

REPORT ON THE 1ST QUARTER

20

23



Key figures

ElringKlinger Group

		1 st Quarter 2023	4 th Quarter 2022	3 rd Quarter 2022	2 nd Quarter 2022	1 st Quarter 2022
Order Situation						
Order intake	EUR million	474.9	465.9	376.7	453.2	578.3
Order backlog	EUR million	1,449.0	1,461.9	1,465.1	1,552.5	1,529.9
Sales/Earnings						
Sales revenue	EUR million	487.7	469.2	464.1	430.6	434.6
Cost of sales	EUR million	376.1	377.7	372.2	366.2	343.8
Gross profit margin		22.9 %	19.5 %	19.8 %	15.0 %	20.9 %
EBITDA	EUR million	53.6	57.7	47.0	26.7	42.8
EBIT	EUR million	26.0	22.6	18.1	-97.1	14.1
EBIT adjusted ¹	EUR million	26.4	33.1	18.5	1.8	15.0
EBIT margin adjusted ¹		5.4 %	7.1 %	4.0 %	0.4 %	3.5 %
Earnings before taxes	EUR million	16.6	6.1	17.7	-90.7	10.9
Net income	EUR million	4.4	-4.3	3.9	-94.1	3.8
Net income attributable to shareholders of ElringKlinger AG	EUR million	6.7	-2.3	3.3	-94.1	4.0
Cash flow						
Net cash from operating activities	EUR million	-3.4	69.2	12.1	22.6	-2.7
Net cash from investing activities	EUR million	-18.8	-37.3	-23.8	-17.3	-17.1
Net cash from financing activities	EUR million	4.8	-39.0	6.2	11.0	26.9
Operating free cash flow ²	EUR million	-20.3	41.0	-10.2	3.9	-19.8
Balance Sheet						
Balance sheet total	EUR million	2,032.0	2,046.6	2,130.6	2,076.6	2,141.1
Equity	EUR million	902.9	896.8	910.6	914.6	991.8
Equity ratio		44.4 %	43.8 %	42.7 %	44.0 %	46.3 %
Net financial debt ³	EUR million	372.3	364.2	411.0	389.5	387.4
Human Resources						
Employees (as at end of quarter)		9,635	9,540	9,525	9,489	9,396
Stock						
Earnings per share	EUR	0.11	-0.04	0.05	-1.49	0.06

¹ Figures of EBIT adjusted 2022 unaudited and preliminary

² Net cash from operating activities minus net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

³ Financial liabilities less cash and cash equivalents and less short-term securities

Summary of the first three months 2023

- ElringKlinger Group records significant increase in first-quarter **revenue** of 12.2% or EUR 53.1 million, taking the total to EUR 487.7 million (Q1 2022: EUR 434.6 million); growth exceeds that of global automobile production, which is up by around 6%.
- At EUR 26.4 million (Q1 2022: EUR 15.0 million), **adjusted EBIT** improves year on year; adjusted EBIT margin at 5.4% (Q1 2022: 3.5%).
- **Financial position** remains solid; equity ratio at 44.4% at end of quarter (Mar. 31, 2022: 46.3%); net financial liabilities of EUR 372.3 million (Mar. 31, 2022: EUR 387.4 million) down year on year; net working capital increases to EUR 518.5 million (Mar. 31, 2022: EUR 449.2 million) as a result of buoyant revenue and solid order books at the end of quarter. As a result, substantial use of funds relating to operating cash flow and negative operating free cash flow of EUR -20.3 million (Q1 2022: EUR -19.8 million).
- **Order backlog** remains high at EUR 1,449.0 million (Mar. 31, 2022: EUR 1,529.9 million).
- **Other events** in the first quarter of 2023: Group subsidiary EKPO receives significant orders in the field of fuel cell technology; contract of CFO Thomas Jessulat extended by a further five years until 2028; after the end of the reporting period, announcement of the termination of contract of CEO Dr. Stefan Wolf with effect from June 30, 2023.

“Recording revenue growth of more than twelve percent and a positive EBIT margin within the target range, ElringKlinger has made a successful start to 2023. With a view to upcoming SOPs for innovative products centered around new drive technologies, this confirms that we are moving in the right direction.”

Dr. Stefan Wolf, CEO of ElringKlinger AG

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ELRINGKLINGER AND THE CAPITAL MARKETS

Whether in top-class sports or in business, speed and flexibility are key. This insight was not the only topic discussed by European champion Alexandra Burghardt and ElringKlinger CEO Dr. Stefan Wolf when they met at the Olympic Stadium in Munich beginning of the year 2023.

Read the full interview conducted by the editorial team of our »pulse« magazine in the »Go!« article of the 2023 issue.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Macroeconomic Conditions and Business Environment

The first quarter of 2023 saw tentative growth within a global economy that remained fragile overall. Growth was dampened in particular by the rapid tightening of monetary policy, which was accompanied by an interest rate U-turn in 2022 in response to spiraling inflation. Risks relating to financial stability also became more pronounced in the quarter under review. These factors, together with the continuing impact of the protracted war in Ukraine, appear to mark the end of global economic recovery following the pandemic-induced slump. At the same time, economic development was underpinned by positive factors such as lower energy prices, slowing inflation, improvements in supply chains, and largely robust labor markets.

Deteriorating monetary conditions exerted downward pressure on consumption and business investment, particularly in advanced economies. Economic output as a whole benefited from the fact that there was no further upward trajectory in energy market prices. The upturn was slightly more pronounced in the emerging markets. Fueled by an expansionary economic policy, China saw some degree of impetus and moderate growth after lifting its pandemic-related restrictions.

Inflation was less dynamic in the first quarter of 2023. In the eurozone, for example, it stood at 8.0%¹, compared to 10.0% in the previous quarter. Consumer prices rose by 5.9% in the United States, 1.6% in China, and 6.3% in India.

GDP growth

Year-on-year change in %	3rd quarter 2022	4th quarter 2022	1st quarter 2023
Germany	1.4	0.9	-0.1
Eurozone	2.4	1.8	1.2
USA	1.9	0.9	1.8
Brazil	3.6	1.9	1.6
China	3.9	2.9	2.2
India	6.3	4.4	4.6
Japan	1.5	0.4	1.3

Source: HSBC (April 2023)

Global vehicle production catches up

Against the backdrop of an improvement in supply-side bottlenecks, and given last year's weak comparative base, vehicle production expanded quite significantly in some cases during the first three months of 2023. Buoyed by a more favorable supply situation, output in Europe recovered particularly well after the slump experienced in the previous year. At the same time, North America recorded significant growth in light vehicle production (passenger cars and light commercial vehicles). By contrast, manufacturing output was subdued in China. As domestic OEMs significantly outperformed their foreign counterparts in the region, suppliers with a broad customer portfolio were at an advantage.

¹ Change of inflation numbers is compared to the same quarter of the previous year.
Source: HSBC, April 2023

Production Light Vehicles

Region	Vehicles millions		Year-on-year change
	1 st quarter 2022	1 st quarter 2023	
Europe ¹	3.6	4.5	23.2 %
China	6.2	5.7	-7.8 %
Japan/Korea	2.7	3.1	16.9 %
Middle East/ Africa	0.6	0.5	-9.8 %
North America	3.6	3.9	9.8 %
South America	0.6	0.7	14.5 %
South Asia	2.4	2.5	5.3 %
World	19.9	21.1	5.7 %

Source: S&P Global Mobility, April 2023

¹ excl. Russia

Marked upturn in international sales markets

Registration figures for new passenger cars and light vehicles trended higher in the first three months of 2023, in some cases significantly compared to the same period last year. With the exception of China, the major automotive regions showed clear signs of expansion. Here, too, the upward trajectory was driven by the improved availability of materials at manufacturing sites, especially in Europe, but also in Japan and the United States. In Europe (EU, EFTA, and UK), new registrations rose by 17.5% year on year to 3.2 million passenger cars in the period under review. At +6.5%, Germany fell short of the European average. The United States recorded 3.6 million new vehicle registrations, an increase of 8.1%, while Japan saw vehicle sales expand by 16.7%. In contrast, sales in China, where a tax cut in 2022 was associated with pre-emptive effects, declined by 6.9% to a volume of 5.1 million passenger cars.

Significant Events

Contract of CFO Thomas Jessulat extended

At its meeting in March 2023, the Supervisory Board of ElringKlinger AG extended the contract of CFO Thomas Jessulat by a further five years until December 31, 2028. Thomas Jessulat has been a member of the Management Board of ElringKlinger since 2016.

Significant orders in the field of fuel cell technology

The Group subsidiary EKPO Fuel Cell Technologies GmbH, Dettingen/Erms, Germany ("EKPO") secured significant contracts in the first quarter of 2023, the details of which were disclosed in various press releases. In particular, EKPO received a large series production order from a global car manufacturer in the mid-triple-digit million euro range, with the contract covering a period of five years. The order

covers the supply of metallic bipolar plates for a future fuel cell system developed by the carmaker, which is scheduled to commence in 2026. The contract underscores the company's outstanding technological capabilities and competitiveness as well as its expertise relating to industrial-scale production in this field – which includes the area of new, alternative drive systems.

Termination of contract of CEO Dr. Stefan Wolf

On April 6, 2023, ElringKlinger issued a statement concerning the departure of CEO Dr. Stefan Wolf with effect from June 30, 2023. For further information, please refer to the section "Events after the reporting period" in the appendix to this report.

Sales and Earnings Performance

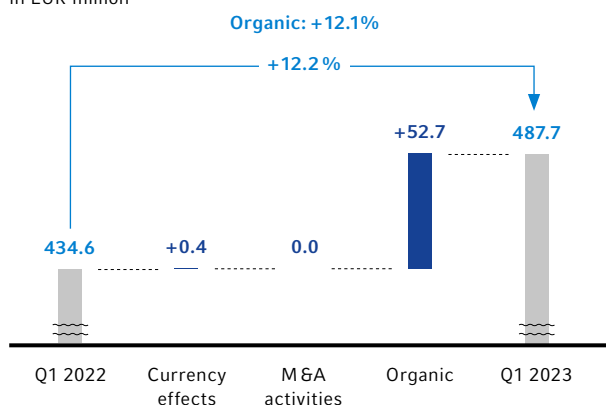
First-quarter revenue at record level

ElringKlinger began the 2023 financial year with a substantial upturn in revenue. Despite the anemic state of the global economy as a whole and the adversities facing the automotive industry, such as high inflation, rising interest rates, and the fallout from the war in Ukraine, the ElringKlinger Group propelled quarterly revenue to an all-time high. The Group achieved revenue growth of EUR 53.1 million or 12.2%, taking the figure to EUR 487.7 million in the first quarter of 2023. In the same period of the previous year, the Group had generated revenue of EUR 434.6 million.

In this context, revenue was buoyed slightly by exchange rate movements. While the direction taken by the US dollar and especially the Mexican peso had a positive impact, the Chinese yuan, the Japanese yen, and the Turkish lira had a contrary effect. Overall, the positive effect of exchange rates on Group revenue was marginal at EUR 0.4 million. Even adjusted for currency-related factors, revenue increased by a substantial EUR 52.7 million or 12.1%. Calculated on the basis of this organic change in revenue, ElringKlinger once again outperformed global automobile production, which grew by 5.7% in the first three months, according to data provided by the industry service provider S&P Global Mobility. There were no effects from changes in the scope of consolidation (M&A activities) in the quarter under review.

Factors influencing Group revenue 1st quarter 2023

in EUR million



North America and Rest of Europe act as principal growth drivers

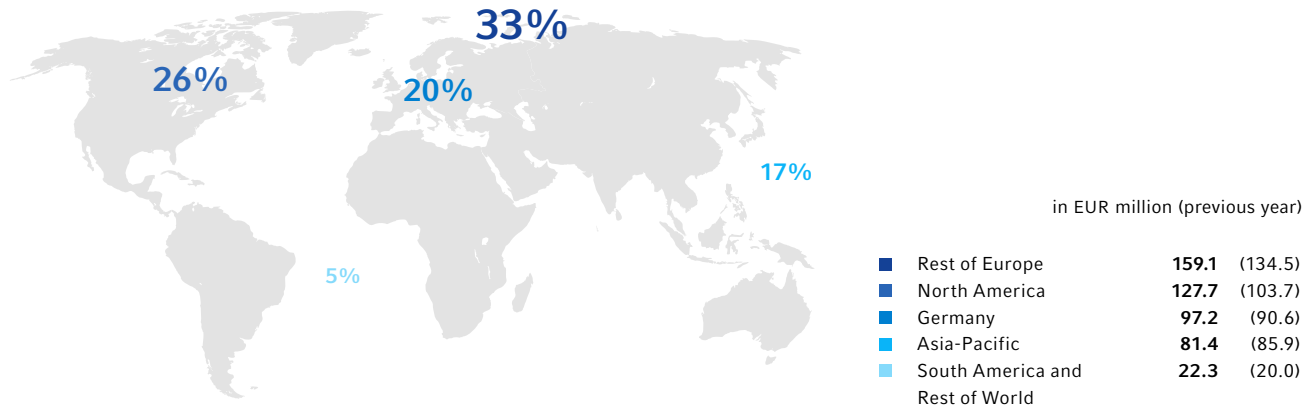
The Group's regional revenue mix had a favorable impact on revenue growth in the period under review, the expansion being driven in particular by North America and Rest of Europe. Revenue generated from sales abroad increased in the first three months, as a result of which its share of Group revenue was slightly higher than in the first quarter of the previous year at 80.1% (Q1 2022: 79.2%).

The Rest of Europe, ElringKlinger's strongest region in terms of revenue, recorded growth of 18.3%, which was well above the Group average of 12.2%. Revenue in this region increased by EUR 24.6 million to EUR 159.1 million (Q1 2022: EUR 134.5 million). Assuming stable exchange rates, the increase was even more pronounced at EUR 26.7 million or 19.9%. In the quarter under review, revenue generated in the Rest of Europe also exceeded the rate of growth in car production (Europe excluding Germany and Russia), which stood at 17.5%. In Germany, revenue expanded by EUR 6.6 million or 7.3% to EUR 97.2 million (Q1 2022: EUR 90.6 million).

In the Asia-Pacific region, business was driven by local car production, which in terms of volume, remained largely unchanged year on year with marginal growth of 0.8%. At EUR 81.4 million (Q1 2022: EUR 85.9 million), revenue generated from sales in this region fell EUR 4.5 million short of the figure posted for the same period last year. Assuming consistent exchange rates, the region came close to matching the buoyant level seen in the previous year – at EUR -1.2 million.

The Group recorded considerable revenue growth in the region covering North America, up by 23.1% or EUR 24.0 million to EUR 127.7 million in the first three months (Q1 2022: EUR 103.7 million). This was fueled in particular by an increase in revenue from structural lightweighting, one of ElringKlinger's strategic future areas. Growth was also underpinned by the favorable effects of exchange rates. Adjusted for these factors, revenue still increased by a formidable 18.1% or EUR 18.8 million. The Group thus clearly outperformed the vehicle market as a

Group sales by region 1st quarter 2023



whole in North America, which saw production output expand by 9.8% in the first quarter. With a 26.2% (Q1 2022: 23.8%) share of revenue, this region is the second strongest in the Group after the Rest of Europe.

At EUR 22.3 million (Q1 2022: EUR 20.0 million), the region encompassing South America and Rest of World grew by 11.5% or EUR 2.3 million year on year in the quarter under review. Here, too, revenue growth was underpinned to a minor extent by exchange rates: adjusted for exchange rates, business expanded by 9.5% or EUR 1.9 million.

Original Equipment business outstrips market growth

The Original Equipment segment recorded significant growth in the opening quarter of 2023. At EUR 369.1 million (Q1 2022: EUR 335.1 million), revenue generated by ElringKlinger in this segment was up 10.1% or EUR 34.0 million on the prior-year figure. The percentage increase in Group revenue was higher than that recorded by the global vehicle market as a whole, which saw production output rise by just 5.7% in the first quarter. Revenue from sales in the Metal Forming & Assembly Technology business unit remained largely unchanged year on year at EUR 74.6 million (Q1 2022: EUR 74.0 million), while revenue generated by the Lightweighting/Elastomer Technology and Metal Sealing Systems & Drivetrain Components business units was up sharply by EUR 22.6 million and EUR 9.8 million respectively. Lightweighting/Elastomer Technology accounts for the largest share of Group revenue with

EUR 156.3 million or 32.0%. The E-Mobility business unit also saw a slight increase in revenue by EUR 0.9 million or 17.0%, taking the total to EUR 6.2 million (Q1 2022: EUR 5.3 million) in the quarter under review.

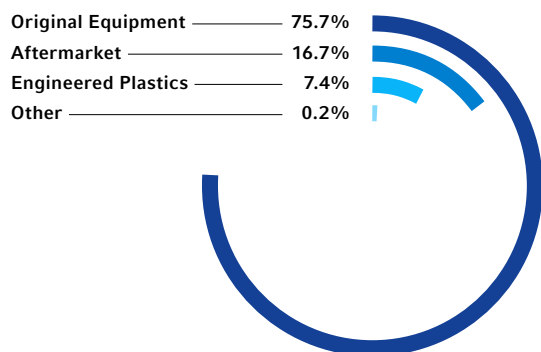
The significant increase in revenue recorded within the Original Equipment segment coincided, among other things, with a persistently high level of material costs, which had an impact on earnings. In the first quarter of 2023, the segment's adjusted earnings before interest and taxes (adjusted EBIT) of EUR 1.1 million (Q1 2022: EUR -4.4 million) were up on the figure posted for the same period a year ago.

Strong first quarter in the Aftermarket business

The Aftermarket segment succeeded in further expanding its revenue compared to the same quarter last year. Revenue in the first quarter of 2023 amounted to EUR 81.7 million (Q1 2022: EUR 63.0 million), up EUR 18.7 million on the figure posted for the first three months of the previous year. Growth was driven by all major sales regions.

On the back of revenue growth, the segment also saw an increase in earnings. Benefiting, among other things, from continued cost discipline and a favorable product mix, the segment recorded adjusted EBIT of EUR 19.8 million (Q1 2022: EUR 14.1 million). Overall, the adjusted EBIT margin was 24.2%, compared to 22.4% in the same quarter last year.

Group sales by segment and business unit 1st quarter 2023



in EUR million
(previous year)

Original Equipment	369.1	(335.1)
– Lightweighting/Elastomer Technology	156.3	(133.7)
– Metal Sealing Systems & Drivetrain Components	131.0	(121.2)
– Metal Forming & Assembly Technology ¹	74.6	(74.0)
– E-Mobility	6.2	(5.3)
– Exhaust Gas Purification & Other	1.0	(0.9)
Aftermarket	81.7	(63.0)
Engineered Plastics	35.9	(35.3)
Other	1.0	(1.2)

¹ Known as “Shielding Technology” up to Dec. 31, 2022

Engineered Plastics remains robust

Compared to the first quarter of the previous year, the Engineered Plastics segment managed to increase revenue slightly by 1.7% or EUR 0.6 million to EUR 35.9 million (Q1 2022: EUR 35.3 million). Due to the broad sector mix and consistently strong demand within the area of project business, revenue remained robust in the quarter under review.

The hike in material costs was reflected in earnings, in particular due to the persistently high level of prices for fluoropolymers. Additionally, in line with forecasts, segment earnings were impacted by R&D activities centered around the transformation of the product portfolio. Overall, the segment achieved adjusted EBIT of EUR 5.1 million (Q1 2022: EUR 5.6 million), corresponding to an adjusted EBIT margin of 14.2% (Q1 2022: 16.0%).

Other segment with improved earnings

The segment referred to as “Other” primarily consists of services and rental activities relating to industrial parks. Services directed at vehicle manufacturers and automotive suppliers include the operation of state-of-the-art engine test benches and measuring equipment for tests on engines, transmissions, and exhaust systems. Logistics services are offered for the Aftermarket business. In addition, this segment includes the catering service of a subsidiary. In the first quarter of 2023, revenue stood at EUR 1.0 million (Q1 2022: EUR 1.2 million), which was down on the prior-year figure. Segment earnings were up by EUR 0.5 million to EUR 0.2 million (Q1 2022: EUR -0.3 million).

Slight increase in headcount

Whereas the ElringKlinger Group employed 9,396³ people at the end of the first quarter of 2022, this figure had risen by 2.5% to 9,635 by March 31, 2023. In particular, the Group expanded its workforce in Asia-Pacific and Germany. Reflecting the economic upturn seen in the Asia-Pacific region, local staffing levels trended higher year on year. In Germany, upstaffing was centered around fuel cell technology, a strategic future area. The number of employees also rose slightly in the region encompassing South America and Rest of World, while the headcount was marginally lower in North America compared to the same quarter last year. Overall, the proportion of employees in Germany remained constant at 42.4% (Mar. 31, 2022: 42.4%). Accordingly, as a percentage, the non-domestic headcount was unchanged at 57.6% (Mar. 31, 2022: 57.6%).

Gross profit margin in first quarter up on previous year

In the first three months of 2023, the cost of sales rose by EUR 32.3 million or 9.4% to EUR 376.1 million (Q1 2022: EUR 343.8 million). This was attributable primarily to material-related expenses, which increased by EUR 27.0 million to EUR 214.5 million (Q1 2022: EUR 187.5 million). While the situation within the commodity markets had deteriorated significantly in the first and second quarter of 2022 due to the outbreak of war in Ukraine, rising energy costs, and ongoing supply chain bottlenecks, procurement prices remained at a persistently high level in the first three months of 2023. The picture was mixed when it came to the various key raw materials required by the Group for its production

³ The headcount includes all direct and indirect employees. The previous year’s figures were adjusted in accordance with a uniform approach.

activities. While prices for steel and aluminum trended slightly lower in the first quarter of 2023 compared to the final quarter of 2022, they still remained at a persistently high level and were well up on those recorded in the first three months of the previous year. The latter also applies to plastic granules, i.e., pellets, such as PA6.6. In the case of elastomers, the situation remained tense due to elevated prices and limited availability. The cost-of-materials ratio (cost of materials in relation to Group revenue) rose to 44.0% in the period under review (Q1 2022: 43.1%). Gross profit improved by 22.9% or EUR 20.8 million to EUR 111.6 million (Q1 2022: EUR 90.8 million), which was partly due to the fact that the staff costs included in the cost of sales increased at a slower rate than revenue. This corresponds to a gross profit margin of 22.9% (Q1 2022: 20.9%).

Staff costs within the ElringKlinger Group, which are accounted for in various functional categories of the income statement, amounted to EUR 156.0 million in the first quarter (Q1 2022: EUR 145.9 million). Alongside currency effects and a general expansion in the headcount, upstaffing in the area of research and development, especially in the strategic future areas, also drove staff costs upward. In total, however, staff costs rose at a slower rate of 6.9% when compared to revenue growth. As a result, staff costs in relation to Group revenue fell from 33.6% in the same quarter of the previous year to 32.0% in the reporting quarter.

Selling expenses increased by EUR 4.1 million to EUR 38.4 million in the first quarter of 2023 (Q1 2022: EUR 34.3 million), mainly due to higher non-personnel expenses, among other things in the area of logistics. General and administrative expenses amounted to EUR 25.6 million (Q1 2022: EUR 25.3 million), driven by staff costs.

Research and development ratio remains stable

ElringKlinger's research and development (R&D) activities are focused on alternative drive technologies. In the period under review, R&D expenses amounted to EUR 22.5 million (Q1 2022: EUR 18.8 million) and were thus above the level recorded in the first three months of the previous year. With capitalized R&D costs amounting to EUR 4.7 million (Q1 2022: EUR 5.1 million), the capitalization ratio was 17.3% (Q1 2022: 21.3%). R&D costs including capitalized R&D costs amounted to EUR 27.2 million in the period under review (Q1 2022: EUR 23.9 million). Overall, the R&D ratio (incl. capitalized development costs) in the first quarter of 2023 remained almost unchanged year on year at 5.6% (Q1 2022: 5.5%).

Other operating income decreased from EUR 4.8 million in the first three months of 2022 to EUR 3.5 million in the reporting quarter. This includes funds of EUR 0.3 million (Q1 2022: EUR 0.9 million) – recognized in profit or loss – that the Group received for R&D projects. This contrasted with expenses of at least the same amount. At EUR 2.6 million (Q1 2022: EUR 3.1 million), other operating expenses in the period from January to March 2023 were down on the prior-year figure.

Adjusted EBIT margin at 5.4%

The elevated level of material prices was also reflected in Group earnings in the first quarter of 2023. Despite these circumstances, the Group managed to propel earnings before interest, taxes, depreciation, and amortization (EBITDA) by EUR 10.8 million to EUR 53.6 million (Q1 2022: EUR 42.8 million), which was attributable in part to strong revenue growth. At EUR 27.5 million, depreciation and amortization were slightly below the previous year's level (Q1 2022: EUR 28.6 million). The first quarter of 2023 included exceptional items of EUR 0.3 million related to restructuring. Thus, the Group generated adjusted earnings before interest and taxes (adjusted EBIT) of EUR 26.4 million (Q1 2022: EUR 15.0 million), which corresponds to an adjusted EBIT margin of 5.4% (Q1 2022: 3.5%). At EUR 26.0 million (Q1 2022: EUR 14.1 million), the Group's (reported) EBIT was at a similar level as adjusted EBIT in the quarter under review.

Higher net finance cost

Net finance cost in the quarter under review stood at EUR -9.4 million, up on the figure of EUR -3.3 million reported in the first quarter of 2022. Due to the general hike seen in market interest rates, interest expenses were higher than in the same quarter of the previous year, resulting in net interest expense of EUR -4.8 million (Q1 2022: EUR -1.8 million).

Contrary to the situation in the first quarter of the previous year, exchange rate volatility produced a negative net foreign exchange and other net finance result in the period under review. At EUR -4.6 million (Q1 2022: EUR -1.5 million), the net foreign exchange and other net finance result was lower than twelve months ago. This was attributable mainly to significantly lower unrealized foreign exchange gains compared to the first three months of the previous year. The loss from associates, which is included in net finance cost and relates to the interest held in hofer AG, amounted to EUR -2.9 million (Q1 2022: EUR -1.9 million).

Net finance cost Q1 2023

in EUR million	1 st Quarter 2023	1 st Quarter 2022	Year-on-year change
Net interest result	-4.8	-1.8	-3.0
Net foreign exchange result and other net finance result	-4.6	-1.5	-3.1
Net finance cost	-9.4	-3.3	-6.1

Taking net finance cost into account, earnings before taxes for the first quarter of 2023 amounted to EUR 16.6 million (Q1 2022: EUR 10.9 million).

On the back of improved earnings, income tax expenses rose by EUR 5.2 million year on year to EUR 12.2 million in the period under review (Q1 2022: EUR 7.0 million). This was also attributable to unrecognized deferred tax assets as well as the regional structure of revenue generated and profits realized. The effective tax rate, i.e., income tax expense in relation to earnings before taxes, stood at 73.7% in the quarter under review (Q1 2022: 64.7%).

Earnings per share at EUR 0.11

After deducting tax expenses, the Group recorded net income for the period of EUR 4.4 million (Q1 2022: EUR 3.8 million). Taking into account non-controlling interests of EUR -2.3 million (Q1 2022: EUR -0.2 million), the share of net income attributable to the shareholders of ElringKlinger AG amounted to EUR 6.7 million (Q1 2022: EUR 4.0 million). As of March 31, 2023, the number of shares outstanding that were entitled to a dividend remained unchanged at 63,359,990. Earnings per share amounted to EUR 0.11 (Q1 2022: EUR 0.06).

Financial Position and Cash Flows

The financial position and cash flows of the ElringKlinger Group remained solid at the end of the first quarter of 2023. The Group concluded the quarter under review with an equity ratio of 44.4% (Dec. 31, 2022: 43.8%) and net financial liabilities of EUR 372.3 million, which was short of the

comparative prior-year figure (Mar. 31, 2022: EUR 387.4 million). As regards cash flow in the first quarter, the substantial funds committed to net working capital⁴ in particular resulted in negative operating free cash flow of EUR -20.3 million (Q1 2022: EUR -19.8 million).

Key figures Financial Position and Cash Flows

in EUR million	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2022
Total equity and liabilities	2,032.0	2,046.6	2,141.1
Equity ratio	44.4%	43.8%	46.3%
Net Working Capital¹	518.5	454.7	449.2
Net Working Capital in relation to sales	28.0%	25.3%	27.5%
Net financial debt²	372.3	364.2	387.4
Net financial debt/EBITDA	2.0	2.1	2.1
ROCE ³	6.6%	-2.7%	3.4%
	1st Quarter 2023		1st Quarter 2022
Net cash from operating activities	-3.4		-2.7
Operating free cash flow⁴	-20.3		-19.8
Investments in property, plant, and equipment (payments)	12.3		12.8
Investment ratio ⁵	2.5%		3.0%

¹ Inventories and trade receivables less trade payables

² Non-current and current financial liabilities less cash and cash equivalents and securities

³ Return on capital employed; ROCE adjusted (based on EBIT adjusted): Q1 2023: 6.7%, 2022: 4.4%, Q1 2022: 3.6%

⁴ Net cash from operating activities and net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

⁵ Payments for investments in plant, property and equipment in relation to sales

Total assets stand at EUR 2,032 million

Total assets accounted for at Group level amounted to EUR 2,032.0 million at the end of the first quarter of 2023 (Dec. 31, 2022: EUR 2,046.6 million). Compared to the same quarter of the previous year, total assets fell by EUR 109.1 million or 5.1%, which is attributable primarily

to impairment losses recognized back in the 2022 financial year. As a result of the aforementioned impairments, intangible assets – of which mainly intangible goodwill – had been reduced by EUR 87.3 million and property, plant, and equipment by EUR 15.9 million (cf. 2022 annual report).

⁴ Inventories as well as trade receivables less trade payables

Non-current assets represented 54.3% (Dec. 31, 2022: 55.2%) of total assets. At EUR 1,102.7 million (Dec. 31, 2022: EUR 1,130.5 million), they were down slightly on the 2022 year-end figure. While intangible assets of EUR 148.7 million (Dec. 31, 2022: EUR 146.8 million) remained largely unchanged when compared to the 2022 year-end figure, the carrying amount of property, plant, and equipment decreased by EUR 17.9 million to EUR 887.9 million (Dec. 31, 2022: EUR 905.8 million). This was attributable mainly to the fact that additions from investments in intangible assets and property, plant, and equipment (incl. additions from lease arrangements) in the first quarter of 2023, totaling EUR 19.0 million, were significantly lower than depreciation and amortization (incl. write-ups) of EUR 27.5 million.

The carrying amount of other non-current assets remained largely unchanged compared to the figure posted three months earlier. Investments in associates changed by EUR 2.9 million to EUR 12.0 million (Dec. 31, 2022: EUR 14.9 million). In addition, a transfer of EUR 10.0 million was made from other non-current assets to current assets in connection with a receivable from the co-owner (Plastic Omnium) of the Group subsidiary EKPO Fuel Cell Technologies GmbH. Due to a scheduled payment made by the aforementioned co-owner in the first quarter of 2023, other current assets decreased by the same amount.

Net working capital influenced by external factors

The ElringKlinger Group saw net working capital increase to EUR 518.5 million at the end of the quarter under review, up from EUR 454.7 million at the end of 2022 and up from EUR 449.2 million twelve months earlier. It encompasses current assets relevant to operating activities, i.e., inventories, trade receivables, and trade payables.

The expansion in net working capital was driven by several factors. The noticeable upturn in revenue in the first quarter (+12.2% compared to the same quarter of the previous year and 4.0% compared to the previous quarter) led to higher trade receivables. As of March 31, 2023, the latter amounted to EUR 291.5 million (Dec. 31, 2022: EUR 264.9 million). In addition, persistently high material prices and tensions still afflicting some of the procurement markets, coupled with solid order books and also factors relating to upcoming

series production ramp-ups, propelled inventories upward to EUR 435.9 million (Dec. 31, 2022: EUR 414.0 million). Trade payables, which have a dilutive effect on net working capital, totaled EUR 209.0 million as of March 31, 2023 (Dec. 31, 2022: EUR 224.1 million).

Calculated on the basis of first-quarter revenue, the net working capital ratio stood at 28.0% (Dec. 31, 2022: 25.3%). At the end of the first quarter of 2022, this ratio had been 27.5%.

Cash and cash equivalents held by the ElringKlinger Group amounted to EUR 100.1 million at the end of the quarter under review (Dec. 31, 2022: EUR 119.1 million).

As a result, current assets totaled EUR 929.3 million as of March 31, 2023 (Dec. 31, 2022: EUR 916.1 million), which corresponds to 45.7% of total assets (Dec. 31, 2022: 44.8%).

Equity ratio remains high at 44%

Compared to the figure posted at the end of 2022, equity held by the ElringKlinger Group was up slightly at EUR 902.9 million (Dec. 31, 2022: EUR 896.8 million). Alongside net income of EUR 4.4 million for the period, the item mainly includes differences from currency translation in the quarter under review. The equity ratio of 44.4% (Dec. 31, 2022: 43.8%) also increased slightly, thus remaining within the management's target range of 40 to 50%.

Of the provisions, pension provisions of EUR 96.9 million (Dec. 31, 2022: EUR 97.4 million) and non-current provisions of EUR 18.0 million (Dec. 31, 2022: EUR 17.8 million) changed only marginally on the whole in the first three months of 2023. Compared to the previous year's reporting date of March 31, 2022, pension provisions decreased by EUR 44.3 million, mainly due to the actuarial valuation conducted in the previous year. Totalling EUR 70.7 million at the end of March 2023 (Dec. 31, 2022: EUR 66.1 million), current provisions were up EUR 4.6 million on the 2022 year-end figure. In this context, provisions for contingent losses, warranty obligations, and personnel-related obligations were among the items with higher carrying amounts.

Net debt down year on year

In a multi-year comparison, the Group managed to maintain its low level of net financial liabilities (also referred to as “net debt”) at the end of the first three months of 2023, despite more expansive business and the direction taken by working capital. As of March 31, 2023, net debt stood at EUR 372.3 million (Dec. 31, 2022: EUR 364.2 million), which corresponded to a net debt-to-EBITDA⁵ ratio of 2.0 (Dec. 31, 2022: 2.1). Compared to the previous year’s reporting date of March 31, 2022, net debt was down by EUR 15.1 million.

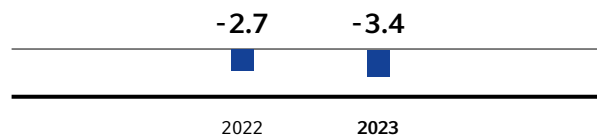
With a share of 27.7% and 27.8% respectively of total equity and liabilities, the volume of non-current and current liabilities is almost identical. At the end of the quarter under review, non-current liabilities had a total carrying amount of EUR 563.5 million, while current liabilities stood at EUR 565.7 million.

Operating cash flow influenced by external conditions

Cash flow from operating activities amounted to EUR -3.4 million in the first quarter of 2023 (Q1 2022: EUR -2.7 million). In this context, the use of funds for net working capital, i.e., the funds used for inventories and trade receivables after deducting trade payables, had a strong bearing on cash flows. Including other assets and liabilities not attributable to investing or financing activities, the change in inventories and trade receivables/payables reduced operating cash flow by EUR 49.7 million (Q1 2022: EUR -35.7 million). Compared to the same period last year, the Group also recorded more substantial cash outflows for income taxes, which amounted to EUR 6.7 million (Q1 2022: EUR 2.6 million), and for interest payments of EUR 4.5 million (Q1 2022: EUR 1.6 million).

Cash flow from operating activities 1st quarter 2023

in EUR million



Investments in property, plant, and equipment at a low level

In the first quarter of 2023, cash flow from investing activities of EUR -18.8 million (Q1 2022: EUR -17.1 million) mainly included payments for investments in property, plant, and equipment and intangible assets. The Group’s capital expenditure on property, plant, and equipment amounted to EUR 12.3 million (Q1 2022: EUR 12.8 million). Among other things, funds were directed at manufacturing facilities for new SOP ramp-ups planned within the global production network. Other focal points included projects aimed at aligning the product portfolio with the e-mobility market. Capital expenditure on intangible assets, amounting to EUR 4.8 million (Q1 2022: EUR 5.3 million), mainly included capitalized development costs.

The investment ratio (payments for investments in plant property and equipment in relation to Group revenue) fell slightly to 2.5% in the first quarter of 2023, down from 3.0% in the first quarter of the previous year.

Operating free cash flow in negative territory

Reflecting the cash flows outlined above, operating free cash flow (operating cash flow less cash flow from investing activities adjusted for M&A activities and cash flows for financial assets) was in negative territory at EUR -20.3 million (Q1 2022: EUR -19.8 million).

⁵ Earnings before interest, taxes, depreciation, and amortization

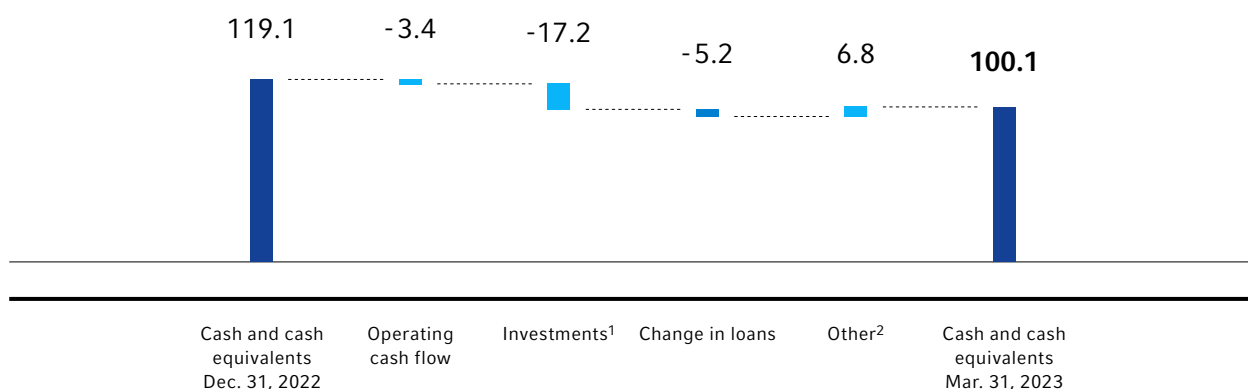
Slight reduction in long- and short-term loans

Cash flow from financing activities produced a net cash in-flow of EUR 4.8 million in the first quarter of 2023 (Q1 2022: EUR 26.9 million). On balance, it included the reduction of short- and long-term loans by a total of EUR 5.2 million as well as a scheduled payment of EUR 10.0 million by the co-owner of EKPO Fuel Cell Technologies GmbH, Dettingen/Erms, Germany.

As of March 31, 2023, the ElringKlinger Group had cash and cash equivalents of EUR 100.1 million (Mar. 31, 2022: EUR 117.8 million) and open, unused credit lines of EUR 234.0 million (Mar. 31, 2022: EUR 264.4 million). Thus, the Group’s liquidity position will continue to provide a solid basis for planned growth in business beyond the first three months of the 2023 financial year.

Changes in cash 1st quarter 2023

in EUR million



¹ Payments fo investments in property, plant, and equipment and intangible assets
² Including contribution of EUR 30 million from Plastic Omnium for investment in EKPO

Opportunities and Risks

As regards opportunities and risks for the ElringKlinger Group, the first quarter of 2023 saw no significant changes compared to the disclosures made in the 2022 annual report of the ElringKlinger Group.

There are currently no discernible risks that might jeopardize the future existence of the Group as a going concern, either in isolation or in conjunction with other risk factors.

The report on opportunities and risks from the 2022 annual report can also be accessed on the website of ElringKlinger at www.elringklinger.de/ar2022/report-on-opportunities-and-risks

Report on Expected Developments

Outlook – Market and Sector

The latest forecasts presented by economists point to slightly more sluggish growth for 2023 as a whole. According to the International Monetary Fund (IMF), the global economy is likely to expand by 2.8%, compared to 3.4% in 2022.

In this context, the most severe downside factors include stubbornly high inflation and the restrictive monetary stance resulting from this situation, with interest rates continuing to trend upward. As part of its World Economic Outlook published in April 2023, the IMF raised its global inflation forecast to 7.0% this year and 4.9% in 2024. A return to target is not expected before 2025. Although inflation rates in the United States and the euro area have been retreating for several months, the core rate excluding energy and food, which is considered a better gauge, declined more slowly.

According to forecasts, China and India will be the driving forces of the global economy in 2023. After abandoning its strict zero-covid policy, China is expected to achieve solid growth, which is to be slightly surpassed by India. As regards Germany, the outlook presented by economists points to a sluggish performance, while the IMF suggests that economic output will dip slightly by 0.1%. By contrast, all other regions are expected to see modest economic expansion at the very least.

GDP growth projections

Year-on-year change in %	2022	Projections 2023	Projections 2024
World	3.4	2.8	3.0
Advanced economies	2.7	1.3	1.4
Emerging and developing countries	4.0	3.9	4.2
Germany	1.8	-0.1	1.1
Eurozone	3.5	0.8	1.4
USA	2.1	1.6	1.1
Brazil	2.9	0.9	1.5
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Japan	1.1	1.3	1.0

Source: IWF (April 2023)

Slowdown in global vehicle production

The direction taken by global markets in terms of vehicle production and sales will continue to depend largely on macroeconomic conditions in 2023. Stricter borrowing terms, inflation, and further supply-side instability – together with geopolitical uncertainties – pose risks for the automotive sector as a whole. Based on current forecasts, most regions are expected to achieve tangible gains in 2023 compared to prior-year levels, which were insubstantial in some cases. According to the industry institute S&P Global Mobility, Europe (without Russia) will see significant growth of 7.5%, followed by North America with an expansion of 5.2%. As regards China, the outlook for the annual period remains cautious on the back of a sluggish first quarter. Against this backdrop, local production output may be close to stagnant.

Sales markets on the rise worldwide

Measured on the basis of new passenger car and light vehicle registrations, international sales markets are expected to grow across the board in 2023. According to estimates by Germany's automobile industry association VDA, new passenger car registrations in Europe may possibly expand by around 7% to 12.0 million new vehicles in 2023. In the United States, meanwhile, sales of light vehicles (passenger cars and light commercial vehicles) look set to increase by 4% or 14.3 million units. In China, the market is expected to slow sharply to growth of around 3%, taking new registrations to 23.9 million units.

Projections Light vehicle production

Region	Vehicles millions		
	2022	Projections 2023	Year-on- year change
Europe ¹	15.3	16.4	7.5 %
China	26.4	26.4	0.0 %
Japan/Korea	11.1	12.0	8.2 %
Middle East/Africa	2.2	2.3	4.7 %
North America	14.3	15.0	5.2 %
South America	2.8	3.0	4.5 %
South Asia	9.6	9.8	1.7 %
World	82.3	85.5	3.8 %

¹ excl. Russia
Source: S&P Global Mobility, April 2023

Outlook – Company

Persistently high uncertainty and volatility in the current financial year

The economic situation in general and sector-specific conditions in particular continue to be influenced by geopolitical and macroeconomic factors. Markets are affected in those cases in which the availability of commodities and materials is restricted as a result of the war in Ukraine, but also due to supply chain vulnerabilities. At the same time, price hikes are fueled by elevated energy prices and general cost inflation. Overall, markets continue to be exposed to heightened uncertainty and volatility, particularly as supply chains have yet to return to consistently robust levels and commodity and energy prices remain very high.

Solid order books

Orders placed by customers as part of their scheduling arrangements amounted to EUR 474.9 million in the quarter under review. Thus, order intake was lower than in the particularly buoyant comparative quarter of the previous year (Q1 2022: EUR 578.3 million), but remained in line with the high level recorded in the preceding quarter (Q4 2022: EUR 465.9 million). Currency effects were negligible in the first three months of 2023. Assuming stable exchange rates, order intake amounted to EUR 475.4 million. Therefore, the effect of currency translation was equivalent to EUR 0.5 million or 0.1%.

At EUR 1,449.0 million, order backlog in the quarter under review was almost on a par with that of the previous quarter (Dec. 31, 2022: EUR 1,461.9 million) and substantially lower than in the first quarter of the previous year (Mar. 31, 2022: EUR 1,529.9 million). Here, too, the impact of currency-related factors was marginal. Had exchange rates remained stable, the figure would have totaled EUR 1,454.6 million.

Guidance confirmed

With reference to the major imponderables and multitude of influencing factors described in the sections above, ElringKlinger can confirm its guidance for the current financial year, as presented in the 2022 annual report. This includes organic revenue growth that is expected to be significantly higher than the percentage change in global vehicle production. Vehicle production output is projected to expand by 3.8% in 2023 according to the latest estimates presented by industry service provider S&P Global Mobility in April 2023. At the same time, ElringKlinger continues to anticipate an adjusted EBIT margin, i.e., adjusted earnings before interest and taxes in relation to Group revenue, of around 5% for 2023. Adjusted EBIT is defined as reported EBIT without the amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and exceptional items. Exceptional items include, in particular, gains and losses from non-recurring events, such as impairment losses (including goodwill

impairments), reversals of impairments, restructuring costs (including severance payments), and gains and losses on disposal from M&A activities. The Group also expects operating free cash flow to improve slightly in 2023 compared to the previous year and ROCE to be in the range of around 7 to 8%.

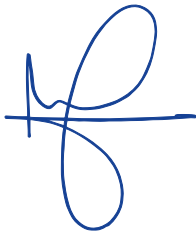
Mid-term outlook

Despite the challenging factors still driving the business environment in which ElringKlinger operates, the company considers itself to be well positioned in the medium to long term. ElringKlinger was quick off the mark in its efforts to embrace the transition toward e-mobility with products engineered specifically for battery and fuel cell systems as

well as for electric drive units. Additionally, the Group has established a strong market position centered around its classic business units Lightweighting/Elastomer Technology, Metal Sealing Systems & Drivetrain Components, and Metal Forming & Assembly Technology. Provided that there are no abrupt or unexpected developments impacting on macroeconomic or industry-specific activity as a result of geopolitical conflicts or other relevant influencing factors, ElringKlinger continues to expect its organic revenue growth to outstrip global vehicle production in the future. With regard to the earnings situation, the Group has again set itself the goal of gradually improving its adjusted EBIT margin in the medium term. The Group can also confirm its other medium-term targets.

Dettingen/Erms, May 9, 2023

The Management Board



Dr. Stefan Wolf
 CEO



Reiner Drews



Thomas Jessulat

ElringKlinger and the Capital Markets

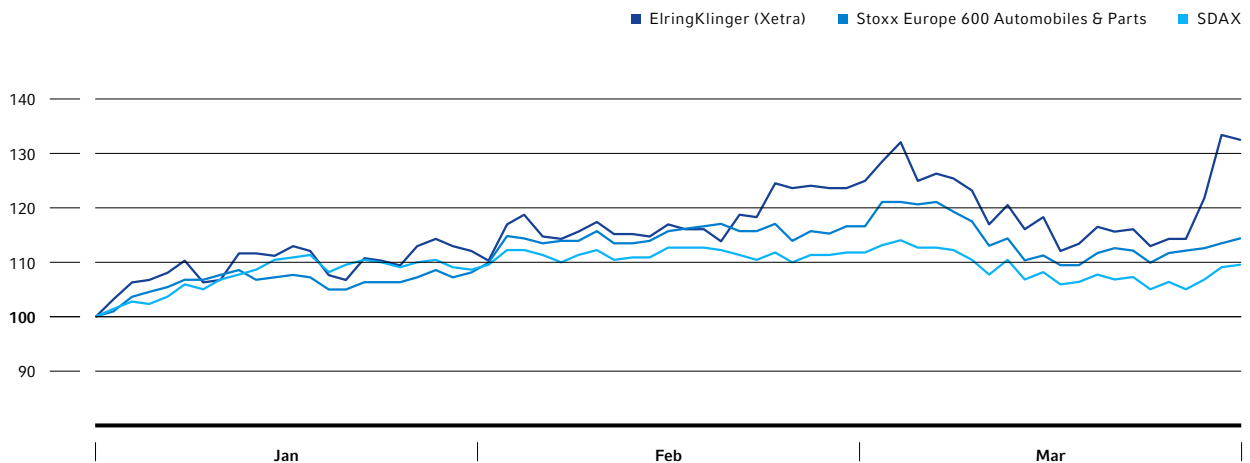
Strong start to the year – Consolidation amid banking problems

In the period up to mid-March, high inflation and international central bank policy were among the key factors influencing capital markets in the first quarter of 2023. Market players were unsettled not only by the bankruptcy of Silicon Valley Bank in the United States but also by the woes facing Credit Suisse. Against this backdrop, rising concern over a banking crisis caused stock markets to consolidate after a strong start to the year. Germany’s blue chip index, the DAX, trended upward in the first quarter – from 14,006 points on December 30, 2022, to more than 15,638 points on March 7, 2023. Problems within the regional banking system in the United States, compounded by developments surrounding Credit Suisse, triggered a general sell-off that caused the DAX to retreat to 14,768 points on March 17, 2023. Toward the end of the quarter, however, stock markets returned to a more stable footing. The global economy proved slightly more dynamic in the first quarter of 2023. In January 2023, the International Monetary Fund raised its GDP forecast for the global economy to 2.9% in the context of its World Economic Outlook for 2023, having previously revised downward its estimate to 2.7% in October 2022.

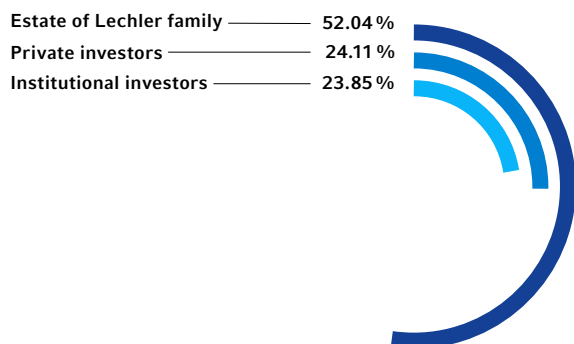
ElringKlinger share price up sharply in first quarter of 2023

On January 2, 2023, ElringKlinger’s stock started the new year at its previous annual low of EUR 7.13. In the course of the quarter, the company’s shares put in a steady performance that propelled them to a temporary high of EUR 9.36 on March 6. This positive trajectory was underpinned by the publication of the Group’s preliminary results for fiscal 2022, a year that saw ElringKlinger achieve a satisfactory track record overall and meet its annual guidance against the backdrop of challenging conditions. This was followed by a period of consolidation until mid-March – in line with the market as a whole. ElringKlinger shares once again posted significant gains toward the end of the quarter under review. This upturn coincided with the presentation of the Group’s definitive results for the 2022 financial year and the announcement of a large-scale series production order in the field of fuel cell technology. At the end of the quarter, ElringKlinger’s share price stood at EUR 9.40. Thus, the company’s stock recorded a gain of more than 24% in the course of the quarter.

ElringKlinger’s share price performance from January 1 to March 31, 2023 (indexed)
in %



Shareholder structure as of March 31, 2023



Trading volume down on previous year

At 62,152 shares (Q1 2022: 175,507), the average daily volume of ElringKlinger shares traded in the first quarter of 2023 was considerably lower than in the same quarter of the previous year. The average daily value of ElringKlinger shares traded on German stock exchanges was EUR 0.5 million in the first three months. This was down significantly on the figure recorded in the first quarter of 2022 (EUR 1.7 million). In spite of this, ElringKlinger's stock displayed a sufficiently high level of liquidity at all times, thus providing the basis for relatively large share transactions to be concluded in the quarter under review.

ElringKlinger Stock (WKN 785 602)

	1 st quarter 2023	1 st quarter 2022
Number of shares outstanding	63,359,990	63,359,990
Share price (daily price in EUR) ¹		
High	9.48	13.70
Low	7.14	7.65
Closing price ²	9.40	8.64
Average daily trading volume (German stock exchanges; volume of shares traded)	62,152	175,507
Average daily trading value (German stock exchanges; in EUR)	519,671	1,772,240
Market capitalization (EUR million) ^{1,2}	595.6	547.4

¹ Xetra trading

² as of March 31

Engaged in dialogue with the capital markets

ElringKlinger maintained its close dialogue with international investors, analysts, and other capital market players over the course of the first quarter of 2023. For example, it attended a major international capital market conference in Frankfurt in January and took part in a continental European event organized in a virtual format. Upon publication of its 2022 annual report, the Group held both the financial results press conference in Stuttgart and the analysts' conference in Frankfurt as in-person events. In this context, the Management Board of ElringKlinger AG outlined the company's results of the financial year just ended and presented details of the Group's strategic orientation to the journalists and analysts in attendance.

Annual General Meeting on May 16 in virtual format

In consultation with the Supervisory Board, the Management Board of ElringKlinger AG has decided to hold the 2023 Annual General Meeting on May 16 in a virtual format. The decision was made primarily within the context of the sustainability of corporate events and in acknowledgement of the more flexible options for participation open to domestic and foreign shareholders.

Group Income Statement

of ElringKlinger AG, January 1 to March 31, 2023

EUR k	1 st quarter 2023	1 st quarter 2022
Sales revenue	487,715	434,646
Cost of sales	-376,136	-343,807
Gross profit	111,579	90,839
Selling expenses	-38,385	-34,301
General and administrative expenses	-25,606	-25,263
Research and development costs	-22,523	-18,791
Other operating income	3,513	4,806
Other operating expenses	-2,556	-3,145
Operating result/EBIT	26,022	14,145
Finance income	494	8,686
Finance costs	-7,017	-10,082
Share of result of associates	-2,926	-1,866
Net finance costs	-9,449	-3,262
Earnings before taxes	16,573	10,883
Income tax expense	-12,216	-7,046
Net income	4,357	3,837
of which: attributable to non-controlling interests	-2,312	-169
of which: attributable to shareholders of ElringKlinger AG	6,669	4,006
Basic and diluted earnings per share in EUR	0.11	0.06

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to March 31, 2023

EUR k	1 st quarter 2023	1 st quarter 2022
Net income	4,357	3,837
Currency translation difference	1,641	5,720
Share of other comprehensive income of associates	45	-18
Gains and losses that can be reclassified to the income statement in future periods	1,686	5,702
Gains and losses that cannot be reclassified to the income statement in future periods	0	0
Other comprehensive income after taxes	1,686	5,702
Total comprehensive income	6,043	9,539
of which: attributable to non-controlling interests	-2,597	29
of which: attributable to shareholders of ElringKlinger AG	8,640	9,510

Group Statement of Financial Position

of ElringKlinger AG, as at March 31, 2023

EUR k	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2022
ASSETS			
Intangible assets	148,657	146,818	219,264
Property, plant and equipment	887,923	905,777	939,062
Financial assets	13,613	13,533	15,019
Shares in associates	11,990	14,869	11,806
Non-current income tax assets	2,221	1,363	1,139
Other non-current assets	11,930	21,884	32,084
Deferred tax assets	20,184	19,524	33,751
Contract performance costs	5,692	6,137	7,280
Non-current contract assets	490	613	703
Non-current assets	1,102,700	1,130,518	1,260,108
Inventories	435,945	413,952	388,781
Current contract assets	7,003	8,299	8,441
Trade receivables	291,539	264,854	253,649
Current income tax assets	6,071	4,791	6,402
Other current assets	88,639	105,063	105,912
Cash and cash equivalents	100,141	119,103	117,816
Current assets	929,338	916,062	881,001
	2,032,038	2,046,580	2,141,109

EUR k	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2022
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	648,109	641,440	744,060
Other reserves	2,894	923	-12,415
Equity attributable to the shareholders of ElringKlinger AG	832,601	823,961	913,243
Non-controlling interest in equity	70,257	72,872	78,574
Equity	902,858	896,833	991,817
Provisions for pensions	96,853	97,356	141,124
Non-current provisions	17,977	17,758	16,444
Non-current financial liabilities	412,767	429,233	318,573
Non-current contract liabilities	1,789	1,700	1,099
Deferred tax liabilities	23,449	23,782	24,311
Other non-current liabilities	10,681	10,046	7,526
Non-current liabilities	563,516	579,875	509,077
Current provisions	70,731	66,072	63,101
Trade payables	208,986	224,102	193,264
Current financial liabilities	80,460	73,423	199,753
Current contract liabilities	14,324	13,238	16,022
Tax payable	30,580	22,492	17,186
Other current liabilities	160,583	170,545	150,889
Current liabilities	565,664	569,872	640,215
	2,032,038	2,046,580	2,141,109

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to March 31, 2023

EUR k	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2021	63,360	118,238	740,054
Dividend distribution			
Total comprehensive income			4,006
Net income			4,006
Other comprehensive income			
Balance as of Mar. 31, 2022	63,360	118,238	744,060
Balance as of Dec. 31, 2022	63,360	118,238	641,440
Dividend distribution			
Total comprehensive income			6,669
Net income			6,669
Other comprehensive income			
Balance as of Mar. 31, 2023	63,360	118,238	648,109

Other reserves					
Remeasurement of defined benefit plans, net	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of ElringKlinger AG	Non-controlling interests in equity	Group equity
-48,731	48,186	-17,374	903,733	78,564	982,297
			0	-19	-19
		5,504	9,510	29	9,539
			4,006	-169	3,837
		5,504	5,504	198	5,702
-48,731	48,186	-11,870	913,243	78,574	991,817
-18,760	48,317	-28,634	823,961	72,872	896,833
			0	-18	-18
		1,971	8,640	-2,597	6,043
			6,669	-2,312	4,357
		1,971	1,971	-285	1,686
-18,760	48,317	-26,663	832,601	70,257	902,858

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to March 31, 2023

EUR k	1 st quarter 2023	1 st quarter 2022
Earnings before taxes	16,573	10,883
Depreciation/amortization (less write-ups) of non-current assets	27,547	28,649
Net interest	4,826	1,809
Change in provisions	4,625	2,525
Gains/losses on disposal of non-current assets	-18	201
Share of result of associates	2,926	1,866
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-31,052	-48,872
Change in trade payables and other liabilities not resulting from financing and investing activities	-18,679	13,190
Income taxes paid	-6,685	-2,612
Interest paid	-4,504	-1,645
Interest received	384	268
Other non-cash expenses and income	650	-8,920
Net cash from operating activities	-3,407	-2,658
Proceeds from disposals of property, plant and equipment and intangible assets	301	944
Proceeds from disposals of financial assets	3,872	2,969
Payments for investments in intangible assets	-4,840	-5,264
Payments for investments in property, plant and equipment	-12,321	-12,837
Payments for investments in financial assets	-5,852	-2,875
Net cash from investing activities	-18,842	-17,063
Payments received from non-controlling interests	10,000	10,000
Dividends paid to shareholders and to non-controlling interests	-18	-19
Proceeds from the addition of long-term loans	17,260	25,060
Payments for the repayment of long-term loans	-30,542	-64,801
Change in current loans	8,070	56,611
Net cash from financing activities	4,770	26,851
Changes in cash	-17,479	7,130
Effects of currency exchange rates on cash	-1,483	786
Cash at beginning of period	119,103	109,900
Cash at end of period	100,141	117,816

Group Sales Revenue

of ElringKlinger AG, January 1 to March 31, 2023

Sales revenue by regions

EUR k	1 st quarter 2023	1 st quarter 2022
Germany	97,179	90,628
Rest of Europe	159,094	134,530
North America	127,711	103,655
Asia-Pacific	81,443	85,868
South America and Rest of World	22,288	19,965
Group	487,715	434,646

Sales revenue by segments

EUR k	1 st quarter 2023	1 st quarter 2022
Lightweighting/Elastomer Technology	156,273	133,651
Metal Sealing Systems & Drivetrain Components	131,032	121,244
Metal Forming & Assembly Technology	74,615	74,033
E-Mobility	6,194	5,317
Exhaust Gas Purification	994	885
Others	1	0
Segment Original Equipment	369,109	335,130
Segment Original Equipment	369,109	335,130
Segment Aftermarket	81,663	63,045
Segment Engineered Plastics	35,945	35,295
Sale of goods and licensing	486,717	433,470
Sale of goods	486,717	433,470
Proceeds from the rendering of services	998	1,172
Revenue from contracts with customers	487,715	434,642
Income from rental and leasehold	0	4
Group	487,715	434,646

Segment Reporting

of ElringKlinger AG, January 1 to March 31, 2023

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	1 st quarter 2023	1 st quarter 2022	1 st quarter 2023	1 st quarter 2022	1 st quarter 2023	1 st quarter 2022
EUR k						
External revenue	369,109	335,130	81,663	63,045	35,945	35,295
Intersegment revenue	10,623	7,086	0	0	16	54
Segment revenue	379,732	342,216	81,663	63,045	35,961	35,349
EBIT¹	819	-5,011	19,843	13,838	5,119	5,642
Adjustments	329	652	0	222	0	0
EBIT adjusted	1,148	-4,359	19,843	14,060	5,119	5,642
Depreciation and amortization	-24,555	-25,249	-768	-857	-1,673	-1,912
Capital expenditures ²	17,072	19,651	637	1,480	1,244	1,855

¹ Earnings before interest and taxes

² Investments in intangible assets and property, plant and equipment

	Other		Consolidation		Group	
	1 st quarter 2023	1 st quarter 2022	1 st quarter 2023	1 st quarter 2022	1 st quarter 2023	1 st quarter 2022
	998	1,176	0	0	487,715	434,646
	3,114	2,501	-13,753	-9,641	0	0
	4,112	3,677	-13,753	-9,641	487,715	434,646
	241	-324			26,022	14,145
	0	0			329	874
	241	-324			26,351	15,019
	-551	-590			-27,547	-28,608
	67	348			19,020	23,334

Notes to the First Three Months of 2023

General information

ElringKlinger AG is an exchange-listed stock corporation headquartered in Dettingen/Erms, Germany.

The accompanying condensed consolidated interim financial statements of ElringKlinger AG and its subsidiaries as of March 31, 2023, have been prepared on the basis of IAS 34 (Interim Financial Reporting). The interim financial statements conform with the International Financial Reporting Standards (IFRS), including the Interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union.

As the consolidated interim financial statements are presented in a condensed format, the financial statements as of March 31, 2023, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements as of March 31, 2023, have been neither audited nor reviewed in any way by an independent auditor.

They were authorized for issue based on a resolution passed by the Management Board on May 9, 2023.

Accounting policies

The accounting policies applied in this interim report are fundamentally based on the same as those applied in the preparation of the 2022 consolidated financial statements, where they are also explained in detail.

The interim report incorporates estimates and judgments. These may have a direct impact on the amount of assets and liabilities recognized. Due to external factors, such as further unforeseeable consequences regarding the impact of the Russia-Ukraine conflict, the tense situation within the commodity markets, the general macroeconomic trajectory within the automotive sector, or further waves of the pandemic, these are subject to heightened uncertainty. When updating the estimates and judgments, information available in respect of expected economic trends and country-specific measures were taken into account.

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of March 31, 2023, include the financial statements of seven domestic and 33 foreign entities in which ElringKlinger AG holds more than 50% of the interests, either directly or indirectly, or over which, for other reasons, it has the power to govern the financial and operating policies. Inclusion in the consolidated group commences on the date on which control is obtained; it ceases as soon as control no longer exists.

The interests held in hofer AG, Nürtingen, Germany, totaling 24.71% have been accounted for as an associate in non-current Group assets, as ElringKlinger has significant influence over the entity's operating and financial policies. A significant influence over an associate is presumed to exist if an entity holds 20% to 50% of the voting power of the investee.

There were no changes in the scope of consolidation compared with the consolidated financial statements as of December 31, 2022.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate		Average rate	
		Mar. 31, 2023	Dec. 31, 2022	Jan. – Mar. 2023	Jan. – Dec. 2022
US dollar (USA)	USD	1.08750	1.06660	1.07757	1.04998
Pound (United Kingdom)	GBP	0.87920	0.88693	0.87898	0.85482
Swiss franc (Switzerland)	CHF	0.99680	0.98470	0.99823	1.00170
Canadian dollar (Canada)	CAD	1.47370	1.44400	1.45727	1.37036
Real (Brazil)	BRL	5.51580	5.63860	5.52703	5.40514
Mexican peso (Mexico)	MXN	19.63920	20.85600	19.82777	21.05364
RMB (China)	CNY	7.47630	7.35820	7.38747	7.07435
WON (South Korea)	KRW	1,420.26000	1,344.09000	1,387.00000	1,354.16083
Rand (South Africa)	ZAR	19.32750	18.09860	19.26720	17.21273
Yen (Japan)	JPY	144.83000	140.66000	143.77667	138.13917
Forint (Hungary)	HUF	379.50000	400.87000	382.69667	393.11083
Turkish lira (Turkey)	TRY	20.86320	19.96490	20.43250	17.45661
Leu (Romania)	RON	4.94900	4.94950	4.93000	4.93403
Indian rupee (India)	INR	89.39950	88.17100	88.58533	82.71542
Indonesian rupiah (Indonesia)	IDR	16,300.19000	16,519.82000	16,258.72667	15,639.00667
Bath (Thailand)	THB	37.11100	36.83500	36.79433	36.80008
Swedish krona (Sweden)	SEK	11.28050	11.12180	11.23550	10.65713

Significant events and business transactions

There were no significant events or business transactions in the first quarter.

For information relating to factors influencing business performance and our estimates in the context of our guidance, please refer to our comments in the interim management report.

Disclosures relating to financial instruments

This section provides a comprehensive overview of the significance of financial instruments and offers additional information on line items of the statement of financial position containing financial instruments. There was no offsetting of financial instruments recognized by the company.

The following table shows the carrying amounts (CA) and fair values (FV) of financial assets:

EUR k	Cash	Trade receivables	Other current assets	Derivatives	Non-current securities		Other financial investments		Total
	CA	CA	CA	CA	CA	FV	CA	FV	CA
as of Mar. 31, 2023									
Financial assets measured at amortized cost	100,141	291,539	25,133	0	1,311	1,327	8	8	418,132
Financial assets measured at fair value through profit or loss	0	0	19,906	355	0	0	12,080	12,080	32,341
Financial assets measured at fair value through other comprehensive income	0	0	0	0	206	206	8	8	214
Total	100,141	291,539	45,039	355	1,517	1,533	12,096	12,096	450,687
as of Dec. 31, 2022									
Financial assets measured at amortized cost	119,103	264,854	23,538	0	1,311	1,313	8	8	408,814
Financial assets measured at fair value through profit or loss	0	0	19,943	172	0	0	11,990	11,990	32,105
Financial assets measured at fair value through other comprehensive income	0	0	0	0	216	216	8	8	224
Total	119,103	264,854	43,481	172	1,527	1,529	12,006	12,006	441,143

The following table shows the carrying amounts (CA) and fair values (FV) of financial liabilities:

EUR k	Other current liabilities	Current financial liabilities	Current lease liabilities IFRS 16	Trade payables
	CA	CA	CA	CA
as of Mar. 31, 2023				
Financial liabilities measured at amortized cost	61,777	64,034	16,426	208,986
Financial liabilities measured at fair value through profit or loss	0	0	0	0
as of Dec. 31, 2022				
Financial liabilities measured at amortized cost	71,750	56,517	16,905	224,102
Financial liabilities measured at fair value through profit or loss	0	0	0	0

EUR k	Derivatives		Non-current financial liabilities		Non-current lease liabilities IFRS 16	Total
	CA	FV	CA	FV	CA	CA
as of Mar. 31, 2023						
Financial liabilities measured at amortized cost	0	0	375,232	329,910	37,535	763,990
Financial liabilities measured at fair value through profit or loss	9,109	9,109	0	0	0	9,109
as of Dec. 31, 2022						
Financial liabilities measured at amortized cost	0	0	386,240	243,542	42,993	798,507
Financial liabilities measured at fair value through profit or loss	11,888	11,888	0	0	0	11,888

The management has ascertained that the carrying amounts of cash, trade receivables, other current assets, trade payables, other current financial liabilities, and other current liabilities largely correspond to their fair values, primarily as a result of the short maturities of these instruments.

Other current assets also include time deposits and securities of EUR 20,820k (Dec. 31, 2022: EUR 19,310k) and the current portion of Plastic Omnium's outstanding contribution of EUR 19,906k (Dec. 31, 2022: EUR 19,943k) measured at present value.

ElringKlinger determines the market value of non-current fixed-interest liabilities to banks and derivatives by discounting expected future cash flows with the current prevailing interest rates for similar financial liabilities with comparable residual terms and the company-specific interest rate.

Other current liabilities include a liability of EUR 38,102k (Dec. 31, 2022: EUR 38,102k) that is attributable to a written put option with the non-controlling shareholders of ElringKlinger Marusan Corporation, a company with its registered office in Tokyo, Japan. The obligation arising from this agreement is measured at cost in the amount of the fair value. The fair value is determined on the basis of internal estimates relating to the forecast of the company's performance and the choice of the interest rate used with regard to the liability recognized. A change in the enterprise value by 10% would result in an increase/decrease in the put option by approx. EUR 3,810k (Dec. 31, 2022: EUR 3,810k).

Financial assets and liabilities measured at fair value are classified into the following three-level fair value hierarchy as of the end of the reporting period of March 31, 2023:

EUR k	Level 1	Level 2	Level 3
Mar. 31, 2023			
Financial assets			
Non-current securities	206	0	0
Other financial investments	8	0	12,080
Derivatives*	0	355	0
Total	214	355	12,080
Financial liabilities			
Derivatives*	0	9,109	0
Total	0	9,109	0
Dec. 31, 2022			
Financial assets			
Non-current securities	216	0	0
Other financial investments	8	0	11,990
Derivatives*	0	172	0
Total	224	172	11,990
Financial liabilities			
Derivatives*	0	11,888	0
Total	0	11,888	0

*These are derivatives that do not qualify for hedge accounting.

The following table provides details of the classification of financial assets and liabilities that are not measured at fair value but for which a fair value has been presented, according to the three-level fair value hierarchy as of the end of the reporting period of March 31, 2023:

EUR k	Level 1	Level 2	Level 3
Mar. 31, 2023			
Financial assets			
Non-current securities	1,327	0	0
Other financial investments	0	0	8
Total	1,327	0	8
Financial liabilities			
Non-current financial liabilities	0	329,910	0
Purchase price liability from written put option	0	0	38,102
Total	0	329,910	38,102
Dec. 31, 2022			
Financial assets			
Non-current securities	1,313	0	0
Other financial investments	0	0	8
Total	1,313	0	8
Financial liabilities			
Non-current financial liabilities	0	243,542	0
Purchase price liability from written put option	0	0	38,102
Total	0	243,542	38,102

The levels of the fair value hierarchy are defined as follows:

Level 1: Measurement based on quoted prices

Level 2: Measurement based on inputs for the asset or liability that are observable in active markets either directly or indirectly

Level 3: Measurement based on inputs for assets and liabilities not representing observable market data

The assessment as to whether a transfer has occurred between the levels of the fair-value hierarchy with regard to the assets and liabilities carried at fair value is conducted in each case at the end of the reporting period. No transfers occurred in the reporting period under review.

Contingencies and related-party disclosures

The contingencies and related-party relationships disclosed in the consolidated financial statements for 2022 were not subject to significant changes in the first three months of 2023.

Government grants

Other operating income in the first three months of 2023 includes government grants totaling EUR 284k (Mar. 31, 2022: EUR 945k). These grants were attributable primarily to development projects. In addition, grants under the European funding initiative IPCEI ("Important Project of Common European Interest") were deducted from the carrying amount of capitalized development costs in the amount of EUR 300k (Mar. 31, 2022: EUR 312k) (net method).

Events after the reporting period

On April 6, 2023, the Supervisory Board and the Chairman of the Management Board (CEO) of ElringKlinger AG, Dr. Stefan Wolf, agreed by mutual consent to terminate Dr. Wolf's contract as of June 30, 2023. Dr. Wolf's duties will be performed on an interim basis by Mr. Thomas Jessulat, Chief Financial Officer, as from July 1, 2023. Mr. Jessulat will also temporarily assume the role of Spokesperson of the Management Board. At the same time, the Supervisory Board has begun the process of appointing a successor.

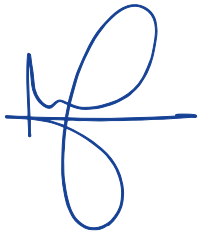
There were no further significant events after the end of the interim reporting period that would necessitate additional explanatory disclosure.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dettingen/Erms, May 9, 2023

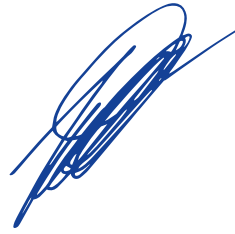
The Management Board



Dr. Stefan Wolf
CEO



Reiner Drews



Thomas Jessulat

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ElringKlinger AG assumes no responsibility for data and statistics originating from third-party publications.

Further information is available at www.elringklinger.com

Disclaimer – Forward-looking Statements and Forecasts

This report 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.

Supplementary Notes

Due to rounding, some of the numbers and percentage figures specified in this document may differ from the actual values, particularly in the case of summation and percentage calculations. For the purpose of readability, we have not used gender specific forms of grammar when referring to general designations of people. Specific terms relate to all people irrespective of gender.

This report was published on May 9, 2023, and is available in German and English. Only the German version shall be legally binding.

Financial Calendar 2023

MAY

16

118th Annual General
Shareholders' Meeting,
Virtual event

AUGUST

03

Interim Report
on the 2nd Quarter and
1st Half of 2023

NOVEMBER

07

Financial Results
on the 3rd Quarter and
1st Nine Months of 2023

MAY 2024

16

119th Annual General
Shareholders' Meeting

Changes to the above dates cannot be ruled out.

We therefore recommend visiting our website to check specific financial dates at www.elringklinger.de/en/investor-relations/financial-calendar

For trade fairs please visit our websites:

www.elringklinger.de/en/press/dates-events

www.elring.de/en/press-events/dates-events



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