

Q1 FY2018 RESULTS

February 5, 2018

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Agenda

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

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1. Financial highlights

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Q1 FY2018 Highlights

Fiscal year-end September

Revenue	<ul style="list-style-type: none"> > Revenue up by 9.4% to €230.6m (+€19.9m vs. Q1 FY17) > Growth in all regions: Europe (+13.5%), NAFTA (+2.5%), as well as Asia / Pacific and RoW (+15.7%) > Growth in Powerise (+20.8%), Vibration & Velocity Control (+15.9%), Capital Goods (+10.9%) as well as Commercial Furniture (+7.4%)
Adj. EBIT	<ul style="list-style-type: none"> > Adj. EBIT¹ up by 15.3% to €33.9m (vs. €29.4m in Q1 FY17) > Adj. EBIT margin at 14.7% (vs. 14.0% in Q1 FY17)
Profit	<ul style="list-style-type: none"> > Profit after tax at €21.7²m in Q1 FY18 (vs. €29.8²m, or €15.7m excl. impact from fx gain on loans, in Q1 FY17) > Profit margin at 9.4% (vs. 14.1% in Q1 FY17)
Net leverage ratio	<ul style="list-style-type: none"> > Net leverage ratio¹ at 1.4x (vs. 2.3x as of end Q1 FY17 and 1.5x as of end FY17) > Net financial debt¹ at €262.2m
Outlook	<ul style="list-style-type: none"> > FY2018 revenue guidance: ~ 7.1% y-o-y growth to €975m (organic, at constant \$/€ rate, i.e. @ 1.10 \$/€), ~ 5.5% change y/y to €960m @ 1.15 \$/€ and ~ 3.8% change y/y to €945m @ 1.20 \$/€ > FY2018 adj. EBIT margin guidance: ca. 15.5%

Note:

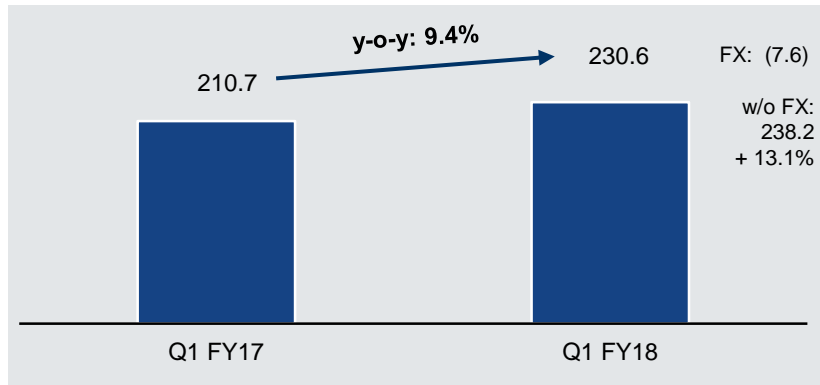
¹ For definition/calculation of KPIs like adj. EBIT, net leverage ratio etc. refer to appendix and/or our financial reports and quarterly statements under www.ir.stabilus.com.

² The development of profit from Q1 FY17 to Q1 FY18 is impacted by non-cash items in the financial result: €20.2m net foreign exchange gain on loans in Q1 FY17 (i.e. €14.1m impact, after 30% tax charge) and €(0.3)m net foreign exchange loss on loans in Q1 FY18.

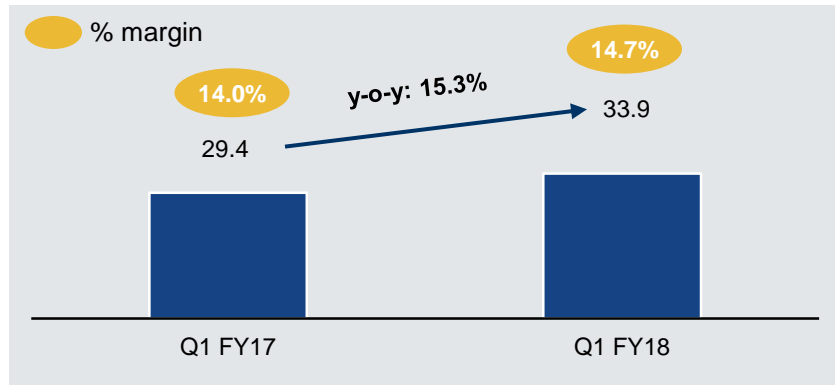
Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Stabilus shows strong operating performance in Q1 FY2018 (y-o-y)

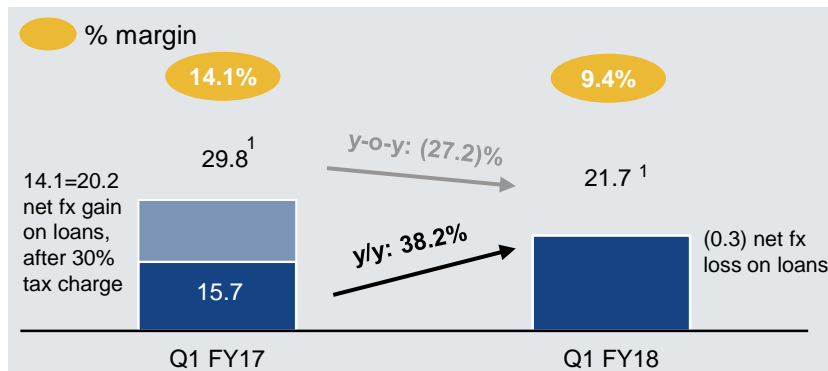
Revenue (€m)



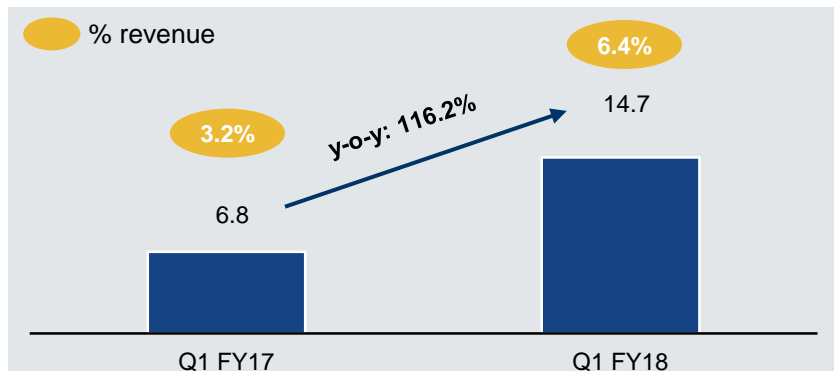
Adj. EBIT (€m)



Profit (€m)



FCF (€m)



Note: **FX** = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.18\$/€ in Q1 FY18 versus 1.08\$/€ in Q1 FY17.

¹ The development of profit from Q1 FY17 to Q1 FY18 is impacted by non-cash items in the financial result: €20.2m net foreign exchange gain on loans in Q1 FY17 (i.e. €14.1m impact, after 30% tax charge) and €(0.3)m net foreign exchange loss on loans in Q1 FY18.

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2. Results by region

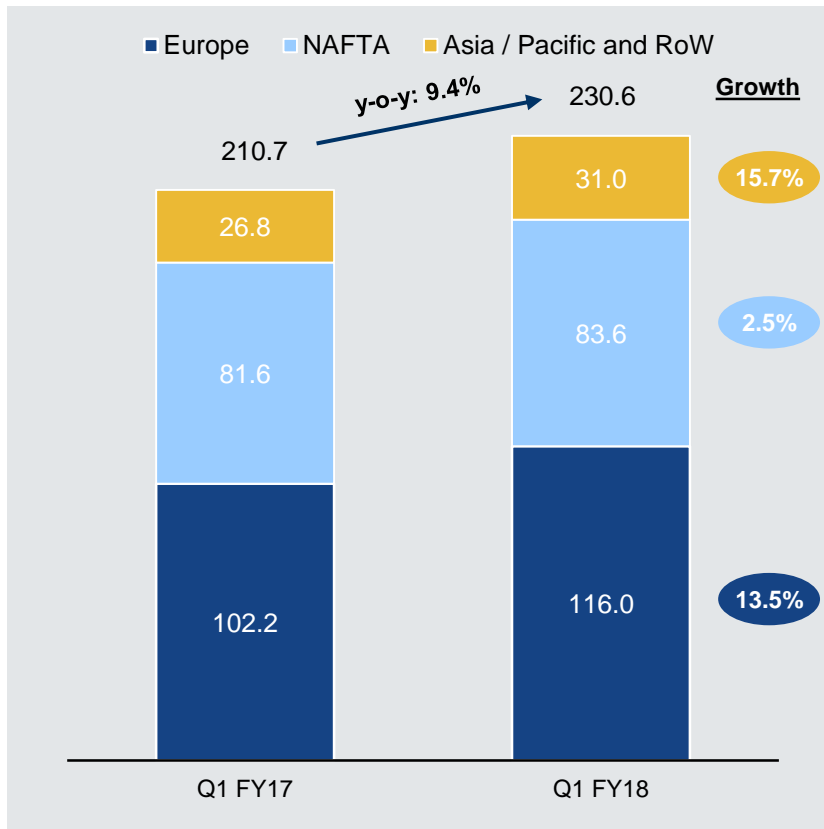
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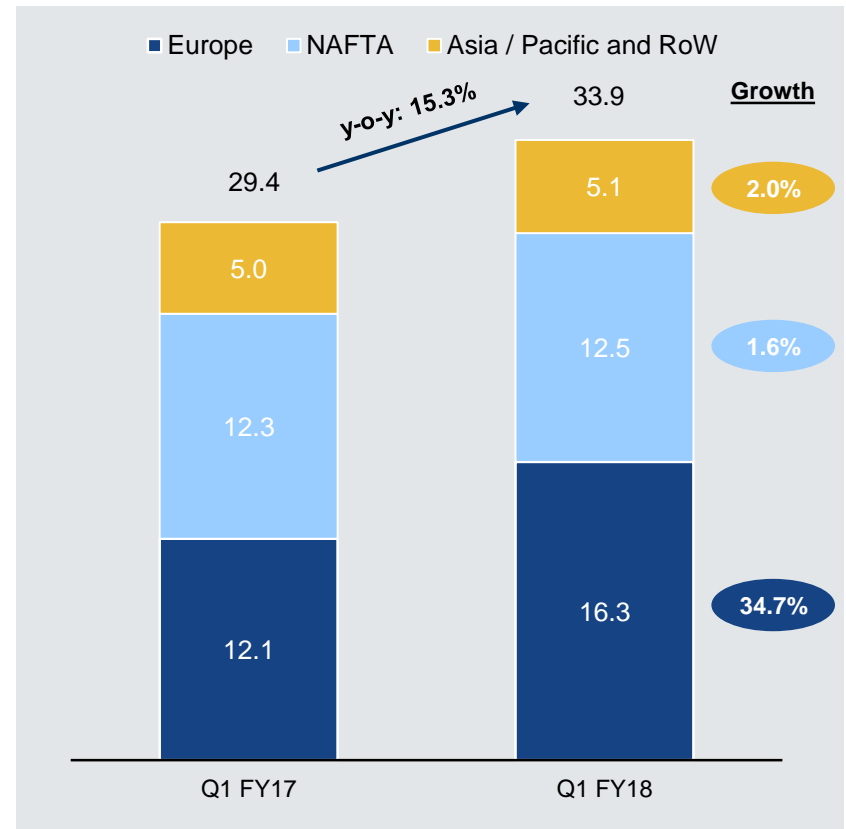
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Q1 FY2018 revenue and adj. EBIT growth – by region (y-o-y)

Revenue by region¹ (€m)



Adj. EBIT by region (€m)

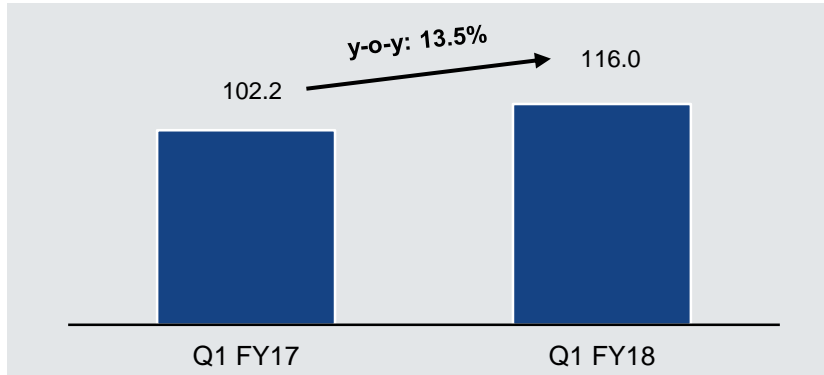


Note: Stabilus fiscal year-end is September. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

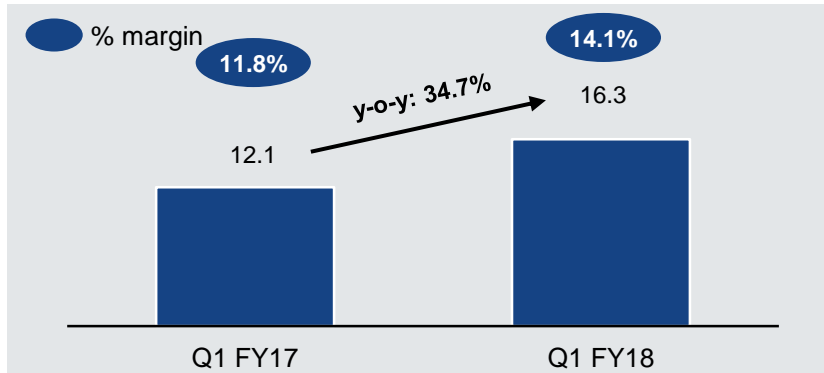
¹ Billed-from view, without intersegment revenue.

Europe

Revenue¹ (€m)



Adj. EBIT (€m)



Note: Stabilus fiscal year-end is September.

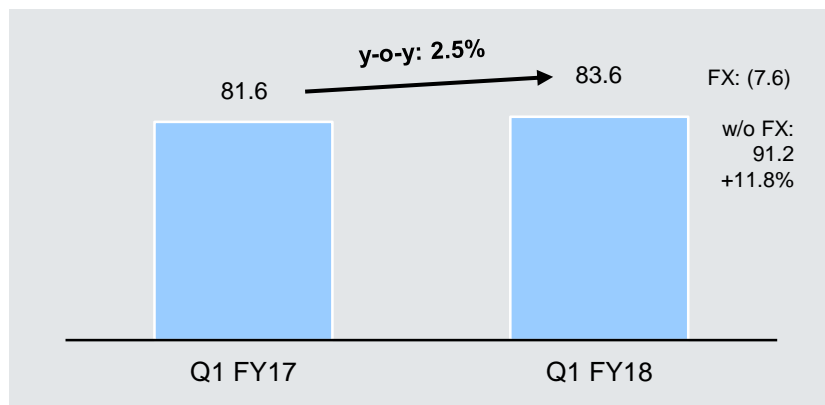
¹ External revenue only.

Key highlights

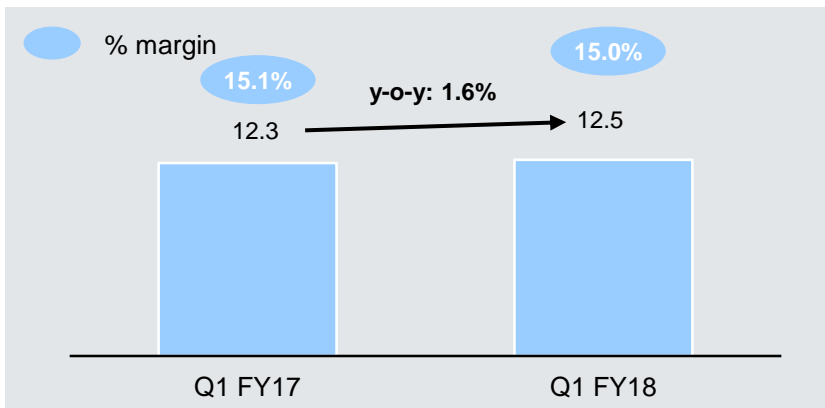
- Europe car production in Q1 FY18 at 5.8m units, i.e. +7.9% vs. Q1 FY17
- Europe's revenue grew by 13.5% y/y
- The increase was primarily driven by our automotive business: Powerise revenue grew by 22.7% to €26.5m (Q1 FY17: €21.6m) and Gas Spring revenue grew by 11.0% to €37.4m (Q1 FY17: €33.7m)
- Revenue grew by €13.8m y/y and adj. EBIT by €4.2m reflecting a strong drop-through rate of c. 30%

NAFTA

Revenue¹ (€m)



Adj. EBIT (€m)



Key highlights

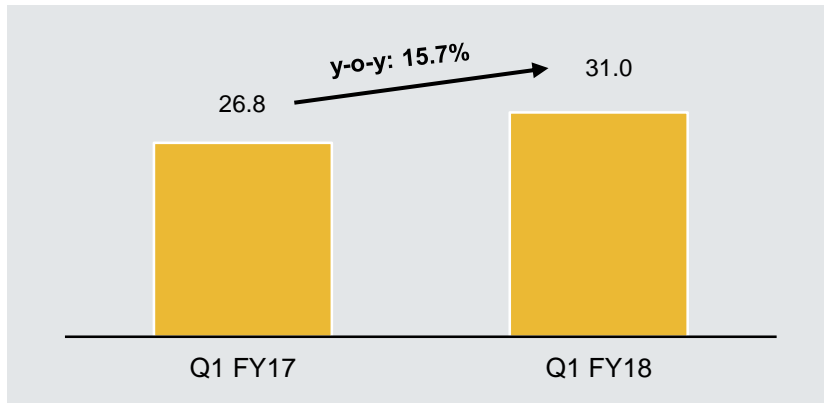
- NAFTA car production in Q1 FY18 at 4.2m units, i.e. - 4.1% vs. Q1 FY17
- NAFTA's revenue grew by 2.5% (11.8% excluding the \$/€ currency translation effect)
- The increase was primarily driven by our Powerise and Vibration & Velocity Control (VVC) businesses:
 - NAFTA's Powerise revenue increased by 8.1% to €33.3m in Q1 FY18 (vs. €30.8m in Q1 FY17), i.e. +17.9% excluding currency effect
 - VVC revenue up by 14.9% to €10.0m in Q1 FY18 (vs. €8.7m in Q1 FY17), i.e. +25.3% excluding currency effect, – supported by growth in construction, automation, energy management
- Adj. EBIT margin stable at approx. 15% (15.0% in Q1 FY18 vs. 15.1% in Q1 FY17)

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

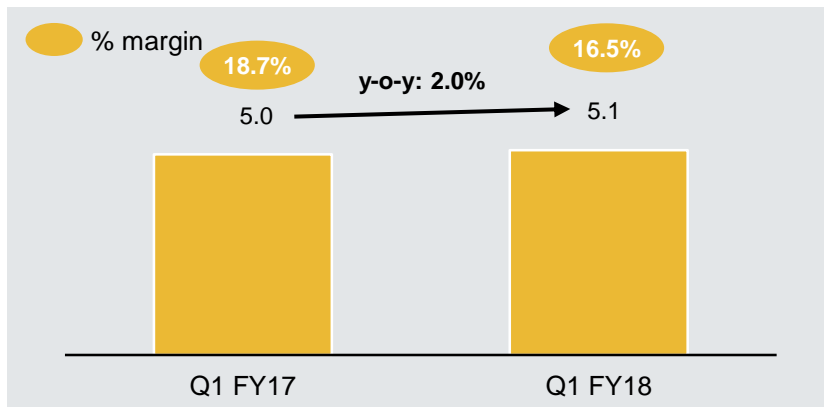
FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.18\$/€ in Q1 FY18 versus 1.08\$/€ in Q1 FY17.

Asia / Pacific and RoW

Revenue¹ (€m)



Adj. EBIT (€m)



Key highlights

- Asia/Pacific and RoW car production in Q1 FY18 at 15.4m units (vs. 15.4m in Q1 FY17), i.e. on prior year's level (China: - 0.9%, Japan/Korea: - 2.7%, South America: + 15.6%)
- Asia/Pacific and RoW's revenue grew by 15.7%
- The increase was primarily driven by our Powerise business: Powerise revenue grew by €3.6m to €4.6m in Q1 FY18 (vs. €1.0m in Q1 FY17)
- Adj. EBIT margin was impacted by softer development in Japan/Korea

Note: Stabilus fiscal year-end is September.

¹ External revenue only..

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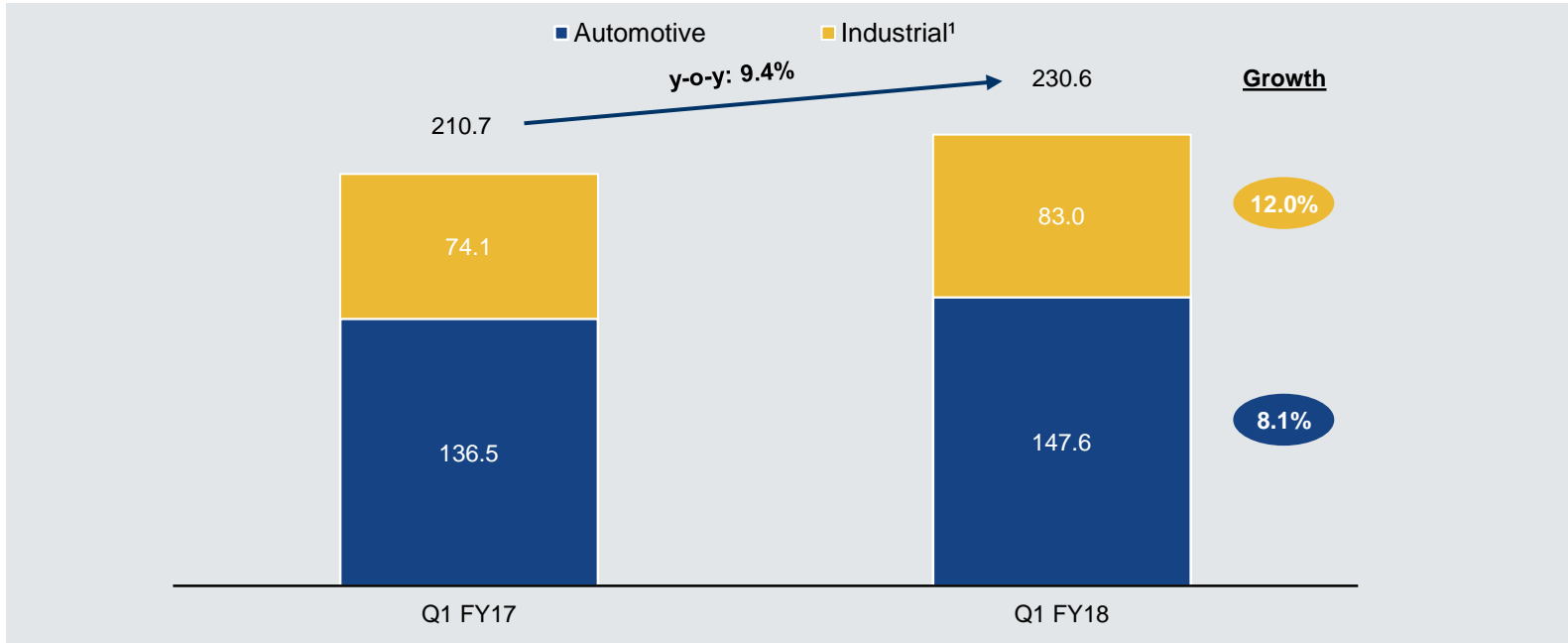
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Q1 FY2018 revenue growth – by market / business (y-o-y)

Revenue by business (€m)



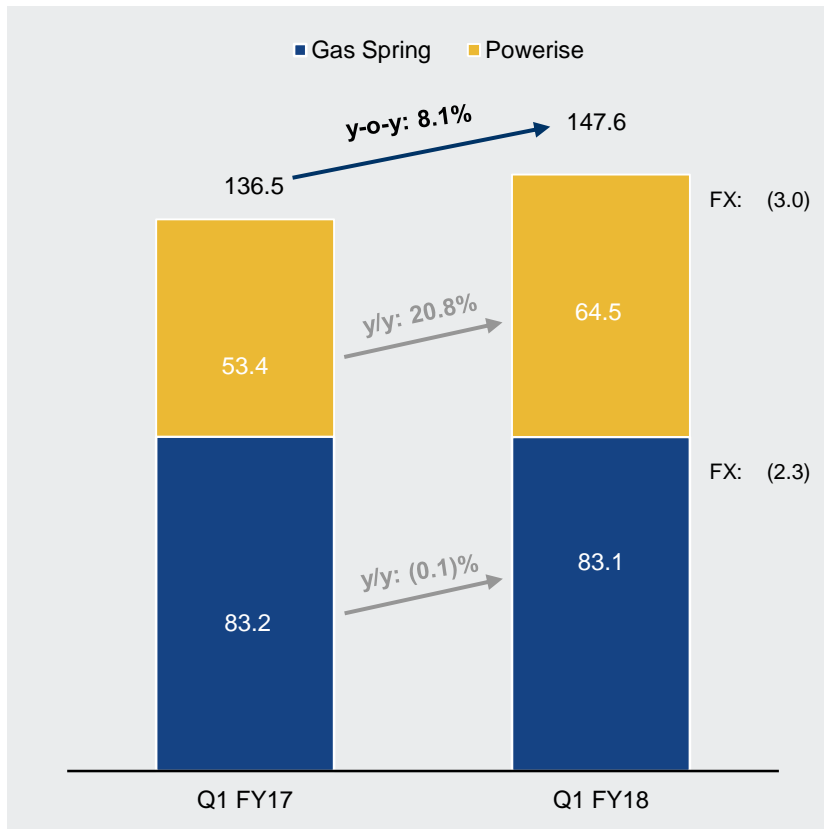
Note: Stabilus fiscal year-end is September.

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

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

Q1 FY2018 revenue growth – Automotive business (y-o-y)

Revenue (€m)



Key highlights

- Global car production in Q1 FY18 at 25.4m (Q1 FY17: 25.1m), i.e. +1.1% y/y
- Automotive revenue increased by 8.1% (12.0% without \$/€ currency translation effect)
- Continuing consumer trend towards SUV's supports our overall automotive revenue development
- Automotive Gas Spring revenue roughly on prior year's Q1 level at c. €83m (i.e. revenue growth of +2.6% without \$/€ currency translation effect)
- Powerise revenue continues to show strong growth in Q1 FY18: +20.8% y/y or +26.4% without \$/€ currency translation effect

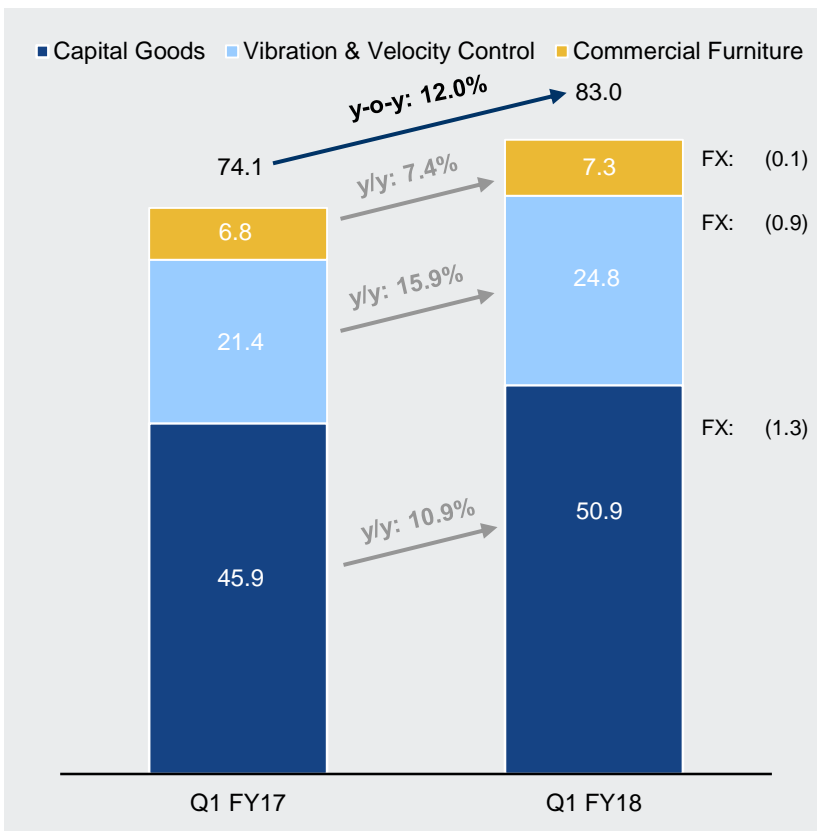
Note: Stabilus fiscal year-end is September.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.18\$/€ in Q1 FY18 versus 1.08\$/€ in Q1 FY17.

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Q1 FY2018 revenue growth – Industrial business (y-o-y)

Revenue (€m)



Key highlights

- Industrial revenue grew by 12.0% (15.1% excluding \$/€ currency translation effect)
- Excluding \$/€ currency translation effect VVC revenue grew by 20.1%, Capital Goods by 13.7% and Commercial Furniture by 8.8%
- Strong growth e.g. in the segments: independent aftermarket, bus/truck/transportation, agricultural machinery, solar dampers, furniture, aircraft construction, fluid power

Note: Stabilus fiscal year-end is September.

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Outlook

FY2017 Actual		FY2018 Guidance	
		€ million	percent
Revenue	€910.0m (@ 1.10 \$/€)	~ €975m (@ 1.10 \$/€) ~ €960m (@ 1.15 \$/€) ~ €945m (@ 1.20 \$/€)	~ 7.1% growth (organic, at constant \$/€ rate) ~ 5.5% y/y ~ 3.8% y/y
% Adj. EBIT margin	15.1%		~ 15.5%

Comments

- Revenue guidance for FY2018:
 - ~ 7.1% y-o-y growth (organic and at constant avg. \$/€ rate of 1.10 vs. prior year) to approx. €975m
 - Decrease of US\$/€ avg. fx rate by 0.10 \$/€ leads to a revenue increase by approx. €30m and vice versa. E.g., 1.10 \$/€ → ~ 975m (~ 7.1% y/y), 1.15 \$/€ → ~ 960m (~ 5.5% y/y), 1.20 \$/€ → ~ 945m (~ 3.8% y/y).
- FY2018 adj. EBIT margin estimated at ca. 15.5%

Note: Stabilus fiscal year-end is September.

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Revenue by region and customer market (3M ended Dec 31, 2017)

External revenue (€m)				
	Q1 FY2017 Actual	Q1 FY2018 Actual	Change	% change
Automotive Gas Spring	33.7	37.4	3.7	11.0%
Automotive Powerise	21.6	26.5	4.9	22.7%
Industrial / Capital Goods	29.8	33.5	3.7	12.4%
Vibration & Velocity Control	11.5	12.5	1.0	8.7%
Commercial Furniture	5.6	6.1	0.5	8.9%
Europe	102.2	116.0	13.8	13.5%
Automotive Gas Spring ¹	27.3	24.6	(2.7)	(9.9)%
Automotive Powerise ¹	30.8	33.3	2.5	8.1%
Industrial / Capital Goods ¹	13.6	14.5	0.9	6.6%
Vibration & Velocity Control ¹	8.7	10.0	1.3	14.9%
Commercial Furniture ¹	1.2	1.1	(0.1)	(8.3)%
NAFTA¹	81.6	83.6	2.0	2.5%
Automotive Gas Spring	22.2	21.2	(1.0)	(4.5)%
Automotive Powerise	1.0	4.6	3.6	>100.0%
Industrial / Capital Goods	2.4	2.9	0.5	20.8%
Vibration & Velocity Control	1.2	2.2	1.0	83.3%
Commercial Furniture	-	-	-	n/a
Asia / Pacific and RoW	26.8	31.0	4.2	15.7%
Total Automotive Gas Spring	83.2	83.1	(0.1)	(0.1)%
Total Automotive Powerise	53.4	64.5	11.1	20.8%
Total Industrial / Capital Goods	45.9	50.9	5.0	10.9%
Total Vibration & Velocity Control	21.4	24.8	3.4	15.9%
Total Commercial Furniture	6.8	7.3	0.5	7.4%
Total	210.7	230.6	19.9	9.4%

Note: ¹ NAFTA Q1 FY18 revenue includes currency effect of €(7.6)m, resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.18\$/€ in Q1 FY18 versus 1.08\$/€ in Q1 FY17.

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P&L overview (3M ended Dec 31, 2017)

P&L (€m)				
	Q1 FY2017 Actual	Q1 FY2018 Actual	Change	% change
Revenue	210.7	230.6	19.9	9.4%
COGS	(150.8)	(162.9)	(12.1)	8.0%
Gross Profit	59.9	67.7	7.8	13.0%
<i>% margin</i>	28.4%	29.4%		
R&D	(7.9)	(10.1)	(2.2)	27.8%
S&M	(19.9)	(20.5)	(0.6)	3.0%
G&A	(9.0)	(9.0)	-	(0.0)%
Other income/expenses	1.1	1.4	0.3	27.3%
EBIT	24.1	29.5	5.4	22.4%
<i>% margin</i>	11.4%	12.8%		
Adjustments ¹	5.3	4.4	(0.9)	(17.0)%
Adj. EBIT¹	29.4	33.9	4.5	15.3%
<i>% margin</i>	14.0%	14.7%		

PPA adjustments (2010 PPA)	3.2	2.3
PPA adjustments (2016 PPA)	2.1	2.1
Total adjustments¹	5.3	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).

Balance sheet overview

Balance sheet (€m)				
	Sept 2017 Actual	Dec 2017 Actual	Change	% change
Property, plant and equipment	169.7	168.5	(1.2)	(0.7)%
Goodwill	194.2	193.3	(0.9)	(0.5)%
Other intangible assets	268.9	262.2	(6.7)	(2.5)%
Inventories	85.3	87.7	2.4	2.8%
Trade receivables	105.1	106.3	1.2	1.1%
Other assets	38.7	37.0	(1.7)	(4.4)%
Cash	68.1	80.3	12.2	17.9%
Total assets	930.0	935.3	5.3	0.6%
Equity incl. minorities	336.4	352.3	15.9	4.7%
Debt (incl. accrued interest)	322.0	323.0	1.0	0.3%
Pension plans and similar obligations	53.2	52.8	(0.4)	(0.8)%
Deferred tax liabilities	60.0	54.1	(5.9)	(9.8)%
Trade accounts payable	79.1	71.3	(7.8)	(9.9)%
Other liabilities	79.3	81.8	2.5	3.2%
Total equity and liabilities	930.0	935.3	5.3	0.6%
<i>Net leverage ratio¹</i>	1.5x	1.4x		

Note:

¹ Net leverage ratio = net financial debt / adj. EBITDA LTM. Net financial debt defined as principal amount of senior facilities less cash: (€455m - €50m - €62.5m) - €80.3m = €262.2m. 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 Dec 31, 2017)

Cash Flow Statement (€m)				
	Q1 FY2017 Actual	Q1 FY2018 Actual	Change	% change
Cash flow from operating activities	16.3	24.6	8.3	50.9%
Cash flow from investing activities	(9.5)	(9.9)	(0.4)	4.2%
Cash flow from financing activities	(12.5)	(1.2)	11.3	(90.4)%
Net increase / (decrease) in cash	(5.7)	13.5	19.2	<(100.0)%
Effect of movements in exchange rates	0.4	(1.2)	(1.6)	<(100.0)%
Cash as of beginning of the period	75.0	68.1	(6.9)	(9.2)%
Cash as of end of the period	69.7	80.3	10.6	15.2%

Free Cash Flow (€m)				
	Q1 FY2017 Actual	Q1 FY2018 Actual	Change	% change
Cash flow from operating activities	16.3	24.6	8.3	50.9%
Cash flow from investing activities	(9.5)	(9.9)	(0.4)	4.2%
Free cash flow	6.8	14.7	7.9	>100.0%

Note:

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

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