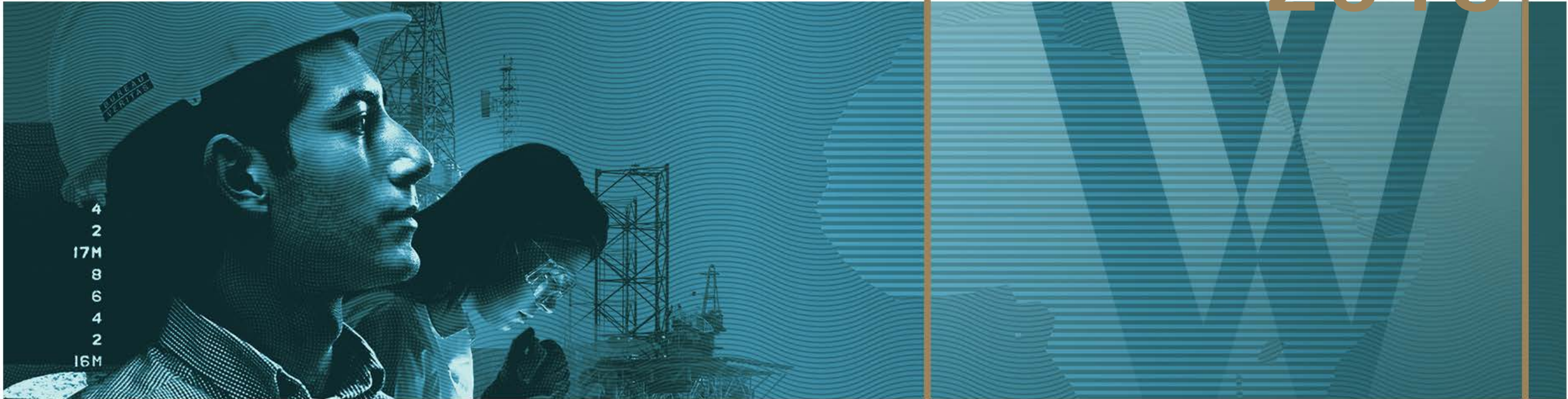


Stahl

Investor Day 2018



2018

LONG-TERM INVESTOR



WENDEL



€171m
equity invested since 2006⁽¹⁾

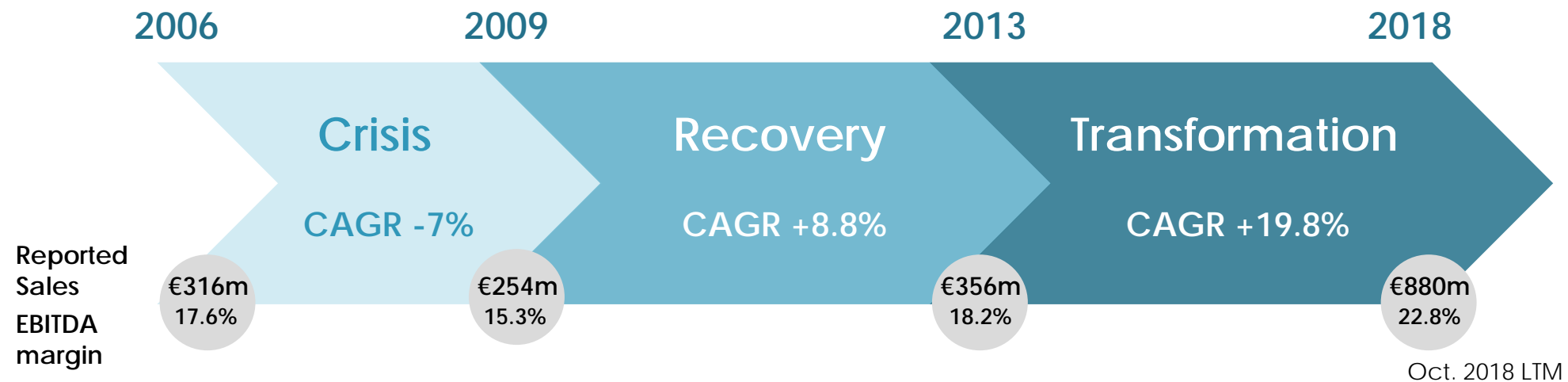
62.6%
equity stake

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

(1) Amount of equity invested by Wendel as of June 30, 2018

Stahl's transformation story



Wendel invests €80m for 49% of Stahl's capital

Change of Management

Wendel reinvests €60m in Stahl
Wendel takes over of Carlyle's stake & becomes controlling shareholder with 92%

Renegotiation of debt with €159m debt write-off

Acquisitions of Clariant Leather Services & BASF Leather Chemicals

€291m of cumulated dividends paid to Wendel in 2016/2017

Double digit growth of Performance Coatings



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 world market leader in surface treatment and coating solutions for a wide variety of materials.**

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.

Uwe Siebgens – Global Director of Performance Coatings & Polymers



Uwe Siebgens has been Stahl's Global Director of Performance Coatings & Polymers since 2011.

Under Uwe's leadership, growth of the Performance Coatings Division has further accelerated by developing **innovative, sustainable, product ranges** and entering new **niche markets**.

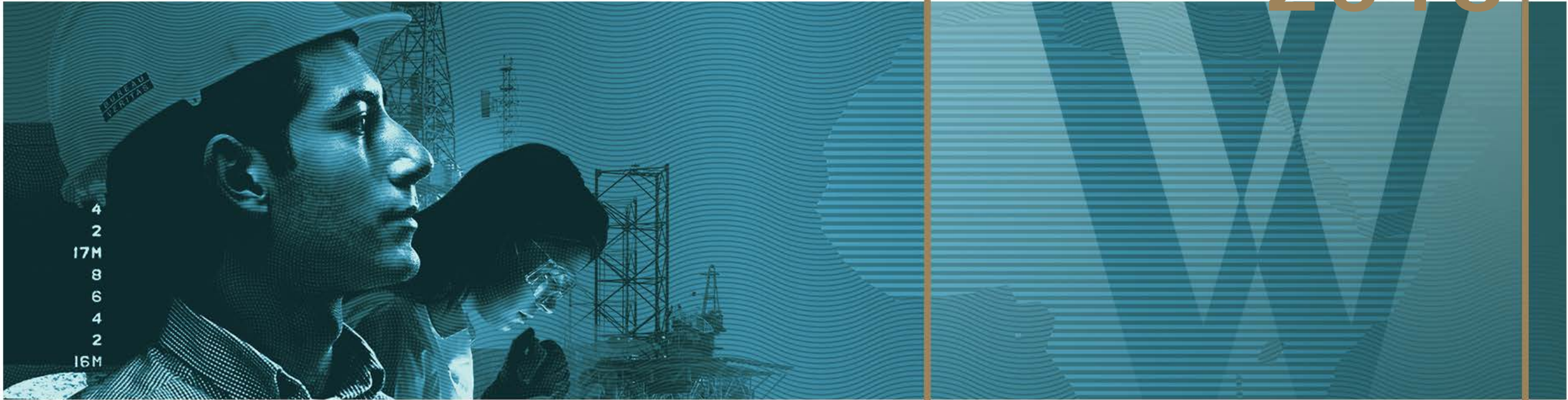
Uwe is working for Stahl for 17 years. Prior to being appointed as Global Head of Performance Coatings, he fulfilled different technical and commercial management positions for Stahl within Europe and North America.

Before joining Stahl, Uwe held different positions at Johann Borgers, a manufacturer of car interior trim parts and Alberdingk Boley, also active in the performance coatings markets.

Uwe holds a degree in Chemical Engineering and a MBA in Finance.

Stahl – Company Overview

Huub van Beijeren



2018

LONG-TERM INVESTOR



WENDEL

Stahl is the world market leader in surface treatment and coating solutions for flexible materials:

#1 in leather process chemicals

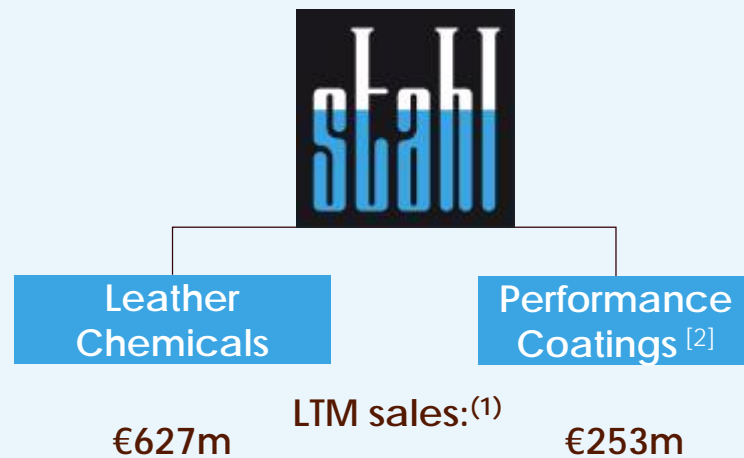
Leader in high growth performance coatings niche segments

€880m LTM sales⁽¹⁾

€200m LTM EBITDA⁽¹⁾ & 22.8% Margin

>80% cash conversion ratio

~2,000 people spread over 38 locations



Focus on EBITDA & cash flows

Strong R&D to develop future proof solutions

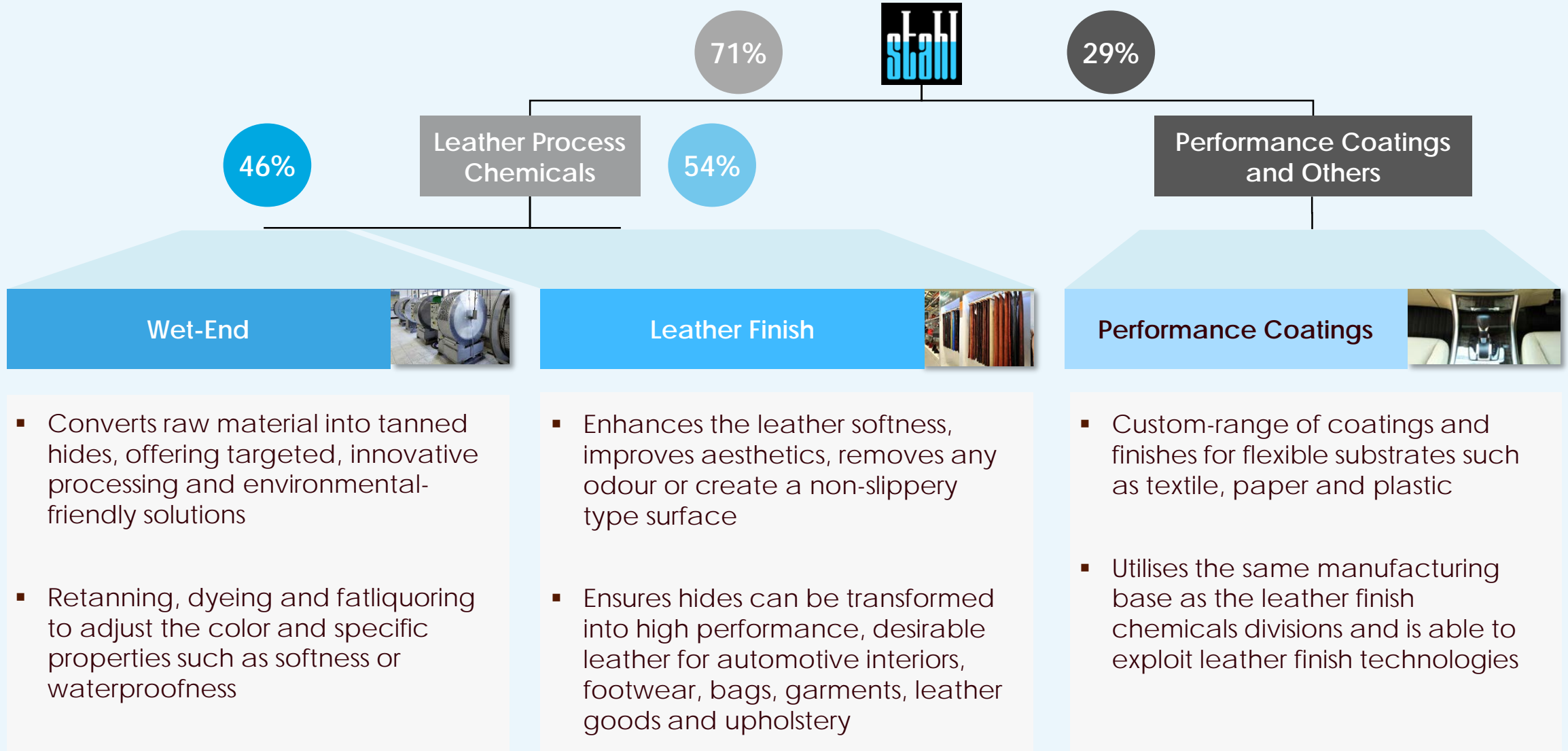
Sustainability at the core of strategy

Proven track record in generating synergies through bolt-on acquisitions

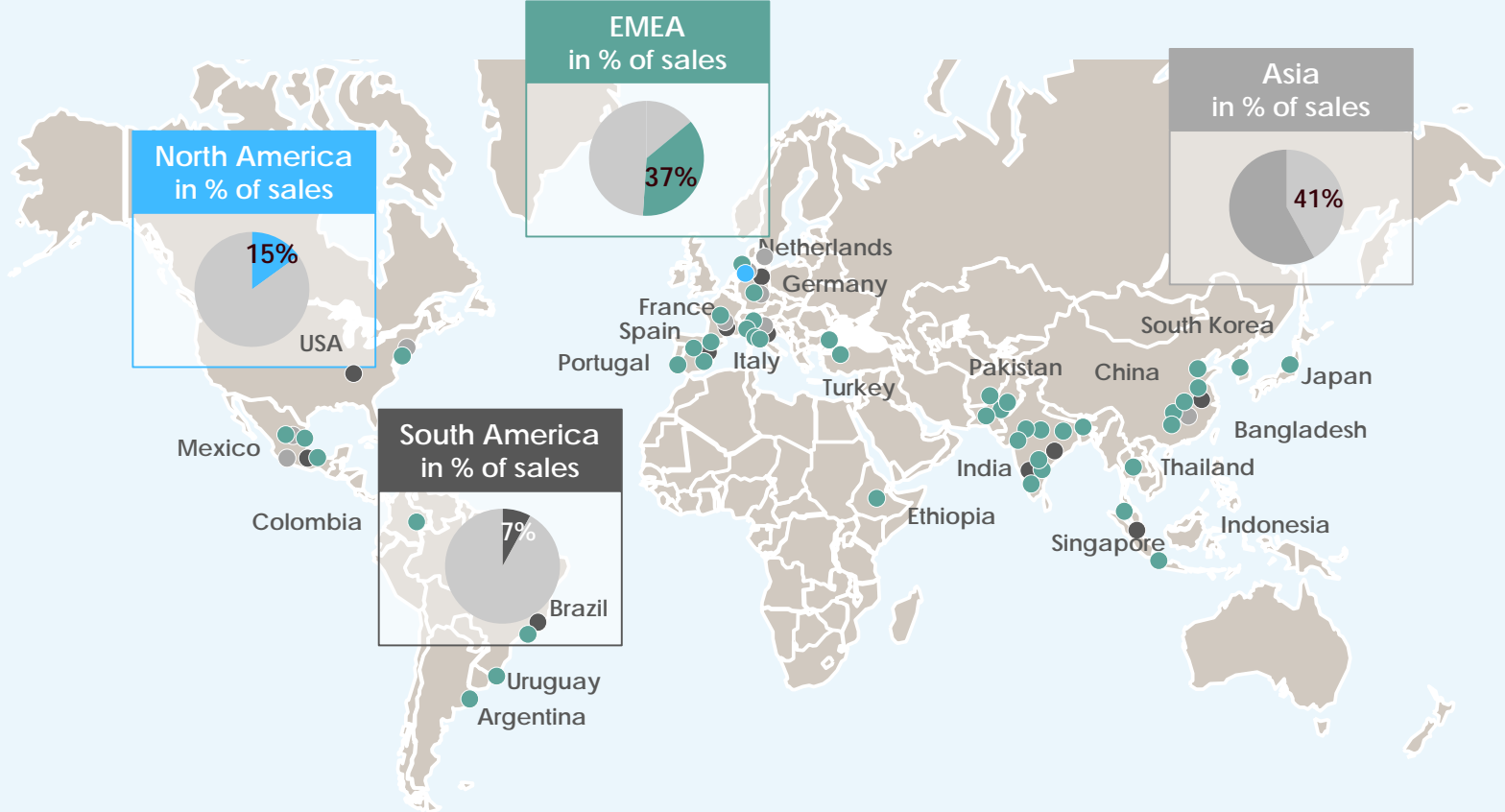
(1) Based on Oct-18 Last Twelve Months (LTM) results

(2) Including Stahl Polymers and Tolling

Divisional overview



Truly global footprint to capture market trends



- 6 out of 13 manufacturing plants located in emerging markets to optimally capture growth opportunities in the world’s major leather centers
- Regional setup required to:
 - Shorten lead times
 - Increase flexibility
 - Improve customers service

- 1 Headquarters (Waalwijk, Netherlands)
- 13 Manufacturing Plants
- 38 Application Centers/Laboratories and 6 Sales Offices
- 9 Centers of Excellence

Accelerate growth of Performance Coatings

- Ongoing growth opportunities in Performance Coatings

Further consolidate leading position in Leather Chemicals

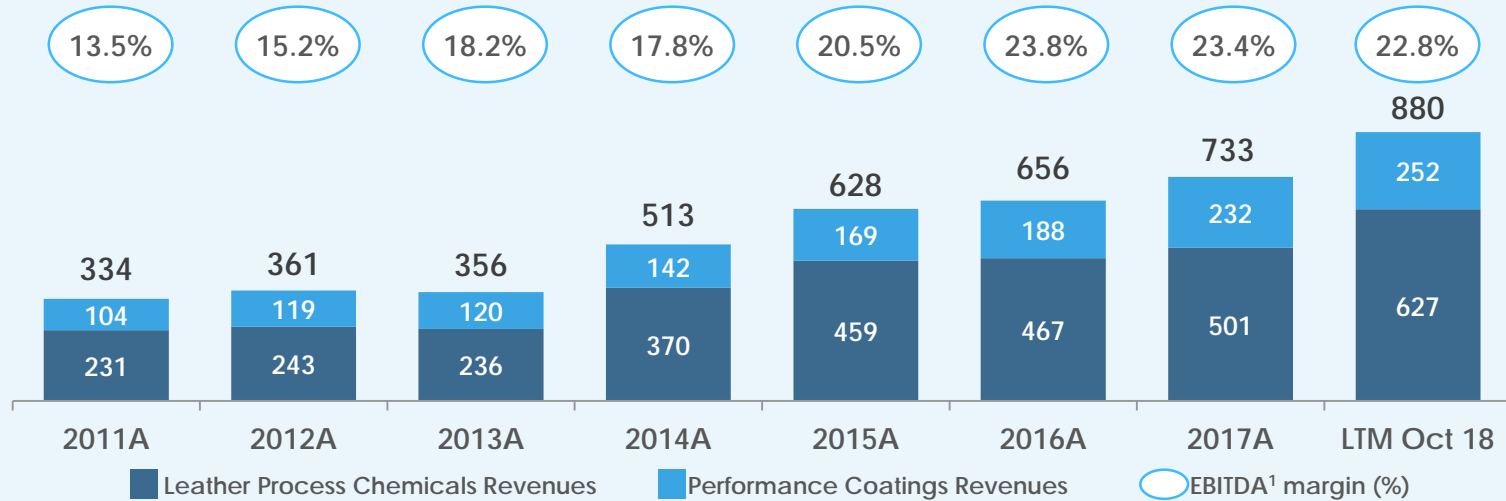
- Leverage on strong positioning in faster growing segments (Luxury / Automotive)
- Increase direct relationships with end-customers
- Continuously improve proven business model (innovation – high quality solutions – best in class technical service)
- Benefit from our sustainability leadership position

Further expand through acquisitions

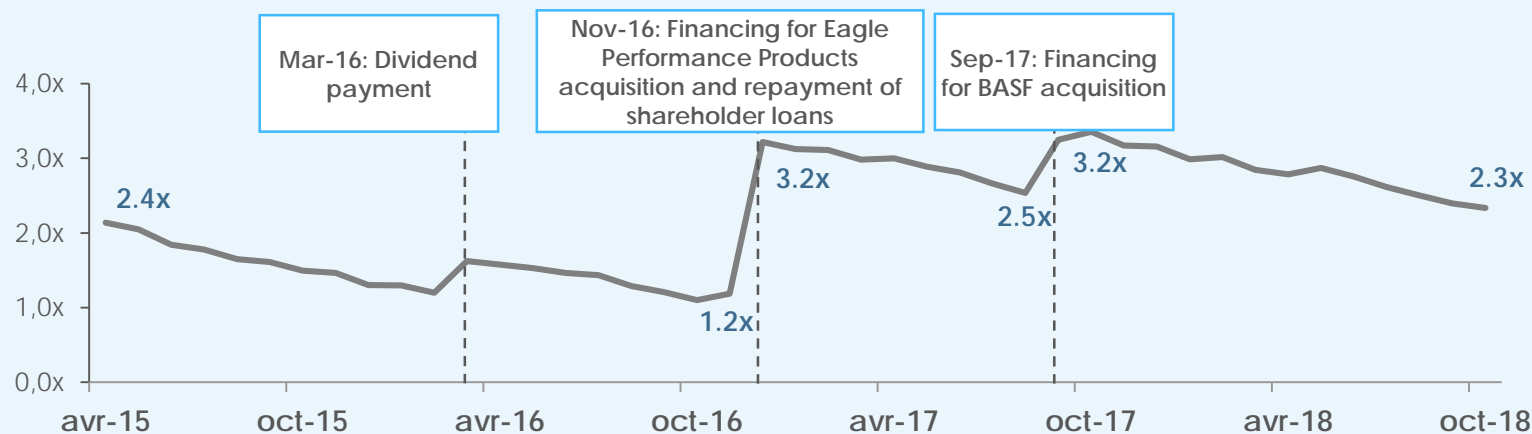
- Ongoing scanning of the market for potential candidates
- Focus on specialty sectors with high margins and innovative technology
- Clear synergy potential is key

Strong financial track record

Consistently Strong Financial Performance with Healthy Margins (EURm)



Prudent Capital Structure and Deleveraging Policy⁽³⁾



- Track record of consistently delivering growth
- EBITDA Underlying has increased from €45m in 2011 to €200m in 2018⁽¹⁾, representing an increase of €155m

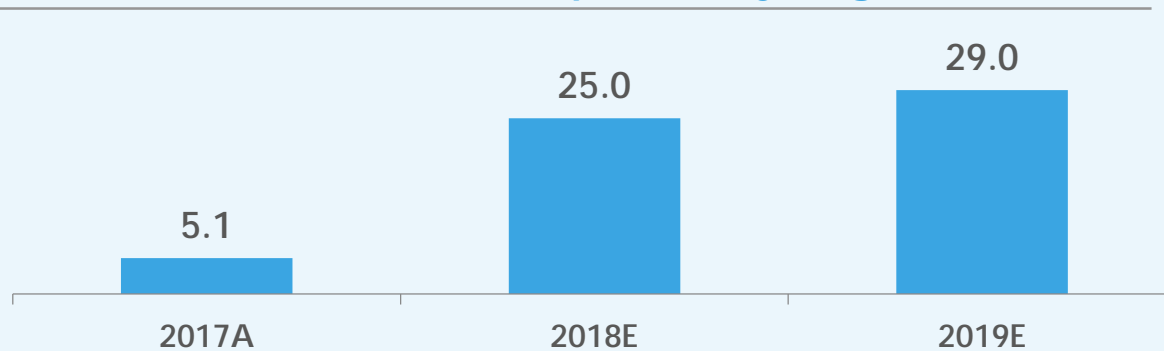
- The increase is the result of:
 - Acquired EBITDA €60m
 - Realizing synergies €55m
 - Organic growth €40m

- Strong deleveraging profile as a consequence of low capex requirements and high cash conversion levels

First important integration milestones successfully accomplished

- Integrate BASF LC within the Stahl organization
- Keep the key people
- Protect the top line and margin performance
- Realize cost synergies (€25m achieved by the end of 2018)

Achieved & Expected Synergies



Next step – realize additional upside potential

- Harmonize the product portfolio
- Reduce complexity

Stahl has experienced more challenging market circumstances in 2018

- Leather market is more difficult, especially within the shoes segment
- Raw material prices have gone up significantly
- FX working against us during 1H-18 due to weakening of the EUR/USD
- Uncertain political climate in certain areas

Stahl's reaction – focus on the things we can control

- Implement sales price increases to offset higher raw material costs
- Realize synergies faster than anticipated
- Selectively reduce fixed costs where possible

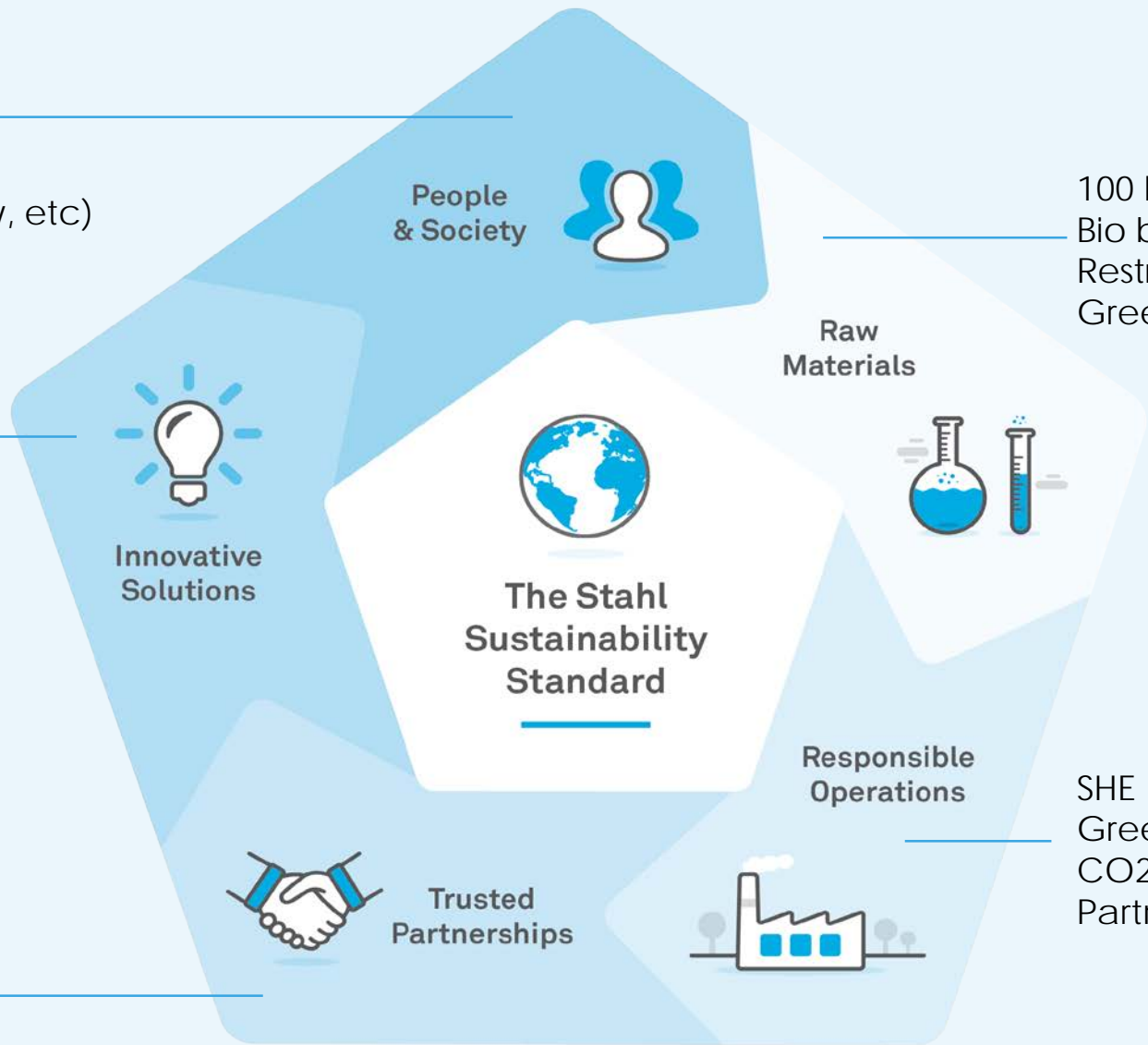
End result: higher EBITDA and cash flow despite tougher market

Sustainability through transparency and compliancy plus approach

HR Policies
 Management Training
 Code of Conduct
 E-learning (Anti corruption, Bribery, etc)

STAHL EVO
 STAHL NEO
 EasyWhite Tan™
 Proviera Probiotics for Leather™
 Stahlite®
 Bio-based Polyurethanes
 2 Green technology chemists
 Life Cycle Analysis

UN Global Compact (our CoC)
 Solidaridad
 ZDHC
 bluesign®
 Universities, Stahl Campus®
 Leather Working Group



100 R&D employees worldwide
 Bio based/Renewable materials
 Restricted Substances, Stahl RSL
 Green chemistry



SHE policy (road to zero)
 Greenhouse Gas emissions, Water,
 CO2, Energy & Waste
 Partner Code of Conduct

Embracing digitalization without replacing the human factor



Guiding principles

- **Business is leading**; IT follows
- **Keep it simple**
 - Local for local model
 - IT is facilitating, but will never replace the human factor
- Central and local visibility to be able to **react quickly** on business performance
- IT infrastructure in place to **absorb potential future acquisitions**

Embracing digitalization without losing the human factor



2015

Website 1.0

2016

Social Media Strategy

2017

Boost Awareness

2018

Establish Authority

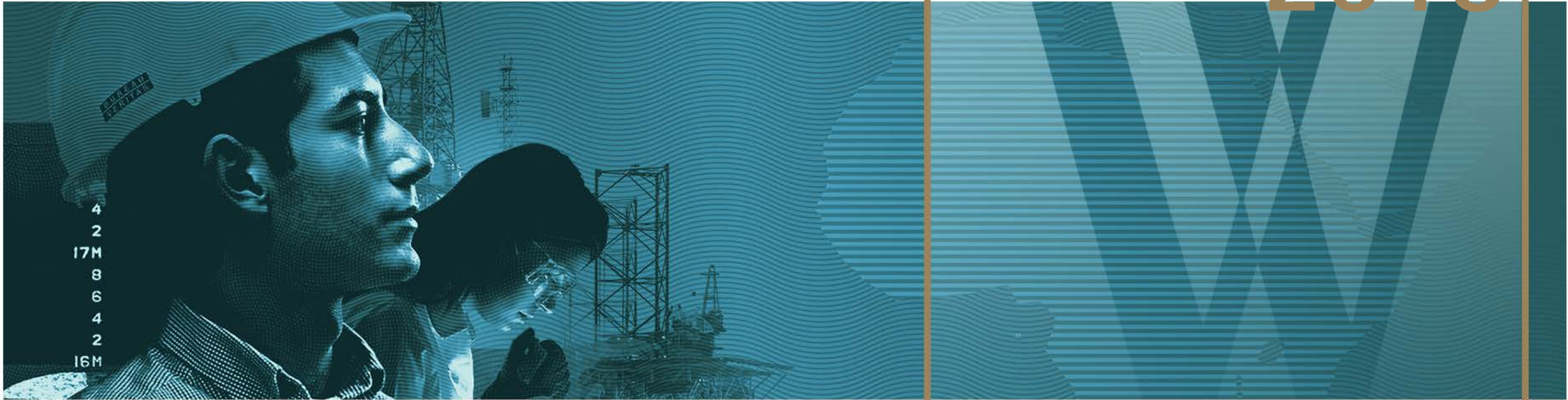
2019

Website 2.0
Digital Knowledge Center



Stahl – Performance Coatings

Uwe Siebgen



2018

LONG-TERM INVESTOR



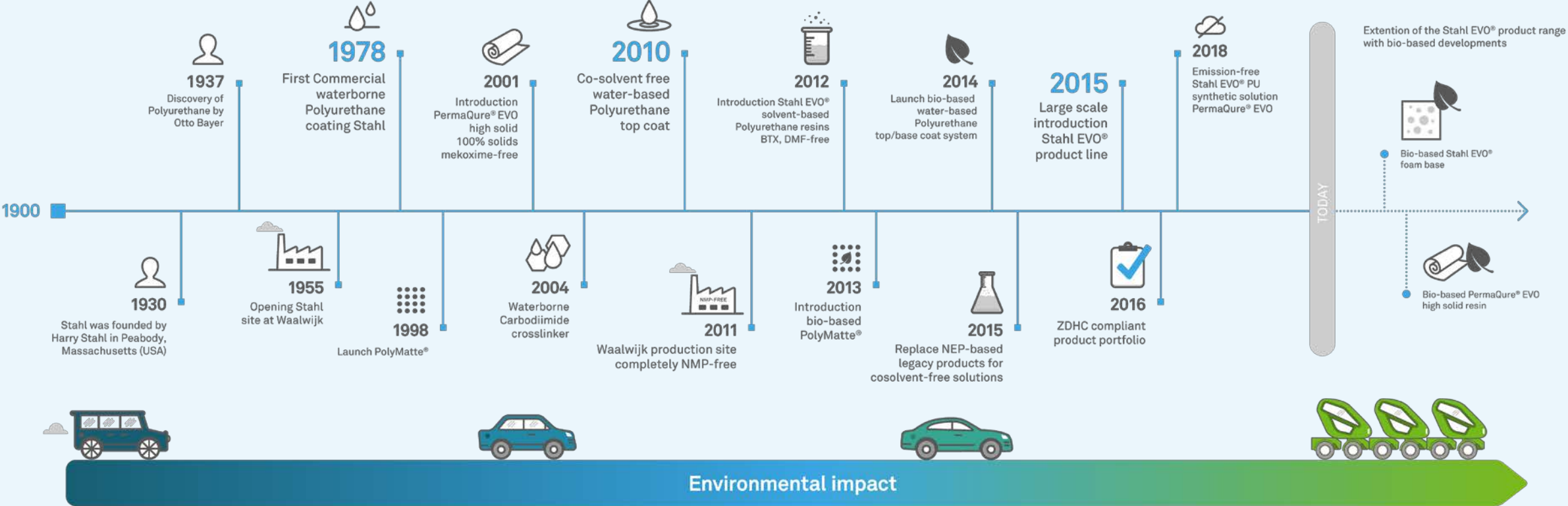
WENDEL

Accelerating the transition to sustainable materials

Solvent-based From toxic to non-toxic

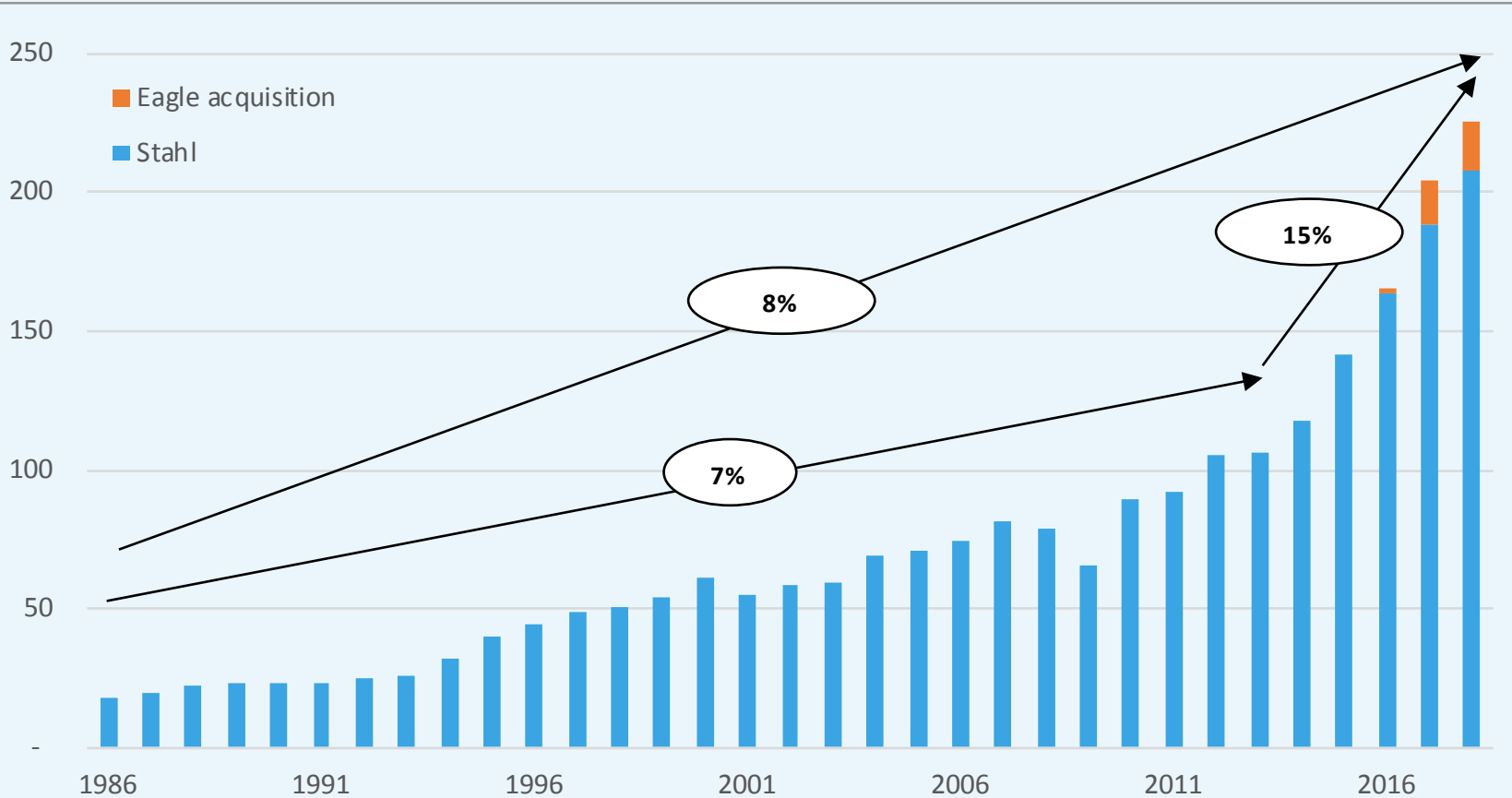
Water-based From NMP/NEP to cosolvent-free

Bio-based From crude oil to biomass



Performance Coatings Growth Story

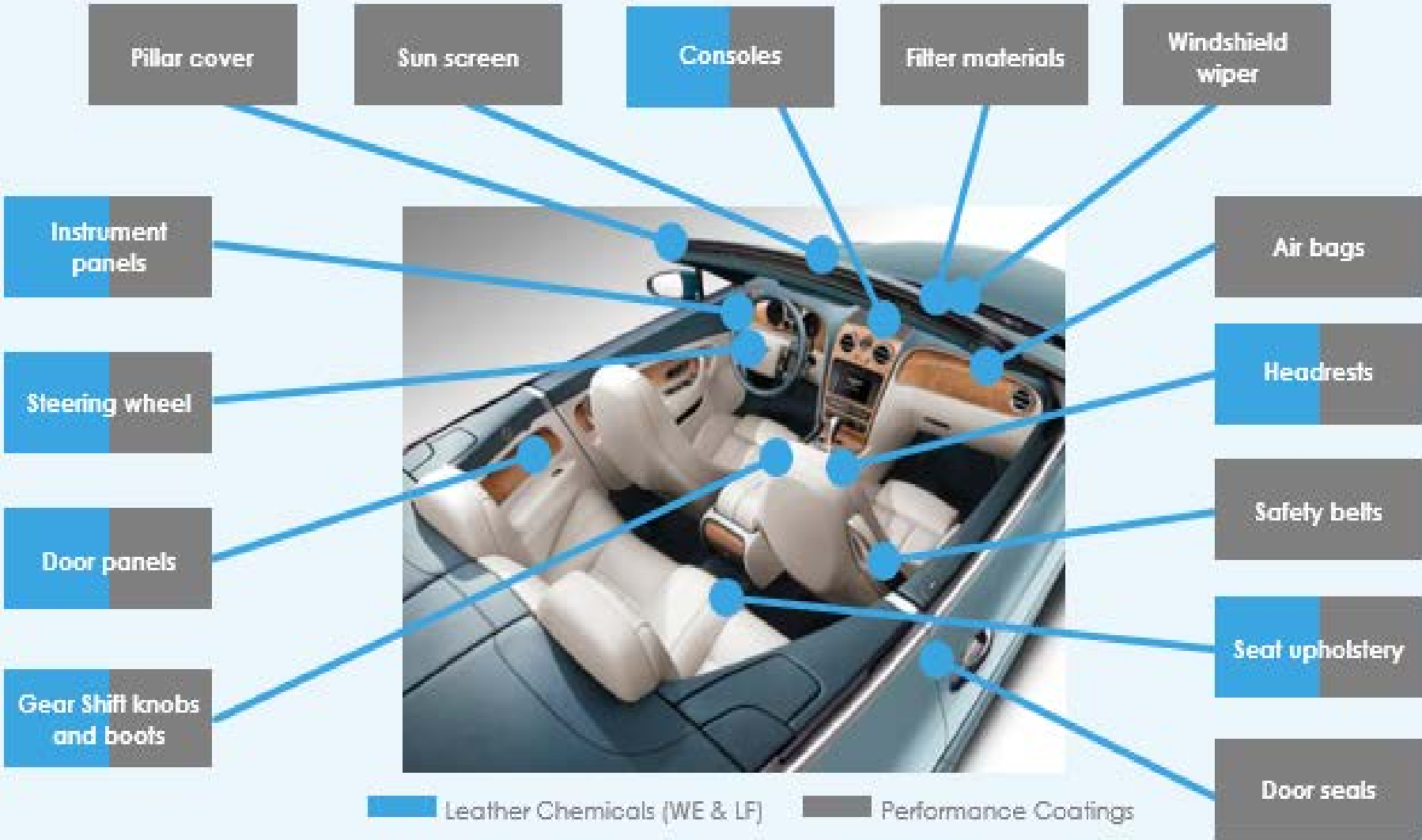
Performance Coatings – Long Term Sales Trend (EURm)



Stahl PC has developed into market leader for high-end coatings for flexible substrates

(1) CAGRs calculated excluding Eagle acquisition; 2018 based on Based on Oct-18 Last Twelve Months (LTM) results

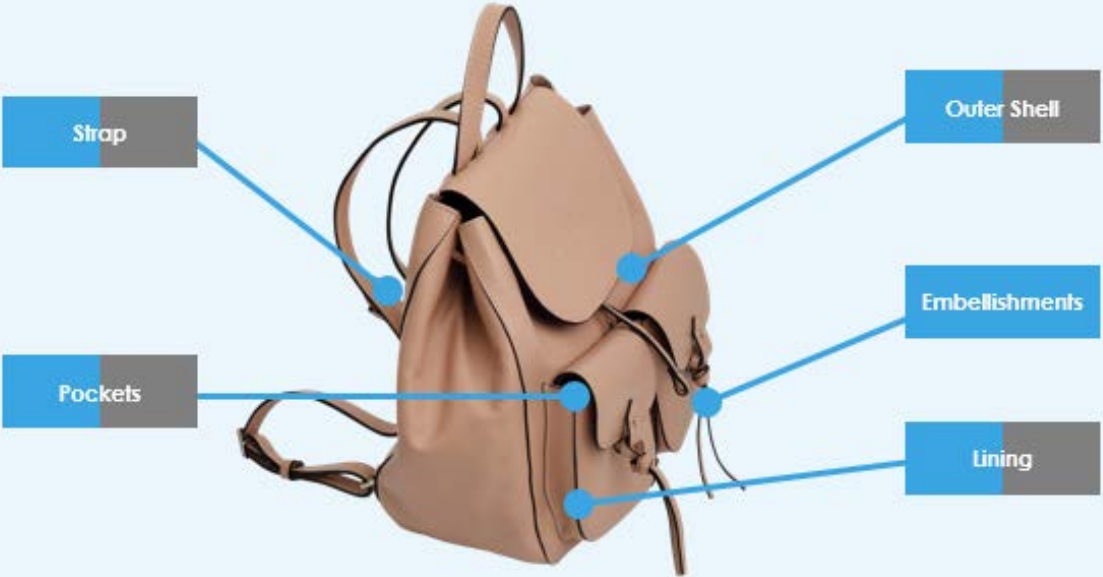
Building on strong synergy with leather



Building on strong synergy with leather



Leather Chemicals (WE & LF) Performance Coatings



Leather Chemicals (WE & LF) Performance Coatings

5 major channels creating value for leading brands and OEMs

End markets	Mobility	Coated fabrics	Synthetics	Film and paper	Flooring
					
Stahl's segments	<ul style="list-style-type: none"> Interior trim Seating Materials Elastomers Flock adhesives 	<ul style="list-style-type: none"> Technical textiles Life saving & Protective fabrics Sports Apparel Home Furnishing and Decoration 	<ul style="list-style-type: none"> Shoes & Bags Upholstery Garment 	<ul style="list-style-type: none"> Decorative surface film Specialty papers Print Receptive & Overprint Varnishes Surgery & Household coatings 	<ul style="list-style-type: none"> Finishing for PVC, linoleum and polyolefin flooring
Delivering to	Leading global automotive brands	Leading outdoor and lifestyle brands	Leading global apparel and home furnishing brands	Medical suppliers, packaging and outdoor advertising supplier	Leading flooring suppliers

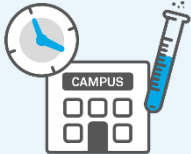
Stahl Performance Coatings is less vulnerable to potential market slowdowns due to ongoing premiumisation trend and switch to sustainable technologies where Stahl is better positioned

Performance Coatings – organic growth pillars

Premium customer & brand services



Worldwide technical expert team



Stahl Campus®



4 Centers of Excellence

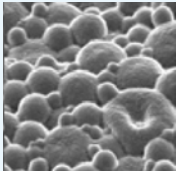


Stahl Design Studio®

Accerating the transition to sustainable materials

Leading edge technology

Stahl EVO®
PolyMatte®
Stahl Stay Clean™
RelcaSil™



Continuously raising the bar for future standards

Trusted partnerships



Open Innovation Platform

Objective: further grow Performance Coatings by selective M&A approach

Strict M&A criteria

- Transformational acquisition – significant size or highly innovative
- Strong growth and profitability track record
- Geographical and/or end-market expansion
- Clear (topline) synergy potential

Acquired companies / joint ventures

- Eagle Performance Products
- OEM Nutech UV Powder Coatings

Integration of the acquired companies well on track; significant topline synergy potential

Key takeaways

Huub van Beijeren



W E N D E L

Key take-aways



EBITDA from €45m in 2011 to €200m in 2018 due to organic growth and successful acquisitions



Active in very attractive high margin niche markets (*niche within niche concept*)



BASF Leather Chemicals transaction has delivered significant synergies



Performance Coatings growth has further accelerated with clear focus on new technologies, new markets and innovative products



Leather Chemicals and Performance Coatings combine a truly unique story



Capability to adapt and transform based on trends and market dynamics



Embracing digitalization without replacing the human factor



Sustainability and compliancy plus approach at the core of our strategy

... and still keep two feet on the ground