



A global niche leader in chemicals for leather products & services & high performance coatings

- **Consolidator in its market**
- **Outstanding cash flow generation, enabling ...**
- **... regular dividend payment to shareholders & external growth financing**

€165m equity invested since 2006⁽¹⁾

75.3% equity stake⁽²⁾

Huub van Beijeren–CEO of Stahl



Huub van Beijeren has been Stahl's Chief Executive Officer since 2007.

He has led the company through the financial crisis and succeeded **in making Stahl the market leader in process chemicals for leather and other substrates.**

Huub has **broad experience** in a variety of international manufacturing industries, **in public companies and in the private equity world.**

Prior to Stahl, he was Director of the Paper and Packaging Industry of DS Smith plc. and at British VITA plc., a polymer manufacturer. Huub holds a Bachelor degree in Law from the University of Utrecht and a MSc in Company Law from the University of Leiden, The Netherlands.

In 2016, Huub van Beijeren received Honorary Doctorate of University of Northampton, UK.



W E N D E L



Stahl
Huub van Beijeren

Group Overview

Stahl is a highly specialized chemical company, and worldwide supplier of:

Formulated chemicals products and services for leather

Performance coatings solutions for synthetic materials

€652m LTM sales⁽¹⁾

€152m LTM EBITDA⁽¹⁾ & 23.3% Margin

c.75% cash conversion ratio

~1,800 people spread over 40 locations



Focus on EBITDA & cash flows

Strong R&D to develop future proof solutions

Sustainable products

Proven track record in generating synergies through bolt-on acquisitions

Management Team



Huub van Beijeren
Dutch
CEO - Board Member



Xavier Rafols
Spanish
*Group Director
Leather Finish and Pielcolor*



Bram Drexhage
Dutch
CFO - Board Member



Mark Chatwood
British
*Group Director Automotive
Leather Chemicals*



Guido Borgart
Dutch
*Group Director Operations &
Supply Line*



Harald Bauer
German
*Group Director Wet-End,
Chemicals and Dyes*



Ralph Blach
German
*Group Director R&D and
Technical Application*



Uwe Siebgens
German
*Group Director Performance
Coatings and Polymers*



Jacques Potier
French
Group Director Procurement



John Fletcher
American
*Group Director Marketing &
Brand Services*

Global Footprint



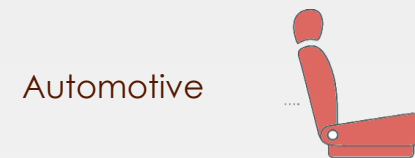
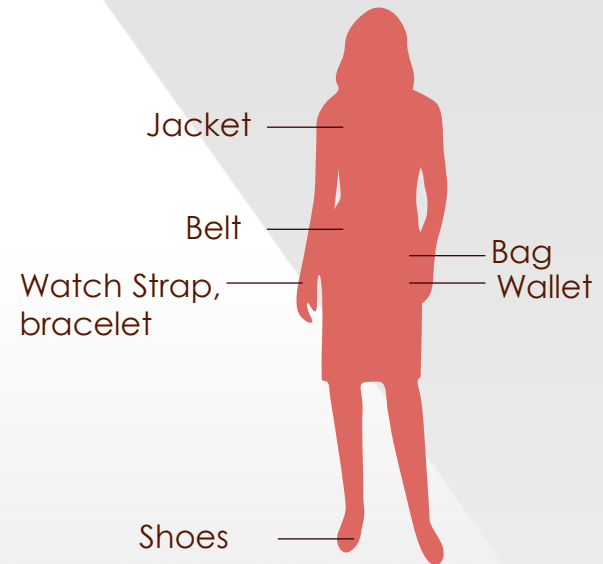
- 42 Centers of Excellence, Labs & offices⁽¹⁾
- ◆ 13 Manufacturing plants
- 1 Headquarters
- ~1,800 Employees

Leather Chemicals – Market Dynamics

- Demand for leather outpacing high quality supply of hides
- Leather byproduct of meat and supply-constrained
- Leather is increasingly a luxury product
- Global brands in all end-use segments (luxury in particular) are getting more and more powerful in the supply chain
- Environmental and compliancy concerns are increasing due to:
 - Active regulation
 - Brands seeking to protect their reputations
- Increased labor costs (shoe manufacturers) in China results in production move to countries such as India, Vietnam, and Ethiopia

Stahl has the strategy and operational set-up to benefit from abovementioned market dynamics

An average consumer carries 4 leather items at any time



Performance Coatings & Polymers – Market Dynamics

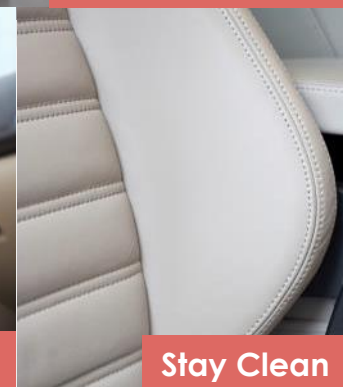
Increased demand for high performing, durable, environmental friendly solutions:

- Noise reduction/cancellation
- Durability
- Anti-staining/easy to clean
- Safety items
- Haptics

Market switch from solvent-based to water-based continues

Concentration of industry leading companies

- Automotive supply chain moving into China
- Japanese supply chain moving into North America
- Shoe and leather goods producers moving into South East Asia, India and Africa



Strong innovation capabilities, resulting in high margins

RESEARCH & DEVELOPMENT

Continuous R&D investments to fulfill increasing customer demands

~35-40% of sales generated by solutions less than 5 years old

Most R&D solutions are tailor-made and difficult to copy

Environmental pressure further drives technology developments

Stahl has a strong portfolio of sustainable chemicals (c.95% of the portfolio is water-based or solvent-free)

Almost 100 FTEs fully dedicated to R&D

Operating from 11 R&D centers all of the world



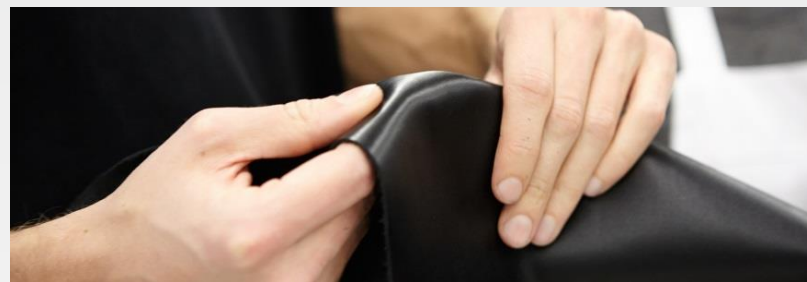
TECHNICAL APPLICATION

Stahl uses its technical application skills to practically **transform fundamental R&D developments into the market place**

600 golden hands to provide dedicated application services and (co)development together with end-customers

7 Centers of Excellence and 31 application labs to provide the required infrastructure and test equipment for our technical sales force

Designated application staff for OEMs and luxury brands **to further strengthen Stahl's position within the overall supply chain**







Stahl's transition between
2010 and 2016

2010-2016 Transition Overview

What Has Changed

	 In 2010		 Today
Sales/	€330m	→ x2 →	€652m ⁽¹⁾
EBITDA/	€ 55m	→ x2.8 →	€152m
Margin	16.7%	→ +660bps →	23.3%
Positioning	<ul style="list-style-type: none"> Limited product portfolio Leading producer All segments 	▶	<ul style="list-style-type: none"> Full product portfolio Marketing & innovation leader Increased segment focus ("Go where the money is")
Operational Footprint	<ul style="list-style-type: none"> Laboratories: 29 Production sites: 7 Employees: 1,120 	▶	<ul style="list-style-type: none"> Centers of Excellence: 7 Stahl Campus® Laboratories: 31 Production sites: 13 Employees: c.1,800

What Has Remained the Same

- Highly service oriented market approach
- Unique industry know-how and highly skilled employees
- Leading premium brand
- Proven and committed management team with solid values

Key for Stahl's success: strengthened position in the supply chain

Supply Chain Trends

Increased environmental and compliancy pressure from NGO's, brands and governments

Higher speed to market

Further global supply chain consolidation

Stahl's Response

- Develop new product ranges which are ahead of legislation
- Develop sustainable partnerships
- Organize industry-wide sustainability events

- Thorough understanding of OEM and brand requirements (know your customer's customers)
- Centers of Excellence to speed up development time

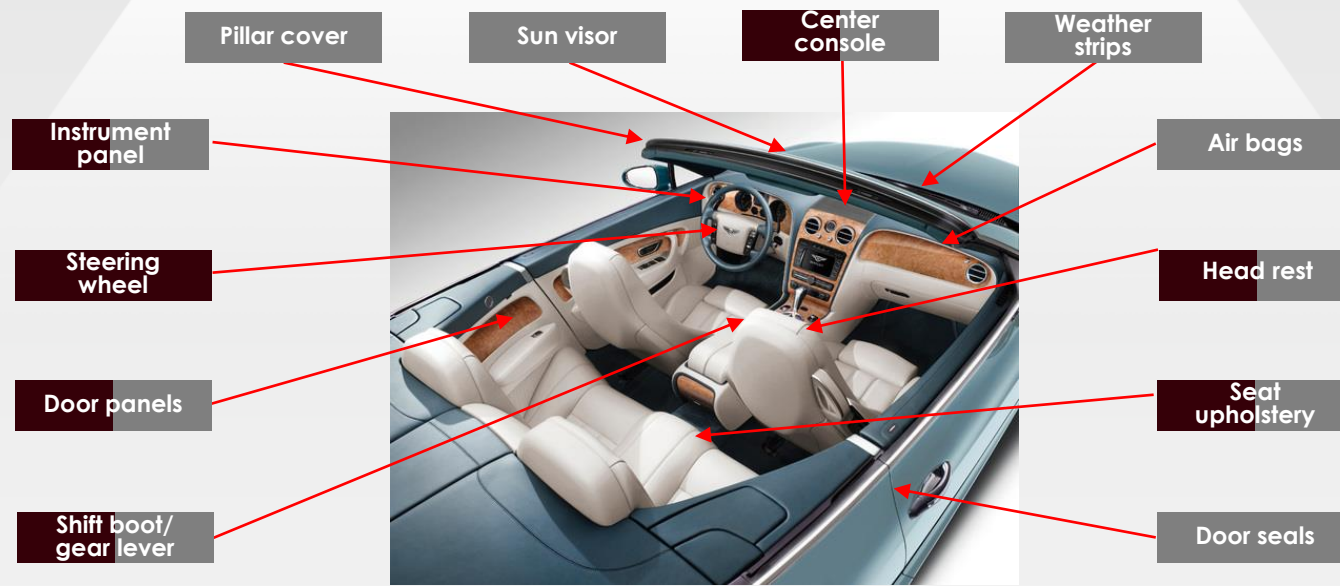
- Key account strategy for tanneries, OEMs and brands
- Use Stahl champions as organizational gateways
- Pro actively engage in supply chain think tanks
- Organize independent supply chain events

Key for Stahl Success: Automotive Center of Excellence (CoE) in the Netherlands

The only CoE in the world to offer full testing and training facilities for automotive interior solutions, covering:

- Leather Chemicals
- Performance Coatings

State-of-the-art equipment to help OEMs design leather and synthetic interiors for the future



Leather Chemicals (WE & LF) Performance Coatings

Rinspeed – strengthened position within automotive supply chain

Rinspeed: Creative Think Tank & Mobility Lab for the Automotive industry
Oasis concept: World premiere Jan/2017@CES Las Vegas.

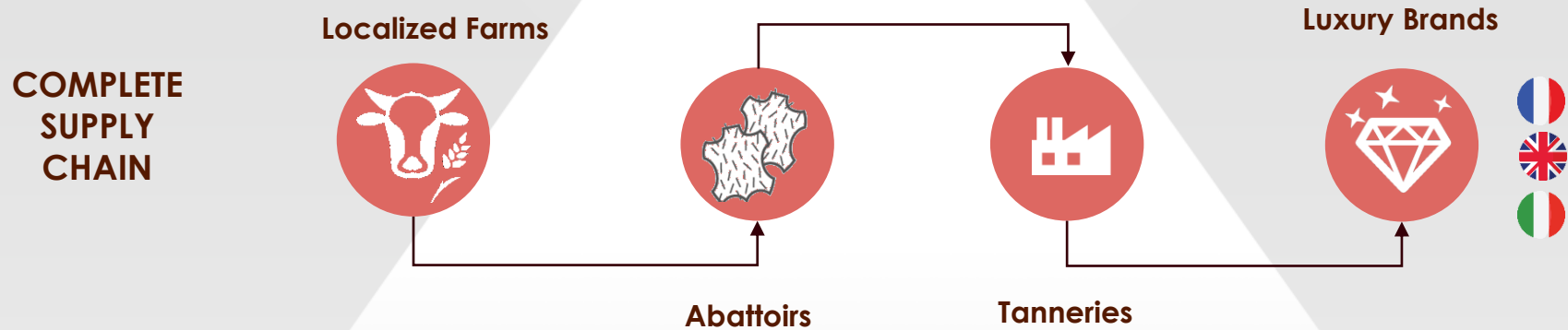


Stahl:

- Official interior partner
- Global marketing platform

Co-branding with recognized industry authorities
Deeper penetration within the entire supply chain

ReVeal – strengthened position within leather luxury segment



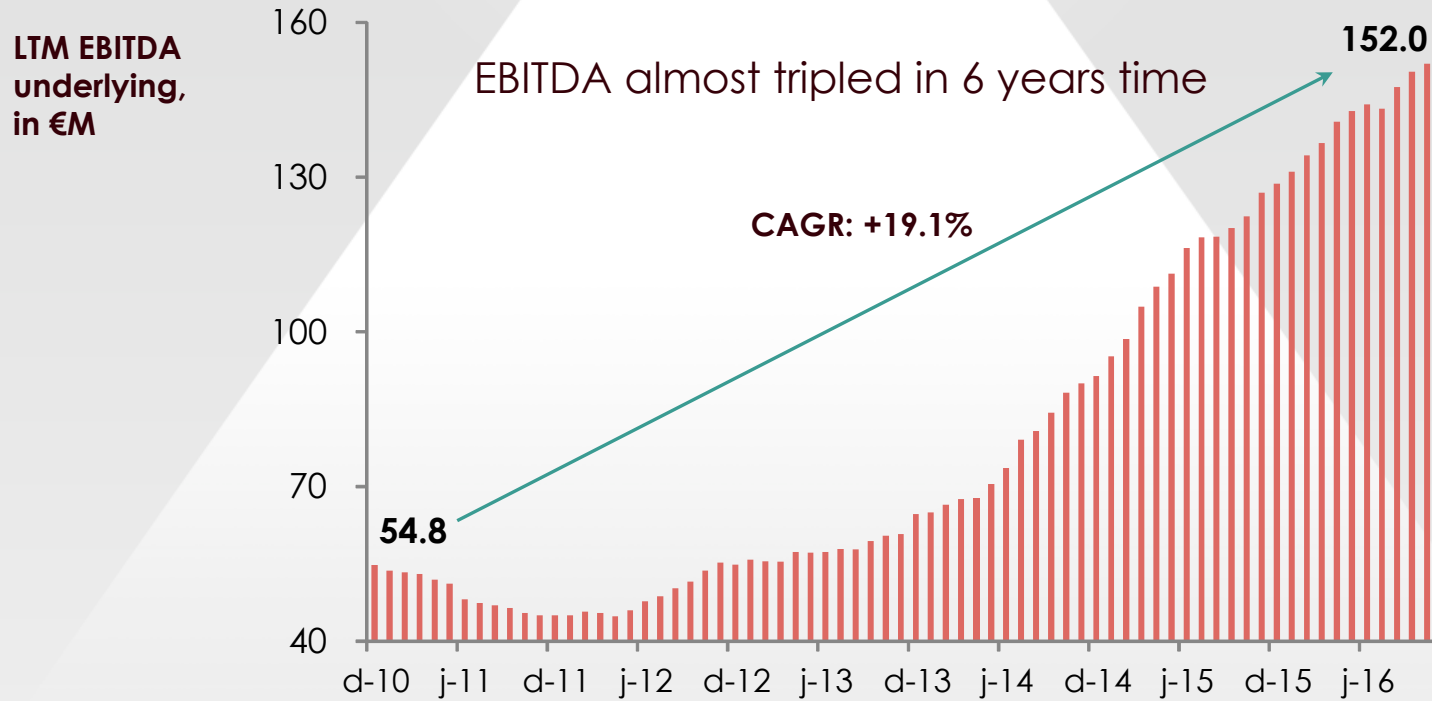
Exclusive Access Conference Event Organized by Stahl Five Leading European Luxury Brands as Primary Audience

- Event concept based on consolidated Dutch calf supply chain
- Attended by Sustainability Managers, Industrial Directors and NGO's
- Stahl Industry Leadership and Relationship Equity on display

INDUSTRIAL SPEECHES

**Concept will be further
rolled-out in Europe and the Americas**

Transition has resulted in acceleration of EBITDA growth

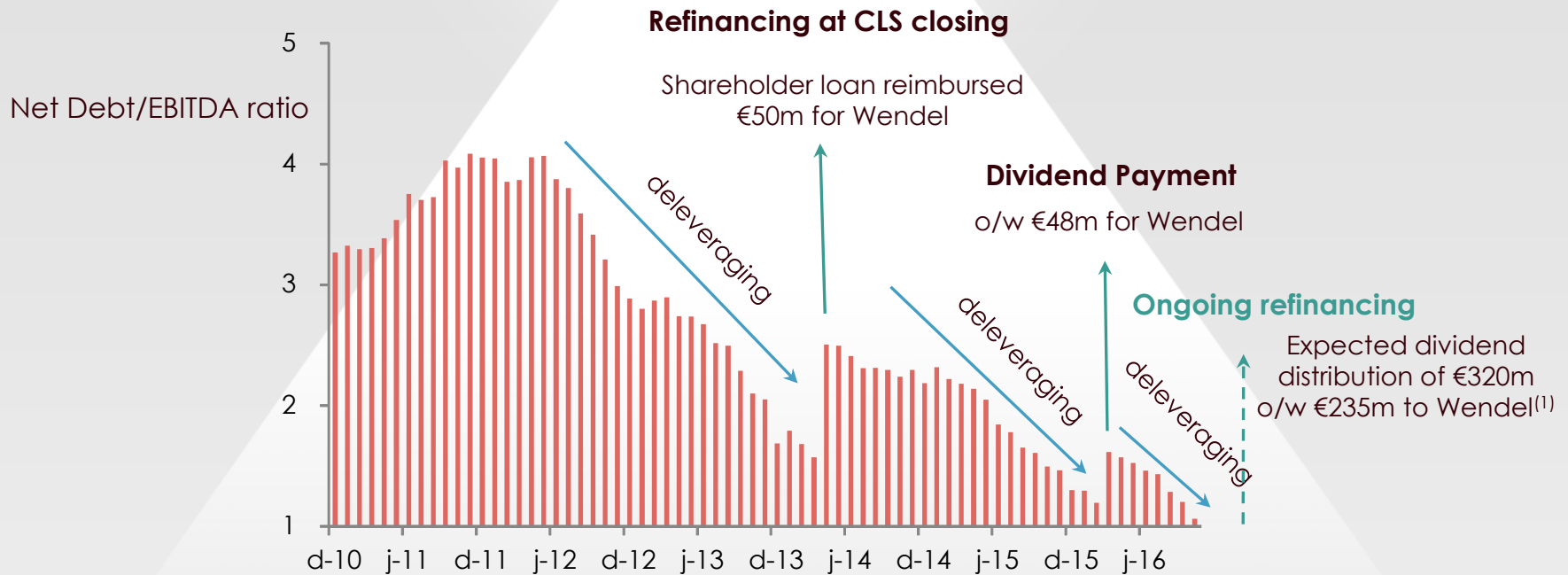


Successful integration of former Clariant Leather Services (1+1 = 4)

More than €25m synergies realized; significant outperformance of the original estimate of €15m

Organic growth benefiting from increased supply chain power

High cash conversion results in strong deleveraging profile & return to shareholders



Strong cash conversion due to:

- Strict working capital management
- Asset light infrastructure

Ultimately resulting in deleveraging and significant dividend distribution

Refinancing of Stahl expected to be finalized by year end @ 3.5x ND/EBITDA

Transformation into a €650m+ revenue company
with a more diversified business model

Very strong operating performance & deleveraging

First dividends paid to our shareholders in March 2016,
and more to come

Materialization of value adding bolt-on acquisitions

Key levers for future EBITDA and Cash Flow growth

ORGANICALLY

Continued focus on profitable sales growth

Leather Chemicals : selected customer approaches/working with worldwide OEMs and brands

Performance Coatings : numerous opportunities

Leverage on green and water-based product portfolio (being ahead of legislation)

&

ACQUISITIONS

Acquisitions within Leather Chemicals to further realize synergies

(e.g. Viswaat – April 2016 + more to come)

Buy and build acquisitions within Performance Coatings market totaling more than €40 billion

(e.g. Eagle – November 2016 + more to come)

U.S. market leader in water-based **flame retardants**

Local footprint and set-up

Significant **cross selling opportunities** for Stahl;
leveraging on Stahl's global footprint

FY 2015: Sales \$ 19m; Underlying EBITDA \$ 4m



Digitalization is also a strong
lever for growth



**Healthy financial basis with
still significant improvement
potential**



**Strong fundamental values of
Stahl remain unchanged**

Leading premium brand
Technical know-how
Scale and worldwide presence



**Future acquisitions will give
further boost to improve
operational & financial
performance**

Realize cost synergies
Buy and Build



**Clear focus and 'down to earth'
mentality will continue
to be the key success drivers**



WENDEL



Investor Day

December 1, 2016

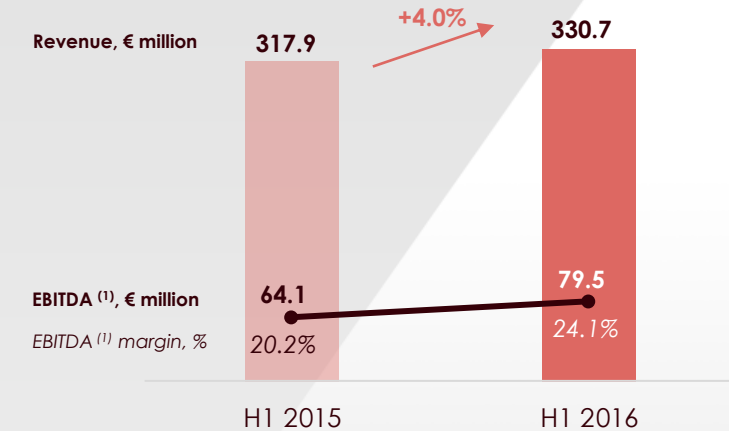


Appendix

Stahl

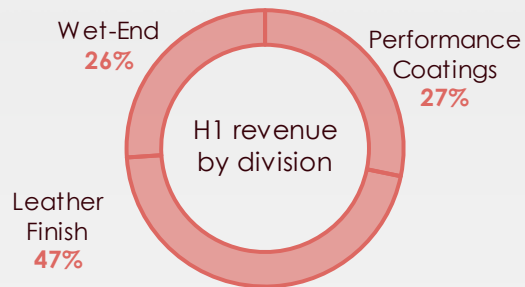
Dynamic volume growth & record margin

Key figures



Net debt, €m

Year	Net debt (€m)
H1 2015	214.2
H1 2016	210.7



H1 2016 highlights

Sales boosted by volume growth

- +6.6% organic growth, thanks to good volume growth in all divisions
- +1.2% external growth
- -3.7% FX impact

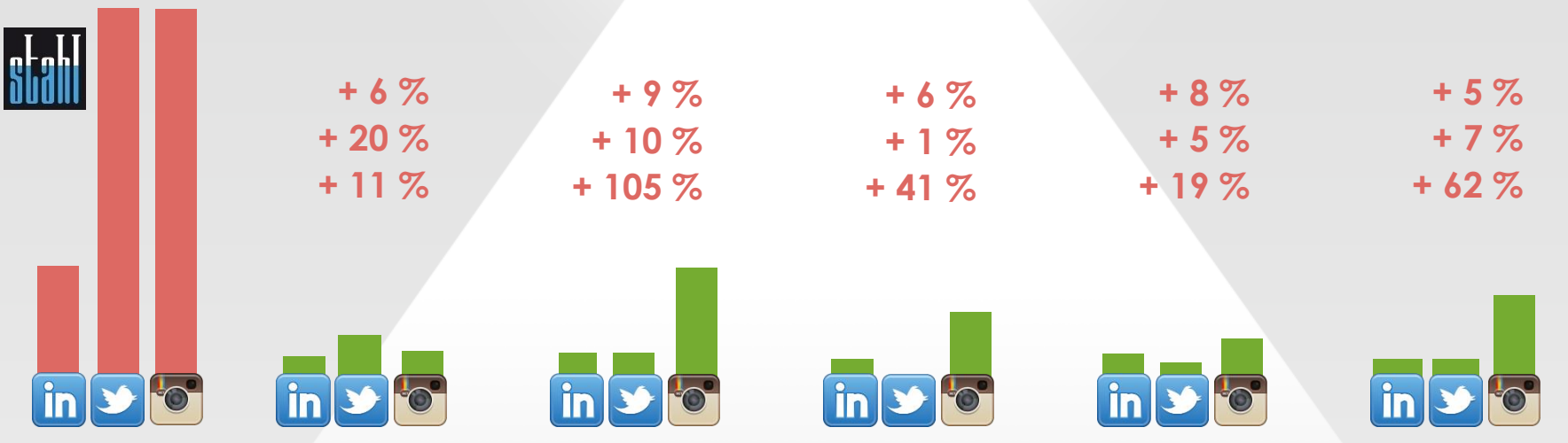
EBITDA at €79.5m, i.e. a record 24.1% margin up 390 bps thanks to synergies & efficient cost management

- Ca. €12m of synergies reflected in H1 2016 P&L
- Efficient cost control policy

Ongoing deleveraging even after dividend payment

- Leverage ratio @ 1.46x, after dividend payment of €65m in March 2016, down from 1.71x in June 2015

Online presence growth vs. Company size for 2016



1.800
employees

8x
bigger

9x
bigger

13x
bigger

24x
bigger

60x
bigger