

1Q22

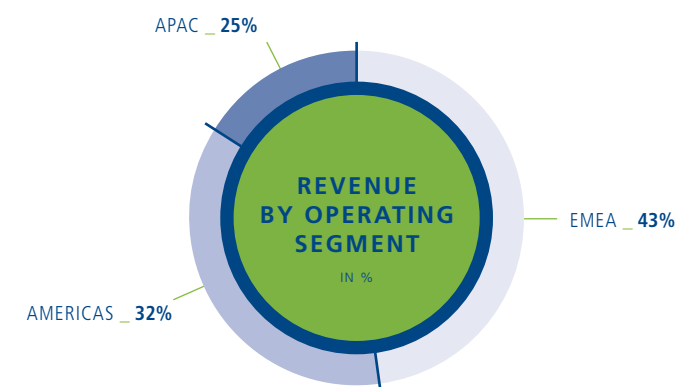
QUARTERLY STATEMENT Q1 FY2022

KEY FIGURES

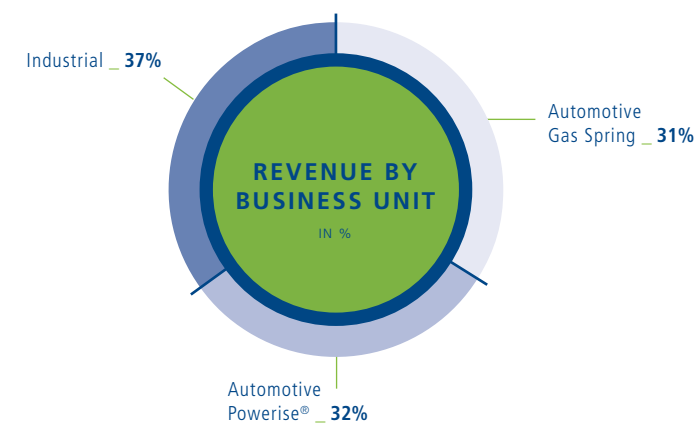
Three months ended Dec 31,

IN € MILLIONS	2021	2020	Change	% change
Revenue	243.7	235.4	8.3	3.5%
EBIT	25.9	28.1	(2.2)	(7.8)%
Adjusted EBIT	29.3	32.3	(3.0)	(9.3)%
Profit for the period	18.0	14.3	3.7	25.9%
Capital expenditure	(9.4)	(9.7)	0.3	(3.1)%
Free cash flow (FCF)	(15.2)	21.9	(37.1)	<(100.0)%
Adjusted FCF	7.4	21.9	(14.5)	(66.2)%
EBIT as % of revenue	10.6%	11.9%		
Adjusted EBIT as % of revenue	12.0%	13.7%		
Profit in % of revenue	7.4%	6.1%		
Capital expenditure as % of revenue	3.9%	4.1%		
FCF in % of revenue	(6.2)%	9.3%		
Adjusted FCF in % of revenue	3.0%	9.3%		
Net leverage ratio	0.7x	1.0x		

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



Revenue by business unit



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INTERIM MANAGEMENT STATEMENT

for the three months ended December 31, 2021

Alternative Performance Measures (APMs) in the interim management statement of the first quarter of fiscal year 2022

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

The APM organic growth is presented because we believe it aids in understanding our operating performance. Organic growth is defined as the reported revenue growth after removing the effects of acquisitions, divestitures and at constant foreign exchange rates. The effects resulting from constant foreign exchange rates are calculated as current year sales converted at current year exchange rates less current year sales converted at prior year exchange rates.

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

Key events in the first quarter of fiscal year 2022 / Impact of COVID-19 on the Stabilus Group

In the first quarter of fiscal year 2022 (October 1 to December 31, 2021) Stabilus is still affected by uncertainties of the COVID-19 pandemic and its various variants. The Group further offers vaccination on its sites for the employees to provide a safer working environment. The Group also continues with its global multidisciplinary crisis management team to monitor and analyze the situation on a weekly basis on a local and a global level and is taking actions to address and mitigate identified risks.

The risks of material price increases in the global supply chain, e.g. steel and resin, as well as the shortage of electronic components (semiconductors) are having negative impacts on the business of the Group, i.e. impact the production of our automotive customers and our planning stability. Furthermore, Stabilus emphasizes a very strict monitoring of cost, liquidity as well as impairment risks. All employees are well informed about safety measures in business and private life and the further use of home office.

Next to the actions regarding the COVID-19 pandemic, Stabilus set a strong focus on its sustainability initiatives for the next fiscal years. We believe that sustainability will be one of the major issues of the next decades. One of our aims is to become climate-neutral by 2030 and to source our energies from renewable sources.

The planned change of the legal form into a European Company (Societas Europaea) and the transfer of the registered office are to be implemented in 2022. The terms of conversion, including the Articles of Association of the future Stabilus SE and the required increase in the Company's share capital from own funds will be submitted for approval to an Extraordinary General Meeting. Another Extraordinary General Meeting is to resolve on the plan to transfer the registered office from Luxembourg to Germany, including the Articles of Association of Stabilus SE. Further information on the planned measures can be found at:

www.stabilus.com/investors/se.

As reported on October 7, 2021, Stabilus entered into a partnership with the technology company Synapticon GmbH, located in Schönaich (near Stuttgart), Germany. For this strategic partnership, Stabilus subscribed a minority stake of 12% of the shares in Synapticon via a capital increase. The transaction was completed in October 2021. The cash purchase price for 12% shares was €6.0 million. The partnership enables Stabilus to expand its digital competence, which offers significant opportunities especially for its Powerise® product line.

As reported on November 22, 2021, Stabilus entered into a partnership with Cultraro Automazione Engineering S.r.l. located in Rivoli (near Turin), Italy. For this strategic partnership, Stabilus acquired 32% of the shares from the company's founders. The cash purchase price for 32% shares was €16.6 million. The partnership focuses on expanding the product range in the field of motion control. The transaction was completed in November 2021. Currently, the Group is preparing the purchase price allocation in accordance with IAS 28 and intends the implementation as equity accounted investment in the second quarter of fiscal year 2022.

Due to the strong performance in the APAC region, the Group's total revenue increased by 3.5% to €243.7 million in the first quarter of fiscal year 2022. This is especially driven by the opening of our Powerise® production site in Pinghu, China, during the fiscal year 2021 which plays a central role in the growth of our Automotive Powerise® in the APAC region. In terms of our regions, revenue in APAC increased by 63.4% to €61.1 million and is offset by a decline in EMEA by (7.1)% to €105.5 million and Americas by (8.5)% to €77.2 million.

In terms of our business units, our Industrial business is back on course for growth after the weakness in prior year and increased organically by 10.3% to €90.5 million in the first quarter of fiscal year 2022. Our Automotive Powerise® business increased organically by 2.4% to €76.7 million in the first quarter of fiscal year 2022. In contrast to that our Automotive Gas Spring business decreased organically by (9.0)% to €76.5 million in the first quarter of fiscal year 2022. However, both automotive business

units outperformed the global automotive market assumptions. According to the forecast of IHS Markit the global light-vehicle production declined in the first quarter of fiscal year 2022 (October 2021 - December 2021) by approximately (13.2)% compared to prior year.

RESULTS OF OPERATIONS

The table below sets out Stabilus Group's consolidated income statement for the first quarter of fiscal year 2022 in comparison to the first quarter of fiscal year 2021:

Income statement

T_001

IN € MILLIONS	Three months ended Dec 31,			
	2021	2020	Change	% change
Revenue	243.7	235.4	8.3	3.5%
Cost of sales	(178.1)	(165.4)	(12.7)	7.7%
Gross profit	65.7	70.1	(4.4)	(6.3)%
Research and development expenses	(11.9)	(10.5)	(1.4)	13.3%
Selling expenses	(20.2)	(20.5)	0.3	(1.5)%
Administrative expenses	(9.9)	(10.0)	0.1	(1.0)%
Other income	2.6	1.2	1.4	>100.0%
Other expenses	(0.3)	(2.2)	1.9	(86.4)%
Profit from operating activities (EBIT)	25.9	28.1	(2.2)	(7.8)%
Finance income	1.4	0.1	1.3	>100.0%
Finance costs	(2.2)	(8.2)	6.0	(73.2)%
Profit / (loss) before income tax	25.2	20.0	5.2	26.0%
Income tax income / (expense)	(7.2)	(5.7)	(1.5)	26.3%
Profit / (loss) for the period	18.0	14.3	3.7	25.9%

Revenue

Total revenue of €243.7 million in the first quarter of fiscal year 2022 increased by €8.3 million or 3.5% compared to the first quarter of fiscal year 2021. The positive effect from exchange rate changes amounted to €5.5 million, which resulted in organic growth of €3.0 million or 1.2% in the first quarter of fiscal year 2022.

The increase in Group revenue in the first quarter of fiscal year 2022 arose exclusively in APAC with a growth of €23.7 million or 63.4%. The region was also affected by the relatively stronger Chinese renminbi. Consequently, the organic growth in APAC was €20.0 million or 53.4%. Revenue in EMEA decreased by €(8.1) million or (7.1)%, where the organic growth rate was (6.3)%, as well revenue in Americas decreased by €(7.2) million or (8.5)%. The Americas region is influenced by the stronger Mexican peso and US dollar compared to the euro which resulted in organic growth rate of (11.6)%.

Revenue by region and business unit

T_002

IN € MILLIONS	Three months ended Dec 31,					
	2021	2020	Change	% change	% currency effect	% organic growth
EMEA						
Automotive Gas Spring	26.0	33.5	(7.5)	(22.4)%	0.0%	(22.4)%
Automotive Powerise®	21.9	26.7	(4.8)	(18.0)%	(1.3)%	(16.7)%
Industrial	57.6	53.4	4.2	7.9%	(1.1)%	9.0%
Total EMEA¹⁾	105.5	113.6	(8.1)	(7.1)%	(0.8)%	(6.3)%
Americas						
Automotive Gas Spring	23.0	25.2	(2.2)	(8.7)%	3.3%	(12.0)%
Automotive Powerise®	27.4	35.3	(7.9)	(22.4)%	2.5%	(24.9)%
Industrial	26.8	23.9	2.9	12.1%	3.9%	8.2%
Total Americas¹⁾	77.2	84.4	(7.2)	(8.5)%	3.1%	(11.6)%
APAC						
Automotive Gas Spring	27.5	22.7	4.8	21.1%	7.1%	14.0%
Automotive Powerise®	27.4	10.6	16.8	158.5%	16.7%	141.8%
Industrial	6.2	4.1	2.1	51.2%	9.1%	42.1%
Total APAC¹⁾	61.1	37.4	23.7	63.4%	10.0%	53.4%
Stabilus Group						
Total Automotive Gas Spring	76.5	81.4	(4.9)	(6.0)%	3.0%	(9.0)%
Total Automotive Powerise®	76.7	72.6	4.1	5.6%	3.2%	2.4%
Total Industrial	90.5	81.4	9.1	11.2%	0.9%	10.3%
Revenue¹⁾	243.7	235.4	8.3	3.5%	2.3%	1.2%

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

Cost of sales and overhead expenses

Cost of sales

Cost of sales increased from €(165.4) million in the first quarter of fiscal year 2021 by 7.7% to €(178.1) million in the first quarter of fiscal year 2022. This increase is especially due to overall material price inflation over the last couple of months, e.g. steel and resin, which have a negative impact on cost of sales as well as the increased business volume compared to prior year. The cost of sales increase (7.7%) is higher than the increase in revenue (3.5%). The ratio was affected positively by the higher Industrial business, which has lower material cost than the Automotive business and was negatively influenced by current market circumstances on the commodity market. Consequently, the cost of sales as a percentage of revenue increased by 280 basis points to 73.1% (PY: 70.3%) and the gross profit margin declined to 27.0% (PY: 29.8%).

R&D expenses

R&D expenses (net of R&D cost capitalization) increased from €(10.5) million in the first quarter of fiscal year 2021 by 13.3% to €(11.9) million in the first quarter of fiscal year 2022. The Group invested on an ongoing basis in engineering activities aimed to develop new products and product applications, e.g. into the development of the Automotive Powerise® product range to open new areas of business for Stabilus, which is also reflected in an increased R&D headcount. As a result of the ongoing investment in the development of R&D the depreciation and amortization increased by €(0.8) million compared to prior year. The capitalization of R&D expenses (less related customer contribution) slightly decreased from €(3.5) million in the first quarter of fiscal year 2021 to €(3.4) million in the first quarter of fiscal year 2022. As a percentage of revenue, R&D expenses increased by 40 basis points to 4.9% (PY: 4.5%).

Selling expenses

Selling expenses slightly decreased from €(20.5) million in the first quarter of fiscal year 2021 by (1.5)% to €(20.2) million in the first quarter of fiscal year 2022. This decrease is also reflecting the ongoing reorganization of our Industrial business unit. As a percentage of revenue, selling expenses decreased by 40 basis points to 8.3% (PY: 8.7%).

Administrative expenses

Administrative expenses slightly decreased from €(10.0) million in the first quarter of fiscal year 2021 by (1.0)% to €(9.9) million in the first quarter of fiscal year 2022. As a percentage of revenue, administrative expenses slightly decreased by 10 basis points to 4.1% (PY: 4.2%).

Other income and expense

Other income increased from €1.2 million in the first quarter of fiscal year 2021 by €1.4 million to €2.6 million in the first quarter of fiscal year 2022. This mainly relates to the net foreign currency translation gains from the operating business, primarily in Americas, amounting to €0.8 million.

Other expense decreased from €(2.2) million in the first quarter of fiscal year 2021 by €1.9 million to €(0.3) million in the first quarter of fiscal year 2022. Prior year includes net foreign currency translation losses from the operating business, primarily in Americas, amounting to €(2.1) million.

Finance income and costs

Finance income increased from €0.1 million in the first quarter of fiscal year 2021 by €1.3 million to €1.4 million in the first quarter of fiscal year 2022. The increase is due to the net foreign exchange gains amounting to €1.3 million from the translation of intragroup loans, cash and cash equivalents as well as from other financial liabilities (lease liabilities).

Finance costs decreased from €(8.2) million in the first quarter of fiscal year 2021 by €6.0 million to €(2.2) million in the first quarter of fiscal year 2022. Prior year included net foreign exchange losses amounting to €(5.7) million from the translation of intragroup loans, cash and cash equivalents as well as from financial liabilities (lease liabilities). In addition, the decrease is driven by reduced interest expenses on financial liabilities as described below.

Finance costs primarily contain ongoing interest expense. Interest expense in the first quarter of fiscal year 2022 of €(2.1) million (PY: €(2.4) million) related to the term-loan facility as well as to the promissory note loan

issued in March 2021, of which €(1.0) million (PY: €(1.3) million) is cash interest. In addition, an amount of €(0.8) million (PY: €(1.2) million) is due to the amortization of debt issuance cost and the amortization of the adjustment of the carrying value using the effective interest rate method.

Income tax expense

The tax expense increased from €(5.7) million in the first quarter of fiscal year 2021 by €(1.5) million to €(7.2) million in the first quarter of fiscal year 2022. The Group's effective tax rate in the first quarter of fiscal year 2022 is 28.6% (PY: 28.5%).

Reconciliation of EBIT to adjusted EBIT

The following table shows the reconciliation of EBIT (earnings before interest and taxes) to adjusted EBIT for the first quarter of the fiscal years 2022 and 2021:

Reconciliation of EBIT to adjusted EBIT

T_003

IN € MILLIONS	Three months ended Dec 31,			
	2021	2020	Change	% change
Profit from operating activities (EBIT)	25.9	28.1	(2.2)	(7.8)%
PPA adjustments – depreciation and amortization	3.4	4.2	(0.8)	(19.0)%
Adjusted EBIT	29.3	32.3	(3.0)	(9.3)%

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

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

The PPA adjustments for depreciation and amortization in the first quarter of fiscal year 2022 amounted to €3.4 million (PY: €4.2 million). Of that amount, €1.2 million (PY: €1.7 million) stem from the April 2010 PPA,

which is decreased due to the full amortization of unpatented technology, and €2.1 million (PY: €2.0 million) result from the June 2016 PPA. Furthermore, €0.2 million (PY: €0.4 million) relate to the acquisitions in fiscal year 2019 and decreased due to the full amortization of other intangible assets from the acquisition of General Aerospace GmbH in a year on year comparison.

DEVELOPMENT OF OPERATING SEGMENTS

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

The table below sets out the development of our operating segments for the first quarter of fiscal year 2022 in comparison to the first quarter of fiscal year 2021:

Operating segments

T_004

IN € MILLIONS	Three months ended Dec 31,			
	2021	2020	Change	% change
EMEA				
External revenue ¹⁾	105.5	113.6	(8.1)	(7.1)%
Intersegment revenue ¹⁾	8.4	7.1	1.3	18.3%
Total revenue ¹⁾	113.9	120.7	(6.8)	(5.6)%
Adjusted EBIT	10.9	14.8	(3.9)	(26.4)%
as % of total revenue	9.6%	12.3%		
as % of external revenue	10.3%	13.0%		
Americas				
External revenue ¹⁾	77.2	84.4	(7.2)	(8.5)%
Intersegment revenue ¹⁾	7.2	5.6	1.6	28.6%
Total revenue ¹⁾	84.4	90.0	(5.6)	(6.2)%
Adjusted EBIT	5.5	11.1	(5.6)	(50.5)%
as % of total revenue	6.5%	12.3%		
as % of external revenue	7.1%	13.2%		
APAC				
External revenue ¹⁾	61.1	37.4	23.7	63.4%
Intersegment revenue ¹⁾	–	–	–	–
Total revenue ¹⁾	61.1	37.4	23.7	63.4%
Adjusted EBIT	12.9	6.5	6.4	98.5%
as % of total revenue	21.1%	17.4%		
as % of external revenue	21.1%	17.4%		

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

The external revenue generated by our companies located in the EMEA region decreased from €113.6 million in the first quarter of fiscal year 2021 by (7.1)% or €(8.1) million to €105.5 million in the first quarter of fiscal year 2022. The currency translation effect amounted to €(0.9) million resulting in an organic growth rate of (6.3)%. The decrease is mainly driven by our Automotive Gas Spring business which declined from €33.5 million by (22.4)% or €(7.5) million to €26.0 million. Organic growth of the Automotive Gas Spring business was (22.4)%. Our Automotive Powerise® business declined from €26.7 million by (18.0)% or €(4.8) million to €21.9 million. The organic growth rate of the Automotive Powerise® business was (16.7)%. The Automotive business is further affected by the impacts of the COVID-19 pandemic and the accompanying effects. The shortages of electronic components (semiconductors) influenced our customers business and dragged down the light-vehicle output across the EU. However, our business benefits from the EU-wide subsidy programs for electromobility, the market share of new registrations for electric vehicles growing continuously. In contrast to our Automotive Gas Spring and Powerise® business the industrial market increased and partly offset the decline. The Industrial business increased from €53.4 million by 7.9% or €4.2 million to €57.6 million. Organically the growth rate of the Industrial business was 9.0%. This growth is reflected in all our market subsegments except for healthcare, recreation & furniture which declined compared to prior year. Especially in the subsegment distributors, independent aftermarket, e-commerce we grew strongly and further expanded our market share. The adjusted EBIT of the EMEA segment decreased by (26.4)% or €(3.9) million and the adjusted EBIT margin, i.e. adjusted EBIT as a percent of external revenue, decreased in the first quarter of fiscal year 2022 to 10.3% (PY: 13.0%).

The external revenue of our companies located in Americas decreased from €84.4 million in the first quarter of fiscal year 2021 by (8.5)% or €(7.2) million to €77.2 million in the first quarter of fiscal year 2022. The currency translation effect amounted to €2.6 million resulting in a growth rate of (11.6)% and especially stems from the relatively stronger Mexican peso and US dollar in a year on year comparison. The decline was mainly driven by the Automotive Powerise® business which decreased from €35.3 million by (22.4)% or €(7.9) million to €27.4 million and organically by (24.9)%. The Automotive Gas Spring business decreased from €25.2 million by (8.7)% or €(2.2) million to €23.0 million. The organic growth rate was (12.0)%. The US light-vehicle sales decreased in our first quarter of fiscal year 2022 with double-digit declines in a year on year comparison and influenced the Automotive industry strongly due to the uncertainties in the global supply chain and from the shortages of electronic components (semiconductors) as well as the strong inflation in the US over the last couple of months. The market expectation is that the lack of the electronic components (semiconductors) will be stabilized in the second half of calendar year 2022. The Industrial business increased from €23.9 million by 12.1% or €2.9 million to €26.8 million, while it organically grew by 8.2%. The industrial market is further on course for recovery from the backdrop of the COVID-19 pandemic in the prior year. Stabilus benefits from the diversification of the product portfolio and growth in all subsegments e.g. growth in the subsegment distributors, independent aftermarket, e-commerce and in the commercial vehicles subsegment as well as in energy & consumption. The adjusted EBIT of the Americas segment decreased by (50.5)% or €(5.6) million and the adjusted EBIT margin decreased in the first quarter of fiscal year 2022 to 7.1% (PY: 13.2%).

The external revenue of our companies located in APAC increased from €37.4 million in the first quarter of fiscal year 2021 by 63.4% or €23.7 million to €61.1 million in the first quarter of fiscal year 2022. The currency translation effect amounted to €3.7 million resulting in an organic growth rate of 53.4% and occurred primarily from the stronger Chinese renminbi in a year on year comparison. The significant revenue increase in the APAC region was especially driven by the Automotive Powerise® business, which grew from €10.6 million by 158.5% or €16.8 million to €27.4 million. Organically the growth rate was 141.8%. The Automotive Gas Spring business grew from €22.7 million by 21.1% or €4.8 million to €27.5 million, while the organic growth rate was 14.0%. Whereas the Chinese light-vehicle market declined in a year on year comparison (October 1 to December 31, 2021), the Stabilus market share strongly increased due the wins of new OEM platforms, which led to higher take-rates of our Automotive Powerise® product range as well as of our Automotive Gas Spring products. Nevertheless, there are still market uncertainties due to the overall shortages of electronic components (semiconductors) as well as an uncertain market development from the requirements of the zero COVID-19 strategy, e.g. temporary closure of plants and seaports. The APAC Industrial business increased from €4.1 million by 51.2% or €2.1 million to €6.2 million, organic growth rate was 42.1%. Our industrial market recorded growth rates across all of our market subsegments, especially in the subsegment distributors, independent aftermarket, e-commerce. The adjusted EBIT of the APAC segment significantly increased by 98.5% or €6.4 million and the adjusted EBIT margin increased in the first quarter of fiscal year 2022 to 21.1% (PY: 17.4%).

FINANCIAL POSITION

Balance sheet

T_005

IN € MILLIONS

	Dec 31, 2021	Sept 30, 2021	Change	% change
Assets				
Non-current assets	690.1	669.7	20.4	3.0%
Current assets	497.6	496.9	0.7	0.1%
Total assets	1,187.7	1,166.6	21.1	1.8%
Equity and liabilities				
Total equity	567.0	544.3	22.7	4.2%
Non-current liabilities	429.2	428.8	0.4	0.1%
Current liabilities	191.5	193.5	(2.0)	(1.0)%
Total liabilities	620.7	622.3	(1.6)	(0.3)%
Total equity and liabilities	1,187.7	1,166.6	21.1	1.8%

Total assets

The Group's balance sheet total increased from €1,166.6 million as of September 30, 2021, by 1.8% or €21.1 million to €1,187.7 million as of December 31, 2021.

Non-current assets

Our non-current assets increased from €669.7 million as of September 30, 2021, by 3.0% or €20.4 million to €690.1 million as of December 31, 2021. This increase is especially due to the investment in an equity accounted investment (Cultraro Automazione Engineering S.r.l. +€16.6 million) and other investments (Synapticon GmbH +€6.0 million). This increase was partly offset by the ongoing amortization of €(7.3) million on other intangible assets mainly from purchase price allocations and by the ongoing depreciation of €(9.0) million on property, plant and equipment. In addition, the Group invested €3.4 million in intangible assets and €7.1 million in fixed assets for ongoing capacity expansion projects (including right-of-use assets).

Current assets

Current assets increased slightly from €496.9 million as of September 30, 2021, by 0.1% or €0.7 million to €497.6 million as of December 31, 2021. This was primarily driven by increased inventories amounting to €8.2 million in order to secure our global supply chain and from higher material prices for raw material and supplies. In addition, other assets increased (+€4.8 million) mainly due to deferred charges from payments for annual service costs and from increased current tax assets (+€3.0 million). Furthermore, trade and other receivables increased by €1.9 million. This increase was offset by a decreased cash balance (-€17.3 million) mainly driven by the investment in equity accounted and other investments.

Equity

The Group's equity increased from €544.3 million as of September 30, 2021, by 4.2% or €22.7 million to €567.0 million as of December 31, 2021. This increase mainly results from the profit of €18.0 million and

from the other comprehensive income, which increased by €4.7 million. This comprises unrealized gains from foreign currency translation amounting to €6.0 million offset by actuarial losses on pensions (net of tax) amounting to €(1.3) million.

Non-current liabilities

Non-current liabilities increased slightly from €428.8 million as of September 30, 2021, by 0.1% or €0.4 million to €429.2 million as of December 31, 2021. Our pension liabilities increased by €1.5 million as a consequence of the decreased discount rate (December 31, 2021: 1.07% versus September 30, 2021: 1.31%) and €0.8 million from the amortization of debt issuance costs and the amortization of the adjustment of the carrying value using the effective interest rate method. This increase was compensated by decreased other financial liabilities mainly due to the ongoing repayments of lease liabilities amounting to €(2.1) million, which was partially offset from new leasing contracts amounting to €0.4 million.

Current liabilities

Current liabilities decreased from €193.5 million as of September 30, 2021, by (1.0)% or €(2.0) million to €191.5 million as of December 31, 2021. Other liabilities decreased by €(3.9) million, especially due to payment of Christmas bonuses in Germany based on tariff agreements and from decreased trade accounts payable amounting to €(0.9) million. The overall decrease was partly compensated by increased provisions, mainly for sales-related provisions (+€0.8 million) and personnel-related expenses (+€2.4 million).

LIQUIDITY

Cash flows

T_006

IN € MILLIONS	Three months ended Dec 31,			
	2021	2020	Change	% change
Cash flow from operating activities	16.7	31.4	(14.7)	(46.8)%
Cash flow from investing activities	(31.9)	(9.5)	(22.4)	>100.0%
Cash flow from financing activities	(3.4)	(17.1)	13.7	(80.1)%
Net increase / (decrease) in cash	(18.5)	4.8	(23.3)	<(100.0)%
Effect of movements in exchange rates on cash held	1.2	0.1	1.1	>100.0%
Cash as of beginning of the period	193.2	162.4	30.8	19.0%
Cash as of end of the period	175.9	167.4	8.5	5.1%

Cash flow from operating activities

Cash flow from operating activities decreased from €31.4 million in the first quarter of fiscal year 2021 by (46.8)% or €(14.7) million to €16.7 million in the first quarter of fiscal year 2022. The decrease resulted from higher income tax payments of €(5.1) million. Prior year included a tax reimbursement in Germany amounting to €1.3 million. In the prior year tax prepayments were at a low level due to the COVID-19 pandemic. In addition, the decrease is due to the reduced volume of the sale of receivables program (Factoring) in a year on year comparison.

Cash flow from investing activities

Cash outflow for investing activities increased from €(9.5) million in the first quarter of fiscal year 2021 by €(22.4) million to €(31.9) million in the first quarter of fiscal year 2022. This increase is especially due to the investment for an equity accounted investment (Cultraro Automazione Engineering S.r.l. +€16.6 million) and other investments (Synapticon GmbH +€6.0 million).

Cash flow from financing activities

Cash outflow from financing activities strongly decreased from €(17.1) million in the first quarter of fiscal year 2021 by €13.7 million to €(3.4) million in the first quarter of fiscal year 2022. Prior year included a repayment of the revolving credit facility amounting to €13.4 million.

Free cash flow (FCF)

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

Free cash flow

T_007

IN € MILLIONS	Three months ended Dec 31,		Change	% change
	2021	2020		
Cash flow from operating activities	16.7	31.4	(14.7)	(46.8)%
Cash flow from investing activities	(31.9)	(9.5)	(22.4)	>100.0%
Free cash flow	(15.2)	21.9	(37.1)	<(100.0)%

Adjusted free cash flow

Adjusted free cash flow is defined as the total of cash flow from operating and investing activities before acquisitions. The adjusted free cash flow decreased from €21.9 million in the first quarter of fiscal year 2021 to €7.4 million in the first quarter of fiscal year 2022 mainly driven by the investment for an equity accounted investment (Cultraro Automazione Engineering S.r.l. +€16.6 million) and other investments (Synapticon GmbH +€6.0 million).

Adjusted free cash flow

T_008

IN € MILLIONS	Three months ended Dec 31,		Change	% change
	2021	2020		
Cash flow from operating activities	16.7	31.4	(14.7)	(46.8)%
Cash flow from investing activities	(31.9)	(9.5)	(22.4)	>100.0%
Free cash flow	(15.2)	21.9	(37.1)	<(100.0)%
Acquisition of equity-accounted and other investments	22.6	–	22.6	n/a
Adjusted FCF	7.4	21.9	(14.5)	(66.2)%

Net leverage ratio

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

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

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

The net leverage ratio improved from 1.0x for the twelve months ending December 31, 2020 to 0.7x for the twelve months ending December 31, 2021 (September 30, 2021 at 0.6x). Further details are set out in the following tables:

Net leverage ratio

T_009

IN € MILLIONS	Dec 31, 2021	Dec 31, 2020	Change	% change
Financial debt	300.0	319.6	(19.6)	(6.1)%
Cash and cash equivalents	(175.9)	(167.4)	(8.5)	5.1%
Net financial debt	124.1	152.2	(28.1)	(18.5)%
Adjusted EBITDA (LTM ended Dec 31)	182.8	150.8	32.0	21.2%
Net leverage ratio¹⁾	0.7x	1.0x		

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

Financial debt

T_010

IN € MILLIONS	Dec 31, 2021	Dec 31, 2020
Financial liabilities (non-current)	294.0	287.8
Financial liabilities (current)	1.5	20.7
Adjustment carrying value	4.5	11.1
Financial debt	300.0	319.6

Adjusted EBITDA (LTM ended Dec 31)

T_011

IN € MILLIONS	Dec 31, 2021	Dec 31, 2020	Change	% change
Profit from operating activities (EBIT)	119.1	58.8	60.3	>100.0%
Depreciation	36.4	36.2	0.2	0.6%
Amortization	14.3	15.7	(1.4)	(8.9)%
PPA adjustments – depreciation and amortization	13.0	17.4	(4.4)	(25.3)%
PPA adjustments – impairment on intangible assets	–	25.7	(25.7)	(100.0)%
EBITDA	182.8	153.8	29.0	18.9%
Purchase price adjustment	–	(3.0)	3.0	(100.0)%
Adjusted EBITDA	182.8	150.8	32.0	21.2%

RISKS AND OPPORTUNITIES OUTLOOK

The worldwide coronavirus crisis (COVID-19) has significantly affected the macroeconomic environment and the global economy is characterized by the consequential uncertainties, which bear various risks for Stabilus as well. The Group continues with its global multidisciplinary crisis management team to monitor and analyze the situation on a weekly basis on a local and global level and is taking actions to address and mitigate identified risks. The risks of material price increases in the global supply chain, e.g. steel and resin, as well as the shortage of electronic components (semiconductors) are having negative impacts on the business of the Group. Furthermore, Stabilus emphasizes a very strict monitoring of cost, liquidity as well as impairment risks. All employees are well informed about safety measures in business and private life and the further use of home office reduces the risk of the virus spreading further.

We also refer to the risk-related disclosures in the Group Management Report and in the audited consolidated financial statements as of and for the fiscal year ended September 30, 2021.

SUBSEQUENT EVENTS

On January 24, 2022, Stabilus has signed a second promissory note loan (Schuldscheindarlehen) with a volume of €55.0 million. It will be issued via its subsidiary Stabilus GmbH and Stabilus S. A. acting as guarantor. This promissory note loan has a maturity of five years from January 28, 2022, until January 28, 2027. The variable interest rate is 6M-Euribor + 80bps. Funds should be received on January 28, 2022, accordingly.

As of January 27, 2022, there were no further events or developments that could have materially affected the measurement and presentation of the Group's assets and liabilities as of December 31, 2021.

Our guidance from November 2021 for fiscal year 2022 remains unchanged, i.e. revenue of €940 million to €990 million and an adjusted EBIT margin in the range of 14% and 15%. The revenue range reflects the uncertainty related to the production output of our customers, the COVID-19 pandemic, the global supply chain shortages (e.g. semiconductors) and the material price inflation.

Luxembourg, January 27, 2022



Dr. Michael Büchsner



Mark Wilhelms



Andreas Schröder



Andreas Sievers

Management Board

SUPPLEMENTARY FINANCIAL INFORMATION

as of and for the three months ended December 31, 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three months ended December 31, 2021 (unaudited)

Consolidated statement of comprehensive income

T_012

IN € THOUSANDS	Three months ended Dec 31,	
	2021	2020
Revenue	243,708	235,442
Cost of sales	(178,050)	(165,353)
Gross profit	65,658	70,089
Research and development expenses	(11,929)	(10,458)
Selling expenses	(20,203)	(20,489)
Administrative expenses	(9,929)	(10,020)
Other income	2,620	1,155
Other expenses	(323)	(2,152)
Profit from operating activities	25,894	28,125
Finance income	1,424	86
Finance costs	(2,164)	(8,191)
Profit / (loss) before income tax	25,154	20,020
Income tax income / (expense)	(7,183)	(5,700)
Profit / (loss) for the period	17,971	14,320
thereof attributable to non-controlling interests	361	8
thereof attributable to shareholders of Stabilus	17,610	14,312
Other comprehensive income / (expense)		
Foreign currency translation difference ¹⁾	6,022	1,103
Unrealized actuarial gains and losses ²⁾	(1,350)	(1,144)
Other comprehensive income / (expense), net of taxes	4,672	(41)
Total comprehensive income / (expense) for the period	22,643	14,279
thereof attributable to non-controlling interests	(288)	8
thereof attributable to shareholders of Stabilus	22,931	14,271
Earnings per share (in €):		
Basic	0.71	0.58
Diluted	0.71	0.58

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

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

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31, 2021 (unaudited)

Consolidated statement of financial position

T_013

IN € THOUSANDS	Dec 31, 2021	Sept 30, 2021
Assets		
Property, plant and equipment	224,448	223,150
Goodwill	208,238	208,067
Other intangible assets	219,460	222,622
Equity-accounted and other investments	22,640	–
Other assets	547	1,182
Deferred tax assets	14,750	14,700
Total non-current assets	690,083	669,721
Inventories	145,133	136,890
Trade accounts receivable	138,554	136,686
Current tax assets	11,003	7,965
Other financial assets	603	601
Other assets	26,416	21,577
Cash and cash equivalents	175,897	193,189
Total current assets	497,606	496,908
Total assets	1,187,689	1,166,629

Consolidated statement of financial position

T_013

IN € THOUSANDS	Dec 31, 2021	Sept 30, 2021
Equity and liabilities		
Issued capital	247	247
Capital reserves	225,848	225,848
Retained earnings	366,356	348,746
Other reserves	(30,270)	(35,591)
Equity attributable to shareholders of Stabilus	562,181	539,250
Non-controlling interests	4,799	5,087
Total equity	566,980	544,337
Financial liabilities	294,013	293,394
Other financial liabilities	28,640	29,795
Provisions	3,092	3,218
Pension plans and similar obligations	56,166	54,689
Deferred tax liabilities	47,285	47,704
Total non-current liabilities	429,196	428,800
Trade accounts payable	89,465	90,364
Financial liabilities	1,493	1,461
Other financial liabilities	19,969	18,972
Current tax liabilities	11,218	11,884
Provisions	51,695	49,265
Other liabilities	17,673	21,546
Total current liabilities	191,513	193,492
Total liabilities	620,709	622,292
Total equity and liabilities	1,187,689	1,166,629

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three months ended December 31, 2021 (unaudited)

Consolidated statement of cash flows

T_014

IN € THOUSANDS	Three months ended Dec 31,	
	2021	2020
Profit / (loss) for the period	17,971	14,320
Income tax expense	7,183	5,700
Net finance result	740	8,105
Interest received	129	86
Depreciation and amortization (incl. impairment losses)	16,341	16,340
Gains / losses from the disposal of assets	43	(57)
Changes in inventories	(8,243)	(7,232)
Changes in trade accounts receivable	(1,868)	2,927
Changes in trade accounts payable	(899)	(301)
Changes in other assets and liabilities	(5,796)	(9,797)
Changes in provisions	1,670	6,754
Income tax payments	(10,524)	(5,468)
Cash flow from operating activities	16,747	31,377
Proceeds from disposal of property, plant and equipment	184	220
Purchase of intangible assets	(3,406)	(3,617)
Purchase of property, plant and equipment	(6,034)	(6,091)
Acquisition of equity-accounted and other investments	(22,640)	–
Cash flow from investing activities	(31,896)	(9,488)
Payments for redemption of financial liabilities	(249)	(13,702)
Payments for lease liabilities	(2,074)	(2,086)
Payments for interest	(1,045)	(1,286)
Cash flow from financing activities	(3,368)	(17,074)
Net increase / (decrease) in cash and cash equivalents	(18,517)	4,815
Effect of movements in exchange rates on cash held	1,225	120
Cash and cash equivalents as of beginning of the period	193,189	162,431
Cash and cash equivalents as of end of the period	175,897	167,366

The accompanying notes form an integral part of these consolidated financial statements.

SEGMENT REPORTING

Segment information for the three months ended December 31, 2021 and 2020 is as follows:

Segment reporting

T_015

	EMEA		Americas		APAC	
	Three months ended Dec 31,		Three months ended Dec 31,		Three months ended Dec 31,	
IN € THOUSANDS	2021	2020	2021	2020	2021	2020
External revenue ¹⁾	105,421	113,601	77,211	84,401	61,076	37,440
Intersegment revenue ¹⁾	8,443	7,084	7,228	5,626	–	45
Total revenue ¹⁾	113,864	120,685	84,439	90,027	61,076	37,485
Depreciation and amortization (incl. impairment losses)	(8,588)	(8,601)	(3,931)	(3,881)	(2,658)	(2,116)
EBIT	9,438	13,140	4,727	10,285	12,893	6,442
Adjusted EBIT	10,863	14,756	5,548	11,077	12,933	6,480

	Total segments		Other / Consolidation		Stabilus Group	
	Three months ended Dec 31,		Three months ended Dec 31,		Three months ended Dec 31,	
IN € THOUSANDS	2021	2020	2021	2020	2021	2020
External revenue ¹⁾	243,708	235,442	–	–	243,708	235,442
Intersegment revenue ¹⁾	15,671	12,755	(15,671)	(12,755)	–	–
Total revenue ¹⁾	259,379	248,197	(15,671)	(12,755)	243,708	235,442
Depreciation and amortization (incl. impairment losses)	(15,177)	(14,598)	(1,164)	(1,742)	(16,341)	(16,340)
EBIT	27,058	29,867	(1,164)	(1,742)	25,894	28,125
Adjusted EBIT	29,344	32,313	–	–	29,344	32,313

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

ADDITIONAL INFORMATION

FINANCIAL CALENDAR

Financial calendar

T_016

DATE ¹⁾²⁾	PUBLICATION / EVENT
January 31, 2022	Publication of the first-quarter results for fiscal year 2022 (Quarterly Statement Q1 FY2022)
February 16, 2022	Annual General Meeting
May 2, 2022	Publication of the second-quarter results for fiscal year 2022 (Interim Report Q2 FY2022)
August 1, 2022	Publication of the third-quarter results for fiscal year 2022 (Quarterly Statement Q3 FY2022)
November 11, 2022	Publication of preliminary financial results for fiscal year 2022
December 9, 2022	Publication of full year results for fiscal year 2022 (Annual Report 2022)

¹⁾ We cannot rule out changes of dates. We recommend checking them on our website in the Investors / Financial Calendar section (www.stabilus.com/investors/financial-calendar).

²⁾ Please note that our fiscal year (FY) comprises a twelve-month period from October 1 until September 30 of the following calendar year, e.g. the fiscal year 2022 comprises a year ending September 30, 2022.

DISCLAIMER

Forward-looking statements

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

However, other factors could also have an adverse effect on our business performance and results. Stabilus S. A. neither intends nor assumes any separate obligation to update forward-looking statements or to change these to reflect events or developments that occur after the publication of this quarterly statement.

Rounding

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

INFORMATION RESOURCES

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

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An aerial photograph of a dense forest of evergreen trees, likely spruce or fir, showing a variety of green shades from deep forest green to bright yellow-green. The trees are packed closely together, creating a textured canopy. The lighting suggests a bright day, with some trees appearing more illuminated than others.

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