



# Financial Half-Year Statements

## 2018/19

### **KLINGELBERG AG**

Binzmühlestrasse 171

8050 Zürich, Switzerland

Fon: +41 44 278 7979

Mail: [investorrelations@klingelberg.com](mailto:investorrelations@klingelberg.com)

Web: [www.klingelberg.com](http://www.klingelberg.com)

## Dear Shareholders,

Following our successful initial public offering on 20 June 2018, we are now pleased to present the KLINGELNBERG Group's first half-year financial report.

### Pleasing half-year results

Overall, the machine tool building market in Switzerland and Germany is in excellent shape. In particular, demand remains high for the premium products that our Group develops, manufactures and supplies.

As a result, the first half of the 2018/19 financial year was very successful for the KLINGELNBERG Group.

Net sales grew by about 30% in the first half of the financial year, representing a significant year-over-year increase (from EUR 76,4 million to EUR 99,1 million).

We also succeeded in increasing our adjusted operating income (EBIT), excluding IPO costs (about EUR 1,0 million), by approximately EUR +1,9 million compared to the previous half year.

Organic growth was fully in line with our ambitious expectations. Our strategy of concentrating on high-quality solutions for globally demanding customer groups has once again proven to be the right one – and we have consistently implemented it without compromises. With the exception of drive technology (with a slight decline in sales at the previous year's level), every division was able to increase its half-year sales, in some cases significantly, compared to the previous half year. And we are also making very good progress in broad-based digitization. The much used term Industry 4.0 is an all-embracing reality for us.

The machine projects of the three divisions bevel gear, cylindrical gear and measuring devices, which were orders on hand at the beginning of this financial half year, could all be delivered according to plan. The cylindrical gear division reported especially strong sales growth (+214%). Net sales in the measuring devices division were also exceeded again by 22% year-over-year. The bevel gear machine division also recorded growth of +11%.

Our strategy of “being close to our customers anywhere in the world”, with the goal of globally compensating for regional fluctuations, continues to prove effective.

Regionally, sales performance was very positive, especially in Asia, Europe and South America. In Germany, an increase in sales was achieved, while in North America it was not possible to fully match the previous year's sales. Despite the tight procurement market driven by economic trends, which poses challenges for the entire industry, we were able to maintain short lead times and deliver our machines on time. This is anything but straightforward, especially in the current economic situation where our suppliers are working at full capacity.

## Growth strategy

At this point, we would like to illustrate the consistent implementation of our broad-based growth strategy by way of example:

### Cylindrical gear grinding machine Speed Viper

We have now received several orders for Speed Viper machines in many different geographic markets. The customers' interest is high – this is made clear by many discussions that our sales specialists and customer advisors have conducted during industrial shows and trade fairs worldwide. The principle of digitally interconnecting machines and measuring devices is an excellent starting point for bringing further successful products to market in the future.

### Segment Digital Unit

The development of our Digital Unit is progressing. A big-name customer is using our first Smart Tooling product, a digital identification system for tools and chucking materials. We believe this prototype will lead to more follow-on orders and it underlines our ongoing commitment to being a leader in the field of Industry 4.0 gearing.

### Entering new markets - robotics industry

Our initiatives to expand business outside the gearing industry have been equally successful. Our entry into the robotics industry is a good example. KLINGELNBERG has been successful in selling specifically adapted measuring instruments in this industry. We also launched projects for the further development of our cylindrical gear machines in this area.

## Acquisitions

In addition to focusing on organic growth, we are also looking at additional acquisitions. The potential acquisition partners are predominantly privately owned companies. Establishing a relationship is therefore fundamental and makes it difficult to estimate the timing of future deals.

## Business performance trends

The standard intra-year seasonal trends of recent years can also be seen in this year's business performance. In general, approximately 30% to 40% of total sales are generated in the first half of the year. As a result, sales are projected to be stronger and therefore profits higher in the second half of the year.

All in all, we are confident that we will achieve our targets in sales and earnings for the 2018/19 financial year (sales EUR 270 to 280 million, adjusted operating result EUR 29 to 30 million) .



Dr. Jörg Wolle

Chairman of the Board



Jan Klingenberg

CEO

Zurich, 6 November 2018

## Financial report

### Segments and markets

The KLINGELNBERG Group posted net sales of EUR 99,1 million in the first half of the 2018/19 financial year. Net sales therefore grew by EUR 22,7 million or 29,7% year-over-year. This strong double-digit growth was primarily driven by increased sales of cylindrical gear machinery. Sales of measuring devices and bevel gear machinery also grew in the first half of the financial year. The strongest sales regions were Asia, Europe and South America. Germany also posted growth in sales.

A year-over-year comparison of sales shows the standard asymmetrical breakdown of sales within the financial year, with a significant increase in sales in the second half of the financial year.

#### ■ **Bevel gear segment:**

The bevel gear segment reported net sales of EUR 41,0 million at the end of the first half of the year. Net sales were up EUR 3,9 million from the previous year thanks to a positive market environment and a large volume of orders for new machines. As a result, the performance of this segment remained in sync with the growth of global passenger car markets. The three major sales regions China, USA and Europe sold 28,8 million vehicles in the first half of the year, which is 1,0 million more cars than in the first half of 2017.

#### ■ **Cylindrical gear segment:**

The cylindrical gear segment reported very strong year-over-year growth (EUR +12,8 million). Sales grew significantly in the first half of the financial year thanks to a large number of incoming orders in recent months. After an extended slowdown, the mining industry was not able to regain momentum until the 2017 calendar year. New exploration projects were spurred on by the complete consolidation of the market as well as Asia's enormous demand for raw materials.

### ■ Measuring devices segment:

With EUR 30,1 million in sales, the measuring devices segment also grew significantly compared to the same period of the previous year (EUR +5,4 million). Multiple factors consistently contributed to the successful sales performance in this segment, including continued growth in global passenger car markets, the Industry 4.0 digitization strategy integrated by KLINGELNBERG and the successful acquisition of customers in the robotics supplier industry.

### ■ Drive technology segment:

With net sales of EUR 4,9 million (previous half year: EUR 5,1 million), the drive technology segment was the only segment to post a slight decline in sales compared to the same period in the previous year. Following an extended downturn in global cargo shipbuilding and low oil and gas prices, slowly rising oil prices are likely to affect shipyard order books until the coming months.

## Personnel expense

Personnel expenses totaled EUR 48,7 million at the end of the financial half year, up EUR 2,6 million from the same period last year. This was caused by the collective bargaining agreement for the metal and electrical engineering industry that was concluded in February 2018. The substantial year-over-year growth in total output and efficiency-gains completely compensated for the effects on human resources and even reduced the personnel expenses ratio from 41,9% (previous half year) to 40,2%.

## Other operating expense

Other operating expenses exceeded the previous half year's figure by EUR 3,1 million, totaling EUR 21,6 million at the end of the first half of the financial year. This rise is partly the result of increased legal and consulting expenses. These expenses are primarily attributed to one-off IPO costs and the implementation of the new data protection regulation (GDPR). The ratio of other operating expenses to total output increased from 16,8% to 17,8%, whereas the adjusted ratio decreased from 16,8% to 16,0%.

## Operating result

Thanks to solid demand for KLINGELNBERG brand products, net sales expanded to EUR 99,1 million in the first half of the year. Despite increased expenses, particularly for personnel and raw materials, the operating result increased by EUR 0,9 million to EUR -4,7 million compared to the same period in the previous year. Excluding IPO costs, the adjusted operating result for the first half of the financial year totaled EUR -3,7 million.

## Balance sheet

The balance sheet total of the KLINGELNBERG Group grew by EUR 4,6 million compared to the financial statements for 31 March 2018 and totaled EUR 239,6 million on 30 September 2018. Non-current assets increased by EUR 1,2 million (+1,8%), while current assets rose by EUR 3,4 million (+2,0%). Although receivables from goods and services decreased by EUR 22,3 million, inventories increased by EUR 26,8 million. The increase in inventories is attributed to the budgeted growth in sales in the second half of the financial year.

Equity grew by EUR 16,7 million (+13,8%) to EUR 136,9 million compared to the financial statements for 31 March 2018. This increase is mainly due to the capital increase in connection with the IPO. As a result, the equity ratio grew by 6,0% to 57,1% compared to 31 March 2018.

Total liabilities fell by EUR 12,1 million compared to 31 March 2018 and totaled EUR 102,7 million as of 30 September 2018. Financial liabilities were significantly reduced thanks to the aforementioned capital increase.

Net debt decreased by EUR 12,8 million and totaled EUR 6,9 million at the end of the six-month period. As a result, the KLINGELNBERG Group was able to further reinforce its excellent financial position in the first half of the current financial year.

## Cash flow statement

Operating cash flow totaled EUR -4,9 million, which is normal for the KLINGELNBERG Group as sales are usually lower in the first half of the year. This represents a year-over-year increase of EUR 11,0 million, which is mainly attributable to smaller increases of inventories.

Cash flow from investing activities totaled EUR -1,8 million, also up from the previous year's figure (EUR +0,5 million). The Manufacturing 2020 investment program was launched in 2016. The program aimed to expand production capacity at our locations in Germany (Hueckeswagen) and Hungary.

The Manufacturing 2020 investment program is almost completed, resulting in a year-over-year decrease in investment.

Cash flow from financing activities totaled EUR +6,3 million and was down by EUR 12,3 million from the previous year. As a result of the IPO, capital increased by EUR 19,8 million during the period under review, while short-term financial liabilities decreased by EUR 13,5 million.

Overall, cash flow totaled EUR -0,5 million in the first half of the year (EUR -0,4 million compared to the same period last year).



## Group key figures

EUR million	01.04.2018 - 30.09.2018	01.04.2017 - 30.09.2017	Change	01.04.2017 - 31.03.2018
Net sales from goods and services	99,1	76,4	22,7	257,0
Order intake	124,5	123,1	1,4	263,2
Operating result	-4,7	-5,5	0,9	22,1
Operating result (adjusted, without IPO cost)	-3,7	-5,5	1,9	22,8
Net profit	-4,8	-5,2	0,4	14,2
Basic earnings per share (in EUR)*	-0,56	-0,62		1,69
Diluted earnings per share (in EUR)*	-0,56	-0,62	0,06	1,69
Operating result as % of net sales from goods and services	-4,7%	-7,3%	2,6%	8,6%
Operating result as % of net sales from goods and services (adjusted, without IPO cost)	-3,7%	-7,3%	3,5%	8,9%
Net profit as % of net sales from goods and services	-4,9%	-6,8%	1,9%	5,5%
Cash flow from operating activities	-4,9	-16,0	11,0	6,4
Investments	2,5	2,9	-0,3	6,2
Free cash flow	-6,7	-18,3	11,5	0,8
Employees (FTE)	1.308,5	1.256,0	52,5	1.266,8

EUR million	30.09.2018	31.03.2018	Change	30.09.2017
Total liabilities and equity	239,6	235,0	4,6	241,1
Net debt	6,9	19,7	-12,8	35,6
Total equity**	136,9	120,3	16,7	104,8
Equity ratio**	57,1%	51,2%	6,0%	43,5%

\* Due to the share split, the earnings per share as of 30 September 2017 and 31 March 2018, were adjusted for comparability. Our calculation took this into account with 1/200 of the earnings per share as of 30 September 2017 and 31 March 2018.

\*\* 30 September 2017 including shareholder loan (EUR 19,3 million). The shareholder loan was converted to equity in March 2018.

**Consolidated income statement**

EUR 000	01.04.2018 - 30.09.2018	01.04.2017 - 30.09.2017	01.04.2017 - 31.03.2018
<b>Net sales from goods and services</b>	<b>99.057</b>	<b>76.362</b>	<b>257.027</b>
Other operating income	2.487	1.887	2.917
Change in inventory of finished and unfinished goods as well as unbilled goods and services	22.138	33.640	5.480
Raw material expense	-54.945	-49.812	-100.873
Personnel expense	-48.723	-46.117	-94.808
Depreciation on tangible fixed assets	-3.057	-3.054	-6.106
Amortisation on intangible assets	-238	-220	-450
Other operating expense	-21.553	-18.440	-41.451
Share of result from joint ventures	182	217	322
<b>Operating result</b>	<b>-4.652</b>	<b>-5.537</b>	<b>22.058</b>
Financial result	-1.740	-157	-773
<b>Profit before income taxes</b>	<b>-6.392</b>	<b>-5.694</b>	<b>21.285</b>
Income taxes	1.570	521	-7.053
<b>Net profit</b>	<b>-4.822</b>	<b>-5.173</b>	<b>14.232</b>

**Earnings per share**

EUR	01.04.2018 - 30.09.2018	01.04.2017 - 30.09.2017	01.04.2017 - 31.03.2018
Basic earnings per share*	-0,56	-0,62	1,69
Diluted earnings per share*	-0,56	-0,62	1,69

**Additional information - non-GAAP measures**

EUR 000	01.04.2018 - 30.09.2018	01.04.2017 - 30.09.2017	01.04.2017 - 31.03.2018
EBITDA	-1.357	-2.263	28.614
Total output	121.195	110.002	262.507

\* Due to the share split, the earnings per share as of 30 September 2017 and 31 March 2018, were adjusted for comparability. Our calculation took this into account with 1/200 of the earnings per share as of 30 September 2017 and 31 March 2018.

**Consolidated balance sheet**

EUR 000	30.09.2018	31.03.2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	8.111	8.632
Receivables from goods and services	49.924	72.183
Derivative financial instruments	10	191
Other short-term receivables	8.566	9.112
Inventories	103.075	76.248
Prepayments and accrued income	912	879
<b>Total current assets</b>	<b>170.598</b>	<b>167.245</b>
<b>Non-current assets</b>		
Tangible fixed assets	51.044	51.737
Loans and other receivables	757	1.509
Investments in joint ventures	1.719	1.537
Deferred tax assets	13.253	10.779
Other financial assets	637	540
Intangible assets	1.615	1.688
<b>Total non-current assets</b>	<b>69.025</b>	<b>67.790</b>
<b>TOTAL ASSETS</b>	<b>239.623</b>	<b>235.035</b>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Short-term financial liabilities	9.459	22.035
Payables from goods and services	18.601	15.805
Derivative financial instruments	312	126
Other short-term liabilities	29.484	29.629
Accrued liabilities and deferred income	13.629	14.735
Short-term provisions	6.702	7.846
<b>Total current liabilities</b>	<b>78.187</b>	<b>90.176</b>
<b>Non-current (long-term) liabilities</b>		
Other long-term financial liabilities	5.505	6.295
Deferred tax liabilities	2.746	2.657
Long-term provisions	16.271	15.646
<b>Total non-current (long-term) liabilities</b>	<b>24.522</b>	<b>24.598</b>
<b>Total liabilities</b>	<b>102.709</b>	<b>114.774</b>
<b>Equity</b>		
Share capital	28.639	26.726
Capital reserves	51.266	33.410
Retained earnings	57.009	60.125
<b>Total equity</b>	<b>136.914</b>	<b>120.261</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>239.623</b>	<b>235.035</b>

**Consolidated cash flow statement**

EUR 000	01.04.2018 - 30.09.2018	01.04.2017 - 30.09.2017	01.04.2017 - 31.03.2018
Net Profit	-4.822	-5.173	14.232
Depreciation / amortisation / write-up of tangible fixed assets and intangible assets	3.295	3.274	6.556
Decrease / increase in provisions (including deferred taxes)	-603	282	-838
Loss / profit from the disposal of tangible fixed assets and intangible assets	16	-4	317
Increase / decrease of receivables from goods and services	23.768	20.715	-8.012
Increase / decrease of inventories	-26.404	-41.700	-8.038
Increase / decrease of other receivables and prepayments and accrued income (including deferred tax)	-1.626	-8.658	-2.826
Share of loss / profits from the application of the equity method	-182	-217	-322
Increase / decrease of payables from goods and services	2.743	3.937	1.596
Increase / decrease of other short-term liabilities and accrued liabilities and deferred income	-1.737	11.323	4.131
Other non-cash items	624	268	-387
<b>Cash flow from operating activities</b>	<b>-4.928</b>	<b>-15.953</b>	<b>6.409</b>
Inflows / Outflows for investment in financial assets (including loans, participations, securities,...)	659	545	236
Outflows for investment in tangible fixed assets	-2.334	-2.655	-5.463
Inflows from the sale of tangible fixed assets	34	-	436
Outflows for investment in intangible assets	-177	-195	-770
<b>Cash flow from investing activities</b>	<b>-1.818</b>	<b>-2.305</b>	<b>-5.561</b>
Inflows from capital increase	19.769	-	-
Distribution of profits	-	-	-2.800
Issuance / repayment of short-term financial liabilities	-13.514	18.535	4.402
<b>Cash flow from financing activities</b>	<b>6.255</b>	<b>18.535</b>	<b>1.602</b>
<b>Currency translation effects</b>	<b>-30</b>	<b>-382</b>	<b>-487</b>
<b>Net change in cash</b>	<b>-521</b>	<b>-105</b>	<b>1.963</b>
Opening balance of cash and cash equivalents at 01.04.	8.632	6.669	6.669
Closing balance of cash and cash equivalents at 31.03.	8.111	6.564	8.632
<b>Net change in cash</b>	<b>-521</b>	<b>-105</b>	<b>1.963</b>

**Consolidated statement of changes in equity**

EUR 000	Share capital	Capital reserves	Retained earnings				Total equity
			Goodwill offset with equity	Other retained earnings	Cumulative foreign currency differences	Total retained earnings	
Balance as at 01.04.2017 - restated	<b>26.726</b>	<b>14.157</b>	<b>-20.517</b>	<b>64.688</b>	<b>7.714</b>	<b>51.885</b>	<b>92.768</b>
Currency translation differences	-	-	-	-	-2.304	-2.304	-2.304
Net result from cash flow hedges	-	-	-	168	-	168	168
Net profit	-	-	-	-5.173	-	-5.173	-5.173
<b>Balance as at 30.09.2017 - restated</b>	<b>26.726</b>	<b>14.157</b>	<b>-20.517</b>	<b>59.683</b>	<b>5.410</b>	<b>44.576</b>	<b>85.459</b>
<b>Balance as at 31.03.2018</b>	<b>26.726</b>	<b>33.410</b>	<b>-20.517</b>	<b>76.228</b>	<b>4.414</b>	<b>60.125</b>	<b>120.261</b>
Balance as at 01.04.2018	<b>26.726</b>	<b>33.410</b>	<b>-20.517</b>	<b>76.228</b>	<b>4.414</b>	<b>60.125</b>	<b>120.261</b>
Capital increase and decrease	1.913	17.856	-	-	-	-	19.769
Currency translation differences	-	-	-	-	1.823	1.823	1.823
Net result from cash flow hedges	-	-	-	-117	-	-117	-117
Net profit	-	-	-	-4.822	-	-4.822	-4.822
<b>Balance as at 30.09.2018</b>	<b>28.639</b>	<b>51.266</b>	<b>-20.517</b>	<b>71.289</b>	<b>6.237</b>	<b>57.009</b>	<b>136.914</b>

# Notes to the half-year financial statements 2018/19

## 1. Basis for the preparation of the financial statements and accounting policies

These consolidated financial statements cover the unaudited half-year results for the six months ending 30 September 2018. They have been prepared in accordance with Swiss GAAP FER as a whole and give a true and fair view of the assets, liabilities and earnings of KLINGELNBERG Group. The consolidated interim financial statements for 2018/19 have been prepared in accordance with FER 31 "Supplementary Recommendation for Listed Companies".

These interim financial statements do not contain all the information and disclosures required in the annual consolidated financial statements. They should therefore be read in conjunction with the consolidated financial statements at 31 March 2018 (published in offering memorandum 9 June 2018).

Management has not made any changes to the estimates and assumptions compared to the previous period.

## 2. Changes in the scope of consolidation

The Group consolidation structure has not changed since 31 March 2018.

## 3. Key exchange rates

The table below outlines the main exchange rates used in the preparation of our consolidated financial statements as at and for the years ended 30 September 2018, 2017 and 31 March 2018.

	period end exchange rates			average		
	30.09.2018	31.03.2018	30.09.2017	01.04. - 30.09.2018	01.04.2017 - 31.03.2018	01.04. - 30.09.2017
CHF/EUR	1,13100	1,17875	1,14460	1,15928	1,13548	1,10728
USD/EUR	1,15815	1,23230	1,18135	1,17765	1,17046	1,13735
JPY/EUR	131,36320	131,32005	132,83100	129,88308	129,68701	126,33822

## 4. Segment information

Notwithstanding the additional recommendations for listed companies (Swiss GAAP FER 31), the Board of Directors of the KLINGELNBERG Group decided not to publish any detailed segment results in order to protect the interests of its shareholders.

Disclosing operating results by business units would lead to competitive disadvantages in terms of our profitability and distribution margins as well as our cost calculations. Please read the consolidated half year statements under review in conjunction with the consolidated financial statements at 31 March 2018 (published in offering memorandum 9 June 2018).

Net sales from goods and services						01.04.2018 - 30.09.2018
EUR 000	Service location					
	Germany	Switzerland	Japan	USA	Rest of world	Total
Bevel gears	9.978	21.080	1.747	3.392	4.814	41.011
Cylindrical gears	13.707	-	1.172	2.471	1.363	18.713
Measuring devices	21.551	1.396	2.045	2.494	2.607	30.093
Drive technology	4.854	-	-	-	42	4.896
Other	320	-	-	-	4.024	4.344
<b>Total</b>	<b>50.410</b>	<b>22.476</b>	<b>4.964</b>	<b>8.357</b>	<b>12.850</b>	<b>99.057</b>

Net sales from goods and services						01.04.2017 - 31.03.2018
EUR 000	Service location					
	Germany	Switzerland	Japan	USA	Rest of world	Total
Bevel gears	14.224	79.006	2.953	22.804	5.834	124.821
Cylindrical gears	23.959	913	7.637	3.730	2.207	38.446
Measuring devices	48.575	5.156	6.771	6.109	6.557	73.168
Drive technology	12.880	-	-	-	271	13.151
Other	591	-	40	-	6.810	7.441
<b>Total</b>	<b>100.229</b>	<b>85.075</b>	<b>17.401</b>	<b>32.643</b>	<b>21.679</b>	<b>257.027</b>

Net sales from goods and services						01.04.2017 - 30.09.2017
EUR 000	Service location					
	Germany	Switzerland	Japan	USA	Rest of world	Total
Bevel gears	5.245	16.627	732	12.560	1.920	37.084
Cylindrical gears	3.450	-	39	1.568	898	5.955
Measuring devices	18.240	514	2.276	1.740	1.899	24.669
Drive technology	4.843	-	-	-	217	5.060
Other	394	-	48	-	3.152	3.594
<b>Total</b>	<b>32.172</b>	<b>17.141</b>	<b>3.095</b>	<b>15.868</b>	<b>8.086</b>	<b>76.362</b>

## 5. Investments in associated companies and joint ventures

In the first half year 2018/19 as well as 2017/18, there were no changes in investments in associated companies and joint ventures.

## 6. Goodwill

Goodwill from the acquisition of consolidated entities is offset with equity at the date of the acquisition. Goodwill is theoretically amortized on a straight line basis over a useful life of 7-15 years. A theoretical capitalization of goodwill would have the following effects on the consolidated financial statements.

### Theoretical impact on equity

EUR 000	30.09.2018	31.03.2018	30.09.2017
Equity according to balance sheet	136.914	120.261	85.459
Theoretical net carrying amount goodwill	6.128	7.029	7.931
<b>Theoretical equity incl. net carrying amount of goodwill</b>	<b>143.042</b>	<b>127.290</b>	<b>93.390</b>

### Theoretical effect on income statement

EUR 000	30.09.2018	31.03.2018	30.09.2017
Net profit	-4.822	14.232	-5.173
Theoretical amortisation of goodwill	-902	-1.804	-902
<b>Theoretical net profit</b>	<b>-5.724</b>	<b>12.428</b>	<b>-6.075</b>

## 7. Shares

At 9 June 2018 the general assembly decided to split the shares from 1.000 CHF/per share to 5 CHF/per share and to increase the share capital by 440.000 registered shares with a nominal value of CHF 5 each. These new shares increased the share capital by TCHF 2.200 (TEUR 1.913) and the capital reserve by TCHF 20.537 (TEUR 17.856). The capital increase was carried out on 19 June 2018.

## 8. Significant events and business transactions

During the period under review, no material events or business transactions occurred that might have an impact on the critical estimates, appraisals and assumptions to be found in the consolidated financial statements as at 31 March 2018. Except for the share increase (note 7) and the "IPO"-costs (30 September 2018: TEUR 967; 31 March 2018 TEUR 747) there were no further material events or business transactions that might impact other positions in the consolidated financial statements.

The "IPO"-costs mainly contain consulting fees for the banks, lawyers and auditors.

The capital increase has been mostly used for the repayment of short-term liabilities until the financing of investments.

The standard intra-year seasonal trends of recent years can also be seen in this year's business performance. In general, approximately 30% to 40% of total sales are generated in the first half of the year. As a result, sales are projected to be stronger and therefore profits higher in the second half of the year.



## 9. Events after the closing date

At the publish date of this report, the Company is not aware of any significant new event that would affect the half-year financial statements at 30 September 2018.

### About the company

Founded in 1863, KLINGELNBERG is one of the leading companies in the gear industry. On the background of many innovations in the areas of calculation, production, and measuring technology, KLINGELNBERG sees itself as a leader in this sector. With its acquisition of Höfler Maschinenbau GmbH's core business in 2012, KLINGELNBERG has added machines for machining cylindrical gears to its range of products, reinforcing its position as a complete system provider.

Headquartered in Zurich (Switzerland), KLINGELNBERG now develops and manufactures at its sites in Zurich (Switzerland), Hueckeswagen, and Ettlingen (Germany), as well as Győr (Hungary). The company also maintains a presence with sales and service offices and numerous marketing agents all over the world. KLINGELNBERG solutions are used in the automotive, commercial vehicle, and aviation industries, as well as in shipbuilding, the wind power industry, and the general transmission manufacturing industry. Applications range from vehicle drives, aircraft turbine engines, and cement mill gear units to drive systems for ships and oil rigs.

With over 200 patent grants, the company continuously demonstrates its capacity for innovation. Above and beyond this, its 14001 certification and participation in the VDMA's Blue Competence initiative give credence to the company's sustainable, environmentally sound business practices.

The shares of KLINGELNBERG AG are listed on the SIX Swiss Exchange (KLIN).



**KLINGELBERG AG**

Binzmühlestrasse 171

8050 Zürich, Switzerland

Fon: +41 44 278 7979

Mail: [investorrelations@klingelberg.com](mailto:investorrelations@klingelberg.com)

Web: [www.klingelberg.com](http://www.klingelberg.com)