

CORPORATE NEWS

issued by Schaltbau Holding AG, Munich, Germany
WKN 717030 – ISIN DE0007170300

Schaltbau starts fiscal year 2018 with strong growth in sales and earnings

- **Group first-quarter sales up by 12.3% year-on-year to EUR 124.2 million; EBIT improves by EUR 10.5 million to EUR 2.0 million**
- **Financial liabilities reduced by more than one third since end of 2017, equity ratio up from 15.6% to 26.9%**
- **Continued rigorous implementation of restructuring measures**

Munich, Germany, 8 May 2018. Schaltbau Holding AG recorded notable operating performance in the first three months of fiscal year 2018, considerably bolstered its financial capacity and made further progress in the ongoing restructuring of the Schaltbau Group. Group sales rose significantly from EUR 110.6 million one year earlier to EUR 124.2 million during the period under report. Order intake also developed favourably, totalling EUR 149.2 million in the first quarter. At 31 March 2018, the Schaltbau Group's order book stood at EUR 508.1 million. (31 March 2017: EUR 491.1 million) and thus continues to be at a high level. Profit before financial result and taxes (EBIT) improved by EUR 10.5 million to EUR 2.0 million. Due to the classification of Schaltbau Sepsa as a disposal group in November 2017, Sepsa business performance has since been recognised directly in equity and is therefore no longer taken into account in Group EBIT for the first quarter 2018.

The Schaltbau Group also significantly reinforced its financial capacity in the first quarter 2018. Financial liabilities were reduced by more than one third from EUR 183.7 million at the end of 2017 to EUR 119.6 million at 31 March 2018. The equity ratio rose from 15.6% to 26.9% during this period. This development is driven by a share capital increase of approximately EUR 46 million net, which was successfully completed in February 2018, and the sale of the Group's brake systems specialist Pintsch Bubenzer for around EUR 30 million finalised at the beginning of March. The Schaltbau Group's financial statements for the first quarter 2018 include the contribution of Pintsch Bubenzer up to and including the end of February 2018.

During the reporting period, the Schaltbau management team held key negotiations on restructuring the rail infrastructure business field (part of the Stationary Transportation Technology segment), which have meanwhile been successfully concluded. For Pintsch Bamag Antriebs- und Verkehrstechnik GmbH ("Pintsch Bamag") and Pintsch Tiefenbach GmbH ("Pintsch Tiefenbach"), a collective restructuring plan was agreed upon that runs until the end of 2019, translating into savings of around EUR 2 million annually, both in the current year and in 2019.

Dr Bertram Stausberg, Spokesman of the Executive Board of Schaltbau Holding AG, commented on the Group's business performance during the first quarter as follows: "We are thoroughly satisfied with this start to the second year of our restructuring and repositioning strategy for the Schaltbau Group because we have not only achieved our financial aims, but even slightly surpassed our own expectations. Moreover, the share capital increase successfully concluded in February has significantly bolstered our financial base. We still have a great deal of work ahead of us in our firm endeavour to bring Schaltbau back to its former strength and generate a commensurate profit from our positive sales performance. However, developments in the first quarter 2018 make us confident that our plans will culminate in success."

Overall, Schaltbau Group profited in the first quarter 2018 from significant volume increases in both the Mobile Transportation Technology segment and the Components segment. In fact, EBIT improved in all three segments of Schaltbau Group.

Order intake in the Mobile Transportation Technology segment totalled EUR 81.5 million in the first three-month period of the current year. Order intake surpassed expectations overall, despite being below the very high prior-year figure of EUR 102.9 million, which was driven by a number of major orders awarded simultaneously. In contrast, segment sales climbed considerably from EUR 58.4 million to EUR 70.7 million. First-quarter EBIT also improved year-on-year from a negative amount of EUR 4.7 million to a negative EUR 0.3 million. Excluding available-for-sale Sepsa Group, sales rose from EUR 51.0 million to EUR 65.0 million, and correspondingly adjusted EBIT improved from EUR -0.7 million to EUR -0.3 million year-on-year. Measures planned to cut material and personnel costs in this segment will have a more significant impact in the further course of the year.

Sales in the Stationary Transportation Technology segment totalled EUR 16.8 million for the three-month period under report, compared with EUR 23.1 million one year earlier. Adjusted for the sale of the Pintsch Bubenzer Group, segment sales totalled EUR 8.6 million, compared with EUR 9.9 million in the first quarter 2017. The somewhat slow start to the year was hampered by customer-related project delays. Order intake for the Stationary Transportation Technology segment totalled EUR 27.7 million (previous year's quarter: EUR 27.3 million). Segment EBIT was negative EUR 3.5 million (previous year's quarter: negative EUR 3.5 million, excluding Pintsch Bubenzer: negative EUR 3.6 million compared with a negative EUR 3.7 million one year earlier).

Business performance in the Components segment again improved significantly year-on-year. Sales jumped by 26.6% to EUR 36.7 million (previous year's quarter: EUR 29.0 million). EBIT totalled EUR 8.3 million, more than doubling the previous year's first-quarter figure of EUR 3.5 million. Order intake was unchanged at EUR 40.4 million.

Due to the good performance reported in the first quarter 2018, the management team reaffirmed the forecast for the full fiscal year published in April. Schaltbau expects to report Group sales of between EUR 480 million and EUR 500 million and Group order intake in the region of EUR 500 million to EUR 520 million. The sales shortfall resulting from the sale of the brake systems business will be partially offset by the planned moderate growth of the remaining Group companies. Based on a continuation of the stable order situation, the EBIT margin for 2018 (excluding exceptional items) should improve to around 3% of sales. The first beneficial effects of the restructuring process begun in 2017 are set to make a positive contribution. Higher productivity driven by optimised manufacturing processes and improved purchasing conditions are expected to reduce personnel and material costs. Again in fiscal year 2018, non-operating exceptional items may also result from impairment losses in connection with restructuring measures and the sale of subsidiaries.

Key figures from the consolidated financial statements of Schaltbau Holding AG, first quarter 2018

In EUR million, unless stated otherwise	Q1 2018	Q1 2017	Δ absolute	Δ in %
Order intake	149.2	170.8	-21.6	-12.6
Order book	508.1	491.1	+17.0	+3.5
Sales	124.2	110.6	+13.6	+12.3
Sales excluding Pintsch Bubenzer and Sepsa*	110.3	90.0	+20.3	+22.6
EBIT	2.0	-8.5	-	-
EBIT excluding Pintsch Bubenzer and Sepsa*	1.9	-4.7	-	-
	31.03.2018	31.12.2017	Δ absolute	Δ in %
Financial liabilities	119.6	183.7	-64.1	-34.9
Equity ratio (in %)	26.9	15.6	+11.3	+72.4
Employees (count)	3,173	3,288	-115	-3.5

* Pintsch Bubenzer was deconsolidated due to sale on 1 March 2018. Sepsa was put up for sale in November 2017; since then, Sepsa business performance has been recognised directly in equity.

As of today, further details on results of the first quarter 2018 will be provided at: www.schaltbau.com in a presentation. Results for the first half of 2018 will be published on 8 August 2018.

Contact

Wolfgang Güssgen
Head of Investor Relations & Corporate Communications
Schaltbau Holding AG
Hollerithstrasse 5
81829 Munich
Germany
T +49 89 93005-209
gussgen@schaltbau.de
www.schaltbau.com

About Schaltbau

With annual sales of over EUR 500 million and more than 3,000 employees, Schaltbau Group is an internationally leading supplier of components and systems in the field of transportation technology and the capital goods industry. The companies of the Schaltbau Group supply complete level crossing systems, train formation and signal technology, door and boarding systems for buses, trains and commercial vehicles, sanitary systems and interior fittings for railway vehicles, and high- and low-voltage components for rolling stock as well as for other fields of application. Its innovative and future-oriented products make Schaltbau a key industrial business partner, particularly in the field of transportation technology.

Disclaimer

This corporate news 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.