STABILUS

INTERIM REPORT

Q3 FY2017

KEY FIGURES

T _ 001

in € millions	Three months ended June 30, 2017	2016	CHANGE	% CHANGE
Revenue	233.5	182.8	50.7	27.7%
EBIT	31.1	16.3	14.8	90.8%
Adjusted EBIT	35.6	23.3	12.3	52.8%
Profit for the period	23.3	11.5	11.8	>100.0%
Capital expenditure	(11.1)	(12.2)	1.1	(8.6%)
Free cash flow (FCF)	30.5	(282.9)	313.4	<(100.0)%
Adjusted FCF	30.5	20.0	10.5	52.5%
EBIT as % of revenue	13.3%	8.9%		
Adjusted EBIT as % of revenue	15.2%	12.7%		
Profit in % of revenue	10.0%	6.3%		
Capital expenditure as % of revenue	4.8%	6.7%		
FCF in % of revenue	13.1%	>(100,0)%		
Adjusted FCF in % of revenue	13.1%	10.9%		

in € millions	Nine months ended June 30, 2017	2016	CHANGE	% CHANGE
Revenue	689.1	531.0	158.1	29.8%
EBIT	88.5	55.6	32.9	59.2%
Adjusted EBIT	103.4	68.9	34.5	50.1%
Profit for the period	67.7	35.9	31.8	88.6%
Capital expenditure	(33.8)	(39.8)	6.0	(15.1%)
Free cash flow (FCF)	52.6	(270.5)	323.1	<(100.0)%
Adjusted FCF	52.6	32.4	20.2	62.3%
EBIT as % of revenue	12.8%	10.5%		
Adjusted EBIT as % of revenue	15.0%	13.0%		
Profit in % of revenue	9.8%	6.8%		
Capital expenditure as % of revenue	4.9%	7.5%		
FCF in % of revenue	7.6%	(50.9%)		
Adjusted FCF in % of revenue	7.6%	6.1%		

Adjusted FCF = FCF before acquisitions

CONTENT

HIGHLIGHTS Q3 / 17

+27.7% REVENUE

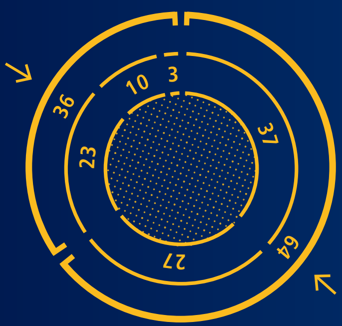
STRONG THIRD QUARTER THANKS TO CONTINUING GROWTH IN ALL REGIONS AND MARKETS

- Revenue up by 27.7% to €233.5 million (+€50.7 million versus Q3 FY 2016)
- Revenue contribution of €29.9 million by entities acquired in June 2016
- Revenue growth in all regions with NAFTA (+34.0%), Europe (+26.3%) and Asia / Pacific RoW (+14.2%)
- Revenue growth in all markets with Powerise (+26.2%), Industrial / Capital Goods (+24.0%), Gas Spring (+3.4%); Commercial Furniture (+7.2%).

IMPROVED OUTLOOK

- Revenue guidance for FY2017 raised to around €910 million
- Adjusted EBIT margin for FY2017 to be around 15%

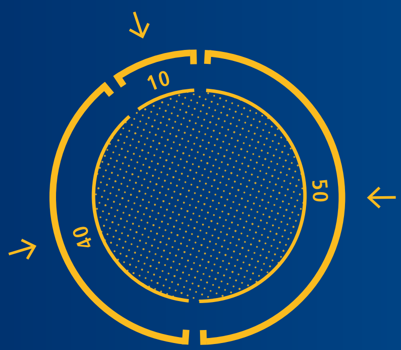
REVENUE BY MARKETS IN Q3 FY2017



64% Automotive Business
37% Automotive Gas Spring
27% Automotive Powerise

36% Industrial Business
23% Industrial / Capital Goods
10% Vibration & Velocity Control
3% Commercial Furniture

REVENUE BY REGION IN Q3 FY2017
(LOCATION OF STABILUS COMPANY)



50% Europe
40% NAFTA
10% Asia / Pacific and RoW

INTERIM GROUP MANAGEMENT REPORT

for the three and nine months ended June 30, 2017

RESULTS OF OPERATIONS

THIRD QUARTER OF FISCAL 2017

The table below sets out Stabilus Group's consolidated income statement for the third quarter of fiscal 2017 in comparison to the third quarter of fiscal 2016:

Income statement T_002

IN € MILLIONS	Three months ended June 30, 2017	2016	Change	% change
Revenue	233.5	182.8	50.7	27.7%
Cost of sales	(167.4)	(137.7)	(29.7)	21.6%
Gross profit	**66.1**	**45.1**	**21.0**	**46.6%**
Research and development expenses	(9.0)	(6.2)	(2.8)	45.2%
Selling expenses	(15.8)	(13.1)	(2.7)	20.6%
Administrative expenses	(9.3)	(9.8)	0.5	(5.1%)
Other income	2.2	2.7	(0.5)	(18.5%)
Other expenses	(3.1)	(2.3)	(0.8)	34.8%
Profit from operating activities (EBIT)	**31.1**	**16.3**	**14.8**	**90.8%**
Finance income	17.6	6.7	10.9	>100.0%
Finance costs	(20.8)	(5.8)	(15.0)	>100.0%
Profit / (loss) before income tax	**28.0**	**17.2**	**10.8**	**62.8%**
Income tax income / (expense)	(3.4)	(5.6)	2.2	(39.3%)
Profit / (loss) for the period	**24.6**	**11.5**	**13.1**	**>100.0%**

Revenue

Group's total revenue developed as follows:

Revenue by region (location of Stabilus company)

T_003

IN € MILLIONS	Three months ended June 30, 2017	2016	Change	% change
Europe[1]	117.1	92.7	24.4	26.3%
NAFTA[1]	92.3	68.9	23.4	34.0%
Asia / Pacific and rest of world[1]	24.2	21.2	3.0	14.2%
Revenue[1]	**233.5**	**182.8**	**50.7**	**27.7%**

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

Revenue by markets

T_004

IN € MILLIONS	Three months ended June 30, 2017	2016	Change	% change
Automotive Gas Spring	85.1	82.3	2.8	3.4%
Automotive Powerise	63.6	50.4	13.2	26.2%
Automotive business	148.7	132.7	16.0	12.1%
Industrial / Capital Goods	53.7	43.3	10.4	24.0%
Vibration & Velocity Control	23.7	–	23.7	n/a
Commercial Furniture	7.4	6.9	0.5	7.2%
Industrial business	84.8	50.2	34.6	68.9%
Revenue	**233.5**	**182.8**	**50.7**	**27.7%**

Total revenue of €233.5 million in the third quarter of fiscal 2017 increased by 27.7% compared to the third quarter of fiscal 2016. The entities acquired in June 2016 (ACE, Hahn Gasfedern, Fabreeka and Tech Products) contributed €29.9 million to the Group's total revenue in the third quarter of fiscal 2017.

In the third quarter of fiscal 2017, revenue of our European entities increased by 26.3%. The entities acquired in June 2016 contributed €19.3 million to Europe's revenue in the third quarter of fiscal 2017. The Powerise business grew by €4.1 million or 18.6%.

NAFTA's revenue increased by 34.0% in the third quarter of fiscal 2017. ACE, Fabreeka and Tech Products contributed €9.4 million to NAFTA's revenue and the Powerise business grew by €8.3 million or 29.4%. Approximately €2.6 million of the revenue increase in NAFTA was due to the stronger US dollar, i.e. due to the currency translation of NAFTA's revenue from US dollar to euro (average rate per €1: $1.10 in Q3 FY2017 versus $1.14 in Q3 FY2016).

Revenue of our entities in Asia / Pacific and RoW increased by 14.2%. This is essentially due to new customer wins and increased production capacity in China. The entities acquired in June 2016 contributed €1.2 million to the revenue increase in Asia / Pacific and RoW.

Revenue in the Automotive business increased by €16.0 million or 12.1% to €148.7 million (Q3 FY2016: €132.7 million). This is particularly due to our Powerise business. The increase in the Powerise business by 26.2% is mainly the result of new OEM platform wins and the subsequent launch of new Powerise programs for a number of key vehicle OEMs. In addition, the share of end customers (buyers of new vehicles) opting for this extra equipment continues to rise as well.

Revenue in the Industrial business increased by €34.6 million or 68.9% to €84.8 million (Q3 FY2016: €50.2 million) in the three months ended June 30, 2017. This is especially due to the acquisition in June 2016. ACE, Fabreeka and Tech Products form the new business unit Vibration & Velocity Control with €23.7 million revenue in Q3 FY2017 and Hahn Gasfedern has been integrated into the business unit Industrial / Capital Goods and contributes further €6.2 million revenue.

Commercial Furniture (formerly: Swivel Chair) revenue increased by 7.2% from €6.9 million in the third quarter of fiscal 2016 to €7.4 million in the third quarter of fiscal 2017.

Cost of sales and overhead expenses

COST OF SALES

Cost of sales increased from €(137.7) million in the three months ended June 30, 2016 by 21.6% to €(167.4) million in the three months ended June 30, 2017 driven by the entities acquired in June 2016 and increased revenue from organic growth.

The cost of sales as a percentage of revenue decreased to 71.7% (PY: 75.3%) and the gross profit margin improved to 28.3% (PY: 24.7%). This is due to a stronger gross profit margin of the companies acquired in June 2016 and a better fixed cost absorption (economies of scale especially from continuing growth of our Powerise business).

The companies acquired in June 2016 are active in the industrial market and offer custom-made products with small lot sizes combined with short lead times. This market approach provides the mentioned stronger gross profit margins to Stabilus. On the other hand this approach drives higher overhead cost and necessitates a different manufacturing approach, relative to the Automotive business Stabilus is engaged in.

R&D EXPENSES

R&D expenses (net of R&D cost capitalization) increased by 45.2% from €(6.2) million in the third quarter of fiscal 2016 to €(9.0) million in the third quarter of fiscal 2017 as a consequence of increased general R&D activities. As a percentage of revenue, R&D expenses increased by 50 basis points to 3.9% (PY: 3.4%). The capitalization of R&D expenses decreased from €(3.6) million in the third quarter of fiscal 2016 to €(3.0) million in the third quarter of fiscal 2017.

SELLING EXPENSES

Selling expenses increased from €(13.1) million in the third quarter of fiscal 2016 by 20.6% to €(15.8) million in the third quarter of fiscal 2017, mainly due to the entities acquired in June 2016 which have higher selling expense to revenue ratios, compared to the old Stabilus companies. As a percentage of revenue, the selling expenses decreased to 6.8% (Q3 FY2016: 7.2%).

ADMINISTRATIVE EXPENSES

Administrative expenses decreased from €(9.8) million in the third quarter of fiscal 2016 by 5.1% to €(9.3) million in the third quarter of fiscal 2017. An increase in the third quarter of fiscal 2017 due to the entities acquired in June 2016 is balanced by non-recurring transaction cost in the third quarter of fiscal 2016 amounting to €3.8 million. As a percentage of revenue, administrative expenses decreased by 140 basis points to 4.0% (Q3 FY2016: 5.4%).

OTHER INCOME AND EXPENSE

Other income decreased from €2.7 million in the third quarter of fiscal 2016 by €(0.5) million to €2.2 million in the third quarter of fiscal 2017. This mainly comprises foreign currency translation gains from the operating business.

Other expenses increased from €(2.3) million in the third quarter of fiscal 2016 by €(0.8) million to €(3.1) million in the third quarter of fiscal 2017. This mainly comprises foreign currency translation losses from the operating business.

FINANCE INCOME AND COSTS

Finance income increased from €6.7 million in the third quarter of fiscal 2016 to €17.6 million in the third quarter of fiscal 2017, of which €17.5 million is due to the adjustment of the carrying value of the euro term loan facility reflecting the decrease in the margin in May 2017 based on the improved net leverage ratio of the Group.

Finance costs increased from €(5.8) million in the third quarter of fiscal 2016 to €(20.8) million in the third quarter of fiscal 2017. This is primarily due to higher net foreign exchange losses of €(18.4) million in the third quarter of FY2017 (Q3 FY2016: €(0.0) million) especially on euro loans of our US entities as a consequence of the fluctuation of the USD exchange rate between the relevant balance sheet dates (closing rate per €1: $1.07 as at March 31, 2017 versus $1.14 as at June 30, 2017). Besides intragroup loans €157.5 million of the euro term loan facility is borrowed by a US entity. The interest expense on financial liabilities decreased from €(5.3) million in the third quarter of fiscal 2016 to €(2.4) million in the third quarter of fiscal 2017.

Interest expense in the third quarter of fiscal 2016 of €(5.3) million comprised the derecognition of unamortized transaction costs of €(3.8) million as a consequence of the June 2016 refinancing (non-recurring item) and ongoing interest expenses of €(1.5) million. The increase in the ongoing interest expenses to €(2.4) million in the third quarter of fiscal 2017 is due to increased financial liabilities following the acquisition in June 2016.

INCOME TAX EXPENSE

Income tax expense decreased from €(5.6) million in the third quarter of fiscal 2016 to €(3.4) million in the third quarter of fiscal 2017. The pre-tax profit of €28.0 million in the third quarter of FY2017 (Q3 FY2016: €17.2 million) includes the income of €17.5 million from the adjustment of the carrying value of the euro term loan facility, which is not relevant for tax purposes.

FIRST NINE MONTHS OF FISCAL 2017

The table below sets out Stabilus Group's consolidated income statement for the first nine months of fiscal 2017 in comparison to the first nine months of fiscal 2016:

Income statement T_005

	Nine months ended June 30,			
IN € MILLIONS	2017	2016	Change	% change
Revenue	689.1	531.0	158.1	29.8%
Cost of sales	(487.9)	(398.4)	(89.5)	22.5%
Gross profit	**201.2**	**132.5**	**68.7**	**51.8%**
Research and development expenses	(27.6)	(19.2)	(8.4)	43.8%
Selling expenses	(56.4)	(36.1)	(20.3)	56.2%
Administrative expenses	(27.1)	(23.6)	(3.5)	14.8%
Other income	9.4	8.7	0.7	8.0%
Other expenses	(10.9)	(6.8)	(4.1)	60.3%
Profit from operating activities (EBIT)	**88.5**	**55.6**	**32.9**	**59.2%**
Finance income	17.8	7.2	10.6	>100.0%
Finance costs	(14.6)	(9.5)	(5.1)	53.7%
Profit / (loss) before income tax	**91.7**	**53.3**	**38.4**	**72.0%**
Income tax income / (expense)	(22.7)	(17.4)	(5.3)	30.5%
Profit / (loss) for the period	**69.0**	**35.9**	**33.1**	**92.2%**

Revenue

Group's total revenue developed as follows:

Revenue by region (location of Stabilus company)

T _ 006

IN € MILLIONS	Nine months ended June 30, 2017	2016	Change	% change
Europe[1]	345.4	266.3	79.1	29.7%
NAFTA[1]	267.6	204.2	63.4	31.0%
Asia / Pacific and rest of world[1]	76.0	60.5	15.5	25.6%
Revenue[1]	**689.1**	**531.0**	**158.1**	**29.8%**

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

Revenue by markets

T _ 007

IN € MILLIONS	Nine months ended June 30, 2017	2016	Change	% change
Automotive Gas Spring	259.8	241.3	18.5	7.7%
Automotive Powerise	182.6	141.1	41.5	29.4%
Automotive business	442.4	382.3	60.1	15.7%
Industrial / Capital Goods	154.6	127.0	27.6	21.7%
Vibration & Velocity Control	70.3	–	70.3	n/a
Commercial Furniture	21.7	21.6	0.1	0.5%
Industrial business	246.7	148.6	98.1	66.0%
Revenue	**689.1**	**531.0**	**158.1**	**29.8%**

Total revenue of €689.1 million in the first nine months of fiscal 2017 increased by 29.8% compared to the first nine months of fiscal 2016. The entities acquired in June 2016 (ACE, Hahn Gasfedern, Fabreeka and Tech Products) contributed €88.1 million to the Group's total revenue in the first nine months of fiscal 2017.

In the first nine months of fiscal 2017, revenue of our European entities increased by 29.7%. The entities acquired in June 2016 contributed €56.9 million to Europe's revenue in the first nine months of fiscal 2017. The Powerise business grew by €13.8 million or 22.5%.

NAFTA's revenue increased by 31.0% in the first nine months of fiscal 2016. ACE, Fabreeka and Tech Products contributed €27.8 million to NAFTA's revenue and the Powerise business grew by €25.5 million or 32.0%. Approximately €6.9 million of the revenue increase in NAFTA was due to the stronger US dollar, i.e. due to the currency translation of NAFTA's revenue from US dollar to euro (average rate per €1: $1.08 in 9M FY2017 versus $1.11 in 9M FY2016).

Revenue of our entities in Asia / Pacific and RoW increased by 25.6%. This is essentially due to new customer wins and increased production capacity in China. The entities acquired in June 2016 contributed €3.4 million to the revenue increase in Asia / Pacific and RoW.

Revenue in the Automotive business increased by €60.1 million or 15.7% to €442.4 million (9M FY2016: €382.3 million). This is particularly due to our Powerise business. The increase in the Powerise business by 29.4% is mainly the result of new OEM platform wins and the subsequent launch of new Powerise programs for a number of key vehicle OEMs. In addition, the share of end customers (buyers of new vehicles) opting for this extra equipment continues to rise as well.

Revenue in the Industrial business increased by €98.1 million or 66.0% to €246.7 million (9M FY2016: €148.6 million) in the nine months ended June 30, 2017. This is especially due to the acquisition in June 2016. ACE, Fabreeka and Tech Products form the new business unit Vibration & Velocity Control with €70.3 million revenue in the first nine months of fiscal 2017. Hahn Gasfedern is part of the business unit Industrial / Capital Goods and contributes further €17.8 million revenue.

Commercial Furniture (formerly: Swivel Chair) revenue increased by 0.5% from €21.6 million in the first nine months of fiscal 2016 to €21.7 million in the first nine months of fiscal 2017.

Cost of sales and overhead expenses

COST OF SALES

Cost of sales increased from €(398.4) million in the nine months ended June 30, 2016 by 22.5% to €(487.9) million in the nine months ended June 30, 2017. Due to better fixed cost absorption (economies of scale especially from continuing growth of our Powerise business) and a stronger gross profit margin of the companies acquired in June 2016, cost of sales increased less than revenue. As a result, the gross profit margin improved to 29.2% (PY: 25.0%).

The companies acquired in June 2016 are active in the industrial market and offer custom-made products with small lot sizes combined with short lead times. This market approach provides stronger gross profit margins to Stabilus. On the other hand this approach drives higher overhead cost and necessitates a different manufacturing approach, relative to the Automotive business.

R&D EXPENSES

R&D expenses (net of R&D cost capitalization) increased by 43.8% from €(19.2) million in the first nine months of fiscal 2016 to €(27.6) million in the first nine months of fiscal 2017. As a percentage of revenue, R&D expenses increased by 40 basis points to 4.0% (PY: 3.6%). The capitalization of R&D expenses decreased from €(10.5) million in the first nine months of fiscal 2016 to €(9.0) million in the first nine months of fiscal 2017.

SELLING EXPENSES

Selling expenses increased from €(36.1) million in the first nine months of fiscal 2016 by 56.2% to €(56.4) million in the first nine months of fiscal 2017, mainly due to the entities acquired in June 2016 which have higher selling expense to revenue ratios, compared to the old Stabilus companies. As a percentage of revenue, the selling expenses increased to 8.2% (9M FY2016: 6.8%).

ADMINISTRATIVE EXPENSES

Administrative expenses increased from €(23.6) million in the first nine months of fiscal 2016 by 14.8% to €(27.1) million in the first nine months of fiscal 2017 essentially due to the entities acquired in June 2016. The first nine months of fiscal 2016 comprised non-recurring transaction cost amounting to €3.8 million. As a percentage of revenue, administrative expenses decreased by 50 basis points to 3.9% (FY2016: 4.4%).

OTHER INCOME AND EXPENSE

Other income increased from €8.7 million in the first nine months of fiscal 2016 by €0.7 million to €9.4 million in the first nine months of fiscal 2017. This mainly comprises foreign currency translation gains from the operating business.

Other expenses increased from €(6.8) million in the first nine months of fiscal 2016 by €(4.1) million to €(10.9) million in the first nine months of fiscal 2017. This mainly comprises foreign currency translation losses from the operating business.

FINANCE INCOME AND COSTS

Finance income increased from €7.2 million in the first nine months of fiscal 2016 to €17.8 million in the first nine months of fiscal 2017, of which €17.5 million is due to the adjustment of the carrying value of the euro term loan facility reflecting the decrease in the margin based on the improved net leverage ratio of the Group.

Finance costs increased from €(9.5) million in the first nine months of fiscal 2016 to €(14.6) million in the first nine months of fiscal 2017. This is primarily due to net foreign exchange losses of €(6.6) million in the first nine months of FY2017 (9M FY2016: €(0.0) million) especially on euro loans of our US entities as a consequence of the fluctuation of the USD exchange rate between the relevant balance sheet dates (closing rate per €1: $1.12 as at September 30, 2016 versus $1.14 as at June 30, 2017). Besides intragroup loans €157.5 million of the euro term loan facility is borrowed by a US entity.

The interest expense on financial liabilities decreased from €(8.8) million in the first nine months of fiscal 2016 to €(7.7) million in the first nine months of fiscal 2017. Interest expense in the first nine months of fiscal 2016 comprised the derecognition of unamortized transaction costs of €(3.8) million as a consequence of the June 2016 refinancing (non-recurring item) and ongoing interest expenses of €(5.0) million. The increase in the ongoing interest expenses to €(7.7) million in the first nine months of fiscal 2017 is due to increased financial liabilities following the acquisition in June 2016 and to a higher interest margin in the first nine months of the new term loan facility.

INCOME TAX EXPENSE

Driven essentially by the higher pre-tax profit of €91.7 million in FY2017 (PY: €53.3 million), the income tax expense increased from €(17.4) million in the first nine months of fiscal 2016 to €(22.7) million in the first nine months of fiscal 2017. The pre-tax profit includes income of €17.5 million from the adjustment of the carrying value of the euro term loan facility, which is not relevant for tax purposes.

EBIT AND ADJUSTED EBIT

The following table shows a reconciliation of earnings before interest and taxes (EBIT) to adjusted EBIT for the third quarter and the first nine months of fiscal 2017 and 2016:

Reconciliation of EBIT to adjusted EBIT

T_008

	Three months ended June 30,			
IN € MILLIONS	2017	2016	Change	% change
Profit from operating activities (EBIT)	**31.1**	**16.3**	**14.8**	**90.8%**
Advisory	–	3.8	(3.8)	(100.0)%
PPA adjustments – depreciation and amortization	4.5	3.2	1.3	40.6%
Total adjustments	4.5	7.0	(2.5)	(35.7%)
Adjusted EBIT	**35.6**	**23.3**	**12.3**	**52.8%**

	Nine months ended June 30,			
IN € MILLIONS	2017	2016	Change	% change
Profit from operating activities (EBIT)	**88.5**	**55.6**	**32.9**	**59.2%**
Advisory	–	3.8	(3.8)	(100.0)%
PPA adjustments – depreciation and amortization	14.9	9.5	5.4	56.8%
Total adjustments	14.9	13.3	1.6	12.0%
Adjusted EBIT	**103.4**	**68.9**	**34.5**	**50.1%**

Adjusted EBIT is defined as EBIT, adjusted for non-recurring costs like severance, consulting, and restructuring cost as well as expenses for one-time legal disputes or launch costs for new products. Furthermore, the depreciation / amortization of fair value adjustments from purchase price allocations is adjusted.

Adjusted EBIT is presented because we believe it is a relevant measure for assessing performance as it is adjusted for certain one-time or non-recurring items that are not expected to impact our Group going forward, and thus aids in an understanding of EBIT in a given period.

In this period the definition of adjusted EBIT has been slightly modified as interest cost on pensions recognized in EBIT will no longer be adjusted out. The presentation of prior periods has been changed accordingly, i.e. the adjusted EBIT reported in our interim report Q3 FY2016 was €0.2 million higher for the third quarter of fiscal 2016 and €0.8 million higher for the first nine months of fiscal 2016.

The adjustment of advisory expenses amounting to €3.8 million in the nine months ended June 30, 2016 relates to the acquisition of ACE, Hahn Gasfedern, Fabreeka and Tech Products.

The PPA adjustments in the current year reflect the PPAs from June 2016 and April 2010 whereas the prior year figures only reflect the April 2010 PPA.

DEVELOPMENT OF OPERATING SEGMENTS

Stabilus Group is organized and managed primarily on a regional level. The three reportable operating segments of the Group are Europe, NAFTA, Asia / Pacific and RoW.

The table below sets out the development of our operating segments for the third quarter and first nine months of fiscal 2017 and 2016.

Operating segments T_009

	Three months ended June 30,			
IN € MILLIONS	2017	2016	Change	% change
Europe				
External revenue[1]	117.1	92.7	24.4	26.3%
Intersegment revenue[1]	7.2	7.3	(0.1)	(1.4)%
Total revenue[1]	124.3	100.0	24.3	24.3%
Adjusted EBIT	18.5	13.9	4.6	33.1%
as % of total revenue	14.9%	13.9%		
as % of external revenue	15.8%	15.0%		
NAFTA				
External revenue[1]	92.3	68.9	23.4	34.0%
Intersegment revenue[1]	6.4	1.5	4.9	>100.0%
Total revenue[1]	98.7	70.4	28.3	40.2%
Adjusted EBIT	14.5	6.1	8.4	>100.0%
as % of total revenue	14.7%	8.7%		
as % of external revenue	15.7%	8.9%		
Asia / Pacific and RoW				
External revenue[1]	24.2	21.2	3.0	14.2%
Intersegment revenue[1]	0.1	0.3	(0.2)	(66.7)%
Total revenue[1]	24.3	21.5	2.8	13.0%
Adjusted EBIT	2.6	3.2	(0.6)	(18.8)%
as % of total revenue	10.7%	14.9%		
as % of external revenue	10.7%	15.1%		

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

IN € MILLIONS	Nine months ended June 30, 2017	2016	Change	% change
Europe				
External revenue[1]	345.4	266.3	79.1	29.7%
Intersegment revenue[1]	22.8	20.2	2.6	12.9%
Total revenue[1]	368.3	286.5	81.8	28.6%
Adjusted EBIT	50.1	37.2	12.9	34.7%
as % of total revenue	13.6%	13.0%		
as % of external revenue	14.5%	14.0%		
NAFTA				
External revenue[1]	267.6	204.2	63.4	31.0%
Intersegment revenue[1]	18.9	4.0	14.9	>100.0%
Total revenue[1]	286.5	208.3	78.2	37.5%
Adjusted EBIT	42.6	23.2	19.4	83.6%
as % of total revenue	14.9%	11.1%		
as % of external revenue	15.9%	11.4%		
Asia / Pacific and RoW				
External revenue[1]	76.0	60.5	15.5	25.6%
Intersegment revenue[1]	0.5	0.6	(0.1)	(16.7)%
Total revenue[1]	76.5	61.1	15.4	25.2%
Adjusted EBIT	10.8	8.4	2.4	28.6%
as % of total revenue	14.1%	13.7%		
as % of external revenue	14.2%	13.9%		

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

The external revenue generated by our European companies increased by 29.7% from €266.3 million in the first nine months of fiscal 2016 to €345.4 million in the first nine months of fiscal 2017. A key portion of the revenue growth, i.e. €56.9 million out of the €79.1 million revenue increase was contributed by the entities acquired in June 2016. Hahn Gasfedern which is now integrated into our Industrial / Capital Goods business unit contributed €17.8 million and ACE, Fabreeka and Tech Products which form the new business unit Vibration & Velocity Control contributed €39.1 million to Europe’s revenue in the first nine months of fiscal 2017. In addition, €13.9 million revenue increase was generated by our Powerise business. Adjusted EBIT of the European segment increased by 34.7%. As a result, the adjusted EBIT margin, i.e. adjusted EBIT in percent of external revenue, increased by 50 basis points to 14.5% in the first nine months of fiscal 2017 (9M FY2016: 14.0%).

The external revenue of our companies located in the NAFTA region increased from €204.2 million in the first nine months of fiscal 2016 by 31.0% to €267.6 million in the first nine months of fiscal 2017. An amount of €27.8 million out of the €63.4 million increase was generated by the acquired entities ACE, Fabreeka and Tech Products. €25.5 million were contributed by our Automotive Powerise business. Adjusted EBIT as percentage of external revenue increased in the first nine months of fiscal 2017 by 450 basis points to 15.9% (9M FY2016: 11.4%).

In the first nine months of fiscal 2017, the external revenue of our companies in Asia / Pacific and RoW increased by €15.5 million or 25.6%. Our new Vibration & Velocity Control business unit contributed €3.4 million to the region’s revenue. Another €2.2 million increase was generated by our Automotive Powerise business, which generates total reveneue of €2.4 million in the first nine months of fiscal 2017. The adjusted EBIT in Asia / Pacific and RoW increased by €2.4 million or 28.6% and the adjusted EBIT margin improved to 14.2%.

FINANCIAL POSITION

Balance sheet T_010

IN € MILLIONS	June 30, 2017	Sept 30, 2016	Change	% change
Assets				
Non-current assets	659.5	671.9	(12.4)	(1.8)%
Current assets	304.8	265.6	39.2	14.8%
Total assets	**964.3**	**937.4**	**26.9**	**2.9%**
Equity and liabilities				
Equity	324.6	262.9	61.7	23.5%
Non-current liabilities	486.5	522.4	(35.9)	(6.9)%
Current liabilities	153.3	152.1	1.2	0.8%
Total liabilities	639.8	674.5	(34.7)	(5.1)%
Total equity and liabilities	**964.3**	**937.4**	**26.9**	**2.9%**

TOTAL ASSETS

The Group's balance sheet total increased from €937.4 million as of September 30, 2016 by 2.9% to €964.3 million as of June 30, 2017.

NON-CURRENT ASSETS

Our non-current assets decreased from €671.9 million as of September 30, 2016 by (1.8)% or €(12.4) million to €659.5 million as of June 30, 2017. This reduction is mainly attributable to the €(18.9) million decrease of intangible assets that results from the ongoing amortization of intangible assets from the purchase price allocations 2010 and 2016, but also to foreign exchange rate related value adjustments, e.g. a decrease in goodwill of €(1.3) million. This decrease was partly offset by ongoing capacity expansion projects.

CURRENT ASSETS

Current assets increased from €265.6 million as of September 30, 2016 by 14.8% or €39.2 million to €304.8 million as of June 30, 2017. This is essentially the consequence of an increase in trade accounts receivables of €11.5 million and inventories of €6.7 million that reflect our ongoing revenue growth. In addition to that the strong cash flow increased our cash balance by €20.3 million net of €(12.5) million prepayments of the term loan facility and €(12.4) million dividend payments.

EQUITY

The Group's equity increased from €262.9 million as of September 30, 2016 by €61.7 million to €324.6 million as of June 30, 2017. This increase results mainly from the profit amounting to €69.0 million that was generated in the first nine months of fiscal 2017 and from other comprehensive income of €5.1 million that comprises unrealized actuarial gains on pensions (net of tax) and unrealized foreign currency translation gains. In the second quarter of fiscal 2017 dividends amounting to €(12.4) million were paid to our shareholders and led to a corresponding decrease of the equity balance.

NON-CURRENT LIABILITIES

Non-current liabilities decreased from €522.4 million as of September 30, 2016 by €(35.9) million to €486.5 million as of June 30, 2017. This decrease is mainly due to the adjustment of the carrying amount of the euro term loan facility by €(17.5) million that reflects the margin decrease due to the improved net leverage ratio of the Group and by prepayments of the term loan facility amounting to €(12.5) million. In addition, the pension liability decreased by €(4.5) million as a consequence of an increased discount rate (1.35% as at September 30, 2016 versus 1.86% as of June 30, 2017.

CURRENT LIABILITIES

Current liabilities increased from €152.1 million as of September 30, 2016 by €1.2 million or 0.8% to €153.3 million as of June 30, 2017. The decrease of trade accounts payables amounted to €(8.0) million or (10.0)% and was more than offset by an increase in the other line items included in the current liabilities, e.g. the current portion of the financial liabilities increased by €2.5 million.

LIQUIDITY

Cash flow T_011

	Nine months ended June 30,			
IN € MILLIONS	2017	2016	Change	% change
Cash flow from operating activities	85.4	72.1	13.3	18.4%
Cash flow from investing activities	(32.8)	(342.6)	309.8	(90.4)%
Cash flow from financing activities	(31.8)	293.2	(325.0)	<(100.0)%
Net increase / (decrease) in cash	**20.8**	**22.7**	**(1.9)**	**(8.4)%**
Effect of movements in exchange rates on cash held	(0.5)	(0.7)	0.2	(28.6)%
Cash as of beginning of the period	75.0	39.5	35.5	89.9%
Cash as of end of the period	**95.3**	**61.5**	**33.8**	**55.0%**

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities increased from €72.1 million in the first nine months of fiscal 2016 by €13.3 million to €85.4 million in the first nine months of fiscal 2017. This increase is mainly due to the strong revenue and earnings growth and partly offset by higher net working capital as a consequence of the continuing growth and shorter payment cycles for trade payables.

CASH FLOW FROM INVESTING ACTIVITIES

Cash outflow for investing activities decreased from €(342.6) million in the first nine months of fiscal 2016 by €309.8 million to €(32.8) million in the first nine months of fiscal 2017. The prior year figures include the cash outlfow of €(302.9) million (net of cash acquired) for the acquisition of ACE, Hahn Gasfedern, Fabreeka and Tech Products and higher capital expenditures in the nine months ended June 30, 2016. See Consolidated Statement of Cash Flows for further details.

CASH FLOW FROM FINANCING ACTIVITIES

The cash flow from financing activities decreased from a cash inflow of €293.2 million in the first nine months of fiscal 2016 by €(325.0) million to an cash outflow of €(31.8) million in the first nine months of fiscal 2017. The current year outflow resulted primarily from the €(12.5) million repayments of the term loan facility, the €(12.4) million dividend payments made to our shareholders in February 2017 and €(6.5) million interest payments. The prior year cash inflow mainly results from the issuance of a new €455.0 million term loan facility and a €115.0 million equity bridge facility that were used to refinance the Group's previous term loan facility amounting to €267.5 million and for the acquisition of ACE, Hahn Gasfedern, Fabreeka and Tech Products in June 2016.

FREE CASH FLOW (FCF)

In the past periods the Group used the following definition of free cash flow (FCF): Free cash flow (FCF) comprises IFRS cash flow statement items "cash flow from operating activities", "cash flow from investing activities" and "payments for interest" (net interest payments). Going forward FCF will be defined as the total cash flow from operating and investing activities.

Free cash flow (before interest payments) increased from €(270.5) million in the first nine months of fiscal 2016 by €323.1 million to €52.6 million in the first nine months of fiscal 2017. The table below sets out the composition of both FCF definitions.

ADJUSTED FCF

Excluding the cash outflow of €(302.9) million for the acquisition of ACE, Hahn Gasfedern, Fabreeka and Tech Products in June 2016 Adjusted FCF was €32.4 million in the first nine months of fiscal 2016. Adjusted FCF (before interest payments) increased from €32.4 million in the first nine months of fiscal 2016 by €20.2 million to €52.6 million in the first nine months of fiscal 2017.

Free cash flow

T_012

IN € MILLIONS	Nine months ended June 30, 2017	2016	Change	% change
Cash flow from operating activities	85.4	72.1	13.3	18.4%
Cash flow from investing activities	(32.8)	(342.6)	309.8	(90.4)%
Free cash flow (before interest payments)	**52.6**	**(270.5)**	**323.1**	**<(100.0)%**
Payments for interest	(6.5)	(4.4)	(2.1)	47.7%
Free cash flow after interest payments	**46.1**	**(274.9)**	**321.0**	**<(100.0)%**

RISKS AND OPPORTUNITIES

We refer to the risk-related disclosures in the Group Management Report and in the audited Consolidated Financial Statements as of and for the fiscal year ended September 30, 2016.

OUTLOOK

Based on the strong results of the first nine months and an updated forecast for the remaining three months of fiscal 2017 we increase our revenue guidance to around €910 million for FY2017 and we estimate the adjusted EBIT margin to be around 15% which is at the upper end of the previously communicated range of 14% – 15%.

SUBSEQUENT EVENTS

As of August 10, 2017, there were no further events or developments that could have materially affected the measurement and presentation of Group’s assets and liabilities as of June 30, 2017.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

as of and for the three and nine months ended June 30, 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three and nine months ended June 30, 2017 (unaudited)

Consolidated Statement of Comprehensive Income

T_013

		Three months ended June 30,		Nine months ended June 30,	
IN € THOUSANDS	NOTE	2017	2016	2017	2016
Revenue	2	233,521	182,804	689,069	530,965
Cost of sales		(167,408)	(137,674)	(487,874)	(398,445)
Gross profit		**66,113**	**45,130**	**201,195**	**132,520**
Research and development expenses		(9,004)	(6,249)	(27,644)	(19,225)
Selling expenses		(15,835)	(13,148)	(56,416)	(36,072)
Administrative expenses		(9,268)	(9,797)	(27,071)	(23,563)
Other income		2,187	2,665	9,380	8,716
Other expenses		(3,058)	(2,331)	(10,909)	(6,791)
Profit from operating activities		**31,135**	**16,270**	**88,535**	**55,585**
Finance income	3	17,597	6,730	17,803	7,215
Finance costs	4	(20,774)	(5,829)	(14,642)	(9,510)
Profit / (loss) before income tax		**27,958**	**17,171**	**91,696**	**53,290**
Income tax income / (expense)		(3,368)	(5,625)	(22,733)	(17,375)
Profit / (loss) for the period		**24,590**	**11,546**	**68,963**	**35,915**
thereof attributable to non-controlling interests		8	11	22	23
thereof attributable to shareholders of Stabilus		24,582	11,535	68,941	35,892
Other comprehensive income / (expense)					
Foreign curreny translation difference [1]	11	2,681	(5,453)	2,333	(7,393)
Unrealized actuarial gains and losses [2]	11	(1)	(2,776)	2,765	(5,100)
Cash flow hedges – effective portion of changes in fair value [1]	11	–	6,798	–	6,798
Cash flow hedges – reclassified to profit or loss	11	–	(6,798)	–	(6,798)
Other comprehensive income / (expense), net of taxes		**2,680**	**(8,229)**	**5,098**	**(12,493)**
Total comprehensive income / (expense) for the period		**27,270**	**3,317**	**74,061**	**23,422**
thereof attributable to non-controlling interests		8	11	22	23
thereof attributable to shareholders of Stabilus		27,262	3,306	74,039	23,399
Earnings per share (in €):					
basic	5	1.00	0.56	2.79	1.73
diluted	5	1.00	0.56	2.79	1.73

[1] Item that may be reclassified ('recycled') to profit and loss at a future point in time when specific conditions are met.
[2] Item that will not be reclassified to profit and loss.
The accompanying Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of June 30, 2017 (unaudited)

Consolidated Statement of Financial Position

T_014

IN € THOUSANDS	NOTE	June 30, 2017	Sept 30, 2016
Assets			
Property, plant and equipment	6	170,807	167,569
Goodwill		196,203	197,457
Other intangible assets	7	276,884	295,815
Other assets	9	2,647	3,267
Deferred tax assets		12,943	7,743
Total non-current assets		**659,484**	**671,851**
Inventories	10	81,423	74,681
Trade accounts receivable		109,119	97,600
Current tax assets		2,186	1,160
Other financial assets	8	3,471	3,160
Other assets	9	13,294	13,923
Cash and cash equivalents		95,337	75,037
Total current assets		**304,829**	**265,561**
Total assets		**964,314**	**937,412**

Consolidated Statement of Financial Position

T_014

IN € THOUSANDS	NOTE	June 30, 2017	Sept 30, 2016
Equity and liabilities			
Issued capital		247	247
Capital reserves		225,848	225,848
Retained earnings		129,127	72,535
Other reserves	11	(30,734)	(35,832)
Equity attributable to shareholders of Stabilus		**324,487**	**262,798**
Non-controlling interests		77	94
Total equity		**324,564**	**262,892**
Financial liabilities	12	364,662	396,095
Other financial liabilities	13	1,928	2,314
Provisions	14	4,170	3,781
Pension plans and similar obligations	15	54,213	58,738
Deferred tax liabilities		61,404	60,634
Other liabilities	16	86	879
Total non-current liabilities		**486,464**	**522,441**
Trade accounts payable		72,357	80,389
Financial liabilities	12	7,500	5,000
Other financial liabilities	13	11,594	9,399
Current tax liabilities		12,483	10,904
Provisions	14	31,982	30,898
Other liabilities	16	17,370	15,489
Total current liabilities		**153,286**	**152,079**
Total liabilities		**639,750**	**674,520**
Total equity and liabilities		**964,314**	**937,412**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months ended June 30, 2017 (unaudited)

Consolidated Statement of Changes in Equity

T_015

IN € THOUSANDS	NOTE	Issued capital	Capital reserves	Retained earnings	Other reserves	Equity attributable to shareholders of Stabilus	Non-controlling interests	Total equity
Balance as of Sept 30, 2015		**207**	**73,091**	**24,871**	**(21,484)**	**76,685**	**24**	**76,709**
Profit / (loss) for the period		–	–	35,892	–	35,892	23	35,915
Other comprehensive income / (expense)	11	–	–	–	(12,493)	(12,493)	–	(12,493)
Total comprehensive income for the period		–	–	35,892	(12,493)	23,399	23	23,422
Dividends		–	–	–	–	–	(78)	(78)
Balance as of June 30, 2016		**207**	**73,091**	**60,763**	**(33,977)**	**100,084**	**(31)**	**100,053**
Balance as of Sept 30, 2016		**247**	**225,848**	**72,535**	**(35,832)**	**262,798**	**94**	**262,892**
Profit / (loss) for the period		–	–	68,941	–	68,941	22	68,963
Other comprehensive income / (expense)	11	–	–	–	5,098	5,098	–	5,098
Total comprehensive income for the period		–	–	68,941	5,098	74,039	22	74,061
Dividends		–	–	(12,350)	–	(12,350)	(54)	(12,404)
Receipts from non-controlling interests		–	–	–	–	–	15	15
Balance as of June 30, 2017		**247**	**225,848**	**129,127**	**(30,734)**	**324,487**	**77**	**324,564**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine months ended June 30, 2017 (unaudited)

Consolidated Statement of Cash Flows

T_016

IN € THOUSANDS	NOTE	Nine months ended June 30, 2017	2016
Profit / (loss) for the period		68,963	35,915
Current income tax expense		30,756	18,668
Deferred income tax expense		(8,023)	(1,293)
Net finance result	3/ 4	(3,161)	2,295
Depreciation and amortization		46,141	34,131
Other non-cash income and expenses		(11,232)	(3,411)
Changes in inventories		(6,742)	(524)
Changes in trade accounts receivable		(11,519)	(17,904)
Changes in trade accounts payable		(8,032)	(8,051)
Changes in other assets and liabilities		2,269	13,942
Changes in provisions		790	6,084
Changes in deferred tax assets and liabilities		8,023	1,293
Income tax payments	20	(22,809)	(9,088)
Cash flow from operating activities		**85,424**	**72,057**
Proceeds from disposal of property, plant and equipment		942	128
Purchase of intangible assets	7	(8,729)	(10,225)
Purchase of property, plant and equipment	6	(25,048)	(29,639)
Acquisition of assets and liabilities within the business combination, net of cash acquired		–	(302,865)
Cash flow from investing activities		**(32,835)**	**(342,601)**
Receipts under senior facilities		–	455,000
Receipts under equity bridge facility		–	115,000
Receipts from non-controlling interests		15	–
Payments for redemption of senior facilities		(12,500)	(267,500)
Payments for finance leases		(471)	(407)
Payments of transaction costs		–	(4,420)
Dividends paid		(12,350)	–
Dividends paid to non-controlling interests		(54)	(78)
Payments for interest	20	(6,454)	(4,401)
Cash flow from financing activities		**(31,814)**	**293,194**
Net increase / (decrease) in cash and cash equivalents		**20,775**	**22,650**
Effect of movements in exchange rates on cash held		(475)	(671)
Cash and cash equivalents as of beginning of the period		75,037	39,473
Cash and cash equivalents as of end of the period		**95,337**	**61,452**

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of and for the three and nine months ended June 30, 2017

1 General information

Company information

Stabilus S.A., Luxembourg, hereinafter also referred to as "Stabilus" or the "Company" is a public limited liability company (société anonyme) incorporated in Luxembourg and governed by Luxembourg law. The Company is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés Luxembourg) under No. B0151589 and its registered office is located at 2, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg. The Company was founded under the name Servus HoldCo S.à r.l. on February 26, 2010.

The Company's fiscal year is from October 1 to September 30 of the following year (twelve-month period). The Consolidated Financial Statements of Stabilus S.A. include Stabilus and its subsidiaries (hereafter also referred to as "Stabilus Group" or the "Group").

The Stabilus Group is a leading manufacturer of gas springs and dampers, as well as electric tailgate opening and closing equipment. The products are used in a wide range of automotive and industrial applications, as well as in the furniture industry. Typically the products are used to support the lifting and lowering or dampening of movements. As world market leader for gas springs, the Group ships to all key vehicle manufacturers. Various Tier 1 suppliers of the global car industry as well as large technically focused distributors further diversify the Group's customer base.

Basis for preparation

The accompanying Condensed Interim Consolidated Financial Statements present the operations of Stabilus, Luxembourg, and its subsidiaries. The Company has prepared these statements under the going-concern assumption.

The Condensed Interim Consolidated Financial Statements as of and for the three and nine months ended June 30, 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting"; they comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of Stabilus Group since the last annual Consolidated Financial Statements as of and for the fiscal year ended September 30, 2016. These Interim Consolidated Financial Statements are condensed and do not include all information for full annual financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in connection with the Consolidated Financial Statements as of September 30, 2016.

The accounting policies adopted in the preparation of the Condensed Interim Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the fiscal year ended September 30, 2016.

Presentation

These Condensed Interim Consolidated Financial Statements as of and for the three and nine months ended June 30, 2017 comprise the Consolidated Statement of Comprehensive Income for the three and nine months ended June 30, 2017, the Consolidated Statement of Financial Position as of June 30, 2017, the Consolidated Statement of Changes in Equity for the nine months ended June 30, 2017, the Consolidated Statement of Cash Flows for the nine months ended June 30, 2017 and explanatory Notes to the Condensed Interim Consolidated Financial Statements. The Condensed Interim Consolidated Financial Statements are prepared in euros (€) rounded to the nearest thousand. Due to rounding, numbers presented may not add up precisely to the totals provided.

The Condensed Interim Consolidated Financial Statements were authorized for issue by the Management Board on August 10, 2017.

2 Revenue

The Group's revenue developed as follows:

Revenue by region (location of Stabilus company)

T_017

	Three months ended June 30,		Nine months ended June 30,	
IN € THOUSANDS	**2017**	2016	**2017**	2016
Europe[1]	117,064	92,736	345,449	266,300
NAFTA[1]	92,283	68,875	267,608	204,212
Asia / Pacific and rest of world[1]	24,174	21,193	76,012	60,453
Revenue[1]	**233,521**	**182,804**	**689,069**	**530,965**

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

Revenue by markets

T_018

	Three months ended June 30,		Nine months ended June 30,	
IN € THOUSANDS	**2017**	2016	**2017**	2016
Automotive Gas Spring	85,101	82,255	259,773	241,258
Automotive Powerise	63,623	50,396	182,625	141,087
Automotive business	148,724	132,651	442,398	382,345
Industrial / Capital Goods	53,682	43,297	154,631	126,993
Vibration & Velocity Control	23,729	–	70,326	–
Commercial Furniture	7,385	6,856	21,713	21,627
Industrial business	84,796	50,153	246,670	148,620
Revenue	**233,521**	**182,804**	**689,069**	**530,965**

3 Finance income

Finance income

T_019

IN € THOUSANDS	Three months ended June 30, 2017	2016	Nine months ended June 30, 2017	2016
Interest income on loans and financial receivables	48	14	123	33
Net foreign exchange gain	–	6,634	–	6,970
Gains from changes in carrying amount of financial liabilities	17,485	–	17,485	–
Other interest income	64	82	195	212
Finance income	**17,597**	**6,730**	**17,803**	**7,215**

4 Finance costs

Finance costs

T_020

IN € THOUSANDS	Three months ended June 30, 2017	2016	Nine months ended June 30, 2017	2016
Interest expense on financial liabilities	(2,353)	(5,325)	(7,683)	(8,756)
Net foreign exchange loss	(18,350)	–	(6,554)	–
Loss from derivative instruments	–	(426)	–	(426)
Interest expenses finance lease	(18)	(23)	(51)	(73)
Other interest expenses	(53)	(55)	(354)	(255)
Finance costs	**(20,774)**	**(5,829)**	**(14,642)**	**(9,510)**

5 Earnings per share

The weighted average number of shares used for the calculation of earnings per share in the nine months ended June 30, 2017 and 2016 is set out in the following table.

Weighted average number of shares

T_021

DATE	Number of days	Transaction	Change	Total shares	Total shares (time-weighted)
October 1, 2015	274	–	–	20,723,256	20,723,256
June 30, 2016		–	–	**20,723,256**	**20,723,256**
October 1, 2016	273	–	–	24,700,000	24,700,000
June 30, 2017		**–**	**–**	**24,700,000**	**24,700,000**

The earnings per share for the nine months ended June 30, 2017 and 2016 were as follows:

Earnings per share T_022

	Nine months ended June 30,	
	2017	2016
Profit / (loss) attributable to shareholders of the parent (in € thousands)	68,941	35,892
Weighted average number of shares	24,700,000	20,723,256
Earnings per share (in €)	**2.79**	**1.73**

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of shares outstanding.

6 Property, plant and equipment

Property, plant and equipment as of June 30, 2017 amounted to €170,807 thousand (Sept 30, 2016: €167,569 thousand). Additions to property, plant and equipment in the first nine months of fiscal 2017 amounted to €25,668 thousand (9M FY2016: €30,140 thousand).

Disposals occurred only in the ordinary course of business. The net value of disposed property, plant and equipment in the first nine months of fiscal 2017 amounted to €1,675 thousand (9M FY2016: €22 thousand).

The Group recognized impairment losses amounting to €394 thousand in the reporting period (9M FY2016: 0€).

7 Other intangible assets

Other intangible assets as of June 30, 2017 amounted to €276,884 thousand (Sept 30, 2016: €295,815 thousand). Additions to intangible assets in the first nine months of fiscal 2017 amounted to €8,728 thousand (9M FY2016: €10,225 thousand) and mainly comprised capitalized development cost (less related customer contributions) of €7,958 thousand (9M FY2016: €9,424 thousand). Borrowing costs capitalized in the first nine months of fiscal 2017 amounted to €167 thousand (9M FY2016: €201 thousand).

In the first nine months of fiscal 2017, total amortization expenses on intangible assets amounted to €25,889 thousand (9M FY2016: €15,845 thousand). The increase is mainly due to the amortization of intangibles from business combinations. Amortization expenses on development costs include impairment losses of €2,948 thousand (9M FY2016: €468 thousand) mainly due to withdrawals of customers from the respective projects and changes in expected benefits.

Significant disposals have not been recognized.

8 Other financial assets

Other financial assets

T _ 023

IN € THOUSANDS	June 30, 2017 Current	June 30, 2017 Non-current	June 30, 2017 Total	Sept 30, 2016 Current	Sept 30, 2016 Non-current	Sept 30, 2016 Total
Other miscellaneous	3,471	–	3,471	3,160	–	3,160
Other financial assets	**3,471**	**–**	**3,471**	**3,160**	**–**	**3,160**

Other financial assets as of June 30, 2017 amounting to €3,471 thousand (Sept 30, 2016: €3,160 thousand) comprised only assets related to the sale of trade accounts receivable program.

9 Other assets

Other assets

T _ 024

IN € THOUSANDS	June 30, 2017 Current	June 30, 2017 Non-current	June 30, 2017 Total	Sept 30, 2016 Current	Sept 30, 2016 Non-current	Sept 30, 2016 Total
VAT	4,176	–	4,176	5,698	–	5,698
Prepayments	3,362	125	3,487	2,925	746	3,671
Deferred charges	4,062	–	4,062	3,178	–	3,178
Other miscellaneous	1,694	2,522	4,216	2,122	2,521	4,643
Other assets	**13,294**	**2,647**	**15,941**	**13,923**	**3,267**	**17,190**

Non-current prepayments comprise prepayments on property, plant and equipment.

10 Inventories

Inventories T_025

IN € THOUSANDS	June 30, 2017	Sept 30, 2016
Raw materials and supplies	38,798	38,076
Finished products	19,090	17,103
Work in progress	14,584	12,616
Merchandise	8,951	6,886
Inventories	**81,423**	**74,681**

11 Equity

The development of the Group's equity is presented in the Statement of Changes in Equity.

Other reserves

Other reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations and unrealized actuarial gains and losses. The following table shows the changes in other reserves recognized in equity through other comprehensive income as well as the income tax recognized in equity through other comprehensive income:

Other reserves and other comprehensive income / (expense) T_026

IN € THOUSANDS	Unrealized actuarial gains and losses	Unrealized gains / (losses) from foreign currency translation	Cash flow hedges [1]	Total
Balance as of Sept 30, 2015	**(8,717)**	**(12,767)**	**–**	**(21,484)**
Before tax	(7,841)	(8,858)	–	(16,699)
Tax (expense) / benefit	2,351	–	–	2,351
Other comprehensive income / (expense), net of taxes	(5,490)	(8,858)	–	(14,348)
Non-controlling interests	–	–	–	–
Balance as of Sept 30, 2016	**(14,207)**	**(21,625)**	**–**	**(35,832)**
Before tax	3,814	2,333	–	6,147
Tax (expense) / benefit	(1,049)	–	–	(1,049)
Other comprehensive income / (expense), net of taxes	2,765	2,333	–	5,098
Non-controlling interests	–	–	–	–
Balance as of June 30, 2017	**(11,443)**	**(19,291)**	**–**	**(30,734)**

[1] See also Consolidated Statement of Comprehensive Income above.

12 Financial liabilities

The financial liabilities comprise the following items:

Financial liabilities T _ 027

IN € THOUSANDS	June 30, 2017			Sept 30, 2016		
	Current	Non-current	Total	Current	Non-current	Total
Senior facilities	7,500	364,662	372,162	5,000	396,095	401,095
Financial liabilities	**7,500**	**364,662**	**372,162**	**5,000**	**396,095**	**401,095**

The Group's liability under the term loan facility with an initial principal amount of €455.0 million was measured at amortized cost taking into consideration transaction costs. Next to the prepayments of €50 million on August 31, 2016 and of €10.0 million on December 31, 2016, another prepayment of €2.5 million was made on March 31, and reduced the outstanding principal amount to €392.5 million. The current portion of the financial liability reflects the expected next two semi-annual prepayments of €2.5 million on September 30, 2017 and of €5.0 million on March 31, 2018.

Due to the decrease of the margin of the euro term loan facility in May 2017, the carrying value of the financial liability was adjusted to reflect the change in estimated future cash flows discounted with the original effective interest rate. This adjustment of €17.5 million is recognized in finance income.

As of June 30, 2017, the Group had no liability under the committed €70 million revolving credit facility.

13 Other financial liabilities

Other financial liabilities T _ 028

IN € THOUSANDS	June 30, 2017			Sept 30, 2016		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities to employees	7,486	–	7,486	6,648	–	6,648
Social security contribution	3,801	–	3,801	2,440	–	2,440
Finance lease obligation	307	1,928	2,235	311	2,314	2,625
Other financial liabilities	**11,594**	**1,928**	**13,522**	**9,399**	**2,314**	**11,713**

The liabilities to employees mainly comprise outstanding salaries and wages. The finance lease obligation relates to leasing contracts for land and buildings for the production facility in Romania.

14 Provisions

Provisions T_029

IN € THOUSANDS	June 30, 2017 Current	June 30, 2017 Non-current	June 30, 2017 Total	Sept 30, 2016 Current	Sept 30, 2016 Non-current	Sept 30, 2016 Total
Anniversary benefits	12	150	162	–	61	61
Early retirement contracts	67	2,600	2,667	36	2,599	2,635
Employee-related costs	10,338	–	10,338	11,050	–	11,050
Environmental protection	384	1,170	1,554	415	990	1,405
Other risks	2,381	–	2,381	1,521	–	1,521
Legal and litigation costs	106	–	106	115	–	115
Warranties	14,612	121	14,733	12,227	–	12,227
Other miscellaneous	4,082	129	4,211	5,534	131	5,665
Provisions	**31,982**	**4,170**	**36,152**	**30,898**	**3,781**	**34,679**

The provision for environmental protection, in particular long-term bioremediation of the former Colmar US site, increased in the first nine months of fiscal 2017 from €1,405 thousand to €1,554 thousand. This provision is to cover the contractor expense to finish the bioremediation program in the next years.

Provision for warranties increased from €12,227 thousand as of September 30, 2016 to €14,733 thousand as of June 30, 2017 mainly due to higher sales as well as the regional mix of these sales to provide for potential warranty cases.

15 Pension plans and similar obligations

The Group's liability for pension plans and similar obligations decreased from €58,738 thousand as of September 30, 2016 by €4,525 thousand to €54,213 thousand as of June 30, 2017. The decrease was mainly due to a higher discount rate (June 30, 2017: 1.86% versus Sept 30, 2016: 1.35%).

16 Other liabilities

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

Other liabilities T_030

IN € THOUSANDS	June 30, 2017			Sept 30, 2016		
	Current	Non-current	Total	Current	Non-current	Total
Advanced payments received	2,264	86	2,350	1,353	879	2,232
Vacation expenses	4,594	–	4,594	3,329	–	3,329
Other personnel-related expenses	6,772	–	6,772	6,964	–	6,964
Outstanding costs	3,460	–	3,460	3,619	–	3,619
Miscellaneous	280	–	280	224	–	224
Other liabilities	**17,370**	**86**	**17,456**	**15,489**	**879**	**16,368**

17 Contingent liabilities and other financial commitments

Contingent liabilities

Contingent liabilities are uncertainties for which the outcome has not been determined. If the outcome is probable and estimable, the liability is shown in the statement of financial position.

In regards to the potential contingent obligation in the EPA Colmar case, please refer to Note 25 in the Annual Report 2016.

Guarantees

A detailed description of the guarantees the Group has issued can be found in the 2016 Annual Report.

Other financial commitments

The nominal values of the other financial commitments as of June 30, 2017 are as follows:

Other financial commitments T_031

IN € THOUSANDS	June 30, 2017	Sept 30, 2016
Capital commitments for fixed and other intangible assets	6,848	8,611
Obligations under rental and leasing agreements	23,675	23,785
Total	**30,523**	**32,396**

18 Financial instruments

The following table shows the carrying amounts and fair values of the Group's financial instruments. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments

T_032

IN € THOUSANDS	Measurement category acc. to IAS 39	June 30, 2017 Carrying amount	June 30, 2017 Fair value	Sept 30, 2016 Carrying amount	Sept 30, 2016 Fair value
Trade accounts receivables	LaR	109,119	109,119	97,600	97,600
Cash	LaR	95,337	95,337	75,037	75,037
Other financial assets	LaR	3,471	3,471	3,160	3,160
Total financial assets		**207,927**	**207,927**	**175,797**	**175,797**
Financial liabilities	FLAC	372,162	367,886	401,095	376,191
Trade accounts payable	FLAC	72,357	72,357	80,389	80,389
Finance lease liabilities	–	2,235	3,643	2,625	3,557
Total financial liabilities	–	**446,754**	**443,886**	**484,109**	**460,137**
Aggregated according to categories in IAS 39:					
Loans and receivables (LaR)		207,927	207,927	175,797	175,797
Financial liabilities measured at amortized cost (FLAC)		444,519	440,243	481,484	456,580

The following table provides an overview of the classification of financial instruments presented above in the fair value hierarchy, except for financial instruments with fair values corresponding to the carrying amounts (i.e. trade accounts receivable and payable, cash, other financial assets and finance lease liabilities).

Financial instruments

T_033

IN € THOUSANDS	June 30, 2017 Total	June 30, 2017 Level 1[1]	June 30, 2017 Level 2[2]	June 30, 2017 Level 3[3]	Sept 30, 2016 Total	Sept 30, 2016 Level 1[1]	Sept 30, 2016 Level 2[2]	Sept 30, 2016 Level 3[3]
Financial liabilities								
Senior facilities	367,886	–	367,886	–	376,191	–	376,191	–
Finance lease liabilities	3,643	–	–	3,643	3,557	–	–	3,557

[1] Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical instruments.
[2] Fair value measurement based on inputs that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).
[3] Fair value measurement based on inputs that are not observable market data.

The fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

The determination of the fair value of the senior facilities is based on the discounted cash flow model where the projected cash flows are discounted to the valuation date using independently sourced market data.

The valuation technique used for the determination of the obligations under finance leases is the discounted cash flow method. The valuation model considers the present value of the expected payments, discounted using a risk-adjusted discount rate depending on the maturity of the payment. The expected payments are determined by considering contractual redemption payments and interest payments with the currently agreed interest rate. Significant unobservable inputs are the risk-adjusted discount rates, which range from 7.5% to 10.1%, and the forecast interest payments. Therefore, the fair value would change if the risk-adjusted discount rate or the interest rate changed.

19 Risk reporting

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the Consolidated Financial Statements as of and for the fiscal year ended September 30, 2016.

20 Notes to the Consolidated Statement of Cash Flows

The statement of cash flows is prepared in compliance with IAS 7. The statement of cash flows of the Stabilus Group shows the development of the cash flows from operating, investing and financing activities. Inflows and outflows from operating activities are presented in accordance with the indirect method and those from investing and financing activities by the direct method.

The cash funds reported in the statement of cash flows comprise all liquid funds, cash balances and cash at banks reported in the statement of financial position.

Interest payments in the first nine months of fiscal 2017 amounting to €(6,454) thousand (9M FY2016: €(4,401) thousand) are taken into account in the cash outflows from financing activities. Income tax payments in the same period of €(22,809) thousand (9M FY2016: €(9,088) thousand) are reflected in operating activities.

21 Segment reporting

The Stabilus Group is organized and managed primarily on a regional level. The three reportable operating segments of the Group are Europe, NAFTA and Asia / Pacific including RoW. The product portfolio is largely similar in these three regional segments.

The Group measures the performance of its operating segments through a measure of segment profit or loss (key performance indicator) which is referred to as "adjusted EBIT". Adjusted EBIT is defined as EBIT, as adjusted by management primarily in relation to non-recurring costs like severance, consulting, restructuring cost as well as expenses for one-time legal disputes or launch costs for new products. Furthermore, the depreciation / amortization of fair value adjustments from purchase price allocations is adjusted.

Segment information for the nine months ended June 30, 2017 and 2016 is as follows:

Segment reporting

T _ 034

	Europe		NAFTA		Asia / Pacific and RoW	
	Nine months ended June 30,		Nine months ended June 30,		Nine months ended June 30,	
IN € THOUSANDS	2017	2016	2017	2016	2017	2016
External revenue[1]	345,449	266,300	267,608	204,212	76,012	60,453
Intersegment revenue[1]	22,811	20,183	18,889	4,041	493	648
Total revenue[1]	368,260	286,483	286,497	208,253	76,505	61,101
Depreciation and amortization (incl. impairment losses)	(24,454)	(16,735)	(9,593)	(4,936)	(3,614)	(2,951)
EBIT	46,382	33,450	40,004	23,222	10,629	8,421
Adjusted EBIT	50,095	37,223	42,560	23,222	10,750	8,421

	Total segments		Other / Consolidation		Stabilus Group	
	Nine months ended June 30,		Nine months ended June 30,		Nine months ended June 30,	
IN € THOUSANDS	2017	2016	2017	2016	2017	2016
External revenue[1]	689,069	530,965	–	–	689,069	530,965
Intersegment revenue[1]	42,193	24,872	(42,193)	(24,872)	–	–
Total revenue[1]	731,262	555,837	(42,193)	(24,872)	689,069	530,965
Depreciation and amortization (incl. impairment losses)	(37,661)	(24,622)	(8,480)	(9,509)	(46,141)	(34,131)
EBIT	97,015	65,093	(8,480)	(9,509)	88,535	55,585
Adjusted EBIT	103,405	68,866	–	–	103,405	68,866

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

The column "Other / Consolidation" includes the effects from the purchase price allocation for the April 2010 business combination. The effects from the purchase price allocation for the June 2016 business combination are included in the regions.

The following table sets out the reconciliation of the total segments' profit (adjusted EBIT) to profit before income tax.

Reconciliation of the total segments' profit to profit / (loss) before income tax T_035

IN € THOUSANDS	Nine months ended June 30, 2017	2016
Total segments' profit (adjusted EBIT)	**103,405**	**68,866**
Other / consolidation	–	–
Group adjusted EBIT	**103,405**	**68,866**
Adjustments to EBIT	(14,870)	(13,281)
Profit from operating activities (EBIT)	**88,535**	**55,585**
Finance income	17,803	7,215
Finance costs	(14,642)	(9,510)
Profit / (loss) before income tax	**91,696**	**53,290**

The adjustments to EBIT in the periods presented only include the depreciation and amortization of the Group`s assets to fair value resulting from the April 2010 and June 2016 purchase price allocations (PPAs). In this period the definition of adjusted EBIT has been slightly modified as interest cost on pensions recognized in EBIT will no longer be adjusted out. The presentation of prior periods has been changed accordingly, i.e. the adjusted EBIT reported in our interim report Q3 FY2016 was €842 thousand higher for the first nine months of fiscal 2016.

22 Related party relationships

In accordance with IAS 24, persons or entities that control or are controlled by the Stabilus Group shall be disclosed, unless they are included in the scope of consolidation as a consolidated entity.

The disclosure obligation under IAS 24 furthermore extends to transactions with persons who exercise a significant influence on the financial and business policies of the Stabilus Group, including close family members or interposed entrepreneurs. A significant influence on the financial and business policies of the Stabilus Group can hereby be based on a shareholding in Stabilus of 20% or more, a seat on the Stabilus Management Board or another key position.

Related parties of the Stabilus Group in accordance with IAS 24 primarily comprise the Stabilus Group management which holds an investment in the Company.

23 Subsequent events

As of August 10, 2017, 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 June 30, 2017.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the corporation, and the interim management report of the corporation includes a fair review of the development and performance of the business and the position of the corporation, together with a description of the principal opportunities and risks associated with the expected development of the corporation for the remaining months of the fiscal year.

Luxembourg, August 10, 2017

Dietmar Siemssen Mark Wilhelms Andreas Schröder Andreas Sievers
Management Board

ADDITIONAL INFORMATION

FINANCIAL CALENDAR

Financial calendar T _ 036

DATE [1)2)]	PUBLICATION / EVENT
August 11, 2017	Publication of the third-quarter results for fiscal year 2017 (Interim Report Q3 FY2017)
November 27, 2017	Publication of preliminary financial results for fiscal year 2017
December 15, 2017	Publication of full year results for fiscal year 2017 (Annual Report 2017)

1) We cannot rule out changes of dates, we recommend checking them on our website in the Investor Relations / Financial Calendar section (www.ir.stabilus.com).
2) Please note that our fiscal year (FY) comprises a twelve-month period from October 1 until September 30 of the following calendar year. E.g. the fiscal year 2017 comprises a year ended September 30, 2017.

DISCLAIMER

Forward-looking statements
This interim report contains forward-looking statements that relate to the current plans, objectives, forecasts and estimates of the management of Stabilus S.A. These statements take into account only information that was available up to and including the date that this interim report was prepared. The management of Stabilus S.A. makes no guarantee that these forward-looking statements will prove to be right. The future development of Stabilus S.A. and its subsidiaries and the results that are actually achieved are subject to a variety of risks and uncertainties which could cause actual events or results to differ significantly from those reflected in the forward-looking statements. Many of these factors are beyond the control of Stabilus S.A. and its subsidiaries and therefore cannot be precisely predicted. Such factors include, but are not limited to, changes in economic conditions and the competitive situation, changes in the law, interest rate or exchange rate fluctuations, legal disputes and investigations, and the availability of funds. These and other risks and uncertainties are set forth in the Group Management Report. However, other factors could also have an adverse effect on our business performance and results. Stabilus S.A. neither intends nor assumes any separate obligation to update forward-looking statements or to change these to reflect events or developments that occur after the publication of this interim report.

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

INFORMATION RESOURCES

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

Investor Relations

Phone: +352 286 770 21
Fax: +352 286 770 99
Email: anschroeder@stabilus.com

Stabilus S.A.
2, rue Albert Borschette,
L-1246 Luxembourg
Grand Duchy of Luxembourg

Phone: +352 286 770 1
Fax: +352 286 770 99
Email: info.lu@stabilus.com
Internet: www.stabilus.com