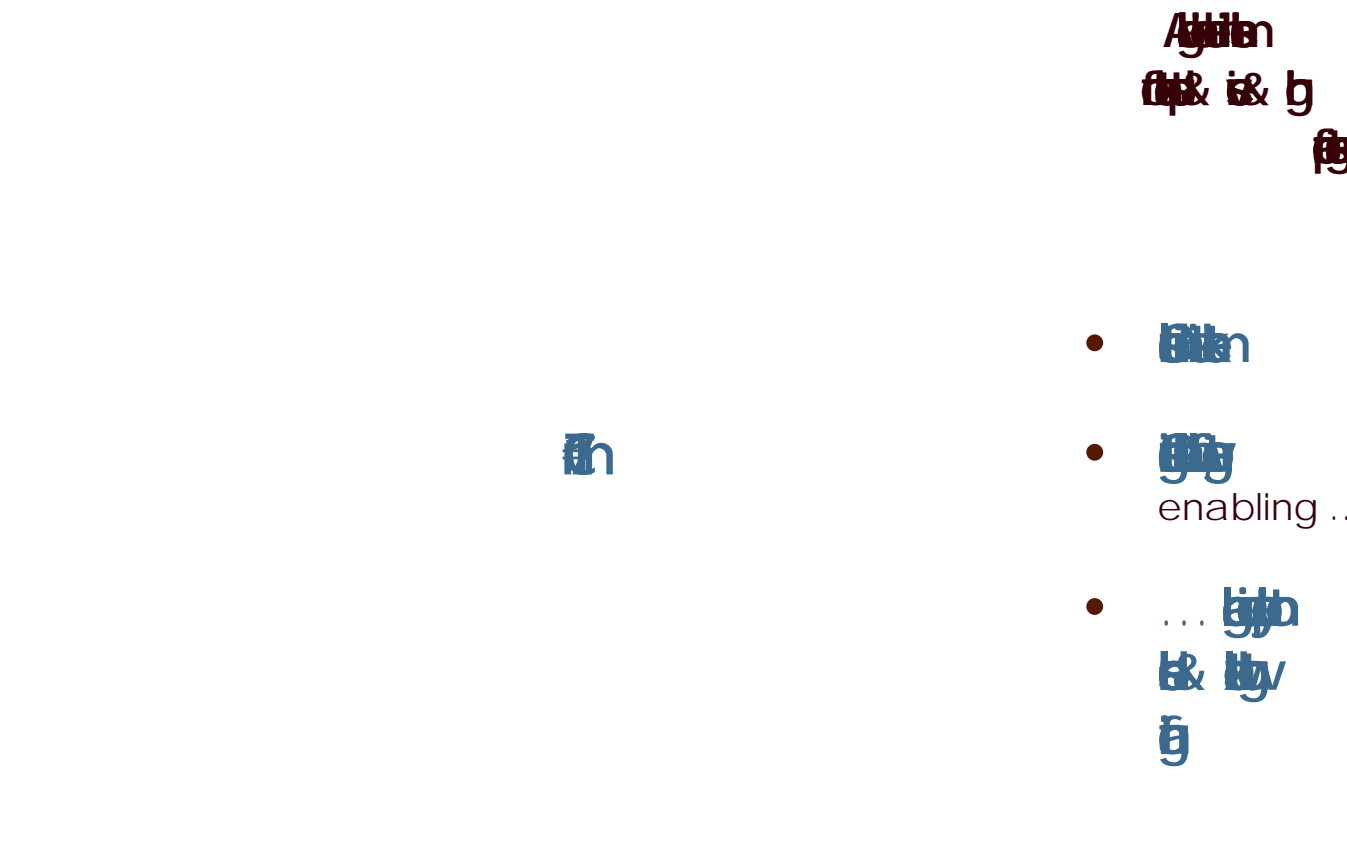




Investor Day 2018



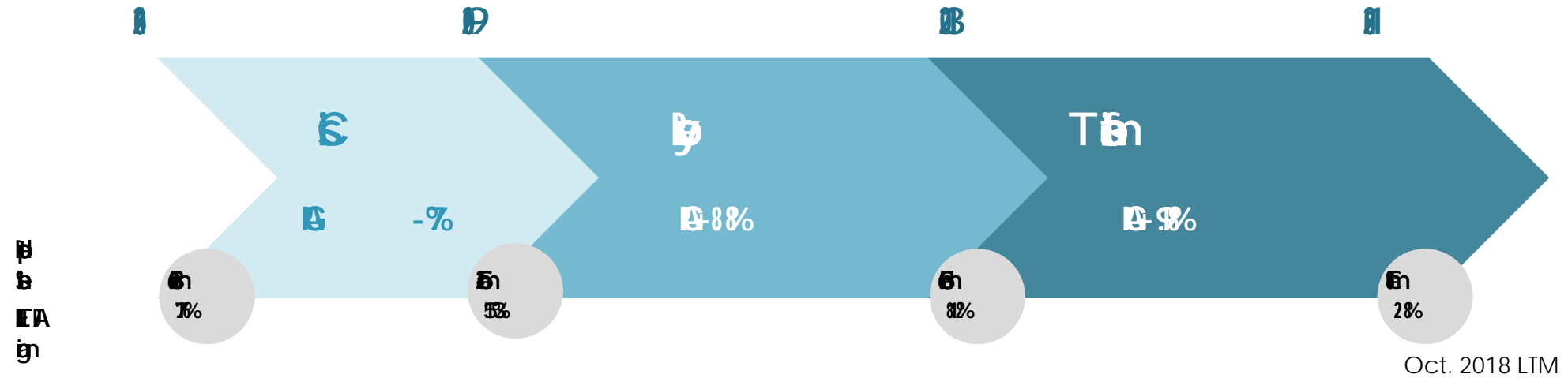
LONG-TERM INVESTOR



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Stahl's transformation story



Wendel invests €80m for 49% of Stahl's capital

Change of Management

Wendel reinvests €60m in Stahl
Wendel takes over of Carlyle's stake & becomes controlling shareholder with 92%

Renegotiation of debt with €159m debt write-off

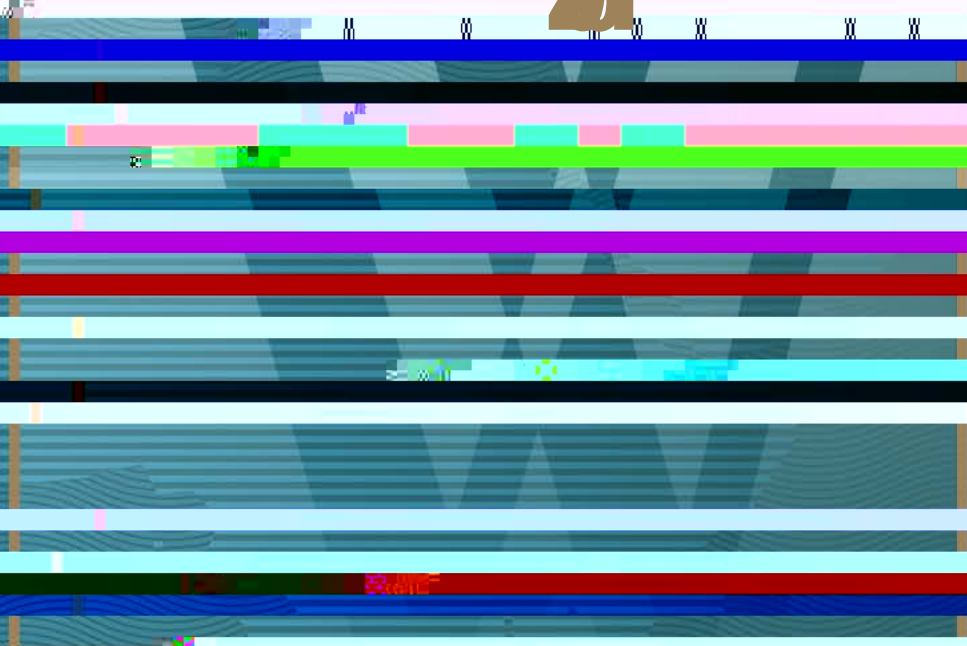
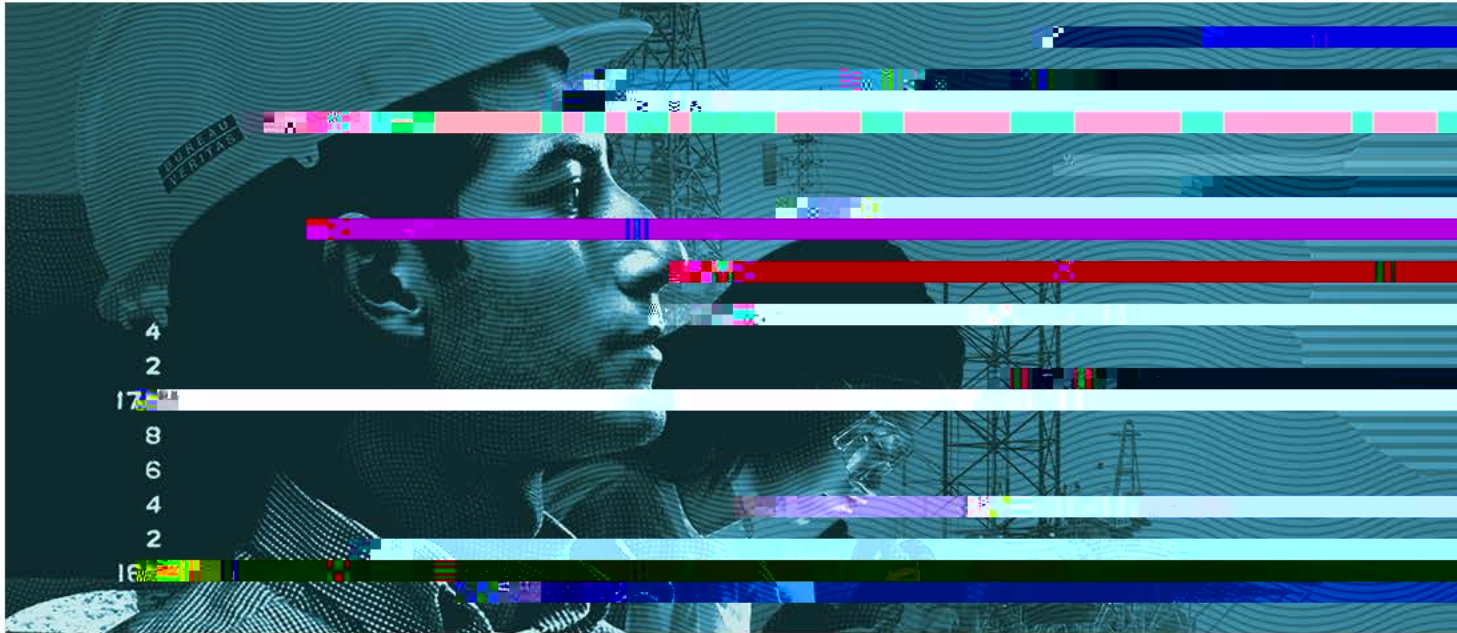
Acquisitions of Clariant Leather Services & BASF Leather Chemicals

€291m of cumulated dividends paid to Wendel in 2016/2017

Double digit growth of Performance Coatings



Huub van Beijeren



LONG-TERM INVESTOR

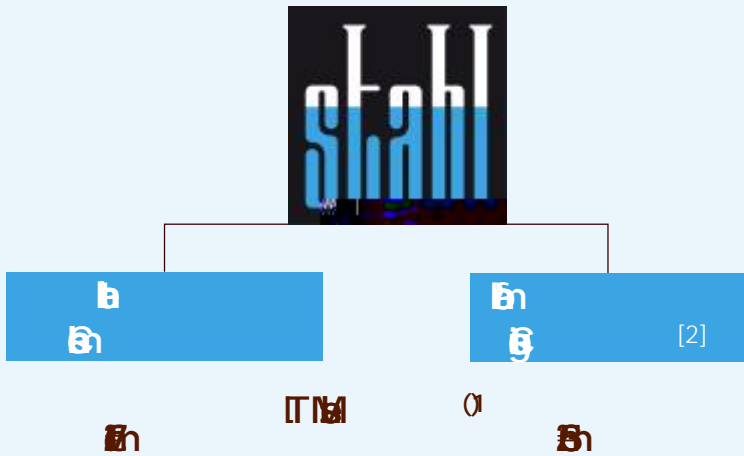
Group overview



#1 in leather process chemicals
 Leader in high growth performance coatings niche segments



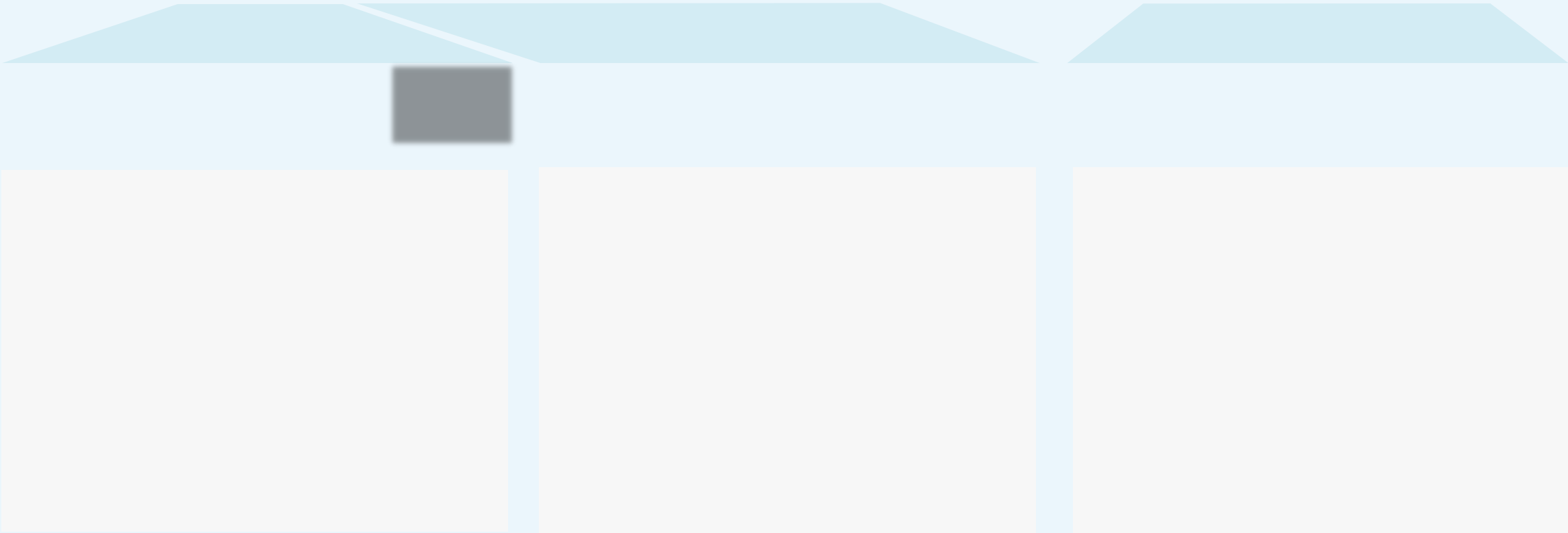
€200m LTM EBITDA⁽¹⁾ & 22.8% Margin
 80% cash conversion ratio
 ~2,000 people spread over 38 locations



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

(1) Based on Oct-18 Last Twelve Months (LTM) results
 (2) Including Stahl Polymers and Tolling

Divisional overview



Truly global footprint to capture market trends

- 6 out of 13 manufacturing plants located in emerging markets to optimally capture growth opportunities in the world's major leather centers

-

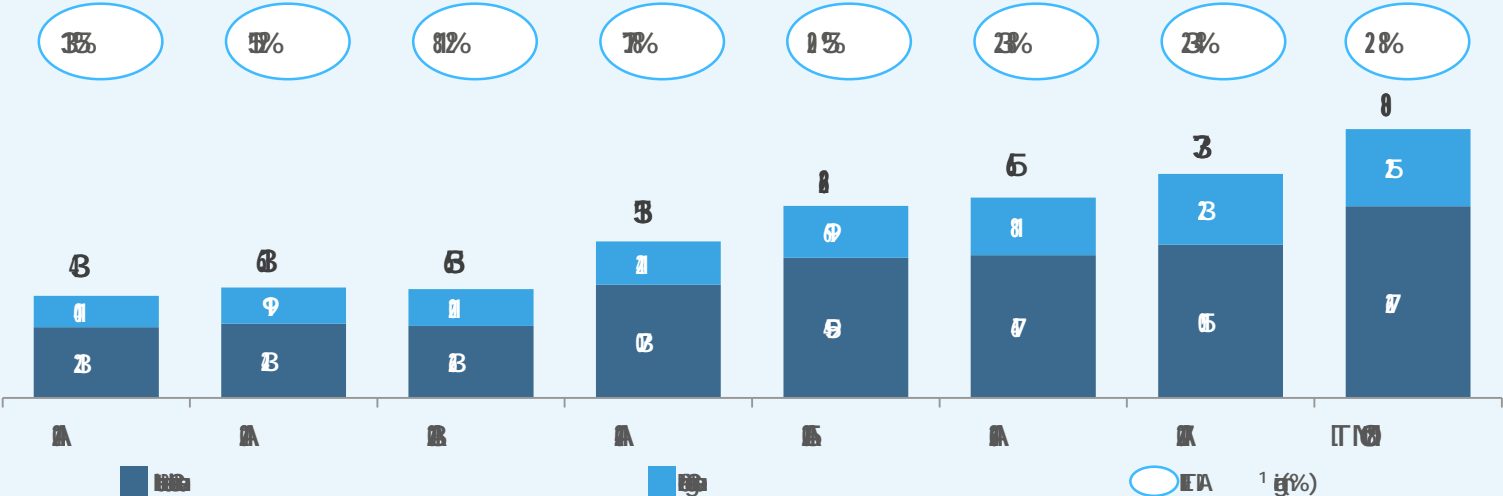


- Ongoing growth opportunities in Performance Coatings

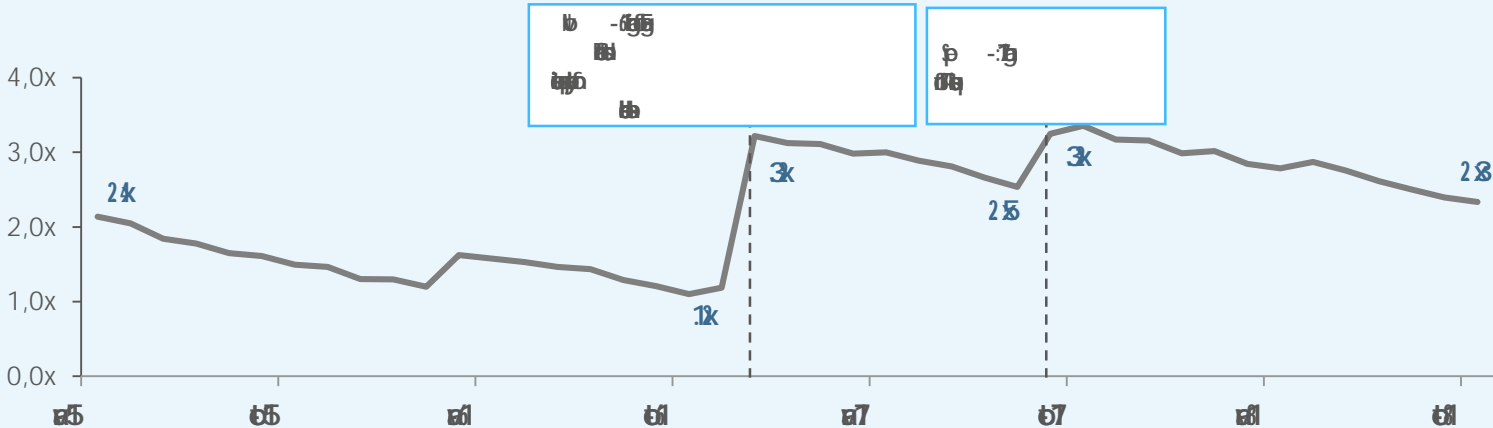


- Leverage our strong positioning in faster growing segments (Luxury / Automotive)
- Strengthen relationships with end-customers
- Continuously improve proven business model (innovation – high quality solutions – best in class technical service)

Strong financial track record



- Track record of consistently delivering growth
- EBITDA Underlying has increased from €45m in 2011 (, ng)-6.7 [(2.)€45m(1.8)0.18(5)2.50(0

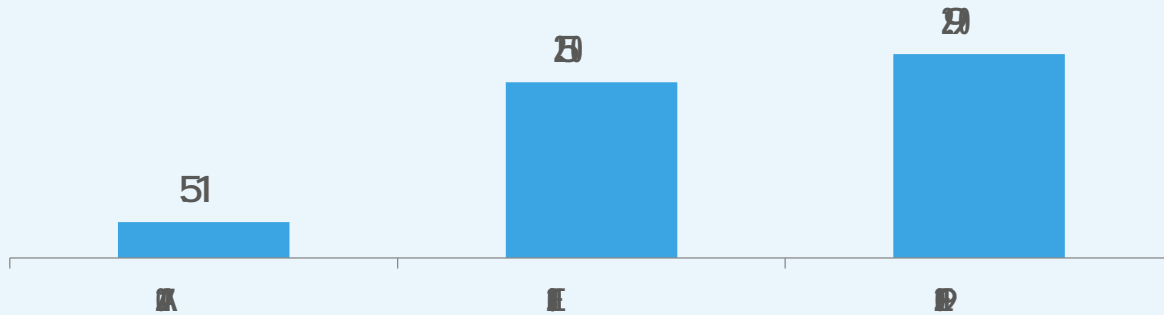


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BASF Leather Chemicals acquisition overview



- Integrate BASF LC within the Stahl organization
- Keep the key people
- Protect the top line and margin performance
- Realize cost synergies (€25m achieved by the end of 2018)



- Harmonize the product portfolio
- Reduce complexity

Current challenges

Challenges

- Leather market is more difficult, especially within the shoes segment
- Raw material prices have gone up significantly
- FX working against us during 1H-18 due to weakening of the EUR/USD
- Uncertain political climate in certain areas

Strategies

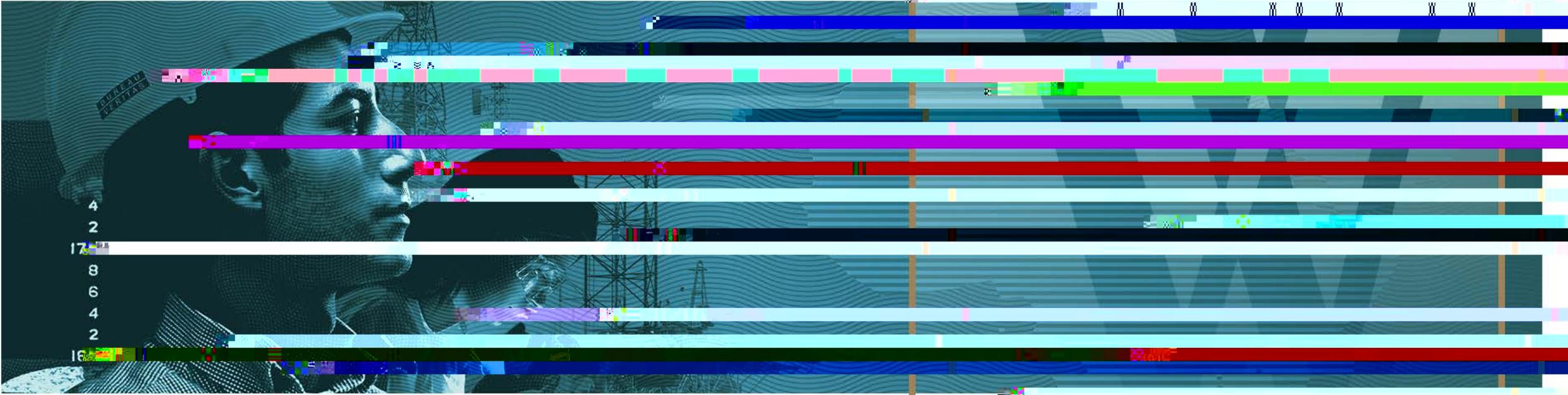
– Focus

- Implement sales price increases to offset higher raw material costs
- Realize synergies faster than anticipated
- Selectively reduce fixed overheads

Embracing digitalization without replacing the human factor

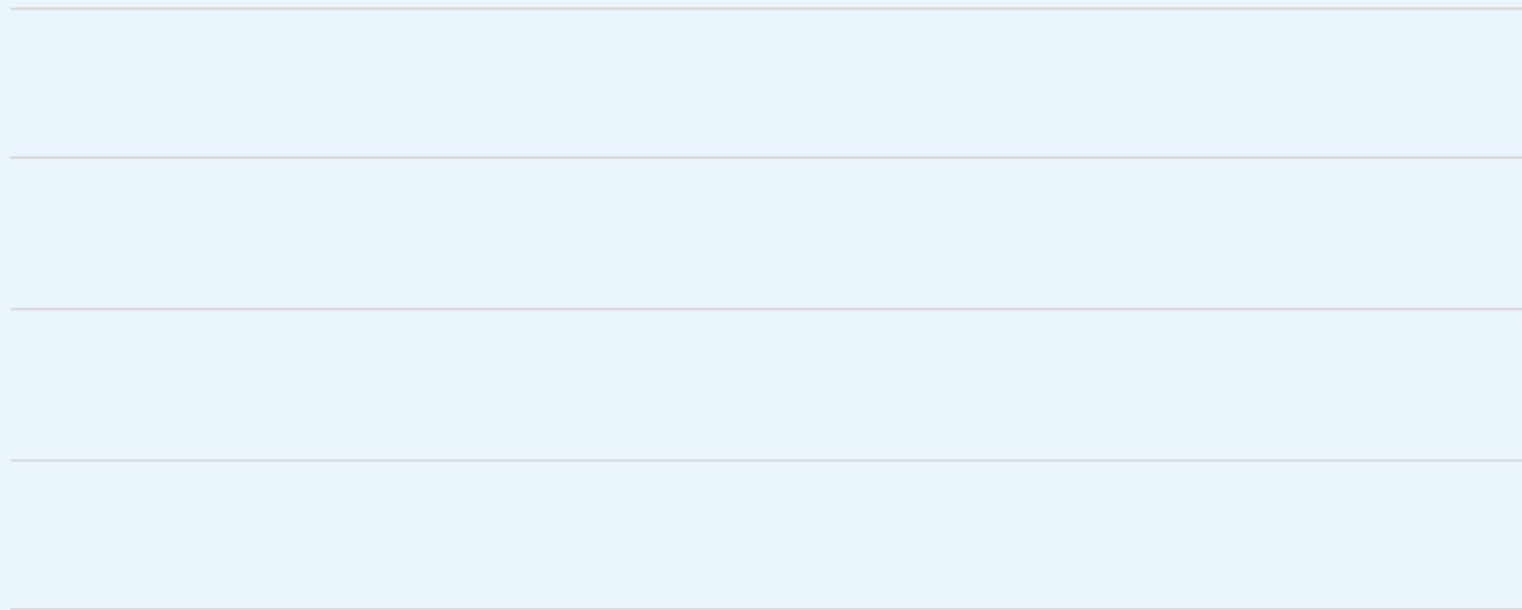


- ~~big~~ IT follows
- ~~IT~~
 - Local for local model
 - IT is facilitating, but will never replace the human factor
- Central and local visibility to be able to ~~do~~ on business performance
- IT infrastructure in place to ~~use~~

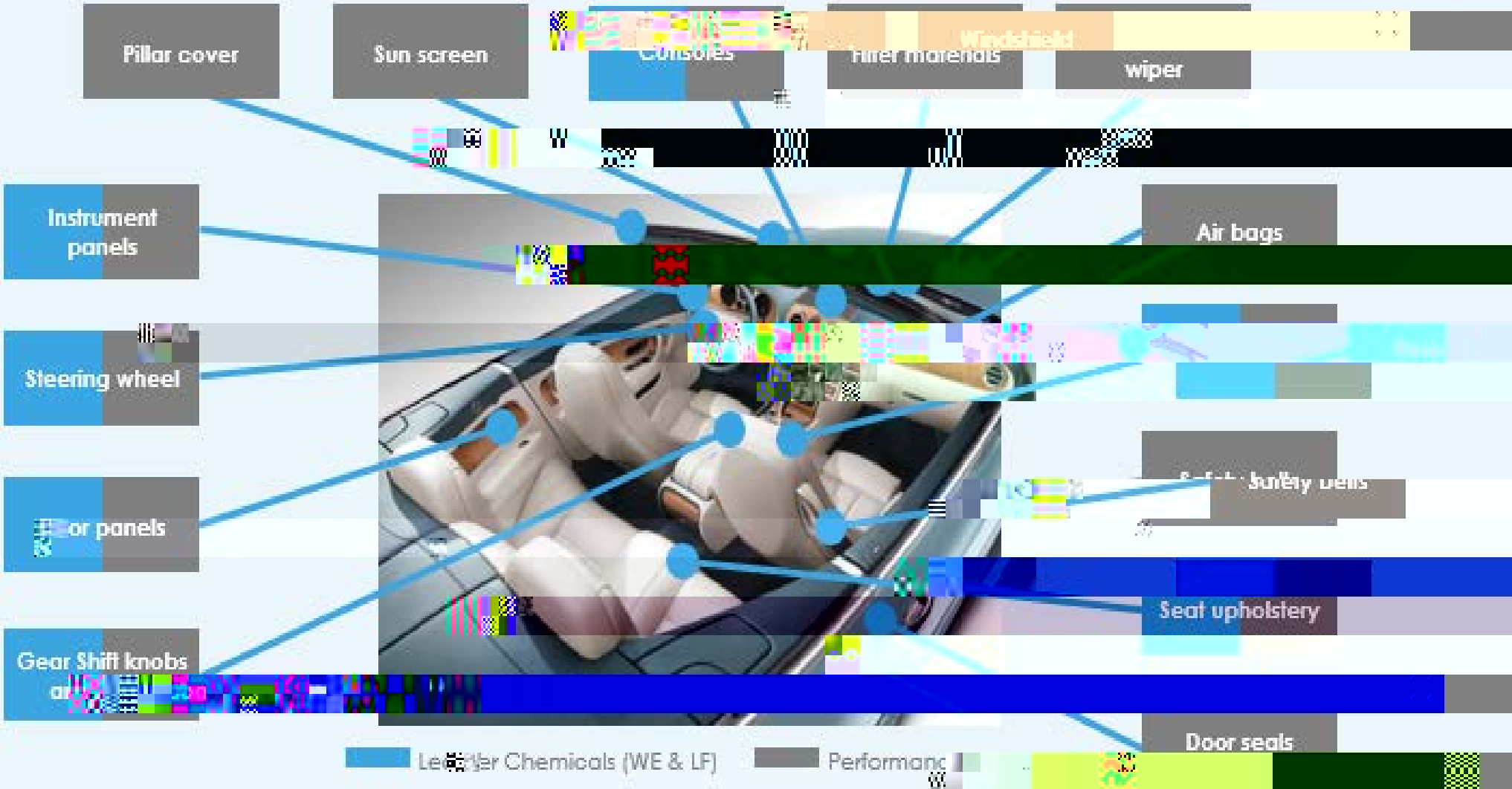


Accelerating the transition to sustainable materials


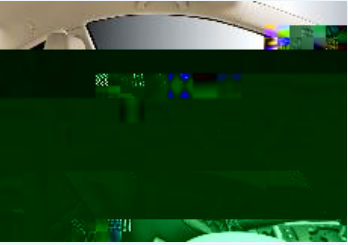


Performance Coatings - Long Term Sales Trend (EURm)



Building on strong synergy with leather



5 major channels creating value for leading brands and OEMs

 Mobility	Coated fabrics		Film and paper	Flooring
				
 <ul style="list-style-type: none"> ▪ Interior trim ▪ Seating Materials ▪ Elastomers ▪ Flock adhesives 	<ul style="list-style-type: none"> ▪ TecJ EM>BDC & 		<ul style="list-style-type: none"> ▪ surface film ▪ Specialty papers ▪ Print Receptive & Overprint Varnishes ▪ Surgery & Household coatings 	<ul style="list-style-type: none"> ▪ linoleum and polyolefin flooring

Performance Coatings – growth through M&A

M&A

M&A

- Transformational acquisition – significant size or highly innovative
- Strong growth and profitability track record
- Geographical and/or end-market expansion
- Clear (topline) synergy potential

M&A

- Eagle Performance Products
- OEM Nutech UV Powder Coatings

M&A

Key take-aways

EBITDA from