

Press Release

November 07, 2019

Schweizer Electronic AG:

- **Positive development in the third quarter of 2019**
- **Cost-cutting programme gradually shows a stronger effect**
- **Forecast confirmed for the 2019 fiscal year**

Schramberg, 07 November 2019 – The SCHWEIZER Group showed positive development in its business operations in the third quarter of 2019. It was the quarter with the strongest turnover and earnings of the fiscal year. With a turnover of 34.1 million euros (2018: 32.8 million euros), the previous year's quarter was exceeded by 4 percent. Turnover in the first three quarters thus amounted to 94.3 million euros, which corresponds to a decline of 2.5 percent compared to the previous year.

The positive momentum with customers in the automotive sector has increased significantly over the past two quarters. Compared to the previous year, turnover from the most important customer segment for SCHWEIZER rose by 5.3 percent to 71.2 million euros, representing 75.5 percent of turnover. The pronounced macroeconomic weakness in Europe was reflected in a shift within the sales regions. The share of exports to Asia and America rose to over 21 percent of total turnover. By contrast, Europe, including Germany, lost significance. However, with a 79-percent share of turnover, Europe remains the most important sales region for SCHWEIZER. Turnover generated via our Asian partner network rose by 59.7 percent to 27.9 million euros in the first three quarters (2018: 17.4 million euros). In contrast, turnover from our in-house production in Schramberg was a less positive development, totalling 66.4 million euros (2018: 79.3 million euros).

Incoming orders in the third quarter reached their highest level in the current reporting year. At 30.3 million euros, they were as high as in the first half year as a whole. The order book at the end of the third quarter amounted to 140.2 million euros (2018: 169.2 million euros).

Earnings significantly improved despite burdens from China

This success is due on the one hand to the increasing effectiveness of the savings measures introduced at the Schramberg site in terms of personnel and material costs, and on the other hand to a lower-than-planned contribution to losses from the project in China.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to 1.9 million euros in the third quarter (2018: 2.7 million euros). An EBITDA of 2.9 million euros or 3.1 percent was thus achieved in the first three quarters.

Press Release November 07, 2019 – Positive development in the third quarter of 2019

Elisabeth Trik | Investor Relations | Schweizer Electronic AG | Einsteinstraße 10 | 78713 Schramberg
Phone: + 49 7422 / 512-302 | Fax: + 49 7422 - 512 777 302
E-mail: ir@schweizer.ag | Please visit our website: www.morethanPCBs.com

Press Release

November 07, 2019

Investment project in China making great progress

The construction work on the production and administration building was completed on schedule. At present, the final interior design work is being carried out. A large number of production equipment have already arrived and will be set up step by step by the end of this year. Series production will start in the first quarter of 2020.

2019 Forecast

For SCHWEIZER, the situation with regard to turnover, incoming orders and earnings has stabilised in recent months and is showing the first signs of improvement. Overall, the Management Board of Schweizer Electronic AG expects a slightly better second half year in terms of turnover and EBITDA compared to the first six months. The Management Board continues to forecast a turnover of between 120 and 125 million euros, which corresponds to a growth of between minus 4 percent and 0 percent compared to the previous year and an EBITDA of between 0 and 4 million euros.

About Schweizer

Schweizer Electronic AG stands for state-of-the-art technology and consultancy competence. SCHWEIZER's premium printed circuit boards and innovative solutions and services for automotive, solar, industry and aviation electronics address key challenges in the areas of Power Electronics, Embedding and System Cost Reduction. Its products are distinguished for their superior quality and their energy-saving and environmentally-friendly features. Together with its partners WUS Printed Circuit (Kunshan) Co., Ltd., Meiko Electronics Co. Ltd. and Elekonta Marek GmbH & Co. KG the company offers in its division electronics cost- and production-optimised solutions for small, medium and large series. Together with its partner Infineon Technologies AG, SCHWEIZER plans to jointly tap the chip embedding market in future.

The company was founded by Christoph Schweizer in 1849 and is listed at the Stuttgart and Frankfurt Stock Exchanges (ticker symbol „SCE“, „ISIN DE 000515623“).

For further information please contact:

Elisabeth Trik
Schweizer Electronic AG
Einsteinstraße 10
78713 Schramberg
Phone: +49 7422 / 512-302
Fax: +49 7422 / 512-777-302
E-mail: ir@schweizer.ag
Please visit our website: www.morethanPCBs.com

Press Release November 07, 2019 – Positive development in the third quarter of 2019

Elisabeth Trik | Investor Relations | Schweizer Electronic AG | Einsteinstraße 10 | 78713 Schramberg
Phone: + 49 7422 / 512-302 | Fax: + 49 7422 - 512 777 302
E-mail: ir@schweizer.ag | Please visit our website: www.morethanPCBs.com