

# **STABILUS ANNUAL GENERAL MEETING**

Dr. Stephan Kessel, CEO, Chairman of the Management Board

Luxembourg, February 13<sup>th</sup>, 2019

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## Agenda

1. Stabilus at a glance
2. STAR 2025
3. FY2018 results

## Agenda

1. Stabilus at a glance

2.

3.

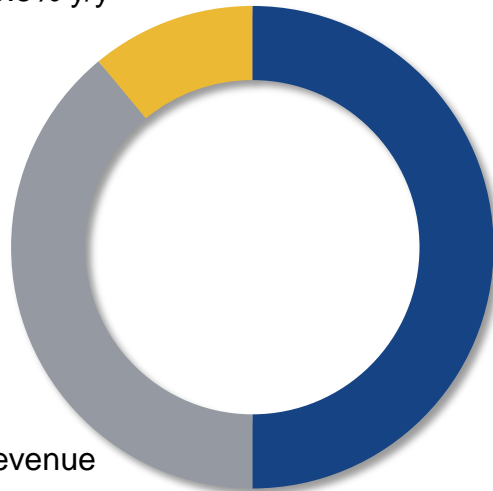
## STABILUS at a glance

### Turnover by Regions

FY2018 revenue: €962.6m

#### Asia and RoW

€123.1m  
13% of revenue  
+ 19.5% y/y







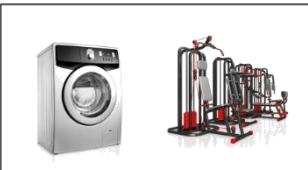
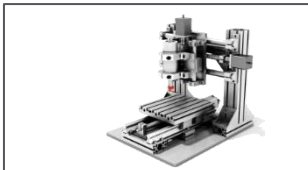




#### Europe

€491.3m  
51% of revenue  
+ 7.7% y/y

#### NAFTA

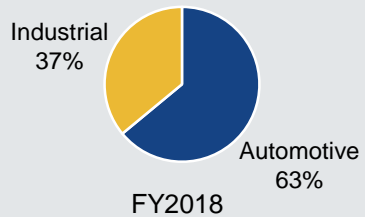
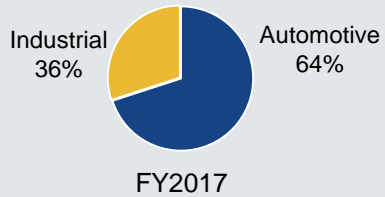
€348.1m  
36% of revenue  
w/o FX:  
375.4m  
+7.0% y/y

### In all kinds of industries

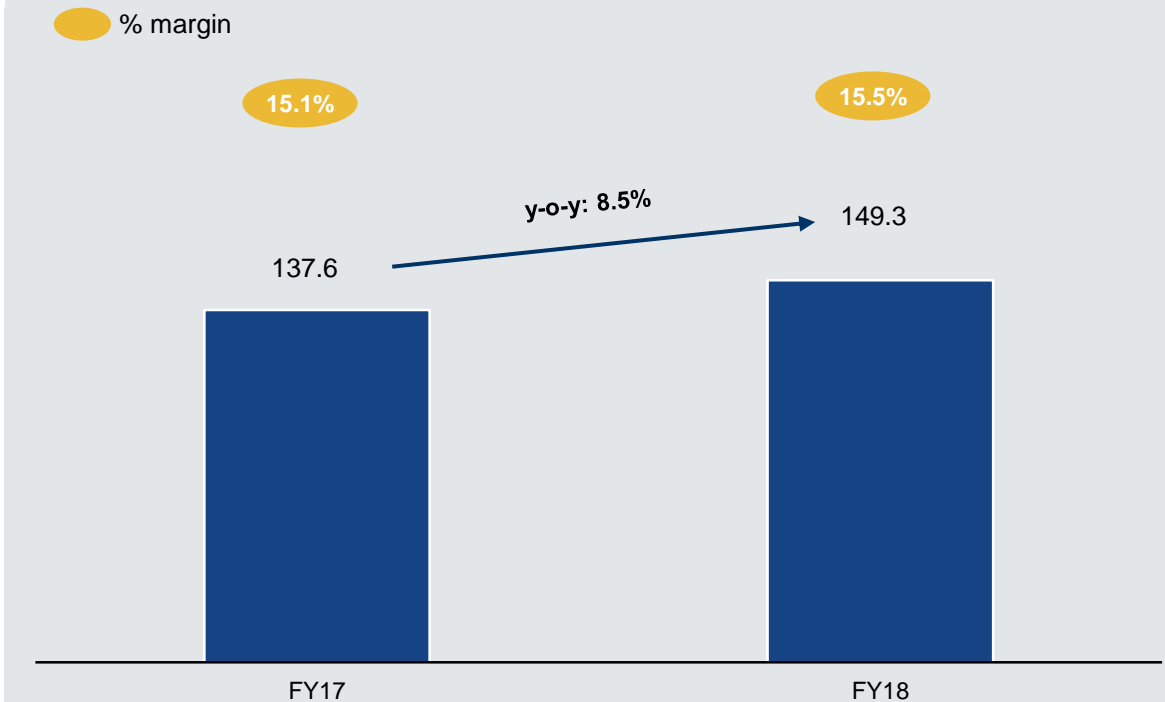
<b>Automotive</b> 	<b>Construction machinery</b> 	<b>Agriculture</b> 
<b>Marine</b> 	<b>Medical applications</b> 	<b>Truck / Bus</b> 
<b>Domestic</b> 	<b>Engineering</b> 	<b>Railway</b> 
<b>Aviation</b> 	<b>Commercial furniture</b> 	<b>Solar</b> 

## Favorable revenue breakdown, higher adj. EBIT margin

### % of revenue breakdown



### Adj. EBIT (€m)



## Broad motion control product portfolio



## Agenda

1.

2. STAR 2025

3.



## STAR 2025 – Stabilus long-term strategy

**VISION: In 2025 Stabilus is the leading motion control company.**



### SUSTAINABLE GROWTH

Stabilus strives to achieve an average sales increase of more than 6% p.a. through 2025.



### ONE STABILUS

Sustainable success depends on the performances of all of our employees. To this end, we want to form the strongest team possible.



### GLOBALIZATION

Stabilus strives to achieve a balanced regional presence. We form a strong, global team.



### INNOVATION

Stabilus is developing and practicing a strong culture of innovation. It is the foundation for long-term, successful growth.



### EXCELLENCE

Stabilus strives for excellence in all of its procedures, manufacturing processes and products.

## Markus Schädlich joined Stabilus Management Board

- Since 2018/07 President Asia Pacific
  - 2015 – 2018 JOST, President Asia
  - 2010 – 2015 JOST, President Japan
  - 2005 – 2015 Consulting Firm, Asia (M&A, Strategy, Restructuring, Interim-Management)
- Focus on strong growing Asian countries
- Asian Strategy
  - Powerise and Industrial Growth
  - Global Product Management
  - ASEAN Footprint
  - M&A / Partnerships
  - Organizational Development



## Stabilus is well positioned to benefit from current mega trends in Industrial Business

### Global mega trends

Ergonomic Lifestyle & Mobility

➤ Focused Business Development Groups

➤ Holistic Approach to the segment

➤ Significant growth potential from current and future applications

Logistics (Transport, Storage, Sorting)

### Applications



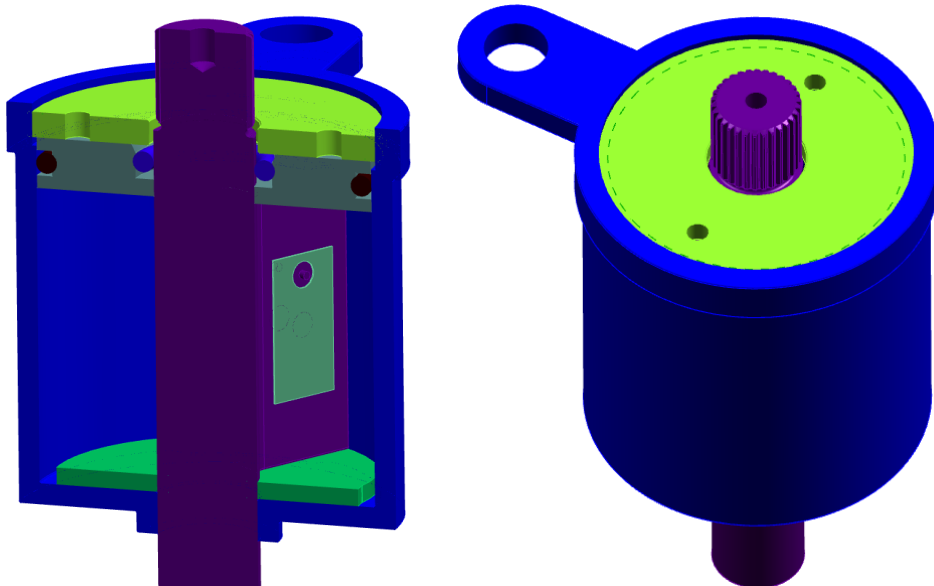
## Door actuator – an automotive product to meet future trends

- Door Actuator DA.90
- Start of Production in 2019



## Front Runner for new comfort features in electrical Vehicles

- Rotational Damper
  - Vehicle Seating
  - Vehicle Interior
  - Vehicle flaps and covers



## Agenda

1.

2.

3. FY2018 results

## FY2018 highlights

*Fiscal year-end September*

<b>Revenue</b>	<ul style="list-style-type: none"> <li>➤ Revenue up by 5.8% to €962.6m (+€52.6m vs. FY17); revenue growth w/o FX: +8.8% y/y</li> <li>➤ Asia / Pacific and RoW up by 19.5% y/y, Europe up by 7.7% y/y, NAFTA - 0.7% y/y (+ 7.0% y/y w/o FX)</li> <li>➤ Automotive Powerise + 10.3% y/y, Commercial Furniture + 8.6% y/y, Vibration &amp; Velocity Control + 8.2% y/y, Capital Goods + 7.6% y/y and Automotive Gas Spring + 0.5% y/y</li> </ul>
<b>Adj. EBIT</b>	<ul style="list-style-type: none"> <li>➤ Adj. EBIT<sup>1</sup> up by 8.5% to €149.3m (vs. €137.6m in FY17)</li> <li>➤ Adj. EBIT margin at 15.5% (vs. 15.1% in FY17)</li> </ul>
<b>Profit</b>	<ul style="list-style-type: none"> <li>➤ Profit at €105.4m in FY18 (vs. €79.2m in FY17)</li> <li>➤ Profit margin at 10.9% (vs. 8.7% in FY17)</li> <li>➤ Earnings per share at €4.27 (vs. €3.21 in FY17)</li> </ul>
<b>Net leverage ratio</b>	<ul style="list-style-type: none"> <li>➤ Net leverage ratio<sup>1</sup> at 1.1x (vs. 1.5x as of end FY17)</li> <li>➤ Net financial debt<sup>1</sup> at €199.2m</li> </ul>

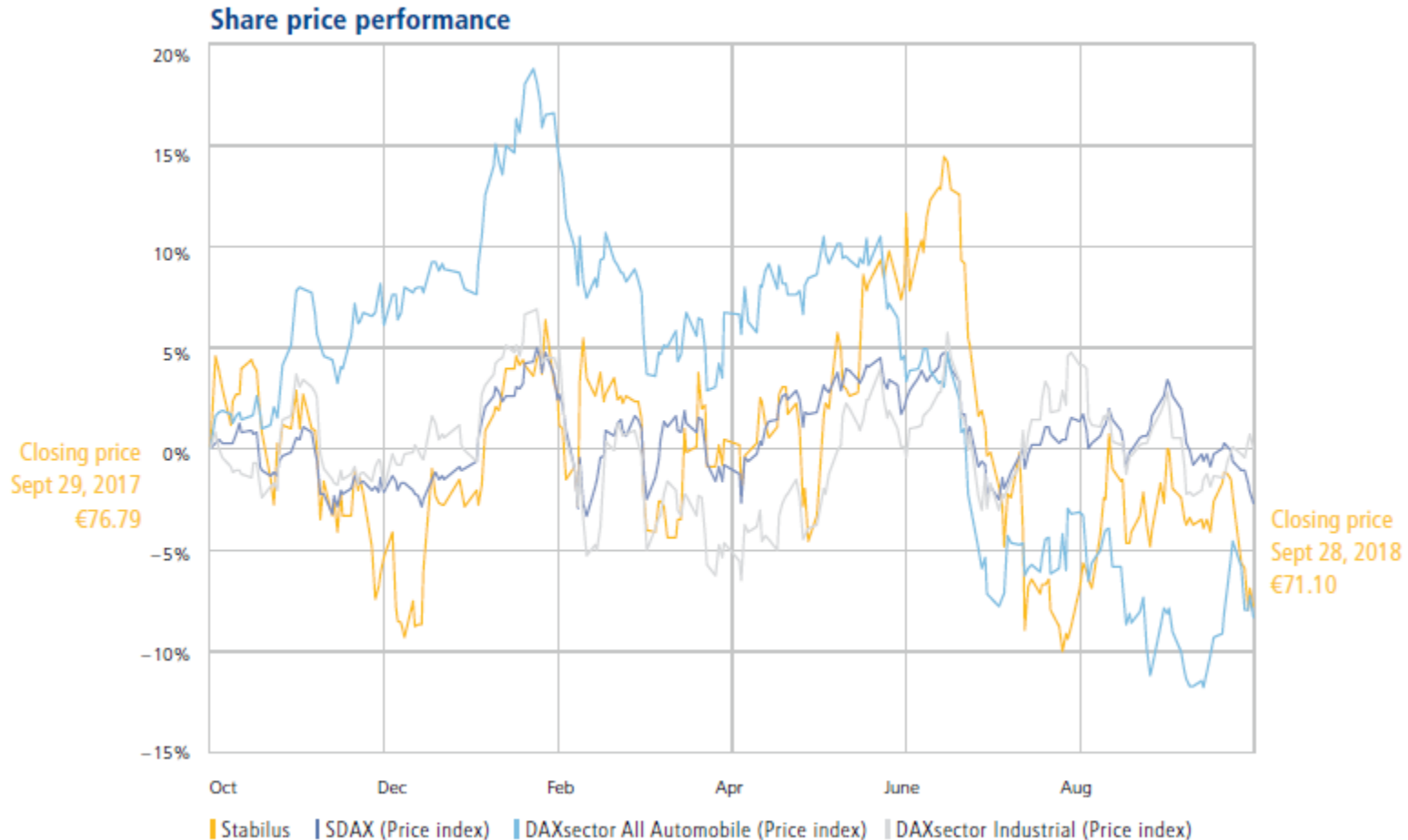
Note:

<sup>1</sup> For definition/calculation of KPIs like adj. EBIT, net leverage ratio etc. refer to our financial reports and quarterly statements under [www.ir.stabilus.com](http://www.ir.stabilus.com).

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.16\$/€ in Q4 FY18 versus 1.18\$/€ in Q4 FY17.

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

## Stabilus Share Price Performance





## Stabilus Share Price Performance

Development of Stabilus share price since IPO



## Q1 FY2019 highlights

### *Fiscal year-end September*

<b>Revenue</b>	<ul style="list-style-type: none"> <li>➤ Revenue down by 2.4% to €225.0m (- €5.6m vs. Q1 FY18); revenue change w/o FX: - 3.6% y/y</li> <li>➤ NAFTA + 0.1% y/y, Europe - 2.9% y/y and Asia / Pacific and RoW - 7.4% y/y</li> <li>➤ Capital Goods - 0.2% y/y, Automotive Gas Spring - 2.0% y/y, Automotive Powerise - 3.9% y/y and Vibration &amp; Velocity Control - 5.2% y/y</li> </ul>
<b>Adj. EBIT</b>	<ul style="list-style-type: none"> <li>➤ Adj. EBIT<sup>1</sup> at €30.8m (vs. €33.9m in Q1 FY18), down 9.1%</li> <li>➤ Adj. EBIT margin at 13.7% (vs. 14.7% in Q1 FY18)</li> </ul>
<b>Profit</b>	<ul style="list-style-type: none"> <li>➤ Profit at €17.7m in Q1 FY19 (vs. €21.7m in Q1 FY18, thereof €4.1m lower income taxes due to non-recurring remeasurement of the deferred tax positions, as a consequence of the US tax reform in Dec 2017)</li> <li>➤ Profit margin at 7.9% (vs. 9.4% in Q1 FY18)</li> </ul>
<b>Net leverage ratio</b>	<ul style="list-style-type: none"> <li>➤ Net leverage ratio<sup>1</sup> at 1.0x (vs. 1.4x as of end Q1 FY18 and 1.1x as of end FY18)</li> <li>➤ Net financial debt<sup>1</sup> at €187.8m</li> </ul>
<b>Outlook</b>	<ul style="list-style-type: none"> <li>➤ FY2019 revenue outlook: c. 2% y/y revenue growth (at constant \$/€ rate vs. FY18 of 1.19)</li> <li>➤ FY2019 adj. EBIT margin forecast: c. 15%</li> </ul>

**Note:**







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- Acquisition of system supplier with strong aircraft industry competence
- Excellent opportunity to strengthen Stabilus' motion control portfolio
- Visible over-average growth and profitability perspective

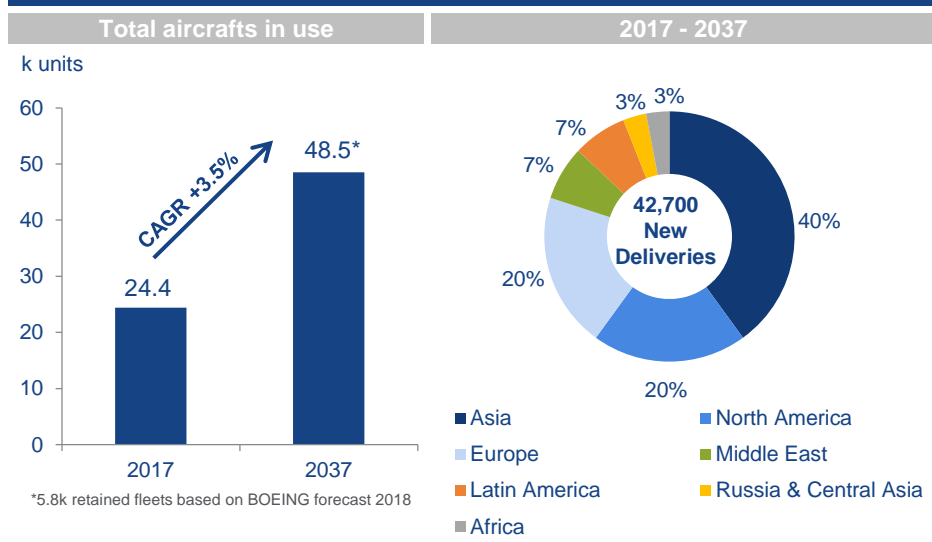
## Key products

Luggage bins	Seats	Lavatories	Cockpits	Engine cowlings	Airstairs
 <ul style="list-style-type: none"> <li>➤ Lift Assist Unit (LAU)                              </li> <li>➤ Hydraulic Dampers                              </li> <li>➤ Mounting hardware for hydraulic dampers                              </li> <li>➤ E-Latch                              </li> </ul>	 <ul style="list-style-type: none"> <li>➤ GAs Lox                              </li> <li>➤ Control cables                              </li> <li>➤ Crew Seat Damper                              </li> </ul>	 <ul style="list-style-type: none"> <li>➤ Mini Spring Actuators (MSA)                              </li> <li>➤ Rotary Dampers                              </li> </ul>	 <ul style="list-style-type: none"> <li>➤ Primary Flight Control Dampers                              </li> </ul>	 <ul style="list-style-type: none"> <li>➤ Struts – Lift Assist and Hold Open Rods (LA and HOR)                              </li> </ul>	 <ul style="list-style-type: none"> <li>➤ Handrails                              </li> </ul>

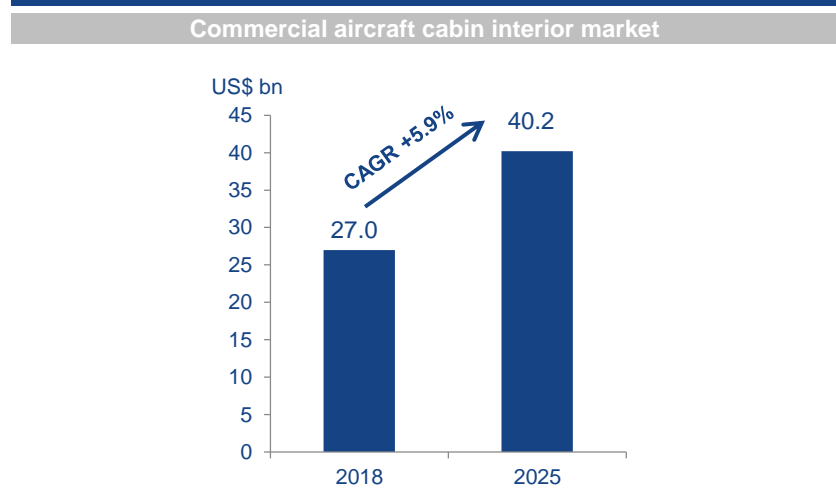
# The global commercial aircraft market is expected to grow at a CAGR of about 3.5% until 2037

# STABILUS

## Aircraft market



## Aircraft interior



- Increasing share of middle class population in APAC
- Rising demand for air travel
- Enhancing efficiency (weight reduction)
- Attracting new customers by more comfort
- Growing investments in infrastructure in emerging countries to connect secondary cities with prime aviation hubs
- Replacement of older fleets

- Enhancement primarily in seat segment for more comfort, flexibility & convenience
- More comfort and room during long-distance flights
- Strong focus on modern and innovative interior

General Aerospace has excellent position to address the aircraft market and to exploit the high potential of this market.

## CLEVERS

- Acquisition to establish industrial and IAM sales in Argentina
- Market entry in high-margin business in South America
- Clevers has well established sales and customer relationships with industrial customers in Argentina and surrounding countries
- Tailor-made production with fast and flexible delivery

### Products

Gas Spring

Adjustable Gas Spring

Traction Gas Spring

Seat Dampers



# STABILUS

[www.stabilus.com](http://www.stabilus.com)