# QUARTERLY REPORT
Q2/2019

# Group key figures

| Key financial figures | | 1–6/2017 | 1–6/2018 | 1–6/2019 |
|---|---|---|---|---|
| Revenues | € million | 393.6 | 352.7 | 394.6 |
| EBITDA | € million | 13.3 | 19.4 | 16.6 |
| EBIT | € million | 2.7 | 10.1 | 5.2 |
| EBIT margin | | 0.7 % | 2.9 % | 1.3 % |
| EBT | € million | 3.7 | 6.1 | 2.0 |
| Net profit for the period | € million | 3.4 | 5.3 | 1.6 |
| | | | | |
| Cash flow from operating activities | € million | -51.7 | -39.4 | -115.7 |
| Investments[1] | € million | -7.7 | -8.2 | -6.8 |
| | | | | |
| Total assets[2] | € million | 685.4 | 696.2 | 900.8 |
| Equity in % of total assets | | 33.6 % | 31.7 % | 25,1 %[3] |
| Capital employed (average) | € million | 497.6 | 493.2 | 597.2 |
| Return on capital employed | | 0.5 % | 2.0 % | 0.9 % |
| Return on equity | | 1.6 % | 2.7 % | 0.9 % |
| Net debt | € million | 247.9 | 245.5 | 396.8 |
| Trade working capital | € million | 406.0 | 388.6 | 514.9 |
| Gearing ratio | | 107.6 % | 111.2 % | 175.6 % |

| Key performance figures | | 1–6/2017 | 1–6/2018 | 1–6/2019 |
|---|---|---|---|---|
| Order backlog as of Jun 30 | € million | 812.0 | 1,030.5 | 1,229.4 |
| Order intake | € million | 458.3 | 525.4 | 571.1 |
| | | | | |
| Employees as of Jun 30 | | 3,315 | 3,471 | 3,683 |

| Key stock exchange figures | | 1–6/2017 | 1–6/2018 | 1–6/2019 |
|---|---|---|---|---|
| Closing share price | € million | 57.7 | 47.0 | 42.5 |
| Number of shares | million units | 6.8 | 6.8 | 6.8 |
| Market capitalization | € million | 392.4 | 319.6 | 289.0 |
| Earnings per share | € | -0.3 | 0.1 | -0.4 |

[1] Investments relate to rights and property, plant and equipment (without usage rights according to IFRS 16)
[2] Details on IFRS 16 under "Explanatory notes", page 14
[3] Equity ratio without application of IFRS 16: 25.8 %

# Content

# Interim Group management report

## ECONOMIC ENVIRONMENT

Global economic growth continued to lose momentum in the first half of 2019. The International Monetary Fund (IMF) is revising its forecast of this year's global economic growth and reducing it from 3.3% to 3.2% in light of the most recent national publications on economy and inflation that indicate weaker than expected overall economic activity. The trade conflict between the US and China, the uncertainty surrounding Brexit and new geopolitical tensions – which could have an unfavorable impact on energy prices – are causing a particularly negative impact. At the same time, the forecast for 2020 was lowered from 3.6% to 3.5%. According to the IMF, multilateral political efforts are needed to put global growth back on a solid footing.

Against this backdrop, the global firefighting industry – a typical "follower" – is continuing to experience robust demand. This is particularly defined by countries with steady procurement. This year, North America, Europe and Asia should therefore see even stronger growth.

## DEVELOPMENT OF REVENUES AND EARNINGS

### Revenues

The Rosenbauer Group generated revenues of € 394.6 million in the first six months of 2019 (1–6/2018: € 352.7 million). In particular, deliveries to North America, Central Europe and Asia were higher, while the Middle East, North America and Stationary Fire Protection recorded declines.

Group revenues are currently divided across the sales areas as follows[1]: 33% in the CEEU area, 10% in the NISA area, 8% in the MENA area, 14% in the APAC area, 32% in the NOMA area, and 3% in the Stationary Fire Protection segment.

As shown from past experience, the first six months of the year are characterized by the build-up of inventories and a comparatively lower result, because the majority of vehicle deliveries are made in the second half of the year.

1 CEEU: Central and Eastern Europe; NISA: Northern Europe, Iberia, South America and Africa; MENA: Middle East and North Africa; APAC: Asia-Pacific, Australia, China; NOMA: North and Middle America

### Result of operations

At € 5.2 million, EBIT for the first six months of 2019 was well below the corresponding figure from the previous year (1–6/2018: € 10.1 million). This was due to higher expenses for staff and materials that anticipate the planned increase in output in the second half of the year and a "short" June, which had fewer working days in production than in the previous year.

Consolidated EBT for the reporting period therefore amounted to € 2 million (1–6/2018: € 6.1 million).

## ORDERS

Incoming orders developed extremely dynamically in the first six months at € 571.1 million (1–6/2018: € 525.4 million). By far the strongest year-on-year growth was reported in the Central and Eastern Europe sales area.

The order backlog was € 1,229.4 million (1–6/2018: € 1,030.5 million). This order backlog gives the Rosenbauer Group a satisfactory level of capacity utilization at its production facilities and good visibility for the second half of the year.

## SEGMENT DEVELOPMENT

In line with the organizational structure, segment reporting is presented based on the five defined areas or sales regions: the CEEU area (Central and Eastern Europe), the NISA area (Northern Europe, Iberia, South America and Africa), the MENA area (Middle East and North Africa), the APAC area (Asia, Pacific, Australia, China), and the NOMA area (North and Middle America). In addition to this geographical structure, the SFP (Stationary Fire Protection) segment is shown as a further segment in internal reporting.

### CEEU area segment

The CEEU area comprises most countries of Central and Eastern Europe, with the D-A-CH region (Germany, Austria, Switzerland) as its historic domestic market, as well as the Baltics.

The CEEU area includes the Group companies Rosenbauer International and Rosenbauer Österreich in Leonding, Rosenbauer Deutschland in Luckenwalde, Rosenbauer Karlsruhe (Germany), Rosenbauer Slovenia in Radgona, Rosenbauer Rovereto (Italy) and Rosenbauer Schweiz in Oberglatt (Switzerland). The plants produce products for sale in CEEU, but also deliver products to all other areas. Since mid-2018, Rosenbauer has also been present in Poland with its own sales and service company.

#### Business development

Revenues in the CEEU area segment rose to € 131.0 million in the period under review after € 111.2 million in the same period of the previous year. EBIT fell to € 4.0 million (1–6/2018: € 5.5 million) due to an unfavorable product mix.

### NISA area segment

The NISA area comprises Western European countries from the North Cape to Gibraltar and almost all African and South American nations.

The NISA area includes the Group companies Rosenbauer Española in Madrid (Spain), Rosenbauer South Africa in Johannesburg (South Africa), Service 18 in Chambéry (France) and Rosenbauer UK in Meltham (UK).

#### Business development

In the reporting period, revenues of the NISA area segment were significantly lower than in the comparative period of the previous year at € 38.4 million (1–6/2018: € 40.8 million). EBIT was still negative at € -0.5 million (1–6/2018: € -1.1 million) in the period under review.

### MENA area segment

The MENA area comprises the countries in the Middle East and North Africa.

The sales area includes Rosenbauer Saudi Arabia in Riyadh (Saudi Arabia) including the King Abdullah Economic City (KAEC) production site and a number of service locations.

#### Business development

The MENA area segment posted lower revenues year-on-year at € 29.8 million (1–6/2018: € 43.5 million). Lower capacity utilization led to insufficient coverage of fixed costs. EBIT was negative at € -2.3 million in the reporting period (1–6/2018: € 2.4 million).

### APAC area segment

The APAC area comprises the entire Asia-Pacific region, Russia, Turkey, India and China.

The APAC area includes the Group companies S.K. Rosenbauer in Singapore (Singapore) and Rosenbauer Australia, Brisbane, (Australia). There are further sales and service locations in China, Brunei, the Philippines and Hong Kong.

#### Business development

Revenues in the APAC area segment increased to € 56.0 million in the reporting period (1–6/2018: € 48.4 million). EBIT could be improved year-on-year to € 1.3 million (1–6/2018: € -0.2 million).

**NOMA area segment**

The NOMA area comprises primarily the US, Canada, and countries in Central America, and the Caribbean.

In addition to the holding company Rosenbauer America, based in Lyons, the area also includes the production companies Rosenbauer Minnesota and Rosenbauer Motors, also in Wyoming (Minnesota), Rosenbauer South Dakota in Lyons (South Dakota) and Rosenbauer Aerials in Fremont (Nebraska).

Business development

Revenues in the NOMA area segment increased to € 128.7 million in the first six months of this year (1–6/2018: € 97.5 million). At the same time, EBIT was at previous year's level at € 4.6 million.

**Stationary Fire Protection (SFP) segment**

Stationary Fire Protection handles the planning, installation, and maintenance of stationary firefighting and alarm systems. The segment is being cultivated by the two Group companies Rosenbauer Brandschutz in Leonding and Rosenbauer Brandschutz Deutschland in Mogendorf (Germany). Rosenbauer is therefore a full-service supplier in this field as well.

Business development

Revenues in the SFP segment fell to € 10.7 million in the first half year of 2019 after € 11.3 million in the same period of the previous year. Segment EBIT was negative in the reporting period at € -1.8 million (1–6/2018: € -1.1 million) due to insufficient coverage of fixed costs and more intensive sales activities.

## FINANCIAL AND NET ASSETS POSITION

For reasons specific to the industry, the structure of the Rosenbauer Group's statement of financial position as of the end of the first half year is characterized by high trade working capital. Total assets increased to € 900.8 million by period comparison (June 30, 2018: € 696.2 million), which can be attributed in particular to the higher current assets compared with the balance sheet date of December 31, 2018. The first-time application of IFRS 16 contributed to an extension of the balance sheet total in the amount of € 24.7 million.

The major changes result from inventories and current receivables. Inventories increased to € 466.1 million (June 30, 2018: € 328.6 million). The current receivables were above the previous year's level at € 207.3 million (June 30, 2018: € 160.2 million).

The Group's net debt (the net amount of interest-bearing liabilities less cash and cash equivalents and securities) increased year-on-year to € 396.8 million (June 30, 2018: € 245.5 million).

Owing to the high level of trade working capital – due to in increase in inventories – the intra-year cash flow from operating activities was still negative at € -115.7 million (1–6/2018: € -39.4 million). An improvement in the cash flow from operating activities is expected by the end of the year.

## INVESTMENTS

Capital expenditure amounted to € 6.8 million in the reporting period (1–6/2018: € 8.2 million). The completion of ongoing investment projects is particularly important. Above all, this includes for example the modernization of Plant I in Leonding, which is undergoing reorganization with a view to increasing efficiency and profitability, as well as the complete robotization of the welding of aerials at the Karlsruhe location.

## OUTLOOK

The IMF recently again reduced its global growth forecast. International trade conflicts, Brexit and geopolitical tensions are slowing trade. Next year, growth should therefore stabilize and the global economy should be able to move up again by 3.5%.

As shown from past experience, the firefighting industry follows the general economy at a delay of several months. Demand is robust and, not least thanks to full order books, the sector is holding its ground despite slowing economic growth. A consistently vital international project landscape should also support further market growth and prolong the successful development of the sector. In particular North America, Europe and Asia should expand their volume.

Against this background, the Rosenbauer Executive Board believes that the company is still within the target corridor and is anticipating revenues above € 950 million and an EBIT margin of approximately 5.5% for 2019 as a whole.

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

By the time of the preparation of this report, there have been no events of particular significance to the Group that would have altered its net assets, financial position, or result of operations since the end of the reporting period.

## MATERIAL RISKS AND UNCERTAINTIES IN THE REMAINING MONTHS OF THE FINANCIAL YEAR AND RISK MANAGEMENT

Rosenbauer is exposed to various risks in its business activities. The ongoing identification, appraisal and controlling of these risks are an integral part of the management, planning and controlling process. The risk management system builds on the organizational, reporting and leadership structures in place within the Group and supplements these with specific elements needed for proper risk assessment. A detailed presentation of the opportunities and risks faced by the Group can be found in the 2018 annual report.

### Sector and company-specific risks

Risks to the fire safety business arising from changes in overall political or legal conditions are very difficult to protect against. However, given that most customers operate in the public sector, it is rare that they cancel orders. Political crises and embargoes can temporarily limit access to certain markets.

### Operating risks

Manufacturing activities necessitate a thorough examination of risks along the entire value chain. In view of today's ever-shorter innovation cycles, research and development work is becoming increasingly significant. The potential production risks are monitored on an ongoing basis using a series of key performance indicators (productivity, assembly and throughput times, production numbers, quality, costs, etc.).

In addition to local performance indicators, the central controlling element in vehicle manufacturing operations is "concurrent costing", whereby variance analysis is used to monitor the production costs of every single order. To even out changes in capacity utilization at individual locations, Rosenbauer's manufacturing processes operate on a Group-wide basis and the company also outsources construction contracts to external partners. This limits the risk of the underutilization of production capacity in the event of a significant market decline.

### Legal risks

Rosenbauer International AG and its subsidiaries face legal proceedings in the context of their business activities.

A civil suit was brought against Rosenbauer International AG in 2017. Appropriate provisions were recognized as of December 31, 2017, whereby the present proceedings have not yet been concluded.

Rosenbauer International AG was sued in the second half of 2017 regarding an order placed by the Croatian Ministry of the Interior in 2003. The outcome of the investigations is not known at this time, hence no accounting measures have been taken.

Irregularities were detected in the process of preparing the 2017 annual financial statements of Rosenbauer Deutschland GmbH. The investigations initiated in this context were concluded by the end of 2018. The assertion of claims has been initiated at the civil courts. There were some settlements reached with two parties in order to help repair the damage.

### Financial risks

The international nature of the Group's activities gives rise to interest and currency-related risks that are hedged by the use of suitable instruments. A financial and treasury policy that applies throughout the Group stipulates which instruments are permitted. Operating risks are hedged with derivative financial instruments such as interest rate swaps, FX forwards and FX options. These transactions are conducted solely to hedge risks and not for the purposes of trading or speculation.

### Assessment of overall risk

Rosenbauer feels that it is well positioned to meet the demands made on it by its customers, the market, the economic environment and international competition. Based on the analysis of currently discernible risks, there are no indications of any risks that – either singly or in conjunction with other risks – might jeopardize the Group's continued existence. This applies both to the results of past business activity and to activities that are planned or have already been initiated.

# Interim consolidated financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| **ASSETS** (in € thousand) | **Jun. 30, 2018** | **Dec. 31, 2018** | **Jun. 30, 2019** |
|---|---|---|---|
| **A. Non-current assets** | | | |
| I. Property, plant and equipment | 147,001.5 | 147,266.5 | 147,040.6 |
| II. Intangible assets | 27,289.3 | 26,169.6 | 25,537.4 |
| III. Right-of-use assets | 0.0 | 0.0 | 24,698.4 |
| IV. Securities | 774.7 | 735.9 | 729.7 |
| V. Investments in companies accounted for using the equity method | 6,052.2 | 5,558.7 | 5,634.1 |
| VI. Receivables and other assets | 104.1 | 0.0 | 0.0 |
| VII. Deferred tax assets | 5,660.4 | 5,529.7 | 7,467.8 |
| | **186,882.2** | **185,260.4** | **211,108.0** |
| **B. Current assets** | | | |
| I. Inventories | 328,628.4 | 368,139.1 | 466,110.0 |
| II. Receivables and other assets | 160,166.6 | 202,808.9 | 207,289.0 |
| III. Income-tax receivables | 127.4 | 698.2 | 69.8 |
| IV. Cash and cash equivalents | 20,390.3 | 25,348.9 | 16,241.0 |
| | **509,312.7** | **596,995.1** | **689,709.8** |
| **Total ASSETS** | **696,194.9** | **782,255.5** | **900,817.8** |

| **EQUITY AND LIABILITIES** (in € thousand) | **Jun. 30, 2018** | **Dec. 31, 2018** | **Jun. 30, 2019** |
|---|---|---|---|
| **A. Equity** | | | |
| I. Share capital | 13,600.0 | 13,600.0 | 13,600.0 |
| II. Capital reserves | 23,703.4 | 23,703.4 | 23,703.4 |
| III. Other reserves | -6,697.6 | -8,698.6 | -8,529.2 |
| IV. Accumulated results | 162,667.2 | 179,956.7 | 168,527.5 |
| **Equity attributable to shareholders of the parent company** | **193,273.0** | **208,561.5** | **197,301.7** |
| V. Non-controlling interests | 27,379.8 | 28,500.0 | 28,645.4 |
| **Total equity** | **220,652.8** | **237,061.5** | **225,947.1** |
| **B. Non-current liabilities** | | | |
| I. Non-current interest-bearing liabilities | 107,725.9 | 92,178.5 | 309,983.9 |
| II. Other non-current liabilities | 1,340.4 | 3,713.0 | 1,489.5 |
| III. Non-current provisions | 31,709.0 | 32,019.5 | 32,389.6 |
| IV. Deferred tax liabilities | 1,437.5 | 1,552.2 | 1,493.2 |
| | **142,212.8** | **129,463.2** | **345,356.2** |
| **C. Current liabilities** | | | |
| I. Current interest-bearing liabilities | 158,899.9 | 165,392.0 | 103,790.0 |
| II. Advance payments received | 25,734.6 | 0.0 | 0.0 |
| III. Contract liabilities | 0.0 | 106,942.1 | 97,007.4 |
| IV. Trade payables | 56,892.5 | 44,043.4 | 38,724.3 |
| V. Other current liabilities | 66,711.9 | 70,074.6 | 68,476.8 |
| VI. Provisions for taxes | 2,841.9 | 6,855.0 | 6,567.1 |
| VII. Other provisions | 22,248.5 | 22,423.7 | 14,948.9 |
| | **333,329.3** | **415,730.8** | **329,514.5** |
| **Total EQUITY AND LIABILITIES** | **696,194.9** | **782,255.5** | **900,817.8** |

# CONSOLIDATED INCOME STATEMENT

| in € thousand | 1–6/2018 | 1–6/2019 | 4–6/2018 | 4–6/2019 |
|---|---|---|---|---|
| 1. Revenues | 352,721.8 | 394,613.9 | 190,343.9 | 218,826.6 |
| 2. Other income | 2,639.8 | 1,252.2 | 918.0 | 71.0 |
| 3. Change in inventory of finished goods and work in progress | 71,585.9 | 58,956.1 | 29,779.5 | 21,157.2 |
| 4. Capitalized development costs | 562.0 | 1,742.0 | 316.6 | 749.7 |
| 5. Costs of goods sold | -257,608.7 | -270,050.6 | -131,800.2 | -145,554.3 |
| 6. Staff costs | -105,664.2 | -117,904.2 | -52,804.6 | -59,236.7 |
| 7. Depreciation and amortization expense on property, plant and equipment and intangible assets | -9,295.4 | -11,390.8 | -4,707.2 | -6,800.2 |
| 8. Impairment losses on property, plant and equipment and intangible assets | 0.0 | 0.0 | 0.0 | 0.0 |
| 9. Other expenses | -44,862.5 | -51,975.0 | -23,092.1 | -26,046.8 |
| **10. Operating result (EBIT) before share in results of companies accounted for using the equity method** | **10,078.7** | **5,243.6** | **8,953.9** | **3,166.5** |
| 11. Financing expenses | -4,529.1 | -3,077.3 | -3,329.3 | -1,497.4 |
| 12. Financing income | 936.6 | 183.3 | -341.2 | 98.2 |
| 13. Share in results of companies accounted for using the equity method | -373.8 | -358.9 | -76.8 | -504.6 |
| **14. Profit before income tax (EBT)** | **6,112.4** | **1,990.7** | **5,206.6** | **1,262.7** |
| 15. Income tax | -788.1 | -391.5 | -672.8 | -245.9 |
| **16. Net profit for the period** | **5,324.3** | **1,599.2** | **4,533.8** | **1,016.8** |
| thereof | | | | |
| Non-controlling interests | 4,346.9 | 4,528.4 | 1,724.0 | 2,192.4 |
| **Shareholders of parent company** | **977.4** | **-2,929.2** | **2,809.8** | **-1,175.6** |
| Average number of shares outstanding | 6,800,000 | 6,800,000 | 6,800,000 | 6,800,000 |
| Basic earnings per share | 0.14 | -0.43 | 0.41 | -0.17 |
| Diluted earnings per share | 0.14 | -0.43 | 0.41 | -0.17 |

## PRESENTATION OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| in € thousand | 1–6/2018 | 1–6/2019 | 4–6/2018 | 4–6/2019 |
|---|---|---|---|---|
| **Net profit for the period** | **5,324.3** | **1,599.2** | **4,533.8** | **1,016.8** |
| Restatements as required by IAS 19 | -41.1 | -33.9 | -20.6 | -17.0 |
| thereof deferred taxes | 10.3 | 8.5 | 5.2 | 4.3 |
| **Total changes in value recognized in equity that cannot be subsequently reclassified into profit or loss** | **-30.8** | **-25.4** | **-15.4** | **-12.7** |
| Gains / losses from foreign currency translation | 1,714.7 | 444.4 | 3,288.2 | -822.9 |
| Gains / losses from foreign currency translation of companies accounted for using the equity method | -252.6 | 434.1 | -154.9 | 44.2 |
| Gains / losses from available-for-sale-securities | | | | |
| Change in unrealized gains / losses | 22.5 | 0.0 | 5.7 | 0.0 |
| thereof deferred tax | -5.6 | 0.0 | -1.4 | 0.0 |
| Gains / losses from cash flow hedge | | | | |
| Change in unrealized gains / losses | -1,762.6 | -1,999.2 | -1,938.2 | 347.9 |
| thereof deferred tax | 440.6 | 499.8 | 484.5 | -87.0 |
| Realized gains / losses | -6.3 | 1,247.2 | 0.0 | 816.1 |
| thereof deferred tax | 1.6 | -311.8 | 0.0 | -204.0 |
| **Total changes in value recognized in equity subsequently reclassified into profit or loss when certain conditions are met** | **152.3** | **314.5** | **1,683.9** | **94.3** |
| **Other comprehensive income** | **121.5** | **289.1** | **1,668.5** | **81.6** |
| **Total comprehensive income after income taxes** | **5,445.8** | **1,888.3** | **6,202.3** | **1,098.4** |
| thereof: | | | | |
| Non-controlling interests | 5,129.8 | 4,648.1 | 3,308.2 | 1,823.8 |
| Shareholders of parent company | 316.0 | -2,759.8 | 2,894.1 | -725.4 |

## CHANGES IN CONSOLIDATED EQUITY

| | Attributable to shareholders in the parent company | | | | |
|---|---|---|---|---|---|
| | | | Other reserves | | |
| in € thousand | Share capital | Capital reserve | Currency translation | Restatement as required by IAS 19 | Revaluation reserve |
| **As of Jan 1, 2019** | **13,600.0** | **23,703.4** | **187.8** | **-6,199.6** | **0.0** |
| Other comprehensive income | 0.0 | 0.0 | 758.8 | -25.4 | 0.0 |
| Net profit for the period | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total comprehensive income** | **0.0** | **0.0** | **758.8** | **-25.4** | **0.0** |
| Dividend | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **As of Jun 30, 2019** | **13,600.0** | **23,703.4** | **946.6** | **-6,225.0** | **0.0** |
| | | | | | |
| As of Dec. 31, 2017 | 13,600.0 | 23,703.4 | 359.7 | -6,619.8 | 126.3 |
| Adjustment IFRS 15[1] | | | | | |
| **As of Jan 1, 2018** | **13,600.0** | **23,703.4** | **359.7** | **-6,619.8** | **126.3** |
| Other comprehensive income | 0.0 | 0.0 | 679.2 | -30.8 | 16.9 |
| Net profit for the period | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total comprehensive income** | **0.0** | **0.0** | **679.2** | **-30.8** | **16.9** |
| Dividend | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **As of Jun 30, 2018** | **13,600.0** | **23,703.4** | **1,038.9** | **-6,650.6** | **143.2** |

1 Since January 1, 2018, Rosenbauer has been applying the new standards IFRS 9 and IFRS 15 for the first time. For the transition to the new provisions, the modified, retrospective approach was selected in each case where the previous year's values were not adjusted. More details can be found in the Explanatory Notes.

| Hedging reserve | Accumulated results | Subtotal | Non-controlling interests | Group equity |
|---|---|---|---|---|
| **-2,686.8** | **179,956.7** | **208,561.5** | **28,500.0** | **237,061.5** |
| -564.0 | 0.0 | 169.4 | 119.7 | 289.1 |
| 0.0 | -2,929.2 | -2,929.2 | 4,528.4 | 1,599.2 |
| **-564.0** | **-2,929.2** | **-2,759.8** | **4,648.1** | **1,888.3** |
| 0.0 | -8,500.0 | -8,500.0 | -4,502.7 | -13,002.7 |
| **-3,250.8** | **168,527.5** | **197,301.7** | **28,645.4** | **225,947.1** |
| 97.6 | 176,960.9 | 208,228.1 | 30,977.8 | 239,205.9 |
| | -8,471.1 | -8,471.1 | -2,620.0 | -11,091.1 |
| **97.6** | **168,489.8** | **199,757.0** | **28,357.8** | **228,114.8** |
| -1,326.7 | 0.0 | -661.4 | 782.9 | 121.5 |
| 0.0 | 977.4 | 977.4 | 4,346.9 | 5,324.3 |
| **-1,326.7** | **977.4** | **316.0** | **5,129.8** | **5,445.8** |
| 0.0 | -6,800.0 | -6,800.0 | -6,107.8 | -12,907.8 |
| **-1,229.1** | **162,667.2** | **193,273.0** | **27,379.8** | **220,652.8** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| | in € thousand | 1–6/2018 | 1–6/2019 |
|---|---|---|---|
| | Profit before income tax | 6,112.4 | 1,990.7 |
| + | Depreciation | 9,295.4 | 11,390.8 |
| ± | Gains/losses of companies accounted for using the equity method | 373.8 | 358.9 |
| + | Interest expenses | 4,335.7 | 2,653.7 |
| - | Interest and securities income | -936.6 | -183.3 |
| ± | Unrealized gains/losses from currency translation | 1,211.4 | 561.3 |
| ± | Change in inventories | -76,078.5 | -97,970.9 |
| ± | Change in receivables and other assets | -4,896.9 | -5,049.4 |
| ± | Change in trade payables/advance payments received and contract liabilities | 22,456.4 | -15,004.6 |
| ± | Change in other liabilities | 82.7 | -2,953.6 |
| ± | Change in provisions (excluding income tax deferrals) | 2,741.8 | -7,104.7 |
| | **Cash earnings** | **-35,302.4** | **-111,311.1** |
| - | Interest paid | -1,937.3 | -2,111.8 |
| + | Interest received and income of securities | 473.7 | 179.6 |
| - | Income tax paid | -2,646.6 | -2,414.3 |
| | **Net cash flow from operating activities** | **-39,412.6** | **-115,657.6** |
| - | Proceeds/Payments from the sale/purchase of property, plant and equipment, intangible assets and securities | -8,352.5 | -7,085.2 |
| - | Income from capitalized development costs | -562.0 | -1,742.0 |
| | **Net cash flow from investing activities** | **-8,914.5** | **-8,827.2** |
| - | Payments from the acquisition of non-controlling interests | 0.0 | -3,099.0 |
| - | Dividends paid | -6,800.0 | -8,500.0 |
| - | Dividends paid to non-controlling interests | -6,107.8 | -4,502.7 |
| + | Proceeds from interest-bearing liabilities | 135,274.5 | 214,088.6 |
| - | Repayment of interest-bearing liabilities | -73,573.5 | -82,696.0 |
| | **Net cash flow from financing liabilities** | **48,793.2** | **115,290.9** |
| | **Net change in cash and cash equivalents** | **466.1** | **-9,193.9** |
| + | Cash and cash equivalents at the beginning of the period | 20,041.1 | 25,348.9 |
| ± | Adjustment from currency translation | -116.9 | 86.0 |
| | **Cash and cash equivalents at the end of the period** | **20,390.3** | **16,241.0** |

## SEGMENT REPORTING

| **Business Segments** in T€ | **1–6/2018** | **1–6/2019** |
|---|---|---|
| External revenues | | |
| Area CEEU | 111,223.7 | 130,986.5 |
| Area NISA | 40,837.4 | 38,375.6 |
| Area MENA | 43,498.3 | 29,823.5 |
| Area APAC | 48,385.7 | 56,034.9 |
| Area NOMA | 97,488.7 | 128,699.4 |
| SFP[1] | 11,288.0 | 10,694.0 |
| **Group** | **352,721.8** | **394,613.9** |
| **Operating result (EBIT)** | | |
| Area CEEU | 5,513.8 | 3,980.9 |
| Area NISA | -1,079.2 | -532.6 |
| Area MENA | 2,367.1 | -2,312.0 |
| Area APAC | -190.4 | 1,302.2 |
| Area NOMA | 4,584.4 | 4,604.1 |
| SFP[1] | -1,117.0 | -1,799.0 |
| **EBIT before share of results of companies accounted for using the equity method** | **10,078.7** | **5,243.6** |
| Finance expenses | -4,529.1 | -3,077.3 |
| Financial income | 936.6 | 183.3 |
| Share in results of companies accounted for using the equity method | -373.8 | -358.9 |
| **Profit before income tax (EBT)** | **6,112.4** | **1,990.7** |

| **Business Units** in T€ | **1–6/2018** | **1–6/2019** |
|---|---|---|
| External revenues | | |
| Vehicles | 274,041.0 | 301,525.8 |
| Fire & Safety Equipment | 29,232.4 | 39,416.5 |
| Stationary Fire Protection (SFP) | 11,288.0 | 10,930.0 |
| Customer Service | 25,576.3 | 28,536.0 |
| Others | 12,584.1 | 14,205.6 |
| **Group** | **352,721.8** | **394,613.9** |

1 Stationary Fire Protection

# Explanatory notes to the Quarterly Report as of June 30, 2019

## 1. INFORMATION ON THE COMPANY AND THE BASIS OF PREPARATION

The Rosenbauer Group is an international group of companies whose parent company is Rosenbauer International AG, Austria. Its main focus is on the production of firefighting vehicles, the development and manufacture of firefighting systems, equipping vehicles and their crews and preventive firefighting. The Group's head office is located at Paschinger Strasse 90, 4060 Leonding, Austria.

These unaudited interim consolidated financial statements as of June 30, 2019 were prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) as endorsed in the EU, notably IAS 34 (Interim Financial Reporting). The condensed interim consolidated financial statements therefore do not contain all the information or explanatory notes stipulated by IFRS for consolidated financial statements as of the end of the financial year, and should instead be read in conjunction with the IFRS consolidated financial statements published by the company for financial year 2018. With the exception of standards that have come into effect in the interim, the interim consolidated financial statements have been prepared on the basis of the same accounting policies as those applied as of December 31, 2018.

The interim consolidated financial statements have been prepared in thousands (€ thousand) and, unless expressly stated, this also applies to the figures shown in the notes.

In the case of this report it was decided to dispense with an audit or review by an external auditor.

## 2. FIRST-TIME APPLICATION OF IFRS STANDARDS

In accordance with IFRS 16, which was adopted in January 2016 and replaces IAS 17 and the related interpretations, there is a new regulation for the accounting of leases. Lessees must recognize assets and liabilities in the statement of financial position for most leases regardless of whether they are operating or finance leases under past IAS 17 criteria. While payment obligations for operating leases previously had to be recognized as an expense in the income statement and disclosed in the notes, right-of-use assets (the value of which is the present value of the future lease payments plus directly attributable costs) and – at the same time – lease liabilities for the obligation to make future lease payments must be recognized in the future. While the lease liabilities are remeasured in line with financial circumstances over the term of the lease as under the regulations of IAS 17, the right-of-use asset is amortized. The lessees are required to remeasure the lease liability if changes are made to significant components of the contract. Correspondingly, the adjustment to the amount is recognized as a change to the right-of-use asset. The standard contains exceptions for low-value leases and short-term leases (a term of less than one year). In accordance with these exceptions, right-of-use assets and lease liabilities are not recognized for low-value leases or short-term leases. Instead, the underlying expenses are recognized, as before, as the basis of the leases in the income statement. The Rosenbauer Group will use the exceptions for low-value leases and short-term leases.

The Rosenbauer Group's total assets increased as of the first-time adoption date of January 1, 2019 due to the recognition of right-of-use assets and the corresponding liability of lease liabilities to the amount of € 24,099.4 thousand.

The impact of IFRS 16 as of the first-time adoption date are described in detail below:

in € thousand

| | |
|---|---|
| **Operating performance obligations in accordance with IFRS 16 as of January 1, 2019** | **33,588.6** |
| Simplification option for leases and non-lease components | -4,079.3 |
| Leases that do not meet the criteria of IFRS 16 | -2,745.7 |
| **Gross lease liabilities as of January 1, 2019** | **26,763.6** |
| Discounts | -2,664.2 |
| **Additional lease liabilities as a result of the first-time application of IFRS 16 as of January 1, 2019** | **24,099.4** |

The average weighted lessee's incremental borrowing rate used to discount the lease liabilities in the table above was 1.8% as of January 1, 2019.

The following new standards applied in the interim reporting period have no impact on the consolidated financial statements of Rosenbauer International AG:

| | **Effective date** | |
|---|---|---|
| Standards / Interpretations | **according to IASB** | **according to EU-endorsementt** |
| IFRIC 23: Uncertainty over Income Tax Treatments (published June 2017) | Jan 1, 2019 | Jan 1, 2019 |
| Amendments to IAS 28: Long term interests in Associates and Joint Ventures (published October 2017) | Jan 1, 2019 | Jan 1, 2019 |
| Amendments to IFRS 9: Prepayment Features with Negative Compensation (published October 2017) | Jan 1, 2019 | Jan 1, 2019 |
| Improvements to IFRS (2015–2017) (published December 2017) | Jan 1, 2019 | Jan 1, 2019 |
| Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (published February 2018) | Jan 1, 2019 | Jan 1, 2019 |
| Amendments to References to the Conceptual Framework in IFRS Standards (published March 2018) | Jan 1, 2020 | Not yet applied |
| Amendment to IFRS 3 Business Combinations (published October 2018) | Jan 1, 2020 | Not yet applied |
| Amendments to IAS 1 und IAS 8: Definition of Material (published October 2018) | Jan 1, 2020 | Not yet applied |
| IFRS 17: Insurance Contracts (published May 2017) | Jan 1, 2021 | Not yet applied |

## 3. COMPARATIVE FIGURES FOR IFRS 16

The following tables depict the effects of the standard IFRS 16, which was applied for the first time, on the consolidated financial statements of 30 June 2019.

| in thousand EUR | 1–6/2019 | Adjustment IFRS 16 1–6/2019 | 1–6/2019 without application IFRS 16 |
|---|---|---|---|
| 1. Revenues | 394,613.9 | | 394,613.9 |
| 2. Other income | 1,252.2 | | 1,252.2 |
| 3. Change in inventory of finished goods and work in progress | 58,956.1 | | 58,956.1 |
| 4. Capitalized development costs | 1,742.0 | | 1,742.0 |
| 5. Costs of goods sold | -270,050.6 | | -270,050.6 |
| 6. Staff costs | -117,904.2 | | -117,904.2 |
| 7. Depreciation and amortization expense on property, plant and equipment and intangible assets | -11,390.8 | -1,984.1 | -9,406.7 |
| 8. Impairment losses on property, plant and equipment and intangible assets | 0.0 | | 0.0 |
| 9. Other expenses | -51,975.0 | 2,108.4 | -54,083.4 |
| **10. Operating result (EBIT) before share in results of companies accounted for using the equity method** | **5,243.6** | **124.3** | **5,119.3** |
| 11. Financing expenses | -3,077.3 | -236.8 | -2,840.5 |
| 12. Financing income | 183.3 | | 183.3 |
| 13. Share in results of companies accounted for using the equity method | -358.9 | | -358.9 |
| **14. Profit before income tax (EBT)** | **1,990.7** | **-112.5** | **2,103.2** |
| 15. Income tax | -391.5 | 28.1 | -419.6 |
| **16. Net profit for the period** | **1,599.2** | **-84.4** | **1,683.6** |
| | | | |
| thereof | | | |
| Non-controlling interests | 4,528.4 | -26.0 | 4,554.4 |
| Shareholders of parent company | -2,929.2 | -58.4 | -2,870.8 |
| | | | |
| Average number of shares outstanding | 6,800,000 | 6,800,000 | 6,800,000 |
| Basic earnings per share | -0.43 | -0.01 | -0.42 |
| Diluted earnings per share | -0.43 | -0.01 | -0.42 |

| Balance sheet item / in thousand EUR | Jun. 30, 2019 | Adjustment IFRS 16 Jun. 30, 2019 | Jun. 30, 2019 without application IFRS 16 |
|---|---|---|---|
| **A. Non-current assets** | | | |
| III. Right-of-use assets | 24,698.4 | 24,698.4 | 0.0 |
| VI. Deferred tax assets | 7,467.8 | 28.1 | 7,439.7 |
| | | | |
| **A. Equity** | | | |
| IV. Accumulated results | 168,527.5 | -58.4 | 168,585.9 |
| V. Non-controlling interests | 28,645.4 | -26.0 | 28,671.4 |
| | | | |
| **B. Non-current liabilities** | | | |
| I. Non-current interest-bearing liabilities | 309,983.9 | 20,661.3 | 289,322.6 |
| | | | |
| **C. Current liabilities** | | | |
| I. Current interest-bearing liabilities | 103,790.0 | 4,149.6 | 99,640.4 |

## 4. COMPANIES INCLUDED IN CONSOLIDATION

In accordance with IFRS 10, the consolidated financial statements as of June 30, 2019 include three Austrian and 24 foreign subsidiaries, all of which are legally and actually controlled by Rosenbauer International AG and therefore included in consolidation. The shares in the associate in Russia (PA “Fire-fighting special technics,” Rosenbauer share: 49%) and the shares in the joint venture in Spain (Rosenbauer Ciansa S.L., Rosenbauer share: 50%) – established with the co-owner and Managing Director of Rosenbauer Española – are accounted for using the equity method.

## 5. SEASONAL FLUCTUATIONS

Owing to the high degree of dependency on public sector clients, the usual pattern in the fire equipment sector is for a very high proportion of its deliveries to be made in the second half of the year, especially in the final quarter. There can therefore be considerable differences – in terms of revenues and earnings – between the respective interim reporting periods. In the period under review there were no unusual developments over and above the seasonal fluctuations characteristic of the industry. Further information on developments in the period under review can be found in the interim Group management report.

## 6. SIGNIFICANT EFFECT OF ESTIMATES

The preparation of the interim consolidated financial statements requires the Executive Board to make assumptions and estimates that affect the amounts and reporting of assets, liabilities, income and expenses in the period under review. The actual amounts incurred can deviate from these estimates. Deviations from estimates had no significant effect on the financial statements in the reporting period.

## 7. RELATED PARTY DISCLOSURES

There has been no change in the composition of related parties since December 31, 2018. The following transactions were conducted with related parties in the period under review:

| in € thousand | Joint ventures 1–6/2018 | Joint ventures 1–6/2019 | Management 1–6/2018 | Management 1–6/2019 | Associated companies 1–6/2018 | Associated companies 1–6/2019 |
|---|---|---|---|---|---|---|
| Sale of goods | 0.7 | 0.0 | 0.0 | 0.0 | 1,367.3 | 78.4 |
| Purchase of goods | 932.0 | 426.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables | 0.2 | 0.0 | 0.0 | 0.0 | 1,891.2 | 267.7 |
| Liabilities | 1.6 | 347.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivable loans | 0.0 | 0.0 | 322.9 | 0.0 | 0.0 | 0.0 |
| Liabilities loans | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 | 0.0 |
| Land rent | 0.0 | 0.0 | 252.3 | 180.6 | 0.0 | 0.0 |

## 8. DIVIDENDS

At the Annual General Meeting held on May 23, 2019, the distribution of the dividend for 2018 proposed in the consolidated financial statements in the amount of € 1.25 per share (for 2017: € 1.0 per share) was resolved. The dividend was paid out on May 27, 2019.

## 9. INCOME TAX

Income tax for the period under review have been recognized on the basis of the best possible estimate of the weighted average annual income tax rate expected for the financial year as a whole. Tax on income for the first half of 2019 break down into € 1,007.4 thousand (1–6/2018: € 1,828.1 thousand) in current income tax expenses and € –615.9 thousand (1–6/2018: € –1,040.0 thousand) in changes in deferred income tax.

## 10. SEGMENT REPORTING

Since January 1, 2018, Rosenbauer has been applying the new standard IFRS 15 for the first time. For the transition to the new provisions, the modified, retrospective approach was selected in each case where the previous year’s values for revenues and EBIT are not adjusted.

In accordance with IFRS 15, segments must be defined and segment information disclosed on the basis of internal controlling and reporting. This results in segment reporting presented in line with the management approach of internal reporting.

The Group is managed by the chief operating decision makers on the basis of sales markets. The development of the market segments is particularly significant in internal reporting. Segmentation is based on the division of the sales regions (areas) defined by the chief operating decision makers. In addition to the segments managed by sales markets (areas), the SFP (Stationary Fire Production) segment is shown as a further segment in internal reporting.

The following reportable segments have been defined in line with the internal management information system: The CEEU area (Central and Eastern Europe), the NISA area (Northern Europe, Iberia, South America, Africa), the MENA area (Middle East, North Africa), the APAC area (Asia-Pacific), the NOMA area (North and Middle America) and SFP (Stationary Fire Production).

The chief operating decision makers monitor the EBIT of the areas separately in order to make decisions on the allocation of resources and to determine the units’ earnings power. Segment performance is assessed on the basis of EBIT using the same definition as in the consolidated financial statements. However, income taxes are managed on a uniform Group basis and are not allocated to the individual segments. Transfer prices between the segments are at arm's length. A condensed presentation of the segments in accordance with IAS 34 and further information on their composition and development can be found in the interim Group management report.

## 11. EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events occurred by the time of the preparation of the half year financial statements.

## 12. CONTINGENT CLAIMS AND CONTINGENT LIABILITIES

Rosenbauer International AG has not issued any liability statements for the benefit of non-Group companies. Also, as was the case at the end of the year, there are no contingent assets or liabilities from which material receivables or liabilities will result.

## 13. DISCLOSURES ON FINANCIAL INSTRUMENTS

Interest rate and FX risks are hedged using derivative financial instruments such as FX forwards and interest rate caps. These are initially recognized at fair value when the agreement is concluded and subsequently remeasured at fair value. While some of these transactions are hedges from a business perspective, they do not meet the hedge accounting requirements of IFRS 9. The changes in the fair value of these financial instruments are recognized immediately in profit or loss. As of June 30, 2019 the fair value of hedges recognized in the income statement was € –518.8 thousand (June 30, 2018: € -958.2 thousand), and that of the hedges recognized in other comprehensive income was € –4,334.4 thousand (June 30, 2018: € –1,638.8 thousand).

The financial investments available for sale shown in the following table as level 1 include listed equities and units in funds. The fair value of currency forwards and interest rate swaps shown as level 2 is determined by reference to bank valuations based on recognized mathematical measurement models (discounted cash flow method on the basis of current interest and currency future yields based on interbank mid-rates as of the end of the reporting period).

In 2019 – as in the previous year – there were no reclassifications between level 1 and level 2 or vice versa. There was no change in the measurement method.

| in € thousand | Level 1 Jun 30, 2018 | Level 1 Jun 30, 2019 | Level 2 Jun 30, 2018 | Level 2 Jun 30, 2019 |
|---|---|---|---|---|
| Derivative financial instruments without hedge | | | | |
| Positive fair value | | | 497.8 | 32.3 |
| Negative fair value | | | 1,456.0 | 551.1 |
| Derivative financial instruments with hedge | | | | |
| Positive fair value | | | 151.0 | 71.5 |
| Negative fair value | | | 1,789.8 | 4,405.9 |
| Interest rate hedges | | | | |
| Positive fair value | | | 0.0 | 0.0 |
| Negative fair value | | | 0.0 | 0.0 |
| Securities mandatorily measured at fair value through profit and loss | | | | |
| Positive fair value | 774.7 | 729.7 | | |
| Negative fair value | | | | |

The carrying amounts of cash and cash equivalents, trade receivables, trade payables, other financial assets and liabilities and current interest-bearing loan liabilities correspond to their fair values, which is why no further information of classification in a fair value hierarchy is included.

## 14. OTHER DISCLOSURES

A civil suit was brought against Rosenbauer International AG. An appropriate provision was recognized as of December 31, 2017. As of June 30, 2019, this procedure is yet to be completed.

Rosenbauer International AG was sued in the second half of 2017 in relation to investigations pertaining to the handling of an order placed by the Croatian Ministry of the Interior in 2003. No accounting measures were taken on the basis of the current assessment.

A civil antitrust lawsuit was filed against a company of the Rosenbauer Group in 2016, and an appropriate provision was recognized at that time. The procedure in question was legally completed in the first half of 2019.

# STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the interim group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Leonding, August 9, 2019

Dieter Siegel
CEO
Global central functions:
Corporate Development,
Human Resources,
Strategy,
Innovation & Marketing,
Group Communication,
Fire & Safety Equipment,
Product Management

Andreas Zeller
CSO
Global central functions:
Area Management
APAC, CEEU, MENA,
NISA and NOMA,
Sales Administration,
Customer Service

Daniel Tomaschko
CTO
Global central functions:
Stationary Fire Protection,
Supply Chain Management,
Central Technics,
CoC Operations

Sebastian Wolf
CFO
Global central functions:
Group Controlling,
Group Accounting and Tax,
Legal, Compliance &
Insurance, Export Finance,
Treasury, Investor Relations,
Internal Audit, IT

# CONTACT AND FINANCIAL CALENDAR 2019

## INVESTOR RELATIONS

Tiemon Kiesenhofer
Phone: +43 732 6794-568
E-mail: ir@rosenbauer.com
www.rosenbauer.com/group

## CAPITAL MARKET CALENDAR

| | |
|---|---|
| November 12, 2019 | Interim statement Q3/2019 |
| November 27, 2019 | Shareholders' Day, Leonding |

## ROSENBAUER SHARE DETAILS

| | |
|---|---|
| ISIN | AT0000922554 |
| Reuters | RBAV.VI |
| Bloomberg | ROS AV |
| Share class | No-par-value shares, bearer or registered |
| ATX prime weighting | 0.29% |

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