



STG Group AG continues dynamic growth in Q1 2018

- **In Q1 2018, revenue of EUR 108.9 million**
- **Adjusted EBITDA at EUR 8.1 million; EBITDA margin (adjusted) of 7.4 %**
- **Realization of synergies by integration of acquisitions is proceeding as planned**
- **Increase in organic growth from incoming orders in China**

Hallbermoos/Munich, 1 June 2018. In Q1 2018, STG Group AG (ISIN DE000A1TNU68), leading global automotive supplier focusing on the commercial vehicle industry for soft and hard trim components and systems continues its growth trajectory and generates revenue of around EUR 108.9 million. In operating terms, the company recorded earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 3.5 million. The EBITDA¹ adjusted for expenses for the IPO and the necessary conversion of Group accounting to International Financial Reporting Standards (IFRS) achieved a level of approx. EUR 8.1 million. Thus in the first few months of the current fiscal year, revenue and earnings developed in terms of segments and regions in line with management's expectations.

In Q1, the successful development of the STG Group was characterized in particular by the three strategic add-on acquisitions already made in the previous fiscal year. As of the end of 2016, these include the acquisition and successful integration of the Mecaplast Group, the acquisition of the commercial vehicle supply business of the Plastic Omnium Group and the acquisition of a Brazilian plant from the Autoneum Group. With the acquisition of the truck business from the Plastic Omnium Group and the Mecaplast Group with production facilities in China, Mexico, France and Germany, STG has significantly expanded its production portfolio of duroplast, exterior parts and modules for truck cabs and light commercial vehicles. STG Group has also further expanded its business to South America by acquiring the Autoneum Group's Brazilian production facility. As part of the full integration of the new plants, synergies are expected to be generated in the current and the next fiscal year.

In Q1 2018, STG Group recorded significant growth in revenue, in particular due to incoming orders in China. Efficiency enhancements in production with lower reject rates and a corresponding decrease in the cost of materials also contributed positively to operating earnings. In contrast, there were expenses for installing new production lines in the Polish plant of the STG Group and an increase in commodity prices.

"We are very satisfied with our start to the new fiscal year and plan to also continue our profitable growth trajectory in 2018 as a whole. To achieve this, we will consistently work on integration that has already been successfully initiated and optimize processes further," said Andreas Becker, CEO of STG Group AG.

IPO

After the reporting period, the Management Board of the parent company, Mutares AG, announced the company's IPO on April 23 2018 and approved the establishing of the price range in the period from May 15 to May 29 2018 for a public offering of STG Group shares on May 14 2018. The offer includes 1,000,000 shares from a capital increase, up to 1,000,000 shares from the holdings of the

¹ See also "Notice regarding Financial Information" on page 2 of this release.



previous sole shareholders Mutares AG, and a greenshoe consisting of 300,000 shares, also from the holdings of the previous sole shareholder.

In total, 2,300,000 STS Group AG shares were placed at an offer price of EUR 24. The placement volume amounted to EUR 55 million, of which STS Group AG received EUR 24 million as gross issue proceeds. The issue proceeds of STS Group AG are to be used primarily for further expansion in China and North America. "The IPO comes at just the right moment for us. It is the next logical step to finance our profitable growth trajectory. We will continue to develop from a European supplier to a leader in global technology and quality. For this, we will use the issue proceeds of the issue consistently," said Andreas Becker.

Today on 1 June 2018, STS Group AG was listed on the Frankfurt Stock Exchange (Prime Standard) under the ticker symbol SF3, WKN A1TNU6, ISIN DE000A1TNU68, at an initial price of EUR 24 per share. Thus, the stock market value of STS Group AG was EUR 144 million at that time. Free float stands at 38%. Mutares AG intends to remain the majority shareholder of STS Group and to sustainably support the development.

Outlook

Based on the planned integration of the companies acquired at the end of 2016 and 2017, management expects that all significant steps such as spinning off IT systems from former groups and terminating existing transfer service agreements will be completed as of the end of the current fiscal year.

In general, customer demand in STS Group's target markets remains at a high level. The company expects this trend to continue in the current fiscal year.

Note regarding the financial information

The definition of the operating result indicator "adjusted EBITDA" used by management is clarified by the company as follows: In determining the adjusted EBITDA, earnings effects are adjusted which, in the opinion of the management, do not reflect the economic success of STS Group AG achieved in the respective reporting period. It is defined as EBITDA, which is calculated as earnings before income taxes excluding interest earnings and depreciation expenses, and it is adjusted for expenses for the IPO and the necessary conversion of Group accounting to International Financial Reporting Standards (IFRS) as well as for severance costs and costs for transfer service contracts incurred in connection with the acquisitions. According to this definition, the adjusted EBITDA for the first three months excludes expenses of approximately EUR 4.6 million from EBITDA.

The financial information presented here is based on the management reporting of STS Group AG, is unaudited and has not been reviewed by any auditors. In particular, the effects of the transition to the new standards IFRS 15 and IFRS 9 have not yet been taken into account, which will be reflected for the first time in the half-yearly financial report for the first six months of the 2018 financial year. However, the company does not expect these effects to significantly affect the reported operating figures for the first three months.

Due to the strong external growth of STS Group AG, especially during the 2017 financial year, the figures of the prior year period are not comparable. For this reason the Company does not show any quarterly figures of the prior year.



About the STS Group

The STS Group, www.sts.group, is a leading global commercial vehicle system supplier to the automotive industry in the soft and hard trim area. The Group, which has a history of tradition and expertise dating back to 1934, employs more than 2,500 people worldwide and generated pro forma revenue of more than EUR 425 million in 2017. At its 16 plants in total in France, Italy, Germany, Poland, Mexico, Brazil and China, the STS Group produces plastic and acoustic components, such as solid and flexible vehicle trim, noise and vibration-damping materials and entire interior and exterior trim systems. STS is considered a technology leader in the manufacture of plastic injection molding, specialty acoustic products and sheet molding compounds (SMC). SMC technology is used in electromobility, specifically for lightweight vehicle construction, and can efficiently replace metal components. STS has a strong footprint in China, Europe, Mexico and Brazil. The customer portfolio comprises leading international commercial vehicle and automotive manufacturers.

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