

THE STRONGEST LINK.

STAHL

Technology – Efficiency – Growth

Equity Story June 2020

Disclaimer

This presentation was prepared by R. STAHL AG and is solely for information purposes. It may not be reproduced, distributed or published without the prior consent of R. STAHL AG. This presentation contains forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations at the time they are first made available. They are therefore connected with risks and uncertainties and the actual results may deviate significantly from those described in the future-oriented statements. A number of these risks and uncertainties are determined by factors outside of the realm of influence of R. STAHL AG and cannot be estimated with certainty as of today. These include future market conditions and economic developments, the conduct of other market participants, the achievement of unexpected synergy effects, as well as legal and political decisions. R. STAHL AG is not obliged to publish corrections to these forward-looking statements in order to reflect results or circumstances arising after the publication date of these materials. It constitutes neither an offer to sell nor a solicitation to buy or subscribe to shares in any country, including the USA. This presentation does not include a public offer of shares; a sales prospectus is not being published.

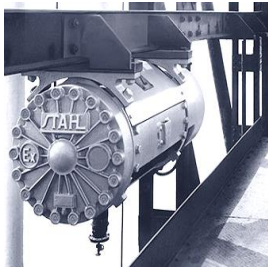
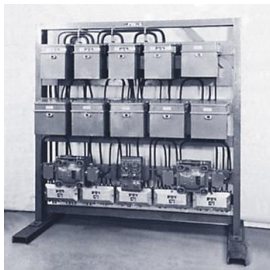
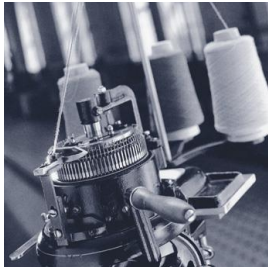
Rounding differences and rates of change

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	Driving Efficiency – R. STAHL 2020
3	Actual Business Update
4	Preparing for Growth
5	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 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

Total Market Size*:
~ €3.7bn (2018)

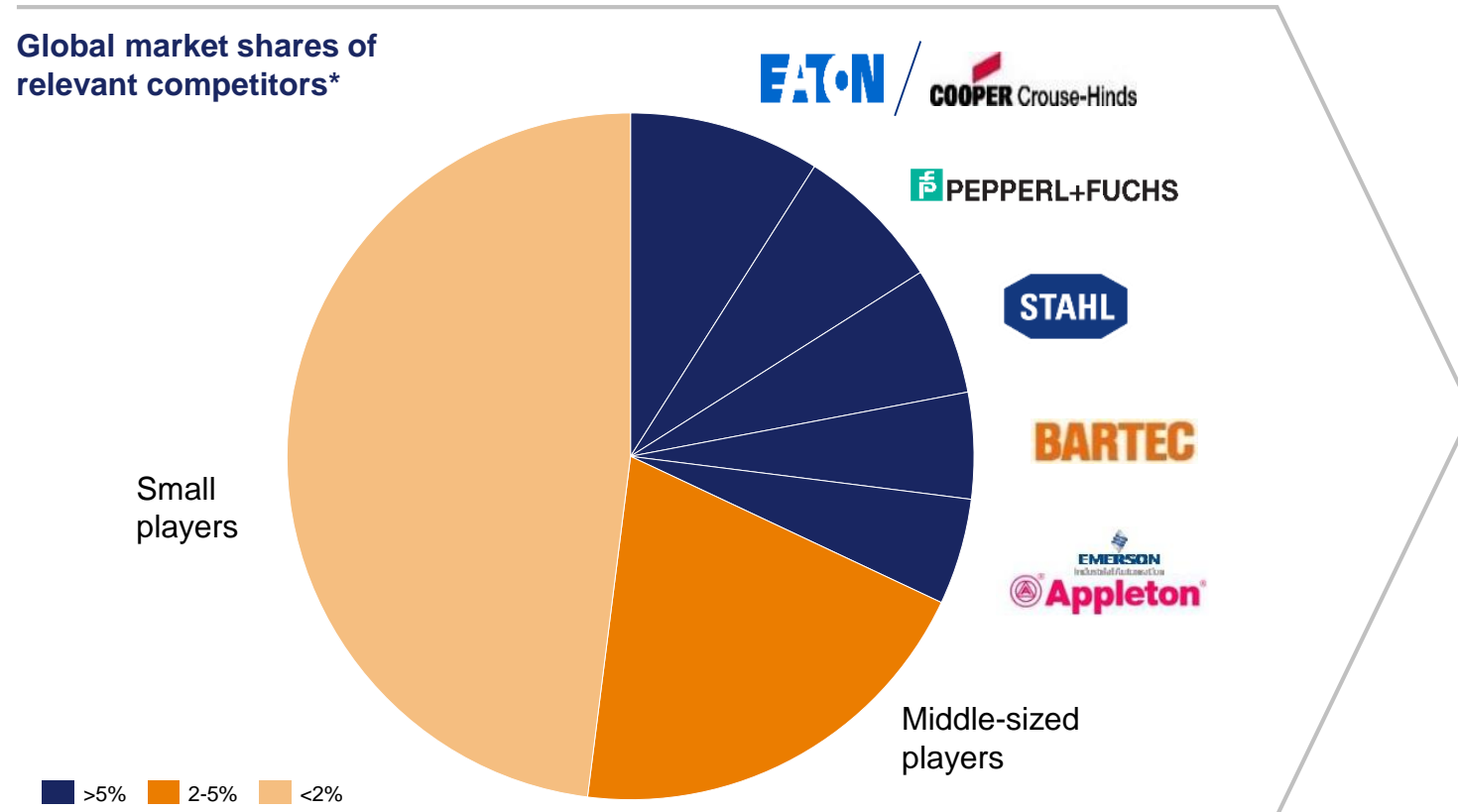
STAHL

Sales FY 2019:
€275m



* Company estimates for IECEx/ATEX certification, 2018

A Small Number of Key Players Dominate the Fragmented Competitive Landscape in Explosion Protection



* Company estimates for IECEx/ATEX certification, 2018

R. STAHL Offers Its Customers a Complete, Innovative And Market Leading Portfolio

Electromechanical components



- Connectors
- Enclosures
- Junction and control boxes

Light fittings & signalling devices



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

Network solutions



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

Human machine interfaces



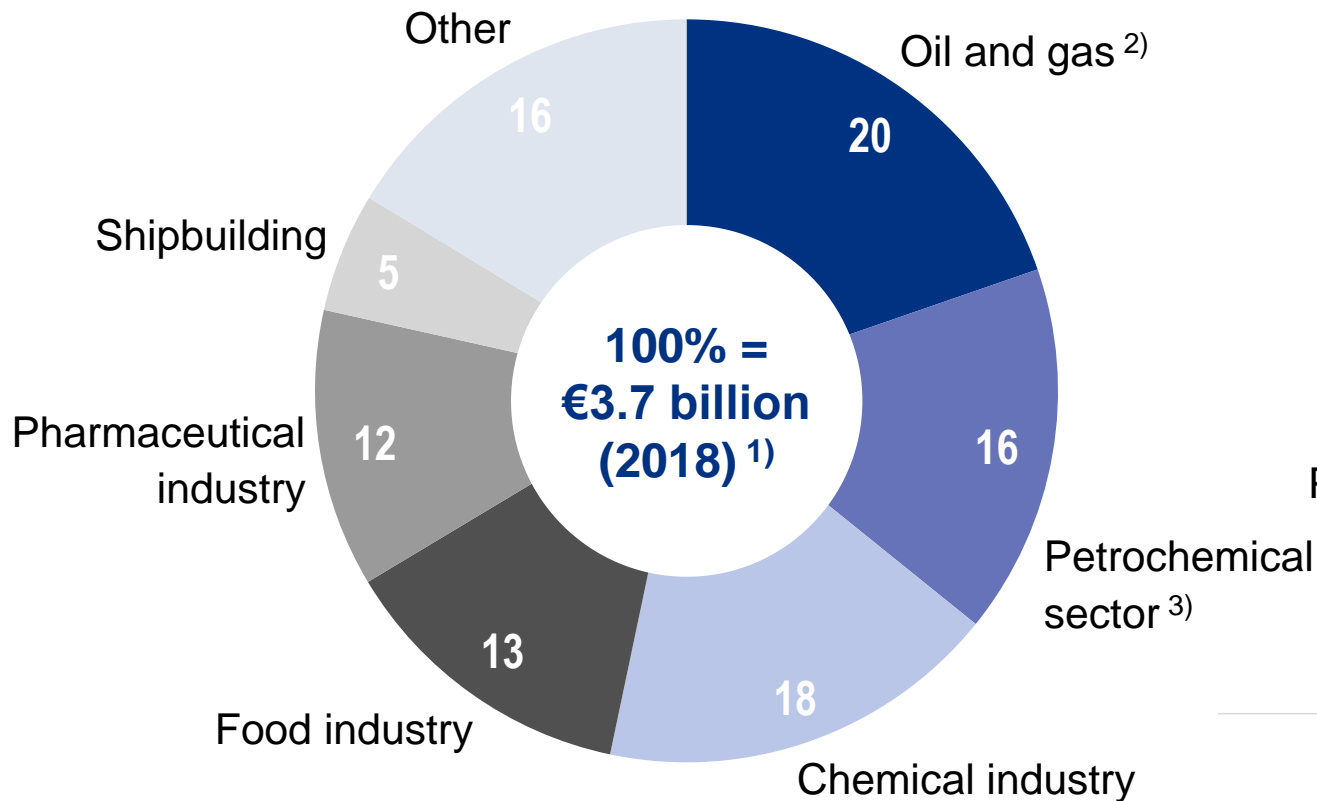
- Displays
- Panel PCs
- Handhelds
- Cameras

7 global production sites

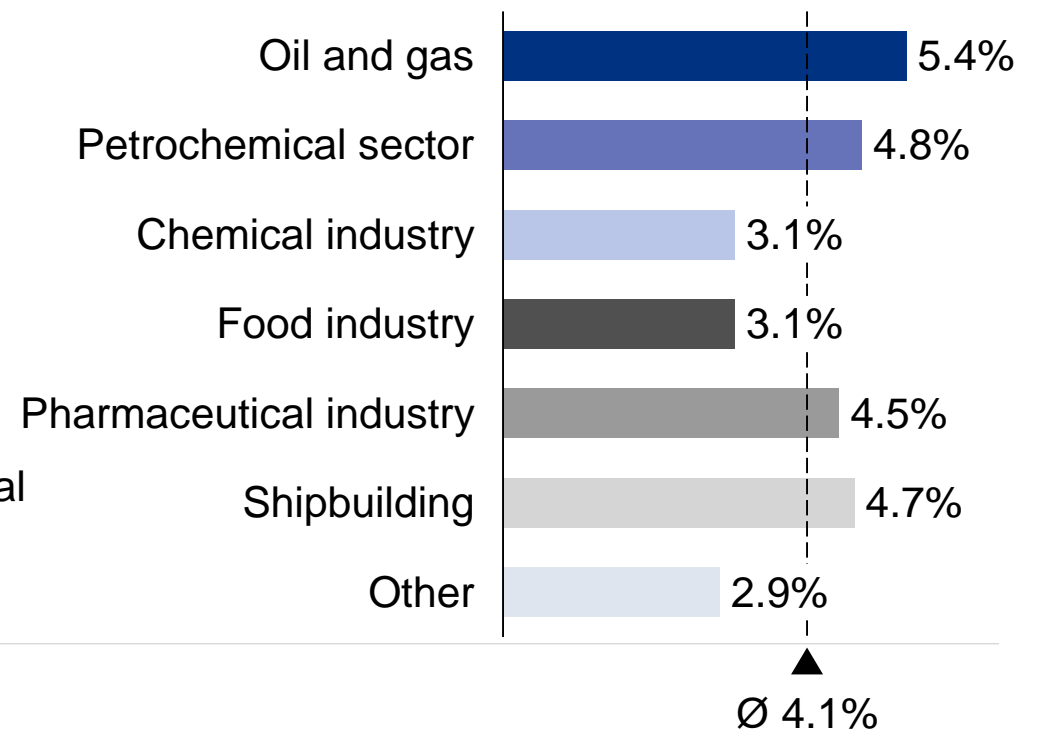
We Serve Process Industries That Handle Potentially Explosive Dusts, Liquids And Gases

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

No impacts from COVID-19 included



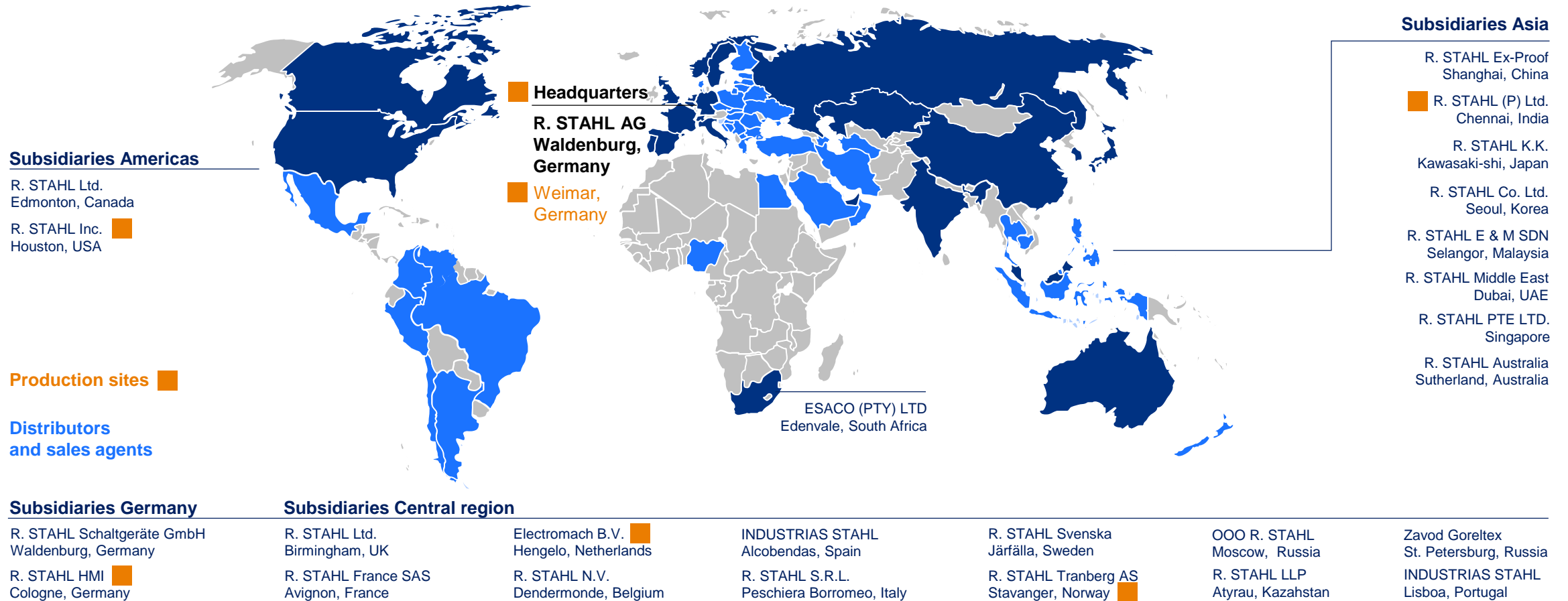
CAGR (2017-2022 E)



1) Comparable NEC market ca. €1.7 billion 2) Upstream 3) Downstream

We Have a Global Presence to Serve Our International Customers

Production and sales network R. STAHL



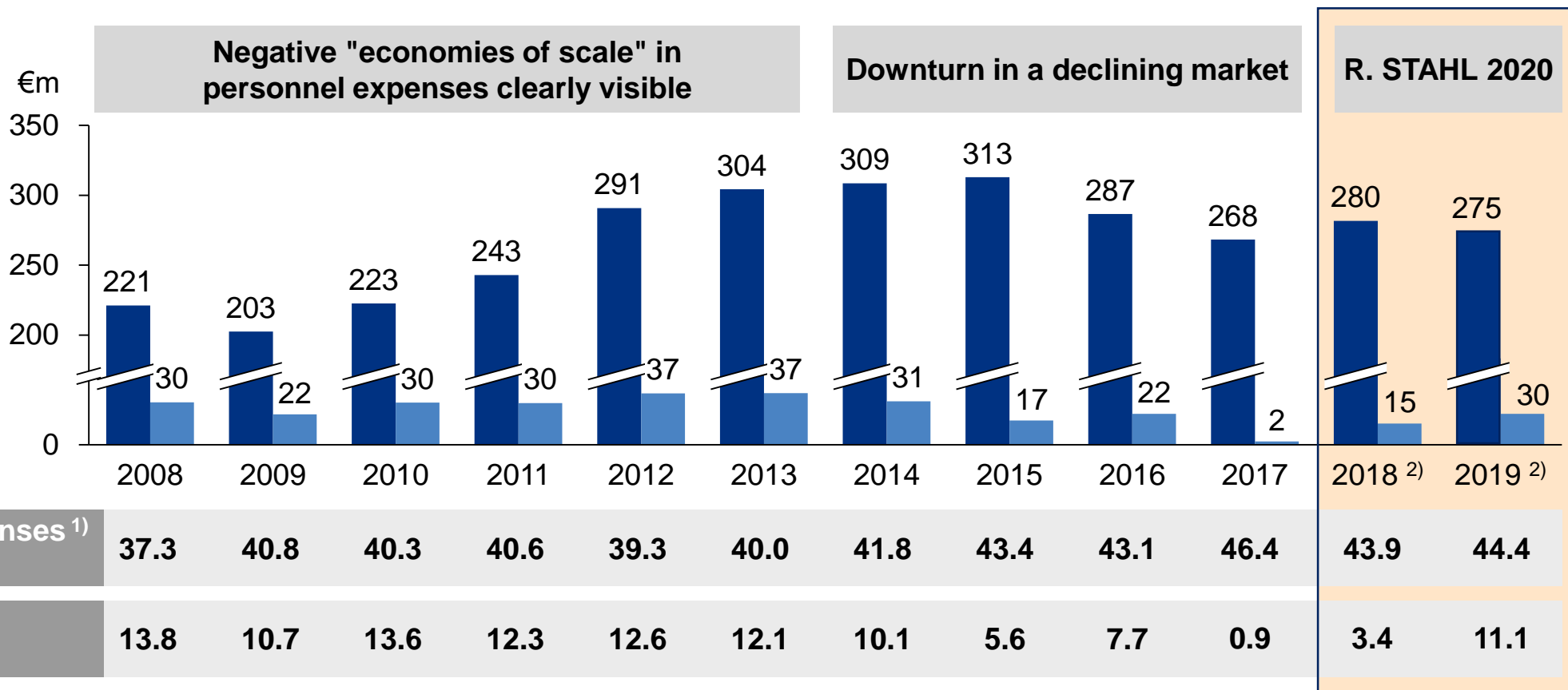
Agenda

1	Company Overview
2	Driving Efficiency – R. STAHL 2020
3	Actual Business Update
4	Preparing for Growth
5	Appendix

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

Development of R. STAHL 2008–2019

■ Sales
■ EBITDA



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

In 2018, We Started to Fundamentally Modernize Our Operating Model in All Key Areas



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 $>1/3$
- 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



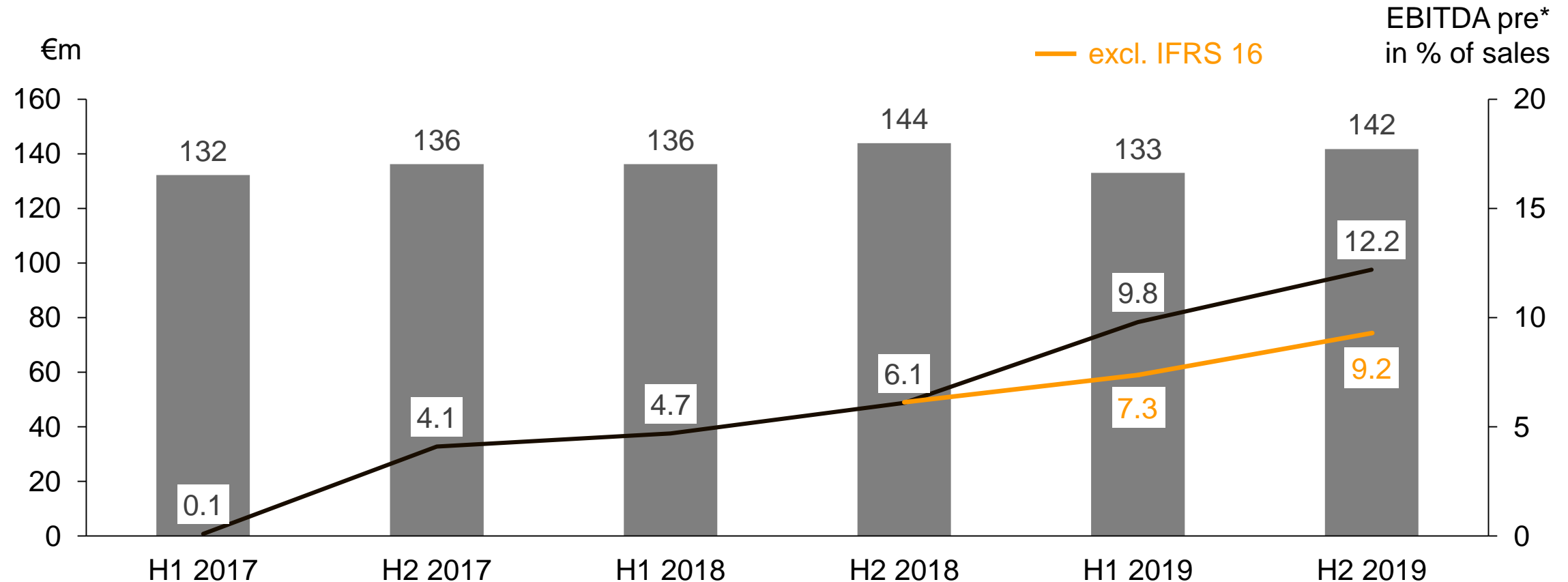
IT systems



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

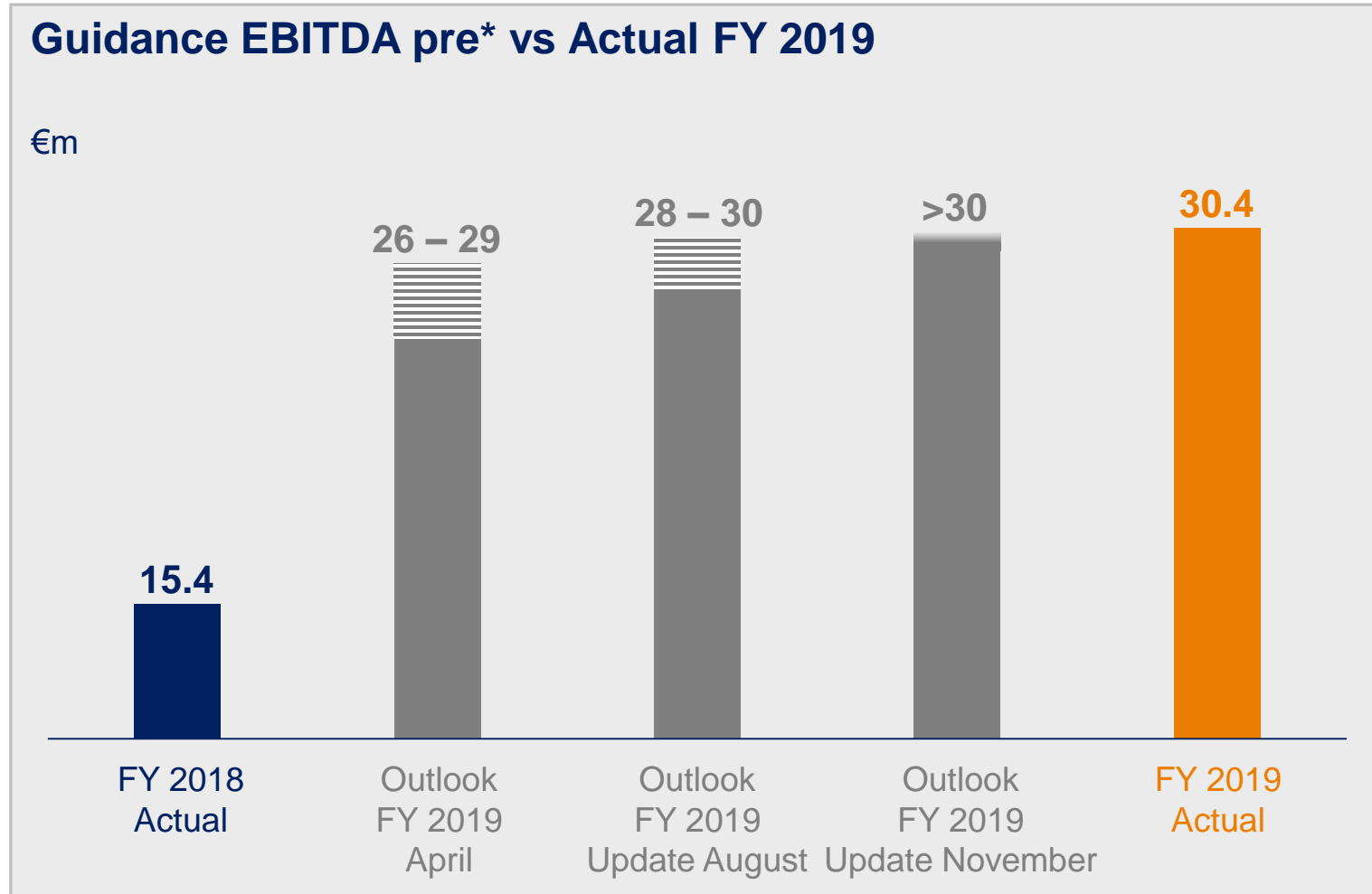
Successful Execution of Efficiency Measures Drives Margin

Sales & margin development R. STAHL H1 2017 until H2 2019



* 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 2019: Delivered on Repeatedly Lifted EBITDA pre* Guidance



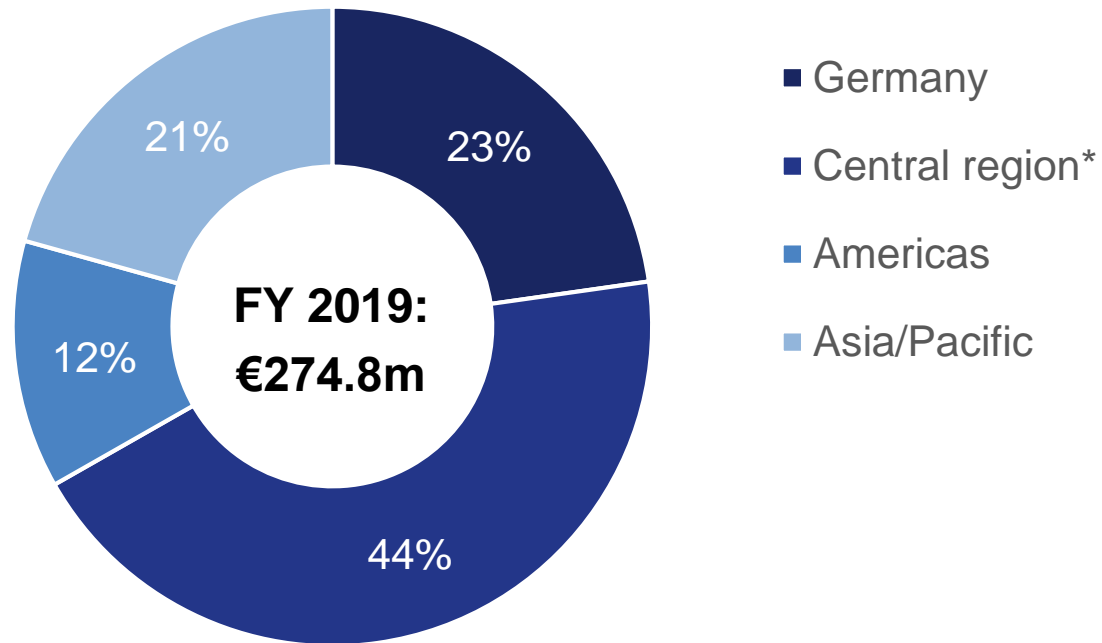
Additional comments

- Sales of €275m in FY 2019 at the lower end of the guidance corridor of €275m to €280m
- FY 2019 includes €7.6m tailwind from IFRS 16

* 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 2019: Sales Down 1.9% – Decline in Project Business Mitigated by Higher Component Sales

Sales R. STAHL FY 2019 vs. FY 2018 by region



€m	FY 2019	FY 2018	Change
Germany	62.5	70.3	-11.1%
Central region*	120.9	116.1	+4.1%
Americas	34.5	31.2	+10.6%
Asia/Pacific	56.8	62.5	-9.1%
Total	274.8	280.1	-1.9%

* Central region: Africa and Europe excl. Germany

FY 2019: Strongly Improved Profit Due to Better Product Mix and Efficiency Gains, Additional Support From IFRS 16

Key data of Income Statement

€m	FY 2019	FY 2018	Change
Sales	274.8	280.1	-1.9%
Other operating income	13.7	13.8	-0.4%
Cost of materials	-94.0	-99.4	+5.5%
Personnel cost	-122.0	-119.3	-2.2%
Other operating expenses	-50.7	-62.6	+19.0%
EBIT	6.3	-4.2	n/a
Financial result	-2.9	-2.8	-3.1%
EBT	3.4	-7.0	n/a
Taxes	-2.1	-0.0	>-100%
Net profit	1.3	-7.0	n/a
Earnings per share in €	0.21	-1.10	n/a
EBITDA	25.3	9.5	>+100%
EBITDA pre*	30.4	15.2	+99.9%

Comments

- Cost of materials ratio improved 210 basis points yoy to 33.8%, reflecting better product mix
- Other operating expenses in FY 2019 down primarily due to lower exceptionals and a €7.6m positive support from IFRS 16
- Operational improvements and IFRS 16 contribute about equally to increase in EBITDA pre

* 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 2019 Lower Restructuring Charges Illustrate Maturity of Efficiency Measures – Further Decline Expected in 2020

Reconciliation of EBITDA to EBITDA pre*

€m	FY 2019	FY 2018	Change
EBITDA pre*	30.4	15.2	+15.2
Exceptionals*	-6.0	-6.2	+0.2
Restructuring charges	-6.1	-8.6	+2.5
Devaluation and disposal of inventories	-0.1	-0.5	+0.4
Severance pay	-2.5	-3.0	+0.5
Amortization	-0.9	-0.4	-0.5
Legal and consulting costs	-2.4	-4.1	+1.7
Other	-0.1	0.5	+0.4
Disposal of non-current assets no longer required for business operations	0	2.5	-2.5
Other	0.0	0	+0.0
EBITDA	25.3	9.5	+15.8

Comments

- Declining restructuring charges indicate good progress of efficiency program
- Exceptionals set to go down further in 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)

FY 2019: Solid Free Cash Flow Lowered Net Debt Further

Key data of Cash Flow Statement

€m	FY 2019	FY 2018	Change
Net profit	1.3	-7.0	+8.3
Depreciation and amortization	18.9	13.6	+5.3
Changes in deferred taxes	1.0	-0.2	+1.2
Result from the disposal of non-current assets	-0.5	-2.4	+1.9
Cash flow	20.8	6.8	+14.0
Changes in working capital	-1.1	11.4	-12.5
Cash flow from operating activities	19.6	18.2	+1.4
Cash flow from investing activities	-11.1	-5.7	-5.4
Free cash flow	8.5	12.6	-4.1
Cash and cash equivalents (31 Dec.)	15.0	14.6	+0.4
Net debt* (31 Dec.)	4.2	5.5	-1.3

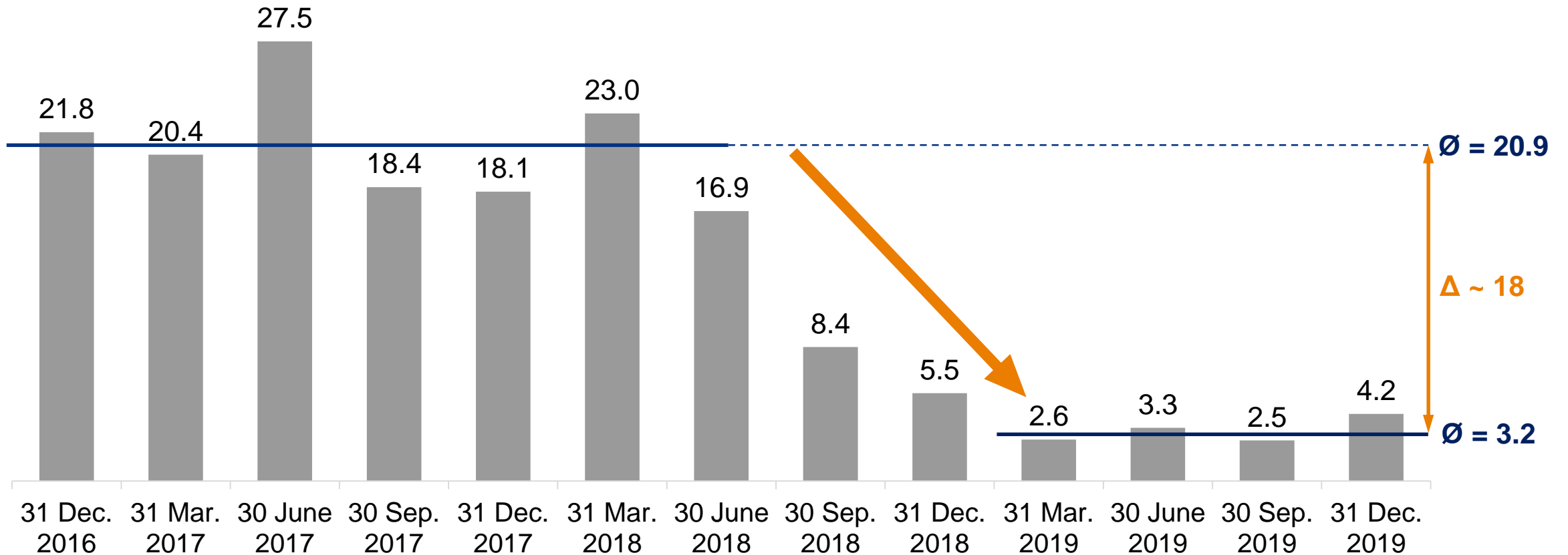
Comments

- Improved profitability and a €7.1m positive impact from IFRS 16 drove cash flow
- Prior year's working capital improvement benefitted from significant inventory reduction
- Higher cash outflow from investing activities in 2019:
 - selective investments in automated production
 - prior year included cash collection of €4.7m from property sales

* excl. leasing liabilities

Improved Margins And Focused Cash Management Drove Down Net Debt* by ~€18m to Low Single Digits in 2019

Quarterly net debt* development of R. STAHL – 1 January 2017 through 31 December 2019



* excl. pension provisions and lease liabilities

Agenda

1	Company Overview
2	Driving Efficiency – R. STAHL 2020
3	Actual Business Update
4	Preparing for Growth
5	Appendix

Q1 2020: Sales Held Back by Delayed Deliveries, Order Intake at Record High Since Four Years

Key financial data

€m	Q1 2020	Q1 2019	Change
Sales	65.1	67.5	-3.6%
EBITDA pre*	4.7	7.7	-38.6%
EBITDA	4.7	6.3	-25.7%
EBIT	0.5	1.0	-48.6%
Net profit	-0.6	0.1	n/a
Earnings per share in €	-0.10	0.02	n/a
Cashflow from operating activities	0.9	6.9	-86.6%
Depreciation and amortization	4.2	5.3	-21.4
Capital expenditures	2.3	2.6	-10.6%
Balance Sheet total as of 31 March	261.1	269.3	-3.0%
Equity as of 31 March	59.9	57.9	+3.4%
Net financial debt as of 31 March	7.7	2.6	>+100%

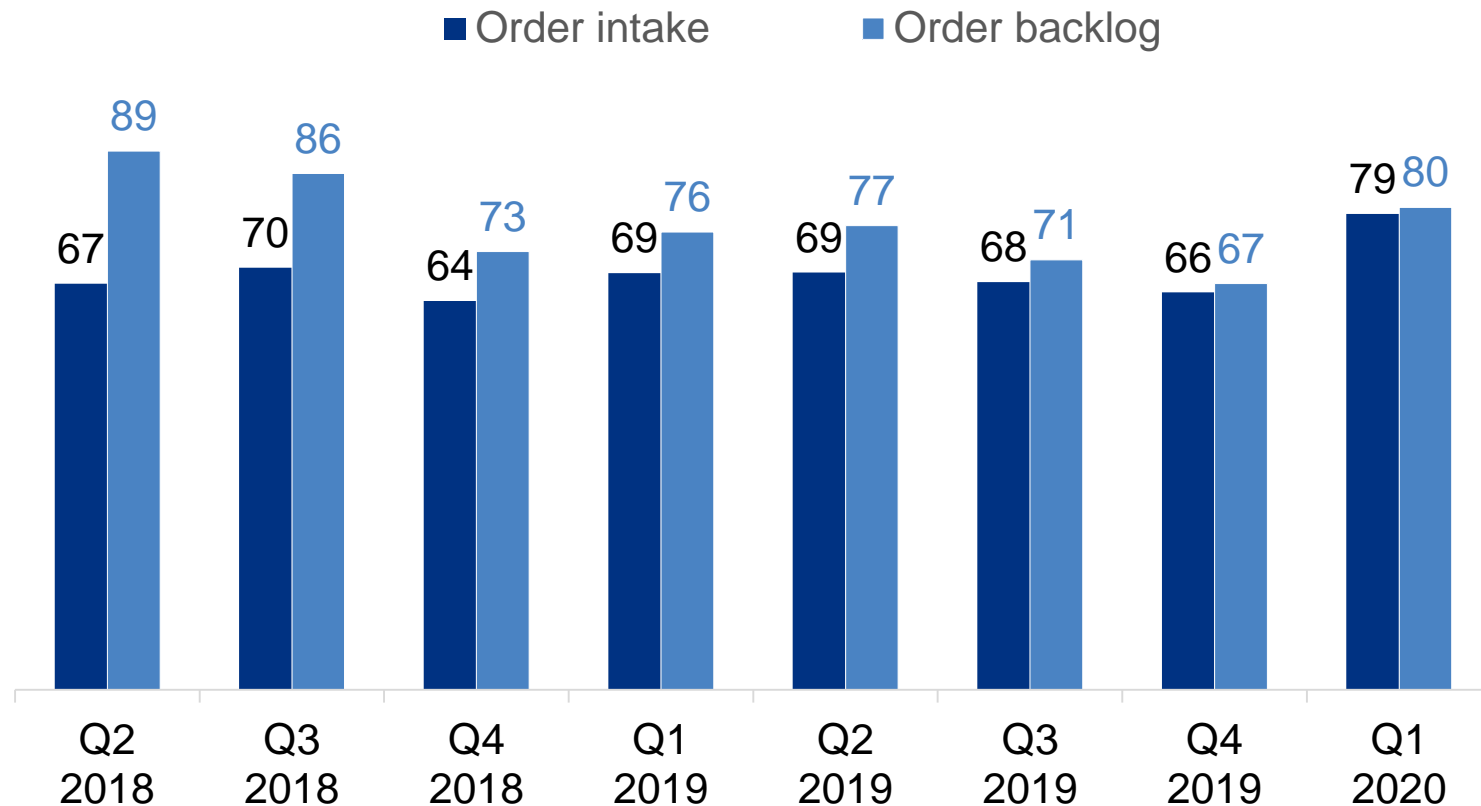
Comments

- Partly interrupted logistics and receipt of goods at customers' end held back deliveries
- Increase of work in progress by €4.1m locks up cash and drives financial debt

* 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 2020: Strong Order Intake in Q1 2020 and Softer Sales Drive Order Backlog

Order intake and order backlog R. STAHL Q2 2018 through Q1 2020



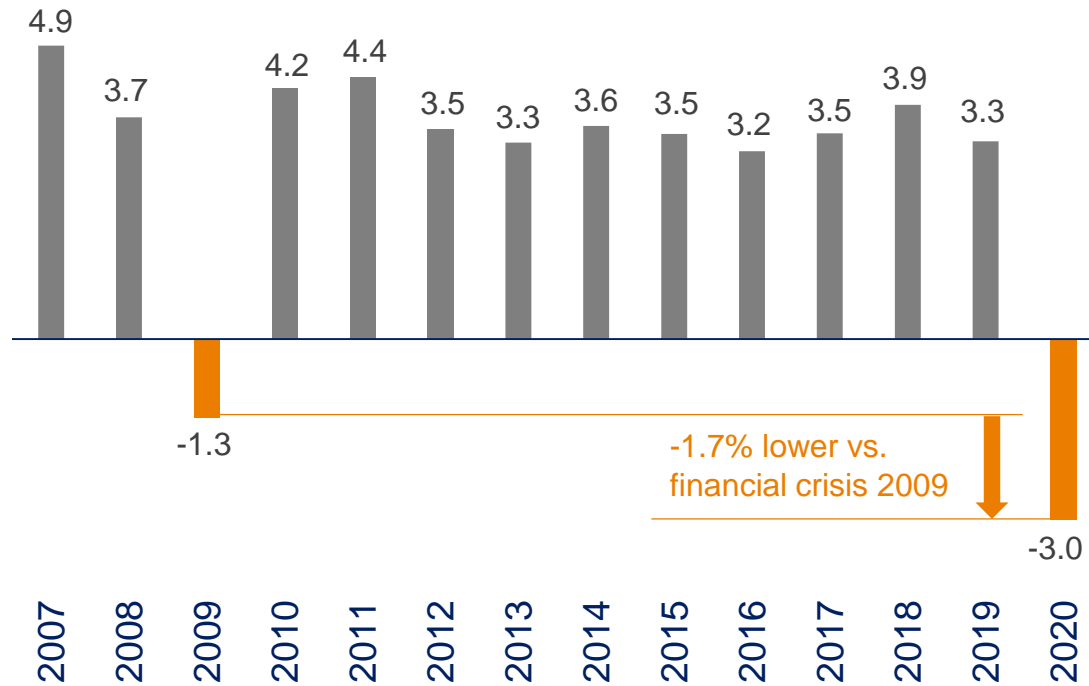
Comments

- Orders in 2019 at prior year's level despite higher focus on improved gross margin
- Order intake of €78.8m in Q1 2020 at four year high:
 - systematic sales approach and market development paying off
 - additional boost from some panic orders due to COVID-19 pandemic

Outlook 2020: Corona Pandemic Weighs Heavily on World Economy and the Oil Markets

IMF, World Economic Outlook (April 2020)

% GDP growth year-on-year, outlook in spring for current year

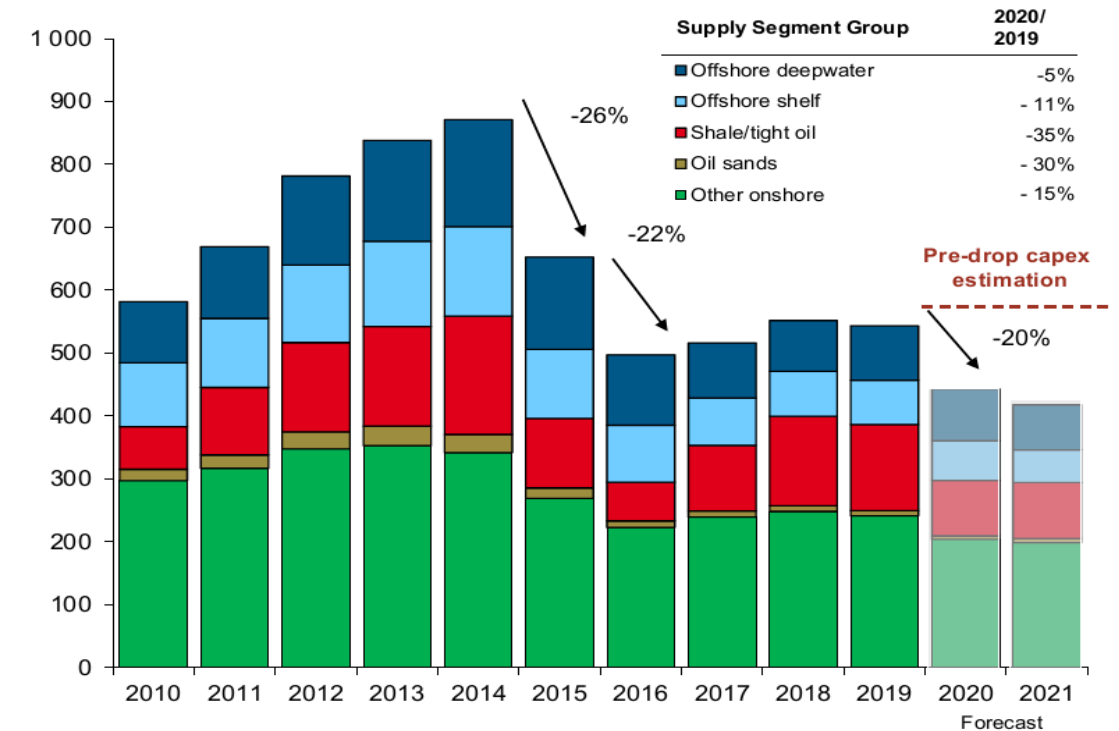


Rystad Energy, COVID-19 Report (April 2020)

Investments expected to fall \$100 billion this year

Global investments by supply segment

Billion USD



We Have Taken Early Measures to Minimize the Impact of the COVID-19 Pandemic on Employee Health and Operations

**February
2020**

- Procurement strategy implemented to secure supply with critical raw materials
- Consistent communication to customers started

**March
2020**

- Crisis team with medical expertise established (daily meetings with CEO)
- Actions taken to reduce interpersonal contacts: travel restrictions, rules of conduct, safety barriers
- Higher hygiene standards implemented
- Process defined to manage suspected cases
- Group-wide internal communication initiated



**April
2020**

- Mobile office program started
- Local COVID-19 testing established at Waldenburg site

Infektion Vorbeugen
Richtig Hände waschen schützt!

Um Krankheitserreger zu entfernen, waschen Sie Ihre Hände gründlich.
Das gelingt in fünf Schritten:

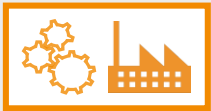
- 1 Nass machen**
Hände unter fließendes Wasser halten.
- 2 Rundum einseifen**
Hände von allen Seiten einschäumen.
- 3 Zeit lassen**
Gründliches Einseifen dauert 20 bis 30 Sekunden.
- 4 Gründliches abspülen**
Hände unter fließendem Wasser abwaschen.
- 5 Sorgfältig abtrocknen**
Hände ca. 10 Sekunden gründlich trocknen.

Managing Turbulent Times



Health

- Effective containment of COVID-19 at our facilities



Operations

- Uninterrupted operations in all sales and production sites (only Chennai (India) closed for some weeks due to country-wide lockdown)



Financials

- Lost sales in 5M 2020 due to supply problems of raw materials below 0.1%
- Focus on cost control
- Close adaption of labour capacities on current demand
- Reduction of working time accounts and vacation accounts initiated, incl. 4-days-week at Waldenburg site for 6 weeks
- Comfortable liquidity position



Outlook R. STAHL FY 2020: Only Moderate Sales Decline Expected Amid a Global Recession

Guidance FY 2020

Sales between **€260m and €275m**, equivalent to a **year-on-year decline of 5% at most**

EBITDA pre* at **low double-digit million Euro**

Positive Free Cash flow

Equity ratio about stable



Assumptions:

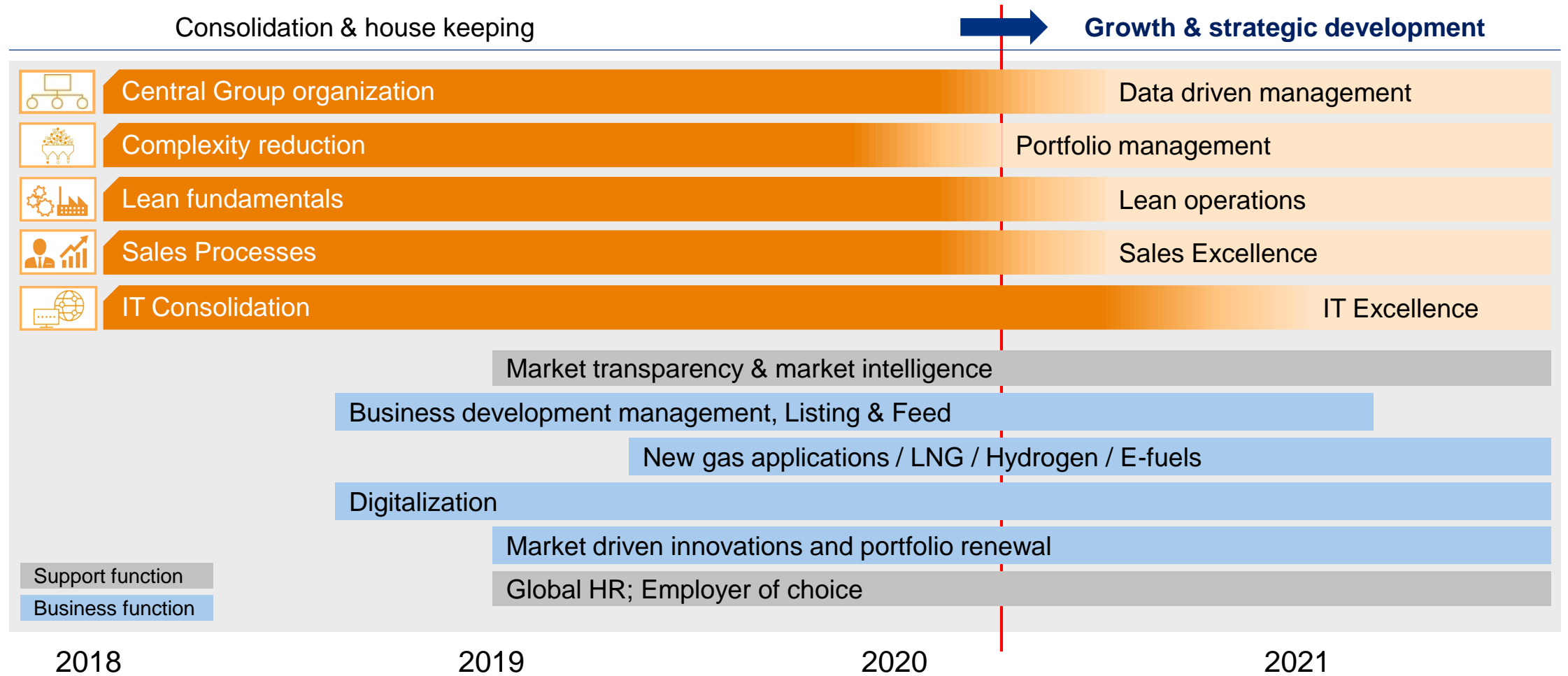
- Order intake sequentially down in Q2 and Q3 2020
- No forced shutdowns of production sites as a result of governmental measures to contain COVID-19 pandemic

* 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

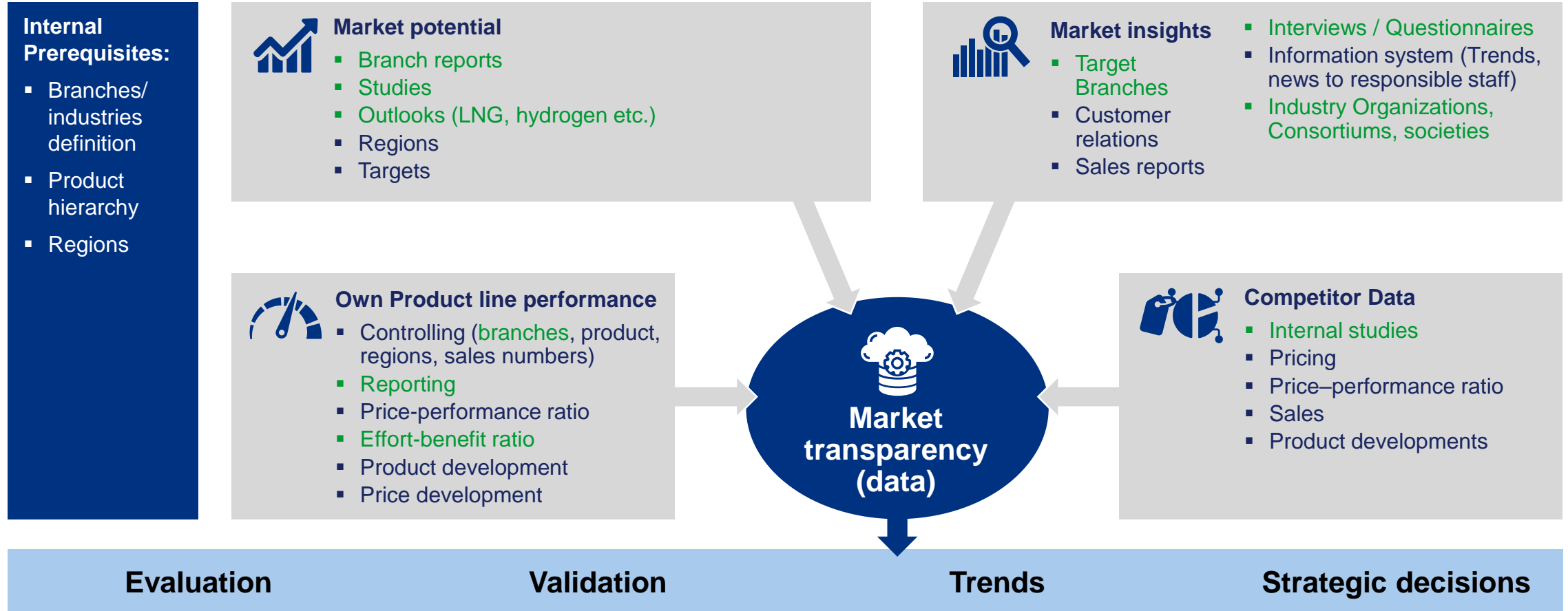
1	Company Overview
2	Driving Efficiency – R. STAHL 2020
3	Actual Business Update
4	Preparing for Growth
5	Appendix

With Most Efficiency Measures Reaching Maturity, Focus Increasingly Turns to Growth Again



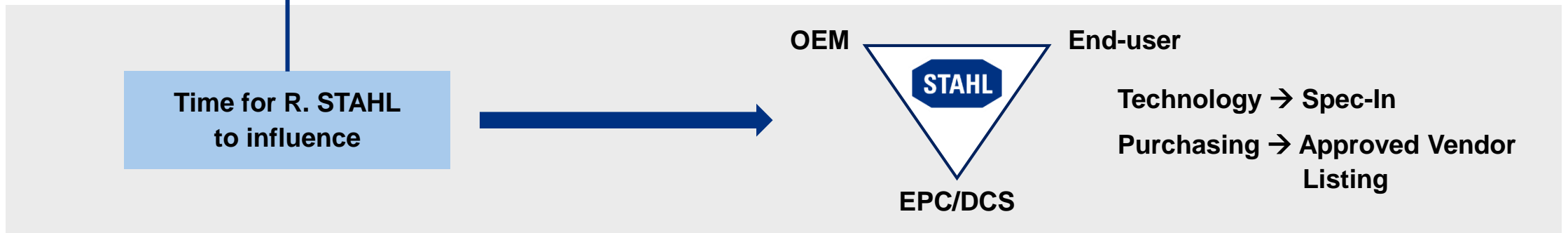
Market Transparency: Prerequisite For The Right Allocation of Resources

Basic strategic decisions



BDM, Listing & Feed: Strategically Preparing Our Markets

Project Lifecycle



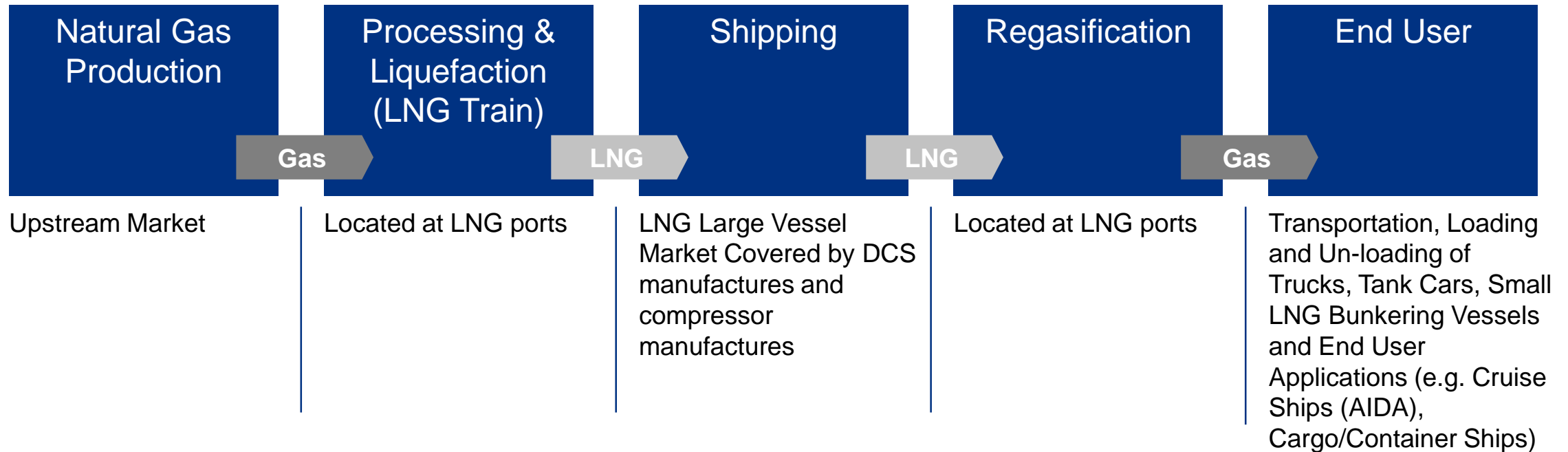
Project

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



LNG Supply Chain: Growth in Natural Gas Is Expected to Outgrow Oil And Coal

Potential for R. STAHL in the LNG supply chain



General:

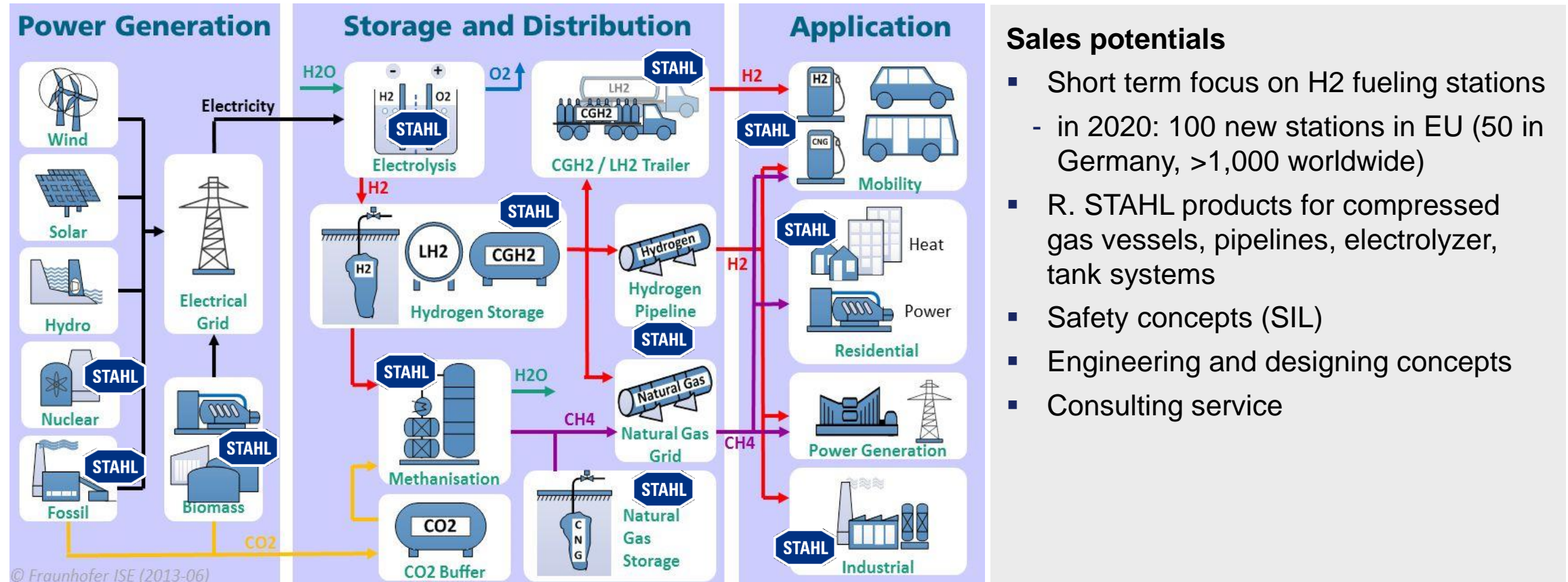
- Addressable market segments and potentials
- Regulative requirements
- Current market position

Projects:

- Specification and quotation of products and services
- Project pipeline and status

Hydrogen: Versatile And Carbon Free Energy Carrier With Huge Potential

Value Chain



Sales potentials

- Short term focus on H₂ fueling stations
 - in 2020: 100 new stations in EU (50 in Germany, >1,000 worldwide)
- R. STAHL products for compressed gas vessels, pipelines, electrolyzer, tank systems
- Safety concepts (SIL)
- Engineering and designing concepts
- Consulting service

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

First Example: Hydrogen Fueling Station Electromach

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):

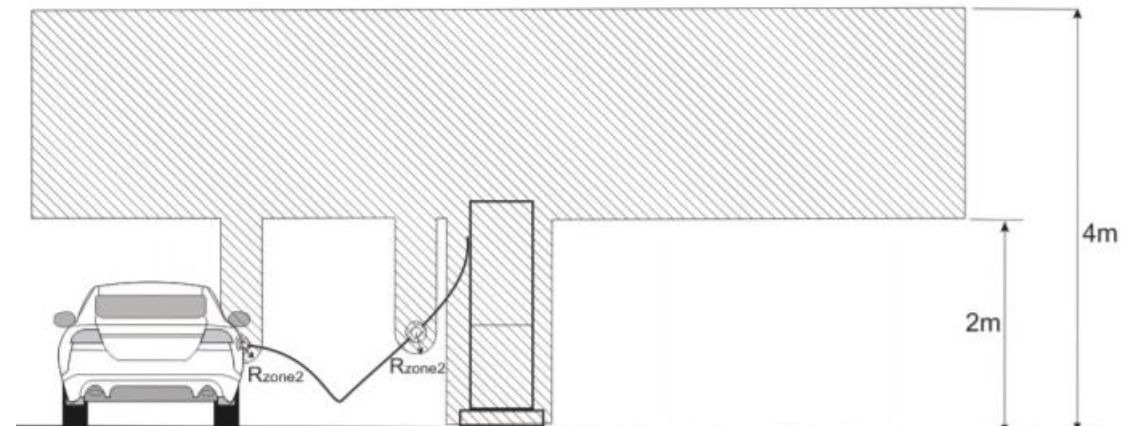
- Terminal boxes, cable glands, plugs



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



Example illustration of permanent and temporary hazardous areas



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



Sensoric and communication



Energy distribution panel e.g.

Lighting distribution
Heat trace panels
Socket outlet distribution



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



Communication protocols:
Profinet
ModbusTCP
EthernetIP
Others

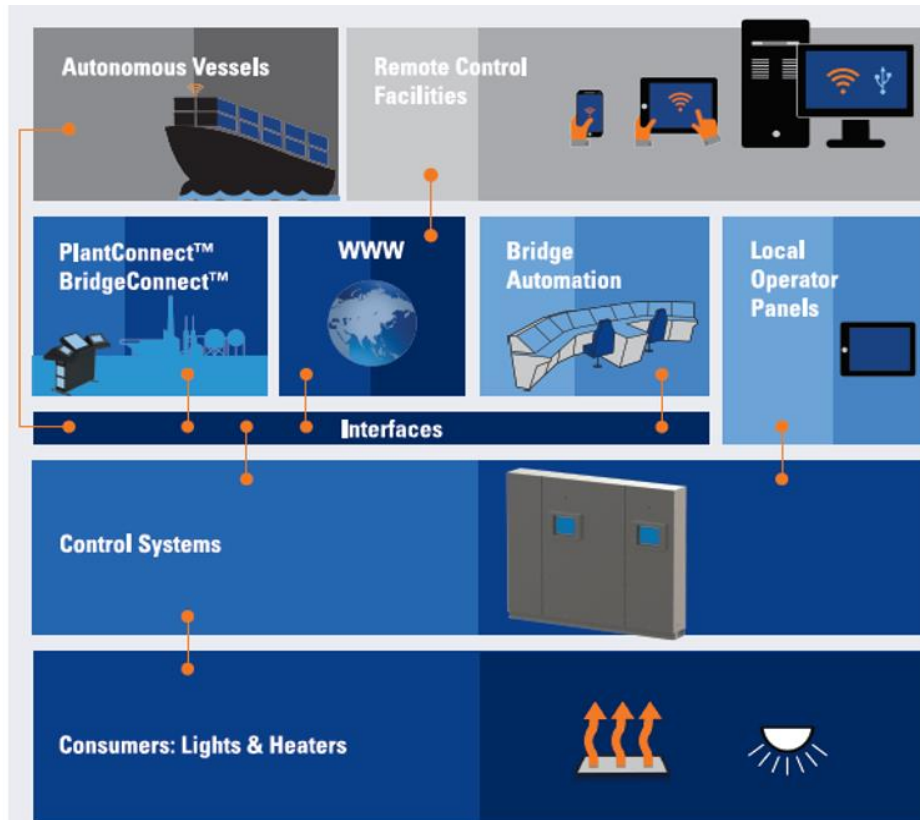
Physical layer:
Wireless
Wired
Fibre optics

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

Sensors or
communication
with devices

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

Example: X-Connect (R. STAHL Tranberg)

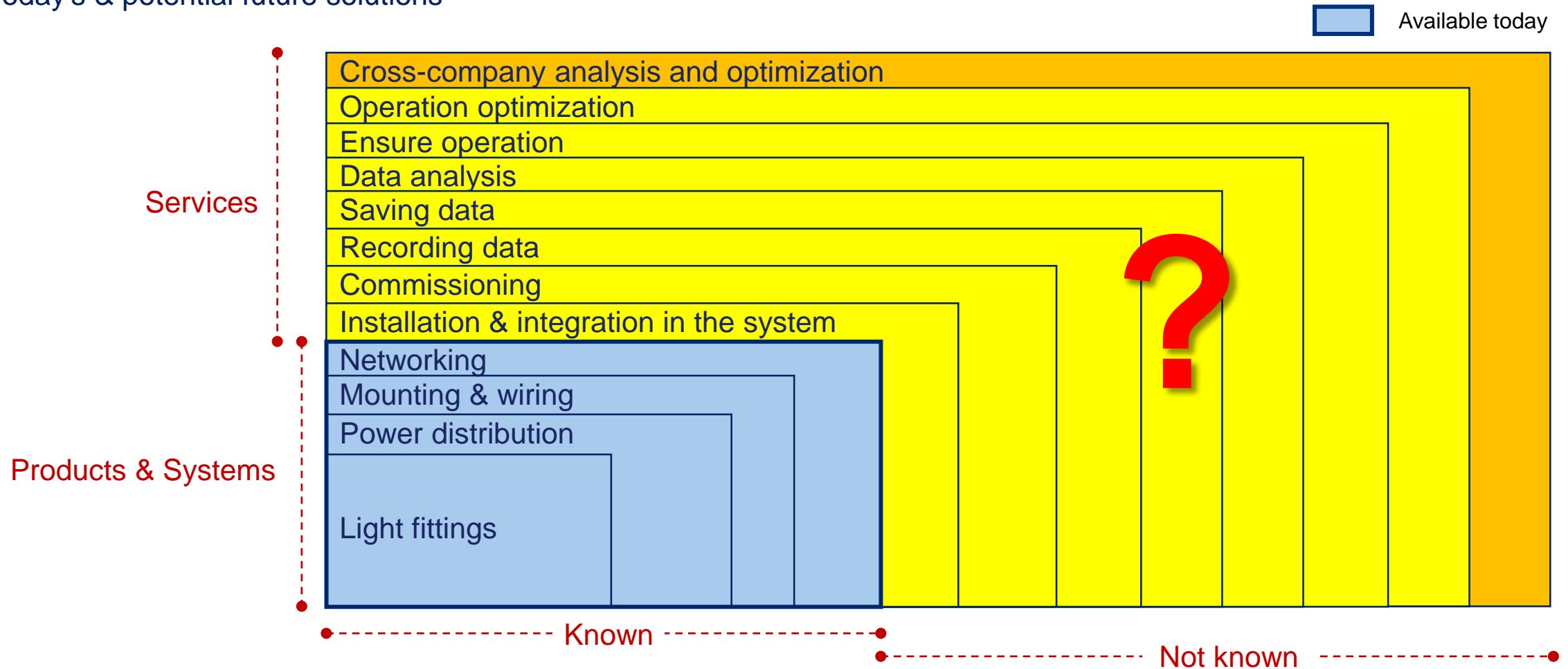


- R. STAHL is supplier for the first fully electric and autonomous container ship without emissions
- Fully automated control of light and heating systems
- Control staff can be located anywhere to control and operate systems remotely



We Need to Identify Gaps in Services, Products & Systems to Fully Exploit The Potential of Digitalization

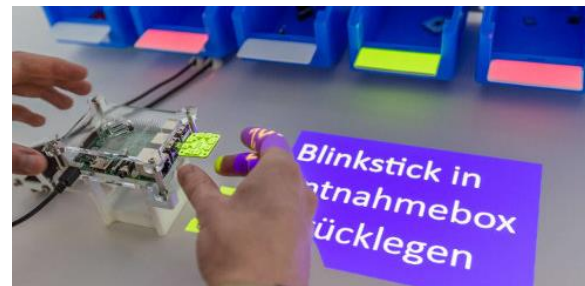
Today's & potential future solutions



Digitalization Also Provides Huge Opportunities in Smart Manufacturing

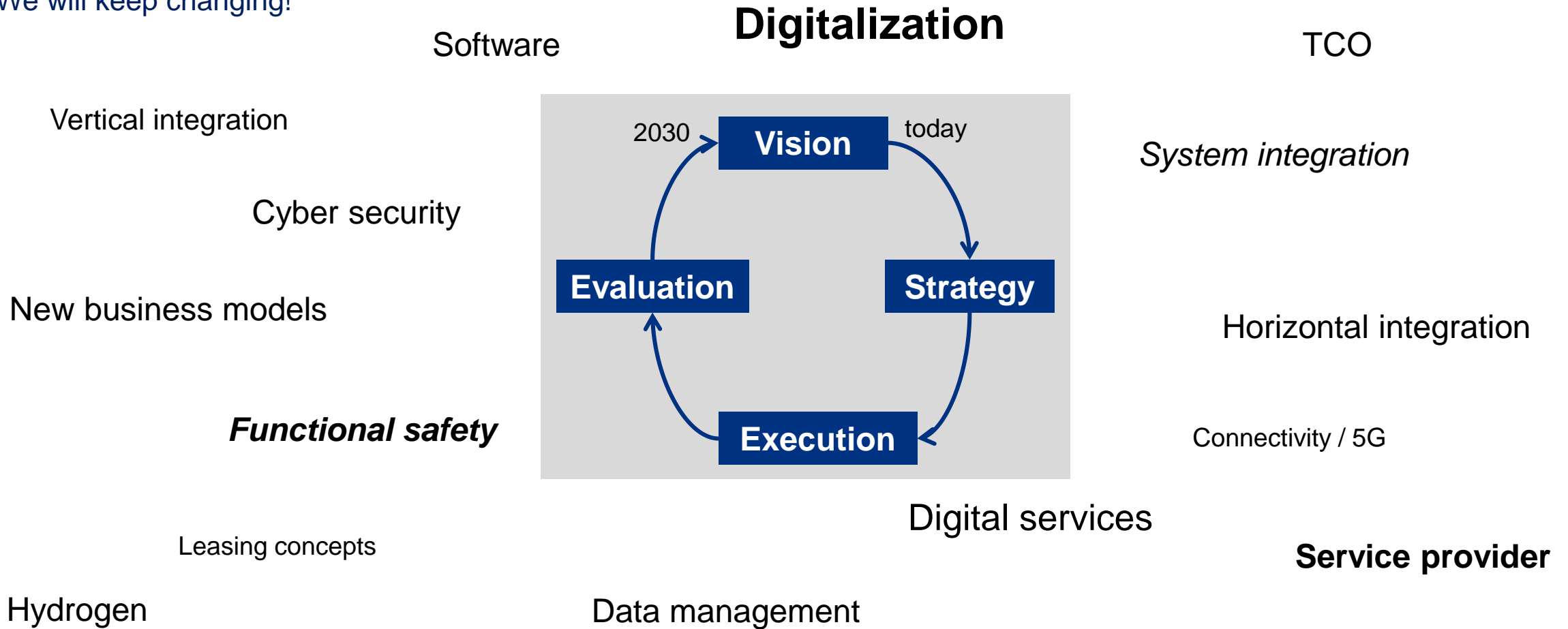
Status & Outlook

- RFID for automatic serial number recording
- Mobile data logging in logistics
- Digital manufacturing documents in conjunction with CAE project
- Requirements analysis for MES system
- Requirements analysis assistance systems for assembly work



Digitalization Will Change The Way We Do Business – And Thus Will Be Essential in Our Strategy Over The Next Decade

We will keep changing!



Agenda

1	Company Overview
2	Driving Efficiency – R. STAHL 2020
3	Actual Business Update
4	Preparing for Growth
5	Appendix

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)

Issuer, Contact and Additional Information

Issuer and Contact

R. STAHL AG

Am Bahnhof 30
74638 Waldenburg
Germany
www.r-stahl.com

Investor Relations

Dr. Thomas Kornek
Senior Vice President
P +49 7942 943 1395
F +49 7942 943 401395
E thomas.kornek@stahl.de

Additional Information

ISIN DE000A1PHBB5

WKN A1PHBB

Deutsche Boerse RSL2

Ticker Bloomberg RSL2

Ticker Reuters RSL2.DE

Listing Frankfurt Stock
Exchange
Prime Standard

Financial Calendar

2020

July 30	Virtual AGM
Aug 6	Interim Report Q2 2020
Nov 12	Interim Report Q3 2020

THE STRONGEST LINK.



R. STAHL

Am Bahnhof 30

74638 Waldenburg, Germany

T +49 7942 943-0 | F +49 7942 943-4333 | r-stahl.com