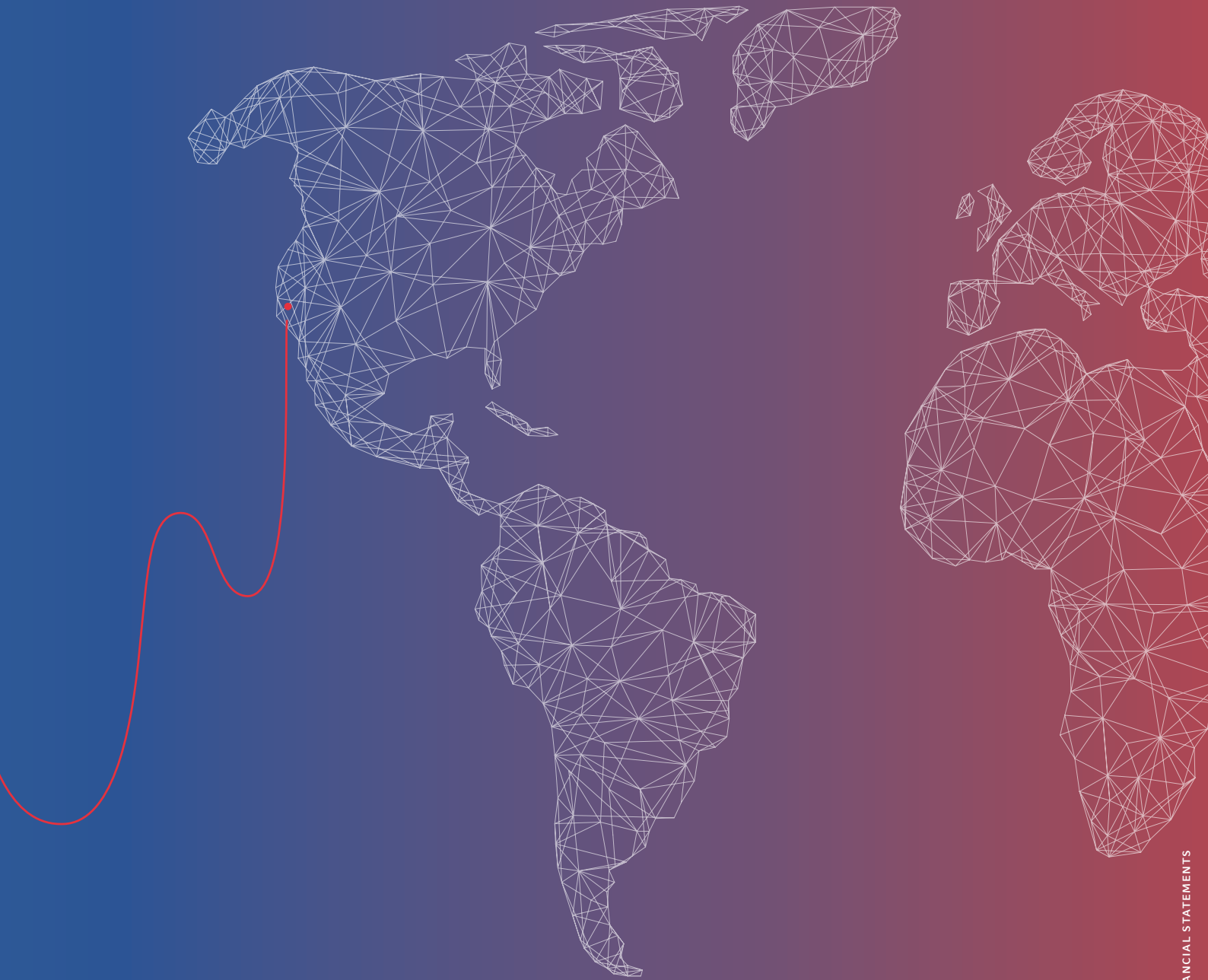


Consolidated Financial Statements of ElringKlinger AG

FOR THE FINANCIAL YEAR 2018

03

86	Group Income Statement
87	Group Statement of Comprehensive Income
88	Group Statement of Financial Position
90	Group Statement of Changes in Equity
92	Group Statement of Cash Flows
94	Notes to the Consolidated Financial Statements
94	General information
101	Schedule of Shareholdings and Scope of Consolidation
108	Accounting policies
121	Individual disclosures on the Group Income Statement
129	Disclosures on the Group Statement of Financial Position
147	Hedging policy and financial instruments
151	Additional information on financial instruments
158	Notes to the statement of cash flows
160	Segment reporting
161	Other disclosures
164	Corporate bodies
168	Declaration of compliance with the German Corporate Governance Code
169	Audit Opinion
176	Responsibility Statement
177	Glossary
182	Imprint



📍 – Fremont, USA

Those eager to find out about next-generation mobility should visit the stomping ground of industry visionaries and creative masterminds. ElringKlinger is one of these shakers and movers. Take a visual tour of Silicon Valley on page 26 ff. of »pulse« magazine.

Group Income Statement

of ElringKlinger AG, January 1 to December 31, 2018

EUR k	Note	2018	2017
Sales revenue	(1)	1,699,000	1,664,041
Cost of sales	(2)	-1,328,917	-1,255,631
Gross profit		370,083	408,410
Selling expenses	(3)	-146,516	-141,859
General and administrative expenses	(4)	-84,046	-76,917
Research and development costs	(5)	-76,116	-71,387
Other operating income	(6)	45,599	31,242
Other operating expenses	(7)	-12,824	-12,171
Operating result/EBIT		96,180	137,318
Finance income		33,157	20,900
Finance costs		-42,608	-47,710
Share of result of associates	(8)	-5,283	-454
Net finance costs	(9)	-14,734	-27,264
Earnings before taxes		81,446	110,054
Income tax expense	(10)	-33,543	-36,274
Net income		47,903	73,780
of which: attributable to non-controlling interests	(23)	4,068	3,850
of which: attributable to shareholders of ElringKlinger AG	(23)	43,835	69,930
Basic and diluted earnings per share in EUR	(11)	0.69	1.10

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to December 31, 2018

EUR k	2018	2017
Net income	47,903	73,780
Currency translation difference	-5,083	-42,689
Reclassification of foreign exchange losses included in the income statement	-6,365	0
Share of other comprehensive income of associates	-6	0
Gains and losses that can be reclassified to the income statement in future periods	-11,454	-42,689
Remeasurement of defined benefit plans, net	2,332	4,200
Gains and losses that cannot be reclassified to the income statement in future periods	2,332	4,200
Other comprehensive income after taxes	-9,122	-38,489
Total comprehensive income	38,781	35,291
of which: attributable to non-controlling interests	4,032	2,716
of which: attributable to shareholders of ElringKlinger AG	34,749	32,575

Group Statement of Financial Position

of ElringKlinger AG, as at December 31, 2018

EUR k	Note	Dec. 31, 2018	Dec. 31, 2017
ASSETS			
Intangible assets	(12)	190,307	190,540
Property, plant and equipment	(13)	997,843	929,570
Investment property	(14)	16,567	17,030
Financial assets	(15)	2,663	1,036
Shares in associates	(8)	23,274	28,563
Non-current income tax assets	(16)	98	99
Other non-current assets	(16)	8,116	3,984
Deferred tax assets	(10)	11,805	16,986
Contract performance costs	(17)	5,427	0
Non-current contract assets	(18)	1,319	0
Non-current assets		1,257,419	1,187,808
Inventories	(19)	401,391	369,547
Current contract assets	(18)	6,297	0
Trade receivables	(20)	306,351	302,621
Current income tax assets	(20)	8,531	7,041
Other current assets	(20)	48,432	48,093
Cash and cash equivalents	(21)	45,314	45,498
Current assets		816,316	772,800
Assets held for sale	(22)	5,966	61,772
		2,079,701	2,022,380

EUR k	Note	Dec. 31, 2018	Dec. 31, 2017
LIABILITIES AND EQUITY			
Share capital		63,360	63,360
Capital reserves		118,238	118,238
Revenue reserves		721,060	710,885
Other reserves		-49,562	-40,184
Equity attributable to the shareholders of ElringKlinger AG	(23)	853,096	852,299
Non-controlling interest in equity	(24)	37,014	37,368
Equity		890,110	889,667
Provisions for pensions	(25)	124,401	125,999
Non-current provisions	(26)	19,603	12,319
Non-current financial liabilities	(27)	472,005	478,811
Non-current contract liabilities	(28)	2,614	0
Deferred tax liabilities	(10)	14,949	14,075
Other non-current liabilities	(29)	8,915	3,551
Non-current liabilities		642,487	634,755
Current provisions	(26)	10,769	23,005
Trade payables	(29)	135,560	118,846
Current financial liabilities	(27)	296,786	221,944
Current contract liabilities	(28)	10,469	0
Tax payable	(10)	12,470	14,881
Other current liabilities	(29)	81,050	95,535
Current liabilities		547,104	474,211
Liabilities relating to assets held for sale	(22)	0	23,747
		2,079,701	2,022,380

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to December 31, 2018

EUR k	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2016/Balance as of Jan. 1, 2017	63,360	118,238	672,635
Dividend distribution			- 31,680
Change in scope of consolidated financial statements			
Total comprehensive income			69,930
Net income			69,930
Other comprehensive income			
Balance as of Dec. 31, 2017	63,360	118,238	710,885
Application of new standards ¹			- 2,062
Balance as of Jan. 1, 2018	63,360	118,238	708,823
Dividend distribution			- 31,680
Purchase of shares from non-controlling interests			
Change in scope of consolidated financial statements			82
Total comprehensive income			43,835
Net income			43,835
Other comprehensive income			
Balance as of Dec. 31, 2018	63,360	118,238	721,060

¹ See comments regarding IFRS 15 and IFRS 9 in the notes to the consolidated financial statements

Other reserves						
Remeasurement of defined benefit plans, net	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of ErlingKlinger AG	Non-controlling interests in equity	Group equity	
-43,616	-212	40,999	851,404	34,963	886,367	
			-31,680	-2,561	-34,241	
				2,250	2,250	
4,104		-41,459	32,575	2,716	35,291	
			69,930	3,850	73,780	
4,104		-41,459	-37,355	-1,134	-38,489	
-39,512	-212	-460	852,299	37,368	889,667	
			-2,062	57	-2,005	
-39,512	-212	-460	850,237	37,425	887,662	
			-31,680	-1,898	-33,578	
	-210		-210	210	0	
-82			0	-2,755	-2,755	
2,278		-11,364	34,749	4,032	38,781	
			43,835	4,068	47,903	
2,278		-11,364	-9,086	-36	-9,122	
-37,316	-422	-11,824	853,096	37,014	890,110	

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to December 31, 2018

EUR k	Note	2018	2017
Earnings before taxes		81,446	110,054
Depreciation/amortization (less write-ups) of non-current assets ¹	(12)–(15)	100,466	101,074
Net interest	(9)	15,070	13,099
Change in provisions		-5,946	6,765
Gains/losses on disposal of non-current assets		-48	1,348
Share of result of associates		5,283	454
Dividends from associates		0	0
Change in inventories, trade receivables and other assets not resulting from financing and investing activities		-51,698	-114,528
Change in trade payables and other liabilities not resulting from financing and investing activities		19,743	26,732
Income taxes paid	(10)	-30,843	-50,581
Interest paid		-12,461	-10,697
Interest received		540	314
Other non-cash expenses and income		-30,000	11,441
Net cash from operating activities		91,552	95,475
Proceeds from disposals of property, plant and equipment, intangible assets and investment property		846	1,365
Proceeds from disposals of financial assets		2,960	2,792
Proceeds from the disposal of subsidiaries		56,802	0
Payments for investments in intangible assets	(12)	-15,061	-10,674
Payments for investments in property, plant and equipment and investment property	(13), (14)	-163,506	-155,534
Payments for investments in financial assets	(15)	-2,770	-3,450
Payments for the acquisition of associates		0	-29,017
Payments made for the acquisition of subsidiaries and other entities		0	1,321
Net cash from investing activities		-120,729	-193,197
Dividends paid to shareholders and to non-controlling interests		-33,578	-34,241
Proceeds from the addition of long-term loans	(27)	76,718	234,706
Payments for the repayment of long-term loans	(27)	-72,834	-44,036
Change in current loans		59,703	-47,082
Net cash from financing activities		30,009	109,347
Changes in cash		832	11,625
Effects of currency exchange rates on cash		-1,016	-2,957
Cash at beginning of period	(21)	45,498	39,407
Cash at end of period		45,314	48,075
Less cash relating to assets held for sale		0	-2,577
Cash at end of period as per statement of financial position	(21)	45,314	45,498

¹ Excluding amortization of shares in associates

