

PRESS RELEASE

ElringKlinger reports strong surge in earnings for first quarter of 2021

- **Group revenue up by 7.0% to EUR 424.1 million in first quarter, organically by 10.7%**
- **Significant improvement in earnings: EBIT of EUR 48.4 million up EUR 32.4 million on prior-year figure; EBIT margin at 11.4%**
- **Net debt again down markedly by more than EUR 200 million to EUR 400.2 million in last twelve months; net debt/EBITDA at 1.9**
- **Strong position in terms of orders, including very good order intake and high order backlog**

Dettingen/Erms (Germany), May 6, 2021 +++ ElringKlinger AG (ISIN DE 0007856023 / WKN 785602) has published its full results for the first quarter of the current financial year. In commenting on the Group's performance, Dr. Stefan Wolf, CEO of ElringKlinger AG, said, "The positive trajectory seen in previous quarters was maintained at the beginning of 2021. We upscaled our revenue in the first quarter and achieved a significant improvement in earnings. The marked reduction in net debt, among other aspects, is a testament to the sustained impact of our efficiency enhancement program. Overall, this has put us in a very solid position for the rest of the year, which will remain challenging against the backdrop of elevated commodity prices and continued distortions within the supply chain."

Significant growth in revenue

Despite the headwind caused by currency effects, Group revenue rose by EUR 27.8 million or 7.0% to EUR 424.1 million (Q1 2020: EUR 396.2 million). If exchange rates had remained unchanged, revenues generated by the Group would have been EUR 14.4 million higher. On this basis, organic revenue growth amounted to EUR 42.3 million or 10.7%. This was primarily due to the direction taken by the US dollar, but also the Brazilian real, the Mexican peso, and the Turkish lira. No revenue from acquired or divested companies was accounted for in the reporting period.

Having felt the effects of the coronavirus pandemic in China in the first quarter of the previous year, ElringKlinger recorded a significant increase in revenue in the Asia-Pacific region from January to March 2021, up 38.8% to EUR 81.8 million. In Europe, the Group saw revenue expand by 4.8%. In North America, meanwhile, the decline in sales revenue recorded by ElringKlinger in the first quarter of 2021 was attributable solely to currency effects. At constant exchange rates, the Group's revenue would have increased slightly compared to the same period last year.

Strong operating result

The growth in revenue was also reflected in the bottom-line result: the Group achieved earnings before interest, taxes, depreciation, and amortization (EBITDA) of EUR 77.2 million in the first quarter of 2021, which was up EUR 31.4 million or 68.6% on the prior-year level of EUR 45.8 million. Earnings before interest and taxes (EBIT) increased by EUR 32.4 million to EUR 48.4 million, which corresponds to an EBIT margin of 11.4% (Q1 2020: 4.0%). Excluding the gain of EUR 10.9 million on disposal of the Austrian subsidiary, which was transferred to the French partner as part of the agreement with Plastic Omnium, the EBIT margin stood at 8.8%, a significant increase on previous quarters. Alongside a favorable product and regional mix, this was also attributable to better utilization of existing capacities as a result of buoyant demand. In addition, both the Aftermarket and the Engineered Plastics segment made a very solid contribution to Group earnings.

Due to a positive net finance result and a marked improvement in the effective tax rate, the Group was also able to significantly increase its net income for the period (after non-controlling interests) to EUR 37.9 million (Q1 2020: EUR 2.0 million). This translates into earnings per share of EUR 0.60 in the first three months of 2021, compared to EUR 0.03 in the first quarter of the previous year.

Net debt ratio scaled back to 1.9

ElringKlinger continued to pursue its disciplined investment approach in the first quarter, in addition to further optimizing net working capital. In conjunction with the substantial improvement in earnings performance, these measures resulted in operating free cash flow of EUR 28.6 million, which contrasts with EUR -2.2 million in the first three months of the previous year. This figure does not include proceeds from the sale of the Austrian subsidiary or the payment of EUR 30 million received by ElringKlinger under the terms of the agreement with French supplier Plastic Omnium as part of the companies' partnership relating to fuel cell technology. The latter payment will help to accelerate further capacity expansion at the joint venture EKPO Fuel Cell Technologies GmbH, an entity fully consolidated by ElringKlinger.

The Group was thus able to continue to pursue its approach of consistently scaling back net debt. In the first quarter, net financial liabilities were reduced by a further EUR 58.6 million compared to the level reported at the end of 2020, taking the total to EUR 400.2 million. Net debt has been cut by more than EUR 200 million in the past twelve months and by almost EUR 400 million in the last two years. The net debt ratio (net debt in relation to EBITDA) was 1.9 at the end of the reporting period, having stood at 3.1 twelve months ago and at 4.7 two years ago.

Impressive order books

The sustained demand for ElringKlinger's products around the globe is reflected in the Group's strong position with regard to orders: at EUR 576.6 million, order intake was up

EUR 221.7 million or 62.5% on the same period of the previous year. This also resulted in a surge in the Group's order backlog by EUR 196.6 million or 19.9% to EUR 1,185.6 million.

Outlook under challenging conditions

Upon publishing its preliminary quarterly results on April 16, 2021, ElringKlinger had already confirmed its revenue guidance for the current financial year and had slightly revised upward its earnings outlook. The Group continues to expect growth at a level roughly in line with the expansion in global car production, while the EBIT margin is likely to be within a range of around 5 to 6%. In this context, it should be taken into account that the uncertainties with regard to the remainder of the year are significant and that general conditions continue to be very challenging and difficult.

Key financials for Q1 2021

in EUR million	Q1 2021	Q1 2020	Δ abs.	Δ rel.
Order intake	576.6	354.9	+221.7	+62.5%
Order backlog	1,185.6	989.0	+196.6	+19.9%
Revenue	424.1	396.2	+27.8	+7.0%
of which FX effects			-14.4	-3.7%
of which M&A			±0.0	±0.0%
of which organic			+42.3	+10.7%
EBITDA	77.2	45.8	+31.4	+68.6%
EBIT	48.4	16.0	+32.4	+202.5%
EBIT margin (in %)	11.4	4.0	+7.4 PP	-
Net finance income	1.0	-9.8	+10.8	<-100%
EBT	49.4	6.2	+43.2	>+100%
Taxes on income	-10.9	-4.5	-6.4	>+100%
Net income (after non-controlling interests)	37.9	2.0	+35.9	>+100%
Earnings per share (in EUR)	0.60	0.03	+0.57	>+100%
Investments (in property, plant, and equipment and investment property)	11.6	12.3	-0.7	-5.7%
Operating free cash flow	28.6	-2.2	+30.8	<-100%
Net working capital	430.4	452.8	-22.4	-4.9%
Equity ratio (in %)	45.0	41.7	+3.3 PP	-
Net financial debt	400.2	603.1	-202.9	-33.6%
Net financial debt/EBITDA	1.9	3.1	-1.2	-
Employees (as of March 31)	9,597	10,373	-776	-7.5%

For further information, please contact:

ElringKlinger AG

Dr. Jens Winter

Strategic Communications

Max-Eyth-Straße 2 | 72581 Dettingen/Erms (Germany)

Phone: +49 7123 724-88335 | E-mail: jens.winter@elringklinger.com

About ElringKlinger AG

As an independent and globally positioned supplier, ElringKlinger is a powerful and reliable partner to the automotive industry. Be it passenger car or commercial vehicle, equipped with an optimized combustion engine, with hybrid technology, or with an all-electric motor – we offer innovative solutions for all types of drive system. In doing so, we are making a committed contribution to sustainable mobility. Our 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. Developing cutting-edge battery and fuel cell technology as well as electric drive units, we were among the frontrunners when it came to positioning ourselves as a specialist in the field of e-mobility. At the same time, we are committed to evolving our sealing technology for a wide range of applications. Our shielding systems are designed to ensure high-end temperature and acoustics management throughout the vehicle. Dynamic precision parts developed by ElringKlinger can be used in all types of drive system. Additionally, the Group's portfolio includes engineering services, tooling technology, and products made of high-performance plastics, which are also marketed to industries beyond the automotive sector. These efforts are supported by a dedicated workforce of around 10,000 people at 44 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.