



Conference Call on Q3 2021

Dr. Stefan Wolf, CEO | Thomas Jessulat, CFO
November 4, 2021



Q3 2021

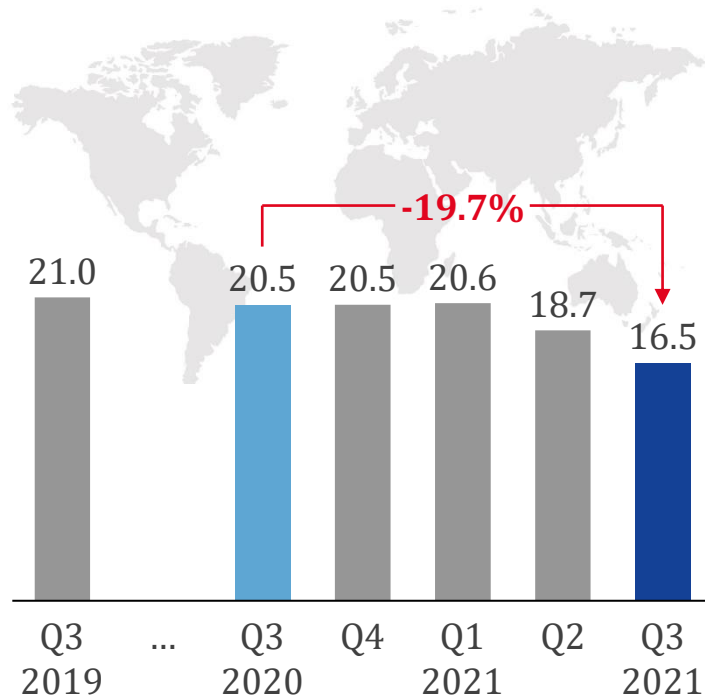
Headlines

- **Increase in revenues** despite declining global LV production figures: regional growth especially in APAC, parts of Europe and South America
- **Group sales expanded** by 5.1% to EUR 401 million (Q3 2020: EUR 381m), **organically up by 3.3%**
- **Group EBIT increased to EUR 27.0 million** (Q3 2020: EUR 18.9m) although raw material prices remained at a high level, **EBIT margin at 6.7%** (Q3 2020: 5.0%)
- **Operating free cash flow at EUR 8.1 million** (Q3 2020: EUR 78.6m)
- Net working capital slightly increased to EUR 424 million as higher inventories are needed, **net financial debt further reduced** to EUR 361 million, net debt/EBITDA now at 1.3

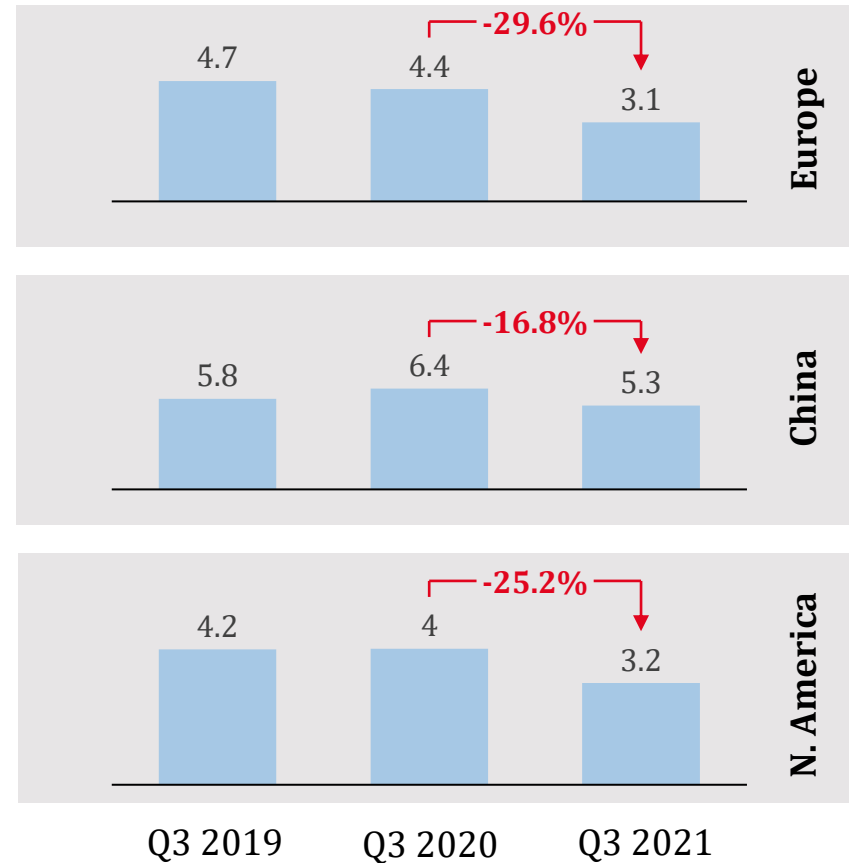
Q3 2021

Strong Q3 results achieved in a challenging market environment

Global LV production – in million units



LV production in main markets – in million units

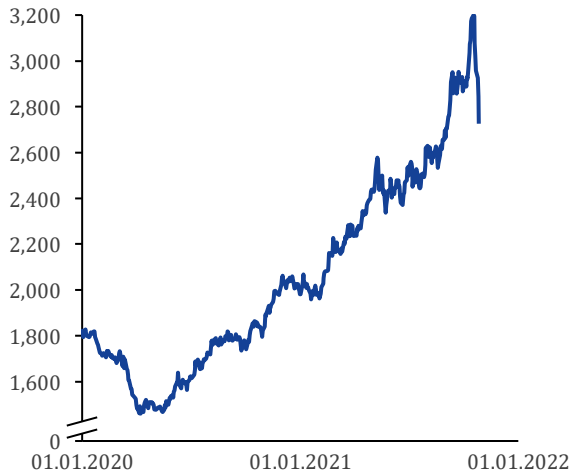


Source: IHS (10/2021), JP Morgan, ElringKlinger Research

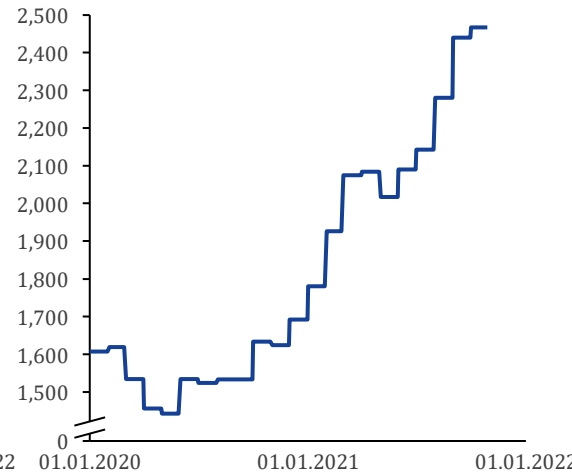
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Price levels for key raw materials increased in 2021

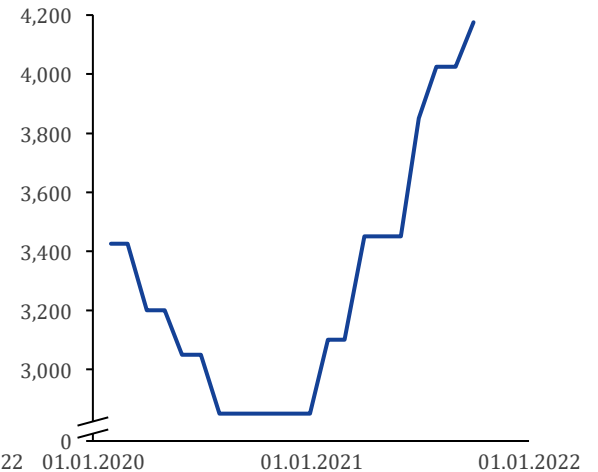
Aluminum LME 3M USD



Alloy surcharge – Outokumpu 1.4310



PA 66 nature



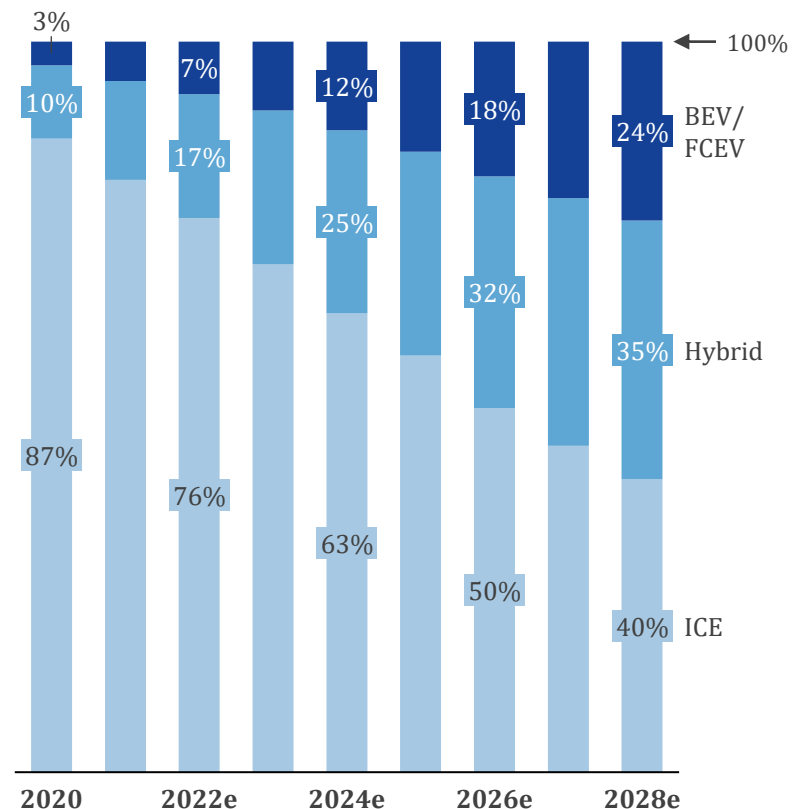
- Increasing number of Force Majeure cases being claimed
- Highly sensitive supply chains: a local heavy flood (as seen in Germany) or a winter storm (as seen in Texas) disturb global supply interdependences and trigger price levels

Source: MBI Metalsource, ElringKlinger Research

Pooling forces due to accelerated transformation of mobility

- ElringKlinger intends to **gradually discontinue production activities at Langenzenn site** and to cover the plant's ongoing projects via other entities operating in this business unit.
- **R&D activities are to be continued** in close proximity to this site.
- Basis: **accelerated transformation of mobility** coming along with decreasing demand for shielding products
- Goal: **further improving competitiveness of Shielding Technology unit** and being in a position to offer its customers high-end solutions tailored to their needs well into the future
- Based on current considerations, **measures** planned for this site can **commence in Q3 2022**

Global LV production by drivetrain



Source: IHS (07/2021), ElringKlinger Research

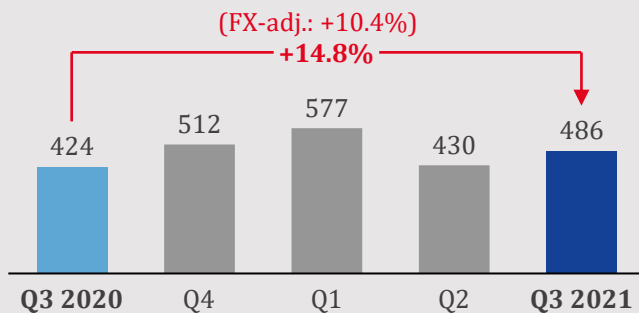
Financials

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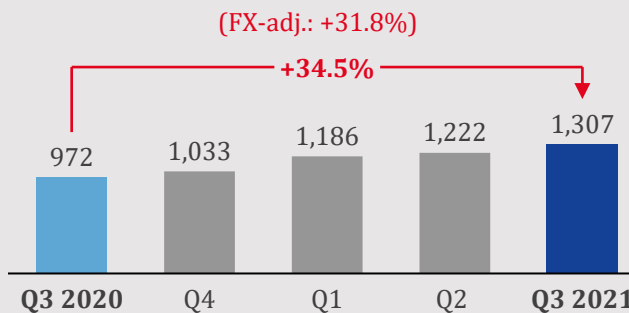
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Increasing order intake, surging order backlog, rising sales

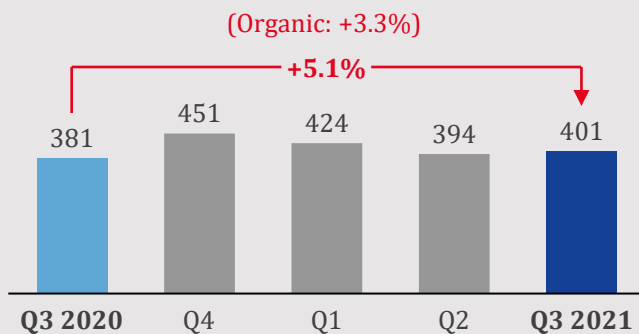
Order intake – in EUR million



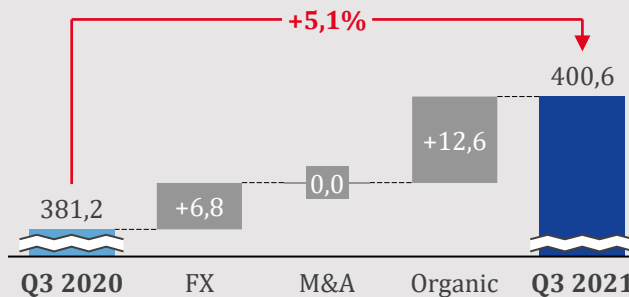
Order backlog – in EUR million



Sales – in EUR million



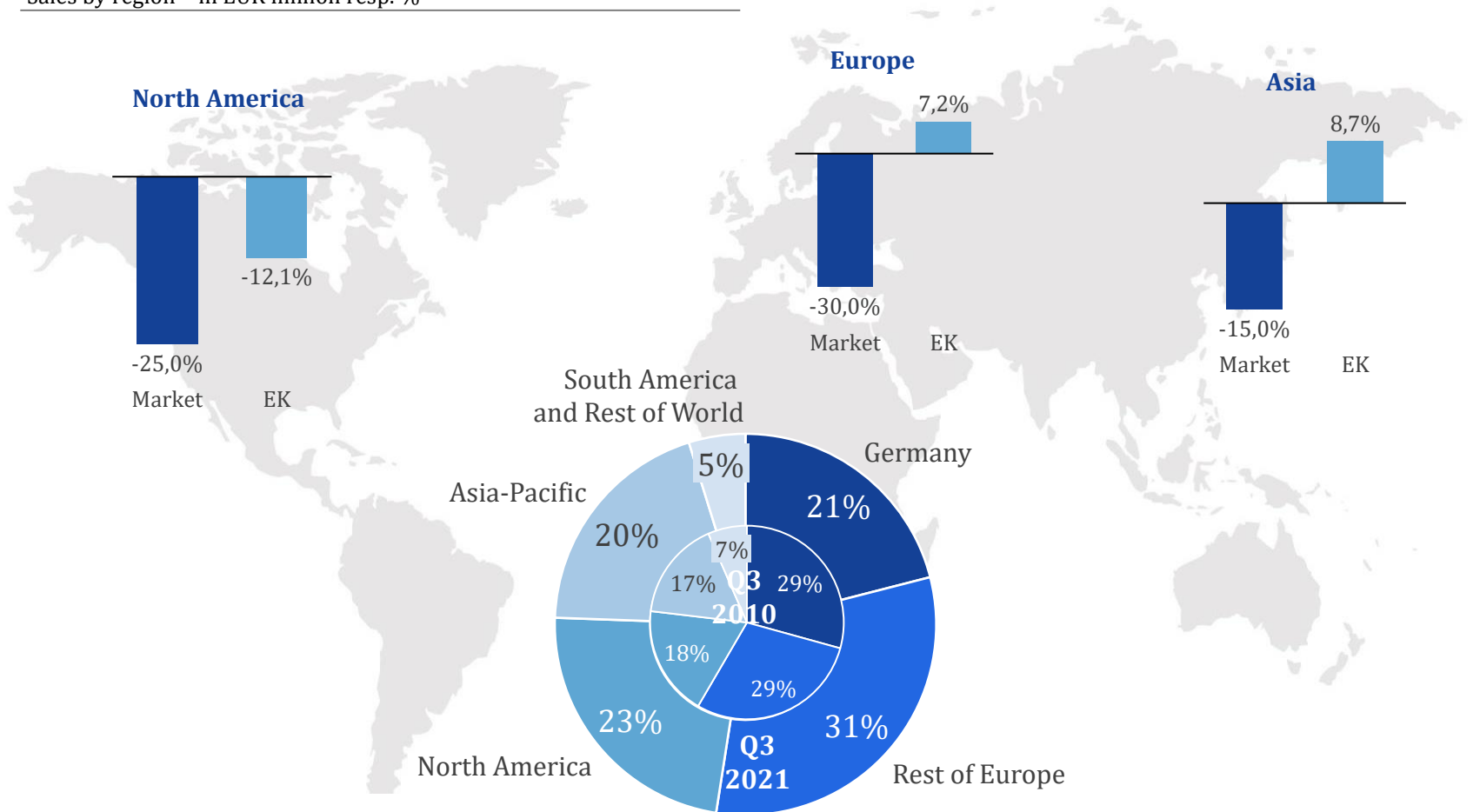
Sales bridge – in EUR million/ in %



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Revenues significantly outperforming global markets

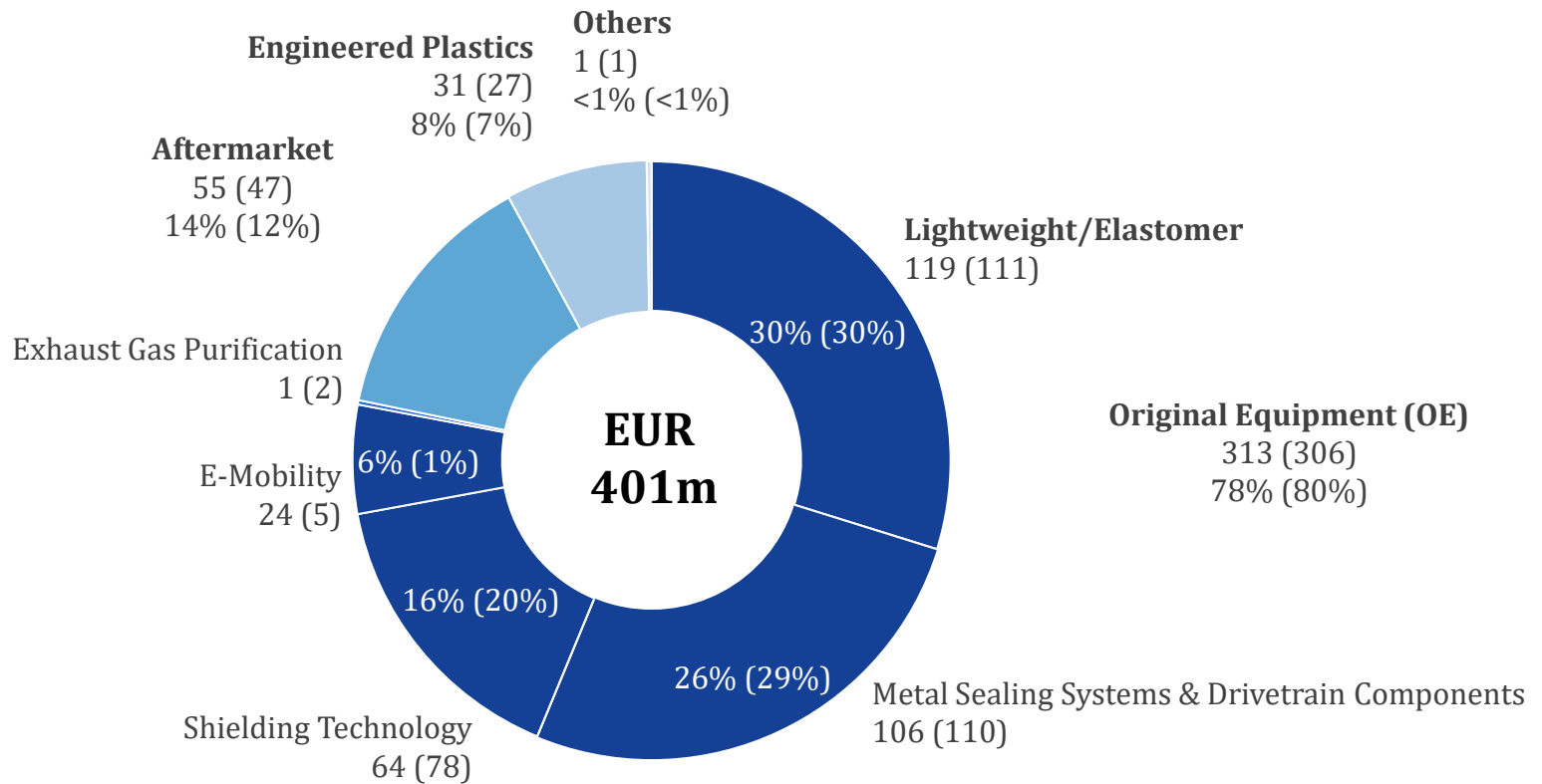
Growth LV production vs. sales ElringKlinger (FX adjusted) – in %
Sales by region – in EUR million resp. %



Q3 2021

In particular E-Mobility with increasing sales share

Sales by segment – in EUR million
Share of total sales – in %

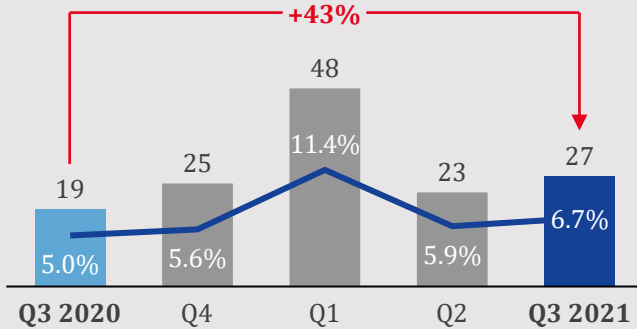


Previous year's Q3 figures in brackets

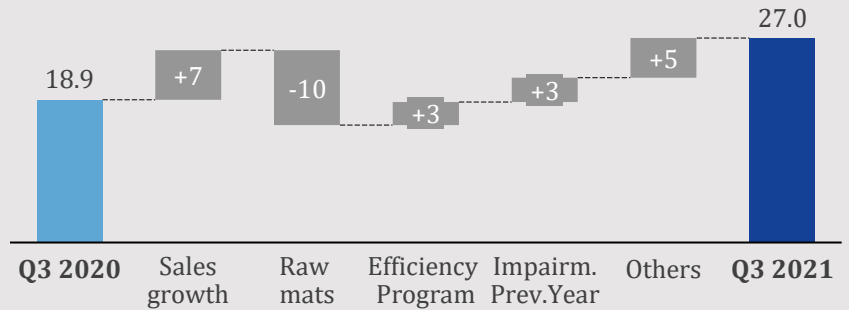
Q3 2021

Strong EBIT margin despite headwind in raw materials

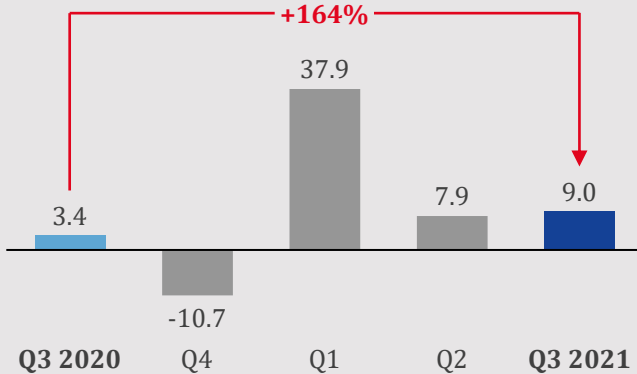
EBIT – in EUR million
EBIT margin – in % of total sales



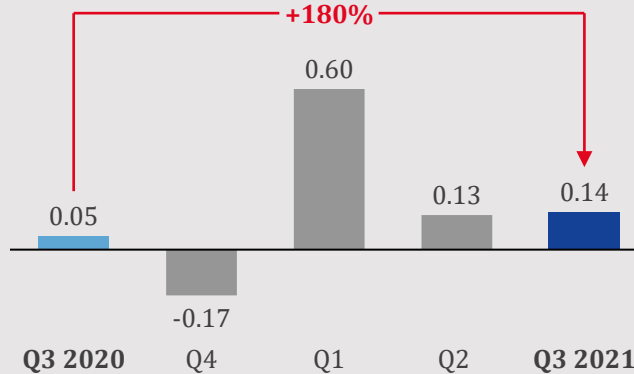
EBIT bridge – in EUR million



Net income (attr. to shareholders) – in EUR million



Earnings per share – in EUR



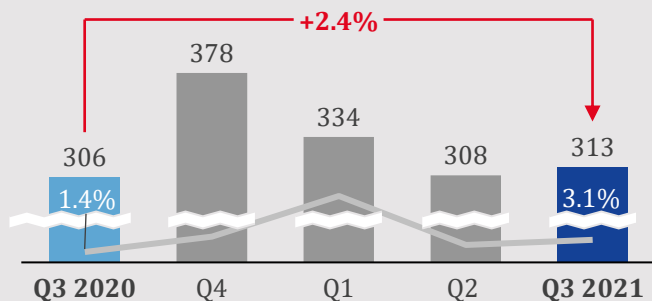
Differences due to rounding

Q3 2021

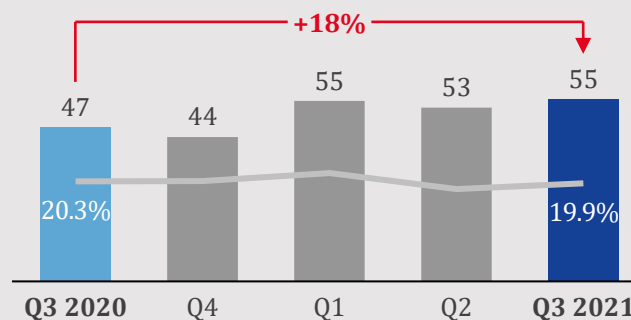
Strong performance in Aftermarket and Engineered Plastics

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

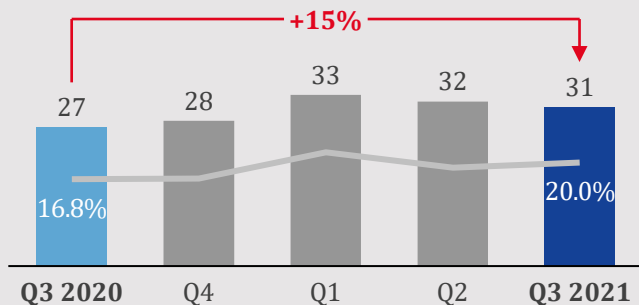
Original Equipment (OE)



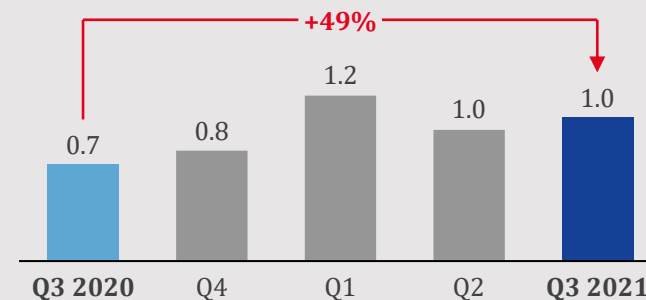
Aftermarket



Engineered Plastics



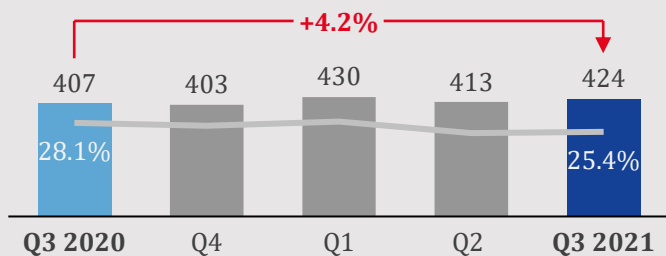
Others (sales only)



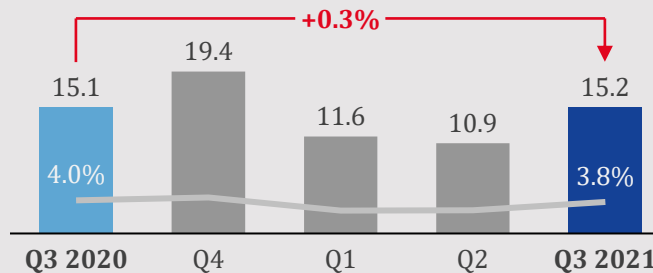
Q3 2021

Again a positive cash flow under challenging framework conditions

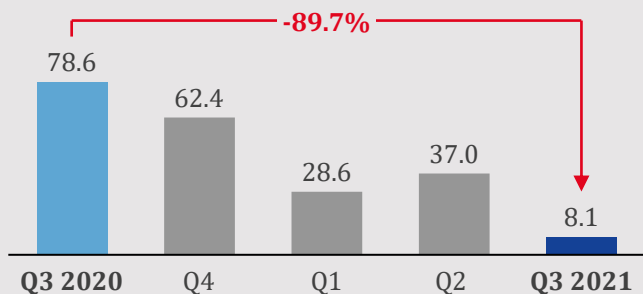
Net working capital / ratio - in EUR m / % of sales



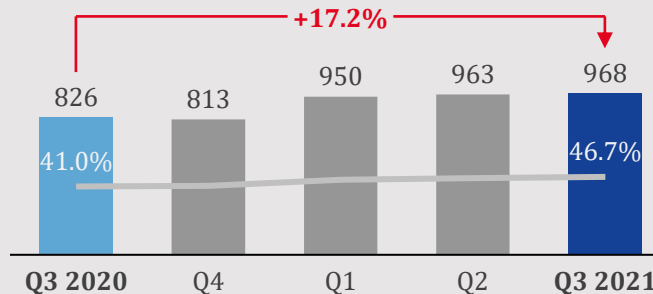
Capex / ratio - in EUR million / % of total sales



Operating free cash flow - in EUR million



Equity / ratio - in EUR million / % of total assets

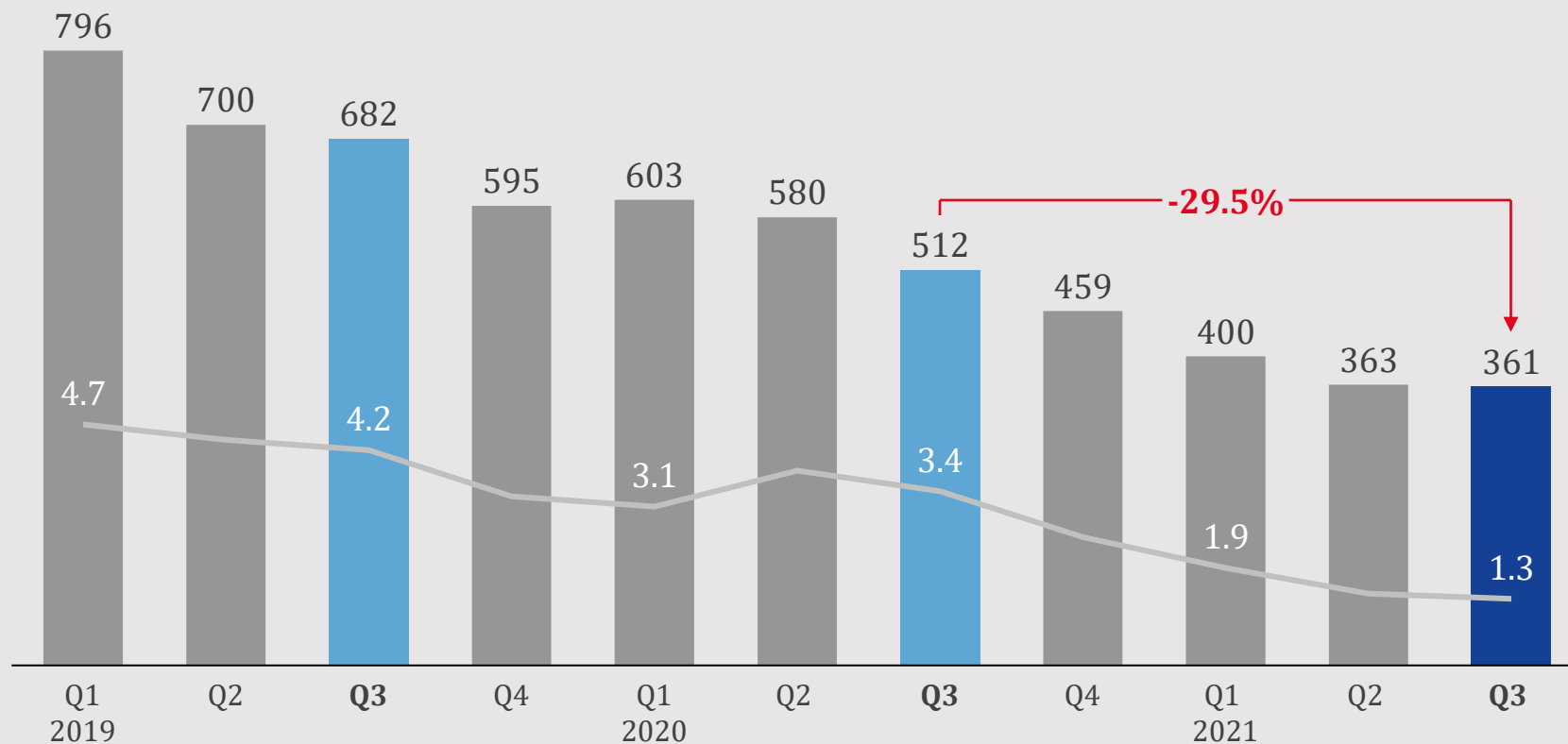


Differences due to rounding

Q3 2021

Net debt further reduced, net debt/EBITDA at low level

Net debt/ Net debt/EBITDA – in EUR million



Outlook

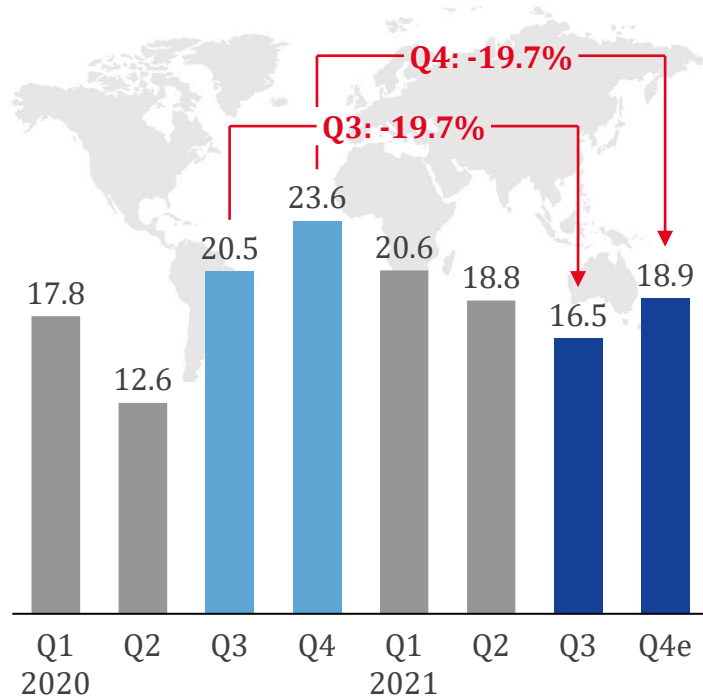
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Q3 2021

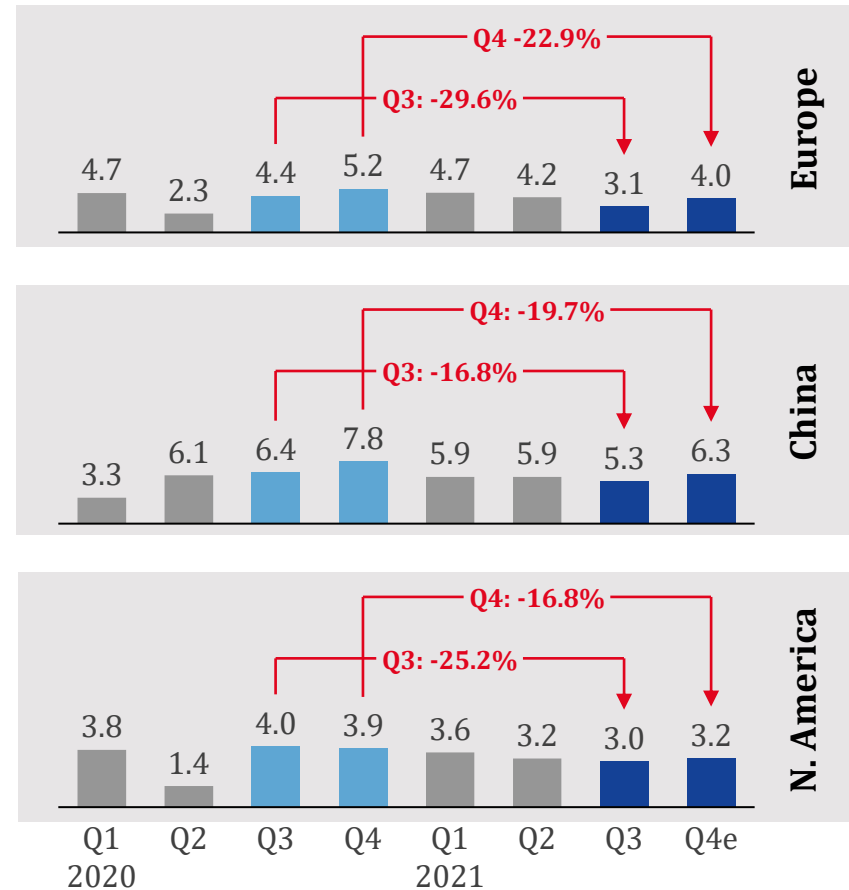
LV production outlook rather cautious for remaining year

Global LV production – in million units



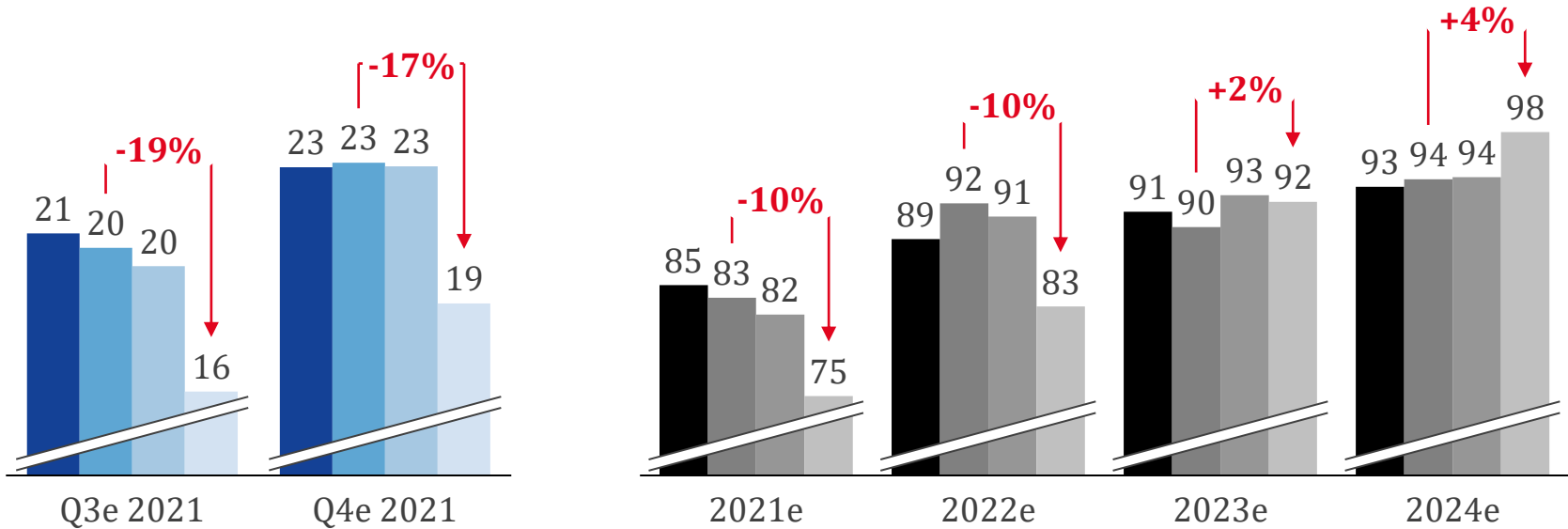
Source: IHS (10/2021), ElringKlinger Research

LV production in main markets – in million units

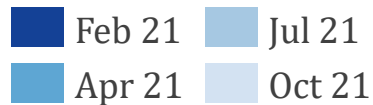


Deep cut for 2021 and 2022, shift of volumes to 2023 and 2024

Global LV production – in million units



According to IHS data released in



According to IHS data released in



Source: IHS (02/2021), IHS (04/2021), IHS (07/2021), IHS (10/2021), ElringKlinger Research

Outlook adjusted with release of preliminary figures

2021

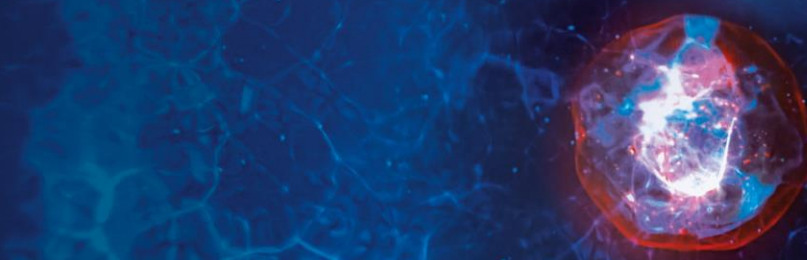
Midterm

Sales	Several percentage points higher than level of global LV production (prev.: on level of global LV production)	Organic growth outpacing global LV production growth
EBIT margin	Around 6% (prev.: around 5 to 6%)	Gradually improving
ROCE	Visible year-on-year improvement	Steady annual improvement
Operating FCF	Positive in double-digit million-euro range	Positive
Net debt/EBITDA	Year-on-year improvement	Less than 2.0

Q&A

H_2

Appendix



H_2

Group – Q3 2021

Consolidated income statement

	Q3 2021	Q3 2020
Sales revenue	400.6	381.2
Cost of sales	-306.3	-296.3
Gross profit	94.3	84.8
Gross margin	23.5	22.3
		in %
Selling expenses	-28.8	-25.5
General and administrative expenses	-22.1	-19.2
Research and development costs	-16.5	-13.6
Other operating income	2.2	1.9
Other operating expenses	-2.1	-9.6
Operating result (EBIT)	27.0	18.9
Finance income	6.2	6.9
Finance costs	-7.0	-14.7
Share of result of associates	-2.4	-2.0
Net finance costs	-3.2	-9.8
Earnings before taxes (EBT)	23.8	9.2
Income tax expenses	-14.4	-6.3
Net income	9.4	2.9
of which: attributable to non-controlling interests	0.4	-0.5
of which: attributable to shareholders of ElringKlinger AG	9.0	3.4
Basic and diluted earnings per share (EPS)	0.14	0.05
		in EUR

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

Group – Q3 2021

Consolidated statement of financial position

Assets	As of Sep 30, 2021	As of Dec 31, 2020	Liabilities and equity	As of Sep 30, 2021	As of Dec 31, 2020
Intangible assets	205	201	Share capital	63	63
Property, plant, and equipment	923	940	Capital reserves	118	118
Investment property	0	0	Revenue reserves	739	684
Financial assets	15	15	Other reserves	-32	-89
Shares in associates	12	17	Equity attr. to shareh. of ElringKlinger AG	889	777
Non-current income tax assets	1	0	Non-controlling interest in equity	79	36
Other non-current assets	42	4	Equity	968	813
Deferred tax assets	27	24	Provisions for pensions	157	157
Contract performance costs	8	10	Non-current provisions	20	20
Non-current contract assets	0	1	Non-current financial liabilities	324	392
Non-current assets	1,235	1,212	Non-current contract liabilities	6	8
Inventories	363	301	Deferred tax liabilities	14	14
Current contract assets	11	10	Other non-current liabilities	7	7
Trade receivables	231	231	Non-current liabilities	529	597
Current income tax assets	5	5	Current provisions	34	27
Other current assets	101	71	Trade payables	169	129
Cash and cash equivalents	126	128	Current financial liabilities	176	205
Current assets	836	746	Current contract liabilities	21	31
Assets held for sale	0	5	Tax payable	27	33
Total assets	2,071	1,963	Other current liabilities	147	125
			Current liabilities	575	551
			Liabilities in connection with assets held for sale	0	2
			Total liabilities and equity	2,071	1,963

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

Group – Q3 2021

Consolidated statement of cash flows

	Q3 2021	Q3 2020		Q3 2021	Q3 2020
Earnings before taxes (EBT)	24	9	Proceeds from disposals of PPE, intangible assets and investment property	-1	17
Depreciation/amortization (less write-ups) of non-current assets	28	30	Proceeds from disposals of financial assets	2	0
Net interest	3	5	Proceeds from the disposal of subsidiaries	0	0
Change in provisions	5	0	Payments for investments in intangible assets	-3	-2
Gains/losses on disposal of non-current assets	0	0	Payments for investments in PPE and investment property	-15	-15
Share of result of associates	2	2	Payments for investments in financial assets	-1	0
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-24	-6	Net cash from investing activities	-17	0
Change in trade payables and other liabilities not resulting from financing and investing activities	10	42	Dividends paid to shareholders and to non-controlling interests	-6	0
Income taxes paid	-18	-3	Proceeds from addition of long-term loans	28	36
Interest paid	-4	-5	Payments for the repayment of long-term loans	-68	-94
Interest received	0	0	Changes in current loans	-1	-23
Other non-cash expenses and income	-1	5	Net cash from financing activities	-47	-81
Net cash from operating activities	26	78	Changes in cash	-38	-2
			Effects of currency exchange rates on cash	2	-3
			Cash at beginning of the period	163	147
			Cash at end of period (as per financial statement)	127	143

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

Group – Q3 2021

Key figures

	Q3 2021	Q3 2020	Δ abs.	Δ rel.
Order intake	486.3	423.6	+62.7	+15%
Order backlog	1,307	971.8	+335.2	+35%
Sales	400.6	381.2	+19.4	+5%
EBITDA	55.0	49.0	+6.0	+12%
EBIT (reported)	27.0	18.9	+8.1	+43%
EBT	23.8	9.2	+14.6	+159%
Net income attributable to shareholders	9.0	-4.3	+13.3	+>100%
Earnings per share <i>in EUR</i>	0.14	0.05	+0.09	+180%
Capex	15.2	15.1	+0.1	+1%
Operating free cash flow	8.1	78.6	-70.5	-90%
Net working capital	424.3	407.3	+17	+4%
Equity ratio <i>in %</i>	46.7	41.0	+5.7	+14%
Net financial debt	360.8	512.4	-148.6	-29%
Employees (as at September 30)	9,554	9,579	-25	-1%

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

Group – Last 5 quarters

Key figures

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Order intake	486	430	577	512	424
Order backlog	1,307	1,222	1,186	1,033	972
Sales	400.6	393.6	424	451	381
EBITDA	55.0	50.4	77	88	49
EBIT (reported)	27.0	23.0	48.4	25.2	18.9
EBIT margin (in %)	6.7	5.9	11.4	5.6	5.0
EBT	23.8	18.5	49.4	9.8	9.2
Net income attributable to shareholders	9.0	7.9	37.9	-10.7	3.4
Earnings per share (in EUR)	0.14	0.13	0.60	-0.17	0.05
Capex (in PPE)	15.2	10.9	11.6	19.4	15.1
Operating free cash flow	8.1	37.0	28.6	62.4	78.6
Net working capital ¹	424.3	413.0	430.4	403	407
Equity ratio (in %)	46.7	46.0	45.0	41.4	41.0
Net financial debt ²	360.8	363.3	400.2	459	512
Employees (as at quarter-end)	9,554	9,608	9,592	9,549	9,579

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

¹ Incl. current contract assets, less current contract liabilities

² As from FY2020 reduced by time deposits and current securities

Group – Last 5 quarters

Segmental figures

		Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Group	Sales	401	394	424	451	381
	EBIT (reported)	27.0	23.0	48.4	25.2	18.9
	EBIT margin (in %)	6.7	5.9	11.4	5.6	5.0
Original Equipment	Sales	313	308	334	378	306
	EBIT (reported)	9.6	7.3	29.3	12.8	4.3
	EBIT margin (in %)	3.1	2.4	8.8	3.4	1.4
Aftermarket	Sales	55	53	55	44	47
	EBIT (reported)	11.1	10.0	11.9	8.9	9.6
	EBIT margin (in %)	19.9	18.8	21.6	20.4	20.3
Engineered Plastics	Sales	30.7	31.8	33.1	28.1	26.8
	EBIT (reported)	6.1	6.0	7.2	4.7	4.5
	EBIT margin (in %)	20.0	18.9	21.8	16.9	16.8
Others	Sales	1.0	1.0	1.2	0.8	0.7
	EBIT (reported)	0.2	-0.3	-0.0	-1.3	0.5
	EBIT margin (in %)	16.4	n.a.	n.a.	n.a.	20.0

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

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.