

PRESS RELEASE

## **ElringKlinger with preliminary results for fiscal 2021: strong EBIT margin and further reduction in debt**

- **Organic revenue growth of 10.1% to EUR 1,624 million in 2021**
- **EBIT at EUR 102.0 million; EBIT margin at 6.3%, up on prior-year level of 1.9%**
- **Operating free cash flow again well into positive territory at EUR 72.0 million**
- **Net financial liabilities scaled down by a further EUR 90 million in 2021; net debt/EBITDA at 1.7**

**Dettingen/Erms (Germany), February 25, 2022 +++** Based on preliminary, unaudited figures for 2021, ElringKlinger AG put in a successful performance in the financial year just ended. Compared to the previous year, the Group managed to lift revenue by 9.7% to EUR 1,624.4 million. Assuming constant exchange rates, revenue growth in the last twelve months amounted to EUR 150.2 million or 10.1%. According to the data service IHS, global automobile production expanded by 3.4% in the same period. The key contributors to the Group's revenue growth at a regional level were the Rest of Europe (EUR +65.4 million) and Asia-Pacific (EUR +50.6 million), but also North America (EUR +26.0 million), while revenue generated in Germany was down slightly at EUR -8.9 million.

The efficiency enhancement program that ElringKlinger has been pursuing since 2019 was again reflected in improved earnings in the financial year just ended. The Group recorded earnings before interest and taxes (EBIT) of EUR 102.0 million (2020: EUR 27.7 million), which corresponds to a margin of 6.3% (2020: 1.9%). The EBIT margin was thus at the upper end of the Group's guidance range – raised in October 2021 – of around 6% for the financial year. Alongside non-cash impairments, the previous year's final quarter had included the recognition of proceeds from a fuel cell partnership of around EUR 25 million.

Dr. Stefan Wolf, CEO of ElringKlinger AG, commented: "We are very satisfied with the 2021 financial year. Despite difficult underlying conditions such as semiconductor bottlenecks, supply chain problems, raw material shortages, and the coronavirus pandemic, we again significantly outpaced market growth in terms of revenue. Our earnings performance improved markedly, with an EBIT margin of 6.3%. Overall, we have thus fully achieved the goals of our three-year Management Board program – and even exceeded them in many areas. ElringKlinger is strongly positioned for the next stage of transformation that is now coming up."

The Management Board implemented the global efficiency enhancement program with the aim of strengthening profitability, consistently improving cash flow, and significantly reducing net financial liabilities. After a further reduction of EUR 90 million in 2021, the net debt ratio, i.e., net financial liabilities in relation to EBITDA, was 1.7 at the end of the financial year. This figure had been as high as 4.7 when the program was initiated in the first quarter of 2019.

In addition, numerous measures were implemented for the purpose of streamlining costs, optimizing net working capital, and ensuring the consistent generation of operating free cash flow, which amounted to EUR 72.0 million in the financial year just ended. At the same time, the Group continued to pursue a disciplined and focused investment approach, investing 4.3% of revenue in 2021 (2020: 3.9%) primarily in new drive technologies and lightweighting. In total, the Group has generated operating free cash flow of EUR 412.5 million over the last three years and more than halved net financial debt from EUR 795.5 million as of March 31, 2019, to EUR 369.2 million at the end of 2021.

The Group will present its full, audited results for the financial year just ended as well as its outlook for the current financial year as part of its 2021 annual report to be published on March 29, 2022.

### Preliminary, unaudited figures for FY 2021 and Q4 2021

in Mio. Euro	FY 2021	FY 2020	Δ abs.	Δ rel.	Q4 2021	Q4 2020	Δ abs.	Δ rel.
Revenue	<b>1,624.4</b>	1,480.4	+144.0	+9.7%	<b>406.1</b>	450.9	-44.8	-9.9%
of which FX effects			-6.2	-0.4%			+6.4	+1.4%
of which M&A			+0.0	+0.0%			+0.0	+0.0%
of which organic			+150.2	+10.1%			-51.1	-11.3%
EBITDA	<b>216.1</b>	181,5	+34.6	+19.1%	<b>33.5</b>	87.6	-54.1	-61.8%
EBIT	<b>102.0</b>	27,7	+743	+>100%	<b>3.6</b>	25.2	-21.6	-85.7%
EBIT-Marge (in %)	<b>6.3</b>	1,9	+4.4PP	-	<b>0.9</b>	5.6	-4.7	-
Investments (in property, plant, equipment and investment property)	<b>70.0</b>	57,3	+12.7	+22.2%	<b>32.3</b>	19.4	+12.9	+66.5%
Operating free cash flow	<b>72.0</b>	164,7	-92.7	-56.3%	<b>-1.7</b>	62.4	-64.1	->100%
Net working capital	<b>402.2</b>	402,8	-0.6	-0.1%				
Net Working Capital-Quote (in %)	<b>24.8</b>	27,2	-2.4PP	-				
Net financial debt	<b>369.2</b>	458,8	-89.6	-19.5%				
Net financial debt/EBITDA	<b>1.7</b>	2,5	-0.8	-32.0%				



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**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 around 10,000 people at 45 ElringKlinger Group locations around the globe.