



Press Release

KLINGELNBERG Group with successful first half year

- Net sales rise
- EBIT increases compared to last year's period
- Outlook for the full year confirmed

Mio. EUR	01.04.2018 - 30.09.2018	01.04.2017- 30.09.2017	Change	01.04.2017- 31.03.2018
Net sales	99,1	76,4	+22,7	257,0
Operating result (EBIT)	-4,7	-5,5	+0,9	22,1
Operating result (EBIT), adjusted without one-time IPO-cost	-3,7	-5,5	+1,9	22,8

Zurich, 6 November 2018 – **The KLINGELNBERG Group, one of the world's leading manufacturers of advanced gear technology for a wide range of industries, has completed a successful first half year. The Group's financial year runs from April 1 to March 31 of the following year. In the first six months of the 2018/19 financial year, Klingelberg was able to increase net sales by around 30 %. The company also recorded a significant increase in EBIT. Almost all areas of the company showed positive developments. For the full business year, the company confirms the outlook it communicated at the time of its IPO.**

Demand situation remains positive

Overall, the diverse range of customers of the Klingelberg Group experience very healthy market conditions. In particular, the demand for premium products remains high, which is exactly what the Group develops, manufactures, delivers and provides service for in the field. Klingelberg was able to significantly increase its net sales in the first half of the financial year by around 30 % compared to the previous financial year (increase from EUR 76,4 million to EUR 99,1 million). The company also succeeded in improving its adjusted operating income (EBIT), excluding one-off IPO costs (approximately EUR 1,0 million), by approximately EUR +1,9 million compared to the previous year.

"Organic growth was in line with our ambitious expectations," says Jan Klingelberg, CEO of the Group. "Our strategy of concentrating on high-quality solutions for globally demanding customer has once again proven to be right and we were able to consequently execute it. With the exception of drive technology, every division was able to increase its half-year sales, in some cases significantly, compared to the same period of the previous year. We are making very good progress in broad-based digitization. The much-used term 'Industry 4.0' is part of our business reality," according to Klingelberg.

The cylindrical gear division reported especially strong sales growth (EUR 12,8 million, +214 %). Net sales in the measuring devices division also grew by +22 % year over year, to EUR 30,1 million. The bevel gear machine segment recorded +11% growth to EUR 41,0 million in the first half of the year.

"Our global presence brings us close to our customers worldwide. With this setup we are able to compensate for regional fluctuations and take advantage of growth opportunities wherever they occur." said Jan Klingelberg

Regionally, sales performance was very positive, especially in Asia, Europe and South America, while in North America it was not possible to fully match the previous year's sales. "Despite the tight procurement market, caused by full capacity utilization, which poses significant challenges for our entire industry, we were able to maintain our production schedule and deliver on time. In times like these, we consider this to be an excellent achievement which was made possible by a close corporation and long-term relationships with our supply-base." says Klingelberg.

Focus on organic growth, acquisitions under consideration

In addition to focusing on organic growth, the company is also looking at additional bolt-on acquisitions. The potential acquisition targets are predominantly privately owned companies. Establishing a sound relationship is therefore fundamental and makes it difficult to estimate the specific timing of future deals

Business performance trends

The standard intra-year seasonal trends of recent years can also be seen in this year's business performance. In general, approximately 30 % – 40 % of total sales are generated in the first half of the year. In the second half of the year, Klingelberg expects stronger sales and, as a result, a substantial increase in profits too.

The Board of Directors and management of the Group are confident that the company will achieve the bandwidth targets for sales and earnings in the 2018/19 financial year as guided at the IPO (net sales EUR 270 to 280 million, adjusted operating result EUR 29 to 30 million).

The complete KLINGELNBERG Group half-year report for the 2018/19 financial year is available online at www.klingelberg.com/en/investors/financial-reports/.

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About Klingelberg

Founded in 1863, Klingelberg is a world leader in the gear cutting industry. The company develops and produces machines for manufacturing of bevel and cylindrical gears, measuring centers for axially symmetrical objects of all types, as well as high-precision gear components. With headquarters in Zurich, Switzerland, and around 1.300 employees, Klingelberg operates development and production facilities in Zurich (Switzerland), Hückeswagen and Ettlingen (Germany) and Győr (Hungary) and is represented with sales and service offices in Germany, Switzerland, Hungary, France, Italy, Spain, Japan, India, China, Brazil, the United States and Mexico. Klingelberg shares are listed on the SIX Swiss Exchange (KLIN).

Disclaimer

This press release may include forward-looking statements. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions as well as the economic conditions of the regions and industries that are major markets for Klingelberg. However, readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Except as otherwise required by law, Klingelberg disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.