

Schaltbau Holding AG

Eigenkapitalforum
Investor Presentation

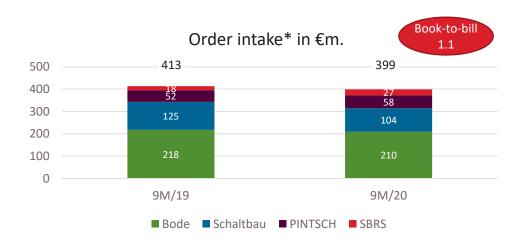
16 November 2020



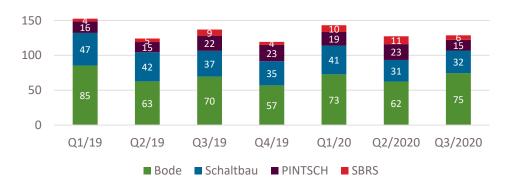
1. Executive Summary

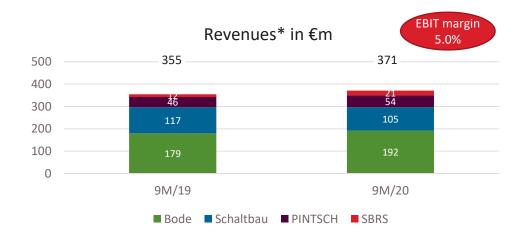
Solid development in light of COVID-19 (1/2)



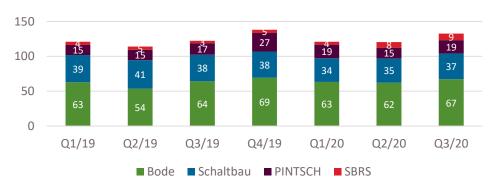


Order intake* in €m.





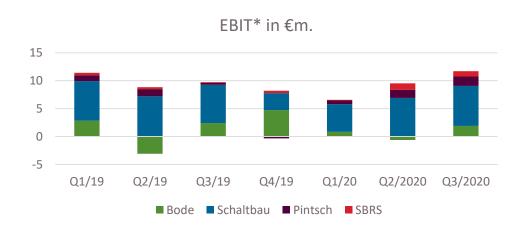
Revenues* in €m



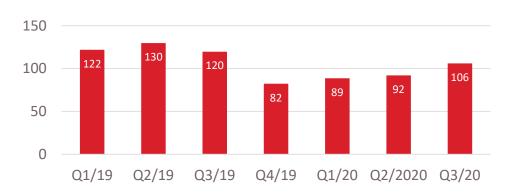
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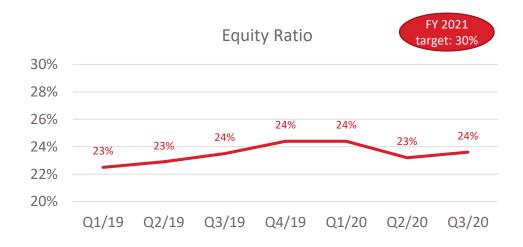
Solid development in light of COVID-19 (2/2)

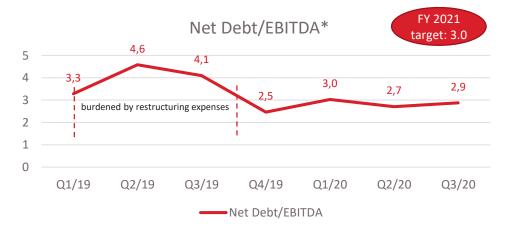




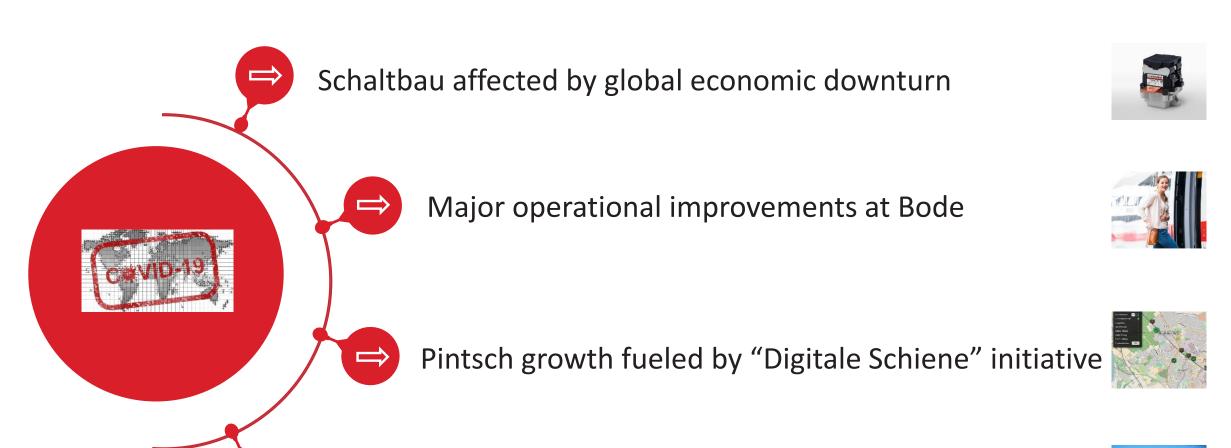








Business situation with non-uniform COVID-19 impact



SBRS expands leading market position for DC-charging



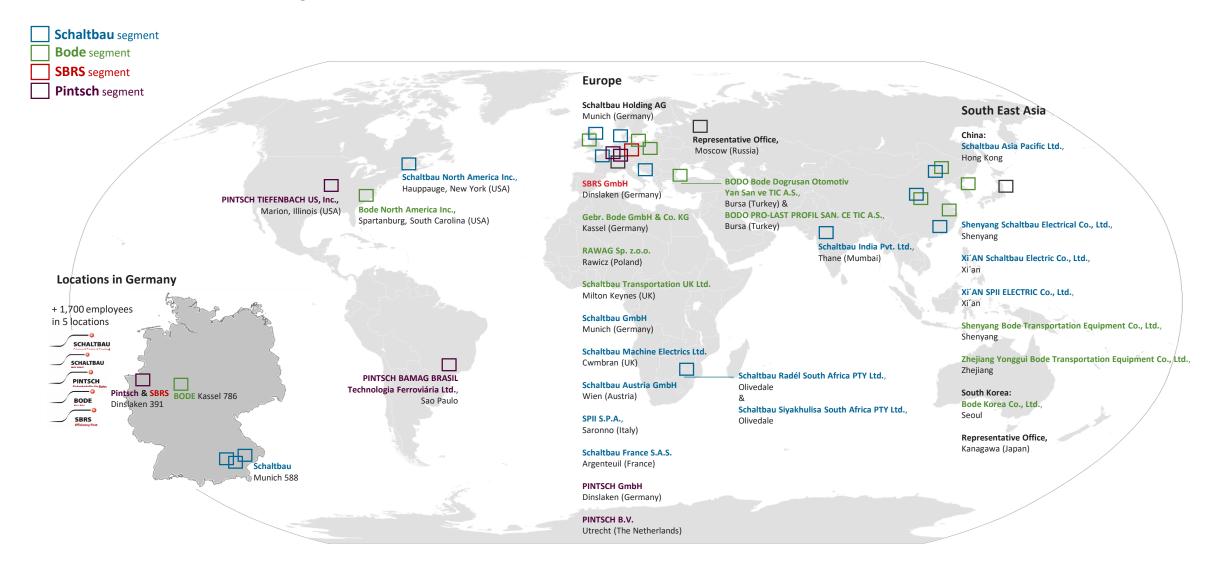
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2. Business Overview

Global footprint





Transitions in the composition of the Executive Board with strategic continuity



Dr Albrecht Köhler CEO (until 31/12/2020)



Dr Jürgen Brandes
Board Member &
designated CEO
(from 01/01/2021)

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Volker Kregelin
Board Member



Prof. Dr Thorsten Grenz
Interim CFO
(Steffen Munz designated CFO from 01/03/21)

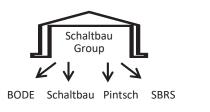
Recent material events and transactions (FY 2020)





Structural changes

- Change in segment reporting; strenghtening of sub-brands
- Initial consolidation of Schaltbau India with effect from January 1, 2020
- Deconsolidation of Pintsch Brasil in June 2020







Financial performance

- 9M figures are significantly influenced by COVID-19 pandemic
- Order intake of € 399.1 million, down by € 14.3 or 3.5% vs. 9M 2019; Book-to-bill ratio at 1.1; order book end September 2020 at € 509.9 million vs. € 508.0 September 2019
- Sales volume at € 370.8 million, increased by € 16.2 million or 4.6% vs. 9M 2019
- EBIT at € 18.7 million vs. € 15.7 million 9M 2019

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Credit line of syndicated loan agreement increased by € 60 million to € 172 million





Governmental changes

- Dr Jürgen Brandes was appointed to the Executive Board on March 4, 2020, effective April 1, 2020.
- Thomas Dippold (former Chief Financial Officer) resigned from the Executive Board on September 1, 2020.
- Prof. Dr Thorsten Grenz, was appointed as new interim Chief Financial Officer of Schaltbau Holding AG on September 1, 2020. His Supervisory Board mandate will be suspended in the meantime.



Environment, Social and Governance (ESG)

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Five key areas for sustainable development at Schaltbau Group

Energy & Decarbonisation Product design & lifecycle management Product quality and safety Employee health & safety First greenhouse gas assessment to to be published for 2020 Resource-efficiency is considered in the design and R&D process QM certification in place/preparation (ISO 9001, IRIS, IATF) Several Group companies monitor employee wellbeing with surveys

Governance

Supply chain management Supplier code of conduct; rough risk analysis of the supply chain

Attractive markets – DC sweet spots for future growth









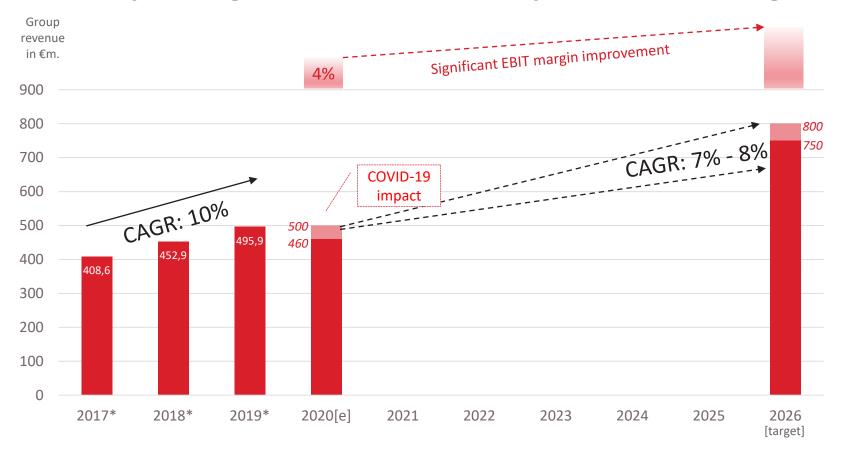
- ✓ Rail is and will remain a solid and strong foundation
- ✓ DC DNA allows for evolutionary steps towards new markets
- ✓ Clear plan for each segment
- ✓ Schaltbau Group today is ready to seize future opportunities



3. Mid-term Growth Potential

Exploiting mid-term revenue potential to outgrow markets





2026 targets

- **Moderate growth** of existing business
 - Rail & Bus
- Strong growth of new markets business
 - New Industry
 - **New Energy**
 - **New Mobility**

2026 targets

- Group revenue target: € 750 800m.
- Significant EBIT margin improvement



3. Mid-term Growth Potential



Profitable growth based on existing & new business

ca. 73 %

Plan 2026

7 %





		FC 2020		Plan 2026		
)	Schaltbau	7	ca. 6 % ↑ ↑	↑		
•	Bode	7		→	ca. 13 %	
	SBRS	7		↑		
	E-mo	bility				



 $\overline{\Box}$

Schaltbau

Bus

New E	nergy	ca. 3 /6	1	Ca. 7 /0
	FC		Plan 2026	
Bode	7	ca. 8 %	7	co 7 %
	_		-	ca. 7 %

Main drivers for profitability:

Bode:



- Address product and process complexities
- Exploit productivity advantages throughout existing locations (best cost country approach)

Schaltbau:



- → Significant throughput improvements in new plant
- Modular development approach for new applications

Pintsch:



Develop digital solutions to be part of the concept of "Digitale Schiene Deutschland"

SBRS:



 Expand on leading position for high power charging market niches

FC 2020

Solid existing business as growth base for new markets











- Solid basis for sustainable growth due to
 - leading international position as technology provider of components and systems for rolling stock, rail
 infrastructure, commercial road vehicles and other industrial applications
 - Excellent market positions in DC switching technology and in the field of entry systems for rolling stock
 - Excellent positioning to benefit from mega trends as a key technology provider for new applications:

New Energy / New Industry

- Energy generation & storage systems
- Smart grids / smart network control
- DC Industry concepts

New Mobility / E-Mobility

- Automotive / DC-mobility
- High power charging / Test facilities











Key strategic aspects for Bode segment

Continuous growth in Rail, especially on Regional Train platforms · Public transport is growing quickly – "Golden 20 – Twenties" Bode will reorganize and · Excellent product portfolio and customer relationship restructure itself -> zero-base approach + merging bus and rail Rail · Strong growth on existing platforms (i.e. Hitachi, Siemens, Stadler) · Continuous growth in after market business Closer cooperation and · Covid19 pandemic fuels demand for Bode Sensoric - BMU interaction with subsidiaries ("Purchasing-Hub") · Historic market share of around 50 % – restart in 2021/2022 Stabilization of bus business: · City buses to grow continuously – public transport relocation of client orders in bus Bus · Development of Coaches uncertain at this time business at existing sites · Focus on stabilisation and standardisation of products **Concentration of final assembly** · Turkish joint venture BODO with growth potential door leaves in Poland (RAWAG) Concentration of bus door business in Turkey (BoDo) · Phase-out of fittings business expected until 2025 **Automotive** Business for courier, express & parcel (CEP) services vehicles to grow again Automotive: phase-out of fittings; additional potential for delivery trucks (not vet anticipated in planning)

Key strategic aspects for Schaltbau segment







- Strengthen existing position in Railway in light of technological changes in this industry
 - Gain share in propulsion applications using DC technology as well as Permanent magnet drives
- Change the way of designing HMI solutions in cockpits using safe control electronic combined with ergonomic designs (SPII)

- **Expand position in new markets** (DC applications, DC industries, E-Mobility)
- Support change of energy generation distribution and consumption
- Leverage core competence in safe switching of direct current (DC), using modular design principles combined with process efficiency in the supply chain



4. Segments

Schaltbau NExT Factory – main project targets







Maximum flexibility of buildings and facilities regarding ...

- · New products and sales growth of individual product groups
- · New and more efficient technologies and processes i.e. in logistics



High transparency between the different functions (i.e. production-related office locations)
Meeting new customer requirements
(i.e. new test laboratories for automotive industry)



Third-party usability of the property



Increasing employee satisfaction via modern workplace design

- · Modern and functional factory design meets industry benchmark
- · Realization of a "showcase area" for attractive product presentation



ZERO-CARBON-FACTORY → resource efficiency & zero emissions SMART FACTORY → digital, autonomous, networked

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Key strategic aspects for Pintsch segment



Revise entire product portfolio and move it onto the digital track

Level crossings



- · Strong market growth due to "Digitale Schiene Deutschland" roll-out
- · Growth potential with components in the Netherlands
- · Leverage growth opportunities outside of core markets

Strong focus on growth

Interlocking



- · Strong market growth due to "Digitale Schiene Deutschland" roll-out
- · Growth potential in Europe
- · Increase in rail capacity leads to growing demand for interlockings
- · Leverage growth opportunities outside of core markets

Process optimization throughout the company

Reduce manufacturing costs

Track vacancy



- · Still a strong market, even in ETCS territories
- · New product portfolio opens up new opportunities
- · No dependency on single customers

Others

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- · Good market development for signalling related products like signals
- · Non signalling related product will be phased-out



Key strategic aspects for SBRS segment

Expand project business

Position as general contractor (turn-key)

Roll out in defined international markets

Strengthen cooperation with partners

Expand proprietary key-technology Component modernization Rail



Specialized companies, good product and customer relationships in DACH
Strong experience in mechanics, power and control electronics and software
Due to the heterogeneous operator structure, many customers, further potential in Central Europe

Complete modernization Rail



Specialized companies and OEM in DACH
Growth potential for ETCS introduction as most likely drivers
Strong experience in mechanics, power and control electronics and software
Defined number of customers with defined vehicle suppliers, further potential in Central Europe

Charging infrastructure with depot chargers



Focus on depot and bus stop fast charging in Germany
Potential: around 1,000 of 30,000 city buses in Germany have been converted to E-buses
Few turnkey providers, many customers due to the fragmented supplier market
Additional potential in Central Europe (Italy, UK) and USA

Charging infrastructure with fast chargers



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Few turnkey providers with fragmented supplier market Customized solutions for individual customer Additional potential in Central Europe (Italy, UK) and the USA

FY 2020 revenue forecast specified at upper end of range

The expected effects from the COVID-19 pandemic are
reflected in the current guidance for the FY 2020.

The further development of the spread of the COVID-19 pandemic and consequences for the business development of Schaltbau are constantly monitored.

Confirmation COVID-19 guidance at the upper end in terms of sales and EBIT compared to outlook as of March 30, 2020

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Original accounts FV		Outlook FY 2020		
Outlook (in € million)	Original szenario FY 2020 (before COVID- 19 impact)	As of 03/30/2020	As of 09/30/2020	
Order intake	520 – 540	520 – 540	520 – 540	
Sales	520 – 540	460 – 500	500	
Bode	Moderate increase	Moderate decline	Moderate decline	
SBRS	Strong increase	Strong increase	Strong increase	
Pintsch	Moderate increase	Stable	Moderate increase	
Schaltbau	Strong increase	Moderate decline	Moderate decline	
EBIT margin	6 % - 7 %	4 %	4 %	

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Updated analyst estimates & recommendations



Broker	Analyst	Recommendation	Price Target	Date
Commerzbank	Michael Junghans	Buy	33.00€	10/29/2020
DZ Bank	Alexander Hauenstein	Buy	32.00€	10/30/2020
EQUI.TS	Thomas Schießle	Buy	32.90€	11/06/2020
MAINFIRST	Florian Pfeilschifter	Buy	34.00€	10/30/2020
Quirin Privatbank	Klaus Soer	Buy	31.00€	07/31/2020
Warburg Research	Christian Cohrs	Buy	32.00€	11/03/2020
CURRENT CONSENSUS	S		32.48 €	



Investment case in a nutshell

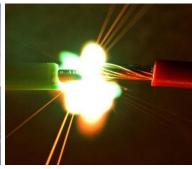


- Mid-term significant increase in revenue and profitability via process improvements, reorganisation and modular development
- 2) Long-term attractive market environment based on megatrends
 - Climate change, urbanisation and digitisation are driving demand for new rolling stock & infrastructure
 - Increasing use of Direct Current technology with high voltages driven by New Energy and New Mobility applications
 - increasing number of DC-Industry applications evolving in industrial power grids,
 especially in energy-intensive sectors such as automotive production

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- 3) Leading market positions with core brands Schaltbau, Bode, Pintsch & SBRS
- 4) Acting as an innovation driver by leveraging core technology expertise
- 5) Long-standing and stable customer relationships, especially in the rail business
- 6) Restructuring completed and risk-items removed from balance sheet
- 7) Strong shareholder structure focussed on sustainable development





SMART SOLUTIONS FOR POWER AND MOBILITY



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Appendix



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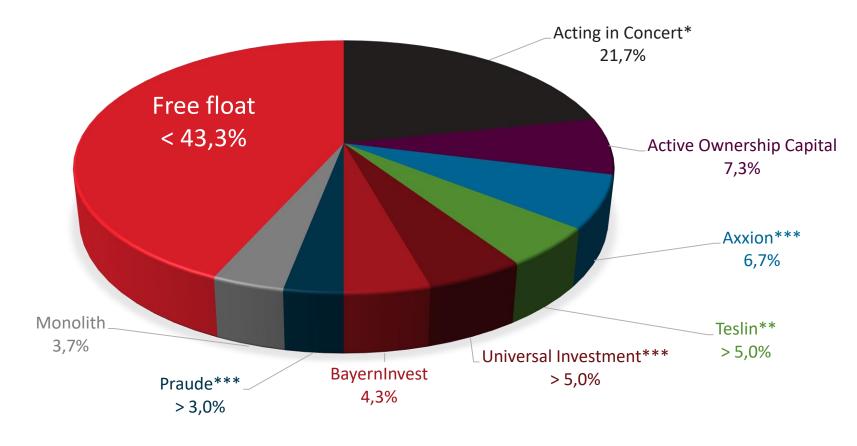
Appendix

SCHALTBAU GROUP

Share price reflects positive Group development



Strong shareholder base supporting Group development



* Luxempart S.A., Hans-Jakob Zimmermann, Dr. Johannes Zimmermann, Elrena GmbH

** Gerlin NV, Midlin NV; adapated to capital increase

*** Adapted to capital increase

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Forward looking statements



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This presentation contains forward-looking statements. These statements are based on the current views, expectations and assumptions of the management of Schaltbau Holding AG and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those described herein due to factors affecting Schaltbau Holding AG such as, among other things, changes in the general economic and competitive environment, capital market risks, currency exchange rate fluctuations and competition from other companies, and changes in international and national laws and regulations, in particular with respect to tax laws and regulations. Schaltbau Holding AG does not assume any obligation to update any forward-looking statements.

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General remark

Figures may not add up due to rounding.

All figures without exceptional items and like-for-like for prior year.

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Financial calendar and contact details

Upcoming events:

• 25 Nov DZ-Bank Equity Conference

■ **11/12 Jan** ODDO BHF Forum

■ **29 Apr** Annual Report 2020

Schaltbau Holding AG

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