



THE STRONGEST LINK.



Technology – Efficiency – Growth

Equity Story November 2021

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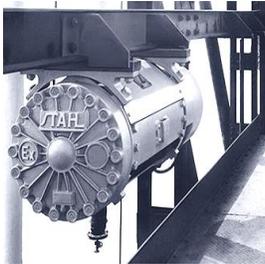
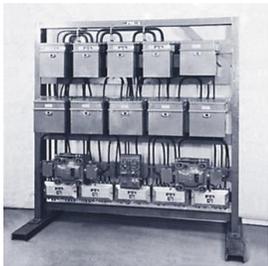
Rounding differences and rates of change

Percentages and figures may include rounding differences. Rates of change $>+100\%$ are shown as $>+100\%$, rates of change $<-100\%$ as “n/a” (not applicable).

Agenda

1	Company Overview
2	Driving Strategy: EXcellence 2023
3	Business Update
4	Appendix

R. STAHL Has a Tradition of More Than 140 Years in Pioneering Mechanical And Electr(on)ical Technologies



1876 Rafael Stahl founded the company

1890 World's first circular loom with electric individual drive

1926 Development and production of explosion-protected, electrical control switches and control devices

1949 Market leader in the field of explosion-protected electrical equipment

1953 First explosion-protected electric hoist

1987 World's first ICS MUX fieldbus system for hazardous areas

2018 EXpressure[®] – the revolutionary new Ex d technology

R. STAHL Today – A Leading Global Player With a 100% Focus on Electrical Explosion Protection



Market Position

#2 in Europe in explosion protection, #3 worldwide

Markets & Customers

Oil & Gas, Chemicals, Pharma, Food & Beverage, Shipbuilding

Production

7 sites in Europe, America and Asia

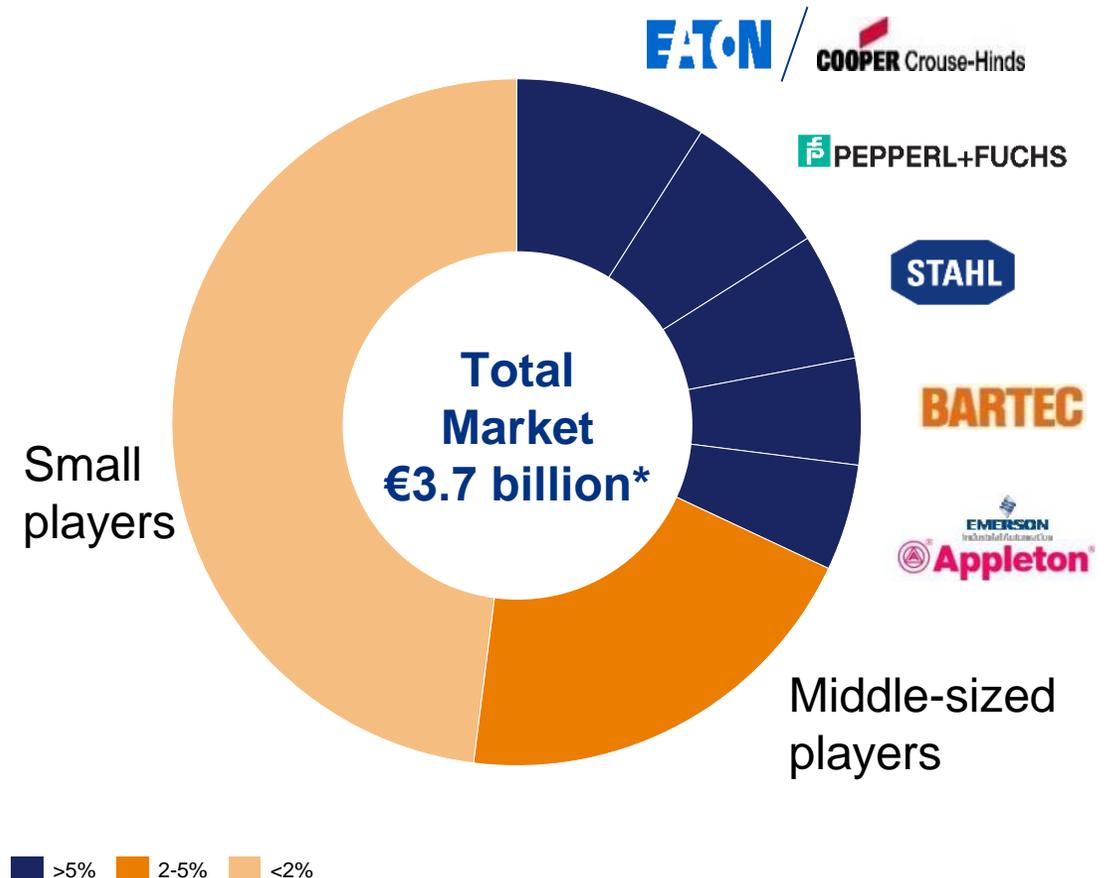
Employees

1,690 (as of 31 Dec. 2020)

Global footprint

23 subsidiaries in 22 countries + >50 sales offices and agencies

Global market shares of relevant competitors*



* Company estimates for IECEx/ATEX certification, 2018

Explosions Occur When Mixtures of Combustible Substances and Oxygen Meet an Ignition Source

Basic principle of explosions

1. Combustible substances

- Gases (e. g. natural gas, hydrogen etc.)
- Liquids (e. g. gasoline, alcohol, solvents etc.)
- Dispersed solids (e. g. sawdust, sugar, metal powder etc.)



2. Ignition Source, e. g.

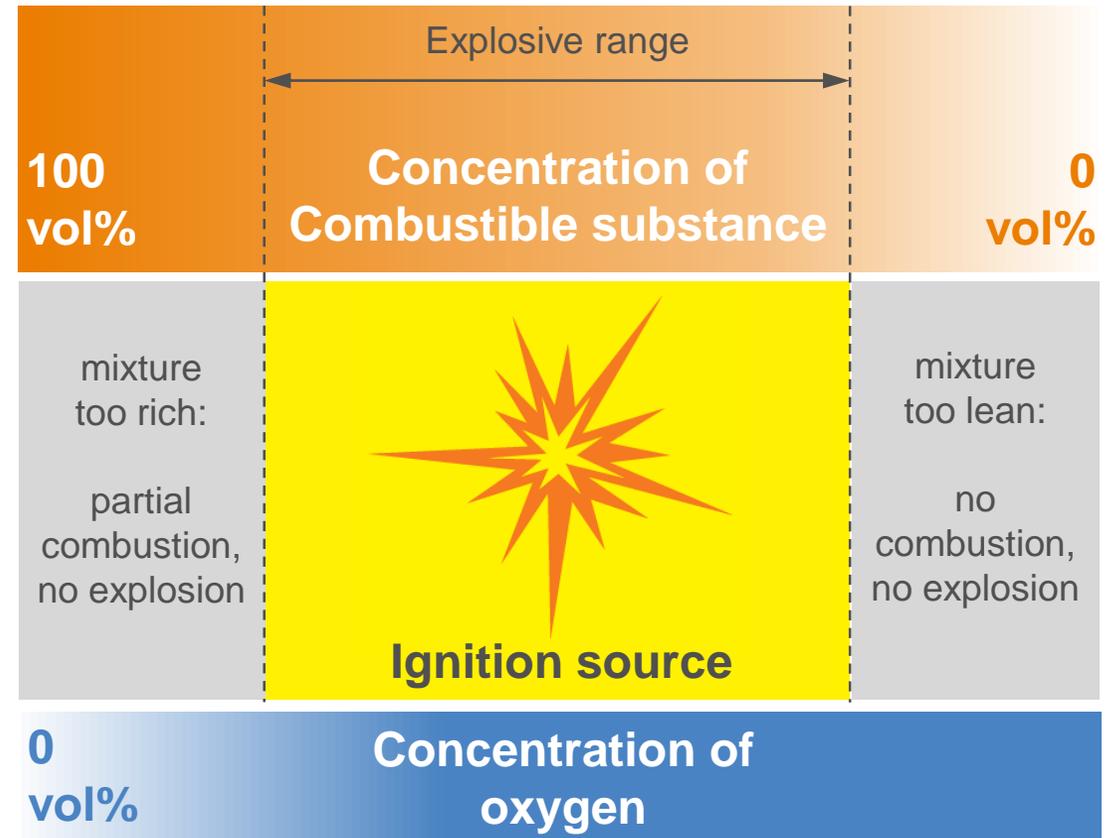
- Hot surfaces/gases
- Flames
- **Electrical sparks**
- Adiabatic compression
- Chemical reactions
- Mechanical sparks

Focus
R. STAHL



3. Oxygen

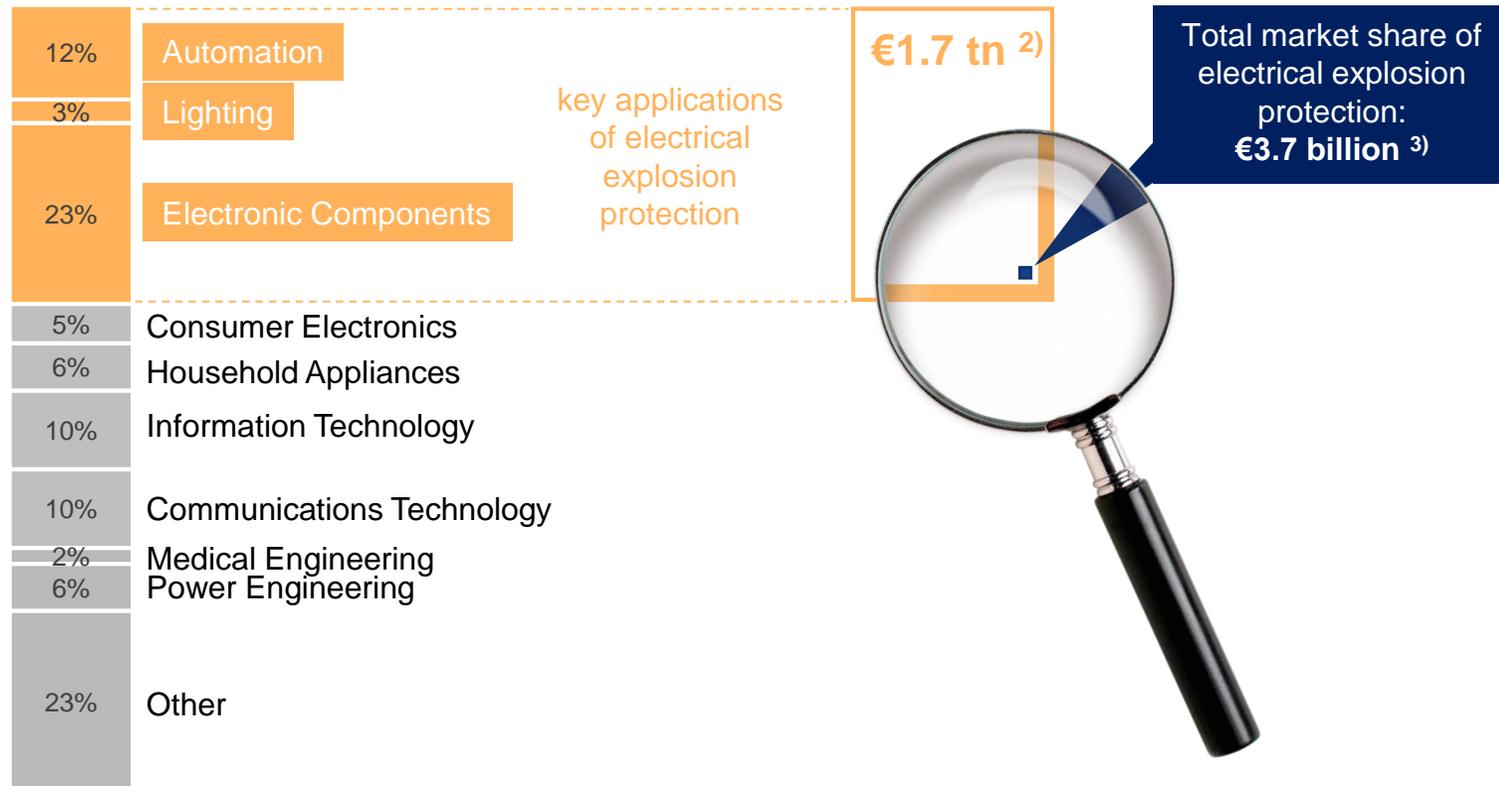
- Air



Electrical Explosion Protection is a Niche Application With High Barriers to Entry

Global Electric Industry by Application

Total market €4.4 tn ¹⁾



Market Characteristics

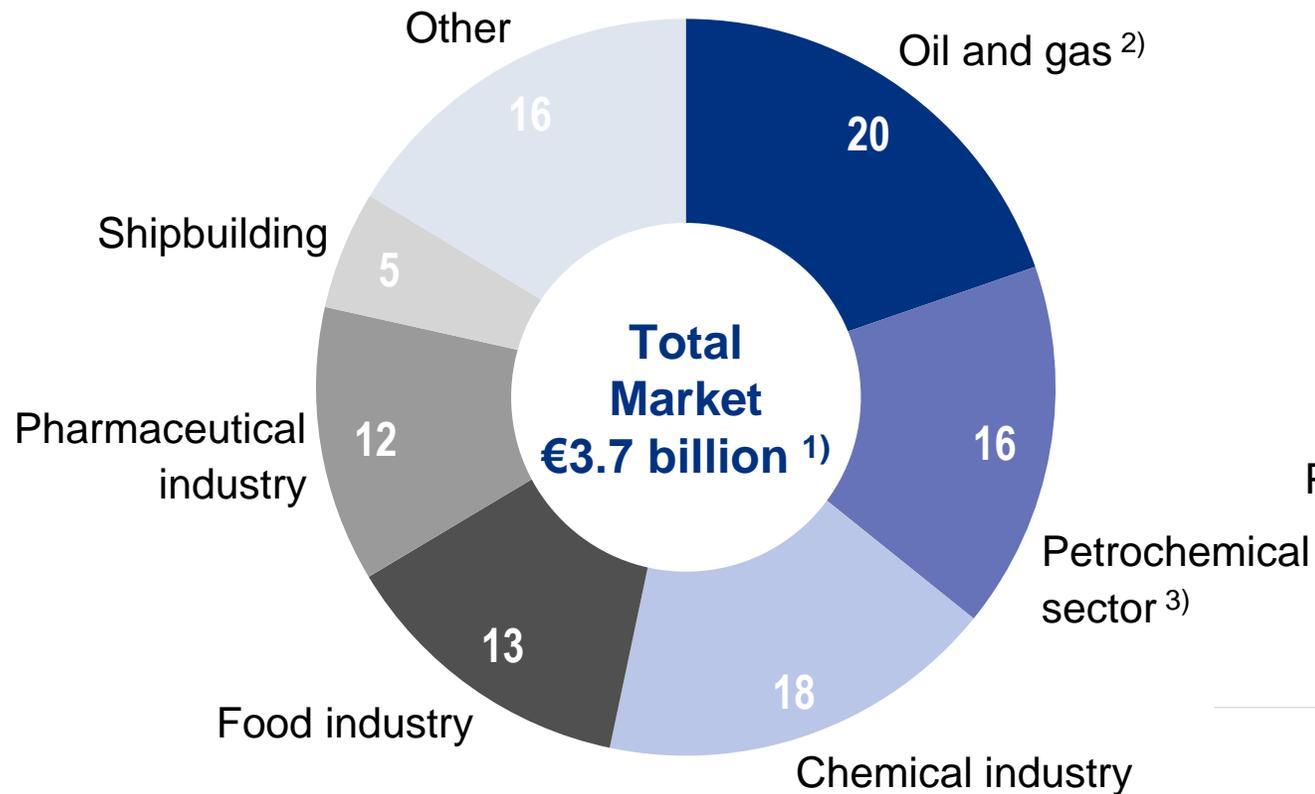
- Accounts for just ~0.1% of the total global electric market
- High entry barriers
- Innovation driven
- Safety and reliability is key
- Subject to high regulation and certification
- Multiple customer industries
- High exposure to cyclical industries

1) ZVEI, August 2020 2) Applications with potential exposure to explosion protection 3) IECEx+ATEX certification

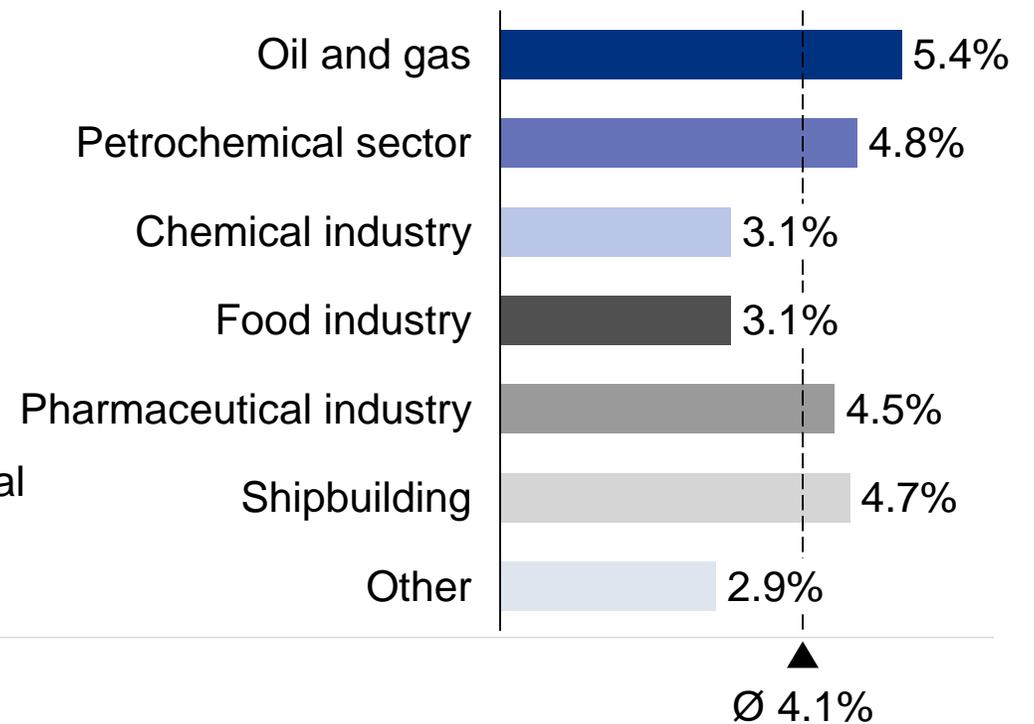
We Serve Process Industries That Handle Potentially Explosive Dusts, Liquids And Gases

World market by industry sectors – IECEx/ATEX 2017-2022

No impacts from COVID-19 included



CAGR (2017-2022 E)



1) Company estimates for IECEx/ATEX certification, 2018; Comparable NEC market ca. €1.7 billion 2) Upstream 3) Downstream

We Are Experts in All Major Technologies Used in Electrical Explosion Protection

Conceptual approach	Solution	Technology	Position R. STAHL
1. Prevent formation of explosive atmospheres	▪ Avoid combustible substances (replacement)	not part of electrical explosion protection	
	▪ Avoid critical concentration (e. g. dilution)	not part of electrical explosion protection	
	▪ Exclude oxygen (e. g. flushing with nitrogen)	Pressurized encapsulation (Ex p)	 ✓
	<i>if impossible</i>		
2. Prevent ignition of explosive atmospheres	▪ Keep electrical energy below critical level	Intrinsic safety (Ex i)	 ✓
	▪ Suppress formation of electrical sparks	Increased safety (Ex e)	 ✓
	▪ Avoid intrusion of explosive atmospheres	Fill enclosures with liquids or solids (Ex o, q, m)	 ✓
	<i>if impossible</i>		
3. Confine explosion impact to a controllable and harmless level	▪ Encapsulate electrical devices	Flame proof enclosures (Ex d)	 ✓

R. STAHL Offers Its Customers a Complete, Innovative And Market Leading Portfolio of Explosion Proof Products

Electromechanical components and solutions



- Connectors
- Enclosures
- Junction and control boxes

Light fittings & signaling devices



- #1 in LED technology
- Signalling devices
- Emergency lights
- Battery boxes

Network & automation products and solutions



- Field Bus
- Remote I/O
- Switches
- Access Points

Human machine interfaces

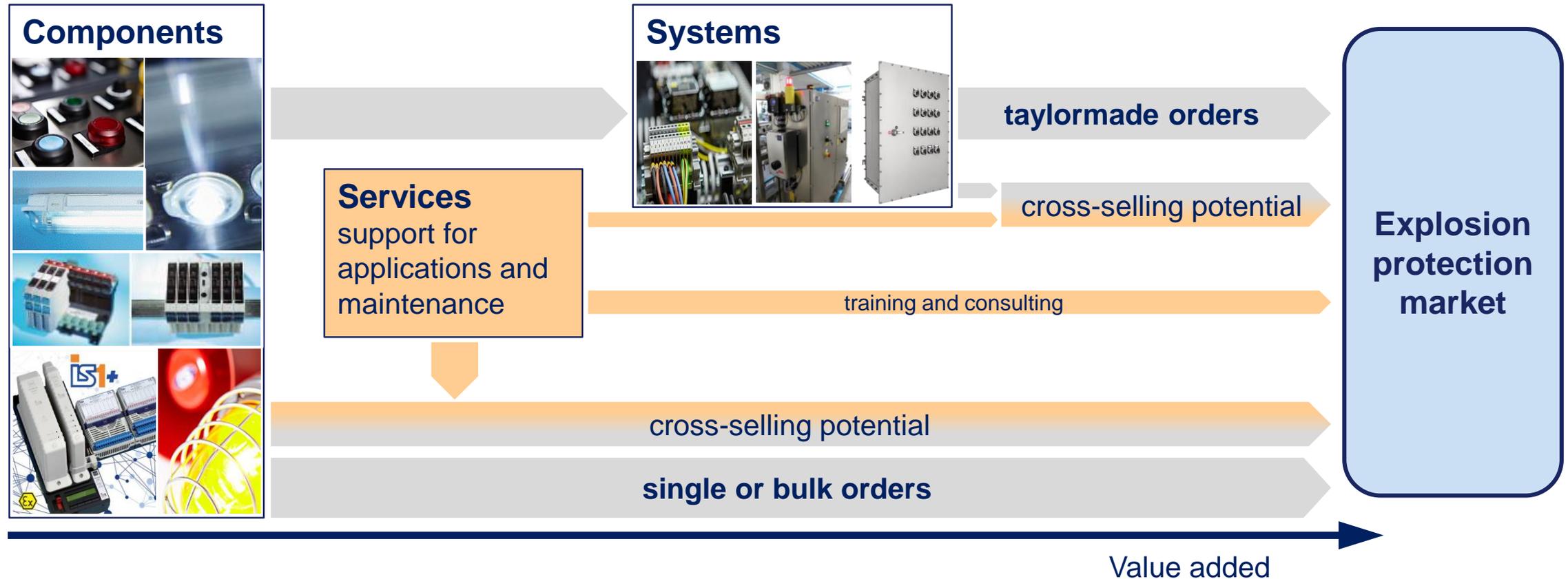


- Displays
- Panel PCs
- Handhelds
- Cameras

7 global production sites

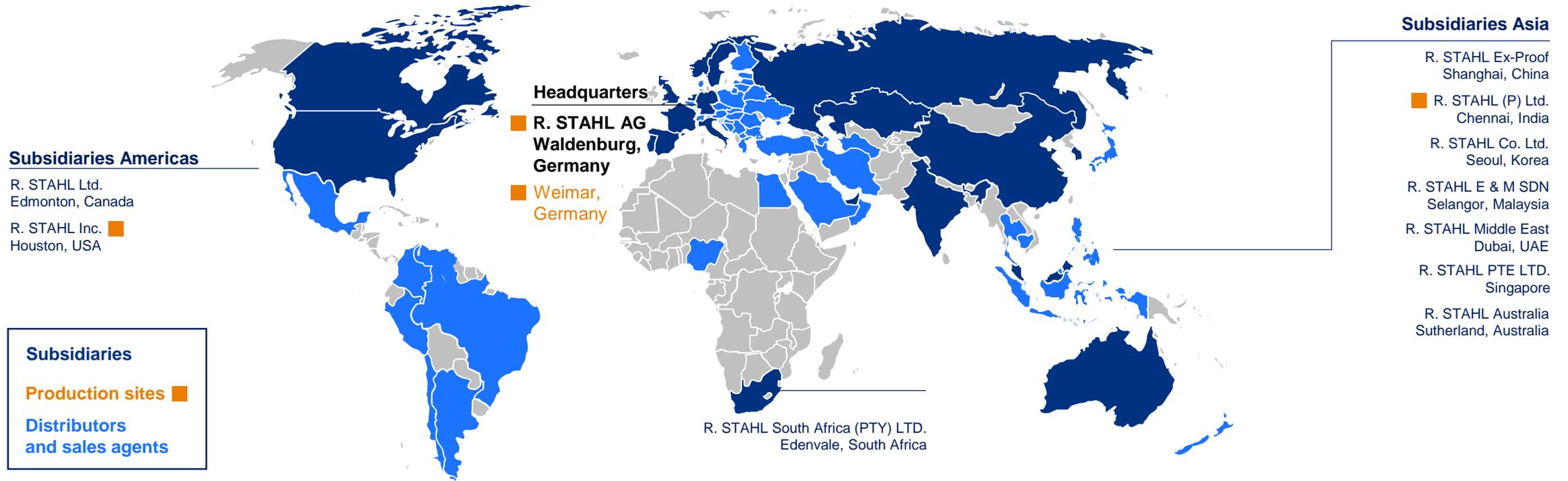
Our Strong Market Position Is Based on Our Leading Products and Value Adding Systems and Services

Product offering R. STAHL



We Have a Global Presence to Serve Our International Customers

Production and sales network R. STAHL



Subsidiaries Germany

- R. STAHL Schaltgeräte GmbH Waldenburg, Germany
- R. STAHL HMI Cologne, Germany

Subsidiaries Central region

- R. STAHL Ltd. Birmingham, UK
- R. STAHL France SAS Avignon, France
- Electromach B.V. Hengelo, Netherlands
- R. STAHL S.R.L. Peschiera Borromeo, Italy

- INDUSTRIAS STAHL Alcobendas, Spain
- INDUSTRIAS STAHL Lisboa, Portugal

- R. STAHL Svenska Järfälla, Sweden
- R. STAHL Tranberg AS Stavanger, Norway

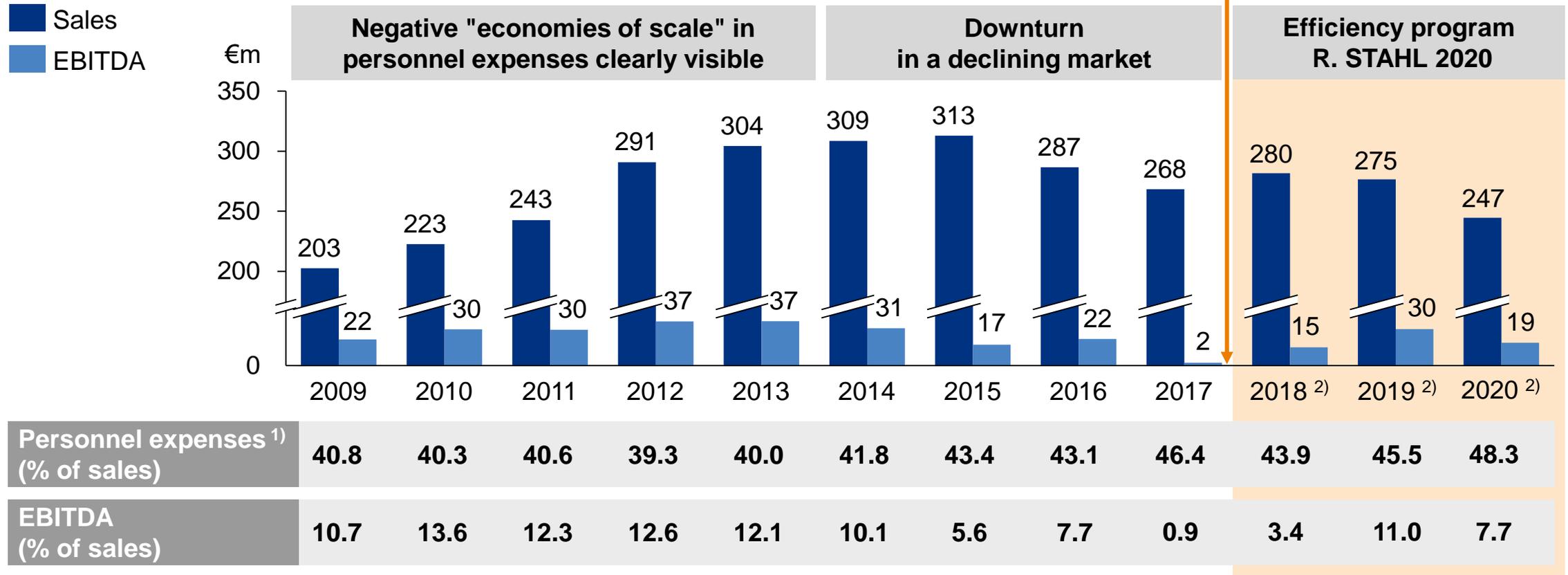
- Zavod Goreltex St. Petersburg, Russia

Agenda

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3	Business Update
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Review: Until 2017, Even Strong Sales Growth Did Not Prevent Our Margin From Continuous Contraction

Development of R. STAHL 2009–2020



1) incl. temporary workers

2) EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

Main Causes of Margin Contraction Were Inefficiencies in Organization, Production, Portfolio and Processes

Analysis of R. STAHL's former operating model

until 2017:

- Global production capacities significantly underutilized; responsibilities not clearly defined
- Less than 1/5 of all sales items made a positive contribution to earnings
- Sales structures and processes not defined and inconsistent across organizational units
- IT systems neither standardized nor integrated
- As of 2014, sales have been placed above profit, particularly with regard to projects
- Group-wide business management control not consistently implemented

We Can Build on a Unique Set of Strengths While Addressing Our Significant Challenges



Strengths

Market position

- #2 in Europe, #3 worldwide in explosion protection
- Global presence in all key markets
- Strong brand and reputation

Products and technologies

- Highest product quality
- Broad portfolio
- Leading in complex system solutions

Challenges

Organisation and structures

- Complex global organization
- High product complexity
- Heterogenous IT systems

Processes

- Uninsufficient profitability of large orders
- Little standardization

With Our Efficiency Program R. STAHL 2020, We Fundamentally Modernize Our Operating Model



Today, We Have Central And Lean Structures

Situation 2017

- Decentral holding structure with unclear responsibilities
- Partially unprofitable sites
- Unnecessary high product complexity

Operative subsidiaries

25

2017

Employees

1,763

2017

R. STAHL 2020

Structural Improvements

- New organization implemented
- Corporate structure trimmed
- Number of products reduced by ~50% worldwide

Status Quo

- Matrix organization with globally responsible Group functions
- Fewer sites with lower costs
- Product portfolio adjusted to market needs

Operative subsidiaries

20

today

Employees

1,679

today*

* as of Sep 30, 2021

Optimization of Central Processes Yielded Already Significant Efficiency Improvements

Situation 2017

- Non-standardized processes in many areas
- Unclear responsibilities
- Weak management of large orders

Capacity utilization in %
(production)

80.3

2017

Working capital in %
of sales

27.1

2017

R. STAHL 2020

Structural Improvements

- Lean management in production and sales
- Processes standardized and professionalized

Status Quo

- Globally optimized and increasingly standardized processes
- Clear responsibilities
- Reasonable profitability in all order categories

Capacity utilization in %
(production)

89.1

2020

Working Capital in %
of sales

22.0

2020

Continued Harmonization of IT Systems Will Generate Further Efficiency Gains

Situation 2017

- Very heterogenous ERP landscape, interfaces managed manually
- Different software products for engineering and configuration of customer solutions, missing hardware standards

Number of ERP systems

21

2017

Hardware standardization

68%

2017

R. STAHL 2020

Structural Improvements

- Preparation of ERP processes to implement SAP in all subsidiaries
- Definition of requirements, selection of software partners and adaption of processes for global standards in customer engineering and configurator

Status Quo

- Harmonization of ERP systems towards SAP until 2023 on track, target by end of 2020: down to 12
- Standards for engineering (EB) and configurator being implemented, completion by 2023

Number of ERP systems

17

today

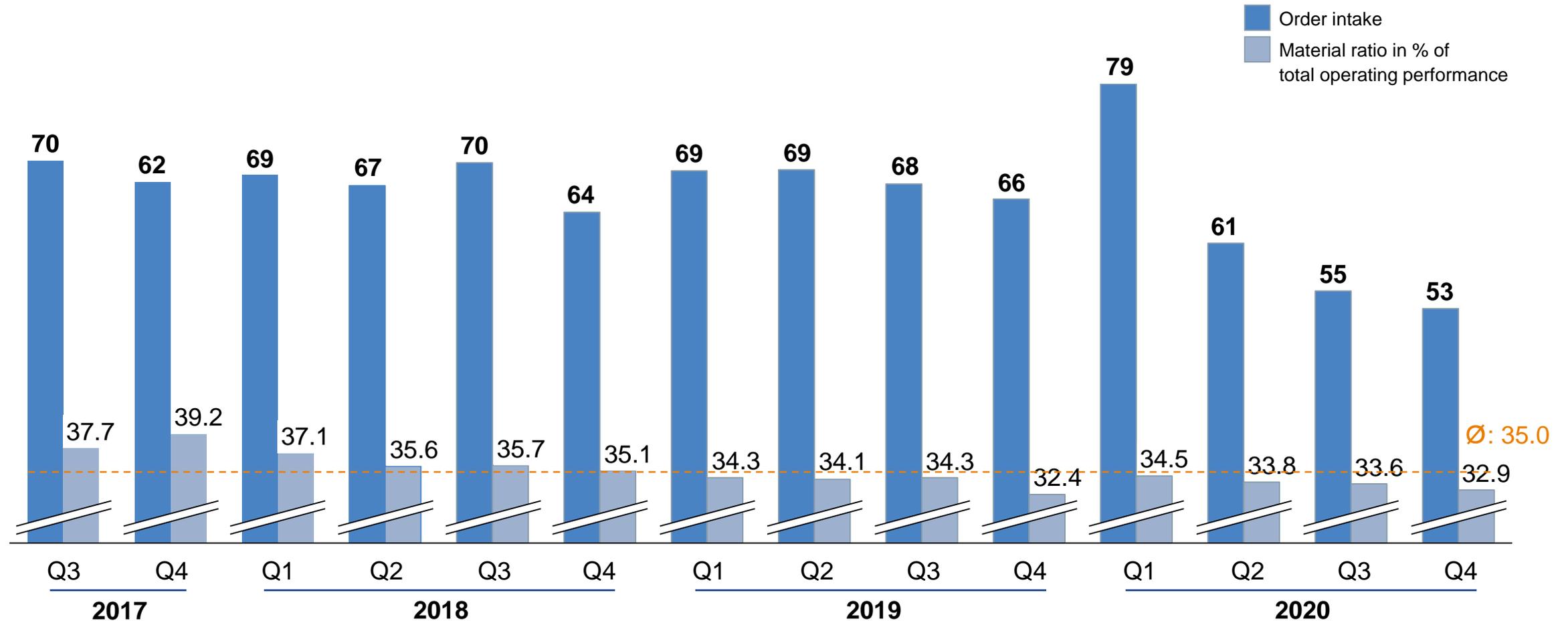
Hardware standardization

85%

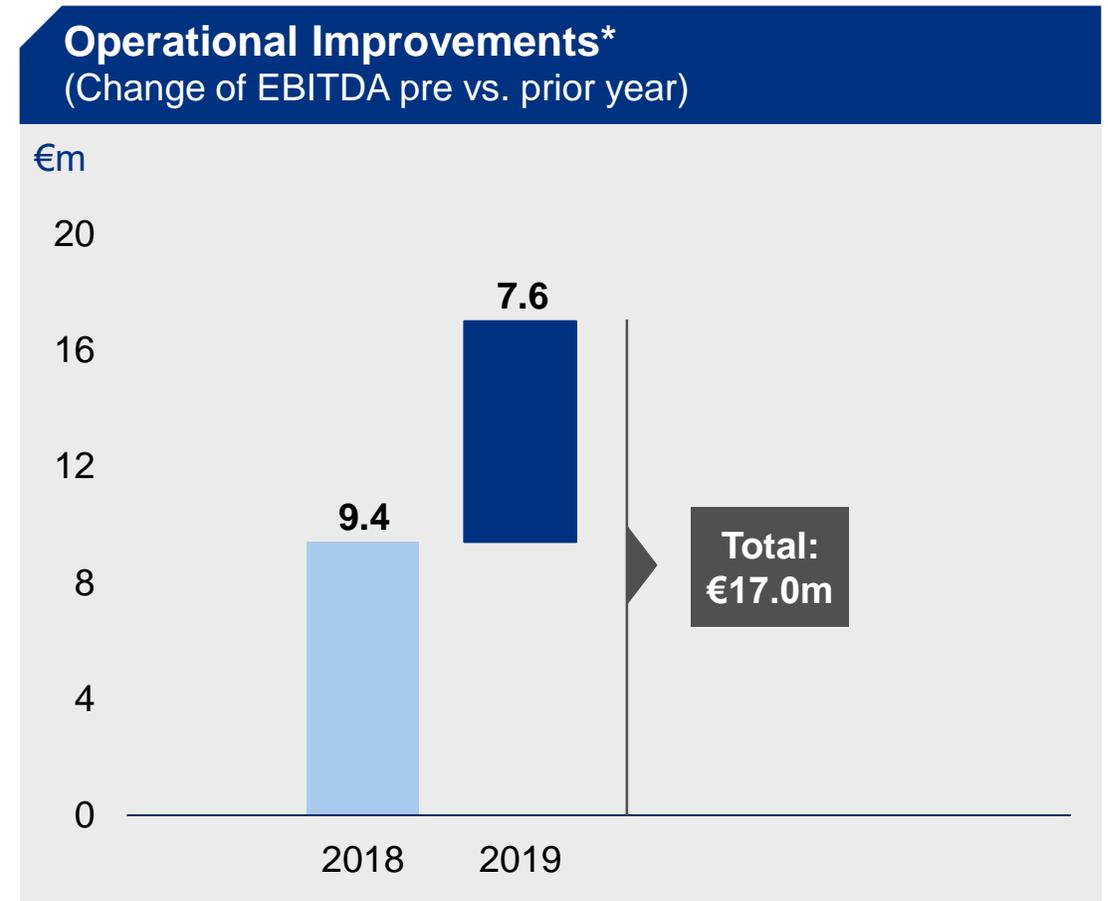
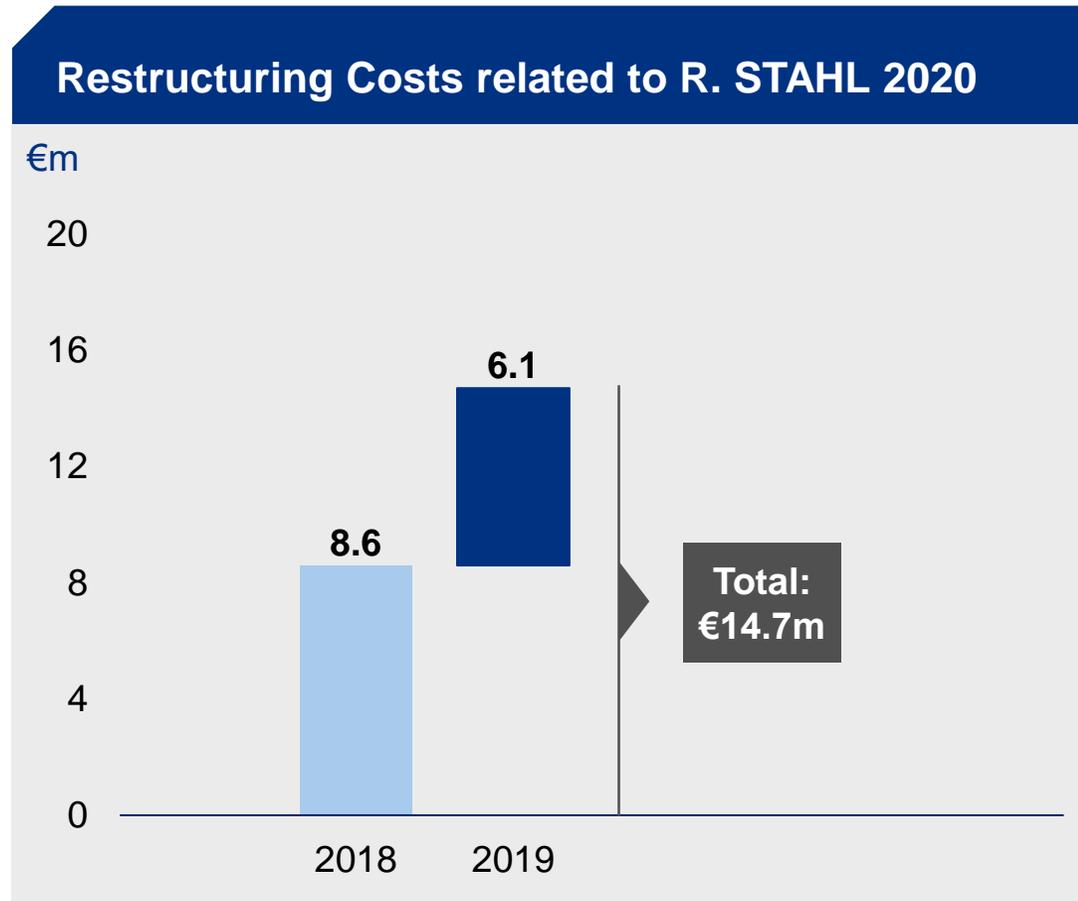
today

Increased Sales Effectiveness Led to an Improved Order Quality and – Before COVID-19 – to Higher Order Quantity

Quarterly order intake and order quality R. STAHL since Q3 2017



Restructuring Costs Related to Efficiency Program „R. STAHL 2020“ Always Paid Off in the Same Year



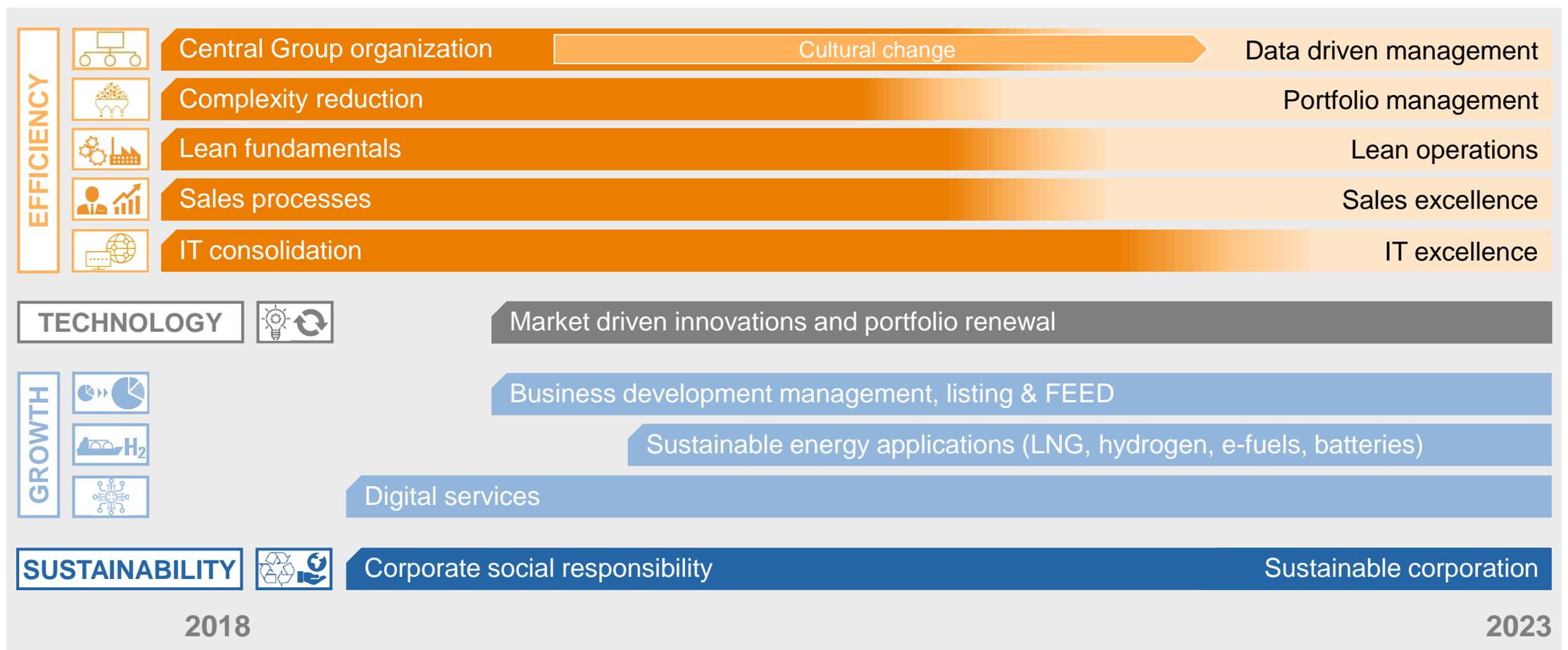
* excluding effects from IFRS 16

While We Continue to Drive Efficiency at All Levels, Our Focus Is Increasingly on Technology and Growth Again

R. STAHL 2020: Consolidation & house keeping

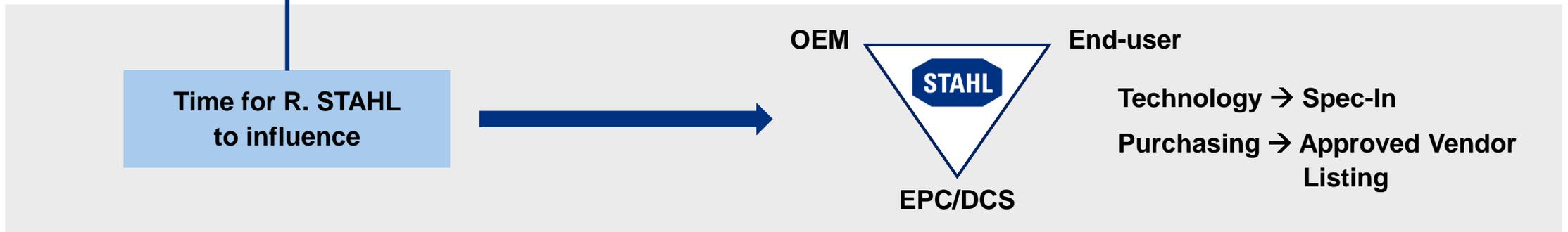


EXcellence 2023: Growth & strategic development



BDM, Listing & Feed: Strategically Preparing Our Markets

Project Lifecycle



Project

- Active Team of SALES (RSD, Local Sales and Agents) and BU (BDM and PM)
- Focus on complex system and engineering solutions



Megatrends Drive Technologies and Growth in Our Industry

Trends	Needs	Opportunities for R. STAHL
 <p>Population & prosperity growth</p>	<p>Growing need for energy and food:</p> <ul style="list-style-type: none"> ▪ Rising number of people ▪ Higher standards of living 	<ul style="list-style-type: none"> ▪ Oil expected to reach its peak beyond 2030 ▪ Growth in chemicals, pharma and food & beverage 
 <p>Climate Change</p>	<p>Reduction of CO₂ emissions:</p> <ul style="list-style-type: none"> ▪ Near-term: low-carbon fossils ▪ Long-term: carbon-free energy 	<ul style="list-style-type: none"> ▪ Limited risk: no exposure to coal and mining ▪ Strong market position in growing LNG market ▪ H₂ + e-fuels as energy carrier of the future 
 <p>Increasing Mobility</p>	<p>Socio-economic changes:</p> <ul style="list-style-type: none"> ▪ Growing number of vehicles ▪ Trend towards electric vehicles 	<ul style="list-style-type: none"> ▪ Fuel consumption ▪ New battery manufacturing (and recycling) facilities ▪ Build-up of H₂ infrastructure (storage, distribution etc.) 
 <p>Digitalization</p>	<p>Equipment and services:</p> <ul style="list-style-type: none"> ▪ Automation ▪ Digital business models 	<ul style="list-style-type: none"> ▪ Strong market position in automation ▪ Growth in semiconductors ▪ Unmanned platforms and autonomous ships 

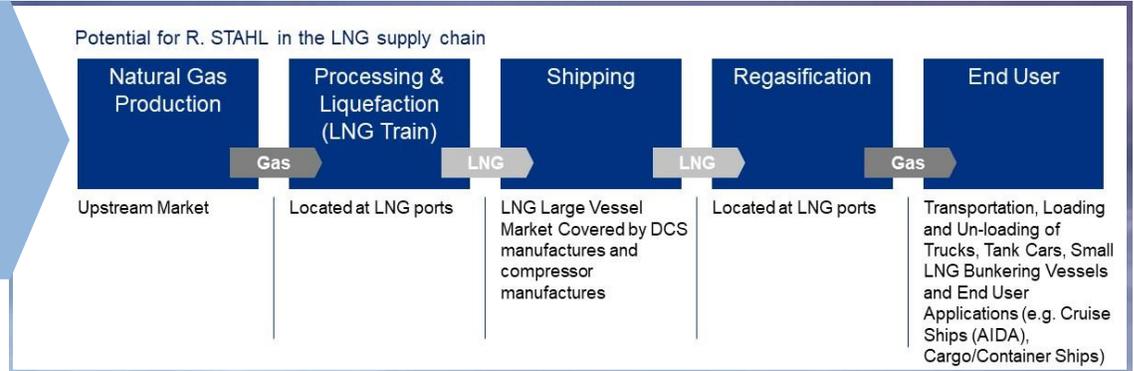
Natural Gas Is The Most Eco-friendly Fossil Fuel – And LNG Is Set to Become the Dominating Delivery Mechanism



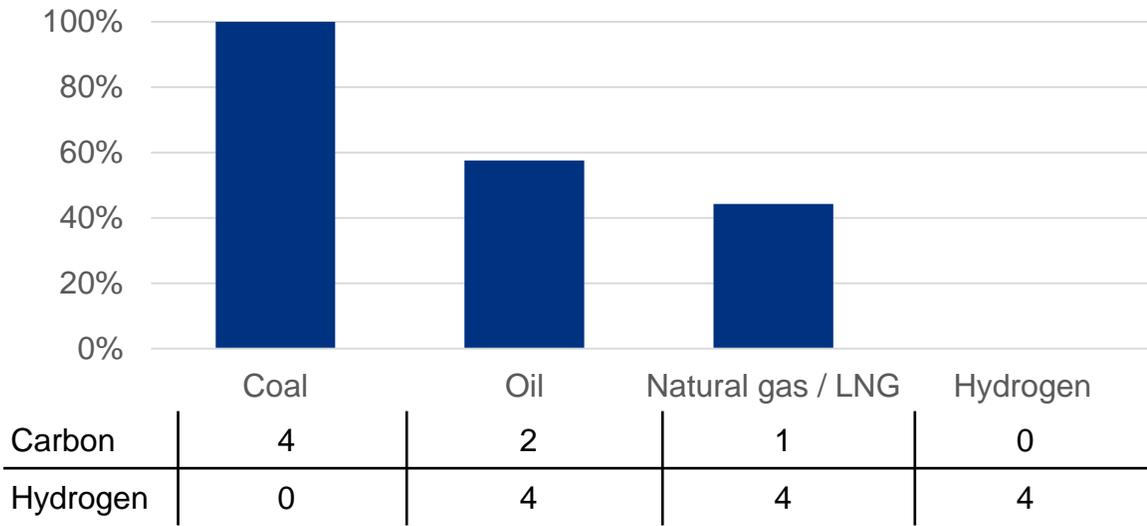
Climate Change

Reduction of CO₂ emissions:

- near-term: low-carbon fossils

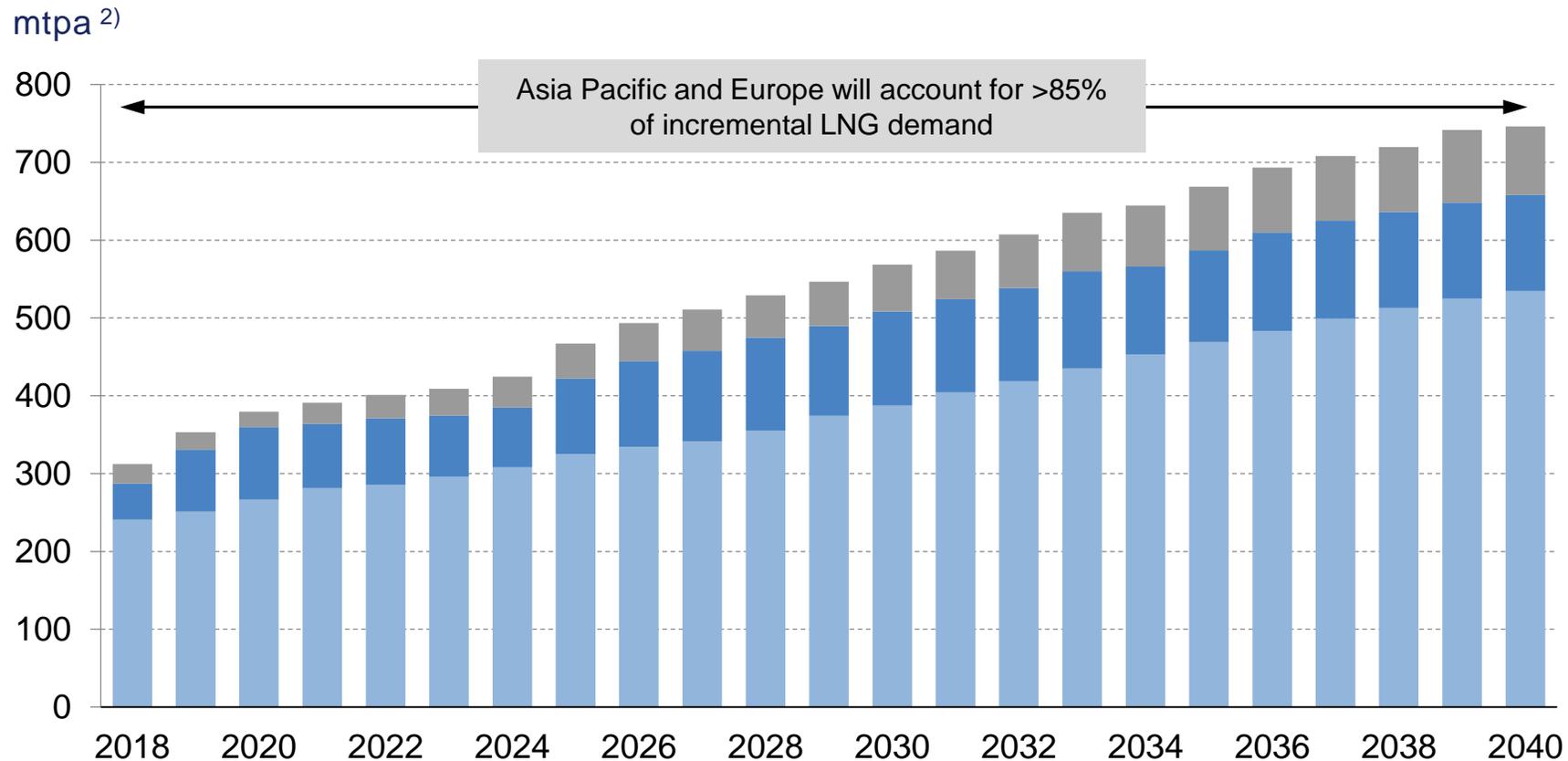


Relative CO₂ emissions by energy source (at equal combustion energy)



The Global LNG Market Offers Significant Growth Potential Over the Next Two Decades

Projected global LNG demand until 2040 ¹⁾



	CAGR 2018-2040
Global	4.0%
Other	5.9%
Europe	4.5%
Asia Pacific	3.7%

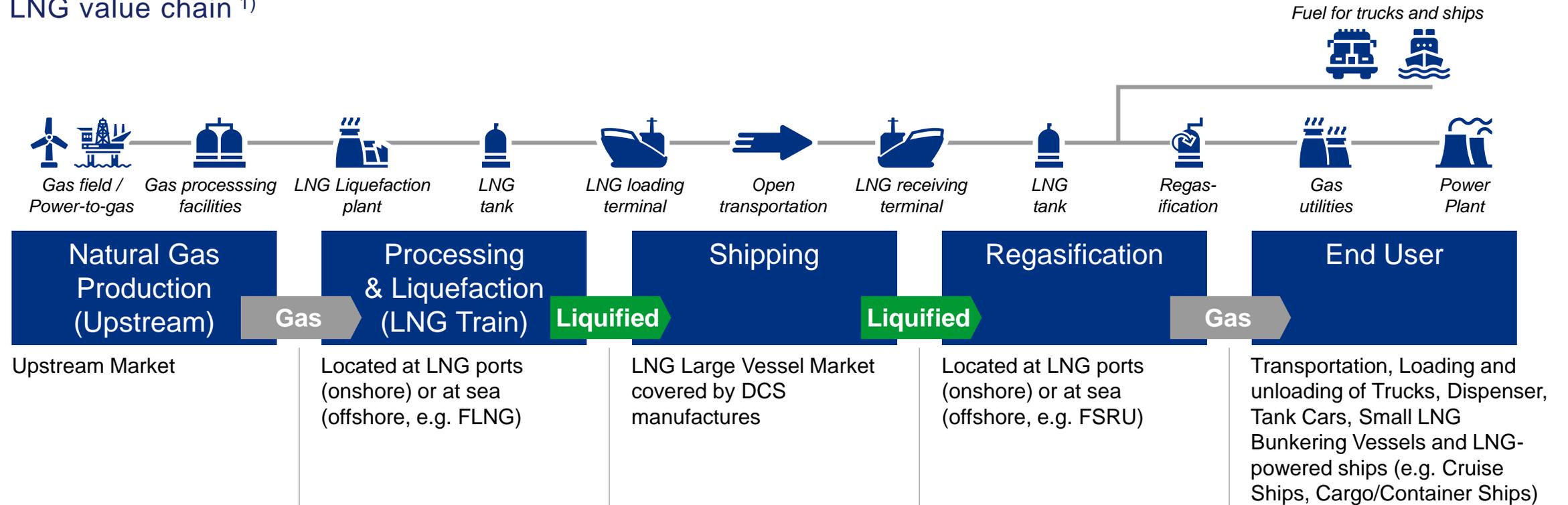


¹⁾ Source: Novatek, June 2020

²⁾ million tons per annum

We Aim to Leverage Our Strong Position in LNG Shipping to Outgrow the Overall LNG Market

LNG value chain ¹⁾



Market position R. STAHL today



¹⁾ Source: EIC Research (2019), SHELL Research (2019)

Due to the Unique Hazardous Properties of Hydrogen, Explosion Protection Is Key to This Technology's Safety



Reduction of CO₂ emissions:

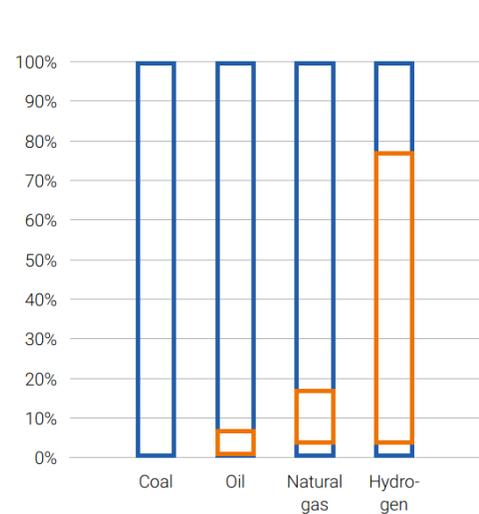
- long-term: carbon-free energy

- H₂ + e-fuels as sustainable energy carrier of the future

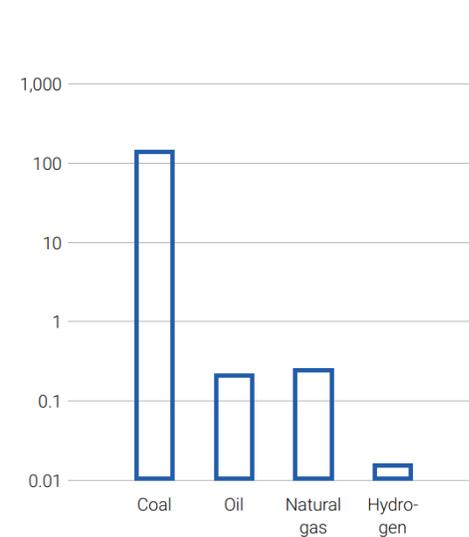


Safety aspects of Hydrogen vs. fossil fuels

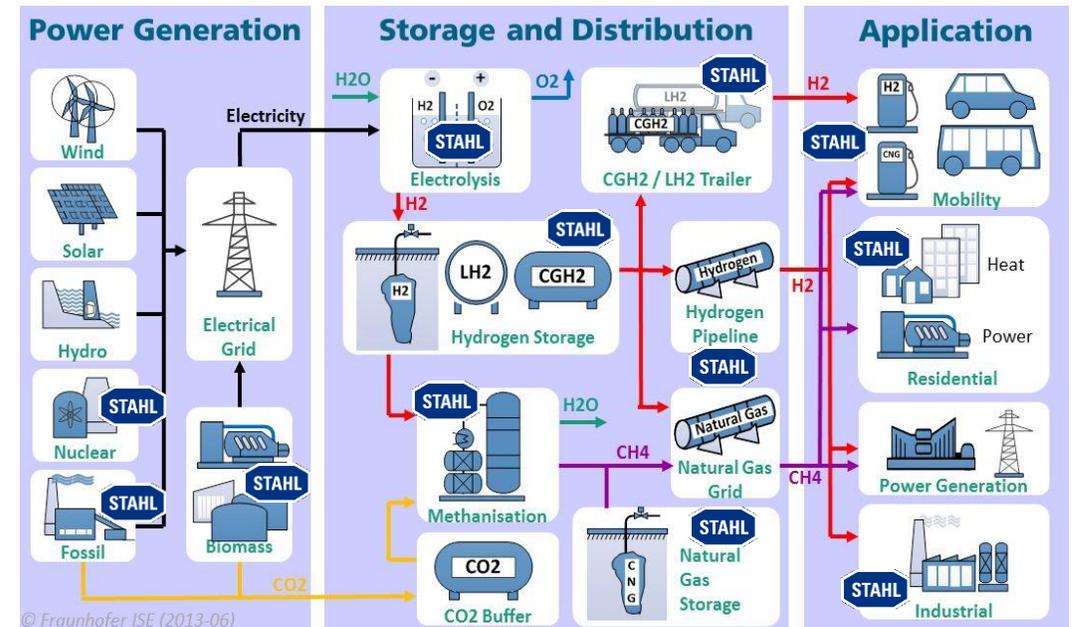
RATIOS OF MIXTURES WITH AIR vol-%



MINIMUM IGNITION ENERGY mJ



Value Chain of Green Hydrogen



Source: <https://www.ise.fraunhofer.de>

Example: Hydrogen Fueling Station With Safety Concept and Equipment by R. STAHL

Container solution and functional safety concept

Service Concept

- Engineering Service
- SIL (safety integrity level) verification
- Software assistance
- Design and engineering of components (system concept)

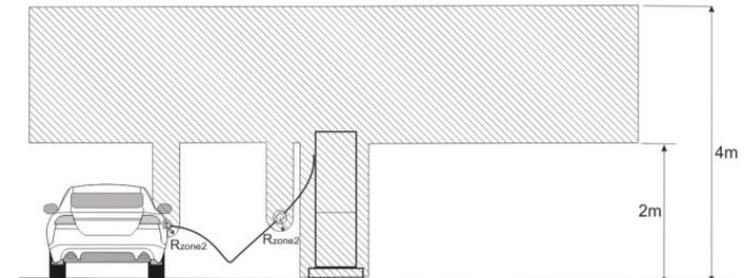
Components (R. STAHL products):

- Terminal boxes, cable glands, plugs



Picture source: <https://www.resato.com/en/hydrogen>

Example illustration of permanent and temporary hazardous areas



Sales potentials

- Short term focus on H2 fueling stations
- R. STAHL products for compressed gas vessels, pipelines, electrolyzer, tank systems
- Safety concepts (SIL)
- Engineering and designing concepts
- Consulting service

Digitalization: We Already Have a Wide Range of Digital Solutions

Example of R. STAHL's solutions today

Control and visualization of process or integration in existing Asset Management System (AMS)



Connectivity infrastructure



Sensoric and communication



Energy distribution panel e.g.

- Lighting distribution
- Heat trace panels
- Socket outlet distribution



Connected devices (e.g. luminaires, heating cable, ...)



Communication protocols:
Profinet
ModbusTCP
EthernetIP
Others

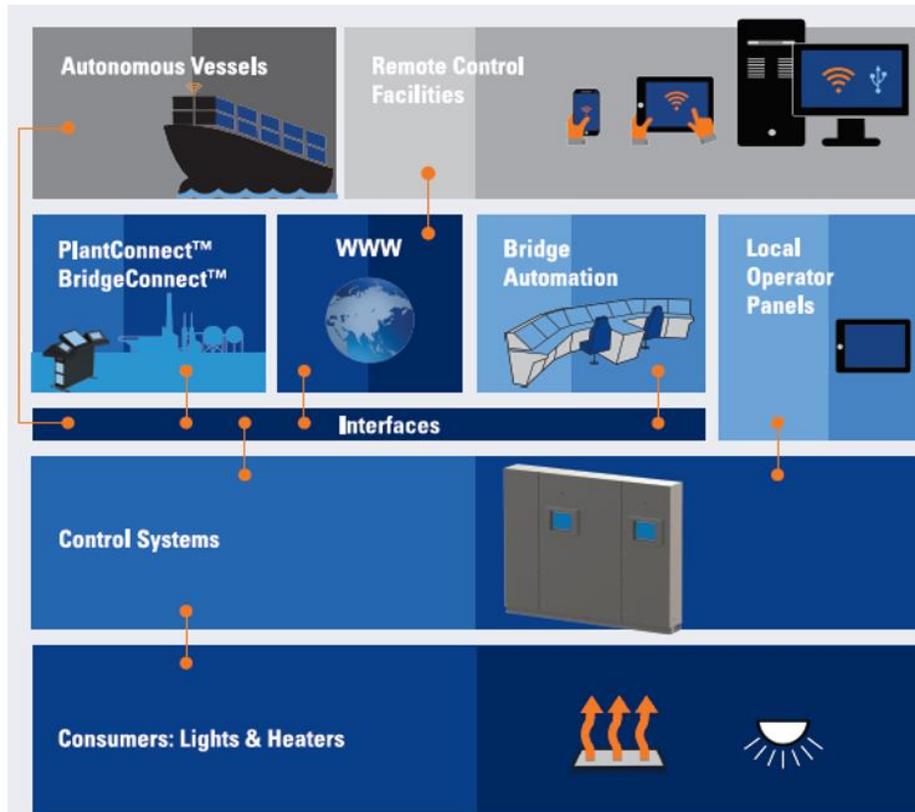
Physical layer:
Wireless
Wired
Fibre optics

Sensors:
Temperature, humidity, current, arcing, etc.

Sensors or communication with devices

R. STAHL Already Offers Digital Solutions to Control Light and Heating Systems

Example: X-Connect (R. STAHL Tranberg)



- R. STAHL is supplier for the first fully electric and autonomous container ship without emissions
- Fully automated control of light and heating systems
- Control staff can be located anywhere to control and operate systems remotely



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FY 2020: Economic Downturn Weighed Heavily on Sales, Cost Control Significantly Cushioned Impact on Profitability

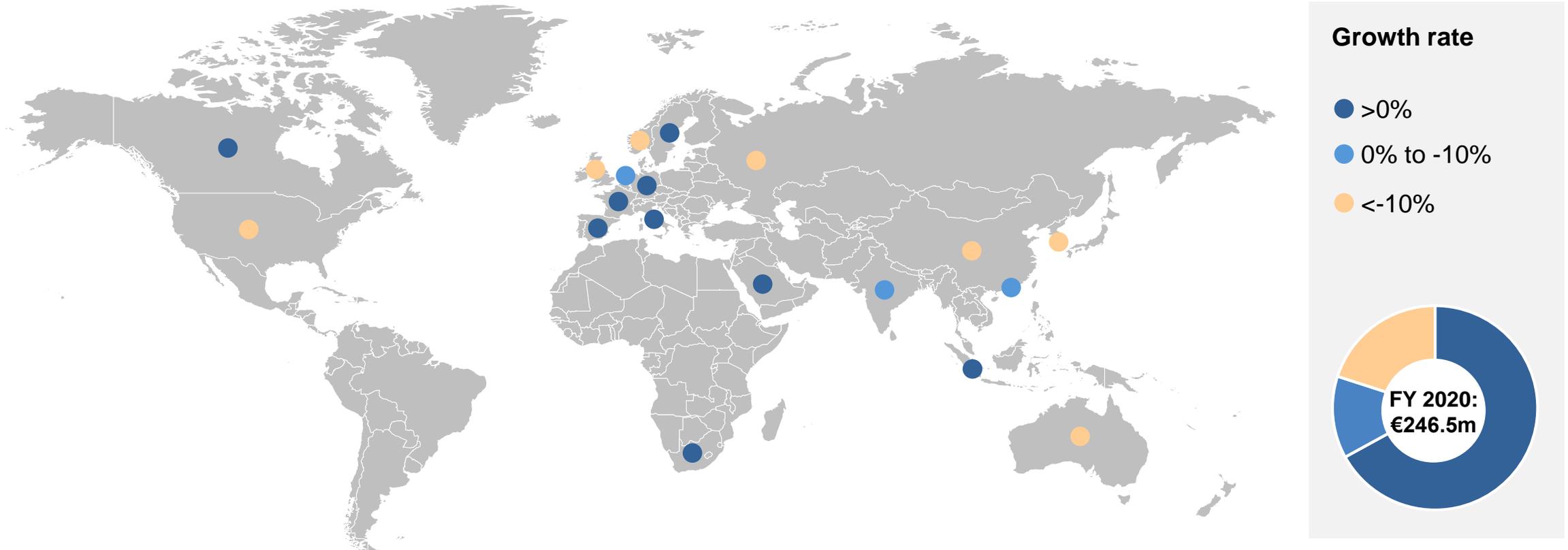
Financials		Operations
<p>€247m</p> <p>Sales (- €28m yoy, -10% yoy) driven primarily by demand drop in Oil & Gas</p>		<p>Ongoing favourable sales structure</p> <p>Cost of materials ratio stayed at a healthy level (33.7%)</p>
<p>€19m</p> <p>EBITDA pre ¹⁾ (- €11m yoy, -37% yoy)</p>	<p>7.7%</p> <p>EBITDA pre ¹⁾ margin (- 330 bp yoy)</p>	<p>Tight cost management strongly limits impact of demand drop on profitability</p> <p>Capacity adjustments lowered personnel costs by €6m yoy, exceptionals declined as planned, additional cost savings from e. g. reduced travel</p>
<p>€-3.5m</p> <p>Net profit (- €4.9m yoy)</p>	<p>€5.8m</p> <p>Net debt ²⁾ (- €1.8m yoy)</p>	<p>Strategy execution at full steam despite economic downturn</p> <p>Lean management rolled out in administration functions, standardization of IT continued, sales initiatives bearing fruits</p>

¹⁾ EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

²⁾ excl. lease liabilities

Despite Severe Economic Headwinds, Strategy Execution Paid Off in FY 2020 in Several Countries

Sales R. STAHL FY 2020 by growth rate vs. FY 2019



FY 2020: Adjusted Labour Capacities Strongly Limited Impact of Lost Sales on Profitability

Key data of Income Statement

€m	FY 2020	FY 2019	<i>Change</i>
Sales	246.5	274.8	-10.3%
Cost of materials	-85.7	-94.0	+8.8%
Personnel costs	-115.6	-122.0	+5.2%
Sum of other operating income and other operating expenses	-35.4	-37.0	-4.2%
EBIT	0.5	6.3	-92.2%
Financial result	-1.8	-2.9	+38.8%
EBT	-1.3	3.4	n/a
Taxes	-2.2	-2.1	-7.7%
Net profit	-3.5	1.3	n/a
Earnings per share in €	-0.54	0.21	n/a
EBITDA	17.2	25.3	-32.0%
EBITDA pre¹⁾	19.0	30.4	-37.4%

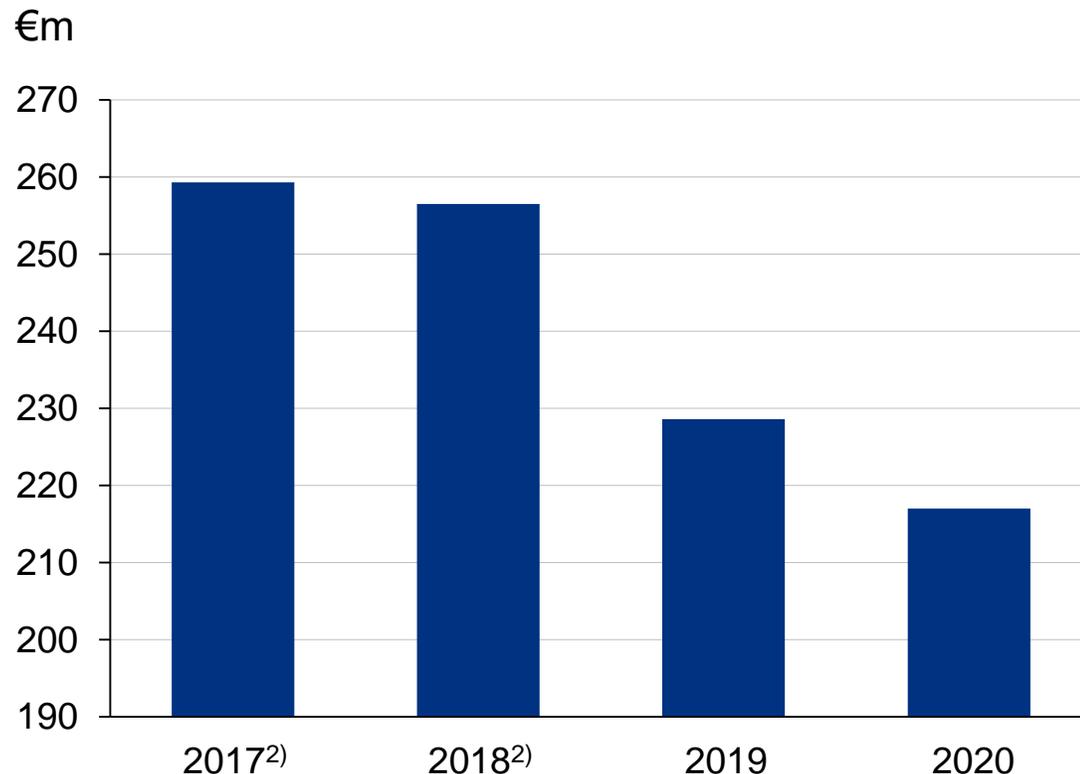
Comments

- Cost of materials down in line with sales, indicating continued healthy sales quality; cost of materials ratio unchanged yoy at <34%
- Personnel cost decline €6.4m, reflecting temporary adjustments of labour capacities to lower demand
- Finished and unfinished products increase by €3.4m yoy
- Sum of other operating income and expenses improve €1.6m to €-35.4m due to lower exceptionals

¹⁾ EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

Over the Past Two Years, We Have Significantly Strengthened the Resilience of Our Business

EBITDA pre break-even¹⁾ of R. STAHL 2017–2020



¹⁾ Sales level where EBITDA pre = 0

²⁾ Based on lease accounting prior to changes from IFRS 16

Today, our business is much more robust:

- Focus on reasonable margins improved order profitability
- Central Group organization with clear responsibilities and unified processes increased efficiency and provided higher flexibility to manage costs



Q3 2021: Sales and Earnings Up Again, Procurement Risks and Cost Increases Accelerating

Financials

€62.1m

Sales (+ €2.6m yoy, + 4.3% yoy)

driven by strong growth in Asia/Pacific and Germany

€5.1m

EBITDA pre ¹⁾

(+ €0.1m yoy, + 2.3% yoy)

8.2%

EBITDA pre ¹⁾ margin

(- 16 bp yoy)

€-0.1m

Net profit

(+ €0.5m yoy)

€17.3m

Net debt ²⁾

(+ €4.1m qoq)

Operations

Sales growth driven by robust demand from pharma and chemicals in Germany

Impact of higher sales on profitability dampened by cost increases for raw materials and personnel

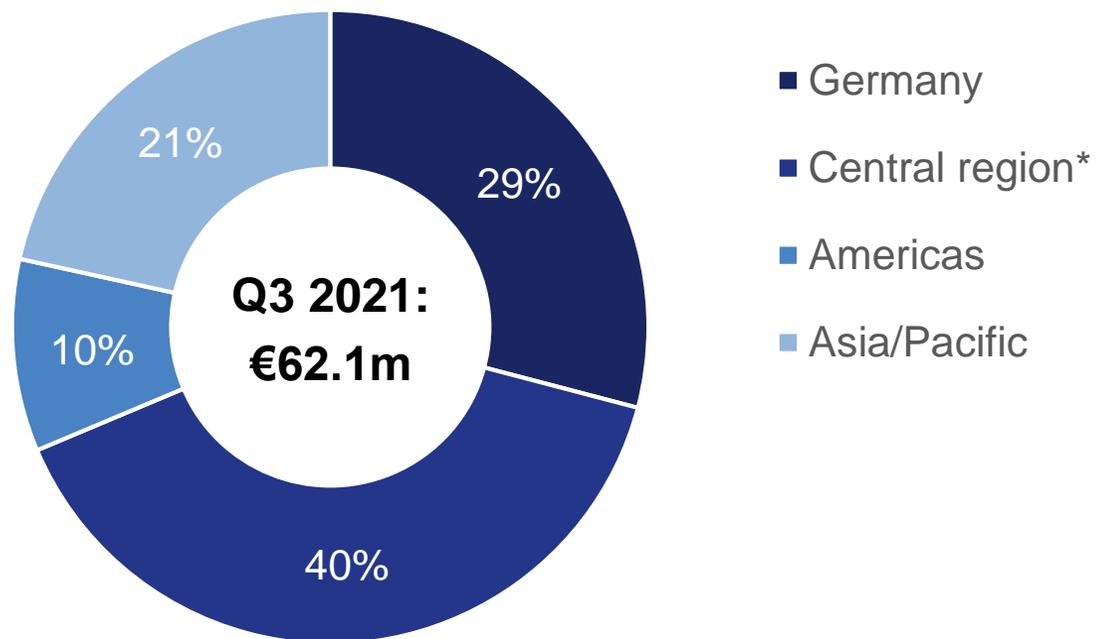
Higher working capital and continued investments in R&D temporarily drove up net debt

¹⁾ EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

²⁾ excl. lease liabilities

Sales Growth of 4.3% YoY in Q3 2021 Driven by Robust Demand from Pharma and Chemicals in Germany

Sales R. STAHL Q3 2021 vs. Q3 2020 by region

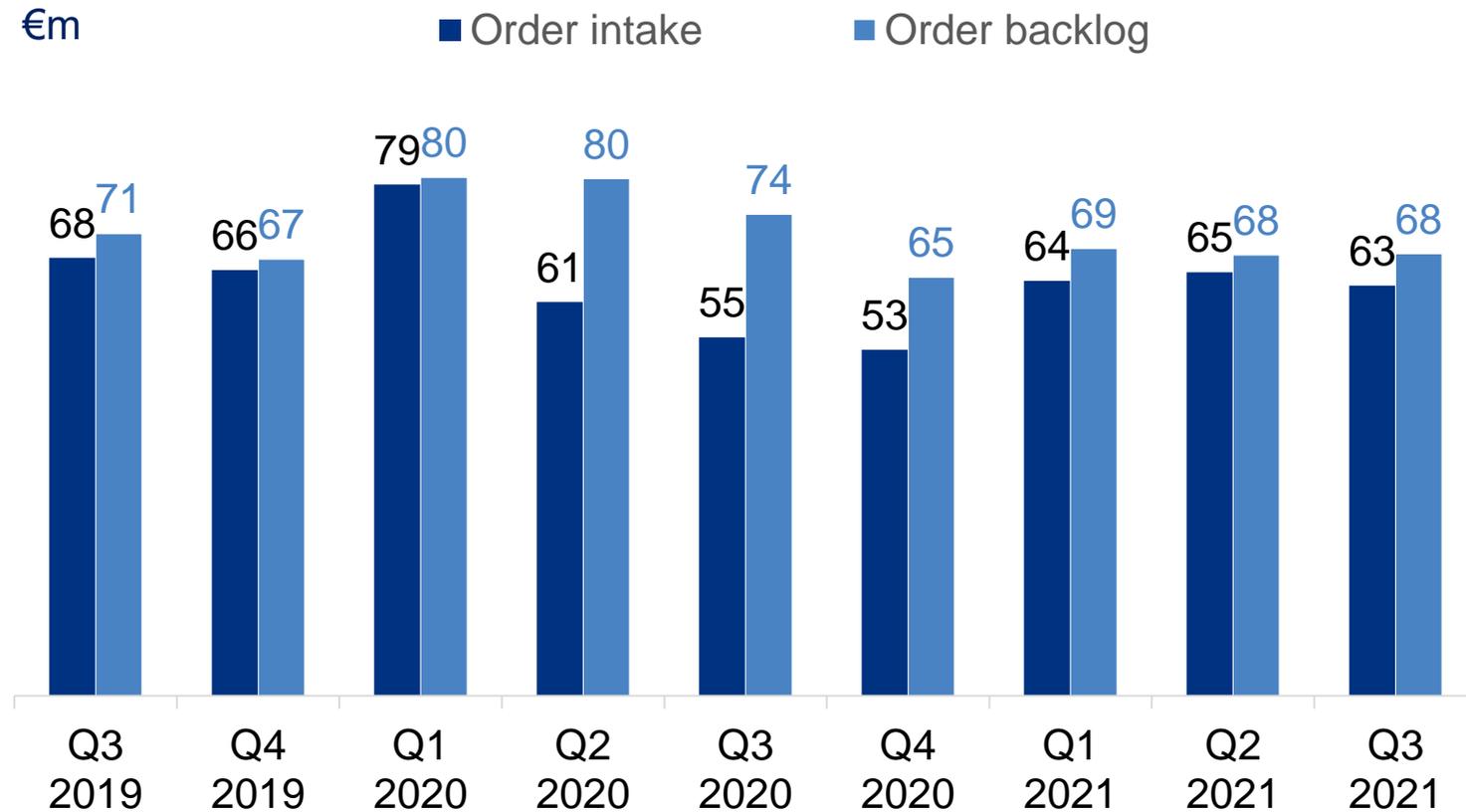


€m	Q3 2021	Q3 2020	Change
Germany	18.1	15.5	+16.7%
Central region*	24.6	26.8	-8.3%
Americas	6.1	6.0	+2.2%
Asia/Pacific	13.4	11.3	+18.1%
Total	62.1	59.6	+4.3%

* Central region: Africa and Europe excl. Germany

Q3 2021: Another Quarter of Year-on-Year Demand Growth

Order intake and order backlog R. STAHL Q3 2019 through Q3 2021



Comments

- Order intake in Q3 2021 again well above prior year's level
- Large investment projects in oil and gas still kept on hold

Q3 2021: Impact of Higher Sales on Profitability Dampened by Cost Increases for Raw Materials and Personnel

Key data of Income Statement

€m	Q3 2021	Q3 2020	Change
Sales	62.1	59.6	+4.3%
Change in finished and unfinished products	0.0	-0.0	<i>n/a</i>
Total operating performance	63.4	60.7	+4.4%
Cost of materials	-21.9	-20.4	-7.6%
Personnel costs	-28.0	-27.3	-2.2%
Other operating income and expenses	-8.5	-8.1	-4.6%
EBIT	0.8	0.8	-1.5%
Financial result	-0.3	-0.3	-2.5%
Income taxes	-0.6	-1.1	+47.4%
Net profit	-0.1	-0.6	+83.9%
EBITDA	5.0	4.9	+2.4%
EBITDA pre¹⁾	5.1	5.0	+2.3%

Comments

- Cost of materials up 100bp to 34.6% (Q3 2020: 33.6%) driven by price inflation
- Higher personnel costs due to typical wage increases and lower short-time work
- Net profit benefited from lower taxes

¹⁾ EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

Q3 2021: Higher Working Capital and Continued Investments in R&D Temporarily Drove Up Net Debt

Key data of Cash Flow Statement

€m	Q3 2021	Q3 2020	Change
Net profit	-0.1	-0.6	+0.5
Depreciation and amortization	4.1	4.0	+0.1
Other items w/o cash flow impact	0.3	0.9	-0.6
Cash flow	4.3	4.5	-0.2
Changes in working capital	-3.2	2.9	-6.0
Cash flow from operating activities	1.1	7.3	-6.3
Cash flow from investing activities	-3.7	-3.7	+0.0
Free cash flow	-2.6	3.6	-6.2
Cash outflow for repayment of lease liabilities	-1.6	-1.6	+0.0
Cash and cash equivalents (30 Sep.)	20.4	18.0	+2.5
Net debt¹⁾ (30 Sep.)	17.3	8.6	-8.7

Comments

- Other items without cash flow impact in Q3 2021 declined due to lower write-downs of inventories and liabilities
- Cash flow at last year's level
- Increase in working capital driven primarily by reduction of trade payables and lower prepayments

¹⁾ excl. leasing liabilities

FY 2021 Outlook Adapted to Unexpectedly Strong Acceleration of Raw Material Bottlenecks and Cost Increases

Guidance FY 2021

Sales expected between €246 million and €250 million

EBITDA pre¹⁾ to come in between €14 million and €16 million

Free cash flow of ~0, **equity ratio** ~18% at year-end



Assumptions:

- No major changes in the valuation of pension provisions

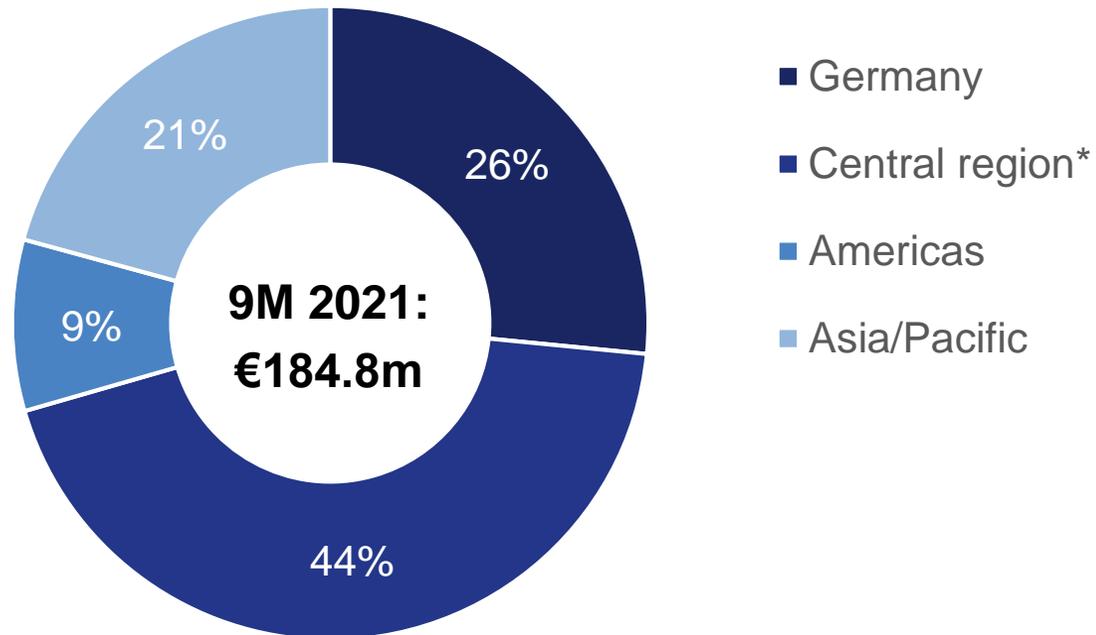
¹⁾ EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

Agenda

1	Company Overview
2	Driving Strategy: EXcellence 2023
3	Business Update
4	Appendix

Sales in 9M 2021 Closed the Gap to Prior Year Following a Solid Performance in Q3

Sales R. STAHL 9M 2021 vs. 9M 2020 by region



€m	9M 2021	9M 2020	Change
Germany	49.1	47.3	+3.7%
Central region*	81.3	84.6	-4.0%
Americas	16.1	18.6	-13.3%
Asia/Pacific	38.3	33.8	+13.4%
Total	184.8	184.4	+0.2%

* Central region: Africa and Europe excl. Germany

Earnings Decline in 9M 2021 Driven by Lower Total Operating Performance

Key data of Income Statement

€m	9M 2021	9M 2020	Change
Sales	184.8	184.4	0.2%
Change in finished and unfinished products	-0.8	5.0	n/a
Total operating performance	187.9	192.7	-2.5%
Cost of materials	-64.1	-65.5	+2.2%
Personnel costs	-88.3	-88.2	+0.0%
Other operating income and expenses	-24.0	-25.8	+7.2%
EBIT	-0.9	0.7	n/a
Financial result	-1.2	-1.2	+4.3%
Income taxes	-1.8	-2.8	+36.0%
Net profit	-3.8	-3.2	-17.8%
EBITDA	11.5	13.1	-11.8%
EBITDA pre¹⁾	12.3	13.6	-9.7%

Comments

- COVID-19 related delayed order acceptances in prior year drove increase of finished goods
- Cost of materials ratio of 34.1% still at last year's favourable level (9M 2020: 34.0%)
- Sum of other operating income and expenses reflect FX gains as well as lower costs for temporary workers

¹⁾ EBITDA pre: EBITDA pre exceptionals (exceptionals: restructuring charges, non-scheduled depreciation and amortization, charges for design and implementation of IT-projects, M&A costs as well as profit and loss from the disposal of non-current assets no longer required for business operations)

9M 2021: Lower Net Profit, Higher Working Capital And Strategy Driven Investments Temporarily Weigh on Free Cash Flow

Key data of Cash Flow Statement

€m	9M 2021	9M 2020	Change
Net profit	-3.8	-3.2	-0.6
Depreciation and amortization	12.4	12.3	0.1
Equity valuation	0.6	1.6	-1.0
Cash flow	9.3	11.2	-1.9
Changes in working capital	-5.9	-1.4	-4.6
Cash flow from operating activities	3.3	9.8	-6.5
Cash flow from investing activities	-10.4	-8.3	-2.1
Free cash flow	-7.1	1.6	-8.6
Cash outflow for repayment of lease liabilities	-4.9	-5.1	+0.2
Cash and cash equivalents (30 Sep)	20.4	18.0	+2.5
Net debt¹⁾ (30 Sep)	17.3	8.6	-8.7

Comments

- Cash flow down in 9M 2021 as a result of declined net profit and lower devaluation of inventories
- Working capital increased mainly due to the reduction of trade payables
- Capex up due to higher investments in R&D and PP&E; in addition, prior year included proceeds from sale of PP&E of €0.4m

¹⁾ excl. leasing liabilities

FY 2020: Drop in Equity Driven by Net Loss and an Adverse Impact of a Declining Interest Rate on Pension Provisions

Key Balance Sheet data

Assets

€m	31 Dec. 2020	31 Dec. 2019	Change
Intangible assets	43.3	41.4	+1.8
Property, plant & equipment	80.3	86.0	-5.6
Deferred taxes	13.4	12.4	+0.9
Other non-current assets	16.0	17.7	-1.7
Inventories and prepayments	36.9	34.2	+2.8
Trade receivables	36.7	42.5	-5.8
Cash and cash equivalents	19.9	15.0	+4.9
Other current assets	9.7	10.2	-0.5
Total assets	256.2	259.4	-3.1

- Intangible assets up due to capitalized R&D
- PPE followed D&A of buildings and rights of use from leases
- Inventories up due to COVID-19 driven delayed acceptance of goods
- Lower trade receivables due to lower sales and extended factoring

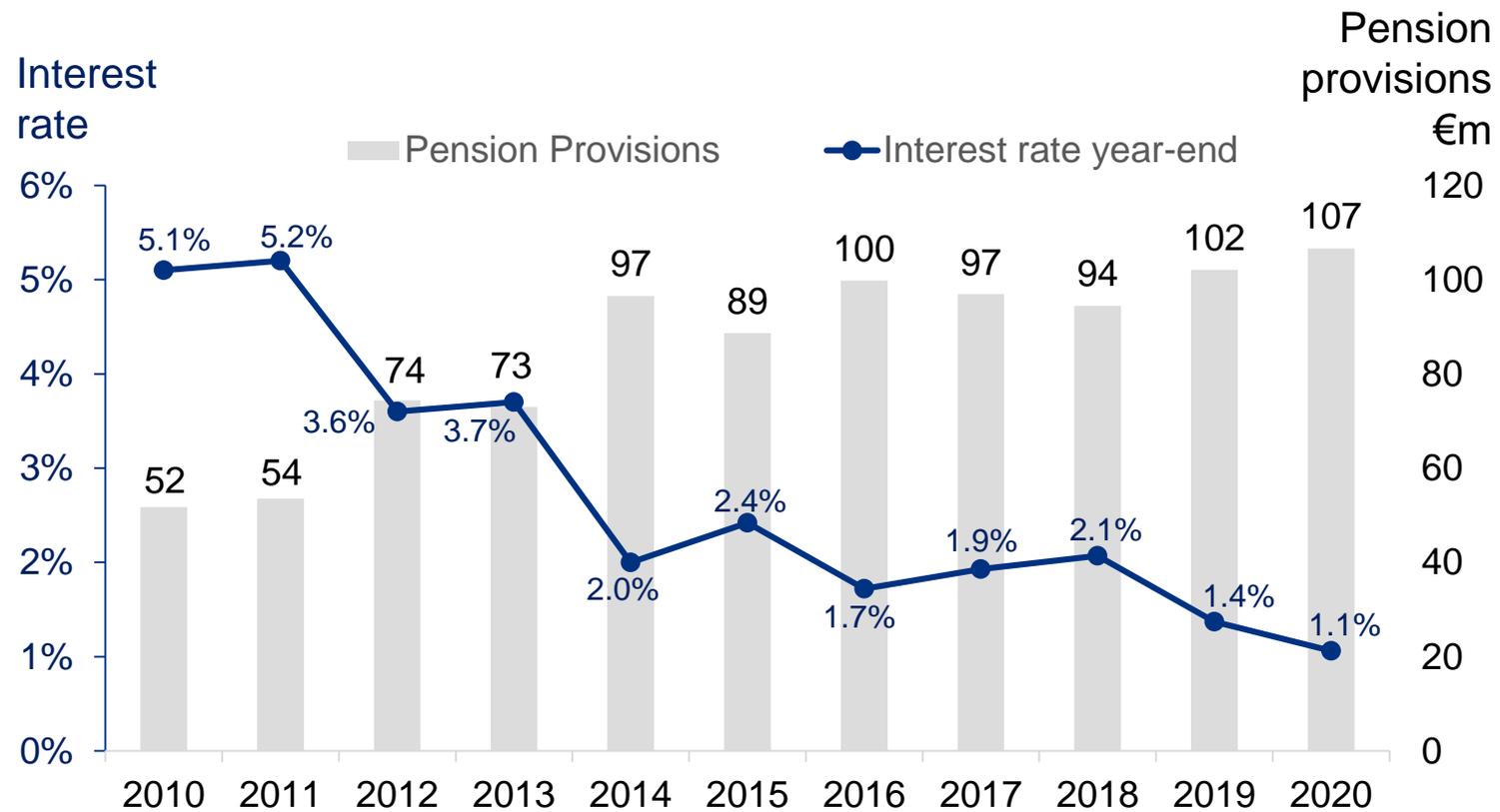
Equity and Liabilities

€m	31 Dec. 2020	31 Dec. 2019	Change
Equity	48.1	58.4	-10.3
Interest-bearing liabilities	8.8	10.2	-1.4
Pension provisions	103.1	98.7	+4.4
Lease liabilities	21.1	25.1	-4.0
Other non-current liabilities	4.8	4.8	+0.0
Trade payables	13.8	15.1	-1.3
Interest-bearing liabilities	16.9	9.0	+8.0
Other current liabilities	39.6	38.1	+1.4
Total equity and liabilities	256.2	259.4	-3.1

- Equity down due to net loss and risen pension provisions
- Financial liabilities increased to safeguard cash during economic downturn
- Increase in Other current liabilities reflected higher prepayments and provisions

Declining Interest Rates Doubled R. STAHL's Pension Provisions Over the Past Ten Years

Impact of interest rate on assessment of R. STAHL's pension provisions

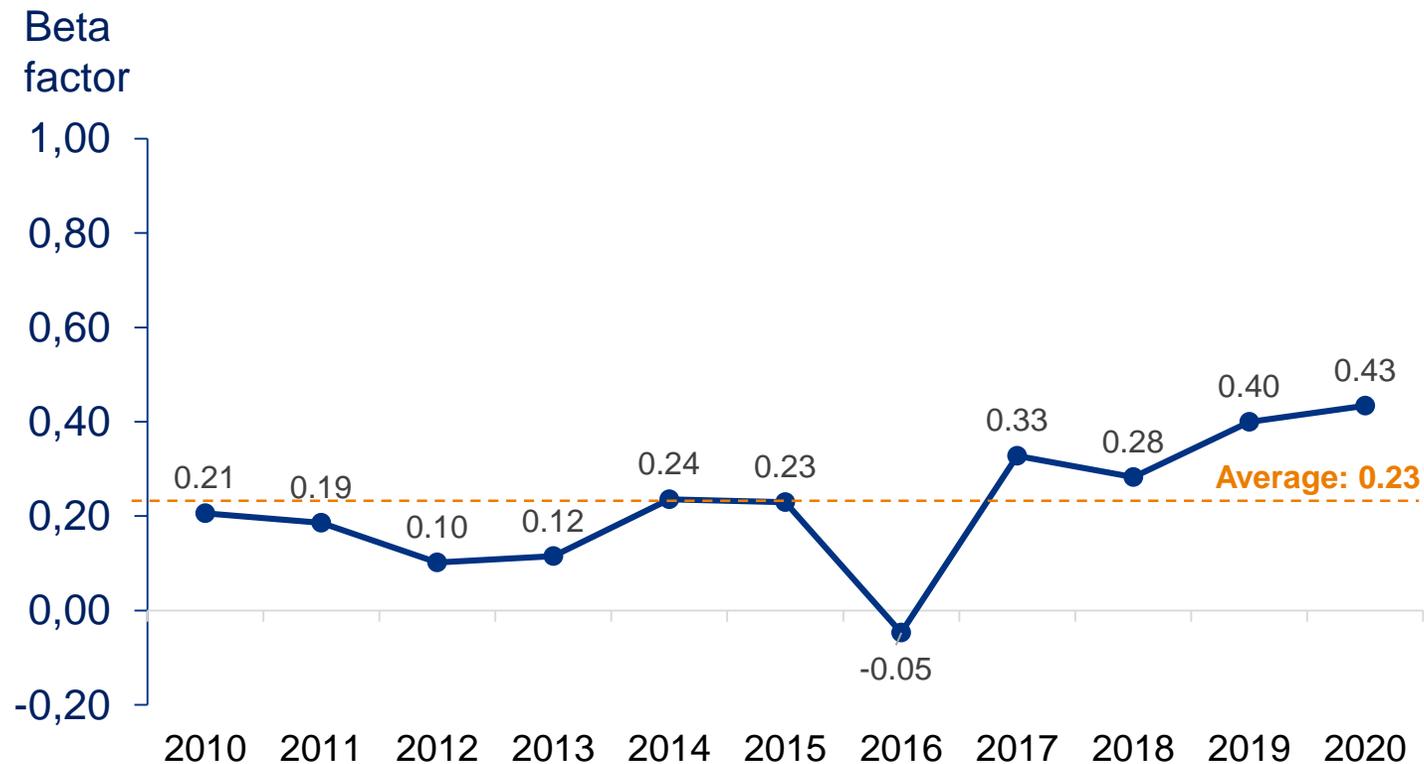


Comments

- No new entrants into R. STAHL's pension benefit plan since the late 1990's
- Nevertheless, R. STAHL's equity dropped from €84m in 2010 to €48m in 2020, largely driven by strongly increased pension provisions
- In the same period, equity ratio more than halved from 43.9% to 18.8%

Valuation of the R. STAHL Stock – Facts to Consider

Historic beta factor of RSL ¹⁾



¹⁾ Source: STOXX Ltd., Prime All Share Index (PXAK), 12m average as of December 2010 through December 2020, <https://www.dax-indices.com/zusammensetzung>

Comments

- R. STAHL's average 12m beta factor over the past 11 years is 0.23
- 12m beta shows only little variation of +/- 0.3 max since 2010
- R. STAHL's WACC (before tax) is below 3%:
 - average debt costs of 2.0% in 2020
 - risk free rate of 1.5%
 - market return of 7.0%,

Issuer, Contact and Additional Information

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Deutsche Boerse RSL2

Ticker Bloomberg RSL2

Ticker Reuters RSL2.DE

Listing Frankfurt Stock
Exchange
Prime Standard

Financial Calendar 2021/22

24-26 Nov 21 Eigenkapitalforum (virtual)

16 Feb 22 Preliminary figures FY 2021

13 Apr 22 Annual Report FY 2021

12 May 22 Interim Report Q1 2022

13 July 22 Annual General Meeting

11 Aug 22 Interim Report H1 2022

10 Nov 22 Interim Report Q3 2022

THE STRONGEST LINK.



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