Investor and Analyst Call
FY 2016

26/4/2017

SCHALTBAU

New executive team: Getting Schaltbau back on track

Dr. Bertram Stausberg
CEO, Spokesman of the Executive Board

Helmut Meyer
Member of the Executive Board

Thomas Dippold
CFO

Ralf Klädtke
Member of the Executive Board

"Our common goal is to position Schaltbau, together with its established brands Schaltbau Bode and Schaltbau Pintsch, even more strongly in their key markets and to further expand our international competitiveness. By doing so, we intend to regain the trust of shareholders."

Management agenda

Clearing up problem areas in a timely manner

- Solution for PSD project in Brazil
- Risk and loss mitigation in Spain (Schaltbau Sepsa)
- Adjustments in level-crossing business

Increasing efficiency and profitability

- Streamlining of complex structures
- Strict risk controlling and active management of the business
- More efficient plants
- Improved project management and profitability control

Ensuring healthy and moderate growth

- Focus on organic growth
- Global brand positioning
- Investments in digitalization along the entire value chain
- Expansion of services for railway system providers

Laying a strong financial foundation

- Trustful relations with shareholders and banks
- Reduction of the net debt
- Equity ratio between 30% and 35%

R&D: Digitalization of product offer

- R&D expenses 6.7% of revenue
- Introduction of “Boarding Management Unit“ to control train access
- Extension of product portfolio for electric delivery vans
- Development of standardized LED lights
- Digitalization of product lines by adding standardized interfaces

Value added: Refurbishment for the complete rolling stock product range

- Schaltbau Refurbishment as one-stop service provider and customer contact
- Complete or partial refurbishment of entire range of systems and products offered by Schaltbau
- Customer-specific solutions that can be integrated in existing railway vehicles and operator concepts

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Review 2016: EBIT impact from risk revaluation

Order intake

+7.7%*

551.2 m. €

Revenue

+1.4%*

509.1 m. €

EBIT

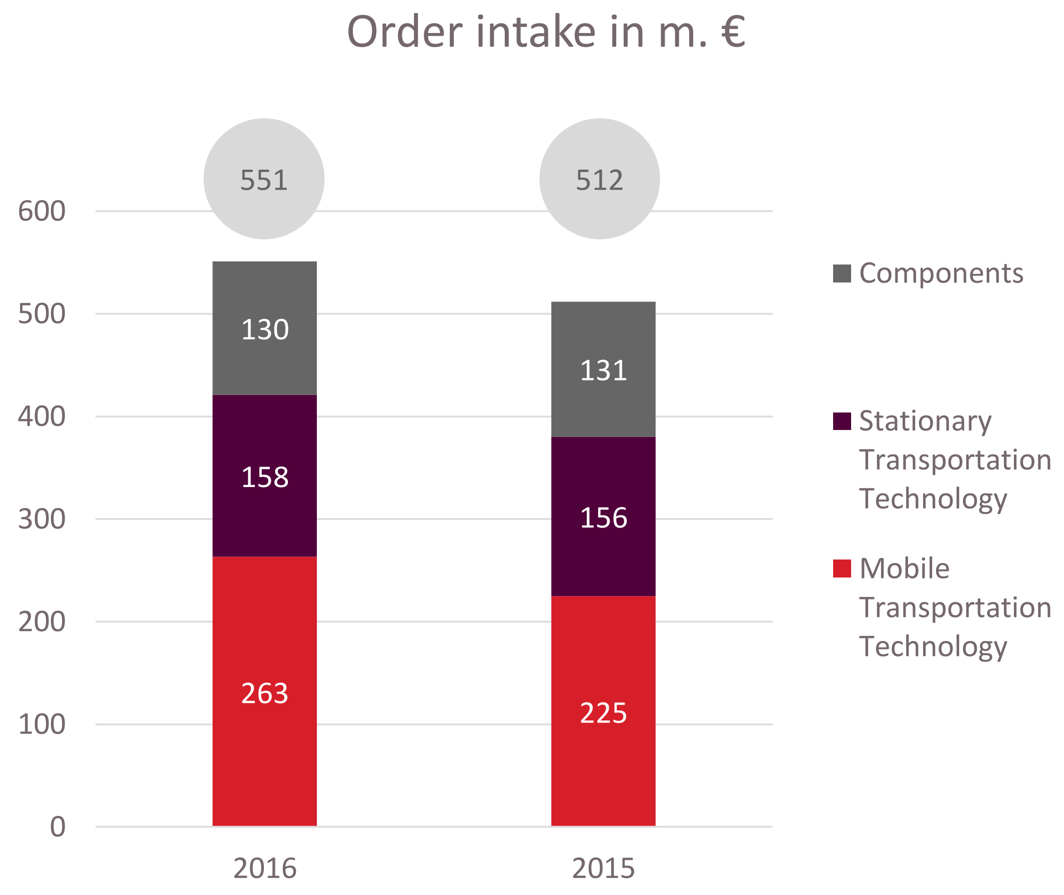
-14.5 m. €

- Platform screen doors (PSD) project: -22.2 m. €
- International level-crossing projects: -7.9 m. €
- Goodwill of Schaltbau Pintsch Bamag: -1.6 m. €

*previous year's P&L figures were adjusted due to retrospective consolidation of foreign subsidiaries

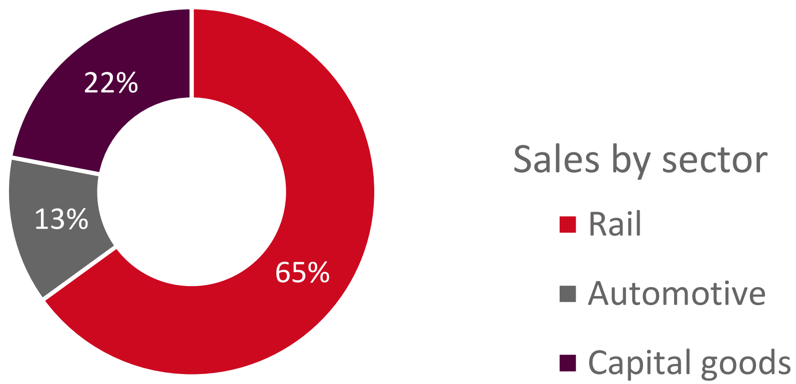
Growth in order intake driven by rolling stock projects and consolidation

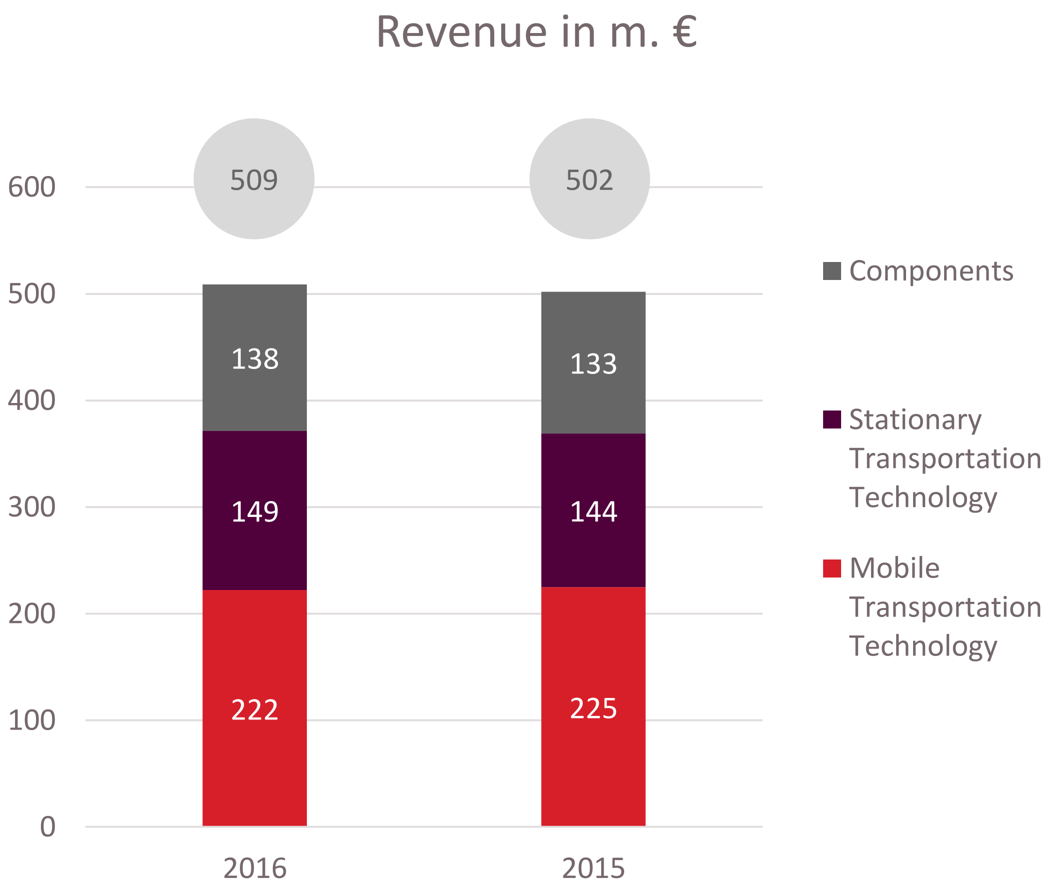
- Order intake increased by 7.7%
  - Consolidation of Schaltbau Sepsa as of September 30 after acquisition of remaining 5.2%
  - Full year contributions of SPII (consolidated since July 2015)
  - Major orders for rail doors and sanitary units
- Order book stood at € 429.8 million at year-end (end of 2015: € 334.3 million)



Consolidation effects outweigh organic sales decline

- Revenue up 1.4%
  - Consolidation of Schaltbau Sepsa and full year contributions of SPII
  - Lower component sales in China due to shift in rail sector investments
  - Lower revenue in Poland due to phasing-out of EU programme

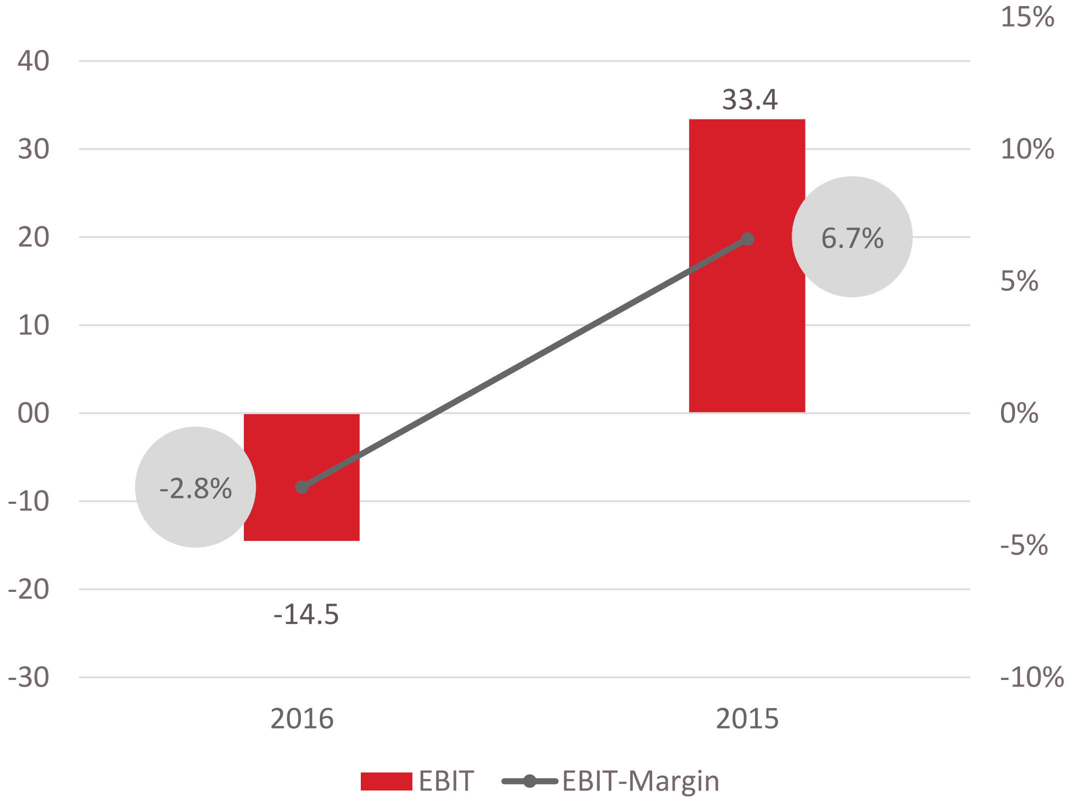




EBIT negatively impacted by revaluation effects

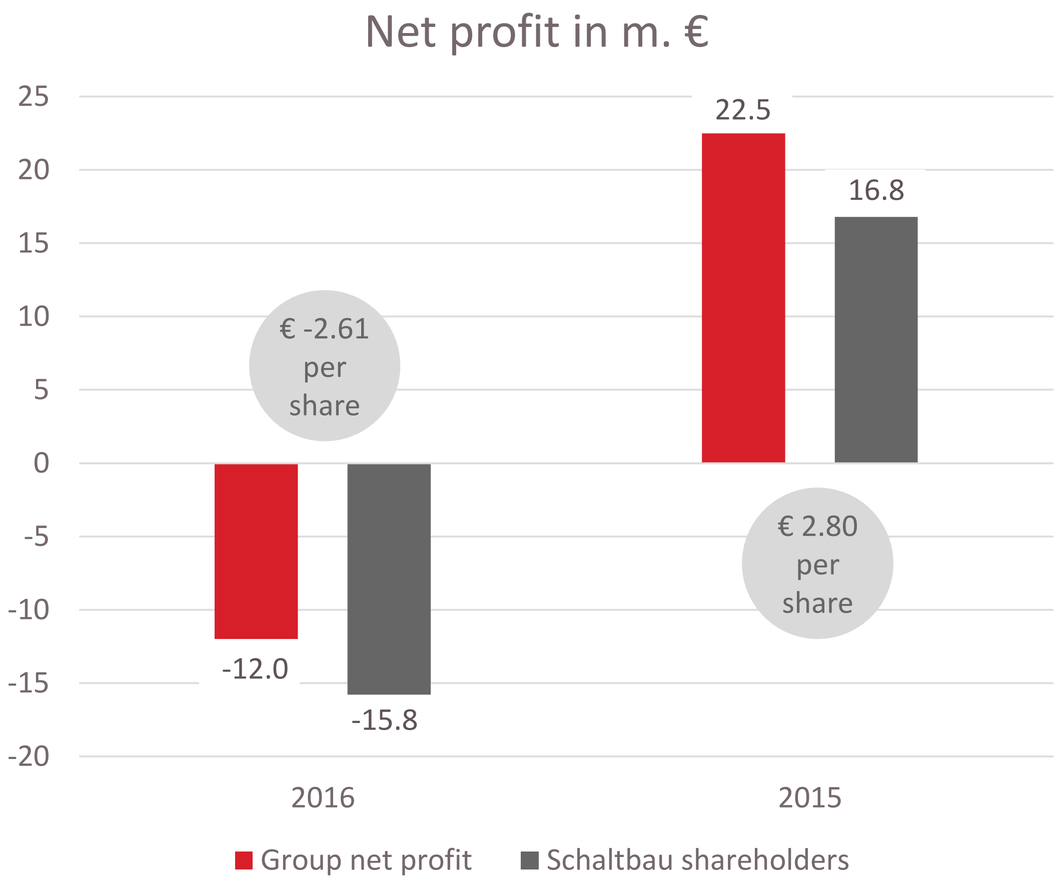
- Significant effects from the revaluation of the PSD project in Brazil and other international infrastructure projects
- Write-down of goodwill (Schaltbau Pintsch Bamag)
- Lower volume from high-margin business in China
- Increase of other operating expenses due to additional provisions
- Negative effect from retrospective consolidation of Bode North America and Shenyang Bode in 2015 and 2016

EBIT in m. €, EBIT-margin in %



Net result turns negative

- Strong decrease in net result mainly driven by loss of EBIT
- +7 million € one-off revaluation effect from share in Albatros S.L. (Schaltbau Sepsa)
- Higher interest expenses



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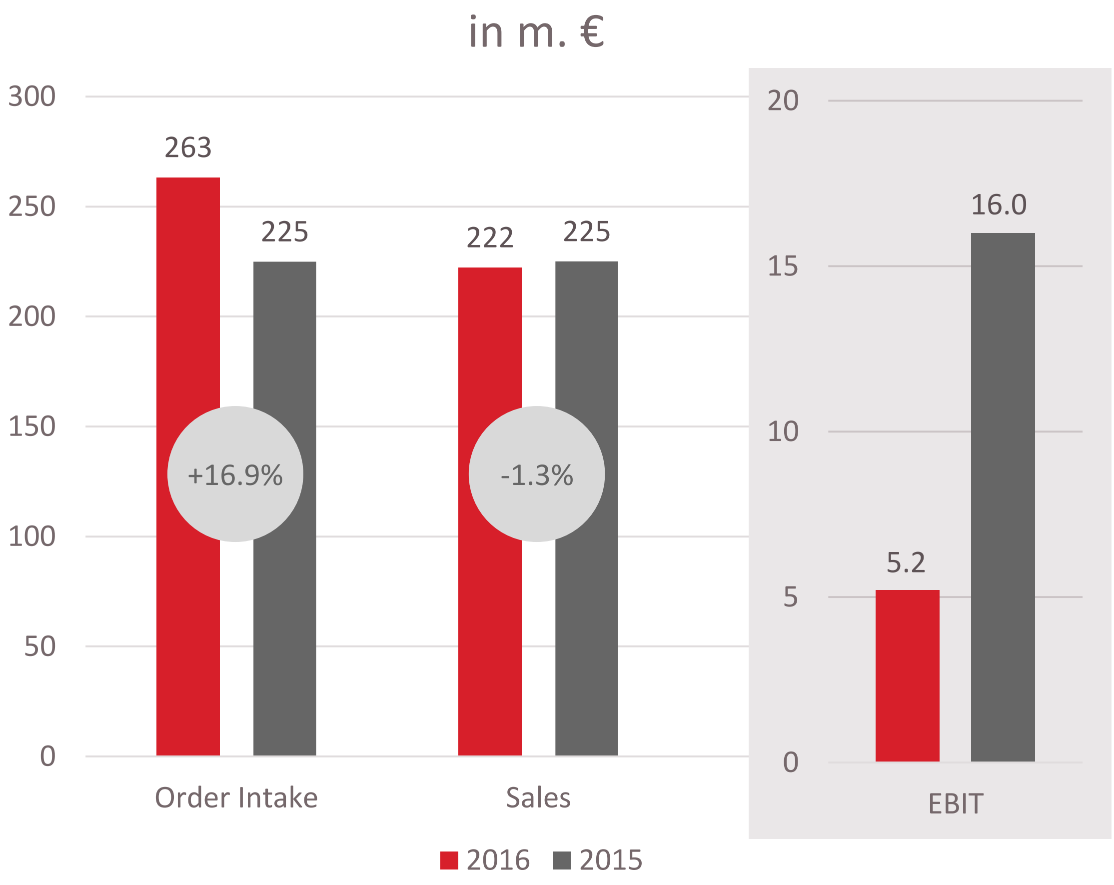
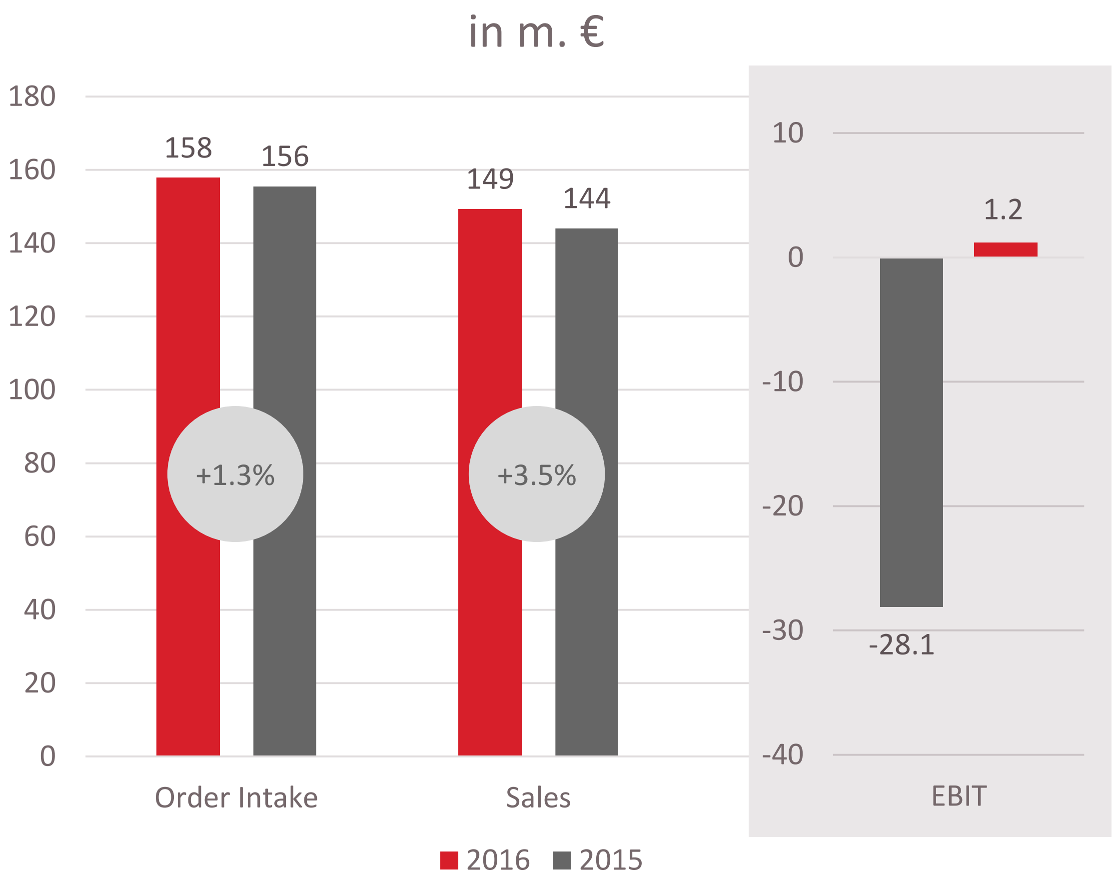
Mobile Transportation Technology: Revenue decline in Poland outweighs consolidation effects

- Higher order intake driven by major orders for rail door systems and sanitary units
- Revenue: Organic decline (-9.2%, mainly from Poland) overcompensates positive consolidation effects
- Negative EBIT contribution from non-quality costs, and from companies Schaltbau Alte, Bode North America and Shenyang Bode



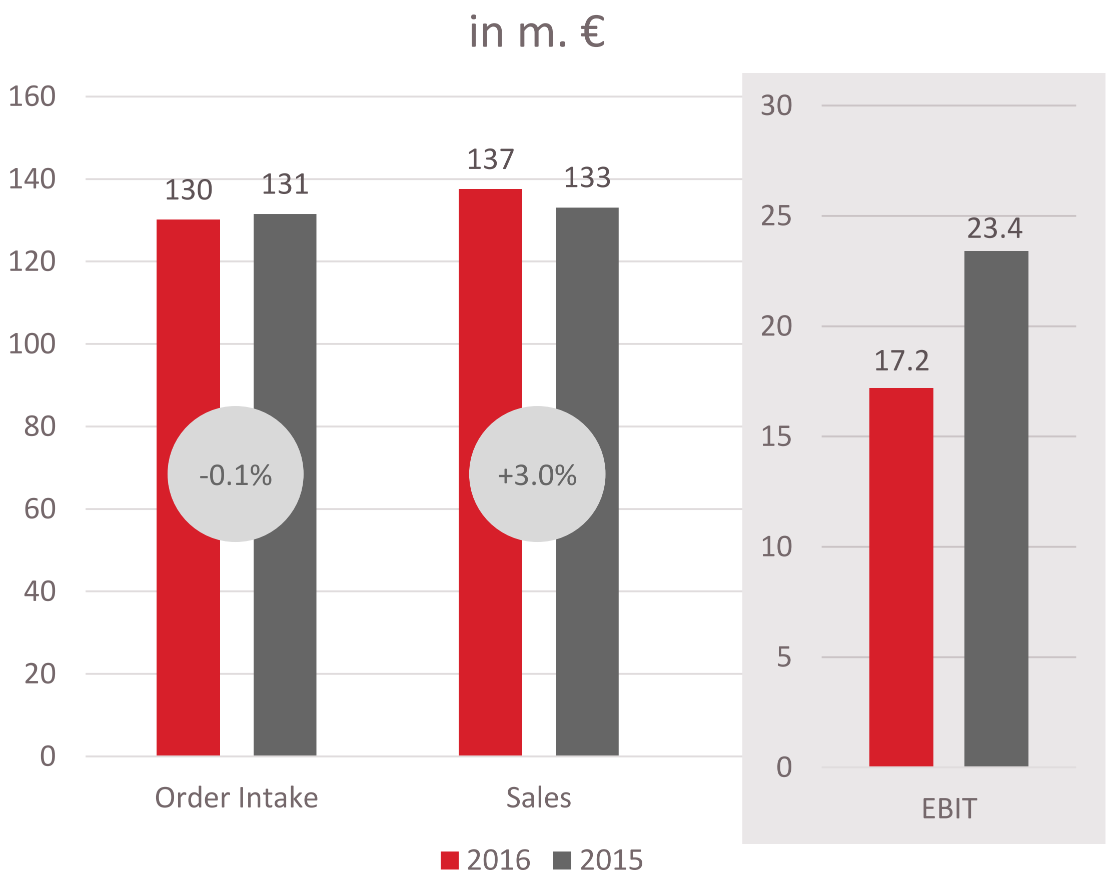
Stationary Transportation Technology: Major EBIT impact from reassessment of international projects

- Slight increase in order intake
- Increase in revenue from brake systems
- Major EBIT impact from risk assessment of international projects (PSD and level-crossing projects)



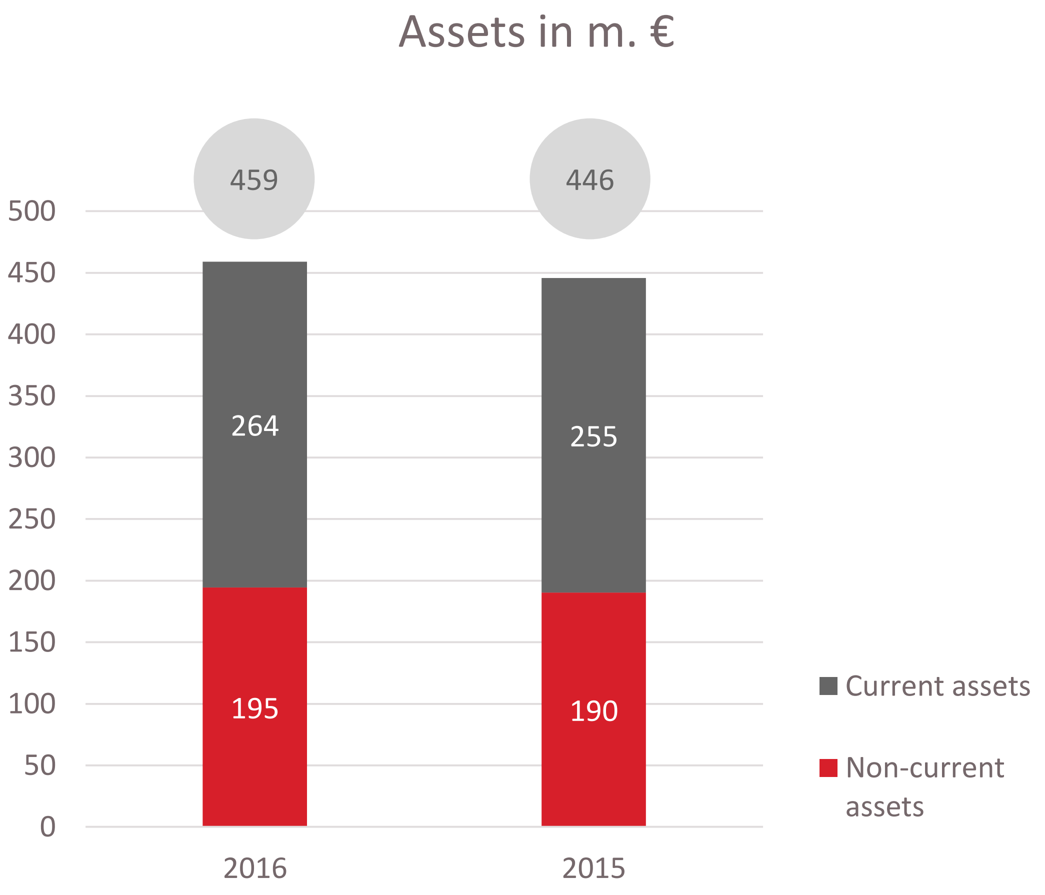
Components: Significant impact from lower demand in China

- Decline in order intake from China due to shift in rail sector investments away from locomotives
- Positive effect of full year consolidation of SPII
- Lower revenues from China, growth in Russia
- Decline in EBIT due to lower volume from high-margin products
- Provision of 1.9 million € for capacity adjustments



Assets: Slight increase due to consolidation effects

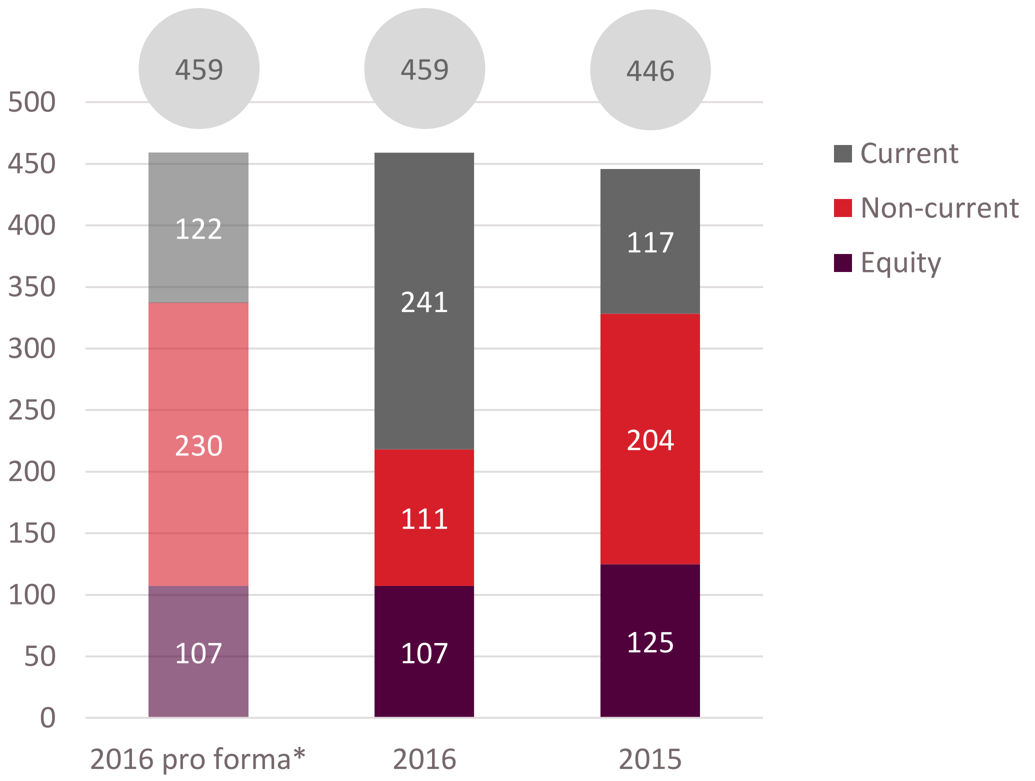
- Non-current assets include opposing effects:
  - Consolidation effects: reduction of financial assets mirrored by additional goodwill and increase in intangible assets
  - Depreciation and write-downs on capitalized development costs in the Stationary Transportation Technology segment
- Increase in current assets: Rising inventories and trade receivables due to consolidation effects
- Increase in working capital to € 161.9 m. € (2015: 151.1 m. €)



Liabilities: Higher financial debt, equity ratio below target, yet financing secured

- Shift from long-term to short-term financial liabilities due to ongoing refinancing activities as of the balance sheet date
- **Matching maturities reconstituted as of publication date**
- Balance sheet date:
  - Non-current liabilities decreased to 111 m. € (2015: 204 m. €)
  - Current liabilities increased to 241 m. € (2015: 117 m. €)
  - Net financial liabilities rose to € 148 m. € (2015: € 130 m. €)
  - Equity ratio 23.3% (2015: 28.0%)

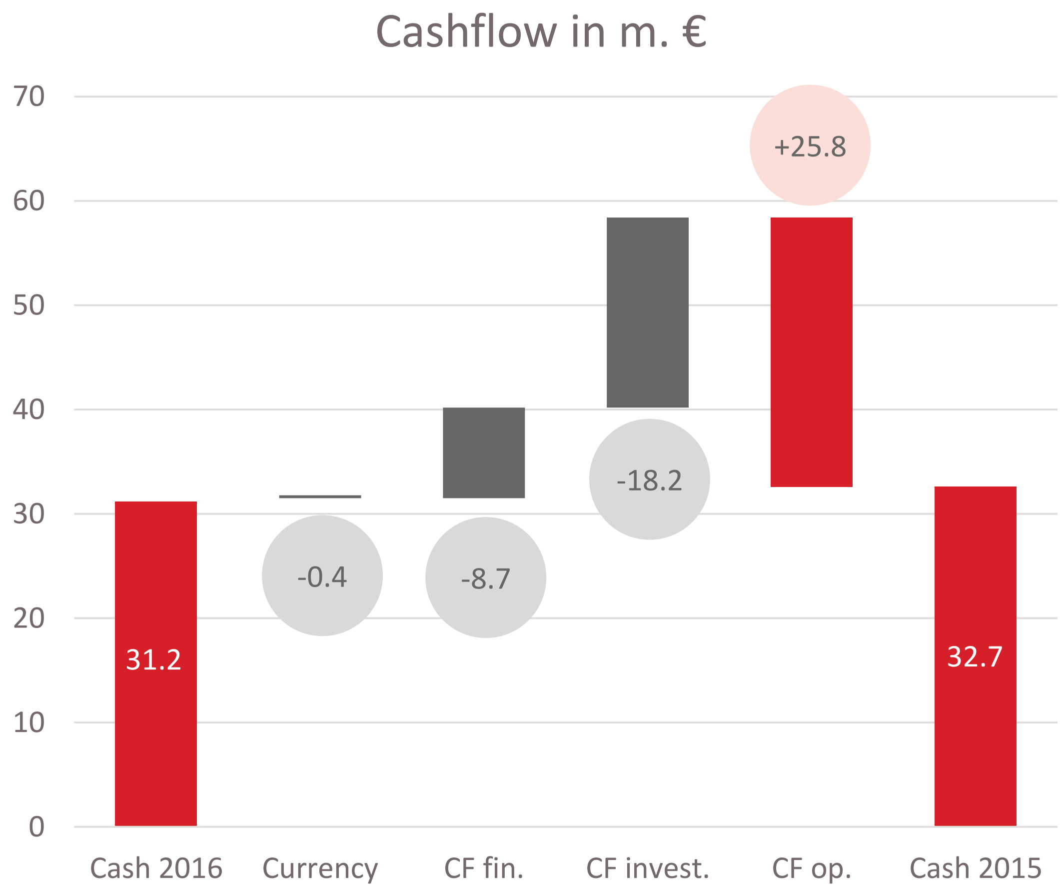
Liabilities in m. €



*pro-forma structure based on retrospective application of maturities achieved in March 2017

Cashflow: Stable liquidity reserve

- Lower operating cashflow based on decreased EBIT, but positive contributions from depreciation and non-cash expenses
- Payouts for investments (mainly for intangible and fixed assets) below previous year
- Financial cashflow reflects higher interest payments, repayments of loans, and dividends
- Positive effect from sale of treasury shares



Target 2017: Return to profitability

- Improved rolling stock order intake based on new orders for sanitary modules and door systems
- Lower order intake and revenue with brake systems
- Lower contributions of SPII due to difficult market conditions in Italy
- Full year consolidation of Schaltbau Sepsa

Outlook	2017 (planned)	2016
Order intake in m. €	stable	551
Revenue in m. €	520 - 540	509
Mobile Transportation Technology	Significant improvement	222
Stationary Transportation Technology	Decline	149
Components	Decline	138
EBIT-Margin	3% - 4%	-2.8%

Corporate Calendar 2017

- Interim statement on Q1: for release on May 18 (no preliminary figures to be released)
- Annual General Meeting (AGM): June 8
- Half-year report 2017: for release on August 17

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Disclaimer

This presentation contains statements regarding future developments based on information currently available to us. 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.