

Q3 FY2018 RESULTS

August 6, 2018

Disclaimer

Stabilus S.A. (the “Company“, later “Stabilus”) has prepared this presentation solely for your information. It should not be treated as giving investment advice. Neither the Company, nor any of its directors, officers, employees, direct or indirect shareholders and advisors nor any other person shall have any liability whatsoever for any direct or indirect losses arising from any use of this presentation.

While the Company has taken all reasonable care to ensure that the facts stated in this presentation are accurate and that the opinions contained in it are fair and reasonable, this presentation is selective in nature. Any opinions expressed in this presentation are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained in this presentation. Where this presentation quotes any information or statistics from any external source, you should not interpret that the Company has adopted or endorsed such information or statistics as being accurate. This presentation contains forward-looking statements, which involve risks, uncertainties and assumptions that could cause actual results, performance or events to differ materially from those described in, or expressed or implied by, such statements. These statements reflect the Company’s current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as “anticipate,” “believe”, “estimate”, “expect”, “intend”, “plan”, “project” and “target”. No obligation is assumed to update any such statement.

Agenda

1. Financial highlights
2. Results by region
3. Results by market
4. Outlook
5. Appendix

Agenda

1. Financial highlights

2.

3.

4.

5.

Q3 FY2018 highlights

Fiscal year-end September

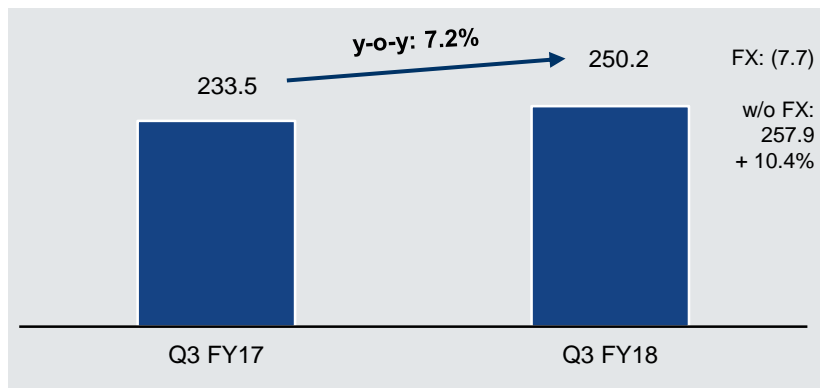
Revenue	<ul style="list-style-type: none"> ➤ Revenue up by 7.2% to €250.2m (+€16.7m vs. Q3 FY17) ➤ Asia / Pacific and RoW up by 34.3% y/y, Europe up by 10.0% y/y, NAFTA 'suffers' from the weak \$: - 3.7% y/y ➤ Automotive Powerise + 12.6% y/y, Vibration & Velocity Control + 8.0% y/y, Commercial Furniture + 6.8% y/y, Automotive Gas Spring + 4.7% y/y and Capital Goods + 4.3% y/y
Adj. EBIT	<ul style="list-style-type: none"> ➤ Adj. EBIT¹ up by 11.0% to €39.5m (vs. €35.6m in Q3 FY17) ➤ Adj. EBIT margin at 15.8% (vs. 15.2% in Q3 FY17)
Profit	<ul style="list-style-type: none"> ➤ Profit at €25.3m in Q3 FY18 (vs. €24.6m in Q3 FY17) ➤ Profit margin at 10.1% (vs. 10.5% in Q3 FY17)
Net leverage ratio	<ul style="list-style-type: none"> ➤ Net leverage ratio¹ at 1.2x (vs. 1.7x as of end Q3 FY17 and 1.5x as of end FY17) ➤ Net financial debt¹ at €226.6m
Outlook	<ul style="list-style-type: none"> ➤ FY2018 revenue guidance confirmed: c. 8.8% y-o-y organic growth at constant \$/€ rate of 1.10 \$/€, i.e. c. 5.5% y-o-y change to €960m @ avg. fx rate of 1.20 \$/€ in FY18 ➤ FY2018 adj. EBIT margin guidance of c. 15.5% confirmed

Note:

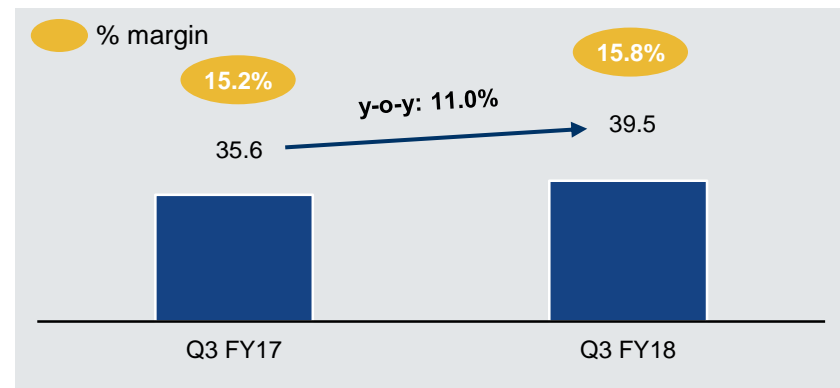
¹ For definition/calculation of KPIs like adj. EBIT, net leverage ratio etc. refer to appendix and/or our financial reports and quarterly statements under www.ir.stabilus.com. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Stabilus shows strong operating performance in Q3 FY2018 (y-o-y)

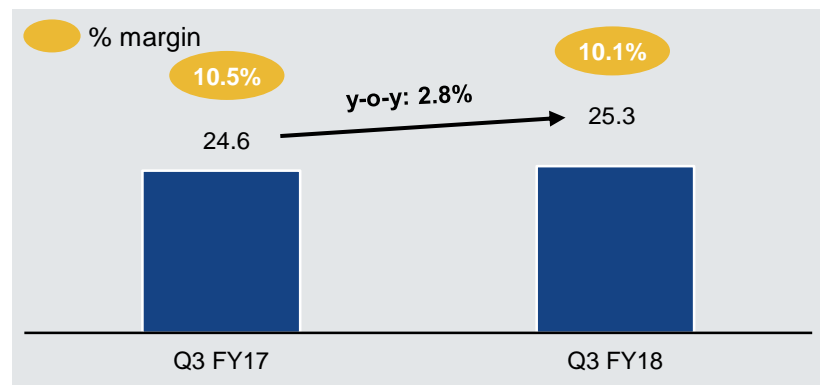
Revenue (€m)



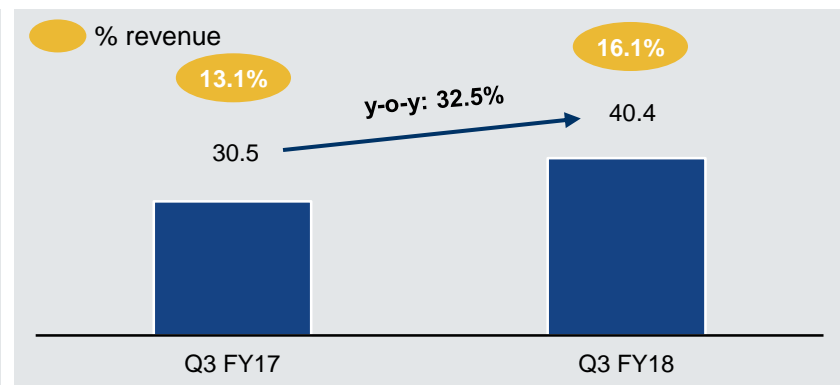
Adj. EBIT (€m)



Profit (€m)



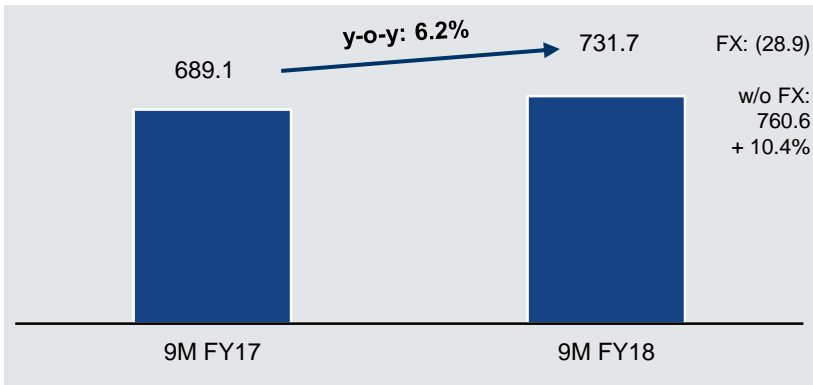
FCF (€m)



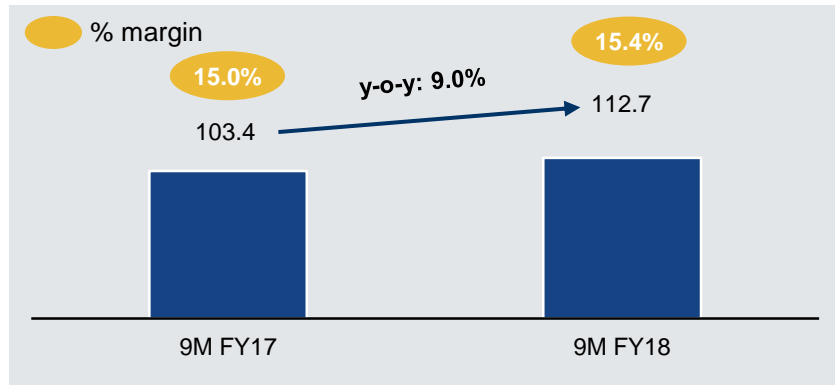
Note: FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.19\$/€ in Q3 FY18 versus 1.10\$/€ in Q3 FY17.

Stabilus shows strong operating performance in 9M FY2018 (y-o-y)

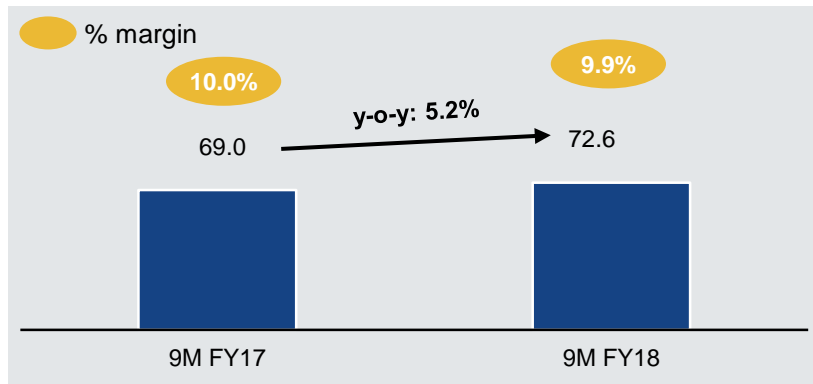
Revenue (€m)



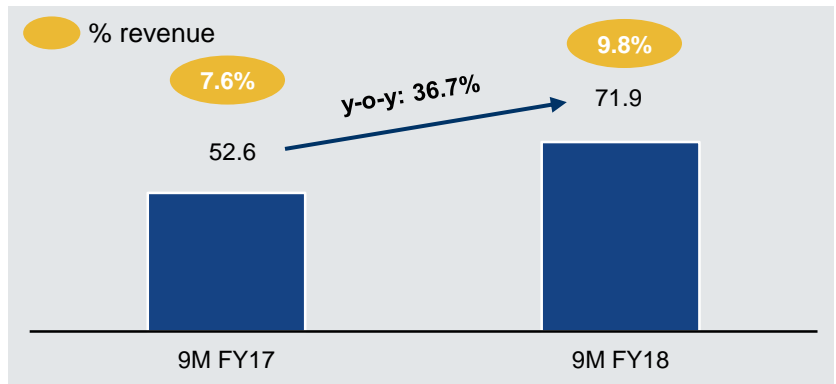
Adj. EBIT (€m)



Profit (€m)



FCF (€m)



Note: FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.20\$/€ in 9M FY18 versus 1.08\$/€ in 9M FY17.

Agenda

1.

2. Results by region

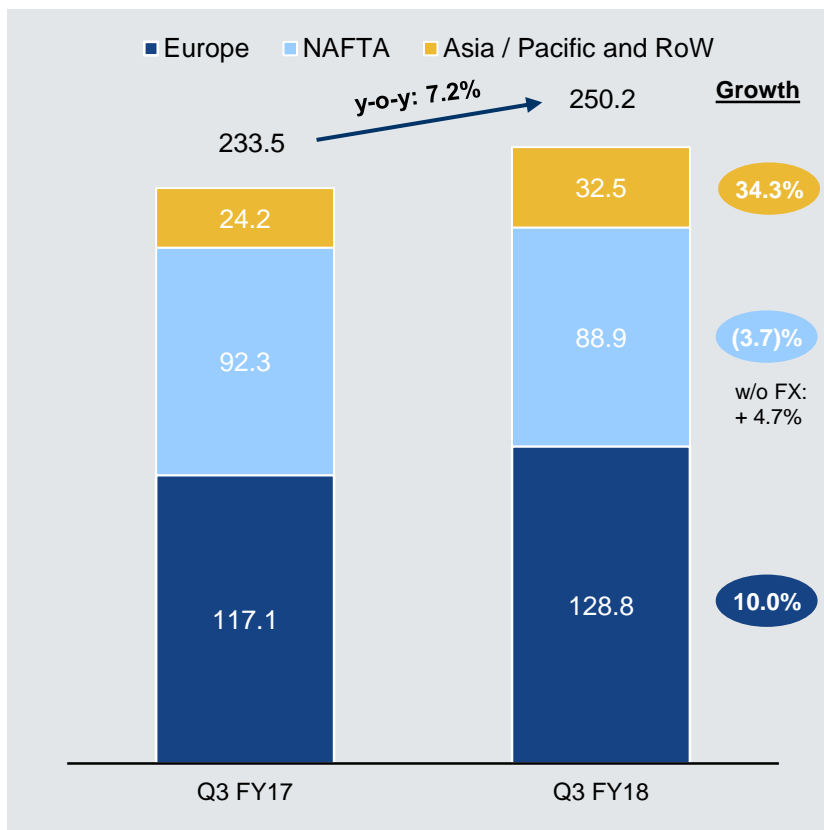
3.

4.

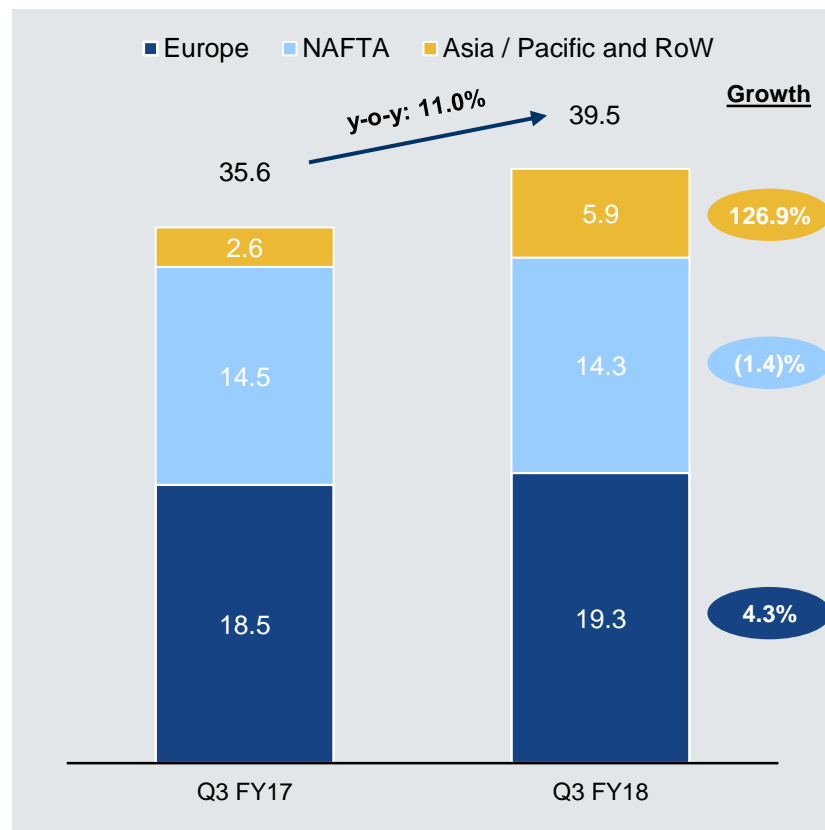
5.

Q3 FY2018 revenue and adj. EBIT growth – by region (y-o-y)

Revenue by region¹ (€m)



Adj. EBIT by region (€m)



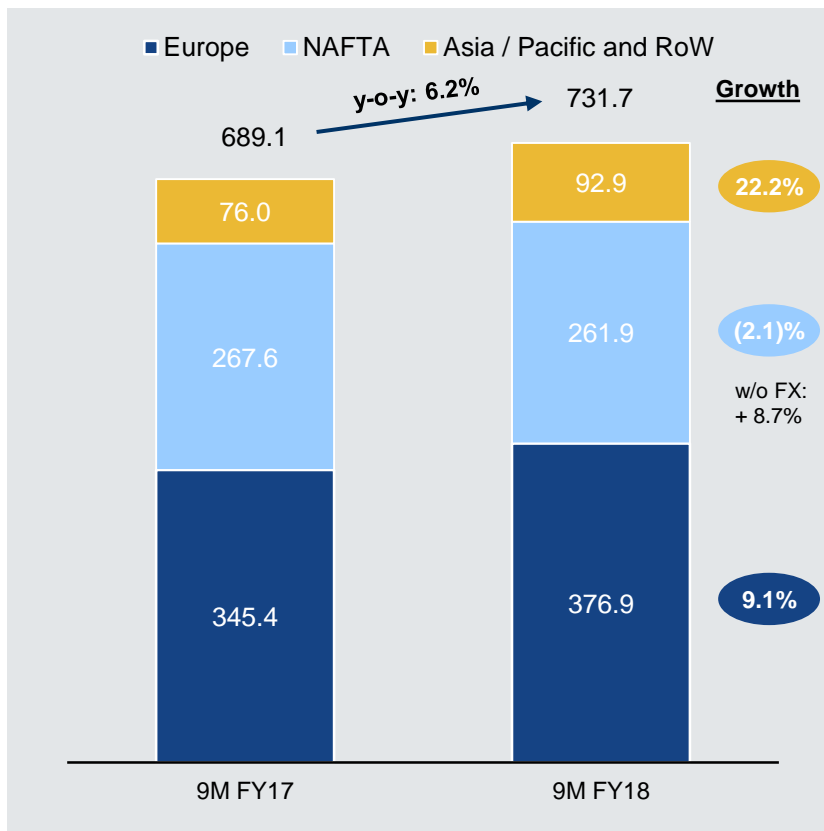
Note: Stabilus fiscal year-end is September. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.19\$/€ in Q3 FY18 versus 1.10\$/€ in Q3 FY17.

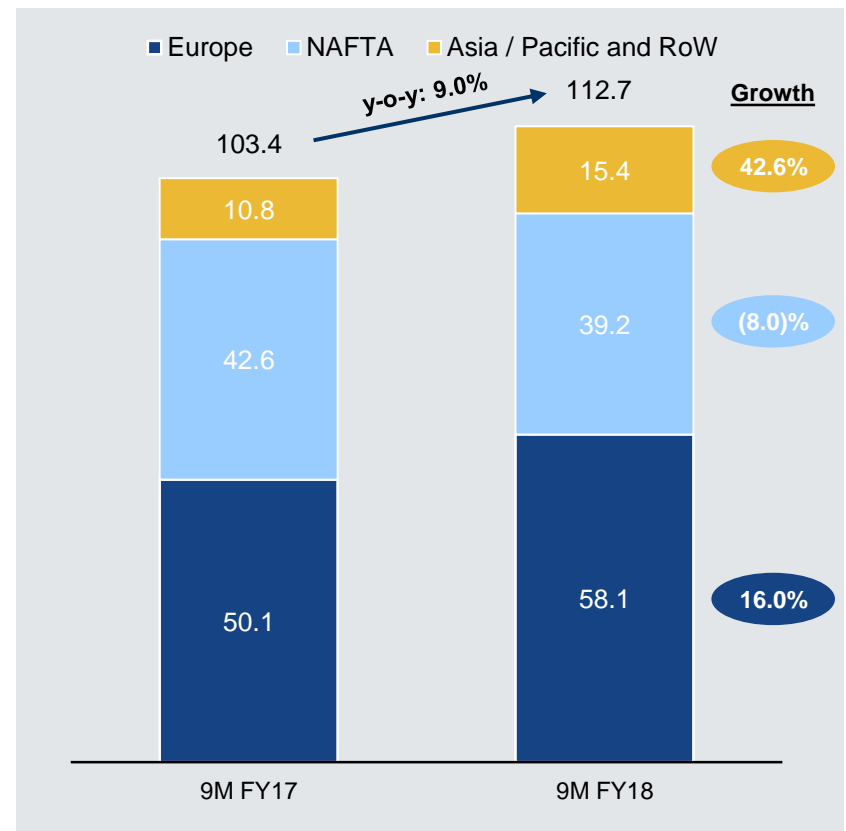
¹ Billed-from view, without intersegment revenue.

9M FY2018 revenue and adj. EBIT growth – by region (y-o-y)

Revenue by region¹ (€m)



Adj. EBIT by region (€m)



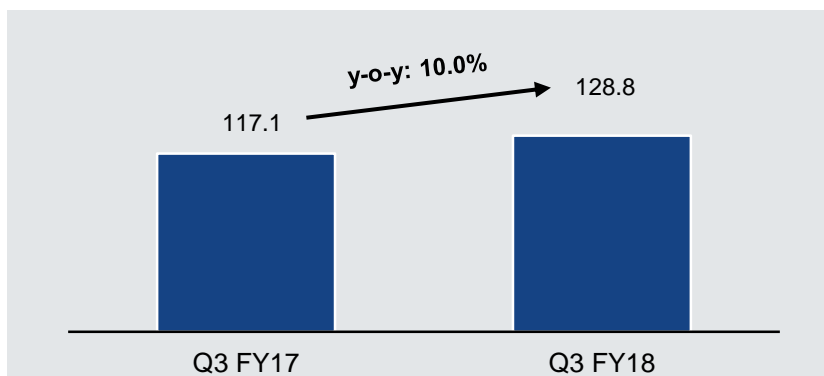
Note: Stabilus fiscal year-end is September. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.20\$/€ in 9M FY18 versus 1.08\$/€ in 9M FY17.

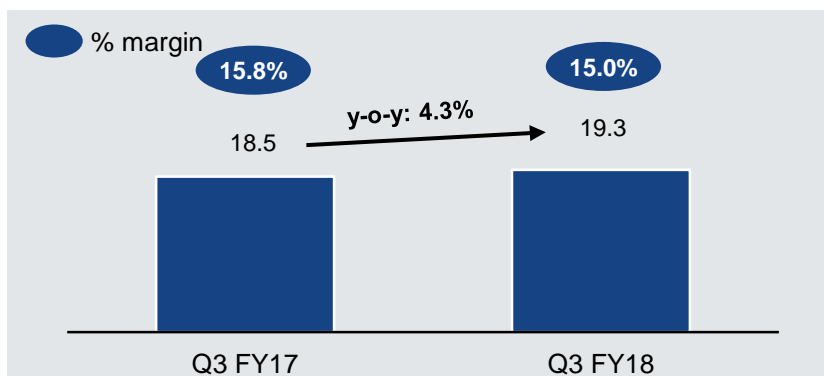
¹ Billed-from view, without intersegment revenue.

Europe

Revenue¹ (€m)



Adj. EBIT (€m)



Note: Stabilus fiscal year-end is September.

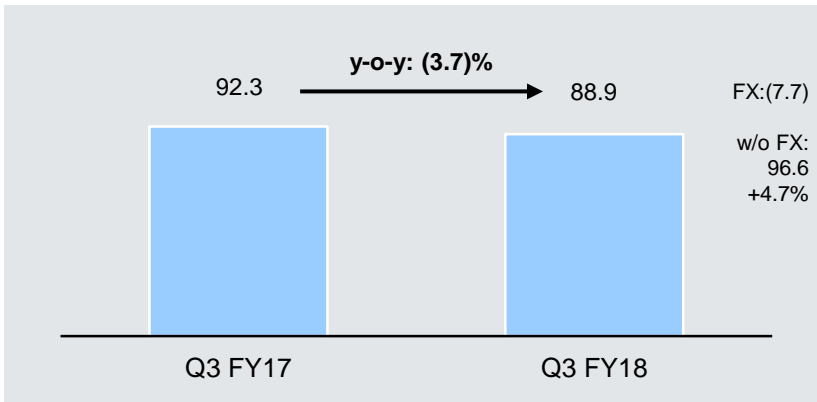
¹ External revenue only.

Key highlights

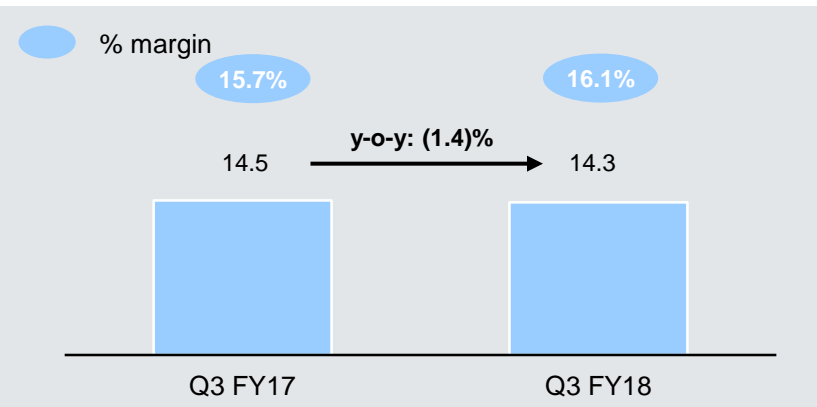
- Europe car production in Q3 FY18 at 6.0m units, i.e. + 4.7% vs. Q3 FY17
- Europe's revenue increased by 10.0% or €11.7m y/y
- The increase was primarily driven by our Capital Goods and automotive business units: Capital Goods revenue grew by 13.0% or €4.4m to €38.2m (vs. €33.8m in Q3 FY17), Powerise revenue increased by 11.9% or €3.1m to €29.2m (vs. €26.1m in Q3 FY17) and Gas Spring revenue increased by 7.9% or €3.0m to €40.8m (Q3 FY17: €37.8m)

NAFTA

Revenue¹ (€m)



Adj. EBIT (€m)



Key highlights

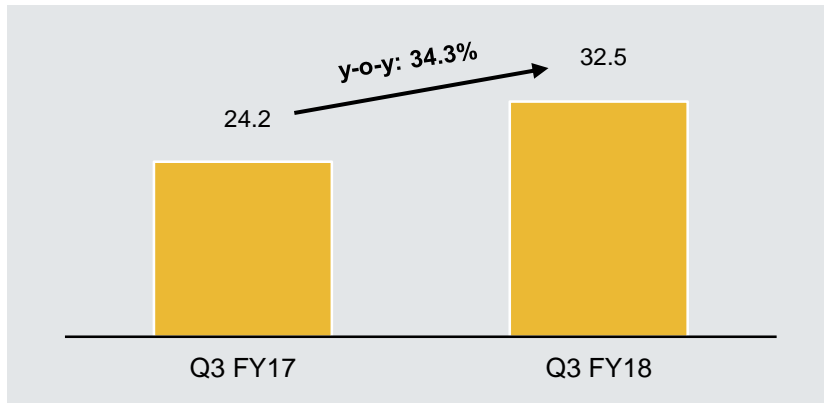
- NAFTA car production in Q3 FY18 at 4.4m units, i.e. - 1.7% vs. Q3 FY17
- NAFTA's revenue - 3.7% y/y due to weaker US dollar (+4.7% y/y excluding the \$/€ currency translation effect)
- NAFTA's development in Q3 FY18 was primarily driven by our industrial business: Vibration & Velocity Control + 9.6% y/y (+ 19.1% y/y excl. currency effect), Commercial Furniture + 18.2% y/y (+ 27.3% y/y excl. currency effect), Capital Goods - 16.3% (- 9.3% excl. currency effect); whereas automotive revenue - 2.6% y/y (+ 5.9% y/y excl. currency effect)
- Adj. EBIT margin improved to 16.1% in Q3 FY18 (vs. 15.7% in Q3 FY17)

Note: Stabilus fiscal year-end is September. ¹ External revenue only.

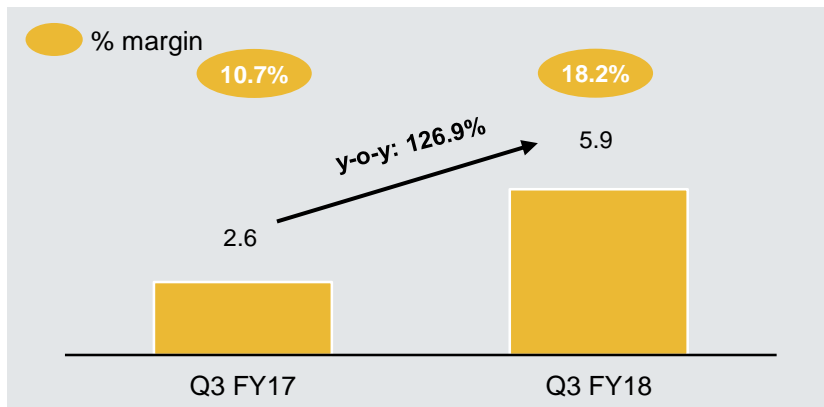
FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.19\$/€ in Q3 FY18 versus 1.10\$/€ in Q3 FY17.

Asia / Pacific and RoW

Revenue¹ (€m)



Adj. EBIT (€m)



Key highlights

- Asia/Pacific and RoW car production in Q3 FY18 at 13.6m units, i.e. + 5.7% vs. Q3 FY17 (China: + 8.5%, Japan/Korea: - 0.6%, South America: + 7.8%)
- Asia/Pacific and RoW's revenue increased by 34.3%
- The increase was primarily driven by our Powerise business: Powerise revenue grew from €0.9m in Q3 FY17 to €7.1m in Q3 FY18 reflecting increased shipments e.g. to VW, GM and Chrysler (e.g. vehicle platforms: VW Atlas/Teramont, GM Buick Envision)
- Adj. EBIT margin improved from 10.7% in Q3 FY17 to 18.2% in Q3 FY18 primarily due to higher capacity utilization of the Powerise line in China

Note: Stabilus fiscal year-end is September.

¹ External revenue only.

Agenda

1.

2.

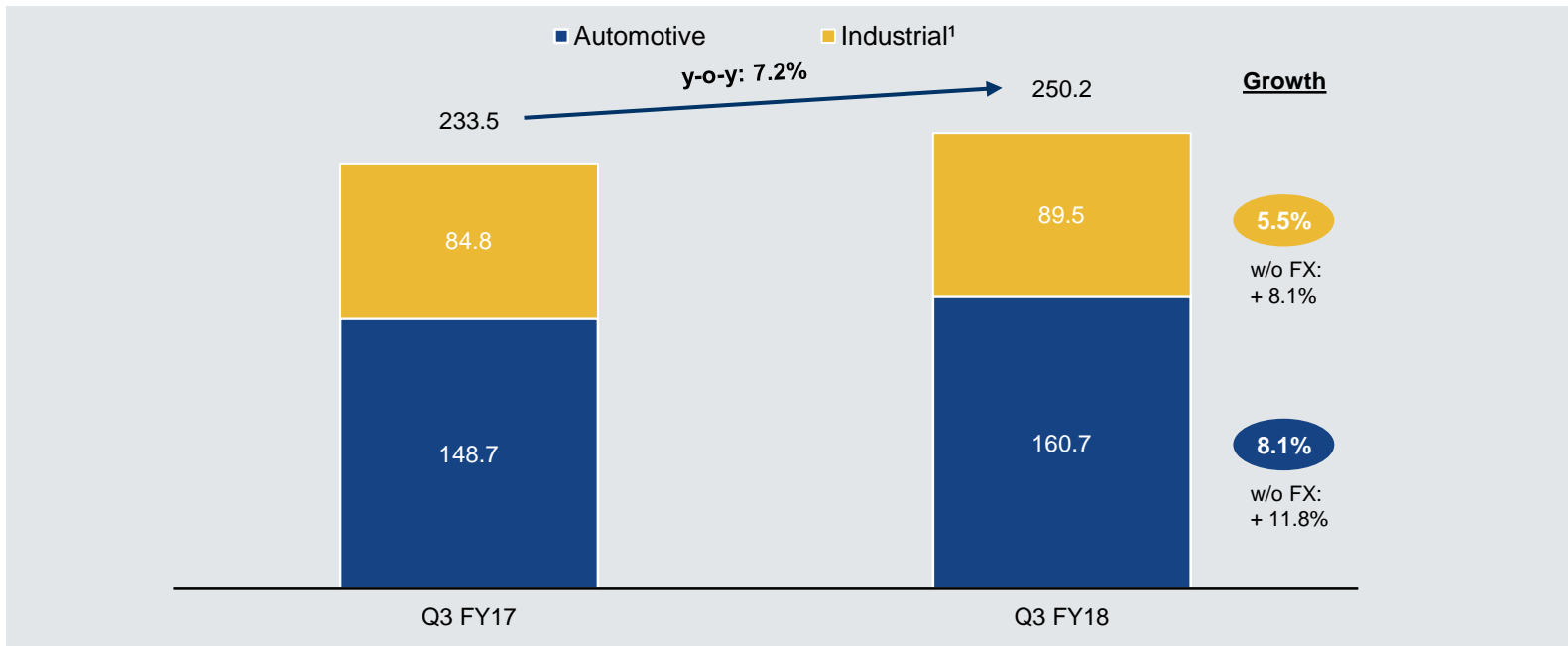
3. Results by market

4.

5.

Q3 FY2018 revenue growth – by market / business (y-o-y)

Revenue by business (€m)



Note: Stabilus fiscal year-end is September.

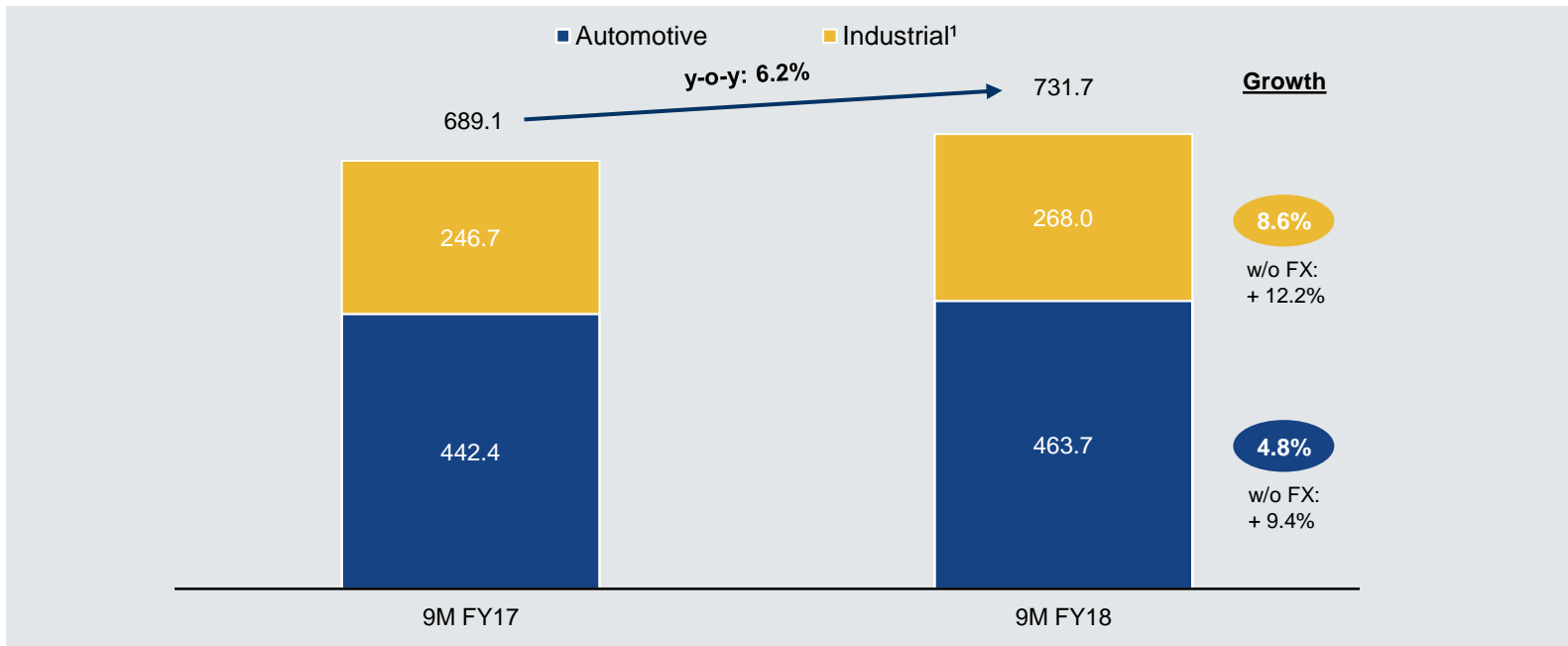
¹ Industrial including Capital Goods, Vibration & Velocity Control and Commercial Furniture revenue.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.19\$/€ in Q3 FY18 versus 1.10\$/€ in Q3 FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

9M FY2018 revenue growth – by market / business (y-o-y)

Revenue by business (€m)



Note: Stabilus fiscal year-end is September.

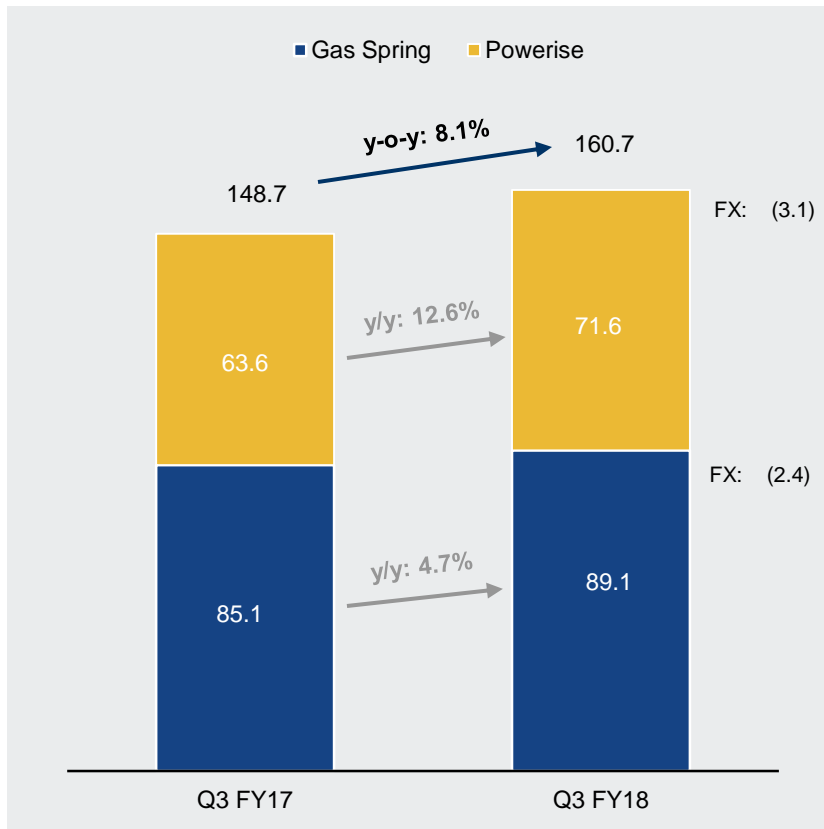
¹ Industrial including Capital Goods, Vibration & Velocity Control and Commercial Furniture revenue.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.20\$/€ in 9M FY18 versus 1.08\$/€ in 9M FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Q3 FY2018 revenue growth – Automotive business (y-o-y)

Revenue (€m)



Key highlights

- Global car production in Q3 FY18 at 24.0m, i.e. + 4.0% vs. Q3 FY17
- Automotive revenue + 8.1% y/y (+ 11.8% without \$/€ currency translation effect)
- Automotive Gas Spring revenue + 4.7% y/y (+ 7.5% without \$/€ currency translation effect)
- Powerise revenue + 12.6% y/y (+17.5% y/y without \$/€ currency translation effect) – y-o-y growth particularly in Asia/Pacific and RoW (China plant)
- Continuing consumer trend towards SUV's, crossovers, MPVs, hatchbacks supports our overall automotive revenue development

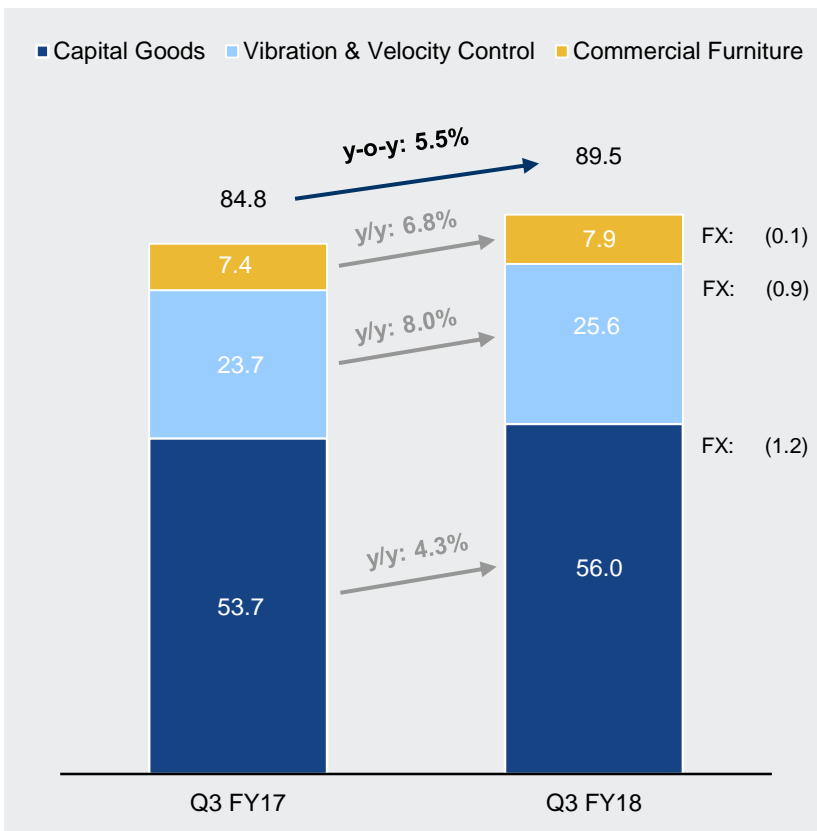
Note: Stabilus fiscal year-end is September.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.19\$/€ in Q3 FY18 versus 1.10\$/€ in Q3 FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Q3 FY2018 revenue growth – Industrial business (y-o-y)

Revenue (€m)



Key highlights

- Industrial revenue increased by 5.5% (8.1% excluding \$/€ currency translation effect)
- Excluding \$/€ currency translation effect Capital Goods grew by 6.5%, Vibration & Velocity Control by 11.8%, and Commercial Furniture by 8.1%
- Continuing strong growth e.g. in the following segments: agriculture and construction machinery, bus/truck/transportation and independent aftermarket

Note: Stabilus fiscal year-end is September.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.19\$/€ in Q3 FY18 versus 1.10\$/€ in Q3 FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Agenda

1.

2.

3.

4. Outlook

5.

Outlook

	FY2017 Actual	FY2018 Guidance	
		€ million	percent
Revenue	€910.0m (@ 1.10 \$/€)	~ €990m (@ 1.10 \$/€) ~ €960m (@ 1.20 \$/€)	~ 8.8% growth (organic, at constant \$/€ rate) ~ 5.5% y/y
% Adj. EBIT margin	15.1%		~ 15.5%

Comments

- Revenue guidance FY2018 confirmed: c. 8.8% organic revenue growth, i.e.
 - ~ 8.8% y-o-y growth (organic and at constant avg. \$/€ rate of 1.10 vs. prior year)
 - ~ 5.5% y-o-y change to approx. €960m, under assumption of avg. \$/€ rate of 1.20 in FY18
- FY2018 adj. EBIT margin guidance of c. 15.5% confirmed

Note: Stabilus fiscal year-end is September.

Agenda

1.

2.

3.

4.

5. Appendix

Revenue by region and customer market (3M ended June 30, 2018)

External revenue (€m)				
	Q3 FY2017 Actual	Q3 FY2018 Actual	Change	% change
Automotive Gas Spring	37.8	40.8	3.0	7.9%
Automotive Powerise	26.1	29.2	3.1	11.9%
Industrial / Capital Goods	33.8	38.2	4.4	13.0%
Vibration & Velocity Control	13.1	14.0	0.9	6.9%
Commercial Furniture	6.2	6.6	0.4	6.5%
Europe	117.1	128.8	11.7	10.0%
Automotive Gas Spring ¹	28.0	27.6	(0.4)	(1.4)%
Automotive Powerise ¹	36.5	35.2	(1.3)	(3.6)%
Industrial / Capital Goods ¹	17.2	14.4	(2.8)	(16.3)%
Vibration & Velocity Control ¹	9.4	10.3	0.9	9.6%
Commercial Furniture ¹	1.1	1.3	0.2	18.2%
NAFTA¹	92.3	88.9	(3.4)	(3.7)%
Automotive Gas Spring	19.4	20.7	1.3	6.7%
Automotive Powerise	0.9	7.1	6.2	>100.0%
Industrial / Capital Goods	2.6	3.3	0.7	26.9%
Vibration & Velocity Control	1.2	1.3	0.1	8.3%
Commercial Furniture	0.1	-	(0.1)	(100.0)%
Asia / Pacific and RoW	24.2	32.5	8.3	34.3%
Total Automotive Gas Spring	85.1	89.1	4.0	4.7%
Total Automotive Powerise	63.6	71.6	8.0	12.6%
Total Industrial / Capital Goods	53.7	56.0	2.3	4.3%
Total Vibration & Velocity Control	23.7	25.6	1.9	8.0%
Total Commercial Furniture	7.4	7.9	0.5	6.8%
Total	233.5	250.2	16.7	7.2%

Note: ¹ NAFTA Q3 FY18 revenue includes currency effect of €(7.7)m, resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.19\$/€ in Q3 FY18 versus 1.10\$/€ in Q3 FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Revenue by region and customer market (9M ended June 30, 2018)

External revenue (€m)				
	9M FY2017 Actual	9M FY2018 Actual	Change	% change
Automotive Gas Spring	112.8	119.7	6.9	6.1%
Automotive Powerise	75.1	83.5	8.4	11.2%
Industrial / Capital Goods	100.4	113.2	12.8	12.7%
Vibration & Velocity Control	39.1	41.3	2.2	5.6%
Commercial Furniture	18.0	19.2	1.2	6.7%
Europe	345.4	376.9	31.5	9.1%
Automotive Gas Spring ¹	84.6	79.3	(5.3)	(6.3)%
Automotive Powerise ¹	105.1	103.3	(1.8)	(1.7)%
Industrial / Capital Goods ¹	46.4	45.8	(0.6)	(1.3)%
Vibration & Velocity Control ¹	27.8	29.9	2.1	7.6%
Commercial Furniture ¹	3.6	3.5	(0.1)	(2.8)%
NAFTA¹	267.6	261.9	(5.7)	(2.1)%
Automotive Gas Spring	62.4	60.8	(1.6)	(2.6)%
Automotive Powerise	2.4	17.0	14.6	>100.0%
Industrial / Capital Goods	7.7	9.2	1.5	19.5%
Vibration & Velocity Control	3.4	5.8	2.4	70.6%
Commercial Furniture	0.1	0.1	-	0.0%
Asia / Pacific and RoW	76.0	92.9	16.9	22.2%
Total Automotive Gas Spring	259.8	259.8	-	0.0%
Total Automotive Powerise	182.6	203.9	21.3	11.7%
Total Industrial / Capital Goods	154.6	168.2	13.6	8.8%
Total Vibration & Velocity Control	70.3	77.0	6.7	9.5%
Total Commercial Furniture	21.7	22.8	1.1	5.1%
Total	689.1	731.7	42.6	6.2%

Note: ¹ NAFTA 9M FY18 revenue includes currency effect of €(28.9)m, resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.20\$/€ in 9M FY18 versus 1.08\$/€ in 9M FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

P&L overview (3M ended June 30, 2018)

P&L (€m)				
	Q3 FY2017 Actual	Q3 FY2018 Actual	Change	% change
Revenue	233.5	250.2	16.7	7.2%
COGS	(167.4)	(177.0)	(9.6)	5.7%
Gross Profit	66.1	73.2	7.1	10.7%
<i>% margin</i>	28.3%	29.3%		
R&D	(9.0)	(10.1)	(1.1)	12.2%
S&M	(15.8)	(20.4)	(4.6)	29.1%
G&A	(9.3)	(9.4)	(0.1)	1.1%
Other income/expenses	(0.9)	1.8	2.7	<(100.0)%
EBIT	31.1	35.1	4.0	12.9%
<i>% margin</i>	13.3%	14.0%		
Adjustments ¹	4.5	4.4	(0.1)	(2.2)%
Adj. EBIT¹	35.6	39.5	3.9	11.0%
<i>% margin</i>	15.2%	15.8%		

PPA adjustments (2010 PPA)	2.3	2.3
PPA adjustments (2016 PPA)	2.2	2.1
Total adjustments¹	4.5	4.4

Note: ¹ Adjusted EBIT represents profit from operating activities (EBIT), adjusted for exceptional non-recurring items (e.g. restructuring or one-time advisory costs) and depreciation/amortization of fair value adjustments from purchase price allocations (PPA).

P&L overview (9M ended June 30, 2018)

P&L (€m)				
	9M FY2017 Actual	9M FY2018 Actual	Change	% change
Revenue	689.1	731.7	42.6	6.2%
COGS	(487.9)	(512.7)	(24.8)	5.1%
Gross Profit	201.2	219.0	17.8	8.8%
<i>% margin</i>	29.2%	29.9%		
R&D	(27.6)	(31.8)	(4.2)	15.2%
S&M	(56.4)	(61.2)	(4.8)	8.5%
G&A	(27.1)	(28.8)	(1.7)	6.3%
Other income/expenses	(1.5)	2.4	3.9	<(100.0)%
EBIT	88.5	99.6	11.1	12.5%
<i>% margin</i>	12.8%	13.6%		
Adjustments ¹	14.9	13.1	(1.8)	(12.1)%
Adj. EBIT¹	103.4	112.7	9.3	9.0%
<i>% margin</i>	15.0%	15.4%		

PPA adjustments (2010 PPA)	8.5	7.0
PPA adjustments (2016 PPA)	6.4	6.1
Total adjustments¹	14.9	13.1

Note: ¹ Adjusted EBIT represents profit from operating activities (EBIT), adjusted for exceptional non-recurring items (e.g. restructuring or one-time advisory costs) and depreciation/amortization of fair value adjustments from purchase price allocations (PPA).

Balance sheet overview

Balance sheet (€m)				
	Sept 2017 Actual	June 2018 Actual	Change	% change
Property, plant and equipment	169.7	170.7	1.0	0.6%
Goodwill	194.2	194.9	0.7	0.4%
Other intangible assets	268.9	250.6	(18.3)	(6.8)%
Inventories	85.3	86.6	1.3	1.5%
Trade receivables	105.1	126.2	21.1	20.1%
Other assets	38.7	43.6	4.9	12.7%
Cash	68.1	115.8	47.7	70.0%
Total assets	930.0	988.5	58.5	6.3%
Equity incl. minorities	336.4	392.7	56.3	16.7%
Debt (incl. accrued interest)	322.0	323.0	1.0	0.3%
Pension plans and similar obligations	53.2	51.9	(1.3)	(2.4)%
Deferred tax liabilities	60.0	53.2	(6.8)	(11.3)%
Trade accounts payable	79.1	77.7	(1.4)	(1.8)%
Other liabilities	79.3	90.0	10.7	13.5%
Total equity and liabilities	930.0	988.5	58.5	6.3%
<i>Net leverage ratio¹</i>	1.5x	1.2x		

Note:

¹ Net leverage ratio = net financial debt / adj. EBITDA LTM. Net financial debt defined as principal amount of financial debt less cash. Adj. EBITDA LTM = last-twelve-month adjusted earnings before interest, taxes, depreciation and amortization. Refer also to our financial reports and quarterly statements at www.ir.stabilus.com for further details. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Cash flow overview and free cash flow (3M ended June 30, 2018)

Cash Flow Statement (€m)				
	Q3 FY2017 Actual	Q3 FY2018 Actual	Change	% change
Cash flow from operating activities	40.8	48.6	7.8	19.1%
Cash flow from investing activities	(10.3)	(8.2)	2.1	(20.4)%
Cash flow from financing activities	(1.8)	(1.0)	0.8	(44.4)%
Net increase / (decrease) in cash	28.6	39.4	10.8	37.8%
Effect of movements in exchange rates	(1.3)	0.8	2.1	<(100.0)%
Cash as of beginning of the period	68.0	75.8	7.8	11.5%
Cash as of end of the period	95.3	115.8	20.5	21.5%

Free Cash Flow (€m)				
	Q3 FY2017 Actual	Q3 FY2018 Actual	Change	% change
Cash flow from operating activities	40.8	48.6	7.8	19.1%
Cash flow from investing activities	(10.3)	(8.2)	2.1	(20.4)%
Free cash flow	30.5	40.4	9.9	32.5%

Note:

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Cash flow overview and free cash flow (9M ended June 30, 2018)

Cash Flow Statement (€m)				
	9M FY2017 Actual	9M FY2018 Actual	Change	% change
Cash flow from operating activities	85.4	98.9	13.5	15.8%
Cash flow from investing activities	(32.8)	(27.0)	5.8	(17.7)%
Cash flow from financing activities	(31.8)	(24.0)	7.8	(24.5)%
Net increase / (decrease) in cash	20.8	47.9	27.1	>100.0%
Effect of movements in exchange rates	(0.5)	(0.1)	0.4	(80.0)%
Cash as of beginning of the period	75.0	68.1	(6.9)	(9.2)%
Cash as of end of the period	95.3	115.8	20.5	21.5%

Free Cash Flow (€m)				
	9M FY2017 Actual	9M FY2018 Actual	Change	% change
Cash flow from operating activities	85.4	98.9	13.5	15.8%
Cash flow from investing activities	(32.8)	(27.0)	5.8	(17.7)%
Free cash flow	52.6	71.9	19.3	36.7%

Note:

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

STABILUS

www.stabilus.com