



THE STRONGEST LINK.



Driving Efficiency

Equity Story November 2018

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Percentages and figures may include rounding differences. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a “+” sign, deteriorations by a “-“ sign. Rates of change >+100% are shown as >+100%, rates of change <-100% as “n/a” (not applicable).

Agenda

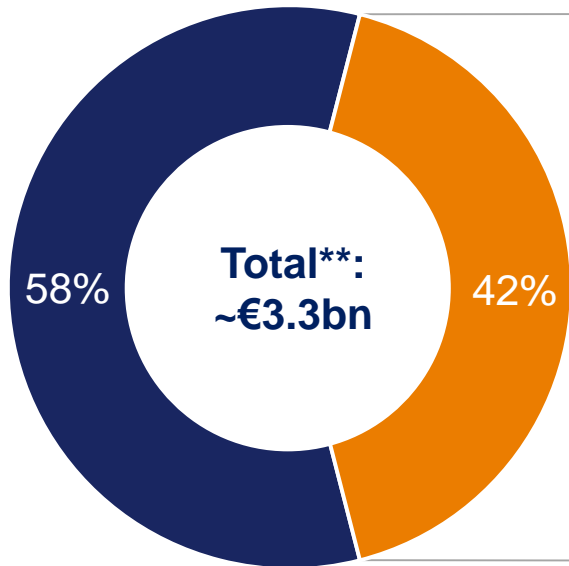
1	Company Overview
2	Explosion Protection Market
3	Driving Efficiency – R. STAHL 2020
4	Outlook 2018
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R. STAHL Is A Global Leader in The Niche Market for Explosion Protection

Competitive landscape in the explosion protection market*

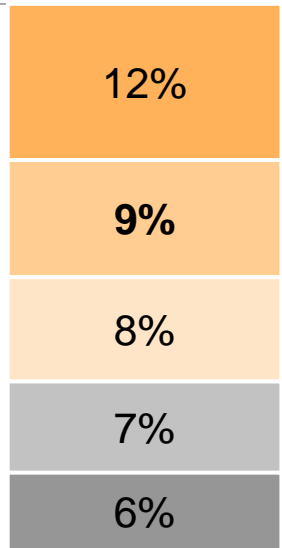
Market share

<5%



Market share

>5%



Eaton
(Cooper Crouse Hinds)

STAHL Sales 2017:
€269m

Bartec

Pepperl & Fuchs

Appleton (Emerson)

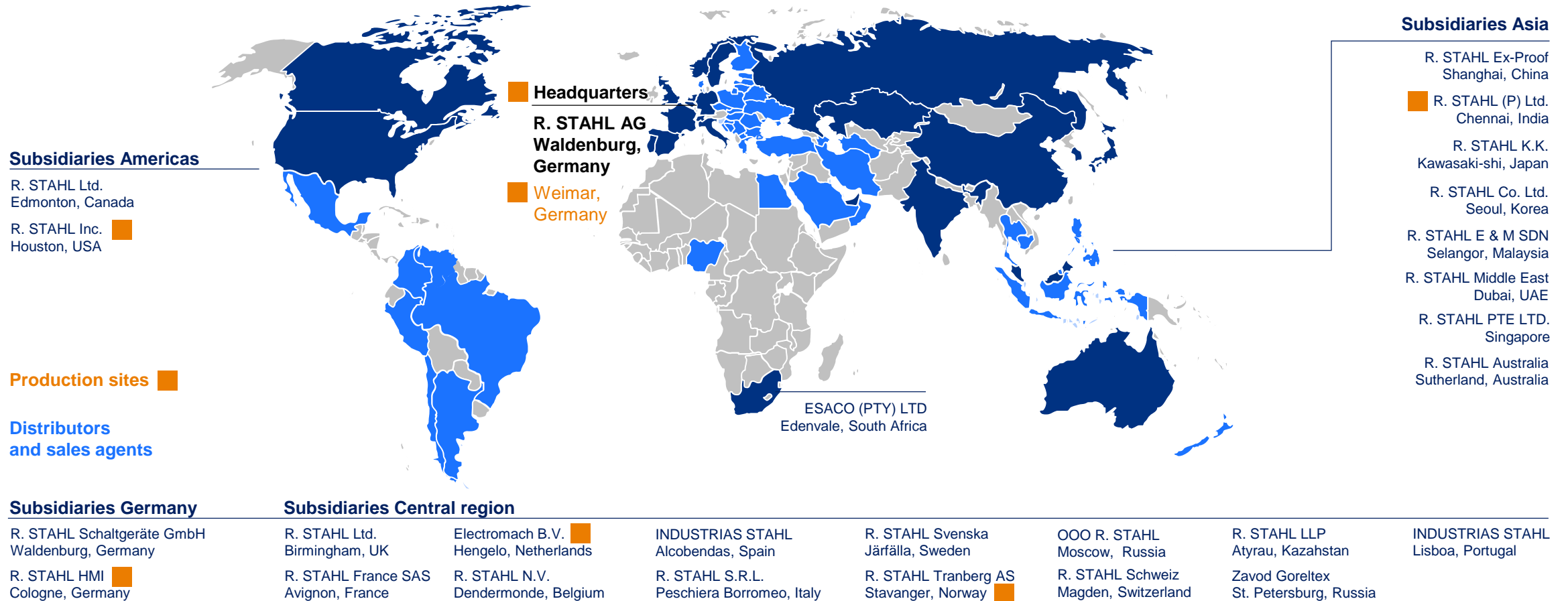


* based on worldwide leading certification IECEx/ATEX

** Company estimates

We Have a Global Presence to Serve Our International Customers

Production and sales network R. STAHL



We Provide a Complete and Innovative Portfolio of Products

Electromechanical components



- Connectors
- Enclosures
- Junction and control boxes

Light fittings & signaling devices



- #1 in LED technology
- Signaling devices
- Emergency lights
- Battery boxes

Network solutions



- Field Bus
- Remote I/O
- Switches
- Access Points

Human machine interfaces

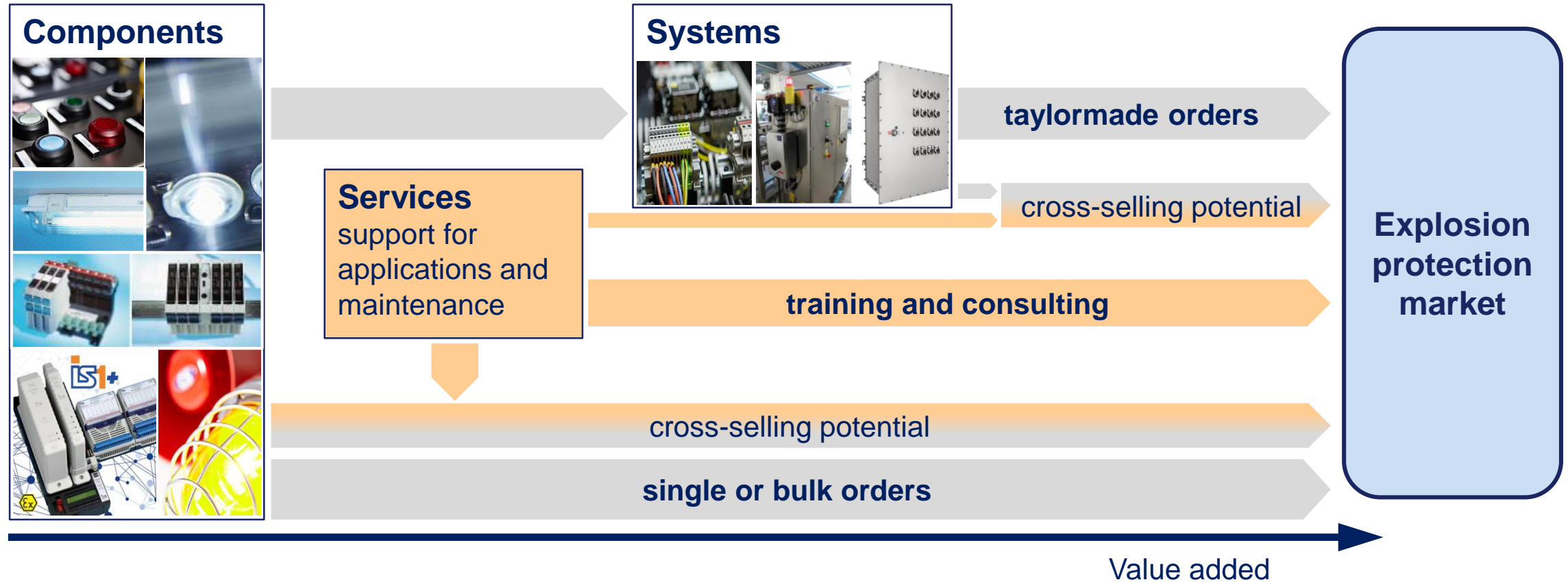


- Displays
- Panel PCs
- Handhelds
- Cameras

7 global production sites

Our Strong Market Position Is Based on Our Leading Products and Value Adding Systems and Services

Product offering R. STAHL



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Explosion Protection Solutions Are Used In A Variety of Industries, Dominated by Oil & Gas

Explosion protection market* by customer sectors

~40-50% Oil & Gas

~50-60% Others

Upstream



Downstream



Chemicals



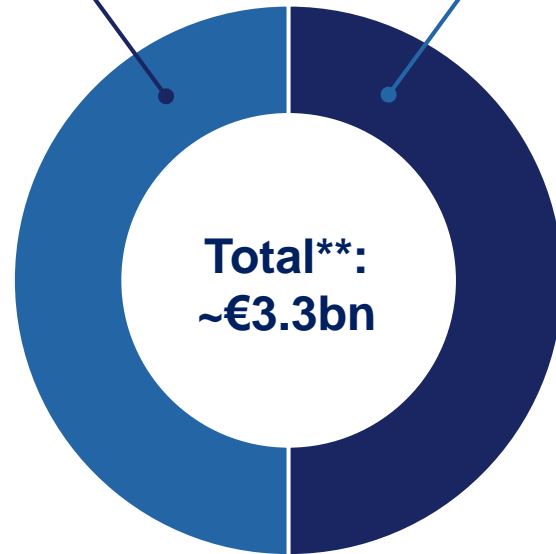
Pharmaceuticals



Shipbuilding



Food & Beverage,
Miscellaneous

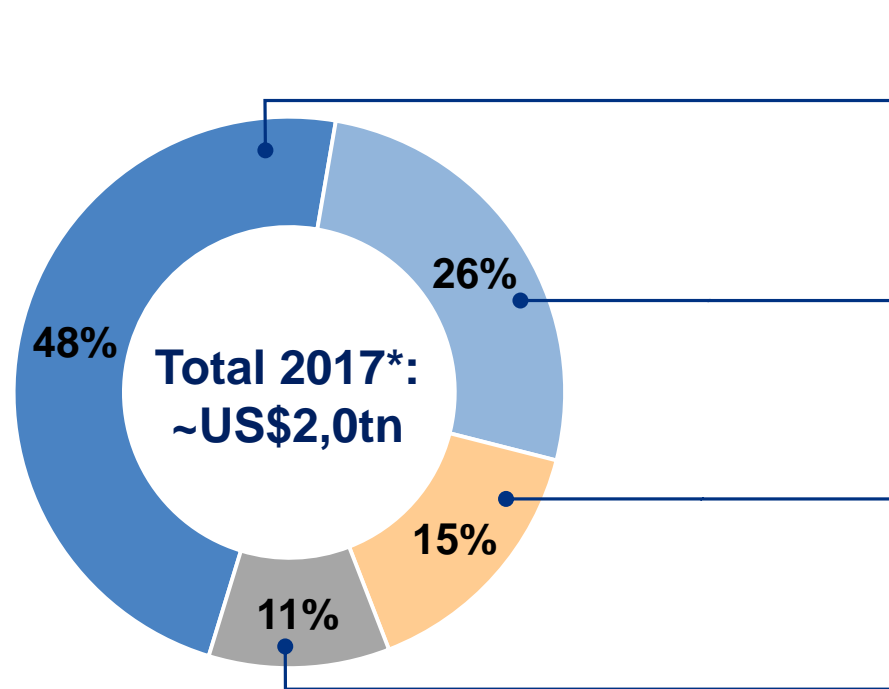


* based on worldwide leading certification IECEx/ATEX

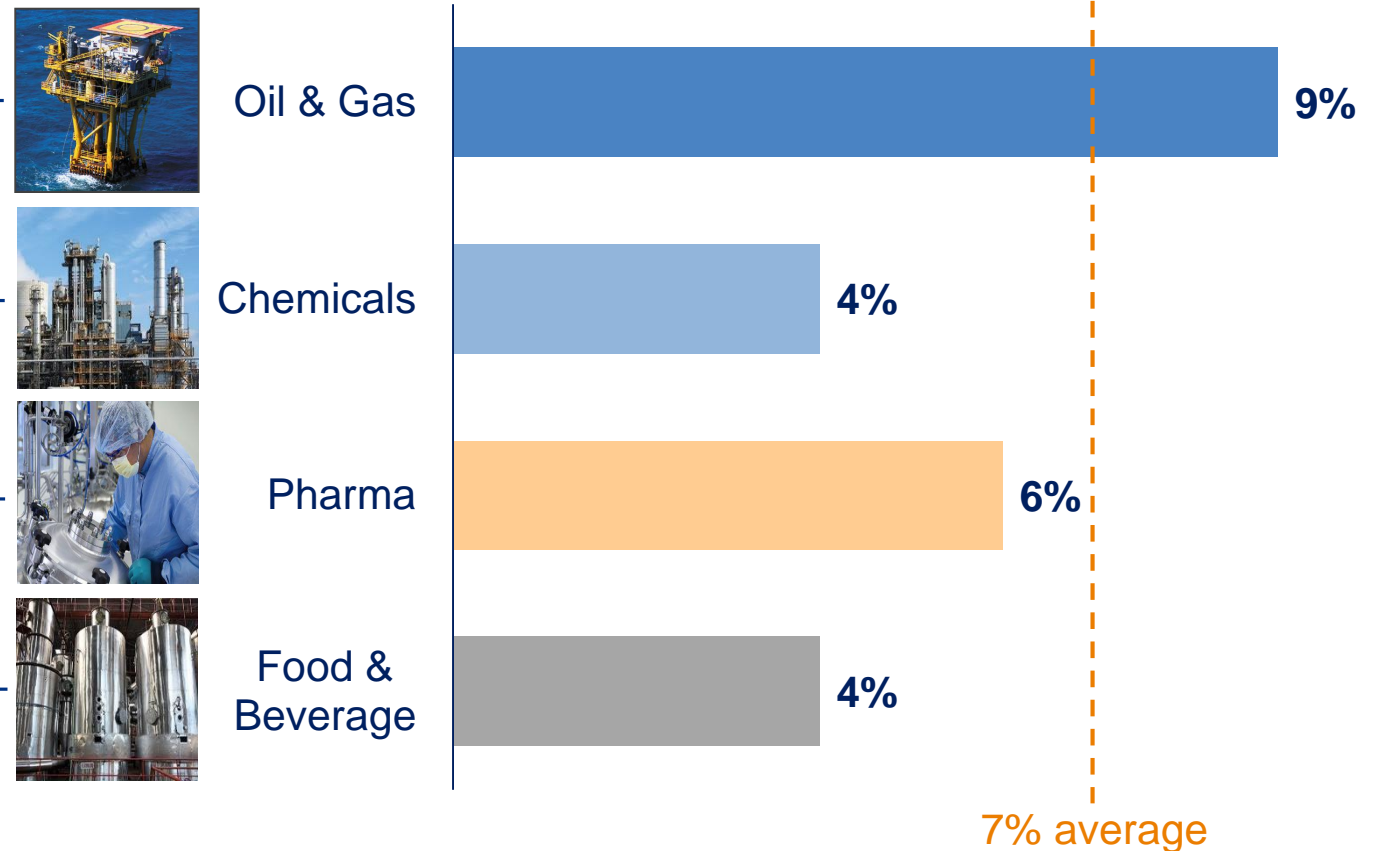
** Company estimates

Our Key Customer Industries Are Expected to Increase Their Capex Spend

Capex by customer industry (2017)



Annual capex growth by customer industry (CAGR 2017–2022)*



* Source: external sources, company estimates

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We Have Unique Fundamental Strengths – But We Have to Modernize Our Operating Model

Strengths

Market position

- No. 1 in Europe, No. 2 worldwide in explosion protection
- Global presence in all key markets
- Strong brand and customer reputation

Products and Technologies

- Highest product quality
- Comprehensive portfolio
- Leading in complex systems solutions

Operating Challenges

Organization + Structures

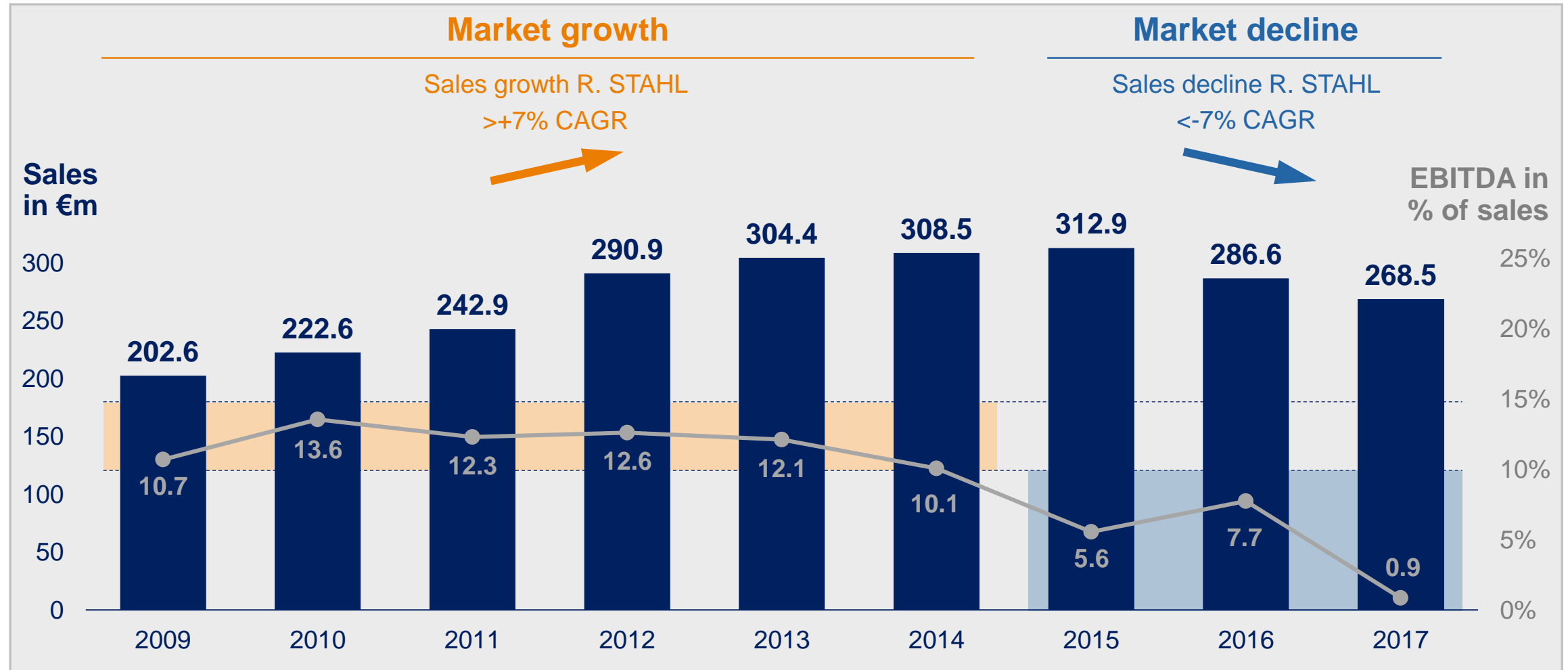
- Decentralized and complex organization
- High product complexity
- Nonuniform IT systems

Processes

- Partially lack of profitability for large volume orders
- Nonstandardized processes
- Poorly developed change culture



Our Challenges Became Particularly Visible During the Recent Market Downturn



We Will Improve Our Competitiveness in All Key Areas: Organization, Products, Processes, and Systems

Efficiency program “R. STAHL 2020“



Build a central, globally responsible Group organization



Optimize product portfolio



Professionalize project and contract management



Streamline supply chain and drive lean production



Improve structures and effectiveness in the sales organization



Harmonize worldwide IT systems

Sustainable growth

- **organically**
- **through selective acquisitions**

Foster change culture

2018

~2020

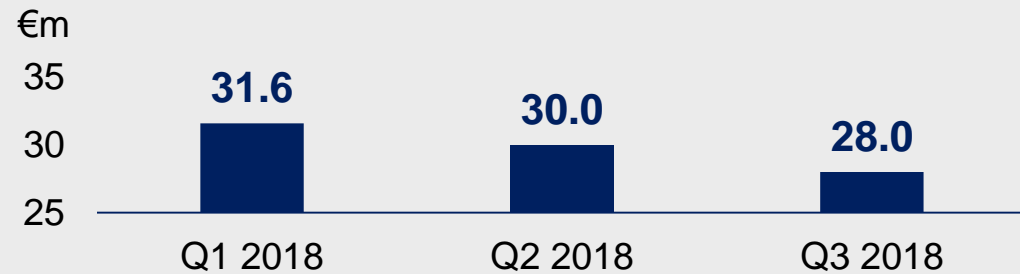
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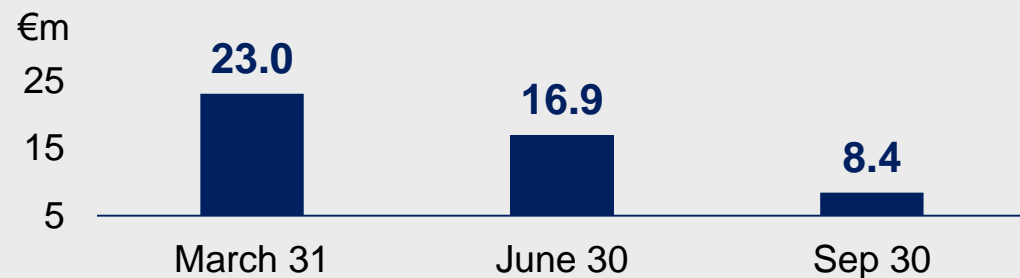
During 2018, We Already Significantly Improved Our Profitability and Financial Position

Achievements

- > 5.000 articles already eliminated
- Personnel costs

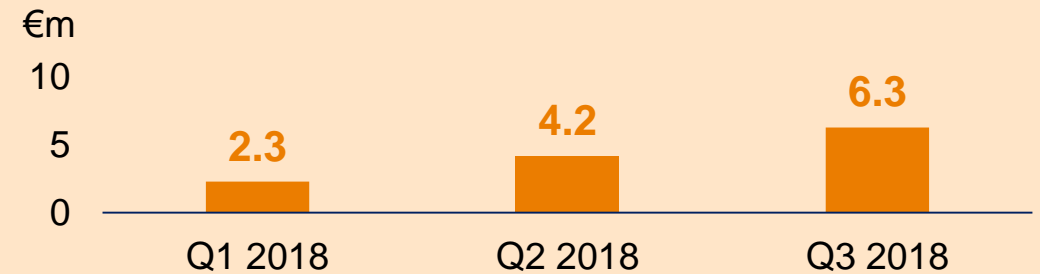


- Net debt

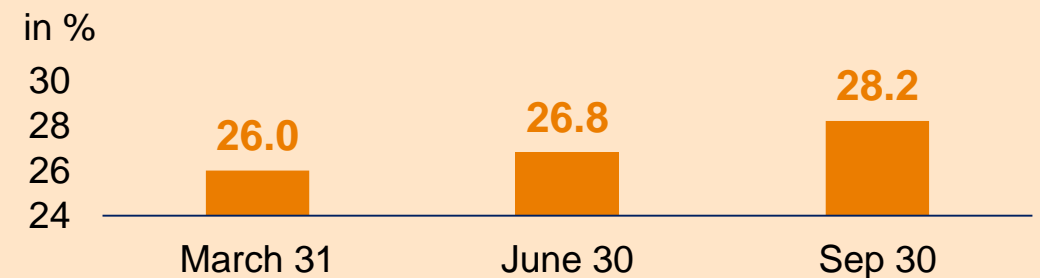


Results

- Reduced complexity across the value chain
- EBITDA pre*



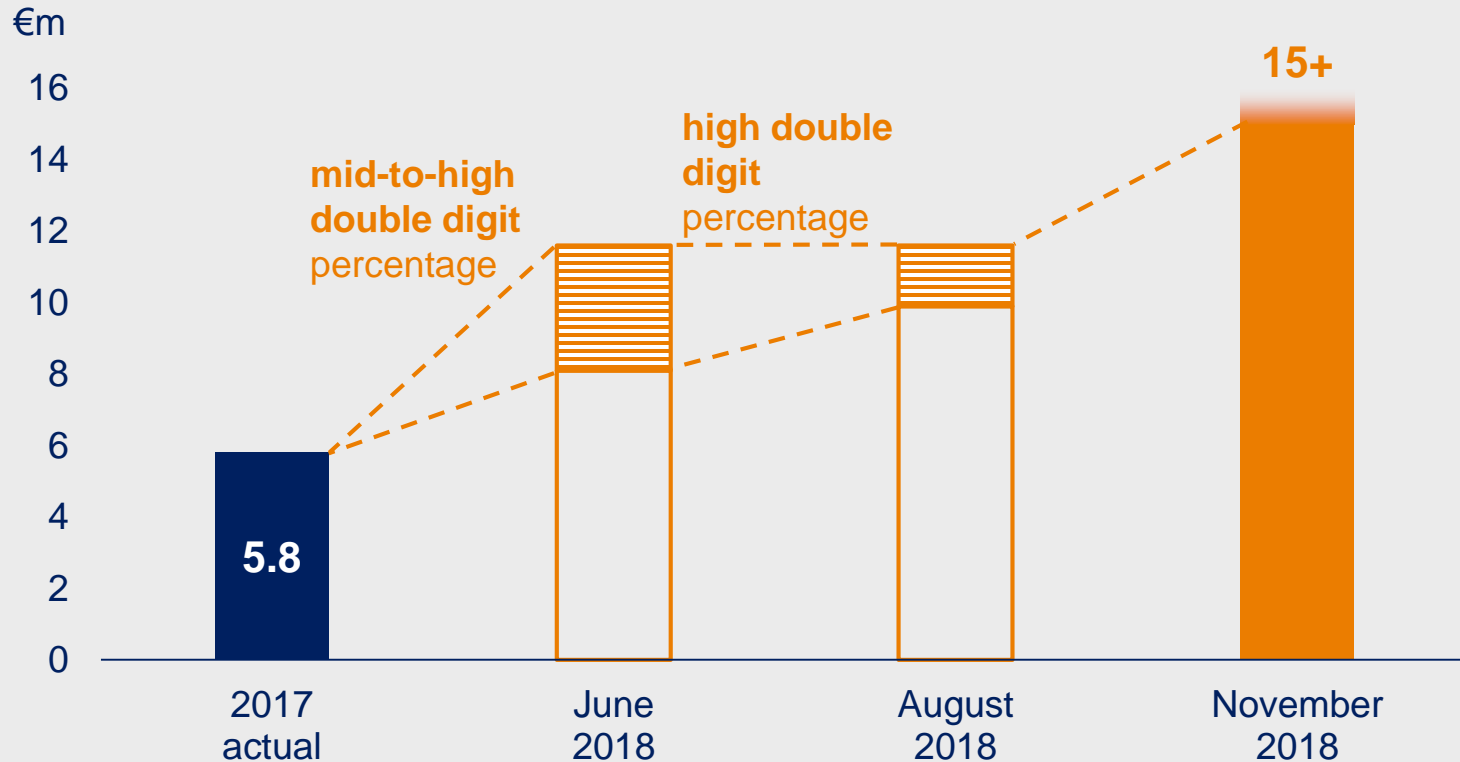
- Equity ratio



* EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

FY 2018 Guidance Raised Consecutively QoQ Following Successful Execution of R. STAHL 2020

Guidance EBITDA pre* FY 2018



Additional comments FY 2018

- Stabilizing demand at moderate level
- Net profit to reach high-single digit negative millions burdened by exceptionals from R. STAHL 2020

* EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

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Explosions Occur When Mixtures of Combustible Substances and Oxygen Meet an Ignition Source

Basic principle of explosions

1. Combustible substances

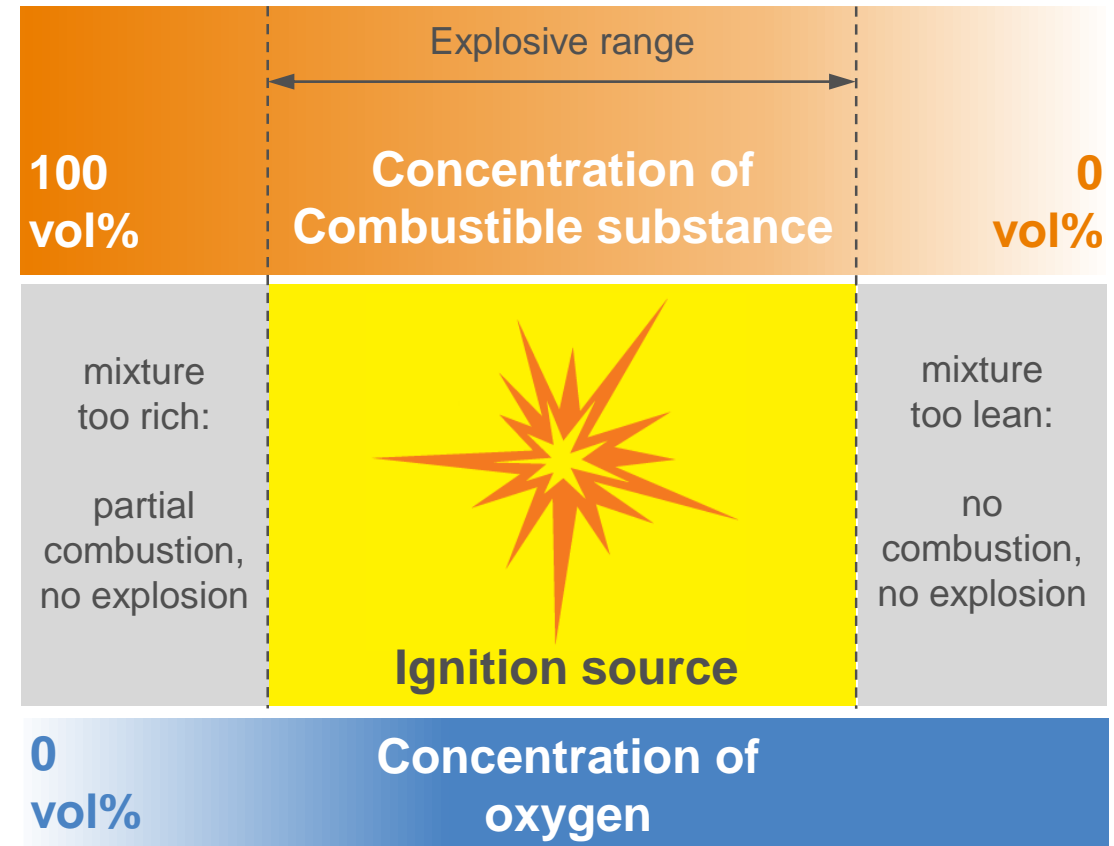
- Gases (e. g. natural gas, hydrogen etc.)
- Liquids (e. g. gasoline, alcohol, solvents etc.)
- Dispersed solids (e. g. sawdust, sugar, metal powder etc.)

2. Ignition Source

- Hot surfaces/gases
- Flames
- Sparks
- Adiabatic compression
- Chemical reactions

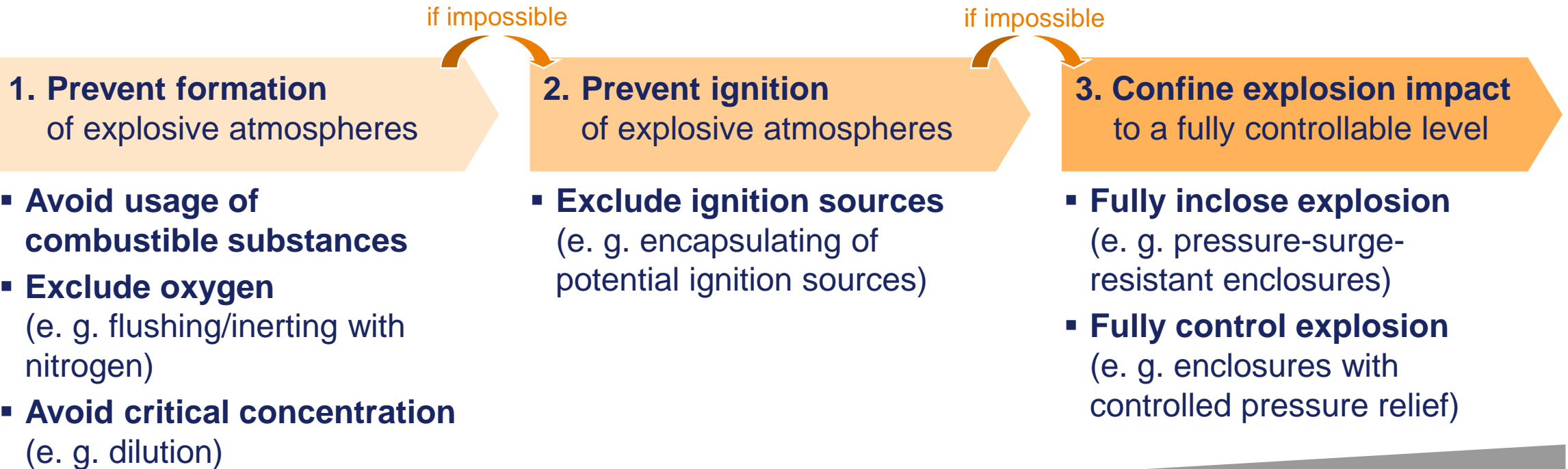
3. Oxygen

- Air



Explosion Protection is About Preventing Explosions or Confining Their Impact

Three approaches to explosion protection



Business opportunities R. STAHL

Profitability in 9M 2018 Up Due to Sales Growth and Structural Improvements

Key data of Income Statement 9M 2018 vs. 9M 2017

€m	9M 2018	9M 2017	Change
Sales	206.0	198.2	+3.9%
Other operating income	9.9	6.0	+65.5%
Cost of materials	-74.5	-74.0	-0.7%
Personnel costs	-89.6	-93.5	+4.2%
Other operating expenses	-42.6	-40.4	-5.4%
EBIT	0.3	-8.5	n/a
Financial result	-2.1	-1.4	-47.2%
EBT	-1.8	-9.9	+82.0%
Taxes	-0.6	2.3	n/a
Net profit	-2.4	-7.6	+69.0%
Earnings per share in €	-0.36	-1.18	+69.5%
EBITDA	9.3	0.8	>+100%
EBITDA pre*	12.8	3.4	>+100%

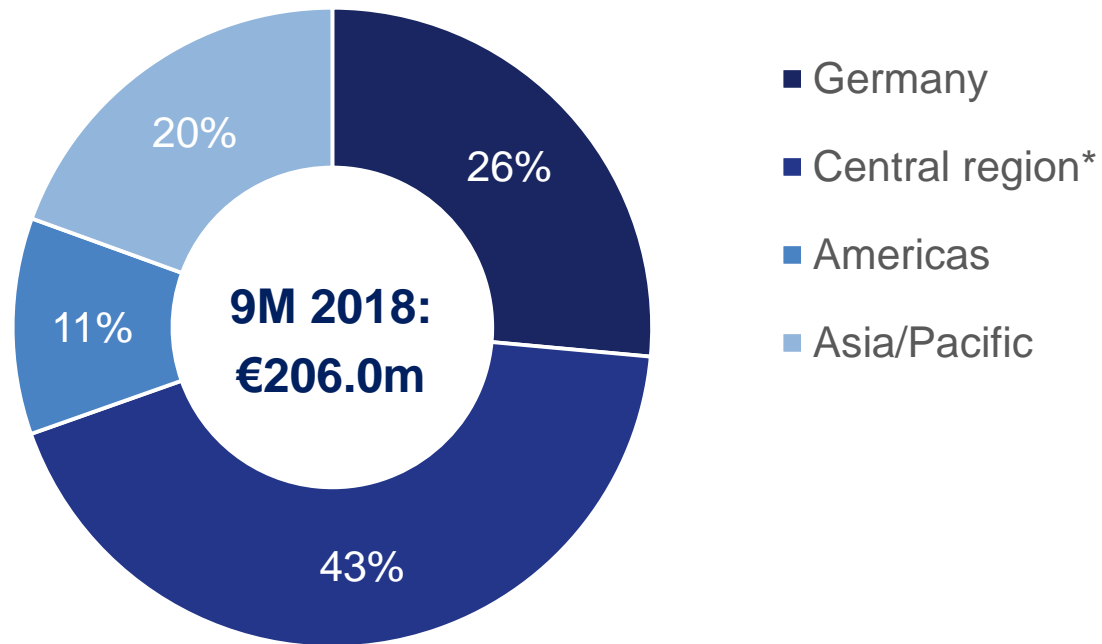
Comments

- Other operating income includes contributions from property sales
- Lower personnel costs as a result of reduced workforce
- Increase in other operating expenses reflects costs for R. STAHL 2020
- Financial result up due to higher costs for debt
- Tax position reflects adjustments related to the recoverability of deferred taxes on loss carryforwards booked in Q4 2017

* EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

Sales Growth in 9M 2018 Driven Primarily by Strong Project Business in Germany

Sales R. STAHL 9M 2018 vs. 9M 2017 by region



€m	9M 2018	9M 2017	Change
Germany	54.5	44.4	+22.8%
Central region*	88.9	90.6	-1.9%
Americas	22.5	21.4	+5.3%
Asia/Pacific	40.1	41.8	-4.1%
Total	206.0	198.2	+3.9%

* Central region: Africa and Europe excl. Germany

Higher Restructuring Charges Partially Offset by Exceptional Income From Property Sales

Reconciliation of EBITDA to EBITDA pre* 9M 2018 vs. 9M 2017

€m	9M 2018	9M 2017	Change
EBITDA	9.3	0.8	+8.5
Exceptionals	-3.5	-2.6	-0.9
Restructuring charges	-6.0	-2.3	-3.7
Devaluation and disposal of inventories	-0.1	0	-0.1
Severance pay	-2.3	-1.8	-0.5
Legal and consulting costs	-3.4	-0.4	-2.9
Other	-0.3	-0.1	-0.2
M&A costs	0	-0.3	+0.3
Disposal of non-current assets no longer required for business operations	2.5	0	+2.5
EBITDA pre*	12.8	3.4	+9.4

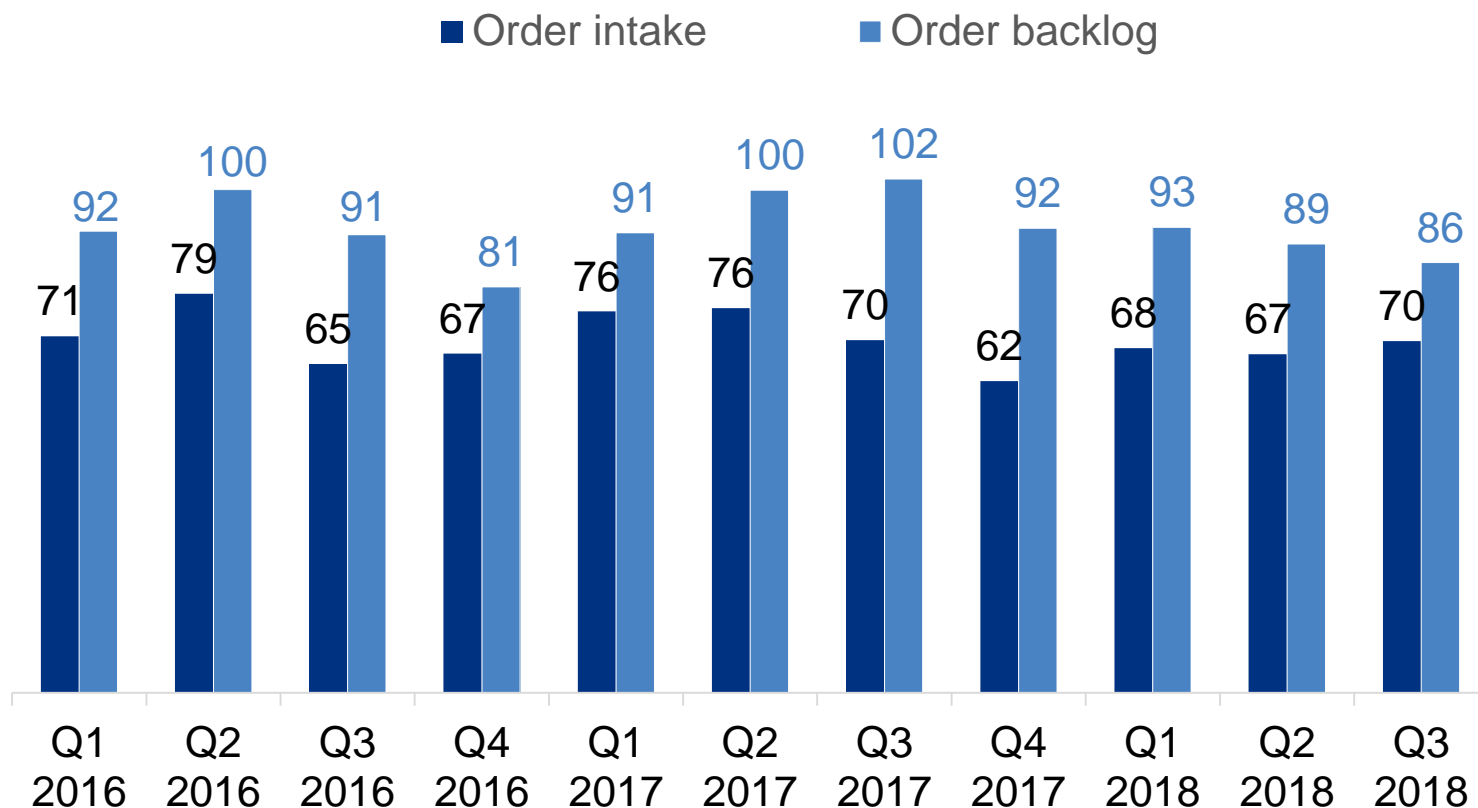
Comments

- Higher restructuring charges due to R. STAHL 2020
- Property sales generated an exceptional income of €2.5m
- Significant increase of EBITDA pre* indicates improved cost structure

* EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

Stable Quarterly Order Intake in 2018

Order intake and order backlog R. STAHL Q1 2016 through Q3 2018



Comments

- Quarterly order intake at stable level during 2018 despite new process for order acceptance implemented in Q1 2018 (including quote/no-quote)
- Order backlog remains solid amid growing sales
- High order backlog in Q2 and Q3 2017 reflects accrued large project orders

Issuer, Contact and Additional Information

Issuer and Contact

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Ticker Bloomberg RSL2

Ticker Reuters RSL2.DE

Listing Frankfurt Stock
Exchange
Prime Standard

Financial Calendar

2019

Feb 28 Preliminary Figures FY2018

Apr 04 Bankhaus Lampe,
Deutschlandkonferenz,
Baden-Baden

Apr 26 Annual Report FY2018

May 09 Interim Report Q1 2019

Jun 07 AGM, Künzelsau-Gaisbach

Aug 08 Interim Report Q2 2019

Nov 07 Interim Report Q3 2019

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