# PRESS RELEASE

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| **Schuler AG**  Bahnhofstraße 41  73033 Göppingen  Germany  **Ingo Schnaitmann**  Unternehmenskommunikation  Phone +49 7161 66-201  Fax +49 7161 66-907  [Ingo.Schnaitmann@ schulergroup.com](mailto:Ingo.Schnaitmann@schulergroup.com)  [www.schulergroup.com/pr](http://www.schulergroup.com/pr) |

# Schuler expects higher earnings

**Earnings guidance upgraded to 8.5 percent EBITA –   
new orders up by more than 10 percent**

*Göppingen, Germany November 6, 2014* – Due to a healthy order position and positive one-off effects from its corporate restructuring, Schuler has upgraded its earnings guidance for the fiscal year 2014. As already announced in its ad hoc disclosure, the press manufacturer expects earnings before interest, taxes and amortization (Ebita) of 8.5 percent based on sales revenue. The previous guidance for the Ebita margin was 7 to 8 percent.

In the first nine months, the engineering group received new orders worth € 916.3 million, representing an increase of 10.6 percent over the comparable prior-year figure. New orders from Asia doubled including through a major order from China, which was also the largest in the company’s 175-year history. “The strategy introduced in 2011 of greatly expanding our entire value added in China is paying off,” explained Schuler’s CEO Stefan Klebert on presentation of the nine-month figures.

**Sales forecast confirmed – high order backlog**

Due to the typical leadtimes in machine construction, the growth in new orders will not be recognized in revenue until 2015. From January to September 2014, sales were down 7.7 percent at € 836.6 million. Compared to the exceptionally high prior-year figure, there was also a decline in the operating result (EBITA) to € 69.1 million with an EBITA margin of 8.3 percent.

In the final quarter, Schuler expects sales to increase compared to the preceding quarters and earnings to improve. The improvement in earnings will result from the company’s operating business as well as from positive one-off effects due to the reversal of provisions no longer needed this year. In 2013, Schuler announced plans to streamline its structures and reduce headcount by 350. This efficiency enhancement program is now almost fully completed.

The press manufacturer confirmed the sales forecast of € 1.1 to 1.2 billion which it only upgraded in August 2014. “In view of the 3 percent increase in order backlog to € 1.12 billion and the encouraging progress made in the first nine months, we are confident that we will reach our targets for 2014,” said Klebert.

**Net financial status improved significantly**

The company generated net cash flow from operating activities of € 84.7 million in the reporting period, compared to € -16.5 million in the same period last year. The increase was mainly due to a stronger reduction in net working capital. The Group’s net financial status improved from €202.2 million to € 345.9 million and due to the development of earnings, equity rose to € 321.3 million. The equity ratio amounts to 29.3 percent.

At the end of September 2014, Schuler employed 5,483 people around the world. This represents a year-on-year decline in headcount of 1.7 percent, divided among almost all regions except Asia. There, the number of employees rose.

**New demonstration centers in Tianjin, China and Göppingen**

Schuler tripled production space at its Chinese facility in Dalian last year and has now added a further site in Tianjin, also in the north-east of the country. Schuler is building a new demonstration center here at a cost of ten million euros which is due to be completed by mid 2015. It will be one of eight Schuler TechCenters which the Group is setting up around the world. “In contrast to trade shows, these TechCenters are open throughout the year and provide an ideal environment for holding talks and running tests for individual customers,” explained Stefan Klebert. There are already TechCenters at the Group’s German sites in Erfurt, Gemmingen, Göppingen and Hessdorf, as well as in the USA.

In addition, a Hot Stamping TechCenter is to be put into operation in Göppingen by the end of next year. It will also be used for training and research in the field of press hardening for high-strength steels.

**Schuler Group at a glance (IFRS):**

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|  |  | **01/01 -09/30/2014** | 01/01- 09/30/2013 |
| Sales | € million | **836.6** | 906.8 |
| New orders | € million | **916.3** | 828.7 |
| Order backlog 1 | € million | **1,120.8** | 1,087.9 |
| Ebita | € million | **69.1** | 80.3 |
| Ebit | € million | **67.8** | 78.3 |
| Ebt | € million | **65.7** | 72.3 |
| Group profit | € million | **44.7** | 49.8 |
| Ebita margin | % | **8.3** | 8.9 |
| Cash flow from operating activities | € million | **84.7** | -16.5 |
| Total statement of financial positions1 | € million | **1,096.3** | 997.3 |
| Shareholders’ equity1 | € million | **312.3** | 302.0 |
| Equity ratio 1 | % | **29.3** | 30.3 |
| Net financial status1 | € million | **345.9** | 202.2 |
| Employees, 2 |  | **5,483** | 5,580 |

1 09/30, 2  Including apprentices

Click here for the full interim announcement:

<http://ir2.flife.de/data/schuler_ag/igb_html/index.php?bericht_id=1000013&lang=ENG>

### Captions

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| Bild_1 | Bild1.jpg: Schuler received one of the largest orders in its 175-year history in the third quarter of 2014: FAW Volkswagen, China, ordered three servo press lines and three tryout presses. |
| Bild | Bild2.jpg: Schuler is building a new demonstration center in Tianjin, China, at a cost of € 10 million. It is due to be completed by mid 2015. |
| Bild3 | Bild3.jpg.  Schuler is paving the way for lightweight car manufacturing with forming processes like hot stamping. A dedicated technology center is to be put into operation in Göppingen by the end of 2015. |

*Please name Schuler as the photo source.*

***About the Schuler Group –*** [***www.schulergroup.com***](http://www.schulergroup.com)

*As the technological and global market leader in metal and plastic forming equipment, Schuler offers cutting edge presses, automation, dies, process know-how and services for the entire metal forming industry and lightweight vehicle construction. Its clients include car manufacturers and their suppliers, as well as companies in the forging, household equipment, packaging, energy and electrical industries. Schuler is the market leader in coin minting technology and supplies systems solutions for the aerospace, railway and large pipes industries. The company can trace its roots back to a locksmith shop founded by Louis Schuler in 1839 and celebrates its 175th anniversary in 2014. In fiscal year 2012/13 (ending Sep. 30), Schuler posted sales of € 1,185.9 million. With 5,500 employees, Schuler is represented in 40 nations around the world. The Austrian ANDRITZ Group holds a majority share in Schuler.*