

P R E S S R E L E A S E

by Schaltbau Holding AG, Munich

Schaltbau Group: Sales up slightly and earnings down in first nine months of 2016

Munich, 26 October 2016 – Based on preliminary figures, the Schaltbau Group recorded sales of € 365.2 million in the first nine months of 2016. The globally operating transportation technology group was therefore 1.4 per cent ahead of the previous year's corresponding figure (January to September 2015: € 360.2 million), but still short of the figure originally forecast for the period. Lower nine-month sales were posted in particular in the Mobile Transportation Technology segment compared with the previous year, when it had benefited from a major order received from Poland, and partly due to business in China, where order call-offs from the rail industry in 2016 have successively declined over the course of the year. These shortfalls were offset by Brake Systems growth and contributions from the Group's Italian subsidiary, SP11, acquired in 2015 and only included in Group sales with effect from the third quarter of that year. Group sales totaling € 117.5 million were recorded in the three-month period from July to September 2016, compared to € 124.7 million one year earlier.

Order intake for the nine-month period grew by 7.9 per cent to € 423.6 million (January to September 2015: € 392.5 million), comprising € 192.4 million (January to September 2015: € 168.6 million) for the Mobile Transportation Technology segment, € 124.9 million (January to September 2015: € 124.2 million) for the Stationary Transportation Technology segment and € 106.6 million (January to September 2015: € 99.6 million) for the Components segment. The Group's total order book increased from € 345.4 million at 30 September 2015 to € 444.8 million at 30 September 2016.

Group EBIT for the nine-month period was adversely affected by higher structural costs that could not be brought into line with current business levels at short notice. Personal expense, for instance, increased from € 116.1 million to € 124.0 million, reflecting the year-on-year growth in the workforce from 2,981 to 3,323 employees. Earnings were also adversely impacted by additional expenses incurred accessing new markets and restructuring acquired entities on the one hand and by losses arising in conjunction with customer-induced delays affecting the platform screen doors project in Brazil on the other. According to preliminary figures, overall, operating profit (EBIT) fell from € 27.5 million to € 16.3 million for the nine-month period and from € 7.9 million to € 3.9 million for the third quarter.

During the third quarter 2016, Schaltbau increased its shareholding in its Spanish subsidiary, Albatros S.L., Madrid, to 100 per cent and commenced full consolidation of this entity with effect from 30 September 2016, later than originally planned. The acquisition of the additional shares makes it necessary to revalue the Group's previous 94.8 per cent shareholding. Based on preliminary estimates, the revaluation is expected to generate a one-time gain of approximately € 7 million, which will be reported as part of the result from investments. Including this gain, according to preliminary calculations, net profit amounts to € 12.5 million for the nine-month period (January to September 2015: € 18.4 million) and € 9.0 million for the third quarter (July to September 2015: € 4.5 million).

Business conditions are predicted to remain difficult in the fourth quarter. Schaltbau also expects to record items with an additional negative earnings impact, namely the effect of recalculating the purchase price allocation relating to the subsidiary Albatros (due to the later-than-planned date of inclusion), impairment losses on investments and write-downs relating to the project in Brazil. Furthermore, customer related delays are still possible.

With annual sales approaching € 500 million and 3,000 employees worldwide, the Schaltbau Group is a 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, interior fittings, communications and safety systems for railway vehicles, industrial brakes for container cranes and wind turbines, and also 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.

Contact:

Wolfdieter Bloch • Schaltbau Holding AG • Hollerithstraße 5 • D-81829 Munich
Tel: +49 89 93005 209 • Fax: +49 89 93005 318 • E-mail: bloch@schaltbau.de