

Media Release

Schaffner expects 2014/15 sales to remain at prior-year level

Currency and market developments are impacting on margins

The Schaffner Group estimates that sales for fiscal year 2014/15 and for the first half will remain at the prior-year level, based on current exchange rates. The EBIT margin is expected to be around 3% for the first half (prior year: 4.8%) and around 5% for fiscal year 2014/15 (prior year: 7.0%).

The removal of the CHF/EUR floor on 15 January 2015 will reduce the EBIT margin in fiscal year 2014/15 by around 1 percentage point, mainly due to translation effects and a higher percentage of fixed costs in CHF.

While the Automotive division continues to develop in line with targets, the EMC division is witnessing a marked fall in orders from the photovoltaic inverter industry in China, where domestic demand for the high-quality solutions of Schaffner has collapsed. In addition, an important European customer widely reduced its purchases of components from the Power Magnetics division for rail technology in the Russian end market.

The decline in sales in the EMC division has been partly offset by increasing demand for active and passive ECOSine harmonic filters. In the short term, however, considerable investments in the development of a new generation of active harmonic filters and in strengthening the distribution and support organization for power quality solutions are reducing the profitability of the division.

In the current situation Schaffner will continue pushing ahead with its strategic growth projects. However, measures will be introduced to increase process efficiency, which will bring about a reduction in personnel costs in Switzerland in the mid-single-digit percentage range.

Luterbach, 5 March 2015

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Calendar

12 May 2015	Publication of Half-Year Report 2014/15 (half-year results)
8 December 2015	Publication of Annual Report 2014/15 (full-year results)
12 January 2016	20 th Annual General Meeting

Schaffner – energy efficiency and reliability

The Schaffner Group is a global leader in the development and production of solutions that ensure the efficient and reliable operation of power electronic systems. The Group's portfolio of products and services includes EMC filters, harmonic filters and power magnetic components as well as the development and implementation of customized solutions. Schaffner components are used in energy-efficient drive systems and electronic motor controls, in wind power and photovoltaic systems, rail technology, electrical infrastructure, machine tools and robotics, as well as in power supplies for a wide range of electronic devices in sectors such as medical technology. For the automobile industry, Schaffner develops and produces EMC and power quality components for electric drive trains and for the charging infrastructure, as well as components for convenience and safety electronics. Schaffner provides on-site service to customers around the world through an efficient global organization and invests continually in research, development, production and distribution to further expand its international market-leading position.