



# New departures

INTERIM REPORT  
1<sup>ST</sup> QUARTER 2019



This report is available in German and English. Both versions can also be found online on our corporate website [www.r-stahl.com](http://www.r-stahl.com) under Corporate/Investor Relations/Financial Reports. It contains forward-looking statements based on assumptions and estimates of R. STAHL's management. Although we assume that the expectations of these forward-looking statements are realistic, we cannot guarantee that these expectations will prove to be correct. The assumptions may involve risks and uncertainties that could cause the actual results to differ materially from the forward-looking statements. Factors that may cause such discrepancies include: changes in the macroeconomic and business environment, exchange rate and interest rate fluctuations, the roll-out of competing products, a lack of acceptance of new products or services, and changes in business strategy. R. STAHL does not plan to update these forward-looking statements nor does it accept any obligation to do so.

### **Rounding differences and rates of change**

Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects: improvements are indicated by a "+" sign, deteriorations by a "-" sign. Rates of change >+100% are shown as >+100%, rates of change <-100% as "n/a" (not applicable).

## KEY FIGURES R. STAHL GROUP

€ million	Q1 2019 <sup>1)</sup>	Q1 2018	Change in %
Sales revenue	<b>67.5</b>	65.7	+2.8
Germany	<b>16.2</b>	16.0	+1.4
Central region <sup>2)</sup>	<b>29.5</b>	30.5	-3.3
Americas	<b>7.6</b>	6.5	+16.1
Asia/Pacific	<b>14.2</b>	12.7	+12.3
Order backlog as of 31 March	<b>75.8</b>	92.5	-18.1
EBITDA pre exceptionals <sup>3)</sup>	<b>7.7</b>	2.3	>+100
EBITDA	<b>6.3</b>	0.7	>+100
EBIT pre exceptionals <sup>3)</sup>	<b>2.4</b>	-0.7	n/a
EBIT	<b>1.0</b>	-2.3	n/a
Net profit	<b>0.1</b>	-3.5	n/a
Earnings per share in €	<b>0.02</b>	-0.54	n/a
Cash flow from operating activities	<b>6.9</b>	-2.7	n/a
Depreciation & amortization	<b>5.3</b>	3.0	-79.3
Capex	<b>2.6</b>	2.2	+19.3
Balance sheet total as of 31 March	<b>269.3</b>	255.6	+5.3
Shareholders' equity as of 31 March	<b>57.9</b>	66.4	-12.8
Equity ratio as of 31 March	<b>21.5%</b>	26.0%	
Net financial liabilities as of 31 March <sup>4)</sup>	<b>2.6</b>	23.0	-88.8
Employees as of 31 March <sup>5)</sup>	<b>1,685</b>	1,740	-3.2

<sup>1)</sup> Q1 2019 including effects from the initial application of IFRS 16

<sup>2)</sup> Africa and Europe without Germany

<sup>3)</sup> Exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for designing and implementing IT projects, M&A costs as well as profit and loss from the disposal of assets no longer required for business operations

<sup>4)</sup> Without pension provisions and lease liabilities

<sup>5)</sup> Without apprentices

# INTERIM REPORT

of R. STAHL Aktiengesellschaft for the period 1 January 2019 to 31 March 2019

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## **SIGNIFICANT EVENTS AND TRANSACTIONS IN THE REPORTING PERIOD AND THEIR IMPACT ON THE FINANCIAL POSITION AND PERFORMANCE**

In the first quarter of 2019, R. STAHL achieved a slight year-on-year increase in sales revenue and a noticeable improvement in earnings.

Compared to the previous year, sales rose by 2.8 percent to € 67.5 million in the reporting period (Q1 2018: € 65.7 million). Whereas sales in Germany and the Central region – comprising Africa and Europe – were on a par with the previous year at € 16.2 million (Q1 2018: € 16.0 million) and € 29.5 million (Q1 2018: € 30.5 million), respectively, there was encouraging growth in the Americas and Asia regions to € 7.6 million (Q1 2018: € 6.5 million) and € 14.2 million (Q1 2018: € 12.7 million), respectively.

Sales growth and productivity gains resulted in a very strong increase in EBIT (earnings before interest and taxes) to € 1.0 million (Q1 2018: € -2.3 million). EBITDA pre exceptionals – adjusted for effects from the initial application of the new IFRS 16 regulations – improved to € 6.0 million (Q1 2018: € 2.3 million). Earnings before taxes of € 0.1 million (Q1 2018: € - 3.5 million) were also greatly improved.

As of 31 March 2019, net debt was further reduced to € 2.6 million. At the end of the reporting period, the net debt ratio (net debt/EBITDA) amounted to 0.4. Free cash flow improved strongly to € 4.9 million (Q1 2018: € -4.9 million).

## CONSOLIDATED INCOME STATEMENT R. STAHL GROUP

€ 000	Q1 2019	Q1 2018	<i>Change in %</i>
<b>Sales revenue</b>	<b>67,544</b>	65,720	+2.8
Change in finished and unfinished products	<b>2,056</b>	2,727	-24.6
Other own work capitalized	<b>1,104</b>	898	+22.9
<b>Total operating performance</b>	<b>70,704</b>	69,345	+2.0
Other operating income	<b>2,977</b>	2,536	+17.4
Cost of materials	<b>-24,253</b>	-25,720	+5.7
Personnel cost	<b>-31,679</b>	-31,613	-0.2
Other operating expenses	<b>-11,460</b>	-13,859	+17.3
<b>EBITDA</b>	<b>6,289</b>	689	>+100
Depreciation and amortization	<b>-5,304</b>	-2,958	-79.3
<b>Earnings before financial result and income taxes (EBIT)</b>	<b>985</b>	-2,269	n/a
Result from companies consolidated using the equity method	<b>197</b>	181	+8.8
Investment result	<b>0</b>	0	0
Interest and similar income	<b>7</b>	41	-82.9
Interest and similar expenses	<b>-1,124</b>	-958	-17.3
<b>Financial result</b>	<b>-920</b>	-736	-25.0
<b>Earnings before income taxes</b>	<b>65</b>	-3,005	n/a
Income taxes	<b>41</b>	-453	n/a
<b>Net profit/loss</b>	<b>106</b>	-3,458	n/a
thereof attributable to other shareholders	<b>-5</b>	-12	+58.3
thereof attributable to shareholders of R. STAHL AG	<b>111</b>	-3,446	n/a
<b>Earnings per share (€)</b>	<b>0.02</b>	-0.54	n/a

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### R. STAHL GROUP

€ 000	Q1 2019	Q1 2018
<b>Net profit/loss</b>	<b>106</b>	<b>-3,458</b>
Gains/losses from currency translation of foreign subsidiaries, recognized in equity	<b>773</b>	<b>-533</b>
Deferred taxes on gains/losses from currency translation	<b>0</b>	<b>0</b>
<b>Currency translation differences after taxes</b>	<b>773</b>	<b>-533</b>
Gains/losses from the subsequent measurement of cash flow hedges, recognized in equity	<b>0</b>	<b>-11</b>
Recognized in profit or loss	<b>0</b>	<b>-5</b>
Deferred taxes on cash flow hedges	<b>0</b>	<b>5</b>
<b>Cash flow hedges after taxes</b>	<b>0</b>	<b>-11</b>
<b>Other comprehensive income with reclassifications to profit for the period</b>	<b>773</b>	<b>-544</b>
Gains/losses from the subsequent measurement of pension obligations, recognized in equity	<b>-7,444</b>	<b>1,876</b>
Deferred taxes from pension obligations	<b>2,195</b>	<b>-553</b>
<b>Other comprehensive income without reclassifications to profit for the period</b>	<b>-5,249</b>	<b>1,323</b>
<b>Other comprehensive income (valuation differences recognized directly in equity)</b>	<b>-4,476</b>	<b>779</b>
thereof attributable to other shareholders	<b>12</b>	<b>-2</b>
thereof attributable to shareholders of R. STAHL AG	<b>-4,488</b>	<b>781</b>
<b>Total comprehensive income after taxes</b>	<b>-4,370</b>	<b>-2,679</b>
thereof attributable to other shareholders	<b>7</b>	<b>-14</b>
thereof attributable to shareholders of R. STAHL AG	<b>-4,377</b>	<b>-2,665</b>

## CONSOLIDATED BALANCE SHEET R. STAHL GROUP

€ 000	31/03/2019	31/12/2018	Change in € 000
<b>ASSETS</b>			
Intangible assets	41,457	40,905	+552
Property, plant & equipment	94,247	54,520	+39,727
Investments in associated companies	8,070	8,284	-214
Other financial assets	32	32	0
Other assets	1,056	1,012	+44
Real estate held as a financial investment	5,070	5,122	-52
Deferred taxes	13,933	11,587	+2,346
<b>Non-current assets</b>	<b>163,865</b>	<b>121,462</b>	<b>+42,403</b>
Inventories and prepayments made	37,130	35,043	+2,087
Trade receivables	47,900	47,636	+264
Contract receivables	698	1,052	-354
Income tax claims	539	1,133	-594
Other receivables and other assets	7,823	6,977	+846
Cash and cash equivalents	11,296	14,629	-3,333
<b>Current assets</b>	<b>105,386</b>	<b>106,470</b>	<b>-1,084</b>
<b>Total assets</b>	<b>269,251</b>	<b>227,932</b>	<b>+41,319</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital	16,500	16,500	0
Capital reserves	13,457	13,457	0
Revenue reserves	62,327	62,216	+111
Accumulated other comprehensive income	-34,536	-30,048	-4,488
<b>Equity attributable to shareholders of R. STAHL AG</b>	<b>57,748</b>	<b>62,125</b>	<b>-4,377</b>
Non-controlling interests	140	133	+7
<b>Equity</b>	<b>57,888</b>	<b>62,258</b>	<b>-4,370</b>
Pension provisions	98,670	91,222	+7,448
Other provisions	1,760	1,748	+12
Interest-bearing financial liabilities	11,220	11,451	-231
Lease liabilities	33,890	0	+33,890
Other liabilities	0	233	-233
Deferred taxes	3,091	3,094	-3
<b>Non-current liabilities</b>	<b>148,631</b>	<b>107,748</b>	<b>+40,883</b>
Provisions	11,280	11,235	+45
Trade payables	13,962	13,470	+492
Interest-bearing financial liabilities	2,644	8,680	-6,036
Lease liabilities	6,625	0	+6,625
Deferred liabilities	17,251	13,386	+3,865
Income tax liabilities	812	1,117	-305
Other liabilities	10,158	10,038	+120
<b>Current liabilities</b>	<b>62,732</b>	<b>57,926</b>	<b>+4,806</b>
<b>Total equity and liabilities</b>	<b>269,251</b>	<b>227,932</b>	<b>+41,319</b>



## CONSOLIDATED CASH FLOW STATEMENT R. STAHL GROUP

€ 000	Q1 2019	Q1 2018	Change in € 000
<b>Net profit/loss</b>	<b>106</b>	-3,458	+3,564
Depreciation, amortization and impairment of non-current assets	<b>5,304</b>	2,958	+2,346
Changes in long-term provisions	<b>10</b>	13	-3
Changes in deferred taxes	<b>-133</b>	114	-247
Equity valuation	<b>215</b>	219	-4
Other income and expenses without cash flow impact	<b>183</b>	1,001	-818
Result from the disposal of non-current assets	<b>-463</b>	1	-464
<b>Cash flow</b>	<b>5,222</b>	848	+4,374
Changes in short-term provisions	<b>13</b>	-380	+393
Changes in inventories, trade receivables and other non-capex or non-financial assets	<b>-2,229</b>	-4,299	+2,070
Changes in trade payables and other non-capex or non-financial liabilities	<b>3,911</b>	1,108	+2,803
<b>Changes in working capital</b>	<b>1,695</b>	-3,571	+5,266
<b>Cash flow from operating activities</b>	<b>6,917</b>	-2,723	+9,640
Cash outflow for capex in intangible assets	<b>-1,364</b>	-1,361	-3
Cash inflow from the disposals of non-current intangible assets	<b>560</b>	0	+560
Cash outflow for capex on property, plant & equipment	<b>-1,261</b>	-839	-422
Cash inflow from the disposals of property, plant & equipment and real estate held as a financial investment	<b>24</b>	7	+17
<b>Cash flow from investing activities</b>	<b>-2,041</b>	-2,193	+152
<b>Free cash flow</b>	<b>4,876</b>	-4,916	+9,792
Cash outflow for repayment of lease liabilities	<b>-1,891</b>	0	-1,891
Cash inflow from interest-bearing financial debt	<b>278</b>	10,429	-10,151
Cash outflow for repayment of interest-bearing financial debt	<b>-6,844</b>	-535	-6,309
<b>Cash flow from financing activities</b>	<b>-8,457</b>	9,894	-18,351
Changes in cash and cash equivalents	<b>-3,581</b>	4,978	-8,559
Foreign exchange and valuation-related changes in cash and cash equivalents	<b>248</b>	6	+242
Cash and cash equivalents at the beginning of the period	<b>14,629</b>	16,085	-1,456
<b>Cash and cash equivalents at the end of the period</b>	<b>11,296</b>	21,069	-9,773

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### R. STAHL GROUP

€ 000	Equity attributable to shareholders										
	Accumulated other comprehensive income							Total	Non-controlling interests	Equity	
	Sub-scribed capital	Capital re-serves	Re-venue reserves	Currency trans-lation	Un-realized gains/ losses from cash flow hedges	Un-realized gains/ losses from pensions	Total accu-mulated other comprehensive income				
<b>1 January 2018</b>	<b>16,500</b>	<b>13,457</b>	<b>69,449</b>	<b>-2,741</b>	<b>-6</b>	<b>-27,693</b>	<b>-30,440</b>	<b>68,966</b>	<b>86</b>	<b>69,052</b>	
Net profit/loss			-3,446					0	-3,446	-12	-3,458
Accumulated other comprehensive income			0	-531	-11	1,323	781	781	-2	779	
<b>Total comprehensive income</b>			<b>-3,446</b>	<b>-531</b>	<b>-11</b>	<b>1,323</b>	<b>781</b>	<b>-2,665</b>	<b>-14</b>	<b>-2,679</b>	
Dividend distribution			0				0	0	0	0	
Initial application of IFRS 9 and IFRS 15			38				0	38	0	38	
<b>31 March 2018</b>	<b>16,500</b>	<b>13,457</b>	<b>66,041</b>	<b>-3,272</b>	<b>-17</b>	<b>-26,370</b>	<b>-29,659</b>	<b>66,339</b>	<b>72</b>	<b>66,411</b>	
<b>1 January 2019</b>	<b>16,500</b>	<b>13,457</b>	<b>62,216</b>	<b>-3,558</b>	<b>0</b>	<b>-26,490</b>	<b>-30,048</b>	<b>62,125</b>	<b>133</b>	<b>62,258</b>	
Net profit/loss			111					0	111	-5	106
Accumulated other comprehensive income			0	761	0	-5,249	-4,488	-4,488	12	-4,476	
<b>Total comprehensive income</b>			<b>111</b>	<b>761</b>	<b>0</b>	<b>-5,249</b>	<b>-4,488</b>	<b>-4,377</b>	<b>7</b>	<b>-4,370</b>	
Dividend distribution			0				0	0	0	0	
<b>31 March 2019</b>	<b>16,500</b>	<b>13,457</b>	<b>62,327</b>	<b>-2,797</b>	<b>0</b>	<b>-31,739</b>	<b>-34,536</b>	<b>57,748</b>	<b>140</b>	<b>57,888</b>	

## SELECTED EXPLANATORY NOTES

### 1. Accounting according to International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of R. STAHL AG have been prepared pursuant to International Financial Reporting Standards (IFRS) as mandated for EU companies in accordance with IAS 34 “Interim Reports”.

These consolidated interim financial statements have not been audited.

### 2. Consolidation

In addition to the Group’s parent company, R. STAHL AG, the consolidated interim financial statements include 31 domestic and foreign companies in which R. STAHL AG may exert a controlling influence.

Companies in which the Company can exert a substantial influence are consolidated as associated enterprises in the consolidated financial statements using the equity method. As of 2016, ZAVOD Goreltex Co. Ltd., Saint Petersburg, Russia, and ESACO Proprietary Ltd., Edenvale, South Africa, are included in the consolidated financial statements as associated enterprises using the equity method.

With effect from 1 January 2019, R. STAHL HMI Systems GmbH, Cologne, was merged with R. STAHL Camera Systems GmbH, Cologne. The remaining company continues to trade under the name R. STAHL HMI Systems GmbH, Cologne.

### 3. Accounting and valuation methods

The consolidated interim financial statements and comparison figures for the previous year’s period have been prepared and calculated using the same accounting and valuation methods as the consolidated financial statements for fiscal year 2018. The underlying principles are published in the notes to our consolidated financial statements for 2018. The latter is available on our corporate website [www.r-stahl.com](http://www.r-stahl.com).

On adoption of the new regulations of IFRS 16 (Leases), R. STAHL amended its accounting and valuation methods as of 1 January 2019. In accordance with the transition method pursuant to IFRS 16 selected by us, previous periods have not been adjusted. Consequently, the changes in profits, assets and liabilities, as well as cash flows in 2019 are affected by the new accounting and valuation methods.

The following significant transitional effects resulted from the amendment of our accounting and valuation methods as of 1 January 2019:

- As a result of the capitalization of right-of-use assets, intangible assets and property, plant and equipment rose by € 42,323 thousand.

- Liabilities increased by € 41,717 thousand due to the recognition of non-current and current lease liabilities.

In our consolidated income statement, we recognized depreciation for right-of-use assets of € 2,424 thousand and interest expenses for lease liabilities of € 268 thousand in the first quarter of 2019.

IFRS 16 also affects R. STAHL's cash flow statement: cash flow from operating activities increased by € 1,891 thousand and cash flow from financing activities decreased by € 1,891 thousand.

The following significant effects resulted as of 31 March 2019:

- As a result of the capitalization of right-of-use assets, intangible assets and property, plant and equipment rose by € 40,325 thousand.
- Liabilities increased by € 40,515 thousand due to the recognition of non-current and current lease liabilities.

Further information on amendments to the accounting and valuation methods resulting from the adoption of IFRS 16 are provided in the section "[1] Basis of preparation" in the notes to the consolidated financial statements 2018.

#### 4. Cash flow statement

Our cash flow statement according to IAS 7 shows the cash inflows and outflows of the R. STAHL Group in the reporting period.

The liquidity shown in the cash flow statement comprises cash on hand, cheques, and credit balances at banks. It also includes securities with original maturities of up to three months.

#### 5. Earnings per share

Earnings per share are calculated by dividing consolidated earnings – net of minority interests – by the average number of shares. Our diluted earnings per share are the same as our earnings per share.

#### 6. Number of employees

The Company employed 1,685 persons (excluding apprentices) as of the reporting date on 31 March 2019 (31 March 2018: 1,740).

## 7. Legal liabilities and other financial obligations

There have been no material changes in our legal liabilities and other financial obligations since 31 December 2018.

## 8. Transactions with related persons

There were no material transactions with related persons in the reporting period.

## 9. Events after the end of the reporting period

There were no significant events after the end of the reporting period.

**Waldenburg, 9 May 2019**

R. STAHL Aktiengesellschaft

**Dr. Mathias Hallmann**  
Chief Executive Officer

**Volker Walprecht**  
Chief Financial Officer

## FINANCIAL CALENDAR 2019

<b>13 - 15 May</b>	Spring Conference, Frankfurt
<b>7 June</b>	26th Annual General Meeting, Künzelsau-Gaisbach
<b>8 August</b>	Interim Report Q2 2019
<b>7 November</b>	Interim Report Q3 2019
<b>25 – 27 November</b>	EKF Deutsches Eigenkapitalforum, Frankfurt

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