



W E N D E L



Stahl

Dirk Jan Van Ommeren / Bram Drexhage

Wendel's Investor Day, December 4, 2014

Group Overview



- Stahl is a highly specialized chemical company
- Stahl is the leading player in the industry of surface effects, being a leading worldwide supplier of:
 - formulated products and services for leather
 - performance coatings for synthetic materials
- Five distinct businesses operating worldwide, with Leather Finish sales from Stahl and the PielColor brand representing approximately 50% of the sales
- More than €600 M of annual revenues since acquisition of CLS
- Focus on EBITDA and cash flow

Stahl's success factors

Barriers to entry

- Customer intimacy
- Product know-how
- Highly qualified sales technicians ("Golden Hands")

Leading position

- Worldwide presence
- Innovation / technology
- Market leader in Finishing

Strong brands

- Stahl Leather Finish
- Stahl Wet-End
- Stahl Performance Coatings
- Stahl Polymers
- Pielcolor

Financial discipline

- Pricing power
- Strong margins
- Strong cost control
- High cash conversion

Growth strategy

- Luxury segments
- Performance Coatings

Management quality

- Mature
- Decisive
- Entrepreneurial
- International



Management team



Huub van Beijeren

The Netherlands
CEO - Board member



John Fletcher

USA
**Group Director
Leather Finish and PielColor**



Bram Drexhage

The Netherlands
CFO - Board member



Mark Chatwood

UK
**Group Director Automotive
Leather Chemicals**



Guido Borgart

The Netherlands
**Group Director Operations &
Supply line**



Harald Bauer

Germany
**Group Director Wet-End,
Chemicals and Dyes**



Ralph Blach

Germany
**Group Director R&D and
Technical application**



Uwe Siebgens

Germany
**Group Director Performance
Coatings and Polymers**



Jacques Potier

France
Group Director Procurement

Global footprint



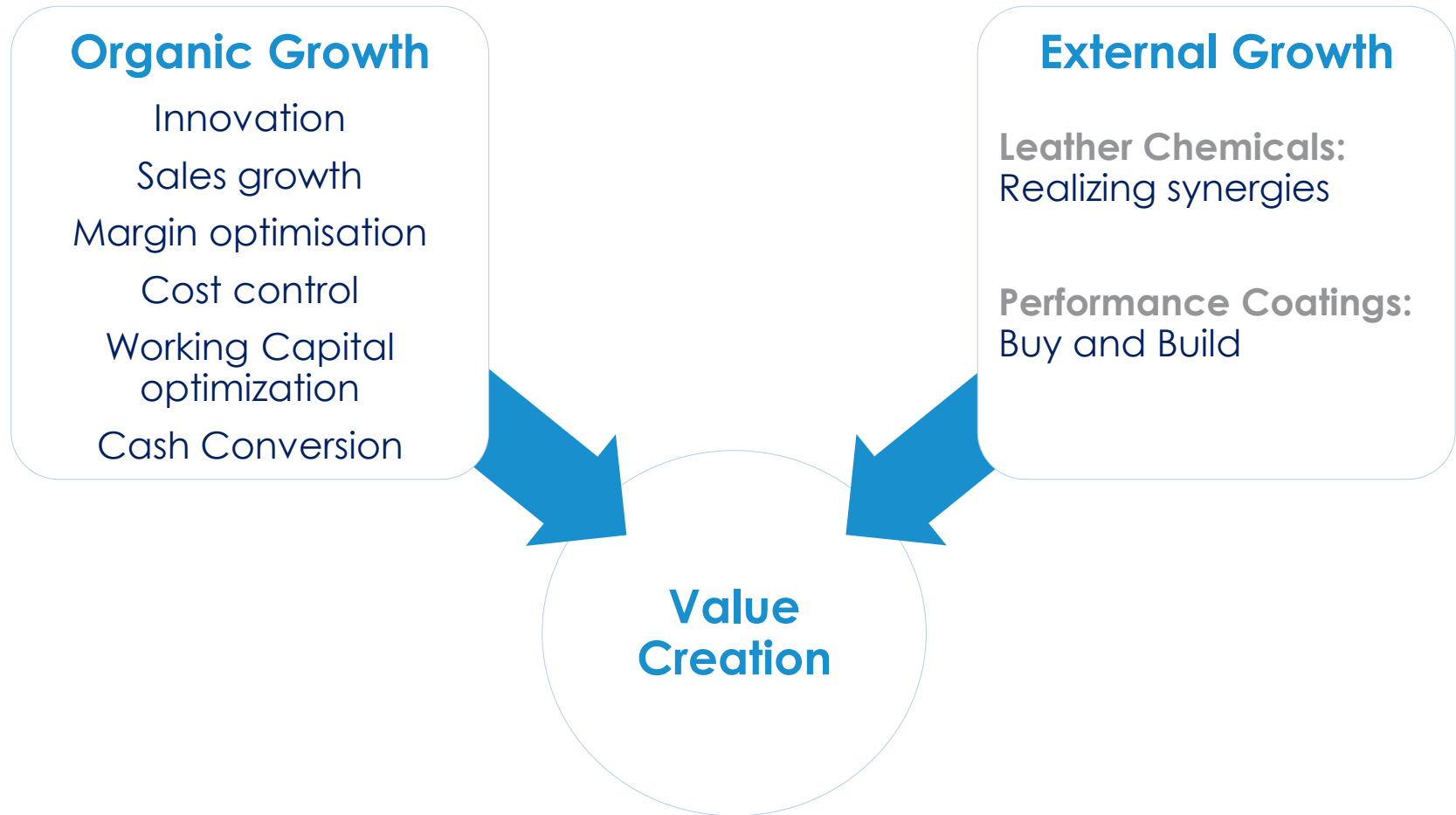
Stahl		
●	42	Laboratories & offices
◆	11	Manufacturing plants
●	1	Headquarter
	1,750	Employees



Vision Stahl from a balanced stakeholders perspective



Key drivers for growth



Milestones of Clariant Leather Services merger

Stahl and Clariant Leather Services (CLS) merger closed on April 30, 2014

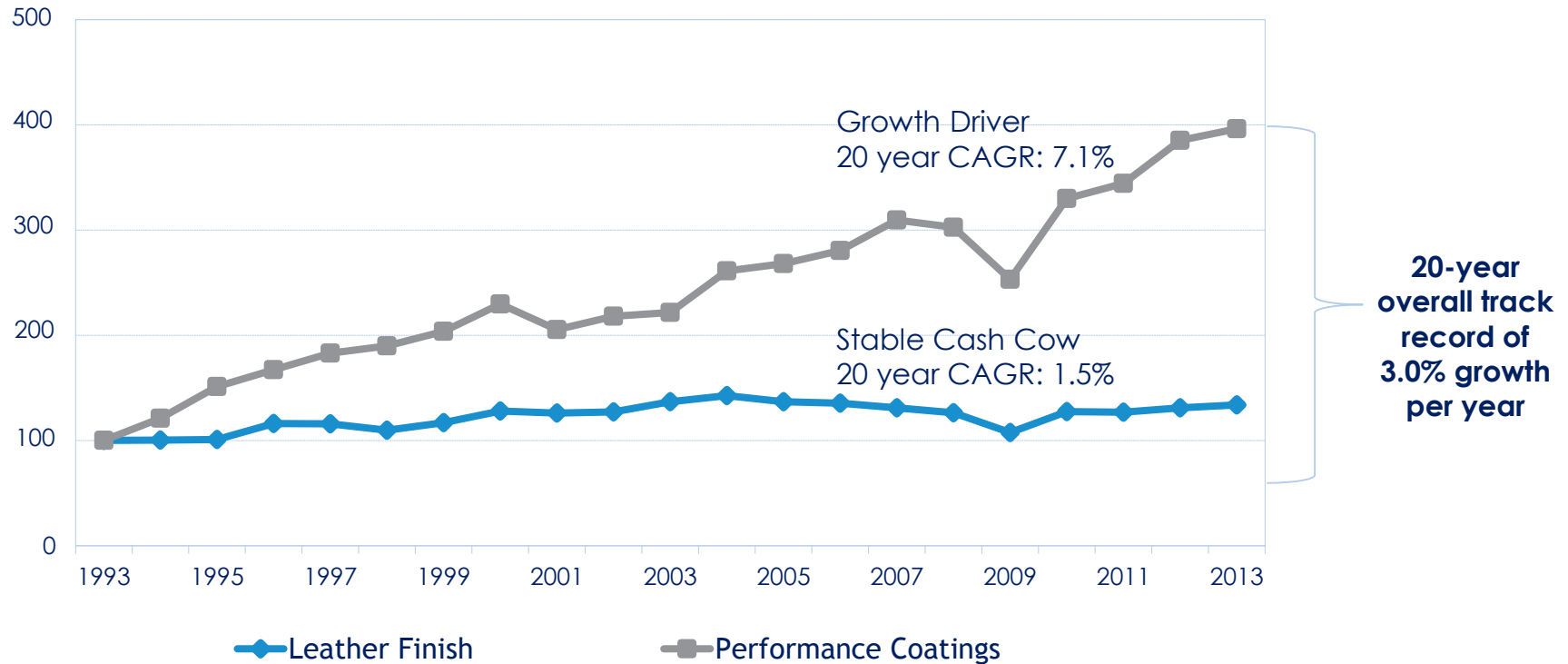
- Integration process is exceeding expectations
- Synergy potential is well above the original target of €15 M annually, to be achieved within 18 months
- Original target of €15 M annually will be outperformed within 9 months after acquisition
- Businesses integration on track
 - Strong focus on customer intimacy & product innovation
 - Integration addressed with pragmatic approach



Financials & Drivers for Growth

Stable long term sales track record*

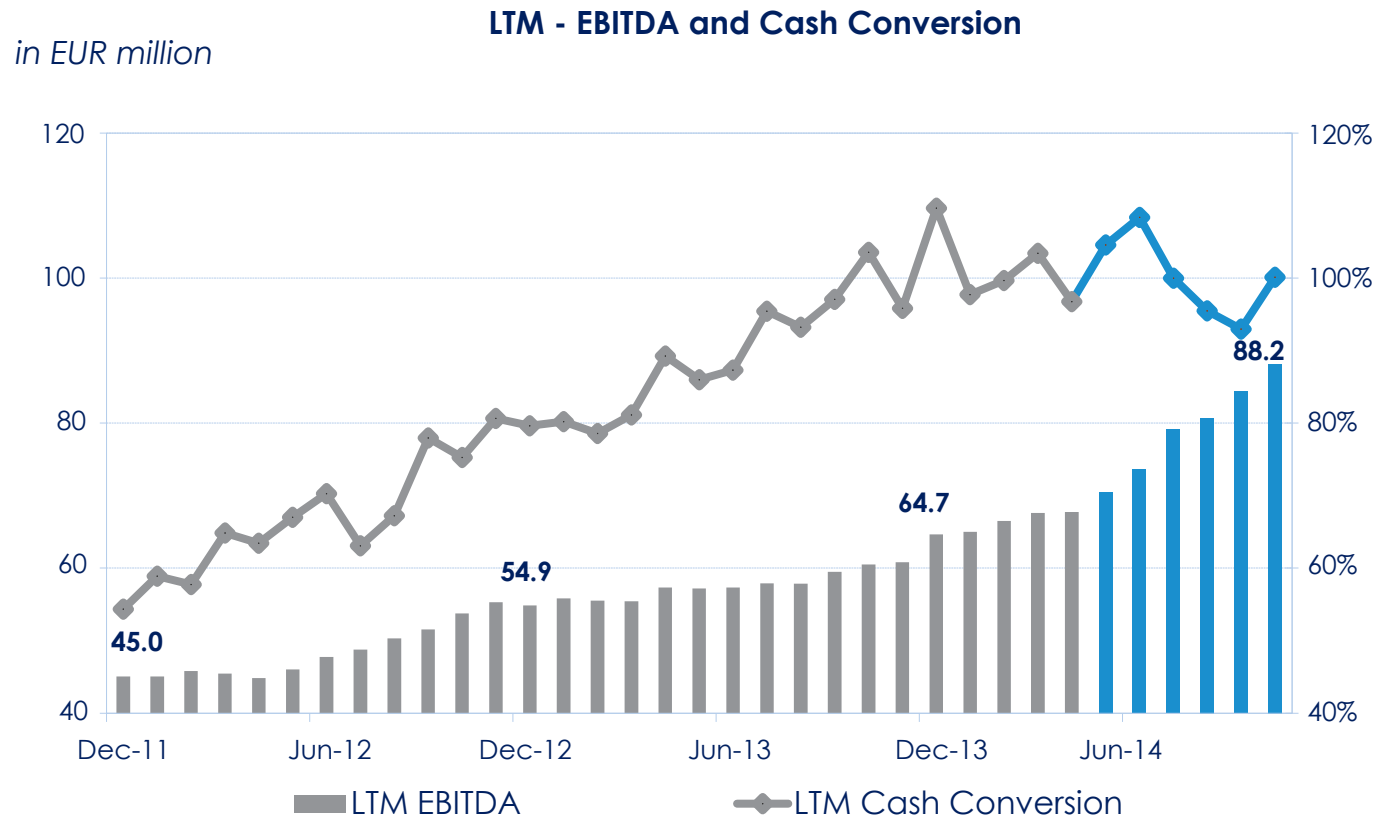
Sales Indices



- Historical sales results show consistent long term growth (20-year overall track record of 3.0% growth p.a.)
- Strong recovery after the financial crisis with growth of almost 8% p.a. (11.9% for Performance Coatings and 5.6% for Leather Finish)

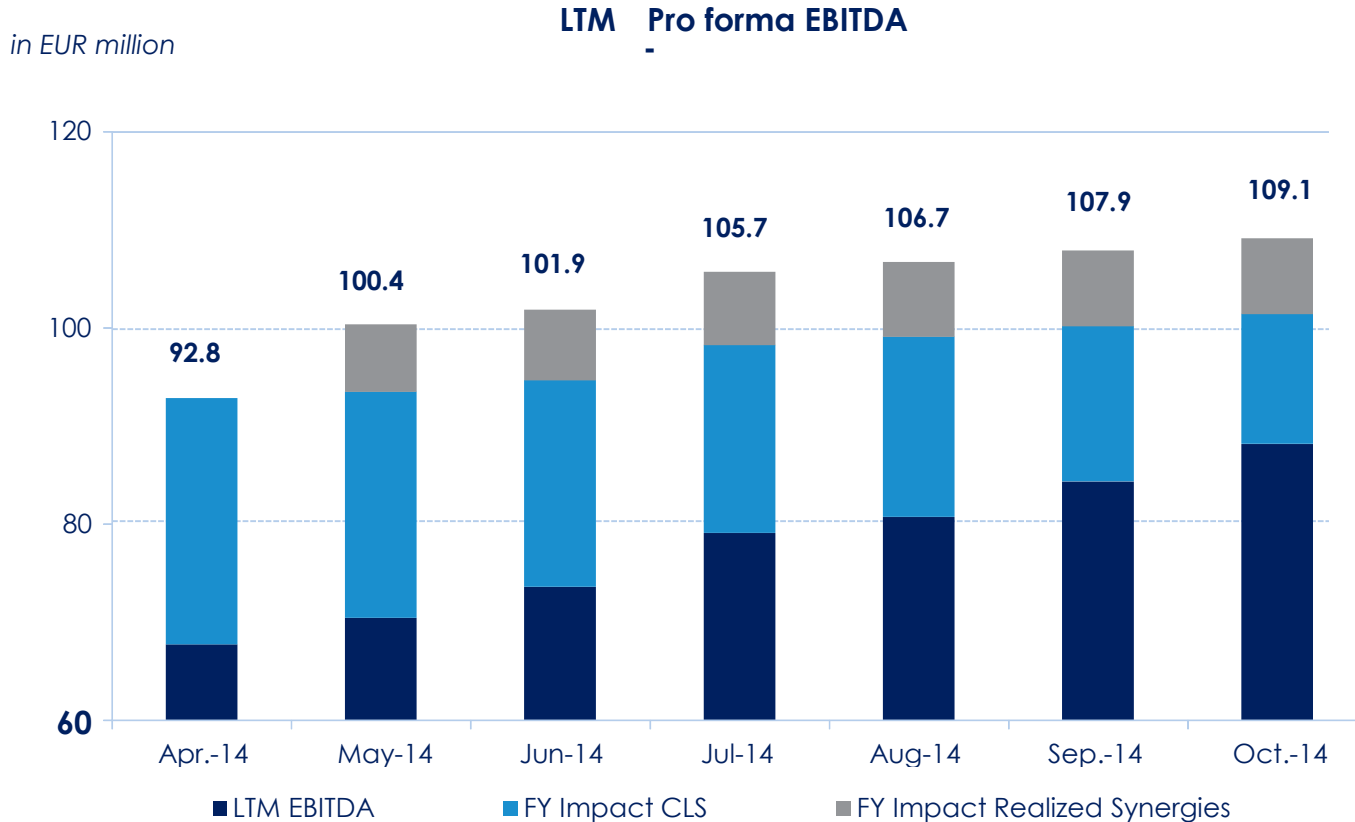
* Based on 'old Stahl' excluding CLS

Strong financial improvements



- LTM EBITDA performance of the group has strongly increased, driven by:
 - Organic growth
 - Successful integration of former Clariant Leather Services
- Significant improvement of the cash conversion

CLS Integration very successful



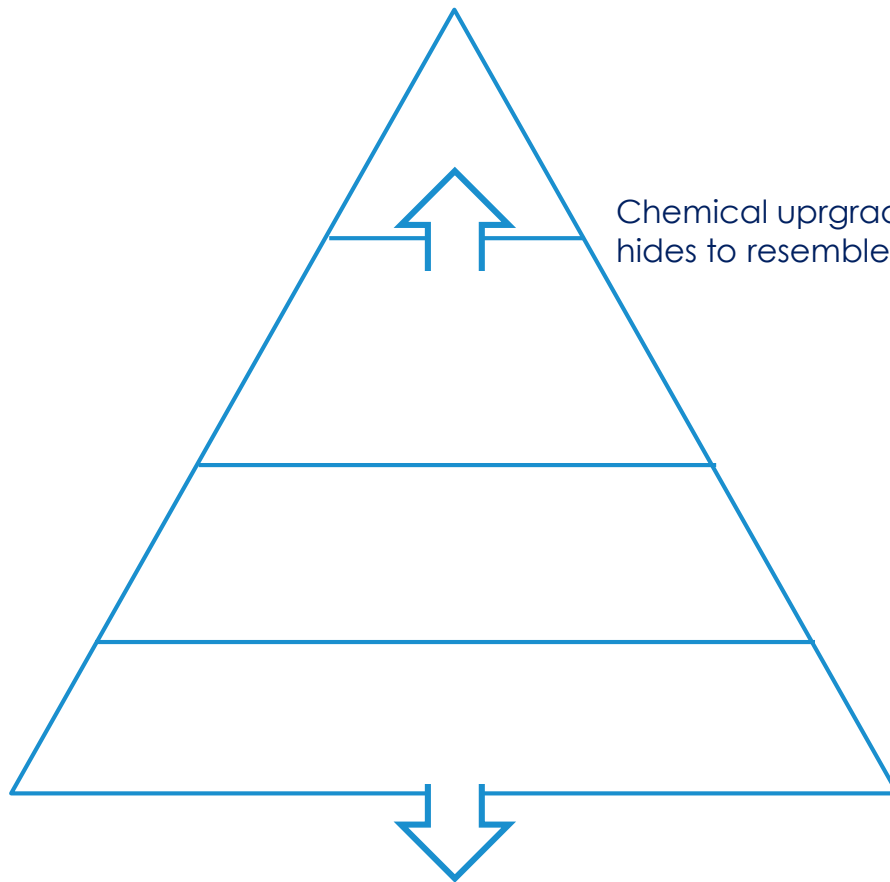
- Pro forma EBITDA includes CLS-performance retrospectively and FY impact of realized synergies
- Since the start of the integration, EBITDA performance has increased month-by-month driven by **organic growth** and **implemented synergy savings** as recorded in the P&L

Leather Chemicals – Market Dynamics

- Demand for leather outpacing supply of hides, therefore leather market supply-constrained
- Leather increasingly a luxury product
- Global brands in all end-use segments (luxury in particular) getting more and more powerful in the supply chain
- Environmental 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

Consequences of hide supply constraints & higher demand from high value luxury segments



Chemical upgrading of medium grade hides to resemble top quality hides

- Record high prices for raw hides
- Increased demand of (chemical) upgrade of leather
- Substitution within lower value segments towards synthetics and textile (Performance Coatings)

Substitution by synthetics and other fabrics

Performance Coatings – Market Dynamics

- Increased demand for coated synthetic materials
 - Higher performance requirements
- Continued concentration of globalization 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
- Increased demand for high performance, sustainable, environmental friendly solutions:
 - Haptics
 - Noise reduction/cancellation
 - Durability
 - Anti-staining / easy to clean
 - Safety items

Key levers for future EBITDA and Cash Flow growth

■ Organically

- Continued focus on profitable sales growth
 - Leather Chemicals – selected customer approaches / working with worldwide brands
 - Performance Coatings – numerous opportunities
- Leverage on the green and water-based product portfolio
- Elimination of lower margin business
- Selective fixed cost reductions
- Working capital optimization

■ Acquisitions

- Successful integration of Clariant Leather Services Business
- Potential acquisitions within leather to further realise synergies
- Buy and build acquisitions within Performance Coatings

Subject to consultation with the employee representative bodies and to the necessary regulatory approvals.

Conclusions

- Healthy financial basis with still significant improvement potential
- Working together with former Clariant has given additional boost to further improve operational and financial performance
 - Strongest player in the industry
 - Best in class product offering and service to the customer
 - Realized synergies
- Strong fundamental values of Stahl remain unchanged
 - Leading premium brand
 - Technical know-how
 - Scale and worldwide presence
 - Down to earth
 - Empowerment of local management / back to basics
- Clear focus and 'down to earth' mentality will continue to be the key success drivers