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Group Interim Report
H1 2019

31 July 2019

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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H1 2019 at a glance

Key figures (in € million, unless stated otherwise)	H1 2019	H1 2018	Δ
Order intake	289.4	301.9	*-12.5*
Order intake like-for-like*	276.4	277.3	*-0.9*
Sales	255.0	251.5	*+3.5*
Sales like-for-like*	233.2	217.0	*+16.2*
EBIT	8.5	9.4	*-0.9*
EBIT margin (in %)	3.3	3.8	*-0.5*
EBIT like-for-like before exceptional items*	16.5	9.4	*+7.1*
EBIT margin (in %) like-for-like before exceptional items*	7.1	4.3	*+2.8*
Group net profit	4.6	3.5	*+1.1*
Earnings per share (in €)	0.29	0.20	*+0.09*
Free cash flow	-15.4	10.5	*-25.9*
Employees at period-end (count)	2,752	3,125	*-373*
	30/06/2019	**31/12/2018**	
Net financial debt**	-117.3	-100.1	*-17.2*
Equity	93.3	93.8	*-0.5*

* Excluding Pintsch Bubenzer, Sepsa and Alte contributions
** Lease liabilities are not included

Overall assessment of H1 2019 (1/2)

Restructuring achievements in H1 2019

Financial restructuring – further stabilisation of financial position

- Sepsa Group deconsolidated on 7 May 2019 after loss of control as a result of the liquidation process
- Alte sold and deconsolidated on 29 May 2019
- Schaltbau Group refinancing process close to completion: New syndicate loan signed, part of promissory notes (Schuldscheindarlehen) rearranged, securitisation of receivables (ABS, reverse factoring) close to signing

Operative restructuring – measures to increase efficiency and optimise processes

- Operational excellence programmes on track
  - “Fit for future” programme at Bode and Rawag ongoing
- Successful completion of restructuring activities confirmed on 29 July 2019

Overall assessment of H1 2019 (2/2)

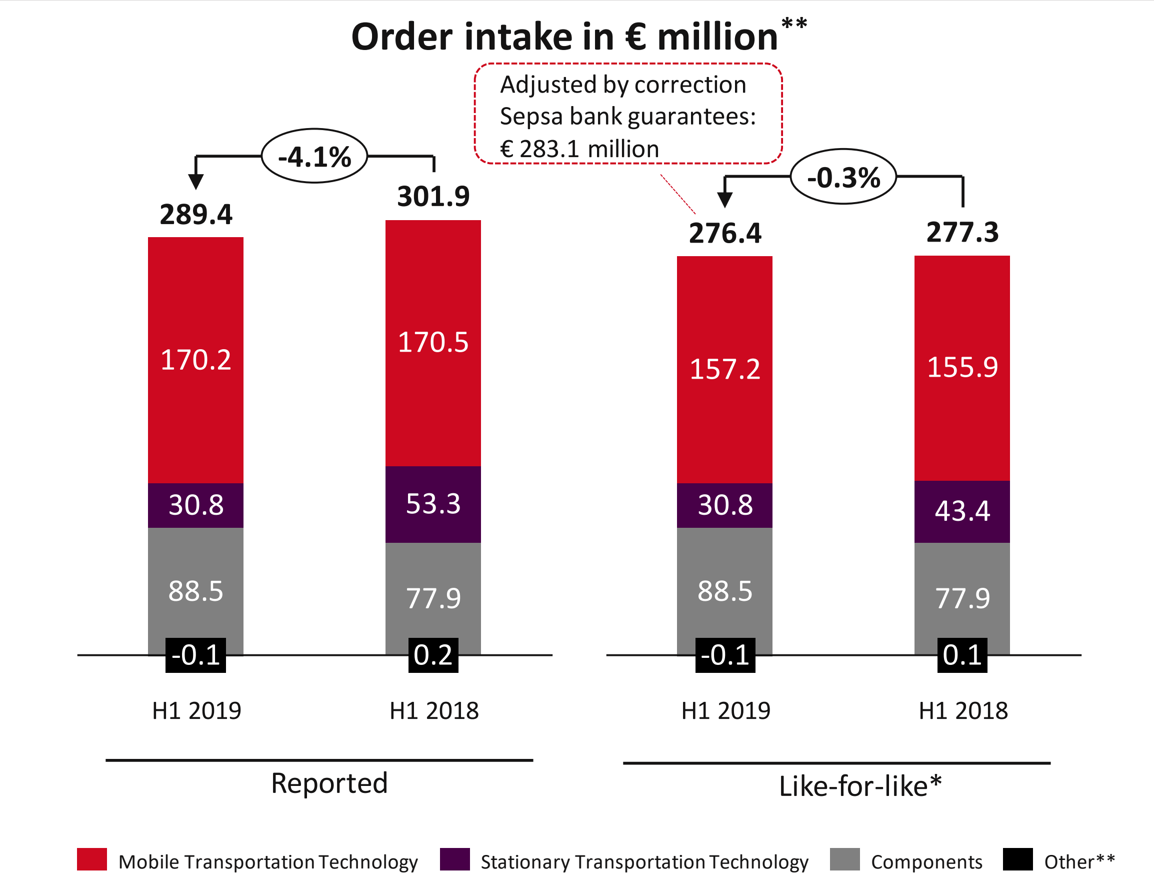
Positive operating performance in H1 2019

- Components and Mobile Transportation Technology in line with expectations
- Stationary Transportation Technology with strong development, partly driven by one-off effects
- Like-for-like order intake of € 276.4 million; book-to-bill ratio at 1.19; order book end of June 2019 at € 492.2 million
- Like-for-like sales volume at € 233.2 million, up by € 16.2 million or 7.5% vs. H1 2018
- Reported EBIT at € 8.5 million, like-for-like EBIT before exceptional items at € 16.5 million vs. € 9.4 million in H1 2018

→ Operating guidance for FY 2019 confirmed

Order intake remains at a very high level

- Solid order intake of € 289.4 million in H1 2019
  - Strong development in Components; up by 13.6% vs. prior year, primarily driven by strong demand for rolling stock electrics and contactors
  - Stationary Transportation Technology like-for-like* down by nearly 30% vs. prior year; however H1 2018 was impacted by a significant order for a train formation unit
- Order intake without Alte and Sepsa and correction of Sepsa bank guarantees at € 283.1 million, which equals a strong book-to-bill ratio of 1.18
- Order book at end of June 2019 at € 492.2 million, down 15.6% vs. € 583.0 million at end of December 2018 due to the deconsolidation of Alte and Sepsa; order book like-for-like* at € 492.2 million, up 10.6% vs. prior year



* Excluding Pintsch Bubenzer, Sepsa and Alte contributions

** Including consolidation effects

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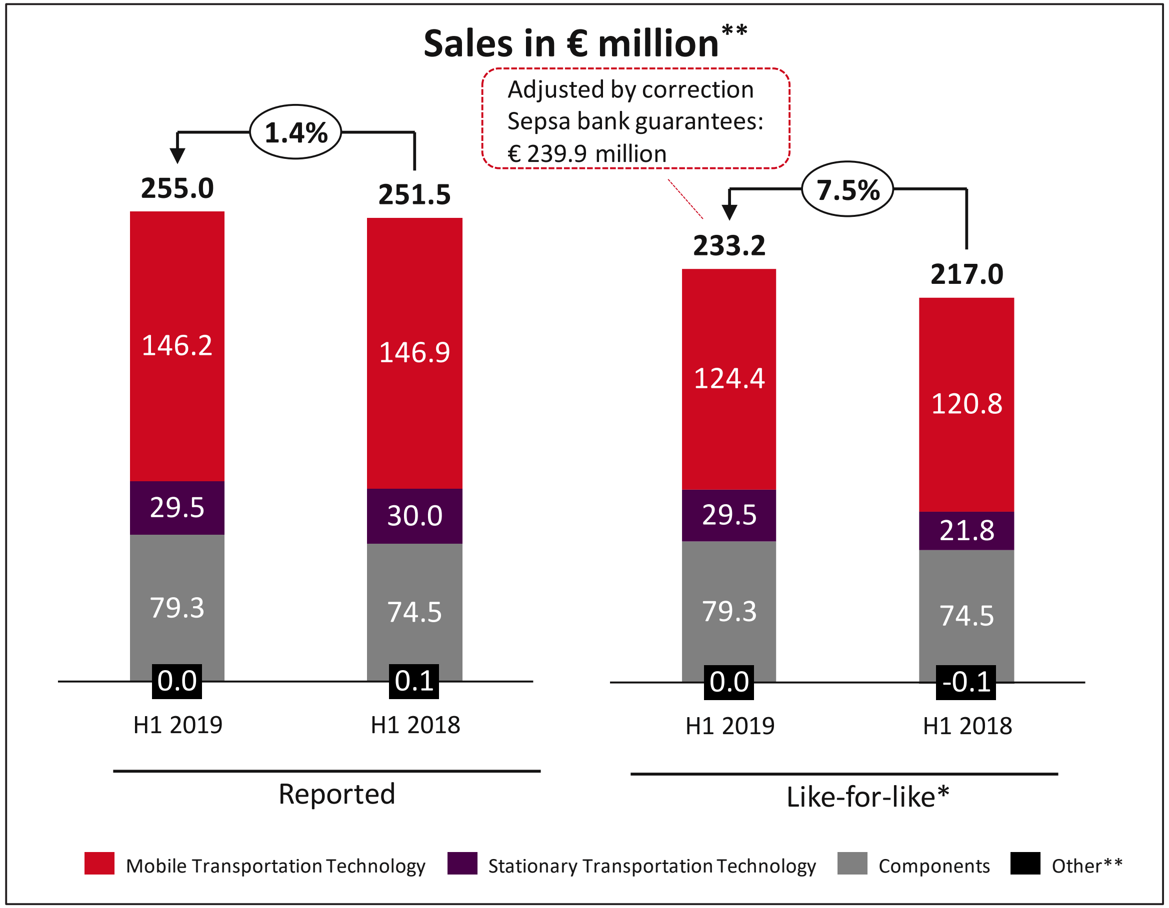
Organic sales growth of 7.5% like-for-like vs. prior year with all segments contributing

- Sales grow by 1.4% vs. H1 2018, an increase of € 3.5 million
  - Significant volume increase in Mobile Transportation Technology mainly driven by Rawag and Bode North America due to the ramp-up of several rail OEM projects
  - Sales in Stationary Transportation Technology below H1 2018 due to sale of Pintsch Bubenzer in H1 2018; like-for-like up by € 7.7 million mainly resulting from platform screen doors sales in Brazil and the realisation of two significant change orders
  - Components up by € 4.8 million and reflecting continuing strong demand across product groups
- Adjusted by the deconsolidation of Pintsch Bubenzer, Sepsa & Alte, and by exceptional items (adjustments for bank guarantees), sales growth of 10.5% vs. H1 2018
- Sales split:

  Germany 36%
  Europe ex Germany 37%
  Rest of world 27%



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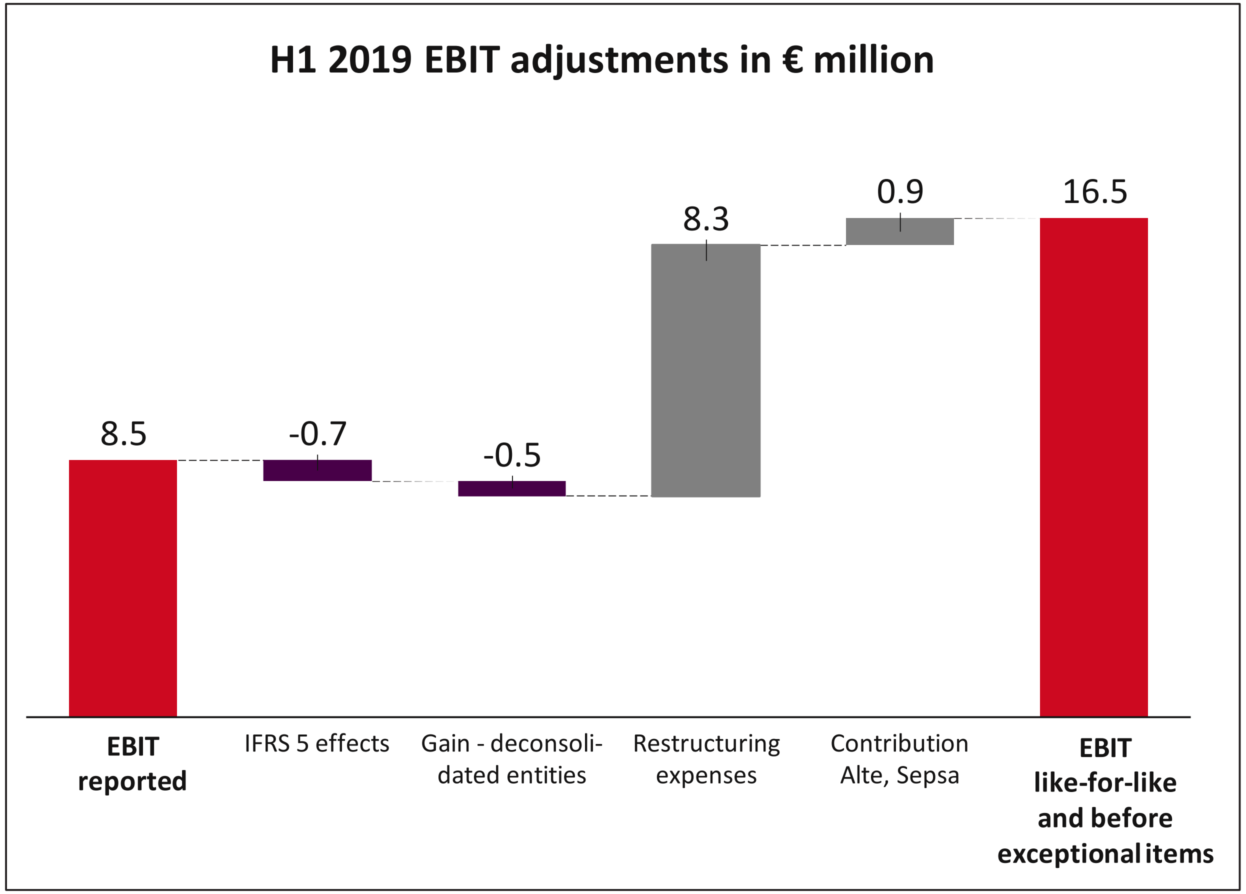
H1 2019 EBIT impacted by restructuring expenses of € 8.3 million

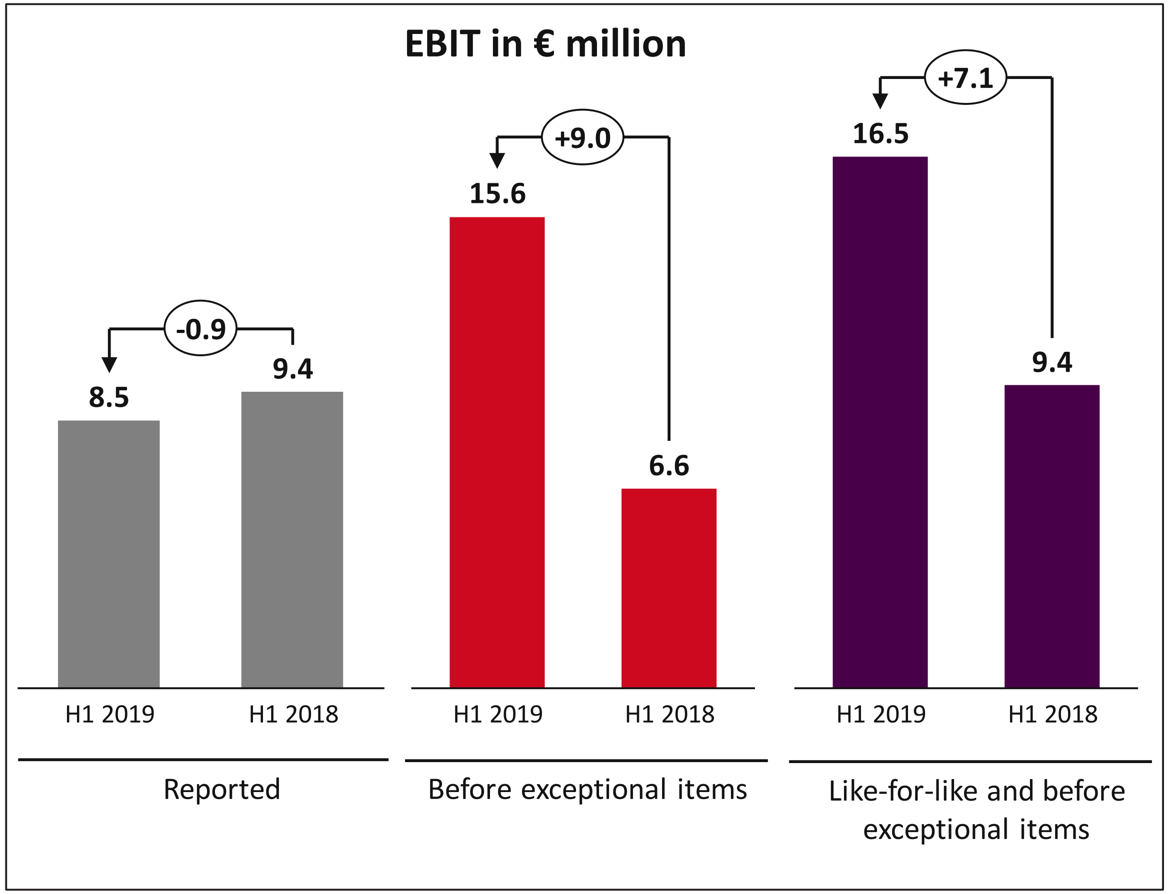
- Reported H1 2019 EBIT at € 8.5 million; like-for-like and adjusted by restructuring expenses, IFRS 5 effects and gains from decon-solidation at € 16.5 million (€ 9.4 million in H1 2018)
- Restructuring expenses include provisions for bank guarantees, expenses for external consultants and CRO activities



Significant EBIT improvement vs. H1 2018 before exceptional items

- Reported EBIT down by € 0.9 million vs. H1 2018

- EBIT like-for-like and before exceptional items at € 16.5 million (+€ 7.1 million vs. H1 2018); improvement mainly caused by
  - Strong EBIT performance in Stationary Transportation Technology
  - Significant EBIT improvements at Rawag, Bode North America and Bode UK
  - Productivity improvements, direct and indirect material savings throughout all segments



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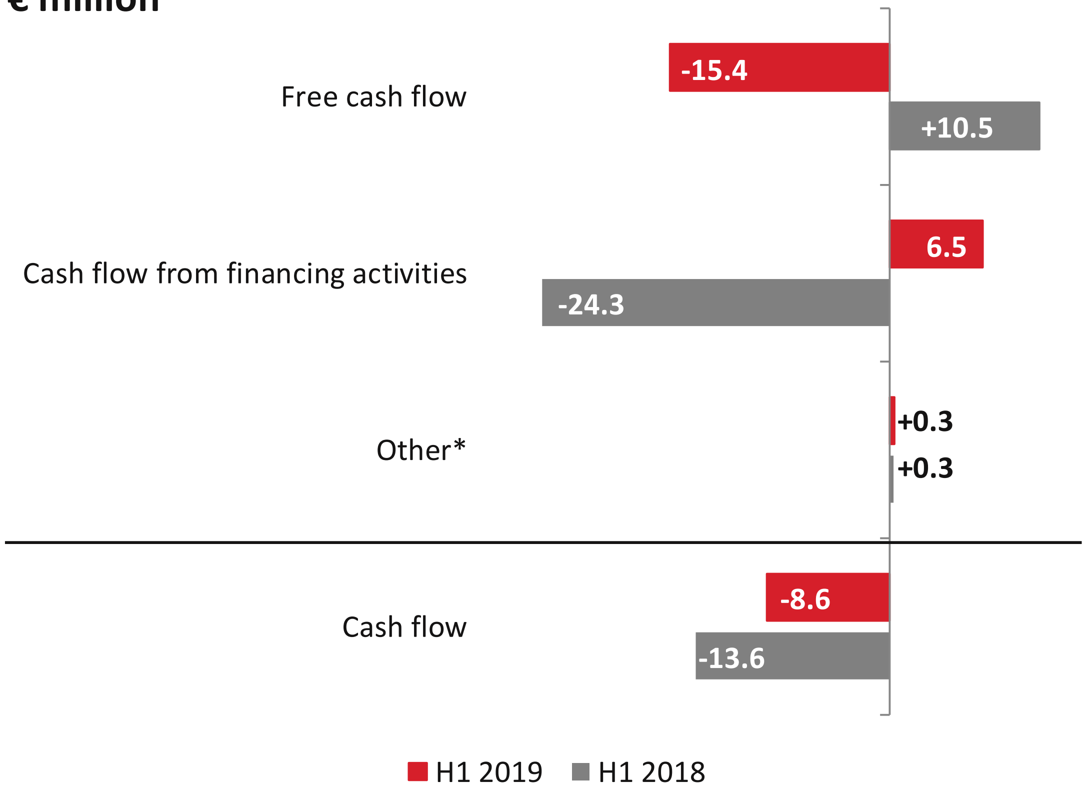
Cash flow in H1 2019 affected by higher working capital

- Negative free cash flow in H1 2019
  - Positive EBIT contribution was overcompensated by negative effects mainly driven by higher working capital; positive free cash flow in prior year significantly impacted by inflow from sale of Pintsch Bubenzer as well as the release of the funds from an escrow account
- Financing cash flow in H1 2019 mainly reflects
  - Positive changes of utilisation of syndicated credit line
  - Lower interest payments vs. prior year
  - Negative € 3.2 million cash outflow due to dividends paid to minorities
  - Negative € 1.5 million cash outflow due to deconsolidation of Alte and Sepsa
- Financing cash flow in H1 2018 impacted by cash-in from capital increase and significant loan repayments

In € million



Current IFRS standards applied for both H1 2019 and H1 2018

* Includes change in cash funds due to exchange rate fluctuations

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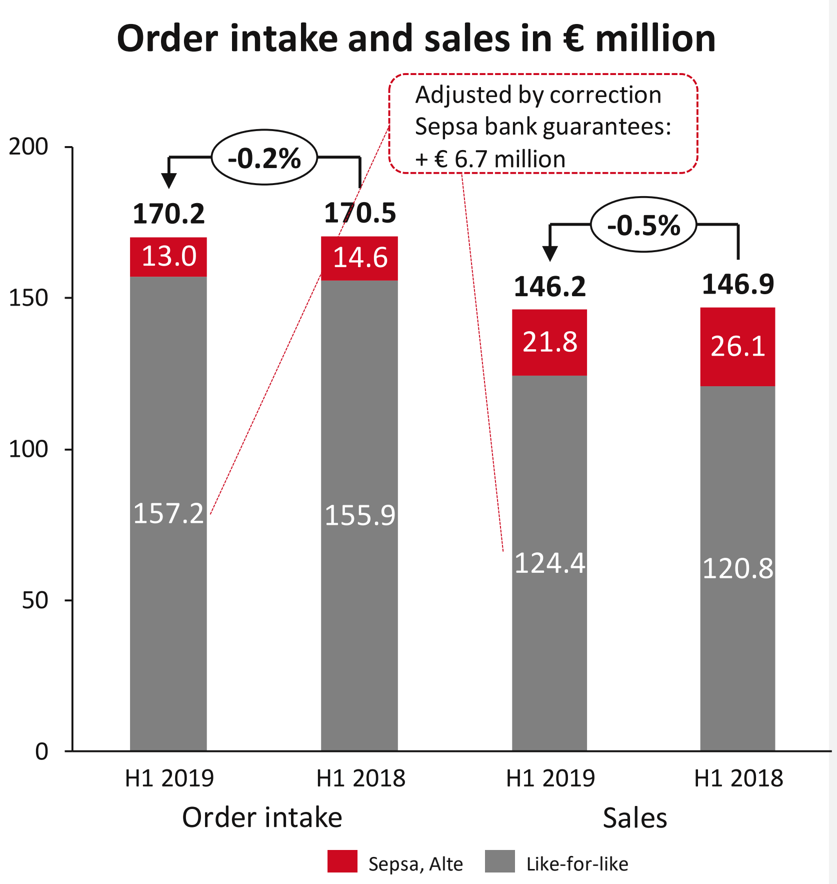
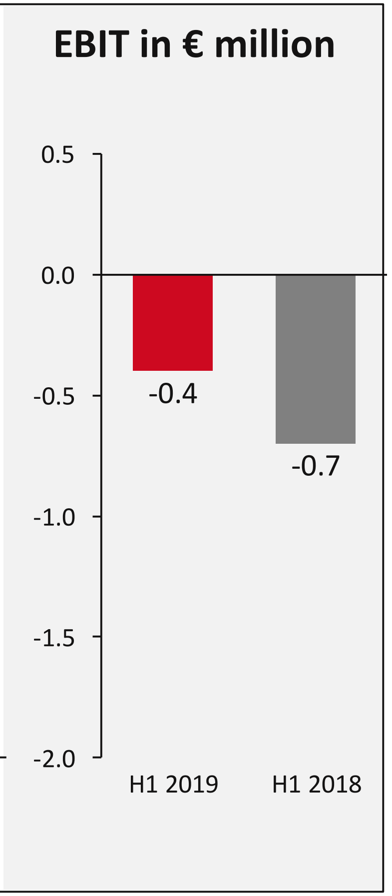
Mobile Transportation Technology

Order intake, sales and EBIT all with positive trend vs. prior year

- Order intake without Alte and Sepsa and adjusted by effects from bank guarantees Sepsa up by € 8.0 million, primarily driven by Rawag
- Sales growth without Alte and Sepsa and adjusted by effects from bank guarantees Sepsa up by € 10.3 million, reflecting strong growth at Rawag and Bode North America due to the ramp-up of several rail OEM projects
- EBIT like-for-like before exceptional items at € 6.5 million, but reported EBIT at negative € -0.4 million due to
  - Provision for guarantees of € 6.7 million (= exceptional item), reported as an adjustment in sales and order intake
  - Rawag, Bode North America and Bode UK each with positive EBIT development mainly driven by higher sales and a better project mix
  - Improvements in productivity, direct and indirect material savings





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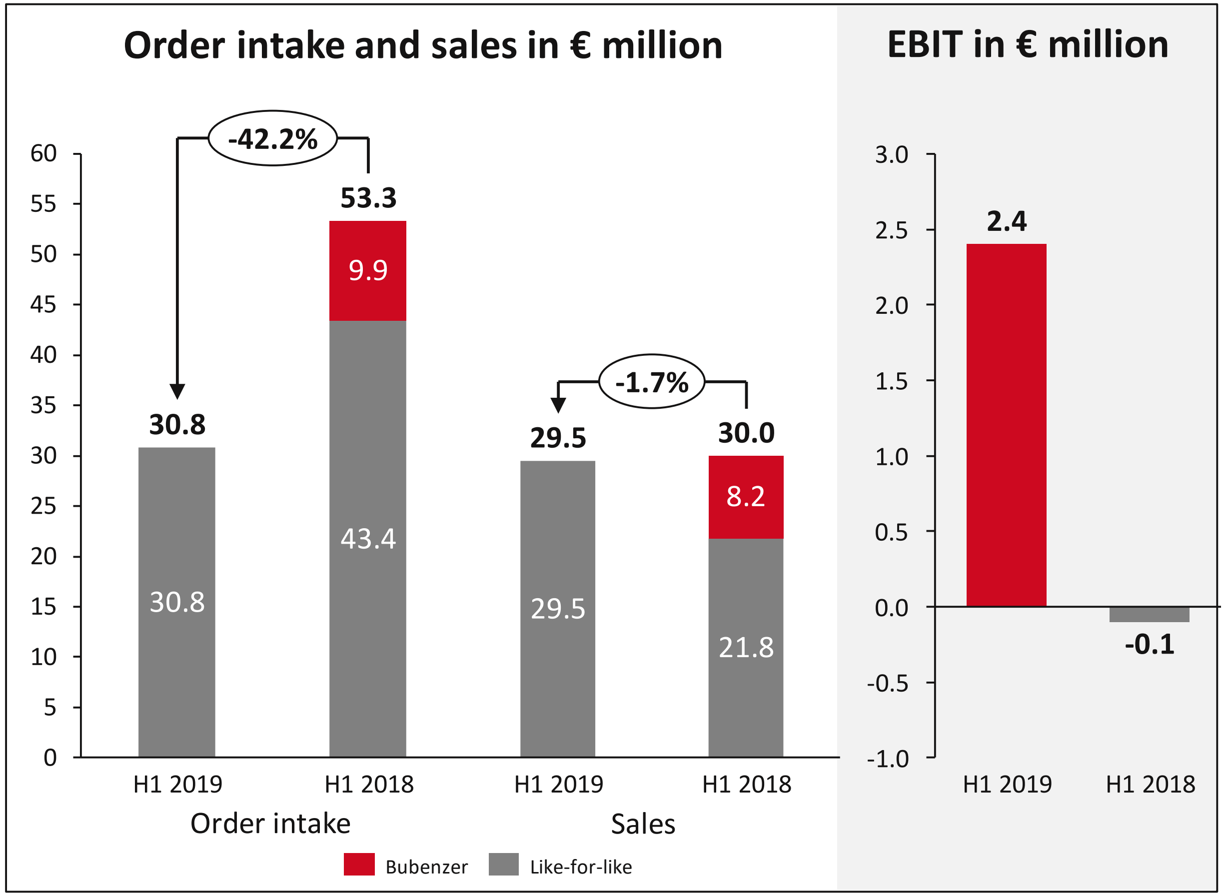
Stationary Transportation Technology

Strong sales and EBIT performance in H1 2019

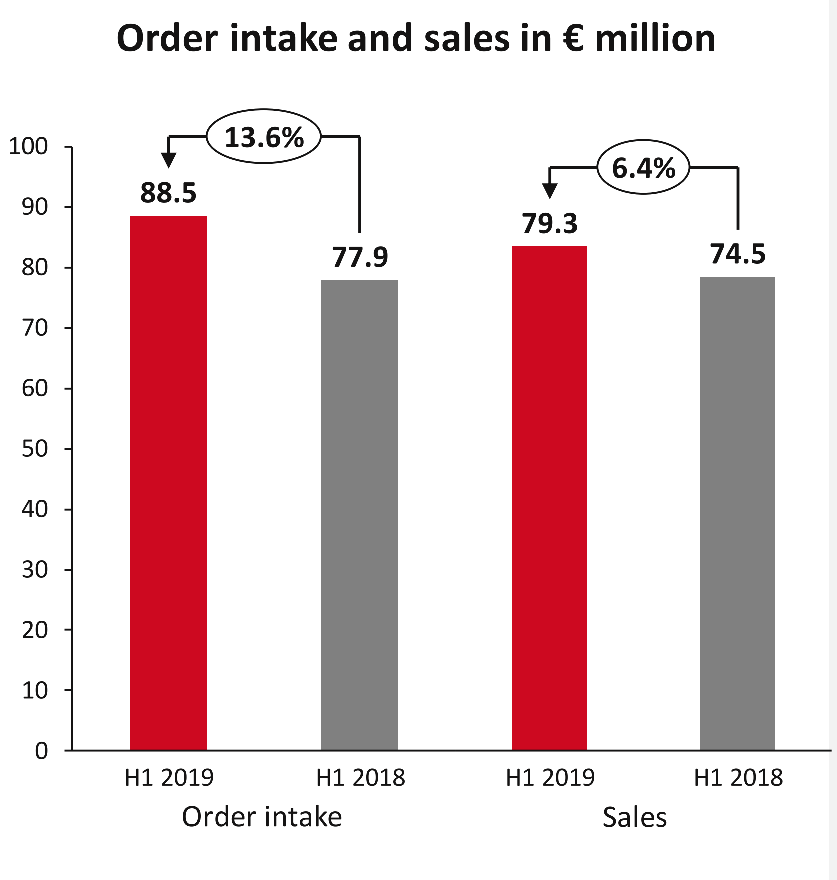
- Order intake down € 12.6 million below prior year like-for-like
  - H1 2018 was impacted by a significant order for a train formation unit
  - Several delays of project awardings by Deutsche Bahn
- Significant sales increase of € 7.7 million like-for-like
  - Sale of PSD material (Sao Paulo) in H1 2019 as a result of the contract renegotiation
  - Push-outs from Q4 2018 into Q1 2019
  - Additional sales from change orders for two projects
- EBIT at € 2.4 million
  - Positive EBIT effects resulting from higher sales volume
  - Positive project mix
  - Cost reduction measures are continuing to impact bottom-line

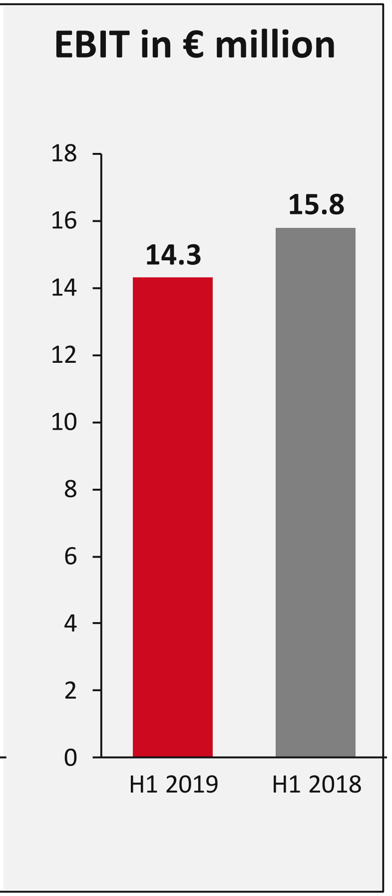


Components

Solid performance in H1 2019

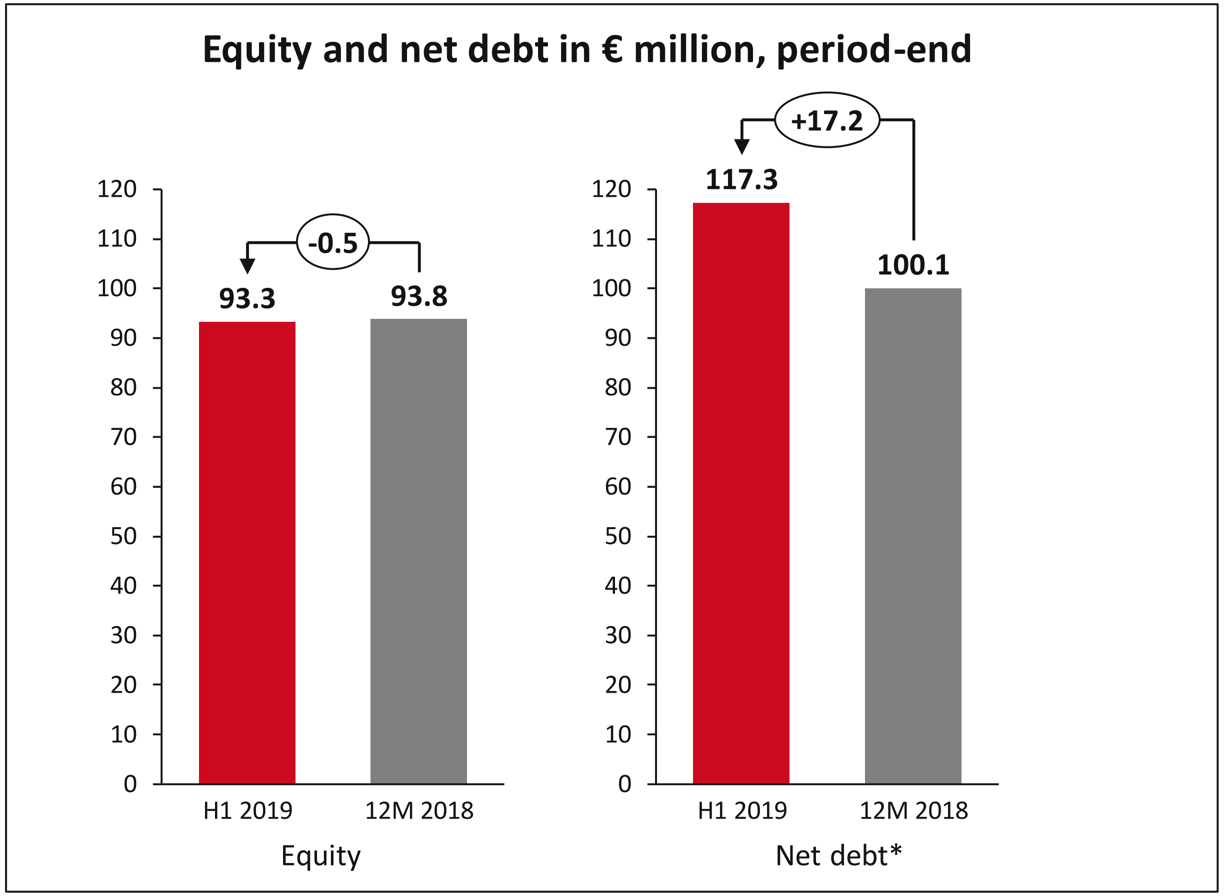
- Strong order intake in H1 2019 primarily driven by a strong demand for rolling stock electrics and contactors
- Sales improved by € 4.8 million, reflecting a continuing strong demand across product groups; business with rolling stock electronics with the highest growth vs. prior year
- EBIT still at a high level, impacted by organisational measures to secure future growth





Equity slightly lower, net debt increased

- Equity decreases by € 0.5 million vs. year-end 2018
- Increase of net debt by € 17.2 million in H1 2019
  - Mainly driven by working capital increase in H1 2019 due to higher inventories and accounts receivables as well as lower accounts payables



* Lease liabilities are not included

Update on refinancing activities

- Signing of a new syndicated credit facility on 17 June 2019
  - Commerzbank AG and UniCredit Bank AG as Lead Arrangers, four further lending syndicate banks
  - The initial credit line is € 103 million with a commitment of 3 years and embedded extension options, an increase to € 109 million is in discussion
- Rearrangement of promissory notes (Schuldscheindarlehen)
  - Terms and conditions for promissory notes in the amount of € 13.5 million have been adjusted
  - Liquidity remains available for at least 3 further years
- Programmes for the securitisation of receivables (ABS, reverse factoring)
  - The contracts are close to signature
  - Proceeds from the sale of receivables are expected to reach at least € 29 million permanently

→ **The facilities of > € 150 million provide sufficient liquidity leeway mid-term**

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Guidance FY 2019 confirmed

- Strong 2018 and solid H1 2019 order intake as one of the drivers to secure growth in 2019
- Positive effects from restructuring measures and reduction of risk exposure (PSD)
- Stronger focus on continuing business
- 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 positive impacts

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

* Compared to FY 2018
** Excluding Sepsa, Alte, Pintsch Bubenzer and exceptional items

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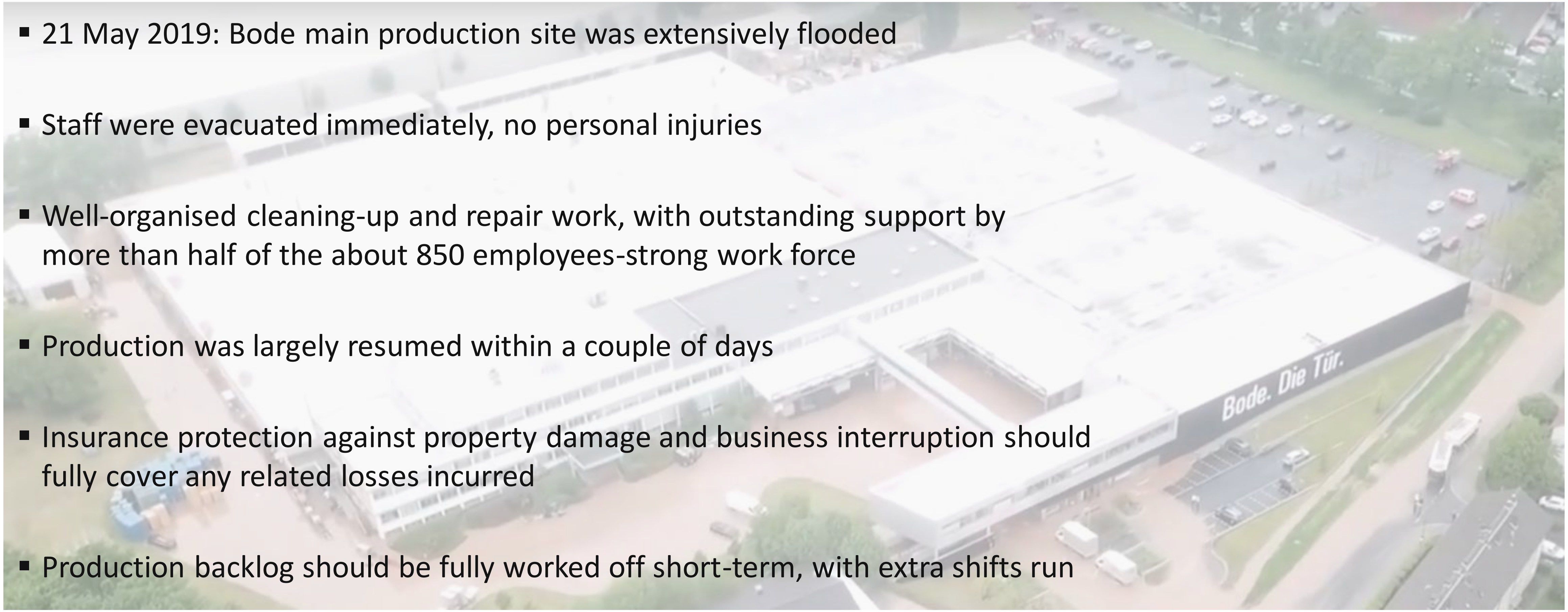
Flooding at Bode in Kassel:
A big challenge managed well, with great teamwork



- 21 May 2019: Bode main production site was extensively flooded
- Staff were evacuated immediately, no personal injuries
- Well-organised cleaning-up and repair work, with outstanding support by more than half of the about 850 employees-strong work force
- Production was largely resumed within a couple of days
- Insurance protection against property damage and business interruption should fully cover any related losses incurred
- Production backlog should be fully worked off short-term, with extra shifts run

Restructuring finalised successfully

- Sale of Pintsch Bubenzer / two capital increases / repayment of bridge financing until Q1 2018
- PSD project renegotiated in Q3 2018
- Sepsa and Alte divested in Q2 2019
- Debt refinancing contracted in Q2 2019
- Operational performance improved
- Restructuring finalisation confirmed by bank-demanded management consultancy

Significant market opportunities for sustainable growth

Financial calendar and contact details

2019

- **19 September** 90-Years-of-Schaltbau Forward-looking Forum
- **31 October** 9M 2019 Interim Statement

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