

Annual General Meeting – February 15, 2017

CEO Speech

Speech at the Annual General Meeting of Stabilus S.A.
February 15, 2017 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 2017.

In the fiscal year 2016 Stabilus achieved another record year, reaching the highest sales and profit ever. Our STAR strategy process inspires us with passion for growth. The consistent execution of our strategy has initiated a high-performance culture within Stabilus. Our will to win is driving our company to new records. I would like to take the opportunity to say thank you to all employees of Stabilus for their outstanding contribution to this success.

Our strategy is based on four pillars

- Profitable growth,
- Globalization,
- Excellence and
- Innovation.

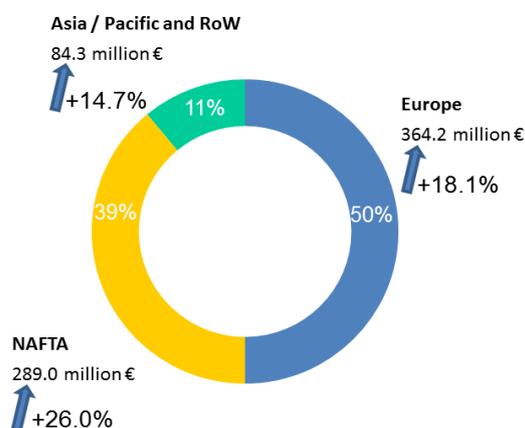
In line with our strategy we have set ambitious goals for the fiscal year 2017. Before I'll present those to you, I would like to invite you to a review of the highlights of fiscal year 2016.

Thank you, our shareholders, for your confidence in us and I hope that you will continue to accompany us on our road to success. Our Supervisory Board, headed by Chairman Mr. Udo Stark, was closely involved in the fiscal year of Stabilus. He will report to you in a few minutes. My thanks go to the Supervisory Board for its close cooperation.

STABILUS Today. Highest ever sales and profit

Turnover by Regions

Sales FY2016: 737.5 million €



Global Footprint

Employees: > 5,000

Production sites in 9 countries:

Australia, Brasil, China, Germany, Mexico, New Zealand, Romania, South Korea, USA



In our three regions NAFTA, Europe and Asia/Pacific and RoW (Rest of World) we grew significantly and profitably. Our path towards a balanced global footprint was well chosen, as the figures show.

I would like to give you some additional insights about the Asian business, because the mere data shown in the chart don't tell the whole story.

Our Asian business is progressing and made great strides ahead in fiscal year 2016. For example, we started new production lines and we expand our local sales and engineering competencies in China. But the Asian region was outperformed by Europe and NAFTA due to the strong Powerise growth and the effect of our acquired businesses. In contrast to their European and American activities, they have only small footprints in Asia so far.

In Asia, however, the Powerise business is in an early phase. Our first Powerise production in China was launched in July 2016. Since then we recognize a strong interest of Chinese car manufacturers in this product, which makes us confident that demand will rise.

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The weak economy in South America is also included in the figures of our region Asia/Pacific and RoW. We are pleased with the development of this region and continue to see significant growth potential in this region.

We are seeing that our growth rates in each of the regions are far higher than growth in GDP or car production. This can ultimately be ascribed to three key causes: the world's population with a growing comfort-loving middle-class, the aging of the population in developed countries, and rising standards in occupational health and safety.

STABILUS Today. Another record year



Our classic portfolio of gas springs and dampers has already been extended by the electromechanical spindle drives. The completion of the acquisition of four businesses from SKF Group in summer 2016 has extended our product portfolio significantly with products like special dampers, special gas springs and products for vibration damping. The product portfolio allows us to address new customer groups as well as offer new solutions to existing customers in all industries. Our products are used in a wide range of applications in the automotive sector and in a broad variety of other industries. We grew in each market with strong double digit growth rates.

The acquisition has extended our customer base significantly and reduces our exposure to individual industries. Following the completion of the acquisition, the ratio of automotive to industrial sales has returned to our long-term target level. The full effect will be visible in the fiscal year 2017, when the new businesses will be consolidated for an entire fiscal year for the first time.

With respect to the automotive business we are seeing growth in the gas spring and in the Powerise business. We continue to benefit from the trend to SUV and Multi-

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Purpose Vehicles worldwide. The comfort delivered by our electromechanical drives is in high demand. Powerise has meanwhile become an established and accepted function in the mid-sized volume vehicle segment.

Our **Swivel Chair** business was renamed in Q1 2017 to “Commercial Furniture”. The renaming is a consequent step based upon the strategic realignment of the business scope, which goes hand in hand with the development of our customers’ product portfolio expansions. The swivel chair market has changed in the past. Our customers developed from family-driven small-scale enterprises to globally operating corporations for the production of full furniture programs for offices and other commercial applications. We follow this trend and with our new approach we will be able to serve our customers even better.

Operational Highlights in FY2016

Fiscal year-end September

Strong organic growth

- Strong organic growth in all regions and markets
- High US business growth rate
- Asia strategy successful
- 10 millionth Powerise drive produced, Penetration of mass market platforms and increase of share in existing platforms (e.g. Ford Mondeo, VW Passat, Daimler GLC Coupe, Audi Q5, Ford Galaxy, VW Phideon, BMW X1, Opel Astra)
- Key Investments:
 - Fully automated gas spring production line in Germany; 3rd rented building for gas spring and damper assembly in Romania
 - High-performance, fully automated gas spring line in Gastonia, USA; Damper production line in Mexico
 - Powerise production capacity increased by new production lines in China, Mexico and Romania to answer strong demand.

Acquisition

- Acquisition of industrial gas springs, dampers and vibration control businesses from SKF / Kaydon Corp. (ACE, Hahn Gasfedern, Fabreeka, Tech Products); Agreements signed on April 26, 2016, closing on June 30, 2016
- Brands ACE, Hahn Gasfedern, Fabreeka, Tech Products with presence in NAFTA, Europe, Asia
- Integration runs smoothly with very professional teams and well fitting company cultures
- Highly complementary product offering and customer access
- From Q4 FY16 on, Hahn Gasfedern is integrated in business "Industrial / Capital Goods"; ACE, Fabreeka, Tech Products form the business "Vibration & Velocity Control"

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STABILUS makes technology comfortable

As already mentioned we achieved strong growth in all regions and markets. The high demand for our products was driven by several trends, like the megatrend for comfort or the trend to more boxy car styles with larger trunk lids. But growth was also driven by the passion of our teams and their competency to create new applications for existing and new customers.

While following our philosophy "in the region for the region" we are well connected to the markets, understand them and have the ability to answer local trends and demand quickly.

With the entry of Powerise drives into mid-sized OEM platforms and their subsequent launches, we enjoyed the production of the 10 millionth Powerise drive in late summer 2016. It was a stroke of luck for our Chinese employees that this record could be celebrated in China, shortly after launching the new Powerise production line in Changzhou.

We invested significantly in the expansion and optimal utilization of our existing structures in the past fiscal year in order to ensure the further growth of the Stabilus

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Group. The strong growth has led to the necessity to increase our production capacity. We invested in machinery and equipment and took this opportunity to increase our productivity and efficiency.

Let me give you a few examples of our key investments:

- We installed a fully-automated gas spring production line in Koblenz. It is a great step forward in production technology. It expands our production capacity, but also secures cost efficiency and quality. With this new line we have found a way to meet the trend of decreasing lot sizes. Our answer is a new production technology with shorter change-over times.
- The plant in Gastonia, USA, has been augmented with a high-performance, fully automated gas spring facility.
- The high demand for gas springs and dampers in solar and medical industries led to capacity expansions in Mexico.
- To answer the strong demand, Powerise production capacity was increased in Mexico and Romania and a new production line went into operation in China.

In addition to our key projects we invested in our structures, e.g. in sales competence, engineering competence in Asia, testing and quality.

Another important part of our 2016 growth story was the acquisition of four businesses from Swedish SKF Group. The signing occurred at the end of April and the closing at the end of June 2016. The acquisition of ACE, Hahn Gasfedern, Fabreeka and Tech Products represents an important step in our long-term growth strategy. It allowed us to achieve several strategic objectives in one sweep, expanding our expertise in motion control and vibration damping while also strengthening our industrial business. The transaction represents our systematic development into a strong motion control supplier that supports its customers with unmatched know-how and a broad range of motion control solutions.

The integration of the new businesses and their very professional teams is proceeding smoothly. Our cultures are an excellent fit. While Hahn Gasfedern is integrated in our business “Industrial / Capital Goods” ACE, Fabreeka and Tech Products form a new business “Vibration & Velocity Control”. All teams are very committed and work closely together.

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The acquired companies have made a contribution to consolidated sales from the fourth quarter of the 2016 fiscal year. They contributed €27.3 million to the Group's revenue in fiscal 2016. The full effect will be visible in fiscal year 2017.

The Motion Control Portfolio



ACE introduced special dampers for automation technology and engineering into our product portfolio. Fabreeka and Tech Products are specialized into solutions to dampen and control vibrations. Hahn Gasfedern extended our product portfolio with special gas springs. They initiated a new flexible concept in production technology to answer demand for customer-specific gas springs in short time.

Stabilus now has the capability to offer customer-specific solutions from very small lot sizes to high volumes. These advantages provide us with flexibility and new opportunities to solve motion control tasks for our customers.

Financial Highlights FY2016

Fiscal year-end September

Revenue	<ul style="list-style-type: none"> Revenue up by 20.6% to €737.5mm (+€126.2mm vs. FY15) Growth in all regions with NAFTA (+26.0%), Europe (+18.1%) as well as Asia / Pacific and RoW (+14.7%) Growth in all markets with Powerise (+39.7%), Capital Goods (+14.5%), Gas Spring (+8.7%) and Swivel Chair (+3.2%)
Adj. EBIT	<ul style="list-style-type: none"> Adj. EBIT up by 29.7% to €98.8mm (+€22.6mm vs. FY15) Adj. EBIT margin at 13.4% (vs. FY15 margin of 12.5%)
Profit	<ul style="list-style-type: none"> Profit after tax up by 182.4% to €48.0mm (+€31.0mm vs. FY15) Profit margin at 6.5% (vs. FY15 margin of 2.8%)
Net debt	<ul style="list-style-type: none"> Net financial debt¹ at €330.0mm Net financial debt / adj. EBITDA LTM at 2.5x, pro-forma² at approx. 2.1x (vs. 2.1x as per end FY2015)
Significant events and transactions	<ul style="list-style-type: none"> Acquisition of ACE, Hahn Gasfedern and Fabreeka / Tech Products – partially financed by capital increase Capital increase successfully completed on July 6, 2016; issue of 3,976,744 new bearer shares Gross proceeds of €159.1mm were used for partial refinancing of the acquisition of SKF Group entities, i.e. on July 13, 2016, the €115mm equity bridge facility was fully repaid

Note: ¹ Net financial debt = outstanding principal amount of senior facilities less cash: €405.0mm - €75.0mm = €330.0mm.

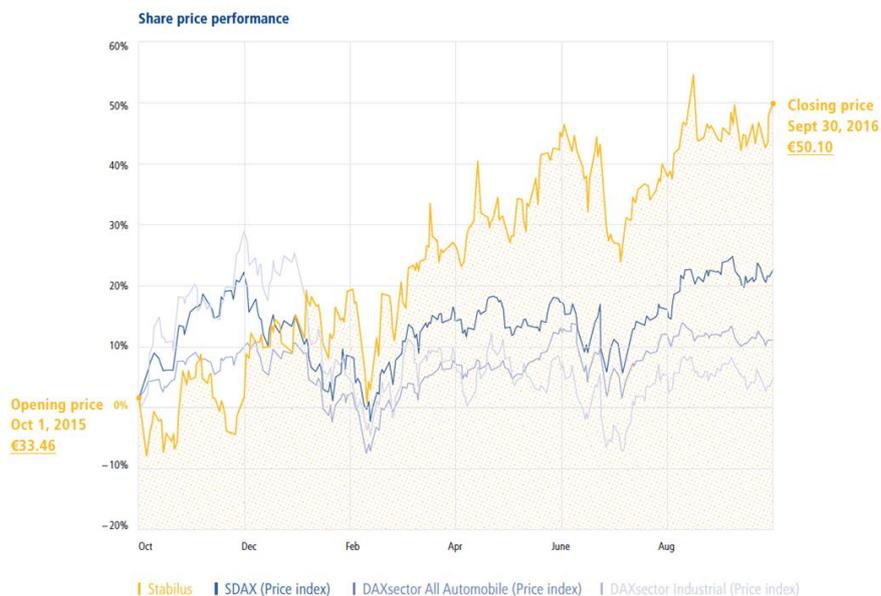
² Pro-forma, i.e. considering LTM earnings of acquired companies: Adj. EBITDA LTM: €133.3xmm + €20.3mm (3/4 of €27.0mm) = €153.6mm.

Our strong revenue growth was driven by organic growth and the acquisitions. Further tailwind came in the form of the favorable exchange rates of the US dollar.

For the fiscal year ending September 30, 2016, Stabilus increased revenue by 20.6% to €737.5 million (previous year: €611.3 million). Adjusted operating profit (adjusted EBIT) increased by 29.7% to €98.8 million with a margin at 13.4%.

In July 2016, shortly after the Brexit announcement, we successfully completed our capital increase by issuing almost 4 million bearer shares. The gross proceeds of €159.1 million were used for partial refinancing of the acquisition of SKF Group entities. Following this, we also renewed our financing. The new finance structure is an excellent starting point into the fiscal year 2017 with a significantly higher equity ratio and long-term financing agreed at attractive interest terms. This gives Stabilus a stable financial foundation on which we can realize our operative development potential. The strong cash generation will help us to quickly improve the leverage in future.

Stabilus Share Price Performance



In FY2016 the share price rose from €33.46 to €50.10. Once again, the Stabilus share outperformed the SDAX and the sector benchmarks of the automotive branch and the industrial segment.

We are happy to see that our investors share our belief in the future prospects of Stabilus.



Strategic priorities for FY 2017

Growth	<ul style="list-style-type: none"> Finalize integration process; bring new businesses to Stabilus' high-performance culture Stay focused on product and application innovation Win key platforms and generate profitable growth Drive excellence in all areas, e.g. cost competitiveness, customer relationship etc.
Automotive	<p>Powerise:</p> <ul style="list-style-type: none"> Further capitalize on strong end-market momentum and extend Asian customer base; Launch new applications in addition to trunk lids <p>Gas Spring:</p> <ul style="list-style-type: none"> Product evolutions for new products and markets, e.g. seat applications, hood dampers etc.
Industrial	<ul style="list-style-type: none"> Translate flexibility and momentum of acquired businesses into growth Expand aftermarket business Benefit from new, strong businesses like solar and medical industries
STAR Next Ignition	<ul style="list-style-type: none"> Next Level of STAR-Strategy "STAR 2025" in execution Involve all employees in our high-performance culture Talent Management Rising STARS

In the current year, we will proceed with the integration of the new businesses and finalize it. We will bring them to Stabilus' high-performance culture and start the day-to-day business as one integrated company.

Innovation is and will be an important part of our strategy. Our ability to invent new products and to offer new applications is key to our business development. In combination with our existing applications we want to generate profitable growth, e.g. by winning key platforms. Furthermore, we focus on continuously improving our excellence in all areas and processes.

The strong end-market momentum in the automotive business will be used to market new applications, e.g. seat applications and hood dampers. They bring additional comfort and safety to cars. We will also take measures to extend our Asian customer base for Powerise solutions. New Powerise applications are in the pipeline and will be introduced to the market.

Our industrial segment will create additional growth opportunities with the support of the momentum and the flexibility of the new businesses. We will also focus on the

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expansion of our aftermarket business and make use of the good growth dynamics seen in some markets, like solar and medical.

Our successful strategy process STAR will be used in the current fiscal year to develop our strategy until 2025. In addition, it will be used to involve all employees in our high-performance culture. A first group of High-Potentials finalized their two-year training program called Rising Stars. The second group has now started training. The Rising Stars form the next generation of managers and are a foundation of further growth and innovation. This program is only one of many steps to further increase Stabilus' reputation as an attractive employer.

Innovative Powerise applications



outside the trunk lid

first industrial application

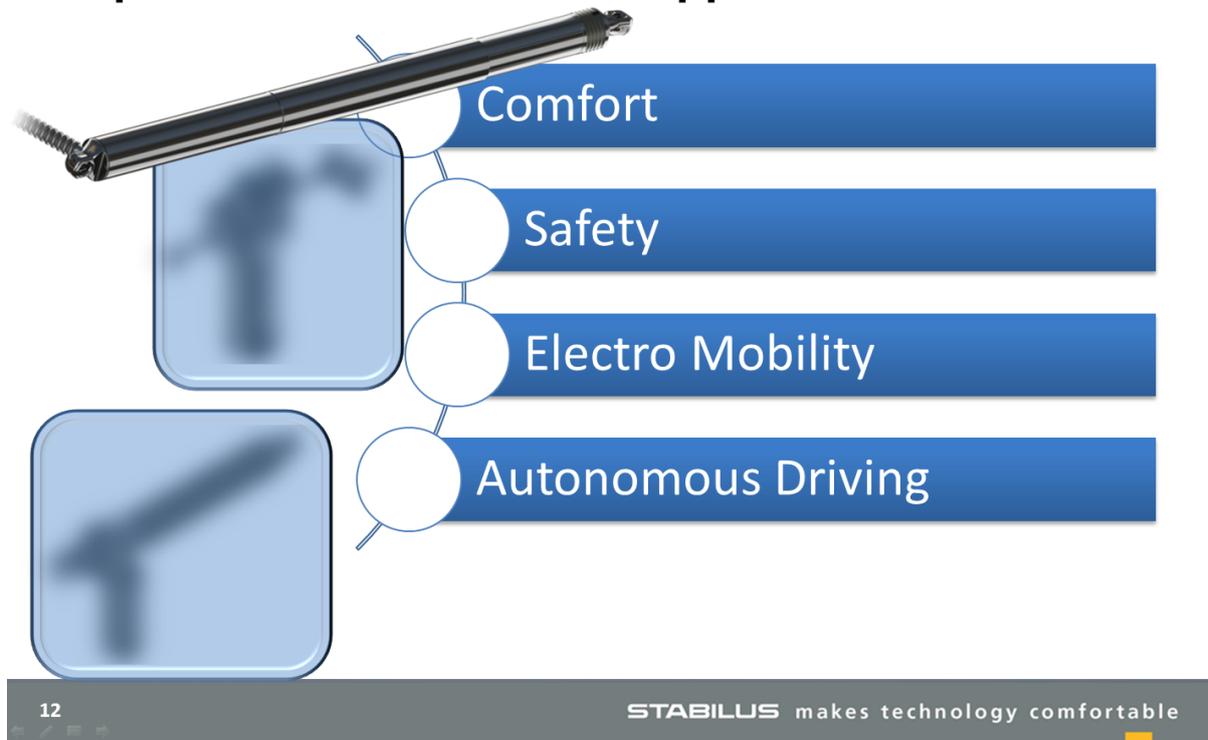


Let us now focus on new applications, as innovation is key for Stabilus. Our engineers and our R&D team continue to develop new ideas and applications for existing products. Two of them we would like to present to you in this presentation.

The TESLA Model X is the first example where Powerise drives are used outside the trunk lid. They enable an innovative door concept for access to the rear seats.

Our industrial business is always on the lookout for new Powerise applications, too. The concept of the spindle drives is very convincing and we started to market Powerise to our industrial customers as well. For example, the big flap of a centrifuge used in blood banks was the first industrial application of Powerise. I am convinced that in future additional industrial Powerise applications will be seen in the markets.

Pipeline of new Powerise applications



Our R&D department continues to develop new Powerise drives for future cars. As part of our long-term business planning, we do consider the trends to electro mobility and autonomous driving and their impact on car construction.

We see several possibilities to bring more comfort and safety to cars with our new applications and we will work hard to make them part of our future growth story.

Highlights Q1 FY2017

Fiscal year-end September

Revenue	<ul style="list-style-type: none"> Revenue up by 25.9% to €210.7mm (+€43.4mm vs. Q1 FY16) Growth in all regions with Asia / Pacific and RoW (+36.7%) , Europe (+27.0%) as well as NAFTA (+21.2%) Growth in Powerise (+25.6%), Capital Goods (+15.6%), Gas Spring (+6.5%)
Adj. EBIT	<ul style="list-style-type: none"> Adj. EBIT up by 42.0% to €29.4mm (+€8.7mm vs. Q1 FY16) Adj. EBIT margin at 14.0% (vs. Q1 FY16 margin of 12.4%)
Profit	<ul style="list-style-type: none"> Profit after tax up by 120.7% to €29.8mm (+€16.3mm vs. Q1 FY16) Profit margin at 14.1% (vs. Q1 FY16 margin of 8.1%)
Net leverage ratio	<ul style="list-style-type: none"> Net leverage ratio¹ at 2.3x, pro-forma² at approx. 2.1x (vs. 2.5x and pro-forma² 2.1x end FY2016) Net financial debt at €325.3mm; €10mm redemption of senior facilities in Q1 FY17
Outlook	<ul style="list-style-type: none"> FY2017 guidance unchanged: <ul style="list-style-type: none"> Revenue: €865mm assuming US\$/€ avg. rate in FY17 of 1.15 \$/€, €880mm assuming 1.10 \$/€ Adj. EBIT margin: 13%-14%

Note:

¹ Net leverage ratio = net financial debt / adj. EBITDA LTM. Net financial debt defined as principal amount of senior facilities less cash.² Pro-forma, i.e. considering earnings of acquired companies. Adj. EBITDA LTM: €143.1mm + €13.5mm (1/2 of €27.0mm) = €156.6mm.
Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Like last year, I am standing here after a very successful year 2016 looking at the beginning of another exciting fiscal year. Again we have ambitious plans. We have already completed more than a third of the new business year that started in October 2016. The start was strong. Profitable growth was achieved in all regions. Revenue rose by 25.9% in Q1. Our revenue guidance for the full year remains €865 million assuming an US\$/€ average rate of 1.15 \$/€. However, with tailwind from a strong US dollar and an average exchange rate of 1.10 \$/€ revenue could reach up to €880 million. We expect an adjusted EBIT margin between 13% and 14%.

Ladies and gentlemen, my presentation comes to an end now. We are confident that we will be successful on our path to become a leading supplier of motion control solutions. We are executing a sound strategy which will make Stabilus a leading supplier of products and systems for motion control. It is one of our strong points that Stabilus is not only characterized by hard working teams, we also have a lot of fun at work. I am convinced that Stabilus will continue to be sustainably profitable and grow in the future. We would be delighted if you joined us in this next development stage.

Thank you for your attention. We look forward to answering your questions now.