



Group financial results H1 2014

Analysts' conference call, 7th August



AGENDA

- I. BUSINESS HIGHLIGHTS
- II. GROUP FINANCIAL RESULTS
- III. OUTLOOK
- IV. MID-TERM GUIDANCE



Q2/H1
2014



Highlights in Q2 2014: Good Business Dynamics



Order book reaches all time high at € 169 million due to strong dynamics in oil and gas, as well as chemical sector

Official inauguration of new facility in Malaysia – strong dynamics in Asia /Pacific with order intake of 53%

R. STAHL received prestigious order for first IECEx-certified FPSO in the Gulf of Mexico

R. STAHL defends takeover attempt and receives vast support for independence



Financial Overview – Order Intake at Alltime High

in million €	H1 2014	H1 2013	Δ in %
Order Intake	169.0	158.2	6.9 %
Sales	146.5	148.3	(1.2) %
EBIT	5.6	11.8	(52.7) %

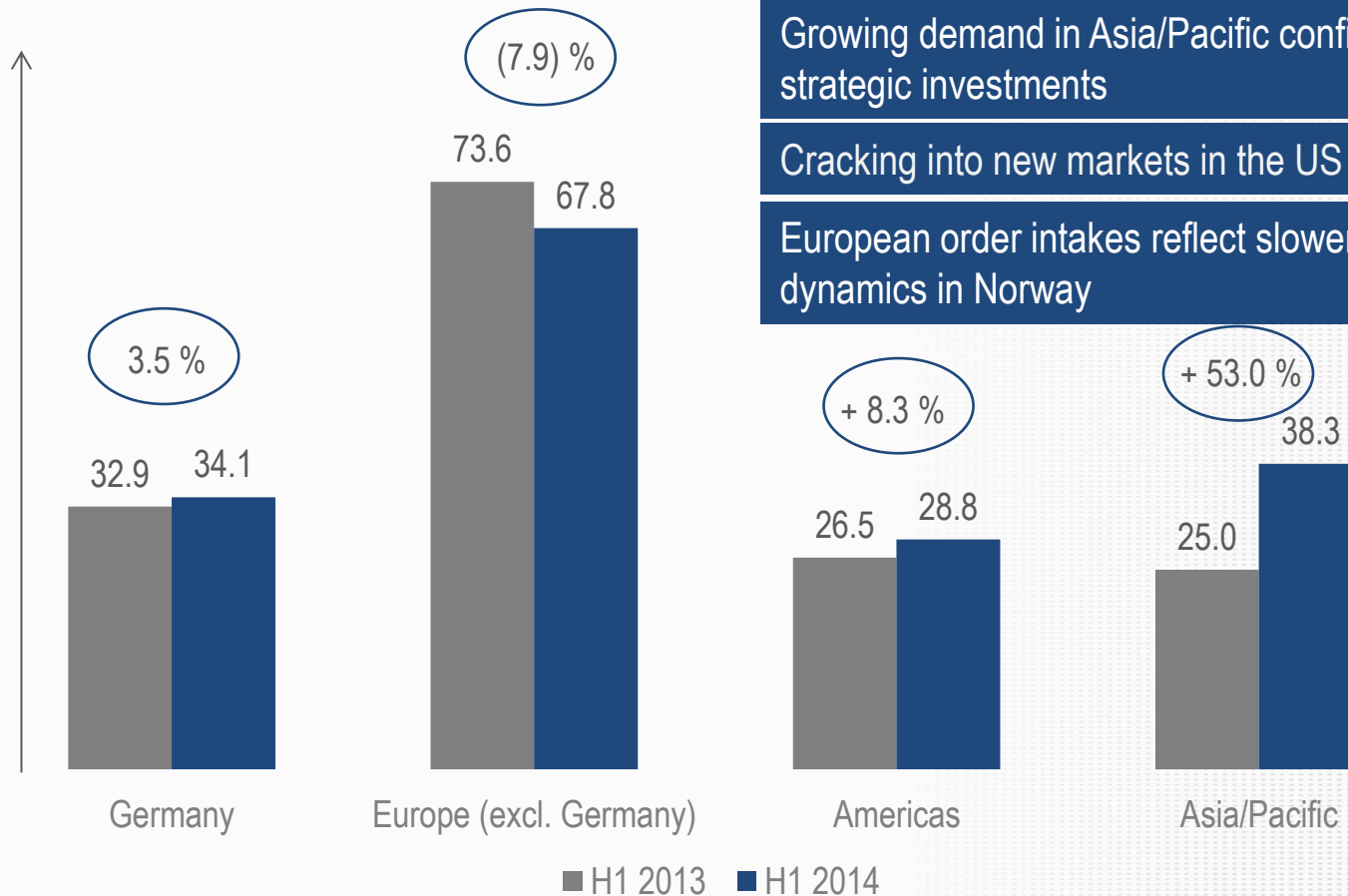
STRONG ORDER INTAKE STRENGTHENS SALES GROWTH IN H2 / 2014

- ➔ All-time high order intake of € 169.0 million with particularly strong demand in Asia
- ➔ Sales do not fully reflect strong order pipeline yet and were impacted by FX effects; based on H1 2013 exchange rates sales increased by 2%
- ➔ EBIT impacted by 2 factors:
 - upfront costs and increased fixed costs due to business expansion
 - one off costs and postponed product launches and efficiency programs due to takeover attempt



Particularly Strong Order Intake in Asia

ORDER INTAKE BY REGION Jan. – Jun.
(in million €)

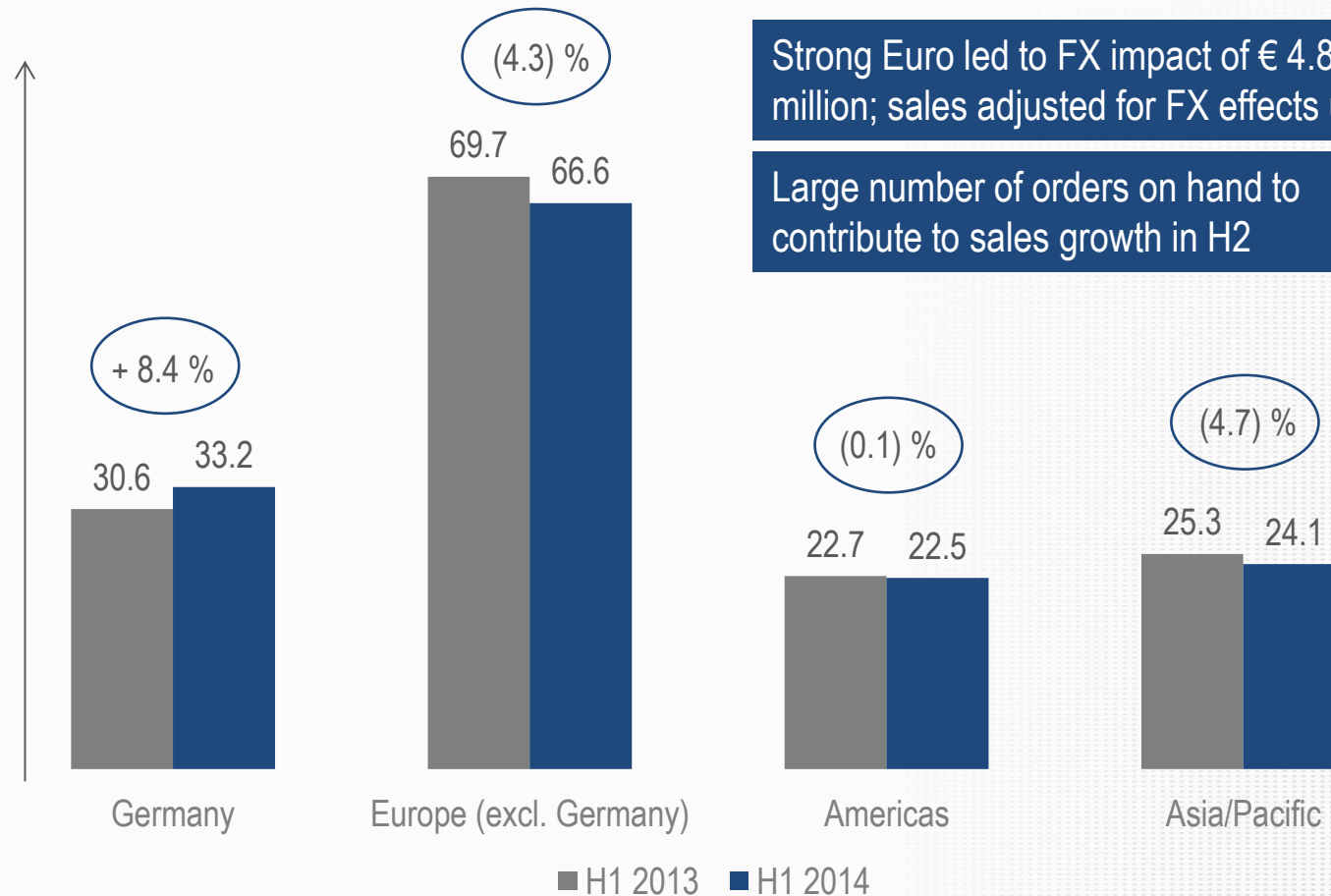


Growing demand in Asia/Pacific confirms strategic investments
 Cracking into new markets in the US
 European order intakes reflect slower dynamics in Norway



Sales Reflect Previous Order Delays and Strong Euro

SALES BY REGION Jan. – Jun.
(in million €)

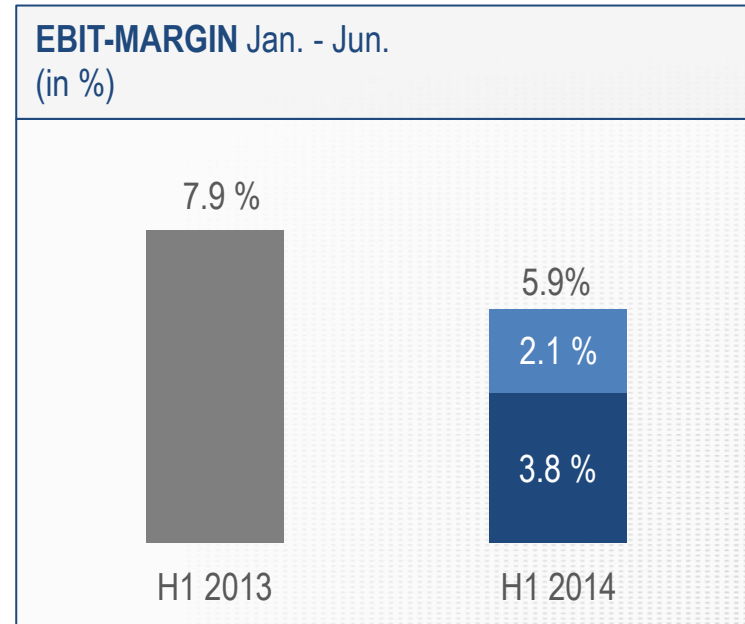
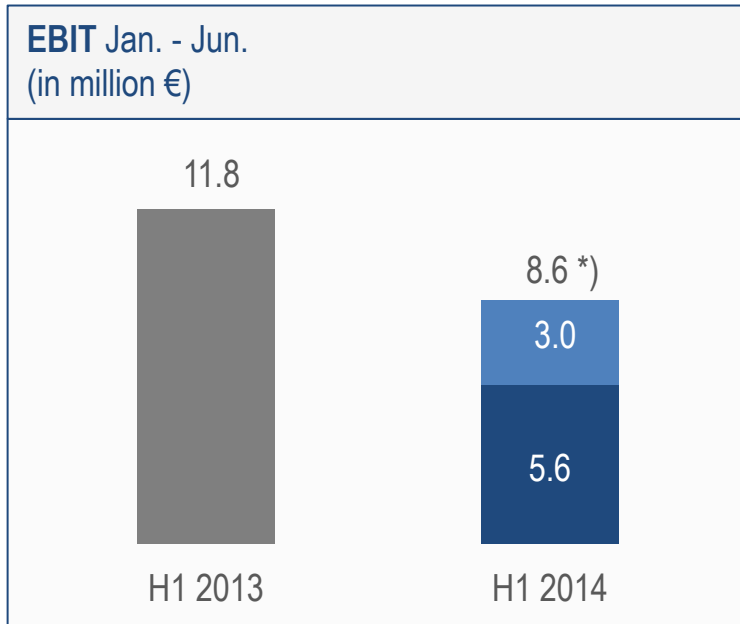


Strong Euro led to FX impact of € 4.8 million; sales adjusted for FX effects up 2%

Large number of orders on hand to contribute to sales growth in H2



EBIT Under Pressure Due to Takeover Attempt



*) adjusted reported effects related to takeover situation in Q2

EBIT DEVELOPMENT INFLUENCED BY 3 FACTORS

- ➔ Takeover attempt caused direct and indirect costs
 - Advisory
 - Postponement of internal efficiency projects and product launches
 - Uncertainty amongst customers



Cash Flow Reflects Redemption of Shares

Cash Flow

in million €	H1 2014	H1 2013
CASH FLOW FROM ONGOING BUSINESS OPERATION	(8.5)	2.3
CAPEX	(8.7)	(10.9)
FREE CASH FLOW	(17.2)	(8.6)
FINANCE CASH FLOW	7.3	9.9
FINANCIAL FUNDS AT THE END OF THE PERIOD	15.3	18.0

MAIN FACTORS IMPACTING FINANCIAL FUNDS

- ➔ Continued investments into growth; e.g. new machinery and equipment in the Netherlands, Germany and Norway
- ➔ Dividend payment of € 5.8 million in May
- ➔ Buy-back of 2 % of share capital in the amount of € 5.6 million



Case Study: IECEx-Order for the Gulf of Mexico

FIRST IECEX-CERTIFIED FPSO IN THE GULF OF MEXICO AWARDED TO R. STAHL

- R. STAHL's Houston subsidiary chosen as supplier of explosion protection products for the very first IECEx-certified FPSO order in the Gulf of Mexico
- Order volume of \$1.4 million - products to be part of the first Floating Production and Offloading Unit (FPSO) in the Gulf of Mexico
- First IECEx-certified vessel on U.S. terrain to be equipped with R. STAHL technology



Example of a Floating Production and Offloading Unit (FPSO)



CONSEQUENT INVESTMENTS IN CERTIFICATION PROCESS, R&D AND STATE OF THE ART TECHNOLOGY PAY OFF - R. STAHL ENJOYS AN EXCELLENT REPUTATION AND DRIVES ORGANIC GROWTH



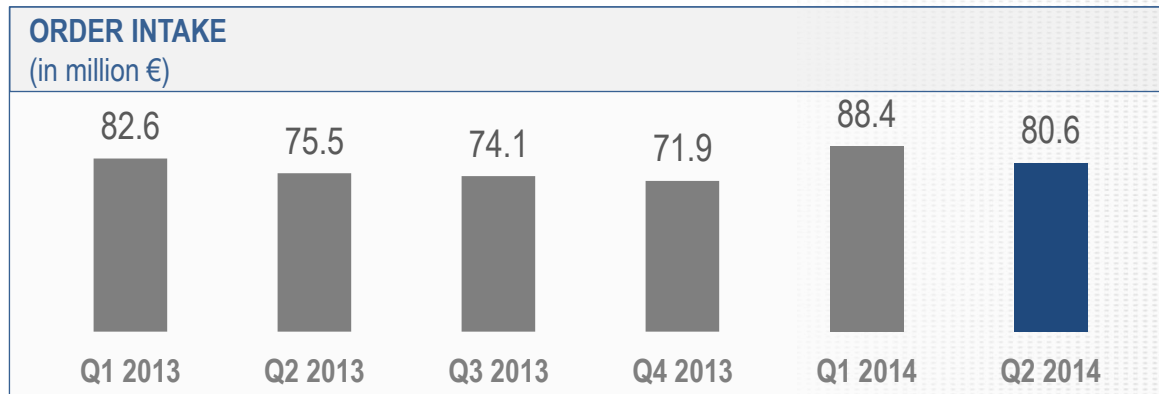
Outlook: Order Intake 2014 Confirmed

➔ **HIGH ORDER INTAKE IN H1 2014 WILL CONTRIBUTE TO SALES IN H2**

- Growth especially in Asia (+ 53 %)
- Investments into additional presence bear fruit, e.g. in Malaysia

➔ **POSITIVE MOMENTUM EXPECTED TO CONTINUE IN H2**

- Continued demand for R.STAHL's products and systems



EXPECTED ORDER INTAKE: € 325 M - € 335 M



Outlook: Sales 2014 Confirmed

SALES

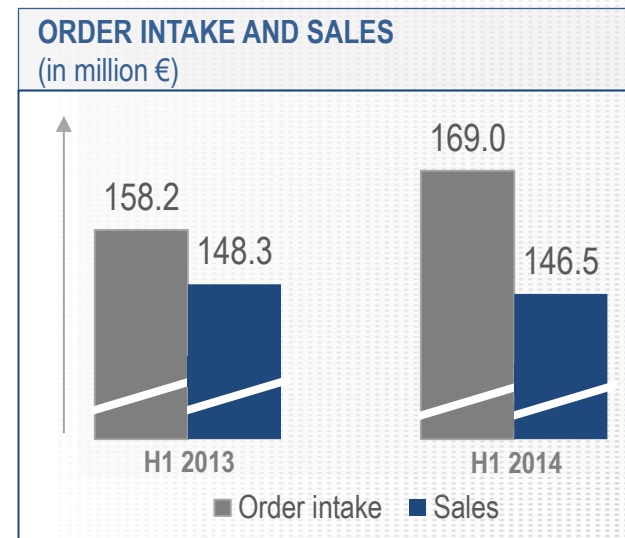
➔ **STRONG ORDER BOOK WILL FURTHER DRIVE SALES**

➔ **FULL PIPELINE OF LONG-TERM PROJECTS**

- Orders to become accretive to sales within the next quarters

➔ **INCREASE OF SHORT-TERM ORDERS IN Q2**

- Higher number of short-term orders leads to faster order-to-cash



EXPECTED SALES 2014: € 315 M - € 325 M

Outlook: Earnings 2014 Adjusted

➔ GROWTH DRIVERS INTACT

- Good dynamics in key industries such as oil, gas and chemicals, increasing acceptance of the IECEx-standard, particularly strong demand in Asia/Pacific
- Political instabilities continue in individual regions

➔ STRONG ORDER INTAKE DRIVES SALES GROWTH AND UTILIZATION

- Higher sales will compensate upfront costs related to investments in growth
- Increase capacity utilization to reduce cost ratio

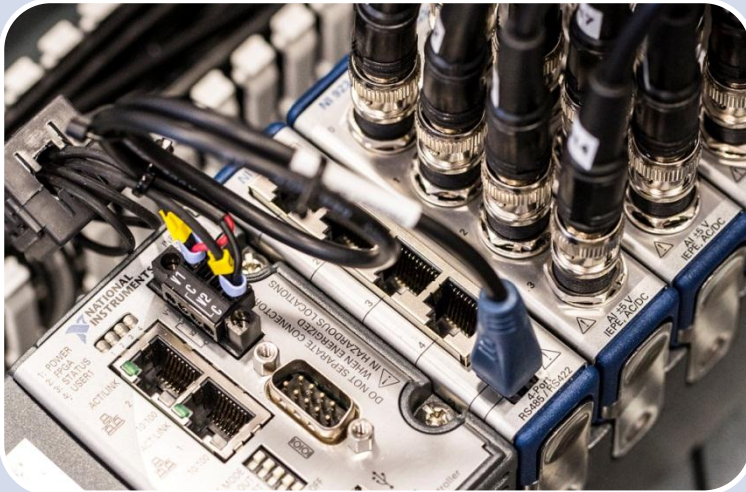
➔ EFFICIENCY AND GROWTH MEASURES LEAD TO POSITIVE EFFECTS – HOWEVER LATER THAN ORIGINALLY PLANNED

- Launch of LED lighting program in autumn
- Continuation and start of efficiency projects in Q3 will lead to first positive effects in Q4 2014 and H1 2015

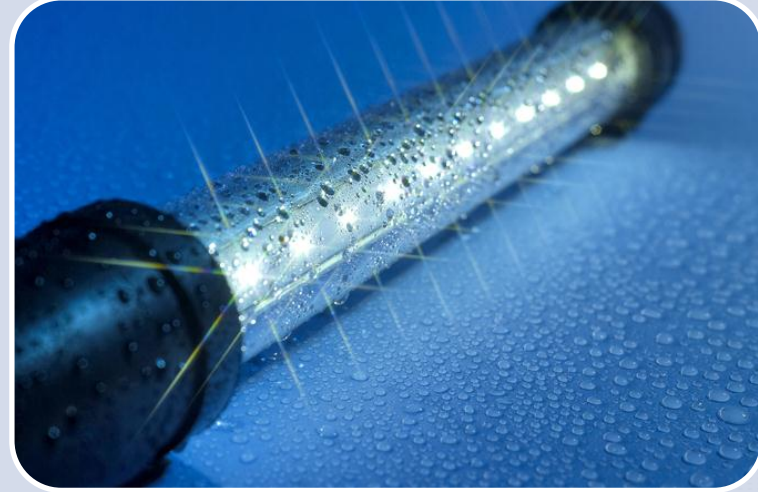


ADJUSTED EBIT 2014: € 18 M - € 22 M

Delayed Optimization Projects with Delayed Effects



**Reorganization of systems
business: move of systems unit**



Marketing of new lighting portfolio

Mid-term Expectations – Key Figures



Key figures

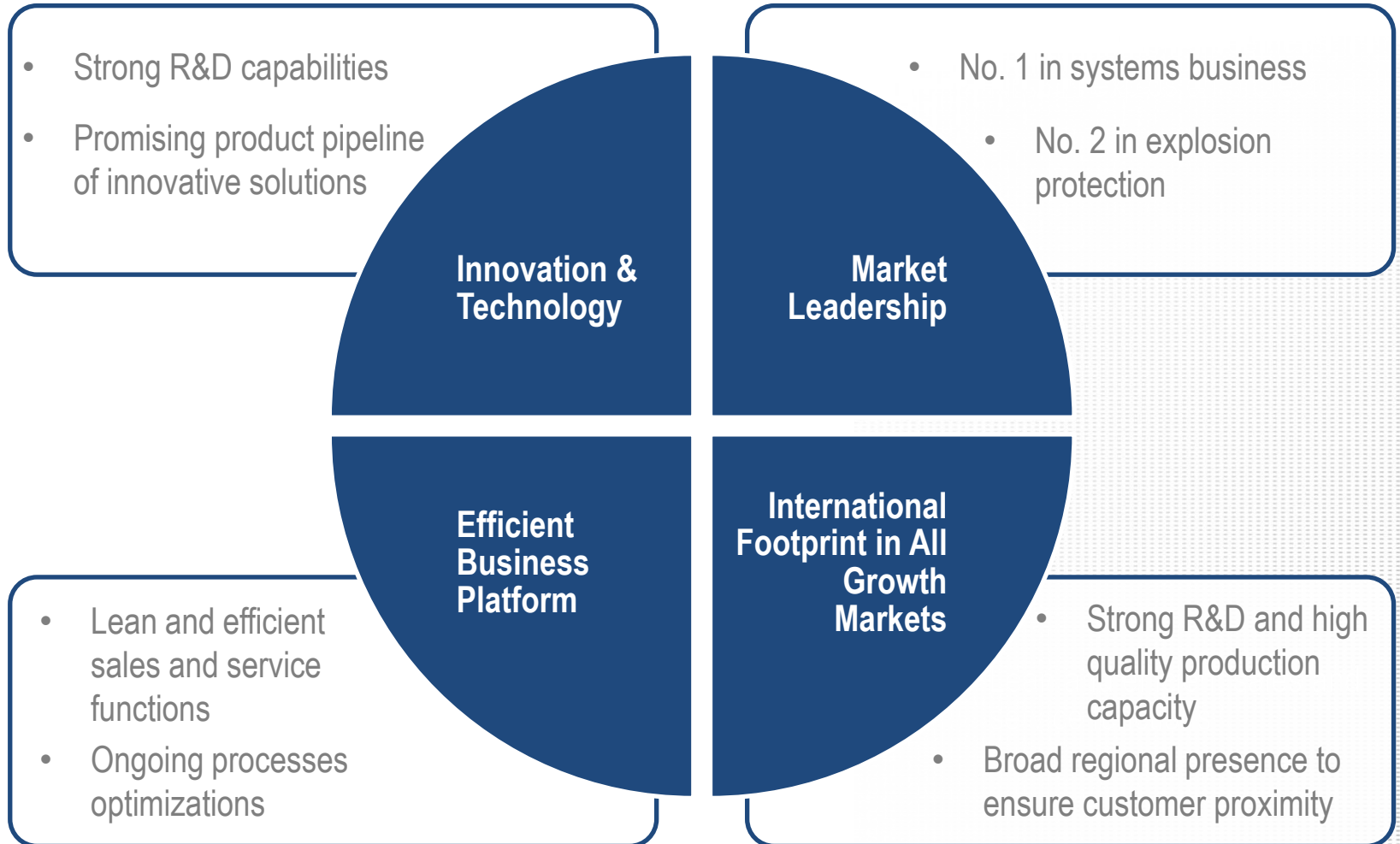
in million €	2013	2014E	2016E
SALES	304	315 - 325	380 - 390
GROWTH %	4.6 %	3.5 % - 6.8 %	7.7 % - 8.6 %*
EBIT-MARGIN %	8.2 %	6 - 7 %	11 % - 12 %



R. STAHL REMAINS FULLY COMMITTED TO ITS MIDTERM GUIDANCE AND WILL CAPITALIZE ON ITS STATE OF THE ART TECHNOLOGY PLATFORM, MARKET LEADERSHIP AND INTERNATIONAL PRESENCE TO DRIVE GROWTH



R. STAHL Fully Aligned Towards Profitable Growth





Questions and Answers





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