

Annual General Meeting – February 17, 2016

CEO Speech

Speech at the Annual General Meeting of Stabilus S.A.
February 17, 2016 in Luxembourg, Grand Duchy of Luxembourg

Dietmar Siemssen, Chairman of the Management Board

The spoken word is binding

Dear Shareholders,

Dear Representatives of Shareholders,

Dear Ladies and Gentlemen,

Welcome to the Annual General Meeting of Stabilus in 2016.

Since our first Annual General Meeting in February 2015 Stabilus has been able to benefit from the consistent implementation of our STAR strategy and the strong involvement of the management teams on all levels and in all regions.

This has enabled us to achieve improvements in the four key areas of our strategy:

- Profitable growth
- Globalization
- Excellence
- Innovation

Our people and our high-quality products are key for our success. Many thanks to all employees of Stabilus for their commitment and contribution.

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In autumn 2015 two members of our German Management Team retired, Hans-Josef Hosan and Ansgar Krötz. They were two strong players in our Stabilus Management Team for a very long period. Today is a good opportunity to thank both of them for their important and valuable contributions to the successful development of Stabilus.

I would like to thank you, our shareholders, for your confidence and hope that you will continue with us further on our road to further success.

Our Supervisory Board, represented by our Chairman, Mr. Udo Stark, was closely involved in the fiscal year of Stabilus. He will report to you later and present you the new members of the Supervisory Board. Many thanks to the Supervisory Board for the close cooperation.



Our gas springs, dampers and electromechanical drives are used in a wide range of applications in the automotive and transportation branches and in a broad variety of other industrial branches, e.g. in the furniture industry. Our products are also used in house and building technology and even in medical products as well as in rehabilitation technology.

On a macro-economic basis the success seen in FY 2015 is driven by three global megatrends: The growth of the world’s population with a growing comfort-loving middle-class, the aging of the population in developed countries, and higher standards in occupational health and safety.

Stabilus is by far the world market leader in gas springs and dampers. Meanwhile we have also reached the No. 1 position as manufacturer of electromechanical drives for trunk lids.

Growth was achieved in all regions and all Business Units. The NAFTA region now contributes to our turnover with 38%. The growth rate was close to 30%. Roughly

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half of our revenue came out of Europe. Asia and RoW account for 12%, including 7% from China. The figures show that we are well under way towards a globally balanced footprint.

The breakdown of our revenue by markets shows the strong growth of the Powerise business, up to 23%. Today, Stabilus is based on four Business Units, which contribute to sustainable growth.

Please allow me to mention just a few general trends in the automotive sector which support our business:

- 1.) Over the last years, the number of vehicles produced worldwide has increased.
- 2.) Globally, the end-market customers demand cars with a larger trunk. The sedan is less popular. SUVs, crossovers, pick-ups are the trendy vehicles and it seems that this trend will continue in the foreseeable future. Those cars have body styles which benefit from gas springs and Powerise systems to deliver passenger comfort.

In the **industrial** sector we serve more than 2,500 customers with individual applications. The Business Unit also has a good success story to tell, even if it at first glance it is not visible in the figures. One advantage we have is our broad variety of customers and industries. We are less dependent on the cyclical up- and downturns of individual branches and see a strong growth rate of 4.9% in FY 2015.

Our **Swivel Chair** Business Unit has achieved an excellent position to gain further market share. The Blue Line, a new cost efficient product line, has boosted our competitiveness considerably. The turnaround has been achieved. With a 14% growth in revenue, the Business Unit is back. Stabilus is the only supplier of gas springs for swivel chairs outside of China. In the last fiscal year, we managed to extend our customer base and to win back old partners due to our superior quality and our strong customer orientation.

Operational Highlights in FY2015

Fiscal year-end September

Powerise	<ul style="list-style-type: none"> Powerise revenue up by €54mm (+62.9%) to €139.8mm Penetration of mass market platforms in Europe (e.g. Ford Mondeo and VW Passat) Key business wins of major platforms from key customers worldwide Powerise capacity expanded in Mexico (4th production line started production in May 2015); ongoing ramp-up in Romania (set-up of 3rd production line), supplying key brands like Audi, BMW and Ford
Asia	<ul style="list-style-type: none"> Industrial sales force expanded, local industrial business application R&D team set up Dedicated new facility for Industrial Gas Spring and Powerise production in China finalized Powder paint line successfully ramped-up in Korea
Production	<ul style="list-style-type: none"> Footprint Europe reorganization: transfer of small lot-size tube production from Germany to Romania Construction of a fully-automated gas-spring production line in Germany in progress
STAR	<ul style="list-style-type: none"> Turnaround of Swivel Chair business completed Further cascade of refined strategies and targets for the overall organization STAR - Next Ignition: growth strategy until 2025

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Our electromechanical drive, **Powerise**, has continued its success story. Powerise is yet another example of innovation and the effects of global megatrends. The growth rate in sales amounts to more than 60% as the comfort function is being offered in more and more mid-size volume models. With the breathtaking Falcon wing doors in TESLA's Model X, it is the first time Powerise is used outside the trunk of a car. Each of the Falcon Wing doors is propelled by four Powerise systems. Rising customer demand for greater comfort and better ergonomics is leading to the increased use of this technology in the automotive sector. We see additional growth potential for this product. The Business Unit has won key platforms to secure future growth. In May 2015 we extended our production capacity in Mexico with a 4th line. Another line, the 5th one, was constructed in 2015 and started production in January 2016. In Romania, we ramped up production with an additional production line.

Our business unit for capital goods could broaden its customer base in modern industries like the solar or aerospace industries. In addition, it improved its footprint in the medical sector, which is a growing sector due to the demographic change.

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One region receives special attention: Asia. The growth potential here is obvious, as the megatrends of higher ergonomics and demographic change play a major role. We see China as a market for both the automotive and the industrial sector. We have increased our market presence with an extended salesforce and local R&D competence. The new building is being erected. As I already mentioned, the industrial line started production in January 2016. A Powerise line is on its way to China. Start of production is scheduled for late summer 2016.

In Europe we relocated the small lot-size tube production from Germany to Romania. This move allowed us to set up a new fully-automated production line in Koblenz. The new line will strengthen our competitiveness as it will reduce the time to retool the machinery. Other facilities were upgraded. We improved the ergonomics of the workplaces as part of our strategy to become an attractive employer in a society with more and more elderly people. We launched some measures to optimize our ecological footprint. Thus, we will soon be inaugurating a combined heat and power plant in Koblenz.

The number of projects worldwide to extend our production capacities shows you how drastically Stabilus has changed in the last years and its level of dynamism. We now have several ongoing projects to benefit from the strong end-market momentum compared to a much lower level in former times.

That is why I would like to refer again to our STAR strategy process, which delivers improvements to our organization and competitiveness. The turnaround of the Swivel Chair business is an outcome of it. We exceed the sales targets by now. We cascade the STAR strategy process down to all regions, Business Units and functions. And on the global level we are now starting to think about the next steps until year 2025. We call this project STAR Next Ignition.

As a windfall to its economic success, STAR has a cultural effect on the overall organization. It leads to a strong commitment of the teams and close team work.



It is important to stress that all three regional sectors delivered important contributions to the increased sales figures with growth rates between 15% and 29% in FY 2015. For me, it is important to point out that we could grow in all Asian markets, even in the more mature ones like Japan. Organic growth is the main driver of our increased revenues, but we also capitalized on the favorable exchange rates of the U.S. dollar.

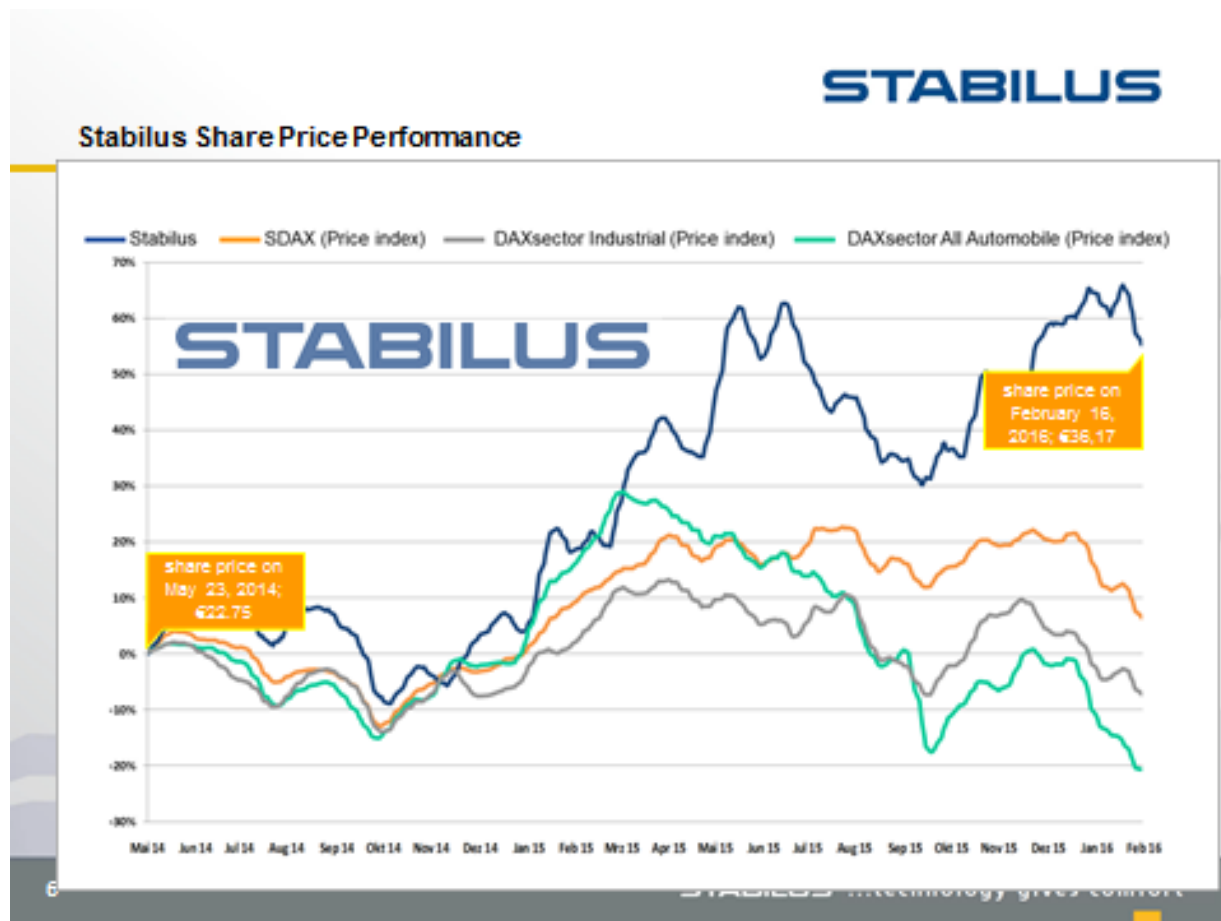
For the fiscal year ending September 30, 2015, Stabilus increased revenue by 20.5% to EUR 611.3 million (previous year: EUR 507.3 million). All regions besides Brazil achieved a double-digit growth rate in revenue and all Business Units contributed to this successful year.

The adjusted EBITDA increased by 16.0% to EUR 107.3 million. Adjusted operating profit (adjusted EBIT) increased by 17.1% to EUR 76.2 million. At 12.5%, the adjusted EBIT margin was thus within the targeted corridor of 12% and 13%.

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Another important step in 2015 was the refinancing of the high-yield bond into a long-term financing structure that reduces the company's interest burden by around 13 million euros per year. In addition, it provides us with a solid and very flexible financing structure.



Since the IPO in May, our share has outperformed the SDAX and the sector benchmarks of the automotive branch and the industrial segment. In May 2015 our former owner Triton placed the last package of 20% of our shares on the market. You can see the boost in our share price.

The development of the share price made our share to a very attractive investment.

Strategic priorities for FY 2016

Growth

- Focus on product and application innovation
- Winning key platforms and increasing market share with existing and new applications
- Focus on product and process robustness

Automotive

Powerise:

- Further capitalize on extremely strong end-market momentum
- Production footprint optimization towards mass production

Automotive:

- Extend Federbein-Business

Industrial

- Focus on Industrial aftermarket
- Transfer of Powerise solutions into Industrial applications
- Successful ramp up of local CN Prod. as well as win further Local Chinese Projects

STAR Next Ignition

- Next Level of STAR-Strategy "STAR 2025"
- Further consequent execution of defined Strategy

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Now, let's look into 2016.

To secure our long-term sustainable growth, it is important that we continue to focus on innovation, key platforms and the robustness of products and processes. Quality is one of our foundations of long-term success.

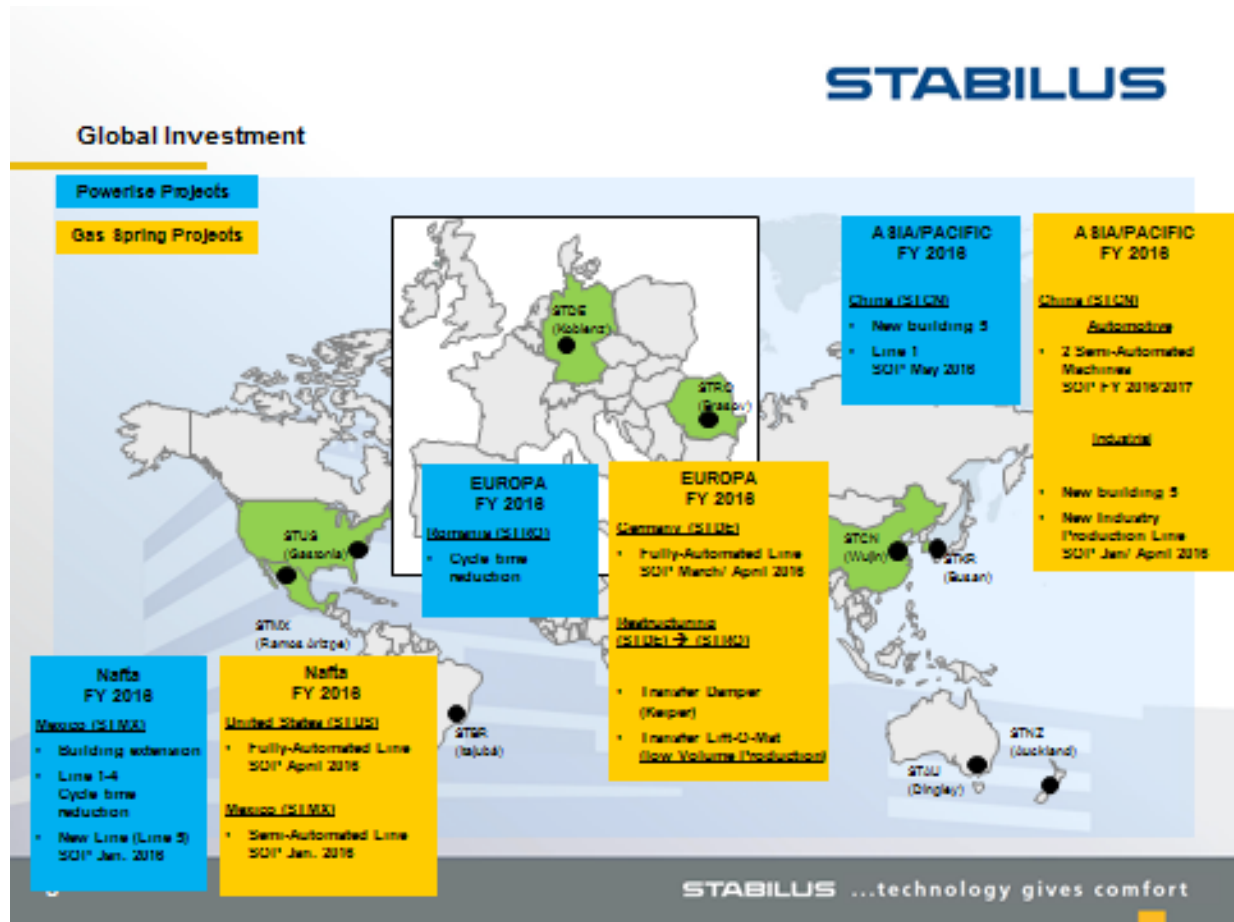
The Automotive business will further capitalize on the strong end-market momentum. Therefore it will optimize the production footprint with respect to the mass production. The Federbein business is key to the development of this Business Unit.

We try to bring the electrification into the industrial sector and we want to bring this to a level that allows the first contracts to be signed with customers in 2016. Of course, we expect to benefit from our local footprint in China and we aim to win further local projects.

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Our STAR strategic process will be implemented consistently. As already mentioned, it is cascaded throughout the Stabilus organization. In parallel, we will work on the next step of our STAR strategy, forward looking to 2025.



To give you a better understanding of the dynamics in Stabilus, I want to give you an overview of our key projects in the global Stabilus world.

Powerise:

- Ramp-up of the aforementioned production line in China, operational as of late summer 2016
- Ramp-up of the 5th line in Mexico. Production started in January 2016
- Cycle time reduction in Mexico and in Europe

Switch to gas springs:

We experienced a rising demand in gas springs. As a consequence, we added new capacities worldwide and optimized existing production lines. We now have a more balanced global footprint in our production network.



To control motion and to facilitate ease of operation in all kinds of places is the aim of Stabilus. We are always looking for new kinds of applications. These include the replacement of products with gas springs, dampers or Powerise systems, or the enabling of new technologies and product features for our customers. Our commitment to supporting the business of our customers, our close cooperation with them and our engineering competence make us unique. It is this differentiation that is the basis of our success.

Only two years ago we started with dampers for the solar industry. Now we support the three most important suppliers for solar farms in the US.

TESLA is not only an example for the innovative use of Powerise. This case also shows that Stabilus is a well-accepted supplier for systems and the preferred engineering partner for key innovational drivers.



Highlights Q1 FY2016

Fiscal year-end: September

Revenue	<ul style="list-style-type: none"> Revenue up by 23.5% to €167.3mm (+€32.2mm vs. Q1 FY15) Growth in all regions with NAFTA (+26.0%), Europe (+13.4%) as well as Asia / Pacific and RoW (+11.4%) Growth in all markets with Powerise (+44.1%), Capital Goods (+22.5%), Gas Spring (+16.7%) and Survival Chair (+9.4%)
Adj. EBITDA	<ul style="list-style-type: none"> Adj. EBITDA up by 27.0% to €25.7mm (+€5.1mm vs. Q1 FY15) Adj. EBITDA margin at 17.2% (vs. Q1 FY15 margin of 16.7%)
Adj. EBIT	<ul style="list-style-type: none"> Adj. EBIT up by 27.2% to €21.0mm (+€3.7mm vs. Q1 FY15) Adj. EBIT margin at 12.6% (vs. Q1 FY15 margin of 11.2%)
Net debt	<ul style="list-style-type: none"> Net financial debt¹ of €222.7mm Net financial debt / adj. EBITDA LTM decreased to 2.1x (vs. 2.4x as per Q1 FY15)
Outlook	<ul style="list-style-type: none"> Full year revenue guidance for FY2016 increased from 660 million to 680mm Adj. EBIT margin is expected to be in line with historic results at 12-13%

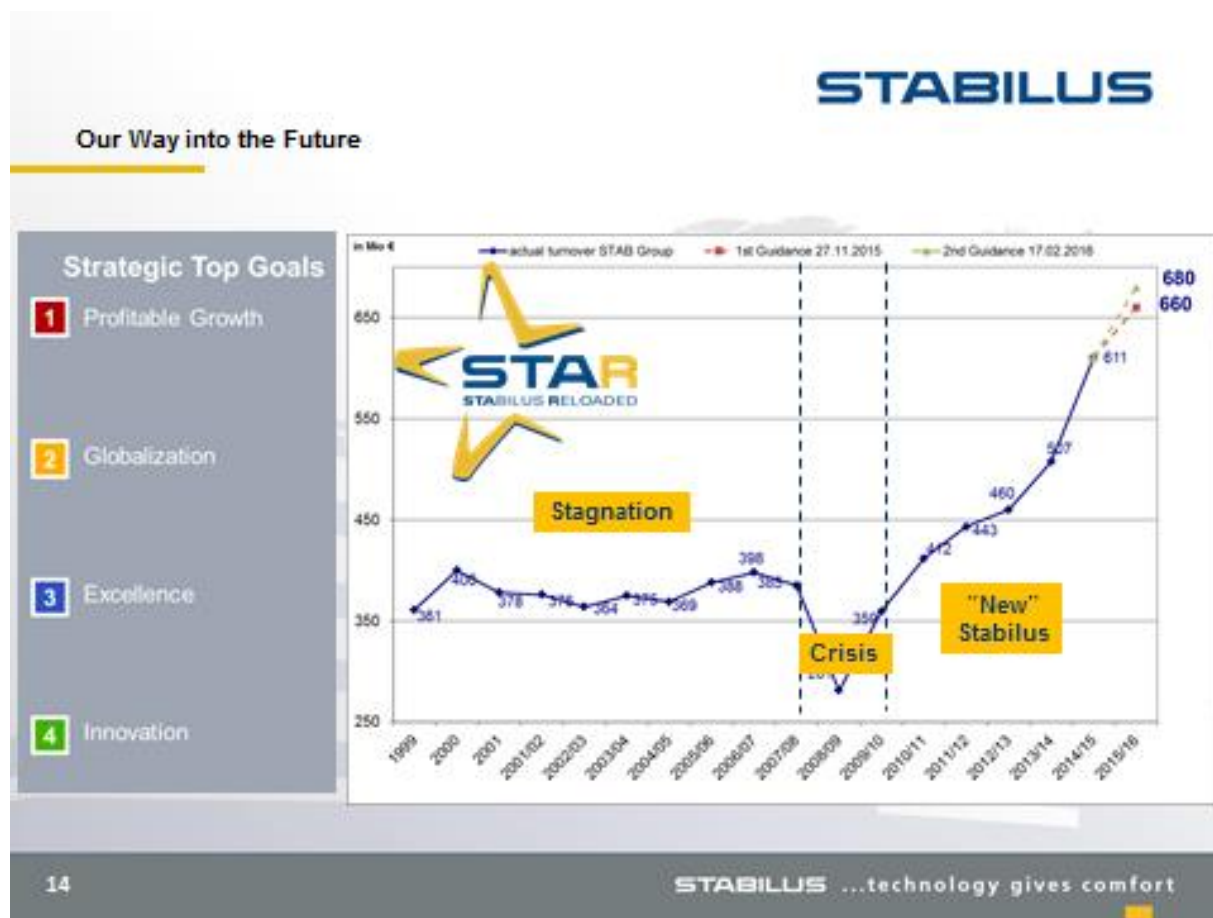
Note:
¹ Net financial debt = principal amount of senior facilities less cash

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We can look back on strong first quarter of FY 2016. Our business is on a high level and we will seize every opportunity for further growth. We see a good rise in our revenue and also in EBITDA and EBIT.

Favorable sales in the automotive sector and also higher than expected uptake rates for Powerise drove up first quarter sales. But also well running industry products such as the solar damper give us great confidence for this year's sales outlook.

We decided to increase our guidance from 660 million Euros to 680 million Euros. The adjusted EBIT margin is expected to be in line with historic results at 12% – 13%.



Ladies and gentlemen. I would like to end my presentation with this picture. It shows at a glance the dynamism of the new Stabilus. We developed a good strategy and adjusted our businesses. The consistent implementation of our strategic process, our quality, service, and innovative products together with our teams worldwide are the foundation for the successful future of Stabilus.

I sincerely hope you will remain with us to enjoy the benefits of this approach and welcome you back here again next year for our next annual meeting.

Thank you for your attention. We will be glad to answer your questions now.