QUARTERLY REPORT

For the period ended march 31, 2018

WESTAG & GETALIT AG

QUARTERLY REPORT ON THE FIRST THREE MONTH OF 2018

Business performance

Consolidated sales revenues

Westag & Getalit AG generated sales revenues of € 60.9 million in the first quarter of 2018. This represented a moderate improvement by 2.0% compared to the previous year's € 59.7 million. The company's export business showed a particularly positive trend in the first three months of 2018. Sales revenues outside Germany increased by 9.1% to € 14.4 million (previous year: € 13.2 million). Consequently, the export share climbed from 22.1% to 23.7%.

Sales revenues in € '000	**January 1 to March 31, 2018**	**January 1 to March 31, 2017**	**Change** in %
Doors/Frames	32,065	32,296	-0.7
Surfaces/Elements	27,193	25,729	5.7
Central Division	1,635	1,697	-3.7
Total	**60,893**	**59,722**	**2.0**

At € 32.1 million, sales revenues in the Doors/Frames Division remained almost unchanged compared to the prior year period (€ 32.3 million). The Surfaces/Elements Division increased its revenues from € 25.7 million to € 27.2 million. Sales revenues in the Central Division stood at € 1.6 million (previous year: € 1.7 million).

Consolidated earnings

Earnings in € '000	**January 1 to March 31, 2018**	**January 1 to March 31, 2017**	**Change** in %
Earnings before income taxes	2,398	2,270	5.6
Net profit for the period	1,679	1,524	10.2
Net profit for the period per ordinary share in €	0.29	0.26	11.5
Net profit for the period per preference share in €	0.35	0.32	9.4

Earnings before taxes amounted to € 2.4 million in the first quarter of 2018 (previous year: € 2.3 million). Earnings after taxes rose to € 1.7 million in the first three months (previous year: € 1.5 million). Earnings per share stood at € 0.29 for the ordinary shares (previous year: € 0.26) and at € 0.35 for the preference shares (previous year: € 0.32).

Employees

As at March 31, 2018 Westag & Getalit AG's headcount remained unchanged compared to the prior year reporting date and amounted to 1,294.

Capital expenditures

The company plans to invest roughly € 16 million in 2018, with the main focus placed on expanding the capacity of the Doors/Frames Division. This comprises, in particular, the completion of the multi-year investment in the frames finishing line. The additionally planned investments in the Surfaces/Elements Division are aimed at optimising operational processes and the existing technical equipment to keep the two plants at a high technological level.

Forecast, opportunity and risk report

Outlook

Based on the forecasts for the German construction sector, the Management Board generally expects a positive market environment for 2018. This optimistic assumption is also based on the ongoing expansion of the distribution activities in the Surfaces/Elements Division. As the export markets remain difficult to assess, it is not easy to issue a precise forecast for the company's performance abroad. On balance, however, the fact that the product portfolios are precisely tailored to the individual markets makes the Management Board optimistic that the company will be able to further expand its export activities assuming a benign economic environment.

In view of the strategic measures already initiated and positive industry forecasts, management is optimistic about the future. The Management Board thus confirms its forecast for 2018 under the conditions set out in the Annual Report for 2017 and aims for a moderate increase in sales revenues and disproportionately higher improvement in earnings compared to the previous year.

Rheda-Wiedenbrück, May 2018

Westag & Getalit AG

The Management Board

CONSOLIDATED BALANCE SHEET

Assets (in € '000)	**March 31, 2018**	**December 31, 2017**
Intangible assets	1,221	1,327
Property, plant and equipment	74,962	75,482
Financial assets	2,934	3,092
Deferred taxes	3,632	3,614
Non-current assets	**82,749**	**83,515**
Inventories	38,132	36,505
Receivables and other assets	38,347	29,603
Cash and cash equivalents	10,298	16,926
Current assets	**86,777**	**83,034**
Total assets	**169,526**	**166,549**

Liabilities (in € '000)	**March 31, 2018**	**December 31, 2017**
Subscribed capital	14,644	14,644
Capital reserve	24,399	24,399
Revenue reserves	62,011	62,011
Accumulated profit	9,418	7,739
Equity capital	**110,472**	**108,793**
Provisions for pensions and similar obligations	26,945	26,934
Other non-current provisions	1,567	1,355
Non-current liabilities	**28,512**	**28.289**
Trade payables	10,526	9,207
Other current liabilities	19,616	19,672
Current provisions	400	588
Current liabilities	**30,542**	**29,467**
Total assets	**169,526**	**166,549**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST THREE MONTHS OF THE YEAR

(in € '000)	January 1 to March 31, 2018	January 1 to March 31, 2017
Sales revenues	**60,893**	**59,722**
Changes in inventories of finished goods and work in progress	1,460	2,120
Other own work capitalised	168	45
	62,521	**61,887**
Other operating income	125	119
Cost of materials	30,718	30,398
Personnel expenses	19,417	19,396
Depreciation of intangible fixed assets and property, plant and equipment	2,599	2,553
Other operating expenses	7,606	7,480
Other taxes	67	76
Operating result	**2,239**	**2,103**
Financial result	159	167
Earnings before income taxes	**2,398**	**2,270**
Taxes on income	719	746
Consolidated net profit for the period	**1,679**	**1,524**
Income components recognised in equity	0	0
Consolidated comprehensive income	**1,679**	**1,524**
Net profit for the period per ordinary share (diluted and basic)	0,29	0,26
Net profit for the period per preference share (diluted and basic)	0,35	0,32
Average number of shares (diluted and basic)	5,354,934	5,369,226

CONSOLIDATED CASH FLOW STATEMENT

in € '000	January 1 to March 31, 2018	January 1 to March 31, 2017
Operating result	**2,239**	**2,103**
Income tax payments	-848	-705
Depreciation and amortisation of fixed assets	2,599	2,553
Result from asset retirements	3	-4
Change in current assets	-10,234	-9,383
Change in debt capital	1,301	1,327
Cash flow from operating activities	**-4,940**	**-4,109**
Investments in property, plant and equipment and intangible assets	-2,048	-1,038
Change in time deposits	500	883
Income from associated companies	304	333
Income from asset retirements	46	4
Cash flow from investment activities	**-1,198**	**182**
Interest income	10	10
Purchase of own shares	0	-465
Cash flow from financing activities	**10**	**-455**
Change in cash and cash equivalents	**-6,128**	**-4,382**
Cash and cash equivalents as of January 1	14,926	19,081
Cash and cash equivalents as of March 31	8,798	14,699

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € '000	Subscribed capital	Capital reserve	Revenue reserves	Accumulated profit	Equity capital
January 1, 2017	**14,644**	**24,399**	**61,511**	**7,676**	**108,230**
Change in other reserves					0
Purchase of own shares				-465	-465
Changes not recognised in profit/loss					0
Dividend payments					0
Consolidated net profit for the period				1,524	1,524
March 31, 2017	**14,644**	**24,399**	**61,511**	**8,735**	**109,289**
January 1, 2018	**14,644**	**24,399**	**62,011**	**7,739**	**108,793**
Change in other reserves					0
Purchase of own shares					0
Changes not recognised in profit/loss					0
Dividend payments					0
Consolidated net profit for the period				1,679	1,679
March 31, 2018	**14,644**	**24,399**	**62,011**	**9,418**	**110,472**

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

With regard to its scope, the quarterly report of Westag & Getalit AG for the period ended March 31, 2018 was prepared on the basis of section 51a BörsO for the Frankfurt Stock Exchange in accordance with applicable International Financial Reporting Standards (IFRS). The same accounting and valuation methods as for the consolidated financial statements for the year ended December 31, 2017 were used.

The business activities of the Russian sales company OOO Westag & Getalit, Moscow, were discontinued at the beginning of 2018. The resulting expenses have already been included in the 2017 consolidated financial statements. The result for the first quarter of 2018 includes the loss of this company of € 9 thousand (prior year: € 66 thousand).

Cash flow statement

The cash flows in the cash flow statement were determined using the indirect method. Cash and cash equivalents shown in the consolidated cash flow statement comprise all cash and cash equivalents except for term deposits with a term of more than three months in the amount of € 1,500 thousand (March 31, 2017: € 3,927 thousand).

Cash and cash equivalents

Cash and cash equivalents carried in the balance sheet include no securities.

Composition of subscribed capital

The subscribed capital of € 14,643,200 is composed of 2,860,000 no-par ordinary shares and 2,860,000 non-voting no-par preference shares with a total value of € 7,321,600 per share type.

Purchase commitments

As of March 31, 2018, purchase commitments towards our suppliers amounted to € 2,671 thousand, compared to € 9,243 thousand on March 31, 2017.

Earnings per share

Earnings per share as defined in IAS 33 are calculated for both ordinary and preference shares by dividing the net profit for the period attributable to the respective share type by the average number of shares of the respective type. Accordingly, earnings are divided into the different share types taking into account the higher dividend for the preference shares. Diluted earnings per share are equivalent to earnings per share.

Own shares

As of March 31, 2018, the company held 365,066 own shares. All own shares held by the company are preference shares.

Related party disclosures (IAS 24)

No changes occurred with regard to the related party disclosures in the 2017 Annual Report. Sales revenues with associated companies amounted to € 202 thousand in the first three months of 2018 (previous year: € 140 thousand).

Post balance sheet events

No events that require reporting occurred after March 31, 2018.

Review

The interim financial report has been neither audited in accordance with section 317 HGB nor reviewed by the auditors.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable interim reporting principles, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining course of the fiscal year.

Rheda-Wiedenbrück, May 2018

Westag & Getalit AG

The Management Board

FINANCIAL CALENDAR*

03.05.2018	Annual accounts press conference in Rheda-Wiedenbrück
09.05.2018	Publication of the quarterly statement for the period ended March 31, 2018
09.05.2018	Presentation of Westag & Getalit AG at the 3rd Lang & Schwarz Small/Midcap Conference in Düsseldorf
26.06.2018	Annual General Meeting (AGM) of Shareholders in Rheda-Wiedenbrück
09.08.2018	Publication of the Half-Year Financial Report 2018
09.11.2018	Publication of the quarterly statement for the period ended September 30, 2018

* For updates refer to: www.westag-getalit.com/finanzkalender

Editorial Information

Published by:
Westag & Getalit AG
Hellweg 15
33378 Rheda-Wiedenbrück
Germany
Phone +49 5242 17-0
Fax +49 5242 17-75000

Edited by:
Investor Relations
ir@westag-getalit.com

Photos by:
Westag & Getalit AG
seewhatmitchsee – fotolia.de

Oberflächen/Elemente

Türen/Zargen

Westag & Getalit AG
Postfach 26 29 | 33375 Rheda-Wiedenbrück | Deutschland
Tel. +49 5242 17-0 | Fax +49 5242 17-75000
www.westag-getalit.com | ir@westag-getalit.com