

A man with a beard, wearing a black STIHL cap and a black polo shirt, is focused on working on a chainsaw engine. He is using a yellow and black power tool to adjust a component of the engine. The background is a blurred industrial setting with various machinery and equipment. The STIHL logo is visible in the top right corner.

STIHL

ANNUAL REPORT 2022

SHAPING THE FUTURE

KEY FIGURES

CONSOLIDATED GROUP OF STIHL HOLDING AG & CO. KG		2022	2021	2020
Revenue	Million euros	5,495.0	5,058.3	4,581.3
Proportion of revenue from outside Germany	%	90.2	90.1	90.0
Wages and salaries, social security, pension contributions	Million euros	1,327.7	1,125.9	981.4
Employees	December 31	20,552	20,094	18,200
Capital expenditure	Million euros	404.0	331.0	283.2
Depreciation and amortization	Million euros	199.1	182.6	173.8
Balance sheet total	Million euros	8,590.0	7,976.0	6,864.5
Equity ratio	%	61.9	68.6	69.6
ANDREAS STIHL AG & CO. KG		2022	2021	2020
Revenue	Million euros	1,783.1	1,593.3	1,380.6
Proportion of revenue from outside Germany	%	89.7	90.5	89.2
Wages and salaries, social security, pension contributions	Million euros	578.7	527.1	430.7
Employees	December 31	5,968	5,748	5,262
Capital expenditure	Million euros	136.4	145.9	155.1
Depreciation and amortization	Million euros	72.1	69.4	64.3
Balance sheet total	Million euros	2,015.2	1,844.1	1,672.7
Equity ratio	%	39.7	38.0	38.9

5,495.0

MILLION EUROS
REVENUE, 2022

20,552

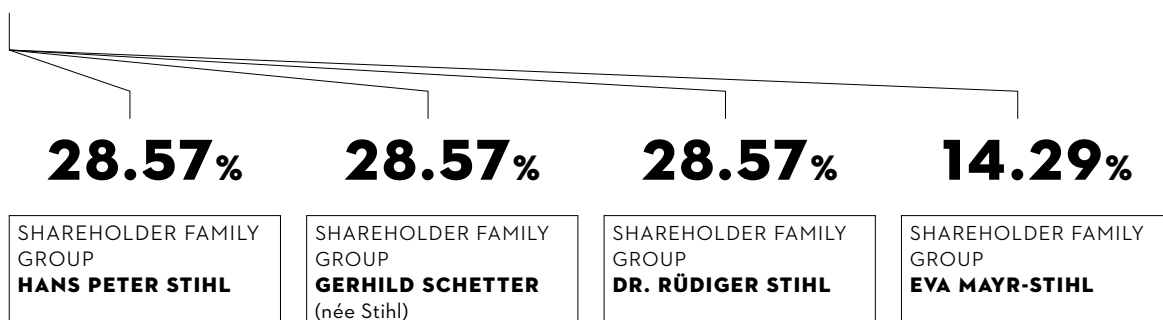
EMPLOYEES
GROUP-WIDE, 2022

61.9

PERCENT
EQUITY RATIO, 2022

OWNERSHIP STRUCTURE

OF STIHL HOLDING AG & CO. KG



STIHL WORLDWIDE



IN OVER

160

COUNTRIES AND ON FIVE CONTINENTS.
STIHL IS REPRESENTED AROUND THE WORLD

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. The products are sold to end users through authorized servicing dealers and through STIHL's own online shops, which are slated for international expansion in the years ahead. The STIHL Group's sales network consists of 42 sales and marketing companies, approximately 120 importers, and more than 55,000 independent, authorized dealers in over 160 countries. The Group has manufacturing operations around the world in seven countries: Germany, the U.S., Brazil, Switzerland, Austria, China, and the Philippines. Since 1971, STIHL has been the world's top-selling chainsaw brand.

KEY FIGURES | THE STIHL GROUP

STIHL HOLDING AG & CO. KG

(General Partners: Hans Peter Stihl and STIHL AG)

42

STIHL-OWNED SALES AND MARKETING COMPANIES WORLDWIDE



¹ STIHL production and sales companies.

SHAPING TRANSFORMATION

In its almost 100-year history, STIHL has always been involved in changes - actively shaping and utilizing them. We are still continuing to do this. For example, with our focus on battery-powered products and new production processes.



Transformation, change, progress, transition, evolution, innovation, metamorphosis – there’s no doubt that few things in life stay exactly as they are and always have been. The world around us is changing. And the STIHL Group is changing, too.

STIHL remains true to itself even in times of transformation and is focused on the long term. New products combine performance and responsibility, and sustainable innovations bring with them new technologies with an optimum footprint – for our environment, for our customers’ needs, and for ensuring our own leading competitive position. The focus here is on growth. Growth that not only respects its roots, but draws strength from them to identify opportunities in the transformation and play an active part in shaping it globally.

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Michael Traub has been the Chairman of the STIHL AG Executive Board for just over a year now. In an interview, he reveals his vision for STIHL.



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The new generation of STIHL robotic mowers not only look completely different, the little garden helpers are also really smart. A look at the day-to-day life of an iMOW.

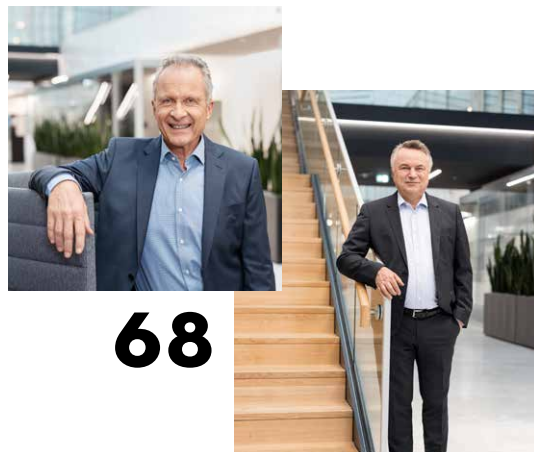
20 GARDEN GROW

All she really wanted was a beautiful garden - now Amy Shore from the UK is very successful on Instagram with her home gardening tips. With chickens and vegetables.



28 HIGH-TECH COLLEAGUE

STIHL is setting standards - and has been doing so for almost 100 years. Currently, the focus is on the collaboration between people and machines in the automation of manufacturing processes.



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ANNUAL REPORT IS
ALSO AVAILABLE ONLINE.
FOR MORE, VISIT
[AR.STIHL.COM/2022](https://ar.stihl.com/2022)

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TRANS- FORMATION IS OUR OPPORTUNITY —

Michael Traub has been Chairman of the STIHL AG Executive Board for just over a year now. A lot has happened since he took office. We caught up with him to discuss the key topics at the STIHL Group, including where its business currently stands and what challenges it faces.



His appointment as Chairman of the Executive Board saw Michael Traub return from the U.S. to his native Swabia, bringing with him a clear vision for the major transformation that lies ahead for STIHL. He described that vision to us in an interview.

You have been with STIHL more than 18 months now. What kind of start did you have? And what did you notice?

MICHAEL TRAUB One really big asset at STIHL is our team spirit. Everywhere I have gone, I have been welcomed very warmly and with open arms. You can really feel that we are a family-owned business and that the people here look out for each other. It is our employees who give STIHL a face and show tremendous motivation in what they do, despite all the uncertainty and crises that we have had to deal with in the past three years. That has impressed me greatly. The energy that emanates from our teams around the world shows how committed employees across the Group are to moving STIHL forward. What I found positive is how globally STIHL thinks. That is hugely important - after all, around 90 percent of our revenue is generated abroad.

How was fiscal year 2022 for STIHL?

MT In my entire career, I have not experienced a year like 2022, with such a combination of crises affecting the whole world. Various factors continue to weigh heavily on our business: the war of aggression in Ukraine, the effects of the coronavirus pandemic and the related supply chain disruptions, as well as shortages of supplies and raw materials, and now the energy crisis. On top of that, the STIHL Group is in the middle of a transformation and is still growing, despite these unfavorable conditions. That's why we are looking for large numbers of capable employees, who we urgently need to implement our strategy.

Talking about strategy: Apart from the crises we mentioned, what are the key topics for STIHL at the moment?

MT STIHL is a family-owned business with a history stretching back almost 100 years. We would not have come this far if we had kept taking short-term decisions. STIHL's success story is founded on the long-term thinking and actions of the partners, who work together with the Executive Board in a spirit of trust. We are rising to the challenges of today, without losing sight of our vision for the times ahead of us. As managers, we have the important task of always providing guidance and setting a clear course. However, each and every one of us plays an equally significant role, as does the effective interaction of all the functions across our global business.

»The important thing is to make the right decisions now and invest even more in the areas where we see our customers focus.«

MICHAEL TRAUB

Chairman of the Executive Board

And what is the answer to this?

MT Systematically aligning our actions with the needs of our customers. The important thing is to make the right decisions now and invest even more in the areas where we see our customers focus. We need to be proactive in driving forward and shaping the transformation from the gasoline to the battery business.

The battery trend started at STIHL back in 2009, and this segment now accounts for around 20 percent of our total sales. The transformation will continue to offer us tremendous growth potential going forward. By 2027, we plan to increase this share to at least 35 percent, with a goal of 80 percent by 2035. In Germany, we have already sold more battery-operated products than gasoline-powered products over the past two years. Our battery strategy is also associated with major decisions regarding our production companies. Starting in 2024, we will manufacture battery-operated products at our founding company in Waiblingen as well. In addition, we are building a new plant for battery-operated and electric tools in Romania, which is likewise scheduled to open in 2024.



MICHAEL TRAUB

was born in Ehingen an der Donau in 1968. He is married and has four children. He spent two decades working as an economist for the Bosch Group at locations in Germany and Asia, as well as in South and North America. After six years as CEO and President of Bosch Siemens Home Appliances North America, he took over the management of Serta Simmons Bedding, LLC in the U.S. in 2014, and later became CEO of Plum, Inc. He has been a member of the Executive Board of STIHL AG since November 1, 2021, and Chairman since February 1, 2022.

They are ambitious goals. But what about the existing core business? What will happen to STIHL's gasoline-powered products?

MT We continue to see falling unit sales of our gasoline-powered products in both absolute and relative terms. You don't need to be a prophet to know that this trend is here to stay. That said, we know that gasoline-powered products will be needed for professional applications for a long time to come. Gasoline technology will also help drive growth over the next decade in important markets in Latin America and Asia.

For us, this means both change and a huge opportunity. We are already adjusting to this change and taking the necessary actions to be able to continue our profitable growth. In a time where the world around us is changing so dramatically, we cannot afford to continue as we are.

Along with the technological switch, we must also be prepared to evolve our sales channels in our markets as a result of changing customer needs. At the same time, the disruption to supply chains worldwide is forcing us to restructure our own supply chain in order to reduce dependencies on individual suppliers and ensure a more localized supplier structure - in other words, to adopt a "local for local" approach. With this in mind, we have launched a whole range of projects in the area managed by the Executive Board member for Manufacturing and Materials.

Mr. Traub, the transformation at the STIHL Group does not stop at our organizational structure.

MT No, that would be a fatal error. One of the biggest competitive advantages we have is that the Stihl family is very forward-looking in its thinking and actions. This allows the Executive Board to initiate the right measures at an early stage to expand our position as global market leader in our industry. Now is the time to take targeted measures to evolve our organizational structures so that we can significantly strengthen our competitiveness from within.

Alongside transformation, growth, and new products and markets, sustainability is becoming more and more important. What is STIHL doing on this topic?

MT Here, too, we are taking a long-term strategic approach. Since it was founded in 1926, STIHL has been very active in the areas of sustainability and corporate social responsibility (CSR), and has even led the way at times. Our commitment includes wanting to leave behind a livable future for the generations to come. The second STIHL Sustainability Report will be published in 2023. We have been rolling out a Group-wide sustainability strategy since 2020 and have set ourselves ambitious goals to be met by 2030, including the full offsetting of carbon emissions at our production companies and the code of conduct for our suppliers, which further strengthens the commitment to responsibility in our supply chain. Our decision to join the United Nations Global Compact also underscores how seriously we take our sustainability activities. We are in the midst of a transformation in this area as well.

Have you thought about how you would like to make your own mark on the company? What is your vision for STIHL?

MT In the past year and since the beginning of 2023, the topic of change has come to the Executive Board in a very big way, seeing as how we are transforming ourselves from an all-male team to one with equal representation of men and women – three of each. I believe this is a good and important step, and I hope it will lead to more diversity in general across the Group. However, we have a long way to go and it will not be easy. We have some catching up to do here and in other areas. It is a personal priority of mine to pay attention to diversity and actively promote it, since it will be a key factor in our future success. Apart from that, I value one-to-one communication, as well as open and honest dealings with each other.

Thank you for talking to us, Mr. Traub.





THE HARD- WORKING HELPER

—



The latest generation of iMOW robotic mowers not only look completely different, they are also truly multitasking. They mow the lawn autonomously, can be controlled through an intuitive app, and can even talk. But how does an iMOW feel throughout a long working day? Read on to find out!



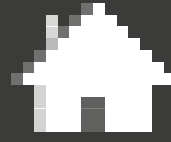
Heimo is the perfect family member: hardworking, loyal, obedient, reliable, and takes great care of the lawn. Although Heimo can talk, it is not human. It is an iMOW 7 EVO, the next generation of STIHL robotic mowers. The mission of the hardworking helper is clear: to provide Sarah and Björn Wagner, members of its family, with a perfectly cut lawn on which they can relax. To achieve this, Heimo reaches deep into its bag of tricks: in just a short time, it mows autonomously, climbs steep gradients, detects obstacles, and uses its built-in rain sensor. Good communication is also important. Not only can Heimo talk, it can also handle nonverbal communication. Using colored LED strips and icons on the hood's control panel, it shares important information with its family.

Just because the smart STIHL iMOW 7 EVO features many different individual parts and electronic components, this does not mean that Heimo has no feelings. Some working days are more strenuous than others for it, too. Gain an insight into its inner thoughts and find out how the robot feels over the course of a day.

»Most people need a coffee in the morning. For me, electricity provides the necessary energy.«

iMOW

GOOD MORNING!



DOCKING STATION



The first rays of the sun cause the morning dew to glisten on the green lawn in front of me. This is my favorite way to start the day. Most people need a coffee first thing in the morning, but I prefer to draw my energy from the electricity in the docking station. Today, I also need full power because my mowing plan tells me I have to spruce up the whole of my family's lawn by 5 p.m. I'm already looking forward to it! But I still have time before I need to start, so I'll continue to nap for a bit and soak up the sunshine that's warming up my gray housing. It's a tough life, isn't it?

Luckily I'm a very light sleeper. Sarah has just asked me to start mowing the lawn right now. Using the STIHL "MY iMOW app," Sarah and Björn can send me tasks or query my status from anywhere. A quick stretch and then off I go! At last, fresh green grass under the wheels again. Thanks to the perimeter wire, I always know where to mow. My three free-running mowing blades cut every blade of grass to the same height. The finely shredded grass clippings fall back onto the lawn where they act as nutrient-rich fertilizer. Quite clever, right?

CHANGE IN PLAN



INFO VIA APP



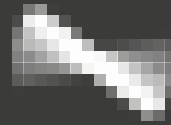


OBSTACLES? NO PROBLEM!

A passerby watches me. He tells his wife that I don't know what I'm doing because it looks like I'm just going back and forth over the lawn haphazardly. That's not the first time I've heard that, but it no longer bothers me. The experts know that my method is highly efficient. Through individual and randomized turning maneuvers, I can flexibly respond to my surroundings while covering the entire lawn.

But want to show them what I can do, so I immediately dash off. The curious man at the garden fence is not the only one to notice what looks like a plant pot in my way - luckily my ultrasonic sensor spots it, too. So I brake briefly in front of the obstacle, approach the pot at a slower speed, then gently nudge it. This way I also mow the tufts of grass in front of the obstacle. After that, I go back to full speed. The skeptical passerby is still watching. But I think I detect a little acknowledgment on his face. So I step up a gear: there's a slope ahead, which seems like Mount Everest for a little robot like me. But it isn't! I can climb even gradients such as this easily and continue mowing freely without any interruption. My silent observer's eyebrows are now fully raised and he nods appreciatively. I may be small, but what a performance!

MOWING



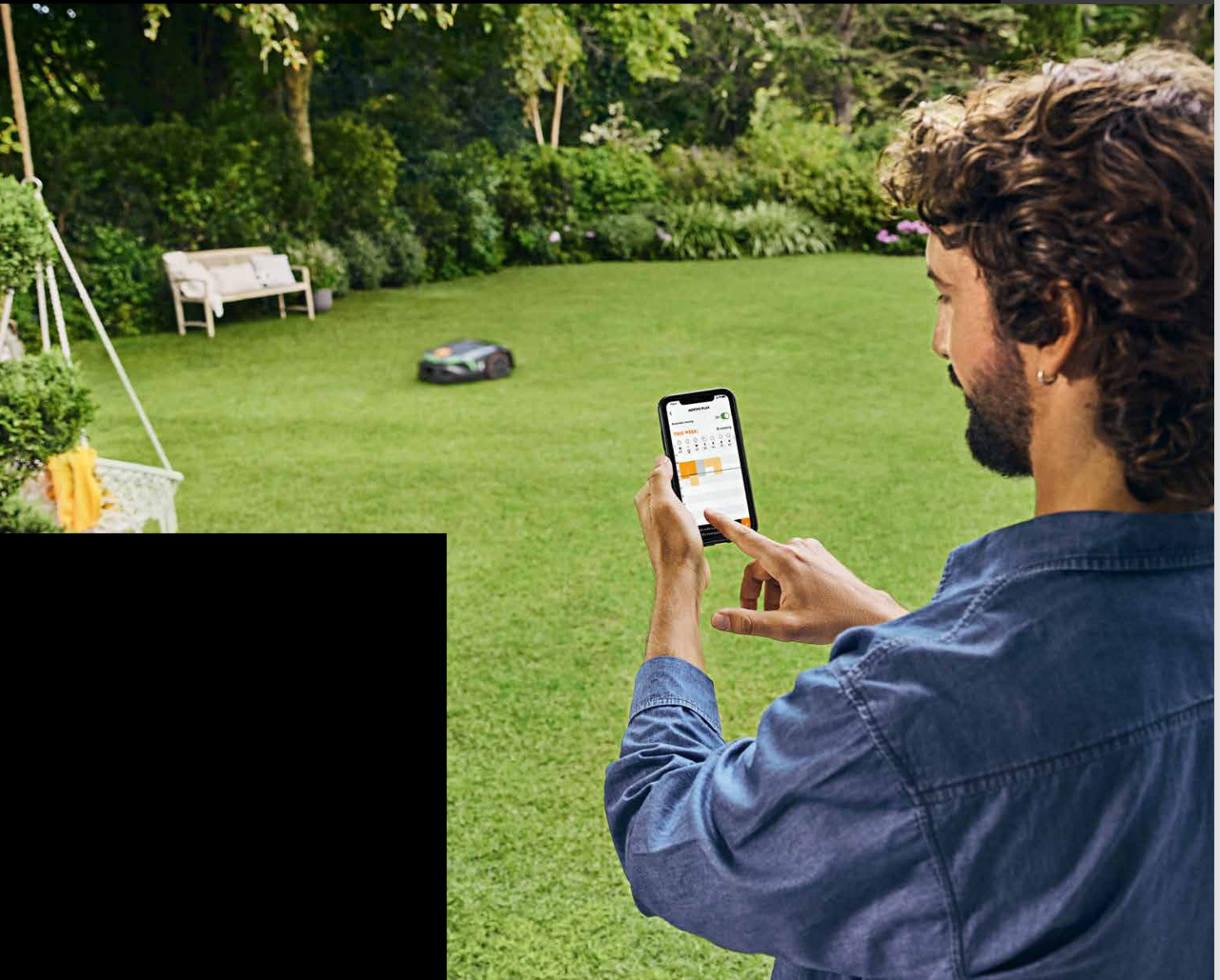
»I learned to speak with a human being. That's why my voice sounds so natural.«

iMOW

Sarah and Björn are carrying the barbecue onto the terrace. They are planning a garden party - meaning a big job for me. Sarah greets me with a gentle press on the voice response button. I let her know that I need another half an hour for my day's work. Unlike other robots, my vocabulary is highly developed and varied, which explains why the communication with my family works so well. I have also trained a long time for this. A human taught me how to speak, which is why my voice is so natural. I also send regular status updates to the "MY iMOW app" via my mobile connection. I'm not exaggerating when I say that I'm small and multitalented.

WHAT'S NEW?

INTERACTION





WHEN IT RAINS ...

Alarm! My rain sensor registers the first gentle drops from the dark clouds in the sky. I am prewarned, but not put off.

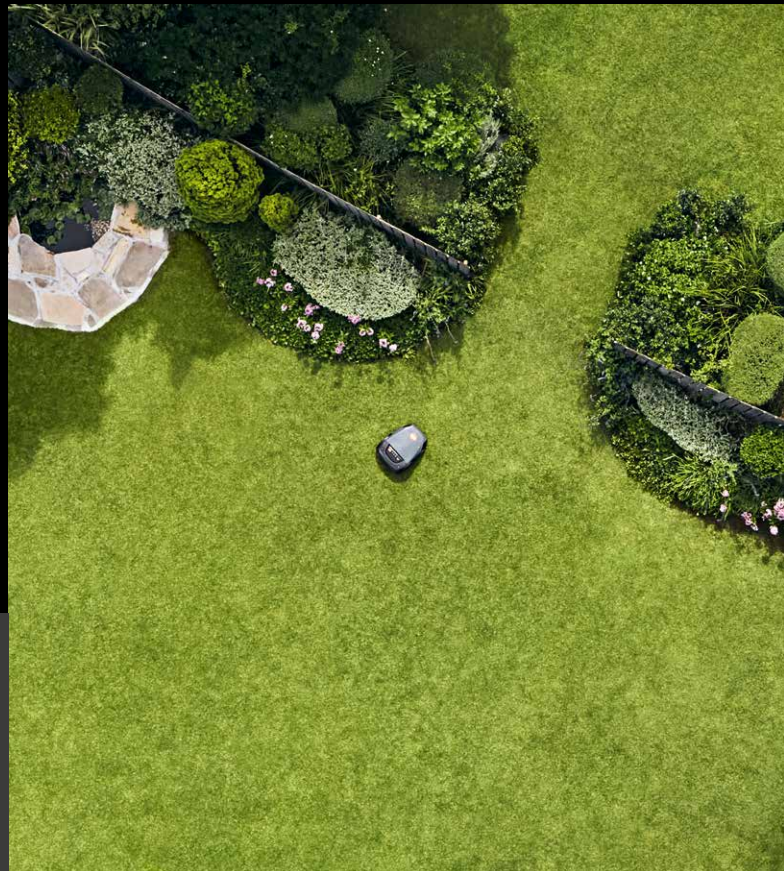
It looks like I got my hopes up too soon. It's really pouring now. That's too much for me. For Sarah and Björn's sake, I would continue cutting the lawn even in this weather. But I have received instructions via the app to return to the docking station when it rains. It's probably better that way. It means I protect the lawn from damage when the ground is wet. I turn and go the quickest route to the docking station and take a break.

RAIN



HOME STRETCH

The rain has stopped. Now I'm waiting until the grass is dry enough again. I've made the most of the break and quickly charged my battery so that I can go again at full speed. A long life is important to me and my family, which is why I also look after myself. When I have a lot of time, I reduce the charging current and preserve my most important organ: the battery.



CHARGING





SUCCESS



AFTER THE WORK IS DONE

Phew, the last few meters were strenuous. But the hard work was worthwhile. I'm delighted to have relieved Sarah and Björn of the job so they could use the time to prepare for the party.

When the guests enter the terrace, I return to the docking station exhausted but also happy to have managed it in time. One of the guests walks barefoot on the lawn and sings its praises. I like hearing that. Luckily, my gray cover hides the fact that compliments like this make me blush a little.

»I am especially happy that I can help Sarah and Björn with the work in the garden.«

iMOW



MASTERING THE COMPLEXITY

The new generation of STIHL iMOW takes automatic lawn care to the next level. The robots have a short mowing time, they are easy to operate, and their smart features are very impressive. Harmonizing all of these factors was the task of an international, interdisciplinary development team. **MARTIN ULLRICH**, head of the IA01 project and manager of iMOW design at STIHL's founding company in Waiblingen, talks about the development process of the largest product project in STIHL's history.

What do you like the most about the new generation of iMOW robotic mowers?

MARTIN ULLRICH I am a fan of the high-quality impression they make and the successful design, as this embodies the product's STIHL quality. In particular, I like that we now offer models in a

sleek gray design as well as the classic white and orange. However, I naturally like the built-in technology the most - because I'm an engineer, after all. Even though you don't see it from the outside, the new iMOW is more complex than any other STIHL product.

What makes it so complex?

MU The next-generation iMOW is a fully connected product with highly complex software and wide range of mechanical components, actuators, and sensors. In addition, the electronics are distributed over various circuit boards. The equipment itself is embedded in a digital ecosystem, in which a wide range of data is exchanged between the tool, app, and other systems via the Internet of Things (IoT) platform.



- STIHL locations involved
- Partner companies involved

IN JUST
3 YEARS STIHL developed the next-generation iMOW. Given the complexity of a robotic mower and the supply chain disruptions, this was record time.

This connection allows STIHL to conduct remote diagnostics using the newly developed Service Portal and to continuously improve the iMOW functions via updates.

Overall, the biggest challenge in the development was to synchronize all the teams involved so that the right design measures could be completed at the right time.

What is the significance of the new generation of iMOW for STIHL?

MU This iMOW is a milestone for STIHL. During the development process, we laid the foundation for additional products. In terms of technology, we have built up tremendous knowledge in the fields of electronics, software, and mechanics. On the organizational side, we have grown stron-

ger within the overall STIHL Group and created methods and structures to facilitate work for similar complex projects at STIHL.

How did it feel at the end to see the finished robotic mowers in action?

MU Seeing what we have achieved together was a great feeling. Above all, if we look back over the entire course of the project, we encountered setbacks, but we also celebrated numerous achievements. We learned from our setbacks and launched these amazing little garden helpers in record time given their complexity. I am particularly pleased that the iMOWs received consistently positive feedback in prelaunch tests carried out during the summer of 2022. The hard work was worthwhile.





GARDEN GROW

— With most people still feeling a greater urge to spend time outdoors following the coronavirus lockdowns, a growing number are turning to their backyards and home gardens as a place to relax and unwind. Gardening has been a hot topic on social media for some time now - as the British gardener and influencer Amy Shore is well aware.

Looking at Amy's garden on Instagram is a quick way to lift your spirits. You only need to watch the chickens trotting around or spot the twisted giant squash that Amy hangs around her neck. "It's called a tromboncino," she says with the friendly smile that her 110,000 followers frequently see in her reels and stories. Today, though, she is sitting at her desk in her house in Norfolk, East Anglia: "I checked on the chickens ten minutes ago, like I always do after finishing work." She has eleven of them at home and keeps two breeds: Cream Legbar and Pekin Bantam. When Amy refers to her work, she doesn't mean her social media presence. Gardening is merely her hobby – and she prefers it that way. She loves losing herself in her green oasis, because she can quickly leave behind all the stresses and strains of her full-time job, which mostly involves sitting in front of a computer. As a researcher, she collects data on the user-friendliness of digital services, "everything from opening a bank account to ordering train tickets."



CONCRETE EVERYWHERE

Amy is less analytical outside of her job, especially when it comes to gardening. "Sometimes I wake up in the morning, and it comes to me there and then: I know what I'm going to do that day and what I'm going to post photos of." In keeping with her handle, "chicksandveg," most of her activities revolve around radishes, tomatoes, pumpkins, and squashes, as well as her eleven hens, of course. Flowers are another of Amy's passions: "The garden is bursting with color. I want my garden to feel full and every inch to be covered. Above all, I want a space where lots is going on." Her main fan base is the relatively young audience on Instagram. Amy believes that gardening has been discovered by a new generation – one that couldn't be more different than the stereotype of retirees with plenty of time on their hands. Young people want to try things out and combine creativity with working outdoors. It's this desire that has fueled the boom in trends such as urban gardening and self-sufficiency.

The fact that Amy's garden looks so beautiful today is primarily due to the woeful state she found it in. "My real passion for gardening started when we moved here in

SUMMERTIME



For Amy, summer means flowers and lots of colors. She regularly posts tips on how to care for perennials and annuals.



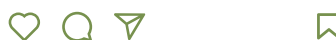


A place to relax. Amy has created a retreat in the middle of her bountiful garden.

SOWING JOY



Amy is always trying to grow new types of vegetables or flowers in her greenhouse. She believes that only a garden gives you the opportunity to really experiment.



»I want my garden to feel full and to be a space where lots is going on.«

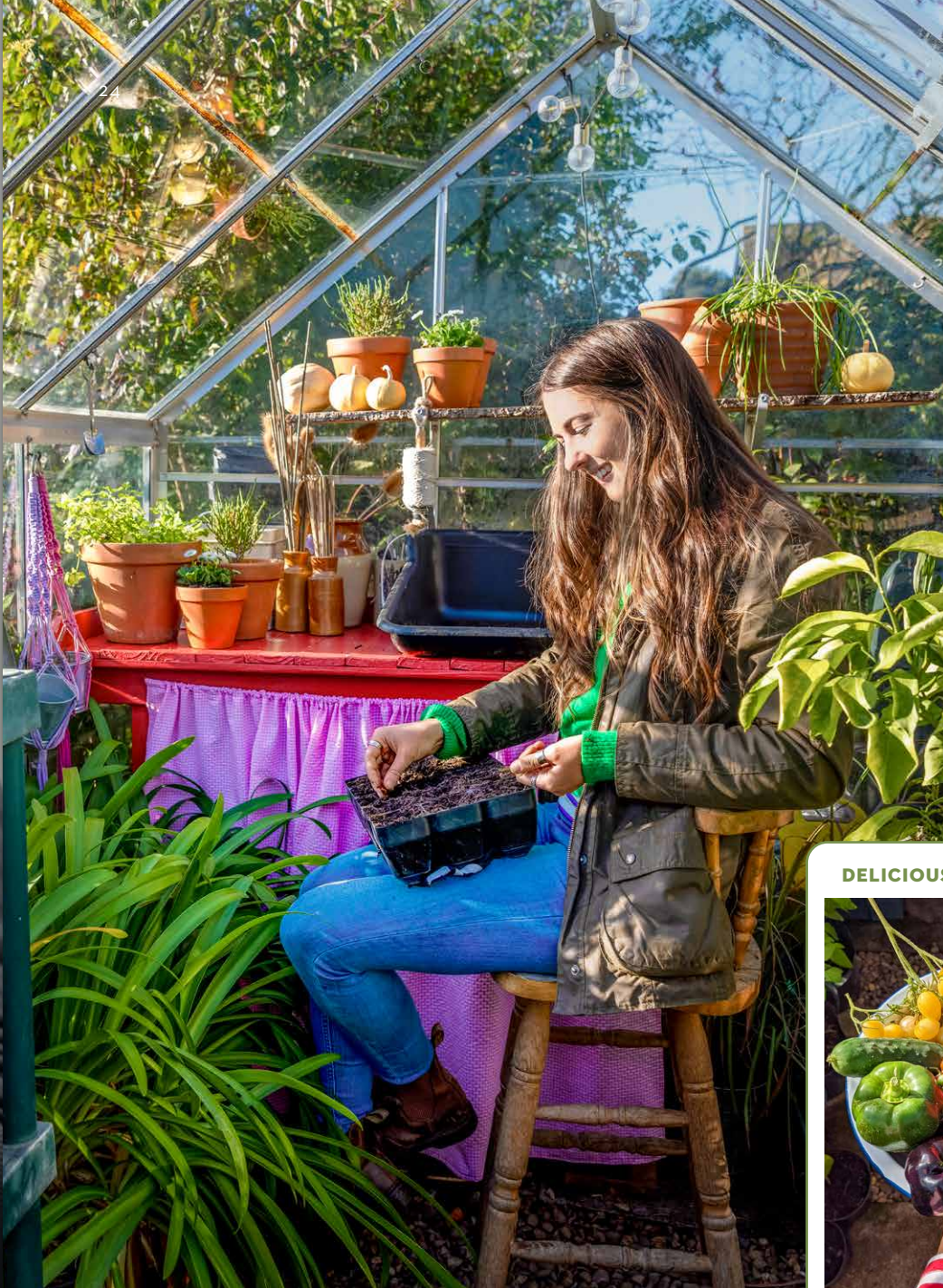
AMY SHORE



2017,” she explains. “Back then, the garden was a complete mess.” Concrete and gravel were everywhere, an old shed sat in the corner, and virtually nothing was green. “We had to do something about it anyway,” Amy says. Gradually, the view turned from gray to green. At the same time, she began recording the individual stages of the renewal in her Instagram stories: “I treated it like a diary, an opportunity to document what I had learned and what hadn’t worked.”

THE PANDEMIC DROVE THE BOOM

Her work seemed to be attracting a great deal of interest, with several hundred users initially liking videos of the renovation. Amy’s community was slowly growing. Then the pandemic came, and things really got going. The first lockdowns alone saw her audience shoot up. “In the past



DELICIOUS HARVEST



Peppers, chilies, and carrots. Amy loves conjuring up delicious dishes using the wide range of vegetables from her garden. She shares the recipes on her channel, of course.



»Everything I do
can be done
by anyone else.«

AMY SHORE





Galvanized metal beds can be found all over the garden. They are both practical and robust.



INSPIRATION FROM THE COMMUNITY

However, the global trend toward creating a private green oasis only partly explains the success of Amy's channel. She puts it like this: "I think my content gives people a form of escape. It's probably the mix of tips and tricks. Essentially, though, it's about attractive garden photos." She engages with the community to get inspiration for new videos or tutorials that people would like to see. Unlike the members of other fandoms on social media, gardening enthusiasts seem to be a very friendly bunch. "I've never had any really negative comments on Instagram," she says. "Just people pointing out things I could do better."

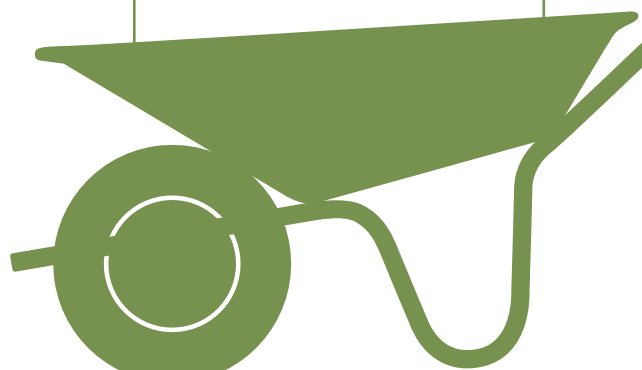
What are her followers most interested in? Amy thinks for a moment. "I get the most questions about planning ahead. What do I sow when?"

20 months, I've gone from 30,000 to 40,000, and then more than 100,000 followers." Amy still finds it hard to believe, although she knows the boom didn't come out of nowhere. A number of surveys back her up. More than half of the people interviewed by Geisenheim University in Germany stated that their garden became more important to them in 2020. A similar finding was made in 2021 by a joint international study conducted by organizations including Technical University of Munich, the University of Melbourne, and the University of California. Out of 3,700 gardeners surveyed, 75 percent said that their garden was hugely significant for them during the early stage of the pandemic. "Contact with nature," "relaxation," and "exercise" were three of the most frequently mentioned things that people were looking for in their own green spaces. Enthusiasm for growing food at home also increased in this period, with researchers pointing to the healing effects of a garden.

EGG-CELLENT



Amy's chickens are more than just a hobby to her. That's why her gardening tips are often accompanied by useful information on the right way to look after these feathered friends.



Several years ago, Amy launched an Instagram channel to document her progress as a gardener in the form of a diary.



What plants fill seasonal gaps? Things like that.” If a harvest fails or seeds don’t sprout, Amy is always open about it. That’s an important principle of hers, along with the idea that “everything I do or grow can be done by anyone else.”



YOU CAN FIND
ALL OF AMY SHORE'S
STORIES AND TIPS
ON HER CHANNEL,
"CHICKSANDVEG"
[INSTAGRAM.COM/
CHICKSANDVEG/](https://www.instagram.com/chicksandveg/)



QUALITY IS KEY

When Amy pots seedlings, arranges flowers, or digs up beds, she often makes do with a small number of garden tools. “I can do a lot with my hands,” she says. But when it comes to trimming hedges or pruning trees, she’s glad to have some electric assistance. Conveniently, her husband is a professional arborist. “I actually used his STIHL chainsaw to make a flowerpot out of wood. Otherwise, I can usually get by with my electric hedge trimmers.” Amy has also noticed something about the boom in equipment sales that has accompanied the resurgence in gardening. “There is a major trend toward high-quality tools. People who have invested time and money in their gardens want things that last.” Her next long-lasting purchase is likely to be a leaf blower with a shredder.

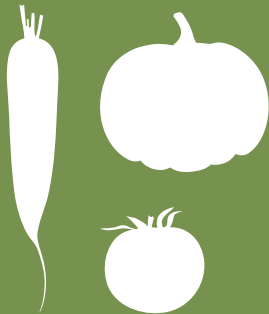
But, as always, she will take it as it comes – just like her next Instagram story. Amy doesn’t want to make a career out of social media. She just likes doing what gives her pleasure, and if other people like it too, that’s great. She has a simple message for anyone thinking of trying their hand at gardening: “Just make a start. Planting something in a bed in your garden or in a few pots can open the door to much bigger things.”

AMY'S GARDENING TIPS



GROW WHAT YOU LIKE EATING.

Many people try growing all sorts of vegetables, but then don't enjoy harvesting and eating them. Think about what you'd like to grow, taste things, and buy seeds accordingly.



SUGAR SNAP PEAS

are a must for me. I just love them.



CREATE VARIETY!

Growing flowers as well as vegetables is wonderful. Not only are flowers pretty and very colorful, they also attract pollinators and bees.



CHICKENS are social animals. Three is a good number to start with, so that they don't feel alone. Make sure they have enough space.



COLORS ARE JOYFUL.

The more colorful your garden, the more beautiful it is. This year, I had almost 50 varieties of dahlias in one bed, along with asters, snapdragons, and scabiosa.



HIGH-TECH COLLEAGUE —





The working world is experiencing enormous change at the moment. Production and manufacturing processes will also look different in the future. Above all, the topic of automation is of great importance – in the STIHL Group too. At several STIHL manufacturing companies around the world, our human colleagues now have real high-tech team members.

The STIHL Group is future-oriented in terms of its products and development, and not just when it comes to product design. In manufacturing too, STIHL is focusing on the future. The growing importance of battery-powered tools also involves new requirements for production processes and concepts such as automation, robotics, and artificial intelligence. Let's take a look at the future of production at several STIHL companies around the world.



CO-BOT

A cobot, also known as a co-robot or collaborative robot, is specifically designed to work with people. It does not work independently, but supports the machine operators in their work instead.

MODERNIZATION THROUGH INTELLIGENT HELPERS

People and robots - they could not be more different. But that difference is precisely what makes them a special team. The combination, which might at first glance seem incompatible, will create a community capable of shaping work processes better and more efficiently in the field of collaborative robotics. At the STIHL Group, a significant part of our sustainable alignment in manufacturing is achieved through investments in collaborative robotics. At several STIHL manufacturing companies, tremendous effort is being put into the implementation of "cobots" in manufacturing.

At the founding company, STIHL has been investing in this field and gradually expanding it since 2017: there are now seven cobots. The people and machines work together closely, which significantly eases the burden on employees in their day-to-day work. Monotonous and physically demanding tasks are being taken on by the robots, and the employees manage, control, and complete the tasks. Human intelligence, flexibility, and creativity are augmented by the precision, endurance, and power of the machines. A perfect combination.

THE FIVE STAGES OF COLLABORATION

1 **ROBOTS WITH SAFETY BARRIER**

□ The workspace of the robot is clearly defined by a barrier and mainly separated from that of the person. This means the employees are protected and the robot can work at optimum performance, specifically at high speed.

2 **COEXISTENCE**

○ □

People and robots work without a safety barrier in their own workspaces. The robot uses sensors and scanners and is automatically stopped if employees enter its workspace.

3 **SEQUENTIAL COOPERATION**

○ □ □ □ ○ ○ ○

People and robots use a shared workspace, but different tasks within the process are worked on at different times. There is no direct interaction.

5 **COLLABORATION**

○ □ □

People and robots work hand in hand in a shared workspace. In addition to the safety mechanisms of stages 3 and 4, these robots have a sensitive outer layer that responds to contact and switches off the machines in the event of danger.

4 **COOPERATION**

○ □ □

People and robots work side by side and at the same time in one workspace, but each on their own components. As in stage 3, complex safety mechanisms are installed to protect employees.

A NEW APPROACH WITH “HULK”

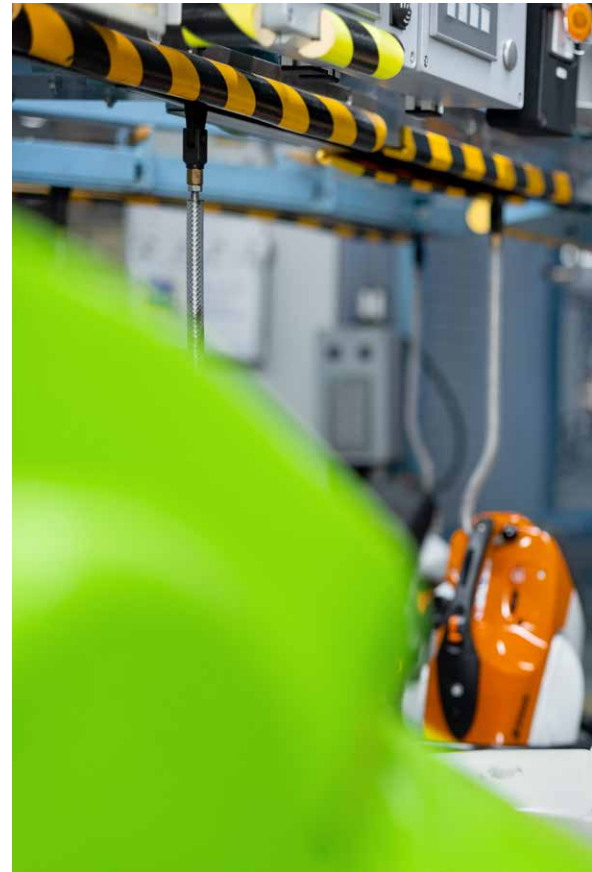
The first cobot implemented in the production process at STIHL was the lifting and packaging robot installed in 2017 by the manufacturer Fanuc, which is used on the cut-off machine line. The robot performs the “shake test” for the cut-off machine and the packaging process.

The launch of the lifting and packaging robot was something of a challenge for STIHL. Together with the robot manufacturer, the employer’s liability insurance association, and the relevant authorities, work processes were restructured, and new safety measures were developed before the cobots were integrated into work processes. Buying the robot is therefore not enough. Like human employees, a cobot must be trained. STIHL’s in-house tooling and equipment manufacturing conducts the complete integration of the cobot, including the construction of special parts, programming, and development of applications. This also ensures that our people can work safely with the robots while adhering to the highest level of safety and precautionary measures. The robots are equipped with sensors, which stop them when they come into contact with obstacles and protect against accidents between people and machines.

The robot has now become part of the team. Employees’ initial concerns about safety and working closely with the machine were quickly allayed. The intelligent colleague has now been fully accepted and even has a nickname: thanks to its power and bright green color, it is referred to as the Hulk. And the Hulk’s family is growing. Two additional computer-controlled lifting and packaging helpers arrived in 2021 to support the manufacture of STIHL professional blowers and chainsaws. Waldemar Eirich and Damir Uskok work together with the Hulks on a daily basis. “We initially had to get used to its speed, work

steps, and our new roles in the collaboration. It was the first of its kind here,” adds Waldemar Eirich, looking back. Both sides have had to learn from each other. But now the team is “well coordinated.”

Lars Spittler, Senior Manager of the assembly center at the founding company in Waiblingen, provides an insight into the future use of cobots: “We see huge potential in the expansion of automated production processes and the use of collaborative robots. Production processes are becoming increasingly complex and the requirements of ergonomics in the workplace are higher.” Cobots will take over more and more of the burdensome tasks for people at STIHL in the future. People, in turn, are taking on the role of instructor and carrying out more of the preliminary work.





DAMIR

HULK

»Using the cobot makes my work less draining and more effective. We can now package considerably more products per shift.«

DAMIR USKOK
Production employee in Waiblingen

1,518 times

per shift the collaborative robot "Hulk" lifts a cut-off machine. This saves the employees a total of **8 METRIC TONS IN WEIGHT** during an eight-hour shift.



The cobot and the employees are working toward a shared goal on a daily basis. The cobot does the groundwork for the employees, who then manage the work processes.

CR-71A/L 

ROBOTS IN THE STIHL WORLD

The STIHL Group is also investing in intelligent helpers at other production companies in Austria, Brazil, and the USA.



JULIAN

The cobot in blower assembly packaging area lightens the workload for employees like Julian Eley by lifting and moving the final product.

COBOTS @ STIHL INCORPORATED



The STIHL plant in the U.S. is a trailblazer when it comes to collaborative robotics. The Virginia Beach production company has been investing in this technology since 2013 and now has nine active collaborative robots in assembly and plastics production. The project started with Universal Robots' UR10 - at that time a real market innovation. At the beginning, however, there was considerable skepticism among the employees involved. But like in Waiblingen, doubts were quickly assuaged and today the cobot is a fully accepted member of the team.

The cobots actively work together with STIHL employees. One example of this is the robot that was commissioned in 2018 on a clearing saw line. The robot unloads the equipment and positions it for further processing. This saves its

human team members the strenuous task of physical lifting and turning, reduces the work steps required, and minimizes the risk of injury.

Another robot was installed in 2021 for packaging blowers. Here, the use of machines significantly eases the physical burden on production employees.

»Our employees have confidence in the use of robots. Thanks to their intelligent functions and strict safety measures, cobots have been positively received.«

DR. ANDREAS GARSTENAUER
Director Manufacturing Engineering, STIHL Inc. (USA)



COBOTS @ STIHL BRAZIL



The two cobots at STIHL Ferramentas Motorizadas in Brazil are brand-new. In 2022, both GoFa models from ABB Robotics were integrated into the existing production processes. They feature a built-in camera that checks finished chainsaws and clearing saws, thus ensuring the quality of the manufactured products before they leave the production line. If an error is detected, an employee will get involved and take over the rework where necessary.

The implementation of both robots was designed in cooperation with the production process engineers and implemented internally by the Automation Technology Department. What makes this special is that there are no boundaries or physical safety devices needed between the cobots and the employees. Both machines work safely side by side with their operators. The feedback has been absolutely positive - so positive, in fact, that two additional robots have already started working at the Brazilian assembly plant.

ALLAN & RICARDO

GOFA



Allan Heinen, Project Manager, and Ricardo Dossena Silva, Head of Automation Technology, are responsible for implementing the cobots at the production facility in Brazil.



FRANZ

SEB



SISSI

AUTOMATION @ STIHL TIROL



At STIHL Tirol GmbH in Langkampfen, Austria, production processes are continuously being automated and modernized. One example is the assembly line for the STIHL HSA 60 and HSA 100, two next-generation battery-powered hedge trimmers. To meet market demand and STIHL's high quality standards, many processes have been automated on this line, including the pressing process and the assembly of blades. Three robots in total demonstrate their skills in blade automation: "Sissi," "Franz," and "Seb." In contrast to the machines at the founding company in Germany, STIHL Inc. in the U.S., and STIHL Brazil, Sissi, Seb, and Franz are screwdriving robots not cobots. They therefore work in a dedicated workspace with a safety barrier. Sissi, Seb, and Franz also actively support work on the line without direct interaction with employees.

Through automation, STIHL quality standards can be maintained in the manufacture of battery-powered hedge trimmers, production volume can be increased per work shift, and employees can be spared the most physically demanding work processes.

**LETTER FROM THE CHAIRMAN
OF THE ADVISORY BOARD**

Dear Business Partners,
Dear Staff,
Dear Friends of the STIHL Group,

2022 was another year that put us all to the test. Just as the worst period of the pandemic appeared to be behind us, the seemingly impossible happened: war in Ukraine, meaning war in Europe. This terrible event reminds us all that peace and democracy are fragile constructs that we need to defend every day.

In times like this, we are glad that the STIHL Group has roots stretching back almost 100 years that make us a strong and stable family-owned business. Despite an unending stream of new challenges, STIHL has proven time and again that we can master these situations and emerge stronger from them as well. We owe this ability first and foremost to incredibly dedicated STIHL employees all over the world. Together, we made the past fiscal year a successful one by focusing squarely on team spirit within the STIHL Group and showing tireless commitment.

Thanks to our international, decentralized manufacturing network, the very high level of vertical integration that goes with it in both gasoline-powered and battery-powered products, and a large sales network spanning almost the entire world, we are well equipped to handle the tasks ahead of us and are working as one to further strengthen STIHL's foundations. In times where so much is uncertain and unpredictable, these foundations give us stability and the opportunity to advance through innovation, even under difficult conditions.

On behalf of the Advisory Board, I would like to thank all of our employees for their work and outstanding dedication in 2022. I would also like to thank all our partners, the Supervisory Board, the Executive Board, and the employee representatives for their positive and constructive cooperation.



DR. NIKOLAS STIHL
Chairman of the Advisory Board

› **LETTER FROM THE CHAIRMAN OF THE ADVISORY BOARD**



EXECUTIVE BOARD OF STIHL AG

STIHL AG is the managing partner
of STIHL Holding AG & Co. KG,
ANDREAS STIHL AG & Co. KG,
and STIHL Vertriebszentrale AG & Co. KG.



MICHAEL TRAUB
Chairman of the
Executive Board
(since Feb. 1, 2022)



INGRID JÄGERING
Finance and Controlling
(since Aug. 1, 2022)



MARTIN SCHWARZ
Manufacturing
and Materials



NORBERT PICK
Marketing and Sales



ANKE KLEINSCHMIT
Research and Development



DR. MICHAEL PROCHASKA
Human Resources and
Legal Affairs

KARL ANGLER
Finance and
Information Technology
(until Jul. 31, 2022)

REPORT OF THE EXECUTIVE BOARD

Dear Business Partners,
Dear Staff,
Dear Friends of the STIHL Group,

After the already-difficult preceding years, 2022 was another twelve months that no one could have imagined or wished for. Once again, we faced a wide variety of challenges caused by multiple crises. The impact of the global coronavirus pandemic was still apparent, and the war in Ukraine put more pressure on our supply chains and led to additional component shortages. In the final months of the past fiscal year, we also had to partially rethink the topic of energy availability and make arrangements to maintain both production and our supply capabilities.

These are all major concerns for the STIHL Group's business. The effects of the crises and the extreme operating environment were reflected above all in unit sales of STIHL products worldwide, which fell slightly year on year in 2022. Contrary to many forecasts, however, we can again look back on another record-breaking year for STIHL, with revenue exceeding the five-billion-euro mark for the second time. At 5.5 billion euros, the Group's revenue was up by 8.6 percent. This achievement was certainly not a given and is primarily thanks to an outstanding team performance by all STIHL employees around the world. It was only through their hard work in 2022 that, despite everything, we were able to launch new products on the market, reduce supply delays, offer our customers new solutions, and continue on our journey toward becoming a modern mechatronics and software company.

The new fiscal year will offer little respite. It is already apparent that 2023 will be marked by a volatile global economy, with falling growth, high inflation, rising interest rates, and continued war in Ukraine. Another major topic will be the transition from gasoline-powered to battery-powered products. We are having to deal with new competitors all over the world, who are posing new challenges with rapid innovation and advantageous cost structures. However, our continuous investment and the forward-looking actions of our Advisory Board and Executive Board make us optimistic about the future. After all, the strength of a healthy, family-owned business with a long-term strategy such as STIHL proves itself over and over again - especially in unsettled times.

I would therefore like to thank the Stihl family for the trust they have placed in me, as well as the Executive Board and the members of the Employee Council for our positive and constructive working relationship. My special thanks go to the employees across the STIHL Group: you, your flexibility, and the immense time and effort you put into our business are and will remain the foundation of our success.

Yours truly,



MICHAEL TRAUB

Chairman of the Executive Board of STIHL AG

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MANAGEMENT REPORT – THE STIHL GROUP

The STIHL Group posted revenue of 5.5 billion euros in the past fiscal year, a gain of 8.6 percent over 2021. Compared to previous years, the currency effects had a positive impact on the revenue of the STIHL Group with a rise of 5.5 percent. At 404 million euros, capital expenditure in 2022 was significantly higher than in the previous year, and was focused primarily on the worldwide production companies.

REVENUE REACHES 5.5 BILLION EUROS

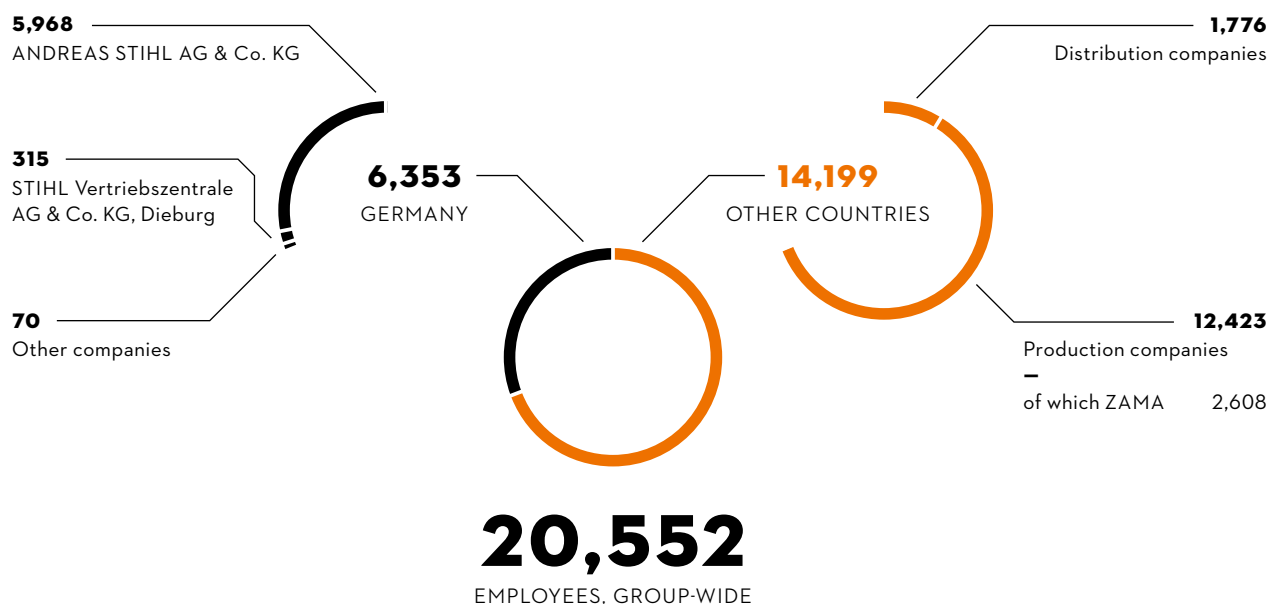
In fiscal year 2022, the STIHL Group generated consolidated revenue of 5,495 million euros. Revenue therefore increased by 8.6 percent year on year (2021: +10.4 percent). The proportion of revenue generated outside Germany was 90.2 percent, compared with 90.1 percent in the previous year. A total of 28.1 percent of total revenue was generated in the eurozone, with 35.6 percent in the European Union as a whole.

Currency exchange had a positive effect, at 5.5 percent. Calculated at the average exchange rates of 2021, revenue would have grown by 3.1 percent. The euro traded at an annual average of 1.05 against the U.S. dollar and was therefore lower than the previous year (1.18).

INVESTMENT IN GERMANY AND ABROAD

In fiscal year 2022, investment (property, plant, and equipment, as well as intangible assets) at the STIHL Group amounted to 404 million euros (2021: 331 million euros). Some 33.8 percent of capital expenditure was invested in the German founding company, while 66.2 percent was invested in the other companies of the Group, both in Germany and abroad. Of the total investment, 90.1 percent was made at the production companies within the STIHL Group.

Construction activity in the STIHL Group was also at a high level in 2022. For example, a total of 86.9 million euros was invested in land and buildings (2021: 79.5 million euros). As in previous years, investments focused mainly on production and logistics facilities at the production companies. The largest invest-

NUMBER OF EMPLOYEES, DECEMBER 31, 2022 – STIHL GROUP

ments in production facilities were in the new plastics production facility at STIHL Tirol, battery production at STIHL Inc. in the U.S., and the expansion of tool construction at STIHL Ferramentas Motorizadas in Brazil. New headquarters for STIHL companies in Serbia and the UK are also being built.

SATISFACTORY EARNINGS

From a Group perspective, the earnings situation was satisfactory in 2022.

STRONG FINANCIAL STRUCTURE

The Group's capital structure remains positive. The equity ratio at the end of the 2022 reporting period amounted to 61.9 percent. Equity therefore covers all noncurrent assets and inventories, as well as a part of the receivables and other assets.

Liquidity remains at a high level. In general, the Group's capital expenditures are funded without the need for borrowing.

MANAGEMENT REPORT – THE STIHL FOUNDING COMPANY

Looking at fiscal year 2022, these past twelve months for STIHL were defined by issues such as a global pandemic, the war in Ukraine, the tense supply chain situation, and the resulting component shortages. Despite the consistently challenging overall conditions for several years now, STIHL's founding company in Germany managed to post revenue growth of 11.9 percent. At 136.4 million euros, scheduled investments stood just over nine million euros below last year's level. The equity ratio increased to 39.7 percent.

RECORD REVENUE ONCE AGAIN AT ANDREAS STIHL AG & CO. KG

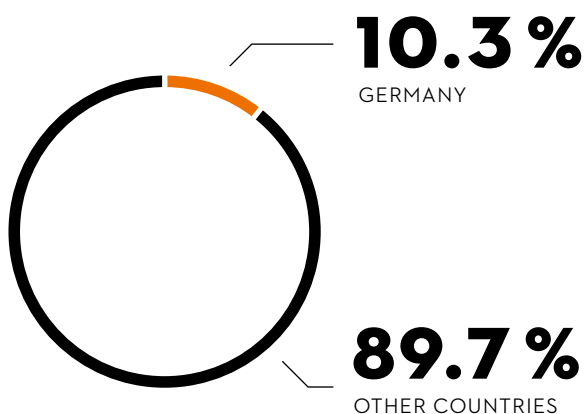
In fiscal year 2022, revenue at the founding company increased significantly by 11.9 percent (previous year: 15.4 percent) to stand at 1,783 million euros. The export ratio remains at a very high level of 89.7 percent (previous year: 90.5 percent). Substantial revenue growth was realized, most notably in South America, Australia/Oceania, and North America.

HIGH INVESTMENT

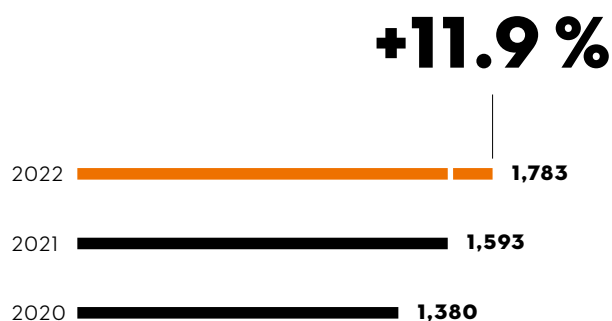
The investment volume (property, plant, and equipment, as well as intangible assets) amounted to 136.4 million euros in the reporting year (previous year: 145.9 million euros). A significant part of the capital expenditure was invested in buildings and building facilities in Waiblingen – primarily in the STIHL Brand World construction project and the renovation of the office building at Plant 1 – and in the SAP S/4HANA project ONE STIHL. Further major expenditures involved investments in production facilities in Waiblingen and Weinsheim.

In addition, significant investments were made in research and development at the Waiblingen founding company and in the IT infrastructure. As in previous years, investments in 2022 significantly exceeded depreciation.

REVENUE DISTRIBUTION IN 2022 – ANDREAS STIHL AG & CO. KG IN %



REVENUE GROWTH IN 2022 – ANDREAS STIHL AG & CO. KG IN MILLIONS OF EUROS



STABLE EQUITY RATIO AND HIGH LIQUIDITY

The equity ratio stands at 39.7 percent (previous year: 38.0 percent) and is therefore still at a very high level. This means the fixed assets and part of the inventories are covered by equity. Total liquidity, including securities held as current and noncurrent assets, accounted for 20.6 percent of the balance sheet total. However, it should also be noted that these items are offset by high long-term obligations from the company pension plan.

SELF-FINANCED PENSION OBLIGATIONS INCREASING

The actuarial reports led to an increase in pension provisions and other liabilities from outstanding capital payments of 14.4 percent overall compared to 2021 (increase in the previous year: 16.5 percent). The calculations are based on the Heubeck 2018 G mortality tables.

PRODUCTION

Production within the STIHL Group once again proved resilient and flexible in 2022. The war of aggression in Ukraine had a severe impact on some supply chains and on the availability of certain materials, worsened the shortages of some components and raw materials, and continued to drive up energy costs. STIHL had to come up with solutions to the difficulties it faced in order to continue its production and meet growing demand. The fruits of these efforts can be seen in our sales growth, which underscores STIHL's familiar strength in the face of all the challenges that arose during the year.

A NEW ENVIRONMENT

Political instability, international trade barriers, old and new crisis situations, legal requirements, and disrupted global supply chains show how important flexible and, above all, timely procurement is for the STIHL Group's success. To address the new challenges at an early stage, a special program was implemented with the aim of strategically aligning the STIHL Group's global purchasing functions with the shifting environment and making it even more adaptable to current and future changes. This approach involves pooling the potential of all STIHL Group companies in order to focus more strongly on the resilience of supply capabilities and on sustainability in the supply chains. As a result, strategic purchasing is in a stronger position and has adapted its organization, roles, responsibilities, and processes.

DEVELOPMENT OF THE LUDWIGSBURG PLANT

In the coming years, a new state-of-the-art production location is to be built on the currently unused site of the former STIHL Plant 5 in the Weststadt district of Ludwigsburg, in close consultation with the city of Ludwigsburg. With gross floor space of up to 35,000 square meters, the new facility will include two thermally and acoustically insulated production levels that are equipped for energy-efficient operations thanks to heat recovery and evaporative cooling systems. A photovoltaic array, green roof, and green facades round out the sustainable architectural design. Before construction work on the new plant begins, the existing building is set to be demolished starting in spring 2023 - a process that STIHL will carry out in accordance with sustainable standards.

FLAGSHIP LOCATION IN THE EIFEL REGION

The STIHL magnesium diecasting plant in Weinsheim is one of the most advanced facilities of its kind. The STIHL Group's fourth and largest heat chamber machine has been in operation there since 2022. The continuous development of the heat chamber diecasting units enables STIHL products to remain competitive and win over customers worldwide with STIHL's high quality standards. The fully automated diecasting units in the plant's hot and cold chamber systems turn standard and special alloys into sophisticated design components. With a capacity of around 6,500 metric tons per year, the STIHL location in the Eifel region is regarded as one of the most efficient producers of magnesium diecast products in Europe. That is why the STIHL plant now manufactures components for other industries as well as for the company's internal requirements.

6,500 t

of **DIECAST PRODUCTS** are produced each year at STIHL's Weinsheim plant.

SETTING THE FUTURE COURSE IN TYROL

Innovative times at STIHL Tirol GmbH in Langkampfen: the center of expertise for STIHL's ground-supported outdoor power equipment is preparing for the future by automating two assembly systems. The assembly lines for STIHL lawn mowers and hedge trimmers were modernized using several automation processes in each case. Along with transmission automation, the STIHL HSA 60 and STIHL HSA 100 lines feature a fully automated blade assembly unit and three automatic screwdriver stations. The hedge trimmer operations also include a partially automated pressing process. STIHL is investing a total of around four million euros to maintain the high quality standards and deliver the quantities demanded.

At the end of 2022, STIHL Tirol opened a new plastics production facility at its Langkampfen location with the aim of boosting its development and production activities. Around 19 million euros were invested in the 3,500-square-meter expansion, which will initially

house ten injection molding machines and clear floor space for future assembly lines and an extension of the plastics production capacity. This demonstrates STIHL's long-term commitment to Tyrol and its clear backing of the Langkampfen production company as a center of expertise and production for ground-supported outdoor power equipment and battery-powered products. The new production facility has not only increased the level of vertical integration, but also created approximately 50 new jobs.

ZAMA EXPANDS PRODUCTION

ZAMA has expanded its production capacity for precision-turned parts and electronic assemblies. Since April 2022, some of the most important mechanical transmission parts – eccentric gears for the STIHL HSA 60 and STIHL HSA 100 cordless hedge trimmers – have been manufactured at ZAMA's plant in China.

In addition to carburetors, ZAMA's production facility in China began producing precision parts such as crankshafts and chain tensioners for the STIHL MS 162 and STIHL MS 172 gasoline-powered chainsaws in 2022. Crankshaft assembly at STIHL China and STIHL Inc. is supported by the expansion of crankshaft production at ZAMA. Outside of China, ZAMA has locations in the Philippines, Japan, and the U.S. As a wholly owned member of the STIHL Group, ZAMA and its extensive product portfolio allow STIHL's international manufacturing network to take the next step in becoming more independent from external suppliers. The decentralized structure of the manufacturing network means that it is well equipped to deal with any challenges that arise in procuring items and delivering them to the production locations.

NEW PLASTICS PRODUCTION FACILITY IN TYROL
INCREASES THE STIHL GROUP'S PRODUCTION DEPTH

10

INJECTION MOLDING MACHINES were installed at the Langkampfen company.



80

PLASTIC PARTS are made in an injection molding machine every hour.

4.8 million

PLASTIC PARTS are produced every year.

19,000,000 euros

OF CAPITAL EXPENDITURE on the new plastics production facility.

LANGKAMPFEN



AUT

50

JOBS were created in the new plastics production facility in Tyrol.

DEVELOPMENT

STIHL was founded with the vision “to make it easier for people to work with and in nature,” and since then it has become known all over the world for its innovative and top-quality products. Nevertheless, rapidly changing markets, shorter product life cycles, and increasing competition are now posing new challenges that need to be mastered successfully. The STIHL Group continued to focus on shaping technological change in 2022, particularly in the areas of STIHL drive systems and STIHL connected. The goal is to enable all customers to achieve efficient, innovative, and eco-conscious results using STIHL products.

INNOVATIVE PRODUCTS

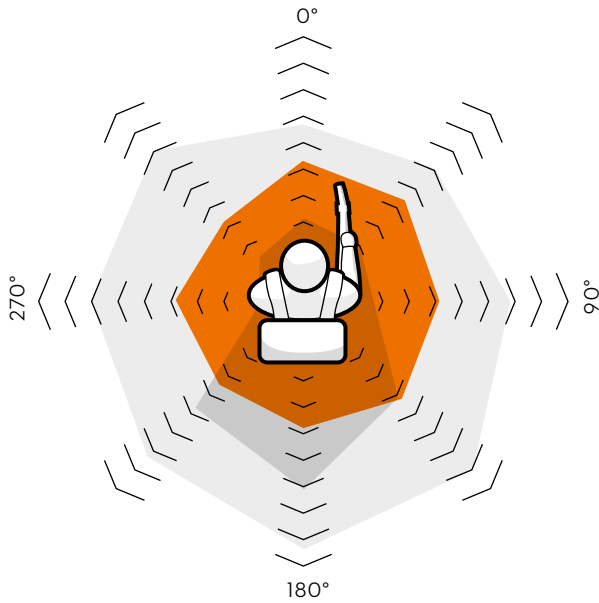
The trend toward electrification is reflected in every aspect of STIHL’s development. Innovative battery-powered products for professional and private use enable our customers to benefit from all the advantages of battery-powered electrical technology, such as the low-noise, low-maintenance and, most importantly, locally emission-free drive system that powers our devices. The goal is always to ensure that the performance and usability of the products are in no way inferior to STIHL’s tried-and-tested combustion engine products.

An obvious advantage of battery-powered devices is their lower noise emissions. The new STIHL BGA 300 cordless backpack blower sets a whole new standard in this respect thanks to the STIHL Noise Reduction

System. Not only does this system significantly reduce noise levels for residents and passersby, but it also produces more pleasant sound by lowering the level of certain frequencies. At the same time, performance is particularly high as a result of the 86 meters per second maximum air speed.

The STIHL AP 500 battery pack, developed to meet the highest demands in terms of performance and service life, was launched simultaneously. The use of a new type of pouch cell hugely increased both energy content and the number of potential charging cycles. However, STIHL is not only concerned with battery performance itself, but also applies a holistic approach. This includes, among other things, new ways of charging battery-powered devices quickly and even on the move. That is why the new high-performance STIHL PS 3000 energy storage unit now

STIHL NOISE REDUCTION SYSTEM IN BGA 300
MECHANISM ILLUSTRATED BY THE SOUND PRESSURE
LEVEL AS COMPARED WITH OTHER MODELS



84 dB(A)

BGA 300 SOUND PRESSURE LEVEL

—
■ BGA 300 Boost ■ BGA 100 Boost ■ BR 500

provides a level of energy supply independence previously known only with gasoline-powered products. Thanks to this mobile power station, both battery-powered devices and corded products can be kept running while on the move.

New additions to the product portfolio in 2022 include the STIHL HTA 50 pole pruner and the STIHL WP 300, 600, and 900 water pumps. The STIHL HTA 50 now delivers advantages in terms of use and durability in a direct comparison with competitor products thanks to a patent-pending ventilation concept. The use of a new generation of engines and

a specially developed bevel gear make it possible to achieve a clean cut and a high level of precision. Yet another milestone: despite the challenges in the international flow of goods, the STIHL HTA 50 hit the market right on time for the 2022 gardening season.

Three new self-priming STIHL water pumps - WP 300, WP 600, and WP 900 - have also been introduced in the last fiscal year. All three are fitted with a four-stroke gasoline-powered engine and differ from each other in terms of hose connection sizes and flow capacity. The powerful engines and cast-iron components are robust and designed specifically to meet the needs of users in emerging markets, where the water pumps are increasingly used for agricultural irrigation. In this way, the water pumps provide many customers with the basis for cultivating their land themselves and securing their livelihoods.

SUSTAINABLE AND EFFICIENT

It is part of STIHL's philosophy to provide users with virtually everything they need to successfully complete their tasks. For example, STIHL has been selling fuels and oils that it developed internally to help ensure the reliable operation of tools and chainsaws for over 20 years. MotoMix Eco, the company's own patented fuel made with ten percent renewable resources - primarily wood residues from forestry - was launched in 2022.

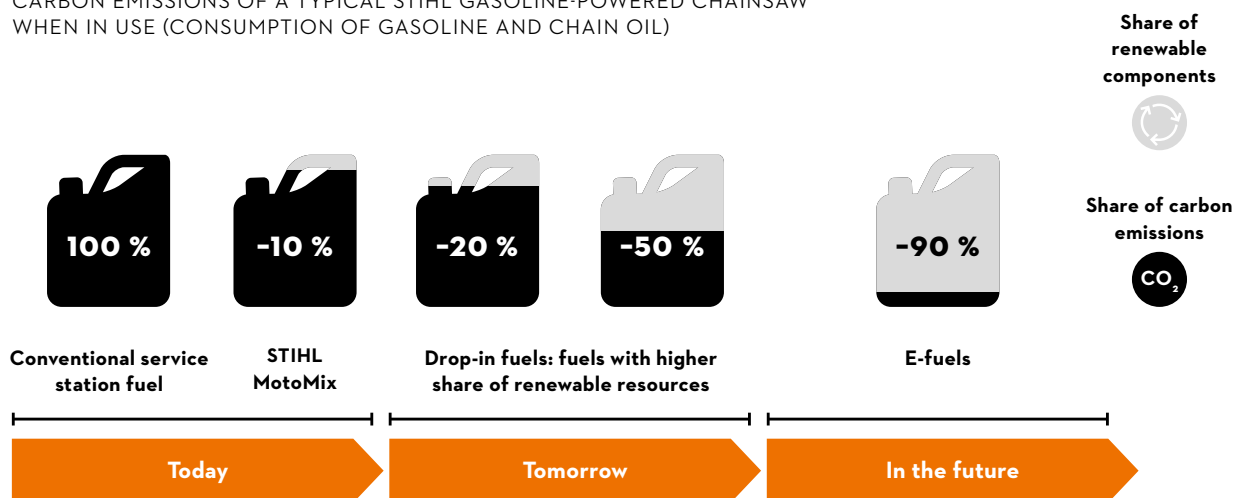
In order to further reduce carbon emissions in the years ahead, the Development Department is currently engaged in intensive studies and partnerships with a variety of market participants. In addition to biogenic fuel sources, novel synthetic production methods are also being examined.

Known as e-fuels, they are produced using green electricity from the electrolysis of water, as well as carbon dioxide from the atmosphere via complex chemical reactions.

The aim is to use novel fuels more extensively from 2027 onward. Until then, STIHL will continue to enhance the sustainability of its products by using biogenic raw materials.

FUEL OF THE FUTURE

CARBON EMISSIONS OF A TYPICAL STIHL GASOLINE-POWERED CHAINSAW WHEN IN USE (CONSUMPTION OF GASOLINE AND CHAIN OIL)



MORE ECOSYSTEMS

With the new generation of STIHL iMOW, the entire ecosystem surrounding the robotic mower, including the MyiMow app, the STIHL Service Portal (iSP), and various accessories and service packages have been redeveloped. In this context, the development of the robotic mower did not just focus on a well-balanced and robust mechanical design. Rather, the focus for the new-generation iMoW was on creating new software algorithms, with around two million lines of code. The goal underlying this ambitious project is to build our own modular robotics platform. Over 100 developers across five countries were involved in the project. The project also charted new territory in terms of methodology. For example, the entire software for the robot, the app, and the Service Portal were developed through an agile process comprising more than 50 sprints. To cope with the complexity of the system and to achieve prompt feedback on the progress achieved during the development process, automated tests were devised from component right through to system level.

STIHL CONNECTED

STIHL connected is our way of continuously delivering new digital solutions to manage STIHL professional equipment. New customer functions for managing the energy efficiency of STIHL battery packs were launched in 2022. In addition, the range of functions for the connected box as a universal gateway was expanded to include battery-powered products and battery packs. The connected box is now also available as a version featuring mobile connectivity.

The completely revamped STIHL connected web portal (connect.stihl.com) now offers customers a much more appealing, modern, and straightforward way to access all relevant information and functions.

In the years ahead, STIHL will respond to the continuing advances made by digitalization around the world by introducing a digital business platform, and will also offer additional digital solutions for users. Furthermore, in the near future it will be possible to link an increasing number of products via STIHL connected.

➤ FIND OUT MORE STARTING ON PAGE 10

THE HARDWORKING HELPER

HUMAN RESOURCES

The macroeconomic challenges that arose in 2022 also placed particular demands on human resources work within the STIHL Group. Once again, it became clear that some challenges can only be overcome by working together and focusing on the future. Consequently, STIHL companies across the Group adopted a range of measures to ensure that our human resources work is ready for the future, innovative, and independent - be it through digital training platforms that facilitate learning irrespective of time and location, or in-house career development opportunities.

NEW LEARNING FORMATS

In light of current diverse and complex changes and the need to be able to adapt to them with increasing speed and flexibility, training and development is becoming a decisive factor in expanding the competitiveness of both entire companies and individual employees. Constant change in the world of work requires, most importantly, the ability and willingness of employees to engage in lifelong learning. To this end, new, IT-supported platforms have been designed to facilitate learning in the workplace and in real time. This means that employees can quickly familiarize themselves with new topics and respond flexibly to new challenges. These new platforms are designed to supplement existing learning opportunities.

Besides developing professional skills, one of the key focal points of HR development at STIHL is to equip employees with the skills they need for the new world of work. This is done, for example, in the form of keynote lectures on hybrid working, training sessions on Scrum, and personal growth reviews.

One modern training strategy also offers solutions for equipping employees to meet future technological requirements. This is why new programs focus specifi-

cally on the skills that will be needed in the future. Together with local universities, for example, we have developed programs that are designed to cover the specific requirements of electrical engineering and mechatronics. This is how STIHL is successfully preparing its employees to face the challenges of technological transformation.

The Digital Continuing Education team at the founding company won the eLearning Award for 2022 in the "Strategy" category with its digital training strategy. One of the big challenges that has been with us since the start of the coronavirus pandemic is how to supplement or replace familiar in-person learning formats with virtual or digital ones. The content matrix developed by the team of employee training and development experts facilitates the creation of learning content and takes digital learning to a whole new level for all employees.

At STIHL Ferramentas Motorizadas in Brazil, on-the-job training is moving to an online-only format. The digital platform helps employees take control of their own training process by enabling them to acquire more knowledge, access teaching materials, complete assessments, and independently review their progress within the system whenever they want.

SHAPING THE FUTURE WITH EXPERTISE

This year, the STIHL company in Brazil launched a new trainee development strategy entitled “Desenvolver - Conectando Experiências.” Trainees meet once a month to share their own experience and best practices. It is also an opportunity to speak about their projects and the expectations they have for the program. Every now and then, more experienced STIHL colleagues are invited to talk about their career paths.

As part of the largest recruiting drive in its history, STIHL Inc. in Virginia Beach welcomed more than 1,000 new employees to the company over the past fiscal year.

This involved organizing ten special recruitment events at which interviews were held with a total of over 500 candidates. In addition to these external initiatives, more than 250 existing employees also had access to in-house career development programs. In addition, more than 200 temporary employment contracts were extended in cooperation with local recruitment agencies. STIHL Inc. regards these successful initiatives as the basis for the growth and success of the plant in the years ahead.

STIHL Inc. also set a new record in terms of the number of apprentices: the figure currently stands at 23, 11 of whom joined in August 2022. This is the largest group of apprentices to date. Furthermore, the completion of the final apprenticeship examination by two female apprentices is worthy of particular mention.

DIGITALIZATION EVERYWHERE

As part of the project to roll out S/4HANA across the entire STIHL Group, the new ATOSS system for workforce time management was introduced in Switzerland back in 2021. The “Employee Central” Success Factors module was successfully launched in June 2022. In a further step, ATOSS workforce scheduling with a link to the S/4HANA systems was successfully rolled out

in December 2022. Step by step, these new HR applications are coming together to form a single whole. Staggering the system launches of the new applications has allowed users to gradually learn new processes and procedures.

The launch of “Employee Central” and ATOSS has helped the chain plant to take a big step toward harmonizing and digitalizing its HR processes. The automated and standardized processes in both applications enable efficient and standardized workflows, data security, and data transparency. This will ensure that the individual areas work together constructively and efficiently.

ACTIVE ON SOCIAL MEDIA

The STIHL chain production company in Switzerland has been active on social media since July 2022. It has been posting, liking, and sharing content on the professional sites LinkedIn and XING, and also on Facebook since August 2022. Regular posts from the STIHL chain plant are used to actively engage in HR marketing, thus making the most of the opportunity to publicize positions via new channels. In addition, we actively initiate contact with potential applicants in order to establish long-term relationships. We plan to continue these and other activities in 2023 - always with the goal of ensuring that we can continue to promptly fill vacancies with the right candidates going forward.

STIHL Tirol is also stepping up its social media activities and, alongside XING and LinkedIn, has also been posting on Instagram and Facebook since November 2022. This means that not only traditional career sites but also other channels are being used to more effectively promote STIHL as an attractive employer among its various target groups.

>1,000
NEW EMPLOYEES were hired by STIHL Inc. at its Virginia Beach location in 2022.

CAPITAL EXPENDITURE

The STIHL Group continued to invest strongly in 2022, and so remains committed to its investment policy of recent years. STIHL continues to grow and is pursuing major construction activities and future projects in the field of manufacturing at the Group's international facilities.

NEW WAREHOUSE IN BELGRADE

The STIHL Group is investing around 6.8 million euros in a new building for the STIHL company located in the Serbian capital of Belgrade. The impressive two-story building, which went into operation in October 2022, boasts 1,700 square meters of space. It houses a showroom, a workshop, and training and seminar rooms. The building was ready for occupancy a mere year after the official groundbreaking ceremony. What is special about these new premises is that the temperature of the building is regulated by an efficient heat pump, without the need for a fossil-fuel energy source. Established in 2013, the STIHL distribution center in Serbia supplies important parts of the Eastern European market.



6.8
million

EUROS was invested in a new building to house the STIHL distribution company in Serbia.

DEVELOPING TOOL EXPERTISE

Utmost precision is the order of the day at STIHL, which is why so few standard tools and machines meet the company's special requirements. One of the consequences of this is that we manufacture tools in our own diemaking shop. For this reason, STIHL's magnesium diecasting plant in Weinsheim, Germany, which was founded in 1971, now also produces cutting tools in-house alongside diecasting tools. In addition to grinders and EDM machines, STIHL is investing in a laser system to manufacture cutting tools equipped with PCD (polycrystalline diamond) cutting inserts at its plant in Germany's Eifel region. This reduces or even eliminates any disruptions that may occur as a result of purchasing from external suppliers. Among other things, our in-house laser system delivers high levels of accuracy and better-quality cutting edges. Thanks to this new laser machine, the STIHL plant in Rhineland-Palatinate is expanding the range of tools used in-house and is therefore well placed to meet the challenges of the future. What is more, the entire STIHL Group stands to benefit from the expertise acquired and this cost-effective manufacturing process.

NEW CENTRAL WAREHOUSE IN VÖLKLINGEN, GERMANY
THE STIHL GROUP'S LARGEST LOGISTICS WAREHOUSE
ENHANCES ITS INTERNATIONAL COMPETITIVENESS

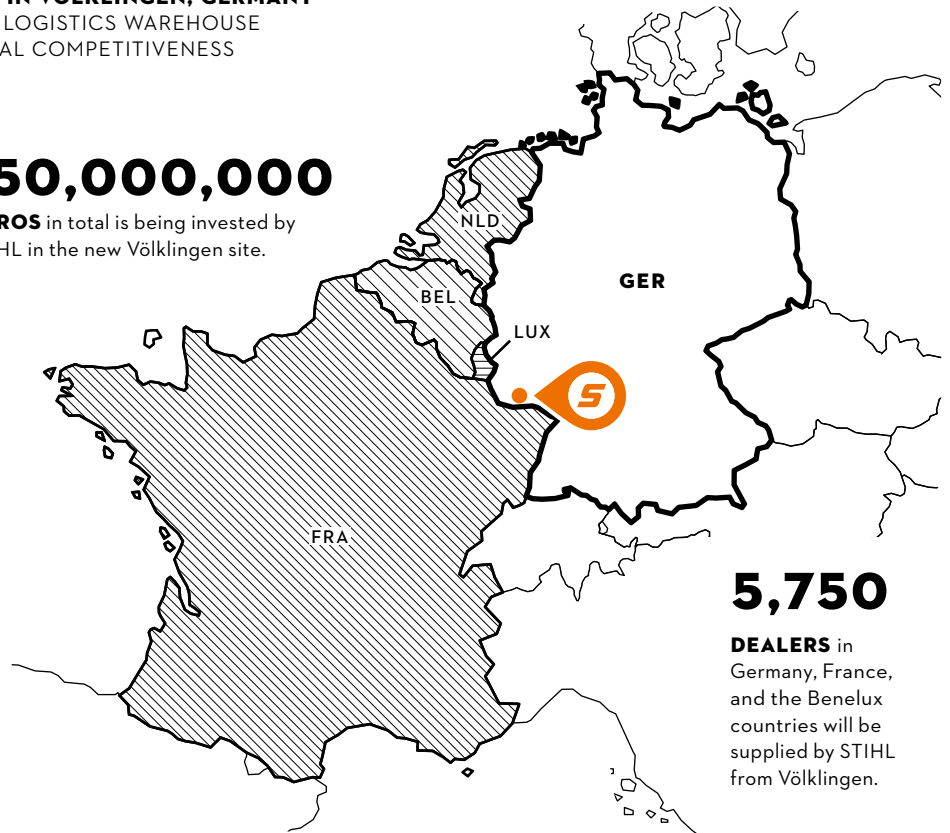


GLOBAL DISTRIBUTOR

STIHL companies worldwide will now be supplied from Völklingen.

150,000,000

EUROS in total is being invested by STIHL in the new Völklingen site.



120

STAFF will be employed at the new logistics center.

5,750

DEALERS in Germany, France, and the Benelux countries will be supplied by STIHL from Völklingen.

ROBOTS IN MANUFACTURING

In addition to its new construction activities and tools, STIHL is also investing in new technologies. This includes Fanuc Cr35i collaborative robots, which are used in assembly at the founding company in Waiblingen, where a total of six robots are in operation alongside STIHL employees. Using collaborative robots reduces the load handled by employees in the final assembly of cut-off machines by up to eight metric tons per shift. The robots also help with checking quality features and with the packaging process. STIHL is gradually expanding its use of collaborative robots, a technology it first employed in 2017. A total of approximately 900,000 euros has been invested in the robots, which have created a new level of human-machine collaboration that opens up a whole range of possibilities.

NEW CENTRAL WAREHOUSE

The new central warehouse in Völklingen, Germany, which opened at the end of 2022, will be the STIHL Group's largest logistics site in the world. Over an agreed period, STIHL will invest more than 150 million euros in the site, which comprises a total area of 120,000 square meters. The new location in the tri-border region on the River Saar will enable STIHL to significantly expand its presence in southwestern Germany, and will create, among other things, 120 new jobs and further growth for the region. Battery-powered products and all STIHL tools manufactured at the Tyrol production site are stored at the new logistics and distribution location. From there, they are delivered to STIHL sales companies and STIHL dealers worldwide, but mainly in Germany, France, and the Benelux countries. The logistics site was built by Dietz AG as the investor and is operated by Hellmann Worldwide Logistics.

MARKETS

For STIHL, 2022 turned out to be a year of many different challenges. The period following the peak of the coronavirus pandemic unfolded differently for STIHL around the world, meaning that no consistent picture could be observed in the international markets. Instead, international developments and regional distinctions impacted our business differently on the various continents where we sell products. The war in Ukraine, difficulties with supplies, and weather events were among the other factors that affected how STIHL performed on the global markets.

CHANGE IN CONSUMPTION

What is referred to as the “cocooning effect” petered out in 2022. This term describes the trend whereby people retreat to their own homes and devote more time to activities such as gardening and home improvements. It was precisely this phenomenon that STIHL benefited from in many markets during the pandemic. The easing of pandemic regulations brought about a radical shift in consumer behavior, with a great deal of personal spending now being directed toward those areas of life that had previously suffered most during the pandemic, such as travel, arts and culture, and eating out. This reversal presented STIHL with a rather difficult situation in its markets in Western Europe and North America. This was exacerbated by the general economic downturn in these countries as well as increasing levels of government debt and inflation, which made consumers feel uncertain about future developments. Moreover, dry weather, high temperatures, and drought in early summer in Western Europe dampened demand for engine-powered gardening tools.

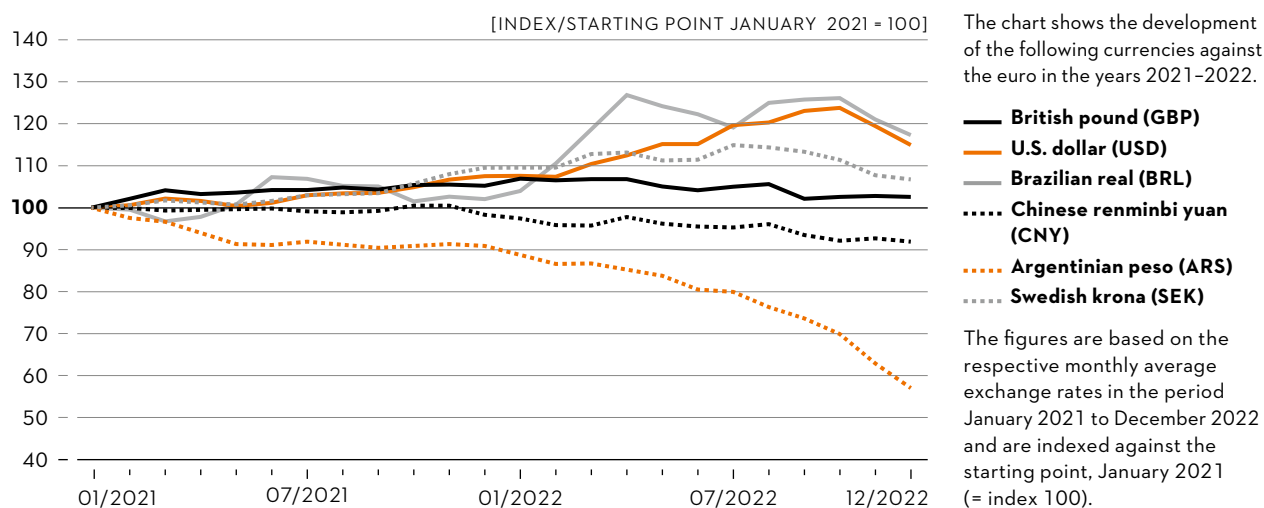
In North America, the spotlight is currently on developments in California, the first state in the U.S. where gasoline-powered equipment of certain power ratings will no longer be available for purchase as of 2024. As a leading manufacturer of battery-powered tools for professional landscape maintenance in the United States, STIHL is very well placed to deal with this scenario. Once again, these developments highlight the strategic importance of battery-powered products going forward.

STRAIN CAUSED BY RUSSIAN INVASION

The war in Ukraine has weighed heavily on all markets around the world. The top priority for the Group since the war broke out has been the safety of STIHL employees and their families in the area. As a result, STIHL is doing all it can to support the Ukrainian people. Among other things, preferential treatment was agreed for Ukraine in the event of supply bottlenecks. By contrast, deliveries of STIHL power tools to Russia and Belarus have been suspended. All in all, however, the remaining sales markets in Eastern

EXCHANGE RATE MOVEMENTS AGAINST THE EURO 2021/2022

CHANGES IN PERCENT/MONTHLY RATES/SOURCE: STIHL



Europe performed surprisingly well in 2022. Challenging economic conditions, coupled with high energy prices, have increased demand for saws to cut firewood in particular. As a result of the shortfall in grain deliveries from Ukraine and the resulting increase in food prices, Africa also suffered from the impact of the war. This was exacerbated even further by the worst drought in East Africa in over 40 years. On the other hand, the drive toward the mechanization of agricultural processes is being spurred on by the rapid population growth across Africa.

SUPPLY PROBLEMS HAMPER GROWTH

The pandemic continued to impact the availability of certain STIHL models due to a shortage of components, especially in the first half of the year. However, this improved noticeably in the second half of the year. Supply issues had a major detrimental effect on sales volumes, particularly in Western industrialized countries. It was not possible to meet demand in these markets on schedule at all times. In China and Japan,

state-imposed coronavirus restrictions had a negative impact on local business, although the trend in Asia was positive overall.

The increasing mechanization of agricultural processes in China and India played a major role in this development. Rising commodity and agricultural product prices in Latin America boosted purchasing power and consequently the overall demand for power tools. However, growth in some countries in this region was held back by difficult economic and political conditions, together with high inflation.

OCCUPATIONAL HEALTH AND SAFETY

The coronavirus pandemic continued to be one of the dominant issues affecting occupational health and safety across the STIHL Group in 2022. Nevertheless, it was possible to cautiously return to normal around the world over the course of the year, including at the STIHL Group companies. This opened the door for new projects with a renewed, holistic focus on the occupational health and safety of STIHL employees in the wake of the urgent tasks that were necessary during the pandemic.

THE NEW NORMAL

In Germany, the SARS-CoV-2 Occupational Health and Safety Regulation was lifted by lawmakers at the end of May. This significantly eased the requirements for businesses and brought to an end the many restrictions in day-to-day operations at STIHL. Even so, masks and self-testing kits continued to be provided to all employees as needed, and testing stations also remained in place. Following extensive in-house vaccination campaigns in 2021, coronavirus vaccinations were offered to all employees and their immediate family members in 2022.

The health situation worldwide also continued to improve as the pandemic progressed. Nevertheless, safety measures were maintained to the greatest possible extent across the STIHL Group. For example, many STIHL companies ran vaccination campaigns, with STIHL Mexico even reporting a 100 percent vac-

ination rate among its employees. In China, a contingency plan was drawn up to put safeguards in place to prevent plant closures occurring under the government's zero-COVID policy. In addition, the ongoing information exchange between the global teams at STIHL remained an important factor in combating the virus in the fiscal year just ended.

OCCUPATIONAL SAFETY AND FIRE PREVENTION

The lifting of pandemic measures also meant that large-scale on-site training could resume in 2022. For example, a dizzying training session was held in the high-bay warehouse in Waiblingen, where participants practiced rappelling down the storage racking. These training sessions are held in the workplace to simulate emergencies in a real work environment. Safety while working above ground level was also the

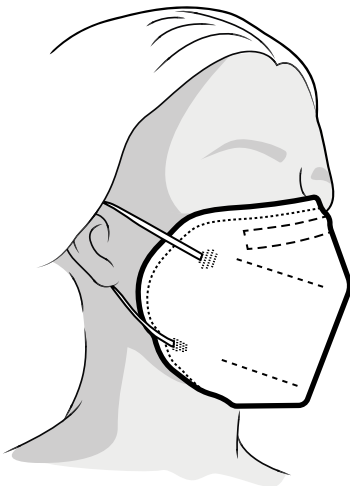
subject of a training course conducted at STIHL Tirol. The focus was on personal protective equipment for working on high storage racking. A number of training events for fire safety assistants were held in 2022. Because these events must be held in person, as they involve practical exercises on how to use hand-held fire extinguishers, they were not held over the past two years. Fire prevention is also an important topic at STIHL Brazil: a total of 275 in-house fire safety assistants received intensive training in all firefighting techniques in 2022.

A NEW APPROACH TO HEALTHCARE MANAGEMENT

Irrespective of all pandemic-related measures and special campaigns in the past fiscal year, the STIHL Group’s occupational healthcare service was significantly enhanced and extended to include the latest topics and developments. This is because the health of all employees across the Group is and always will be a top priority at STIHL. For example, the Healthcare Management Department organized several activities for all employees aimed at raising their awareness of health-related issues, including a health promotion day at the Wiechs am Randen Plant 3. Among other things, employees were offered a physiotherapy check of their physical fitness, foot pressure measurements, and a talk on healthy eating when working shifts.

Moreover, the subject of health was communicated using entirely new channels: at the founding company, employees were given the opportunity to participate in online cooking courses that focused on a range of different topics, such as gut health. They were guided by an instructor as they prepared a healthy meal in their own homes. STIHL’s Healthcare Management Department also organized a wide range of additional programs and courses. Employees can, for example, take a short break from their daily routine at work to do a “mountain meditation,” which will help them to get back into the swing of things with renewed energy. A podcast entitled “Gedanken to Go” (“Thoughts to go”) also aims to provide new inspiration. The program is rounded off by a series of short talks and workshops on topics such as mindfulness, managing stress, and resilience. These newly developed healthcare programs, which employees can access through a wide range of channels, aim to enable them to integrate a healthy lifestyle into their day-to-day working lives.

PROTECTIVE MEASURES TAKEN AT THE FOUNDING COMPANY IN 2022 TO COMBAT THE SPREAD OF CORONAVIRUS, IN FIGURES
NUMBER OF ITEMS DISTRIBUTED



35,224

FFP2 FACE MASKS

131,800

FACE MASKS

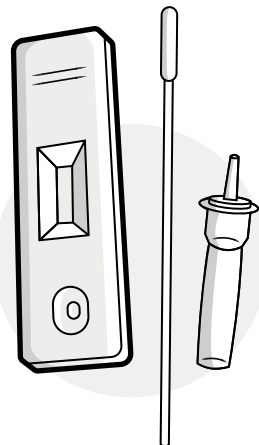
124,850

SELF-TESTING KITS

3,975

RAPID LATERAL FLOW COVID TESTS

were carried out at the STIHL testing station at Plant 2 in Waiblingen, Germany.



FOR INFORMATION ON ENVIRONMENTAL PROTECTION AT STIHL, PLEASE REFER TO [THE STIHL SUSTAINABILITY REPORT, “ACTING FOR TOMORROW,”](#) PUBLISHED IN MAY.

BALANCE SHEET STRUCTURE OF STIHL HOLDING AG & CO. KG (CONSOLIDATED FINANCIAL STATEMENTS)
IN MILLIONS OF EUROS

ASSETS	4,685	1,941	1,964	8,590
	FIXED ASSETS	INVENTORIES	OTHER ASSETS	
LIABILITIES	5,321	1,422	1,847	8,590
	EQUITY	PROVISIONS	OTHER LIABILITIES	

BALANCE SHEET AS OF DECEMBER 31, 2022

(Condensed version)

ASSETS

**CONSOLIDATED FINANCIAL STATEMENTS
OF STIHL HOLDING AG & CO. KG**

ANDREAS STIHL AG & CO. KG

IN THOUSANDS OF EUROS

Notes to the Balance Sheet	DEC. 31, 2022	Dec. 31, 2021	DEC. 31, 2022	Dec. 31, 2021
FIXED ASSETS				
Intangible assets	161,970	125,863	138,724	122,551
Property, plant, and equipment	1,765,474	1,564,514	559,371	512,304
Financial assets (1)	2,757,737	2,383,548	321,560	188,390
	4,685,181	4,073,925	1,019,655	823,245
CURRENT ASSETS				
Inventories	1,940,853	1,321,781	365,964	264,823
Receivables and other assets				
Trade receivables	632,525	628,018	37,549	39,212
Receivables from related companies	11,258	13,933	334,105	294,349
Other assets	184,323	137,604	33,655	6,653
	828,106	779,555	405,309	340,214
Securities (2)	150,993	849,860	78,751	227,368
Cash and bank balances	730,246	757,203	28,369	145,370
	3,650,198	3,708,399	878,393	977,775
PREPAID EXPENSES	31,698	29,169	6,173	5,838
DEFERRED TAX ASSETS	222,914	164,498	111,009	37,273
TOTAL	8,589,991	7,975,991	2,015,230	1,844,131

BALANCE SHEET STRUCTURE OF ANDREAS STIHL AG & CO. KG
IN MILLIONS OF EUROS

ASSETS	1,020	366	629	2,015
	FIXED ASSETS	INVENTORIES	OTHER ASSETS	
LIABILITIES	800	852	363	2,015
	EQUITY	PROVISIONS	OTHER LIABILITIES	

LIABILITIES

**CONSOLIDATED FINANCIAL STATEMENTS
OF STIHL HOLDING AG & CO. KG**

ANDREAS STIHL AG & CO. KG

IN THOUSANDS OF EUROS

Notes to the Balance Sheet	DEC. 31, 2022	Dec. 31, 2021	DEC. 31, 2022	Dec. 31, 2021
EQUITY (3)	5,321,335	5,474,976	800,000	700,000
PROVISIONS (4)				
Provisions for pensions and similar obligations	717,026	622,513	667,621	582,295
Provisions for taxes	157,187	78,488	27,901	37,294
Other provisions	547,651	466,946	156,927	176,281
	1,421,864	1,167,947	852,449	795,870
LIABILITIES				
Liabilities to banks	39,808	11,720	0	0
Loan from the Eva Mayr-Stihl Foundation (5)	100,000	150,000	100,000	150,000
Participating capital (6)	41,117	39,154	41,117	39,154
Advance payments received	17,374	25,160	0	0
Trade payables	350,022	324,622	70,060	46,366
Liabilities to related companies	0	0	24,456	57,956
Liabilities to companies in which an equity interest is held	6,138	5,480	6	0
Liabilities to owners	1,141,890	635,704	81,597	16,365
Other liabilities	106,565	100,400	39,285	37,200
	1,802,914	1,292,240	356,521	347,041
DEFERRED INCOME	1,195	1,010	2,016	1,137
DEFERRED TAX LIABILITIES	42,683	39,818	4,244	83
TOTAL	8,589,991	7,975,991	2,015,230	1,844,131

NOTES

ACCOUNTING AND VALUATION METHODS

Fixed assets are valued at the cost of acquisition or production. Cost includes the costs of materials and labor, and an appropriate share of material and production overheads. Assets with a limited useful life are subject to systematic depreciation. Wherever deemed necessary, impairments are recognized to reflect assets' lower fair values.

Inventories are valued at the lower of cost or fair value. General sales risks are reflected by appropriate range deductions.

Receivables and other assets are measured at their nominal values. Allowances are made for recognizable individual risks and general default risk.

Provisions for pensions are measured in accordance with the projected unit credit method on the basis of the Heubeck 2018 G mortality tables.

All recognizable risks and contingent liabilities are taken into consideration in the measurement of other provisions.

Liabilities are recognized at their settlement amounts.

CONSOLIDATED GROUP

The consolidated group includes STIHL Holding AG & Co. KG and all domestic and foreign affiliated companies (see list).

Due to their lesser importance, Carl Benz Center GmbH & Co. KG, Stuttgart, and Carl Benz Center Neckarpark GmbH, Stuttgart, are not included in the consolidated group.

CAPITAL CONSOLIDATION

Capital consolidation takes place in accordance with Section 301 Subsection 1 to Subsection 3 of the German Commercial Code (HGB). Differences arising from first-time consolidation before January 1, 2010, were offset against retained earnings.

OTHER CONSOLIDATION METHODS

The Group's internal receivables, payables, revenue, profits, and expenses are eliminated.

Intercompany profits are eliminated pursuant to Section 304 Subsection 1 of the German Commercial Code (HGB).

Deferred taxes are recognized on intercompany profits as well as on debt consolidation affecting profit and loss.

CURRENCY CONVERSION

The balance sheet values of the capital and reserves were converted at the respective average historical exchange rates of the respective year. Other assets and liabilities were converted at the average spot exchange rate on the balance sheet date.

NOTES TO THE BALANCE SHEET

OF THE CONSOLIDATED FINANCIAL STATEMENTS OF STIHL HOLDING AG & CO. KG AND OF THE BALANCE SHEET OF ANDREAS STIHL AG & CO. KG

ASSETS

(1) Financial assets

The reported financial assets in the consolidated financial statements mainly related to equity investments and securities held as fixed assets.

(2) Securities

These are predominantly other securities used for short-term investments.

EQUITY AND LIABILITIES

(3) Equity

In the two balance sheets, the equity is shown in a total amount in accordance with Section 9 Subsection 3 of the German Companies Disclosure Act (Publizitätsgesetz). Equity includes non-controlling interests in the amount of 1,737 thousand euros.

(4) Provisions

The pension provisions cover pre-existing pension entitlements and future benefits.

Other provisions relate to possible outstanding employee benefits, warranty items, and other contingencies.

(5) Loan from the Eva Mayr-Stihl Foundation

The loan is available to ANDREAS STIHL AG & Co. KG.

(6) Participation capital

The take-up rate of the offer to the employees of ANDREAS STIHL AG & Co. KG to continue to participate in the capital of the company in the form of participation rights was high in fiscal year 2022.

Average number of employees of the Group

Europe	9,255
America	6,739
Asia/Oceania/Africa	4,502
TOTAL	20,496

BOARDS OF THE GROUP

MEMBERS OF THE ADVISORY BOARD OF STIHL HOLDING AG & CO. KG

Hans Peter Stihl, Remseck
Honorary Chairman of the Advisory Board

Dr. Nikolas Stihl, Stuttgart
Chairman of the Advisory Board

Selina Stihl, Stuttgart
Deputy Chair of the Advisory Board

Karen Tebar, Waiblingen
Deputy Chair of the Advisory Board

Franz Fehrenbach, Stuttgart
(until January 31, 2023)

Prof. Dr. Michael Hoffmann-Becking, Munich

Prof. Dr. Martin Richenhagen, Duluth, GA/USA
Former Chairman, President, and Chief Executive Officer of the AGCO Corporation

Eva Mayr-Stihl,* Remseck
(until April 9, 2022)

Dr. Eberhard Veit, Göppingen
Member of the Supervisory Board of Robert Bosch GmbH and Managing Partner of Robert Bosch Industrietreuhand KG as well as Managing Director of 4.0-Veit GbR
(until January 31, 2023)

Michael von Winning, Stuttgart
Authorized Representative of the Executive Board of the Eva Mayr-Stihl Foundation
(from May 18, 2022)

MEMBERS OF THE SUPERVISORY BOARD OF STIHL AG

Hans Peter Stihl, Remseck
Honorary Chairman of the Supervisory Board

REPRESENTING THE OWNERS

Dr. Nikolas Stihl,¹ Stuttgart
Chairman of the Supervisory Board

Franz Fehrenbach,¹ Stuttgart
Additional Deputy Chairman of the Supervisory Board
(until January 31, 2023)
Former Chairman of the Supervisory Board of Robert Bosch GmbH as well as former Managing Partner of Robert Bosch Industrietreuhand KG

Prof. Dr. Michael Hoffmann-Becking, Munich
Attorney at Law and former partner at the law firm Hengeler Mueller

Eva Mayr-Stihl,* Remseck
(until April 9, 2022)

Selina Stihl, Stuttgart

Karen Tebar, Waiblingen

REPRESENTING THE EMPLOYEES

Günter Meyer,¹ Weinsheim
Deputy Chairman of the Supervisory Board
Chairman of the Employee Council of the Weinsheim plant of ANDREAS STIHL AG & Co. KG

Thomas Bamesberger,¹ Stuttgart
Head of Production and Logistics at ANDREAS STIHL AG & Co. KG

Marion Freytag, Burgstetten
Quality Associate in Crank Mechanism Production at ANDREAS STIHL AG & Co. KG

Matthias Fuchs, Ludwigsburg
Managing Director of IG Metall Ludwigsburg and Waiblingen

Tatjana Funke, Stuttgart
Trade Union Secretary of the IG Metall Regional Office for North Rhine-Westphalia

Dr. Klaus Langhans, Winnenden
Senior Manager of Development Services and Organization at ANDREAS STIHL AG & Co. KG

MEMBERS OF THE EXECUTIVE BOARD OF STIHL AG

Michael Traub
Chairman of the Executive Board (from February 1, 2022)
(member since November 1, 2021)

Dr. Bertram Kandziora
Chairman of the Executive Board (until January 31, 2022)

Ingrid Jägering
Executive Board Member for Finance (from August 1, 2022)
(member since May 1, 2022)

Karl Angler
Executive Board Member for Finance and Controlling
(until July 31, 2022)
Executive Board Member for Finance, Controlling, and Information Technology (until April 30, 2022)

Anke Kleinschmit
Executive Board Member for Research and Development

Sarah Gewert
Executive Board Member for Marketing and Sales
(from January 1, 2023)

Norbert Pick
Executive Board Member for Marketing and Sales
(until December 31, 2022)

Dr. Michael Prochaska
Executive Board Member for Human Resources and Legal Affairs

Martin Schwarz
Executive Board Member for Manufacturing and Materials

* Died on April 9, 2022.

¹ Member of the committee in accordance with Section 27 Subsection 3 of the German Co-Determination Act (Mitbestimmungsgesetz).

COMPANIES OF THE STIHL GROUP

Name of the company	Equity interest in %
CONSOLIDATED COMPANIES	
Germany	
STIHL Holding AG & Co. KG, Waiblingen	100.0
STIHL AG, Waiblingen	100.0
ANDREAS STIHL AG & Co. KG, Waiblingen	100.0
STIHL International Gesellschaft mit beschränkter Haftung, Waiblingen	100.0
STIHL Vertriebszentrale AG & Co. KG, Dieburg	100.0
ANDREAS STIHL Verwaltungs-GmbH, Waiblingen	100.0
STIHL-Verwaltungsgesellschaft mbH, Waiblingen	100.0
STIHL Kettenwerk Verwaltungs-GmbH, Waiblingen	100.0
STIHL Beteiligungsgesellschaft GmbH & Co. KG, Waiblingen	100.0
STIHL Kettenwerk GmbH & Co. KG, Waiblingen	100.0
ZAMA Holding GmbH, Waiblingen	100.0
STIHL Ventures GmbH, Waiblingen	100.0
treeva GmbH, Waiblingen	100.0
STIHL direct GmbH, Waiblingen	100.0
Other countries	
STIHL Incorporated, Virginia Beach, Virginia, USA	100.0
STIHL Ferramentas Motorizadas Ltda., São Leopoldo, Rio Grande do Sul, Brazil	100.0
CS Cosmos STIHL Manufacturing, Inc., South Chicago Heights, Illinois, USA	100.0
ANDREAS STIHL Power Tools (Qingdao) Co., Ltd., Qingdao, China	100.0
STIHL Tirol GmbH, Langkampfen, Austria	100.0
STIHL Gesellschaft m.b.H., Vösendorf, Austria	100.0
STIHL Vertriebs AG, Mönchaltorf, Switzerland	100.0
ANDREAS STIHL Ltd., Camberley, Surrey, United Kingdom	100.0
ANDREAS STIHL N.V., Puurs-Sint-Amands, Belgium	100.0
ANDREAS STIHL SAS, Torcy, Marne-la-Vallée, France	100.0
ANDREAS STIHL S.A., Torres de la Alameda, Spain	100.0
ANDREAS STIHL S.A., Sintra, Portugal	100.0
ANDREAS STIHL S.p.A., Cambiago, Italy	100.0
ANDREAS STIHL SINGLE MEMBER S.A., Kifissia, Attica, Greece	100.0
ANDREAS STIHL A/S, Sandefjord, Norway	100.0
ANDREAS STIHL Norden AB, Stenkullen, Sweden	100.0
ANDREAS STIHL Oy, Vantaa, Finland	100.0
ANDREAS STIHL Sp. z o.o., Tarnowo Podgórze, Poland	100.0
ANDREAS STIHL, spol. s r.o., Modřice, Czech Republic	100.0
ANDREAS STIHL Kereskedelmi Kft., Biatorbágy-Budapark, Hungary	100.0
ANDREAS STIHL Motounelte S.R.L., Otopeni, Romania	100.0
ANDREAS STIHL Power Tools S.R.L., Bucharest, Romania	100.0
TOV ANDREAS STIHL, Kyiv, Ukraine	100.0

Name of the company	Equity interest in %
TOV ANDREAS STIHL Zemelna Kompanija, Kyiv, Ukraine	100.0
ANDREAS STIHL EOOD, Sofia, Bulgaria	100.0
STIHL d.o.o. Beograd, Belgrade, Serbia	100.0
OOO ANDREAS STIHL Marketing, St. Petersburg, Russia	100.0
OOO STIHL SUEOWEST, Krasnodar, Russia	100.0
STIHL Limited, London, Ontario, Canada	100.0
ANDREAS STIHL S.A. de C.V., Cuautlancingo, Puebla, Mexico	100.0
STIHL SAS, Rionegro, Antioquia, Colombia	100.0
ANDREAS STIHL S.R.L., Lima, Peru	100.0
ANDREAS STIHL Amazonas S.R.L., Pucallpa, Peru	100.0
STIHL Motoimplementos S.A.U., El Talar, Buenos Aires, Argentina	100.0
ANDREAS STIHL (PTY.) Ltd., Pietermaritzburg, South Africa	100.0
Kabushiki Kaisha STIHL, Kaminokawa-machi, Tochigi, Japan	100.0
Taicang ANDREAS STIHL Power Tools Co., Ltd., Taicang City, Jiangsu, China	100.0
ANDREAS STIHL Pvt. Ltd., Chakan, Tal-Khed, Dist. Pune, India	100.0
STIHL SERVICE CENTRE SOUTHEAST ASIA SDN. BHD., Petaling Jaya, Malaysia	100.0
STIHL EAST AFRICA LIMITED, Nairobi, Kenya	100.0
STIHL Marketing West & Central Africa Limited, Abidjan, Côte d'Ivoire	100.0
ZAMA Corporation Ltd., Tai Po, NT, Hong Kong	100.0
ZAMA Japan Kabushiki Kaisha, Hachimantai-shi, Iwate-Ken, Japan	100.0
U.S.A. ZAMA, Inc., Franklin, Tennessee, USA	100.0
ZAMA Precision Industry Manufacturing Philippines, Inc., Sto. Tomas, Philippines	100.0
ZAMA Precision Industry (Huizhou) Co., Ltd., Huizhou City, China	100.0
ZE Electronic Manufacturing Services Limited, Hong Kong	51.0
STIHL PTY. Ltd., Knoxfield, Victoria, Australia	100.0
STIHL Limited, Auckland, New Zealand	100.0
C.A.S.A. S.r.l., Milan, Italy	100.0
NONCONSOLIDATED COMPANIES	
Carl Benz Center Objekt GmbH & Co. KG, Stuttgart	100.0
Carl Benz Center Neckarpark GmbH, Stuttgart	100.0
OTHER HOLDINGS	
BMZ Holding GmbH, Karlstein am Main	10.0
Serra GmbH, Waiblingen	33.33
Greenworks (Jiangsu) Co. Ltd., Changzhou, China	24.9
Dryad Networks GmbH, Eberswalde	7.55
FlyNex GmbH, Leipzig	3.23
TinyMobileRobots ApS, Malling, Denmark	23.42



FAREWELL TO

TWO STALWARTS

For the STIHL Group, 2022 was not just another turbulent year. It was also one marked by farewells and big changes - especially on the Executive Board. The retirement of STIHL's long-serving Chairman of the Executive Board, Dr. Bertram Kandziora, in February was followed by that of Karl Angler, Executive Board member for Finance, at the end of July, and Norbert Pick, Executive Board member for Marketing and Sales, at the end of the year.





2016 – STIHL Executive Board members man the beer taps at a company party marking the 90th anniversary of the founding company in Waiblingen.



2021 – Karl Angler and his direct reports take in their surroundings at a workshop hosted by STIHL Tirol.



2022 – After many years together, Angler and his assistant Sonja Koch ended their working relationship on July 31.

»I am grateful, wistful, and a little proud.«

KARL ANGLER

STIHL has always stood for longevity and reliability. That applies both to its products and the business as a whole. So it is rather unusual when three Executive Board members embark upon their well-earned retirement within the space of a year. Following the departure of Dr. Bertram Kandziora, who steered the fortunes of the company for over 20 years as Chairman of the Executive Board, the end of July saw Karl Angler draw to a close a career spanning 42 years, more than 20 of which were at STIHL. After joining STIHL Inc. at Virginia Beach, where he earned accolades such as CFO of the Year in 2011, Angler followed the call of the founding company, becoming Executive Board member for Finance, Controlling, Information Systems, and Service in 2012. “I am very grateful to have worked with you all in such a spirit of trust for so many

years, and to have had the opportunity to contribute to the company’s success,” Angler said at his farewell party. He plans to spend the next chapter of his life traveling the world in his RV. His first trips took him to the Baltic coast and Norway.

As he begins his retirement, Norbert Pick can also look back on more than 20 years at STIHL, which started when he became Managing Director of the STIHL distribution center in Dieburg in 2002. The fact that he enthusiastically accepted this position was partly due to the persuasiveness of Hans Peter Stihl. By the time he had spoken to the Honorary Chairman of the STIHL Supervisory Board and Advisory Board, Pick’s mind was made up: “I definitely wanted to join STIHL.” After ten years in Dieburg, he moved to Waiblingen and was appointed Executive

»I leave behind a strong and emotional brand.«

NORBERT PICK



Board member for Marketing and Sales on July 1, 2012. Looking back on his time at STIHL, Pick remarked that a lot has changed. "I am leaving a global group of companies that is well positioned and will successfully master the transformation being driven by the rising use of battery-powered products." Like his colleague, Pick will also begin his retirement by spending time traveling. He's planning a tour with one of his vintage tractors that will take him in the direction of Portugal.

The end of one era marks the beginning of another, with both men handing over their positions to women: Karl Angler is succeeded by Ingrid Jägerin as Executive Board member for Finance, and Norbert Pick by Sarah Gewert, the new Executive Board member for Marketing and Sales.

2009 – In his role as Managing Director of STIHL's German distribution center in Dieburg, Norbert Pick celebrates the 40th anniversary of the company and the opening of the new logistics center with Hans Peter Stihl and others.



Pick is a motorcycle enthusiast and collects vintage tractors.



2014 – Pick at the Christmas party with his long-standing assistant Silke Gärtner-Janot.



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