

REPORT ON THE 1ST QUARTER

20

22

Key figures

ElringKlinger Group

		1 st Quarter 2022	4 th Quarter 2021	3 rd Quarter 2021	2 nd Quarter 2021	1 st Quarter 2021
Order Situation						
Order intake	EUR million	578.3	485.1	486.3	429.5	576.6
Order backlog	EUR million	1,529.9	1,386.2	1,307.3	1,221.6	1,185.6
Sales/Earnings						
Sales revenue	EUR million	434.6	406.1	400.6	393.6	424.1
Cost of sales	EUR million	343.8	349.4	306.3	302.8	314.8
Gross profit margin		20.9%	14.0%	23.5%	23.1%	25.8%
EBITDA	EUR million	42.8	33.5	55.0	50.4	77.2
EBIT/Operating result	EUR million	14.1	3.6	27.0	23.0	48.4
EBIT margin		3.3%	0.9%	6.7%	5.9%	11.4%
Earnings before taxes	EUR million	10.9	9.0	23.8	18.5	49.4
Net income	EUR million	3.8	0.1	9.4	6.5	38.5
Net income attributable to shareholders of ElringKlinger AG	EUR million	4.0	0.9	9.0	7.9	37.9
Cash flow						
Net cash from operating activities	EUR million	-2.7	37.1	26.5	50.5	42.0
Net cash from investing activities	EUR million	-17.1	-39.3	-17.5	-15.4	-0.8
Net cash from financing activities	EUR million	26.9	-15.6	-46.6	-37.1	-7.5
Operating free cash flow ¹	EUR million	-19.8	-1.7	8.1	37.0	28.6
Balance Sheet						
Balance sheet total	EUR million	2,141.1	2,090.0	2,071.5	2,092.3	2,109.9
Equity	EUR million	991.8	982.3	968.0	963.4	949.9
Equity ratio		46.3%	47.0%	46.7%	46.0%	45.0%
Net debt ²	EUR million	387.4	369.2	360.8	363.3	400.2
Human Resources						
Employees (as at end of quarter)		9,400	9,466	9,554	9,608	9,597
Stock						
Earnings per share	EUR	0.06	0.01	0.14	0.13	0.6

¹ Net cash from operating activities minus net cash from investing activities (excluding acquisitions/divestments and investments in financial assets)

² Financial liabilities less cash and cash equivalents and less short-term securities

Summary of Q1 2022

- Economic and geopolitical factors have considerable impact on first quarter of 2022; armed conflict in Ukraine, ongoing since February, weighs heavily on economic recovery and exacerbates effects of coronavirus pandemic (such as material shortages, spiraling energy prices, and logistical bottlenecks); global automobile production declines by 4.5% in first quarter of 2022.
- **Group revenue** of EUR 434.6 million in first quarter of 2022 robust despite challenging environment; year-on-year growth of 2.5%, forex-adjusted -0.1%; significant expansion in Lightweighting/Elastomer Technology business unit as well as in Aftermarket and Engineered Plastics segments; regional growth (forex-adjusted) primarily in “Rest of Europe” region.
- **Group EBIT** at EUR 14.1 million, EBIT margin at 3.3%; positive effect from consistent cost discipline fails to completely offset hike in material-related prices and higher staff costs; EBIT margin adjusted for exceptional factors at 5.2% in first quarter of 2022; previous year's EBIT of EUR 48.4 million included gain on disposal of EUR 10.9 million.
- **Financial position and cash flows** continue to provide strong foundation for business development, despite downward pressure on operating cash flow in first quarter due to higher cost base: equity ratio remains high at 46.3% at end of quarter, net debt down on prior-year figure at EUR 387.4 million, and debt ratio stands at 2.1; operating cash flow for first three months down into slightly negative territory at EUR -2.7 million, operating free cash flow at EUR -19.8 million.
- **Order backlog** of EUR 1,529.9 million, up almost 30% on previous year and thus at record level.
- Other **significant events** in first quarter of 2022 include early extension of CEO Dr. Stefan Wolf's contract until January 2027 and departure of long-standing Chief Technology Officer Theo Becker from Management Board as of March 31, 2022.

“Given the extremely difficult business environment, we can be satisfied with our results for the first quarter of 2022. The slight increase in revenue and our brimming order books clearly illustrate that we are on the right track when it comes to our strategic market positioning.”

Dr. Stefan Wolf, CEO of ElringKlinger AG

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Curbing global warming is one of the biggest and most urgent tasks facing our society as a whole. Each and every one of us can do their bit for the environment through their actions and behavior. ElringKlinger is fulfilling its responsibility to mitigate climate change – in terms of both its products and its production and has set itself a specific target. Find out more about this goal and how it will be achieved in the »Sustainability enabler« article in the 2022 issue of »pulse« magazine.



CO₂
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Macroeconomic Conditions and Business Environment

Following its broad-based recovery in 2021, the world economy performed less strongly than expected during the first three months of the year. This was due to pressure from rising prices and supply bottlenecks and especially to the war in Ukraine, which has been ongoing since February 24, 2022. Global inflation and, in particular, energy costs climbed significantly, while material shortages increasingly began to spread from raw material markets and industrial primary products to other sectors such as the energy and food industries. As well as accelerating processes of transformation in the energy sector, the sanctions imposed by Western countries on Russia in response to the armed conflict also ushered in a new era of economic conflict.

This was followed in March by new lockdowns in some of China's key economic centers – Shenzhen, Changchun, and Shanghai – as the Chinese government persists with its “zero-covid” strategy. These adverse effects on the global economy combined to slow the recovery sharply in the first quarter. Based on the latest data, year-on-year economic growth (in terms of GDP) stood at 5.0% in the eurozone, 3.6% in Germany, 4.2% in the US, and 4.8% in China in the first three months of 2022.

The challenges facing the major central banks were more pronounced: not only are they expected to support the economy by providing ample liquidity, they are also under pressure to raise interest rates to fight inflation. While the European Central Bank announced in March that a rate rise was very likely this year, the US Federal Reserve upped its key interest rate by as much as 25 basis points and signaled six further hikes for 2022.

Slowdown in global vehicle production

Having already begun the year sluggishly due to supply bottlenecks, the global automotive markets had the brakes slammed on them even more by the Russia/Ukraine crisis. The shortage of primary and intermediate products, higher material prices, rising energy costs, and constraints in logistics and distribution dampened the recovery in the automotive sector and prevented additional catch-up effects that had been anticipated in the wake of the coronavirus pandemic. The markets came under heavy pressure in March in particular, meaning that most regions closed out the first quarter of 2022 on a downturn.

European production was hit hardest, with all major high-volume markets for the manufacture of light vehicles (cars and light-duty commercial vehicles) suffering marked losses in percentage terms compared with the same quarter last year. Thus, Germany, Spain, France, Turkey, and the Czech Republic all recorded double-digit falls of between -13% and -25%. North America ended the quarter with a slight drop in production, while China – very much the outlier – managed a substantial increase of nearly 6%.

Production Light Vehicles

Region	Vehicles millions		Change (year on year)
	1 st quarter 2021	1 st quarter 2022	
Europe ¹	4.7	3.9	-18.3%
China	5.9	6.2	5.9%
Japan/Korea	3.1	2.7	-10.9%
Middle East/Africa	0.5	0.6	13.6%
North America	3.6	3.6	-1.8%
South America	0.7	0.6	-12.7%
South Asia	2.2	2.2	0.3%
World	20.7	19.7	-4.5%

Source: IHS (April 2022)

¹ Including Russia

Demand outstrips supply in the sales markets

The sales markets were also affected by constraints along the entire length of the automotive value chains. Demand for cars could not be met in full, particularly in Europe, pushing new registrations down to 2.8 million cars – a fall of some 11% year on year between January and March 2022. Germany saw a drop of -5%. The US market performed

even worse, with around 16% fewer light vehicles sold than in the same period last year. Bucking this trend, the Chinese car market grew by almost 9% to 5.5 million new vehicles sold, although Japan also suffered a drop in sales of roughly -17%. The Russian light vehicle market shrank significantly – by nearly 30% – as a result of the war and the subsequent sanctions.

Significant Events

Global economy impacted by Russia-Ukraine conflict and lingering effects of pandemic

The armed conflict between Russia and Ukraine put further strain on global commodity and energy markets in the first quarter of 2022 – against the backdrop of a world economy that continued to struggle with the effects of the coronavirus pandemic. The full extent of the impact on value chains and sales markets within the automotive sector is still difficult to predict at the end of the first quarter of 2022, and the degree of uncertainty is unusually high.

Further contract extension for CEO Dr. Stefan Wolf

The contract of CEO Dr. Stefan Wolf was extended ahead of schedule by an additional four years until January 31, 2027. The previous contract was scheduled to expire on January 31, 2023. Dr. Wolf has been CEO of ElringKlinger AG since 2006. In taking this decision, the Supervisory Board has ensured continuity at the helm of the Group.

Theo Becker's appointment to Management Board ends

Effective from March 31, 2022, Theo Becker's appointment as a member of the Management Board was revoked prior to the scheduled date in order to prepare the Group for the next phase of transformation at an early stage. Mr. Becker thus left the company after many years of service at ElringKlinger and as a member of the Management Board, a position he held from 2006 onward. Mr. Becker's contract would have regularly expired on January 31, 2023.

Following the departure of Chief Technology Officer Theo Becker at the end of the first quarter of 2022, the Group Management Board returned to its previous size of three members. The current board members have assumed responsibility for the duties previously performed by Theo Becker. The corporate unit Purchasing & Supply Chain Management as well as the business units Battery Technology and Drivetrain now report to Thomas Jessulat. The corporate units Real Estate & Facility Management, Product Risk Management, and Tooling Technology will in future form an integral part of Reiner Drews' Management Board portfolio.

Sales and Earnings Performance

Robust revenue base

ElringKlinger began the 2022 financial year with growth in revenue. Despite the general adversities afflicting the industry as a whole, such as semiconductor bottlenecks and supply chain volatility, and against the backdrop of the armed conflict between Russia and Ukraine, with all its repercussions, the Group saw revenue expand by EUR 10.5 million or 2.5% to EUR 434.6 million in the first quarter of 2022. In the same period of the previous year, the Group had generated revenue of EUR 424.1 million.

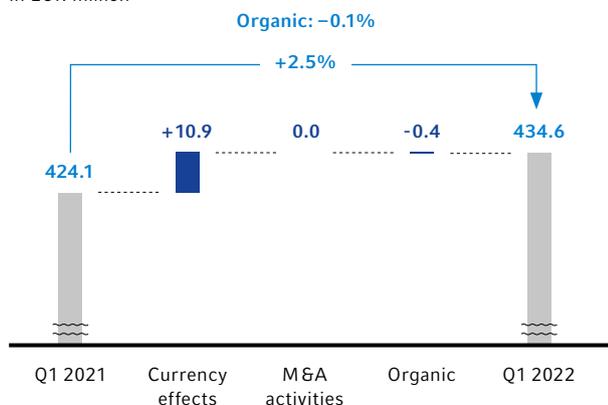
In this context, sales revenue was boosted to some extent by the direction taken by exchange rates. Changes relating to the Chinese yuan, the US dollar, and the Mexican peso in particular had a positive impact, while the Turkish lira had an opposite effect. Excluding exchange rate effects, revenue decreased slightly by EUR 0.4 million or 0.1% and thus remained largely unchanged year on year. Based on this minimal organic change in revenue, ElringKlinger once again outperformed global automobile production, which contracted by 4.5% in the first three months, according to IHS data.

Rest of Europe acts as principal growth driver

In the first three months, revenue from foreign sales increased in all regions, as a result of which its share of Group revenue, at 79.2% (Q1 2021: 78.0%), was slightly higher than in the first quarter of the previous year.

Factors influencing Group revenue 1st quarter 2022

in EUR million



The Rest of Europe, which is the region generating the highest revenue within the Group, recorded growth of 2.6%, which was roughly in line with the Group average (2.5%). Revenues in this region increased by EUR 3.3 million to EUR 134.5 million (Q1 2021: EUR 131.2 million). Adjusted for currency effects, this increase was even more pronounced at EUR 5.5 million or 4.2%. In Germany, by contrast, revenue contracted by EUR 2.9 million or 3.1% to EUR 90.6 million (Q1 2021: EUR 93.5 million).

In the Asia-Pacific region, meanwhile, the effects of the most recent wave of the coronavirus pandemic in parts of China were not yet apparent in the first quarter of 2022: with revenue totaling EUR 85.9 million (Q1 2021: EUR 81.8 million), this region was 5.0% or EUR 4.1 million up on the prior-year figure. Assuming consistent exchange rates, the region came close to matching the level recorded in the previous year – at -0.3% or EUR 0.2 million.

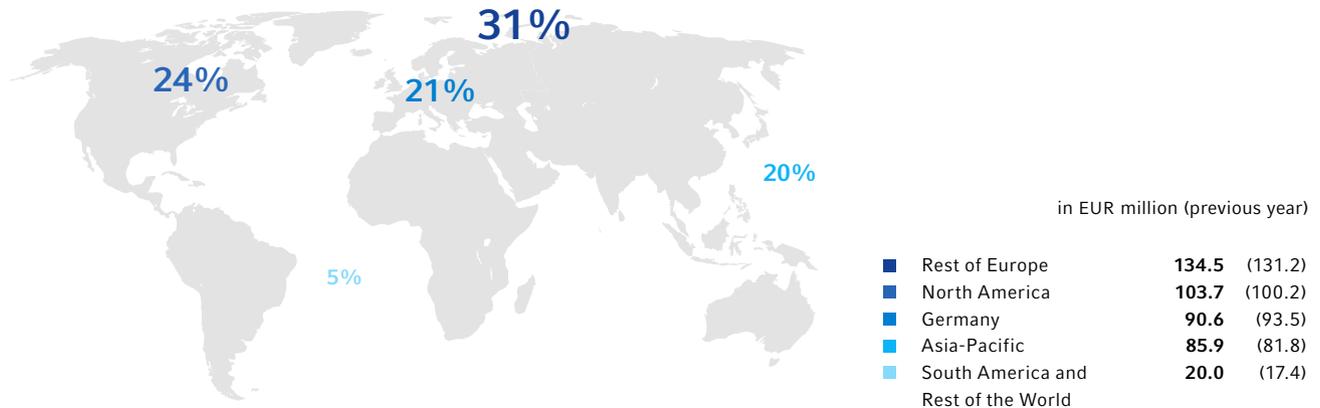
In the region comprising North America, revenue grew by 3.5% or EUR 3.5 million to EUR 103.7 million in the first quarter of 2022. In the previous year, it had amounted to EUR 100.2 million in the period from January to March. Revenue benefited from currency effects in the period under review. Adjusted for these factors, revenue would have declined by 2.7% or EUR 2.8 million. With a 23.8% share of revenue, this region is the second strongest in the Group after the Rest of Europe.

At EUR 20.0 million (Q1 2021: EUR 17.4 million), the South America and Rest of the World region saw year-on-year growth of 14.5% or EUR 2.6 million in the quarter under review. Here, too, revenue growth was underpinned by exchange rates: adjusted for exchange rates, however, business still expanded by 3.5% or EUR 0.6 million.

Sequential improvement for Original Equipment

In the period under review, the Original Equipment segment emulated its strong performance seen in the first quarter of the previous year. At EUR 335.1 million (Q1 2021: EUR 334.4 million), the Group generated slightly higher revenue in this segment than in the first quarter of 2021. Revenue was also up on the figure posted in the previous quarter (Q4 2021: EUR 325.1 million). While the Metal Sealing Systems & Drivetrain Components business unit saw

Group sales by region 1st quarter 2022



revenue expand slightly by EUR 0.7 million year on year to EUR 121.2 million (Q1 2021: EUR 120.5 million), the Lightweighting/Elastomer Technology and Aftermarket business units increased their revenue noticeably by EUR 6.6 million and EUR 7.6 million respectively. Lightweighting/Elastomer Technology accounts for the largest share of Group revenue with EUR 133.7 million or 30.7%. In contrast, revenue generated by the Shielding Technology business unit was slightly lower at EUR 74.0 million (Q1 2021: EUR 78.5 million). The E-Mobility business unit also saw a slight decline in revenue from EUR 7.3 million (Q1 2021) to EUR 5.3 million in the quarter under review.

In terms of earnings, the segment was affected by more substantial material-related costs for the individual business units as well as provisions for contingent losses for selected products in response to higher prices for materials. At EUR -5.0 million (Q1 2021: EUR 29.3 million), therefore, EBIT was down on the figure posted for the same period a year ago, which had included a gain of EUR 10.9 million on disposal of the Austrian subsidiary. However, the segment saw an improvement compared to the previous quarter (Q4 2021: EUR -9.3 million).

The adverse factors relating to earnings affected each of the three major business units. Adjusted for the aforementioned gain on the disposal of the Austrian subsidiary, earnings attributable to the E-Mobility business unit in the quarter under review were roughly on a par with those posted in the previous year. In the area of battery technology, in particular, and at the fully consolidated subsidiary EKPO Fuel Cell

Technologies GmbH, Dettingen/Erms, Germany, preparations are currently underway for the ramp-up of sizeable series production orders. In the other strategic field of the future, structural lightweighting, a new plant was built in North America, where innovative lightweight products are to be mass-produced in the future.

Encouraging performance in Aftermarket segment

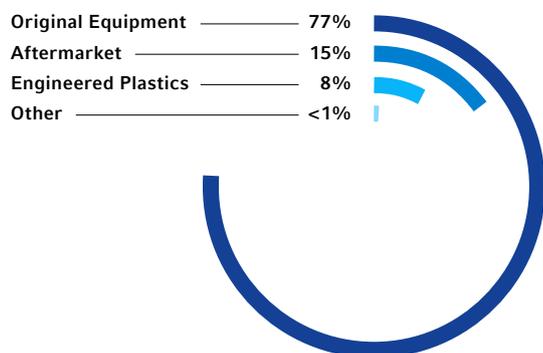
The Aftermarket segment managed to increase its revenue compared to the previous year's quarters. Revenue generated between January and March 2022 amounted to EUR 63.0 million (Q1 2021: EUR 55.4 million), an increase of EUR 7.7 million or 13.9% compared to the same period last year. In addition to Western and Eastern Europe, South America also contributed to this revenue growth.

From a high revenue base, the segment managed to expand earnings compared to both the preceding quarter and the same quarter of the previous year. EBIT totaled EUR 13.8 million (Q1 2021: EUR 11.9 million/Q4 2021: EUR 9.2 million), which was attributable in part to consistent cost discipline and a favorable product and regional mix. Overall, the EBIT margin was 21.9%, compared to 18.2% in the previous quarter and 21.5% in the same quarter last year.

Engineered Plastics remains strong

Compared to the same quarter last year, the Engineered Plastics segment was able to increase its revenue by 6.6% or EUR 2.2 million to EUR 35.3 million (Q1 2021: EUR 33.1 million). On the whole, this was driven by the broad sector mix in this segment. Business within the

Group revenue by segment 1st quarter 2022



in EUR million
(previous year)

Original Equipment	335.1	(334.4)
– Lightweighting/Elastomer Technology	133.7	(127.1)
– Metal Sealing Systems & Drivetrain Components	121.2	(120.5)
– Shielding Technology	74.0	(78.5)
– E-Mobility	5.3	(7.3)
– Exhaust Gas Purification & Other	0.9	(1.0)
Aftermarket	63.0	(55.4)
Engineered Plastics	35.3	(33.1)
Other	1.2	(1.2)

medical devices industry and the chemical sector, in particular, generated growth due to catch-up effects and buoyant demand with regard to project business.

In addition to revenue growth, continued cost discipline had a positive impact on earnings, while the effects of R&D measures were as planned. Overall, the segment generated EBIT of EUR 5.6 million (Q1 2021: EUR 7.2 million), which corresponds to an EBIT margin of 16.0% (Q1 2021: 21.8%).

Consistent revenue in Other segment

The segment referred to as “Other” mainly encompasses the activities of Elring Klinger Motortechnik GmbH, Idstein, Germany, ElringKlinger Logistic Service GmbH, Rottenburg/Neckar, Germany, Kochwerk Catering GmbH, Dettingen/Erms, Germany, and the industrial park in Idstein, Germany. In the first quarter of 2022, revenue remained unchanged year on year at EUR 1.2 million (Q1 2021: EUR 1.2 million). The segment loss changed slightly by EUR -0.2 million to EUR -0.3 million (Q1 2021: EUR -0.1 million).

Headcount down in last twelve months

ElringKlinger further reduced its workforce as part of its efficiency stimulus program. Among other things, the Group is committed to a far-sighted approach to filling vacant positions and carefully reviewing fixed-term contracts for renewal. Whereas ElringKlinger employed 9,597 people at the end of the first quarter of 2021, this figure had fallen to 9,400 by March 31, 2022. In particular, the Group cut jobs in North America over the past twelve months, but also in Germany and Europe. In Asia, by contrast, the headcount increased slightly, which reflects in part the importance of the Asian market. Overall, the proportion of employees in

Germany increased marginally to 42.4% (Mar. 31, 2021: 41.9%). Accordingly, as a percentage, the non-domestic headcount fell slightly to 57.6% (Mar. 31, 2021: 58.1%).

Gross profit margin affected by higher material costs

In the first three months of 2022, the cost of sales rose by a significant EUR 29.0 million or 9.2% to EUR 343.8 million (Q1 2021: EUR 314.8 million). This was attributable primarily to material-related expenses, which increased by EUR 12.6 million to EUR 187.5 million (Q1 2021: EUR 174.9 million). The situation within the commodity markets deteriorated further year on year due to the armed conflict between Russia and Ukraine, higher energy costs, and persistent supply chain bottlenecks. In particular, the Group was faced with additional costs for aluminum, steel, and plastic granules, i. e., pellets. As a result, the cost-of-materials ratio (cost of materials in relation to Group revenue) rose to 43.1% (Q1 2020: 41.2%). Staff costs within the cost of sales also increased, due in part to coronavirus infections, as a result of which gross profit fell to EUR 90.8 million (Q1 2021: EUR 109.2 million). This corresponds to a gross profit margin of 20.9% (Q1 2021: 25.8%).

Staff costs relating to the ElringKlinger Group, which are included in the income statement in various functional areas, were influenced by currency effects and general increases in wage costs as well as one-off effects, such as the revocation of the appointment of Chief Technology Officer Theo Becker or the employee bonus agreed by the company. As in the past, the Management Board and the Supervisory Board aligned this with the dividend payment, thus adopting the proven principle that both shareholders and employees should benefit from the company’s success.

Furthermore, it should be taken into account that the previous year's quarterly figures had included supportive instruments such as short-time work in Germany. In total, staff costs rose from EUR 135.6 million in the first three months of 2021 to EUR 145.9 million in the quarter under review. Thus, staff costs in relation to revenue stood at 33.6% (Q1 2021: 32.0%).

Selling expenses increased by EUR 3.4 million to EUR 34.3 million in Q1 2022 (Q1 2021: EUR 30.9 million), mainly due to higher non-personnel expenses, among other things in the area of logistics. General and administrative expenses amounted to EUR 25.3 million (Q1 2021: EUR 22.3 million), driven primarily by staff costs.

Research and development costs remain stable

ElringKlinger's research and development (R&D) activities are focused on alternative drive technologies. In the first three months of 2022, R&D expenses amounted to EUR 18.8 million (Q1 2021: EUR 18.5 million) and were thus almost on a par with the figure reported for the same period of the previous year. With capitalized R&D costs amounting to EUR 5.1 million (Q1 2021: EUR 2.3 million), the capitalization ratio was 21.3% (Q1 2021: 10.9%). Overall, the R&D ratio (incl. capitalized development costs) was 5.5% in the period under review (Q1 2021: 4.9%), similar to the first quarter of the previous year.

Other operating income decreased from EUR 14.0 million in the first three months of 2021 to EUR 4.8 million in the reporting quarter. The year-on-year difference is attributable primarily to a gain of EUR 10.9 million on disposal of the Austrian subsidiary in the same quarter of the previous year. In addition, the Group received funds of EUR 0.9 million (Q1 2021: EUR 0.7 million) for R&D projects that were recognized in profit or loss. This contrasted with expenses of at least the same amount. Other operating expenses from January to March 2022 were unchanged year on year at EUR 3.1 million (Q1 2021: EUR 3.1 million).

Earnings performance influenced by exceptional factors

Against the backdrop of consistent cost discipline, the direction taken by material-related prices as well as higher staff costs had an impact on Group earnings in the first three months of 2022. In this context, earnings before interest, taxes, depreciation, and amortization (EBITDA) fell by EUR 34.4 million to EUR 42.8 million (Q1 2021: EUR 77.2 million). At EUR 28.0 million, depreciation and amortization were slightly below the previous year's level (Q1 2021:

EUR 28.6 million). Thus, the Group recorded earnings before interest and taxes (EBIT) of EUR 14.1 million (Q1 2021: EUR 48.4 million).

The same quarter of the previous year included non-recurring factors attributable to the pandemic – short-time work in the amount of EUR 3.1 million – as well as the sale of the Austrian subsidiary. Adjusted for these exceptional items, EBIT for the first quarter of 2021 amounted to EUR 34.4 million. The quarter just ended included the following exceptional items: provisions for contingent losses in the Original Equipment segment as well as one-off effects within the area of personnel amounted to EUR 8.7 million, as a result of which adjusted EBIT stood at EUR 22.8 million for the first three months of 2022.

Improved interest result and lower currency result

Net finance cost in the quarter under review was EUR -3.3 million, which contrasts with net finance income of EUR 1.0 million in the first quarter of 2021. While the net interest result of EUR -1.8 million (Q1 2021: EUR -2.1 million) was better than in the same quarter last year, the net result of foreign exchange gains and losses of EUR 0.4 million (Q1 2021: EUR 4.7 million) was significantly lower than twelve months ago. This was primarily due to unrealized foreign exchange losses. The loss from associates, which relates to the interest held in hofer AG, amounted to EUR -1.9 million (Q1 2020: EUR -1.6 million).

Taking net finance cost into account, earnings before taxes for the first quarter of 2022 amounted to EUR 10.9 million (Q1 2021: EUR 49.4 million).

Effective tax rate above previous year

Income tax expenses fell by EUR 3.9 million to EUR 7.0 million in the quarter just ended (Q1 2021: EUR 10.9 million). Alongside unrecognized deferred tax assets, this was attributable to the regional structure of revenue generated and profits realized. As a result, the effective tax rate was 64.7% (Q1 2021: 22.1%).

After deducting tax expenses, the Group recorded net income for the period of EUR 3.8 million (Q1 2021: EUR 38.5 million). Taking into account non-controlling interests of EUR -0.2 million (Q1 2021: EUR 0.6 million), the share of net income attributable to the shareholders of

ElringKlinger AG amounted to EUR 4.0 million (Q1 2021: EUR 37.9 million). As of March 31, 2022, the number of shares outstanding that were entitled to a dividend remained unchanged at 63,359,990. Earnings per share amounted to EUR 0.06 (Q1 2021: EUR 0.60).

Financial Position and Cash Flows

Remaining solid, the financial position and cash flows of the ElringKlinger Group provide a strong foundation for its further operational advancement in a challenging environment. Thanks in part to the consistent implementation of a far-reaching efficiency stimulus program, the Group recorded an equity ratio of 46.3% and significantly lower net debt of EUR 387.4 million at the end of the first quarter of 2022

compared to previous years. As regards cash flows, the repercussions of heightened volatility throughout the procurement markets and within the supply chains became apparent in the period under review. As a result, operating free cash flow for the first three months of 2022 was in negative territory at EUR -19.8 million.

Key figures Financial Position and Cash Flows

in EUR million	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2021
Total equity and liabilities	2,141.1	2,090.0	2,109.9
Equity ratio	46.3%	47.0%	45.0%
Net Working Capital ¹	449.2	402.2	430.4
Net Working Capital in relation to sales	27.5%	24.8%	28.5%
Net Debt ²	387.4	369.2	400.2
Net Debt/EBITDA	2.1	1.7	1.9
ROCE ³	3.4%	6.4%	11.3%
	1 st quarter 2022	1 st quarter 2021	
Net cash from operating activities	-2.7	42.5	
Operating free cash flow ⁴	-19.8	28.6	
Investments in property, plant & equipment (payments)	12.8	11.6	
Investment ratio	3.0%	2.7%	

¹ Inventories and trade receivables less trade payables

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

³ Return on Capital Employed

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

Asset structure similar to previous year

The ElringKlinger Group saw total assets expand from EUR 2,090.0 million as of December 31, 2021, to EUR 2,141.1 million. This corresponds to an increase of EUR 51.1 million or 2.4%. In addition to the impact of currencies, which had a slightly accretive effect on the whole due to the translation of the separate balance sheets into the Group currency, the euro, this growth was also attributable to more extensive inventories and receivables. However, the ratio of non-current to current assets changed only slightly as a result of these factors – standing at 58.9% (Dec. 31, 2021: 60.6%) to 41.1% (Dec. 31, 2021: 39.4%) – and remained more or less stable compared to the same quarter of the previous year.

Non-current assets amounted to EUR 1,260.1 million as of March 31, 2022 (Dec. 31, 2021: EUR 1,267.1 million). As a significant component of this item, property, plant, and equipment stood at EUR 939.1 million at the end of the first quarter of 2022 (Dec. 31, 2021: EUR 938.6 million). The slight increase in intangible assets compared to the end of the 2021 reporting period to EUR 219.3 million (Dec. 31, 2021: EUR 215.6 million) is primarily due to capitalized development costs. In total, additions from investments in property, plant, and equipment and intangible assets (incl. additions from leases) amounted to EUR 23.3 million in the quarter under review (Q1 2021: EUR 26.1 million). Corresponding depreciation, amortization, and write-downs (less reversals of write-downs) amounted to EUR 28.0 million in the same period (Q1 2021: EUR 28.8 million).

Other non-current assets decreased by EUR 10.2 million compared to the end of the 2021 reporting period, i.e., December 31, 2021, to EUR 32.1 million (Dec. 31, 2021: EUR 42.3 million). This change is attributable primarily to a scheduled payment by the co-owner of the Group subsidiary EKPO Fuel Cell Technologies GmbH.

Working capital influenced by economic conditions

In response to the tense situation seen within the procurement markets, as evidenced, for example, by higher prices for materials and supply-side bottlenecks, inventory management was temporarily adjusted. This had an effect on the Group's financial position in the form of an increase in inventories. Irrespective of this, inventory levels also expanded in view of the Group's solid order books – up by

EUR 34.5 million to a carrying amount of EUR 388.8 million (Dec. 31, 2021: EUR 354.3 million). Receivables totaled EUR 253.6 million (Dec. 31, 2021: EUR 233.5 million), EUR 20.2 million above the level reported at the end of the 2021 reporting period. Both items, which together represent working capital, amounted to EUR 642.4 million (Dec. 31, 2021: EUR 587.8 million).

Cash and cash equivalents held by the ElringKlinger Group amounted to EUR 117.8 million as of the end of the quarter under review (Dec. 31, 2021: EUR 109.9 million).

In total, current assets amounted to EUR 881.0 million as of March 31, 2021 (Dec. 31, 2021: EUR 822.9 million).

Equity ratio at 46 percent

With equity standing at EUR 991.8 million (Dec. 31, 2021: 982.3), ElringKlinger again reported a high equity ratio of 46.3% (Dec. 31, 2021: 47.0%) at the end of the first quarter of 2022. It thus continues to lie within the management's target range of 40 to 50%. In addition to containing net income of EUR 3.8 million for the period (Q1 2021: EUR 38.5 million), Group equity included foreign exchange translation differences of EUR 5.7 million (Q1 2021: EUR 2.2 million), and minor proportions of net income relating to associates in the reporting period.

Of the provisions, pension provisions of EUR 141.1 million (Dec. 31, 2021: EUR 140.7 million) and non-current provisions of EUR 16.4 million (Dec. 31, 2021: EUR 16.5 million) changed only slightly on the whole in the first quarter of the current financial year. Compared to the previous year's reporting date of March 31, 2021, pension provisions decreased by EUR 15.9 million, mainly as a result of the remeasurement conducted at the end of 2021. Non-current provisions were down by EUR 3.4 million year on year.

Current provisions increased from EUR 60.1 million to EUR 63.1 million compared to December 31, 2021. In the quarter under review, additions were primarily made to provisions for contingent losses, due in part to rising material and energy costs. The increase compared to the previous year, when current provisions had totaled EUR 29.0 million, is attributable also to additions relating to the planned discontinuation of production at one of the German sites and higher warranty obligations.

Net debt down year on year

Net debt (i.e., non-current and current financial liabilities less cash and cash equivalents and securities) increased by EUR 18.2 million to EUR 387.4 million compared to year-end 2021 as a result of the higher funding requirements for the Group's operating business. In this context, current financial liabilities expanded, while the carrying amount of non-current financial liabilities declined overall. Compared to the end of the same quarter last year, net debt was down by EUR 12.8 million. The net debt/EBITDA ratio was 2.1 as of March 31, 2022, up from 1.7 at year-end 2021 and 1.9 a year earlier.

Year-on-year increase in net working capital

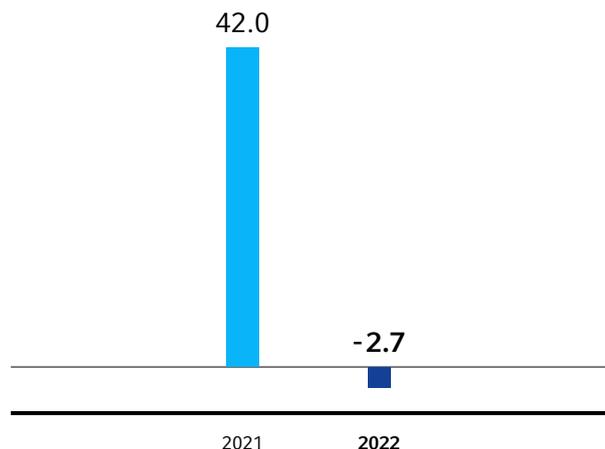
In parallel to more expansive business and inventories, the Group also saw an increase in trade payables in the first quarter of 2021. At EUR 193.3 million as of March 31, 2022, they were above the level of EUR 185.6 million reported at the end of 2021. Compared to the same quarter of the previous year (March 31, 2021: EUR 144.1 million), the increase was even more significant – up by EUR 49.2 million.

Net working capital, which encompasses inventories and trade receivables less trade payables, thus totaled EUR 449.2 million at the end of the first quarter (Dec. 31, 2021: EUR 402.2 million). Its share expressed as a percentage of revenue for the twelve-month period was thus 27.5%, up from 24.8% at the end of 2021 and from 28.5% a year earlier.

Operating cash flow reflects challenging business environment

Against the backdrop of the factors outlined above, ElringKlinger was unable to match the high cash inflow of EUR 42.0 million generated in the same quarter of the previous year. Instead, net cash used in operating activities amounted to EUR -2.7 million. The higher cost base, particularly with regard to the cost of sales, but also in respect of distribution and administration, necessitated a more expansive use of funds for operating activities when compared to the previous year. In addition to the lower inflow of cash from sales made, the change in inventories and trade receivables also led to a depletion of cash and cash equivalents. Including other assets and liabilities not attributable to financing activities, changes in net working capital resulted in a cash outflow of EUR 35.7 million in the first quarter of 2022 (Q1 2021: EUR -18.0 million).

Cash flow from operating activities 1st quarter in EUR million



Investment in property, plant, and equipment remains disciplined

At EUR 12.8 million (Q1 2021: EUR 11.6 million), payments relating to investments in property, plant, and equipment were at a similar level as in the same quarter of the previous year. They included essential purchases made in connection with new ramp-ups at various plants around the globe and expenditure aimed at aligning the product portfolio with future technologies such as those of relevance to e-mobility.

The investment ratio (payments for investments in relation to Group revenue) increased slightly to 3.0% in the first quarter of 2022, up from 2.7% in the first quarter of the previous year.

Payments of EUR 5.3 million (Q1 2021: EUR 2.4 million) were made in respect of investments in intangible assets in the period under review. Capitalized development costs accounted for the majority of this item.

In the first quarter of the previous year, ElringKlinger had recorded proceeds of EUR 14.5 million from the sale of its Austrian subsidiary.

Overall, ElringKlinger reported a cash outflow of EUR 17.1 million for investing activities in the first quarter of 2022 (Q1 2021: EUR 0.8 million).

Operating free cash flow in negative territory

As a result of the cash flows described above, the ElringKlinger Group recorded negative operating free cash flow (operating cash flow less cash flow from investing activities adjusted for M&A activities and cash flows for financial assets) of EUR -19.8 million in the first quarter of 2022 (Q1 2021: EUR +28.6 million).

Repayment of long-term loans

The Group mainly used short-term loans to meet funding requirements that went beyond those covered by cash inflows generated from operating activities. Short-term loans increased by EUR 56.6 million in net terms (Q1 2021: increase of EUR 20.1 million), part of which went into the repayment of long-term loans. Net of payments received, a total of EUR 39.7 million (Q1 2021: EUR 57.7 million) was used for the repayment of long-term loans in the first quarter of 2022.

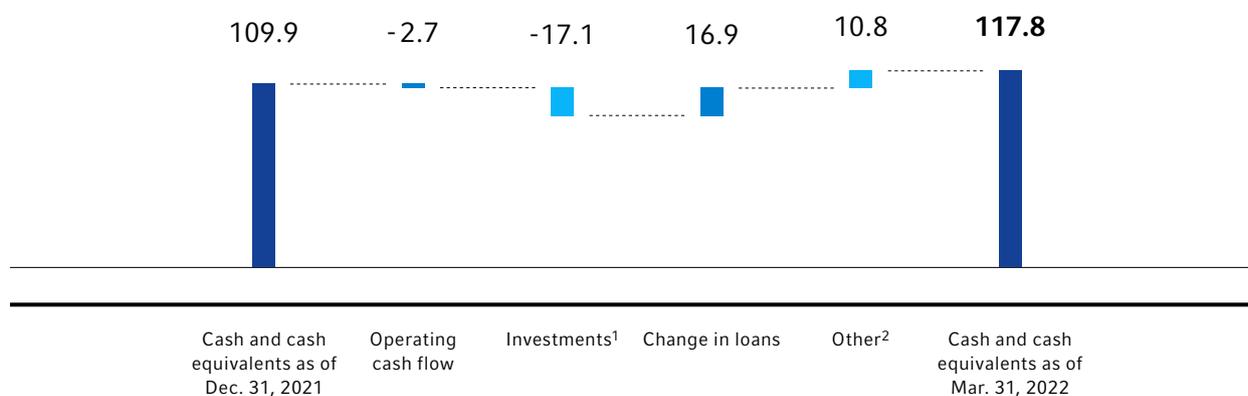
As agreed, a further contribution of EUR 10.0 million (Q1 2021: EUR 30.0 million) from French automotive supplier Plastic Omnium was accounted for in the quarter under review in respect of the investment in EKPO Fuel Cell Technologies GmbH, Dettingen/Erms, Germany.

Overall, net cash from financing activities amounted to EUR 26.9 million in the first quarter of 2022 (Q1 2021: EUR -7.5 million).

As of March 31, 2022, the ElringKlinger Group had cash and cash equivalents of EUR 117.8 million (Mar. 31, 2021: EUR 109.9 million) and open, unused credit lines of EUR 264.4 million (Mar. 31, 2021: EUR 257.8 million). As a result, ElringKlinger's liquidity continues to provide a good basis for future business.

Changes in cash 1st quarter 2022

in EUR million



¹ Payments for investments in property, plant, and equipment and intangible assets

² Including contribution of EUR 10.0 million from Plastic Omnium for investment in EKPO

Opportunities and Risks

The first quarter of 2022 saw a deterioration in economic conditions, fueled by persistent volatility within the markets for raw materials and primary products, in particular, by the effects and uncertainties surrounding the Russia-Ukraine conflict. Despite the fact that the covid-19 pandemic is subsiding in Europe as well as in North and South America, it has not yet been overcome. China, which is pursuing a strict zero-covid policy, recorded new cases of infection in March, prompting complete lockdowns in regions that are of economic importance. Overall, economic uncertainties were unusually pronounced at the end of the reporting date.

Vehicle production continues to be adversely affected by shortages of input products such as semiconductors as well

as spiraling material, energy, and logistics costs. Given the multitude of influencing factors, further effects in respect of revenue and earnings cannot be completely ruled out for the ElringKlinger Group over the course of the year.

An assessment of other opportunities and risks for the ElringKlinger Group as of March 31, 2022, shows that there were no significant changes compared to the 2021 annual report of the ElringKlinger Group.

The report on opportunities and risks from the 2021 annual report can also be accessed on the website of ElringKlinger at www.elringklinger.de/ar2021/report-on-opportunities-and-risks.

Report on Expected Developments

Outlook – Market and Sector

Against the backdrop of challenging geopolitical and macro-economic conditions, economists recently downgraded their growth forecasts by significant margins. Nevertheless, the global economy is expected to expand slightly in the year as a whole, although economic analysts have also emphasized that their estimates are associated with an unusually high degree of uncertainty. In addition to supply-side bottlenecks and supply chain problems, a surge in inflation in many countries is giving cause for concern. In its latest World Economic Outlook of April 2022, the International Monetary Fund (IMF) forecasts an inflation rate of 5.7% in the industrialized countries. In emerging and developing countries inflation could average 8.7%. In addition, sanctions imposed by Western countries on Russia may put an enormous strain on the energy sector. The coronavirus lockdowns in China will potentially exert further pressure on global supply chains. According to the IMF, the outlook is more favorable only for economies with a strong focus on commodity exports, with the exception of Russia.

GDP growth projections

Year-on-year change (in %)	2021	2022 ¹
World	6.1	3.6
Advanced economies	5.2	3.3
Emerging and developing countries	6.8	3.8
Germany	2.8	2.1
Eurozone	5.3	2.8
USA	5.7	3.7
Brazil	4.6	0.8
China	8.1	4.4
India	8.9	8.2
Russia	1.6	2.4
Japan	4.7	-8.5

Source: IWF (April 2022)
¹ Forecast

Slowdown in global vehicle production

The difficult underlying conditions outlined above pose tremendous challenges for the automotive industry. The benefits associated with an anticipated improvement in the supply of semiconductors is offset by newly created bottlenecks, such as those relating to Ukrainian-made wire harnesses, as well as rising material, energy, and logistics costs. In those sales markets in which demand cannot be fully met, supply-side shortages are likely to continue to cause problems. The direction taken by vehicle markets will depend to a large extent on how and when the geopolitical conflict is resolved and how the macroeconomic situation pans out.

Outlook – Company

Uncertainty remains high

Amid challenging underlying conditions, markets continue to be exposed to high levels of uncertainty at the end of the first quarter of 2022. Key factors such as bottlenecks within the semiconductor industry, issues surrounding supply chains, and shortages of raw materials are placing considerable constraints on the recovery anticipated as measures aimed at containing the coronavirus pandemic are lifted. In addition, the armed conflict between Russia and Ukraine is associated with considerable suffering and far-reaching repercussions within European territory, in addition to exposing the entire continent to the detrimental effects of economic restrictions. Alongside higher raw material, energy, and transport costs, this has also manifested itself in further impairments of supply chains as well as heightened volatility within the commodity markets.

The likely course of the armed conflict and its macroeconomic impact are just as difficult to estimate in their extent as the sector-specific consequences. Earnings could also be undermined if the Russia-Ukraine conflict cuts off important sources of revenue or exacerbates the existing pressure on automotive industry value chains. In addition, the recent coronavirus lockdowns in China as well as the possible emergence of new variants and the associated repercussions may have an impact on revenue and earnings. The remainder of the financial year will continue to be accompanied by a high degree of uncertainty. At present, therefore, it is not possible to make a well-founded, reliable forecast for the 2022 financial year. The Management Board of ElringKlinger AG will closely monitor further developments

Projections: light vehicle production

Region	Million units	Change (year on year)
Europe ¹	16.5	3.8%
China	24.6	-0.9%
Japan/Korea	11.4	4.5%
Middle East/Africa	2.3	13.5%
North America	14.7	13.0%
South America	2.9	10.0%
South Asia	8.2	3.9%
World	80.6	4.4%

Source: IHS (April 2022)
¹ Including Russia

and provide a dependable outlook as soon as the general political and economic situation makes this possible again.

Order backlog at record level

Orders remained buoyant at ElringKlinger at the beginning of 2022: at EUR 578.3 million, the Group exceeded its order intake reported for the same quarter last year (Q1 2021: EUR 576.6 million) by a further EUR 1.7 million or 0.3%. This was underpinned to some extent by exchange rate effects. Adjusted for currency effects, the figure stood at EUR 547.2 million. Overall, this translates into a book-to-bill ratio (incoming orders in relation to Group revenue) of 1.3.

As a result, the Group's order backlog also expanded further. After EUR 1,185.6 million as of March 31, 2021, and EUR 1,386.2 million at the end of 2021, order backlog as of March 31, 2022, totaled EUR 1,529.9 million. This represents an increase of 29.0% and 10.4% respectively. Adjusted for currency effects, order backlog amounted to EUR 1,485.7 million.

Mid-term outlook

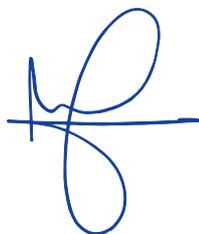
Despite the challenging factors currently driving the business environment in which ElringKlinger operates, the company considers itself to be well positioned in the medium to long term. ElringKlinger was quick off the mark in its efforts to embrace the transition towards e-mobility with products engineered specifically for battery and fuel cell systems as well as for electric drive units. Additionally, the Group has a strong market position centered around its long-standing Lightweighting/Elastomer Technology, Shielding Technology, and

Metal Sealing Systems & Drivetrain Components business units. Provided the coronavirus pandemic does not take an abrupt and unforeseen route or new or existing geopolitical conflicts do not have a lasting economic impact, ElringKlinger essentially continues to take the view that it will outpace

global vehicle production growth at an organic level. With regard to the earnings situation, the Group has set itself the goal of gradually improving its EBIT margin in the medium term. The Group can also confirm its other medium-term targets.

Dettingen/Erms, May 5, 2022

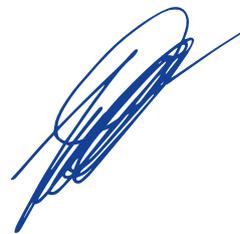
The Management Board



Dr. Stefan Wolf
CEO



Reiner Drews



Thomas Jessulat

ElringKlinger and the Capital Markets

Optimism at beginning of year – War in Ukraine sends prices tumbling

Essentially, the first quarter of 2022 was bifurcated. At the beginning of the year, capital markets were initially brimming with confidence, as evidenced by the all-time high of 16,271 points achieved by Germany's DAX blue-chip index on January 4. From February onward, however, stock markets were forced to take into account the geopolitical risks emanating from the escalating conflict in Ukraine. The start of the armed conflict in Ukraine on February 24, 2022, caused share prices to plummet, with the DAX retreating to a low of 12,831 points on March 8. As a result of the conflict, optimism among business leaders, consumers, and financial market players began to wane quite noticeably. Both economic aspects, such as certainty of supply in the commodities sector as well as the rise in inflation, and geopolitical risks, such as fears of the conflict spreading to other countries, played a significant role. Stock markets subsequently stabilized over the course of the first quarter.

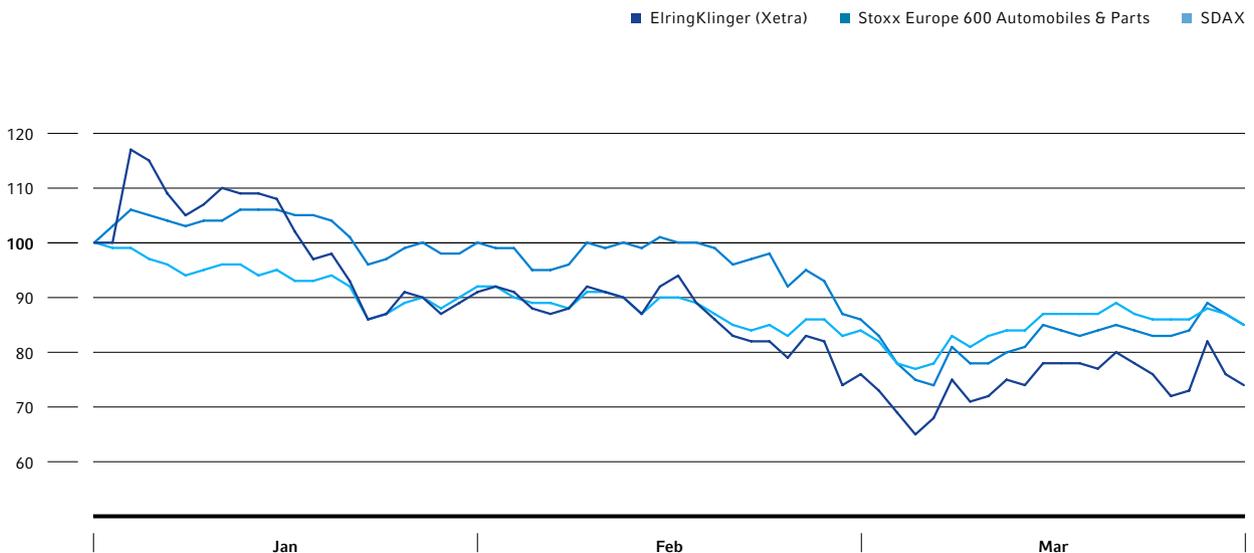
ElringKlinger stock in line with market performance after strong start

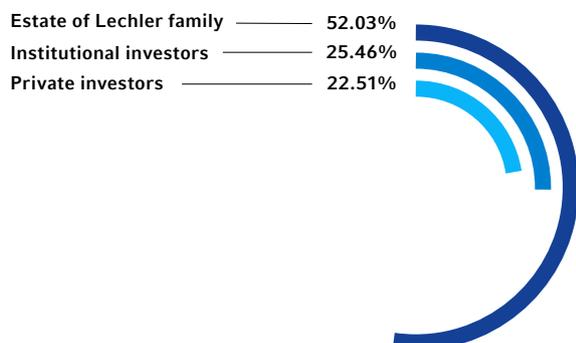
At the beginning of 2022, ElringKlinger shares reached their high of EUR 13.70 for the period under review on January 5. Subsequently, the company's share price trended in line with the market – in a trading environment that was dominated by the Ukraine crisis escalating into a full-scale military conflict. In the wake of the Russian invasion of Ukraine and the resulting slump within the capital markets, ElringKlinger shares recorded an annual low of EUR 7.65 at the beginning of March. This was followed by a period of recovery over the course of March, underpinned in part by encouraging financial results for fiscal 2021. At the end of the quarter, ElringKlinger's share price stood at EUR 8.64.

Year-on-year decline in trading volume

The average daily volume of ElringKlinger shares traded was 175,507 units in the first quarter of 2022, i. e., well below that recorded in the same period a year ago (Q1 2021: 286,800 units). The average daily value of ElringKlinger

ElringKlinger's share price performance from January 1 to March 31, 2022 (indexed)
in %



Shareholder structure as of March 31, 2022

shares traded on German stock exchanges fell to EUR 1.8 million in the first quarter and was significantly lower than in the first quarter of 2021 (EUR 4.2 million) due to the lower share price. In the quarter under review, ElringKlinger shares displayed a sufficiently high level of liquidity at all times, thus providing the basis for relatively large share transactions to be concluded during this period.

Engaged in dialogue with the capital markets

ElringKlinger maintained its dialogue with international investors, analysts, and other capital market players in the first quarter of 2022. This included, for example, a major international capital market conference in Frankfurt in January. Upon publication of the 2021 Annual Report, the Group held a conference call for representatives of the press and analysts. 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 many journalists and analysts taking part.

Annual General Meeting on May 19 in virtual format

As early as the beginning of February 2022, the Management Board and the Supervisory Board jointly decided to hold this year's Annual General Meeting as a virtual event on May 19, 2022, thus taking into account persistently high rates of infection and reaffirming their commitment to protecting all those involved. In this context, the company continued to be faced with a high degree of uncertainty as to whether and how an in-person event could be held, despite the possibility of a lower scale of infection by the time of the AGM.

ElringKlinger Stock (WKN 785 602)

	1 st Quarter 2022	1 st Quarter 2021
Number of shares outstanding	63,359,990	63,359,990
Share price (daily price in EUR) ¹		
High	13.70	16.66
Low	7.65	12.52
Closing price ²	8.64	12.52
Average daily trading volume (German stock exchanges; volume of shares traded)	175,507	286,800
Average daily trading value (German stock exchanges; in EUR)	1,772,240	4,221,900
Market capitalization (EUR millions) ^{1,2}	547.4	793.3

¹ Xetra trading

² as of March 31

Group Income Statement

of ElringKlinger AG, January 1 to March 31, 2022

EUR k	1 st Quarter 2022	1 st Quarter 2021
Sales revenue	434,646	424,065
Cost of sales	-343,807	-314,834
Gross profit	90,839	109,231
Selling expenses	-34,301	-30,870
General and administrative expenses	-25,263	-22,306
Research and development costs	-18,791	-18,511
Other operating income	4,806	13,957
Other operating expenses	-3,145	-3,097
Operating result/EBIT	14,145	48,404
Finance income	8,686	6,136
Finance costs	-10,082	-3,526
Share of result of associates	-1,866	-1,572
Net finance costs	-3,262	1,038
Earnings before taxes	10,883	49,442
Income tax expense	-7,046	-10,905
Net income	3,837	38,537
of which: attributable to non-controlling interests	-169	642
of which: attributable to shareholders of ElringKlinger AG	4,006	37,895
Basic and diluted earnings per share in EUR	0.06	0.60

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to March 31, 2022

EUR k	1 st Quarter 2022	1 st Quarter 2021
Net income	3,837	38,537
Currency translation difference	5,720	2,177
Share of other comprehensive income of associates	-18	-278
Gains and losses that can be reclassified to the income statement in future periods	5,702	1,899
Gains and losses that cannot be reclassified to the income statement in future periods	0	0
Other comprehensive income after taxes	5,702	1,899
Total comprehensive income	9,539	40,436
of which: attributable to non-controlling interests	29	913
of which: attributable to shareholders of ElringKlinger AG	9,510	39,523

Group Statement of Financial Position

of ElringKlinger AG, as at March 31, 2022

EUR k	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2021
ASSETS			
Intangible assets	219,264	215,584	200,612
Property, plant and equipment	939,062	938,581	945,203
Financial assets	15,019	15,532	15,207
Shares in associates	11,806	13,690	15,329
Non-current income tax assets	1,139	887	541
Other non-current assets	32,084	42,286	41,330
Deferred tax assets	33,751	31,750	28,238
Contract performance costs	7,280	7,944	9,229
Non-current contract assets	703	804	593
Non-current assets	1,260,108	1,267,058	1,256,282
Inventories	388,781	354,321	323,050
Current contract assets	8,441	8,591	10,012
Trade receivables	253,649	233,478	251,443
Current income tax assets	6,402	15,769	3,525
Other current assets	105,912	100,883	100,723
Cash and cash equivalents	117,816	109,900	164,826
Current assets	881,001	822,942	853,579
	2,141,109	2,090,000	2,109,861

EUR k	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2021
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	744,060	740,054	722,220
Other reserves	-12,415	-17,919	-39,850
Equity attributable to the shareholders of ElringKlinger AG	913,243	903,733	863,968
Non-controlling interest in equity	78,574	78,564	85,932
Equity	991,817	982,297	949,900
Provisions for pensions	141,124	140,696	157,032
Non-current provisions	16,444	16,502	19,812
Non-current financial liabilities	318,573	357,109	357,775
Non-current contract liabilities	1,099	712	7,055
Deferred tax liabilities	24,311	23,952	13,941
Other non-current liabilities	7,526	7,262	7,370
Non-current liabilities	509,077	546,233	562,985
Current provisions	63,101	60,050	28,962
Trade payables	193,264	185,599	144,051
Current financial liabilities	199,753	135,521	219,486
Current contract liabilities	16,022	16,024	35,016
Tax payable	17,186	19,297	36,688
Other current liabilities	150,889	144,979	132,773
Current liabilities	640,215	561,470	596,976
	2,141,109	2,090,000	2,109,861

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to March 31, 2022

EUR k	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2020	63,360	118,238	684,325
Dividend distribution			
Shares of non-controlling interests*			
Total comprehensive income			37,895
Net income			37,895
Other comprehensive income			
Balance as of Mar. 31, 2021	63,360	118,238	722,220
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

* Share of Plastic Omnium in EKPO Fuel Cell Technologies GmbH

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
-60,132	-422	-28,099	777,270	35,617	812,887
			0	-20	-20
	47,175		47,175	49,422	96,597
		1,628	39,523	913	40,436
			37,895	642	38,537
		1,628	1,628	271	1,899
-60,132	46,753	-26,471	863,968	85,932	949,900
-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

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to March 31, 2022

EUR k	1 st Quarter 2022	1 st Quarter 2021
Earnings before taxes	10,883	49,442
Depreciation/amortization (less write-ups) of non-current assets	28,649	28,791
Net interest	1,809	2,090
Change in provisions	2,525	1,804
Gains/losses on disposal of non-current assets	201	99
Share of result of associates	1,866	1,572
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-48,872	-35,070
Change in trade payables and other liabilities not resulting from financing and investing activities	13,190	17,083
Income taxes paid	-2,612	-7,683
Interest paid	-1,645	-2,130
Interest received	268	282
Other non-cash expenses and income	-8,920	-14,235
Net cash from operating activities	-2,658	42,045
Proceeds from disposals of property, plant and equipment and intangible assets	944	616
Proceeds from disposals of financial assets	2,969	937
Proceeds from disposals of subsidiaries less cash	0	14,450
Payments for investments in intangible assets	-5,264	-2,379
Payments for investments in property, plant and equipment	-12,837	-11,644
Payments for investments in financial assets	-2,875	-2,821
Net cash from investing activities	-17,063	-841
Payments received from non-controlling interests	10,000	30,040
Dividends paid to shareholders and to non-controlling interests	-19	-20
Proceeds from the addition of long-term loans	25,060	98
Payments for the repayment of long-term loans	-64,801	-57,757
Change in current loans	56,611	20,146
Net cash from financing activities	26,851	-7,493
Changes in cash	7,130	33,711
Effects of currency exchange rates on cash	786	3,263
Cash at beginning of period	109,900	127,852
Cash at end of period	117,816	164,826

Group Sales Revenue

of ElringKlinger AG, January 1 to March 31, 2022

Sales revenue by regions

EUR k	1 st Quarter 2022	1 st Quarter 2021
Germany	90,628	93,492
Rest of Europe	134,530	131,163
North America	103,655	100,173
Asia-Pacific	85,868	81,798
South America and rest of the world	19,965	17,439
Group	434,646	424,065

Sales revenue by segments

EUR k	1 st Quarter 2022	1 st Quarter 2021
Lightweighting/Elastomer Technology	133,651	127,098
Metal Sealing Systems & Drivetrain Components	121,244	120,457
Shielding Technology	74,033	78,523
E-Mobility	5,317	7,284
Exhaust Gas Purification	885	1,016
Other	0	23
Segment Original Equipment	335,130	334,401
Segment Original Equipment	335,130	334,401
Segment Aftermarket	63,045	55,363
Segment Engineered Plastics	35,295	33,118
Sales of goods and licensing	433,470	422,882
Proceeds from the rendering of services	1,172	1,179
Revenue from contracts with customers	434,642	424,061
Income from rental and leasehold	4	4
Group	434,646	424,065

Segment Reporting

of ElringKlinger AG, January 1 to March 31, 2022

Segment EUR k	Original Equipment		Aftermarket		Engineered Plastics	
	1 st Quarter 2022	1 st Quarter 2021	1 st Quarter 2022	1 st Quarter 2021	1 st Quarter 2022	1 st Quarter 2021
External revenue	335,130	334,401	63,045	55,363	35,295	33,118
Intersegment revenue	7,086	7,959	0	0	54	38
Segment revenue	342,216	342,360	63,045	55,363	35,349	33,156
EBIT¹	-5,011	29,341	13,838	11,904	5,642	7,215
Depreciation and amortization	-25,249	-25,522	-857	-890	-1,912	-1,661
Capital expenditures ²	19,651	22,697	1,480	1,211	1,855	2,001

¹ Earnings before interest and taxes

² Investments in intangible assets and property and plant

Other		Consolidation		Group	
1 st Quarter 2022	1 st Quarter 2021	1 st Quarter 2022	1 st Quarter 2021	1 st Quarter 2022	1 st Quarter 2021
1,176	1,183	0	0	434,646	424,065
2,501	2,512	-9,641	-10,509	0	0
3,677	3,695	-9,641	-10,509	434,646	424,065
-324	-56			14,145	48,404
-590	-718			-28,608	-28,791
348	195			23,334	26,104

Notes to the First Three Months of 2022

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, 2022, 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, 2022, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements as of March 31, 2022, 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 5, 2022.

Basis of reporting

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of March 31, 2022, include the financial statements of seven domestic and 31 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, 2021.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate		Average rate	
		Mar. 31, 2022	Dec. 31, 2021	Jan. – Mar. 2022	Jan. – Dec. 2021
US dollar (USA)	USD	1.11010	1.13260	1.11520	1.18156
Pound (United Kingdom)	GBP	0.84595	0.84028	0.83766	0.85840
Swiss franc (Switzerland)	CHF	1.02670	1.03310	1.03357	1.07988
Canadian dollar (Canada)	CAD	1.38960	1.43930	1.41310	1.48039
Real (Brazil)	BRL	5.30090	6.31010	5.69557	6.37858
Mexican peso (Mexico)	MXN	22.09030	23.14380	22.72567	24.05156
RMB (China)	CNY	7.04030	7.19470	7.06787	7.60685
WON (South Korea)	KRW	1,347.37000	1,346.38000	1,348.02333	1,354.65833
Rand (South Africa)	ZAR	16.17270	18.06250	16.94413	17.59221
Yen (Japan)	JPY	135.17000	130.38000	131.09000	130.32000
Forint (Hungary)	HUF	369.77000	369.19000	365.56000	358.60833
Turkish lira (Turkey)	TRY	16.28230	15.23350	15.55550	10.81043
Leu (Romania)	RON	4.94630	4.94900	4.94740	4.92511
Indian rupee (India)	INR	84.13400	84.22920	84.01783	87.31348
Indonesian rupiah (Indonesia)	IDR	15,947.00000	16,100.42000	16,028.16000	16,921.34667
Bath (Thailand)	THB	36.91100	37.65300	36.88267	37.89117
Swedish krona (Sweden)	SEK	10.33700	10.25030	10.47717	10.15623

Significant events and business transactions

Estimates and decisions made on the basis of judgment may have an impact on the amount of assets and liabilities recognized. Due to external factors, such as the unforeseeable consequences regarding the impact of the Russia-Ukraine conflict, the tense situation within the commodity markets, the general economic 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. This information was applied in the context of impairment considerations as part of quarterly reporting and did not result in any impairment losses with regard to assets. Due to the volatile market environment, regular scenario analyses are being conducted.

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, 2022									
Financial assets measured at amortized cost	117,816	253,649	21,249	0	1,438	1,397	2,008	2,008	396,160
Financial assets measured at fair value through profit or loss	0	0	29,930	793	0	0	11,482	11,482	42,205
Financial assets measured at fair value through other comprehensive income	0	0	0	0	84	84	8	8	92
Total	117,816	253,649	51,179	793	1,522	1,481	13,498	13,498	438,457
as of Dec. 31, 2021									
Financial assets measured at amortized cost	109,900	233,478	17,297	0	1,438	1,447	2,008	2,008	364,121
Financial assets measured at fair value through profit or loss	0	0	29,962	79	0	0	11,992	11,992	42,033
Financial assets measured at fair value through other comprehensive income	0	0	0	0	86	86	8	8	94
Total	109,900	233,478	47,259	79	1,524	1,533	14,008	14,008	406,248

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, 2022				
Financial liabilities measured at amortized cost	54,838	174,883	24,870	193,264
Financial liabilities measured at fair value through profit or loss	0	0	0	0
as of Dec. 31, 2021				
Financial liabilities measured at amortized cost	57,387	119,190	16,331	185,599
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, 2022						
Financial liabilities measured at amortized cost	0	0	277,569	231,259	41,004	766,428
Financial liabilities measured at fair value through profit or loss	3,662	3,662	0	0	0	3,662
as of Dec. 31, 2021						
Financial liabilities measured at amortized cost	0	0	309,764	271,462	47,345	735,616
Financial liabilities measured at fair value through profit or loss	121	121	0	0	0	121

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 13,076 k (Dec. 31, 2021: EUR 13,494 k) and the current portion of Plastic Omnium's outstanding contribution of EUR 29,930 k (Dec. 31, 2021: EUR 29,962 k) 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 38,465 k (Dec. 31, 2021: EUR 38,465 k) 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 3,846 k (Dec. 31, 2021: EUR 3,846 k).

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, 2022:

EUR k	Level 1	Level 2	Level 3
Mar. 31, 2022			
Financial assets			
Non-current securities	84	0	0
Other financial investments	8	0	11,482
Derivatives*	0	793	0
Total	92	793	11,482
Financial liabilities			
Derivatives*	0	3,662	0
Total	0	3,662	0
Dec. 31, 2021			
Financial assets			
Non-current securities	86	0	0
Other financial investments	8	0	11,992
Derivatives*	0	79	0
Total	94	79	11,992
Financial liabilities			
Derivatives*	0	121	0
Total	0	121	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, 2022:

EUR k	Level 1	Level 2	Level 3
Mar. 31, 2022			
Financial assets			
Non-current securities	1,397	0	0
Other financial investments	0	0	2,008
Total	1,397	0	2,008
Financial liabilities			
Non-current financial liabilities	0	231,259	0
Purchase price liability from written put option	0	0	38,465
Total	0	231,259	38,465
Dec. 31, 2021			
Financial assets			
Non-current securities	1,447	0	0
Other financial investments	0	0	2,008
Total	1,447	0	2,008
Financial liabilities			
Non-current financial liabilities	0	271,462	0
Purchase price liability from written put option	0	0	38,465
Total	0	271,462	38,465

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 2021 were not subject to significant changes in the first three months of 2022.

Government grants

Other operating income in the first three months of 2022 includes government grants totaling EUR 945 k (Mar. 31, 2021: EUR 662 k). 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 312 k (net method).

Events after the reporting period

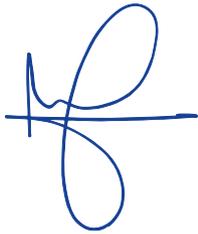
There were no significant events after the end of the interim reporting period that would necessitate additional explanatory disclosure.

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 5, 2022

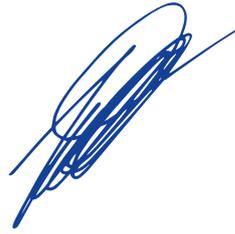
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CEO



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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 5, 2022, and is available in German and English. Only the German version shall be legally binding.

Financial Calendar 2022

MAY

19

117th Annual General Shareholders' Meeting, Virtual event

AUGUST

04

Interim Report on the 2nd Quarter and 1st Half of 2022

NOVEMBER

03

Financial Results on the 3rd Quarter and 1st Nine Months of 2022

MAY 2023

16

118th 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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