



# KLINGELBERG AG

Precision gearing champion with Swiss and German heritage



Presentation for Analysts and Investors

Financial Report H1 2018/19

Zurich, November 2018



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# H1 Presentation 2018/19

## Agenda

### Topic

1. **Current situation**
2. **Financial results**
3. **Selected strategic projects**

# Highlights of H1 2018/19

## Full-year guidance reconfirmed



## 2. Financial results



# Income statement: sales and result on track for full-year target

## KLINGELNBERG Group

### Consolidated income statement

(in €m)

	H1 2017/18		H1 2018/19		Deviations	
<b>Net sales from goods and services</b>	<b>76.4</b>	<b>100%</b>	<b>99.1</b>	<b>100%</b>	<b>22.7</b>	<b>30%</b>
Other operating income	1.9	2%	2.5	3%	0.6	32%
Change in inventory of finished and unfinished goods	33.6	44%	22.1	22%	(11.5)	(34%)
Raw material expense	(49.8)	(65%)	(54.9)	(55%)	(5.1)	(10%)
Personnel expense	(46.1)	(60%)	(48.7)	(49%)	(2.6)	(6%)
Depreciation on tangible fixed assets	(3.1)	(4%)	(3.1)	(3%)	0.0	0%
Amortisation on intangible assets	(0.2)	(0%)	(0.2)	(0%)	0.0	(8%)
Other operating expense	(18.4)	(24%)	(21.6)	(22%)	(3.1)	(17%)
Share of result from joint ventures	0.2	0%	0.2	0%	0.0	(16%)
<b>Operating result (EBIT)</b>	<b>(5.5)</b>	<b>(7%)</b>	<b>(4.7)</b>	<b>(5%)</b>	<b>0.9</b>	<b>16%</b>
Financial result	(0.2)	(0%)	(1.7)	(2%)	(1.6)	
<b>Profit before income taxes</b>	<b>(5.7)</b>	<b>(7%)</b>	<b>(6.4)</b>	<b>(6%)</b>	<b>(0.7)</b>	<b>(12%)</b>
Income taxes	0.5	1%	1.6	2%	1.0	201%
<b>Net profit</b>	<b>(5.2)</b>	<b>(7%)</b>	<b>(4.8)</b>	<b>(5%)</b>	<b>0.4</b>	<b>7%</b>

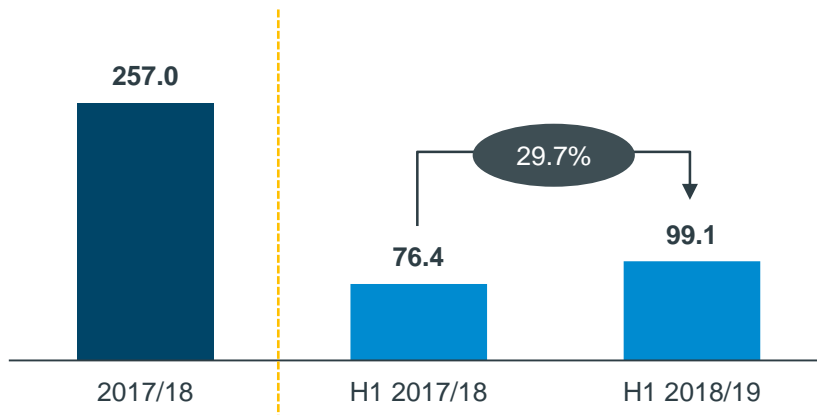
### Comments

- Unless otherwise indicated, all figures are rounded up or down to the nearest hundred thousand Euros.

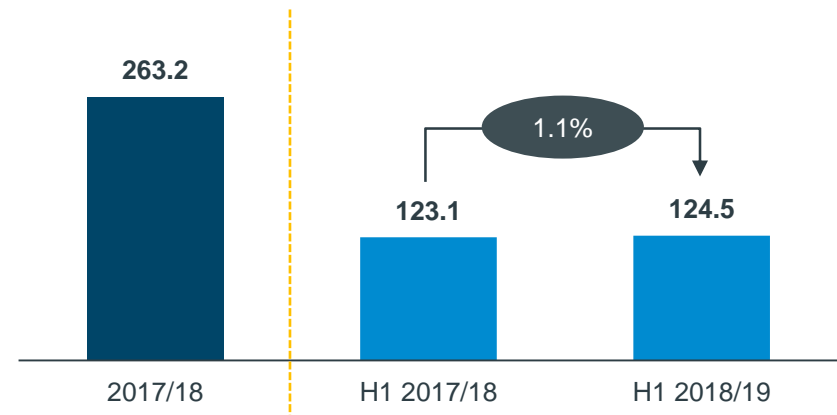
# Attractive topline growth of about 30% vs. previous half-year...

...paired with a strong order intake foundation

**Net sales from goods and services**  
(in €m / year-over-year growth in %)



**Order intake**  
(in €m / year-over-year growth in %)



## Comments

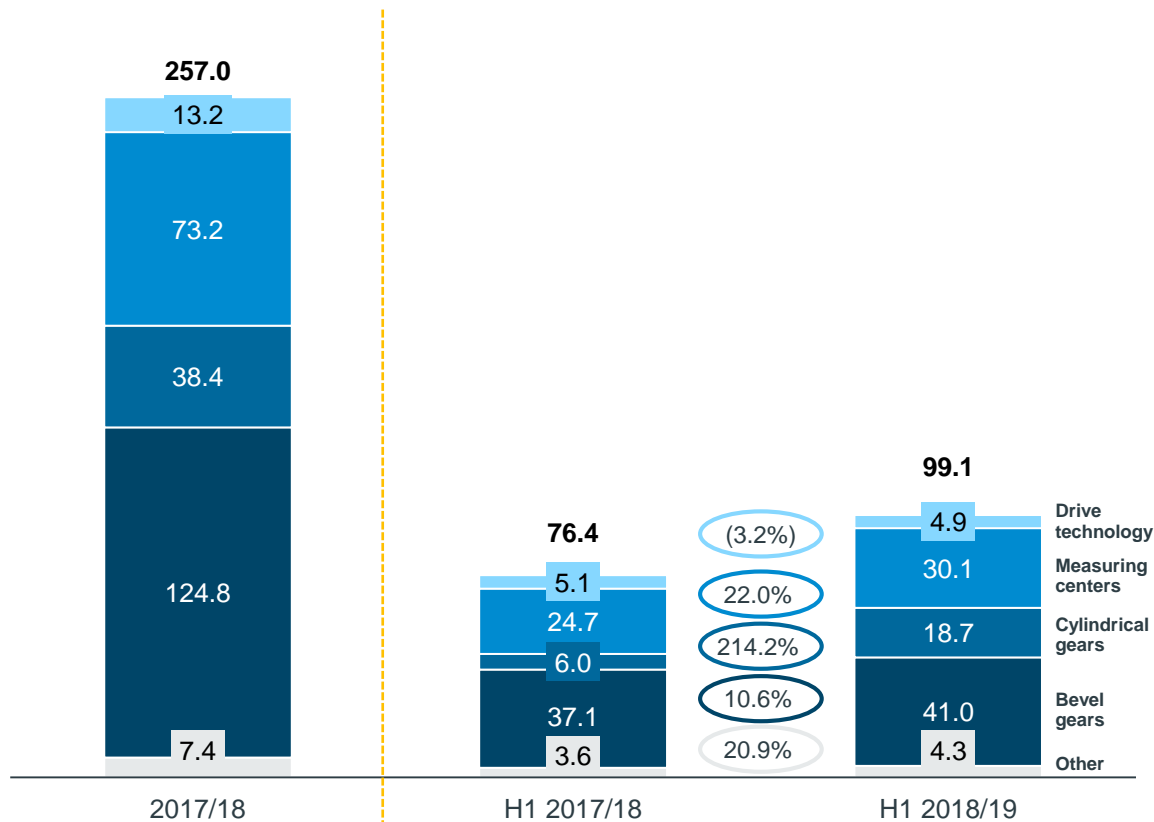
- Net sales grew by c.30% in the first half of the financial year, representing a significant year-over-year increase
- Machine projects of the three divisions bevel gear, cylindrical gear (+214%) and measuring devices could all be delivered according to plan
- Large number of incoming orders in first half-year further support our 2018/19 targets

# Product mix: significant shift to cylindrical gears

## Net sales development by business unit

### Group net sales development

(in €m / year-over-year growth in %)



### Comments

- Sales increases in all business Units except for “Drive Technology”
- Highest growth rate in “Cylindrical Gear” business unit
- Compared to the previous year, the product mix shifts to “cylindrical gear” business unit



# Income statement: Personnel expense

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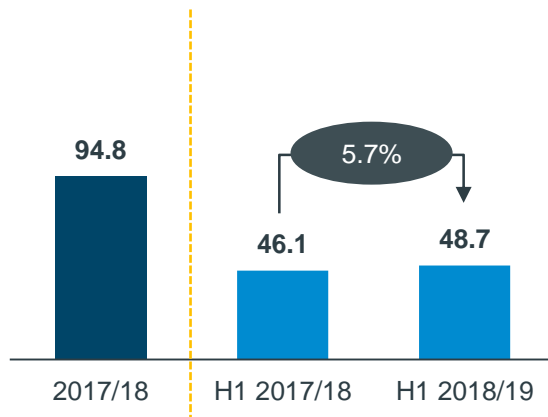
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# Personal ratio decreased due higher sales and efficiency projects

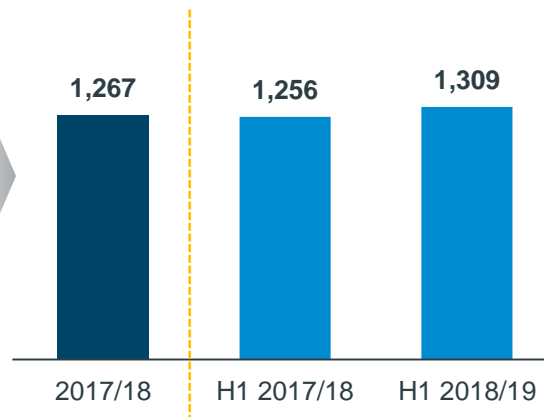
## Personnel expense

(in €m / year-over-year growth in %)



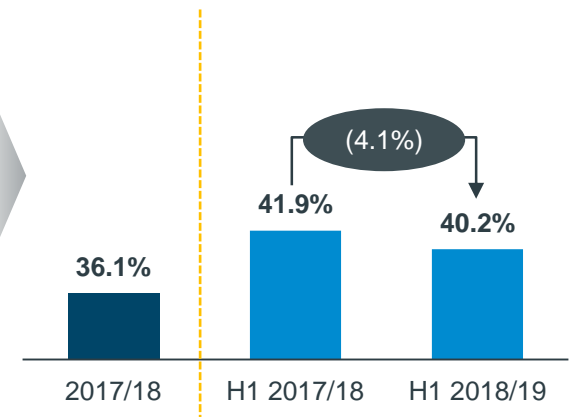
## Employees

(Number of FTEs)



## Personnel ratio

(in % of total output)<sup>(1)</sup>



### Comments

- Personnel expenses increase by EUR 2.6 million
- Tariff – Raises in Germany +4.3%
- Number of FTEs increase from 1,256 to 1,309
- The personnel ratio decreases by 1.7ppts

**Note:** (1) Total output comprises of net sales from goods and services and change in inventory of finished and unfinished goods as well as unbilled goods and services of the respective period

# Income statement: Other operating income & expense

## KLINGELNBERG Group

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(in €m)

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### Comments

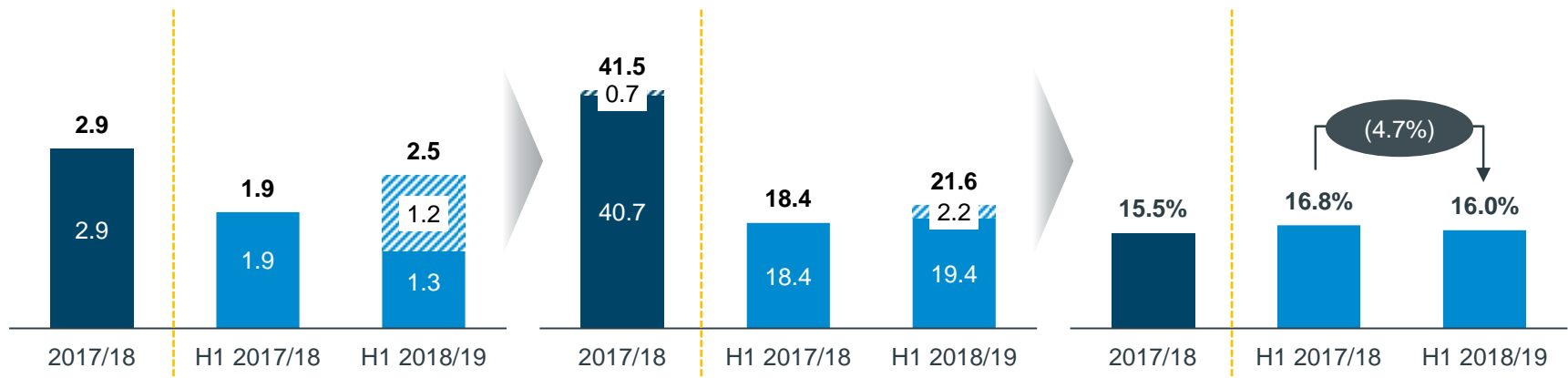
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# Other expense ratio decreased due to leverage effects

**Other operating income (OOI)**  
(in €m)

**Other operating expense (OOE)**  
(in €m)

**Adj. expense ratio<sup>(1)</sup>**  
(in % of total output)<sup>(2)</sup>



## Comments

- The OOI contains outgoing invoices to the emitting shareholder amounting EUR 1.2 million (IPO)
- The OOE contains IPO expenses of EUR 0.7 million in 2017/18 and EUR 2.2 million in H1 2018/19
- The adjusted expense ratio decreases by 0.8ppts

**Note:** (1) Expense ratio adjusted for IPO expenses (€0.735m) in 2017/18 and (€2.2m) in H1 2018/19; (2) Total output comprises of net sales from goods and services and change in inventory of finished and unfinished goods as well as unbilled goods and services of the respective period

# Income statement: EBIT and EBT

## KLINGELNBERG Group

### Consolidated income statement

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# Adj. EBIT and Adj. EBITDA well above previous half-year

## Adj. EBITDA<sup>(1)</sup>

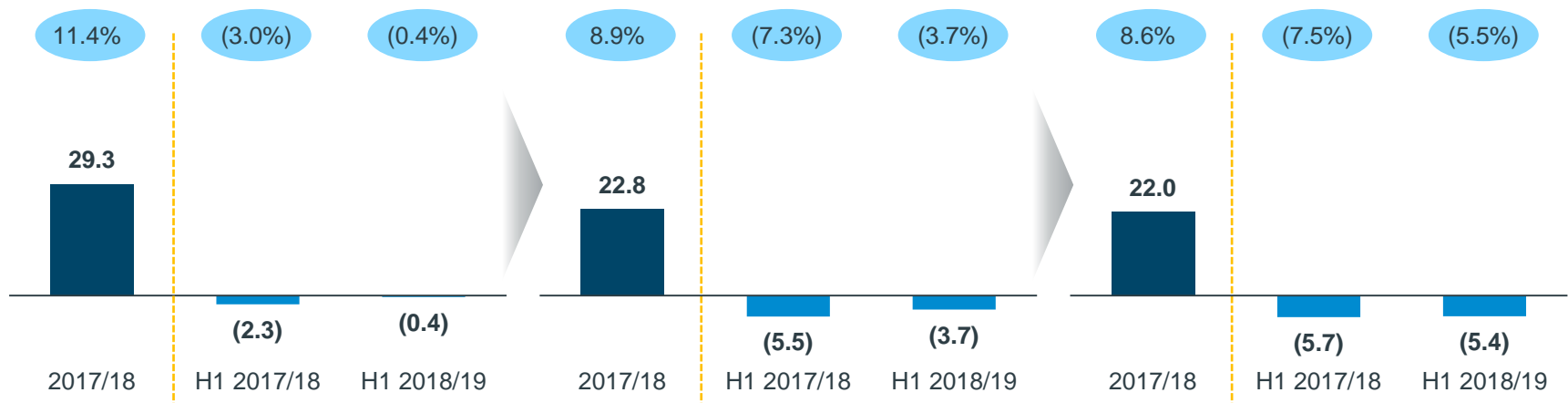
(in €m / in % of net sales)

## Adj. Operating result (EBIT)<sup>(1)</sup>

(in €m / in % of net sales)

## Adj. Profit before taxes (EBT)<sup>(1)</sup>

(in €m / in % of net sales)



### Comments

- Adjusted EBITDA and EBIT improved compared to the previous year
- The adj. EBT is influenced by a „mathematic“ currency effect

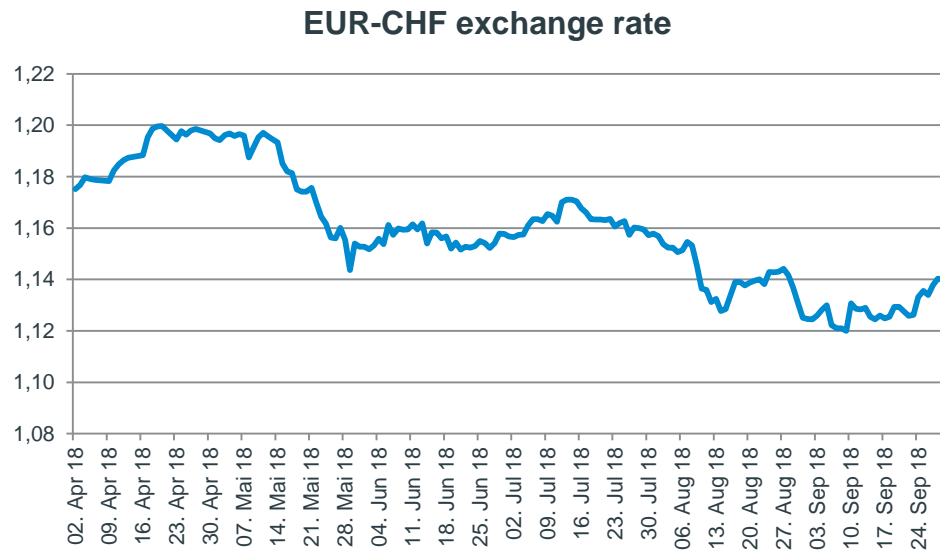
**Note:** (1) EBITDA, EBIT and EBT adjusted for IPO-related costs (i.e. advisory costs and stamp duty) in the amount of €0.735m in 2017/18; EBITDA, EBIT and EBT adjusted for IPO expenses (€2.2m) and outgoing invoices to the emitting shareholder amounting €1.2m (IPO) in H1 2018/19

# Explanation foreign exchange result – main effect

## Effect on adjusted EBT - simplified

### Situation

- On the CashPool-account the AG holds EUR 25 million
- Exchange rate EUR-CHF (per 31-March 2018): **1.17875**
- Exchange rate EUR-CHF (per 30-September 2018): **1.13100**



Development CashPool	CashPool (in € 000s)	Exchange rate	CashPool (in CHF 000s)
31-March 2018	25,000	1.17875	29,469
30-September 2018	25,000	1.13100	28,275
<b>Difference</b>	--	<b>(0.04775)</b>	<b>(1,194)</b>

### 3. Selected strategic projects





# Q&A

