

# Q3 FY2019 RESULTS

August 5, 2019

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## Agenda

1. Operational highlights
2. Financial highlights
3. Results by region
4. Results by market
5. Outlook
6. Appendix

## Agenda

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1. Operational highlights

2.

3.

4.

5.

6.

## Additional gas-spring production facility for HAHN

### HAHN's new building

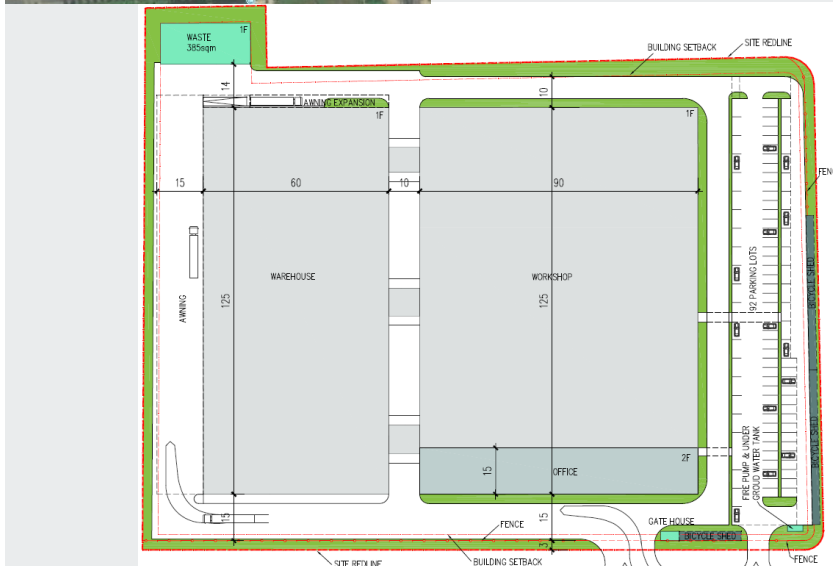


### Capacity expansion at HAHN (industrial business)

- Since acquisition in summer 2016 HAHN's annual sales increased by almost 50% to more than €30m
- To support further growth, the adjacent production facility has been acquired for €4.2m (agreement in late FY18, payment in FY19, machinery/production equipment installed)
- Size of the new facility: c. 3.5k sqm, thereof c. 2.5k sqm production area (in addition to the existing production area in the Hahn facility of c. 5.1k sqm)
- New facility will allow an increase of HAHN's annual production capacity in Aichwald (near Stuttgart, Germany) by around 50%

## New Powerise production facility in China

### Greenfield site in Pinghu



### Capacity expansion at Stabilus China

- Medium-term Automotive Powerise revenue plan for China supports a sizable capacity expansion
- Separation of Gas Spring and Powerise production also advisable for China (as done in Mexico and Romania)
- Construction project for a new Powerise production facility in Pinghu, Zhejiang Province, China (c. one-hour drive from Shanghai) started this year
- A two-step expansion project:
  - Step 1: building construction (c. 12.6k sqm) till March 2020 and transfer of existing two Powerise lines from current Wujin plant to Pinghu by end of 2020; new building will be able to house up to nine Powerise assembly lines
  - Step 2: Until the end of FY2023 construction of a building extension (c. 7.5k sqm) which will be able to accommodate additional lines
- Local investment support for 80% of the €10m land and building cost
- Up to €50m investment in Pinghu, timing depending on market development

## Three acquisitions in the first nine months of FY2019

### Select products and applications



General  
Aerospace



### Acquisitions in 9M FY19 (industrial business)

- [General Aerospace](#) develops and assembles motion control components and systems for the aerospace industry (2018 revenue: €11m, 2019 expected revenue: €16m; transaction closed in April 2019)

  - Rationale: expand motion control product portfolio in aviation industry, strengthen Stabilus market position, develop aircraft aftermarket / retrofit business
- [Clevers](#) is an Argentine niche manufacturer of gas springs and dampers primarily focused on South American customers (2018 revenue: c. €1m; transaction closed in May 2019)

  - Rationale: expand and further develop independent aftermarket and industrial business in South America
- [Piston](#) is a Turkish manufacturer of gas springs and dampers (2018 revenue: c. €5m; transaction closed in June 2019)

  - Rationale: expand and further develop independent aftermarket and industrial business

## Agenda

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1.

2. Financial highlights

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4.

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## Q3 FY2019 highlights

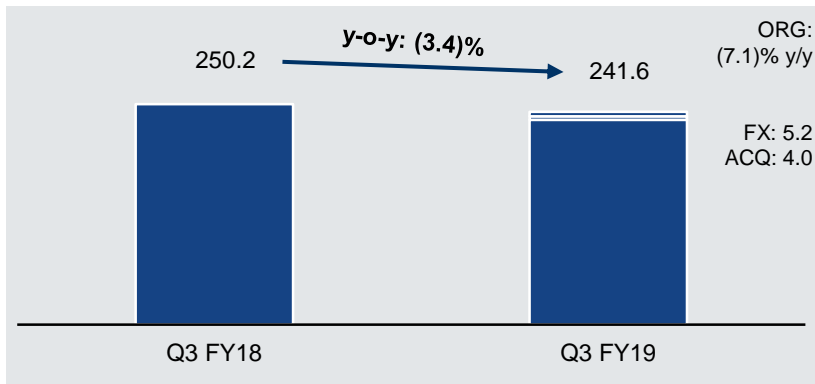
### *Fiscal year-end September*

<b>Revenue</b>	<ul style="list-style-type: none"> <li>➤ Revenue at €241.6m, - 3.4% y/y:</li> <li>➤ \$/€ currency translation (FX): + 2.1% y/y , acquisitions (ACQ): + 1.6% y/y, organic (ORG): - 7.1% y/y</li> </ul>
<b>Adj. EBIT</b>	<ul style="list-style-type: none"> <li>➤ Adj. EBIT<sup>1</sup> at €37.1m (vs. €39.5m in Q3 FY18), - 6.1% y/y (ORG: - 9.1% y/y)</li> <li>➤ Adj. EBIT margin at 15.4% (vs. 15.8% in Q3 FY18)</li> </ul>
<b>Profit</b>	<ul style="list-style-type: none"> <li>➤ Profit at €19.3m in Q3 FY19 (vs. €25.3m in Q3 FY18)</li> <li>➤ Profit margin at 8.0% (vs. 10.1% in Q3 FY18)</li> </ul>
<b>Net leverage ratio</b>	<ul style="list-style-type: none"> <li>➤ Net leverage ratio<sup>1</sup> at 1.2x (vs. 1.2x as of end Q3 FY18 and 1.1x as of end FY18)</li> <li>➤ Net financial debt<sup>1</sup> at €225.5m</li> </ul>
<b>Acquisitions</b>	<ul style="list-style-type: none"> <li>➤ Acquisitions of <a href="#">General Aerospace</a>, <a href="#">Clevers</a> and <a href="#">Piston</a> have been closed in Q3 FY19</li> <li>➤ Revenue and earnings of General Aerospace are included in group's income statement for Q3 FY19; assets and liabilities of all three acquired entities are included in group's balance sheet as of end Q3 FY19</li> </ul>
<b>Outlook</b>	<ul style="list-style-type: none"> <li>➤ FY2019 revenue expected to be between €950m and €960m – in line with current market expectations</li> <li>➤ FY2019 adj. EBIT margin expected at c. 15%</li> </ul>

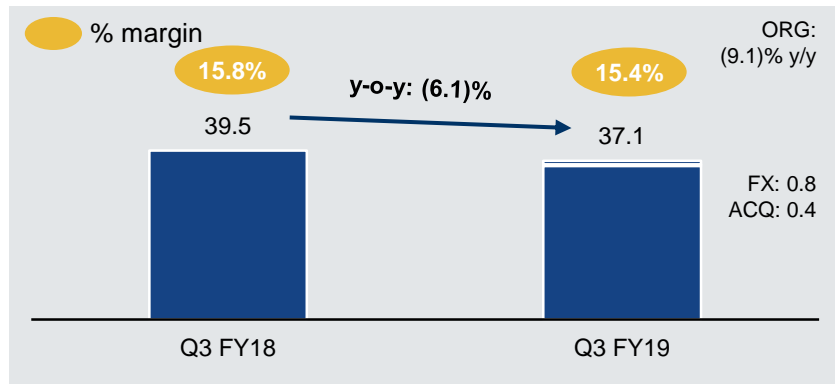
Note: <sup>1</sup> For definition/calculation of KPIs like adj. EBIT, net leverage ratio etc. refer to appendix and/or our financial reports and quarterly statements under [www.ir.stabilus.com](http://www.ir.stabilus.com).  
 FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. ACQ = acquisition effect, contribution of the acquired entities to group's revenue and earnings.  
 ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ). Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## Q3 FY2019 impacted by softer markets in Europe and China

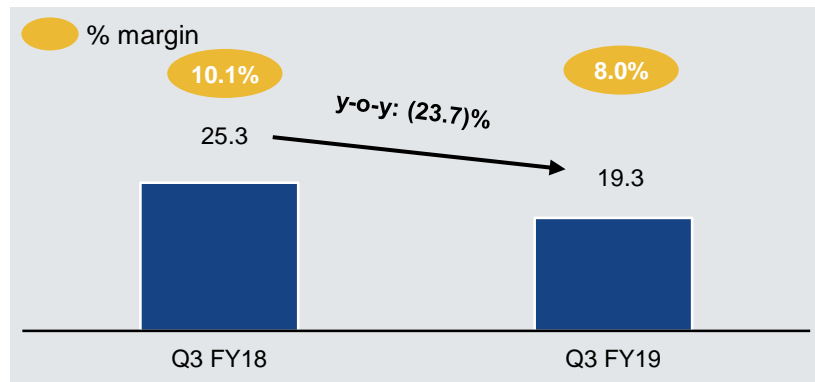
### Revenue (€m)



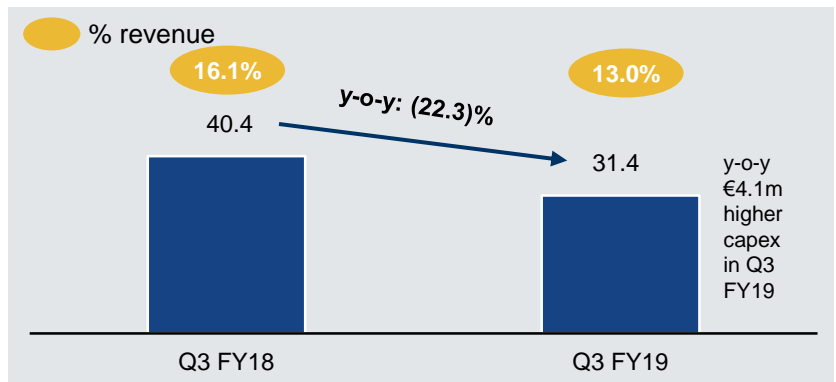
### Adj. EBIT (€m)



### Profit (€m)



### Adj. FCF<sup>1</sup> (€m)

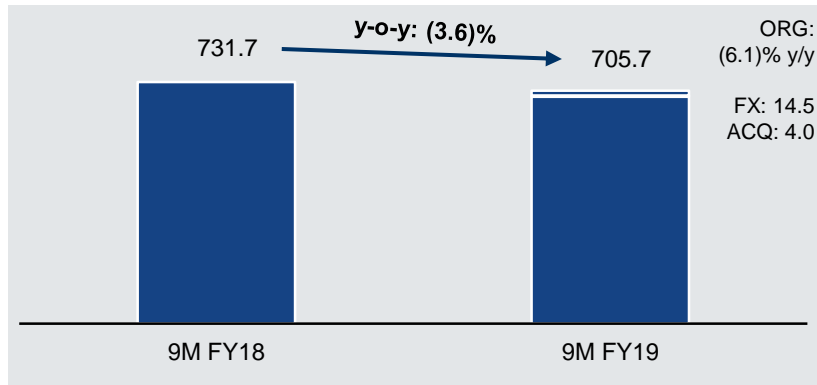


Note: Capital expenditure: €12.8 in Q3 FY19 versus €8.7m in Q3 FY18, i.e. +€4.1m or +47.1% y/y.

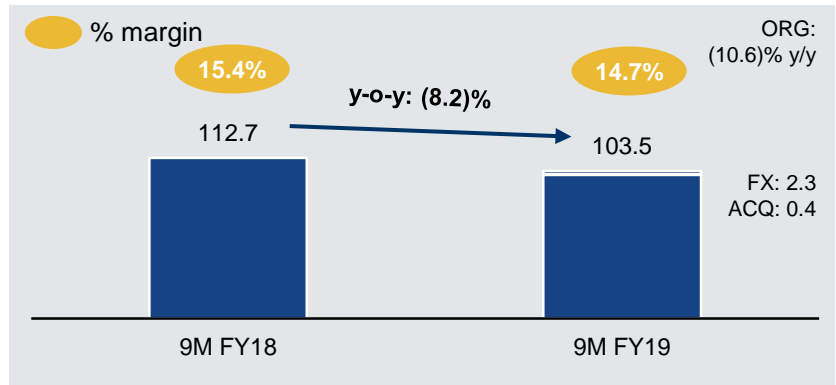
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## 9M FY2019 impacted by softer markets in Europe and China

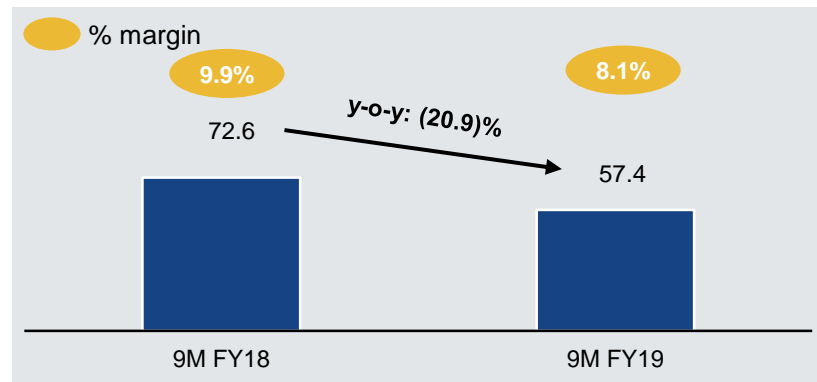
### Revenue (€m)



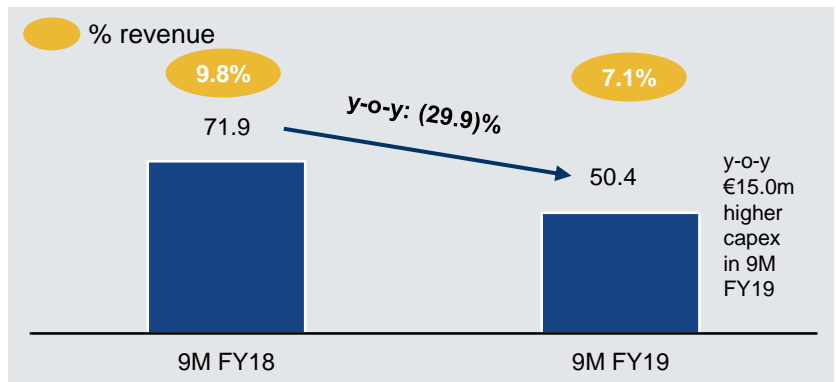
### Adj. EBIT (€m)



### Profit (€m)



### Adj. FCF<sup>1</sup> (€m)



Note: Capital expenditure: €42.6m in 9M FY19 versus €27.6m in 9M FY18, i.e. +€15.0m or +54.3% y/y.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.13\$/€ in 9M FY19 versus 1.20\$/€ in 9M FY18. ACQ = acquisition effect, contribution of the acquired General Aerospace to group's revenue and earnings in Q3 FY19. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ). <sup>1</sup> Adj. FCF = FCF before acquisitions, i.e. cash flow from operating activities plus cash flow from investing activities, excluding 'acquisition of assets and liabilities within business combination, net of cash acquired' (General Aerospace, Clevers and Piston). See appendix for further details.

## Agenda

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**3. Results by region**

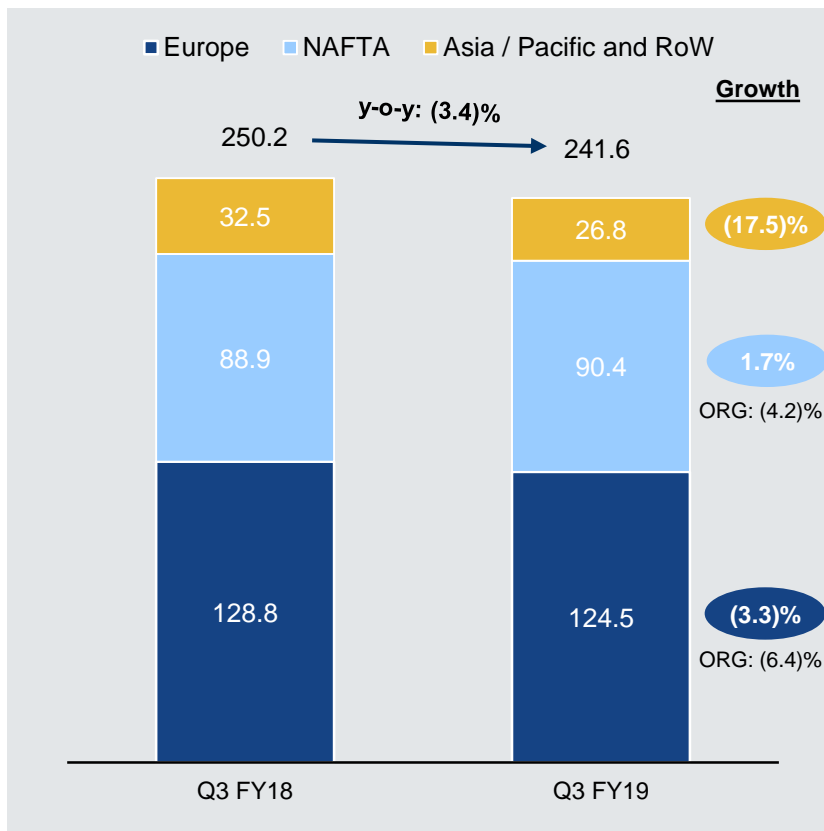
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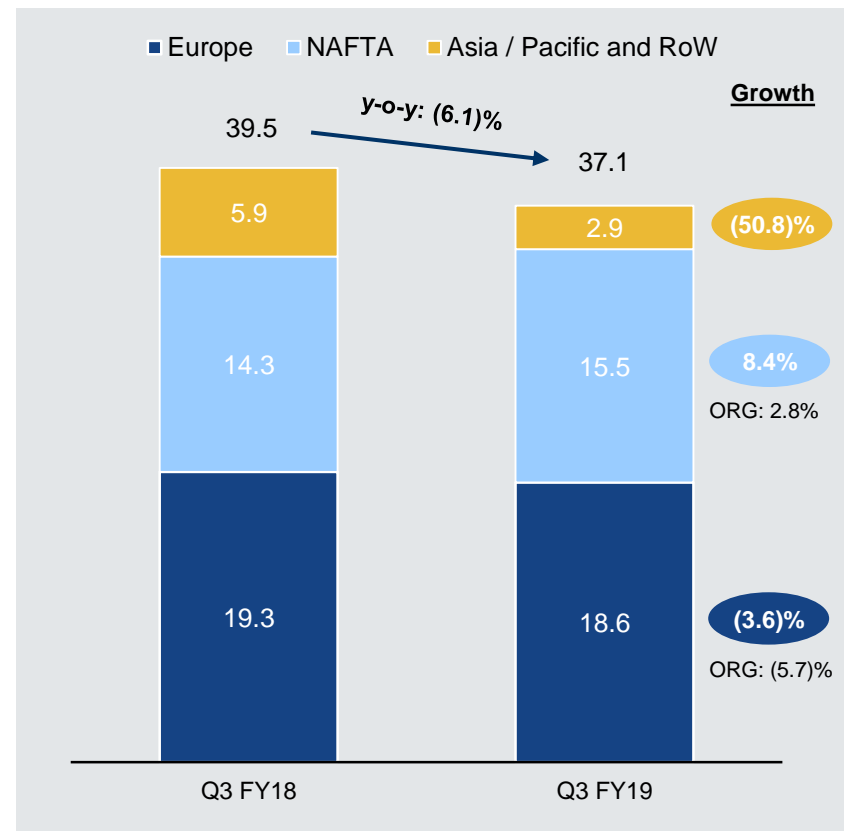
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## Q3 FY2019 revenue and adj. EBIT growth – by region (y-o-y)

### Revenue by region<sup>1</sup> (€m)



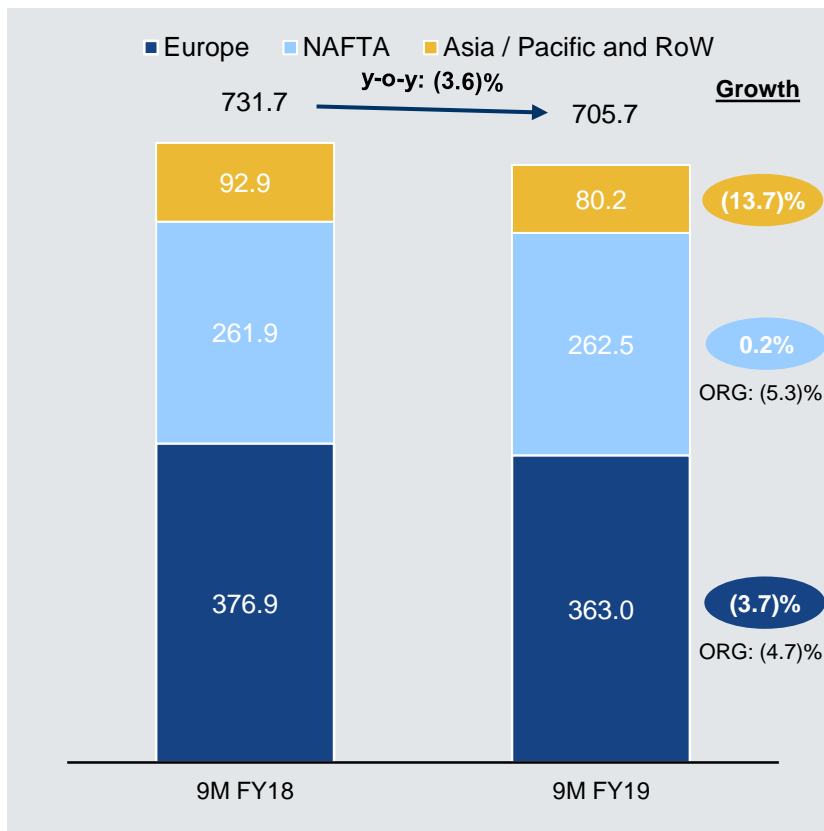
### Adj. EBIT by region (€m)



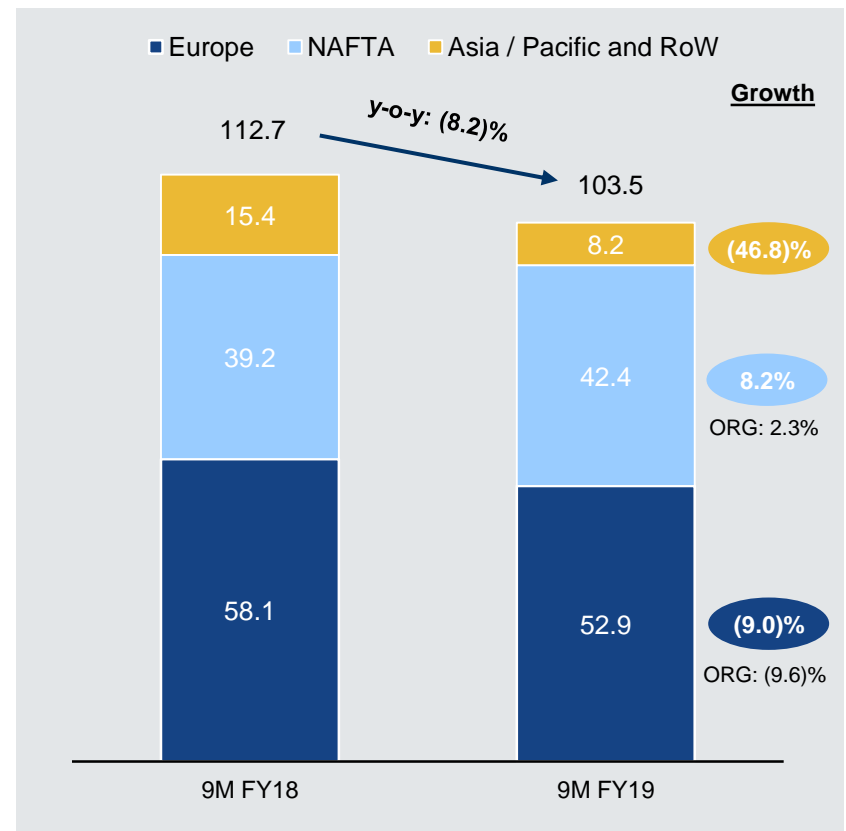
Note: Stabililus fiscal year-end is September. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided. FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.12\$/€ in Q3 FY19 versus 1.19\$/€ in Q3 FY18. ACQ = acquisition effect, contribution of the acquired General Aerospace to group's revenue and earnings in Q3 FY19. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ). <sup>1</sup> Billed-from view, without intersegment revenue.

## 9M FY2019 revenue and adj. EBIT growth – by region (y-o-y)

### Revenue by region<sup>1</sup> (€m)



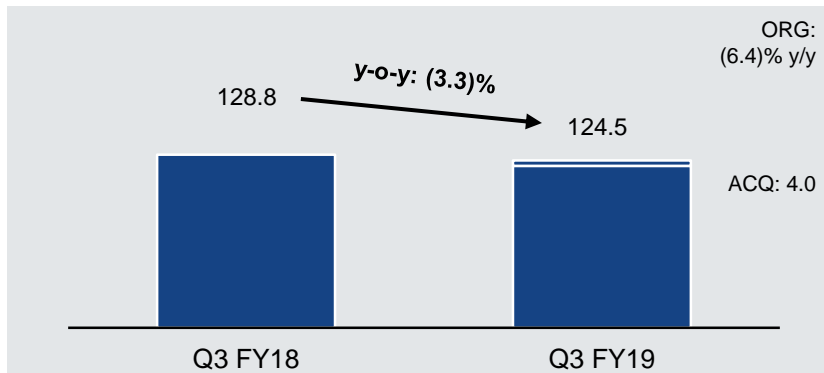
### Adj. EBIT by region (€m)



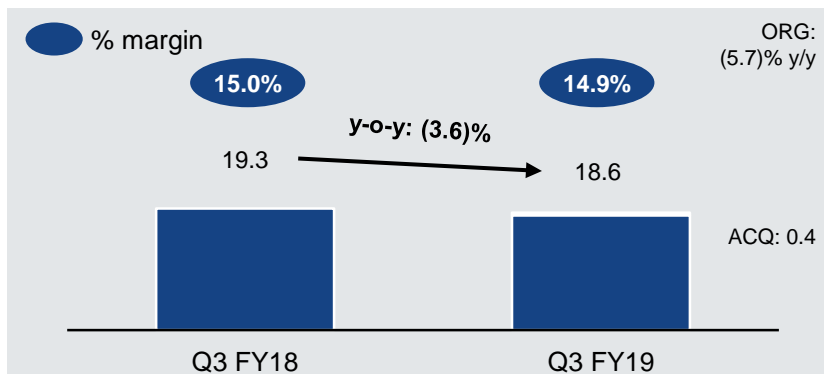
Note: Stabilus fiscal year-end is September. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided. FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.13\$/€ in 9M FY19 versus 1.20\$/€ in 9M FY18. ACQ = acquisition effect, contribution of the acquired General Aerospace to group's revenue and earnings in Q3 FY19. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ). <sup>1</sup> Billed-from view, without intersegment revenue.

## Q3 FY2019 – Europe

### Revenue<sup>1</sup> (€m)



### Adj. EBIT (€m)



### Key highlights

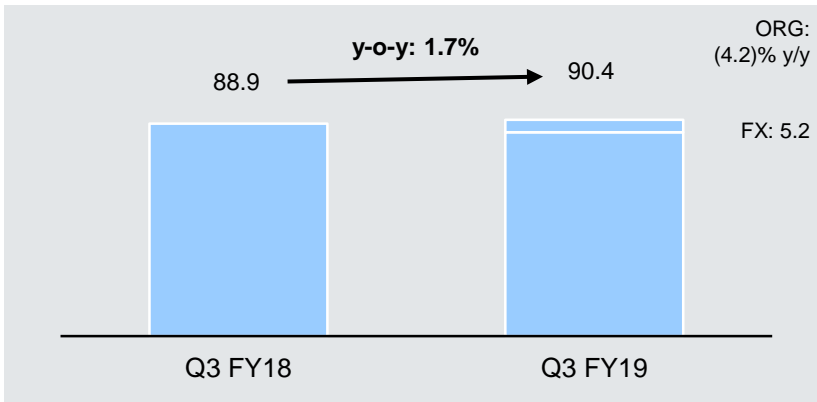
- European light vehicle production in Q3 FY19 at 5.6m units, i.e. - 6.6% vs. Q3 FY18
- Europe's revenue decreased by €4.3m or 3.3% y/y (6.4% y/y excl. acquisition effect)
- Europe's automotive revenue continue to be impacted by weak automotive markets: Automotive Gas Spring - €3.0m or - 7.4% y/y (negative mix effects: vehicle body style and applications); Automotive Powerise - €5.0m or - 17.1% y/y
- Capital Goods revenue at €44.9m (vs. €44.8m in Q3 FY18); Vibration & Velocity Control +€3.6m or + 25.7% y/y (- 2.9% y/y excl. €4m acquisition effect)
- Adj. EBIT margin at 14.9% (vs. 15.0% in Q3 FY18)

Note: Stabilus fiscal year-end is September.

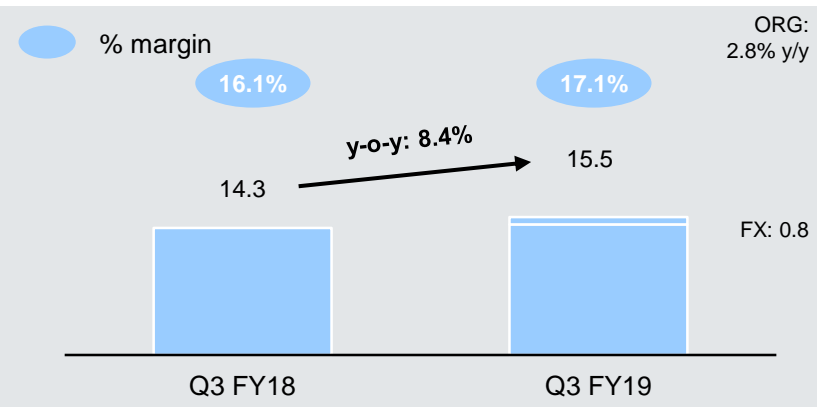
ACQ = acquisition effect, contribution of the acquired General Aerospace to group's revenue and earnings in Q3 FY19. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ). <sup>1</sup> External revenue only.

## Q3 FY2019 – NAFTA

### Revenue<sup>1</sup> (€m)



### Adj. EBIT (€m)



### Key highlights

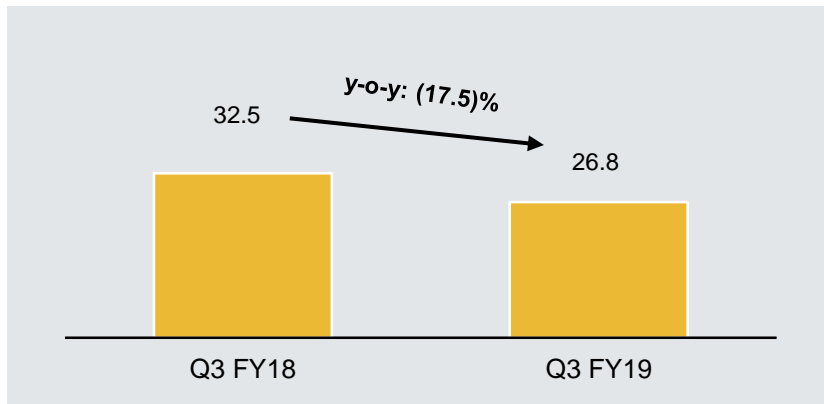
- NAFTA's light vehicle production in Q3 FY19 at 4.3m units, i.e. - 2.1% vs. Q3 FY18
- NAFTA's revenue + 1.7% y/y (- 4.2% y/y excluding the \$/€ currency translation effect)
- NAFTA's revenue development in Q3 FY19: Automotive Gas Spring + 4.7% y/y (- 1.1% excl. currency effect); Automotive Powerise - 6.3% y/y (- 11.6% y/y excl. currency effect); Capital Goods + 15.3% y/y (+ 8.3% y/y excl. currency effect); Vibration & Velocity Control + 1.0% (- 4.9% y/y excl. currency effect)
- Adj. EBIT margin up by 1pp to 17.1%: positive mix from more industrial business (vs. automotive)

Note: Stabilus fiscal year-end is September. <sup>1</sup> External revenue only. FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.12\$/€ in Q3 FY19 versus 1.19\$/€ in Q3 FY18. ACQ = acquisition effect, contribution of the acquired General Aerospace to group's revenue and earnings in Q3 FY19. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ).

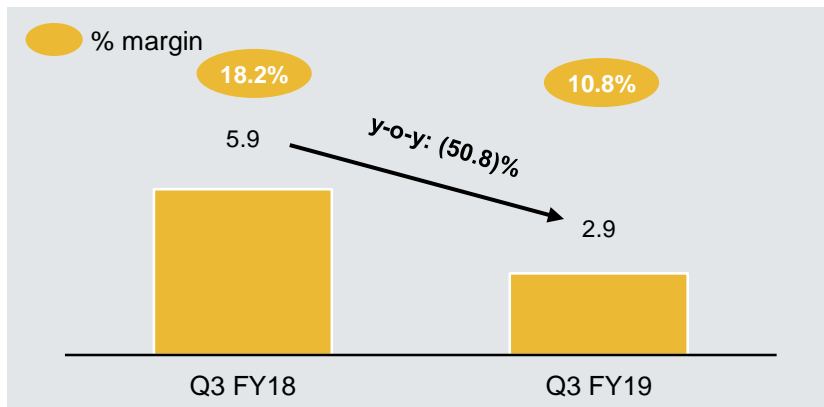


## Q3 FY2019 – Asia / Pacific and RoW

### Revenue<sup>1</sup> (€m)



### Adj. EBIT (€m)



### Key highlights

- Asia/Pacific and RoW's light vehicle production in Q3 FY19 at 12.4m units, i.e. - 9.6% vs. Q3 FY18 (China - 16.2%, Japan/Korea + 4.6%, South America - 1.7%)
- Asia/Pacific and RoW's revenue decreased by 17.5% or €5.7m y/y
- Revenue development continue to be impacted by weak markets in China: Automotive Gas Spring - €2.7m or - 13.0% y/y; Automotive Powerise - €2.8m or - 39.4% y/y; Capital Goods - €0.3m or - 9.1%; Vibration & Velocity Control + €0.2m or + 15.4% y/y
- Adj. EBIT margin decreased from 18.2% in Q3 FY18 to 10.8% in Q3 FY19, due to lower revenue but undiminished overhead structure: keeping and strengthening Stabilus market presence in China remains part of our long-term strategy

Note: Stabilus fiscal year-end is September.

<sup>1</sup> External revenue only.

## Agenda

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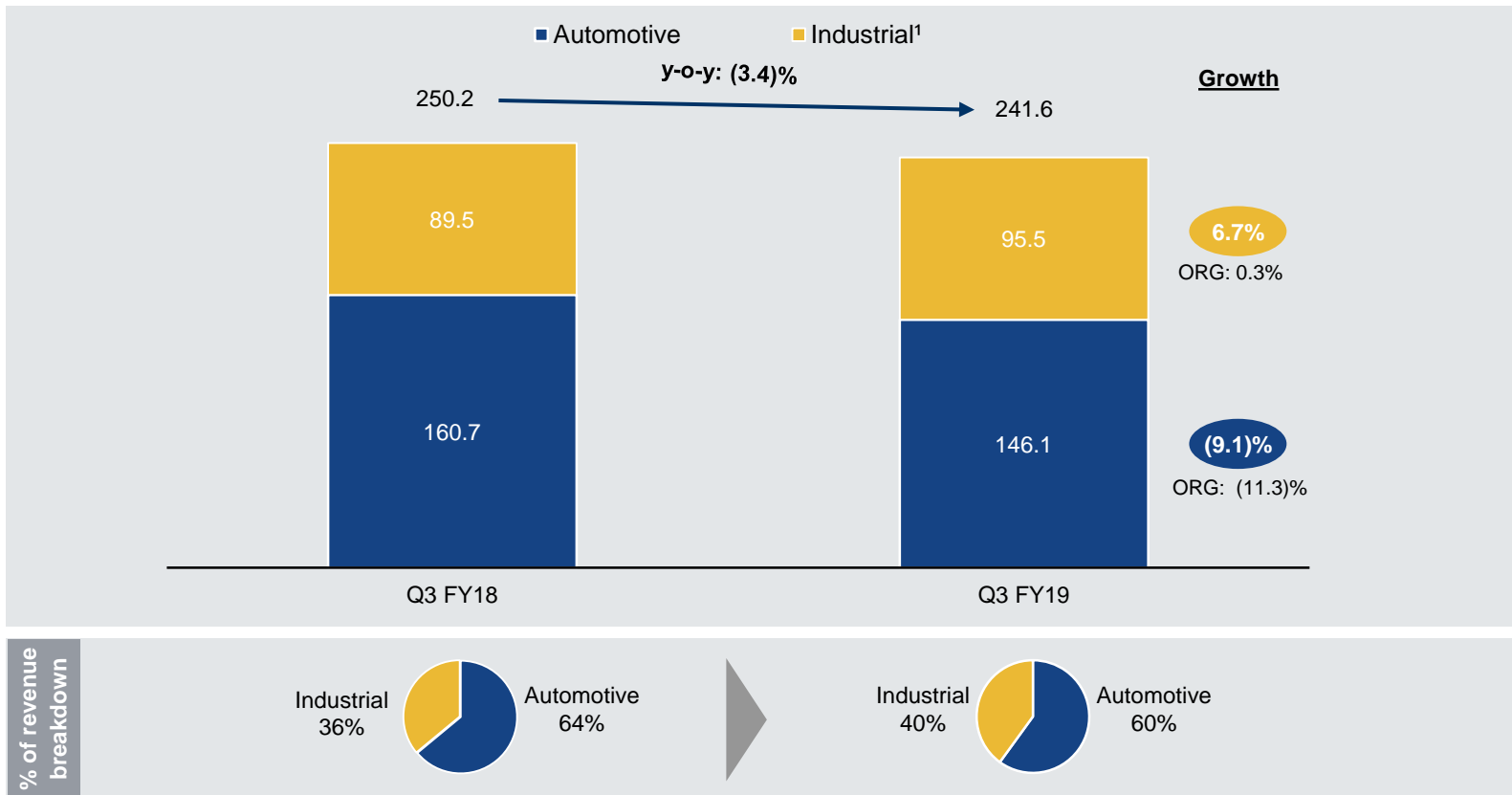
4. Results by market

5.

6.

## Q3 FY2019 revenue growth – by market / business (y-o-y)

### Revenue by business (€m)

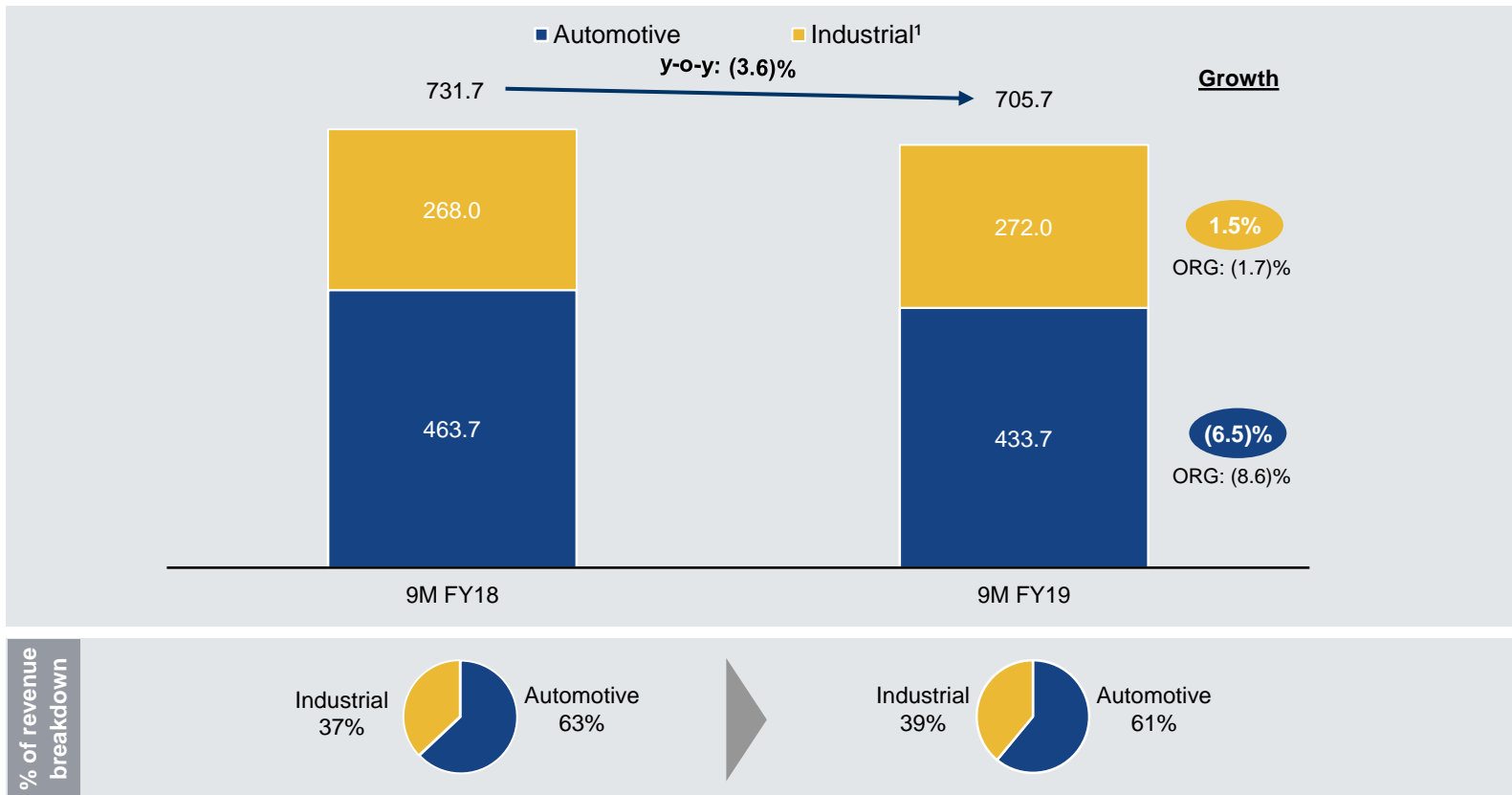


Note: Stabilus fiscal year-end is September.

<sup>1</sup> Industrial including Capital Goods and Vibration & Velocity Control revenue. FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.12\$/€ in Q3 FY19 versus 1.19\$/€ in Q3 FY18. ACQ = acquisition effect, contribution of the acquired General Aerospace to group's revenue and earnings in Q3 FY19. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ). Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## 9M FY2019 revenue growth – by market / business (y-o-y)

### Revenue by business (€m)

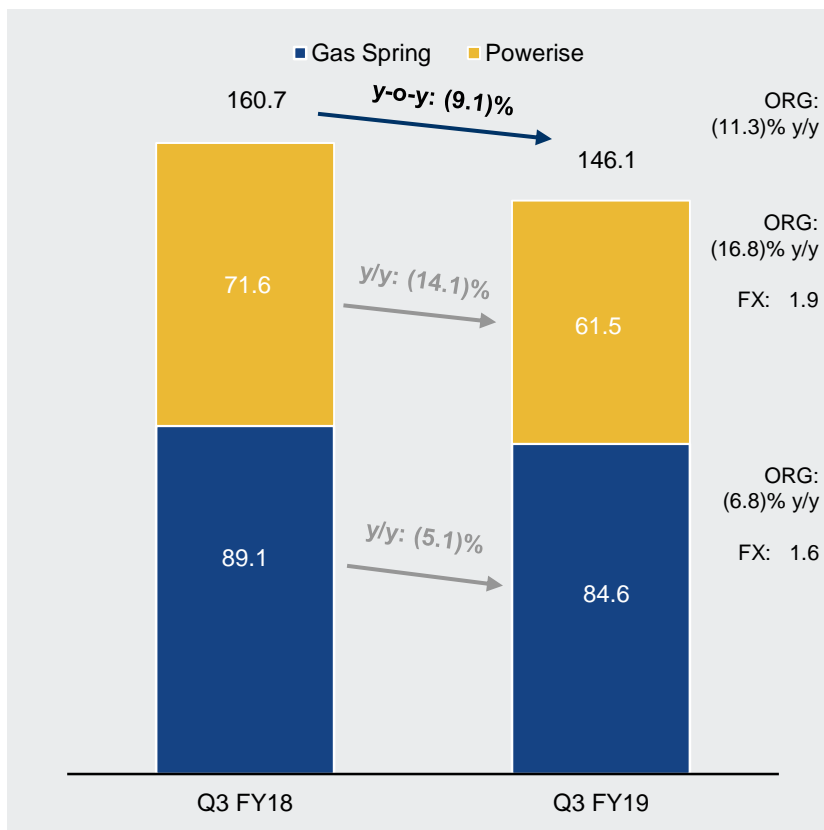


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## Q3 FY2019 revenue growth – Automotive business (y-o-y)

### Revenue (€m)



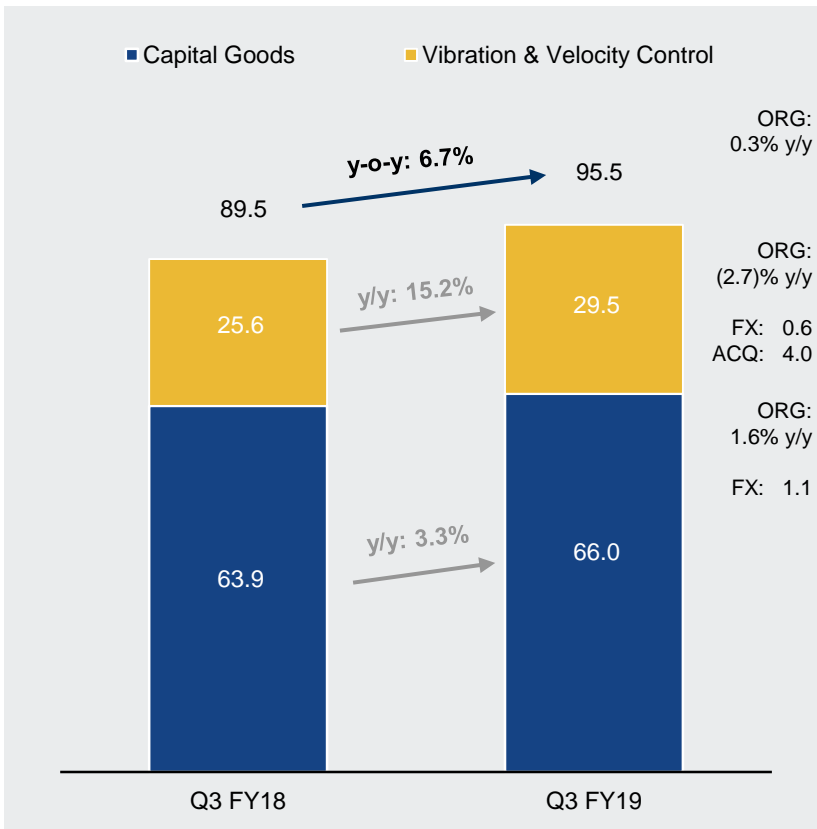
### Key highlights

- Global light vehicle production in Q3 FY19 at 22.3m units, i.e. - 7.5% vs. Q3 FY18
- Automotive revenue - 9.1% y/y (- 11.3% without \$/€ currency translation effect) due to weak production in Europe and China
- Automotive Gas Spring revenue - 5.1% y/y (- 6.8% without \$/€ currency translation effect, i.e. 70bps better than global light vehicle production)
- Powerise revenue - 14.1% y/y (- 16.8% y/y without \$/€ currency translation effect): higher share of single- vs. dual-drive Powerise platforms and weaker demand in China

Note: Stabilus fiscal year-end is September. FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.12\$/€ in Q3 FY19 versus 1.19\$/€ in Q3 FY18. ACQ = acquisition effect, contribution of the acquired General Aerospace to group's revenue and earnings in Q3 FY19. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ). Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## Q3 FY2019 revenue growth – Industrial business (y-o-y)

### Revenue (€m)



### Key highlights

- From Oct 1, 2018 Commercial Furniture is part of Capital Goods business unit to better reflect customer demand for a broad product portfolio and to further increase overhead efficiency
- Industrial revenue increased by 6.7% (0.3% organically)
- Capital Goods + 3.3% (+ 1.6% organically), Vibration & Velocity Control + 15.2% (- 2.7% organically, plus €4m acquisitions)
- Growth in the segments solar dampers, production and construction technology, medical was partly offset by weaker business with distributors and lower revenues in the segments independent aftermarket, office furniture and agricultural machinery

Note: Stabilus fiscal year-end is September. FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.12\$/€ in Q3 FY19 versus 1.19\$/€ in Q3 FY18. ACQ = acquisition effect, contribution of the acquired General Aerospace to group's revenue and earnings in Q3 FY19. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ). Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## Agenda

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4.

5. Outlook

6.

## Outlook

	FY2018 Actual	FY2019 Guidance	
		€ million	percent
Revenue	€962.6m	€950m – €960m	~ (1)% – 0% y/y (c. + 2% FX, c. + 1% ACQ, c. (4)% – (3)% ORG)
Adj. EBIT margin	15.5%		~ 15%

### Comments

- FY2019 revenue expected to be between €950m and €960m – in line with current market expectations
- FY2019 adj. EBIT margin forecast at c. 15%

Note: Stabilus fiscal year-end is September. FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. ACQ = acquisition effect, contribution of the acquired entities to group's revenue and earnings. ORG = organic growth, i.e. growth excluding \$/€ currency translation effect (FX) and acquisition effect (ACQ).



## Agenda

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6. Appendix

## Revenue by region and customer market (3M ended June 30, 2019)

External revenue (€m)				
	Q3 FY2018 Actual	Q3 FY2019 Actual	Change	% change
Automotive Gas Spring	40.8	37.8	(3.0)	(7.4)%
Automotive Powerise	29.2	24.2	(5.0)	(17.1)%
Industrial / Capital Goods	44.8	44.9	0.1	0.2%
Vibration & Velocity Control <sup>2</sup>	14.0	17.6	3.6	25.7%
<b>Europe</b>	<b>128.8</b>	<b>124.5</b>	<b>(4.3)</b>	<b>(3.3)%</b>
Automotive Gas Spring	27.6	28.9	1.3	4.7%
Automotive Powerise	35.2	33.0	(2.2)	(6.3)%
Industrial / Capital Goods	15.7	18.1	2.4	15.3%
Vibration & Velocity Control	10.3	10.4	0.1	1.0%
<b>NAFTA<sup>1</sup></b>	<b>88.9</b>	<b>90.4</b>	<b>1.5</b>	<b>1.7%</b>
Automotive Gas Spring	20.7	18.0	(2.7)	(13.0)%
Automotive Powerise	7.1	4.3	(2.8)	(39.4)%
Industrial / Capital Goods	3.3	3.0	(0.3)	(9.1)%
Vibration & Velocity Control	1.3	1.5	0.2	15.4%
<b>Asia / Pacific and RoW</b>	<b>32.5</b>	<b>26.8</b>	<b>(5.7)</b>	<b>(17.5)%</b>
Total Automotive Gas Spring	89.1	84.6	(4.5)	(5.1)%
Total Automotive Powerise	71.6	61.5	(10.1)	(14.1)%
Total Industrial / Capital Goods	63.9	66.0	2.1	3.3%
Total Vibration & Velocity Control <sup>2</sup>	25.6	29.5	3.9	15.2%
<b>Total</b>	<b>250.2</b>	<b>241.6</b>	<b>(8.6)</b>	<b>(3.4)%</b>

FX effect: 5.7% y/y  
Q3 FY18: 1.1923\$/€  
Q3 FY19: 1.1238\$/€

Note: <sup>1</sup> NAFTA Q3 FY19 revenue includes currency effect of €5.2m, resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.12\$/€ in Q3 FY19 versus 1.19\$/€ in Q3 FY18. <sup>2</sup> Europe's Vibration & Velocity Control revenue includes €4.0m revenue of General Aerospace. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## Revenue by region and customer market (9M ended June 30, 2019)

External revenue (€m)				
	9M FY2018 Actual	9M FY2019 Actual	Change	% change
Automotive Gas Spring	119.7	111.6	(8.1)	(6.8)%
Automotive Powerise	83.5	73.4	(10.1)	(12.1)%
Industrial / Capital Goods	132.4	133.6	1.2	0.9%
Vibration & Velocity Control <sup>2</sup>	41.3	44.4	3.1	7.5%
<b>Europe</b>	<b>376.9</b>	<b>363.0</b>	<b>(13.9)</b>	<b>(3.7)%</b>
Automotive Gas Spring	79.3	84.2	4.9	6.2%
Automotive Powerise	103.3	97.5	(5.8)	(5.6)%
Industrial / Capital Goods	49.3	50.2	0.9	1.8%
Vibration & Velocity Control	29.9	30.6	0.7	2.3%
<b>NAFTA<sup>1</sup></b>	<b>261.9</b>	<b>262.5</b>	<b>0.6</b>	<b>0.2%</b>
Automotive Gas Spring	60.8	54.4	(6.4)	(10.5)%
Automotive Powerise	17.0	12.7	(4.3)	(25.3)%
Industrial / Capital Goods	9.3	8.6	(0.7)	(7.5)%
Vibration & Velocity Control	5.8	4.5	(1.3)	(22.4)%
<b>Asia / Pacific and RoW</b>	<b>92.9</b>	<b>80.2</b>	<b>(12.7)</b>	<b>(13.7)%</b>
Total Automotive Gas Spring	259.8	250.1	(9.7)	(3.7)%
Total Automotive Powerise	203.9	183.6	(20.3)	(10.0)%
Total Industrial / Capital Goods	191.0	192.5	1.5	0.8%
Total Vibration & Velocity Control <sup>2</sup>	77.0	79.5	2.5	3.2%
<b>Total</b>	<b>731.7</b>	<b>705.7</b>	<b>(26.0)</b>	<b>(3.6)%</b>

FX effect: 5.5% y/y  
9M FY18: 1.1998\$/€  
9M FY19: 1.1336\$/€

Note: <sup>1</sup> NAFTA 9M FY19 revenue includes currency effect of €14.5m, resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.13\$/€ in 9M FY19 versus 1.20\$/€ in 9M FY18. <sup>2</sup> Europe's Vibration & Velocity Control revenue includes €4.0m revenue of General Aerospace. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## P&L overview (3M ended June 30, 2019)

P&L (€m)				
	Q3 FY2018 Actual	Q3 FY2019 Actual	Change	% change
Revenue	250.2	241.6	(8.6)	(3.4)%
COGS	(177.0)	(172.8)	4.2	(2.4)%
<b>Gross Profit</b>	<b>73.2</b>	<b>68.9</b>	<b>(4.3)</b>	<b>(5.9)%</b>
<i>% margin</i>	29.3%	28.5%		
R&D	(10.1)	(9.2)	0.9	(8.9)%
S&M	(20.4)	(21.0)	(0.6)	2.9%
G&A	(9.4)	(8.3)	1.1	(11.7)%
Other income/expenses	1.8	(0.8)	(2.6)	<(100.0)%
<b>EBIT</b>	<b>35.1</b>	<b>29.5</b>	<b>(5.6)</b>	<b>(16.0)%</b>
<i>% margin</i>	14.0%	12.2%		
Adjustments <sup>1</sup>	4.4	7.6	3.2	72.7%
<b>Adj. EBIT<sup>1</sup></b>	<b>39.5</b>	<b>37.1</b>	<b>(2.4)</b>	<b>(6.1)%</b>
<i>% margin</i>	15.8%	15.4%		

PPA adjustments (2010 PPA)	2.3	2.3
PPA adjustments (2016 PPA)	2.1	2.1
PPA adjustments (2019 PPA)	-	1.4
EPA / Colmar provision	-	1.5
Advisory costs (M&A)	-	0.2
<b>Total adjustments<sup>1</sup></b>	<b>4.4</b>	<b>7.6</b>

Note: <sup>1</sup> Adjusted EBIT represents profit from operating activities (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 (PPA). Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## P&L overview (9M ended June 30, 2019)

P&L (€m)				
	9M FY2018 Actual	9M FY2019 Actual	Change	% change
Revenue	731.7	705.7	(26.0)	(3.6)%
COGS	(512.7)	(503.0)	9.7	(1.9)%
<b>Gross Profit</b>	<b>219.0</b>	<b>202.6</b>	<b>(16.4)</b>	<b>(7.5)%</b>
<i>% margin</i>	29.9%	28.7%		
R&D	(31.8)	(28.9)	2.9	(9.1)%
S&M	(61.2)	(62.3)	(1.1)	1.8%
G&A	(28.8)	(26.3)	2.5	(8.7)%
Other income/expenses	2.4	1.5	(0.9)	(37.5)%
<b>EBIT</b>	<b>99.6</b>	<b>86.7</b>	<b>(12.9)</b>	<b>(13.0)%</b>
<i>% margin</i>	13.6%	12.3%		
Adjustments <sup>1</sup>	13.1	16.8	3.7	28.2%
<b>Adj. EBIT<sup>1</sup></b>	<b>112.7</b>	<b>103.5</b>	<b>(9.2)</b>	<b>(8.2)%</b>
<i>% margin</i>	15.4%	14.7%		

PPA adjustments (2010 PPA)	7.0	7.0
PPA adjustments (2016 PPA)	6.1	6.3
PPA adjustments (2019 PPA)	-	1.4
EPA / Colmar provision	-	1.5
Advisory costs (M&A)	-	0.7
<b>Total adjustments<sup>1</sup></b>	<b>13.1</b>	<b>16.8</b>

Note: <sup>1</sup> Adjusted EBIT represents profit from operating activities (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 (PPA). Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## Balance sheet overview

Balance sheet (€m)				
	Sept 2018 Actual	June 2019 Actual	Change	% change
Property, plant and equipm.	179.2	194.0	14.8	8.3%
Goodwill	195.2	212.0	16.8	8.6%
Other intangible assets	247.2	279.5	32.3	13.1%
Inventories	90.8	94.0	3.2	3.5%
Trade receivables	111.3	122.6	11.3	10.2%
Other assets	43.7	41.0	(2.7)	(6.2)%
Cash	143.0	126.2	(16.8)	(11.7)%
<b>Total assets</b>	<b>1,010.4</b>	<b>1,069.3</b>	<b>58.9</b>	<b>5.8%</b>
<b>Equity incl. minorities</b>	426.5	470.8	44.3	10.4%
Debt (incl. accrued interest)	320.0	328.7	8.7	2.7%
Pension plans	52.2	55.4	3.2	6.1%
Deferred tax liabilities	47.8	57.4	9.6	20.1%
Trade accounts payable	83.2	76.2	(7.0)	(8.4)%
Other liabilities	80.7	80.8	0.1	0.1%
<b>Total equity and liabilities</b>	<b>1,010.4</b>	<b>1,069.3</b>	<b>58.9</b>	<b>5.8%</b>
<i>Net leverage ratio<sup>1</sup></i>	1.1x	1.2x		

### Key highlights

- Assets and liabilities of acquired entities General Aerospace, Clevers and Piston are included in the group's balance sheet as of end June 2019
- PPE, goodwill, other intangible assets, receivables, debt (€5.1m bank loans of acquired entities), deferred taxes increased as a consequence of the acquisitions
- Cash balance decreased as a consequence of the acquisitions (purchase price payment) and the €24.7m dividend payment in Feb 19
- Pension liability increased by €3.2m due to lower discount rate (June: 1.48% vs. Sept: 2.00%)
- Equity up by €44.3m, primarily due to the profit generated in first 9M of FY19

Note: <sup>1</sup> Net leverage ratio = net financial debt / adj. EBITDA LTM. Net financial debt defined as principal amount of financial debt less cash. Adj. EBITDA LTM = last-twelve-month adjusted earnings before interest, taxes, depreciation and amortization. Refer also to our financial reports and quarterly statements at [www.ir.stabilus.com](http://www.ir.stabilus.com) for further details. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## Cash flow overview and free cash flow (3M ended June 30, 2019)

### Cash Flow Statement (€m)

	Q3 FY2018 Actual	Q3 FY2019 Actual	Change	% change
Cash flow from operating activities	48.6	44.2	(4.4)	(9.1)%
Cash flow from investing activities	(8.2)	(52.1)	(43.9)	>100.0%
Cash flow from financing activities	(1.0)	(1.2)	(0.2)	20.0%
<b>Net increase / (decrease) in cash</b>	<b>39.4</b>	<b>(9.1)</b>	<b>(48.5)</b>	<b>&lt;(100.0)%</b>
Effect of movements in exchange rates	0.8	(1.2)	(2.0)	<(100.0)%
Cash as of beginning of the period	75.8	136.5	60.7	80.1%
<b>Cash as of end of the period</b>	<b>115.8</b>	<b>126.2</b>	<b>10.4</b>	<b>9.0%</b>

### Free Cash Flow (€m)

	Q3 FY2018 Actual (a)	Q3 FY2019 Actual (b)	Q3 FY2019 Adjusted <sup>1</sup> (c)	Change (c)-(a)	% change [(c)-(a)] / (a)
Cash flow from operating activities	48.6	44.2	44.2	(4.4)	(9.1)%
Cash flow from investing activities	(8.2)	(52.1)	(12.8)	(4.6)	56.1%
<b>Free cash flow</b>	<b>40.4</b>	<b>(7.9)</b>	<b>31.4</b>	<b>(9.0)</b>	<b>(22.3)%</b>

Note: <sup>1</sup> Adjusted = excluding 'acquisition of assets and liabilities within business combination, net of cash acquired' (General Aerospace, Clevers and Piston). Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

## Cash flow overview and free cash flow (9M ended June 30, 2019)

### Cash Flow Statement (€m)

	9M FY2018 Actual	9M FY2019 Actual	Change	% change
Cash flow from operating activities	98.9	92.3	(6.6)	(6.7)%
Cash flow from investing activities	(27.0)	(81.2)	(54.2)	>100.0%
Cash flow from financing activities	(24.0)	(28.4)	(4.4)	18.3%
<b>Net increase / (decrease) in cash</b>	<b>47.9</b>	<b>(17.3)</b>	<b>(65.2)</b>	<b>&lt;(100.0)%</b>
Effect of movements in exchange rates	(0.1)	0.5	0.6	<(100.0)%
Cash as of beginning of the period	68.1	143.0	74.9	>100.0%
<b>Cash as of end of the period</b>	<b>115.8</b>	<b>126.2</b>	<b>10.4</b>	<b>9.0%</b>

### Free Cash Flow (€m)

	9M FY2018 Actual (a)	9M FY2019 Actual (b)	9M FY2019 Adjusted <sup>1</sup> (c)	Change (c)-(a)	% change [(c)-(a)] / (a)
Cash flow from operating activities	98.9	92.3	92.3	(6.6)	(6.7)%
Cash flow from investing activities	(27.0)	(81.2)	(41.9)	(14.9)	55.2%
<b>Free cash flow</b>	<b>71.9</b>	<b>11.1</b>	<b>50.4</b>	<b>(21.5)</b>	<b>(29.9)%</b>

### Comments

- Cash flow from investing activities in 9M FY19 includes €4.2m payment for the additional Hahn building
- Cash flow from financing activities in 9M FY19 includes €24.7m dividend payment (vs. €19.8m in 9M FY18)

Note: <sup>1</sup> Adjusted = excluding 'acquisition of assets and liabilities within business combination, net of cash acquired' (General Aerospace, Clevers and Piston). Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.



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