

A man is sitting on a wooden deck next to a fire pit, tending to a fire. He is wearing a dark sweater and pants. To his right is a stack of firewood and a wicker basket. In the background, there is a lake, a wooden dock with a boat, and a forest of trees under a cloudy sky. The scene is set in a rustic, outdoor environment.

STIHL

ANNUAL REPORT 2021

SPOTLIGHT ON THE PEOPLE

KEY FIGURES

CONSOLIDATED GROUP OF STIHL HOLDING AG & CO. KG		2021	2020	2019
Revenue	Million euros	5,058.3	4,581.3	3,932.5
Proportion of revenue from outside Germany	%	90.1	90.0	89.9
Wages and salaries, social security, pension contributions	Million euros	1,125.9	981.4	935.6
Employees	Dec. 31	20,094	18,200	16,722
Capital expenditure	Million euros	331.0	283.2	308.2
Depreciation and amortization	Million euros	182.6	173.8	173.3
Balance sheet total	Million euros	7,976.0	6,864.5	6,315.5
Equity ratio	%	68.6	69.6	70.4
ANDREAS STIHL AG & CO. KG		2021	2020	2019
Revenue	Million euros	1,593.3	1,380.6	1,207.7
Proportion of revenue from outside Germany	%	90.5	89.2	89.4
Wages and salaries, social security, pension contributions	Million euros	527.1	430.7	414.6
Employees	Dec. 31	5,748	5,262	5,090
Capital expenditure	Million euros	145.9	155.1	133.5
Depreciation and amortization	Million euros	69.4	64.3	62.9
Balance sheet total	Million euros	1,844.1	1,672.7	1,564.3
Equity ratio	%	38.0	38.9	39.0

5,058.3

MILLION EUROS
REVENUE, 2021

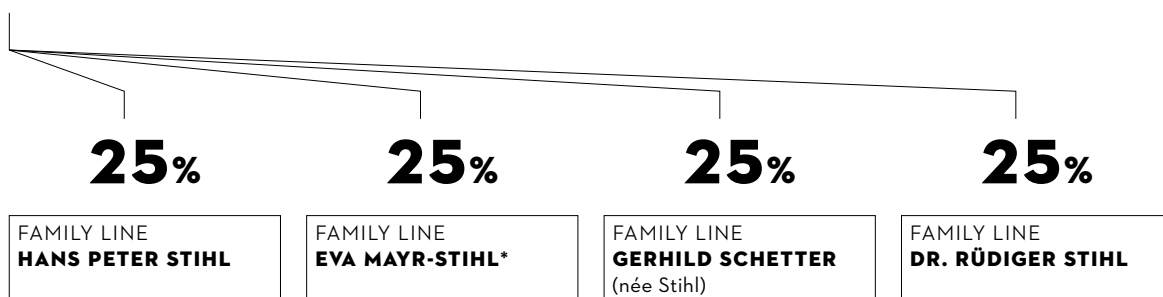
20,094

EMPLOYEES
WORLDWIDE, 2021

68.6

PERCENT
EQUITY RATIO, 2021

OWNERSHIP STRUCTURE OF STIHL HOLDING AG & CO. KG



* Died April 9, 2022

STIHL WORLDWIDE



IN OVER

160

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

The STIHL Group develops, manufactures, and distributes outdoor power equipment for forestry, agriculture, landscaping, construction, and discerning consumers. 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. STIHL has been the world's best-selling chainsaw brand since 1971.

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 WORLD-
WIDE**



¹ STIHL production and sales companies.



At STIHL, customers find exactly what they need to help them master the challenges they face in their gardens, in landscape maintenance, agriculture, and forestry. STIHL represents the joy of working in nature. And this joy is translated into our products, which focus on quality, performance, and the commitment to offer every user the right tool for the job.

These values have been firmly anchored in our DNA since our founding over 95 years ago. Throughout this time, STIHL has transformed from an established company in the SME sector to a global business, from classic mechanical engineering firm to the market and technology leader for chainsaws and power tools. Its fundamental approach has never wavered: we are a family-owned business that makes it easier for people to work in and with nature. We provide inspiration with innovative products and always place the demands of our customers at the forefront of our work.



4

Journey with us

What customers want



16



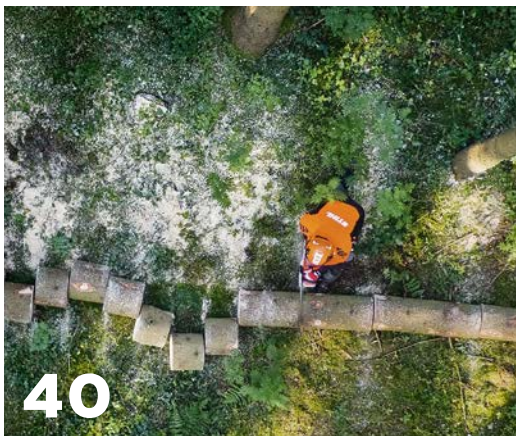
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Climbing high

True passion



30



40

Full battery power

A success story



78

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4 JOURNEY WITH US

Which touchpoints facilitate a customer's arrival at a specific company, what elements animate them in their purchasing decision, and what exactly guarantees their continued loyalty to it? Alex takes us on a customer journey.

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As the Executive Board member for Marketing and Sales, Norbert Pick is well versed in the ever-changing landscape that is customer needs. In our interview, he reports on the challenges currently faced by STIHL.

22 CLIMBING HIGH

She climbs trees, lives alone in the middle of a forest, and just generally seems to be a real modern-day Pippi Longstocking: arborist Viktoria Carstens invites us into her world.

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The STIHL TIMBERSPORTS® Series stands for exciting competitions, top-flight athletic performances, and lots of emotions. A look behind the scenes of a sport that has caused a global buzz.

40 FULL BATTERY POWER

Battery power reaches a new professional level with the STIHL MSA 300, and once again underpins our drive for technological leadership and innovative power.

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Farewell to Dr. Bertram Kandziora

- U7 Publishing information



READ ONLINE

THE STIHL ANNUAL REPORT 2021 IS ALSO AVAILABLE ONLINE.

FOR MORE, VISIT [AR.STIHL.COM/2021](https://ar.stihl.com/2021)

JOURNEY WITH US

Why do people choose certain products and brands, and not others? What matters? What are the influential factors? And how do companies inspire customers over the long term? Join us as we set out on a typical customer journey.

01

AHA! FORMING AN IDEA

Alex is living his dream: he recently purchased a property with a cozy cabin and a wood-fired stove. He really wants to use it, but he doesn't have any firewood. His property is full of trees, though, so he sets about learning how firewood is cut and identifying the tools he needs to do this. His research brings him to STIHL.

 **"WHAT CUSTOMERS WANT"**
READ MORE ON PAGE 16

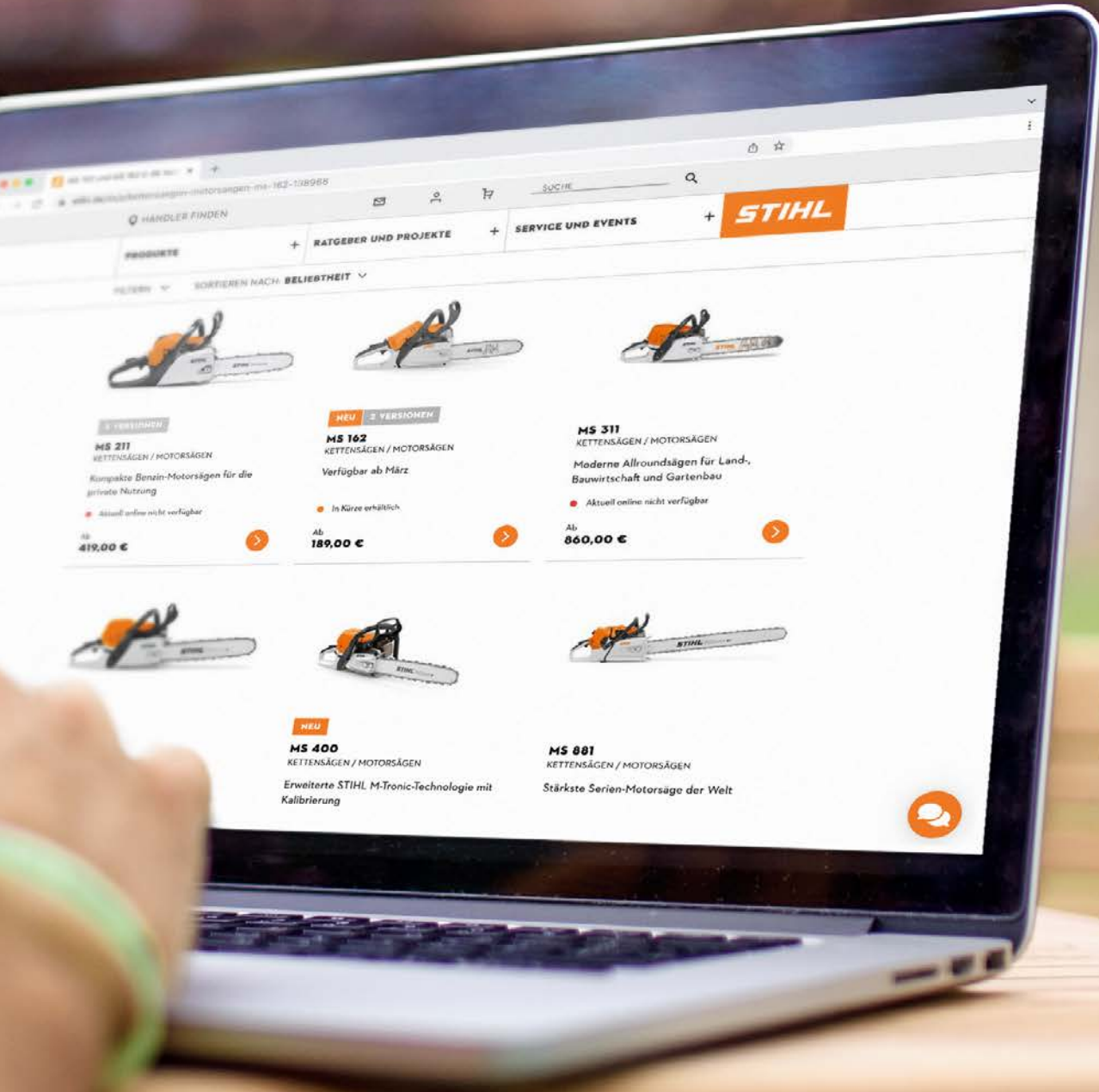


02

WHAT NEXT? GATHERING INFORMATION

To set about producing his own firewood so he can finally use his stove, Alex spends time finding out as much information as possible from magazines, manufacturer websites, online comparison sites, and social media. The STIHL website gives him an overview, and he sets his sights on the entry-level MS 162 chainsaw. One of his neighbors already has a STIHL saw, so he quickly asks for advice.

 STIHL ONLINE STORE
WWW.STIHL.COM



8
MOTORSÄGEN



03

I'LL TAKE THIS ONE! MAKING THE PURCHASE

Since Alex is new to the world of chainsaws, he seeks advice from an authorized STIHL dealer after wrapping up his own research. In-store, the dealer provides lots of information about the chainsaw, its fuel, bar and chain oil, and the saw's starting procedure, its safety features, and the personal protective equipment he needs, reassuring Alex that the MS 162 is exactly what he is looking for.

FIND YOUR NEAREST STIHL
AUTHORIZED DEALER



[WWW.STIHL.COM/
STIHL-DEALERS.ASPX](http://WWW.STIHL.COM/STIHL-DEALERS.ASPX)

04

IT'S SHOWTIME! USING THE NEW TOOL

Back home in his garden, Alex gets straight to work learning how to use his chainsaw properly. He reads the manual and watches the chainsaw safety video on STIHL's YouTube channel. He signs up for a chainsaw course to learn more about felling and bucking trees. In the meantime, he watches several of STIHL's online tutorials about using the chainsaw for garden and landscape projects. Now, all he needs to do is start making firewood!

THE STIHL YOUTUBE CHANNEL



[WWW.YOUTUBE.COM/C/
STIHL_INTERNATIONAL](https://www.youtube.com/c/STIHL_INTERNATIONAL)







05

WOW! FEELING FIRED UP!

Alex is thrilled - not just with his new MS 162, but with STIHL in general. He found out on the STIHL website how to build his own firewood rack and got straight to it. He sees regular updates with tips, tricks, and sources of inspiration on Instagram. This is where he discovered STIHL TIMBERSPORTS®, and he's now a fan.



"TRUE PASSION"
READ MORE ON PAGE 30

WE'RE IN IT TOGETHER

CUSTOMER JOURNEY*

We all have a familiar set of products we always buy when shopping. Simply because we know the products, we need them, and we like them. However, there are some brands and products that unexpectedly catch our eye or cross our path because of a certain situation we are in. The term “customer journey” describes everything that customers take in when they encounter a brand, and what they remember.

The customer goes through many phases along the way - before, during, and after the decision to buy. In this way, the journey covers all touchpoints that a potential customer may have with a company, brand, or product. These touchpoints vary greatly and range from the authorized dealer and the product experience to posts on social media.

When it comes to finding our place in the market, we need to have a deep understanding of the customer journey and ensure the touchpoints are tailored to the customers. Today, it's all about sparking a customer's enthusiasm throughout the entire process, and not simply meeting a customer's expectations with a product. STIHL optimizes and continuously adds to all touchpoints, always with the customer's needs firmly at the forefront.

NAME

Alex

AGE

38

WHAT YOU'RE
LOOKING FOR
To make my
own firewood

Making the purchase and having positive experiences with the product can spark enthusiasm to buy other products. But experiencing excellent after-sales services, benefiting from expert product recommendations, and being inspired to create new projects and buy other products - this establishes true loyalty to the brand.



PHASE 05 FEELING FIRED UP!

Alex is so thrilled with his chainsaw that he tells all his friends, colleagues, and family about it. The customer has become a fan.

He decides how to store his chainsaw over winter.

Alex discovers STIHL TIMBERSPORTS® and learns all he can about the sport.

He builds himself a firewood rack using his new chainsaw.

The STIHL Instagram profile provides Alex with inspiration for new projects in his garden.

* What is shown here is an example of a customer journey. Every customer journey is different and unique.



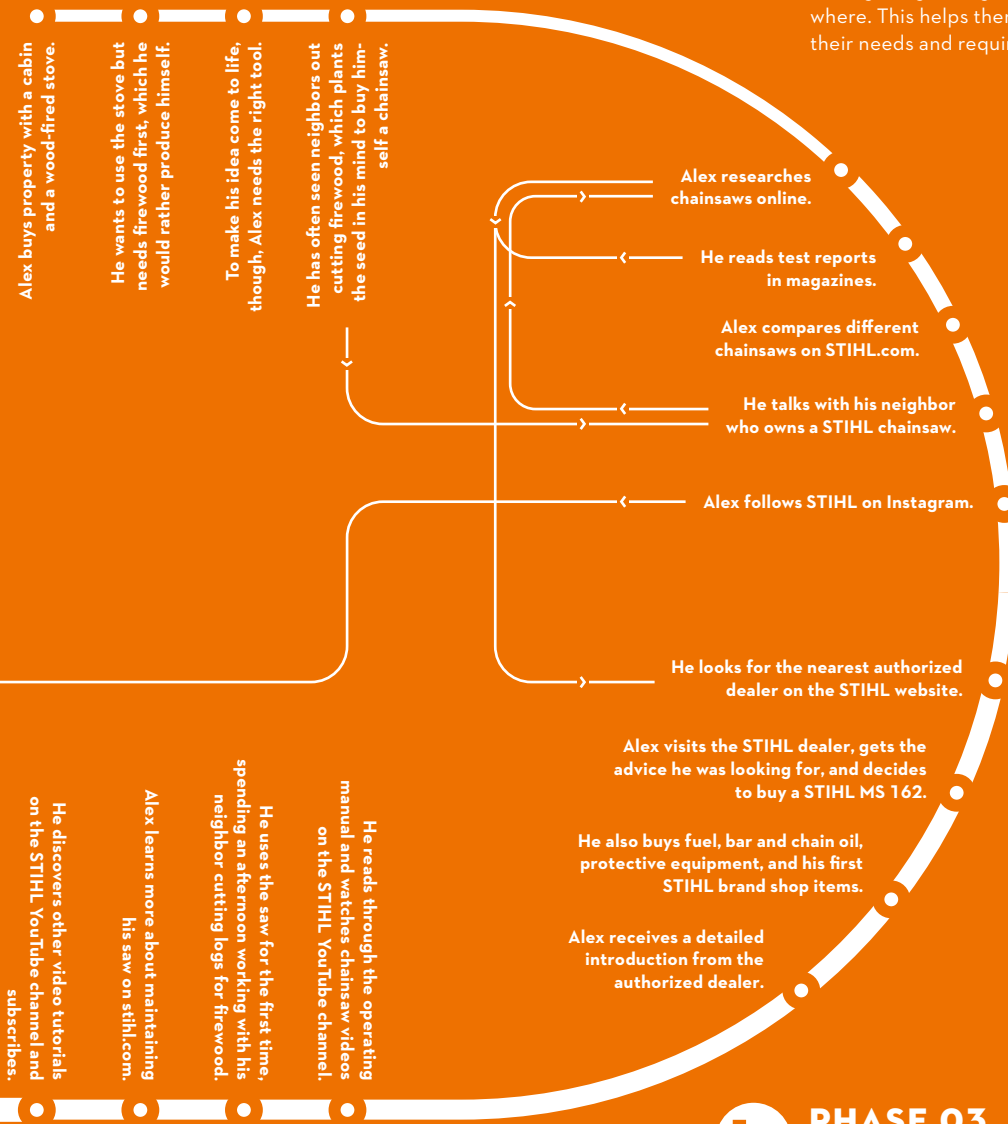
PHASE 01 FORMING AN IDEA

Often it is a specific situation that draws a person's attention to a brand or a product. What follows is a period of reflection and the quest for information.



PHASE 02 GATHERING INFORMATION

This phase is all about guidance: the customer carries out research online, reads magazines, talks to friends and colleagues, gleaning advice from everywhere. This helps them to formulate their needs and requirements.



PHASE 04 USING THE NEW TOOL

With the product in hand, the customer spends time finding out how to use it properly, if they haven't already done so. If necessary, the customer signs up for instructional courses or finds out more from the corresponding videos online.



PHASE 03 MAKING THE PURCHASE

Mind made up, the customer wants to buy the product. The customer checks availability, confirms the buying process, and decides whether the offer is satisfactory in all other respects.

WHAT CUSTOMERS WANT

The STIHL Group finds itself confronting a wide range of issues at the moment. Outdoor power equipment markets across the globe are changing rapidly, alternative drive systems are becoming increasingly important, and the evolving needs of diverse customer groups are pushing the business harder than ever. Norbert Pick, STIHL Executive Board member for Marketing and Sales, tells us how STIHL is navigating through these new situations.





We meet Norbert Pick, STIHL AG Executive Board member for Marketing and Sales, at Plant 2 in Waiblingen-Neustadt. More specifically, at the Concept Store - the blueprint for the store layout of a modern STIHL authorized dealer. It's good to keep both off-line and online sides of the business working hard.



»We need to get to know and understand our customers in order to continue to be successful.«

NORBERT PICK
Executive Board member for Marketing and Sales

When we talk about STIHL customers, who exactly are we referring to?

NORBERT PICK There is definitely no such thing as a typical STIHL customer. Customers range from private users and professional landscape gardeners and forest workers to our authorized dealers. For all their differences, these groups also have many things in common: they are people who have needs, and these needs are constantly evolving. When we consider our customers, we see a burgeoning segment with growing expectations. This rise in expectations is partly the result of experiences with other companies, but the technological transformation and the overall characteristics of the world we are living in today also shape the needs of our customers.

What does that mean exactly?

PICK We notice that our customers are not just discerning. They are also more mobile and connected, and are therefore much faster at telling other customers about their experiences with us. In addition, they are more purpose-driven and are often also more environmentally friendly, and expect more transparency and authenticity from us as a company. We're also aware that convenience plays an even bigger role. Technological progress helps make our lives more convenient and easier on a daily basis, as can be seen by the growing number of people using robot vacuum cleaners and robot lawnmowers, such as our iMOW, for example. Buying behavior has also changed. We have become used to ordering online and receiving the products immediately.

And at the same time our buying behavior is changing, our customers' requirements, desires, and expectations are also evolving. This is why we are constantly working to adapt our processes to the needs of our customers, and striving for continuous improvement. Our aim is for our customers to have an exciting, positive experience that is tailored to them, regardless of where and how they shop with us. Alongside ordering online, a trip to one of our authorized dealers also offers the opportunity to experience the products and, with them, the brands up close and in a particularly special way.

Are the changing expectations of our customers the only challenge STIHL is facing today, as a brand and as an organization?

PICK No. The new and growing expectations of our customers are one of many major challenges we are facing. Yet to only focus on the expectations would be clearly missing the point. To start with, it is becoming more and more difficult to distinguish our products from those of our competitors. The basic requirements in the battery segment are fundamentally different from those for gasoline-powered products. To give you an example, new products are being launched on the market in quicker succession and the product portfolios are considerably more extensive.

With this in mind, it's best for us to meet our customers where they are, whether that is at the very start of a project or well into their professional work. We develop campaigns to meet every kind of need, and that stand out, address the customer groups, and are memorable. We also offer a range of products tailored to the various needs and requirements of our users, providing the best solution for each person.

What do you think is the best way for us to tackle these challenges?

PICK We need to get to know and understand our customers in order to continue to be successful. Generally speaking, people are attracted to things that will add value to their lives. And it's important to them to feel acknowledged. The concept of being customer-centric is comprised of thinking beyond products and prices, keeping our focus on the customers, and organizing our actions around them. It's proven that customer-centric companies are very successful. Every action must be targeted to the needs of our customers, in everything that we do. This focus has been, is, and continues to be the key basis for our further growth.

NORBERT PICK

was born in 1957 in Neuerburg in the Eifel region. He is married and has two children. After completing his studies as a graduate engineer (Diplom-Ingenieur), he started out as a project engineer in drive technology at Arthur Henkelhausen, Deutz Dieselmotoren in Krefeld. Before joining STIHL, he was a managing director at Potain Turmdrehkrane in Mörfelden-Walldorf, Germany. From 2002 to 2012, he was General Manager of STIHL Vertriebszentrale in Dieburg. Since July 1, 2012, Norbert Pick has been STIHL AG Executive Board member for Marketing and Sales.



»The technological transformation and the overall characteristics of the world we are living in today also shape the needs of our customers.«

NORBERT PICK

Executive Board member for Marketing and Sales



55,000

AUTHORIZED DEALERS in over 160 countries, 42 STIHL-owned sales and marketing companies, and approximately 120 importers represent STIHL around the world.



What tools does STIHL use to get to know its customers and speak to them as directly as possible?

PICK We work with many tools and touchpoints that are hugely important to us. It all starts by asking a simple question: “What is the best tool for me?” Then we move on to step-by-step instructions where we show how to go about the project – with and without using our products – and at the end we have a full picture of nature and the ecosystem. Throughout this process, we use different channels to present text, videos, and much more about products and projects, or about nature and sustainability.

Another tool we use is data analysis. We study the data we have gathered ourselves or from publicly available sources to find out what topics are relevant to our customers at a particular time of year, for example, and what people are looking for, when, and how often. We can use our findings here to help with our planning and the placement of our content.

What is the aim behind all of this effort?

PICK Our clear aim is for STIHL to be the name customers think of first when they need help with their work in and with nature. This is why we must offer a premium customer experience with our content and services as well as with our products. Ultimately, we intend to become the most important brand in this market segment – something we pursue consistently and that makes us strive for continuous improvement.

What is the significance of STIHL World which is currently being built in Waiblingen, in this context?

PICK STIHL World is a really special project, for me personally. In the 20 years that I have been at STIHL, there have been many developments that I have helmed and been responsible for, such as the expansion of the product portfolio to include battery-powered tools, the development of online retail, the launch of our own brand store with STIHL merchandise, and the development of the first digital products and services. With each step forward, we have bolstered the STIHL brand and raised awareness of it, and have added value and created better benefits for our customers and fans. STIHL World is another mile-

stone in the company’s history, which stretches back over more than 95 years. It is a flagship project to showcase the STIHL brand in a unique manner.

STIHL World is being built on the land that company founder Andreas Stihl bought over 80 years ago for his growing business.

PICK The location has been very carefully selected because there is great importance and history attached to it. STIHL World can only be built where the STIHL brand started its global success story. It is the birthplace of our international reputation for being a world-class chainsaw and power tool manufacturer. In addition, the location is directly on the Rems River, surrounded by nature, and is therefore the perfect representation of our foundation. STIHL World is thus a clear commitment to our roots, which are embedded at Badstraße in Waiblingen.

CLIMBING HIGH —





Meet a modern-day Pippi Longstocking: she shares her small, traditional red and white timber house in the wilderness of the south of Sweden with five cats and one dog, Stanley. Two rams live outside, along with the occasional elk. She climbs trees, works with an axe and a chainsaw, has no fear of anything or anyone. Arborist Viktoria Carstens invites us to step into her exciting world.



With her piercing, sparkling eyes, freckles, and two red pigtailed poking out from underneath her helmet, she looks a bit like a modern-day version of Pippi Longstocking, the most famous creation of Swedish author Astrid Lindgren. Viktoria Carstens enjoys climbing trees – another trait she shares with Pippi. But this 27-year-old does not climb trees just for fun. She is a professional arborist.

Like Pippi, Viktoria is also adventurous, brave, and strong. She lives alone in a small, traditional red and white timber house at the edge of the forest somewhere in the wild south of Sweden. She has to drive half an hour – in either direction – to reach the nearest shop. She has electricity and an internet connection, but no running water. The toilet is outside. The pipes freeze up in winter. “Nobody would want to live here,” she says with a mischievous grin, and shrugs her shoulders. Nobody apart from her, that is. “Hackabäck,” as she calls her house, is a little piece of paradise for her, and she shares it with five cats, her dog Stanley, and two rams. Every now and then, an elk will make an appearance and have a look from a safe distance. There is a tool shed right beside the house, where Viktoria stores “her treasure.” By this, she means countless chainsaws, axes, tools of all kinds, and of course her equipment, which she needs to reach and work at dizzying



SWE



SOME
87,000,000,000

TREES grow in Sweden, covering around 70 percent of the Swedish land surface.



»I like that my work means that I can protect and preserve the nature around me.«

VIKTORIA CARSTENS

heights. Her equipment includes a special harness, which weighs four to five kilos and is full of carabiners and rope. It looks like a mountaineer's climbing gear and is a vital piece of safety equipment for an arborist like her.

Viktoria may be such a free spirit today because she was born in Roskilde, Denmark, the site of the world-famous festival, or maybe it's due to her Waldorf education. She does not share many traits with other people. Of course, there are times when she puts on something a bit more elegant than her protective gear, and wears make-up instead of dirt on her face. But this has been her dream since she was a child – to be outside working with animals, people, and nature. A chainsaw course, which she actually ended up taking by chance to fill in the time before starting her studies, was ultimately what pointed her in the right direction: "Instead of studying nature and cultural communications as originally planned, I spent three years training as a forest and nature technology engineer at the Skovskolen Forest and Landscape College at the University of Copenhagen." And she has never looked back.



Despite all her industriousness, she also finds time for love: Viktoria is now engaged to Zac, having met the U.S. treehouse builder on Instagram.



Every day is different and, despite the best possible preparation, something unexpected always happens. However, the most important thing is that she is able to work in and with nature, make a contribution, and take care of something that is very close to her heart.

Yet the job is not as easy as Viktoria makes it sound in her excitement to talk about it. Nor is it without its hazards. She has had to learn from her mistakes “the hard way,” and now inspects trees more closely before she starts work on them. This is because trees, like people, can sometimes have “a real misfit” among them. But she is rarely afraid: “It is of course healthy to be cautious and prepared when doing such a risky job.” When she talks about this side of it, the 27-year-old becomes serious. For all the enthusiasm she has for her work and the ease with which she seems to tackle everything, some minor accidents that she and her colleagues have endured have shown her time and again how quickly the tables can turn, and the hazards that come with the job.

But the idea of slowing down or even doing another job altogether is unthinkable! In fact, the opposite is the case for the likable, self-proclaimed adrenaline junkie. Since 2017, Viktoria’s to-do list has now grown to include competitions in which the best male and female arborists compete against each other. She has now competed in more than 15 competitions in Denmark, Norway, and Sweden, and even qualified for the European championships. She celebrated her greatest success in 2021: as the number one Danish arborist, she may now represent her home country at both the European championships and the world championships in Copenhagen in September 2022.

“Arborists are a very special group,” Viktoria says and laughs. The rivals all help each other, give each other advice, and lend each other equipment. “It’s fantastic to see other super talented and experienced climbers, and get to know and use new equipment.” The competitions usually take place in parks or recreation centers where there are enough tall trees to accommodate all five events of the competition. These include “Work



8

ANIMALS live with Viktoria on her property surrounded by forest. And every now and then, an elk stops by.



**»It makes me
happy to inspire
women to follow
their dreams and
to break down
gender norms.«**

VIKTORIA CARSTENS

For Viktoria Carstens, her job is also something she is very passionate about.



»To have the best tool for each job makes every day easier.«

VIKTORIA CARSTENS



The 27-year-old feels just as comfortable at dizzying heights as she does on the ground. And when the weather is good, her job is even better.





WHAT DOES AN ARBORIST DO?

Arborists like Viktoria Carstens perform all the work associated with maintaining, treating, or removing trees. They take care of their conservation. They prune trees and plant new seedlings. They check whether trees are healthy and treat or remove the trees that have become infested with pests.

Arborists use traditional chainsaws or other machines to cut trees and shrubs. When working, they often have to climb up a tree using appropriate safety equipment, particularly when they are trimming the crown. It's often necessary for an arborist to check up around the top of the tree to see if there is any damage or nesting animals that need to be protected.

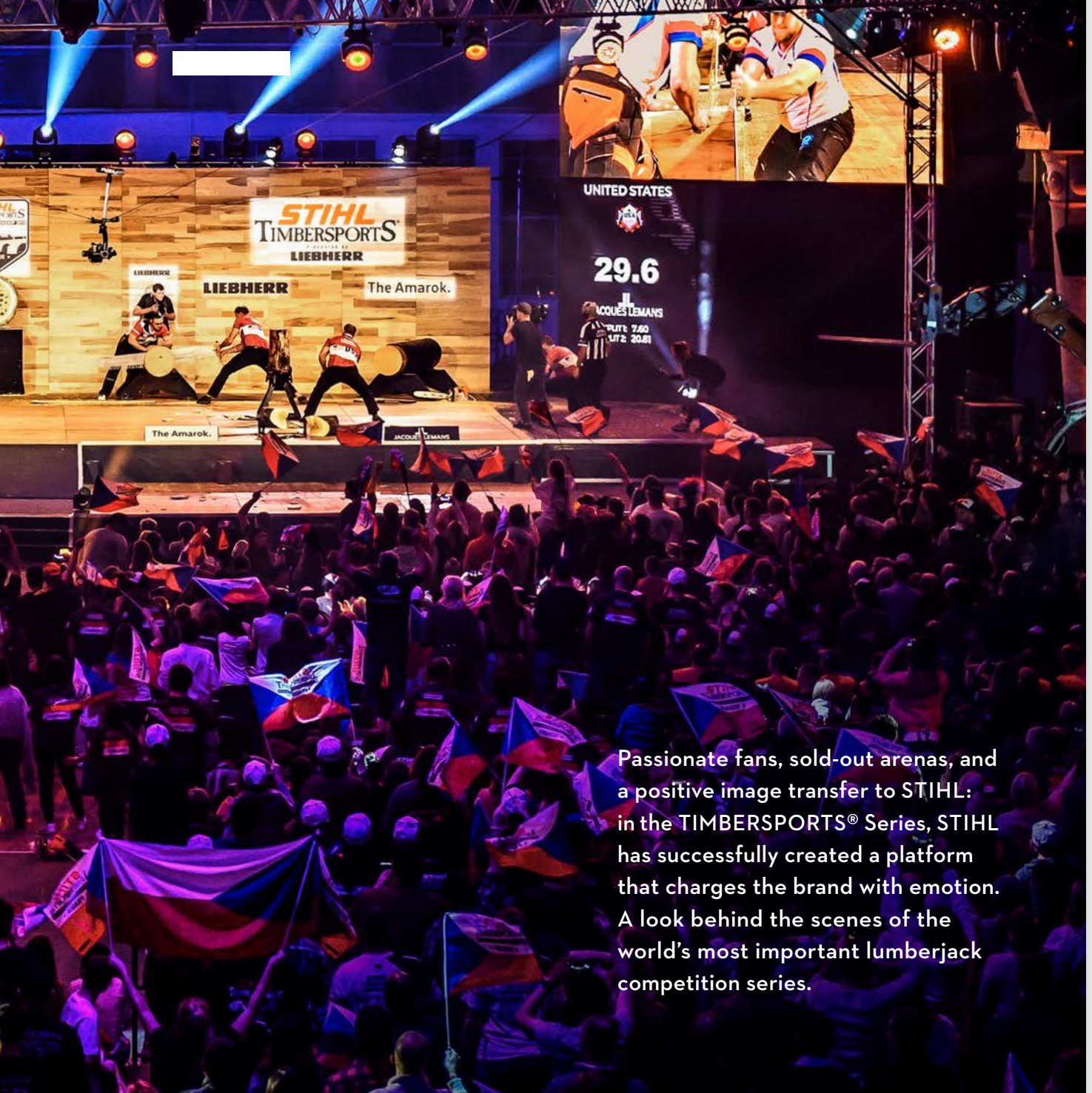
Climb,” the ringing of a bell with a handsaw in the crown of a tree to imitate pruning; “Areal Rescue,” the simulation of a rescue situation where contestants have to safely lower a climber who has sustained an injury and is unable to descend from the crown without assistance; “Throwline,” to test the contestants’ ability to place a throwline and/or climbing line in the crown of a tree; “Belayed Speed Climb,” a race to the crown to be the first to ring a bell; and finally “Ascent Event,” where contestants attach their climbing equipment to the ascent line(s) as fast as possible along a route measuring 12 to 23 meters. The points from these events are added up and the top women and top men take part in the Masters Challenge, which is essentially a mix of all of the events, just in a different tree.

And if anyone thought that Viktoria Carstens likes to relax in her free time, they would be mistaken. She is very active on Instagram, where she regularly shares her experiences with over 78,000 subscribers and does not hide her preference for STIHL. She has been a brand ambassador for the last three years and more, after all. A “very natural union” that helps her show the world that women can also have a great job in this admittedly hard and very physical industry. “It makes me very happy to be in contact with people all over the world via social media, and to inspire women to follow their dreams and break down gender norms.” This makes the extra work she does worth it.

It’s not completely altruistic: “The close collaboration allows me to work with the latest professional tools from STIHL. And that makes the greatest difference in my field of work.” The better the equipment she uses, the less demanding the work in the tree. She also appreciates the innovative power of the German family-owned company. That drive to always be better every time she puts on her helmet or takes down her chainsaw from the rack is something she channels from the STIHL philosophy.



TRUE PASSION



Passionate fans, sold-out arenas, and a positive image transfer to STIHL: in the TIMBERSPORTS® Series, STIHL has successfully created a platform that charges the brand with emotion. A look behind the scenes of the world's most important lumberjack competition series.

Passion, ambition, strength, and the right technique are the secrets of success for TIMBERSPORTS® athletes. Past events had thousands of enthusiastic spectators cheering them on. The most recent competitions, however, had to take place without an audience due to the pandemic. That does not make them any less exciting, though.



The tension is palpable. Standing in front of the stage, arms crossed, gaze firmly fixed on the action just a few meters away: woodchips fly, saws cut their way through tree trunks in seconds, axes are swung. Since 2010, these are the types of scenes that Erich Rettenmoser (from Austria) regularly sees when at work – and they have now really become a passion of his because timber sports – specifically its top-tier competition – has cast a spell over him. Over the years, he has become more and more involved, now working as the stage manager to ensure that everyone is in the right place at the right time during the competitions and that everything runs like clockwork.

Apart from his native Tyrol, there's no other place he would rather be than working behind the scenes at the STIHL TIMBERSPORTS® Series: "To be honest, it's quite addictive. It's a lot of work, but it's hard to think of anything better." He has played a decisive role in making the competitions increasingly popular around the world, and he has also spent the last decade and more trying to ensure that they always get better. A self-described perfectionist with an attention for detail, he "always wants to do something different from the others." It's precisely this approach that has ensured that the annual Individual World Champion has received a trophy these past eight years, which is individually crafted by a goldsmith.



MORE THAN

791

MILLION PEOPLE
WORLDWIDE enjoyed the
coverage of TIMBERSPORTS®
through various channels.



»TIMBERSPORTS®
has really become a
family business for
us. Everyone joins
in. It's our life.«

SJUUL JANSEN (21),
responsible for video timing and
general competition management

Sjuul Jansen is responsible for the timekeeping system and works in the control center for competition management. The 21-year-old Dutchman has a watchful eye over everything, and has been part of the team since he was only 12 years old. His father, Bart Jansen, is a true TIMBERSPORTS® fixture. He used to bring his young son along to the competition, who would do his part by putting on the music. He later moved on to coordinating the drone footage and is now a referee, overseeing the competition via video. His father has been at it so long, Sjuul hardly had a choice: “At home, everything revolves around STIHL or timber sports.” Though he barely spends time at home anymore as he’s on the go, traveling with TIMBERSPORTS® for more than half the year. His younger brother also helps out, while his mother takes care of the paperwork, booking trips, and organizing. His sister is the only odd one out, occasionally complaining about the lack of other topics in the house. And yet: “TIMBERSPORTS® is more than a job for us, it’s our passion and way of life.”

REINTERPRETING A LONGSTANDING TRADITION

Timber sports have a long and proud tradition, stretching back to the 19th century. Originating in Australia and New Zealand, the sports made their way around the world. The competitions are real crowd-pullers, both “down under” and in North America, with athletes sometimes reaching superstar status. One of 2021’s top athletes was Jason Lentz from the U.S. Standing nearly two meters tall, he navigates the many photo shoots, interviews, and the rest of the bustle during the world championships completely unfazed. He stays completely focused and concentrated – long before the competition even begins. Calm and collected, he aims to follow in his father’s footsteps – and they are huge. His father, after all, is THE Mel Lentz, better known as the “King of the Lumberjacks.” He can lay claim to six STIHL TIMBERSPORTS® titles, not to mention countless top placings in other timber sports competitions around the world. Lentz Sr. on his son: “As long as he keeps his cool, nobody can beat him.” And the 2021 Individual World Championship in

Munich proved him right. In a real photo finish, Jason Lenz was able to beat the veteran competitor Martin Komárek from the Czech Republic, who was in the lead at the time, and Marcel Dupuis from Canada. “This title really represents a life-long dream for me,” said the beaming winner at the end of the competition. Probably only the first in a long sporting career ahead.

VALUES ARE THE KEY

His direct competitor, Martin Komárek, is one of the first to congratulate Jason Lenz, and it is obvious just how happy he is for him. The Czech athlete is generally known as the good soul on the competition circuit – never has a bad word to say about anyone, always in a good mood, supports the young rookies, and always plays fair. Athletes and fans alike agree that he’s a class act, through and through. When asked about what the most important values are for him, Komárek answers: “Loyalty, a good, sportsmanlike approach to the competition and other athletes, and never forgetting to laugh and enjoy the spirit of camaraderie, no matter how tough the competition gets.” He knows that it is especially the experienced athletes who serve a role model function: “That’s why performance or the results aren’t always the most important part of the competition.” Komárek has been competing at STIHL TIMBERSPORTS® in Europe since day one.



»My father is a legend in the scene – he’s the King of the Lumberjacks. I’d like that title too.«

JASON LENTZ (36), USA
Reigning TIMBERSPORTS®
Individual World Champion





»The last 16 years have taken their toll. I'm unbelievably grateful for the experiences I've had, the people I've met along the way, the entire time.«

ROBERT EBNER (36)

German top athlete, who closed out his career at the world championships in Munich



»Being from Tyrol, you grow up being very close to nature. Everyone knows the lumberjacks there, but TIMBERSPORTS® just takes it to a whole new level.«

ERICH RETTENMOSER

Stage Manager and avid STIHL TIMBERSPORTS® fan



It's the special kind of feeling that he associates with the sport – that unique mix of athleticism, strength, and the handling of razor-sharp machinery, the people, all the different, sometimes spectacular, competition venues – it all comes together to keep inspiring him. If, on top of all that, he is also able to have his family there, then there's nothing better.

Unfortunately, the Individual World Championship in Munich was Martin Komárek's last international competition – he passed away on March 10, 2022, in a tragic accident. Martin Komárek leaves behind a gap that no one can fill, and will forever be an outstanding athlete and ambassador of the of the TIMBERSPORTS® Series.

Robert Ebner, one of Germany's best known athletes, has spent more than 16 years of his life focused entirely on the sport: training, following the right diet, taking part in competitions. And it has paid off, with 40 podium positions

at national competitions, including 20 wins and seven German championships. Not only that, but he also placed second in the world championships and is the current world record holder in one of the most difficult disciplines – the Hot Saw. These are the benchmarks of a great career, one that he rounded out with great emotion at the end of 2021 with a tenth place at the world championships in his native Munich. Despite some setbacks, the Forest management master and safety coach would not trade a thing for his time in TIMBERSPORTS®. Ebner sees the STIHL brand as playing a very big part in this as well: "The STIHL brand, and the Stihl family with it, stands for things that carry a lot of importance for me personally. Strength, family, reliability." Precisely the reason why he not only identified with the sport, but also with the tools and the company.



FOR MORE INFORMATION ON THE STIHL TIMBERSPORTS® SERIES AND THE COMPETITIONS, VISIT WWW.STIHL-TIMBERSPORTS.COM



»You need stamina and willpower to succeed.«

SEVERIN BÜHLER (32)

has been an active athlete for 20 years.





»EMOTIONS MAKE THE DIFFERENCE«

How important is a brand to the long-term success of a company?

ANDREAS BAETZGEN Products are interchangeable for consumers in many markets. Many people also believe that affordable no-name products are sometimes even better than expensive brand-name products. At the same time, new and aggressive competitors – especially from Asia – are constantly entering our markets. In this climate, the brand, its credibility, and especially the emotions associated with it play an important role in a consumer's purchasing decision and are often the deciding factor. Emotions make the difference today.

ANDREAS BAETZGEN is a professor of business communication with a focus on marketing at the Berlin University of Applied Sciences (HTW Berlin). He has worked as a consultant for ANDREAS STIHL AG & Co. KG, actively supporting many aspects of brand communication and brand development.

What does TIMBERSPORTS® contribute to STIHL in this respect?

BAETZGEN TIMBERSPORTS® is more than just one communication instrument among many. I see it as a completely unique selling point that the series is globally perceived – by the media, sponsors, and people – as a real sport and not as a marketing tool. STIHL TIMBERSPORTS® fits the brand better than any sponsorship and facilitates its own channels of communication. The series also goes a long way to highlight the STIHL brand's authenticity and professionalism, and is much closer to the product than any other sponsorship activity could be. All the more important, as the overall goal is to sell products. What's more, TIMBERSPORTS® has also been able to add value to the STIHL brand for nearly three decades now. This tradition and continuity are what make TIMBERSPORTS® a long-term and valuable avenue for communication with existing customers and the development of new target groups.

What role do the employees of the STIHL Group play in this respect?

BAETZGEN The employees play a very decisive role – they are the face and the ambassadors of the brand. They are the ones who shape the STIHL brand through their day-to-day work and transport the message to customers. The best brand would be nothing without the employees who bring it to life. They are the ones who make the enthusiasm for the brand, the products, and everything associated with STIHL authentic. When everything lines up just right, the authenticity of that passion makes it contagious.

FACTS AND FIGURES STIHL TIMBERSPORTS®

1,250,000

FANS follow TIMBERSPORTS® on social media.



HOT SAW

This **DISCIPLINE** is comprised of races with specialized chainsaws that are used to cut "cookies" (tree trunk slabs). The saws are specially manufactured for these races, boast up to 80 hp and a chain speed of up to 240 km/h.



The fourth edition of the **TIMBERSPORTS® GUIDE BAR** was produced more than

90,000

times and sold in 26 countries.



Timber sports have a storied tradition that goes back until at least the

1870s

in Australia. The **STIHL TIMBERSPORTS® Series** was founded by **STIHL Inc.** in 1985 in the U.S.

MORE THAN

20

COUNTRIES host TIMBERSPORTS® Series events. In 2021, 80 competitions were held in 18 countries, despite the pandemic.



3

QUESTIONS FOR ...



RAIMONDO NAPOLEONE (34), STIHL's man for the international STIHL TIMBERSPORTS® Series and the management of the TIMBERSPORTS® brand.

What is the significance of TIMBERSPORTS® to STIHL?

RAIMONDO NAPOLEONE TIMBERSPORTS® is an important marketing tool and an irreplaceable multiplier. It charges the brand with emotion, appeals to new and younger target groups, and introduces them to STIHL. As such, TIMBERSPORTS® serves as an efficient communication tool to reach our target groups on a daily basis with appealing and relevant content. Which is precisely why we apply the same high-level quality standards when running TIMBERSPORTS® events as we do everywhere else at STIHL. We know this is seen and it really pays off. Large attendance numbers at our arena events, as well as millions of views on our social media channels and third-party online platforms are the proof. That's how we know that TIMBERSPORTS® leaves a lasting impression.

How does TIMBERSPORTS® go from Waiblingen out into the world?

NAPOLEONE TIMBERSPORTS® isn't just a German project by any means. Thanks to the various national series, we have events happening in 20 countries on four continents. We in Waiblingen provide the framework conditions for a high-quality, strategic implementation. We also oversee the international competitions, such as the world championships. The TIMBERSPORTS® team also invests a lot of energy in media marketing to ensure global visibility for the

competitions. Besides specific TIMBERSPORTS® channels, the series works together with various media partners, including Sport1 in Germany and La Chaîne l'Équipe in France, which even dedicated an entire week to TIMBERSPORTS® 2021 specials. In addition, we have partnerships with TV broadcasters such as CBS (U.S.), TSN (Canada), and 7 Network (Australia). The biggest feather in our cap so far was getting DAZN on board, a leading, global sports streaming service that is home to the most important international soccer leagues and other popular sports, and broadcast top international competitions in Germany, Italy, Austria, and Switzerland for the first time in 2021. This goes a long way in strengthening our image as a serious sports series.

Which other channels are used to increase your reach?

NAPOLEONE Live TV and online broadcasts are especially important for us now during the pandemic, with many competitions still having to take place without spectators. That was the reasoning behind our decision to greatly increase the number of live broadcasts over the last two years. It allowed us to offer fans more live sports. So far, our analysis has shown that the TIMBERSPORTS® media work across the STIHL Group has enabled us to reach a total of 791 million people worldwide, bringing the series and, by extension, the STIHL brand straight to them. As I said previously, social media is a key pillar when it comes to us reaching new and younger target groups, as it is where they prefer to consume content.

FULL BATTERY POWER

With the MSA 300, STIHL is opening a new chapter: together with the new AP 500 S, the STIHL Group has launched the world's most powerful professional battery-powered chainsaw onto the market. These two products are impressive with their many innovative new features, and once again underscore STIHL's claim to technological leadership.



The year 2010 heralded a new era with the launch of the first STIHL battery-powered chainsaw in the trade. Suddenly, cutting firewood and felling trees was possible with a battery-powered saw. But the STIHL MSA 160 was just the beginning. The STIHL Group is now launching the MSA 300, the world's most powerful battery-powered chainsaw for professionals, thereby opening a new chapter in this technology.

“Performance, weight, and reliable STIHL quality.” These are the principles that guide the development of new products as project manager Georg Heinzelmann says: “Cutting performance is second to none, and our customers can feel the saw’s quality the moment they pick it up. Users can also feel that the saw is more capable than ever.” The newly developed electric motor and the built-in electronics accelerate the chain up to the speed of the STIHL MS 500i, reaching 30 meters per second – higher than any other battery-powered saw to date. “In combination with the electrical power of three kilowatts, the saw enables users to achieve a completely new dimension, particularly when cutting in noise-sensitive areas,” says product manager Marvin Jentzsch. The range of applications extends from selective felling, pruning, and bucking medium-sized trees to building with wood. The machine is designed to meet the heightened requirements of professionals in gardening and landscaping, in municipalities, and in forestry – applications that require tools to be ergonomic, robust, and durable – without being impacted by rain or wet conditions.

The STIHL MSA 300 introduces other important features that are relevant for professionals. “An antivibration system reduces vibration during even the most intense applications,” explains Georg Heinzelmann. The saw also features an air filtration system that STIHL has now used for the first time in battery-powered tools. It protects the machine from contaminants over extended periods, even under very demanding conditions. “The improvements in comfort and convenience are rounded out by redesigned controls with expanded settings,” emphasizes



»The MSA 300 and the AP 500 S are the perfect example of our proficiency.«

MARVIN JENTZSCH,
Product Manager

Jentzsch: The MSA 300 features an electronic control and message cockpit with an LED display, allowing the user to keep an eye on the saw status and chain brake information at all times.

To ensure that the tool really runs like a well-oiled machine, the MSA 300 comes with an oil pump standard, and the feed rate can be adjusted to suit the job at hand, meaning that the volume of oil can be reduced to a minimum for simple pruning work, for example. By contrast, the maximum feed rate ensures high performance for tough jobs, such as tree felling. The MSA 300 C-O version of the machine has an LED display that notifies the user when there is a low level of chain lubricant remaining in the tank. It also indicates when the filter needs to be cleaned.

The international manufacturing network comes into play during the production of this saw, as is the case with many STIHL products, and highlights a real STIHL strength. The housing for the new oil pumps come from ZAMA and STIHL China, the fan wheel comes from Brazil, and other components come from STIHL's magnesium diecasting plant in Germany's Eifel region and its in-house plastics production site. Final assembly of the whole motor block takes place at STIHL Tirol, in Langkampfen, Austria. In this way, our customers benefit from the STIHL Group's coordinated manufacturing and global collaboration.



The STIHL MSA 300 takes battery power to the next level. The high-performance battery-powered chainsaw optimally brings together power, performance, comfort, and modern design.

»The MSA 300 sets new standards in battery-powered saw technology.«

GEORG HEINZELMANN,
Project Manager



EXTRA: THE AP 500 S TWICE THE SERVICE LIFE AND EVEN LONGER CUTTING TIME

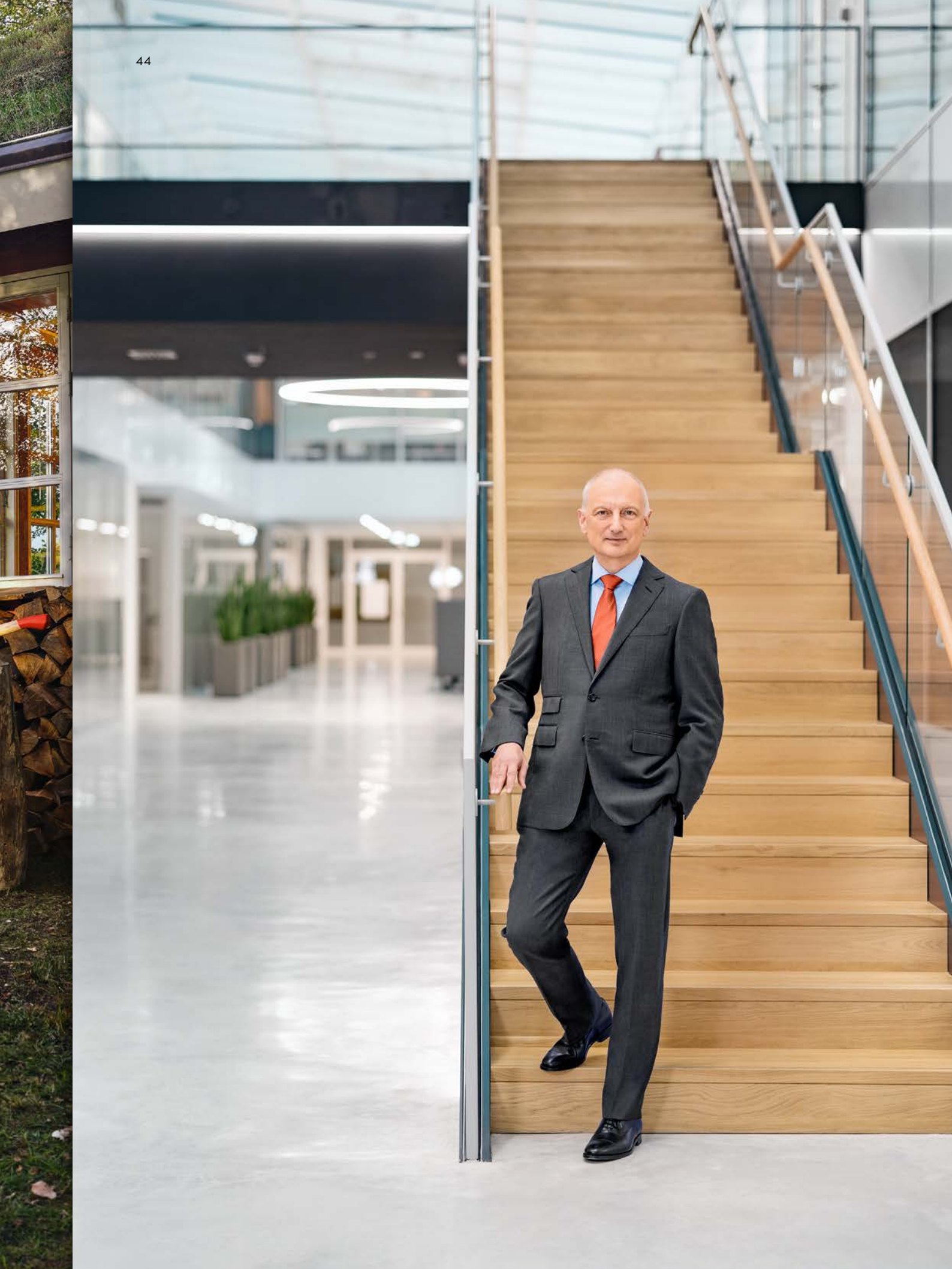
Provides more power and lasts longer than ever before: the STIHL AP 500 S sets new standards and takes the cutting time for all AP system tools to the next level.

+40%
POWER OUTPUT
COMPARED WITH
AP 300 S (RELEVANT
FOR MSA 300)

+20%
**CAPACITY AND
CUTTING TIME**
COMPARED WITH ALL
STIHL PRODUCTS
IN THE AP SYSTEM



+50%
CHARGE CYCLES
COMPARED WITH ALL
OTHER STIHL BATTERIES



LETTER FROM THE CHAIRMAN OF THE ADVISORY BOARD

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

In early 2021, the vaccine rollout gave rise to the hope of an end to the global coronavirus pandemic. But that hope soon faded on many fronts, with the pandemic disrupting supply chains around the world and new variants of the virus presenting us with challenges at every turn. Events such as catastrophic storms and flooding in Europe or the destruction of our facilities during the unrest in South Africa also did their part to make the year another unprecedented one. In that light, the work of our employees - who, despite it all, drove progress on important projects and helped the Group as a whole move forward - appears all the more remarkable.

We have learned a lot in this time, and we have demonstrated flexibility of mind as well as effective international cooperation. As a global, family-owned business, STIHL is a strong partner for everyone who needs us and is relying on us. This conviction is an important source of resilience for us in light of sweeping and often unpredictable changes.

However, the current circumstances and challenges cannot prevent us - the Stihl family, shareholders, and partners - from turning our attention to yet another major crisis that is playing out before our eyes: climate change. Sustainability has always been important to us. After all, the roots of STIHL lie in forestry. As a family-owned company, we also think in the long term and in cycles. In the years ahead, we plan to significantly step up our efforts for more sustainability. We want to take a path that is climate-neutral, resource-efficient, and fair. What is more, we plan to increase transparency in our supply chains and implement social standards. Our goal is to help people use, maintain, and protect the forest and nature responsibly and sustainably today and in the future. You can learn more about our activities in the first STIHL sustainability report, which will be published in May.

On behalf of the Advisory Board, I would like to thank all of our employees for their work and outstanding dedication in 2021. 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



EXECUTIVE BOARD OF STIHL AG

**DR. MICHAEL
PROCHASKA**
Human Resources
and Legal Affairs

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

**DR. BERTRAM
KANDZIORA**
Chairman of the
Executive Board
(until Jan. 31, 2022)

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



NORBERT PICK
Marketing and Sales

ANKE KLEINSCHMIT
Development

KARL ANGLER
Finance and
Information Technology

MARTIN SCHWARZ
Manufacturing
and Materials

REPORT OF THE EXECUTIVE BOARD

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

2021 was an extraordinary fiscal year – one that exceeded our expectations thanks to our ability to continue the growth course we embarked upon in 2020, contrary to many forecasts. Last year, we generated more than 5 billion euros in revenue for the first time, equating to growth of 10.4 percent year on year. Such results were anything but ordinary or foreseeable given the coronavirus pandemic, which continues to rage worldwide.

The positive revenue trend was fueled by the cocooning effect. Around the world, demand for STIHL products remains so high that our production lines are working at full speed throughout the manufacturing network. We have made unscheduled investments of more than 100 million euros in the expansion of capacities and shoring up resilience in manufacturing. The significant increase in our production and sales figures was only possible thanks to the tremendous flexibility and dedication of our employees, who put in extra shifts and overtime, even coming into work on Sundays. Together, everyone at STIHL did the impossible: setting production, sales, and revenue records despite substantial disruption in the supply chain, serious material and capacity bottlenecks, and problems with global logistics and the availability of workers. For that they have earned the heartfelt gratitude of the entire Executive Board.

All of the products in our portfolio are in high demand. As a result, we saw higher sales of both gasoline-powered and battery-operated products. In fiscal year 2021, battery-operated products accounted for just under 20 percent of all tools sold. And the transition from gasoline-powered to battery-operated tools continues. We are in the midst of a major transformation.

STIHL is utilizing its position of strength to actively shape this change through investments and structural adjustments.

Let me take this opportunity to wrap things up on a personal note: 2021 was my final full fiscal year at STIHL. From a professional perspective, the past 20 years on the Executive Board of STIHL have been the most exciting of my life. I am pleased to see what we have accomplished together as the STIHL Group and where we stand today, optimally prepared for the challenges of the future. I firmly believe that STIHL - with its excellent employees - will continue adding new chapters to the success story of the family business that is STIHL.

I would like to thank the Stihl family for the trust they have placed in me, the Executive Board for a consistently productive and positive working relationship, and the members of the Employee Council for their constructive cooperation throughout the years. Positioning a company so successfully depends on each and every employee, all of whom have earned my gratitude. I wish my successor, Michael Traub, every success and the best of luck.

Stay healthy.



DR. BERTRAM KANDZIÓRA
Chairman of the Executive Board



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MANAGEMENT REPORT – THE STIHL GROUP

The STIHL Group posted revenue of 5.06 billion euros in the past fiscal year, a gain of 10.4 percent over 2020. If not for the negative currency effect reflected in this result, revenue would have been up by 12.3 percent. At 331 million euros, capital expenditure in 2021 was noticeably higher than in the previous year, and was focused primarily on the worldwide production companies.

REVENUE REACHES 5.1 BILLION EUROS

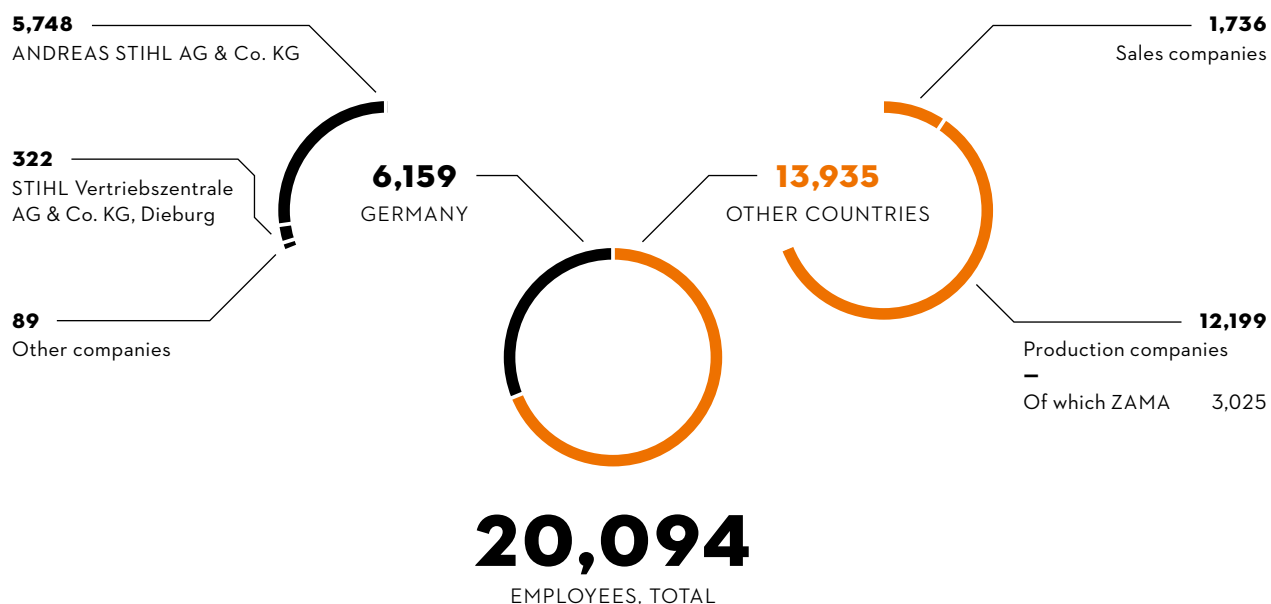
In fiscal year 2021, the STIHL Group generated consolidated revenue of 5,058 million euros. Revenue therefore increased by 10.4 percent year on year (2020: +16.5 percent). The proportion of revenue generated outside Germany was 90.0 percent, compared with 90.0 percent in the previous year. A total of 29.1 percent of total revenue was generated in the eurozone, with 36.3 percent in the European Union overall.

Currency exchange had a negative effect, at minus 1.9 percent. Calculated at the average exchange rates of 2020, revenue even grew by 12.3 percent. The euro traded at an annual average of 1.18 against the US dollar and was therefore higher than the previous year (2020: 1.14).

INVESTMENT IN GERMANY AND ABROAD

In 2021, investment volume (property, plant, and equipment, as well as intangible assets) at the STIHL Group amounted to 331.0 million euros (2020: 283.2 million euros). Some 44.1 percent of capital expenditure was invested at ANDREAS STIHL AG & Co. KG, while 55.9 percent was invested in the other companies of the Group, both in Germany and abroad. Of the total investment, 91.8 percent was at the production companies within the STIHL Group.

As projected, construction activity within the Group continued at a high level in 2021. For example, a total of 79.5 million euros was invested in land and buildings (2020: 110.4 million euros). As in previous years, investments focused mainly on production and logistics facilities at the production companies. The largest

NUMBER OF EMPLOYEES, DECEMBER 31, 2021 – STIHL GROUP

investments in production facilities were in cylinder production at STIHL Brazil, three-part bar production at STIHL Inc. in the U.S., chain production at the Swiss chain plant, and the production of crankshafts and plastic in Germany.

SATISFACTORY EARNINGS

From a Group perspective, the earnings situation was satisfactory in 2021.

STRONG FINANCIAL STRUCTURE

The capital structure remains positive. The equity ratio at the end of the reporting period amounted to 68.6 percent. This means that fixed assets and inventories are fully covered by equity.

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

As in the previous year, fiscal year 2021 was dominated by the effects of the global coronavirus pandemic. Despite the consistently challenging overall conditions, the STIHL founding company in Germany still managed to post significant revenue growth of 15.4 percent. At 145.9 million euros, scheduled investments stood just under 10 million euros below last year's level. The equity ratio remained at a consistently high level of 38.0 percent.

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

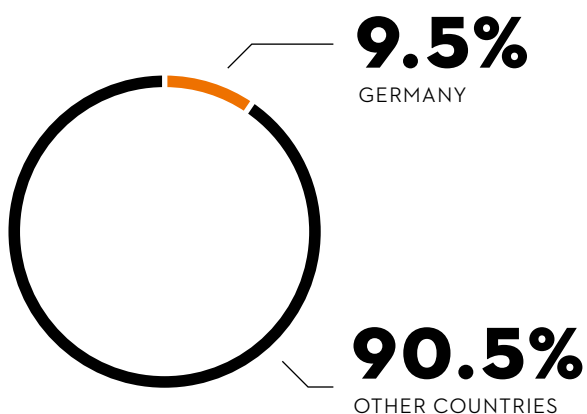
In the 2021 fiscal year, revenue at the German founding company increased significantly, rising by 15.4 percent (previous year: 14.3 percent), to stand at 1.6 billion euros. The export ratio remains at a very high level of 90.5 percent (previous year: 89.2 percent). Large-scale revenue growth was realized in particular in Africa, South America, and Asia.

HIGH INVESTMENT

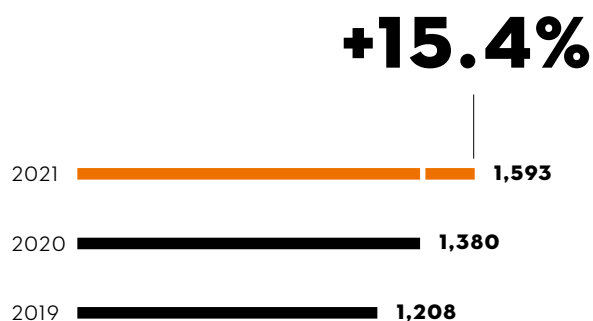
The investment volume (property, plant, and equipment, as well as intangible assets) amounted to 145.9 million euros in the reporting year (previous year: 155.1 million euros). A large portion of that amount went toward the STIHL World construction project in Waiblingen and the SAP S/4HANA ONE STIHL project. Further major expenditures involved investments in production facilities in Waiblingen and Weinsheim.

In addition, significant investments were made in research and development in Waiblingen and in IT infrastructure. As in previous years, investments in 2021 significantly exceeded depreciation.

SALES DISTRIBUTION 2021 – STIHL FOUNDING COMPANY IN %



REVENUE GROWTH IN 2021 – STIHL FOUNDING COMPANY IN MILLIONS OF EUROS



STABLE EQUITY RATIO AND HIGH LIQUIDITY

The equity ratio stands at 38.0 percent (previous year: 38.9 percent), and is therefore still at a very high level. This means the fixed assets and part of inventories are covered by equity. Total liquidity, including securities held as current and noncurrent assets, accounted for 29.7 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 16.5 percent overall compared to 2020 (increase in the previous year: +9.2 percent). The calculations are based on the Heubeck 2018 G mortality tables.

HUMAN RESOURCES

“The conduct of each individual in their everyday cooperation with others is the foundation for mutual success.” Looking back, this statement could not have been more true. The sentence, which constitutes the basis of the guidelines for cooperation at STIHL, has become increasingly important not only within the company itself, but also worldwide in view of the coronavirus pandemic. Despite the difficult conditions, the STIHL Group has achieved a lot around the world to ensure the employees of today and tomorrow continue to have secure and fulfilling jobs even in the difficult times.

WORK-LIFE BALANCE

Balancing working life with family life is now more important than ever, which is why there are measures in place throughout the entire STIHL Group to facilitate a good work-life balance. A referendum in Switzerland introduced paternity leave in 2021. The STIHL chain plant offers fathers working there an additional week of leave on top of the two weeks already stipulated. Maternity leave has also been extended by two weeks to a total of 16 weeks.

Support was also provided for families of employees in China, where capacity at public schools has been in short supply for a long time. That is why ZAMA China has worked to secure school places this year and successfully supported its workers in obtaining places for their children in nearby schools. In cooperation with the union, STIHL Qingdao has also set up a gym for employees to provide them with the opportunity to get some exercise and enjoy a break from their daily routine at work.

AWARDS

STIHL's founding company in Germany has once again taken first place in the mechanical and plant engineering sector in the “Best Recruiters” recruitment survey. STIHL successfully prevailed over around 400 competitors in Germany. The survey and assessment is centered on the “candidate's journey,” and this year focused on resilience to crises within the context of “new work.”

STIHL Inc. in the USA was singled out for this year's “Workforce Innovation” award. This award is given to companies that develop individual solutions aimed at preparing their employees to face future demands and challenges. Working in partnership with a network of training providers, workforce development organizations, and a regional community college, an off-site training program was developed to train and prepare candidates for their jobs in manufacturing.

NEW WORKING WORLD

2021 challenged STIHL Group employees worldwide in many different ways. However, the past fiscal year was also challenging in terms of our attractiveness as an employer. For example, at STIHL Qingdao in China, various local companies were vying with each other to hire potential new employees. To remain particularly attractive as an employer within this competitive environment, STIHL developed a new work-from-home model that permits employees to work from home for up to three days a week, provided their jobs are suitable. With many STIHL Qingdao employees needing up to three hours per day to travel to and from work, this model was very much welcomed.

This mobile working model was also put to intensive use at our founding company. It will continue to play an important role in the future as an extension of the office workstation. For STIHL, this hybrid working model combines the best of both worlds and creates even greater flexibility for both employees and the company.

STIHL Brazil has employed a hybrid onboarding model for new hires during the pandemic. Some of the training is conducted online, while the rest is conducted on-site. This involves making theoretical information available via an e-learning platform, which is then augmented by face-to-face meetings, tasks, and activities.

YOUNG TALENT DEVELOPMENT

“More than just a qualification” – this is the guiding principle that fundamentally determines how apprenticeships and dual study programs are organized at STIHL’s founding company. And we do this year after year – in 2021 alone, 84 young people started their professional careers at STIHL. In this context, the focus is not only on high professional standards, but also on individual development and, especially, personal development. The objective is to prepare trainees and students as well as possible for their entry into professional life, and to provide them with both the personal and professional skills they will need in their future careers.

Second-year apprentices at STIHL Tirol were given the opportunity for the first time to complete an internship in another European country to enable them to experience other cultures, languages, and companies firsthand. In 2021, two trainees took up this offer via the International Young Workers Exchange organization, and spent four weeks in Italy and Spain, respectively. During this part of their apprenticeships, they acquired insights into the operation of other companies and expanded their foreign language skills by attending language courses.

A technical training center was opened at ZAMA in the Philippines in October 2021, where equipment and future training programs were presented. The new building reinforces the principle that the knowledge, commitment, and skills of employees make all the difference and therefore always deserve special encouragement.



126,080

EUROS WERE DONATED BY STIHL EMPLOYEES FOR STIHL EMPLOYEES IN AREAS AFFECTED BY FLOODING.

In the summer, many areas in Germany were hit by devastating storms which caused huge amounts of damage. This included the area surrounding the STIHL magnesium diecasting plant in the Eifel region. A “STIHLer helfen STIHLern” (STIHL employees helping STIHL employees) fundraising drive was launched very promptly at our founding company, raising more than 125,000 euros within a matter of days; the company then matched the amount donated. Aside from this, STIHL supported various aid organizations with a donation of 500,000 euros.

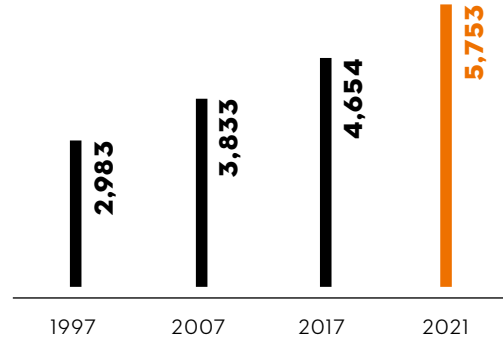
NEW EMPLOYMENT AND SITE-GUARANTEE AGREEMENT UNTIL 2025: “STARK” AN IMPORTANT SIGNAL IN THESE UNCERTAIN TIMES

Employment and site-guarantee agreements - known as BuS-Verträge in German - have long been a tradition at STIHL. These agreements have demonstrated STIHL’s firm commitment to Germany as a business location for more than 20 years, and provide job security and prospects for all employees.

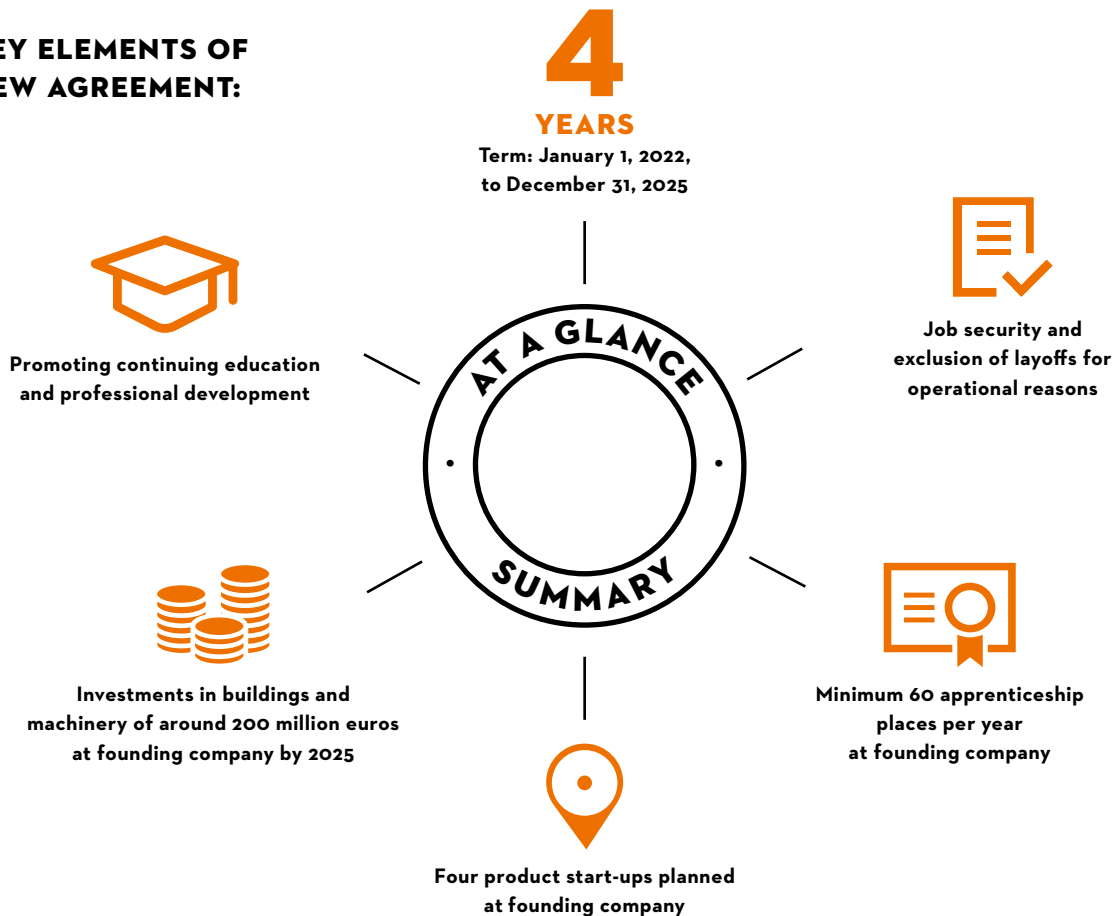
This is one of the reasons why the new employment and site-guarantee agreement, which applies as of January 1, 2022, bears the title “STARK” (meaning “strong”). It stands for **s**ecurity, **t**ransformation, **a**ttractiveness, **r**eturn on investment and flexibility, and **k**eeping a clear commitment to our locations.

While 2,983 employees at the founding company benefited from the first agreement concluded in 1997, the new agreement takes this number to over 5,700 (as of November 30, 2021).

DEVELOPMENT OF WORKFORCE NUMBERS AT STIHL’S FOUNDING COMPANY IN GERMANY AS OF NOVEMBER 30, 2021



THE KEY ELEMENTS OF THE NEW AGREEMENT:



DEVELOPMENT

Since it was first founded, STIHL has been making everyday life easier. Since 2021, this has taken on a whole new meaning. In the fiscal year just ended, the Development Department at the founding company made significant improvements to increase efficiency by focusing on what is important in the product development process. This has reduced time to market while maintaining the same level of product maturity - ideas can be transformed into innovative products more rapidly. For STIHL customers, this means: new tools that make everyday life easier are available sooner.

Development has taken a proactive approach to transforming the key areas of automation, networking, and efficient drive systems. To achieve this, the unit adopted a skills-centric approach in 2021, which enables us to develop products together in strong teams with shorter decision-making processes.

NETWORKED BATTERIES AND CHARGING INFRASTRUCTURE

Using our Smart Connector 2.0 means that, for the first time ever, it will be possible to record detailed data on application profiles and equipment status in the STIHL connected portal. In the professional battery segment in particular, customers will therefore find it much easier to manage their battery fleets and devices. The bottTainer and the new AL301-4 quad charger with integrated charging and thermal management systems have paved the way for efficient energy management.

STIHL believes the development of energy solutions designed to simplify everyday tasks, as well as business management in the commercial sector, is a key factor for success in the professional environment. We have been developing solutions geared toward this for several years now, so that our customers can focus on the really important issues in their everyday working lives.

A POWERFUL DUO

Together with the AP 500 S, the company is entering a new era of battery-powered cutting with the new STIHL MSA 300 battery-powered chainsaw. The saw and rechargeable battery pack together make up a powerful all-in-one package or, more precisely, the most powerful duo available in this segment anywhere in the world today. The MSA 300 has three optional operating modes that ensure optimized performance in a wide range of applications such as felling, pruning,

and bucking. It achieves a chain speed of 30 meters per second, while simultaneously allowing work at lower noise levels than an equivalent gas-powered saw.

The MSA 300 gets the power it requires from the AP 500 S, which enables up to 20 percent longer operating times compared to its predecessor, the AP 300 S, and has twice the service life.

MAKING EVERYDAY LIFE EASIER FOR PROFESSIONALS

The new STIHL BGA 300 battery-powered blower delivers tremendous improvements for professional users. It is characterized by its high blowing power and very high air speed. As a result of the STIHL Noise Reduction System, it is the quietest power tool of its class on the market, at a maximum of 93 decibels, and can also be operated without restriction in noise-sensitive areas.

93 dB

MAXIMUM VOLUME
allows the BGA 300 to be used in noise-sensitive areas.

Thanks to the latest generation of the Advance Pro Com headset, it is now possible for interconnected teams to communicate over long distances in their everyday work. In addition, STIHL forestry apps can be used for forestry management via voice input – without having to take one’s hands off the tool. Matching apps have been developed for smart forestry. They facilitate the allocation and mapping of trees during work.

INNOVATIVE HEXA CUTTING SYSTEM

With its unique shape, the innovative 3/8" Rapid Hexa saw chain revolutionizes the saw chain market. The design increases the chain’s cutting performance and keeps it sharp for longer, thus making forestry work a great deal easier. However, should the chain become blunt, it is easy to file – thanks to the Hexa file, the chain can be sharpened “on the job” without any problems. The cutting teeth of the new STIHL 3/8" Rapid Hexa saw chain and the hexagonal shape of the sharp-

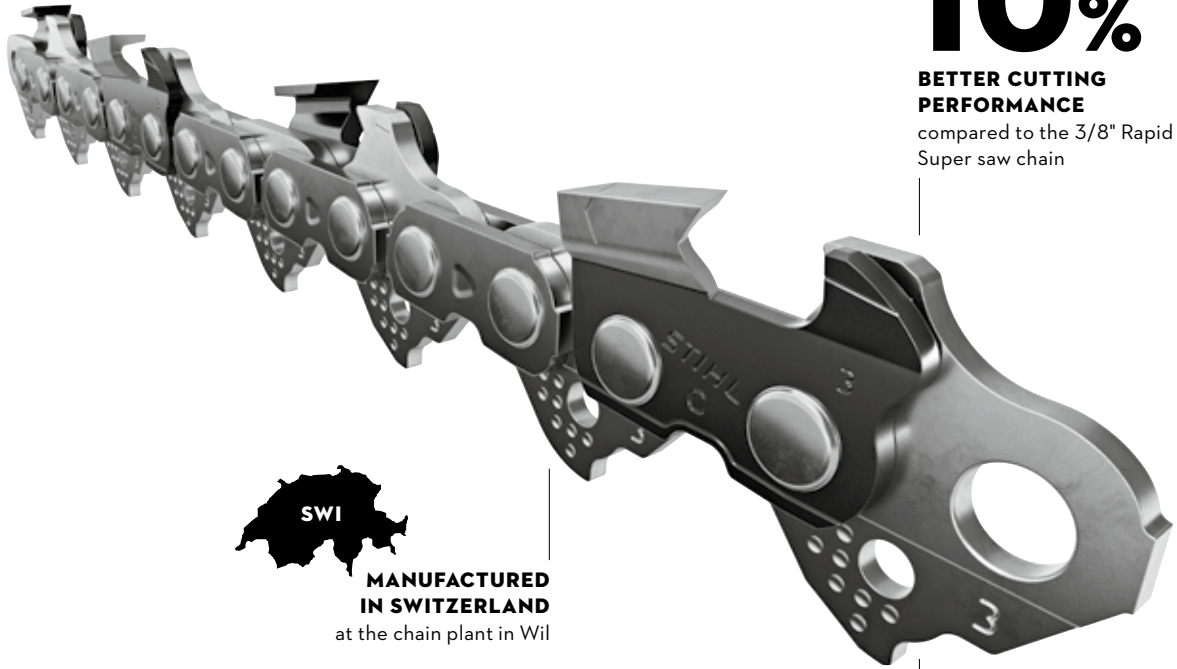
ening file are a perfect match. Unlike round files, the STIHL Hexa cutting system allows even inexperienced users to easily sharpen the Hexa chain at an ideal sharpening angle. This means that the STIHL 3/8" Rapid Hexa cutting system effectively and innovatively supports forestry professionals in their everyday tasks.

MORE TIME FOR WHAT IS REALLY IMPORTANT

The latest generation of STIHL iMOW robotic mowers frees up users’ time – time for what is really important. New functions such as the automatic “coming home” feature ensure that lawns are mowed more gently because alternate routes are used to return to the charging station.

To ensure full testing for users in a range of different scenarios, a comprehensive validation process was established for the iMOW systems. In this context, fully integrated tests are carried out in order to ensure the longevity for which STIHL equipment is so well known, even for products with shorter lifecycles.

WORLD PREMIERE WITH HEXA FILING
 THE STIHL 3/8" RAPID HEXA SAW CHAIN



UP TO
10%

BETTER CUTTING PERFORMANCE
 compared to the 3/8" Rapid Super saw chain



MANUFACTURED IN SWITZERLAND
 at the chain plant in Wil

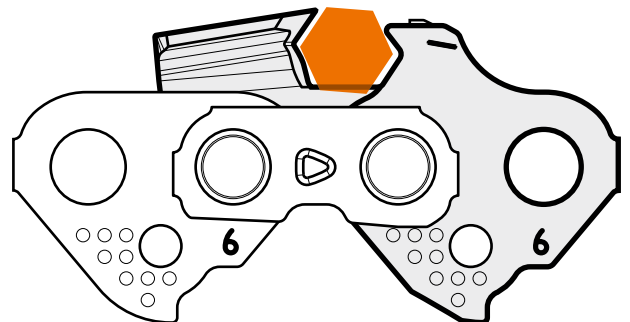
The concept behind the new STIHL 3/8" Rapid Hexa saw chain consists of patented full chisel cutting teeth with a V-shaped side plate and a patented hexagonal file. This makes the combination unique on the market. The Hexa cutting system is manufactured at STIHL's saw chain plant in Wil, Switzerland.

The chain has been tested by a large number of users around the world under a wide range of testing conditions: in addition to conventional testing, acceptance tests were conducted by professional loggers in seven countries with different climatic conditions and working methods - all of which yielded excellent results.

Thanks to the hexagonal file, customers can experience the outstanding cutting performance of the Hexa chain in its unboxed state, not only in the first hours of operation, but all over again each time it is sharpened.

HEXA-GONAL

SHARPENING FILE and the cutting teeth of the new STIHL 3/8" Rapid Hexa saw chain are a perfect match.



PRODUCTION

Maintaining a high degree of flexibility and adaptability has always been an everyday part of production within the STIHL Group. However, the challenges faced in 2021 have become more diverse even compared to the previous year. Apart from the continuing coronavirus pandemic, production was particularly affected by procurement and logistics bottlenecks, natural disasters, and exceptional increases in the cost of materials. Nevertheless, 2021 was a successful year for our international manufacturing network.

CHALLENGES

Although capacity had already been increased in mid-2020 to meet the huge demand for STIHL products, the effects of global procurement and supply chain bottlenecks were clearly felt in STIHL's production network in 2021. The reduced availability of components such as semiconductors and battery cells around the world, together with the general supply issues linked to air and sea freight delay, affected production. Events such as the catastrophic flooding in Germany, severe winter storms in Texas, the obstruction in the Suez Canal and other global events further exacerbated the situation. To meet the consistently high demand to the greatest possible extent under these difficult circumstances, production staff worked extra shifts and overtime to deliver top performance.

AGAINST THE ODDS

In spite of this challenging situation, in 2021 our founding company achieved the second highest annual production output since the company was founded. This was achieved thanks to the efforts of our employees as well as a number of special initiatives. Specifically, these included extending manufacturing hours, for example, by making use of night shifts, setting up extended workbenches for bottleneck technologies, providing production support across the STIHL production network, and making large-scale, unscheduled investments in machinery and equipment in order to increase capacity.

To strengthen the resilience of the supply chain in particular, and to prevent potential production stoppages, an increasing number of second-tier suppliers were contracted along the supply chain. STIHL also stepped up its cooperation with existing suppliers. The saw chain plant in Switzerland, for example, made it through 2021 with no disruption to steel supplies, despite the strained procurement situation. This was

RECORD-BREAKING PRODUCTION LEVELS

TOP PERFORMANCE WORLDWIDE AT THE STIHL GROUP

**100 million****CYLINDERS** have been produced at STIHL Brazil since 1996.**50%****INCREASE IN OUTPUT** registered by STIHL China in the past fiscal year.**24/7****OPERATIONS** were the order of the day at many STIHL production sites.

only possible thanks to the close cooperation with steel suppliers along the entire supply chain right through to primary material suppliers.

A LOOK AT THE GROUP

STIHL China celebrated the production of 25 million tools since the site was established. This milestone reflects the importance of the company for the Group in the Far East. Production began in 2006 with clearing saws, followed by hedge trimmers and chainsaws. Since then, the Chinese plant has grown to become the second largest production site within the STIHL Group. The year 2021 has been a major contributor to this success, because a crucial quantity of the required power heads were produced in China over the past 12 months. This is largely due to the STIHL DRIVE (STRIVE) production system launched in 2021. This system has facilitated a major increase in efficiency and speed, among other things, paved the way for an increase in output of just under 50 percent compared to 2019.

STIHL Ferramentas Motorizadas in Brazil has also had a reason to celebrate this year: a total of 100 million cylinders have been manufactured in São Leopoldo since the founding year 1996.

In 2021, STIHL Inc. increased its production of power-heads by 19 percent year over year. Providing cross-training for employees on various equipment facilitated greater flexibility for responding more quickly to changes in the supply chain and in sales.

The range of parts being produced at ZAMA is expanding: beginning this year, cable harnesses are also being manufactured at the plant in the Philippines. Cable harnesses represent an investment in the future of the site. After all, cable harnesses are not only required in equipment with a combustion engine, but also in all battery-powered chainsaws, power tools, and iMOWs.

OCCUPATIONAL HEALTH AND SAFETY

At the STIHL Group, employee health and safety is a top priority at all times. Efforts to contain the coronavirus pandemic that broke out the previous year continued without pause in 2021, with new vaccines equipping local crisis teams with a means that helped them get a better grip on the pandemic. To reduce the risk of infection in the workplace as much as possible, STIHL companies across the globe implemented a large number of far-reaching preventive measures in continuous and close coordination with the relevant authorities.

A HOST OF IN-HOUSE MEASURES

The challenges posed by the pandemic strikingly demonstrate how well teamwork operates within the STIHL Group. To ensure that all employees have the best possible protection against infection, crisis teams at STIHL Group companies across the globe regularly coordinate their activities with each other. The crisis teams have had no shortage of issues to deal with - for example, how to regulate business trips: 2021 saw strict entry and quarantine regulations in many European countries as well as non-EU states. Entering a country was either not possible at all, or possible only subject to severe restrictions and conditions. As a result, business travel across the STIHL Group was permitted only under strictly specified circumstances. Before embarking on business trips, employees were instructed on the current travel regulations and local provisions regarding protection against infection, keeping a safe distance, and hygiene measures. In addition, all travelers were provided

with a hygiene set containing surgical masks and disinfectant. Overall, more than 90 percent of business trips from our founding company were canceled completely in the past fiscal year.

MORE WORKING FROM HOME, MORE HYGIENE CONCEPTS

Flexible and mobile scheduling and work models, including working from home and remote working, have been in place at STIHL Group companies for years. There has been increased use of this option since the start of the coronavirus pandemic. The number of days worked from home has grown tenfold since the pandemic began. To ensure that this is also possible on a technical level, the IT infrastructure was significantly expanded over the past year, and additional equipment was provided to enable working from home. Where measures were eased during the year because of viable hygiene concepts

and low infection rates locally, this was done cautiously and with careful consideration. The following rules were followed at all times: maintain a safe distance, follow hygiene rules, wear a face mask, and ventilate.

VACCINATIONS PROVIDE OPTIMAL PROTECTION

In the months of June and July, STIHL employees had the option of being vaccinated against the coronavirus at the company’s own vaccination center in Waiblingen-Neustadt. This vaccination service was offered to employees at all other company locations

in Germany as well. The launch of the vaccination program at STIHL coincided with the expansion of the national vaccination campaign to include major businesses in close cooperation with the health authorities, and was implemented with the support of the company doctor and local physicians. Thanks to its previous experience with administering flu shots, for example, STIHL was well prepared for the vaccination campaign. In terms of infrastructure, STIHL was able to use four vaccination lines with a total capacity of around 300 vaccinations a day at the Waiblingen-Neustadt community center. By the end of July, when the vaccination campaign at STIHL ended, over 1,500 employees in Waiblingen had received both doses. First, second, and booster shots were also offered in November and December in cooperation with local mobile immunization teams. More than 1,500 employees took up the offer. Company-organized vaccination campaigns were also conducted at STIHL Brazil and STIHL Tirol. Due to the high availability of vaccines, similar measures were not necessary at any other locations.

VACCINATION CAMPAIGN IN WAIBLINGEN
AN IMPORTANT STEP IN COMBATING THE PANDEMIC



THE COMMUNITY HALL IN WAIBLINGEN-NEUSTADT was utilized by STIHL for several months for its own vaccination campaign.

WAYS INTO AND OUT OF THE PANDEMIC

The coronavirus pandemic has been a catalyst for many things, among them the adoption of new digital applications and, by extension, new ways of working together. Occupational health programs were augmented by short videos, while digital coffee breaks, relaxation courses, and even cooking classes were offered to maintain the feeling of being part of a team despite the necessary distance. But what lessons can occupational health and safety learn from the difficult years of 2020 and 2021? Thanks to existing and new concepts developed over the past few months, and its internationally interconnected organization, it is clear that the STIHL Group is well positioned to face the challenges that lie ahead.

4 **VACCINATION LINES** comprising a total capacity of 300 vaccinations per day were set up for STIHL employees.

1,500 **EMPLOYEES** received two doses over an eight-week period. (As of July 2021)

2,763 **INDIVIDUAL DOSES OF THE VACCINE** were administered. (As of July 2021)

FOR MORE ON THE SUBJECT OF ENVIRONMENTAL PROTECTION AT STIHL, PLEASE REFER TO THE FIRST **STIHL SUSTAINABILITY REPORT**, WHICH WILL BE PUBLISHED IN MAY.

MARKETS

After 2020, the coronavirus pandemic continued to leave a considerable mark on all international markets in 2021. However, unlike many other companies and industries, this has proven to be a key factor driving growth across the STIHL Group. Demand for STIHL products, and gardening tools especially, has risen sharply all over the world, while online sales also recorded significant growth. Once again, this has resulted in record sales and revenue.

“HOMEBODY ECONOMY” AS A FACTOR DRIVING GROWTH

Economists refer to the two major trends of people spending more time at home during the pandemic and spending more money online as the “homebody economy.” As a result, the trend involving people spending more time working on their gardens and homes so as to create an overall feeling of well-being continued in 2021. This has led many customers – especially in Western Europe and North America – to explore entirely new design possibilities. There has been strong demand for specifically high-performance, high-quality, and user-friendly products that further increase the feel-good factor in people’s homes and gardens. Demand for consumer products, as well as for professional products, also expanded across all regions. This would indicate that the forestry and gardening and landscaping sectors have coped well with the coronavirus crisis thus far. STIHL’s roots lie in the professional segment and this continues to be an important source of earnings, which is why we are particularly pleased with this development.

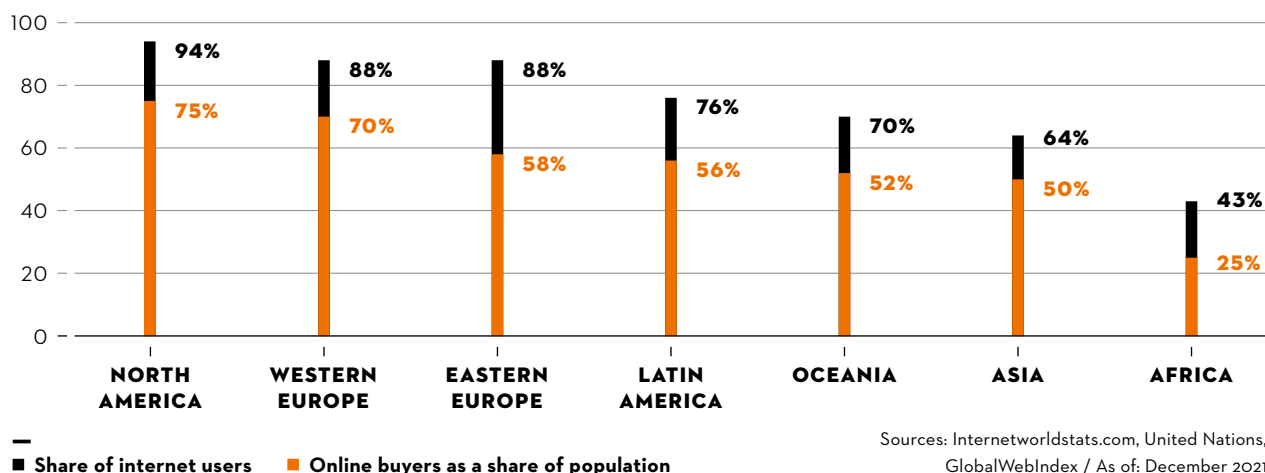
BATTERY-POWERED PRODUCTS CONTINUE THEIR ADVANCE, BUT DEMAND FOR GASOLINE-POWERED PRODUCTS ALSO REMAINS HIGH

All in all, the anticipated trend in favor of battery-powered devices has continued worldwide in the past year. This is particularly true of the consumer goods segment in western industrialized countries. However, interest and demand for powerful battery-powered tools is also increasing among professional users, who will find a wide and continuously expanding range of STIHL tools on offer.

Gasoline-powered tools have also benefited from the global boom in demand for engine-powered gardening tools. Apart from the one-off effect resulting from the pandemic, favorable weather conditions have also contributed. This has allowed nature to recover from the drought and dry conditions of prior years in many regions. In addition, tools were needed for the clearing of storm damage on the east coast of the U.S., which was once again hit by hurricanes.

AFFINITY FOR ONLINE PURCHASES ACCORDING TO CONTINENTAL REGION

INTERNET AND E-COMMERCE USERS AS A SHARE OF TOTAL POPULATION



DEMAND ALSO INCREASING IN THE EMERGING MARKETS OF LATIN AMERICA AND ASIA

High prices for commodities and agricultural products resulted in greater demand for chainsaws and brushcutters in the forestry and agricultural segments in Latin America, despite difficult overall economic conditions in the region. Many countries in Asia coped well with the pandemic and the resulting restrictions in 2021. Progress in the mechanization of agricultural processes has had a positive impact on sales of gasoline-powered products.

GLOBAL PANDEMIC REMAINS A CHALLENGE

In retrospect, it may be said that we could have sold even more tools in many markets if global supply chains had been more stable. Demand has been so strong in most regions that STIHL has not been fully able to meet it at times. Maintaining supply chains as the pandemic continues will remain a key parameter for positive market developments across the industry.

Challenging political situations have also had a detrimental effect on the markets. For example, the political

unrest and looting in South Africa led to the destruction of the STIHL South Africa buildings in Pietermaritzburg. South Africa was heading into a recession even before the coronavirus pandemic. Its infrastructure continues to be overburdened. Local STIHL employees are doing an incredible job helping the subsidiary get back on its feet. The pandemic has had a significantly negative impact on every market on the African continent. Moreover, high unemployment rates mean that increase in demand in Africa has been rather moderate to date. However, Chinese investment in Africa has boosted demand for power tools to mechanize agricultural work.

As a result of the coronavirus pandemic, larger celebrations have unfortunately had to be canceled. Nevertheless, the STIHL Group has been able to mark a number of anniversaries. STIHL Group companies in Switzerland, South Africa, and Spain all celebrated their 25th anniversaries. STIHL has been present in Hungary for 30 years and in Canada and Austria for 40 years. STIHL Australia marked its 50th anniversary. This means that STIHL has been focusing on its customers' needs in this market for more than half a century.

CAPITAL EXPENDITURE

Sustainable success and meeting customer requirements are what we focus on at the STIHL Group – even in the second fiscal year that has been dominated by the coronavirus pandemic. Unscheduled investments in machinery, plant, and buildings were one of the ways in which we have responded to the continuing high demand for STIHL products, and ensured that dealers and customers worldwide have been supplied as well as possible in this exceptional situation.

SCHEDULED AND UNSCHEDULED INVESTMENTS

To improve flexibility and resilience within the international manufacturing network, unscheduled investments totaling nine figures were made at global production sites in 2021 for the acquisition of additional machinery and equipment. The largest investments in production facilities were in cylinder production at STIHL Brazil, three-part bar production at STIHL Inc. in the U.S., chain production at the Swiss chain plant, and the production of crankshafts and plastic in Germany. The aim of all these investments has been to absorb the extraordinary volume of orders coming in right now, while also preparing production to face future challenges.

MAGNESIUM DIECASTING PLANT EXPANDS PRODUCTION

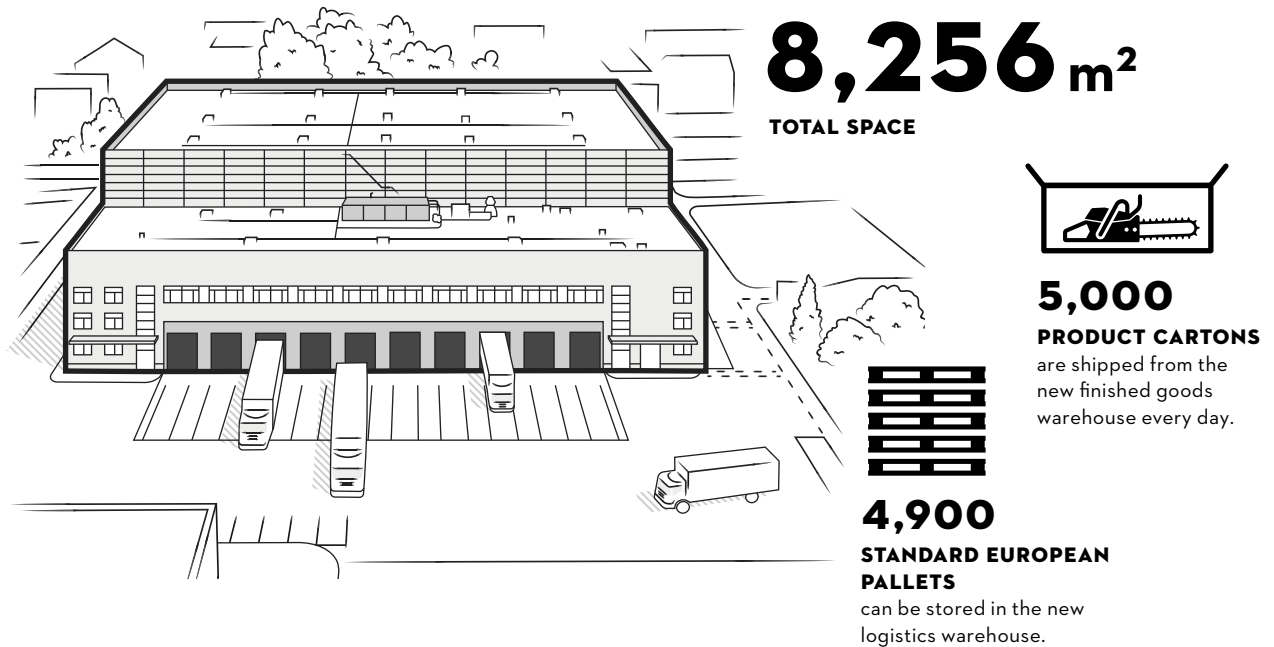
Apart from its 50th anniversary, the STIHL magnesium diecasting plant in Weinsheim, Rhineland-Palatinate, had yet another reason to celebrate in 2021. More than 16 million euros has been invested in expanding the production facility there – in response to growing demand for magnesium components, both within the Group and outside it. The amount will primarily be allocated to the installation of new production facilities in the form of machinery and related infrastructure within the existing plant buildings. The expansion at the STIHL magnesium diecasting plant will also create more than 70 new jobs in the Eifel region.

MORE SPACE IN DIEBURG

A new finished goods warehouse built in Dieburg at a cost of around 26 million euros was officially opened in July. The new STIHL Vertriebszentrale building has

MORE SPACE IN DIEBURG

THE NEW FINISHED GOODS WAREHOUSE AT STIHL
VERTRIEBSZENTRALE IN SOUTHERN HESSE, GERMANY



a total area of 8,256 square meters, providing space for up to 4,900 standard European pallets. This means that the logistics warehouse is ideally equipped to supply STIHL retailers and customers quickly. The new building enables up to 5,000 product cartons a day to be picked and dispatched during peak times in a normal shift. Optimized logistics processes and new technologies have increased the site's overall logistics efficiency.

PLASTIC PRODUCTION FOR STIHL TIROL

In April 2021, STIHL Tirol broke ground on its new plastics production facility, which is scheduled to start operations in the summer of 2022. The investment of around 19 million euros underscores the significance of the Langkampfen company in STIHL's international manufacturing network. At approximately 3,500 square meters in size, the new building delivers a higher depth of production and shorter delivery routes. The new building will feature a plant equipped with

ten injection molding machines, plus clear floor space where new assembly lines can be added in the future. In addition, the investment will create jobs for 50 new employees at the Austrian facility.

THE FUTURE WORLD OF WORK

After more than three years of intensive work, employees moved into the new world of work at STIHL in 2021. The modern building, located on Badstraße in Waiblingen, embodies the implementation of a unique concept for activity-related work. Its transparent architecture creates a new openness and more closeness: spanning an area of around 7,000 square meters, its high glass facades and stylish interiors give expression to these aspirations while reinventing the interaction between people, space, and technology. STIHL has invested around 30 million euros in the new building and the workplace of the future.

QUALITY MANAGEMENT

STIHL stands for quality. The focus on quality among everyone involved in production is a prerequisite for our success. Quality is never left to chance. It is the direct result of effective employee training. All employees undergo intensive preparation for their respective areas of responsibility at the production facilities. In the future, a web-based platform will be implemented to offer a wide range of training formats throughout the Group to standardize quality assurance methods, thereby ensuring a foundation for uniform application throughout the STIHL Group.

MORE EMPLOYEES IN THE STIHL GROUP

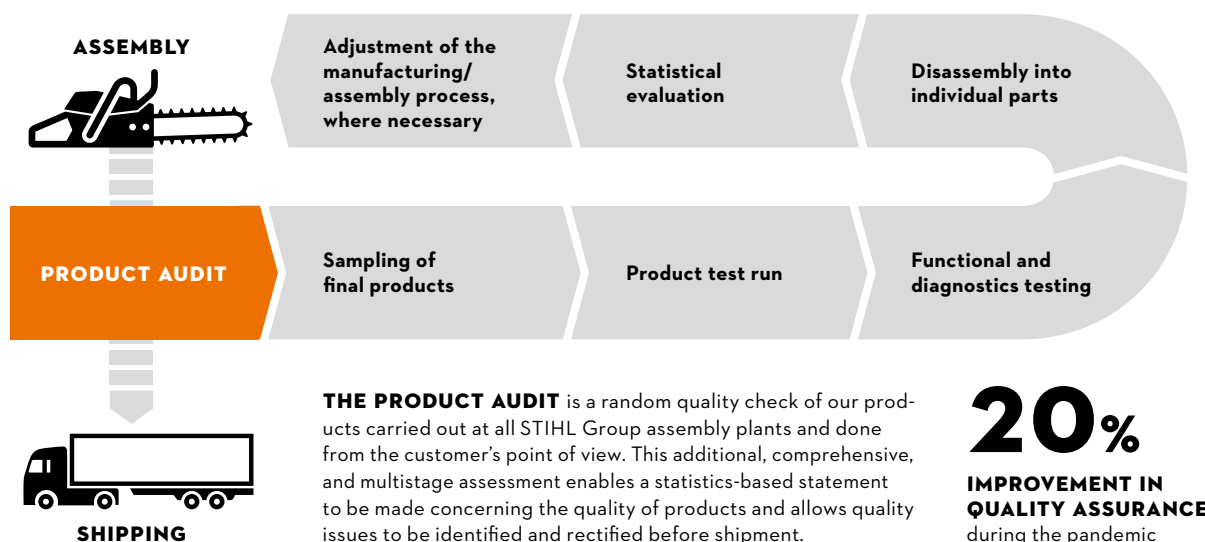
Looking back, 2021 was a record year for the STIHL Group in terms of both revenue and sales. The STIHL Group also broke other records to successfully manage the challenging conditions of recent months. One example was the necessity to hire numerous new employees as a result of increased production volumes at all plants worldwide. This increase meant that up to 50 percent of the production workforce at some plants had only been with the company for a year or less at the turn of 2020/2021. This obviously meant that there was a particularly high demand for training. The large number of new colleagues with little experience with internal processes meant that this demand affected many locations within the STIHL Group. STIHL therefore faced, and faces, a global challenge of scheduling and implementing ongoing training in a way that ensures a smooth production process is maintained.

WEB ACADEMY TO BE FOUNDED IN 2022

Targeted, fast, and up-to-date information for all employees is a key to success. That is because we have integrated the human factor as one of the core aspects of our STIHL total quality model. Using a web-based portal, STIHL will be communicating a wide range of relevant topics concerning successful work beginning in 2022. Among other things, this will include training in application-related methods, procedures, and processes. Various formats for motivation, information, and training are currently being developed to ensure the success of this undertaking. The goal is to be able to offer standardized content Group-wide to all employees around the clock. That way we can ensure that all employees have the same level of qualification, enabling top STIHL quality across the board.

TOP QUALITY: QUALITY ASSURANCE SCORES INCREASED DESPITE THE PANDEMIC

PROCESS FOR EVALUATING PRODUCT QUALITY IN THE PRODUCT AUDIT



DIGITAL ROAD TO SUCCESS

The ever-faster growth of digitalization has already made itself felt in the quality management process. At STIHL Tirol, for example, digital screens have replaced the classic bulletin board. The screens and their continuous flow of information are very popular with employees due to the topicality, liveliness, and style. The STIHL quality strategy has continued to be successfully implemented further at the STIHL chain plant in Switzerland. Efficiency was increased thanks to the continuous improvement process, internally expanded quality assurance measures, established daily shop floor management, and many other activities in production. All these measures and initiatives allowed for the strong increase in customer demand in 2021 to be met. Integrating suppliers into internal processes at STIHL Qingdao further improved the quality of parts and end products. All are examples of effective individual measures that contribute to an overarching quality objective.

CONTINUOUS PURSUIT OF QUALITY

How is it possible to assess the effectiveness of quality measures? The success of the various activities implemented at the individual plants is reflected best in their results. Before finished products are shipped to authorized dealers and end customers, they are subject to thorough checks for quality issues within the scope of random product audits and a corresponding assessment. The results of these inspections are integrated into an overall quality measurement. Approaches such as these ensured a further improvement from the already very good value in 2019 to even better ones in 2020 and 2021.

STIHL inspires its customers with top quality through giving its all to meet requirements and objectives.

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

ASSETS	4,074	1,322	2,580	7,976
	FIXED ASSETS	INVENTORIES	OTHER ASSETS	
LIABILITIES	5,475		1,168	1,333
	EQUITY	PROVISIONS	OTHER LIABILITIES	7,976

BALANCE SHEET AS OF DECEMBER 31, 2021

(Condensed version)

ASSETS CONSOLIDATED FINANCIAL STATEMENTS OF STIHL HOLDING AG & CO. KG
IN THOUSANDS OF EUROS

ANDREAS STIHL AG & CO. KG

Notes to the balance sheet	DEC. 31, 2021	Dec. 31, 2020	DEC. 31, 2021	Dec. 31, 2020
FIXED ASSETS				
Intangible assets	125,863	97,762	122,551	95,731
Property, plant, and equipment	1,564,514	1,409,186	512,304	463,494
Financial assets (1)	2,383,548	1,760,178	188,390	185,804
	4,073,925	3,267,126	823,245	745,029
CURRENT ASSETS				
Inventories	1,321,781	1,025,107	264,823	226,343
Receivables and other assets				
Trade receivables	628,018	568,243	39,212	32,549
Receivables from related companies	13,933	17,581	294,349	225,758
Other assets	137,604	102,483	6,653	8,211
	779,555	688,307	340,214	266,518
Securities (2)	849,860	715,265	227,368	202,340
Cash and bank balances	757,203	1,006,893	145,370	200,379
	3,708,399	3,435,572	977,775	895,580
PREPAID EXPENSES	29,169	25,552	5,838	5,633
DEFERRED TAX ASSETS	164,498	136,275	37,273	26,434
TOTAL	7,975,991	6,864,525	1,844,131	1,672,676

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

ASSETS	823	265	756	1,844
	FIXED ASSETS	INVENTORIES	OTHER ASSETS	
LIABILITIES	700	796	348	1,844
	EQUITY	PROVISIONS	OTHER LIABILITIES	

LIABILITIES CONSOLIDATED FINANCIAL STATEMENTS OF STIHL HOLDING AG & CO. KG
 IN THOUSANDS OF EUROS

ANDREAS STIHL AG & CO. KG

Notes to the balance sheet	DEC. 31, 2021	Dec. 31, 2020	DEC. 31, 2021	Dec. 31, 2020
EQUITY (3)	5,474,976	4,776,645	700,000	650,000
PROVISIONS (4)				
Provisions for pensions and similar obligations	622,513	537,247	582,295	499,355
Provisions for taxes	78,488	64,066	37,294	31,198
Other provisions	466,946	362,492	176,281	169,612
	1,167,947	963,805	795,870	700,165
LIABILITIES				
Liabilities to banks	11,720	770	0	0
Loan from the Eva Mayr-Stihl Foundation (5)	150,000	150,000	150,000	150,000
Participating capital (6)	39,154	37,235	39,154	37,235
Advance payments received	25,160	11,522	0	0
Trade payables	324,622	223,326	46,366	33,339
Liabilities to related companies	0	0	57,956	51,006
Liabilities to companies in which an equity interest is held	5,480	0	0	0
Liabilities to owners	635,704	591,394	16,365	15,681
Other liabilities	100,400	88,880	37,200	33,499
	1,292,240	1,103,127	347,041	320,760
DEFERRED INCOME	1,010	297	1,137	1,639
DEFERRED TAX LIABILITIES	39,818	20,651	83	112
TOTAL	7,975,991	6,864,525	1,844,131	1,672,676

SUPPLEMENT TO THE FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS OF STIHL HOLDING AG & CO. KG

Information required by Section 13 Subsection 3 in conjunction with Section 5 Subsection 5 Sentence 3 of the German Companies Disclosure Act (Publizitätsgesetz):

1. Revenue	in thousands of euros	5,058,335
2. Income from equity investments	in thousands of euros	5
3. Wages, salaries, social security contributions, and expenses for pensions and other employee benefits	in thousands of euros	1,125,888
4. Average number of employees in the twelve months ending on the balance sheet date		19,225

Waiblingen, March 2022

STIHL Holding AG & Co. KG
The General Partners
Dipl.-Ing. Hans Peter Stihl
STIHL AG

The annual financial statements of STIHL Holding AG & Co. KG and ANDREAS STIHL AG & Co. KG are disclosed in the German Federal Gazette, in accordance with the German Companies Disclosure Act (Publizitätsgesetz).

ANDREAS STIHL AG & CO. KG

Information required by Section 5 Subsection 5 Sentence 3 of the German Companies Disclosure Act (Publizitätsgesetz):

1. Revenue	in thousands of euros	1,593,315
2. Income from equity investments	in thousands of euros	0
3. Wages, salaries, social security contributions, and expenses for pensions and other employee benefits	in thousands of euros	527,126
4. Average number of employees in the twelve months ending on the balance sheet date		5,573

Waiblingen, March 2022

ANDREAS STIHL AG & Co. KG
The General Partners
Dipl.-Ing. Hans Peter Stihl
STIHL AG

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 2,673 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 2021.

(7) Average number of employees of the Group

Europe	8,881
America	5,703
Asia/Oceania/Africa	4,641
TOTAL	19,225

COMPANIES OF THE STIHL GROUP

Name of the company	Equity interest in %	Name of the company	Equity interest in %
CONSOLIDATED COMPANIES			
Germany			
STIHL Holding AG & Co. KG, Waiblingen	100.0	STIHL d.o.o. Beograd, Belgrade, Serbia	100.0
STIHL AG, Waiblingen	100.0	OOO ANDREAS STIHL Marketing, St. Petersburg, Russia	100.0
ANDREAS STIHL AG & Co. KG, Waiblingen	100.0	OOO STIHL SUEDEWEST, Krasnodar, Russia	100.0
STIHL International Gesellschaft mit beschränkter Haftung, Waiblingen	100.0	STIHL Limited, London, Ontario, Canada	100.0
STIHL Vertriebszentrale AG & Co. KG, Dieburg	100.0	ANDREAS STIHL S.A. de C.V., Cuautlancingo, Puebla, Mexico	100.0
ANDREAS STIHL Verwaltungs-GmbH, Waiblingen	100.0	STIHL SAS, Rionegro, Antioquia, Colombia	100.0
STIHL-Verwaltungsgesellschaft mbH, Waiblingen	100.0	ANDREAS STIHL S.R.L., Lima, Peru	100.0
STIHL Kettenwerk Verwaltungs-GmbH, Waiblingen	100.0	ANDREAS STIHL Amazonas S.R.L., Pucallpa, Peru	100.0
STIHL Beteiligungsgesellschaft GmbH & Co. KG, Waiblingen	100.0	STIHL Motoimplementos S.A.U., El Talar, Buenos Aires, Argentina	100.0
STIHL Kettenwerk GmbH & Co. KG, Waiblingen	100.0	ANDREAS STIHL (PTY.) Ltd., Pietermaritzburg, South Africa	100.0
Zama Holding GmbH, Waiblingen	100.0	Kabushiki Kaisha STIHL, Kaminokawa-machi, Tochigi, Japan	100.0
STIHL Digital GmbH, Waiblingen	100.0	Taicang ANDREAS STIHL Power Tools Co., Ltd., Taicang City, Jiangsu, China	100.0
SDP Digitale Produkte GmbH, Waiblingen	100.0	ANDREAS STIHL Pvt. Ltd., Kuruli, Tal-Khed, Dist. Pune, India	100.0
STIHL direct GmbH, Waiblingen	100.0	STIHL SERVICE CENTRE SOUTHEAST ASIA SDN. BHD., Petaling Jaya, Malaysia	100.0
Other countries			
STIHL Incorporated, Virginia Beach, Virginia, USA	100.0	STIHL MARKETING EAST AFRICA LIMITED, Nairobi, Kenya	100.0
STIHL Ferramentas Motorizadas Ltda., São Leopoldo, Rio Grande do Sul, Brazil	100.0	STIHL Marketing West & Central Africa Limited, Abidjan, Côte d'Ivoire	100.0
ANDREAS STIHL Power Tools (Qingdao) Co., Ltd., Qingdao, China	100.0	Zama Corporation Ltd., Tai Po, NT, Hong Kong	100.0
STIHL Tirol GmbH, Langkampfen, Austria	100.0	Zama Japan Kabushiki Kaisha, Hachimantai-shi, Iwate-Ken, Japan	100.0
STIHL Gesellschaft m.b.H., Vösendorf, Austria	100.0	USA Zama, Inc., Franklin, Tennessee, USA	100.0
STIHL Vertriebs AG, Mönchaltorf, Switzerland	100.0	Zama Precision Industry Manufacturing Philippines, Inc., Sto. Tomas, Philippines	100.0
ANDREAS STIHL Ltd., Camberley, Surrey, United Kingdom	100.0	Zama Precision Industry (Huizhou) Co., Ltd., Huizhou City, China	100.0
ANDREAS STIHL N.V., Puurs-Sint-Amands, Belgium	100.0	ZE Electronic Manufacturing Services Limited, Hong Kong	51.0
ANDREAS STIHL SAS, Torcy, Marne-la-Vallée, France	100.0	STIHL PTY. Ltd., Knoxfield, Victoria, Australia	100.0
ANDREAS STIHL S.A., Torres de la Alameda, Spain	100.0	STIHL Limited, Auckland, New Zealand	100.0
ANDREAS STIHL S.A., Sintra, Portugal	100.0	NONCONSOLIDATED COMPANIES	
ANDREAS STIHL S.p.A., Cambiago, Italy	100.0	Carl Benz Center Objekt GmbH & Co. KG, Stuttgart	100.0
ANDREAS STIHL SINGLE MEMBER S.A., Kifisia, Attica, Greece	100.0	Carl Benz Center Neckarpark GmbH, Stuttgart	100.0
ANDREAS STIHL A/S, Sandefjord, Norway	100.0	OTHER HOLDINGS	
ANDREAS STIHL Norden AB, Stenkullen, Sweden	100.0	BMZ Holding GmbH, Karlstein am Main	20.0
ANDREAS STIHL Oy, Vantaa, Finland	100.0	Serra GmbH, Waiblingen	33.33
ANDREAS STIHL Sp. z o.o., Tarnowo Podgórne, Poland	100.0	Globe (Jiangsu) Co., Ltd., Changzhou, China	24.9
ANDREAS STIHL, spol. s r.o., Modřice, Czech Republic	100.0	Dryad Networks GmbH, Eberswalde	9.62
ANDREAS STIHL Kereskedelmi Kft., Biatorbágy-Budapark, Hungary	100.0	FlyNex GmbH, Leipzig	3.23
ANDREAS STIHL Motounelte S.R.L., Otopeni, Romania	100.0		
TOV ANDREAS STIHL, Kyiv, Ukraine	100.0		
TOV ANDREAS STIHL Zemelna Kompanija, Kyiv, Ukraine	100.0		
ANDREAS STIHL EOOD, Sofia, Bulgaria	100.0		

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

Prof. Dr. Michael Hoffmann-Becking, Munich

Friedrich Merz, Düsseldorf and Arnsberg
Attorney at Law
(member until July 31, 2021)

Prof. Dr. Martin H. Richenhagen, Duluth (GA)/USA
Former Chairman, President, and Chief Executive Officer of the AGCO Corporation
(member since August 1, 2021)

Eva Mayr-Stihl,* Remseck

Dr. Eberhard A. 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

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
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

Selina Stihl, Stuttgart

Karen Tebar, Waiblingen

REPRESENTING THE EMPLOYEES

Günter Meyer,¹ Weinsheim
Deputy Chair 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
Union Secretary of the IG Metall district leadership for Baden-Württemberg

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

MEMBERS OF THE EXECUTIVE BOARD OF STIHL AG

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

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

Karl Angler
Finance and Information Technology

Anke Kleinschmit
Development

Norbert Pick
Marketing and Sales

Dr. Michael Prochaska
Human Resources and Legal Affairs

Martin Schwarz
Manufacturing and Materials

* Died April 9, 2022

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



A SUCCESS STORY

For 20 years, Dr. Bertram Kandziora shaped STIHL's fate in the roles of Executive Board member for Manufacturing and Materials, Executive Board spokesperson, and, most of all, as Chairman of the Executive Board. His era at the company came to an end on January 31, 2022. Time for a new chapter.

Dr. Kandziora, what are you looking forward to in your time after STIHL?

DR. BERTRAM KANDZIORA Less of a packed schedule and more time, basically. I plan to use the time for things like more physical activity, going for bike and hiking trips, or vacationing more with my wife. Although then I won't actually have any vacation time anymore (smiles).

A lot of people know your hobbies include sailing and flying. Where do you think you'll spend more time, in the air or on the water?

KANDZIORA I'll definitely be taking off and landing in a plane more often than I take out a sailboat or bring it back in. But in terms of time spent, that would be on the water. A one-week sailing trip means about 150 hours on the water. For a private pilot, that would certainly be a lot of hours spent in the air, even over an entire year.



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2004

German Chancellor Gerhard Schröder visits Waiblingen for the dedication of the development center.



2012

A trip to India kicks off with a colorful and warm welcome.



2021

During visits by politicians, other companies, and pop stars alike – such as Thomas D of the German hip-hop group Die Fantastischen Vier – a little fun is always welcome.



2006

Confetti rains down amid cheers at the dedication celebration in Qingdao.

2014

Local customs often play a big part in official visits, especially in Asia – just like at the dedication of the ZAMA plant in the Philippines.



Where will you turn for intellectual challenge after you retire?

KANDZIORA I'll get some of that from preparing for and going on sailing trips, and especially from flying. I'm planning to get my instrument flight license, in addition to my pilot license for visual flight. It's quite a process and will involve a lot of studying. Friedrich Merz, who was a member of the STIHL Advisory Board until recently and is a pilot himself, once told me that when it comes to flying, this is where you really start to feel free, since it means you can fly even in clouds where you can't see. I'd also like to learn Spanish, since my wife and I enjoy vacationing in Spain. I'm sure I'll have some other ideas along the way, too.

What will you miss?

KANDZIORA The nicest workday of the year: the trip to the forest with shareholders, the Executive Board,

and many other colleagues. Being able to try out the latest STIHL products yourself and compare them to competing products is half the fun. And then having a lunch of traditional meatloaf, potato salad, and pickles eaten at picnic tables in the equipment hall of the forestry center in Eselsalden is the other half. It's always a fun day.

How would you like to be remembered, and for what?

KANDZIORA As a person. As someone who has always valued people. One of STIHL's core precepts is that everyone who works for or with STIHL has the ability to develop positively. That includes our customers, dealers, and most especially our employees and their families. I stand for that, too.

Thank you for talking to us, Dr. Kandziora. We wish you all the best for the future!



2015

Dr. Bertram Kandziora trades in his suit and tie for personal protective equipment (PPE) for the company's annual trip to the forest.

2021

A longstanding team takes one last trip together: in Brazil with Hans Peter Stihl last November.



»One of STIHL's core precepts is that everyone who works for or with STIHL has the ability to develop positively.«

DR. BERTRAM KANDZIORA

2016

The dedication of the new development center and production logistics at Plant 2 with Minister-President Winfried Kretschmann.



2019

Thumbs up – and up, up, and away! Dr. Bertram Kandziora has made his passion for flying a hobby.





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