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INTERIM REPORT
Q3 2019

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	Q3 2019	Q3 2018	Change in %	9M 2019	9M 2018	Change in %
Sales	**71.3**	69.8	*+2.2*	**204.3**	206.0	*-0.8*
Germany	**15.7**	19.5	*-19.2*	**46.4**	54.5	*-14.8*
Central region [1]	**31.8**	28.9	*+10.3*	**91.5**	88.9	*+3.0*
Americas	**9.6**	8.1	*+18.4*	**25.4**	22.5	*+12.6*
Asia/Pacific	**14.1**	13.3	*+5.9*	**41.0**	40.1	*+2.3*
Order backlog as of 30 September				**71.2**	85.5	*-16.7*
EBITDA pre exceptionals [2, 3]	**10.4**	6.3	*+63.4*	**23.5**	12.8	*+83.1*
EBITDA margin pre exceptionals [2, 3]	**14.5%**	9.1%		**11.5%**	6.2%	
EBITDA [2]	**9.0**	6.6	*+35.9*	**19.4**	9.3	*>+100*
EBIT pre exceptionals [2, 3]	**6.0**	3.4	*+77.7*	**10.5**	3.9	*>+100*
EBIT [2]	**4.6**	3.6	*+26.4*	**6.5**	0.3	*>+100*
Net profit [2]	**3.3**	2.6	*+27.8*	**2.6**	-2.4	*n/a*
Earnings per share (in €) [2]	**0.50**	0.40	*+25.0*	**0.40**	-0.36	*n/a*

	Q3 2019	Q3 2018	Change in %	9M 2019	9M 2018	Change in %
Cashflow from operating activities [2]	**6.1**	6.9	*-11.1*	**16.2**	11.9	*+35.7*
Depreciation and amortization [2]	**4.4**	3.0	*+47.3*	**13.0**	8.9	*+44.9*
Capital expenditures	**3.2**	2.6	*+23.4*	**7.9**	7.1	*+11.6*

	30 Sep. 2019	31 Dec. 2018	Change in %
Total assets [2]	**266.2**	227.9	*+16.8*
Equity	**53.8**	62.3	*-13.6*
Equity ratio [2]	***20.2%***	*27.3%*	
Net debt [4]	**2.5**	5.5	*+53.7*
Net debt incl. lease liabilities pursuant to IFRS 16	**40.5**	-	*n/a*
Employees [5]	**1,688**	1,690	*-0.1*

[1] Africa and Europe excl. Germany

[2] 1 January 2019 until 30 September 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 September 2019

CONTENTS

KEY TOPICS IN THE REPORTING PERIOD

R. STAHL increases its stake in South African distribution partner ESACO (Pty.) Ltd and takes over majority of shares

In July, R. STAHL increased its holding in ESACO (Pty.) Ltd, Edenvale by an additional 35%, to a total of 70%. ESACO, a previously owner-managed company which has its registered office in Linbro Park near Sandton, Johannesburg, is a specialist in the distribution of explosion-proof equipment focused on the African market and – since its founding in 1975 – a dealer for products from R. STAHL. The two are brought together by ten years of successful collaboration. The company, which is certified in accordance with ISO 9001, generated sales equivalent to €1.6 million in 2018. R. STAHL invested in its South African partner for the first time in 2016, acquiring a share of 35%. The strategic objective of acquiring a majority shareholding is to further expand operations on the African continent and bring together R. STAHL's market-leading portfolio with ESACO's established market position to the best possible effect. The purchase price for the newly acquired additional share in the amount of 35% was €0.9 million, and initial consolidation into the R. STAHL Group took place on 31 July 2019.

GROUP MANAGEMENT REPORT

> Sales in Q3 up 2.2% year-on-year to €71.3 million (Q3 2018: €69.8 million)

> EBITDA pre exceptionals rises by €4.0 million to €10.4 million (Q3 2018: €6.3 million) – stimulated by an improved product mix, efficiency measures and new accounting standard

> EBITDA margin pre exceptionals in the first nine months 2019 at 11.5%, reaching double digits again (9M 2018: 6.2%)

> Earnings per share increase to €0.40 in the first nine months (9M 2018: €-0.36)

> Outlook slightly raised again: EBITDA pre exceptionals for FY 2019 now expected to exceed €30 million

BUSINESS PERFORMANCE

Sales

In Q3, R. STAHL increased sales by 2.2% year-on-year to €71.3 million (Q3 2018: €69.8 million). This rise also reflects the expected catch-up effects from the previous quarter, in which the scheduled introduction of new warehousing software at the Waldenburg site had resulted in a temporary supply bottleneck and a decline in sales. Significant increases were achieved in particular in the Central region as well as America.

Sales of €15.7 million were achieved in **Germany**, representing a year-on-year drop of 19.2% (Q3 2018: €19.5 million). The main reason for this development was the high comparative figure for the previous year, which included a non-recurring major order. The **Central region** – consisting of Africa and Europe excluding Germany – showed a strong performance, with sales increasing 10.3% to €31.8 million (Q3 2018: €28.9 million). First successful sales in Africa as well as consistently high demand from northern Europe contributed to this. The **Americas** region continued its series of annual growth, increasing quarterly sales year-on-year for the sixth time in a row to €9.6 million (Q3 2018: €8.1 million), up 18.4%. Driving this sustained positive development in particular are the distribution and production processes at our US American location; they were reorganised in the past year with the aim of achieving a more systematic approach to unlocking market potential and shortening delivery times. In the **Asia/Pacific** region, increased demand for products and solutions for the maritime sector resulted in sales growth of 5.9%, to €14.1 million (Q3 2018: €13.3 million).

In the quarter under review, order intake was at €67.5 million, representing a slight drop of 3.4% from the previous year (Q3 2018: €69.9 million). This is a 2.3% drop compared with the previous quarter (Q2 2019: €69.1 million). Together with a quarter-on-quarter rise in sales (Q2 2019: €65.5 million), this resulted in a reduction in the order backlog to €71.2 million as at the end of the reporting period (30 June 2019: €76.9 million).

In the first nine months of the reporting year, sales were slightly below the previous year, with a decline of 0.8% to €204.3 million (9M 2018: €206.0 million). As expected, the weaker previous quarter was broadly balanced by the processing of accrued orders in Q3. At €205.6 million, new orders were generated in the same amount as the previous year (9M 2018: €205.6 million). Compared with the position at the beginning of the year, the order backlog declined slightly (31 December 2018: €72.6 million).

Sales by region

in €m	Q3 2019	Q3 2018	Change in %	9M 2019	9M 2018	Change in %	in % of total sales
Germany	**15.7**	19.5	*-19.2*	**46.4**	54.5	*-14.8*	*23*
Central region	**31.8**	28.9	*+10.3*	**91.5**	88.9	*+3.0*	*45*
Americas	**9.6**	8.1	*+18.4*	**25.4**	22.5	*+12.6*	*12*
Asia/Pacific	**14.1**	13.3	*+5.9*	**41.0**	40.1	*+2.3*	*20*
Total	**71.3**	69.8	*+2.2*	**204.3**	206.0	*-0.8*	

EBITDA and EBIT

Sales growth, an improved product mix and efficiency measures had a significant effect on earnings before interest, taxes, depreciation and amortization (EBITDA) pre exceptionals. At €10.4 million (Q3 2018: €6.3 million), an increase of €4.0 million or 63.4% was achieved. Effects from the new accounting standard for leases, in accordance with IFRS 16, contributed to this in the amount of €1.9 million. Exceptionals came to €-1.4 million (Q3 2018: €0.3 million). This significant increase is due to a property sale in the previous year, which resulted in one-off earnings of €2.0 million. Severance pay as well as legal and consulting costs were almost unchanged compared to the previous year, at a total of €1.5 million (Q3 2018: €1.4 million). As a result of the expansion of the shareholding in ESACO, there was an overall positive accounting effect of €0.1 million in the quarter under review. EBITDA increased by 35.9% year-on-year to €9.0 million (Q3 2018: €6.6 million).

As was also the case in the previous year, the processing of accrued orders from the previous quarter resulted in a reduction in finished and unfinished products in Q3, yielding in an operating performance of €71.0 million (Q3 2018: €67.9 million), slightly below sales level. At the same time, the cost of materials showed consistently positive development, increasing by only 0.5% to €24.4 million (Q3 2018: €24.2 million) despite the 4.6% increase in total operating performance. The cost of materials ratio, which is the ratio of the cost of materials to total operating performance, accordingly improved to 34.3% (Q3 2018: 35.7%). This development, which has been consistent since the start of the year, reflects not only advantageous product mix effects, but also in particular an improved sales process that was reorganised in 2018 with the aim of ensuring reasonable profitability already upon the submission of offers.

Due to annual salary increaeses that are standard in the industry, an increase of 3.9% was recorded for personnel cost in the quarter under review (Q3 2018: €28.0 million).

Other operating income decreased by 40.9%, or €1.7 million, to €2.5 million (Q3 2018: €4.2 million). The above-mentioned property sale is included in the high figure for the previous year. Changes in FX rates had a positive impact in the reporting period, in particular for the US dollar and the British pound.

Other operating expenses decreased by 16.1%, or €2.1 million, to €11.1 million (Q3 2018: €13.2 million), primarily due to effects in the amount of €1.9 million arising from the new accounting standard for leases.

Corresponding with this, depreciation and amortization increased by 47.3% or €1.4 million to €4.4 million in the quarter under review

(Q3 2018: €3.0 million). In total, higher sales and efficiency gains in Q3 resulted in a further 26.4% increase of EBIT to €4.6 million (Q3 2018: €3.6 million) compared with the already high figure for the previous year.

Reconciliation of EBITDA pre exceptionals to EBIT

in €m	Q3 2019	Q3 2018	Change	9M 2019	9M 2018	Change	included in income statement under:
EBITDA pre exceptionals	**10.4**	6.3	+4.0	**23.5**	12.8	+10.6	
Exceptionals[*)]	**-1.4**	0.3	-1.7	**-4.0**	-3.5	-0.5	
Restructuring charges	**-1.5**	-1.8	+0.3	**-4.2**	-6.0	+1.8	
Devaluation and disposal of inventories	0	-0.1	+0.1	0	-0.1	+0.1	Changes in finished and unfinished products + Cost of materials
Severance pay	-0.5	-0.6	+0.1	-1.8	-2.3	+0.5	Personnel costs
Legal and consulting costs	-1.0	-0.8	-0.2	-2.3	-3.4	+1.1	Other operating expenses
Other	0	-0.2	+0.2	-0.1	-0.3	+0.2	Other operating expenses
Disposal of non-current assets no longer required for business operations	**0**	2.0	-2.0	**0**	2.5	-2.5	Other operating income
Other	**0.1**	0	+0.1	**0.1**	0	+0.1	Other operating income + Other operating expenses
EBITDA	**9.0**	6.6	+2.4	**19.4**	9.3	+10.2	
Depreciation and amortization	**-4.4**	-3.0	-1.4	**-13.0**	-8.9	-4.0	
EBIT	**4.6**	3.6	+1.0	**6.5**	0.3	+6.1	

*) 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 nine months of 2019, EBITDA pre exceptionals improved by 83.1% or €10.6 million to €23.5 million year on year (9M 2018: €12.8 million). This includes a positive contribution in the amount of €5.3 million from the implementation of the new accounting standard for leases. There was a very welcome increase in the EBITDA margin pre exceptionals, achieving double-digits with 11.5% (9M 2018: 6.2%). The described structural operational improvements as well as the new accounting standard for leases made equal contributions to this. Exceptionals recorded a slight increase of €-0.5 million to

€-4.0 million in the reporting period (9M 2018: €-3.5 million), despite restructuring charges being €1.8 million lower. It must be taken into account here that earnings of €2.5 million from property sales were included in the previous year. In the first nine months of 2019, EBITDA more than doubled year-on-year to €19.4 million (9M 2018: €9.3 million).

A 1.4% increase to €208.9 million was recorded for total operating performance (9M 2018: €206.1 million). While there was a slight €1.6 million increase in finished and unfinished products in the reporting period, the previous year saw a reduction by €2.6 million. Material costs declined by 4.0% to €71.5 million (9M 2018: €74.5 million) despite increased total operating performance. In particular, this reflects the strategic focus on reasonable profitability already upon order acceptance. The cost of materials ratio recorded correspondingly positive development, improving by 200 basis points to 34.2% (9M 2018: 36.2%).

For personnel cost, industry typical annual salary adjustments resulted in an increase of 2.8% to €92.1 million (9M 2018: €89.6 million).

Other operating income recorded a slight increase of 6.6% in the first nine months of 2019 to €10.5 million (9M 2018: €9.9 million), primarily due to the reversal of provisions in Q2.

From an operational perspective, restructuring charges – which declined by €1.3 million – were a factor in the 14.4% drop in other operational expenses to €36.4 million (9M 2018: €42.6 million). The new accounting standard for leases resulted in a decline of €5.3 million.

For the same reason, depreciation and amortization increased by 44.9%, to €13.0 million (9M 2018: €8.9 million).

EBIT increased significantly in the reporting period, to €6.5 million (9M 2018: €0.3 million).

Financial result

The financial result improved by 24.0% in Q3 2019 to €-0.6 million (Q3 2018: €-0.8 million). The higher income from the ZAVOD Goreltex investment made a significant contribution to this. On the other hand, higher interest expenses as a result of the new financial accounting standard for leases were almost entirely balanced by lower utilization of bank loans in the quarter under review.

In the first nine months of 2019, the financial result recorded a slight drop of 10.3% to €-2.3 million (9M 2018: €-2.1 million) due to the effects arising from the new accounting standard for leases.

Earnings before income taxes

Earnings before income taxes were €4.0 million in the quarter under review, representing a 40.0% year-on-year increase (Q3 2018: €2.8 million). Income taxes of €0.7 million were incurred (Q3 2018: €-0.3 million).

In the first nine months of 2019, earnings before income taxes were €4.1 million, representing a rise of €5.9 million year on year. Income taxes of €1.5 million became due (9M 2018: €0.6 million).

Net profit / Earnings per share

Net profit improved by 27.8% in Q3 2019 to €3.3 million (Q3 2018: €2.6 million). This corresponds to earnings per share of €0.50 (Q3 2018: €0.40).

In the first nine months of 2019, net profit improved to €2.6 million (9M 2018: €-2.4 million), and earnings per share improved to €0.40 (9M 2018: €-0.36).

Reconciliation of EBIT to earnings per share

in €m	Q3 2019	Q3 2018	Change	9M 2019	9M 2018	Change
EBIT	**4.6**	3.6	+1.0	**6.5**	0.3	+6.1
Financial result	-0.6	-0.8	+0.2	-2.3	-2.1	-0.2
Earnings before income taxes	**4.0**	2.8	+1.1	**4.1**	-1.8	+5.9
Income taxes	-0.7	-0.3	-0.4	-1.5	-0.6	-0.9
Net profit	**3.3**	2.6	+0.7	**2.6**	-2.4	+5.0
thereof attributable to other shareholders	0.1	0.0	+0.1	0.0	-0.1	+0.1
attributable to shareholders of R. STAHL AG	3.2	2.6	+0.6	2.6	-2.3	+4.9
Earnings per share in €	**0.50**	0.40	+0.10	**0.40**	-0.36	+0.76
Average number of shares outstanding (weighted, in millions)	6.44	6.44	0	6.44	6.44	0

NET ASSETS AND FINANCIAL POSITION

Balance sheet structure

As of the reporting date 30 September 2019, the balance sheet total of R. STAHL Group increased to €266.2 million compared to previous year's end (31 December 2018: €227.9 million). Within this, continued debt reduction at least partly compensated for the effects of balance sheet extension arising from the new accounting standard for leases as well as the additional increase in pension provisions, totaling €54.9 million.

Non-current assets increased to €165.3 million as of the reporting date (31 December 2018: €121.5 million). In addition to the rights of use arising from leasing contracts, which were accounted for for the first time in the reporting year and which ran to €38.8 million as of the end of the reporting period, there was also an increase in deferred taxes here. Primarily as a result of continued, targeted working capital management, current assets reduced to €100.9 million (31 December 2018: €106.5 million). The decline of €4.7 million in cash and cash equivalents was driven by further reduction in debt.

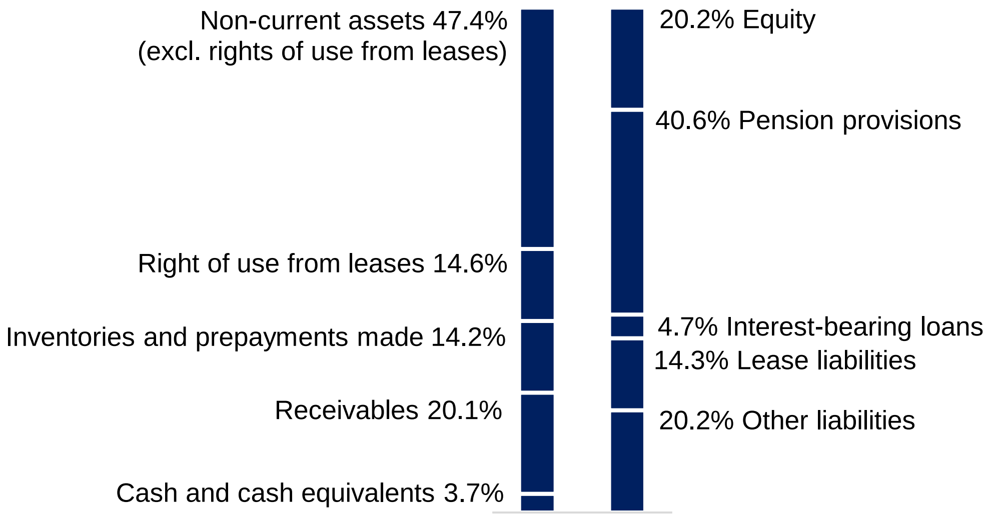
Despite the net profit achieved, equity dropped to €53.8 million as of the end of the reporting period (31 December 2018: €62.3 million). The cause of this is the further decrease in the actuarial interest rate to be applied for determining pension provisions, which reduced to 0.97% as of the reporting date 30 September 2019 (31 December 2018: 2.07%). Together with the balance sheet extension as a result of the new accounting standard for leases, this resulted in a drop of the equity ratio to 20.2% (31 December 2018: 27.3%).

Non-current liabilities decreased to €154.9 million as of the reporting date (31 December 2018: €107.7 million) as a result of the increased pension provisions and the leasing liabilities that were recorded for the first time in the reporting year.

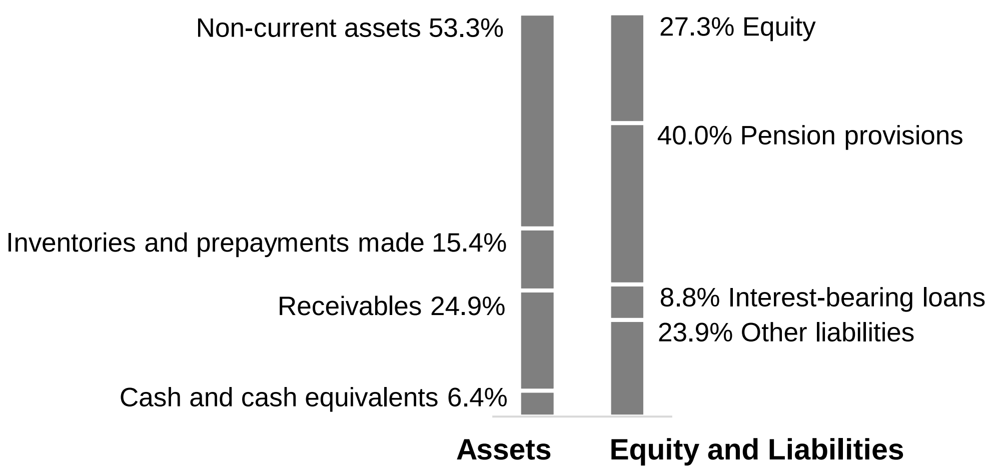
Short-term liabilities remained nearly constant compared to the start of the year, at €57.5 million (31 December 2018: €57.9 million). In particular, the repayment of interest-bearing loans compensated for the recognition of leasing liabilities that also occurred here for the first time.

Assets and Capital Structure

30 September 2019 **Balance Sheet Total €266.2m**



31 December 2018 **Balance Sheet Total €227.9m**



Improved earnings resulted in a positive free cash flow in the quarter under review, which led to a further reduction in net debt to €2.5 million (excluding pension provisions and excluding lease liabilities) as of the reporting date (31 December 2018: €5.5 million). A total of €9.9 million in cash and cash equivalents was available to the R. STAHL Group as of 30 September 2019 (31 December 2018: €14.6 million).

Financial position and investments

Supported by the positive development in earnings, a significantly improved cash flow of €7.1 million was achieved in Q3 2019 (Q3 2018: €2.6 million). Working capital increased slightly by €1.0 million (Q3 2018: €4.3 million decrease). The previous year's high figure was primarily due to the focussed reduction of inventories and trade receivables. The cash flow from operating activities therefore remained slightly below the previous year's figure at €6.1 million (Q3 2018: €6.9 million), despite the improved development in earnings.

Cash outflow for investment activities increased to €3.5 million in Q3 2019 (Q3 2018: inflow of €1.5 million). The high figure for the previous year in particular reflects the sale of a property no longer required for business operations, which resulted in a cash inflow of €4.1 million. Furthermore, there was an initial payment on the purchase price for the acquired additional stake in ESACO in the quarter under review. In total, a free cash flow of €2.6 million was generated in the quarter under review (Q3 2018: €8.4 million).

Cash outflow for loan repayments and to repay lease liabilities made approximately equal contributions to the cash flow from financing activities, totaling €3.5 million in Q3 2019 (Q3 2018: €-5.2 million). In contrast, the high amount for the previous year was solely used for loan repayment.

Cash flow improved in the first nine months of 2019, primarily due to the improvement in earnings, to €15.1 million (9M 2018: €4.2 million). The new accounting standard for leases contributed approximately €5.4 million to this. Working capital declined by €1.1 million (9M 2018: €7.7 million), resulting in an increased cash flow from operating activities to €16.2 million (9M 2018: €11.9 million). At €-7.6 million, cash flow from investment activities was significantly higher than in the same period of the previous year (9M 2018: €-2.4 million), which benefited from cash inflows of €4.6 million from property sales. In total, free cash flow in the first nine months of 2019 therefore fell to €8.5 million (9M 2018: €9.5 million), despite better earnings. Cash outflow for financing activities increased to €13.4 million (9M 2018: €10.9 million). This primarily reflects the contrary effect from the new accounting standard for leases, which resulted in an improvement in cash flow as described above.

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. We further specified the forecast stated therein for EBITDA pre eceptionals on 8 August 2019, and slightly increased it to a range of €28 million to €30 million with sales expected between €275 million and €280 million.

Against the backdrop of the positive development of the R. STAHL Group in the first nine months, we believe that we will again exceed the recently increased forecast for EBITDA pre exceptionals for the full year. Accordingly, we now expect an EBITDA pre exceptionals of more than €30 million for FY 2019, whith sales to come in at around €275 million.

Development of Outlook FY2019

in €m	Sales	EBITDA pre exceptionals
FY2018	280.1	15.2
Outlook FY2019, April	stable	26 to 29
Outlook FY2019, August	275 to 280	28 to 30
Outlook FY2019, November	**around 275**	**more than 30**

CONSOLIDATED INCOME STATEMENT R. STAHL GROUP

in €000	Q3 2019	Q3 2018	Change in %	9M 2019	9M 2018	Change in %
Sales	**71,299**	69,785	*+2.2*	**204,324**	206,011	*-0.8*
Change in finished and unfinished products	**-1,229**	-2,823	*+56.5*	**1,603**	-2,583	*n/a*
Other own work capitalized	**942**	896	*+5.1*	**2,986**	2,661	*+12.2*
Total operating performance	**71,012**	67,858	*+4.6*	**208,913**	206,089	*+1.4*
Other operating income	**2,471**	4,182	*-40.9*	**10,511**	*9,857*	*+6.6*
Cost of materials	**-24,355**	-24,235	*-0.5*	**-71,502**	*-74,506*	*+4.0*
Personnel cost	**-29,057**	-27,974	*-3.9*	**-92,050**	*-89,572*	*-2.8*
Other operating expenses	**-11,099**	-13,228	*+16.1*	**-36,442**	*-42,588*	*+14.4*
Earnings before financial result, income taxes and depreciation and amortization (EBITDA)	**8,972**	6,603	*+35.9*	**19,430**	*9,280*	*>+100*
Depreciation and amortization	**-4,413**	-2,996	*-47.3*	**-12,970**	*-8,948*	*-44.9*
Earnings before financial result and income taxes (EBIT)	**4,559**	3,607	*+26.4*	**6,460**	*332*	*>+100*
Result from companies consolidated using the equity method	**555**	303	*+83.2*	**1,135**	617	*+84.0*
Investment result	**0**	0	*n/a*	**0**	0	*n/a*
Interest and similar income	**14**	47	*-70.2*	**27**	1,065	*-97.5*
Interest and similar expenses	**-1,153**	-1,118	*-3.1*	**-3,499**	*-3,801*	*+7.9*
Financial result	**-584**	-768	*+24.0*	**-2,337**	*-2,119*	*-10.3*
Earnings before income taxes	**3,975**	2,839	*+40.0*	**4,123**	*-1,787*	*n/a*
Income taxes	**-699**	-275	*<-100*	**-1,508**	*-576*	*<-100*
Net profit/loss	**3,276**	2,564	*+27.8*	**2,615**	*-2,363*	*n/a*
thereof attributable to other shareholders	**57**	-36	*n/a*	**45**	-68	*n/a*
thereof attributable to shareholders of R. STAHL AG	**3,219**	2,600	*+23.8*	**2,570**	*-2,295*	*n/a*
Earnings per share in €	**0.50**	0.40	*+25.0*	**0.40**	*-0.36*	*n/a*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME R. STAHL GROUP

in €000	Q3 2019	Q3 2018	Change in %	9M 2019	9M 2018	Change in %
Net profit/loss	**3,276**	2,564	*+27.8*	**2,615**	-2,363	*n/a*
Gains/losses from currency translation of foreign subsidiaries, recognized in equity	**-46**	-622	*+92.6*	**505**	-983	*n/a*
Deferred taxes on gains/losses from currency translation	**0**	0	*n/a*	**0**	0	*n/a*
Currency translation differences after taxes	**-46**	-622	*+92.6*	**505**	-983	*n/a*
Gains/losses from the subsequent measurement of cash flow hedges, recognized in equity	**0**	2	*n/a*	**0**	*0*	*n/a*
Recognized in profit or loss	**0**	-1	*n/a*	**0**	*5*	*n/a*
Deferred taxes on cash flow hedges	**0**	0	*n/a*	**0**	*-1*	*n/a*
Cash flow hedges after taxes	**0**	1	*n/a*	**0**	*4*	*n/a*
Other comprehensive income with reclassifications to profit for the period	**-46**	-621	*+92.6*	**505**	*-979*	*n/a*
Gains/losses from the subsequent measurement of pension obligations, recognized in equity	**-5,070**	1,218	*n/a*	**-16,881**	*2,313*	*n/a*
Deferred taxes from pension obligations	**1,495**	-359	*n/a*	**4,978**	*-682*	*n/a*
Other comprehensive income without reclassifications to profit for the period	**-3,575**	859	*n/a*	**-11,903**	1,631	*n/a*
Other comprehensive income (valuation differences recognized directly in equity)	**-3,621**	238	*n/a*	**-11,398**	652	*n/a*
thereof attributable to other shareholders	**-9**	-1	*<-100*	**5**	-5	*n/a*
thereof attributable to shareholders of R. STAHL AG	**-3,612**	239	*n/a*	**-11,403**	*657*	*n/a*
Total comprehensive income after taxes	**-345**	2,802	*n/a*	**-8,783**	*-1,711*	*<-100*
thereof attributable to other shareholders	**48**	-37	*n/a*	**50**	-73	*n/a*
thereof attributable to shareholders of R. STAHL AG	**-393**	2,839	*n/a*	**-8,833**	*-1,638*	*<-100*

CONSOLIDATED BALANCE SHEET R. STAHL GROUP

in €000	30 Sep. 2019	31 Dec. 2018	Change
ASSETS			
Intangible assets	**42,322**	40,905	+1,417
Property, plant & equipment	**92,461**	54,520	+37,941
Investments in associated companies	**8,315**	8,284	+31
Other financial assets	**32**	32	0
Other assets	**1,125**	1,012	+113
Real estate held as a financial investment	**4,966**	5,122	-156
Deferred taxes	**16,057**	11,587	+4,470
Non-current assets	**165,278**	121,462	+43,816
Inventories and prepayments made	**37,668**	35,043	+2,625
Trade receivables	**42,263**	47,636	-5,373
Contract receivables	**677**	1,052	-375
Income tax claims	**751**	1,133	-382
Other receivables and other assets	**9,636**	6,977	+2,659
Cash and cash equivalents	**9,888**	14,629	-4,741
Current assets	**100,883**	106,470	-5,587
Total assets	**266,161**	227,932	+38,229
EQUITY AND LIABILITIES			
Subscribed capital	**16,500**	16,500	0
Capital reserves	**13,457**	13,457	0
Revenue reserves	**64,786**	62,216	+2,570
Accumulated other comprehensive income	**-41,451**	-30,048	-11,403
Equity attributable to shareholders of R. STAHL AG	**53,292**	62,125	-8,833
Non-controlling interests	**471**	133	+338
Equity	**53,763**	62,258	-8,495
Pension provisions	**108,122**	91,222	+16,900
Other provisions	**1,718**	1,748	-30
Interest-bearing financial liabilities	**10,535**	11,451	-916
Lease liabilities	**31,434**	0	+31,434
Other liabilities	**58**	233	-175
Deferred taxes	**3,006**	3,094	-88
Non-current liabilities	**154,873**	107,748	+47,125
Provisions	**9,675**	11,235	-1,560
Trade payables	**14,129**	13,470	+659
Interest-bearing financial liabilities	**1,900**	8,680	-6,780
Lease liabilities	**6,544**	0	+6,544
Deferred liabilities	**14,779**	13,386	+1,393
Income tax liabilities	**962**	1,117	-155
Other liabilities	**9,536**	10,038	-502
Current liabilities	**57,525**	57,926	-401
Total equity and liabilities	**266,161**	227,932	+38,229

CONSOLIDATED CASH FLOW STATEMENT R. STAHL GROUP

in €000	Q3 2019	Q3 2018	Change	9M 2019	9M 2018	Change
Net profit/loss	**3,276**	2,564	+712	**2,615**	-2,363	+4,978
Depreciation, amortization and impairment of non-current assets	**4,413**	2,996	+1,417	**12,970**	8,948	+4,022
Changes in long-term provisions	**8**	-27	+35	**-40**	-84	+44
Changes in deferred taxes	**209**	-555	+764	**439**	-101	+540
Equity valuation	**-556**	-303	-253	**-724**	-196	-528
Other income and expenses without cash flow impact	**-204**	10	-214	**262**	444	-182
Result from the disposal of non-current assets	**-6**	-2,039	+2,033	**-464**	-2,443	+1,979
Cash flow	**7,140**	**2,646**	**+4,494**	**15,058**	**4,205**	**+10,853**
Changes in short-term provisions	**151**	-76	+227	**-1,574**	-605	-969
Changes in inventories, trade receivables and other non-capex or non-financial assets	**-3,377**	2,134	-5,511	**1,552**	3,342	-1,790
Changes in trade payables and other non-capex or non-financial liabilities	**2,221**	2,200	+21	**1,124**	4,969	-3,845
Changes in working capital	**-1,005**	4,258	-5,263	**1,102**	7,706	-6,604
Cash flow from operating activities	**6,135**	6,904	-769	**16,160**	11,911	+4,249
Cash outflow for capex in intangible assets	**-1,305**	-1,194	-111	**-3,913**	-4,090	+177
Cash inflow from the disposals of non-current intangible assets	**0**	0	0	**560**	0	+560
Cash outflow for capex on property, plant & equipment	**-1,904**	-1,407	-497	**-4,020**	-3,019	-1,001
Cash inflow from the disposals of property, plant & equipment and real estate held as a financial investment	**7**	4,125	-4,118	**63**	4,671	-4,608
Cash outflow for the purchase of shares in associated companies excluding acquired cash and cash equivalents	**-310**	0	-310	**-310**	0	-310
Cash flow from investing activities	**-3,512**	1,524	-5,036	**-7,620**	-2,438	-5,182
Free cash flow	**2,623**	8,428	-5,805	**8,540**	9,473	-933
Cash outflow for repayment of lease liabilities	**-1,912**	0	-1,912	**-5,425**	0	-5,425
Cash inflow from interest-bearing financial debt	**15**	42	-27	**170**	649	-479
Cash outflow for repayment of interest-bearing financial debt	**-1,595**	-5,220	+3,625	**-8,158**	-11,571	+3,413
Cash flow from financing activities	**-3,492**	-5,178	+1,686	**-13,413**	-10,922	-2,491
Changes in cash and cash equivalents	**-869**	3,250	-4,119	**-4,873**	-1,449	-3,424
Foreign exchange and valuation-related changes in cash and cash equivalents	**77**	61	+16	**132**	196	-64
Cash and cash equivalents at the beginning of the period	**10,680**	11,521	-841	**14,629**	16,085	-1,456
Cash and cash equivalents at the end of the period	**9,888**	14,832	-4,944	**9,888**	14,832	-4,944

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			-2,295				0	**-2,295**	-68	**-2,363**
Accumulated other comprehensive income			0	-978	4	1,631	657	**657**	-5	**652**
Total comprehensive income			**-2,295**	**-978**	**4**	**1,631**	**657**	**-1,638**	**-73**	**-1,711**
Dividend distribution			0				0	**0**	0	**0**
Initial application of IFRS 9 and IFRS 15			38				0	**38**	0	**38**
30 Sep. 2018	**16,500**	**13,457**	**67,192**	**-3,719**	**-2**	**-26,062**	**-29,783**	**67,366**	**13**	**67,379**
1 Jan. 2019	**16,500**	**13,457**	**62,216**	**-3,558**	**0**	**-26,490**	**-30,048**	**62,125**	**133**	**62,258**
Net profit/loss			2,570					**2,570**	45	**2,615**
Accumulated other comprehensive income			0	500	0	-11,903	-11,403	**-11,403**	5	**-11,398**
Total comprehensive income			**2,570**	**500**	**0**	**-11,903**	**-11,403**	**-8,833**	**50**	**-8,783**
Dividend distribution			0			0	0	0	0	0
Changes in consolidation								**0**	288	**288**
30 Sep. 2019	**16,500**	**13,457**	**64,786**	**-3,058**	**0**	**-38,393**	**-41,451**	**53,292**	**471**	**53,763**

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 32 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.

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%.

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 September 2019

in €000	as reported	effects from IFRS 16	figures excl. IFRS 16
ASSETS			
Intangible assets	42,322	-46	42,276
Property, plant and equipment	92,461	-38,783	53,678
Deferred taxes	16,057	95	16,152
Non-current assets	**165,278**	**-38,734**	**126,544**
Other receivables and other assets	9,636	618	10,254
Current assets	**100,883**	**618**	**101,501**
Total assets	**266,161**	**-38,116**	**228,045**
EQUITY AND LIABILITIES			
Equity	53,763	-138	53,625
Lease liabilities	31,434	-31,434	0
Non-current liabilities	**154,873**	**-31,434**	**123,439**
Lease liabilities	6,544	-6,544	0
Current liabilities	**57,525**	**-6,544**	**50,981**
Total equity and liabilities	**266,161**	**-38,116**	**228,045**

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

in €000	as reported	effects from IFRS 16	figures excl. IFRS 16
Other operating expenses	-36,442	-5,284	-41,726
Earnings before interest, taxes and depreciation and amortization (EBITDA)	**19,430**	**-5,284**	**14,146**
Depreciation and amortization	-12,970	4,268	-8,702
Earnings before interest and taxes (EBIT)	**6,460**	**-1,016**	**5,444**
Financial result	-2,337	783	-1,554
Earnings before taxes	**4,123**	**-233**	**3,890**
Income taxes	-1,508	95	-1,413
Net profit	**2,615**	**-138**	**2,477**

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 €5,425 thousand in the first nine months 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 €0 thousand (31 December 2018: €75 thousand). We recognized negative fair values of €-100 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 nine months 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 1,688 persons (excluding apprentices) as of the reporting date on 30 September 2019 (30 September 2018: 1,708).

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

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

Waldenburg, 6 November 2019
R. Stahl Aktiengesellschaft

Dr. Mathias Hallmann
Chief Executive Officer

FINANCIAL CALENDAR 2019

25 – 27 November

Eigenkapitalforum, Frankfurt am Main

FINANCIAL CALENDAR 2020

21 February

Preliminary figures for FY 2019

24 + 25 March

Bankhaus Lampe Deutschlandkonferenz, Baden-Baden

21 April

Annual Report FY 2019

14 May

Interim Report Q1 2020

28 May

27. Annual General Meeting, Künzelsau-Gaisbach

6 August

Interim Report Q2 2020

12 November

Interim Report Q3

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