

PRESS RELEASE

## **ElringKlinger with preliminary results for fiscal 2020: success of efficiency program reflected in consistently strong cash flow**

- **Revenue at EUR 1,480 million – organic decline of 11.7% better than market performance (-16.2%)**
- **EBITDA of EUR 180.9 million despite sales decline comparable to prior-year figure (EUR 181.0 million)**
- **EBIT at EUR 27.2 million; EBIT margin at 1.8%**
- **Operating free cash flow for fourth quarter again visibly in positive territory – EUR 164.7 million on an annual basis**
- **Net financial liabilities scaled down by a further EUR 136 million in 2020; net debt/EBITDA at 2.5**

**Dettingen/Erms (Germany), February 23, 2021** +++ Based on preliminary, unaudited figures for the 2020 financial year, ElringKlinger AG recorded revenue of EUR 1,480.4 million for the period as a whole. Against the backdrop of general restrictions associated with the coronavirus pandemic, this corresponds to a year-on-year decline of 14.3%. According to data published by the information provider IHS, global automobile production, which encompasses so-called light vehicles, contracted by 16.2% in the same period.

Despite the pandemic-induced downturn in revenue, earnings before interest, taxes, depreciation, and amortization (EBITDA), totaling EUR 180.9 million, were largely unchanged on the prior-year figure of EUR 181.0 million. Earnings before interest and taxes (EBIT) of EUR 27.2 million include, besides non-cash impairments in the mid-double-digit million euro range, proceeds of around EUR 25 million attributable to a fuel cell partnership. The EBIT margin stood at 1.8%.

In terms of both revenue and earnings, the Group thus remained within the guidance range it had adjusted in May 2020 in response to the first covid-19 lockdown. Revenue had been expected to decline by a slightly smaller percentage than the market as a whole. As for EBIT, excluding proceeds from the fuel cell partnership, the outlook had been for a margin that was noticeably lower than the prior-year figure of 3.5%.

At an operational level, the impact of the pandemic resulted in an earnings shortfall of around EUR 42 million. This figure factors in the positive effects of instruments utilized by the company, such as short-time work in Germany. At the same time, earnings improved by EUR around 47 million due to the global program aimed at raising

efficiency levels. It includes comparatively short-term effects such as the reduction in travel and non-personnel costs as well as structural elements such as a cut in material costs or the adjustment of sales prices to current levels. Additionally, the Group recognized impairment losses relating to non-current assets in accordance with IAS 36 as well as impairments regarding current assets and made provisions.

Commenting on the preliminary results for the financial year, Dr. Stefan Wolf, CEO of ElringKlinger AG, said, "In view of the challenges presented by the coronavirus pandemic, the 2020 financial year was certainly not an easy year. Given the underlying conditions, we can indeed be satisfied with our results. We outperformed the market on the basis of revenue, our EBIT margin was 1.8%, and we once again managed to generate strong operating free cash flow. Overall, therefore, we were able to further strengthen the Group's position."

Implemented by the Management Board at the beginning of 2019, the global program aimed at raising efficiency levels continued to take effect in 2020. With the help of these measures, the Group managed to generate operating free cash flow of EUR 164.7 million and achieve structural improvements to its cost base. Not least as a result of these factors, net financial liabilities were reduced by a further EUR 136.5 million to EUR 458.8 million in 2020. This translates into a net debt ratio (net debt in relation to EBITDA) of 2.5. Twelve months earlier, the figure had stood at 3.3.

The Group will present its full results for the financial year just ended as well as its outlook for the current financial year in its 2020 annual report to be published on March 30, 2021.

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## Preliminary, unaudited figures for FY 2020 and Q4 2020

EUR million	GJ 2020	GJ 2019	Δ abs.	Δ rel.	Q4 2020	Q4 2019	Δ abs.	Δ rel.
Revenue	<b>1.480.4</b>	1,727.0	-246.6	-14.3%	<b>450.9</b>	419.9	+31.0	+7.4%
of which FX effects			-40.7	-2.4%			-18.2	-4.3%
of which M&A			-4.1	-0.2%			-0.7	-0.2%
of which organic			-201.8	-11.7%			49.9	+11.9%
EBITDA	<b>180.9</b>	181.0	-0.1	-0.1%	<b>87.0</b>	57.4	+29.6	+51.7%
EBIT before purchase price allocation (PPA)	<b>27.5</b>	63.2	-35.7	-56.5%	<b>24.7</b>	24.8	-0.1	-0.4%
EBIT margin before PPA (in %)	<b>1.9</b>	3.7	-1.8PP	-	<b>5.5</b>	5.9	-0.4PP	-
Purchase price allocation	<b>0.3</b>	1.9	-1.6	-84.2%	<b>0,0</b>	0.4	-0,4	-100.0%
EBIT	<b>27.2</b>	61.2	-34.0	-55.6%	<b>24.7</b>	24.3	+0.4	+1.4%
EBIT-Marge (in %)	<b>1.8</b>	3.5	-2.7PP	-	<b>5.5</b>	5.8	-0.3PP	-
Investments (in property, plant, equipment and investment property)	<b>57.3</b>	92.2	-34.9	-37.9%	<b>19.4</b>	17.4	+2.0	+11.5%
Operating free cash flow	<b>164.7</b>	175.8	-11.1	-6.3%	<b>62.4</b>	65.7	-3.3	-5.0%
Net working capital	<b>402.8</b>	423.5	-20.7	-4.9%				
Net financial debt	<b>458.8</b>	595.3	-136.5	-22.9%				
Net financial debt/EBITDA	<b>2.5</b>	3.3	-0.8	-24.2%				

### About ElringKlinger AG

As an automotive supplier, ElringKlinger has become a trusted partner to its customers – with a firm commitment to shaping the future of mobility. Whether optimized combustion engines, high-performance hybrids, or environmentally-friendly battery and fuel cell technology, ElringKlinger provides innovative solutions for all types of drive system. ElringKlinger's lightweighting concepts help to reduce the overall weight of vehicles. As a result, vehicles powered by combustion engines consume less fuel and emit less CO<sub>2</sub>, while those equipped with alternative propulsion systems benefit from an extended range. In response to increasingly complex combustion engine technology, the Group also continues to refine and evolve its offering within the area of seals and gaskets in order to meet the highest possible standards. This is complemented by solutions centered around thermal and acoustic shielding technology. Additionally, the Group's portfolio includes products made of the high-performance plastic PTFE, which is also marketed to industries beyond the automotive sector. These efforts are supported by a dedicated workforce of close to 10,000 people at 45 ElringKlinger Group locations around the globe.