



**GESCO AG**  
**QUARTERLY STATEMENT 2018/2019**  
**1 APRIL TO 31 DEZEMBER 2018**

## OVERVIEW OF KEY POINTS

- **BRISK DEMAND IN THE FIRST NINE MONTHS OF THE FINANCIAL YEAR, INCOMING ORDERS SHOW STRONG GROWTH**
- **SALES UP, EARNINGS INCREASE DISPROPORTIONATELY**
- **INCOMING ORDERS DOWN IN FOURTH QUARTER, SALES UP**
- **OUTLOOK FOR FULL YEAR CONFIRMED**
- **NEWLY ACQUIRED SOMMER & STRASSBURGER INCLUDED IN CONSOLIDATED INCOME STATEMENT ON A PRO RATA BASIS FOR THE FIRST TIME**
- **SUBSIDIARIES ADVANCE INTERNATIONALISATION**

## GESCO GROUP KEY FIGURES FOR THE FIRST NINE MONTHS OF THE 2018/2019 FINANCIAL YEAR

01.04. - 31.12.		1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018	Change
Incoming orders	(€'000)	456,592	407,911	11.9 %
Sales	(€'000)	424,582	404,350	5.0 %
EBITDA	(€'000)	53,058	49,449	7.3 %
EBIT	(€'000)	35,756	31,458	13.7 %
Earnings before tax	(€'000)	34,136	29,915	14.1 %
Group net income after minority interest	(€'000)	19,701	16,357	20.4 %
Earnings per share acc. to IFRS	(€)	1.82	1.51	20.4 %
Employees	(€'000)	2,669	2,482	7.5 %

## DEAR SHAREHOLDERS,

Following a dynamic first half of the year, GESCO Group continued to see brisk demand in the third quarter. Incoming orders saw a double-digit increase in the first nine months of the financial year. Sales also rose, and key earnings figures increased at a disproportionately high rate. The vast majority of companies were able to generate growth, and three out of four segments posted an increase in incoming orders, sales and earnings. In the Mobility Technology segment, which was reduced in scale at the end of the previous financial year, incoming orders and sales fell as expected, but earnings rose significantly.

In the subsequent fourth quarter, which encompasses the operating months October to December 2018, sales increased to roughly € 145 million compared to € 142.8 million in the same period of the previous year, according to preliminary figures. Incoming orders stood at around € 135 million in the fourth quarter, following € 144.5 million in the previous year's period. Because the previous year's value also contained a major order of around € 10 million, we believe that the decline does not provide an indication of a sustained economic slowdown. As explained in the half-year interim report, some GESCO Group subsidiaries are feeling the impact of isolated reluctance by customers to make investments. Automakers in particular have been hesitant to place orders for capital goods such as machinery and tools. General economic sentiment deteriorated in the final months of 2018. With regard to the actual situation, however, we stand by the statement made at the end of the first half of the year: we do not currently see any specific signs of a significant decline in our operating business on a wider scale.

We rapidly integrated Sommer & Strassburger GmbH & Co. KG into the reporting structure and processes of GESCO Group over the past few months following its acquisition in August. One month of Sommer & Strassburger's business activities was included in the consolidated income statement on pro rata basis for the first time in the third quarter.

As explained in the half-year interim report, the company will weigh the Group result down on a one-time basis in the year of its acquisition due to incidental acquisition costs and scheduled write-downs. The company will contribute a full financial year's worth of sales and earnings for the first time in financial year 2019/2020. Based on the information currently available, we confirm the outlook for the full financial year last specified in November 2018.

In recent months, some GESCO Group companies have continued advancing their internationalisation. Frank Walz- und Schmiedetechnik GmbH, for example, expanded its presence in Russia. For several years now, the company has been very successful in marketing its agricultural wear parts in Ukraine through a subsidiary. Its Russian subsidiary, which was founded in 2017, commenced its operating business in 2018 and is now marketing its products ex warehouse to customers in Russia. The Setter Group continues expanding its market-leading position in the field of paper sticks for hygiene articles and confectionery. Having succeeded in significantly expanding its market share in the US through licensees and its own subsidiary over a period of several years, the Setter Group founded a company in Mexico in 2018 with the aim of tapping the region from there. Dörrenberg Edelmetall GmbH has been very active in Asia for many years now, and operates subsidiaries in Singapore, Korea, China, and Taiwan. In 2018, Dörrenberg founded a subsidiary in the US in order to expand the sale and distribution of its high-alloyed tool steel there as well. So far, Dörrenberg has relied on sales partners in the US.

Regardless of the short-term fluctuations in economic development, we are taking such steps to strengthen the respective companies' position and expand international business while broadening the basis for future growth.

Wuppertal, February 2019



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Ralph Rumberg  
Speaker of the Executive Board

## SIGNIFICANT CHANGES TO THE SCOPE OF CONSOLIDATION

In August 2018, GESCO AG acquired 100 % of the shares in Sommer & Strassburger GmbH & Co. KG, Bretten, Germany, a developer and manufacturer of processing equipment for the pharmaceutical, food, water technology and chemical industries that generates sales of roughly € 20 million and employs approximately 140 members of staff. The company is included in the Production Process Technology segment. Sommer & Strassburger, along with its asset and liability items, has been included in the Group balance sheet since 30 September 2018. The company has been included in the consolidated income statement since September 2018. As a result, one month of its business activities has been included on a pro rata basis in this Group statement for the first nine months of financial year 2018/2019.

Protomaster GmbH, Wilkau-Haßlau, Germany, which was sold in December 2017, was still included in the previous year's figures. The company was deconsolidated on 30 November 2017. Protomaster was allocated to the Mobility Technology segment.

In this quarterly statement, Sommer & Strassburger was excluded from the figures on organic rates of change during the reporting period, whereas Protomaster GmbH was excluded from the figures on organic rates of change during the previous year's period.

## BUSINESS PERFORMANCE

The financial years of GESCO AG and GESCO Group run from 1 April to 31 March of the following year, while the financial years of the subsidiaries coincide with the calendar year. This interim statement for the first nine months of financial year 2018/2019 therefore encompasses the operating months January to September 2018 of the Group's subsidiaries.

Following widespread robust economic activity in the first half of the year, the general economic performance showed signs of slowing down in the third quarter. By contrast, GESCO Group continued to record brisk customer demand. Incoming orders started strongly in the first quarter, set a record in the second quarter and remained high in the third quarter. Sales stood at around € 140 million in each individual quarter and set a record of € 144.7 million in the third quarter. As in the previous year, the first quarter was particularly strong in terms of margins, which was also due to certain special effects. The EBIT margin stood at an above-average 9.3 % in the first quarter, later stabilising at a high level of 7.8 % and 8.2 %, respectively, in the second and third quarter.

## DEVELOPMENT OF GROUP SALES AND EARNINGS IN THE THIRD QUARTER

As explained earlier in this report, the brisk business development seen in the first half of the year continued in the third quarter, which encompasses the operating months July to September in the case of the subsidiaries. At € 143.5 million, incoming orders were 9.1 % higher than the previous year's figure of € 131.6 million, with sales up 3.6 % to € 144.7 million (previous year's period: € 139.6 million). In organic terms – excluding Protomaster in the previous year and Sommer & Strassburger in the reporting year – incoming orders were up by 11.1 % and sales by 6.7 %.

The key earnings figures saw a stronger rise than sales. As in the previous quarters, the material expenditure ratio increased in relation to total income, while the personnel expenditure ratio declined. Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 5.7 % to € 17.8 million (€ 16.9 million). Thanks to the disproportionately small increase in depreciation and amortisation, earnings before interest and taxes (EBIT) rose more sharply, by 7.2 % to € 11.9 million (€ 11.1 million). With a slight decline in the financial result, a significantly lower tax rate and a slightly increased minority interest in incorporated companies, Group net income after minority interest rose by 18.9 % to € 6.9 million (€ 5.8 million).

## DEVELOPMENT OF GROUP SALES AND EARNINGS IN THE FIRST NINE MONTHS OF THE YEAR

Incoming orders

€ 456.6  
million



+11.9%

Sales revenues

424.6  
million



+5.0%

Group net income  
after minority interest

€ 19.7  
million



+20.4%

The developments of the entire nine-month period paint a similar picture: a significant increase in incoming orders, rising sales and disproportionately high earnings growth. Incoming orders posted strong growth of 11.9 % to reach € 456.6 million (€ 407.9 million). Sales rose by 5.0 % from € 404.4 million to € 424.6 million. In organic terms, incoming orders were up by 14.3 % and sales by 7.4 %.

The material expenditure ratio continued to rise in the first nine months of the financial year, whereas the personnel expenditure ratio fell thanks to improved capacity utilisation. At 7.3 %, EBITDA growth outpaced sales growth and reached € 53.1 million (€ 49.4 million). EBIT rose by 13.7 % to € 35.8 million (€ 31.5 million). With a slight decline in the financial result, a lower tax rate and increased minority interest in incorporated companies, Group net income after minority interest stood at € 19.7 million, which corresponds to an increase of 20.4 % compared to the previous year's figure of € 16.4 million.

At € 236.5 million, order backlog was up 21.5 % by the end of the first nine months of the financial year compared to the value of € 194.6 million as at the previous year's reporting date. Sommer & Strassburger's order backlog was included for the first time, whereas Protomaster's order backlog had already been excluded in the previous year's figure. In organic terms, order backlog was up 18.4 %.

## SEGMENT PERFORMANCE

In the **Production Process Technology** segment, all the mechanical engineering and plant construction companies were able to translate the brisk customer demand into strong new business and post double-digit increases in incoming orders. All told, incoming orders in the segment rose by 27.6 % to € 71.5 million (€ 56.0 million). Compared to the first half of the year, deliveries increased in the third quarter. Total sales rose to € 52.6 million in the first nine months of the financial year, placing them 8.7 % above the value of € 48.4 mil-

lion recorded in the same period of the previous year. EBIT rose by a disproportionately high margin of 46.9 % and reached € 2.9 million (€ 2.0 million). One month of business activities at the newly acquired Sommer & Strassburger was included in the figures for the first nine months of the financial year for the first time. In organic terms – in other words, excluding the figures relating to Sommer & Strassburger in the reporting period – incoming orders would have increased by 25.2 %, and sales would have risen by 5.6 %. For the segment, we expect sales and earnings growth on an organic basis for the year as a whole, while Sommer & Strassburger also contributes external growth.

In the **Resource Technology** segment, the significant 11.1 % rise in incoming orders to € 224.7 million (€ 202.2 million) was influenced in part by a major loading technology order that will not lead to sales and earnings until the following year. Accordingly, sales rose by a somewhat lower 5.9 % to stand at € 217.5 million (€ 205.4 million). At € 28.7 million, EBIT was up 3.3 % on the previous year's figure of € 27.8 million. As in the previous year, the segment recorded an unusually high margin in the first quarter that stabilised at a high level in the second and third quarters. The strong margin in the first quarter was influenced by certain special effects with unusually strong demand. As explained in the half-year interim report, a certain area of the segment saw a temporary underutilisation of capacities, as the company began the new financial year with a low order backlog and some of the new orders will not be posted as sales until the next financial year. For the year as a whole, we anticipate sales growth and earnings for the segment to be roughly on par with the previous year's high results.

The **Healthcare and Infrastructure Technology** segment benefited from continued strong demand in consumer-centric markets. All companies in the segment were able to use this positive environment and significantly expand their business activities, thereby increasing the number of incoming orders and sales. This broad-based positive development is reflected in a 21.1 % rise in incoming orders to € 116.7 million (€ 96.4 million) and a 12.8 % increase in sales to € 109.0 million (€ 96.6 million). EBIT rose by a disproportionately high margin of 18.9 % and reached € 11.3 million (€ 9.5 million). At a segment level, we expect year-on-year sales and earnings growth for the year as a whole.



In the **Mobility Technology** segment, Protomaster GmbH was sold in the previous financial year, and Paul Beier GmbH Werkzeug- und Maschinenbau & Co. KG closed one of its segments. As a result, incoming orders and sales were down significantly year on year in the first nine months of the current financial year. Incoming orders stood at € 43.6 million (€ 53.3 million), with sales of € 46.0 million (€ 54.5 million). Thanks to the disposal of low-margin and loss-making sales, however, the segment's EBIT improved substantially from € -0.4 million to € 3.2 million. We expect to see a marked increase in earnings year on year coupled with a decline in sales for the year as a whole.

## ASSETS AND FINANCIAL POSITION

Since the reporting date of 31 March 2018, total assets have risen by 14.7 % from € 456.3 million to € 523.5 million. Around half of this increase is attributable to the addition of Sommer & Strassburger.

On the assets side, the 13.2 % rise in non-current assets was mainly attributable to the acquisition. About one-fifth of the 15.9 % increase in current assets was due to the acquisition. Liquid assets stood at € 34.6 million (€ 38.3 million) as at the reporting date.

On the liabilities side, equity rose by 5.4 % to € 236.5 million (€ 224.3 million) on account of the improvement in earnings. Because total assets rose more sharply, the equity ratio decreased to 45.2 % (49.2 %). Prepayments received on account of orders increased by 71.3 % to € 32.3 million (€ 18.9 million). Current and non-current liabilities to financial institutions increased overall to € 145.1 million (€ 118.8 million). With the aim of achieving target equity ratios, subsidiaries borrowed capital to finance dividend distributions. This primarily had an impact on non-current liabilities to financial institutions, with a less significant impact on current liabilities to financial institutions.

## INVESTMENTS

The companies supported their modern technical equipment with investments in the amount of € 19.2 million (€ 15.9 million) in property, plant and equipment and intangible assets. This total volume was spread across a series of small and medium-sized replacement and expansion investments.

## EMPLOYEES

At the end of the reporting period, GESCO Group employed 2,669 people, compared to 2,482 at the end of the same period in the previous year. The increase was primarily attributable to the addition of the 141 employees of Sommer & Strassburger as well as the 28 employees in total at the Ukrainian and Russian subsidiaries of Frank Walz- und Schmiedetechnik GmbH, which had not been included in the previous year's figures. Adjusted for these effects, the number of employees remained virtually unchanged during the nine-month period. Protomaster's workforce was already factored out of the previous year's figures.

Employees

2,669



+7.5%

## EVENTS AFTER THE REPORTING DATE, OUTLOOK AND FORECAST REPORT

This quarterly statement for the first nine months of the financial year encompasses the operating months January to September 2018 of the Group's subsidiaries. In the subsequent fourth quarter, which encompasses the operating months October to December 2018 of the subsidiaries, incoming orders at the Group came to roughly € 135 million according to preliminary figures – a decrease of around 6.6 % on the previous year's strong figure of € 144.5 million. As explained earlier in this report, the previous year's value contained a major order. According to preliminary figures, Group sales in the fourth quarter increased by around 1.5 % compared to the previous year's figure and also reached approximately € 145 million (€ 142.8 million).

In the half-year interim report in November 2018, we forecasted sales of slightly over € 560 million in organic terms and inorganic growth of around € 6.5 million as a result of the first-time pro rata inclusion of Sommer & Strassburger. We currently expect to see Group sales of around € 570 million in total. With regard to Group net income after minority interest, we forecasted a figure of € 26 million or slightly less in organic terms and a negative effect of around € 0.5 million due to the acquisition of Sommer & Strassburger. Based on the information currently available, we confirm this outlook.

Yours sincerely,

GESCO AG  
The Executive Board

Wuppertal, February 2019

# GESCO GROUP BALANCE SHEET AS AT 31 DECEMBER 2018 AND 31 MARCH 2018

€'000	31.12.2018	31.03.2018
<b>Assets</b>		
<b>A. Non-current assets</b>		
I. Intangible assets		
1. Industrial property rights and similar rights and assets as well as licences	24,929	21,715
2. Goodwill	30,167	19,153
3. Prepayments made	0	16
	<b>55,096</b>	<b>40,884</b>
II. Property, plant and equipment		
1. Land and buildings	72,538	66,175
2. Technical plant and machinery	56,964	52,045
3. Other plants, fixtures and fittings	21,731	21,568
4. Prepayments made and assets under construction	6,679	6,908
	<b>157,912</b>	<b>146,696</b>
III. Financial investments		
1. Shares in affiliated companies	38	40
2. Shares in companies valued at equity	1,409	1,215
3. Investments	236	156
4. Other loans	181	190
	<b>1,864</b>	<b>1,601</b>
IV. Other assets	1,226	1,360
V. Deferred tax assets	3,135	3,166
	<b>219,233</b>	<b>193,707</b>
<b>B. Current assets</b>		
I. Inventories		
1. Raw materials and supplies	27,785	23,616
2. Unfinished products and services	51,727	40,938
3. Finished products and goods	83,114	70,514
4. Prepayments made	1,208	845
	<b>163,834</b>	<b>135,913</b>
II. Receivables and other assets		
1. Trade receivables	84,485	73,190
2. Amounts owed by affiliated companies	0	1,782
3. Amounts owed by companies valued at equity	290	19
4. Other assets	19,937	12,247
	<b>104,712</b>	<b>87,238</b>
III. Cash and credit balances with financial institutions	34,625	38,295
IV. Accounts receivable and payable	1,077	1,103
	<b>304,248</b>	<b>262,549</b>
	<b>523,481</b>	<b>456,256</b>

€'000	31.12.2018	31.03.2018
<b>Equity and liabilities</b>		
<b>A. Equity</b>		
I. Subscribed capital	10,839	10,839
II. Capital reserves	72,364	72,364
III. Revenue reserves	143,893	130,773
IV. Own shares	0	-119
V. Other comprehensive income	-4,278	-4,398
VI. Minority interests (incorporated companies)	13,655	14,806
	<b>236,473</b>	<b>224,265</b>
<b>B. Non-current liabilities</b>		
I. Minority interests (partnerships)	1,060	1,868
II. Provisions for pensions	15,718	16,020
III. Other non-current provisions	613	589
IV. Liabilities to financial institutions	96,805	76,232
V. Other liabilities	11,836	3,822
VI. Deferred tax liabilities	3,591	3,139
	<b>129,623</b>	<b>101,670</b>
<b>C. Current liabilities</b>		
I. Other provisions	11,092	21,077
II. Liabilities		
1. Liabilities to financial institutions	48,293	42,523
2. Trade creditors	24,807	15,036
3. Prepayments received on orders	32,428	18,928
4. Liabilities to affiliated companies	470	316
5. Other liabilities	39,845	32,350
III. Accounts receivable and payable	450	91
	<b>157,385</b>	<b>130,321</b>
	<b>523,481</b>	<b>456,256</b>

# GESCO GROUP INCOME STATEMENT FOR THE THIRD QUARTER (1 OCTOBER TO 31 DECEMBER)

€'000	3. Quarter 2018/2019	3. Quarter 2017/2018
<b>Sales revenues</b>	<b>144,699</b>	<b>139,614</b>
Change in stocks of finished and unfinished products	2,126	3,866
Other company-produced additions to assets	1,017	4
Other operating income	2,160	2,898
<b>Total income</b>	<b>150,002</b>	<b>146,382</b>
Material expenditure	-77,600	-73,475
Personnel expenditure	-37,130	-37,704
Other operating expenditure	-17,426	-18,314
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>17,846</b>	<b>16,889</b>
Depreciation on property, plant and equipment and amortisation of intangible assets	-5,959	-5,802
<b>Earnings before interest and tax (EBIT)</b>	<b>11,887</b>	<b>11,087</b>
Earnings from investments	75	131
Earnings from companies valued at equity	205	61
Other interest and similar income	33	292
Interest and similar expenditure	-700	-692
Minority interest in partnerships	-105	-102
<b>Financial result</b>	<b>-492</b>	<b>-310</b>
<b>Earnings before tax (EBT)</b>	<b>11,395</b>	<b>10,777</b>
Taxes on income and earnings	-3,735	-4,278
<b>Group net income for the year after tax</b>	<b>7,660</b>	<b>6,499</b>
Minority interest in incorporated companies	-763	-700
<b>Group net income for the year after minority interest</b>	<b>6,897</b>	<b>5,799</b>
Earnings per share acc. to IFRS (€)	0,64	0,53
Weighted average number of shares	10,823,746	10,819,514

# GESCO GROUP INCOME STATEMENT FOR THE FIRST NINE MONTHS (1 APRIL TO 31 DECEMBER)

€'000	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018
<b>Sales revenues</b>	<b>424,582</b>	<b>404,350</b>
Change in stocks of finished and unfinished products	7,766	10,900
Other company-produced additions to assets	1,290	437
Other operating income	6,361	6,333
<b>Total income</b>	<b>439,999</b>	<b>422,020</b>
Material expenditure	-224,112	-208,182
Personnel expenditure	-110,797	-113,271
Other operating expenditure	-52,032	-51,118
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>53,058</b>	<b>49,449</b>
Depreciation on property, plant and equipment and amortisation of intangible assets	-17,302	-17,991
<b>Earnings before interest and tax (EBIT)</b>	<b>35,756</b>	<b>31,458</b>
Earnings from investments	75	189
Earnings from companies valued at equity	418	247
Other interest and similar income	57	333
Interest and similar expenditure	-1,893	-2,068
Minority interest in partnerships	-277	-244
<b>Financial result</b>	<b>-1,620</b>	<b>-1,543</b>
<b>Earnings before tax (EBT)</b>	<b>34,136</b>	<b>29,915</b>
Taxes on income and earnings	-11,918	-11,268
<b>Group net income for the year after tax</b>	<b>22,218</b>	<b>18,647</b>
Minority interest in incorporated companies	-2,517	-2,290
<b>Group net income for the year after minority interest</b>	<b>19,701</b>	<b>16,357</b>
Earnings per share acc. to IFRS (€)	1,82	1,51
Weighted average number of shares	10,831,381	10,832,475

## GESCO GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST NINE MONTHS (1 APRIL TO 31 DECEMBER)

€'000	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018
<b>1. Group net income</b>	<b>22,218</b>	<b>18,647</b>
<b>2. Revaluation of benefit obligations not impacting on income</b>	<b>61</b>	<b>295</b>
<b>3. Items that cannot be transferred into the income statement</b>	<b>61</b>	<b>295</b>
<b>4. Difference from currency translation</b>		
a) Reclassification into the income statement	0	0
b) Changes in value with no effect on income	479	-1,948
<b>5. Difference from currency translation from companies valued at equity</b>		
a) Reclassification into the income statement	0	0
b) Changes in value with no effect on income	-327	-161
<b>6. Market valuation of hedging instruments</b>		
a) Reclassification into the income statement	0	0
b) Changes in value with no effect on income	-111	129
<b>7. Items that can be transferred into the income statement</b>	<b>41</b>	<b>-1,980</b>
<b>8. Other comprehensive income</b>	<b>102</b>	<b>-1,685</b>
<b>9. Total result for the period</b>	<b>22,320</b>	<b>16,962</b>
of which shares held by minority interest	2,499	2,173
of which shares held by GESCO shareholders	19,821	14,789



# GESCO GROUP CASH FLOW STATEMENT FOR THE FIRST NINE MONTHS (1 APRIL TO 31 DECEMBER)

€'000	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018
<b>Group net income for the period (including share attributable to minority interest in incorporated companies)</b>	<b>22,218</b>	<b>18,647</b>
Depreciation on property, plant and equipment and intangible assets	17,302	17,991
Earnings from companies valued at equity	-418	-247
Share attributable to minority interest in partnerships	277	244
Decrease in non-current provisions	-188	-215
Other non-cash income / expenditure	-38	114
<b>Cash flow for the period</b>	<b>39,153</b>	<b>36,534</b>
Losses from the disposal of property, plant and equipment/intangible assets	271	57
Gains from the disposal of property, plant and equipment/intangible assets	-639	-384
Gains from changes to the scope of consolidation	0	-229
Increase in stocks, trade receivables and other assets	-37,706	-39,491
Increase in trade creditors and other liabilities	16,699	24,736
<b>Cash flow from ongoing business activity</b>	<b>17,778</b>	<b>21,223</b>
Incoming payments from disposals of property, plant and equipment/intangible assets	995	1,193
Disbursements for investments in property, plant and equipment	-16,065	-15,555
Disbursements for investments in intangible assets	-533	-384
Disbursements due to changes to the scope of consolidation	0	-1,641
Disbursements for investments in financial assets	-103	0
Incoming payments from disposals of investments in financial assets	8	33
Disbursements for the acquisition of consolidated companies and other business units	-20,435	0
<b>Cash flow from investment activity</b>	<b>-36,133</b>	<b>-16,354</b>
Disbursements to shareholders (dividend)	-6,502	-3,794
Disbursements for the purchase of own shares	-900	-1,051
Incoming payments from the sale of own shares	995	942
Disbursements to minority interests	-4,040	-2,583
Disbursements to other shareholders	-750	0
Incoming payments from raising (financial) loans	40,194	15,315
Outflow for repayment of (financial) loans	-14,377	-12,317
<b>Cash flow from funding activities</b>	<b>14,620</b>	<b>-3,488</b>
Changes in cash and cash-equivalents	-3,735	1,381
Exchange-rate related changes in cash and cash-equivalents	65	-232
<b>Financial means on 01.04.</b>	<b>38,295</b>	<b>35,547</b>
<b>Financial means on 31.12.</b>	<b>34,625</b>	<b>36,696</b>

## GESCO GROUP STATEMENT OF CHANGES IN EQUITY CAPITAL

€'000	Subscribed capital	Capital reserves	Revenue reserves	Own shares
<b>As at 01.04.2017</b>	<b>10,839</b>	<b>72,364</b>	<b>118,468</b>	<b>0</b>
Distributions			-3,794	
Acquisition of own shares				-1,051
Disposal of own shares			10	932
Result for the period			16,357	
<b>As at 31.12.2017</b>	<b>10,839</b>	<b>72,364</b>	<b>131,041</b>	<b>-119</b>
<b>As at 01.04.2018</b>	<b>10,839</b>	<b>72,364</b>	<b>130,773</b>	<b>-119</b>
Distributions			-6,502	
Acquisition of own shares				-900
Disposal of own shares			-24	1,019
Acquisition of shares in subsidiaries			-55	
Result for the period			19,701	
<b>As at 31.12.2018</b>	<b>10,839</b>	<b>72,364</b>	<b>143,893</b>	<b>0</b>

## GESCO GROUP SEGMENT REPORT FOR THE FIRST NINE MONTHS (1 APRIL TO 31 DECEMBER)

€'000	Production Process Technology		Resource Technology	
	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018
Order backlog	60,747	48,888	80,337	67,775
Incoming orders	71,511	56,022	224,742	202,233
Sales revenues	52,570	48,356	217,539	205,381
of which with other segments	0	5	546	449
Depreciation	2,191	2,181	3,326	3,024
EBIT	2,902	1,976	28,714	27,787
Investments	1,428	2,215	5,842	2,606
Employees (No./reporting date)	617	472	750	748

Exchange equalisation items	Revaluation of pensions	Hedging instruments	Total	Minority interest incorporated companies	Equity capital
<b>1,113</b>	<b>-3,858</b>	<b>-3</b>	<b>198,923</b>	<b>15,172</b>	<b>214,095</b>
			-3,794	-2,320	-6,114
			-1,051	0	-1,051
			942	0	942
-1,958	274	116	14,789	2,173	16,962
<b>-845</b>	<b>-3,584</b>	<b>113</b>	<b>209,809</b>	<b>15,025</b>	<b>224,834</b>
<b>-1,061</b>	<b>-3,349</b>	<b>12</b>	<b>209,459</b>	<b>14,806</b>	<b>224,265</b>
			-6,502	-3,650	-10,152
			-900	0	-900
			995	0	995
			-55	0	-55
163	56	-99	19,821	2,499	22,320
<b>-898</b>	<b>-3,293</b>	<b>-87</b>	<b>222,818</b>	<b>13,655</b>	<b>236,473</b>

	Healthcare and Infrastructure Technology		Mobility Technology		Reconciliation		Group	
	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018	1.-3. Quarter 2018/2019	1.-3. Quarter 2017/2018
	48,328	34,300	47,052	43,684	0	0	236,464	194,647
	116,735	96,371	43,604	53,285	0	0	456,592	407,911
	109,014	96,633	46,043	54,470	-584	-490	424,582	404,350
	0	0	38	36	-584	-490	0	0
	4,647	4,632	3,086	3,380	4,052	4,774	17,302	17,991
	11,281	9,489	3,206	-373	-10,347	-7,421	35,756	31,458
	6,237	6,469	5,591	4,507	67	144	19,165	15,941
	818	759	467	484	17	19	2,669	2,482

## EXPLANATORY NOTES

### ACCOUNTS, ACCOUNTING AND VALUATION METHODS

GESCO Group's statement for the first nine months (1 April to 31 December 2018) of financial year 2018/2019 (1 April 2018 to 31 March 2019) was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). It was drawn up in compliance with IAS 34.

The accounting and valuation principles applied generally correspond to those in the consolidated financial statements as at 31 March 2018. The financial statements are affected by the accounting and valuation methods as well as assumptions and estimates which affect the level and recognition of assets, liabilities and contingent liabilities on the balance sheet, as well as those of the income and expenditure items. Sales-related figures are accrued throughout the year.

The purchase price allocation carried out in the present balance sheet as it relates to the acquisition of Sommer & Strassburger GmbH & Co. KG is temporary according to IFRS 3.45 et seq.



# FINANCIAL CALENDAR

**14 February 2019**

Publication of the quarterly statement for the first nine months

**27 June 2019**

Annual accounts press conference and analysts' meeting

**14 August 2019**

Publication of the quarterly statement for the first quarter

**29 August 2019**

Annual General Meeting at the Stadthalle Wuppertal, Germany

**14 November 2019**

Publication of the half-year interim report

Dear Shareholders,

If you would like to receive regular information on GESCO AG, please add your name to our mailing list. Please print this page, fill it out and return it to us by post or fax. You can also register on our website [www.gesco.de](http://www.gesco.de), send us an e-mail at [info@gesco.de](mailto:info@gesco.de) or call us on +49 202 24820-18.

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First name / name: \_\_\_\_\_

Street / house number: \_\_\_\_\_

Zip code / City: \_\_\_\_\_

E-mail: \_\_\_\_\_

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- e-mail.
- e-mail (please send annual report per post).
- post.

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