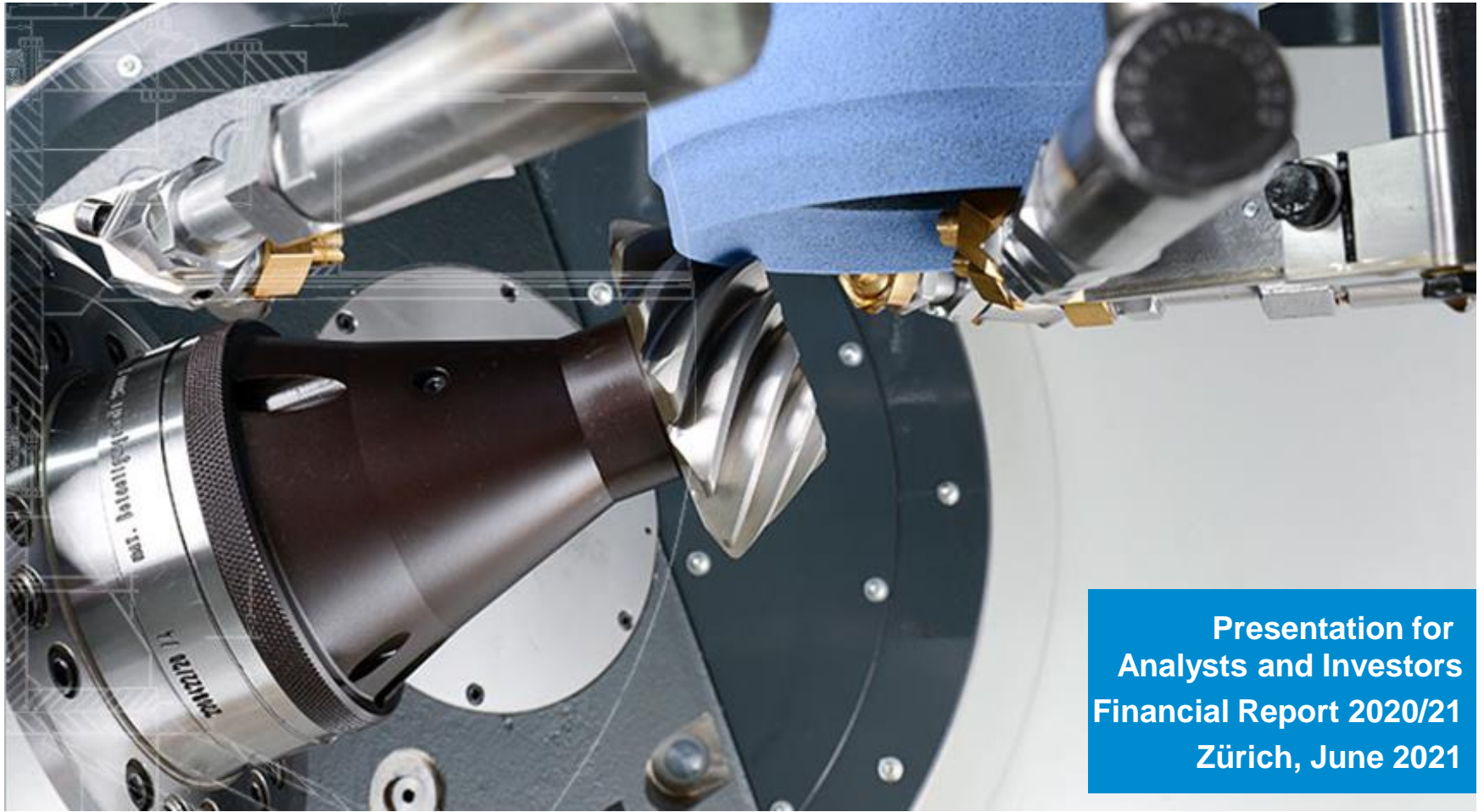




KLINGELBERG AG

Precision gearing champion with Swiss and German heritage



Presentation for
Analysts and Investors
Financial Report 2020/21
Zürich, June 2021

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Agenda

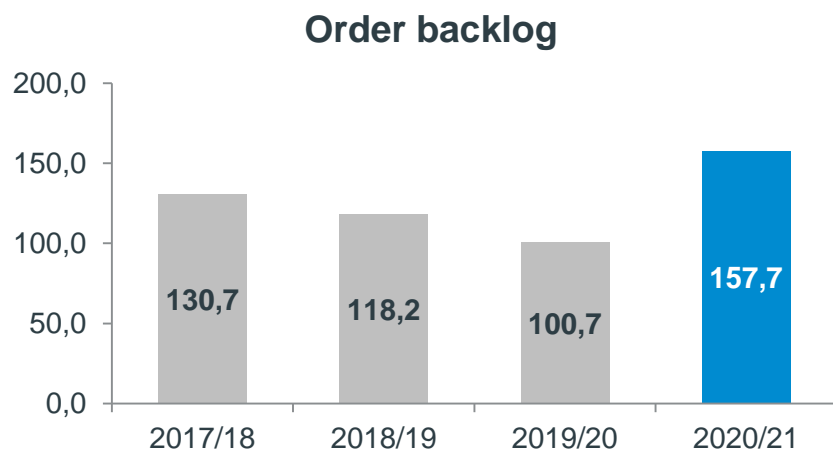
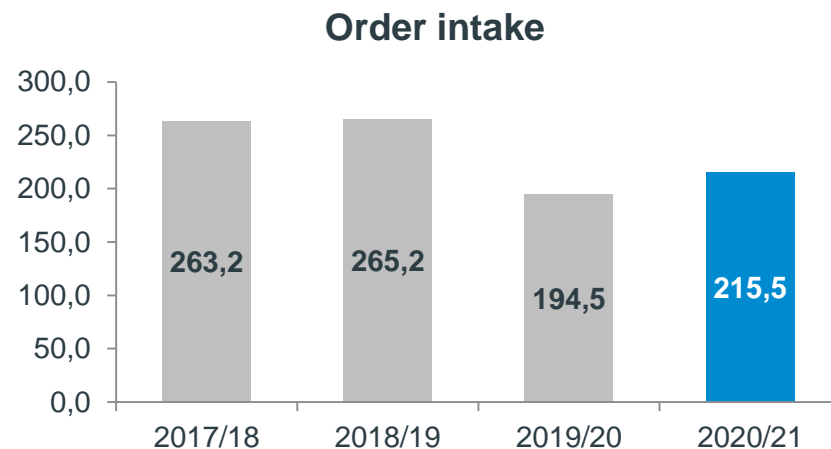
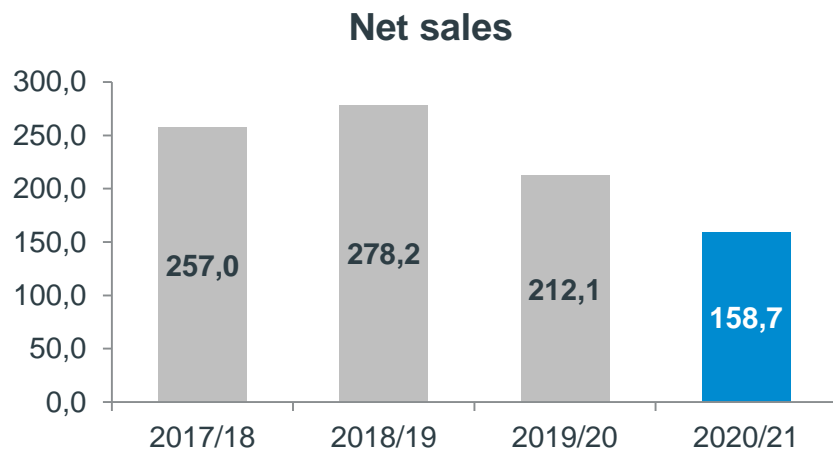
1	Introduction and Key facts
2	Financial results
3	Outlook
4	Q&A

1 Key facts 2020/21

1	Corona pandemic induced drop in net sales by 25,2%
2	Due to consequent cost and cash savings during the pandemic the balance sheet remained rock solid
3	EBIT improved by EUR 7,2 million resulting in a loss of EUR 11,6 million
4	Order intake increased by EUR 21,0 million (+10,8%) to EUR 215,5 million
5	Positive Outlook for 2021/22

2 Order intake recovered and led to increased order backlog

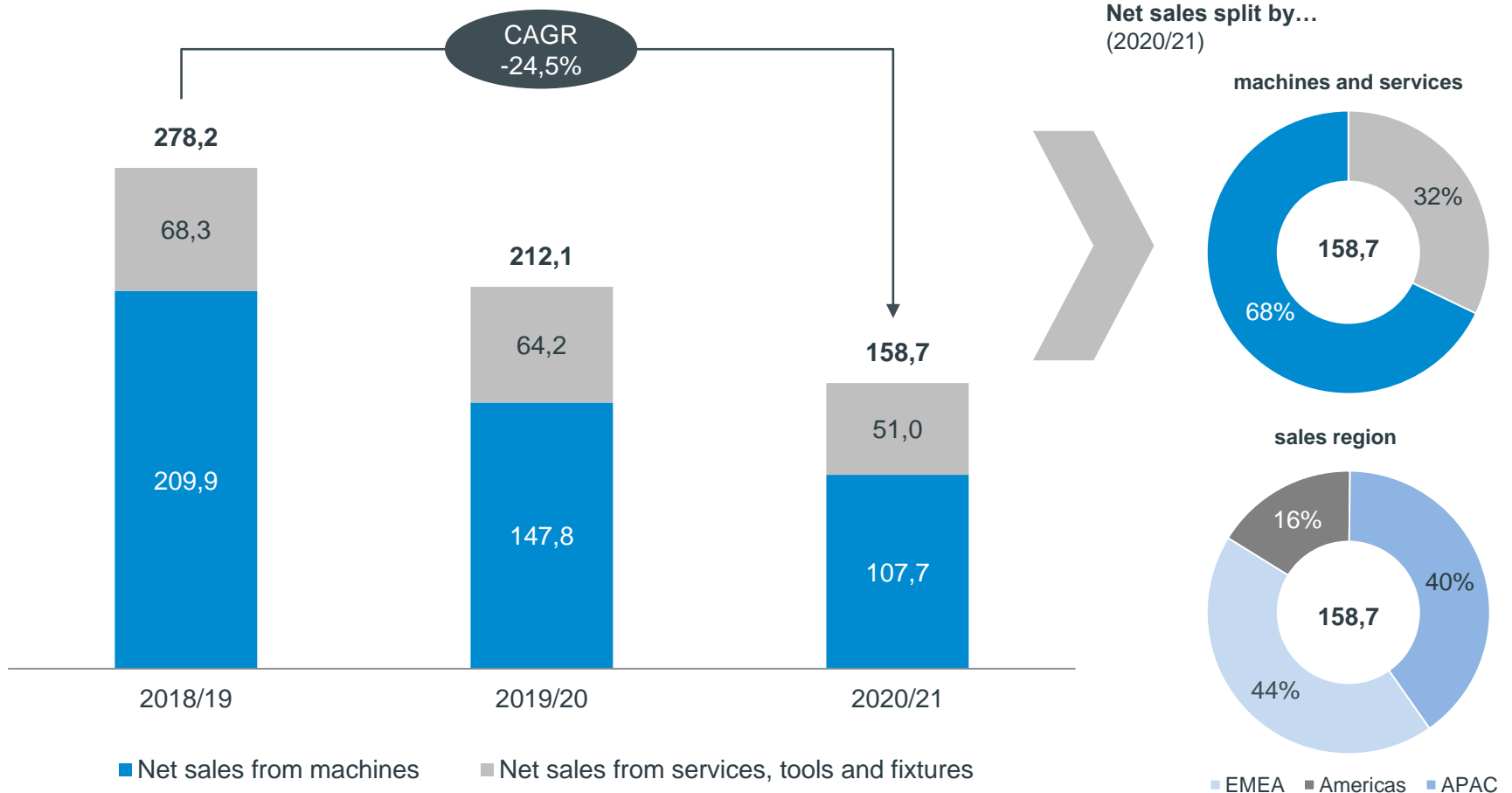
KLINGELNBERG Group – Sales and orders (in €m)



- Net sales decreased by 25,2% compared to the previous year.
- Order intake rose by EUR 21,0 million to EUR 215,5 million.
- Due to a high order intake in the second half of our financial year the order backlog increased to EUR 157,7 million.

2 As expected: decline in machine sales / even aftersales business was slowed down by the restrictions of the pandemic in the first half year

KLINGELNBERG Group – Sales (in €m)

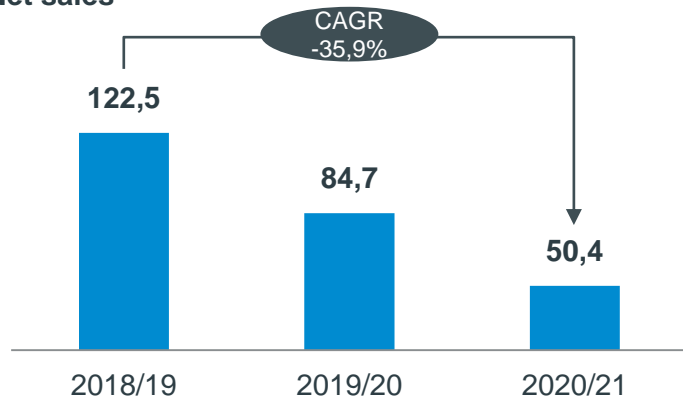


Note: Unless otherwise indicated, all figures are rounded up or down to the nearest hundred thousand Euros.

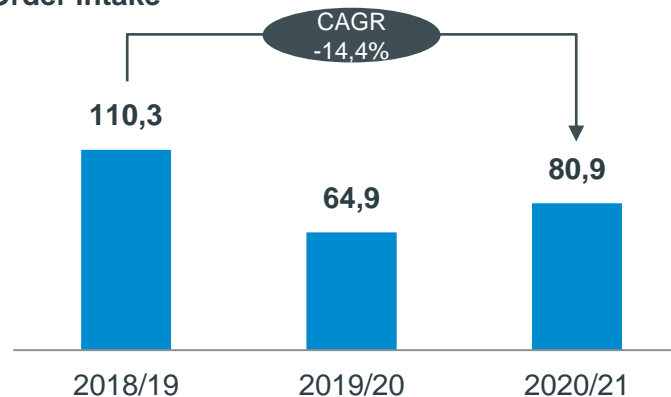
2 Bevel Gear segment with noticeable signs of recovery

Bevel Gears development (in €m)

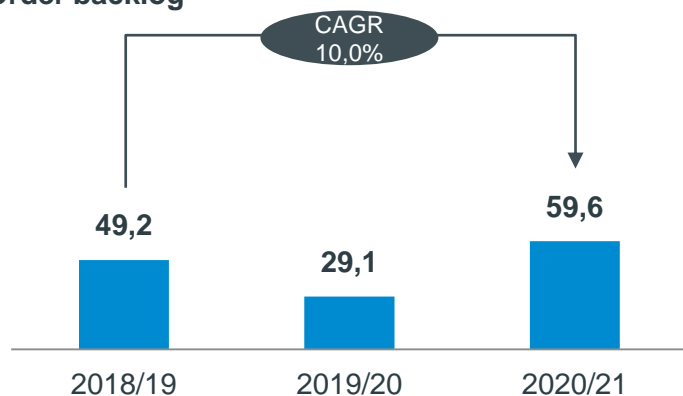
Net sales



Order intake



Order backlog



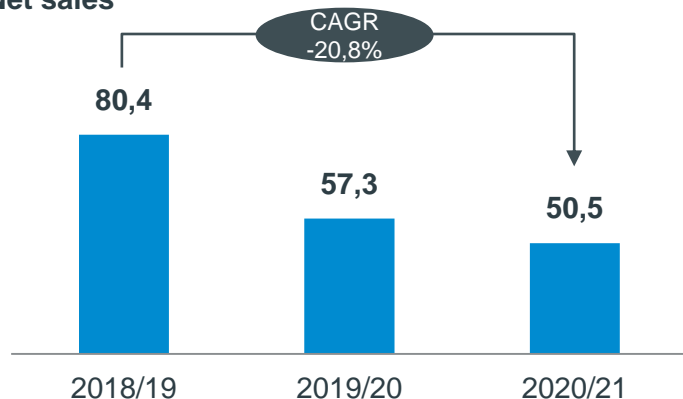
- With the ramp-up of global production in the second half of the financial year, noticeable signs of recovery could be seen in the segment's order books.
- In addition to an upturn in new machine business, the thriving service business in connection with retrofits and refurbishments also contributed to this development.

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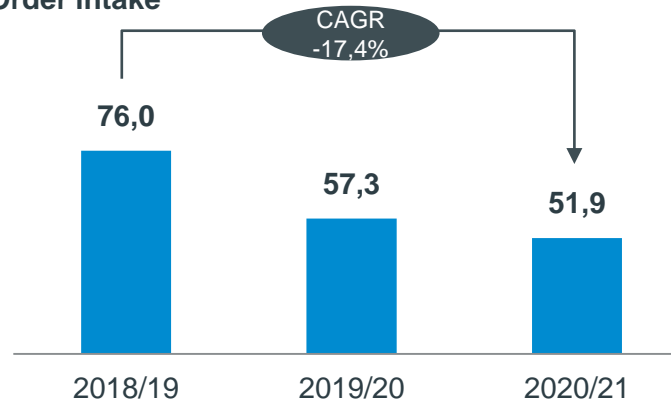
2 Measuring Centers segment with declined figures, but with upward trends towards the end of the financial year

Precision Measuring Centers development (in €m)

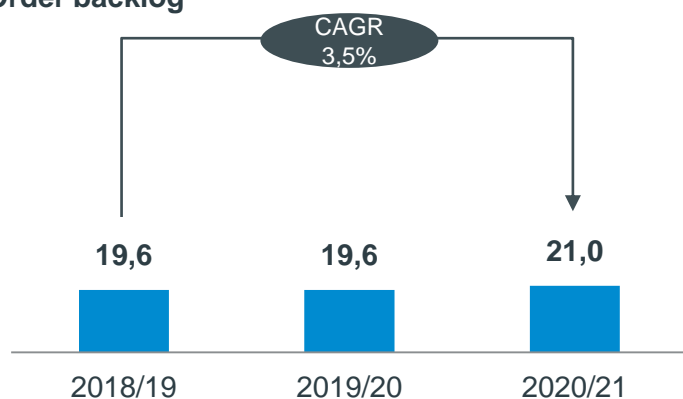
Net sales



Order intake



Order backlog



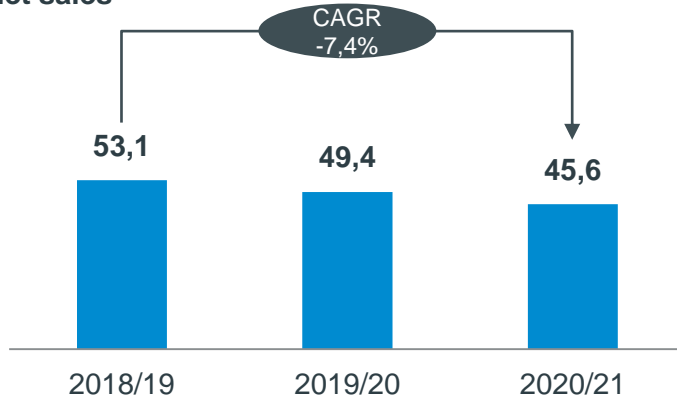
- In line with the overall development, there were also signs of a recovery in the measuring equipment sector in the second half of the financial year:
 - Recovery from the automotive and commercial vehicle sectors drove the development of this segment.
 - Increasing quality-requirements for electric vehicles led to higher demand for quality assurance equipment

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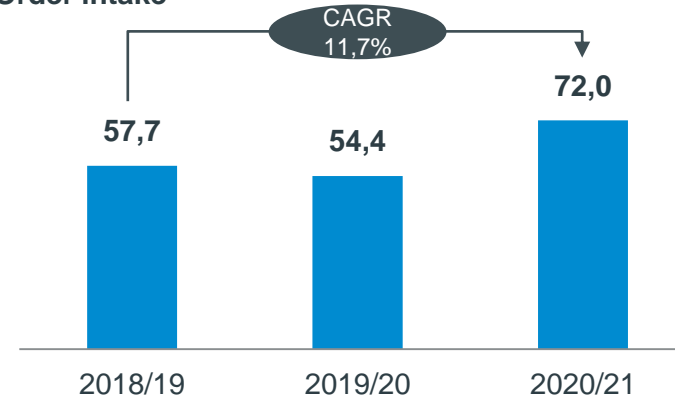
2 Cylindrical Gear segment proved resilient

Cylindrical Gears development (in €m)

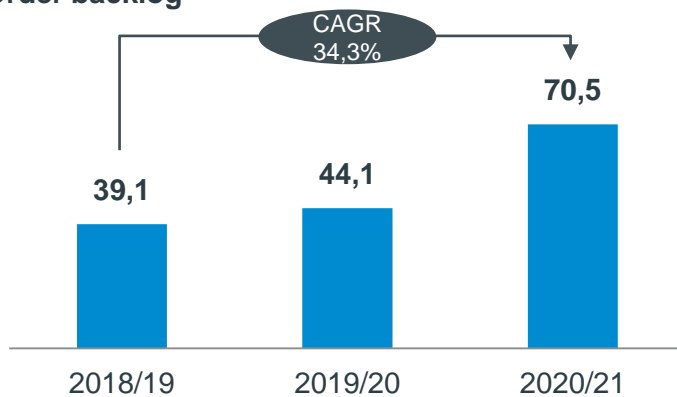
Net sales



Order intake



Order backlog



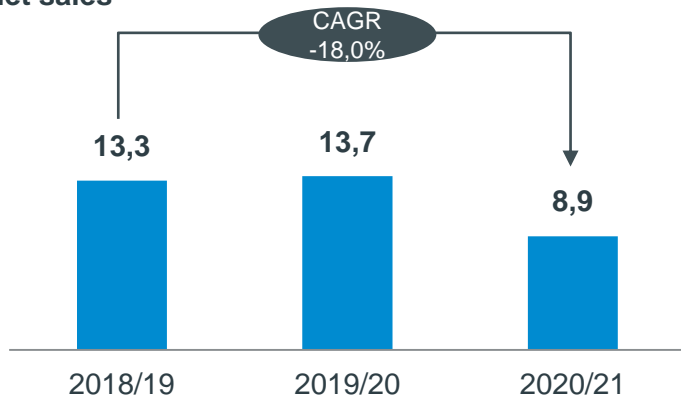
- Due to the economic burden related to the coronavirus pandemic net sales cooled of from EUR 49,4 million in 2019/20 to EUR 45,6 million.
- New impulses arose from China's drive to carbon neutrality leading to higher demand for large grinding machines serving the wind energy and mining market.

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

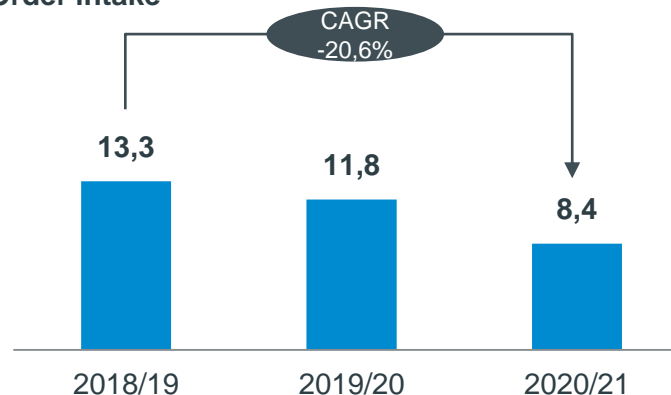
2 Drive Technology with slumped figures, but with positive trend at the end of the financial year

Drive Technology development (in €m)

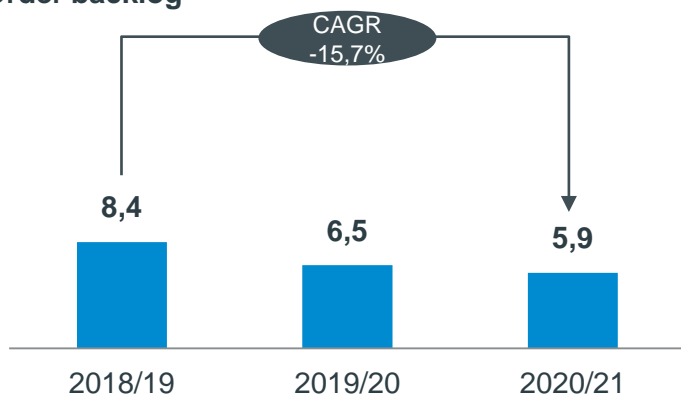
Net sales



Order intake



Order backlog



- Drive Technology segment ended with net sales of EUR 8,9 million and therefore 34,5% below the previous financial year. Also this decline was caused by the pandemic.
- In the last two months of the financial year order intake picked up significantly and has since remained at the previous year's level.

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

2 Operating result improved significantly

Income statement KLINGELNBERG Group

	FY 2018/19 ACTUAL		FY 2019/20 ACTUAL		FY 2020/21 ACTUAL		Deviations 2020/21 vs. 2019/20	
Net sales from goods and services	278,2	100%	212,1	100%	158,7	100%	-53,4	-25%
Other operating income	7,4	3%	2,8	1%	1,9	1%	-1,0	-34%
Change in inventory of finished and unfinished goods	-0,4	0%	10,6	5%	-5,8	-4%	-16,5	-155%
Material expense	-108,3	-39%	-90,6	-43%	-52,0	-33%	38,6	43%
Personnel expense	-101,2	-36%	-110,6	-52%	-83,7	-53%	26,9	24%
Depreciation on tangible fixed assets	-5,9	-2%	-5,3	-3%	-4,6	-3%	0,8	15%
Amortisation on intangible assets	-0,5	0%	-0,5	0%	-0,4	0%	0,0	9%
Other operating expense	-39,9	-14%	-37,7	-18%	-26,2	-17%	11,5	31%
Share of result from joint ventures	0,6	0%	0,5	0%	0,6	0%	0,2	30%
Operating result	30,0	11%	-18,8	-9%	-11,6	-7%	7,2	38%
Financial result	-3,2	-1%	-2,1	-1%	2,2	1%	4,3	
Profit before income taxes	26,8	10%	-20,9	-10%	-9,4	-6%	11,5	55%
Income taxes	-7,6	-3%	-4,5	-2%	2,1	1%	6,5	146%
Net profit	19,2	7%	-25,4	-12%	-7,3	-5%	18,1	71%

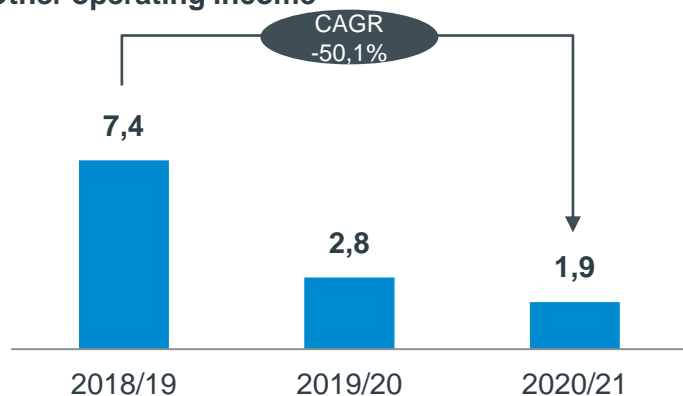
- Strict cost management and implementation of the Efficiency Enhancement Program and preservation of liquidity has characterized the last financial year and led to an improved EBIT by EUR 7,2 million compared to the previous financial year.

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

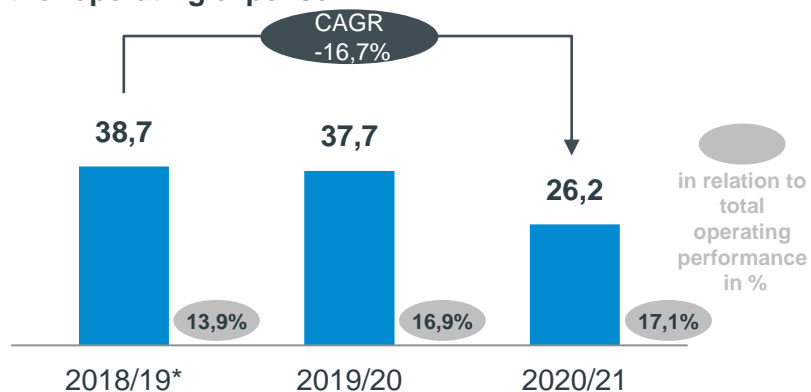
2 Other operating expense adjusted to total operating performance

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

Other operating income



Other operating expense



- Other operating income decreased by 34,2% compared to the previous financial year. Among other things, this is due to the capitalization of a lower number of rental and demonstration machines.
- Due to strict cost management, other operating expense was significantly reduced. In addition, as a result of the pandemic, the reduction resulted, for example, from
 - lower travel costs (EUR -3,2 million),
 - canceled trade fair appearances and other reduced marketing costs (EUR -1,4 million),
 - and lower freight charges (EUR -1,3 million).
- The other operating expense ratio was 17,1% at the end of the financial year and was thus almost at the previous year's level (+0,2 percentage points).

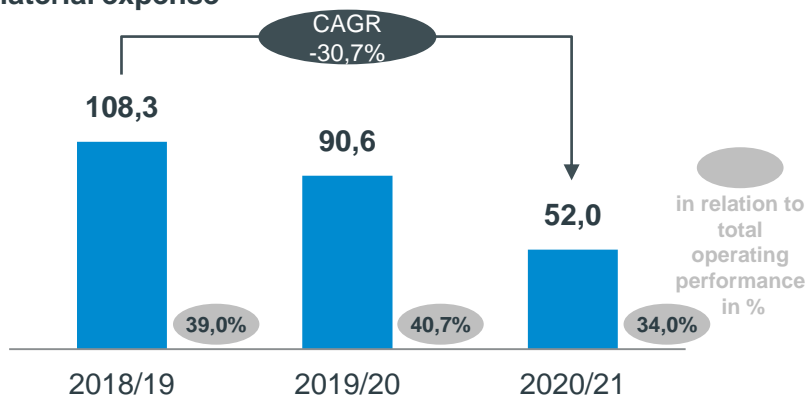
*adjusted, without IPO costs

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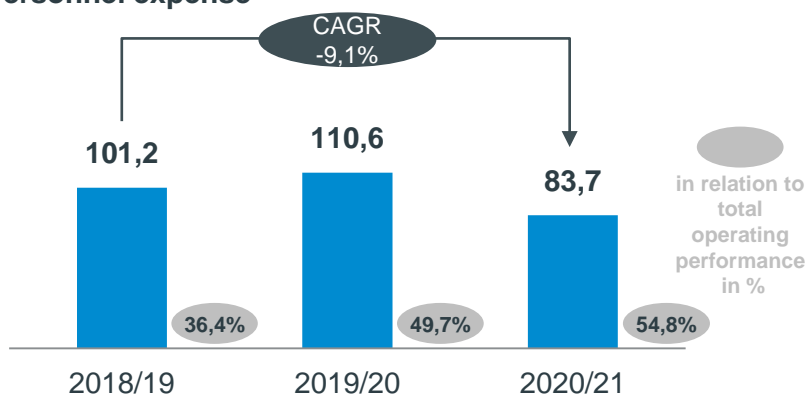
2 Material and Personnel expenses decreased due to management decisions

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

Material expense



Personnel expense



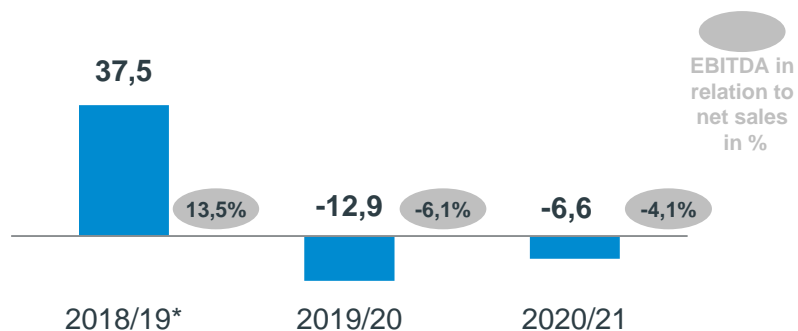
- Management actively reduced the output of the company adjusting to the pandemic situation (esp. reduction of pre-order manufacturing).
- The decrease of personnel expense is mainly due to
 - the provision booked in the previous year for the Efficiency Enhancement Program (EUR 8,6 million),
 - short-time work (EUR 6,4 million),
 - the personnel cost savings as part of the Efficiency Enhancement Program (EUR 5,2 million),
 - and a reduction in costs for overtime and shift premiums (EUR 2,4 million).

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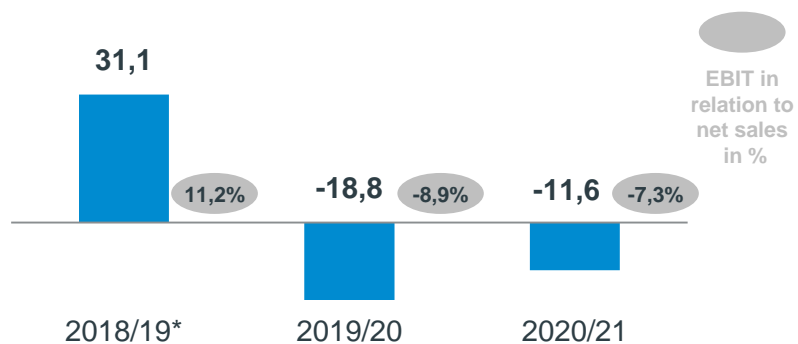
2 EBIT recovered and was moving in the correct direction

EBITDA & EBIT development (in €m)

EBITDA



EBIT



- Strict cost management and implementation of the Efficiency Enhancement Program and preservation of liquidity has characterized the last financial year and led to an improved EBIT by EUR 7,2 million compared to the previous financial year.
- The EBIT improved significantly by EUR 7,2 million compared to the previous year and amounted to EUR -11,6 million at the end of the 2020/21 financial year.

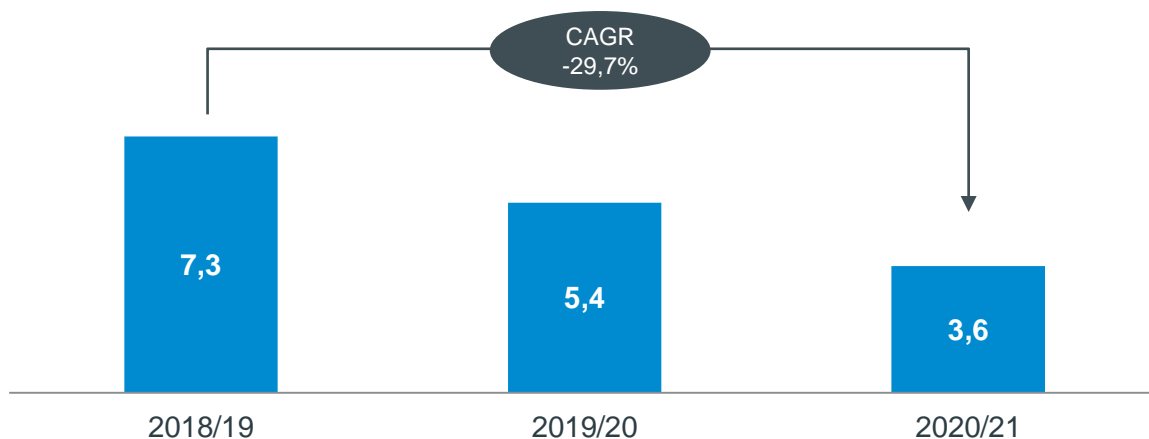
*adjusted, without IPO costs

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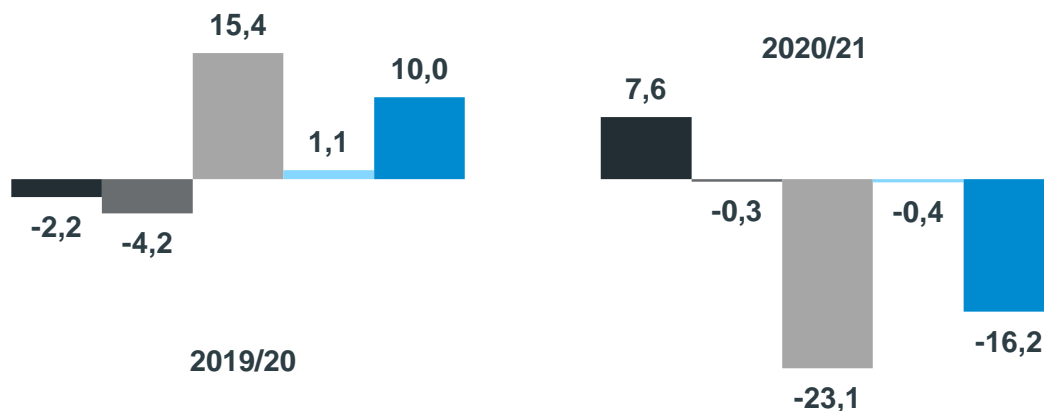
2 Cash flow

...from operating activities amounts EUR 7,6 million (in €m)

Capital expenditures on tangible fixed assets



Cash Flow



- Cash flow from operating activities increased by EUR 9,8 million to EUR 7,6 million.
- Short-term financial liabilities decreased by EUR 21,9 million in the expired 2020/21 financial year. Cash flow from financing activities decreased by EUR 38,5 million.

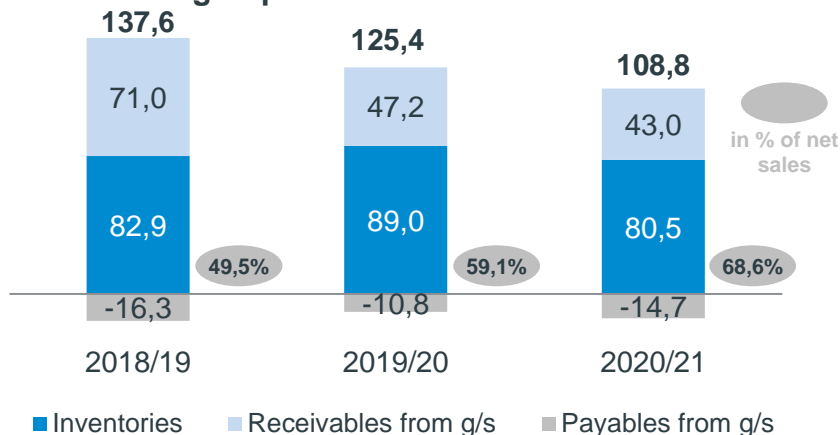
- Cash flow from operating activities
- Cash flow from investing activities
- Cash flow from financing activities
- Currency translation effects
- Net change in cash

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

2 KLINGELNBERG Group continues to have a stable financial position

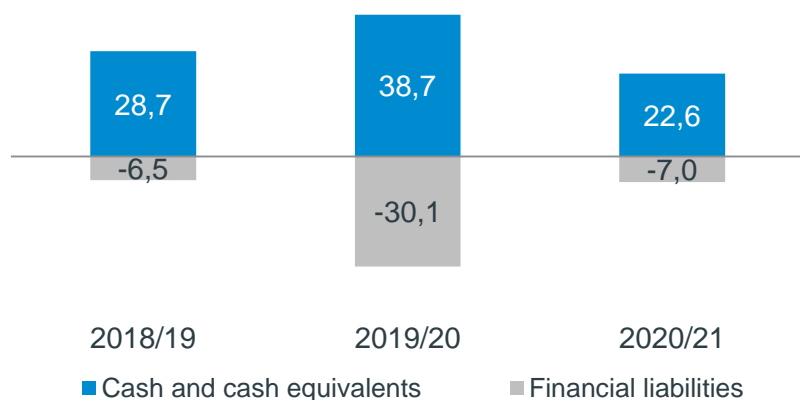
Balance sheet ratios (in €m)

Trade Working Capital

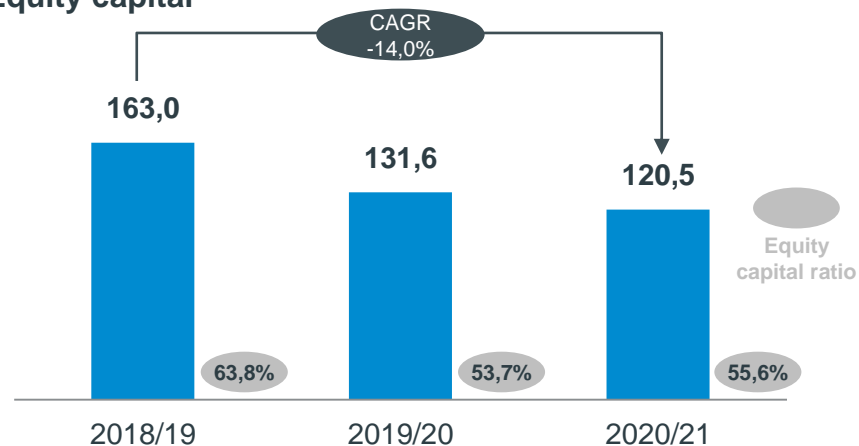


- Despite the crises KLINGELNBERG was able to improve its net cash from EUR 8,7 to EUR 15,5 million.
- The equity ratio of 55,6% remained solid.

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:

- Strong demand for large grinding machines, driven by the wind energy market in China,
- strong demand for measuring machines driven by quality initiatives in China and India,
- strong demand for measuring machines for e-mobility applications and mid-term also for generating grinding machines,
- recovery effects for bevel gear equipment after the pandemic.

All of this will lead to a significant increase in sales and a positive EBIT in the upper single-digit million range for the 2021/22 financial year.

- Operating inefficiencies due to difficult supply chain and compressed production time-line.

4 Thank you! – Q+A

KLINGELNBERG wins German Innovation Award 2021



**GERMAN
INNO
VATION
AWARD '21
WINNER**

The German Innovation Awards honor products and solutions that distinguish themselves from earlier solutions primarily by their user centricity and added value. The German Innovation Awards are granted by the German Design Council, which was enacted into law by the German Parliament in 1953 and is funded by the Federation of German Industries (BDI).

Appendix

KLINGELNBERG Group

Balance sheet (in €m)

	FY 2019/20 ACTUAL		FY 2020/21 ACTUAL		Deviations	
Cash and cash equivalents	38,7	16%	22,6	10%	-16,2	-42%
Receivables from goods and services	47,2	19%	43,0	20%	-4,1	-9%
Inventories	89,0	36%	80,5	37%	-8,5	-10%
Other current assets	6,9	3%	7,8	4%	0,9	13%
Non-current assets	63,1	26%	63,1	29%	-0,1	0%
Total assets	244,9	100%	216,9	100%	-28,0	-11%
Short-term financial liabilities	27,1	11%	5,3	2%	-21,7	-80%
Other long-term financial liabilities	3,0	1%	1,7	1%	-1,3	-43%
Payables from goods and services	10,8	4%	14,7	7%	3,9	36%
Other liabilities	72,5	30%	74,7	34%	2,2	3%
Total equity	131,6	54%	120,5	56%	-11,0	-8%
Total liabilities and equity	244,9	100%	216,9	100%	-28,0	-11%

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