

Press Release

November 06, 2017

SCHWEIZER: Positive operative business performance continues

- **Sales increased by 5.4 percent in the first nine months**
- **Disproportionate growth of output from the site in Schramberg**
- **Incoming orders increase by 33.5 percent in Q3 compared to previous year's quarter**

Schramberg, November 06, 2017 – The SCHWEIZER Group closed the accounts after the first nine months of the business year 2017 with a turnover growth of 5.4 percent to 91.8 million euro (2016: 87.1 million euro). The production output from the Schramberg site again grew disproportionately. Thus, the company maintained the positive operative performance shown in the first half year throughout the third quarter as well.

Quarterly sales amounted to 29.9 million euro (2016: 29.1 million euro), whereby the automotive customer group decreased its turnover share to 68.2 percent (2016: 76.6 percent), while the industry customers increased their share to 24.4 percent (2016: 16.5 percent). Order income increased by 33.5 percent to 41.4 million euro in the third quarter (2016: 31.0 million euro). The demand of the industry customers doubled to 10.4 million euro, but also the automotive customer group increased its demand significantly by 13 percent to 28.6 million euro.

The Group EBITDA (earnings before interest, taxes, depreciation and amortisation) decreased in the third quarter to 2.4 million euro (2016: 2.9 million euro), corresponding to an EBITDA margin of 8.1 percent (2016: 10.0 percent). This is mainly due to higher other operating expenses of in total 1.8 million euro (2016: 0.1 million euro), and in particular due to a 1.5-million-euro-increase of accruals as risk prevention in connection with two pending lawsuits against SCHWEIZER. Before special effects, the EBITDA would amount to 4.1 million euro, corresponding to an EBITDA margin of 13.8 percent (2016: 10.0 percent). The Group EBIT (earnings before interest and taxes) after special effects amounts to 0.4 million euro in the third quarter 2017 (2016: 0.9 million euro) and corresponds to an EBIT margin of 1.5 percent (2016: 3.2 percent), while the Group EBIT before special effects comes up to 2.1 million euro in Q3.

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Forecast

“The discussion about alternative drive technologies, in particular e-mobility, has shown increasing dynamism over the last months again. This means a positive trend for us, as the focus on e-mobility and autonomous driving aroused increasing interest of customers in our power electronics PCBs. Based on the results and balance sheet figures of the third quarter, and considering the special effects, we confirm our forecast and expect an EBITDA margin of 7 to 8 percent for the total fiscal year 2017, whereby we anticipate reaching the lower end of the forecasted range”, comments Marc Bunz, Chief Financial Officer of Schweizer Electronic AG.

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.

With 787 employees SCHWEIZER achieved sales of 116.1 million euro in Fiscal Year 2016 (ending December). 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“).

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