



# Schaltbau Holding AG

## It remains challenging

09/08/2017

**Hold**  
**33.00 EUR**

Close (08/08/2017)	35.60 EUR
Bloomberg: SLT	WKN: 717030
Sector	Transport & Logistics

### Share price performance

52 week high	42.31
52 week low	26.50
Compared to	Prime All Share
YTD	6.4%
1 month	-5.8%
12 months	-33.2%



### Share data

Market Cap (m EUR)	218.4
No. of shares (m)	6.1
Free float	68.0%
Trading vol. Ø (m EUR)	0.24

### Next event

17/08/2017 Quarterly Results

### Analyst

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See end of document for disclaimer.

The current profit warning shows that the development of certain business activities remains challenging. As a consequence, Schaltbau has accelerated its restructuring leading to a lower-than-expected earnings guidance for 2017. We have to work the new numbers into our model after the Q2 report. As the valuation is mainly based on the upcoming years with minor impact of 2017 numbers we confirm our HOLD recommendation for the stock.

### KEY TAKEAWAYS

- Schaltbau stated that revenues and earnings in "Stationary Transportation Technology" (Pintsch Group) developed worse than expected. The company has therefore decided to accelerate the restructuring of the segment to decrease costs and increase efficiency, including the possible merger of sites.
- The restructuring includes tackling forcefully the remaining problem areas in international entities of "Mobile Transportation Technology." These restructuring measures will lead to additional one-offs (BHLe: € 8 m) and weigh on the EBIT in H2 2017.
- The restructuring expenses as well as unscheduled quality and warranty expenses in several business areas (BHLe: € 4 m) lead to an adjustment of the FY 2017 guidance. Schaltbau is now targeting an EBIT in a range of between € 2 m and € 5 m leading to a EBIT-margin guidance range of 0.4% to 1.0% (prev.: 3% to 4% EBIT margin).
- We view it positive that Schaltbau announced a CRO to return to three board members. Given the comprehensive restructuring programs due, the Supervisory Board has resolved to fill the vacant position effective as of today with the restructuring expert Dr Martin Kleinschmitt, who will act as CRO (Chief Restructuring Officer).
- The half-year report of the Schaltbau Group will, as scheduled, will be published on 17 August 2017. The Q2 numbers should be in line with the company's plans and as previously indicated by the management somewhat better than in Q1.

in m EUR	2015	2016	2017e	2018e	2019e
Sales	502.3	509.1	525.0	546.0	567.8
EBIT	33.4	-14.5	17.0	23.0	27.4
EBIT margin	6.7%	-2.8%	3.2%	4.2%	4.8%
Net financial debt	129.6	148.0	128.4	122.4	115.8
Free cash-flow	-19.5	7.6	17.6	6.0	8.1
EPS (in EUR)	2.80	-2.61	0.78	1.30	1.65
DPS (in EUR)	1.00	0.00	0.00	0.25	0.50
Dividend yield	2.0%	0.0%	0.0%	0.7%	1.4%
EV/Sales	1.0	0.8	0.8	0.8	0.7
EV/EBIT	15.2	-28.2	24.6	17.9	14.8
P/E	18.2	-11.8	45.5	27.3	21.6

Source: Company information, Bankhaus Lampe Research estimates

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## Explanation of valuation

Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Overview of changes in our recommendations/price targets in the previous twelve months for: Schaltbau Holding AG (SLT GR), Close (08/08/2017): 35.60 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
28/04/2017	35.25 EUR	Hold	33.00 EUR
17/02/2017	31.96 EUR	Hold	29.00 EUR
06/12/2016	30.21 EUR	Hold	30.00 EUR
11/11/2016	26.52 EUR	Hold	26.00 EUR
28/10/2016	28.48 EUR	Hold	32.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/07/2017)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	49.0%	75.0%
Hold	46.0%	25.0%
Sell	5.0%	0.0%
Under Review	0.0%	0.0%

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Company	Disclosure
Schaltbau Holding AG	---

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