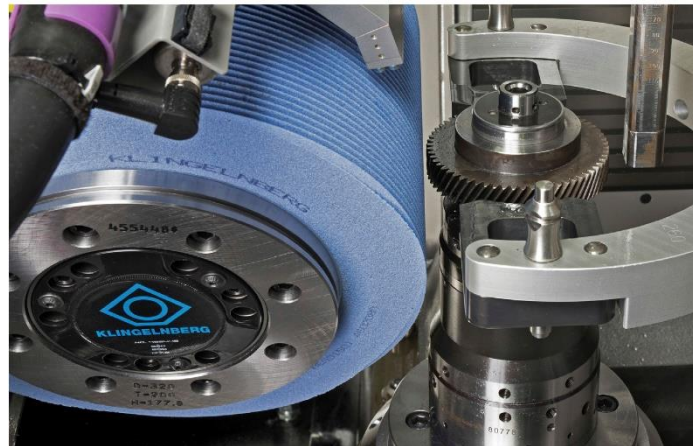
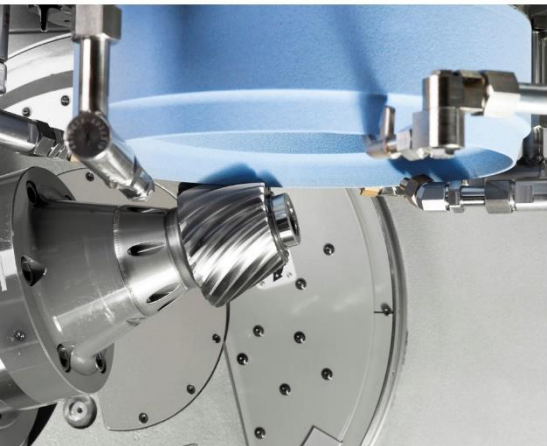
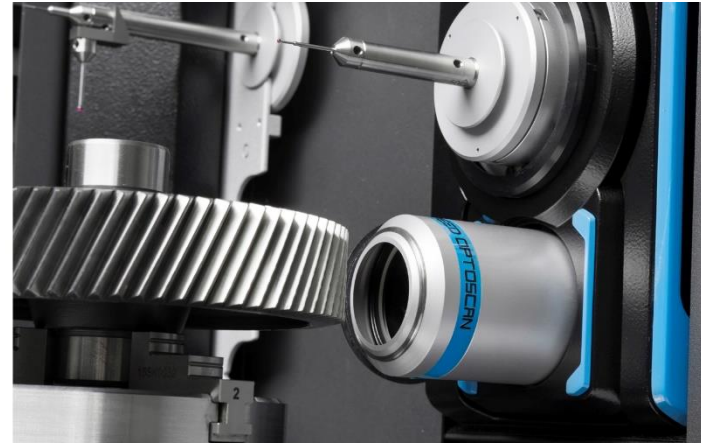




# KLINGELBERG AG

Precision gearing champion with Swiss and German heritage



Presentation for  
Analysts and Investors  
Financial Report 2022/23  
Zürich, June 2023

# Disclaimer

This presentation may contain specific forward-looking statements, e.g., statements including terms like "believe", "assume", "expect", "forecast", "project", "may", "could", "might", "will" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of Klingelberg Group and those explicitly or implicitly presumed in these statements. Such factors include, but are not limited to, future global economic conditions, changed market conditions, competition from other companies, effects and risks of new technologies, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting markets in which the Klingelberg Group operates, and other factors beyond its control. Against the background of these uncertainties, readers should not rely on forward-looking statements. Klingelberg Group assumes no responsibility to up-date forward-looking statements or to adapt them to future events or developments.

This presentation may contain certain measures that are not measures defined by Swiss GAAP FER. These non-Swiss GAAP FER financial measures have limitations as analytical tools and should not be viewed as indicators of, or alternatives to, the Group's results or any performance or liquidity measures under Swiss GAAP FER, as set forth in its consolidated financial statements. The non-Swiss GAAP FER financial measures should therefore be considered as supplementary information to, and read only in conjunction with, the consolidated financial statements of the Group. Since not all companies compute these or other non-Swiss GAAP FER financial measures in the same way, the manner in which the Klingelberg Group's management has chosen to compute the non-Swiss GAAP FER financial measures presented herein may not be comparable with similarly defined terms used by other companies. As a result, you are cautioned not to place undue reliance on any non-Swiss GAAP FER financial measures and ratios included herein.

# Agenda

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

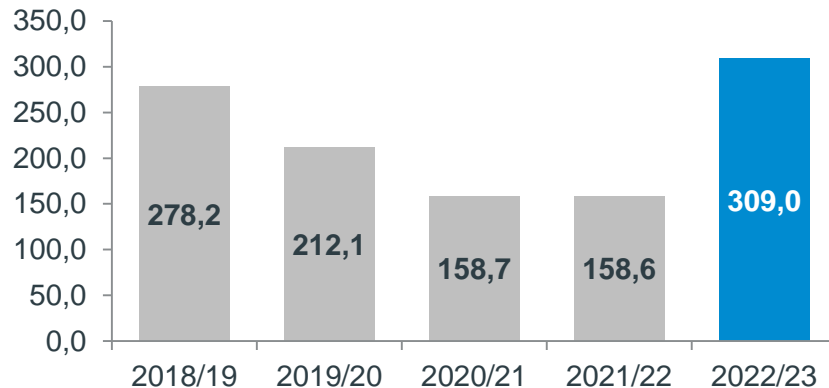
# 1 Key facts 2022/23

1	<b>Strong Come-Back after flood crisis</b>
2	<b>Net sales of EUR 309,0 million (+94,8%)</b>
3	<b>EBIT full year at EUR +23,8 million</b>
4	<b>Order intake rose to EUR 300,4 million</b>
5	<b>Highest net sales and order intake in Company's history</b>
6	<b>Positive outlook for the 2023/24 financial year</b>
7	<b>Board proposes Dividend of 0,4 CHF per share to AGM</b>

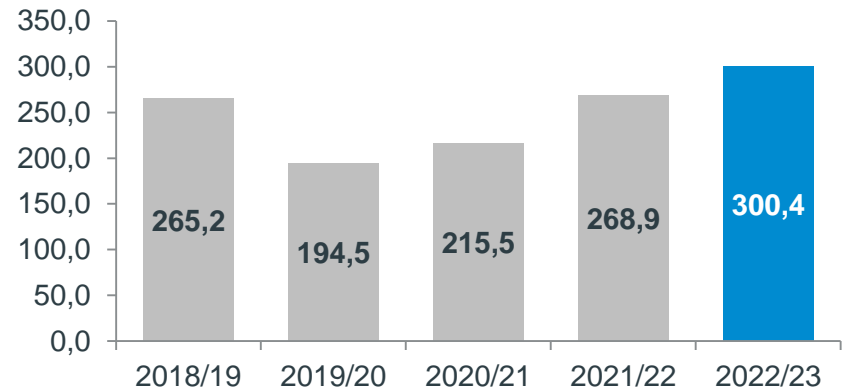
## 2 KLINGELNBERG back on track for success

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

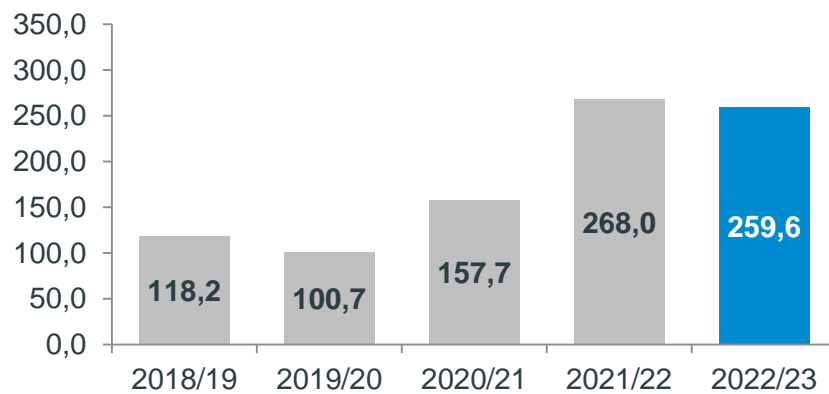
#### Net sales



#### Order intake



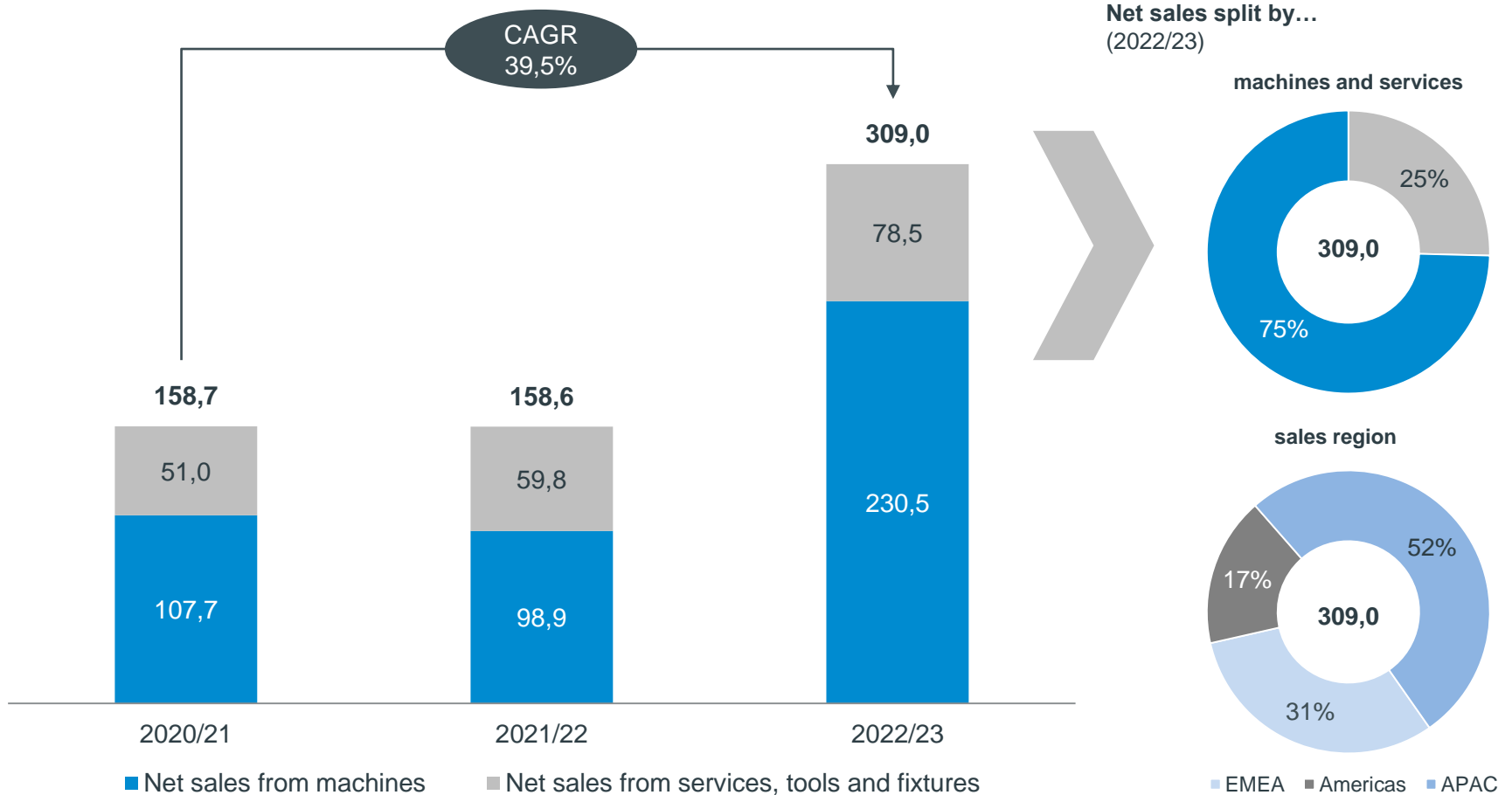
#### Order backlog



- Highest net sales in company's history at EUR 309,0 million, EUR 150,4 million above the previous financial year's figure and EUR 30,8 million above the previous record net sales recorded in the 2018/19 financial year.
- Order intake exceeded the record figure of the previous financial year significantly by EUR 31,5 million to EUR 300,4 million.

## 2 Significant increase in machine sales due to high order backlog and absence of flood related delays in delivery of customer machines

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

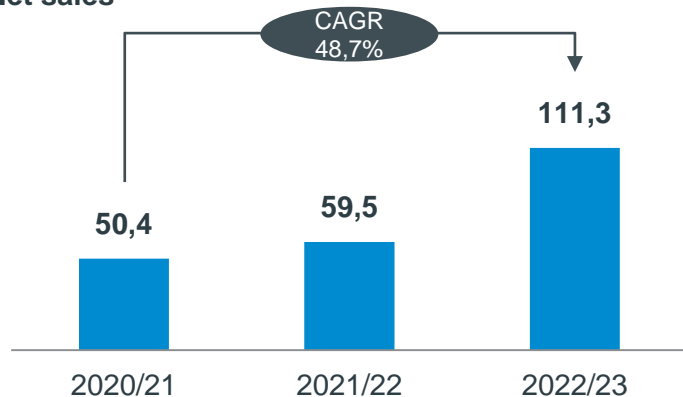


Note: Unless otherwise indicated, all figures are rounded up or down to the nearest hundred thousand Euros.

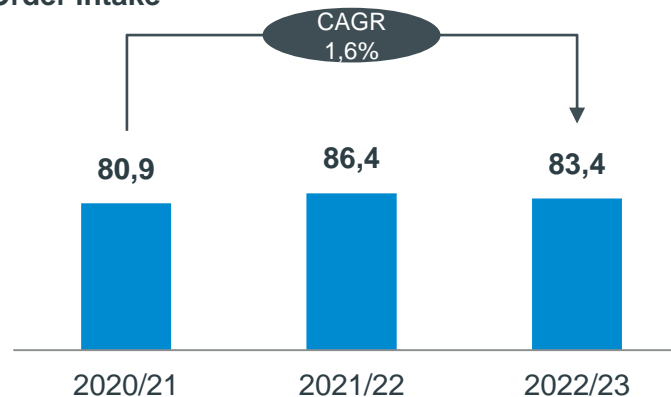
## 2 Bevel Gear segment with significant increase in net sales

### KLINGELNBERG Group – Bevel Gears development (in €m)

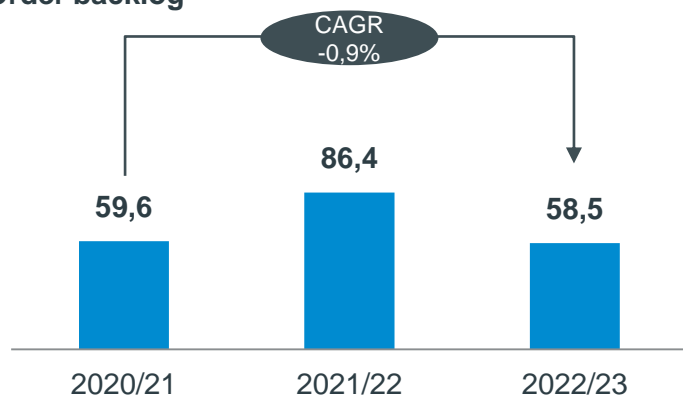
#### Net sales



#### Order intake



#### Order backlog



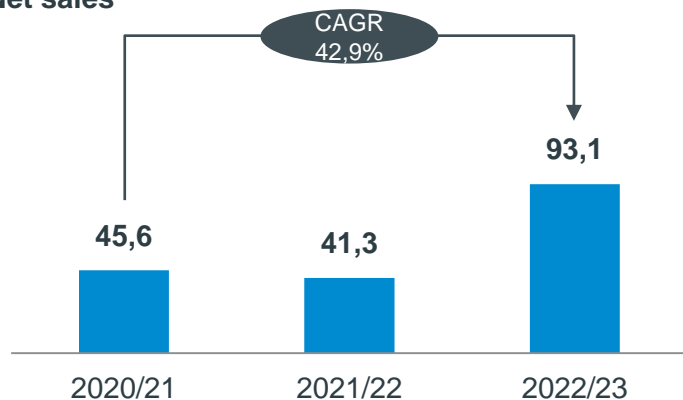
- Among others successful management of the flood disaster from the previous financial year contributed to a significant jump in net sales with an increase compared to the previous financial year's figure by EUR 51,8 million (87,1%).

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

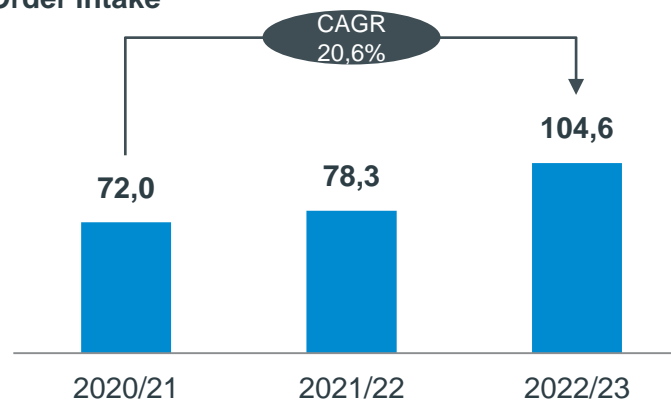
## 2 Cylindrical Gear segment continued with high order intake

### KLINGELNBERG Group – Cylindrical Gears development (in €m)

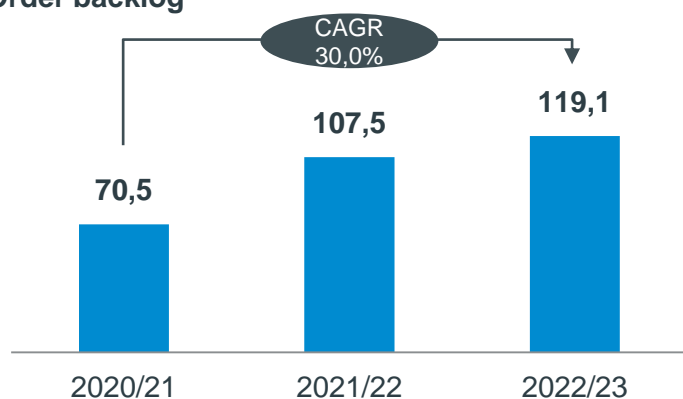
#### Net sales



#### Order intake



#### Order backlog



- With an impressive increase in net sales from EUR 51,7 million to EUR 93,1 million, the Cylindrical Gear segment generated growth of 125,3% compared to the same period of the previous financial year. The Cylindrical Gear segment had thus also successfully overcome the effects of the flood.
- Cylindrical Gear segment had once again achieved a record in the order books and had developed into a strong sales driver.

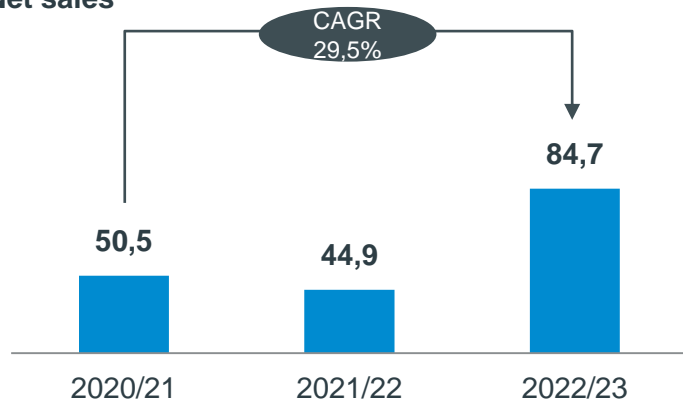
Note: Unless otherwise indicated, all figures are rounded up or down to the nearest hundred thousand Euros.



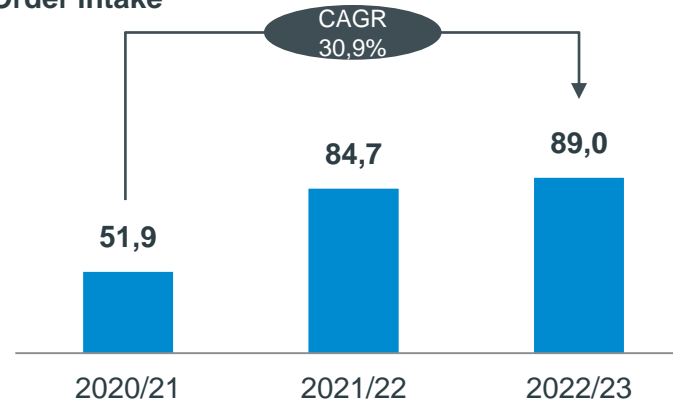
## 2 A record order intake was achieved

### KLINGELNBERG Group – Precision Measuring Centers development (in €m)

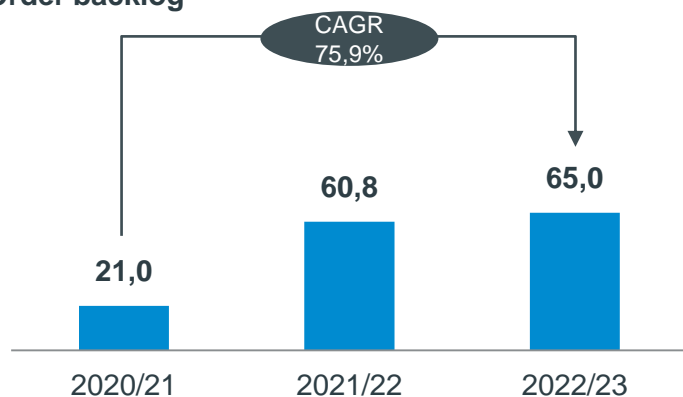
#### Net sales



#### Order intake



#### Order backlog



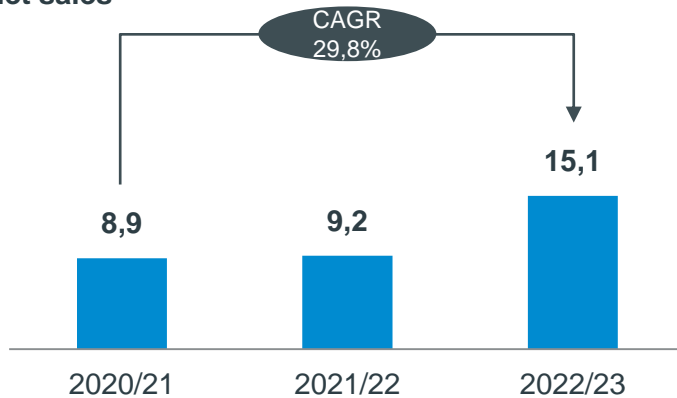
- Measuring Centers segment had also successfully coped with the flooding in the past financial year and recorded an increase in net sales of EUR 39,8 million (88,7%) in the 2022/23 financial year.
- Supported by the high innovation potential and consolidated, global market positions in the areas of electromobility and wind power, the company recorded the highest order volume of measuring centers within a single financial year.

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

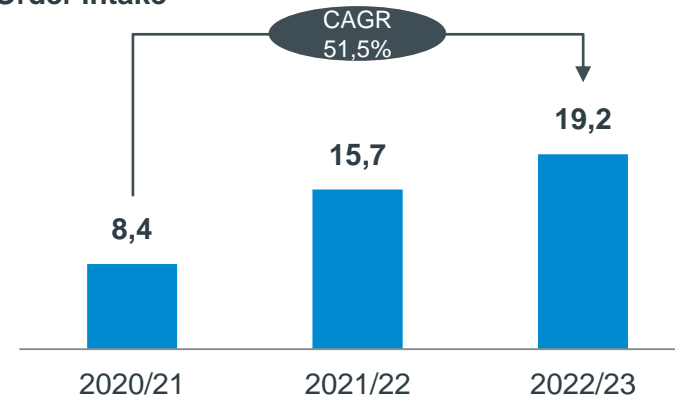
## 2 Strong recovery in sales and orders

### KLINGELNBERG Group – Drive Technology development (in €m)

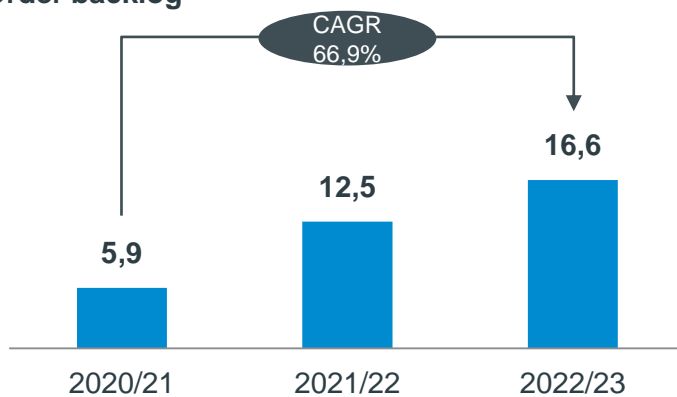
Net sales



Order intake



Order backlog



- Due to the massive expansion of offshore activities for diversified gas production in the wake of the Ukraine conflict, demand for rudder thruster propellers featuring bevel gears from the Drive Technology segment significantly increased.
- In the mining markets, increasing demand for bevel gears in the mill gearboxes sector had emerged in the 2022/23 financial year after years of drastic investment cutbacks.

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

## 2 Operating result significantly increased – KLINGELNBERG managed the flood event in a unique manner

### KLINGELNBERG Group – Income statement (in €m)

	FY 2020/21 ACTUAL		FY 2021/22 ACTUAL		FY 2022/23 ACTUAL		Deviations 2022/23 vs. 2021/22	
<b>Net sales from goods and services</b>	<b>158,7</b>	<b>100%</b>	<b>158,6</b>	<b>100%</b>	<b>309,0</b>	<b>100%</b>	<b>150,4</b>	<b>95%</b>
Other operating income	1,9	1%	40,3	25%	9,5	3%	-30,7	-76%
Change in inventory of finished and unfinished goods	-5,8	-4%	41,0	26%	-18,8	-6%	-59,8	-146%
Material expense	-52,0	-33%	-110,5	-70%	-125,8	-41%	-15,3	-14%
Personnel expense	-83,7	-53%	-95,9	-60%	-100,1	-32%	-4,3	-4%
Depreciation on tangible fixed assets	-4,6	-3%	-4,1	-3%	-4,0	-1%	0,2	5%
Amortisation on intangible assets	-0,4	0%	-0,4	0%	-0,4	0%	0,1	12%
Other operating expense	-26,2	-17%	-45,2	-29%	-46,3	-15%	-1,0	-2%
Share of result from joint ventures	0,6	0%	0,6	0%	0,6	0%	0,0	3%
<b>Operating result</b>	<b>-11,6</b>	<b>-7%</b>	<b>-15,7</b>	<b>-10%</b>	<b>23,8</b>	<b>8%</b>	<b>39,5</b>	
Financial result	2,2	1%	-4,0	-3%	-2,3	-1%	1,7	42%
<b>Profit before income taxes</b>	<b>-9,4</b>	<b>-6%</b>	<b>-19,7</b>	<b>-12%</b>	<b>21,5</b>	<b>7%</b>	<b>41,1</b>	
Income taxes	2,1	1%	-2,0	-1%	-0,7	0%	1,3	65%
<b>Net profit</b>	<b>-7,3</b>	<b>-5%</b>	<b>-21,7</b>	<b>-14%</b>	<b>20,8</b>	<b>7%</b>	<b>42,5</b>	<b>196%</b>

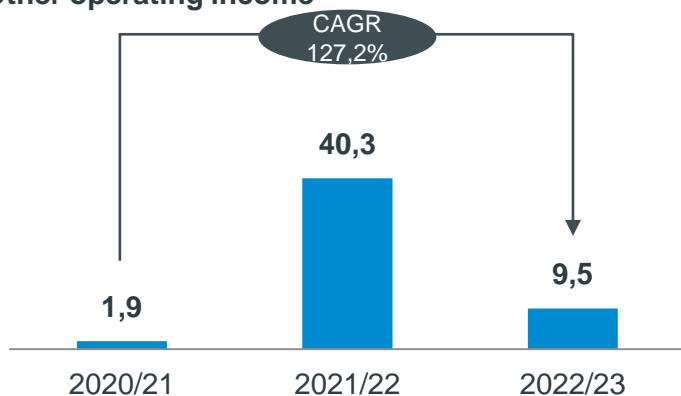
- After the post-pandemic upturn in the previous financial year was severely slowed down by the flood disaster on 14 July 2021, the operating result (EBIT) increased significantly by EUR 39,5 million compared to the previous financial year and amounted to EUR +23,8 million at the end of the 2022/23 financial year.
- Both the highest order intake in the company's history and the still very high order backlog provide a positive outlook for the future.

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

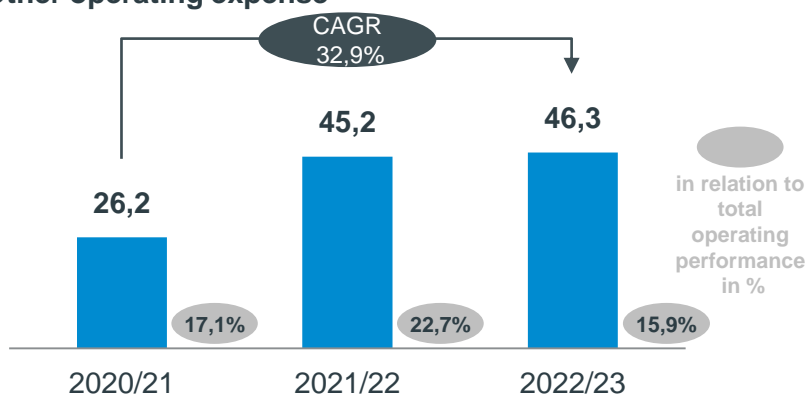
## 2 Other operating expense ratio significantly decreased

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

#### Other operating income



#### Other operating expense



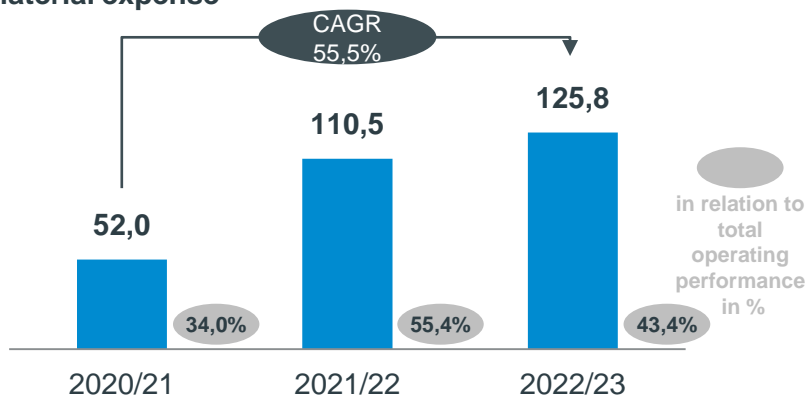
- The decrease, in each case relating to KLINGELNBERG GmbH, was mainly due to the lower flood-related insurance payments (EUR 15,5 million) and the reduction in reconstruction aid from the Federal State of “Nordrhein-Westfalen”/Germany from EUR 20,0 million in the previous financial year to EUR 5,6 million.
- At the end of the financial year, other operating expense amounted to EUR 46,3 million, up EUR 1,1 million on the previous financial year. Although the flood damages decreased by EUR 9,7 million, performance-related costs (amongst others freight costs, travel expenses, commission expenses) increased significantly.

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

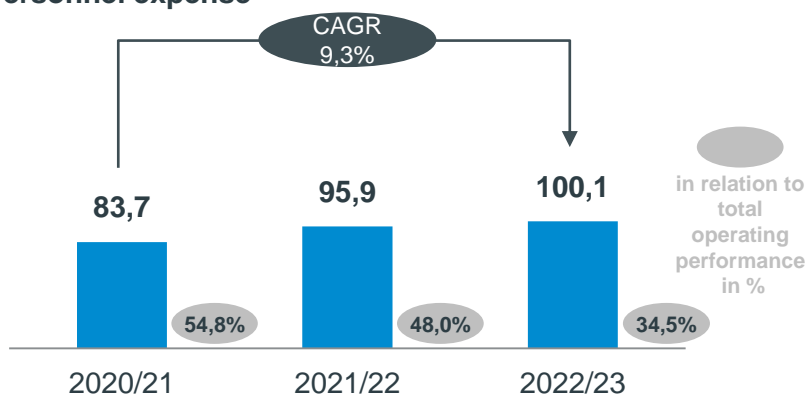
## 2 Personnel expense ratio decreased due to stronger increase in total operating performance

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

#### Material expense



#### Personnel expense



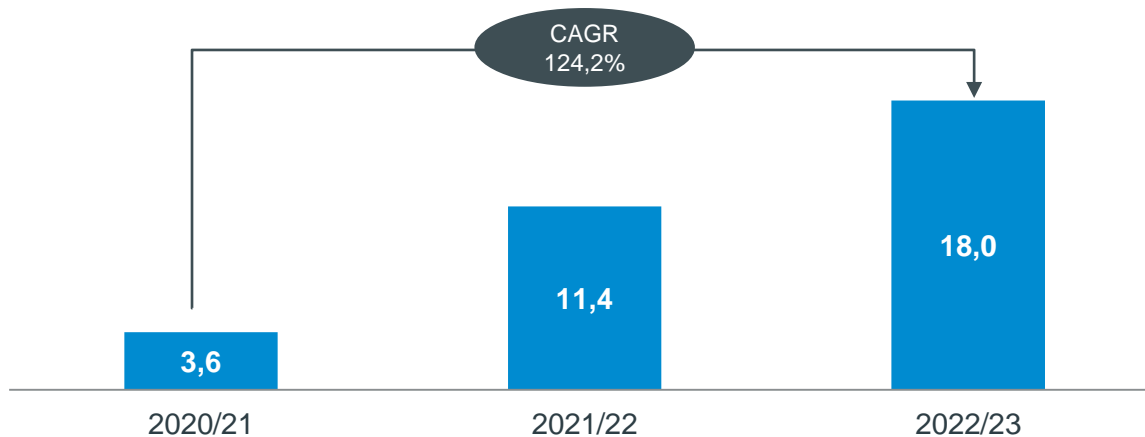
- Driven by sales, material expense increased at a lower rate than total operating performance due to the reduction in inventories and the absence of material damage that occurred as a result of the flooding in the previous financial year and amounted to EUR 125,8 million, EUR 15,3 million higher than in the previous financial year.
- Personnel expense amounted to EUR 100,1 million at the end of the financial year, up EUR 4,2 million on the previous financial year. Wages and salaries including social security contributions increased mainly due to the increase in the number of employees.

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

## 2 Cash flow

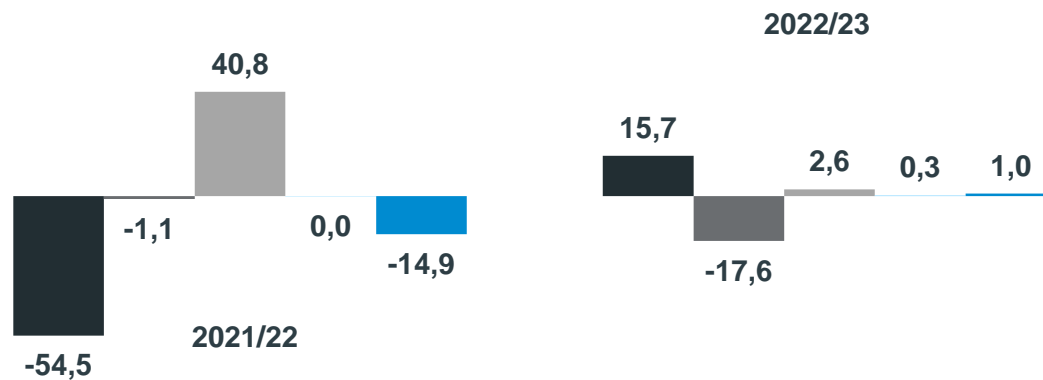
### KLINGELNBERG Group – Net change in cash amounted to EUR +1,0 million (in €m)

#### Capital expenditures on tangible fixed assets



- Outflows for investment in tangible fixed assets amounted to EUR 18,0 million in the 2022/23 financial year. The largest single investment was the new assembly hall in Hückeswagen, Germany.
- The cash flow from operating activities increased to EUR 15,7 million.

#### Cash Flow



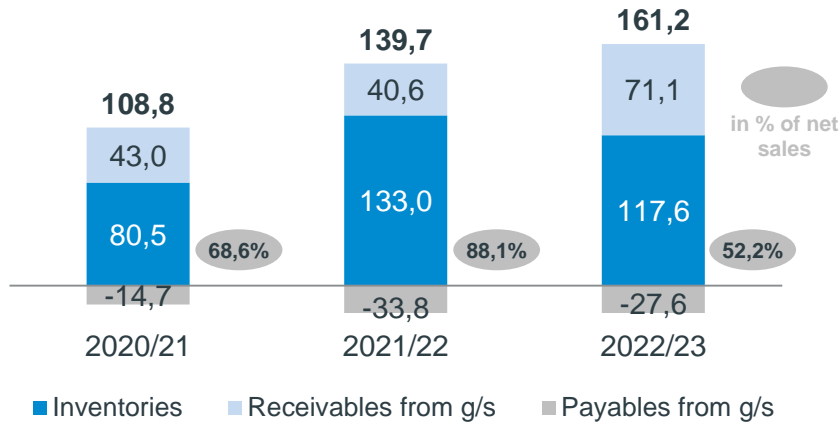
- Cash flow from operating activities
- Cash flow from investing activities
- Cash flow from financing activities
- Currency translation effects
- Net change in cash

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

# 2 Equity ratio increased mainly due to the clearly positive annual result

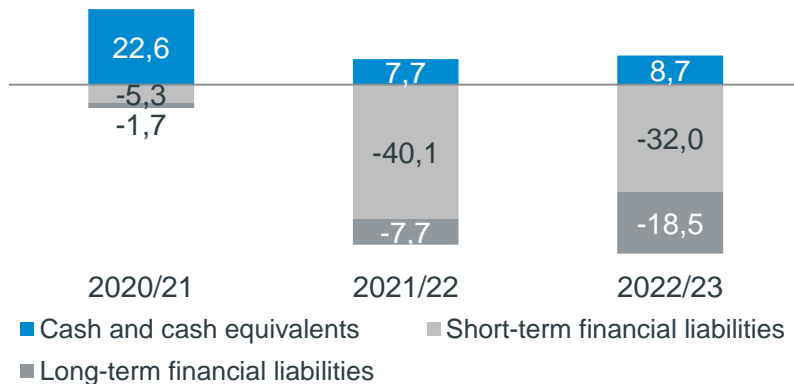
## KLINGELNBERG Group – Balance sheet ratios (in €m)

### Trade Working Capital

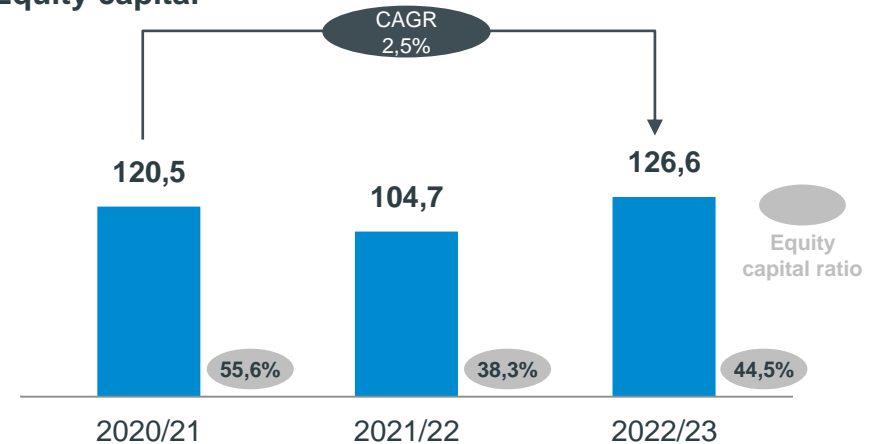


- Equity increased by EUR 21,9 million (+20,9%) compared to 31 March 2022 and amounted to EUR 126,6 million as of 31 March 2023. This increase was mainly due to the positive annual result of the KLINGELNBERG Group. Compared with 31 March 2022 the equity ratio increased by 6,2 percentage points to 44,5%.
- The KLINGELNBERG Group has thus further strengthened its solid financial position in the 2022/23 financial year.

### Financing structure



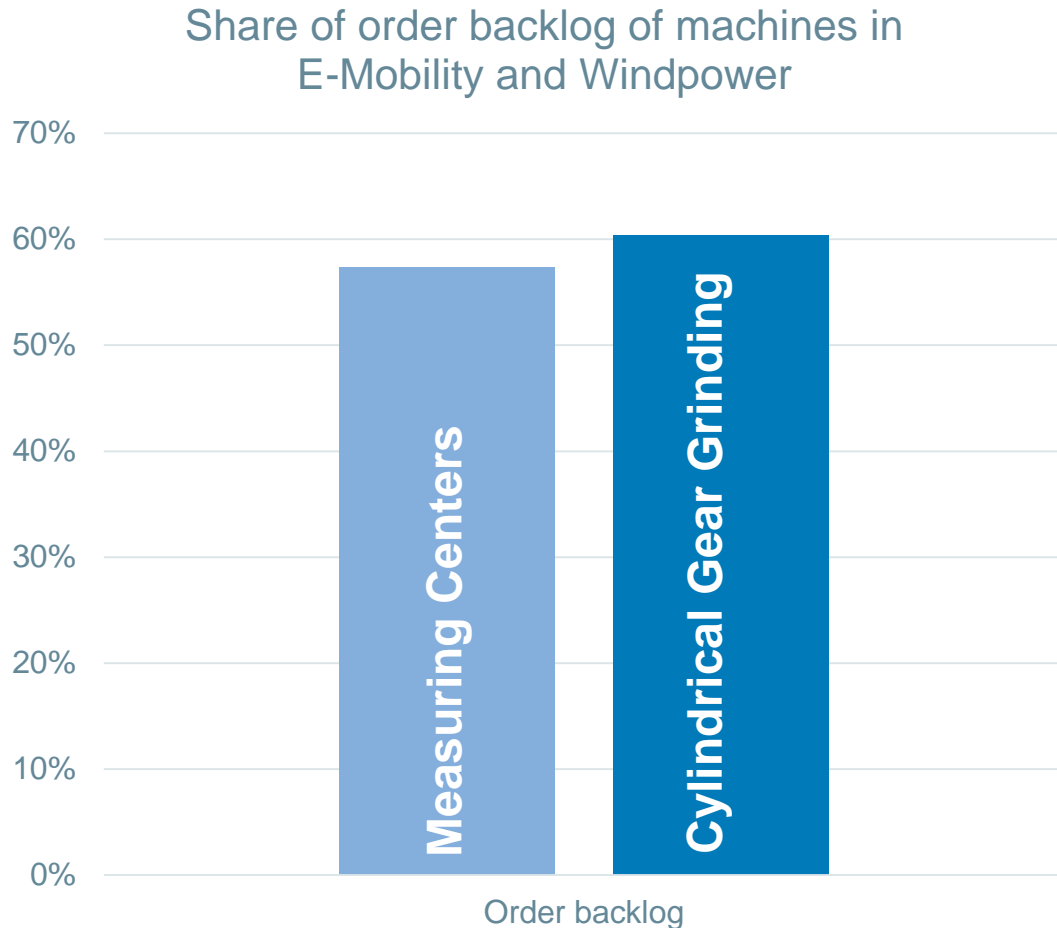
### Equity capital



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

### 3 Key facts 2022/23

The share of projects from the sectors of electromobility and wind power in the order backlog is significantly over 50% in 2 divisions



- 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



## 3 Outlook

We expect:

- Still strong demand for large grinding machines, driven by the wind energy and mining market.
- Strong demand for E-Mobility solutions driven by high quality requirements of E-Mobility Applications: both measuring and generating grinding machines benefit from this development.
- Improved operating efficiency due to elimination of flood-related production restrictions and as a result of the Efficiency Enhancement Program in 2020. Additional we expect easing on the global supplychain side.

**For the 2023/24 financial year, we expect net sales to remain stable at the current record level.**

**We expect the EBIT margin to slightly improve, despite current inflation, compared to 2022/23 financial year.**

# 4 Thank you! – Q+A



# Appendix

## 2 Strong increase in Equity mainly due to clearly positive annual result

### KLINGELNBERG Group – Balance sheet (in €m)

	FY 2021/22 ACTUAL		FY 2022/23 ACTUAL		Deviations	
Cash and cash equivalents	7,7	3%	8,7	3%	1,0	13%
Receivables from goods and services	40,6	15%	71,1	25%	30,6	75%
Inventories	133,0	49%	117,6	41%	-15,4	-12%
Other current assets	33,1	12%	11,0	4%	-22,1	-67%
Non-current assets	59,1	22%	76,0	27%	16,9	29%
<b>Total assets</b>	<b>273,6</b>	<b>100%</b>	<b>284,4</b>	<b>100%</b>	<b>10,8</b>	<b>4%</b>
Short-term financial liabilities	40,1	15%	32,0	11%	-8,1	-20%
Long-term financial liabilities	7,7	3%	18,5	7%	10,8	139%
Payables from goods and services	33,8	12%	27,6	10%	-6,3	-19%
Other liabilities	87,2	32%	79,8	28%	-7,4	-8%
Total equity	104,7	38%	126,6	45%	21,9	21%
<b>Total liabilities and equity</b>	<b>273,6</b>	<b>100%</b>	<b>284,4</b>	<b>100%</b>	<b>10,8</b>	<b>4%</b>

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