

Q2 FY2018 RESULTS

May 7, 2018

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Agenda

1. Financial highlights
2. Results by region
3. Results by market
4. Outlook
5. Appendix

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1. Financial highlights

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Q2 FY2018 highlights

Fiscal year-end September

Revenue	<ul style="list-style-type: none"> ➤ Revenue up by 2.5% to €251.0m (+€6.1m vs. Q2 FY17) ➤ Asia / Pacific and RoW up by 17.6% y/y, Europe up by 4.8% y/y, NAFTA 'suffers' from the weak \$: - 4.6% y/y ➤ Capital Goods + 11.3% y/y, Vibration & Velocity Control + 6.0% y/y, Automotive Powerise + 3.4% y/y and Commercial Furniture + 1.3% y/y, Automotive Gas Spring - 4.3% y/y
Adj. EBIT	<ul style="list-style-type: none"> ➤ Adj. EBIT¹ up by 2.3% to €39.3m (vs. €38.4m in Q2 FY17) ➤ Adj. EBIT margin at 15.7% (vs. 15.7% in Q2 FY17)
Profit	<ul style="list-style-type: none"> ➤ Profit at €25.6²m in Q2 FY18 (vs. €14.6²m in Q2 FY17) ➤ Profit margin at 10.2% (vs. 6.0% in Q2 FY17)
Net leverage ratio	<ul style="list-style-type: none"> ➤ Net leverage ratio¹ at 1.4x (vs. 2.0x as of end Q2 FY17 and 1.5x as of end FY17) ➤ Net financial debt¹ at €266.5m
Outlook	<ul style="list-style-type: none"> ➤ FY2018 revenue guidance increased from c. 7.1% to c. 8.8% y-o-y organic growth at constant \$/€ rate of 1.10 \$/€, i.e. c. 5.5% y-o-y change to €960m @ avg. fx rate of 1.20 \$/€ in FY18 ➤ FY2018 adj. EBIT margin guidance of c. 15.5% confirmed

Note:

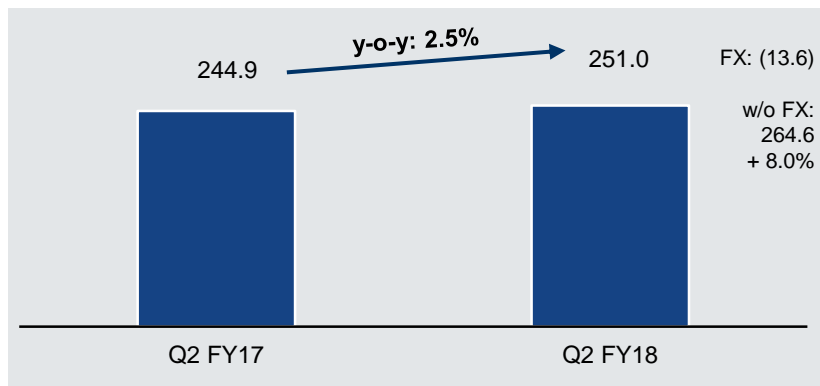
¹ For definition/calculation of KPIs like adj. EBIT, net leverage ratio etc. refer to appendix and/or our financial reports and quarterly statements under www.ir.stabilus.com.

² The development of profit from Q2 FY17 to Q2 FY18 is impacted by non-cash items in the financial result: €(8.4)m net foreign exchange loss on loans in Q2 FY17 and €(4.3)m net foreign exchange loss on loans in Q2 FY18.

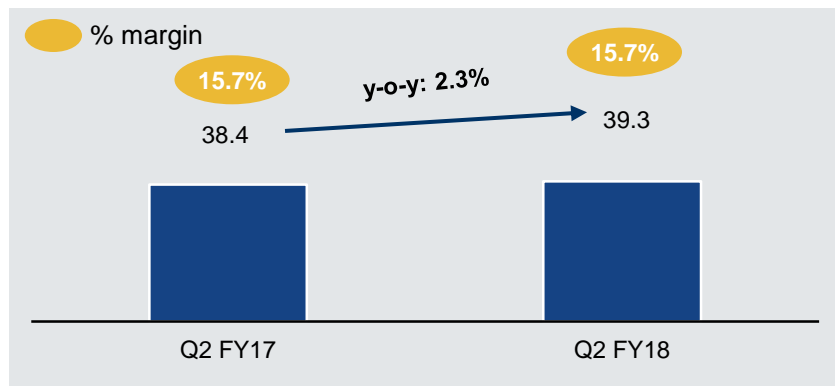
Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Stabilus shows strong operating performance in Q2 FY2018 (y-o-y)

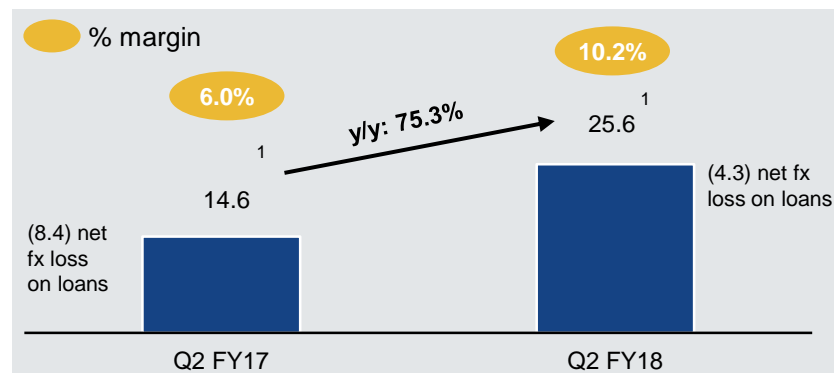
Revenue (€m)



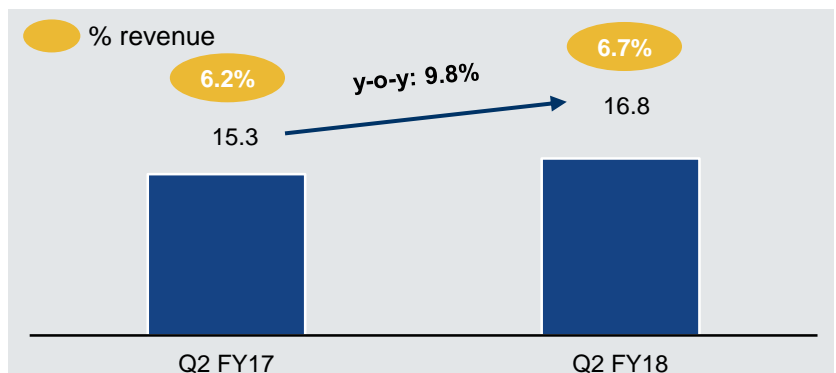
Adj. EBIT (€m)



Profit (€m)



FCF (€m)

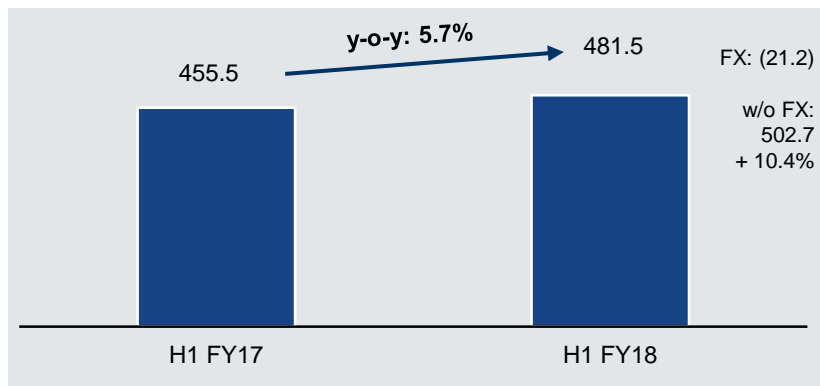


Note: **FX** = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.23\$/€ in Q2 FY18 versus 1.07\$/€ in Q2 FY17.

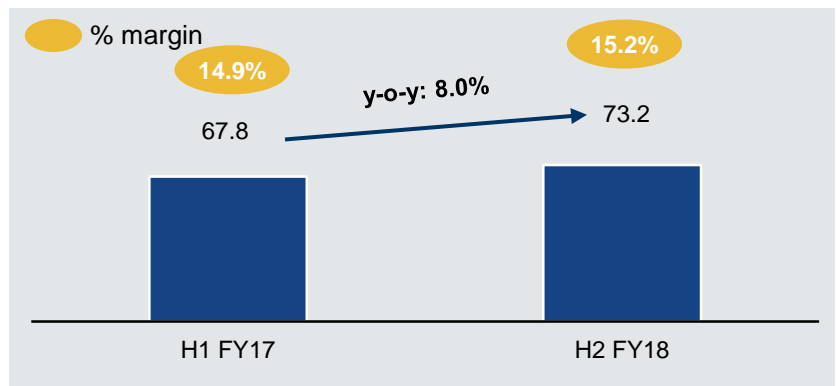
¹ The development of profit from Q2 FY17 to Q2 FY18 is impacted by non-cash items in the financial result: €(8.4)m net foreign exchange loss on loans in Q2 FY17 and €(4.3)m net foreign exchange loss on loans in Q2 FY18.

Stabilus shows strong operating performance in H1 FY2018 (y-o-y)

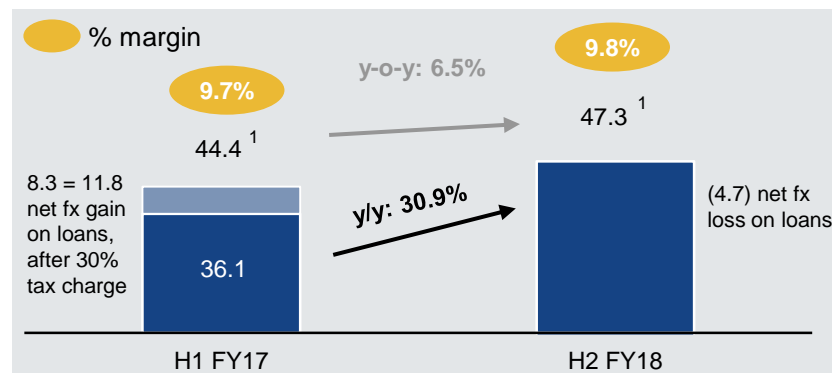
Revenue (€m)



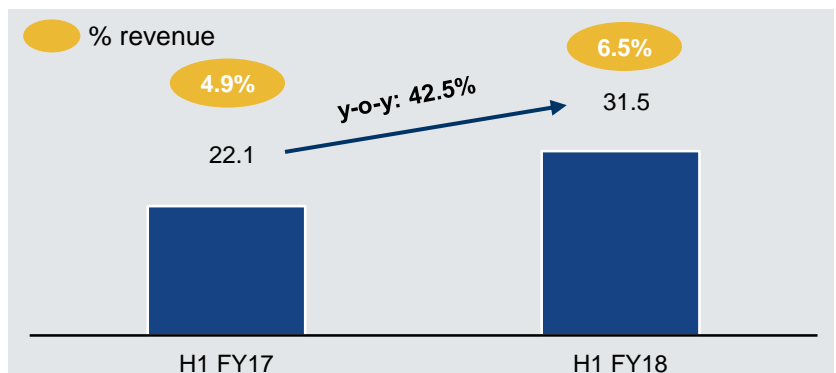
Adj. EBIT (€m)



Profit (€m)



FCF (€m)



Note: **FX** = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.20\$/€ in H1 FY18 versus 1.07\$/€ in H1 FY17.

¹ The development of profit from H1 FY17 to H1 FY18 is impacted by non-cash items in the financial result: €11.8m net foreign exchange gain on loans in H1 FY17 (i.e. €8.3m impact, after 30% tax charge) and €(4.7)m net foreign exchange loss on loans in H1 FY18.

Agenda

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2. Results by region

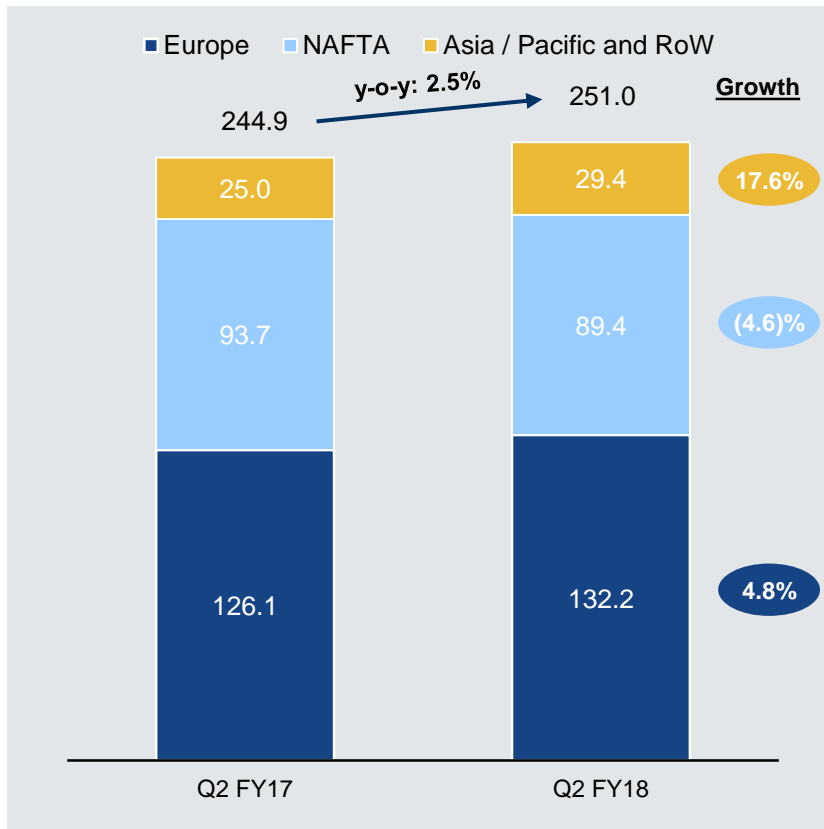
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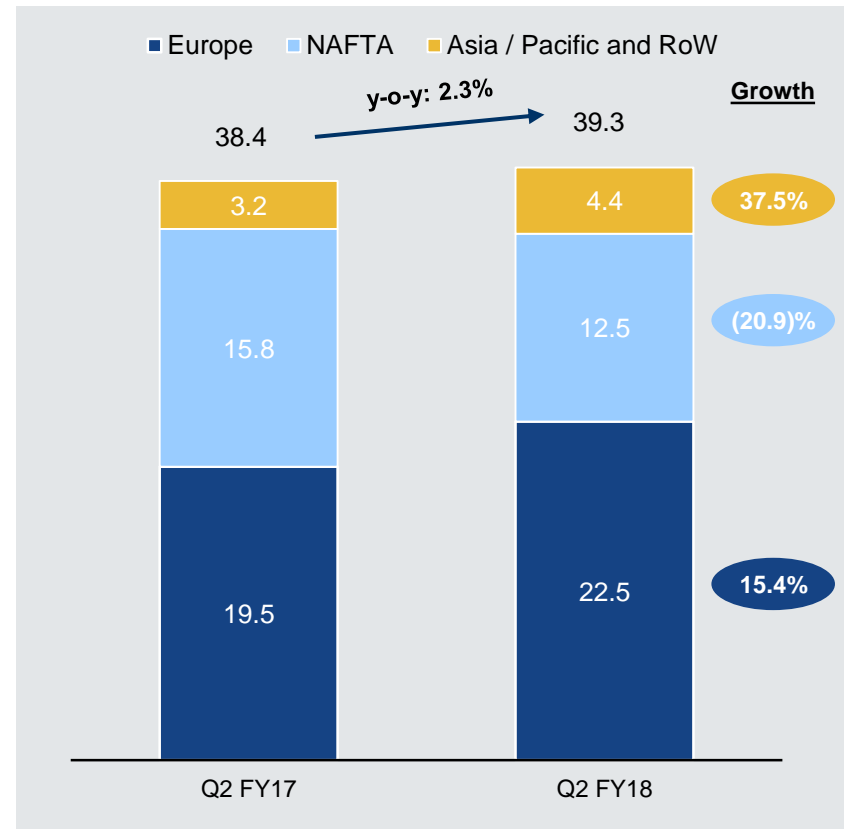
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Q2 FY2018 revenue and adj. EBIT growth – by region (y-o-y)

Revenue by region¹ (€m)



Adj. EBIT by region (€m)

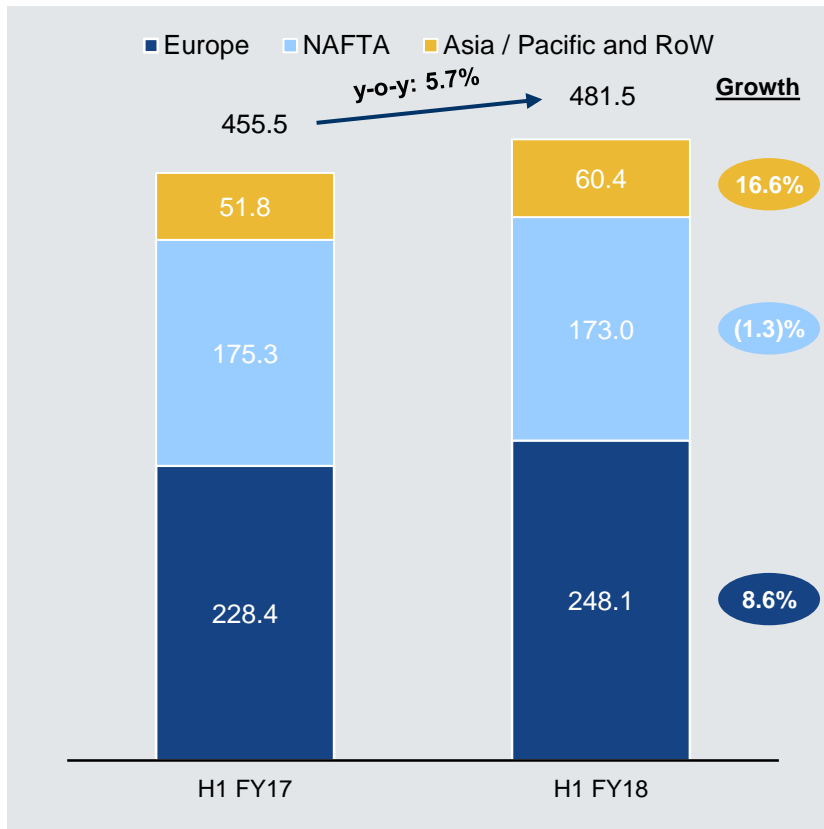


Note: Stabilus fiscal year-end is September. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

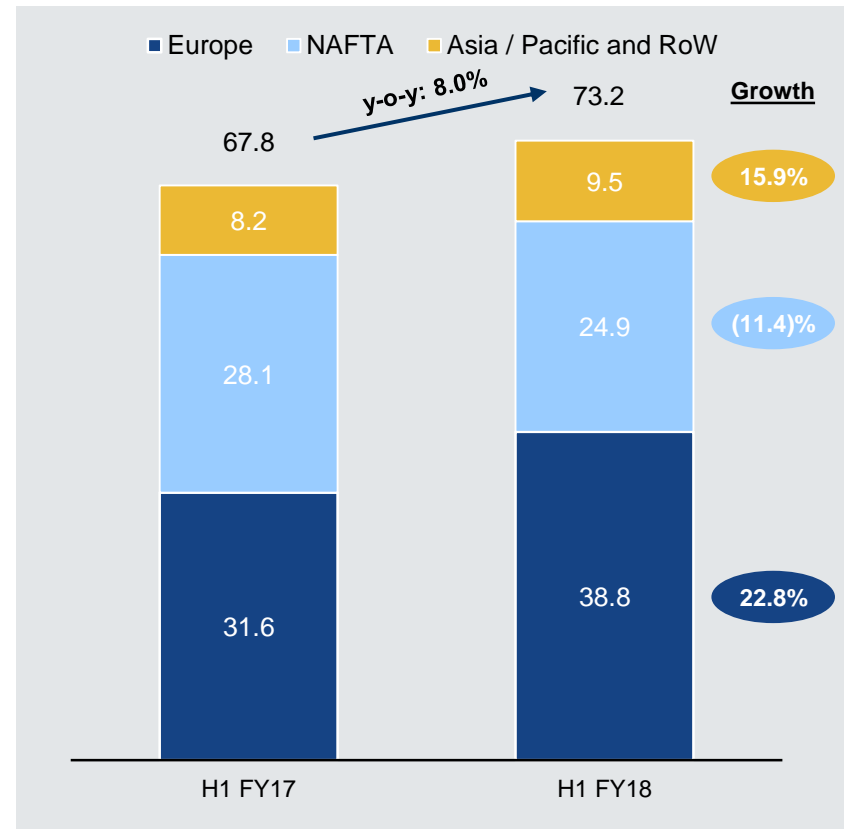
¹ Billed-from view, without intersegment revenue.

H1 FY2018 revenue and adj. EBIT growth – by region (y-o-y)

Revenue by region¹ (€m)



Adj. EBIT by region (€m)

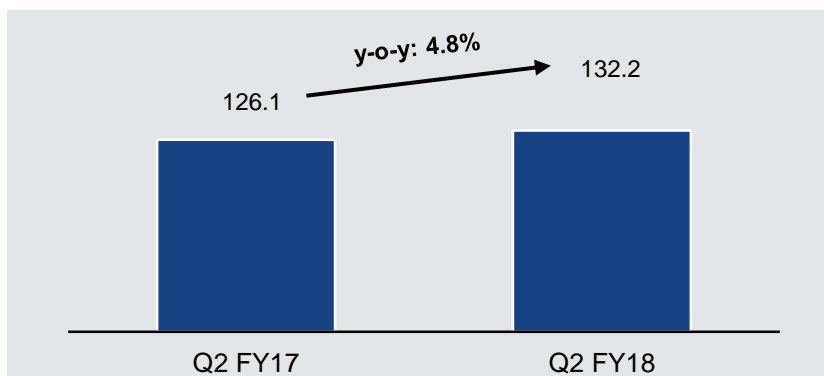


Note: Stabilus fiscal year-end is September. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

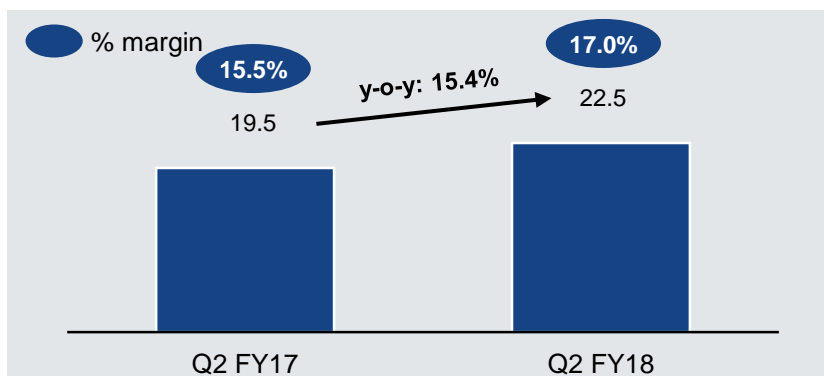
¹ Billed-from view, without intersegment revenue.

Europe

Revenue¹ (€m)



Adj. EBIT (€m)



Key highlights

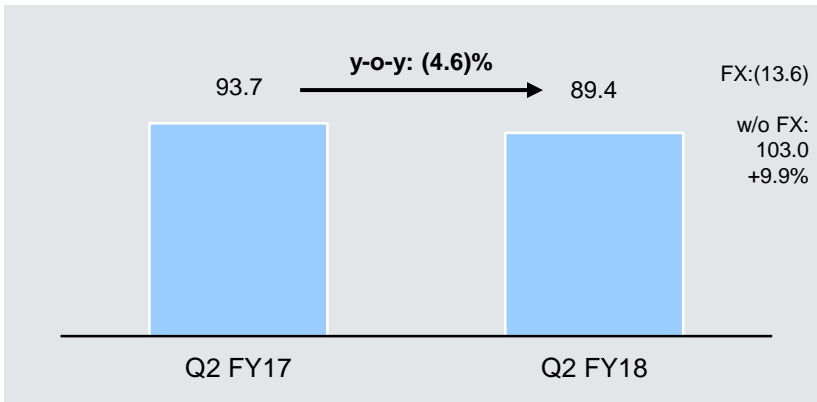
- Europe car production in Q2 FY18 at 5.9m units, i.e. + 0.9% vs. Q2 FY17
- Europe's revenue increased by 4.8% y/y
- The increase was primarily driven by our Capital Goods revenue which grew by 12.8% to €41.5m (Q2 FY17: €36.8m)
- Adj. EBIT margin improved from 15.5% in Q2 FY17 to 17.0% in Q2 FY18 reflecting a strong drop-through rate at ACE (Vibration & Velocity Control Europe) and Stabilus Romania; due to partial sourcing from the US, ACE also benefits from weaker US dollar

Note: Stabilus fiscal year-end is September.

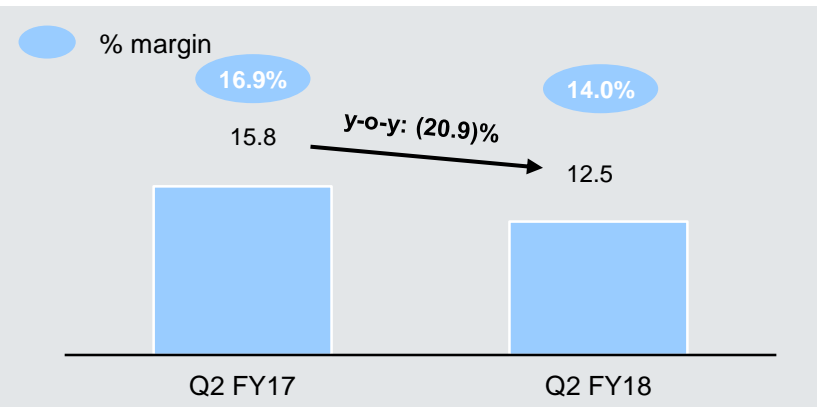
¹ External revenue only.

NAFTA

Revenue¹ (€m)



Adj. EBIT (€m)



Key highlights

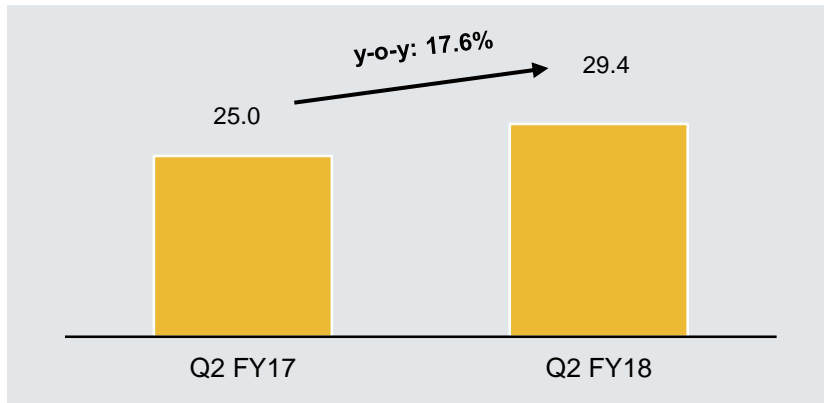
- NAFTA car production in Q2 FY18 at 4.4m units, i.e. - 2.6% vs. Q2 FY17
- NAFTA's revenue - 4.6% y/y due to weaker US dollar (+9.9% y/y excluding the \$/€ currency translation effect)
- NAFTA's development in Q2 FY18 was primarily driven by our industrial business, in particular Capital Goods + 7.6% y/y (+ 24.2% y/y excl. currency effect) and Vibration & Velocity Control - 2.1% y/y (+ 13.4% y/y excl. currency effect); automotive revenue - 7.6% y/y (+ 6.3% y/y excl. currency effect)
- Adj. EBIT margin at 14.0% (Q2 FY17: 16.9%), i.e. - 2.9 pp, due to higher expenses in Capital Goods, e.g. for subsequent product amendments

Note: Stabilus fiscal year-end is September. ¹ External revenue only.

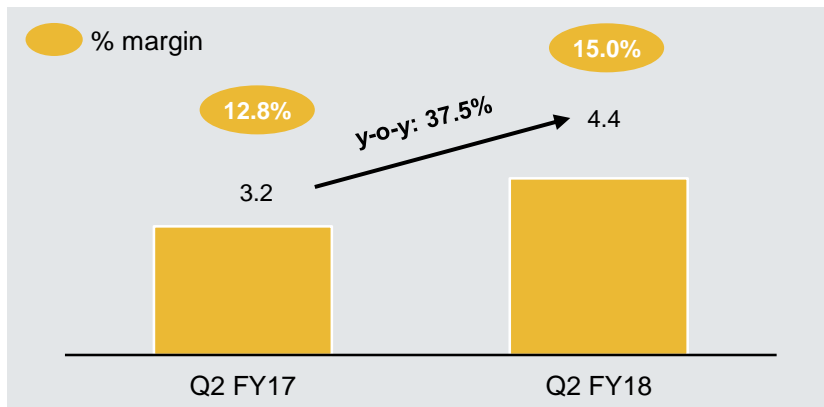
FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.23\$/€ in Q2 FY18 versus 1.07\$/€ in Q2 FY17.

Asia / Pacific and RoW

Revenue¹ (€m)



Adj. EBIT (€m)



Key highlights

- Asia/Pacific and RoW car production in Q2 FY18 at 13.9m units, i.e. - 0.8% vs. Q2 FY17 (China: - 3.1%, Japan/Korea: - 1.4%, South America: + 11.5%)
- Asia/Pacific and RoW's revenue increased by 17.6%
- The increase was primarily driven by our Powerise and Vibration & Velocity Control businesses:
 - Powerise revenue grew from €0.5m in Q2 FY17 to €5.2m in Q2 FY18 and VVC revenue increased from €1.1m in Q2 FY17 to €2.4m in Q2 FY18
- Adj. EBIT margin improved from 12.8% in Q2 FY17 to 15.0% in Q2 FY18 due to higher capacity utilization of the Powerise line in China and growth in Vibration & Velocity Control

Note: Stabilus fiscal year-end is September.
¹ External revenue only.

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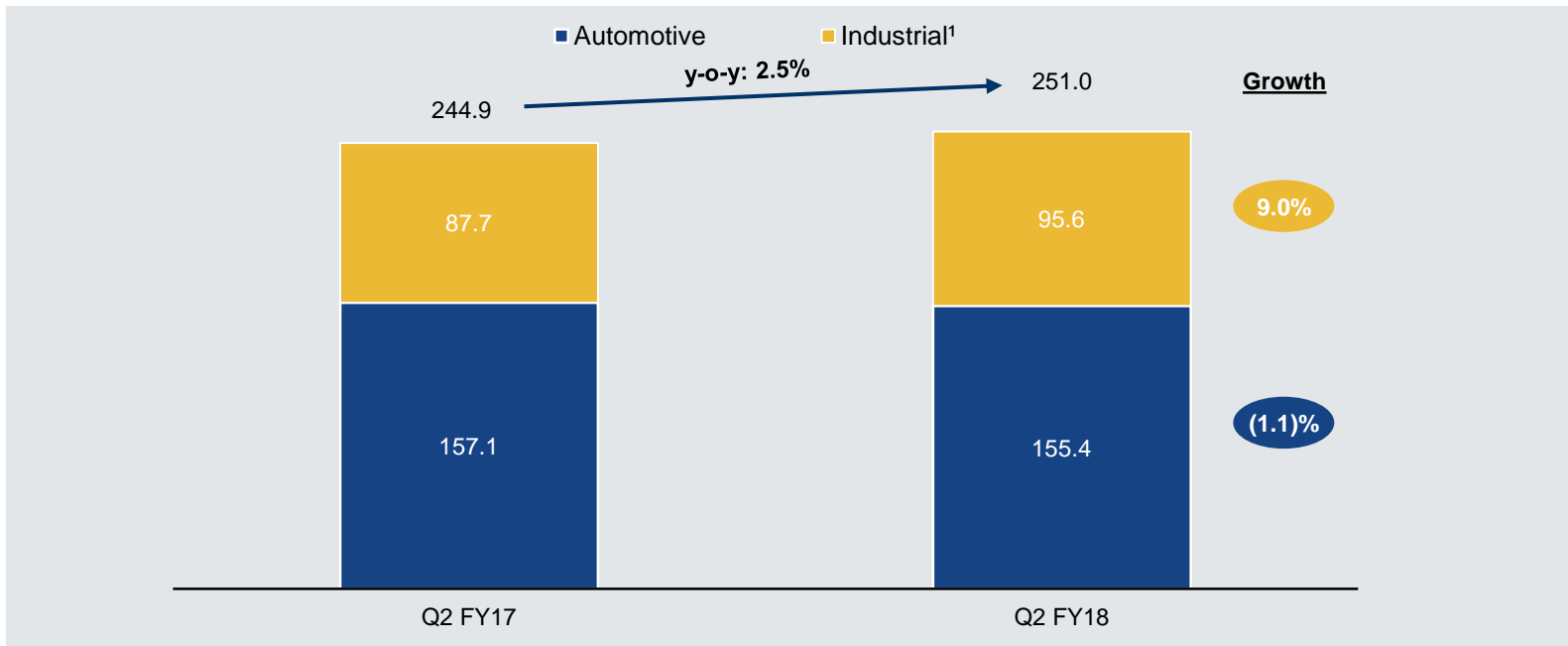
3. Results by market

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Q2 FY2018 revenue growth – by market / business (y-o-y)

Revenue by business (€m)



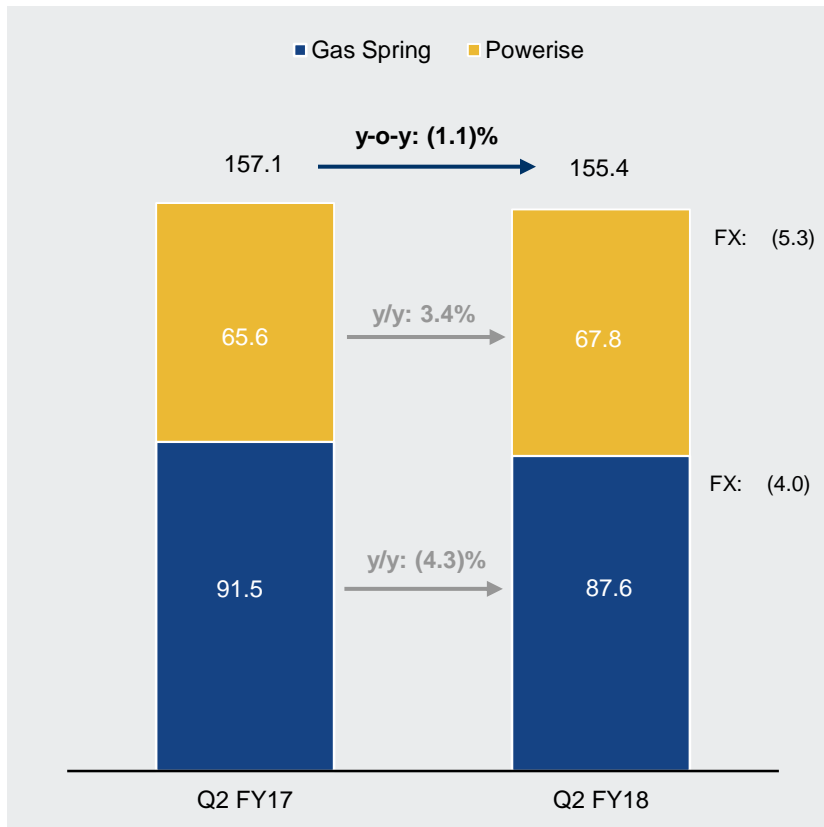
Note: Stabilus fiscal year-end is September.

¹ Industrial including Capital Goods, Vibration & Velocity Control and Commercial Furniture revenue.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Q2 FY2018 revenue growth – Automotive business (y-o-y)

Revenue (€m)



Key highlights

- Global car production in Q2 FY18 at 24.2m, i.e. - 0.7% vs. Q2 FY17
- Automotive revenue - 1.1% y/y (+ 4.8% without \$/€ currency translation effect)
- Automotive Gas Spring revenue - 4.3% y/y (+ 0.1% without \$/€ currency translation effect)
- Powerise revenue + 3.4% y/y (+11.4% y/y without \$/€ currency translation effect) – y-o-y growth particularly in Asia/Pacific and RoW (China)
- Continuing consumer trend towards SUV's, crossovers, MPVs, hatchbacks supports our overall automotive revenue development

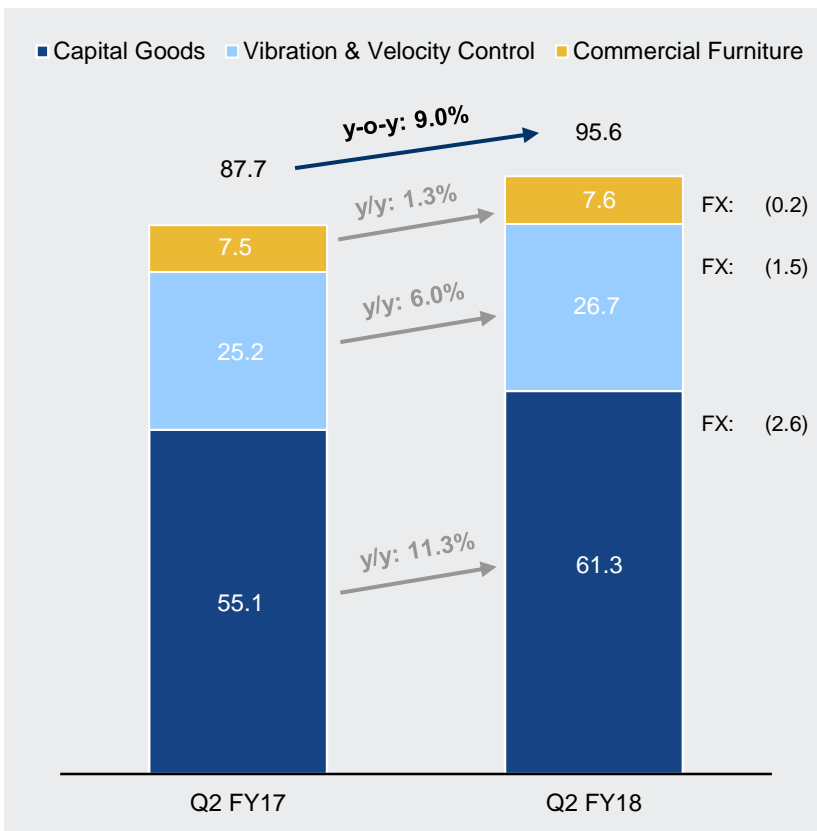
Note: Stabilus fiscal year-end is September.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.23\$/€ in Q2 FY18 versus 1.07\$/€ in Q2 FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Q2 FY2018 revenue growth – Industrial business (y-o-y)

Revenue (€m)



Key highlights

- Industrial revenue increased by 9.0% (13.9% excluding \$/€ currency translation effect)
- Excluding \$/€ currency translation effect Capital Goods grew by 16.0%, Vibration & Velocity Control by 11.9%, and Commercial Furniture by 4.0%
- Continuing strong growth e.g. in the following segments: agriculture and construction machinery, bus/truck/transportation and independent aftermarket

Note: Stabilus fiscal year-end is September.

FX = currency effect resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.23\$/€ in Q2 FY18 versus 1.07\$/€ in Q2 FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

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Outlook

	FY2017 Actual	FY2018 Guidance	
		€ million	percent
Revenue	€910.0m (@ 1.10 \$/€)	~ €990m (@ 1.10 \$/€) ~ €960m (@ 1.20 \$/€)	~ 8.8% growth (organic, at constant \$/€ rate) ~ 5.5% y/y
% Adj. EBIT margin	15.1%		~ 15.5%

Comments

- Revenue guidance FY2018 increased from c. 7.1% to c. 8.8% organic revenue growth, i.e.
 - ~ 8.8% y-o-y growth (organic and at constant avg. \$/€ rate of 1.10 vs. prior year), i.e.
 - ~ 5.5% y-o-y change to approx. €960m, under assumption of avg. \$/€ rate of 1.20 in FY18
- Decrease of US\$/€ avg. fx rate in FY18 by 0.10 \$/€ leads to a revenue increase by approx. €30m and vice versa, e.g.: 1.10 \$/€ → ~ €990m (~ 8.8% y/y), 1.15 \$/€ → ~ €975m (~ 7.1% y/y), 1.20 \$/€ → ~ €960m (~ 5.5% y/y), 1.25 \$/€ → ~ €945m (~ 3.8% y/y)
- FY2018 adj. EBIT margin guidance of c. 15.5% confirmed

Note: Stabilus fiscal year-end is September.

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Revenue by region and customer market (3M ended March 31, 2018)

External revenue (€m)				
	Q2 FY2017 Actual	Q2 FY2018 Actual	Change	% change
Automotive Gas Spring	41.3	41.5	0.2	0.5%
Automotive Powerise	27.4	27.8	0.4	1.5%
Industrial / Capital Goods	36.8	41.5	4.7	12.8%
Vibration & Velocity Control	14.5	14.8	0.3	2.1%
Commercial Furniture	6.2	6.5	0.3	4.8%
Europe	126.1	132.2	6.1	4.8%
Automotive Gas Spring ¹	29.3	27.2	(2.1)	(7.2)%
Automotive Powerise ¹	37.8	34.8	(3.0)	(7.9)%
Industrial / Capital Goods ¹	15.7	16.9	1.2	7.6%
Vibration & Velocity Control ¹	9.7	9.5	(0.2)	(2.1)%
Commercial Furniture ¹	1.3	1.0	(0.3)	(23.1)%
NAFTA¹	93.7	89.4	(4.3)	(4.6)%
Automotive Gas Spring	20.8	18.9	(1.9)	(9.1)%
Automotive Powerise	0.5	5.2	4.7	>100.0%
Industrial / Capital Goods	2.7	3.0	0.3	11.1%
Vibration & Velocity Control	1.1	2.4	1.3	>100.0%
Commercial Furniture	-	-	-	n/a
Asia / Pacific and RoW	25.0	29.4	4.4	17.6%
Total Automotive Gas Spring	91.5	87.6	(3.9)	(4.3)%
Total Automotive Powerise	65.6	67.8	2.2	3.4%
Total Industrial / Capital Goods	55.1	61.3	6.2	11.3%
Total Vibration & Velocity Control	25.2	26.7	1.5	6.0%
Total Commercial Furniture	7.5	7.6	0.1	1.3%
Total	244.9	251.0	6.1	2.5%

Note: ¹ NAFTA Q2 FY18 revenue includes currency effect of €(13.6)m, resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.23\$/€ in Q2 FY18 versus 1.07\$/€ in Q2 FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Revenue by region and customer market (6M ended March 31, 2018)

External revenue (€m)				
	H1 FY2017 Actual	H1 FY2018 Actual	Change	% change
Automotive Gas Spring	75.0	78.9	3.9	5.2%
Automotive Powerise	49.0	54.3	5.3	10.8%
Industrial / Capital Goods	66.6	75.0	8.4	12.6%
Vibration & Velocity Control	26.0	27.3	1.3	5.0%
Commercial Furniture	11.8	12.6	0.8	6.8%
Europe	228.4	248.1	19.7	8.6%
Automotive Gas Spring ¹	56.6	51.7	(4.9)	(8.7)%
Automotive Powerise ¹	68.6	68.1	(0.5)	(0.7)%
Industrial / Capital Goods ¹	29.3	31.4	2.1	7.2%
Vibration & Velocity Control ¹	18.4	19.6	1.2	6.5%
Commercial Furniture ¹	2.5	2.2	(0.3)	(12.0)%
NAFTA¹	175.3	173.0	(2.3)	(1.3)%
Automotive Gas Spring	43.0	40.1	(2.9)	(6.7)%
Automotive Powerise	1.5	9.8	8.3	>100.0%
Industrial / Capital Goods	5.1	5.9	0.8	15.7%
Vibration & Velocity Control	2.3	4.6	2.3	100.0%
Commercial Furniture	-	0.1	0.1	n/a
Asia / Pacific and RoW	51.8	60.4	8.6	16.6%
Total Automotive Gas Spring	174.7	170.7	(4.0)	(2.3)%
Total Automotive Powerise	119.0	132.3	13.3	11.2%
Total Industrial / Capital Goods	100.9	112.2	11.3	11.2%
Total Vibration & Velocity Control	46.6	51.5	4.9	10.5%
Total Commercial Furniture	14.3	14.8	0.5	3.5%
Total	455.5	481.5	26.0	5.7%

Note: ¹ NAFTA H1 FY18 revenue includes currency effect of €(21.2)m, resulting from translation of NAFTA revenue from USD to EUR. Avg. fx rate of 1.20\$/€ in H1 FY18 versus 1.07\$/€ in H1 FY17.

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

P&L overview (3M ended March 31, 2018)

P&L (€m)				
	Q2 FY2017 Actual	Q2 FY2018 Actual	Change	% change
Revenue	244.9	251.0	6.1	2.5%
COGS	(169.7)	(172.8)	(3.1)	1.8%
Gross Profit	75.2	78.2	3.0	4.0%
<i>% margin</i>	30.7%	31.2%		
R&D	(10.7)	(11.6)	(0.9)	8.4%
S&M	(20.6)	(20.3)	0.3	(1.5)%
G&A	(8.8)	(10.4)	(1.6)	18.2%
Other income/expenses	(1.7)	(0.9)	0.8	(47.1)%
EBIT	33.3	35.0	1.7	5.1%
<i>% margin</i>	13.6%	13.9%		
Adjustments ¹	5.1	4.3	(0.8)	(15.7)%
Adj. EBIT¹	38.4	39.3	0.9	2.3%
<i>% margin</i>	15.7%	15.7%		

PPA adjustments (2010 PPA)	3.1	2.3
PPA adjustments (2016 PPA)	2.0	2.0
Total adjustments¹	5.1	4.3

Note: ¹ Adjusted EBIT represents profit from operating activities (EBIT), adjusted for exceptional non-recurring items (e.g. restructuring or one-time advisory costs) and depreciation/amortization of fair value adjustments from purchase price allocations (PPA).

P&L overview (6M ended March 31, 2018)

P&L (€m)				
	H1 FY2017 Actual	H1 FY2018 Actual	Change	% change
Revenue	455.5	481.5	26.0	5.7%
COGS	(320.5)	(335.7)	(15.2)	4.7%
Gross Profit	135.1	145.8	10.7	7.9%
<i>% margin</i>	29.7%	30.3%		
R&D	(18.6)	(21.7)	(3.1)	16.7%
S&M	(40.6)	(40.8)	(0.2)	0.5%
G&A	(17.8)	(19.4)	(1.6)	9.0%
Other income/expenses	(0.7)	0.6	1.3	<(100.0)%
EBIT	57.4	64.5	7.1	12.4%
<i>% margin</i>	12.6%	13.4%		
Adjustments ¹	10.4	8.7	(1.7)	(16.3)%
Adj. EBIT¹	67.8	73.2	5.4	8.0%
<i>% margin</i>	14.9%	15.2%		

PPA adjustments (2010 PPA)	6.2	4.6
PPA adjustments (2016 PPA)	4.2	4.1
Total adjustments¹	10.4	8.7

Note: ¹ Adjusted EBIT represents profit from operating activities (EBIT), adjusted for exceptional non-recurring items (e.g. restructuring or one-time advisory costs) and depreciation/amortization of fair value adjustments from purchase price allocations (PPA).

Balance sheet overview

Balance sheet (€m)				
	Sept 2017 Actual	March 2018 Actual	Change	% change
Property, plant and equipment	169.7	169.2	(0.5)	(0.3)%
Goodwill	194.2	191.9	(2.3)	(1.2)%
Other intangible assets	268.9	253.8	(15.1)	(5.6)%
Inventories	85.3	85.4	0.1	0.1%
Trade receivables	105.1	126.6	21.5	20.5%
Other assets	38.7	43.2	4.5	11.6%
Cash	68.1	75.8	7.7	11.3%
Total assets	930.0	945.9	15.9	1.7%
Equity incl. minorities	336.4	360.8	24.4	7.3%
Debt (incl. accrued interest)	322.0	321.7	(0.3)	(0.1)%
Pension plans and similar obligations	53.2	51.7	(1.5)	(2.8)%
Deferred tax liabilities	60.0	53.6	(6.4)	(10.7)%
Trade accounts payable	79.1	75.1	(4.0)	(5.1)%
Other liabilities	79.3	83.0	3.7	4.7%
Total equity and liabilities	930.0	945.9	15.9	1.7%
<i>Net leverage ratio¹</i>	1.5x	1.4x		

Note:

¹ Net leverage ratio = net financial debt / adj. EBITDA LTM. Net financial debt defined as principal amount of financial debt less cash. Adj. EBITDA LTM = last-twelve-month adjusted earnings before interest, taxes, depreciation and amortization. Refer also to our financial reports and quarterly statements at www.ir.stabilus.com for further details. Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Cash flow overview and free cash flow (3M ended March 31, 2018)

Cash Flow Statement (€m)				
	Q2 FY2017 Actual	Q2 FY2018 Actual	Change	% change
Cash flow from operating activities	28.3	25.7	(2.6)	(9.2)%
Cash flow from investing activities	(13.0)	(8.9)	4.1	(31.5)%
Cash flow from financing activities	(17.5)	(21.8)	(4.3)	24.6%
Net increase / (decrease) in cash	(2.1)	(5.0)	(2.9)	>100.0%
Effect of movements in exchange rates	0.4	0.4	-	0.0%
Cash as of beginning of the period	69.7	80.3	10.6	15.2%
Cash as of end of the period	68.0	75.8	7.8	11.5%

Free Cash Flow (€m)				
	Q2 FY2017 Actual	Q2 FY2018 Actual	Change	% change
Cash flow from operating activities	28.3	25.7	(2.6)	(9.2)%
Cash flow from investing activities	(13.0)	(8.9)	4.1	(31.5)%
Free cash flow	15.3	16.8	1.5	9.8%

Note:

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

Cash flow overview and free cash flow (6M ended March 31, 2018)

Cash Flow Statement (€m)				
	H1 FY2017 Actual	H1 FY2018 Actual	Change	% change
Cash flow from operating activities	44.6	50.3	5.7	12.8%
Cash flow from investing activities	(22.5)	(18.8)	3.7	(16.4)%
Cash flow from financing activities	(30.0)	(23.0)	7.0	(23.3)%
Net increase / (decrease) in cash	(7.8)	8.5	16.3	<(100.0)%
Effect of movements in exchange rates	0.8	(0.9)	(1.7)	<(100.0)%
Cash as of beginning of the period	75.0	68.1	(6.9)	(9.2)%
Cash as of end of the period	68.0	75.8	7.8	11.5%

Free Cash Flow (€m)				
	H1 FY2017 Actual	H1 FY2018 Actual	Change	% change
Cash flow from operating activities	44.6	50.3	5.7	12.8%
Cash flow from investing activities	(22.5)	(18.8)	3.7	(16.4)%
Free cash flow	22.1	31.5	9.4	42.5%

Note:

Numbers rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

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