EFFICIENCY. DO IT. RIGHT.

CAPITAL MARKETS DAY ANDRITZ
VIENNA, OCTOBER 6, 2015
AGENDA

1. Schuler at a glance
2. Financial performance
3. Market development
4. Production efficiency – Production program
5. Our strategy – Growth, innovation and efficiency
6. Joint venture with Chinese press manufacturer Yadon
7. Outlook
SCHULER AT A GLANCE
SCHULER AT A GLANCE

Facts and figures

- **Technological and global market leader in the metal forming industry**
- Founded 1839 in Göppingen, Germany
- **Products:** Cutting-edge presses, automation, dies, process know-how, and services for the entire metalforming industry and lightweight vehicle construction
- **Top-tier customers:** Car manufacturers and their suppliers, packaging, household equipment, aerospace, minting
- **Innovation by technology:** Key to our success

### Schuler Group 2014

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>1.2 billion €</td>
</tr>
<tr>
<td><strong>New orders</strong></td>
<td>1.2 billion €</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>124.0 million €</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>10.5 %</td>
</tr>
<tr>
<td><strong>EBITA</strong></td>
<td>104.1 million €</td>
</tr>
<tr>
<td><strong>EBITA margin</strong></td>
<td>8.8 %</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>102.2 million €</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>8.7 %</td>
</tr>
<tr>
<td><strong>Employees incl. apprentices</strong></td>
<td>5,423</td>
</tr>
</tbody>
</table>

1) as of December 31, 2014
SIX DIVISIONS WITH GLOBAL RESPONSIBILITY

AUTOMOTIVE

HYDRAULIC

INDUSTRY

SYSTEMS

SERVICE

AUTOMATION
STABLE DEVELOPMENT – GROWTH OUTSIDE AUTOMOTIVE

NEW ORDERS in € million

- Division Automotive
- Other Divisions

SALES in € million

- Division Automotive
- Other Divisions

CAGR +9.9%

CAGR +16.0%

<table>
<thead>
<tr>
<th>Year</th>
<th>NEW ORDERS</th>
<th></th>
<th>SALES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>818.4</td>
<td>1,319.0</td>
<td>1,300.9</td>
<td>1,226.1</td>
</tr>
<tr>
<td>2009/10</td>
<td>533.2</td>
<td>759.2</td>
<td>540.4</td>
<td>958.5</td>
</tr>
<tr>
<td>2010/11</td>
<td>285.2</td>
<td>760.5</td>
<td>331.5</td>
<td>307.6</td>
</tr>
<tr>
<td>2011/12</td>
<td>650.3</td>
<td>422.7</td>
<td>480.1</td>
<td>170.2</td>
</tr>
<tr>
<td>2012/13</td>
<td>1,163.3</td>
<td>831.8</td>
<td>650.9</td>
<td>483.2</td>
</tr>
<tr>
<td>2014</td>
<td>1,193.7</td>
<td>771.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EUROPE AND ASIA WITH HIGHEST LEVEL OF NEW ORDERS

NEW ORDERS in %

** Europe: 45.9% (59.5) **
** Americas: 19.6% (17.8) **
** Asia*: 34.5% (22.7) **

* Incl. other regions
** North and South America

( )Figures for 2012/13

2014
With a press force of 140 meganewtons and a height of 22 meters, Schuler supplied the largest forging press in its history.
EQUITY RATIO OF 28.6%

EQUITY RATIO
in € million

--- Equity ratio in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity Ratio in € million</th>
<th>Equity Ratio in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10*</td>
<td>116.8</td>
<td>16.1%</td>
</tr>
<tr>
<td>2010/11*</td>
<td>205.2</td>
<td>22.9%</td>
</tr>
<tr>
<td>2011/12*</td>
<td>244.6</td>
<td>27.1%</td>
</tr>
<tr>
<td>2012/13*</td>
<td>302.0</td>
<td>30.3%</td>
</tr>
<tr>
<td>2014 **</td>
<td>322.0</td>
<td>28.6%</td>
</tr>
</tbody>
</table>

Audi uses Schuler’s new technology for blanking lines

*as of Sept. 30.
**as of Dec. 31.
### OVERVIEW OF KEY FIGURES 6M 2015

<table>
<thead>
<tr>
<th>Key figures (in € million)</th>
<th>6M 2014</th>
<th>6M 2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New orders</td>
<td>554.6</td>
<td>424.6</td>
<td>-23.4%</td>
</tr>
<tr>
<td>Sales revenues</td>
<td>540.2</td>
<td>570.0</td>
<td>+5.5%</td>
</tr>
<tr>
<td>Order backlog (1)</td>
<td>1,053.7</td>
<td>939.6</td>
<td>-10.8%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>47.5</td>
<td>49.9</td>
<td>+5.1%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>8.8%</td>
<td>8.8%</td>
<td></td>
</tr>
<tr>
<td>EBITA</td>
<td>37.9</td>
<td>39.5</td>
<td>+4.2%</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>7.0%</td>
<td>6.9%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>37.0</td>
<td>38.6</td>
<td>+4.3%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>6.8%</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>Group profit</td>
<td>25.0</td>
<td>25.9</td>
<td>+3.6%</td>
</tr>
<tr>
<td>Employees (1) (2)</td>
<td>5,470</td>
<td>5,275</td>
<td>-3.6%</td>
</tr>
</tbody>
</table>

- Sales of € 570.0 million were 5.5% above prior-year level thanks to good realization of existing projects
- Order intake significantly (-23.4%) below prior year as several automotive orders were postponed
- EBITDA margin at prior year level (8.8%) with higher sales volume

(1) as of June 30
(2) incl. apprentices
MARKET DEVELOPMENT IN CHINA
FORECAST PASSENGER CAR UNTIL 2021 CHINA

Car units in million

Source: JSC Automotive
VEHICLE DENSITY PER 1,000 INHABITANT – WORLD (2000-2014)

Source: IHS Automotive
PRODUCTION EFFICIENCY:
PRODUCTION PROGRAM
REASONS FOR THE NEED TO REORGANIZE PRODUCTION IN GERMANY

- Schuler’s German production sites have evolved historically and their structure is largely unchanged since the merger of Schuler and Müller Weingarten.
- Schuler has too many production facilities in Germany whose capacities are not utilized to the full. It makes economic sense to pool these capacities in order to achieve a better level of utilization.

WE ARE PURSUING TWO OBJECTIVES WITH THE FORTHCOMING FACTORY CONSOLIDATION:

1. Streamlining of historically evolved site structure in Germany. Significant reduction of fixed costs.
2. Most cost-effective way of handling increasingly cyclical nature of business in Automotive and Hydraulic divisions.
SCHULER HAS TOO MANY PRODUCTION SITES IN GERMANY

1. With **seven production sites** in Germany, Schuler has too many factories.

2. These facilities are operating **below capacity, in terms of their space and machine utilization**.

3. Entry into **new market segments** has changed the **product mix**: lower ratio of in-house manufacturing.

4. **Markets are changing** and we have created the necessary structures – e.g. in Dalian.

5. **Total capacity in Germany** is well above the **regional share of sales in Europe**.

These developments are changing the capacity needs in Germany.
EFFECT ON JOBS IN PRODUCTION

<table>
<thead>
<tr>
<th>Site</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weingarten</td>
<td>approx. 230</td>
</tr>
<tr>
<td>Waghäusel</td>
<td>approx. 130</td>
</tr>
<tr>
<td>Netphen</td>
<td>approx. 80*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>approx. 440</strong></td>
</tr>
</tbody>
</table>

*Production and Industry division
THE PRODUCTION CONCEPT WILL STRENGTHEN THE LONG-TERM COMPETITIVENESS OF SCHULER

- The **planned measures** will place a **one-off burden** on earnings of **around € 55 million**. The **cost savings** will amount to **approx. € 30-35 million** per year

- The reduction of structural costs will lead to **lower costs for products** and thus **strengthen the competitiveness of our divisions**

- We are **reducing the risk of underutilization** in the case of economic fluctuations
OUR STRATEGY
– GROWTH, INNOVATION AND EFFICIENCY
GROWING TOGETHER – ASSURING LONG-TERM SUCCESS FOR SCHULER

ON OUR WAY TO A GLOBAL COMPANY

- Prepare for dynamic growth and increasing company size
- Solve complex company structures
- Provide local products in big markets

CLEAR RESPONSIBILITY AND EFFICIENT PROCESSES

- Divisions with global sales and technology responsibility
- Efficient and global product strategy
- Central use of resources

Strategy Program “Growing Together”: Generating growth, innovation and efficiency
GROUP STRATEGY PROGRAM GROWING TOGETHER
GENERATING GROWTH, INNOVATION AND EFFICIENCY

New production concept – concentration on manufacture of core components, reduction of vertical manufacturing range, closure of foundry

Elimination of complex group structures – merger of several German group companies

Elimination of double functions e.g. purchase and IT

Merger of the two big group companies Müller Weingarten and Schuler Pressen

Six Divisions with global responsibility

Investment in more efficient infrastructure: Engineering and Technology Center at location Göppingen, optimization of Weingarten plant

Introduction of Shared Services in Germany

Lean managing structure – distinct reduction of board and second level management

Design of more efficient internal processes, procedures and structures
ASIA IN FOCUS

EXPANSION OF PRODUCTION AND PROXIMITY TO CUSTOMERS IN CHINA

NEW PLANT IN DALIAN:
- Capacities tripled up to 16,000 square meters, investment volume of approx. €16 million

IN SHANGHAI
- Strategic procurement, supply management, local engineering capacities to be established

EXPANSION OF SALES AND SERVICE IN CUSTOMER REGIONS

Local content in Asia is going to be raised significantly
GROWTH VIA IMPROVED SERVICE OFFERINGS

INCREASING SALES BY Expanding SERVICE PORTFOLIO

- Growing importance of comprehensive “Life Cycle Support” and “Performance Enhancements for Customer Machinery”
- Installed production base of over 20,000 presses
- Realignment and expansion of service range, e.g. service contracts

CAGR 11.1%

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10</td>
<td>168.3</td>
</tr>
<tr>
<td>2010/11</td>
<td>216.6</td>
</tr>
<tr>
<td>2011/12</td>
<td>224.7</td>
</tr>
<tr>
<td>2012/13</td>
<td>242.5</td>
</tr>
<tr>
<td>2014</td>
<td>256.7</td>
</tr>
</tbody>
</table>

Modernizations: 40%
Spare parts: 35%
Field Service, Advanced Service, Used Presses: 25%
PRESS HARDENING FOR MADE TO MEASURE LIGHTWEIGHT COMPONENTS
STRONG DEMAND FROM AUTOMOBILE INDUSTRY AND SUPPLIERS

Technology Center
Press Hardening
in Göppingen

Schuler combines expertise in the field of press hardening to become an overall system provider
RESOURCE EFFICIENCY AS A DRIVER FOR INNOVATION

SUSTAINABLE SYSTEM SOLUTIONS IN PRESS SHOP GAINING IMPORTANCE

- Energy costs increasingly important factor
- Forming systems play an essential part
- System provider Schuler has the big picture (electricity, air and cooling water)...
- ...and, as a technology leader, can leverage potential in the process
- ECOFORM bundles energy-saving measures while maintaining maximum productivity

SAVINGS THAT PAY OFF
-20% to -60% energy savings compared to predecessor
### EXAMPLE

**SERVO PRESS LINE**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>-22%</strong></td>
<td>by using own DC power supply network (Schuler Smart DC Grid)</td>
<td></td>
</tr>
<tr>
<td><strong>-3%</strong></td>
<td>by using intelligent stand-by and pause switching</td>
<td></td>
</tr>
<tr>
<td><strong>-25%</strong></td>
<td>by using energy-saving cushion (Schuler Energy Saving Cushion)</td>
<td></td>
</tr>
<tr>
<td><strong>-50%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SAVING**

of 3 million kWh per year
EXAMPLE
NEW AUTOMATIC BLANKING PRESS MSC 2000

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>-25%</td>
<td>by doing without gear transmission and using roller bearings</td>
</tr>
<tr>
<td>-15%</td>
<td>by using newly developed drivetrain with reduced mass moment of inertia</td>
</tr>
<tr>
<td>-10%</td>
<td>by substituting the oil lubrication system</td>
</tr>
</tbody>
</table>

-50%

SAVING
from 100,000 to 50,000 kWh per year
JOINT VENTURE WITH CHINESE PRESS
MANUFACTURER YADON
SCHULER ACQUIRES MAJORITY SHAREHOLDING IN CHINESE MACHINE TOOL MANUFACTURER YADON

- Schuler has acquired a majority stake in the Chinese machine tool manufacturer Yangzhou Metal Forming Machine Tool Co., Ltd. (Yadon)
- Agreement to purchase a majority stake of at least 51% in Yadon signed
  - Cooperation is subject to approval by the relevant anti-trust authorities
  - Contract will be closed (i.e. transfer of shares to Schuler) on receipt of this approval
- Yadon will not be integrated into the Schuler organization
- Yadon will continue to be headed by the local management team

After 26 hours of negotiation in Göppingen, Schuler and Yadon signed a share purchase agreement (SPA) on June 20, 2015
YADON SUCCESSFUL IN MID- AND LOW-RANGE SEGMENT

- **Yadon** is one of China’s leading press manufacturers
- Its **clients** include major Chinese companies – including **automotive suppliers, manufacturers of heat exchangers** for air conditioning units, electric motor producers, and the entire **metalworking industry**
- At its **three facilities**, Yadon produces **mechanical presses and components** for metalforming – such as C-frame presses, blanking presses and presses in tie rod design
- Yadon currently serves the **C segment**
YADON’S STRENGTHS

- Strong **market and brand reputation**
  - Best market reputation among C segment manufacturers
- Own **sales network** (second-largest in China)
- Quality regarded as high by customers
  - In some areas similar to Taiwanese manufacturers like Chinfong and Seyi with regard to quality of comparable products
- **Technology- and innovation-driven** with its own development division
STRATEGIC FIT

MARKET DEVELOPMENT & COOPERATION TARGET

Today

In future

Technology/Price

Quantity

Schuler – Yadon
OUTLOOK
SUCCESSFUL INTO THE FUTURE

- Continuous **long-term growth for global automobile industry**
- Increased **growth for market segments outside the automotive sector**
- Development of **volume markets (B segment)**
- Dynamic **overseas growth** and moderate growth in Europe
- Increased **localization of production**
- Development of **fast-growing service business**
- Growth due to **strategic acquisitions**

**Financial outlook 2015:**
- Sales in 2015 slightly above prior-year figure
- One-off burden on earnings of around € 55 million due to production concept
- EBITA margin without burden from production concept slightly down on previous year

Strategies for growth in existing and new markets.
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