

PRESS RELEASE

ElringKlinger records solid second-quarter performance in 2024

- **Group revenue at EUR 445.0 million in second quarter of 2024 amid persistently challenging market conditions (Q2 2023: EUR 468.7 million); headwind also from movements in exchange rates**
- **Adjusted EBIT margin of 5.0 % (Q2 2023: 5.3 %); adjusted EBIT of EUR 22.5 million (Q2 2023: EUR 24.8 million), operating free cash flow of EUR -4.5 million (Q2 2023: EUR 3.7 million)**
- **Improvement in other key performance indicators compared to prior-year quarter: net debt-to-EBITDA ratio down at 1.7 (Jun. 30, 2023: 1.9), net working capital ratio scaled back to 26.8 % (Jun. 30, 2023: 28.0 %), equity ratio at 45.1 % (Jun. 30, 2023: 43.4 %)**
- **SHAPE30 transformation strategy fully on track; new battery center in the USA important milestone on the transformation path**

Dettingen/Erms (Germany), August 7, 2024 +++ ElringKlinger AG (ISIN DE0007856023 / WKN 785602) has published its results for the second quarter of 2024. The Group generated revenue of EUR 445.0 million in the second quarter of 2024 (Q2 2023: EUR 468.7 million), down EUR 23.7 million in total or 5.1 %. Alongside the effects of foreign exchange rates, changes in customer call-off volumes relating to individual series production projects for e-vehicles and in the commercial vehicle sector had a dampening effect on revenue. Adjusted for currency effects, revenue amounted to EUR 450.7 million in the second quarter of 2024, down 3.8 % on the same period of the previous year, and EUR 919.7 million in the first half, also 3.8 % less than in the previous year.

Asked to comment on the quarterly results, Thomas Jessulat, CEO of ElringKlinger said, "After a good start to the 2024 financial year, our performance in the first half of the year reflects the weaker market environment compared to the previous year. Overall, we completed the second quarter with solid key financials. In the medium to long term, we consider ElringKlinger to be very well positioned and fully on track for SHAPE30. In June, we started with the establishment of our battery center in the US. This represents an important milestone for the Group in the implementation of its SHAPE30 transformation strategy; from 2025, the Group will primarily manufacture battery technology products at the site."

Challenging market environment in the key automotive regions

Sales revenue developed differently in the individual regions in the second quarter of 2024. While revenue generated in Germany increased by 5.6 %, revenue declined by 4.0 % in the Rest of Europe region, or by 1.6 % when adjusted for currency effects. Thus, revenue developed significantly better than the trend in automotive production, which fell by 6.1 % in Europe (Europe excluding Germany and Russia: -7.8 %) and by 3.5 % in the Germany region in the second quarter. There was a noticeable decrease in the

Asia-Pacific region of EUR -18.4 million and a slight decline in North America of EUR -6.1 million.

Adjusted EBIT margin on track

Despite the decrease in revenue in the second quarter of 2024, the ElringKlinger Group generated earnings before interest, taxes, depreciation, and amortization (EBITDA) of EUR 49.7 million (Q2 2023: EUR 46.8 million). Thus, EBITDA for the second quarter of 2024 showed an improvement by 6.1 % compared to the period from April to June 2023. This was driven by the price trends for materials as well as the Group's revenue mix. The Group posted adjusted EBIT of EUR 22.5 million (Q2 2023: EUR 24.8 million) in the quarter under review, resulting in an adjusted EBIT margin of 5.0 % (Q2 2023: 5.3 %). In the first half, adjusted EBIT stood at EUR 46.5 million (H1 2023: EUR 51.2 million), while the adjusted EBIT margin amounted to 5.1 % (H1 2023: 5.4 %).

At EUR -6.5 million (Q2 2023: EUR -5.3 million), net finance cost was up on the prior-year figure in the second quarter of 2024. Income tax expenses were lower than in the second quarter of the previous year. Earnings per share were up, rising to EUR 0.37 in the first six months of 2024 and to EUR 0.15 in the second quarter of 2024, which was well in excess of the previous year's figures of EUR 0.14 and EUR 0.04 respectively.

Equity ratio up slightly, net financial liabilities scaled back

At 45.1 %, ElringKlinger Group equity at the end of the first half was up slightly on the prior-year figure (2023: 43.4 %). The ElringKlinger Group's net financial liabilities amounted to EUR 350.4 million as of June 30, 2024 (Dec. 31, 2023: EUR 323.2 million), again significantly lower than in previous years. The net debt-to-EBITDA ratio improved to 1.7, compared to 1.9 at the end of the first half of 2023.

Net working capital lower

The Group's net working capital amounted to EUR 482.4 million as of June 30, 2024 (Jun. 30, 2023: EUR 529.0 million). It fell by EUR 6.9 million compared to the previous quarter's reporting date and by a significant EUR 46.6 million compared to the end of the first half of the previous year. At the end of the first half of 2024, i.e. June 30, 2024, the ratio of net working capital to revenue thus amounted to 26.8 %, which also was on a par with the ratio recorded at the end of the previous quarter. Compared to the end of the first half of 2023 (28.0 %), it was scaled back by 1.2 percentage points.

Slight increase in investments in property, plant, and equipment; improvement in operating free cash flow

Payments for investments in property, plant, and equipment amounted to EUR 22.7 million in the second quarter of 2024 (Q2 2023: EUR 17.4 million) and EUR 39.6 million in the first half of 2024 (H1 2023: EUR 29.7 million). This translates into a ratio of 5.1 % (Q2 2023: 3.7 %) and 4.3 % (H1 2023: 3.1 %) respectively. As part of the SHAPE30 transformation strategy, ElringKlinger is focusing primarily on the E-Mobility and Lightweighting/Elastomer Technology business units as well as projects centered around electromobility and hydrogen economy.

Operating free cash flow for the first half of 2024 amounted to EUR -10.3 million, which represents a slight improvement on the same period of the previous year, when the figure had stood at EUR -16.5 million. In the second quarter of 2024, operating free cash flow amounted to EUR -4.5 million (Q2 2023: EUR 3.7 million).

Guidance confirmed

Against the backdrop of generally challenging economic and geopolitical conditions, ElringKlinger can confirm its guidance for the current financial year on the basis of its half-year results and current market assessments. Accordingly, the Group remains confident that it will be in a position to slightly exceed last year's revenue in organic terms in the current financial year. Against the backdrop of difficult and uncertain market conditions, the Group assumes that the new series production orders for electric vehicles will ramp up and that general projections regarding the production of light and commercial vehicles will not be subject to any significant further adjustments. ElringKlinger continues to anticipate an adjusted EBIT margin, i.e., adjusted earnings before interest and taxes (based on the definition presented in the 2023 annual report) in relation to Group revenue, of around 5 %. The targets for the other key performance indicators and the medium-term targets are confirmed as well.

Key financials for the second quarter and first half of 2024

in EUR million	H1 2024	H1 2023	Δ abs.	Δ rel.	Q2 2024	Q2 2023	Δ abs.	Δ rel.
Order intake	854.3	848.7	5.6	+0.7 %	364.9	373.8	-8.9	-2.4 %
Order backlog	1,249.3	1,354.1	-104.8	-7.7 %	1,249.3	1,354.1	-104.8	-7.7 %
Revenue	910.2	956.4	-46.2	-4.8 %	445.0	468.7	-23.7	-5.1 %
of which FX effects			-9.5	-1.0 %			-5.7	-1.2 %
of which M&A			±0.0	±0.0 %			±0.0	±0.0 %
of which organic			-36.7	-3.8 %			-18.0	-3.8 %
EBITDA	100.5	100.3	+0.2	+0.2 %	49.7	46.8	+2.9	+6.2 %
Adjusted EBIT	46.5	51.2	-4.7	-9.2 %	22.5	24.8	-2.3	-9.3 %
Adjusted EBIT margin (in %)	5.1	5.4	-0.3 PP	-	5.0	5.3	-0.3 PP	-
Net income (after minorities)	23.2	9.0	+14.2	+>100 %	9.8	2.4	+7.4	+>100 %
Earnings per share (in EUR)	0.37	0.14	+0.23	+>100 %	0.15	0.04	+0.11	+>100 %
Investments (in PPE)	39.6	29.7	+9.9	+33.3 %	22.7	17.4	+5.3	+30.5 %
Operating free cash flow	-10.3	-16.5	+6.2	+37.6 %	-4.5	3.7	-8.2	->100 %
Net working capital (NWC)	482.4	529.0	-46.6	-8.8 %				
NWC ratio (in %)	26.8	28.0	-1.2 PP	-				
Equity ratio (in %)	45.1	43.4	+1.7 PP	-				
Net financial debt	350.4	380.1	-29.7	-7.8 %				
Net debt/EBITDA	1.7	1.9	-0.2	-10.5 %				
Employees (as of June 30)	9,560	9,607	-47	-0.5 %				



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About ElringKlinger AG

As an independent supplier operating worldwide, the ElringKlinger Group has established itself as a powerful and trusted partner to the automotive industry – acknowledged for its exceptional depth of expertise. Our product portfolio encompasses innovative solutions for passenger cars and commercial vehicles powered by electric motors, hybrid technology, or combustion engines. Alongside the powertrain, other areas of application include the underbody, chassis, braking system, interior, and vehicle body. We were among the frontrunners when it came to positioning ourselves as a specialist in the field of e-mobility – with pioneering battery and fuel cell technology, electric drive units, and associated components and assemblies, such as plastic housings, and punched and formed metal parts.

Customized lightweight components engineered by ElringKlinger can be used throughout the entire vehicle; they deliver tangible benefits in terms of weight reduction, efficiency, and functional integration, especially in e-mobility applications. We offer specifically adapted sealing systems, thermal, and acoustic shielding parts, and dynamic drive components for a wide range of applications and for any type of drive technology. Additionally, we serve the aftermarket in more than 140 countries with an extensive range of spare parts.

This is complemented by state-of-the-art tooling technology and products made from high-performance plastics – tailored to the requirements of the automotive industry and other sectors. Building on our excellence in the field of components and systems, we are also maintaining our forward momentum in the non-automotive sector. These efforts are supported by a dedicated workforce of around 9,600 people employed within the ElringKlinger Group. Operating at more than 40 sites worldwide, ElringKlinger has established a global presence and is closely aligned with its customers in all major automotive regions.

Legal notice

This release contains forward-looking statements. These statements are based on the expectations, market assessments, and forecasts of the Management Board and the information currently available to it. These forward-looking statements shall, in particular, not be construed as guarantees of future developments and results referred to therein. Although the Management Board is of the firm opinion that the statements made and their underlying beliefs and expectations are realistic, they are based on assumptions that may prove to be incorrect. Future results and developments depend on a variety of factors, risks, and uncertainties that may lead to changes in the expectations and judgments that have been expressed. These factors include, for example, changes in general economic and business conditions, fluctuations in exchange rates and interest rates, lack of acceptance of new products and services, and changes in business strategy.