

**SCHALTBAU**  
GROUP

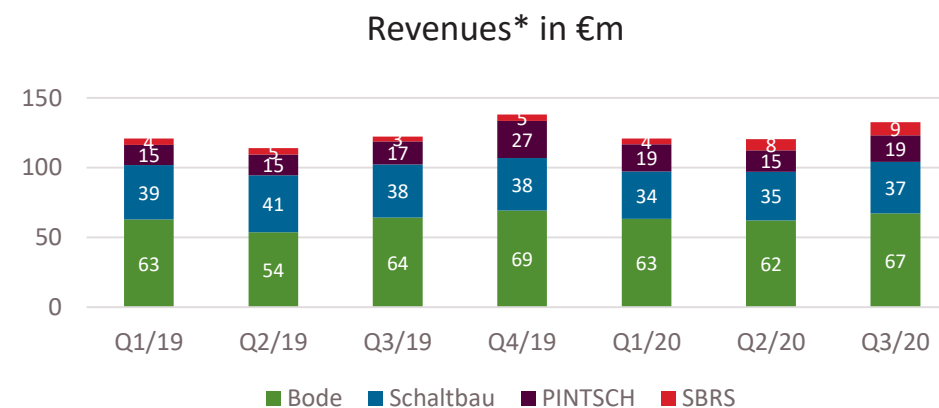
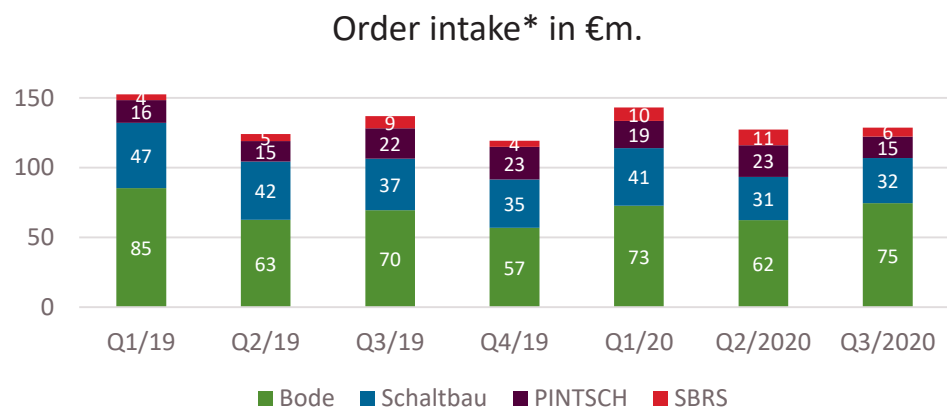
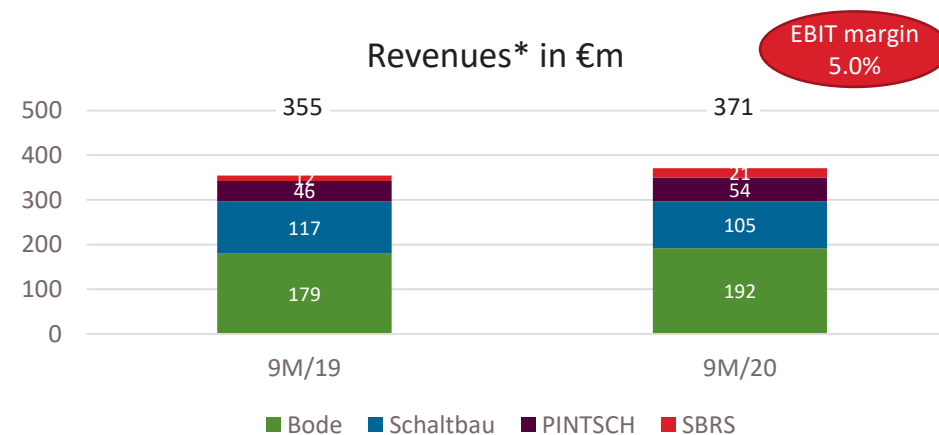
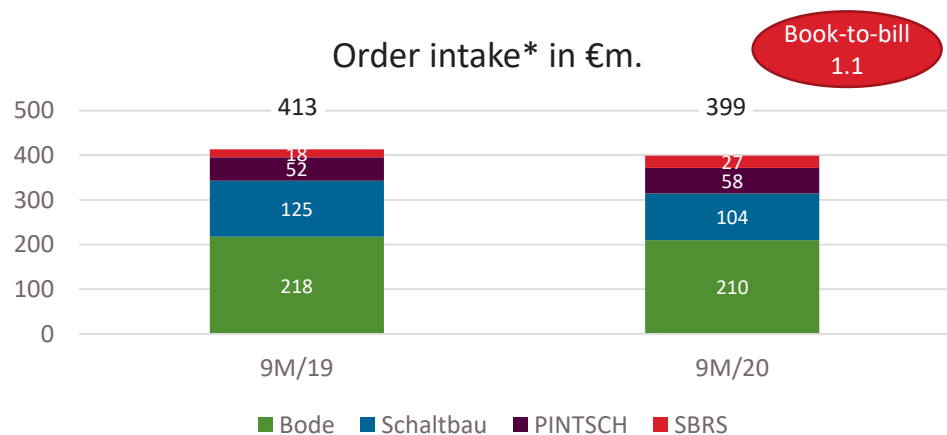
**Schaltbau Holding AG**  
Eigenkapitalforum  
Investor Presentation

16 November 2020



**SMART SOLUTIONS**  
**FOR POWER AND MOBILITY**

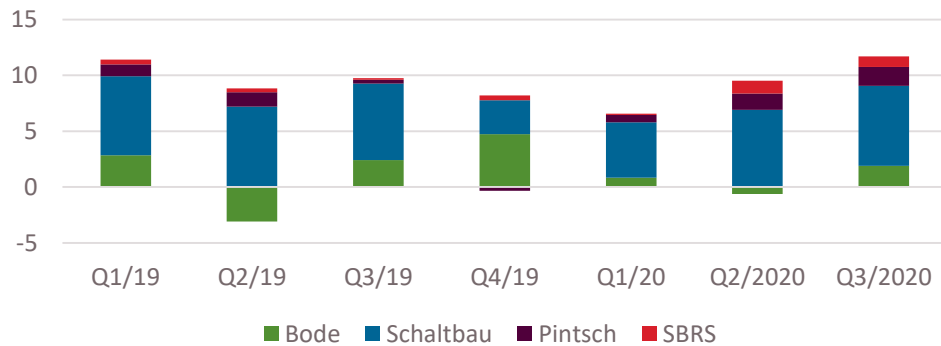
# Solid development in light of COVID-19 (1/2)



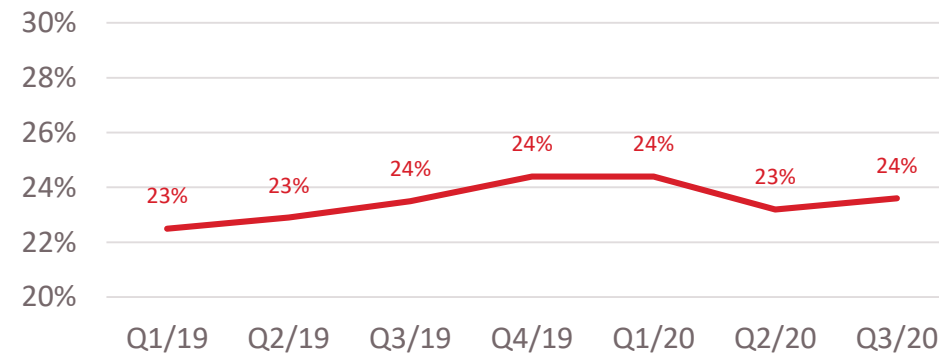
\* Like-for-Like.

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

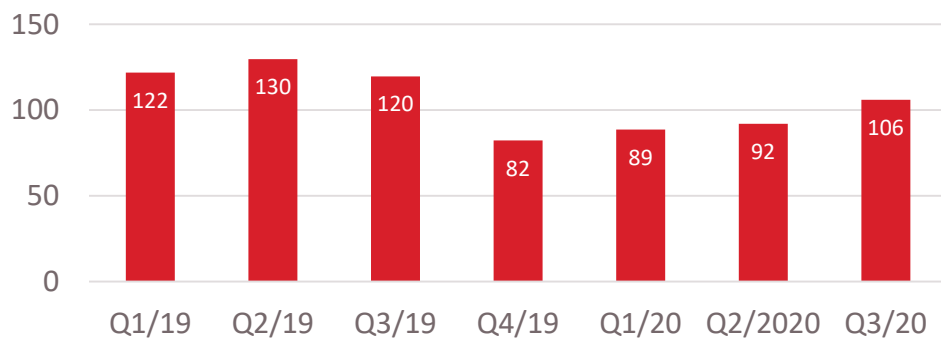
EBIT\* in €m.



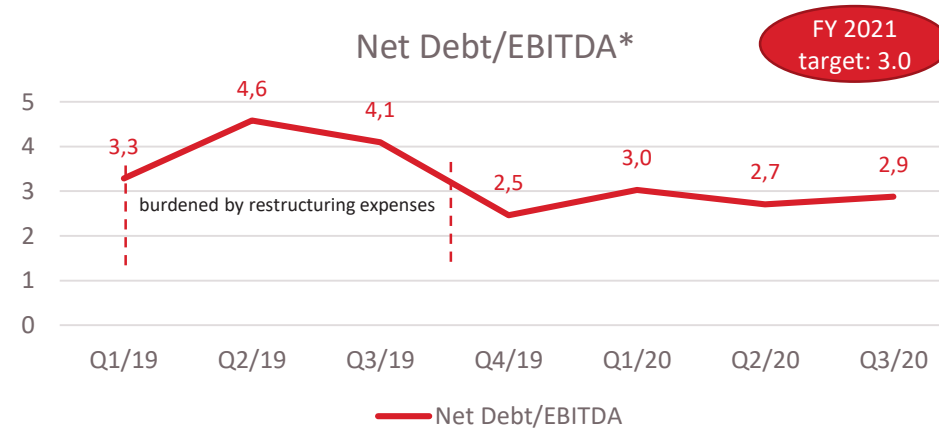
Equity Ratio



Net Debt in €m.



Net Debt/EBITDA\*



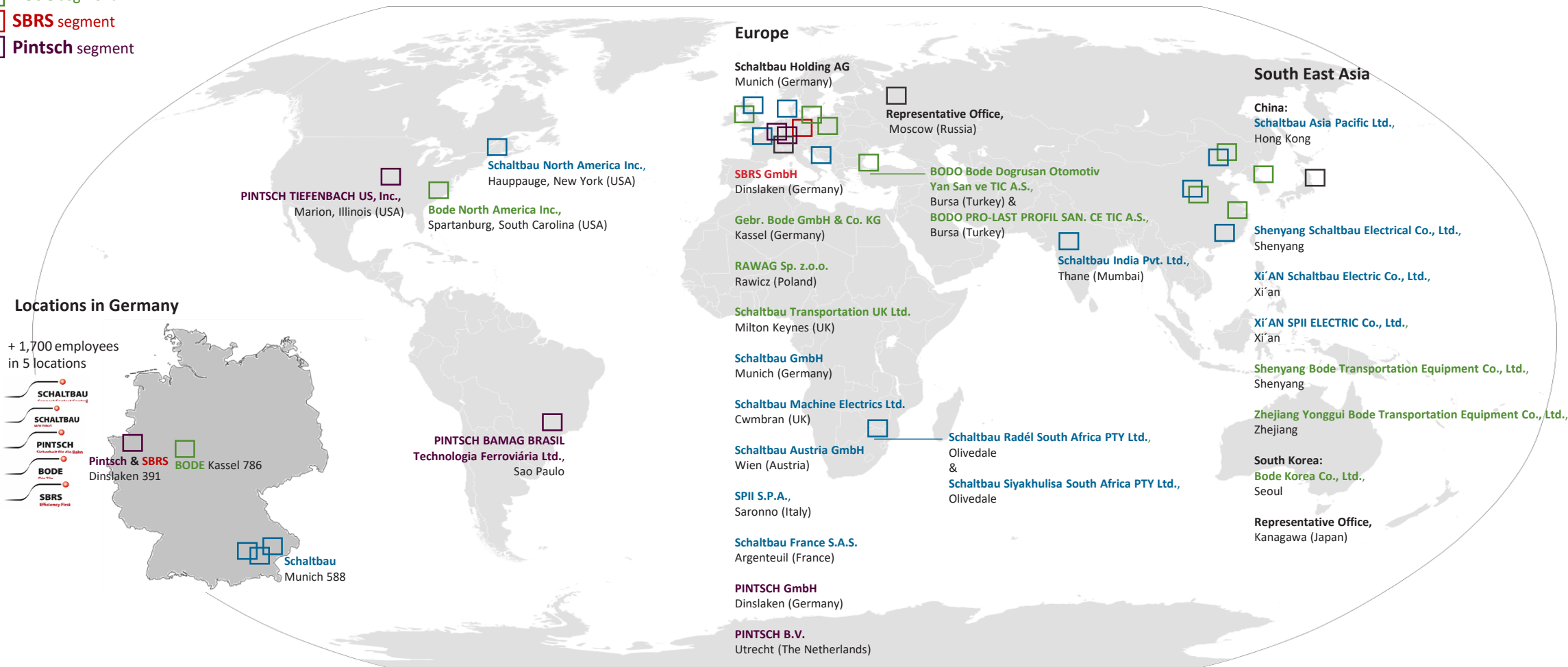
\* Like-for-Like.

# Business situation with non-uniform COVID-19 impact



# Global footprint

- Schaltbau segment
- Bode segment
- SBRS segment
- Pintsch segment



# 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)



**Volker Kregelin**  
Board Member



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

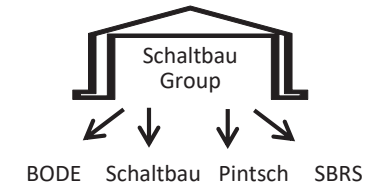
# Recent material events and transactions (FY 2020)

Schaltbau  
9M 2020



## Structural changes

- Change in segment reporting; strengthening 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
- 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)



## Five key areas for sustainable development at Schaltbau Group

### Environmental

- Energy & Decarbonisation



*First greenhouse gas assessment to be published for 2020*

- Product design & lifecycle management



*Resource-efficiency is considered in the design and R&D process*

### Social

- Product quality and safety



*QM certification in place/ preparation (ISO 9001, IRIS, IATF)*

- Employee health & safety



*Several Group companies monitor employee wellbeing with surveys*

### Governance

- Supply chain management



*Supplier code of conduct; rough risk analysis of the supply chain*

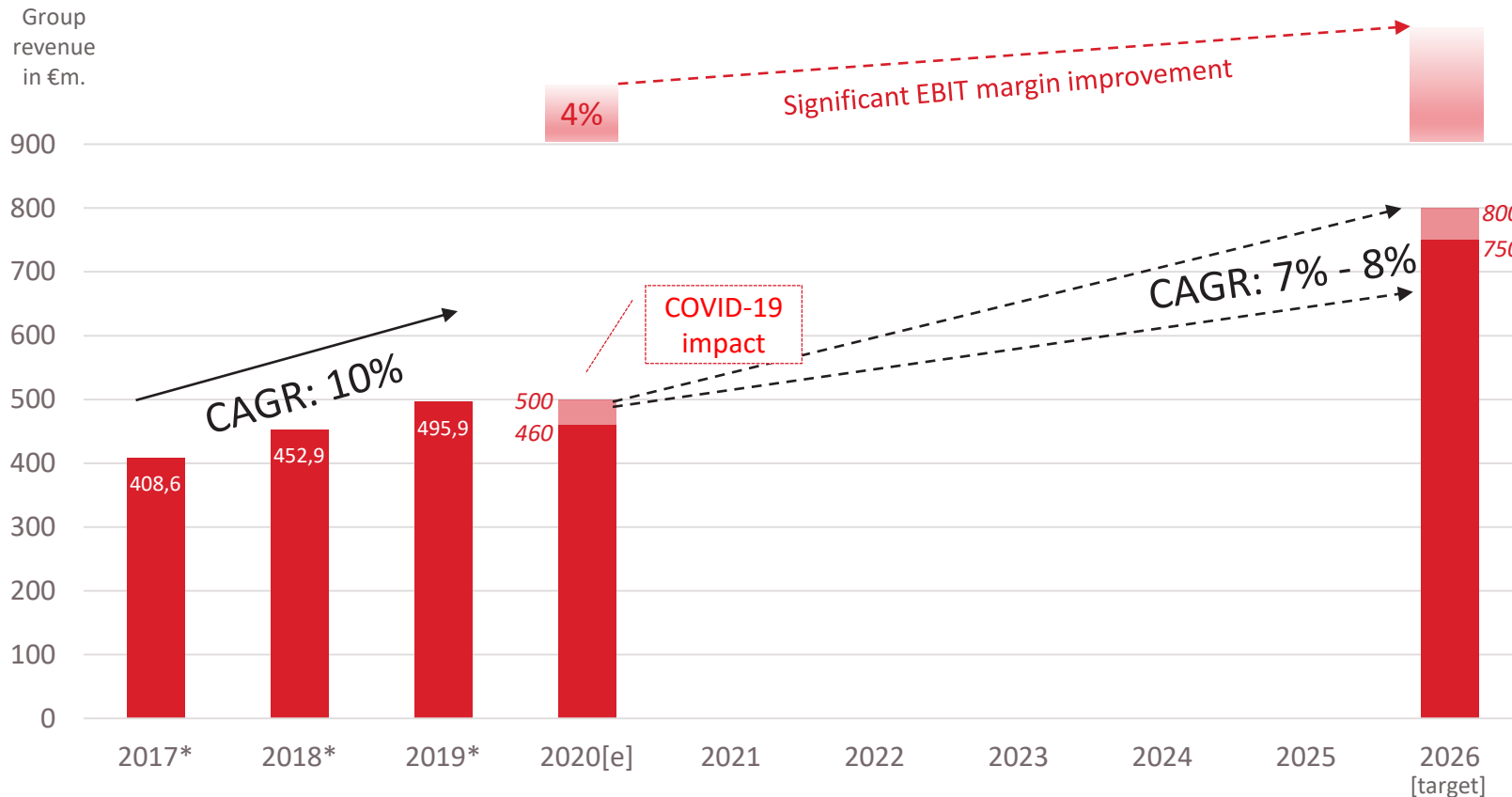


# Attractive markets – DC sweet spots for future growth



- ✓ 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

## 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



\* Like-for-Like.

# Profitable growth based on existing & new business



	FC 2020		Plan 2026	
Bode	↗	ca. 83 %	↗	ca. 73 %
Schaltbau	↗		↗	
Pintsch	↗		↗	
SBRS	↗		↗	
Rail and other			↗	



	FC 2020		Plan 2026	
Schaltbau	↗	ca. 6 %	↗	ca. 13 %
Bode	↗		↗	
SBRS	↗		↗	
E-mobility			↗	



	FC 2020		Plan 2026	
Schaltbau	↗	ca. 3 %	↗	ca. 7 %
New Energy			↗	



	FC 2020		Plan 2026	
Bode	↗	ca. 8 %	↗	ca. 7 %
Bus			↗	



## 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



# Solid existing business as growth base for new markets



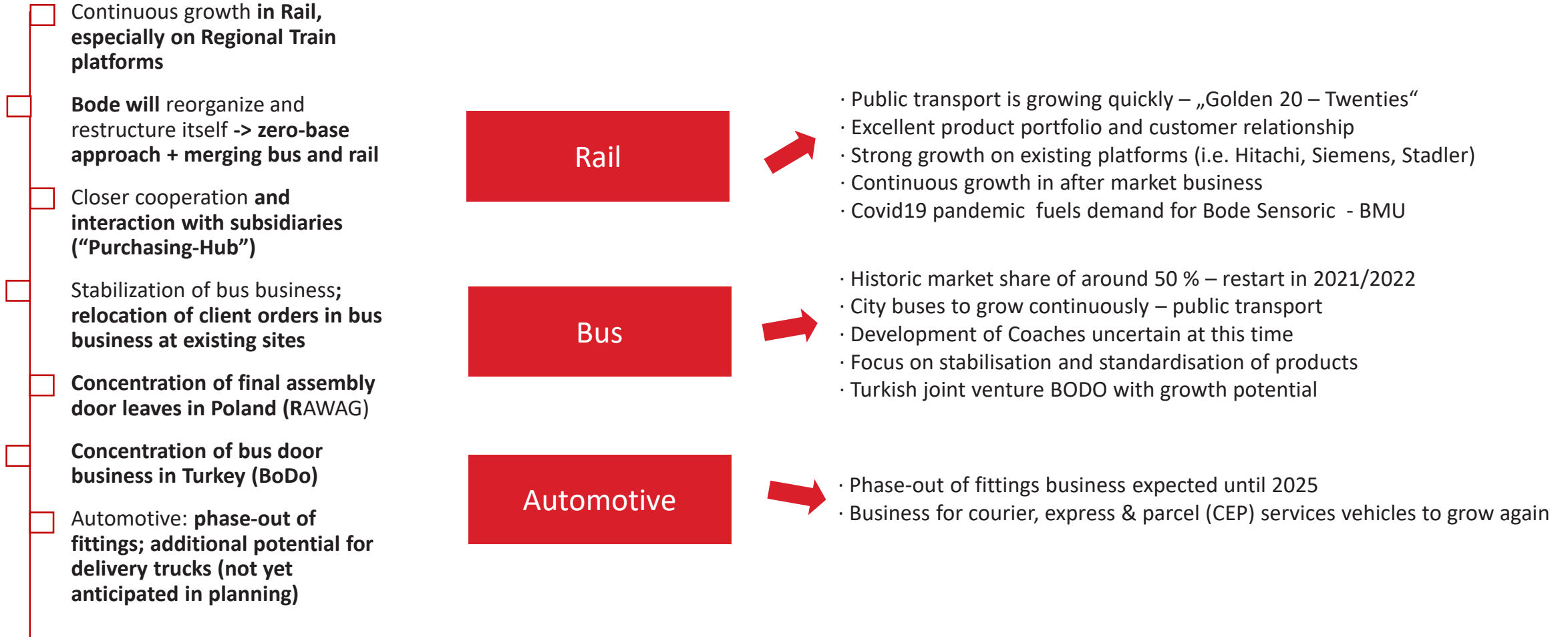
- **Solid basis for sustainable growth due to**
  - **leading international position as technology provider of components and systems for rolling stock, rail infrastructure, commercial road vehicles and other industrial applications**
  - **Excellent market positions in DC switching technology and in 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

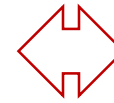
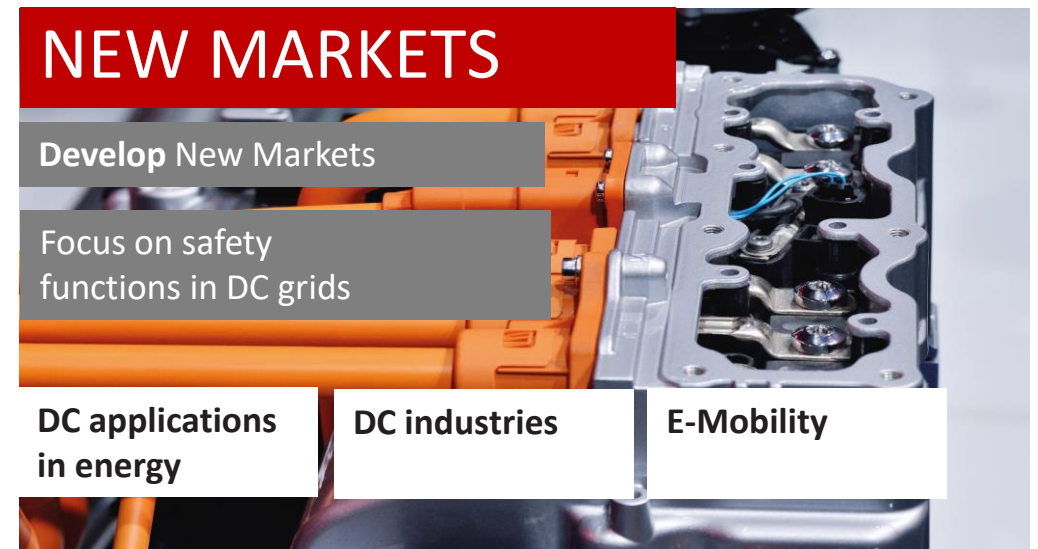
- Energy generation & storage systems
- Smart grids / smart network control
- DC Industry concepts



# Key strategic aspects for Bode segment



# 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**

# Schaltbau NExT Factory – main project targets

## NExT Factory



### 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



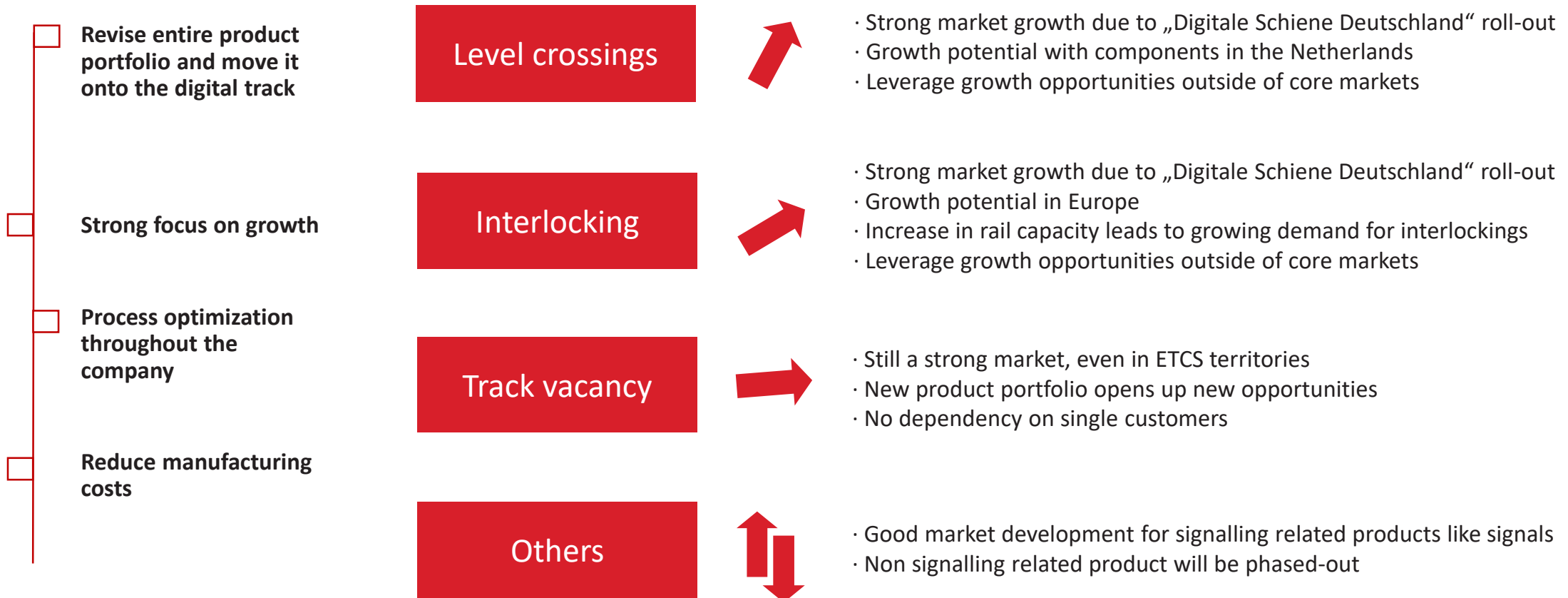
### Increasing employee satisfaction via modern workplace design

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



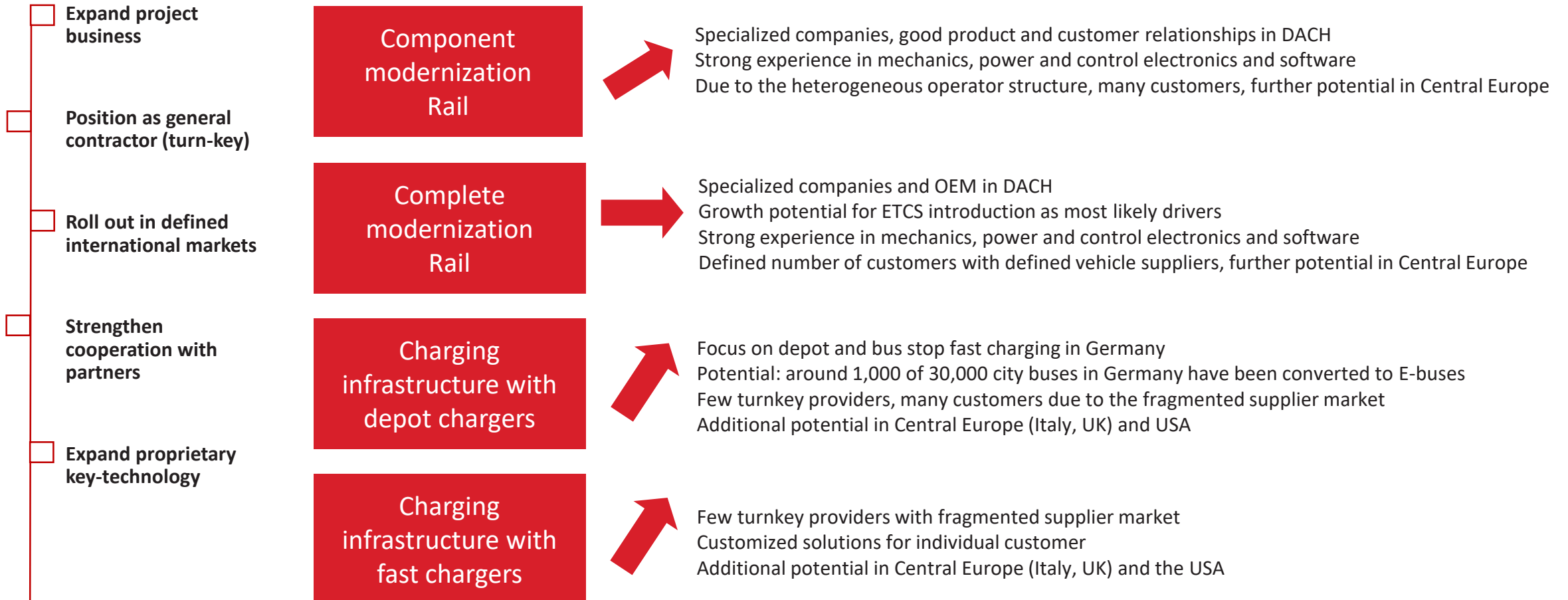
- ZERO-CARBON-FACTORY** → resource efficiency & zero emissions  
**SMART FACTORY** → digital, autonomous, networked

# Key strategic aspects for Pintsch segment





# Key strategic aspects for SBRS segment



# 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

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

# 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
	EQUITS	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
<b>CURRENT CONSENSUS</b>				<b>32.48 €</b>	

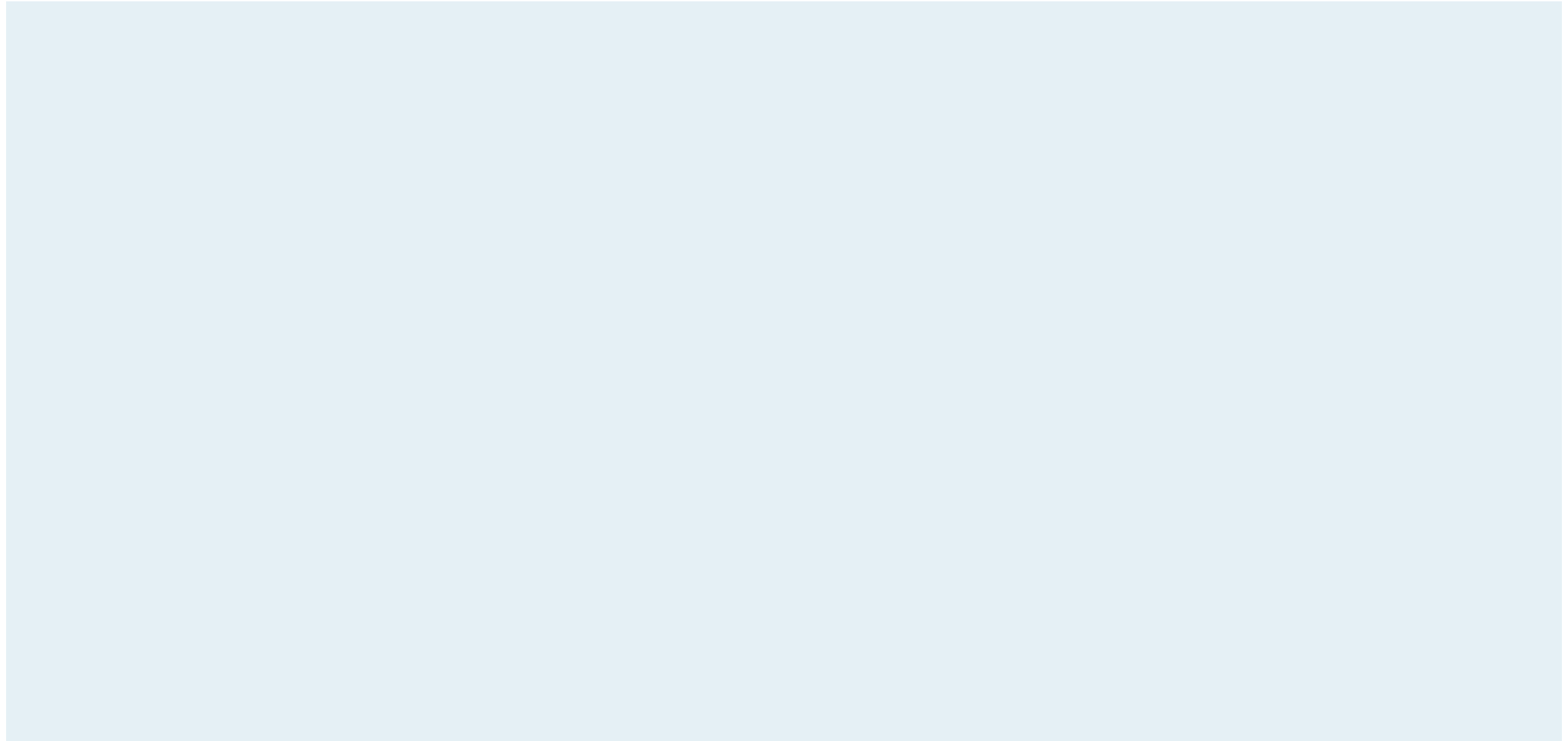
# Investment case in a nutshell

- 1) **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
- 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*

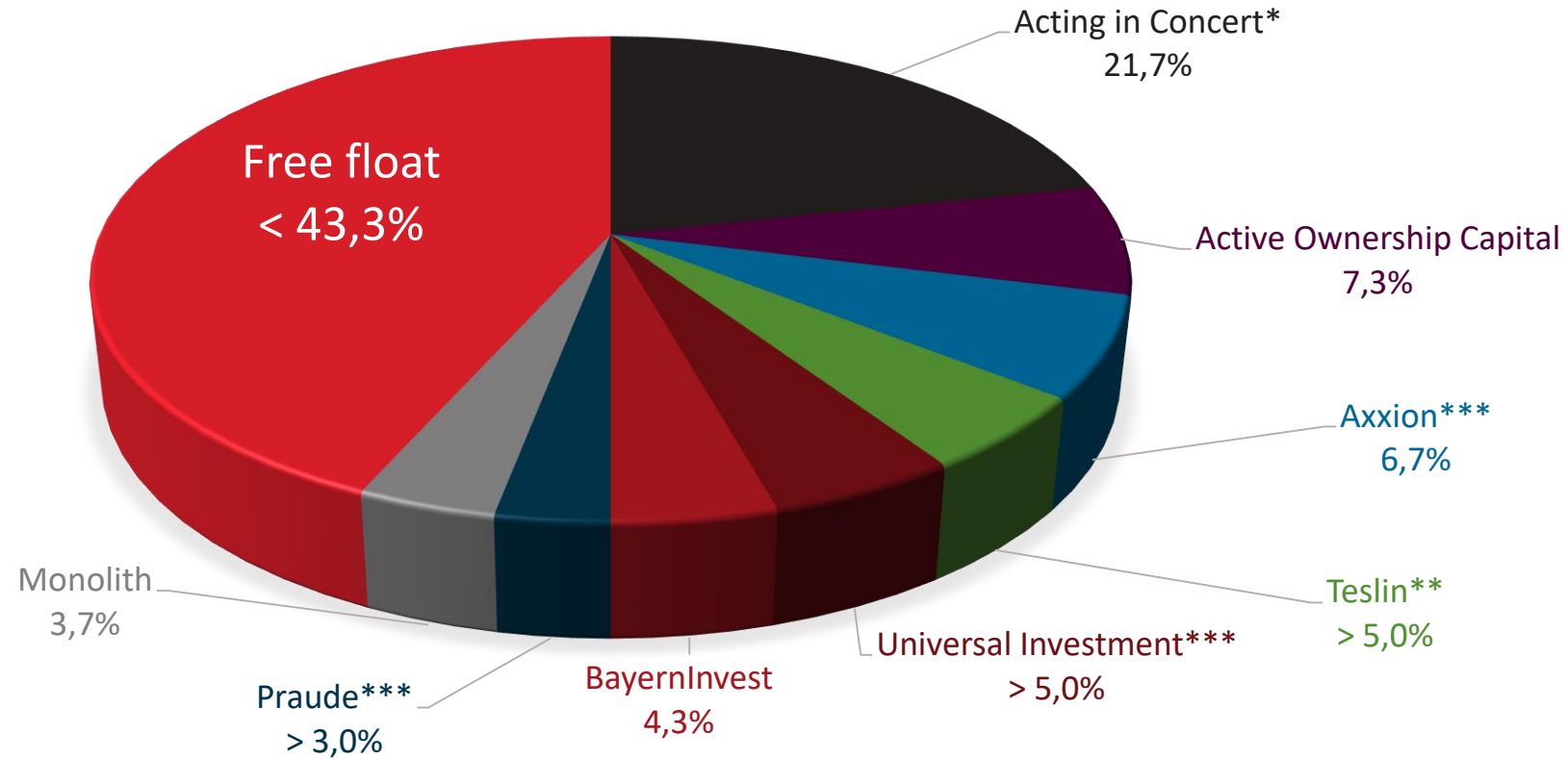




# Share price reflects positive Group development



# Strong shareholder base supporting Group development



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

\*\* Gerlin NV, Midlin NV; adapted to capital increase

\*\*\* Adapted to capital increase

## Disclaimer

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.



# SCHALTBAU

GROUP

## Financial calendar and contact details

### Upcoming events:

- 25 Nov DZ-Bank Equity Conference
- 11/12 Jan ODDO BHF Forum
- 29 Apr Annual Report 2020

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# SMART SOLUTIONS

## FOR POWER AND MOBILITY