Group Quarterly Statement

9M 2018

8 November 2018

THE SMART EVOLUTION OF MOBILITY

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Disclaimer

This presentation contains statements regarding future developments based on information currently available. As a result of risks and uncertainties, actual outcomes could differ from the forward-looking statements made.

Schaltbau Holding AG does not intend to update these forward-looking statements.

Outline

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9M 2018 at a glance

Key figures (in € million, unless stated otherwise)	9M 2017	9M 2018	*Δ%*
Order intake	444.1	420.2	*-5.4*
Order intake like-for-like*	381.4	390.3	*+2.3*
Sales	363.0	376.1	*+3.6*
Sales like-for-like*	299.8	346.6	*+15.6*
EBIT	-16.4	-1.5	*n/a*
EBIT margin (in %)	-4.5	-0.4	*n/a*
EBIT before 2018 exceptional items		12.3	
Group net profit	-37.1	-9.2	*n/a*
Earnings per share (in €)	-6.01	-1.39	*n/a*
Free cash flow	-29.8	7.4	*n/a*
Employees at period-end (count)	3,319	3,161	*-4.8*
	31/12/2017	**30/09/2018**	
Net financial debt	158.4	111.7	*-29.5*
Equity	70.6	102.4	*+45.1*

* Excluding Pintsch Bubenzer and Sepsa contributions: Pintsch Bubenzer was deconsolidated on 1 March 2018, Sepsa was classified as held for sale in November 2017

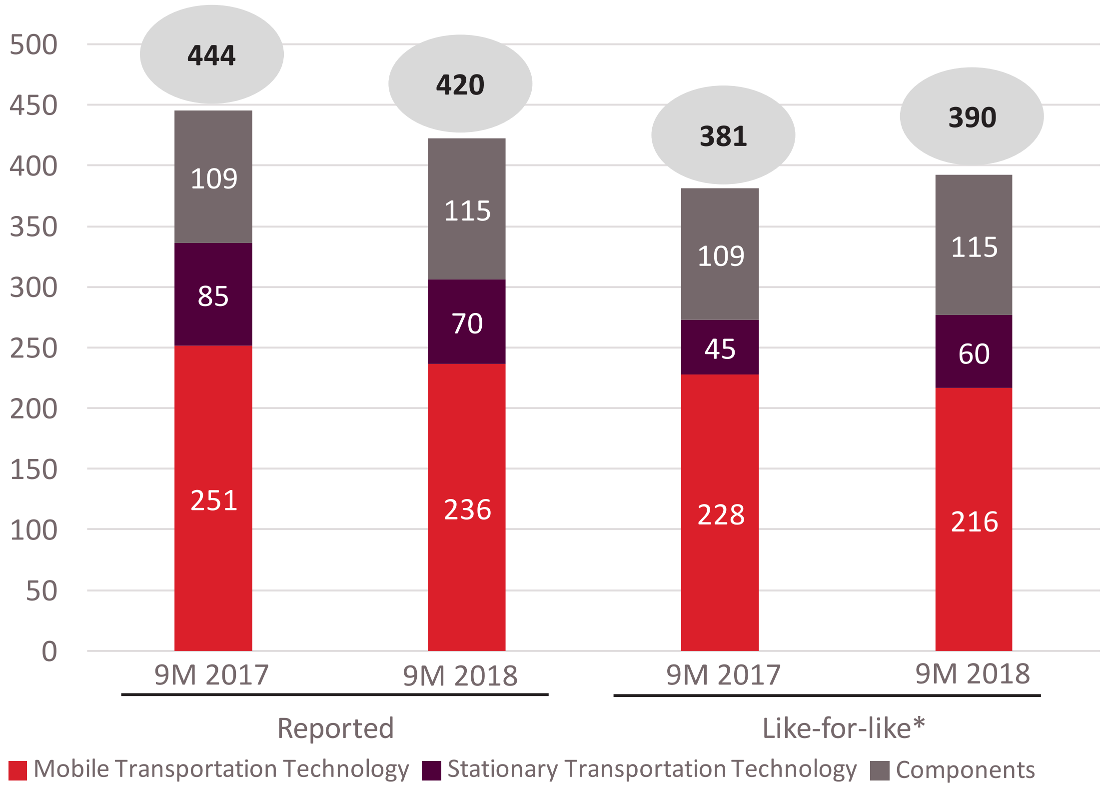
Overall assessment of 9M 2018

- **Operating performance in line with expectations**
- Solid order intake of € 420.2 million; book-to-bill ratio at 1.12,
  end of September 2018 order book at € 515 million
- Sales volume at € 376.1 million, up 4% vs. 9M 2017; **sales like-for-like up 16%**
- Reported EBIT at € -1.5 million after € -16.4 million in 9M 2017,
  EBIT before exceptional items at € 12.3 million or **3.3% of revenues**
- **Net financial debt significantly reduced**
- **Further progress in reducing costs and risks**
  - Restructuring agreement in Pintsch entities for 2018 and 2019
  - Successful renegotiation of PSD project in Brazil resulting in reduced risk profile
  - Impairment of Alte and Bode UK
- **Operating guidance for FY 2018 confirmed**

Order intake increases like-for-like

- Strong order intake of € 420.2 million in 9M 2018
  - Like-for-like, overall increase by 2.3% or € 8.9 million, driven by Stationary Transportation Technology (Q2 2018 win of train formation unit project at Pintsch Tiefenbach) and Components
  - Order intake in Mobile Transportation Technology declines slightly, but still in line with expectations
- Order book at end of 9M 2018 at € 515.5 million, up 1.3% vs. € 509.0 million at end of 9M 2017

External order intake in € million**



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** Figures may not add up due to rounding

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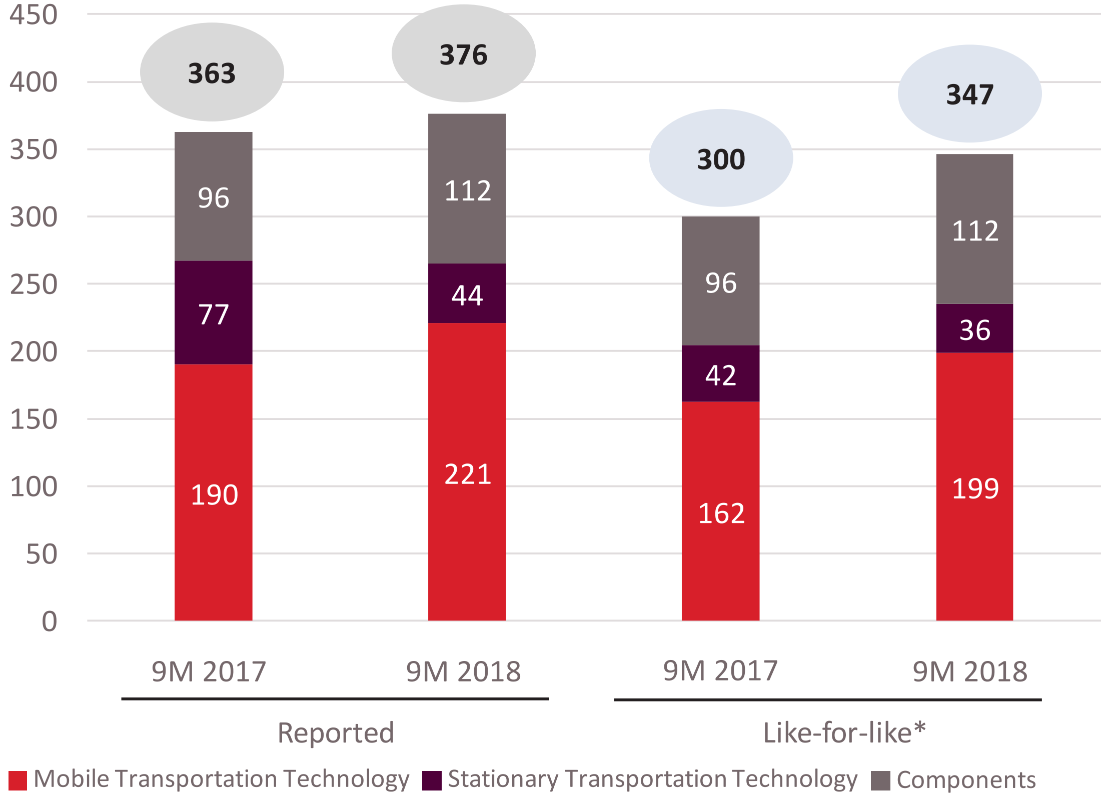
Sales growth driven by increases in Mobile Transportation Technology and Components

- Sales grow by 3.6% vs. 9M 2017, an increase of € 13.1 million
  - Significant volume increase in Mobile Transportation Technology (in particular at Bode)
  - Strong sales volume development in Components
  - Sales in Stationary Transportation significantly below prior year, mainly due to sale of Pintsch Bubenzer in Q1 2018
- 45.6% of total sales in 9M 2018 generated in European countries other than Germany, and 18.2% outside of Europe

External sales in € million**



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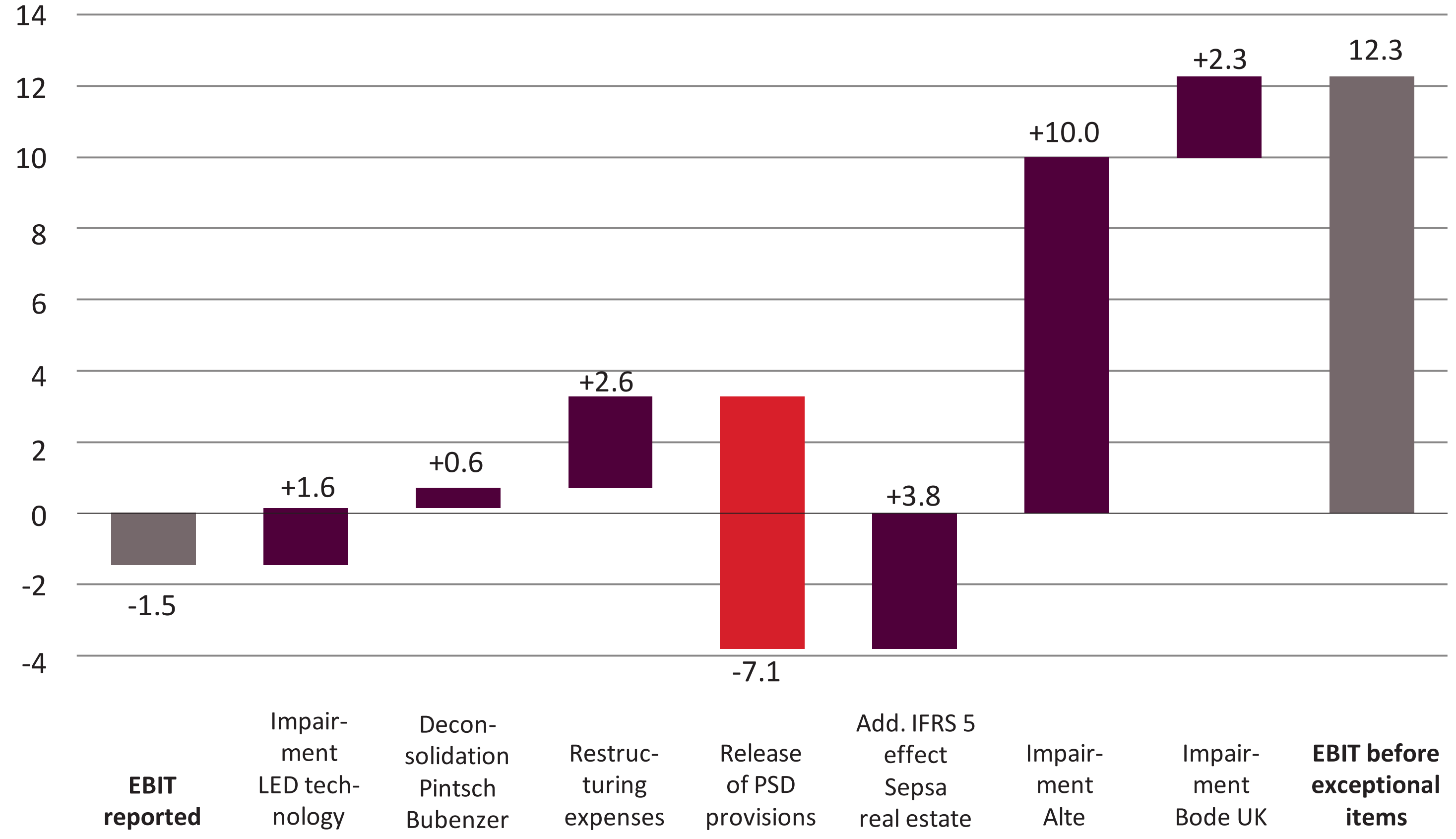
Significant EBIT improvement

- 9M 2018 EBIT at € -1.5 million (€ -16.4 million in 9M 2017), adjusted by one-off effects at € 12.3 million / 3.3% of sales
- Increase is driven by
  - Higher sales volume, positive impact from product mix, and productivity improvements in Components
  - Positive effects from restructuring activities
  - € 12.0 million Sepsa impairment in Q3 2017
- Earnings per share at € -1.39 (9M 2017: € -6.01)

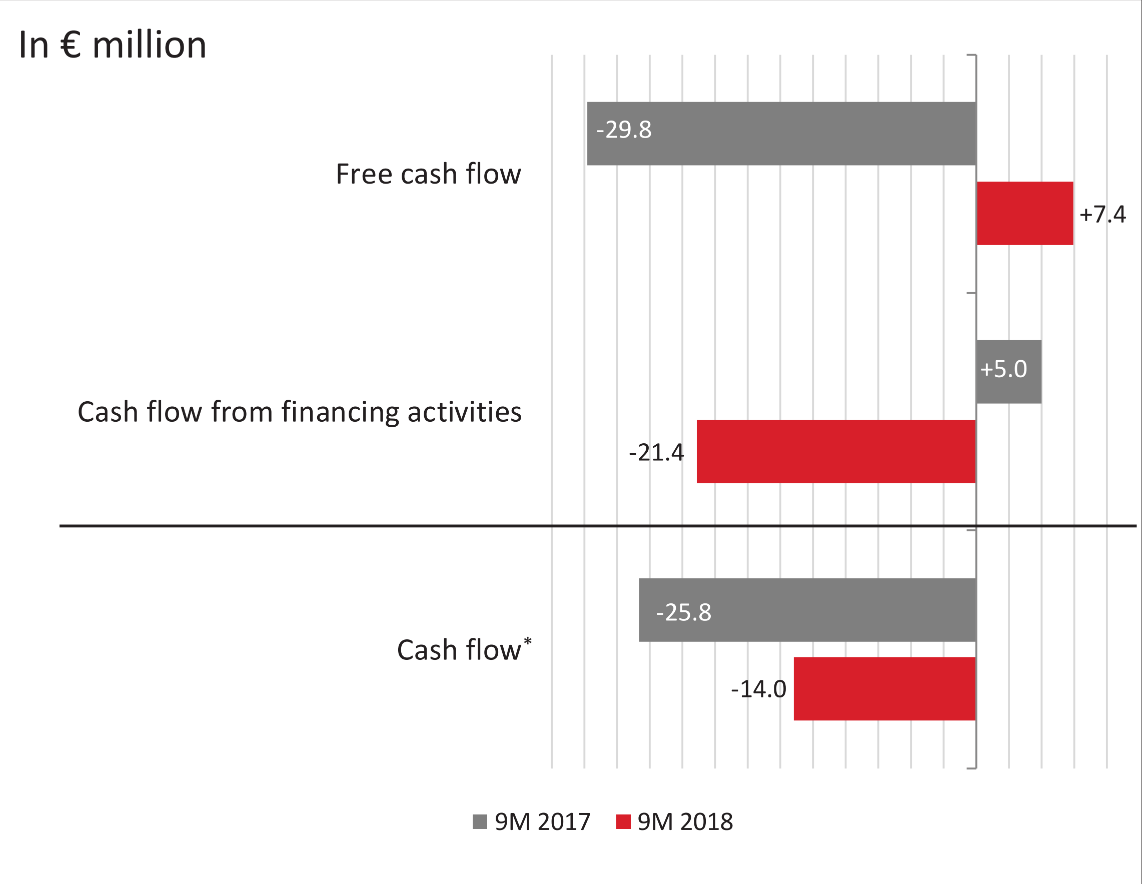
9M 2018 EBIT adjustments in € million



Cash flow in 9M 2018 is affected by sale of Pintsch Bubenzer, capital increases and higher working capital

- Positive free cash flow driven by
  - € 29.3 million cash inflow from sale of Pintsch Bubenzer
  - € 15.6 million release of funds from an escrow account
  - Positive effects set off in part by higher working capital

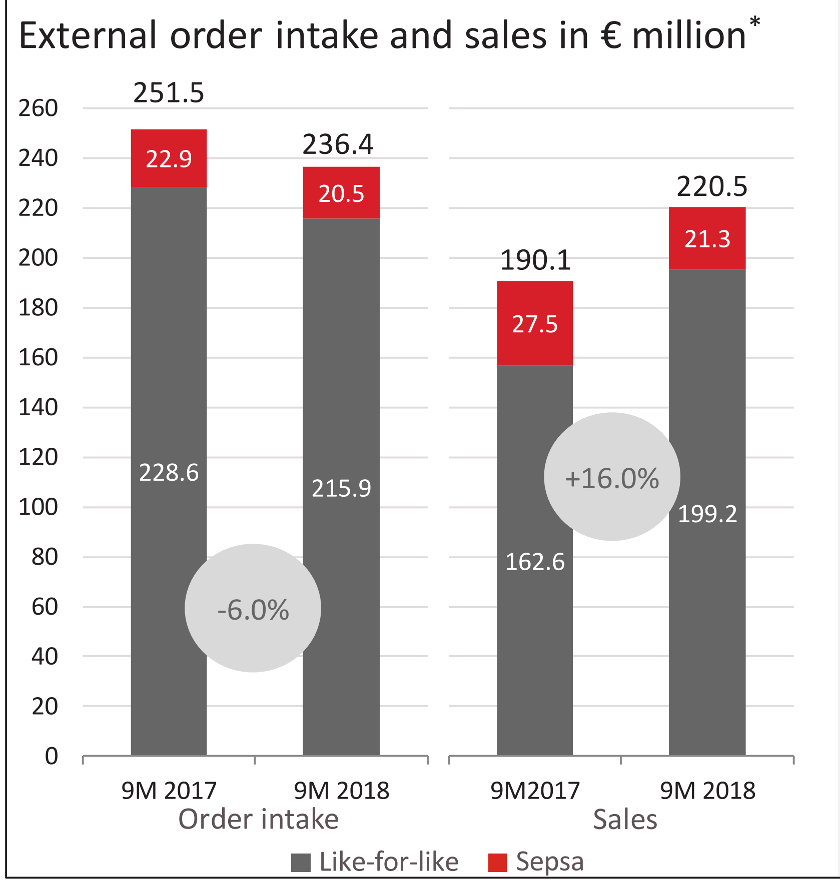
- Financing cash flow in 9M 2018 mainly reflects:
  - € 46.5 million cash inflow from capital increase
  - € 70.5 million cash outflow due net repayment of loans

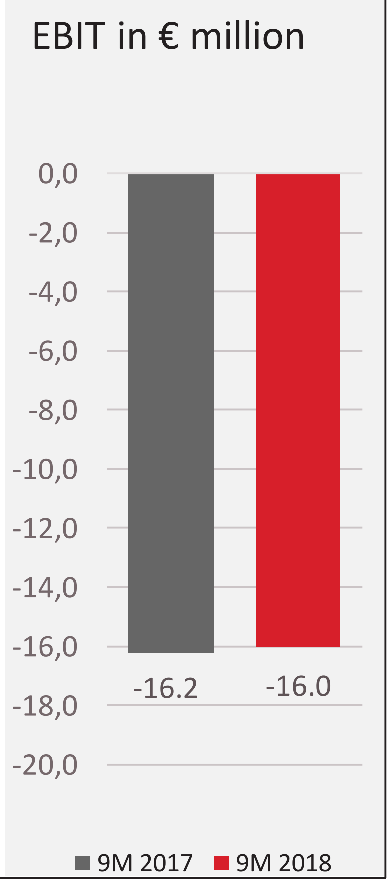


* Total cash flow includes change in cash funds due to exchange rate fluctuations

Mobile Transportation Technology
Sales growth driven by positive development at Bode Group

- External order intake down € 15.1 million
  - Like-for-like decrease of roughly € 12 million, but still in line with expectations
- External sales growth of € 30.4 million
  - Significant increase driven by Bode Group
- EBIT at € -16.0 million
  - 9M 2017 impacted by a € 12.0 million Sepsa impairment
  - 9M 2018 performance impacted by
    - Impairment of Alte and Bode UK (€12.3 million)
    - IFRS 5 effects from purchase of Sepsa real estate in Q3 2018 (€ 3.8 million)
    - Negative operating contribution from Alte (lower sales volume, additional temporary workers, warranty expenses, ramp-up costs)
  - Further improvements in productivity expected in the coming quarters



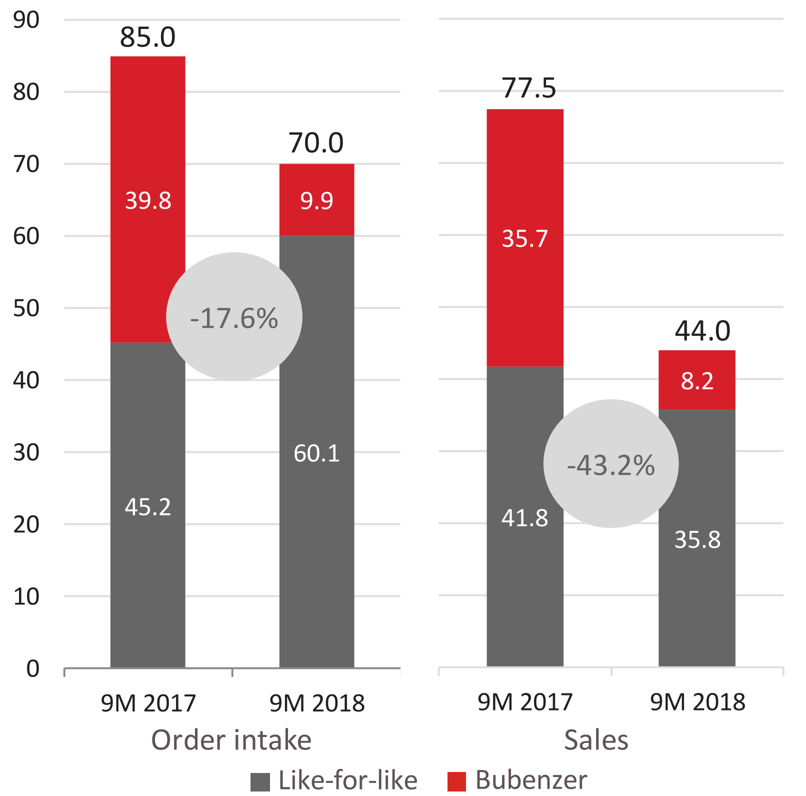


* Figures may not add up and/or match exactly with figures consolidated on Group level, due to rounding

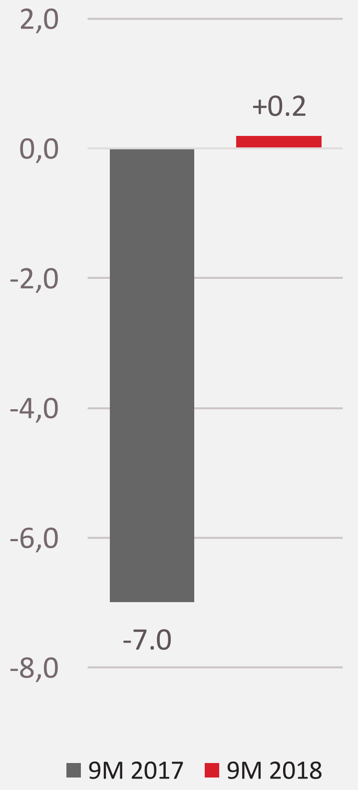
Stationary Transportation Technology
Stabilisation and first improvements

- External order intake declines by >15%, related to the sale of Pintsch Bubenzer
  - Like-for-like, external order intake is up >30%, largely due to winning a major order for a train formation unit
- External sales decrease by >40%, mainly due to the disposal of Pintsch Bubenzer
  - Sales like-for-like down by € 6.0 million
  - Lower sales volume at Pintsch Bamag due to several customer push-outs in rail infrastructure, mostly to be recovered until year-end
- EBIT just above the base line
  - Improvement largely due to the release of provisions for onerous contracts for the PSD project in Brazil and cost reductions, set off in part by impairment on the LED technology business
  - Restructuring agreement with workers' counsel, total savings of € 4.0 million for 2018 and 2019
  - Further restructuring and PSD closing benefits will materialise in the next quarters

External order intake and sales in € million*



EBIT in € million



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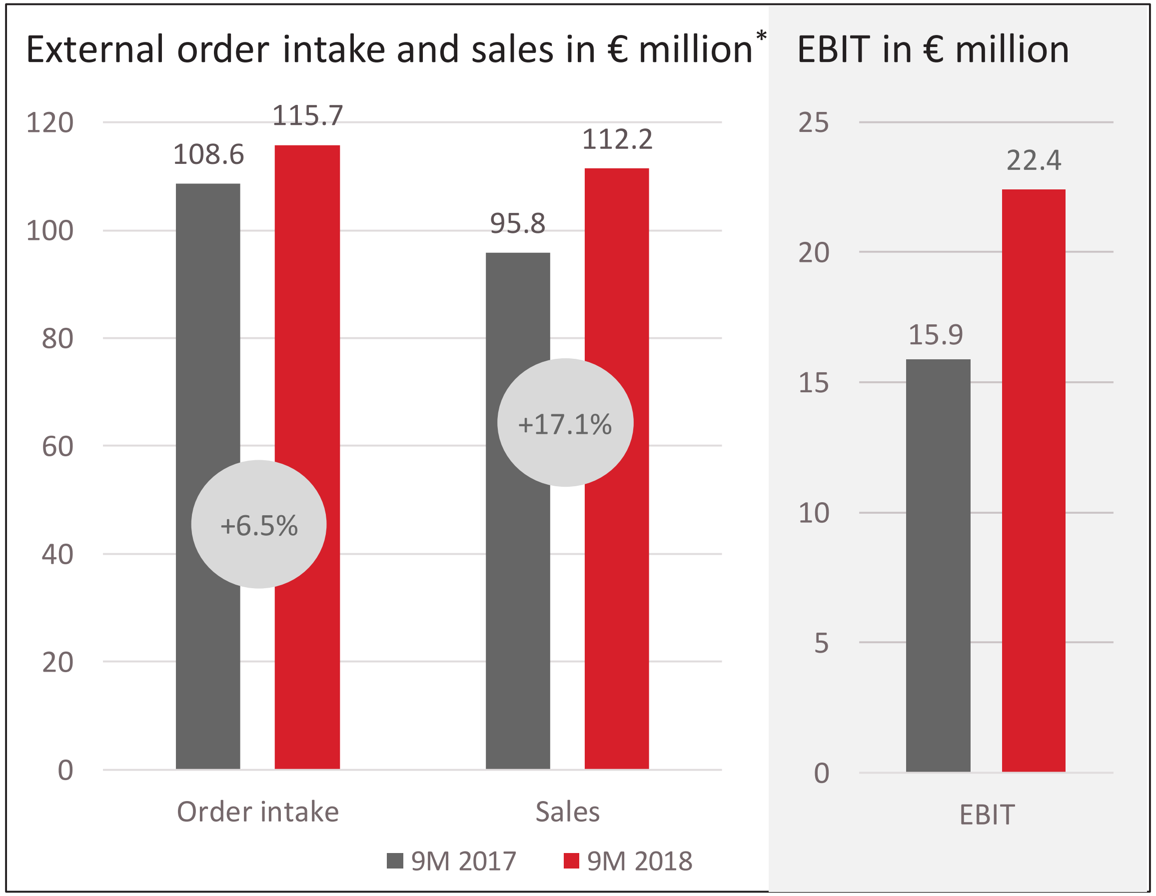
Components
Ongoing strong operational performance

- External order intake increases
- External sales strongly improved by € 16.4 million
  - Ongoing high demand of connectors, snap-action switches and contactors
- EBIT improves to € 22.4 million
  - Positive development driven by high sales volume, favorable product mix and productivity improvements
  - Strong EBIT level expected to be maintained throughout 2018



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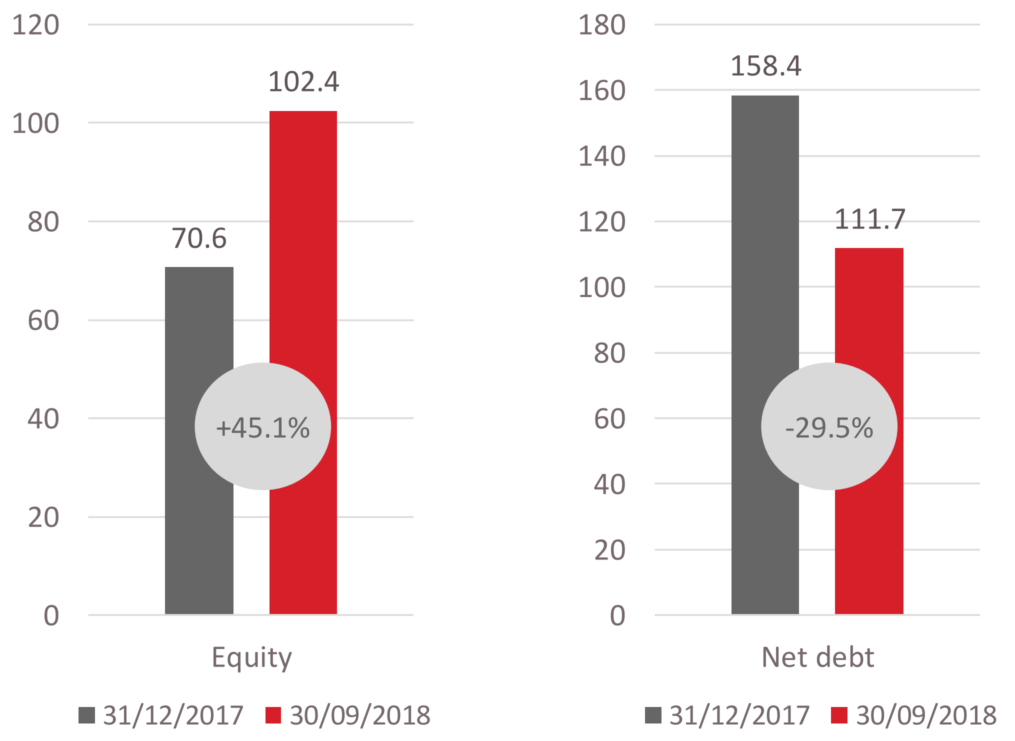
Equity base substantially strengthened, net debt significantly reduced

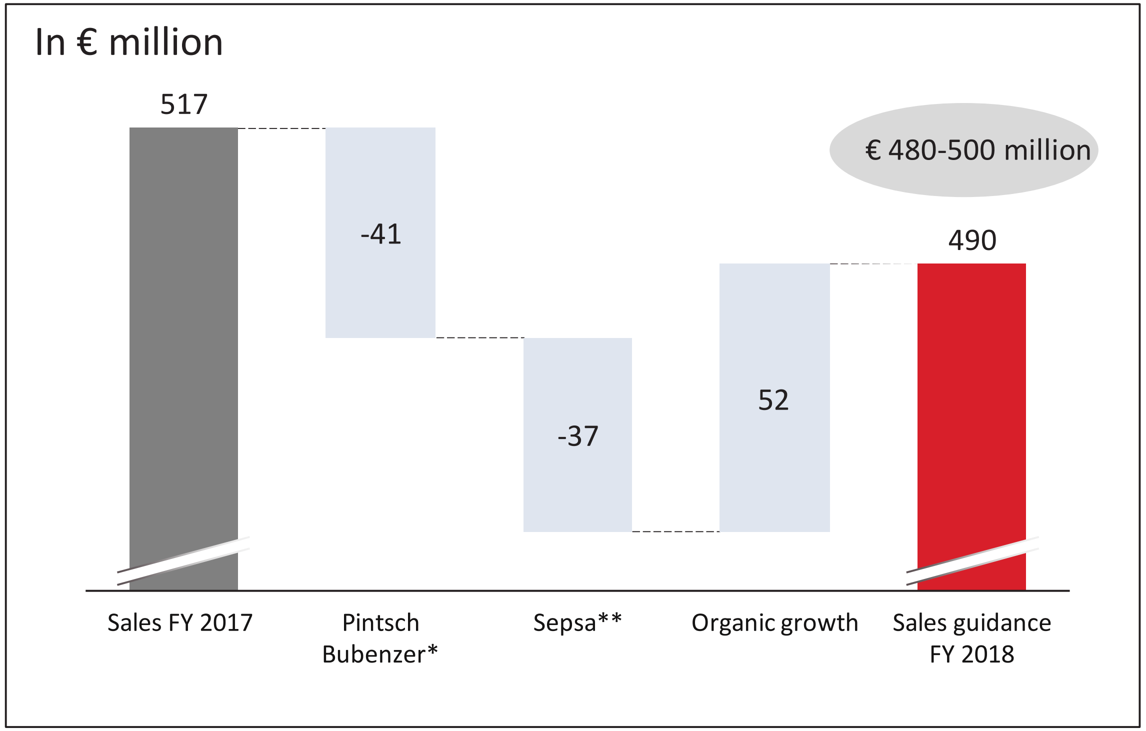
- Equity increases by € 31.8 million following the successful capital increase in February 2018;
  equity ratio at 25.4% at the end of 9M 2018
  (up from 15.6% at year-end 2017)
- Reduction of net debt by € 46.7 million in 9M 2018
  - Repayment of € 25.0 million in bridge financing
  - Additional repayment of current account liabilities
  - Further reduction of net debt expected in Q4 2018

Restructuring of equity and net debt in € million



Sales guidance 2018 confirmed

- Sales guidance for 2018 with a range of € 480-500 million (without Sepsa and taking into account the sale of Pintsch Bubenzer in Q1 2018)
- Organic growth of around € 40 – 60 million expected for FY 2018:
  - Strong growth in Mobile Transportation driven by Bode Group
  - Positive sales outlook for Component business



* Adjusted by FY 2017 and 01-02/2018 sales
** Adjusted by FY 2017 sales

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Targets 2018 confirmed

- Solid order book from stabilised order intake in 2017 serves as stable basis for profitable growth
- Initial positive effects from restructuring measures implemented in the financial year 2017 expected to contribute to an improvement in EBIT margin:
  - Increase in profitability through optimized production processes and improved purchase conditions should lead to savings in material and personnel expenses
- Non-operating special effects from extraordinary impairments arising out of restructuring measures or disposal of subsidiaries will possibly continue to occur in 2018

Outlook (in € million)	Guidance FY 2018*	2017
Order intake	**500-520****	594.0
Sales	**480-500****	516.5
Mobile Transportation Technology	***Significant improvement***	*265.3*
Stationary Transportation Technology	***Significant decline***	*120.5*
Components	***Slight increase***	*130.7*
EBIT margin	**Around 3%****	0.5%***

* Compared to FY 2017
** Excluding Pintsch Bubenzer, Sepsa and one-offs
*** Excluding extraordinary items

Financial calendar and contact details

2019

- **2 April 2019** Annual Report 2018
- **30 April 2019** 3M 2019 Interim Statement
- **31 July 2019** 6M 2019 Interim Report
- **31 October 2019** 9M 2019 Interim Statement

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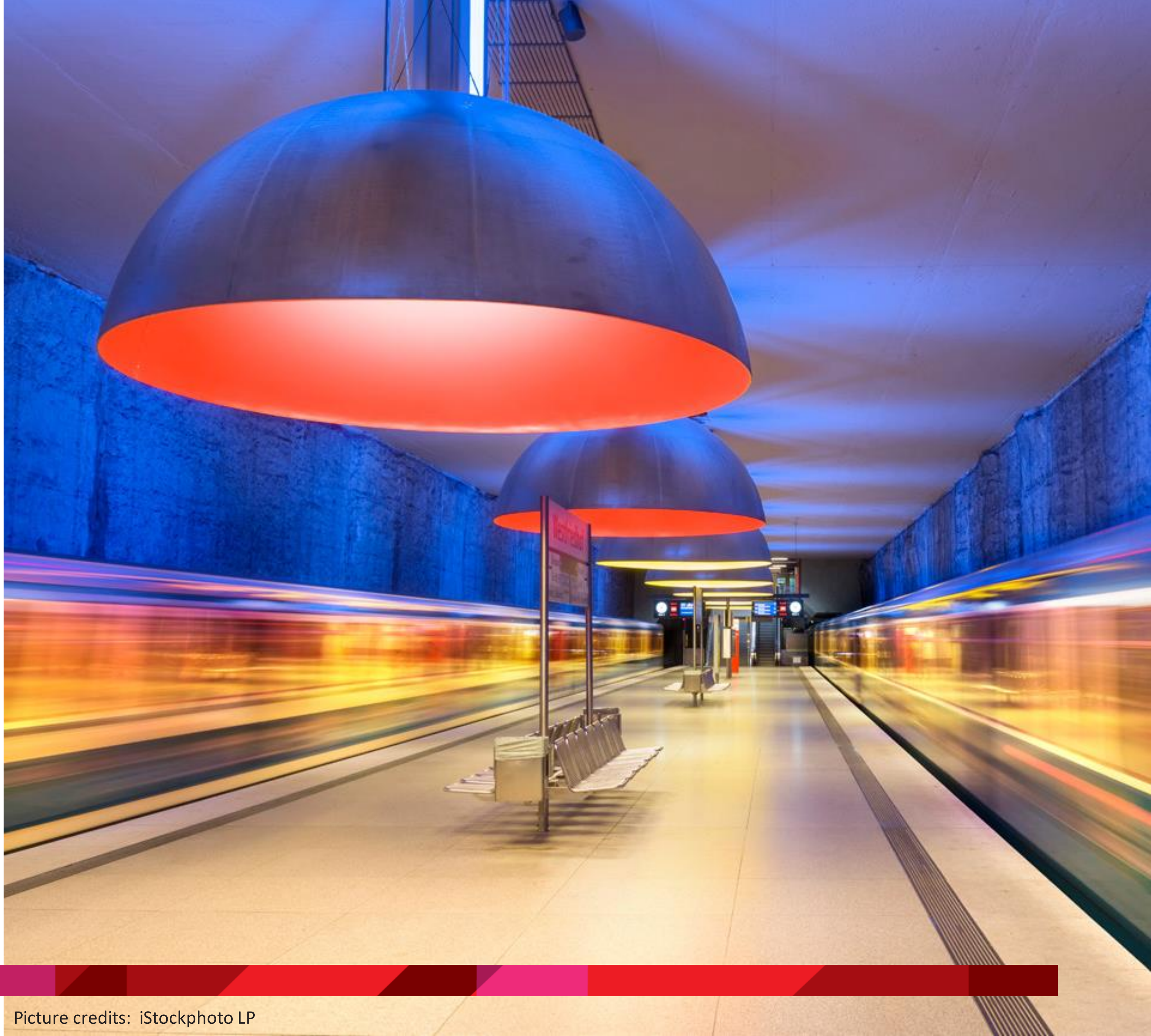

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