

ACQUISITION OF DESTACO

EXPANDING STABILUS INDUSTRIAL AUTOMATION BUSINESS

ANALYST & INVESTOR WEB CONFERENCE ON OCTOBER 12, 2023

Stabilus SE (the “Company”, later “Stabilus”) has prepared this presentation solely for your information. It should not be treated as giving investment advice. Neither the Company, nor any of its directors, officers, employees, direct or indirect shareholders and advisors nor any other person shall have any liability whatsoever for any direct or indirect losses arising from any use of this presentation.

While the Company has taken all reasonable care to ensure that the facts stated in this presentation are accurate and that the opinions contained in it are fair and reasonable, this presentation is selective in nature. Any opinions expressed in this presentation are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained in this presentation. Where this presentation quotes any information or statistics from any external source, you should not interpret that the Company has adopted or endorsed such information or statistics as being accurate. This presentation contains forward-looking statements, which involve risks, uncertainties and assumptions that could cause actual results, performance or events to differ materially from those described in, or expressed or implied by, such statements. These statements reflect the Company’s current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as “anticipate,” “believe”, “estimate”, “expect”, “intend”, “plan”, “project” and “target”. No obligation is assumed to update any such statement.

Numbers were rounded to one decimal. Due to rounding, numbers presented may not add up precisely to the totals provided.

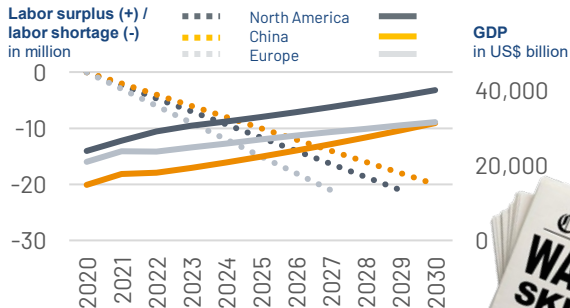


THE WORLD CHANGES: MACRO-ECONOMIC TRENDS

STABILUS

AUTOMATION – THE KEY MEGATREND TODAY AND IN THE FUTURE

LABOR SHORTAGES



Source: IMF World Economic Outlook et al.



INDUSTRIAL RESHORING



WORK SAFETY AND COMFORT



- › Economic growth requires higher production capacity.
- › **Labor shortages**, driven by demographic change, limit production capacity and economic growth.
- › As a result, **higher automation is required** to offset labor shortages.

- › Current geopolitical situation necessitates balanced production footprint.
- › **Industrial reshoring** brings manufacturing back to high-cost countries.
- › As a result, **higher automation is required** to ensure competitiveness.

- › Demand for **safe and ergonomic working environment** continues to increase.
- › Workers prefer physically less strenuous jobs.
- › As a result, **higher automation is required** to perform physically demanding tasks.

- Rising labor shortages and costs, along with economic growth, drive global demand for automation.
- Industrial production reshoring to EMEA and AMER worsens labor availability, fueling the need for automation.
- Stabilus already provides automation components and the acquisition of DESTACO will further strengthen Stabilus position.

ACQUISITION OF DESTACO – AN IMPORTANT STEP...

STABILILUS

... TOWARDS LEADERSHIP IN INDUSTRIAL MOTION CONTROL TECHNOLOGIES



Transaction summary

- › Acquisition of **DESTACO** from the Dover Corporation; an exclusively negotiated deal
- › DESTACO generated **US\$213m revenue with 20% EBIT margin in FY2022**
- › Agreement signed on October 11, 2023, closing expected in H1 CY2024

Transaction value

- › **Purchase price of US\$680m** (cash and debt free) for 100% of the share capital
- › Approx. **13x 2024E EV/EBIT pre synergies**, and c. **12x 2024E EV/EBIT after synergies**
- › In addition, c. **US\$50m present value of expected tax benefits for Stabilus**

Transaction financing

- › **All-cash** consideration to Dover Corporation
- › Transaction to be financed on closing by c. **€150m cash, €250m revolving credit facility** and **€250m new bridge facility**
- › Net leverage ratio at closing **below 2.5x (net debt / EBITDA)**, to be reduced **below 2.0x until end FY2026**

Strategic impact

- › Further diversifying Stabilus' **industrial product offering** and improving Stabilus Group's **automotive / industrial balance**
- › **Automation boost** on the way to our vision (**STAR 2030**), backed by megatrends; balancing of geographical exposure

Financial impact

- › Incl. synergies, revenue growth of c. **9% p.a.** expected for DESTACO 2022-2028 with **EBIT margin increasing to c. 23 %**
- › **Revenue synergies > €50m p.a., cost synergies > €10m p.a.**, plus c. **US\$50m present value of expected tax benefits**
- › **Significant positive impact** on Stabilus Group's revenue, adj. EBIT margin and earnings

DESTACO AT A GLANCE

LEADER IN AUTOMATION, WORKHOLDING AND REMOTE HANDLING

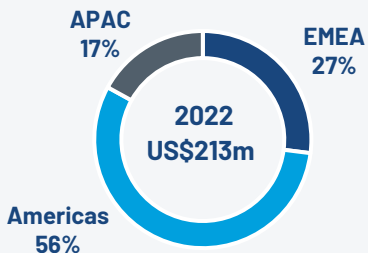
STABILUS



Headquarters in Auburn Hills, Michigan, USA



FY2022 revenue by region



Annual revenue > \$200m, EBIT margin > 20%

- > DESTACO (www.destaco.com) is a global leader in the design and manufacture of high-performance **automation, workholding and remote handling** solutions.
- > As **industrial automation expert**, the Company serves customers in a variety of markets and regions. Its machinery & automaton equipment is supplied to customers in consumer goods, packaging, aerospace, automotive, life sciences, and nuclear sectors.
- > The company was founded in 1915, is based in Auburn Hills, Michigan, USA, and operates globally through **650 employees, 5 major production locations in USA, China, Thailand, France and Germany**.
- > Revenues of **US\$213m with 20% EBIT margin** were generated in FY2022; **solid track record**; revenues of **c. US\$360m with c. 23% EBIT margin** are targeted for FY2028, i.e., a revenue CAGR (2022-2028) of c. 9% (after synergies) with higher margin due to **growing share of electromechanical / powered solutions** in DESTACO's product portfolio, **economies of scale and synergies**
- > **Experienced, long-time management** with the **CEO Stefan Eggers** at the head to remain on board

DESTACO AT A GLANCE

GLOBAL FOOTPRINT



- Corporate HQ and technology center
- Manufacturing locations
- Offices
- Countries covered by own offices / locations

Red Wing

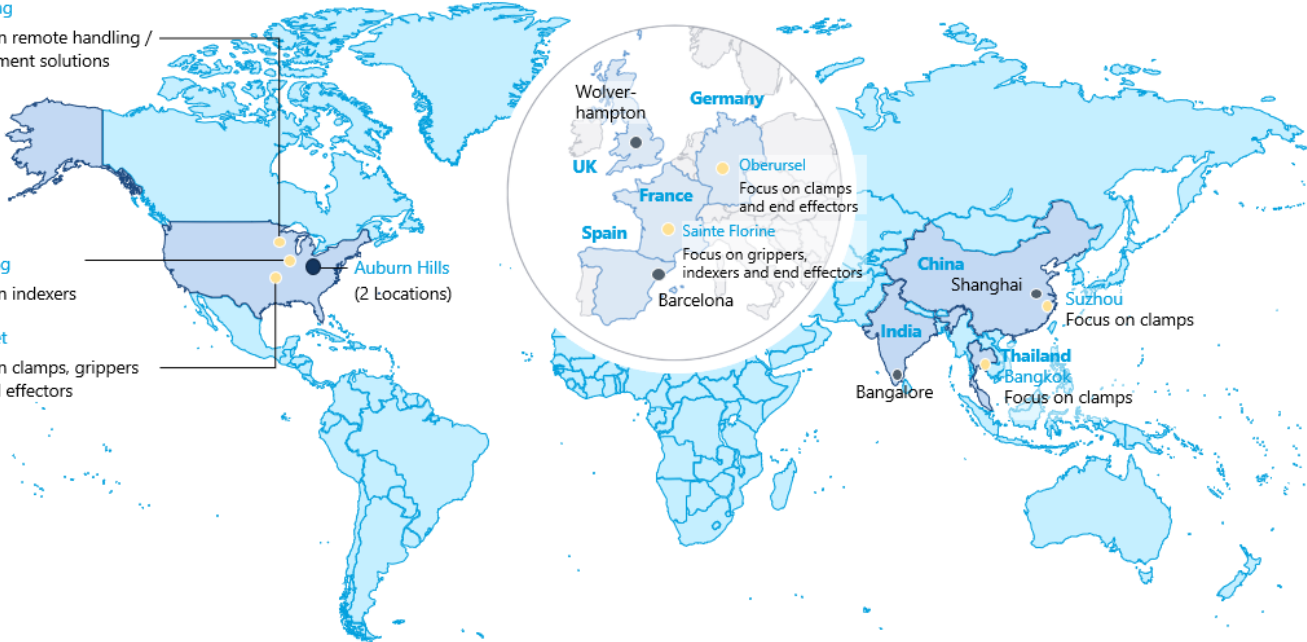
Focus on remote handling / containment solutions

Wheeling

Focus on indexers

Mt. Juliet

Focus on clamps, grippers and end effectors



Strong global manufacturing footprint allowing close client coverage and potential to efficiently leverage network effects.

DESTACO AT A GLANCE

PRODUCT PORTFOLIO

STABILUS



Product groups ...



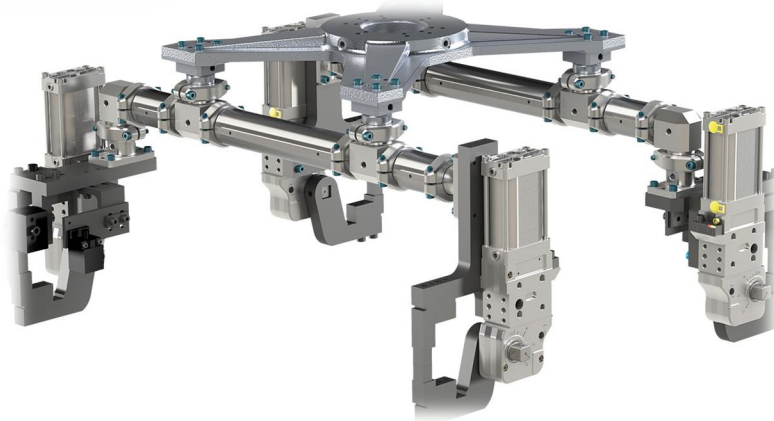
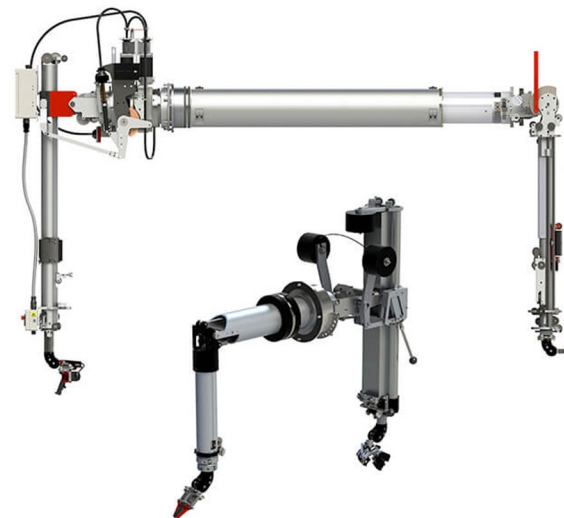
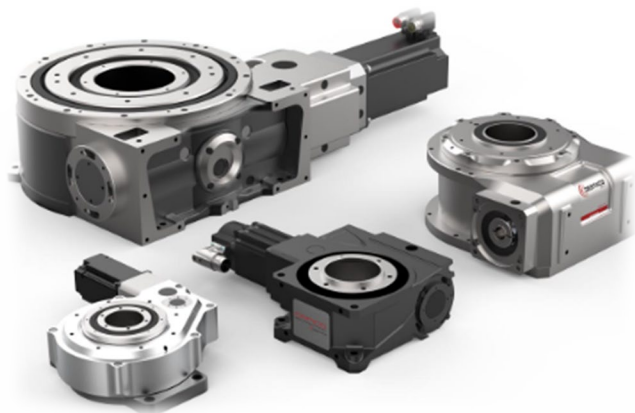
... from robotic tools to clamps

- › **Robotic tooling, gripping & remote handling** (c. 30% of sales)
 - › Electric automation grippers, pneumatic automation grippers, sheet metal grippers, material/packaging grippers
 - › BodyBuilder octagonal tooling, compliance devices, accelerate lightweight tooling, round tooling, spider grip geometric tooling, tool changers, vacuum products, accelerate digital solutions, small payload tooling (<10kg)
 - › Telemanipulators, transfer systems, glove ports
- › **Linear & rotary positioning** (c. 20% of sales)
 - › Conveyors, feed escapements, slides
 - › Mechanical indexers, clutches, part handlers, rotaries, servo positioners
- › **Clamping** (c. 50% of sales)
 - › Manual, pneumatic, hydraulic, electric clamps

SELECT PRODUCTS, BRANDS AND APPLICATIONS

STABILUS

INDUSTRIAL MOTION CONTROL: AUTOMATING TOMORROW™



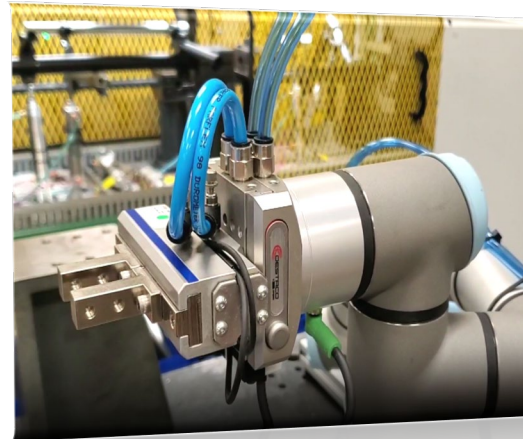
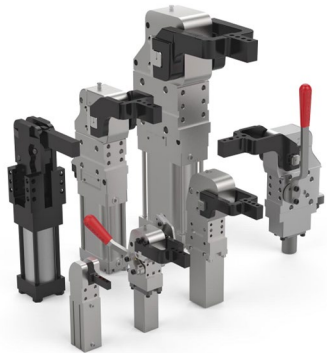
SELECT PRODUCTS, BRANDS AND APPLICATIONS

STABILILUS

INDUSTRIAL MOTION CONTROL: AUTOMATING TOMORROW™

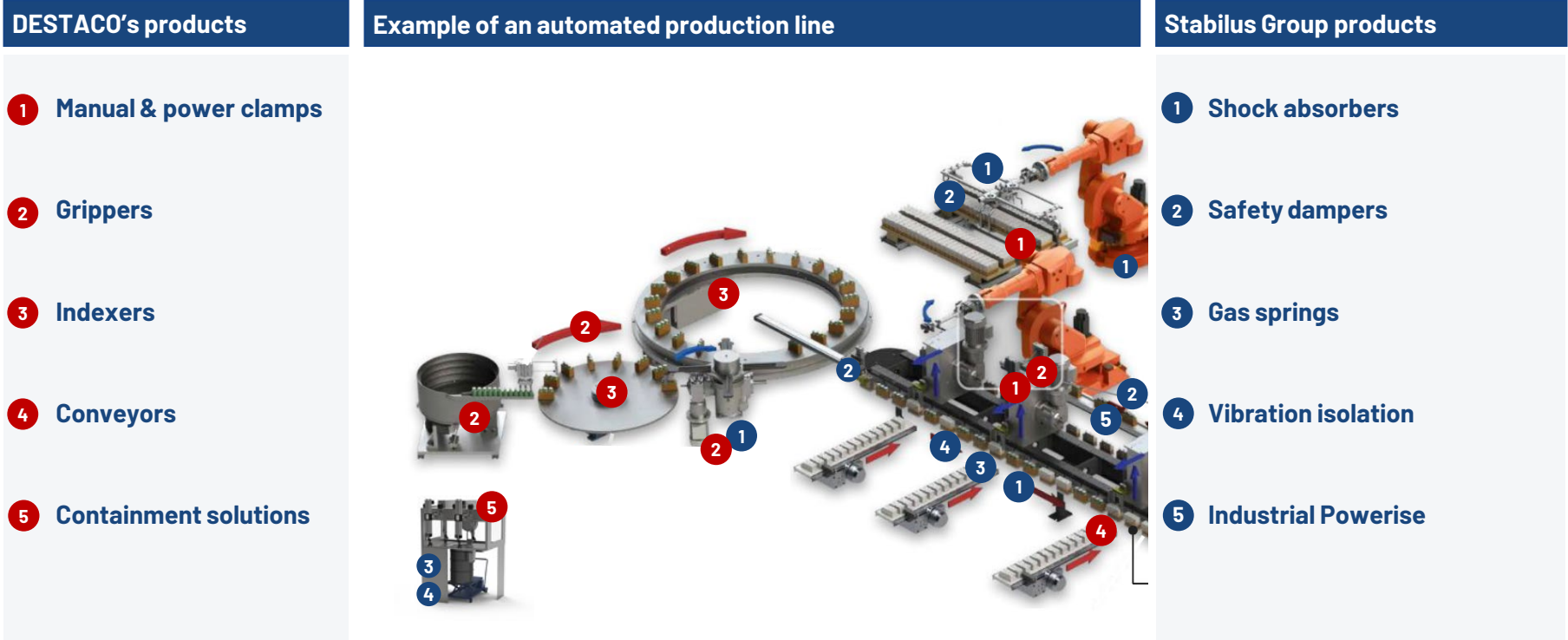


ROBOHAND



DESTACO'S AND STABILUS' PRODUCTS ARE WIDELY USED... ... IN AUTOMATED PRODUCTION LINES

STABILUS



DESTACO's product portfolio is complementary to Stabilus Group's Industrial Machinery & Automation business.



DESTACO's strengths

- › DESTACO's very good standing in **USA and Asia**
- › **Leading position in industrial automation markets:** clamping, positioning, robotic tooling and remote handling
- › **Strong brands** (DESTACO, Bodybuilder, Robohand, Camco, CRL et al.) and **technology**
- › Attractive **financial profile (20% EBIT margin in FY2022)**

Highly complementary combination

- › **Better access and distribution to customers in existing geographies;** similar customer base drives **sales synergies**
- › **Complementary footprint** provides **cost advantages**
- › Increased **share of industrial business, higher diversification and robustness;** **strong position in high-growth industrial automation** market segment
- › **Leading supplier of smart motion control technologies and subsystems** to a large number of industrial customers, perfectly in line with the current mega trends

STABILUS

Stabilus' strengths

- › Stabilus' **distribution network** with **large number of distribution partners worldwide**
- › Strong player in **high-volume automotive production** with **diversified Industrial product portfolio**
- › Strong **financial performance** and **value creation track record**
- › Successful **product innovation**

RECAP: STABILUS LONG-TERM STRATEGY STAR 2030

DESTACO – AN IMPORTANT MILESTONE

2030

Our Vision

Global leader
in intelligent motion
control technologies

Our Purpose

We make motion easy and
safe – each and every day

Our Mission

We deliver world class motion control solutions

Our Values

CODE-S:
Commitment Open Delight Ethical

Our Goals

Profitable and Sustainable Growth	Company of Choice	Next Level Motion Control Solutions	Model Corporate Citizen
-----------------------------------	-------------------	-------------------------------------	-------------------------

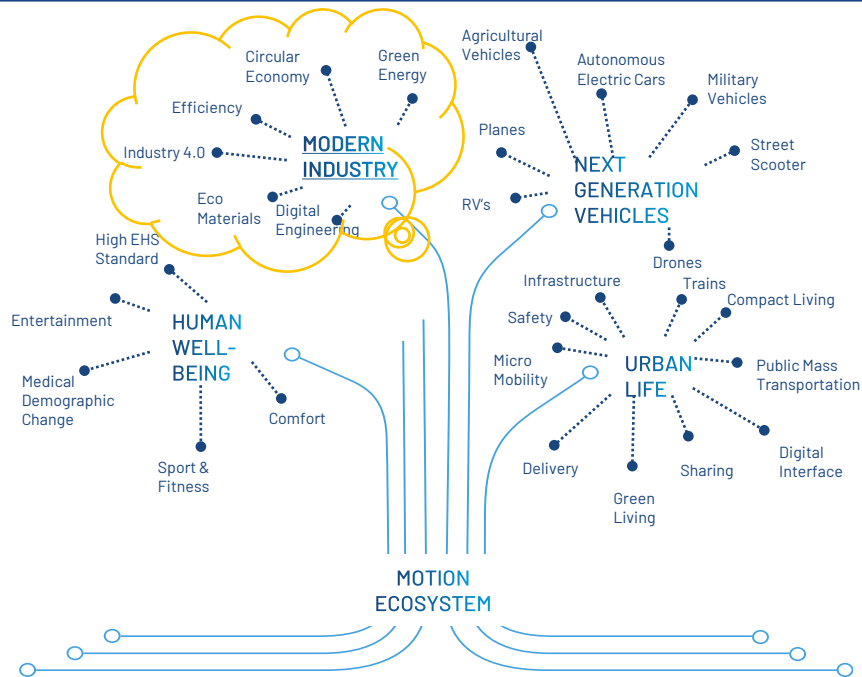
Our KPIs

Total Sales €2bn @ 15% adj. EBIT margin	Employee & Customer Net Promoter Score > 50	€0.5bn Sales with New Innovative Solutions	Company with Top Sustainability Ratings
---	---	--	---

 = estimated significant positive impact from DESTACO acquisition on this strategy elements



Motion Ecosystem / Stabilus Innovation Tree



Tailwinds: Macro-economic trends

› Labor shortages

- › Expected global economic growth is threatened by significant shortage of skilled workers. Therefore, transformation of production towards automation is necessary.

› Industrial reshoring

- › Geopolitical uncertainties lead to industrial reshoring towards Europe and North America. US Inflation Reduction Act will accelerate industrial automation.

› Ergonomics and workplace safety

- › The aging population of skilled labor in developed countries requires more support in the production processes, i.e., more handling tools, safer and highly automated production.

As a consequence, intelligent motion control and industrial automation become even more important.

PLANNED STRATEGIC DEVELOPMENT

STABILUS

VISION: LEADER IN INTELLIGENT MOTION CONTROL TECHNOLOGIES

EVOLUTION

R&D M&A

M&A

ELECTRO-MECHANICAL MOTION CONTROL SOLUTIONS

AUTOMATED AND ACTUATED MOTION CONTROL SOLUTIONS

DIGITAL AND INTEGRATED MOTION CONTROL SOLUTIONS

PRODUCTS

MARKET LEADERSHIP:

- Gas Springs
- Linear Dampers
- Rotary Dampers
- Shock Absorbers
- Vibration Isolation
- Electric Actuators

STABILUS

INDUSTRIAL AUTOMATION PLATFORM:

- Actuated Systems
- Gripping, Robotic Tool Systems
- Software Competence
- ECU & Communication
- Integration

STABILUS + **DESTACO**

SOPHISTICATED MOTION SOFTWARE

synopticon

INTELLIGENT MOTION CONTROL:
In addition to current product portfolio:

- Sensors
- Interface (HMI)
- Digital services, e. g. software as a service (SaaS)

+ **ADD-ON ACQUISITIONS**

AUTOMATION LEVEL



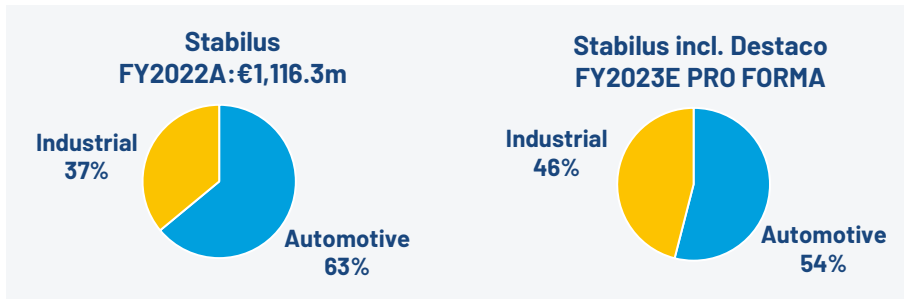
FURTHER ENHANCEMENT OF GROUP PRODUCT PORTFOLIO (ORGANIC & INORGANIC)

DESTACO is an important step in Stabilus Group's evolution from a component supplier in the past to a leader in intelligent motion control systems in 2030.

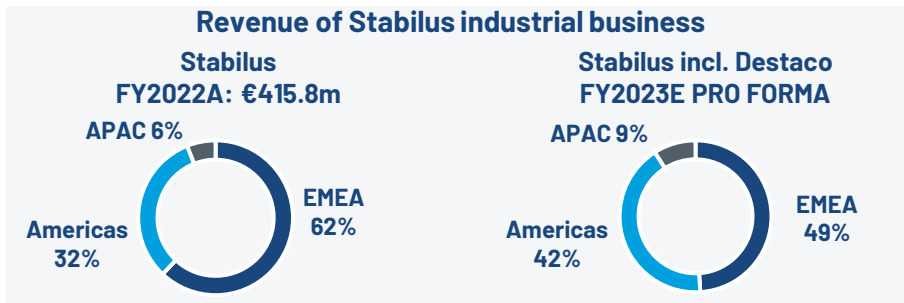
SIGNIFICANT EXPANSION OF INDUSTRIAL BUSINESS...

... AND INDUSTRIAL MACHINERY & AUTOMATION SUBSEGMENT

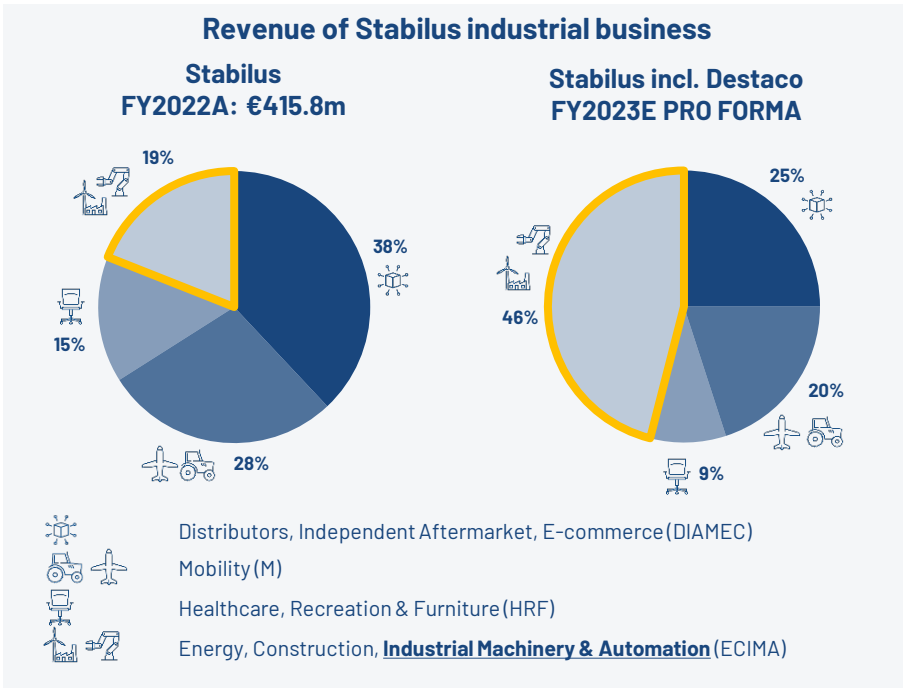
Increasing Industrial share to almost half of total revenue



Strengthening industrial business in Americas and APAC



ECIMA to increase to almost half of industrial revenue

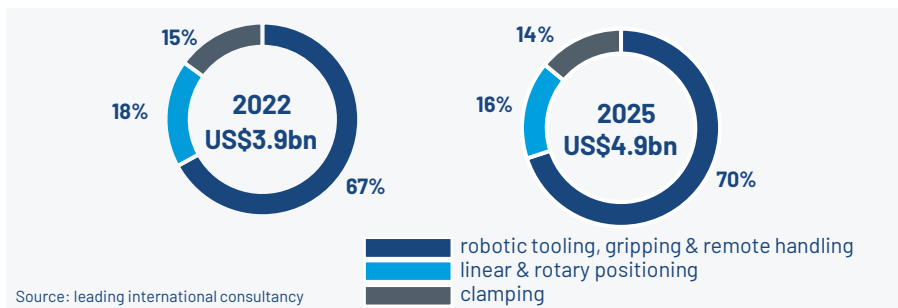


SUSTAINABLE PROFITABLE GROWTH EXPECTED...

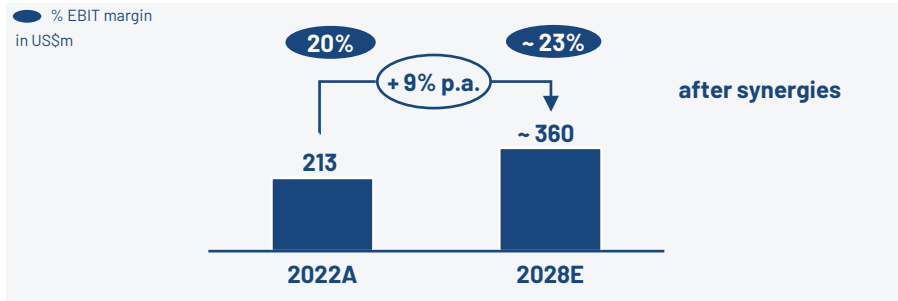
STABILUS

... DRIVEN BY AUTOMATION, ELECTRIFICATION, DIGITALIZATION

Key addressable markets are set for further growth



Outlook for DESTACO's sustainable profitable growth



Large potential and room for growth in robotic tooling

- › **Robotic tooling, gripping & remote handling** is the highest growth market **through 2025**
- › The estimated growth for DESTACO's revenue, **CAGR (2022, 2028)** at **c. 9% p.a. after synergies**, driven by increasing
 - › automation,
 - › electrification and
 - › digitalization
- › With advancing electrification, pneumatic product applications are being replaced by smarter, electromechanical solutions
- › Estimated **EBIT margin improvement** from 20% in 2022 to c. 23% in 2028 due to higher share of electromechanical / powered solutions in DESTACO's product portfolio, economies of scale and synergies

SYNERGIES FOCUSED ON HIGHER MARKET PENETRATION

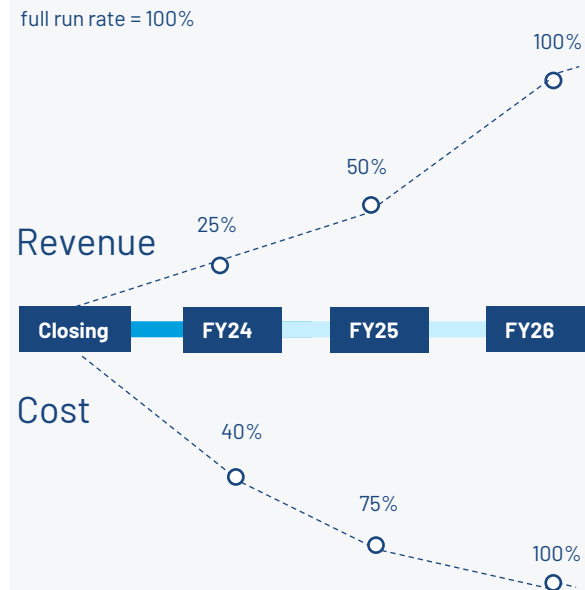
Identified synergies

- › Full run rate **revenue synergies > €50m p.a.**, with expected drop-through rate (EBIT margin) of > 20%
- › Full run rate **cost synergies > €10m p.a.**, with major share (75%) to be achieved promptly, during the first two years following the closing
- › **Tax benefit of US\$25m-US\$30m** expected in the years 2024-2028, i.e., a significant portion of the **c. US\$50m total present value of expected tax benefits**; benefits arise due to combined asset and share deal, i.e., acquisition of intellectual property, trade names etc. from Dover as part of asset deals

Key priorities

- › Distribution of DESTACO's products through **Stabilus' large number of distribution partners** worldwide; more than 400 distributors relevant for DESTACO's products
- › As DESTACO has a very good standing in the US and Asia, distribution of Stabilus products through **DESTACO's distribution partners in Americas and APAC**
- › **Leveraging of access to OEMs** in all regions
- › **Integration of production sites, insurance cost and administrative cost savings** by incorporating DESTACO into Stabilus Group

Timeline

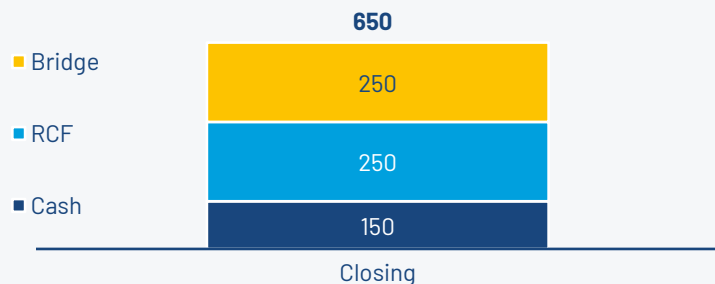


SOLID FINANCING STRUCTURE...

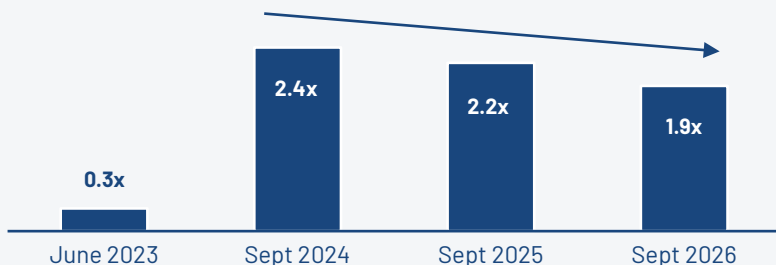
STABILUS

... WITH NET LEVERAGE < 2.5X AT CLOSING AND FAST DELEVERAGING

Financing structure (in €m)



Expected fast deleveraging (net debt / EBITDA)



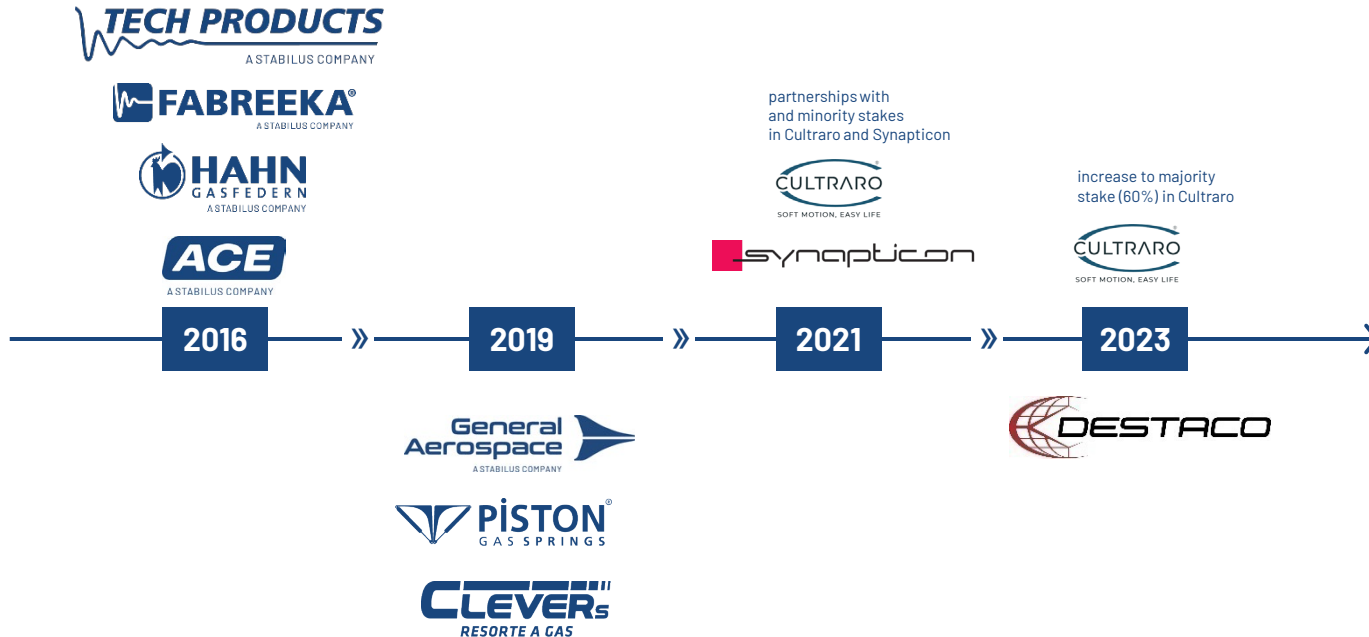
Comprehensive financing concept

- > The **purchase price of US\$680m** for the acquisition of 100% shares in DESTACO, i.e., around **€650m** at 1.05 US\$/€ fx rate, will be financed with:
 - > **c. €150m cash,**
 - > **€250m** utilization of the currently unused **revolving credit facility (RCF)** of €350m and
 - > **€250m new bridge facility.**
- > Net leverage ratio at closing **below 2.5x (net debt / EBITDA)**, to be reduced **below 2.0x until September 2026**, due to strong cash generating ability of the Group

SUCCESSFUL M&A TRACK RECORD SINCE IPO IN 2014

PROVEN ABILITY TO EXECUTE VALUE ACCRETIVE ACQUISITIONS

STABILUS



- › **Successful integration** of various acquisitions since IPO
- › **Disciplined approach**, to acquire businesses that fit our strategic ambitions
- › **DESTACO as another important step** to achieve our long-term goals
- › **Continuous review** of inorganic growth options
- › Commitment to our **sustainable capital deployment and financing strategy**

Key facts	Strong rationale for transformational transaction	
<p>1 Purchase price of US\$680m for 100% of the share capital</p>	<p>Transaction summary</p>	<ul style="list-style-type: none"> › Acquisition of DESTACO creates a strong player in Industrial Automation › Continuing our path to become the global leader in intelligent motion control technologies
<p>2 EV implies c. 13x 2024E EV/EBIT pre synergies, c. 12x 2024E EV/EBIT after synergies</p>	<p>Attractive growth market</p>	<ul style="list-style-type: none"> › Increasing the share of our Industrial business, particularly expanding our Industrial Machinery & Automation subsegment › Highly attractive high-growth market for industrial motion control
<p>3 In FY2022 DESTACO's revenue was at US\$213m with an EBIT margin of 20%</p>	<p>Transaction financing</p>	<ul style="list-style-type: none"> › Exclusively negotiated all-cash deal › Transaction will be financed with c. €150m cash, 250m revolving credit facility and a €250m new bridge facility
<p>4 For FY2028 revenue of c. US\$360m with an EBIT margin of c. 23% targeted (after synergies)</p>	<p>Complementary footprint</p>	<ul style="list-style-type: none"> › Complementary market positions and client base › Strong global manufacturing footprint allowing close client coverage and potential to efficiently leverage network effects
<p>5 Significant positive impact on Group's sales and margin; attractive value creation potential in the mid- to long-term</p>	<p>Strong financial profile & value creation</p>	<ul style="list-style-type: none"> › Strong financial track record of growth and margins › Conservative top-line and bottom-line synergies from leveraging complementary setup

Q&A SESSION



STABILUS
MOTION CONTROL