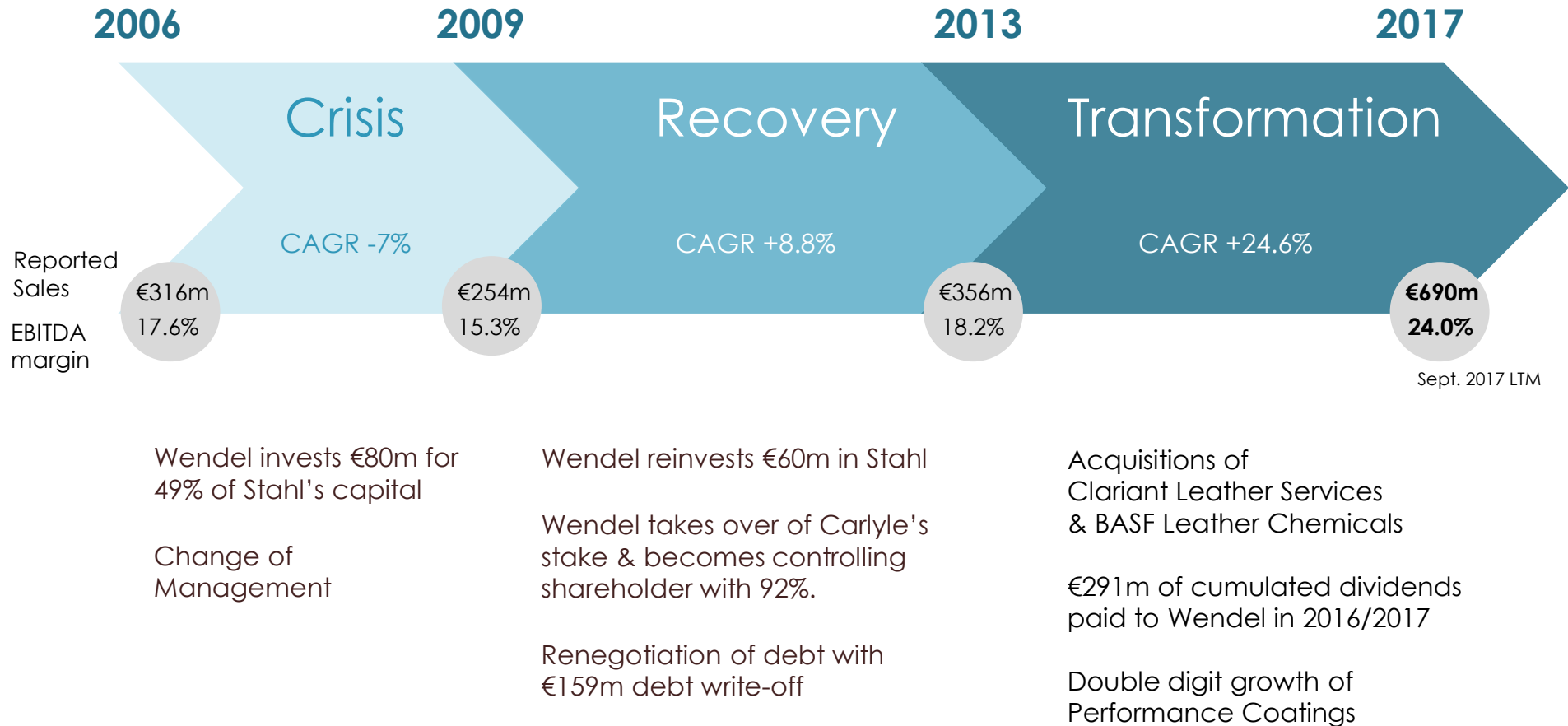


Stahl's transformation story



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.

Stahl

Huub van Beijeren

2017

LONG-TERM INVESTOR



W E N D E L

Agenda

- Group Overview
- Stahl successful transformation and next strategic steps
- Disruptive Trends: how do we face them?
- Sustainability
- Digital
- Key Take Aways

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Group overview

Stahl is a global leading surface solutions provider specializing in:

Surface finishing and processing solutions for high-end leather

Performance coatings solutions for diversified materials

€690m LTM sales⁽¹⁾

€166m LTM EBITDA⁽¹⁾ & 24.0% Margin

c.75% cash conversion ratio

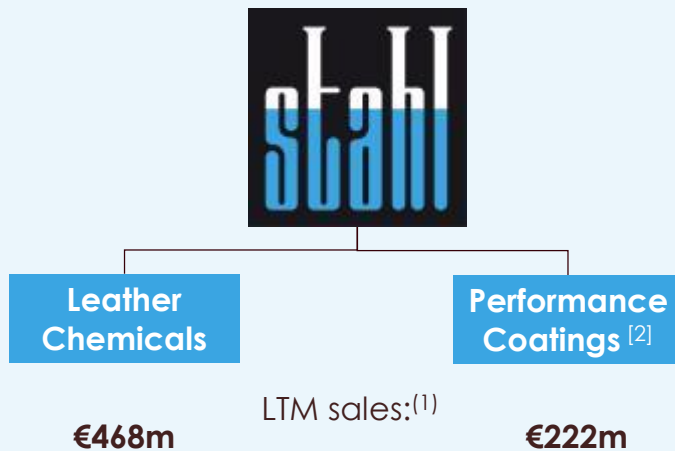
~1,900 people spread over 37 locations
(excluding BASF Leather Chemicals)

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

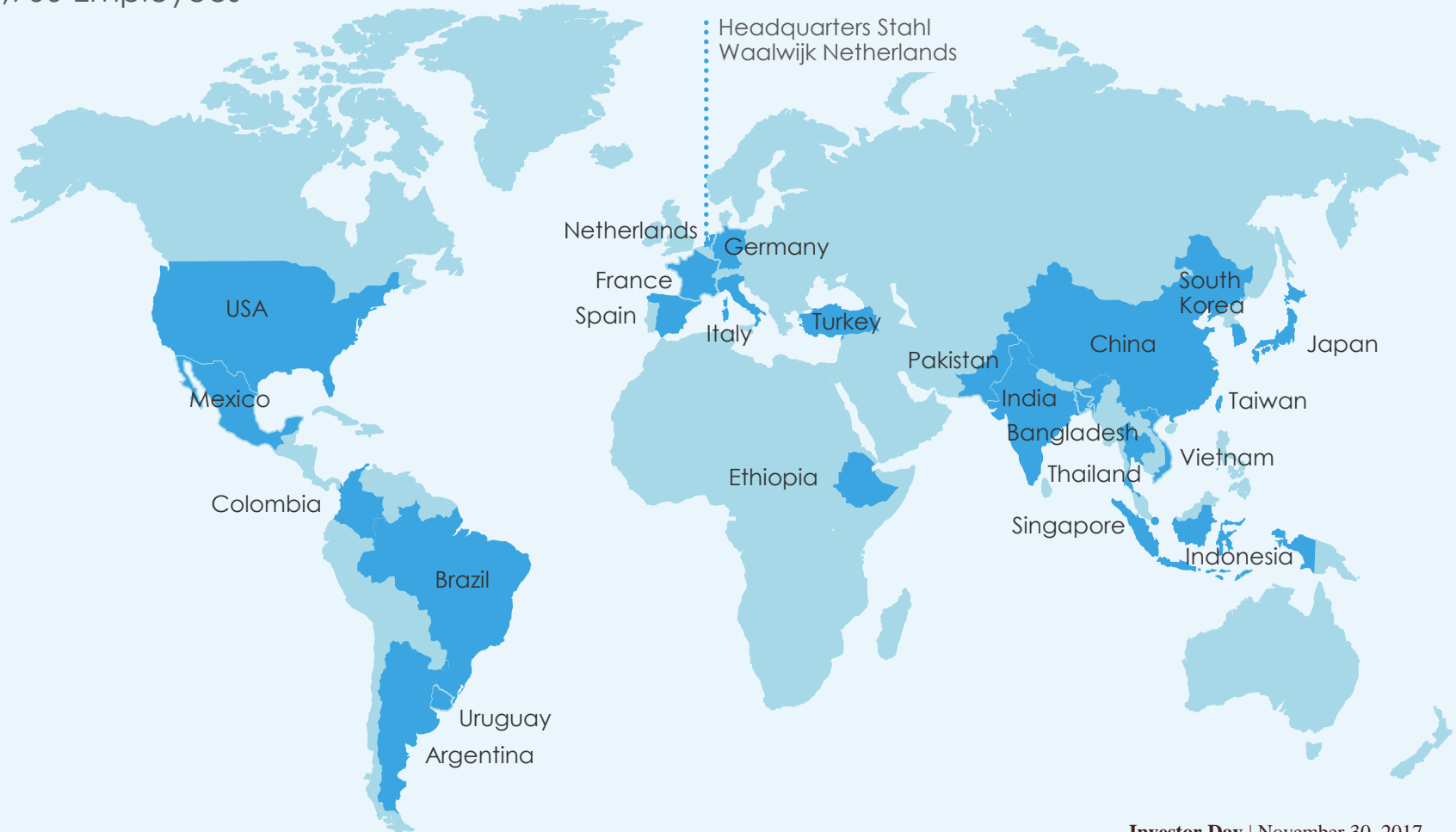


Where do our solutions end up?



Worldwide Coverage⁽¹⁾

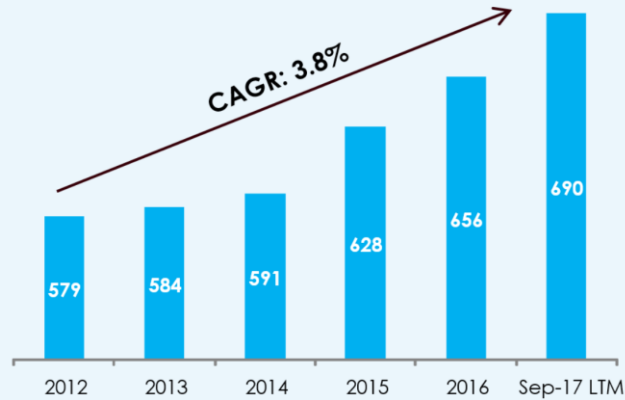
- One Headquarters
- 7 Centers of Excellence
- 11 R&D Centers
- 12 Manufacturing Sites
- 37 Application Labs in 24 countries
- 1,900 Employees



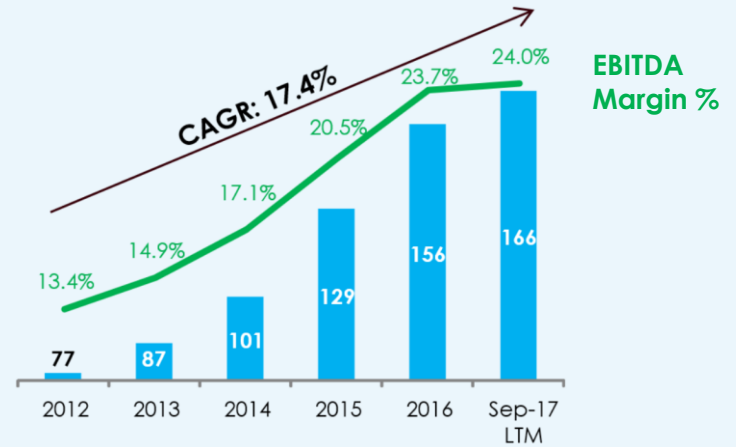
(1) Excluding BASF Leather Chemicals

Financial performance 2012- LTM Sep 2017

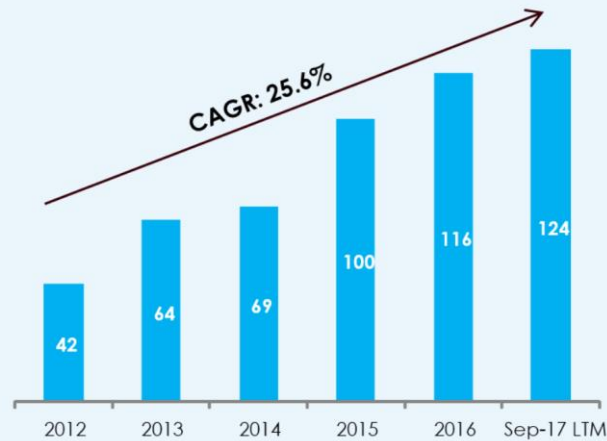
Sales (EURm)



Underlying EBITDA (EURm)



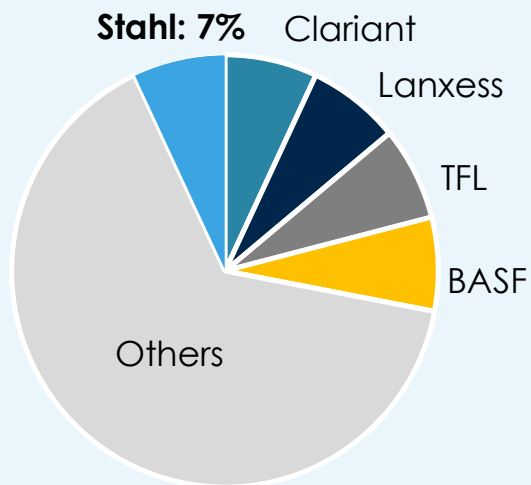
Cash flow from Operations (EURm)



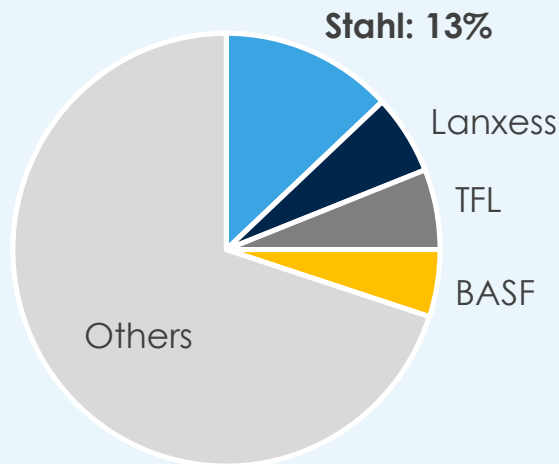
Stahl has led Leather Chemicals market consolidation since 2014

Leather Chemicals market Estimated Market share

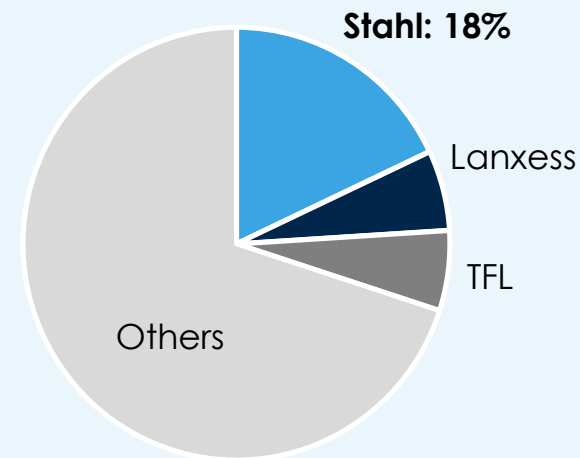
Before 2013



2014



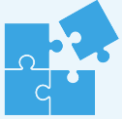
2017



After the transformational acquisition of CLS in 2014, why did we acquire BASF Leather Chemicals 2017?



Very strong reputation in terms of product quality



Complementarity between products ranges



Complementary with Stahl's client service business model



Strong position throughout the whole leather supply chain



Opportunity to gain significant scale in a sizeable transaction



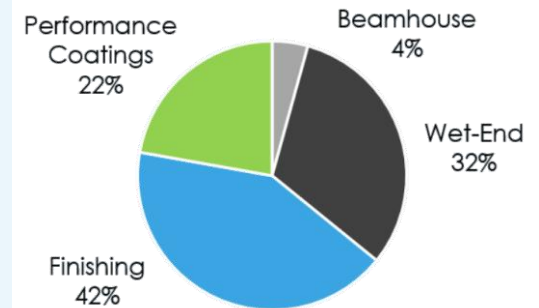
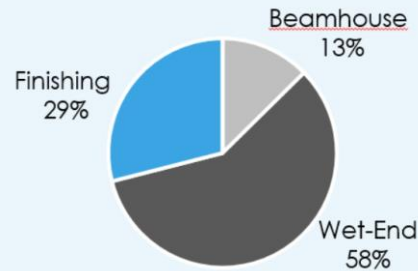
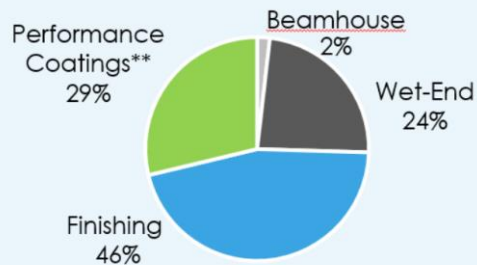
Asset light structure of the transaction allowing to benefit from BASF production facilities thus generating higher cash conversion levels



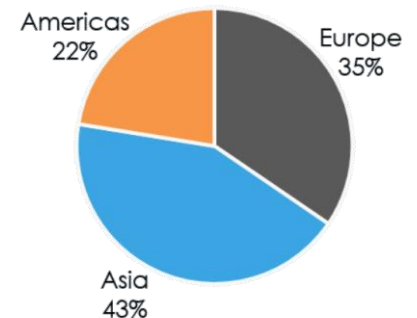
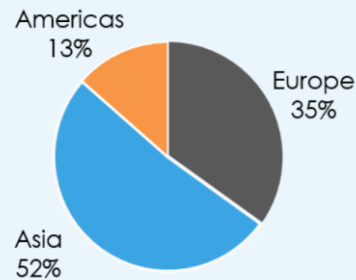
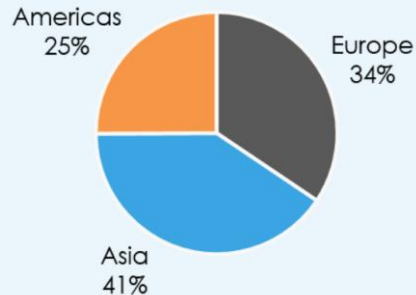
Significant synergy potential on the fixed costs

Enhanced geographic & product mix

Product mix*



Geographic mix



Contribution analysis

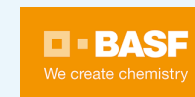
Including synergies

Based on Sep-17 LTM
(in EURm)



Reported

Synergies¹



Sales⁽²⁾

690

200

-

890

EBITDA⁽³⁾

% EBITDA margin

166
c. 24%

34
c. 17%

15-25

215-225
c. 25%

- Stahl is confident that transferred EBITDA of BASF should reach already 50M€ in 2018, with additional c. 10M€ of synergies to be generated in the coming 24 months
- Cash conversion levels after the BASF-acquisition will be around 80%, benefiting from the asset light transaction structure

Notes:

(1) Synergies include day 1 savings linked to non transferred costs effective from closing

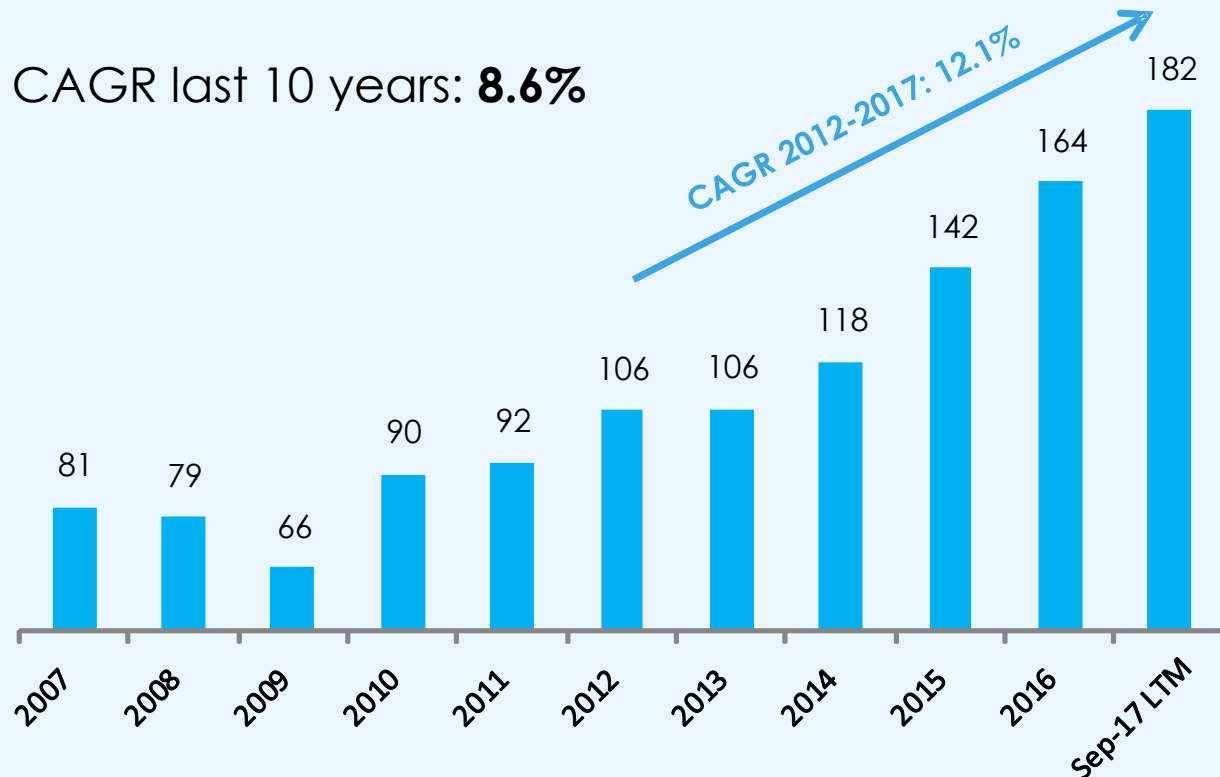
(2) Potential sales dis-synergies not taken into account

(3) EBITDA underlying

Performance Coatings growth has continued to accelerate

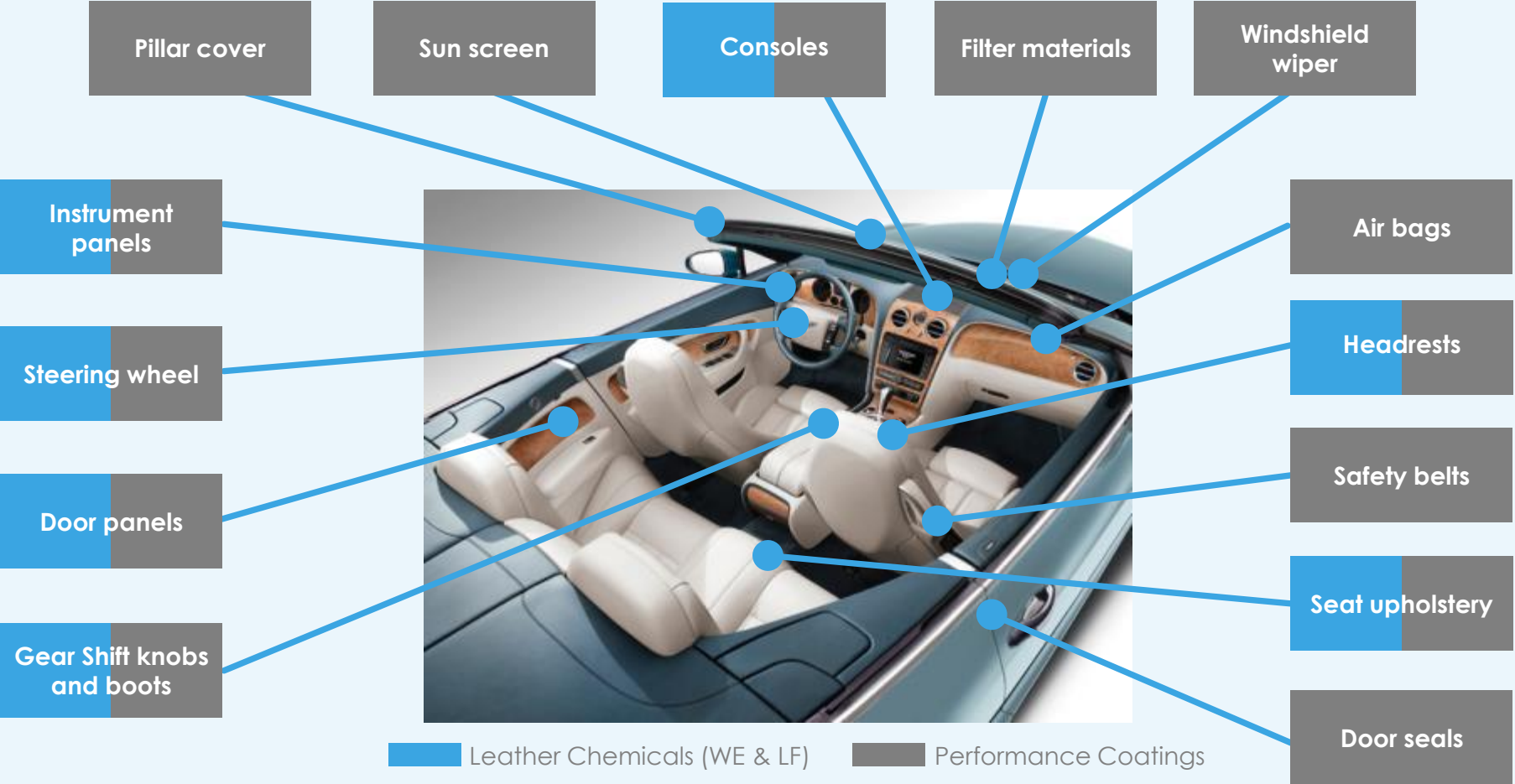
- Strong organic growth track record
- Growth has accelerated to over 12% p.a. during the last 5 years

Performance Coatings Sales (EURm)



Leather Chemicals & Performance Coatings

A unique story of complementarity (1/3)



Leather Chemicals & Performance Coatings

A unique story of complementarity (2/3)



Leather Chemicals (WE & LF)

Performance Coatings

Leather Chemicals & Performance Coatings

A unique story of complementarity (3/3)





























Leather Chemicals (WE & LF)



Performance Coatings

Performance coatings segments

	Automotive	Apparel & accessories	Interior Design	Architectural	Industrial application	Leisure & lifestyle
Elastomer coatings & Inmould coatings						
Synthetics						
Coated Fabrics						
Specialty Film & Paper						
Flooring						
Industrial Metal						
Engineered wood & Composites						

Stahl plays an important role in the supply chain

Stahl's position in the supply chain changed from an ingredient supplier in 2006 to a known and trusted partner in 2017 for OEMs & Brands. Push & Pull Marketing strategy is resulting in long-term business.

Automotive



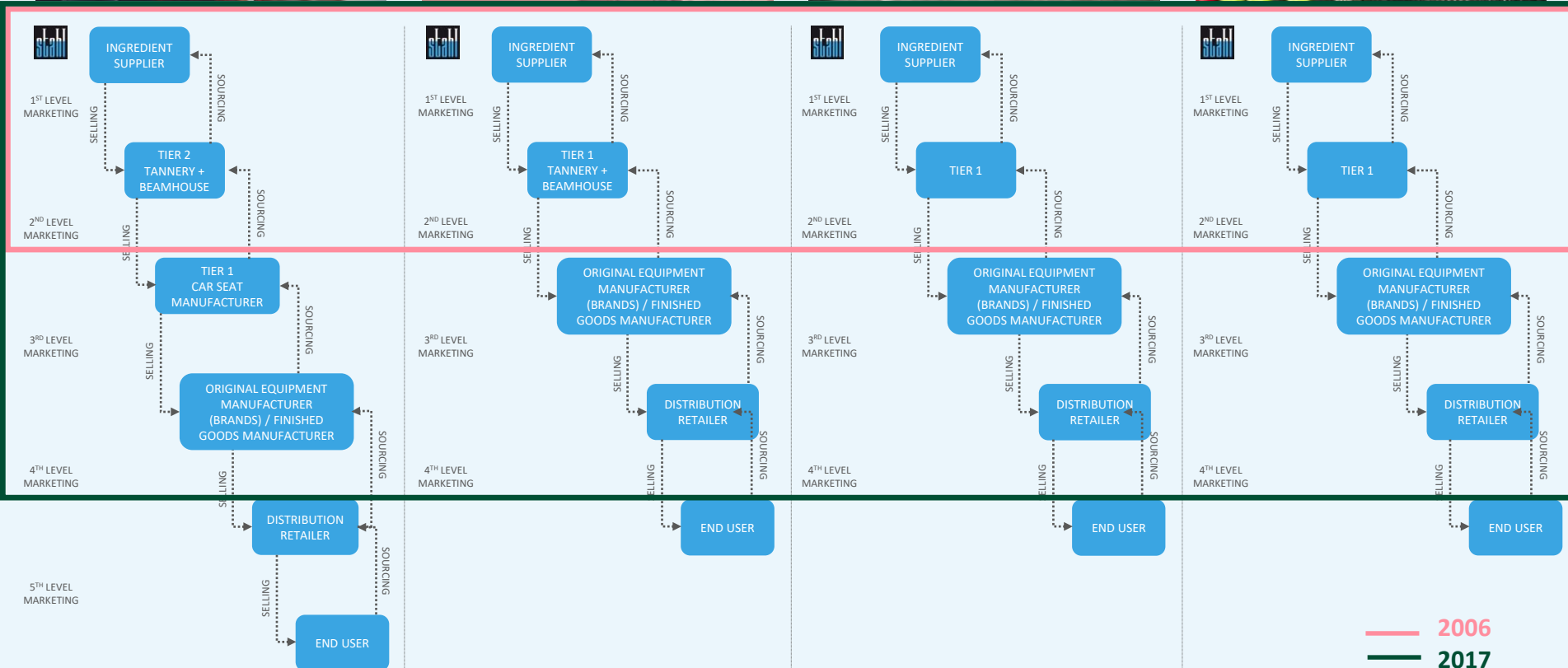
Luxury Goods



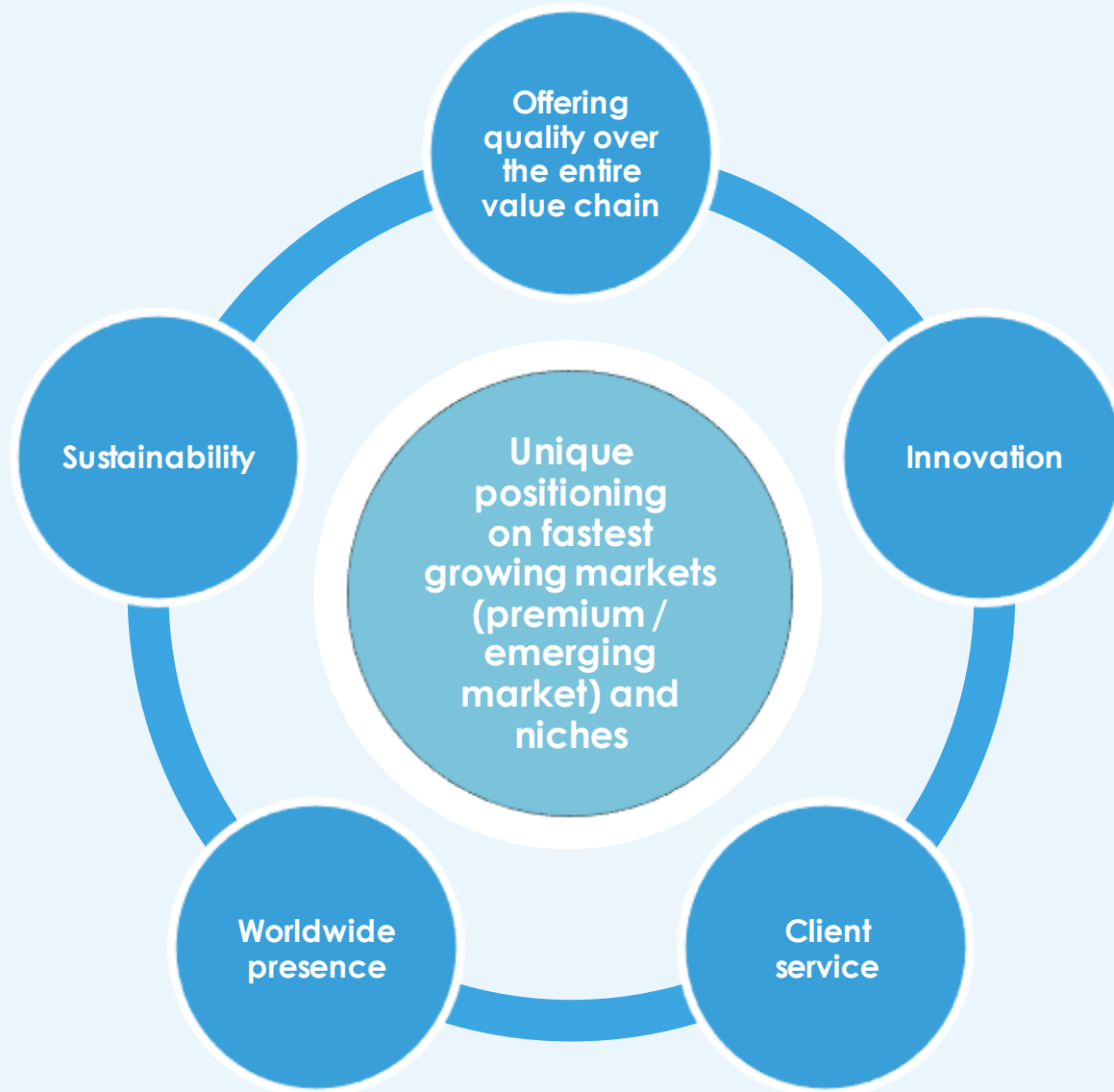
Interior Design



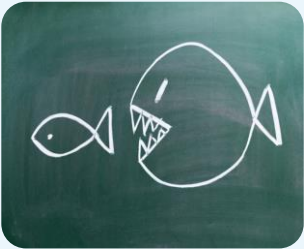
Apparel & Accessories



Stahl: a trusted partner for OEMs and luxury brands



Key drivers for value creation



Gain scale through organic growth and acquisitions

- Focus on attractive high margin niche markets
- Expand and leverage on leading position in Leather Chemicals
- Increase power within the supply chain
- Entering new markets (Performance Coatings)
- Active search for new acquisition target(s)



Create desired 'customer' perception to influence behavior

- Build a stronger and more direct relationship with the OEMs & brands
- Scale up in the value chain and Increase influence in the purchase process
- Invest in and exploit Centers of Excellence
- Maintain 'best in class' technical service ("Golden Hands")
- Increase influence in the purchase process, scale up in the value chain
- Being the trustworthy, responsible and value adding preferred partner



Drive on innovation and sustainability

- Invest in developing leading technology
- Further drive sustainability within the industry

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Stahl's response to disruptive interior trends

Mega trends	Industry Trends	Interior Spaces Trends	Stahl added value
CASE: (Connected, Autonomous, Shared, Electric)	<ul style="list-style-type: none"> Automotive industry at the verge of disruption Transformation from selling cars to mobility services The gift of time: the 25th hour Industry convergence 	<ul style="list-style-type: none"> Interiors to become key differentiation factor From cockpit to living- and office spaces More premium surfaces Trend towards lighter interiors 	<ul style="list-style-type: none"> Leading expert in car interior surfaces materials Adopting to changing industry landscape Interior Harmony, cross industry trends/capabilities Stay clean
Urbanization	<ul style="list-style-type: none"> Urban and mobile lifestyle of millennials Owned/shared mobility Wealth in emerging economies Aviation: air traffic doubling in size every 15 years (CAGR: >5%) 	<ul style="list-style-type: none"> Harmonization of form and function Lifetime performance 	<ul style="list-style-type: none"> Long-lasting materials Stay Clean Product offering: OEM and after market
Sustainable Mobility	<ul style="list-style-type: none"> More conscious and informed end-consumers Electric cars: sustainable, low emissions, quiet 	<ul style="list-style-type: none"> Growing eco-awareness (sustainable materials) Increasingly intuitive, comfortable and digital Safe and light materials 	<ul style="list-style-type: none"> Sustainable/ Lightweight Materials Smart surfaces Noise Reduction
Health & Wellbeing	<ul style="list-style-type: none"> Technology will make driving easier and more fun Self-driving cars will change our in-car-habits and experiences 	<ul style="list-style-type: none"> High comfort and premium experience In-vehicle air quality an emerging key trend (CN) Personalization 	<ul style="list-style-type: none"> Sustainable Materials Air Quality (VOC, smell)

Stahl's response to disruptive material trends



Lab grown material called "ZOA"

Stahl products used for tanning and finishing of the material



Material made from Pineapple leaves

Stahl products used for coating the materials



Material made of fruit pulp (e.g. Mango)

Stahl products used for crosslinking and coating the materials



Material made of cork

Stahl products used for coating the materials



3D printed Materials

Stahl cooperates with leading 3D printing manufacturers and Stahl chemistry for coloring and upgrading

Converting opportunities in potential business:
Stahl Campus®
Business Units

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Sustainability through transparency

Our primary goal is to achieve a more transparent and sustainable supply chain in the industries in which we participate. By stimulating cooperation in the supply chain, we believe sustainability evolves as a positive consequence.



People &
Society



Raw
Materials



Responsible
Operations



Trusted
Partnerships



Innovative
Solutions

HR Policies
Management
training
Code of Conduct
Industrial
development
Community projects

Restricted
Substances
Supplier Code of
Conduct
Natural/Renewable
raw materials
Targeted
agreements

Safety campaign
Greenhouse gas
emissions
Water reduction
Energy reduction
Partner Code of
Conduct

UN Global Compact
Leather Working
Group
ZDHC
LCA
bluesign®
Universities
PUM
Solidaridad

Proviera® - Probiotics
for Leather™
Stahl EasyWhite Tan™
Stahlite®
Bio-based
Polyurethanes
STAHL EVO

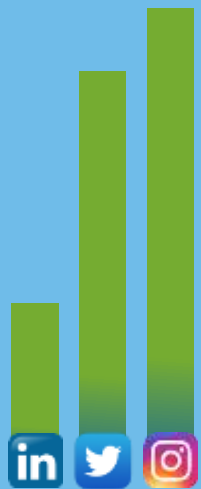
Stahl Campus®
OEM Sales & Services
Marketing Brands & Services

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Social growth vs. company size for 2016-2017



+ 12 %
+ 20 %
+ 11 %

+ 15 %
+ 20 %
+ 135 %

+ 9 %
+ 2 %
+ 41 %

+ 9 %
+ 9 %
+ 80 %

+ 8 %
+ 9 %
+ 92 %



+ 182 %
+ 1,050 %
+ 1,300 %

Stahl is #1
chemical
brand on
Instagram



2,100
employees



8x
bigger



9x
bigger



13x_b
igger



24x
bigger



60x
bigger

Key Take aways



Strong track record in terms of both organic growth and growth by acquisitions



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



BASF Leather Chemicals transaction has resulted in further market consolidation and represents significant synergy potential



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



Online presence and visibility disruptive in the chemical industry



Sustainability at the core of strategy

Questions & Answers

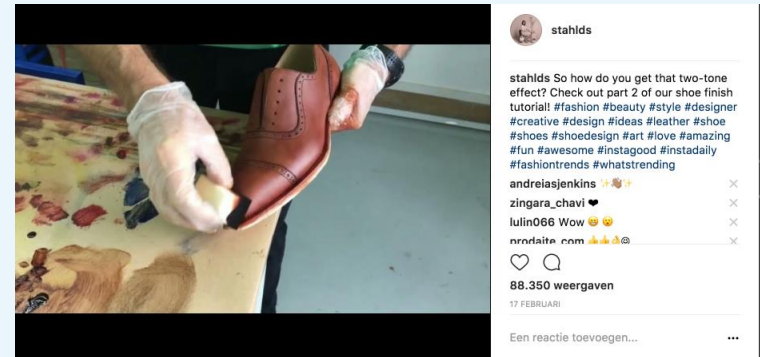
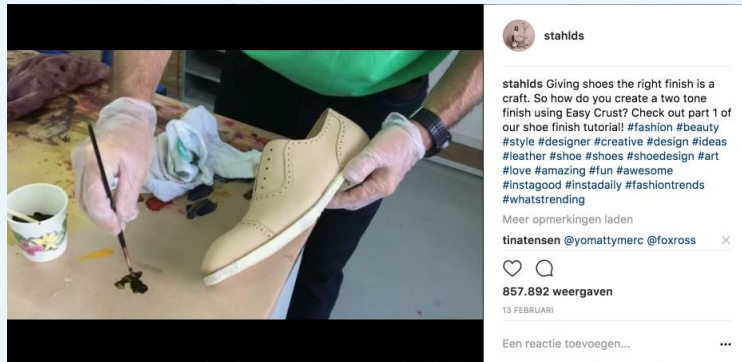
Appendix

No. 1 chemical brand on Instagram

- Generated over 18 million views of owned content and page views
- Over 220 requests for information or partnerships and product orders through Instagram, LinkedIn and Twitter
- Grow from an average of 3 sample requests per month to an average of 20 online contact requests per month
- Over 2 million interactions on owned channels & over 750,000 visitors to the website
- 7 million views in Google. 1/3 paid, 2/3 organic
- No.1 chemical brand on Instagram with 18,800 active followers



More than 2.500.000 views/impressions on 1 specific topic



Instagram: 1,000,000 full views

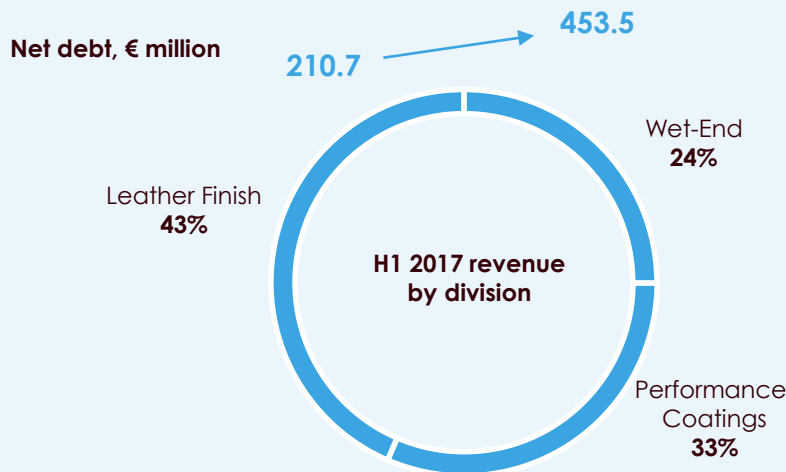
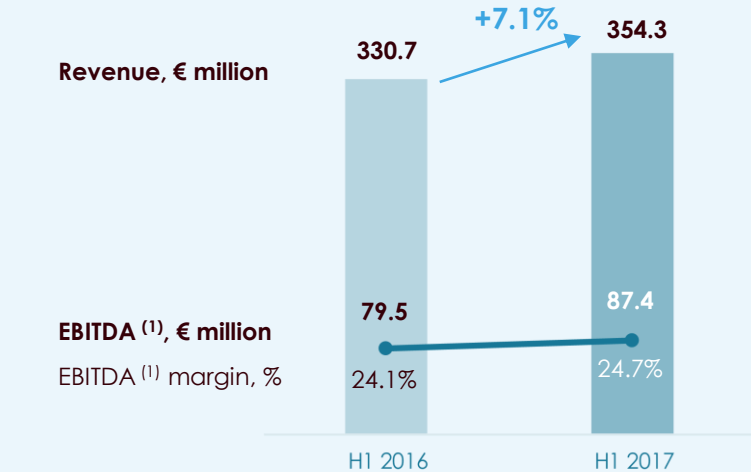
Overall: 2,500,000 views/impression on all channels

35% of all people that where presented with the video watched it!

Benchmark is 3-5%.

Stahl H1 2017 key figures

Profitable growth and leading role played in consolidating the leather chemicals market



H1 2017 highlights

Sales growth (+7.1%) driven by volume growth and acquisitions

- +2.6% organic growth thanks to solid to strong volume growth in all divisions
- +3.6% growth from scope change
- +0.9% FX effect

EBITDA up +9.8% at €87.4m i.e. a 24.7% margin up 60 bps driven by volume growth

BASF leather chemicals business to become part of Stahl group⁽²⁾

- Strengthening Stahl's position in the leather chemicals market, in particular on the upstream part of the value chain
- Further improvement of Stahl's cash generation profile: c. 80% of cash conversion⁽³⁾ after combination vs. c. 75% on a standalone basis
- Expected synergies at EBITDA level to be rolled out over the 24 months following the closing of the transaction

Payment of a €242.7m dividend to Wendel in January 2017 after the successful refinancing of Stahl's debt in November 2016



We believe that if it can be
imagined, it can be created