



Analyst and Investor Call Report 9M 2021

October 2021, Munich

Dr. Jürgen Brandes, Steffen Munz, Volker Kregelin

**Safety and Availability
for Rail and DC Power**

Forward-looking statements

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA OR TO U.S. PERSONS, OR IN OR INTO CANADA, JAPAN OR AUSTRALIA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

This presentation has been prepared by Schaltbau Holding AG (the “Company” and, together with its subsidiaries, the “Group”) for information purposes only.

This presentation does not constitute or form part of an offer of securities for sale or a solicitation of an offer to purchase any securities of the Company (“Securities”) in the United States or any other jurisdiction. The Securities are not and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state in the United States of America, and may not be offered or sold in the United States of America or to U.S. persons, except pursuant to an applicable exemption from registration.

This document is not, and should not be construed as, a prospectus or offering document. The mandatory convertible bonds (the “MCB”) mentioned herein, which the Company intends to offer to its shareholders for subscription in April 2021, will be offered exclusively by means and on the basis of a securities prospectus to be approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and to be published on the Company’s website (the “Prospectus”). Any decision to invest in the MCB, if offered by the Company, should be made solely on the basis of the information contained in the Prospectus and on an independent analysis thereof.

This presentation does not contain nor purport to contain all information required to evaluate the Company, the Group, the MCB and/or any other Securities. The information and opinions contained in this presentation are provided as at the date hereof and have not been independently verified and are subject to change without notice. In giving this presentation, neither the Company nor any other person undertakes any obligation to provide the recipient with access to any additional information or to update this presentation.

No representation, warranty or undertaking, express or implied, is made by the Company or any of its affiliates or any of their respective directors, officers, employees, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation or any other statement made or purported to be made with respect to the Company, the Group, the Securities or any other matter referred to in this presentation for any purpose whatsoever, including but not limited to any investment considerations.

Certain information in this presentation, including the estimates and growth targets in terms of revenue and EBIT margin of the Group and statements regarding the possible or assumed future performance of the Group or the industry in which it operates or other trend projections constitute forward-looking statements. These statements reflect the Company’s current knowledge, expectations and projections about future events and may be identified by the context of such statements or words such as “anticipate”, “believe”, “expect”, “intend”, “project” and “target”. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements are correct, complete or accurate.

To the extent available, the industry, market and competitive position data contained in this presentation come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, none of the Company or its representatives has independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this presentation come from the Company’s own internal research and estimates based on the knowledge and experience of the Company’s management in the markets in which the Group operates. While the Company believes that such research and estimates are reasonable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change and correction without notice.

Certain financial data included in this presentation consists of “non-IFRS financial measures”. These non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies and should be considered only in addition to, but not in isolation or as a substitute for, the financial information prepared by the Company in accordance with IFRS.

Figures may not add up due to rounding.

2021 9M results confirm SCHALTBAU's profitable growth strategy

Our Environment

- Economy is further recovering, but pace decreased due to material shortages and COVID-19 induced order delays
- “Digitale Schiene” drives market growth in Rail infrastructure in GER
- High project volumes in Rolling Stock in Western Europe, but some project shifts
- High growth dynamic in New Energy / New Industry and e-Mobility

Our Highlights

- **Execution of strategy 2023 delivers expected results:**
 - Significantly improved profitability in Rolling Stock (Bode) with 3.7% EBIT margin
 - After Sales revenues up 25% Y/Y at €56 M with attractive margins
 - Rail core business with amended portfolio and strong growth for level crossings
 - High growth momentum in New Energy / New Industry, with orders up 48% Y/Y
 - New order for e-Mobility Automotive, increased number of samples delivered
 - NEXt factory and Zwieseler Spinne on track

Our Financials

- **Order intake impacted by project delays:** orders 4% down Y/Y
- **Continuing profitable growth path despite challenging market conditions and tough Y/Y comps:** Revenue +3%, EBIT +3%, EBIT margin 5.0%
- **Strengthened balance sheet** through convertible

Our Guidance '21

- **Guidance 2021 confirmed**
 - Orders €550 - 580 M, revenue: €520 - 540 M
 - EBIT margin approx. 5%



Status Takeover Offer Carlyle

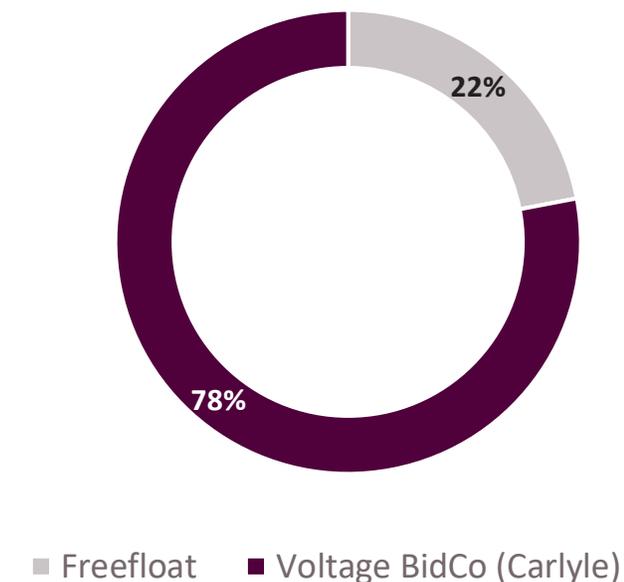
Management and Supervisory Board support the Takeover Offer

- **25.8.21 Voluntary Public Takeover Offer (VPTO)** by Voltage BidCo GmbH (Carlyle) - 69% of voting rights (fully diluted) already secured by irrevocable undertakings
- **7.10.21 Intention to launch Delisting Offer** after completion of VPTO
- **11.10.21 End of acceptance period of VPTO – 78.2% of voting rights** (77.7% fully diluted) secured
- **25.10.21 Closing /VPTO Settlement / transfer of shares**
- Delisting intended end of 2021

Shareholder structure

October 2021

Total number of shares 10,851,921



Recap Strategy 2023 - four key strategic directions to create sustainable value

Key mid-term strategic directions

Key strategic targets by 2026

01 Sustainable performance improvement (profitability, return on capital, and cash generation)	Group: high single-digit EBIT margin Group: mid-teens ROCE Rolling Stock (Bode): EBIT margin 6-8%
02 Profitable growth in the core business: Rail Infrastructure and Rolling Stock/Bus	Rail revenue CAGR 4-6% from 2020 to 2026 (>2x market-growth ¹)
03 Growing the After Sales business, utilizing the installed base and growth in modernizations/refurbishments	After Sales revenue CAGR 6-7% from 2020 to 2026 (from ~€60 M 2020 to ~ €100 M in 2026)
04 Development of new DC components and applications in New Energy / New Industry, and e-Mobility, entering high-growth markets	Doubling DC Power revenues by 2026 (from ~€160 M in 2020 to ~€300 M in 2026)

(1) UNIFE World Rail Market Study forecast 2020-2025, p.136: CAGR of 2.3%

Rail Infrastructure / Rolling Stock: In line with expectations, long-term growth prospects intact, full potential plan improves profitability

RAIL



Infrastructure

Strong order intake indicates high shipments / sales volume in Q4

High demand for level-crossings

Digital Interlocking pilot project Zwieseler Spinne on track as planned

Laboratory setup to show the communication of the components was presented to DB and EBA (Eisenbahn- Bundesamt = federal railway office)

Rolling Stock

Ongoing execution of full potential plan improves profitability

EBIT margin at Bode at 3.7% (+2.6 PP Y/Y) from After Sales, productivity, leaner overhead

Long-term growth prospects intact

COVID-19 pandemic caused temporary delays in orders and some project shifts in the US

After Sales

Strong growth in After Sales, backed by large and growing installed base

After Sales 25% Y/Y to € 56M at attractive margins

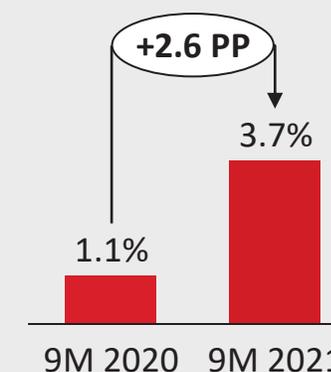
Laboratory setup "Zwieseler Spinne"



Secure computing-
hardware for
"Zwieseler Spinne"

Rolling Stock / Bode

EBIT margin in %



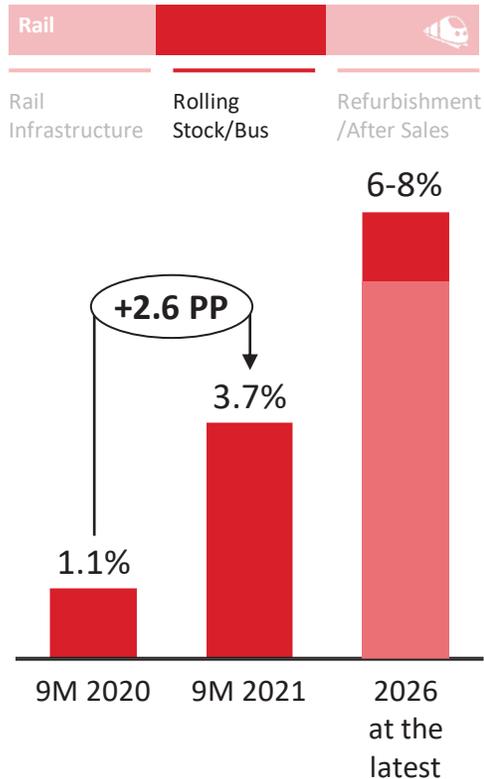
Rolling Stock: Executing Full Potential Plan to reach 6-8% EBIT margin

Deep Dive Rolling Stock / Bode

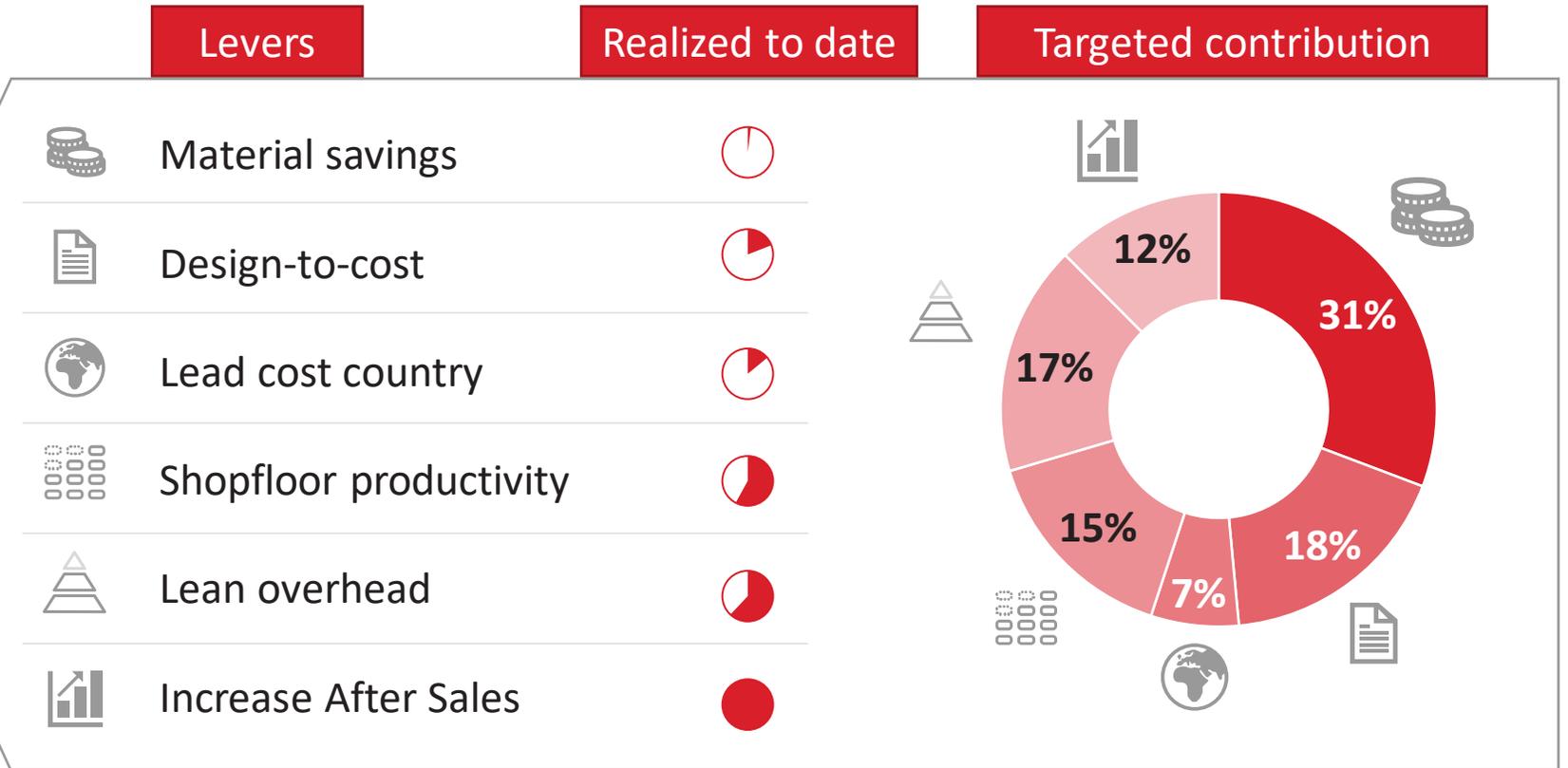
01 Sustainable performance improvement
(profitability, return on capital, and cash generation)

Key targets Rolling Stock / Bode

EBIT margin in %



Levers to improve profitability and realized potential



DC Power: Strong performance of Schaltbau GmbH, high demand from new markets, second win for e-Mobility (Automotive)

DC POWER



Schaltbau continues strong performance at a steady high EBIT margin

Double-digit growth rates in order intake, backed by new markets

New Energy / New Industry: Strong growth dynamic

Order intake up 48% Y/Y, revenue up 38% Y/Y

e-Mobility: Continuing strong growth momentum

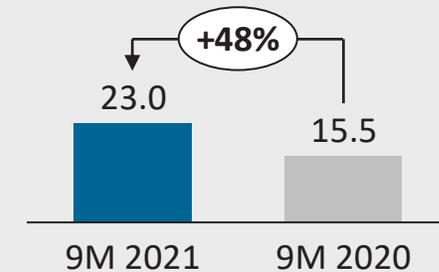
e-Mobility Charging revenue up 83% Y/Y, order intake up 24% Y/Y, second supplier nomination in e-Mobility Automotive and increased number of sample deliveries

NExT Factory on track

Groundwork completed, shell building ongoing and NExT DC-grid project started

New Energy / New Industry

Order intake in €M



NExT

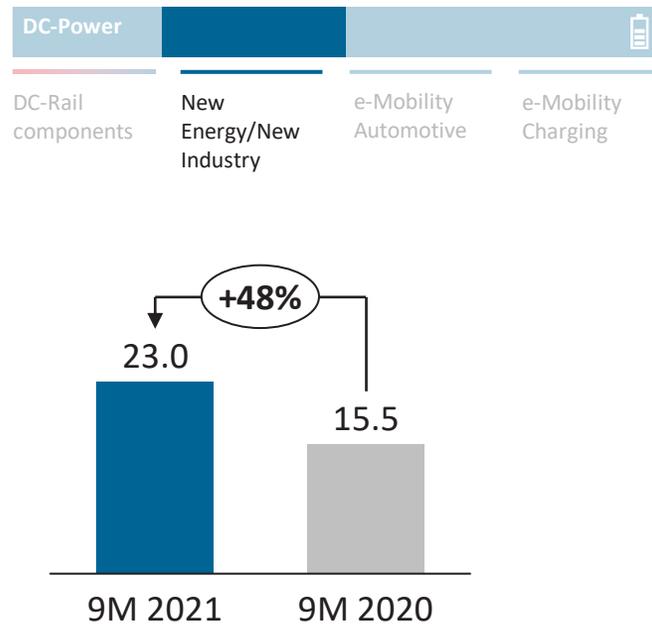


New Energy / New Industry: Exciting growth opportunities with components material handling and high-power charging

04 Development of new DC components and applications in New Energy/New Industry, and e-Mobility, entering high-growth markets

New Energy / New Industry

Order intake in €M



Use-cases for component business



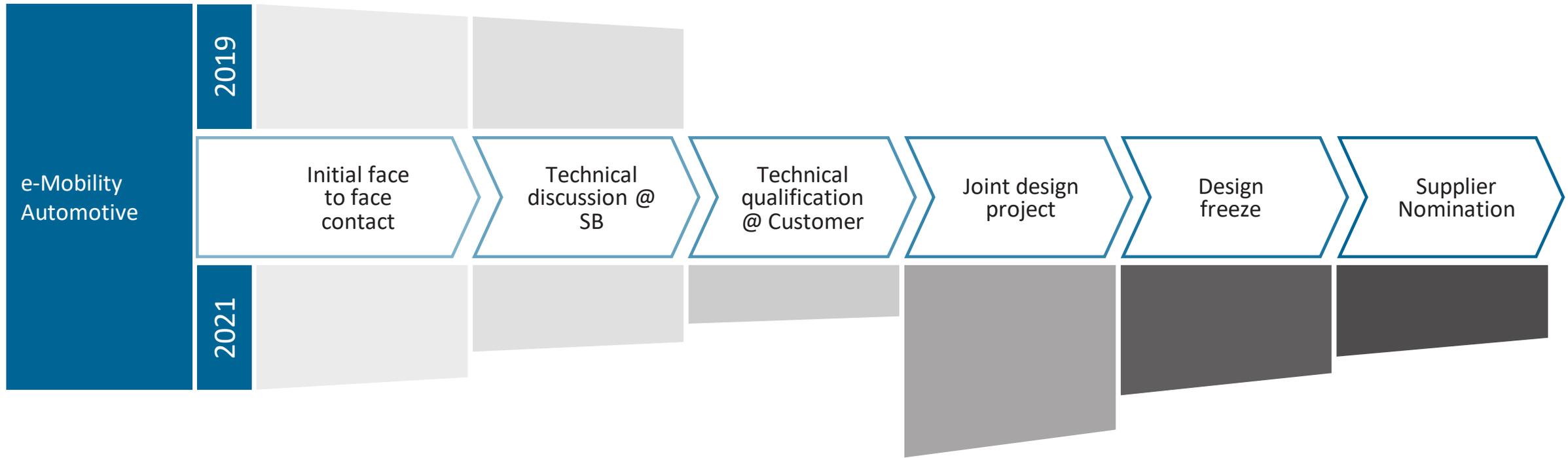
Our contactors are used in combinations of energy storage with HPC-Chargers, which allows peak-shaving. Continuous charging of the energy storage and peak consumption of energy by the e-vehicle



Material handling: forklifts are in an advanced stage of electrification, therefore a relevant use case for DC connectors

DC Power / Schaltbau GmbH: nomination of a leading European equipment supplier for e-busses

04 Development of new DC components and applications in New Energy/New Industry, and e-Mobility, entering high-growth markets



New: Schaltbau was nominated for serial supply of propulsion systems for e-busses. Client: leading European supplier

NExT Factory on track as planned: shell construction ongoing



Continuing profitable growth path despite one-off transaction costs

Financial highlights 9M 2021

- 1 Continuing profitable growth path despite one-off transaction costs:** revenue +3%, EBIT +3%, EBIT margin 5,0% – one-off transaction costs from the Carlyle take-over in Q3 – tough Y/Y comps due to some one-time effects in FY20
- 2 Order intake impacted by slower awarding process:** orders down 4% Y/Y – orders expected to catch-up Q4, particularly at Bode – continued healthy book-to-bill ratio of 1.0
- 3 Improved profitability at Bode,** with EBIT margin at 3.7% (+2.6PP) thanks to the executing the full potential plan – SB GmbH continuing dynamic growth in New Energy/New Industry, with EBIT margin being steady at a high level
- 4 Net working capital temporarily spiked** due to tight supply situation and delayed shipments – construction of NExT progressing as planned with **investments impacting free cash flow**
- 5 Strengthened balance sheet through issued mandatory convertible bonds in April:** improved equity ratio (37.6%) and reduced financial leverage (1.1X net debt/EBITDA)
- 6 Re-affirming our 2021 guidance:** orders €550 - 580M, revenue €520 - 540M, EBIT-margin ~5% of sales

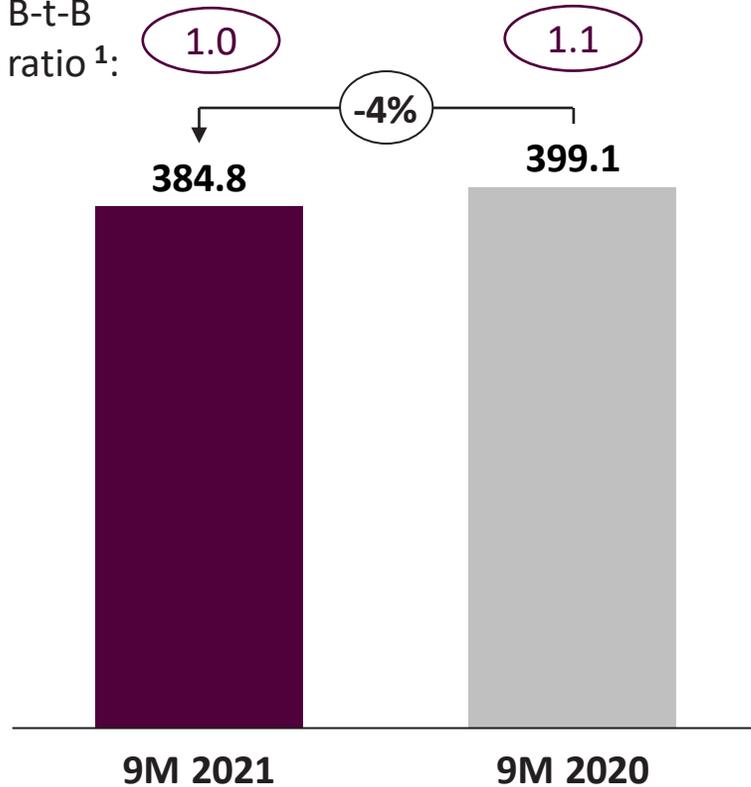
Continuing profitable growth path despite one-off transaction costs

SCHALTBAU Holding Group – Key Financials – 9M 2021 (1/3)

Order Intake

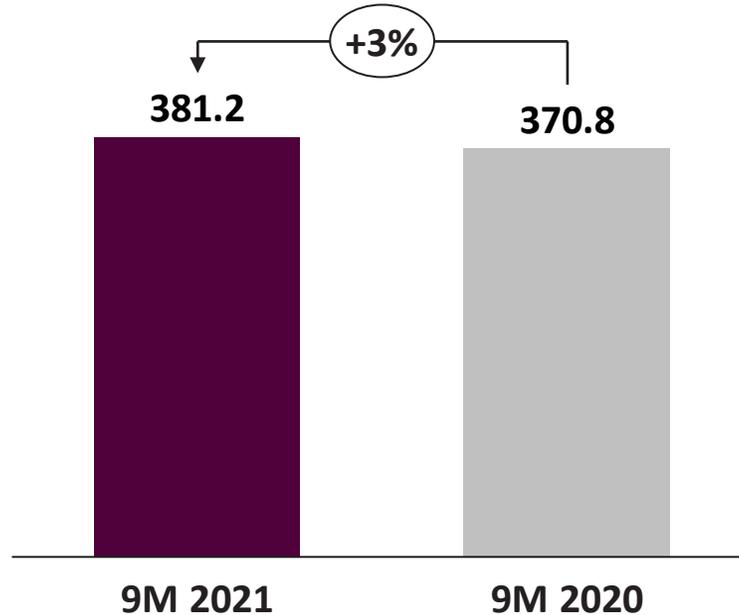
in €M

B-t-B
ratio ¹:



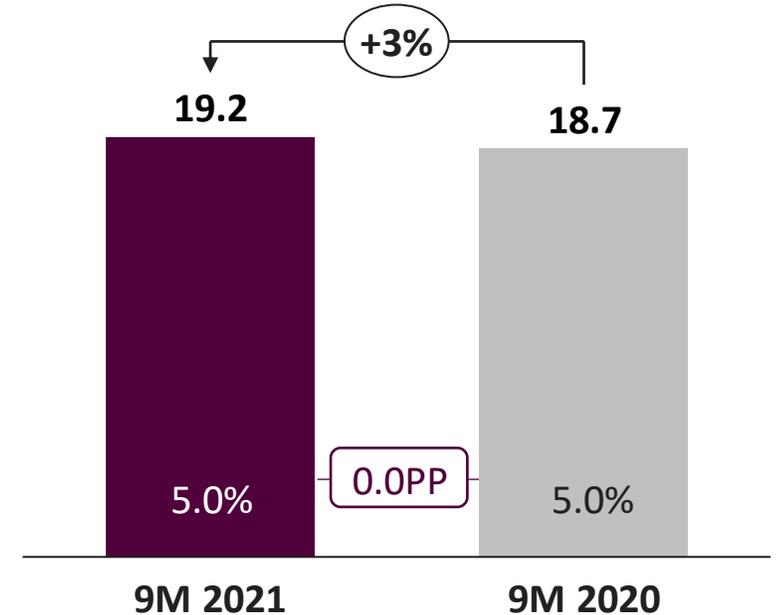
Revenue

in €M



EBIT

in €M and in % of revenue



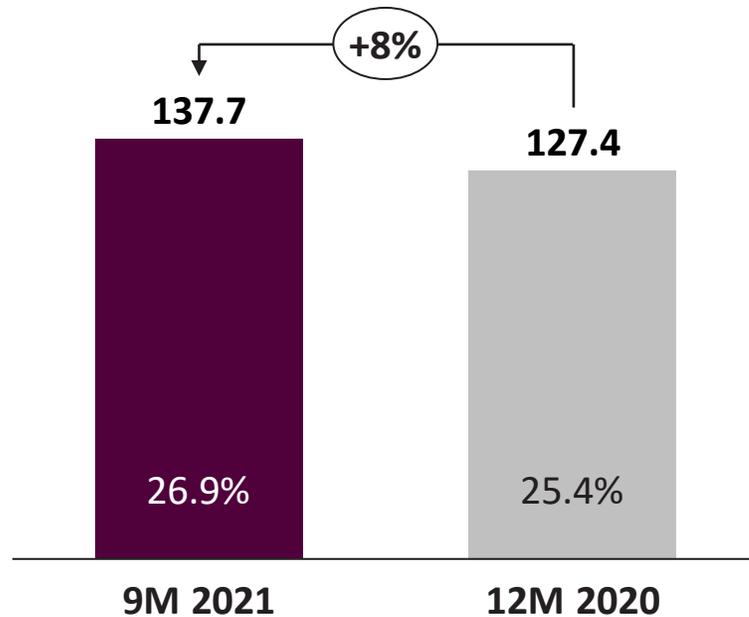
(1) B-t-B: Book to Bill ratio

NWC temporarily spiked due to tight supply markets & delayed shipments – investments in NExT factory impacting free cash flow

SCHALTBAU Holding Group – Key Financials – 9M 2021 (2/3)

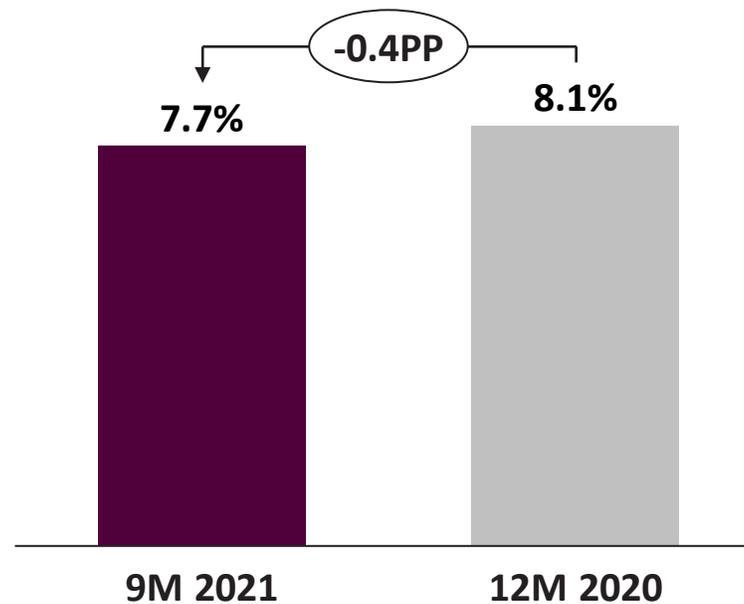
Net Working Capital (NWC)

in €M and in % of revenue¹



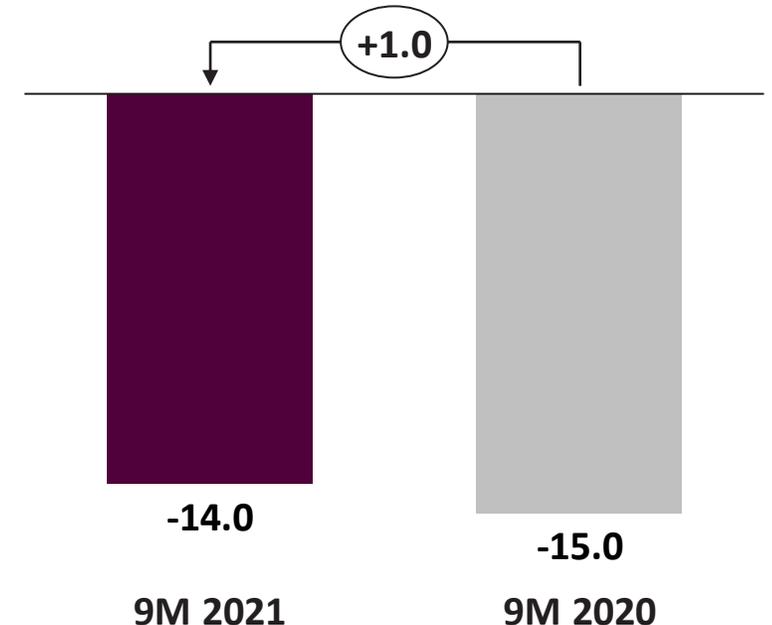
Return on Capital Employed (ROCE)

EBIT¹ / Employed Capital, in %



Free Cash Flow

In €M



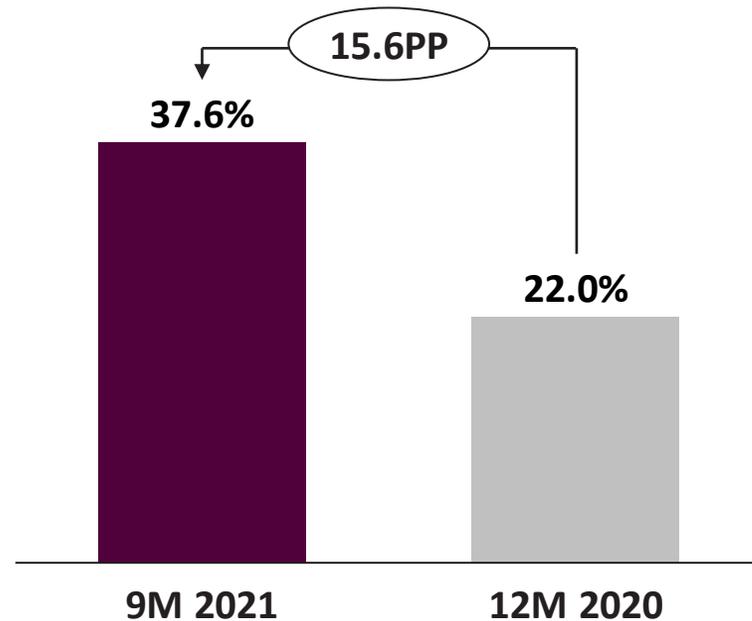
(1) Of last twelve months (LTM)

Strengthened balance sheet through issued mandatory convertible bonds: improved equity ratio (37.6%) and reduced financial leverage (1.1X)

SCHALTBAU Holding Group – Key Financials – 9M 2021 (3/3)

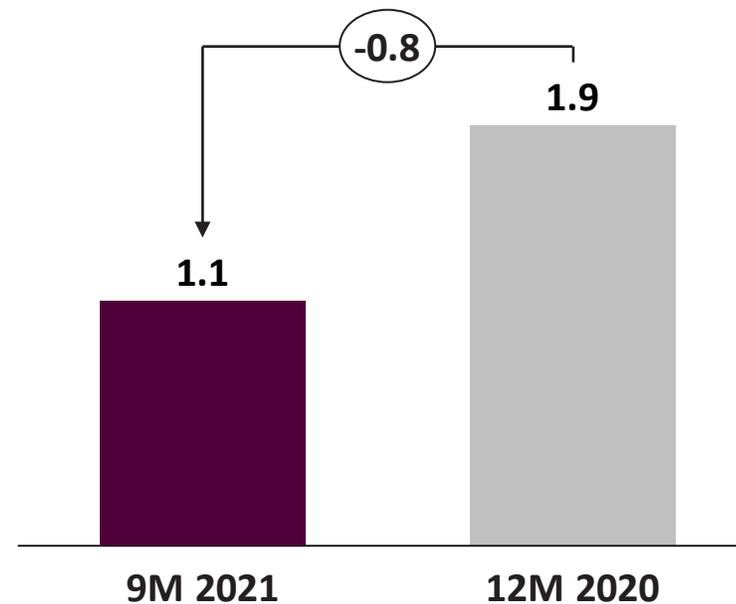
Equity Ratio

In %



Financial Leverage

Net Debt¹/EBITDA², in turns



(1) Net debt is defined as the reported net financial liabilities and lease liabilities
(2) Of last twelve months (LTM)

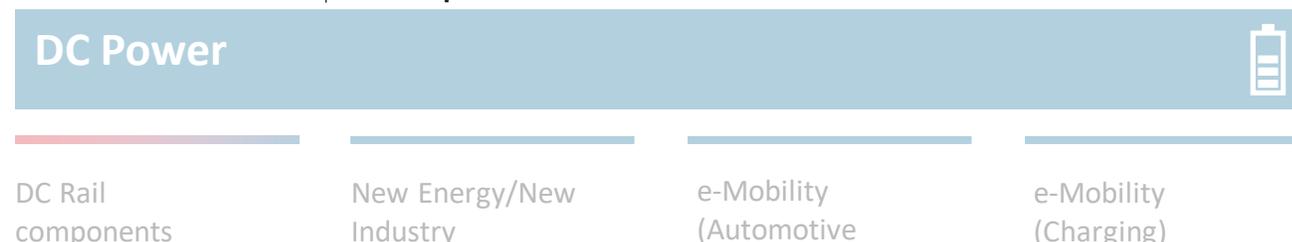
Rail infrastructure (Pintsch): Continuing strong order intake – revenue and EBIT in line with expectations – expecting strong performance in Q4

Pintsch Segment – Key Financials – 9M 2021

(€M, rounded)	9M 2021	9M 2020	YoY Change
Order intake	63.3	57.6	10.0%
Revenue	52.8	53.9	-2.1%
EBIT	1.1	3.8	-71.8%
EBIT Margin	2.1%	7.1%	-5.1PP



- **Continuing strong order intake:** mainly due to level crossing systems, benefiting from investment program “Digitale Schiene Deutschland”
- **Solid revenue level, expecting strong Q4:** strong growth in level crossing, some project shifts into Q4 – expecting strong shipments in Q4 with backlog in place
- **EBIT continuing to trend in-line with expectations:** Historically, back-end loaded business – tough Y/Y comps due to some positive one-off effects in FY20



Rolling stock (Bode): EBIT margin improved significantly, benefiting from strong growth in profitable aftersales business along with realized cost savings

Bode Segment – Key Financials – 9M 2021

(€M, rounded)	9M 2021	9M 2020	YoY Change
Order intake	166.9	209.9	-20.5%
Revenue	180.3	191.6	-5.9%
EBIT	6.7	2.1	218.9%
EBIT Margin	3.7%	1.1%	2.6PP



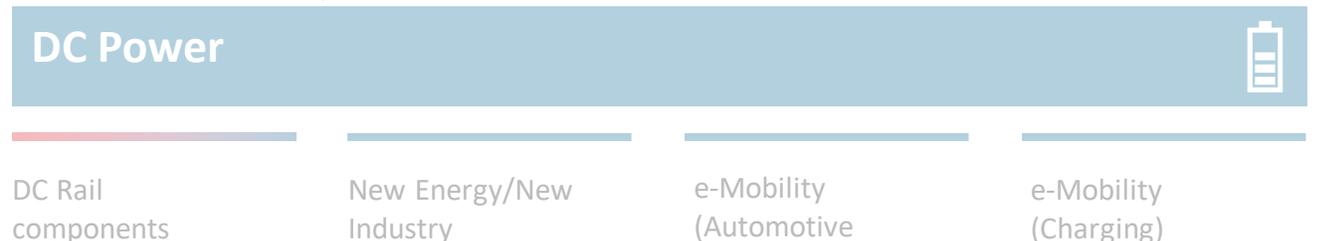
- **Soft order intake year-to-date, expecting orders to catch-up in Q4:** softness in OE rail due to some project push-outs along with lower orders in bus, partially offset by strong growth momentum in aftersales
- **Soft revenue** due to some deferred shipments in core rail business, partially offset by strong growth in aftersales
- **EBIT margin improved significantly**, mainly due to the strong growth in aftersales along with cost savings from improved shop floor productivity and streamlined overhead



Rail Infrastructure

Rolling Stock/Bus

Refurbishment/
Aftersales



DC Rail
components

New Energy/New
Industry

e-Mobility
(Automotive)

e-Mobility
(Charging)

SBRS: Strong revenue growth, driven by a large-scale, low-profitable refurbishment project – strong growth momentum in the e-Mobility business

SBRS Segment – Key Financials – 9M 2021

(€M, rounded)	9M 2021	9M 2020	YoY Change
Order intake	31.0	27.3	13.8%
Revenue	36.4	20.8	74.9%
EBIT	2.3	2.2	6.3%
EBIT Margin	6.4%	10.3%	-3.9PP



- **Continued good orders growth momentum:** strong order intake in the e-Mobility fast-charging business
- **Strong revenue growth** due to the revenue recognition of a large-scale refurbishment project along with continued strong revenue growth in e-Mobility projects
- **EBIT margin** impacted by a large-scale, low-profitable refurbishment project – underlying profitability improved compared to previous year

Rail



Rail Infrastructure

Rolling Stock/Bus

Refurbishment/
Aftersales

DC Power



DC Rail
components

New Energy/New
Industry

e-Mobility
(Automotive)

e-Mobility
(Charging)

Components (Schaltbau): Continuing dynamic growth in New Energy/New Industry – EBIT margin influenced by increased inflationary pressure

Schaltbau GmbH Segment – Key Financials – 9M 2021

(€M, rounded)	9M 2021	9M 2020	YoY Change
Order intake	123.5	104.4	18.3%
Revenue	111.7	104.6	6.8%
EBIT	17.9	19.0	-5.7%
EBIT Margin	15.9%	18.0%	-2.2PP



- **Continuing strong orders in New Energy /New Industry, while Rail recovered from COVID-19**
 - New Energy / New Industry up 48% Y/Y
 - Rail recovered from COVID-19 dip in 2020
- **Solid revenue growth, despite challenges to deliver shipments due to tight supply markets**
 - New Energy/New Industry up 38% Y/Y
 - Rail with delivery challenges despite backlog
- **EBIT margin being steady at a high level, despite higher material and transportation costs – EBIT margin impacted by some one-off effects in FY20**

Rail



Rail Infrastructure

Rolling Stock/Bus

Refurbishment/
Aftersales

DC Power



DC Rail
components

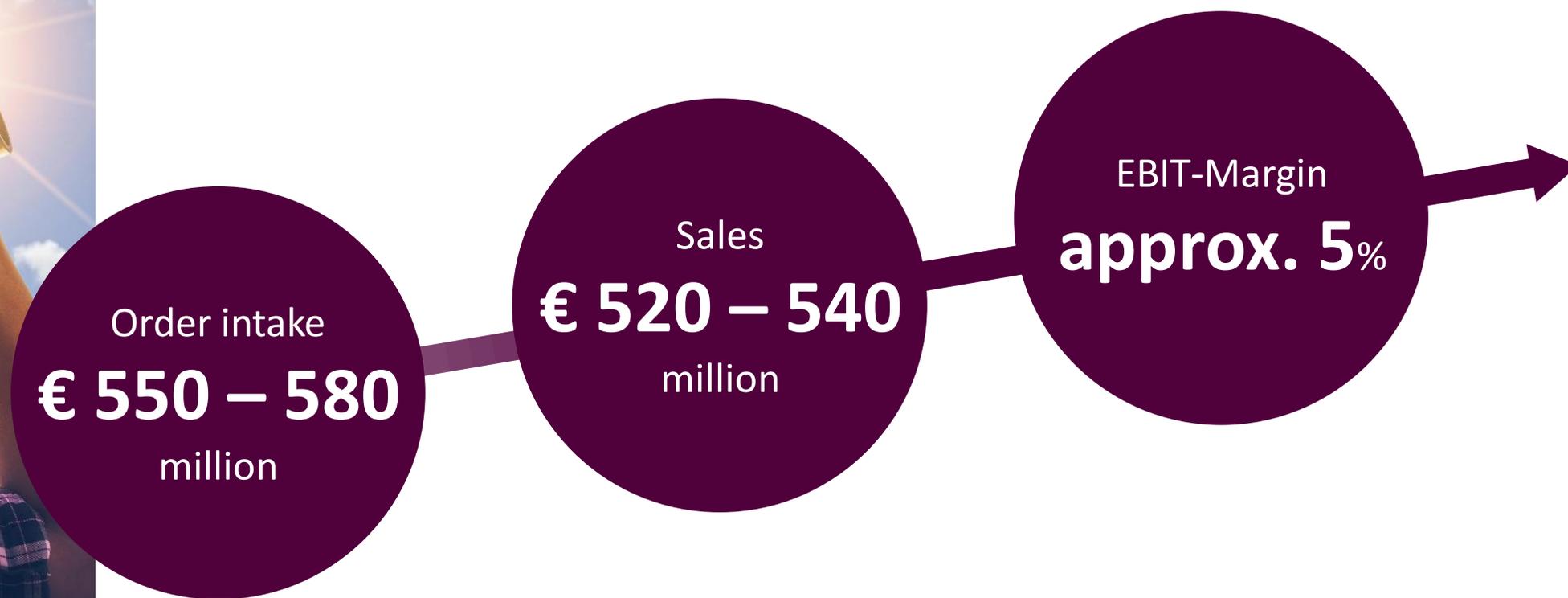
New Energy/New
Industry

e-Mobility
(Automotive)

e-Mobility
(Charging)

Guidance 2021: Re-affirming our guidance for full-year 2021, despite the one-off transaction costs due to Public Takeover Offer by Carlyle

Schaltbau Holding Group – Full-year 2021 Guidance¹



¹The expected effects from the COVID-19 pandemic are reflected in the current guidance for the FY 2021. This estimate also takes into account information after the end of the financial year.

Key Takeaways

- 1** Continuing to execute strategy 2023: profitable growth despite tough market conditions due to material shortages and COVID-19 induced order delays
- 2** Profitability on a sustainable higher level –
Strengthened balance sheet through issued mandatory convertible bonds
- 3** Profitability at Bode has significantly improved: EBIT margin +2.6PP at 3.7% thanks to realized cost savings, improved productivity, and growing After Sales revenue
- 4** Accelerated growth in After Sales, backed by large installed base –
revenue up 25% Y/Y at attractive margins
- 5** Continued high growth momentum in New Energy / New Industry: revenue +38%, orders +48% Y/Y –
second supplier nomination in e-Mobility Automotive and increased number of sample deliveries
- 6** Re-affirming guidance for fiscal year 2021 –
positive long-term outlook with high growth potential

SCHALTBAU

GROUP

Schaltbau Holding AG
Hollerithstraße 5 | 81829 München
www.schaltbaugroup.de

Consolidated balance sheet 9M 2021 - Schaltbau Group

Assets (k€)	30.09.2021	31.12.2020
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
Non-current assets	168.336	154.957
Inventories	132.019	118.690
Trade account receivables	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
Current assets	268.173	256.879
Total assets	436.509	411.836

Equity and liabilities (k€)	30.09.2021	31.12.2020
Equity	163.988	90.735
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 assets	3.102	1.817
Non-current liabilities	94.688	173.429
Personnel-related provisions	12.288	14.224
Other provisions	29.184	26.144
Income tax payable	2.477	3.306
Financial liabilities	18.759	10.587
Trade accounts payable	46.837	41.869
Contract liabilities (current)	31.032	22.219
Other liabilities	37.256	29.323
Non-current liabilities	177.833	147.672
Total equity and liabilities	436.509	411.836

Consolidated income statement 9M 2021 - Schaltbau Group

(k€)	30.09.2021	30.09.2020
Revenue	381.162	370.846
Change in inventories of finished 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/loss before financial result and taxes (EBIT)	19.199	18.679
Results from investments	(156)	734
Financial result	(4.330)	(4.982)
Profit/loss before taxes	14.713	14.431
Income taxes	1.510	(4.955)
Group net profit/loss for the year	16.223	9.476

Consolidated cash flow statement 9M 2021 - Schaltbau Group

(€m, rounded)	9M 2021	9M 2020
Cashflow from operating activities	4.8	-5.1
Cashflow from investing activities	-18.8	-9.9
Free Cashflow	-14.0	-15.0
Cashflow from financing activities	-6.0	6.6
Cash funds at the end of the year	19.5	16.9