



Schaffner Group

Presentation of the 2019/20 Financial Results

8 December 2020 | © Schaffner Group

 **SCHAFFNER**
shaping electrical power

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Agenda

Business review

Marc Aeschlimann

Financials

Christian Herren

Outlook

Marc Aeschlimann

Q&A

Schaffner masters challenging FY 2019/20

- Covid-19 and economic slowdown negatively influenced Schaffner business
- Profitability substantially increased in H2 19/20 due to immediately implemented cost measures
- EMC Division benefits from higher demand in medical industry
- Automotive Division recovered fast after major plunge – mid-term pipeline markedly strengthened
- Power Magnetics Division achieved profit zone
- Investments in strategic projects kept at high level
- Proposed dividend payout of CHF 2 per share (47% of net result)

Net sales

in CHF million

171.7

EBIT

in CHF million

4.7

Net profit

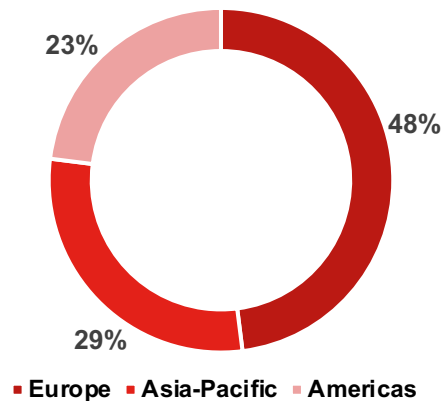
in CHF million

2.7

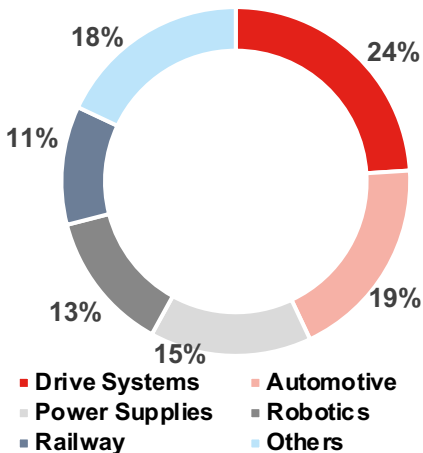
Schaffner Group: Position kept in demanding fiscal year

In CHF m	2019/20	2018/19	Δ in %
Order intake	167.0	200.7	-16.8%
Net sales	171.7	197.4	-13.0%
EBIT	4.7	9.8	-52.0%
EBIT margin	2.7%	5.0%	–

Sales by region



Sales by end markets

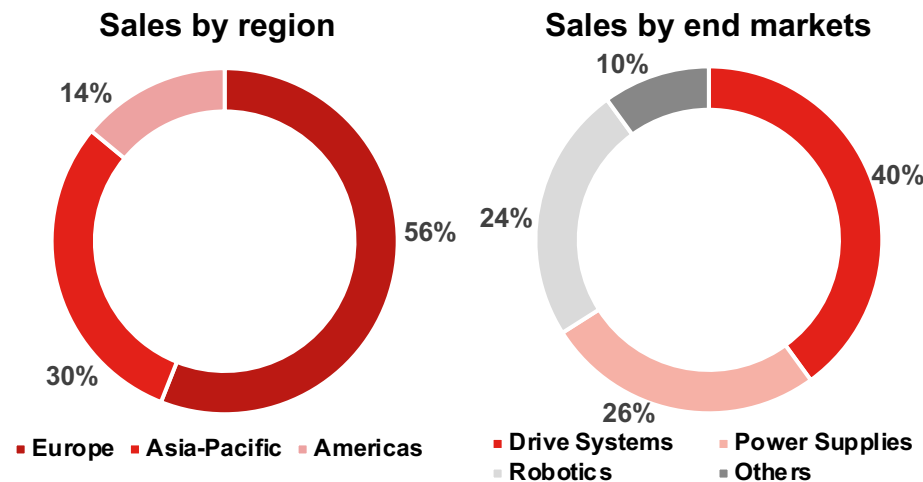


- Economic slowdown impacted business in all regions
- Net sales reduced by 13.0% (9.1% in local currency)
- Strong position kept in major end markets (motor drives, power supply, railway and robotics)
- All Schaffner facilities always operational during Covid-19 crisis
- Capacities and structure adjusted to be in line with demand
- Implemented cost measures showed positive effects in H2 FY19/20

EMC division: Leading position confirmed

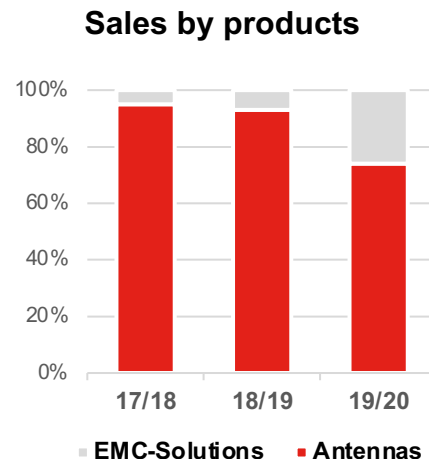
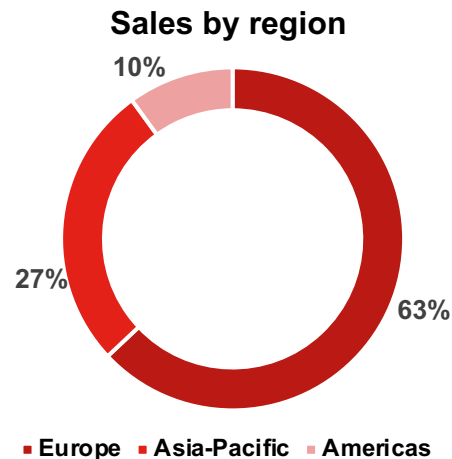
In CHF m	2019/20	2018/19	Δ in %
Order intake	95.4	104.3	-8.5%
Net sales	94.9	106.9	-11.2%
EBIT	9.6	15.2	-36.8%
EBIT margin	10.1%	14.2%	—

- Covid-19 affected EMC division mainly in Europe, China recovered fast
- Net sales down 11.2% (7.1% in local currency)
- High demand for medical products in all regions
- Gross margin was kept at a high level
- EBIT affected by one-time cost for Power Quality restructuring
- Strategic initiatives continued with expanded product family lighting and developed solution for smart grid



Automotive division: Substantially impacted by Covid-19

In CHF m	2019/20	2018/19	Δ in %
Order intake	31.5	39.4	-20.1%
Net sales	32.8	38.5	-14.8%
EBIT	-2.9	2.6	–
EBIT margin	-8.7%	6.6%	–

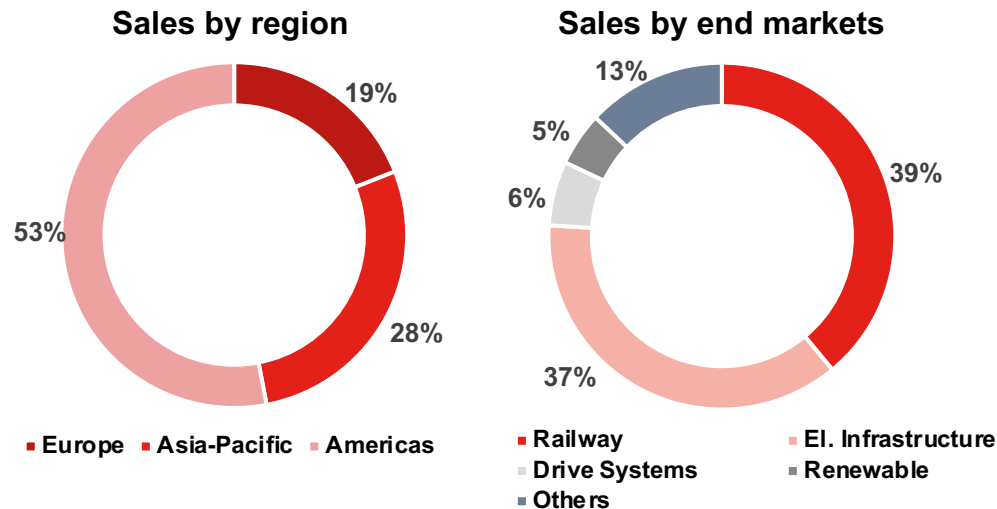


- Covid-19 affected automotive industry substantially
- Regional lockdowns delayed several development projects
- Good recovery (mainly e-mobility) after first Covid-19 wave
- Share of EMC-solutions is growing fast in Automotive Division
- Very low volumes and substantial investments in industrialization of new projects impacted EBIT negatively
- Major new projects won totaling CHF >80m over lifetime

Power Magnetics: Achieved profit zone

In CHF m	2019/20	2018/19	Δ in %
Order intake	40.1	56.9	-29.5%
Net sales	44.0	52.0	-15.2%
EBIT	2.0	-3.3	—
EBIT margin	4.5%	-6.4%	—

- Restructuring of division successfully completed
- Net sales lower due to delayed projects in railway and electrical infrastructure
- Gross margin further improved
- Implemented measures to optimize cost and increase efficiency with big positive impact
- India business set-up successfully implemented but business ramp-up delayed due to Covid-19
- Strategic projects won and implemented in new markets



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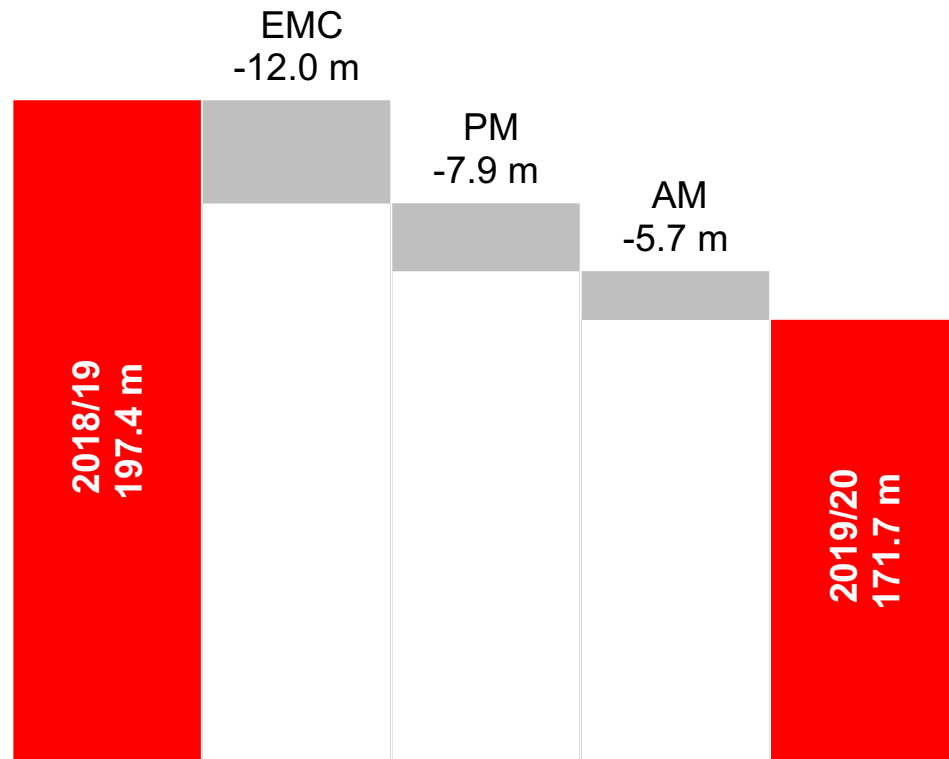
Outlook

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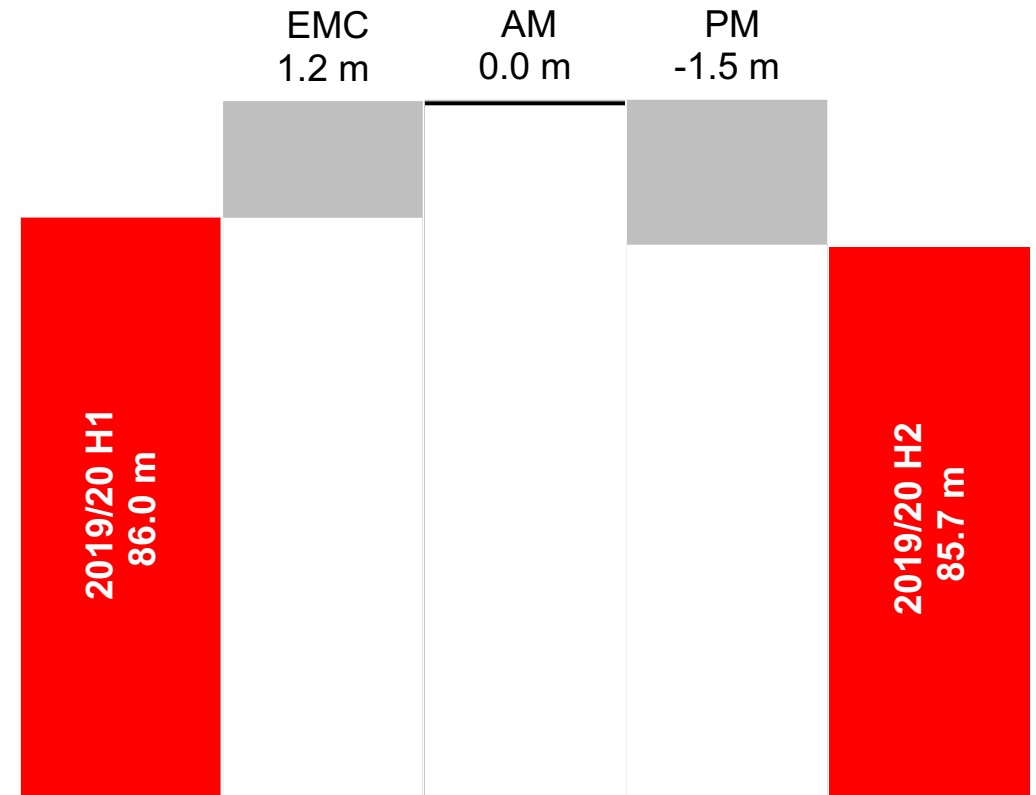
Q&A

Net sales impacted in all divisions

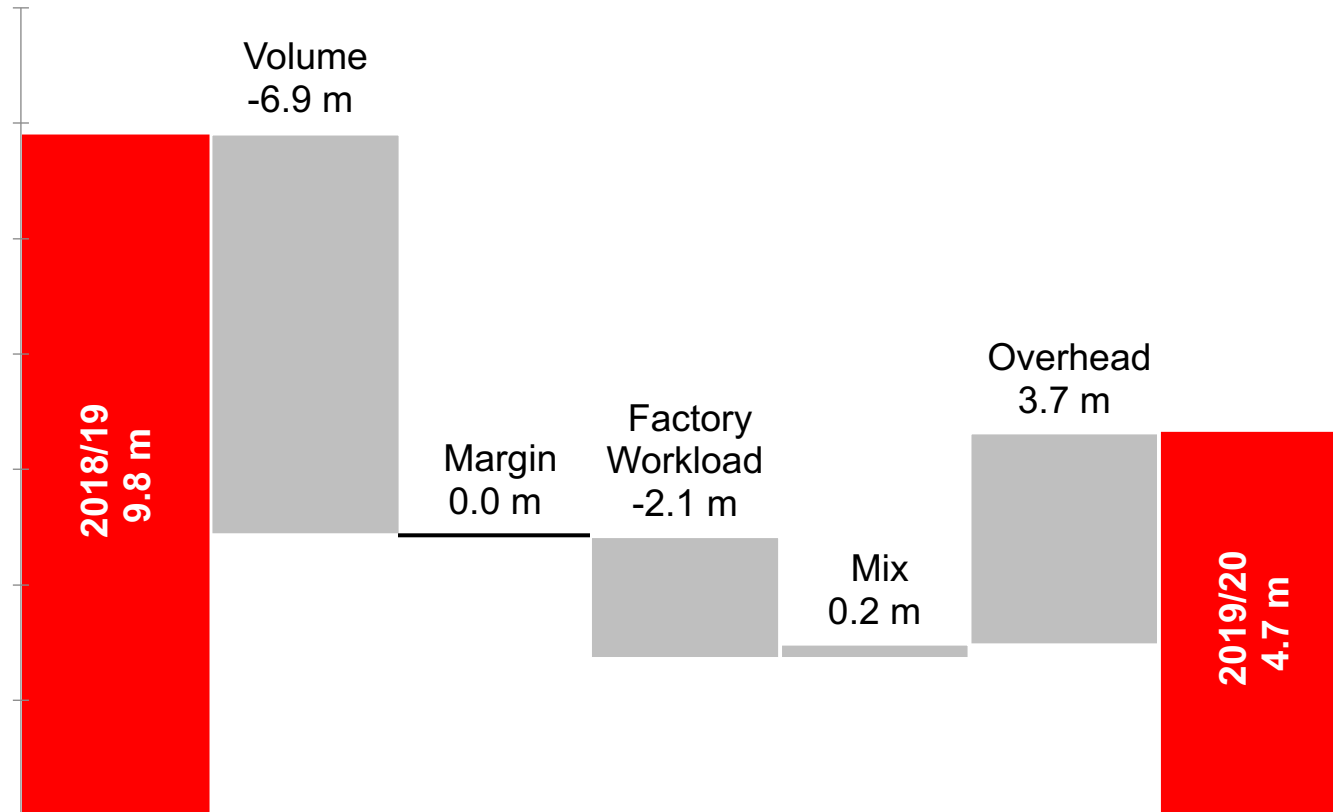
Fiscal years comparison



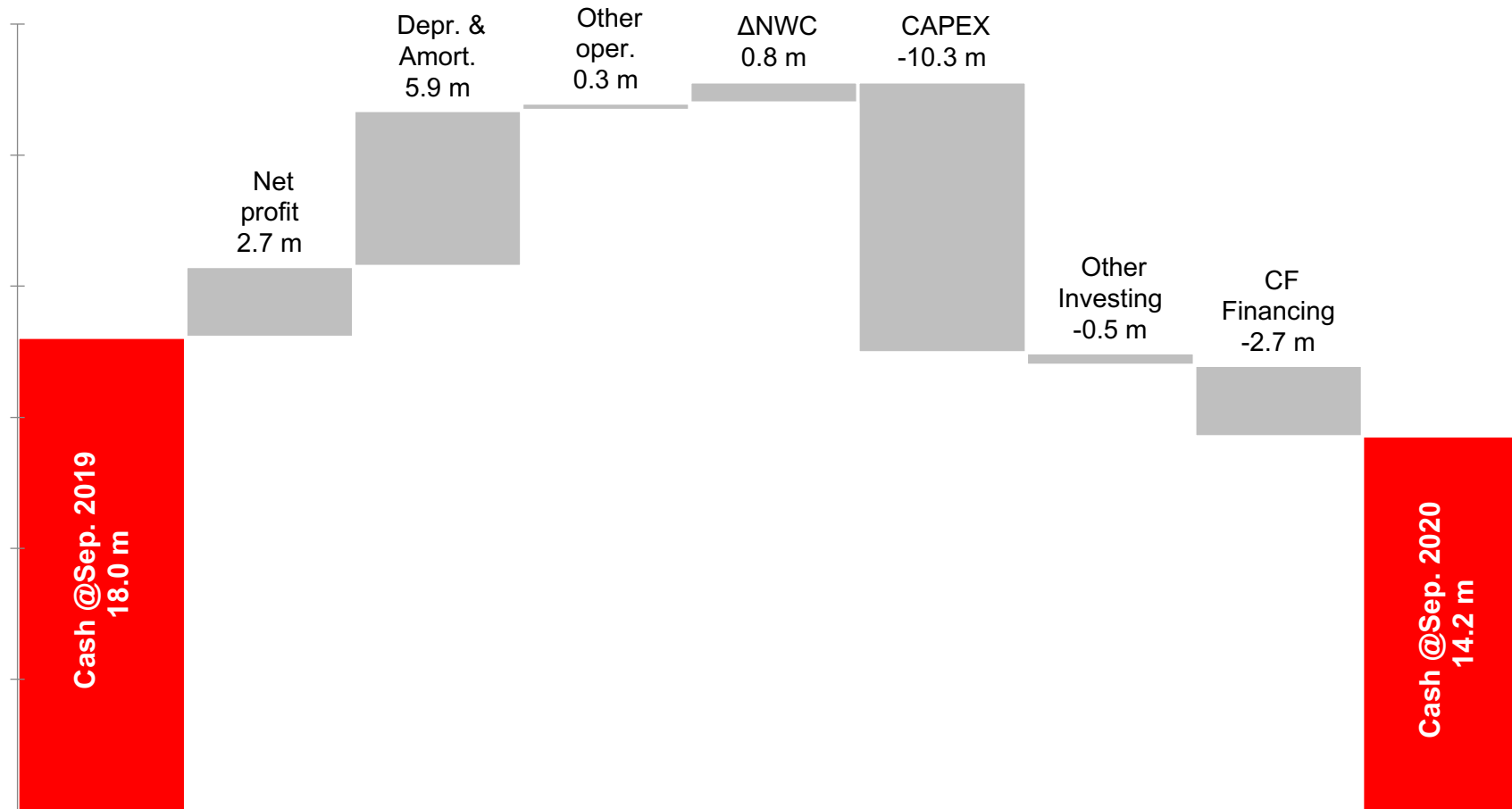
Half year comparison



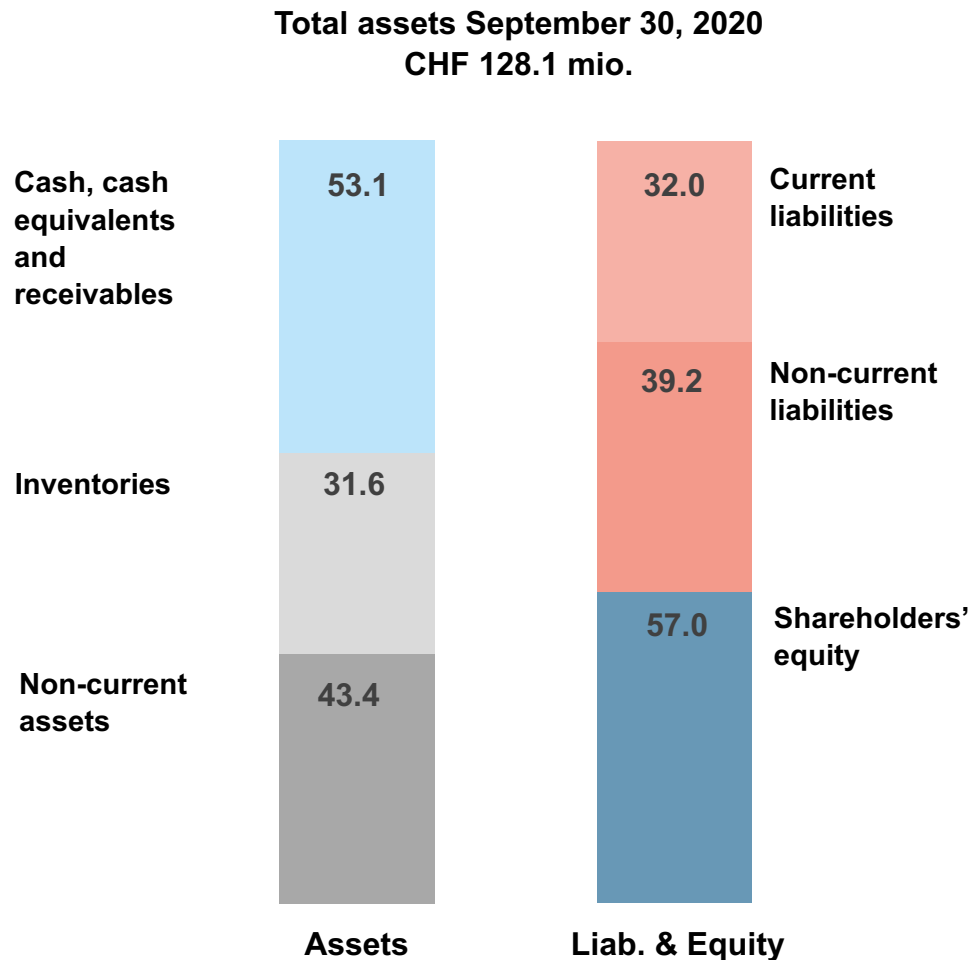
EBIT mainly affected by lower volume



Substantial investments in strategic projects

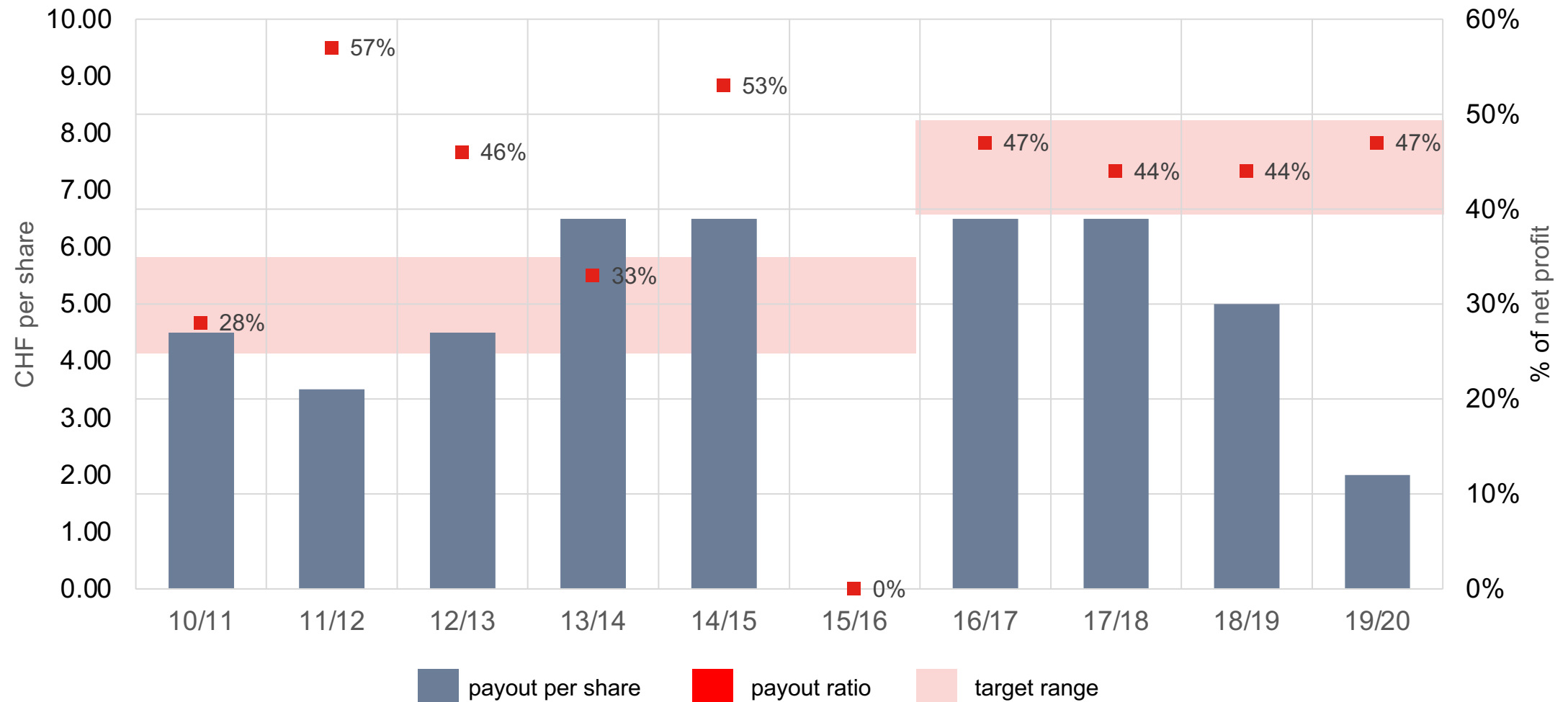


Solid balance sheet



- Equity ratio: 44.5% (30.9.2019: 44.5%)
- Net debt: CHF 20.8 m (30.9.2019 : 15.7 m)
- No negative impact of challenging supply chain situation on inventory
- Improved DSO 68 days (70 days)

Dividend payout ratio remains in target range



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- Stabilized business towards the of end of FY19/20 continued
- Visibility remains low and impact of second Covid-19 wave uncertain
- Good development in automotive business (mainly e-mobility)
- Strengthened order intake for different markets
- On-going caution for major investments mainly in railway and energy distribution
- Lower cost structure will support profitability in current fiscal year
- Investments in new technologies and markets will be continued
- Strategic options for Power Magnetics will be reviewed

Outlook

- More concrete indications for FY20/21 will be given at half year presentation in May 2021
- Mid-term goals remain unchanged
 - Organic net sales growth target >5% (average year-on-year)
 - EBIT margin in the range of 8-10%

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Financial calendar 2021/22

- 12 January 2021 25th Annual General Meeting
- 6 May 2021 Publication of half-year report 2020/21
- 7 December 2021 Publication of annual report 2020/21
- 11 January 2022 26th Annual General Meeting

Schaffner Group

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