STABILUS

2Q23

INTERIM REPORT Q2 FY2023

KEY FIGURES

IN € MILLIONS	Q2 for the period from January 1 to March 31 2023	2022	Change	% change
Revenue	310.6	281.2	29.4	10.5%
EBIT	37.1	35.8	1.3	3.6%
Adjusted EBIT	40.8	39.3	1.5	3.8%
Profit for the period	42.6	26.2	16.4	62.6%
EBIT as % of revenue	11.9%	12.7%		
Adjusted EBIT as % of revenue	13.1%	14.0%		
Profit as % of revenue	13.7%	9.3%		

IN € MILLIONS	H1 for the period from October 1 to March 31 2023	2022	Change	% change
Revenue	601.3	524.9	76.4	14.6%
EBIT	66.2	61.7	4.5	7.3%
Adjusted EBIT	73.4	68.6	4.8	7.0%
Profit for the period	58,1	44.2	13.9	31.4%
Capital expenditure (capex)	(23.4)	(18.6)	(4.8)	25.8%
Free cash flow (FCF)	44.5	(5.6)	50.1	< (100.0)%
Adjusted FCF	44.8	17.6	27.2	> 100.0%
EBIT as % of revenue	11.0%	11.8%		
Adjusted EBIT as % of revenue	12.2%	13.1%		
Profit as % of revenue	9.7%	8.4%		
Capital expenditure as % of revenue	3.9%	3.5%		
FCF as % of revenue	7.4%	(1.1)%		
Adjusted FCF as % of revenue	7.5%	3.4%		
Net leverage ratio	0.5x	0.8x		

HIGHLIGHTS

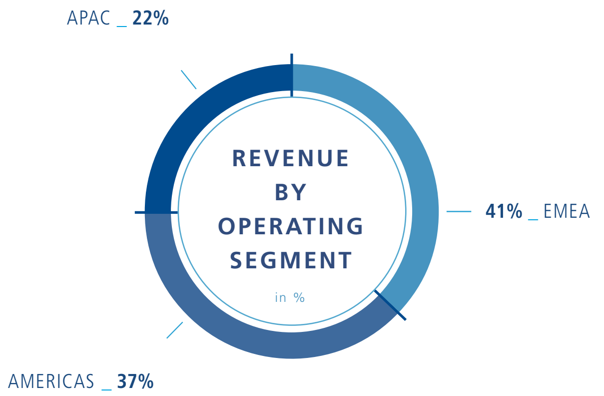
STABILUS SE AGAIN EXPERIENCES STRONG REVENUE GROWTH

- Total Group revenue climbs by €76.4 million or 14.6% to €601.3 million (organic growth rate: +10.6%), the highest revenue for the first six months in the history of Stabilus
- All three regions contribute to this growth: Revenue in the Americas region up by +29.3% (organic growth rate: +15.4%), APAC up by +8.0% (organic growth rate: +9.6%) and EMEA up by +6.9% (organic growth rate: +7.4%)
- Revenue in the Automotive Powerise® business unit up by +25.9% (organic growth rate: +19.1%), Industrial up by +11.6% (organic growth rate: +9.5%) and Automotive Gas Spring up by +6.2% (organic growth rate: +2.8%)

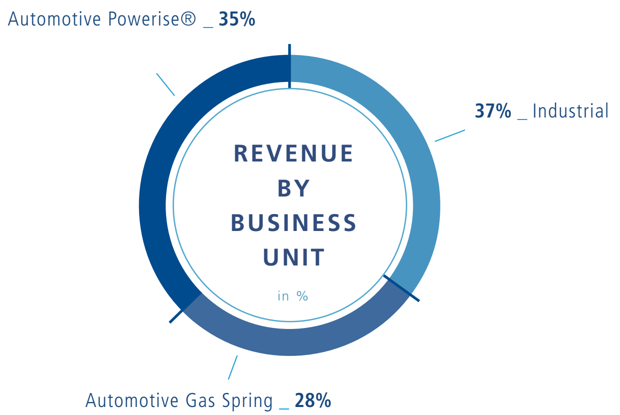
KEY EVENTS

- First Annual General Meeting in Germany after relocation of the registered office from Luxembourg to Germany and first AGM to be held in virtual format; high turnout with 88.9% of share capital represented
- All items on the agenda approved by a large majority
  - Dividend of €1.75 per share
  - Four members of the Supervisory Board re-elected
  - Increase in authorized capital
  - Authorization to acquire treasury shares

Revenue by segment (i.e. region, location of Stabilus company)



Revenue by business unit



A

INTERIM GROUP MANAGEMENT REPORT

B

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

C

ADDITIONAL INFORMATION

KEY EVENTS IN THE FIRST HALF OF 2023[1)]

FIRST ANNUAL GENERAL MEETING FOLLOWING RELOCATION TO GERMANY

Stabilus SE held its first Annual General Meeting in Germany on February 15, 2023. With a registration rate of 88.91% of share capital, the Annual General Meeting was met with great interest by Stabilus' shareholders. The Annual General Meeting was held virtually, without shareholders attending in person. The shareholders who had registered in advance were able to watch the livestream of the entire Annual General Meeting in the password-protected Internet portal and to cast their votes on the items of the agenda. The shareholders approved all items of the agenda by a very large majority (further information at: https://www.stabilus.com/investors/general-meeting).

The Annual General Meeting approved the dividend payment of €1.75 per share. This year's distribution ratio was 42% of the consolidated profit attributable to the shareholders of Stabilus SE. Furthermore, a large majority of shareholders approved further authorized capital (Authorized Capital 2023/1) of €4,940 thousand. The Stabilus Group thus has additional financial flexibility for further growth. Furthermore, it was resolved to cancel the resolution to acquire and use treasury shares adopted under Luxembourg law on February 12, 2020, and to revise this resolution in line with the provisions of German corporate law in accordance with Sections 71 et seq. of the *Aktiengesetz* (AktG – German Stock Corporation Act).

Another key item on the agenda at the Annual General Meeting concerned the re-election of four members of the Supervisory Board. The terms in office proposed were of differing lengths with the intention of achieving a staggered structure on the Supervisory Board. The transition to a staggered Supervisory Board, in addition to making it more flexible, will also improve the balance between maintaining existing and securing new expertise, and will thus aid the continuity of the work of the Supervisory Board.

The option to hold future annual general meetings virtually, without shareholders attending in person, was also resolved. This allows more flexibility compared to rigid rules. With the authorization of the Management Board, the most efficient format can thus be chosen and international investors will be able to take part in annual general meetings as well. The virtual annual general meeting format should also benefit sustainability aspects.

Furthermore, the Annual General Meeting resolved to elect the new auditor of the annual and consolidated financial statements for the fiscal year from October 1, 2022 to September 30, 2023. Based on a corresponding recommendation of its Audit Committee, the Supervisory Board had proposed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich. It was also resolved to appoint the auditor for any reviews of the half-year financial report as of March 31, 2023. The recommendation was confirmed by the shareholders with 100% approval.

1) Not part of the auditor's review of the financial statements

INTERIM GROUP MANAGEMENT REPORT

GENERAL INFORMATION

CORPORATE STRATEGY

The Stabilus Group is one of the world's leading providers of motion control solutions for customers across a broad spectrum of industries including mobility, health, recreation, furniture, energy, construction, industrial machinery and automation. The Group offers a broad range of solutions for motion control such as gas springs, electromechanical drives (Powerise®) and dampers. Stabilus' strategic aim is to become the global market leader in intelligent motion control technologies. The key focus areas of its strategy called STAR 2030 are to: (i) drive profitable and sustainable growth, (ii) further develop Stabilus' position as a Company of Choice for customers and employees, (iii) focus on innovations to deliver Next Level Motion Control Solutions, (iv) be a Model Corporate Citizen (further information at https://www.stabilus.com/company/company-strategy).

By announcing its sustainability strategy in fiscal 2022, the Stabilus Group directed considerable focus towards its sustainability initiatives for the coming fiscal years. One of our goals is to significantly reduce carbon emissions at Stabilus' own production facilities and throughout our supply chain by 2030. This will be achieved firstly by a sustainable reduction in energy consumption at Stabilus' sites and secondly by the gradual use of 100% renewable electricity and the associated significant reduction in carbon emissions. The in-house generation of solar power was already expanded at two sites in fiscal 2022. The switch-over to renewable energy sources will also be realized gradually at the other sites. The carbon reduction in the supply chain will be achieved by active procurement strategies and supplier management (further information on non-financial reporting can be found on our website at https://www.stabilus.com/investors/non-financial-reports).

CORPORATE CULTURE

One of the goals of the Stabilus Group is to be the Company of Choice, and not just for its customers, but also and especially for its employees. Our employees around the world are an enormously important pillar of our corporate success. This is why we have built our corporate culture on our values of trust, reliability, honesty, fairness and respect. We attach importance to further professional development and equal opportunities for all with an emphasis on performance, experience and personal qualifications. We can grow successfully in the long term, implementing innovations systematically and efficiently, only if we harness the diverse ideas and creative solutions in our teams.

HR DEVELOPMENT

For the Stabilus Group, lasting business success is closely tied to highly qualified and motivated employees. Systematic and sustainable HR development is therefore a central pillar of the Stabilus Group's strategy. The management of the Stabilus Group thus wishes to preserve and promote its employees' commitment to outstanding service quality and high customer satisfaction, while also tailoring human resources to growth plans.

As an attractive employer, the management of the Stabilus Group believes in training our employees and thereby makes an important contribution to reducing the skills shortage.

As of the end of the first half of fiscal 2023, the Stabilus Group had a total of 7,110 employees worldwide (inactive and dormant employees), not including temporary workers, apprentices or management trainees. This marks an increase of 270 compared to September 30, 2022 (6,840). The increase in headcount compared to September 30, 2022 relates to all three regions – Americas, EMEA and APAC.

RESEARCH AND DEVELOPMENT

As one of the market leaders in a number of industries, Stabilus is continuously investing in research and development in order to remain the preferred partner in the field of motion control solutions for customers in many sectors with a global presence moving ahead.

New products and applications are guided by global and regional megatrends, which are increasingly being defined by sustainability and resource awareness. Integrated system solutions, in which mechanical or electromechanical components are supplemented with sensor systems, control units and software, are becoming more significant all the time. This trend is manifesting itself in both the automotive and industrial sectors, for example in regenerative energies. To be able to access the latest technologies, Stabilus relies on the active expansion of its innovation ecosystem through acquisitions, equity investments and development partnerships, and most especially the systematic development of what is by far the most central guarantee of success: its employees.

Research and development are a central pillar of Stabilus' STAR 2030 strategy – the basis for the Group's perpetual profitable growth and competitive capability.

As a winning project in the Stabilus Innovation Race, LOM X is also a symbol of Stabilus' corporate culture, in which innovation is everyone's business. To remain successful and to continue Stabilus' growth trajectory, the Innovation Race will take place again in fiscal 2023. This second time round, a greater emphasis will be placed on sustainability.

RESTRUCTURING CLAUSE (SANIERUNGSKLAUSEL)

In the period under review, ongoing appeal proceedings in connection with the possible application of the restructuring clause in 2010 pursuant to Section 8c (1a) of the Körperschaftsteuergesetz (KStG – German Corporate Income Tax Act) were concluded in favor of Stable Beteiligungs GmbH, Koblenz, as a subsidiary of Stabilus SE, Frankfurt am Main. As a result of the conclusion of the appeal proceedings, tax loss and interest carryforwards as of December 31, 2009 as well as the current tax loss for 2010 are revived and lead to tax refunds for the assessments of the years from 2010 onwards. With the conclusion of the appeal proceedings, there is now legal clarity regarding the expected tax refunds and existing uncertainties have been eliminated. As of March 31, 2023, aperiodic tax receivables (including solidarity tax contribution) amounting to €8.7 million and refund interest on these tax receivables amounting to €3.4 million were therefore recognized. Furthermore, deferred tax assets amounting to €11.3 million were capitalized for interest carryforwards that can be utilized in the future.

BASIS OF PREPARATION OF THE INTERIM GROUP MANAGEMENT REPORT

USE OF ALTERNATIVE PERFORMANCE MEASURES (APMS)

In addition to performance indicators defined or listed in the IFRS accounting framework, the Stabilus Group also reports financial performance indicators that are derived from or based on the financial statements prepared (referred to as "alternative performance measures" (APMs)). The Stabilus Group's management sees these financial performance indicators as key additional information for investors and other readers of the financial reports. These financial performance indicators should therefore be considered supplementary to the information prepared in accordance with IFRS and not a substitute. In this interim report, 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 the APMs used to the items in Stabilus SE's interim consolidated financial statements that can be reconciled directly. The Stabilus Group uses the following APMs in this interim Group management report:

- organic growth;
- adjusted EBIT;
- free cash flow;
- adjusted free cash flow; and
- net leverage ratio.

The calculation of the net leverage ratio is based on net financial debt and adjusted EBITDA, which are also considered APMs. Organic growth is presented because we believe it aids in understanding the operating performance of the Stabilus Group. Organic growth is defined as reported revenue growth after removing the effects of acquisitions, divestitures and projected exchange rate fluctuations. The effects resulting from constant foreign exchange rates are calculated as current-year revenue converted at applicable current-year average exchange rates, less current-year revenue converted at average prior-year exchange rates. The definitions and required disclosures for all other APMs are provided in the relevant sections of this interim Group management report.

ROUNDING DIFFERENCES

Unless indicated otherwise, all amounts are shown in thousands of euro (€ thousand). For arithmetical reasons, the information presented in this interim Group management report can contain rounding differences of +/- one unit (€ thousand, % etc.).

GENDER FORM

For the sake of simplicity, generally only one gender form is used in this report. All other gender forms are expressly intended.

LINKS TO THE WEBSITE

Please note that all links to the Company's website and the information to which the links relate have not been audited or reviewed by the auditor.

FORWARD-LOOKING STATEMENTS

This interim Group management report contains forward-looking statements. These statements reflect estimates and assumptions – including those of third parties (such as statistical data concerning the automotive industry or global economic developments) – either at the time that they were made or as of the date of this report. Forward-looking statements always entail uncertainty. If these estimates and assumptions later prove to either inaccurate or only partially accurate, the actual results can differ – even significantly – from expectations.

ECONOMIC REPORT

Stabilus is represented around the world and focuses on automotive and industry applications. Besides innovations and new products, the key factors that affect Stabilus' business performance are the rate of growth in global gross domestic product (GDP) and, specifically for the automotive sector, global production light vehicle volumes (including cars and light commercial vehicles with a weight of less than six tonnes) and the number of vehicles sold (e.g. new vehicle registrations as an indicator of auto sales).

GENERAL ECONOMIC DEVELOPMENTS

In October 2022, the International Monetary Fund's (IMF) forecast for global economic growth in the 2022 calendar year was 3.2% (World Economic Outlook – October 2022), which it has now updated to 3.4% in April 2023 (World Economic Outlook – April 2023). According to current projections, global economic growth of 2.8% is expected for the 2023 calendar year. The performance on Stabilus' core markets of Europe, the United States and China will vary considerably in 2023, according to the IMF. Within the European Union, an economic contraction of (0.1)% is forecast for Germany, while growth of 0.8% is projected for the euro area. Within the Americas region, economic growth of 1.6% is assumed for Central and South America in the 2023 calendar year (Brazil: 0.9%; Mexico: 1.8%). The IMF is forecasting significantly higher economic growth of around 5.2% for China in the 2023 calendar year.

Latest growth projections for selected economies T_001

% YEAR-ON-YEAR CHANGE IN THE CALENDAR YEAR	2023*	2022
World	**2.8%**	**3.4%**
European Union	**0.7%**	**3.7%**
thereof Euro Area	0.8%	3.5%
thereof Germany	(0.1)%	1.8%
United Kingdom	**(0.3)%**	**4.0%**
United States	**1.6%**	**2.1%**
Latin America	**1.6%**	**4.0%**
thereof Brazil	0.9%	2.9%
thereof Mexico	1.8%	3.1%
Emerging and Developing Asia	**5.3%**	**4.4%**
thereof China	5.2%	3.0%

Source: IMF, April 2023 World Economic Outlook.
* Projections

Factors influencing the economy included the various restrictions to curb the COVID-19 pandemic, in particular the high infection rates in China, which had a negative impact on the economy of the APAC region in the first half of fiscal 2023. The ongoing Russia/Ukraine war and its repercussions, as well as shortages of energy, raw materials and supplier products caused substantial price increases across all areas of the economy. The effects of government action in Europe, such as the price caps on gas and electricity, remain to be seen. Economic performance was on the rise in the US, driven by high domestic consumer spending.

According to estimates by the ifo Institute as of the time of reporting, the average global rate of inflation forecast for the 2023 calendar year will be around 7.1%. In the EMEA region, inflation in the European Union (EU) amounts to 8.3% in March 2023, down on the preceding months of fiscal 2023. Inflation was 7.8% on Stabilus' core market of Germany in March 2023 and is therefore also flattening off. The inflation situation is gradually easing in the Americas region: Inflation on Stabilus' core US market was 5.0% in March 2023 which, while still high, is down by (3.2) percentage points as against September 2022. Inflation in the APAC region is lower by comparison, with Stabilus' core market of China reporting 0.7% in March 2023, which is lower than the 1.0% anticipated by the market.

FINANCING ENVIRONMENT

After both the ECB and the Fed raised interest rates twice in February and March 2023, interest rates are now 3.5% (ECB) and 5.0% (Fed). Restrictive monetary policy is having a somewhat cooling effect on inflation. In the US especially, the action taken by the Fed seems to be having more of an effect.

SECTOR DEVELOPMENTS

Development of vehicle markets

Even though the economic situation remains tense, according to IHS data (as of April 2023), +1.9 million more light vehicles were produced worldwide in the months from October to March 2023 (H1 FY2023) than in the same period of the previous year, bringing the total number of vehicles produced to 43.0 million. The highest increase in the number of cars produced was in the Americas region, where the number was up by +9.9% at 8.9 million units in the first half of fiscal 2023 (US: +0.5 million more units produced). Over the same period, the EMEA region produced +8.8% more units for a total of 9.9 million (Germany: +0.6 million more units produced). By contrast, the APAC region recorded the lowest increase, with +1.3% and a total of 24.2 million units produced compared to the corresponding prior-year period (China: (0.9) million fewer units produced).

According to the European Automobile Manufacturers Association (ACEA), new car registrations in the EU increased by around +15.9% as against the same period of the previous year in the first half of fiscal 2023 (October 1, 2022 to March 31, 2023). Likewise, according to Country Economy, the United States reported growth in new passenger car registrations of around +9.7% compared to the same period of the previous year in the first half of fiscal 2023 (as of March 2023). The growth is being stimulated by improved consumer confidence in the country's economy as inflation slowly abates. By contrast, new passenger car registrations in China were down by (3.7)% year-on-year over the same period (as of March 2023), according to the China Association of Automobile Manufacturers (CAAM).

Production of light vehicles* T_002

IN MILLIONS OF UNITS PER CALENDAR YEAR	H1 2023**	H1 2022
EMEA	**9.9**	**9.1**
thereof Germany	2.2	1.6
Americas	**8.9**	**8.1**
thereof United States	5.1	4.6
APAC	**24.2**	**23.9**
thereof China	12.9	13.8
Worldwide production of light vehicles*	**43.0**	**41.1**

Source: IHS Automotive/Light Vehicle Production Forecast (April 2023).
* Passenger cars and light commercial vehicles (< 6t)
** IHS forecast as of April 2023

Development of industrial production

Industrial production was impacted by the current global challenges, which include the repercussions of COVID-19, the effects of the Russia/Ukraine war, supply bottlenecks and the shortage of raw materials.

According to Eurostat (the Statistical Office of the European Union), adjusted for seasonal effects, industrial production (development of the volume of production for industry excluding construction, based on data adjusted for calendar and seasonal effects) in the European Union climbed by +2.1% as against February 2022 in February 2023. Germany experienced a slight increase of +0.5%. In particular, Stabilus achieved double-digit year-on-year growth rates in commercial vehicles and energy & consumption, while healthcare, medical technology and furniture were in decline.

In the United States, industrial production was up by around +0.5% year-on-year in March 2023, after adjustment for seasonal effects. As in the EMEA region, the Americas region posted double-digit revenue growth in the commercial vehicles sector. There were double-digit revenue growth rates in industrial machinery & automation as well as distributors, independent aftermarket and e-commerce as well. Furthermore, revenue doubled year-on-year in energy & consumption.

In China, industrial production rose by +3.9% as against the same period of 2022 in March 2023, falling short of the forecast of +4.0%. Revenue growth rates were down across almost all sectors in the APAC region. Revenue increased slightly only in the areas of commercial vehicles, energy & consumption and industrial machinery & automation.

Development of the procurement markets

The procurement markets are currently seeing a gradual easing in prices for individual raw materials and intermediate products. Nevertheless, the Stabilus Group's current procurement prices are subject to certain dynamics – owing to the volatile state of the commodity market – and supply chains will now have to be made more resilient in order to ensure as much flexibility as possible. In addition, consistently high inflation is another of the key factors influencing various procurement markets. The Stabilus Group estimates that prices for plastics have risen by around +6.4% in the first half of fiscal 2023 (as of March 2023); prices for metals have increased by an average of +2.0% year-on-year (as of March 2023) and thus at a slower rate than as of the end of fiscal 2022. The price increases relate exclusively to the developments in the EMEA region. The higher procurement prices for the Stabilus Group can be passed on to customers only to a certain extent. Stabilus was able to mitigate supply shortages on the raw materials market with its procurement strategy and strategic inventory management. The Group did not at any time have to stop production on account of shortages.

OVERALL ASSESSMENT OF BUSINESS PERFORMANCE

OVERALL STATEMENT ON BUSINESS PERFORMANCE AND THE ECONOMIC SITUATION OF THE STABILUS GROUP

Stabilus comfortably outperformed the first half of fiscal 2022 with the highest revenue for the first six months of a year in its history at €601,283 thousand (H1 FY2022: €524,910 thousand), which translates into significant revenue growth of +14.6% (organic growth rate: +10.6%). The Stabilus Group therefore performed very well in the first half of fiscal 2023, defying the challenging market conditions and tough geopolitical situation, once again demonstrating the Company's stability and market presence even in times of economic volatility.

Looking to our regions, revenue in the Americas region climbed significantly to €223.1 million, which translates into an organic growth rate of +15.4%. The APAC region generated organic growth of +9.6% to €131.9 million. The EMEA region achieved organic revenue growth of +7.4% to €246.3 million despite the harsh market environment (information on operating segments from page 14).

The Automotive Powerise® division generated significant organic revenue growth of +19.1%, thanks in particular to high customer demand for the product series. Overall, the Automotive Powerise® division once again comfortably outperformed global vehicle production, which rose by +4.6% in the first half of fiscal 2023. The positive trend is also evident in the Automotive Gas Spring division, which achieved organic growth of +2.8% as against the first half of fiscal 2022. Our Industrial division is on a strong growth trajectory with organic growth of +9.5% in the first half of fiscal 2023 compared to the first half of fiscal 2022.

The geopolitical situation is still tense, in part owing to the Russia/Ukraine war that has been ongoing for over a year. The risks of the reduced availability of key production components were avoided thanks to strict supply chain management and the situation is easing as supply chain bottlenecks diminish. A further repercussion of the current situation is high global inflation, which led to cost increases on the procurement markets for energy and materials (such as steel, plastic and resin). Inflation also had a negative effect on staff costs. The above cost increases have impacted the Stabilus Group's cost base.

The Group ended the first half of fiscal 2023 with adjusted EBIT of €73.4 million (H1 FY2022: €68.6 million). This represents an adjusted EBIT margin of 12.2% (H1 FY2022: 13.1%), slightly lower than in the prior year. The sharp rise in prices for materials from late summer 2022 can only be passed on to customers to a certain extent and is squeezing the Group's operating earnings, though there have been signs of a gradual improvement in procurement prices since the second quarter and the supply chain problems have lessened. The adverse effects of higher prices for materials and energy, higher staff costs due to inflation and the geopolitical factors were only partially offset by the rise in revenue. Furthermore, it should be noted for comparative purposes that the first five months of fiscal 2022 (October 2021 to February 2022) were not affected by the Russia/Ukraine war.

The financial covenants in the facility agreement were complied with at all times and reflect the financial stability of the Stabilus Group with a net debt ratio of 0.5x (September 30, 2022: 0.4x) (please refer to the information on the net leverage ratio on page 21). The committed revolving credit facility of €350.0 million had not been utilized as of March 31, 2023. To achieve some stability in the uncertain interest situation, the subsidiary Stabilus GmbH has entered into an interest derivative contract to hedge the interest on its promissory note loan of €83.0 million. This is accounted for as a cash flow hedge.

RESULTS OF OPERATIONS OF THE STABILUS GROUP

ANALYSIS OF REVENUE DEVELOPMENT

The following tables show the development in the Stabilus Group's revenue for the second quarter and first half of fiscal 2023 compared to the second quarter and first half of fiscal 2022.

Revenue by region and business unit T_003

	Q2 for the period from January 1 to March 31,				
IN € MILLIONS	2023	2022	% change	% currency effect	% organic growth
EMEA					
Automotive Gas Spring	32.3	31.0	4.2%	0.0%	4.2%
Automotive Powerise®	29.8	23.9	24.7%	0.7%	24.0%
Industrial	75.1	70.1	7.1%	(0.6)%	7.7%
Total EMEA[1]	**137.2**	**124.9**	**9.8%**	**(0.2)%**	**10.0%**
Americas					
Automotive Gas Spring	30.9	25.9	19.3%	10.0%	9.3%
Automotive Powerise®	43.8	37.7	16.2%	14.9%	1.3%
Industrial	39.3	31.7	24.0%	5.5%	18.5%
Total Americas[1]	**114.0**	**95.2**	**19.7%**	**10.5%**	**9.2%**
APAC					
Automotive Gas Spring	23.0	25.1	(8.4)%	(3.1)%	(5.3)%
Automotive Powerise®	30.7	30.2	1.7%	(3.1)%	4.8%
Industrial	5.8	5.7	1.8%	(3.0)%	4.8%
Total APAC[1]	**59.5**	**61.0**	**(2.5)%**	**(3.1)%**	**0.6%**
Stabilus Group					
Total Automotive Gas Spring	86.2	82.0	5.1%	2.2%	2.9%
Total Automotive Powerise®	104.3	91.8	13.6%	5.3%	8.3%
Total Industrial	120.2	107.4	11.9%	1.1%	10.8%
Revenue[1]	**310.6**	**281.2**	**10.5%**	**2.8%**	**7.7%**

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

The revenue of the Stabilus Group climbed by +€76.4 million or +14.6% as against the first half of fiscal 2022 to €601.3 million in the first half of fiscal 2023 (H1 FY2022: €524.9 million). Adjusting for exchange rate effects of +€21.0 million, the Stabilus Group achieved organic growth of +€55.4 million or +10.6% in the first half of fiscal 2023. The strong increase in revenue is essentially due to higher demand for the Stabilus product portfolio and also includes compensation for materials prices by our customers.

The rise in the revenue of the Stabilus Group in the first half of fiscal 2023 was largely thanks to revenue growth in the Americas region. Revenue in the Americas region climbed by +€50.6 million or +29.3% to €223.1 million, buoyed by the currency effect of the relatively strong Mexican peso and US dollar compared to the euro. An organic growth rate of +15.4% was achieved.

Revenue also increased significantly in the APAC region by +€9.8 million or +8.0% to €131.9 million. The organic growth rate in the APAC region was +9.6%.

Revenue in the EMEA region also climbed significantly by +€15.9 million or +6.9%; the organic growth rate was +7.4%. Stabilus was again able to demonstrate the strength of its market position despite the challenging market environment in the region, which was largely influenced by the Russia/Ukraine war and its repercussions, and consistently high inflation.

Revenue by region and business unit T_004

IN € MILLIONS	H1 for the period from October 1 to March 31, 2023	2022	% change	% currency effect	% organic growth
EMEA					
Automotive Gas Spring	58.5	56.9	2.8%	0.0%	2.8%
Automotive Powerise®	56.5	45.7	23.6%	0.7%	22.9%
Industrial	131.3	127.7	2.8%	(1.2)%	4.0%
Total EMEA[1]	**246.3**	**230.4**	**6.9%**	**(0.5)%**	**7.4%**
Americas					
Automotive Gas Spring	58.6	49.0	19.6%	12.6%	7.0%
Automotive Powerise®	85.9	65.1	32.0%	18.5%	13.5%
Industrial	78.6	58.4	34.6%	10.0%	24.6%
Total Americas[1]	**223.1**	**172.5**	**29.3%**	**13.9%**	**15.4%**
APAC					
Automotive Gas Spring	51.2	52.6	(2.7)%	(1.6)%	(1.1)%
Automotive Powerise®	69.7	57.7	20.8%	(1.5)%	22.3%
Industrial	11.0	11.8	(6.8)%	(1.6)%	(5.2)%
Total APAC[1]	**131.9**	**122.1**	**8.0%**	**(1.6)%**	**9.6%**
Stabilus Group					
Total Automotive Gas Spring	168.3	158.5	6.2%	3.4%	2.8%
Total Automotive Powerise®	212.1	168.5	25.9%	6.8%	19.1%
Total Industrial	220.9	197.9	11.6%	2.1%	9.5%
Revenue[1]	**601.3**	**524.9**	**14.6%**	**4.0%**	**10.6%**

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

EARNINGS ANALYSIS

The following tables show the consolidated income statement of the Stabilus Group for the second quarter and first half of fiscal 2023 compared to the second quarter and first half of fiscal 2022.

Income statement T_005

IN € MILLIONS	Q2 for the period from January 1 to March 31, 2023	2022	% change
Revenue	310.6	281.2	10.5%
Cost of sales	(225.4)	(208.4)	8.2%
Gross profit	**85.2**	**72.8**	**17.0%**
Research and development expenses	(5.7)	(6.0)	(5.0)%
Selling expenses	(29.6)	(21.0)	41.0%
Administrative expenses	(11.5)	(10.2)	12.7%
Other income	1.0	0.3	> 100.0%
Other expenses	(2.3)	(0.1)	> 100.0%
Income / (expense) from equity-accounted investments	0.0	0.0	n/a
Profit from operating activities (EBIT)	**37.1**	**35.8**	**3.6%**
Finance income	4.0	2.2	81.8%
Finance costs	(8.4)	(2.4)	> 100.0%
Profit / (loss) before income tax	**32.7**	**35.5**	**(7.9)%**
Income tax income / (expense)	9.9	(9.3)	<(100.0)%
Profit / (loss) for the period	**42.6**	**26.2**	**62.6%**

Income statement T_006

IN € MILLIONS	H1 for the period from October 1 to March 31, 2023	2022	% change
Revenue	601.3	524.9	14.6%
Cost of sales	(440.2)	(386.5)	13.9%
Gross profit	**161.1**	**138.5**	**16.3%**
Research and development expenses	(18.6)	(17.9)	3.9%
Selling expenses	(53.4)	(41.2)	29.6%
Administrative expenses	(22.0)	(20.2)	8.9%
Other income	3.1	2.5	24.0%
Other expenses	(4.3)	(0.1)	> 100.0%
Income / (expense) from equity-accounted investments	0.3	0.0	n/a
Profit from operating activities (EBIT)	**66.2**	**61.7**	**7.3%**
Finance income	4.5	3.6	25.0%
Finance costs	(16.8)	(4.6)	> 100.0%
Profit / (loss) before income tax	**53.9**	**60.7**	**(11.2)%**
Income tax income / (expense)	4.3	(16.5)	<(100.0)%
Profit / (loss) for the period	**58.1**	**44.2**	**31.4 %**

Cost of sales

The cost of sales increased by 13.9% from €(386.5) million in the first half of fiscal 2022 to €(440.2) million in the first half of fiscal 2023. In particular, this development is due to the rapid growth in business volumes compared to the prior year. The cost of sales was also affected by inflation in the price of materials (e.g. for steel, plastics and resin). In addition to these effects, the cost base and the margin were also hurt by higher energy costs and the year-on-year rise in staff costs due to inflation. Compared to the growth in revenue (+14.6%), the cost of sales has risen at a slower rate (+13.9%). Above all, this is thanks to better coverage of fixed costs due to economies of scale. Despite the slight easing in conditions on the procurement markets for individual raw materials and components, the procurement of materials remains a challenge. To emphasize the key role played by revenue in capitalized development costs, amortization on these projects is being reported under the cost of sales from fiscal 2023 onwards, and no longer under research and development expenses. The prior-year figures have been changed accordingly to aid comparison. The effect amounts to €6.5 million in the first half of fiscal 2023 after €6.8 million in the same period of the previous year. As a percentage of revenue, the cost of sales was nonetheless down slightly (0.4) percentage points from 73.6% in the first half of fiscal 2022 at 73.2% in the first half of fiscal 2023. Accordingly, the gross profit margin improved slightly from 26.4% in the first half of fiscal 2022 to 26.8% in the first half of fiscal 2023.

Research and development expenses

Research and development expenses (less capitalized development costs) rose slightly by +3.9% from €(17.9) million in the first half of fiscal 2022 to €(18.6) million in the first half of fiscal 2023. The Stabilus Group is continuing to invest in research and development so that it can keep on offering new products and product applications moving ahead, e.g. in the ongoing development of the Powerise® product range, and to cultivate new forward-facing business areas. This is also reflected by the higher headcount in research and development. The capitalization of development costs (less customer payments) increased from +€6.3 million in the first half of fiscal 2022 to +€8.0 million in the first half of fiscal 2023. The prior-year figures have been adjusted on account of the change in the presentation of own work capitalized, which was previously reported under research and development expenses. The effect amounts to €6.5 million in the first half of fiscal 2023 after €6.8 million in the same period of the previous year. These costs will be reported under cost of sales moving ahead. As a percentage of revenue, R&D expenses decreased by (0.3) percentage points from 3.4% in the first half of fiscal 2022 to 3.1% in the first half of fiscal 2023.

Selling expenses

Selling expenses rose by +29.6% in the first half of fiscal 2023 compared to the first half of fiscal 2022, up from €(41.2) million at €(53.4) million. The increase as against the same period of the prior year was mainly due to the steep increase in business volumes and higher freight costs. The costs incurred in connection with the establishment of a warehouse for the independent aftermarket in the US have been reported as selling expenses in fiscal 2023. Furthermore, selling expenses have been affected by the higher headcount and rising expenses for travel and trade fairs, which had been at a low level in the prior year owing to the COVID-19 pandemic. As a percentage of revenue, selling expenses rose +1.1 percentage points from 7.8% in the first half of fiscal 2022 to 8.9% in the first half of fiscal 2023.

Administrative expenses

General administrative expenses rose by +8.9% compared to the first half of fiscal 2022, up from €(20.2) million at €(22.0) million in the first half of fiscal 2023. The increase as against the same period of the prior year was caused by the slight growth in headcount and higher salaries due to inflation. The Group is also continuing to digitalize and harmonize its IT landscape and is investing in cloud-based ERP solutions. As a percentage of revenue, general administrative expenses decreased by (0.1) percentage point from 3.8% in the first half of fiscal 2022 to 3.7% in the first half of fiscal 2023.

Other income and expense

Other income rose by +€0.6 million from +€2.5 million in the first half of fiscal 2022 to +€3.1 million in the first half of fiscal 2023. The first half of fiscal 2023 essentially included a +€1.3 million government subsidy program in China and miscellaneous other revenue relates mainly to scrap revenue. In the same period of the previous year, other income was influenced by net gains on foreign currency translation gains from operating activities of +€0.5 million.

Other expenses moved up by €(4.2) million from €(0.1) million in the first half of fiscal 2022 to €(4.3) million in the first half of fiscal 2023. The increase is essentially due to currency translation losses from operating business of €(4.0) million, which were mainly incurred in the Americas.

Finance income and costs

Finance income increased by +€0.9 million from +€3.6 million in the first half of fiscal 2022 to +€4.5 million in the first half of fiscal 2023. Finance income includes interest refunds on tax receivables (restructuring clause) amounting to +€3.4 million. The main effect in the prior year derived from net foreign exchange gains of +€2.3 million from the translation of cash and cash equivalents and from other financial liabilities (lease liabilities).

Finance costs rose by €(12.2) million from €(4.6) million in the first half of fiscal 2022 to €(16.8) million in the first half of fiscal 2023. The increase essentially results from net currency losses from the translation of cash and cash equivalents of (€(12.2) million) and from other financial liabilities (lease liabilities of €0.3 million) of €(11.9) million.

Finance costs further contain ongoing interest expenses. Interest expense of €(3.9) million in the first half of fiscal 2023 (H1 FY2022: €(4.4) million), relates in particular to the term loan facility, €(4.0) million of which (H1 FY2022: €(2.6) million) relates to interest paid. In addition, in the prior year, an amount of €(1.7) million was due to the amortization of the adjustment of the carrying amount using the effective interest rate method and the derecognition of unamortized transaction costs. There was no comparable amount in the first half of fiscal 2023.

Income tax

Following an income tax expense of €(16.5) million in the first half of fiscal 2022, the Stabilus Group reported income of €4.3 million in the first half of fiscal 2023 (change: €(20.8) million). The income tax result, which is now positive, is mainly due to the amended tax assessments for the years 2010 to 2014 following the conclusion of the appeal proceedings in connection with the application of the restructuring clause (see comments on "Restructuring clause" p. 4). The effect in the second quarter of fiscal 2023 amounts to +€19.9 million. The effective tax rate of the Stabilus Group is (8.0)% in the first half of fiscal 2023 (H1 FY2022: 27.2%).

REVENUE AND EARNINGS DEVELOPMENT BY SEGMENT

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), the Americas (North and South America) and APAC (Asia-Pacific). The following table shows the development of revenue and adjusted EBIT of the operating segments of the Stabilus Group for the second quarter and first half of fiscal 2023 compared to the second quarter and first half of fiscal 2022:

Operating segments T_007

IN € MILLIONS	Q2 for the period from January 1 to March 31, 2023	2022	% change
EMEA			
External revenue [1]	137.2	124.9	9.8%
Intersegment revenue [1]	9.0	8.7	3.4%
Total revenue [1]	146.2	133.6	9.4%
Adjusted EBIT	16.9	14.8	14.2%
as % of total revenue	11.6%	11.1%	
as % of external revenue	12.3%	11.8%	
Americas			
External revenue [1]	114.0	95.2	19.7%
Intersegment revenue [1]	7.6	8.0	(5.0)%
Total revenue [1]	121.5	103.2	17.7%
Adjusted EBIT	15.0	13.6	10.3%
as % of total revenue	12.3%	13.2%	
as % of external revenue	13.2%	14.3%	
APAC			
External revenue [1]	59.5	61.0	(2.5)%
Intersegment revenue [1]	0.5	–	n/a
Total revenue [1]	60.0	61.0	(1.6)%
Adjusted EBIT	8.9	10.8	(17.6)%
as % of total revenue	14.8%	17.7%	
as % of external revenue	15.0%	17.7%	

[1] Revenue breakdown by location of Stabilus company (i.e. “billed-from view”).

EMEA

External revenue for the EMEA region was +€15.9 million or +6.9% higher in the first half of fiscal 2023 than in the first half of fiscal 2022, rising from €230.4 million to €246.3 million. Adjusting for exchange rate effects of €(1.2) million, organic revenue growth amounts to +7.4%. Revenue in Automotive Powerise® increased by +€10.8 million or +23.6% from €45.7 million to €56.5 million. Organic revenue growth in Automotive Powerise® business amounts to +22.9%. Revenue in Automotive Gas Spring was also on the rise, up by +€1.6 million or +2.8% from €56.9 million to €58.5 million. Organic revenue growth in Automotive Gas Spring business amounts to +2.8%. According to IHS data (as of April 2023), passenger car production increased by +8.8% to 9.9 million units produced in the first half of fiscal 2023 compared to the first half of fiscal 2022. The market environment is still reeling from the Russia/Ukraine war and the repercussions of the COVID-19 pandemic. The diminished availability of key electronic components (semiconductors) and production components is improving but remains challenging. Stabilus therefore began making its supply chains more resilient early on in order to maintain its high flexibility in production and sales activities. There is also high inflation, which is taking a toll on the general economic environment and resulting in widespread consumer restraint. Despite these negative factors, Stabilus' automotive business recovered slightly and reported sound growth rates, especially in Automotive Powerise®, thereby underscoring the Group's good market presence in the region. Industrial business was on an upward trajectory in the first half of fiscal 2023 compared to the first half of fiscal 2022, with its revenue rising by +€3.6 million or +2.8% from €127.7 million to €131.3 million. Organic revenue growth in industrial business amounts to +4.0%. The economic conditions that influence Stabilus' Industrial division are stabilizing, though the growth in the European industrial sectors is still somewhat low. Inflation and geopolitical uncertainty are at a high level. Nevertheless, Stabilus is experiencing high demand in the industrial sector that it has not yet been able to work through due to the prevalent uncertainty (supply chains, for instance). Stabilus achieved strong revenue growth in commercial vehicles and energy & consumption, while healthcare, recreation and furniture were in decline. The trend in revenue in the other sectors is in line with prior-year levels. The division's performance shows that the Stabilus Group is benefiting from its broad product range and can more easily offset any declines in the individual areas. The adverse effects of higher prices for materials and energy, higher staff costs due to inflation and the geopolitical factors were only partially offset by price increases. Adjusted EBIT in the EMEA region decreased by €(3.6) million or (14.0)% from €25.7 million in the first half of fiscal 2022 to €22.1 million in the first half of fiscal 2023 and the adjusted EBIT margin was down (2.2) percentage points from 11.2% in the first half of fiscal 2022 to 9.0% in the first half of fiscal 2023.

Operating segments T_008

IN € MILLIONS	H1 for the period from October 1 to March 31, 2023	2022	% change
EMEA			
External revenue [1]	246.3	230.4	6.9%
Intersegment revenue [1]	18.4	17.1	7.6%
Total revenue [1]	264.8	247.5	7.0%
Adjusted EBIT	22.1	25.7	(14.0)%
as % of total revenue	8.3%	10.4%	
as % of external revenue	9.0%	11.2%	
Americas			
External revenue [1]	223.1	172.5	29.3%
Intersegment revenue [1]	16.6	15.2	9.2%
Total revenue [1]	239.7	187.7	27.7%
Adjusted EBIT	27.0	19.2	40.6%
as % of total revenue	11.3%	10.2%	
as % of external revenue	12.1%	11.1%	
APAC			
External revenue [1]	131.9	122.1	8.0%
Intersegment revenue [1]	0.7	0.0	n/a
Total revenue [1]	132.6	122.1	8.6%
Adjusted EBIT	24.3	23.8	2.1%
as % of total revenue	18.3%	19.5%	
as % of external revenue	18.4%	19.5%	

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

Americas

External revenue for the Americas region was +€50.6 million or +29.3% higher in the first half of fiscal 2023 than in the first half of fiscal 2022, rising from €172.5 million to €223.1 million. Adjusting for exchange rate effects of +€24.1 million, due in particular to the relatively strong Mexican peso and the US dollar, organic revenue growth amounts to +15.4%. The main factor driving this strong growth was our Automotive Powerise® business, which rose by +€20.8 million or +32.0% from €65.1 million to €85.9 million in the Americas region in the first half of fiscal 2023. Organic revenue growth in Automotive Powerise® business amounts to +13.5%. In addition to the very positive trend in Automotive Powerise® business, Automotive Gas Spring business also performed very well and grew by +€9.6 million or +19.6% from €49.0 million to €58.6 million. Organic revenue growth in Automotive Gas Spring business amounts to +7.0%. According to IHS data (as of April 2023), the US automotive market grew year-on-year, achieving growth rates of 10.9% to 5.1 million units produced, which is reflected in particular in the sales figures for the Automotive Powerise® product range and Automotive Gas Spring business.

The availability of electronic components (semiconductors) also increasingly improved in the Americas region, although a certain level of uncertainty still remains on the market that could hurt global supply chains again as a result of shortages. The high US inflation seen in summer 2022 has steadily eased in recent months but is still at an elevated level. Regardless of this, consumer spending in the region is picking up. The growth rates in revenue achieved by Stabilus in the first half of 2023 exceeded market expectations overall and illustrate the excellent performance of automotive market share in the region. Industrial business also developed very well with revenue growth of +€20.2 million or +34.6% from €58.4 million to €78.6 million. Organic revenue growth in industrial business amounts to +24.6%. Industrial business generated very strong growth in the first half of fiscal 2023. Consumer confidence has improved significantly despite consistently high inflation. The division has experienced strong growth thanks to new orders, in particular in energy & consumption. Furthermore, double-digit revenue growth rates were achieved in commercial vehicles, industrial machinery & automation as well as distributors, independent aftermarket and e-commerce. The Americas region was similarly rocked by increases in prices for materials and staff costs, but proved better able to compensate for these increases. The segment's adjusted EBIT was increased by economies of scale thanks to the sharp rise in revenue. Adjusted EBIT in the Americas region surged by +€7.8 million or +40.6% from €19.2 million in the first half of fiscal 2022 to €27.0 million in the first half of fiscal 2023 and the adjusted EBIT margin rose by +1.0 percentage point from 11.1% in the first half of fiscal 2022 to 12.1% in the first half of fiscal 2023.

APAC

External revenue in the APAC region was +€9.8 million or +8.0% higher in the first half of fiscal 2023 than in the first half of fiscal 2022, rising from €122.1 million to €131.9 million. Adjusting for exchange rate effects of €(1.9) million, organic revenue growth amounts to +9.6%. This increase was thanks in particular to the strong Automotive Powerise® business, which contributed revenue growth of +€12.0 million or +20.8% from €57.7 million to €69.7 million. Organic revenue growth amounts to +22.3%. Automotive Gas Spring business contracted slightly by €(1.4) million or (2.7)% from €52.6 million to €51.2 million. The organic growth rate in revenue for Automotive Gas Spring business is (1.1)%. The rise in the number of COVID-19 cases, in China in particular, took a toll on the economy and suppressed its growth. As a result of the lifting of COVID restrictions in particular, inefficiencies emerged throughout the value chain, for instance as a result of staff shortages, lost production, sudden materials shortages, bottlenecks in the supply chain – all affecting both customers and suppliers. According to IHS data (as of April 2023), China's passenger car production in the first half of fiscal 2023 decreased by (6.5)% to 12.9 million units produced compared to the first half of fiscal 2022, while the APAC region achieved an upturn of +1.3% with a total of 24.2 million units produced. Nevertheless, the trend for sales figures for the Automotive Powerise® product range and the Automotive Gas Spring business is positive, which is largely thanks to nominations for new OEM platforms in recent months. The economy was assisted by the Chinese government, which initiated various economic programs to counteract regional lockdowns. The region also benefited from customer discounts offered by various OEMs. Stabilus gradually expanded its market share in the region, giving rise to a higher rate of sales for our product range and for Automotive Powerise® in particular. Industrial business revenue was €(0.8) million or (6.8)% lower in the first half of fiscal 2023 than in the first half of fiscal 2022, dipping from €11.8 million to €11.0 million. Organic revenue growth for industrial business amounts to (5.2)%. The weaker market environment, in China in particular, caused the industrial market to cool off in almost all market segment except commercial vehicles, energy & consumption and industrial machinery & automation, bringing the positive trend in revenue to a halt for now. Adjusted EBIT in the APAC region rose by +€0.5 million or +2.1% from €23.8 million in the first half of fiscal 2022 to €24.3 million in the first half of fiscal 2023, while the adjusted EBIT margin was down by (1.1) percentage points from 19.5% in the first half of fiscal 2022 to 18.4% in the first half of fiscal 2023.

RECONCILIATION OF ADJUSTED EBIT

The following table shows the reconciliation of adjusted EBIT for the first half of fiscal 2023 and the first half of fiscal 2022. Adjusted EBIT is EBIT adjusted for non-recurring items (e.g. restructuring expenses or non-recurring consulting expenses) and depreciation/amortization of fair value adjustments from purchase price allocation (PPA). The Stabilus Group reports adjusted EBIT as its management is of the opinion that adjusted EBIT is more meaningful, and therefore contributes to a better understanding of the operating performance of the Stabilus Group on the part of users of the financial statements. More detailed information can be found in the section on segment reporting in the condensed interim Group management report.

PPA effects from previous acquisitions amounted to €7.0 million in the first half of fiscal 2023 (H1 FY2022: €6.9 million). This is straight-line depreciation of the remeasurement of assets. €2.3 million of this (H1 FY2022: €2.3 million) relates to the PPA in fiscal 2010 and €4.3 million (H1 FY2022: €4.2 million) to the PPA in fiscal 2016. The increase in PPA effects compared to the previous year is due to currency effects (USD/EUR). Furthermore, €0.4 million (H1 FY2022: €0.4 million) relates to the purchase price allocation in fiscal 2019. In addition to PPA effects, an amount of €0.2 million from an earn-out agreement for a prior acquisition was adjusted for in the first half of fiscal 2023.

Reconciliation of EBIT to adjusted EBIT T_009

IN € MILLIONS	Q2 for the period from January 1 to March 31, 2023	2022	% change
Profit from operating activities (EBIT)	**37.1**	**35.8**	**3.6%**
PPA adjustments – depreciation and amortization	3.5	3.5	1.2%
Earn-out (purchase price adjustment)	0.2	–	n/a
Adjusted EBIT	**40.8**	**39.3**	**3.8%**

Reconciliation of EBIT to adjusted EBIT T_010

IN € MILLIONS	H1 for the period from October 1 to March 31, 2023	2022	% change
Profit from operating activities (EBIT)	**66.2**	**61.7**	**7.3%**
PPA adjustments – depreciation and amortization	7.0	6.9	2.0%
Earn-out (purchase price adjustment)	0.2	–	n/a
Adjusted EBIT	**73.4**	**68.6**	**7.0%**

FINANCIAL POSITION OF THE STABILUS GROUP

ANALYSIS OF NET ASSETS

Balance sheet T_011

IN € MILLIONS	March 31, 2023	Sept 30, 2022	% change
Assets			
Non-current assets	679.7	701.9	(3.2)%
Current assets	547.7	564.7	(3.0)%
Total assets	**1,227.4**	**1,266.6**	**(3.1)%**
Equity and liabilities			
Total Equity	659.5	669.7	(1.5)%
Non-current liabilities	374.2	375.0	(0.2)%
Current liabilities	193.7	221.9	(12.7)%
Total liabilities	567.9	596.9	(4.9)%
Total equity and liabilities	**1,227.4**	**1,266.6**	**(3.1)%**

Total assets

Total assets of the Stabilus Group declined by €(39.2) million or (3.1)% from €1,266.6 million as of September 30, 2022 to €1,227.4 million as of March 31, 2023.

Non-current assets

The non-current assets of the Stabilus Group declined by €(22.2) million or (3.2)% from €701.9 million as of September 30, 2022 to €679.7 million as of March 31, 2023. Non-current assets were essentially influenced by carrying amount adjustments due to exchange rate effects (e.g. a decrease in goodwill of €(7.7) million). The amortization on other intangible assets of €(14.9) million, which essentially results from purchase price allocation in prior fiscal years, and depreciation on property, plant and equipment of €(19.1) million also had an effect. This was countered by capital expenditure of +€13.8 million for ongoing capacity expansion for projects and purchases of intangible assets of +€9.6 million.

Current assets

The current assets of the Stabilus Group declined by €(17.0) million or (3.0)% from €564.7 million as of September 30, 2022 to €547,7 million as of March 31, 2023. This was due to a lower level of trade receivables compared to September of €(18.3) million and lower cash and cash equivalents of €(12.9) million, essentially on account of the dividend of €43.23 million paid to shareholders in February 2023. Furthermore, inventories were increased by +€5.8 million in order to safeguard our global supply chains and to allow for higher demand. Higher purchase prices for raw materials and components also played a part. Furthermore, current tax assets increased by +€5.4 million.

Equity

The equity of the Stabilus Group declined by €(10.2) million or (1.5)% from €669.7 million as of September 30, 2022 to €659.5 million as of March 31, 2023. This decline is essentially due to the dividend of €(43.23) million paid to our shareholders in the second quarter of fiscal 2023. Other reserves (accumulated other comprehensive income) declined by €(24.9) million to €(10.3) million as a result of unrealized losses from foreign currency translation of €(23.6) million and unrealized actuarial losses from pensions (after tax) of €(0.8) million. There was also a negative effect of €(0.5) million due to the remeasurement in equity of derivatives acquired for hedging purposes. Meanwhile, there was a profit for first half of fiscal 2023 of +€58.1 million.

Non-current liabilities

The non-current liabilities of the Stabilus Group declined slightly by €(0.8) million or (0.2)% from €375.0 million as of September 30, 2022 to €374.2 million as of March 31, 2023. The change is attributable to the pro rata reclassification of the provision for warranties and personnel expenses from current to non-current in the amount of +€11.5 million in order to better reflect the changing maturity profile of these liability items. Other financial liabilities increased by +€2.9 million, mainly as a result of newly concluded leasing agreements amounting to €7.8 million, with an offsetting reduction from the repayment of leasing liabilities amounting to €(3.8) million. Pension obligations increased by +€1.1 million due to slight changes in actuarial assumptions. The change was mainly offset by the application of the restructuring clause, which reduced deferred tax liabilities by €(15.0) million.

Current liabilities

The current liabilities of the Stabilus Group declined by €(28.2) million or (12.7)% from €221.9 million as of September 30, 2022 to €193.7 million as of March 31, 2023. This resulted firstly from the pro rata reclassification of the provision for guarantees and staff costs from current to non-current of €(11.5) million and secondly to lower trade payables of €(11.3) million. Furthermore, provisions for revenue risks were reduced by €(2.7) million and other provisions by €(2.7) million as a result of being utilized.

ANALYSIS OF THE FINANCIAL POSITION

Cash flow from operating activities

Cash flow from operating activities increased in the first half of fiscal 2023, up by +€31.6 million or +87.8% from €36.0 million in the first half of fiscal 2022 at €67.6 million. This is essentially due to changes in working capital (including a decline in trade receivables) and lower payments for income taxes of €(4.1) million compared to the prior year.

Cash flow from investing activities

Cash flow from investing activities rose by +€18.5 million or (44.5)% from €(41.6) million in the first half of fiscal 2022 to €(23.1) million in the first half of fiscal 2023, in particular as a result of the acquisition of the investment accounted for at equity (Cultraro Automazione Engineering S.r.l. €(17.2) million) and another equity investment (Synapticon GmbH €(6.0) million) in the first half of the prior year. Purchases of intangible assets rose by +€2.4 million and capital expenditure for property, plant and equipment by +€2.3 million as against the prior year.

Cash flow from financing activities

Cash flow from financing activities increased in the first half of fiscal 2023, up by €(65.6) million from €(13.8) million in the first half of fiscal 2022 at €(51.8) million. This was mainly the result of the higher dividend payment of +€12.4 million compared to the prior year, and a promissory note loan of +€55.0 million issued in the same period of the previous year. Interest payments for financial liabilities increased by +€1.4 million as a result of higher market interest rates (Euribor).

Cash flows T_012

IN € MILLIONS	H1 for the period from October 1 to March 31, 2023	2022	% change
Cash flow from operating activities	67.6	36.0	87.8%
Cash flow from investing activities	(23.1)	(41.6)	(44.5)%
Cash flow from financing activities	(51.8)	13.8	< (100.0)%
Net increase/(decrease) in cash	**(7.4)**	**8.1**	**< (100.0)%**
Effect of movements in exchange rates on cash held	(5.6)	2.5	< (100.0)%
Cash as of beginning of the period	168.4	193.2	(12.8)%
Cash as of end of the period	**155.4**	**203.8**	**(23.7)%**

RECONCILIATION OF FREE CASH FLOW, ADJUSTED FREE CASH FLOW AND NET LEVERAGE RATIO

Free cash flow

Free cash flow is defined as the total of cash flows from operating activities and cash flows from investing activities. Management reports free cash flow as this alternative performance measure aids in assessing the ability of the Stabilus Group to generate cash flows that can be used, for example, for investment or distributions. Free cash flow increased in the first half of fiscal 2023, up by +€50.1 million from €(5.6) million in the first half of fiscal 2022 at +€44.5 million. The improvement is essentially thanks to the significantly higher cash flow from operating activities and the investments in Cultraro Automazione Engineering S.r.l. in the first quarter of the prior year and Synapticon GmbH amounting to a total of €23.2 million. Free cash flow was also affected by higher investments not related to acquisitions of €4.7 million in the first half of fiscal 2023. The calculation of free cash flow for the first half of fiscal 2023 and fiscal 2022 is shown in the table below.

Adjusted free cash flow

Adjusted free cash flow is defined as the total of cash flows from operating activities and cash flows from investing activities before acquisitions. Management reports adjusted free cash flow as this alternative performance measure aids in assessing the ability of the Stabilus Group to generate cash flows from organic growth (i.e. disregarding acquisitions). Adjusted free cash flow increased by +€27.2 million from +€17.6 million in the first half of fiscal 2022 to +€44.8 million in the first half of fiscal 2023, mainly as a result of significant changes in working capital from operating activities and lower income tax payments. Higher investments not related to acquisitions had an offsetting effect on investing activities. The adjustment of €0.3 million in the first half of fiscal 2023 relates to the last purchase price payment to Piston from the share purchase (53%) in fiscal 2019. The prior year adjustment relates to investments of €23.2 million in Cultraro Automazione Engineering S.r.l. and Synapticon GmbH. The calculation of adjusted free cash flow for the first half of fiscal 2023 and fiscal 2022 is shown in the table on the left below.

Free cash flow T_013

IN € MILLIONS	H1 for the period from October 1 to March 31, 2023	2022	% change
Cash flow from operating activities	67.6	36.0	87.8%
Cash flow from investing activities	(23.1)	(41.6)	(44.5)%
Free cash flow	**44.5**	**(5.6)**	**< (100.0)%**

Adjusted free cash flow T_014

IN € MILLIONS	H1 for the period from October 1 to March 31, 2023	2022	% change
Cash flow from operating activities	67.6	36.0	87.8%
Cash flow from investing activities	(23.1)	(41.6)	(44.5)%
Free cash flow	**44.5**	**(5.6)**	**< (100.0)%**
Acquisition of assets and liabilities within the business combination, net of cash acquired	0.3	–	n/a
Payment for equity-accounted and other investments	–	23.2	n/a
Adjusted FCF	**44.8**	**17.6**	**> 100.0%**

Net leverage ratio

The net leverage ratio is defined as net financial debt divided by adjusted EBITDA for the last twelve months (LTM). Net financial debt is the nominal amount of financial liabilities, i.e. current and non-current financial liabilities less cash and cash equivalents. Adjusted EBITDA is defined as EBIT before depreciation/amortization and before extraordinary non-recurring items (e.g. restructuring expenses or non-recurring consulting expenses). Management reports the net leverage ratio as this alternative performance measure is a useful indicator for assessing the debt and financing structure of the Stabilus Group. The net leverage ratio declined from 0.8x in the first half of fiscal 2022 to 0.5x in the first half of fiscal 2023 (September 30, 2022: 0.4x). This is mainly due to the strong increase in adjusted EBITDA and the further reduction in financial liabilities. The calculation of the net leverage ratio for the first half of fiscal 2023 and fiscal 2022 is shown in the table on the right.

Net leverage ratio

T_015

	H1 as of March 31,		
IN € MILLIONS	2023	2022	% change
Financial debt	255.6	351.9	(27.4)%
Cash and cash equivalents	(155.4)	(203.8)	(23.7)%
Net financial debt	100.2	148.1	(32.3)%
Adjusted EBITDA (LTM, March 31)	216.4	185.5	16.7%
Net leverage ratio [1]	**0.5x**	**0.8x**	

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

Financial debt

T_016

	H1 as of March 31,	
IN € MILLIONS	2023	2022
Financial liabilities (non-current)	254.1	346.7
Financial liabilities (current)	1.5	1.5
Adjustment carrying value	–	3.7
Financial debt	**255.6**	**351.9**

Adjusted EBITDA (LTM, March 31)

T_017

	H1 as of March 31,		
IN € MILLIONS	2023	2022	% change
Profit from operating activities (EBIT)	**146.7**	**119.7**	**22.6%**
Depreciation	39.2	37.2	5.4%
Amortization	16.4	14.8	10.8%
PPA adjustments – depreciation and amortization	13.9	13.8	1.0%
EBITDA	**216.2**	**185.5**	**16.6%**
Earn-out (purchase price adjustment)	0.2	–	n/a
Adjusted EBITDA	**216.4**	**185.5**	**16.7%**

REPORT ON RISKS AND OPPORTUNITIES

Please refer to page 51 and onwards in the annual report of September 30, 2022 for information on the risk management system and the overall assessment of the risks and opportunities of the Stabilus Group.

In the reporting period (October 1, 2022 to March 31, 2023), there was a slight easing in the second quarter in the assessments made in the 2022 annual reports concerning the risks of prices for materials and energy. These aspects have thus been amended slightly. The Stabilus Group currently rates the development of risks of prices for materials as "medium" (risk class) with a probability of occurrence of "likely" (2022 annual report: "high" and "very likely"). These changes have been made on account of the slight improvement in procurement prices for the materials concerned. In relation to energy risks, as a result of winter coming to an end and the government's price cap, the risk assessment has been changed to "medium" (risk class) with a probability of occurrence of "likely" (2022 annual report: "high" and "likely").

In addition, the effect of currency fluctuations on the operating and financial result was identified as a risk in the first half of fiscal 2023 and assessed as "high" (risk class) with a probability of occurrence of "very likely".

Furthermore, as a result of rising interest rates, the risk of a change in interest rates in relation to the Euribor-based credit facilities was added as of March 31, 2023 and assessed as "low" (risk class) with a probability of occurrence of "likely".

To achieve some stability in the uncertain interest situation, the Stabilus Group entered into an interest derivative contract in the first half of fiscal 2023. This is accounted for as a cash flow hedge. Nevertheless, negative effects can arise from its market value and influence the financial position and results of operations. Derivatives are managed centrally and the developments on the interest markets are monitored continuously in conjunction with risk management.

In view of the general economic and market landscape, the management of the Stabilus Group continues to attach great importance to the very strict monitoring of cost, liquidity and impairment risks.

Given the potential negative impact of the Russia/Ukraine war and its repercussions, inefficiencies can arise throughout the value chain. Inflation is also expected to remain at a high level for the foreseeable future.

The Management Board does not believe there are any material individual or aggregate risks to the continued existence of Stabilus SE or the Stabilus Group in the future. The risk-bearing capacity of the Stabilus Group is linked to its financial covenants (net leverage ratio) and is monitored on an ongoing basis. The aggregate overall risk exposure did not have any material impact on risk-bearing capacity.

REPORT ON EXPECTED DEVELOPMENTS

GENERAL ECONOMIC OUTLOOK

The development of the world economy is being influenced by the ongoing Russia/Ukraine war, possible disruptions in global supply chains and consistently high inflation pressure in fiscal 2023 (Stabilus fiscal year: from October 1, 2022 to September 30, 2023). Furthermore, the tightening of monetary policy could also weigh on the development of financial markets and the world economy. It remains to be seen how the COVID-19 pandemic will continue to play out, especially in China.

The International Monetary Fund (IMF, World Economic Outlook – April 2023) expects global gross domestic product to rise by +2.8% in the 2023 calendar year. Within the European Union, very low growth of just +0.8% is anticipated for the euro area. In the Americas region, growth of +1.6% is forecast for the US and for Central and South America. Significantly higher growth rates are projected in the APAC region, with the core market of China expected to grow by +5.2%.

Interest rate developments at the ECB and the Fed will be another key factor. To counteract inflation, the ECB again raised interest rates by another 0.5% to 3.5% in March 2023. The Fed also recently raised its interest rate again by 0.25%, bringing it to 5.0% (as of March 2023). Further changes to interest rates by the ECB and the Fed cannot be ruled out.

Latest growth projections for selected economies T_018

% YEAR-ON-YEAR CHANGE IN THE CALENDAR YEAR	2023*	2024*
World	**2.8%**	**3.0%**
European Union	**0.7%**	**1.6%**
thereof Euro Area	0.8%	1.4%
thereof Germany	(0.1)%	1.1%
United Kingdom	**(0.3)%**	**1.0%**
United States	**1.6%**	**1.1%**
Latin America	**1.6%**	**2.2%**
thereof Brazil	0.9%	1.5%
thereof Mexico	1.8%	1.6%
Emerging and Developing Asia	**5.3%**	**5.1%**
thereof China	5.2%	4.5%

Source: IMF, April 2023 World Economic Outlook.
* Projections

FORECAST INDUSTRY DEVELOPMENT

Forecast development in the automotive industry

Based on the IHS forecasts for the automotive sector (April 2023), the Stabilus Group is anticipating growth in global automotive production, as measured by the number of vehicles produced with a total weight of up to six tonnes, of around +3.9% to approximately 84.8 million units in fiscal 2023. According to IHS, all three regions will produce more vehicles in fiscal 2023 than in fiscal 2022. The Americas region is expected to take the lead, producing +1.3 million more vehicles, followed by EMEA (+1.2 million) and APAC (+0.8 million).

Production of light vehicles* T_019

IN MILLIONS OF UNITS PER CALENDAR YEAR	2023**	2024**	2025**	2026**	2027**	2028**
EMEA	**19.1**	**19.8**	**20.1**	**20.1**	**20.2**	**20.4**
thereof Germany	4.2	4.6	4.9	4.8	5.0	5.1
Americas	**18.1**	**18.3**	**19.7**	**19.9**	**20.1**	**20.5**
thereof United States	10.2	10.3	11.2	10.8	10.7	10.9
APAC	**47.7**	**49.5**	**50.8**	**51.8**	**53.0**	**54.4**
thereof China	25.5	27.8	29.0	29.9	30.8	31.8
Worldwide production of light vehicles*	**84.8**	**87.6**	**90.6**	**91.7**	**93.4**	**95.4**

Source: IHS Automotive/Light Vehicle Production Forecast (April 2023).
* Passenger cars and light commercial vehicles (< 6t)
** IHS forecast as of April 2023

Forecast development in the industrial sector

Geopolitical uncertainty continues to shape the development of the industrial sector. With demand continuing to contract, the outlook for the industrial sector as a whole is growing dimmer. Nevertheless, the supply problems in the industrial sector, which were caused by bottlenecks for raw materials and precursors in particular, will continue improving in fiscal 2023. Stabilus is experiencing high demand in the industrial sector that it has not yet been able to work through fully due to the prevalent uncertainty (supply chains, for instance).

Forecast development on the procurement markets

Compared to the prior year, the situation on the procurement markets for raw materials and intermediate products will gradually improve as the supply chain problems diminish. This slow process of change will affect the development of procurement prices for the Stabilus Group. The procurement prices for the key individual raw materials and components used by Stabilus will take some time to come down. By its own estimate, the Stabilus Group forecasts that the price of direct materials such as plastics, metals and steel will rise by around 4% in fiscal 2023. Action taken by central governments, in Germany especially, should allow the trend in energy prices to settle somewhat.

FORECAST DEVELOPMENT OF THE STABILUS GROUP

Considering the challenging general market conditions and macroeconomic and geopolitical uncertainty, the Management Board of the Stabilus Group feels that the economic situation for fiscal 2023 is still solid. There is still uncertainty for the current fiscal year owing to high cost inflation for materials, energy and personnel, the tense geopolitical situation regarding the unknowable course of the Russia/Ukraine war and how this could adversely affect the business performance of the Stabilus Group. Nevertheless, the Stabilus Group believes it is well positioned and still on target for the outlook published in the Annual Report from September 30, 2022.

The management of the Stabilus Group is standing by its forecast of November 2022. This translates into revenue of between around €1,100.0 million and €1,200.0 million. Management also continues to assume an adjusted EBIT margin of between 13% and 14% in fiscal 2023.

SUBSEQUENT EVENTS

As of April 27, 2023, there were no events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of March 31, 2023.

Koblenz, April 27, 2023

Stabilus SE
The Management Board

Dr. Michael Büchsner Stefan Bauerreis

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of and for the three months and six months ended March 31, 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income T_020

IN € THOUSANDS	Note	Q2 for the period from January 1 to March 31, 2023	Q2 2022	H1 for the period from October 1 to March 31, 2023	H1 2022
Revenue	2	310,622	281,202	601,283	524,910
Cost of sales[1]		(225,445)	(208,403)	(440,180)	(386,453)
Gross profit		**85,177**	**72,799**	**161,103**	**138,457**
Research and development expenses[1]		(5,672)	(5,962)	(18,575)	(17,891)
Selling expenses		(29,574)	(20,966)	(53,389)	(41,169)
Administrative expenses		(11,527)	(10,238)	(22,045)	(20,167)
Other income		954	268	3,074	2,536
Other expenses		(2,319)	(86)	(4,321)	(58)
Income / (expense) from equity-accounted investments		44	(43)	344	(43)
Profit from operating activities (EBIT)		**37,083**	**35,772**	**66,191**	**61,665**
Finance income	3	4,024	2,174	4,484	3,599
Finance costs	4	(8,373)	(2,402)	(16,812)	(4,566)
Profit / (loss) before income tax		**32,734**	**35,544**	**53,863**	**60,698**
Income tax income / (expense)	5	9,897	(9,348)	4,254	(16,531)
Profit / (loss) for the period		**42,631**	**26,196**	**58,117**	**44,167**
thereof attributable to non-controlling interests		279	281	693	642
thereof attributable to shareholders of Stabilus		42,352	25,915	57,424	43,525
Other comprehensive income / (expense)					
Foreign currency translation differences	15	2,179	8,722	(23,541)	14,744
Hedge of cash flows from financial instruments	15	(482)	–	(482)	–
Items to be reclassified to consolidated profit or loss in future periods		**1,697**	**8,722**	**(24,023)**	**14,744**
Unrealized actuarial gains and losses	15	1,249	4,706	(845)	3,356
Items not to be reclassified to consolidated profit or loss in future periods		**1,249**	**4,706**	**(845)**	**3,356**
Other comprehensive income / (expense), net of taxes		**2,946**	**13,428**	**(24,868)**	**18,100**
Total comprehensive income / (expense) for the period		**45,577**	**39,624**	**33,249**	**62,267**
thereof attributable to non-controlling interests		55	76	1,869	(212)
thereof attributable to shareholders of Stabilus		45,522	39,548	31,380	62,479
Earnings per share (in €):					
basic (EPS)	6	1.71	1.05	2.32	1.76
diluted (DEPS)	6	1.71	1.05	2.32	1.76

[1] See description of change in reporting, p. 29.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of March 31, 2023

Consolidated statement of financial position T_021

IN € THOUSANDS	Note	March 31, 2023	Sept 30, 2022
Assets			
Property, plant and equipment	7	224,080	228,879
Goodwill		209,138	216,806
Other intangible assets	8	206,723	216,857
Investments in entities accounted for using the equity method and other investments	9	23,033	23,099
Other assets	11	1,242	1,413
Deferred tax assets		15,470	14,850
Total non-current assets		**679,686**	**701,904**
Inventories	12	173,300	167,451
Trade and other receivables	13	179,347	197,656
Current tax assets	14	13,520	8,074
Other financial assets	10	600	600
Other assets	11	25,473	22,536
Cash and cash equivalents		155,425	168,352
Total current assets		**547,665**	**564,669**
Total assets		**1,227,351**	**1,266,573**

Consolidated statement of financial position T_021

IN € THOUSANDS	Note	March 31, 2023	Sept 30, 2022
Equity and liabilities			
Issued capital	15	24,700	24,700
Capital reserves	15	201,395	201,395
Retained earnings	15	435,328	421,129
Other reserves	15	(7,743)	18,301
Equity attributable to shareholders of Stabilus		**653,680**	**665,525**
Non-controlling interests		5,799	4,165
Total equity		**659,479**	**669,690**
Financial liabilities	16	254,106	255,118
Other financial liabilities	17	28,535	25,678
Provisions	19	13,896	2,690
Pension plans and similar obligations	20	38,242	37,158
Deferred tax liabilities	21	39,408	54,370
Total non-current liabilities		**374,187**	**375,014**
Trade accounts payable[1)]		108,923	120,257
Financial liabilities	16	1,498	1,730
Other financial liabilities[1)]	17	7,740	7,877
Current tax liabilities		15,800	14,231
Provisions	19	28,511	48,203
Other liabilities[1)]	22	31,213	29,571
Total current liabilities		**193,685**	**221,869**
Total liabilities		**567,872**	**596,883**
Total equity and liabilities		**1,227,351**	**1,266,573**

[1)] See description of change in reporting, p. 29.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first six months ended March 31, 2023

Consolidated statement of changes in equity T_022

IN € THOUSANDS	Note	Issued capital	Capital reserves	Retained earnings	Other reserves	Equity attri-butable to shareholders of Stabilus	Non-controlling interests	Total equity
Balance as of September 30, 2021		**247**	**225,848**	**348,746**	**(35,591)**	**539,250**	**5,087**	**544,337**
Profit / (loss) for the period		–	–	43,525	–	43,525	642	44,167
Other comprehensive income / (expense)	15	–	–	–	18,954	18,954	(854)	18,100
Total comprehensive income for the period		–	–	43,525	18,954	62,479	(212)	62,267
Dividends	15	–	–	(30,875)	–	(30,875)	(185)	(31,060)
Balance as of March 31, 2022		**247**	**225,848**	**361,396**	**(16,637)**	**570,854**	**4,690**	**575,544**
Balance as of September 30, 2022		**24,700**	**201,395**	**421,129**	**18,301**	**665,525**	**4,165**	**669,690**
Profit / (loss) for the period		–	–	57,424	–	57,424	693	58,117
Other comprehensive income / (expense)	15	–	–	–	(26,044)	(26,044)	1,176	(24,868)
Total comprehensive income for the period		–	–	57,424	(26,044)	31,380	1,869	33,249
Dividends	15	–	–	(43,225)	–	(43,225)	(235)	(43,460)
Balance as of March 31, 2023		**24,700**	**201,395**	**435,328**	**(7,743)**	**653,680**	**5,799**	**659,479**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from October 1 to March 31

Consolidated statement of cash flows T_023

IN € THOUSANDS	Note	H1 for the period from October 1 to March 31, 2023	2022
Profit / (loss) for the period		58,117	44,167
Income tax income / (expense)		(4,254)	16,531
Net financial result	3/4	12.328	966
Interest received		1,126	229
Net result from equity-accounted investments	9	(344)	43
Dividends received	9	410	–
Depreciation and amortization (incl. impairment losses)	7/8	33,986	33,407
Gains / losses from the disposal of assets		86	(67)
Changes in inventories		(5,849)	(18,055)
Changes in trade and other receivables		18,309	(31,896)
Changes in trade payables		(11,334)	11,724
Changes in other assets and liabilities		(11,306)	(26)
Changes in provisions		(9,317)	(2,643)
Income taxes payments	26	(14,371)	(18,424)
Cash flow from operating activities		**67,587**	**35,956**
Proceeds from disposal of property, plant and equipment		507	217
Purchase of intangible assets	8	(9,626)	(7,245)
Purchase of property, plant and equipment	7	(13,773)	(11,434)
Payment for equity-accounted and other investments	9	–	(23,175)
Acquisition of assets and liabilities within the business combination, net of cash acquired		(253)	–
Cash flow from investing activities		**(23,145)**	**(41,637)**
Receipts from financial liabilities		–	55,000
Payments for redemption of financial liabilities		(553)	(825)
Payments for redemption of senior facilities		–	(2,643)
Payments for lease liabilities		(3,808)	(4,073)
Dividends paid	15	(43,225)	(30,875)
Dividends paid to non-controlling interests		(235)	(185)
Payments for interest	26	(3,980)	(2,578)
Cash flow from financing activities		**(51,801)**	**13,821**
Net increase / (decrease) in cash and cash equivalents		**(7,359)**	**8,140**
Effect of movements in exchange rates on cash held		(5,568)	2,486
Cash and cash equivalents as of beginning of the period		168,352	193,189
Cash and cash equivalents as of end of the period		**155,425**	**203,815**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of and for the three months and six months ended March 31, 2023

1 GENERAL INFORMATION

REPORTING ENTITY

By way of resolution of the extraordinary general meeting on March 24, 2022 and the subsequent entry in the Luxembourg Trade and Companies Register on April 5, 2022, Stabilus SE, Frankfurt/Main (formerly: Stabilus S.A., Luxembourg) transformed its legal form from that of a Société Anonyme (S. A.) under Luxembourg law to a European Company (Societas Europaea, SE). Its registered office was located at 2, rue Albert Borschette, L-1246 Luxembourg, until September 1, 2022. Until that date, the Company was entered in the Luxembourg commercial register under no. B151589. The relocation of the registered office from Luxembourg to Frankfurt/Main, Germany, was resolved by the extraordinary general meeting on August 11, 2022. Since September 2, 2022, having been entered in the commercial register of the Frankfurt/Main Local Court under no. HRB 128539, the registered office of the Company has been in Frankfurt/Main with the business address Wallersheimer Weg 100, 56070 Koblenz, Germany. The Company was originally founded as Servus HoldCo S.à r. l., Luxembourg, on February 26, 2010.

The shares of Stabilus SE, Frankfurt/Main, (hereinafter referred to as "Stabilus SE") are listed in the MDAX (PY: SDAX) of the Frankfurt Stock Exchange (ISIN: DE000STAB1L8) at the end of the reporting period.

BASIS OF PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Accounting

These condensed interim consolidated financial statements of Stabilus SE and its subsidiaries for the period ended March 31, 2023 were prepared in accordance with the International Financial Reporting Standards (IFRSs) for interim financial reporting as adopted by the European Union (EU) in accordance with Regulation No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards. In accordance with IAS 34, Interim Financial Reporting, the interim consolidated financial statements of the Stabilus Group for the first half of fiscal 2023 have been prepared in condensed form.

The components of these interim consolidated financial statements were prepared in accordance with the accounting policies used for the consolidated financial statements as of September 30, 2022. As the interim consolidated financial statements are significantly less detailed than full consolidated financial statements, these should be read in conjunction with the consolidated financial statements of the Group as of September 30, 2022.

The preparation of financial statements requires estimates that involve complex and subjective judgments and the use of assumptions for matters that are uncertain and are subject to change. Assumptions and estimates can change from period to period and can have a material impact on the financial positions and the results of operations. Estimates and underlying assumptions are reviewed by management on an ongoing basis and revised if necessary. Revisions to estimates are recognized prospectively.

Income taxes are generally determined on a best estimate basis in each interim report and are based on the expected weighted average annual income tax rate, with non-recurring effects recognized immediately in the period in which the results occur.

Judgments are subject to elevated uncertainty in conjunction with the repercussions of the COVID-19 pandemic, the Russia/Ukraine war, the effects of the supply chain situation and high inflation.

These condensed interim consolidated financial statements and interim Group management report for the first half of fiscal 2023 were reviewed by the audit firm Deloitte. The interim consolidated financial statements were approved for publication by the Management Board on April 27, 2023.

A derivative financial instrument was used to hedge interest rates for the first time in the first half of fiscal 2023. The following information therefore relates to accounting for financial instruments including hedge accounting.

Initial recognition and subsequent measurement

The Stabilus Group is using an interest rate swap to hedge against interest rate risks. Such derivative financial instruments are initially carried at fair value and remeasured at fair value through profit or loss in subsequent periods. Derivative financial instruments with a positive fair value are recognized as financial assets, while derivative financial instruments with a negative fair value are recognized as financial liabilities.

Hedges are classified as follows for accounting purposes:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that are attributable either to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of the hedge, both the hedge and the risk management goals and strategies of the Group for hedging are formally stipulated and documented.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio). A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of the hedged item.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the following amounts: the cumulative gain or loss on the hedging instrument from inception of the hedge or the cumulative change in the fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for according to the nature of the hedged item. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount cumulatively recognized in equity is removed from the separate component of equity and reclassified to the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and hence is not recognized in other comprehensive income for the period. This also applies in cases in which the hedged forecast transaction for a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For all other cash flow hedges, the amount cumulatively recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged forecast transaction affects profit or loss.

When hedge accounting for cash flow hedges ends, the amount cumulatively recognized in other comprehensive income remains there if the hedged future cash flows are still expected to occur. Otherwise the amount is immediately reclassified to profit or loss as a reclassification adjustment. After the end of hedge accounting, any amount remaining in cumulative other comprehensive income are accounted for as described above based on the nature of the underlying transaction when the hedged cash flows occur.

Changes in reporting

The reporting of the following items of the interim consolidated financial statements has been amended since the consolidated financial statements as of September 30, 2022 in order to improve the clarity and understanding of the financial statements. The figures for the prior year have been changed accordingly.

- Write-downs for development projects were previously reported in full under research and development expenses (March 31, 2022: €6.8 million) and are now reported under cost of sales (March 31, 2023: €6.5 million).
- The outstanding costs previously reported in other liabilities (September 30, 2022: €6.2 million) are now reported in full under trade payables.
- The liabilities to employees previous reported under other financial liabilities (September 30, 2022: €10.6 million) and social security contributions (September 30, 2022: €2.7 million) are now reported under other liabilities.

Rounding differences

Unless indicated otherwise, all amounts are shown in thousands of euro (€ thousand). For arithmetical reasons, the information presented in these interim consolidated financial statements can contain rounding differences of +/– one unit (€ thousand, % etc.).

Gender form

For the sake of simplicity, generally only one gender form is used in this report. All other gender forms are expressly intended.

Links to the website

Please note that all links to the Company's website and the information to which the links relate have not been audited or reviewed by the auditor.

CONSOLIDATED ENTITIES

These interim consolidated financial statements include the financial statements of Stabilus SE (formerly: Stabilus S. A.) and all subsidiaries which are directly or indirectly controlled by Stabilus. The consolidated group as of March 31, 2023 has not changed compared to the fiscal year ended September 30, 2022.

FOREIGN CURRENCY TRANSLATION

The interim consolidated financial statements are presented in euro (€). The most important functional currencies for the Stabilus Group were as follows:

Exchange rates T_024

		Closing rate as of March 31,		Average rate as of March 31,	
Country	ISO code	2023	2022	2023	2022
Australia	AUD	1.6268	1.4829	1.5614	1.5601
Argentina	ARS	223.9838	121.8857	185.7461	117.1662
Brazil	BRL	5.5158	5.3009	5.4718	6.1323
China	CNY	7.4763	7.0403	7.2990	7.2202
South Korea	KRW	1,420.2600	1,347.3700	1,377.7830	1,353.2100
Mexico	MXN	19.6392	22.0903	20.0640	23.3626
Romania	RON	4.9490	4.9463	4.9203	4.9477
Turkey	TRY	20.8632	16.2823	19.6321	14.2145
United States	USD	1.0875	1.1101	1.0468	1.1332

FORWARD-LOOKING STATEMENTS

This interim consolidated financial statements contain forward-looking statements. These statements reflect estimates and assumptions – including those of third parties (such as statistical data concerning the automotive industry or global economic developments) – either at the time that they were made or as of the date of this report. Forward-looking statements always entail uncertainty. If these estimates and assumptions later prove to either inaccurate or only partially accurate, the actual results can differ – even significantly – from expectations.

CHANGES IN ACCOUNTING POLICIES/NEW STANDARDS ISSUED

The accounting policies applied in the consolidated financial statements comply with the IFRSs required to be applied in the EU as of September 30, 2022. The revised standards, interpretations and amendments since the consolidated financial statements of the Company as of September 30, 2022 have no material impact on the interim consolidated financial statements of the Stabilus Group.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2 REVENUE

The Group's revenue developed as follows:

Revenue by region and business unit T_025

IN € THOUSANDS	Q2 for the period from January 1 to March 31, 2023	2022	H1 for the period from October 1 to March 31, 2023	2022
EMEA				
Automotive Gas Spring	32,313	30,968	58,474	56,925
Automotive Powerise®	29,735	23,893	56,533	45,748
Industrial	75,115	70,072	131,321	127,681
Total EMEA[1]	**137,163**	**124,933**	**246,328**	**230,354**
Americas				
Automotive Gas Spring	30,914	25,910	58,634	48,952
Automotive Powerise®	43,814	37,654	85,849	65,057
Industrial	39,219	31,682	78,621	58,448
Total Americas[1]	**113,947**	**95,246**	**223,104**	**172,457**
APAC				
Automotive Gas Spring	23,028	25,132	51,192	52,598
Automotive Powerise®	30,654	30,241	69,668	57,677
Industrial	5,830	5,650	10,991	11,824
Total APAC[1]	**59,512**	**61,023**	**131,851**	**122,099**
Stabilus Group				
Total Automotive Gas Spring	86,255	82,010	168,300	158,475
Total Automotive Powerise®	104,203	91,788	212,050	168,482
Total Industrial	120,164	107,404	220,933	197,953
Revenue[1]	**310,622**	**281,202**	**601,283**	**524,910**

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

3 FINANCE INCOME

Finance income increased by +€0.9 million from +€3.6 million in the first half of fiscal 2022 to +€4.5 million in the first half of fiscal 2023.Finance income includes interest refunds on tax receivables (restructuring clause) amounting to +€3.4 million. The main effect in the prior year derived from net foreign exchange gains of +€2.3 million from the translation of cash and cash equivalents and from other financial liabilities (lease liabilities).

Finance income T_026

	Q2 for the period from January 1 to March 31,		H1 for the period from October 1 to March 31,	
IN € THOUSANDS	2023	2022	2023	2022
Interest income on loans and financial receivables	659	94	1,101	218
Net foreign exchange gain	–	1,039	–	2,334
Refund interest current tax assets	3,358	–	3,358	–
Other interest income	7	1,041	25	1,047
Finance income	**4,024**	**2,174**	**4,484**	**3,599**

4 FINANCE COSTS

Finance costs rose by €(12.2) million from €(4.6) million in the first half of fiscal 2022 to €(16.8) million in the first half of fiscal 2023.

The increase essentially results from net currency losses from the translation of cash and cash equivalents of (€(12.2) million) and from other financial liabilities (lease liabilities of €0.3 million) of €(11.9) million.

Finance costs further contain ongoing interest expenses. Interest expense of €(3.9) million in the first half of fiscal 2023 (H1 FY2022: €(4.4) million), relates in particular to the term loan facility, €(4.0) million of which (H1 FY2022: €(2.6) million) relates to interest paid. In addition, in the prior year, an amount of €(1.7) million was due to the amortization of the adjustment of the carrying amount using the effective interest rate method and the derecognition of unamortized transaction costs. There was no comparable amount in the first half of fiscal 2023.

5 INCOME TAX

Following an income tax expense of €(16.5) million in the first half of fiscal 2022, the Stabilus Group reported income of €4.3 million in the first half of fiscal 2023 (change: €(20.8) million). The income tax result, which is now positive, is mainly due to the amended tax assessments for the years 2010 to 2014 following the conclusion of the appeal proceedings in connection with the application of the restructuring clause. With the conclusion of the appeal proceedings, there is now legal clarity regarding the expected tax refunds and existing uncertainties have been eliminated. As a result, tax receivables of €8.7 million (see Note 14) and deferred tax assets on interest carryforwards of €11.3 million (see Note 21) have been recognized. For further information on the tax effects and the related impact on finance income, please refer to the Interim Group Management Report (see "Restructuring clause" on page 4).

Finance costs T_027

IN € THOUSANDS	Q2 for the period from January 1 to March 31, 2023	2022	H1 for the period from October 1 to March 31, 2023	2022
Interest expense on financial liabilities	(2,046)	(2,020)	(3,347)	(3,807)
Net foreign exchange loss	(5,110)	–	(11,939)	–
Interest expenses lease liabilities	(285)	(309)	(566)	(624)
Other interest expenses	(932)	(73)	(960)	(135)
Finance costs	**(8,373)**	**(2,402)**	**(16,812)**	**(4,566)**

6 EARNINGS PER SHARE

The weighted average number of shares used to calculate earnings per share in the first six months ended March 31, 2023 and 2022 is shown in the following table:

Weighted average number of shares T_028

DATE	Number of days	Transaction	Change	Total shares	Total shares (time-weighted)
October 1, 2021	181			24,700,000	24,700,000
March 31, 2022				**24,700,000**	**24,700,000**
October 1, 2022	181			24,700,000	24,700,000
March 31, 2023				**24,700,000**	**24,700,000**

The earnings per share for the first six months of the fiscal years ended March 31, 2023 and 2022 were as follows:

Earnings per share T_029

	H1 for the period from October 1 to March 31,	
	2023	2022
Profit / (loss) attributable to share-holders of the parent (in € thousands)	57,424	43,525
Weighted average number of shares	24,700,000	24,700,000
Earnings per share (in €)	**2.32**	**1.76**

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.

7 PROPERTY, PLANT AND EQUIPMENT

The carrying amounts of property, plant and equipment are presented in the following table:

Property, plant and equipment – carrying amount T_030

IN € THOUSANDS	March 31,2023	Sept 30, 2022
Land, equivalent rights to real property	16,864	17,004
Buildings and land improvements	39,635	41,393
Technical equipment and machinery	90,594	100,224
Other tangible equipment	14,973	15,736
Construction in progress	27,761	22,902
Right-of-use-asset – Building and land improvements	29,026	26,031
Right-of-use-asset – Technical equipment and machinery	799	937
Right-of-use-asset – Other tangible equipment	4,428	4,652
Total	**224,080**	**228,879**

Property, plant and equipment include right-of-use assets due to the application of IFRS 16 (Leases). Please refer to Note 18 "Leases" for additional information on future lease payments.

Property, plant and equipment amounted to €224,080 thousand as of March 31, 2023 (September 30, 2022: €228,879 thousand). The Group invested €13,991 thousand (H1 FY2022: €11,994 thousand) in property, plant and equipment in the first six months of fiscal 2023.

Furthermore, the Group entered into new leases of €7,854 thousand (H1 FY2022: €1,554 thousand), in particular for buildings €6,776 thousand (H1 FY2022: €511 thousand) and for other property, plant and equipment €1,035 thousand (H1 FY2022: €1,043 thousand).

No government grants were provided for property, plant and equipment in the first half of fiscal 2023 or the first half of fiscal 2022.

Contractual commitments for the acquisition of property, plant and equipment amount to €11,393 thousand (September 30, 2022: €7,339 thousand).

Prepayments by the Stabilus Group for property, plant and equipment and intangible assets of €559 thousand (September 30, 2022: €775 thousand) are included in other non-current assets. Larger prepayments are typically secured by a bank guarantee or ensured by an in-depth check of the relevant supplier.

8 OTHER INTANGIBLE ASSETS

The carrying amounts of other intangible assets are presented in the following table:

Other intangible assets – carrying amount T_031

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Development cost	38,973	39,724
Development cost under construction	24,445	22,733
Software	7,249	7,642
Patents	371	392
Customer relationships	121,755	130,444
Technology	10,033	11,327
Trade name	3,897	4,595
Total	**206,723**	**216,857**

Other intangible assets amounted to €206,723 thousand as of March 31, 2023 (September 30, 2022: €216,857 thousand). Additions to intangible assets amounted to €9,574 thousand in the first six months of fiscal 2023 (H1 FY2022: €7,194 thousand). This essentially relates to capitalized costs for development projects of €7,980 thousand (H1 FY2022: €6,298 thousand) (less related customer contributions). The borrowing costs capitalized in the reporting period amounted to €52 thousand (H1 FY2022: €51 thousand).

Amortization of capitalized internal development projects amounted to €(5,707) thousand (H1 FY2022: €(6,246) thousand). Amortization expenses on development costs include impairment losses of €(131) thousand (H1 FY2022: €(182) thousand) due to the withdrawal of customers from the respective projects. The impairment loss is included in the research and development expenses.

Contractual commitments for the acquisition of intangible assets amount to €1,342 thousand (September 30, 2022: €1,636 thousand).

9 INVESTMENTS IN ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER INVESTMENTS

INVESTMENT IN COPMANIES ACCOUNTED FOR USING THE EQUITY METHOD

In November 2021, the Stabilus Group entered into a partnership with Cultraro Automazione Engineering S.r.l., (Cultraro) domiciled in Rivoli (near Turin), Italy. Cultraro is a leading manufacturer of dampers. Cultraro's products, such as rotary and linear dampers, are used in a variety of compact motion control applications in the automotive and other industries. Stabilus Group holds 32% (September 30, 2022: 32%) of the shares in Cultraro. A dividend of €410 thousand was paid in the first half of fiscal 2023.

Investments in companies accounted for using the equity method T_032

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Summary		
Non-current assets	22,969	23,164
Current assets	10,070	10,449
Non-current liabilities	6,747	6,331
Current liabilities	4,436	3,473
Net assets of the associate (100%)	**21,856**	**23,809**
Revenue	**5,740**	**13,119**
Profit / (loss) for the period	1,535	1,169
Total comprehensive income	**1,535**	**1,169**
Stabilus' share in total comprehensive income	491	374
Net assets of the associate (100%)	**21,856**	**23,809**
Stabilus' proportionate interest	32.0%	32.0%
Carrying amount of the Cultraro equity investment	**6,994**	**7,619**
PPA adjustments	(147)	(245)
Stabilus' share in total comprehensive income	491	374
Goodwill	9,351	9,351
Carrying amount of the Cultraro equity investment	**16,689**	**17,099**

OTHER INVESTMENTS

In conjunction with its digitalization strategy, the Stabilus Group entered into a partnership with the technology company Synapticon GmbH, Schönaich (near Stuttgart), Germany, in October 2021. The Stabilus Group holds a minority interest of around 11% (September 30, 2022: around 11%).

10 OTHER FINANCIAL ASSETS

Other financial assets T_033

	March 31, 2023			Sept 30, 2022		
IN € THOUSANDS	Current	Non-current	Total	Current	Non-current	Total
Other miscellaneous	600	–	600	600	–	600
Other financial assets	**600**	**–**	**600**	**600**	**–**	**600**

OTHER MISCELLANEOUS

Other miscellaneous financial assets as of March 31, 2023 comprise €538 thousand (September 30, 2022: €538 thousand) from the contingent consideration from the business combination with General Aerospace GmbH. Furthermore, an amount of €62 thousand (September 30, 2022: €62 thousand) relates to the security retention of the sale of trade accounts receivable from a factoring arrangement (€12.0 million (September 30, 2022: €12.7 million)). Stabilus considers that its other financial assets have a low credit risk based on the external credit ratings of the customers and impairments were insignificant.

11 OTHER ASSETS

Other assets T_034

IN € THOUSANDS	March 31, 2023 Current	March 31, 2023 Non-current	March 31, 2023 Total	Sept 30, 2022 Current	Sept 30, 2022 Non-current	Sept 30, 2022 Total
VAT	4,406	–	4,406	7,025	–	7,025
Prepayments	3,347	559	3,906	3,124	775	3,899
Refund interest current tax assets	3,358	–	3,358	–	–	–
Deferred charges	10,560	–	10,560	9,915	–	9,915
Other miscellaneous	3,802	683	4,485	2,472	638	3,110
Other assets	**25,473**	**1,242**	**26,715**	**22,536**	**1,413**	**23,949**

12 INVENTORIES

Inventories that are expected to be turned over within twelve months amounted to €173,300 thousand (September 30, 2022: €167,451 thousand). Inventories were composed as follows:

Inventories T_035

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Raw materials and supplies	89,542	85,643
Finished products	34,711	32,308
Work in progress	24,649	23,369
Merchandise	24,398	26,131
Inventories	**173,300**	**167,451**

13 TRADE AND OTHER RECEIVABLES

Trade and other receivables include the following items:

Trade and other receivables T_036

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Trade accounts receivable	178,596	195,087
Other receivables	3,907	6,148
Allowance for doubtful accounts	(3,156)	(3,579)
Trade and other receivables	**179,347**	**197,656**

14 CURRENT TAX ASSETS

Current tax assets amounted to €13,520 thousand as of March 31, 2023 (September 30, 2022: €8,074 thousand) and are measured at the amount expected to be recovered from the taxation authorities when the amount already paid in respect of current and prior periods exceeds the amount due for those periods. The main increase is due to the application of the restructuring clause (tax years 2010-2014) in the amount of €8,662 thousand.

15 EQUITY

The development of the equity is presented in the statement of changes in equity.

ISSUED CAPITAL

Issued capital amounted to €24.7 million as of March 31, 2023 (September 30, 2022: €24.7 million) and was fully paid in.

AUTHORIZED CAPITAL

By way of resolution of the Annual General Meeting on February 15, 2023, the authorized capital (Authorized Capital 2023/1) of the Company was increased by €4,940 thousand until February 14, 2028 and now amounts to €32,110 thousand (September 30, 2022: €27,170 thousand), represented by a maximum of 32.1 million shares, each with nominal value of €1.00.

AUTHORIZATION TO ACQUIRE OWN SHARES

Furthermore, it was resolved to cancel the resolution to acquire and use treasury shares adopted under Luxembourg law on February 12, 2020, and to revise this resolution in line with the provisions German corporate law in accordance with Sections 71 et seq. of the *Aktiengesetz* (AktG – German Stock Corporation Act). Stabilus SE was authorized until February 14, 2028 to acquire and use treasury shares in line with the provisions German corporate law. The treasury shares must not exceed 10% of the share capital of the Company at any time.

The Company did not acquire any treasury shares in the first half of fiscal 2023 or in the whole of fiscal 2022.

CAPITAL RESERVES

The capital reserves amounted to €201,395 thousand as of March 31, 2023 (September 30, 2022: €201,395 thousand). The capital reserves are reported separately to show the total amount of capital that shareholders have contributed to the Company in addition to the Company's issued capital.

RETAINED EARNINGS

Retained earnings amounted to €435,328 thousand as of March 31, 2023 (September 30, 2022: €421,129 thousand) and included the Group's net result for the first half of fiscal 2023 of €58,117 thousand.

DIVIDENDS

By way of resolution of the Annual General Meeting on February 15, 2023, a dividend distribution of €1.75 per share (PY: €1.25 per share) was resolved; the distribution ratio is 42.0% (PY: 42.1%) of the consolidated profit attributable to the shareholders of Stabilus SE. A dividend of €43.23 million (PY: €30.88 million) was thus paid to our shareholders in the first half of fiscal 2023.

NON-CONTROLLING INTERESTS

Non-controlling interests amounted to €5,799 thousand as of March 31, 2023 (September 30, 2022: €4,165 thousand). The changes in the first half of fiscal 2023 essentially related to the profit from operating activities attributable to non-controlling interests and the change from currency translation.

OTHER RESERVES

The following table shows a breakdown of the line item "Other reserves" and the movements in such reserves during the reporting period.

Other reserves

T_037

IN € THOUSANDS	Cumulative foreign currency translation adjustment[1]	Unrealized actuarial gains and losses[2]	Hedge of cash flows from financial instruments[1]	Total
Balance as of Sept 30, 2021	**(23,540)**	**(14,582)**	–	**(38,122)**
Before tax	42,230	16,691	–	58,921
Tax (expense) / benefit	–	(5,029)	–	(5,029)
Other comprehensive income / (expense), net of taxes	42,230	11,662	–	53,892
Non-controlling interests	(1,215)	–	–	(1,215)
Balance as of Sept 30, 2022	**17,475**	**(2,920)**	–	**14,555**
Before tax	(24,717)	(1,222)	(694)	(26,633)
Tax (expense) / benefit	–	377	212	589
Other comprehensive income / (expense), net of taxes	(24,717)	(845)	(482)	(26,044)
Non-controlling interests	1,176	–	–	1,176
Balance as of March 31, 2023	**(6,066)**	**(3,765)**	**(482)**	**(10,313)**

[1] Item that can be recycled to profit and loss at a future point in time when specific conditions are met.
[2] Item that will not be recycled to profit or loss.

Exchange differences arising on the translation of the financial statements of the Group's foreign operations are recognized in other comprehensive income and shown in a separate reserve within equity which is reported in the table above as the cumulative foreign currency translation adjustment. On disposal of a foreign operation, the related amount is reclassified out of the cumulative foreign currency translation adjustment into profit or loss where it is recognized as part of the gain or loss on disposal.

Hedge accounting is used for hedges of cash flows from financial instruments. When hedge accounting for cash flow hedges ends, the amount cumulatively recognized in other comprehensive income remains there if the hedged future cash flows are still expected to occur. Otherwise the amount is immediately reclassified to profit or loss as a reclassification adjustment. The ineffective portion is recognized directly in profit or loss.

The unrealized actuarial gains and losses relate to the Stabilus defined benefit pension plan. The total amount of other reserves cannot be reconciled directly to other reserves in the consolidated statement of financial position due to the cumulative currency translation adjustment of non-controlling interests.

16 FINANCIAL LIABILITIES

The financial liabilities comprise the following items:

Financial liabilities T_038

IN € THOUSANDS	March 31, 2023 Current	March 31, 2023 Non-current	March 31, 2023 Total	Sept 30, 2022 Current	Sept 30, 2022 Non-current	Sept 30, 2022 Total
Senior facilities	–	100,000	100,000	–	100,000	100,000
Promissory note loan	–	150,000	150,000	–	150,000	150,000
Other facilities	1,498	4,106	5,604	1,730	5,118	6,848
Financial liabilities	**1,498**	**254,106**	**255,604**	**1,730**	**255,118**	**256,848**

On June 28, 2022, Stabilus entered into a new facilities agreement with Commerzbank Aktiengesellschaft, DZ Bank AG, Landesbank Baden-Württemberg, Landesbank Hessen-Thüringen Girozentrale and UniCredit Bank AG as the mandated lead arrangers and facility agent. The facilities agreement is for an amount of €450.0 million with a basic term of five years and a prolongation option of two additional years until not longer than 2029. The facilities comprise a syndicated loan facility of €100.0 million and a syndicated revolving loan facility of €350.0 million. Depending on the Company's gearing, the facility bears interest at between 50 and 150 basis points above Euribor.

As of March 31, 2023, the Group had no liabilities under the committed revolving credit facility of €350.0 million (September 30, 2022: -). The Group utilized €0.7 million of the revolving credit facility of €350.0 million to secure existing guarantees.

On March 4, 2021, Stabilus issued a promissory note loan (*Schuldscheindarlehen*) with a total volume of €95.0 million through its subsidiary Stabilus GmbH and with Stabilus SE (formerly: Stabilus S. A.) acting as guarantor. The tranches of the promissory note loan with maturities of five and seven years bear variable interest rates. An interest rate derivative contract was entered into to hedge interest rates on the promissory note loan of €83.0 million in the second quarter of fiscal 2023.

On January 28, 2022, Stabilus issued a second promissory note loan with a volume of €55.0 million through its subsidiary Stabilus GmbH. Stabilus SE (formerly: Stabilus S. A.) will also serve as the guarantor. This promissory note loan has a maturity of five years and bears interest at a floating rate.

Stabilus now has a total promissory note loan volume of €150.0 million. Further details are described in the table below:

Overview tranches of promissory note loan T_039

IN € THOUSANDS

Tranche	Volume	Interest rate	Expiry date
5 years variable	83,000	6M-Euribor + 100 bp	March 4, 2026
5 years variable	55,000	6M-Euribor + 80 bp	January 28, 2027
7 years variable	12,000	6M-Euribor + 125 bp	March 4, 2028
Total	**150,000**		

17 OTHER FINANCIAL LIABILITIES

The increase is essentially due to new leases entered into. Liabilities to employees and social security contributions were still reported under other financial liabilities as of September 30, 2022 but are reported under other liabilities as of March 31, 2023.

Other financial liabilities T_040

IN € THOUSANDS	March 31, 2023			Sept 30, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Lease liabilities	7,638	27,943	35,581	7,877	25,678	33,555
Derivative liabilities	102	592	694	–	–	–
Other financial liabilities	**7,740**	**28,535**	**36,275**	**7,877**	**25,678**	**33,555**

18 LEASES

The future minimum lease payments under non-cancellable leases are expected to amount to €39.8 million (September 30, 2022: €36.9 million) in the next few years. €8.8 million (September 30, 2022: €8.9 million) of this is payable within the next fiscal year.

The Stabilus Group expects interest expenses on lease liabilities of €1.1 million for the fiscal year (September 30, 2022: €1.0 million).

The lease liabilities amounted to €35.6 million as of March 31, 2023 (September 30, 2022: €33.6 million). €7.6 million (September 30, 2022: €7.9 million) of this amount is payable within the next fiscal year.

Outflows for lease payments T_041

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Within one year	8,755	8,914
After one year but not more than five years	21,926	21,790
More than five years	9,138	6,191
Total	**39,839**	**36,895**

Interest expense on lease liabilities T_042

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Within one year	1,137	1,037
After one year but not more than five years	2,478	2,052
More than five years	643	251
Total	**4,258**	**3,340**

Maturity of lease liabilities T_043

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Within one year	7,638	7,877
After one year but not more than five years	19,448	19,738
More than five years	8,495	5,940
Total	**35,581**	**33,555**

19 PROVISIONS

The development of current and non-current provisions is shown in the table below. The discount rate used for the calculation of non-current provisions for early retirement contracts (4.01%) was taken from the actuarial opinion (FY2022: 2.73%). For all other non-current provisions, the interest rate was between 3.5% and 4.75% as of March 31, 2023 (FY2022: 0.0%).

Provisions T_044

IN € THOUSANDS	March 31, 2023			Sept 30, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Anniversary benefits	12	105	117	18	109	127
Early retirement contracts	1,319	1,115	2,434	1,379	1,236	2,615
Employee-related costs	10,398	3,008	13,406	15,135	–	15,135
Environmental protection	292	698	990	465	779	1,244
Revenue-related risks	1,302	–	1,302	3,965	–	3,965
Legal and litigation costs	72	–	72	76	–	76
Warranties	10,855	8,446	19,301	20,173	–	20,173
Other miscellaneous	4,261	524	4,785	6,992	566	7,558
Provisions	**28,511**	**13,896**	**42,407**	**48,203**	**2,690**	**50,893**

The provisions for staff costs essentially relate to short-term bonus commitments and share-based remuneration.

The provision for environmental protection, in particular for the long-term bioremediation of the former Colmar US site, declined from €1,244 thousand to €990 thousand in the first six months of fiscal 2023, essentially as a result of utilization. This provision relates to the contractor's costs for the bioremediation program over the coming years.

20 PENSION PLANS AND SIMILAR OBLIGATIONS

The Group's liabilities for pension plans and similar obligations increased by €1,084 thousand from €37,158 thousand as of September 30, 2022 to €38,242 thousand as of March 31, 2023. The discount rate was 4.35% on March 31, 2023 after 4.11% on September 30, 2022.

21 DEFERRED TAX LIABILITIES

Deferred tax liabilities amounted to €39,408 thousand as of March 31, 2023 (September 30, 2022: €54,370 thousand). The decrease is mainly due to the deferred tax assets recognized on interest carryforwards in the amount of €11,273 thousand from the application of the restructuring clause (tax years 2010 to 2014), which were netted against existing deferred tax liabilities.

22 OTHER LIABILITIES

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

Other liabilities T_045

	March 31, 2023			Sept 30, 2022		
IN € THOUSANDS	Current	Non-current	Total	Current	Non-current	Total
Liabilities to employees	12,436	–	12,436	10,625	–	10,625
Social security contributions	2,488	–	2,488	2,736	–	2,736
Advance payments received	3,355	–	3,355	3,349	–	3,349
Vacation expenses	6,010	–	6,010	4,329	–	4,329
Other personnel-related expenses	6,711	–	6,711	8,129	–	8,129
Other miscellaneous	213	–	213	403	–	403
Other liabilities	**31,213**	**–**	**31,213**	**29,571**	**–**	**29,571**

Liabilities to employees and social security contributions were still reported under other financial liabilities as of September 30, 2022 but are reported under other liabilities as of March 31, 2023. The outstanding costs previously reported in other liabilities are now reported in full under trade payables as of March 31, 2023. The liabilities to employees essentially comprise outstanding salaries and wages.

23 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

Contingent liabilities are possible obligations 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 is probable and can be estimated, the liability is reported as a provision in the statement of financial position.

GUARANTEES

A detailed description of the guarantees granted by the Group can be found in the consolidated financial statements as of September 30, 2022. There were no material changes in the first half of fiscal 2023.

OTHER FINANCIAL COMMITMENTS

The purchase commitment for property, plant and equipment and other intangible assets increased from €8,975 thousand as of September 30, 2022 to €12,735 thousand as of March 31, 2023.

The nominal values of other financial commitments are as follows:

Contingent liabilities and other financial commitments T_046

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Purchase commitment for non-current assets	11,393	7,339
Purchase commitment for other intangible assets	1,342	1,636
Total	**12,735**	**8,975**

24 FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of the Group's financial instruments within the meaning of IFRS 7 and by measurement category. 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_047

IN € THOUSANDS	MEASUREMENT CATEGORY ACC. TO IFRS 9	March 31, 2023 Carrying amount	March 31, 2023 Fair value [1]	Sept 30, 2022 Carrying amount	Sept 30, 2022 Fair value [1]
Other investments	FVtPL	6,000	6,000	6,000	6,000
Trade and other receivables	AC	179,347	–	197,656	–
Cash and cash equivalents	AC	155,425	–	168,352	–
Other financial assets	AC	62	–	62	–
Contingent consideration	FVtPL	538	538	538	538
Total financial assets		**341,372**	**6,538**	**372,608**	**6,538**
Financial liabilities	FLAC	255,604	258,508	256,848	258,448
Trade accounts payable	FLAC	108,923	–	120,257	–
Lease liabilities	n/a	35,581	–	33,555	–
Derivatives designated as hedges	n/a	694	–	–	–
Total financial liabilities		**400,802**	**258,508**	**410,660**	**258,448**
Aggregated according to categories in IFRS 9:					
Financial assets measured at amortized cost (AC)		334,834	–	366,070	–
Financial assets measured at fair value through profit or loss (FVtPL)		6,538	6,538	6,538	6,538
Financial liabilities measured at amortized cost (FLAC)		364,527	258,508	377,105	258,448

[1] The simplification option under IFRS 7.29a was utilized. This does not apply to other equity investments or contingent consideration.

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_048

	March 31, 2023				Sept. 30, 2022			
IN € THOUSANDS	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]
Financial liabilities								
Senior facilities	100,804	–	100,804	–	98,651	–	98,651	–
Promissory note loan	152,023	–	152,023	–	152,456	–	152,456	–
Other facilities	5,680	–	5,680	–	7,341	–	7,341	–
Derivatives designated as hedges	694	–	694	–	–	–	–	–
Financial assets								
Investments	6,000	–	6,000	–	6,000	–	6,000	–
Contingent consideration	538	–	538	–	538	–	538	–

[1] Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical instruments.
[2] 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).
[3] Fair value measurement based on inputs that are not observable market data.

It is the Group's policy to recognize transfers into and out of a level of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 2 and Level 3 of the fair value hierarchy in the current and the prior fiscal year.

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. The following methods and assumptions were used to estimate the fair values in the current and prior fiscal year:

- The senior secured notes and the promissory note loan are categorized within Level 2 of the fair value hierarchy as the instruments themselves are not traded in an active market, but as all significant inputs required for their fair value measurement are observable in active markets. Their fair value is estimated using a present value method by discounting the contractual cash flows using the implied yields for similar instruments of entities with a similar standing and marketability. The most significant input is the discount rate that reflects the credit risk of the issuer. The Group receives the valuation for its senior secured notes from an independent service provider on a quarterly basis.
- The fair value of the contingent consideration is subject to variation; the amount recognized is fixed in the purchase agreement.
- The other equity investment has been assigned to Level 2. Cost is used as the best estimate for fair value in accordance with IFRS 9 B5.2.3. The fair value is monitored on the basis of information on similar external capital transactions performed by the equity investment.
- The interest rate swap is measured according to Level 2 on the basis of its nature. Standard market methods are used in which the valid market interest rates (3M/6M-Euribor and €STR interest rate) as of the measurement date are used as inputs.

The carrying amounts of trade receivables, cash, other financial assets and trade payables are approximately their fair value due to their predominantly short-term nature.

25 RISK REPORTING

FINANCIAL RISKS

There were no material changes in the first half of fiscal 2023. A detailed description of the risk reporting of the Stabilus Group can be found in the consolidated financial statements as of September 30, 2022.

Credit risks

The Group does not have any critical credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies and are also typically lenders to the Group. Therefore, the credit quality of financial assets which are neither past due nor impaired is considered to be high.

In the first half of fiscal 2023, the Group had one customer which accounted for around 10% of total external revenue, one customer which accounted for around 7% and one customer which accounted for around 6% of total external revenue. Revenue with these customers amounted to €60,661 thousand (H1 FY2022: €48,092 thousand), €43,985 thousand (H1 FY2022: €26,456 thousand) and €37,220 thousand (H1 FY2022: €43,062 thousand).

Exchange rate risk

As a result of its subsidiaries, the Group has significant assets and liabilities outside the euro area, especially in US dollars. These assets and liabilities are denominated in local currencies.

The Group also has transactional currency exposures which arise from sales or purchases denominated in currencies other than the functional currency and loans denominated in foreign currencies. In order to mitigate the impact of currency exchange rate fluctuations for the operating business, the Group continually assesses its exposure and attempts to balance revenue and costs in a currency to thus reduce the currency risk as much as possible.

Besides the statement of financial position, the Group’s revenue and costs are also impacted by currency fluctuations.

Stabilus’ main exposure to currency risk is around $26 million as of March 31, 2023 (H1 FY2022: $20 million). An increase/decrease in the value of the US dollar compared to the euro of plus or minus 1% would lead to an increase/decrease in EBIT of approximately €0.3 million (H1 FY2022: approximately €0.2 million).

Interest rate risk

The Group is exposed to interest rate risks that mainly relate to debt obligations as the Group’s financing is primarily based on Euribor-based credit agreements.

The interest rate risk is assessed and managed by central financial risk management by analyzing the cash flow sensitivity of the Group’s cash flows due to floating interest loans.

Stabilus’ exposure to interest rate risk includes variable-rate liabilities with a notional amount of €250.0 million. An increase/decrease in floating interest rates (Euribor) of plus or minus 1% would lead to an increase/decrease in finance costs of approximately €7.3 million.

As of March 31, 2023, Stabilus has an interest rate swap with a nominal volume of €83 million, which was entered into with a term matching the promissory note loan (maturing March 2026) with a nominal volume of €83 million. The fixed interest rate for the interest rate swap is 3.484%. The interest rate swap hedges the Euribor interest rate risk until March 2026.

Liquidity risks

The Management Board has established an appropriate liquidity risk management framework for the management of the Group’s short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities and by monitoring forecast cash flows of the Group companies at regular intervals.

In the first half of fiscal 2023 and fiscal 2022, the COVID-19 pandemic and the Russia/Ukraine war did not have any material adverse effects on the liquidity of the Stabilus Group.

26 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 of €3,980 thousand in the first half of fiscal 2023 (H1 FY2022: €2,578 thousand) are shown in the cash flow from financing activities. Income tax payments of €14,371 thousand were incurred in the same period (H1 FY2022: €18,424 thousand) and are recognized in the cash flow from operating activities.

27 SEGMENT REPORTING

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), the Americas (North and South America) and APAC (Asia-Pacific). Based on Stabilus' guiding strategy of "in the region, for the region", we have established our facilities in the proximity of the Group's customers and have done so continuously over past years. Management reporting is based on the segment reporting structure. The customer structure, products and services offered (product portfolio) are largely the same in all 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 resulting from purchase price allocation (PPA).

Segment information for the first six months as of March 31, 2023 and 2022 is as follows:

Segment reporting T_049

	EMEA		Americas		APAC	
	H1 for the period October 1 to March 31,		H1 for the period October 1 to March 31,		H1 for the period October 1 to March 31,	
IN € THOUSANDS	2023	2022	2023	2022	2023	2022
External revenue [1]	246,327	230,354	223,104	172,457	131,852	122,099
Intersegment revenue [1]	18,429	17,098	16,556	15,214	744	23
Total revenue [1]	264,756	247,452	239,660	187,671	132,597	122,122
Depreciation and amortization (incl. impairment losses)	(16,813)	(17,435)	(8,604)	(8,181)	(6,240)	(5,462)
EBIT	19,128	22,827	25,172	17,493	24,220	23,674
Adjusted EBIT	22,119	25,674	26,951	19,150	24,298	23,754

	Segment total		Other/consolidation		Stabilus Group	
	H1 for the period October 1 to March 31,		H1 for the period October 1 to March 31,		H1 for the period October 1 to March 31,	
IN € THOUSANDS	2023	2022	2023	2022	2023	2022
External revenue [1]	601,283	524,910	–	–	601,283	524,910
Intersegment revenue [1]	35,729	32,335	(35,729)	(32,335)	–	–
Total revenue [1]	637,012	557,245	(35,729)	(32,335)	601,283	524,910
Depreciation and amortization (incl. impairment losses)	(31,657)	(31,078)	(2,329)	(2,329)	(33,986)	(33,407)
EBIT	68,520	63,994	(2,329)	(2,329)	66,191	61,665
Adjusted EBIT	73,368	68,578	–	–	73,368	68,578

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

The column "Other/Consolidation" includes among others the effects from the purchase price allocation for the April 2010 business combination. The effects from the purchase price allocation for the June 2016 and April 2019 business combinations 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_050

IN € THOUSANDS	H1 for the period October 1 to March 31, 2023	2022
Adjusted EBIT of all segments	**73,368**	**68,578**
Other / consolidation	–	–
Group adjusted EBIT	**73,368**	**68,578**
Adjustments to EBIT	(7,177)	(6,913)
Profit from operating activities (EBIT)	**66,191**	**61,665**
Finance income	4,484	3,599
Finance costs	(16,812)	(4,566)
Profit before income tax	**53,863**	**60,698**

The information about geographical areas is set out in the following tables:

Geographical information: Revenue by country T_051

IN € THOUSANDS	H1 for the period October 1 to March 31, 2023	2022
Germany	173,493	168,230
Romania	66,579	56,337
UK	2,024	2,222
Turkey	3,807	3,189
Netherlands	424	376
EMEA	**246,327**	**230,354**
Mexico	123,498	92,767
United States	93,107	75,237
Brazil	4,800	3,419
Argentina	1,699	1,034
Americas	**223,104**	**172,457**
China	100,956	103,303
South Korea	24,847	12,895
Australia	1,579	1,515
Japan	3,509	3,365
New Zealand	961	1,021
APAC	**131,852**	**122,099**
Revenue	**601,283**	**524,910**

Geographical information: Non-current assets by country T_052

IN € THOUSANDS	March 31, 2023	Sept 30, 2022
Germany	221,288	225,170
Romania	31,516	32,557
Spain	–	–
Luxembourg	–	–
Netherlands	0	0
UK	4,576	4,797
Turkey	1,737	1,997
France	66	63
Goodwill	121,717	122,000
EMEA	**380,900**	**386,584**
United States	67,163	76,342
Mexico	44,825	44,810
Brazil	3,327	3,027
Argentina	521	746
Goodwill	74,794	82,038
Americas	**190,630**	**206,963**
China	67,798	68,847
South Korea	9,372	9,009
Australia	1,130	1,178
Singapore	19	49
Japan	1,165	1,317
New Zealand	575	339
Goodwill	12,627	12,768
APAC	**92,686**	**93,507**
Total	**664,216**	**687,054**

The non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets or rights arising under insurance contracts.

28 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 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. To our knowledge, no individual shareholder of Stabilus SE can exercise significant influence over the Company or the Group. The consolidated financial statements also include an associate (Cultraro Automazione Engineering S.r.l.) that is accounted for using the equity method. None of the Group entities can exercise significant influence over entities not included in consolidation. A transaction (profit distribution) of €410 thousand was performed with an associate in the first half of fiscal 2023.

Related parties of the Stabilus Group primarily comprise members of the Stabilus Group’s management, who also holds investments in the Company. The remuneration of and other transactions with key managers of the Company constitute related party transactions pursuant to IAS 24. In accordance with the resolution of the Annual General Meeting, the 2020 PSP tranche became due in February 2023 and was paid to the members of the Management Board in February. There were no other material reportable transactions with members of management in key positions in the first half of fiscal 2023.

29 SUBSEQUENT EVENTS

As of April 27, 2023, there were no events or developments that could have materially affected the measurement and presentation of the Group’s assets and liabilities as of March 31, 2023.

Koblenz, April 27, 2023

Stabilus SE

The Management Board

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, we, Dr. Michael Büchsner (Chief Executive Officer) and Stefan Bauerreis (Chief Financial Officer) warrant that the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Koblenz, April 27, 2023

Stabilus SE
The Management Board

DR. MICHAEL BÜCHSNER **STEFAN BAUERREIS**

REVIEW REPORT

We have reviewed the condensed interim consolidated financial statements of Stabilus SE, Frankfurt am Main, which comprise the consolidated statement of financial position as at 31 March 2023, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and selected explanatory notes, together with the interim group management report of Stabilus SE, Frankfurt am Main, for the period from 1 October 2022 to 31 March 2023, that are part of the semi-annual financial report pursuant to § 115 WpHG (Wertpapierhandelsgesetz: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and on the interim group management report in compliance with German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with those IFRSs applicable to interim financial reporting as adopted by the EU, and the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical assessments and thus does not provide the assurance attainable in a financial statements audit. Since, in accordance with our engagement, we have not performed a financial statements audit, we cannot issue an auditor´s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements of Stabilus SE, Frankfurt am Main, have not been prepared, in all material respects, in accordance with those IFRSs applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt am Main, 27 April 2023

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

STEFAN DORISSEN
Wirtschaftsprüfer
(German Public Auditor)

SVEN HENRICH
Wirtschaftsprüfer
(German Public Auditor)

FINANCIAL CALENDAR

Financial calendar T_053

DATE [1) 2)]	PUBLICATION/EVENT
May 2, 2023	Publication of interim report Q2 2023
July 31, 2023	Publication of quarterly statement Q3 2023
November 10, 2023	Publication of provisional annual results for FY 2023
December 8, 2023	Publication of 2023 Annual Report

1) Changes in dates cannot be ruled out. We recommend checking them on in the Investors/Financial Calendar section of our website (www.stabilus.com/investors/financial-calendar).
2) Please note that our fiscal year (FY) ends in September (e.g. FY 2023 comprises the twelve-month period from October 1, 2022 through September 30, 2023).

DISCLAIMER

This interim report has been published in German and English. The German version takes precedence in case of doubt.

Forward-looking statements

This interim report contains forward-looking statements related to Stabilus SE management's current plans, targets, forecasts and estimates. These statements take into account only information available up to and including the date on which this interim report was prepared. Stabilus SE management does not guarantee that these forward-looking statements will prove correct. The future performance of Stabilus SE and its subsidiaries and the results actually achieved are subject to a number of risks and uncertainties that could cause actual events or results to deviate from the forward-looking statements. Many of these factors are beyond the control of Stabilus SE and its subsidiaries and so cannot be predicted accurately. These factors include changes in economic circumstances and the competitive situation, changes in the law, fluctuations in interest or exchange rates, legal disputes and investigations and the availability of funding. These and other risks and uncertainties are discussed in this interim report. Other factors can also have a negative impact on our performance and results.

Stabilus SE does not intend, nor is it specifically required, to update or amend forward-looking statements to reflect events or developments that occur after this interim report is published.

Rounding

Certain figures in this interim report have been rounded up or down. This can result in discrepancies between the actual amounts of individual amounts in tables and the total amounts reported, as well as between figures in tables and figures in in-text analysis sections of this interim report. All percentage changes and performance indicators in this interim report were calculated based on the data available in millions of euro to one decimal place (€ million).

ADDITIONAL INFORMATION

Further information including news, reports and publications can be found in the Investors section of our website at www.stabilus.com/investors.

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