

Waiblingen, September 19, 2017

STIHL develops future technology and records double-digit growth

- Triple-digit unit sales growth in cordless segment boosts turnover growth
- World firsts: STIHL TS 440 cut-off machine and robotic mower VIKING iMow Team
- STIHL sets new standards with electronic fuel injection in gasoline chainsaws

The turnover of the STIHL Group in the current year increased by 11.9 percent to EUR 2.7 billion in the period from January to August. Had foreign exchange rates remained unchanged, growth would have been 10.7 percent. “This double-digit plus has upped the pace of our projected growth. In cordless products in particular we have achieved an exceptionally strong increase in unit sales”, explained STIHL executive board chairman Dr. Bertram Kandziora at the company’s autumn press conference in Waiblingen. “We have the capacity to continue growing strongly and want to consolidate our technology leadership”, stressed Dr. Kandziora. STIHL is currently researching and developing products not only in the areas of battery technology and connected products, but also wants to set new standards in gasoline products: “At present we are working on the world’s first chainsaw with electronically controlled fuel injection”, said the executive board chairman. Further world firsts are the STIHL TS 440 cut-off machine with integrated Quickstop wheel brake and the intelligently interconnected robotic mower VIKING iMow Team.

Worldwide growth – increased demand for gasoline and cordless products

The U.S. market and Western Europe were the main growth engines for the STIHL Group in the first eight months of this year. Above all else this can be attributed to the strong demand for cordless electric products – from private as well as professional users. The growth in unit sales in the cordless segment has been exceptional and is measured in triple digits. “But we continue to remain strong in the gasoline sector too, where we have recorded double-digit growth in unit sales”, said Dr. Kandziora. The Russian market has stabilized, and there has been a substantial rise in unit sales. A considerable increase in turnover has also been achieved in Asia. The STIHL executive board chairman summarized: “Following the record turnover last year, we started the new season with some optimism. Our expectations were actually exceeded and we have gained market shares all over the world.” The growth in turnover has generated more jobs. The number of employees in the Group rose by 3.6 percent to 15,222.

The market in Germany also continued to flourish. Unit sales of STIHL and VIKING products grew significantly. "It is gratifying to see the revival in the chainsaw market. Business with cordless electric power tools and VIKING iMow robotic mowers showed particularly dynamic growth. Looking at autumn, we are confident that we will carry on growing with new products, attractive campaigns and the continuation of the "Super Saw Weeks" in November", explained Dr. Kandziora.

German founding company creates new jobs and has vacancies

Compared to the same period last year, the German founding company, ANDREAS STIHL AG & Co. KG, achieved a turnover of EUR 760.56 million which is an increase of 13.4 percent over the same period last year. The number of employees climbed 7.8 percent to 4,583. As of August 31, the workforce was 3,526 in Waiblingen, 304 in Ludwigsburg, 686 in Prüm-Weinsheim and 67 in Wiechs am Randen. Owing to the company's strong growth, 81 employees who had limited term contracts have been given permanent contracts of employment this year. "We estimate that our need for skilled staff will increase due to digitalization and the development of new products and business models", said Dr. Kandziora. For example, some 170 vacancies in the areas of battery technology, electronics, IT and connected products alone are to be filled at the founding company in the near future.

"Smart solutions" and connected products for greater customer benefits

"In order to take the opportunities offered us by digitalization, we are reorganizing the our structure. Apart from a completely new digitalization department, we have, for example, considerably enlarged the R&D team, created positions for "smart solutions" in project management and formed quick-response teams - all with the aim of developing products and services that offer our customers tangible added value", said Dr. Kandziora.

VIKING develops connected products and presented a world first at the 'demopark' exhibition in June: the iMow TeaM. In this swarm concept, up to ten MI 632 M robotic mowers can be interconnected and controlled with an app. "Intelligent software interconnects the robotic mowers via a cloud system to form an iMow TeaM. For the first time ever this enables users to mow large areas of grass, such as football pitches, golf courses, parks and outdoor pool lawns, with several robotic mowers at the same time", explained Dr. Kandziora. The smart robotic mowers automatically return to a docking station if it rains or the battery needs recharging.

In addition, STIHL is participating in the ACTIVATR startup program. In this program, experienced startup founders work in small teams with innovative staff at STIHL to develop new digital business ideas. “This new form of cooperation is already bearing fruit: Freiraum GmbH was established in June“, reported Dr. Kandziora. The startup aims to offer teams that are often out in the field a simple way of cooperating and documenting activities. The software solution that has been developed will be available commercially at the end of October and make it easier for small businesses in the trades, in particular, to store company information safely and well-structured at a central location. This allows important information to be called up quickly, on a targeted basis, even while on the move.

Furthermore, STIHL is investing in the expansion of networks and know-how. It invested in the High-Tech Gründerfonds (Startup Fund) in May, which is the largest seed fund for financing young technology companies in Germany. The fund is broadly based in terms of the sectors it covers – from robotics and “Internet of Things” to energy issues, medical technology to biotechnology, chemistry to software and eCommerce platforms. “Our investment means that we gain an overview of developments and trends in the startup scene and can support young, innovative companies. Apart from that, we have the opportunity to cooperate with startups“, explained Dr. Kandziora.

Changing from green to orange: First STIHL cordless mowers for 2018 season

As from 2019 the entire VIKING product line will be distributed under the STIHL brand. “When one considers the broad product portfolio and the vast number of individual components and replacement parts, it quickly becomes clear that the changeover is a mammoth task. We will therefore take the brand change one step at a time to achieve a smooth transition to STIHL“, said Dr. Kandziora. A start is being made with the complete line of VIKING cordless mowers, which will be available under the STIHL brand for the 2018 season. “The batteries in the mowers are compatible with the products in the STIHL COMPACT and PRO cordless systems. This means that the brand change is accelerating our overall growth in cordless products“, explained Dr. Kandziora.

Langkampfen facility remains competence center for walk-behind and ride-on garden tools

The company expects the change in brand to produce a considerable increase in unit sales and turnover which will further strengthen the VIKING Langkampfen plant in Austria, too. “Langkampfen will continue to be a constituent part of STIHL’s worldwide manufacturing network and play an important role as an assembly facility“, stressed the STIHL executive board chairman. As a competence center for walk-behind and ride-on garden tools, the plant will manufacture and develop products together with the

founding company. Dr. Kandziora: “We are already charting the way forward for more growth and will therefore expand the Langkampfen facility.” The groundbreaking ceremony for the extension in Austria is on September 29.

STIHL sets new standards

- **World’s first cut-off machine with Quickstop wheel brake**

The company presented the STIHL TS 440, which is the world’s first gasoline cut-off machine with a built-in Quickstop wheel brake. “In the event of a sufficiently high kick-back energy with the wheel guard open, the sensor-controlled brake brings the cutting wheel to a stop within a fraction of a second”, said Dr. Kandziora describing the world first. The STIHL TS 440 features an expanded guard adjustability and high torque to make it particularly suitable for cutting operations in confined spaces and cuts on the underside of pipes.

- **Electronic fuel injection for chainsaws**

The executive board chairman also announced another innovation in chainsaws: STIHL is currently developing the world’s first gasoline chainsaw with electronically controlled fuel injection, which will go into production. “In this way we underscore yet again our position as technology leader and enter into a new field of technology for gasoline chainsaws. This new development is characterized by maximum performance and low weight, really simple operation and a high level of service friendliness“, said Dr. Kandziora. Fuel feed is sensor controlled, that means the engine does not need a carburetor. “The saw chain accelerates from 0 to 100 km/h in only 0.25 sec. “Pure pleasure for the operator.”

Further new STIHL and VIKING products for private and professional users

- **STIHL MS 462 rescue saw for greater efficiency in rescue missions**

STIHL has announced the MS 462 C-M R rescue saw which features a low powerhead weight of 6.5 kilograms, simplified starting procedure and high quality special equipment suitable for fire service and emergency service rescue missions. Thanks to the M-Tronic engine management system, the rescue saw provides high performance and lugging power in all environmental conditions and its special carbide-tipped STIHL Rapid Duro R chain cuts through all types of wood and materials, such as sheet metal, asphalt-type wood fiber boards and wire reinforced glass.

- **First STIHL battery powered lawnmowers**

The first cordless lawnmowers will be available from STIHL at the beginning of next year. They are the STIHL RMA 448 TC mower and the STIHL RMA 2 RT mulching mower from the STIHL PRO cordless system. Both machines are compatible with the STIHL modular battery system and are suitable for medium-sized lawns. Another new model is the STIHL RMA 339 C mower from the STIHL COMPACT cordless system which, thanks to its compact build and the fold-down mono handle, can be stored in a minimum of space. It is suitable for smaller lawns with an area up to 400 square meters.

- **SE 133 wet/dry vacuum for mobile applications in construction industry and associated trades**

Equipped with a high-performance motor and a class M filter, the new STIHL SE 133 ME wet and dry vacuum is designed for applications in the construction industry and the trades, where it is necessary to cope with particularly high levels of dust. Dust and dirt are picked up directly during cut-off and grinding operations, which is important for the health of the user. A five meter long, antistatic suction hose ensures flexibility in operation. The STIHL SE 133 ME is compact and robust to make it suitable for mobile applications.

- **Interconnected operation: VIKING iMow TeaM for mowing large areas of grass**

VIKING presented the iMow TeaM, a world first. Up to ten iMow MI 632 M robotic mowers operate together to maintain large areas of grass of 4000 square meters and more, e.g. football pitches and golf courses, parks or public outdoor pools. The team is controlled by a user-friendly app.

STIHL TIMBERSPORTS® Series 2017 in Norway

The world championships of the STIHL TIMBERSPORTS® Series return to Lillehammer: The international final of the premier competition in lumberjack sports will be staged in the Håkons Hall on November 3 and 4. More than 100 athletes from over 20 countries will be there to compete in the team and individual best of the best events. The reigning world champion in the individual events is the outstanding New Zealander Jason Wynyard, while the “Chopperos” from Australia want to defend their title in the team events. Germany will be represented in the individual competition by Robert Ebner from Baden-Württemberg.

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 the demanding private user. The range of garden power tools from VIKING complements the product line. Products are distributed exclusively through authorized dealers, including 37 sales and marketing subsidiaries, about 120 importers and more than 45,000 servicing dealers in over 160 countries. STIHL has manufacturing plants in seven countries: Germany, USA, Brazil, Switzerland, Austria, China and the Philippines. STIHL has been the world's top-selling chain saw brand since 1971. The company was founded in 1926 and is based in Waiblingen near Stuttgart. In 2016, STIHL achieved a worldwide sales volume of 3.46 billion euros with a workforce of 14,920.

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

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