

INTERIM
REPORT
Q3

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 sign of the rates of change is based on mathematical considerations: Improvements are marked with "+", deteriorations with "-". Rates of change > +100% are shown as > +100%, rates of change < -100% as "n/a" (not applicable).

KEY FIGURES

€ million	Q3 2023	Q3 2022	Change in %	9M 2023	9M 2022	Change in %
Sales	86.0	73.8	+16.4	240.7	202.5	+18.9
Germany	21.4	19.9	+7.8	63.1	54.6	+15.6
Central region ¹⁾	39.1	29.8	+31.2	107.2	87.0	+23.1
Americas	9.0	8.7	+2.7	25.1	23.7	+5.8
Asia/Pacific	16.5	15.4	+6.9	45.3	37.2	+21.9
EBITDA pre exceptionals ²⁾	13.5	9.7	+39.7	32.5	16.6	+95.8
EBITDA margin pre exceptionals ²⁾	15.7%	13.1%		13.5%	8.2%	
EBITDA	12.9	9.1	+41.8	31.0	15.5	> +100
EBIT	8.4	5.0	+68.2	18.0	3.2	> +100
Net profit	6.2	5.2	+18.8	11.9	-1.1	n/a
Earnings per share (in €)	0.96	0.80	+20.0	1.85	-0.17	n/a
Order intake	82.1	80.1	+2.5	268.0	232.0	+15.5
Order backlog as of 30 June				132.4	100.7	+31.5
Cash flow from operating activities	-0.9	-6.5	+85.7	-0.3	-5.2	+93.6
Free cash flow	-4.8	-9.6	+50.1	-10.4	-11.6	+10.5
Depreciation and amortization	4.5	4.1	+9.3	13.0	12.3	+6.4
Capital expenditures	3.8	3.2	+19.8	10.1	9.8	+2.4
				30 Sep. 2023	31 Dec. 2022	Change in %
Balance sheet total				283.5	259.7	+9.2
Equity				82.2	71.3	+15.2
Equity ratio				29.0%	27.5%	
Net financial debt ³⁾				48.4	29.2	+65.7
Net financial debt incl. lease liabilities				64.5	48.9	+32.0
Employees ⁴⁾				1,724	1,676	+2.9

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 SEPTEMBER 2023

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KEY TOPICS IN THE REPORTING PERIOD

New syndicated loan agreement concluded ahead of schedule

R. STAHL concluded a new syndicated loan agreement as of 30 August 2023 for the medium-term financing of the company under the leadership of Commerzbank AG together with several major banks and regional Volksbanks and savings banks. The agreement has a term of three years with the option to extend for up to two additional years. The available credit volume will be increased by €45 million from the previous €70 million to €115 million. In addition, there is an increase option of a further €25 million for a total of €140 million. The contract includes an ESG component that underscores the company's commitment to sustainability. If the sustainability requirements are met, the applicable interest margin is reduced.

GROUP MANAGEMENT RE- PORT

- Order intake in the second quarter of 2023 of € 82.1 million was 2.5% better than in the previous year (Q3 2022: € 80.1 million). Order backlog increases to € 132.4 million (Q3 2022: € 100.7 million).
- Sales grow by €12.1 million or 16.4% to € 86.0 million in the third quarter of 2023 (Q3 2022: € 73.8 million).
- EBITDA pre exceptionals was up 39.7% to € 13.5 million (Q3 2022: € 9.7 million).
- Net profit up € 1.0 million to € 6.2 million (Q3 2022: € 5.2 million). Earnings per share at € 0.96 (Q3 2022: € 0.80).
- Cash flow from operating activities nearly even at € -0.9 million, thus improving by € 5.6 million year-on-year (Q3 2022: € 6.5 million). Increase in working capital reduced compared to the third quarter of 2022.

BUSINESS DEVELOPMENT

SALES AND ORDER INTAKE

Compared to an already strong prior-year quarter, R. STAHL's business situation improved again in the third quarter of 2023. Obstacles arising from interrupted or disrupted supply chains, which had curbed economic development in the prior-year quarter, have largely disappeared. Bottlenecks continue to be seen in individual cases in the procurement of electronic components; appropriate stockpiling counteracts this

phenomenon. The price adjustments made by customers at the beginning of the year made a major contribution to stable quality of sales. Ongoing strong demand, driven primarily by the chemical and pharmaceutical industries as well as the oil and gas sector (including LNG), resulted in year-on-year sales growth of 16.4% to € 86.0 million (Q3 2022: € 73.8 million).

In **Germany**, sales of € 21.4 million (Q3 2022: € 19.9 million), or growth of 7.8%, was achieved. In the **Central region** - consisting of Africa and Europe excluding Germany - sales showed an increase of 31.2% to € 39.1 million (Q3 2022: € 29.8 million) and were thus significantly higher than in the previous year. Here, R. STAHL benefited from strong demand in the chemical and pharmaceutical sectors as well as from deliveries to the energy sector. With sales of € 9.0 million, results in the **Americas** region were slightly above the level of the previous year (Q3 2022: € 8.7 million). The **Asia/Pacific** region improved with a sales increase of 6.9% to € 16.5 million (Q3 2022: € 15.4 million). This development was primarily driven by the oil and gas industry.

Compared to the previous year, order intake in the third quarter of 2023 increased by 2.5% to € 82.1 million (Q3 2022: € 80.1 million). The growth driver here was the Americas region with an increase of 32.4% to € 11.8 million (Q3 2022: € 8.9 million) and the Central region with growth of 13.0% to € 36.8 million (Q3 2022: € 32.6 million). Germany, on the other hand, fell by 12.0% to € 18.2 million (Q3 2022: € 20.7 million) and the Asia/Pacific region with a decline of -14.7% to € 15.3 million (Q3 2022: € 17.9 million).

In the first nine months, R. STAHL generated sales of € 240.7 million (9M 2022: € 202.5 million), an increase of 18.9% compared with the same period of the previous year. This development was driven in particular by strong demand in the first two quarters of financial year 2023. There was significant double-digit percentage growth in Germany, the Central region and the Asia/Pacific region, while the Americas region made a smaller contribution, posting a single-digit growth rate.

Order intake grew by € 36.0 million or 15.5% year-on-year to € 268.0 million in the first nine months of 2023 (9M 2022: € 232.0 million). In terms of the regions, Germany remained stable at a high level compared with the previous year. The other regions recorded double-digit percentage growth. At € 132.4 million, the order backlog was € 31.7 million higher than in the previous year (30 September 2022: € 100.7 million).

GROUP SALES BY REGIONS

€ million	Q3 2023	Q3 2022	Change in %	9M 2023	9M 2022	Change in %	Share of Group sales in %
Germany	21.4	19.9	+7.8	63.1	54.6	+15.6	26
Central Region	39.1	29.8	+31.2	107.2	87.0	+23.1	45
Americas	9.0	8.7	+2.7	25.1	23.7	+5.8	10
Asia/Pacific	16.5	15.4	+6.9	45.3	37.2	+21.9	19
Total	86.0	73.8	+16.4	240.7	202.5	+18.9	100

EBITDA AND EBIT

R. STAHL increased earnings before interest, taxes, depreciation and amortization (EBITDA) pre exceptionals by € 3.8 million to € 13.5 million in the third quarter of 2023 (Q3 2022: € 9.7 million). The EBITDA margin pre exceptionals improved to 15.7% (Q3 2022: 13.1%). At € -0.6 million, exceptional items remained at the level of the previous year. Overall, this resulted in EBITDA of € 12.9 million (Q3 2022: € 9.1 million).

Total operating performance increased by 17.5% to € 89.3 million in the third quarter of 2023, mainly due to the higher sales volume (Q3 2022: € 76.0 million). Inventories of finished and unfinished goods increased slightly by € 1.2 million to € 2.2 million (Q3 2022: € 1.0 million), while capitalized own work remained at the level of the previous year with € 1.0 million.

The cost of materials increased by 11.0% to € -29.8 million in the reporting quarter (Q3 2022: € -26.9 million) and thus at a disproportionately lower rate than operating performance. Accordingly, the cost of materials ratio improved by two percentage points to 33.4% of operating performance (Q3 2022: 35.4%).

Personnel expenses recorded an increase of 10.5% to € -33.6 million in the third quarter of 2023 (Q3 2022: € -30.4 million). The higher expense is attributable to the increase in the number of employees, collectively agreed salary adjustments and the pro rata accrual of the inflation premium II collectively agreed in Germany. Expenses incurred for severance payments were also higher.

The balance of other operating expenses and other operating income increased in the reporting quarter by € 3.3 million to € -12.9 million (Q3 2022: € 9.6 million). At the same time, other operating income decreased by € 4.3 million to € 1.6 million (Q3 2022: € 5.9 million). In addition to the comparatively lower exchange rate gains in the current reporting quarter,

the previous year was impacted by non-recurring income of € 2.0 million from an insurance reimbursement for the warranty claim for LED luminaires (expenses for a customer-side settlement agreement were reported in the same amount under other operating expenses). Other operating expenses decreased by € 1.0 million to € -14.5 million (Q3 2022: € 15.5 million). Adjusted for the expenses for the warranty claim included in the previous year, there were higher expenses for services and consulting as well as for temporary work, while exchange rate losses were reduced at the same time.

At € -4.5 million, amortization of intangible assets and depreciation of property, plant and equipment in the

third quarter of 2023 were slightly higher than in the prior-year period (Q3 2022: € -4.1 million).

Earnings before interest and income taxes improved by € 3.4 million to € 8.4 million in the reporting period (Q3 2022: € 5.0 million).

In the first nine months of 2023, EBITDA pre exceptionals increased by € 15.9 million to € 32.5 million (9M 2022: € 16.6 million). The EBITDA margin pre exceptionals improved to 13.5% from 8.2% in the prior-year period. Exceptional items totaled € -1.5 million (9M 2022: € -1.1 million), resulting in an EBITDA of € 31.0 million (9M 2022: € 15.5 million).

RECONCILIATION OF EBITDA PRE EXCEPTIONALS TO EBIT

€ million	Q3 2023	Q3 2022	Change	9M 2023	9M 2022	Change	Included in income statement under
EBITDA pre exceptionals¹⁾	13.5	9.7	+3.8	32.5	16.6	+15.9	
Exceptionals¹⁾	-0.6	-0.6	0.0	-1.5	-1.1	-0.4	
Restructuring charges	-0.6	-0.1	-0.5	-0.7	-0.7	0.0	
Severance pay	-0.6	-0.1	-0.5	-0.7	-0.7	0.0	Personnel costs
Legal and consulting costs	0.0	0.0	0.0	0.0	0.0	0.0	Other operating expenses
Other expenses	0.0	-0.4	+0.4	-0.8	-0.4	-0.4	Other operating expenses
EBITDA	12.9	9.1	+3.8	31.0	15.5	+15.5	
Depreciation and amortization	-4.5	-4.1	-0.4	-13.0	-12.3	-0.7	
EBIT	8.4	5.0	+3.4	18.0	3.2	+14.8	

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 19.6% to € 251.0 million in the first nine months of 2023 (9M 2022: € 209.8 million). The improvement was largely driven by sales growth. Furthermore, there was a stronger build-up of finished and unfinished goods at € 7.1 million (9M 2022: € 3.6 million), while capitalized own work declined to € 3.2 million (9M 2022: € 3.8 million).

The cost of materials increased by 15.6% to € -85.1 million (9M 2022: € -73.7 million), a result that was

mainly attributable to the overall higher operating performance. The cost of materials ratio recorded a year-on-year improvement to 33.9% (9M 2022: 35.1 %) of total operating performance.

With an increase of 4.9%, personnel expenses rose to € -98.4 million in the first nine months of the current year (9M 2022: € -93.8 million). Both the increase in the number of employees and collective bargaining agreements led to the higher cost position. Lower expenses for vacation provisions and partial retirement agreements had a relieving effect.

The balance of other operating income and other operating expenses increased by € 9.6 million to € -36.4 million in the reporting period (9M 2022: € -26.8 million). Higher expenses for services and consulting as well as for temporary work contributed to the increase. Exchange rate and deconsolidation effects had a combined negative net impact of € -3.8 million.

Compared with the previous year, amortization of intangible assets and depreciation of property, plant and equipment increased by € 0.8 million to € -13.0 million (9M 2022: € -12.3 million).

This resulted in EBIT of € 18.0 million in the reporting quarter (9M 2022: € 3.2 million).

FINANCIAL RESULT

The financial result declined by € 1.5 million to € -1.2 million in the third quarter of 2023 (Q3 2022: € 0.4 million). Interest expenses increased by € 1.0 million to € -1.8 million (Q3 2022: € -0.8 million) due to the higher utilization of loans and the higher interest rate used to measure pension obligations. Earnings from ZAVOD Goreltex which is accounted for using the equity method fell by € 0.6 million to € 0.6 million (Q3 2022: € 1.2 million).

In the first nine months of the current financial year, the financial result improved by € 0.5 million to € -2.7 million (9M 2022: € -3.2 million). While interest expenses increased by € -2.5 million to € -5.0 million (9M 2022: € -2.5 million), the included pro rata result of ZAVOD Goreltex remained at the previous year's level of € 2.2 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 was the main contributor to the improved financial result.

EARNINGS BEFORE INCOME TAXES

Earnings before income taxes (EBT) increased by € 1.8 million to € 7.3 million in the third quarter of 2023 (Q3 2022: € 5.4 million).

In the first nine months of 2023, earnings before income taxes amounted to € 15.3 million, compared with € 0.1 million in the same period of the previous year.

RECONCILIATION OF EBIT TO EARNINGS PER SHARE

€ million	Q3 2023	Q3 2022	Change	9M 2023	9M 2022	Change
EBIT	8.4	5.0	+3.4	18.0	3.2	+14.8
Financial result	-1.1	0.4	-1.5	-2.7	-3.2	+0.5
Earnings before income taxes	7.3	5.4	+1.8	15.3	0.1	+15.2
Income taxes	-1.1	-0.2	-0.9	-3.4	-1.1	-2.3
Net profit	6.2	5.2	+1.0	11.9	-1.1	+13.0
thereof attributable to other shareholders	0.0	0.0	0.0	0.0	0.0	0.0
attributable to shareholders of R. STAHL AG	6.2	5.2	+1.0	11.9	-1.1	+13.0
Earnings per share (in €)	0.96	0.80	+0.16	1.85	-0.17	+2.02
Average number of shares outstanding (weighted, in million units)	6.44	6.44	0.0	6.44	6.44	0.0

INCOME TAXES

Income taxes increased by € 0.9 million to € -1.1 million in the third quarter of 2023 (Q3 2022: € -0.2 million). Of this total, € -1.5 million was attributable to income taxes and € +0.4 million was attributable to deferred taxes.

In the first nine months of the reporting year, income taxes amounted to € -3.4 million (9M 2022: € -1.1 million). Of that total, € -2.4 million was attributable to effective taxes and € -0.9 million was attributable to deferred taxes.

NET PROFIT / EARNINGS PER SHARE

R. STAHL increased its net profit by € 1.0 million to € 6.2 million in the third quarter of 2023 (Q3 2022: € 5.2 million). Accordingly, earnings per share amounted to € 0.96, compared with € 0.80 in the prior-year quarter.

Net profit improved by € 13.0 million to € 11.9 million in the first nine months of the reporting year (9M 2022: € -1.1 million). Earnings per share increased to € 1.85 (9M 2022: € -0.17).

ASSET POSITION

BALANCE SHEET STRUCTURE

As of 30 September 2023, the R. STAHL Group's balance sheet total increased by € 23.8 million compared to the end of the previous year to € 283.5 million (31 December 2022: € 259.7 million).

Non-current assets decreased as of the balance sheet date by € 1.7 million to € 143.2 million (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 as of 30 June 2023.

Current assets amounted to € 140.3 million as of 30 September 2023 (31 December 2022: € 114.7 million). This corresponds to an increase of € 25.5 million compared with the end of the previous year. Higher inventories 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 decreased by € 1.5 million to € 86.5 million at the end of the reporting period (31 December 2022: € 88.0 million). Provisions for pension obligations decreased due to an increase in the discount rate at the end of the third quarter of 2023. Scheduled repayment of lease liabilities also led to a decrease in non-current liabilities. Countering this, recognition of the long-term components of the lease-purchase obligation to finance the photovoltaic system resulted in higher interest-bearing loans.

Current liabilities increased by € 14.5 million to € 114.9 million as of 30 September 2023 compared with the end of the previous year (31 December 2022: € 100.4 million). This was mainly due to the € 11.8 million increase in interest-bearing loans.

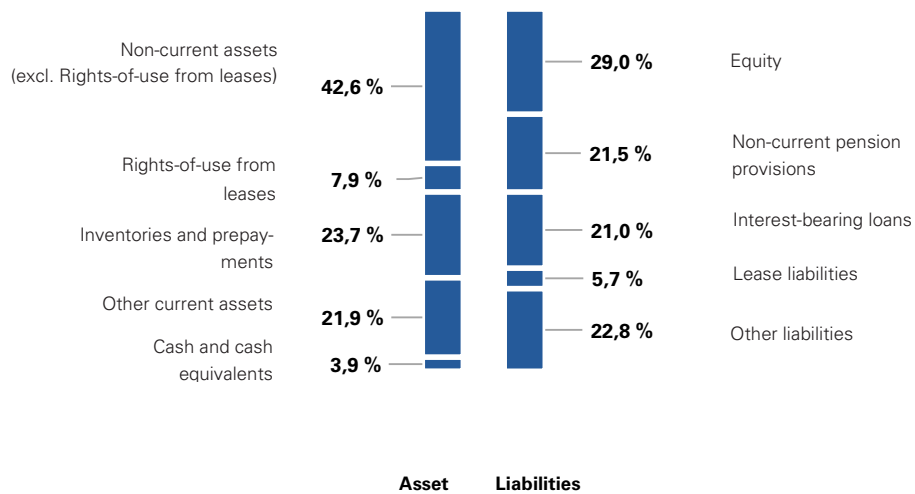
Equity improved by € 10.9 million compared to the end of the previous year to € 82.2 million (31 December 2022: € 71.3 million), mainly due to the positive net profit of € 11.9 million. Furthermore, the increase in the interest rate used to measure pension obligations had the effect of increasing equity by € 2.1 million. Negative effects of € 3.1 million from currency translation were recognized in equity.

This resulted in an equity ratio of 29.0% compared with 27.5% as of 31 December 2022.

ASSET AND CAPITAL STRUCTURE

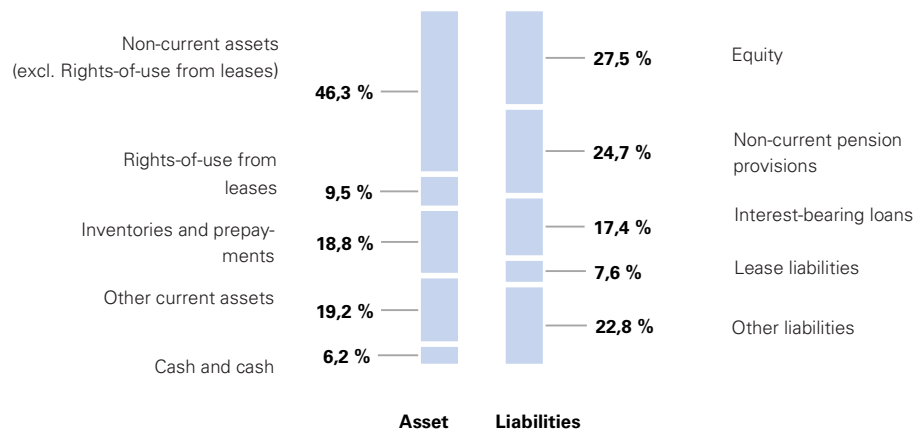
30 September 2023

Balance sheet total € 283,5 million



31 December 2022

Balance sheet total € 259.7 million



FINANCIAL POSITION

Cash flow increased by € 2.4 million compared to the third quarter of 2022 to € 12.1 million in Q3 2023 (Q3 2022: € 9.7 million). Together with a comparatively lower year-on-year increase in working capital, this resulted in cash flow from operating activities of € -0.9 million (Q3 2022: € -6.5 million).

At € -1.8 million, investments in intangible assets remained at the level of the previous year. With cash outflow of € -2.1 million, investments in property, plant and equipment increased by € 0.7 million compared with the previous year (Q3 2022: € -1.4 million). In the current quarter, this resulted in cash flow from investing activities of € -3.8 million (Q3 2022: € -3.1 million). Overall, free cash flow improved by € 4.8 million to € -4.8 million in the third quarter of 2023 (Q3 2022: € -9.6 million).

Cash flow from financing activities was € 4.8 million in the reporting quarter (2022: € 7.0 million). As in the previous year, cash outflows of € -1.6 million were made for the payment of lease liabilities. In the third quarter of 2023, cash inflows from interest-bearing financial debt amounted to € 10.8 million (Q3 2022: € 8.8 million), while cash outflows for repayment amounted to € -4.4 million (Q3 2022: € -0.3 million).

As of 30 September 2023, R. STAHL had cash and cash equivalents of € 11.1 million at its disposal (31 December 2022: € 16.1 million). Compared with the third quarter of 2022, cash and cash equivalents decreased by € 7.3 million (Q3 2022: € 18.4 million).

In the first nine months of the reporting year, cash flow increased by € 15.8 million to € 28.5 million (9M 2022: € 12.6 million) due to the significant increase in net profit. Working capital increased by € 28.8 million (9M 2022: € 17.9 million), mainly due to the increase in inventories and higher trade accounts receivable. The resulting cash flow from operating activities increased by € 4.9 million year-on-year to € -0.3 million in the reporting period (9M 2022: € -5.2 million). Together with cash flow from investing activities of € -10.0 million (9M 2022: € -6.3 million), free cash flow in the first nine months of 2023 amounted to € -10.4 million (9M 2022: € -11.6 million). The free cash flow of the prior-year period was positively influ-

enced by the reversal of a non-current financial investment in the amount of € 3.3 million. Adjusted for this effect, free cash flow improved by € 4.6 million.

Cash flow from financing activities decreased in the first nine months of 2023 to € 5.7 million (9M 2022: € 22.8 million). Repayment of interest-bearing financial debt of € -6.0 million (9M 2022: € -1.1 million) was offset by cash inflow from interest-bearing financial debt of € 16.4 million (9M 2022: € 28.6 million). As in the previous year, lease liabilities were repaid in the amount of € -4.7 million.

The negative free cash flow, the repayment of lease liabilities and the recognition of the lease-purchase obligation to finance the photovoltaic plant resulted in an increase in net debt (excluding pension provisions and lease liabilities) of € 19.2 million compared with the year-end figure to € 48.4 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. The forecast was specified as follows in the context of the interim half-year reporting:

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.

As part of our third-quarter reporting, we are raising the forecast for EBITDA pre exceptionals for the 2023 financial year to a corridor of between € 35 million and € 40 million. We remain committed to all other estimates.

FORECAST 2023				
€ million	October 2023	July 2023	April 2023	Full-year 2022
Sales	305 - 320	305 - 320	305 - 320	274.3
EBITDA pre exceptionals¹⁾	35 - 40	30 - 36	30 - 36	22.3
Free cash flow	low single-digit negative million euro amount	low single-digit negative million euro amount	low single-digit positive million euro amount	-4.4
Equity ratio	slight increase	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 September

€ 000	Q3 2023	Q3 2022	Change in %	9M 2023	9M 2022	Change in %
Sales	85,963	73,821	+16.4	240,693	202,505	+18.9
Change in finished and unfinished products	2,238	1,037	> +100	7,097	3,563	+99.2
Own work capitalized	1,050	1,100	-4.5	3,206	3,757	-14.7
Total operating performance	89,251	75,958	+17.5	250,996	209,825	+19.6
Other operating income	1,603	5,938	-73.0	6,236	11,345	-45.0
Cost of materials	-29,839	-26,877	-11.0	-85,132	-73,671	-15.6
Personnel costs	-33,579	-30,379	-10.5	-98,425	-93,847	-4.9
Depreciation and amortization	-4,460	-4,081	-9.3	-13,040	-12,257	-6.4
Other operating expenses	-14,539	-15,544	+6.5	-42,628	-38,160	-11.7
Earnings before financial result and income tax (EBIT)	8,437	5,015	+68.2	18,007	3,235	> +100
Result from companies consolidated using the equity method	641	1,255	-48.9	2,239	2,354	-4.9
Investment result	0	0	0.0	0	-3,071	n/a
Interest and similar income	22	9	> +100	86	23	> +100
Interest and similar expense	-1,818	-833	< -100	-5,044	-2,470	< -100
Financial result	-1,155	431	n. a.	-2,719	-3,164	+14.1
Earnings before taxes	7,282	5,446	+33.7	15,288	71	> +100
Income taxes	-1,072	-220	< -100	-3,389	-1,131	< -100
Net profit/loss	6,210	5,226	+18.8	11,899	-1,060	n/a
thereof attributable to other shareholders	0	24	n/a	-30	14	n/a
thereof attributable to shareholders of R. STAHL AG	6,210	5,202	+19.4	11,929	-1,074	n/a
Earnings per share in €	0.96	0.80	+20.0	1.85	-0.17	n/a

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 January to 30 September

€ 000	Q3 2023	Q3 2022	Change in %	9M 2023	9M 2022	Change in %
Net profit	6,210	5,226	+18.8	11,899	-1,060	n/a
Gains/losses from currency translations of foreign subsidiaries, recognized in equity	129	513	-74.9	-3,158	795	n/a
Deferred taxes on gains/losses from currency translations	0	0	0.0	0	0	0.0
Currency translation differences after taxes	129	513	-74.9	-3,158	795	n/a
Other comprehensive income with reclassification of profit for the period	129	513	-74.9	-3,158	795	n/a
Gains/losses from the subsequent measurement of pension obligations, recognized in equity	4,381	6,384	-31.4	3,001	30,885	-90.3
Deferred taxes from pension obligations	-1,295	-1,891	+31.5	-887	-9,136	+90.3
Other comprehensive income without reclassification to profit for the period	3,086	4,493	-31.3	2,114	21,749	-90.3
Other comprehensive income (valuation differences recognized directly in equity)	3,215	5,006	-35.8	-1,044	22,544	n/a
thereof attributable to other shareholders	4	-7	n/a	-18	6	n/a
thereof attributable to shareholders of R. STAHL AG	3,211	5,013	-35.9	-1,026	22,538	n/a
Total comprehensive income after tax	9,425	10,232	-7.9	10,855	21,484	-49.5
thereof attributable to other shareholders	4	17	-76.5	-48	20	n/a
thereof attributable to shareholders of R. STAHL AG	9,421	10,215	-7.8	10,903	21,464	-49.2

CONSOLIDATED BALANCE SHEET

€ 000	30 Sep. 2023	31 Dec. 2022	Change
ASSETS			
Intangible assets	48,374	48,829	-455
Property, plant & equipment	76,714	74,980	+1,734
Investments in associated companies	8,926	11,455	-2,529
Other financial assets	30	30	0
Other assets	2,895	2,262	+633
Investment property	4,136	4,292	-156
Deferred taxes	2,173	3,097	-924
Non-current assets	143,248	144,945	-1,697
Inventories and prepayments	67,122	48,920	+18,202
Trade receivables	43,722	37,353	+6,369
Contract receivables	28	6	+22
Income tax claims	1,561	1,531	+30
Other receivables and other assets	16,793	10,873	+5,920
Cash and cash equivalents	11,060	16,060	-5,000
Current assets	140,286	114,743	+25,543
Total assets	283,534	259,688	+23,846
EQUITY AND LIABILITIES			
Share capital	16,500	16,500	0
Capital reserve	13,457	13,457	0
Retained earnings	69,014	57,085	+11,929
Accumulated other comprehensive income	-16,921	-15,895	-1,026
Equity attributable to shareholders of R. STAHL AG	82,505	71,147	+10,903
Non-controlling interests	146	194	-48
Equity	82,196	71,341	+10,855
Pension provisions	60,975	64,168	-3,193
Other provisions	2,462	2,438	+24
Interest-bearing financial liabilities	3,560	1,166	+2,394
Lease liabilities	12,481	14,267	-1,786
Other liabilities	125	0	+125
Deferred taxes	6,860	5,911	+949
Non-current liabilities	86,463	87,950	-1,487
Provisions	7,697	7,974	-277
Trade payables	16,485	19,077	-2,592
Contract liabilities	251	439	-188
Interest-bearing financial liabilities	55,868	44,081	+11,787
Lease liabilities	3,679	5,427	-1,748
Deferred liabilities	17,436	13,852	+3,584
Income tax liabilities	1,470	746	+724
Other liabilities	11,989	8,801	+3,188
Current liabilities	114,875	100,397	+14,478
Total equity and liabilities	283,534	259,688	+23,846

CONSOLIDATED CASH FLOW STATEMENT

1 January to 30 September

€ 000	Q3 2023	Q3 2022	Change	9M 2023	9M 2022	Change
Net profit	6,210	5,226	+984	11,899	-1,060	+12,959
Result from the disposal of consolidated companies	0	418	-418	759	418	+341
Depreciation, amortization and impairment of non-current assets	4,460	4,082	+378	13,040	15,328	-2,288
Changes in non-current provisions	-23	-789	+766	-169	-815	+646
Changes in deferred taxes	-413	120	-533	943	421	-+522
Equity valuation	1,284	-1,255	+2,539	-314	-2,354	+2,040
Other income and expenses without cash flow impact	597	1,953	-1,356	2,297	725	+1,572
Result from the disposal of non-current assets	-17	-74	+57	0	-44	+44
Cash flow	12,098	9,681	+2,417	28,455	12,619	+15,836
Changes in current provisions	474	348	+126	-290	-177	-113
Changes in inventories, trade receivables and other non-capex or non-financial assets	-6,265	-11,335	+5,070	-33,571	-20,782	-12,789
Changes in trade payables and other non-capex or non-financial liabilities not attributable to investing or financing activities	-7,240	-5,198	-2,042	5,068	3,092	+1,976
Changes in working capital	-13,031	-16,185	+3,154	-28,793	-17,867	-10,926
Cash flow from operating activities	-933	-6,504	+5,571	-338	-5,248	+4,910
Cash outflow for capex on intangible assets	-1,761	-1,821	+60	-4,945	-5,850	+905
Cash outflow for capex on property, plant & equipment	-2,080	-1,385	-695	-5,108	-3,969	-1,139
Cash inflow from disposals of property, plant & equipment and investment property	0	110	-110	38	141	-103
Cash inflow from disposals of non-current financial assets	0	41	-41	0	3,354	-3,354
Cash flow from investing activities	-3,841	-3,055	-786	-10,015	-6,324	-3,691
Free cash flow	-4,774	-9,559	+4,785	-10,353	-11,572	+1,219
Cash outflow for the down payment of lease liabilities	-1,568	-1,570	+2	-4,677	-4,718	+41
Cash inflow from interest-bearing liabilities	10,774	8,772	+2,002	16,364	28,583	-12,219
Cash outflow for repayment of interest-bearing liabilities	-4,412	-252	-4,160	-5,974	-1,067	-4,907
Cash outflow for the down payment of lease liabilities	4,794	6,950	-2,156	5,713	22,798	-17,085
Changes in cash and cash equivalents	20	-2,609	+2,629	-4,640	11,226	-15,866
Foreign exchange and valuation-related changes in cash and cash equivalents	53	603	-550	-360	815	-1,175
Cash and cash equivalents at the beginning of the period	10,987	20,389	-9,402	16,060	6,342	+9,718
Cash and cash equivalents at the end of the period	11,060	18,383	-7,323	11,060	18,383	-7,323

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 January to 30 September

€ 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			-1,074			0	-1,074	14	-1,060
Accumulated other comprehensive income				789	21,749	22,538	22,538	6	22,544
Total comprehensive income			-1,074	789	21,749	22,538	21,464	20	21,484
Dividend distribution									
30 Sep. 2022	16,500	13,457	54,065	-3,685	-9,320	-13,005	71,017	233	71,250
1 Jan. 2023	16,500	13,457	57,085	-6,130	-9,765	-15,895	71,147	194	71,341
Net profit/loss			11,929			0	11,929	-30	11,899
Accumulated other comprehensive income				-3,140	2,114	-1,026	-1,026	-18	-1,044
Total comprehensive income			11,929	-3,140	2,114	-1,026	10,903	-48	10,855
Dividend distribution									
30 Sep. 2023	16,500	13,457	69,014	-9,270	-7,651	-16,921	82,050	146	82,196

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:

€ 000	9M 2023	9M 2022
Sales from contracts with customers	239,932	201,744
Rental income from investment property	761	761
Total	240,693	202,505

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

€ 000	9M 2023	9M 2022
At a specific time	231,022	193,770
Over a specific period	9,671	8,735
Total	240,693	202,505

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

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:

€ 000	30 Sep. 2023	31 Dec. 2022
Positive market values		
Currency derivatives without hedging relationship	0	62
Negative market values		
Currency derivatives without hedging relationship	-125	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.

6. NUMBER OF EMPLOYEES

The number of employees at the 30 September 2023 reporting date was 1,724 (31 December 2022: 1,676), not including apprentices.

Waldenburg, 7 November 2023

R. Stahl Aktiengesellschaft

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.

Dr. Mathias Hallmann
Chief Executive Officer

FINANCIAL CALENDAR 2024

15 February

Preliminary figures for FY 2023

27 June

31st Annual General Meeting

17 April

Annual Report FY 2023

8 August

Interim Report H1 2024

8 May

Interim Report Q1 2024

6 November

Interim Report Q3 2024

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