# PRESS RELEASE

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# Strong increase in orders received by Schuler in 2016

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## Acquisition of Yadon and AWEBA strengthens Group profit

## EBITDA margin remains in double figures at 10.4 percent in 2016

## Digitization and e-mobility driving growth

*Göppingen, March 3, 2017* – The two subsidiaries acquired by press manufacturer Schuler AG in 2016 – AWEBA and Yadon – already made a positive contribution to growth and earnings in their first year. The global market leader based in Göppingen, Germany, posted strong growth above all in new orders (+17.6 percent) and order backlog (+13.5 percent). Over the year as a whole, the company received orders worth € 1.20 (prior year: € 1.02) billion. As of December 31, 2016, the order backlog had risen to € 1.01 (€ 0.89) billion. After a slow start, consolidated sales were almost on a par with the previous year at over € 1.17 (€ 1.20) billion. The operating result (EBITDA) of € 122.6 million was well above the unadjusted prior-year figure of € 70.9 million.

Adjusted for special items of around € 73 million for the restructuring of production in Germany, Schuler had posted a record EBITDA result of € 138.8 million in 2015. Earnings in 2016 were bolstered by special income of € 13 million from winding up the restructuring concept. Including this income, the EBITDA margin – a measure of the company’s profitability – once again reached double figures in 2016 at 10.4 (prior-year adjusted: 11.6) percent, and was thus amongst the highest in the German engineering industry.

Schuler’s pre-tax earnings of € 95.1 million in 2016 were well above the unadjusted prior-year figure of € 44.0 million. Adjusted for restructuring effects, the figure in 2015 was € 116.6 million. The new members of the Group, the Chinese press manufacturer Yadon (as of April 1) and the German toolmaker AWEBA (as of June 30), made a total prorated contribution to consolidated sales of almost € 120 million and to EBITDA of almost € 17 million in 2016.

**Noticeable increase in sales and earnings expected for 2017**

At the presentation of the company’s annual accounts in Göppingen, Germany, CEO Stefan Klebert stated that: “We are entering the new fiscal year with a strong tailwind from the higher level of new orders. The propensity of our customers to invest in new capital equipment has increased, the dip in sales and new orders from early 2016 is now behind us. The past year also underlined that our decision to acquire the German toolmaker AWEBA and the Chinese press manufacturer Yadon was strategically correct. Both companies open up new markets for Schuler and are making above-average progress.”

Schuler expects a noticeable increase in sales and earnings in the current fiscal year 2017. The improved order position, more favorable cost structures in Germany due to the almost completed pooling of production at four sites, and the first full-year contribution of earnings from Yadon and AWEBA are all expected to provide a positive impetus. With regard to the macroeconomic conditions, Schuler expects largely stable GDP growth for Europe and China in 2017, and even an acceleration of growth in the USA.

**Growth program launched**

In America, Schuler revived its own traditional brand BLISS in 2016 and has already enjoyed initial success with a new machine generation. “All in all, we aim to accelerate Schuler’s growth in the coming years,” said CEO Klebert. “With our growth program “We go for 20.2”, we are aiming above all to shorten time-to-market for innovations and to tap new customer groups with new products.” Including possible acquisitions, the target is to reach a sales corridor of around € 2 billion by 2020.

An important innovation driver is the further digitization of metalforming technology. In 2016, Schuler unveiled its Smart Press Shop to address this issue. It showcases digital solutions for the networking of forming technology which increase both the process reliability and economic efficiency of production for Schuler’s customers.

**Mid-range market segment and e-mobility offer future potential**

With regard to products, Schuler is targeting the world’s fastest growing segment – mid-priced press lines. Yadon’s technologies and Schuler’s own new developments, like the soon-to-be-launched MSP 400 press, both play an important role in this strategy. At the same time, Schuler has entered the new market of electromobility. Corresponding orders from a leading electric vehicle manufacturer and the German traditional brand Borgward, as well as from the South Korean battery manufacturer Samsung, are currently being processed.

At € 537 (€ 605) million, Europe still accounted for the largest share of sales totaling € 1.17 billion in fiscal year 2016. Sales in China remained stable at € 299 (€ 299) million. Schuler’s business in North America made strong progress with increased sales of € 267 (€ 190) million. The number of Group employees rose to 6,617 (5,176) as of December 31. This figure includes 1,011 employees of Yadon and 628 of AWEBA.

**Equity base remains comfortable**

Against the backdrop of its positive earnings trend, Schuler – in which the Austrian ANDRITZ Group holds 95 percent of capital stock – was able to make further improvements to its capital base. Shareholders’ equity rose to € 438.4 (€ 369.1) million. As the balance sheet total grew more strongly due to the acquisition of Yadon and AWEBA, the equity ratio fell slightly to 32.2 (34.3) percent. However, this is still the second-highest level since the IPO in 1999. “Our capital and liquidity resources provide the necessary stable foundation for us to finance further organic and external growth as required,” stated CFO Norbert Broger.

Schuler raised capital expenditures once again to € 45.8 (€ 38.2) million in 2016. The soon-to-be-completed technological center in Göppingen, the Schuler Innovation Tower, accounted for around half of this amount. Further focus areas for investment were IT and digitization. At € 116.3 (€ 281.3) million, net financial status (liquid funds less financial debt) was well below the prior-year figure. This is due to cash outflows for the successful acquisition of AWEBA and Yadon.

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

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|  |  | **2016** | 2015 |
| Sales | € million | **1,174.2** | 1,200.0 |
| New orders | € million | **1,199.5** | 1,015.7 |
| Order backlog | € million | **1,013.1** | 894.7 |
| EBITDA (without SI/with SI 2015) | € million | **122.6** | 138.8 / 70.9 |
| EBIT (without SI/with SI 2015) | € million | **95.4** | 115.7 / 43.1 |
| EBT (without SI/with SI 2015) | € million | **95.1** | 116.6 / 44.0 |
| EBITDA margin (without SI/with SI 2015) | % | **10.4** | 11.6 / 5.9 |
| Group profit | € million | **77.4** | 39.3 |
| Total statement of financial positions | € million | **1,361.3** | 1,074.5 |
| Shareholders’ equity | € million | **438.4** | 369.1 |
| Equity ratio | % | **32.2** | 34.3 |
| Net financial status | € million | **116.3** | 281.3 |
| Employeesincl. apprentices | persons | **6,617** | 5,167 |

SI = special items affecting income from the implementation of restructuring programs 2015

The online Annual Report 2016 can be found at the following link:

<http://www.schulergroup.com/investor_relations/finanzberichte>

## Photos

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| C:\Users\scherren\AppData\Local\Microsoft\Windows\INetCache\Content.Word\Aweba.jpg | Bild1.jpg: The two subsidiaries acquired in 2016 – AWEBA (photo) and Yadon – already made a positive contribution to Schuler’s growth and earnings in their first year. |
| C:\Users\scherren\AppData\Local\Microsoft\Windows\INetCache\Content.Word\Simulation.jpg | Bild2.jpg: An important innovation driver is the further digitization of metalforming technology. In 2016, Schuler unveiled its Smart Press Shop to address this issue. It showcases digital solutions for the networking of forming technology which increase both the process reliability and economic efficiency of production for Schuler’s customers. |
| C:\Users\scherren\AppData\Local\Microsoft\Windows\INetCache\Content.Word\SIT.JPG | Bild3.jpg: The soon-to-be-completed technological center in Göppingen, the Schuler Innovation Tower, accounted for around half of capital expenditures totaling € 45.8 million. |

*Please name Schuler as the photo source.*

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

*Schuler is the world market leader in metal forming technology. The company supplies presses, automation solutions, dies, process know-how, and services for the entire metalworking industry and lightweight automotive design. Customers include automobile manufacturers and suppliers as well as companies from the forging, household appliances, packaging, energy, and electronics industries. Schuler is the leading supplier of minting presses and supplies system solutions for aerospace, rail transport, and large pipe manufacturing. In 2016, Schuler posted sales of € 1,174 million. Following the acquisition of toolmaker AWEBA and a majority stake in Chinese press manufacturing company Yadon, Schuler employs around 6,600 members of staff in 40 countries. The Austrian ANDRITZ Group holds a majority share in Schuler.*