



Group Quarterly
Statement
3M 2019

30 April 2019



SMART SOLUTIONS
FOR POWER AND MOBILITY



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.

General remark

Numbers may not add up due to rounding.

Agenda

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**SMART SOLUTIONS
FOR POWER AND MOBILITY**

3M 2019 at a glance

Key figures (in € million, unless stated otherwise)	3M 2019	3M 2018	Δ
Order intake	159.1	149.2	+9.9
Order intake like-for-like*	152.5	134.6	+17.9
Sales	134.8	124.2	+10.6
Sales like-for-like*	120.0	104.2	+15.8
EBIT	8.4	2.0	+6.4
EBIT margin (in %)	6.2	1.6	+4.6
EBIT before exceptional items	9.1	3.4	+5.7
Group net profit	4.8	-2.5	+7.3
Earnings per share (in €)	0.51	-0.46	+0.97
Free cash flow	-6.6	14.0	-20.6
Employees at period-end (count)	3,183	3,173	+10
	31/03/2019	31/12/2018	
Net financial debt**	110.1	100.1	+10.0
Equity	96.0	93.8	+2.2

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

** Lease liabilities are not included

Overall assessment of 3M 2019 (1/2)

Restructuring achievements in 3M 2019

Financial restructuring – further stabilisation of financial position

- Schaltbau Group refinancing process (syndicate loan) is ongoing; several alternatives are being evaluated
- Sepsa Group filed application for liquidation;
Medha as potential strategic investor intends to acquire key assets and to continue operative business
- Alte: significant customer contributions successfully negotiated in order to stabilise financial position, entity put up for sale in February

Operative restructuring – measures to increase efficiency and optimise processes

- Operational excellence programs on track
 - “Fit for future” programme at Bode and Rawag
 - “A tiempo” programme at Alte

Overall assessment of 3M 2019 (2/2)

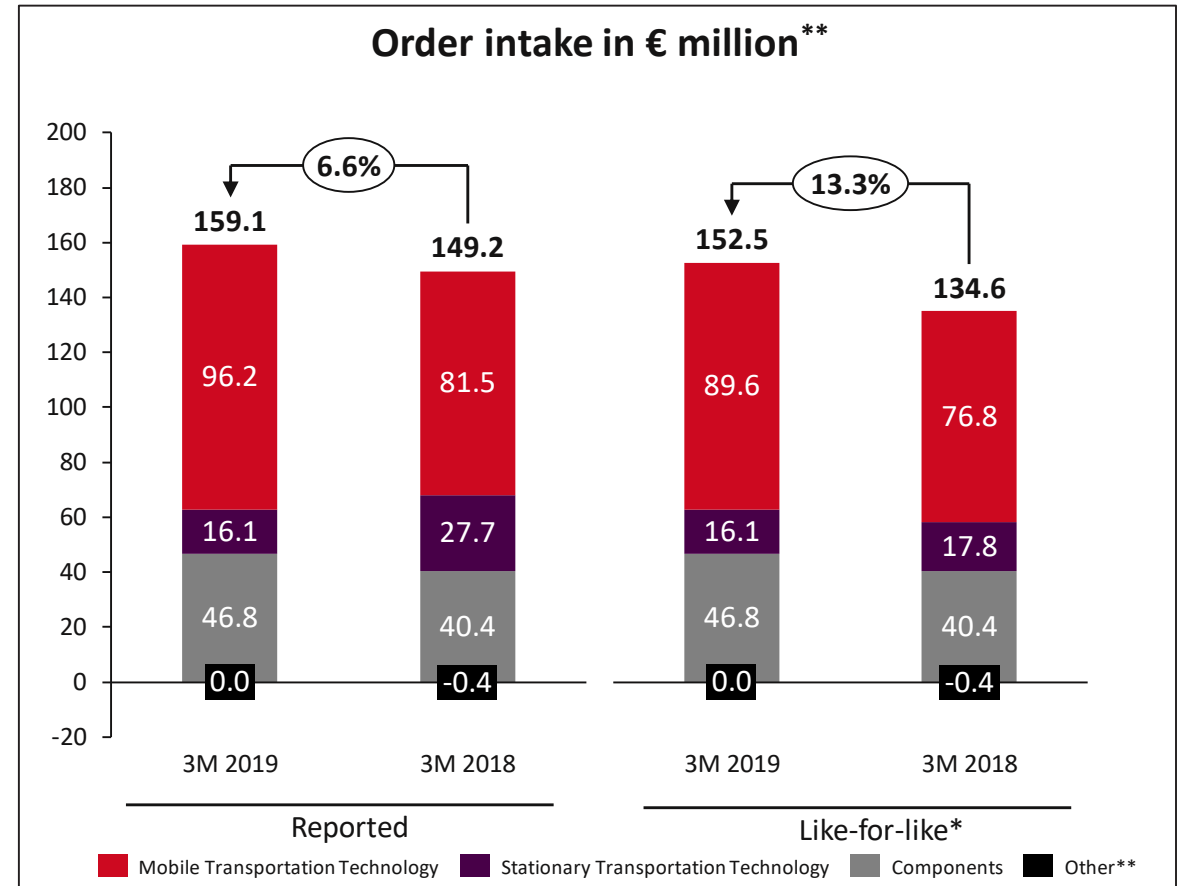
Solid operating performance in 3M 2019

- Components and Mobile Transportation Technology on track
- Stationary Transportation Technology with one-off profits from PSD sales and change requests
- Order intake of € 159.1 million; book-to-bill ratio at 1.18; order book end of March 2019 at € 610.4 million
- Sales volume at € 134.8 million, up 8.5% vs. 3M 2018; **like-for-like up by 15.8 million or 15.2%**
- Reported EBIT at € 8.4 million after € 2.0 million in 3M 2018, **EBIT before exceptional items at € 9.1 million or 6.7% of revenues**

→ **Operating guidance for FY 2019 confirmed**

Order intake increases like-for-like by 13.3% driven by Mobile Transportation Technology and Components

- High order intake of € 159.1 million in 3M 2019
 - Strong development in Mobile Transportation Technology primarily driven by Rawag (mainly Polish train builders) and Bode Germany (mainly options for existing contracts)
 - Components up by over 10% vs. prior year
- Order book at end of March 2019 at € 610.4 million, up 20.1% vs. € 508.2 million end of March 2018

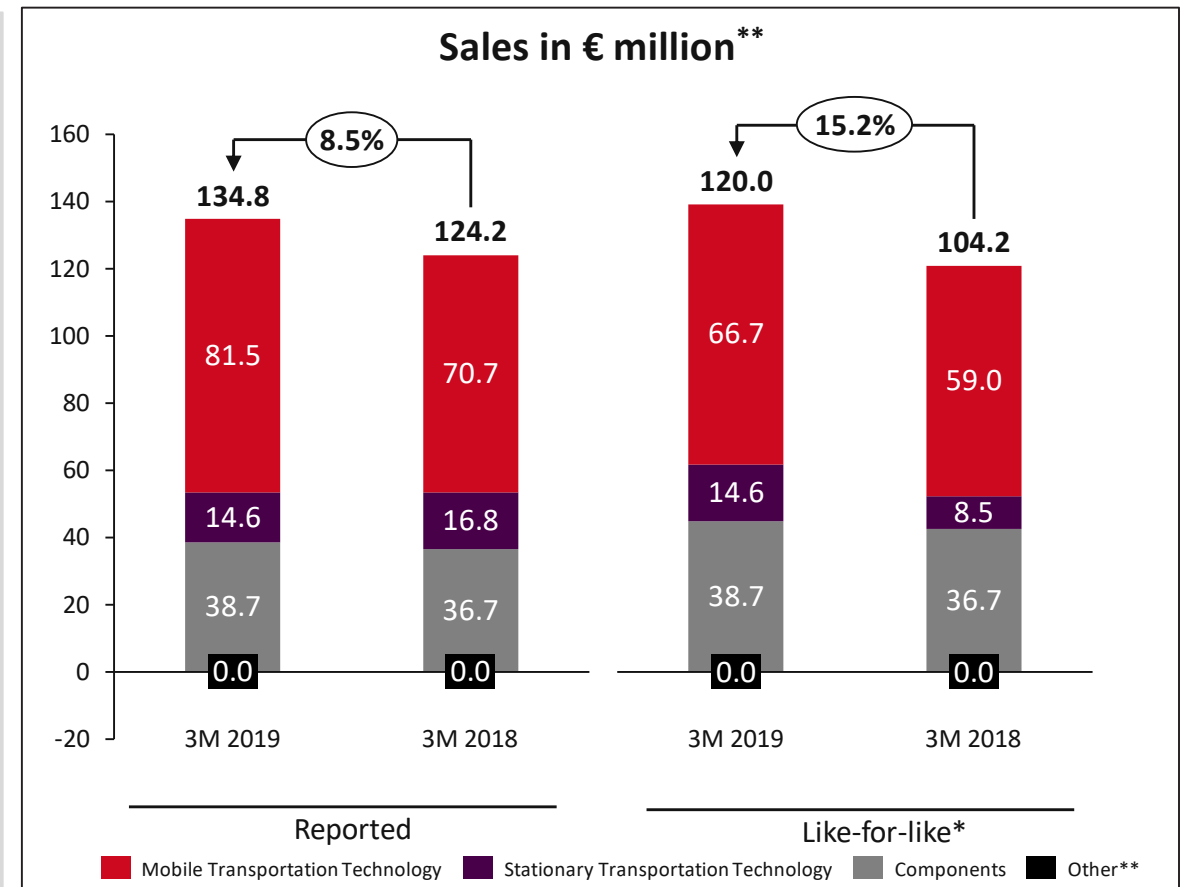


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** Including consolidation effects

Sales grow by 15% like-for-like with all segments contributing

- Sales grow by 8.5% vs. 3M 2018, an increase of € 10.6 million
 - Significant volume increase in Mobile Transportation Technology (mainly Bode and Rawag) driven by rail business
 - Sales in Stationary Transportation Technology below 3M 2018 due to sale of Pintsch Bubenzer in 3M 2018; like-for-like with significant growth mainly resulting from additional PSD sales (Sao Paulo), push-outs and change orders
 - Components with solid growth vs. prior year
- Adjusted by the deconsolidation of Pintsch Bubenzer, Sepsa and Alte growth of 15% vs. 3M 2018
- Sales split:
 - Germany 36%
 - Europe ex Germany 48%
 - Rest of world 16%

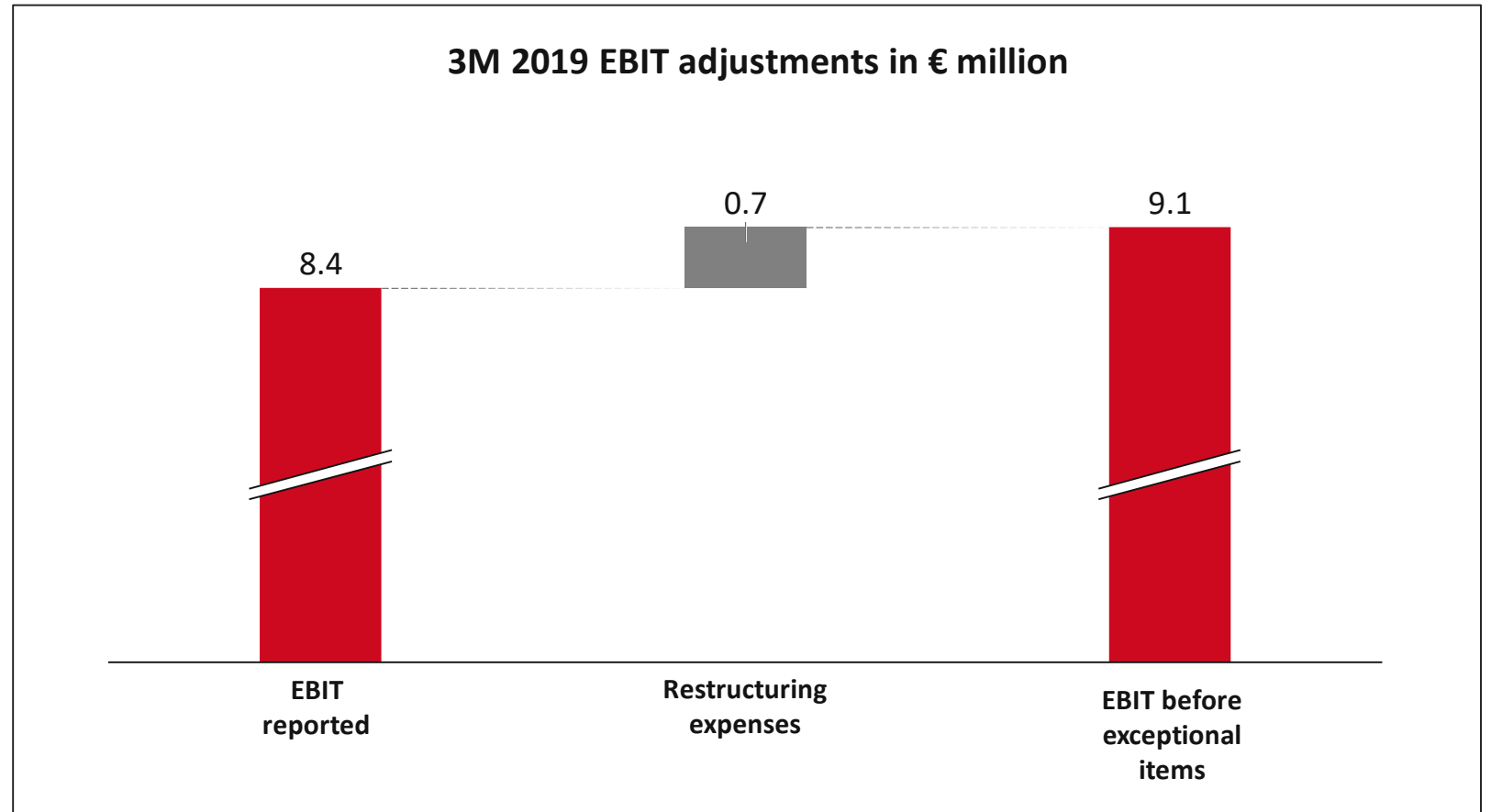


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** Including consolidation effects

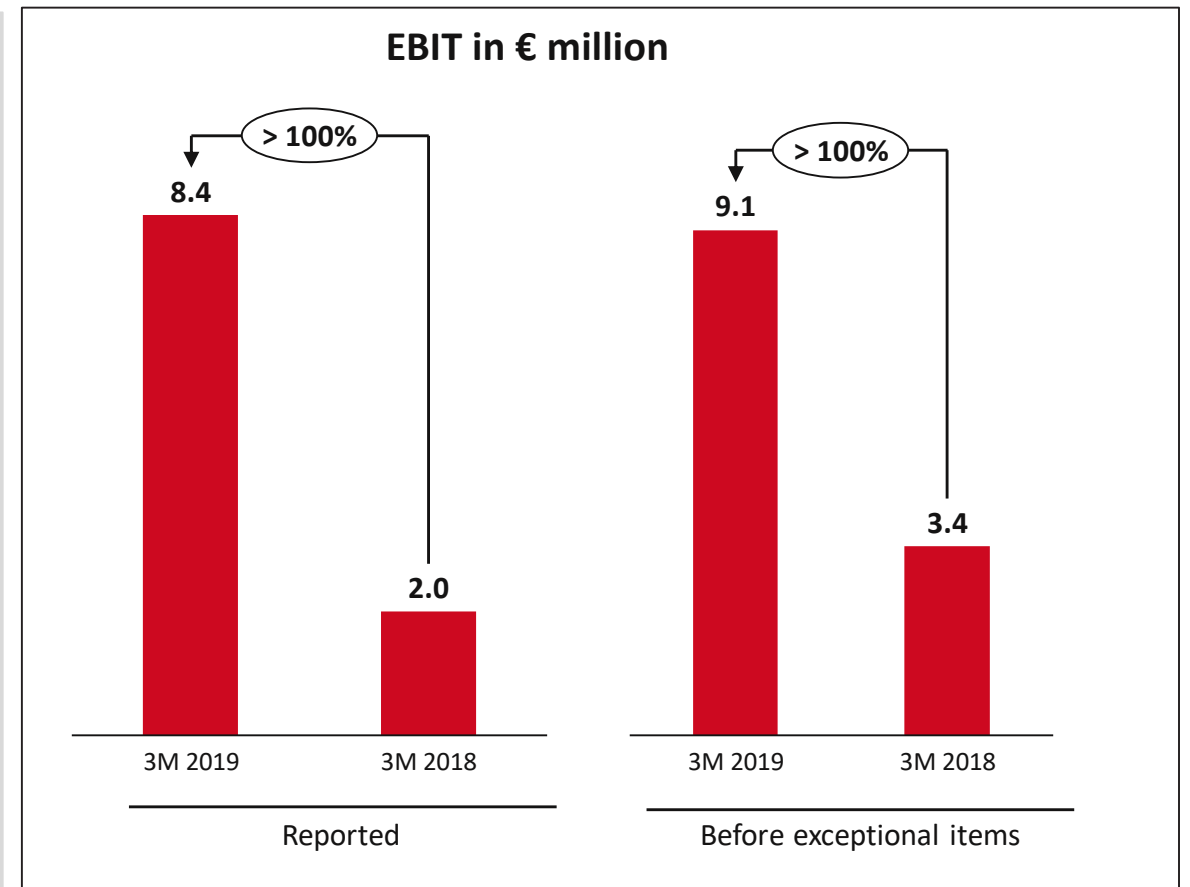
3M 2019 EBIT impacted by restructuring expenses of € 0.7 million

- Reported 3M 2019 EBIT at € 8.4 million, adjusted by restructuring expenses at € 9.1 million (€ 3.4 million in 3M 2018)
- Adjustments mainly driven by costs for external consultants and CRO expenses



Significant EBIT improvement vs. 3M 2018 both reported and before exceptional items

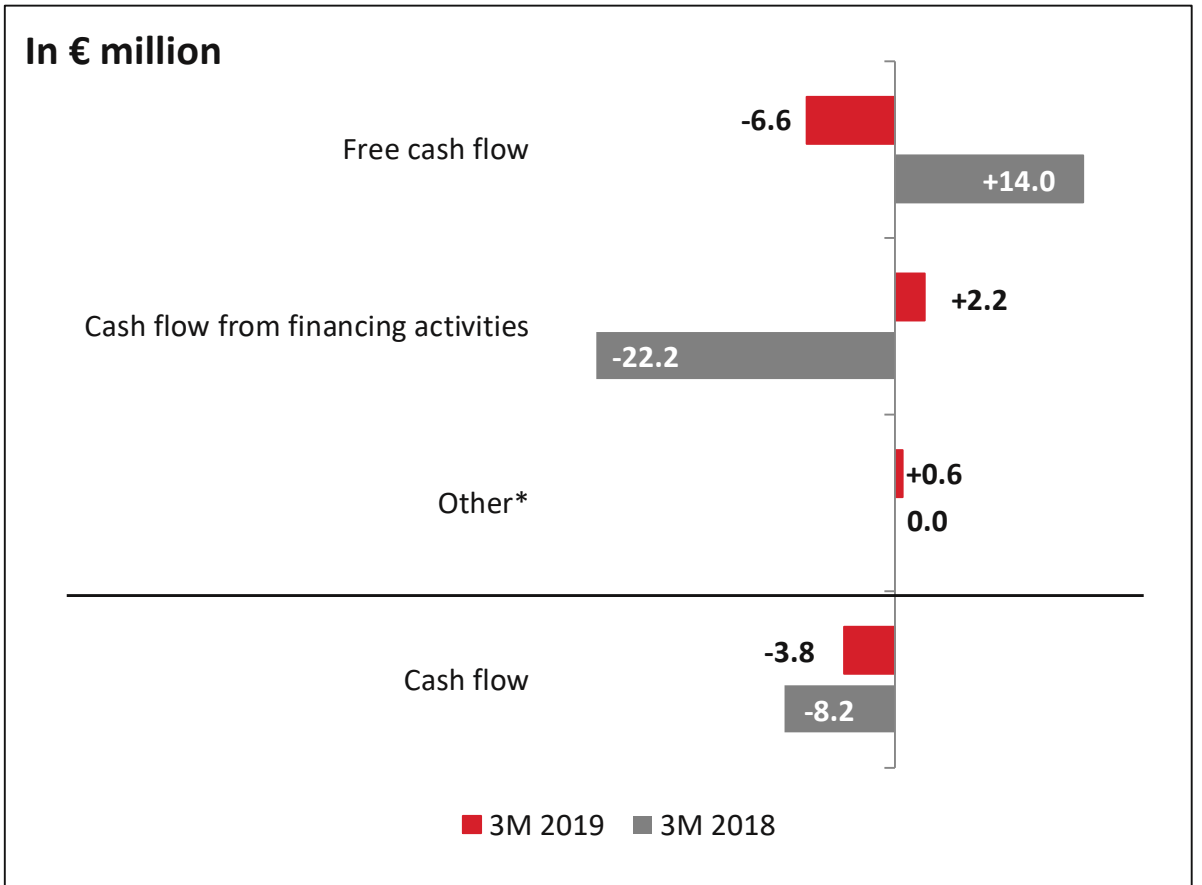
- Reported EBIT up by € 6.4 million vs. 3M 2018
- EBIT before exceptional items at € 9.1 million (+€ 5.7 million vs. 3M 2018); improvement mainly caused by
 - Sales growth as expected in all continued operations
 - Strong EBIT performance in Stationary Transportation Technology due to one-off PSD effects and high-margin change requests
 - Productivity improvements, material savings
 - Significant EBIT improvement at Alte in 3M 2019 vs. last year



Cash flow in 3M 2019 affected by higher working capital

- Negative free cash flow in 3M 2019
 - Positive EBIT contribution was overcompensated by negative effects mainly driven by higher working capital; positive free cash flow in prior year due to cash inflow from sale of Pintsch Bubenzer as well as release of funds from an escrow account

- Financing cash flow in 3M 2019 mainly reflects
 - Positive € 7.5 million cash inflow from syndicated loan
 - Negative € 3.2 million cash outflow due to dividends paid to minorities



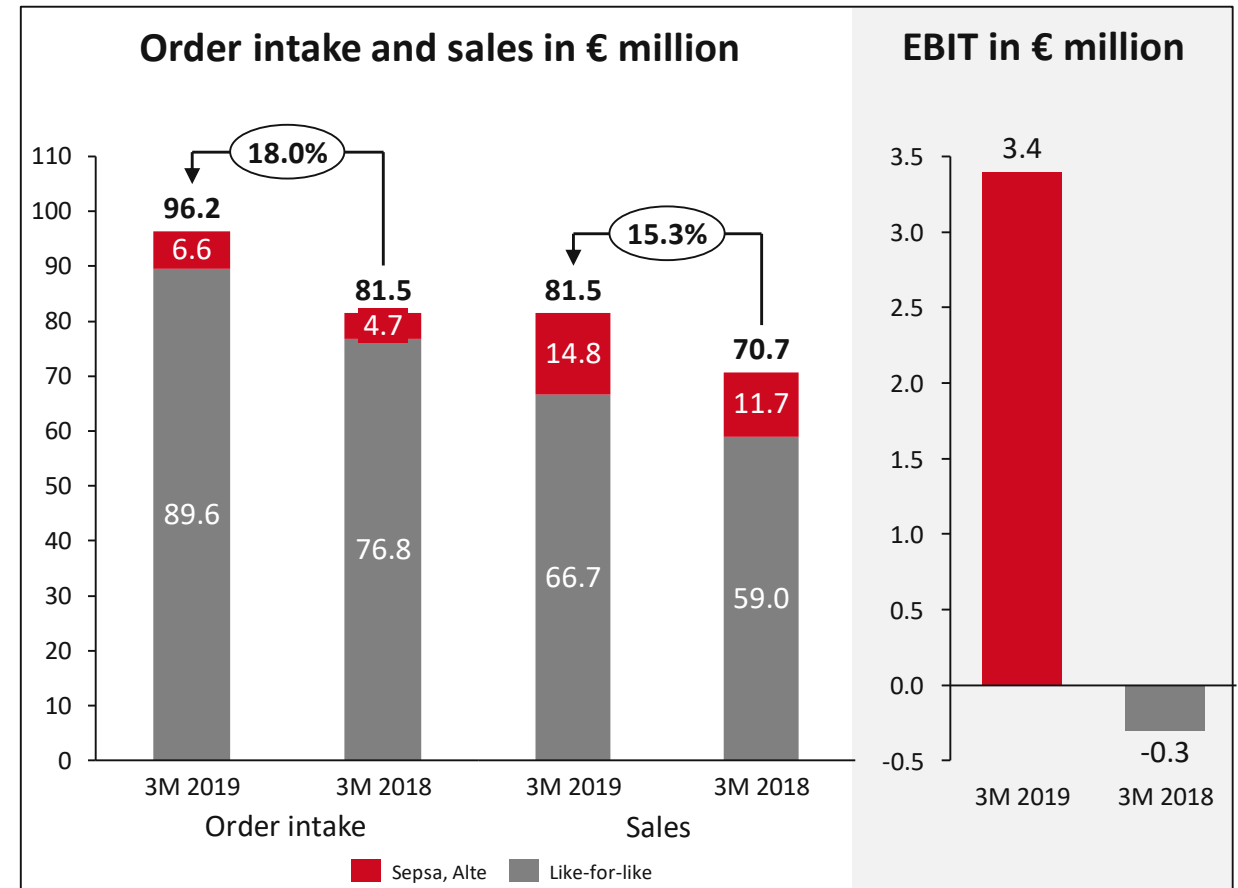
Current IFRS standards applied for both 3M 2019 and 3M 2018

* Includes change in cash funds due to exchange rate fluctuations

Mobile Transportation Technology

Order intake, sales and EBIT significantly above prior year

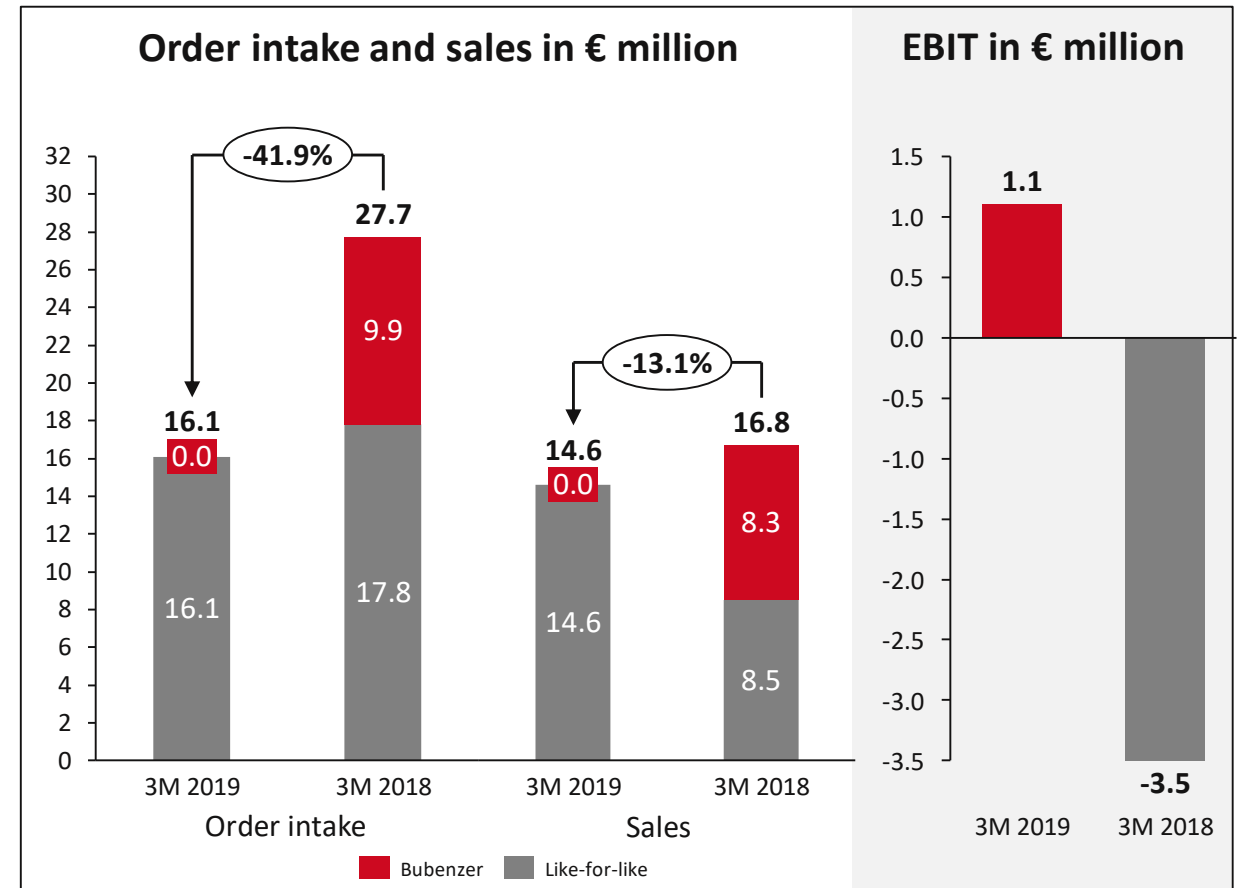
- Increase in order intake mainly driven by Bode Group (Bode Germany and Rawag)
- Sales growth of € 10.8 million also primarily driven by Bode Group (rail business)
- EBIT at € 3.4 million
 - Bode Germany and Rawag with positive EBIT development mainly driven by higher sales
 - 3M 2018 were impacted by negative EBIT contribution from ALTE (€ -1.7 million in 3M 2018 vs. € -0.2 million in 3M 2019)
 - Improvements in productivity starting to have first positive impacts



Stationary Transportation Technology

Strong sales and EBIT performance in 3M 2019 due to one-off effects

- Order intake down due to the sale of Pintsch Bubenzer; like-for-like € 1.7 million below prior year
- Sales decrease of 13.1% driven by the sale of Pintsch Bubenzer; like-for-like sales up by 71.8%
 - Sale of PSD material (Sao Paulo) in 3M 2019 which was partly pushed into 2019 from prior year
 - Several other push-outs from 2018
 - Additional sales from change orders for two projects
- EBIT at € 1.1 million
 - Positive EBIT effects resulting from sale of PSD material and change orders with high margins

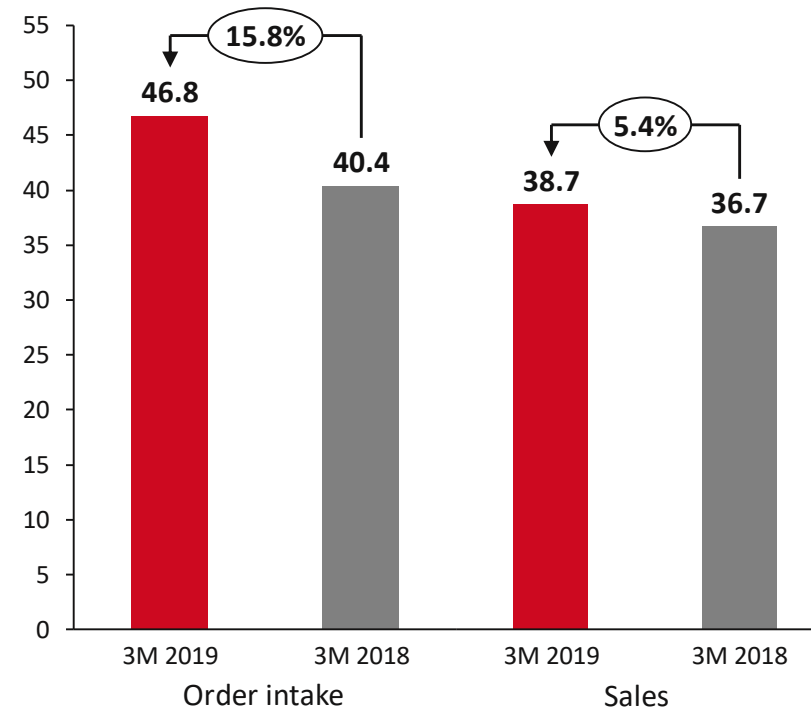


Components

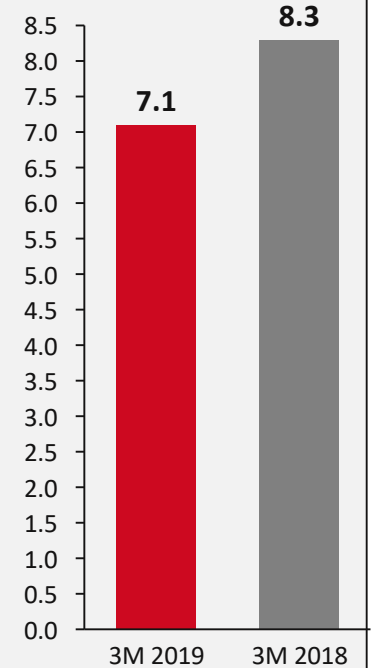
Ongoing strong operational performance

- Strong order intake in 3M 2019 mainly caused by snap-action switches (driver: after market and service business) and option orders for driver desk and master controllers
- Sales improved by € 2.0 million; ongoing high demand of connectors, snap-action switches and contactors
- EBIT still at a high level, impacted by higher personnel expenses due to a number of select new hires required to secure future growth

Order intake and sales in € million

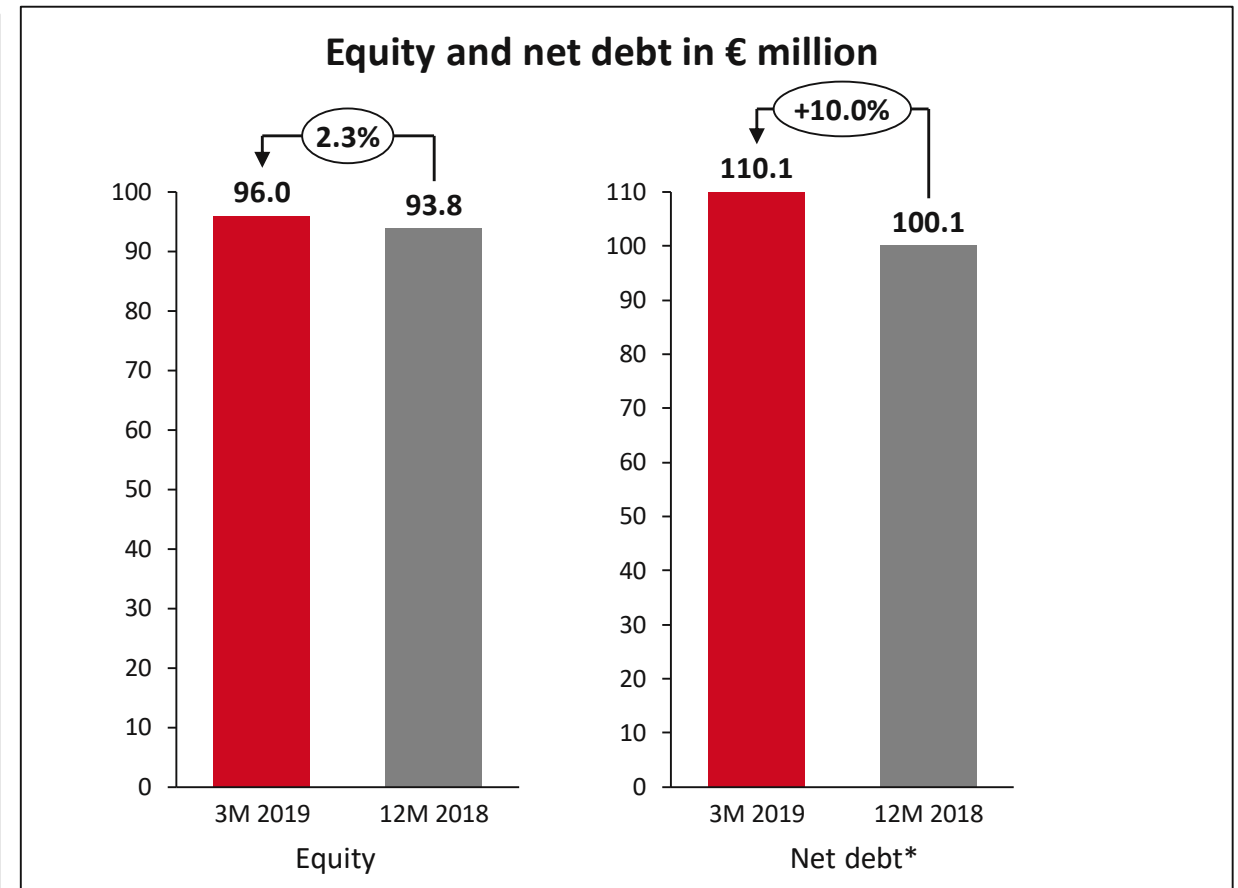


EBIT in € million



Equity slightly strengthened, net debt increased

- Equity increases by € 2.2 million vs. year-end 2018
- Increase of net debt by € 10.0 million in 3M 2019
 - Increase of working capital in 3M 2019 vs. year-end 2018 mainly due to higher inventories; rise in accounts receivables partly offset by higher accounts payables
 - Despite sales increase of around € 11 million, working capital at the end of March 2019 remains at the level from 12 months ago



* Lease liabilities are not included anymore

Guidance FY 2019 confirmed

- Strong 2018 and 3M 2019 order intake as one of the drivers to ensure growth in 2019
- Positive effects from restructuring measures and reduction of risk exposure (PSD)
- Measures relating to the optimisation of production and logistic processes, the realisation of material savings and the renegotiation of customer contracts are on track and show first positive impacts

Outlook (in € million)	Guidance FY 2019
Order intake	480-500**
Sales	480-500**
<i>Mobile Transportation Technology</i>	<i>Increase*</i>
<i>Stationary Transportation Technology</i>	<i>Slight increase*</i>
<i>Components</i>	<i>Increase*</i>
EBIT margin	Around 5-6%**

* Compared to FY 2018

** Excluding Sepsa, Alte, Pintsch Bubenzer and exceptional items

Schaltbau Group – Investment case

- **Attractive market environment**
 - **Urbanisation and digitisation megatrends** are driving demand for new rail vehicles; metro trains with a large number of doors are gaining in importance
 - **Megatrend in energy supply and use towards direct current technology** is driving demand for DC switching and charging technology established in the railway sector with increasing use of decentralised energy concepts, energy storage systems and smart network control
 - **Positioning as innovation driver and essential technology partner** in current and future markets such as rolling stock, new energy, electromobility, DC industry, smart home and autonomous driving
- **Stable customer relationships**, especially in the rail sector with often lengthy listing procedures and high repurchase rates
- **Significant increase in profitability** through process improvements, reorganisation and modular development
- **Inherited risks have been removed from the balance sheet**



Financial calendar and contact details

2019

- **18 June** Annual General Meeting
- **31 July** 6M 2019 Interim Report
- **31 October** 9M 2019 Interim Statement

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