

ElringKlinger Group

Future Inside



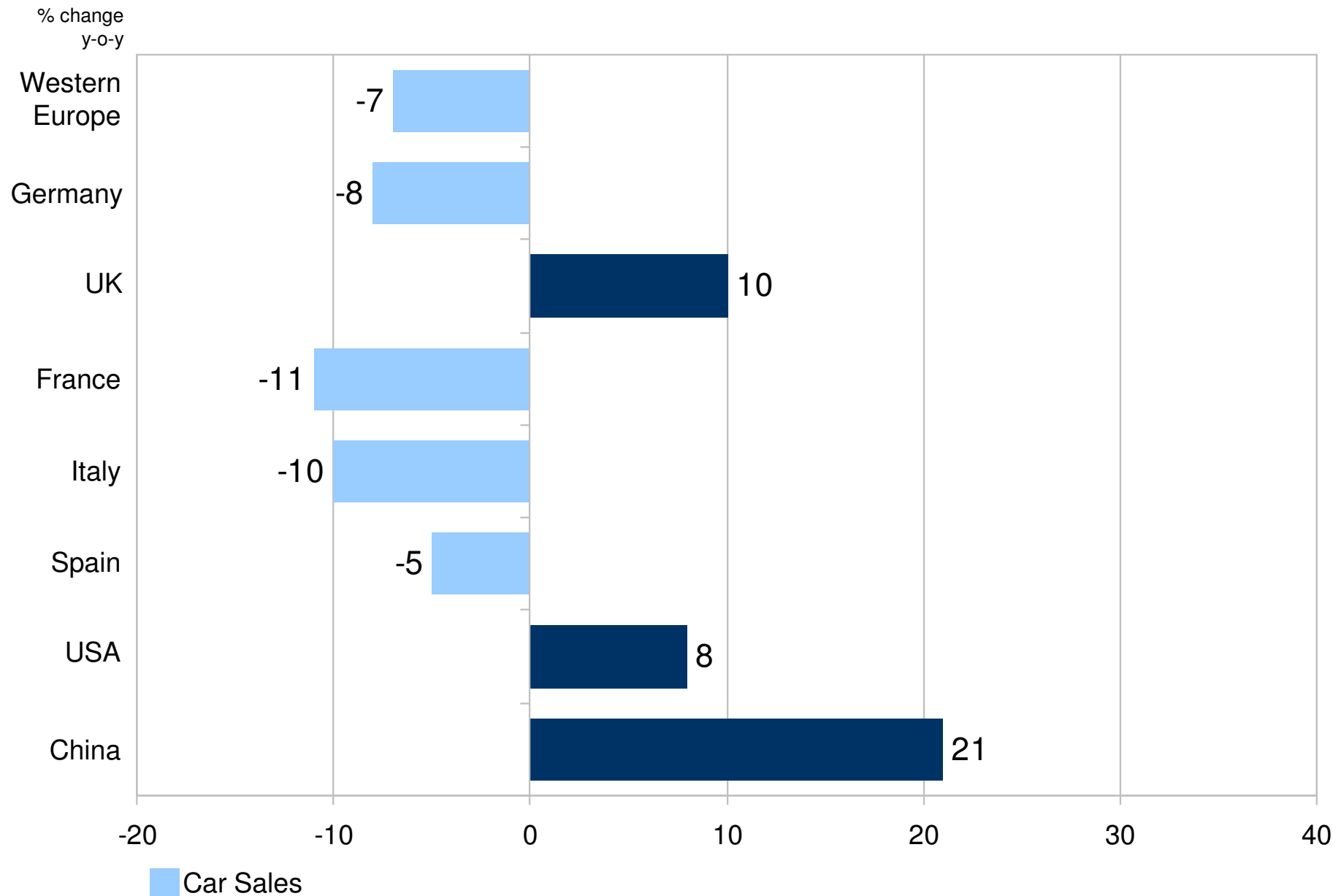
Conference Call
Results Q2 2013
August 9, 2013



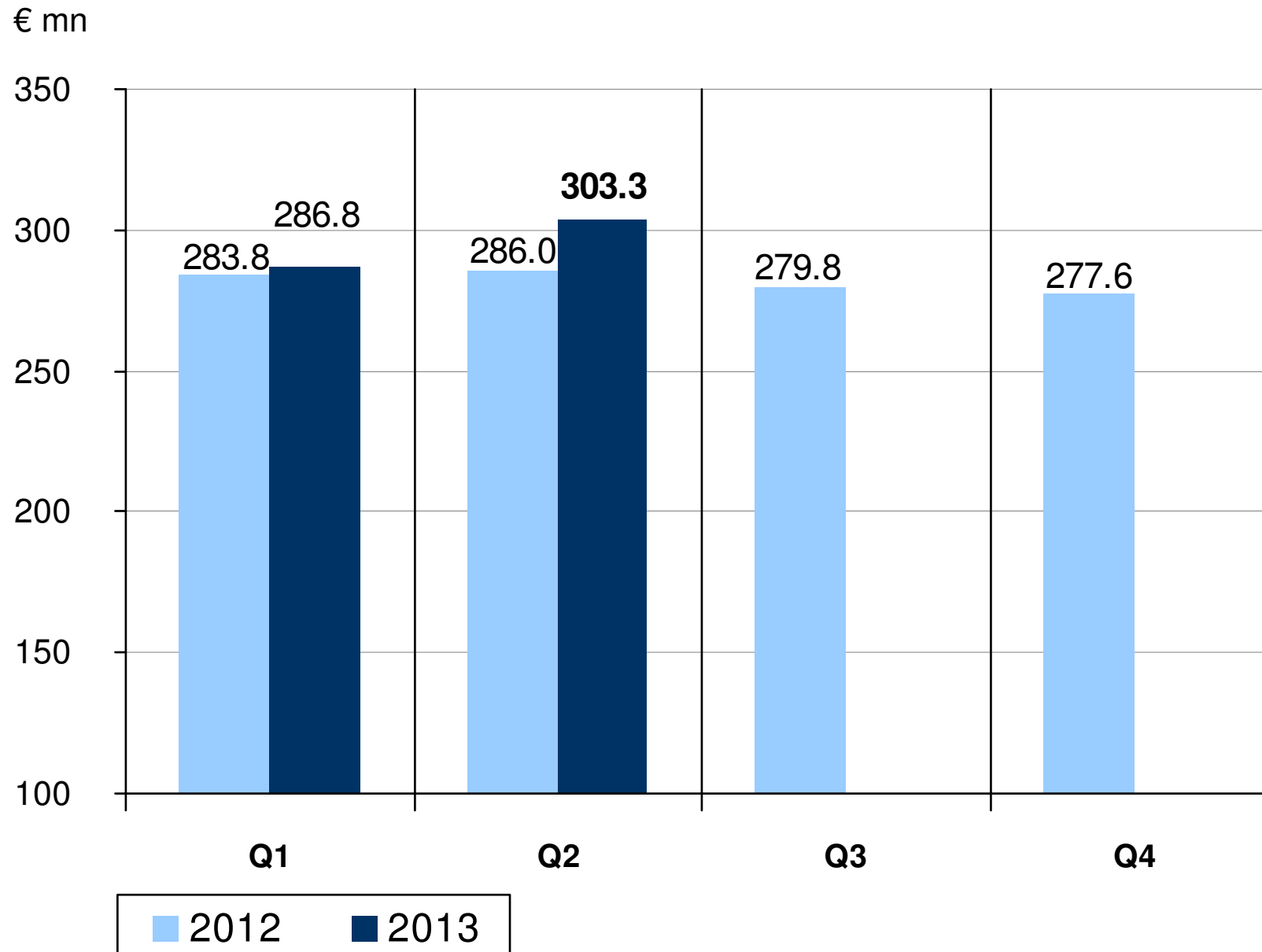
Q2 2013: Key developments

- Group sales plus 6.0% (organically: +7.2%) despite ongoing weakness in Europe – once more outperforming global vehicle markets (+3.5%)
- Direct sales share in Asia increasing to 17% (incl. exports 24%)
- Record quarterly operating result EUR 41.2 mn, despite E-Mobility pre-expenses and weak Aftermarket
- EBIT burdened by negative FX effects of EUR 1.9 mn – increase to EUR 39.3 mn
- Integration of Hug successfully completed: sales more than doubled y-o-y, Group EBIT margin achieved despite PPA
- New Thale site went operational in Q2 – relocation from Switzerland finished
- Freudenberg France still loss-making due to poor French market (-8%)

H1 2013: Market trends – Europe at 20-year lows

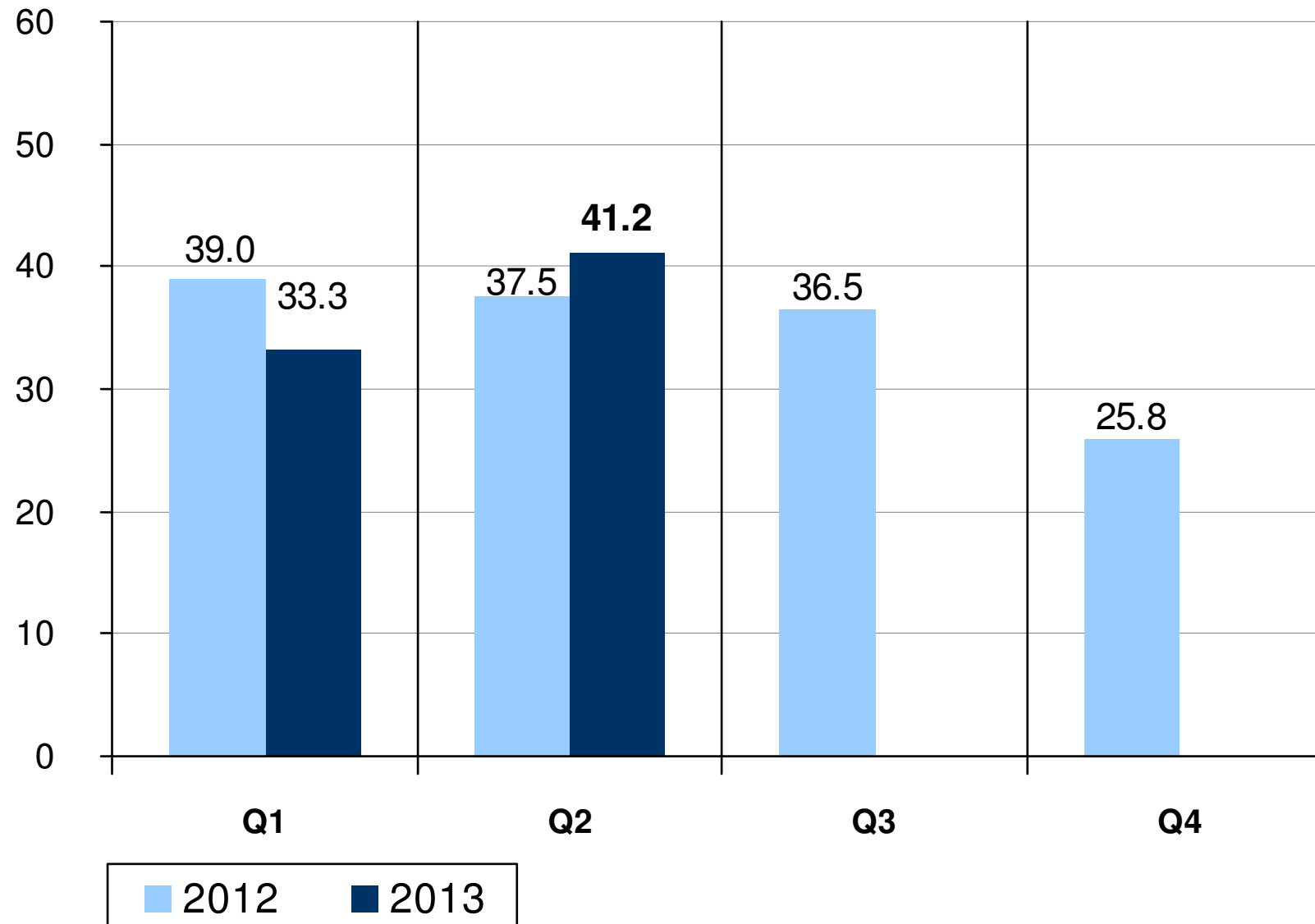


Sales by quarter – negative FX impact of EUR 4.6 mn in Q2



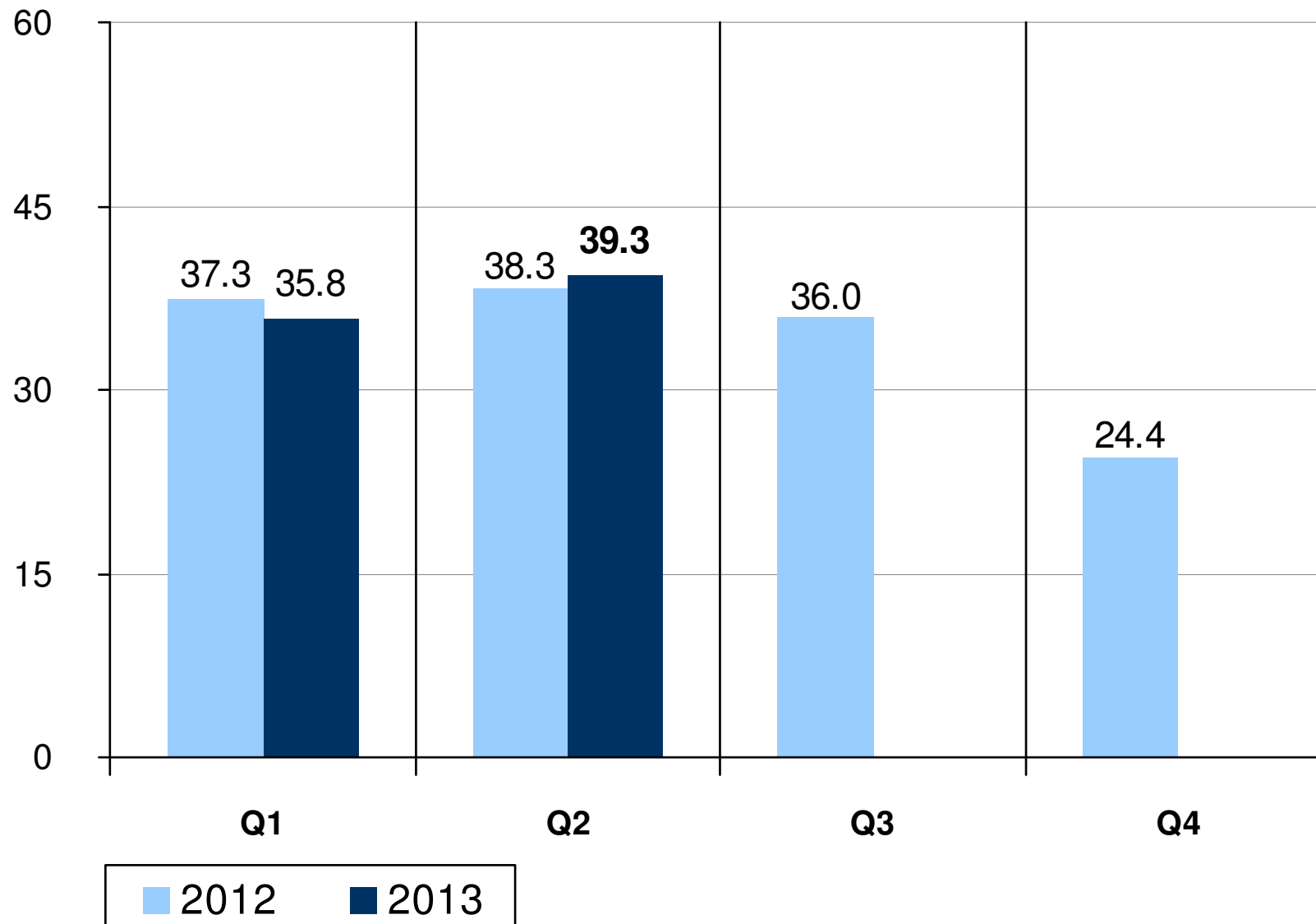
Q2 2013: Operating result at EUR 41.2 mn

€ mn

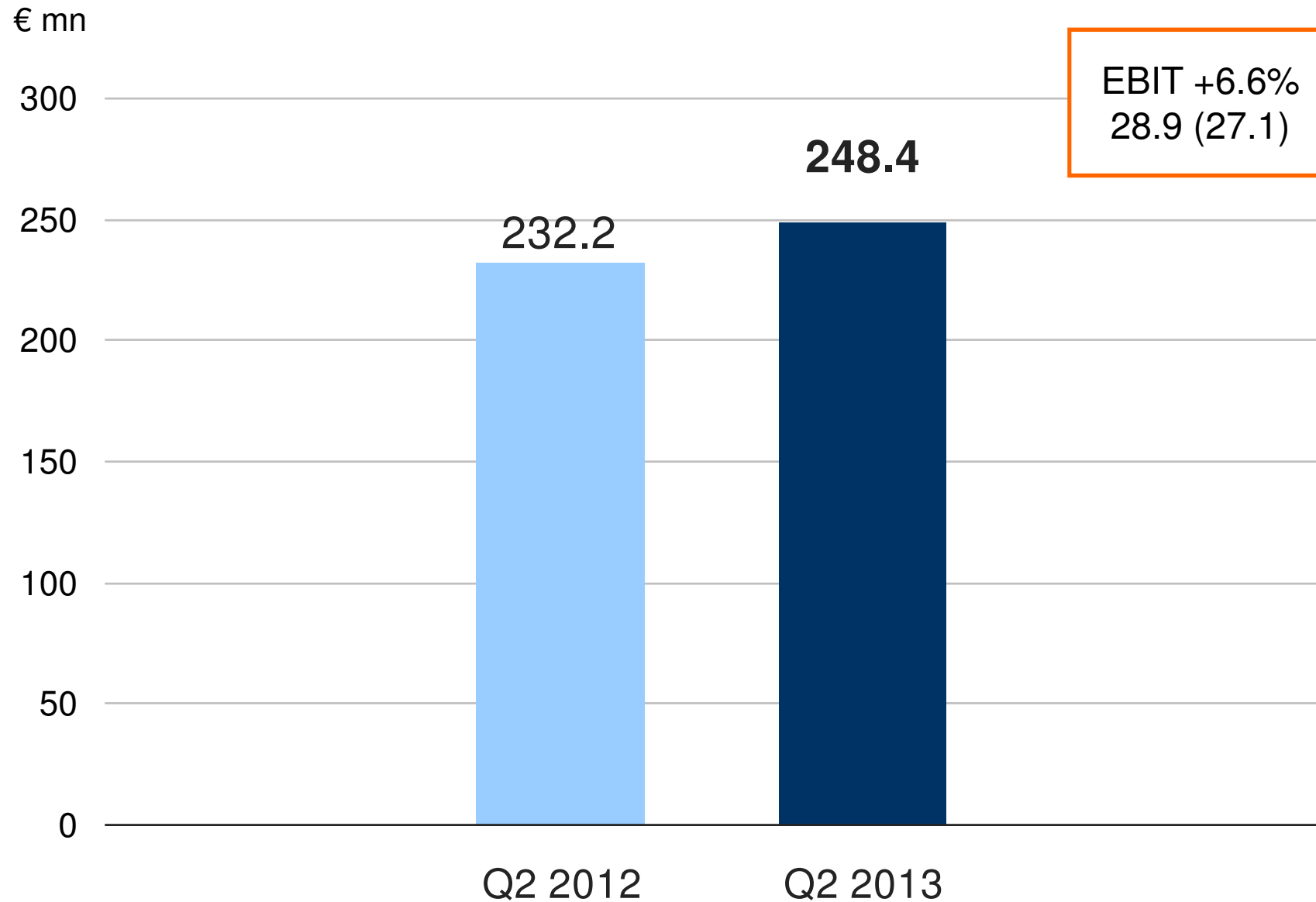


Q2 2013: EBIT came in at EUR 39.3 mn (EUR 1.9 mn neg. FX)

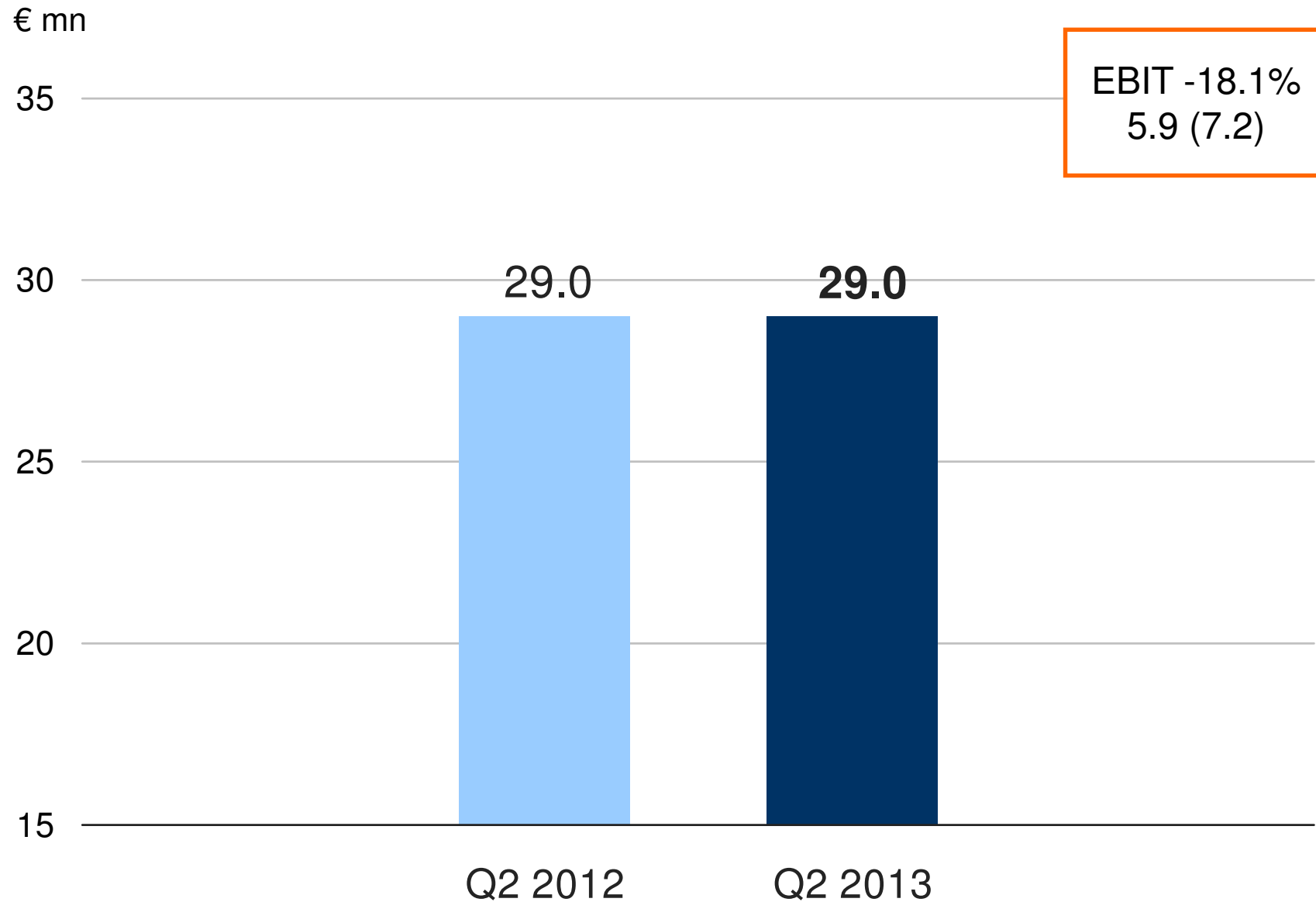
€ mn



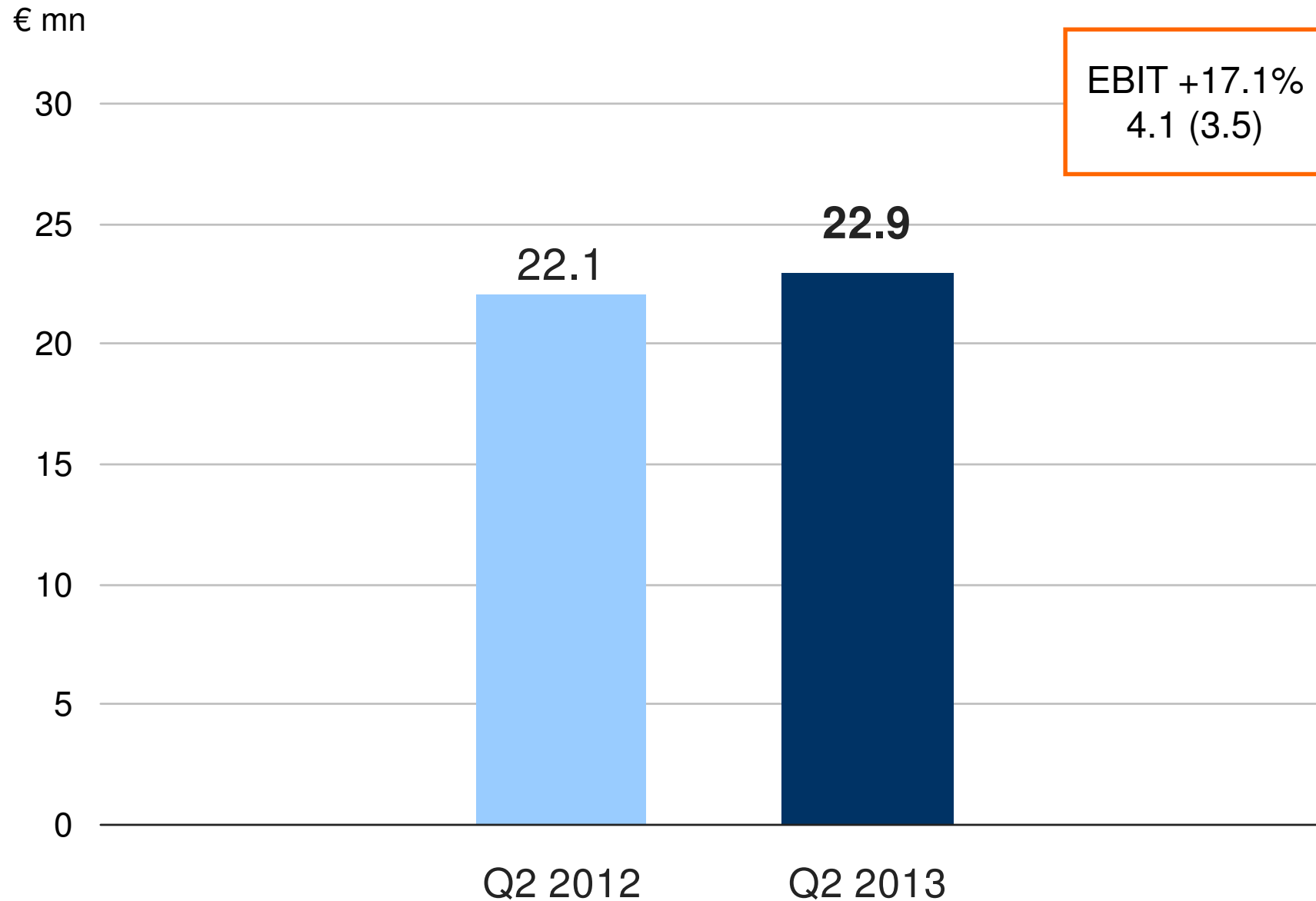
Q2 2013: OEM sales up 7.0%



Q2 2013: Aftermarket sales stable

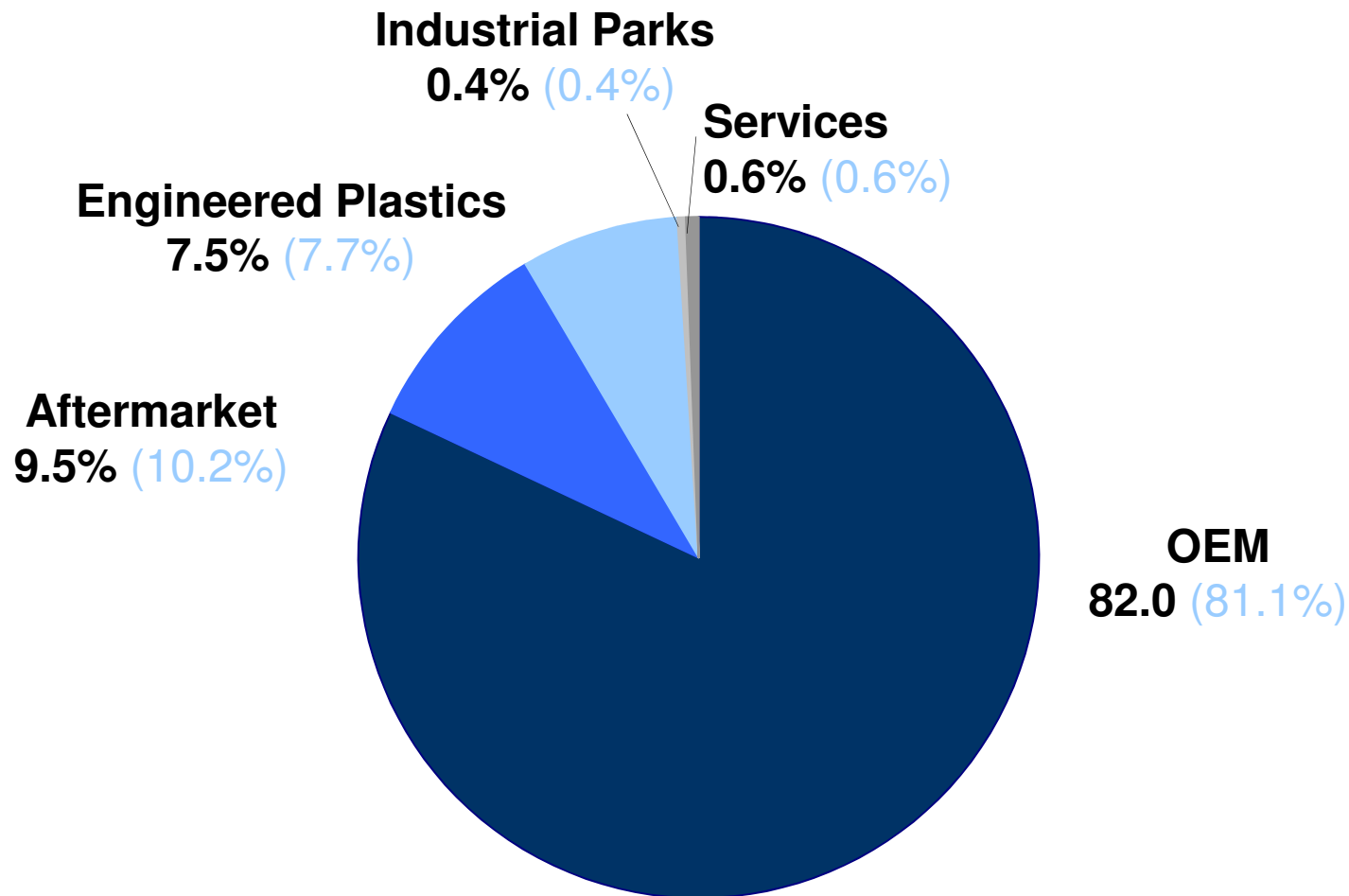


Q2 2013: Sales Engineered Plastics up 3.6%



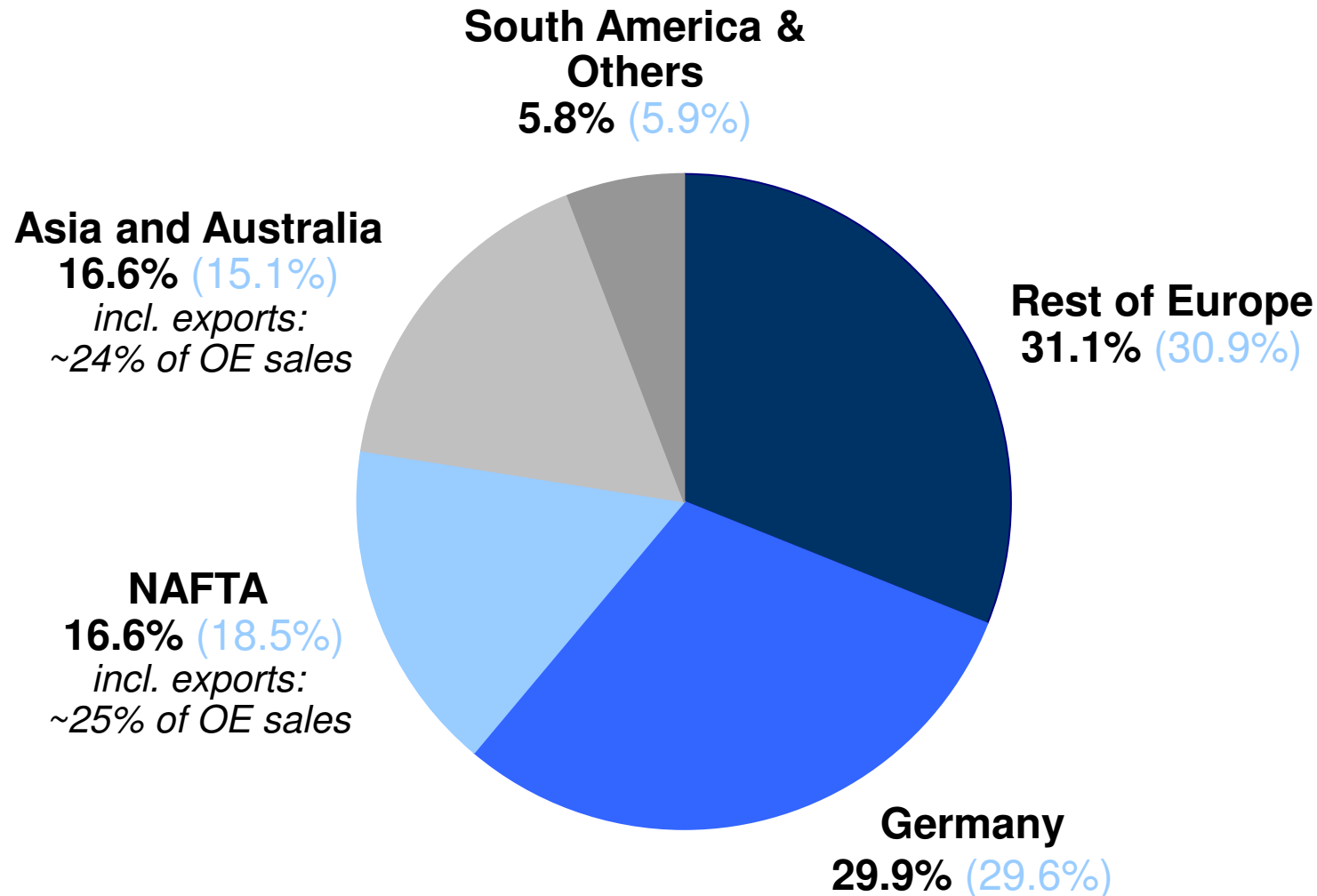
Group Sales by segment Q2 2013 (py)

OE share up due to structural growth and new product ramp-ups



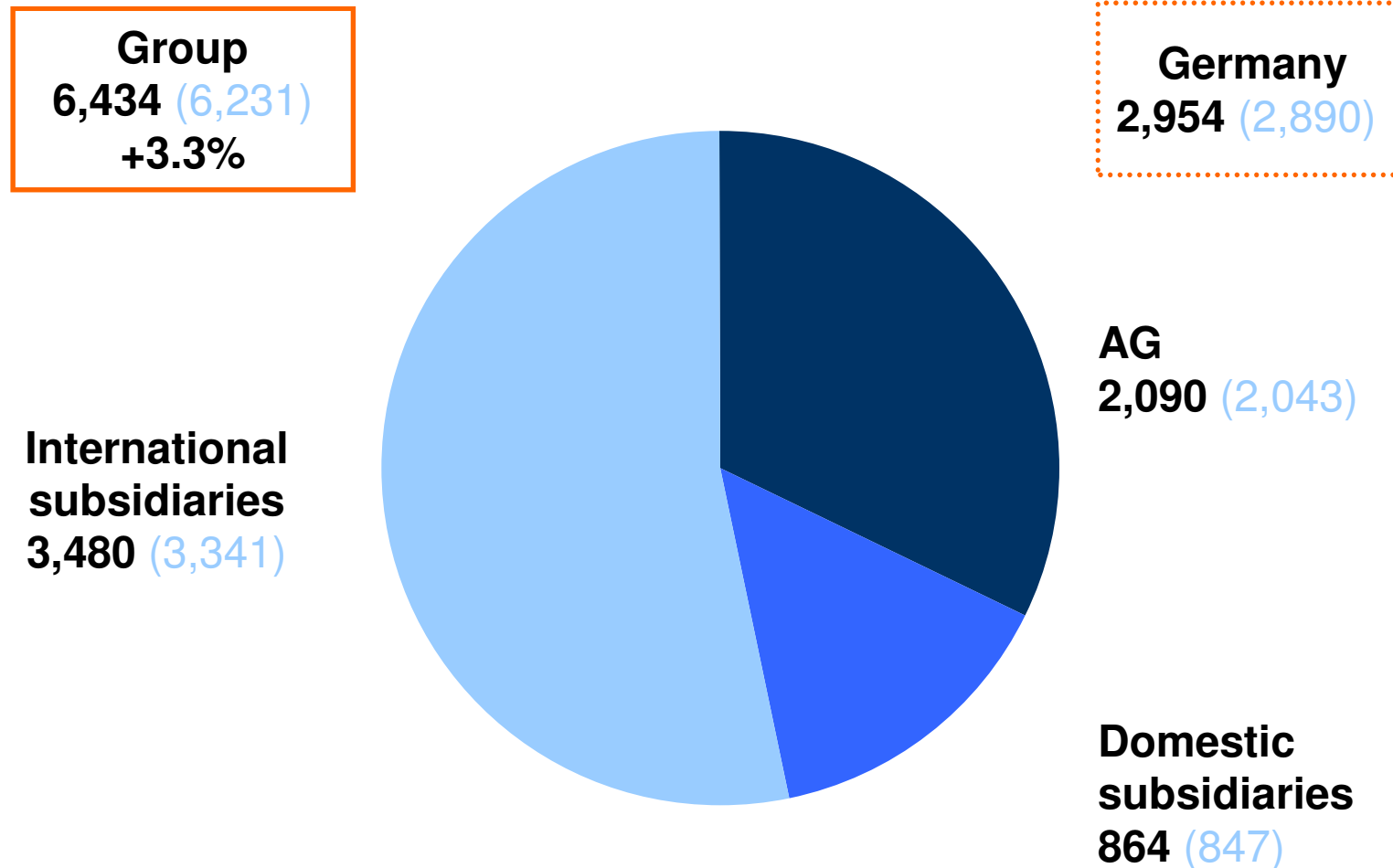
Group Sales by region Q2 2013 (py)

Almost 55% of OE sales in Asia and the Americas



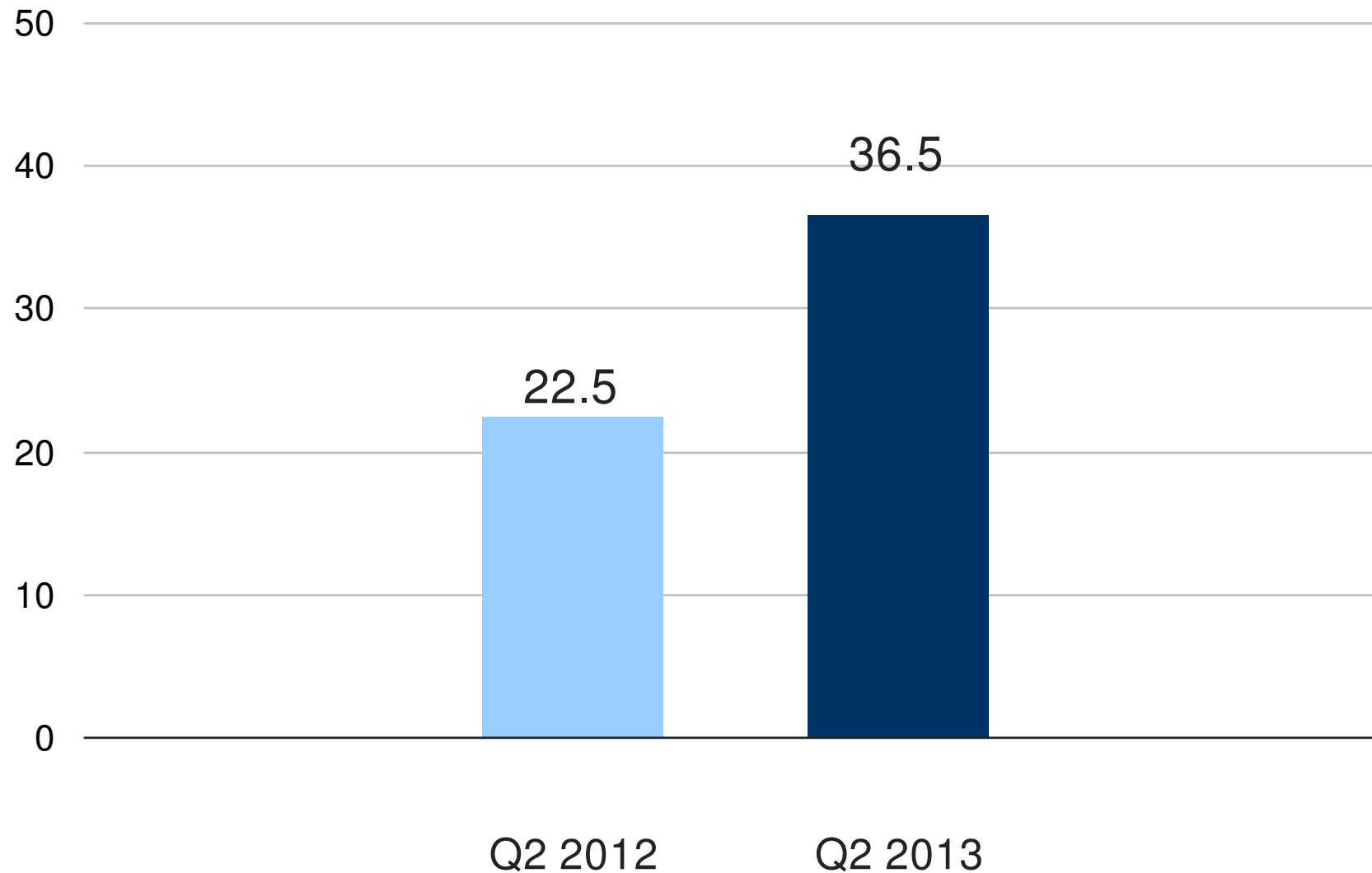
Employees ElringKlinger Group worldwide – 54.1% outside of Germany

as of June 30, 2013 (py)



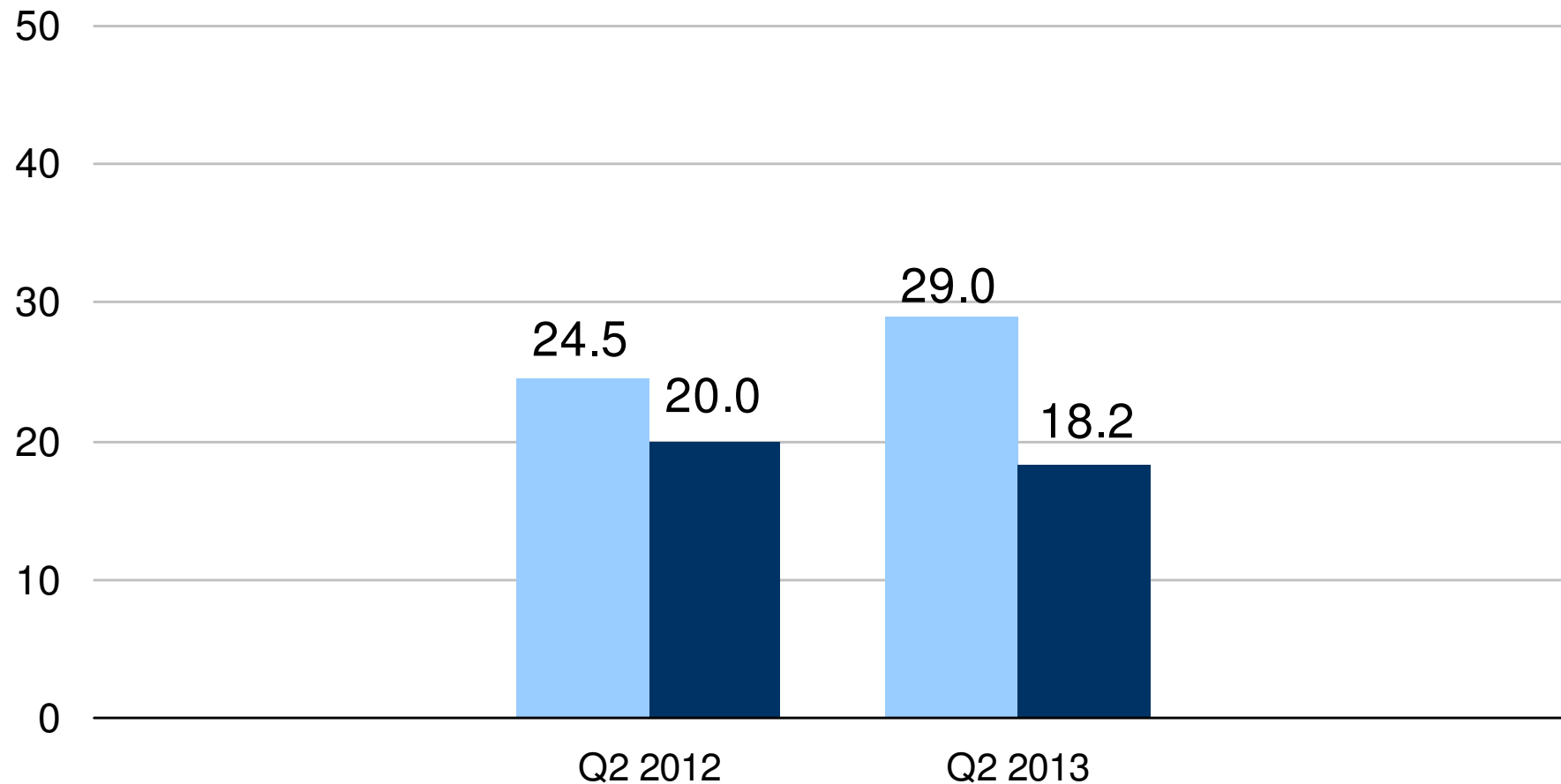
Q2 2013: Net cash from operating activities improved by more than 50%

€ mn



Q2 2013: Investments vs. depreciation

€ mn



■ Investments in plant, property and equipment, invest. prop. and intangible assets

■ Depreciation/Amortization

Q2 2013: Sales and operating result

in € mn	Q2 2013	Q2 2012	Change in %
Sales	303.3	286.0	+6.0%
Cost of Sales	215.6	203.0	+6.2%
EBITDA¹	57.5	58.3	-1.4%
EBIT¹	39.3	38.3	+2.6%
Operating Result	41.2	37.5	+9.9%

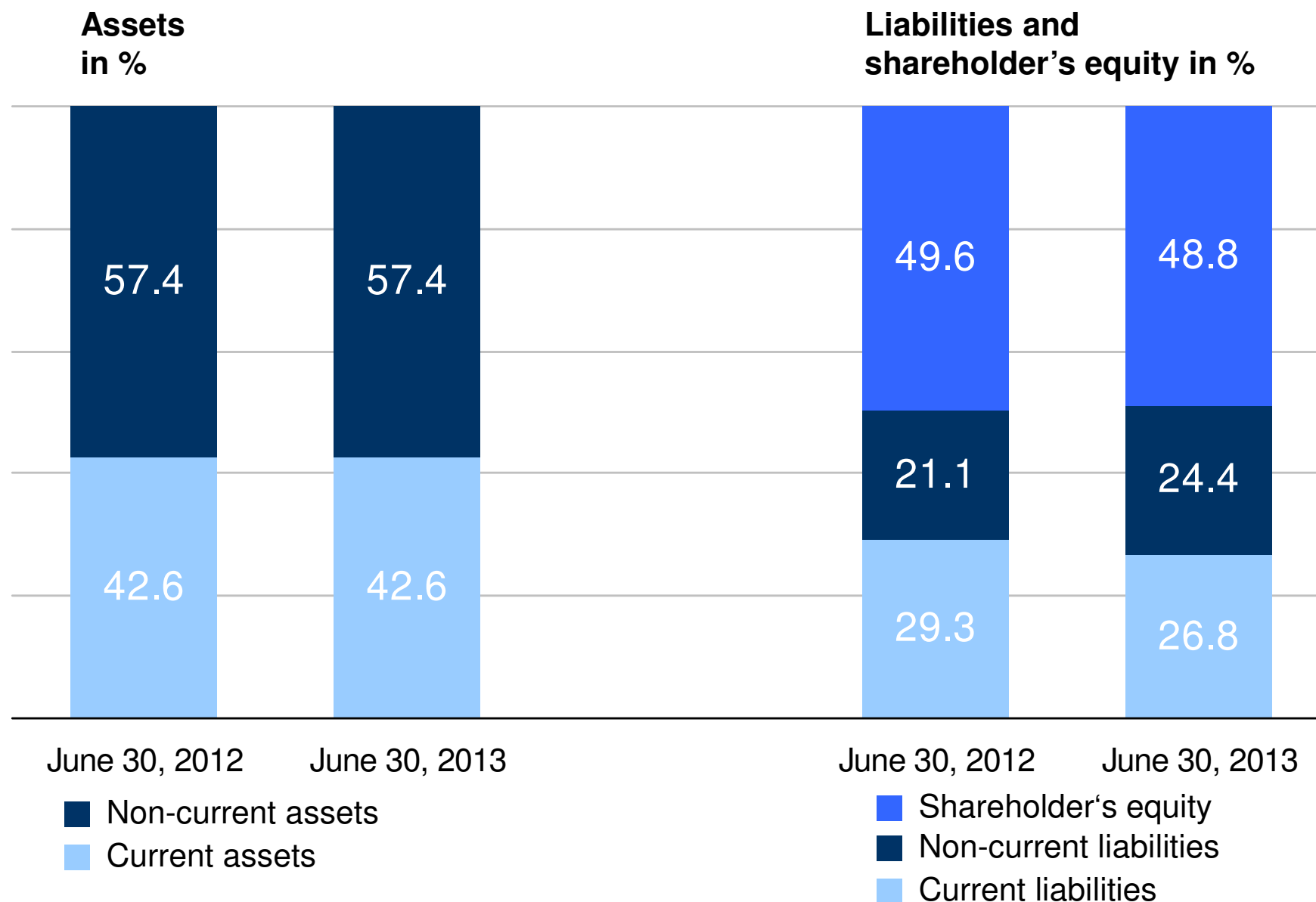
¹ Incl. currency effects

Q2 2013: Financial Result and Net Income

in € mn	Q2 2013	Q2 2012	Change in %
Net finance cost	4.9	2.3	+113,0%
EBT	36.3	35.3	+2.8%
Taxes	7.7	9.3	-17.2%
Net income	28.6	26.0	+10.0%
Profit attributable to EK shareholders	26.2	25.3	+3.6%
EPS (in €)	0.41	0.40	+2.5%

Balance sheet structure as at June 30, 2013

Solid Equity Ratio at 48.8%, shift to long-term debt



Q2 2013: Hug successfully integrated

in € mn	Hug			in € mn	Hug		
	Q2 2012	Q2 2013	Δ		Q2 2012	Q2 2013	Δ
Sales	8.4	18.2	+9.8	EBIT	-0.8	+3.9	+4.7
PPA	-0.5	-0.2	+0.3	EBT	-0.9	+3.8	+4.7

- CARB certification boosting sales: market share in USA of ~35%;
New projects for inland water vessels and natural gas operated power plants
- Start of production in Thale, Saxony-Anhalt, in Q2 limits exposure in CHF and further improves cost structure
- As of August 1st ElringKlinger acquired another 25% interest in Hug, now holding a stake of 93.7% – minority interests will be scaled back in the future
- Expected EBIT contribution in 2013: > EUR 7 mn (-3.0 mn)

Q2 2013: Restructuring Freudenberg France

in € mn	Freudenberg			in € mn	Freudenberg		
	Q2 2012	Q2 2013	Δ		Q2 2012	Q2 2013	Δ
Sales	13.3	12.9	-0.4	EBIT	0.5	0.5	-
PPA	-	-	-	EBT	0.3	0.3	-

- Extremely sluggish French car market (-8.0% in Q2 2013) weighs on capacity utilization at EK Meillor (sales EKFR -11%, Germany +17%, Italy +3%)
- Target: Slight overall EBT improvement for the full year (EUR 0.1 mn in 2012) assuming slight pick-up in French car market
- German and Italian production site both at double-digit EBIT margins
- Group EBIT margin dilution by Freudenberg + Hummel: - 0.4 PP

Outlook 2013: Markets

- ElringKlinger expects overall worldwide car production in 2013 to stagnate or increase only modestly
- Gloom in Western European car sales begins to lighten in July, Germany up 2%
- Short and mid-term demand will be driven by Asia and the Americas
- Moderate improvement of truck business in H2 visible:
 - > Pre-buying due to EURO VI introduction might have a positive effect in Europe
 - > US Class 8 order intake implies modest growth in H2
- New products & secular growth in ElringKlinger's core business combined with a strong position in Asia should enable the Group to outgrow markets

Outlook 2013: Financial performance

- Q2 order intake: plus 11.0% to EUR 374.1 (337.1) mn
Book-to-bill ratio: 1.23
Order backlog up 18.3% (EUR 573.8 mn)
- Based on the assumption that global vehicle production will stagnate or grow only modestly, the ElringKlinger Group expects sales to grow by 5 to 7% organically in 2013;
Should global car production only stagnate, sales growth will come in rather at the lower end of this range
- Group EBIT margin still burdened by weaker margins of the acquired entities, related PPA, and by pre-expenses for E-Mobility;
Dilution will decrease as compared to 2012
- In total, EBIT is expected to grow at a faster rate than sales – targeting a range of EUR 150 to 155 mn (EUR 136 mn in 2012)

ElringKlinger Group

Future Inside



Thank you for your attention!



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 are 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 dependant 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.