



GERMAN EQUITY FORUM 2016

FRANKFURT | NOVEMBER 2016



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2	Business Model
3	Products & Technology
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Diversified Product Portfolio

From Standard Products to System Solutions



Switchgear



Interface Technology



HMI Systems

Signalling Devices



Camera Systems

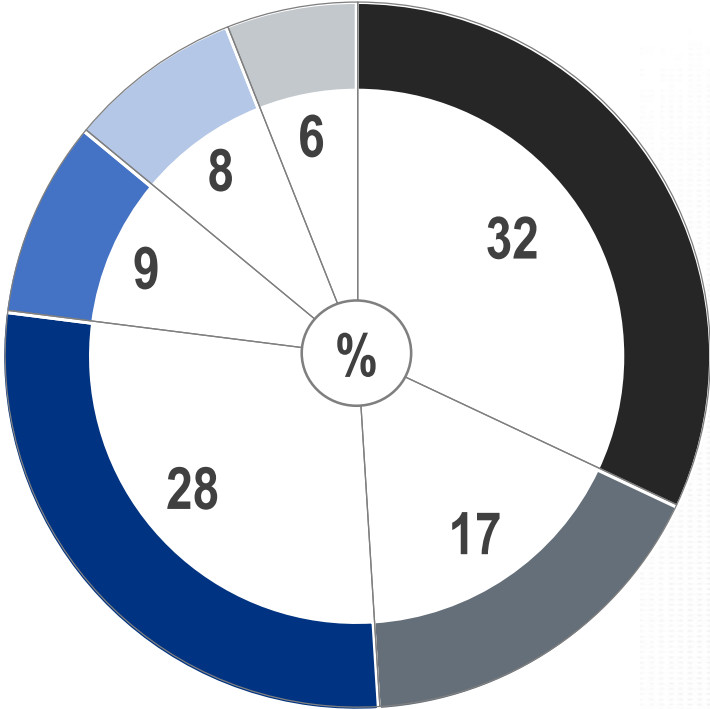


Lighting



Our Customers

Oil & Gas, Chemical, Pharmaceutical and Marine Industry



- Oil & Gas Upstream ■ Oil & Gas Downstream ■ Chemical Industry
- Pharmaceutical Industry ■ Shipbuilding ■ Others

2015 in % of Group Sales

IMPACT

- High dependence on oil & gas
- Significant downturn in investment activities of our customers
- High pressure on margins



REACTION

- Quick adaption to the new market situation
- Immediate implementation of a cost saving programme
- Increased focus on the non oil & gas business sectors

- Profitability secured
- Stable cash flow

- Strong equity position
- Strong financial resources

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Outlook

Success with Tradition

STAHL



Rafael Stahl **founds** the company Stahl and Weineck together with his partner Gustav Weineck.

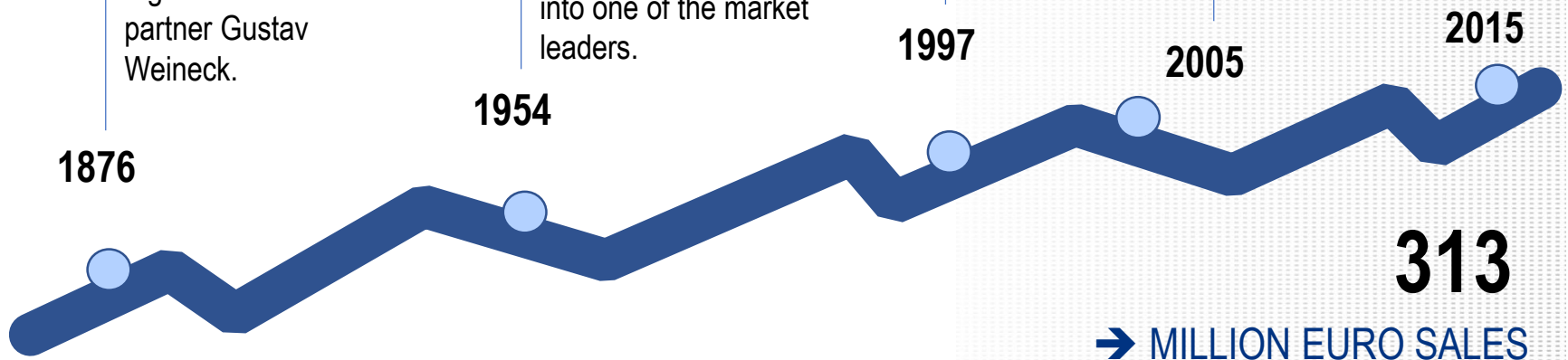


With **pioneering innovations** for explosion-protected electrical apparatus, R. STAHL develops into one of the market leaders.



R. STAHL **goes public.**

R. STAHL is **global market leader** for explosion-protected system solutions.



Explosion Protection

Definition

- **HAZARDOUS AREA**

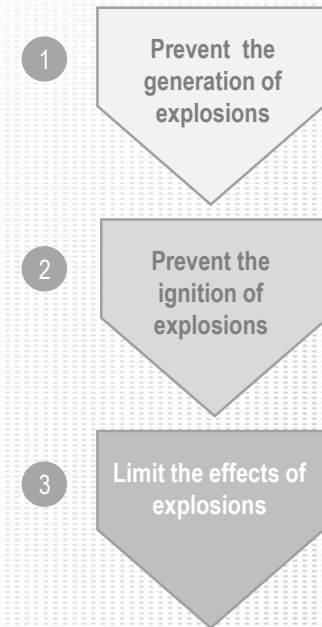
- During production and processing as well as during transport of substances in the chemical industry, in oil and gas production, mining, etc., gases, vapours, mists or dusts develop
- If these substances mix with oxygen, an explosive atmosphere is generated

- **EXPLOSION PROTECTION**

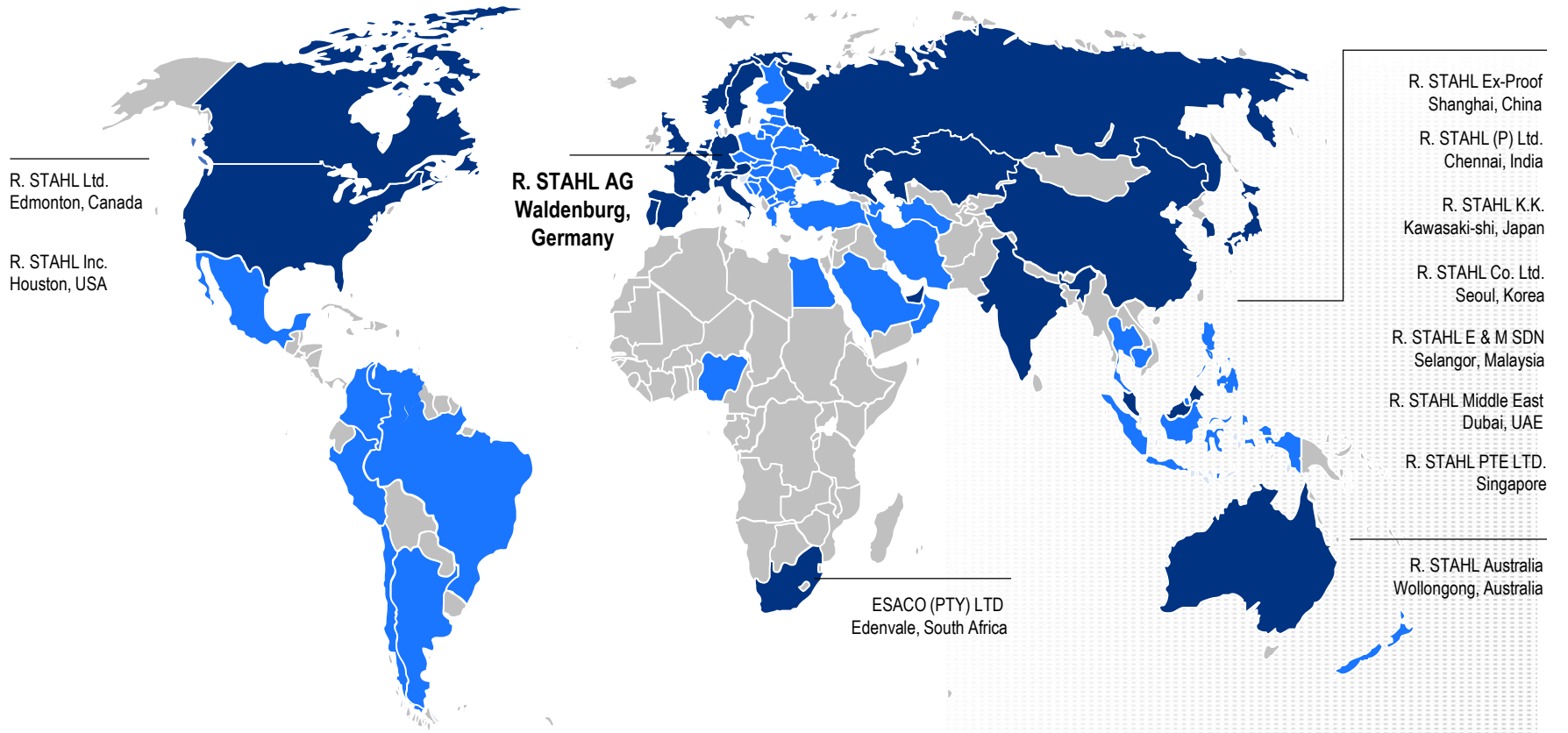
- All measures that prevent dangerous explosions or that limit the effects of an explosion

- **R. STAHL**

- Our components, facilities and systems prevent explosions, avoid damages and protect man and environment



International Presence



R. STAHL Schaltgeräte GmbH Waldenburg, Germany	R. STAHL Camera Systems Cologne, Germany	R. STAHL Ltd. Birmingham, UK	Electromach B.V. Hengelo, Netherlands	STAHL-SYBERG Oslo, Norway	R. STAHL Svenska Järfälla, Sweden	OOO R. STAHL Moscow, Russia	R. STAHL LLP Atyrau, Kazakhstan	INDUSTRIAS STAHL Lisboa, Portugal
R. STAHL HMI Cologne, Germany	R. STAHL N.V. Dendermonde, Belgium	ST Solutions ATEX Nanterre, France	R. STAHL S.R.L. Peschiera Borromeo, Italy	R. STAHL Nissl Wien, Austria	Tranberg Stavanger, Norway	R. STAHL Schweiz Magden, Switzerland	Zavod Goreltex St. Petersburg, Russia	INDUSTRIAS STAHL Alcobendas, Spain

Production Facilities Worldwide



Weimar
Germany



Cologne
Germany



Houston
USA



Waldenburg
Germany



Chennai
India



Hengelo
Netherlands



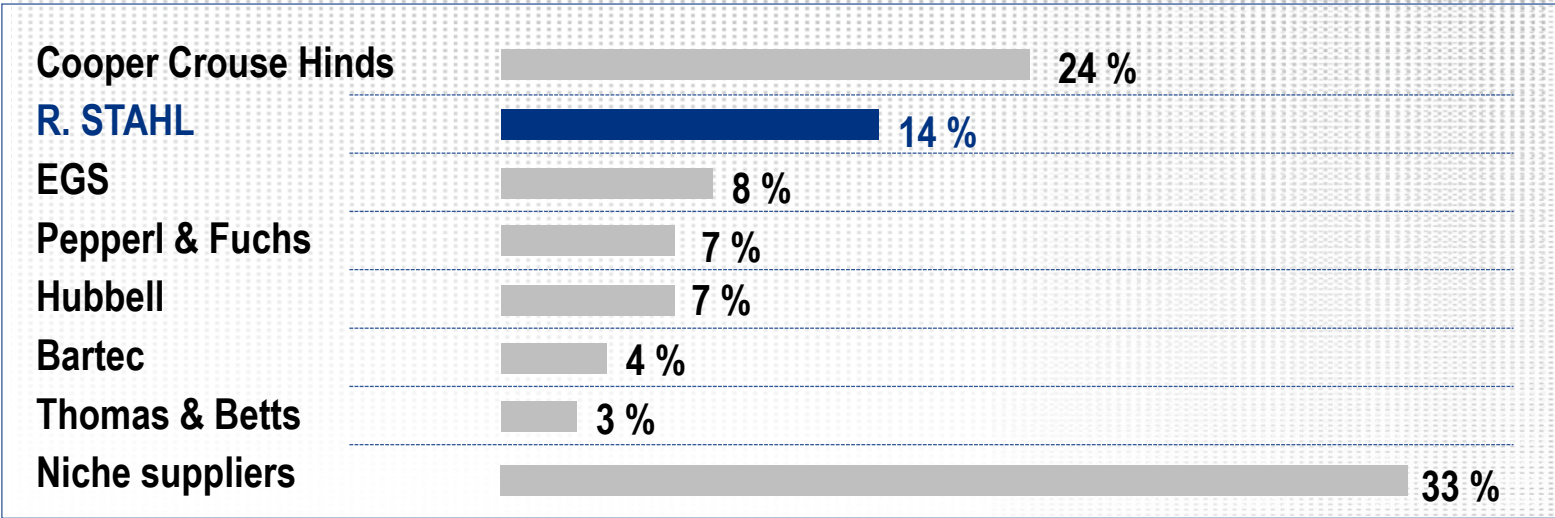
Stavanger
Norway

Global Leader in a Fragmented Market

- Largest product portfolio worldwide
- Global market leader in complex integrated systems solutions
- Number 2 in the growing IEC global market



Market volume: € 1.44 billion*



* 2013 IEC global market; market volume NEC global market € 0.8 billion

Market Entry Barriers

- **GROWING COMPETITION**

in the component business due to aggressively priced suppliers from emerging regions

However, there are substantial market entry barriers:

- **INTERNATIONAL STANDARDS/REGULATIONS**

with strict requirements regarding product safety which can only be fulfilled with special know-how

- **SYSTEMS SOLUTION EXPERTISE**

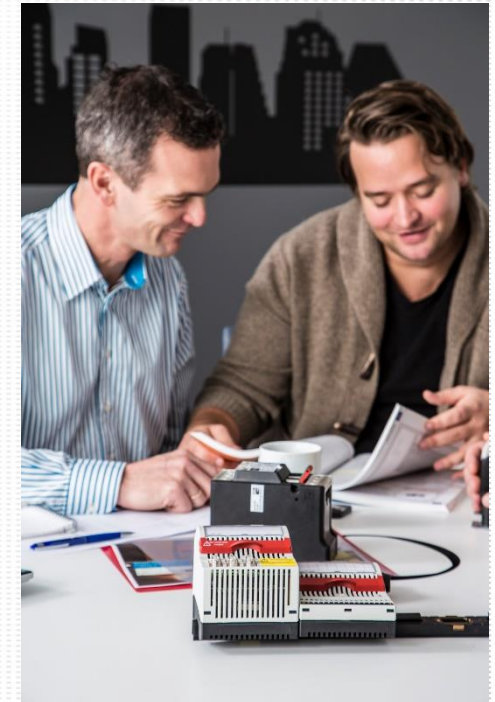
counters growing competition in components business

- **INTERNATIONALLY OPERATING, ESTABLISHED PARTNERS**

are preferred for large-scale projects of major corporations

- **HIGH LEVEL OF CUSTOMER RETENTION**

achieved by systems solutions



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Unique Offering

from Standard Products to Complex Solutions



COMPLEX SOLUTIONS



BULK PROJECTS



POWER DISTRIBUTION PANELS

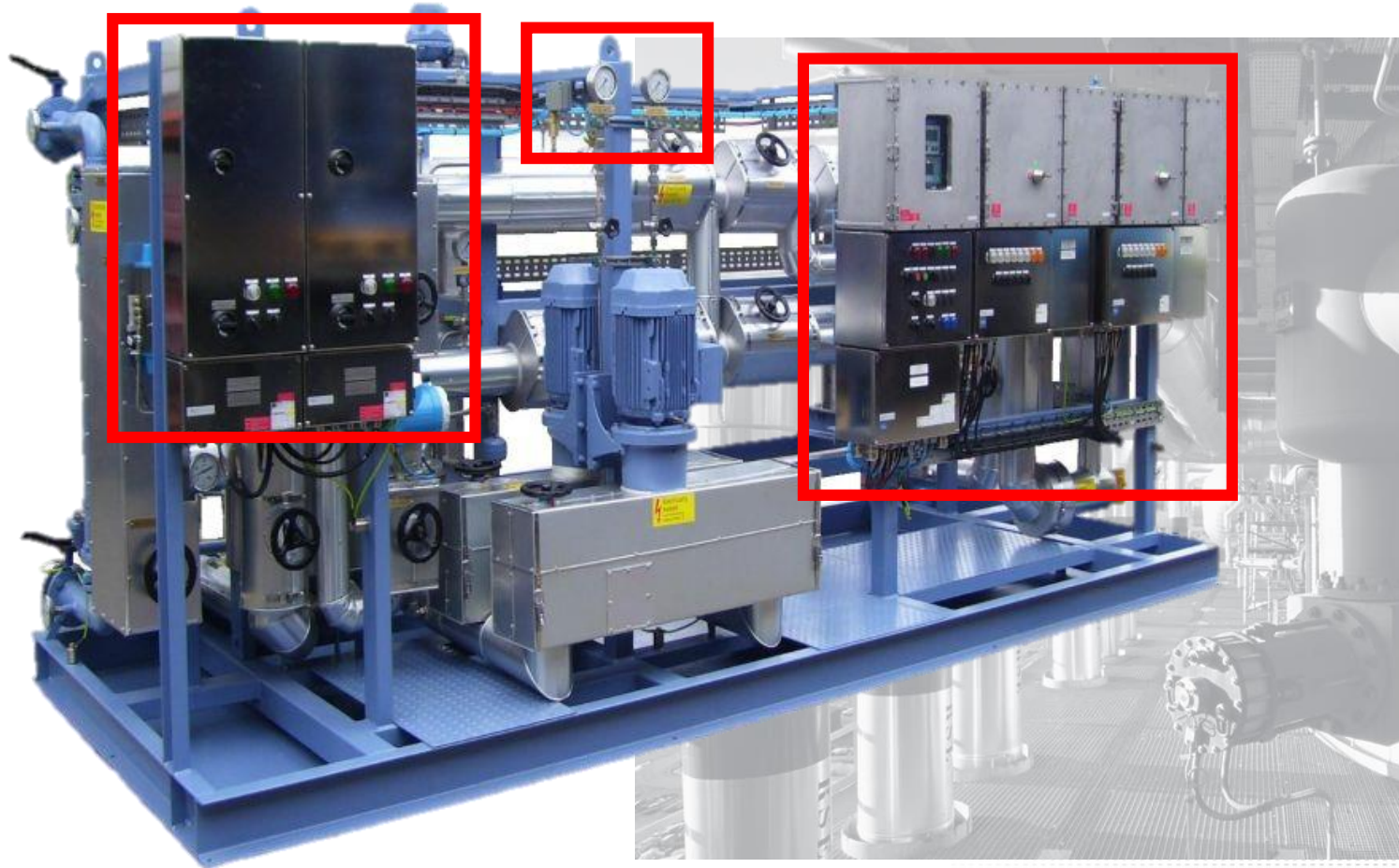
AUTOMATION



STANDARD PRODUCTS (INDIVIDUAL ORDER OR BULK ORDER)



SYSTEMS & INTEGRATED SOLUTIONS



PRODUCTS + SOLUTIONS + SERVICES = SYSTEM SOLUTION

→ ADDITIONAL BENEFIT FOR THE CUSTOMER

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Success in LED lighting business

Complete portfolio of LED lights
Growth in lighting despite prevailing
market trend



New REMOTE I/O SYSTEM

Remote I/O System offers major advantages for customers

Success in Automation business

Market leader through customer orientation:

- Modularity
- Flexibility
- OPEX/CAPEX savings
- Quality & Reliability



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Financial Overview Q1-3 2016

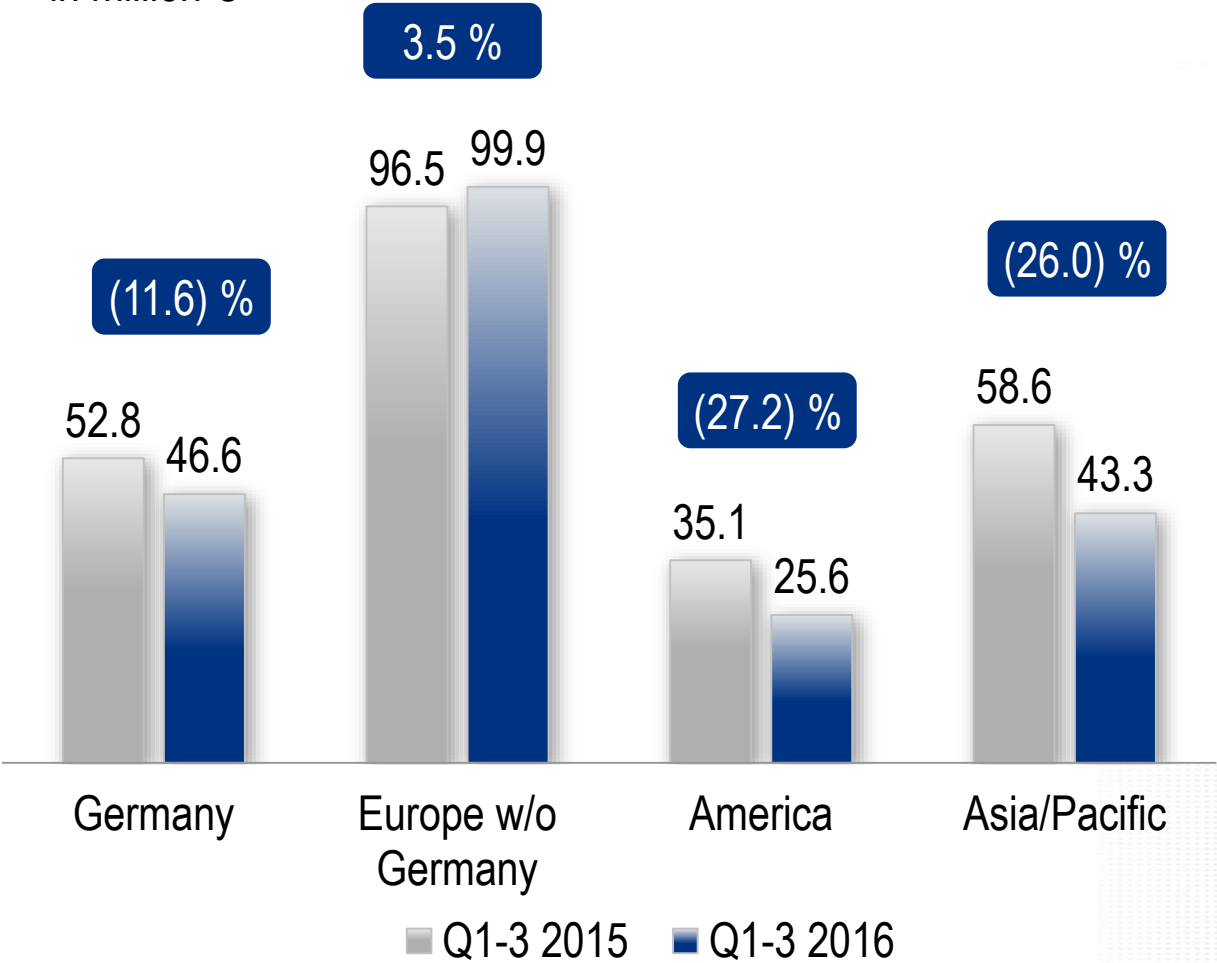
in million €	Q1-3 2016	Q1-3 2015	Δ in %
Order Intake	215.5	243.0	-11.3
Order Backlog	91.1	97.1	-6.2
Sales	213.3	237.7	-10.3
EBIT	6.7	8.4	-19.6

ORDER INTAKE AND SALES REFLECT TENSE MARKET SITUATION– EBIT BELOW BUDGET

- Weak order intake in Q3/2016 – year to date still within forecasted range
- Order backlog – down 8.9 million compared to Q2/2016 due to partial project order deliveries
- Sales down 10.3% on previous year and yet within forecasted range for 2016
- EBIT at EUR 6.7 million – due to weak months July to August

Order Intake – no Major Project Orders

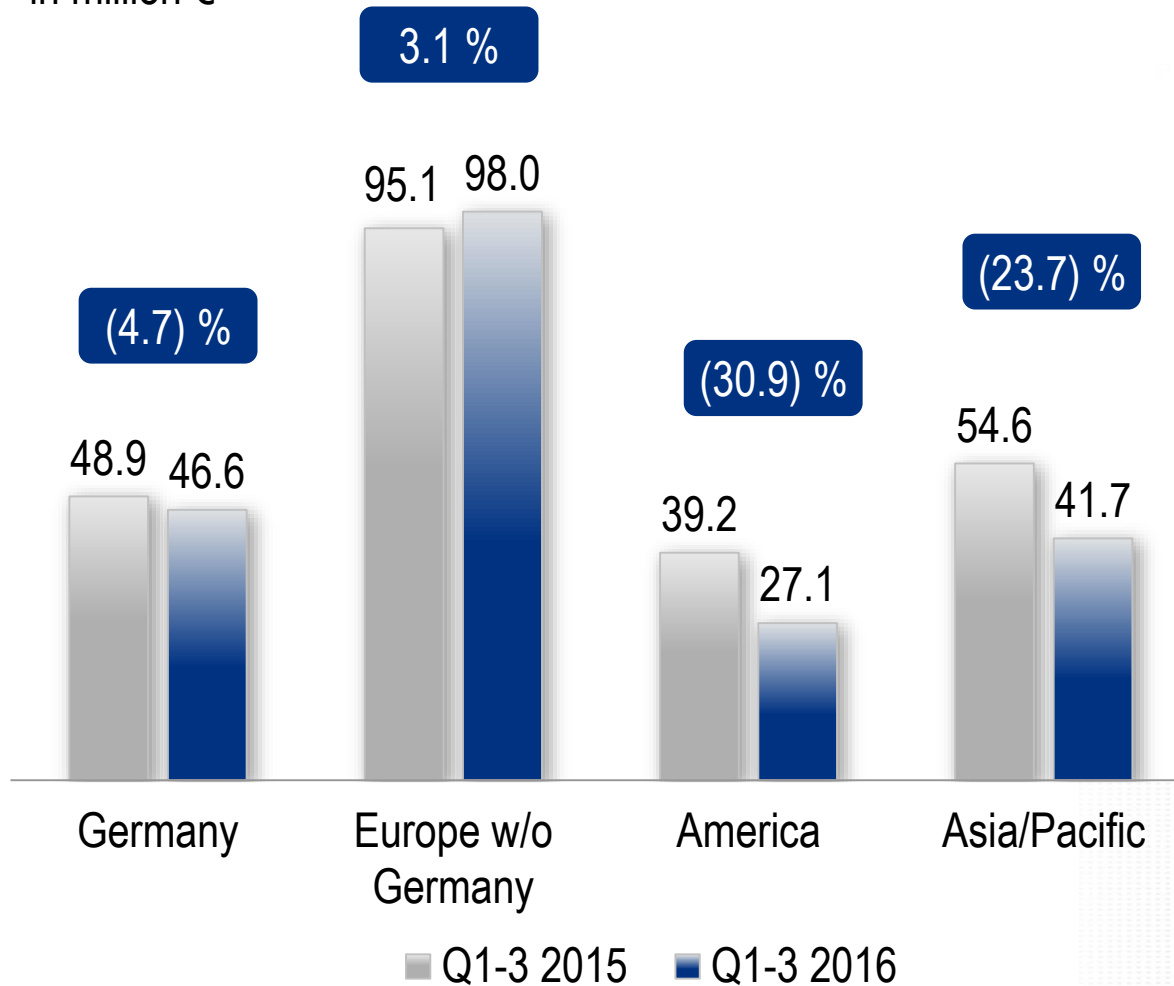
in million €



- Decreased volume of business with standardized products
- No major project orders
- Order intake in Europe up 3.5% on previous year
- Slight improvement in Q3/2016 in order intake in Asia/Pacific region

Group Sales - within Forecasted Range

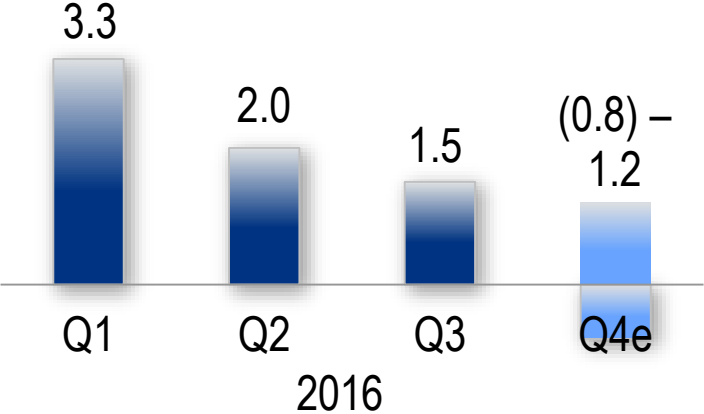
in million €



- Different regional sales composition
- Increase of 3.1% in Europe due to strong base of customers in the chemical and pharmaceutical industry
- Sales in Americas reflect strong dependency on oil and gas industry
- Stronger decline than expected in Asia/Pacific region

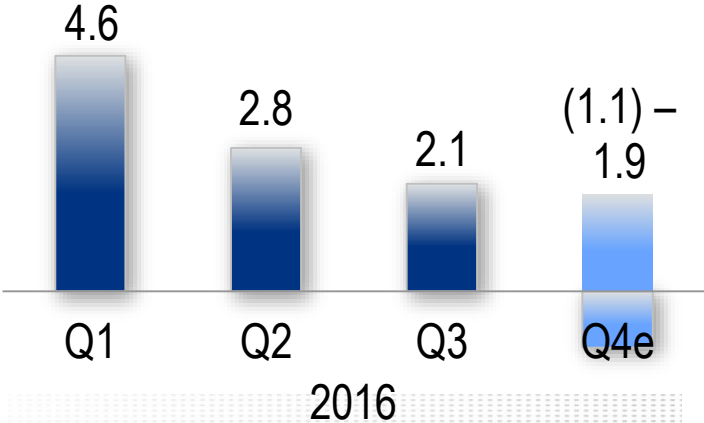
Earnings Development Q1-3

in million €



EBIT

in %



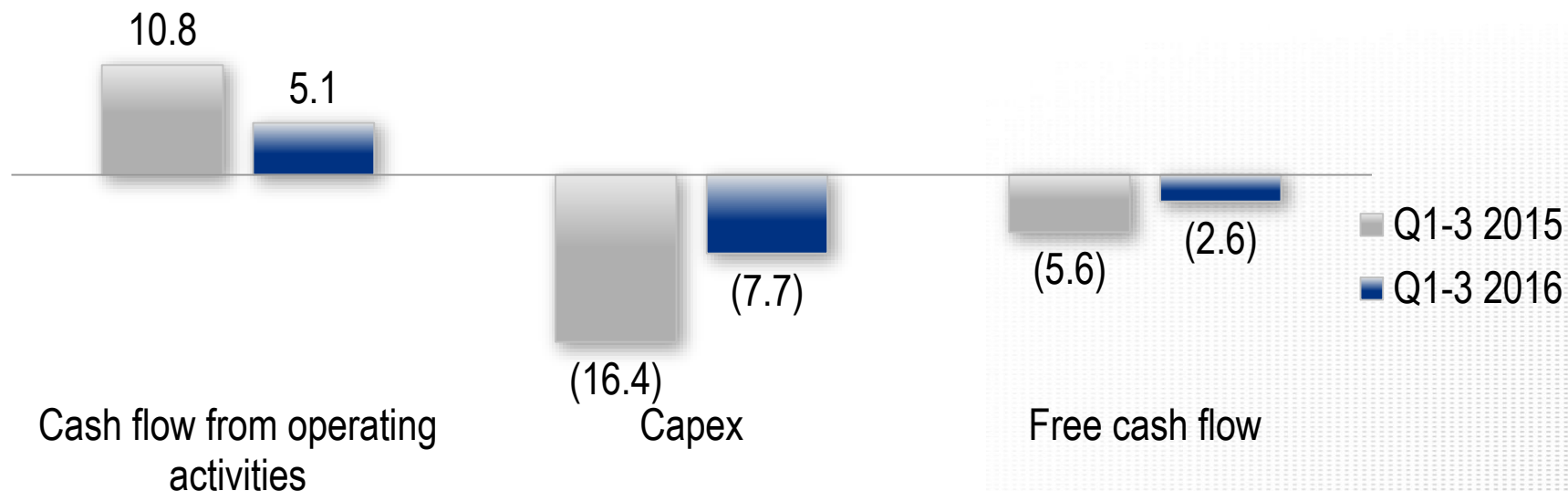
EBIT-Margin

EARNINGS REFLECT NEGATIVE IMPACT ON MARGINS

- Decreased volume of business with standardized products
- Changed product mix
- Different regional sales composition
- Cost savings of 14.6 million € realized due to cost-saving programme – only partially offsetting the decline in margins

Cash Flow – Improved Free Cash Flow

in million €

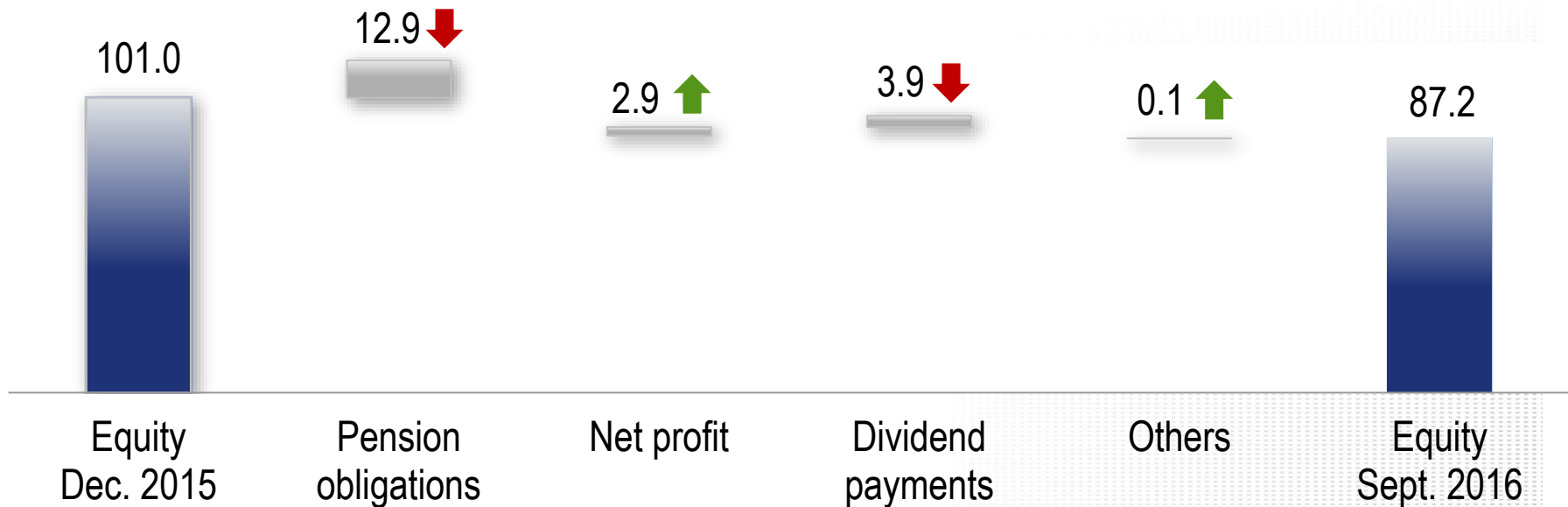


FREE CASH FLOW IMPROVED

- Cash flow from operating activities burdened by increased trade receivables due to poor payment behaviour of our customers
- Capex reduced: investment programme completed in 2015 - back to replacement purchases
- Free cash flow improved

Solid Equity Position

in million €



EQUITY BURDENED BY PENSION OBLIGATIONS

- Equity ratio stood at 30.0% (as at Sept. 2016)
- Increased pension obligations due to a decline in the underlying interest rate from 2.42% to 1.33%
- Dividend payment of 3.9 m € in Q2 2016

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Key Initiatives

Increasing sales activities in **MARKETS** with **HIGH POTENTIAL**
Russia, Kazakhstan, Iran, Africa

Solutions for **INDUSTRY 4.0**
applications in the automation sector.
Increasing market share in the
chemical and pharmaceutical industry.

Driving **NEW INNOVATIONS**
to safeguard and expand our position
as technology leader

Providing **SERVICES** for the European
chemical and pharmaceutical industry

Supporting these activities with
reasonable **M&A transactions**

Acquisitions support our Key Initiatives

**25% interest in
ZAVOD Goreltex**

Easier access to Russian market
to promote automation products



**35% share in
ESACO Pty. Ltd**

Intensified market development of
the sub-Sahara region



EX 4.0

THE NEXT LEVEL OF
EXPLOSION PROTECTION.



- Power and digital information must be transported
- Pro active online diagnostics are needed
- Personnel must interact with the digital world
- Unmanned facilities need to be observed from distance

R. STAHL devices make it happen in hazardous areas

Growing requirements arising from globalized markets and the complex demands of our customers



THE NEXT LEVEL OF
EXPLOSION PROTECTION.

FULL SERVICE
PROVIDER

Technical Consultancy

Maintenance

Technical Training

Inspection

R. STAHL

High quality products + specialist knowledge



Bernd Marx (CFO)

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STAHL

Share info

Market segment	Regulated Market/Prime Standard
Number	6,440,000 registered shares
WKN	A1PHBB
ISIN	DE000A1PHBB5
Ticker	RSL2.DE (Reuters), RSL2 (Bloomberg)

Shareholders

Two long-term oriented anchor shareholders: founding families Stahl and Zaiser with over 50% of voting rights and RAG-Stiftung Beteiligungsgesellschaft mbH with more than 10% of shares. The remaining shares are in free float and held by shareholders with less than 10% of shares in each case.

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