

Stahl

2020 Wendel Investor Day



2020

LONG-TERM INVESTOR



WENDEL



€211m

equity invested since 2006⁽¹⁾

€341m

paid to Wendel in dividends and
loan repayments

67.5%

equity stake

**A leader in specialty chemicals
for leather products & services
& high-performance coatings**

- **Consolidator in its market**
- **Outstanding cash-flow generation...**
- **... enabling external growth financing or,
dividend payment**
- **Current challenging market conditions,
but EBITDA margin maintained thanks
to strong management focus**

(1) Amount of equity invested by Wendel as of September 30, 2019



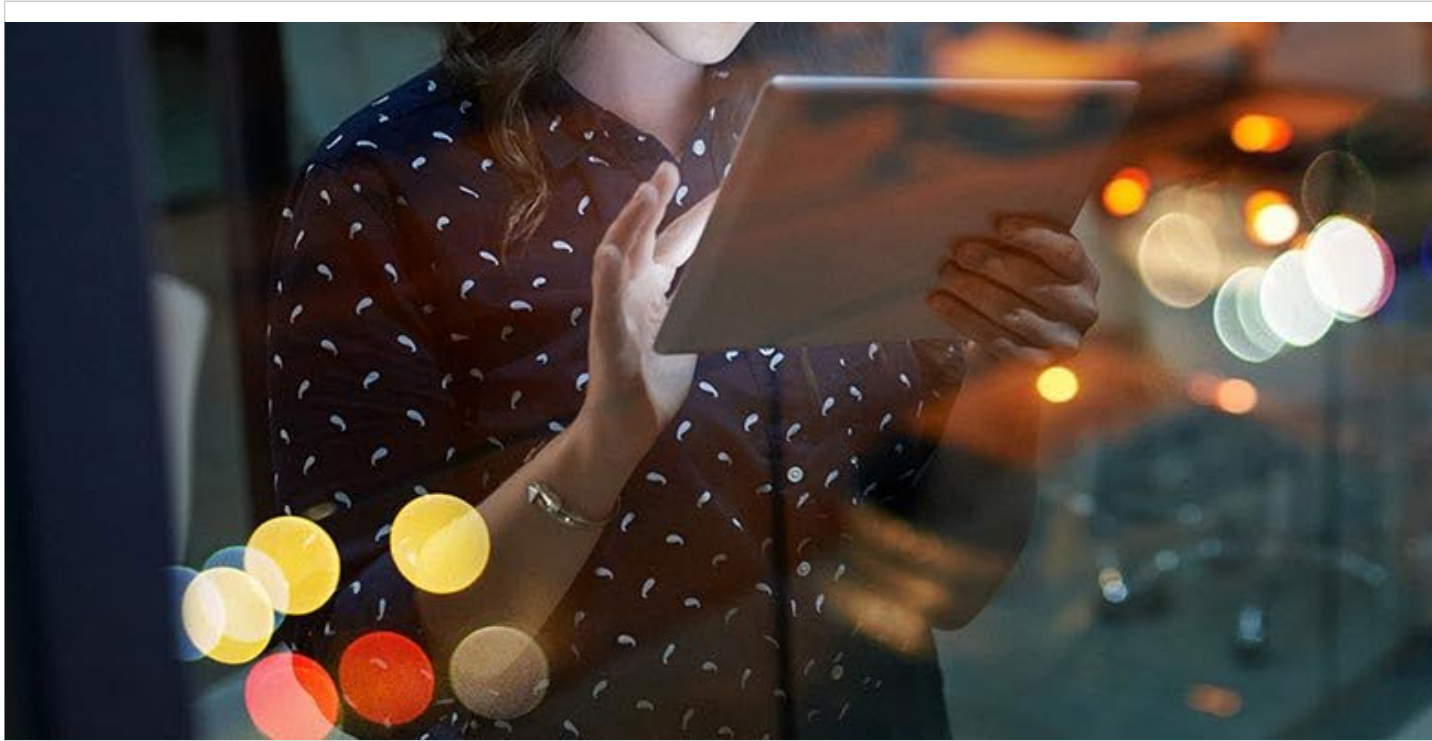
Huub van Beijeren has been Stahl's Chief Executive Officer since 2007.

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 from University of Northampton, UK.



W E N D E L

Business model (What we do)



The world market leader in surface treatment and coating solutions for flexible materials.

Leader in Responsible Chemistry.

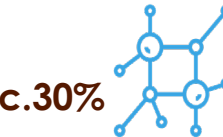
€809m sales
in 2019

22.6% EBITDA margin
in 2019

Leather Chemicals



Performance Coatings



Sales by region in 2019



40% Asia
36% EMEA
24% Americas

Sales by end markets in 2019



51% Consumer products
33% Automotive
16% Others

Delivering the chemistry behind many different everyday materials, like footwear, clothing, cars and home furnishing. **As a world leader, Stahl's processing and specialty coatings technology** provide the properties that make these materials last longer, feel softer, resist scratching, defuse heat, and be more sustainable.



Rebounding from COVID19

After a strong Q1, Q2 saw the full impact of Covid-19 with a 45% sales reduction against prior year.

The **quality of our people** was shown immediately: employees showed their support and flexibility, by embracing new ways of working and pro-actively supporting required measures. Whilst protecting the health and safety of our personnel, **our supply chain and all factories stayed operational**.

Swift actions and a **strong focus on Cost, Margins and Cash** (CMC) significantly mitigated the impact. Fixed cost base was quickly adjusted to market conditions, gross margins were protected, whilst cash flow generation was optimized with a strong focus on working capital.

This resulted in an almost stable YOY **underlying EBITDA margin of 21.3%** in HY1 and, thanks to a continuing strong cash generation, in net debt of EUR 342.1m (June 2019: EUR 436.1m).

Resilience, entrepreneurial spirit and agility, qualities embedded in the Stahl DNA, have once again proved themselves during the current crisis. Turning difficulties into opportunities, with the focus, drive and dedication from our people to come out stronger. This is what sets Stahl apart.

Gradual reopenings from customers, together with new market initiatives, have been narrowing the gap with last year sales, ending Q3 with a strongly **improved order book**. The recovery is led by **China region and the Polymers division**, which both saw their Q3 sales well ahead of last year.

— Business transformation to adapt to the situation: turn difficulties into opportunities

New ways of working with our customers resulted in strengthening Stahl's business model by elevating the level of the company across multiple stakeholders.

By accelerating digital engagement with customers and employees, the company **reached new levels of professionalism whilst increasing its overall service level.**

We proved to be a reliable partner for our customers by:

- **Keep on supplying** them while others had to shut down their plants
- Supporting them on **improving their ESG performance**
- Launching **Stahl Tech Studio to visually educate customers on technical applications**
- Sending regular **newsletters** to inform our customers continuously
- **Organizing digital webinars** as a replacement of cancelled events, over 1000 people viewed the webinars

Keeping two feet on the ground, executing on our CMC philosophy.

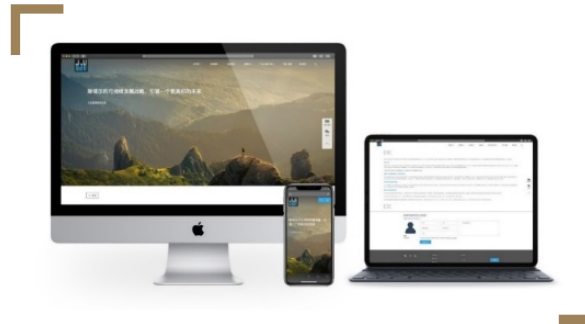
— What will make us stand out in the market

To support our strategy and stay 'Fit for the Future', we have a strong **focus on important transformative models** in the industry:

- Open Innovation
- Digital Transformation
- Renewable Carbon Feedstocks
- Environmental, Social & Governance (ESG)

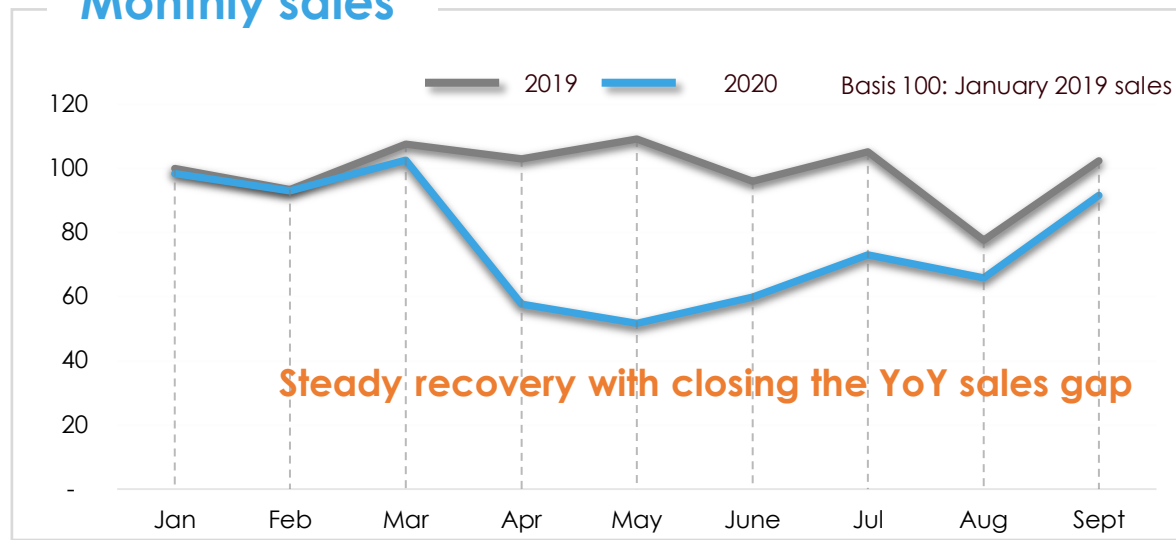
Our strong regional teams helped us in being prepared for the regional impact of COVID, our **'Think global, act local'** approach has shown to be beneficial during the crisis. Competitors work centralized and don't have the local production facilities like Stahl.

Stahl further leveraged the Chinese market potential by launching a dedicated Chinese website to increase our visibility in the region whilst also using modern social media tools.

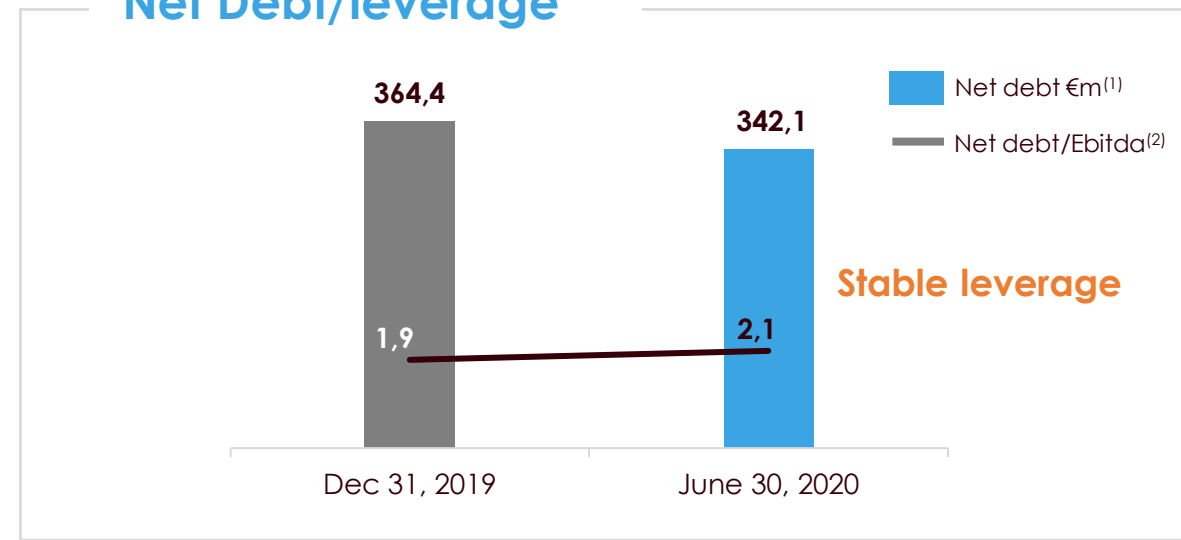


Reducing financial impact following the crisis

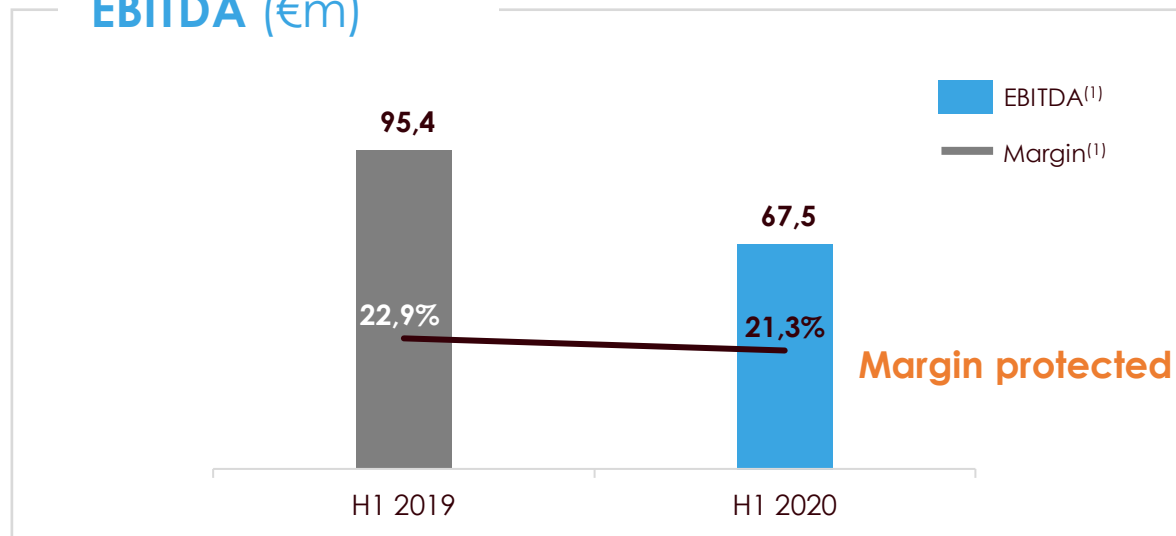
Monthly sales



Net Debt/leverage



EBITDA (€m)



- Resilient business model and proven track record
- YTD September sales -22% vs last year, with improving trend
- During the current crisis showing a strong focus on cash flow management and cost control
- Despite sales decrease we managed to retain 2020 YTD margins around prior year's levels
- Stable leverage thanks to continued strong cash flow generation
- Successful completion in August of Amendment and Extension of the debt facilities at attractive terms

(1) After IFRS 16

(2) As per credit documentation

— ESG: a catalyst for positive change and market differentiation

2020 - Expanding Stahl's leadership on ESG

ESG roadmap - concrete commitments for 2023 and 2030

- Environment (Climate change, Life Cycle Assessment)
- Social (Safety & health, Corruption, CSR incentives)
- Governance (Gender balance, Supplier ratings)

Heightened engagement with internal and external stakeholders via digital tools

- ESG-themed webinars, podcasts & conferences - broadcast to the wider industry
- Weekly webinars targeted at customers and brands
- Daily ESG communication on social media (LinkedIn)

The Renewable Carbon Initiative

- Founding Core Advisory Board member
- Accelerating the replacement of fossil fuel raw materials in the chemical industry

Increasing focus on ESG reporting & compliance

- Internal Vigilance Team reviews progress on Duty of Care, EFPD and relevant new legislation
- Continuously upgrading the Stahl ESG annual report

For more information, see Wendel's 2019 URD, page 253
and <https://www.stahl.com/corporate-responsibility/policies-statements-reports/reports>

Key takeaways



Swift actions and strong focus on Costs, Margins and Cash mitigated much of the impact of COVID19.



Strong relationships, (regional) organization and product development will contribute to a growing topline again.



The quality of our people and their mindset to turn difficulties into opportunities are some of our key differentiators.



Having established an ESG roadmap, there is clear and measurable commitment on ESG topics and educate our stakeholders accordingly.



New ways of working with our customers strengthened Stahl's business model, elevating the level of the company across multiple stakeholders.



Conditions remain uncertain but Stahl's strong market position, committed workforce and adjusted cost base will ensure us to come out stronger, leaner and more able than before.

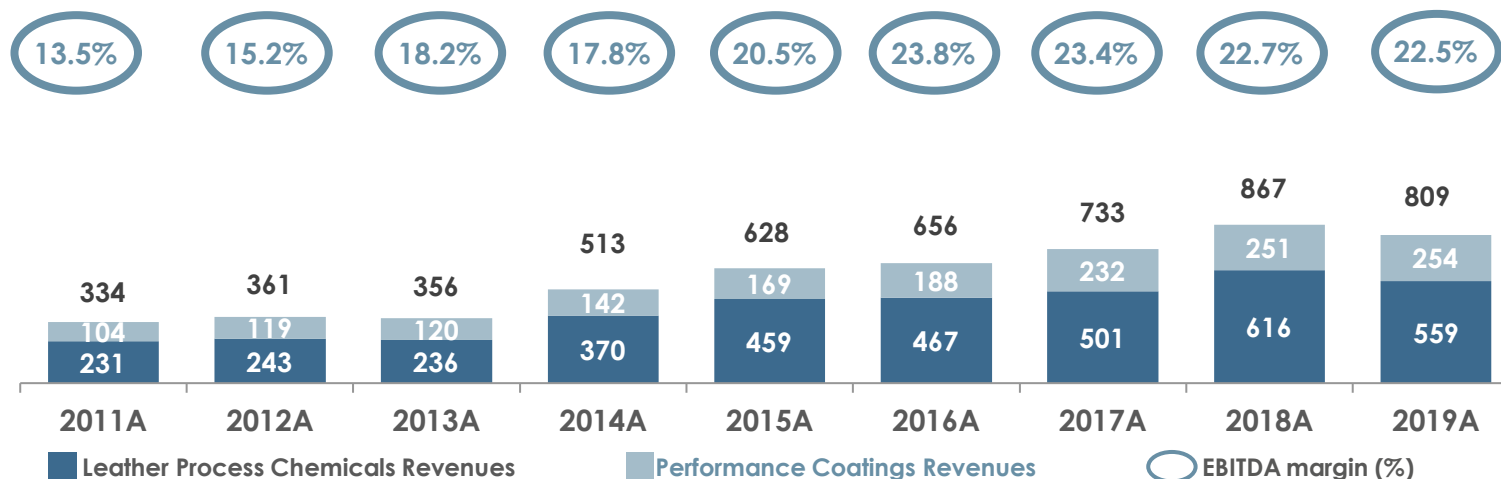
Appendix



W E N D E L

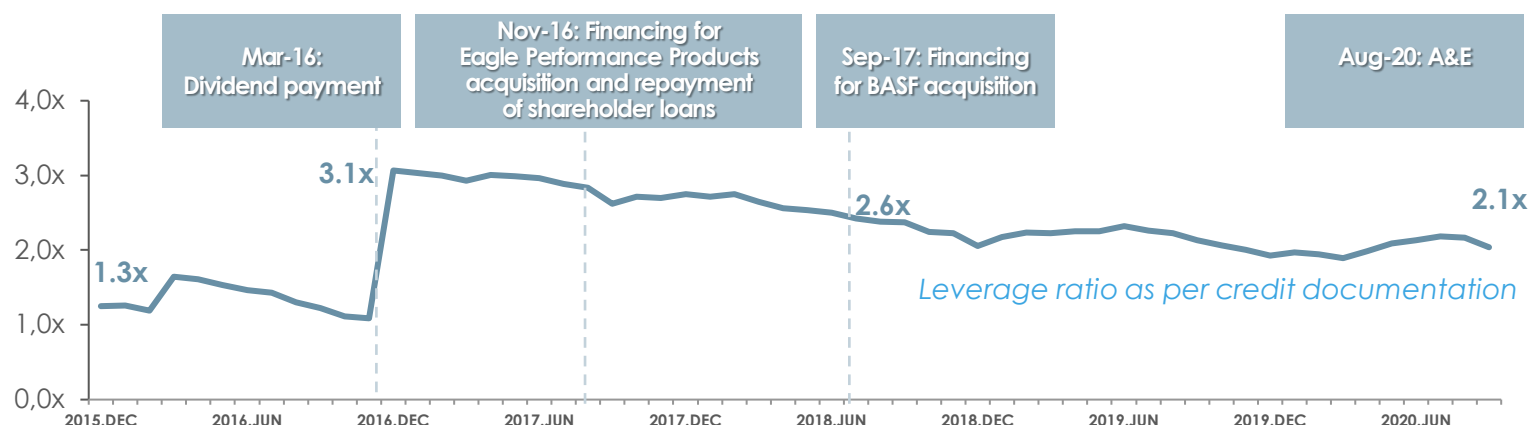
Strong financial track record

Consistently Strong Financial Performance with Healthy Margins (EURm)



- Current tough market circumstances led to a temporary halt of strong sales growth in the past
- Maintained EBITDA margin % in spite of lower sales

Consistent and strong Deleverage



- Healthy deleveraging profile thanks to low capex requirements and high cash conversion levels