

Waiblingen, 27.04.2021

STIHL Group achieves a significant increase in unit sales and revenue in 2020

- Worldwide sales growth due to strong demand for gardening products
- Strengthening battery powered expertise: A dozen new STIHL battery-powered products for pros
- STIHL shapes its transformation to achieve mid and long term growth

In fiscal year 2020, the STIHL Group achieved a sales revenue of 4.58 billion euros. This represents a growth of 16.5 percent compared to the previous year (2019: 3.93 billion euros). A total of 90 percent of the revenue was generated outside of Germany. Excluding currency effects, revenue increased by 20.8 percent. In line with the positive business performance, staff numbers increased by 9 percent to 18,200 employees worldwide (as of December 31, 2020). The capital structure of the corporate group remains extremely solid due to its high equity ratio of 69.6 percent. Investments continue to be financed from the Group's own liquid funds. As in previous years, investments significantly exceeded depreciation. In 2021, STIHL expects further growth in sales and revenue - also as a result of numerous new products.

Worldwide growth in sales and revenue through increasing focus on private garden, new products and also due to favorable weather conditions

In 2020, the STIHL Group achieved sales and revenue growth in almost every market. The company recorded the highest growth percentages in the battery-powered segment. The share of the overall sales attributed to battery-powered products now amounts to 17 percent and continues to rise. There was also strong sales growth in the gasoline-powered segment with quantities actually far higher than in the battery-powered segment. Especially in North America, the demand for gasoline-powered tools showed positive development. "At the beginning of the coronavirus pandemic and despite pessimistic forecasts, we made the decision to continue producing with the highest standards and in compliance

with the most demanding infection protection standards in order to supply our customers. In March and April 2020, we recorded sharp losses when many dealers were forced to temporarily close their businesses due to the coronavirus pandemic. However, the demand for STIHL began to rise noticeably in May, so that we were quickly able to overcompensate for the initial losses,” explained Dr. Bertram Kandziora at the press conference presenting the company’s annual results. Newly launched products, in particular, contributed to strong sales growth. For example, the STIHL GTA 26 garden pruner for garden maintenance as well as the STIHL HLA 66 battery-powered long-reach hedge trimmer and the STIHL MS 400 C-M gasoline-powered chainsaw - both for professional use - proved extremely popular. As such, there was strong demand for STIHL products both among private customers and also among professional users in the fields of horticulture and landscape gardening, agriculture and forestry, or road maintenance, who had to continue working despite the restrictions during the pandemic. The “cocooning effect” was also a positive influence. Many customers spent noticeably more time at home last year, working in their garden or yard. In addition, the weather last spring was so good that there was a high demand for STIHL gardening tools.

High level of health protection and extensive planning for production and logistics

“A high level of health protection, proactively safeguarding supply chains, and continuing production at a high level were the central pillars of our strategy in the past year. As a family-owned company, we have a strong responsibility toward our employees, dealers, and customers. Accordingly, we developed and implemented extensive measures in diverse areas of the company at an early stage,” Dr. Kandziora emphasizes. An effective hygiene concept implemented in close cooperation with the responsible authorities to protect the health of our employees was the highest priority. At the same time, the company delivered all of the available parts stocks to the assembly plants or had these delivered by suppliers ahead of time. Dr. Kandziora: “This is where we benefited from the advantages of our own production network as well as the strong partnerships with our suppliers. Nevertheless, we were still forced to flexibly adapt various assembly plans.” The company supported STIHL dealers with measures such as extended payment periods. Comprehensive and forward-looking production and sales logistics planning enabled STIHL to maintain the supply chains to the greatest possible extent and largely fulfill the

high customer demand. “Still, even we experienced some supply delays for products that were in especially high demand,” added Dr. Kandziora.

2020 was a successful and challenging year in the German market

STIHL achieved a significant increase in sales and revenue in the German market in 2020 and was able to exceed the 400 million euro mark for the first time. The cocooning effect also had a noticeable influence in Germany. Customers dedicated more time and purchasing power to their own house and garden. However, the strong demand combined with the simultaneous bottlenecks in the supply chains created a number of challenges and a difficult delivery situation. This development continued during the first quarter of 2021. At times, customers were forced to wait for products they had ordered because of the supply chain difficulties.

The German STIHL distribution center in Dieburg was able to continue operating without interruption during the pandemic. The distribution center employees work virtually from home while logistics and other relevant departments continue to work on site. Events for dealers such as the STIHL Treff and training seminars are also offered in digital formats and safeguard the continuing exchange with dealers. The new finished goods warehouse will be commissioned on schedule in spring, further enhancing logistics efficiency.

STIHL’s own online store www.stihl.de was successfully launched in Germany in March 2020. This store enables customers to order STIHL tools online and have them delivered directly to their door. With its e-commerce offering, the company also strengthens the authorized servicing dealers because customers are recommended a nearby dealer with every purchase in the STIHL online store. As always, this dealer serves as their personal contact, providing on-site advice and professional service. For the provision of these services, the local dealer receives a payment from STIHL for every online purchase. The company is strengthening its e-commerce business and successively expanding the online store internationally. After the introduction in France in autumn last year, Spain, Portugal, Benelux, Italy, the United Kingdom, New Zealand, and Australia will follow this year.

STIHL's German parent company: record revenue and high investments

ANDREAS STIHL AG & Co. KG, the German parent company of the corporate group, achieved a record revenue of 1.38 billion euros in 2020. This represents a growth of 14.3 percent compared to the previous year (2019: 1.21 billion euros). The export ratio remained at a high level of 89.2 percent. Staff numbers increased by 3.4 percent to 5,262 employees. As of December 31, 2020, a total of 3,777 people worked in Waiblingen, 235 in Ludwigsburg, 386 in Fellbach, 797 in Weinsheim, and 67 in Wiechs am Randen. The Chairman of the STIHL Executive Board emphasizes: "In the past year, our employees have shown incredible commitment and flexibility. Satisfying the great demand for STIHL tools required exceptional dedication - including additional shifts and working on Sundays. I would like to thank all of our employees for their outstanding work and strong commitment." To express gratitude for this exceptional commitment, STIHL is sharing its company's success with the head office employees by distributing an annual bonus of 69 percent of a monthly salary. In addition, also a coronavirus bonus in the past year was paid out. The investment volume at the headquarters remains high at 155 million euros. The majority of the investments are made in construction projects such as the building complex consisting of the STIHL Brand World, administrative buildings, and a canteen at the company's headquarters at Badstraße in Waiblingen, the Mia Stihl Kindertagesstätte, a childcare center in Waiblingen, and also in expanding the logistics in Waiblingen-Neustadt with offices for manufacturing and materials. There has also been increasing investment in research and development, the IT infrastructure, and production technology.

STIHL shapes the transformation and anticipates further growth

"In the past year, we were able to strengthen our leading position in the world markets. This year, we will also have to overcome the challenges posed by the supply chain and material flows. Furthermore, it is important to ensure that the STIHL Group secures its future over the medium and long term. Our industry is undergoing a major transformation - driven by increasing digitalization and decarbonization. In the markets, we can see increasing competitive pressure in the battery-powered segment with changing customer requirements as well as new information and sales channels," explained the Chairman of the STIHL Executive Board. The company has initiated a number of projects to shape this transformation. These serve to strengthen the focus on the future market requirements

and the customers themselves. “The STIHL corporate group will also retain its ability to grow over the medium and long term. For the current fiscal year 2021, I am also optimistic and anticipate growth in sales and revenue,” continues Dr. Kandziora.

STIHL is committed to the Paris Agreement and will become climate-neutral

“STIHL has had a connection with nature since the company was founded. The roots of our company lie in forestry and our products can help to use the environment responsibly, to maintain and protect it,” explains the Chairman of the STIHL Executive Board. STIHL is committed to the Paris Agreement’s goal of limiting global warming to less than two degrees Celsius. STIHL has been climate-neutral in Germany since January 2021 and this represents an integral part of STIHL’s climate strategy. The worldwide production companies will follow in 2022, and the international sales companies will do the same by 2028 at the latest. The focus is on direct and indirect CO₂ emissions (Scope 1 and 2 as per the Greenhouse Gas Protocol) which can be influenced directly. For example, all of the electricity needs in Germany are provided by 100 percent green electricity. STIHL compensates for short-term CO₂ emissions that cannot be avoided by supporting international climate protection projects certified with the internationally recognized and independent “Gold Standard” seal of quality. Over the long term, the emissions will be further reduced through sustainable energy efficiency measures and the company’s own green energy production in order to continue reducing the CO₂ compensation quantity.

New products that have been launched since the end of 2020 and will be launched in the first six months of 2021:

- **Battery-powered products:** The STIHL AP battery-powered system, designed for professional users in the field of gardening, landscaping, and tree maintenance, as well as municipalities, has grown by more than a dozen new products alone: 4 lawn mowers (STIHL RMA 253, RMA 443 PV, RMA 448 PV, and RMA 2 RV), 3 long-reach hedge trimmers (STIHL HLA 66, HLA 86, and HLA 135), 2 pole pruners (STIHL HTA 66 and HTA 86) and 2 brushcutters (STIHL FSA 86 R and FSA 135) along with a sprayer (STIHL SGA 85, May 2021) and a KombiEngine (STIHL KMA 135 R). This KombiEngine can be

equipped with a diverse range of KombiTools – from brushcutters to blowers – further increasing the diversity of the STIHL battery-powered portfolio.

The AK battery-powered system for private garden owners and semi-professionals (such as janitor services) has also been expanded. It now includes a lawn mower (STIHL RMA 248) with 46 cm cutting width and a brushcutter (STIHL FSA 60 R) which can be adapted to the specific gardening task using various mowing heads.

- **Digital products:** The new STIHL connected Box will make fleet management for power tools and batteries even simpler. In particular, customers with large fleets, such as horticultural and landscaping companies or municipal services, will profit from the ability to automatically read out data via the connected Box. In future, information such as the battery life and location will be available on the STIHL connected platform even without using a smartphone, as soon as a connected Box is installed in a central location at the company.
- **Robotic mowers:** STIHL is also expanding its range of robotic mowers: The new STIHL RMI 522 C automatically mows lawns with up to 2,100 square meters. Its intelligent programming, flexible mowing plan design and the ability to map its area of use ensure that the iMOW robotic mower only needs a brief mowing time each week. The RMI 522 C enables users to modify the mowing times, for example, from anywhere using the iMOW app via smartphone or tablet; the current status can be queried via smart watch.
- **Gasoline-powered products:** In autumn last year, the STIHL MS 881 rounded out the range of STIHL professional chainsaws. With its 6.4 kW, it is the most powerful production chainsaw in the world. In addition, it is currently the only model on the market in its performance class capable of fulfilling the strict EU 5 emissions standard thanks to its state-of-the-art STIHL 2-MIX engine. The new FS 561 C-EM is the most powerful model among the STIHL gasoline-powered clearing saws for use in forestry and landscape maintenance. Alongside its powerful engine, it is also distinguished by its especially large mowing circle (560 mm).
- **Cleaners and vacuums:** Two new medium-sized high-pressure cleaners (STIHL RE 150 PLUS and RE 170 PLUS) with a maximum pressure of up to 180 bar expand the cleaner segment. They deliver quick cleaning results for commercial and private premises. Two

outdoor surface cleaners (STIHL RA 90 and RA 110) round out the surface care accessories range for high-pressure cleaners in the compact and medium-sized categories. Among the wet and dry vacuum cleaners, the new SE 33 entry-level model boasts impressive suction power, an extensive range of standard features together with excellent value for money.

New in the STIHL brand store

The new fashion collection and a high-quality selection of accessories were available in the STIHL brand store right on time for the start of the 2021 gardening season. The store also has the right selection for young gardeners such as the battery-powered toy blower or the battery-powered toy brushcutter with matching accessories.

STIHL TIMBERSPORTS® with alternative formats

Sporting events are currently facing difficult times. However, the STIHL TIMBERSPORTS® series had a successful season in 2020 with alternative formats and flexible timing. We plan to do the same for 2021: The European Trophy will take place on July 31, 2021 in Munich along with the Rookie European Championship. The German championship in Gelsenkirchen is then scheduled for August 21, 2021. The season finale will take place on October 2, 2021 at Motorworld in Munich: the 2021 Individual World Championships. Due to the coronavirus pandemic, team championships will not be held in 2021. Changes to the TIMBERSPORTS® event schedule cannot be ruled out while the pandemic and related restrictions continue. In the new season, STIHL TIMBERSPORTS® can continue to rely on strong partners: LIEBHERR will remain a sponsor for another three years. In addition, Ford is joining the STIHL TIMBERSPORTS® series in 2021.

Company portrait

The STIHL Group develops, manufactures and distributes power tools for professional forestry and agriculture as well as for garden and landscape maintenance, the construction sector and private garden owners. The product range is complemented by digital solutions and services. Products are distributed through authorized dealers and STIHL's own online-shops, which will be expanded internationally over the next few years - including 41 sales and marketing subsidiaries, about 120 importers and more than 54,000 servicing dealers in over 160 countries. STIHL produces in own plants in seven countries: Germany, USA, Brazil, Switzerland, Austria, China and in the Philippines. Since 1971 STIHL

has been the world's top-selling chain saw brand. The company was founded in 1926 and is based in Waiblingen near Stuttgart. In 2020, STIHL achieved a worldwide sales volume of 4.58 billion euros with a workforce of 18,200.

This press release and pictures are available for download from the STIHL website at <https://www.stihl.com/daily-pressbusiness-press.aspx>

Your contact for daily and business press:

ANDREAS STIHL AG & Co. KG

Dr. Stefan Caspari

Head of Corporate Communications and Public Relations

Andreas-Stihl-Straße 4 / 71336 Waiblingen, Germany

Phone: +49 - (0) 7151/26-1402

Fax: +49 - (0) 7151/26-81402

Email: stefan.caspari@stihl.de