

Consolidated financial statements

Balance sheet as at 30 April 2018

Assets

in € thsd.	30.4.2018	30.4.2017
Intangible assets	45,125	43,278
Property, plant and equipment	92,988	90,095
Investments in associates	820	800
Other investments and long-term loans	2,511	2,756
Long-term investments	3,331	3,556
Other non-current assets	3,067	2,177
Deferred taxes	7,910	9,569
Non-current assets	152,421	148,676
Inventories	128,511	121,348
Trade receivables	111,021	105,725
Other current assets	8,102	7,934
Income tax receivables	2,336	1,998
Cash	80,692	80,639
Current assets	330,662	317,644
	483,083	466,320

Equity and liabilities

in € thsd.	30.4.2018	30.4.2017
Share capital	32,000	32,000
Capital reserves	43,805	43,805
Retained earnings	247,368	222,170
Accumulated other comprehensive income	-5,154	-1,986
Equity attributable to the shareholders of Lenze SE	318,019	295,989
Non-controlling interests	3,279	3,038
Equity	321,298	299,027
Pensions and similar obligations	20,541	21,622
Other non-current provisions	4,923	5,605
Non-current financial liabilities	12,081	14,915
Other non-current liabilities	9	0
Deferred taxes	1,547	2,118
Non-current liabilities	39,101	44,260
Current provisions	66,826	70,959
Current financial liabilities	5,654	6,286
Trade payables	28,821	26,704
Other current liabilities	21,383	19,084
Current liabilities	122,684	123,033
	483,083	466,320

Income statement

for the 2017/2018 financial year

in € thsd.	2017/2018	2016/2017
Revenue	741,006	678,326
Changes in inventory	-799	3,040
Own work capitalised	2,052	1,156
Total operating revenue	742,259	682,522
Cost of materials	-312,948	-278,347
Gross margin	429,311	404,175
Personnel expenses	-238,925	-224,652
Depreciation/amortisation	-15,320	-16,703
Other operating expenses	-128,865	-118,933
Other operating income	19,022	14,247
Net investment income	449	359
Earnings before interest and taxes (EBIT)	65,672	58,493
Financial result	-1,738	-1,526
Earnings before taxes	63,934	56,967
Income taxes	-16,755	-18,118
Earnings after tax	47,179	38,849
Profit attributable to minority interests	989	769
Profit attributable to Lenze SE shareholders	46,190	38,080

Statement of comprehensive income for the 2017/2018 financial year

in € thsd.	2017/2018	2016/2017
Profit for the year	47,179	38,849
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans		
Remeasurement change	1,364	738
Deferred tax effects	-342	-113
Change in other comprehensive income	1,022	625
Currency translation differences		
Currency translation differences	-4,225	1,874
Other comprehensive income	-3,203	2,499
Total comprehensive income	43,976	41,348
Profit attributable to Lenze SE shareholders	43,022	40,579
Profit attributable to minority interests	954	769

Statement of changes in equity

as at 30 April 2018

in € thsd.	Share capital	Capital reserves	Retained earnings
Balance at 30.4.2016	32,000	43,805	212,965
Other comprehensive income, gross			
Deferred taxes			
Other comprehensive income, net	0	0	0
Profit for the year			38,080
Consolidated total comprehensive income	0	0	38,080
Reclassifications			-139
Changes in the basis of consolidation			
Dividends			-28,736
Balance at 30.4.2017	32,000	43,805	222,170
Other comprehensive income, gross			
Deferred taxes			
Other comprehensive income, net	0	0	0
Profit for the year			46,190
Consolidated total comprehensive income	0	0	46,190
Reclassifications			192
Changes in the basis of consolidation			
Dividends			-21,184
Balance at 30.4.2018	32,000	43,805	247,368

in € thsd.	Accumulated other comprehensive income		Attributable to Lenze SE	Attributable to non-controlling interests	Total equity
	Currency translation	Pensions			
Balance at 30.4.2016	4,018	-8,642	284,146	2,702	286,848
Other comprehensive income, gross	1,874	738	2,612	0	2,612
Deferred taxes		-113	-113	0	-113
Other comprehensive income, net	1,874	625	2,499	0	2,499
Profit for the year			38,080	769	38,849
Consolidated total comprehensive income	1,874	625	40,579	769	41,348
Reclassifications	-39	178	0	0	0
Changes in the basis of consolidation			0	230	230
Dividends			-28,736	-663	-29,399
Balance at 30.4.2017	5,853	-7,839	295,989	3,038	299,027
Other comprehensive income, gross	-4,190	1,364	-2,826	-35	-2,861
Deferred taxes		-342	-342	0	-342
Other comprehensive income, net	-4,190	1,022	-3,168	-35	-3,203
Profit for the year			46,190	989	47,179
Consolidated total comprehensive income	-4,190	1,022	43,022	954	43,976
Reclassifications			192	0	192
Changes in the basis of consolidation			0	0	0
Dividends			-21,184	-713	-21,897
Balance at 30.4.2018	1,663	-6,817	318,019	3,279	321,298

Statement of cash flows for the 2017/2018 financial year

in € thsd.	2017/2018	2016/2017
Profit for the year	47,179	38,849
Change in non-current provisions	243	860
Depreciation/amortisation/impairment of fixed assets and reversals thereof	15,212	16,703
Other non-cash expenses and income	-304	-307
Gross cash flow	62,330	56,105
Change in inventories	-10,537	-21,517
Change in receivables and other assets	-10,032	3,611
Change in other provisions	-3,274	9,295
Change in trade payables and other liabilities	4,921	1,728
Change in working capital	-18,922	-6,883
Cash flow from operating activities	43,408	49,222
Investments in intangible assets	-2,006	-1,219
Investments in property, plant and equipment	-20,352	-10,216
Acquisitions (-)/disposals (+) of business units	0	-1,907
Investments in financial assets	-67	-76
Other changes in fixed assets	657	636
Cash flow from investing activities	-21,768	-12,782
Dividends paid	-21,897	-29,399
New loans	1,109	3,441
Repayment of loans	-3,591	-11,469
Cash flow from financing activities	-24,379	-37,427
Change in cash and cash equivalents	-2,739	-987
Effect of exchange rate changes	1,543	1,110
Other non-cash items in cash funds	1,249	901
Cash at 1.5.	80,639	79,615
Cash at 30.4.	80,692	80,639

Summary of the consolidated financial statements

General disclosures

The consolidated financial statements of the Lenze Group have been prepared by its parent company, Lenze SE, based in Aerzen, Hans-Lenze-Strasse 1. Lenze SE has been registered as a stock corporation under European law in the commercial register of the District Court of Hannover under HRB 204803.

The financial year of Lenze SE and its subsidiaries covers the period from 1 May to 30 April. The consolidated financial statements have been prepared in euros. All amounts in the balance sheet, income statement, the statement of changes in equity and the statement of cash flows are stated either in thousands of euros (€ thsd.) or in millions of euros (€ million).

Application of the International Financial Reporting Standards (IFRSs)

Pursuant to the provision of section 315a (3) of the German Commercial Code (HGB) in conjunction with the European Union Regulation (EC No. 1606/2002), Lenze SE prepares its consolidated financial statements voluntarily in accordance with the International Financial Reporting Standards (IFRSs) as pronounced by the International Accounting Standard Board (IASB). These IFRS consolidated financial statements exempt the Company from the obligation to prepare consolidated financial statements in accordance with the German Commercial Code (HGB).

The IFRSs are applied in the form in which they have been transposed into national law by the European Commission within the framework of the endorsement process. In addition, the provisions resulting from section 315a (3) in conjunction with section 315a (1) of the HGB have been observed.

Structure of the Lenze Group

as at 30 April 2018

Lenze SE, Aerzen

Lenze Operations GmbH, Aerzen
Lenze Drive Systems France SARL, Ruitz/France
Lenze Drives GmbH, Extertal
Lenze Automation GmbH, Aerzen
Inosoft GmbH, Hiddenhausen (15%)
Digitec Vertriebs GmbH, Landau (33.3%)
Lenze Vertrieb GmbH, Aerzen
Lenze Engineering GmbH & Co. KG, Aerzen
Lenze Service GmbH, Aerzen
encoway GmbH, Bremen (85.5%)
logicline GmbH, Sindelfingen (64%)
Lenze Sales Europe GmbH, Aerzen
Lenze GmbH, Aerzen
Tewiss GmbH, Hannover (5.87%)
Lenze Austria Holding GmbH, Asten/Austria
Lenze Operations Austria GmbH, Asten/Austria
Lenze Antriebstechnik GmbH, Asten/Austria
Lenze Verbindungstechnik GmbH, Asten/Austria
Lenze Hajtastechnika Kereskedelmi Kft, Budapest/Hungary
Lenze s. r. o., Humpolec/Czech Republic
Lenze Slovakia, s. r. o., Nové Mesto/Slovak Republic
Lenze Zadvizhvasta Technika EOOD, Plovdiv/Bulgaria
Lenze mehatronika pogonska tehnika d. o. o., Zagreb/Croatia
Lenze pogonska tehnika, d. o. o., Celje/Slovenia
OOO Lenze, Moscow/Russia
Lenze Drive Systems (Shanghai) Co., Ltd., Shanghai/China
Lenze Brasil Automação Ltda., São Paulo / Brazil
Lenze Argentina Automatización S. A., Buenos Aires/Argentina
Lenze Mühendislik Sanyı ve Ticaret A. S., Istanbul/Turkey (91%)
Lenze South East Asia Pte. Ltd, Singapore
Schmidhauser AG, Romanshorn/Switzerland

Structure of the Lenze Group

Lenze SE, Aerzen

Lenze B. V., 's-Hertogenbosch/The Netherlands
Lenze U. K. Ltd, Bedford/UK
Lenze Ltd, Bedford/UK
Lenze b. v. b. a., Bornem/Belgium
Lenze Americas Corporation, Uxbridge, Mass./USA
Lenze Canada Corporation, Saint John/Canada
Lenze Polska Sp. z o. o., Katowice/Poland (51%)
Lenze UAB, Kaunas/Lithuania (90%)
Lenze Tarnów Sp. z o. o., Tarnów/Poland
Lenze Italia S. r. l., Milan/Italy
Lenze SAS, Roissy-en-France/France
Lenze Transmisiones S. A. U., Barcelona/Spain
Lenze AB, Linköping/Sweden
Lenze A/S, Albertslund/Denmark
Lenze A/S, Raelingen/Norway
Lenze (Shanghai) Trading Co., Ltd., Shanghai/China
Lenze Mechatronics Private Limited, Pune/India
Lenze Bachofen AG, Uster/Switzerland (49%)

Auditor's report

Lenze SE prepares its consolidated financial statements in accordance with the requirements set out in section 315a (3) of the German Commercial Code (HGB). It reports in compliance with the IFRSs (International Financial Reporting Standards), as applicable in the EU, and also in compliance with the requirements of commercial law as set out in section 315a (1) of the HGB. The consolidated financial statements in this Annual Report represent a summary of the consolidated financial statements and do not include all the components of consolidated financial statements as required by law.

BDO AG Wirtschaftsprüfungsgesellschaft, Hannover, issued its auditor's report for the complete consolidated financial statements on 8 August 2018.

The complete consolidated financial statements, the Group management report and the auditor's report will be disclosed in the Electronic Federal Gazette ("Bundesanzeiger").

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