

QUARTERLY STATEMENT

**Q1
FY2019**

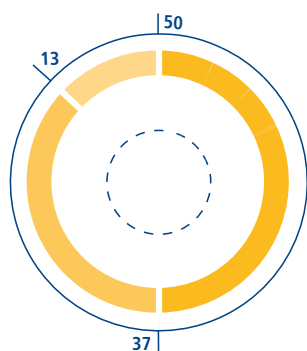


KEY FIGURES

IN EUR MILLIONS	Three months ended Dec 31,			
	2018	2017	CHANGE	% CHANGE
Revenue	225.0	230.6	(5.6)	(2.4)%
EBIT	25.9	29.5	(3.6)	(12.2)%
Adjusted EBIT	30.8	33.9	(3.1)	(9.1)%
Profit for the period	17.7	21.7	(4.0)	(18.4)%
Capital expenditure	(12.5)	(9.9)	(2.6)	26.3%
Free cash flow (FCF)	12.4	14.7	(2.3)	(15.6)%
EBIT as % of revenue	11.5%	12.8%		
Adjusted EBIT as % of revenue	13.7%	14.7%		
Profit in % of revenue	7.9%	9.4%		
Capital expenditure as % of revenue	5.6%	4.3%		
FCF in % of revenue	5.5%	6.4%		
Net leverage ratio	1.0x	1.4x		

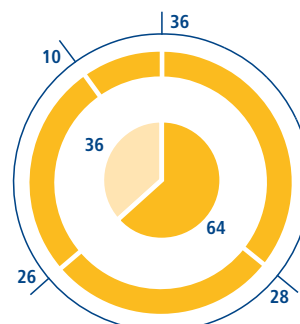
Revenue by region

(Location of Stabilus company)



50% — Europe
 37% — NAFTA
 13% — Asia/Pacific and RoW

Revenue by market



64% — **Automotive Business**
 36% — Automotive Gas Spring
 28% — Automotive Powerise®
 36% — **Industrial Business**
 26% — Industrial/Capital Goods
 10% — Vibration & Velocity Control

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INTERIM MANAGEMENT STATEMENT

for the three months ended December 31, 2018

Alternative Performance Measures (APM) in the interim management statement of the first quarter of fiscal year 2019

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 APM used. The Group uses the following APMs: Adjusted EBIT, Free cash flow (FCF), 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 required disclosures are provided in the relevant sections of this quarterly statement.

RESULTS OF OPERATIONS

The table below sets out Stabilus Group's consolidated income statement for the first quarter of fiscal year 2019 in comparison to the first quarter of fiscal year 2018:

Income statement

T_002

IN € MILLIONS	Three months ended Dec 31,		Change	% change
	2018	2017		
Revenue	225.0	230.6	(5.6)	(2.4)%
Cost of sales	(161.3)	(162.9)	1.6	(1.0)%
Gross profit	63.7	67.7	(4.0)	(5.9)%
Research and development expenses	(9.8)	(10.1)	0.3	(3.0)%
Selling expenses	(20.3)	(20.5)	0.2	(1.0)%
Administrative expenses	(9.1)	(9.0)	(0.1)	1.1%
Other income	1.6	1.5	0.1	6.7%
Other expenses	(0.2)	(0.1)	(0.1)	100.0%
Profit from operating activities (EBIT)	25.9	29.5	(3.6)	(12.2)%
Finance income	0.2	0.1	0.1	100.0%
Finance costs	(2.2)	(2.5)	0.3	(12.0)%
Profit / (loss) before income tax	23.9	27.1	(3.2)	(11.8)%
Income tax income / (expense)	(6.2)	(5.4)	(0.8)	14.8%
Profit / (loss) for the period	17.7	21.7	(4.0)	(18.4)%

Revenue

Revenue by region

T_003

IN € MILLIONS	Three months ended Dec 31,			
	2018	2017	Change	% change
Europe ¹⁾	112.6	116.0	(3.4)	(2.9)%
NAFTA ¹⁾	83.7	83.6	0.1	0.1%
Asia / Pacific and RoW ¹⁾	28.7	31.0	(2.3)	(7.4)%
Revenue¹⁾	225.0	230.6	(5.6)	(2.4)%

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

Total revenue of €225.0 million in the first quarter of fiscal year 2019 decreased by €(5.6) million or (2.4)% compared to the first quarter of fiscal year 2018.

The decrease in Group revenue in the first quarter of fiscal year 2019 occurred primarily in our entities in Europe (€(3.4) million or

(2.9)% and Asia / Pacific and RoW (€(2.3) million or (7.4)%). Revenue from our NAFTA entities were nearly flat with growth of €0.1 million or 0.1%. However, due to the relatively strong US dollar (average rate per €1: \$1.14 in Q1 FY2019 versus \$1.18 in Q1 FY2018) the currency translation effect amounted to €2.6 million, i.e. at constant US dollar rates NAFTA's revenue decreased by (3.0)%.

Revenue by markets

T_004

IN € MILLIONS	Three months ended Dec 31,			
	2018	2017	Change	% change
Automotive Gas Spring	81.4	83.1	(1.7)	(2.0)%
Automotive Powerise®	62.0	64.5	(2.5)	(3.9)%
Automotive business	143.4	147.6	(4.2)	(2.8)%
Industrial / Capital Goods ¹⁾	58.1	58.2	(0.1)	(0.2)%
Vibration & Velocity Control	23.5	24.8	(1.3)	(5.2)%
Industrial business	81.6	83.0	(1.4)	(1.7)%
Revenue	225.0	230.6	(5.6)	(2.4)%

¹⁾ As of October 1, 2018 our Commercial Furniture business unit was integrated into Industrial / Capital Goods business. The presentation of prior year was changed accordingly

The revenue of our Automotive business decreased by €(4.2) million or (2.8)% from €147.6 million in the first quarter of fiscal year 2018 to €143.4 million in the first quarter of fiscal year 2019. This is primarily due to the weaker global automotive industry reflecting uncertainties triggered by e.g. WLTIP, Brexit and trade conflicts, especially between US and China. This effects both, our Automotive Powerise® business which decreased by €(2.5) million or (3.9)% to €62.0 million and our Automotive Gas Spring business which decreased by €(1.7) million or (2.0)% from €83.1 million to €81.4 million.

The revenue of our Industrial business decreased by €(1.4) million or (1.7)% from €83.0 million in the first quarter of fiscal year 2018 to €81.6 million in the first quarter of fiscal year 2019. Industrial / Capital Goods revenue decreased slightly by €(0.1) million or (0.2)% and Vibration & Velocity Control decreased by €(1.3) million or (5.2)%. This is generally due to the heterogeneous market environment and in turn a slowing down in the industrial markets leading to a weaker demand in the first quarter of fiscal year 2019. Our broad customer portfolio helps to mitigate the impact of this weaker demand.

Cost of sales and overhead expenses

COST OF SALES

Cost of sales decreased from €(162.9) million in the first quarter of fiscal year 2018 by (1.0)% to €(161.3) million in the first quarter of fiscal year 2019, primarily due to reduced sales. The cost of sales decrease by (1.0)% is less than the decrease in revenue by (2.4)%. This is reflecting a weaker fix cost absorption as certain fixed cost elements cannot be reduced in line with revenue. Consequently the cost of sales as a percentage of revenue increased by 110 basis points to 71.7% (PY: 70.6%) and the gross profit margin declined to 28.3% (PY: 29.4%).

R&D EXPENSES

R&D expenses (net of R&D cost capitalization) decreased by (3.0)% from €(10.1) million in the first quarter of fiscal year 2018 to €(9.8) million in the first quarter of fiscal year 2019 reflecting impairment charges in the prior year as well as capitalization of cost related to specific customer projects in the current year. As a percentage of revenue, R&D expenses remained unchanged at 4.4% (PY: 4.4%). The capitalization of R&D expenses increased from €(2.0) million in the first quarter of fiscal year 2018 to €(2.7) million in the first quarter of fiscal year 2019.

SELLING EXPENSES

Selling expenses decreased slightly from €(20.5) million in the first quarter of fiscal year 2018 by (1.0)% to €(20.3) million in the first quarter of fiscal year 2019. As a percentage of revenue, the selling expenses increased by 10 basis points to 9.0% (PY: 8.9%).

ADMINISTRATIVE EXPENSES

Administrative expenses increased slightly from €(9.0) million in the first quarter of fiscal year 2018 by 1.1% to €(9.1) million in the first quarter of fiscal year 2019. This includes €0.5 million advisory cost directly related to finalizing the acquisitions of General Aerospace and Clevers. As a percentage of revenue, administrative expenses increased by 10 basis points to 4.0% (PY: 3.9%).

OTHER INCOME AND EXPENSE

Other income increased from €1.5 million in the first quarter of fiscal year 2018 by €0.1 million to €1.6 million in the first quarter of fiscal year 2019. This mainly comprises net foreign currency translation gains from the operating business.

Other expenses increased slightly from €(0.1) million in the first quarter of fiscal year 2018 by €(0.1) million to €(0.2) million in the first quarter of fiscal year 2019.

FINANCE INCOME AND COSTS

Finance income increased from €0.1 million in the first quarter of fiscal year 2018 to €0.2 million in the first quarter of fiscal year 2019.

Finance costs decreased from €(2.5) million in the first quarter of fiscal year 2018 to €(2.2) million in the first quarter of fiscal year 2019. Finance costs in the first quarter of fiscal year 2019 were primarily due to ongoing interest expense of €(2.1) million (PY: €(2.1) million) especially related to the euro term loan facility. Thereof, an amount of €(0.9) million (PY: €(1.0) million) is cash interest. In addition, an amount of €(1.2) million (PY: €(1.1) million) is due to the amortization of debt issuance cost and the amortization of the adjustment of the carrying value by using the effective interest rate method.

INCOME TAX EXPENSE

The income tax expense increased from €(5.4) million in the first quarter of fiscal year 2018 to €(6.2) million in the first quarter of fiscal year 2019. The Stabilus Group's effective tax rate in the first quarter of fiscal year 2019 is 25.9% (PY: 19.9%). The lower tax rate in the prior year was due to the non-recurring positive effect from the remeasurement of the deferred tax positions following the US tax reform signed in December 2017.

RECONCILIATION OF EBIT TO ADJUSTED EBIT

The following table shows a reconciliation of EBIT (earnings before interest and taxes) to adjusted EBIT for the first quarter of fiscal years 2019 and 2018.

Reconciliation of EBIT to adjusted EBIT

T_005

IN € MILLIONS	Three months ended Dec 31,			
	2018	2017	Change	% change
Profit from operating activities (EBIT)	25.9	29.5	(3.6)	(12.2)%
PPA adjustments – depreciation and amortization	4.4	4.4	–	0.0%
Advisory	0.5	–	0.5	n/a
Adjusted EBIT	30.8	33.9	(3.1)	(9.1)%

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 PPA adjustments in the current year contain €2.3 million (PY: €2.3 million) related to the April 2010 PPA and €2.1 million (PY: €2.1 million) to the June 2016 PPA.

The adjustment amounting to €0.5 million in the first quarter of fiscal year 2019 relates to the transaction costs from the acquisitions of General Aerospace and Clevers.

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 Europe, NAFTA, Asia / Pacific and RoW.

The table below sets out the development of our operating segments for the first quarter of the fiscal years 2019 and 2018.

Operating segments

T_006

IN € MILLIONS	Three months ended Dec 31,		Change	% change
	2018	2017		
Europe				
External revenue ¹⁾	112.6	116.0	(3.4)	(2.9)%
Intersegment revenue ¹⁾	6.7	8.1	(1.4)	(17.3)%
Total revenue ¹⁾	119.3	124.1	(4.8)	(3.9)%
Adjusted EBIT	15.6	16.3	(0.7)	(4.3)%
as % of total revenue	13.1%	13.1%		
as % of external revenue	13.9%	14.1%		
NAFTA				
External revenue ¹⁾	83.7	83.6	0.1	0.1%
Intersegment revenue ¹⁾	6.8	6.3	0.5	7.9%
Total revenue ¹⁾	90.5	89.9	0.6	0.7%
Adjusted EBIT	11.7	12.5	(0.8)	(6.4)%
as % of total revenue	12.9%	13.9%		
as % of external revenue	14.0%	15.0%		
Asia/ Pacific and RoW				
External revenue ¹⁾	28.7	31.0	(2.3)	(7.4)%
Intersegment revenue ¹⁾	–	–	–	–
Total revenue ¹⁾	28.7	31.0	(2.3)	(7.4)%
Adjusted EBIT	3.4	5.1	(1.7)	(33.3)%
as % of total revenue	11.8%	16.5%		
as % of external revenue	11.8%	16.5%		

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

The external revenue generated by our European companies decreased by (2.9)% from €116.0 million in the first quarter of fiscal year 2018 to €112.6 million in the first quarter of fiscal year 2019. This decrease is driven by our Automotive business. The soft vehicle production in Europe continued with unexpected weak demand in the first quarter of fiscal year 2019 which resulted in reduced revenue. Powerise® business decreased by €(1.9) million or (7.2)% and the Automotive Gas Spring

business by €(2.0) million or (5.3)%. The decrease was partly offset by the Industrial / Capital Goods business which grew by €1.1 million or 2.8%. The adjusted EBIT of the European segment decreased by (4.3)% or €(0.7) million and the adjusted EBIT margin, i.e. adjusted EBIT in percent of external revenue, decreased in the first quarter of fiscal year 2019 by 20 basis points to 13.9% (PY: 14.1%).

The external revenue of our companies located in the NAFTA region increased marginally from €83.6 million in the first quarter of fiscal year 2018 by 0.1% to €83.7 million in the first quarter of fiscal year 2019. The Automotive Gas Spring business contributed €2.0 million to NAFTA's development offset by €(0.9) million from Industrial / Capital Goods and €(0.9) million from Automotive Powerise® business. At constant US dollar rates (average rate per €1: \$1.14 in FY 2019 versus \$1.18 in FY 2018) NAFTA's revenue decreased by (3.0)%. The currency translation effect amounted to €2.6 million. Measured in US dollar the Automotive business decreased by (1.2)% (Automotive Gas Spring +4.9% and Powerise® business -5.4%). The Industrial business decreased by (7.1)% (Vibration and Velocity business -4.6% and Industrial / Capital Goods -9.0%). Adjusted EBIT of the NAFTA segment decreased by (6.4)% or €(0.8) million and the adjusted EBIT margin decreased in the first quarter of fiscal year 2019 by 100 basis points to 14.0% (PY: 15.0%).

The external revenue of our companies located in the region Asia / Pacific and RoW decreased from €31.0 million in the first quarter of fiscal year 2018 by (7.4)% to €28.7 million in the first quarter of fiscal year 2019. This decrease is mainly driven by our Automotive Gas Spring business (€(1.8) million or (8.5)%) and is partly offset by the Automotive Powerise® business which grew by €0.3 million or 6.5%. This development reflects the weak private car sales due to the overall uncertainties regarding the economic development, especially in China. The Industrial business decreased by €(0.8) million. Adjusted EBIT of the Asia / Pacific and RoW segment decreased by €(1.7) million or (33.3)% and the adjusted EBIT margin decreased in the first quarter of fiscal year 2019 by 470 basis points to 11.8% (PY: 16.5%), as the overhead structure of our Chinese plant is maintained to increase the chance of further contract wins.

Financial position

T_007

IN € MILLIONS	Dec 31, 2018	Sept 30, 2018	Change	% change
Assets				
Non-current assets	639.3	640.7	(1.4)	(0.2)%
Current assets	378.1	369.8	8.3	2.2%
Total assets	1,017.4	1,010.4	7.0	0.7%
Equity and liabilities				
Equity	446.6	426.5	20.1	4.7%
Non-current liabilities	420.7	422.9	(2.2)	(0.5)%
Current liabilities	150.1	161.0	(10.9)	(6.8)%
Total liabilities	570.8	583.9	(13.1)	(2.2)%
Total equity and liabilities	1,017.4	1,010.4	7.0	0.7%

FINANCIAL POSITION

TOTAL ASSETS

The Group's balance sheet total increased from €1,010.4 million as of September 30, 2018 by 0.7% to €1,017.4 million as of December 31, 2018.

NON-CURRENT ASSETS

Our non-current assets decreased slightly from €640.7 million as of September 30, 2018 by (0.2)% or €(1.4) million to €639.3 million as of December 31, 2018. This reduction is attributable to the €(4.6) million decrease of other intangible assets substantially resulting from the ongoing amortization of intangible assets from the 2010 and 2016 purchase price allocations. This was partly offset by ongoing capacity expansion projects, i.e. the purchase of property plant and equipment (€9.7 million) and intangible assets (€2.8 million).

CURRENT ASSETS

Current assets increased from €369.8 million as of September 30, 2018 by 2.2% or €8.3 million to €378.1 million as of December 31, 2018. This is essentially the consequence of a €11.3 million higher cash balance. In addition, inventories increased by €4.9 million which was more than offset by decreased trade accounts receivable amounting to €(9.0) million, especially reflecting a decreased business volume.

EQUITY

The Group's equity increased from €426.5 million as of September 30, 2018 by €20.1 million to €446.6 million as of December 31, 2018. This increase results from the profit of €17.7 million that was generated in the first quarter of fiscal year 2019 and from other comprehensive income of €1.6 million. Other comprehensive income comprises unrealized actuarial gains on pensions (net of tax) amounting to €0.3 million and unrealized gains from foreign currency translation amounting to €1.3 million. In addition, retained earnings increased by €0.8 million from the first-time application of IFRS 9.

NON-CURRENT LIABILITIES

Non-current liabilities decreased from €422.9 million as of September 30, 2018 by (0.5)% or €(2.2) million to €420.7 million as of December 31, 2018. This decrease is primarily due to the reduction of the pension liability by €(1.5) million from offsetting plan assets amounting to €0.9 million and a slightly increased discount rate (September 30, 2018: 2.00% versus December 31, 2018: 2.06%). The decrease in the deferred tax liability by €(1.2) million relates to the amortization of the 2010 and 2016 purchase price allocation.

CURRENT LIABILITIES

Current liabilities decreased from €161.0 million as of September 30, 2018 by (6.8)% or €(10.9) million to €150.1 million as of December 31, 2018. This decrease was essentially driven by a significant reduction of our trade accounts payables by €(7.9) million or (9.4)% as a consequence of a reduced business volume, but also making use of shorter payment cycles for trade payables to benefit from early payment discounts. The other liabilities decreased by €(4.5) million especially due to the obligatory payment of Christmas bonuses. This decrease was partly offset by an increase in current provisions for warranties and personnel expenses.

LIQUIDITY

Cash flows

T_008

IN € MILLIONS	Three months ended Dec 31,			
	2018	2017	Change	% change
Cash flow from operating activities	24.6	24.6	–	0.0%
Cash flow from investing activities	(12.2)	(9.9)	(2.3)	23.2%
Cash flow from financing activities	(1.3)	(1.2)	(0.1)	8.3%
Net increase / (decrease) in cash	11.1	13.5	(2.4)	(17.8)%
Effect of movements in exchange rates on cash held	0.2	(1.2)	1.4	<(100.0)%
Cash as of beginning of the period	143.0	68.1	74.9	>100.0%
Cash as of end of the period	154.3	80.3	74.0	92.2%

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities remained unchanged at €24.6 million in the first quarter of fiscal year 2019 compared to the first quarter of fiscal year 2018.

CASH FLOW FROM INVESTING ACTIVITIES

Cash outflow for investing activities increased from €(9.9) million in the first quarter of fiscal year 2018 by €(2.3) million to €(12.2) million in the first quarter of fiscal year 2019. This increase is due to higher capital expenditures in property, plant and equipment of €1.6 million and in intangible assets of €0.6 million.

CASH FLOW FROM FINANCING ACTIVITIES

Cash outflow from financing activities increased slightly from €(1.2) million in the first quarter of fiscal year 2018 by €(0.1) million to €(1.3) million in the first quarter of fiscal year 2019. The cash interest in the first quarter of fiscal year 2019 was €(0.1) mil-

lion lower compared to the first quarter of fiscal year 2018. In addition we have repaid financial liabilities amounting to €(0.2) million in the first quarter of fiscal year 2019.

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 which can be used for further investments. The following table sets out the composition of FCF:

Free cash flow

T_009

IN € MILLIONS	Three months ended Dec 31,			
	2018	2017	Change	% change
Cash flow from operating activities	24.6	24.6	–	0.0%
Cash flow from investing activities	(12.2)	(9.9)	(2.3)	23.2%
Free cash flow	12.4	14.7	(2.3)	(15.6)%

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 and 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 decreased from 1.4x for the twelve months ending December 31, 2017 to 1.0x for the twelve months ending December 31, 2018. See the following table:

Net leverage ratio

T_010

IN € MILLIONS	Dec 31, 2018	Dec 31, 2017	Change	% change
Financial debt	342.1	342.5	(0.4)	(0.1%)
Cash and cash equivalents	(154.3)	(80.3)	(74.0)	92.2%
Net financial debt	187.8	262.2	(74.4)	(28.4%)
Adjusted EBITDA (LTM ended Dec 31)	186.0	185.0	1.0	0.5%
Net leverage ratio¹⁾	1.0x	1.4x		

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

Financial debt

T_011

IN € MILLIONS	Dec 31, 2018	Dec 31, 2017
Financial liabilities (non-current)	319.9	313.0
Financial liabilities (current)	1.1	10.0
Adjustment carrying value	21.1	19.5
Financial debt	342.1	342.5

Adjusted EBITDA (LTM ended Dec 31)

T_012

IN € MILLIONS	Dec 31, 2018	Dec 31, 2017	Change	% change
Profit from operating activities (EBIT)	128.2	123.8	4.4	3.6%
Depreciation	25.3	26.3	(1.0)	(3.8)%
Amortization	32.0	34.9	(2.9)	(8.3)%
EBITDA	185.5	185.0	0.5	0.3%
Advisory	0.5	–	0.5	n/a
Adjusted EBITDA	186.0	185.0	1.0	0.5%

RISKS AND OPPORTUNITIES

We refer to the risk-related disclosures in the Group Management Report and in the audited Consolidated Financial Statements as of and for the fiscal year ended September 30, 2018.

OUTLOOK

Due to the continuing weakness of the automotive market in Europe and China reflecting uncertainties around e.g. WLTP, tariff conflicts and Brexit, we adjust our outlook for revenue growth for fiscal year 2019 from around 5.0% to around 2.0% and for the adjusted EBIT margin from around 15.5% to around 15.0%. Assuming an average currency rate of 1.19 \$ / € we now expect total revenue of approximately €980 million.

SUBSEQUENT EVENTS

On January 7, 2019, Stabilus announced an agreement to acquire General Aerospace and Clevers from its respective founders. The transactions are subject to customary closing requirements. The acquisitions will be financed by cash and existing loan agreements. The acquisitions aim at strengthening Stabilus' motion control and Vibration & Velocity Control business offering for its industrial customers.

General Aerospace is a recognized supplier of motion control solutions for the aerospace industry, located in Germany. Clevers is an Argentinian manufacturer of gas springs and dampers. In 2018, the entities generated revenues of approximately €12 million. Stabilus expects a positive effect on its EBIT margin.

As of January 31, 2019, there were no further events or developments that could have materially affected the measurement and presentation of Group's assets and liabilities as of December 31, 2018.

Luxembourg, January 31, 2019



Dr. Stephan Kessel
Management Board



Mark Wilhelms



Andreas Schröder



Andreas Sievers



Markus Schädlich

SUPPLEMENTARY FINANCIAL INFORMATION

as of and for the three months ended December 31, 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three months ended December 31, 2018 (unaudited)

Consolidated Statement of Comprehensive Income

T_013

IN € THOUSANDS	Three months ended Dec 31,	
	2018	2017 ³⁾
Revenue	224,952	230,553
Cost of sales	(161,298)	(162,906)
Gross profit	63,654	67,647
Research and development expenses	(9,798)	(10,082)
Selling expenses	(20,311)	(20,457)
Administrative expenses	(9,139)	(9,005)
Other income	1,617	1,537
Other expenses	(163)	(91)
Profit from operating activities	25,860	29,549
Finance income	227	65
Finance costs	(2,234)	(2,476)
Profit / (loss) before income tax	23,853	27,138
Income tax income / (expense)	(6,123)	(5,427)
Profit / (loss) for the period	17,730	21,711
thereof attributable to non-controlling interests	(19)	(27)
thereof attributable to shareholders of Stabilus	17,749	21,738
Other comprehensive income / (expense)		
Foreign currency translation difference ¹⁾	1,331	(6,024)
Unrealized actuarial gains and losses ²⁾	268	200
Other comprehensive income / (expense), net of taxes	1,599	(5,824)
Total comprehensive income / (expense) for the period	19,329	15,887
thereof attributable to non-controlling interests	(19)	(27)
thereof attributable to shareholders of Stabilus	19,348	15,914
Earnings per share (in €):		
Basic	0.72	0.88
Diluted	0.72	0.88

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

²⁾ Item that will not be reclassified to profit and loss.

³⁾ The comparative figures for other income and other expenses have been adjusted for the change of the presentation of foreign currency translation gains and losses. These have been presented on a gross basis in the past. This has been changed to a net presentation. The accompanying Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31, 2018 (unaudited)

Consolidated Statement of Financial Position

T_014

IN € THOUSANDS

	Dec 31, 2018	Sept 30, 2018
Assets		
Property, plant and equipment	182,010	179,225
Goodwill	195,852	195,231
Other intangible assets	242,587	247,181
Other assets	3,275	3,951
Deferred tax assets	15,611	15,088
Total non-current assets	639,335	640,676
Inventories	95,718	90,763
Trade accounts receivable	102,284	111,271
Current tax assets	4,979	5,292
Other financial assets	4,467	3,407
Other assets	16,381	16,033
Cash and cash equivalents	154,279	143,000
Total current assets	378,108	369,766
Total assets	1,017,443	1,010,442

Consolidated Statement of Financial Position

T_014

IN € THOUSANDS	Dec 31, 2018	Sept 30, 2018
Equity and liabilities		
Issued capital	247	247
Capital reserves	225,848	225,848
Retained earnings ¹⁾	243,673	225,090
Other reserves	(23,013)	(24,612)
Equity attributable to shareholders of Stabilus	446,755	426,573
Non-controlling interests	(131)	(50)
Total equity	446,624	426,523
Financial liabilities	319,905	318,921
Other financial liabilities	428	520
Provisions	2,867	3,402
Pension plans and similar obligations	50,705	52,180
Deferred tax liabilities	46,804	47,847
Total non-current liabilities	420,709	422,870
Trade accounts payable	75,316	83,171
Financial liabilities	1,112	1,100
Other financial liabilities	11,662	10,867
Current tax liabilities	14,514	16,366
Provisions	37,415	34,920
Other liabilities	10,091	14,625
Total current liabilities	150,110	161,049
Total liabilities	570,819	583,919
Total equity and liabilities	1,017,443	1,010,442

¹⁾ Including IFRS 9 effect
The accompanying Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three months ended December 31, 2018 (unaudited)

Consolidated statement of cash flows

T_015

IN € THOUSANDS	Three months ended Dec 31,	
	2018	2017
Profit / (loss) for the period	17,730	21,711
Income tax expense	6,123	5,427
Net finance result	2,006	2,410
Interest received	77	65
Depreciation and amortization (incl. impairment losses)	14,084	14,548
Gains / losses from the disposal of assets	(57)	(12)
Changes in inventories	(4,955)	(2,484)
Changes in trade accounts receivable	9,822	(1,133)
Changes in trade accounts payable	(7,855)	(7,743)
Changes in other assets and liabilities	(3,735)	(4,776)
Changes in provisions	806	3,400
Income tax payments	(9,414)	(6,823)
Cash flow from operating activities	24,632	24,590
Proceeds from disposal of property, plant and equipment	270	365
Purchase of intangible assets	(2,804)	(2,213)
Purchase of property, plant and equipment	(9,670)	(8,056)
Cash flow from investing activities	(12,204)	(9,904)
Payments for redemption of financial liabilities	(219)	–
Payments for finance leases	(92)	(226)
Dividends paid to non-controlling interests	(62)	–
Payments for interest	(910)	(992)
Cash flow from financing activities	(1,283)	(1,218)
Net increase / (decrease) in cash and cash equivalents	11,145	13,468
Effect of movements in exchange rates on cash held	134	(1,243)
Cash and cash equivalents as of beginning of the period	143,000	68,123
Cash and cash equivalents as of end of the period	154,279	80,348

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

SEGMENT REPORTING

Segment information for the three months ended December 31, 2018 and 2017 is as follows:

Segment reporting

T_016

	Europe		NAFTA		Asia / Pacific and RoW	
	Three months ended Dec 31,		Three months ended Dec 31,		Three months ended Dec 31,	
IN € THOUSANDS	2018	2017	2018	2017	2018	2017
External revenue ¹⁾	112,579	115,973	83,661	83,595	28,712	30,985
Intersegment revenue ¹⁾	6,706	8,145	6,791	6,306	36	36
Total revenue ¹⁾	119,285	124,118	90,452	89,901	28,748	31,021
Depreciation and amortization (incl. impairment losses)	(7,191)	(7,543)	(3,184)	(3,116)	(1,389)	(1,569)
EBIT	13,876	15,108	10,922	11,680	3,382	5,081
Adjusted EBIT	15,611	16,343	11,729	12,462	3,419	5,119
	Total segments		Other / Consolidation		Stabilus Group	
	Three months ended Dec 31,		Three months ended Dec 31,		Three months ended Dec 31,	
IN € THOUSANDS	2018	2017	2018	2017	2018	2017
External revenue ¹⁾	224,952	230,553	–	–	224,952	230,553
Intersegment revenue ¹⁾	13,533	14,487	(13,533)	(14,487)	–	–
Total revenue ¹⁾	238,485	245,040	(13,533)	(14,487)	224,952	230,553
Depreciation and amortization (incl. impairment losses)	(11,764)	(12,228)	(2,320)	(2,320)	(14,084)	(14,548)
EBIT	28,180	31,869	(2,320)	(2,320)	25,860	29,549
Adjusted EBIT	30,759	33,924	–	–	30,759	33,924

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

ADDITIONAL INFORMATION

FINANCIAL CALENDAR

Financial calendar

T_017

DATE ¹⁾²⁾	PUBLICATION / EVENT
February 4, 2019	Publication of the first-quarter results for fiscal year 2019 (Quarterly Statement Q1 FY19)
February 13, 2019	Annual General Meeting
May 6, 2019	Publication of the second-quarter results for fiscal year 2019 (Interim Report Q2 FY19)
August 5, 2019	Publication of the third-quarter results for fiscal year 2019 (Quarterly Statement Q3 FY19)
November 15, 2019	Publication of preliminary financial results for fiscal year 2019
December 13, 2019	Publication of full year results for fiscal year 2019 (Annual Report 2019)

¹⁾ We cannot rule out changes of dates. We recommend checking them on our website in the Investor Relations/Financial Calendar section (www.ir.stabilus.com).

²⁾ 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 2019 comprises a year ended September 30, 2019.

DISCLAIMER

Forward-looking statements

This quarterly statement 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 quarterly statement 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 quarterly statement. 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 quarterly statement.

Rounding

Certain numbers in this quarterly statement 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 quarterly statement. All percentage changes and key figures in the quarterly statement were calculated using the underlying data in millions of euros to one decimal place (€ millions).

INFORMATION RESOURCES

Further information including news, reports and publications can be found in the Investor Relations section of our website at www.ir.stabilus.com.

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