



THE STRONGEST LINK.

STAHL

Technology – Efficiency – Growth

Equity Story May 2021

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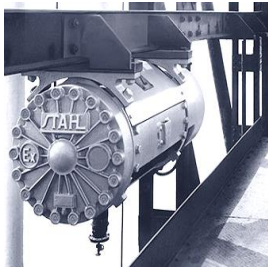
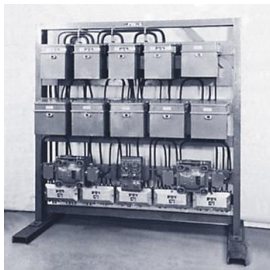
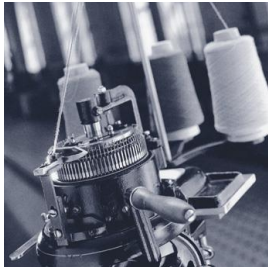
Rounding differences and rates of change

Percentages and figures may include rounding differences. Rates of change $>+100\%$ are shown as $>+100\%$, rates of change $<-100\%$ as “n/a” (not applicable).

Agenda

1	Company Overview
2	Driving Strategy: EXcellence 2023
3	Actual Business Update
4	Appendix

R. STAHL Has a Tradition of More Than 140 Years in Pioneering Mechanical And Electr(on)ical Technologies



1876 Rafael Stahl founded the company

1890 World's first circular loom with electric individual drive

1926 Development and production of explosion-protected, electrical control switches and control devices

1949 Market leader in the field of explosion-protected electrical equipment

1953 First explosion-protected electric hoist

1987 World's first ICS MUX fieldbus system for hazardous areas

2018 EXpressure[®] – the revolutionary new Ex d technology

R. STAHL Today – A Leading Global Player With a 100% Focus on Electrical Explosion Protection



Market Position

#2 in Europe in explosion protection, #3 worldwide

Markets & Customers

Oil & Gas, Chemicals, Pharma, Food & Beverage, Shipbuilding

Production

7 sites in Europe, America and Asia

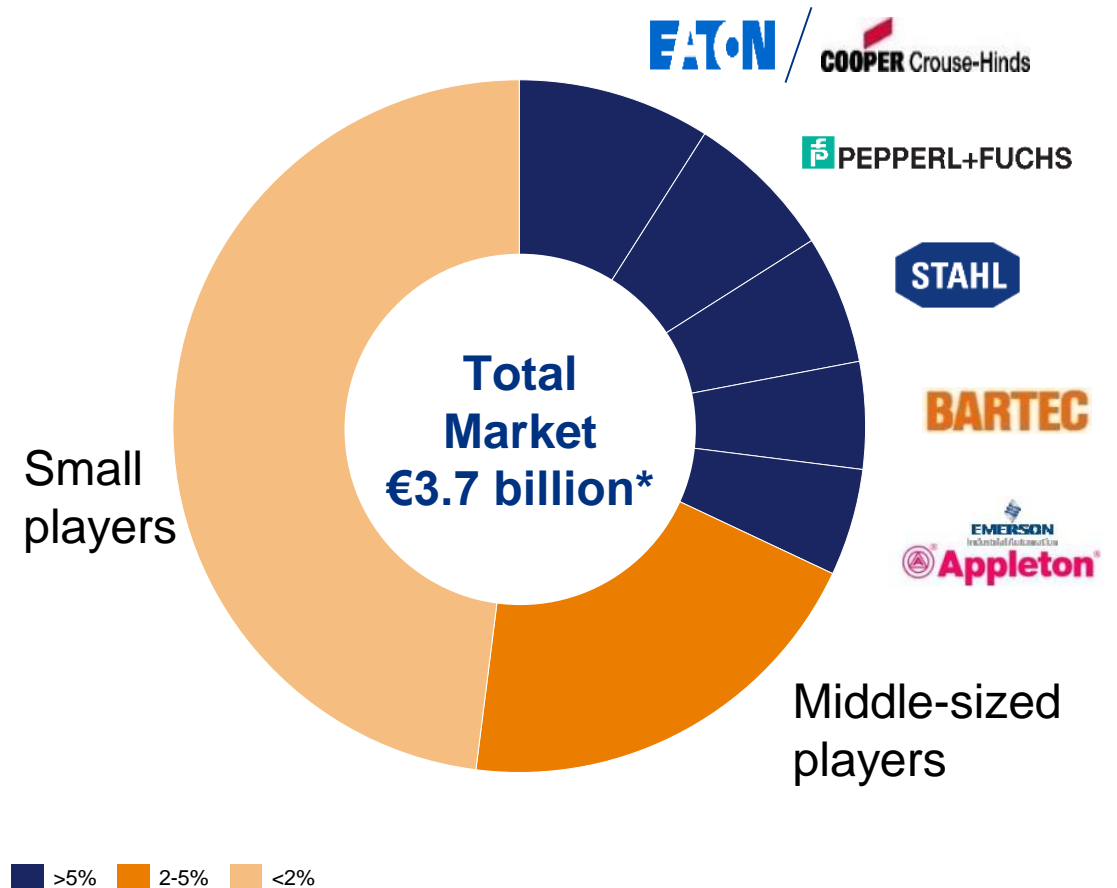
Employees

1,669 (as of 31 Dec. 2019)

Global footprint

23 subsidiaries in 22 countries + >50 sales offices and agencies

Global market shares of relevant competitors*



* Company estimates for IECEx/ATEX certification, 2018

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, e. g.

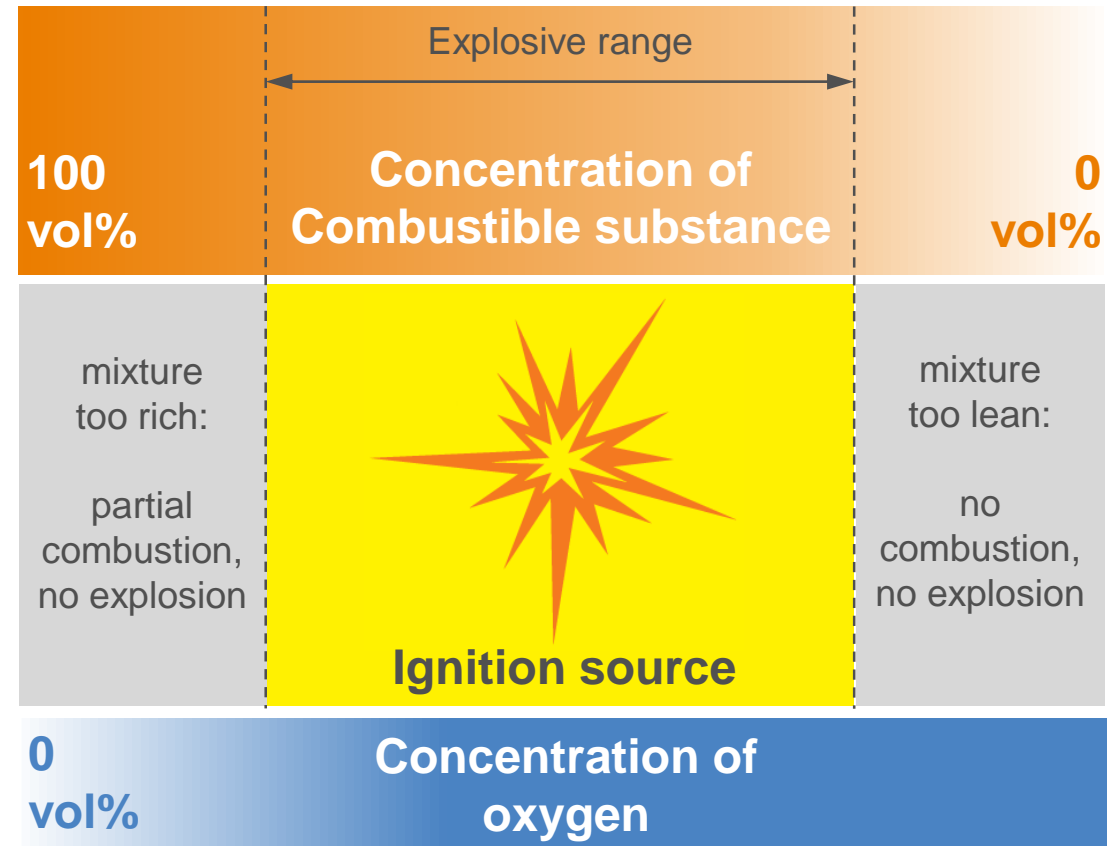
- Hot surfaces/gases
- Flames
- **Electrical sparks**
- Adiabatic compression
- Chemical reactions
- Mechanical sparks

Focus
R. STAHL



3. Oxygen

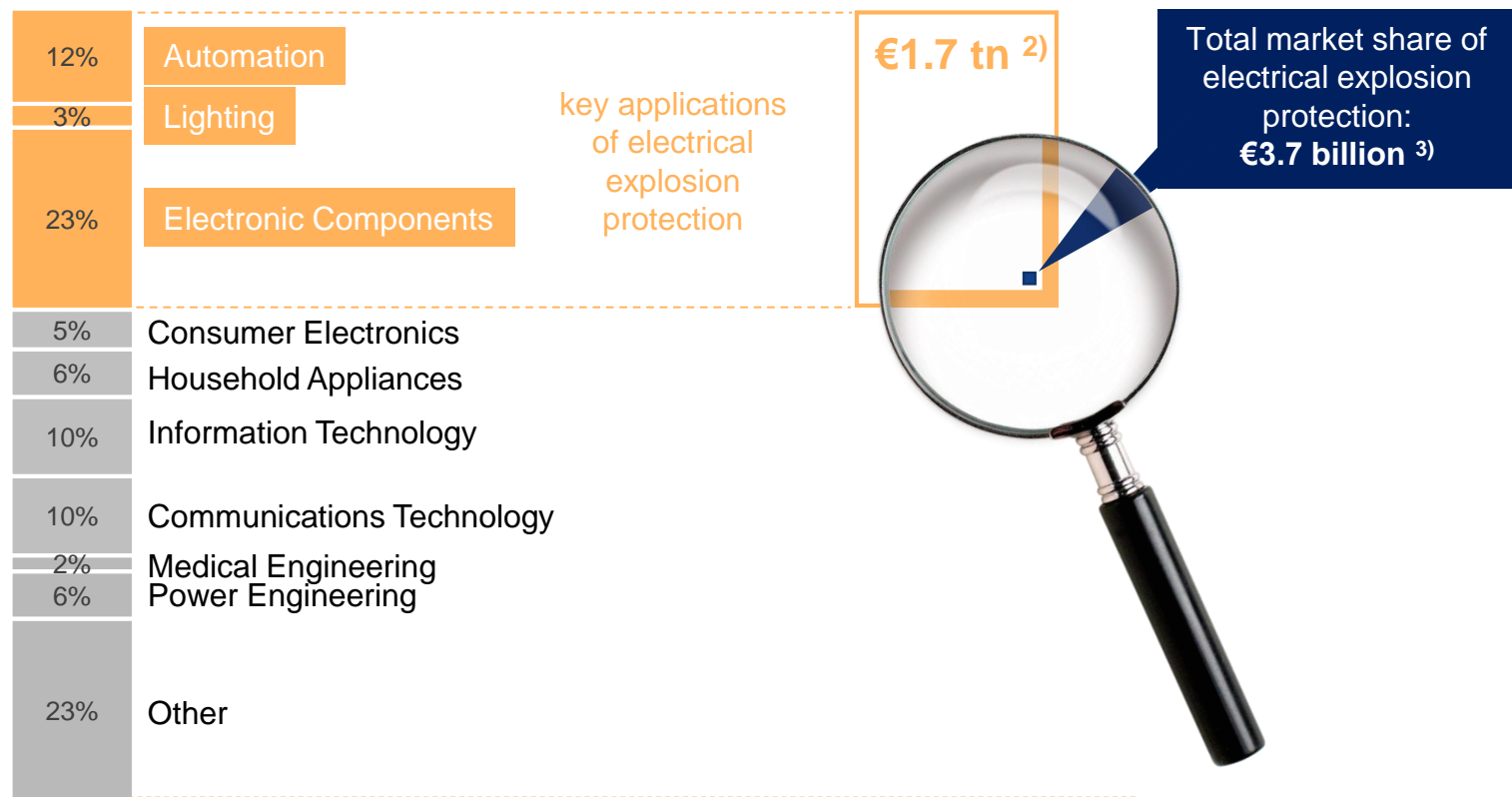
- Air



Electrical Explosion Protection is a Niche Application With High Barriers to Entry

Global Electric Industry by Application

Total market €4.4 tn ¹⁾



Market Characteristics

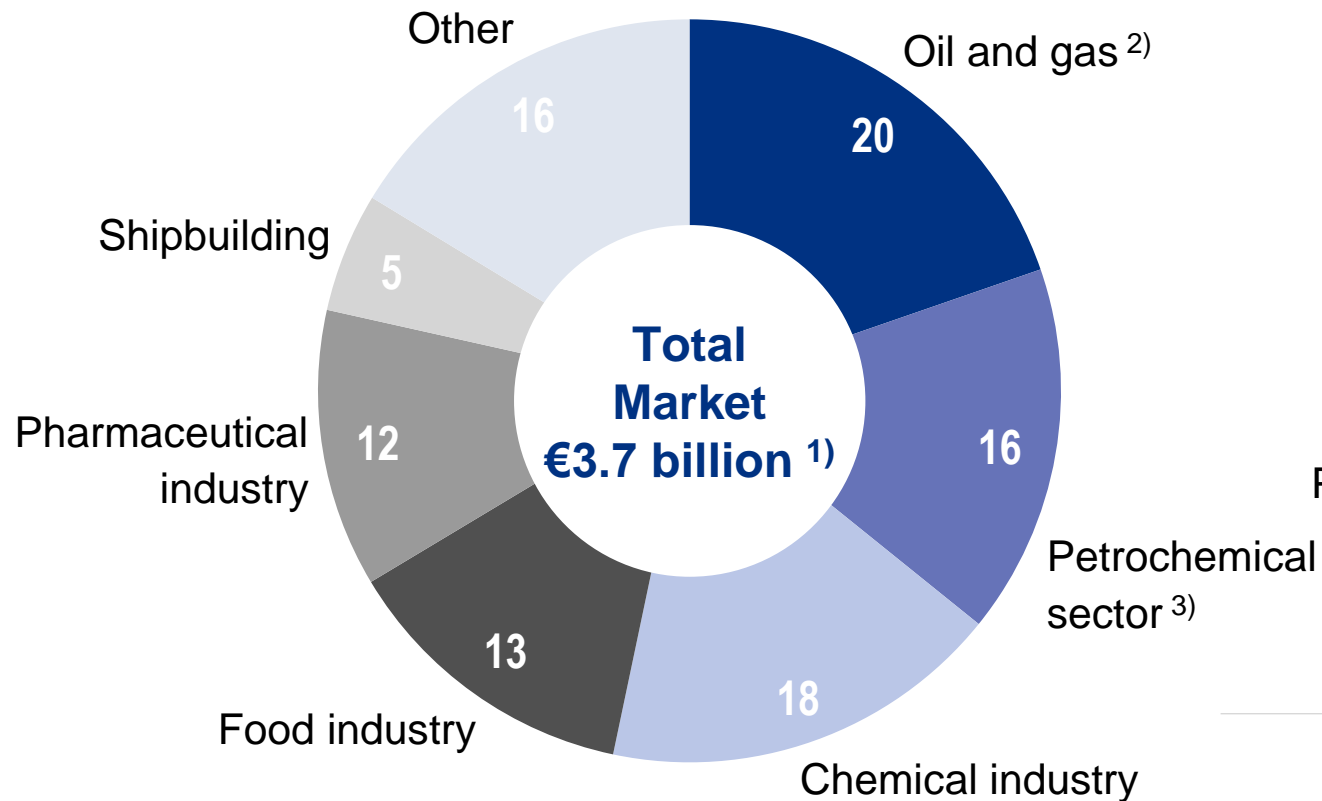
- Accounts for just ~0.1% of the total global electric market
- High entry barriers
- Innovation driven
- Safety and reliability is key
- Subject to high regulation and certification
- Multiple customer industries
- High exposure to cyclical industries

1) ZVEI, August 2020 2) Applications with potential exposure to explosion protection 3) IECEx+ATEX certification

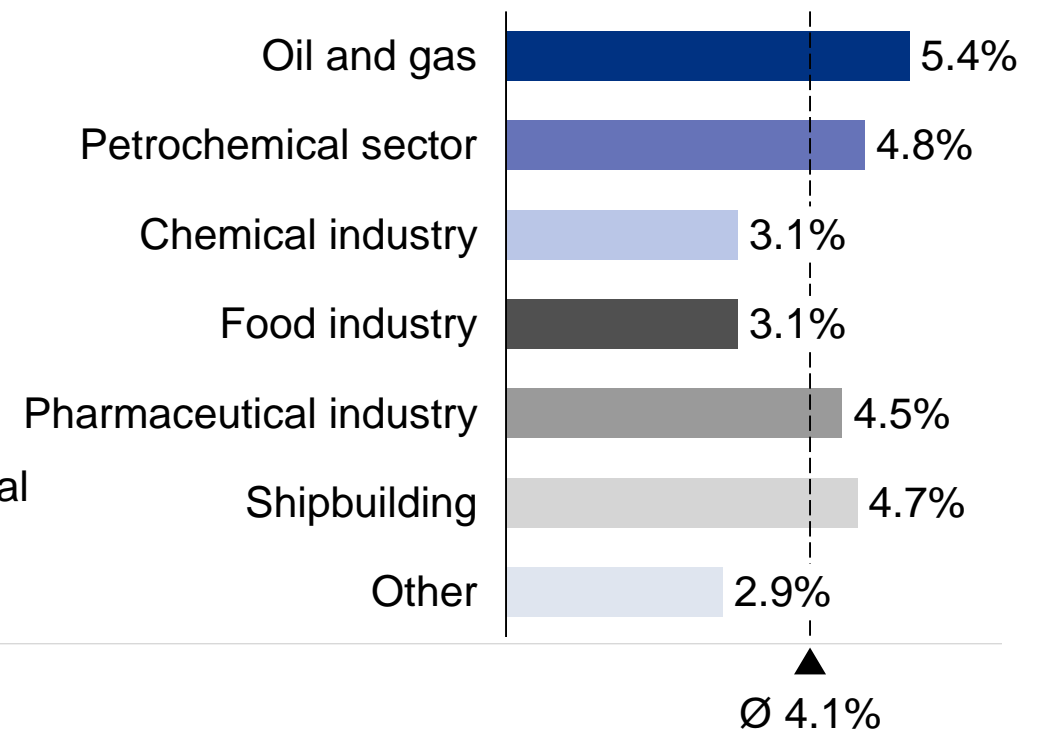
We Serve Process Industries That Handle Potentially Explosive Dusts, Liquids And Gases

World market by industry sectors – IECEx/ATEX 2017-2022

No impacts from COVID-19 included










CAGR (2017-2022 E)



1) Company estimates for IECEx/ATEX certification, 2018; Comparable NEC market ca. €1.7 billion 2) Upstream 3) Downstream

We Are Experts in All Major Technologies Used in Electrical Explosion Protection

Conceptual approach	Solution	Technology	Position R. STAHL
1. Prevent formation of explosive atmospheres	▪ Avoid combustible substances (replacement)	not part of electrical explosion protection	
	▪ Avoid critical concentration (e. g. dilution)	not part of electrical explosion protection	
	▪ Exclude oxygen (e. g. flushing with nitrogen)	Pressurized encapsulation (Ex p)	 ✓
	if impossible		
2. Prevent ignition of explosive atmospheres	▪ Keep electrical energy below critical level	Intrinsic safety (Ex i)	 ✓
	▪ Suppress formation of electrical sparks	Increased safety (Ex e)	 ✓
	▪ Avoid intrusion of explosive atmospheres	Fill enclosures with liquids or solids (Ex o, q, m)	   ✓
	if impossible		
3. Confine explosion impact to a controllable and harmless level	▪ Encapsulate electrical devices	Flame proof enclosures (Ex d)	 ✓

R. STAHL Offers Its Customers a Complete, Innovative And Market Leading Portfolio of Explosion Proof Products

Electromechanical components and solutions



- Connectors
- Enclosures
- Junction and control boxes

Light fittings & signaling devices



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

Network & automation products and solutions



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

Human machine interfaces

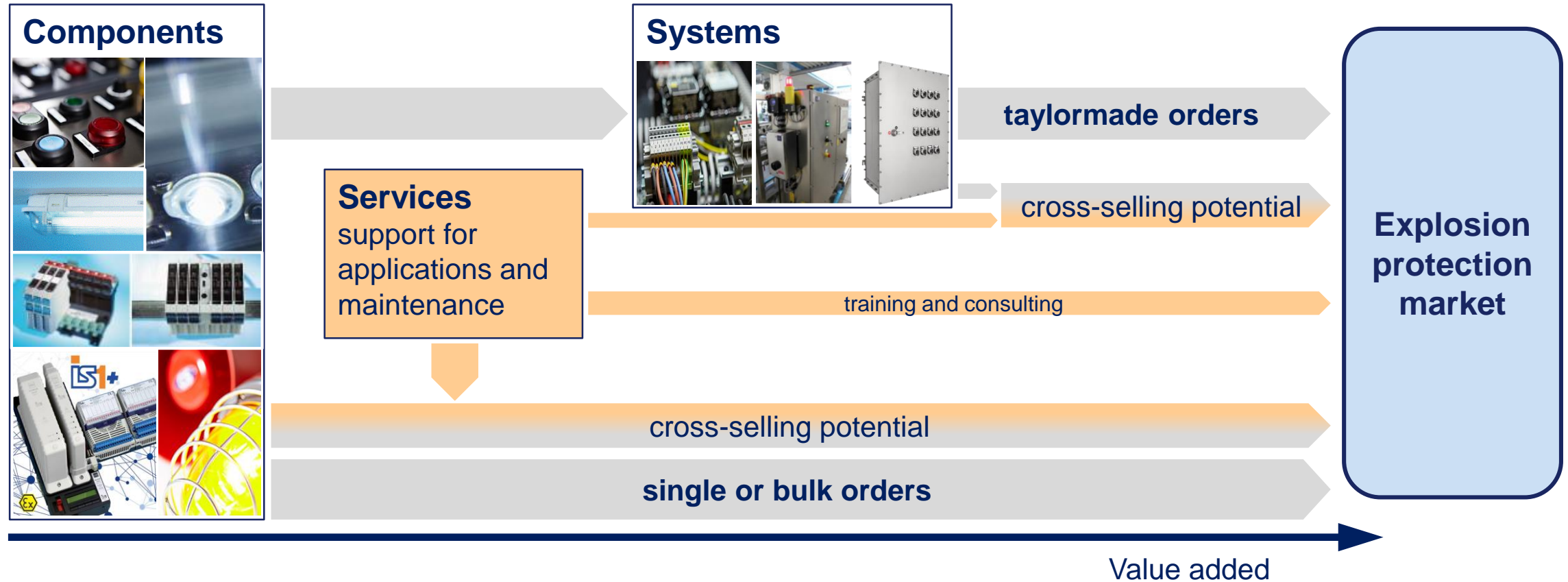


- Displays
- Panel PCs
- Handhelds
- Cameras

7 global production sites

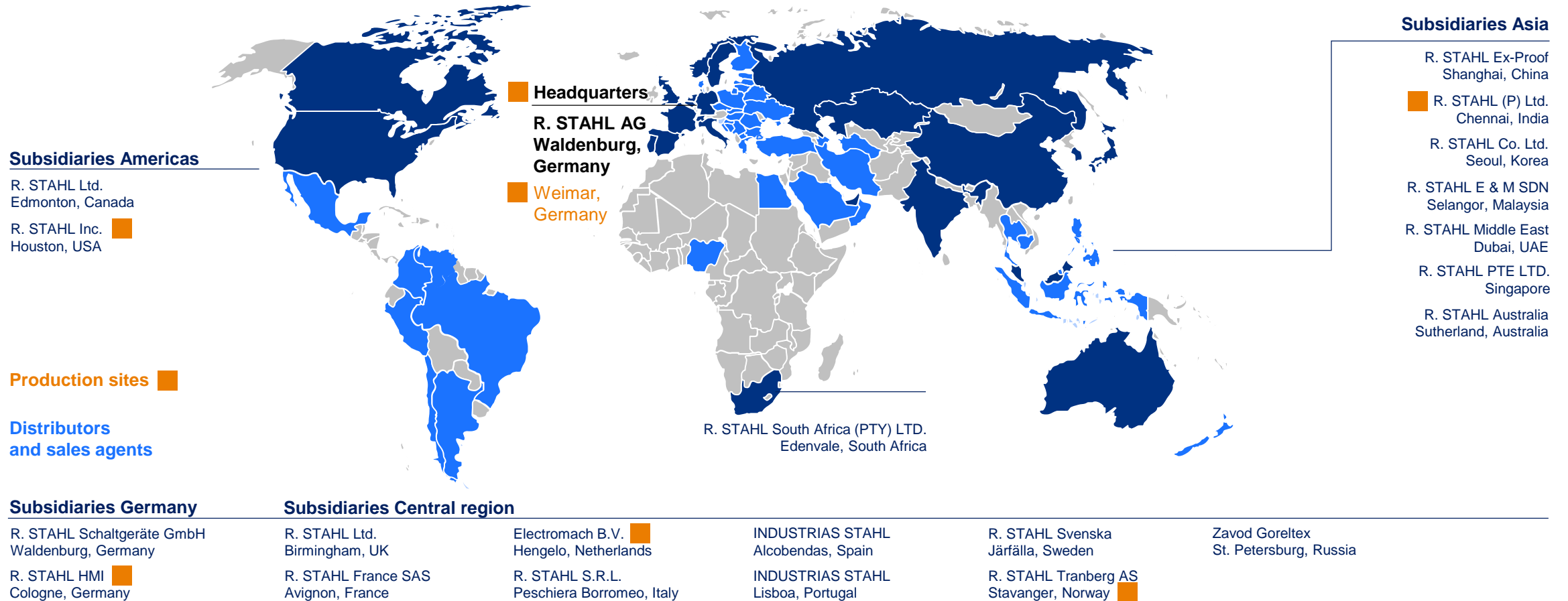
Our Strong Market Position Is Based on Our Leading Products and Value Adding Systems and Services

Product offering R. STAHL



We Have a Global Presence to Serve Our International Customers

Production and sales network R. STAHL

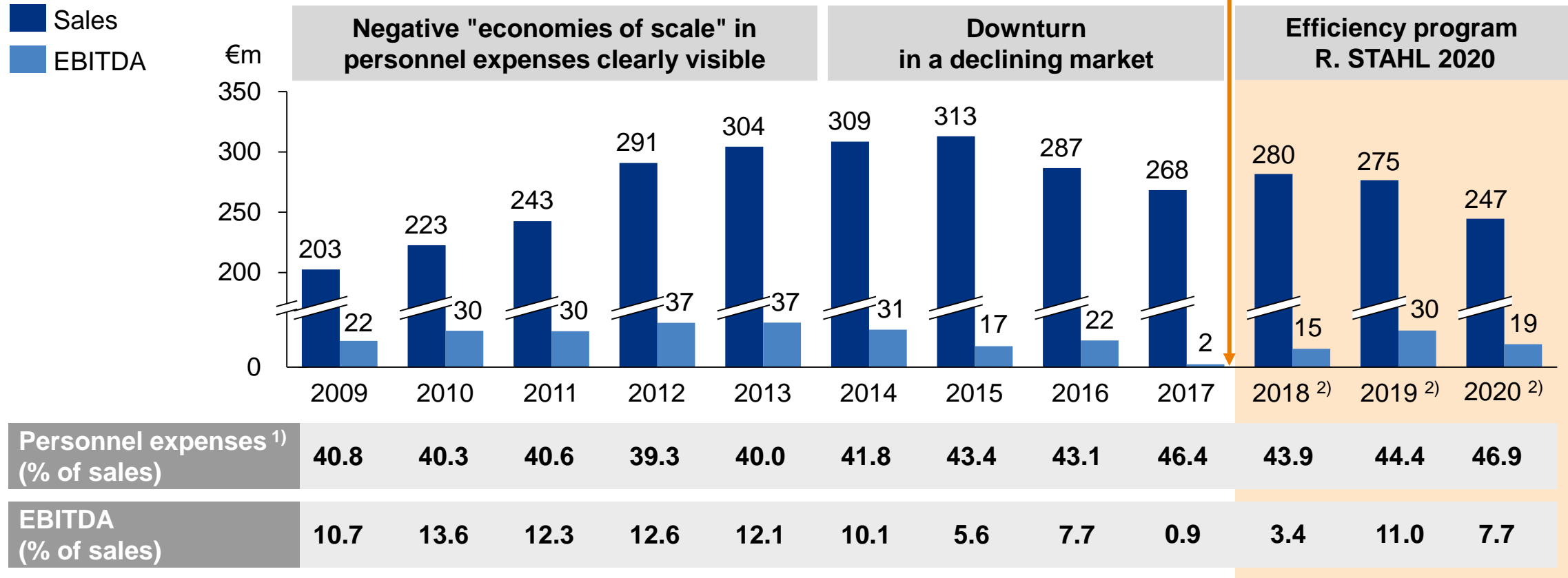


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Review: Until 2017, Even Strong Sales Growth Did Not Prevent Our Margin From Continuous Contraction

Development of R. STAHL 2009–2020



1) incl. temporary workers

2) 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)

Main Causes of Margin Contraction Were Inefficiencies in Organization, Production, Portfolio and Processes

Analysis of R. STAHL's former operating model

until 2017:

- Global production capacities significantly underutilized; responsibilities not clearly defined
- Less than 1/5 of all sales items made a positive contribution to earnings
- Sales structures and processes not defined and inconsistent across organizational units
- IT systems neither standardized nor integrated
- As of 2014, sales have been placed above profit, particularly with regard to projects
- Group-wide business management control not consistently implemented

We Can Build on a Unique Set of Strengths While Addressing Our Significant Challenges



Strengths

Market position

- #2 in Europe, #3 worldwide in explosion protection
- Global presence in all key markets
- Strong brand and reputation

Products and technologies

- Highest product quality
- Broad portfolio
- Leading in complex system solutions

Challenges

Organisation and structures

- Complex global organization
- High product complexity
- Heterogenous IT systems

Processes

- Uninsufficient profitability of large orders
- Little standardization

With Our Efficiency Program R. STAHL 2020, We Fundamentally Modernize Our Operating Model



Today, We Have Central And Lean Structures

Situation 2017

- Decentral holding structure with unclear responsibilities
- Partially unprofitable sites
- Unnecessary high product complexity

Operative subsidiaries

25

2017

Employees

1,763

2017

R. STAHL 2020

Structural Improvements

- New organization implemented
- Corporate structure trimmed
- Number of products reduced by ~50% worldwide

Status Quo

- Matrix organization with globally responsible Group functions
- Fewer sites with lower costs
- Product portfolio adjusted to market needs

Operative subsidiaries

20

today

Employees

1,685

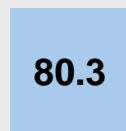
today

Optimization of Central Processes Yielded Already Significant Efficiency Improvements

Situation 2017

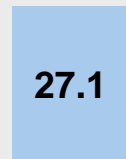
- Non-standardized processes in many areas
- Unclear responsibilities
- Weak management of large orders

Capacity utilization in %
(production)



2017

Working capital in %
of sales



2017

R. STAHL 2020

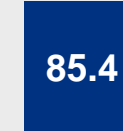
Structural Improvements

- Lean management in production and sales
- Processes standardized and professionalized

Status Quo

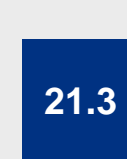
- Globally optimized and increasingly standardized processes
- Clear responsibilities
- Reasonable profitability in all order categories

Capacity utilization in %
(production)



2019

Working Capital in %
of sales



2019

Continued Harmonization of IT Systems Will Generate Further Efficiency Gains

Situation 2017

- Very heterogenous ERP landscape, interfaces managed manually
- Different software products for engineering and configuration of customer solutions, missing hardware standards

Number of ERP systems

21

2017

Hardware standardization

68%

2017

R. STAHL 2020

Structural Improvements

- Preparation of ERP processes to implement SAP in all subsidiaries
- Definition of requirements, selection of software partners and adaption of processes for global standards in customer engineering and configurator

Status Quo

- Harmonization of ERP systems towards SAP until 2023 on track, target by end of 2020: down to 12
- Standards for engineering (EB) and configurator being implemented, completion by 2023

Number of ERP systems

17

today

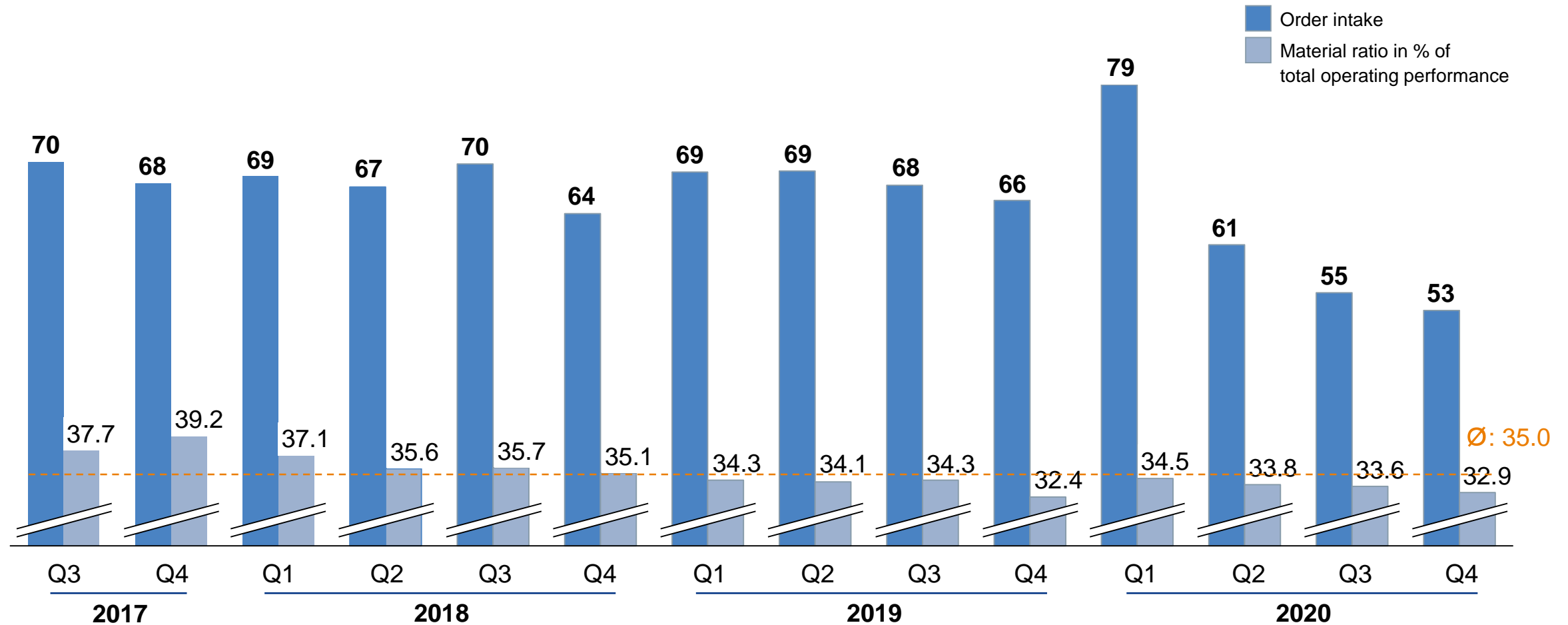
Hardware standardization

85%

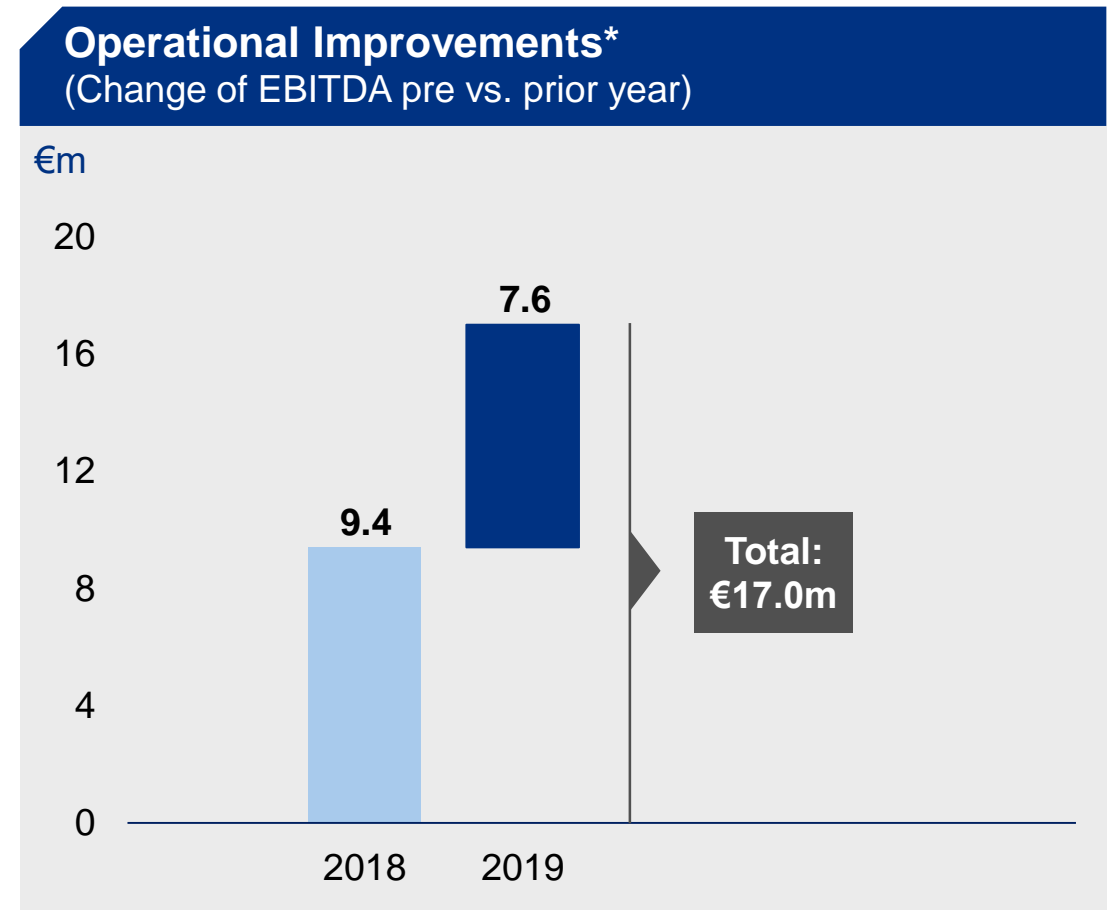
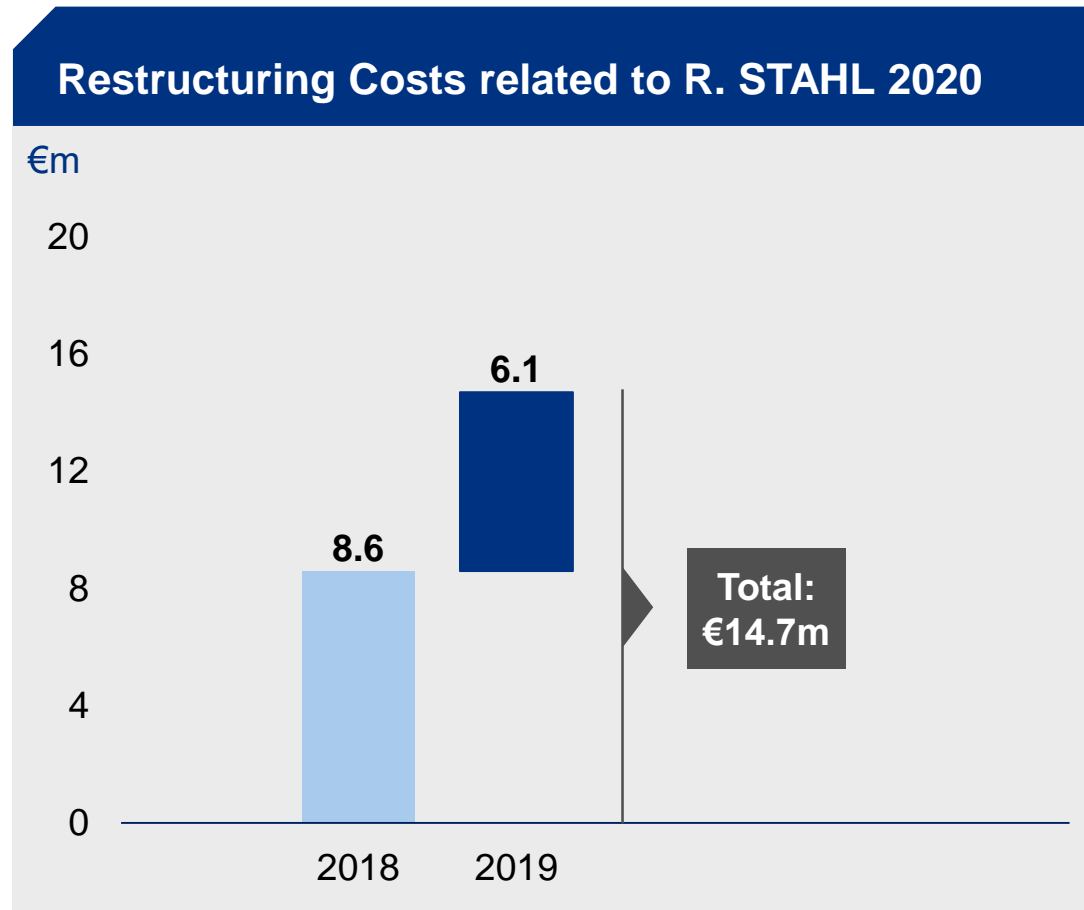
today

Increased Sales Effectiveness Led to an Improved Order Quality and – Before COVID-19 – to Higher Order Quantity

Quarterly order intake and order quality R. STAHL since Q3 2017



Restructuring Costs Related to Efficiency Program „R. STAHL 2020“ Always Paid Off in the Same Year



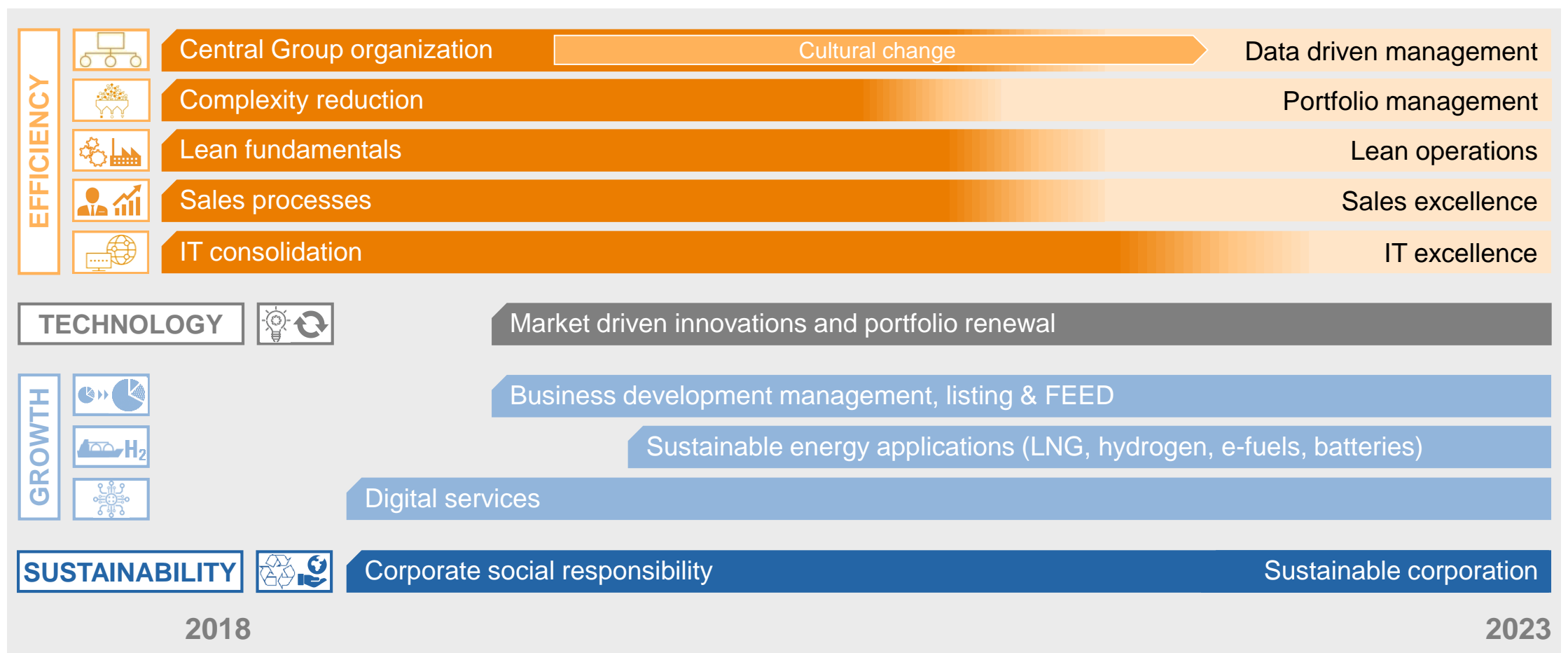
* excluding effects from IFRS 16

While We Continue to Drive Efficiency at All Levels, Our Focus Is Increasingly on Technology and Growth Again

R. STAHL 2020: Consolidation & house keeping



EXcellence 2023: Growth & strategic development



Our Strategy Addresses the Full Potential that Digitalization Offers to Our Business and Customers

Margin potential from efficiency gains

Digital infrastructure and processes

- Harmonization of IT systems (hardware and software)
- Implementation of global and standardized value levers/KPIs and automated reports
- Digitalization of lean processes

Growth potential from market trends

Digital products

Extend and complement the product portfolio along the digital value chain: from data gathering to data transmission, processing and ...

Digitalization
of R. STAHL

Digital production, e. g.

- RFID for serial number recording
- Mobile data logging in logistics
- Digital manufacturing documents in conjunction with CAE project
- Assistance systems for assembly

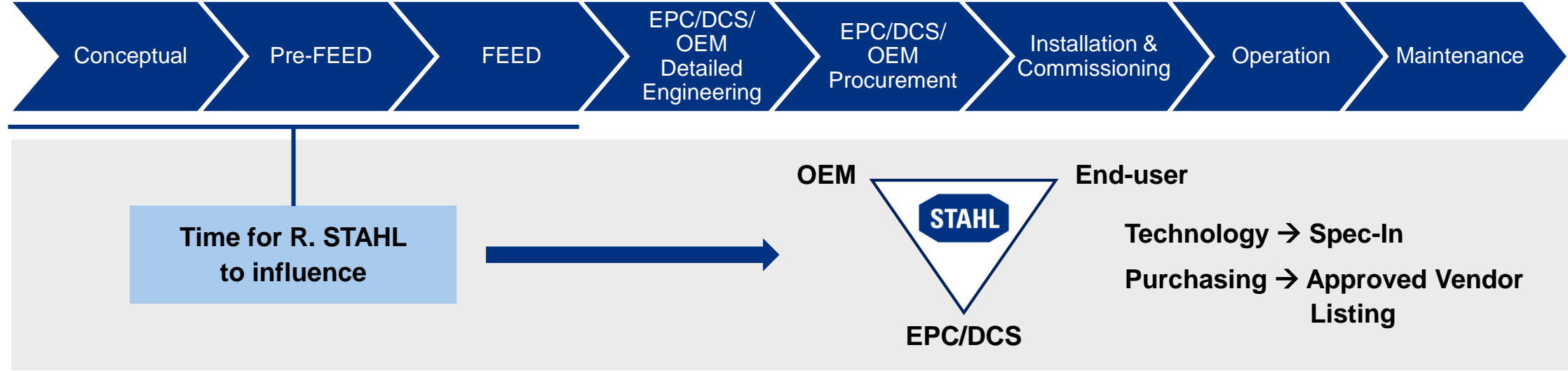


... data management:

Digital services

BDM, Listing & Feed: Strategically Preparing Our Markets

Project Lifecycle







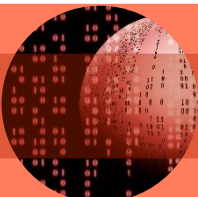



Project


- Active Team of SALES (RSD, Local Sales and Agents) and BU (BDM and PM)
- Focus on complex system and engineering solutions



Megatrends Drive Technologies and Growth in Our Industry

Trends	Needs	Opportunities for R. STAHL
 <p>Population & prosperity growth</p>	<p>Growing need for energy and food:</p> <ul style="list-style-type: none"> ▪ Rising number of people ▪ Higher standards of living 	<ul style="list-style-type: none"> ▪ Oil expected to reach its peak beyond 2030 ▪ Growth in chemicals, pharma and food & beverage 
 <p>Climate Change</p>	<p>Reduction of CO₂ emissions:</p> <ul style="list-style-type: none"> ▪ Near-term: low-carbon fossils ▪ Long-term: carbon-free energy 	<ul style="list-style-type: none"> ▪ Limited risk: no exposure to coal and mining ▪ Strong market position in growing LNG market ▪ H₂ + e-fuels as energy carrier of the future 
 <p>Increasing Mobility</p>	<p>Socio-economic changes:</p> <ul style="list-style-type: none"> ▪ Growing number of vehicles ▪ Trend towards electric vehicles 	<ul style="list-style-type: none"> ▪ Fuel consumption ▪ New battery manufacturing (and recycling) facilities ▪ Build-up of H₂ infrastructure (storage, distribution etc.) 
 <p>Digitalization</p>	<p>Equipment and services:</p> <ul style="list-style-type: none"> ▪ Automation ▪ Digital business models 	<ul style="list-style-type: none"> ▪ Strong market position in automation ▪ Growth in semiconductors ▪ Unmanned platforms and autonomous ships 

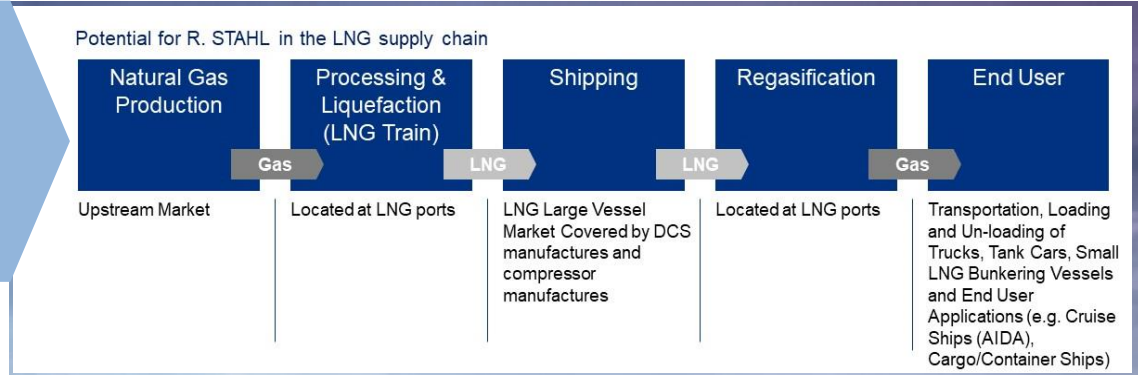
Natural Gas Is The Most Eco-friendly Fossil Fuel – And LNG Is Set to Become the Dominating Delivery Mechanism



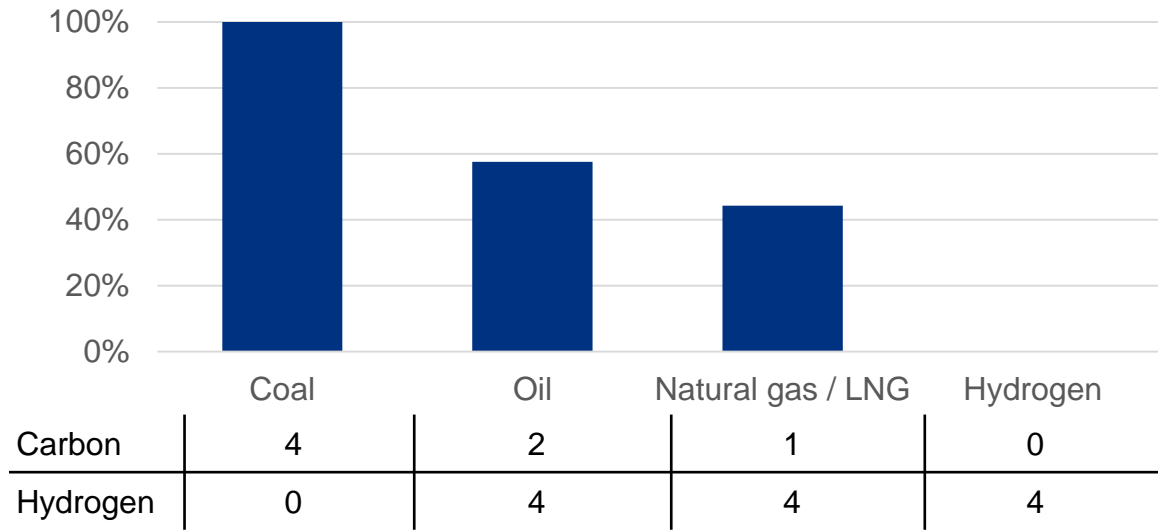
Climate Change

Reduction of CO₂ emissions:

- near-term: low-carbon fossils



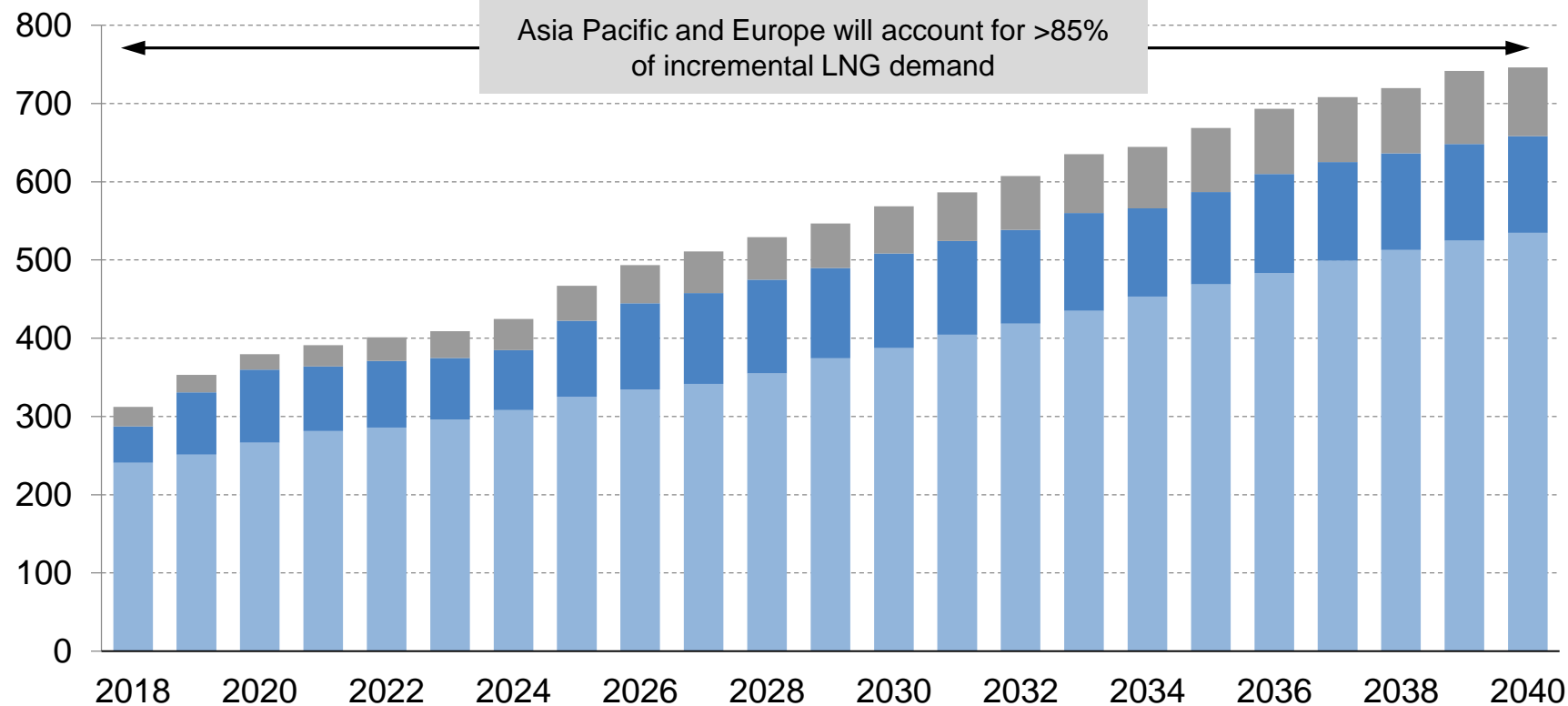
Relative CO₂ emissions by energy source
(at equal combustion energy)



The Global LNG Market Offers Significant Growth Potential Over the Next Two Decades

Projected global LNG demand until 2040 ¹⁾

mtpa ²⁾



	CAGR 2018-2040
Global	4.0%
Other	5.9%
Europe	4.5%
Asia Pacific	3.7%

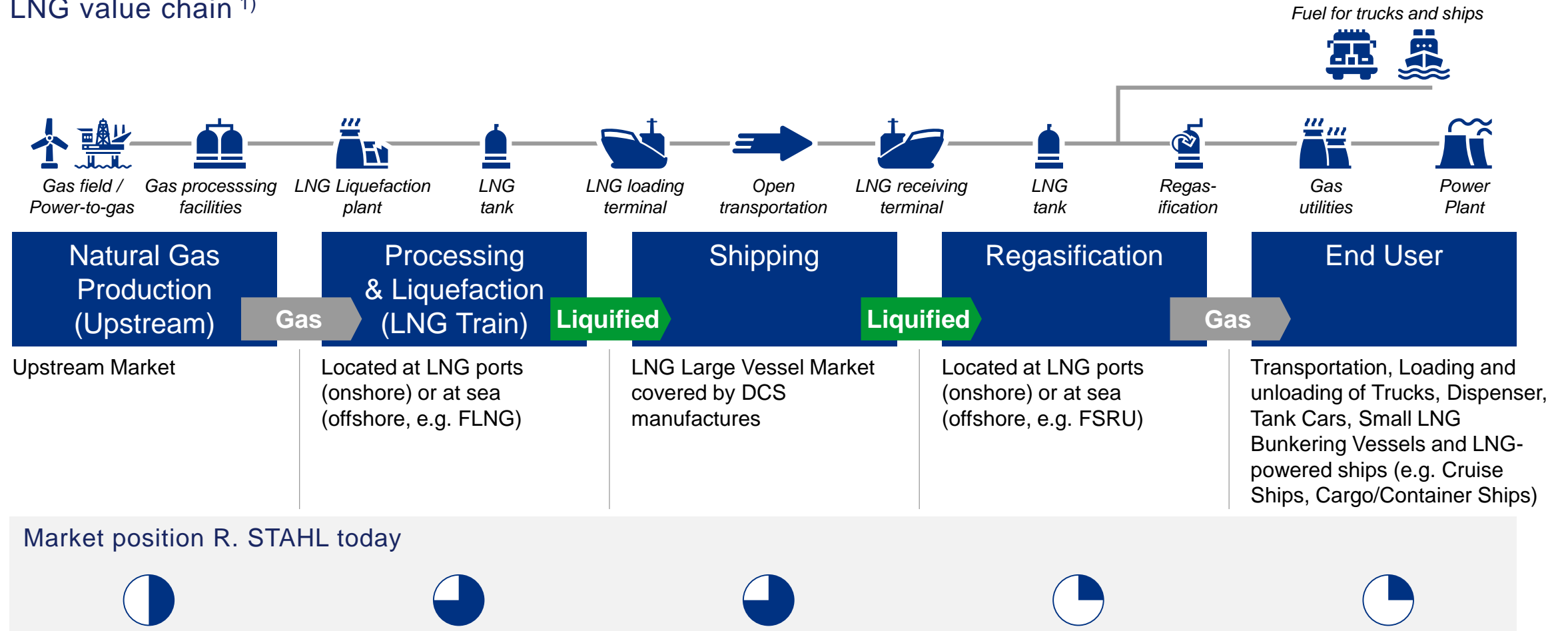


¹⁾ Source: Novatek, June 2020

²⁾ million tons per annum

We Aim to Leverage Our Strong Position in LNG Shipping to Outgrow the Overall LNG Market

LNG value chain ¹⁾



¹⁾ Source: EIC Research (2019), SHELL Research (2019)

Due to the Unique Hazardous Properties of Hydrogen, Explosion Protection Is Key to This Technology's Safety



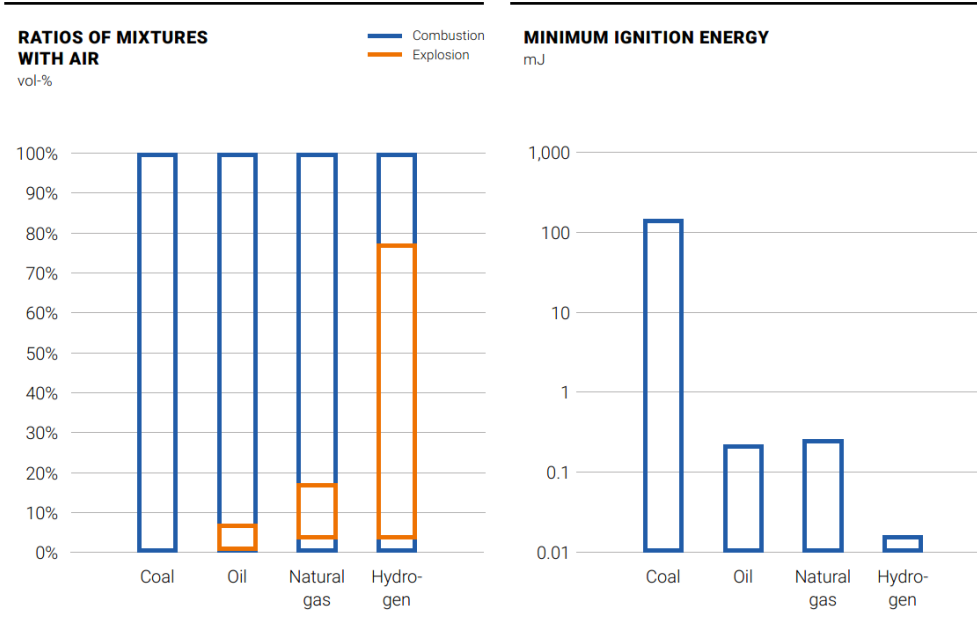
Reduction of CO₂ emissions:

- long-term: carbon-free energy

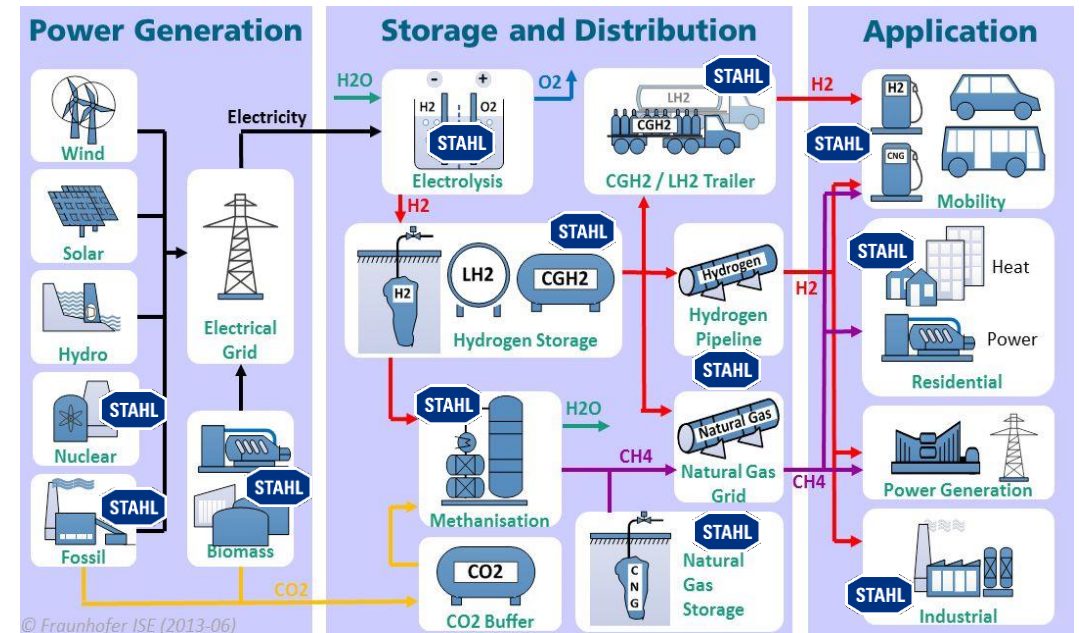
- H₂ + e-fuels as sustainable energy carrier of the future



Safety aspects of Hydrogen vs. fossil fuels



Value Chain of Green Hydrogen



Source: <https://www.ise.fraunhofer.de>

Example: Hydrogen Fueling Station With Safety Concept and Equipment by R. STAHL

Container solution and functional safety concept

Service Concept

- Engineering Service
- SIL (safety integrity level) verification
- Software assistance
- Design and engineering of components (system concept)

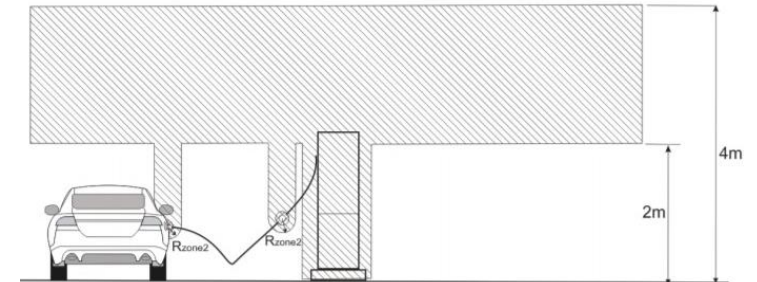
Components (R. STAHL products):

- Terminal boxes, cable glands, plugs



Picture source: <https://www.resato.com/en/hydrogen>

Example illustration of permanent and temporary hazardous areas



Sales potentials

- Short term focus on H2 fueling stations
- R. STAHL products for compressed gas vessels, pipelines, electrolyzer, tank systems
- Safety concepts (SIL)
- Engineering and designing concepts
- Consulting service

Digitalization: We Already Have a Wide Range of Digital Solutions

Example of R. STAHL's solutions today

Control and visualization of process or integration in existing Asset Management System (AMS)

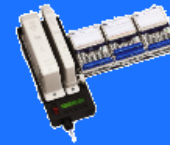


Connectivity infrastructure



Communication protocols:
Profinet
ModbusTCP
EthernetIP
Others

Sensoric and communication



Physical layer:
Wireless
Wired
Fibre optics

Energy distribution panel e.g.

Lighting distribution
Heat trace panels
Socket outlet distribution



Sensors:
Temperature,
humidity,
current, arcing,
etc.

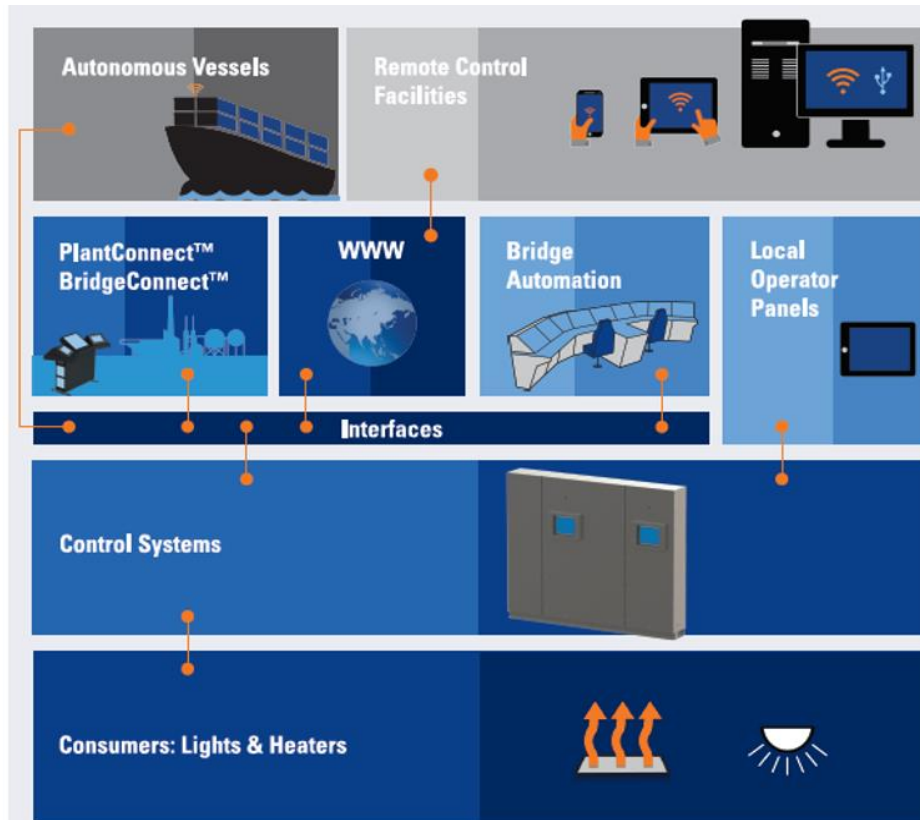
Connected devices (e.g. luminaires, heating cable, ...)



Sensors or communication with devices

R. STAHL Already Offers Digital Solutions to Control Light and Heating Systems

Example: X-Connect (R. STAHL Tranberg)



- R. STAHL is supplier for the first fully electric and autonomous container ship without emissions
- Fully automated control of light and heating systems
- Control staff can be located anywhere to control and operate systems remotely



Agenda

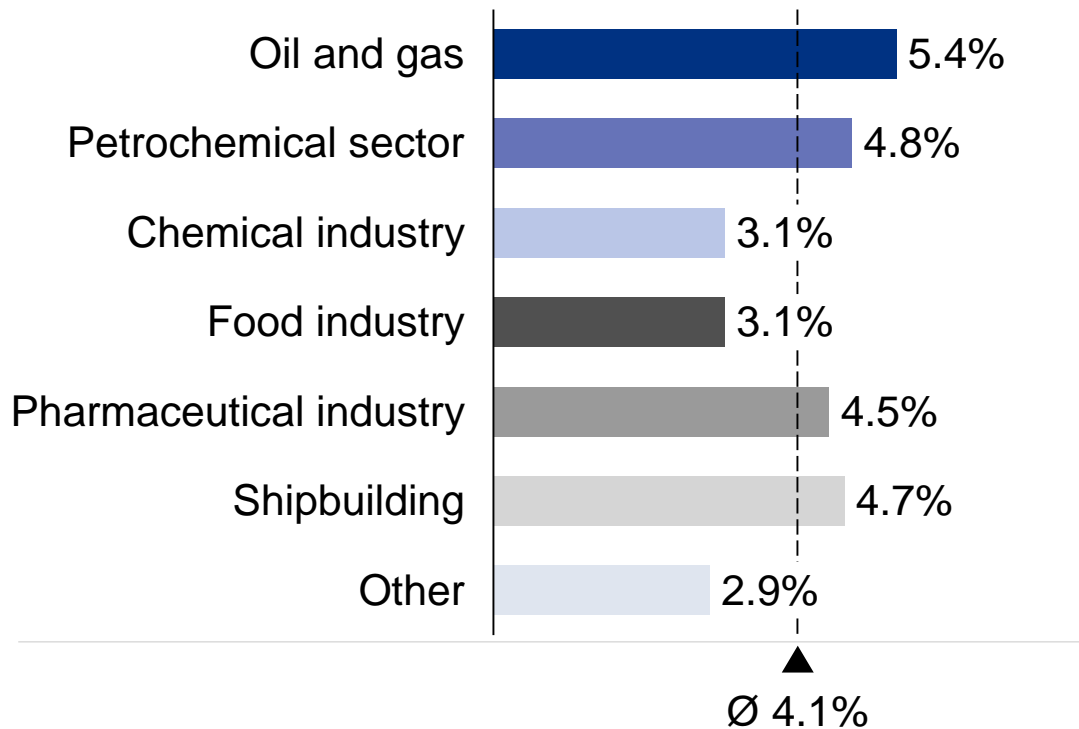
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Before COVID-19, We Had Ambitious Plans for 2020

World market by industry sectors – IECEX/ATEX 2017-2022

No impacts from COVID-19 included

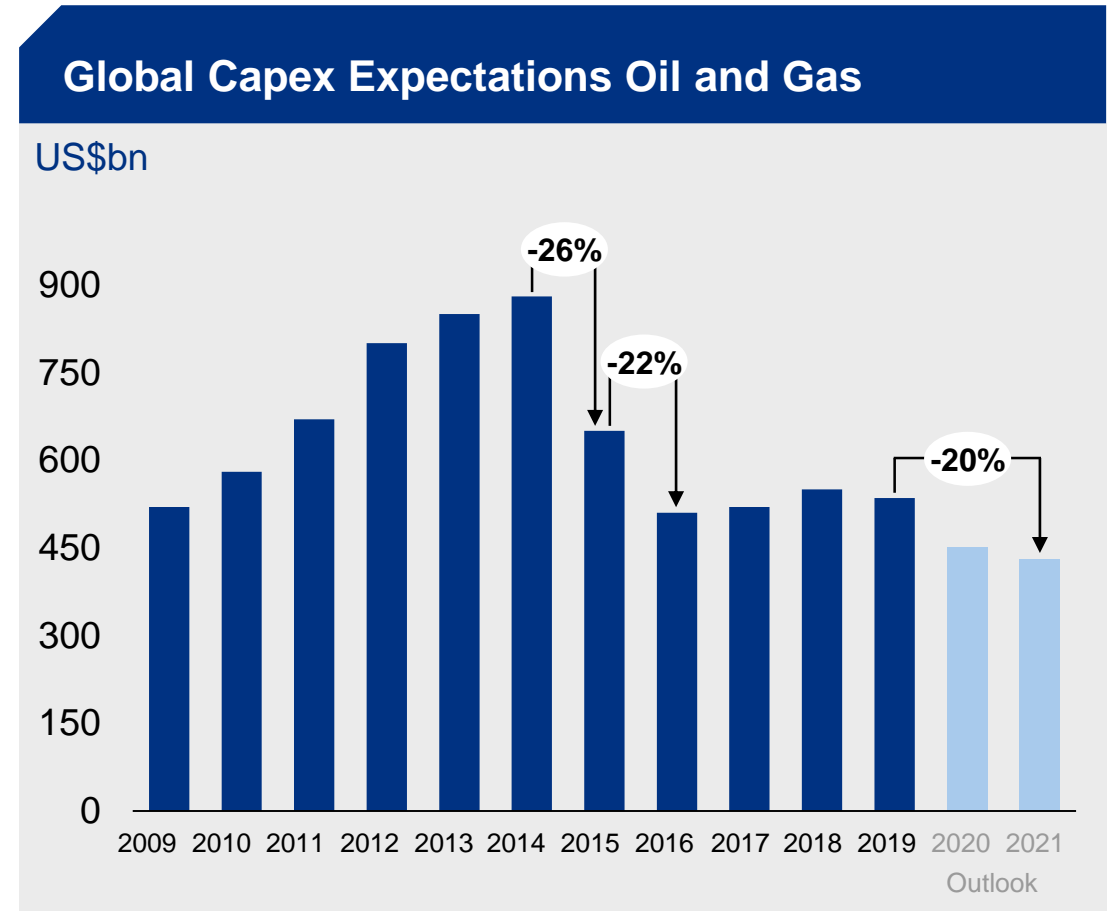
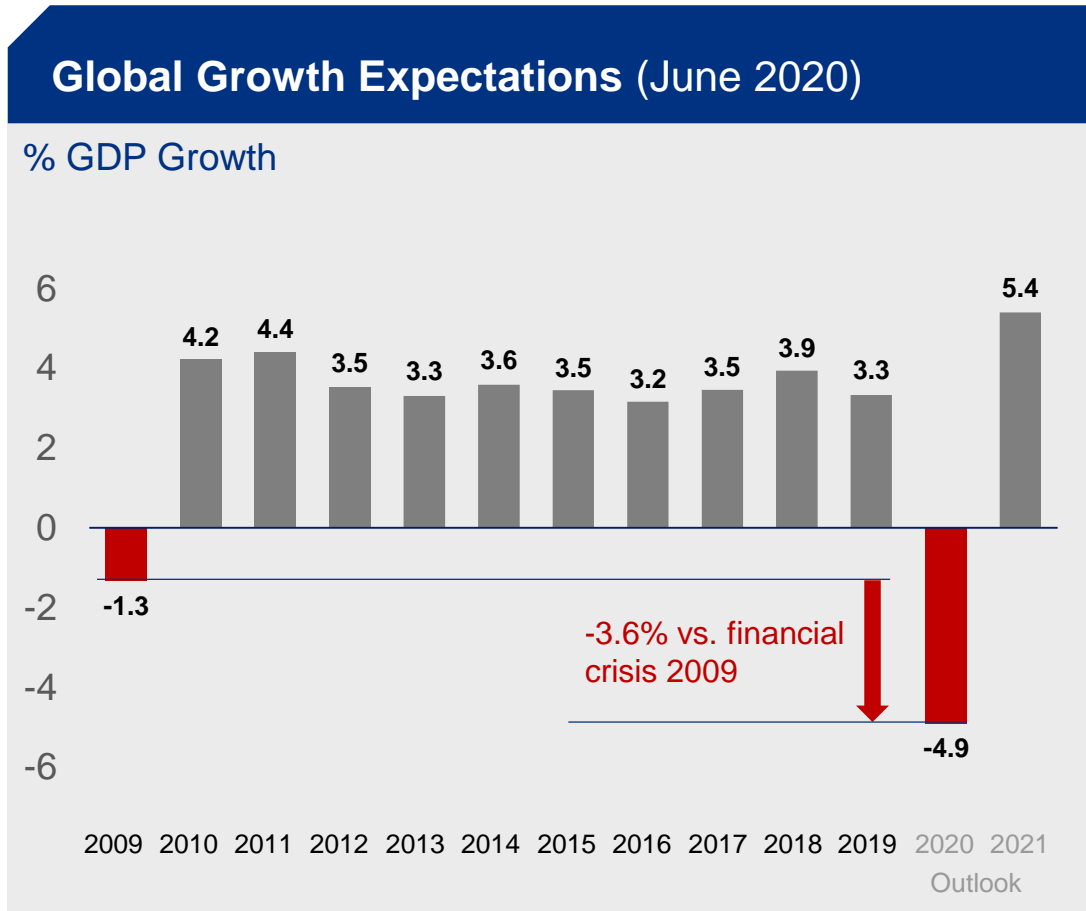
CAGR (2017-2022 E)



Target R. STAHL at the beginning of 2020:

mid-single digit growth at least at market level, further margin improvement

COVID-19 Pandemic Causes a Historic Global Recession, Oil Companies Hit Twice in Volumes and Price



FY 2020: Economic Downturn Weighed Heavily on Sales, Cost Control Significantly Cushioned Impact on Profitability

Financials

€247m

Sales (- €28m yoy, -10% yoy)

driven primarily by demand drop in Oil & Gas

€19m

EBITDA pre¹⁾

(- €11m yoy, -37% yoy)

7.7%

EBITDA pre¹⁾ margin

(- 330 bp yoy)

€-3.5m

Net profit

(- €4.9m yoy)

€5.8m

Net debt²⁾

(+ €1.8m yoy)

Operations

Ongoing favourable sales structure

Cost of materials ratio stayed at a healthy level (33.7%)

Tight cost management strongly limits impact of demand drop on profitability

Capacity adjustments lowered personnel costs by €6m yoy, exceptionals declined as planned, additional cost savings from e. g. reduced travel

Strategy execution at full steam despite economic downturn

Lean management rolled out in administration functions, standardization of IT continued, sales initiatives bearing fruits

¹⁾ 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)

²⁾ excl. lease liabilities

Since 2018, We Have Built a Solid Track Record in Meeting or Exceeding our Earnings Guidance Even in Toughest Times

Earnings Guidance R. STAHL

Delivered

2018

EBITDA pre¹⁾ to grow mid to high double-digit %, reaching ~€8m to ~€12m

€15.2m



exceeded

2019

EBITDA pre¹⁾ to grow mid single-digit, reaching ~€19m to ~€22m

€30.4m



exceeded

2020

EBITDA pre¹⁾ to reach low double-digit million Euro, reaching ~€10m to ~€30m

€19.0m

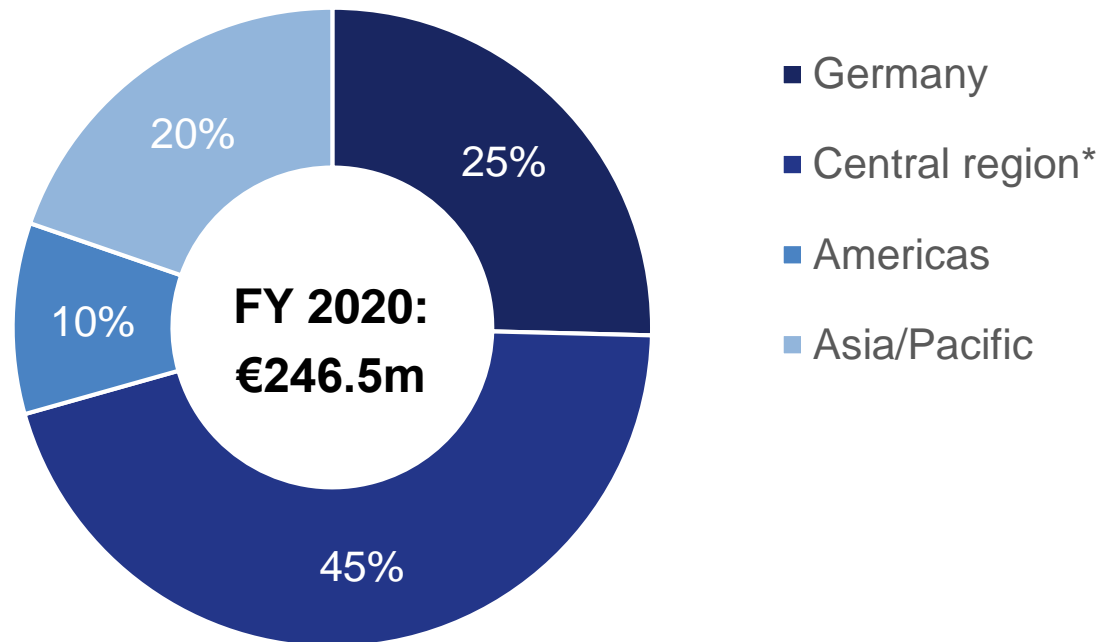


met

¹⁾ 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 2020: Top-line Decline of 10.3% Driven by Demand Drop in Oil and Gas Sector – Regions With High Exposure Hit Hardest

Sales R. STAHL FY 2020 vs. FY 2019 by region



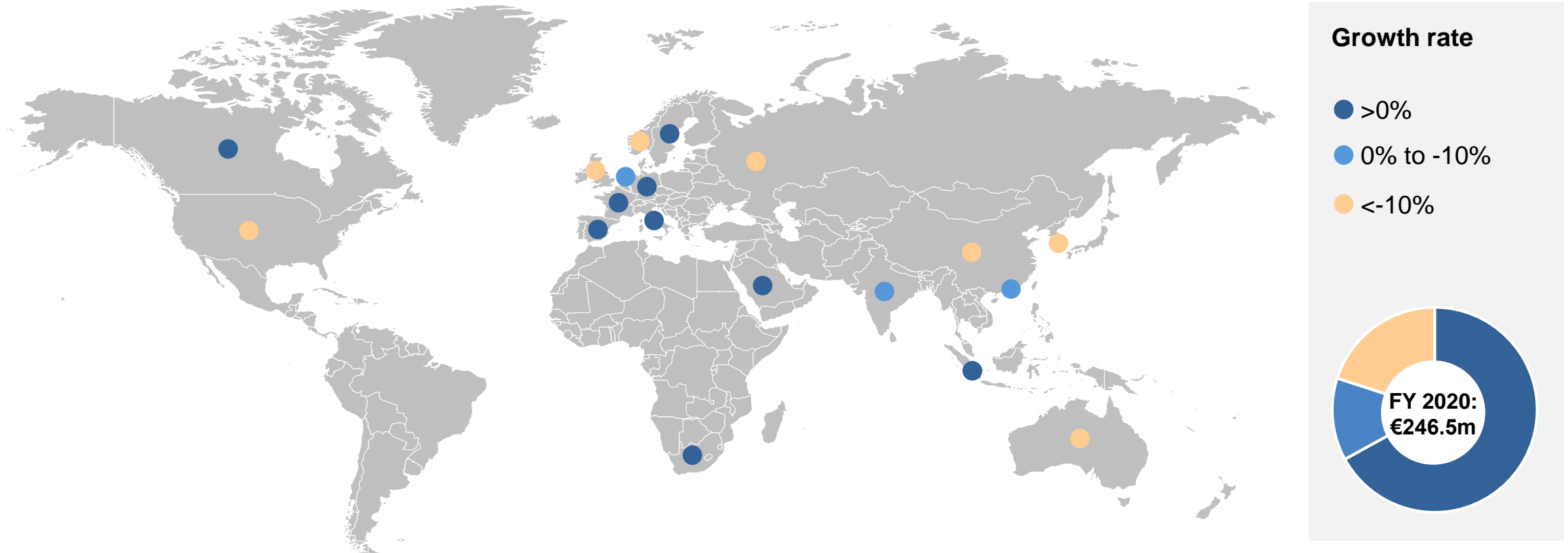
€m	FY 2020	FY 2019	<i>Change</i>
Germany	62.6	62.5	+0.1%
Central region*	111.5	120.9	-7.8%
Americas	23.8	34.5	-31.0%
Asia/Pacific	48.6	56.8	-14.5%
Total	246.5	274.8	-10.3%

Global Oil Demand 2020 vs. 2019 -9.8%
Average Oil price 2020 vs. 2019, Brent -32.6%

* Central region: Africa and Europe excl. Germany

Despite Severe Economic Headwinds, Strategy Execution Paid Off in FY 2020 in Several Countries

Sales R. STAHL FY 2020 by growth rate vs. FY 2019



FY 2020: Adjusted Labour Capacities Strongly Limited Impact of Lost Sales on Profitability

Key data of Income Statement

€m	FY 2020	FY 2019	<i>Change</i>
Sales	246.5	274.8	-10.3%
Cost of materials	-85.7	-94.0	-8.8%
Personnel costs	-115.6	-122.0	-5.2%
Sum of other operating income and other operating expenses	-35.4	-37.0	-4.2%
EBIT	0.5	6.3	-92.2%
Financial result	-1.8	-2.9	-38.8%
EBT	-1.3	3.4	n/a
Taxes	-2.2	-2.1	+7.7%
Net profit	-3.5	1.3	n/a
Earnings per share in €	-0.54	0.21	n/a
EBITDA	17.2	25.3	-32.0%
EBITDA pre¹⁾	19.0	30.4	-37.4%

Comments

- Cost of materials down in line with sales, indicating continued healthy sales quality; cost of materials ratio unchanged yoy at <34%
- Personnel cost decline €6.4m, reflecting temporary adjustments of labour capacities to lower demand
- Finished and unfinished products increase by €3.4m yoy
- Sum of other operating income and expenses improve €1.6m to €-35.4m due to lower exceptionals

¹⁾ 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 2020: As Guided, Exceptionals Declined Due to Lower Severance Pay and Legal and Consulting Costs

Reconciliation of EBITDA to EBITDA pre¹⁾

€m	FY 2020	FY 2019	Change
EBITDA pre¹⁾	19.0	30.4	-11.4
Exceptionals¹⁾	-1.8	-6.0	+4.2
Restructuring charges	-1.8	-6.1	+4.3
Devaluation and disposal of inventories	-0.2	-0.1	-0.0
Severance pay	-1.5	-2.5	+1.1
Amortization	0	-0.9	+0.9
Legal and consulting costs	-0.1	-2.4	+2.3
Other	0	-0.1	+0.1
EBITDA	17.2	25.3	-8.1

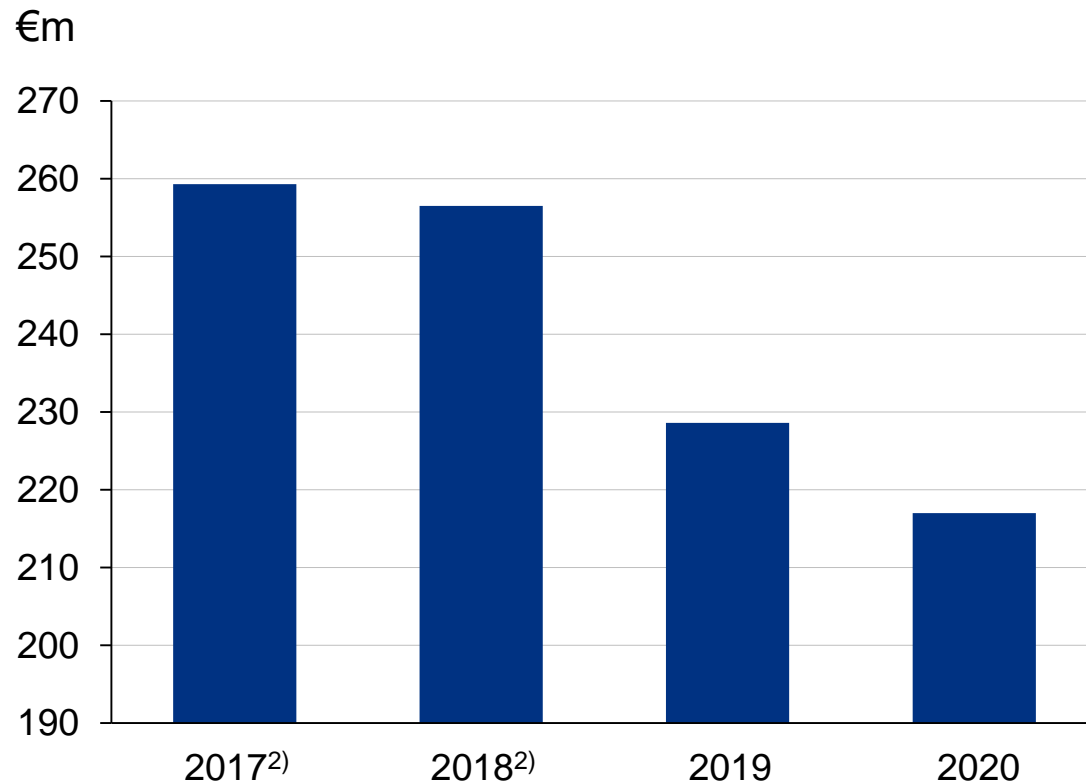
Comments

- Declining restructuring charges indicate good progress of efficiency program

¹⁾ 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)

Over the Past Two Years, We Have Significantly Strengthened the Resilience of Our Business

EBITDA pre break-even¹⁾ of R. STAHL 2017–2020



¹⁾ Sales level where EBITDA pre = 0

²⁾ Based on lease accounting prior to changes from IFRS 16

Today, our business is much more robust:

- Focus on reasonable margins improved order profitability
- Central Group organization with clear responsibilities and unified processes increased efficiency and provided higher flexibility to manage costs



FY 2020: Effective Management of Working Capital Kept Free Cash Flow and Net Debt at Robust Levels

Key data of Cash Flow Statement

€m	FY 2020	FY 2019	Change
Net profit	-3.5	1.3	-4.9
Depreciation and amortization	16.7	18.9	-2.2
Other income and expenses without cash flow impact	3.7	1.3	+2.3
Result from the disposal of non-current assets	-0.1	-0.5	+0.3
Cash flow	15.3	20.8	-5.5
Changes in working capital	2.6	-1.1	+3.7
Cash flow from operating activities	17.9	19.6	-1.8
Cash flow from investing activities	-12.2	-11.1	-1.1
Free cash flow	5.7	8.5	-2.8
Net debt ¹⁾ (31 Dec.)	5.8	4.2	-1.7

Comments

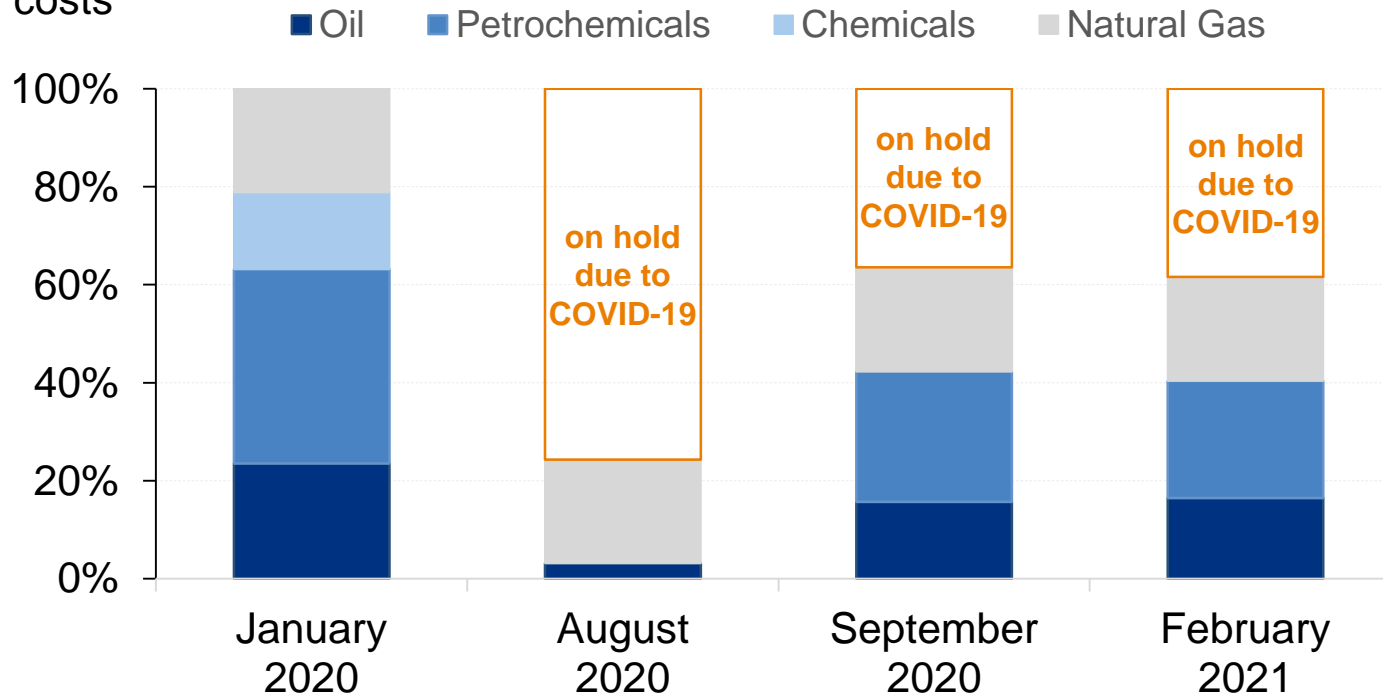
- Decline in depreciation and amortization driven by favourably renewed leasing contract for Waldenburg site in 2019
- Increase in other non-cash items largely driven by adverse impacts from FX changes
- Working capital primarily benefited from factoring expansion
- Higher cash outflow from investing activities due to consistent execution of strategic agenda

¹⁾ excl. leasing liabilities

Majority of Large Investment Projects Frozen Until Recently, Signs of Slow Revitalization Since September

Example: Status of targeted large investment projects, Middle East

Cumulated total project costs

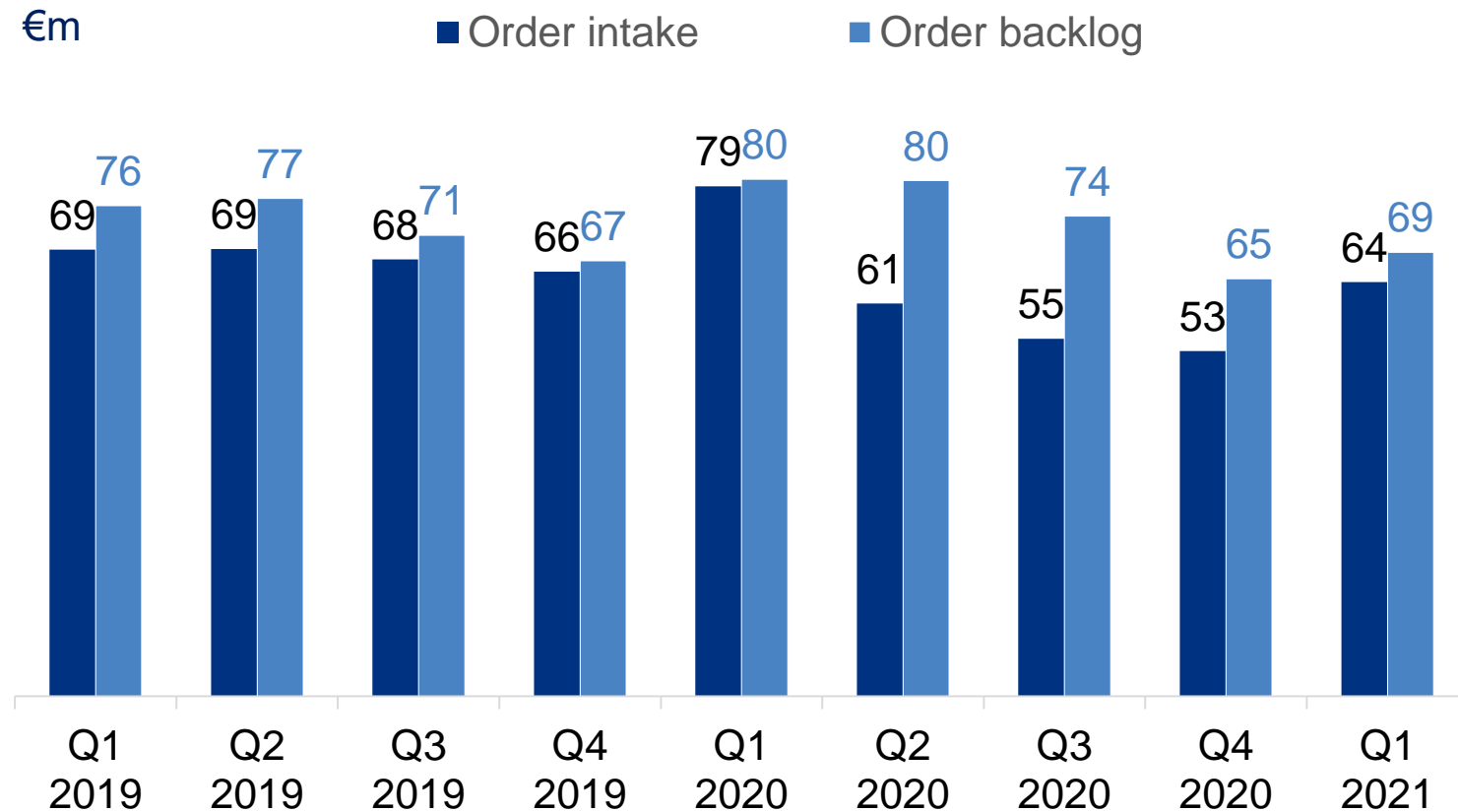


Comments

- Solid pipeline of large investment projects at the beginning of 2020
- COVID-19 drove down project activities dramatically until August, oil sector and (petro-)chemicals sectors hit hardest
- Several projects slowly re-started in September, though revitalization will not impact R. STAHL's top line before H2 2021

Following Demand Trough in Q4 2020, First Three Months in 2021 Showed an Increasing Market Activity Again

Order intake and order backlog R. STAHL Q1 2019 through Q1 2021



Comments

- Progress in strategy yielded a strong start in 2020: Q1 with highest order intake since four years
- COVID-19 and global economic downturn suddenly choked off momentum in Q2 2020: monthly order intake since May ~30% below average in first four months
- Order intake in Q1 2021 significantly up sequentially, first impact on top-line expected in Q2

Q1 2021: Rising Demand Not Yet Reflected in Top-line

Financials

€58.2m

Sales (- €7m yoy, -11% yoy)

driven primarily by weak Oil & Gas business

€2.7m

EBITDA pre ¹⁾

(- €2.1m yoy, -44% yoy)

4.6%

EBITDA pre ¹⁾ margin

(- 270 bp yoy)

€-2.5m

Net profit

(- €1.9m yoy)

€11.6m

Net debt ²⁾

(+ €5.8m qoq)

Operations

Sales still weak due to low order backlog at the beginning of the quarter

Market demand gaining momentum

Order intake up 20% qoq to €64m, order backlog increases to €69m

Ongoing cost management balanced still weak sales

Continued capacity adjustments keep personnel costs at a moderate level, additional cost savings from lower other operating expenses

¹⁾ 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)

²⁾ excl. lease liabilities

Q1 2021: Continued Tight Cost Control to Address Top-line Weakness

Key data of Income Statement

€m	Q1 2021	Q1 2020	Change
Sales	58.2	65.1	-10.6%
Cost of materials	-21.4	-24.3	-11.7%
Personnel costs	-30.0	-31.5	-4.7%
Sum of other operating income and other operating expenses	-7.2	-9.8	-26.0%
EBIT	-1.5	0.5	n/a
Financial result	-0.5	-0.4	-13.0%
EBT	-2.0	0.1	n/a
Taxes	-0.6	-0.7	-24.8%
Net profit	-2.5	-0.6	<-100
Earnings per share in €	-0.39	-0.10	<-100
EBITDA	2.6	4.7	-44.3%
EBITDA pre¹⁾	2.7	4.7	-44.0%

Comments

- Soft top-line reflects low order backlog at year-end 2020; recent positive order momentum will start to show up in Q2 and beyond
- Impact of lower sales on profitability mitigated by lower travel and personnel cost as well as moderate FX gains

¹⁾ 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)

Q1 2021: Net Loss and Continued Strategy Execution Led to a Temporary Increase of Net Debt

Key data of Cash Flow Statement

€m	Q1 2021	Q1 2020	Change
Net profit	-2.5	-0.6	-1.9
Depreciation and amortization	4.1	4.2	-0.1
Other income and expenses without cash flow impact	0.1	0.7	-0.6
Result from the disposal of non-current assets	-0.0	-0.1	+0.1
Cash flow	1.8	4.1	-2.3
Changes in working capital	-3.1	-3.2	+0.0
Cash flow from operating activities	-1.3	0.9	-2.3
Cash flow from investing activities	-3.2	-2.2	-1.0
Free cash flow	-4.5	-1.3	-3.2
Net debt ¹⁾ (31 March)	11.6	7.7	+3.9

¹⁾ excl. leasing liabilities

Comments

- Decline in other non-cash items largely driven by changes in FX rates
- Changes in working capital flat yoy: lower increase in inventories offset by fewer prepayments received and decreased trade payables
- Higher cash outflow from investing activities due to consistent execution of strategic agenda

Outlook FY 2021: Sales Expected to Gain Momentum in H2, Strategy Execution to Keep EBITDA Pre Slightly Below 2020

Guidance FY 2021

April 16, 2021

Sales expected to grow **low single-digit** year-on-year with gaining momentum from H2 2021 onwards

EBITDA pre ¹⁾ yet to come in slightly below 2020 following determined strategic investments in efficiency and growth

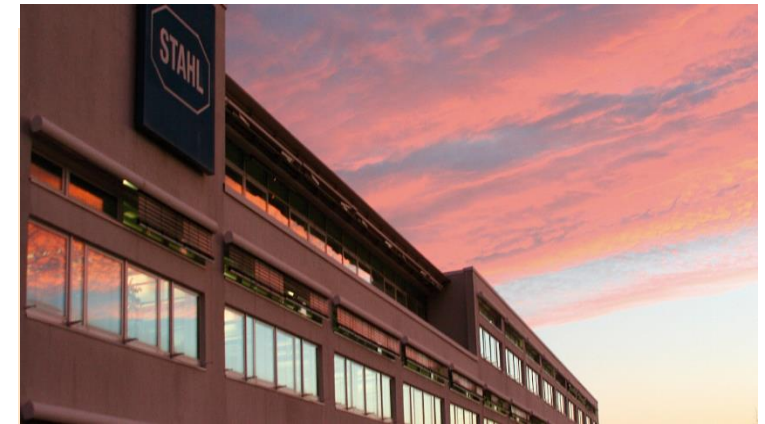
Stable, positive **free cash flow**, **net debt** about unchanged year-on-year

May 11, 2021

Sales of €250m to €256m

EBITDA pre ¹⁾ between €17m and €19m

Free cash flow ~6m, **net debt** about unchanged year-on-year



Comments:

- Assumption: Continued recovery of global economy and Oil & Gas business
- Still reduced visibility compared to market situation before COVID-19

¹⁾ 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)

Agenda

1	Company Overview
2	Driving Strategy: EXcellence 2023
3	Actual Business Update
4	Appendix

Our Efficiency Measures Are Well Under Way

Current status of R. STAHL 2020



Central Group organization



- New Group organization established as of 1 April, 2018
- All key positions filled



Product portfolio



- Product variety reduced by ~50%
- No loss of sales or customers



Project and contract management



- Standardized risk assessment before order acquisition
- Significant margin improvement



Supply chain and lean production



- Global „Lean Management“ program initiated
- Significant productivity improvements



Sales organization



- Implementation of standardized global sales processes ongoing



IT systems



- Global implementation of standardized systems (ERP, engineering, configurator) ongoing

FY 2020: Drop in Equity Driven by Net Loss and an Adverse Impact of a Declining Interest Rate on Pension Provisions

Key Balance Sheet data

Assets

€m	31 Dec. 2020	31 Dec. 2019	Change
Intangible assets	43.3	41.4	+1.8
Property, plant & equipment	80.3	86.0	-5.6
Deferred taxes	13.4	12.4	+0.9
Other non-current assets	16.0	17.7	-1.7
Inventories and prepayments	36.9	34.2	+2.8
Trade receivables	36.7	42.5	-5.8
Cash and cash equivalents	19.9	15.0	+4.9
Other current assets	9.7	10.2	-0.5
Total assets	256.2	259.4	-3.1

- Intangible assets up due to capitalized R&D
- PPE followed D&A of buildings and rights of use from leases
- Inventories up due to COVID-19 driven delayed acceptance of goods
- Lower trade receivables due to lower sales and extended factoring

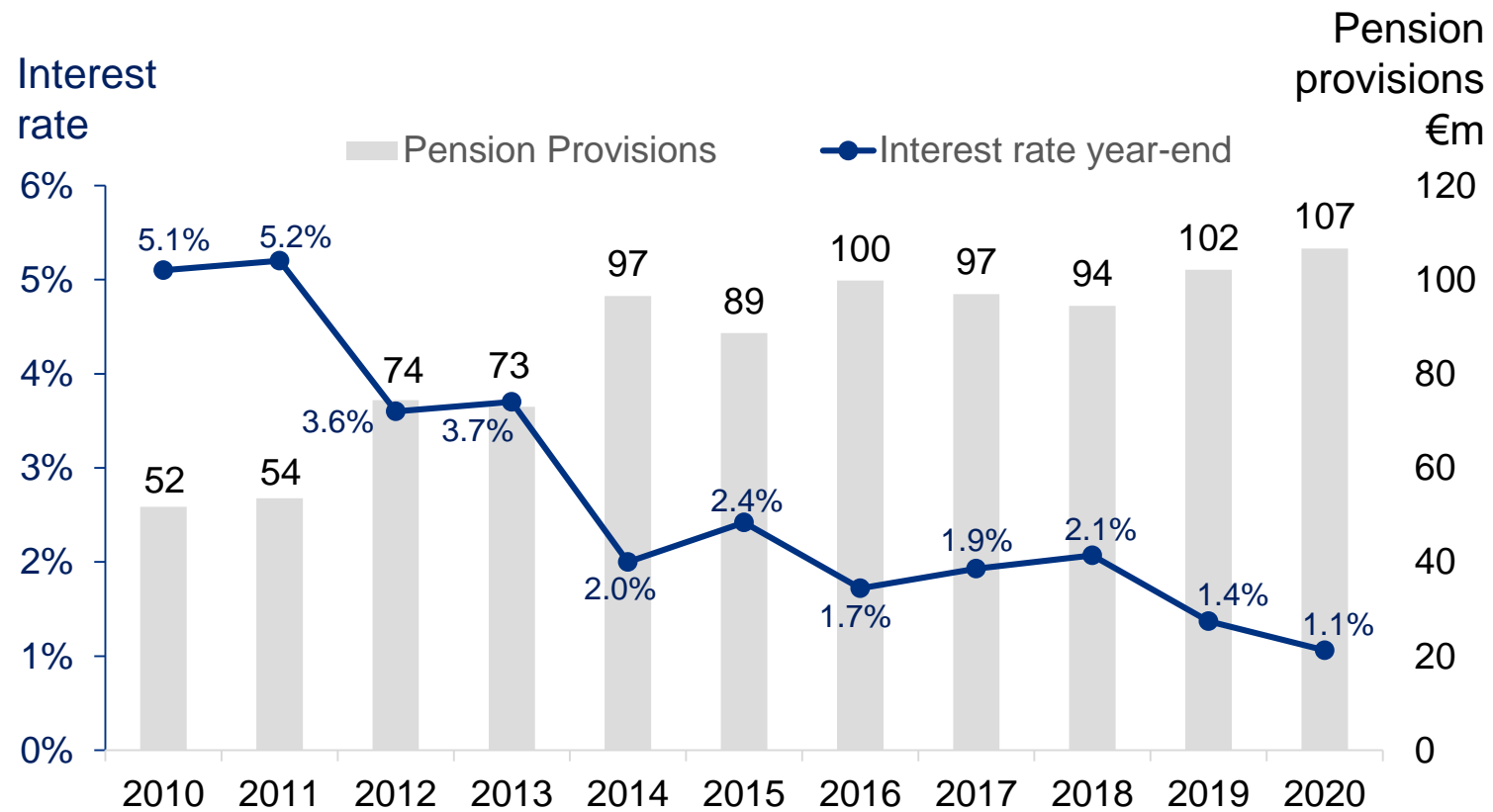
Equity and Liabilities

€m	31 Dec. 2020	31 Dec. 2019	Change
Equity	48.1	58.4	-10.3
Interest-bearing liabilities	8.8	10.2	-1.4
Pension provisions	103.1	98.7	+4.4
Lease liabilities	21.1	25.1	-4.0
Other non-current liabilities	4.8	4.8	+0.0
Trade payables	13.8	15.1	-1.3
Interest-bearing liabilities	16.9	9.0	+8.0
Other current liabilities	39.6	38.1	+1.4
Total equity and liabilities	256.2	259.4	-3.1

- Equity down due to net loss and risen pension provisions
- Financial liabilities increased to safeguard cash during economic downturn
- Increase in Other current liabilities reflected higher prepayments and provisions

Declining Interest Rates Doubled R. STAHL's Pension Provisions Over the Past Ten Years

Impact of interest rate on assessment of R. STAHL's pension provisions

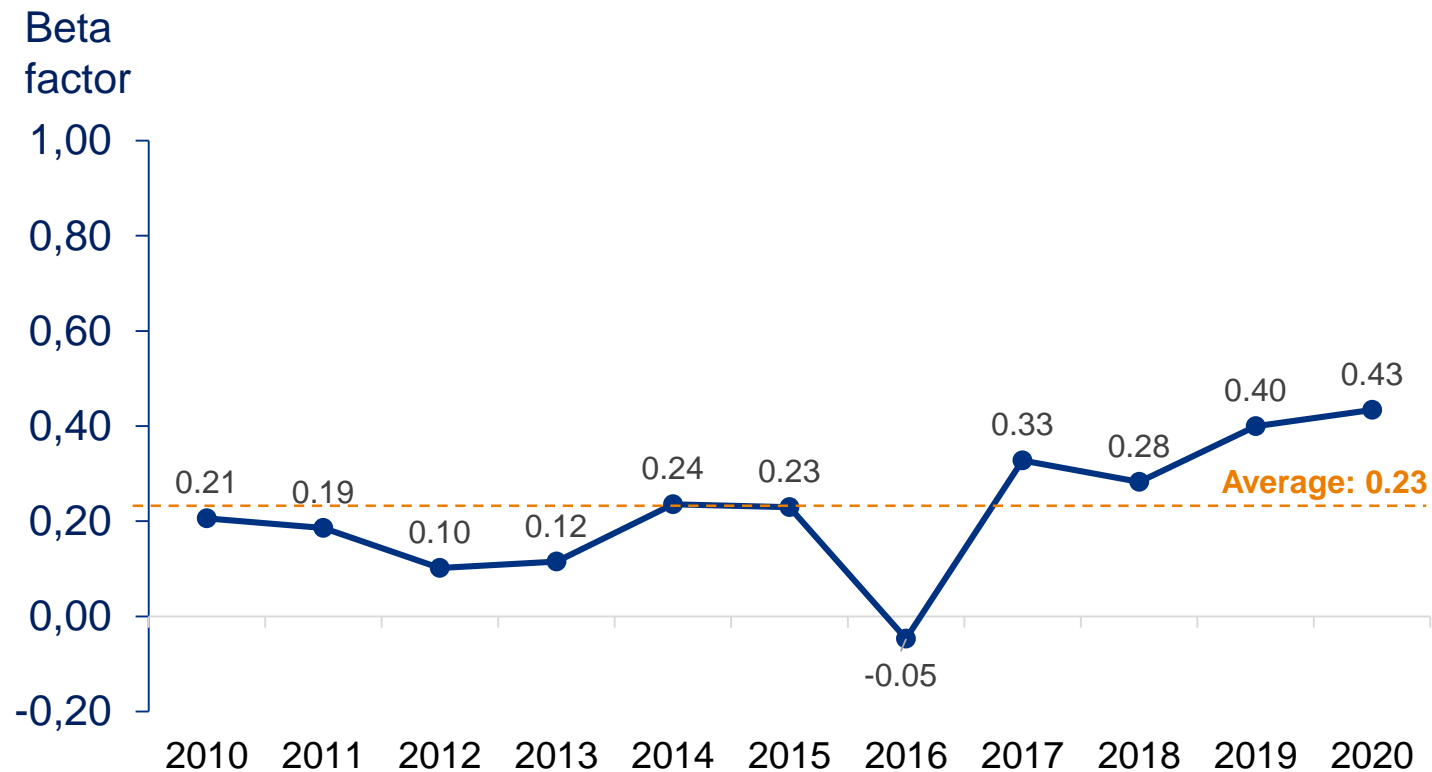


Comments

- No new entrants into R. STAHL's pension benefit plan since the late 1990's
- Nevertheless, R. STAHL's equity dropped from €84m in 2010 to €48m in 2020, largely driven by strongly increased pension provisions
- In the same period, equity ratio more than halved from 43.9% to 18.8%

Valuation of the R. STAHL Stock – Facts to Consider

Historic beta factor of RSL ¹⁾



¹⁾ Source: STOXX Ltd., Prime All Share Index (PXAK), 12m average as of December 2010 through December 2020, <https://www.dax-indices.com/zusammensetzung>

Comments

- R. STAHL's average 12m beta factor over the past 11 years is 0.23
- 12m beta shows only little variation of +/- 0.3 max since 2010
- R. STAHL's WACC (before tax) is below 3%:
 - average debt costs of 2.0% in 2020
 - risk free rate of 1.5%
 - market return of 7.0%,

Major Impacts of IFRS 16 on R. STAHL's Financial Statements and KPI's in FY 2019

Income Statement & Cash Flow Statement

€m	FY 2019
Other operating expenses	+7.6
Depreciation & amortization	-5.5
Financial result	-1.0
Taxes	-0.3
EBITDA	+7.6
EBITDA pre*	+7.6
EBIT	+2.1
EBT	+1.1
Net profit	+0.8
Cash flow from operating activities	+7.1
Cash flow from financing activities	-7.1

Balance Sheet

€m	31 Dec., 2019
Assets	
Property, plant & equipment	+34.1
Deferred taxes	-0.3
Total	+33.8
Equity and Liabilities	
Equity	+0.8
Non-current lease liabilities	+26.4
Current lease liabilities	+6.6
Total	+33.8
Equity ratio	-300 bp

* 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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Ticker Reuters RSL2.DE

Listing Frankfurt Stock
Exchange
Prime Standard

Financial Calendar 2021

July 15 Annual General Meeting

Aug 12 Interim Report Q2 2021

Nov 10 Interim Report Q3 2021

THE STRONGEST LINK.



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