

INTERIM
REPORT
HALF-YEAR

2023



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/IR News and Publications/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.

Alternative performance indicators

The alternative performance indicators *EBITDA pre exceptionals* and *EBITDA margin pre exceptionals* that are used in this report are not defined by international accounting standards. R. STAHL uses these indicators to improve the comparability of its business performance over time. *EBITDA pre exceptionals* is derived from earnings before interest, taxes, depreciation and amortization (EBITDA) less adjustments classified as exceptionals (restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs, profit and loss from deconsolidation transactions as well as profit and loss from the disposal of non-current assets no longer required for business operations). *EBITDA margin pre exceptionals* describes *EBITDA pre exceptionals* in percentage of sales.

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 mathematical aspects: improvements are indicated by a plus "+" sign, deteriorations by a "-" sign. Rates of change > +100% are shown as > +100%, rates of change < -100% as "n/a" (not applicable).

KEY FIGURES

| € million | Q2 2023 | Q2 2022 | Change in % | 6M 2023 | 6M 2022 | Change in % |
|--|------------|------------|----------------|-------------------------|-------------------------|------------------------|
| Sales | 76.7 | 67.7 | +13.3 | 154.7 | 128.7 | +20.2 |
| Germany | 19.7 | 17.8 | +10.2 | 41.7 | 34.7 | +20.0 |
| Central region ¹⁾ | 34.3 | 29.1 | +18.1 | 68.1 | 57.3 | +19.0 |
| Americas | 8.1 | 8.5 | -4.9 | 16.0 | 14.9 | +7.6 |
| Asia/Pacific | 14.6 | 12.3 | +18.9 | 28.9 | 21.8 | +32.5 |
| EBITDA pre exceptionals ²⁾ | 8.7 | 3.9 | > +100 | 19.0 | 7.0 | > +100 |
| EBITDA margin pre exceptionals ²⁾ | 11.3% | 5.8% | | 12.3% | 5.4% | |
| EBITDA | 7.8 | 3.5 | > +100 | 18.2 | 6.4 | > +100 |
| EBIT | 3.5 | -0.6 | n/a | 9.6 | -1.8 | n/a |
| Net profit | 1.8 | -0.9 | n/a | 5.7 | -6.3 | n/a |
| Earnings per share (in €) | 0.29 | -0.13 | n/a | 0.89 | -0.97 | n/a |
| Order intake | 89.3 | 76.9 | +16.2 | 186.0 | 152.0 | +22.4 |
| Order backlog as of 30 June | | | | 137.6 | 95.1 | +44.6 |
| Cash flow from operating activities | 6.1 | 8.4 | -26.5 | 0.6 | 1.3 | -52.6 |
| Depreciation and amortization | 4.4 | 4.1 | +5.6 | 8.6 | 8.2 | +4.9 |
| Capital expenditures | 3.1 | 3.1 | +0.8 | 6.2 | 6.6 | -5.8 |
| | | | | 30 June 2023 | 31 Dec. 2022 | Change in % |
| Balance sheet total | | | | 278.5 | 259.7 | +7.2 |
| Equity | | | | 72.8 | 71.3 | +2.0 |
| Equity ratio | | | | 26.1% | 27.5% | |
| Net financial debt ³⁾ | | | | 42.1 | 29.2 | +44.2 |
| Net financial debt incl. lease liabilities | | | | 59.2 | 48.9 | +21.1 |
| Employees ⁴⁾ | | | | 1,715 | 1,676 | +2.3 |

1) Africa and Europe without Germany.

2) Exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for designing and implementing IT projects, M&A costs profit and loss from deconsolidation transactions as well as profit and loss from the disposal of assets no longer required for business operations.

3) Without pension provisions and without lease liabilities.

4) Without apprentices.

INTERIM REPORT

OF R. STAHL AKTIENGESELLSCHAFT
FOR THE PERIOD 1 JANUARY 2023 THROUGH 30 JUNE 2023

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KEY TOPICS IN THE REPORTING PERIOD

Contract with CEO Dr. Mathias Hallmann extended early

The Supervisory Board of R. STAHL AG is continuing the successful cooperation with CEO Dr. Mathias Hallmann. At the Supervisory Board meeting on 25 April 2023, the committee voted unanimously on an early extension of the current contract until 30 September 2026.

R. STAHL and i.safe MOBILE agree on cooperation

R. STAHL and i.safe MOBILE GmbH signed a strategic partnership agreement in April 2023. This includes the mutual complementing and exchanging of the product portfolios in the field of explosion protection. With more than 80 employees and worldwide sales partners, i.safe MOBILE is the innovation and global market leader for explosion-protected mobile devices and solutions

Photovoltaic system at the Waldenburg site – technical acceptance completed by 30 June 2023

With an investment of € 3.8 million and a nominal output of 6 MWp, the ground-mounted photovoltaic system consists of 11,070 modules and covers an area of almost 4 hectares. It has an annual capacity of around 6 gigawatt hours, the climate-neutral electricity that is generated will be around 40% greater than the in-house electricity requirements at the Waldenburg site. It will save around 2,200 tons of CO₂ emissions per year.

GROUP MANAGEMENT REPORT

- Order intake with a 16.2% year-on-year increase to € 89.3 million in the second quarter of 2023 (Q2 2022: € 76.9 million). Order backlog of € 137.6 million up 44.6% on previous year.
- Sales in the second quarter of 2023 at € 76.7 million are € 9.0 million or 13.3% better than in the previous year (Q2 2022: € 67.7 million).
- EBITDA pre exceptionals more than doubles to € 8.7 million (Q2 2022: € 3.9 million).
- Net profit up € 2.7 million to € 1.8 million (Q2 2022: € -0.9 million). Earnings per share improve to € 0.29 (Q2 2022: € -0.13).
- Higher working capital results in a decrease in cash flow from operating activities of € 6.1 million (Q2 2022: € 8.4 million) and to an increase in net financial liabilities to € 42.1 million.

BUSINESS DEVELOPMENT

SALES AND ORDER INTAKE

R. STAHL's business situation improved further in the second quarter of 2023 as compared to the previous year. While in 2022 the negative impact from interrupted or disrupted supply chains impaired R. STAHL's economic recovery overall, there were only isolated effects of disrupted supply chains in the current financial year. Procurement bottlenecks were primarily centered around electronic components, which have been stocked accordingly. Price adjustments already made by customers in the past financial year and in the first quarter of 2023 also compensate for material

price increases on the procurement markets and contribute to the strong sales quality. Continued high demand from the oil and gas industry but also from the pharmaceutical industry resulted in year-on-year sales growth of 13.3% to € 76.7 million (Q2 2022: € 67.7 million).

With the exception of the Americas, double-digit growth rates were achieved in all regions. Sales in **Germany** increased by 10.2% to € 19.7 million (Q2 2022: € 17.8 million). This development was driven in particular by sales with customers in the pharmaceutical industry. The **Central region** – consisting of Africa and Europe excluding Germany – contributed to sales with growth of 18.1% to € 34.3 million (Q2 2022: € 29.1 million). Here, R. STAHL benefited from demand from the oil and gas industry (including LNG). In the **Americas** region, sales of € 8.1 million was roughly at the level of the previous year (Q2 2022: € 8.5 million). The **Asia/Pacific** region showed a significant improvement, with sales increasing by 18.9% to € 14.6 million (Q2 2022: € 12.3 million). This development was driven by the chemical and pharmaceutical industries.

At € 89.3 million (Q2 2022: € 76.9 million), order intake again outperformed sales in the second quarter of 2023. Compared to the previous year, this corresponds to 16.2% increase in order intake. This was due in particular to the significant recovery in demand from the Asia/Pacific region, which grew by 62.6%. Germany declined by 11.9% due to a drop in orders from the chemical industry.

R. STAHL generated sales of € 154.7 million in the first half of 2023, which corresponds to growth of 20.2% compared to the same period of the previous year (6M 2022: € 128.7 million). As expected, sales in the second quarter of € 76.7 million developed somewhat weaker than the first quarter with sales of

€ 78.1 million. The positive sales trend was driven by all sales markets, with growth in the Americas region in the single-digit percentage range, while sales in the other regions developed much more dynamically.

Order intake increased by € 34.0 million year-on-year to € 186.0 million in the first six months of 2023 (6M

2022: € 152.0 million). This corresponds to growth rate of 22.4%. After exceeding expectations in the first quarter of 2023 (€ 96.7 million), order intake fell slightly to € 89.3 million in the second quarter of 2023. Order backlog increased significantly to € 137.6 million (30 June 2022: € 95.1 million).

SALES BY REGION

| € million | Q2 2023 | Q2 2022 | Chang e in % | 6M 2023 | 6M 2022 | Chang e in % | Share of Group sales in % |
|----------------|-------------|-------------|-----------------|--------------|--------------|-----------------|------------------------------------|
| Germany | 19.7 | 17.8 | +10.2 | 41.7 | 34.7 | +20.0 | 27 |
| Central Region | 34.3 | 29.1 | +18.1 | 68.1 | 57.3 | +19.0 | 44 |
| Americas | 8.1 | 8.5 | -4.9 | 16.0 | 14.9 | +7.6 | 10 |
| Asia/Pacific | 14.6 | 12.3 | +18.9 | 28.9 | 21.8 | +32.5 | 19 |
| Total | 76.7 | 67.7 | +13.3 | 154.7 | 128.7 | +20.2 | 100 |

EBITDA AND EBIT

With sales growth of 13.3% and increased total operating performance, R. STAHL significantly improved earnings before interest, taxes, depreciation and amortization (EBITDA) pre exceptionals by € 4.8 million to € 8.7 million in the second quarter of 2023 (Q2 2022: € 3.9 million) despite higher cost items. This resulted in an EBITDA margin pre exceptionals of 11.3% (Q2 2022: 5.8%). Exceptionals increased by € -0.5 million year-on-year to € -0.9 million (Q2 2022: € -0.4 million). Due to the deconsolidation of R. STAHL ENGINEERING & MANUFACTURING SDN. BHD., Selangor, Malaysia and R. Stahl Svenska Aktiebolag, Järfälla, Sweden, differences from currency translation previously recognized directly in equity were recognized in profit or loss at € -0.8 million. This resulted in EBITDA of € 7.8 million in the reporting quarter (Q2 2022: € 3.5 million).

Total operating performance increased by 18.3% to € 79.6 million in the second quarter of 2023 (Q2 2022: € 67.3 million). While inventories of finished and unfinished goods were reduced by € 1.5 million in the prior-year quarter, the higher order volume in the second quarter of 2023 resulted in an increase of € 2.0

million. Capitalized own work decreased slightly to € 1.0 million (Q2 2022: € 1.2 million).

The cost of materials in the reporting period rose virtually in line with total operating performance by 18.1% to € -27.4 million (Q2 2022: € -23.2 million). This results in a cost of materials ratio of 34.4% of total operating performance (Q2 2022: 34.5%).

With an increase of 1.5% to € -32.2 million (Q2 2022: € -31.7 million), personnel expenses rose only slightly. The effects of the increased headcount in the second quarter of 2023 and salary adjustments, mainly due to collective bargaining agreements, will be increasingly reflected in personnel expenses from the third quarter of 2023 onwards.

The balance of other operating income and other operating expenses increased by € 3.3 million to € -12.2 million in the reporting quarter (Q2 2022: € -8.9 million). At € -13.9 million, other operating expenses were € 1.7 million higher than in the same period of the previous year (Q2 2022: € -12.2 million), mainly due to increased service and consulting fees and travel expenses. Currency effects from deconsolidation also impacted other operating expenses by € -0.8 million.

Mainly due to lower exchange rate gains, other operating income was € 1.5 million lower at € 1.7 million (Q2 2022: € 3.3 million).

At € -4.3 million, amortization of intangible assets and depreciation of property, plant and equipment in the second quarter of 2023 was slightly higher than in the prior-year period (Q2 2022: € -4.1 million).

EBIT generated of € 3.5 million in the second quarter of 2023 was an improvement of € 4.1 million over the previous year (Q2 2022: € -0.6 million).

In the first half of 2023, EBITDA pre exceptionals increased by € 12.0 million to € 19.0 million (6M 2022: € 7.0 million), corresponding to an EBITDA margin pre exceptionals of 12.3% (6M 2022: 5.4 %). At € -0.9 million, exceptionals were slightly higher than in the previous year, resulting in EBITDA of € 18.2 million (6M 2022: € 6.4 million).

RECONCILIATION OF EBITDA PRE EXCEPTIONALS TO EBIT

| € million | Q2 2023 | Q2 2022 | Change | 6M 2023 | 6M 2022 | Change | Included in income statement under |
|---|---------|---------|--------|---------|---------|--------|------------------------------------|
| EBITDA pre exceptionals¹⁾ | 8.7 | 3.9 | +4.8 | 19.0 | 7.0 | +12.0 | |
| Exceptionals¹⁾ | -0.9 | -0.4 | -0.5 | -0.9 | -0.6 | -0.3 | |
| Restructuring charges | -0.1 | -0.4 | +0.3 | -0.1 | -0.6 | +0.5 | |
| Severance pay | -0.1 | -0.4 | +0.3 | -0.1 | -0.6 | +0.5 | Personnel costs |
| Legal and consulting costs | 0 | 0 | 0 | 0 | 0 | 0 | Other operating expenses |
| Other expenses | -0.8 | 0 | -0.8 | -0.8 | 0 | -0.8 | Other operating expenses |
| EBITDA | 7.8 | 3.5 | +4.3 | 18.2 | 6.4 | +11.8 | |
| Depreciation and amortization | -4.3 | -4.1 | -0.2 | -8.6 | -8.2 | -0.4 | |
| EBIT | 3.5 | -0.6 | +4.1 | 9.6 | -1.8 | +11.4 | |

¹⁾ Exceptionals: restructuring charges, unscheduled depreciation and amortization, charges for designing and implementing IT projects, M&A costs, profit and loss from deconsolidation transactions as well as profit and loss from the disposal of assets no longer required for business operations.

Total operating performance increased by 20.8% to € 161.7 million in the first half of 2023 (6M 2022: € 133.9 million). This figure was driven by sales growth and the build-up of finished and unfinished goods. Capitalized own work declined from € 2.7 million in the previous year to € 2.2 million.

As a result of the overall higher operating performance, the cost of materials increased by 18.2% to € -55.3 million in the reporting period (6M 2022: € -46.8 million). The cost of materials ratio decreased year-on-year to 34.2% of total operating performance (6M 2022; 35.0 %).

Personnel expenses increased by 2.2% to € -64.8 million in the first six months of the current year (6M

2022: € -63.5 million), mainly due to the selective expansion of the workforce. Lower expenses for severance payments, vacation provisions and partial retirement agreements had a relieving effect.

The balance of other operating expenses and other operating income increased by € 6.2 million to € -23.5 million (6M 2022: € -17.2 million). Exchange rate and deconsolidation effects had a combined negative impact of € -2.5 million on the balance.

Compared with the previous year, amortization of intangible assets and depreciation of property, plant and equipment increased by € 0.4 million to € -8.6 million (6M 2022: € -8.2 million).

EBIT was € 9.6 million in the reporting period (6M 2022: € -1.8 million).

FINANCIAL RESULT

The financial result declined by € 0.7 million to € -0.8 million in the second quarter of 2023 (Q2 2022: € -0.1 million). Increased interest expenses arising from the measurement of pension obligations and the utilization of loans had a negative impact of € -0.9 million. Earnings from ZAVOD Goreltex which is accounted for using the equity method improved by € 0.2 million to € 0.9 million (Q2 2022: € 0.7 million).

In the first six months of the current financial year, the financial result of € -1.6 million was € 2.0 million better than in the previous year (6M 2022: € -3.6 million). While interest expenses increased by € -1.6 million to

€ -3.2 million (6M 2022: € -1.6 million) due to higher interest rates, the included pro rata result of ZAVOD Goreltex improved by € 0.5 million to € 1.6 million (6M 2022: € 1.1 million). The partial impairment of the investment in ZAVOD Goreltex had a negative impact of € -3.1 million in the previous year. The absence of this effect contributed significantly to the improved financial result.

EARNINGS BEFORE INCOME TAXES

Earnings before income taxes increased by € 3.4 million to € 2.7 million in the third quarter of 2023 (Q2 2022: € -0.7 million).

In the first half of 2023, R. STAHL generated earnings before income taxes of € 8.0 million (6M 2022: € -5.4 million).

RECONCILIATION OF EBIT TO EARNINGS PER SHARE

| € million | Q2 2023 | Q2 2022 | Change | 6M 2023 | 6M 2022 | Change |
|---|-------------|--------------|--------------|-------------|--------------|--------------|
| EBIT | 3.5 | -0.6 | +4.1 | 9.6 | -1.8 | +11.4 |
| Financial result | -0.8 | -0.1 | -0.7 | -1.6 | -3.6 | +2.0 |
| Earnings before income taxes | 2.7 | -0.7 | +3.4 | 8.0 | -5.4 | +13.4 |
| Income taxes | -0.9 | -0.2 | -0.7 | -2.3 | -0.9 | -1.4 |
| Net profit | 1.8 | -0.9 | +2.7 | 5.7 | -6.3 | +12.0 |
| thereof attributable to other shareholders | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| attributable to shareholders of R. STAHL AG | 1.8 | -0.9 | +2.7 | 5.7 | -6.3 | +12.0 |
| Earnings per share (in €) | 0.29 | -0.13 | +0.42 | 0.89 | -0.97 | +1.86 |
| Average number of shares outstanding (weighted, in million units) | 6.44 | 6.44 | 0 | 6.44 | 6.44 | 0 |

INCOME TAXES

In the second quarter of 2023, income taxes of € -0.9 million were incurred (Q2 2022: € -0.2 million). Effective income taxes amounted to € -0.5 million and deferred taxes to € -0.4 million.

In the first six months of the reporting year, income taxes amounted to € -2.3 million (6M 2022: € -0.9 million). Of this total, € -1.0 million was attributable to effective taxes and € -1.3 million was attributable to deferred taxes.

NET PROFIT/EARNINGS PER SHARE

In the second quarter of 2023, R. STAHL's net profit improved by € 2.7 million to € 1.8 million (Q2 2022: € -0.9 million). This corresponds to earnings per share of € 0.29 (Q2 2022: € -0.13).

Net profit increased by € 12.0 million to € 5.7 million in the first six months of the reporting year (6M 2022: € -6.3 million). Earnings per share improved to € 0.89 (6M 2022: € -0.97).

ASSET POSITION

BALANCE SHEET STRUCTURE

As of 30 June 2023, R. STAHL Group's balance sheet total increased by € 18.8 million compared to the end of the previous year to € 278.5 million (31 December 2022: € 259.7 million).

Non-current assets showed a slight decrease of € 0.5 million to € 144.4 million as of the balance sheet date (31 December 2022: € 144.9 million). While intangible assets, the at-equity investment and deferred taxes decreased, property, plant and equipment increased, mainly due to the recognition of the photovoltaic system with acquisition costs of € 3.8 million.

Current assets amounted to € 134.1 million as of 30 June 2023 (31 December 2022: € 114.7 million). Compared with the end of the previous year, this corresponds to an increase of € 19.4 million. Higher inventories of raw materials, finished and unfinished goods as well as the increase in trade accounts receivable due to the higher sales volume contributed significantly to this development. At the same time, cash and cash equivalents decreased.

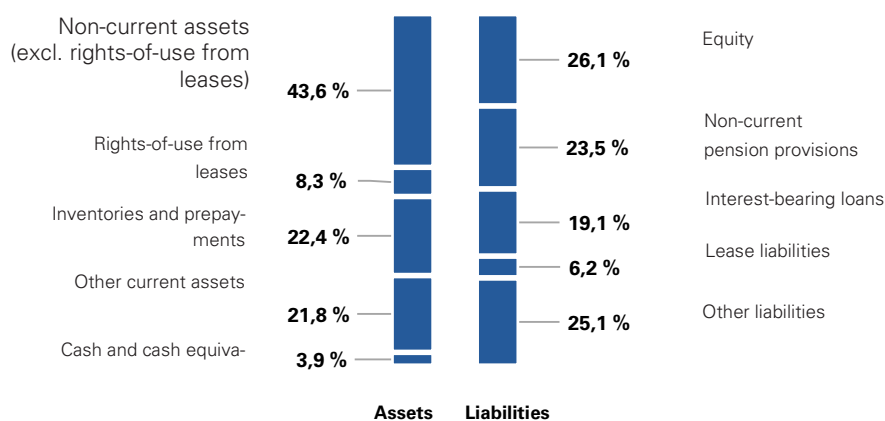
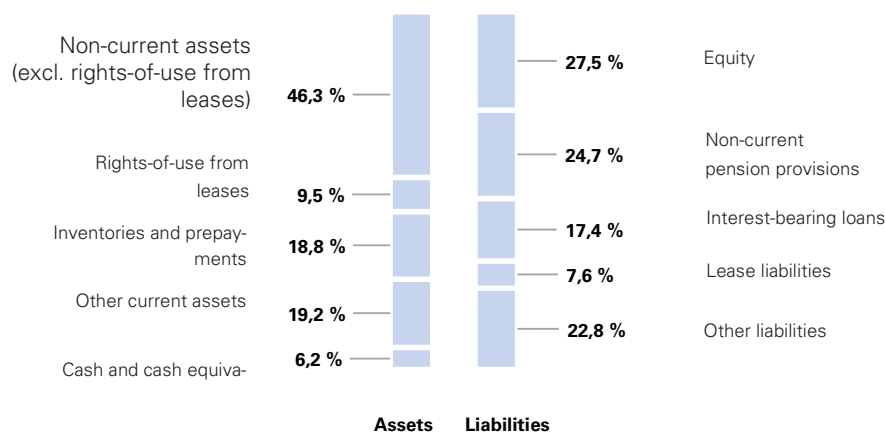
Non-current liabilities increased by € 2.6 million to € 90.6 million at the end of the reporting period (31 December 2022: € 88.0 million). Non-current provisions for pension obligations increased slightly due to a decrease in the discount rate. In addition, recogni-

tion of the long-term components of the lease-purchase obligation (€ 3.2 million) to finance the photovoltaic system resulted in higher interest-bearing loans. This was partially offset by a decrease in lease liabilities as a result of scheduled repayments.

As of 30 June 2023, current liabilities recorded an increase of € 14.8 million compared with the end of the previous year to € 115.2 million (31 December 2022: € 100.4 million). This was due in particular to higher trade accounts payable and increased utilization of credit lines to finance ongoing business operations. In addition, recognition of the current component of the lease-purchase obligation resulted in an increase of € 0.6 million in interest-bearing loans.

Equity improved by € 1.4 million compared to the end of the previous year to € 72.8 million (31 December 2022: € 71.3 million). The positive net income of € 5.7 million was offset by negative effects from currency translation and the measurement of pension obligations, which together amounted to € -4.3 million.

Due to the increase in the balance sheet total, the equity ratio decreased to 26.1% compared with 27.5% as of 31 December 2022.

ASSET AND CAPITAL STRUCTURE**30 June 2023****Balance sheet total € 278.5 million****31 December 2022****Balance sheet total € 259.7 million****FINANCIAL POSITION**

In the second quarter of 2023, cash flow compared with the prior-year quarter improved by € 6.3 million to € 6.6 million (Q2 2022: € 0.3 million). The increase is primarily attributable to the higher net profit and the

positive balance of non-cash income and expenses. Cash flow from operating activities declined in the second quarter of 2023. The figure was down € 2.2 million to € 6.1 million (Q2 2022: € 8.3 million) due to a stronger increase in working capital compared with the previous year.

While investments in intangible assets decreased by € 0.5 million to € -1.4 million (Q2 2022: € -1.9 million),

investments in property, plant and equipment increased by € 0.5 million to € -1.7 million (Q2 2022: € -1.2 million). In the reporting period, cash flow from investing activities thus amounted to € -3.1 million (Q2 2022: € -3.0 million). Overall, free cash flow generated in the second quarter of 2023 decreased by € 2.2 million year-on-year to € 3.1 million (Q2 2022: € 5.3 million).

Cash flow from financing activities was € -7.0 million in the second quarter of 2023 (2022: € -3.9 million). From April to June, interest-bearing liabilities of € -6.4 million were repaid. On the other hand, cash inflow from minimal interest-bearing financial debt amounted to € 1.0 million. At € -1.6 million, cash outflow for the payment of lease liabilities was in line with the previous year's level.

As of 30 June 2023, the R. STAHL Group had cash and cash equivalents of € 11.0 million at its disposal (31 December 2022: € 16.1 million). Compared with the second quarter of 2022, cash and cash equivalents decreased by € 9.4 million (Q2 2022: € 20.4 million).

In the first six months of the current financial year, cash flow increased by € 13.4 million to € 16.3 million (6M 2022: € 2.9 million), mainly due to the strong improvement in net profit. Mainly the increase in the inventory position as well as higher trade receivables led to an increase in working capital by € 14.1 million to € 15.8 million (6M 2022: € 1.7 million). Cash flow from operating activities decreased by € 0.7 million to € 0.6 million (6M 2022: € 1.3 million). Together with cash flow from investing activities of € -6.2 million (6M 2022: € -3.3 million), free cash flow in the first half of 2023 amounted to € -5.6 million (6M 2022: € -2.0 million). The free cash flow of the prior-year period was positively influenced by the reversal of a non-current financial investment in the amount of € 3.3 million. Adjusted for this effect, free cash flow was almost at the level of the previous year.

As a result of the lower cash inflow from borrowings, cash flow from financing activities decreased by € 14.9 million to € 0.9 million (6M 2022: € 15.8 million).

The negative free cash flow caused by the build-up of working capital, as well as the repayment of lease lia-

bilities and the recognition of the lease-purchase obligation, resulted in an increase in net debt (excluding pension provisions and lease liabilities) of € 12.9 million compared with the year-end figure to € 42.1 million (31 December 2022: € 29.2 million).

RISKS AND OPPORTUNITIES

All R. STAHL subsidiaries regularly prepare an opportunity and risk report that takes into account the opportunities and risks of the company. Managing directors are required to inform the department responsible for opportunity and risk management of any significant events, including those that occur during the quarter. The relevant statements made in the Annual Report 2022 starting on page 42 continue to apply unchanged.

OUTLOOK

We first presented our assessment of the expected development of the R. STAHL Group in the current year in detail in the Outlook of the Annual Report 2022, which was published on 27 April 2023, starting on page 84. Accordingly – based on the economic development outlook, increased order intake and order backlog – we expected sales growth in 2023 as compared to the previous year to be in the low double-digit percentage range of between € 305 million and € 320 million. Taking into account a general improvement in the procurement markets and assuming that it will still be possible to pass on price adjustments, we expected the materials ratio to fall slightly while cost efficiency will increase. For financial year 2023, we anticipated EBITDA pre exceptionals in the range of € 30 million to € 36 million and an improved positive net profit compared with 2022. Assuming a constant interest rate level for the valuation of pension obligations, we expected a slight increase in the equity ratio for financial year 2023. In terms of free cash flow, we expected a low single-digit positive million euro amount. We also expected net debt to decline. On the basis of business development in the first half of 2023, the outlook has now been adjusted as follows:

For full year 2023, we continue to expect sales growth to a total of between € 305 million and € 320 million and EBITDA pre exceptionals in the range of € 30 million and € 36 million. Given the assumption of a further increase in raw materials and supplies, in particular the stocking of electronic components to ensure delivery capability, as well as expected higher inventories of finished and unfinished goods due to

the increased volume of business, the amount of capital tied up in inventories will increase. We therefore forecast a reduced free cash flow in the low single-digit negative million euro range and consequently an increase in net debt. Assuming a constant interest rate level for the measurement of pension obligations, we continue to see a slight increase in the equity ratio.

| FORECAST 2023 | | | |
|---|---|---|-----------------------|
| € million | July 2023 | April 2023 | Full-year 2022 |
| Sales | 305 - 320 | 305 - 320 | 274.3 |
| EBITDA pre exceptionals¹⁾ | 30 - 36 | 30 -36 | 22.3 |
| Free cash flow | low single-digit negative million euro amount | low single-digit positive million euro amount | -4.4 |
| Equity ratio | slight increase | slight increase | 27.5% |

1) Exceptionals: restructuring charges, unscheduled depreciation and amortization, charges for designing and implementing IT projects, M&A costs, profit and loss from deconsolidation transactions as well as profit and loss from the disposal of assets no longer required for business operations.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

1 January to 30 June

| € 000 | Q2 2023 | Q2 2022 | Change in % | 6M 2023 | 6M 2022 | Change in % |
|---|---------------|---------------|---------------------|----------------|----------------|-------------------|
| Sales | 76,673 | 67,698 | +13.3 | 154,730 | 128,684 | +20.2 |
| Change in finished and unfinished products | 1,950 | -1,529 | <i>n/a</i> | 4,859 | 2,526 | +92.4 |
| Own work capitalized | 1,019 | 1,163 | -12.4 | 2,156 | 2,657 | -18.9 |
| Total operating performance | 79,642 | 67,332 | +18.3 | 161,745 | 133,867 | +20.8 |
| Other operating income | 1,739 | 3,271 | -46.8 | 4,633 | 5,407 | -14.3 |
| Cost of materials | -27,426 | -23,226 | -18.1 | -55,293 | -46,794 | -18.2 |
| Personnel costs | -32,195 | -31,713 | -1.5 | -64,846 | -63,468 | -2.2 |
| Depreciation and amortization | -4,351 | -4,121 | -5.6 | -8,580 | -8,176 | -4.9 |
| Other operating expenses | -13,928 | -12,177 | -14.4 | -28,089 | -22,616 | -24.2 |
| Earnings before financial result and income tax (EBIT) | 3,481 | -634 | <i>n/a</i> | 9,570 | -1,780 | <i>n/a</i> |
| Result from companies consolidated using the equity method | 935 | 763 | +22.5 | 1,598 | 1,099 | +45.4 |
| Investment result | 0 | 0 | 0 | 0 | -3,071 | <i>n/a</i> |
| Interest and similar income | 40 | 8 | > +100 | 64 | 14 | > +100 |
| Interest and similar expense | -1,732 | -829 | < -100 | -3,226 | -1,637 | -97.1 |
| Financial result | -757 | -58 | < -100 | -1,564 | -3,595 | +56.5 |
| Earnings before taxes | 2,724 | -692 | <i>n. a.</i> | 8,006 | -5,375 | <i>n/a</i> |
| Income taxes | -902 | -172 | < -100 | -2,317 | -911 | < -100 |
| Net profit/loss | 1,822 | -864 | <i>n/a</i> | 5,689 | -6,286 | <i>n/a</i> |
| thereof attributable to other shareholders | -4 | 3 | <i>n/a</i> | -30 | -10 | < -100 |
| thereof attributable to shareholders of R. STAHL AG | 1,826 | -867 | <i>n/a</i> | 5,719 | -6,276 | <i>n/a</i> |
| Earnings per share in € | 0.29 | -0.13 | <i>n/a</i> | 0.89 | -0.97 | <i>n/a</i> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 January to 30 June

| € 000 | Q2 2023 | Q2 2022 | Change in % | 6M 2023 | 6M 2022 | Change in % |
|---|---------------|--------------|------------------|---------------|---------------|----------------|
| Net profit | 1,822 | -864 | <i>n/a</i> | 5,689 | -6,286 | <i>n/a</i> |
| Gains/losses from currency translations of foreign subsidiaries, recognized in equity | -1,148 | -216 | < -100 | -3,287 | 282 | <i>n/a</i> |
| Deferred taxes on gains/losses from currency translations | 0 | 0 | 0 | 0 | 0 | 0 |
| Currency translation differences after taxes | -1,148 | -216 | < -100 | -3,287 | 282 | <i>n/a</i> |
| Other comprehensive income with reclassification of profit for the period | -1,148 | -216 | < -100 | -3,287 | 282 | <i>n/a</i> |
| Gains/losses from the subsequent measurement of pension obligations, recognized in equity | -1,030 | 13,862 | <i>n/a</i> | -1,380 | 24,501 | <i>n/a</i> |
| Deferred taxes from pension obligations | 305 | -4,099 | <i>n/a</i> | 408 | -7,245 | <i>n/a</i> |
| Other comprehensive income without reclassification to profit for the period | -725 | 9,763 | <i>n/a</i> | -972 | 17,256 | <i>n/a</i> |
| Other comprehensive income (valuation differences recognized directly in equity) | -1,873 | 9,547 | <i>n/a</i> | -4,259 | 17,538 | <i>n/a</i> |
| thereof attributable to other shareholders | -10 | -11 | +9.1 | -22 | 13 | <i>n/a</i> |
| thereof attributable to shareholders of R. STAHL AG | -1,385 | 9,558 | <i>n/a</i> | -4,237 | 17,525 | <i>n/a</i> |
| Total comprehensive income after tax | -51 | 8,683 | <i>n/a</i> | 1,430 | 11,252 | -87.3 |
| thereof attributable to other shareholders | -14 | -8 | -75.0 | -52 | 3 | <i>n/a</i> |
| thereof attributable to shareholders of R. STAHL AG | 441 | 8,691 | -94.9 | 1,482 | 11,249 | -86.8 |

CONSOLIDATED BALANCE SHEET

| € 000 | 30 June 2023 | 31 Dec. 2022 | Change |
|---|-------------------------|-------------------------|----------------|
| ASSETS | | | |
| Intangible assets | 48,110 | 48,829 | -719 |
| Property, plant & equipment | 76,752 | 74,980 | +1,772 |
| Investments in associated companies | 10,709 | 11,455 | -746 |
| Other financial assets | 30 | 30 | 0 |
| Other assets | 2,433 | 2,262 | +171 |
| Investment property | 4,188 | 4,292 | -104 |
| Deferred taxes | 2,139 | 3,097 | -958 |
| Non-current assets | 144,361 | 144,945 | -584 |
| Inventories and prepayments | 62,354 | 48,920 | +13,434 |
| Trade receivables | 45,336 | 37,353 | +7,983 |
| Contract receivables | 56 | 6 | +50 |
| Income tax claims | 1,499 | 1,531 | -32 |
| Other receivables and other assets | 13,888 | 10,873 | +3,015 |
| Cash and cash equivalents | 10,987 | 16,060 | -5,073 |
| Current assets | 134,120 | 114,743 | +19,377 |
| Total assets | 278,481 | 259,688 | +18,793 |
| EQUITY AND LIABILITIES | | | |
| Share capital | 16,500 | 16,500 | 0 |
| Capital reserve | 13,457 | 13,457 | 0 |
| Retained earnings | 62,804 | 57,085 | +5,719 |
| Accumulated other comprehensive income | -20,132 | -15,895 | -4,237 |
| Equity attributable to shareholders of R. STAHL AG | 72,629 | 71,147 | +1,482 |
| Non-controlling interests | 142 | 194 | -52 |
| Equity | 72,771 | 71,341 | +1,430 |
| Pension provisions | 65,419 | 64,168 | +1,251 |
| Other provisions | 2,421 | 2,438 | -17 |
| Interest-bearing financial liabilities | 3,790 | 1,166 | +2,624 |
| Lease liabilities | 12,896 | 14,267 | -1,371 |
| Other liabilities | 73 | 0 | +73 |
| Deferred taxes | 5,954 | 5,911 | +43 |
| Non-current liabilities | 90,553 | 87,950 | +2,603 |
| Provisions | 7,222 | 7,974 | -752 |
| Trade payables | 27,570 | 19,077 | +8,493 |
| Contract liabilities | 304 | 439 | -135 |
| Interest-bearing financial liabilities | 49,277 | 44,081 | +5,196 |
| Lease liabilities | 4,232 | 5,427 | -1,195 |
| Deferred liabilities | 14,358 | 13,852 | +506 |
| Income tax liabilities | 777 | 746 | +31 |
| Other liabilities | 11,417 | 8,801 | +2,616 |
| Current liabilities | 115,157 | 100,397 | +14,760 |
| Total equity and liabilities | 278,481 | 259,688 | +18,793 |

CONSOLIDATED CASH FLOW STATEMENT

1 January to 30 June

| € 000 | Q2 2023 | Q2 2022 | Change | 6M 2023 | 6M 2022 | Change |
|--|---------------|---------------|---------------|----------------|---------------|----------------|
| Net profit | 1,822 | -864 | +2,686 | 5,689 | -6,286 | +11,975 |
| Result from the disposal of consolidated companies | 759 | 0 | +759 | 759 | 0 | +759 |
| Depreciation, amortization and impairment of non-current assets | 4,351 | 4,120 | +231 | 8,580 | 11,246 | -2,666 |
| Changes in non-current provisions | -75 | -36 | -39 | -146 | -26 | -120 |
| Changes in deferred taxes | 391 | -258 | +649 | 1,356 | 301 | +1,055 |
| Equity valuation | -935 | -763 | -172 | -1,598 | -1,099 | -499 |
| Other income and expenses without cash flow impact | 283 | -1,916 | +2,199 | 1,700 | -1,228 | +2,928 |
| Result from the disposal of non-current assets | 7 | -1 | +8 | 17 | 30 | -13 |
| Cash flow | 6,603 | 282 | +6,321 | 16,357 | 2,938 | +13,419 |
| Changes in current provisions | -396 | -75 | -321 | -764 | -525 | -239 |
| Changes in inventories, trade receivables and other non-capex or non-financial assets | -9,749 | -1,549 | -8,200 | -27,306 | -9,447 | -17,859 |
| Changes in trade payables and other non-capex or non-financial liabilities not attributable to investing or financing activities | 9,679 | 9,693 | -14 | 12,308 | 8,290 | +4,018 |
| Changes in working capital | -466 | 8,069 | -8,535 | -15,762 | -1,682 | -14,080 |
| Cash flow from operating activities | 6,137 | 8,351 | -2,214 | 595 | 1,256 | -661 |
| Cash outflow for capex on intangible assets | -1,361 | -1,923 | +562 | -3,184 | -4,029 | +845 |
| Cash outflow for capex on property, plant & equipment | -1,741 | -1,153 | -588 | -3,043 | -2,584 | -459 |
| Cash inflow from disposals of property, plant & equipment and investment property | 52 | 12 | +40 | 53 | 31 | +22 |
| Cash inflow from disposals of non-current financial assets | 0 | 43 | -43 | 0 | 3,313 | -3,313 |
| Cash flow from investing activities | -3,050 | -3,021 | -29 | -6,174 | -3,269 | -2,905 |
| Free cash flow | 3,087 | 5,330 | -2,243 | -5,579 | -2,013 | -3,566 |
| Cash outflow for the down payment of lease liabilities | -1,550 | -1,563 | +13 | -3,109 | -3,148 | +39 |
| Cash inflow from interest-bearing liabilities | 987 | 168 | +819 | 5,745 | 21,892 | -16,147 |
| Cash outflow for repayment of interest-bearing liabilities | -6,424 | -2,457 | -3,967 | -1,717 | -2,896 | +1,179 |
| Cash flow from financing activities | -6,987 | -3,852 | -3,135 | 919 | 15,848 | -14,929 |
| Changes in cash and cash equivalents | -3,900 | 1,478 | -5,378 | -4,660 | 13,835 | -18,495 |
| Foreign exchange and valuation-related changes in cash and cash equivalents | -74 | 154 | -228 | -413 | 212 | -625 |
| Cash and cash equivalents at the beginning of the period | 14,961 | 18,757 | -3,796 | 16,060 | 6,342 | +9,718 |
| Cash and cash equivalents at the end of the period | 10,987 | 20,389 | -9,402 | 10,987 | 20,389 | -9,402 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 January to 30 June

| € 000 | Equity attributable to shareholders | | | | | | | Non-controlling interests | Equity |
|--|-------------------------------------|------------------|-------------------|----------------------|---------------------------------------|--|---------------|---------------------------|---------------|
| | Share capital | Capital reserves | Retained earnings | Currency translation | Unrealized gains/losses from pensions | Accumulated other comprehensive income | Total | | |
| | | | | | | Total Accumulated other comprehensive income | | | |
| 1 Jan. 2022 | 16,500 | 13,457 | 55,139 | -4,474 | -31,069 | -35,543 | 49,553 | 213 | 49,766 |
| Net profit/loss | | | -6,276 | | | 0 | -6,276 | -10 | -6,286 |
| Accumulated other comprehensive income | | | | 269 | 17,256 | 17,525 | 17,525 | 13 | 17,538 |
| Total comprehensive income | | | -6,276 | 269 | 17,256 | 17,525 | 11,249 | 3 | 11,252 |
| Dividend distribution | | | | | | | 0 | | 0 |
| 30 June 2022 | 16,500 | 13,457 | 48,863 | -4,205 | -13,813 | -18,018 | 60,802 | 216 | 61,018 |
| 1 Jan. 2023 | 16,500 | 13,457 | 57,085 | -6,130 | -9,765 | -15,895 | 71,147 | 194 | 71,341 |
| Net profit/loss | | | 5,719 | | | 0 | 5,719 | -30 | 5,689 |
| Accumulated other comprehensive income | | | | -3,265 | -972 | -4,237 | -4,237 | -22 | -4,259 |
| Total comprehensive income | | | 5,719 | -3,265 | -972 | -4,237 | 1,482 | -52 | 1,430 |
| Dividend distribution | | | | | | | 0 | | 0 |
| 30 June 2023 | 16,500 | 13,457 | 62,804 | -9,395 | -10,737 | -20,132 | 72,629 | 142 | 72,771 |

SELECTED EXPLANATORY NOTES

1. ACCOUNTING IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The interim financial statements for the R. STAHL AG Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the EU and in compliance with IAS 34 “Interim Financial Reporting”. The interim consolidated financial statements have not been audited.

2. SCOPE OF CONSOLIDATION

In addition to R. STAHL AG, the interim consolidated financial statements include 29 domestic and foreign companies for which it is possible for R. STAHL AG to exercise a controlling influence.

Enterprises over which the Company can exercise substantial influence are included in the consolidated financial statements as associates using the equity method. Since 2016, ZAVOD Goreltex Co. Ltd, Saint Petersburg, Russia, has been included in the consolidated financial statements as an associate using the equity method.

In the reporting period, the companies previously included as fully consolidated companies, R. STAHL ENGINEERING & MANUFACTURING SDN. BHD., Selangor, Malaysia, and R. Stahl Svenska Aktiebolag, Järfälla, Sweden, were deconsolidated and liquidated. The number of non-consolidated companies did not change in the reporting period.

3. ACCOUNTING AND MEASUREMENT METHODS

GENERAL INFORMATION

The interim consolidated financial statements and the comparative figures for the prior-year period were generally prepared on the basis of the accounting and measurement methods applied in the consolidated financial statements for 2022. A description of these principles is published in the notes to the consolidated financial statements 2022. This can be viewed on the Internet at www.r-stahl.com.

The Group’s functional currency is the euro. Unless indicated otherwise, all amounts are stated in thousands of euros (€ 000).

The consolidated financial statements have been prepared using the cost principle. Accounting for derivative financial instruments is the exception to this rule, as these must be accounted for at fair value.

The carrying amounts of cash and cash equivalents, as well as current account loans closely approximate their fair values 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 values.

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 values of external liabilities is currently deviate only slightly from the carrying amounts.

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).

The derivative financial instruments measured at fair value of the R. STAHL Group are valued exclusively in accordance with the fair value hierarchy Level 2.

In the first six months of 2023, there were no reclassifications among the individual fair value hierarchies.

CASH FLOW STATEMENT

In accordance with IAS 7, the cash flow statement shows how the R. STAHL Group's flow of funds developed over the reporting period.

Cash and cash equivalents shown in the cash flow statement comprise cash on hand, cheques, and credit balances with banks. The item also includes securities with original maturities of up to three months.

EARNINGS PER SHARE

Earnings per share are calculated by dividing consolidated net profit - excluding non-controlling interests - by the average number of shares. Diluted earnings per share correspond to earnings per share.

4. SALES

Sales presented in the income statement includes both sales from contracts with customers and sales not within the scope of IFRS 15.

A breakdown of sales by source is shown below:

| € thousand | 6M 2023 | 6M 2022 |
|--|----------------|----------------|
| Sales from contracts with customers | 154,223 | 128,177 |
| Rental income from investment property | 507 | 507 |
| Total | 154,730 | 128,684 |

A breakdown of sales by time of recognition is shown below:

| € thousand | 6M 2023 | 6M 2022 |
|------------------------|----------------|----------------|
| At a specific time | 148,440 | 122,972 |
| Over a specific period | 6,290 | 5,712 |
| Total | 154,730 | 128,684 |

Sales are recognized over a specific period with a high probability of occurrence within a period of one to two months.

5. FINANCIAL INSTRUMENTS

R. STAHL mainly accounts for derivative financial instruments at fair value. For this reason, a detailed reconciliation statement for the carrying amounts and fair values for the individual classes is not provided for reasons of materiality.

The fair values of derivative financial instruments are as follows:

| € thousand | 30 June 2023 | 31 Dec. 2022 |
|---|-----------------|-----------------|
| Positive market values | | |
| Currency derivatives without hedging relationship | 0 | 62 |
| Negative market values | | |
| Currency derivatives without hedging relationship | 73 | 0 |

8. REPORT ON SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant transactions with related parties in the reporting period.

9. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

Waldenburg, 9 August 2023

R. Stahl Aktiengesellschaft

Dr. **Mathias Hallmann**
Chief Executive Officer

6. NUMBER OF EMPLOYEES

The number of employees at the 30 June 2023 reporting date was 1,715 (31 December 2022: 1,676), not including apprentices.

7. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

There have been no significant changes to contingent liabilities and other financial obligations compared with 31 December 2022.

RESPONSIBILITY STATEMENT

I attest – to the best of my knowledge – that the Interim Consolidated Financial Statements in accordance with applicable reporting principles give a true and fair view of the Group’s asset, financial, and earnings position, and that 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 material opportunities and risks associated with the expected development of the Group for the rest of the financial year.

Waldenburg, 9 August 2023

R. Stahl Aktiengesellschaft

Dr. **Mathias Hallmann**
Chief Executive Officer

FINANCIAL CALENDAR 2023

07 November

Interim report as of 30 September 2023

CONTACT / IMPRINT

Investor Relations
Judith Schäuble
T: +49 7942 943 13 96
F: +49 7942 943 40 13 96
investornews@r-stahl.com

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