

ElringKlinger Group

Neue Dimensionen  
*New Dimensions*



Conference Call

Results 2nd Quarter 2012

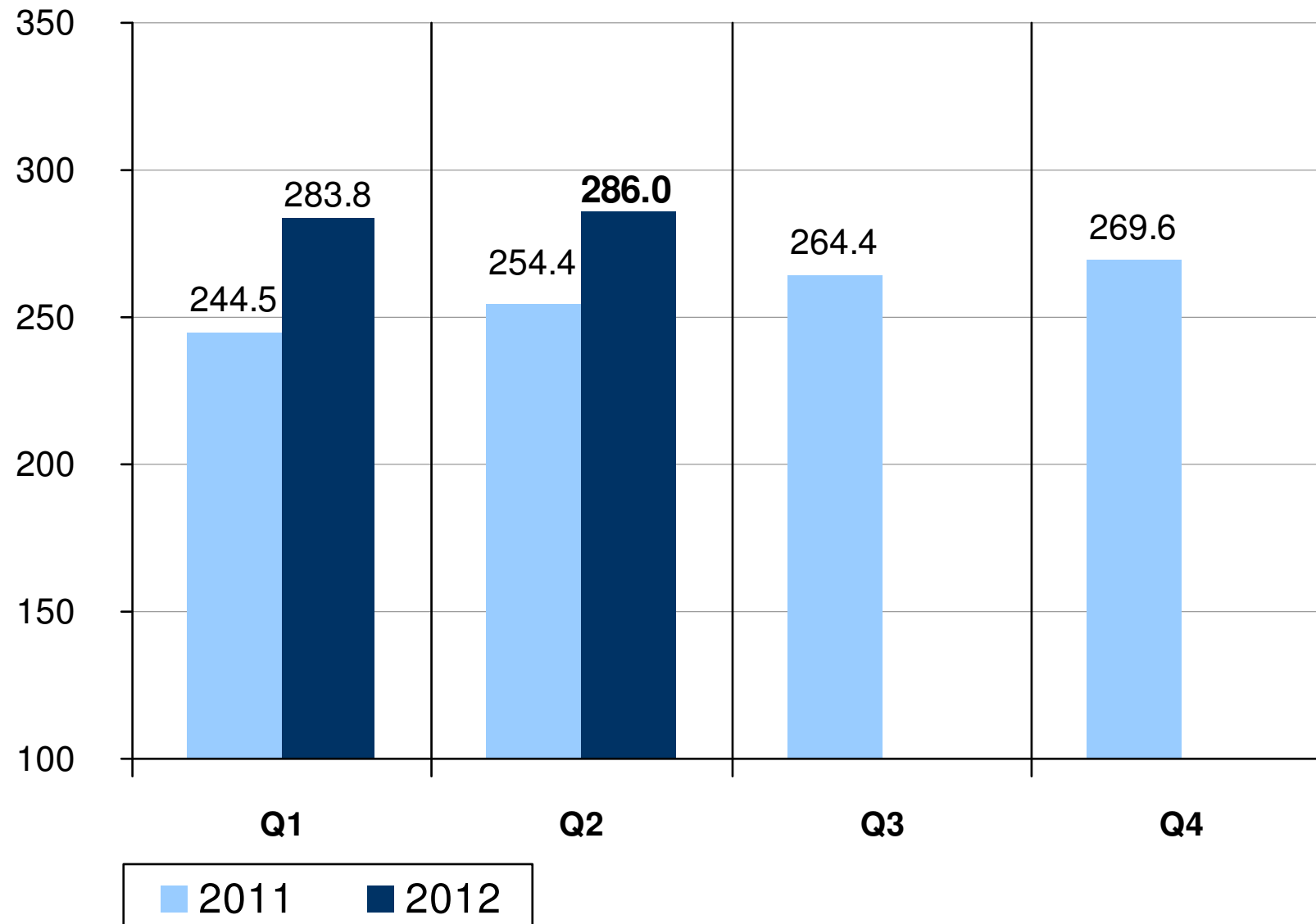
August 3, 2012

## Q2 2012: Key developments

- Global car production was down 4% in Q2 q-o-q, however growing y-o-y due to low base from Q2 2011 (“Tsunami effect”)
- Extreme weakness of Western European car market compensated by Asia and the US
- ElringKlinger sales up 12.4% y-o-y exceeding market growth (organic growth of 9.4%)
- Operating result up 12.6%
- Metal housing/canning producer ThaWa GmbH, Saxony-Anhalt, Germany, merged into ElringKlinger AG
- Improvement at Hug: Losses have sequentially been reduced in Q2
- Freudenberg profitable despite very weak French car market

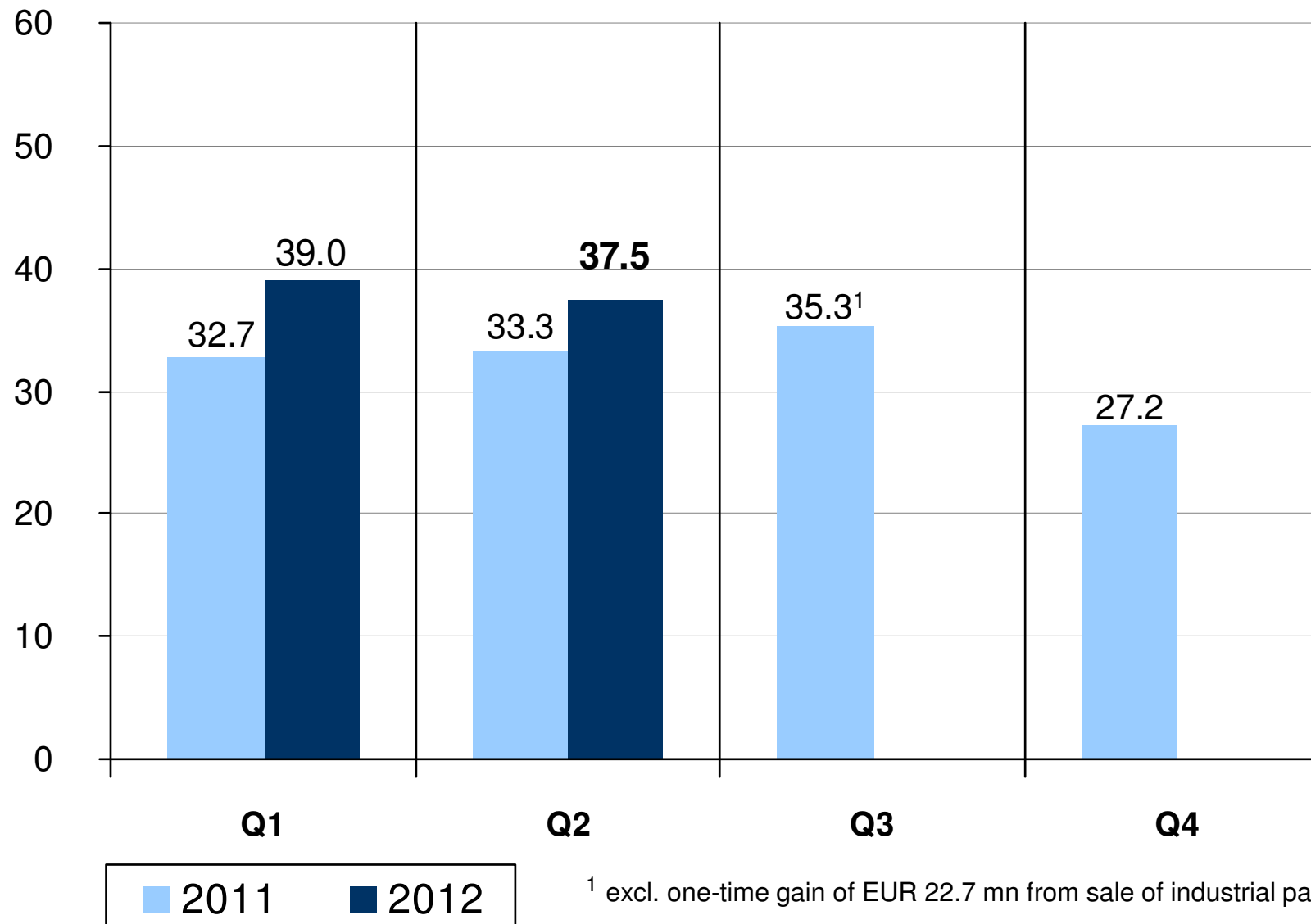
## Q2 2012: Sales grow 12.4% yoy – excl. acquisitions 9.4%

€ mn



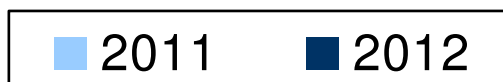
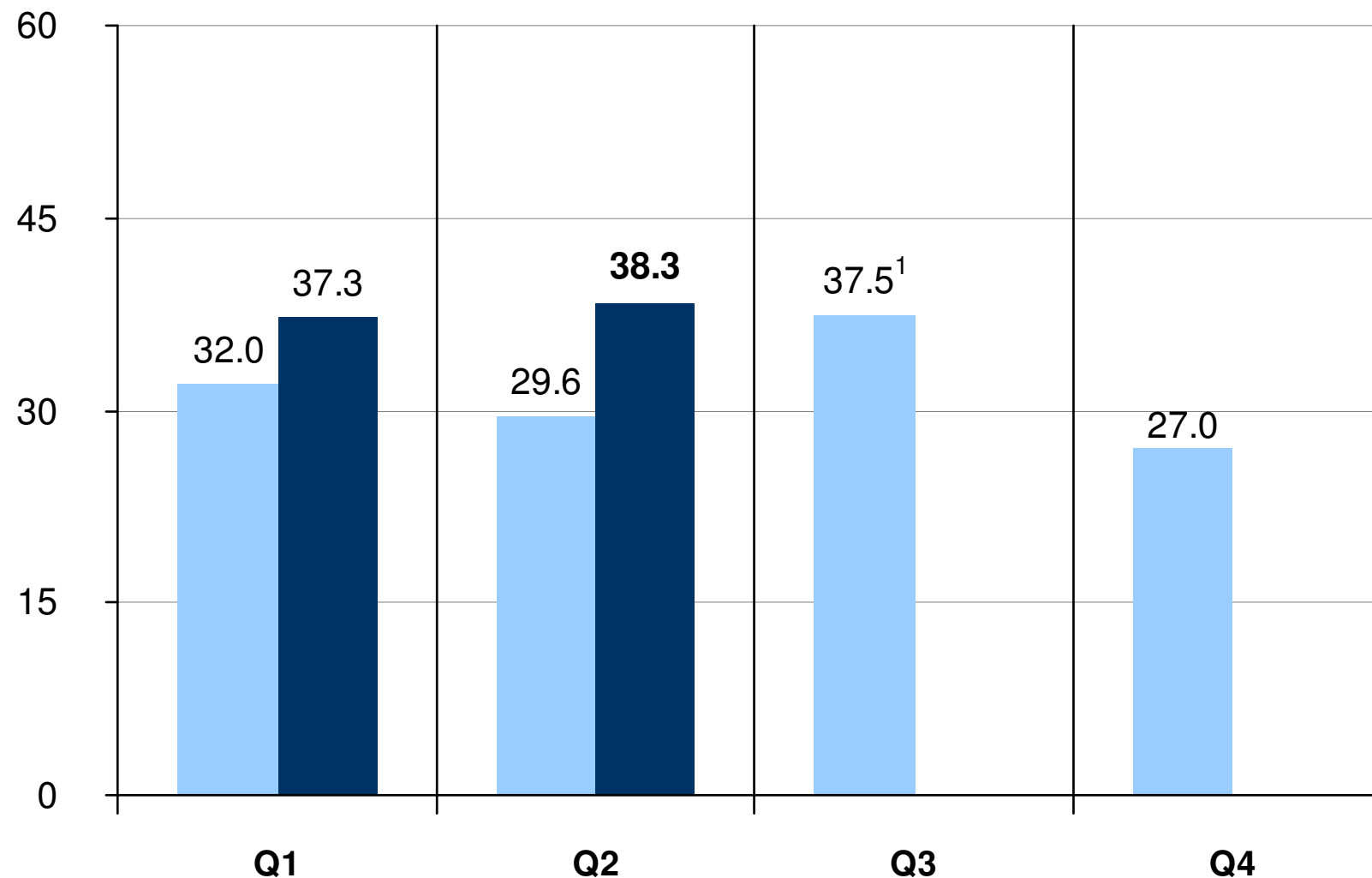
## Q2 2012: Operating result up 12.6% (13.1% margin)

€ mn



## Q2 2012: EBIT up 29.4% (13.4% margin)

€ mn



<sup>1</sup> excl. one-time gain of EUR 22.7 mn from sale of industrial park

## Q2 2012: Incremental effects from acquisitions

- Hummel-Formen Group and former ThaWa GmbH were not included in Q2 2011
- Hug was included as of May 1<sup>st</sup> 2012, which is for only 2 months in Q2 2011
- The inclusion of these entities within the scope of consolidation of ElringKlinger Group in Q2 2012 contributed an incremental EUR 7.7 mn in sales,  
minus EUR 0.7 mn in EBT (minus EUR 0.3 mn due to ppa allotment)

## Q2 2012: Effects from Freudenberg and Hug acquisitions

in € mn	Freudenberg		Hug		in € mn	Freudenberg		Hug	
	Q1	Q2	Q1	Q2		Q1	Q2	Q1	Q2
<b>Sales</b>	13.7	13.3	7.0	8.4	<b>EBIT</b>	0.5	0.5	-1.9	-0.8
<b>PPA</b>	-	-	-0.5	-0.5	<b>EBT</b>	0.2	0.3	-2.0	-0.9

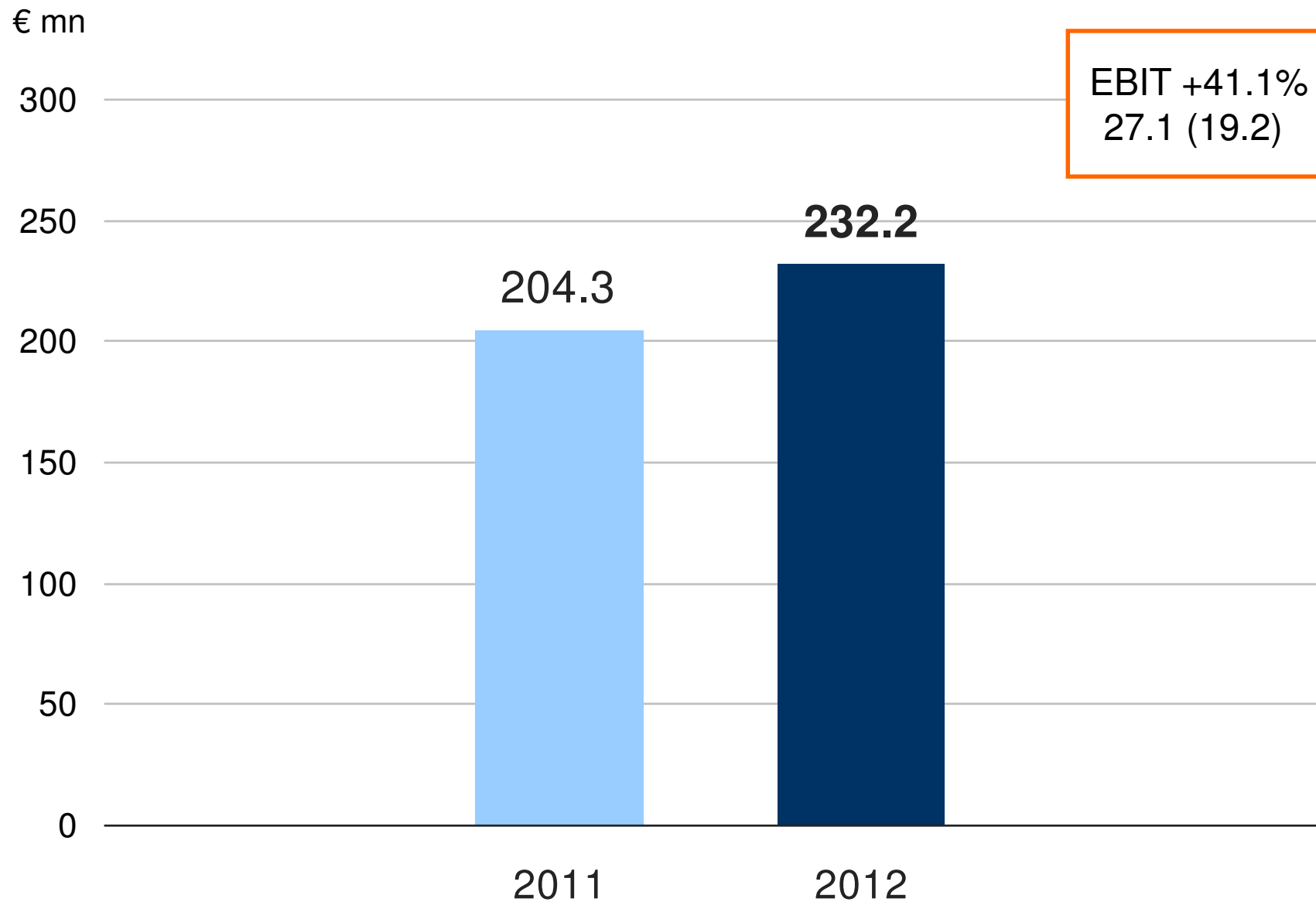
- Sequential improvement of profitability at Hug from Q1 to Q2
- Freudenberg profitable despite extremely weak French/Italian car markets
- Hummel EUR 3.6 mn sales (EBT EUR -0.3 mn incl. EUR -0.1 mn PPA) and ThaWa at EUR 0.9 mn sales (EBT EUR 0.1 mn) had no significant effect on Q2
- Total dilution from acquisitions incl. Freudenberg on Group EBIT-margin: 1.5 PP
- Total PPA (incl. Hummel + ThaWa): EUR 0.6 mn

## Improving Performance at Hug Engineering

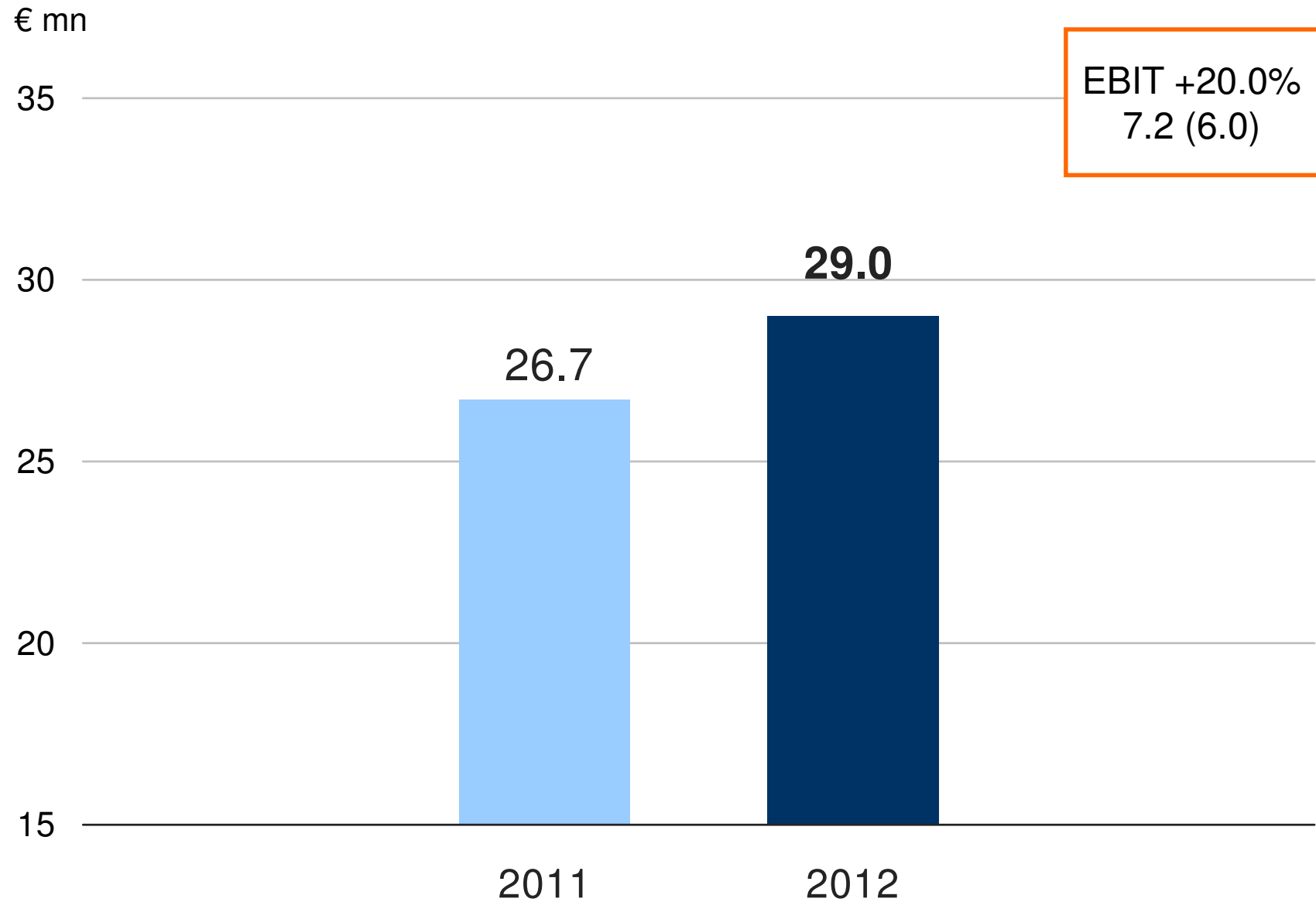
- Hug still burdened by EUR/CHF exchange rate, high personnel costs and PPA
- New managing director from ElringKlinger: Implementation of cost savings and process optimization
- Redundancies in canning/mounting, shop-floor restructuring, optimizing of supply chain  
→ Reduction of losses from EUR -2.0 mn in Q1 to minus EUR -0.9 mn in Q2
- Build-up of metal housing producer ThaWa, Saxony-Anhalt, to lower CHF cost exposure and personnel cost : New plant at Thale operational by Q4
- Two large-scale contracts (total sales > EUR 5 mn) for the production of exhaust abatement systems in stationary applications and marine diesel engines
- CARB approval for Hug DPF in the US resulted in initial contracts totaling USD 2 mn – CARB accreditation for EGR engines will unlock further potential



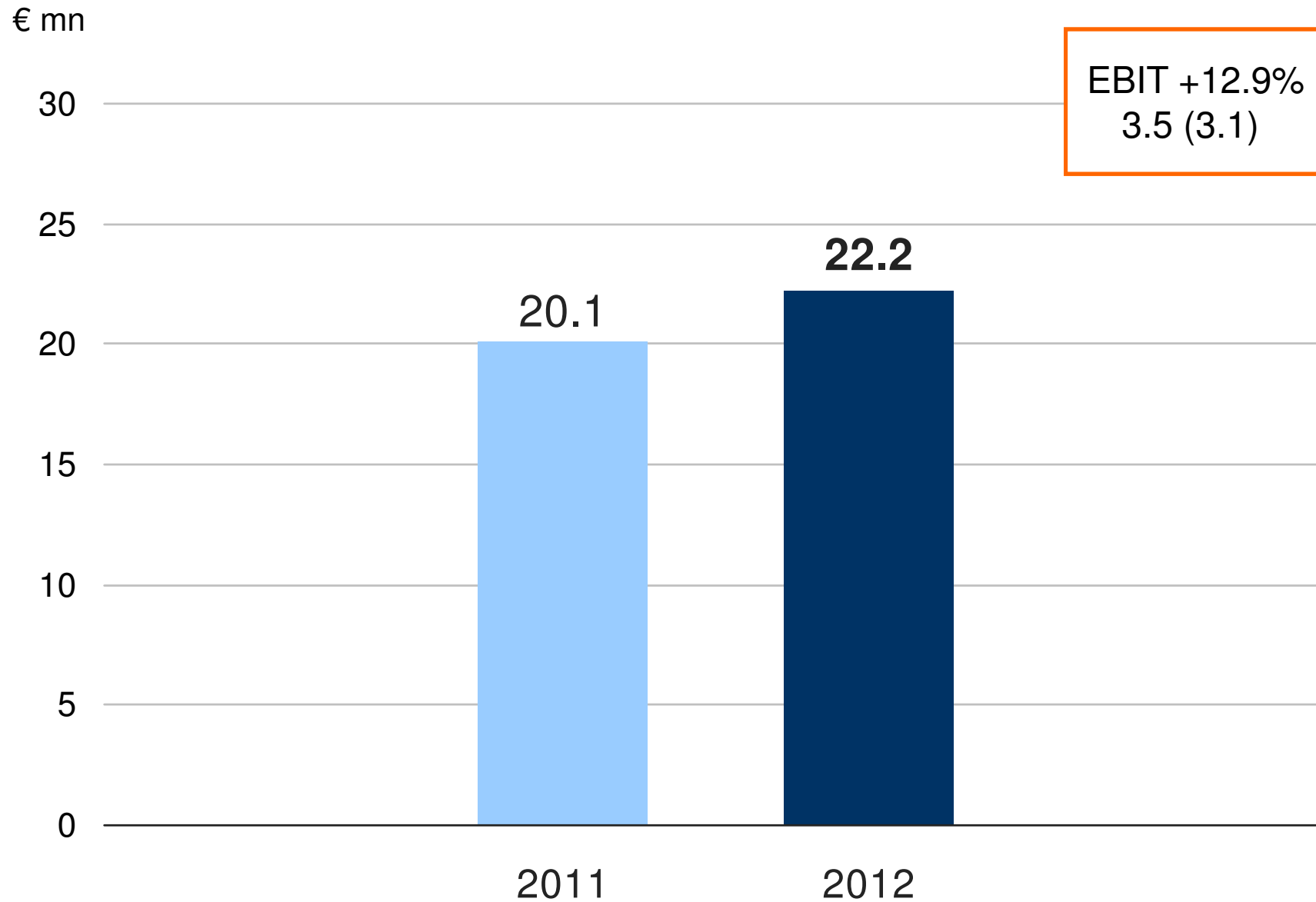
## Q2 2012: OEM sales up 13.7%



## Q2 2012: Aftermarket sales up 8.6%

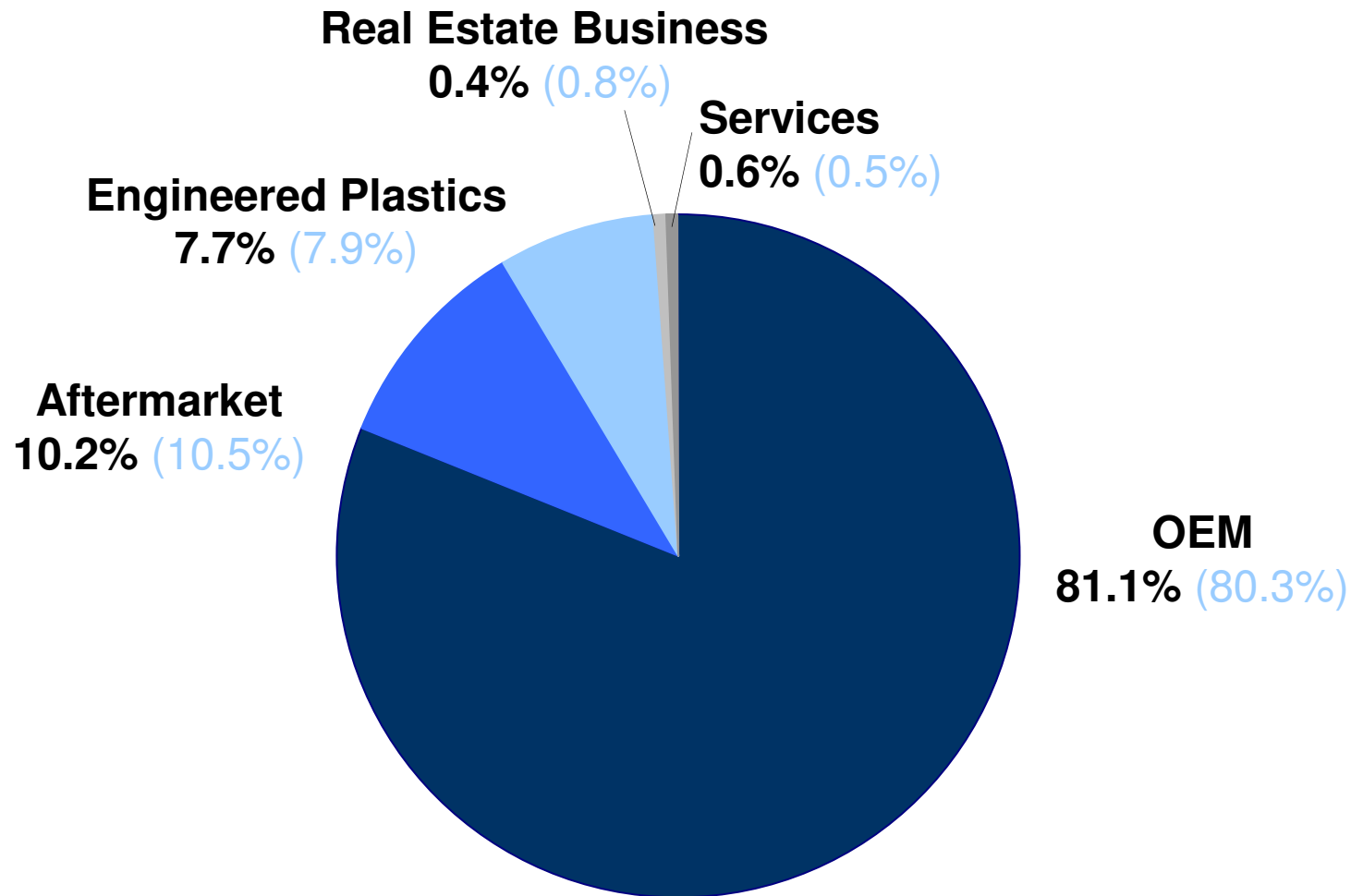


## Q2 2012: Sales Engineered Plastics up 10.4%



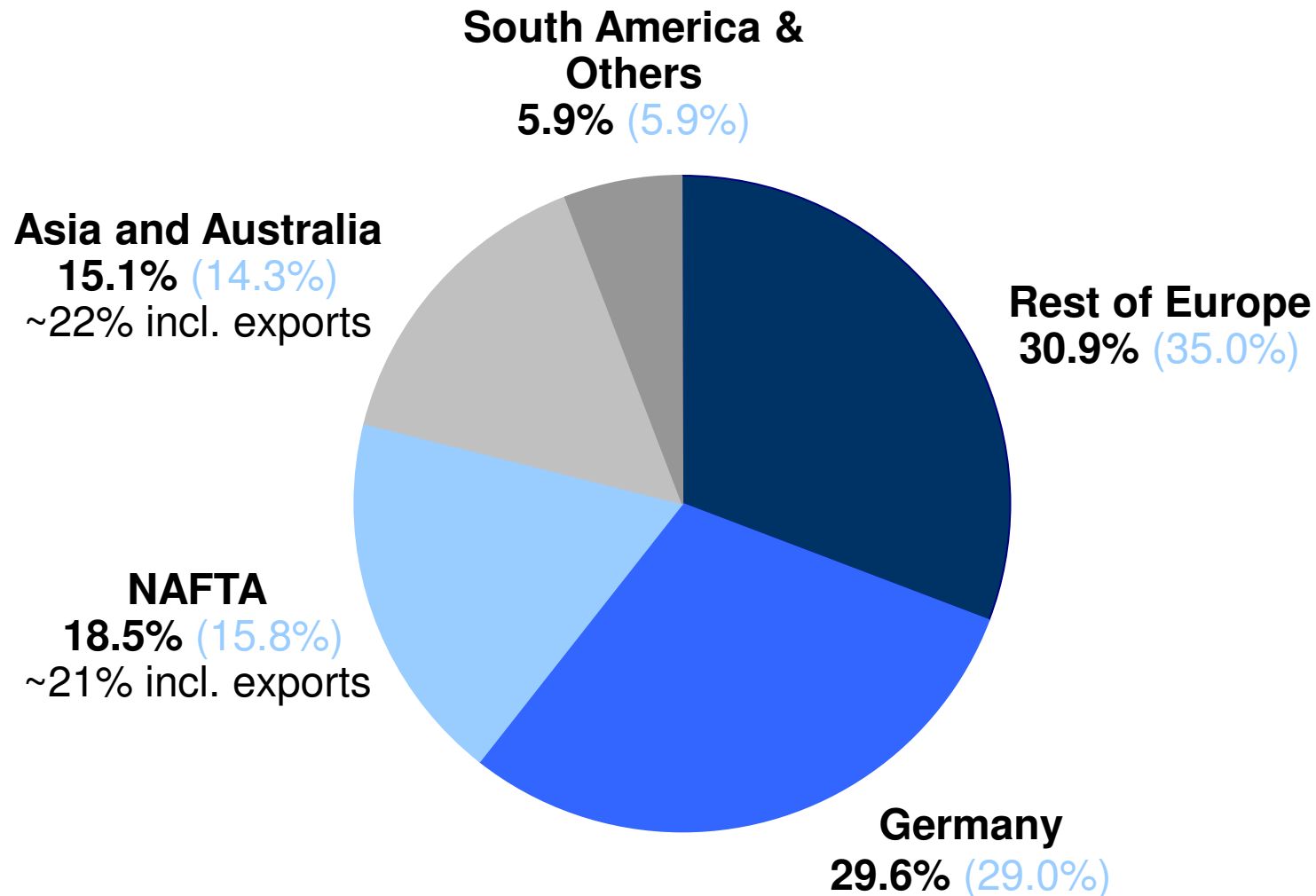
## Group Sales by segment Q2 2012 (py)

Share of OE business up due to ramp-ups and acquisitions



## Group Sales by region Q2 2012 (py)

Share in NAFTA and Asia up – Europe (excl. Germany) declines



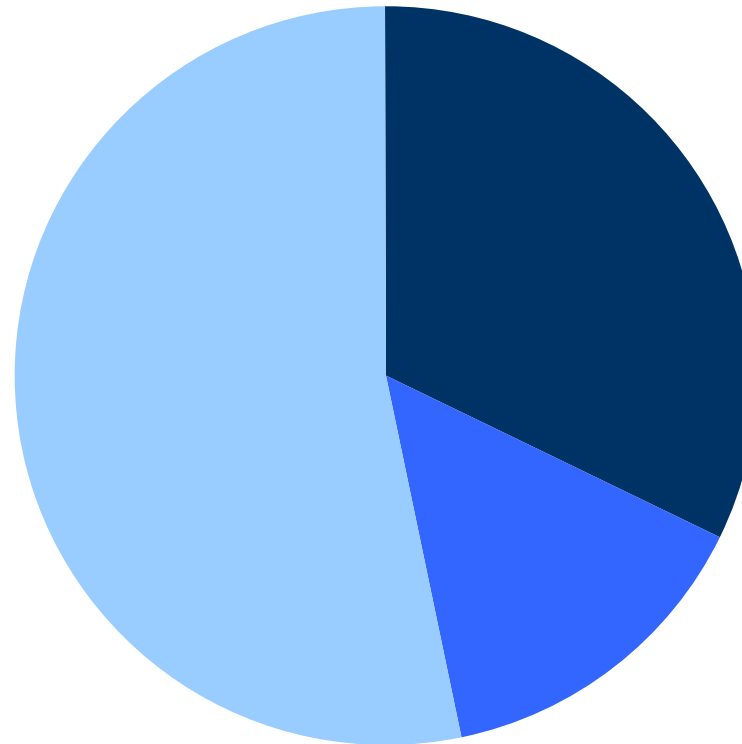
# Employees ElringKlinger Group worldwide

as of June 30, 2012 (py)

**Group**  
**6,219** (5,549)  
**+12.1%**

**Germany**  
**2,890** (2,514)

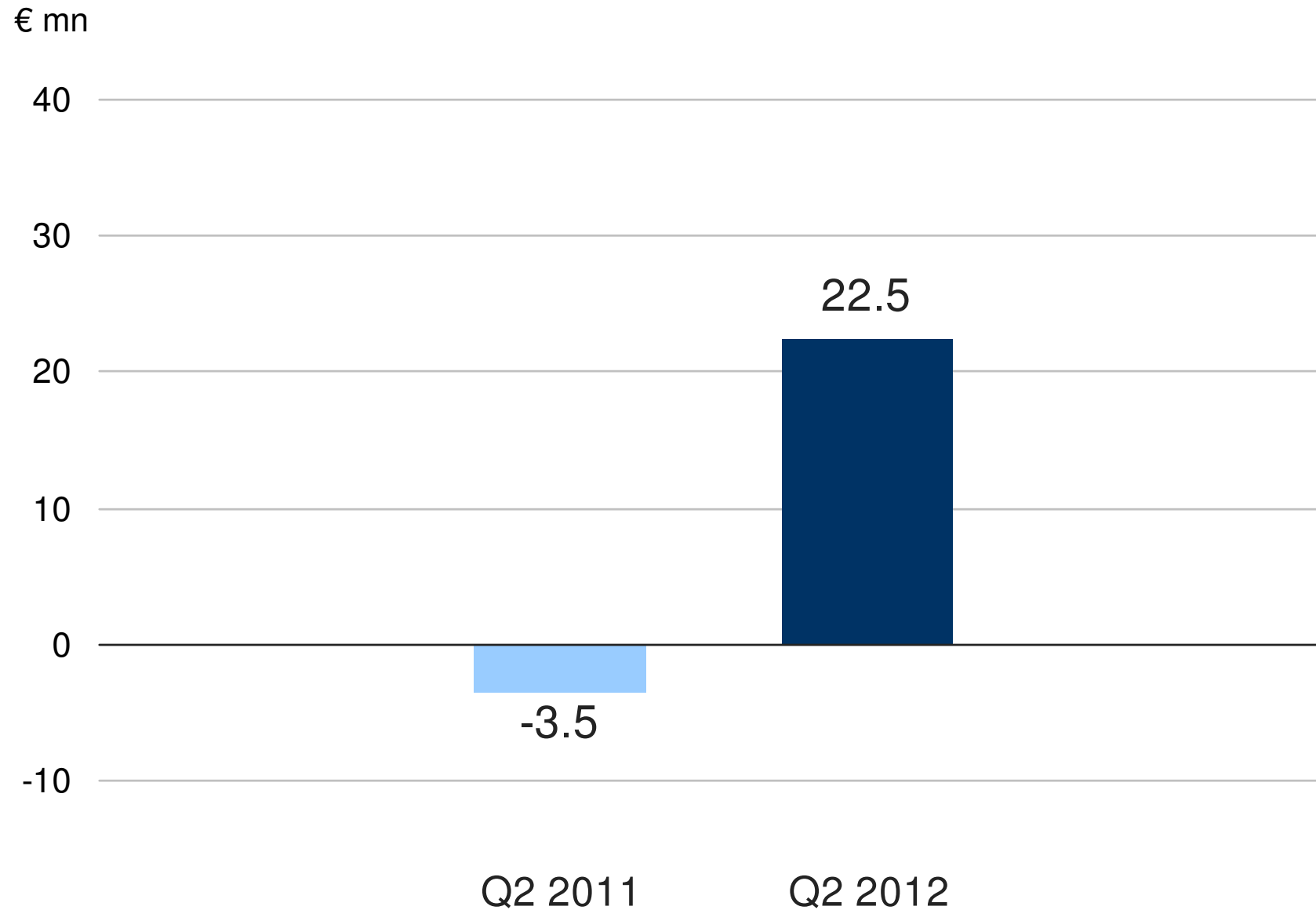
**International subsidiaries**  
**3,329** (3,035)



**AG**  
**2,043** (1,853)

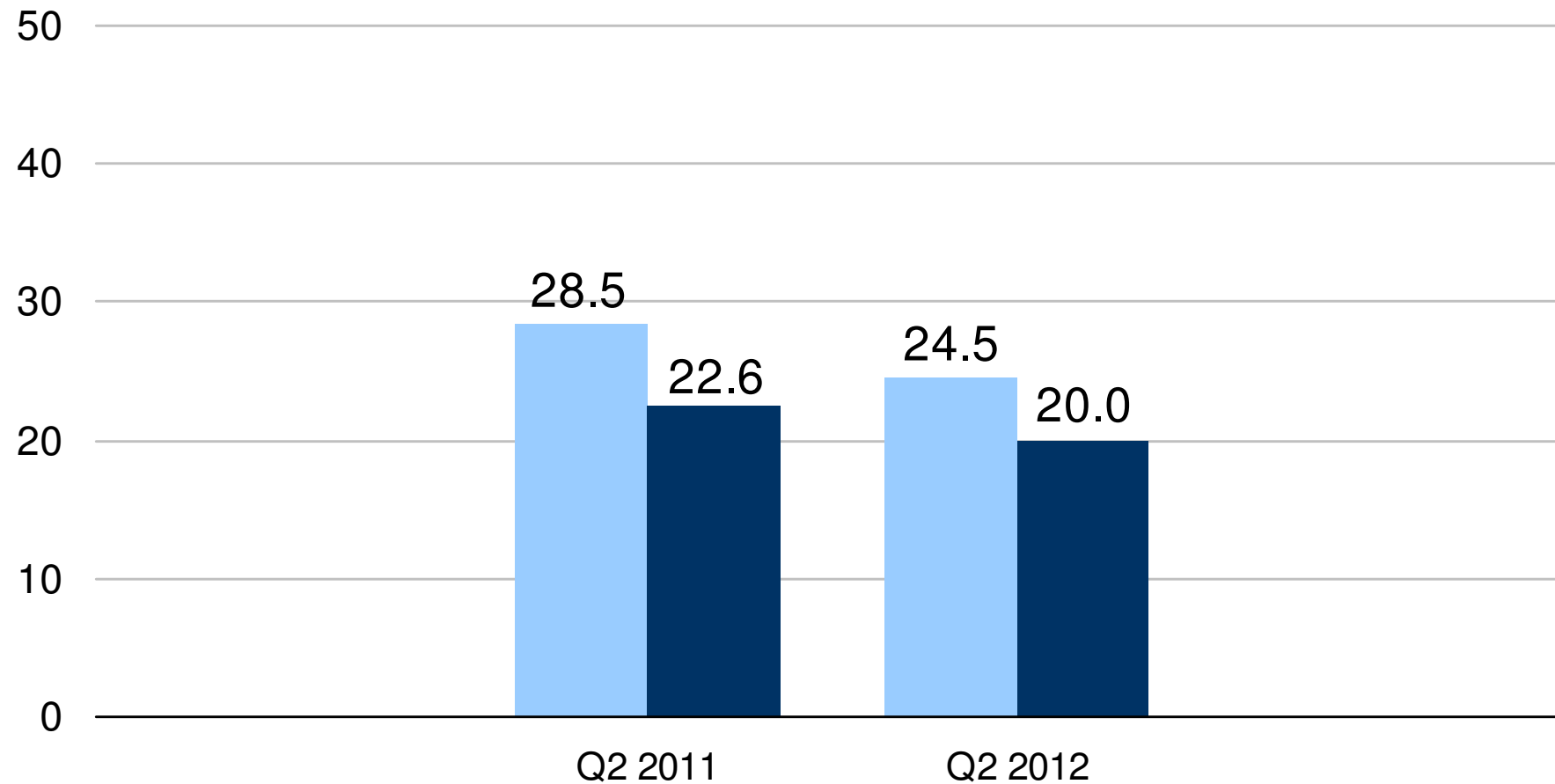
**Domestic subsidiaries**  
**847** (661)

## Q2 2012: Net cash from operating activities



## Q2 2012: Investments vs. depreciation

€ mn



- Investments in plant, property and equipment, invest. prop. and intangible assets (pre-acquisition)
- Depreciation



## Q2 2012: Sales and operating result

in € mn	Q2 2012	Q2 2011	Change in %
<b>Sales</b>	286.0	254.4	+12.4
<b>Cost of Sales</b>	-203.0	-183.3	+10.7
<b>EBITDA<sup>1</sup></b>	58.3	52.1	+11.9
<b>EBIT<sup>1</sup></b>	38.3	29.6	+29.4
<b>Operating Result</b>	37.5	33.3	+12.6

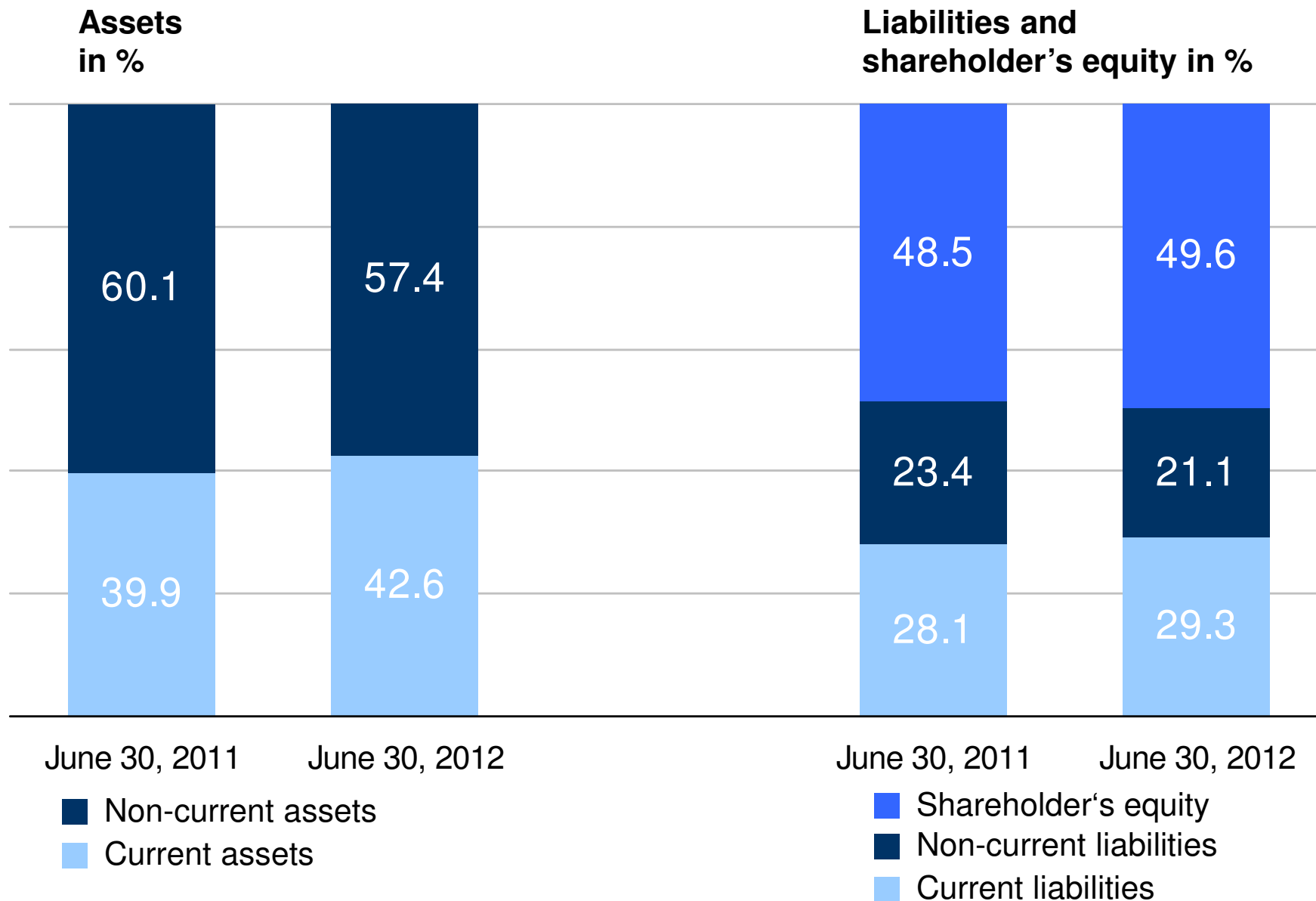
<sup>1</sup> Incl. currency effects

## Q2 2012: Financial Result and Net Income

in € mn	Q2 2012	Q2 2011	Change in %
<b>Net finance cost</b>	2.3	7.0	-67.1
<b>EBT</b>	35.3	26.3	+34.2
<b>Taxes</b>	9.3	7.0	+32.9
<b>Net income</b>	26.0	19.4	+34.0
<b>Profit attributable to EK shareholders</b>	25.3	18.8	+34.6
<b>EPS (in €)</b>	0.40	0.30	+33.3

# Balance sheet structure as at June 30, 2012

## Equity Ratio at 49.6%



## Outlook 2012: Markets and Company

- ElringKlinger expects worldwide car production to rise by 1 to 2%
- Demand driven by emerging markets and North America – car sales in Western Europe expected to fall by 6 % or more from extremely low levels
- Weak truck business
- Wage increase by 4.3% in Germany as of May 1, 2012 largely offset by slightly lower material cost and efficiency increases
- Capex as a percentage of sales going forward is normalizing towards 8-9%: Capex (PPE) for 2012 planned at EUR 95 to 100 mn
- Structural growth & new products drive top line growth in core business
- Potential from performance improvement at the acquired entities: Overall mid single digit EBIT margin target before PPA (incl. Freudenberg)

## Outlook 2012: Financial performance

- Q2 order intake up 13.1% to EUR 337.1 (298.1) mn, order backlog plus 8.4 % (EUR 485.1 mn)
- Organic revenue growth of 5 to 7% in 2012
- Additional sales contribution of approx. EUR 20 mn from acquired Hug Engineering AG, Hummel-Formen Group and former ThaWa GmbH, which in 2012 will be included in the consolidated group for a full annual period for the first time
- Weaker margins at the acquired entities, PPA as well as lead costs in E-Mobility will still dilute Group EBIT margin in 2012
- Despite these effects, EBIT adjusted for one-offs is to increase at a faster rate than sales in 2012 and is expected in a range of EUR 145 to 150 (126.0) mn

ElringKlinger Group

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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.