

PRESS RELEASE

ElringKlinger with increased profitability in the first half of 2023

- **Group revenue up by further EUR 38.1 million or 8.8% to EUR 468.7 million in second quarter of 2023 (Q2 2022: EUR 430.6 million).**
- **Marked year-on-year improvement in adjusted EBIT of EUR 24.8 million and adjusted EBIT margin of 5.3% (Q2 2022: EUR 1.8 million and 0.4 %) significantly improved, also in the half-year with EUR 51.2 million or 5.4% (H1 2022: EUR 16.8 million or 1.9%)**
- **Transformation trajectory underpinned by major orders for e-mobility applications in first half of 2023**

Dettingen/Erms (Germany), August 3, 2023 +++ ElringKlinger AG (ISIN DE0007856023 / WKN 785602) has published its full results for the second quarter of 2023. As in the opening quarter, the Group managed to expand its sales revenue in the months from April to June 2023. Group revenue was up by EUR 38.1 million or 8.8% to EUR 468.7 million in the second quarter of 2023 (Q2 2022: EUR 430.6 million). Adjusted for currencies, revenue increased by EUR 46.9 million or 10.9% in the second quarter of 2023. In the first six months, revenue totaled EUR 956.4 million (H1 2022: EUR 865.2 million).

Commenting on the quarterly figures, Thomas Jessulat, Spokesman of the Management Board and CFO of ElringKlinger AG, said, "After a successful start to the year, we were able to continue the positive trend in sales and earnings in the second quarter. We increased sales organically by 11.5% in the first half of the year, the adjusted EBIT margin is 5.4% after the first six months. This puts us well on track to meet our targets for the annual period as a whole."

Revenue up in all regions

In the quarter under review, sales revenue expanded across the board in regional terms, with Rest of Europe recording the most buoyant growth. Here, the ElringKlinger Group recorded sales revenue of EUR 145.8 million in the second quarter of 2023 (Q2 2022: EUR 129.4 million), which corresponds to 31% of Group revenue. Revenue expanded by EUR 16.4 million or 12.7% compared to the same quarter of the previous year.

In North America, meanwhile, second-quarter revenue was up by EUR 9.2 million or 8.3% year on year. In the first half of 2023, revenue grew by as much as EUR 33.2 million or 15.5% to EUR 247.6 million (H1 2022: EUR 214.4 million). In the Asia-Pacific region, ElringKlinger generated revenue of EUR 83.9 million in the second quarter of 2023 (Q2 2022: EUR 79.4 million). Thus, revenue expanded by EUR 4.5 million or 5.7%. In the first half of 2023, revenue remained unchanged year on year at EUR 165.3 million (H1 2022: EUR 165.3 million).

Positive earnings performance

Whereas the Group's earnings situation in the second quarter of the previous year had been significantly impacted by especially the persistently high level of raw material, energy, and logistics costs, the adverse effects emanating from these factors were contained in the quarter under review. In the second quarter of 2023, ElringKlinger achieved adjusted EBIT of EUR 24.8 million (Q2 2022: EUR 1.8 million) and an adjusted EBIT margin of 5.3% (Q2 2022: 0.4%). In the first half, adjusted EBIT stood at EUR 51.2 million (H1 2022: EUR 16.8 million), while the adjusted EBIT margin amounted to 5.4% (H1 2022: 1.9%).

Equity ratio remains stable, net debt down on prior-year figure

At 43.4% (June 30, 2022: 44.0%), ElringKlinger AG's equity ratio as of the reporting date was still within the range of 40 to 50% targeted by management. The low level of net financial liabilities that has now been achieved in a multi-year comparison improved slightly despite the increased business volume and the development in net working capital. As of June 30, 2023, the Group reported net debt of EUR 380.1 million (Jun. 30, 2022: EUR 389.5 million). The debt ratio improved to 1.9, compared to 2.5 at the end of the first half of 2022.

Slower expansion in net working capital

Net working capital amounted to EUR 529.0 million as of June 30, 2023 (Dec. 31, 2022: EUR 454.7 million). The rate of expansion is mainly attributable to developments in the first quarter of 2023, at the end of which it amounted to EUR 518.5 million. The increase in net working capital is based on several factors, such as higher trade receivables, an expansion in inventories, and slightly lower trade payables. Calculated on the basis of revenue generated at the end of the quarter, this results in a net working capital ratio of 28.0%, which is comparable to both the end of the first quarter of 2023 (28.0%) and the end of the first half of 2022 (27.9%). Also because significantly less additional funds had to be used for net working capital in the second quarter, ElringKlinger achieved a positive operating free cash flow of EUR 3.7 million (Q2 2022: EUR 3.9 million) which was comparable to the prior-year period.

Major orders received for E-Mobility applications

ElringKlinger received significant orders in the first half of 2023, the details of which were disclosed via official announcements. In addition to several orders for the Group's joint-venture subsidiary EKPO Fuel Cell Technologies GmbH, these included a high-volume order for the supply of cell-contacting systems for the BMW Group's "NEUE KLASSE." The large-scale series production order has a term of several years and will ramp up from 2025. ElringKlinger also received a series production order for battery housing components from a major global battery manufacturer. And just recently, the Group announced an order for metal battery housings to be used in commercial vehicles and city bus applications. It is to be executed by the Metal Forming & Assembly Technology business unit.

Asked to comment, Thomas Jessulat said, "These orders confirm the path of transformation chosen by ElringKlinger. Both our products from the originally

traditional business units and the solutions in battery and fuel cell technology are to be seen as a compelling proposition. The fact that we were quick off the mark in positioning ourselves is paying dividends; ElringKlinger is successfully pursuing the process of transformation. In total, the nominations we have received since 2021 for applications in the new drive technologies amount to a total volume of around EUR 2.5 billion.

Guidance confirmed

Against the backdrop of the general uncertainty and volatility still evident within the economic arena, ElringKlinger can confirm its guidance for the current financial year on the basis of its first-half results and current market assessments. Accordingly, the Group continues to expect its organic revenue growth in 2023 as a whole to be significantly above the rate of change in global light vehicle production. Annual vehicle production output is projected to expand by 5.3% according to the latest estimates by industry service provider S&P Global Mobility issued in July 2023, with the second half of the year expected to be largely flat. As for adjusted EBIT in 2023 as a whole, the Group expects a margin of around 5%. The Group has also confirmed its other metrics for 2023.

Medium-term forecast

ElringKlinger considers itself to be in a very good strategic position in the medium and long term. The company was quick off the mark in its efforts to structure its product portfolio in line with the transition toward electromobility and can also build on a first-class market position in its long-standing fields of business. In the medium term, the Group anticipates stronger organic growth compared to global automotive production levels and continues to expect to improve the level of its adjusted EBIT margin gradually over this period.

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Key financials for the second quarter and first half of 2023

in EUR million	H1 2023	H1 2022	Δ abs.	Δ rel.	Q2 2023	Q2 2022	Δ abs.	Δ rel.
Order intake	848.7	1,031.5	-182.8	-17.7 %	373.8	453.2	-79.4	-17.5 %
Order backlog	1,354.1	1,552.5	-198.4	-12.8 %	1,354.1	1,552.5	-198.4	-12.8 %
Revenue	956.4	865.2	+91.2	+10.5 %	468.7	430.6	+38.1	+8.8 %
of which currency			-8.3	-1.0 %			-8.8	-2.0 %
of which M&A			±0.0	±0.0 %			±0.0	±0.0 %
of which organic			+99.5	+11.5 %			+46.9	+10.9 %
EBITDA	100.3	69.4	+30.9	+44.5 %	46.8	26.7	+20.1	+75.3 %
Adjusted EBIT	51.2	16.8	+34.4	+>100 %	24.8	1.8	+23.0	+>100 %
Adjusted EBIT margin (in %)	5.4	1.9	+3.5 PP		5.3	0.4	+4.9 PP	
EBIT	42.8	-82.9	+125.7	+>100 %	16.7	-97.1	+113.8	+>100 %
EBIT margin (in %)	4.5	-9.6	+14.1 PP		3.6	-22.5	+26.1 PP	
Net finance cost	-14.7	3.1	-17.8	->100 %	-5.3	6.3	-11.6	->100 %
EBT	28.0	-79.9	+107.9	+>100 %	11.4	-90.7	+102.1	+>100 %
Income taxes	-24.1	-10.4	-13.7	->100 %	-11.9	-3.4	-8.5	->100 %
Net income (after minorities)	9.0	-90.1	+99.1	+>100 %	2.4	-94.1	+96.5	+>100 %
Earnings per share (in EUR)	0.14	-1.42	+1.56	+>100 %	0.04	-1.49	+1.53	+>100 %
Investments (in PPE)	29.7	26.6	+3.1	+11.7 %	17.4	13.8	+3.6	+26.1 %
Operating free cash flow	-16.5	-16.0	-0.5	-3.1 %	3.7	3.9	-0.2	-5.1 %
ROCE (in %)	5.6	-10.3	+15.9 PP					
ROCE adjusted (in %)	6.7	2.1	+4.6 PP					
Net working capital	529.0	465.9	+63.1	+13.5 %				
Equity ratio (in %)	43.4	44.0	-0.6 PP					
Net financial debt	380.1	389.5	-9.4	-2.4 %				
Net financial debt / EBITDA	1.9	2.5	-0.6	-24.0 %				
Employees (June 30)	9,606	9,489	+117	+1.2 %				

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 CO₂, 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 9,500 people at 45 ElringKlinger Group locations around the globe.

Disclaimer

This release contains forward-looking statements. These statements are based on expectations, market evaluations and forecasts by the Management Board and on information currently available to them. In particular, the forward-looking statements shall not be interpreted as a guarantee that the future events and results to which they refer will actually materialize. Whilst the Management Board is confident that the statements as well as the opinions and expectations on which they are based are realistic, the aforementioned statements rely on assumptions that may conceivably prove to be incorrect. Future results and circumstances depend on a multitude of factors, risks and imponderables that can alter the expectations and judgments 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.