



Earnings Call / Audited consolidated figures 2018
April 4, 2019

Presenter

*Andreas Becker and
Dr. Ulrich Hauck will
present STS Group AG
Financial Figures 2018.*



Andreas Becker
CEO

Andreas Becker has been Chief Executive Officer (CEO) of the STS Group since its foundation in 2017. His areas of responsibility include in particular sales, purchasing, research & development and human resources. In addition, the companies MCR and STS China report directly to him.

Before Andreas Becker lead STS Acoustics as CEO (2013). Between 1996 and 2013 he held various management positions at the Autoneum Group, a global automotive supplier like STS Group. From 2010 to 2013, he was also responsible for the management in Italy as well as the Truck Business Worldwide division.



Dr. Ulrich Hauck
CFO

Ulrich Hauck took over the CFO role at STS Group April 1, 2019. His areas of responsibility comprise in particular controlling, accounting, treasury, taxes and IT.

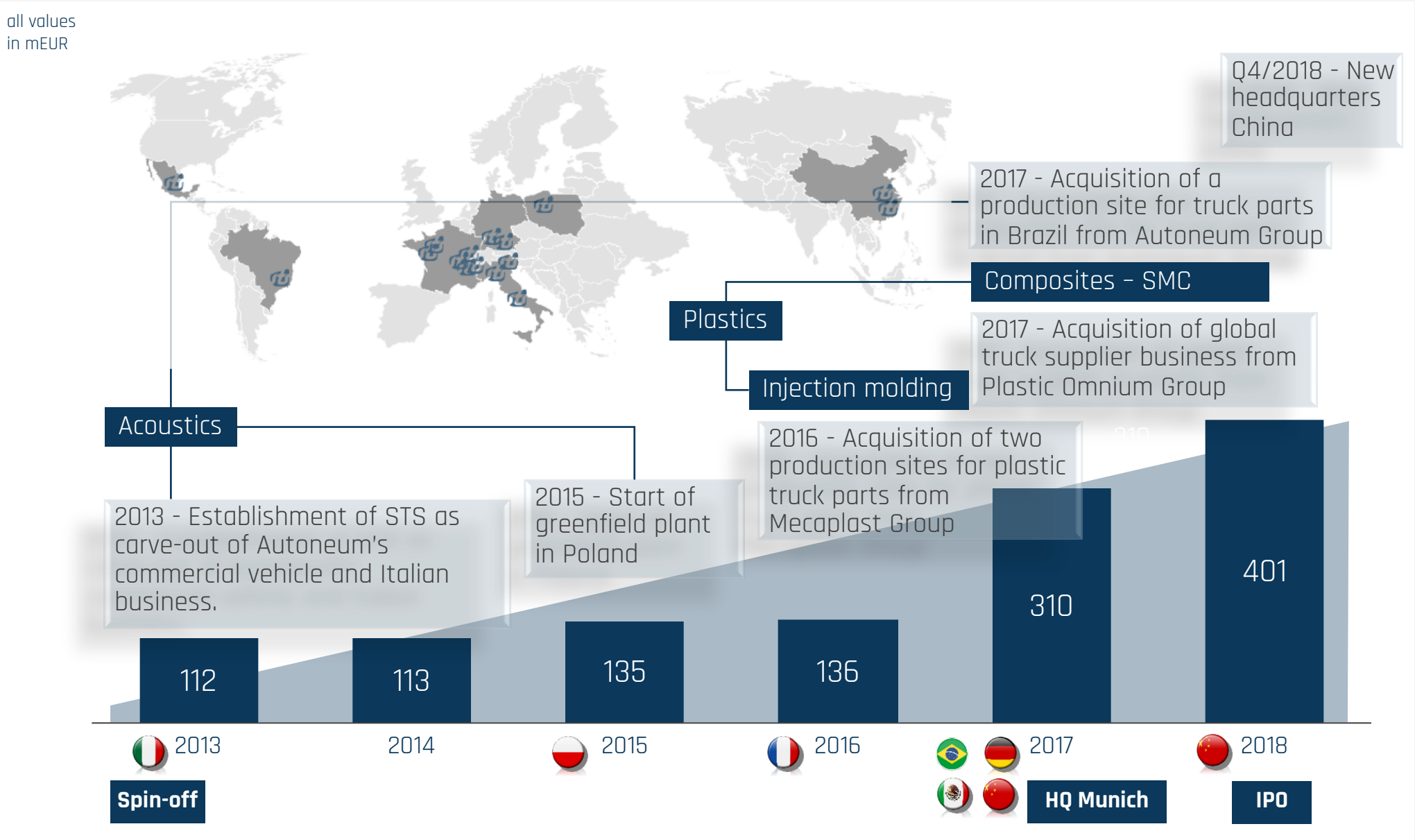
Prior to joining STS Group, Ulrich Hauck held the positions of Group CFO at Schaeffler, Corporate Senior Vice President at Bayer AG, heading global accounting and controlling of Bayer and Vice President at Rheinmetall. He started his career as CPA and tax consultant at Deloitte.



History

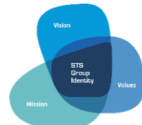
Long history to become one of the leading global Tier 1 truck suppliers for soft and hard trim.

Till 2013 part of Autoneum (former Rieter Group) as Truck Division and Italian Business Unit.



Highlights 2018

Within six months after the IPO in 2018, STS Group AG achieved several milestones of the strategy.



2nd Quarter

STS Group Identity: **ONE GROUP**



1 June

IPO and admission to Prime Standard



2 July

Major order from **leading commercial vehicle manufacturer** with a volume of mEUR 150



24 July

Successful **entry into the North American** commercial vehicle market



3rd Quarter

Integration successfully **completed**



5 September

New order of **components for electric vehicles** in the Chinese market

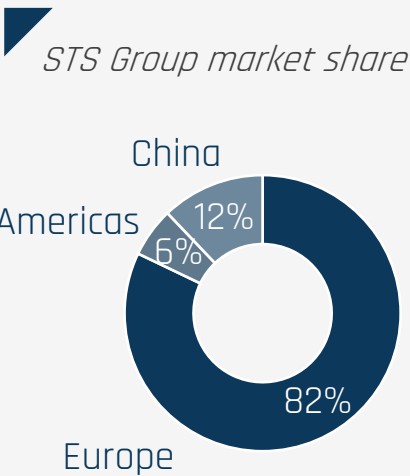


December

New headquarter and R&D center in Wuxi



Market Development

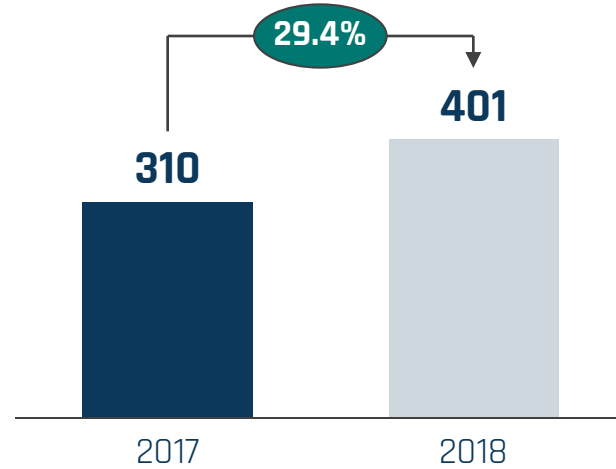


all values in 1.000 Units	Market Trend	STS 2018	Comments																
Europe	<div><div>+1%</div><table><tr><td>MHCV</td><td>658</td><td>662</td><td>701</td></tr><tr><td></td><td>2017</td><td>2018</td><td>2019</td></tr><tr><td>LV</td><td>22,216</td><td>21,981</td><td>21,645</td></tr><tr><td></td><td>2017</td><td>2018</td><td>2019</td></tr></table><div>-1%</div></div>	MHCV	658	662	701		2017	2018	2019	LV	22,216	21,981	21,645		2017	2018	2019	<div><div>→</div><div>↘</div></div>	<ul style="list-style-type: none">▶ European MHCV with slight increase in 2018▶ STS Group below market due to planned phase out of truck project within BU Plastics▶ European LV market slightly down in 2018▶ Acoustics negatively impacted by weak Italian LV market (-10%)
MHCV	658	662	701																
	2017	2018	2019																
LV	22,216	21,981	21,645																
	2017	2018	2019																
China	<div><div>-5%</div><table><tr><td>MHCV</td><td>1,581</td><td>1,502</td><td>1,345</td></tr><tr><td></td><td>2017</td><td>2018</td><td>2019</td></tr></table><div></div></div>	MHCV	1,581	1,502	1,345		2017	2018	2019	<div><div>→</div></div>	<ul style="list-style-type: none">▶ Chinese MHCV market shrunk significantly in 2018▶ STS considerably outperformed market with an revenue increase of +2.4%▶ Further contraction of Chinese market expected in 2019▶ STS plans to increase market share and benefit from new emission regulations								
MHCV	1,581	1,502	1,345																
	2017	2018	2019																
Americas	<div><div>+17%</div><table><tr><td>MHCV</td><td>636</td><td>743</td><td>794</td></tr><tr><td></td><td>2017</td><td>2018</td><td>2019</td></tr></table><div></div></div>	MHCV	636	743	794		2017	2018	2019	<div><div>→</div></div>	<ul style="list-style-type: none">▶ Market increase offers potential for planned market entry in the US <p>all market developments based on management estimates</p>								
MHCV	636	743	794																
	2017	2018	2019																

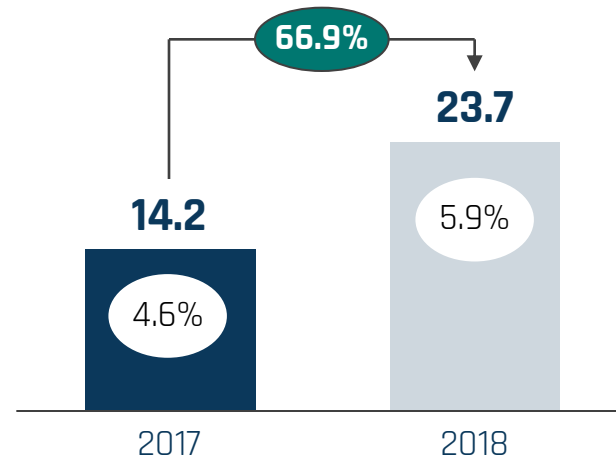
Revenues & Adj. EBITDA

STS Group achieves guidance 2018.

Revenues in mEUR



Adj. EBITDA in mEUR



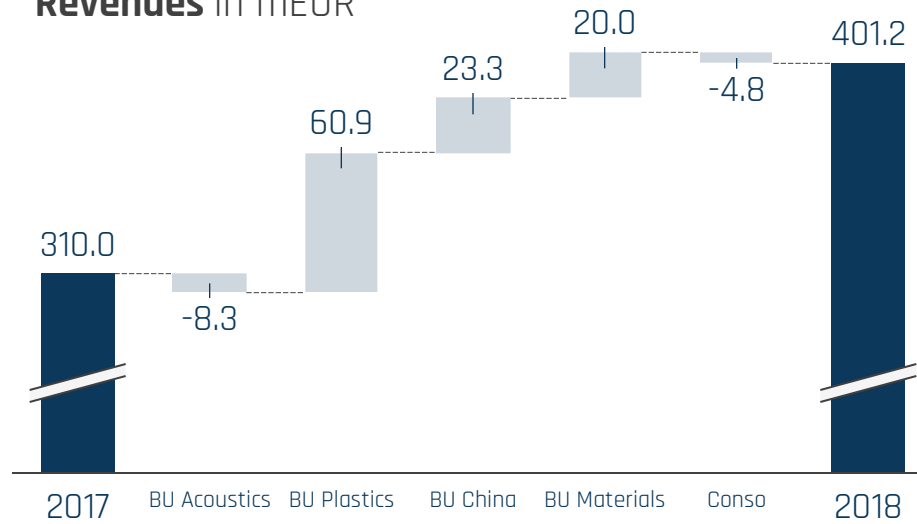
Key Messages:

- ▶ **Preliminary figures** released February 27, 2019 **confirmed**
- ▶ **Revenue rose by around 29%** to 401.2 mEUR (prior year: 310.0 mEUR).
- ▶ **Increase in adjusted EBITDA** of around 67% to 23.7 mEUR (prior year: 14.2 mEUR).
- ▶ Adjustments (11.9 mEUR) refer to **costs for IPO and integration costs**
- ▶ **Integration** of acquired units **completed** in 2018.

Revenues & Adj. EBITDA per Business Unit

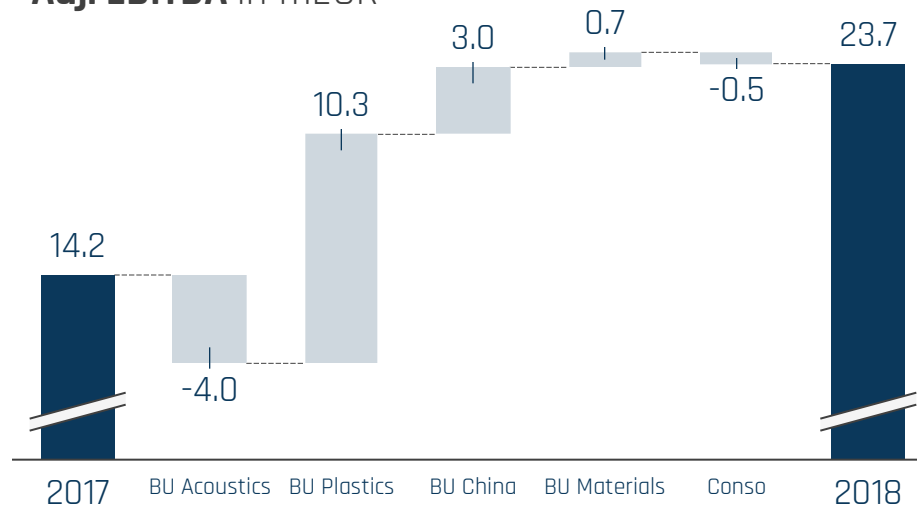
Top line growth essentially attributable to acquisitions carried out in financial year 2017.

Revenues in mEUR



- ▶ Revenue decrease of BU Acoustics primarily due to lower volumes of Italian LCV/LV market
- ▶ Growth of BUs Plastics and Materials due to full year effect of businesses acquired in 2017
- ▶ Organically, BU Plastics decreased due to planned phase out of truck project
- ▶ Organic growth of BU China amounts to +2.4%

Adj. EBITDA in mEUR

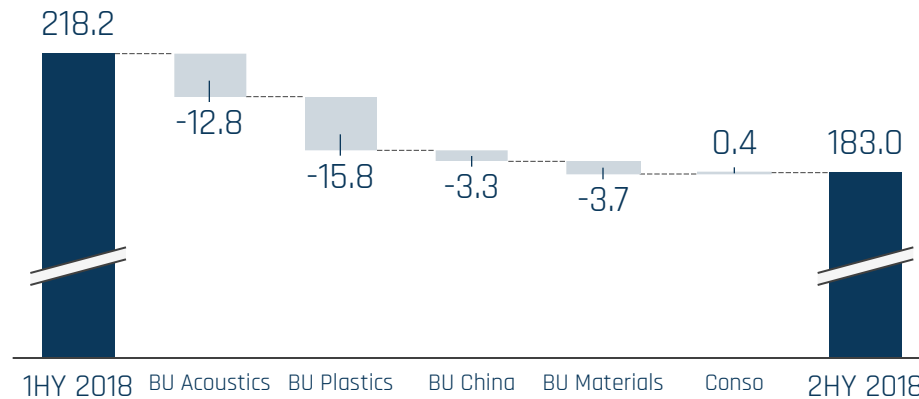


- ▶ BU Plastics and BU China with major contributions to growth of Adj. EBITDA, also due to numerous efficiency measures
- ▶ Decline of Adj. EBITDA of BU Acoustics due to lower topline and ramp-up costs of Polish plant

Revenues & Adj. EBITDA 1HY vs. 2HY 2018

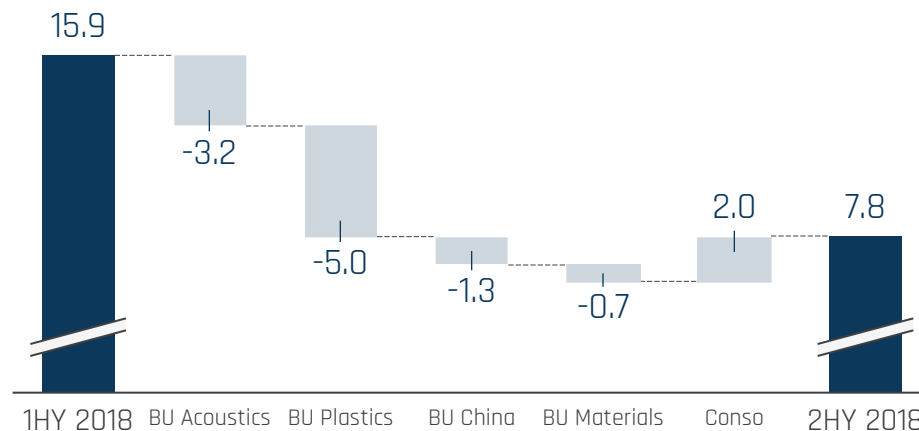
*Second half year 2018
weaker than first half.*

Revenues in mEUR



- ▶ Second half year with lower topline than first six months due to lower production in Europe due to holiday season (>10% less working days)
- ▶ Phase out of truck project of BU Plastics
- ▶ Decline of European Passenger Car market in the second half

Adj. EBITDA in mEUR



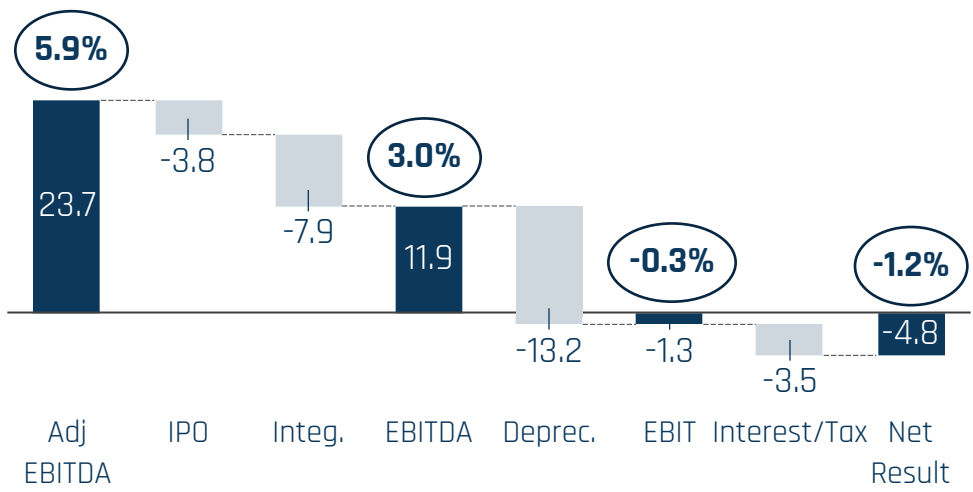
- ▶ Adjusted EBITDA decreased in second half of the year, mainly due to lower revenues
- ▶ BU results negatively affected by true up of HQ cost allocation in fourth quarter



Net Result & Equity

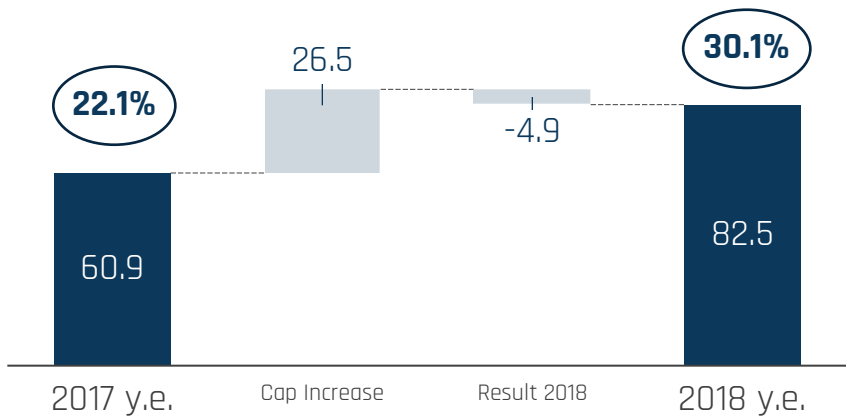
Negative net result in 2018 but increase of equity level.

Net Result y.e. 2018 in mEUR



- ▶ EBITDA adjustments for IPO costs and integration of 2017 acquired activities
- ▶ Depreciation in line with CAPEX, which refers mainly to investments for maintenance, new projects and strategic growth
- ▶ Excluding adjustments net result would be positive in 2018

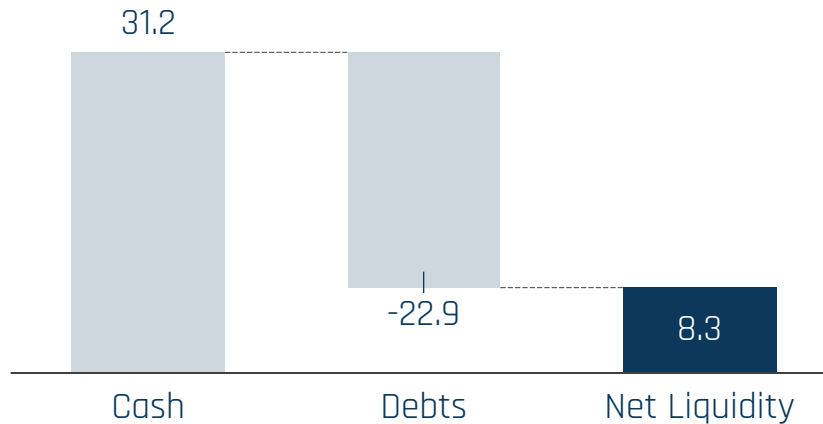
Equity in mEUR



- ▶ Strong increase of equity due to IPO
- ▶ Solid equity level with ard. 30%

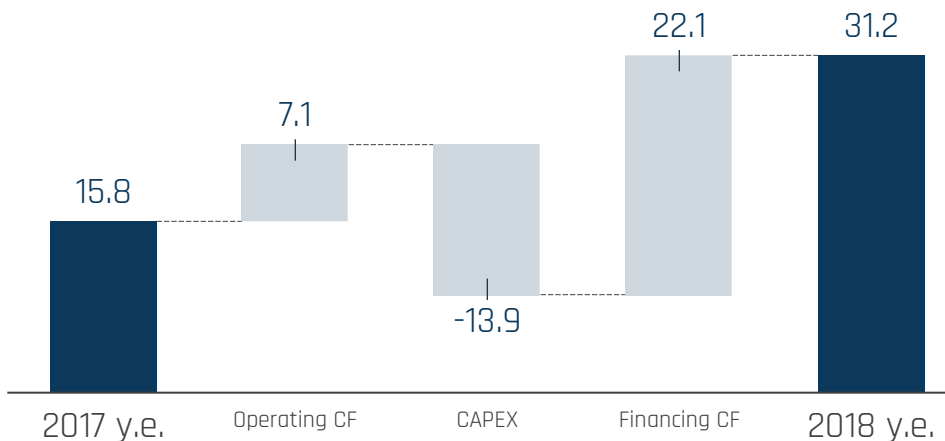
Net Debt & Liquidity

Net Liquidity Dec. 31, 2018 in mEUR



- ▶ Positive net liquidity position as of Dec 31, 2018 (prior year: -8.7 mEUR)
- ▶ Liquidity situation gives financial flexibility (e.g. for acquisitions)

Liquidity in mEUR



- ▶ Significant increase of liquidity in 2018
- ▶ Operating Cash-flow positive despite high payouts for special items
- ▶ CAPEX ard. 3.5% of Sales
- ▶ Financing Cash-flow positive due to capital increase

Solid financial position.



Drivers for potential sales growth



Drivers for additional profit



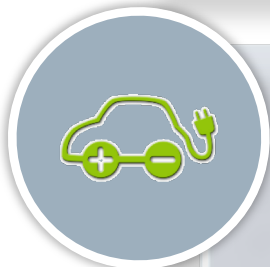
Expanding in China:

- ✓ New HQ and R&D center in Wuxi
- ✓ Third plant in Shyian
- Additional technology with introduction of injection molding



Entering the US Market:

- ✓ First order from premium NAFTA truck brand
- New plant follows business award
- Footprint by acquisition or greenfield



Benefitting from system approach & new technologies:

- ✓ Development of new product systems & innovations
- ✓ First EV order (New customers & new applications)
- Expansion of new products & technologies



Improving footprint/cost structure in Europe:

- ✓ New plant in best cost country
- Optimization of actual footprint
- Improving cost structure (e.g. BU Acoustics)



Process Innovation:

- Increased automation in production (ongoing)
- Operation excellence within all plants

2019 & mid-term Guidance

Attractive future growth perspectives.



2019

- ▶ Market environment in the **automotive industry** will continue to be **challenging**
- ▶ **Revenue** expected to remain at **previous year's level**
- ▶ **Adjusted EBITDA** at least at **previous year's level** (2018: 23.7 mEUR), **increase of EBITDA by $\geq 100\%$** compared to previous year (2018: 11.9 mEUR)

mid-term

- ▶ **Attractive future growth** perspectives.
- ▶ **Target revenue ≥ 500 mEUR**
- ▶ **Target EBITDA margin $\geq 10\%$**



Key Take Aways

Publication quarterly
statement on May 15, 2019



Successfull year 2018



Solid financial position



Currently challenging automotive market



Attractive future growth perspectives



Financial Calendar 2019

Conferences and
relevant publications in
2019.

16/17 April 2019	CF&B 14th Smallcap Event, Paris
7/8 May 2019	MKK Munich Capital Market Conference, Munich
15 May 2019	Publication Quarterly Statement (call-date Q1)
17 May 2019	Annual General Meeting
28 May 2019	MainFirst SMID CAP Event, Frankfurt/Main
4 June 2019	Prior Capital Market Conference, Frankfurt/Main
27 June 2019	Market Capital Day, Frankfurt/Main
7 August 2019	Publication half-yearly financial report
2/3 September 2019	Autumn Conference, Frankfurt/Main
11 September 2019	ZKK Zurich Capital Market Conference, Zurich
6 November 2019	Publication Quarterly Statement (call-date Q3)
25/27 November 2019	German Equity Forum 2019, Frankfurt/Main



Thank you for your attention

Contact Us

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