

Stahl

2021 Investor Day



Investing *for the long term*

2021





€211m

equity invested since 2006⁽¹⁾

€341m

paid to Wendel in dividends
and loan repayments

67.8%

equity stake

**A leader in specialty chemicals
for leather products
and 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 June 30, 2021

— Maarten Heijbroek – CEO of Stahl



Maarten Heijbroek joined Stahl as Chief Executive Officer on July 1st, 2021.

Prior to Stahl he served on Croda International's Executive Committee for almost 10 years. Croda is one of the world's most successful speciality chemicals companies with a very advanced ESG program.

During his tenure at the Croda Exec Maarten was President for the Performance Technologies & Consumer Care divisions respectively, with an excellent track record for both financial and strategic transformations.

Maarten has broad international experience having worked and lived in several countries in Europe, North-America and Asia and has run businesses in a variety of markets like Polymers, Coatings, Cosmetics, Lubricants and Textiles.

Maarten holds a MSc in Chemistry from the University of Leiden and an MBA from the Rotterdam School of Management, The Netherlands.



WENDEL

Business model



The world market leader
in specialty coatings
for flexible materials.

**Leader in
Responsible Chemistry**

Leather

c.70%



Coatings

c.30%



Sales by region

in 2020



42% Asia
36% EMEA
22% Americas

Sales by end markets

in 2020



47% Consumer products
34% Automotive
19% Others

Enhancing the properties of
everyday materials, like footwear,
car interiors, clothing and home furnishing...

...making them last longer, feel softer,
scratch and chemical resistant,
& **increasingly more sustainable**



2020

€670m sales

22.7%

EBITDA margin

June LTM 2021

€772m sales

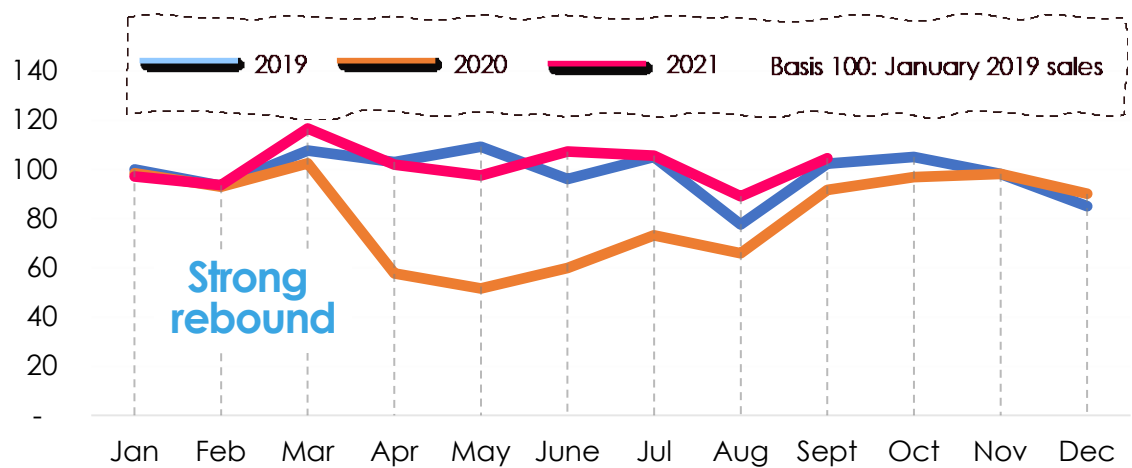
25.1%

EBITDA margin

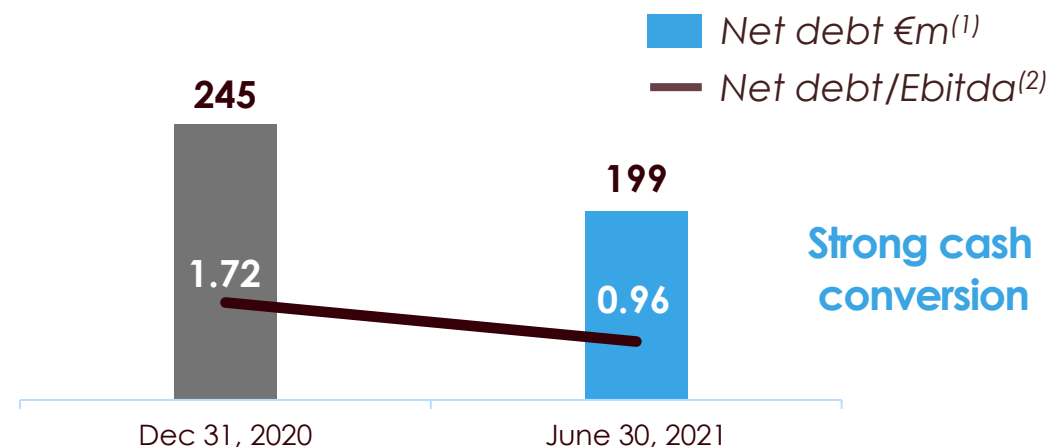


— Outstanding performance in spite of the pandemic

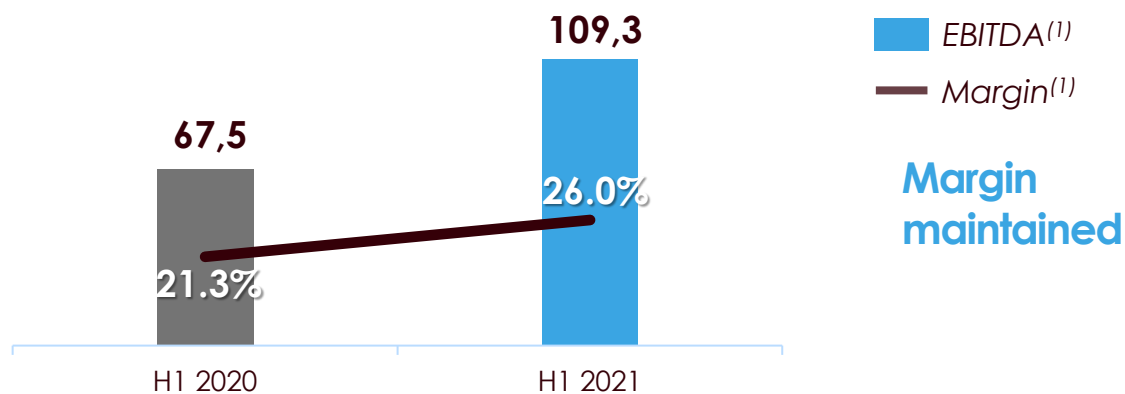
Monthly sales



Net Debt/leverage



EBITDA (€M)



- Resilient business model and proven track record
- Recovery accelerated since the end of 2020, with broad-based growth and 2019 activity levels surpassed
- Unprecedented increase in raw material prices due to tight supply markets is impacting margins in **H2 2021**. This impact is expected to continue into 2022.
- Net debt almost halved over the last 12 months thanks to continued strong cash flow generation

(1) After IFRS 16

(2) As per credit documentation

— 100+ first days in the driving seat

Stahl is a **robust business, well run**,
with a driven and **entrepreneurial culture**

World leading market positions in both Leather
& Coatings

True speciality margins and a **capital light** model

Well positioned as the leader in its markets
in a more **sustainable** world

Stahl's Core Competencies

- Deep (technical) customer intimacy
- Strong technology base
- Global and flexible manufacturing footprint



— Stahl, moving forward

Following our successful consolidation of the Leather Chemicals market, **our Performance Coatings business will be more central in our strategic development**

Diversification of the Leather business
by including alternative flexible substrates

Increased **focus on faster growing countries**

ESG driving our innovation and portfolio development

- Enhanced biobased content
- Water based formulations



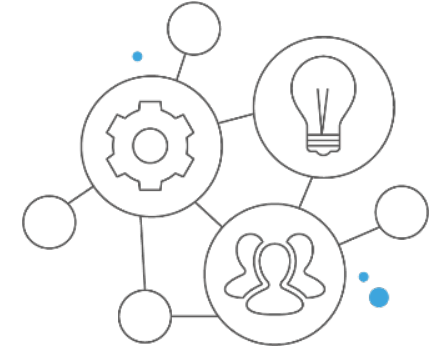
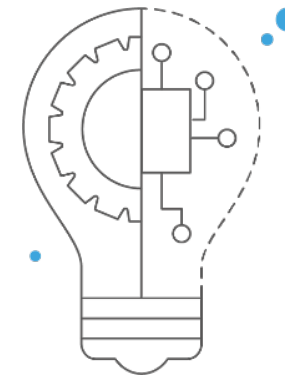
— What will make us stand out in the market

To support our strategy and stay 'Fit for the Future', we will continue to develop and professionalize our company through:

- **Digital Transformation**
- **Accelerate Innovation**
- **Renewable Carbon Feedstocks**
- **Environmental, Social & Governance (ESG) Leadership**

We will continue to develop our differentiating competencies by strengthening our technical skill base and further developing our regional footprint.

We will strive to remain the most agile company in our industry in an ever more unpredictable and faster changing world.



— ESG: a catalyst for positive change & market differentiation

2021 – Call to Action on Climate Change Mitigation



Stahl's Alignment with Paris Agreement process

- Attendance at COP26
- Stahl Press Release to include Scope 3 GhG reduction measures
- Q2 – 2022 formal commitment to The Science Based Target initiative (SBTi)
- Clear execution strategy has been developed

Defossilization of Raw Materials

- R&D and Supplier alignment on alternatives to fossil-based chemistry
- Rapid reduction of high impact solvent usage
- Petrochemical substitution strategy with renewable feedstocks such as biotech & CO₂ capture

Market Deployment

- Share progress transparently with stakeholders
- Authentication of results with verified LCA data
- Stahl's *Responsible Chemistry Platform* to communicate, raise awareness & increase online presence

<https://www.stahl.com/news/stahl-to-set-scope-3-carbon-emission-targets-by-mid-2022>

— Key takeaways



Strong bounce back to pre-Covid levels after a difficult 2020. Surpassed 2019 activity levels



Coatings will be more central in the development of our portfolio as we look to diversify Leather



Robust business with leading market positions, well positioned to be a winner in a more sustainable world



Recognised as the ESG leader in our space, with new products that help make our customers more sustainable

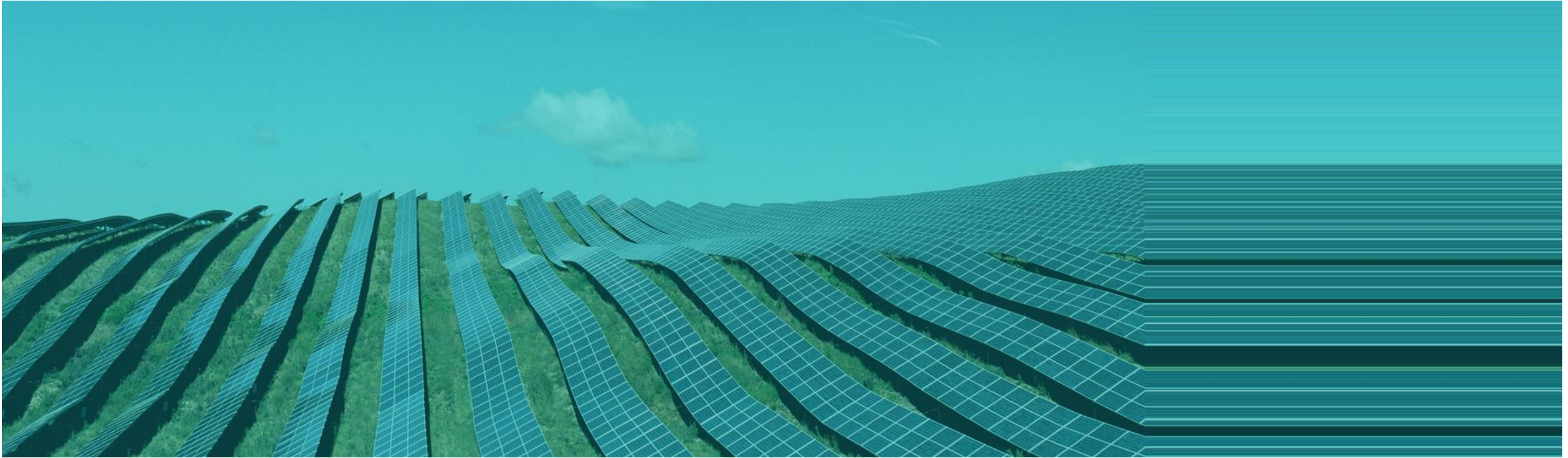


Deep customer understanding and continuous innovation will help protect our market leading margins



We will retain our highly agile operating model to address an increasingly unpredictable world.

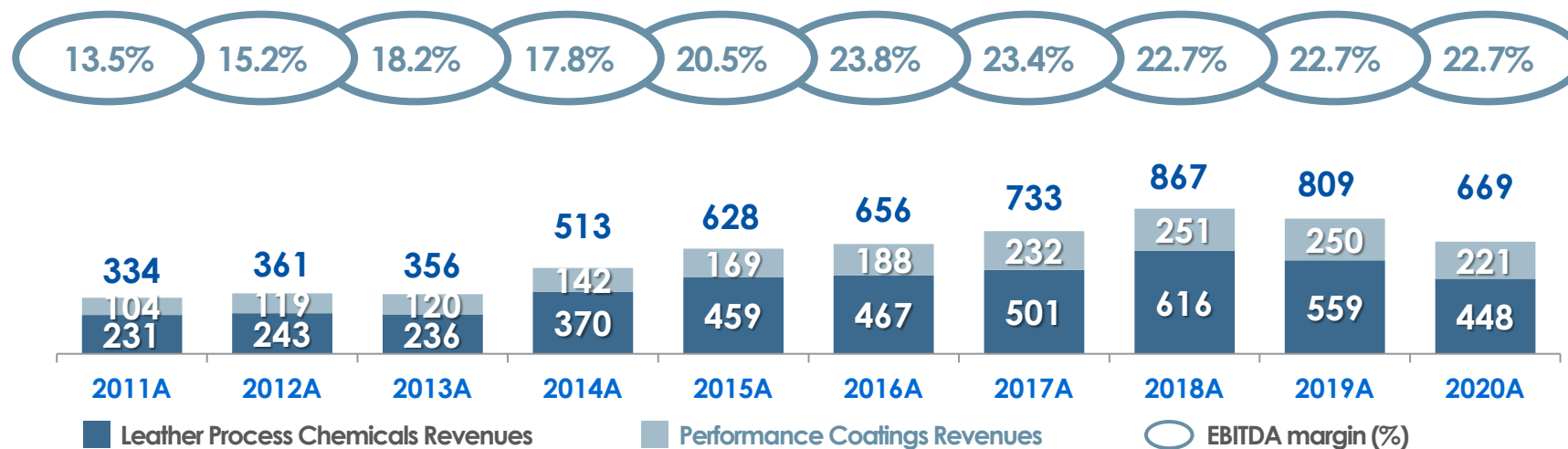
Appendix



W E N D E L

Strong financial track record

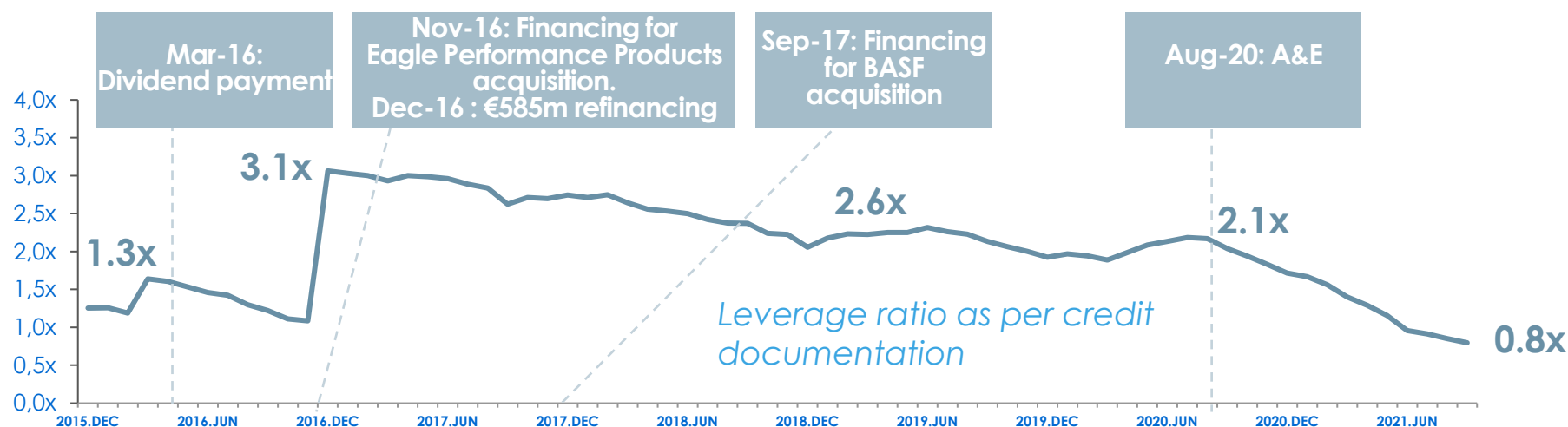
Consistently Strong Financial Performance with Healthy Margins (EURm)



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 & strong Deleveraging



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