

Interim Release as of 30 September 2021



Safety and Availability for
Rail



Safety and Availability for
DC Power

Group key performance indicators (IFRS, unaudited) ¹

In € million	1.1. – 30.9.2021	1.1. – 30.9.2020	Change ¹
Order intake	384.8	399.1	-3.6%
Revenue	381.2	370.8	2.8%
EBITDA	31.8	30.4	4.8%
EBIT	19.2	18.7	2.8%
EBIT margin (in %)	5.0	5.0	0 PP
Group net profit	16.2	9.5	71.2%
- attributable to Schaltbau Holding AG	13.8	7.0	96.8%
Cash flows from operating activities	4.8	-5.1	n/a
Cash flows from investing activities ²	-18.8	-9.9	89.3%
Free cash flow	-14.0	-15.0	n/a
In € million unless otherwise indicated	30.9.2021	31.12.2020	Change ¹
Balance sheet total	436.5	411.8	6.0%
Fixed assets	155.8	145.8	6.9%
Net Working Capital	137.7	127.4	8.0%
Return on Capital Employed (ROCE)	7.7	8.1	-0.4 PP
Group equity	164.0	90.7	80.7%
Equity ratio (in %)	37.6	22.0	15.6 PP
Net financial liabilities (including lease liabilities)	47.5	79.8	-40.5%
Employees	3,001	2,916	2.9%
Share			
Xetra closing price in €	53.60	29.80	79.9%
Market capitalisation in € million	581.7	263.8	120.5%
Number of shares issued	10,851,921	8,852,190	22.6%

¹ Changes expressed in percentages were calculated on the basis of more precise figures.

² From 2021, interest received will be reported in cash flow from investing activities. The comparative period has been adjusted accordingly.

SCHALTBAU HOLDING

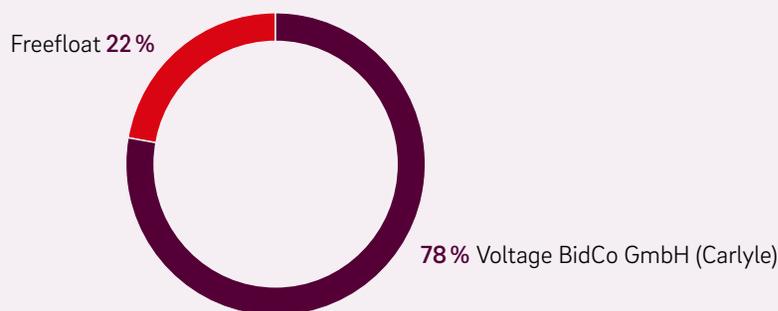
Safety and Availability for Rail and DC Power

Strategic key approaches

- ① **Sustainable performance improvement**
(Profitability, return on capital, and cash generation)
- ② **Grow core business on a profitable basis:**
Rail infrastructure and Rolling Stock / Bus
- ③ **Growing the After Sales business,** utilizing the installed base and growth in modernisation/refurbishment
- ④ **Development of new DC components and applications**
in New Energy / New Industry and e-Mobility, entering high-growth markets

Shareholder structure after completion of the voluntary public takeover offer

Total number of shares 10,851,921



- The transaction was closed with the transfer of the tendered shares on 25 October 2021 after all conditions had been met.
- Voltage BidCo GmbH had already announced the publication of a delisting offer on 8 October 2021.
- After publication of the offer, shareholders will have another four weeks to tender their shares at the price of EUR 53.50 before the Company is expected to be delisted at the end of 2021 or the beginning of 2022.

Schaltbau Holding AG remains on course for profitable growth

- Group revenue +3 % to EUR 381.2 million (9M 2020: EUR 370.8 million)
- EBIT +3 % to EUR 19.2 million (9M 2020: EUR 18.7 million), EBIT margin at 5.0 %
- Outlook for fiscal year 2021 confirmed

Schaltbau Holding AG remains on course for profitable growth, despite the continued challenging market conditions. Although a combination of delivery bottlenecks in the material supply chain and customer-related delays in the awarding of projects held down revenue in Schaltbau's core Rail business and caused order intake to drop moderately by 4 % to EUR 384.8 million (9M 2020: EUR 399.1 million), revenue grew by 3 % overall to EUR 381.2 million (9M 2020: EUR 370.8 million). EBIT also rose by 3 % to EUR 19.2 million (9M 2020: EUR 18.7 million), despite transaction costs in conjunction with the Carlyle takeover offer. Group net profit grew significantly by 71.2 % to EUR 16.2 million (9M 2020: EUR 9.5 million) in particular due to deferred tax measurement effects. The New Energy / New Industry markets continue to grow at a highly dynamic pace. Revenue attributable to these markets increased by 38 %, with order intake up by a considerable 48 %. Revenue in the e-Mobility Charging market also grew sharply by 83 %, while order intake recorded a 24 % increase. For these reasons, Schaltbau Holding AG confirms its outlook for the fiscal year 2021, forecasting order intake of EUR 550–580 million, revenue of EUR 520–540 million and an EBIT margin of approx. 5 %.

In € million	Pintsch		Bode		SBRS		Schaltbau		Group	
	9M/2021	9M/2020	9M/2021	9M/2020	9M/2021	9M/2020	9M/2021	9M/2020	9M/2021	9M/2020
Order intake (with third parties)	63.3	57.6	166.9	209.9	31.0	27.3	123.5	104.4	384.8	399.1
Revenue (with third parties)	52.8	53.9	180.3	191.6	36.4	20.8	111.7	104.6	381.2	370.8
EBIT	1.1	3.8	6.7	2.1	2.3	2.2	17.9	19.0	19.2	18.7
EBIT margin (in %)	2.1	7.1	3.7	1.1	6.4	10.3	15.9	18.0	5.0	5.0

Core rail market – moderate revenue with greatly improved profitability

With revenue of EUR 52.8 million (9M 2020: EUR 53.9 million), results for the Pintsch segment (rail infrastructure) were not far short of those recorded one year earlier, despite a number of customer-related delays in the awarding of projects. At the end of the nine-month period, EBIT totalled EUR 1.1 million (9M 2020: EUR 3.8 million) and the EBIT margin came in at 2.1 % (9M 2020: 7.1 %), in line with expectations. In addition, the first nine months of the fiscal year 2020 were positively impacted by one-off effects.

Order intake grew by 10 % year on year to EUR 63.3 million (9M 2020: EUR 57.6 million), primarily driven by brisk demand for level crossing systems. Pintsch benefited in particular from the current "Digital Rail for Germany" investment programme. The Schaltbau Group's "Zwieseler Spinne" pilot project, which involves the installation of digital interlocking technology on some 50 km of railway network, continues to move forward on schedule.

Due to the typical seasonality with above-average revenue in the final three-month period and the current high level of order intake, Schaltbau expects the Pintsch segment to perform strongly in the fourth quarter.

In the **Bode segment (rolling stock)**, revenue totalled EUR 180.3 million (9M 2020: EUR 191.6 million) and was therefore almost 6% down on the previous year's nine-month period due to a number of market-related project delays and material bottlenecks. EBIT, however, tripled to EUR 6.7 million (9M 2020: EUR 2.1 million) during the same period. The EBIT margin thus improved by 2.6 percentage points, coming in at 3.7% (9M 2020: 1.1%). The sharp increase in profitability is above all attributable to the strong 25% growth in the high-margin after sales business, productivity gains in production and logistics, and the cost savings achieved with regards to the overhead. At the end of the third quarter, order intake was cumulatively some 21% below the same period of the previous year, mainly due to project shifts and customer-related delays in the awarding of projects. Here, too, Schaltbau expects to see catch-up effects in the fourth quarter 2021.

"The focus of our Strategy 2026 is very clearly on profitable growth. At Bode, profitability improved substantially, despite reporting lower revenue. The high-margin service business grew by 25% and the expansion of our business with DC components and applications in new, high-growth markets such as New Energy and e-Mobility is becoming increasingly dynamic."

Dr Jürgen Brandes, CEO of Schaltbau Holding AG

DC Power: High pace of growth continues on New Energy / New Industry and e-Mobility markets

The **SBRS segment** benefited from brisk demand for fast-charging solutions, especially for e-buses, in the first nine months of the current fiscal year. Revenue in the e-Mobility Charging line of business grew strongly by 83%, while order intake in this field increased by 24%. Furthermore, a large-scale refurbishment project helped drive up revenue by 74.9% to EUR 36.4 million (9M 2020: EUR 20.8 million). EBIT rose by 6.3% to EUR 2.3 million (9M 2020: EUR 2.2 million); the EBIT margin, however, dropped to 6.4% (9M 2020: 10.3%) due to the high percentage of revenue earned from the large-scale project. Without the large-scale project, the EBIT margin would have been at the same level as one year earlier.

In the **Schaltbau segment**, supply bottlenecks for primary products held down the high pace of growth, evident from the level of order intake, which grew by 18.3% to EUR 123.5 million (9M 2020: EUR 104.4 million). Revenue increased by 6.8% to EUR 111.7 million (9M 2020: EUR 104.6 million). EBIT totalled EUR 17.9 million (9M 2020: EUR 19.0 million), while at 15.9% (9M 2020: 18.0%) the EBIT margin remained high, despite a sharp increase in material and transport costs due to inflation. Furthermore, one-time effects in the same period of the previous year had a positive impact. Growth in the new markets was particularly impressive. Revenue recorded for the New Energy / New Industry markets increased by 38% and order intake rose by as much as 48%. In addition, Schaltbau was nominated as supplier to a second e-automotive manufacturer and reports a strong rise in the number of sample deliveries in the e-Mobility Automotive market. The construction of the NeXT Factory, which Schaltbau intends to leverage to significantly expand its production capacities as of autumn 2022, is progressing on schedule.

“As of 30 September 2021 we have significantly improved our key financial indicators compared to the same period one year earlier. Our equity ratio stands at 37.6% and the debt-equity ratio has fallen to 1.1. We are financing major investments such as the construction of the NeXT Factory primarily out of operating cash flow. Together with the growth financing pledged by Carlyle, we are well equipped to implement our Strategy 2026 according to plan and to continue driving profitable growth.”

Steffen Munz, CFO of Schaltbau Holding AG

Earnings

Group revenue rose by 2.8% to EUR 381.2 million (9M 2020: EUR 370.8 million) during the nine-month period under report. Total output increased slightly by 1.4% to EUR 388.6 million (9M 2020: EUR 383.3 million). With other operating income finishing significantly lower at EUR 4.7 million (9M 2020: EUR 9.2 million), gross profit went up by 3.9% to EUR 196.3 million (9M 2020: EUR 189.0 million). Despite the fact that personnel expense at EUR 129.8 million (9M 2020: EUR 126.0 million), other operating expenses at EUR 33.7 million (9M 2020: EUR 31.8 million) and depreciation and amortisation at EUR 12.6 million (9M 2020: EUR 11.7 million) were all above the previous year's levels, earnings before interest and taxes (EBIT) increased to EUR 19.2 million (9M 2020: EUR 18.7 million). With an improved financial result of negative EUR 4.3 million (9M 2020: negative EUR 5.0 million) and an income tax credit of EUR 1.5 million (9M 2020: income tax expense of EUR 5.0 million), the Schaltbau Group generated a net profit of EUR 16.2 million (9M 2020: EUR 9.5 million) for the nine-month period, 71.2% higher than one year earlier. Of this amount, EUR 2.5 million was attributable to minority interests (9M 2020: EUR 2.5 million) and EUR 13.7 million to the shareholders of Schaltbau Holding AG (9M 2020: EUR 7.0 million).

Net assets

The balance sheet total increased to EUR 436.5 million during the period under report (31 December 2020: EUR 411.8 million). Non-current assets rose to EUR 168.3 million (31 December 2020: EUR 155.0 million), primarily due to the NExT Factory, which is currently under construction. Current assets also increased to EUR 268.2 million (31 December 2020: EUR 256.9 million), with inventories rising to EUR 132.0 million (31 December 2020: EUR 118.7 million) and trade accounts receivable to EUR 83.5 million (31 December 2020: EUR 72.8 million). Cash and cash equivalents decreased to EUR 19.5 million (31 December 2020: EUR 39.4 million).

As a result of the Mandatory Convertible Bond issued in the reporting period, equity increased sharply to EUR 164.0 million as at 30 September 2021 (31 December 2020: EUR 90.7 million), whereas non-current liabilities were significantly lower than at the end of the previous fiscal year, in particular financial liabilities, which, due to loan repayments, fell significantly to EUR 48.2 million (31 December 2020: EUR 108.6 million). In contrast, current liabilities increased to EUR 177.8 million (31 December 2020: EUR 147.7 million) compared with the year-end. Other provisions rose to EUR 29.2 million (31 December 2020: EUR 26.1 million), trade accounts payable to EUR 46.8 million (31 December 2020: EUR 41.9 million), contract liabilities to EUR 31.0 million (31 December 2020: EUR 22.2 million) and other liabilities to EUR 37.3 million (31 December 2020: EUR 29.3 million). At the same time, personnel provisions decreased to EUR 12.3 million (31 December 2020: EUR 14.2 million).

Financial position

Schaltbau generated a positive cash flow from operating activities during the period under report amounting to EUR 4.8 million (9M 2020: negative EUR 5.1 million). While earnings before interest and taxes were higher at EUR 19.2 million (9M 2020: EUR 18.7 million), inventories increased by EUR 14.0 million (9M 2020: increased by EUR 18.0 million) and trade accounts receivable increased by EUR 10.1 million (9M 2020: decreased by EUR 0.8 million). Trade accounts payable increased by EUR 4.6 million during the reporting period (9M 2020: decreased by EUR 2.3 million), while other non-cash income / expenses amounted to EUR 3.2 million (9M 2020: negative EUR 1.3 million). Cash outflows from investing activities increased significantly to EUR 18.8 million (9M 2020: outflows of EUR 9.9 million), particularly due to the construction of the new NExT Factory in Velden.

Net working capital rose temporarily by 8.0% to EUR 137.7 million in the period under report (31 December 2020: EUR 127.4 million) in light of COVID-19-related delays in the awarding of contracts on the one hand and a continued challenging supply situation on the other. The return on capital employed (ROCE) of 7.7% at the end of the third quarter 2021 (31 December 2020: 8.1%) was roughly at the previous year's level.

Risk and opportunity report

During the first three months of 2021 there were no significant changes compared with the risks and opportunities described in detail in the risk and opportunity report contained in the Group management report 2020. The Executive Board sees slightly increased risks due to delivery bottlenecks in the supply of materials and delays in the awarding of projects. The Group management report is an integral part of the Annual Report 2020 and available online at: ir.schaltbaugroup.com.

Outlook

Despite the increased risks for delivery bottlenecks in the material supply chain, project postponements and/or delays in the awarding of projects as well as the expected transaction costs in conjunction with the takeover of Schaltbau Holding AG by Voltage BidCo GmbH (Carlyle), the Executive Board has reaffirmed its outlook for the fiscal year 2021. The outlook and the key assumptions applied are explained in detail in the Group management report for the fiscal year 2020. Accordingly, the Executive Board forecasts order intake of between EUR 550 million and EUR 580 million for the Schaltbau Group as a whole in the fiscal year 2021. The Group also expects to generate revenue of between EUR 520 million and EUR 540 million over the 12-month period. Based on higher revenue, further productivity improvements and cost-cutting measures, the Executive Board is targeting an EBIT margin of around 5% for the Group.

Development of the key performance indicators

In € million	2020	9M 2021	Outlook 2021
Financial performance indicators			
Order intake	538.3	384.8	550 – 580
Revenue	502.3	381.2	520 – 540
EBIT margin (in %)	4.3%	5.0%	approx. 5%

Condensed Interim Group Financial Statements (unaudited)

Consolidated income statement

for the period from 1 January to 30 September 2021 (IFRS)

k€	1.1. – 30.9.2021	1.1. – 30.9.2020
Revenue	381,162	370,846
Change in inventories of finished goods and work in progress	5,964	11,397
Own work capitalised	1,473	1,019
Total output	388,599	383,262
Other operating income	4,718	9,223
Cost of materials	-197,016	-203,503
Personnel expense	-129,768	-126,023
Depreciation, amortisation and impairment losses	-12,639	-11,713
Other operating expenses	-33,677	-31,837
Impairment losses	-1,018	-730
Profit before financial result and taxes (EBIT)	19,199	18,679
Result from at-equity accounted investments	-156	734
Results from investments	-156	734
Interest income	713	218
Interest expense	-5,043	-5,200
Financial result	-4,330	-4,982
Profit before tax	14,713	14,431
Income taxes	1,510	-4,955
Group net profit for the period	16,223	9,476
Allocation of Group net profit for the period		
Attributable to minority shareholders	2,463	2,483
Attributable to shareholders of Schaltbau Holding AG	13,760	6,993
Group net profit for the period	16,223	9,476
Earnings per share – undiluted	1.37	0.79
Earnings per share - diluted	1.37	0.79

Consolidated balance sheet

as of 31 March 2021 (IFRS)

Assets

k€	30.9.2021	31.12.2020
A. Non-current assets		
Intangible assets	46,778	43,416
Property, plant and equipment	103,316	94,438
Investment property	3,536	3,678
At-equity accounted investments	618	2,154
Other investments	1,549	2,067
Deferred tax assets	12,539	9,204
	168,336	154,957
B. Current assets		
Inventories	132,019	118,690
Trade accounts receivable	83,514	72,816
Current tax assets	374	162
Other receivables and assets	17,183	19,850
Contract assets (current)	15,617	5,982
Cash and cash equivalents	19,466	39,379
	268,173	256,879
Total assets	436,509	411,836

Equity and liabilities

k€	30.9.2021	31.12.2020
A. Equity		
Subscribed capital	13,239	10,800
Capital reserves	66,432	11,534
Statutory reserves	231	231
Revenue reserves	61,083	46,614
Currency translation reserve	-7,369	-8,634
Revaluation reserve	2,975	2,975
Attributable to shareholders of Schaltbau Holding AG	136,591	63,520
Minority interests	27,397	27,215
	163,988	90,735
B. Non-current liabilities		
Personnel-related provisions	42,257	44,323
Other provisions	336	499
Financial liabilities	48,165	108,598
Contract liabilities (non-current)	148	11,727
Other liabilities	680	6,465
Deferred tax liabilities	3,102	1,817
	94,688	173,429
C. Current liabilities		
Personnel-related provisions	12,288	14,224
Other provisions	29,184	26,144
Income tax liabilities	2,477	3,306
Financial liabilities	18,759	10,587
Trade accounts payable	46,837	41,869
Contract liabilities (non-current)	31,032	22,219
Other liabilities	37,256	29,323
	177,833	147,672
Total liabilities and shareholders' equity	436,509	411,836

Consolidated cash flow statement

for the period from 1 January to 30 September 2021 (IFRS)

k€	1.1. – 30.9.2021	1.1. – 30.9.2020
Profit before financial result and taxes (EBIT)	19,199	18,679
Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment	12,639	11,713
Gains on the disposal of intangible assets and property, plant and equipment	186	117
Change in inventories	-13,965	-17,935
Change in trade accounts receivable	-10,122	844
Change in sundry other assets	-5,897	-4,982
Change in provisions	-253	-4,544
Change in trade accounts payable	4,636	-2,313
Change in sundry other liabilities	-1,775	-2,863
Income tax paid	-3,068	-2,552
Other non-cash income/ expenses	3,203	-1,276
Cash flows from operating activities	4,783	-5,112
Payments for investments in		
intangible assets and property, plant and equipment	-17,241	-10,905
fully consolidated companies or business units	-2,593	719
Proceeds from/disbursements for disposals of		
intangible assets and property, plant and equipment	18	29
investments	19	47
fully consolidated companies or business units	0	-19
Dividends received	735	0
Interest received	296	218
Cash flows from investing activities	-18,766	-9,911
Payment into capital	56,912	0
Distribution to minority interests	-2,439	-2,445
New loans raised	5,000	1,143
Loan repayments	-5,253	-9,928
Repayment of lease liabilities	-2,902	-2,576
Interest paid	-4,018	-3,381
Change in sundry other financial liabilities	-53,277	23,824
Cash flows from financing activities	-5,977	6,637
Change in cash funds due to exchange rate fluctuations	44	121
Change in cash funds due to changes in the Group reporting entity	3	0
Change in cash funds	-19,913	-8,265
Cash funds at the end of the period	19,466	16,919
Cash funds at the beginning of the period	39,379	25,184

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www.schaltbaugroup.com

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