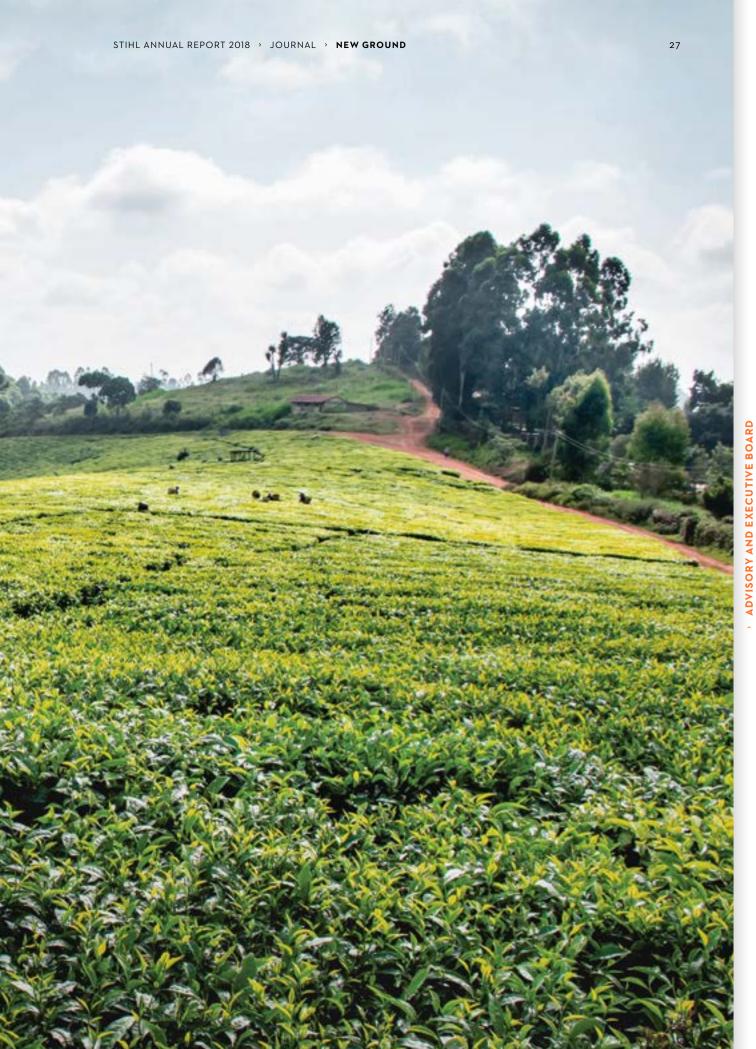
ANNUAL REVIEW



ven at the beginning of his time with STIHL, Patrick Okello said: "I want to be an ambassador for STIHL in Africa." That was 2016, when he graduated from a sales internship at ANDREAS STIHL AG & Co. KG in Waiblingen that was initiated by the "Afrika kommt!" project. The project aims to promote sustainable economic cooperation with Africa and to help participants build an international business network. In Patrick Okello's case, it worked out brilliantly. After his internship officially ended, he stayed on as a STIHL consultant in East Africa. Since December 2017, he has been Managing Director of the Nairobi-based STIHL Marketing East Africa Ltd.



As Managing Director of STIHL Marketing East Africa Limited in Kenya, Patrick Okello is active in an exciting market. Following ANDREAS STIHL (PTY.) Ltd. in South Africa, STIHL Kenya is the second member of the STIHL Group to operate on the African continent. With training and product demonstrations, STIHL Kenya supports dealers and importers as they make sales and teach customers how to use the products. In addition, targeted marketing campaigns such as messages in the local "Sheng" dialect aim to enhance awareness of the STIHL brand.

After completing his studies, Patrick Okello worked at the Ministry of Agriculture, Livestock and Fisheries in Nairobi - and became a small farmer himself on the side. That background prepared him well to understand the concerns and needs of customers he supports in his current role. Kenya's agricultural economy is dominated by small farmers who have now banded together to form cooperatives in many areas to make it easier to gain access to financing.

"I see myself as someone who can help make business worthwhile for all agriculture and forestry customers," Okello says. Along with a specialized product portfolio and in-depth product knowledge, STIHL Kenya offers customers support and targeted on-site training. STIHL is well known in Africa – but almost exclusively for its core product, the chainsaw. For many small farmers and cooperatives, chainsaws are not the only tool they need. They have much more need for tools like clearing saws for crop harvests, sprayers for crop protection and the specialized harvester for pruning tea plants.

"OUR CUSTOMERS' LEVEL OF AWARENESS IS CHANGING: THEY INCREASINGLY VALUE QUALITY AND DURABILITY."

PATRICK OKELLO





New market, new areas of application: In Africa, STIHL products are used for purposes such as tea plant maintenance and crop protection.





Patrick Okello trains small farmers in how to use STIHL products in a local setting.

"The tools have to be affordable and easy to repair," says Waiblingen-based Product Manager Markus Mundl. "That is why emerging markets like Africa or Asia require different strategic product plans." Trips, many conversations with locals and accurate observation of the market are now resulting in tools specially tailored to the needs, applications and technical knowledge of local users. "To put it very simply: one powerhead, countless possibilities," Johannes Wetzel adds.

In Product Management in Waiblingen, Wetzel is responsible for the Africa market, and he has dealt extensively with the particular characteristics of this region. "It's certainly not an easy market. It needs time to develop." However, the STIHL Group is thinking ahead to the long term in this case and sees its role as helping customers help themselves. This makes the training courses

and other instructional measures offered by Patrick Okello and his team a key area of action. "People have to know what we do, what our products are capable of and what potential our customers can tap into with our tools," Markus Mundl says.

That makes the opening of a STIHL company in Kenya more than just a market cultivation measure. It is the consistent extension of the impulse that Andreas Stihl once formulated as the principle of his business activity: making it easier for people to work in and with nature. Despite the challenges that await him, Patrick Okello is looking to the future with a positive attitude: "Politics and the economy in Kenya are in flux. The small and medium-sized business sector is growing, and major opportunities are arising in East Africa. The STIHL Group understands this."

KENYA IN FOCUS

A LOOK AT ITS MARKET POTENTIAL

"THE STRENGTH OF THE STIHL BRAND MAKES IT POSSIBLE FOR US TO TAP INTO EVEN THE MOST CHALLENGING MARKETS."

NORBERT PICK, EXECUTIVE BOARD MEMBER, MARKETING AND SALES



THE WORLD'S THIRD-LARGEST TEA PRODUCER

Kenya is the world's third-largest tea producer after China and India. Tea is Kenya's most important export product, accounting for 23 percent of the country's exports. (2017)

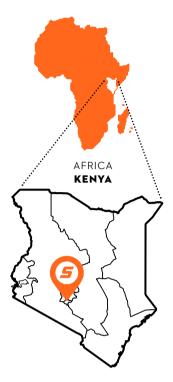
KENYA'S GROSS DOMESTIC PRODUCT

IN BILLIONS OF U.S. DOLLARS



*Forecast, 2017.

Sources: IMF (International Monetary Fund), FAO (Food and Agricultural Organization of the United Nations), OEC (The Observatory of Economic Complexity), GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)



NAIROBI, THE CAPITAL, IS THE LOCATION OF STIHL MARKETING EAST AFRICA LTD.

48.5%

OF THE **LAND SURFACE** IS USED FOR AGRICULTURE. THIS AMOUNTS TO AROUND 276,300 SQUARE KILOMETERS.

AROUND

2/3

OF THE POPULATION WORK IN THE AGRICULTURAL SECTOR.

30%

OF KENYA'S GROSS DOMESTIC PRODUCT IS ACCOUNTED FOR BY **AGRICULTURE.**