

# Report on the Results of Rába Plc. in H1 of 2019

Unaudited, consolidated half-year report  
according to the International Financial Reporting Standards (IFRS)

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## MANAGEMENT REPORT

### MAIN RESULTS OF THE COMPANY

- During H1 of 2019, relevant markets of Rába were quite different in terms of market activity. While the European and American truck market was characterised by substantial growth, the agricultural segment and the Russian bus and truck markets were characterised by declining demand. In terms of manufacturing costs, the pressure on wages, manifest for years increased further and the double digit increase in energy prices put considerable pressure on the manufacturing activity, as well as on the financial performance. In terms of sales, in Q2 of 2019, the Axle Business Unit, with the largest export exposure generated 11.7 per cent less sales than a year earlier, however, the Components and the Vehicle Business units managed to increase sales revenues substantially, by 17.3 and 48.7 per cents respectively. In total, Group-level sales in Q2 of 2019 exceeded the level of the previous year by 6.7 per cent. For the cumulative period of H1 of 2019, Group-level sales amounted to HUF 27.6 billion, through an increase of 12.9 per cent, i.e. HUF 3.2 billion. The contribution of the Axle Business Unit to such result was a decline in sales by 5.5 per cent and of the Components and Vehicle Business Units by outstanding sales growth of 19.2 and 58.0 per cents respectively. In terms of the exchange rate environment, an increase was manifest in H1 of 2019, in the exchange rates of both the USD representing a lesser portion in the company's foreign exchange turnover and in the EUR, representing a more substantial portion of FX sales. In the case of the USD, the average exchange rate increased by 9.3 per cent, while the EUR exchange rate increased by 2.1 per cent compared to the level of the base period of one year earlier.
- Due to the pressure on costs of the double digit growth of wage costs and of energy prices, as well as due to the unfavourable changes of the sales portfolio, the gross margin in H1 of 2019 declined by 2,0 percentage points to 19.8 per cent. Gross profitability in Q2 of 2019 reached 19.4 per cent, upon a decline by 1.7 percentage points for similar reasons.
- For the cumulative period of H1 of 2019, owing to the significant increase in sales, gross profits increased by 2.4 per cent, i.e. HUF 131 million to HUF 5,470 million. The gross profit achieved in Q2 of 2019 exceeded HUF 2.5 billion, amounting to HUF 2,502 million.
- The balance of other revenues and expenditures amounted to HUF 34 million in losses during the review period, against the loss of HUF 160 million during the same period of the previous year.
- With direct wage costs under control, and by eliminating the price pressure exerted by suppliers, all business units produced profits at operating level during both the first half and the first quarter of the 2019 business year. Of the business units, the Vehicle Business unit stands out with its substantially increased sales volume, with operating profits during H1 of 2019 amounting to HUF 633 million, which is 172.0 per cent, i.e. HUF 400 million more than during the previous year. The operating profit of the Axle and the Components Business Units remained below the level achieved in H1 of 2018, with operating profits of the Axle Business Unit amounting to HUF 240 million and to HUF 363 million in the case of the Components Business Unit. In total, the Group level operating profit amounted to HUF 1,229 million with an increase by 17.7 per cent over the previous year's figure.

- In terms of cash generating efficiency, the Company generated a group-level EBITDA of HUF 829 million in Q2 of 2019, through which the cumulative EBITDA-level operating profit for the period increased by 10 per cent, i.e. HUF 216 million to HUF 2,276 million. Although increasing wages and energy costs had a negative impact in profitability, EBITDA-level profitability was even so only slightly below the industry average, amounting to 8.2 per cent in H1 of 2019. The contribution to the group-level EBITDA of the Axle Business Unit was HUF 806 million, whereas of the Components Business Unit it amounted to HUF 606 million. Based on the outstanding sales volume, the Vehicle Business Unit achieved considerable increase in its profits, amounting to 118.5 per cent, compared to the results of the previous year, resulting in EBITDA-level profits of HUF 760 million.
- The financial loss in H1 of 2019 amounted to HUF 93 million, compared to the loss of HUF 154 million generated during the same period of the previous year. The financial performance was fundamentally influenced by the realised exchange rate loss and the interest expenses.
- The total aggregate income and profit for the current year increased by 33.7 per cent in H1 of 2019 achieving a profit of HUF 854 million.
- The net loan portfolio in H1 of 2019 shows an increase by HUF 5.1 billion compared to the same period of last year, which corresponds to the path forecast by the Company. As a result of the profitable operation, the increasing working capital reflecting the expanding sales and the financing of investments of strategic significance, the net loan portfolio amounted to HUF 9.5 billion. The revaluation, due to exchange rate fluctuation, of loans, worth HUF 80 million not involving cash movements, also contributed to the change in net borrowing.
- As a result of the profitable and efficient operation, the shareholder's equity increased by 5.8 per cent compared to the same period of the previous year. The shareholder's equity per share reached HUF 1.594/share.

thousand HUF	2018 Q1-Q2	2019 Q1-Q2	Change	2018 Q2	2019 Q2	Change
Sales revenue	24 476 671	27 638 384	12.9%	12 106 721	12 913 689	6.7%
Gross profit	5 339 151	5 469 716	2.4%	2 551 255	2 502 599	-1.9%
<i>Gross margin</i>	21.8%	19.8%	-2%p	21.1%	19.4%	-1.7%p
EBITDA	2 059 746	2 275 518	10.5%	1 015 016	829 433	-18.3%
<i>EBITDA</i>	8.4%	8.2%	-0.2%p	8.4%	6.4%	-2%p
Operating profit	1 043 775	1 228 704	17.7%	493 764	298 667	-39.5%
Net financial profit/loss	-153 798	-93 438	39.2%	-130 265	-86 497	33.6%
Profit after tax for the current year	639 227	854 390	33.7%	242 796	110 363	-54.5%
Total comprehensive income	639 227	854 390	33.7%	242 796	110 363	-54.5%

## GOAL AND STRATEGY OF THE BUSINESS

"The volatility of our key market segments and the increasing manufacturing costs posed challenges to the company in the first half of the year. The strategic investment program to be concluded in 2019 H2, and bringing state-of-the-art manufacturing technology and capacity expansion serves to further advance our strategic partnerships and develop new business relations." – said István Pintér, Chairman-CEO of Rába Automotive Holding Plc.

## EXTERNAL ENVIRONMENT OF THE BUSINESS

- In H1 of 2019, the truck market within Europe showed a steady increase, with the number of new truck registrations exceeding the figure of the previous year by 16.2 per cent. Experts, however, suggest caution regarding growth, since the review period was impacted by the introduction of new regulations, resulting in a demand boost and the demand for shipping has also been moderate. The expansion continued on the American market, retail figures exceeded the level of the previous year by 20 per cent. The demand for Rába products in the agricultural segment remained below the level of H1 of 2018, the decline was significant at 22.9 per cent.

The Russian bus and truck markets were also characterised by declining demand during the review period, with the decline amounting to 5.9 per cent in the truck sector and 3.1<sup>1</sup> per cent for buses. The European market of passenger cars was characterised by a decline in demand in the first 6 months of 2019, there were 3.1 per cent less new vehicle registrations than during the year before.

- The considerable price pressure of steel prices fundamentally influencing the year 2018 was stabilised at a high level, upon declining volatility in H1 of 2019, steel prices declined marginally, by 1,8 per cent compared to the level of the year before. There was a moderate price decline on the market of steel raw materials in Q2 of 2019 as well, amounting to 2.5 per cent compared to the base period.
- The drastic price pressure of energy prices felt during Q1 of 2019 seemed to subside during Q2, which, however, was still considerable. With energy prices that were 7.6 per cent higher on a quarterly basis, the cumulative increase in energy prices reached 13.2 per cent in H1 of 2019.
- In regard to the exchange rate environment, an increase occurred in case of both the USD, representing a lesser proportion in the FX turnover of the company and in the case of the EUR, representing more substantial weight in the FX turnover in H1 of 2019. In the case of the USD the exchange rate increased by 9.3 per cent, while the EUR exchange rate increased by 2.1 per cent compared to the base period.<sup>2</sup>

	2018 Q1-Q2	2019 Q1-Q2	Change	2018 Q2	2019 Q2	Change
EURHUF – average	314.1	320.6	2.1%	317.1	323.1	1.9%
EURHUF – end of period	328.6	323.5	-1.5%	328.6	323.5	-1.5%
USDHUF – average	259.7	283.7	9.3%	266.3	287.6	8.0%
USDHUF – end of period	282.1	284.1	0.7%	282.1	284.1	0.7%
Changes in raw material prices*	127%	125%	-1.8%	128%	125%	-2.5%
Changes in energy prices**	167%	189%	13.2%	158%	170%	7.6%

\* Rába indices – own calculation - base: Q1 2007; average values for the period

\*\* Rába indices – own calculation - base: December 2004; average values for the period

## SUMMARY OF RESULTS DURING THE CURRENT PERIOD

### Rába Axle Ltd.

The sales revenue of Rába Axle Ltd. in H1 of 2019 amounted to HUF 12.5 billion compared to HUF 13.2 billion achieved during the base period of 2018. This corresponds to a decrease of 5.5 per cent.

On the **American market**, the sales revenue in the reporting period was USD 7.1 million, compared to the USD 5.3 million of H1 of 2018. This corresponds to an increase of 34.0 per cent.

On the **EU market**, Rába Axle Ltd.'s sales figures in HUF terms decreased by 11.6 per cent, amounting to HUF 8.9 billion, compared to HUF 10.1 billion during the base period.

**European exports** remained below the level of the same period a year earlier by 15.5 per cent in H1 of 2019 amounting to EUR 21.8 million, compared to HUF 25.8 million in H1 of 2018.

**Domestic sales** before consolidation amounted to HUF 1,993 million, which represents an increase of 2.0 per cent compared to the HUF 1,957 billion of the base period.

On the **CIS and East-European** markets, the export sales revenues achieved by Rába Axle Ltd. in H1 of 2019 were 66.7 per cent lower than the base period in 2018, decreasing from EUR 3.0 million to EUR 1.0 million.

In the **other** markets, the sales revenue during the reporting period amounted to EUR 4.1 million, which exceeded the EUR 2.7 million turnover of the 2018 base period by 51.9 per cent.

<sup>1</sup> Based on data from Jan-May.

<sup>2</sup> The average exchange rates were calculated based on the official FX exchange rates of the MNB.  
Source: <http://www.mnb.hu/arfolyam-lekerdezes>

The operating result of the Company in H1 of 2019 was a profit of HUF 240 million, compared to HUF 469 million during the same period of the previous year.

At EBITDA level the operating profit of the Axle business line was HUF 806 million compared to HUF 1,030 million registered a year earlier.

Million HUF	2018. Q1-Q2	2019. Q1-Q2	Change	2018. Q2	2019. Q2	Change
America	1 361	1 982	45.6%	721	1 014	40.6%
EU - export	8 124	6 919	-14.8%	4 169	3 219	-22.8%
EU - domestic	1 957	1 993	1.8%	952	909	-4.5%
CIS	942	312	-66.9%	521	95	-81.8%
Other	855	1 309	53.1%	437	768	75.7%
<b>Total sales revenue</b>	<b>13 239</b>	<b>12 514</b>	<b>-5.5%</b>	<b>6 800</b>	<b>6 004</b>	<b>-11.7%</b>
<b>EBITDA</b>	<b>1 030</b>	<b>806</b>	<b>-21.7%</b>	<b>594</b>	<b>303</b>	<b>-49.0%</b>
<b>Operating profit</b>	<b>469</b>	<b>240</b>	<b>-48.8%</b>	<b>315</b>	<b>20</b>	<b>-93.7%</b>

### Rába Automotive Components Ltd.

The sales revenue of Rába Automotive Components Ltd. amounted to HUF 9.3 billion in H1 of 2019, which is an increase of 19.2 per cent compared to the base period.

Rába Automotive Components Ltd. generates a considerable portion of its sales on the European market.

**European exports** during H1 of 2019 amounted to EUR 13.0 million, which represents an increase of 20.4 per cent compared to the EUR 10.8 million of the base period of 2018.

**Domestic sales** before consolidation amounted to HUF 5,179 million during the reporting period, which is equivalent to a 17.7 per cent increase compared to the sales revenue of HUF 4,399 million during H1 of 2018.

The Business Unit generated a profit of HUF 363 million at operating level during the reporting period compared to a profit of HUF 427 million in H1 of 2018.

On the level of EBITDA, the profit of the Automotive Components business unit decreased marginally, to HUF 606 million during the period, from the HUF 659 million of the previous year.

Million HUF	2018. Q1-Q2	2019. Q1-Q2	Change	2018. Q2	2019. Q2	Change
EU - export	3 404	4 122	21.1%	1 743	2 129	22.1%
EU - domestic	4 399	5 179	17.7%	2 207	2 502	13.4%
Other	7 803	9 301	19.2%	3 950	4 632	17.3%
<b>Total sales revenue</b>	<b>659</b>	<b>606</b>	<b>-8.0%</b>	<b>360</b>	<b>308</b>	<b>-14.4%</b>
<b>EBITDA</b>	<b>427</b>	<b>363</b>	<b>-15.0%</b>	<b>230</b>	<b>185</b>	<b>-19.6%</b>

### Rába Vehicle Ltd.

The sales revenue of Rába Vehicle Ltd. in H1 of 2019 was above the figure of the base period by 58.0 per cent and increased from HUF 4.3 billion to HUF 6.8 billion.

A significant portion of the sales revenue of Rába Vehicle Ltd. is generated on the European market.

**European exports** were 15.0 per cent higher than the level of the base period, thus increasing from EUR 8.7 million to EUR 10.0 million.

**Domestic sales** before consolidation amounted to HUF 3,656 million in H1 of 2019, compared to HUF 1,589 million during the base period, representing an increase by 130.1 per cent.

The operating profit amounted to HUF 633 million during the reporting period compared to the profit of HUF 232 million during the base period last year.

On the level of EBITDA, in the reporting period the Vehicle Business Unit registered a profit of HUF 760 million compared to the profit of HUF 348 million in H1 of 2018.

Million HUF	2018. Q1-Q2	2019. Q1-Q2	Change	2018. Q2	2019. Q2	Change
EU - export	2 729	3 165	16.0%	1 313	1 639	24.8%
EU - domestic	1 589	3 656	130.1%	511	1 067	108.8%
Other	4 317	6 820	58.0%	1 824	2 706	48.4%
<b>Total sales revenue</b>	<b>348</b>	<b>760</b>	<b>118.4%</b>	<b>68</b>	<b>160</b>	<b>135.3%</b>
<b>EBITDA</b>	<b>232</b>	<b>633</b>	<b>172.8%</b>	<b>9</b>	<b>93</b>	<b>933.3%</b>

### Rába Group

The consolidated sales revenue of the Rába Group in H1 of 2019 amounted to HUF 27.6 billion, which is an increase of 12.9 per cent compared to the figure of HUF 24.5 billion reported for the base period H1 of 2018.

The operating profit of the group during the current period amounted to HUF 1,229 million, compared to HUF 1,044 million during the same period a year earlier.

During the reporting period, the financial result was a loss of HUF 93 million, which includes, among others, a net interest payment of HUF 43 million, as well as exchange rate gains of HUF 48 million.

Based on the above, the Rába Group generated a net profit of HUF 854 million in H1 of 2019, compared to a profit of HUF 639 million during the same period of the previous year.

On the level of EBITDA, the Rába Group registered profits of HUF 2,276 million in H1 of 2019, against last year's figure of HUF 2,060 million.

### The Rába Group – other data and events pertaining to the business activity

#### Sales revenue by business unit

Sales revenue (HUF million)	Axle	Components	Vehicles	Rába Group consolidated
2018 Q1	6 439	3 854	2 493	12 370
<b>2018 Q2</b>	<b>6 800</b>	<b>3 950</b>	<b>1 824</b>	<b>12 107</b>
2018 Q3	5 299	3 032	2 334	10 212
2018 Q4	6 488	4 225	3 730	13 943
2019 Q1	6 510	4 670	4 115	14 725
<b>2019 Q2</b>	<b>6 004</b>	<b>4 632</b>	<b>2 706</b>	<b>12 914</b>

#### Breakdown of the sales revenues for H1 of 2019

HUF million	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	1 982	8 911	6 919	1 993	312	1 309	<b>12 514</b>
Components	0	9 301	4 122	5 179	0	0	<b>9 301</b>
Vehicle	0	6 820	3 165	3 656	0	0	<b>6 820</b>
<b>Consolidated</b>	<b>1 982</b>	<b>24 036</b>	<b>14 206</b>	<b>9 830</b>	<b>312</b>	<b>1 309</b>	<b>27 638</b>

#### Operating profit of group companies

	Operating profit						
	2018.					2019.	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
Axle	154	315	-32	192	629	220	20
Component	197	230	10	216	653	178	185
Vehicle	223	9	135	355	722	540	93
Other	-24	-60	-62	-107	-253	-8	1
<b>Total</b>	<b>550</b>	<b>494</b>	<b>51</b>	<b>656</b>	<b>1 751</b>	<b>930</b>	<b>299</b>

**PK2. Companies involved in the consolidation**

Company	Share/Issue capital in HUF thousand	Ownership ratio (%)	Voting ratio <sup>1</sup>	Classification <sup>2</sup>
Rába Axle Ltd.	9 762 800	100.00	100.00	L
Rába Automotive Components Ltd.	300 000	100.00	100.00	L
Rába Vehicle Ltd.	835 100	100.00	100.00	L

<sup>1</sup>Voting right securing participation in the decision-making at the general meeting of the company subject to consolidation.

<sup>2</sup>Subsidiary (S); Jointly controlled (J); Affiliated (A).

In May 2019, the Company acquired Diagonal Valor Kft., but the real value of the assets bought and liabilities assumed has not yet been included in the consolidation.

**PK. 4. CONSOLIDATED PROFIT AND LOSS ACCOUNT ACCORDING TO IFRS**

Currency*	HUF	X	EUR	
Unit*	1.000	X	1.000.000	

\* Indicate with an X.

Description of item	2018 H1	2019 H1	Index	2018 Q2	2019 Q2	Index
Domestic sales revenues	7 061 777	9 829 815	139,2%	3 202 924	4 050 172	126,5%
Export sales revenues	17 414 894	17 808 569	102,3%	8 903 797	8 863 517	99,5%
<b>Revenues</b>	<b>24 476 671</b>	<b>27 638 384</b>	<b>112,9%</b>	<b>12 106 721</b>	<b>12 913 689</b>	<b>106,7%</b>
Direct cost of sales	19 137 520	22 168 668	115,8%	9 555 466	10 411 090	109,0%
<b>Gross profit</b>	<b>5 339 151</b>	<b>5 469 716</b>	<b>102,4%</b>	<b>2 551 255</b>	<b>2 502 599</b>	<b>98,1%</b>
Cost of sales and marketing	337 916	418 796	123,9%	179 979	198 426	110,2%
General and administration expenses	3 797 809	3 788 387	99,8%	1 759 222	1 899 514	108,0%
Other revenues	154 607	278 849	180,4%	85 418	77 013	90,2%
Other expenditures	314 258	312 678	99,5%	203 708	183 005	89,8%
<b>Total other operating expenses</b>	<b>-4 295 376</b>	<b>-4 241 012</b>	<b>98,7%</b>	<b>-2 057 491</b>	<b>-2 203 932</b>	<b>107,1%</b>
<b>Revenue from operations</b>	<b>1 043 775</b>	<b>1 228 704</b>	<b>117,7%</b>	<b>493 764</b>	<b>298 667</b>	<b>60,5%</b>
Financial revenues	389 730	40 163	10,3%	351 363	17 192	4,9%
Financial expenditures	543 528	133 601	24,6%	481 628	103 689	21,5%
<b>Net financial profit/loss</b>	<b>-153 798</b>	<b>-93 438</b>	<b>-60,8%</b>	<b>-130 265</b>	<b>-86 497</b>	<b>66,4%</b>
<b>PROFIT BEFORE TAXATION</b>	<b>889 977</b>	<b>1 135 266</b>	<b>127,6%</b>	<b>363 499</b>	<b>212 170</b>	<b>58,4%</b>
<b>Profit tax</b>	<b>250 750</b>	<b>280 876</b>	<b>112,0%</b>	<b>120 703</b>	<b>101 807</b>	<b>84,3%</b>
<b>After-tax profit in the current year</b>	<b>639 227</b>	<b>854 390</b>	<b>133,7%</b>	<b>242 796</b>	<b>110 363</b>	<b>45,5%</b>
Basic value of profit per share (HUF)	47	63				
Diluted value of profit per share (HUF)	47	63				

**1. EARNED REVENUES**

During H1 of 2019, Rába achieved HUF 27,638 million in sales revenue, compared to HUF 24,477 million during the same period of 2017, which is a change of 12.9 per cent. 64.4 per cent of the revenues in the reporting period came from exports, while the rest came from domestic sales.

**2. COSTS AND OTHER REVENUES. EXPENDITURES****2.1. Direct costs**

During H1 of 2019, the direct cost level of Rába was 80.6 per cent compared to 78.9 % of the base period. The amount of direct costs was HUF 22,169 million, 15.8 per cent more than during the base period (H1 of 2018: HUF 19,138 million).

**Gross profit**

The gross profit changed from HUF 5,339 million in the base period to HUF 5,470 million (HUF 131 million), which is due to the increase in sales revenue by HUF 3,162 million and by 3,031 million in direct expenses.

**2.2. Cost of sales**

The cost of sales increased by 23.9 per cent and amounted to HUF 419 million during H1 of 2019, compared to HUF 338 million in H1 of 2018.

**2.3. General overhead and administrative expenses**

Rába accounts its costs incurred in relation to the administration of the company (H1 of 2019: HUF 1,765 million) and other general costs (H1 of 2019: HUF 2,023 million) under general overhead and administrative expenses (H1 of 2019: HUF 3,788 million, H1 of 2018: 2,023 million).

**2.4. Other revenues and expenditures**

Other revenues amounted to a loss of HUF 34 million in H1 of 2019, compared to HUF 160 million in losses during the same period of last year.

**3. OPERATING PROFIT**

The operating profit of the Company during H1 of 2019 was HUF 1,229 million (H1 of 2018: HUF 1,044 million). The increase in gross profit (HUF 131 million) was deteriorated by the combined change in sales and general overhead costs (HUF 72 million) and was improved by the change in the balance of other revenues and expenditures (HUF 126 million). Profitability changed from 4.3% during the base period to 4.4 per cent. The profitability of operating profit + depreciation changed from 8.4 per cent during the base period to 8.2 per cent.

**4. FINANCIAL REVENUES AND EXPENDITURES**

During H1 of 2019, the net financial result was a loss of HUF 93 million, compared to the loss of HUF 154 million during the base period.

The net result of interest incomes and expenses was HUF -43 million during H1 of 2019 (against HUF -28 million during the base period).

The net exchange rate difference of FX items during H1 of 2019 was HUF -48 million (HUF -122 million in the base period).

Financial revenues and expenditures consisted of the following principal items:

in HUF thousand

	H1 of 2018	H1 of 2019
Interest income	247	9
Exchange rate gains	389 439	37 834
Other financial revenues	0	2 320
<b>Financial revenues</b>	<b>389 731</b>	<b>40 163</b>
Interest payable	28 325	43 025
Exchange rate loss	511 689	86 066
Other financial expenditures	3 514	4 510
<b>Financial expenditures</b>	<b>543 528</b>	<b>133 601</b>

**5. PROFIT IN THE CURRENT YEAR**

The earnings before taxation during H1 of 2019 amounted to HUF 1,135 million, which, because of the factors outlined in Sections 1-4 is HUF 245 million more than the figure for H1 of 2018. The profitability ratio represents a 4.1 per cent return on sales on the basis of profit before taxation, against the level of 3.6 per cent during the base period.

The Group has HUF 281 million in tax liability during the review period. Within that, the corporate income tax liability was HUF 73 million, the local business tax liability was HUF 178 million and the deferred tax liability in the reporting period was HUF 30 million.

**PK. 3. STATEMENT OF CONSOLIDATED FINANCES ACCORDING TO IFRS (BALANCE SHEET ACCORDING TO IFRS)**

Currency*	HUF	X	EUR	
Unit*	1.000	X	1.000.000	

\*Indicate with X.

Description of item	31.12.2018	30.06.2019	Index
Real estate, machines, equipment	19 144 674	19 932 311	104,1%
Intangible assets	182 827	154 988	84,8%
Other long-term assets	332 617	296 408	89,1%
Property for investment purposes	338 217	338 217	100,0%
Other investments	205	74 905	36539,0%
Subsidiary investments		400 000	
Deferred tax receivables	22 065	5 955	27,0%
<b>Total invested assets</b>	<b>20 020 605</b>	<b>21 202 784</b>	<b>105,9%</b>
Inventories	9 071 591	10 180 006	112,2%
Trade receivables and other receivables	12 265 856	12 896 763	105,1%
Profit tax receivable	37 672	0	0,0%
Liquid assets. bank account	683 530	569 180	83,3%
<b>Total current assets</b>	<b>22 058 649</b>	<b>23 645 949</b>	<b>107,2%</b>
<b>Total assets</b>	<b>42 079 254</b>	<b>44 848 733</b>	<b>106,6%</b>
Registered capital	13 473 446	13 473 446	100,0%
Treasury shares	-108 952	-108 952	100,0%
Retained earnings	7 500 457	8 114 944	108,2%
<b>Total equity and reserves</b>	<b>20 864 951</b>	<b>21 479 438</b>	<b>102,9%</b>
Long-term credits and loans	5 915 784	5 720 945	96,7%
Provisions	245 477	245 477	100,0%
Deferred tax liability	103 531	117 607	113,6%
<b>Total long-term liabilities</b>	<b>6 264 792</b>	<b>6 084 029</b>	<b>97,1%</b>
Provisions	244 468	108 705	44,5%
Income tax liability	0	25 184	
Short-term portion of loans and credits	2 186 268	4 919 768	225,0%
Trade liabilities and other payables	12 518 775	12 231 609	97,7%
<b>Total short-term liabilities</b>	<b>14 949 511</b>	<b>17 285 266</b>	<b>115,6%</b>
<b>Total equity and liabilities</b>	<b>42 079 254</b>	<b>44 848 733</b>	<b>106,6%</b>

**Analysis of principal balance sheet items and their changes****1. INVESTED ASSETS****1.1. Properties, machines and equipment**

The consolidated net value of properties, machines and equipment changed from the closing value of HUF 19,145 million on 31 December, 2018 to HUF 19,932 million. This represents an increase by 4.1 per cent. The depreciation of tangible assets was HUF 1,004 million in H1 of 2019.

In line with the provisions of the IFRS 16 Standard effective from 1 January, 2019, the Company identified assets, forklifts and passenger vehicles in the amount of HUF 189 million, where the lessor let use of the assets to Rába. (HUF 175 million on 1 January, 2019, with purchases during the reporting period of HUF 13 million). During the reporting period, the depreciation of these assets amounted to HUF 35 million. According to the decision adopted within the accounting policy, the Company applied the modified retrospective method as from 1 January, 2019, for the contracts still in effect on 1 January, 2019 and deemed operating leasing as per the provisions of the earlier IAS 17 regulations: based on the rules of IFRS 16, the contract was recalculated as if IFRS 16 had



always been used, i.e. in the case of leases earlier deemed operating leasing as per the IAS 17, the value of the usage right is set identical with the leasing liability.

For leases expiring within less than 12 months of the transition, earlier deemed operating leasing as per IAS 17, the Company used the possibility of exemption and continues to account for fees paid as per the contract under expenses until the end of the lease term.

### **1.2. Intangible assets**

The net value of intangible assets changed from HUF 183 million to HUF 155 million. This represents a decline by 15.2 per cent. The amount of depreciation accounted during the period was HUF 43 million.

### **1.3. Other long-term assets**

This balance sheet line shows other long-term loans given HUF 2 million (31 December, 2018: HUF 3 million), receivables from the sale of assets amounting to HUF 130 million (31 December 2018: HUF 130 million), as well as long-term advance payments in the amount of HUF 202 million (31 December 2018: HUF 200 million) are also shown here, as this is the consequence of the partial payment of a long-term liability upon favourable conditions, to be recorded annually in the indirect cost line. In consequence of the discharge of liabilities during the year, the amount of long term receivables declined by HUF 36 million during the period.

### **1.4. Property for investment purposes**

The book value of real estate for investment purposes did not change during the period. It amounted to HUF 338 million on 30 June, 2019.

### **1.5. Other investments**

During the current year, the Company acquired Diagonal Valor Kft. The definitive identification and valuation as per IFRS of the assets acquired is underway, thus the purchase of 100 per cent of the business stake is temporarily shown under investments. During the reporting period, Rába Plc. purchased a 24.9 per cent stake of Rekard Hajtómű és Gépgyártó Kft., shown under the balance sheet line "other investments".

### **1.6. Deferred tax receivables**

The amount of receivable was HUF 6 million on 30 June, 2019, which is HUF 16 million less than the amount on 31 December 2018.

## **2. CURRENT ASSETS**

### **2.1. Inventories**

On 30 June, 2019, the closing value of stocks was HUF 10,180 million (31 December, 2018: HUF 9,072 million). The change is an increase by HUF 1,108 million. Components of the change are: an increase in materials and goods by HUF 507 million and in unfinished, semi-finished and finished goods by HUF 601 million.

### **2.2. Trade receivables and other receivables**

The closing figure of receivables as at 30 June, 2019 was HUF 12,879 million, an increase by HUF 631 million compared to the 31 December, 2018 figure (closing figure for 31 December, 2018: HUF 12,266 million). Accounts receivable increased by HUF 126 million, advances made for investment and inventories increased by HUF 474 million and other receivables increased by HUF 31 million.

### **2.3. Profit tax receivables**

At the end of the 6-month reporting period, the Group had profit tax payment liability.

On 31 December, 2018, the Group had a HUF 38 million profit tax receivable, within which the corporate tax receivable amounts to HUF 30 million and the local trade tax receivable is HUF 8 million.

### **2.4. Liquid assets**

The closing figure of liquid assets on 30 June, 2019 was HUF 569 million, HUF 115 million less than on 31 December, 2018 (HUF 684 million).

**3. EQUITY AND RESERVES**

The change occurred as follows:

in HUF thousand

	Share capital	Treasury shares	Reserve from share-based payments	Retained earnings	Other aggregate income	Total shareholders' equity
<b>Balance as at 01 January, 2018</b>	<b>13 473 446</b>	<b>-108 952</b>	<b>0</b>	<b>6 613 450</b>	<b>-</b>	<b>19 977 944</b>
Profit for current year				639 227		639 227
Dividend payment				-309 918		-309 918
<b>Balance as at 30 June 2018</b>	<b>13 473 446</b>	<b>-108 952</b>	<b>0</b>	<b>6 942 759</b>	<b>-</b>	<b>20 307 253</b>
Profit of current year				557 698		557 698
<b>Balance as at 01 January 2019</b>	<b>13 473 446</b>	<b>-108 952</b>	<b>0</b>	<b>7 500 457</b>	<b>-</b>	<b>20 864 952</b>
Profit of the current year				854 390		854 390
Dividend payment				-239 903		-239 903
<b>Balance as at 30 June 2019</b>	<b>13 473 446</b>	<b>-108 952</b>	<b>0</b>	<b>8 114 945</b>	<b>-</b>	<b>21 479 439</b>

**3.1. Registered capital**

RÁBA Plc.'s share capital consists of common shares with a nominal value of HUF 1.000 each, entitling the shareholders to the dividend announced in a particular period, and providing one vote at the General Meeting of the Company. On 30 June, 2019, the share capital of the Company was HUF 13.473 million.

**3.2. Treasury shares**

On 30 June, 2019, the value of treasury shares was HUF 108,952 thousand (120,681 shares), with no changes since 31 December, 2018. All rights related to the shares of the Company owned by the Group ("treasury shares") are suspended until the renewed issue of the shares in question.

**3.3. Retained earnings**

The retained earnings (HUF 8,115 million) changed by HUF 615 million, i.e. the profit for the reporting year compared to the closing value for the previous year (HUF 7,500 million).

**4. LONG-TERM LIABILITIES****4.1. Long-term credits and loans**

The closing value of long-term credits and loans as at 30 June, 2019 amounted to HUF 5,721 million, which was 3.3 per cent lower than the opening balance of the period (on 31 December, 2018, the closing figure was HUF 5,916 million).

**Leasing liabilities**

On 1 January, 2019, the Company had leasing liabilities of HUF 176 million in the context of the leasing contracts identified in line with the provisions of the new IFRS 16 leasing standard, the amount of which increased by HUF 13 million during the current year, declined by HUF 32 million through repayment.

**4.2. Provisions**

The closing value of provisions as at 30 June, 2019 was HUF 354 million, of which HUF 245 million is long-term. The amount of long-term provisions has not changed since 31 December 2018.

**4.3. Deferred tax liability**

On 30 June, 2019, the Company had deferred tax liabilities in the amount of HUF 118 million, which is HUF 14 million more than the amount on 31 December, 2018.

**5. SHORT-TERM LIABILITIES****5.1. Short-term credits and loans**

The total amount of short-term credits and loans of HUF 4,920 million increased by 25.0 per cent compared to the closing value at the end of December 2018 (HUF 2,186 million).

The net borrowing of the Rába group was HUF 10,072 million on 30 June, 2019, an increase by HUF 2,653 million compared to the level as at 31. December, 2018.

## 5.2. Provisions

The short-term portion of provisions amounted to HUF 109 million on 30 June, 2019, which is HUF 136 million lower than the amount on 31 December. 2018.

## 5.3. Profit tax liability

On 30 June, 2019, the profit tax liability was HUF 25 million, of which corporate tax receivable amounted to HUF 4 million and business tax liability amounted to HUF 29 million.

## 5.4. Accounts payable and other short-term liabilities

On 30 June, 2019, the amount of accounts payable and other short-term liabilities was HUF 12,232 million, which is 2.3 per cent less than the closing value as at the end of December 2018 (HUF 12,519 million). Accounts payable declined by HUF 1,116 million, other liabilities increased by HUF 168 million, whereas passive accruals increased by HUF 661 million.

## PK 5. CONSOLIDATED CASH-FLOW STATEMENT

Data in HUF thousand

	2018 H1	2019 H1
<b>Cash-flows from operating activities</b>		
Profit before taxation	889 977	1 135 266
<i>Adjustment items related to items with no cash movement:</i>		
Interest expenditure	8 991	4 021
Depreciation and amortisation	1 015 971	1 046 814
Impairment of intangible assets, properties, machines and equipment		
Write-off of intangible assets and fixed assets	5 381	9 314
Impairment of bad and doubtful receivables and of long term receivables	5 840	6 792
Impairment of stocks kept at net realisable value	91 500	137 392
Scrapping of stocks	7 878	48 260
Provisions / (release)	63 873	-135 763
Result from the sale of real estate, machinery and fixtures and intangible assets	-974	-78 911
Revaluation of loans and credits at end of period	312 519	80 178
<i>Changes in working capital:</i>		
Changes in trade and other receivables	-1 477 045	-637 698
Changes in stocks	-1 160 151	-1 294 067
Changes in accounts payable and other liabilities	1 065 713	80 474
Taxes paid	-179 401	-187 832
Interests paid	-19 334	-39 003
<b>Net cash flows from operating activity</b>	<b>630 738</b>	<b>175 237</b>
<b>Cash-flows from investment activities</b>		
Purchase of real estate, machinery and fixtures, as well as of intangibles	-1 566 423	-1 930 881
Purchase of investments	0	-474 700
Revenues from the sale of real estate, machinery and fixtures as well as intangible assets	988	81 331
Interests received	247	8
<b>Net cash flows used for investment activities</b>	<b>-1 565 188</b>	<b>-2 324 242</b>
<b>Cash flows from financing activities</b>		
Loans and credits received	937 112	3 395 464
Loans and credits and leasing repayment	-1 044 395	-1 120 993
Dividend paid	-309 918	-239 816
<b>Net cash flows from financing activities</b>	<b>-417 201</b>	<b>2 034 655</b>
<b>Net increase/decrease of cash and cash equivalents</b>	<b>-1 351 651</b>	<b>-114 351</b>

**BASIS FOR THE INTERIM FINANCIAL REPORT**

The summary consolidated interim financial report prepared in accordance with IAS 34 Directive (on Interim Financial Reporting) should be read in conjunction with the financial report for the year ended 31 December, 2018, prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Body ("IASB") and adopted by the European Union. The consolidated interim financial report is unaudited. Rába Plc. published its statutory accounts for the year ended 31 December, 2018 on the official electronic portal of the Budapest Stock Exchange and on the information system operated by the National Bank of Hungary for stock market publications. This report for 31 December, 2018 is based on audited figures and the auditor issued an unqualified opinion.

Upon preparing the financial statement, apart from the application of the IAS 17 leasing standard, the Group followed the same accounting policy as in the last financial statement for 2018. The Company has been using the new IFRS standard since 1 January, 2019, which has not modified the Group's consolidated financial report to any large extent.

**PK6. Major off-balance sheet items**

Description	Value (HUF)
According to a separate list*	

\* The bank loans of the Rába Group amount to HUF 10,485 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 9,514 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 490 million.

**RS1. Ownership structure. ratio of participation**

Description of ownership	Total equity						Series listed <sup>1</sup>			
	Beginning of current year (01 January)			At end of term (30 June)			At beginning of period		At end of term	
	% <sup>2</sup>	% <sup>3</sup>	pcs	% <sup>2</sup>	% <sup>3</sup>	pcs	%	pcs	%	pcs
Domestic institutional/corporate	7.89	7.96	1 063 082	7.50	7.56	1 009 894				
Foreign institutional/corporate	2.24	2.26	302 409	2.29	2.31	308 094				
Foreign private individual	0.08	0.08	10 805	0.08	0.08	10 572				
Domestic private individual	14.41	14.54	1 941 856	14.77	14.90	1 989 592				
Employees. leading officials	0.13	0.13	17 074	0.13	0.13	17 074				
Treasury shares	0.90		120 681	0.90		120 681				
Shareholder forming part of general government <sup>4</sup>	74.35	75.02	10 017 539	74.35	75.02	10 017 539				
International Development Institutions <sup>5</sup>	0.00	0.00	0	0.00	0.00	0				
Other <sup>6</sup>	0.00	0.00	0	0.00	0.00	0				
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>13 473 446</b>	<b>100.00</b>	<b>100.00</b>	<b>13 473 446</b>				

<sup>1</sup> If the listed series equals the total share capital and it is indicated, there is no need to fill it in. If more than one series are listed at the Stock Exchange, the ownership structure must be specified for each series.

<sup>2</sup> Ownership ratio

<sup>3</sup> Voting right ensuring participation during the decision-making process at the general meeting of shareholders of the issuer. If the ownership ratio and the voting right are the same, only the column regarding the owner needs to be filled in/published while stating such fact.

<sup>4</sup> E.g.: MNV Zrt., Social Security, Local Government, 100% state-owned companies, etc.

<sup>5</sup> E.g.: EBRD, EIB, etc.

**RS3. List and introduction of shareholders with a stake exceeding 5%**

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Quantity (pcs)	Share (%) <sup>3</sup>	Voting right (%) <sup>3,4</sup>	Comment <sup>5</sup>
(Hungarian State Holding Company Ltd. (MNV Zrt.))	D	G	10 015 829	74.34	75.01	

<sup>1</sup> Domestic (D). Foreign (F)

<sup>2</sup> Custodian (C). General government (G). International Development Institution (IFI). Institutional (I). Business entity (B) Private (P). Employee. leading official (D)

<sup>3</sup> Should be rounded to two decimal figures

<sup>4</sup> Voting right ensuring participation during the decision-making process at the general meeting of shareholders of the issuer

<sup>5</sup> E.g.: strategic investor. financial investor. etc.

**RS2. Changes in the number of treasury shares during the current year (pcs.)**

	1 January	31 March	30 June
At corporate level	120 681	120 681	120 681
Subsidiaries			
Grand total	120 681	120 681	120 681

All of the shares repurchased are directly owned by the parent company.

**TSZ1. Headcount of full-time employees (people)**

	End of base period	Beginning of current year	End of current period
At corporate level	17	15	17
At group level	1 440	1 417	1 387

The consolidated closing headcount as at 30 June, 2019 was 1,387. The decline in headcount is 3.7 per cent compared to the end of the base period.

**TSZ2. Managing executives. strategic employees**

Type <sup>1</sup>	Company	Position	Beginning of mandate	End/ termination of mandate	Number of shares owned (pcs):
BD	István Pintér	Chairman of the BD	2005		7,082
BD	Dr. Ibolya Virág Csernák Bánóczy	Board member	2019		0
BD	Ákos Csókay	Board member	2017	2019	0
BD	Dr. János Géza Fördös	Board member	2016	2019	0
BD	Dr. Péter Hartmann	Board member	2016	2019	0
BD	János Major	Board member	2019		0
BD	Dr. Ákos Mátyás Pálvölgyi	Board member	2019		0
BD	Dr. Miklós Rátky	Board member	2014	2019	0
BD	Roland Sebők	Board member	2019		0
BD	Andor Nándor Tóth	Board member	2018	2019	0
BD	Dr. Tamás Tóth	Board member	2019		0
BD	György Wáberer	Board member	2012		0
SB	Dr. Gábor Czepek	Chairman of the SB	2016	2018	0
SB	Dr. Zoltán Lajos Pafféri	Chairman of the SB	2018		
SB	Dr. Zsolt Harmath	SB member	2016		0
SB	Dr. Tünde Kanta	SB member	2017		0
SP	István Pintér	Chief Executive Officer	2003	indefinite	7,082

Type <sup>1</sup>	Company	Position	Beginning of mandate	End/ termination of mandate	Number of shares owned (pcs):
SP	Béla Balog	Deputy Chief Executive Officer	2004	indefinite	3,332
SP	Ádám Steszli	HR and Controlling Director	2014	indefinite	1,664
SP	István Pintér	Managing Director	2004	indefinite	7,082
SP	László Urbányi	Managing Director	2005	indefinite	3,332
SP	János Torma	Managing Director	2005	indefinite	1,664
Total number of shares owned (pcs):					17,074

<sup>1</sup> Employee in a strategic position (SP). Supervisory Board Member (SB). Member of the Board of Directors (BD)

***As from 1 January, 2017, Rába Plc's individual financial accounts are also drawn up in accordance with the provisions of the IFRS.***

### **RÁBA PLC. (INDIVIDUAL) BALANCE SHEET (IFRS)**

Data in HUF thousand

Description of item	31 12.2018	30.06.2019	Index
Property, machinery, equipment	6 065 657	6 020 195	99.25%
Intangible assets	12 809	16 120	125.85%
Other long-term assets	1 503 883	1 503 883	100.00%
Real estate for investment	338 217	338 217	100.00%
Subsidiary investments	11 918 570	12 318 570	103.36%
Other investments	205	74 905	36539.0%
Deferred tax receivable	4 973	2 041	41.04%
<b>Total invested assets</b>	<b>19 844 314</b>	<b>20 273 931</b>	<b>102.16%</b>
Inventories	8 029	8 478	105.59%
Accounts receivable and other receivables	2 311 343	1 839 899	79.60%
Profit tax receivable	17 167	26 707	155.57%
Cash and cash equivalents	449 688	335 112	74.52%
<b>Total current assets</b>	<b>2 786 227</b>	<b>2 210 196</b>	<b>79.33%</b>
<b>TOTAL ASSETS</b>	<b>22 630 541</b>	<b>22 484 127</b>	<b>99.35%</b>
Registered capital	13 473 446	13 473 446	100.00%
Treasury shares	-108 952	-108 952	100.00%
Retained earnings	3 655 891	3 590 804	98.22%
<b>Total equity and reserves</b>	<b>17 020 385</b>	<b>16 955 298</b>	<b>99.62%</b>
Long term credits and loans	95 700	95 699	100.00%
Provisions		6 972	
<b>Total long-term liabilities</b>	<b>95 700</b>	<b>102 671</b>	<b>107.28%</b>
Provisions	71 766	39 038	54.40%
Short-term financial liabilities	0	1 939 574	
Accounts payable and other liabilities	5 442 690	3 447 546	63.34%
<b>Total short-term liabilities</b>	<b>5 514 456</b>	<b>5 426 158</b>	<b>98.40%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22 630 541</b>	<b>22 484 127</b>	<b>99.35%</b>

**RÁBA PL. (INDIVIDUAL) PROFIT AND LOSS STATEMENT (IFRS)**

Data in HUF thousand

Description	2018 H1	2019 H1	Index	2018 Q2	2019 Q2	Index
Sales revenues	736 065	822 615	111.8%	365 993	400 464	109.4%
Direct costs of sales	182 630	189 281	103.6%	94 727	95 341	100.6%
<b>Gross profit</b>	<b>553 435</b>	<b>633 334</b>	<b>114.4%</b>	<b>271 266</b>	<b>305 123</b>	<b>112.5%</b>
Sales and marketing costs	23 312	22 579	96.9%	20 599	20 097	97.6%
General overhead costs	492 229	560 403	113.9%	246 010	293 442	119.3%
Other revenues	262 294	213 111	81.2%	162	134	82.7%
Other expenditures	122 649	59 314	48.4%	64 596	-8 742	-13.5%
<b>Other operating expenditures total</b>	<b>-375 896</b>	<b>-429 185</b>	<b>114.2%</b>	<b>-331 043</b>	<b>-304 663</b>	<b>92.0%</b>
<b>Operating profit</b>	<b>177 539</b>	<b>204 149</b>	<b>115.0%</b>	<b>-59 777</b>	<b>460</b>	<b>-0.8%</b>
Financial income	2 901	52 936	1824.8%	1 901	24 414	1284.3%
Financial expenditures	90 120	69 626	77.3%	75 842	40 847	53.9%
<b>Net financial income</b>	<b>-87 219</b>	<b>-16 690</b>	<b>19.1%</b>	<b>-73 941</b>	<b>-16 433</b>	<b>22.2%</b>
<b>PROFIT BEFORE TAXATION</b>	<b>90 320</b>	<b>187 459</b>	<b>207.5%</b>	<b>-133 718</b>	<b>-15 973</b>	<b>11.9%</b>
<b>Profit Tax</b>	<b>4 588</b>	<b>12 729</b>	<b>277.4%</b>	<b>2 094</b>	<b>9 155</b>	<b>437.2%</b>
<b>PROFIT OF CURRENT YEAR</b>	<b>85 732</b>	<b>174 730</b>	<b>203.8%</b>	<b>-135 812</b>	<b>-25 128</b>	<b>18.5%</b>
<b>TOTAL AGGREGATE PROFIT/LOSS OF CURRENT YEAR</b>	<b>85 732</b>	<b>174 730</b>	<b>203.8%</b>	<b>-135 812</b>	<b>-25 128</b>	<b>18.5%</b>
<b>EBITDA</b>	<b>286 003</b>	<b>315 368</b>	<b>110.3%</b>	<b>-6 142</b>	<b>56 211</b>	<b>-915.2%</b>

**SEGMENT INFORMATION**

From a business perspective, the Group can be split into three main segments: Axle, Vehicle and Automotive Components.

It is on the basis of these business segments that the Group prepares segment information for the management. Management is responsible for assigning resources to the segments, as well as for holding the segments accountable for their performance.

The Axle Segment encompasses the production and sale of axles, axle parts and axle components, the Vehicle Segment is responsible for the manufacturing of truck and bus chassis and the related components, as well as for the assembly and sale of vehicles, while the Automotive Components Segment is responsible for the production of vehicle components, seat frames, pressed structures, as well as truck chassis and for the sewing of seat covers and for the sale of these products.

Segment results, segment assets and segment liabilities include items that can be directly attributed to the segment. General overhead items include the revenues, expenditures, assets and liabilities of the holding headquarters.

Capital expenditures of the segment include the total expenditures during the period expended upon real estate, machinery and equipment, as well as intangible assets.

	2018. H1						2018. Q2					
	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated
Revenues	12 898 470	4 138 713	7 326 737	112 752	0	24 476 671	6 614 186	1 752 537	3 683 579	56 419	0	12 106 721
Inter-segment revenues	340 367	178 519	476 715	623 313	-1 618 913	0	185 550	71 212	266 077	309 575	-832 413	0
<b>Total revenue from sales</b>	<b>13 238 836</b>	<b>4 317 232</b>	<b>7 803 452</b>	<b>736 065</b>	<b>-1 618 913</b>	<b>24 476 671</b>	<b>6 799 735</b>	<b>1 823 749</b>	<b>3 949 655</b>	<b>365 993</b>	<b>-832 413</b>	<b>12 106 721</b>
<b>Direct cost of sales</b>	<b>-10 543 553</b>	<b>-3 373 524</b>	<b>-6 309 652</b>	<b>-182 630</b>	<b>1 271 838</b>	<b>-19 137 521</b>	<b>-5 449 549</b>	<b>-1 455 074</b>	<b>-3 219 545</b>	<b>-94 727</b>	<b>663 430</b>	<b>-9 555 465</b>
<b>GROSS PROFIT</b>	<b>2 695 283</b>	<b>943 708</b>	<b>1 493 800</b>	<b>553 435</b>	<b>-347 075</b>	<b>5 339 151</b>	<b>1 350 186</b>	<b>368 676</b>	<b>730 110</b>	<b>271 267</b>	<b>-168 983</b>	<b>2 551 256</b>
Sales and marketing costs	-241 609	-62 276	-10 720	-23 312	0	-337 916	-123 811	-30 735	-4 729	-20 704	0	-179 979
General overhead costs	-2 015 218	-638 299	-999 231	-492 229	347 168	-3 797 810	-919 470	-311 479	-451 409	-245 905	169 040	-1 759 223
Other revenues	110 184	23 817	20 648	262 294	-262 336	154 606	64 467	11 819	9 039	163	-70	85 418
Other expenditures	-79 513	-34 470	-77 696	-122 649	70	-314 258	-56 608	-29 109	-53 466	-64 596	70	-203 708
<b>TOTAL OTHER OPERATING EXPENDITURES</b>	<b>-2 226 157</b>	<b>-711 228</b>	<b>-1 066 999</b>	<b>-375 895</b>	<b>84 902</b>	<b>-4 295 378</b>	<b>-1 035 421</b>	<b>-359 504</b>	<b>-500 565</b>	<b>-331 042</b>	<b>169 040</b>	<b>-2 057 492</b>
<b>REVENUE FROM OPERATIONS</b>	<b>469 127</b>	<b>232 479</b>	<b>426 801</b>	<b>177 540</b>	<b>-262 173</b>	<b>1 043 773</b>	<b>314 765</b>	<b>9 172</b>	<b>229 545</b>	<b>-59 775</b>	<b>57</b>	<b>493 763</b>
Interest income	245	0	0	2	0	247	63	0	0	0	0	63
Interest expenditure	-13 281	-534	-9 256	-5 254	0	-28 325	-6 495	-392	-4 689	-2 676	0	-14 253
Profit tax expenditure	-120 224	-41 726	-84 213	-4 587	0	-250 750	-73 632	-5 159	-39 820	-2 094	0	-120 704
<b>Assets</b>	<b>12 085 680</b>	<b>3 309 716</b>	<b>7 133 658</b>	<b>38 896 306</b>	<b>-25 829 511</b>	<b>35 595 849</b>	<b>6 283 281</b>	<b>1 641 395</b>	<b>3 561 583</b>	<b>19 429 021</b>	<b>-12 915 360</b>	<b>17 999 920</b>
Real estate, machinery and equipment	11 426 830	3 180 224	6 956 038	12 082 617	23 375	33 669 084	5 960 008	1 571 127	3 480 567	6 022 793	11 083	17 045 578
Intangible assets	240 354	91 731	91 118	26 639	0	449 843	121 693	52 089	40 797	12 702	0	227 282
Real estate for investment	0	0	0	676 435	0	676 435	0	0	0	338 217	0	338 217
Other long-term assets	414 622	37 406	26 427	2 929 279	-2 667 482	740 253	199 643	18 002	12 718	1 464 640	-1 333 741	361 262
Inventories	10 763 063	1 466 584	3 097 108	19 923	-60 546	15 286 131	5 558 103	947 784	1 584 023	8 758	-30 273	8 068 394
Receivables	16 354 037	10 074 003	3 897 535	1 780 129	-9 685 796	22 419 909	8 506 503	5 099 753	1 981 628	643 005	-4 895 265	11 335 623
Cash and cash equivalent	619 485	4 654	317 592	2 375 632	-2	3 317 361	23 357	2 381	3 039	1 257 915	-1	1 286 691
<b>Liabilities</b>	<b>21 701 878</b>	<b>6 983 163</b>	<b>3 852 481</b>	<b>33 873 396</b>	<b>-25 729 294</b>	<b>40 681 624</b>	<b>11 026 093</b>	<b>3 453 389</b>	<b>1 977 787</b>	<b>16 714 599</b>	<b>-12 864 619</b>	<b>20 307 250</b>
Provisions	112 853	336 613	0	198 609	6	648 080	56 026	178 737	0	111 013	3	345 779
Financial liabilities	0	0	0	71 864	-71 864	0	0	0	0	35 932	-35 932	0
Liabilities	13 239 269	3 599 815	6 965 475	8 399 491	-9 684 527	22 519 522	6 820 754	2 043 306	3 368 115	4 449 580	-4 895 264	11 786 491
Capital expenditures	1 038 572	82 620	362 472	97 127	0	1 580 791	256 269	45 415	-71 268	40 674	0	271 090
Depreciation	560 575	115 223	231 802	108 464	-93	1 015 972	278 793	58 461	130 421	53 635	-57	521 254



	2019. H1						2019. Q2					
	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated
Revenues	12 096 586	6 638 803	8 778 460	124 534	0	27 638 383	5 851 120	2 635 973	4 362 823	63 773	0	12 913 689
Inter-segment revenues	417 594	181 541	522 782	698 081	-1 819 999	0	152 932	69 590	268 682	336 692	-827 896	0
<b>Total revenue from sales</b>	<b>12 514 180</b>	<b>6 820 345</b>	<b>9 301 242</b>	<b>822 615</b>	<b>-1 819 999</b>	<b>27 638 383</b>	<b>6 004 052</b>	<b>2 705 564</b>	<b>4 631 505</b>	<b>400 465</b>	<b>-827 896</b>	<b>12 913 689</b>
<b>Direct cost of sales</b>	<b>-10 266 642</b>	<b>-5 353 320</b>	<b>-7 769 140</b>	<b>-189 281</b>	<b>1 409 715</b>	<b>-22 168 668</b>	<b>-4 879 255</b>	<b>-2 188 183</b>	<b>-3 884 225</b>	<b>-95 341</b>	<b>635 916</b>	<b>-10 411 089</b>
<b>GROSS PROFIT</b>	<b>2 247 538</b>	<b>1 467 025</b>	<b>1 532 102</b>	<b>633 334</b>	<b>-410 284</b>	<b>5 469 715</b>	<b>1 124 796</b>	<b>517 380</b>	<b>747 280</b>	<b>305 124</b>	<b>-191 980</b>	<b>2 502 600</b>
Sales and marketing costs	-171 036	-205 754	-19 427	-22 579	0	-418 796	-97 732	-66 166	-14 431	-20 097	0	-198 426
General overhead costs	-1 841 657	-658 221	-1 138 588	-560 403	410 482	-3 788 386	-871 870	-382 486	-543 774	-293 442	192 058	-1 899 513
Other revenues	198 410	41 329	39 263	213 111	-213 263	278 851	33 397	22 789	20 161	134	534	77 015
Other expenditures	-193 078	-11 720	-50 801	-59 314	2 234	-312 680	-168 598	750	-24 738	8 742	838	-183 007
<b>TOTAL OTHER OPERATING EXPENDITURES</b>	<b>-2 007 360</b>	<b>-834 367</b>	<b>-1 169 553</b>	<b>-429 185</b>	<b>199 454</b>	<b>-4 241 011</b>	<b>-1 104 803</b>	<b>-425 113</b>	<b>-562 782</b>	<b>-304 663</b>	<b>193 429</b>	<b>-2 203 931</b>
<b>REVENUE FROM OPERATIONS</b>	<b>240 178</b>	<b>632 658</b>	<b>362 549</b>	<b>204 149</b>	<b>-210 830</b>	<b>1 228 704</b>	<b>19 994</b>	<b>92 268</b>	<b>184 498</b>	<b>460</b>	<b>1 449</b>	<b>298 669</b>
Interest income	636	7 011	658	3 776	-12 071	9	182	3 430	367	1 994	-5 972	1
Interest expenditure	-24 895	-10 909	-8 299	-10 992	12 071	-43 025	-12 208	-6 152	-4 248	-5 892	5 972	-22 528
Profit tax expenditure	-85 197	-84 306	-98 643	-12 729	0	-280 875	-30 152	-12 055	-50 444	-9 155	0	-101 806
<b>Assets</b>	<b>17 018 813</b>	<b>3 717 164</b>	<b>7 199 894</b>	<b>40 101 491</b>	<b>-26 565 254</b>	<b>41 472 108</b>	<b>8 524 566</b>	<b>2 088 347</b>	<b>3 600 467</b>	<b>20 271 693</b>	<b>-13 282 202</b>	<b>21 202 871</b>
Real estate, machinery and equipment	16 551 960	3 604 415	7 120 438	12 072 921	18 852	39 368 586	8 301 996	2 033 912	3 566 443	6 020 195	9 851	19 932 398
Intangible assets	159 893	85 055	44 667	27 640	0	317 255	76 757	41 290	20 822	16 120	0	154 988
Real estate for investment	0	0	0	676 435	0	676 435	0	0	0	338 217	0	338 217
Other long-term assets	303 087	27 340	19 321	3 007 763	-2 746 966	610 545	143 876	12 968	9 165	1 503 882	-1 373 483	296 408
Inventories	12 202 130	4 006 457	3 883 942	16 632	-67 561	20 041 600	6 237 078	1 995 077	1 973 154	8 477	-33 781	10 180 006
Receivables	18 214 173	10 614 257	4 373 968	4 248 215	-10 480 114	26 970 499	9 161 864	4 844 679	2 092 112	1 839 899	-5 041 791	12 896 764
Cash and cash equivalent	951 837	11 324	6 807	490 196	-2	1 460 161	221 529	9 060	3 478	335 112	-1	569 178
<b>Liabilities</b>	<b>22 463 816</b>	<b>8 406 074</b>	<b>4 685 098</b>	<b>34 166 938</b>	<b>-26 633 425</b>	<b>43 088 501</b>	<b>11 215 262</b>	<b>4 225 284</b>	<b>2 403 970</b>	<b>16 950 998</b>	<b>-13 315 988</b>	<b>21 479 526</b>
Provisions	66 796	374 484	71 534	323 722	6	836 542	33 398	155 789	30 254	134 738	3	354 181
Financial liabilities											0	
Liabilities	16 031 170	5 392 370	7 769 324	6 667 581	-10 479 512	25 380 933	7 554 723	2 434 587	3 836 543	3 447 545	-5 041 790	12 231 608
Capital expenditures	1 047 470	483 274	297 732	179 857	-1 800	2 006 533	367 412	410 999	284 940	145 835	0	1 209 185
Depreciation	565 717	127 100	242 977	111 219	-199	1 046 814	283 493	68 020	123 579	55 751	-78	530 766

**PK1. General information pertaining to the financial data**

	Yes	No			
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Accounting principles		Hungarian <input type="checkbox"/>	IFRS <input checked="" type="checkbox"/>	Other <input type="checkbox"/>	

Other: .....

**Declaration of liability**

We, the undersigned, authorised signatories of the Company, hereby declare that the data and statements contained in the half-year report are true and accurate. The report reflects the true and fair value of the Company's assets, liabilities, financial position, profit and loss, as well as of the situation, development and performance of the business and also describes the main risks and factors of uncertainty. The Company does not conceal any fact that is important for assessing its financial and economic position.

Győr, 28 August, 2019

István Pintér  
Chairman - Chief Executive Officer

Béla Balog  
Chief Financial Officer