

Press Release

April 20, 2018

SCHWEIZER confirms record sales for Fiscal Year 2017

- **Turnover rises to 120.9 million euro**
- **Order book at record level with 181.5 million euro**
- **Annual result increases to 3.5 million euro**

Schramberg, April 20, 2018 – The SCHWEIZER Group closed the accounts in 2017 with a record turnover of 120.9 million euro (2016: 116.1 million euro). The growth of 4.2 percent was due to a record production volume of 109.6 million euro from the production site in Schramberg. The final group EBITDA (earnings before interest, taxes, depreciation and amortisation) amounts to 8.4 million euro (2016: 9.5 million euro), corresponding to an EBITDA margin of 7.0 percent against 8.2 percent the year before. The group EBIT (earnings before interest and taxes) amounts to 0.3 million euro (2016: 1.8 million euro) and corresponds to an EBIT margin of 0.3 percent (2016: 1.6 percent). In the light of the comprehensive investments into the new high technology plant in China, SCHWEIZER's Supervisory and Executive Boards will suggest a dividend of 0.30 euro on occasion of the forthcoming Annual General Meeting on June 29, 2018.

Different special effects had a negative as well a positive impact on the business figures respectively. On the one hand, the EBITDA was affected by legal cost provisions of 2.5 million euro and extraordinary expenses of 0.5 million euro for the preparation of the setup of the new production plant in China. Without these special effects of in total 3.0 million euro, the EBITDA would amount to 11.4 million euro, corresponding to an EBITDA margin of 9.4 percent. Since all special effects had a corresponding impact on the EBIT as well, the EBIT before special effects would amount to 3.3 million euro, which is equivalent to an EBIT margin of 2.8 percent.

On the other hand, proceeds from the partial sale of SCHWEIZER's stake in Meiko Electronics had a positive impact on the financial income. In the fourth quarter of the year 2017 SCHWEIZER and

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Meiko Electronics had agreed on a reduction of their mutual shareholding. The partial sale of the shares has no impact on the continuing successful cooperation of the two companies. Considering all special effects, the annual result 2017 would have amounted to 2.5 million euro.

SCHWEIZER's positive turnover development was in particular due to the record production volume from the Schramberg production site. Various measures to eliminate bottleneck areas, focussed investments into new production technologies, such as the new laser direct imaging equipment, as well as further process optimisations allowed for an output increase of 6.2 percent in Schramberg. In this context, the turnover share of high technology products from the fields of power electronics, embedding and system cost reduction, which are mainly used for applications of autonomous driving and electro mobility, increased again. These high technology products meanwhile account for 58 percent of our turnover.

The turnover share with customers of the industry sector increased significantly by 34.3 percent to 28.2 million euro (2016: 21.0 million euro). It comprises in particular solutions for automation, detection, robotics, metrology and sensor technology for cutting-edge industry plants as well as sales with customers from aviation. Customer from the industry sector now account for almost a quarter of our yearly sales, and we intend to expand this in future. This is also our intention for the areas of consumer, communication and computing, where sales increased by 22 percent to 8.9 million euro. Both achievements are important for an optimised customer portfolio management. The automotive sector again represented SCHWEIZERs largest customer group with sales of 83.8 million euro and accounted for about 70 percent of the total turnover (2016: 76 percent).

The company's equity capital increased slightly to 62.3 million euro as of the balance sheet date. This corresponds to an equity ratio of 54.9 percent (December 31, 2016: 52.8 percent). Net gearing was -6.5 % compared to -1.5 percent in 2016.

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Outlook for 2018

Due to the overall positive economic conditions paired with the automotive sector's technological focus areas where SCHWEIZER has its strengths, further positive growth impulses are to be expected. SCHWEIZER's production solutions serve the megatrends autonomous driving, fuel efficiency as well as electrification / hybridisation of motor vehicles. Demand for such technologies will strongly increase over the next years and ensure further growth impulses also in the current business, triggering rising sales with the automotive sector. Furthermore, we expect turnover increases with customers from the industry and aviation sector.

"Our order book which increased again to 181.5 million euro by the end of last year puts us into a very good position", comments Marc Bunz, Chief Financial Officer of Schweizer Electronic AG. "For 2018 we expect the group turnover to increase by 6 to 8 percent, which will be the highest increase in the last four years. The start-up costs for the new site in China, however, will burden our results. Nevertheless, from today's perspective we expect an EBITDA margin of 7 to 9 percent for the year 2018. This corresponds to an EBITDA of about 10 million euro."

The annual report for the year 2017 is available on <http://www.schweizer.ag/de/investorrelations/finanzberichte.html>. An English version of this report will be available soon.

Key Figures Schweizer Group

in million euro	2017	2016	Change
Order income	144.0	125.4	+18.6
Order book	181.5	158.4	+23.1
Turnover	120.9	116.1	+4.8
EBITDA	8.4	9.5	-1.1
EBITDA margin (%)	7.0	8.2	
EBIT	0.3	1.8	-1.5
EBIT margin (%)	0.3	1.6	
Earnings after taxes	3.5	0.6	+2.8

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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 797 employees SCHWEIZER achieved sales of 120.9 million euro in Fiscal Year 2017 (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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