

Schaffner Group

Investora 2018



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SCHAFFNER
shaping electrical power

Caution regarding forward-looking statements

This communication contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives, and other statements relating to our future business development and economic performance.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, (1) general market, macro-economic, governmental and regulatory trends, (2) movements in currency exchange rates and interest rates, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit worthiness of our customers, and counterparties and developments in the markets in which they operate, (6) legislative developments, (7) management changes and changes to our Business structure and (8) other key factors that we have indicated could adversely affect our business and financial performance which are contained in other parts of this document and in our past and future filings and reports, including those filed with the SIX Swiss Exchange.

More detailed information about those factors is set forth elsewhere in this document and in documents furnished by Schaffner Group, including Schaffner Holding's Annual Report for the year ended 30 September 2017 as well as the Interim Report for the period ended 31 March 2018. Schaffner Group is not under any obligation to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

Marc Aeschlimann | CEO

Schaffner – Shaping electrical power



Key facts

SCHAFFNER
shaping electrical power

- | Global leader in solutions for electrical distortion
- | Founded 1962
- | Headquarters in Luterbach (Switzerland)
- | Global footprint with production sites in China, Hungary, Thailand, USA
- | Listed at SIX Swiss Exchange since 1998 (Ticker: SAHN)
- | Market capitalization >CHF 200m
- | FY 2016/17¹ Net sales CHF 195.7m (+6.6% in LC), EBIT margin 5.9%, net profit CHFm 8.7
- | H1 2017/18² Net sales CHF 108.3m (+10.2% in LC), EBIT margin 8.3%, net profit CHFm 4.0

Please note:

If not mentioned otherwise, all numbers in this presentation are referring to H1 2017/18

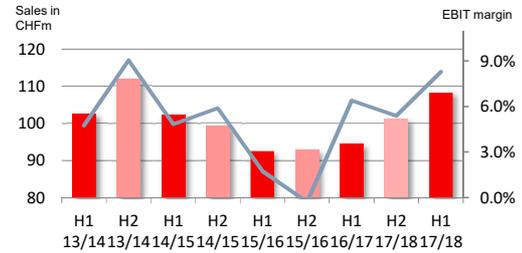
¹ FY per 30 September

² H1 per 31 March

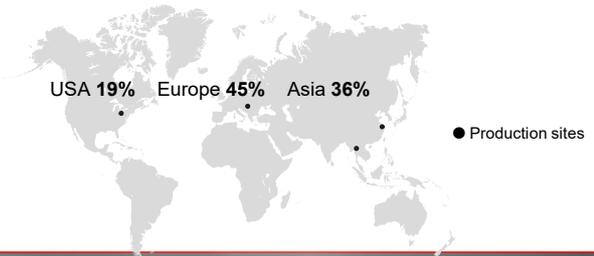
Highlights

- | Strong organic growth above strategic goal
- | Significant increase in operational profitability
- | One-off effects on EBIT level due to insurance payments and restructuring costs
- | US tax reform impacts net income
- | Quick recovery from fire in Thailand without negative market impact
- | Further restructuring in PM to accelerate turnaround
- | Executive committee complete again

Mid-term sales and EBIT margin development



Global footprint with balanced sales



SLIDE 5

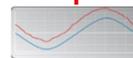
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What we do

- | Schaffner technology protects electronic devices from grid distortions ...



Medical devices



Grid



EMC filter



SLIDE 6

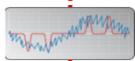
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What we do

| ... and keep distortions from the grid ...



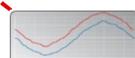
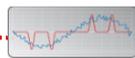
Escalators



EMC filter



Power Quality filter



Grid



SLIDE 7

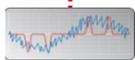
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What we do

| ... to ensure reliable and efficient operation of power electronics



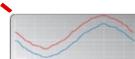
Escalators



EMC filter



Power Quality filter



Medical devices



EMC filter

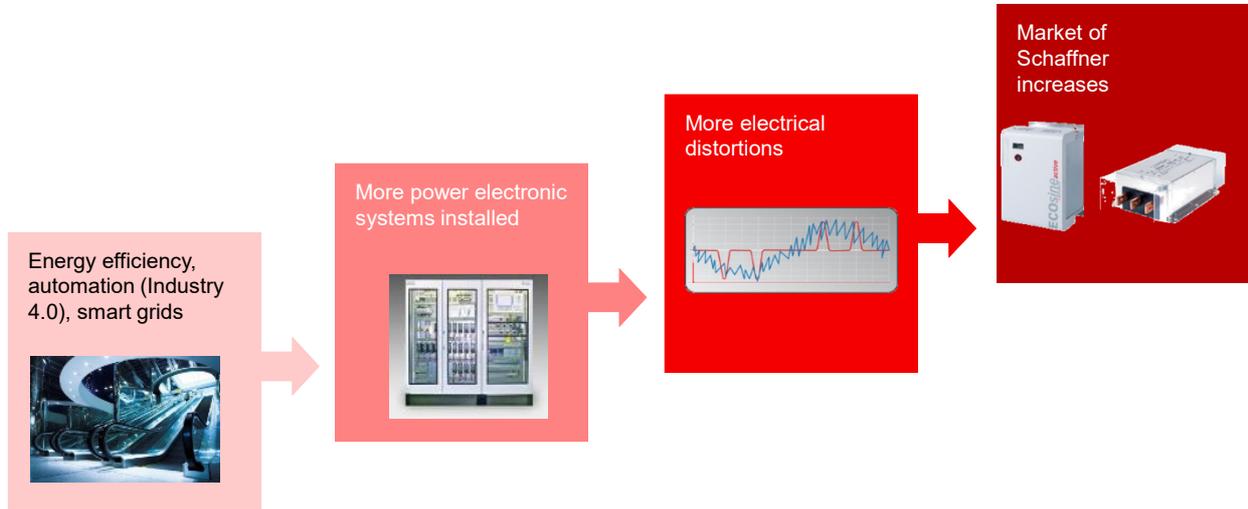


Grid



SLIDE 8

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EMC division



- | Filters for electromagnetic compatibility
- | Power Quality filters
- | Main drivers:
 - new applications (EV chargers)
 - new technologies
 - norms and standards

Power Magnetics division



- | Mission critical components for high power, high reliability electronics
- | Main drivers:
 - new applications (DC/DC inverters)
 - new technologies

Automotive division



- | Antennas for keyless entry systems
- | EMC filters for electric/hybrid cars
- | Main drivers:
 - e-mobility

EMC division: Most complete portfolio of EMC filter solutions

Low power filter



High power filter



Power Quality filter

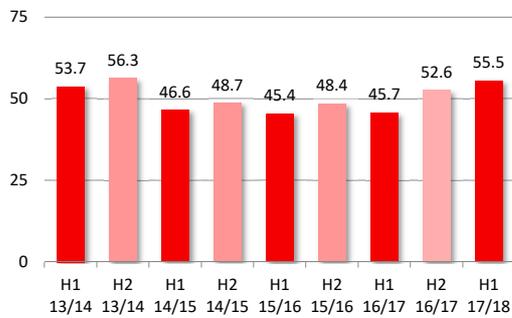


EMC division: Strengthened leading position

- Increased market share in all major regions
- EBIT margin stable despite high margin pressure and higher material prices
- Successful launch of new generation active harmonic filters

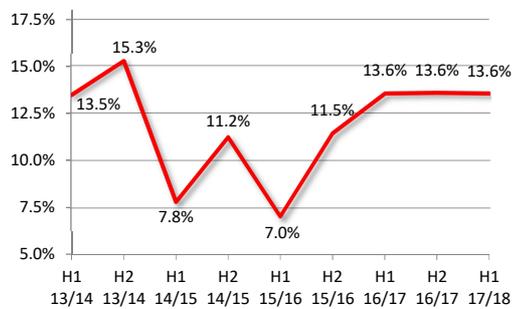
Segment sales

in CHFm



Operating margin

in %



Power Magnetics division: Leading solutions for special applications

Water-cooled inductor for motor drives



Filter inductor for heavy-duty freight locomotives



Transformer/inductor combination for inverters



SLIDE 13

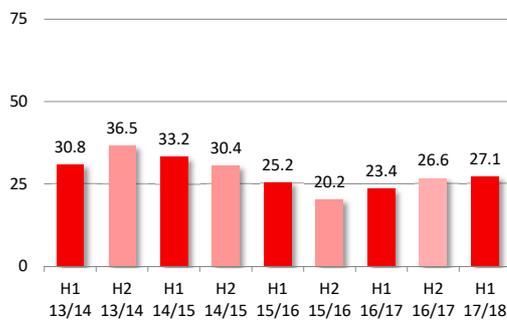
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Power Magnetics division: Basis for a steady recovery laid

- | Strong growth in all markets
- | Turnaround accelerated under new leadership
- | Major low-margin contracts re-negotiated
- | Efficiency continuously improved
- | New division head appointed

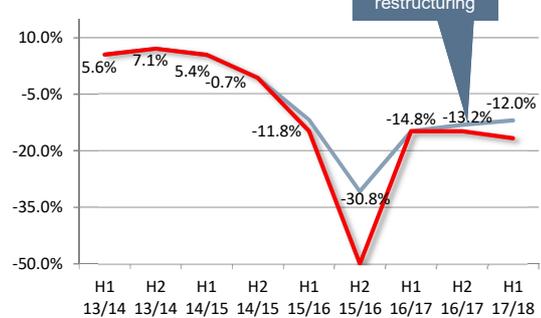
Segment sales

in CHFm



Operating margin

in %



SLIDE 14

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Low Frequency Antennas for keyless entry systems



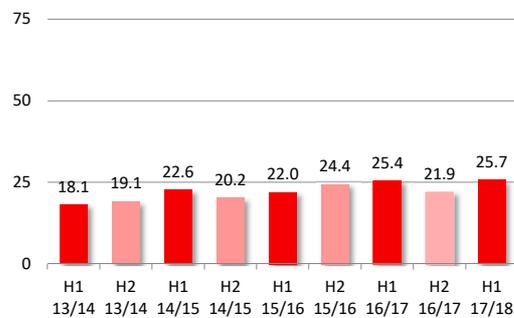
EMC filters for electric and plug-in hybrid vehicles (EV/PHEV)



- | Sustained high demand for antennas for keyless entry systems
- | Fire incident in Thailand without impact on top line
- | One-time effects on EBIT level due to insurance payments
- | Additional filter solutions for e-mobility under development
- | New division head appointed

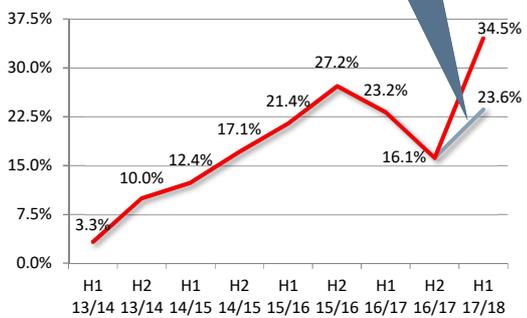
Segment sales

in CHFm



Operating margin

in %





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Marine 

Buildings 

Machinery 

Renewable energy 

Smart grids 

Water treatment 

Oil & Gas 

LED 

Robotics 

Automotive 

Rail transportation 

Health care 

Outlook & Group financial medium-term goals

Outlook

- | Good order pipeline in all three divisions supported by positive economic environment
- | Growth opportunities in the areas of motor drives, traction, power supply and machine tools
- | Good mid-term opportunities with filters for electric vehicles
- | Turnaround of Power Magnetics division shows good progress
- | Unclear impact of tariffs, exchange rates and material prices

Group financial medium-term goals

- | Net sales growth, organic: > 5%
- | EBIT: > 8%

Kurt Ledermann | CFO

Financials

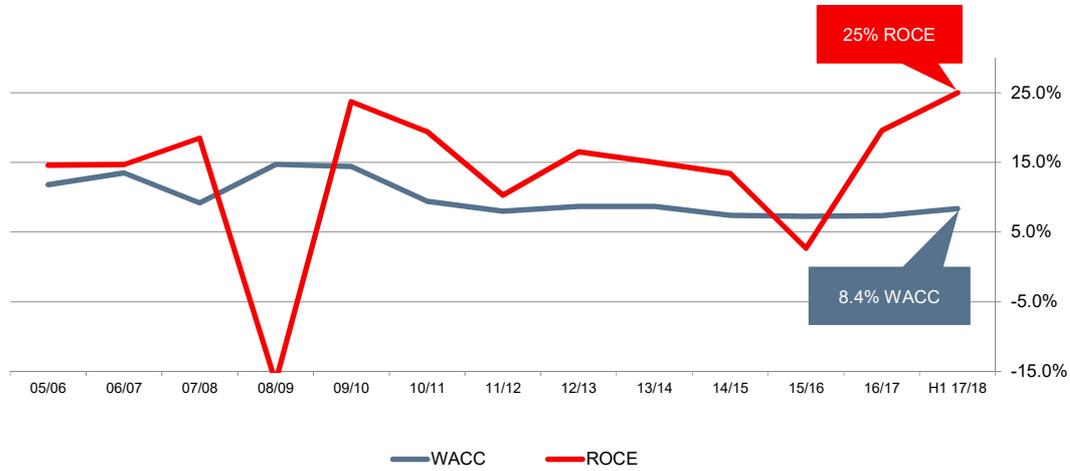


Financial highlights H1 2017/18

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- | Net sales CHF 108.3 million (+14.5%; +10.2% in LC)
- | Book-to-bill ratio 1.06 (1.05)
- | Operating profit (EBIT) CHF 9.0 million (up from CHF 6.0 million)
- | EBIT margin 8.3% (6.4%)
- | Net profit CHF 4.0 million (down from CHF 4.2 million)
- | ROCE 25.0% (up from 19.6%), annualized
- | EPS CHF 6.24 (down from CHF 6.57)
- | Free cash flow CHF -1.6 million (up from CHF -3.1 million)
- | Equity ratio 35.9% (down from 39.6%)

Creating shareholder value



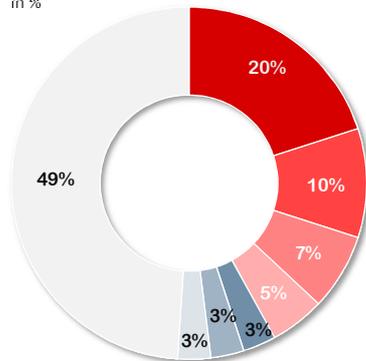
Due to the conversion of the financial reporting system to Swiss GAAP FER from and including fiscal year 2015/16 and the associated effects, the return on capital employed (ROCE) has risen by approximately 2 percentage points comparatively.

Shareholders structure

- At the end of August 2018, 1,123 shareholders registered with voting rights in the share register
- 99.7% free float

Shareholders structure

in %



Aktionärsgruppe Buru Holding	Cologne Advisors
J. Safra Sarasin Investmentfonds	IPConcept
UBS Fund Management	Dr. Jörg Wolle
Mirabaud Asset Management	Shareholders < 3%

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CONTACTS

Marc Aeschlimann
Chief Executive Officer
marc.aeschlimann@schaffner.com

Kurt Ledermann
Chief Financial Officer
kurt.ledermann@schaffner.com

