

REPORT ON THE 3RD QUARTER
AND 1ST NINE MONTHS

20

22

Key figures

ElringKlinger Group

		3 rd quarter 2022	2 nd quarter 2022	1 st quarter 2022	4 th quarter 2021	3 rd quarter 2021
Order Situation						
Order intake	EUR million	376.7	453.2	578.3	485.1	486.3
Order backlog	EUR million	1,465.1	1,552.5	1,529.9	1,386.2	1,307.3
Sales/Earnings						
Sales revenue	EUR million	464.1	430.6	434.6	406.1	400.6
Cost of sales	EUR million	372.2	366.2	343.8	349.4	306.3
Gross profit margin		19.8%	15.0%	20.9%	14.0%	23.5%
EBITDA	EUR million	47.0	26.7	42.8	33.5	55.0
EBIT/Operating result	EUR million	18.1	-97.1	14.1	3.6	27.0
EBIT margin		3.9%	-22.5%	3.3%	0.9%	6.7%
Earnings before taxes	EUR million	17.7	-90.7	10.9	9.0	23.8
Net income	EUR million	3.9	-94.1	3.8	0.1	9.4
Net income attributable to shareholders of ElringKlinger AG	EUR million	3.3	-94.1	4.0	0.9	9.0
Cash flow						
Net cash from operating activities	EUR million	12.1	22.6	-2.7	37.1	26.5
Net cash from investing activities	EUR million	-23.8	-17.3	-17.1	-39.3	-17.5
Net cash from financing activities	EUR million	6.2	11.0	26.9	-15.6	-46.6
Operating free cash flow ¹	EUR million	-10.2	3.9	-19.8	-1.7	8.1
Balance Sheet						
Balance sheet total	EUR million	2,130.6	2,076.6	2,141.1	2,090.0	2,071.5
Equity	EUR million	910.6	914.6	991.8	982.3	968.0
Equity ratio		42.7%	44.0%	46.3%	47.0%	46.7%
Net debt ²	EUR million	411.0	389.5	387.4	369.2	360.8
Human Resources						
Employees (as at end of quarter)		9,525	9,492	9,400	9,466	9,554
Stock						
Earnings per share	EUR	0.05	-1.49	0.06	0.01	0.14

¹ Net cash from operating activities and 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 First Nine Months 2022

- **Difficult economic environment;** disruptions in supply chains, material-related shortages, and spiraling inflation rates worldwide exacerbated by war in Ukraine; elevated prices for energy and commodities of relevance to ElringKlinger;
- **Group revenue** expands by 15.9%¹ in the third quarter of 2022, reaching an all-time high of EUR 464.1 million; revenue up by 9.1% to EUR 1,329.3 million in the period from January to September 2022; organic growth (FX-adjusted) stands at 11.5% in the third quarter and 5.5% in the nine-month period; strong regional growth in North America, Rest of Europe, and Asia-Pacific in the quarter under review;
- **Group EBIT** at EUR 18.1 million and margin of 3.9% in the third quarter despite adverse factors from higher cost base; exceptional effects from impairment losses in second quarter cause negative EBIT of EUR -64.9 million in nine-month period; adjusted for these effects, operating EBIT stands at EUR 30.5 million and margin at 2.3%;
- **Financial position and cash flows** continue to provide a solid foundation for business development; equity ratio at 42.7% as of September 30, 2022; net debt at EUR 411.0 million and debt ratio at 2.7; tense situation within procurement markets reflected in more substantial inventories and thus higher funds tied up in net working capital; as a result, operating free cash flow stands at EUR -10.2 million in the third quarter and at EUR -26.2 million in the first nine months;
- **Order backlog** of EUR 1,465.1 million, up 12.1% on previous year and thus still at a high level;
- **Other events** in the first nine months of 2022: extension of contract for CEO Dr. Stefan Wolf until January 2027 and termination of Management Board mandate of Chief Technology Officer Theo Becker as of March 31, 2022; Annual General Meeting approves dividend of EUR 0.15 per share and elects Ingeborg Guggolz to the Supervisory Board; ElringKlinger signs Climate Protection Agreement and commits itself to target of CO₂-neutral production worldwide from 2030; subsidiary of EKPO Fuel Cell Technologies founded in China;

“Despite the headwinds emanating from the difficult economic environment at present, ElringKlinger achieved record sales revenue in the quarter just ended. To be able to deliver in time and in premium quality has priority for us.”

Dr. Stefan Wolf, CEO of ElringKlinger AG

¹ Unless otherwise specified, comparative figures refer to the same period of the previous year.

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ELRINGKLINGER AND THE CAPITAL MARKETS



ElringKlinger has a global presence and, while the Earth turns, there will always be sites where offices and production lines are up and running. This activity is also reflected in the company's global flow of goods. But how can these worldwide material flows actually be maintained at all times in the face of growing challenges affecting supply chains? Read more about it in our »Material flows« article in the 2022 issue of »pulse« magazine.

Macroeconomic Conditions and Business Environment

Against the backdrop of continuing supply-side bottlenecks, surging inflation, and additional fallout from the as yet unresolved coronavirus pandemic, the global economy has stalled badly so far this year. Shortages of materials and a hike in prices spread from industrial primary products to the energy sector and other industries such as food and construction. The issue of bottlenecks – particularly evident with regard to the supply of gas – was exacerbated by the consequences of the conflict in Ukraine since February. Commodity prices fluctuated noticeably and inconsistently in the first nine months, peaking after the outbreak of war in Ukraine.

In an effort to counteract swelling prices, central banks tightened their monetary policy – in some cases significantly. This marked a dramatic change in their monetary stance. The US Federal Reserve raised the benchmark interest rate from 0.25% to now 3.25%. Exchange rates diverged sharply in some cases. The US dollar made significant gains against the euro. The European Central Bank (ECB) also tightened its interest rate from 0.0% in July to 1.25% in September. In taking this approach, central banks were prepared to put up with the fact that financial conditions for both industry and consumers would deteriorate. In conjunction with higher consumer prices, this dampened private consumption.

Challenges to recovery of car production

The difficult economic environment meant more than a stress test for the automotive industry. Alongside the problem of supply chain bottlenecks, spiraling prices weighed heavily on many companies along the value chain. At the same time, shortages of supply prompted vehicle manufacturers and retailers to reduce their price discounts, which in turn affected consumers' purchasing decisions and demand for new vehicles. In the first three quarters of 2022, global

GDP growth

Year-on-year change in %	1st quarter 2022	2nd quarter 2022	3rd quarter 2022
Germany	3.5	1.7	0.7
Eurozone	5.4	4.1	1.9
USA	3.5	1.7	1.5
Brazil	1.7	3.2	3.7
China	4.8	0.4	3.9
India	4.1	13.5	6.1
Japan	0.6	1.6	1.7

Source: HSBC (Sep. 2022)

production figures for light vehicles (passenger cars and light commercial vehicles) fluctuated sharply. Compared to the respective prior-year periods, a decline of 3.3% in the first quarter was followed by a slight increase of 1.7% in the second quarter and a significant boost of 27.5% in the third quarter.

The substantial percentage upturn in the quarter under review is mainly due to the low comparative base in 2021, when a shortage of semiconductors in particular severely impacted production for the first time. At 21.2 million new vehicles, global automotive production in the third quarter of 2022 still fell short of the pre-crisis level of 2018, when 23.5 million light vehicles were produced on average per quarter. Growth in the quarter under review was particularly pronounced in China, where the effects of pent-up demand following the regional lockdowns of the first six months had a positive impact, in addition to tax breaks. Other high-volume markets such as North America and Europe also saw double-digit percentage increases in the third quarter.

Production Light Vehicles

Region	3 rd quarter 2022		Jan.–Sep. 2022	
	Vehicles millions	Year-on-year change	Vehicles millions	Year-on-year change
Europe ¹	3.6	20.3%	11.5	-3.3%
China	7.2	31.2%	19.0	10.9%
Japan/Korea	2.8	22.0%	8.0	-0.8%
Middle East/Africa	0.7	37.9%	1.8	17.9%
North America	3.7	24.2%	10.8	10.6%
South America	0.8	33.4%	2.1	10.0%
Southeast Asia	2.4	35.9%	7.0	22.4%
World	21.2	27.5%	60.2	7.5%

Source: IHS (Oct. 2022)

¹ Incl. Russia (Y-o-y change excl. Russia: Q3: 31.2%, 9M: 2.8%)

Sales markets with lack of momentum

Challenges along the value chains also adversely affected the supply-side situation across international sales markets. As a result, underlying demand was not met in full. Of the major individual markets, only China – having benefited from a temporary reduction in vehicle tax – and India recorded an increase in new registrations of light vehicles in

the period from January to September. They rose by 14.7% and 23.1% respectively. The other markets recorded a decline in sales in the year to date, including Europe (EU27, EFTA & UK) at -9.7%, the United States at -13.2%, Japan at -10.9%, Russia at -59.8%, and Brazil at -5.0%. In Germany, the decline in new registrations was 7.4%.

Significant Events

Exceptionally difficult conditions in external environment

The economic factors, geopolitical crises, and associated uncertainties outlined above represent major challenges for the Group's operating business. Alongside the indirect impact on markets and the trajectory of demand, direct influences on operational activities, such as material-related bottlenecks and unforeseeable price hikes, also weigh heavily on day-to-day business and corporate decision-making.

Further contract extension for CEO Dr. Stefan Wolf

As resolved by the Supervisory Board on March 24, 2022, the contract of CEO Dr. Stefan Wolf was extended ahead of schedule by an additional four years until January 31, 2027. Originally, the contract would have expired on January 31, 2023.

Theo Becker's appointment to Management Board ends

Similarly, Theo Becker's appointment as a member of the Management Board was revoked prematurely effective from March 31, 2022. 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. The areas of responsibility previously held by Mr. Becker were taken over by his colleagues on the Management Board. The Purchasing & Supply Chain Management corporate unit as well as the Battery Technology and Drivetrain business units now report to Thomas Jessulat, while the corporate units Real Estate & Facility Management, Product Risk Management, and Tooling Technology have now been assigned to Reiner Drews' Management Board portfolio.

Annual General Meeting approves dividend, Ingeborg Guggolz new Supervisory Board member

At the Annual General Meeting on May 19, 2022, which was held as a virtual event, all resolutions that had been proposed were approved by a large majority in each case. In total, 63.5% of the voting share capital was represented. The Annual General Meeting approved a dividend of EUR 0.15 per share in respect of the previous financial year. Ingeborg Guggolz was newly elected to the Supervisory Board as a shareholder representative after Rita Forst had resigned from the board upon conclusion of the Annual General Meeting.

ElringKlinger signs Climate Protection Agreement and opts for global CO₂-neutral production as from 2030

In signing the Climate Protection Agreement of the German state of Baden-Württemberg, ElringKlinger committed itself to the goal of global CO₂-neutral production in net terms from 2030 onward. The climate alliance established by the federal state and local companies sets out specific measures on how to achieve its corporate climate protection goals. ElringKlinger has committed itself to reducing greenhouse gas emissions and further improving efficiency levels in

respect of energy consumption. ElringKlinger's manufacturing operations at all its German sites have been CO₂-neutral in net terms (Scope 1 and 2) since as early as 2021. The plan is for all sites around the globe to be added to this list by 2030. In addition, the company is committed to scaling back emissions generated throughout the entire value chain (Scope 3).

New subsidiary of EKPO Fuel Cell Technologies in China

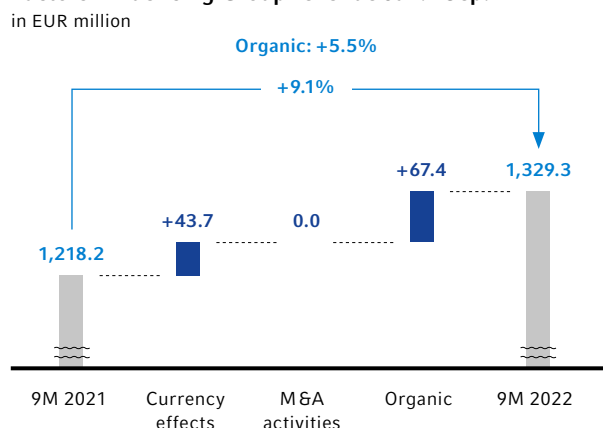
Effective from June 29, 2022, ElringKlinger established the new subsidiary EKPO Fuel Cell (Suzhou) Co., Ltd., based in Suzhou, China. As a wholly owned subsidiary, this entity is assigned to Group company EKPO Fuel Cell Technologies GmbH based in Dettingen/Erms, Germany. In the second quarter of 2022, EKPO and the local government in Suzhou signed an agreement on investment and funding. The investments in Suzhou and the establishment of EKPO's Chinese subsidiary are essential to cultivating the Chinese market and provide a foundation for fuel cell technology in Asia. These production capabilities complement the fuel cell test bench installed earlier this year in pursuit of EKPO's ambitions in China following highly favorable feedback relating to several successful fuel cell projects with local customers.

Sales and Earnings Performance

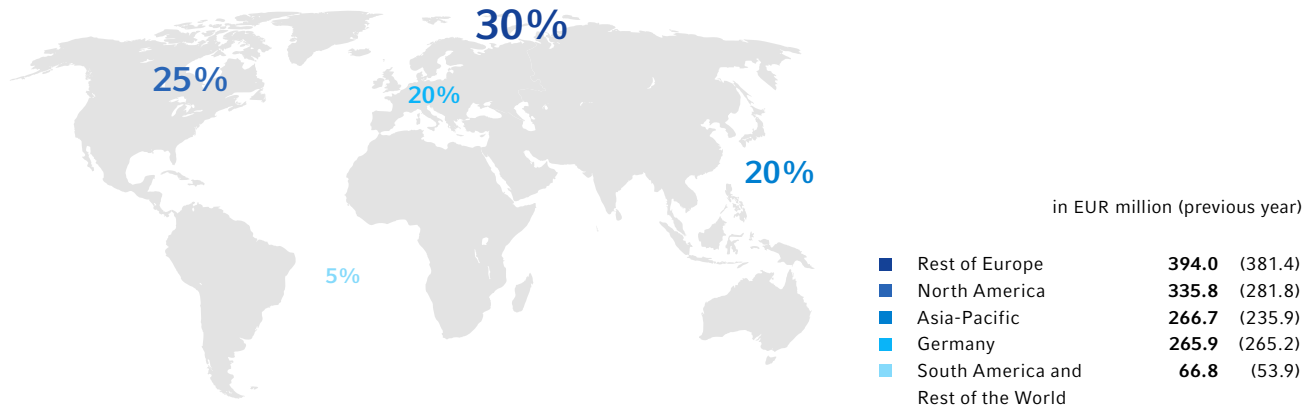
Further growth in revenue

ElringKlinger again succeeded in increasing its revenue in the third quarter of the 2022 financial year. Group revenue expanded by 15.9% to EUR 464.1 million (Q3 2021: EUR 400.6 million) compared to the same quarter last year, despite continued strains on supply chains, the adverse effects of the war in Ukraine and the coronavirus pandemic as well as general volatility within the markets. In cumulative terms, revenue improved by EUR 111.0 million or 9.1% to EUR 1,329.3 million in the period from January to September 2022 (9M 2021: EUR 1,218.2 million).

Factors influencing Group revenue Jan. – Sep.



Group sales by region Jan.–Sep. 2022



In this context, changes in exchange rates had a favorable impact on revenue in the first nine months of 2022. Changes relating to the Chinese yuan, the US dollar, the Mexican peso, and the Brazilian real in particular provided a slight boost to sales revenue, while the Turkish lira had an opposite effect. Adjusted for exchange rate effects, revenue expanded by EUR 67.4 million or 5.5% year on year in the months from January to September 2022 and by EUR 45.9 million or 11.5% in the third quarter of 2022. Thus, organic revenue grew at a slower rate than global vehicle production as a whole, which was up by 7.5% in the first nine months and by 27.5% in the third quarter¹. There were no effects from changes in the scope of consolidation (M&A activities) in either the quarter under review or in the first nine months from January to September 2022.

Strong revenue growth in Asia-Pacific and North and South America

In the third quarter, sales revenue expanded across the board in regional terms, with Asia-Pacific, North America, and South America/Rest of the World recording the most buoyant growth. At 81.3% (Q3 2021: 79.0%), the share of non-domestic revenue in total Group revenue was slightly higher than in the same quarter of the previous year. In the first nine months of 2022, 80.0% (9M 2021: 78.2%) of revenue was generated abroad, or 79.4% (9M 2021: 78.2%) after currency adjustments.

In the quarter under review, ElringKlinger generated sales revenues of EUR 130.1 million in the Rest of Europe, its

strongest region in terms of revenue. This corresponds to 28.0% of the Group's total revenue. Revenue generated over the course of the third quarter of 2022 grew slightly by EUR 4.1 million or 3.2% compared to the same quarter last year (Q3 2021: EUR 126.0 million). In the period from January to September 2022, the Group recorded revenue growth of EUR 12.6 million or 3.3% in this region, taking the figure to EUR 394.0 million (9M 2021: EUR 381.4 million). In currency-adjusted terms, revenue increased by as much as EUR 21.5 million or 5.6% in this period, driven by strong organic revenue growth in the second and third quarter of 2022. Revenue from sales in Germany also increased slightly by 3.3% to EUR 86.9 million (Q3 2021: EUR 84.1 million) in the quarter under review.

The region encompassing North America accounted for more than a quarter (26.2%) of Group revenue in the third quarter of 2022, with revenue of EUR 121.4 million (Q3 2021: EUR 92.6 million), making it the Group's second strongest region. Revenue expanded by EUR 28.9 million or 31.2% compared to the same quarter of the previous year. Thus, ElringKlinger's business expansion in North America was above the Group's average growth rate of 15.9%. This buoyant third quarter of 2022 mirrored the trajectory of vehicle production as a whole, which has seen a consistent recovery in North America in the past twelve months. In the first nine months of 2022, revenue generated from sales in North America expanded by EUR 54.1 million, or 19.2%, to EUR 335.8 million (9M 2021: EUR 281.8 million). The direction taken by exchange rates also contributed significantly to

¹ Source: IHS (Oct. 2022)

this performance. Adjusted for exchange rate effects, revenue increased by EUR 22.8 million or 8.1% in the first nine months of the year.

In the Asia-Pacific region, meanwhile, ElringKlinger generated revenue of EUR 101.4 million between July and September 2022 (Q3 2021: EUR 78.7 million), which corresponds to 21.9% of Group revenue. On the back of very strong growth in revenue of EUR 22.8 million or 29.0%, the Group was able to capitalize on its market position in the region. In the first nine months of 2022, revenue rose by EUR 30.8 million or 13.1% to EUR 266.7 million (9M 2021: EUR 235.9 million). This was underpinned by exchange rate developments. Based on the assumption of stable exchange rates, revenue grew by EUR 18.2 million or 7.7%.

Revenue in South America and Rest of the World totaled EUR 24.2 million in the third quarter of 2022, i.e., 5.2% of Group revenue (Q3 2021: EUR 19.2 million or 4.8%). In the third quarter, revenue grew by EUR 4.9 million or 25.7% – well in excess of average growth generated within the Group. In the period from January to September 2022, ElringKlinger recorded revenue growth of EUR 12.8 million or 23.8% in this region, taking the figure to EUR 66.8 million (9M 2021: EUR 53.9 million). Here, too, the direction taken by exchange rates had a positive effect. Adjusted for currency effects, revenue rose by EUR 5.8 million or 10.7% in the first nine months of the financial year.

Original Equipment posts growth

The Original Equipment segment saw its revenue increase by 15.0% to EUR 360.3 million (Q3 2021: EUR 313.4 million) in the third quarter of 2022. Accounting for 77.7% of Group revenue in the third quarter, Original Equipment remains the Group's largest segment. In the first nine months, ElringKlinger recorded revenue of EUR 1,033.5 million (9M 2021: EUR 955.3 million) in this segment.

The majority of business units within the Original Equipment segment saw an increase in revenue. With revenue totaling EUR 144.1 million (Q3 2021: EUR 119.4 million) in the reporting quarter, the Lightweighting/Elastomer Technology business unit increased its share of Group revenue to 31.1%. The Metal Sealing Systems & Drivetrain Components and Shielding Technology business units also succeeded in expanding their revenue by EUR 22.6 million and EUR 12.3 million respectively. The E-Mobility business unit's performance in terms of revenue reflected the general

uncertainty seen within the industry environment, as evidenced by volatility in the volume of components requested as part of customer production scheduling. In the third quarter of 2022, the business unit generated revenue of EUR 10.9 million (Q3 2021: EUR 23.6 million), a decline compared to the same quarter of the previous year.

Earnings before interest and taxes (EBIT) in the Original Equipment segment amounted to EUR -3.6 million in the quarter just ended (Q3 2021: EUR 9.6 million); this was attributable primarily to the persistently high level of material and energy costs. In the period from January to September 2022, segment EBIT stood at EUR -121.3 million (9M 2021: EUR 46.2 million), mainly due to impairments of goodwill recognized in the Group statement of financial position and impairments of property, plant, and equipment totaling EUR 95.4 million, which were accounted for in the second quarter of 2022. In total, the Original Equipment segment reported an EBIT margin of -11.7% in the first nine months of the year (9M 2021: 4.8%) and -1.0% in the third quarter (Q3 2021: 3.1%). Excluding the impairments mentioned above, the segment achieved an operating EBIT margin of -2.5% in the nine-month period from January to September.

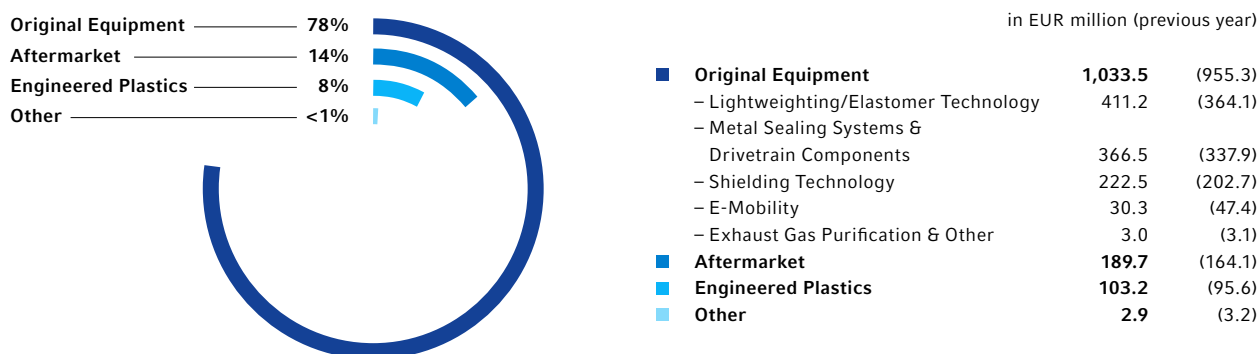
Strong earnings in Aftermarket segment

The Aftermarket segment saw an improvement in both revenue and earnings. With revenue standing at EUR 67.0 million in the third quarter, the Aftermarket segment accounted for 14.4% of Group revenue, making it the second largest segment. Revenue increased by EUR 11.5 million or 20.7% in the quarter under review (Q3 2021: EUR 55.5 million). This growth in revenue is spread across all regions, with Western and Eastern Europe as well as the Middle East making particularly strong contributions. As regards earnings, the segment benefited from a consistent approach to cost efficiency and generated EBIT of EUR 14.1 million in the third quarter (Q3 2021: EUR 11.1 million), corresponding to an EBIT margin of 21.1% (Q3 2021: 19.9%). In the nine-month period from January to September, segment EBIT reached EUR 39.4 million (9M 2021: EUR 33.0 million) – with an EBIT margin of 20.8% (9M 2021: 20.1%).

Growth and improved margin for Engineered Plastics

The Engineered Plastics segment generated revenue of EUR 36.0 million in the third quarter of 2022, representing 7.8% of Group revenue. Compared to the previous year, segment revenue grew by EUR 5.3 million or 17.4% (Q3 2021: EUR 30.7 million). Once again, the segment benefited from

Group sales by segment and business unit Jan.–Sep. 2022



the versatility of its products and a broad spectrum of industries at which to target its sales efforts. The earnings performance of the Engineered Plastics segment reflected the focused execution of ElringKlinger's continuous improvement process, which saw EBIT expand by EUR 1.2 million to EUR 7.3 million in the third quarter (Q3 2021: EUR 6.1 million). The EBIT margin for the third quarter of 2022 thus stands at 20.4% (Q3 2021: 20.0%).

Slight downturn in Other segment

The segment referred to as "Other" mainly encompasses the activities of ElringKlinger 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 third quarter, revenue in the Other segment declined by EUR 0.3 million to EUR 0.7 million (Q3 2021: EUR 1.0 million). In the period from January to September, revenue fell by EUR 0.3 million to EUR 2.9 million (9M 2021: EUR 3.2 million). In the third quarter, the segment result deteriorated slightly to EUR 0.1 million (Q3 2021: EUR 0.2 million).

Headcount down slightly

The headcount within the Group decreased slightly by 29 employees or 0.3% over the last twelve months and stood at 9,525 at the end of the third quarter (Sept. 30, 2021: 9,554 employees). Compared to the previous year, staffing levels were down in particular in the Rest of Europe, with a change of -4.1%, as well as in North America, which saw a reduction of 5.5%. The efficiency stimulus program continued to have an effect here over the course of the year.

Among other things, the Group was committed to a far-sighted approach to filling vacant positions and carefully reviewing fixed-term contracts for renewal. By contrast, ElringKlinger expanded its workforce in the regions encompassing Asia-Pacific (+7.4%) and South America and Rest of the World (+13.3%). Overall, in percentage terms, the non-domestic headcount remained unchanged at 57.3% (Sept. 30, 2021: 57.3%). Accordingly, the domestic share amounted to 42.7% at the end of the quarter (Sept. 30, 2021: 42.7%).

Gross profit margin remains robust overall

The difficult underlying conditions within the business arena are reflected in a general expansion in the Group's cost base. Higher expenses for raw materials and energy had an impact on the cost of sales, which rose by 21.5% or EUR 65.9 million to EUR 372.2 million compared to the same quarter last year. Despite these adverse effects, the gross profit margin remained relatively robust, with gross profit amounting to EUR 91.8 million (Q3 2021: EUR 94.3 million). Overall, the gross profit margin stood at 19.8% (Q3 2021: 23.5%). In the nine-month period, it was slightly lower at 18.6% (9M 2021: 24.2%).

The persistently high level of raw material and energy prices was reflected in the cost of materials in the period from July to September 2022. Up by EUR 38.5 million or 21.2%, these rose significantly and at a faster rate in relation to revenue. Thus, the cost-of-materials ratio (cost of materials in relation to Group revenue) increased from 45.4% in the third quarter of 2021 to 47.5% in the quarter under review.

The situation within the commodity markets remained tense and volatile. As was the case over the course of the year to date, energy prices and the prices of raw materials that are of particular relevance to ElringKlinger, such as steel, aluminum, and polyamides (plastic granules, also known as pellets), remained at an elevated level. In addition, the availability of materials is not always guaranteed.

Against the backdrop of a further increase in sales volumes, staff costs also rose, although not in the same proportion as revenue. Staff costs amounted to EUR 135.8 million in the third quarter of 2022 (Q3 2021: EUR 123.8 million). As a result, staff costs in relation to Group revenue fell by 1.6 percentage points from 30.9% in the same quarter of the previous year to 29.3% in the reporting quarter.

General cost inflation was also reflected in selling expenses, which increased by EUR 6.4 million or 22.2% year on year in the quarter under review. They totaled EUR 35.2 million (Q3 2021: EUR 28.8 million). In the nine-month period, too, they rose disproportionately by 18.3% to EUR 105.0 million (9M 2021: EUR 88.7 million). General and administrative expenses increased at a moderate rate in the quarter under review, up by 6.6% to EUR 23.6 million (Q3 2021: EUR 22.1 million), and somewhat more strongly by 11.0% to EUR 72.8 million in the nine-month period (9M 2021: EUR 65.6 million).

Research and development costs largely unchanged

With a view to advancing its successful transformation, ElringKlinger's research and development (R&D) efforts are focused primarily on new drive technologies. After the first nine months of 2022, the Group's R&D ratio (R&D expenses, incl. capitalization, in relation to Group revenue) was virtually unchanged at 5.0% (9M 2021: 5.1%) compared to the same period of the previous year. R&D expenses plus capitalized development costs amounted to EUR 66.8 million in the first three quarters of 2022, compared to EUR 61.7 million in the same period of the previous year.

The picture was similar for the quarter under review: in the period from July to September 2022, the R&D ratio of 4.7% was in line with the figure posted for the same period of the previous year (Q3 2021: 4.7%), while R&D expenses, including capitalized development costs, exceeded the previous year's level at EUR 21.8 million (Q3 2021: EUR 19.0 million). Capitalized development costs amounted to EUR 5.6 million

in the quarter under review (Q3 2021: EUR 2.5 million) and EUR 16.4 million in the year to date (EUR 8.2 million).

Other operating income rose by EUR 2.6 million to EUR 4.9 million in the quarter under review (Q3 2021: EUR 2.2 million). This was attributable in part to funding received by the Group as well as a reimbursement from an insurance claim, the costs of which had been incurred in previous years. At EUR 12.4 million (9M 2021: EUR 20.1 million), other operating income was down significantly on the prior-year figure, which was attributable primarily to the proceeds from the sale of the Austrian subsidiary in the first quarter of 2021.

Totalling EUR 3.7 million, other operating expenses in the third quarter just ended were up year on year (Q3 2021: EUR 2.1 million), which was partly due to write-downs relating to bad debt losses. At EUR 96.2 million in the first nine months of 2022, other operating expenses were considerably higher than in the same period last year (9M 2021: EUR 8.1 million). This was mainly due to the impairment of goodwill in the second quarter of 2022, amounting to EUR 86.1 million.

In the current year, ElringKlinger again received government grants that were directed primarily at research projects in the field of battery and fuel cell technology. They amounted to EUR 2.1 million in the third quarter of 2022 (Q3 2021: EUR 0.5 million) and EUR 4.7 million in the first nine months (9M 2021: EUR 1.7 million). This contrasted with expenses of at least the same amount.

Earnings influenced by substantial raw material, energy, and logistics costs

The period of economic recovery widely anticipated at first following the severe constraints of the coronavirus pandemic has been characterized by high volatility and broad-based cost inflation, exacerbated by geopolitical tensions such as the war in Ukraine. These underlying conditions are to be seen as detrimental factors with regard to earnings performance. Against this backdrop, earnings before interest, taxes, depreciation, and amortization (EBITDA) stood at EUR 47.0 million in the third quarter, which was EUR 8.0 million or 14.5% lower than in the same period last year (Q3 2021: EUR 55.0 million). EBITDA totaled EUR 116.5 million in the first nine months (9M 2021: EUR 182.6 million).

Amortization, depreciation, and write-downs of intangible assets and property, plant and, equipment totaled EUR 28.9 million in the quarter under review, a marginal increase of EUR 0.9 million or 3.4% compared to the same quarter of the previous year (Q3 2021: EUR 28.0 million). In qualitative terms, a similar statement could be made for the year to date if the impairments of EUR 95.4 million recognized in the second quarter were not taken into account. Including these impairments, amortization, depreciation, and write-downs of intangible assets and property, plant, and equipment were up significantly on the prior-year level at EUR 181.3 million (9M 2021: EUR 84.1 million).

As a result, EBIT (earnings before interest and taxes) amounted to EUR 18.1 million in the quarter under review (Q3 2021: EUR 27.0 million) and EUR -64.9 million in the first nine months of 2022 (9M 2021: EUR 98.5 million). This translates into an EBIT margin of 3.9% in the period from July to September 2022 (Q3 2021: 6.7%) and -4.9% in the financial year to date (9M 2021: 8.1%). Adjusting reported EBIT for the exceptional items of the second quarter, operating EBIT for the first nine months stood at EUR 30.5 million, corresponding to an operating EBIT margin of 2.3%.

Reduction in net finance cost

Net finance cost fell by EUR 2.8 million year on year to EUR -0.4 million in the quarter under review (Q3 2021: EUR -3.2 million). While finance cost rose by EUR 17.6 million to EUR 24.7 million (Q3 2021: EUR 7.0 million), finance income increased at a stronger rate, up by EUR 18.9 million to EUR 25.1 million (Q3 2021: EUR 6.2 million). In addition, there was an improvement of EUR 1.6 million in the share of net income of associates. At EUR -3.4 million (Q3 2021: EUR -2.8 million), the net interest result changed only slightly in the reporting quarter compared to the same quarter of the previous year, mainly due to a slight increase in interest expenses in a business environment exposed to fundamentally higher benchmark interest rates.

Looking at the first nine months of 2022, analogous statements can be made in respect of net finance cost: increases in finance income of EUR 40.5 million were accompanied by a less pronounced increase in finance cost of EUR 33.9 million.

The improvements in the share of net income of associates by EUR 2.8 million were underpinned by positive effects from exchange rate changes. The net interest result declined by EUR 1.6 million year on year in the first nine months to EUR -8.4 million (9M 2021: EUR -6.8 million).

In total, earnings before taxes (EBT) in the quarter under review thus amounted to EUR 17.7 million – after EUR 23.8 million in the period from July to September 2021. In the year to date, EBT totaled EUR -62.2 million (9M 2021: EUR 91.7 million).

Earnings per share of EUR 0.05 in the third quarter of 2022

Income tax expenses amounted to EUR 13.8 million in the quarter under review and were thus slightly below the level recorded for the same period of the previous year (Q3 2021: EUR 14.4 million). As in the prior periods, it was not possible to recognize deferred tax assets on losses incurred by some of the foreign companies. Additionally, this was attributable to the geographical structure of profits. In the nine-month period, the decline was more pronounced, down by EUR 13.1 million to EUR 24.2 million (9M 2021: EUR 37.3 million).

After deducting income tax expenses, ElringKlinger recorded net income for the period of EUR 3.9 million (Q3 2021: EUR 9.4 million). After the first nine months of 2022, net income amounted to EUR -86.4 million (9M 2021: EUR 54.4 million), mainly due to the exceptional items of the second quarter. Having factored in non-controlling interests, net income attributable to the shareholders of ElringKlinger AG was EUR 3.3 million in the third quarter of 2022 (Q3 2021: EUR 9.0 million) and EUR -86.8 million (9M 2021: EUR 54.8 million) after nine months.

As of September 30, 2022, the number of shares outstanding that were entitled to a dividend remained unchanged at 63,359,990. On this basis, earnings per share attributable to the shareholders of ElringKlinger AG amounted to EUR 0.05 in the third quarter (Q3 2021: EUR 0.14) and EUR -1.37 in the first nine months (9M 2021: EUR 0.86).

Financial Position and Cash Flows

Against the current backdrop of challenging conditions, the solid financial position and cash flows maintained by the ElringKlinger Group provide an important foundation when it comes to cushioning exceptional cost exposure caused by inflationary trends and higher funds tied up in working capital. ElringKlinger had implemented an efficiency stimulus program in previous years, thereby optimizing its asset structure and bolstering its financial strength. This provided the Group with sufficient financial scope in the first nine

months of 2022 to successfully counter the hindrances to its operating business caused by exogenous factors.

As of the reporting date of September 30, 2022, ElringKlinger's equity ratio remained high at 42.7% (Sept. 30, 2021: 46.7%), while its operating cash flow stood at EUR 32.1 million for the first nine months of 2022 (9M 2021: EUR 119.0 million).

Key figures Financial Position and Cash Flows

in EUR million	Sep. 30, 2022	Jun. 30, 2022	Dec. 31, 2021	Sep. 30, 2021
Total equity and liabilities	2,130.6	2,076.6	2,090.0	2,071.5
Equity ratio	42.7%	44.0%	47.0%	46.7%
Net Working Capital¹	505.4	465.9	402.2	424.3
Net Working Capital in relation to sales	29.1%	27.9%	24.8%	25.4%
Net Debt²	411.0	389.5	369.2	360.8
Net Debt/EBITDA	2.7	2.5	1.7	1.3
ROCE ³	-5.4%	-10.3%	6.4%	8.0%
	3rd quarter 2022	3rd quarter 2021	Jan.–Sep. 2022	Jan.–Sep. 2021
Net cash from operating activities	12.1	26.5	32.1	119.0
Operating free cash flow⁴	-10.2	8.1	-26.2	73.7
Investments in property, plant, and equipment (payments)	18.1	15.2	44.7	37.7
Investment ratio	3.9%	3.8%	3.4%	3.1%

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

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

Expansion in total assets

The ElringKlinger Group's total assets amounted to EUR 2,130.6 million as of September 30, 2022 (Dec. 31, 2021: EUR 2,090.0 million), 1.9% up on the figure posted at the end of the 2021 financial year. Non-current assets decreased to EUR 1,168.8 million (Dec. 31, 2021:

EUR 1,267.1 million), representing a share of total assets of 54.9% (Dec. 31, 2021: 60.6%). Current assets increased to EUR 960.3 million (Dec. 31, 2021: EUR 822.9 million), constituting a share of 45.1% (Dec. 31, 2021: 39.4%). In addition, the Group recorded EUR 1.4 million in non-current assets held for sale.

Non-current assets with a share of 55%

Intangible assets amounted to EUR 147.5 million as of September 30, 2022 (Dec. 31, 2021: EUR 215.6 million), which was down on the carrying amount reported at the beginning of the year. At the end of the first half of 2022, impairment tests had led to impairment losses of EUR 86.1 million relating to goodwill accounted for in the Original Equipment segment. In this context, the increase in the post-tax cost of capital rate used to discount goodwill was a significant factor. At the same, however, the considerable uncertainties and impacts seen in the geopolitical and economic environment were also included in the judgments underlying this remeasurement.

As regards property, plant, and equipment, the Group reported a total carrying amount of EUR 938.8 million as of September 30, 2022 (Dec. 31, 2021: EUR 938.6 million). Systematic depreciation and amortization (less reversals) amounted to EUR 81.5 million, while impairments recognized in the second quarter stood at EUR 9.3 million. In parallel, the Group recorded additions from investments (including additions from leases) in roughly the same amount.

In total, additions from investments in property, plant, and equipment and intangible assets amounted to EUR 72.0 million in the first nine months of 2022 (9M 2021: EUR 57.7 million). Systematic depreciation and amortization (less reversals) amounted to EUR 85.9 million in the same period (9M 2021: EUR 84.1 million).

Apart from a reclassification from non-current to current other assets, there were no significant net changes in the other non-current asset items compared to the level reported at the end of 2021.

Other non-current and current assets amounted to EUR 114.8 million as of September 30, 2022, compared to EUR 143.2 million at year-end 2021. The reduction is attributable primarily to scheduled payments by the co-owner of the Group subsidiary EKPO Fuel Cell Technologies GmbH amounting to around EUR 30.0 million. The payments were recognized in the first and second quarters of 2022.

Net working capital up slightly

The tense situation seen within the procurement markets, as evidenced in the form of spiraling commodity prices and persistent supply-side bottlenecks over the course of the first nine months of 2022, prompted an adjusted approach to stockpiling within the Group. This involved an active decision to raise inventory levels temporarily to some extent in order to ensure the availability of raw materials and primary products in support of smooth manufacturing processes. Having said that, higher inventory levels were also a reflection of the solid order situation at ElringKlinger. Compared to year-end 2021, the Group's inventories increased by EUR 79.3 million (adjusted for exchange rate effects, by EUR 63.2 million) to EUR 433.6 million (Dec. 31, 2021: EUR 354.3 million). This corresponds to an increase of 17.8%, adjusted for exchange rate effects.

The increase in trade receivables was prompted in particular by buoyant revenues in the third quarter of 2022, but also by the general expansion in revenue in the 2022 financial year to date. As of September 30, 2022, their carrying amount was EUR 287.3 million (Dec. 31, 2021: EUR 233.5 million). Thus, they were up by EUR 22.6 million on the figure posted at the end of the first half of 2022 and by EUR 53.8 million on that reported at the beginning of the year.

As a result, working capital, which consists of inventories and trade receivables, increased to EUR 720.9 million (Dec. 31, 2021: EUR 587.8 million) as of the reporting date. At the end of the third quarter of 2022, net working capital, which also factors in trade payables, amounted to EUR 505.4 million (Dec. 31, 2021: EUR 402.2 million). Its share of revenue for the rolling twelve-month period was 29.1%, up from 24.8% at the 2021 reporting date and from 25.4% a year earlier.

Cash and cash equivalents held by the ElringKlinger Group amounted to EUR 131.6 million at the end of the third quarter of 2022 (Dec. 31, 2021: EUR 109.9 million).

Equity ratio high at 43%

With Group equity totaling EUR 910.6 million (Dec. 31, 2021: EUR 982.3 million), the equity ratio for the ElringKlinger Group as of September 30, 2022, was 42.7% (Dec. 31, 2021: 47.0%). It thus continues to lie within the management's target range of 40 to 50%.

Compared to the figure posted at the end of the first half (Jun. 30, 2022: EUR 914.6 million), the change in the carrying amount was marginal in the period under review. In the third quarter, net income of EUR 3.9 million (Q3 2021: EUR 9.4 million) in particular caused a slight increase in the figure. Currency translation differences had the opposite effect.

In the first nine months, equity was diluted by net income of EUR -86.4 million (9M 2021: EUR 54.4 million) as well as by the dividend payment of EUR 13.6 million (9M 2021: EUR 7.2 million) to shareholders and non-controlling interests, in addition to primarily currency-related postings of EUR -8.2 million (9M 2021: EUR 8.7 million). In contrast, the remeasurement of pension provisions at the end of the first half of 2022 increased the carrying amount by EUR 31.9 million.

In total, pension provisions saw a significant contraction to EUR 95.7 million, compared to EUR 140.7 million at the end of 2021, mainly due to the increase in interest rates and, consequently, the higher discount factor. This actuarial effect was accounted for in the second quarter of 2022 and, to a large extent, recognized directly in equity.

Overall, the change in non-current provisions, which totaled EUR 17.9 million (Dec. 31, 2021: EUR 16.5 million), was insignificant. Current provisions increased from EUR 60.1 million to EUR 67.0 million compared to year-end 2021. In the first nine months, provisions for contingent losses were accounted for in response to rising material and energy costs, among other things. The change compared to the previous year's reporting date (Sept. 30, 2021: EUR 33.9 million) also reflects the planned discontinuation of production at a site in Germany.

Net debt at EUR 411 million

As of September 30, 2022, the ElringKlinger Group's net debt totaled EUR 411.0 million (Dec. 31, 2021: EUR 369.2 million). It encompasses non-current and current financial liabilities, while also factoring in cash and cash equivalents.

Thus, the net debt/EBITDA ratio stands at 2.7, up from 1.7 at year-end 2021 and 1.3 as of September 30, 2021.

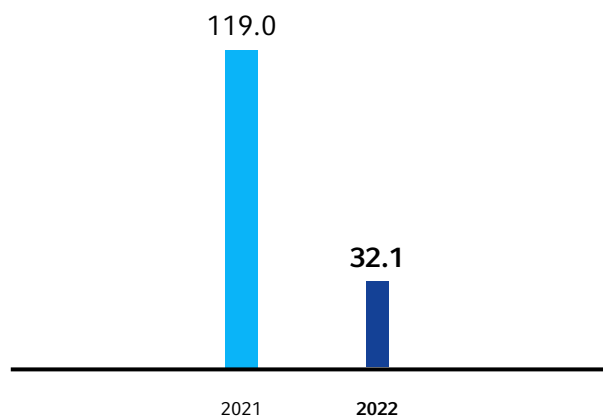
Higher trade payables

The increase in trade payables was attributable to expansive business and the adjusted approach to inventory management described above. As of September 30, 2022, the Group reported trade payables of EUR 215.6 million (Dec. 31, 2021: EUR 185.6 million). This corresponds to a difference of EUR +3.5 million compared to the level recorded at the end of the previous quarter and EUR +30.0 million compared to the end of 2021. Compared to the same quarter of the previous year, the increase was EUR 46.3 million.

Operating cash flow stands at EUR 32 million

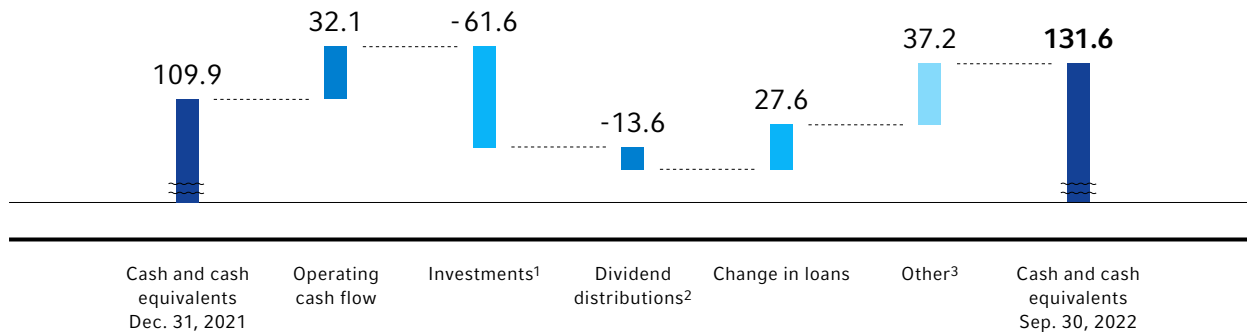
In the third quarter of 2022, ElringKlinger generated net cash from operating activities of EUR 12.1 million (Q3 2021: EUR 26.5 million). The year-on-year change in this figure was attributable primarily to two factors: first, the 2022 financial year to date has seen a marked increase in the substantial cost base, as outlined in the section on earnings performance. Second, the changes in net working capital resulted in a higher commitment of funds.

Cash flow from operating activities Jan.–Sep. in EUR million



Changes in cash and cash equivalents Jan.–Sep. 2022

in EUR million



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

² To shareholders and non-controlling interests

³ Including contribution of EUR 30 million from Plastic Omnium for investment in EKPO

From January to September 2022, the Group generated a cash inflow from operating activities of EUR 32.1 million (9M 2021: EUR 119.0 million). Here, too, the year-on-year reduction reflects the overall increase in expenses relating to operating activities as a result of external developments as well as comparatively higher funds tied up in net working capital. Including other assets and liabilities not attributable to financing activities, the changes in net working capital resulted in a cash outflow of EUR 65.5 million in the period from January to September 2022, compared to a much lower outflow of EUR 7.1 million in the same period of the previous year. Impairment losses of EUR 86.1 million recognized in the second quarter of 2022 were of no relevance to cash flows.

Investment in property, plant, and equipment remains disciplined

Capital expenditure on property, plant, and equipment amounted to EUR 18.1 million in the third quarter of 2022 (Q3 2021: EUR 15.2 million). They totaled EUR 44.7 million in the first nine months of 2022 (9M 2021: EUR 37.7 million). Despite the higher volume compared to the previous year, capital expenditure remained at a below-average level when viewed over the long term. The capital expenditure ratio, expressed as a percentage of respective revenue for the period, was 3.9% (Q3 2021: 3.8%) in the quarter under review and 3.4% (9M 2021: 3.1%) in the first nine months of 2022.

In addition to essential purchases for new ramp-ups at various plants around the globe, outflows were mainly directed at the strategic fields of the future. These included projects relating to fuel cell technology, overseen by the Group subsidiary EKPO Fuel Cell Technologies GmbH in Dettingen/Erms, Germany. The future portfolio will also benefit from other targeted measures, such as the establishment of infrastructure for battery testing, 3D printers for cell housing development, or equipment for prototype construction. In regional terms, the focus was on investments in Germany, which were mainly channeled into a number of sites operated by the parent company, as well as in North America and Asia-Pacific. Overall, expenditure was directed at all plants worldwide.

ElringKlinger spent EUR 5.7 million on intangible assets in the third quarter of 2022 (Q3 2021: EUR 2.6 million) and EUR 16.9 million in the first three quarters of the year (9M 2021: EUR 8.6 million). Capitalized development costs accounted for the majority of this item.

In total, ElringKlinger spent EUR 23.8 million on investing activities in the third quarter of 2022 (Q3 2021: EUR 17.5 million) and EUR 58.1 million in the period from January to September 2022 (9M 2021: EUR 33.7 million). In the same period of the previous year, the Group had recorded proceeds of EUR 14.5 million relating to investing activities, which were attributable to the sale of its Austrian subsidiary.

Operating free cash flow lower year on year

Operating free cash flow (operating cash flow and cash flow from investing activities adjusted for M&A activities and cash flows for financial assets) stood at EUR -10.2 million in the third quarter of 2022 (Q3 2021: EUR 8.1 million). In the first nine months of the year, operating cash inflows failed to cover capital expenditure in full, as a result of which operating free cash flow for the financial year to date was negative at EUR -26.2 million (9M 2021: EUR 73.7 million). This result reflects the effects described with regard to the change in inventories and trade receivables as well as higher expenses in the period. Management's primary focus on ensuring the company's ability to produce and deliver at all times resulted in a temporary increase in the use of funds.

Financing activities and dividend payment

Financing activities generated cash inflows of EUR 6.2 million for the Group in the third quarter of 2022 (Q3 2021:

cash outflow of EUR 46.6 million). In the first nine months of 2022, the Group raised funds of EUR 27.6 million (9M 2021: outflow of EUR 114.1 million) from long-term and short-term borrowings (netted with disbursements). Taking into account the dividend payments of EUR 13.6 million attributable to the second quarter and payments of EUR 30.0 million made by the partner in the Group subsidiary EKPO Fuel Cell Technologies GmbH, which were accounted for in the first half of the year, cash flow from financing activities came to EUR 44.0 million in the first nine months of 2022 (9M 2021: EUR -91.2 million).

As of September 30, 2022, the ElringKlinger Group had cash and cash equivalents of EUR 131.6 million (Sept. 30, 2021: EUR 109.9 million) and open, unused credit lines of EUR 167.1 million (Sept. 30, 2021: EUR 299.4 million). As a result, the ElringKlinger Group's liquidity continues to provide a good basis for future business.

Opportunities and Risks

Growing risks emanating from economic and geopolitical environment

The first nine months of 2022 saw more pronounced uncertainties and risks emanating from the company's external environment. Since February 2022, the war in Ukraine has exacerbated pre-existing strains within global commodity and energy markets, while also amplifying the associated surge in prices. The repercussions of geopolitical crises are difficult to assess. Risks relating to the stability of the financial system and thus economic performance as a whole have also become more prominent as a result of the significant tightening of monetary policy in many countries around the globe in response to surging inflation. What is more, the covid-19 pandemic is still unresolved. New waves of infection may cause further disruption to industrial production and supply chains in future periods. These would have a particularly serious impact on the global economy if

they were to occur in China again, a country that is pursuing a strict zero-covid policy. The third quarter of 2022 saw a more pronounced risk of advanced economies slipping into recession, together with a deterioration of financial conditions in emerging markets.

Against the backdrop of the Russian-Ukrainian war and the prevailing geopolitical situation, individual economies may suffer shortages in energy supply in the short to medium term. In the case of Germany, the supply of gas in particular may be jeopardized. Based on general projections, cushioning the impact of Russia's potential decision to discontinue its supply to Europe would be difficult. This, in turn, may have adverse effects on Germany's economy. ElringKlinger also uses gas as a source of energy and would potentially have to operate under restrictions in this case.

This precarious situation may determine the direction taken by the carmaking industry as a whole in terms of production output, which in turn would affect ElringKlinger as a supplier. The further extent of repercussions for the value chain and sales markets served by the automotive sector is difficult to foresee. Additional revenue and earnings effects at ElringKlinger cannot be ruled out for the remainder of the year.

As regards other opportunities and risks for the ElringKlinger Group, 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

The overall outlook for the global economy has deteriorated sharply in the first nine months of 2022. According to statements made by the International Monetary Fund (IMF) in October 2022, the future direction is being determined primarily by three factors: the effects of the war in Ukraine, continuing and increasing inflationary pressure, and the economic slowdown in China. In its latest World Economic Outlook, the IMF again lowered its forecast for global economic growth, having already revised downward its projections on previous occasions. Global growth in 2022 is now expected to be 3.2% – and a lower rate cannot be ruled out.

According to the report, economic slowdown will be particularly pronounced in the eurozone and also Germany, which are bearing the brunt of the energy crisis triggered by the Ukraine war. It is to be expected that energy supply will remain an ongoing issue. In addition, inflation, which is well above the targets set by the majority of economies, and ongoing supply chain disruptions are likely to continue to pose considerable economic and monetary policy challenges. According to general expectations, the markets have probably not yet seen the end of monetary tightening by central banks either, despite the risk of hampering economic recovery.

GDP growth projections

Year-on-year change in %	2021	Projections 2022	Projections 2023
World	6.0	3.2	2.7
Advanced economies	5.2	2.4	1.1
Emerging and developing countries	6.6	3.7	3.7
Germany	2.6	1.5	-0.3
Eurozone	5.2	3.1	0.5
USA	5.7	1.6	1.0
Brazil	4.6	2.8	1.0
China	8.1	3.2	4.4
India	8.7	6.8	6.1
Japan	1.7	1.7	1.6

Source: IWF (Oct. 2022)

Projections Light vehicle production

Region	2022		2023	
	Vehicles millions	Year-on-year change	Vehicles millions	Year-on-year change
Europe ¹	15.6	-1.6%	16.6	6.5%
China	26.4	6.3%	26.6	0.9%
Japan/Korea	11.1	1.7%	11.9	7.4%
Middle East/Africa	2.4	16.2%	2.4	0.2%
North America	14.5	10.9%	15.4	6.4%
South America	2.8	7.1%	3.0	5.7%
Southeast Asia	9.1	15.4%	9.4	3.3%
World	81.8	6.0%	85.3	4.2%

Source: IHS (Oct. 2022)

¹ Incl. Russia (Y-o-y change excl. Russia: 2022: 5.0%, 2023: 6.2%)

Severe headwinds for global vehicle production

After production output within the automobile industry had been affected primarily by disruptions in the logistics chains and by material-related bottlenecks at the beginning of the year, downside pressure from the economic influences described above has become more pronounced overall. The future direction taken by vehicle markets and especially automotive production is likely to continue to depend to a large extent on the availability and prices of energy and materials, but also on how underlying demand for new vehicles and consumers' purchasing power develop in the months ahead.

In its current forecasts, industry service provider IHS expects vehicle production (light vehicles) to reach 81.8 million units in 2022 as a whole and year-on-year growth of 6.0%, although regional differences remain significant. This expansion is being driven by China as well as South-East Asia and North America. Europe (incl. Russia) is expected to face a downturn. Excluding Russia, projected growth lies at 5.0% for the year as a whole. For 2023, IHS is currently projecting growth of 4.2% worldwide and a further improvement in Europe's performance.

Outlook – Company

The economic arena continues to be shaped by difficult underlying conditions, as reflected in cost inflation and a high degree of uncertainty and volatility, especially in Europe but also in other regions of the world. The automotive industry, as a cyclical sector, is particularly affected by these circumstances. What is more, existing restrictive factors such as the coronavirus pandemic or semiconductor shortages have not yet been overcome.

Order backlog up 12% on previous year

After the exceptionally strong previous quarters and a record order backlog, order intake decelerated in the third quarter of 2022. At EUR 376.7 million, the volume ordered as part of customer production scheduling in the period from July to September 2022 was significantly below the

previous year's level – down by EUR 109.6 million or 22.5% (Q3 2021: EUR 486.3 million). The tailwind provided by exchange rate effects was equivalent to EUR 33.6 million. In the first nine months, new orders during the current financial year totaled EUR 1,408.2 million, compared to EUR 1,492.4 million in the previous year.

ElringKlinger's order backlog increased noticeably year on year by EUR 157.8 million or 12.1% to EUR 1,465.1 million in the third quarter of 2022 (Q3 2021: EUR 1,307.3 million). In this context, the Group's order book benefited from the direction taken by exchange rates. Assuming stable exchange rates, growth compared to September 30, 2021, would still have been significant at EUR 100.9 million or 7.7%.

Guidance confirmed

Confirming its guidance for the current 2022 financial year, the Group continues to expect organic revenue growth to be slightly above the global market level. According to its October estimates, industry service provider IHS Markit expects global light vehicle production to increase by 6.0% in 2022, with the year-end quarter of 2022 likely to grow by 2.2%. With regard to earnings before interest and taxes (EBIT), the Group anticipates a margin of around -2% to -3%. Adjusted for the exceptional items of the second quarter of 2022, totaling EUR 95.4 million, this corresponds to an operating profit margin of around 2% to 3%. The Group's projections for its other key performance indicators also remain unchanged for the annual period as a whole.

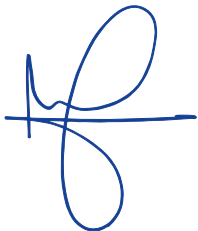
Mid-term outlook

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 components engineered specifically for battery and fuel cell systems. This is also underpinned by the Lightweighting/Elastomer Technology, Shielding Technology, and Metal Sealing Systems & Drivetrain Components business units, which at the same time boast a strong market position in the field of classic technologies. Against this backdrop, ElringKlinger continues to expect organic growth to outpace global vehicle production in the future, provided that there are no abrupt and unexpected developments in the market given the general underlying conditions, which are associated with significant uncertainty and in some cases considerable volatility. With regard to the earnings situation, the Group has again 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, November 3, 2022

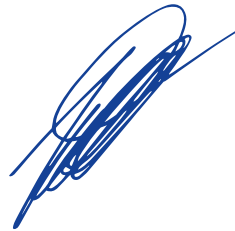
The Management Board



Dr. Stefan Wolf
Chairman/CEO



Reiner Drews



Thomas Jessulat

ElringKlinger and the Capital Markets

Capital markets see-saw amid geopolitical turbulence

Among the key factors influencing capital market developments in the third quarter were more pronounced inflationary risks and higher benchmark interest rates. In addition, equity markets continued to be buffeted by the war in Ukraine and persistent supply chain disruptions. At the same time, the conflict over the status of Taiwan has intensified in recent months. What is more, the discontinuation of gas supplies through the Nord Stream 1 pipeline has led to a strong surge in gas and electricity prices in Europe, thus exacerbating fears of recession. The key leading indicators relating to economic performance were published in the summer quarter and point to a marked deterioration compared to the current situation. Against this background, the risk of recession became an increasingly important talking point among capital market players.

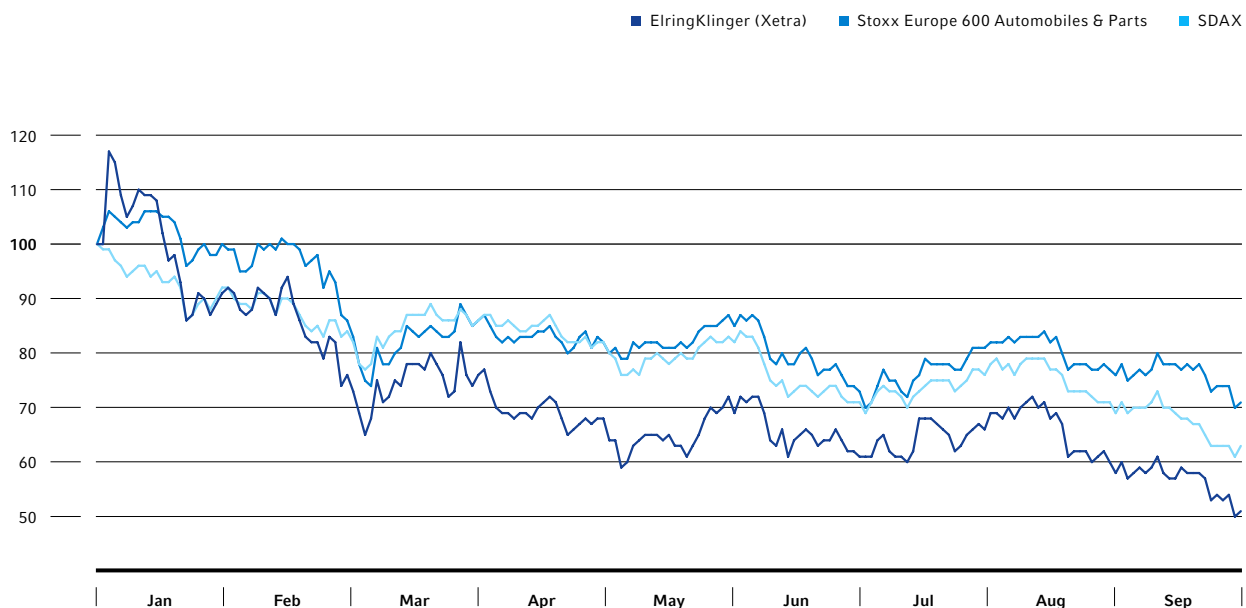
The US Federal Reserve raised its benchmark interest rate by 75 basis points at the end of September. The European Central Bank (ECB) also raised its benchmark interest rate by 75 basis points in the third quarter of 2022 in an effort to counter inflationary trends. Despite these measures, the momentum of price increases in the eurozone remains

unbroken as a result of the current energy crisis. The overall rate of inflation rose to 9.1% in the third quarter.

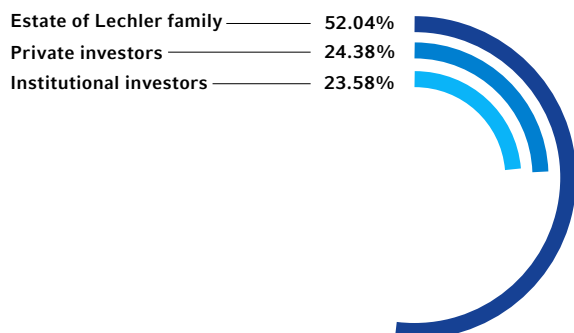
Stock markets were bullish at the beginning of the third quarter of 2022. This sentiment had been triggered by falling yields on prime government bonds. Accordingly, shares relating to interest-sensitive sectors, such as tech stocks, were particularly buoyant as the market rallied. Overall, equity markets in Europe and the United States saw prices dip slightly in the third quarter of 2022 (S&P500: -5.3% in USD, STOXX Europe 600: -4.8%, DAX: -5.2%). The MSCI Emerging Markets Index, on the other hand, recorded a heftier loss of 12.5%. This was influenced in particular by the anemic Chinese market. Fueled by geopolitical conflicts, the concern here is that an economic fissure may be created between China on the one hand and the Western industrial nations on the other. In addition, the coronavirus regulations that remain in place as a result of the government's zero-covid strategy are proving highly restrictive with regard to economic life. These circumstances, together with the real estate market crisis, had a negative impact on the Chinese domestic economy.

ElringKlinger's share price performance from January 1 to September 30, 2022 (indexed)

in %



Shareholder structure as of September 30, 2022



ElringKlinger share price declines in the third quarter

ElringKlinger's share price reached its quarterly high of EUR 8.38 on August 12, i.e., in the middle of the quarter. The stock recorded losses as the third quarter of 2022 progressed, reaching its lowest point for the year to date on September 29 with a share price of EUR 5.85. At the end of the third quarter of 2022, its share price stood at EUR 5.93.

Trading volume down markedly on previous year

In the third quarter of 2022, the volume traded was significantly lower than in the same period last year (Q3 2021: 133,905 shares), with 77,972 shares traded on average per stock exchange day. ElringKlinger's stock also saw a marked reduction in the daily value on German stock exchanges, reaching an average of EUR 0.6 million per day in the third quarter, a lower figure than in the previous year (Q3 2021: EUR 1.8 million), which was attributable in part to the lower price. The stock's liquidity was sufficiently high at all times during the quarter under review, thus providing the basis for 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 third quarter of 2022. On August 4, ElringKlinger AG published its quarterly results for the second quarter and first half of 2022. In the context of this publication, the Management Board hosted a conference call as part of which it presented the Group's key financials for the quarter just ended to a number of analysts and journalists. In total, ElringKlinger AG attended two conferences in the third quarter – as a virtual and an in-person event – and also held numerous other one-on-one meetings with investors and analysts.

ElringKlinger Stock (WKN 785 602)

	3 rd quarter 2022	3 rd quarter 2021
Number of shares outstanding	63,359,990	63,359,990
Share price (daily price in EUR) ¹		
High	8.38	15.39
Low	5.85	11.59
Closing price ²	5.93	11.59
Average daily trading volume (German stock exchanges; volume of shares traded)	77,972	133,905
Average daily trading value (German stock exchanges; in EUR)	568,223	1,821,099
Market capitalization (EUR millions) ^{1,2}	375.7	734.3

¹ Xetra trading

² as of September 30

Group Income Statement

of ElringKlinger AG, January 1 to September 30, 2022

EUR k	3 rd quarter 2022	3 rd quarter 2021	9 months 2022	9 months 2021
Sales revenue	464,051	400,617	1,329,271	1,218,240
Cost of sales	-372,224	-306,294	-1,082,208	-923,950
Gross profit	91,827	94,323	247,063	294,290
Selling expenses	-35,209	-28,810	-105,015	-88,735
General and administrative expenses	-23,590	-22,134	-72,787	-65,559
Research and development costs	-16,160	-16,488	-50,350	-53,533
Other operating income	4,854	2,242	12,445	20,096
Other operating expenses	-3,668	-2,127	-96,222	-8,106
Operating result/EBIT	18,054	27,006	-64,866	98,453
Finance income	25,113	6,222	55,264	14,772
Finance costs	-24,686	-7,044	-50,632	-16,757
Share of result of associates	-791	-2,377	-1,930	-4,735
Net finance costs	-364	-3,199	2,702	-6,720
Earnings before taxes	17,690	23,807	-62,164	91,733
Income tax expense	-13,821	-14,425	-24,233	-37,308
Net income	3,869	9,382	-86,397	54,425
of which: attributable to non-controlling interests	559	418	416	-381
of which: attributable to shareholders of ElringKlinger AG	3,310	8,964	-86,813	54,806
Basic and diluted earnings per share in EUR	0.05	0.14	-1.37	0.86

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to September 30, 2022

EUR k	3 rd quarter 2022	3 rd quarter 2021	9 months 2022	9 months 2021
Net income	3,869	9,382	-86,397	54,425
Currency translation difference	-11,420	778	-8,062	8,919
Share of other comprehensive income of associates	117	-7	-133	-251
Gains and losses that can be reclassified to the income statement in future periods	-11,303	771	-8,195	8,668
Remeasurement of defined benefit plans, net	0	0	33,070	0
Gains and losses that cannot be reclassified to the income statement in future periods	0	0	33,070	0
Other comprehensive income after taxes	-11,303	771	24,875	8,668
Total comprehensive income	-7,434	10,153	-61,522	63,093
of which: attributable to non-controlling interests	770	743	2,156	215
of which: attributable to shareholders of ElringKlinger AG	-8,204	9,410	-63,678	62,878

Group Statement of Financial Position

of ElringKlinger AG, as at September 30, 2022

EUR k	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2021
ASSETS			
Intangible assets	147,507	215,584	204,783
Property, plant and equipment	938,789	938,581	923,053
Financial assets	14,995	15,532	15,381
Shares in associates	11,626	13,690	12,194
Non-current income tax assets	1,316	887	1,187
Other non-current assets	21,639	42,286	42,338
Deferred tax assets	25,735	31,750	27,490
Contract performance costs	6,729	7,944	8,323
Non-current contract assets	494	804	288
Non-current assets	1,168,830	1,267,058	1,235,037
Inventories	433,634	354,321	362,807
Current contract assets	8,475	8,591	10,881
Trade receivables	287,315	233,478	230,789
Current income tax assets	6,114	15,769	4,742
Other current assets	93,196	100,883	100,786
Cash and cash equivalents	131,584	109,900	126,442
Current assets	960,318	822,942	836,447
Assets held for sale	1,429	0	0
	2,130,577	2,090,000	2,071,484

EUR k	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2021
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	643,737	740,054	739,131
Other reserves	8,718	-17,919	-31,787
Equity attributable to the shareholders of ElringKlinger AG	834,053	903,733	888,942
Non-controlling interest in equity	76,502	78,564	79,102
Equity	910,555	982,297	968,044
Provisions for pensions	95,739	140,696	156,631
Non-current provisions	17,897	16,502	20,481
Non-current financial liabilities	475,954	357,109	323,959
Non-current contract liabilities	1,552	712	5,879
Deferred tax liabilities	28,430	23,952	14,460
Other non-current liabilities	7,141	7,262	7,294
Non-current liabilities	626,713	546,233	528,704
Current provisions	66,974	60,050	33,879
Trade payables	215,585	185,599	169,315
Current financial liabilities	79,786	135,521	176,328
Current contract liabilities	18,508	16,024	21,328
Tax payable	25,388	19,297	26,513
Other current liabilities	187,068	144,979	147,373
Current liabilities	593,309	561,470	574,736
Liabilities relating to assets held for sale	0	0	0
	2,130,577	2,090,000	2,071,484

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to September 30, 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 ¹			
Total comprehensive income			54,806
Net income			54,806
Other comprehensive income			
Balance as of Sep. 30, 2021	63,360	118,238	739,131
Balance as of Dec. 31, 2021	63,360	118,238	740,054
First time adoption IAS 29 ²			
Balance as of Jan. 1, 2022	63,360	118,238	740,054
Dividend distribution			- 9,504
Purchase of shares of non-controlling interests ³			
Total comprehensive income			- 86,813
Net income			- 86,813
Other comprehensive income			
Balance as of Sep. 30, 2022	63,360	118,238	643,737

¹ Share of Plastic Omnium in EKPO Fuel Cell Technologies GmbH

² In the context of hyperinflation in Turkey, retroactively

³ Increase in shares in Elring Klinger Motortechnik GmbH from 92.86% to 100.0%

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	-7,232	-7,232
	48,794		48,794	50,502	99,296
		8,072	62,878	215	63,093
			54,806	-381	54,425
		8,072	8,072	596	8,668
-60,132	48,372	-20,027	888,942	79,102	968,044
-48,731	48,186	-17,374	903,733	78,564	982,297
		3,371	3,371		3,371
-48,731	48,186	-14,003	907,104	78,564	985,668
			-9,504	-4,087	-13,591
	131		131	-131	0
31,867		-8,732	-63,678	2,156	-61,522
			-86,813	416	-86,397
31,867		-8,732	23,135	1,740	24,875
-16,864	48,317	-22,735	834,053	76,502	910,555

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to September 30, 2022

EUR k	3 rd quarter 2022	3 rd quarter 2021	9 months 2022	9 months 2021
Earnings before taxes	17,690	23,807	-62,164	91,733
Depreciation/amortization (less write-ups) of non-current assets	28,936	27,979	181,318	84,144
Net interest	3,357	2,751	8,410	6,824
Change in provisions	1,117	5,127	4,502	6,364
Gains/losses on disposal of non-current assets	201	219	345	399
Share of result of associates	791	2,377	1,930	4,735
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-41,837	-23,950	-107,964	-49,640
Change in trade payables and other liabilities not resulting from financing and investing activities	1,170	10,243	42,513	42,590
Income taxes paid	-6,278	-17,989	-15,613	-46,883
Interest paid	-4,212	-3,848	-8,159	-7,768
Interest received	191	407	751	972
Other non-cash expenses and income	10,999	-659	-13,798	-14,491
Net cash from operating activities	12,125	26,464	32,071	118,979
Proceeds from disposals of property, plant and equipment and intangible assets	1,418	-613	3,312	1,009
Proceeds from disposals of financial assets	2,155	2,223	6,719	4,949
Proceeds from the disposal of subsidiaries	0	0	0	14,450
Payments for investments in intangible assets	-5,740	-2,553	-16,912	-8,592
Payments for investments in property, plant and equipment	-18,050	-15,188	-44,668	-37,684
Payments for investments in financial assets	-3,558	-1,370	-6,594	-7,834
Net cash from investing activities	-23,775	-17,501	-58,143	-33,702
Payments received from non-controlling interests	0	0	30,000	30,040
Dividends paid to shareholders and to non-controlling interests	0	-5,680	-13,591	-7,232
Proceeds from the addition of long-term loans	127,481	27,876	223,935	57,389
Payments for the repayment of long-term loans	-128,267	-68,289	-212,382	-189,383
Change in current loans	6,958	-543	16,058	17,938
Net cash from financing activities	6,172	-46,636	44,020	-91,248
Changes in cash	-5,478	-37,673	17,948	-5,971
Effects of currency exchange rates on cash	1,841	1,580	3,735	4,561
Cash at beginning of period	135,221	162,535	109,901	127,852
Cash at end of period	131,584	126,442	131,584	126,442

Group Sales Revenue

of ElringKlinger AG, January 1 to September 30, 2022

Sales revenue by regions

EUR k	3 rd quarter 2022	3 rd quarter 2021	9 months 2022	9 months 2021
Germany	86,926	84,149	265,933	265,234
Rest of Europe	130,079	126,029	394,005	381,384
North America	121,446	92,566	335,823	281,773
Asia-Pacific	101,437	78,655	266,734	235,916
South America and Rest of the world	24,163	19,218	66,776	53,933
Group	464,051	400,617	1,329,271	1,218,240

Sales revenue by segments

EUR k	3 rd quarter 2022	3 rd quarter 2021	9 months 2022	9 months 2021
Lightweighting/Elastomer Technology	144,148	119,392	411,168	364,132
Metal Sealing Systems & Drivetrain Components	128,471	105,907	366,492	337,903
Shielding Technology	75,909	63,567	222,479	202,694
E-Mobility	10,853	23,561	30,288	47,392
Exhaust Gas Purification	962	927	3,032	3,138
Others	1	24	19	46
Segment Original Equipment	360,344	313,378	1,033,478	955,305
Segment Original Equipment	360,344	313,378	1,033,478	955,305
Segment Aftermarket	66,964	55,495	189,682	164,144
Segment Engineered Plastics	36,037	30,700	103,227	95,612
Sale of goods	463,345	399,573	1,326,387	1,215,061
Proceeds from the rendering of services	703	1,040	2,872	3,166
Revenue from contracts with customers	464,048	400,613	1,329,259	1,218,227
Income from rental and leasehold	3	4	12	13
Group	464,051	400,617	1,329,271	1,218,240

Segment Reporting

of ElringKlinger AG, July 1 to September 30, 2022

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	3 rd quarter 2022	3 rd quarter 2021	3 rd quarter 2022	3 rd quarter 2021	3 rd quarter 2022	3 rd quarter 2021
EUR k						
External revenue	360,344	313,378	66,964	55,495	36,037	30,700
Intersegment revenue	7,551	8,189	0	0	-148	26
Segment revenue	367,895	321,567	66,964	55,495	35,889	30,726
EBIT¹/Operating result	-3,571	9,623	14,144	11,066	7,339	6,146
Depreciation and amortization	-26,199	-25,014	-559	-675	-1,578	-1,698
Capital expenditures ²	25,090	14,440	445	978	826	738

January 1 to September 30, 2022

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	9 months 2022	9 months 2021	9 months 2022	9 months 2021	9 months 2022	9 months 2021
EUR k						
External revenue	1,033,478	955,305	189,682	164,144	103,227	95,612
Intersegment revenue	20,975	22,269	0	0	60	90
Segment revenue	1,054,453	977,574	189,682	164,144	103,287	95,702
EBIT¹/Operating result	-121,321	46,230	39,430	32,967	17,719	19,408
Depreciation and amortization	-77,028	-74,997	-1,955	-2,344	-5,108	-5,018
Capital expenditures ²	64,588	50,085	2,384	2,992	3,984	4,169

¹ Earnings before interest and taxes

² Investments in intangible assets and property, plant and equipment

	Other		Consolidation		Group	
	3 rd quarter 2022	3 rd quarter 2021	3 rd quarter 2022	3 rd quarter 2021	3 rd quarter 2022	3 rd quarter 2021
	706	1,044	0	0	464,051	400,617
	2,136	2,581	-9,539	-10,796	0	0
	2,842	3,625	-9,539	-10,796	464,051	400,617
	142	171			18,054	27,006
	-600	-592			-28,936	-27,979
	218	145			26,579	16,301

	Other		Consolidation		Group	
	9 months 2022	9 months 2021	9 months 2022	9 months 2021	9 months 2022	9 months 2021
	2,884	3,179	0	0	1,329,271	1,218,240
	7,256	7,479	-28,291	-29,838	0	0
	10,140	10,658	-28,291	-29,838	1,329,271	1,218,240
	-694	-152			-64,866	98,453
	-1,782	-1,785			-85,873	-84,144
	1,031	481			71,987	57,727

Notes to the Third Quarter and First Nine 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 September 30, 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 September 30, 2022, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements as of September 30, 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 November 3, 2022.

Accounting policies

The accounting policies applied in this interim report are fundamentally based on the same as those applied in the preparation of the 2021 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.

As of June 30, 2022, hyperinflationary accounting pursuant to IFRS was applied for the first time in respect of the Turkish subsidiary.

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of September 30, 2022, 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.

The interests in Elring Klinger Motortechnik GmbH, based in Idstein, Germany, increased from 92.86% to 100% as a result of the acquisition of interests held by third parties.

Compared to the consolidated financial statements as of December 31, 2021, there were no other changes in the scope of consolidation with the exception of the formation of EKPO Fuel Cell (Suzhou) Co., Ltd. with its registered office in Suzhou, China, and the spin-off of Elring Italia Srl, with its registered office in Settimo Torinese, Italy, from ElringKlinger Italia Srl, with its registered office in Settimo Torinese, Italy.

Newly established entity

EKPO Fuel Cell (Suzhou) Co., Ltd., based in Suzhou, China, a wholly owned subsidiary of EKPO Fuel Cell Technologies GmbH, based in Dettingen/Erms, Germany, was established with effect from June 29, 2022.

Name change

Effective from June 22, 2022, ElringKlinger Abschirmtechnik (Schweiz) AG, based in Sevelen, Switzerland, was renamed ElringKlinger Switzerland AG, based in Sevelen, Switzerland.

Spin-off

On July 1, 2022, Elring Italia Srl, with its registered office in Settimo Torinese, Italy, was spun off from ElringKlinger Italia Srl, with its registered office in Settimo Torinese, Italy.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate		Average rate	
		Sep. 30, 2022	Dec. 31, 2021	Jan. – Sep. 2022	Jan. – Dec. 2021
US dollar (USA)	USD	0.97480	1.13260	1.05602	1.18156
Pound (United Kingdom)	GBP	0.88300	0.84028	0.84943	0.85840
Swiss franc (Switzerland)	CHF	0.95610	1.03310	1.00642	1.07988
Canadian dollar (Canada)	CAD	1.34010	1.43930	1.36032	1.48039
Real (Brazil)	BRL	5.25840	6.31010	5.38304	6.37858
Mexican peso (Mexico)	MXN	19.63930	23.14380	21.34049	24.05156
RMB (China)	CNY	6.93680	7.19470	6.99470	7.60685
WON (South Korea)	KRW	1,400.69000	1,346.38000	1,347.17556	1,354.65833
Rand (South Africa)	ZAR	17.53530	18.06250	16.96708	17.59221
Yen (Japan)	JPY	141.01000	130.38000	136.14778	130.32000
Forint (Hungary)	HUF	422.18000	369.19000	388.71222	358.60833
Turkish lira (Turkey)	TRY	18.08410	15.23350	16.85832	10.81043
Leu (Romania)	RON	4.94900	4.94900	4.93557	4.92511
Indian rupee (India)	INR	79.42500	84.22920	81.98767	87.31348
Indonesian rupiah (Indonesia)	IDR	14,863.26000	16,100.42000	15,487.43333	16,921.34667
Bath (Thailand)	THB	36.82300	37.65300	36.71444	37.89117
Swedish krona (Sweden)	SEK	10.89930	10.25030	10.54758	10.15623

Significant events and business transactions

There were no significant events or business transactions in the third 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 Sep. 30, 2022									
Financial assets measured at amortized cost	131,584	287,315	18,004	0	1,438	1,311	1,808	1,808	440,149
Financial assets measured at fair value through profit or loss	0	0	19,905	0	0	0	11,661	11,661	31,566
Financial assets measured at fair value through other comprehensive income	0	0	0	0	81	81	8	8	89
Total	131,584	287,315	37,909	0	1,519	1,392	13,477	13,477	471,804
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 Sep. 30, 2022				
Financial liabilities measured at amortized cost	79,652	53,745	26,041	215,585
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 Sep. 30, 2022						
Financial liabilities measured at amortized cost	0	0	436,273	347,025	39,681	850,977
Financial liabilities measured at fair value through profit or loss	26,613	26,613	0	0	0	26,613
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 13,127k (Dec. 31, 2021: EUR 13,494k) and the current portion of Plastic Omnium's outstanding contribution of EUR 19,905k (Dec. 31, 2021: EUR 29,962k) 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 September 30, 2022:

EUR k	Level 1	Level 2	Level 3
Sep. 30, 2022			
Financial assets			
Non-current securities	81	0	0
Other financial investments	8	0	11,661
Derivatives*	0	0	0
Total	89	0	11,661
Financial liabilities			
Derivatives*	0	26,613	0
Total	0	26,613	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 September 30, 2022:

EUR k	Level 1	Level 2	Level 3
Sep. 30, 2022			
Financial assets			
Non-current securities	1,311	0	0
Other financial investments	0	0	1,808
Total	1,311	0	1,808
Financial liabilities			
Non-current financial liabilities	0	347,025	0
Purchase price liability from written put option	0	0	38,465
Total	0	347,025	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 nine months of 2022.

Government grants

Other operating income in the first nine months of 2022 includes government grants totaling EUR 4,748 k (Sept. 30, 2021: EUR 1,720 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 1,471 k (net method).

Events after the reporting period

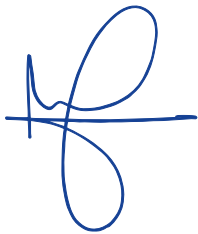
There were no significant events after the end of the interim reporting period that would necessitate additional explanatory disclosure.

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, November 3, 2022

The Management Board



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Chairman/CEO



Reiner Drews



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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 November 3, 2022, and is available in German and English. Only the German version shall be legally binding.

Financial Calendar

MARCH 2023

28

Annual Press Conference
Analysts' Meeting

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

<https://www.elring.com/dates-events>



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