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Media Release

KLINGELNBERG Group: High level of commitment to counter the economic impact of Covid-19 proves successful:

- KLINGELNBERG expects order intake to be significantly higher than last year
- Measures to increase efficiency take effect
- KLINGELNBERG makes use of opportunities arising from the wind power boom and the expansion of capacities for electric mobility
- Further investment planned

Zurich/Switzerland, 15 March 2021 – **The KLINGELNBERG Group (SIX: KLIN), one of the world's leading manufacturers of high-tech gear technology for a wide range of industries, is reporting significant successes from its high level of commitment to countering the economic effects of the Coronavirus crisis. As the company announced today, KLINGELNBERG expects to significantly exceed the prior year's order intake in the 2020/21 financial year – despite the ongoing crisis around the pandemic. At the same time, KLINGELNBERG expects a significant improvement in earnings. KLINGELNBERG will publish detailed figures for the financial year on 23 June 2021.**

In the past almost twelve months, 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.

The high level of commitment and the implementation of the efficiency enhancement program are 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 stop the negative development in the second half of the financial year. As early as September 2020, order intake returned to pre-Corona levels for the first time; within one month, order intake on a comparative basis reached the highest monthly order intake in the company's history. This trend has continued ever since. According to current estimates, KLINGELNBERG expects to report significantly lower sales for the full financial year due to the weak first half of the year, which was heavily influenced by the pandemic – but at the same time a significantly improved negative result over the prior year. In particular, travel restrictions, lockdown effects, and closed-down customer operations resulted in lower sales volumes in the first half of the financial year. By contrast, order intake for the full

2020/21 financial year will be significantly higher than in the prior year. Whereas order intake in the first half of the year was still around EUR 84 million, it rose to around EUR 166 million at the end of the third quarter. It thus significantly exceeded the order intake of the comparable prior-year period (EUR 155 million). With the success in winning orders, the order backlog at the end of the financial year will significantly exceed the comparable figure for the prior year. As a result, the company expects a strong increase in turnover and a return to positive earnings figures for the next business year.

Jan Klingelberg, CEO of the KLINGELNBERG Group said: "The development of our company is more than pleasing. Wherever opportunities have opened up – for example, in some regions such as China and North America with their rapidly growing wind power sector, or through the expansion of electromobility within the automotive industry – we have been able to position ourselves excellently. At the same time, we have positioned ourselves promisingly for further development in these markets. Our program to increase the efficiency of our operations, which we initiated at an early stage, has quickly led to substantial success. It shows once again that our future is worth fighting for."

In the context of extensive investment programs for the expansion of renewable energies in the Chinese wind sector, KLINGELNBERG secured significant orders for machines for the production of required key components. At the same time, KLINGELNBERG won orders worldwide in the automotive sector – even though the pressure on this industry is currently high. In the US, China, and Europe in particular, KLINGELNBERG expects a further strong expansion in the generation of energy from wind in the future, with corresponding major opportunities for the company.

KLINGELNBERG expects this excellent development to continue in the coming years and is investing in its future. With these investments KLINGELNBERG wants to ensure that the company participates disproportionately in the growth of some sectors. According to current planning, investments in the double-digit million range will be made at the Hückeswagen site in particular. In continuation of the efficiency enhancement program, the construction of a modern assembly hall on existing building land is also planned, among other things. With this investment, KLINGELNBERG is pushing ahead with assembly and production flexibilization and is quickly and sustainably gearing them towards the rapidly growing demand for large wind turbines. The wind energy industry currently and in the future will increasingly demand large machines with correspondingly high space requirements in production. At the same time, the assembly of these sophisticated machines requires the highest specific demands on air conditioning and the foundations of the factory hall. KLINGELNBERG plans to invest around 20 million euros in this new facility. The investment will be financed by the sale of a former site and further cost optimizations.

KLINGELNBERG CEO Jan Klingelberg commented: "At the Hückeswagen site, employees have impressively demonstrated that KLINGELNBERG can react to changes quickly and in innovative ways. My colleagues in the Board of Directors and I are delighted about this. Our investment decisions are also a clear commitment to our traditional location."

The company will report on details in the context of the publication of the annual financial statements.

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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 Zurich, Switzerland, and more than 1.000 employees, KLINGELNBERG operates development and production facilities in Zurich (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).

Disclaimer

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