

Progress in 2018 – 2019e with further margin improvement

Buy, TP EUR 32.30

Schaltbau group in FY 2018 achieved some significant progress on its way of restructuring. Group sales on an adj. basis increased 12.1% yoy to EUR 477.7m and the EBIT adj.-margin came out at 3.1% and was in line with the company's guidance of ~3.0% and our forecast of 3.2%. The reduction of the net financial debt to EUR 100.4m from EUR 158.4m is one of the major achievements at first glance. Looking forward Schaltbau has received an unrestricted report of the independent accountants (PwC). Outlook for FY 2019e: Group sales should reach EUR 480-500m (without Sepsa and Alte Technologies) and the EBIT adj. -margin should reach 5-6%. That is broadly in line with our expectations and seem reasonable to reach. The high level of order intake argues for a promising start into 2019. Positive sentiment at first glance. Next date: Q1 2019e results: 30 April 2019.

Schaltbau Holding (EUR m) Deviation	FY '17 reported*	FY '18 reported	FY '18e Pareto	FY '18 consensus**	Deviation		Pareto estimates		
					Pareto	consensus**	2019e	2020e	2021e
Group Incoming orders	594.0	631.3	508.0	n.a.	24.3%				
Group sales	516.5	518.3	480.0	489.3	8.0%	5.9%	502.0	519.5	539.0
Group EBIT, reported	-23.0	-7.3	-1.6	-1.6			24.4	30.6	34.7
Group EBIT, operating	2.4	16.0	15.2	15.2	5.3%	5.3%	24.4	30.6	34.7
EPS, EUR	-8.04	-1.93	-0.71				1.21	1.66	1.97
ANALYSIS GROUP									
Group EBIT reported-margin, %	n.m.		n.m.	n.m.			4.9%	5.9%	6.4%
Group EBIT operating-margin, %	0.5%	3.1%	3.2%	3.1%			4.9%	5.9%	6.4%

* like-for-like sales '17: EUR 432m (Pareto); ** FactSet

Source: Pareto Securities

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