



Investor Presentation
November 21, 2018

Agenda

1. **STS at a Glance**
2. IPO - Strategic Projects
3. Business Overview





STS Group at a Glance

STS Group is one of the leading integrated commercial vehicle parts supplier.

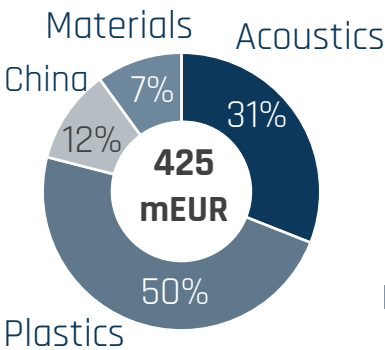
Key Facts

- ▶ One of the leading global suppliers of soft and hard trim parts and systems to international commercial vehicle OEMs with over 80 years of experience.
- ▶ Balanced product portfolio with diversified customer base.
- ▶ Significant share of business as single source.
- ▶ Vertical integration contributes to stable performance.
- ▶ Highly attractive growth prospects based on market penetration and expansion in existing and new geographies along existing portfolio.

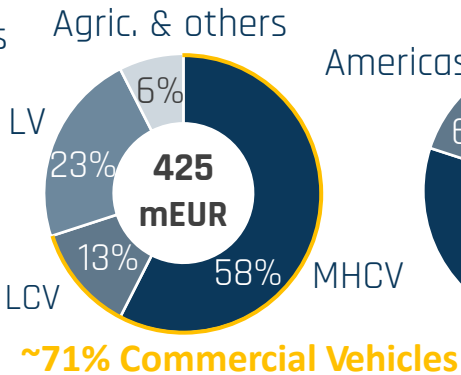
Key Figures

425 mEUR	Pro-Forma Revenue 2017
24 mEUR	Adjusted Pro-Forma EBITDA 2017
1.9+ bnEUR	Order Backlog 2018-2022
2,500+	Employees
17	Sites
4	R&D Centers
80+	Years in the Industry

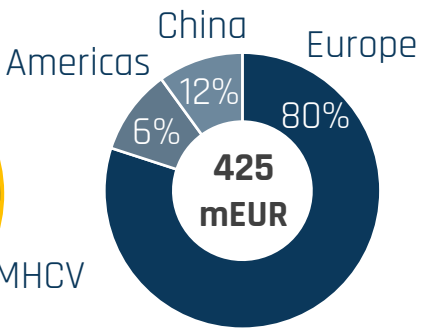
Sales ¹⁾ ...by BU



...by segment



...by region



1) 2017/2018, based on management estimates.

Top Customers





Product Portfolio

MHCV, LCV

STS offers a complete set of product solutions for interior trim, exterior trim and acoustics.

Medium and Heavy Commercial Vehicle (MHCV)

Roof Deflector

Storage Compartment

Under Bunk Storage

Rear Wall

Headliner Module

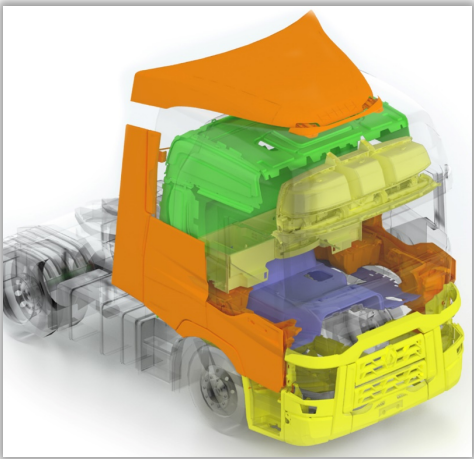
Door Panels

Complete Front Module

Entry Step Module

NVH Cabin Floor

NVH Engine Hoodliner



Light Commercial Vehicle (LCV)

NVH Cabin Trim

NVH Cabin Floor

Exterior Pillar Trim

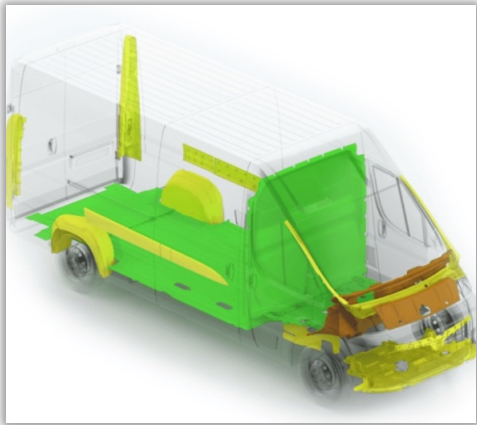
Light Casing

Door Guards

NVH Outer Dash

Emblem Support

Thermo-acoustic



NVH - Noise Vibration Harshness

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IPO

Strategic Projects

Successful IPO, June 2018 creates the financial power for strategic projects.

- Expanding in China
- Entering the US market
- Improving footprint in Europe
- Product innovation
- Process innovation



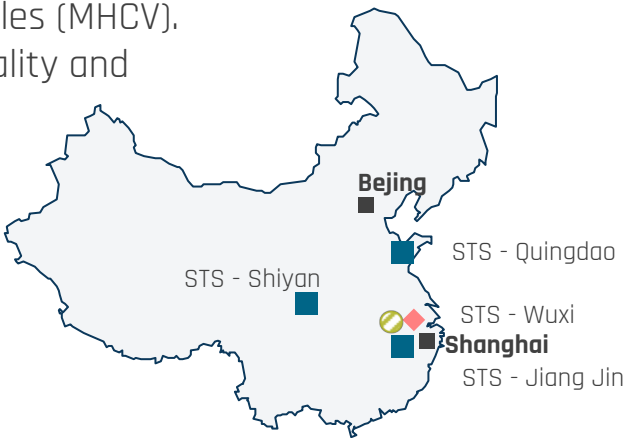


Expanding in China



- ▶ China is the **worlds biggest market for** medium and heavy commercial vehicles (MHCV).
- ▶ STS will gain market share significantly, based on technology know-how, quality and customer contact.
- ▶ Newly implemented restrictions and regulatory changes (longnose, EURO6), are expected to have positive effect on truck demand.

Medium and heavy vehicle production Greater China ¹⁾ (1,000 units/year)							
2017	2018	2019	2020	2021	2022	2023	2024
1,500	1,350	1,200	1,200	1,150	1,200	1,150	1,200



Construction of the third plant in China, Shiyao, is on schedule.

- ▶ Start of production is expected in Q1 2019.
- ▶ 19,000 sqm building area.
- ▶ SMC thermocompression, injection molding, robot milling, painting.



New headquarter and R&D center in Wuxi is on schedule.

- ▶ Opening end of 2018.
- ▶ 1,000 sqm.
- ▶ Wuxi is tech-hub, attractive location for good people.
- ▶ 10 km to Shuofang International Airport.

1) Based on management estimates



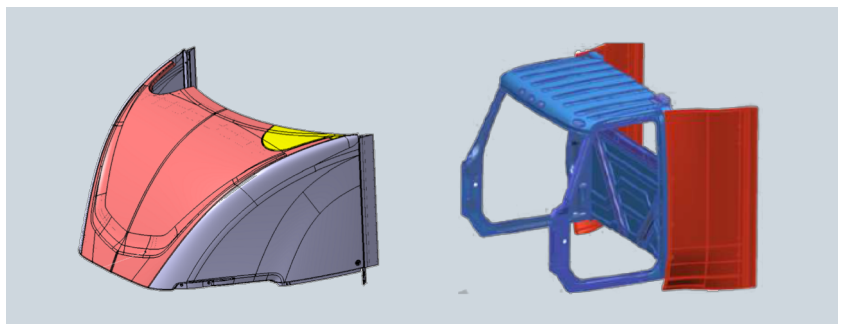
Entering the US Market



- ▶ North America is the worlds third biggest market for medium and heavy commercial vehicles (MHCV).
- ▶ Great demand for technological progress, such as light-weight plastic based components.
- ▶ High number of new projects.



Medium and heavy vehicle production North America ¹⁾ (1,000 units/year)							
2017	2018	2019	2020	2021	2022	2023	2024
530	570	580	570	560	560	550	560



First order from premium NAFTA truck brand.

- ▶ New customer.
- ▶ SMC exterior part.
- ▶ Program lifetime 10 years with SOP 2020.
- ▶ Strategically relevant.



Technology transfer bares strong options.

- ▶ High number of RFQ.
- ▶ Need for STS technology.
- ▶ Strong demand for STS products, with high standard in technology, productivity and quality.

1) Based on management estimates

2) Trucker magazine

Improving Footprint in Europe



- ▶ Europe is the world's second biggest market for medium and heavy commercial vehicles (MHCV).
- ▶ Poland is the Best Cost country in Europe for Commercial Vehicle Interior Trim.



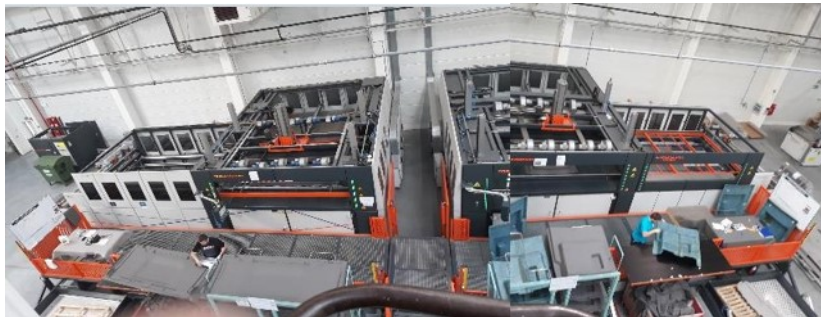
Medium and heavy vehicle production Europe ¹⁾ (1,000 units/year)

2017	2018	2019	2020	2021	2022	2023	2024
660	670	700	730	770	800	830	860



Greenfield Plant Międzyrzecz is **ramping up**.

- ▶ Total capacity 600,000 parts/a.
- ▶ **Lean** Batch and JIS production for European Truck OEMs.
- ▶ **Expansion:** High number of new RFQ.



PVC Lining

- ▶ STS invests into latest technology for PVC Vacuum Lamination.

1) Based on management estimates

2) Trucker magazine

Product Innovation



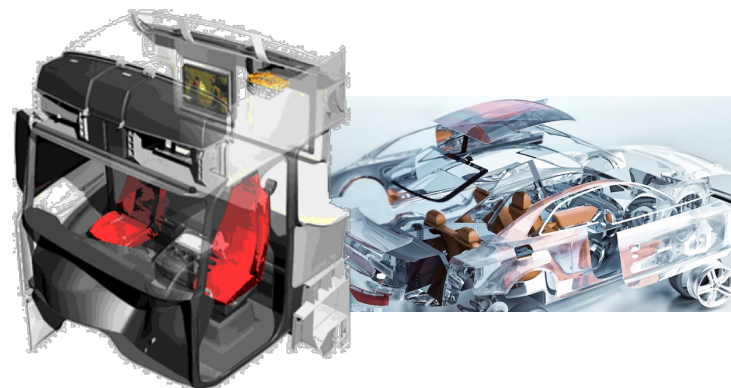
Entry to electromobility market with order for battery cover for e-SUV.

- ▶ New customer.
- ▶ Volume: 30,000 per year.
- ▶ SOP second half 2019.



Tech-Days in Jiangyin **strengthen cooperation with market.**

- ▶ 30 participants from 19 OEMs from automotive industry.
- ▶ Exchange information with actual and potential customers.
- ▶ Strengthen STS' leading technical supplier image.



Strong need for **tier 1 system suppliers.**

- ▶ High interest in parts for e-mobility (e.g. battery cover).
- ▶ The four STS R&D centers in France, Italy and China linked their expertise and work in close cooperation.
- ▶ STS combines acoustic, esthetic and structural functions.
- ▶ STS further develops low density SMC (light weight).

Process Innovation Automation



Fully automated machine loading.

- ▶ High productivity.
- ▶ High quality.



Fully automated milling and deburring.


- ▶ Difficult geometry possible.
- ▶ High productivity.
- ▶ High accuracy.

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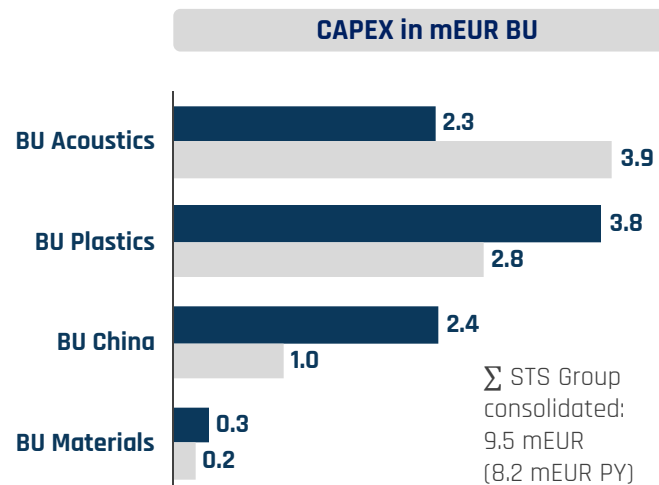
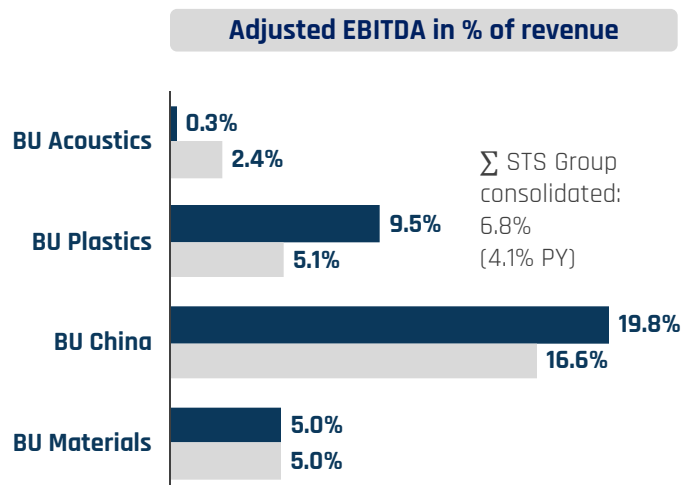
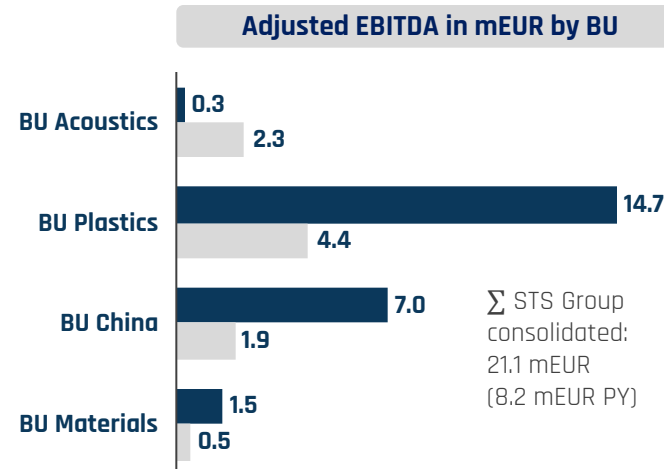
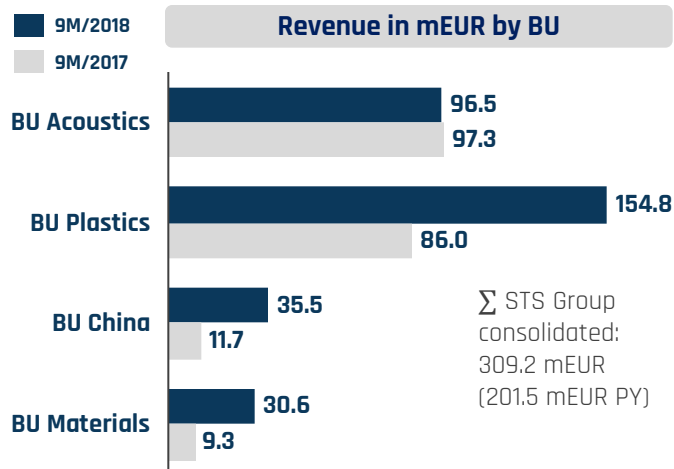
Income Statement

- 
 Sales 9M/2017 (mEUR 202) increased by >50% to 309 mEUR for the 9M/2018 due to past acquisition
- Adjusted EBITDA margin increased to 6.8%

mEUR	IFRS	9M/2018	9M/2017
Revenue		309.2	201.5
Inventory changes		0.7	0.9
Other operating income		3.2	47.8
Cost of materials		-176.6	-126.6
Personnel expenses		-78.8	-50.0
Other operating expenses		-47.4	-23.5
EBITDA		10.2	49.9
Depreciation and amortisation		-9.9	-4.8
EBIT		0.3	45.2
Financial result		-1.6	-0.9
EBT		-1.2	44.3
Taxes		-1.6	1.0
Net result		-2.9	45.3
Adjusted EBITDA		21.1	8.2
Adjusted EBITDA in % of revenue		6.8%	4.1%

Key Financials

9M/2018



Balance Sheet

- Reduction in inventories and increase of contracted assets reflects first-time adoption of IFRS 15 by June 30, 2018.
- Cash and cash equivalents amount increased to 28.9 mEUR.
- Equity ratio increase to 30%.
- Liabilities to banks and third parties 22.4 mEUR.

mEUR	IFRS	Sept. 30 2018	Dec. 31 2017
Intangible assets		24.9	24.6
Property, plant and equipment		77.0	79.0
Other financial assets		0.2	0.3
Tax receivables		0.2	1.6
Other assets		2.5	0.8
Deferred tax assets		11.6	8.6
Non-current assets		116.4	114.8
Inventories		23.9	28.1
Contract assets		7.5	0.0
Trade and other receivables		90.5	99.3
Other financial assets		1.0	13.1
Other assets		9.1	3.8
Tax receivables		0.1	0.0
Cash and cash equivalents		28.9	15.8
Restricted cash		2.0	0.0
Current assets		163.0	160.2
Total assets		279.4	275.0

mEUR	IFRS	Sept. 30 2018	Dec. 31 2017
Total equity		83.5	60.7
Trade payables		0.7	0.6
Other financial liabilities		14.7	17.1
Provisions		21.3	21.1
Income tax liabilities		0.1	0.0
Deferred tax liabilities		7.7	7.0
Non-current liabilities		44.5	45.9
Trade payables		50.1	65.5
Other financial liabilities		62.6	64.0
Provisions		1.1	3.4
Income tax liabilities		2.3	1.7
Other non-financial liabilities		35.4	33.9
Current liabilities		151.5	168.4
Total equity and liabilities		279.4	275.0
Equity ratio in %		30%	22%

Net Debt



- *Liabilities to banks 15.0 mEUR and 3rd party loans 7.4 mEUR.*
- *Factoring used within BU Acoustics (Italy) and BU Plastics (France).*

mEUR	IFRS	Sept. 30, 2018	Dec. 31, 2017
Cash and cash equivalents*		30.9	15.8
Other financial assets Mutares AG		0.0	5.0
Liabilities to banks and 3rd party loans		-22.4	-24.5
Factoring		-36.0	-37.2
Net debt		-27.6	-40.8

*includes restricted cash

Why invest in STS Group?



Excellent market position



Outstanding visibility



Cross-selling



Strong growth prospects



Vertical integration



Solid entry barriers

One of the leading global system suppliers for interior and exterior trim parts with **focus on commercial vehicles**

Solid order book with approx. **1.9 bnEUR** of revenue already **contracted until 2022**, plus **additional pipeline**

Trusted Tier 1 partner for leading European and Chinese truck OEMs with significant cross-selling potential through combination of technologies

Expansion in China to benefit from strong truck market and **direct entry** into the US with own production

Vertically integrated along the value chain and **technological expertise** resulting in full process control and securing competitive advantage

Material and process know-how as significant and customer-relevant entry barriers, matching industry trends emission and weight reduction

Financial Calendar

2018

1 June 2018	Listing in Prime Standard of Frankfurt Stock Exchange
1 June 2018	Publishing of 3-month report
5 September 2018	Zürcher Kapitalmarktkonferenz, ZKK
26 September 2018	Publishing of semi-annual report 2018
21 November	Publishing of 9-month report
21 November	Public financial analysts conference call
26 November	German Equity Forum Frankfurt



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