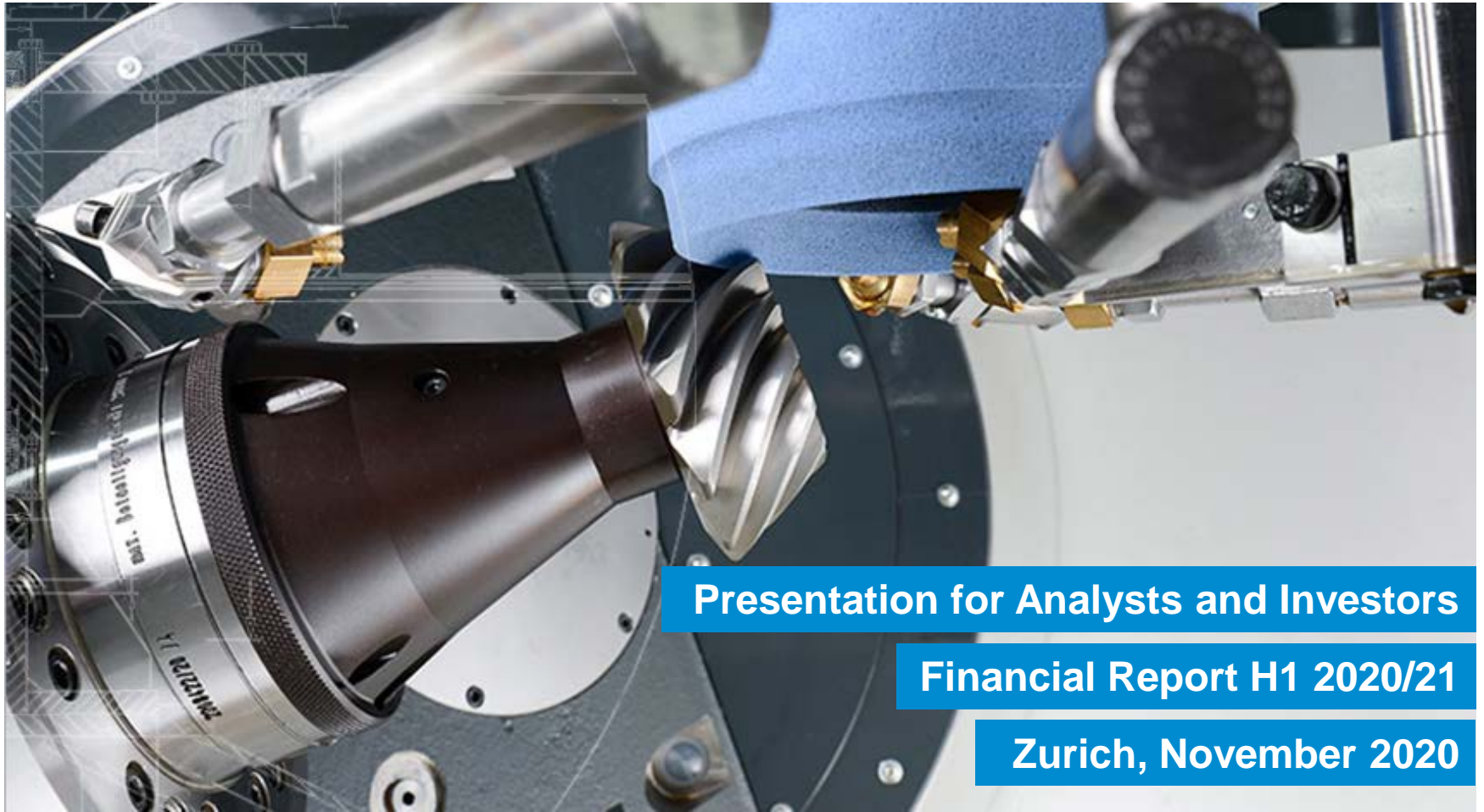




KLINGELBERG AG

Precision gearing champion with Swiss and German heritage



Presentation for Analysts and Investors

Financial Report H1 2020/21

Zurich, November 2020

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 KLINGELNBERG 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 KLINGELNBERG Group operates, and other factors beyond its control. Against the background of these uncertainties, readers should not rely on forward-looking statements. KLINGELNBERG Group assumes no responsibility to up-date forward-looking statements or to adapt them to future events or developments.

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Agenda

1	Introduction
2	Financial results
3	Enhanced efficiency program
4	Outlook
5	Q&A

1 Major effects caused by the Covid-19 pandemic

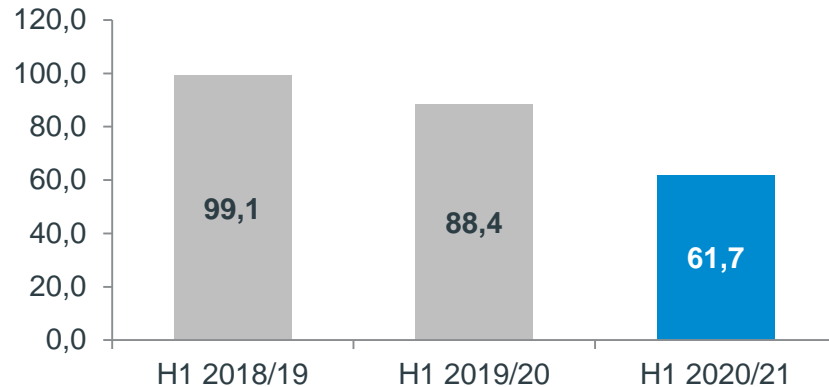
1	Significant decline in total operating performance (-44%)
2	Despite this, the operating result stays at the previous year's level (down by EUR 0,6 million*)
3	Best Order Intake in Q2 2020/21 since 1,5 years
4	Net debt positiv

*Compared to previous half-year result

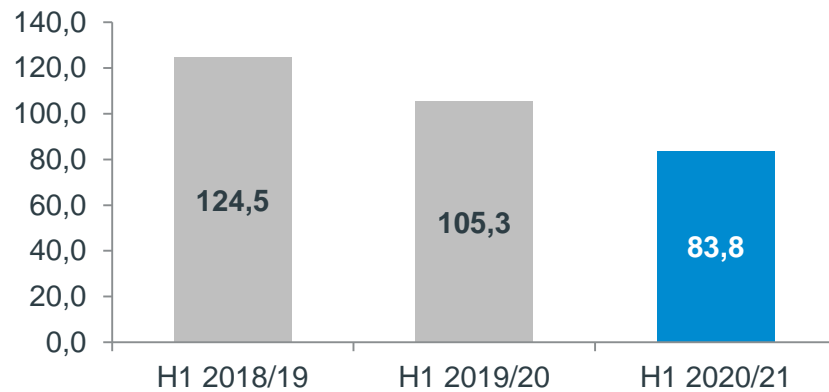
2 Lower sales and orders mainly due to global Covid-19 pandemic

KLINGELNBERG Group – Net sales and order intake (in M€)

Net sales



Order intake

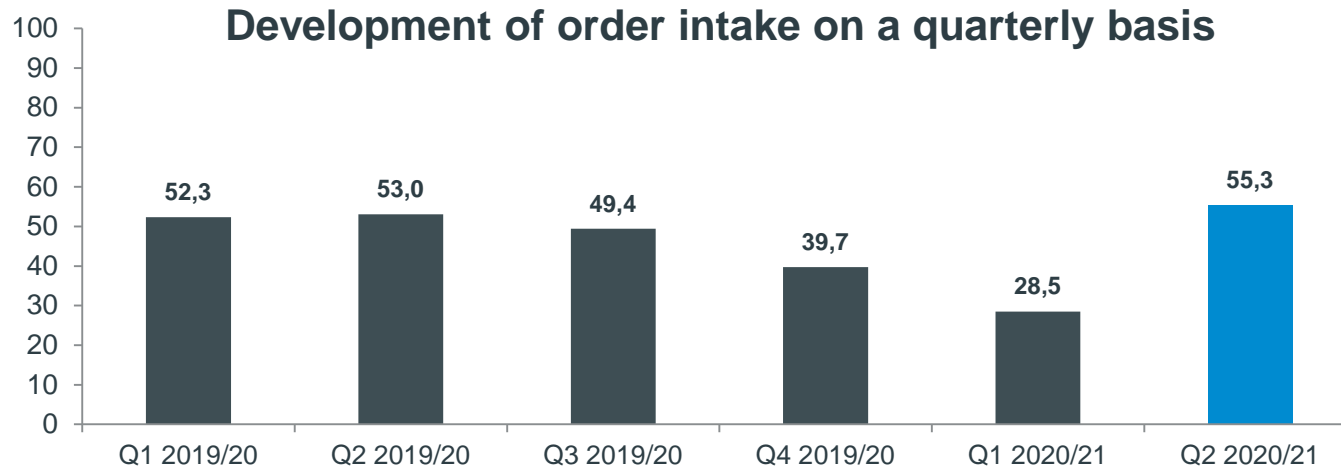


- Net sales declined by EUR 26,7 million compared with the prior-year period, a reduction of 30,2%.
- Order intake fell by EUR 21,5 million from the same period last year, a decline of 20,4%.

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

2 The 2nd quarter gives hope for a recovery in order intake

KLINGELNBERG Group –Order intake (in M€)



- Q2 2020/21 was the most successful quarter since Q4 2018/19

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

2 Net sales: All segments dropped

KLINGELNBERG Group – Product mix: Shift to Measurement Centers (in M€)

Segments	H1 FY 2019/20		H1 FY 2020/21		Deviations	
Bevel Gear	35,0	40%	19,2	31%	-15,8	-45%
Cylindrical Gear	22,8	26%	16,7	27%	-6,1	-27%
Measuring Centers	21,0	24%	19,0	31%	-2,0	-10%
Drive Technology	5,9	7%	5,2	8%	-0,7	-12%
Other	3,7	4%	1,7	3%	-2,0	-54%
Total	88,4	100%	61,7	100%	-26,7	-30%

- Significant decline in all segments, especially Bevel Gear segment.

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2 Sales and result below previous year's level

KLINGELNBERG Group – Income statement (in M€)

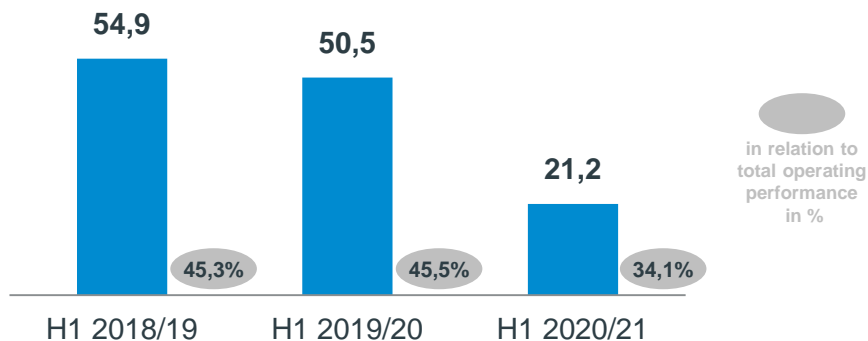
	H1 2019/20		H1 2020/21		Deviations	
Net sales from goods and services	88,4	100%	61,7	100%	-26,7	-30%
Other operating income	0,9	1%	1,2	2%	0,3	33%
Change in inventory of finished and unfinished goods	22,7	26%	0,4	1%	-22,3	-98%
Material expense	-50,5	-57%	-21,2	-34%	29,3	58%
Personnel expense	-50,9	-58%	-37,6	-61%	13,3	26%
Depreciation on tangible fixed assets	-2,6	-3%	-2,3	-4%	0,3	12%
Amortisation on intangible assets	-0,2	0%	-0,2	0%	0,0	0%
Other operating expense	-18,0	-20%	-13,0	-21%	5,0	28%
Share of profit of associates	0,0	0%	0,0	0%	0,0	
Share of result from joint ventures	0,2	0%	0,4	1%	0,2	100%
Operating result	-10,0	-11%	-10,6	-17%	-0,6	-6%
Financial result	-1,4	-2%	1,2	2%	2,6	186%
Profit before income taxes	-11,4	-13%	-9,5	-15%	1,9	17%
Income taxes	3,3	4%	-1,5	-2%	-4,8	-145%
Net profit	-8,1	-9%	-10,9	-18%	-2,8	-35%

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

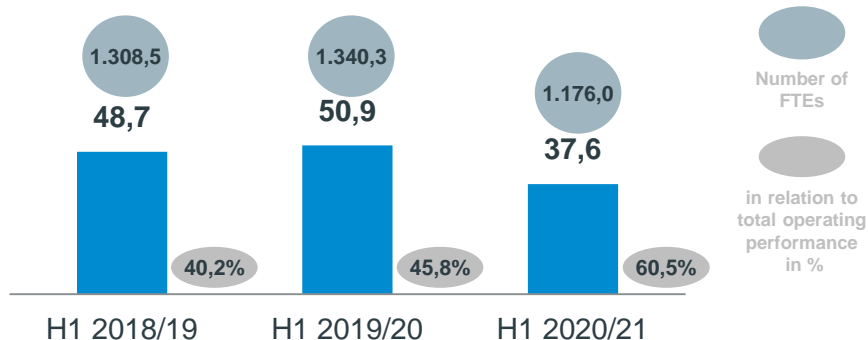
2 Decrease in performance-related costs

KLINGELNBERG Group – Income and cost development (in M€)

Material expense



Personnel expense



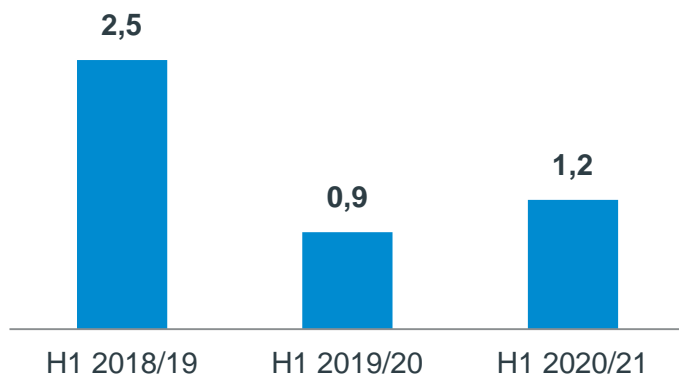
- Significant decline in total operating performance of EUR 49 million led to a reduction in Material expense.
- Personnel expense decreased by EUR 13,3 million:
 - Start of implementation of the efficiency enhancement program adopted in the previous financial year.
 - Introduction of short-time working at the beginning of the current financial year.
 - Number of FTEs decreased from 1.340 to 1.176.

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

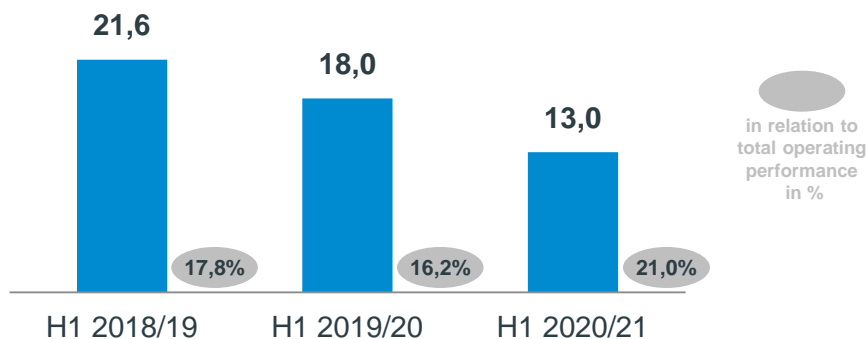
2 Other operating expense ratio increased

KLINGELNBERG Group – Income and cost development (in M€)

Other operating income



Other operating expense



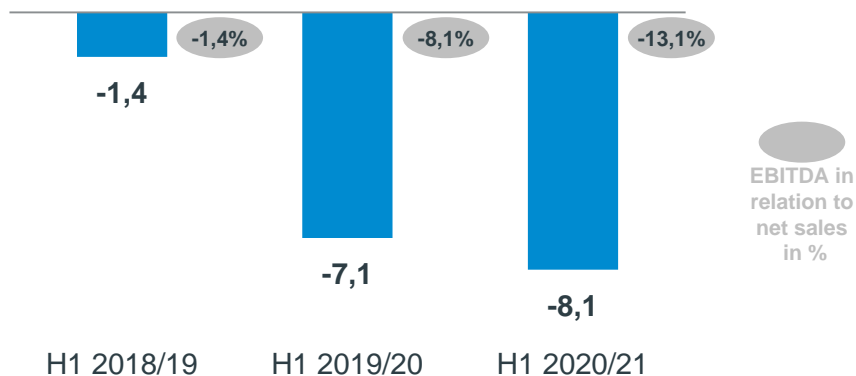
- The OOI of the first half of the 2018/19 financial year contained outgoing invoices to the emitting shareholder amounting EUR 1,2 million (IPO).
- The decline of OOE of EUR 5,0 million was mainly due to tight expense management, the absence of travel activities due to the worldwide travel restrictions in the wake of the Covid-19 pandemic, and significantly lower advertising expenses as a result of cancelled trade fairs, also due to the pandemic. In addition, freight costs fell significantly due to the decline in total operating performance.
- The other operating expense ratio increased by 4,8 percentage-points because of constant fixed costs.

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

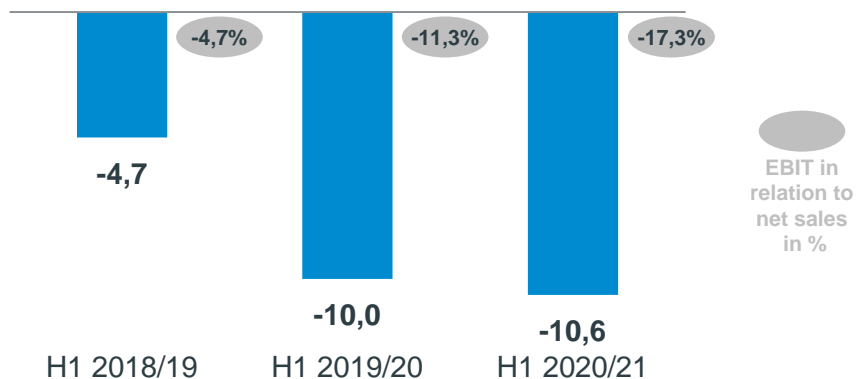
2 EBIT slightly below previous year's figure

KLINGELNBERG Group – EBITDA & EBIT development (in M€)

EBITDA



EBIT



- Significant decrease in total operating performance by EUR 49 million.
- Almost offset by the reduction of material (EUR +29,3 million), personnel (EUR +13,3 million) and other operating expenses (EUR +5,0 million).

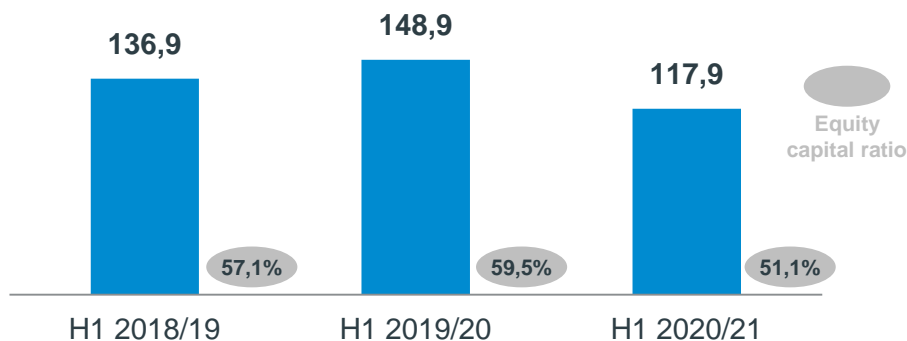
Notes: Unless otherwise indicated, all figures are rounded up or down to the nearest hundred thousand Euros.

In H1 2018/19 adjusted EBITDA amounted to EUR -0,4 million and adjusted EBIT amounted to EUR -3,7 million.

2 Liquidity was secured despite all economic problems

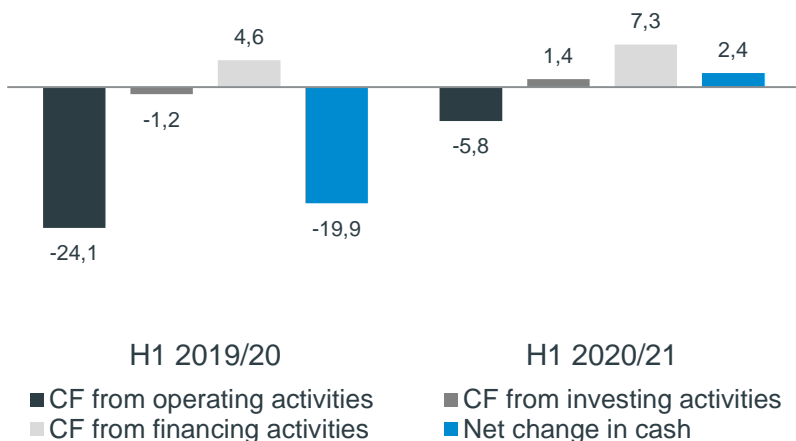
KLINGELNBERG Group – Balance sheet ratios (in M€)

Equity capital

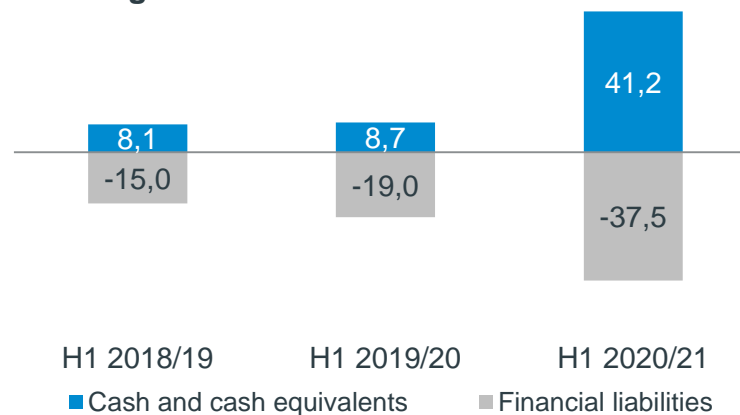


- Equity fell by EUR 31,0 million compared to H1 2019/20. Nevertheless, the equity ratio remains above 50%.
- Net change in cash was EUR +2,4 million in the first half of the 2020/21 financial year, which represents an increase of EUR 22,3 million compared to the same period of the previous year.

Cash flow statement



Financing structure



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

3 Enhanced efficiency program

KLINGELNBERG Group – Proactive in tackling challenges

Closing facility Győr/ Hungary

- Integration finalized
- Liquidation started

Ramp Down Ettlingen Site

- Cost Reduction Program on track
- Organizational integration on schedule

Ramp Up Hueckeswagen Site

- Production of all new Cylindrical Gear machines started
- Synergy Program in progress

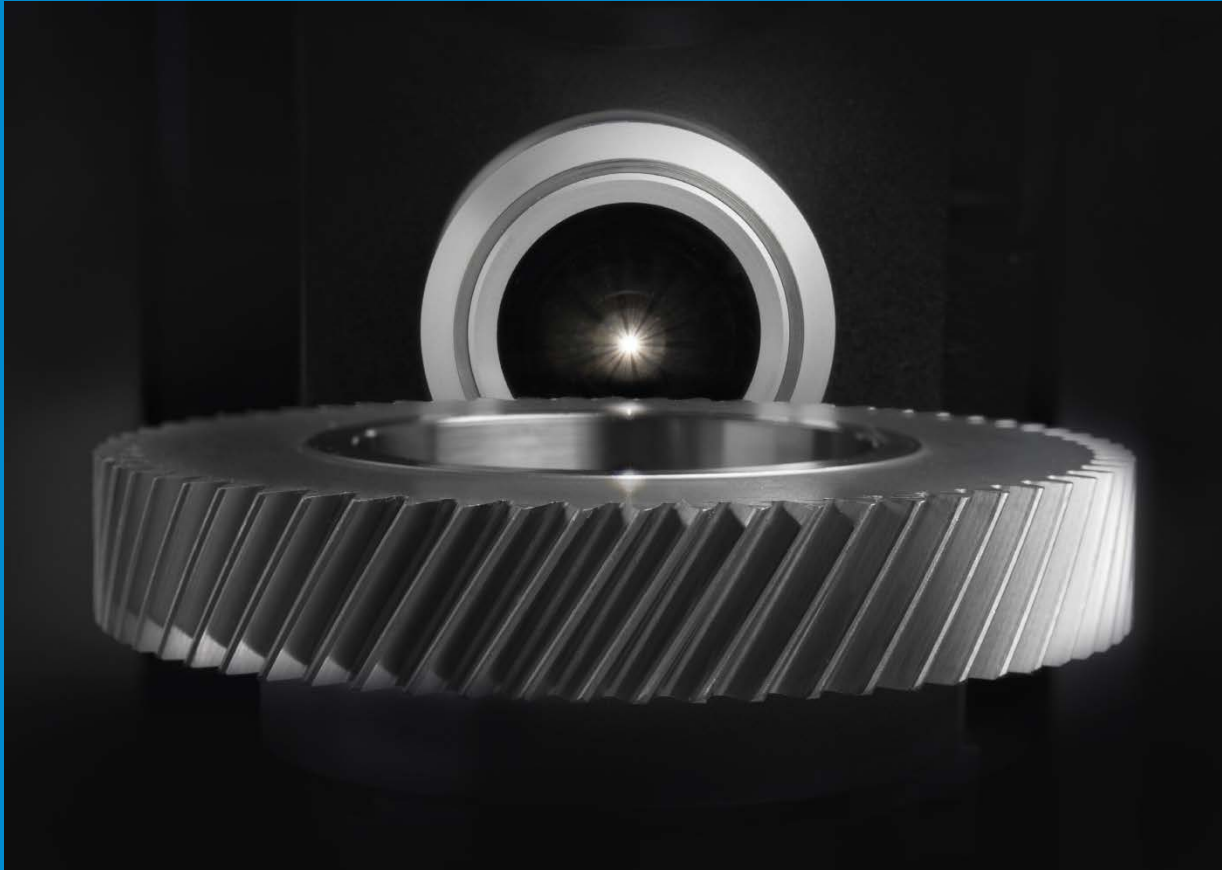
4 Outlook

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- No reliable Outlook possible
- Continuing:
 - strict cost management and
 - efficiency enhancement program
- Order Intake of the last months developed positively

5 Q+A

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KLINGELNBERG OPTICAL METROLOGY

Klingelberg Optical Metrology is a clever combination of tactile and optical measuring technology. The extremely rapid changeover between the 3D NANOSCAN tactile probing system and the optical sensor makes this a hybrid system that combines the advantages of both measurement methods. The high-precision tactile measured value logging is ideally complemented by high-speed optical measured value logging with a high point density.

Appendix

Net debt is reduced by EUR 14,0 million

KLINGELNBERG Group – Balance sheet (in M€)

	2019-09-30 ACTUAL Q2		2020-09-30 ACTUAL Q2		Deviations	
Cash and cash equivalents	8,7	3%	41,2	18%	32,5	
Receivables from goods and services	52,2	21%	33,5	15%	-18,7	-36%
Inventories	109,9	44%	88,5	38%	-21,4	-19%
Other current assets	9,5	4%	8,0	3%	-1,5	-16%
Non-current assets	69,9	28%	59,4	26%	-10,5	-15%
Total assets	250,2	100%	230,6	100%	-19,6	-8%
Short-term financial liabilities	15,1	6%	34,8	15%	19,7	130%
Long-term financial liabilities	3,9	2%	2,7	1%	-1,2	-31%
Payables from goods and services	12,8	5%	6,8	3%	-6,0	-47%
Other liabilities	69,5	28%	68,4	30%	-1,1	-2%
Total equity	148,9	60%	117,9	51%	-31,0	-21%
Total liabilities and equity	250,2	100%	230,6	100%	-19,6	-8%

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