INTERIM STATEMENT Q3/2019

Q3

Group key figures

Key financial figures		1–9/2017	1–9/2018	1–9/2019
Revenues	€ million	604.5	552.0	614.5
EBITDA	€ million	29.7	31.0	32.4[1]
EBIT	€ million	14.8	17.0	15.1
EBIT margin		2.5%	3.1%	2.5%
EBT	€ million	13.9	11.7	9.9
Net profit for the period	€ million	11.1	10.6	9.0
Cash flow from operating activities	€ million	-50.7	-83.4	-136.3
Investments[2]	€ million	11.8	11.3	11.0
Total assets[3]	€ million	689.7	756.3	954.2
Equity in % of total assets		34.0%	29.7%	24.4%[4]
Capital employed (average)	€ million	504.8	518.1	615.0
Return on capital employed		2.9%	3.3%	2.5%
Return on equity		5.8%	5.1%	4.2%
Net debt	€ million	254.0	293.7	425.6
Trade working capital	€ million	401.7	440.1	537.7
Gearing ratio		108.2%	130.6%	182.9%

Key performance figures		1–9/2017	1–9/2018	1–9/2019
Order backlog as of Sep. 30	€ million	803.4	1,093.6	1,223.8
Order intake	€ million	654.4	789.9	784.1
Employees as of Sep. 30		3,374	3,546	3,781

Key stock exchange figures		1–9/2017	1–9/2018	1–9/2019
Closing share price	€ million	57.0	50.2	39.3
Number of shares	million units	6.8	6.8	6.8
Market capitalization	€ million	387.6	341.4	267.2
Earnings per share	€	0.5	0.6	0.3

1 EBITDA without application of IFRS 16: € 29.2 million
2 Investments relate to rights and property, plant and equipment (without usage rights according to IFRS 16)
3 Details on IFRS 16 under “Explanatory notes”, page 14
4 Equity ratio without application of IFRS 16: 25.0%

Content

Interim Group management report

ECONOMIC ENVIRONMENT

After a significant slowdown in the first three quarters of the previous year, global economic activity continued to weaken in 2019. In particular, manufacturing activities lost momentum and fell to levels similar to those seen at the time of the global financial crisis. Moreover, intensified economic and geopolitical disputes have raised doubts about the future of the global trading system and international cooperation and have also dampened economic optimism. At the same time, an accommodative monetary policy has cushioned the impact of these tensions on sentiment across financial markets, and a resilient service sector has created more employment.

Against this background, the International Monetary Fund (IMF) once again reduced its forecast for the global economy, which it expects to grow by 3.0% this year and by 3.4% in 2020. This corresponds to a reduction in the outlook of 0.3 and 0.2 percentage points compared with April.

The global firefighting industry is a typical “laggard” and continues to record robust demand in this environment. This is particularly defined by countries with steady procurement. This year, North America and Europe should therefore see even stronger growth.

DEVELOPMENT OF REVENUES AND EARNINGS

Revenues

The Rosenbauer Group generated revenues of € 614.5 million in the first three quarters of 2019 (1–9/2018: € 552.0 million). In particular, deliveries to North America, Central Europe and Asia were higher, while the Middle East, Northern and Western Europe recorded declines.

Group revenues are currently divided across the sales areas as follows[1]: 34% in the CEEU area, 10% in the NISA area, 8% in the MENA area, 13% in the APAC area, 32% in the NOMA area, and 3% in the Stationary Fire Protection segment.

[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

A pronounced seasonality is characteristic of the firefighting industry. This is because the vast majority of customers are public institutions that manage their budgets in line with government accounting regulations. Accordingly, inventories tend to build up in the first six months of a year, while deliveries are made predominantly in the second half of the year.

At € 15.1 million, EBIT in the first three quarters of 2019 was below the corresponding figure from the previous year (1–9/2018: € 17.0 million). This was due to higher expenses for staff and materials.

Consolidated EBT for the reporting period therefore amounted to € 9.9 million (1–9/2018: € 11.7 million).

ORDERS

Incoming orders presented dynamically in the first nine months and were on par with the previous year at € 784.1 million (1–9/2018: € 789.9 million). By far the strongest year-on-year growth was reported in the area NISA and CEEU.

The order backlog was € 1,223.8 million (1–9/2018: € 1,093.6 million), which is a new historical record value. This order backlog gives the Rosenbauer Group a satisfactory level of capacity utilization at its production facilities and good visibility for the remaining quarter and the year 2020.

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 € 210.3 million in the period under review after € 169.6 million in the same period of the previous year. EBIT rose to € 7.4 million (1–9/2018: € 3.5 million) thanks to higher deliveries.

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 € 60.0 million (1–9/2018: € 66.4 million). Thanks to a favorable product mix, EBIT is positive at € 0.4 million (1–9/2018: € 24 thousand).

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 € 48.4 million (1–9/2018: € 69.9 million). As a result of declining business and insufficient coverage of fixed costs, EBIT was still negative at € -2.5 million in the reporting period (1–9/2018: € 6.0 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 € 82.6 million in the reporting period (1–9/2018: € 74.7 million). EBIT fell to € 3.4 million (1–9/2018: € 3.8 million) due to an unfavorable product mix.

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 € 195.9 million in the first three quarters of this year (1–9/2018: € 154.9 million). EBIT was therefore also higher at € 8.2 million (1–9/2018: € 5.4 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 increased to € 17.3 million between January and September of this year (1–9/2018: € 16.5 million). Segment EBIT was negative in the reporting period at € -1.7 million (1–9/2018: € -1.8 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 three quarters is characterized by high trade working capital. Total assets increased to € 954.2 million by period comparison (September 30, 2018: € 756.3 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 € 23.8 million.

The major changes result from inventories and current receivables. Inventories increased to € 502.2 million (September 30, 2018: € 366.3 million), € 66.9 million of which are attributable to the conversion to IFRS 15. The current receivables were above the previous year's level at € 224.1 million (September 30, 2018: € 185.7 million). Owing to the high level of trade working capital the cash flow from operating activities was still negative at € -136.3 million (1–9/2018: € -83.4 million). A significant improvement in the cash flow from operating activities is expected by the end of the year.

The Group's net debt (the net amount of interest-bearing liabilities less cash and cash equivalents and securities) increased year-on-year to € 425.6 million (September 30, 2018: € 293.7 million).

INVESTMENTS

Capital expenditure amounted to € 11.0 million in the reporting period (1–9/2018: € 11.3 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 and geopolitical tensions are slowing investment decisions and trade. Next year, growth should stabilize again and the global economy should be able to move up by 3.4%.

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 and Europe should expand their volume.

In view of the very strong capacity utilization at the production facilities, the Rosenbauer Executive Board is raising its revenue target for 2019 to more than € 980 million, the EBIT margin will be expected at around 5.1%.

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.

Interim consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in € thousand)	**Sep. 30, 2018**	**Dec. 31, 2018**	**Sep. 30, 2019**
A. Non-current assets			
I. Property, plant and equipment	146,264.6	147,266.5	147,057.6
II. Intangible assets	27,076.4	26,169.6	26,811.7
III. Right-of-use assets			23,737.8
IV. Securities	778.3	735.9	779.6
V. Investments in companies accounted for using the equity method	5,857.0	5,558.7	5,609.2
VI. Receivables and other assets	94.1	0.0	0.0
VII. Deferred tax assets	6,528.9	5,529.7	7,630.1
	186,599.3	**185,260.4**	**211,626.0**
B. Current assets			
I. Inventories	366,282.0	368,139.1	502,167.3
II. Receivables and other assets	185,664.3	202,808.9	224,100.3
III. Income-tax receivables	63.7	698.2	139.0
IV. Cash and cash equivalents	17,657.6	25,348.9	16,190.5
	569,667.6	**596,995.1**	**742,597.1**
Total ASSETS	**756,266.9**	**782,255.5**	**954,223.1**

EQUITY AND LIABILITIES (in € thousand)	**Sep. 30, 2018**	**Dec. 31, 2018**	**Sep. 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	-7,137.3	-8,698.6	-9,312.5
IV. Accumulated results	166,073.9	179,956.7	173,538.2
Equity attributable to shareholders of the parent company	**196,240.0**	**208,561.5**	**201,529.1**
V. Non-controlling interests	28,567.3	28,500.0	31,118.0
Total equity	**224,807.3**	**237,061.5**	**232,647.1**
B. Non-current liabilities			
I. Non-current interest-bearing liabilities	107,718.3	92,178.5	311,267.9
II. Other non-current liabilities	1,362.9	3,713.0	1,721.7
III. Non-current provisions	31,621.5	32,019.5	32,439.6
IV. Deferred tax liabilities	1,441.6	1,552.2	1,434.2
	142,144.3	**129,463.2**	**346,863.4**
C. Current liabilities			
I. Current interest-bearing liabilities	204,375.4	165,392.0	131,260.8
II. Advance payments received	30,522.3	0.0	0.0
III. Contract liabilities	0.0	106,942.1	98,805.6
IV. Trade payables	61,003.6	44,043.4	50,420.4
V. Other current liabilities	71,469.2	70,074.6	78,945.5
VI. Provisions for taxes	2,567.1	6,855.0	1,169.6
VII. Other provisions	19,377.7	22,423.7	14,110.7
	389,315.3	**415,730.8**	**374,712.6**
Total EQUITY AND LIABILITIES	**756,266.9**	**782,255.5**	**954,223.1**

CONSOLIDATED INCOME STATEMENT

in € thousand	1–9/2018	1–9/2019	7–9/2018	7–9/2019
1. Revenues	552,024.6	614,504.4	199,302.8	219,890.5
2. Other income	3,442.2	2,230.8	802.4	978.6
3. Change in inventory of finished goods and work in progress	80,288.1	138,218.1	8,702.2	79,262.0
4. Capitalized development costs	840.0	2,757.7	278.0	1,015.7
5. Costs of goods sold	-377,573.9	-469,181.0	-119,965.2	-199,130.4
6. Staff costs	-160,717.9	-179,863.4	-55,053.7	-61,959.2
7. Depreciation and amortization expense on property, plant and equipment and intangible assets	-13,924.5	-17,300.6	-4,629.1	-5,909.8
8. Impairment losses on property, plant and equipment and intangible assets	0.0	0.0	0.0	0.0
9. Other expenses	-67,344.9	-76,263.0	-22,482.4	-24,288.0
10. Operating result (EBIT) before share in results of companies accounted for using the equity method	**17,033.7**	**15,103.0**	**6,955.0**	**9,859.4**
11. Financing expenses	-6,026.3	-5,001.3	-1,497.2	-1,924.0
12. Financing income	1,120.1	198.1	183.5	14.8
13. Share in results of companies accounted for using the equity method	-377.8	-438.0	-4.0	-79.1
14. Profit before income tax (EBT)	**11,749.7**	**9,861.8**	**5,637.3**	**7,871.1**
15. Income tax	-1,146.7	-892.4	-358.6	-500.9
16. Net profit for the period	**10,603.0**	**8,969.4**	**5,278.7**	**7,370.2**
thereof				
Non-controlling interests	6,218.9	6,887.9	1,872.0	2,359.5
Shareholders of parent company	**4,384.1**	**2,081.5**	**3,406.7**	**5,010.7**
Average number of shares outstanding	6,800,000	6,800,000	6,800,000	6,800,000
Basic earnings per share	0.64	0.31	0.50	0.74
Diluted earnings per share	0.64	0.31	0.50	0.74

PRESENTATION OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € thousand	1–9/2018	1–9/2019	7–9/2018	7–9/2019
Net profit for the period	**10,603.0**	**8,969.4**	**5,278.7**	**7,370.2**
Restatements as required by IAS 19	-61.6	-50.8	-20.5	-16.9
thereof deferred taxes	15.4	12.7	5.1	4.2
Total changes in value recognized in equity that cannot be subsequently reclassified into profit or loss	**-46.2**	**-38.1**	**-15.4**	**-12.7**
Gains / losses from foreign currency translation	2,144.4	2,941.1	429.7	2,496.7
Gains / losses from foreign currency translation of companies accounted for using the equity method	-443.8	488.3	-191.2	54.2
Gains / losses from available-for-sale-securities				
Change in unrealized gains / losses	26.1	0.0	3.6	0.0
thereof deferred tax	-6.5	0.0	-0.9	0.0
Gains / losses from cash flow hedge				
Change in unrealized gains / losses	-2,302.7	-5,271.4	-540.1	-3,272.2
thereof deferred tax	575.7	1,317.9	135.1	818.1
Realized gains / losses	-130.1	1,641.6	-123.8	394.4
thereof deferred tax	32.5	-410.4	30.9	-98.6
Total changes in value recognized in equity subsequently reclassified into profit or loss when certain conditions are met	**-104.4**	**707.1**	**-256.7**	**392.6**
Other comprehensive income	**-150.6**	**669.0**	**-272.1**	**379.9**
Total comprehensive income after income taxes	**10,452.4**	**9,638.4**	**5,006.6**	**7,750.1**
thereof:				
Non-controlling interests	7,169.4	8,170.8	2,039.6	3,522.7
Shareholders of parent company	3,283.0	1,467.6	2,967.0	4,227.4

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
As of Jan 1, 2019	**13,600.0**	**23,703.4**	**187.8**	**-6,199.6**
Other comprehensive income	0.0	0.0	2,146.5	-38.1
Net profit for the period	0.0	0.0	0.0	0.0
Total comprehensive income	**0.0**	**0.0**	**2,146.5**	**-38.1**
Dividend	0.0	0.0	0.0	0.0
As of Sep. 30, 2019	**13,600.0**	**23,703.4**	**2,334.3**	**-6,237.7**
As of Dec. 31, 2017	13,600.0	23,703.4	359.7	-6,619.8
Adjustment IFRS 15[1]				
As of Jan. 1, 2018	**13,600.0**	**23,703.4**	**359.7**	**-6,619.8**
Other comprehensive income	0.0	0.0	750.1	-46.2
Net profit for the period	0.0	0.0	0.0	0.0
Total comprehensive income	**0.0**	**0.0**	**750.1**	**-46.2**
Dividend	0.0	0.0	0.0	0.0
As of Sep. 30, 2018	**13,600.0**	**23,703.4**	**1,109.8**	**-6,666.0**

[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.

Revaluation reserve	Hedging reserve	Accumulated results	Subtotal	Non-controlling interests	Group equity
0.0	**-2,686.8**	**179,956.7**	**208,561.5**	**28,500.0**	**237,061.5**
0.0	-2,722.3	0.0	-613.9	1,282.9	669.0
0.0	0.0	2,081.5	2,081.5	6,887.9	8,969.4
0.0	**-2,722.3**	**2,081.5**	**1,467.6**	**8,170.8**	**9,638.4**
0.0	0.0	-8,500.0	-8,500.0	-5,552.8	-14,052.8
0.0	**-5,409.1**	**173,538.2**	**201,529.1**	**31,118.0**	**232,647.1**
126.3	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
126.3	**97.6**	**168,489.8**	**199,757.0**	**28,357.8**	**228,114.8**
19.6	-1,824.6	0.0	-1,101.1	950.5	-150.6
0.0	0.0	4,384.1	4,384.1	6,218.9	10,603.0
19.6	**-1,824.6**	**4,384.1**	**3,283.0**	**7,169.4**	**10,452.4**
0.0	0.0	-6,800.0	-6,800.0	-6,959.9	-13,759.9
145.9	**-1,727.0**	**166,073.9**	**196,240.0**	**28,567.3**	**224,807.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

	in € thousand	1–9/2018	1–9/2019
	Profit before income tax	11,749.7	9,861.8
+	Depreciation	13,924.5	17,300.6
±	Gains/losses of companies accounted for using the equity method	377.8	438.0
+	Interest expenses	5,736.3	4,365.9
-	Interest and securities income	-1,120.1	-198.1
±	Unrealized gains/losses from currency translation	1,294.9	3,343.4
±	Change in inventories	-113,732.1	-134,028.2
±	Change in receivables and other assets	-30,495.7	-21,784.9
±	Change in trade payables/advance payments received and contract liabilities	31,355.2	-1,510.3
±	Change in other liabilities	3,705.5	3,412.9
±	Change in provisions (excluding income tax deferrals)	-216.5	-7,892.9
	Cash earnings	**-77,420.5**	**-126,691.8**
-	Interest paid	-3,046.1	-3,736.3
+	Interest received and income of securities	741.5	194.1
-	Income tax paid	-3,696.9	-6,052.6
	Net cash flow from operating activities	**-83,422.0**	**-136,286.6**
-	Proceeds/Payments from the sale/purchase of property, plant and equipment, intangible assets and securities	-11,486.4	-11,246.9
-	Income from capitalized development costs	-840.0	-2,757.7
	Net cash flow from investing activities	**-12,326.4**	**-14,004.6**
-	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	-6,959.9	-5,552.8
+	Proceeds from interest-bearing liabilities	180,742.4	243,742.2
-	Repayment of interest-bearing liabilities	-73,573.5	-85,543.6
	Net cash flow from financing liabilities	**93,409.0**	**141,046.8**
	Net change in cash and cash equivalents	**-2,339.4**	**-9,244.4**
+	Cash and cash equivalents at the beginning of the period	20,041.1	25,348.9
±	Adjustment from currency translation	-44.1	86.0
	Cash and cash equivalents at the end of the period	**17,657.6**	**16,190.5**

SEGMENT REPORTING

Business Segments in T€	**1–9/2018**	**1–9/2019**
External revenues		
Area CEEU	169,557.6	210,301.8
Area NISA	66,413.5	60,005.9
Area MENA	69,914.4	48,355.9
Area APAC	74,730.7	82,621.3
Area NOMA	154,924.4	195,923.5
SFP[1]	16,484.0	17,296.0
Group	**552,024.6**	**614,504.4**
Operating result (EBIT)		
Area CEEU	3,545.4	7,370.4
Area NISA	23.7	355.6
Area MENA	6,040.3	-2,543.4
Area APAC	3,784.5	3,374.2
Area NOMA	5,438.8	8,226.2
SFP[1]	-1,799.0	-1,680.0
EBIT before share of results of companies accounted for using the equity method	**17,033.7**	**15,103.0**
Finance expenses	-6,026.3	-5,001.3
Financial income	1,120.1	198.1
Share in results of companies accounted for using the equity method	-377.8	-438.0
Profit before income tax (EBT)	**11,749.7**	**9,861.8**

Business Units in T€	**1–9/2018**	**1–9/2019**
External revenues		
Vehicles	428,762.7	472,344.8
Fire & Safety Equipment	46,823.4	56,162.2
Stationary Fire Protection (SFP)	16,484.0	17,532.0
Customer Service	41,340.1	44,564.5
Others	18,614.4	23,900.9
Group	**552,024.6**	**614,504.4**

[1] Stationary Fire Protection

Explanatory notes to the Quarterly Report as of September 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.

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 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 fiscal year, and should instead be read in conjunction with the IFRS consolidated financial statements published by the company for fiscal year 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.

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.

3. COMPARATIVE FIGURES FOR IFRS 16

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

in thousand EUR	1–9/2019	Adjustment IFRS 16 1–9/2019	1–9/2019 without application IFRS 16
1. Revenues	614,504.4		614,504.4
2. Other income	2,230.8		2,230.8
3. Change in inventory of finished goods and work in progress	138,218.1		138,218.1
4. Capitalized development costs	2,757.7		2,757.7
5. Costs of goods sold	-469,181.0		-469,181.0
6. Staff costs	-179,863.4		-179,863.4
7. Depreciation and amortization expense on property, plant and equipment and intangible assets	-17,300.6	-3,021.8	-14,278.8
8. Impairment losses on property, plant and equipment and intangible assets	0.0		0.0
9. Other expenses	-76,263.0	3,206.0	-79,469.0
10. Operating result (EBIT) before share in results of companies accounted for using the equity method	**15,103.0**	**184.2**	**14,918.8**
11. Financing expenses	-5,001.3	-358.4	-4,642.9
12. Financing income	198.1		198.1
13. Share in results of companies accounted for using the equity method	-438.0		-438.0
14. Profit before income tax (EBT)	**9,861.8**	**-174.2**	**10,036.0**
15. Income tax	-892.4	43.5	-935.9
16. Net profit for the period	**8,969.4**	**-130.7**	**9,100.1**
thereof			
Non-controlling interests	6,887.9	-39.3	6,927.2
Shareholders of parent company	2,081.5	-91.4	2,172.9
Average number of shares outstanding	6,800,000	6,800,000	6,800,000
Basic earnings per share	0.31	-0.01	0.32
Diluted earnings per share	0.31	-0.01	0.32

Balance sheet item / in thousand EUR	Sep. 30, 2019	Adjustment IFRS 16 Sep. 30, 2019	Sep. 30, 2019 without application IFRS 16
A. Non-current assets			
III. Right-of-use assets	23,737.8	23,737.8	0.0
VI. Deferred tax assets	7,630.1	43.5	7,586.6
A. Equity			
IV. Accumulated results	173,538.2	-91.4	173,629.6
V. Non-controlling interests	31,118.0	-39.3	31,157.3
B. Non-current liabilities			
I. Non-current interest-bearing liabilities	311,267.9	19,771.2	291,496.7
C. Current liabilities			
I. Current interest-bearing liabilities	131,260.8	4,140.8	127,120.0

4. COMPANIES INCLUDED IN CONSOLIDATION

In accordance with IFRS 10, the consolidated financial statements as of September 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

In the consolidated financial statements, to a certain degree, estimates and assumptions must be made that affect the recognized assets and liabilities, the disclosure of other obligations at the end of the reporting period and the reporting of income and expenses during the reporting period. The actual amounts that arise in the future can differ from estimates. Deviations from estimates had no significant effect on the financial statements in the reporting period.

7. EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events occurred by the time of the preparation of the Quarterly Statement.

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 nine months of the financial year and their impact on the condensed interim financial statements, and of the principal risks and uncertainties for the remaining three months of the financial year.

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

Leonding, November 12, 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

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CAPITAL MARKET CALENDAR

November 27, 2019	Shareholders' Day, Leonding
February 12, 2020	Publication of the preliminary results 2019
April 3, 2020	Publication of the results 2019
May 1, 2020	Record date "Annual General Meeting"
May 11, 2020	28th Annual General Meeting, Linz
May 18, 2020	Ex-dividend date
May 19, 2020	Publication of the interim statement Q1/2020
May 19, 2020	Record date "Dividends"
May 20, 2020	Dividend payout date
August 14, 2020	Publication of the Half-year Financial Report 2020
November 17, 2020	Publication of the interim statement Q3/2020

ROSENBAUER SHARE DETAILS

ISIN	AT0000922554
Reuters	RBAV.VI
Bloomberg	ROS AV
Share class	No-par-value shares, bearer or registered
ATX prime weighting	0.27%

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