



The Schaffner Group
Investora 2017
Company presentation

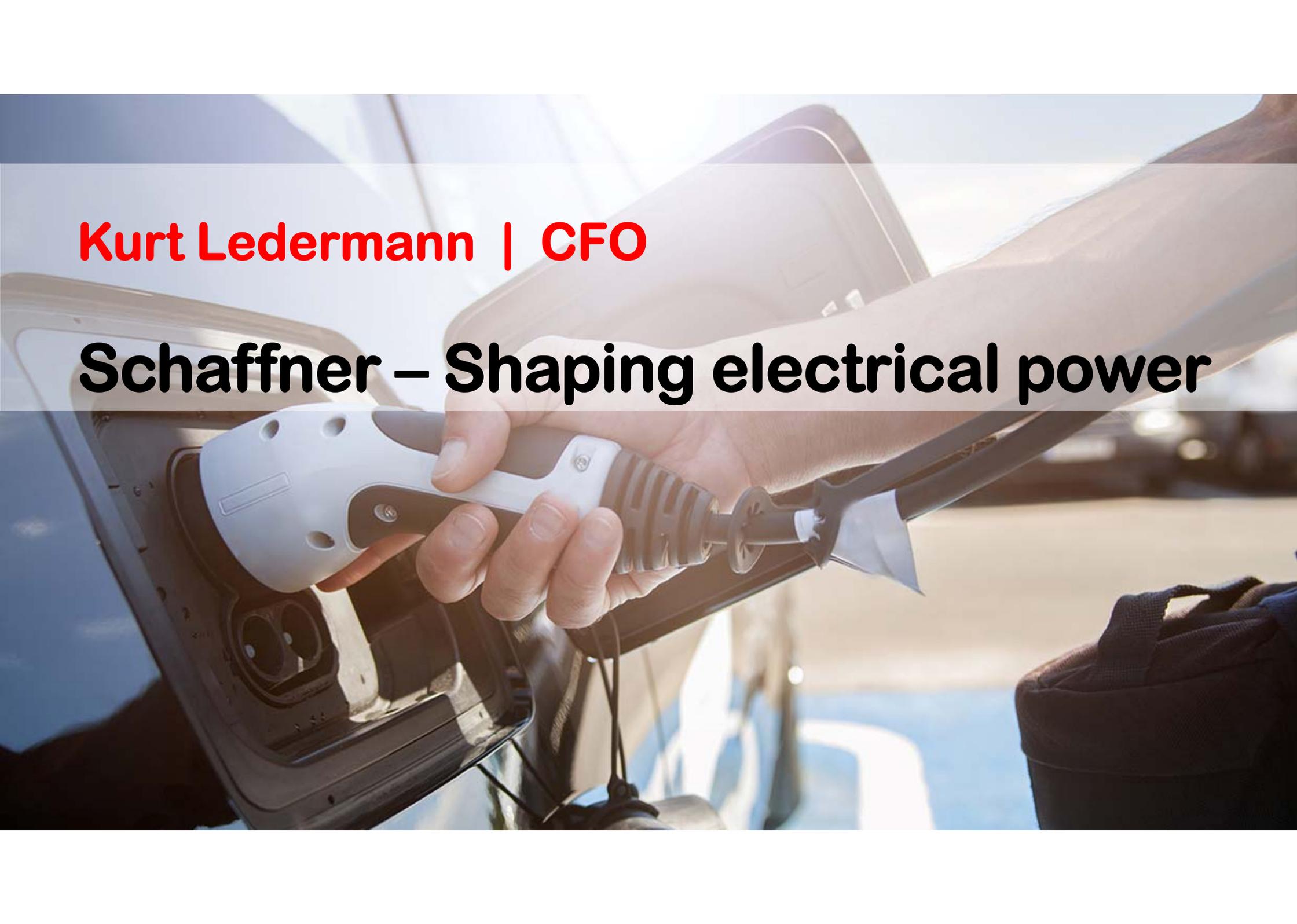
Caution regarding forward-looking statements

This communication contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives, and other statements relating to our future business development and economic performance.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, (1) general market, macro-economic, governmental and regulatory trends, (2) movements in currency exchange rates and interest rates, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit worthiness of our customers, and counterparties and developments in the markets in which they operate, (6) legislative developments, (7) management changes and changes to our Business structure and (8) other key factors that we have indicated could adversely affect our business and financial performance which are contained in other parts of this document and in our past and future filings and reports, including those filed with the SIX Swiss Exchange.

More detailed information about those factors is set forth elsewhere in this document and in documents furnished by Schaffner Group, including Schaffner Holding’s Annual Report for the year ended 30 September 2016 as well as the Interim Report for the period ended 31 March 2017. Schaffner Group is not under any obligation to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

A close-up photograph of a person's hands plugging a white and grey charging cable into the charging port of an electric vehicle. The background is a blurred outdoor setting, possibly a parking lot or a charging station, with a blue sky and some structures visible. The image is overlaid with a semi-transparent white banner containing text.

Kurt Ledermann | CFO

Schaffner – Shaping electrical power

- | **Global leader in solutions for shaping electrical power**
- | **Founded 1962, headquarters in Luterbach (Switzerland)**
- | **Listed at SIX Swiss Exchange since 1998 (Ticker: SAHN)**
- | **Market capitalization CHFm 207 (as of 8 September 2017)**
- | **FY 2015/16¹ net sales CHFm 185.6 (-8.5% in LC), EBIT margin 0.8%, net profit CHFm 0.4**
- | **H1 2016/17² net sales CHFm 94.6 (+4.5% in LC), EBIT margin 6.4%, net profit CHFm 4.2**

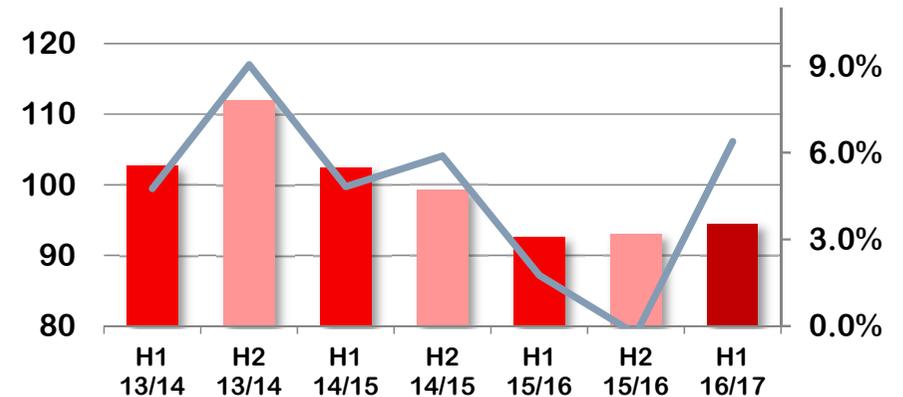
If not mentioned otherwise, all numbers in this presentation are referring to H1 2016/17

¹ FY per 30 September

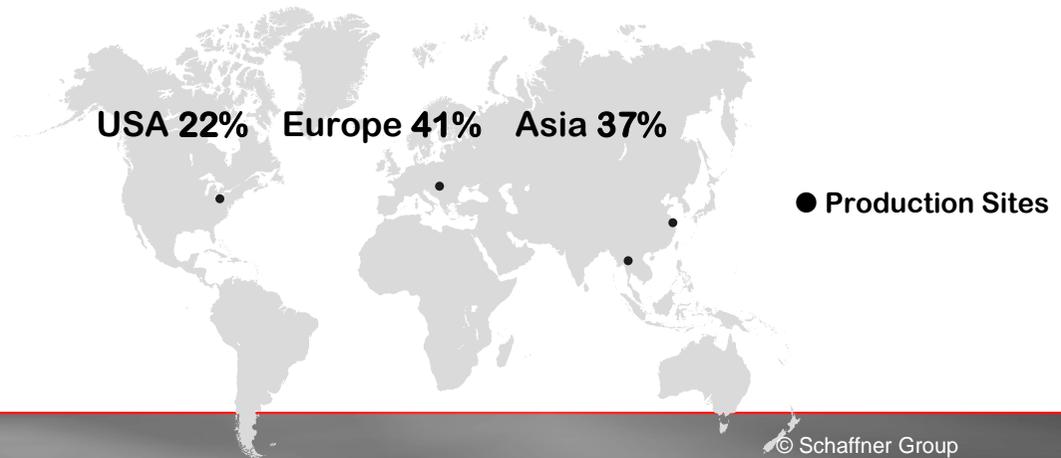
² H1 per 31 March

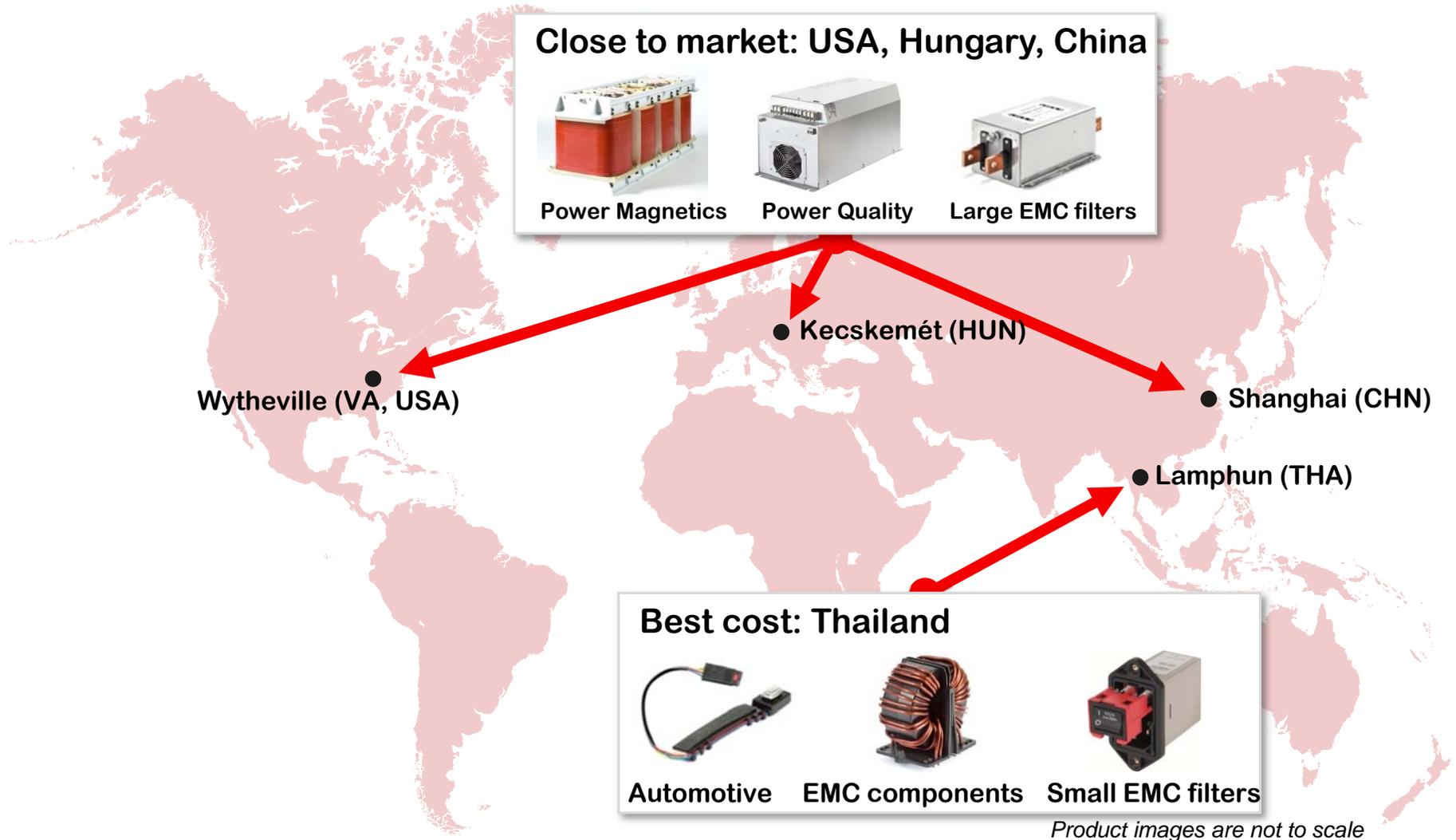
- | Group returned to growth in the first half of 2016/17
- | EMC and Automotive division achieved double-digit profit margins
- | Power Magnetics division is proceeding with its successive turnaround
- | Order intake is recovering
- | New CEO, Marc Aeschlimann, took up 1 September 2017

Mid-term sales and EBIT margin development

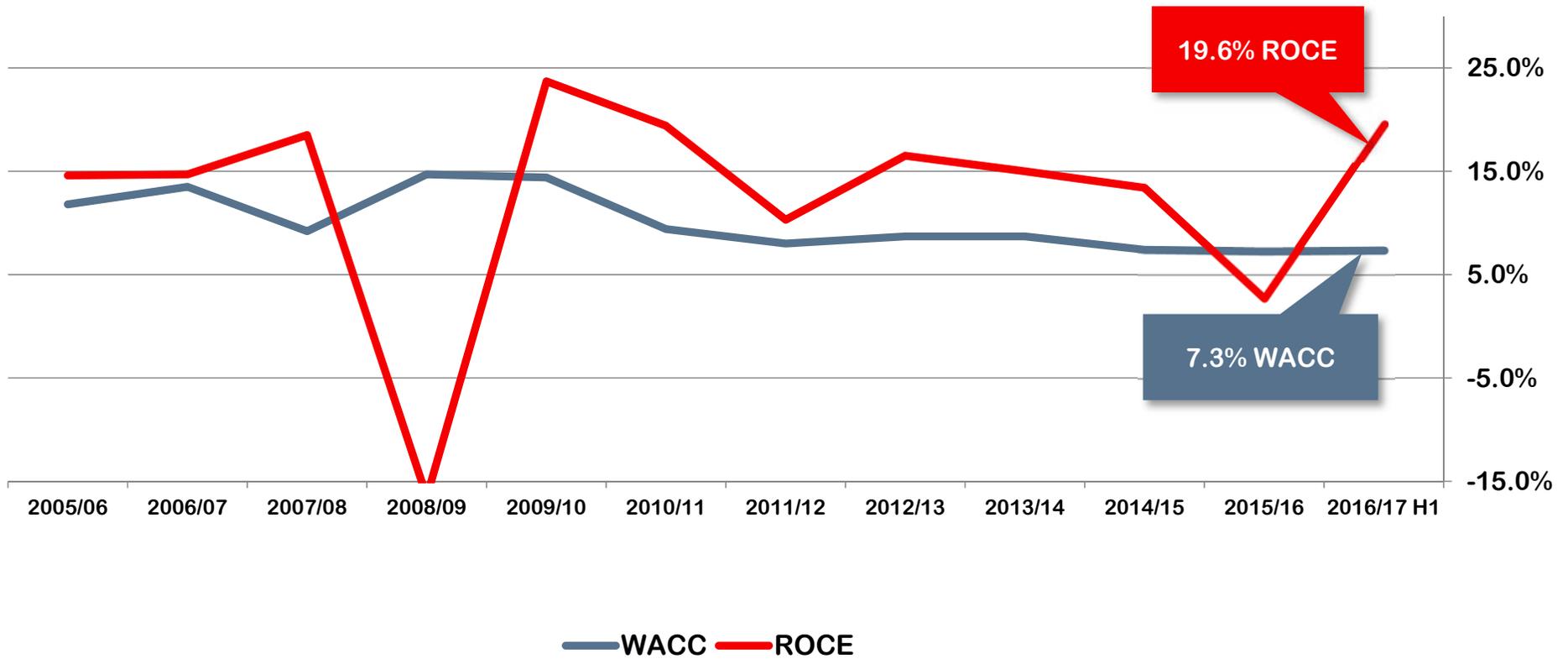


Balanced sales and global footprint



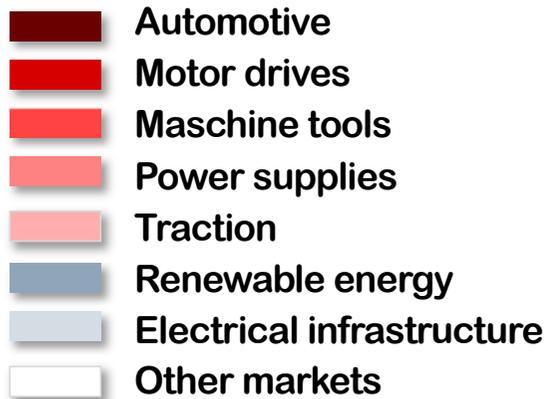


Target: ROCE > WACC

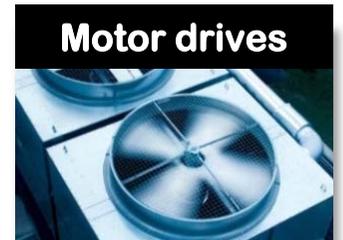
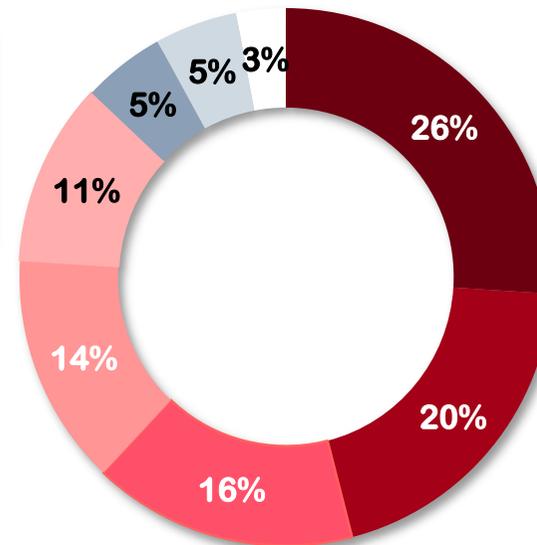


Due to the conversion of the financial reporting system to Swiss GAAP FER from fiscal year 2015/16 and the associated effects, the return on capital employed (ROCE) has risen by approximately 2 percentage points comparatively.

- | **Automotive**
Continued growth
- | **EMC**
Recovery in machine tools
and power supplies
- | **PM and EMC**
Slight recovery in motor drives
and traction



Share of net sales H1 2016/17





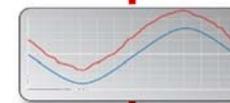
Guido Schlegelmilch | Head EMC division

A view on markets and divisions

| Schaffner technology protects electronic devices from grid distortions ...



Medical devices



EMC filter

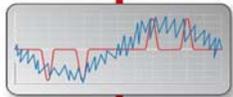
Grid



| ... and keep distortions from the grid ...



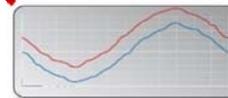
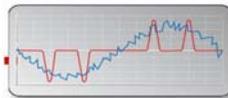
Escalators



EMC filter



Power Quality filter



Grid

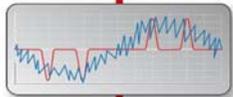


What we do

| ... to ensure reliable and efficient operation of power electronics.



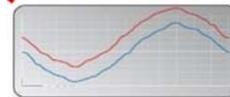
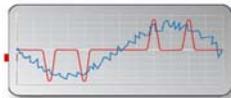
Escalators



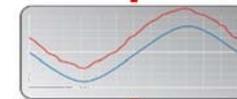
EMC filter



Power Quality filter



Medical devices



EMC filter

Grid



| Schaffner markets show sustainable growth potential

Energy efficiency,
renewable energy,
smart grids



More power
electronic
systems installed



More electrical
distortions



Market of
Schaffner
increases



EMC division



- | No. 1 in EMC filters
- | Power Quality filters

Power Magnetics division



- | No. 3 in mission critical components for high power, high reliability electronics (transformers/inductors)

Automotive division



- | No. 2 in antennas for keyless entry systems
- | EMC filters for electric/hybrid cars

EMC division



- | New applications (e.g. EV charger)
- | New technologies (middle frequency)
- | Higher sensitivity of grids
- | New norms & regulations

Power Magnetics division



- | New applications (e.g. DC/DC inverters)
- | New technologies (high power middle frequency)
- | New niche markets (e.g. medium voltage motor drives)

Automotive division



- | Trend for E-Mobility
- | Increased pick-up rate for keyless access systems

Low power filter



High power filter



Power Quality filter

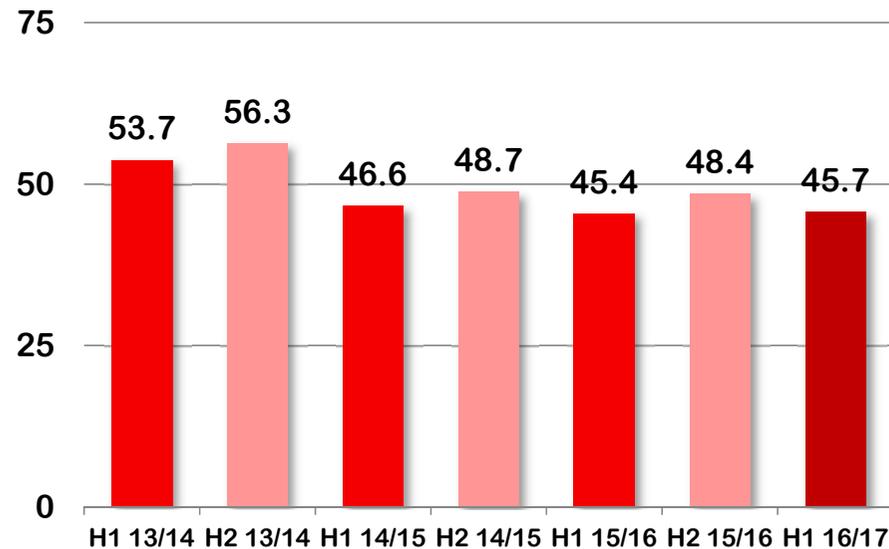


EMC division: Sound margin potential over the medium-term

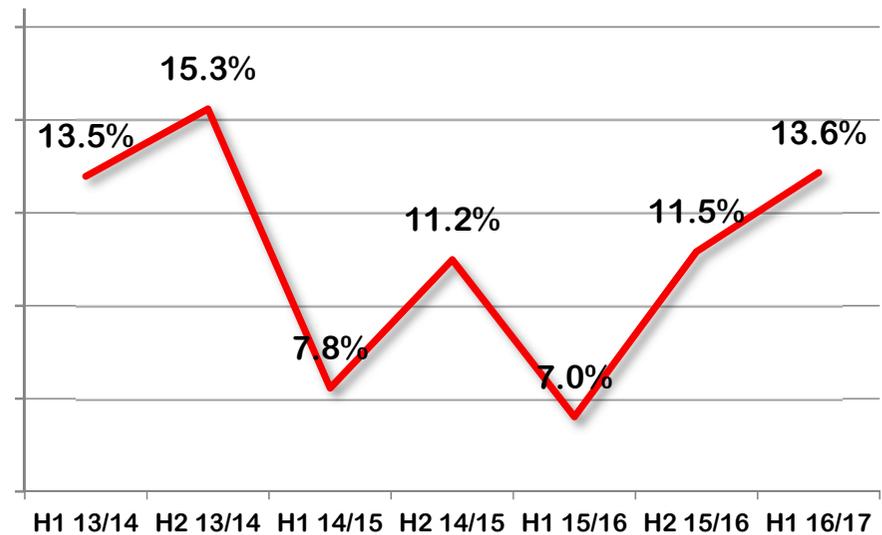
- | Significant new projects and customers won
- | Improved cost structure due to new product design and operational excellence e.g. increased automation
- | Power Quality business successfully launched second generation of passive harmonic filters

Segment sales

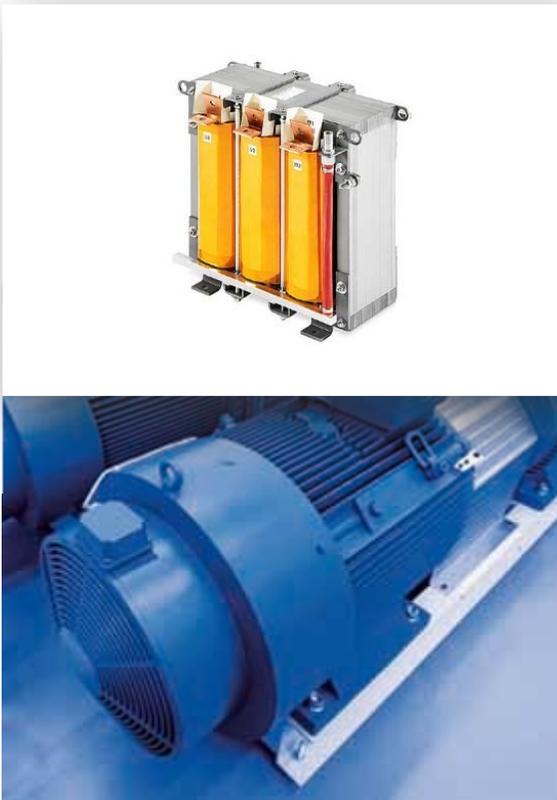
CHF million



Operating margin



**Water-cooled inductor
for motor drives**



**Filter inductor for heavy-duty
freight locomotives**



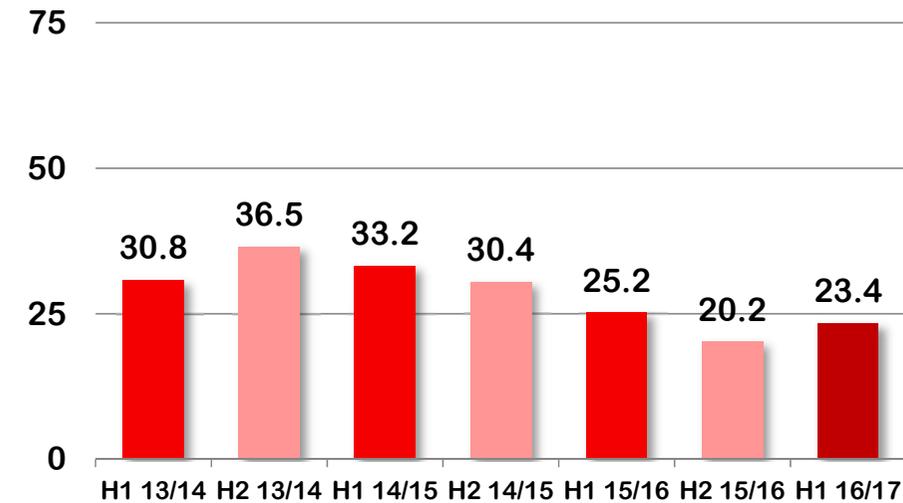
**Transformer/inductor combination
for inverters**



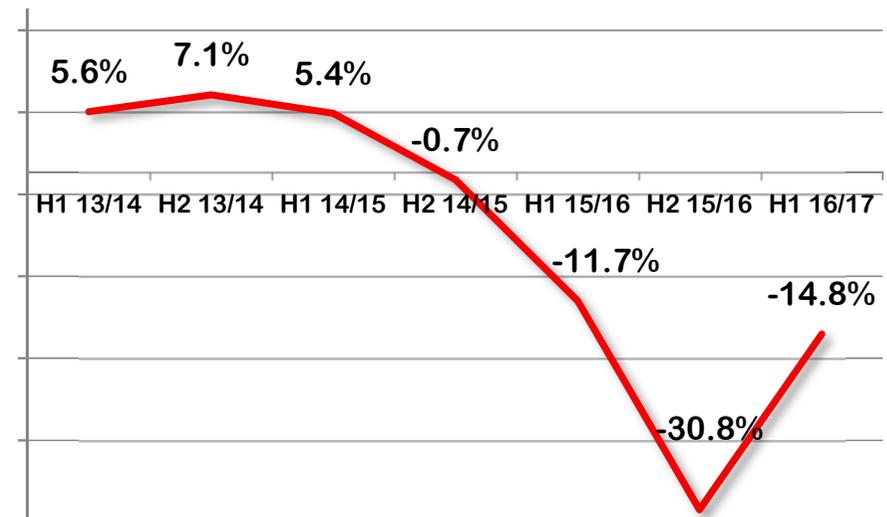
- | Sales in China in rail technology and wind turbine market saw positive developments
- | Delivery situation in USA gradually improved after completion of plant merger
- | Still in a turnaround phase

Segment sales

CHF million



Operating margin



**Low Frequency Antennas (LFA)
for keyless entry systems**



**EMC filters for electric and
plug-in hybrid vehicles (EV/PHEV)**

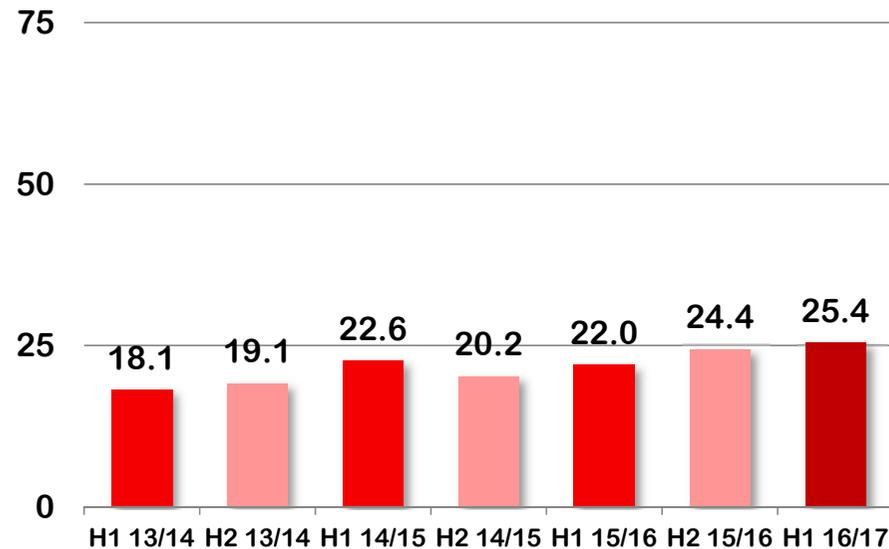


Automotive division: Long-term margin potential well above industry average

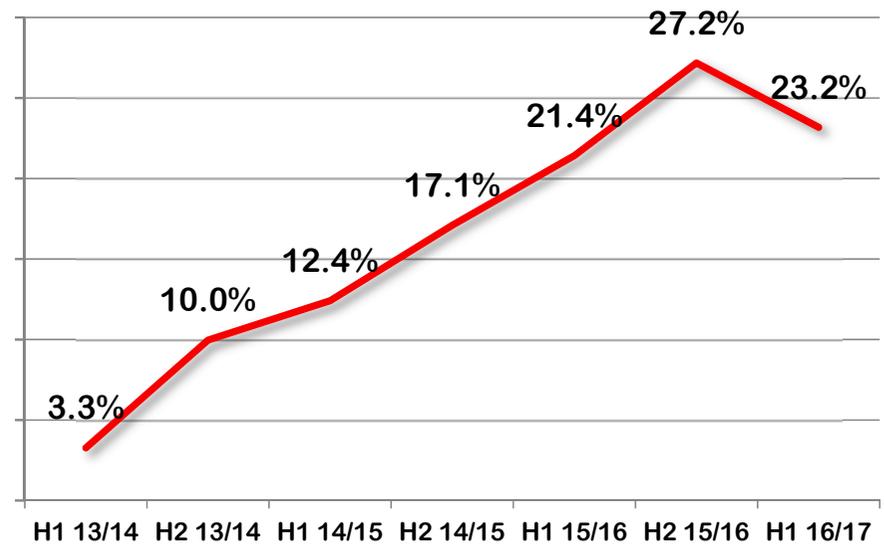
- | Sustained high demand for antennas for keyless entry systems
- | Multiyear contract with a European premium automobile manufacturer for EV-filters
- | Growth opportunities in the market for filters

Segment sales

CHF million



Operating margin



We clean distortions wherever electrical power is converted by electronics

Marine



Buildings



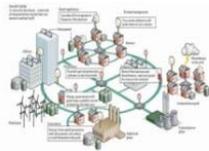
Machinery



Renewable energy



Smart grid



Rail transportation

SCHAFFNER
shaping electrical power

Water treatment



Health care

Oil & Gas



LED



Robotics



Automotive



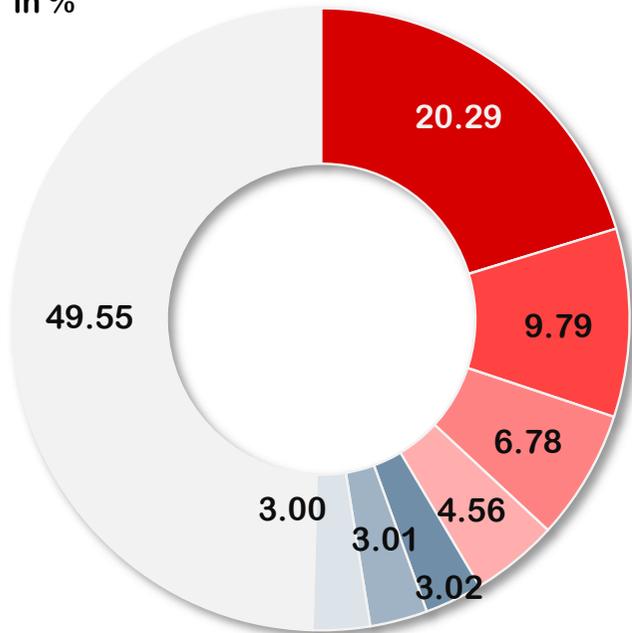
Kurt Ledermann | CFO

**Shareholders structure,
pay-out & mid-term goals**

- | 1,198 shareholders registered with voting rights in the share register (as of 8 September 2017)
- | Of the issued shares, 99.8% represented free float
- | Shares of unregistered owners amounted to 17.8% of the issued shares (as of 8 September 2017)

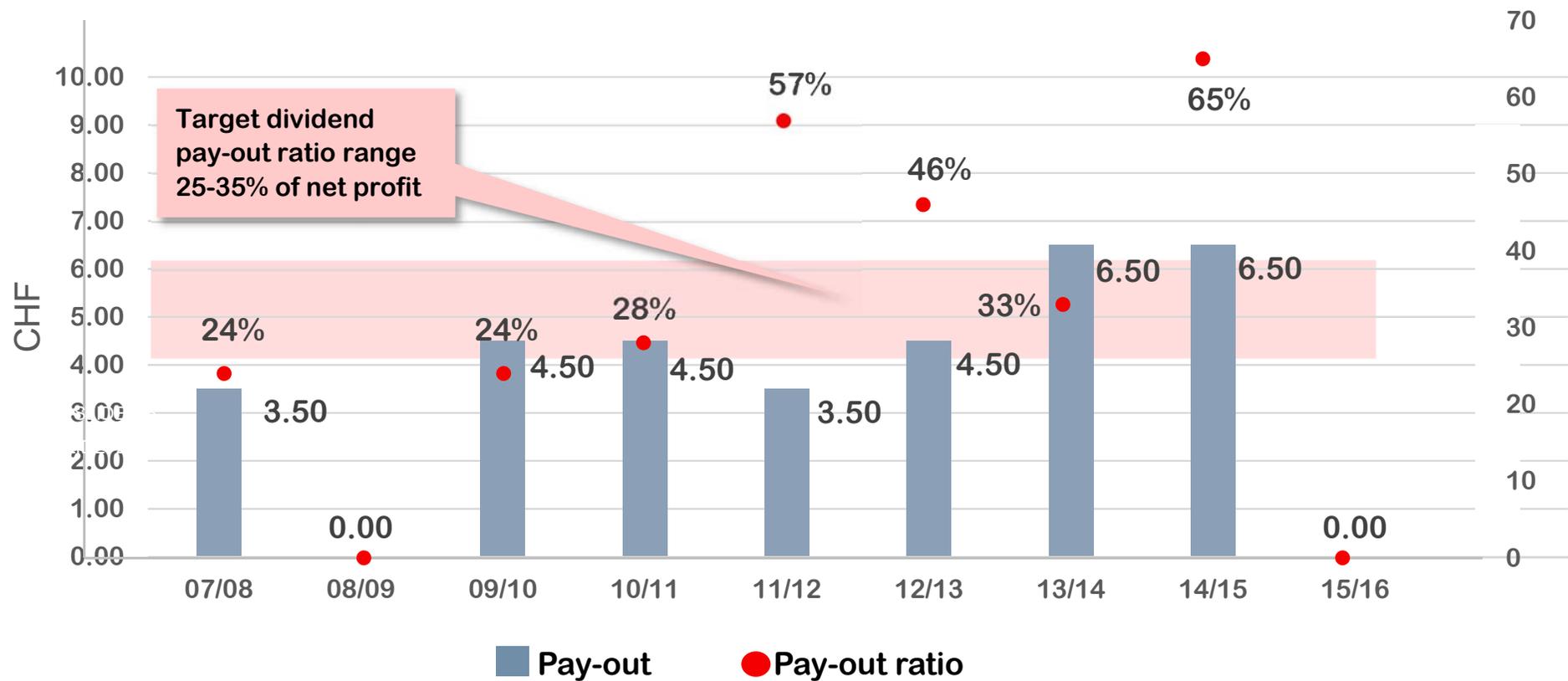
Shareholders structure

in %



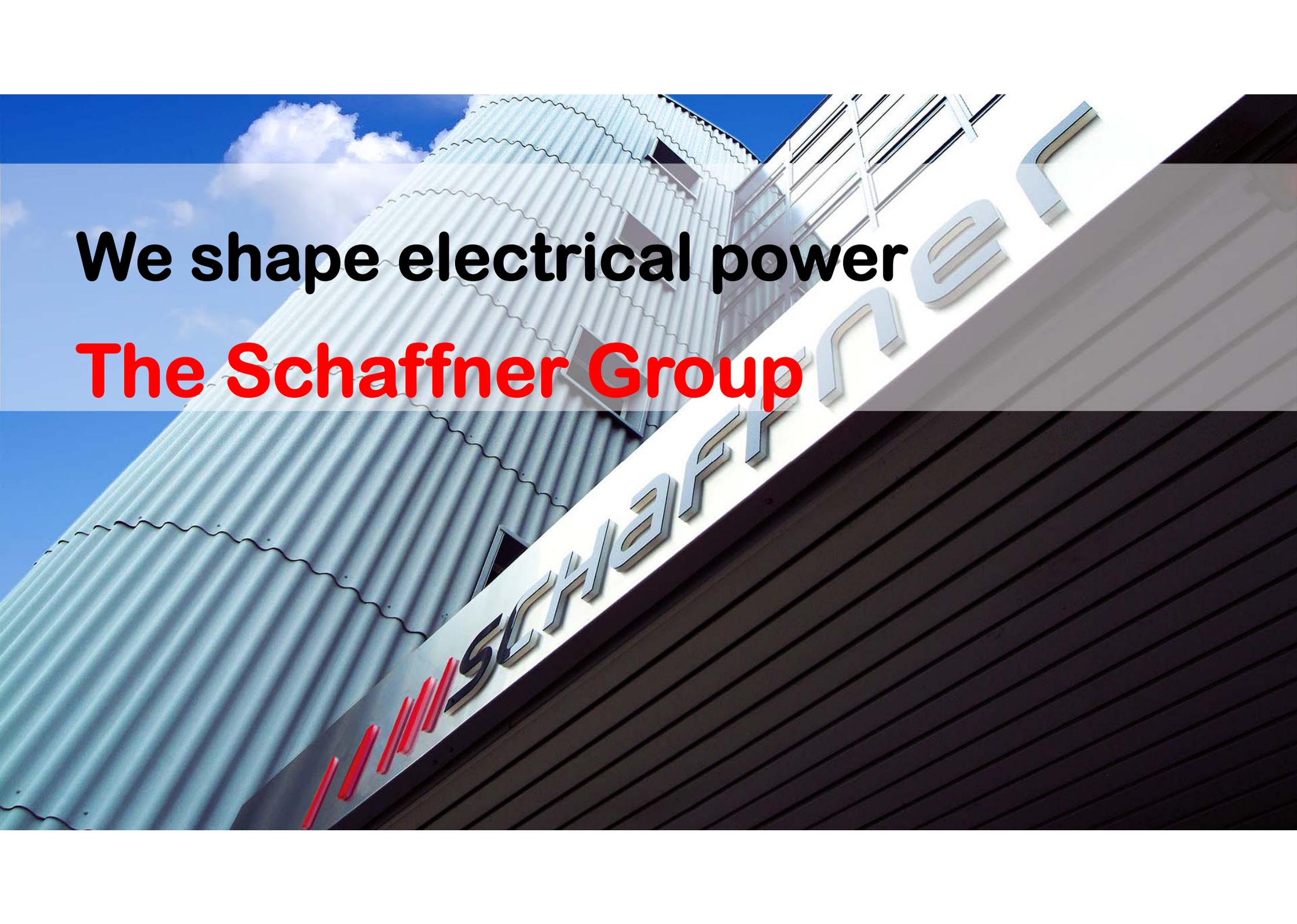
Investor	
	Aktionärsgruppe Buru Holding
	J. Safra Sarasin Investmentfonds
	UBS Fund Management
	Mirabaud Asset Management
	IPConcept
	Credit Suisse Funds
	Dr. Jörg Wolle
	Shareholders < 3%

Schaffner Holding AG pursues a sustainable dividend policy, guided by a target range of 25% to 35% of net profit



Group financial medium-term goals

- | **Net sales growth (organic):** > 5%
- | **EBIT margin:** > 8%
- | **ROCE:** > WACC
- | **Leverage ratio:** Net debt/EBITDA < 3
- | **Equity ratio:** > 40%
- | **Dividend policy** Pay-out ratio 25-35% of net income

A low-angle photograph of a modern building with a corrugated metal facade. The building's name, 'SCHAFFNER', is displayed in large, silver, 3D block letters along the edge of the roofline. To the left of the name are four red, vertical, rectangular elements. The sky is blue with some white clouds. A semi-transparent white banner is overlaid across the middle of the image, containing the text 'We shape electrical power' in black and 'The Schaffner Group' in red.

We shape electrical power

The Schaffner Group