

STABILUS



INTERIM  
REPORT  
**Q2 FY2020**

# KEY FIGURES

## Three months ended March 31,

IN € MILLIONS	2020	2019	Change	% CHANGE
Revenue	221.0	239.1	(18.1)	(7.6)%
EBIT	26.5	31.3	(4.8)	(15.3)%
Adjusted EBIT	31.1	35.7	(4.6)	(12.9)%
Profit for the period	18.1	20.4	(2.3)	(11.3)%
EBIT as % of revenue	12.0%	13.1%		
Adjusted EBIT as % of revenue	14.1%	14.9%		
Profit in % of revenue	8.2%	8.5%		

## Six months ended March 31,

IN € MILLIONS	2020	2019	Change	% CHANGE
Revenue	452.3	464.0	(11.7)	(2.5)%
EBIT	51.9	57.1	(5.2)	(9.1)%
Adjusted EBIT	61.1	66.4	(5.3)	(8.0)%
Profit for the period	34.5	38.1	(3.6)	(9.4)%
Capital expenditure	(23.2)	(29.8)	6.6	(22.1)%
Free cash flow (FCF)	19.7	19.0	0.7	3.7%
Adjusted FCF	20.8	19.0	1.8	9.5%
EBIT as % of revenue	11.5%	12.3%		
Adjusted EBIT as % of revenue	13.5%	14.3%		
Profit in % of revenue	7.6%	8.2%		
Capital expenditure as % of revenue	5.1%	6.4%		
FCF in % of revenue	4.4%	4.1%		
Adjusted FCF in % of revenue	4.6%	4.1%		
Net leverage ratio	1.1x	1.1x		

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# HIGHLIGHTS H1 FY2020

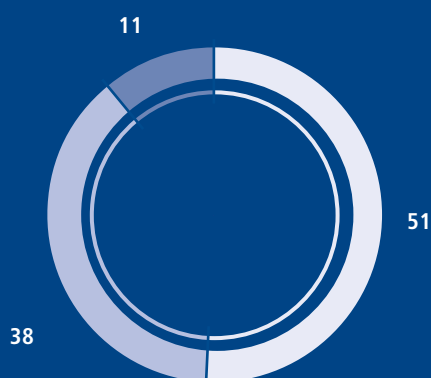
## WEAK MARKET ENVIRONMENT REFLECTING THE COVID-19 PANDEMIC: REVENUE DOWN BY 2.5%

- Revenue down by €11.7 million or 2.5% to €452.3 million, organic growth rate -5.4%
- Revenue in APAC up by 2.2% (organic growth rate 1.9%), EMEA down by 4.2% (organic growth rate -7.9%) and Americas down by 1.6% (organic growth rate -4.3%)
- Revenue in Industrial business up by 4.6%, Automotive Gas Spring business down by 9.7% and Automotive Powerise® business down by 3.1%

## OUTLOOK WITHDRAWN / CHANGE IN THE ORGANIZA- TIONAL STRUCTURE

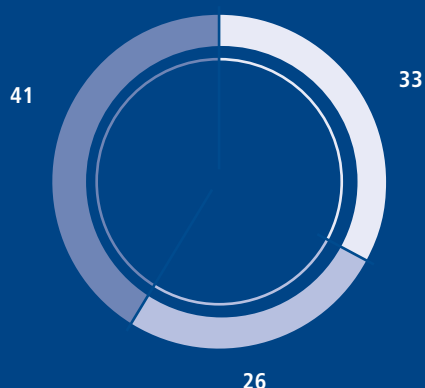
- Previous company outlook for revenue growth and adjusted EBIT margin withdrawn
- Change in the organizational structure since the beginning of fiscal year 2020, which bundle Stabilus' activities into the segments EMEA, Americas and APAC.

REVENUE BY REGION  
(LOCATION OF STABILUS COMPANY)



51% ——— EMEA  
38% ——— AMERICAS  
11% ——— APAC

REVENUE BY BUSINESS UNIT



33% ——— Automotive Gas Spring Business  
26% ——— Automotive Powerise® Business  
41% ——— Industrial Business

# INTERIM GROUP MANAGEMENT REPORT

for the three and six months ended March 31, 2020

## Alternative Performance Measures (APMs) in the interim group management report for the first half of fiscal year 2020

In accordance with the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures, the Stabilus Group provides a definition, the rationale for use and a reconciliation of APMs used. The Group uses the following APMs: organic growth, adjusted EBIT, free cash flow (FCF), adjusted free cash flow and the net leverage ratio. The calculation of the net leverage ratio is based on net financial debt and adjusted EBITDA for the last twelve months (adjusted EBITDA LTM), which are also considered APMs.

The APM organic growth is presented because we believe it aids in understanding our operating performance. We have modified this definition in the current financial year with regards to foreign exchange effects. In the past we have only reported at constant USD / EUR exchange rates for the NAFTA region. However, due to increasing impacts also from other foreign currencies we will determine organic growth based on all relevant foreign currencies.

The modified definition is as follows: Organic growth is defined as the reported revenue growth after removing the effects of acquisitions, divestitures and at constant foreign exchange rates. The effects resulting from constant foreign exchange rates are calculated as current year sales converted at current year's exchange rates less current year sales converted at prior year's exchange rates.

The definitions and required disclosures of all other APMs are provided in the relevant sections of this interim report.

## Change in the organizational structure since the beginning of fiscal year 2020

As of October 1, 2019, the Stabilus Group changed its organizational and management structure to better address the requirements of regions and markets. Stabilus continues focus on regions to manage its business. The change is that South America and the former NAFTA is now managed as Americas, and, consequently, South America is no longer part of Asia / Pacific anymore. As such the new regions are as follows:

- EMEA: Europe, Middle East and Africa
- AMERICAS: North and South America
- APAC: Asia Pacific

These regions are the operating segments of the Stabilus Group. Furthermore, the industrial business will not be split into different business units anymore. We have merged the business units Vibration & Velocity Control and Industrial / Capital Goods into Industrial. This is to align the market approach for all industrial markets, e.g. to realize cross selling opportunities and to optimize cost structures in managing the industrial business. Consequently, Stabilus has three business units:

- Automotive Gas Spring
- Automotive Powerise®
- Industrial

The presentation of prior year figures is adjusted to provide comparative information already reflecting the new structure.

## RESULTS OF OPERATIONS

### SECOND QUARTER AND FIRST HALF OF FISCAL YEAR 2020

The tables below set out Stabilus Group's consolidated income statement for the second quarter and the first half of the fiscal years 2020 and 2019:

#### Income statement

T\_002

IN € MILLIONS	Three months ended March 31,		Change	% change
	2020	2019		
Revenue	221.0	239.1	(18.1)	(7.6)%
Cost of sales	(156.5)	(169.0)	12.5	(7.4)%
<b>Gross profit</b>	<b>64.5</b>	<b>70.1</b>	<b>(5.6)</b>	<b>(8.0)%</b>
Research and development expenses	(10.9)	(9.8)	(1.1)	11.2%
Selling expenses	(22.0)	(21.0)	(1.0)	4.8%
Administrative expenses	(10.0)	(8.9)	(1.1)	12.4%
Other income	5.1	1.1	4.0	> 100.0%
Other expenses	(0.3)	(0.2)	(0.1)	50.0%
<b>Profit from operating activities (EBIT)</b>	<b>26.5</b>	<b>31.3</b>	<b>(4.8)</b>	<b>(15.3)%</b>
Finance income	5.8	1.2	4.6	> 100.0%
Finance costs	(3.6)	(2.2)	(1.4)	63.6%
<b>Profit / (loss) before income tax</b>	<b>28.6</b>	<b>30.3</b>	<b>(1.7)</b>	<b>(5.6)%</b>
Income tax income/ (expense)	(10.5)	(9.9)	(0.6)	6.1%
<b>Profit / (loss) for the period</b>	<b>18.1</b>	<b>20.4</b>	<b>(2.3)</b>	<b>(11.3)%</b>

Income statement

T\_003

IN € MILLIONS	Six months ended March 31,			
	2020	2019	Change	% change
Revenue	452.3	464.0	(11.7)	(2.5)%
Cost of sales	(321.1)	(330.3)	9.2	(2.8)%
<b>Gross profit</b>	<b>131.2</b>	<b>133.8</b>	<b>(2.6)</b>	<b>(1.9)%</b>
Research and development expenses	(21.4)	(19.7)	(1.7)	8.6%
Selling expenses	(44.0)	(41.3)	(2.7)	6.5%
Administrative expenses	(18.4)	(18.0)	(0.4)	2.2%
Other income	4.9	2.7	2.2	81.5%
Other expenses	(0.4)	(0.4)	–	0.0%
<b>Profit from operating activities (EBIT)</b>	<b>51.9</b>	<b>57.1</b>	<b>(5.2)</b>	<b>(9.1)%</b>
Finance income	5.3	1.5	3.8	>100.0%
Finance costs	(6.1)	(4.5)	(1.6)	35.6%
<b>Profit / (loss) before income tax</b>	<b>51.1</b>	<b>54.1</b>	<b>(3.0)</b>	<b>(5.5)%</b>
Income tax income/ (expense)	(16.6)	(16.0)	(0.6)	3.8%
<b>Profit / (loss) for the period</b>	<b>34.5</b>	<b>38.1</b>	<b>(3.6)</b>	<b>(9.4)%</b>

## Revenue

Group's total revenue developed as follows:

### Revenue by region and business unit

T\_004

IN € MILLIONS	Three months ended March 31,						
	2020	2019	Change	% change	% acquisition effect	% currency effect	% organic growth
<b>EMEA</b>							
Automotive Gas Spring	33.3	38.4	(5.1)	(13.3%)	–	0.0%	(13.3%)
Automotive Powerise®	22.1	24.7	(2.6)	(10.5%)	–	(1.1%)	(9.4%)
Industrial <sup>2)</sup>	63.0	62.9	0.1	0.2%	7.0%	(0.1%)	(6.7%)
<b>Total EMEA <sup>1)</sup></b>	<b>118.4</b>	<b>126.0</b>	<b>(7.6)</b>	<b>(6.0%)</b>	<b>3.5%</b>	<b>(0.3%)</b>	<b>(9.2%)</b>
<b>Americas</b>							
Automotive Gas Spring	25.8	30.4	(4.6)	(15.1%)	–	0.5%	(15.6%)
Automotive Powerise®	29.1	32.0	(2.9)	(9.1%)	–	(1.3%)	(7.8%)
Industrial <sup>2)</sup>	27.8	28.1	(0.3)	(1.1%)	0.8%	2.3%	(4.2%)
<b>Total Americas <sup>1)</sup></b>	<b>82.7</b>	<b>90.5</b>	<b>(7.8)</b>	<b>(8.6%)</b>	<b>0.3%</b>	<b>0.5%</b>	<b>(9.4%)</b>
<b>APAC</b>							
Automotive Gas Spring	12.5	15.2	(2.7)	(17.8%)	–	(0.6%)	(17.2%)
Automotive Powerise®	3.5	3.5	0.0	0.0%	–	(1.5%)	1.5%
Industrial <sup>2)</sup>	3.9	3.9	0.0	0.0%	–	(1.2%)	1.2%
<b>Total APAC <sup>1)</sup></b>	<b>20.0</b>	<b>22.6</b>	<b>(2.6)</b>	<b>(11.5%)</b>	<b>–</b>	<b>(0.8%)</b>	<b>(10.7%)</b>
<b>Stabilus Group</b>							
Total Automotive Gas Spring	71.6	84.1	(12.5)	(14.9%)	–	0.1%	(15.0%)
Total Automotive Powerise®	54.7	60.1	(5.4)	(9.0%)	–	(1.2%)	(7.8%)
Total Industrial <sup>2)</sup>	94.7	94.9	(0.2)	(0.2%)	4.9%	0.6%	(5.7%)
<b>Revenue <sup>1)</sup></b>	<b>221.0</b>	<b>239.1</b>	<b>(18.1)</b>	<b>(7.6%)</b>	<b>1.9%</b>	<b>0.0%</b>	<b>(9.5%)</b>

<sup>1)</sup> Revenue breakdown by location of Stabilus company (i.e. "billed-from view").

<sup>2)</sup> As of October 1, 2019, our Vibration & Velocity business and Industrial/Capital Goods business units were combined into the Industrial business. The presentation of prior-year figures was changed accordingly.



Total revenue of €452.3 million in the first half of fiscal year 2020 decreased by €(11.7) million or (2.5)% compared to the first half of fiscal year 2019. The Group's organic growth rate in the first half of fiscal year 2020 was €(25.6) million or (5.4%). The entities acquired in fiscal year 2019 (General Aerospace in April, Clevers and Piston in July) contributed €10.3 million in the first half of fiscal year 2020, while the effect from exchange rate movements amounted to €3.4 million.

The decrease in Group revenue in the first half of fiscal year 2020 primarily occurred in EMEA (€(9.9) million or (4.2)%), organic growth rate (7.9%) and the Americas (€(2.9) million or (1.6)%), organic growth rate (4.3%). Meanwhile, revenue in APAC increased by €1.1 million or 2.2%. APAC's organic growth rate was 1.9%.

### Revenue by region and business unit

T\_005

IN € MILLIONS	Six months ended March 31,		Change	% change	% acquisition effect	% currency effect	% organic growth
	2020	2019					
<b>EMEA</b>							
Automotive Gas Spring	65.5	73.8	(8.3)	(11.2%)	–	0.0%	(11.2%)
Automotive Powerise®	45.9	49.3	(3.4)	(6.9%)	–	(1.7%)	(5.2%)
Industrial <sup>2)</sup>	117.1	115.4	1.7	1.5%	8.5%	(0.1%)	(6.9%)
<b>Total EMEA <sup>1)</sup></b>	<b>228.6</b>	<b>238.5</b>	<b>(9.9)</b>	<b>(4.2%)</b>	<b>4.1%</b>	<b>(0.4%)</b>	<b>(7.9%)</b>
<b>Americas</b>							
Automotive Gas Spring	51.7	58.4	(6.7)	(11.5%)	–	1.9%	(13.4%)
Automotive Powerise®	62.1	64.5	(2.4)	(3.8%)	–	2.3%	(6.1%)
Industrial <sup>2)</sup>	59.3	52.9	6.4	12.0%	0.9%	3.1%	8.0%
<b>Total Americas <sup>1)</sup></b>	<b>173.0</b>	<b>175.9</b>	<b>(2.9)</b>	<b>(1.6%)</b>	<b>0.3%</b>	<b>2.4%</b>	<b>(4.3%)</b>
<b>APAC</b>							
Automotive Gas Spring	32.3	33.3	(1.0)	(3.0%)	–	0.5%	(3.5%)
Automotive Powerise®	10.3	8.4	1.9	22.6%	–	0.2%	22.4%
Industrial <sup>2)</sup>	8.1	8.0	0.1	1.1%	–	(0.1%)	1.2%
<b>Total APAC <sup>1)</sup></b>	<b>50.7</b>	<b>49.6</b>	<b>1.1</b>	<b>2.2%</b>	<b>–</b>	<b>0.3%</b>	<b>1.9%</b>
<b>Stabilus Group</b>							
Total Automotive Gas Spring	149.5	165.5	(16.0)	(9.7%)	–	0.8%	(10.5%)
Total Automotive Powerise®	118.3	122.1	(3.8)	(3.1%)	–	0.6%	(3.7%)
Total Industrial <sup>2)</sup>	184.5	176.4	8.1	4.6%	5.9%	0.8%	(2.1%)
<b>Revenue <sup>1)</sup></b>	<b>452.3</b>	<b>464.0</b>	<b>(11.7)</b>	<b>(2.5%)</b>	<b>2.2%</b>	<b>0.7%</b>	<b>(5.4%)</b>

<sup>1)</sup> Revenue breakdown by location of Stabilus company (i.e. "billed-from view").

<sup>2)</sup> As of October 1, 2019, our Vibration & Velocity business and Industrial/Capital Goods business units were combined into the Industrial business. The presentation of prior-year figures was changed accordingly.

## Cost of sales and overhead expenses

### COST OF SALES

Cost of sales decreased from €(330.3) million in the first half of fiscal year 2019 by (2.8)% to €(321.1) million in first half of fiscal year 2020, primarily due to decreased revenue. The cost of sales decrease (2.8%) is higher than the decrease in revenue (2.5%) and reflects a higher mix of strong margin in the industrial business as well as cost saving measures to address the COVID-19 impact on our business. Cost savings are especially realized in personnel costs by flexibilization of our headcount structure. Consequently, the cost of sales as a percentage of revenue decreased by 20 basis points to 71.0% (PY: 71.2%) and the gross profit margin improved to 29.0% (PY: 28.8%).

### R&D EXPENSES

R&D expenses (net of R&D cost capitalization) increased by 8.6% from €(19.7) million the first half of fiscal year 2019 to €(21.4) million in the first half of fiscal year 2020. This reflects engineering activities to develop new products and product applications to open new areas of business for Stabilus. The acquired entity General Aerospace contributed €0.5 million to the €1.7 million increase. As a percentage of revenue, R&D expenses increased by 50 basis points to 4.7% (PY: 4.2%). The capitalization of R&D expenses (less related customer contribution) increased from €(5.9) million in the first half of fiscal year 2019 to €(8.3) million in the first quarter of fiscal year 2020. This increase reflects especially the development activities for our Powerise® business for specific customer projects.

### SELLING EXPENSES

Selling expenses increased from €(41.3) million in the first half of fiscal year 2019 by 6.5% to €(44.0) million in the first half of fiscal year 2020. This increase is mainly due to the selling expenses of the acquired entities (General Aerospace, Clevers and Piston) which contributed €2.0 million to the €2.7 million increase. As a percentage of revenue, selling expenses increased by 80 basis points to 9.7% (PY: 8.9%).

### ADMINISTRATIVE EXPENSES

Administrative expenses increased slightly from €(18.0) million in the first half of fiscal year 2019 by 2.2% to €(18.4) million in the

first half of fiscal year 2020. The acquired entities (General Aerospace, Clevers and Piston) contributed expenses of €(0.9) million in the first half of fiscal year 2020. The prior year includes €0.5 million advisory costs related to the acquisitions of General Aerospace and Clevers. As a percentage of revenue, administrative expenses increased by 20 basis points to 4.1% (PY: 3.9%).

### OTHER INCOME AND EXPENSE

Other income increased from €2.7 million in the first half of fiscal year 2019 by €2.2 million to €4.9 million in the first half of fiscal year 2020. This mainly comprises foreign currency translation gains from the operating business. The prior year includes net foreign currency translations gains of €1.2 million.

Other expenses remained unchanged at €(0.4) million in the first half of fiscal year 2019 compared to the first half of fiscal year 2020.

### FINANCE INCOME AND COSTS

Finance income increased from €1.5 million in the first half of fiscal year 2019 to €5.3 million in the first half of fiscal year 2020. The increase is mainly due to net foreign exchange gains amounting to €3.7 million from the translation of intragroup loans and cash and cash equivalents.

Finance costs increased from €(4.5) million in the first half of fiscal year 2019 to €(6.1) million in the first half of fiscal year 2020. The increase mainly results from the first-time application of IFRS 16 (Leases). This effect amounts to €(0.7) million (PY: €– million) interest expenses.

Finance costs primarily contain ongoing interest expense. Interest expense in the first half of fiscal year 2020 of €(5.7) million (PY: €(4.3) million) especially related to the term-loan facility, of which €(2.5) million (PY: €(1.8) million) is cash interest. In addition, an amount of €(3.2) million (PY: €(2.5) million) is due to the amortization of debt issuance cost and the amortization of the adjustment of the carrying value using the effective interest rate method. Thereof €(0.9) million relates to a voluntary prepayment of the term-loan facility in February which led to a derecognition of unamortized debt issuance costs and unamortized adjustments of the carrying value.

## INCOME TAX EXPENSE

Income tax expense increased from €(16.0) million in the first half of fiscal year 2019 to €(16.6) million in the first half of fiscal year 2020. The Stabilus Group's effective tax rate in the first half of fiscal year 2020 is 32.5% (PY: 29.6%). In the first half of fiscal year 2020 the effective tax rate is negatively affected by withholding taxes charged on intra-group dividend payments mainly from Mexico, US and China.

## EBIT AND ADJUSTED EBIT

The following tables shows a reconciliation of EBIT (earnings before interest and taxes) to adjusted EBIT for the second quarter and the first half of fiscal years 2020 and 2019:

### Reconciliation of EBIT to adjusted EBIT

T\_006

IN € MILLIONS	Three months ended March 31,			
	2020	2019	Change	% change
<b>Profit from operating activities (EBIT)</b>	<b>26.5</b>	<b>31.3</b>	<b>(4.8)</b>	<b>(15.3)%</b>
PPA adjustments – depreciation and amortization	4.6	4.4	0.2	4.5%
Advisory	–	–	–	n/a
<b>Adjusted EBIT</b>	<b>31.1</b>	<b>35.7</b>	<b>(4.6)</b>	<b>(12.9)%</b>

IN € MILLIONS	Six months ended March 31,			
	2020	2019	Change	% change
<b>Profit from operating activities (EBIT)</b>	<b>51.9</b>	<b>57.1</b>	<b>(5.2)</b>	<b>(9.1)%</b>
PPA adjustments – depreciation and amortization	9.2	8.8	0.4	4.5%
Advisory	–	0.5	(0.5)	(100.0)%
<b>Adjusted EBIT</b>	<b>61.1</b>	<b>66.4</b>	<b>(5.3)</b>	<b>(8.0)%</b>

Adjusted EBIT represents EBIT, adjusted for exceptional non-recurring items (e.g. restructuring or one-time advisory costs) and depreciation/ amortization of fair value adjustments from purchase price allocations (PPAs).

Adjusted EBIT is presented because we believe it helps understanding our operating performance.

The adjustment in the prior year related to advisory costs for the acquisitions of General Aerospace and Clevers amounting to €0.5 million.

The PPA adjustments in the first half year of fiscal year 2020 amounting to €9.2 million (PY: €8.8 million) and contain with €3.5 million (PY: €4.6 million) to the April 2010 PPA and with €4.2 million (PY: €4.2 million) to the June 2016 PPA. Furthermore, €1.5 million arise from the acquisitions in fiscal year 2019 (General Aerospace in April, Piston and Clevers in July).

## DEVELOPMENT OF OPERATING SEGMENTS

The Stabilus Group is organized and managed primarily on a regional level. The three reportable operating segments of the Group are EMEA (Europe, Middle East and Africa), Americas (North and South America) and APAC (Asia Pacific).

The tables below set out the development of our operating segments for the second quarter and the first half of the fiscal years 2020 and 2019:

### Operating segments

T\_007

IN € MILLIONS	Three months ended March 31,			
	2020	2019	Change	% change
<b>EMEA</b>				
External revenue <sup>1)</sup>	118.4	126.0	(7.6)	(6.0)%
Intersegment revenue <sup>1)</sup>	7.2	7.4	(0.2)	(2.7)%
Total revenue <sup>1)</sup>	125.6	133.4	(7.8)	(5.8)%
Adjusted EBIT	15.5	18.7	(3.2)	(17.1)%
as % of total revenue	12.3%	14.0%		
as % of external revenue	13.1%	14.8%		
<b>Americas</b>				
External revenue <sup>1)</sup>	82.7	90.5	(7.8)	(8.6)%
Intersegment revenue <sup>1)</sup>	5.9	6.5	(0.6)	(9.2)%
Total revenue <sup>1)</sup>	88.6	96.9	(8.3)	(8.6)%
Adjusted EBIT	15.7	15.5	0.2	1.3%
as % of total revenue	17.7%	16.0%		
as % of external revenue	19.0%	17.1%		
<b>APAC</b>				
External revenue <sup>1)</sup>	20.0	22.6	(2.6)	(11.5)%
Intersegment revenue <sup>1)</sup>	–	–	–	n/a
Total revenue <sup>1)</sup>	20.0	22.6	(2.6)	(11.5)%
Adjusted EBIT	(0.1)	1.5	(1.6)	<(100.0)%
as % of total revenue	(0.5%)	6.6%		
as % of external revenue	(0.5%)	6.6%		

<sup>1)</sup> Revenue breakdown by location of Stabilus company (i.e. "billed-from view").

T\_008

IN € MILLIONS	Six months ended March 31,		Change	% change
	2020	2019		
<b>EMEA</b>				
External revenue <sup>1)</sup>	228.6	238.5	(9.9)	(4.2)%
Intersegment revenue <sup>1)</sup>	14.1	14.1	–	–
Total revenue <sup>1)</sup>	242.7	252.6	(9.9)	(3.9)%
Adjusted EBIT	29.0	34.3	(5.3)	(15.5)%
as % of total revenue	11.9%	13.6%		
as % of external revenue	12.7%	14.4%		
<b>Americas</b>				
External revenue <sup>1)</sup>	173.0	175.9	(2.9)	(1.6)%
Intersegment revenue <sup>1)</sup>	11.5	13.3	(1.8)	(13.5)%
Total revenue <sup>1)</sup>	184.6	189.1	(4.5)	(2.4)%
Adjusted EBIT	28.3	27.4	0.9	3.3%
as % of total revenue	15.3%	14.5%		
as % of external revenue	16.4%	15.6%		
<b>APAC</b>				
External revenue <sup>1)</sup>	50.7	49.6	1.1	2.2%
Intersegment revenue <sup>1)</sup>	0.1	0.1	–	–
Total revenue <sup>1)</sup>	50.8	49.7	1.1	2.2%
Adjusted EBIT	3.9	4.7	(0.8)	(17.0)%
as % of total revenue	7.7%	9.5%		
as % of external revenue	7.7%	9.5%		

<sup>1)</sup> Revenue breakdown by location of Stabilus company (i.e. "billed-from view").

The external revenue generated by our companies located in the EMEA region decreased from €238.5 million in the first half of fiscal year 2019 by (4.2)% to €228.6 million in the first half of fiscal year 2020. The acquired entities General Aerospace and Piston contributed €9.8 million to revenue in EMEA and the currency translation effect amounted to €(0.9) million resulting in an organic growth rate of (7.9)%. The reduction is mainly driven by our Automotive Gas Spring business, which decreased from €73.8 million by (11.2)% to €65.5 million. Organic growth of the Automotive Gas Spring business was (11.2)%. Our Automotive Powerise® business decreased from €49.3 million by (6.9)% to €45.9 million. The organic growth rate of the Automotive Powerise® was (5.2)%. Throughout the first half of fiscal year 2020 the ongoing soft vehicle production in Europe with weak demand influenced our business. This general weakness was significantly intensified by the COVID-19 crisis beginning in February leading to amongst others closures of plants of OEMs. The Industrial business increased from €115.4 million by

1.5% to €117.1 million, the entities acquired in the third quarter of fiscal year 2019, i.e. General Aerospace and Piston, contributed €9.8 million to the revenue of the Industrial business. Organically the Industrial business decreased by (6.9)%. This slowdown in the Industrial business reflects the continuously slightly softer macroeconomic environment and the effects from the global COVID-19 crisis. The adjusted EBIT of the EMEA segment decreased by (15.5)% or €(5.3) million, and the adjusted EBIT margin, i.e. adjusted EBIT in percent of external revenue, decreased in the first half of fiscal year 2020 by 170 basis points to 12.7% (PY: 14.4%).

The external revenue of our companies located in the Americas decreased from €175.9 million in the first half of fiscal year 2019 by (1.6)% to €173.0 million in the first half of fiscal year 2020. The Automotive Powerise® business decreased from €64.5 million by (3.8)% to €62.1 million and decreased (6.1)% organically. The Automotive Gas Spring business decreased from €58.4 million by

(11.5%) to € 51.7 million, the organic growth rate was (13.4%). The Automotive business also impacted by the outbreak of the coronavirus leading to plant closures until the end of March. Our Industrial business increased from €52.9 million by 12.0% to €59.3 million and benefits from the growth in the solar damper segment. Organically the Industrial business increased by €4.2 million or 8.0%. The currency translation effect amounted to €4.2 million, and the contribution of €0.5 million revenue from the acquisition of Clevers led to an organic growth rate of (4.3%). The adjusted EBIT of the Americas segment increased by €0.9 million or 3.3%, and the adjusted EBIT margin increased in the first half of fiscal year 2020 by 80 basis points to 16.4% (PY: 15.6%).

The external revenue of our companies located in APAC increased from €49.6 million in the first half of fiscal year 2019 by 2.2% to €50.7 million in the first half of fiscal year 2020. This increase was

mainly driven by the Automotive Powerise® business, which increased by €1.9 million or 22.6%, the organic growth rate was 22.4%, and was partly offset by the Automotive Gas Spring business, which decreased by €(1.0) million or (3.0)%, the organic growth rate was (3.5)%. The Industrial business increased slightly from €8.0 million by 1.1% to €8.1 million. The organic growth rate of the Industrial business was 1.2%. The overall positive development especially in China, with stronger sales and wins of new OEM platforms in the region, was stopped by the temporary closure of production facilities, initiated by the government as a consequence of COVID-19. The currency translation effect amounted to €0.2 million and led to an organic growth rate for APAC of 1.9%. The adjusted EBIT of the APAC segment decreased by €(0.8) million or (17.0)%, and the adjusted EBIT margin decreased in the first half of fiscal year 2020 by 180 basis points to 7.7% (PY: 9.5%).

## FINANCIAL POSITION

### Balance sheet

T\_009

IN € MILLIONS	March 31, 2020	Sept 30, 2019	Change	% change
<b>Assets</b>				
Non-current assets	725.9	706.0	19.9	2.8%
Current assets	375.7	393.2	(17.5)	(4.5)%
<b>Total assets</b>	<b>1,101.6</b>	<b>1,099.2</b>	<b>2.4</b>	<b>0.2%</b>
<b>Equity and liabilities</b>				
Equity	493.1	499.6	(6.5)	(1.3)%
Non-current liabilities	434.5	428.2	6.3	1.5%
Current liabilities	174.0	171.4	2.6	1.5%
Total liabilities	608.5	599.6	8.9	1.5%
<b>Total equity and liabilities</b>	<b>1,101.6</b>	<b>1,099.2</b>	<b>2.4</b>	<b>0.2%</b>

### TOTAL ASSETS

The Group's balance sheet total increased slightly from €1,099.2 million as of September 30, 2019, by 0.2% to €1,101.6 million as of March 31, 2020.

### NON-CURRENT ASSETS

Our non-current assets increased from €706.0 million as of September 30, 2019, by 2.8% or €19.9 million to €725.9 million as of March 31, 2020. The increase is attributable to the first-time application of IFRS 16 (Leases), which requires the recognition of right-

of-use assets from operating leases, and led to an increase of €43.7 million. In addition, the group invested €14.5 million in property, plant and equipment for ongoing capacity expansion projects and was more than offset by depreciation. Furthermore, non-current assets were further reduced by the ongoing amortization of other intangible assets from the purchase price allocations amounting to €(9.2) million.

### CURRENT ASSETS

Current assets decreased from €393.2 million as of September 30, 2019, by (4.5)% or €(17.5) million to €375.7 million as of March 31, 2020. This was primarily driven by a decrease in trade accounts receivable amounting to €(16.0) million due to weaker sales and a decrease in the cash balance by €(16.3) million due to the dividend payment amounting to €(27.2) million paid out in February 2020. This decrease was partly offset by the increase of current tax assets amounting to €6.3 million and by the increase of other assets amounting of €4.8 million and by an increase of inventory amounting to €4.4 million in order to ensure our ability to deliver products.

### EQUITY

The Group's equity decreased from €499.6 million as of September 30, 2019, by €(6.5) million to €493.1 million as of March 31, 2020. This decrease resulted from the dividend payment to our shareholders amounting to €(27.2) million in the second quarter of fiscal year 2020. In addition other comprehensive income decreased by €(13.9) million, this comprises unrealized actuarial gains on pensions

(net of tax) amounting to €6.0 million and unrealized losses from foreign currency translation amounting to €(19.9) million. This was partly offset from the profit of €34.5 million that was generated in the first half of fiscal year 2020.

### NON-CURRENT LIABILITIES

Non-current liabilities increased from €428.2 million as of September 30, 2019, by 1.5% or €6.3 million to €434.5 million as of March 31, 2020. This increase is especially due to the effect from the first-time application of IFRS 16 (Leases) amounting to €36.9 million recognized in other financial liabilities. This was partly offset by a voluntary prepayment of the term-loan facility amounting to €(20.0) million in February. Furthermore, the pension liabilities decreased by €(9.2) million as a consequence of the increased discount rate (March 31, 2020: 1.88% versus September 30, 2019: 0.93%).

### CURRENT LIABILITIES

Current liabilities increased slightly from €171.4 million as of September 30, 2019, by €2.6 million or 1.5% to €174.0 million as of March 31, 2020. Financial liabilities increased by €21.6 million from partly drawing the revolving credit facility. In addition, other financial liabilities increased by €7.5 million, especially from the first-time application of IFRS 16 (Leases). The increase of current liabilities was offset by a significant reduction of trade accounts payables by €(16.6) million as a consequence of reduced business volume. Furthermore, current tax liabilities decreased by €(4.2) million.

## LIQUIDITY

### Cash flow

	T_010			
	Six months ended March 31,			
IN € MILLIONS	2020	2019	Change	% change
Cash flow from operating activities	43.6	48.1	(4.5)	(9.4)%
Cash flow from investing activities	(23.9)	(29.1)	5.2	(17.9)%
Cash flow from financing activities	(33.0)	(27.2)	(5.8)	21.3%
<b>Net increase / (decrease) in cash</b>	<b>(13.3)</b>	<b>(8.2)</b>	<b>(5.1)</b>	<b>62.2%</b>
Effect of movements in exchange rates on cash held	(3.1)	1.7	(4.8)	<(100.0)%
Cash as of beginning of the period	139.0	143.0	(4.0)	(2.8)%
<b>Cash as of end of the period</b>	<b>122.7</b>	<b>136.5</b>	<b>(13.8)</b>	<b>(10.1)%</b>

## CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities decreased from €48.1 million in the first half of fiscal year 2019 by €(4.5) million or (9.4)% to €43.6 million in the first half of fiscal year 2020. This decrease is due to the reduced results from the period compared to prior year. In addition, this decrease resulted from higher income tax payments of €6.6 million. This was partially offset by the effect from the first-time application of IFRS 16 (Leases) amounting to €4.9 million (see cash flow from financing activities).

## CASH FLOW FROM INVESTING ACTIVITIES

Cash outflow for investing activities decreased from €(29.1) million in the first half of fiscal year 2019 by €5.2 million or (17.9)% to €(23.9) million in the first half of fiscal year 2020. This decrease is due to lower capital expenditures in property, plant and equipment amounting to €(9.1) million down to €14.5 million, which was partly offset by an increased cash outflow for intangible assets of €2.5 million to €8.7 million. Furthermore, a payment of €(1.1) million relates to the acquisition of Piston which was acquired on July 2019.

## CASH FLOW FROM FINANCING ACTIVITIES

Cash outflow from financing activities increased from €(27.2) million in the first half of fiscal year 2019 by €(5.8) million or 21.3% to €(33.0) million in the first half of fiscal year 2020. This increase

was mainly attributable to the payments for lease liabilities of €(4.2) million and to interest expenses on lease liabilities amounting to €(0.7) million, resulting from the effect of the first-time application of IFRS 16 (Leases). Furthermore, the increase is also driven by higher dividends of €(27.2) million (PY: €(24.7) million) paid to our shareholders in February 2020.

## FREE CASH FLOW (FCF)

Free cash flow (FCF) is defined as the total of cash flow from operating and investing activities. The Group considers FCF as an essential alternative performance measure as it aids in the evaluation of the Group's ability to generate cash that can be used, among others, for further investments. The following table sets out the composition of FCF.

## ADJUSTED FREE CASH FLOW

Adjusted free cash flow is defined as the total of cash flow from operating and investing activities before acquisitions. The adjusted free cash flow increased from €19.0 million in the first half of fiscal year 2019 to €20.8 million in the first half of fiscal year 2020.

### Free cash flow

T\_011

IN € MILLIONS	Six months ended March 31,		Change	% change
	2020	2019		
Cash flow from operating activities	43.6	48.1	(4.5)	(9.4)%
Cash flow from investing activities	(23.9)	(29.1)	5.2	(17.9)%
<b>Free cash flow</b>	<b>19.7</b>	<b>19.0</b>	<b>0.7</b>	<b>3.7%</b>

### Adjusted Free Cash Flow

T\_012

IN € MILLIONS	Six months ended March 31,		Change	% change
	2020	2019		
Cash flow from operating activities	43.6	48.1	(4.5)	(9.4)%
Cash flow from investing activities before acquisitions	(22.8)	(29.1)	6.3	(21.6)%
<b>Adjusted FCF</b>	<b>20.8</b>	<b>19.0</b>	<b>1.8</b>	<b>9.5%</b>



## NET LEVERAGE RATIO

The net leverage ratio is defined as net financial debt divided by adjusted EBITDA for the last twelve months (adjusted EBITDA LTM).

Net financial debt is the nominal amount of financial debt, i.e. current and non-current financial liabilities, less cash and cash equivalents. Adjusted EBITDA is defined as adjusted EBIT before depreciation / amortization and before exceptional non-recurring items (e.g. restructuring or one-time advisory costs).

The net leverage ratio is presented because we believe it is a useful indicator to evaluate the Group's debt leverage and financing structure.

The net leverage ratio remains unchanged at 1.1x for the twelve months ending March 31, 2019, compared to the twelve months ending March 31, 2020. See the following table:

### Net leverage ratio

T\_013

IN € MILLIONS	March 31, 2020	March 31, 2019	Change	% change
Financial debt	327.8	342.0	(14.2)	(4.2)%
Cash and cash equivalents	(122.7)	(136.5)	13.8	(10.1)%
Net financial debt	205.1	205.5	(0.4)	(0.2)%
Adjusted EBITDA (LTM ended March, 31)	184.4	182.0	2.4	1.3%
<b>Net leverage ratio <sup>1)</sup></b>	<b>1.1x</b>	<b>1.1x</b>		

<sup>1)</sup> The net leverage ratio is defined as net financial debt divided by adjusted EBITDA for the last twelve months.

### Financial debt

T\_014

IN € MILLIONS	March 31, 2020	March 31, 2019
Financial liabilities (non-current)	291.2	320.9
Financial liabilities (current)	23.3	1.1
Adjustment carrying value	13.3	20.0
<b>Financial debt</b>	<b>327.8</b>	<b>342.0</b>

### Adjusted EBITDA (LTM ended March, 31)

T\_015

IN € MILLIONS	March 31, 2020	March 31, 2019	Change	% change
<b>Profit from operating activities (EBIT)</b>	<b>119.3</b>	<b>124.5</b>	<b>(5.2)</b>	<b>(4.2)%</b>
Depreciation <sup>1)</sup>	32.0	25.8	6.2	24.0%
Amortization	34.0	31.2	2.8	9.0%
<b>EBITDA</b>	<b>185.3</b>	<b>181.5</b>	<b>3.8</b>	<b>2.1%</b>
Advisory	0.2	0.5	(0.3)	(60.0)%
Environmental protection measures	1.5	–	1.5	n/a
PPA adjustments	0.7	–	0.7	n/a
Purchase price adjustment	(3.3)	–	(3.3)	n/a
<b>Adjusted EBITDA</b>	<b>184.4</b>	<b>182.0</b>	<b>2.4</b>	<b>1.3%</b>

<sup>1)</sup> Including IFRS 16 (Leases) effect of €4.1 million.

## RISKS AND OPPORTUNITIES

In the first quarter of calendar year 2020 the worldwide coronavirus crisis (COVID-19) is significantly effecting the macroeconomic environment and global economy and bears various risks for Stabilus, e.g. decreasing customer demand, shortages in the supply chain, governmentally enforced closure of plants, limited cost flexibility, devaluation of assets, cash shortages or health of our employees. To mitigate these risks Stabilus has implemented a global multidisciplinary crisis management team that monitors and analyzes the situation on a daily basis on a local and a global level and is taking actions to address and mitigate identified risks. Amongst others Stabilus has reduced capacities, e.g. by making use of short time work, furlough as well as selected redundancies. In addition, Stabilus emphasizes on a very strict monitoring of cost, liquidity as well as impairment risks. All employees are well informed about safety measures in business and private live. Also adjusted shift patterns, increased offering of home office and pulling forward of vacation reduce the risk of the virus spreading further.

For the general risk-related disclosures we refer to the Group Management Report and the audited Consolidated Financial Statements as of and for the fiscal year ended September 30, 2019.

## SUBSEQUENT EVENTS

As of April 30, 2020, there were no further events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of March 31, 2020.

## OUTLOOK

Reflecting the economic uncertainty associated with COVID-19 and an expected significant reduction in the global light vehicle production in fiscal year 2020, observable in vehicle production forecasts that have been reduced several times, Stabilus S.A. considers the forecast for the fiscal year 2020 published on November 15, 2019, to be no longer achievable as announced on March 17, 2020. As a consequence revenue in fiscal year 2020 is currently expected to fall below the previous forecast level of €970 million to €990 million and the adjusted EBIT margin is expected to drop below 15%. In light of the dynamic situation and the ongoing uncertainties of the global developments in connection with COVID-19, a firm forecast of revenue and adjusted EBIT margin can only be provided at a later point in time.

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

as of and for the three and six months ended March 31, 2020

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three and six months ended March 31, 2020 (unaudited)

### Consolidated Statement of Comprehensive Income

T\_016

IN € THOUSANDS	NOTE	Three months ended March 31,		Six months ended March 31,	
		2020	2019	2020	2019
Revenue	2	220,986	239,089	452,342	464,041
Cost of sales		(156,502)	(168,958)	(321,103)	(330,256)
<b>Gross profit</b>		<b>64,484</b>	<b>70,131</b>	<b>131,239</b>	<b>133,785</b>
Research and development expenses		(10,877)	(9,845)	(21,407)	(19,643)
Selling expenses		(22,000)	(21,036)	(44,007)	(41,347)
Administrative expenses		(9,967)	(8,881)	(18,446)	(18,020)
Other income		5,135	1,055	4,927	2,672
Other expenses		(303)	(144)	(432)	(307)
<b>Profit from operating activities</b>		<b>26,472</b>	<b>31,280</b>	<b>51,874</b>	<b>57,140</b>
Finance income	3	5,792	1,229	5,331	1,456
Finance costs	4	(3,616)	(2,239)	(6,122)	(4,473)
<b>Profit / (loss) before income tax</b>		<b>28,648</b>	<b>30,270</b>	<b>51,083</b>	<b>54,123</b>
Income tax income / (expense)		(10,541)	(9,893)	(16,604)	(16,016)
<b>Profit / (loss) for the period</b>		<b>18,107</b>	<b>20,377</b>	<b>34,479</b>	<b>38,107</b>
thereof attributable to non-controlling interests		108	(46)	234	(65)
thereof attributable to shareholders of Stabilus		17,999	20,423	34,245	38,172
<b>Other comprehensive income / (expense)</b>					
Foreign currency translation difference <sup>1)</sup>	11	(13,635)	6,625	(19,914)	7,956
Unrealized actuarial gains and losses <sup>2)</sup>	11	4,746	(1,109)	6,040	(841)
<b>Other comprehensive income / (expense), net of taxes</b>		<b>(8,889)</b>	<b>5,516</b>	<b>(13,874)</b>	<b>7,115</b>
<b>Total comprehensive income / (expense) for the period</b>		<b>9,218</b>	<b>25,893</b>	<b>20,605</b>	<b>45,222</b>
thereof attributable to non-controlling interests		108	(46)	234	(65)
thereof attributable to shareholders of Stabilus		9,110	25,939	20,371	45,287
<b>Earnings per share (in €):</b>					
basic	5	0.73	0.83	1.39	1.55
diluted	5	0.73	0.83	1.39	1.55

<sup>1)</sup> Item that may be reclassified ('recycled') to profit and loss at a future point in time when specific conditions are met.

<sup>2)</sup> Item that will not be reclassified to profit and loss.

The accompanying Notes form an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of March 31, 2020 (unaudited)

### Consolidated Statement of Financial Position

T\_017

IN € THOUSANDS	NOTE	March 31, 2020	Sept 30, 2019
<b>Assets</b>			
Property, plant and equipment	6	232,367	199,946
Goodwill		213,271	214,821
Other intangible assets	7	267,252	276,159
Other assets	9	4,167	1,711
Deferred tax assets		8,844	13,371
<b>Total non-current assets</b>		<b>725,901</b>	<b>706,008</b>
Inventories	10	104,694	100,339
Trade accounts receivable		114,363	130,328
Current tax assets		11,307	4,987
Other financial assets	8	4,061	4,743
Other assets	9	18,613	13,814
Cash and cash equivalents		122,665	139,020
<b>Total current assets</b>		<b>375,703</b>	<b>393,231</b>
<b>Total assets</b>		<b>1,101,604</b>	<b>1,099,239</b>

**Consolidated Statement of Financial Position**

T\_017

IN € THOUSANDS	NOTE	March 31, 2020	Sept 30, 2019
<b>Equity and liabilities</b>			
Issued capital		247	247
Capital reserves		225,848	225,848
Retained earnings		290,514	283,423
Other reserves	11	(33,157)	(19,283)
<b>Equity attributable to shareholders of Stabilus</b>		<b>483,452</b>	<b>490,235</b>
Non-controlling interests		9,600	9,382
<b>Total equity</b>		<b>493,052</b>	<b>499,617</b>
Financial liabilities	12	291,155	308,761
Other financial liabilities	13	34,093	83
Provisions	14	3,631	3,565
Pension plans and similar obligations	15	50,667	59,893
Deferred tax liabilities		54,943	55,933
<b>Total non-current liabilities</b>		<b>434,489</b>	<b>428,235</b>
Trade accounts payable		74,390	90,992
Financial liabilities	12	23,291	2,824
Other financial liabilities	13	17,636	10,096
Current tax liabilities		8,862	13,088
Provisions	14	35,795	38,144
Other liabilities	16	14,089	16,243
<b>Total current liabilities</b>		<b>174,063</b>	<b>171,387</b>
<b>Total liabilities</b>		<b>608,552</b>	<b>599,622</b>
<b>Total equity and liabilities</b>		<b>1,101,604</b>	<b>1,099,239</b>

The accompanying Notes form an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended March 31, 2020 (unaudited)

### Consolidated Statement of Changes in Equity

T\_018

IN € THOUSANDS	NOTE	Issued capital	Capital reserves	Retained earnings	Other reserves	Equity attributable to shareholders of Stabilus	Non-controlling interests	Total equity
<b>Balance as of Sept 30, 2018</b>		<b>247</b>	<b>225,848</b>	<b>225,090</b>	<b>(24,612)</b>	<b>426,573</b>	<b>(50)</b>	<b>426,523</b>
Effects of IFRS 9		–	–	834	–	834	–	834
<b>Balance as of Oct 1, 2018</b>		<b>247</b>	<b>225,848</b>	<b>225,924</b>	<b>(24,612)</b>	<b>427,407</b>	<b>(50)</b>	<b>427,357</b>
Profit / (loss) for the period		–	–	38,172	–	38,172	(65)	38,107
Other comprehensive income / (expense)	11	–	–	–	7,115	7,115	–	7,115
Total comprehensive income for the period		–	–	38,172	7,115	45,287	(65)	45,222
Dividends		–	–	(24,700)	–	(24,700)	(62)	(24,762)
<b>Balance as of March 31, 2019</b>		<b>247</b>	<b>225,848</b>	<b>239,396</b>	<b>(17,497)</b>	<b>447,994</b>	<b>(177)</b>	<b>447,817</b>
<b>Balance as of Sept 30, 2019</b>		<b>247</b>	<b>225,848</b>	<b>283,423</b>	<b>(19,283)</b>	<b>490,235</b>	<b>9,382</b>	<b>499,617</b>
Profit / (loss) for the period		–	–	34,245	–	34,245	234	34,479
Other comprehensive income / (expense)	11	–	–	–	(13,874)	(13,874)	–	(13,874)
Total comprehensive income for the period		–	–	34,245	(13,874)	20,371	234	20,605
Dividends		–	–	(27,170)	–	(27,170)	–	(27,170)
Change in ownership interest in subsidiaries without a change of control		–	–	16	–	16	(16)	–
<b>Balance as of March 31, 2020</b>		<b>247</b>	<b>225,848</b>	<b>290,514</b>	<b>(33,157)</b>	<b>483,452</b>	<b>9,600</b>	<b>493,052</b>

The accompanying Notes form an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended March 31, 2020 (unaudited)

### Consolidated Statement of Cash Flows

T\_019

IN € THOUSANDS	NOTE	Six months ended March 31,	
		2020	2019
Profit / (loss) for the period		34,479	38,107
Income tax expense		16,604	16,016
Net finance result	3 / 4	791	3,017
Interest received	3 / 4	327	138
Depreciation and amortization (incl. impairment losses)		34,860	28,367
Gains / losses from the disposal of assets		(17)	(75)
Changes in inventories		(4,355)	(4,460)
Changes in trade accounts receivable		15,965	(5,755)
Changes in trade accounts payable		(16,602)	(6,864)
Changes in other assets and liabilities		(8,916)	2,273
Changes in provisions		(2,973)	(2,651)
Income tax payments	20	(26,526)	(19,965)
<b>Cash flow from operating activities</b>		<b>43,637</b>	<b>48,148</b>
Proceeds from disposal of property, plant and equipment		324	667
Purchase of intangible assets	7	(8,736)	(6,258)
Purchase of property, plant and equipment	6	(14,454)	(23,517)
Acquisition of assets and liabilities within the business combination, net of cash acquired		(1,062)	–
<b>Cash flow from investing activities</b>		<b>(23,928)</b>	<b>(29,108)</b>
Receipts from financial liabilities		21,609	–
Payments for redemption of financial liabilities		(838)	(442)
Payments for redemption of senior facilities		(20,000)	–
Payments for lease liabilities		(4,123)	(201)
Dividends paid		(27,170)	(24,700)
Dividends paid to non-controlling interests		–	(62)
Payments for interest	20	(2,487)	(1,808)
<b>Cash flow from financing activities</b>		<b>(33,009)</b>	<b>(27,213)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(13,300)</b>	<b>(8,173)</b>
Effect of movements in exchange rates on cash held		(3,055)	1,703
Cash and cash equivalents as of beginning of the period		139,020	143,000
<b>Cash and cash equivalents as of end of the period</b>		<b>122,665</b>	<b>136,530</b>

The accompanying Notes form an integral part of these Consolidated Financial Statements.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of and for the three and six months ended March 31, 2020

## 1 General information

### Company information

Stabilus S.A., Luxembourg, hereinafter also referred to as “Stabilus” or the “Company” is a public limited liability company (société anonyme) incorporated in Luxembourg and governed by Luxembourg law. The Company is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés Luxembourg) under No. B151589 and its registered office is located at 2, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg. The Company was founded under the name Servus HoldCo S.à r. l. on February 26, 2010.

The Company’s fiscal year is from October 1 to September 30 of the following year (twelve-month period). The consolidated financial statements of Stabilus S. A. include Stabilus and its subsidiaries (hereafter also referred to as “Stabilus Group” or the “Group”).

The Stabilus Group is a leading manufacturer of gas springs and dampers, as well as electric tailgate opening and closing equipment. The products are used in a wide range in automotive and industrial applications, as well as in the furniture industry. Typically the products are used to support the lifting and lowering or dampening of movements. As world market leader for gas springs, the Group ships to all key vehicle manufacturers. Various Tier 1 suppliers of the global car industry as well as large technical focused distributors further diversify the Group’s customer base.

### Basis for preparation

The accompanying condensed interim consolidated financial statements as of March 31, 2020, present the operations of the Company and its subsidiaries. They have been prepared in accordance with IAS 34 “Interim Financial Reporting” and comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Stabilus Group since the last annual consolidated financial statements as of and for the fiscal year ended September 30, 2019. As the interim consolidated financial statements are presented in considerably less detail than complete financial statements, they should be read in conjunction with the Company’s consolidated financial statements as of September 30, 2019. The interim consolidated financial statements and the interim group management report have not been audited or reviewed by our group auditor.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the fiscal year ended September 30, 2019, with the exception of the first-time application of IFRS 16 “Leases” as of October 1, 2019. The Stabilus Group has applied the modified retrospective method for the transition to IFRS 16. The assumptions made for the preparation of the interim consoli-



dated financial statements are based on management's best estimates as of the reporting date. In interim periods, income tax expense is based on management's best estimate of the weighted average effective annual income tax rate that is expected for the full financial year. Further information regarding the effects resulting from possible changes in such estimates can be found in the respective parts of the notes if considered material.

### IFRS 16 "Leases"

IFRS 16 Leases changes the regulations for the recognition, measurement, presentation and disclosure of leases. IFRS 16 supersedes the previous standard for lease accounting (IAS 17 Leases) and the relating interpretations (IFRIC 4 Lease Arrangement, SIC-15 Operating Leases - Incentives and SIC-27 Evaluation of Lease Transactions).

For the Stabilus Group, IFRS 16 is applied for the first-time in fiscal year 2020 starting October 1, 2019, by using the modified retrospective transition method. The prior period figures were not restated. In addition, only leasing agreements previously identified under IAS 17 or IFRIC 4 are accounted for according to IFRS 16 by the Stabilus Group. In the ordinary course of business, the Stabilus Group is the lessee of property, plant and equipment (e.g. IT hardware, cars, and other machinery and equipment). A software for contract data management was introduced by the Stabilus Group.

Based on the initial recognition, the effects resulted in an increase of the balance sheet total. As part of the transition to IFRS 16, right-of-use assets in the amount of €43.7 million and corresponding lease liabilities were recognized in the consolidated financial statements for fiscal year 2020. The Stabilus Group decided to recognize the right-of-use assets in the same amount as the lease liabilities. Based on the lease agreements as of October 1, 2019, the increase of the depreciation on the right-of-use assets (RoU) for financial year 2020 is expected to amount to €7.7 million, and the corresponding interest expense on the lease liabilities is expected to amount to €1.5 million. The effects on the consolidated statement of cash flows are: Increase in the cash flow from financing activities amounting to €4.9 million. This increase is attributable to the payments for lease liabilities of €(4.2) million and to the interest expenses from lease liabilities amounting to €(0.7) million. The cash flow from operating activities is reduced accordingly.

The Stabilus Group decided to use the practical expedients outlined in IFRS 16 (e.g. short-term leases and low-value leases). Therefore, short-term leases (leases with a lease term less than 12 month) can be classified in an amount of €(0.9) million. Leases of low-value (e.g. printer and copier) amounted to €(0.8) million. There is no consideration of leases of intangible assets. Furthermore, the Stabilus Group only shows a distinction between lease and non-lease components for real estate. For all non-movable goods, there is no distinction between lease and non-lease components. The portfolio application is used by the Stabilus Group for leases with similar characteristics.

The main impact of the transition to IFRS 16 resulted in the assessment of the lease term options from real estate and vehicles (e.g. cars, forklifts). Taking into account renewal options (particularly for real estate) that are expected to be exercised with reasonable certainty, an amount of €17.4 million could be measured. The lease liabilities were discounted as of October 1, 2019, using the incremental borrowing rate. The weighted average interest rate being used as of October 1, 2019, was 3.86%.

The following tables set out the effects of the first-time application of IFRS 16:

#### Reconciliation of IFRS 16 effects on the consolidated statement of financial position

T\_020

IN € MILLIONS	as of Sept 30, 2019	Effects of IFRS 16 first-time application	as of Oct 1, 2019
<b>Assets</b>			
Property, plant and equipment	199.9	43.7	243.6
Other non-current assets	506.1		506.1
Current assets	393.2		393.2
<b>Total Assets</b>	<b>1,099.2</b>	<b>43.7</b>	<b>1,142.9</b>
<b>Equity and liabilities</b>			
Equity	499.6		499.6
Other non-current liabilities	428.1		428.1
Other financial liabilities (non-current)	0.1	36.9	37.0
Other current liabilities	161.3		161.3
Other financial liabilities (current)	10.1	6.8	16.9
<b>Total equity and liabilities</b>	<b>1,099.2</b>	<b>43.7</b>	<b>1,142.9</b>

#### Reconciliation of IFRS 16 effects on the consolidated statement of comprehensive income

T\_021

IN € MILLIONS	Six months ended March 31, 2020	Effects of IFRS 16 first-time application	Six months ended March 31, 2020 without application of IFRS 16	Six months ended March 31, 2019 without application of IFRS 16
Profit from operating activities (EBIT)	51.9	0.7	51.2	57.1
Net financial result	(0.8)	(0.7)	(0.1)	(3.0)
Profit / (loss) for the period	34.5	–	34.5	38.1

#### Reconciliation of IFRS 16 effects on the consolidated statement of cash flows

T\_022

IN € MILLIONS	Six months ended March 31, 2020	Effects of IFRS 16 first-time application	Six months ended March 31, 2020 without application of IFRS 16	Six months ended March 31, 2019 without application of IFRS 16
Cash flow from operating activities	43.6	(4.9)	38.7	48.1
Cash flow from investing activities	(23.9)	–	(23.9)	(29.1)
Cash flow from financing activities	(33.0)	4.9	(28.1)	(27.2)

### Reconciliation of lease liabilities

T\_023

IN € MILLIONS

as of Oct 1, 2019

<b>Operating rental and lease agreements as of Sept 30, 2019</b>	<b>32.7</b>
<b>Lease liabilities resulting from finance leases as of Sept 30, 2019</b>	<b>0.5</b>
Short-term leases with a lease term < 12 months	(0.9)
Leases of low value	(0.8)
Other <sup>1)</sup>	1.1
Extension and termination options reasonably certain to be exercised	17.4
<b>Operating rental and lease agreements as of Oct 1, 2019</b>	<b>50.1</b>
Discounted at the incremental borrowing rate as of Oct 1, 2019	(6.4)
<b>Lease liabilities resulting from the initial application of IFRS 16 as of Oct 1, 2019</b>	<b>43.7</b>

<sup>1)</sup> Commitments for leases that had not commenced on September 30, 2019.

### Presentation

These condensed interim consolidated financial statements as of and for the three and six months ended March 31, 2020, comprise the consolidated statement of comprehensive income for the three and six months ended March 31, 2020, the consolidated statement of financial position as of March 31, 2020, the consolidated statement of changes in equity for the six months ended March 31, 2020, the consolidated statement of cash flows for the six months ended March 31, 2020, and explanatory notes to the condensed interim consolidated financial statements. The condensed interim consolidated financial statements are prepared in euros (€) rounded to the nearest thousand. Due to rounding, numbers presented may not add up precisely to the totals provided.

The condensed interim consolidated financial statements were authorized for issue by the Management Board on April 30, 2020.

## 2 Revenue

The Group's revenue developed as follows:

### Revenue by region and business unit

T\_024

IN € THOUSANDS	Three months ended March 31,		Six months ended March 31,	
	2020	2019	2020	2019
<b>EMEA</b>				
Automotive Gas Spring	33,289	38,424	65,540	73,833
Automotive Powerise®	22,097	24,629	45,905	49,262
Industrial <sup>2)</sup>	62,972	62,914	117,136	115,451
<b>Total EMEA <sup>1)</sup></b>	<b>118,358</b>	<b>125,967</b>	<b>228,581</b>	<b>238,546</b>
<b>Americas</b>				
Automotive Gas Spring	25,788	30,421	51,652	58,400
Automotive Powerise®	29,107	32,042	62,125	64,524
Industrial <sup>2)</sup>	27,780	28,079	59,252	52,939
<b>Total Americas <sup>1)</sup></b>	<b>82,675</b>	<b>90,542</b>	<b>173,029</b>	<b>175,863</b>
<b>APAC</b>				
Automotive Gas Spring	12,509	15,241	32,294	33,252
Automotive Powerise®	3,545	3,446	10,328	8,367
Industrial <sup>2)</sup>	3,899	3,893	8,110	8,013
<b>Total APAC <sup>1)</sup></b>	<b>19,953</b>	<b>22,580</b>	<b>50,732</b>	<b>49,632</b>
<b>Stabilus Group</b>				
Total Automotive Gas Spring	71,586	84,086	149,486	165,485
Total Automotive Powerise®	54,749	60,117	118,358	122,153
Total Industrial <sup>2)</sup>	94,651	94,886	184,498	176,403
<b>Revenue <sup>1)</sup></b>	<b>220,986</b>	<b>239,089</b>	<b>452,342</b>	<b>464,041</b>

<sup>1)</sup> Revenue breakdown by location of Stabilus company (i.e. "billed-from view").

<sup>2)</sup> As of October 1, 2019, our Vibration & Velocity business and Industrial/Capital Goods business unit were combined into Industrial business. The presentation of prior-year figures was changed accordingly.

### 3 Finance income

#### Finance income

T\_025

IN € THOUSANDS	Three months ended March 31,		Six months ended March 31,	
	2020	2019	2020	2019
Interest income on loans and financial receivables	164	56	301	129
Net foreign exchange gain	5,612	1,168	5,004	1,318
Other interest income	16	5	26	9
<b>Finance income</b>	<b>5,792</b>	<b>1,229</b>	<b>5,331</b>	<b>1,456</b>

### 4 Finance costs

#### Finance costs

T\_026

IN € THOUSANDS	Three months ended March 31,		Six months ended March 31,	
	2020	2019	2020	2019
Interest expenses on financial liabilities	(2,903)	(2,148)	(4,909)	(4,295)
Interest expenses lease liabilities	(372)	(1)	(751)	(1)
Other interest expenses	(341)	(90)	(462)	(177)
<b>Finance costs</b>	<b>(3,616)</b>	<b>(2,239)</b>	<b>(6,122)</b>	<b>(4,473)</b>

### 5 Earnings per share

The weighted average number of shares used for the calculation of earnings per share in the six months ended March 31, 2020 and 2019, is set out in the following table:

#### Weighted average number of shares

T\_027

DATE	Number of days	Transaction	Change	Total shares	Total shares (time-weighted)
October 1, 2018	181	–	–	24,700,000	24,700,000
<b>March 31, 2019</b>		–	–	<b>24,700,000</b>	<b>24,700,000</b>
October 1, 2019	182	–	–	24,700,000	24,700,000
<b>March 31, 2020</b>		–	–	<b>24,700,000</b>	<b>24,700,000</b>

The earnings per share for the six months ended March 31, 2020 and 2019, were as follows:

### Earnings per share

T\_028

IN € THOUSAND	Six months ended March 31,	
	2020	2019
Profit / (loss) attributable to shareholders of Stabilus	34,245	38,172
Weighted average number of shares	24,700,000	24,700,000
<b>Earnings per share (in €)</b>	<b>1.39</b>	<b>1.55</b>

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of shares outstanding.

## 6 Property, plant and equipment

### Property, plant and equipment - Carrying amount

T\_029

IN € THOUSANDS	March 31, 2020	Sept 30, 2019
Land, equivalent rights to real property	17,540	17,739
Building and land improvements	38,862	42,135
Technical equipment and machinery	89,285	95,411
Other tangible equipment	16,476	18,739
Construction in progress	28,303	25,922
RoU – Building and land improvements	36,705	–
RoU – Technical equipment and machinery	2,186	–
RoU – Other tangible equipment	3,010	–
<b>Total</b>	<b>232,367</b>	<b>199,946</b>

Property, plant and equipment as of March 31, 2020, amounted to €232,367 thousand (Sept 30, 2019: €199,946 thousand). The first-time application of IFRS 16 (Leases), which required the recognition of right-of-use assets from operating leases, amounts to €43.7 million.

The Group invested to property, plant and equipment in the first six months of fiscal year 2020 amounting to €12,056 thousand (H1 FY2019: €23,533 thousand). In addition, the increase due to new leasing contracts is amounting to €2,654 thousand. In the first six months of fiscal year 2020, total depreciation expense for tangible assets amounted to €(18,215) thousand (H1 FY2019: €(12,965) thousand), thereof €(4,123) thousand from the first-time application of IFRS 16 (Leases).

Prepayments by the Stabilus Group for property, plant and equipment of €2,464 thousand (Sept 30, 2019: €66 thousand) are included in other non-current assets.

Disposals occurred only in the ordinary course of business. The net value of disposed property, plant and equipment in the first six months of fiscal year 2020 amounted to €(85) thousand (H1 FY2019: €(403) thousand).

The Group did not recognize impairment losses on property, plant and equipment in the first six months of fiscal year 2020 (H1 FY2019: €0).

## 7 Other intangible assets

### Other intangible assets - Carrying amount

T\_030

IN € THOUSANDS	March 31, 2020	Sept 30, 2019
Development cost	34,029	36,328
Development cost under construction	22,481	19,032
Software	4,179	4,574
Patents	1,553	1,642
Customer Relationship	181,855	188,853
Technology	14,852	16,668
Tradename	8,303	9,062
<b>Total</b>	<b>267,252</b>	<b>276,159</b>

Other intangible assets as of March 31, 2020, amounted to €267,252 thousand (Sept 30, 2019: €276,159 thousand). Additions to intangible assets in the first six months of fiscal year 2020 amounted to €(8,672) thousand (H1 FY2019: €(6,208) thousand) and mainly comprised capitalized development costs (less related customer contributions) of €8,297 thousand (H1 FY2019: €5,863 thousand). Borrowing costs capitalized in the first six months of fiscal year 2020 amounted to €63 thousand (H1 FY2019: €50 thousand).

In the first six months of fiscal year 2020, total amortization expense on intangible assets amounted to €(16,645) thousand (H1 FY2019: €(15,403) thousand). Amortization expenses on development costs include impairment losses of €(238) thousand (H1 FY2019: €(79) thousand) due to withdrawal of customers from the respective projects and change in expected benefits.

No significant disposals have been recognized.

## 8 Other financial assets

### Other financial assets

T\_031

IN € THOUSANDS	March 31, 2020			Sept 30, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Other miscellaneous	4,061	–	4,061	4,743	–	4,743
<b>Other financial assets</b>	<b>4,061</b>	<b>–</b>	<b>4,061</b>	<b>4,743</b>	<b>–</b>	<b>4,743</b>

Other financial assets as of March 31, 2020, comprised assets related to the sale of trade accounts receivable amounting to €2,603 thousand (Sept 30, 2019: €2,900 thousand). In addition €1,458 thousand (Sept 30, 2019: €1,843 thousand) relates to the contingent consideration from the business combination with General Aerospace GmbH.

## 9 Other assets

### Other assets

T\_032

IN € THOUSANDS	March 31, 2020			Sept 30, 2019		
	Current	Non-current	Total	Current	Non-current	Total
VAT	5,585	–	5,585	4,071	–	4,071
Prepayments	3,215	2,464	5,679	2,438	66	2,504
Deferred charges	6,896	–	6,896	5,394	–	5,394
Other miscellaneous	2,917	1,703	4,620	1,911	1,645	3,556
<b>Other assets</b>	<b>18,613</b>	<b>4,167</b>	<b>22,780</b>	<b>13,814</b>	<b>1,711</b>	<b>15,525</b>

Non-current prepayments comprise prepayments on property, plant and equipment.

## 10 Inventories

### Inventories

T\_033

IN € THOUSANDS	March 31, 2020	Sept 30, 2019
Raw materials and supplies	49,089	48,548
Finished products	26,226	23,726
Work in progress	14,951	15,361
Merchandise	14,428	12,704
<b>Inventories</b>	<b>104,694</b>	<b>100,339</b>

## 11 Equity

The development of the Group's equity is presented in the Statement of Changes in Equity.

### OTHER RESERVES

Other reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations and unrealized actuarial gains and losses. The following table shows the changes in other reserves recognized in equity through other comprehensive income as well as the income tax recognized in equity through other comprehensive income:



### Other reserves and other comprehensive income / (expense)

T\_034

IN € THOUSANDS	Unrealized actuarial gains and losses	Unrealized gains / (losses) from foreign currency translation	Total
<b>Balance as of Sept 30, 2018</b>	<b>(10,430)</b>	<b>(14,182)</b>	<b>(24,612)</b>
Before tax	(9,211)	11,753	2,542
Tax (expense) / benefit	2,787	–	2,787
Other comprehensive income / (expense), net of taxes	(6,424)	11,753	5,329
Non-controlling interest	–	–	–
<b>Balance as of Sept 30, 2019</b>	<b>(16,854)</b>	<b>(2,429)</b>	<b>(19,283)</b>
Before tax	8,660	(19,914)	(11,254)
Tax (expense) / benefit	(2,620)	–	(2,620)
Other comprehensive income / (expense), net of taxes	6,040	(19,914)	(13,874)
Non-controlling interest	–	–	–
<b>Balance as of March 31, 2020</b>	<b>(10,814)</b>	<b>(22,343)</b>	<b>(33,157)</b>

## 12 Financial liabilities

The financial liabilities comprise the following items:

### Financial liabilities

T\_035

IN € THOUSANDS	March 31, 2020			Sept 30, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Senior facilities	–	281,635	281,635	–	298,501	298,501
Other facilities	23,291	9,520	32,811	2,824	10,260	13,084
<b>Financial liabilities</b>	<b>23,291</b>	<b>291,155</b>	<b>314,446</b>	<b>2,824</b>	<b>308,761</b>	<b>311,585</b>

Stabilus repaid of its senior facility €50.0 million on August 31, 2016, €10.0 million on December 31, 2016, €2.5 million on March 31, 2017, €50.0 million on September 30, 2017, €6.4 million on March 28, 2018, €21.1 million on September 27, 2019 and €20.0 million on February 27, 2020, and reduced the outstanding nominal amount to €295.0 million as at March 31, 2020. The Group's liability under the senior facility agreement (the remaining €295.0 million term loan) is measured at amortized cost under consideration of transaction costs and the adjustment of the carrying value using the effective interest rate method. The adjustment of the carrying value of the term loan facility reflects the change in estimated future cash flows discounted with the original effective interest rate due to a decreased margin based on the improved net leverage ratio of the Group.

As of March 31, 2020, the Group had drawn €21.6 million under the committed €70 million revolving credit facility. The Group utilized €1.0 million out of the €70.0 million revolving credit facility to secure existing guarantees.

### 13 Other financial liabilities

#### Other financial liabilities

T\_036

IN € THOUSANDS	March 31, 2020			Sept 30, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities to employees	7,511	–	7,511	6,550	–	6,550
Social security contribution	2,614	–	2,614	3,105	–	3,105
Lease liabilities (PY: Finance lease obligation)	7,511	34,093	41,604	441	83	524
<b>Other financial liabilities</b>	<b>17,636</b>	<b>34,093</b>	<b>51,729</b>	<b>10,096</b>	<b>83</b>	<b>10,179</b>

The increase is especially due to the effects resulting from first-time application of IFRS 16 (Leases) amounting to €43.7 million, thereof €36.9 million as non-current and €6.8 million as current. The liabilities to employees mainly comprise outstanding salaries and wages.

### 14 Provisions

#### Provisions

T\_037

IN € THOUSANDS	March 31, 2020			Sept 30, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Anniversary benefits	24	156	180	33	153	186
Early retirement contracts	1,175	2,019	3,194	1,037	1,946	2,983
Employee-related costs	11,979	–	11,979	11,332	–	11,332
Environmental protection	671	1,123	1,794	827	1,130	1,957
Other risks	2,228	–	2,228	3,008	–	3,008
Legal and litigation costs	77	–	77	97	–	97
Warranties	14,697	–	14,697	16,806	–	16,806
Other miscellaneous	4,944	333	5,277	5,004	336	5,340
<b>Provisions</b>	<b>35,795</b>	<b>3,631</b>	<b>39,426</b>	<b>38,144</b>	<b>3,565</b>	<b>41,709</b>

The provision for environmental protection, in particular long-term bioremediation of the former Colmar US site, decreased in the first six months of fiscal year 2020 from €1,957 thousand to €1,794 thousand. This provision is to cover the contractor expense to finish the bioremediation program in the next years. Further information regarding this matter can be found in the 2019 Annual Report.

The provision for warranties decreased from €16,806 thousand as of September 30, 2019, to €14,697 thousand as of March 31, 2020. This decrease is due to settlement of various warranty cases.

## 15 Pension plans and similar obligations

The Group's liability for pension plans and similar obligations decreased from €59,893 thousand as of September 30, 2019, by €9,226 thousand to €50,667 thousand as of March 31, 2020. The discount rate was 1.88% on March 31, 2020, versus 0.93% on September 30, 2019.

## 16 Other liabilities

The following table sets out the breakdown of the Group's other current and non-current liabilities:

### Other liabilities

T\_038

IN € THOUSANDS	March 31, 2020			Sept 30, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Advanced payments received	2,602	–	2,602	2,278	–	2,278
Vacation expenses	4,755	–	4,755	4,066	–	4,066
Other personnel-related expenses	3,990	–	3,990	6,611	–	6,611
Outstanding costs	2,275	–	2,275	2,908	–	2,908
Miscellaneous	467	–	467	380	–	380
<b>Other liabilities</b>	<b>14,089</b>	<b>–</b>	<b>14,089</b>	<b>16,243</b>	<b>–</b>	<b>16,243</b>

## 17 Contingent liabilities and other financial commitments

### Contingent liabilities

Contingent liabilities are possible obligations from past events whose existence has yet to be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. If the future outflow of resources for the settlement of a possible obligation is considered more likely than not, a provision is recognized on the face of the financial statements. Besides the possible obligations for which a provision has been recognized on the balance sheet no contingent liabilities could be identified as of the reporting date that were considered to be material in nature.

### Guarantees

A detailed description of the guarantees the Group has issued and can be found in the 2019 Annual Report.

## Other financial commitments

### Other financial commitments

T\_039

IN € THOUSANDS	March 31, 2020	Sept 30, 2019
Capital commitments for fixed and other intangible assets	3,545	4,750
<b>Total</b>	<b>3,545</b>	<b>4,750</b>

From October 1, 2019, obligations from operating leases have been recognized in accordance with the requirements of IFRS 16 (Leases) and can be found in Note 6.

The capital commitments for fixed and other intangible assets decreased from €4,750 thousand as of September 30, 2019, to €3,545 thousand as of March 31, 2020.

## 18 Financial instruments

The following table shows the carrying amounts and fair values of the Group's financial instruments. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### Financial instruments

T\_040

IN € THOUSANDS		March 31, 2020		Sept 30, 2019	
	Measurement category acc. to IFRS 9	Carrying amount	Fair value <sup>1)</sup>	Carrying amount	Fair value <sup>1)</sup>
Trade accounts receivables	AC	114,363	–	130,328	–
Cash	AC	122,665	–	139,020	–
Other financial assets	AC	4,061	–	4,743	–
<b>Total financial assets</b>		<b>241,089</b>	<b>–</b>	<b>274,091</b>	<b>–</b>
Financial liabilities	FLAC	314,446	309,272	311,585	330,918
Trade accounts payable	FLAC	74,390	–	90,992	–
Lease liabilities (PY: Finance lease liabilities)	–	41,604	–	524	1,786
<b>Total financial liabilities</b>		<b>430,440</b>	<b>309,272</b>	<b>403,101</b>	<b>332,704</b>
<b>Aggregated according to category:</b>					
Financial assets measured at amortized cost (AC)		241,089	–	274,091	–
Financial liabilities measured at amortized cost (FLAC)		388,836	309,272	402,577	330,918

<sup>1)</sup> The simplification provision in accordance of IFRS 7.29 has been applied with respect to fair value disclosures. If not presented separately, the carrying amount of the financial instrument reflects a reasonable approximation of its fair value.

The following table provides an overview of the classification of financial instruments presented above in the fair value hierarchy, except for financial instruments with fair values corresponding to the carrying amounts (i.e. trade accounts receivable and payable, cash and other financial liabilities).

### Financial instruments

T\_041

IN € THOUSANDS	March 31, 2020				Sept 30, 2019			
	Total	Level 1 <sup>1)</sup>	Level 2 <sup>2)</sup>	Level 3 <sup>3)</sup>	Total	Level 1 <sup>1)</sup>	Level 2 <sup>2)</sup>	Level 3 <sup>3)</sup>
<b>Financial liabilities</b>								
Senior facilities	276,461	–	276,461	–	317,834	–	317,834	–
Other facilities	32,811	–	32,811	–	13,084	–	13,084	–
Finance lease liabilities	–	–	–	–	1,786	–	–	1,786

<sup>1)</sup> Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical instruments.

<sup>2)</sup> Fair value measurement based on inputs that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

<sup>3)</sup> Fair value measurement based on inputs that are not observable market data.

The determination of the fair value of the senior facilities is based on the discounted cash flow model, under which the projected cash flows are discounted to their present value as of the valuation date. The cash flows are based on the expected interest and principal payments and the discount rate is derived from market-observed CDS spreads for similar industrial companies. A change in the amount or timing of the estimated cash flows or in the CDS spreads observed in the market would consequently result in a change of the instruments calculated fair value.

There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the reporting period. It is the Group's policy to recognize transfers between different levels of the fair value hierarchy as of the date of the event or a change in the circumstances that caused the transfer.

## 19 Risk reporting

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as of and for the fiscal year ended September 30, 2019.

## **20 Notes to the Consolidated Statement of Cash Flows**

The statement of cash flows is prepared in compliance with IAS 7. The statement of cash flows of the Stabilus Group shows the development of the cash flows from operating, investing and financing activities. Inflows and outflows from operating activities are presented in accordance with the indirect method and those from investing and financing activities by the direct method.

The cash funds reported in the statement of cash flows comprise all liquid funds, cash balances and cash at banks reported in the statement of financial position.

Interest payments in the first half of fiscal year 2020 amounting to €2,487 thousand (H1 FY2019: €1,808 thousand) are reflected in cash outflows from financing activities. Income tax payments in the same period amounting to €(26,526) thousand (H1 FY2019: €(19,965) thousand) are recognized in cash flows from operating activities.

## **21 Segment reporting**

The Group is organized and managed primarily on a regional level. The three reportable operating segments of the Group are EMEA (Europe, Middle East and Africa), Americas (North and South America) and APAC (Asia Pacific). The product portfolio is largely similar in these three regional segments.

The Group measures the performance of its operating segments through a measure of segment profit or loss (key performance indicator) which is referred to as "adjusted EBIT". Adjusted EBIT represents EBIT, adjusted for exceptional non-recurring items (e.g. restructuring or one-time advisory costs) and depreciation / amortization of fair value adjustments from purchase price allocations (PPAs).

The presentation of prior year figures is adjusted to provide comparative information already reflecting the new structure.

Segment information for the six months ended March 31, 2020 and 2019 is as follows:

### Segment reporting

T\_042

	EMEA		Americas		APAC	
	Six months ended March 31,		Six months ended March 31,		Six months ended March 31,	
IN € THOUSANDS	2020	2019	2020	2019	2020	2019
External revenue <sup>1)</sup>	228,581	238,546	173,029	175,862	50,732	49,633
Intersegment revenue <sup>1)</sup>	14,092	14,135	11,526	13,282	78	57
Total revenue <sup>1)</sup>	242,673	252,681	184,555	189,144	50,810	49,690
Depreciation and amortization (incl. impairment losses)	(18,866)	(14,363)	(8,432)	(6,517)	(4,077)	(2,847)
EBIT	25,022	31,304	26,550	25,828	3,787	4,648
Adjusted EBIT	28,954	34,275	28,273	27,446	3,865	4,725
	Total segments		Other / Consolidation		Stabilus Group	
	Six months ended March 31,		Six months ended March 31,		Six months ended March 31,	
IN € THOUSANDS	2020	2019	2020	2019	2020	2019
External revenue <sup>1)</sup>	452,342	464,041	–	–	452,342	464,041
Intersegment revenue <sup>1)</sup>	25,696	27,474	(25,696)	(27,474)	–	–
Total revenue <sup>1)</sup>	478,038	491,515	(25,696)	(27,474)	452,342	464,041
Depreciation and amortization (incl. impairment losses)	(31,375)	(23,727)	(3,485)	(4,640)	(34,860)	(28,367)
EBIT	55,359	61,780	(3,485)	(4,640)	51,874	57,140
Adjusted EBIT	61,092	66,446	–	–	61,092	66,446

<sup>1)</sup> Revenue breakdown by location of Stabilus company (i.e. "billed-from view").

The column "Other / Consolidation" includes the effects from the purchase price allocation for the 2010 business combination. The effects from the purchase price allocations for the business combinations that occurred in 2016 and 2019 are included in the regions.

The following table sets out the reconciliation of the total segments' profit (adjusted EBIT) to profit before income tax.

#### Reconciliation of the total segments' profit to profit / (loss) before income tax

T\_043

IN € THOUSANDS	Six months ended March 31,	
	2020	2019
<b>Total segments' profit (adjusted EBIT)</b>	<b>61,092</b>	<b>66,446</b>
Other / consolidation	–	–
<b>Group adjusted EBIT</b>	<b>61,092</b>	<b>66,446</b>
Adjustments to EBIT	(9,218)	(9,306)
<b>Profit from operating activities (EBIT)</b>	<b>51,874</b>	<b>57,140</b>
Finance income	5,331	1,456
Finance costs	(6,122)	(4,473)
<b>Profit / (loss) before income tax</b>	<b>51,083</b>	<b>54,123</b>

## 22 Related party relationships

According to IAS 24, the reporting entity has to disclose specific information of transactions between the Group and other related parties. Balances and transactions between the Company and its fully consolidated subsidiaries, which constitute related parties within the meaning of IAS 24, have been eliminated in the course of consolidation and are therefore not commented on in this note. As to our knowledge no individual shareholder of Stabilus S.A. can exercise significant influence over the Company or the Group. The consolidated financial statements do not include any associated companies that are accounted for using the equity method, and none of the group entities can exercise significant influence over entities that are not included in the scope of consolidation.

Related parties of the Stabilus Group primarily comprise the Stabilus Group's management, which also holds an investment in the Company. The remuneration of and other transactions with key managers of the Company constitute related party transactions pursuant to IAS 24.

## 23 Subsequent events

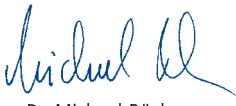
As of April 30, 2020, there were no further events or developments that could have materially affected the measurement and presentation of Group's assets and liabilities as of March 31, 2020.



## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the corporation, and the interim management report of the corporation includes a fair review of the development and performance of the business and the position of the corporation, together with a description of the principal opportunities and risks associated with the expected development of the corporation for the remaining months of the fiscal year.

Luxembourg, April 30, 2020



Dr. Michael Büchsner  
Management Board



Mark Wilhelms



Andreas Schröder



Andreas Sievers

# ADDITIONAL INFORMATION

## FINANCIAL CALENDAR

### Financial calendar

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DATE <sup>1)2)</sup>	PUBLICATION / EVENT
May 4, 2020	Publication of the second-quarter results for fiscal year 2020 (Interim Report Q2 FY2020)
August 3, 2020	Publication of the third-quarter results for fiscal year 2020 (Quarterly Statement Q3 FY2020)
November 13, 2020	Publication of preliminary financial results for fiscal year 2020
December 11, 2020	Publication of full year results for fiscal year 2020 (2020 Annual Report)

<sup>1)</sup> We cannot rule out changes of dates. We recommend checking them on our website in the Investors / Financial Calendar section ([www.ir.stabilus.com](http://www.ir.stabilus.com)).

<sup>2)</sup> Please note that our fiscal year (FY) comprises a twelve-month period from October 1 until September 30 of the following calendar year. E.g. the fiscal year 2020 comprises a year ending September 30, 2020.

## DISCLAIMER

### Forward-looking statements

This interim report contains forward-looking statements that relate to the current plans, objectives, forecasts and estimates of the management of Stabilus S.A. These statements take into account only information that was available up to and including the date that this interim report was prepared. The management of Stabilus S.A. makes no guarantee that these forward-looking statements will prove to be right. The future development of Stabilus S.A. and its subsidiaries and the results that are actually achieved are subject to a variety of risks and uncertainties which could cause actual events or results to differ significantly from those reflected in the forward-looking statements. Many of these factors are beyond the control of Stabilus S.A. and its subsidiaries and therefore cannot be precisely predicted. Such factors include, but are not limited to, changes in economic conditions and the competitive situation, changes in the law, interest rate or exchange rate fluctuations, legal disputes and investigations, and the

availability of funds. These and other risks and uncertainties are set forth in the Group Management Report. However, other factors could also have an adverse effect on our business performance and results. Stabilus S.A. neither intends nor assumes any separate obligation to update forward-looking statements or to change these to reflect events or developments that occur after the publication of this interim report.

### Rounding

Certain numbers in this interim report have been rounded up or down. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown as well as between the numbers in the tables and the numbers given in the corresponding analyses in the text of the interim report. All percentage changes and key figures in the Group Management Report were calculated using the underlying data in millions of euros rounded to one decimal place (€ millions).

# INFORMATION RESOURCES

Further information including news, reports and publications can be found in the Investors section of our website at [www.ir.stabilus.com](http://www.ir.stabilus.com).

## Investor Relations

Phone: +352 286 770 21

Fax: +352 286 770 99

Email: [anschroeder@stabilus.com](mailto:anschroeder@stabilus.com)

2, RUE ALBERT BORSCHETTE,  
L-1246 LUXEMBOURG  
GRAND DUCHY OF LUXEMBOURG

[WWW.STABILUS.COM](http://WWW.STABILUS.COM)

