Expanding Stabilus’ Industrial Business

Analyst Presentation
April 26, 2016
Disclaimer

Stabilus S.A. (the “Company”, later “Stabilus”) has prepared this presentation solely for your information. It should not be treated as giving investment advice. Neither the Company, nor any of its directors, officers, employees, direct or indirect shareholders and advisors nor any other person shall have any liability whatsoever for any direct or indirect losses arising from any use of this presentation.

While the Company has taken all reasonable care to ensure that the facts stated in this presentation are accurate and that the opinions contained in it are fair and reasonable, this presentation is selective in nature. Any opinions expressed in this presentation are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained in this presentation. Where this presentation quotes any information or statistics from any external source, you should not interpret that the Company has adopted or endorsed such information or statistics as being accurate. This presentation contains forward-looking statements, which involve risks, uncertainties and assumptions that could cause actual results, performance or events to differ materially from those described in, or expressed or implied by, such statements. These statements reflect the Company’s current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as “anticipate,” “believe”, “estimate”, “expect”, “intend”, “plan”, “project” and “target”. No obligation is assumed to update any such statement.

The reference in this presentation to a potential partial refinancing of debt through a future equity offering does not constitute an announcement of an offer nor an offer of Stabilus’ shares to any existing Stabilus shareholder or potential investor in Stabilus’ shares in any jurisdiction.
Acquisition of SKF entities to expand industrial business – strategic balancing and value creation

| Transaction summary | • Acquisition of industrial gas springs, dampers and vibration control businesses from SKF / Kaydon Corp. (ACE, Hahn, Fabreeka, Tech Products)  
|                    | • Presence in NAFTA, Europe, Asia with brands ACE, Hahn, Fabreeka, Tech Products  
|                    | • Agreements signed on April 26, 2016, closing expected in summer 2016 |

| Transaction value   | • Enterprise value of US$330 million for 100% of the share capital, plus US$9 million for the sharing of certain expected US tax benefits  
|                    | • Enterprise value implies approx. 11x 2015A EV/EBIT (pre-synergies) |

| Transaction financing | • All-cash consideration to SKF, fully financed  
|                      | • Transaction to be financed on closing as part of up to €570 million new credit facility which will replace existing €265 million term loan facility; currently unutilized €50 million RCF to be replaced by a new €70 million RCF; more favorable terms over the duration of the loan than credit facility implemented in 2015  
|                      | • To achieve a solid leverage below 2.0x net debt/EBITDA by 2017 for the combined Stabilus Group, a partial equity re-financing of approx. €150 million is targeted (appropriately balancing timing and market conditions) |

| Strategic impact     | • Further diversifying Stabilus industrial product offering and improving Stabilus Group’s automotive / capital goods balance  
|                      | • Highly complementary product offering and customer access |

| Financial impact     | • In FY2015 entities achieved revenue of approx. USD 120 million and EBIT of approx. USD 30 million: Going forward this acquisition will improve Stabilus EBIT margin as well as the EPS  
|                      | • Targeted synergies comprise top-line expansion as well as operational improvements with ramp-up over the next years |
## New business overview

Leadership positioning in customized automation, motion and vibration solutions

<table>
<thead>
<tr>
<th>ACE</th>
<th>HAHN GASFEDERN</th>
<th>FABREEKA</th>
<th>TECH PRODUCTS</th>
<th>Customer base</th>
<th>Geographic presence</th>
<th>Group financials 2015A</th>
</tr>
</thead>
</table>
| • Shock absorbers, dampers, gas springs  
  • Applications: transportation, heavy industry, medical, aerospace, automation | • Gas springs, tension springs, double-stroke gas springs, locking gas springs  
  • Applications: furniture, vehicles, shipbuilding, medical | • Solutions in vibration isolation, bearing pads, structural thermal break, expansion bearings  
  • Applications: construction, transportation, machinery | • Elastomeric vibration isolators, shock mounts and other anti-vibration products  
  • Applications: power generation, vehicles, industrial equipment | • Strong established brands  
• 17,000 direct customers and over 275 distribution partners worldwide  
• Diversified customer structure | • Europe: 4 production sites  
• USA: 3 production sites  
• China: 1 production site  
• Own sales force and distributors in more than 55 countries  
• Approx. 550 employees in the US, Germany, UK, Japan, China | • Sales: approx. US$ 120 million  
• EBITDA margin: approx. 27%  
• EBIT margin: approx. 25% |
Compelling strategic rationale

Highly complementary combination

**New business – strengths**

- Customer-specific engineered solutions and standard products
  Highly flexible, small lot size capabilities
- Excellent industrial niche operator with strength in high-mix / low-volume segments
- Strong brands, strong technology and innovation power
- Excellent financial profile (25% EBIT margin in FY15) and capital efficiency

**Stabilus – strengths**

- Strong player in high-volume / high-efficiency production
- Global player with world-wide footprint and customer access
  More than 27,000 direct and indirect customers across multiple end markets
- Strong growth track record – successful product innovation and expansion into Asia
- Strong financial performance and value creation track record
### Attractive comprehensive financing concept

Balancing of strength of capitalization and shareholder returns

<table>
<thead>
<tr>
<th>Comprehensive new credit facilities</th>
<th>Equity issue</th>
<th>Leverage and equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New Stabilus Group credit facilities totalling up to €640 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– €455 million term loan (5+1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– €70 million RCF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– €115 million equity bridge facility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Replacing existing €265 million term loan facility and (currently unutilized) €50 million RCF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Improved terms of credit facilities (covenants and pricing)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Intention to partially refinance transaction debt with equity issue; timing to be decided upon at a later date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Targeted issue size of approx. €150 million to calibrate leverage and equity ratio</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Highly attractive value creation potential for existing and new shareholders based on strong complementary fit and financial profile of new business, synergy potential, and favorable new financing package</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Leverage of approx. 3.5x before equity issuance; post-deal leverage of approx. 2.5x net debt / fiscal 2016 PF combined EBITDA including illustrative €150 million equity issuance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Target leverage of below 2.0x net debt / EBITDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Targeted equity ratio close to 30%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Expanding Stabilus’ industrial business – Summary

- Highly complementary strategic fit – broadening and balancing of Stabilus Group market access
- Significantly improving Stabilus Group’s automotive / capital goods balance
- Consistent focus on strong brands, strong engineering and innovation
- Solid and balanced financing mix
- Immediate EPS accretion and Group margin uplift
- Highly attractive value creation potential in the mid- to long-term