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Media Release

KLINGELNBERG Group: “Crisis successfully mastered”

- Order intake significantly above previous year
- Opportunities of the wind power boom exploited – positions in electromobility expanded
- Free cash flow rises sharply – EBIT significantly improved
- Measures to increase efficiency take effect
- Investment project progressing according to plan
- New financial year starts with high order backlog

Zürich/Switzerland, 23 June 2021 – **The KLINGELNBERG Group (SIX: KLIN), a leading global manufacturer of high-tech gear technology for a wide range of industries, has successfully mastered the past year, which was marked by external crises. The company was able to achieve increases in almost all relevant key figures, in some cases even significantly. Despite the ongoing Coronavirus crisis, KLINGELNBERG was able to clearly exceed the order intake figures of the previous year. At the same time, KLINGELNBERG was able to improve the operating result (EBIT) by EUR 7,2 million to EUR -11,6 million, despite a decline in net sales of EUR 53,4 million.**

In the 2020/21 financial year, the economic effects of the coronavirus crisis have hit the global mechanical engineering industry. As reported, KLINGELNBERG could also not wholly escape this development. However, KLINGELNBERG countered this development at an early stage and with a high level of commitment from the entire company with a comprehensive efficiency enhancement program on the one hand, and with the consistent exploitation of opportunities that arose in the global markets on the other.

Several factors influenced the company’s performance in the past financial year:

- In addition to the uncertainty in the automotive industry as a result of legislative communications and discussions about future technologies, particularly in Europe, the coronavirus crisis also affected the company. Investments by industrial customers were postponed until further notice, and planned investments in machines for combustion technology were often canceled or questioned. But also, investments in capacities for electromobility were initially not made.
- Supply chains were under pressure due to COVID-19, as were the logistics for delivering machines.

- The major regions developed very differently economically. Reliable forecasts were impossible.

The high level of commitment and the implementation of the Efficiency Enhancement Program were clearly showing positive results. After a weak first half of the financial year – KLINGELNBERG's financial year runs from 01 April to 31 March – KLINGELNBERG was able to leave the negative development path and break out in a more positive direction in the second half of the financial year. Order intake for the entire financial year rose by EUR 21,0 million from EUR 194,5 million to EUR 215,5 million. The order backlog reached EUR 157,7 million and ranged thus EUR 57,0 million higher than the comparative figure for the previous year of EUR 100,7 million – an increase of more than 50%. Cash flow from operating activities rose by EUR 9,8 million from EUR 2,2 million in the previous financial year to EUR 7,6 million; the free cash flow of EUR 7,3 million was EUR 13,8 million higher than the previous year's figure of EUR -6,5 million.

KLINGELNBERG is traditionally solidly and stably financed. Despite the crises KLINGELNBERG was able to improve its net debt from EUR -8,7 to EUR -15,5 million. The equity ratio rose by almost 2 percentage points to the remarkably high level of 55,6%.

Jan Klingelberg, CEO of the KLINGELNBERG Group said: "It has once again proven a successful strategy to be diversified across all relevant industries and to be positioned worldwide, while competing for orders with a high level of entrepreneurial commitment. Only in this way was it possible to participate in the rapid recovery in Asia, especially in China, while at the same time compensating for losses in the automotive market by expanding our position in the dynamically growing market for renewable energies. As a result, we were able to win substantial order volumes, particularly in the final months of the financial year. In individual months, order intake even reached the highest levels in the history of our company. That is certainly anything but self-evident in the current environment."

Klingelberg continued: We improved cash positions and further developed our position in e-Mobility and renewable energies. We have pushed ahead with the Efficiency Enhancement Program and successfully entered new markets. And we have continued to innovate, despite all the pressure. We have every reason to look to the future with confidence. We have mastered the pandemic in an impressive manner so far and with full order books are entering what we hope will be a successful 2021/22 financial year."

Management and the Board of Directors will propose to the Annual General Meeting on 24 August 2021 that no dividend will be paid for the 2020/21 financial year. Thereby, the company remains true to its principle of giving shareholders an above-average share in the company's success when the results are good, while at the same time not weakening the company's substance, for example by distributing dividends that have not been actually earned.

KLINGELNBERG AG, with its strategy geared towards solidity and sustainability, is convinced that this is in the best interests of its shareholders. At the same time, this puts the company in an even better position to finance its strong growth largely from its own resources.

KLINGELNBERG expects the good development to continue in the years to come and is investing in its future – amongst other things with the construction of a new hall for the production of machines for the wind power sector at its Hückeswagen site, where we will invest a total of EUR 20 million. With these investments KLINGELNBERG wants to ensure that the company participates disproportionately in the growth of important sectors. Meanwhile, KLINGELNBERG is also pushing ahead with assembly and production flexibilization and is quickly and sustainably gearing them towards the rapidly growing demand for large wind turbines. KLINGELNBERG sees

itself well equipped for the future. CEO Jan Klingelberg: “Our grinding machines for the wind power industry are appreciated and in demand by our customers worldwide. Our integrated solutions for e-Mobility are highly popular – together with our partners, we are working to meet the ever-increasing demands of this highly sophisticated emerging market.”

The complete Annual Report for the 2020/21 financial year of the KLINGELNBERG Group is available on the company’s website at <https://www.klingelberg.com/en/investors/financial-reports/>.

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About KLINGELNBERG

Founded in 1863, KLINGELNBERG is one of the leading companies in the global gear industry. The company develops and builds machines for the production of bevel and cylindrical gears, measuring centers for axially symmetric workpieces of all kinds, including high-precision transmission components to customer specifications. With headquarters in Zürich, Switzerland, and more than 1.000 employees, KLINGELNBERG operates development and production facilities in Zürich (Switzerland), Hückeswagen and Ettlingen (Germany) and is represented by sales and service subsidiaries in Germany, Switzerland, France, Italy, Spain, Japan, India, China, Brazil, the USA and Mexico. KLINGELNBERG 's shares are listed on the SIX Swiss Exchange (KLIN).

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