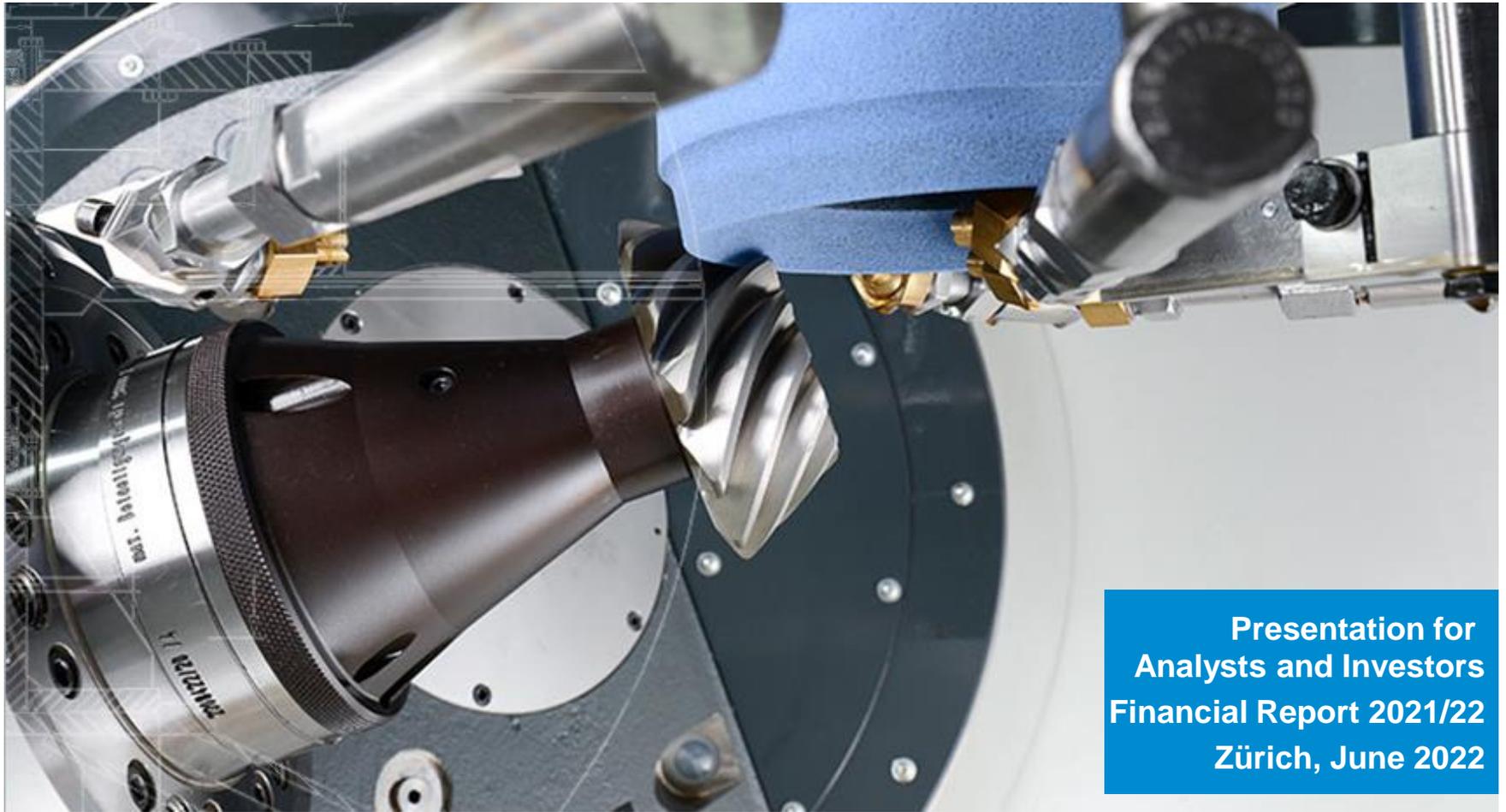




# KLINGELBERG AG

Precision gearing champion with Swiss and German heritage



Presentation for  
Analysts and Investors  
Financial Report 2021/22  
Zürich, June 2022

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# Agenda

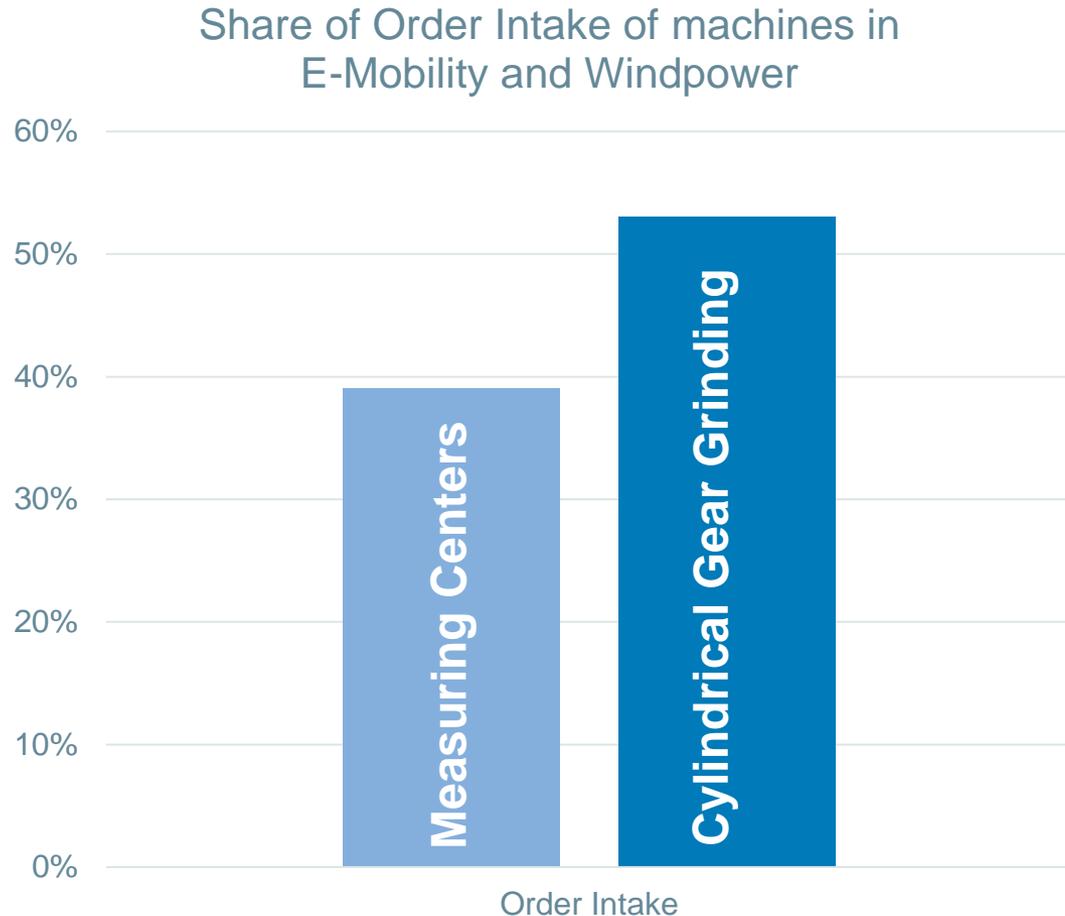
1	Introduction and key facts
2	Financial results
3	Outlook
4	Q&A

# 1 Key facts 2021/22

1	<b>Flood disaster in the late evening of 14 July 2021 hit the Hückeswagen site - net damage caused by the flood amounted to EUR 25,5 million</b>
2	<b>EBIT Full Year at EUR -15,7 million</b>
3	<b>Historic Order Intake EUR 268,9 million</b>
4	<b>Historic Order Backlog EUR 268,0 million</b>
5	<b>Positive Outlook for 2022/23</b>

# 1 Key facts 2021/22

## Klingelberg massively benefited from the investment wave in e-mobility and windpower

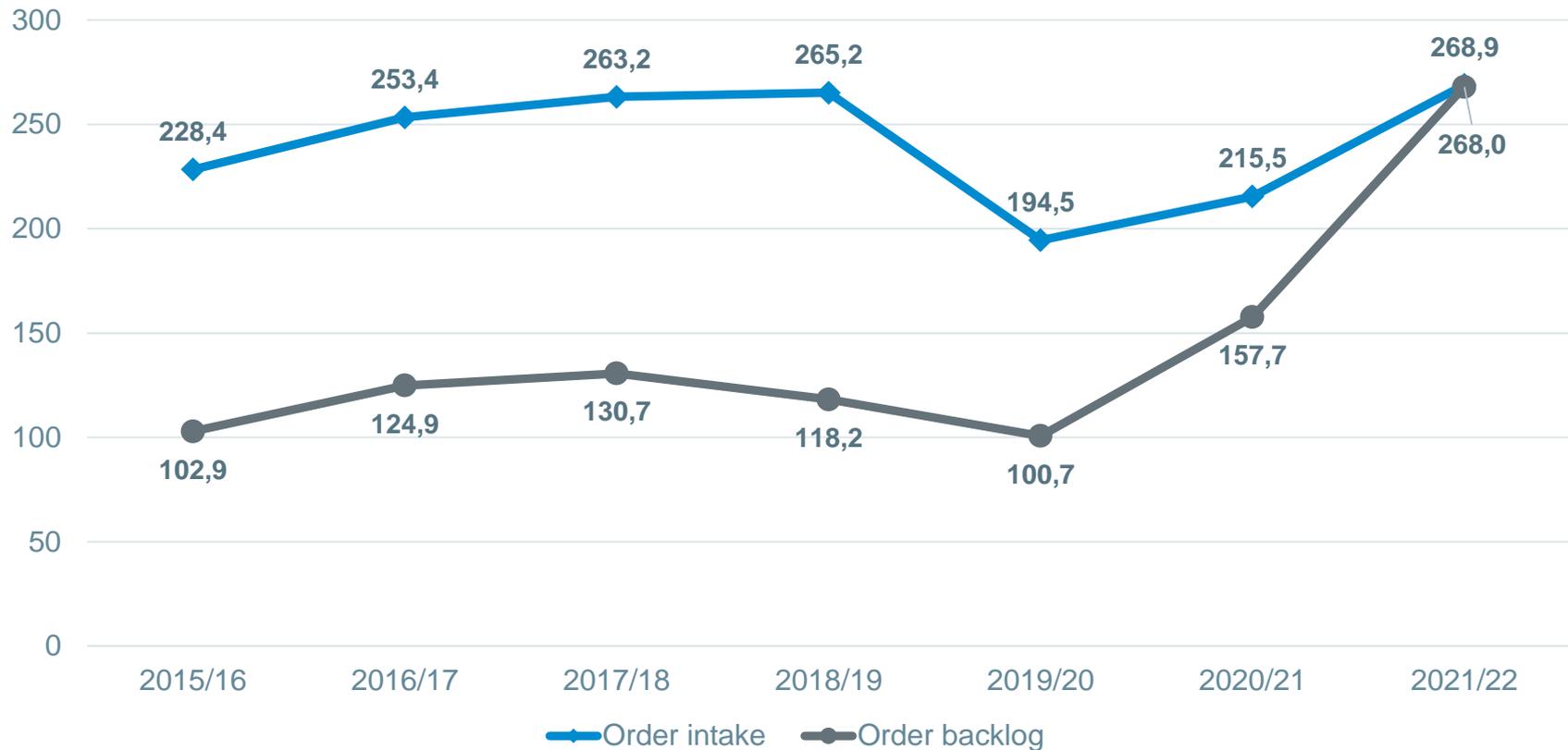


- Klingelberg P-series machines and the accompanying software solutions have been adopted by E-mobility market as the quality assurance standard for transmission gears.
- Hofler product line for large cylindrical gear grinding machines clocked in large repeat orders of machines from all the leading Wind Energy players in China.

\*Not audited figures

# 1 Highest order intake and order backlog in Company's history

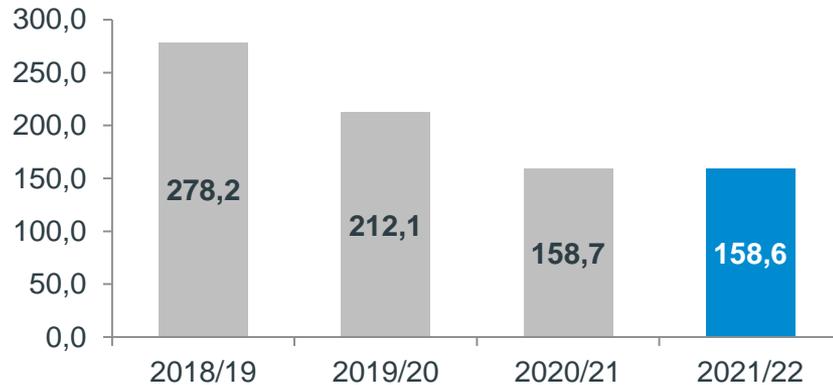
## KLINGELNBERG Group – order intake and order backlog (in €m)



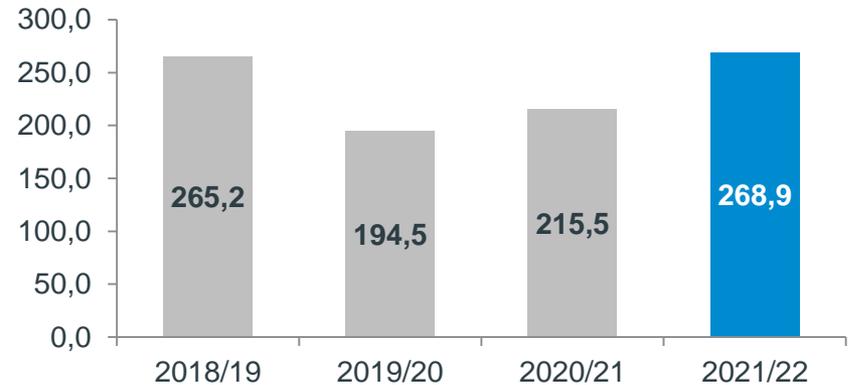
## 2 Net sales at prior-year level

### KLINGELNBERG Group – Sales and orders (in €m)

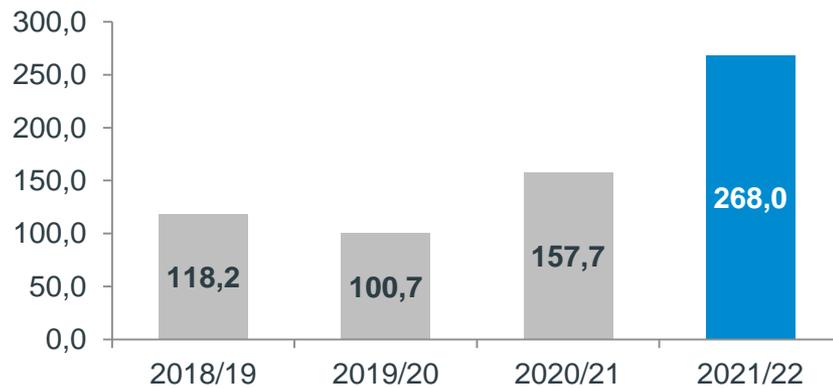
#### Net sales



#### Order intake



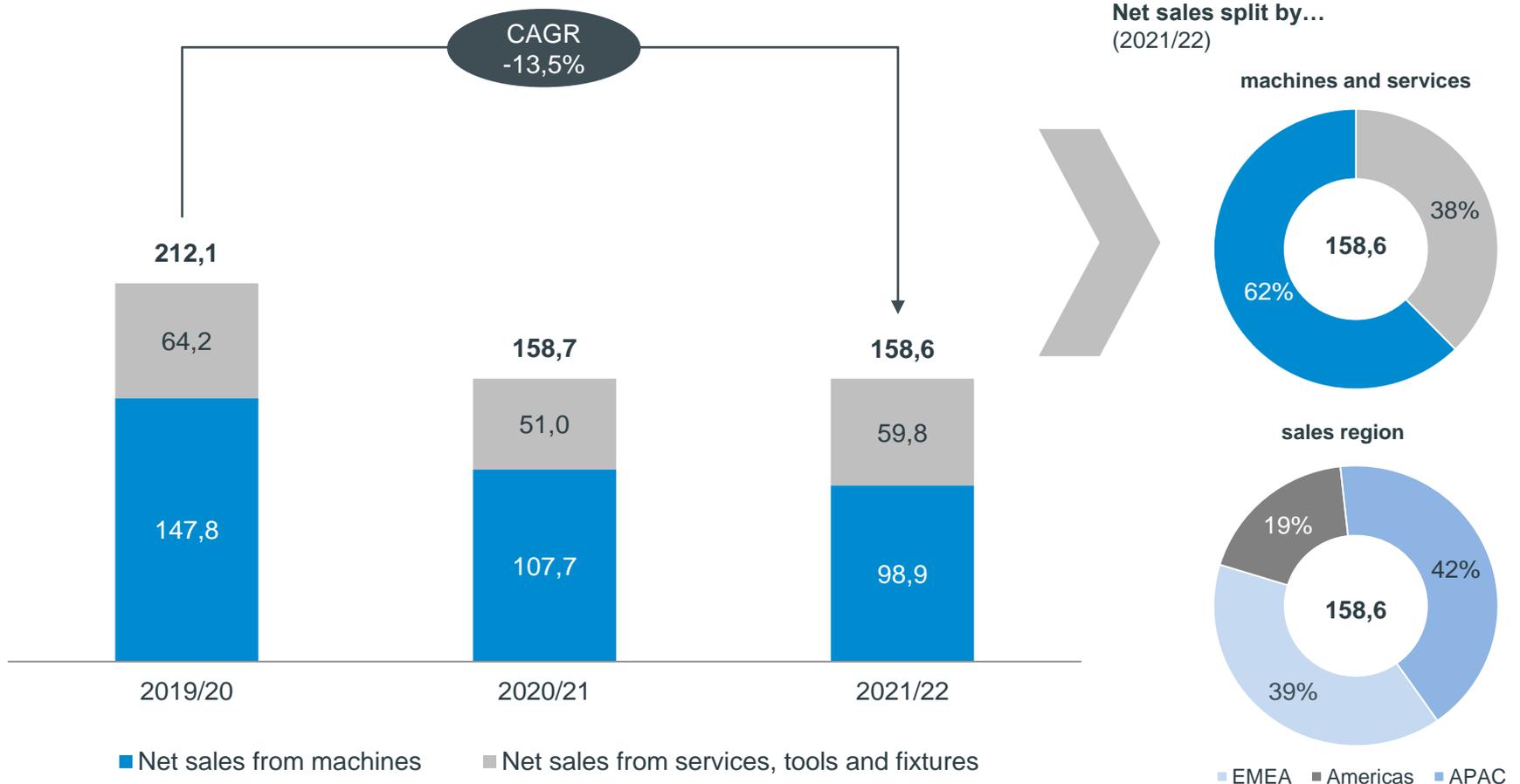
#### Order backlog



- At EUR 158,6 million, net sales were on a par with the previous financial year (EUR 158,7 million). However, due to the flood, the budgeted increase in sales for the 2021/22 financial year was missed.
- Order intake significantly rose by EUR 53,4 million to EUR 268,9 million.

## 2 Due to the flood and the resulting interruption of operations, less machines could be delivered – After sales has recovered

### KLINGELNBERG Group – Sales (in €m)

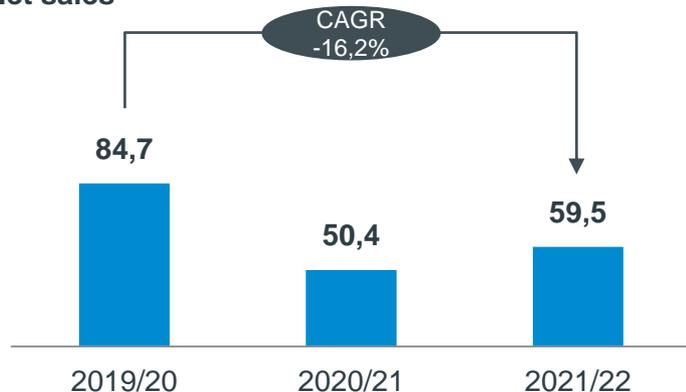


Note: Unless otherwise indicated, all figures are rounded up or down to the nearest hundred thousand Euros.

## 2 Bevel Gear segment with high order intake and order backlog

### Bevel Gears development (in €m)

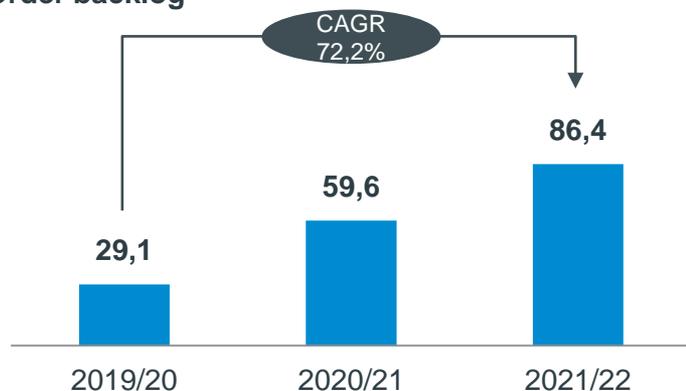
#### Net sales



#### Order intake



#### Order backlog



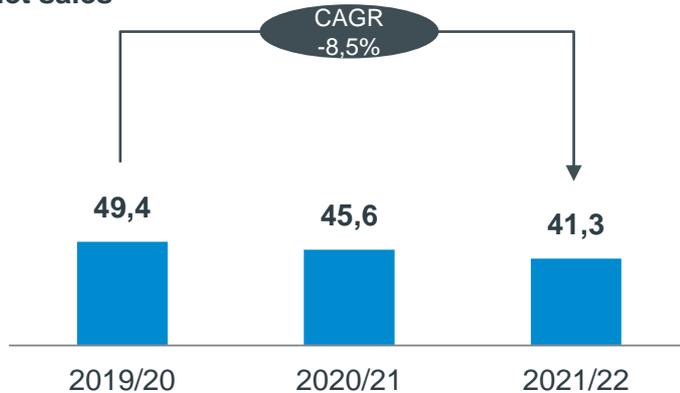
- Despite relevant damage caused by the flood on the one hand and a temporary interruption of operation on the other, net sales rose compared to the previous financial year's figure by EUR 9,1 million.
- Order intake increased compared to the previous financial year. The main share of orders came from globally operating suppliers to the automotive and commercial vehicle industries.

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## 2 Cylindrical Gear segment continued with high order intake

### Cylindrical Gears development (in €m)

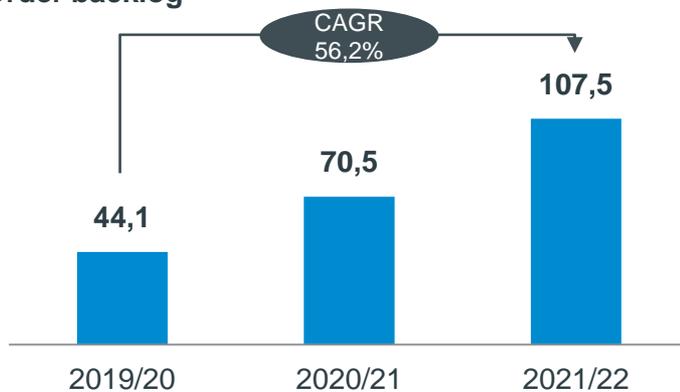
#### Net sales



#### Order intake



#### Order backlog



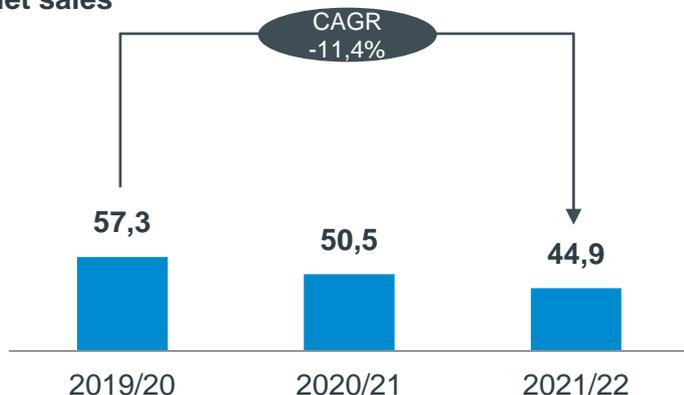
- In connection with the flood there were also numerous postponements of machine deliveries in the Cylindrical Gear segment, so that the previous financial year's level could not be achieved.
- However, this segment recorded significant waves of demand from the wind power and general mechanical engineering sectors. Thanks to an increase in orders for medium-sized Rapid machines, order intake was significantly up on the previous financial year.

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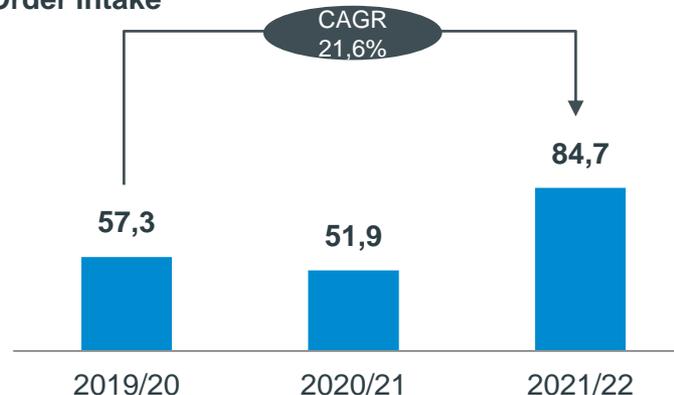
## 2 A record order intake was achieved

### Precision Measuring Centers development (in €m)

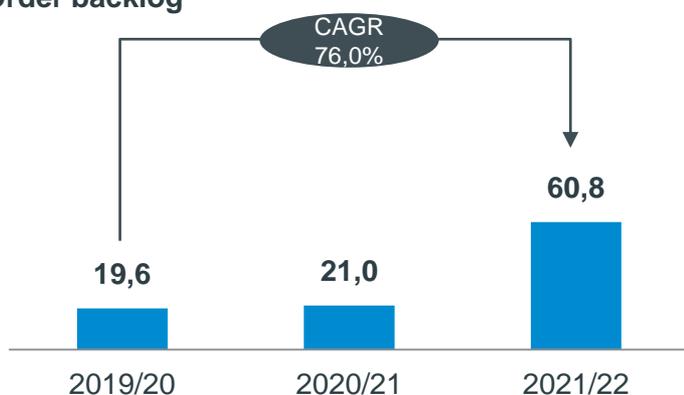
#### Net sales



#### Order intake



#### Order backlog



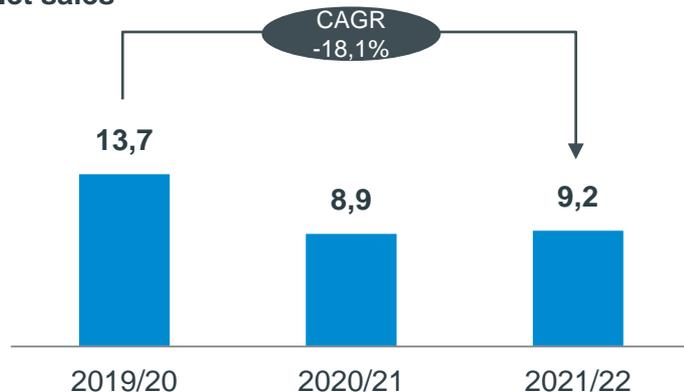
- Damage and impairments caused by the flooding had significantly slowed down the good delivery performance at the beginning of the financial year.
- Notwithstanding this event, the e-mobility reference projects won in the first half of the year led to extensive follow-up orders.
- The order intake was also supported by a surge in demand from the commercial vehicles sector.

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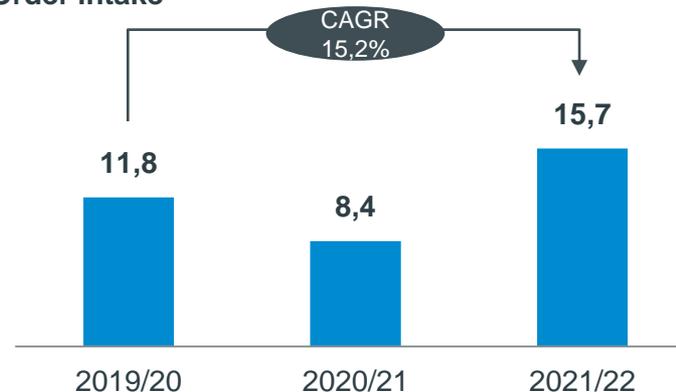
## 2 Strong recovery of the Drive Technology segment

### Drive Technology development (in €m)

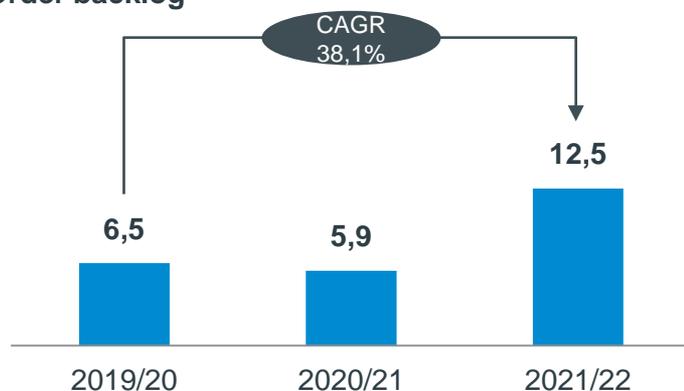
#### Net sales



#### Order intake



#### Order backlog

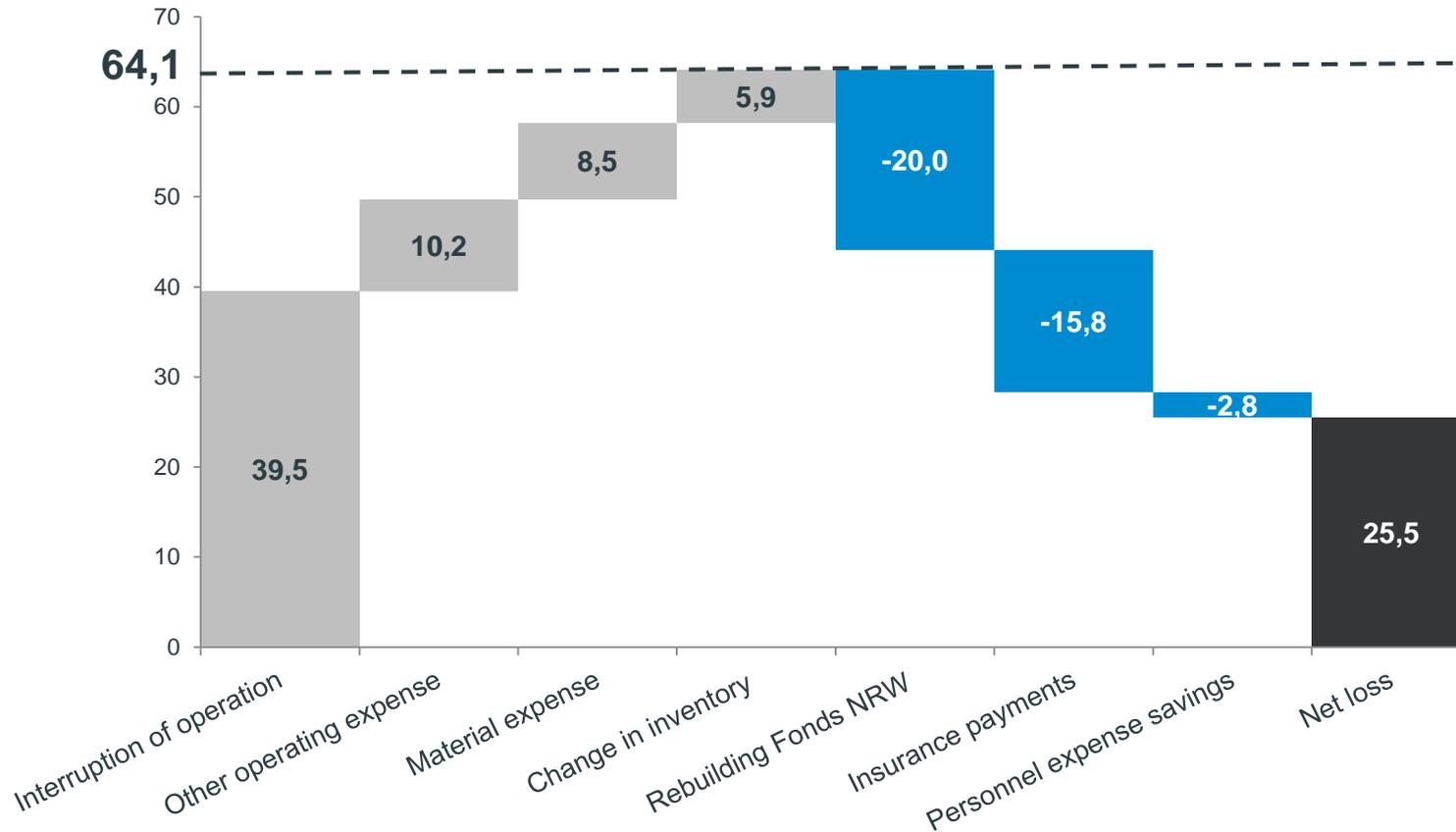


- After a market slow down caused by the global Covid19 pandemic the marine and mining sector are on a recovery path. High raw material prices and increased logistic demand have a positive affect on the order intake in 2021/22.
- The Segment also benefited from the strong growth in e-mobility and the raw materials required for it (including copper and lithium).

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

## 2 Flood disaster

Net damage caused by the flood, net of benefits and measures already received or still outstanding (in €m)



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

## 2 Operating result below prior financial year level due to floods

### Income statement KLINGELNBERG Group

	FY 2019/20 ACTUAL		FY 2020/21 ACTUAL		FY 2021/22 ACTUAL		Deviations 2021/22 vs. 2020/21	
<b>Net sales from goods and services</b>	<b>212,1</b>	<b>100%</b>	<b>158,7</b>	<b>100%</b>	<b>158,6</b>	<b>100%</b>	<b>-0,1</b>	<b>0%</b>
Other operating income	2,8	1%	1,9	1%	40,3	25%	38,4	
Change in inventory of finished and unfinished goods	10,6	5%	-5,8	-4%	41,0	26%	46,8	
Material expense	-90,6	-43%	-52,0	-33%	-110,5	-70%	-58,5	-112%
Personnel expense	-110,6	-52%	-83,7	-53%	-95,9	-60%	-12,1	-14%
Depreciation on tangible fixed assets	-5,3	-3%	-4,6	-3%	-4,1	-3%	0,4	9%
Amortisation on intangible assets	-0,5	0%	-0,4	0%	-0,4	0%	0,0	6%
Other operating expense	-37,7	-18%	-26,2	-17%	-45,2	-29%	-19,0	-73%
Share of result from joint ventures	0,5	0%	0,6	0%	0,6	0%	-0,1	-8%
<b>Operating result</b>	<b>-18,8</b>	<b>-9%</b>	<b>-11,6</b>	<b>-7%</b>	<b>-15,7</b>	<b>-10%</b>	<b>-4,1</b>	<b>-36%</b>
Financial result	-2,1	-1%	2,2	1%	-4,0	-3%	-6,2	
<b>Profit before income taxes</b>	<b>-20,9</b>	<b>-10%</b>	<b>-9,4</b>	<b>-6%</b>	<b>-19,7</b>	<b>-12%</b>	<b>-10,3</b>	<b>-110%</b>
Income taxes	-4,5	-2%	2,1	1%	-2,0	-1%	-4,1	-198%
<b>Net profit</b>	<b>-25,4</b>	<b>-12%</b>	<b>-7,3</b>	<b>-5%</b>	<b>-21,7</b>	<b>-14%</b>	<b>-14,4</b>	<b>-197%</b>

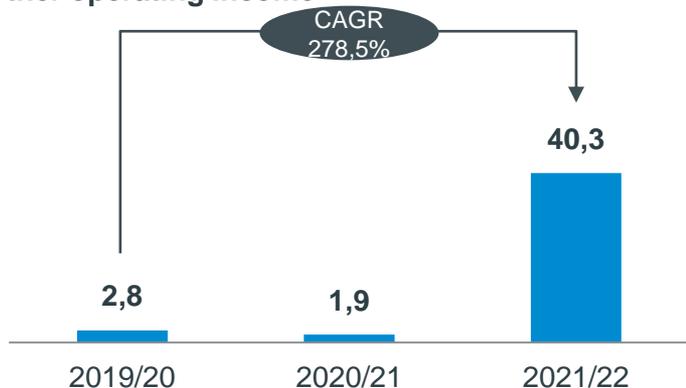
- Triggered by the persistent heavy rainfall on 14 July 2021, the post-pandemic recovery initially slowed down considerably. The operating result (EBIT) decreased significantly by EUR 4,1 million compared to the previous financial year and amounted to EUR -15,7 million at the end of the 2021/22 financial year.
- However, the strong order intake and further growth in the order backlog provide a positive outlook for the near future.

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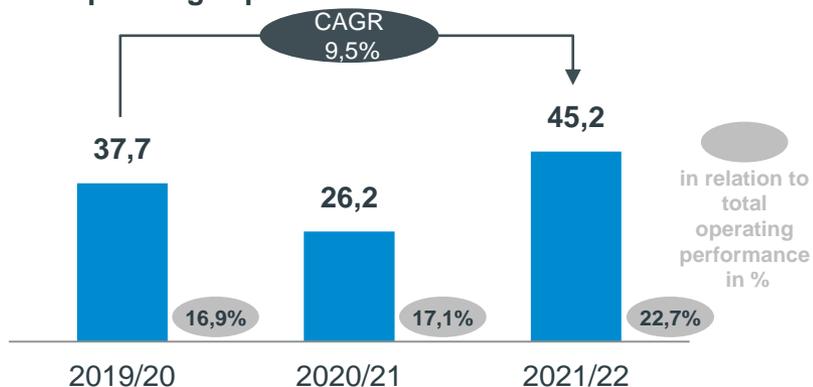
## 2 OOI and OOE impaired by the flood

### Income and cost development of the KLINGELNBERG Group (in €m)

#### Other operating income



#### Other operating expense



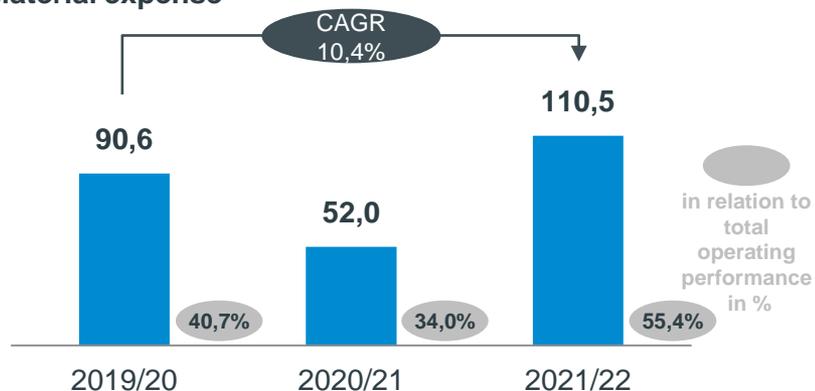
- Other operating income significantly rose by EUR 38,4 million. The increase was mainly due to flood-related insurance payments of EUR 15,8 million and a receivable from the Federal State of “Nordrhein-Westfalen”/ Germany for “Rebuild NRW on the occasion of damage caused by heavy rain and flooding in July 2021” of EUR 20,0 million.
- At the end of the financial year, other operating expense amounted to EUR 45,2 million. This was EUR 19,0 million above the previous financial year. At EUR 10,2 million, the largest increase was due to flood damage.

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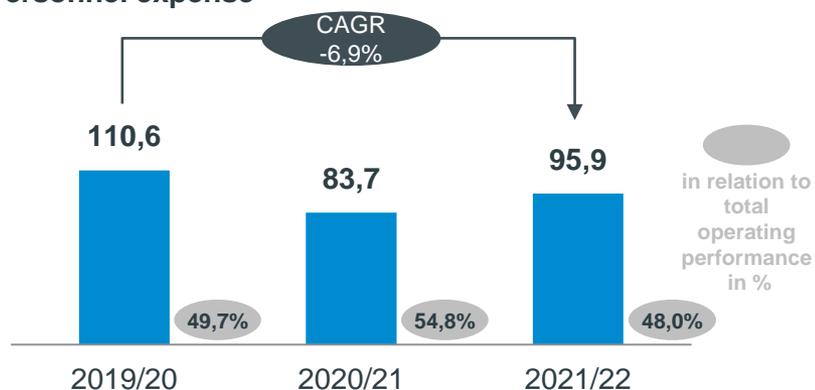
## 2 Personnel expense ratio decreased due to stronger increase in total operating performance

### Income and cost development of the KLINGELNBERG Group (in €m)

#### Material expense



#### Personnel expense



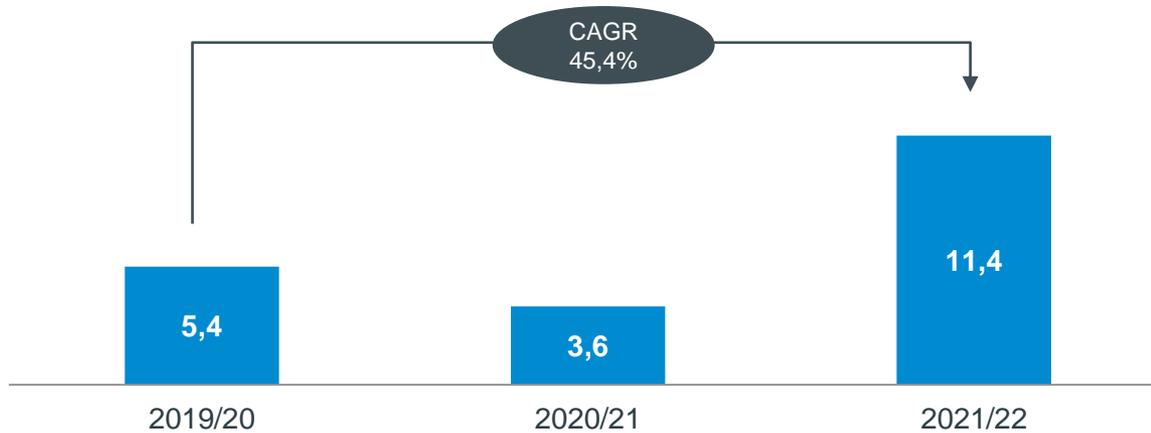
- As a result of the significant increase in inventories and scrapping due to the floods, material expense amounted to EUR 110,5 million at the end of the financial year, exceeding the previous financial year's figure by EUR 58,5 million.
- Personnel expense amounted to EUR 95,9 million at the end of the financial year, up EUR 12,1 million on the previous financial year. This increase was mainly due to developments at KLINGELNBERG GmbH, where the short-time work with a volume of EUR 5,7 million was not received any more and expenses for external staff increased by EUR 4,8 million.

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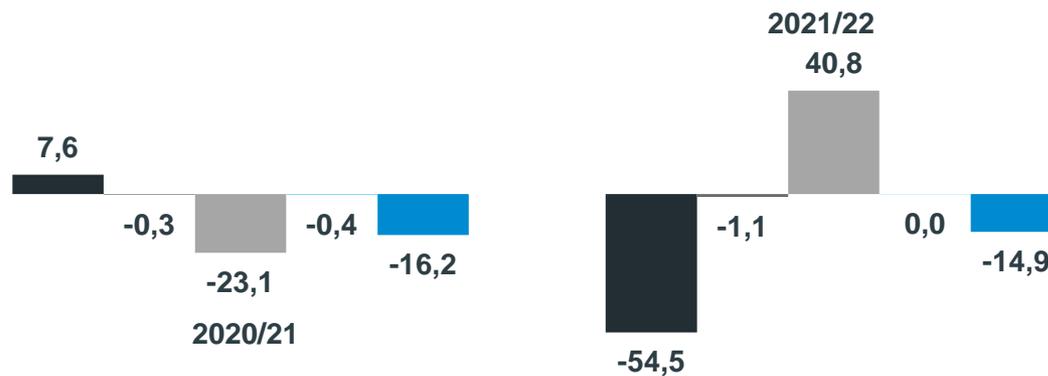
## 2 Cash flow

### Net change in cash amounts EUR -14,9 million (in €m)

#### Capital expenditures on tangible fixed assets



#### Cash Flow



- Cash flow from operating activities decreased by EUR 62,1 million compared to the 2020/21 financial year, mainly due to flooding.
- The largest single investment was the new assembly hall in Hückeswagen, Germany, which is currently still under construction.
- New financial liabilities were taken on to finance the increase in inventories and the new assembly hall.

- Cash flow from operating activities
- Cash flow from investing activities
- Cash flow from financing activities
- Currency translation effects
- Net change in cash

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

## 2 Equity ratio decreased by 17,3 percentage points due to flood

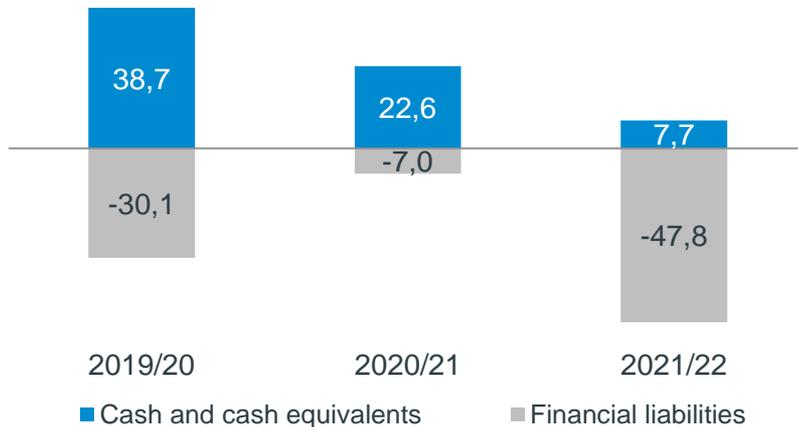
### Balance sheet ratios (in €m)

#### Trade Working Capital

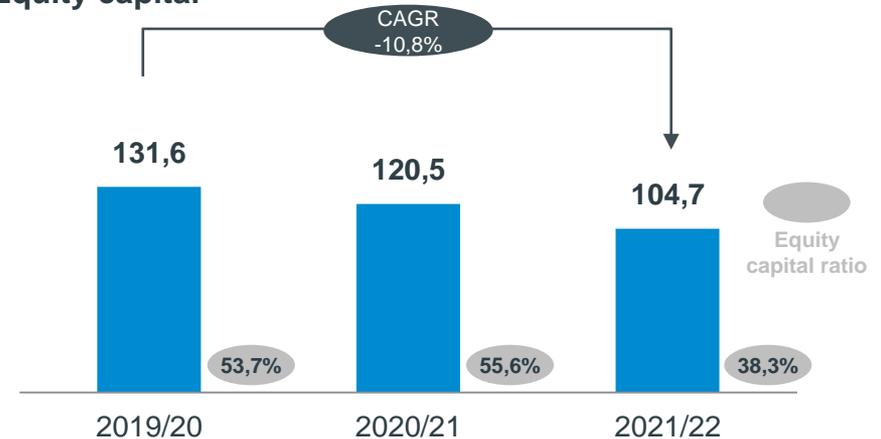


- Equity decreased by EUR 15,8 million (-13,1%) to EUR 104,7 million compared to the end of the previous financial year on 31 March 2021. This decrease was mainly due to the flood-related net loss for the financial year.
- New financial liabilities were taken on to finance the increase in inventories and the new assembly hall.

#### Financing structure



#### Equity capital



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

## 3 Outlook

We expect:

- Still strong demand for large grinding machines, driven by the wind energy market in China
- Strong demand for measuring machines for e-mobility applications continues as well as for generating grinding machines driven by high quality requirements of E-Mobility Applications
- Operating inefficiencies due to difficult supply chain and compressed production time-line due to the flood in 2021

**For the 2022/23 financial year, we expect a significant increase in sales.**

**We expect the EBIT margin to be above 6% in the 2022/23 financial year.**

# 4 Thank you! – Q+A

## KLINGELNBERG's new assembly hall – scheduled end of year



# Appendix

## 2 Increased inventories due to high order backlog in connection with the interruption of operation

### Balance sheet (in €m)

	FY 2020/21 ACTUAL		FY 2021/22 ACTUAL		Deviations	
Cash and cash equivalents	22,6	10%	7,7	3%	-14,9	-66%
Receivables from goods and services	43,0	20%	40,6	15%	-2,4	-6%
Inventories	80,5	37%	133,0	49%	52,5	65%
Other current assets	7,8	4%	33,1	12%	25,3	
Non-current assets	63,1	29%	59,1	22%	-3,9	-6%
<b>Total assets</b>	<b>216,9</b>	<b>100%</b>	<b>273,6</b>	<b>100%</b>	<b>56,6</b>	<b>26%</b>
Short-term financial liabilities	5,3	2%	40,1	15%	34,7	
Other long-term financial liabilities	1,7	1%	7,7	3%	6,0	
Payables from goods and services	14,7	7%	33,8	12%	19,2	131%
Other liabilities	74,7	34%	87,2	32%	12,5	17%
Total equity	120,5	56%	104,7	38%	-15,8	-13%
<b>Total liabilities and equity</b>	<b>216,9</b>	<b>100%</b>	<b>273,6</b>	<b>100%</b>	<b>56,6</b>	<b>26%</b>

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