

### QUARTERLY STATEMENT Q1 FY2023

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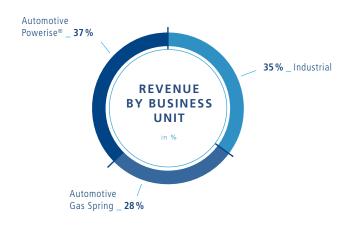
## **KEY FIGURES**

|  |        | Q1 for the period from October 1<br>to December 31, |        |           |
|--|--------|---|--------|-----------|
| IN € MILLIONS                                  | 2022   | 2021  | Change | % change  |
| Revenue  | 290.7  | 243.7   | 47.0   | 19.3%     |
| EBIT   | 29.1   | 25.9  | 3.2    | 12.4%     |
| Adjusted EBIT                                  | 32.6   | 29.3  | 3.3    | 11.3%     |
| Profit for the period                          | 15.5   | 18.0  | (2.5)  | (13.9)%   |
| Capital expenditure (capex)                    | (12.9) | (9.4)   | (3.5)  | 37.2%     |
| Free cash flow (FCF)                           | 32.4   | (15.2)  | 47.6   | <(100.0)% |
| Adjusted FCF                                   | 32.7   | 7.4   | 25.3   | >100.0%   |
| EBIT as % of revenue                           | 10.0%  | 10.6%   |        |           |
| Adjusted EBIT as % of revenue                  | 11.2%  | 12.0%   |        |           |
| Profit as % of revenue                         | 5.3%   | 7.4%  |        |           |
| Capital expenditure (capex)<br>as % of revenue | 4.4%   | 3.9%  |        |           |
| FCF as % of revenue                            | 11.1%  | (6.2)%  |        |           |
| Adjusted FCF as % of revenue                   | 11.2%  | 3.0%  |        |           |
| Net leverage ratio                             | 0.3x   | 0.7x  |        |           |
|  |        |   |        |           |

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



#### Revenue by business unit





#### **QUARTERLY STATEMENT**

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#### **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.

#### **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<sup>®</sup>) 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 company of choice for customers and employees, (iii) focus on innovations to deliver Next Level Motion Control Solutions (further information at <u>https://www.stabilus.com/company/</u> <u>company-strategy).</u>

## PRINCIPLES OF PREPARING THE QUARTERLY STATEMENT

#### ACCOUNTING

Stabilus SE has prepared this quarterly statement on the basis of uniform consolidated accounting policies. The components of this quarterly statement were prepared in accordance with the accounting policies used for the consolidated financial statements as of September 30, 2022.

### USE OF ALTERNATIVE PERFORMANCE MEASURES (APMS)

In addition to performance indicators defined or listed in the IFRS standard 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 quarterly statement, 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 at Stabilus SE that

can be reconciled directly. The Stabilus Group uses the following APMs in this quarterly statement:

- 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 the reported revenue growth after removing the effects of acquisitions and divestitures, measured at constant foreign exchange rates. The effects resulting from constant foreign exchange rates are calculated as current-year revenue converted at applicable current-year average exchange rates, less currentyear revenue converted at prior-year exchange rates. The definitions and required disclosures for all other APMs are provided in the relevant sections of this quarterly statement.

#### **ROUNDING DIFFERENCES**

Unless indicated otherwise, all amounts are shown in thousands of euro ( $\in$  thousand). For arithmetical reasons, the information presented in this quarterly statement can contain rounding differences of +/- one unit ( $\in$  thousand, % etc.). Negative amounts are shown in parentheses.

#### **GENDER FORM**

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

#### FORWARD-LOOKING STATEMENTS

This quarterly statement 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 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**

For the 2022 calendar year, the International Monetary Fund (IMF) forecast global economic growth of 3.2% (World Economic Outlook – October 2022). The performance on Stabilus' core markets of Europe (+3.2%), the United States (+1.6%) and China (+3.2%) varied considerably in the 2022 calendar year, according to the IMF. The defining factors are the ongoing impact of the COVID-19 pandemic, in particular China's zero-COVID strategy and the recent sharp rise in case numbers, as well as supply bottlenecks characterized by supply shortages for raw materials and semiconductors that were further exacerbated by the Russia/Ukraine war.

The shortages of energy, raw materials and supplier products are causing substantial price increases across all areas of the economy. According to estimates by the ifo Institute as of the time of reporting, the average global rate of inflation forecast for the fourth quarter of the 2022 calendar year will be around 7.1%. In the EMEA region, inflation in the European Union (EU) in December amounts to 10.4%, falling from October and November 2022. In the Americas region, inflation in Stabilus' core market of the United States reached 6.5% in December 2022, down (1.7) percentage points compared with September 2022. Inflation in the APAC region is lower by comparison, with Stabilus' core market of China reporting 1.8% in December 2022.

#### FINANCING ENVIRONMENT

**B** SUPPLEMENTARY FINANCIAL INFORMATION

After both the ECB and the Fed raised interest rates again in December 2022, rates are now 2.5% (ECB) and 4.5% (Fed).

#### SECTOR DEVELOPMENTS

#### **Development of vehicle markets**

Despite the global COVID-19 restrictions, supply problems, semiconductor shortage and the Russia/Ukraine war, according to IHS data (as of January 2023), +0.3 million more vehicles (light vehicles) were produced worldwide in October to December 2022 (Q1 2023) than in the previous year, reaching a value of 21.5 million vehicles produced. The Americas region recorded the largest increase in automobiles produced at +7.2%, reaching 4.3 million units in the first quarter of fiscal 2023. In the EMEA

region, +1.5% more units were produced in the same period compared with the previous year, bringing the total to 4.6 million units. By contrast, light vehicles production in the APAC region stagnated at the prior-year level of 12.6 million units in the first quarter of fiscal 2023.

According to the European Automobile Manufacturers Association (ACEA), new car registrations in the EU in the first quarter of fiscal 2023 (October 1, 2022 to December 31, 2022) increased by approx. +13.8%. Likewise, according to Country Economy, the United States also recorded growth in new passenger car registrations of around +13.9% year-onyear in the first quarter of fiscal 2023. New passenger car registrations in China, on the other hand, declined slightly in the same period by (0.8)% according to the China Association of Automobile Manufacturers (CAAM).

#### Development of industrial production

Industrial production was impacted by the current global challenges, which include COVID-19 restrictions, 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 around +2.0% as against November 2021 in November 2022 (Germany: (0.2)%).

In the United States, industrial production was up by around +1.6% yearon-year in December 2022, after adjustment for seasonal effects (manufacturing sector: (0.4)%).

In China, industrial production grew by around +1.3% in December 2022 as compared to December 2021.

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#### **Development of the procurement markets**

High inflation is one factor hampering access to various procurement markets. Stabilus was able to mitigate supply shortages on the raw materials market thanks to its procurement strategy and strategic inventory management. The Group did not at any time have to stop production on account of shortages. The current supply problems on the procurement markets, caused by the volatile raw materials market, affect procurement prices for the Stabilus Group which can be passed on to customers in part.

#### OVERALL ASSESSMENT OF BUSINESS PERFORMANCE

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

In view of the challenging general market conditions, the Stabilus Group performed very well overall in the first quarter of fiscal 2023. It generated revenue of €290,661 thousand (Q1 2022: €243,708 thousand), which translates into significant revenue growth of +19.3% (organic growth rate: +13.9%) and comfortably outperformed the first quarter of fiscal 2022. Taking the tough market landscape and the difficult geopolitical situation into account, Stabilus achieved very good results in the first quarter of fiscal 2023, once again demonstrating the Company's stability and market presence even in times of economic volatility.

The Automotive Powerise<sup>®</sup> division generated significant organic revenue growth of +31.9%, thanks in particular to high customer demand for the product series. Overall, the Automotive Powerise<sup>®</sup> division once again comfortably outperformed global vehicle production, which rose by +1.7% in the first quarter of fiscal 2023. The positive trend is also evi-

dent in the Automotive Gas Spring division, which exceeded global market expectations and achieved organic growth of +2.7% as against the first quarter of fiscal 2022. Our Industrial division is still on a strong growth trajectory with organic growth of +8.1% in the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022.

Looking to our regions, revenue in the Americas region climbed significantly to  $\leq 109.2$  million, which translates into an organic growth rate of +23.2%. The APAC region generated organic growth of +18.4% to  $\leq 72.3$  million. The EMEA region achieved organic revenue growth of +4.3% to  $\leq 109.2$  million despite the harsh market environment (information on operating segments from page 10).

The geopolitical situation remains tense and a theoretical potential gas shortage could strain plant operations. Stabilus has prepared suitable countermeasures to address this that can be put into place at short notice, significantly reducing the risk of a gas shortage. The risks of the reduced availability of key production components were avoided thanks to strict supply chain management. These shortages and cost hikes resulted in cost inflation.

The Group closed the first quarter of fiscal 2023 with an adjusted EBIT of  $\in$  32.6 million (Q1 2022:  $\in$  29.3 million). This represents an adjusted EBIT margin of 11.2% (Q1 2022: 12.0%), slightly lower than in the prior year. The sharp rise in materials prices seen in late summer 2022 was passed on to customers only with a delay, taking a toll on the Group's EBIT. In addition, Stabilus' first quarter of 2022 was the last quarter not yet impacted by the Russia/Ukraine war.

The Group is maintaining its global, interdisciplinary crisis management team and monitors and analyzes the impact of the COVID-19 pandemic (especially in China) and the Russia/Ukraine war on the organization at local and global level, especially in terms of customer communication, IT security and risk management, so that it can take action at short notice and mitigate the risks identified.

**C** ADDITIONAL INFORMATION

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 0.3x (September 30, 2022: 0.4x) (please refer to the information on the net leverage ratio on page 15). The committed revolving credit facility of €350.0 million had not been utilized as of December 31, 2022.

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  $CO_2$  emissions at Stabilus' own production facilities and throughout our supply chain by 2030. This is to be achieved on the one hand through a sustainable reduction in energy consumption at Stabilus' sites and on the other hand through the gradual use of 100% of renewable electricity and the associated significant reduction in  $CO_2$  emission. 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  $CO_2$  reduction in the supply chain will be achieved through targeted 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).

2021

243.7

19.3%

% change

#### Revenue by region and business unit

| effects, which amounted to +€13.2 million, the Stabilus Group achieved              | Industrial               |
|---|--------------------------|
| organic growth of $+ \in 33.7$ million or $+ 13.9\%$ in the first quarter of fiscal | Total EMEA <sup>1)</sup> |
| 2023. The strong increase in revenue is mainly due to increased demand              | Americas                 |
| for Stabilus' product portfolio, but also includes material price compensa-         | Automotive Gas Spring    |
| tions by our customers.   | Automotive Powerise®     |
|   | Industrial               |
| Increased Stabilus Group revenue in the first quarter of fiscal 2023 was            |                          |

Revenue<sup>1)</sup>

IN € MILLIONS

EMEA

Increased Stabilus Group revenue in the first quarter of fiscal 2023 was largely thanks to revenue growth in the Americas region. Revenue in the Americas region climbed by +€32.0 million or +41.5% to €109.2 million, buoyed by the relative strength of the Mexican peso and US dollar compared to the euro. The organic growth rate was +23.2%.

Revenue also grew significantly in the APAC region, climbing by +€11.2 million or +18.3% to €72.3 million. The organic growth rate in the APAC region was +18.4%.

Revenue in the EMEA region climbed by  $+ \in 3.7$  million or +3.5%; the organic growth rate was +4.3%. Stabilus was able to further expand its market position despite the harsh market environment in the region, with supply chain problems for our customers on account of the Russia / Ukraine war and the sharp rise in inflation.

| pared to the first quarter of fiscal 2022. After eliminating exchange rate          | Automotive Powerise®     |  |
|---|--------------------------|--|
| effects, which amounted to +€13.2 million, the Stabilus Group achieved              | Industrial               |  |
| organic growth of $+ \in 33.7$ million or $+ 13.9\%$ in the first quarter of fiscal | Total EMEA <sup>1)</sup> |  |
| 2023. The strong increase in revenue is mainly due to increased demand              | Americas                 |  |
| for Stabilus' product portfolio, but also includes material price compensa-         | Automotive Gas Spring    |  |
| tions by our customers.   | Automotive Powerise®     |  |
|   |                          |  |

| Automotive Gas Spring        | 26.2  | 26.0  | 0.8%    | 0.0%   |   |
|------------------------------|-------|-------|---------|--------|---|
| Automotive Powerise®         | 26.8  | 21.9  | 22.4%   | 0.7%   |   |
| Industrial                   | 56.2  | 57.6  | (2.4)%  | (1.8)% |   |
| Total EMEA <sup>1)</sup>     | 109.2 | 105.5 | 3.5%    | (0.8)% |   |
| Americas                     |       |       |         |        |   |
| Automotive Gas Spring        | 27.7  | 23.0  | 20.4%   | 15.7%  |   |
| Automotive Powerise®         | 42.0  | 27.4  | 53.3%   | 23.4%  |   |
| Industrial                   | 39.4  | 26.8  | 47.0%   | 15.2%  |   |
| Total Americas <sup>1)</sup> | 109.2 | 77.2  | 41.5%   | 18.3%  |   |
| APAC                         |       |       |         |        |   |
| Automotive Gas Spring        | 28.2  | 27.5  | 2.5%    | (0.2)% |   |
| Automotive Powerise®         | 39.0  | 27.4  | 42.3%   | 0.1%   |   |
| Industrial                   | 5.2   | 6.2   | (16.1)% | (0.4)% |   |
| Total APAC <sup>1)</sup>     | 72.3  | 61.1  | 18.3%   | (0.1)% |   |
| Stabilus Group               |       |       |         |        |   |
| Total Automotive Gas Spring  | 82.1  | 76.5  | 7.3%    | 4.6%   |   |
| Total Automotive Powerise®   | 107.8 | 76.7  | 40.5%   | 8.6%   |   |
| Total Industrial             | 100.8 | 90.5  | 11.4%   | 3.3%   | - |
|                              |       |       |         |        |   |

290.7

Q1 for the period from October 1 to December 31,

2022

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

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ANALYSIS OF REVENUE DEVELOPMENT

**RESULTS OF OPERATIONS OF THE STABILUS** 

The Stabilus Group's revenue of €290.7 million (Q1 2022: €243.7 million)

rose by +€47.0 million or +19.3% in the first quarter of fiscal 2023 com-

**A** OUARTERLY STATEMENT

GROUP

% organic

growth

0.8%

21.7%

(0.6)%

4.3%

4.7%

29.9% 31.8%

23.2%

2.7%

42.2%

(15.7)%

18.4%

2.7%

31.9%

8.1%

13.9%

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% currency

effect

5.4%

Income statement

#### **EARNINGS ANALYSIS**

The following table shows the condensed consolidated income statement of the Stabilus Group for the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022.

#### **Cost of sales**

The cost of sales increased by 20.6% from €(178.1) million in the first guarter of fiscal 2022 to  $\in$  (214.7) million in the first guarter 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 high material price inflation (e.g. for steel, plastic and resin). As well as these effects, the sharp rise in energy costs compared to the prior year also impacted the cost base and hurt the margin. Compared to the growth in the cost of sales (+20.6%), revenue has risen at a slower rate (+19.3%). This is mainly on account of the high increases described in the cost of energy and materials in virtually all areas and the consistently challenging market conditions for procurement. In addition, inflation-related personnel cost increases are having a negative impact on the margin. As a result, the cost of sales as a percentage of revenue rose by +0.8 percentage points from 73.1% in the first quarter of fiscal 2022 to 73.9% in the first quarter of fiscal 2023. Accordingly, the gross profit margin deteriorated from 27.0% in the first quarter of fiscal 2022 to 26.1% in the first quarter of fiscal 2023.

|  | Q1 for the period from<br>October 1 to December 31, |         |          |
|--|---|---------|----------|
| IN € MILLIONS  | 2022  | 2021    | % change |
| Revenue  | 290.7   | 243.7   | 19.3%    |
| Cost of sales  | (214.7)   | (178.1) | 20.6%    |
| Gross profit   | 75.9  | 65.7    | 15.5%    |
| Research and development expenses                    | (12.9)  | (11.9)  | 8.4%     |
| Selling expenses                                     | (23.8)  | (20.2)  | 17.8%    |
| Administrative expenses                              | (10.5)  | (9.9)   | 6.1%     |
| Other income   | 2.1   | 2.6     | (19.2)%  |
| Other expenses                                       | (2.0)   | (0.3)   | >100.0%  |
| Income / (expense) from equity-accounted investments | 0.3   | _       | n/a      |
| Profit from operating activities (EBIT)              | 29.1  | 25.9    | 12.4%    |
| Finance income                                       | 0.5   | 1.4     | (64.3)%  |
| Finance costs  | (8.4)   | (2.2)   | >100.0%  |
| Profit/(loss) before income tax                      | 21.1  | 25.2    | (16.3)%  |
| Income tax income / (expense)                        | (5.6)   | (7.2)   | (22.2)%  |
| Profit/(loss) for the period                         | 15.5  | 18.0    | (13.9)%  |



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#### Research and development expenses

R&D costs (less capitalized development costs) picked up by +8.4% from €(11.9) million in the first quarter of fiscal 2022 to €(12.9) million in the first quarter of fiscal 2023. The Stabilus Group is continuing to invest in the development of new products and product applications, e.g. in the ongoing development of the Powerise<sup>®</sup> product range in order to cultivate new business areas. This is also reflected by the slight rise in R&D headcount. The capitalization of development costs (less customer contributions) increased slightly from €(3.4) million in the first quarter of fiscal 2022 to €(3.5) million in the first quarter of fiscal 2023. As a percentage of revenue, R&D expenses decreased by (0.5) percentage points from 4.9% in the first quarter of fiscal 2022 to 4.4% in the first quarter of fiscal 2023.

#### Selling expenses

Selling expenses rose by +17.8% in the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022, increasing from  $\in$ (20.2) million to  $\in$ (23.8) million. The main reason for the year-on-year increase is the considerably higher business volume and rising freight rates. As a percentage of revenue, selling expenses fell slightly by (0.1) percentage points from 8.3% in the first quarter of fiscal 2022 to 8.2% in the first quarter of fiscal 2023.

#### Administrative expenses

Administrative expenses rose by +6.1% in the first quarter of fiscal 2023 as against the first quarter of fiscal 2022 from  $\in$ (9.9) million to  $\in$ (10.5) million. This year-on-year increase was caused by the growth in headcount and higher salaries. The Group remains committed to digitalizing and harmonizing the IT landscape. As a percentage of revenue, administrative expenses decreased by (0.5) percentage points from 4.1% in the first quarter of fiscal 2022 to 3.6% in the first quarter of fiscal 2023.

#### Other income and expense

Other income declined by  $\in (0.5)$  million from  $+ \in 2.6$  million in the first quarter of fiscal 2022 to  $+ \in 2.1$  million in the first quarter of fiscal 2023. The first quarter of fiscal 2023 essentially included a  $\in 1.3$  million government support program in China and miscellaneous other revenue relates mainly to scrap revenue. The prior-year amount was impacted by a non-recurring effect of  $\in 1.6$  million, the result of a reimbursement relating to the acquisition of the SKF Group in 2016. In addition, the prior-year figure for the first quarter of fiscal 2022 also included net foreign currency translation gains from operating business of  $+ \in 0.8$  million.

Other expenses rose by  $\in$ (1.7) million from  $\in$ (0.3) million in the first quarter of fiscal 2022 to  $\in$ (2.0) million in the first quarter of fiscal 2023. The increase is essentially due to currency translation losses from operating business of  $\in$ (1.8) million, which were mainly incurred in the Americas.

#### Finance income and costs

Finance income declined from  $+ \in 1.4$  million in the first quarter of fiscal 2022 to  $+ \in 0.5$  million in the first quarter of fiscal 2023. The prior year included net foreign exchange gains of  $\in 1.3$  million from the translation of cash and cash equivalents as well as from other financial liabilities (lease liabilities).

Finance costs saw a rise of  $\in$ (6.2) million from  $\in$ (2.2) million in the first quarter of fiscal 2022 to  $\in$ (8.4) million in the first quarter of fiscal 2023. This rise essentially relates to net foreign exchange losses of  $\in$ (6.8) million from the translation of cash and cash equivalents as well as from other financial liabilities (lease liabilities). Interest expenses on financial liabilities declined from  $\in$ (1.8) million to  $\in$ (1.3) million year on year.

Finance costs primarily contain ongoing interest expense. Interest expense of  $\in$ (1.3) million in the first quarter of fiscal 2023 (Q1 2022:  $\in$ (2.1) million), relates in particular to the term loan facility,  $\in$ (0.8) million of which (Q1 2022:  $\in$ (1.0) million) relates to interest paid. In addition, in the prior year  $\in$ (0.8) 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 quarter of fiscal 2023.

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#### Income tax expense

Income tax expense declined by  $+ \in 1.6$  million from  $\in (7.2)$  million in the first quarter of fiscal 2022 to  $\in (5.6)$  million in the first quarter of fiscal 2023. The effective tax rate of the Stabilus Group is 26.5% in the first quarter of fiscal 2023 (Q1 2022: 28.6%).

### 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 first quarters of fiscal 2023 and fiscal 2022:

#### EMEA

External revenue for the EMEA region was +€3.7 million or +3.5% higher in the first quarter of fiscal 2023 than in the first quarter of fiscal 2022, rising from €105.5 million to €109.2 million. After eliminating exchange rate effects of €(0.9) million, organic growth amounts to +4.3%. Revenue in Automotive Powerise<sup>®</sup> increased by +€4.9 million or +22.4% from €21.9 million to €26.8 million. The organic growth rate of Automotive Powerise<sup>®</sup> business is +21.7%. Revenue in Automotive Gas Spring also picked up, expanding by +€0.2 million or +0.8% from €26.0 million to €26.2 million. The organic growth in Automotive Gas Spring business amounts to +0.8%. According to IHS (as of January 2023), car production in the first guarter of fiscal 2023 increased by +1.5% to 4.6 million units. The market environment continues to be affected by the COVID-19 pandemic and the Russia/Ukraine war. The reduced availability of key electronic components (semiconductors) and production components has improved slightly, although the situation remains challenging and is still affected by uncertainties in global supply chains and has an impact on our customers' business. The eurozone is also experiencing high inflation, which is taking a toll on the macroeconomic environment and resulting in lower customer demand and consumer spending. Despite these negative factors, Stabilus' automotive business recovered slightly and reported sound growth rates, especially in Automotive Powerise<sup>®</sup>, underscoring the Group's good market presence in the region. Industrial business declined slightly in the first guarter of fiscal 2023 compared to the first guarter of fiscal 2022, down €(1.4) million or (2.4)% from €57.6 million to €56.2 million. The organic growth rate of industrial business is (0.6)%. General market conditions in the business area stabilized, but there is a certain level of risk on account of the downturn in order intake in the period from October 2022 to December 2022. Inflation and geopolitical uncertainty remains high. Stabilus achieved higher-than-average growth in the energy and consumption sub-areas, while healthcare, medical technology and

furniture were in sharp decline. Other sub-areas performed in line with the previous year. The division's performance shows that the Group benefits from its broad product range and can more easily offset any declines in the individual sub-areas. The adjusted EBIT margin for the EMEA region decreased owing to the negative effects of higher materials and energy prices, inflation-related personnel cost increases and geopolitical factors.

#### **Operating segments**

|                                    | Q1 for the period from<br>October 1 to December 31, |       |          |
|------------------------------------|---|-------|----------|
| IN € MILLIONS                      | 2022  | 2021  | % change |
| EMEA                               |   |       |          |
| External revenue <sup>1)</sup>     | 109.2   | 105.5 | 3.5%     |
| Intersegment revenue <sup>1)</sup> | 9.4   | 8.4   | 11.9%    |
| Total revenue <sup>1)</sup>        | 118.6   | 113.9 | 4.1%     |
| Adjusted EBIT                      | 5.2   | 10.9  | (52.3)%  |
| as % of total revenue              | 4.4%  | 9.6%  |          |
| as % of external revenue           | 4.8%  | 10.3% |          |
| Americas                           |   |       |          |
| External revenue <sup>1)</sup>     | 109.2   | 77.2  | 41.5%    |
| Intersegment revenue <sup>1)</sup> | 9.0   | 7.2   | 25.0%    |
| Total revenue <sup>1)</sup>        | 118.1   | 84.4  | 39.9%    |
| Adjusted EBIT                      | 12.0  | 5.5   | 118.2%   |
| as % of total revenue              | 10.2%   | 6.5%  |          |
| as % of external revenue           | 11.0%   | 7.1%  |          |
| APAC                               |   |       |          |
| External revenue <sup>1)</sup>     | 72.3  | 61.1  | 18.3%    |
| Intersegment revenue <sup>1)</sup> | 0.3   |       |          |
| Total revenue <sup>1)</sup>        | 72.6  | 61.1  | 18.8%    |
| Adjusted EBIT                      | 15.4  | 12.9  | 19.4%    |
| as % of total revenue              | 21.2%   | 21.1% |          |
| as % of external revenue           | 21.3%   | 21.1% |          |

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

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Adjusted EBIT in the EMEA region decreased by  $\in$ (5.7) million or (52.3)% from  $\in$ 10.9 million in the first quarter of fiscal 2022 to  $\in$ 5.2 million in the first quarter of fiscal 2023 and the adjusted EBIT margin was down (5.5) percentage points from 10.3% in the first quarter of fiscal 2022 to 4.8% in the first quarter of fiscal 2023.

#### Americas

External revenue in the Americas region rose by +€32.0 million or +41.5% in the first guarter of fiscal 2023 compared to the first guarter of fiscal 2022, increasing from €77.2 million to €109.2 million. After eliminating exchange rate effects of +€14.1 million, due in particular to the relatively strong Mexican peso and the US dollar, organic growth amounts to +23.2%. The main factor driving this strong growth was our Automotive Powerise<sup>®</sup> business, which rose by +€14.6 million or +53.3% from €27.4 million to €42.0 million in the Americas region in the first guarter of fiscal 2023. The organic growth in Automotive Powerise® business amounts to +29.9%. In addition to the positive trend in Automotive Powerise® business, Automotive Gas Spring business also performed positively and grew by +€4.7 million or +20.4% from €23.0 million to €27.7 million. The organic growth rate of Automotive Gas Spring business is +4.7%. The US automotive market made considerable gains compared to the previous year, achieving double-digit growth rates (according to IHS) and increased by +13.6% to 2.5 million units. This is reflected primarily 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 again hurt global supply chains as a result of shortages. The high US inflation

seen in summer 2022 steadily eased, though it remains high compared to the previous year. Regardless of this, consumer spending in the region is picking up. All in all, Stabilus' growth rates exceed market expectations and illustrate the excellent performance of the automotive market share in the region. Industrial business developed well and grew by +€12.6 million or +47.0% from €26.8 million to €39.4 million. The organic growth for industrial business amounts to +31.8%. Industrial growth generated very strong growth in the first quarter of fiscal 2023. Despite high inflation prevailing, consumer confidence improved significantly. Thanks to securing new orders, especially in energy & consumption and with distributors, independent aftermarket and e-commerce, growth in the business was higher than average. Double-digit growth was also achieved in the commercial vehicles, healthcare, medical technology, furniture and industrial machinery & automation sub-segments. The Americas region was also impacted by increases in the cost of materials and personnel costs, but adjusted EBIT in the segment was bolstered by the sharp upturn in revenue. Adjusted EBIT for the Americas region surged by +€6.5 million or +118.2% from €5.5 million in the first guarter of fiscal 2022 to €12.0 million in the first guarter of fiscal 2023 and the adjusted EBIT margin rose by +3.9 percentage points from 7.1% in the first quarter of fiscal 2022 to 11.0% in the first guarter of fiscal 2023.

#### APAC

External revenue in the APAC region increased by  $+ \in 11.2$  million or +18.3% in the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022 from  $\in 61.1$  million to  $\in 72.3$  million. After eliminating exchange rate effects of  $\in (0.1)$  million, organic growth amounts to +18.4%. This increase was thanks in particular to Automotive Powerise<sup>®</sup> business,

which contributed growth of +€11.6 million or +42.3% from €27.4 million to €39.0 million. The organic growth amounts to +42.2%. Automotive Gas Spring business expanded slightly by  $+ \in 0.7$  million or +2.5% from €27.5 million to €28.2 million. The organic growth rate of Automotive Gas Spring business is +2.7%. The recent surge in the number of COVID-19 cases, especially in China, burdened the economy and suppressed growth. There is a perceptible risk of temporary disruption to plants and ports and resulting supply chain shortages, especially for electronic components (semiconductors) and precursors. IHS figures (as of January 2023) show that Chinese car production in the first guarter of fiscal 2023 was down by (6.6)% to 7.1 million units in comparison to the first guarter of fiscal 2022, whereas the APAC region stagnated at the previous year's level of 12.6 million units. Nevertheless, the trend for sales figures for the Automotive Powerise<sup>®</sup> product range and the Automotive Gas Spring business is positive, thanks primarily to profits from new OEM platforms in recent months. The economy was assisted by the Chinese government, which initiated various economic programs to counteract regional lockdowns. In addition the region also benefited from customer discounts at 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<sup>®</sup> in particular. Industrial business lost €(1.0) million or (16.1)% in the first guarter of fiscal 2023 compared to the first guarter of fiscal 2022, declining from +€6.2 million to +€5.2 million. Organic growth for industrial business amounts to (15.7)%. The weaker market environment, especially in China, meant that the industrial market saw business cool off in almost all market segment sub-areas except energy & consumption and industrial machinery & automation, and so the positive trend could not be continued in the short term. Adjusted EBIT in the APAC region climbed by

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#### **B** SUPPLEMENTARY FINANCIAL INFORMATION

**Reconciliation of EBIT to adjusted EBIT** 

+€2.5 million or +19.4% from €12.9 million in the first quarter of fiscal 2022 to €15.4 million in the first quarter of fiscal 2023 and the adjusted EBIT margin rose by +0.2 percentage points from 21.1% in the first quarter of fiscal 2022 to 21.3% in the first quarter of fiscal 2023.

#### **RECONCILIATION OF ADJUSTED EBIT**

The following table shows the reconciliation to adjusted EBIT for the first quarter of fiscal 2023 and the first quarter 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. Further details of segment reporting can be found in the supplementary financial information on page 21.

The effects of PPAs from previous company acquisitions came to  $\leq 3.5$  million in the first quarter of fiscal 2023 (Q1 2022:  $\leq 3.4$  million). This is straight-line depreciation of the remeasurement of assets.  $\leq 1.2$  million of this (Q1 2022:  $\leq 1.2$  million) is attributable to PPA in fiscal 2010 and  $\leq 2.2$  million (2022:  $\leq 2.1$  million) to PPA in fiscal 2016. The increase in PPA effects compared to the previous year is due to currency effects (USD/EUR). Furthermore,  $\leq 0.2$  million (Q1 2022:  $\leq 0.2$  million) relates to purchase price allocation in fiscal 2019.

|   | Q1 for the p<br>October 1 to l |      |          |
|---|--------------------------------|------|----------|
| IN € MILLIONS                                   | 2022                           | 2021 | % change |
| Profit from operating activities (EBIT)         | 29.1                           | 25.9 | 12.4%    |
| PPA adjustments – depreciation and amortization | 3.5                            | 3.4  | 2.9%     |
| Adjusted EBIT                                   | 32.6                           | 29.3 | 11.3%    |

#### FINANCIAL POSITION OF THE STABILUS GROUP

#### **ANALYSIS OF NET ASSETS**

#### **Total assets**

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The Stabilus Group's total assets decreased by  $\in$ (31.5) million or (2.5)% from  $\in$ 1,266.6 million as of September 30, 2022 to  $\in$ 1,235.1 million as of December 31, 2022.

### As of December 31, 2022, the non-current assets of the Stabilus Group

Non-current assets

decreased by  $\in$ (23.2) million or (3.3)% as against September 30, 2022 from  $\in$ 701.9 million to  $\in$ 678.7 million. Non-current assets were essentially influenced by carrying amount adjustments due to exchange rate effects (e.g. a decrease in goodwill of  $\in$ (6.3) million). The amortization on other intangible assets of  $\in$ (7.6) million, which essentially results from purchase price allocation in prior fiscal years, and depreciation on property, plant

| IN € MILLIONS                | Dec 31, 2022 | Sept 30, 2022 | % change |
|------------------------------|--------------|---------------|----------|
| Assets                       |              |               |          |
| Non-current assets           | 678.7        | 701.9         | (3.3)%   |
| Current assets               | 556.4        | 564.7         | (1.5)%   |
| Total assets                 | 1,235.1      | 1,266.6       | (2.5)%   |
| Equity and liabilities       |              |               |          |
| Total equity                 | 657.4        | 669.7         | (1.8)%   |
| Non-current liabilities      | 369.6        | 375.0         | (1.4)%   |
| Current liabilities          | 208.1        | 221.9         | (6.2)%   |
| Total liabilities            | 577.7        | 596.9         | (3.2)%   |
| Total equity and liabilities | 1,235.1      | 1,266.6       | (2.5)%   |

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and equipment of  $\in$ (9.5) million, also had an effect. This was countered by capital expenditure of  $+\in$ 8.8 million for ongoing capacity expansion for projects, as well as investments in intangible assets of  $+\in$ 4.1 million.

#### **Current assets**

As of December 31, 2022, the current assets of the Stabilus Group decreased by  $\in$ (8.3) million or (1.5)% as against September 30, 2022 from  $\in$ 564.7 million to  $\in$ 556.4 million. This was due to lower trade receivables compared to September of  $\in$ (34.6) million, with cash and cash equivalents increasing by  $+\in$ 24.1 million at the same time. Furthermore, inventories were increased by  $+\in$ 2.2 million in order to safeguard our global supply chains and to allow for short-term changes in customer call-offs. Higher purchase prices for raw materials and components also played a part.

#### Equity

As of December 31, 2022, the equity of the Stabilus Group decreased by  $\in$ (12.3) million or (1.8)% as against September 30, 2022 from  $\in$ 669.7 million to  $\in$ 657.4 million. This decrease is mainly attributable to other reserves (accumulated other comprehensive income), which fell by  $\in$ (27.8) million to  $\in$ 13.2 million as a result of unrealized losses from foreign currency translation of  $\in$ (25.7) million and unrealized actuarial losses from pensions (after tax) of  $\in$ (2.1) million. By contrast, profit for the period of  $\in$ +15.5 million in the first quarter of fiscal 2023 had the opposite effect.

#### **Non-current liabilities**

The non-current liabilities of the Stabilus Group decreased by  $\in$ (5.4) million or (1.4)% as of December 31, 2022 compared to September 30, 2022, declining from  $\in$ 375.0 million to  $\in$ 369.6 million. Other financial liabilities decreased by  $\in$ (2.7) million, essentially a result of the repayment of lease liabilities. Deferred tax liabilities also decreased by  $\in$ (4.8) million in the first quarter of fiscal 2023 and non-current financial liabilities declined by  $\in$ (0.7) million. This was countered by a + $\in$ 3.0 million upturn in pension obligations, the result of the lower discount rate, which declined from 4.11% as of September 30, 2022 to 3.55% as of December 31, 2022.

#### **Current liabilities**

The current liabilities of the Stabilus Group decreased by  $\notin$ (13.8) million or (6.2)% as of December 31, 2022 compared to September 30, 2022, declining from  $\notin$ 221.9 million to  $\notin$ 208.1 million. This was essentially the result of lower trade payables of  $\notin$ (9.5) million. In addition, other liabilities declined by a total of  $\notin$ (4.5) million in connection with the payment of the collectively agreed Christmas bonus in Germany and the reduction in provisions for vacations.

#### ANALYSIS OF THE FINANCIAL POSITION

#### Cash flow from operating activities

Cash flow from operating activities rose by  $+ \in 28.4$  million or +170.1%in the first quarter of fiscal 2023 as against the first quarter of fiscal 2022 from  $\in 16.7$  million to  $\in 45.1$  million. This is essentially due to changes in working capital (including a decline in trade receivables) and lower payments for income taxes of  $\in (4.6)$  million compared to the prior year.

#### Cash flow from investing activities

Cash flow from investing activities rose +€19.2 million or (60.2)% in the first quarter of fiscal 2023 as against the first quarter of fiscal 2022 from €(31.9) million to €(12.7) million, primarily the result of the acquisition of the investment accounted for at equity (Cultraro Automazione Engineering S.r.l. €(16.6) million) and other equity investments (Synapticon GmbH €(6.0) million) in the first quarter of the prior year. Purchases of intangible assets rose by +€0.7 million and capital expenditure for property, plant and equipment by +€2.8 million as against the prior year.

#### Cash flow from financing activities

Cash flow from financing activities picked up slightly in the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022, up  $+ \in 0.3$  million or (8.8)% from  $\in (3.4)$  million to  $\in (3.1)$  million. This was driven largely by lower interest payments for financial liabilities.

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#### Q1 for the period from October 1 to December 31.

| I € MILLIONS                                       | 2022   | 2021   | % change  |
|--|--------|--------|-----------|
| Cash flow from operating activities                | 45.1   | 16.7   | >100.0%   |
| Cash flow from investing activities                | (12.7) | (31.9) | (60.2)%   |
| Cash flow from financing activities                | (3.1)  | (3.4)  | (8.8)%    |
| Net increase / (decrease) in cash                  | 29.3   | (18.5) | <(100.0)% |
| Effect of movements in exchange rates on cash held | (5.2)  | 1.2    | <(100.0)% |
| Cash as of beginning of the period                 | 168.4  | 193.2  | (12.8)%   |
| ash as of end of the period                        | 192.5  | 175.9  | 9.4%      |
|  |        |        |           |

#### Cash flows

#### STABILUS QUARTERLY STATEMENT Q1 2023

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#### 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 climbed by +€47.6 million in the first quarter of fiscal 2023 as against the first quarter of fiscal 2022 from €(15.2) million to +€32.4 million. The improvement is mainly attributable to the significantly higher cash inflow from operating activities as well as to the €22.6 million investment in Cultraro Automazione Engineering S.r.l. and Synapticon GmbH in the first quarter of the previous year, partially offset by increased investing activities in the first quarter of fiscal 2023 compared to the prior year. The calculation of free cash flow for the first quarter of fiscal 2023 and fiscal 2022 is shown in the table to the right.

#### 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 +€25.3 million in the first quarter of fiscal 2023 as against the first quarter of fiscal 2022 from €7.4 million to €32.7 million, primarily the result of considerable changes in working

capital and lower income tax payments. This was contrasted with higher investment. The prior year adjustment relates to investments in Cultraro Automazione Engineering S.r.l. and Synapticon GmbH. The calculation of adjusted free cash flow for the first quarter of fiscal 2023 and fiscal 2022 is shown in the table below.

#### Free cash flow

|                                     |        | period from<br>December 31, |           |
|-------------------------------------|--------|-----------------------------|-----------|
| IN € MILLIONS                       | 2022   | 2021                        | % change  |
| Cash flow from operating activities | 45.1   | 16.7                        | >100.0%   |
| Cash flow from investing activities | (12.7) | (31.9)                      | (60.2)%   |
| Free cash flow                      | 32.4   | (15.2)                      | <(100.0)% |

#### Adjusted free cash flow

|   |        | period from<br>December 31, |           |
|---|--------|-----------------------------|-----------|
| IN € MILLIONS   | 2022   | 2021                        | % change  |
| Cash flow from operating activities   | 45.1   | 16.7                        | >100.0%   |
| Cash flow from investing activities   | (12.7) | (31.9)                      | (60.2)%   |
| Free cash flow  | 32.4   | (15.2)                      | <(100.0)% |
| Acquisition of assets and liabilities within the business combination, net of cash acquired | 0.3    |                             | n/a       |
| Acquisition of equity-accounted and other investments                                       | -      | 22.6                        | n/a       |
| Adjusted FCF  | 32.7   | 7.4                         | >100.0%   |

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#### Net leverage ratio

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|--|--|-------|
|  |  |       |
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|  |  |       |
|  |  |       |

#### Net leverage ratio

The net leverage ratio is defined as net financial debt divided by adjusted EBITDA. 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 adjusted 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 0.7x in the first quarter of fiscal 2022 to 0.3x in the first quarter of fiscal 2023 (September 30, 2022: 0.4x). This is mainly due to the strong increase in adjusted EBITDA and the further reduction in borrowing. The calculation of the net leverage ratio for the first quarter of fiscal 2022 is shown in the table to the right.

|                                  | Q1 as o | f Dec 31, |          |
|----------------------------------|---------|-----------|----------|
| IN € MILLIONS                    | 2022    | 2021      | % change |
| Financial debt                   | 256.0   | 300.0     | (14.7)%  |
| Cash and cash equivalents        | (192.5) | (175.9)   | 9.4%     |
| Net financial debt               | 63.5    | 124.1     | (48.8)%  |
| Adjusted EBITDA (LTM, Dec 31)    | 215.2   | 182.8     | 17.7%    |
| Net leverage ratio <sup>1)</sup> | 0.3x    | 0.7x      |          |

<sup>1)</sup> The net leverage ratio is defined as net financial debt divided by adjusted EBITDA for the last 12 months (LTM).

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| Financial debt                      |                 | T_010 |
|-------------------------------------|-----------------|-------|
|                                     | Q1 as of Dec 31 | ,     |
| N € MILLIONS                        | 2022            | 2021  |
| Financial liabilities (non-current) | 254.4           | 294.0 |
| Financial liabilities (current)     | 1.6             | 1.5   |
| Adjustment carrying value           | -               | 4.5   |
| Financial debt                      | 256.0           | 300.0 |

#### Adjusted EBITDA (LTM, Dec 31)

|   | Q1 as o | f Dec 31, |          |
|---|---------|-----------|----------|
| IN € MILLIONS                                   | 2022    | 2021      | % change |
| Profit from operating activities (EBIT)         | 145.4   | 119.1     | 22.1%    |
| Depreciation                                    | 39.2    | 36.4      | 7.7%     |
| Amortization                                    | 16.5    | 14.3      | 15.4%    |
| PPA adjustments – depreciation and amortization | 14.1    | 13.0      | 8.5%     |
| EBITDA/adjusted EBITDA                          | 215.2   | 182.8     | 17.7%    |

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#### **REPORT ON RISKS AND OPPORTUNITIES**

There were no material changes to the risk management system or overall assessment of risks and opportunities for the Stabilus Group in the reporting period (October 1, 2022 to December 31, 2022) in comparison to the information in the Annual Report from September 30, 2022. Please therefore see this Report on risks and opportunities.

In addition, the Stabilus Group management continues to set great store by strict monitoring of cost, liquidity and impairment risks.

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 Stabilus Group's risk-bearing capacity is linked to the Group's 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**

Global economic performance in fiscal 2023 (Stabilus fiscal year from October 1, 2022 to September 30, 2023) is still largely dependent on the Russia/Ukraine war, how the COVID-19 pandemic develops moving forward and the escalating energy crisis, and is therefore still subject to increased risk. Other major risks to the global economy include potential disruption to the world's supply chains and sustained high inflationary pressure. Further monetary policy tightening could also hamper the performance of financial markets and the global economy.

The International Monetary Fund (IMF, World Economic Outlook – as of October 2022) expects global gross domestic product to rise by +2.7% in the 2023 calendar year. Within the European Union, very low growth of just +0.5% is anticipated for the eurozone. In the Americas region, estimated growth is put at +1.0% for the US and +1.7% for Central and South America. Far higher growth rates are anticipated in the APAC region, with the core market of China expected to see +4.4%.

Interest rate developments at the ECB and the Fed will be another key factor. To counteract inflation, in October 2022 the ECB raised interest rates by 0.75% to 2.0%, followed by another 0.5% hike to 2.5% in December 2022. The Fed also increased its interest rate by 0.5%, bringing it to 4.5% (as of December 2022). Further changes to rates by the ECB and the Fed cannot be ruled out.

#### FORECAST INDUSTRY DEVELOPMENT

#### Forecast development in the automotive industry

Taking account of forecasts by IHS Markit (as of January 2023) for fiscal 2023, the Stabilus Group expects the automotive sector to see global automotive production – measured by the number of vehicles produced with a total weight of up to six tonnes – rise by about +3% to around 83.7 million vehicles. According to IHS, all three regions will produce more vehicles in fiscal 2023 than in fiscal 2022. The Americas region will likely top the board, producing +1.1 million more vehicles, followed by EMEA (+0.6 million) and APAC (+0.4 million).

#### Forecast development in the industrial sector

Shortages of raw materials and precursors, as well as price hikes, will continue to influence industrial production in fiscal 2023. Geopolitical uncertainty and high energy prices will also play a role here. With demand continuing to contract, the outlook for the industrial sector is trending downwards. Nevertheless, the industrial sector has a very high order backlog that it has not so far been possible to work through due to the uncertainties.

#### Forecast development on the procurement markets

Current developments on procurement markets (in particular shortages and high price increases) will persist in the future and continue to affect the development of procurement prices for the Stabilus Group. Volatile energy prices will remain an issue.

#### FORECAST DEVELOPMENT OF THE STABILUS GROUP

Considering the challenging general market conditions and macroeconomic and geopolitical uncertainties, the Stabilus Group Management Board still feels that the economic situation for fiscal 2023 is very solid. Uncertainty for the new fiscal year remains high owing to rising cost inflation for materials, energy and personnel, supply chain problems, the tense geopolitical situation regarding the unknowable course of the Russia/Ukraine war and how the COVID-19 pandemic will continue to unfold, and this could adversely affect the Stabilus Group's business performance. 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.



A QUARTERLY STATEMENT REPORT ON EXPECTED DEVELOPMENTS SUBSEQUENT EVENTS

The Stabilus Group's management still anticipates revenue growth of between (1.5)% and +7.5% for fiscal 2023, which translates into a range of between about €1,100.0 million and €1,200.0 million. This predicted revenue for fiscal 2023 is based on IHS Markit's LV production figures from October 2022 for the automotive sector and IHS Markit GDP for October 2022 for industry. Management also continues to assume an adjusted EBIT margin of between 13% and 14% in fiscal 2023.

The Stabilus Group also made a commitment to profitable and sustainable growth in its new STAR 2030 strategy. In the long term, the Stabilus Group aims to reach  $\in$ 2 billion revenue at an adjusted EBIT margin level of around 15% by fiscal 2030.

#### SUBSEQUENT EVENTS

As of January 26, 2023, 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, 2022.

Koblenz, January 26, 2023

Stabilus SE

The Management Board

Dr. Michael Büchsner

Stefan Bauerreis



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# **SUPPLEMENTARY FINANCIAL INFORMATION**

as of and for the three months ended December 31, 2022

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from October 1 to December 31 (unaudited)

#### Consolidated statement of comprehensive income

|   | Q1 for the period from October 1 to D | ecember 31, |
|---|---------------------------------------|-------------|
| IN € THOUSANDS  | 2022                                  | 2021        |
| Revenue   | 290,661                               | 243,708     |
| Cost of sales   | (214,735)                             | (178,050)   |
| Gross profit  | 75,926                                | 68,658      |
| Research and development expenses                     | (12,903)                              | (11,929)    |
| Selling expenses                                      | (23,815)                              | (20,203)    |
| Administrative expenses                               | (10,518)                              | (9,929)     |
| Other income  | 2,121                                 | 2,620       |
| Other expenses  | (2,002)                               | (323)       |
| Income / (expense) from equity-accounted investments  | 300                                   | _           |
| Profit from operating activities (EBIT)               | 29,109                                | 25,894      |
| Finance income  | 459                                   | 1,424       |
| Finance costs   | (8,439)                               | (2,164)     |
| Profit / (loss) before income tax                     | 21,129                                | 25,154      |
| Income tax income / (expense)                         | (5,643)                               | (7,183)     |
| Profit / (loss) for the period                        | 15,486                                | 17,971      |
| thereof attributable to non-controlling interests     | 414                                   | 361         |
| thereof attributable to shareholders of Stabilus      | 15,072                                | 17,610      |
| Other comprehensive income/(expense)                  |                                       |             |
| Foreign currency translation difference <sup>1)</sup> | (25,720)                              | 6,022       |
| Unrealized actuarial gains and losses <sup>2)</sup>   | (2,094)                               | (1,350)     |
| Other comprehensive income/(expense), net of taxes    | (27,814)                              | 4,672       |
| Total comprehensive income/(expense) for the period   | (12,328)                              | 22,643      |
| thereof attributable to non-controlling interests     | 1,814                                 | (288)       |
| thereof attributable to shareholders of Stabilus      | (14,142)                              | 22,931      |
| Earnings per share (in €):                            |                                       |             |
| basic (EPS)   | 0.61                                  | 0.71        |
| diluted (DEPS)  | 0.61                                  | 0.71        |

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

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

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#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31, 2022 (unaudited)

#### Consolidated statement of financial position

| N € THOUSANDS                          | Dec 31, 2022 | Sept 30, 2022 |
|--|--------------|---------------|
| Assets                                 |              |               |
| Property, plant and equipment          | 220,332      | 228,879       |
| Goodwill                               | 210,474      | 216,806       |
| Other intangible assets                | 209,352      | 216,857       |
| Equity-accounted and other investments | 22,989       | 23,099        |
| Other assets                           | 1,540        | 1,413         |
| Deferred tax assets                    | 13,982       | 14,850        |
| Total non-current assets               | 678,669      | 701,904       |
| Inventories                            | 169,603      | 167,451       |
| Trade and other receivables            | 163,012      | 197,656       |
| Current tax assets                     | 7,339        | 8,074         |
| Other financial assets                 | 600          | 600           |
| Other assets                           | 23,434       | 22,536        |
| Cash and cash equivalents              | 192,454      | 168,352       |
| Total current assets                   | 556,442      | 564,669       |
| Total assets                           | 1,235,111    | 1,266,573     |

#### Consolidated statement of financial position

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|-------|---|-----|----|---|
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| N € THOUSANDS                                   | Dec 31, 2022 | Sept 30, 2022 |
|---|--------------|---------------|
| Equity and liabilities                          |              |               |
| Issued capital                                  | 24,700       | 24,700        |
| Capital reserves                                | 201,395      | 201,395       |
| Retained earnings                               | 436,201      | 421,129       |
| Other reserves                                  | (10,913)     | 18,301        |
| Equity attributable to shareholders of Stabilus | 651,383      | 665,525       |
| Non-controlling interests                       | 5,979        | 4,165         |
| Total equity                                    | 657,362      | 669,690       |
| Financial liabilities                           | 254,413      | 255,118       |
| Other financial liabilities                     | 22,983       | 25,678        |
| Provisions                                      | 2,586        | 2,690         |
| Pension plans and similar obligations           | 40,118       | 37,158        |
| Deferred tax liabilities                        | 49,512       | 54,370        |
| Total non-current liabilities                   | 369,612      | 375,014       |
| Trade accounts payable                          | 104,536      | 114,076       |
| Financial liabilities                           | 1,586        | 1,730         |
| Other financial liabilities                     | 21,203       | 21,238        |
| Current tax liabilities                         | 16,427       | 14,231        |
| Provisions                                      | 46,475       | 48,203        |
| Other liabilities                               | 17,910       | 22,391        |
| Total current liabilities                       | 208,137      | 221,869       |
| Total liabilities                               | 577,749      | 596,883       |
| Total equity and liabilities                    | 1,235,111    | 1,266,573     |

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#### **CONSOLIDATED STATEMENT OF CASH FLOWS**

for the period from October 1 to December 31 (unaudited)

#### Consolidated statement of cash flows

|   | Q1 for the period<br>October 1 to Dece |          |
|---|--|----------|
| I € THOUSANDS   | 2022                                   | 2021     |
| Profit / (loss) for the period  | 15,486                                 | 17,971   |
| Income tax expense  | 5,643                                  | 7,183    |
| Net financial result  | 7,979                                  | 740      |
| Interest received   | 459                                    | 129      |
| Net result from equity-accounted investments  | (300)                                  | _        |
| Dividends received  | 410                                    | -        |
| Depreciation and amortization (incl. impairment losses)                                     | 17,119                                 | 16,341   |
| Gains / losses from the disposal of assets  | 48                                     | 43       |
| Changes in inventories  | (2,152)                                | (8,243)  |
| Changes in trade accounts receivable  | 34,644                                 | (1,868)  |
| Changes in trade accounts payable   | (9,540)                                | (899)    |
| Changes in other assets and liabilities   | (16,268)                               | (5,796)  |
| Changes in provisions   | (2,531)                                | 1,670    |
| Income taxes payments   | (5,929)                                | (10,524) |
| Cash flow from operating activities   | 45,068                                 | 16,747   |
| Proceeds from disposal of property, plant and equipment                                     | 452                                    | 184      |
| Purchase of intangible assets   | (4,060)                                | (3,406)  |
| Purchase of property, plant and equipment   | (8,822)                                | (6,034)  |
| Acquisition of assets and liabilities within the business combination, net of cash acquired | (253)                                  | _        |
| Acquisition of equity-accounted and other investments                                       | -                                      | (22,640) |
| Cash flow from investing activities   | (12,683)                               | (31,896) |

#### Consolidated statement of cash flows

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|   | Q1 for the pe<br>October 1 to D |          |
|---|---------------------------------|----------|
| IN € THOUSANDS  | 2022                            | 2021     |
| Payments for redemption of financial liabilities        | (293)                           | (249)    |
| Payments for lease liabilities                          | (1,940)                         | (2,074)  |
| Payments for interest                                   | (822)                           | (1,045)  |
| Cash flow from financing activities                     | (3,055)                         | (3,368)  |
| Net increase / (decrease) in cash and cash equivalents  | 29,330                          | (18,517) |
| Effect of movements in exchange rates on cash held      | (5,228)                         | 1,225    |
| Cash and cash equivalents as of beginning of the period | 168,352                         | 193,189  |
| Cash and cash equivalents as of end of the period       | 192,454                         | 175,897  |
|   |                                 |          |

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#### **SEGMENT REPORTING**

Segment information for the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022 is as follows:

#### Segment reporting

|   | EN      | EMEA<br>Q1 for the period from<br>October 1 to December 31, |         | Americas<br>Q1 for the period from<br>October 1 to December 31, |         | APAC<br>Q1 for the period from<br>October 1 to December 31, |  |
|---|---------|---|---------|---|---------|---|--|
| IN € THOUSANDS  |         |   |         |   |         |   |  |
|   | 2022    | 2021  | 2022    | 2021  | 2022    | 2021  |  |
| External revenue <sup>1)</sup>                          | 109,165 | 105,421   | 109,157 | 77,211  | 72,339  | 61,076  |  |
| Intersegment revenue <sup>1)</sup>                      | 9,433   | 8,443   | 8,958   | 7,228   | 257     |   |  |
| Total revenue <sup>1)</sup>                             | 118,598 | 113,864   | 118,115 | 84,439  | 72,596  | 61,076  |  |
| Depreciation and amortization (incl. impairment losses) | (8,261) | (8,588)   | (4,513) | (3,931)   | (3,181) | (2,658)   |  |
| EBIT  | 3,824   | 9,438   | 11,084  | 4,727   | 15,365  | 12,893  |  |
| Adjusted EBIT   | 5,241   | 10,863  | 11,998  | 5,548   | 15,404  | 12,933  |  |

|   | Total s  | Total segments<br>Q1 for the period from<br>October 1 to December 31, |          | Other / Consolidation<br>Q1 for the period from<br>October 1 to December 31, |          | Stabilus Group<br>Q1 for the period from<br>October 1 to December 31, |  |
|---|----------|---|----------|--|----------|---|--|
| IN € THOUSANDS  |          |   |          |  |          |   |  |
|   | 2022     | 2021  | 2022     | 2021   | 2022     | 2021  |  |
| External revenue <sup>1)</sup>                          | 290,661  | 243,708   | -        |  | 290,661  | 243,708   |  |
| Intersegment revenue <sup>1)</sup>                      | 18,648   | 15,671  | (18,648) | (15,671)   | -        |   |  |
| Total revenue <sup>1)</sup>                             | 309,309  | 259,379   | (18,648) | (15,671)   | 290,661  | 243,708   |  |
| Depreciation and amortization (incl. impairment losses) | (15,955) | (15,177)  | (1,164)  | (1,164)  | (17,119) | (16,341)  |  |
| EBIT  | 30,274   | 27,058  | (1,164)  | (1,164)  | 29,109   | 25,894  |  |
| Adjusted EBIT   | 32,643   | 29,344  | -        |  | 32,643   | 29,344  |  |
|   |          |   |          |  |          |   |  |

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

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# FINANCIAL CALENDAR

#### **Financial calendar**

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| D ATE 1)2)        | PUBLICATION / EVENT                                   |  |
|-------------------|---|--|
| January 30, 2023  | Publication of quarterly statement Q1 2023            |  |
| February 15, 2023 | 2023 General Meeting                                  |  |
| May 2, 2023       | Publication of interim statement 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                     |  |

<sup>1)</sup> We cannot rule out changes of dates. We recommend checking them on our website in the Investors / Financial Calendar section (<u>www.stabilus.com/investors/financial-calendar</u>). <sup>2)</sup> Please note that our fiscal year (FY) ends in September (e.g. FY2023 comprises a twelve-months period from October 1, 2022 until September 30, 2023).

# DISCLAIMER

This quarterly statement is published in German and English. In the case of any doubts, the German version takes precedence.

#### **Forward-looking statements**

This quarterly statement contains forward-looking statements related to Stabilus SE management's current plans, targets, forecasts and estimates. These statements account only for information available up to and including the date on which this quarterly statement 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 accurately predicted. 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 quarterly statement. Other factors can also have a negative impact on our performance and results.

Stabilus SE does not intend, nor is it separately obliged, to update or amend forward-looking statements to reflect events or developments that occur after this guarterly statement is published.

#### Rounding

Certain figures in this quarterly statement 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 quarterly statement. All percentage changes and performance indicators in this quarterly statement were calculated based on the data available in millions of euro to one decimal place (€ million).

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## FURTHER INFORMATION

Further information including news, reports and publications can be found in the Investors section of our website at

www.stabilus.com/investors.

**INVESTOR RELATIONS** 

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