

CORPORATE NEWS

issued by Schaltbau Holding AG, Munich, Germany
WKN A2NBTL – ISIN DE000A2NBTL2

Schaltbau makes further progress in Q3 2018

- **Group sales like-for-like up by 9.0% year-on-year to EUR 117.5 million in Q3 2018, EBIT before exceptional items at EUR 5.7 million or 4.5% of sales**
- **Order intake like-for-like of EUR 390.3 million in 9M 2018, up 2.3% vs. 9M 2017**
- **Guidance for current fiscal year reaffirmed**

Munich (Germany), 8 November 2018. As in the previous quarter, Schaltbau Holding AG made good progress in its operations in Q3 2018 and continued reducing its risks. The Schaltbau Group's sales rose by 9.0% like-for-like (excluding the contributions of the Pintsch Bubenzer Group, which has been sold, and the Sepsa Group, which has been put up for sale) from EUR 107.8 million in the same period one year earlier to EUR 117.5 million in Q3 2018. Reported earnings before interest and taxes (EBIT) for the quarter totalled a negative EUR 10.9 million, compared with a negative EUR 11.7 million for the same period one year earlier. EBIT reported for Q3 2018 was impacted by impairment losses recognised on the subsidiaries Alte and Bode UK totalling EUR 12.3 million, significantly reducing carrying amount risks in the Schaltbau Group's balance sheet. Adjusted for these and other exceptional items, the result was a positive EBIT of EUR 5.7 million or 4.5% of sales.

Nine-month Group sales like-for-like rose to EUR 346.6 million and therefore 15.6% above the total of EUR 299.8 million recorded one year earlier. Order intake like-for-like increased as well, by 2.3% to EUR 390.3 million in 9M 2018. Reported EBIT improved from a negative EUR 16.4 million for 9M 2017 to a negative EUR 1.5 million in the period under report. This key performance figure includes the impact of exceptional items. Excluding these, EBIT amounted to a positive EUR 12.3 million or 3.3% of sales for 9M 2018. The results of the Sepsa Group are no longer included in Group EBIT for 9M 2018, as this sub-group was classified as a disposal group in November 2017.

The bulk of the impact of exceptional items included in EBIT reported for 9M 2018 related to impairment losses recognised in Q3 2018 on the carrying amounts of the subsidiaries Alte and Bode UK, totalling EUR 12.3 million.

Dr Albrecht Köhler, Spokesman of the Executive Board of Schaltbau Holding AG, commented on the Group's business performance in recent months as follows: "In Q3 2018 we made further progress on our way back to sustainable profitability. Both sales and EBIT adjusted for exceptional items developed positively during the quarter under report. We are also making good progress with restructuring measures and the related cost structure adjustments, and our solid order book provides an excellent basis for substantial growth. Furthermore, by recognising impairment losses on Alte and Bode UK, we have considerably reduced exposures to risks in the Group's balance sheet. We still have a lot to do; in particular we need to increase our gross margins, improve our production planning processes and reduce net working capital. However, developments within the Group so far this year show that we are on the right track."

Performance of the segments

Overall, Schaltbau profited from significant volume increases in the Mobile Transportation Technology and Components segments during the first nine months of 2018. The improvement in the EBIT contribution from the Components segment was particularly encouraging.

In the Mobile Transportation Technology segment, external order intake totalled EUR 236.4 million in 9M 2018, i.e. 6.0% down on the previous year's EUR 251.5 million. However, the segment's external sales grew significantly from EUR 190.1 million to EUR 220.5 million, driven by the strong business performance of the Bode Group. EBIT totalled a negative EUR 16.0 million, compared with a negative EUR 16.2 million for the same period in the previous year. Whereas EBIT for 9M 2017 was impacted by an impairment loss of EUR 12.0 million recognised on the Sepsa investment, this key performance figure for 9M 2018 included impairment losses totalling EUR 12.3 million recognised on the Alte and Bode UK investments, as well as a one-off expense of EUR 3.8 million arising in conjunction with the purchase of a Sepsa property. Adjusted for these effects, the EBIT development was moderately positive and is set to gather pace in the coming quarters on the back of further improvements in productivity.

In the Stationary Transportation Technology segment, external sales amounted to EUR 44.0 million for 9M 2018, compared with EUR 77.5 million in the previous year. Excluding the Pintsch Bubenzer Group (sold), external segment sales totalled EUR 35.8 million, 14.5% down on the comparable figure of EUR 41.8 million recorded one year earlier. The sluggish performance so far this year has been due to customer-related delays on projects, which, however, should still be feasible to a large extent by the end of the year. External order intake figures for the Stationary Transportation Technology segment developed very strongly, amounting to EUR 60.1 million excluding Pintsch Bubenzer and therefore a substantial EUR 14.9 million up on the EUR 45.2 million reported for 9M 2017. Among other items, this development resulted from a major order for a train formation system. Segment EBIT improved to a positive EUR 0.2 million in 9M 2018, compared with a negative EUR 7.0 million recorded one year earlier. The positive performance is primarily due to the reversal of provisions for pending losses on onerous contracts amounting to EUR 7.1 million for the Platform Screen Doors project in Brazil.

In 9M 2018, business performance in the Components segment improved significantly year-on-year. External sales rose by 17.1% to EUR 112.2 million (9M 2017: EUR 95.8 million). EBIT improved by EUR 6.5 million from EUR 15.9 million in 9M 2017 to EUR 22.4 million in 9M 2018. At EUR 115.7 million, external order intake in 9M 2018 also surpassed the figure of EUR 108.6 million recorded in 9M 2017.

Positive outlook reaffirmed

Due to the good performance reported for 9M 2018, management reaffirms its guidance for the full fiscal year. Schaltbau forecasts Group sales in the region of EUR 480 million to EUR 500 million and Group order intake of EUR 500 million to EUR 520 million, both excluding the contributions of the Sepsa Group, which has been put up for sale. The sales shortfall resulting from the sale of the brake systems business will be offset by the expected net growth of the remaining Group companies. Based on a continuation of the good 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. In addition to the supplementary bargaining agreement concluded in the Stationary Transportation Technology segment, productivity improvements through optimised production processes and better purchasing conditions are therefore also expected to result in lower personnel and material costs.

Key figures from the consolidated financial statements of Schaltbau Holding AG, 9M 2018

In EUR million, unless otherwise indicated	9M 2018	9M 2017	Δ absolute	Δ in %
Order intake	420.2	444.1	-23.9	-5.4
Order intake excluding Pintsch Bubenzer and Sepsa*	390.3	381.4	+8.9	+2.3
Order book (at period-end)	515.5	509.0	+6.5	+1.3
Sales	376.1	363.0	+13.1	+3.6
Sales excluding Pintsch Bubenzer and Sepsa*	346.6	299.8	+46.8	+15.6
EBIT	-1.5	-16.4	+14.9	-
EBIT before exceptional items 2018	12.3			
	30.09.2018	31.12.2017	Δ absolute	Δ in %
Net financial liabilities	111.7	158.4	-46.7	-29.5
Equity ratio (in %)	25.4	15.6	+9.8	+62.8
Number of employees	3,161	3,370	-209	-6.2

* Pintsch Bubenzer was deconsolidated due to sale on 1 March 2018.

Sepsa was put up for sale in November 2017. Its operational results are therefore no longer included in Group EBIT since that point in time.

As of today, further details on the results of 9M 2018 will be provided in a presentation available at www.schaltbau.com. Results for the full fiscal year ended on 31 December 2018 will be published on 2 April 2019.

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 around EUR 500 million and more than 3,000 employees, the 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. 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.