New departures

INTERIM REPORT
Q2 2019

STAHL

This report is available in German and English. Both versions can also be found online on our corporate website 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.

The contents of this press release are intended to address all genders. For the sake of readability and without any intent to discriminate, only the male form will be used.

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

in €m	Q2 2019	Q2 2018	Change in %	6M 2019	6M 2018	Change in %
Sales	**65.5**	70.5	*-7.1*	**133.0**	136.2	*-2.3*
Germany	**14.5**	19.0	*-23.9*	**30.7**	35.0	*-12.4*
Central region [1]	**30.1**	29.5	*+2.2*	**59.6**	60.0	*-0.6*
Americas	**8.2**	7.9	*+3.8*	**15.8**	14.4	+9.4
Asia/Pacific	**12.7**	14.1	*-10.1*	**26.9**	26.8	*+0.5*
Order backlog as of 30 June				**76.9**	89.2	*-13.8*
EBITDA pre exceptionals [2, 3]	**5.4**	4.2	*+28.6*	**13.1**	6.5	*>+100*
EBITDA margin pre exceptionals [2, 3]	**8.2 %**	5.9 %		**9.8 %**	4.7 %	
EBITDA [2]	**4.2**	2.0	*>+100*	**10.5**	2.7	*>+100*
EBIT pre exceptionals [2, 3]	**2.1**	1.2	*+79.2*	**4.5**	0.5	*>+100*
EBIT [2]	**0.9**	-1.0	*n/a*	**1.9**	-3.3	*n/a*
Net profit [2]	**-0.8**	-1.5	*+47.8*	**-0.7**	-4.9	*+86.6*
Earnings per share (in €) [2]	**-0.12**	-0.22	*+47.8*	**-0.10**	-0.76	*+86.6*
Cashflow from operating activities [2]	**3.1**	7.7	-59.8	**10.0**	5.0	*+>100*
Depreciation and amortization [2]	**3.3**	3.0	+8.7	**8.6**	6.0	*+43.8*
Capital expenditures	**2.1**	2.3	-9.1	**4.7**	4.5	*+4.8*

		30 June 2019	31 Dec. 2018	Change in %
Total assets [2]		**260.3**	227.9	*+14.2*
Equity		**53.8**	62.3	*-13.6*
Equity ratio [2]		***20.7%***	*27.3%*	
Net debt [4]		**3.3**	5.5	*+39.4*
Net debt incl. lease liabilities pursuant to IFRS 16		**41.8**	-	*n/a*
Employees [5]		**1,674**	1,690	*-0.9*

[1] Africa and Europe excl. Germany

[2] 1 January 2019 until 30 June 2019 including effects from initial application of IFRS 16

[3] Exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations

[4] Excl. pension provision and excluding lease liabilities

[5] Excl. apprentices

INTERIM REPORT

of R. Stahl Aktiengesellschaft for the period 1 January 2019 through 30 June 2019

CONTENTS

KEY TOPICS IN THE REPORTING PERIOD

- Recall of series 6036 und 6149 light fittings announced
- New IFRS 16 accounting standard significantly affects financial key figures
- Volker Walprecht steps down from Executive Board as of 30 June 2019

Recall of series 6036 and 6149 light fittings announced

In June, R. STAHL announced a recall of a total of 34,500 delivered light fittings from series 6036 and 6149. Tests of the light fittings' housing, which mainly consists of a polycarbonate tube, revealed that the tubes' long-term stability in unfavourable operating conditions can be inadequate. Light fittings from the production period between December 2017 and March 2019 are affected. We are not currently aware of any complaints or claims due to a lack of long-term stability. The product recall, which is purely a precaution, emphasizes R. STAHL's refusal to compromise on quality standards and stresses the company's promise to ensure the utmost safety for its customers. Based on the Executive Board's current estimate, the costs for the production and installation of new light fittings related to the recall are covered by existing provisions and liability insurance policies.

New IFRS 16 accounting standard significantly affects financial key figures

The new IFRS 16 accounting standard, which standardizes lease accounting and had to be implemented as of 1 January 2019, has had a significant effect on the R. STAHL Group's key figures in the reporting period, particularly the balance sheet total, EBITDA pre exceptionals and the interest result. The first-time capitalization of the rights of use associated with leases as of 30 June 2019 stretched the balance sheet by €38.6 million, which in turn led to a reduction in the equity ratio. The running costs associated with leases that R. STAHL reported under other operating expenses until 31 December 2018 are now shown as amortization of the capitalized rights of use and interest expense according to IFRS 16. For the first six months of 2019, EBITDA pre exceptionals has therefore risen by €3.4 million and amortization by €2.7 million. The interest result has decreased accordingly by € 0.5 million. Please see the notes on page 17 of this report for more details.

Volker Walprecht steps down from Executive Board as of 30 June 2019

Volker Walprecht, the former member of the Executive Board who was responsible for the finance department, has left the company as of 30 June 2019. He terminated his employment prematurely with the agreement of the Supervisory Board, which approved Walprecht's request. No severance pay or payments beyond the end of his period of service have been agreed. Until a successor is appointed, the CEO Dr. Mathias Hallmann has taken over the duties of CFO on an interim basis.

GROUP MANAGEMENT REPORT

- > Sales in Q2 of €65.5 million down €5.0 million or 7.1% year-on-year (Q2 2018: €70.5 million)
- > Scheduled implementation of a new ERP system at the Waldenburg site leads to a temporary supply bottleneck and shift in sales to the coming quarter
- > EBITDA pre exceptionals increases by 28.6% to €5.4 million (Q2 2018: €4.2 million) due to the effects of IFRS 16
- > EBITDA margin pre exceptionals improves to 9.8% in the first six months 2019 (6M 2018: 4.7%), thereof 230 basis points as a result of efficiency gains
- > Outlook for 2019 specified and lifted: EBITDA pre exceptionals now expected between €28 million and €30 million

BUSINESS PERFORMANCE

Sales

R. STAHL achieved sales of €65.5 million in Q2 2019, representing a year-on-year decrease of €5.0 million or 7.1% (Q2 2018: €70.5 million). The **Germany** region particularly contributed to the decline, generating sales of €14.5 million, which was €4.5 million less than the previous year (Q2 2018: €19.0 million). The main cause of the drop in sales was a temporary supply bottleneck at the Waldenburg site in June linked to the scheduled implementation of new warehousing software as part of the Group-wide harmonization of IT systems as outlined in R. STAHL 2020. In addition, the prior year's high sales level benefitted from a large bulk order. The system adjustments required as a result of the implementation of the new ERP system were completed successfully as of the end of the quarter, which will have a positive effect on sales in the coming quarter. Unlike the previous stand-alone warehousing software, the new software solution is now an integrated component of the Group-wide standard ERP system, providing greater system stability with less need to manage interfaces and maintenance, and providing reduced system complexity.

Sales in the **Central region** – consisting of Africa and Europe excluding Germany – grew slightly by 2.2% to €30.1 million (Q2 2018: €29.5 million). This was primarily due to the good order situation in northern Europe.

In the quarter under review, the restructuring measures initiated 2018 in the Group's US subsidiary have been completed. Against this backdrop, business in the **Americas** region continued to develop very positively. Quarterly sales increased year-on-year for the fifth time in a row to €8.2 million, achieving growth of 3.8% (Q2 2018: €7.9 million). In **Asia**, sales declined by 10.1% year-on-year to €12.7 million (Q2 2018: €14.1 million), mainly driven by the consequent focus on orders with reasonable profitability.

In the quarter under review, order intake rose by 2.7% to €69.1 million year-on-year (Q2 2018: €67.3 million). As of the end of the reporting period, the order backlog of €76.9 million stood slightly higher than at the end of the previous quarter (order backlog as of 31 March 2019: €75.8 million). This also reflects the temporary supply bottleneck in the quarter under review described above.

In the first six months 2019, R. STAHL achieved sales of €133.0 million, representing a year-on-year decrease of 2.3% (6M 2018: €136.2 million). This is particularly due to the declining sales trend in the second quarter, which overshadowed the sales increase of 2.8% in the first quarter of the reporting year. New orders were received in the amount of €138.1 million (6M 2018: €135.7 million), up 1.7% on the same period in the previous year, while the order backlog climbed by 5.9% to €76.9 million in the first six months of the year under review (31 December 2018: €72.6 million).

Sales by region

in €m	Q2 2019	Q2 2018	*Change in %*	6M 2019	6M 2018	*Veränd. in %*	*Anteil am Konzern-umsatz in %*
Germany	**14.5**	19.0	*-23.9*	**30.7**	35.0	*-12.4*	*23*
Central region	**30.1**	29.5	*+2.2*	**59.6**	60.0	*-0.6*	*45*
Americas	**8.2**	7.9	*+3.8*	**15.8**	14.4	*+9.4*	*12*
Asia/Pacific	**12.7**	14.1	*-10.1*	**26.9**	26.8	*+0.5*	*20*
Total	**65.5**	70.5	*-7.1*	**133.0**	136.2	*-2.3*	*100*

EBITDA and EBIT

Earnings before interest, taxes, depreciation and amortization (EBITDA) pre exceptionals improved by 28.6% to €5.4 million in the quarter under review (Q2 2018: €4.2 million) despite the declining sales. The new accounting standard for leases according to IFRS 16 particularly improved the result by €1.7 million. The exceptionals in connection with the R. STAHL 2020 efficiency program were significantly below the previous year's figure, totalling €1.2 million (Q2 2018: €2.2 million). This was primarily driven by lower restructuring-related legal and consultancy costs that dropped to €0.7 million (Q2 2018: €2.0 million). Charges for severance pay decreased slightly to €0.5 million (Q2 2018: €0.6 million) and no income was classified as exceptionals in the quarter under review (Q2 2018: €0.4 million).

Consequently, EBITDA more than doubled year-on-year to €4.2 million (Q2 2018: €2.0 million). Adverse impacts on earnings were more than offset by positive developments.

Due to the temporary supply bottleneck and the resulting increase in inventories, total operating performance in Q2 2019 was higher than sales and amounted to €67.2 million (Q2 2018: €68.9 million), a decline of 2.5% compared with Q2 2018. In the previous year, the measures initiated to optimize working capital significantly reduced inventories, thus leading to a total operating performance below the sales level. In this context, cost of materials saw a pleasing trend, falling by 6.7% to €22.9 million – a much sharper drop than the total operating performance. The cost of materials ratio, which is cost of materials in % of total operating performance, therefore improved to 34.1% (Q2 2018: 35.6%). A beneficial product mix and the optimized sales process implemented in the previous year, which aims to ensure reasonable profitability already at the bidding stage, helped to achieve this.

Further positive earnings contributions came from other operating income, which increased by 61.3% to € 5.1 million, mainly driven by reversing provisions (Q2 2018: €3.1 million).

Personnel costs had an earnings dilutive impact in the quarter under review, rising by 4.4% to €31.3 million (Q2 2018: €30.0 million) as the result of annual salary increases that are customary in the industry.

Other operating expenses decreased by 10.4% to €13.9 million (Q2 2018: €15.5 million). Measures that raised costs, particularly a provision for the recall of the light fittings announced in the quarter under review, were more than offset by the lower exceptionals described above as well as the effects of the new accounting standard for leases.

Depreciation and amortization rose by 8.7% to €3.3 million (Q2 2018: €3.0 million) in the quarter under review due to the new accounting standard for leases. The pleasing EBITDA trend resulted in a significantly improved EBIT year-on-year of €0.9 million (Q2 2018: €-1.0 million).

Reconciliation of EBITDA pre exceptionals to EBIT

in €m	**Q2 2019**	Q2 2018	Change	**6M 2019**	6M 2018	Change	included in income statement under:
EBITDA pre exceptionals	**5.4**	4.2	+1.2	**13.1**	6.5	+6.6	
Exceptionals*)	**-1.2**	-2.2	+1.0	**-2.6**	-3.8	+1.2	
Restructuring charges	**-1.2**	-2.6	+1.4	**-2.6**	-4.2	+1.6	
Severerance pay	-0.5	-0.6	+0.1	-1.3	-1.6	+0.3	Personnel costs
Legal and consulting costs	-0.7	-2.0	+1.3	-1.3	-2.6	+1.3	Other operating expenses
Disposal of non-current assets no longer required for business operations	**0**	0.4	-0.4	**0**	0.4	-0.4	Other operating income
EBITDA	**4.2**	2.0	+2.2	**10.5**	2.7	+7.8	
Depreciation and amortization	**-3.3**	-3.0	-0.3	**-8.6**	-6.0	-2.6	
EBIT	**0.9**	-1.0	+1.9	**1.9**	-3.3	+5.2	

*) Exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations

In the first six months of 2019, EBITDA pre exceptionals improved by €6.6 million compared with the previous year to €13.1 million (6M 2018: €6.5 million). A considerable contribution of €3.4 million also came from the new accounting standard for leases. The EBITDA margin pre exceptionals increased to 9.8% (6M 2018: 4.7%). Structural operational improvements contributed 230 basis points to this major boost, while the new accounting standard for leases contributed 250 basis points. Exceptionals reduced by €1.2 million in the reporting period to €2.6 million (6M 2018: €3.8 million), especially due to lower costs in Q2 2019 as described above. EBITDA almost quadrupled in the first half of 2019 to €10.5 million (6M 2018: €2.7 million). The sometimes-opposing effects described for Q2 had the same impact here.

The total operating performance of €137.9 million remained consistent with the previous year's level (6M 2018: €138.2 million). Clear improvements were achieved in terms of the cost of materials, which shrank by 6.2% to

€47.1 million (6M 2018: €50.3 million) and produced a cost of materials ratio of 34.2% (6M 2018: 36.4%).

Other operating income increased by 41.7% to €8.0 million (6M 2018: €5.7 million). The 2.3% rise in personnel costs in the first half of the year to €63.0 million (6M 2018: €61.6 million) is due to the Q2 trend described above. This also applies to other operating expenses, which decreased by 13.7% to €25.3 million (6M 2018: €29.4 million).

Depreciation and amortization amounted to €8.6 million in the first half of 2019, an increase of 43.8% due to the new accounting standard for leases (6M 2018: €6.0 million). EBIT grew significantly to €1.9 million in the reporting period (6M 2018: €-3.3million).

Reconciliation of EBIT to earnings per share

in €m	Q2 2019	Q2 2018	Change	6M 2019	6M 2018	Change
EBIT	**0.9**	-1.0	+1.9	**1.9**	-3.3	+5.2
Financial result	-0.8	-0.6	-0.2	-1.8	-1.4	-0.4
Earnings before income taxes	**0.1**	-1.6	+1.7	**0.1**	-4.6	+4.8
Income taxes	-0.9	0.2	-1.0	-0.8	-0.3	-0.5
Net profit	**-0.8**	-1.5	+0.7	**-0.7**	-4.9	+4.3
thereof attributable to other shareholders	0.0	0.0	0.0	0.0	0.0	0.0
attributable to shareholders of R. STAHL AG	-0.8	-1.4	+0.7	-0.6	-4.9	+4.2
Earnings per share in €	**-0.12**	-0.22	+0.10	**-0.10**	-0.76	+0.66
Average number of shares outstanding (weighted, in millions)	6.44	6.44	0	6.44	6.44	0

Financial result

The financial result reduced by 35.4% to €-0.8 million in Q2 2019 (Q2 2018: €-0.6 million). Although the interest expense for bank loans was lower due to the considerably reduced net debt year-on-year, the new accounting standard for leases led to an increase of total cost of debt.

In the first six months of 2019, the financial result declined by 29.8% to €-1.8 million for the reasons described for Q2 2019 (6M 2018: €-1.4 million).

Earnings before income taxes

In Q2 2019, earnings before income taxes of €0.1 million were generated, up €1.7 million year-on-year (Q2 2018: €-1.6 million). Income taxes of €-0.9 million were incurred (Q2 2018: €0.2 million).

In the first six months of 2019, earnings before income taxes amounted to €0.1 million, which was €4.8 million higher than the previous year's figure. Income taxes of €-0.8 million were incurred (6M 2018: €-0.3 million).

In the first half of 2019, net profit improved to €-0.7 million (6M 2018: €-4.9 million) and earnings per share to €-0.10 (6M 2018: €-0.76).

Net profit / Earnings per share

Net profit improved by 47.8% to €-0.8 million in Q2 2019 (Q2 2018: €-1.5 million), corresponding to earnings per share of €-0.12 (Q2 2018: €-0.22).

NET ASSETS AND FINANCIAL POSITION

Balance sheet structure

As of the reporting date 30 June 2019, the balance sheet total of the R. STAHL Group rose to €260.3 million compared with the end of the previous year (31 December 2018: €227.9 million). The continued downpayment of interest-bearing loans in the first six months of the reporting period totalling €6.1 million was significantly overshadowed by the new accounting standard for leases, which resulted in opposing effects that stretched the balance sheet, amounting to €38.6 million in total. A detailed overview of the new accounting standard for leases on R. STAHL's individual balance sheet items can be found in the notes to this report under no. 3.

Non-current assets increased to €163.1 million as of the balance sheet date, chiefly as a result of the rights of use from leases recognized for the first time (31 December 2018: €121.5 million). Current assets dropped to €97.2 million (31 December 2018: €106.5 million). An increase in inventories and prepayments totalling €2.7 million was more than offset by continued targeted working capital management, which led to a drop in trade receivables of €6.7 million and in liquidity of €3.9 million as part of the debt reduction process.

As of the end of the reporting period, the significantly lower discount rate for pension provisions that dropped to 1.36% since the start of the year (31 December 2018: 2.07%) also had a major impact on the balance sheet, leading to a decline in equity to €53.8 million (31 December 2018: €62.3 million). Together with the stretched balance sheet due to the new accounting standard for leases, this resulted in a reduction in the equity ratio to 20.7% (31 December 2018: 27.3%).

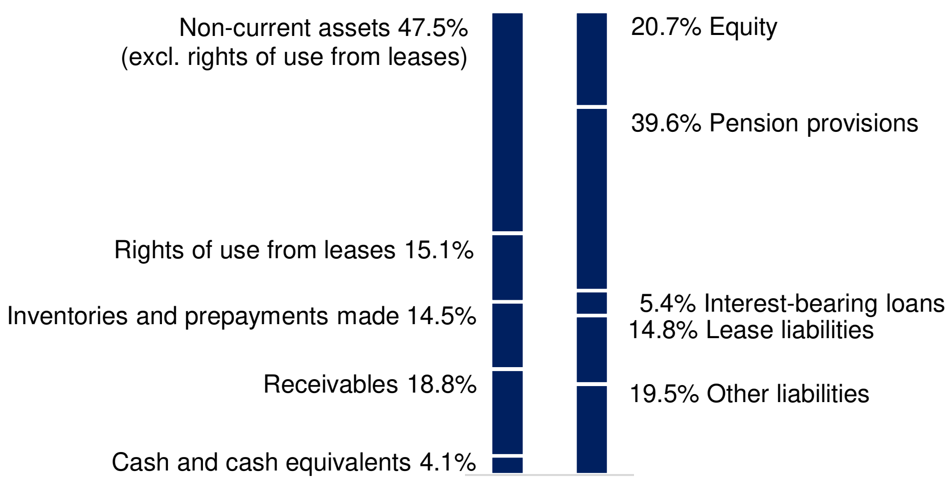
Non-current liabilities saw an increase to €150.4 million as of the balance sheet date (31 December 2018: €107.7 million), which is due to the €11.8 million rise in pension provisions and the lease liabilities reported for the first time.

Current liabilities declined slightly to €56.1 million (31 December 2018: €57.9 million). The initial recognition of current lease liabilities was more than offset by the reversal of provisions and, in particular, the repayment of interest-bearing loans as of the end of the reporting period.

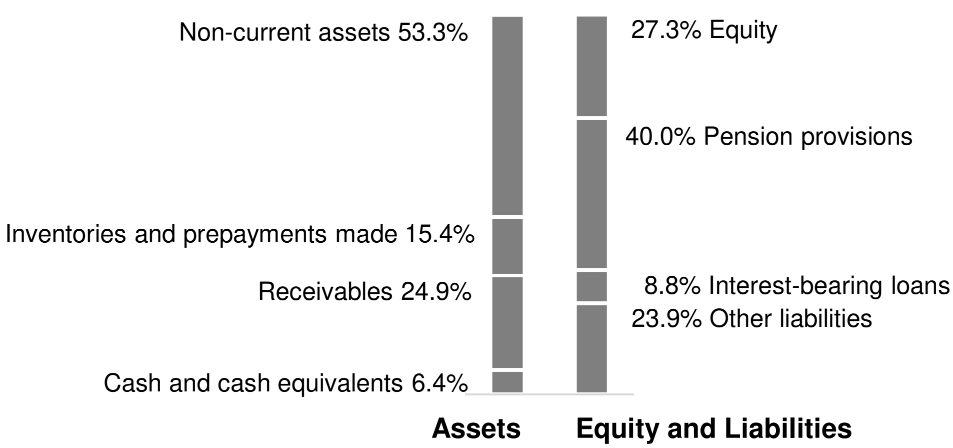
Net debt (excluding pension provisions and lease liabilities) reduced to €3.3 million as of 30 June 2019 compared with the end of the previous year (31 December 2018: €5.5 million). As of 30 June 2019, the R. STAHL Group held cash and cash equivalents amounting to €10.7 million (31 December 2018: €14.6 million).

Assets and Capital Structure

30 June 2019 **Balance Sheet Total €260.3m**



31 Dec. 2018 **Balance Sheet Total €227.9m**



Financial position and investments

The improved net profit in particular resulted in an increase in cash flow to €2.7 million in Q2 2019 (Q2 2018: €0.7 million). Working capital reduced slightly by €0.4 million (Q2 2018: €7.0 million). In the previous year, the focus on reducing inventories and trade receivables was primarily driving the strong decline. Accordingly, cash flow from operating activities amounted to €3.1 million (Q2 2018: €7.7 million).

Cash outflow for investing activities increased by €0.3 million in Q2 2019 to €2.1 million (Q2 2018: €1.8 million). This particularly reflects the disposal of a property no longer required for business operations in the previous year. In total, free cash flow of €1.0 million was generated in the quarter under review (Q2 2018: €6.0 million).

Cash flow from financing activities amounted to €-1.5 million in Q2 2019 (Q2 2018: €-15.6 million) and was influenced above all by the new accounting standard for leases and the associated downpayment of lease liabilities. The previous year's high cash outflow reflects the consistent downpayment of the Group's net debt started in Q2 2018.

In the first half of 2019, cash flow rose to €7.9 million (6M 2018: €1.6 million) due to improved net profit. By reducing working capital by €2.1 million (6M 2018: €3.5 million), cash flow from operating activities doubled to €10.0 million (6M 2018: €5.0 million). Cash flow from investing activities was on par with previous year at €-4.1 million (6M 2018: €-4.0 million). In total, free cash flow climbed to €5.9 million in the first six months of 2019 (6M 2018: €1.0 million). Cash outflow for financing activities increased to € 9.9 million in the first half of 2019 (6M 2018: €5.7 million), particularly due to downpayments of lease liabilities.

OPPORTUNITIES AND RISKS

All R. STAHL subsidiaries regularly compile an opportunities and risks report, in which the opportunities and risks in the company are taken into account. All managing directors are required to inform the department responsible for opportunity and risk management if significant events occur, including during the course of the quarter. The relevant statements made starting on page 43 of the 2018 Annual Report continue to apply unchanged.

OUTLOOK

We have presented our detailed estimate of the anticipated development of the company in the current year in the forecast report starting on page 49 of the 2018 Annual Report, which was published on 26 April 2019. In this report, we assumed that at stable sales, EBITDA pre exceptionals would increase in the mid single-digit million euro range, corresponding to a corridor between €19.2 million and €22.2 million, excluding the effects of the new accounting standard for leases. Taking the effects of IFRS 16 on EBITDA pre exceptionals of €6.8 million expected for 2019 into account, this results in a range of between €26 million and €29 million for the forecast published in April.

The solid development in the first six months of the reporting year makes us confident that we will exceed our previous forecast for EBITDA pre exceptionals in the year under review. We therefore now assume that we will generate an EBITDA pre exceptionals of between €28 million and €30 million with sales of between €275 million and €280 million in 2019, including the effects of accounting for leases according to IFRS 16.

Development of Outlook 2019

in €m	Sales	EBITDA pre exceptionals
FY 2018	280.1	15.2
Outlook 2019, April, excl. IFRS 16 Change vs. FY 2018	stable	Increase by mid-single digit million €
quantitative	~280	+4 to +7
Corridor	~280	19.2 to 22.2
Effects from IFRS 16 in 2019	no impact	+6.8
Outlook 2019, April, incl. IFRS 16 Corridor	~280	26 to 29
Outlook 2019, August, incl. IFRS 16 Corridor	275 to 280	28 to 30

CONSOLIDATED INCOME STATEMENT R. STAHL GROUP

in €000	**Q2 2019**	Q2 2018	*Change in %*	**6M 2019**	6M 2018	*Change in %*
Sales	**65,481**	70,506	*-7.1*	**133,025**	136,226	*-2.3*
Change in finished and unfinished products	**776**	-2,487	*n/a*	**2,832**	240	*>+100*
Other own work capitalized	**940**	867	*+8.4*	**2,044**	1,765	*+15.8*
Total operating performance	**67,197**	68,886	*-2.5*	**137,901**	138,231	*-0.2*
Other operating income	**5,063**	3,139	*+61.3*	**8,040**	5,675	*+41.7*
Cost of materials	**-22,894**	-24,551	*+6.7*	**-47,147**	-50,271	*+6.2*
Personnel cost	**-31,314**	-29,985	*-4.4*	**-62,993**	-61,598	*-2.3*
Other operating expenses	**-13,883**	-15,501	*+10.4*	**-25,343**	-29,360	*+13.7*
Earnings before financial result, income taxes and depreciation and amortization (EBITDA)	**4,169**	1,988	*>+100*	**10,458**	2,677	*>+100*
Depreciation and amortization	**-3,253**	-2,994	*-8.7*	**-8,557**	-5,952	*-43.8*
Earnings before financial result and income taxes (EBIT)	**916**	-1,006	*n/a*	**1,901**	-3,275	*n/a*
Result from companies consolidated using the equity method	**383**	133	*>+100*	**580**	314	*+84.7*
Investment result	**0**	0	*0*	**0**	0	*0*
Interest and similar income	**6**	977	*-99.4*	**13**	1,018	*-98.7*
Interest and similar expenses	**-1,222**	-1,725	*+29.2*	**-2,346**	-2,683	*+12.6*
Financial result	**-833**	-615	*-35.4*	**-1,753**	-1,351	*-29.8*
Earnings before income taxes	**83**	-1,621	*n/a*	**148**	-4,626	*n/a*
Income taxes	**-850**	152	*n/a*	**-809**	-301	*>-100*
Net profit/loss	**-767**	-1,469	*+47.8*	**-661**	-4,927	*+86.6*
thereof attributable to other shareholders	**-7**	-20	*+65.0*	**-12**	-32	*+62.5*
thereof attributable to shareholders of R. STAHL AG	**-760**	-1,449	*+47.6*	**-649**	*-4,895*	*+86.7*
Earnings per share in €	**-0.12**	-0.22	*+45.5*	**-0.10**	*-0.76*	*+86.8*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME R. STAHL GROUP

in €000	Q2 2019	Q2 2018	Change in %	6M 2019	6M 2018	Change in %
Net profit/loss	**-767**	-1,469	*n/a*	**-661**	-4,927	*+86.6*
Gains/losses from currency translation of foreign subsidiaries, recognized in equity	**-222**	172	*n/a*	**551**	-361	*n/a*
Deferred taxes on gains/losses from currency translation	**0**	0	*0*	**0**	0	*0*
Currency translation differences after taxes	**-222**	172	*n/a*	**551**	-361	*n/a*
Gains/losses from the subsequent measurement of cash flow hedges, recognized in equity	**0**	**9**	*n/a*	**0**	-2	*n/a*
Recognized in profit or loss	**0**	11	*n/a*	**0**	6	*n/a*
Deferred taxes on cash flow hedges	**0**	-6	*n/a*	**0**	-1	*n/a*
Cash flow hedges after taxes	**0**	14	*n/a*	**0**	3	*n/a*
Other comprehensive income with reclassifications to profit for the period	**-222**	186	*n/a*	**551**	-358	*n/a*
Gains/losses from the subsequent measurement of pension obligations, recognized in equity	**-4,367**	-781	*<-100*	**-11,811**	1,095	*n/a*
Deferred taxes from pension obligations	**1,288**	230	*>+100*	**3,483**	-323	*n/a*
Other comprehensive income without reclassifications to profit for the period	**-3,079**	-551	*<-100*	**-8,328**	772	*n/a*
Other comprehensive income (valuation differences recognized directly in equity)	**-3,301**	-365	*<-100*	**-7,777**	414	*n/a*
thereof attributable to other shareholders	**2**	-2	*n/a*	**14**	-4	*n/a*
thereof attributable to shareholders of R. STAHL AG	**-3,303**	-363	*<-100*	**-7,791**	418	*n/a*
Total comprehensive income after taxes	**-4,068**	-1,834	*<-100*	**-8,438**	-4,513	*-87.0*
thereof attributable to other shareholders	**-5**	-22	*+77.3*	**2**	-36	*n/a*
thereof attributable to shareholders of R. STAHL AG	**-4,063**	-1,812	*<-100*	**-8,440**	-4,477	*-88.5*

CONSOLIDATED BALANCE SHEET R. STAHL GROUP

in €000	30 June, 2019	31 Dec. 2018	Change
ASSETS			
Intangible assets	**41,364**	40,905	+459
Property, plant & equipment	**92,458**	54,520	+37,938
Investments in associated companies	**8,453**	8,284	+169
Other financial assets	**32**	32	0
Other assets	**1,003**	1,012	-9
Real estate held as a financial investment	**5,018**	5,122	-104
Deferred taxes	**14,795**	11,587	+3,208
Non-current assets	**163,123**	121,462	+41,661
Inventories and prepayments made	**37,746**	35,043	+2,703
Trade receivables	**40,910**	47,636	-6,726
Contract receivables	**702**	1,052	-350
Income tax claims	**575**	1,133	-558
Other receivables and other assets	**6,573**	6,977	-404
Cash and cash equivalents	**10,680**	14,629	-3,949
Current assets	**97,186**	106,470	-9,284
Total assets	**260,309**	227,932	+32,377
EQUITY AND LIABILITIES			
Subscribed capital	**16,500**	16,500	0
Capital reserves	**13,457**	13,457	0
Revenue reserves	**61,567**	62,216	-649
Accumulated other comprehensive income	**-37,839**	-30,048	-7,791
Equity attributable to shareholders of R. STAHL AG	**53,685**	62,125	-8,440
Non-controlling interests	**135**	133	+2
Equity	**53,820**	62,258	-8,438
Pension provisions	**103,040**	91,222	+11,818
Other provisions	**1,703**	1,748	-45
Interest-bearing financial liabilities	**10,877**	11,451	-574
Lease liabilities	**31,731**	0	+31,731
Other liabilities	**0**	233	-233
Deferred taxes	**3,028**	3,094	-66
Non-current liabilities	**150,379**	107,748	+42,631
Provisions	**9,537**	11,235	-1,698
Trade payables	**14,067**	13,470	+597
Interest-bearing financial liabilities	**3,137**	8,680	-5,543
Lease liabilities	**6,775**	0	+6,775
Deferred liabilities	**13,233**	13,386	-153
Income tax liabilities	**982**	1,117	-135
Other liabilities	**8,379**	10,038	-1,659
Current liabilities	**56,110**	57,926	-1,816
Total equity and liabilities	**260,309**	227,932	+32,377

CONSOLIDATED CASH FLOW STATEMENT R. STAHL GROUP

in €000	**Q2 2019**	Q2 2018	Change	**6M 2019**	6M 2018	Change
Net profit/loss	**-767**	-1,469	+702	**-661**	-4,927	+4,266
Depreciation, amortization and impairment of non-current assets	**3,253**	2,994	+259	**8,557**	5,952	+2,605
Changes in long-term provisions	**-58**	-70	+12	**-48**	-57	+9
Changes in deferred taxes	**363**	340	+23	**230**	454	-224
Equity valuation	**-383**	-112	-271	**-168**	107	-275
Other income and expenses without cash flow impact	**283**	-567	+850	**466**	434	+32
Result from the disposal of non-current assets	**5**	-405	+410	**-458**	-404	-54
Cash flow	**2,696**	**711**	**+1,985**	**7,918**	1,559	+6,359
Changes in short-term provisions	-1,738	-149	-1,589	**-1,725**	-529	-1,196
Changes in inventories, trade receivables and other non-capex or non-financial assets	**7,158**	5,507	+1,651	**4,929**	1,208	+3,721
Changes in trade payables and other non-capex or non-financial liabilities	**-5,008**	1,661	-6,669	**-1,097**	2,769	-3,866
Changes in working capital	**412**	7,019	-6,607	**2,107**	3,448	-1,341
Cash flow from operating activities	**3,108**	7,730	-4,622	**10,025**	5,007	+5,018
Cash outflow for capex in intangible assets	**-1,244**	-1,535	+291	**-2,608**	-2,896	+288
Cash inflow from the disposals of non-current intangible assets	**0**	0	0	**560**	0	+560
Cash outflow for capex on property, plant & equipment	**-855**	-773	-82	**-2,116**	-1,612	-504
Cash inflow from the disposals of property, plant & equipment and real estate held as a financial investment	**32**	539	-507	**56**	546	-490
Cash flow from investing activities	**-2,067**	-1,769	-298	**-4,108**	-3,962	-146
Free cash flow	**1,041**	5,961	-4,920	**5,917**	1,045	+4,872
Cash outflow for repayment of lease liabilities	**-1,622**	0	-1,622	-3,513	0	-3,513
Cash inflow from interest-bearing financial debt	**719**	243	+476	**165**	2,037	-1,872
Cash outflow for repayment of interest-bearing financial debt	**-561**	-15,881	+15,320	**-6,573**	-7,781	+1,208
Cash flow from financing activities	**-1,464**	-15,638	+14,174	**-9,921**	-5,744	-4,177
Changes in cash and cash equivalents	**-423**	-9,677	+9,254	**-4,004**	-4,699	+695
Foreign exchange and valuation-related changes in cash and cash equivalents	**-193**	129	-322	**55**	135	-80
Cash and cash equivalents at the beginning of the period	**11,296**	21,069	-9,773	**14,629**	16,085	-1,456
Cash and cash equivalents at the end of the period	**10,680**	11,521	-841	**10,680**	11,521	-841

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY R. STAHL GROUP

	Equity attributable to shareholders									
				Accumulated other comprehensive income						
in €000	Subscribed capital	Capital reserves	Revenue reserves	Currency translation	Unrealized gains/losses from cash flow hedges	Unrealized gains/losses from pensions	Total accumulated other comprehensive income	**Total**	Non-controlling interests	**Equity**
1 Jan. 2018	**16,500**	**13,457**	**69,449**	**-2,741**	**-6**	**-27,693**	**-30,440**	**68,966**	**86**	**69,052**
Net profit/loss			-4,895				0	**-4,895**	-32	**-4,927**
Accumulated other comprehensive income			0	-357	3	772	418	**418**	-4	**414**
Total comprehensive income			**-4,895**	**-357**	**3**	**772**	**418**	**-4,477**	**-36**	**-4,513**
Dividend distribution			0				0	**0**	0	**0**
Initial application of IFRS 9 and IFRS 15			38				0	**38**	0	38
30 June 2018	**16,500**	**13,457**	**64,592**	**-3,098**	**-3**	**-26,921**	**-30,022**	**64,527**	**50**	**64,577**
1 Jan. 2019	**16,500**	**13,457**	**62,216**	**-3,558**	**0**	**-26,490**	**-30,048**	**62,125**	**133**	**62,258**
Net profit/loss			-649				0	**-649**	-12	**-661**
Accumulated other comprehensive income			0	537	0	-8,328	-7,791	**-7,791**	14	**-7,777**
Total comprehensive income			**-649**	**537**	**0**	**-8,328**	**-7,791**	**-8,440**	**2**	**-8,438**
Dividend distribution			**0**				**0**	**0**	0	**0**
30 June 2019	**16,500**	**13,457**	**61,567**	**-3,021**	**0**	**-34,818**	**-37,839**	**53,685**	**135**	**53,820**

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 (Pty.) 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.

R. STAHL Nissl GmbH, Vienna, Austria, was closed in March 2019.

3. Accounting and valuation methods

The consolidated interim financial statements and comparison figures for the previous year’s period – with the exception of the changes described below – 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 are available on our corporate website www.r-stahl.com.

As of 1 January 2019, R. STAHL changed its accounting and valuation methods as part of adopting the new IFRS 16 (Leases) regulations. Based on the transition method according to IFRS 16 that we chose, previous periods are not being adjusted. As a result, the year-on-year changes to profit, assets, liabilities and cash flow are affected by the new accounting and valuation methods in 2019.

The application of IFRS 16 for the first time as of 1 January 2019 had the transition effects presented below:

Effects on the Consolidated Balance Sheet as of 30 June 2019

in €000	as reported	effects from IFRS 16	figures excl. IFRS 16
ASSETS			
Intangible assets	41,364	-186	41,178
Property, plant and equipment	92,458	-39,185	53,273
Deferred taxes	14,795	55	14,850
Non-current assets	**163,123**	**-39,316**	**123,807**
Other receivables and other assets	6,573	701	7,274
Current assets	**97,186**	**701**	**97,887**
Total assets	**260,309**	**-38,615**	**221,694**
EQUITY AND LIABILITIES			
Equity	53,820	-109	53,711
Lease liabilities	31,731	-31,731	0
Non-current liabilities	**150,379**	**-31,731**	**118,648**
Lease liabilities	6,775	-6,775	0
Current liabilities	**56,110**	**-6,775**	**49,335**
Total equity and liabilities	**260,309**	**-38,615**	**221,694**

Effects on the Consolidated Income Statement from 1 January through 30 June 2019

in €000	as reported	effects from IFRS 16	figures excl. IFRS 16
Other operating expenses	-25,343	-3,419	-28,762
Earnings before interest, taxes and depreciation and amortization (EBITDA)	**10,458**	**-3,419**	**7,039**
Depreciation and amortization	-8,557	2,735	-5,822
Earnings before interest and taxes (EBIT)	**1,901**	**-684**	**1,217**
Financial result	-1,753	520	-1,233
Earnings before taxes	**148**	**-164**	**-16**
Income taxes	-809	55	-754
Net profit	**-661**	**-109**	**-770**

IFRS also influences R. STAHL's cash flow statement because the downpayment of lease liabilities is no longer attributed to cash flow from operating activities and is instead part of cash flow from financing activities. Accordingly, cash flow from operating activities improved by €3,513 thousand in the first half of 2019, while cash flow from financing activities changed by the same amount in the opposite direction.

Further explanation of the different accounting and valuation methods as a result of adopting IFRS 16 can be found under "[1] Basis of preparation" in the notes to the 2018 consolidated financial statements.

We use the historical cost approach in preparing our consolidated financial statements. The accounting for derivative financial instruments is an exception to this rule, as these must be accounted for at their applicable fair value. The positive fair values of derivative financial instruments on the balance sheet amounted to €6 thousand (31 December 2018: €75 thousand). We recognized negative fair values of €-51 thousand (31 December 2018: €-315 thousand).

The carrying amounts of cash and cash equivalents, as well as current account loans closely approximate their fair value given the short maturity of these financial instruments. The carrying values of receivables and liabilities are based on historical costs, subject to usual trade credit terms, and also closely approximate their fair value.

The fair value of non-current liabilities is based on currently available interest rates for borrowing with the same maturity and credit rating profiles. The fair value of external liabilities is currently about the same as the carrying amounts.

In order to present the reliability of the valuation of financial instruments at fair value in a comparable manner, IFRS introduced a fair value hierarchy with the following three levels:

> Valuation on the basis of exchange price or market price for identical assets or liabilities (Level 1)
> Valuation on the basis of exchange price or market price for similar instruments or on the basis of assessment models that are based on market observable input parameters (Level 2)
> Valuation on the basis of assessment models with significant input parameters that are not observable on the market (Level 3)

Derivative financial instruments measured at fair value of the R. STAHL Group are rated solely according to the fair value hierarchy Level 2.

In the first half of 2019, there were no reclassifications between different fair value hierarchies.

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 period under review.

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 1,674 persons (excluding apprentices) as of the reporting date on 30 June 2019 (30 June 2018: 1,722).

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 period under review.

9. Events after the end of the reporting period

In July 2019, R. STAHL AG acquired a further 35% of the shares in ESACO (Pty.) Ltd, Edenvale, South Africa, at a price of €0.9 million. The shareholding is now 70%.

Waldenburg, 7 August 2019
R. Stahl Aktiengesellschaft

Dr. Mathias Hallmann
Chief Executive Officer

RESPONSIBILITY STATEMENT

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

Waldenburg, 7 August 2019
R. Stahl Aktiengesellschaft

Dr. Mathias Hallmann
Chief Executive Officer

FINANCIAL CALENDER 2019

7 November

Interim Report Q3 2019

25 – 27 November

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CONTACT – PUBLISHING DETAILS

Dr. Thomas Kornek
Head of Investor Relations &
Corporate Communications
T: +49 7942 943 13 95
F: +49 7942 943 40 13 95
investornews@stahl.de

R. Stahl Aktiengesellschaft
Am Bahnhof 30
74638 Waldenburg (Württ.)
www.r-stahl.com