



Investor and Analyst Call  
FY 2019

31 March 2020



**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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## FY 2019 at a glance




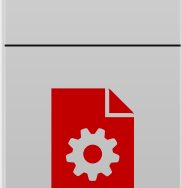
Key figures (in € million, unless stated otherwise)	FY 2019	FY 2018	Δ
Order intake	545.7	631.3	-85.6
Order intake like-for-like before exceptional items*	536,7	525.3	+7.4
Sales	513.7	518.3	-4.6
Sales like-for-like before exceptional items*	495.9	452.9	+43.0
EBIT	17.2	-7.3	+24.5
EBIT margin (in %)	3.3	-1.4	+4.7
EBIT like-for-like before exceptional items*	29.0	21.1	+7.9
EBIT margin (in %) like-for-like before exceptional items*	5.9	4.7	+1.2
Group net profit	7.4	-14.1	21.5
Earnings per share (in €)	0.46	-1.93	+2.39
Free cash flow	42.3	21.9	20.4
Employees at period-end (count)	2,863	3,157	-294
	<b>31/12/2019</b>	<b>31/12/2018</b>	<b>Δ</b>
Net financial debt**	69.9	100.0	-30.1
Equity	97.4	93.8	3.6

\* Excluding Pintsch Bubenzer, Sepsa and Alte contributions

\*\* Lease liabilities are not included

## Restructuring achievements

### Summary topics FY 2017 - FY 2019

		2017	2018	2019
	<b>Structural</b> <ul style="list-style-type: none"> <li>▪ Sale subsidiary Bubenzer GmbH</li> <li>▪ Liquidation Spanish Sepsa group</li> <li>▪ Sale Spanish subsidiary Alte</li> </ul>		✓	✓ ✓
	<b>Balance Sheet</b> <ul style="list-style-type: none"> <li>▪ Impairment of goodwill respectively book value of investments</li> <li>▪ Impairment of own work capitalized</li> <li>▪ Contingent loss provision for loss-making projects and guarantees</li> </ul>	✓ ✓ ✓	✓ ✓ ✓	✓
	<b>Financial</b> <ul style="list-style-type: none"> <li>▪ Capital increase with exclusion of subscription rights May 2017</li> <li>▪ Successful repayment of bridge financing Feb 2018</li> <li>▪ Capital increase with subscription rights Feb 2018</li> <li>▪ Refinancing with ABS and increased SynLoan in 2019</li> </ul>	✓	✓ ✓	✓
	<b>Operative</b> <ul style="list-style-type: none"> <li>▪ Restructuring tariff agreement plan Pintsch for 2018 and 2019</li> <li>▪ Operational Excellence-Programme Bode-Group (ongoing)</li> <li>▪ Staff reduction and procurement optimization in 2018 and 2019</li> </ul>	✓	✓ ✓ ✓	✓ ✓ ✓

## Performance summary

### Improved operating performance in FY 2019

- Order intake\* of € 536.7 million, up by € 11.4 or 2.2% vs. FY 2018; Book-to-bill ratio\* at 1.1; like for like order book end of December 2019 at € 488.9 million vs. € 447.9 December 2018
- Sales\* volume at € 495.9 million, up by € 43.0 million or 9.5% vs. FY 2018
- EBIT\* at € 29.0 million vs. € 21.1 million in FY 2018

### Flooding in Kassel

- Resumed production after one week
- € 8.0 million insurance compensation due to flood damage at Bode Kassel in May 2019

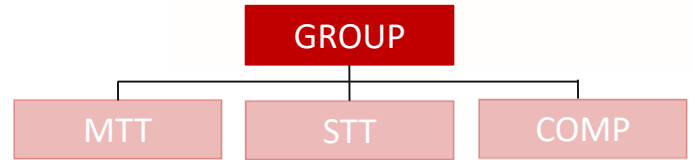
### Change in management

- Supervisory Board appoints Dr. Jürgen Brandes as new member of the Executive Board per April 2020. He is designated CEO from 2021 and will succeed Dr. Albrecht Köhler

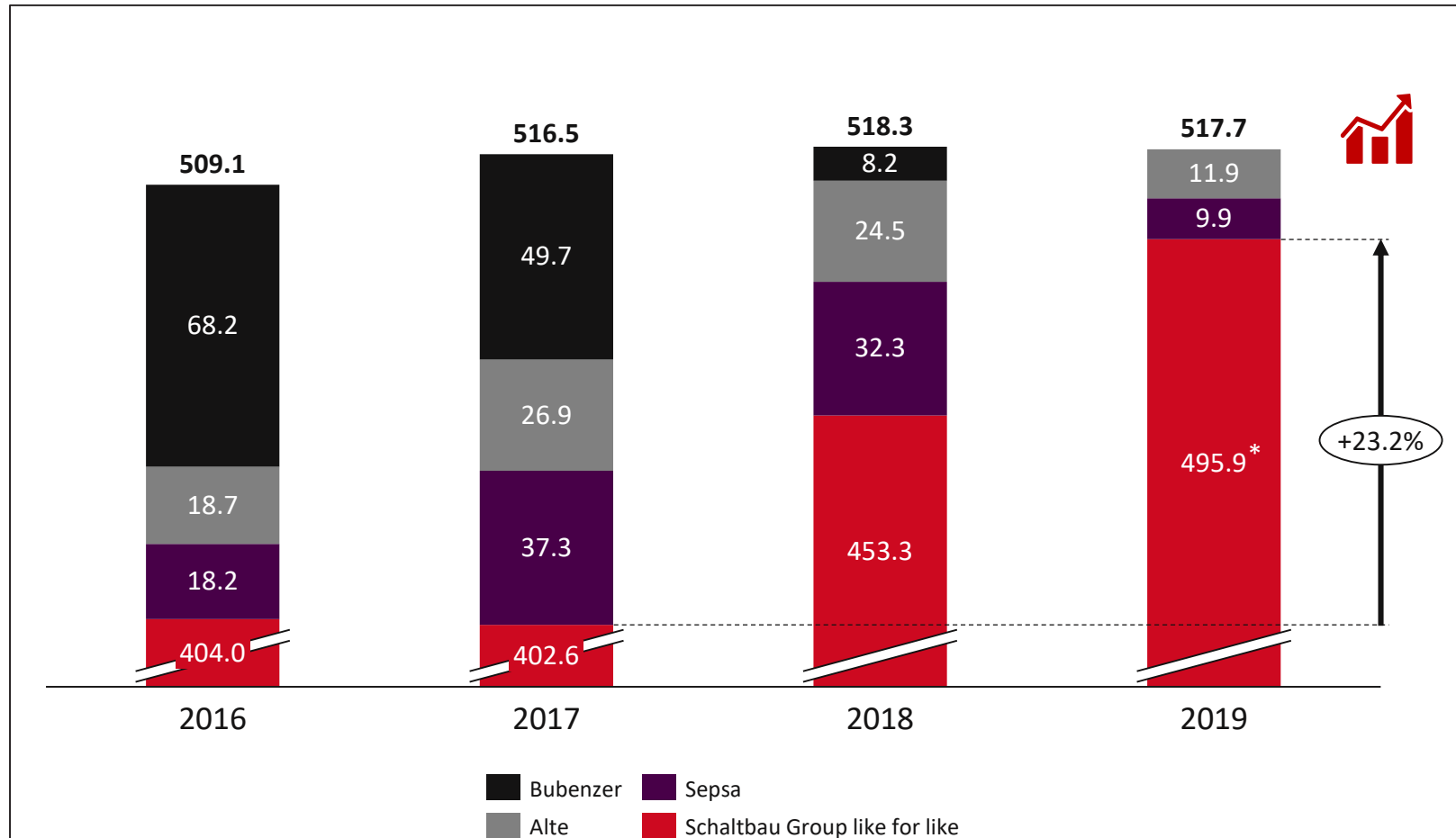


**Operating guidance for FY 2019 achieved at top end**

\* Like for like and before exceptional items



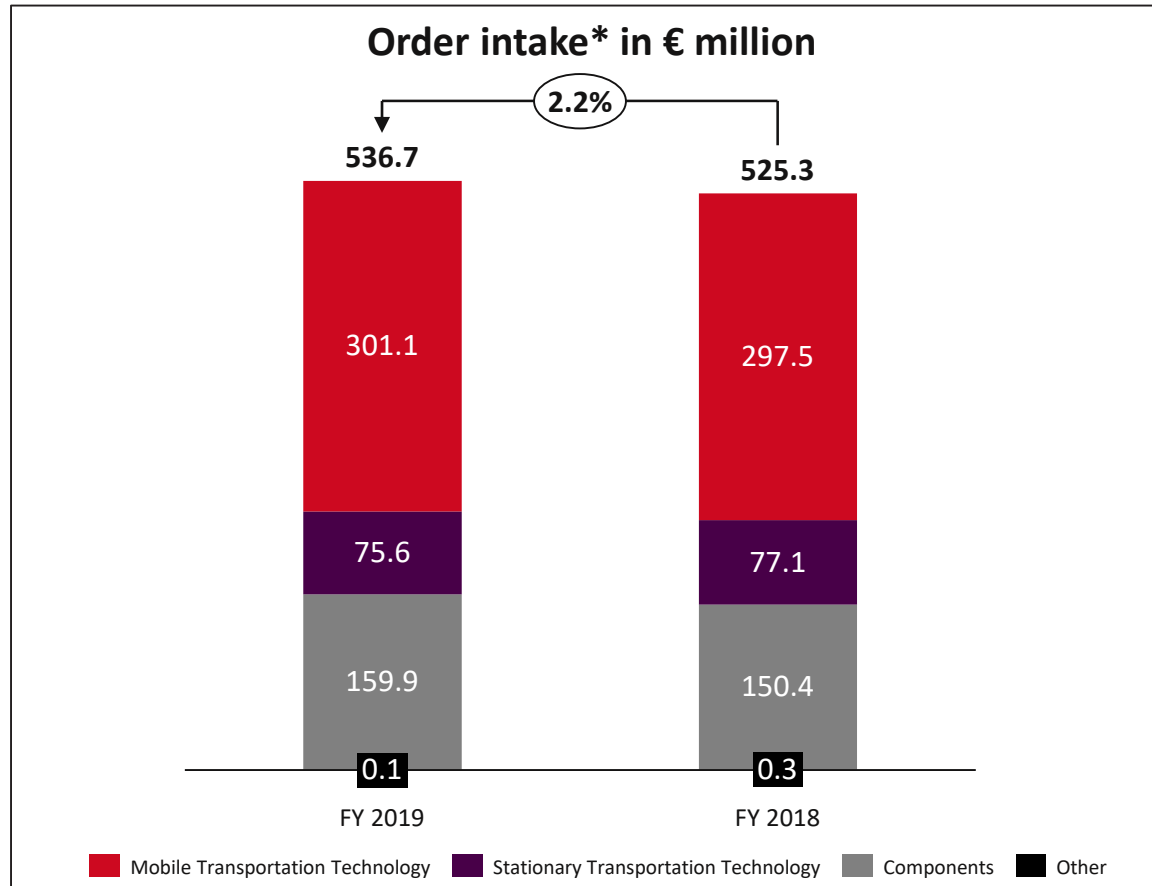
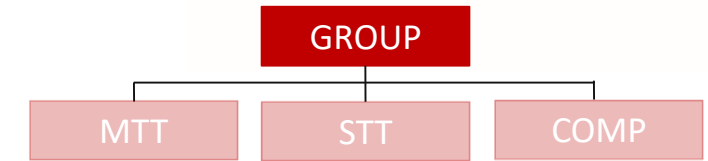
## Strong organic growth in sales over the last two years



- Strong organic growth 2017 to 2019 by 23.2 % without Alte, Sepsa and Pintsch Bubenzer
- Loss of sales from divested subsidiaries (around € 120 million) was compensated by organic growth

\* Like for like before exceptional items

## Order intake remains at a very high level



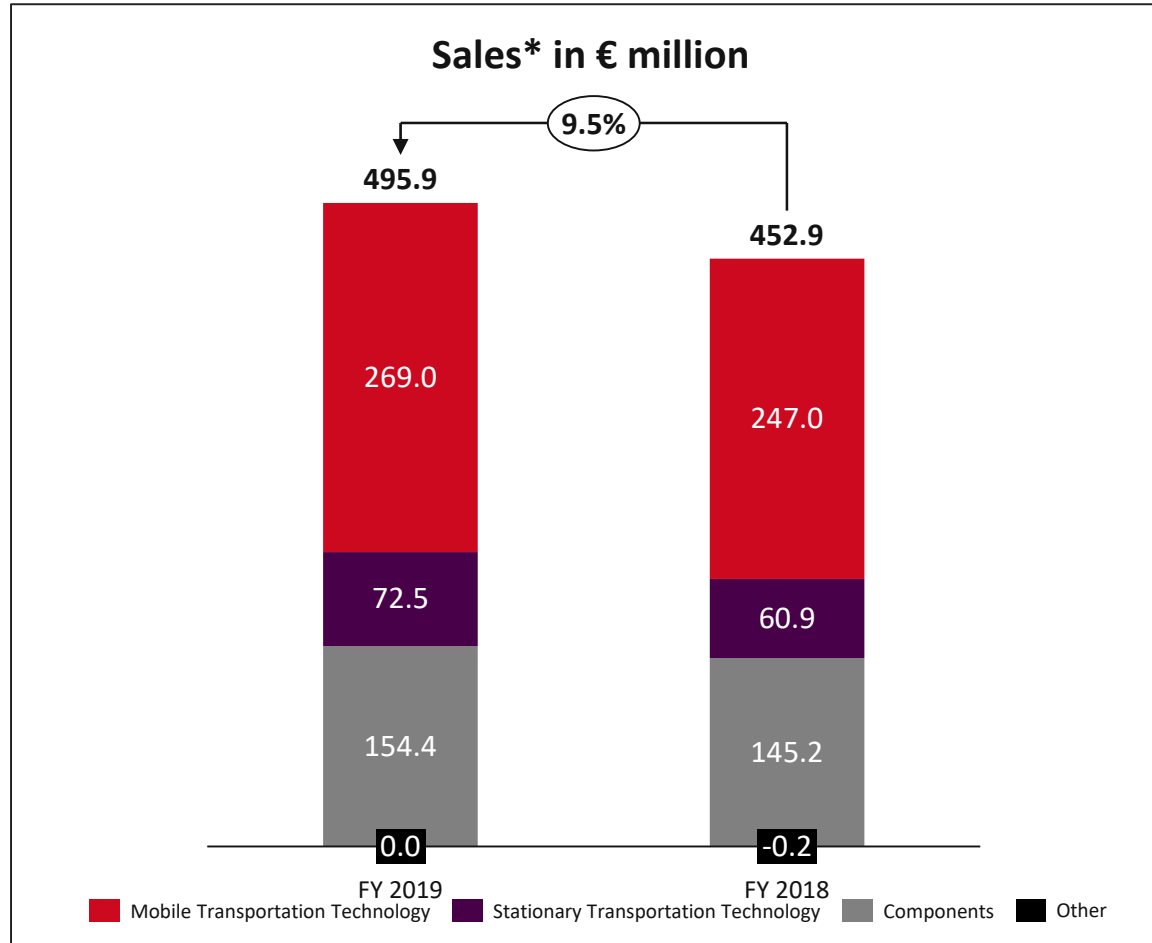
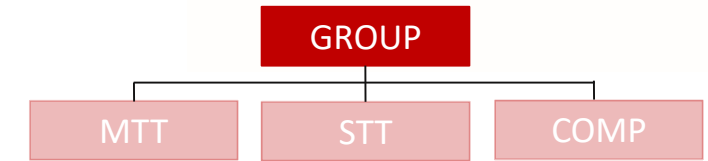
- Solid order intake\* of € 536.7 million in FY 2019
  - Order intake in Mobile Transportation Technology up by 1.2% vs. prior year
  - Components up by 6.3% vs. prior year, primarily driven by strong demand for electronic components in rail markets
  - Stationary Transportation Technology slightly down by -1.9% vs. prior year, but in line with expectations
- Order book\* end FY 2019 of € 492.9 million, up 10% vs. € 447.9 million end FY 2018

\* Like for like and before exceptional items





## Organic sales growth of 9.5% vs. prior year with all segments contributing

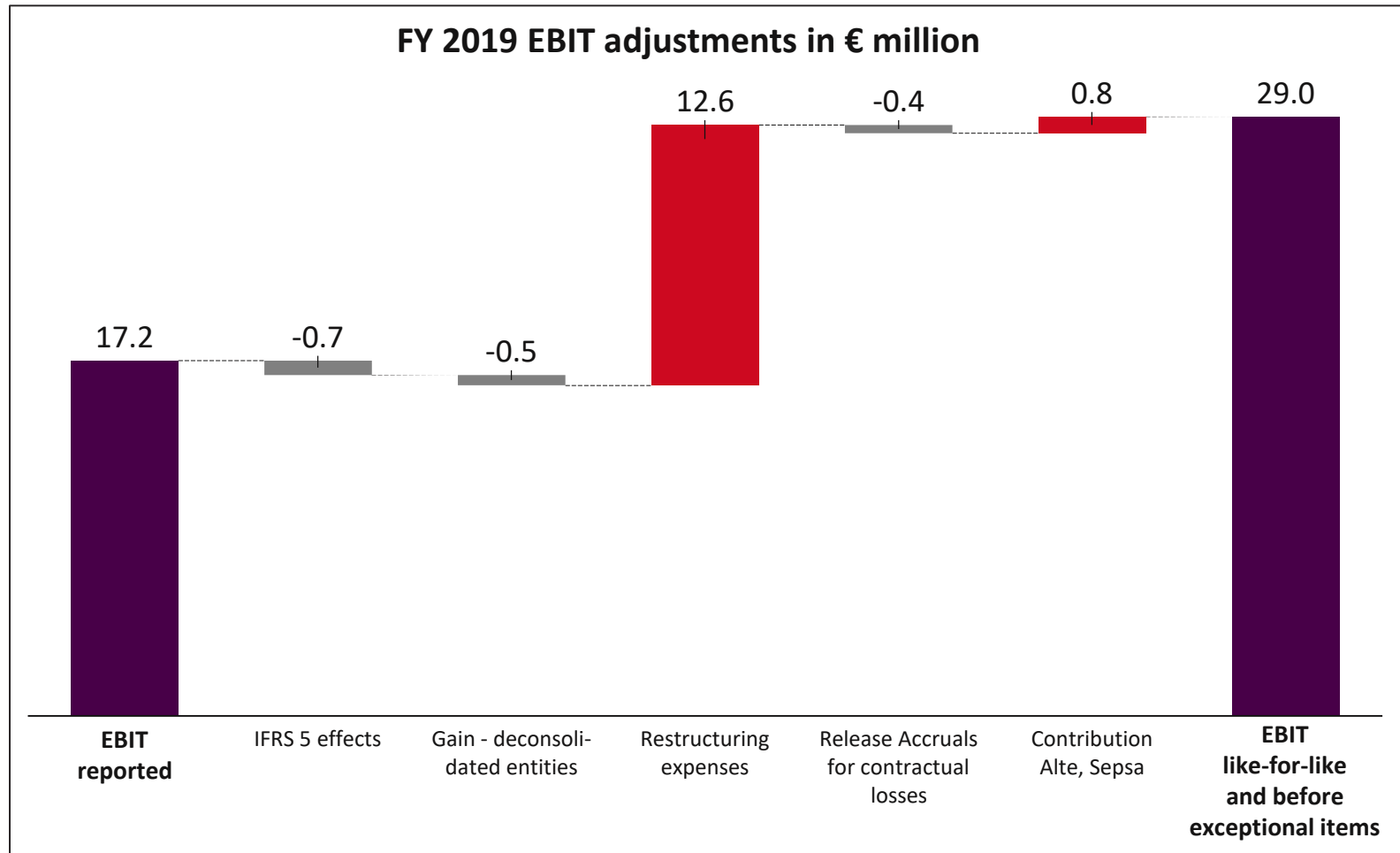
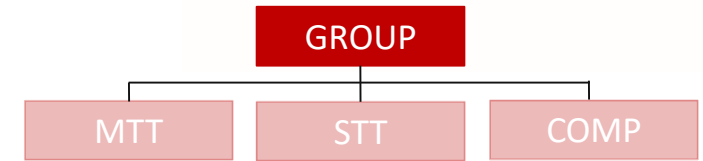


- Sales\* growth by 9.5% vs. FY 2018, increase of € 43.0 million
  - Significant volume increase in Mobile Transportation Technology mainly driven by Bode Germany, Rawag and Bode North America due to ramp-up of several rail OEM projects. In addition strong growth of SBRS in 2019.
  - Sales in Stationary Transportation Technology increased by € 11.6 million vs. FY 2018 mainly resulting from one-off platform screen doors sales and high demand for axle counting systems.
  - Components up by € 9.2 million due to high demand for contactors and components for drivers desks.
  
- Sales split:
  - Germany 37%
  - Rest of Europe 45%
  - Rest of world 18%

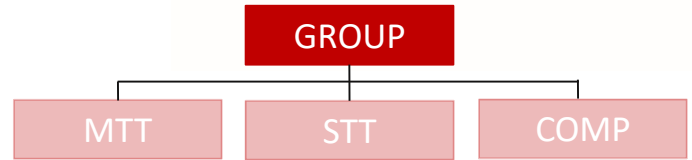
\* Like for like and before exceptional items



## FY 2019 EBIT impacted by restructuring expenses of € 12.6 million

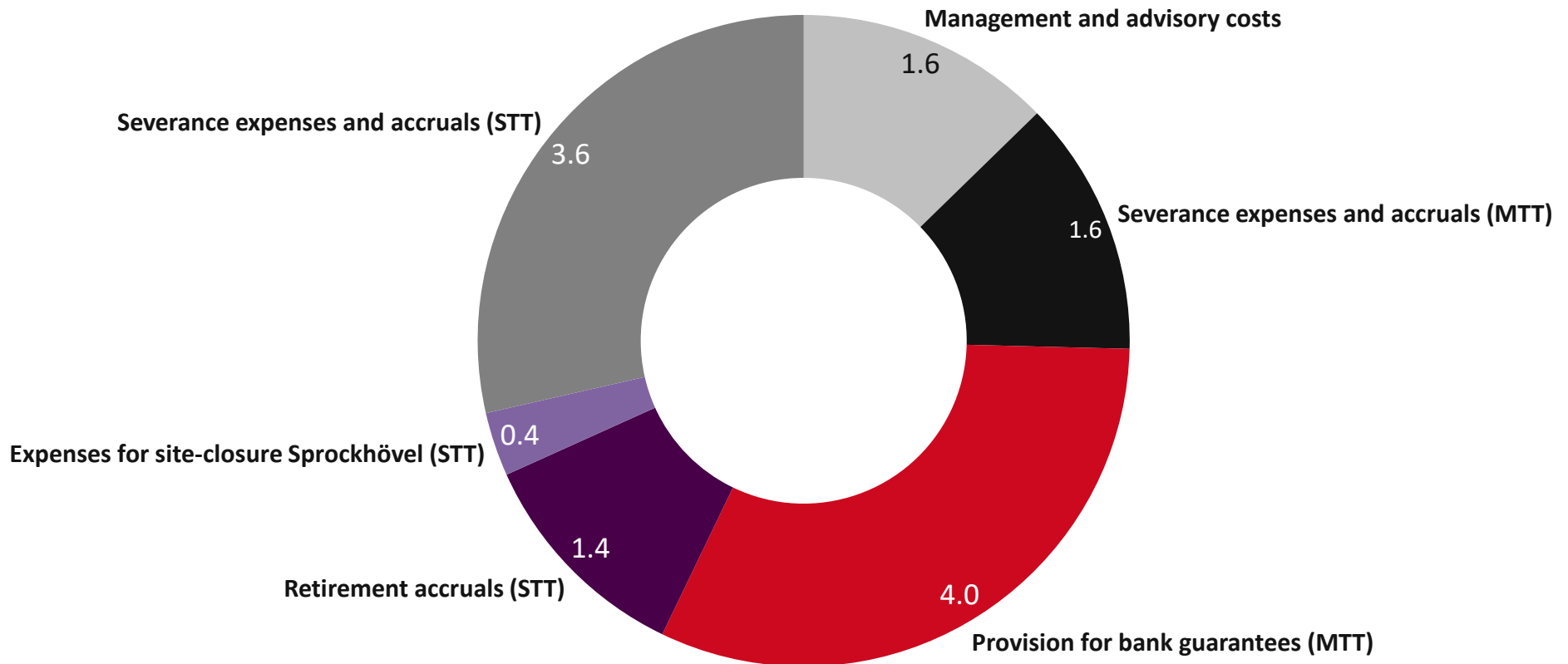


- EBIT reported FY 2019 at € 17.2 million
- Adjustments include restructuring expenses and some minor accounting items
- EBIT like-for-like and before exceptional items at € 29.0 million



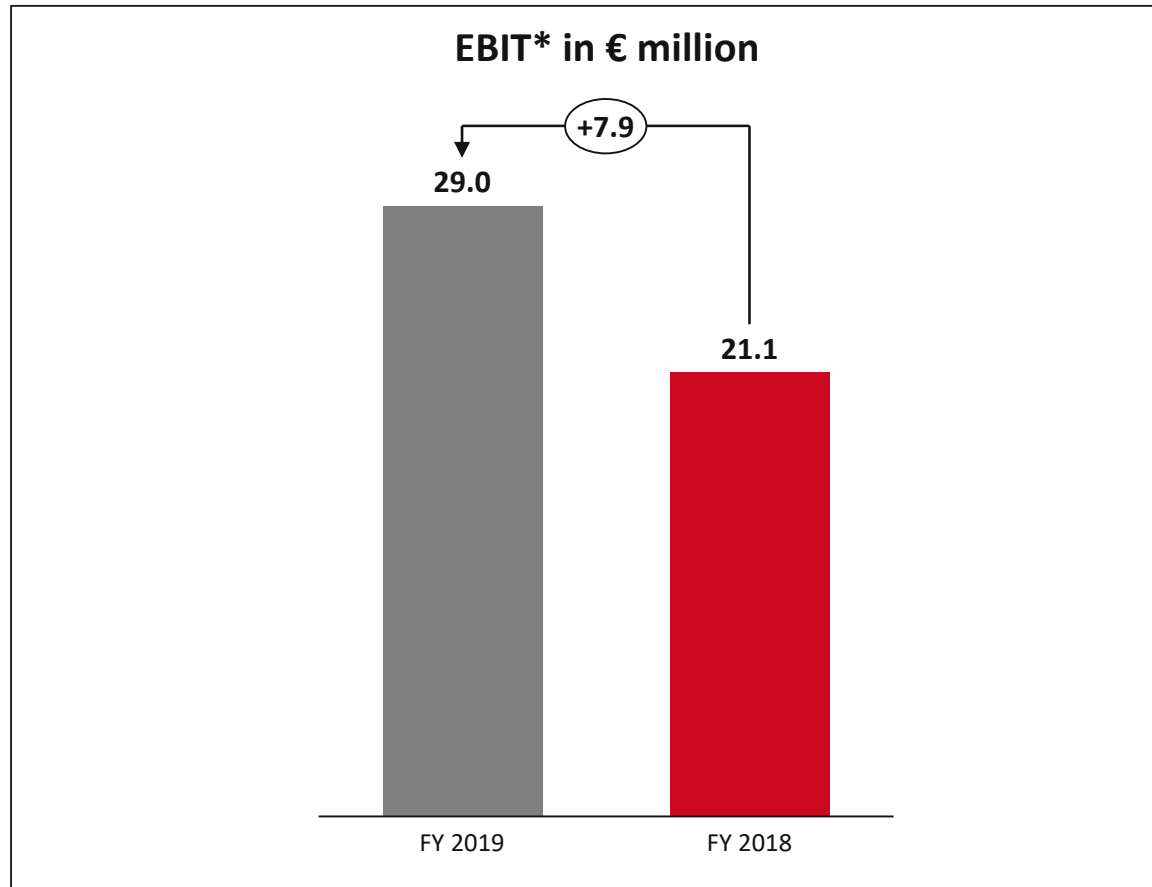
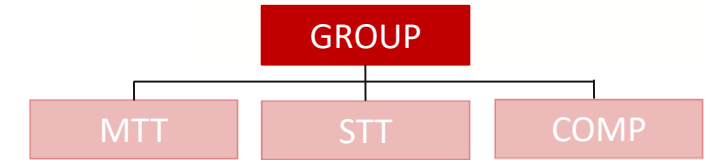
## Analysis restructuring expenses of € 12.6 million

FY 2019 restructuring expenses in € million





## Significant EBIT improvement vs. FY 2018

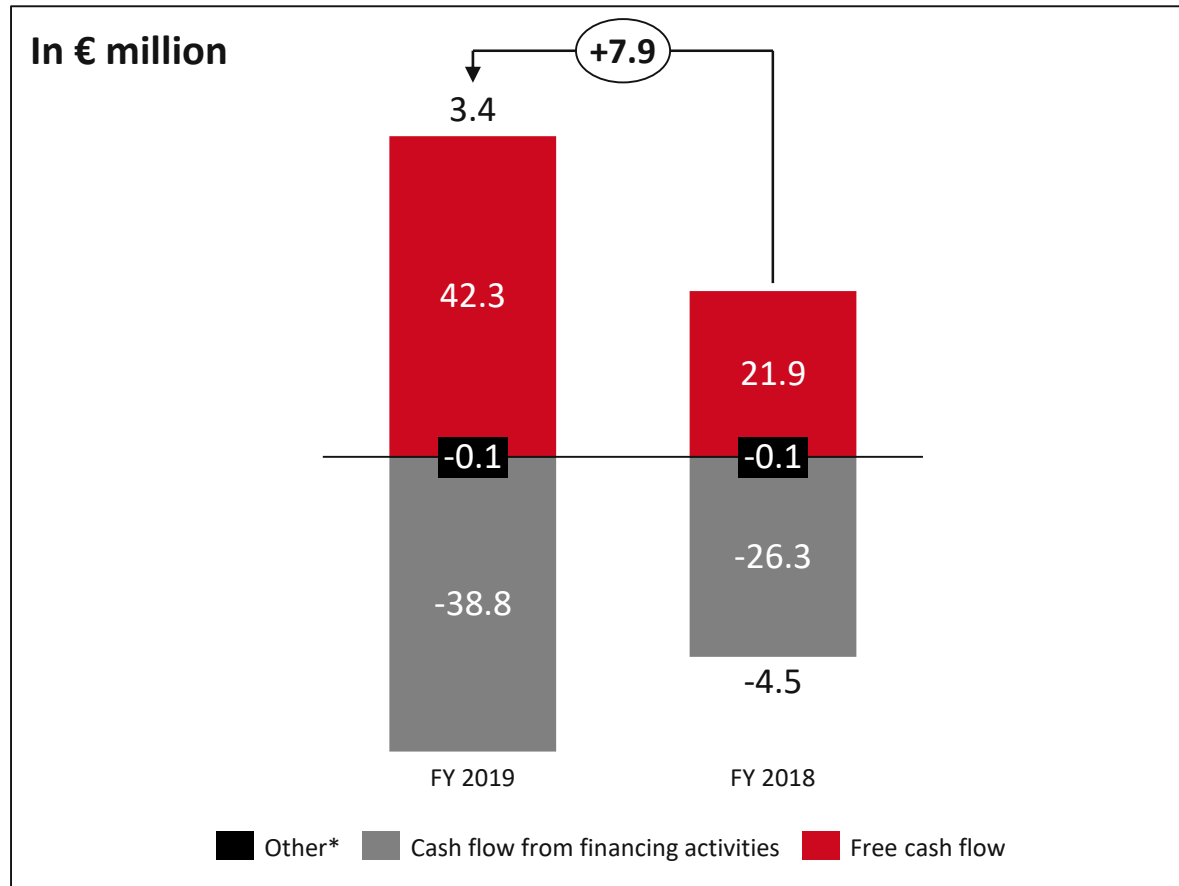
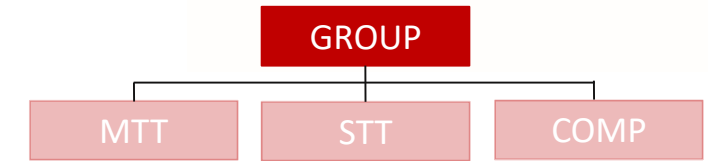


- EBIT increased by € 7.9 million vs. FY 2018.
- EBIT improvement mainly caused by
  - Sales volume increase across all segments
  - Positive EBIT impacts in Mobile Transportation Technology and Stationary Transportation Technology due to a favorable sales mix
  - Significant performance improvements at Rawag, Bode North America, Bode UK and SPII

\* Like for like and before exceptional items



## Cash flow in FY 2019 affected by positive business development and factoring programme



\* Includes change in cash funds due to exchange rate fluctuations

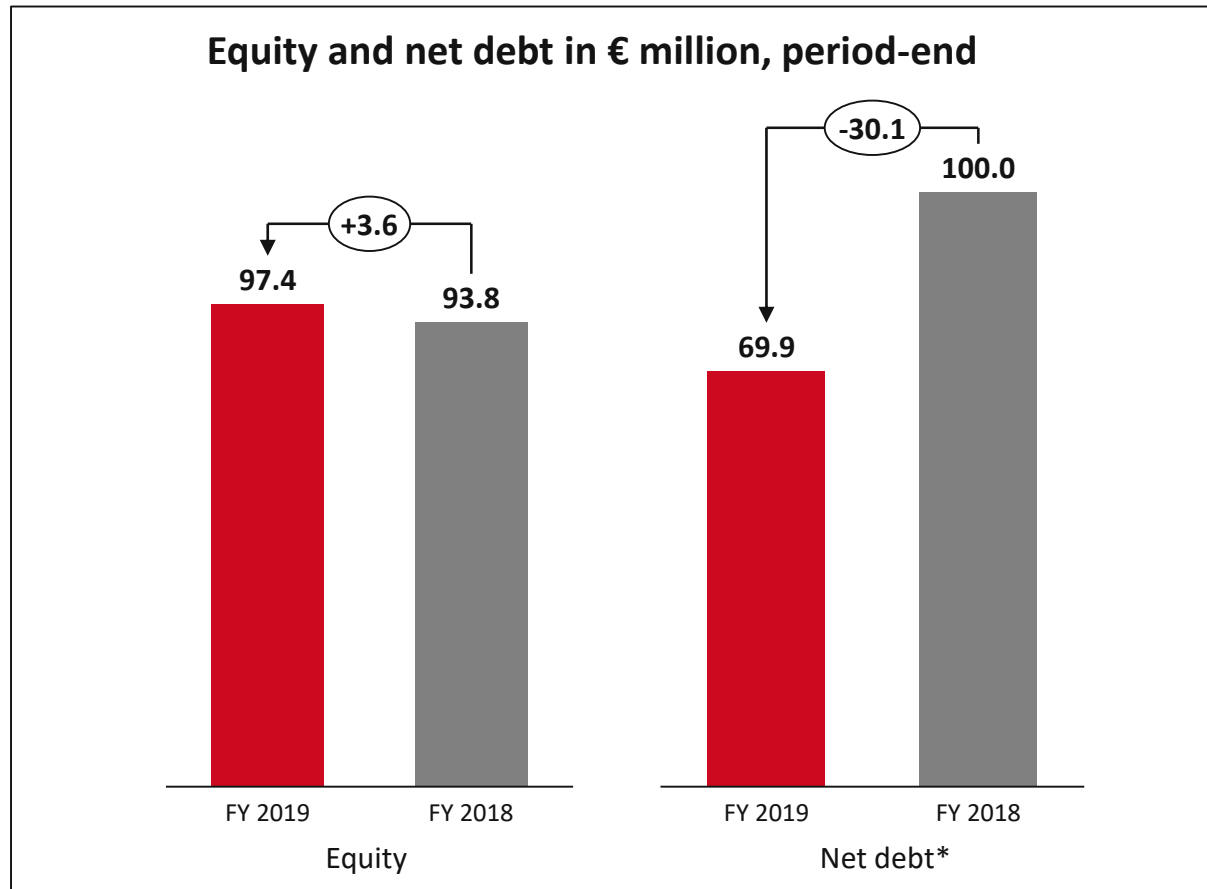
- Positive free cash flow in FY 2019
  - Positive cash flow from operating activities mainly due to positive EBIT contribution as well as utilisation of factoring programme
  - Cash flow from investments at € 20.6 million
  - Positive free cash flow in prior year significantly impacted by inflow from sale of Pintsch Bubenzer and release of funds from an escrow account
- Financing cash flow in FY 2019 mainly reflects
  - Promissory note repayment € 56.5 million
  - Higher interest payments vs. prior year
  - Loan repayment € 8.5 million
  - Negative € 1.5 million cash outflow due to deconsolidation of Alte and Sepsa
- Financing cash flow in FY 2018 impacted by cash-in from capital increase and significant loan repayments



GROUP

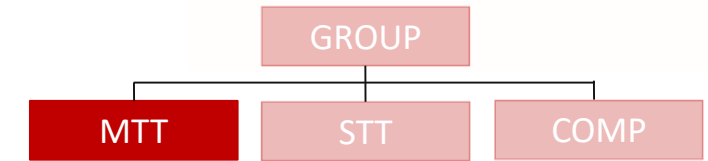


## Equity slightly higher, net debt decreased strongly



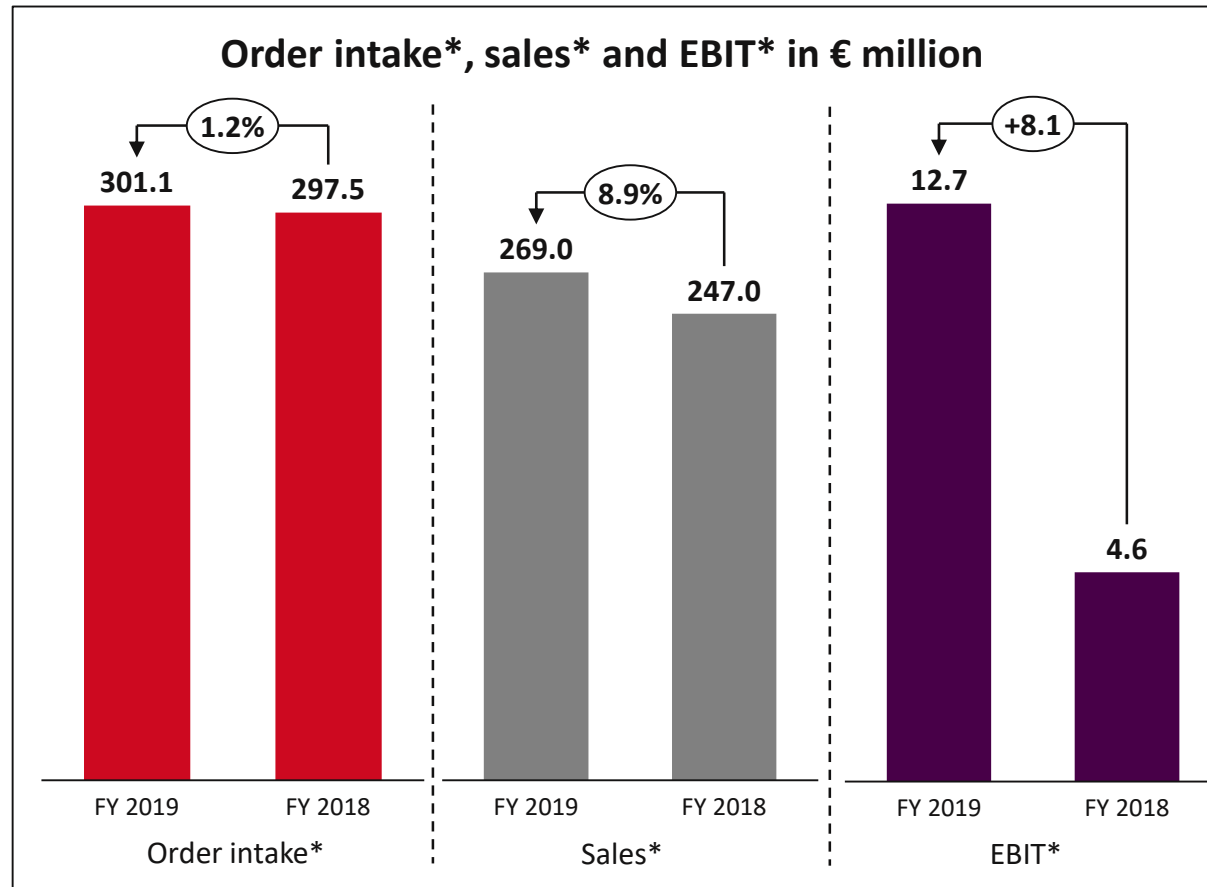
- Equity increases by € 3.6 million vs. year-end 2018 due to net profit in 2019
- Strong decrease of net debt by € -30.1 million in FY 2019 mainly driven by:
  - working capital reduction in FY 2019 due to implementation of factoring programme
  - Promissory notes repayment of € 56.5 million in 2019

\* Lease liabilities are not included



## Mobile Transportation Technology

### Order intake, sales, EBIT with positive trend



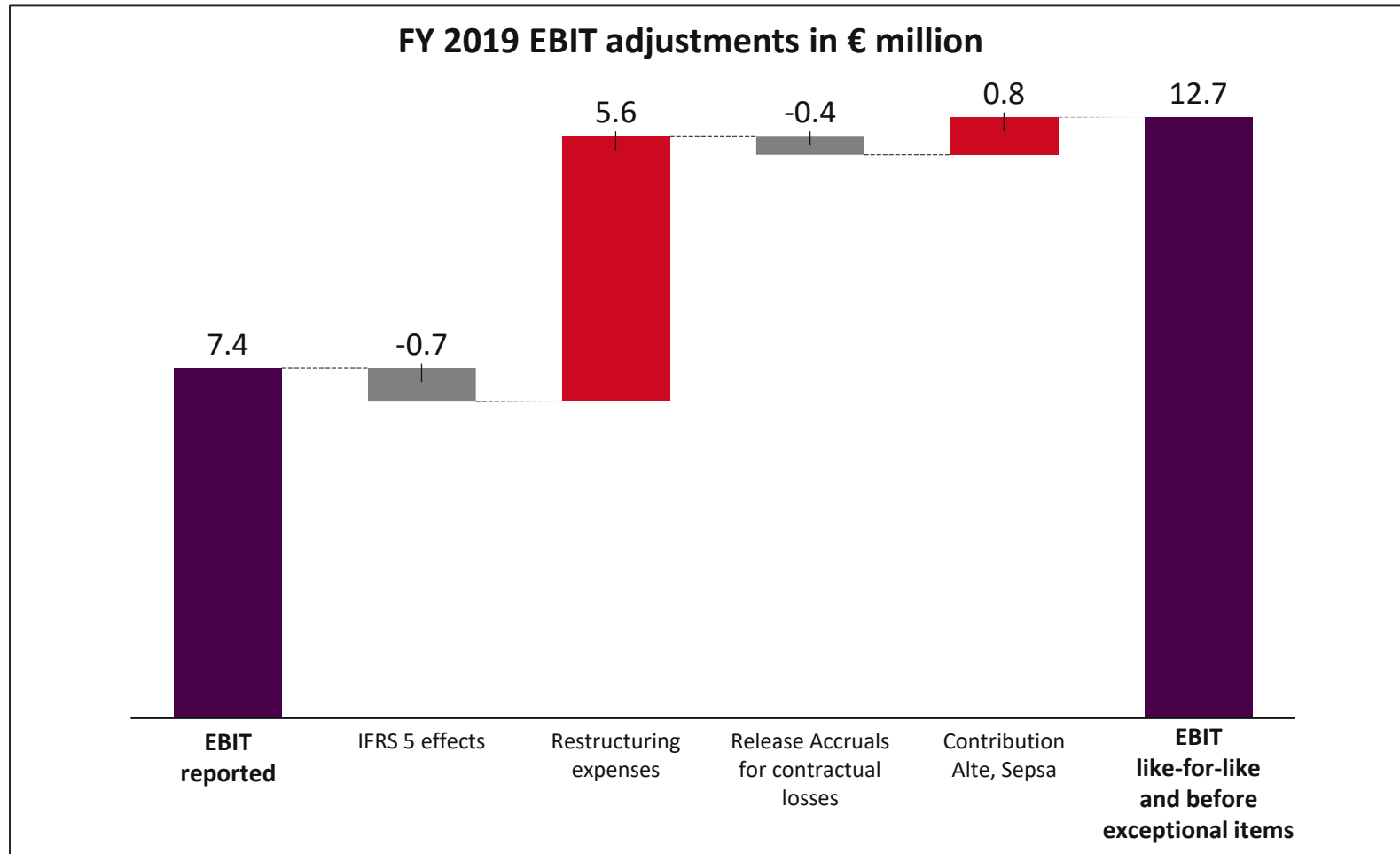
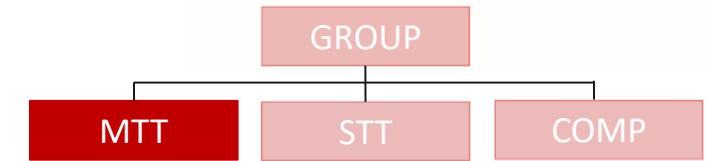
- Order intake\* slightly up by € 3.6 million
- Strong organic sales\* growth mainly at Bode in Kassel, Polish Rawag and Bode US
- EBIT\* increased by € 8.1 million to € 12.7 million due to:
  - Bode Germany, Rawag, Bode UK and Bode North America each with positive EBIT development mainly driven by higher sales and better project mix
  - Improvements in productivity, direct and indirect material savings

\* Like for like and before exceptional items



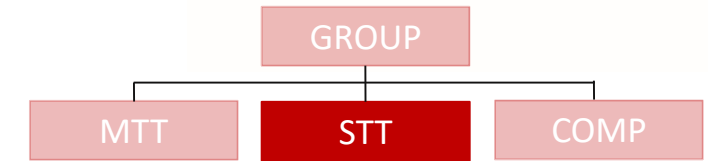
## Mobile Transportation Technology

### EBIT Reconciliation



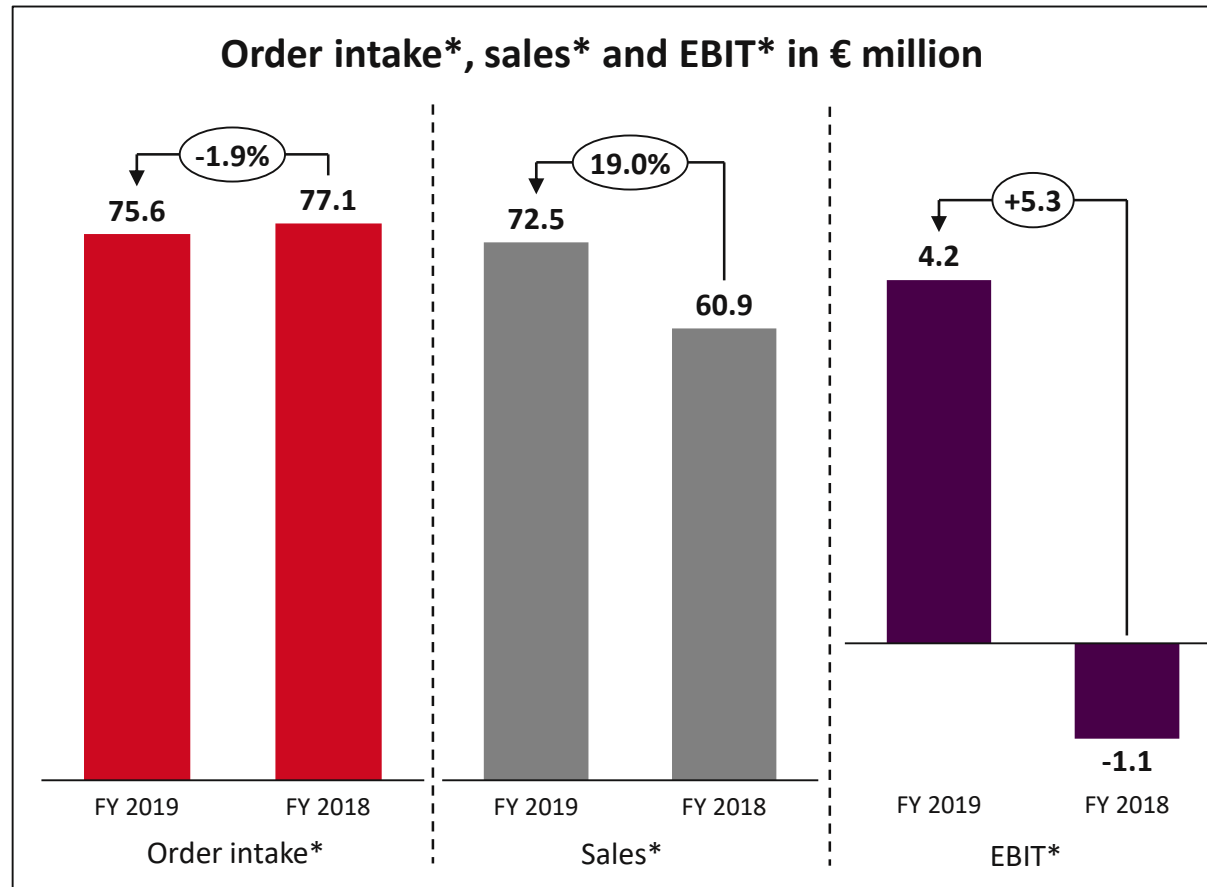
- EBIT reported FY 2019 at € 7.4 million
- Like-for-like and before exceptional items by restructuring expenses, IFRS 5 effects and gains from release of accruals at € 12.7 million
- Restructuring expenses include provisions for bank guarantees and expenses for restructuring accruals





## Stationary Transportation Technology

### Strong sales and EBIT performance in FY 2019



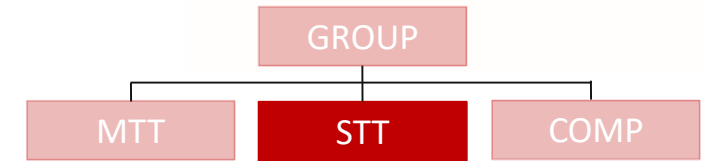
- Order intake\* down € 1.5 million vs. prior year
  - FY 2018 was impacted by significant order for a train formation unit
  - Several delays of project awardings, in particular by Deutsche Bahn
- Significant sales\* increase of € 11.6 million
  - Sale of PSD material (Sao Paulo) mainly in Q1 2019 as a result of renegotiations
  - high demand for axle counting systems
- EBIT\* at € 4.2 million up by € 5.3 million
  - Positive EBIT effects resulting from higher sales volume
  - Improved project mix
  - Realisation of cost reduction measures

\* Like for like and before exceptional items

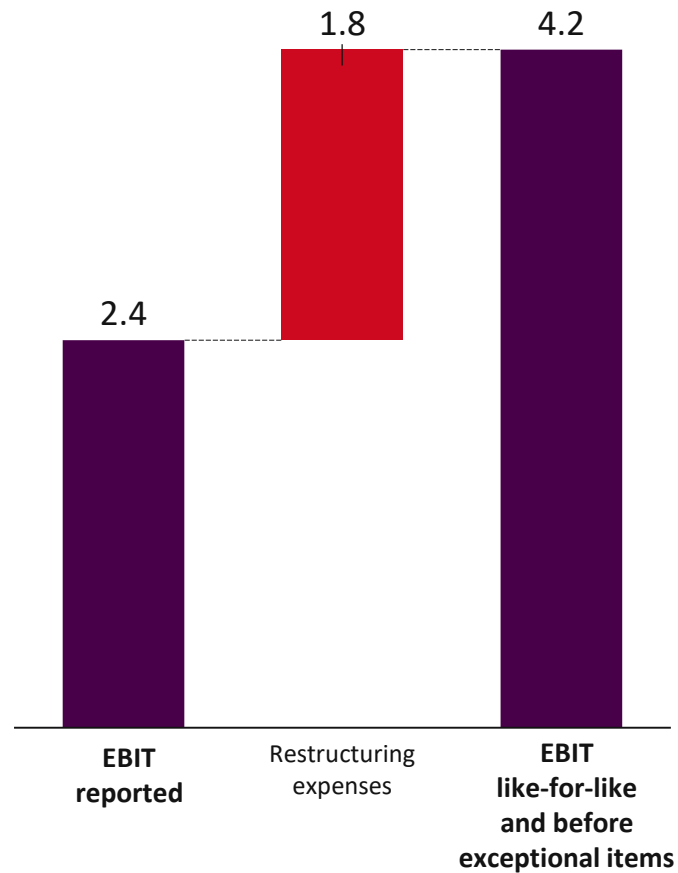


## Stationary Transportation Technology

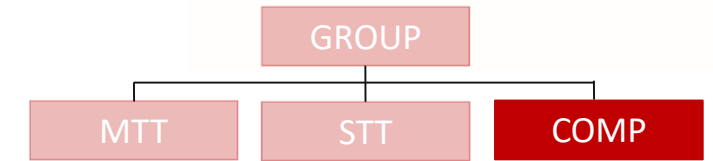
### EBIT Reconciliation



FY 2019 EBIT adjustments in € million

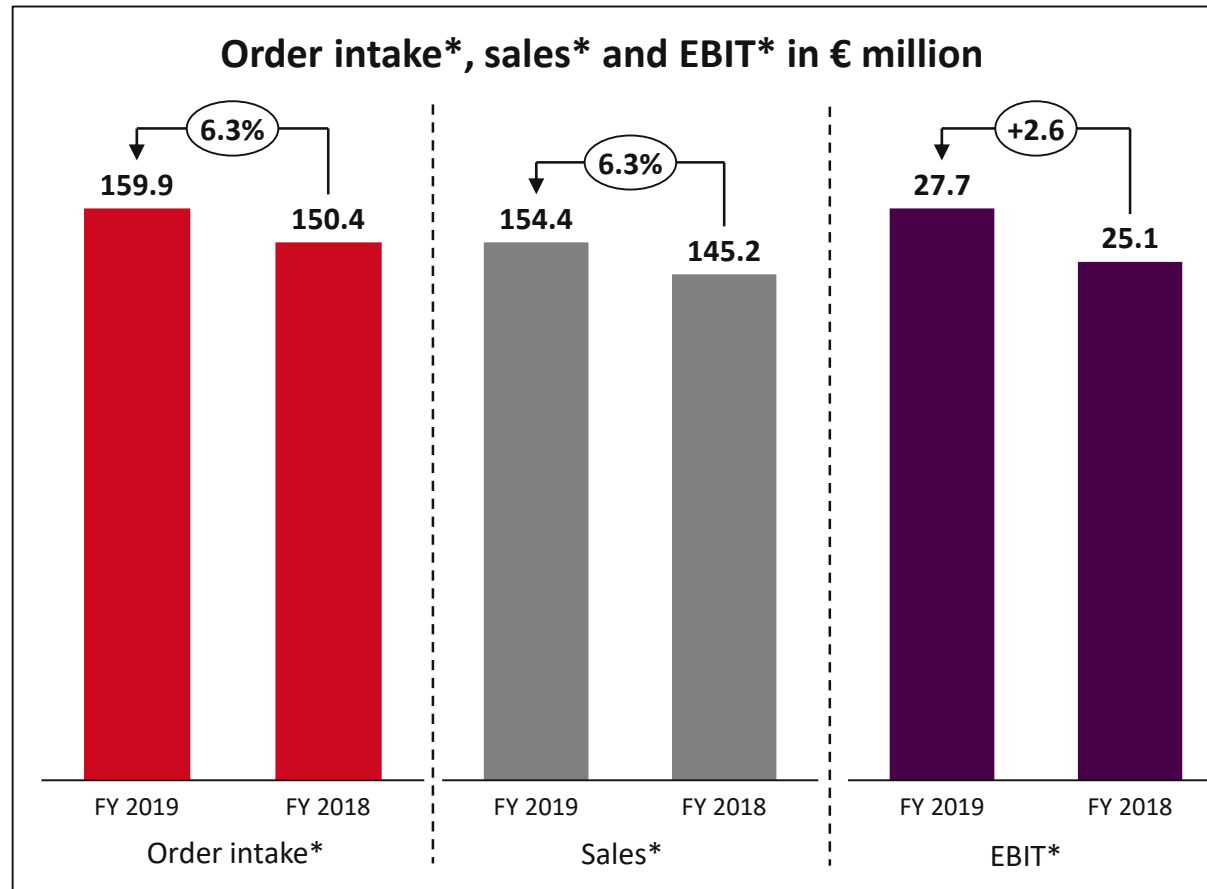


- EBIT reported FY 2019 at € 2.4 million
- Restructuring expenses include expenses for site-closure and accruals for partial retirement agreements
- EBIT like-for-like and before exceptional items at € 4.2 million



## Components

### Strong performance in FY 2019



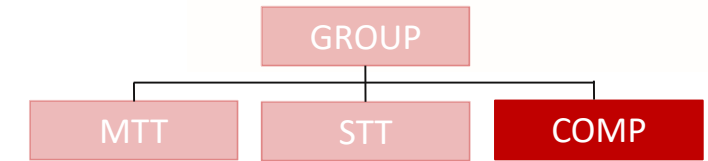
- Order intake\* in FY 2019 primarily driven by strong demand for electronic components in rail markets
- Sales\* improved by € 9.2 million, reflecting a continuing strong demand across nearly all product groups
- EBIT\* remains at a high level; improved EBIT-margin at 17.8% (previous year: 17.2%)

\* Like for like and before exceptional items

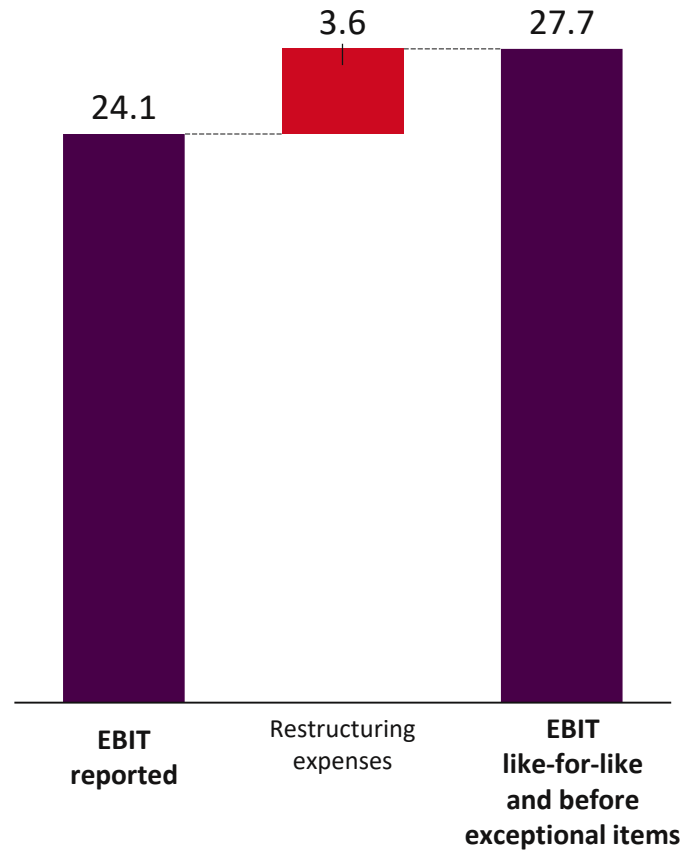


## Components

### EBIT Reconciliation



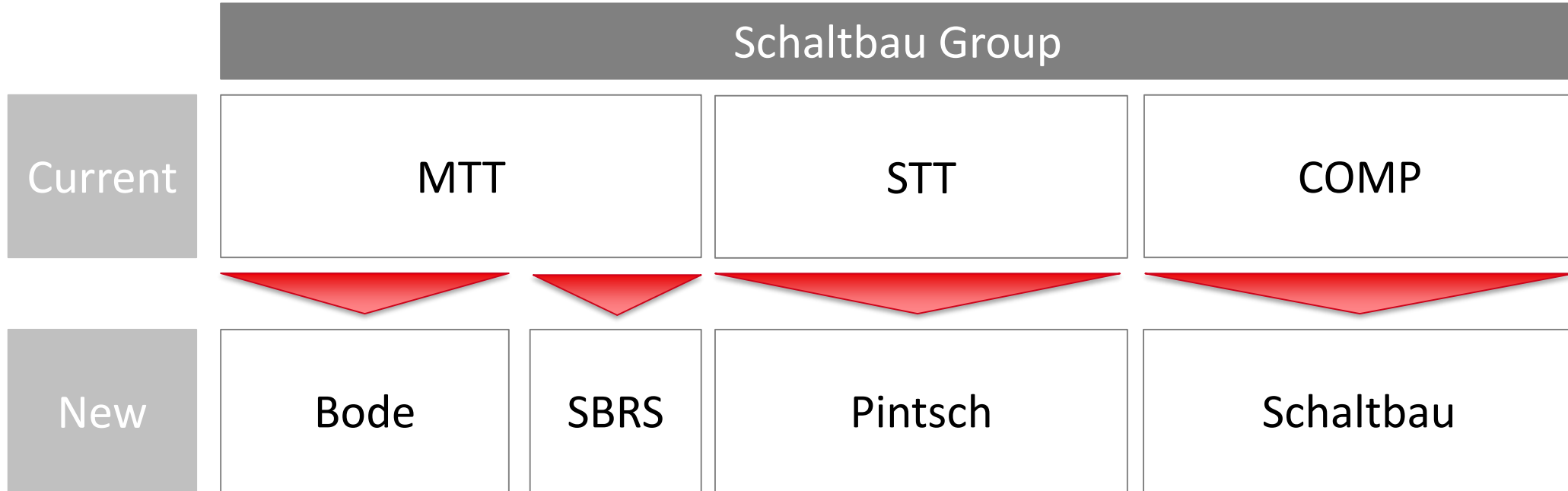
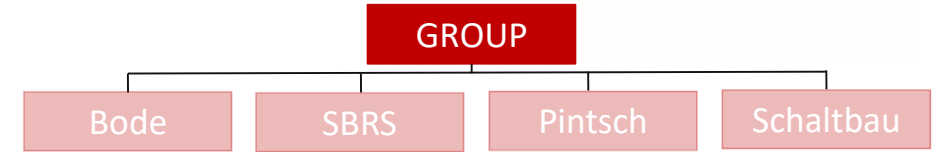
FY 2019 EBIT adjustments in € million



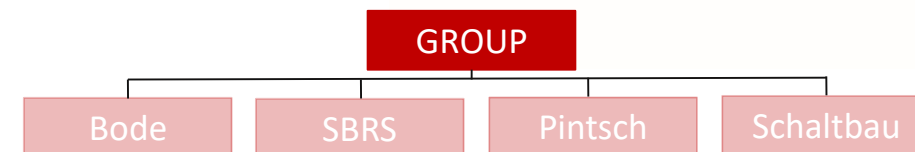
- EBIT reported FY 2019 at € 24.1 million;
- Restructuring expenses include expenses for restructuring accruals
- EBIT like-for-like and before exceptional items at € 27.7 million



# Change in segment reporting according to IAS 8 from FY 2020 onwards



## Guidance FY 2020



- The expected effects from the COVID-19 pandemic are reflected in the current guidance for the FY 2020. This estimate also takes into account information after the end of the financial year.
- The further development of the spread of the COVID-19 pandemic and consequences for the business development of Schaltbau are constantly monitored.

Outlook (in € million)	Original szenario FY 2020 (before COVID-19 impact)	Outlook FY 2020
Order intake	520 – 540	520 – 540
Sales	520 – 540	460 – 500
<i>Bode (MTT without SBRS)</i>	Moderate increase	Moderate decline
<i>SBRS</i>	Strong increase	Strong increase
<i>Pintsch (STT)</i>	Moderate increase	Stable
<i>Schaltbau (COMP)</i>	Strong increase	Moderate decline
EBIT margin	6 % – 7 %	4 %

## Reclassification of COVID-19 as a pandemic disease in early March



- Management is in ongoing discussions with experts about potential scenarios and the most recent developments
- Decentralized responsibilities at local subsidiaries
- Permanent reporting and updating of decentralized action plans in very close coordination with holding company
- Health protection of our employees is our highest priority
- Large number of internal measures and suggestions ensures work capacity and availability are maintained
- Up to now, we have faced some delays within the supply chain as well as delivery and production difficulties, especially during February in China, and now also more and more in Europe

*[For further information please refer to item (37) "Events after the end of the reporting period" of the notes to the consolidated financial statements 2019]*

## Leading experts in Rail & Road, New Mobility, New Energy and New Industry



Schaltbau GmbH has been a global leader in the development and manufacture of electromechanical components for rail technology and industry since 1929 and is increasingly occupying the young markets of New Energy and New Mobility.



Bode is one of the world's leading suppliers of innovative door and access systems for trains, buses, commercial and electric vehicles and the number one in Europe.




PINTSCH stands for safety and availability in national and international rail traffic. As a manufacturer of safety-relevant products for railway infrastructure PINTSCH focuses on the provision of systems, components and services.




SBRS focuses on the resource-saving complete and partial modernization of trains, including service, as well as sustainable fast-charging technology for electric vehicles, such as e-buses or commercial vehicles.




# Attractive base in Rail & Road and specific sweet spots in future growth markets




**SCHALTBAU**  
Connect Contact Control



**SBRS**  
Efficiency First



**BODE**  
Die Tür

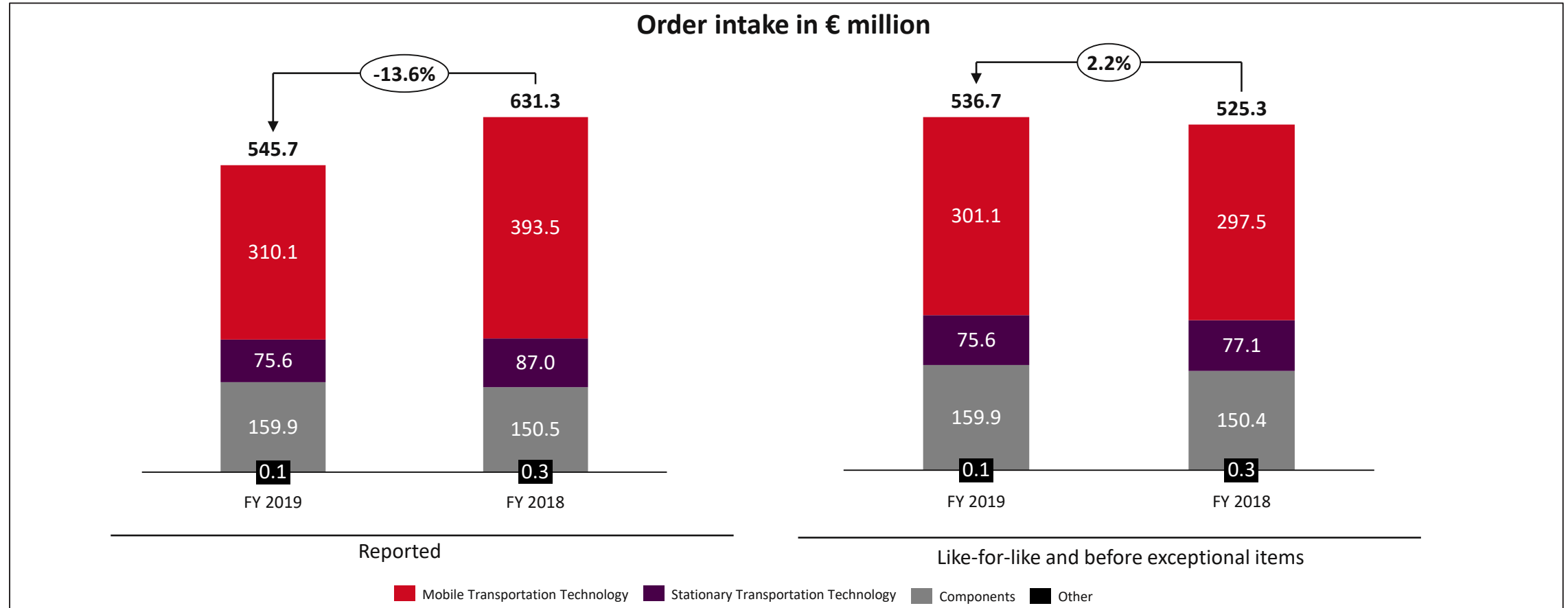


**PINTSCH**  
Safety for Rail



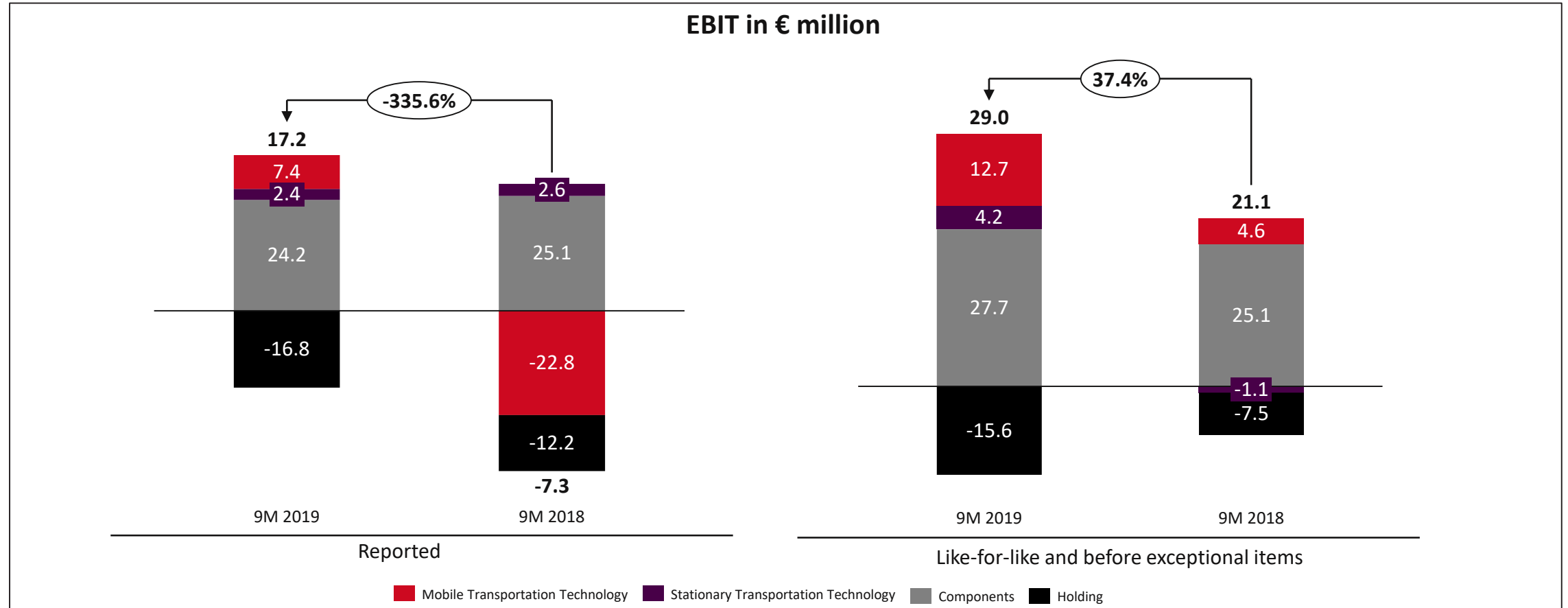


## Order intake





## EBIT



## Financial calendar and contact details

### Upcoming events:

- **31 Apr** First Quarter Interim Report
- **25 May** Annual General Meeting
- **30 Jul** Half-Year Financial Report
- **29 Oct** Nine-Months Interim Report

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