

# STAHL

2023 Investor Day



*Investing for the long term*

2023





**€221m**

equity invested since 2006

**€426m**

paid to Wendel in dividends  
and loan repayments,  
**including the additional dividend  
announced today**

**67.8%**

equity stake

**The global leader in specialty  
coatings and surface treatments for  
flexible substrates with a distinctive  
focus on innovation and sustainability**

- A successful growth story, notably through market consolidation
- A global player with leading positions across all its end-markets and geographies
- At the forefront of ESG innovation with unmatched R&D capabilities, strong sustainability goals and best-in-class ratings
- Proven ability to protect margins coupled with highly cash generative business model



# — MAARTEN HEIJBROEK, CEO OF STAHL



**Maarten** is in his third year as **Chief Executive Officer** at **Stahl**.

He has delivered **solid financial performance** in his tenure at Stahl, whilst defining and executing upon a **new strategic** direction for Stahl

Prior to Stahl he worked at **Croda International for 16 years**, was on their Executive Committee member for almost 10 years and established an **excellent track record for both financial and strategic transformations**.

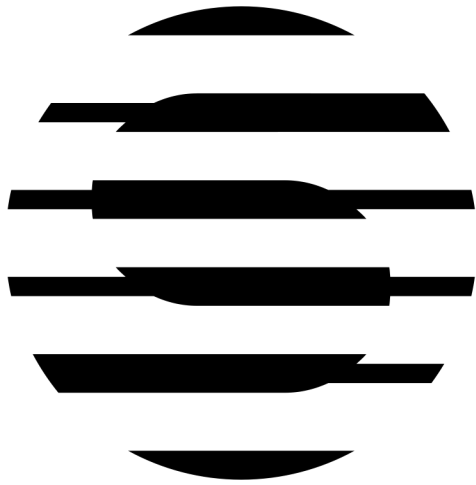
Maarten has **broad international experience** having worked and lived in several countries in Europe, North-America and Asia and has **run businesses in a variety of markets** like polymers, coatings, cosmetics, lubricants and textiles.

Maarten holds an **MSc in Chemistry** from the University of Leiden and an **MBA** from the Rotterdam School of Management.



W E N D E L





**Stahl**

**TOUCHING LIVES,  
FOR A BETTER WORLD**



# — STAHL AT A GLANCE

Stahl is the world leader in specialty coatings & surface treatments for flexible materials

**€915M**

sales  
in 2022

**€194M (+8%)**

EBITDA  
2022 vs 2021

**21%**

EBITDA margin

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From its heritage in Leather,  
Stahl has expanded the range  
of targeted flexible substrates

**Leather  
Finishing**

31% of sales

**Leather  
Wet End**

26 % of sales



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**Customer intimate business model**

Local Approach with Deep Technical Support

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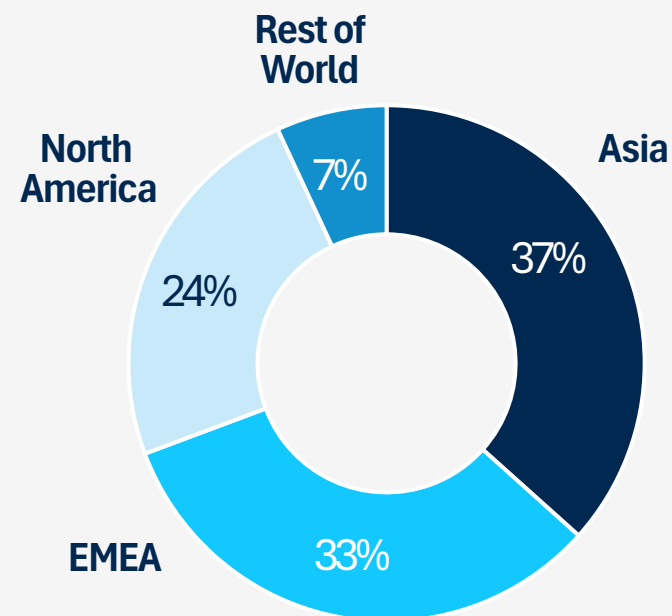
**21%**

EBITDA margin



## Customer intimate business model

Local Approach with Deep Technical Support



## Sales by region in 2022

(on pro forma basis)





# — STAHL'S COATINGS & FINISHES

## A wide range of consumer products

Stahl represents only a small part of the end product cost but has a perceivable impact on the consumer experience



Consumer Apparel  
& Luxury Goods

37% sales



Automotive Interiors

28% sales



Packaging

14% sales



Home Furnishing

7% sales



Other

14% sales

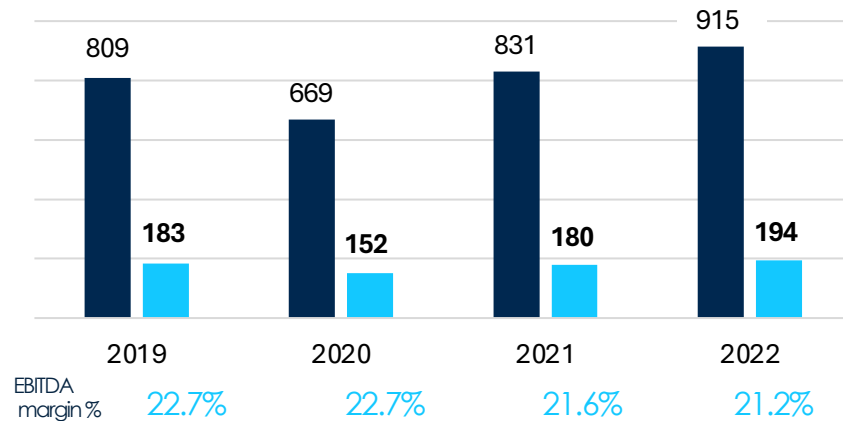
TOUCHING LIVES, FOR A BETTER WORLD



# — SOLID PERFORMANCE IN DIFFICULT ECONOMIC CIRCUMSTANCES

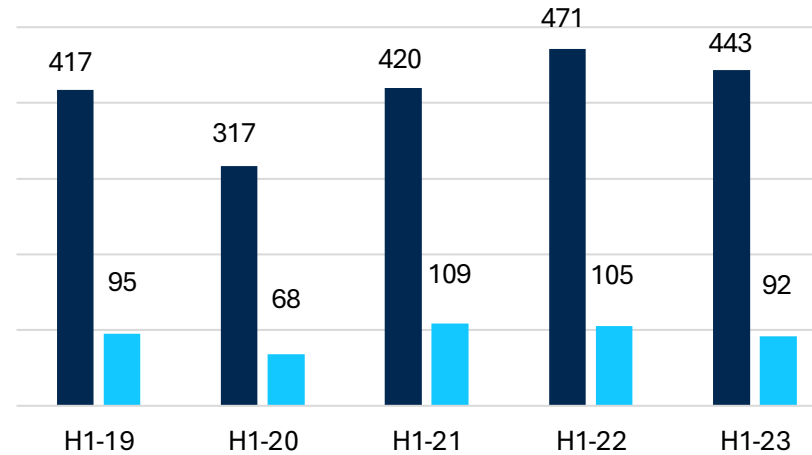
## Annual performance<sup>(1)</sup> (€M)

■ Sales ■ EBITDA



## Half year performance<sup>(1)</sup> (€M)

■ Sales ■ EBITDA



## Leverage<sup>(2)</sup>

**€293.1M**  
Net debt<sup>(3)</sup>



### Robust Profit Performance

on reduced volumes due to lower consumer demand in all businesses & regions

### Profit momentum improving In H2 2023

on the back of strong margins

### >20% Ebitda returns

reflecting the robust nature of the business in an economic downturn

### Packaging coatings

contributing in line with expectations and ahead of previous year

### Strong cash generation

ahead of budget and previous year



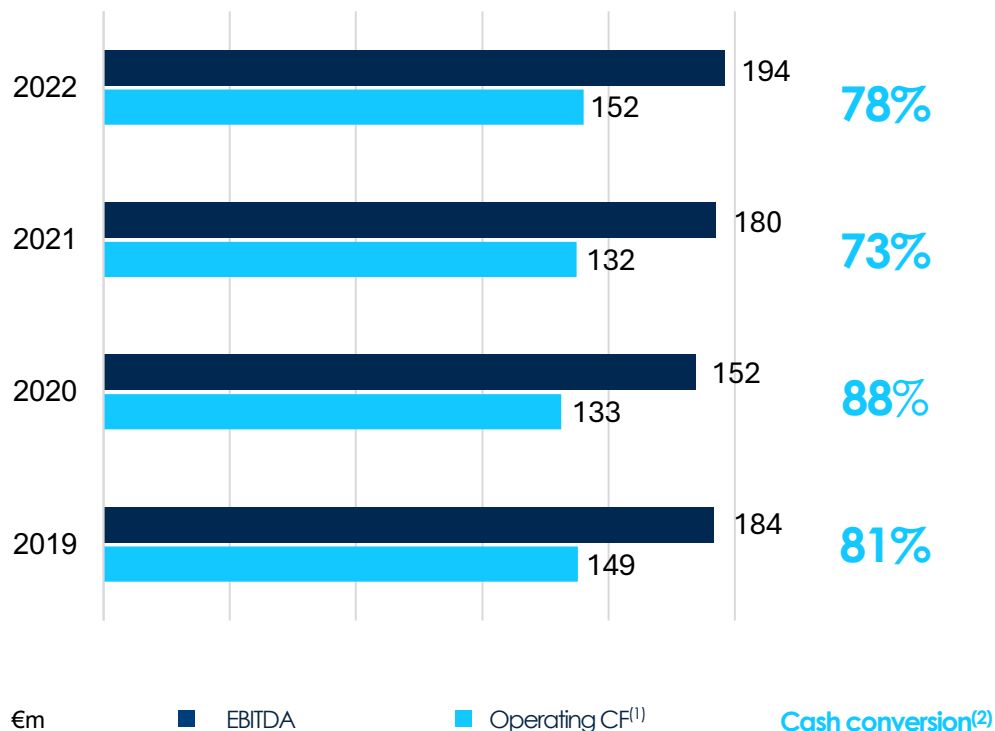
<sup>(1)</sup> As reported, without ISG, except for H1 2023 figures

<sup>(2)</sup> Leverage (Net Debt / EBITDA) at end of period, as per financing documentation

<sup>(3)</sup> As of June, 30 2023 including IFRS 16

# — OUTSTANDING CASH GENERATION PROFILE

Specialty margins combined with capital light operations yields high cash conversions



## Enables investment in both organic and inorganic growth

Rapid deleveraging creates opportunity for shareholder returns

- €125m dividend paid to shareholders, announced today (and related to FY2023)
- On top of dividends already paid to shareholders since 2014
- In parallel with major acquisitions

Expected leverage end of year 2023 is less than 1.8x



# — WHAT IS STAHL TODAY?



Undisputed leading position in specialty coatings / finishes for different types of flexible substrates



Stahl addresses attractive markets with positive growth trends and protected by high barriers to entry



Exposure to diversified end-markets and geographies with strong focus on premium/luxury applications



Efficient and asset-light production model with an optimized geographical footprint



High customer intimacy is driving proven innovation model



Recognized ESG leader well ahead of environmental legislation



Highly cash generative business model supporting further strategic acquisitions



# SUCCESSFUL ACQUISITION & INTEGRATION OF ISG

## ISG is now our new **Stahl Packaging Coatings** division, a third growth leg

- Leader in coatings for paper-based packaging & print materials
- Successfully acquired on 16<sup>th</sup> March 2023
- Projected synergies ramping up to €5m by 2027
- Integration ahead of plan with faster footprint rationalization
- 2023 EBITDA delivery is in line with business plan

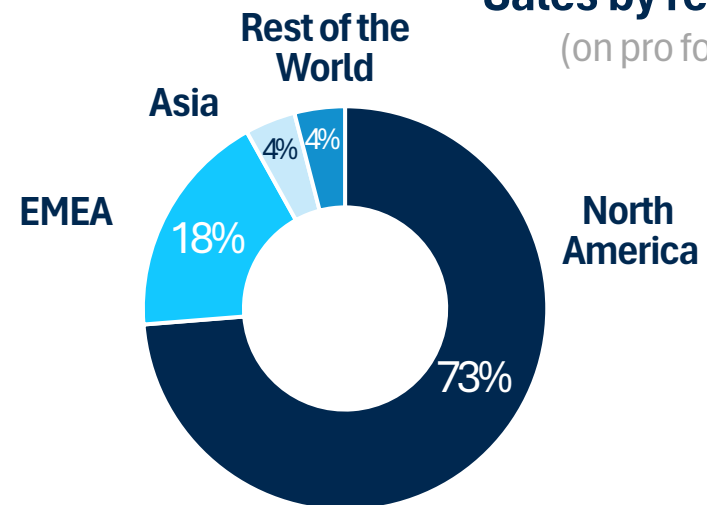
**€129M**

Sales  
in 2022

**€17m**

EBITDA  
in 2022

**Sales by region in 2022**  
(on pro forma basis)







# STAHL'S STRATEGY GOING FORWARD

**We want to further consolidate & expand our leadership and premium position in coatings for flexible substrates by:**

- Deep levels of (technical) customer intimacy
- Accelerated innovation, largely ESG driven
- Further development of our geographical footprint
- Targeted specialty coatings acquisitions
- Attraction and retention of (technical) talent
- Enhanced ESG Leadership by delivering on our roadmap

# — STAHL COMMITTED TO ESG LEADERSHIP



## Product Environmental footprint analysis

Reducing the environmental impact of our products while maintaining performance requirements. Full Life Cycle Assessment data for 300 strategic products



## Supply chain transparency mapping

Providing sustainability claims via ISCC+ certification



## Education: Active engagement

On key themes like LCA, ZDHC (73% of sales in conformance with ZDHC), Value Chain Transparency, responsible chemistry & evolving legislation (CSRD). Stahl Campus® trains over 1,000 people annually at our facilities



## Circularity

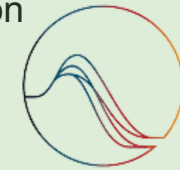
Packaging coating solutions designed for re-use



Top 1%  
of 100.000+  
companies

## SBTi validated GHG absolute emission reduction targets by 2030

Scope 1 & 2 – 42% reduction  
Scope 3 – 25% reduction



SCIENCE  
BASED  
TARGETS

Phasing out substances of concerns **ahead of regulation and brand led initiatives**

**Future proof portfolio** with low carbon renewable alternatives – NuVera®, Ympact, Syntura®

## Leadership on ESG legislation

Strategic alignment with CSRD, EU taxonomy and future EU REACH regulations

**Supporting our customers  
to win through sustainability**

**Our commitment  
2021 – 2030**



# — KEY TAKEAWAYS



**Superior financial profile** with **attractive margins** and **strong cash conversion**



**Clear number 1 in our markets** and well positioned to win in a more sustainable world



**Resilient to market cycles** as demonstrated by recent performance



**Continuous innovation** further supports our **differentiated premium positioning**



**Recognized as the ESG leader** in our space, with novel products that help make our customers more sustainable



We will **further enhance our position** by **investment in growth** and **targeted acquisitions**



# Q&A session



W E N D E L

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