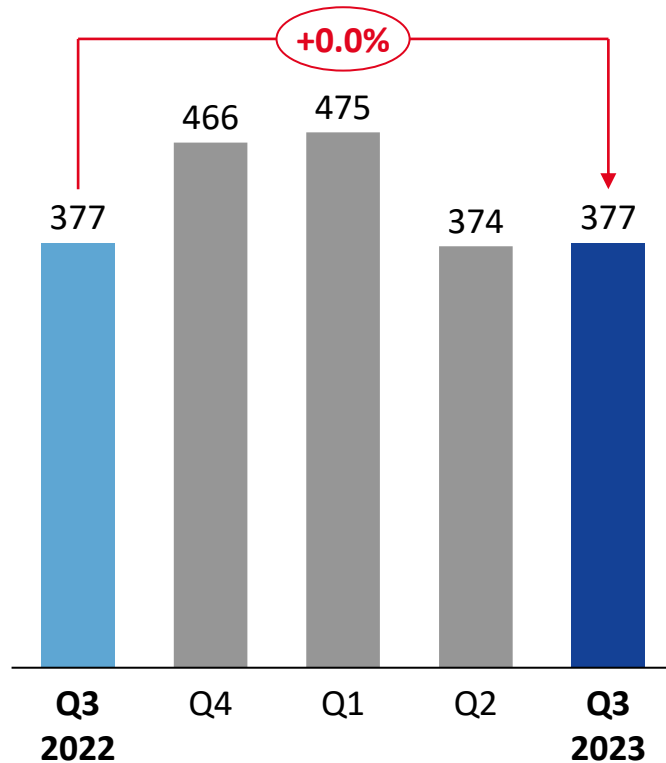
Financials



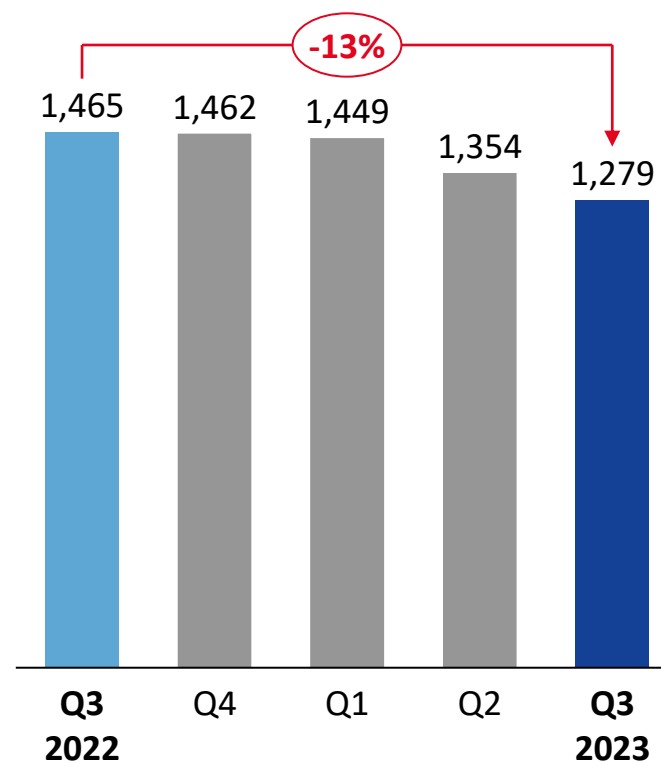
Q3 2023: Orders and sales

Stable order intake, organic sales slightly up

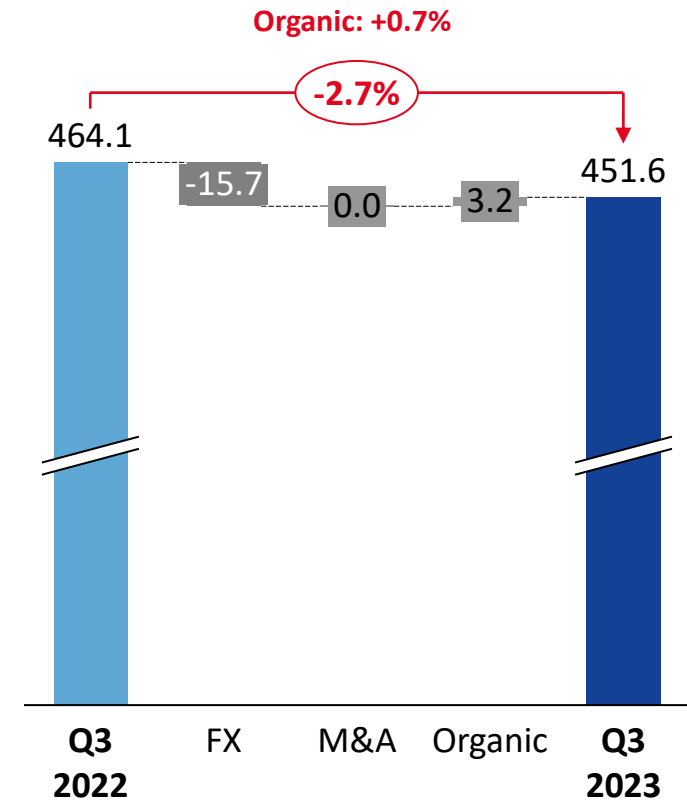
Order intake – in EUR million



Order backlog – in EUR million



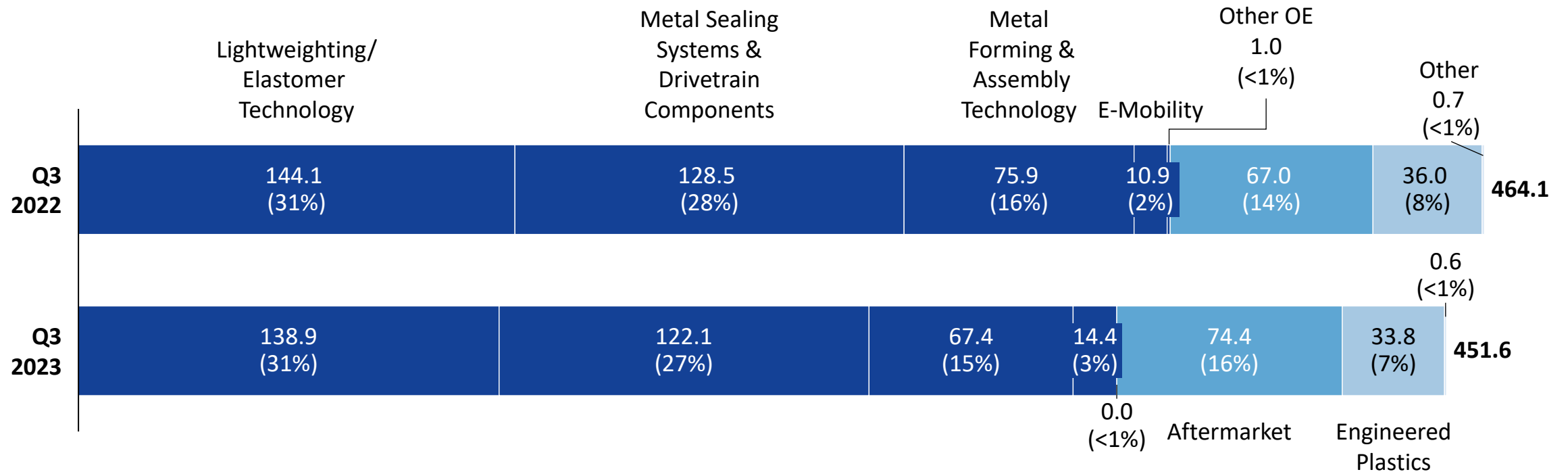
Sales – in EUR million



Q3 2023: Sales

Revenue of business unit E-Mobility up in Q3 and 9M 2023

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

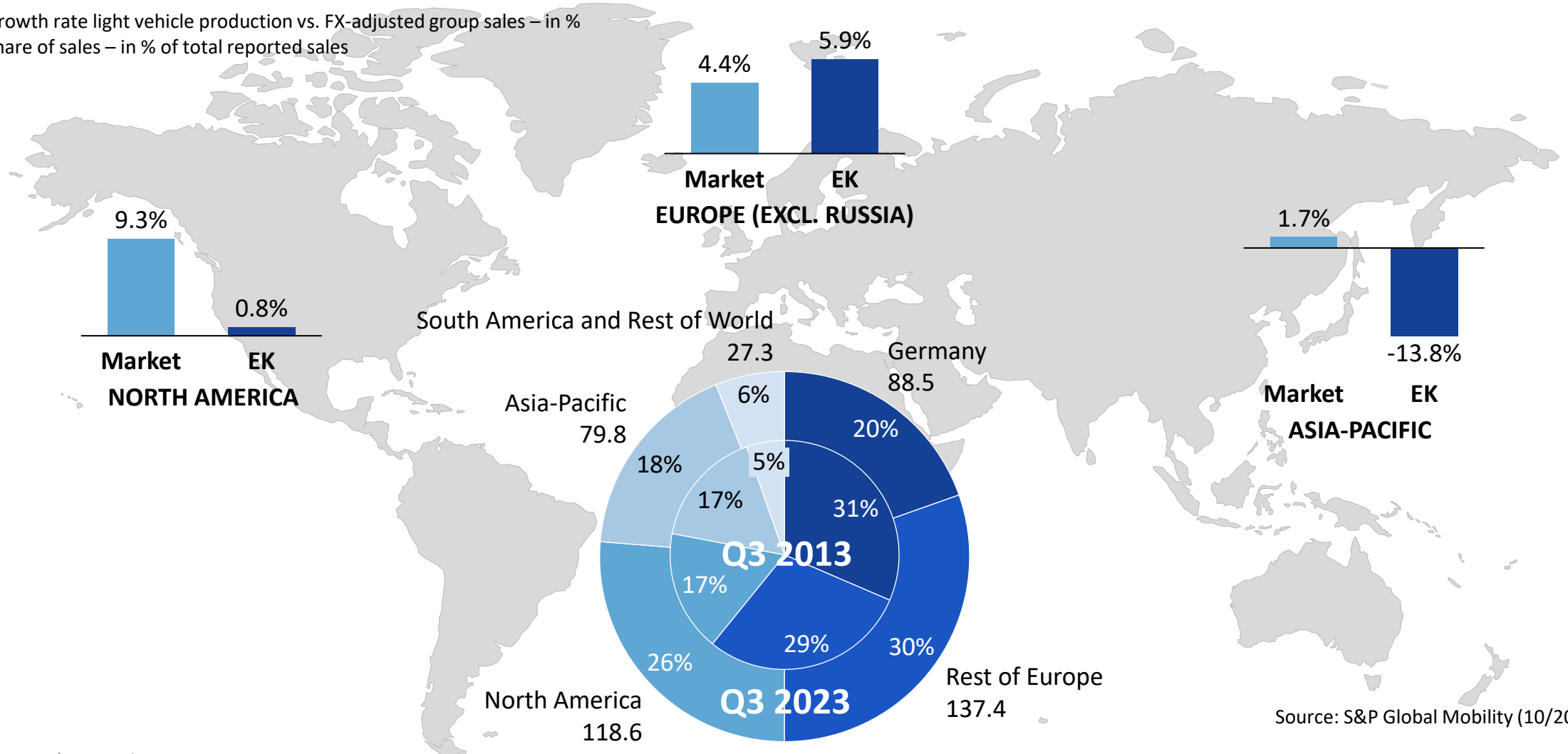


Differences due to rounding

Q3 2023: Sales

Growth momentum in Europe, headwinds in Asia

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

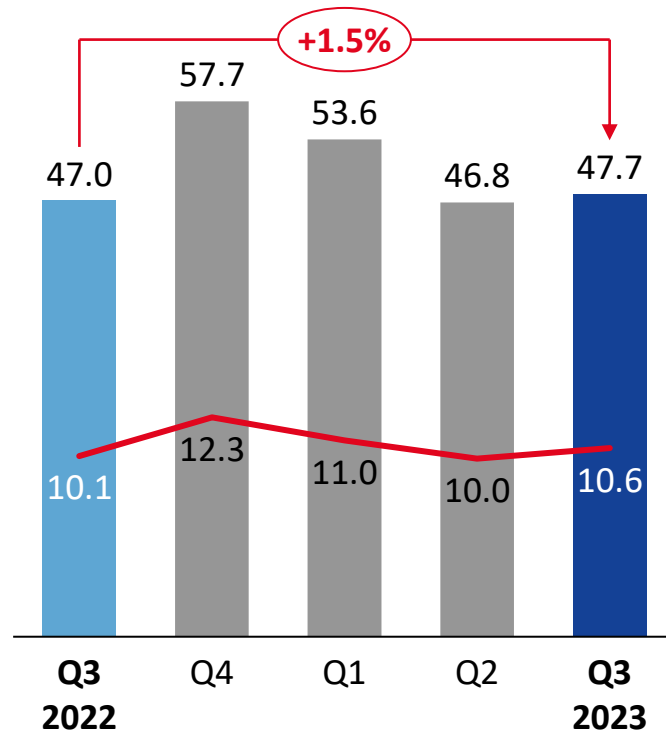


Source: S&P Global Mobility (10/2023)

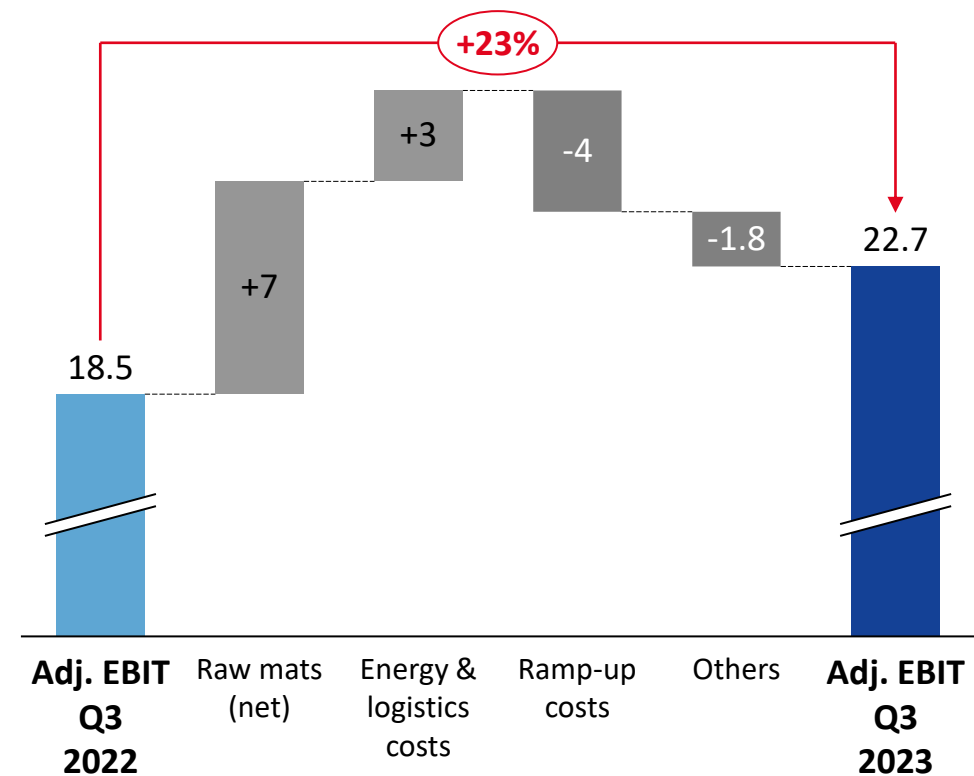
Q3 2023: Earnings

Significant year-on-year improvement in adjusted EBIT

EBITDA – in EUR million
EBITDA margin – in %



Adjusted EBIT bridge – in EUR million

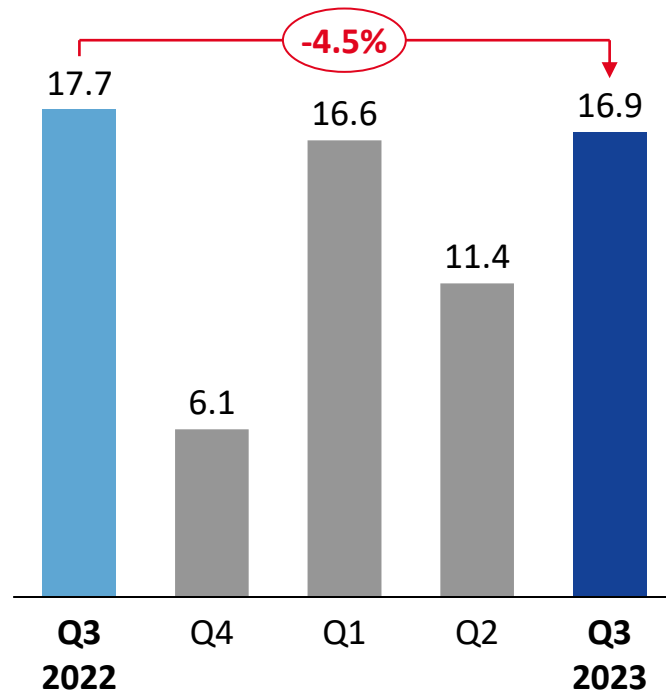


Differences due to rounding

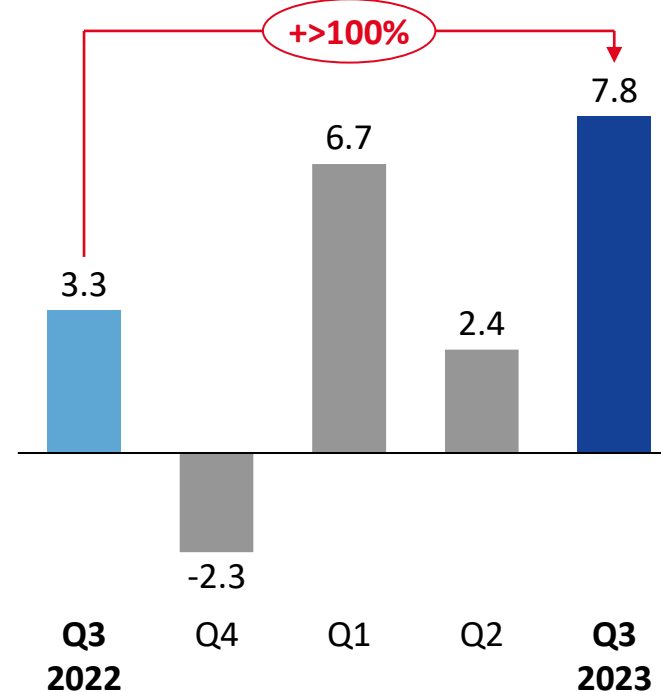
Q3 2023: Earnings

EPS at 0.12 EUR in Q3 and at 0.27 in 9M 2023

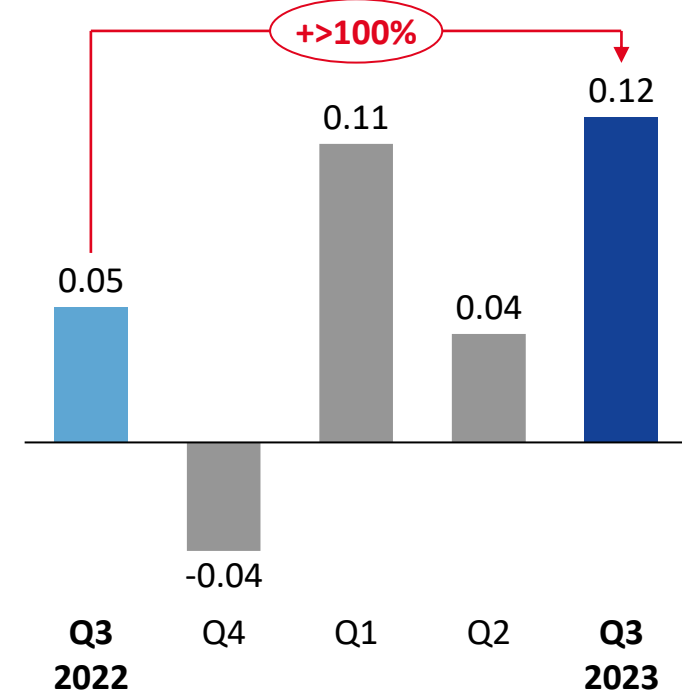
EBT – in EUR million



Net income (attributable to shareholders) – in EUR million



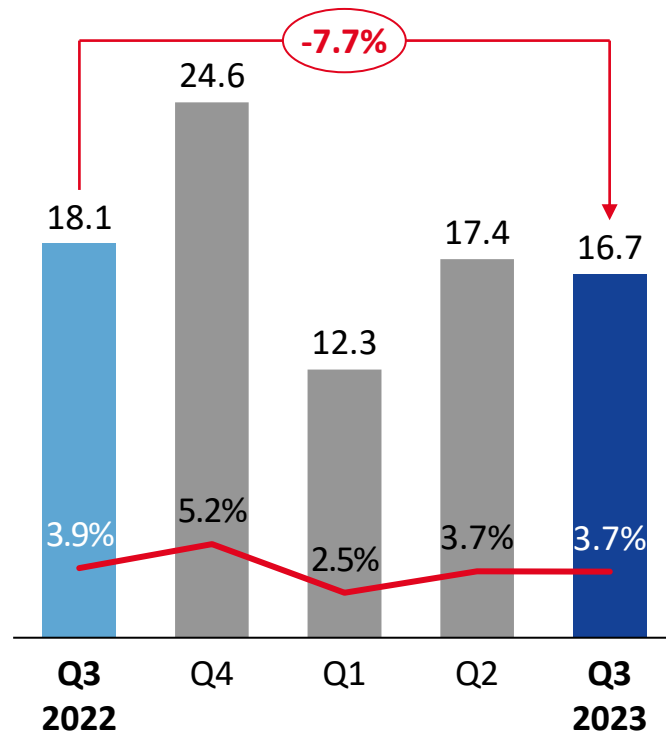
Earnings per share – in EUR



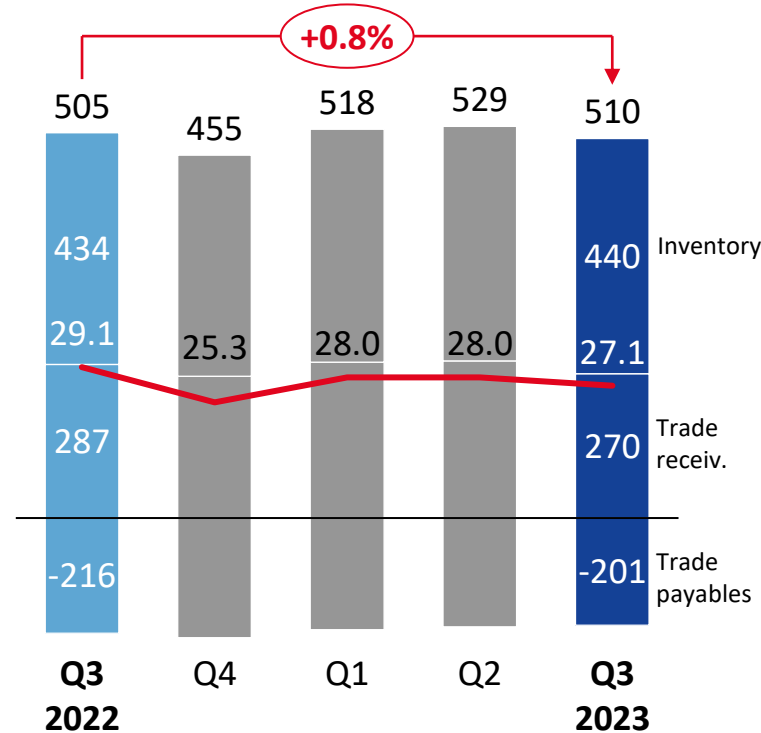
Q3 2023: Cash flow

Changes in NWC benefit Operating Free Cash Flow

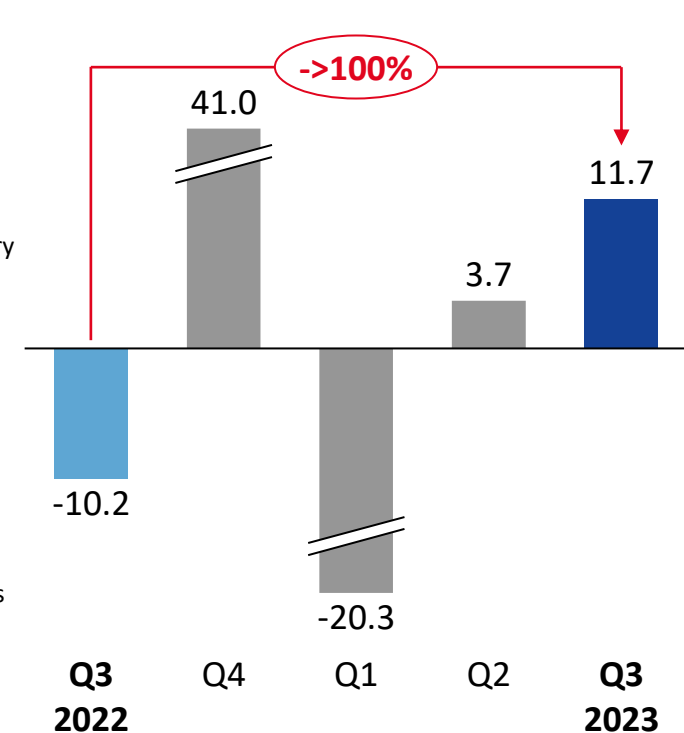
Capex – in EUR million
Capex ratio – in % of total sales



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



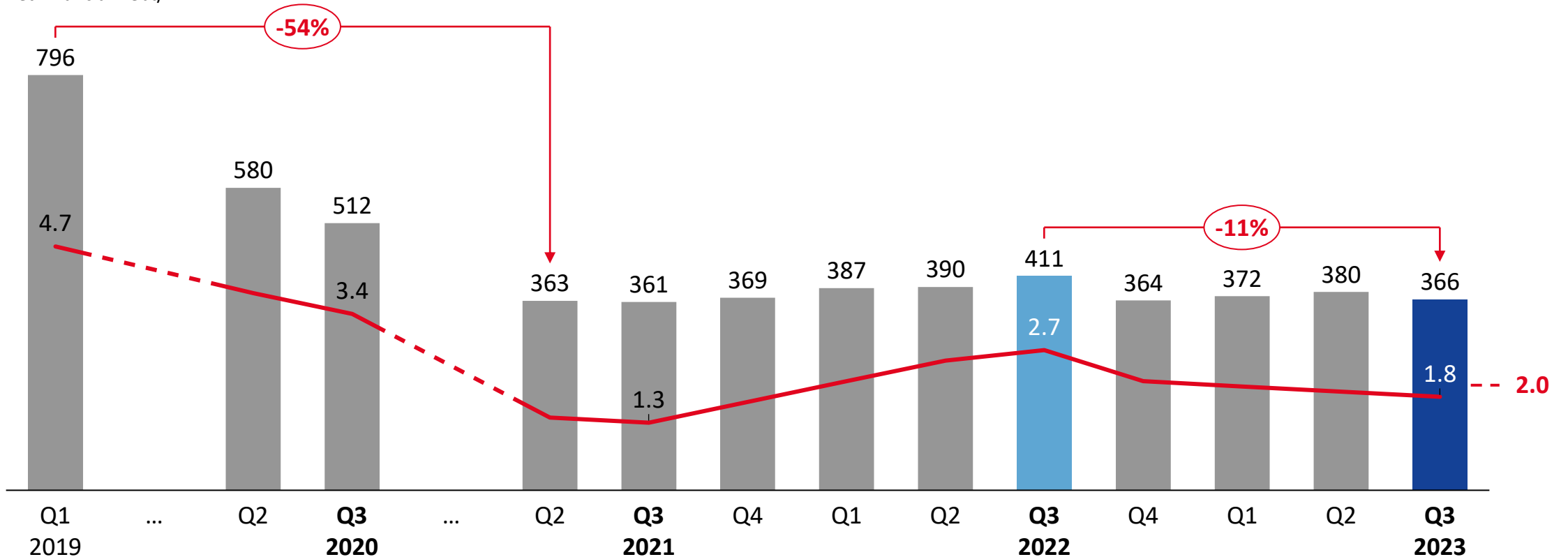
Operating Free Cash Flow – in EUR million



Q3 2023: Balance sheet

Net debt/EBITDA gradually reduced below 2.0 target

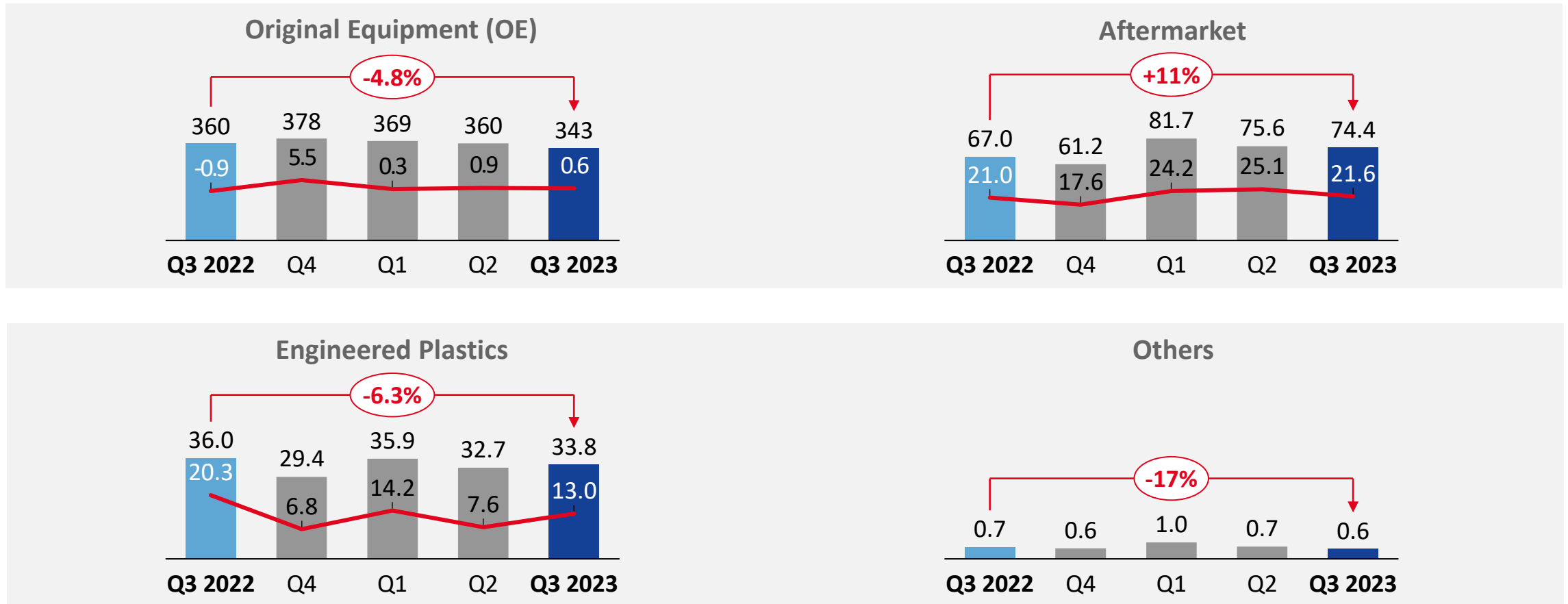
Net Financial Debt – in EUR million
Net Financial Debt/EBITDA



Q3 2023: Segments

Aftermarket: growth strategy successfully implemented

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

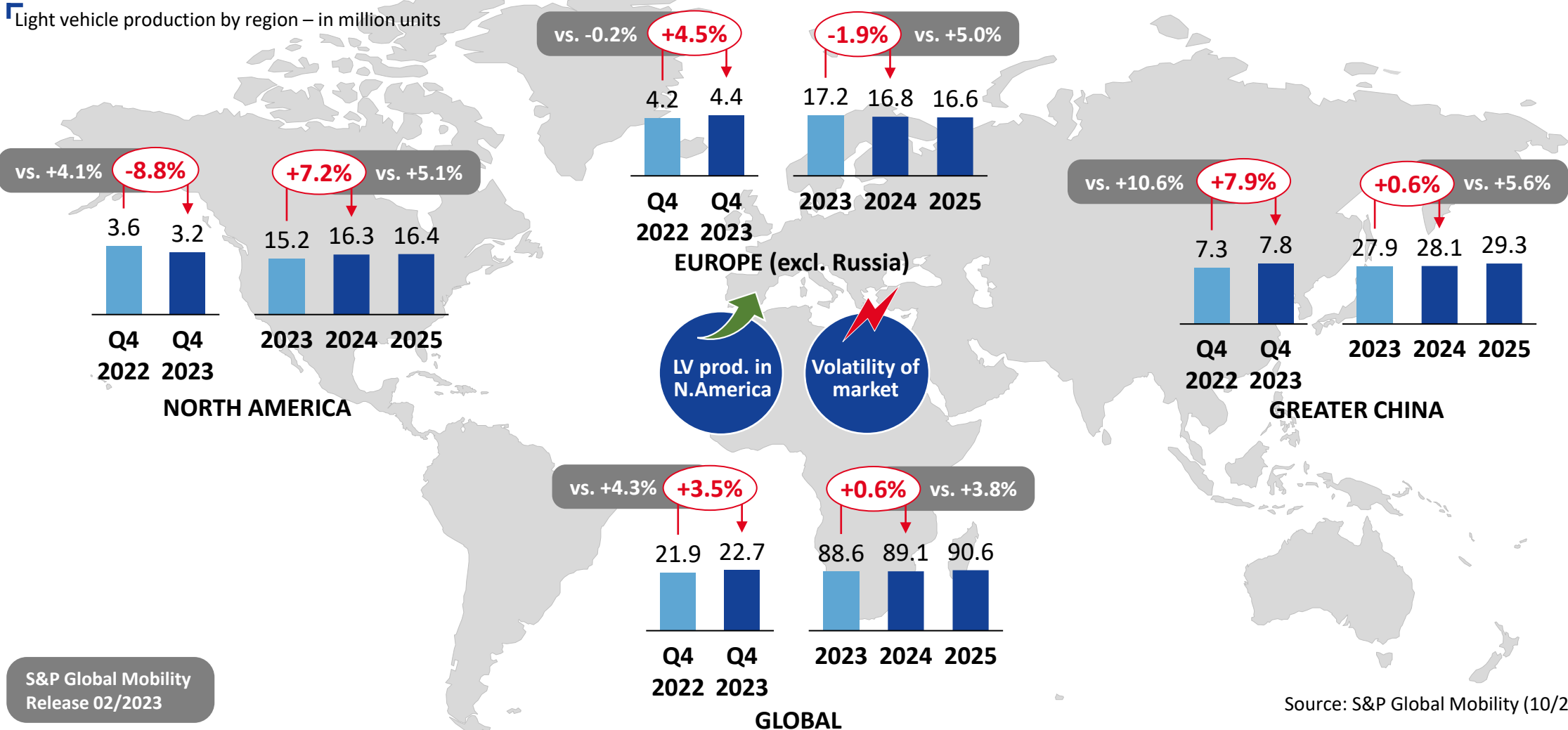


Markets and Outlook



Market environment dynamic, volatile, and uncertain

Light vehicle production by region – in million units



S&P Global Mobility
Release 02/2023

Source: S&P Global Mobility (10/2023)

Sales guidance 2023 adjusted

	2023	Mid-term	Actual 2022
Sales	Organic growth of around 3 to 5% (prev.: significantly above market)	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 %

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

	Q3 2023	Q3 2022
Sales revenue	451.6	464.1
Cost of sales	-355.2	-372.2
Gross profit	96.4	91.8
Gross profit margin	21.3	19.8
	in %	
Selling expenses	-37.8	-35.2
General and administrative expenses	-22.0	-23.6
Research and development costs	-15.7	-16.2
Other operating income	3.2	4.9
Other operating expenses	-2.6	-3.7
Earnings before interest and taxes (EBIT)	21.4	18.1
Finance income	11.8	25.1
Finance costs	-16.0	-24.7
Share of result of associates	-0.3	-0.8
Net finance costs	-4.5	-0.4
Earnings before taxes (EBT)	16.9	17.7
Income tax expenses	-12.2	-13.8
Net income	4.7	3.9
of which: attributable to non-controlling interests	-3.1	0.6
of which: attributable to shareholders of ElringKlinger AG	7.8	3.3
Basic and diluted earnings per share (EPS)	0.12	0.05
	in EUR	

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

Consolidated balance sheet

Assets	As of Sep 30, 2023	As of Dec 31, 2022	Liabilities and equity	As of Sep 30, 2023	As of Dec 31, 2022
Intangible assets	159	147	Share capital	63	63
Property, plant, and equipment	875	906	Capital reserves	118	118
Financial assets	14	14	Revenue reserves	649	641
Shares in associates	14	15	Other reserves	-11	1
Non-current income tax assets	3	1	Equity attributable to the shareholders of ElringKlinger AG	819	824
Other non-current assets	12	22	Non-controlling interest in equity	66	73
Deferred tax assets	21	20	Equity	885	897
Contract performance costs	6	6	Provisions for pensions	98	97
Non-current contract assets	0	1	Non-current provisions	18	18
Non-current assets	1,104	1,131	Non-current financial liabilities	283	429
Inventories	440	414	Non-current contract liabilities	2	2
Current contract assets	7	8	Deferred tax liabilities	28	24
Trade receivables	270	265	Other non-current liabilities	10	10
Current income tax assets	6	5	Non-current liabilities	439	580
Other current assets	78	105	Current provisions	57	66
Cash and cash equivalents	120	119	Trade payables	201	224
Current assets	921	916	Current financial liabilities	222	73
Total assets	2,025	2,047	Current contract liabilities	11	13
			Tax payable	30	22
			Other current liabilities	181	171
			Current liabilities	702	570
			Total liabilities and equity	2,025	2,047

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

Consolidated statement of cash flows

	Q3 2023	Q3 2022		Q3 2023	Q3 2022
Earnings before taxes (EBT)	17	18	Proceeds from disposals of property, plant and equipment and intangible assets	0	1
Depreciation/amortization (less write-ups) of non-current assets	26	29	Proceeds from disposals of financial assets	5	2
Net interest	7	3	Payments for investments in intangible assets	-8	-6
Change in provisions	-12	1	Payments for investments in property, plant and equipment	-17	-18
Gains/losses on disposal of non-current assets	0	0	Payments for investments in financial assets	-3	-4
Share of result of associates	0	1	Net cash from investing activities	-23	-24
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	27	-42	Payments received from non-controlling interests for the acquisition of shares	10	0
Change in trade payables and other liabilities not resulting from financing and investing activities	-5	1	Dividends paid to shareholders and to non-controlling interests	-4	0
Income taxes paid	-15	-6	Proceeds from addition of long-term loans	46	127
Interest paid	-7	-4	Payments for the repayment of long-term loans	-54	-128
Interest received	0	0	Changes in current loans	-2	7
Other non-cash expenses and income	-3	11	Net cash from financing activities	-4	6
Net cash from operating activities	36	12	Changes in cash	10	-5
			Effects of currency exchange rates on cash	1	2
			Cash at beginning of the period	109	135
			Cash at end of period (as per financial statement)	120	132

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

Group – Last 5 quarters

Key figures

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Order intake	377	374	475	466	377
Order backlog	1,279	1,354	1,449	1,462	1,465
Sales	452	469	488	469	464
EBITDA	47.7	46.8	53.6	57.7	47.0
EBIT	21.4	16.7	26.0	22.6	18.1
EBIT margin <i>in %</i>	4.7	3.6	5.3	4.8	3.9
EBIT adjusted ¹	22.7	24.8	26.4	33.1	18.5
EBIT margin adjusted ¹ <i>in %</i>	5.0	5.3	5.4	7.1	4.0
EBT	16.9	11.4	16.6	6.1	17.7
Net income attributable to shareholders	7.8	2.4	6.7	-2.3	3.3
Earnings per share <i>in EUR</i>	0.12	0.04	0.11	-0.04	0.05
Capex (in PPE)	16.7	17.4	12.3	24.6	18.1
Operating free cash flow ²	11.7	3.7	-20.3	41.0	-10.2
Net working capital ³	510	529	518	455	505
Equity ratio <i>in %</i>	43.7	43.4	44.4	43.8	42.7
Net financial debt ⁴	366	380	372	364	411
Net debt ratio (Net financial debt / EBITDA)	1.8	1.9	2.0	2.1	2.7
Employees (as at quarter-end) ⁵	9,625	9,607	9,635	9,540	9,523

All figures in EUR million unless otherwise described, differences due to rounding. ¹ Figures of EBIT adjusted 2022 unaudited and preliminary. 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 previous year's figures were adjusted in accordance with a uniform approach.

Group – Last 5 quarters

Segmental figures

		Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Group	Sales	452	469	488	469	464
	Adjusted EBIT ¹	22.7	24.8	26.4	33.1	18.5
	Adjusted EBIT margin ¹ <i>in %</i>	5.0	5.3	5.4	7.1	4.0
Original Equipment	Sales	343	360	369	378	360
	Adjusted EBIT	2.1	3.4	1.1	20.8	-3.1
	Adjusted EBIT margin <i>in %</i>	0.6	0.9	0.3	5.5	-0.9
Aftermarket	Sales	74	76	82	61	67
	Adjusted EBIT	16.1	19.0	19.8	10.8	14.1
	Adjusted EBIT margin <i>in %</i>	21.6	25.1	24.2	17.6	21.0
Engineered Plastics	Sales	34	33	36	29	36
	Adjusted EBIT	4.4	2.5	5.1	2.0	7.3
	Adjusted EBIT margin <i>in %</i>	13.0	7.6	14.2	6.8	20.3
Others	Sales	0.6	0.7	1.0	0.6	0.7
	Adjusted EBIT	0.1	0.0	0.2	-0.5	0.1
	Adjusted EBIT margin <i>in %</i>	16.7	0.0	20.0	-83.3	14.3

All figures in EUR million unless otherwise described, differences due to rounding. ¹ Figures of EBIT adjusted 2022 unaudited and preliminary.

Group – Last 5 years

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

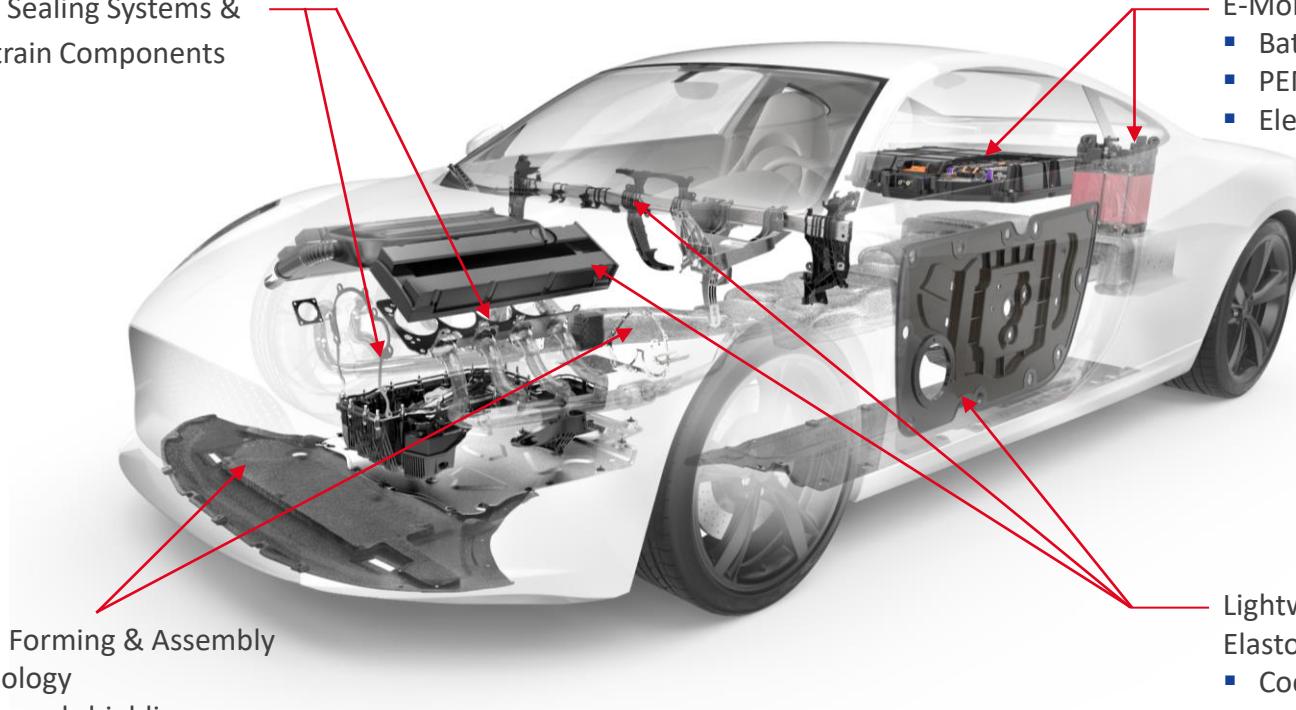
= **EBIT (adjusted)**

Product portfolio

Metal Sealing Systems & Drivetrain Components

E-Mobility

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



Metal Forming & Assembly Technology

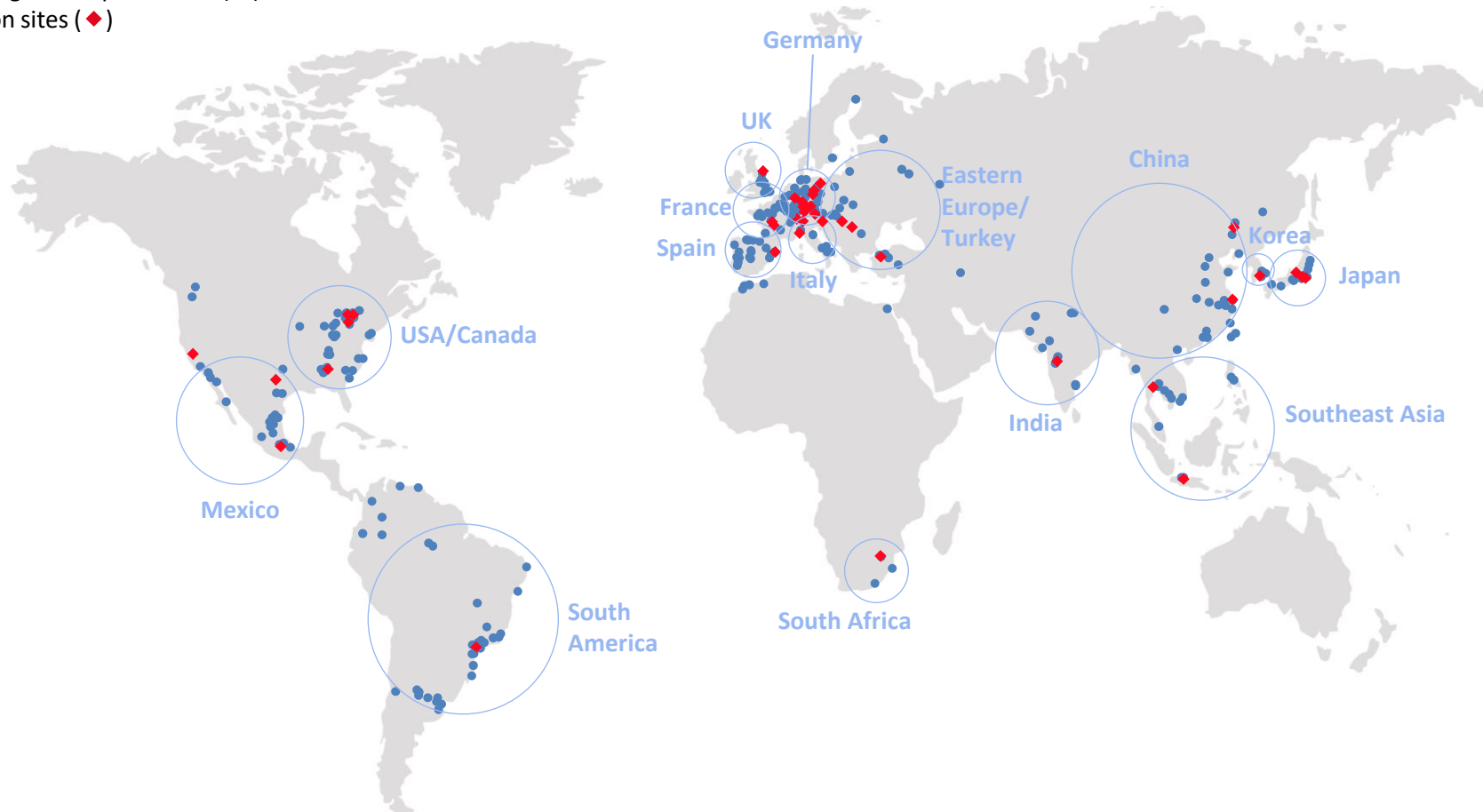
- Thermal shielding
- Acoustic shielding

Lightweighting/
Elastomer Technology

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

ElringKlinger represented in all important auto regions

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



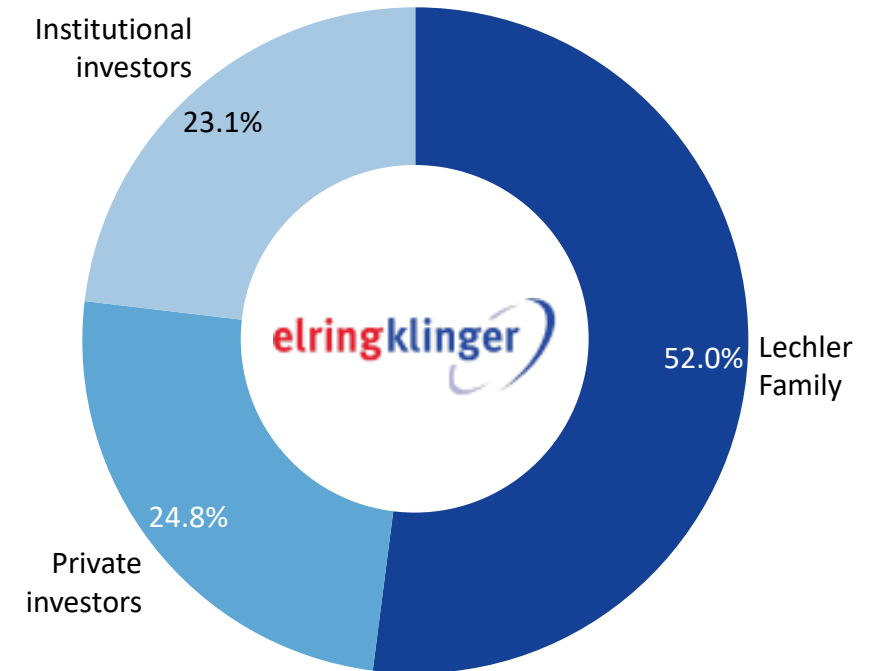
Group

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 contacting 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 September 30, 2023





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Disclaimer

Forward-looking statements and predictions

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