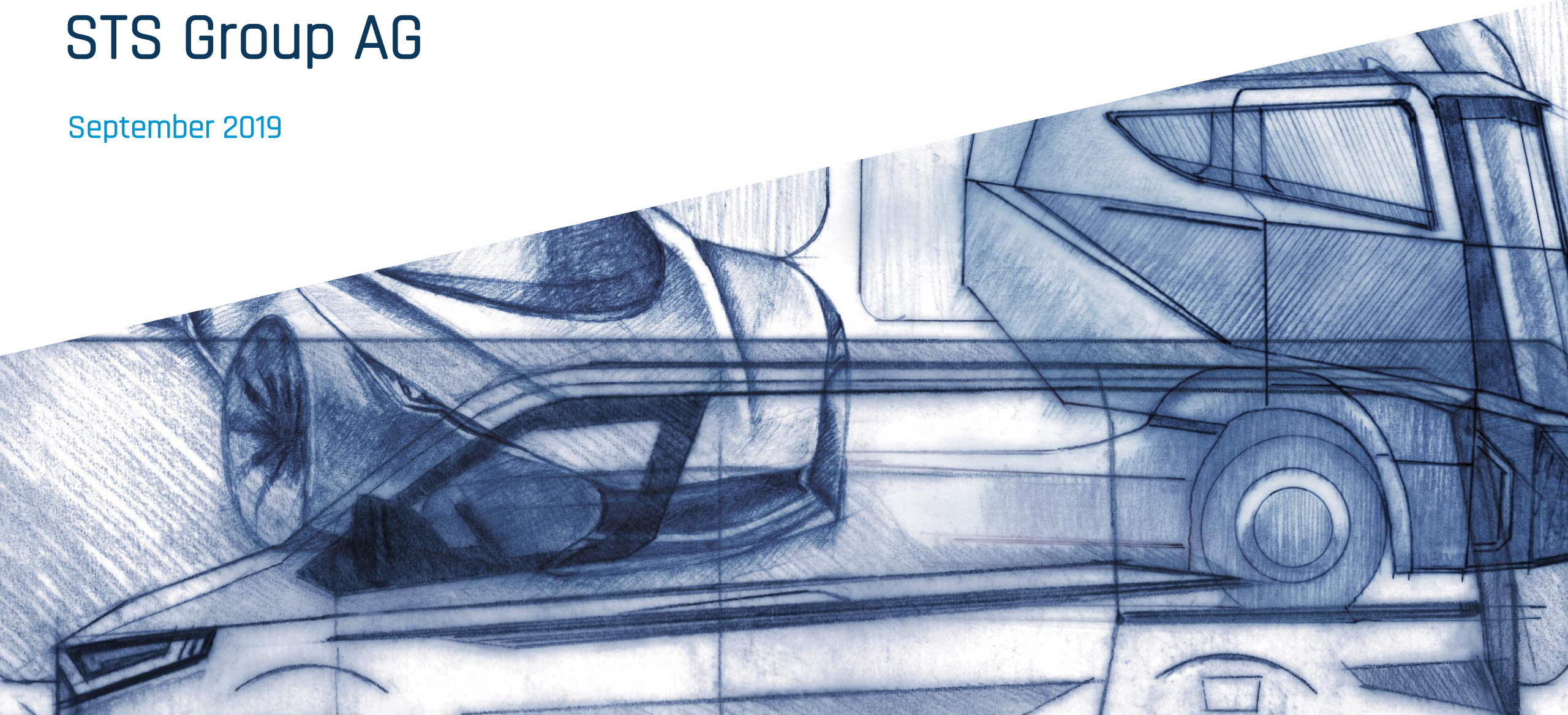


Investor Presentation

STS Group AG

September 2019

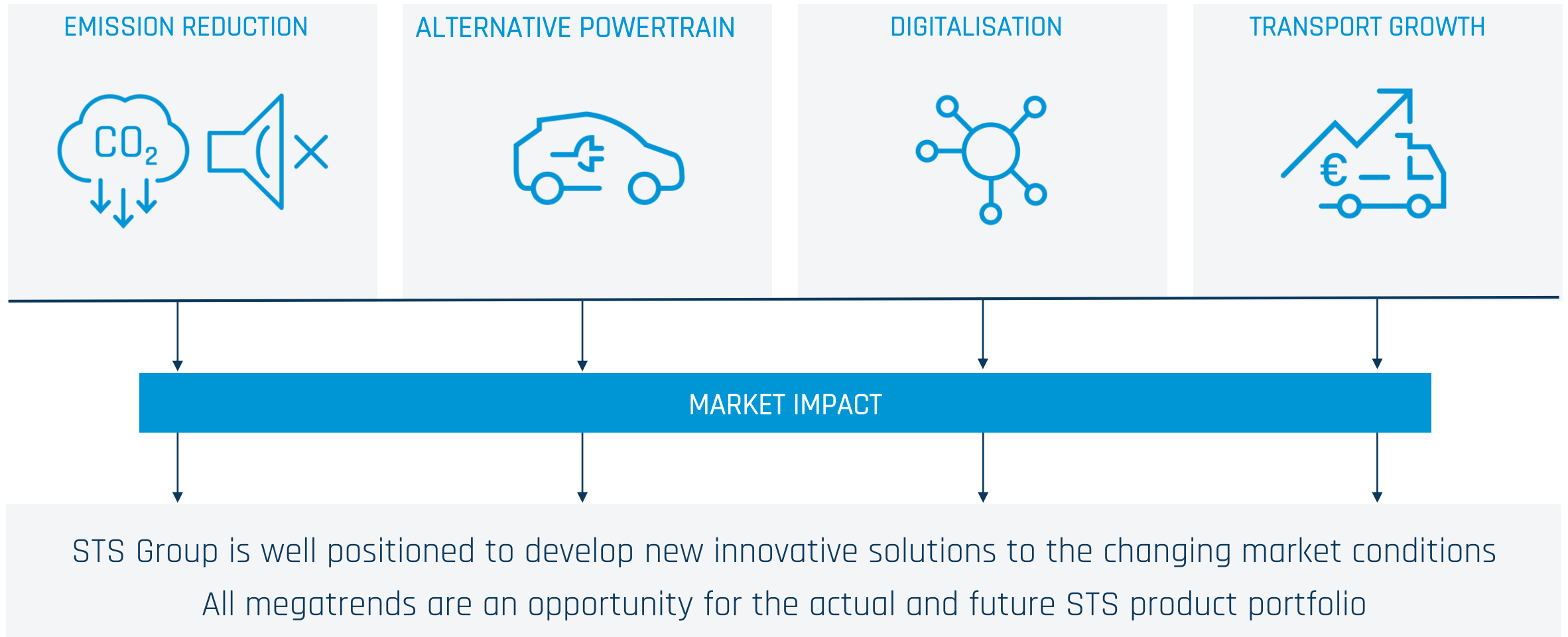


We are the preferred global
acoustics and plastics solution
provider for transportation systems
when it comes to design, comfort
and efficiency!

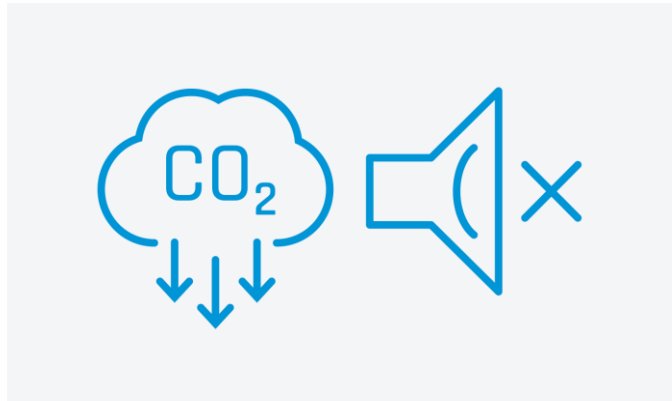
STS Group



Megatrends of the automotive industry



Megatrend – Emission Reduction



MEGATREND MARKET IMPACT

- New regulations for emission reduction in Europe (EURO6) and China (CHINA6)
- Noise reduction (passive acoustics of the vehicle)

WHAT CAN STS DO?

- Reduce total weight of the vehicle with lightweight solutions, by replacing metal with plastics
- Improve Aerodynamics of vehicles
- Noise reduction through acoustic insulation

PRODUCT SOLUTIONS (examples)

- Entire exterior trim solutions for commercial vehicles (e.g. modules for roof, spoiler, front and side panels)
- Complete engine cover and outer wheel arches

Megatrend – Alternative Powertrain



MEGATREND MARKET IMPACT

- Alternative powertrain systems for vehicles
- Advance of eMobility
- For passenger cars, as well for commercial vehicles

WHAT CAN STS DO FOR THAT?

- Lightweight solutions to reduce the total weight of the vehicle (longer range of the vehicle)
- Development of new components for eVehicles

PRODUCT SOLUTIONS (examples)

- Component to cover battery systems
- Lightweight system solutions with integrated acoustic function (e.g. spoiler, rear wall, tailgate)

Megatrend – Digitalization



MEGATREND MARKET IMPACT

- Autonomous or semi-autonomous driving
- Platooning in the truck sector
- Connected driving
- New autonomous mobility solutions

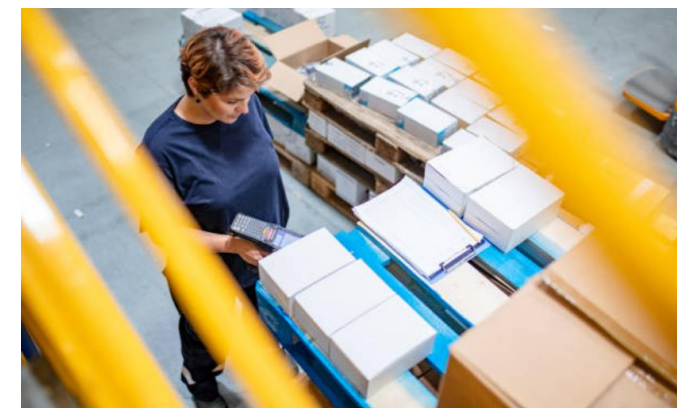
WHAT CAN STS DO?

- Development of complex systems, to include radar and camera technologies
- Higher comfort for truck cabin interior

PRODUCT SOLUTIONS (examples)

- Spoiler roof for camera systems
- Interior trim applications with optimized acoustics
- SMC products is best material for transmittance of radar waves

Megatrend – Transport Growth



MEGATREND MARKET IMPACT

- Growing e-commerce market
- Increasing logistic activities through commercial vehicles

WHAT CAN STS DO?

- Extend customer portfolio and global footprint to become a leading system supplier for OEMs

PRODUCT SOLUTIONS (examples)

- Smart and efficient system solutions for commercial vehicles

STS Group at a glance





Who are we?



ANDREAS BECKER, CEO

STS Board Member since 2013. 22 years of industry experience. He has been CEO of the STS Group since its foundation and occupied before several management positions within the Autoneum Group management in Italy as well as the Truck Business Worldwide division.

Term of office: 06/2023



DR. ULRICH HAUCK, CFO

STS Board Member and CFO of the STS Group since April 2019. 20 years of industry experience. Previously he was CFO of the Schaeffler Group, Corporate Senior Vice President at Bayer AG, heading global accounting and controlling of Bayer and Vice President at Rheinmetall.

Term of office: 06/2022



PATRICK OSCHUST, COO

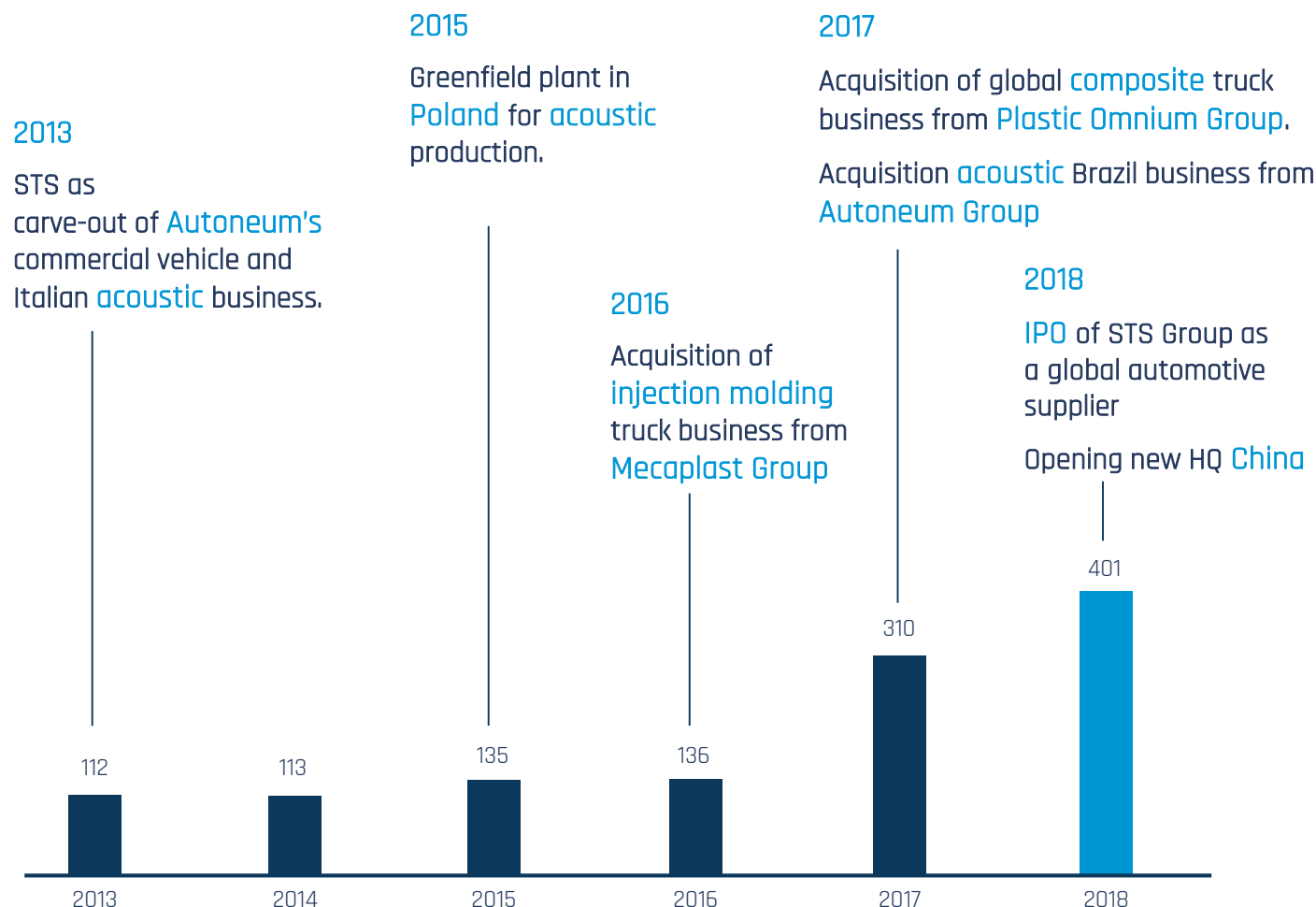
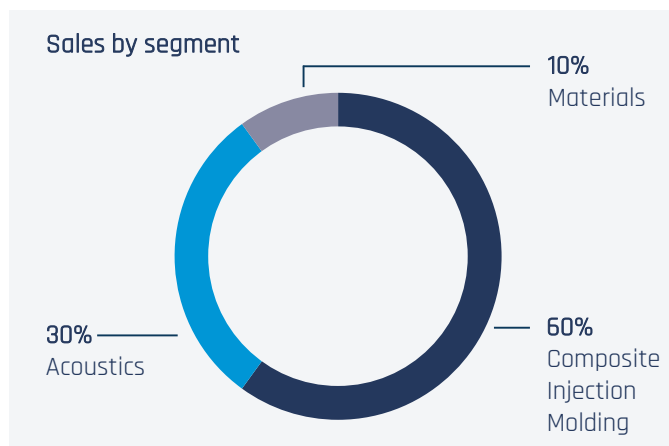
STS Board Member since 2013. 19 years of industry experience. He has been COO of the STS Group since its foundation. He previously held several positions at the German automotive supplier Dräxlmaier, most recently as Managing Director in Germany and Romania.

Term of office: 06/2021

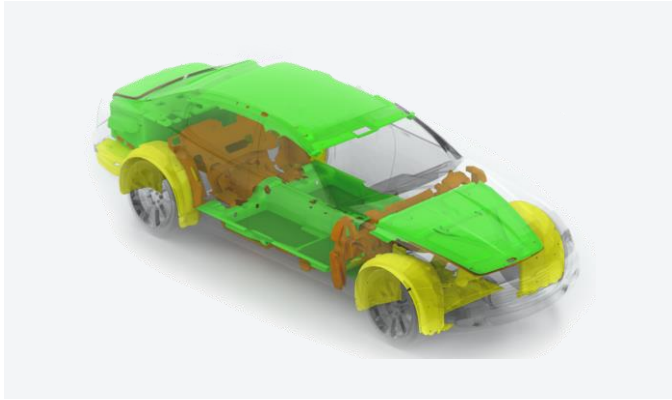


Successful transformation to global system supplier

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.

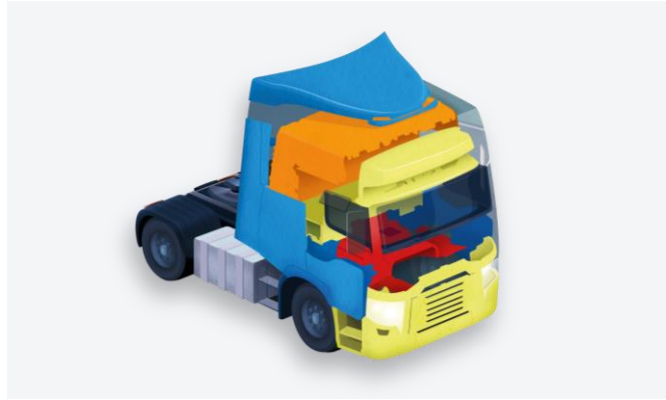


What do we do?



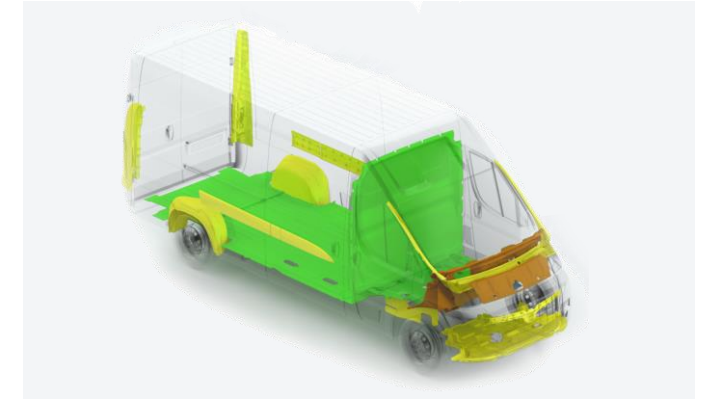
Products Passenger Cars

- Inner and outer acoustic insulation
- SMC tailgate and fender carrier
- Engine encapsulation
- Battery system cover



Products Truck

- Assembled front and side modules
- Interior storage systems
- Inner acoustic trim
- Engine encapsulation



Products Light Commercial Vehicle

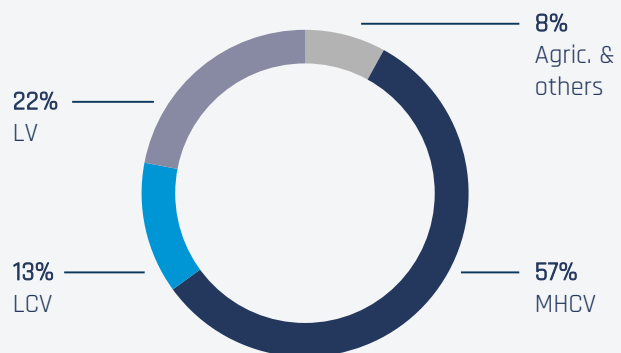
- Cabin acoustic trim and floor
- Exterior pillar trim
- Door guards
- Engine encapsulation



Diversified global customer portfolio

STS Group is strategic partner for major part of global commercial vehicle OEMs, supplying as well the emerging eVehicle producers. Within the light vehicle sector our main partner is the FCA Group.

Sales by segment

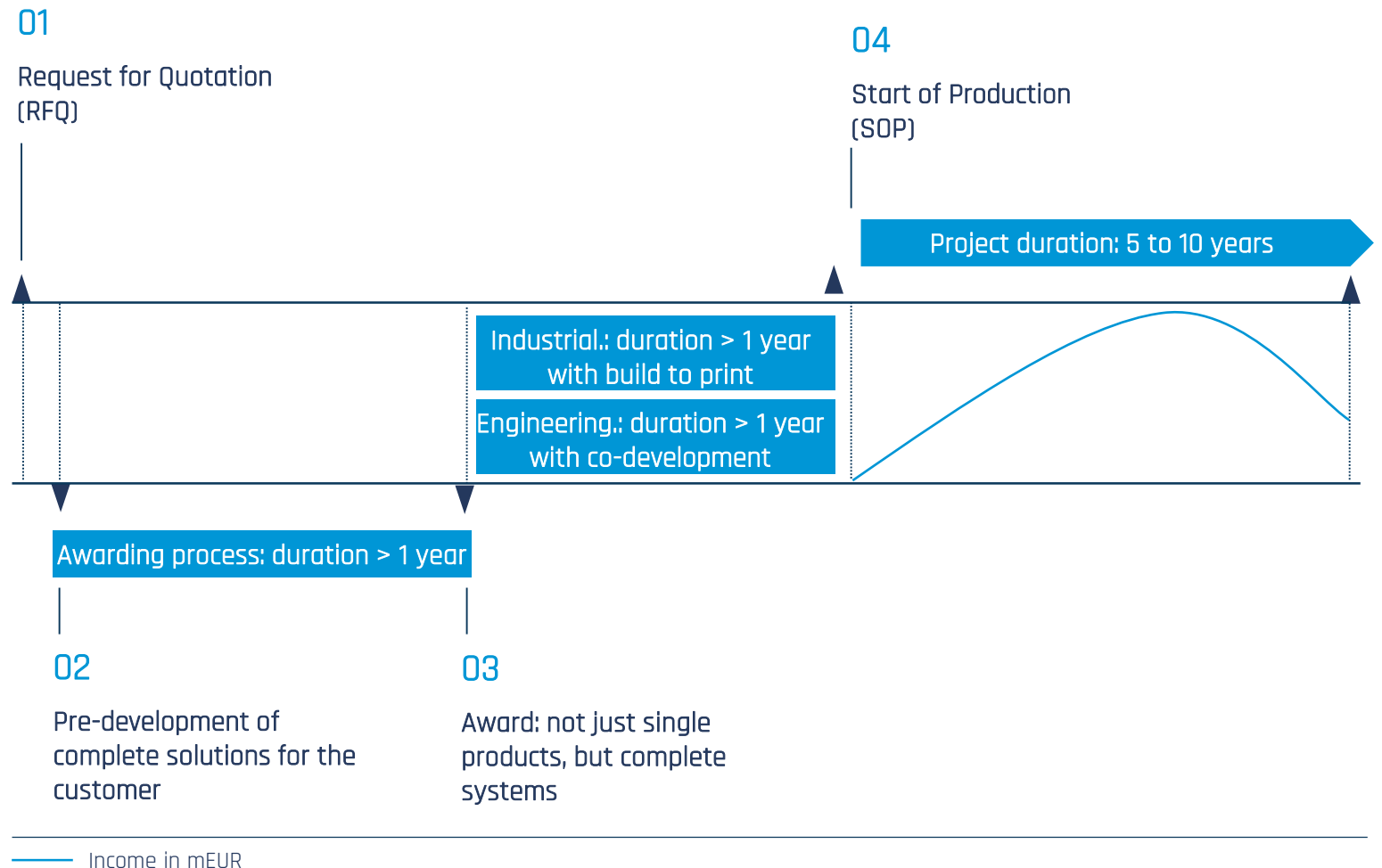




Project life cycle of STS Group

STS Group acts within a market with long product cycles, which implies long-lasting projects once acquired.

- After RFQ the procurement process can lead up to one year of contracting with the customer
- After the project award, it can lead up to more than one year until Start of Production (SOP)
- Projects within the Truck market generally last up to 10 years





Unique selling points of the STS Group

COMBINE TECHNOLOGIES

Technological know-how for structural, visual, acoustic and thermal parts

HIGH VERTICAL INTEGRATION

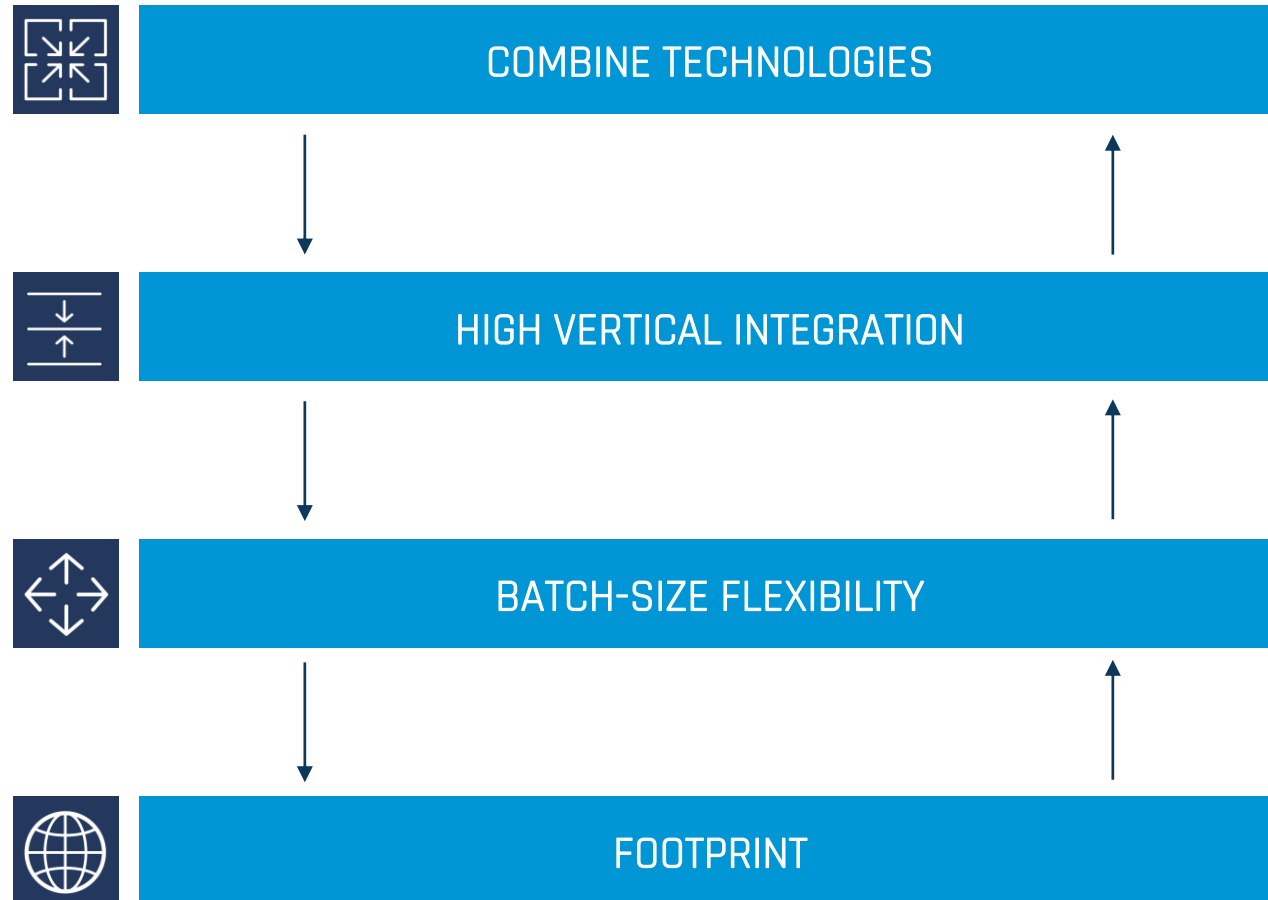
Vertically integrated production from semi-finished goods to complete systems

BATCH-SIZE FLEXIBILITY

Flexible organization focused on medium large batch sizes in terms of development and production.

FOOTPRINT

Global customer reach through local production



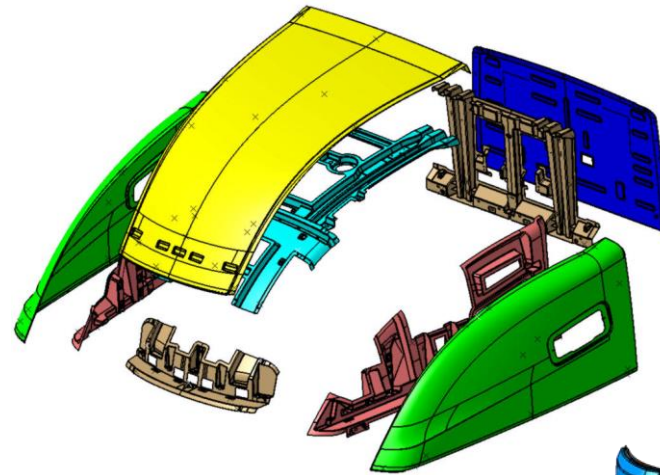
Combine Technologies

STS is able to combine different technologies

- Acoustic- and thermal-isolation components
- Injection molding technology
- Composite component production

and to offer complete systems to the customer.

Global truck market trends towards global system suppliers.

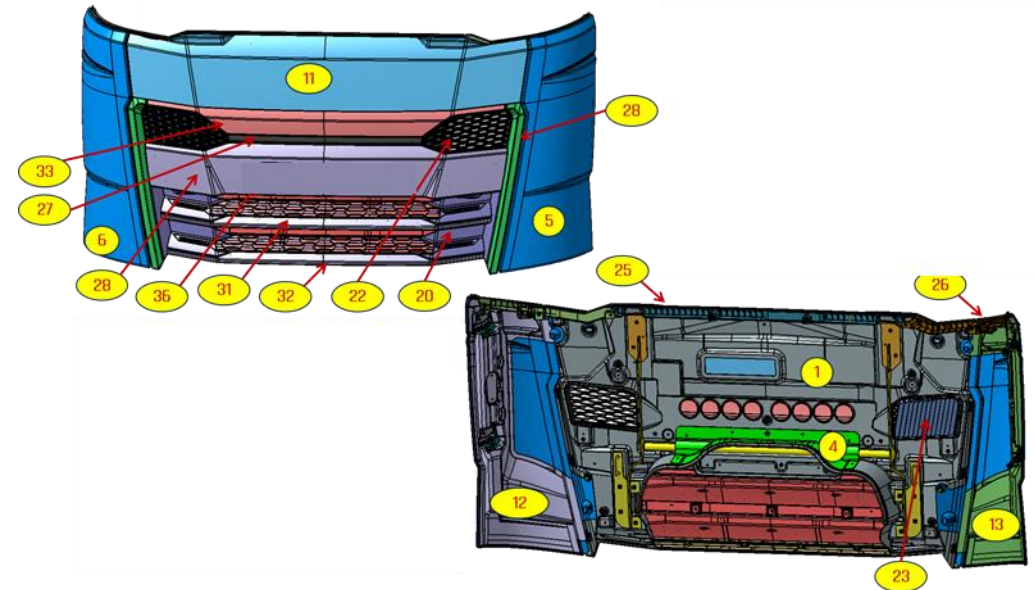


COMPLETE ROOF SPOILER SYSTEM

Interior und Exterior systems



COMPLETELY ASSEMBLED FRONT MODUL



Vertical Integration

Felt thermoforming, PU foaming, Textile Lamination

RAW MATERIAL



- Fabric
- Resins

SEMI FINISH



- Cotton, polyester, polyamide, glass wool
- Phenolic, polyester, thermoplastic
- Binder

MOLDING



- Mold design
- Prototyping
- Process control

FINISHING



- Cutting
- Textile lamination
- PVC lamination
- Assembly and control

Composite thermocompression: SMC, BMC, AMC

RAW MATERIAL



- Glass fiber
- Resins

SEMI FINISH



- Resin paste
- Glass fiber reinforcement and compression
- Maturation

MOLDING



- Mold design
- Prototyping
- Process control
- In Mold Coating (IMC)

FINISHING



- Deburring, machining
- Painting and gluing
- Assembly
- Quality control

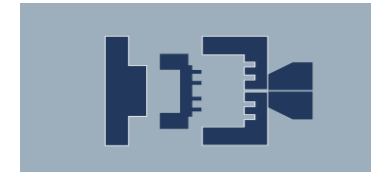
Injection molding

RAW MATERIAL



- Pellets (PP, PC, ABS, PA, POM)

MOLDING



- Mold design
- Prototyping
- Process control

FINISHING



- Deburring, machining
- Painting and gluing
- Assembly
- Quality control



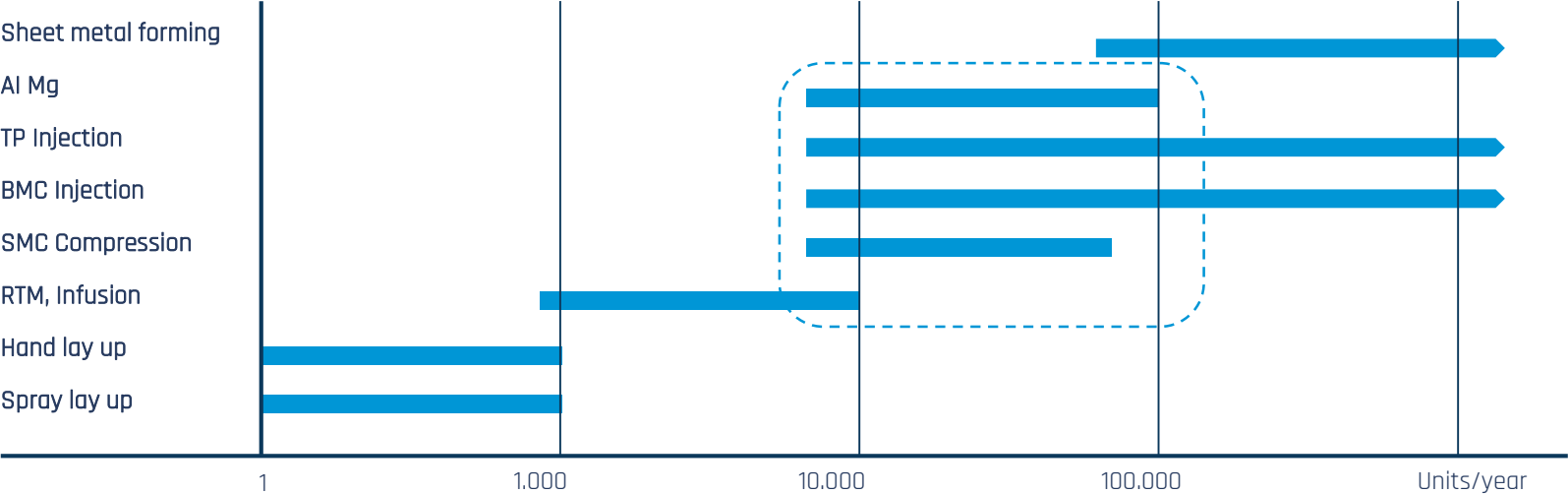
↔ Batch-Size Flexibility

STS Group focuses on medium batch size with a yearly production of up to 100,000 parts per year, what is mostly attractive for SMC compression.

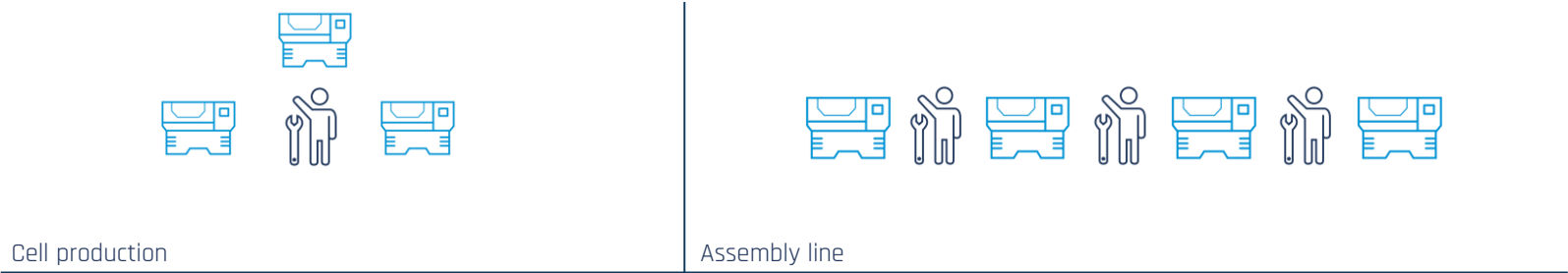
STS is competitive in medium series sizes what is likely to be the future trend of electric vehicles.

Cell production allows lower investments costs and flexible production processes.

Total production costs include unit costs plus tooling production



Cell production with lower investments costs vs. high serial investment costs



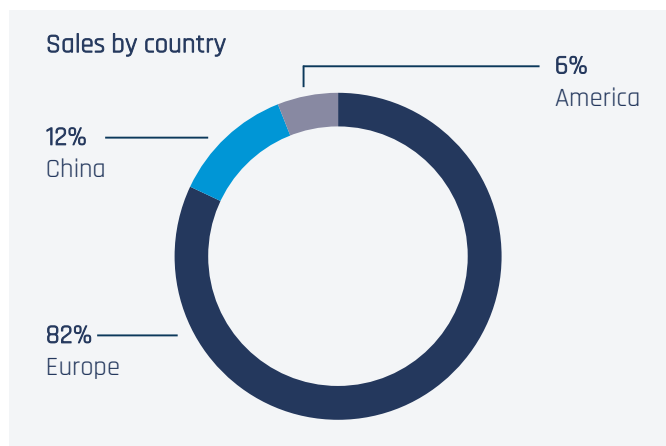


Footprint

STS Group has operations in 4 continents with about 2,500 employees.

STS Group has actually 13 production plants and 4 logistic/service plants.

With the 4 R&D centers in Europe and China STS Group supports their customers already with the development of new products.



FRANCE

- St. Désirat
- Précigné
- Izernore
- Blainville
- Félines
- Andance
- Tournon

GERMANY

- Halbergmoos HQ
- Kandel

POLAND

- Miedzyrzecz

MEXICO

- Ramos

BRAZIL

- Bétim

ITALY

- Santhiá
- Desio
- Pignataro

CHINA

- Wuxi HQ
- Qingdao
- Shiyang
- Jiangyin

STS Group Strategy





Roadmap to global preferred system supplier with sustainable profit growth



GROWTH IN CHINA

China as the largest automotive market worldwide, offers high growth potential for STS Group: market share growth, new regulations, eMobility.



MARKET ENTRY USA

USA is an attractive market as the third largest truck market worldwide. Long-nose truck cabins represent higher sales volumes per unit.



ADD-ON ACQUISITIONS

Continuous market screening for potential targets, to realize further growth due to potential strategic add-on acquisitions.



NEW PRODUCTS

New emission regulations and eMobility trigger need for new product characteristics and solutions.



COST STRUCTURES EUROPE

Continuous improvement of cost structures in Europe, through automatization of processes, operational excellence and improved footprint.

Growth in China

POTENTIAL FOR STS

- Largest market worldwide
- Local competitors only small local family businesses
- Engineering know-how through own R&D on site
- New emission regulations



OBJECTIVES

- Double current sales volume in the mid-term
- Growth in market share with existing customers
- Expansion of the eMobility business

THE ROAD TO SUCCESS

- All major truck manufacturers are already STS customers
- Injection molding technology introduced and third manufacturing site inaugurated in 2019
- Promising order intake
- Expansion of product and customer portfolio ongoing



Market entry USA

POTENTIAL FOR STS

- Third-largest truck market worldwide
- Long-nose trucks with higher value per vehicle (+120% more revenue per vehicle)
- No global competitors on site

OBJECTIVES

- Market entry with composite technology
- Better utilization of Mexican plant
- Invest in US manufacturing site to be close to the customers
- In the mid-term approx. 20-25 mEUR sales

THE ROAD TO SUCCESS

- Projects for American truck OEM acquired
- Further projects under negotiation to reach volume for a Green / Brownfield plant
- Expansion of product and customer portfolio ongoing



New Products

POTENTIAL FOR STS

- eMobility and emission regulation trigger need for new products
- Market trends towards global system suppliers
- Further demand for Light Weight solutions



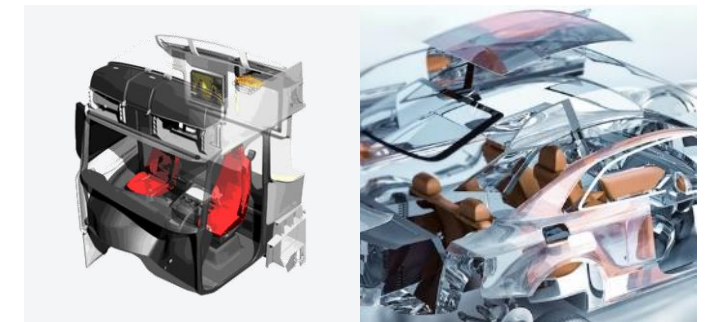
OBJECTIVES

- Supplier for emerging eMobility market
- Innovative lightweight solution provider
- Strengthen positioning as preferred system supplier for commercial vehicles



THE ROAD TO SUCCESS

- Tech-Days with several customers
- Bundling of group-wide R&D activities
- License agreement with AMA composites
- First projects for battery covers awarded



Business & Financial Highlights

H1 2019





Achievement of several milestones in line with STS strategy



February

New business for BU Acoustics passenger car business awarded



April

Third Chinese plant opened in Shiyao with successful SOP



May

First general assembly after IPO



May

Major order for innovative long-nose trucks in China



June

License agreement for innovative lightweight solutions



July

Two orders received for electric vehicles battery covers from Chinese OEMs



Key Financials

<i>in mEUR / %</i>	Q2 2018	Q2 2019	<i>var. in %</i>	H1 2018	H1 2019	<i>var. in %</i>
Revenues	109.3	98.3	-10.1	218.2	193.8	-11.2
EBITDA	3.5	5.8	+65.7	6.9	10.1	+46.4
EBITDA Margin	3.2%	5.9%	+2.7 pts.	3.2%	5.2%	+2.0 pts.
Adj. EBITDA	8.4	5.8	-31.0	16.5	10.1	-38.8
Adj. EBITDA Margin	7.7%	5.9%	-1.8 pts.	7.6%	5.2%	-2.4 pts.
EBIT	0.2	1.1	+450.0	0.2	0.9	+350.0
EBIT Margin	0.2%	1.1%	+0.9 pts.	0.1%	0.5%	+0.4 pts.
NET Income	-1.1	-1.0	+9.1	-2.8	-2.3	+17.9
EPS <i>(in €)</i>	-0.55	-0.16	+70.9	-1.42	-0.38	+73.2
CAPEX	3.0	3.2	+6.7	5.9	6.3	+6.8
FOCF ¹⁾	-6.6	+0.9	+113.6	-11.4	-4.0	+64.9
Cash				30.9 (as of 30.06.)	28.7 (as of 30.06.)	-7.1
NFD ²⁾				33.1 (as of 30.06)	33.4 (as of 30.06.)	+0.6

¹⁾ FOCF (= Free Operating Cash Flow)
= Op CF - CAPEX - Leasing Cash Out

²⁾ NFD (=Net Financial Debt) = Bank
Loans + Third Party Loans + Recourse
Factoring - Cash



Decline in revenues and profitability due to weak markets

in mEUR

	Q2 2018	Q2 2019	H1 2018	H1 2019
STS Group				
Revenues	109.3	98.3 (-10.1%)	218.2	193.8 (-11.2%)
EBITDA	3.5	5.8 (5.9%)	6.9	10.1 (5.2%)
Adj. EBITDA* (%)	8.4 (7.7%)		16.5 (7.6%)	
BU Acoustics				
Revenues	34.2	31.1 (-9.1%)	68.6	60.1 (-12.3%)
EBITDA	-0.1	0.8	0.1	0.7
Adj. EBITDA*	0.3		1.0	
BU Plastics				
Revenues	53.8	47.6 (-11.5%)	107.2	94.1 (-12.2%)
EBITDA	5.0	4.5	6.9	7.6
Adj. EBITDA*	7.1		11.1	
BU China				
Revenues	13.4	11.6 (-13.4%)	26.0	23.0 (-11.5%)
EBITDA	1.8	1.9	3.8	3.0
Adj. EBITDA*	2.2		4.5	
BU Materials				
Revenues	10.6	10.2 (-3.8%)	21.9	21.3 (-2.7%)
EBITDA	0.4	0.5	1.2	0.9
Adj. EBITDA*	0.4		1.3	

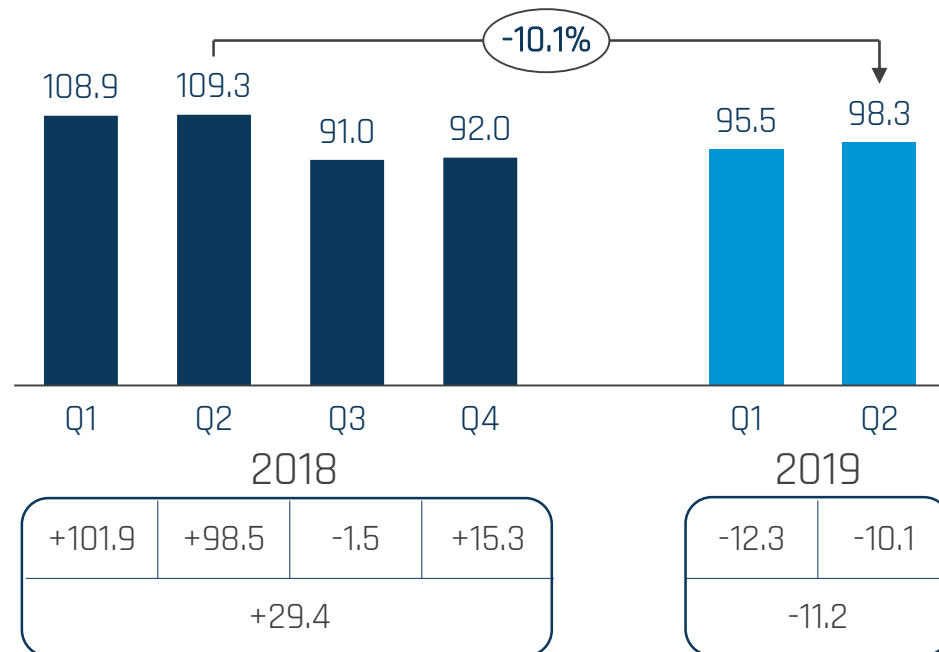
Comments:

- ▶ Revenues decreased by 11.2% in H1 2019
 - Weak passenger car market in Europe, especially in Italy
 - Planned end of a major order within BU Plastics
 - Significant decline in Chinese automotive market
- ▶ Adj. EBITDA impacted by:
 - Significantly lower volumes
 - Overall improved efficiency in plants
 - Profitability of Polish plant improved, however still negative
 - Ramp up costs at the new production location in Shiyan

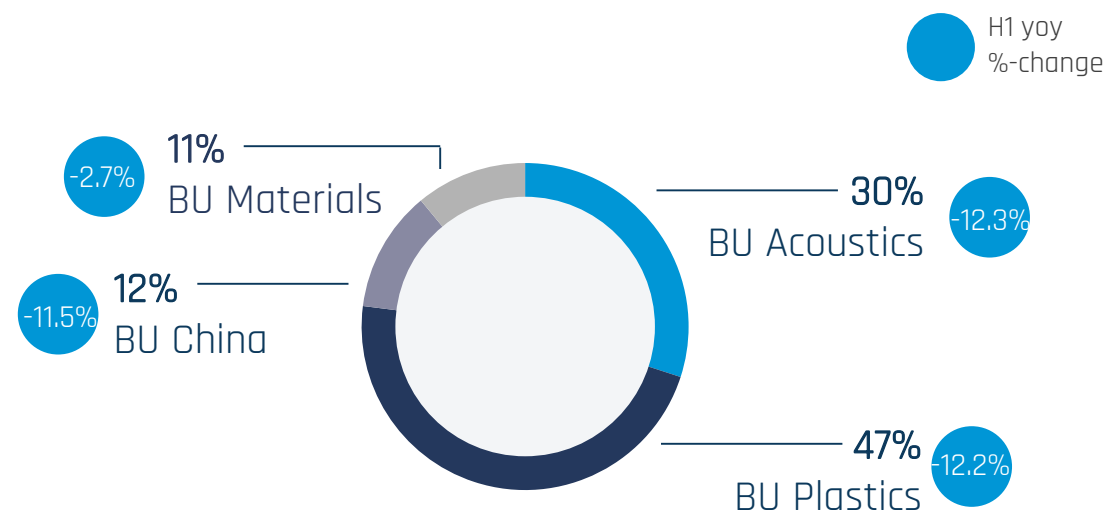


Revenue decline versus 2018 due to overall weak markets

Revenues... (in mEUR)



...by Segment (in % of total revenues)



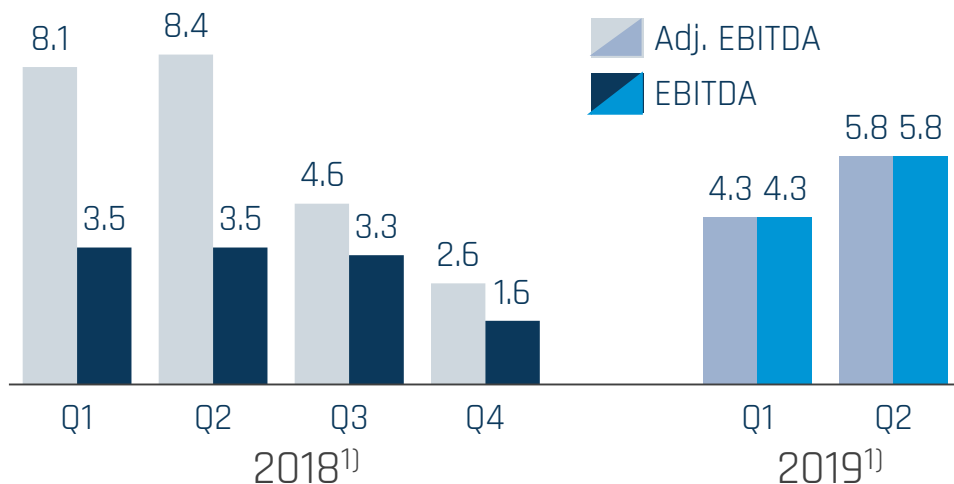
Comments:

- ▶ Market driven revenue decline across all Business Units (BU)
- ▶ Quarter-on-quarter revenue growth of +2.9%
- ▶ Planned phase-out of significant project at BU Plastics in Q2 2018 with negative topline impact (-4.2 mEUR)
- ▶ Positive FX effect of 0.6 mEUR mainly from Mexico (BU Plastics)



Adj. EBITDA Q2 2019 below prior year, but improved versus Q1 2019

Adj. EBITDA (in mEUR)



Adj. EBITDA Margin (in %)

7.4	7.7	5.0	2.8
5.9			

4.5	5.9
5.2	

Adj. EBITDA Margin (in %)

	Q2 18	Q2 19	H1 18	H1 19
Acoustics	0.9	2.6	1.5	1.2
Plastics	13.2	9.6	10.4	8.0
China	16.3	16.7	17.2	13.1
Materials	3.6	4.8	6.1	4.3
STS Group	7.7	5.9	7.6	5.2

¹⁾ 2018: IPO & integration costs / 2019: no adjustments planned

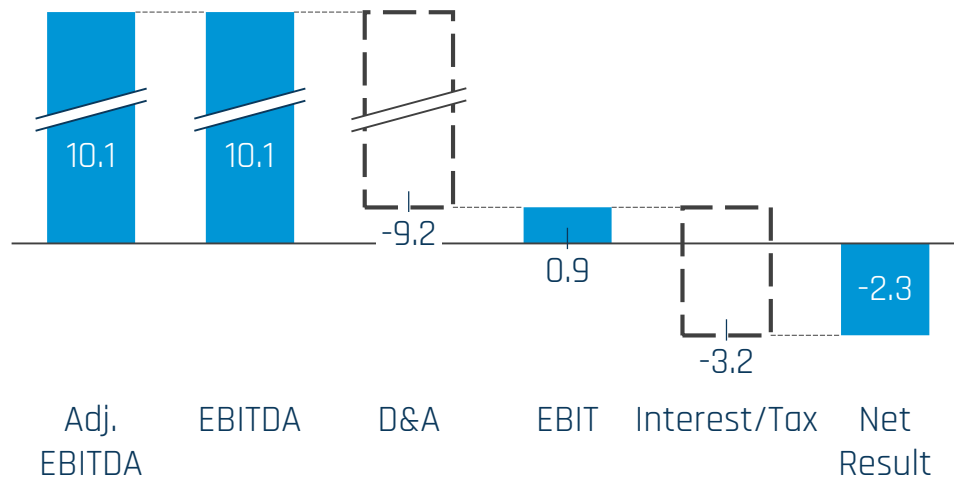
Comments:

- ▶ EBITDA in Q2 2019 improved over prior year quarter
- ▶ Adj. EBITDA in Q2 2019 below prior year quarter, however up on a quarter-on-quarter basis
- ▶ Positive IFRS 16 impact of ard. 1.3 mEUR in Q2 2019 (H1 2019: 2.3 mEUR), thereof 0.4 mEUR each for BU Acoustics, Plastics and China

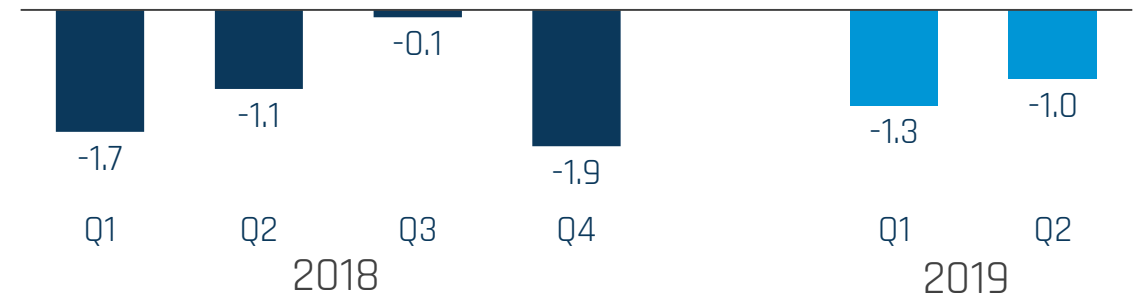


Net income -2.3 mEUR in H1 2019 improved versus prior year

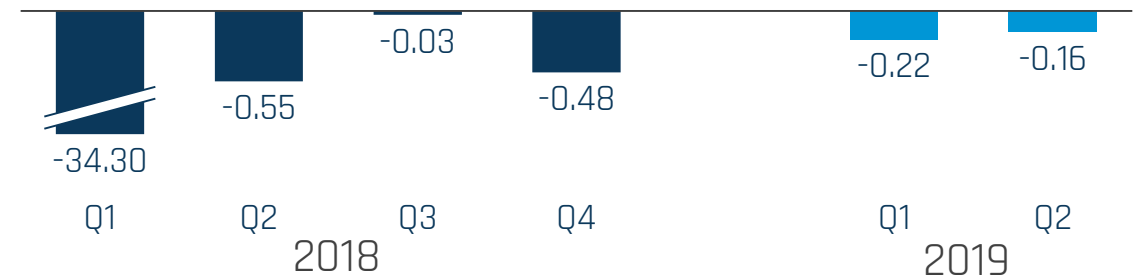
Adj. EBITDA / Net Result Bridge H1 2019 (in mEUR)



Net Income (in mEUR)



Earnings per share¹⁾ (in €)



¹⁾ 50.000 shares until April 12, 2018; 1.050.000 until April 24, 2018;
5.000.000 until May 7, 2018; 6.000.000 from May 8, 2018 on.

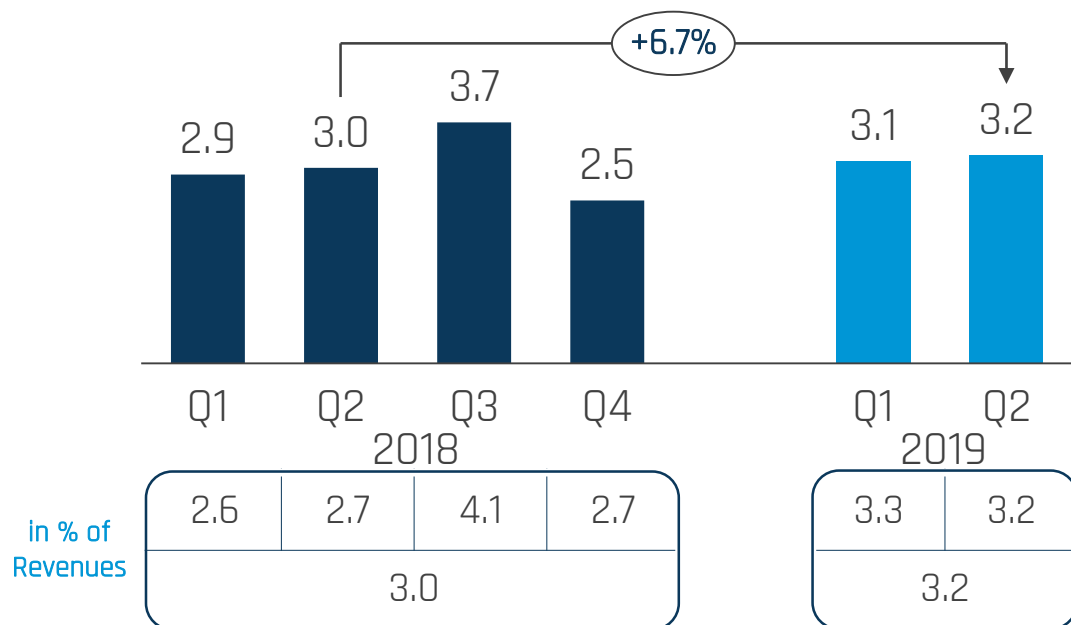
Comments:

- ▶ Net income and EPS still negative in Q2 2019, however slightly improved versus Q2 2018 and Q1 2019



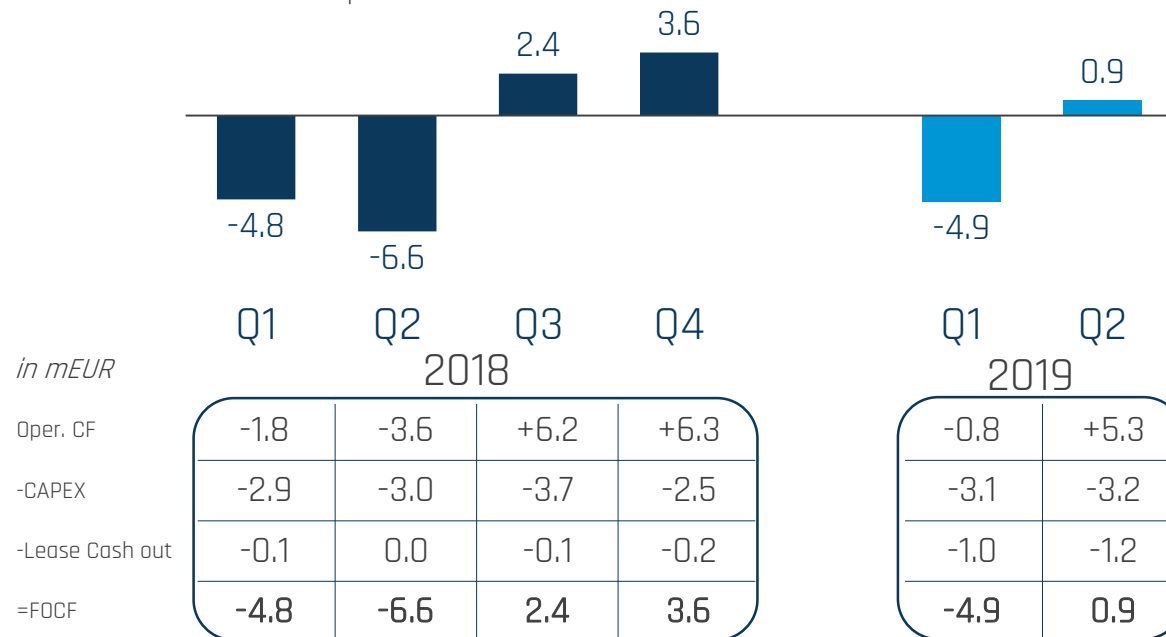
Free Operating Cash Flow improved versus Q2 2018

CAPEX (in mEUR)



Free Operating Cash Flow¹⁾ (in mEUR)

¹⁾ Cashflow from Operations - CAPEX - Lease cash outs



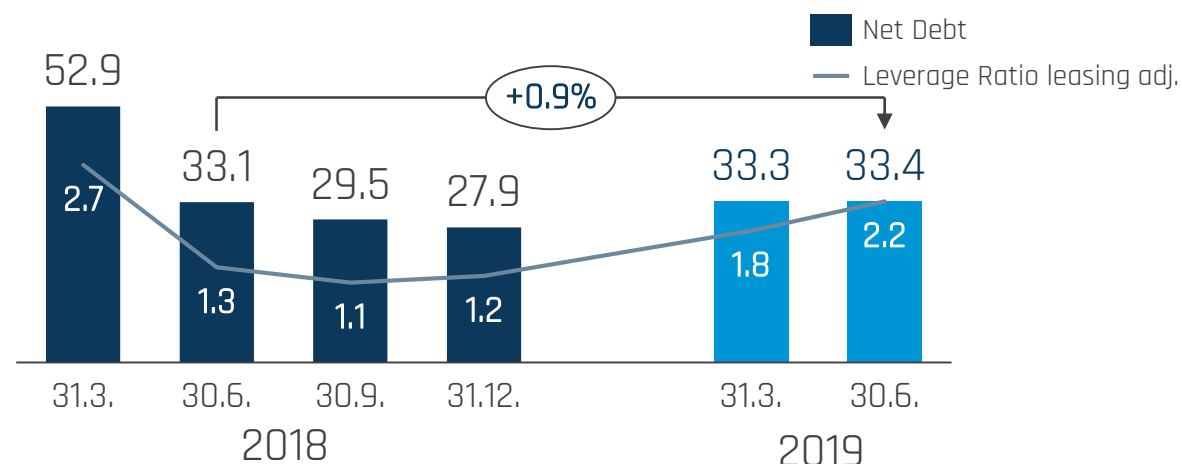
Comments:

- ▶ CAPEX in Q2 with 3.2 mEUR or 3.2% of revenues above prior year (previous year quarter 3.0 mEUR, 2.7%)
- ▶ Free Operating Cash Flow in Q2 2019 (+0.9 mEUR) significantly improved versus prior year (-6.6 mEUR) mainly due to positive working capital development in Q2 2019



Leverage ratio of 2.2 as per end of Q2 2019 on a very solid level

Net financial debt and leverage (in mEUR / multiple)



Financial Debt (in mEUR)

	2018				2019	
	31.3.	30.6.	30.9.	31.12.	31.3.	30.6.
Bank loans	16.4	15.4	14.9	13.9	16.7	15.5
Third party loans	7.9	7.4	7.5	9.0	8.8	8.5
Recourse factoring	37.2	41.2	36.0	36.2	36.1	38.1
Financial Debt	61.5	64.0	58.4	59.1	61.6	62.1
Cash&Cash equiv.	8.6	30.9	28.9	31.2	28.3	28.7
Net Debt	52.9	33.1	29.5	27.9	33.3	33.4
LTM EBITDA last 12 months/lease adj.	19.6	25.4	27.0	23.7	18.8	14.9

Comments:

- ▶ Net Financial Debt 33.4 mEUR as of June 30, 2019
- ▶ Excluding recourse factoring liabilities of 38.1 mEUR, STS has positive net liquidity position of ard. 4.7 mEUR
- ▶ Leverage ratio as per June 30, 2019 of 2.2 is still very solid

Guidance & Capital Market





Guidance for 2019 adjusted to weaker than expected automotive markets



2019 OLD

Market environment in the **automotive industry** will continue to be **challenging**

2019 NEW

Reduced expectations for **automotive markets** in H2 2019



≈ 400 mEUR
(2018: 401 mEUR)

Reduction between 4.5-9.5%
compared to previous year
(2018: 401 mEUR)



Adj. EBITDA: ≈ 23.7 mEUR
(2018: 23.7 mEUR)
No adjustments planned
EBITDA: ≈ 23.7 mEUR
(2018: 11.9 mEUR)

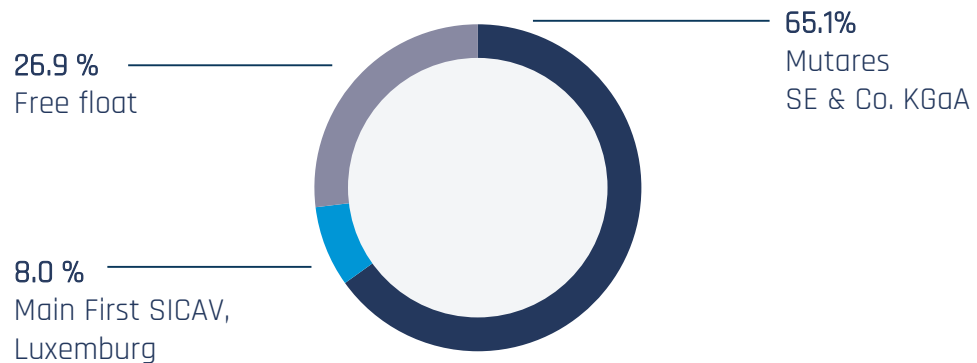
Adj. EBITDA margin between 4.6-5.3%
(2018: 5.9%)



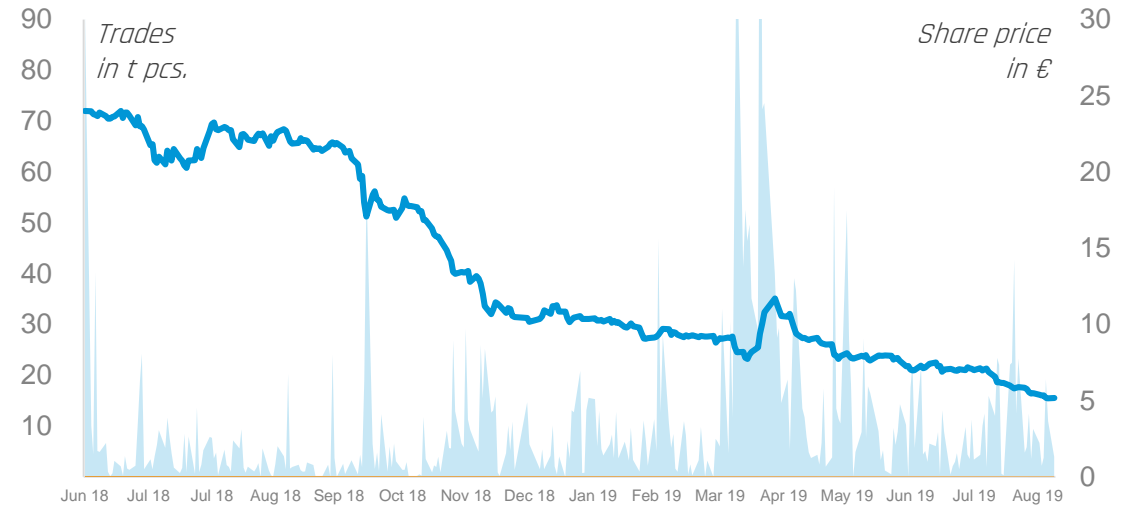
Automotive market development puts pressure on share

Share information & shareholder structure

ISIN	DE000A1TNU68
Number of Shares	6,000,000
Market Cap (02/09/19)	31 mEUR
Designated Sponsoring	Hauck & Aufhäuser Privatbankiers AG Mwb fairtrade Wertpapierhandelsbank AG



Share price since IPO & Analyst Recommendations



Date	Publ.	Target	Rec.
20/08/2019	MainFirst	6.00 €	Neutral
14/08/2019	SMC Research	10.00 €	Speculative Buy
09/08/2019	Kepler Cheuvreux	5.00 €	Reduce
12/07/2019	H&A	7.00 €	Hold
20/05/2019	Quirin Privatbank	6.50 €	Sell



Upcoming conferences and relevant publications in 2019

23 SEPTEMBER 2019

Roadshow, Hamburg

22 OCTOBER 2019

Capital Markets Day, Frankfurt/Main

6 NOVEMBER 2019

Publication Quarterly Statement (call-date Q3)

13 NOVEMBER 2019

Roadshow, Madrid

25-27 NOVEMBER 2019

German Equity Forum 2019, Frankfurt/Main



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