

Q1 FY2021 RESULTS

FEBRUARY 1, 2021

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

AGENDA

- 1 OPERATIONAL HIGHLIGHTS**
- 2 FINANCIAL RESULTS**
- 3 RESULTS BY OPERATING SEGMENT**
- 4 OUTLOOK**
- 5 APPENDIX**

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OPERATIONAL HIGHLIGHTS

OVERVIEW

Status quo

- › Strict safety procedures are in place (pandemic plan); situation is under control; only sporadic new COVID-19 cases at Stabilus production plants in Mexico, Romania, US and Germany
- › Global light vehicle production (LVP) in Q1 FY21 at 23.4m vehicles, + 2.5% y/y (vs. -2.7% y/y according to IHS forecast from Oct 16, 2020); customer demand from our automotive customers recovering further, industrial business continues to be soft
- › In the Automotive Powerise division, several new model launches led to substantial outperformance of LVP in Q1 FY21
- › Limited visibility for Q2 FY21 due to semiconductor shortages at OEMs
- › Flexible production set-up continues to be very important in the current market environment
- › The construction of the new Powerise plant in Pinghu (near Shanghai) is largely completed, first Powerise production line installed, ready for the ramp up phase (see following pages)

Corporate actions

- › Top priorities: ensuring safety of our employees and business continuity (keeping the production running)
- › Stabilus pandemic rules (incl. social distancing, disinfection et al.) continue to be effective and operational; close monitoring of all activities continues, in order to reduce COVID-19 risks for Stabilus employees and operations
- › Cost flexibilization (EBIT recovery) program
- › Aligning/adjusting our production capacity to customer demand by utilizing short-time work schemes, furloughs, plant shut-downs for several days, selected layoffs et al.

OPERATIONAL HIGHLIGHTS

STABILUS

NEW POWERISE PLANT IN PINGHU, CHINA



OPERATIONAL HIGHLIGHTS

STABILUS

NEW POWERISE PLANT IN PINGHU, CHINA



OPERATIONAL HIGHLIGHTS

NEW POWERISE PLANT IN PINGHU, CHINA





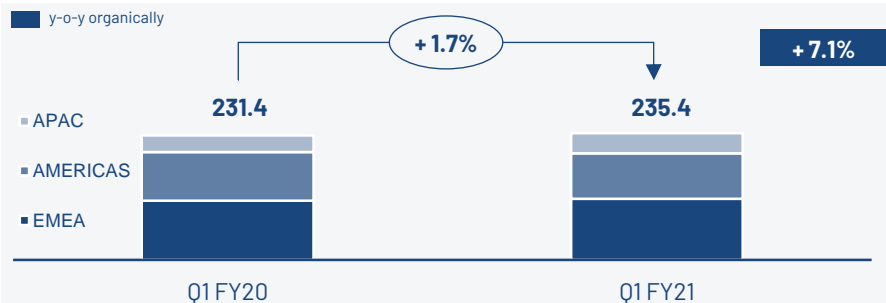
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FINANCIAL RESULTS

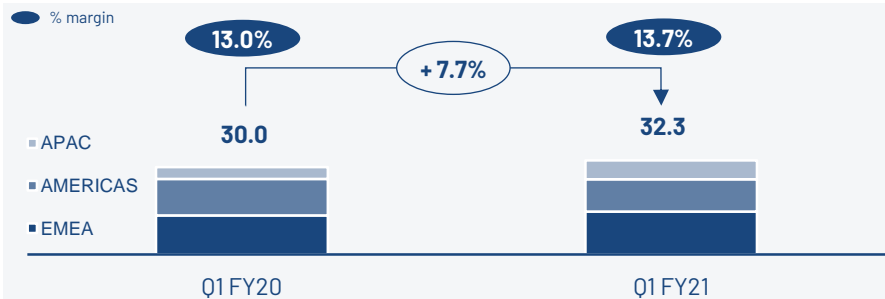
Revenue	<ul style="list-style-type: none">› Revenue at €235.4m (vs. €231.4m in Q1 FY20), + €4.0m or + 1.7% y/y› Acquisition effect: 0% y/y, currency translation effect: - 5.4% y/y, organic growth: + 7.1% y/y
Adj. EBIT	<ul style="list-style-type: none">› Adj. EBIT at €32.3m (vs. €30.0m in Q1 FY20), + 7.7% y/y› Adj. EBIT margin at 13.7% (vs. 13.0% in Q1 FY20 and 13.7% in Q1 FY19)
Profit	<ul style="list-style-type: none">› Profit at €14.3m (vs. €16.4m in Q1 FY20), - 12.8% y/y
Adj. FCF	<ul style="list-style-type: none">› Adj. FCF (i.e. FCF before acquisitions) = FCF: there were no payments for acquisitions in Q1 FY21› Adj. FCF at €21.9m (vs. €7.8m in Q1 FY20)
Net leverage ratio	<ul style="list-style-type: none">› Net leverage ratio at 1.0x (vs. 1.2x as of end FY2020)› Net financial debt at €152.2m (vs. €172.3m as of end FY2020 and €184.3m as of end Q1 FY20)
Outlook	<ul style="list-style-type: none">› Revenue forecast for FY2021: €850m - €900m› Adj. EBIT margin forecast for FY2021: 12% - 13%

Q1 FY2021

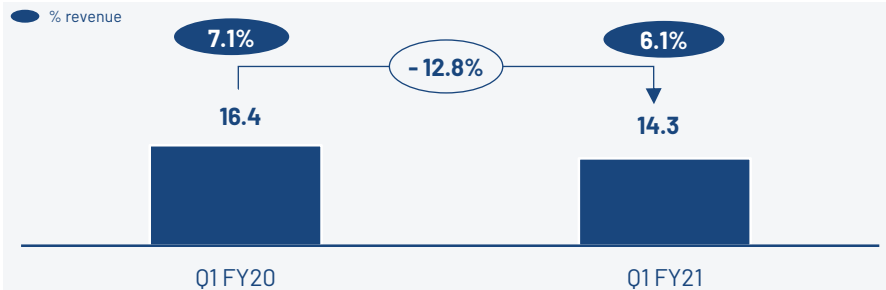
Revenue (€m)



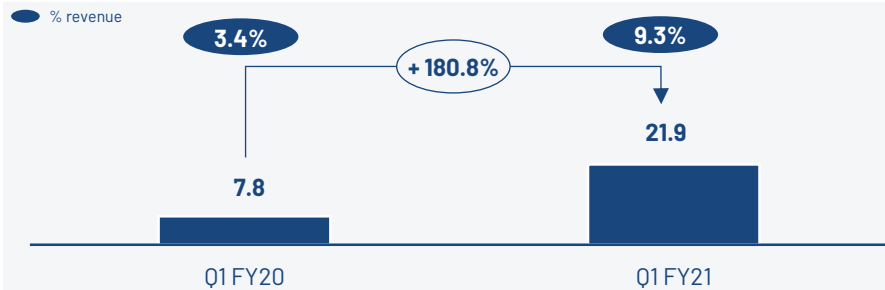
Adj. EBIT (€m)



Profit (€m)



Adj. FCF (€m)

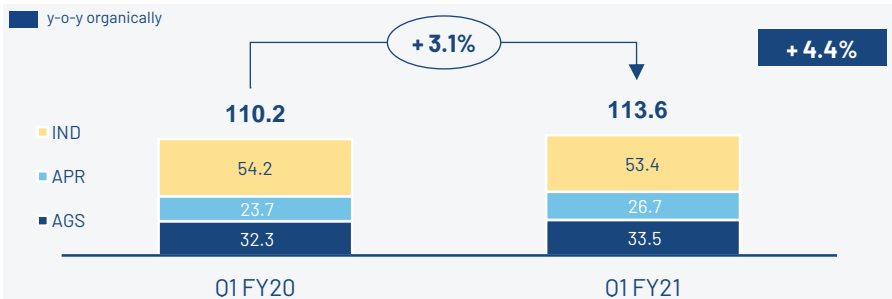


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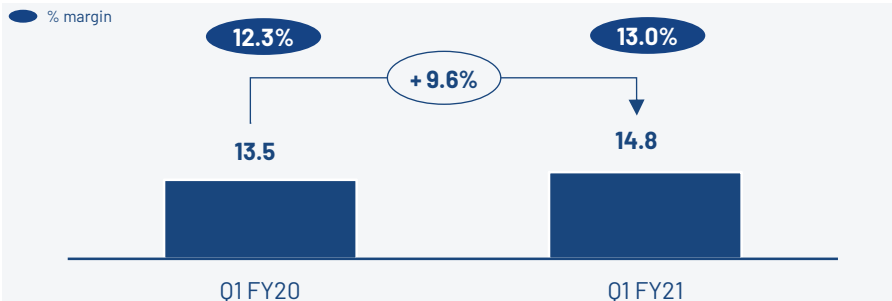
RESULTS BY OPERATING SEGMENT

Q1 FY2021

Revenue (€m)



Adj. EBIT (€m)

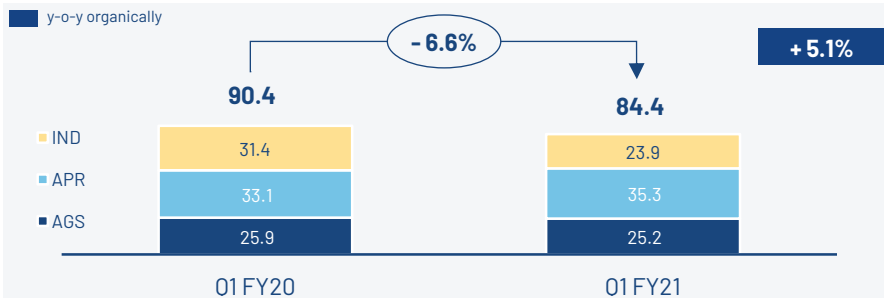


Comments

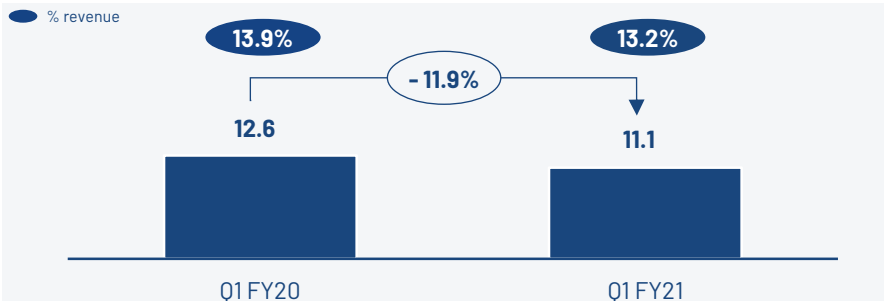
- › Light vehicle production (LVP) in Europe, Middle East and Africa in Q1 FY21 at 5.7m units, i.e. + 0.2% vs. Q1 FY20
- › EMEA's revenue up by €3.4m or 3.1% y/y to €113.6m in Q1 FY21, organic growth at 4.4% y/y
- › Organic growth in Automotive Gas Spring division 3.7% y/y and in Automotive Powerise 15.2% y/y; Powerise growth due to higher product adoption/installation rates in and increased production of BMW 5-series, Porsche Macan, Porsche Taycan, VW Cupra Formentor, Skoda Octavia, VW T-Roc, VW Passat, Audi A3, Audi e-tron
- › Industrial revenue slightly below prior year's Q1 level and flat organically: revenue growth in the market subsegments *commercial vehicles, healthcare, recreation & furniture* was offset by weaker business in *energy, construction, industrial machinery & automation*, as well as in *aerospace, marine & rail*
- › Adj. EBIT margin improved by 70bp to 13.0%, reflecting sustainability ("stickiness") of cost saving actions

Q1 FY2021

Revenue (€m)



Adj. EBIT (€m)



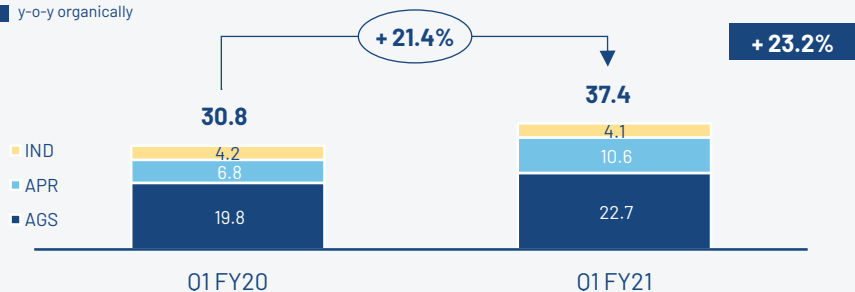
Comments

- › Light vehicle production (LVP) in Americas in Q1 FY21 at 4.6m units, i.e. + 0.4% vs. Q1 FY20
- › Americas revenue down by €6.0m or 6.6% y/y, due to COVID-19 crisis and negative currency translation effect of -11.7%; organically Americas revenue grew by 5.1% y/y
- › Organic growth in Automotive Gas Spring division at 9.2% y/y and in Automotive Powerise at 22.4%; Powerise growth due to product installation rates in and increased production of Tesla Model 3, Tesla Model Y, Ford Edge, VW Audi Q5
- › Industrial revenue dipped by €7.5m to €23.9m in Q1 FY21, - 23.9% y/y or -16.7% y/y organically; revenue growth in *distributors, independent aftermarket, e-commerce (DIAMEC) and commercial vehicles* market segments was not sufficient to offset revenue decline in our other industrial markets; in particular, our business with *energy & construction* customers was substantially weaker than in Q1 of the previous fiscal year
- › As a result of softer industrial business (negative mix effect), adj. EBIT margin 70bp below the Q1 FY20 level of 13.9%

Q1 FY2021

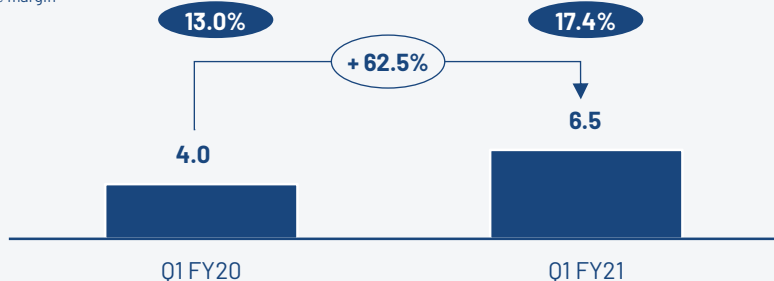
Revenue (€m)

y-o-y organically



Adj. EBIT (€m)

% margin



Comments

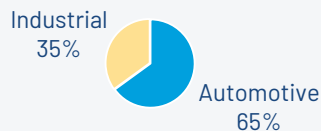
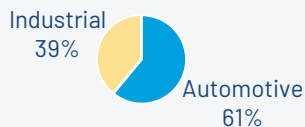
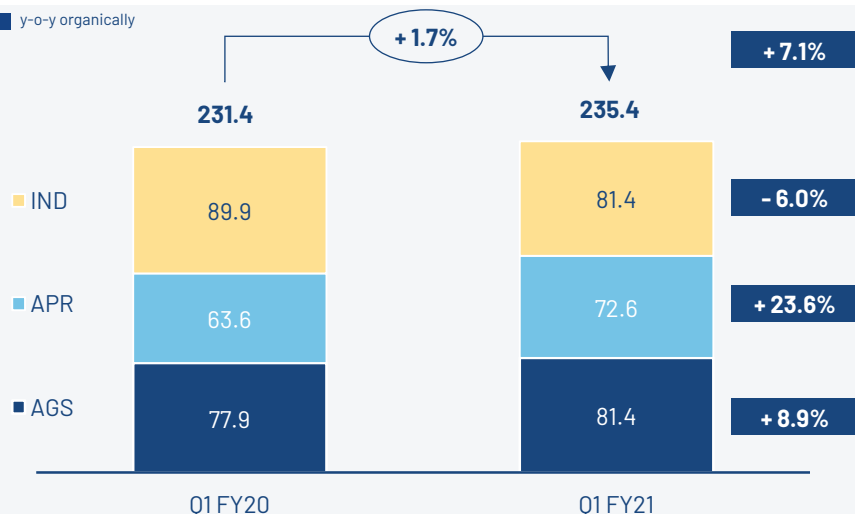
- › Light vehicle production (LVP) in Asia-Pacific in Q1 FY21 at 13.1m units, i.e. +4.3% vs. Q1 FY20
- › APAC's revenue grew by €6.6m or +21.4% to €37.4m in Q1 FY21, organically +23.2% y/y
- › Organic growth in Automotive Gas Spring division at 16.4% y/y and in Automotive Powerise at 58.0% y/y; Powerise growth as a result of new model launches and increased production of CHJ Leading Ideal One (EV, full-sized SUV), Geely Lynk & Co 05 (coupe-like crossover), SAIC Roewe RX5 (compact crossover), SAIC D-MPV, Ford Explorer, GM Cadillac XT6 (mid-sized crossover)
- › Industrial revenue €0.1m below prior year's Q1 level, organically -1.1% y/y; revenue growth in *distributors, independent aftermarket, e-commerce (DIAMEC), mobility and energy & construction* markets was offset by revenue decline in *healthcare, recreation & furniture* as well as in *industrial machinery & automation* subsegments
- › As a consequence of better capacity utilization, adj. EBIT margin improved by 4.4pp to 17.4% in Q1 FY21, well above group average

REVENUE BY BUSINESS UNIT

Q1 FY2021

Revenue (€m)

y-o-y organically

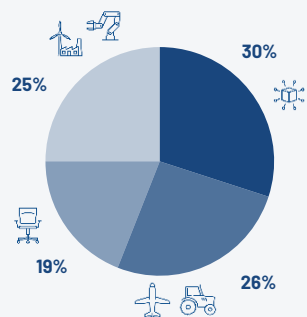


Comments

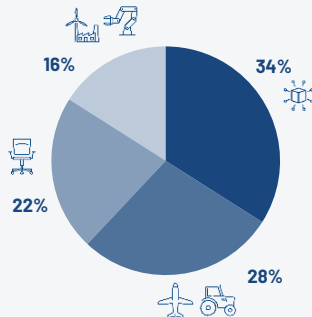
- › Global light vehicle production in Q1 FY21 at 23.4m units, i.e. + 2.5% vs. Q1 FY20
- › Strong recovery in the Stabilus automotive business: organic growth in Automotive Gas Spring division at 8.9% and in Automotive Powerise at 23.6% y/y; Powerise growth due to new model launches and increased production of the above mentioned vehicle platforms
- › Industrial revenue €8.5m or 9.5% below the prior year's level in Q1 FY20, i.e. organically - 6.0% y/y; as a result, share of industrial business decreased by 4pp to 35% of total revenue in Q1 FY21

Industrial revenue

Q1 FY2020: €89.9m



Q1 FY2021: €81.4m



Distributors, Independent Aftermarket, E-commerce (DIAMEC)



Mobility (M)



Healthcare, Recreation & Furniture (HRF)



Energy, Construction, Industrial Machinery & Automation (ECIMA)

Comments

- › Industrial revenue at €81.4m, down by 9.5% or €8.5m y/y
- › Driven by the current COVID-19 crisis, a significantly lower business activity could be observed in the *energy, construction, industrial machinery and automation* markets in Q1 FY21
- › *ECIMA's* revenue dip by €10m (- 44% y/y) was only partly offset by €1m revenue growth in *DIAMEC* (+ 3% y/y) and €1m revenue growth in *HRF* (+5% y/y); with €23m the *Mobility* segment was on the level of the prior year's Q1
- › As a result, the share of *DIAMEC, Mobility* and *HRF* revenue has increased from 30%, 26% and 19% of the industrial revenue in Q1 of the previous fiscal year to 34%, 28% and 22% of the industrial revenue in Q1 FY21, respectively; the *ECIMA's* revenue contribution dipped from 25% to 16% of industrial revenue
- › Within the *Mobility* segment we achieved higher revenues in *commercial vehicles* subsegment which were largely offset by lower revenues in *aerospace, marine & rail* subsegment



4 OUTLOOK

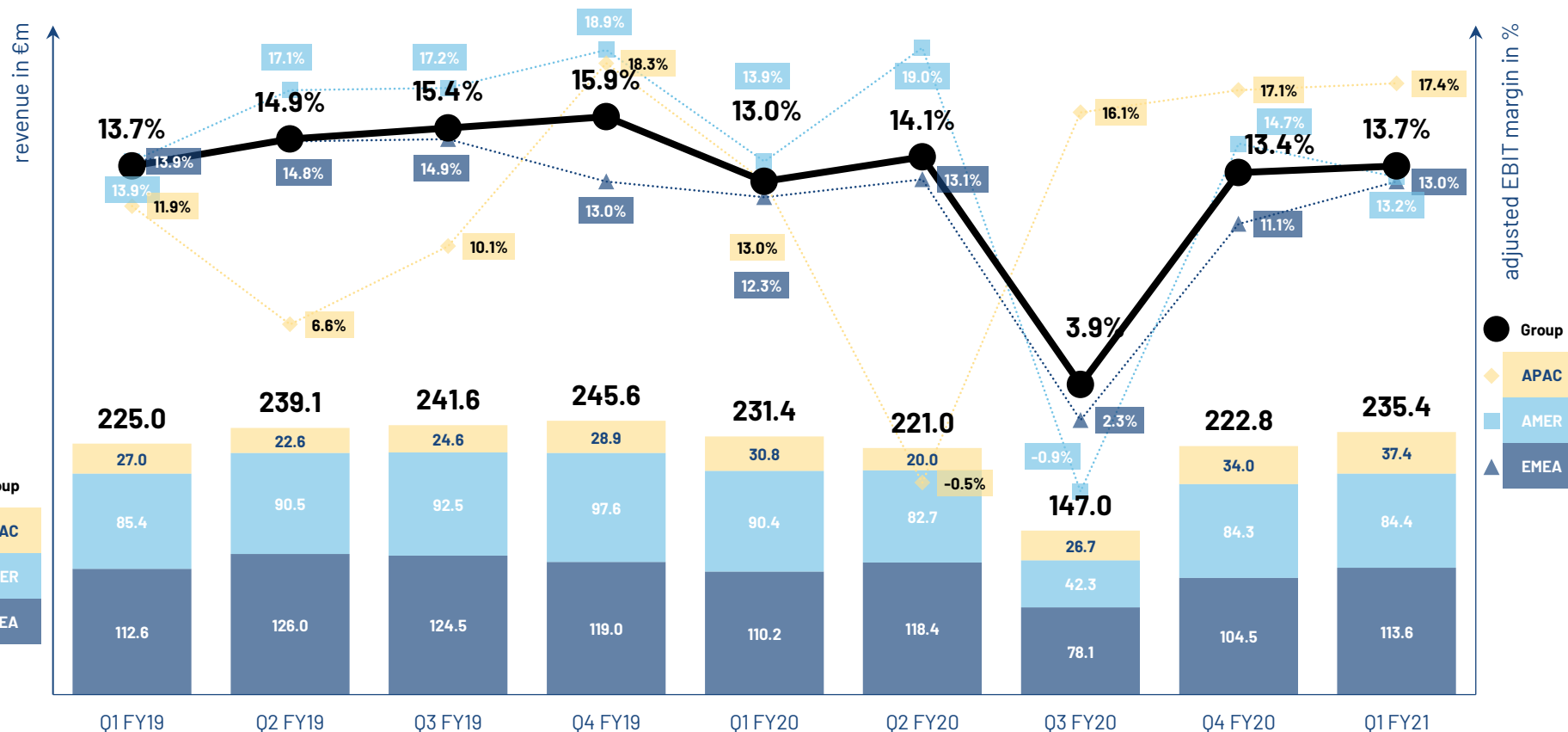
Guidance		Comments	
	FY2020 Actual	FY2021 Guidance	
Revenue	€822.1m	€850m - €900m	<ul style="list-style-type: none"> › Global light vehicle production (LVP) in FY2021 (Oct-Sept) is expected to grow by c. 16% y/y (i.e. c. 85.7m in FY21 vs. c. 73.9m in FY20). The return to the annual production level of c. 90m is expected for FY2023. (Source: leading forecast institutes, IHS Markit Jan 2021 et al.) › Limited visibility for Q2 FY21 due to semiconductor shortages at OEMs › The COVID-19 pandemic has affected all our customer markets and target industries. As a consequence of the pandemic and the significant uncertainty, the guidance shows a wider range compared to the prior years. We will review our FY2021 forecast on a regular basis and specify it further as soon as possible. › We continue to pursue our long-term strategy focusing on sustainable, profitable growth, globalization, excellence, innovation as well as team spirit (<i>One Stabilus</i>). Based on the current LVP and GDP assumptions, we strive for organic revenue CAGR 2020-25 of 6% and the return to an adj. EBIT margin of 15%.
Adj. EBIT margin	11.8%	12% - 13%	



5 APPENDIX

REVENUE AND ADJUSTED EBIT MARGIN BY QUARTER

STABILUS



REVENUE OVERVIEW

STABILUS

THREE MONTHS ENDED DECEMBER 31, 2020

Revenue (€m)							
	01 FY2020 Actual	01 FY2021 Actual	Change	% change	Acquisition effect	Currency effect	Organic growth
Automotive Gas Spring	32.3	33.5	1.2	3.7%	-	0.0%	3.7%
Automotive Powerise	23.7	26.7	3.0	12.7%	-	(2.5)%	15.2%
Industrial	54.2	53.4	(0.8)	(1.5)%	-	(1.5)%	0.0%
EMEA	110.2	113.6	3.4	3.1%	-	(1.3)%	4.4%
Automotive Gas Spring	25.9	25.2	(0.7)	(2.7)%	-	(11.9)%	9.2%
Automotive Powerise	33.1	35.3	2.2	6.6%	-	(15.8)%	22.4%
Industrial	31.4	23.9	(7.5)	(23.9)%	-	(7.2)%	(16.7)%
AMERICAS	90.4	84.4	(6.0)	(6.6)%	-	(11.7)%	5.1%
Automotive Gas Spring	19.8	22.7	2.9	14.6%	-	(1.8)%	16.4%
Automotive Powerise	6.8	10.6	3.8	55.9%	-	(2.1)%	58.0%
Industrial	4.2	4.1	(0.1)	(2.4)%	-	(1.3)%	(1.1)%
APAC	30.8	37.4	6.6	21.4%	-	(1.8)%	23.2%
Total Automotive Gas Spring (AGS)	77.9	81.4	3.5	4.5%	-	(4.4)%	8.9%
Total Automotive Powerise (APR)	63.6	72.6	9.0	14.2%	-	(9.4)%	23.6%
Total Industrial (IND)	89.9	81.4	(8.5)	(9.5)%	-	(3.5)%	(6.0)%
Total	231.4	235.4	4.0	1.7%	-	(5.4)%	7.1%

THREE MONTHS ENDED DECEMBER 31, 2020

P&L (€m)					Comments
	01 FY2020 Actual	01 FY2021 Actual	Change	% change	
Revenue	231.4	235.4	4.0	1.7%	› Gross profit margin improved by 90bp
Cost of sales	(164.6)	(165.4)	(0.8)	0.5%	
Gross Profit	66.8	70.1	3.3	4.9%	› Selling expenses down by €1.5m – mainly a result of efficiency gains following integration of industrial business units into one division
% margin	28.9%	29.8%			
R&D expenses	(10.5)	(10.5)	-	0.0%	› Administrative expenses up by €1.5m, primarily due to higher IT expenses for further digitalization of our business
Selling expenses	(22.0)	(20.5)	1.5	(6.8)%	
Administrative expenses	(8.5)	(10.0)	(1.5)	17.6%	
Other income/expenses	(0.3)	(1.0)	(0.7)	>100.0%	› Other net expenses up by €0.7m due to foreign currency translation losses
EBIT	25.4	28.1	2.7	10.6%	
% margin	11.0%	11.9%			› Finance costs up by €5.1m due to foreign exchange losses from currency translation of intragroup loans (particularly in USD and MXP)
Finance income/costs	(3.0)	(8.1)	(5.1)	>100.0%	
EBT	22.4	20.0	(2.4)	(10.7)%	
% margin	9.7%	8.5%			
Income tax	(6.1)	(5.7)	0.4	(6.6)%	
Profit	16.4	14.3	(2.1)	(12.8)%	
% margin	7.1%	6.1%			
EPS in €	0.66	0.58	(0.10)	(12.1)%	

EBIT ADJUSTMENTS

THREE MONTHS ENDED DECEMBER 31, 2020

Adjusted EBIT (€m)

	01 FY2020 Actual	01 FY2021 Actual	Change	% change
EBIT	25.4	28.1	2.7	10.6%
PPA adj. - D&A (2010 PPA)	1.7	1.7	-	0.0%
PPA adj. - D&A (2016 PPA)	2.1	2.0	(0.1)	(4.8)%
PPA adj. - D&A (2019 PPA)	0.8	0.4	(0.4)	(50.0)%
Total adjustments	4.6	4.2	(0.4)	(8.7)%
Adjusted EBIT	30.0	32.3	2.3	7.7%

Comments

- › PPA adjustments comprise depreciation and amortization of step-ups and intangible assets acquired during 2010, 2016 and 2019 acquisitions
- › PPA adjustment for D&A of 2019 PPA down by €0.4m as a consequence of €25.7m impairment of intangible assets in the previous fiscal year, in particular customer relationships of the previously acquired aerospace business

BALANCE SHEET OVERVIEW

DECEMBER 31, 2020

Balance sheet (€m)

	Sept 2020 Actual	Dec 2020 Actual	Change	% change
Property, plant and equipm.	229.8	227.9	(1.9)	(0.8)%
Goodwill	207.7	205.0	(2.7)	(1.3)%
Other intangible assets	229.3	223.7	(5.6)	(2.4)%
Inventories	97.2	104.5	7.3	7.5%
Trade receivables	117.1	114.1	(3.0)	(2.6)%
Other assets	40.1	45.6	5.5	13.7%
Cash	162.4	167.4	5.0	3.1%
Total assets	1,083.6	1,088.2	4.6	0.4%
Equity incl. minorities	469.6	483.9	14.3	3.0%
Debt (incl. accrued interest)	322.4	308.5	(13.9)	(4.3)%
Pension plans	57.0	58.4	1.4	2.5%
Deferred tax liabilities	43.7	42.5	(1.2)	(2.7)%
Trade payables	71.1	70.8	(0.3)	(0.4)%
Other liabilities	119.9	124.1	4.2	3.5%
Total equity and liabilities	1,083.6	1,088.2	4.6	0.4%
<i>Net leverage ratio</i>	1.0x	1.0x		

Comments

- › Other intangible assets down by €5.6m due to scheduled amortization
- › Inventories up by €7.3m primarily due to higher stock of raw materials and supplies (larger buffer during the current COVID-19 crisis)
- › Debt down by €13.9m due to repayment of the revolving credit facility

CASH FLOW OVERVIEW

THREE MONTHS ENDED DECEMBER 31, 2020

Cash Flow Statement (€m)

	Q1 FY2020 Actual	Q1 FY2021 Actual	Change	% change
Cash flow from operating activities	19.8	31.4	11.6	58.6%
Cash flow from investing activities	(12.0)	(9.5)	2.5	(20.8)%
Cash flow from financing activities	(3.6)	(17.1)	(13.5)	>100.0%
Net increase / (decrease) in cash	4.2	4.8	0.6	14.3%
Effect of movements in exchange rates	(1.0)	0.1	1.1	<(100.0)%
Cash as of beginning of the period	139.0	162.4	23.4	16.8%
Cash as of end of the period	142.3	167.4	25.1	17.6%

Adj. FCF (€m)

	Q1 FY2020 Actual	Q1 FY2021 Actual	Change	% change
Cash flow from operating activities	19.8	31.4	11.6	58.6%
Cash flow from investing activities	(12.0)	(9.5)	2.5	(20.8)%
Free cash flow	7.8	21.9	14.1	>100.0%
Adjustments	-	-	-	n/a
Adj. FCF	7.8	21.9	14.1	>100.0%

Comments

- › Capex in Q1 FY21 at €9.7m (vs. €12.3m in Q1 FY20), - 21.1% y/y
- › Cash inflow from operating activities up by €11.6m mainly due to better net working capital development in Q1 FY21: in Q1 of the previous fiscal year, decrease of trade receivables (= negative impact on operating cash flow) amounted to €15.1m, in Q1 FY21 to €0.3m
- › Cash outflow for financing activities up by €13.5m primarily due to redemption of financial liabilities, i.e. repayment of revolving credit facility
- › As a result of higher cash inflow from operating activities and lower cash outflow for investing activities (i.e. lower capex), the FCF increased substantially from €7.8m in Q1 FY20 to €21.9m in Q1 FY21; as there were no payments for acquisitions, adj. FCF (i.e. FCF before acquisitions) equals the FCF in first quarter of FY20 and FY21

CURRENCY EXCHANGE RATES

THREE MONTHS ENDED DECEMBER 31, 2020

Closing and average currency exchange rates

1 EURO in	ISO code	Closing rate December 2019	Closing rate December 2020	Average rate Q1 FY2020	Average rate Q1 FY2021	Average rate % change
Australian dollar	AUD	1.5995	1.5896	1.6202	1.6318	0.7%
Argentine peso	ARS	67.2692	103.5100	65.6620	95.3566	45.2%
Brazilian real	BRL	4.5157	6.3735	4.5604	6.4384	41.2%
Chinese yuan (renminbi)	CNY	7.8205	8.0225	7.7998	7.8993	1.3%
South Korean won	KRW	1,296.2800	1,336.0000	1,302.0115	1,333.0767	2.4%
Mexican peso	MXN	21.2202	24.4160	21.3242	24.5027	14.9%
Romanian leu	RON	4.7830	4.8683	4.7672	4.8718	2.2%
Turkish lira	TRY	6.6843	9.1131	6.4155	9.4013	46.5%
United States dollar	USD	1.1234	1.2271	1.1072	1.1928	7.7%



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MOTION CONTROL