

SCHMOLZ + BICKENBACH
Investor Presentation
Q3/9M 2014 Results
Zurich, 20 November 2014



Disclaimer

This publication constitutes neither a prospectus within the meaning of article 652a and/or 1156 of the Swiss Code of Obligations nor a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. This publication constitutes neither an offer to sell nor a solicitation to buy securities of SCHMOLZ + BICKENBACH. The securities have already been sold.

This document shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities referred to herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to U.S. persons (as such term is defined in Regulation S under the Securities Act) absent registration or an exemption from registration under the Securities Act. The issuer of the securities has not registered, and does not intend to register, any portion of the offering in the United States, and does not intend to conduct a public offering of securities in the United States.



- 1** BUSINESS OVERVIEW Q3/9M 2014
- 2** FINANCIAL PERFORMANCE Q3/9M 2014
- 3** OUTLOOK AND GUIDANCE 2014
- 4** APPENDIX





1

BUSINESS OVERVIEW Q3/9M 2014



Implementation of new strategy

- » Major projects were initiated to support the new strategy:
 - » New corporate functions have been created
 - » Technical Development: coordination of R+D, best-practice transfer, technical benchmarking
 - » Central Purchasing: Group-wide purchasing strategies, standardisation of processes and systems, coordination of purchasing activities
 - » Sales Coordination: harmonisation of Group-wide pricing strategy, coordination of sales activities, one face to the customer
 - » The Sales & Services division is being reorganised
 - » Sales & Services as the field sales and warehousing forces of the mills
 - » Gradually replacing the mills' agents
 - » The implemented efficiency improvement programme will be pursued and transferred into a continuous improvement process
 - » A special focus will be on safety issues



Highlights Q3 2014

Markets and prices

- » Order intake in Q2 and Q3 on the level of previous year, after exceptionally strong Q1
- » Customer industries: automotive and oil & gas with strong demand, engineering with stagnating or falling order intake
- » Pressure on base prices continued
- » Nickel price on average in Q3 2014 33% above previous year level, but Nickel closed the quarter 16% below peak in the second week of September

Operational development

- » Sales volume increased by 1.8% (9 kt) to 509 kilotonnes
- » Revenue increased by 5.0% (EUR 39.3 m) to EUR 823.5 m; continued to be influenced by low price levels for both base prices and scrap prices. But higher sales volume and alloy surcharges led to higher revenue.
- » Gross margin improved to 34.4% (Q3 2013: 32.1%)
- » Adjusted EBITDA amounted to EUR 60.0 m in Q3 2014, an increase of 50.8%; adjusted EBITDA margin improved to 7.3%

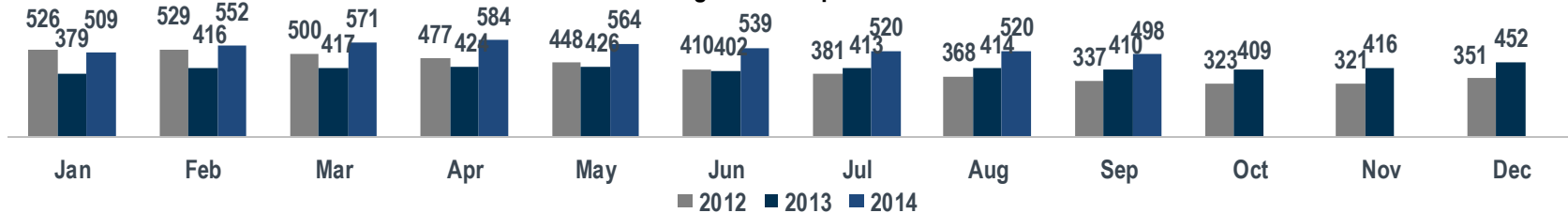


Improvement in order intake, order backlog and sales volume

Incoming orders 2012 – September 2014 | in kt



Order backlog 2012 – September 2014 | in kt

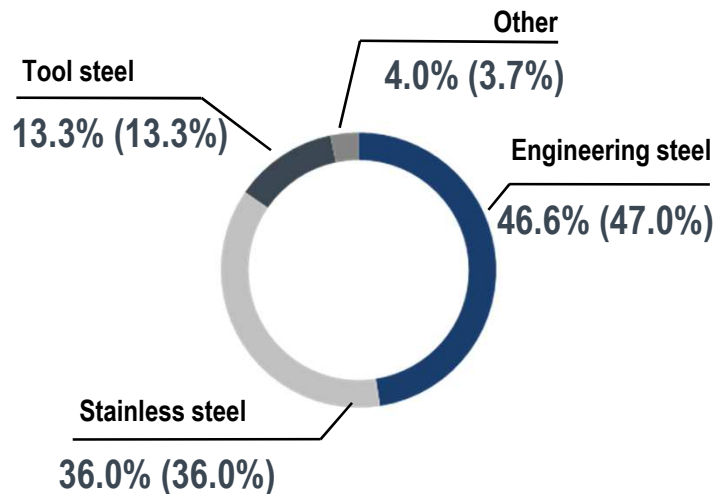


Sales volume 2012 – September 2014 | in kt



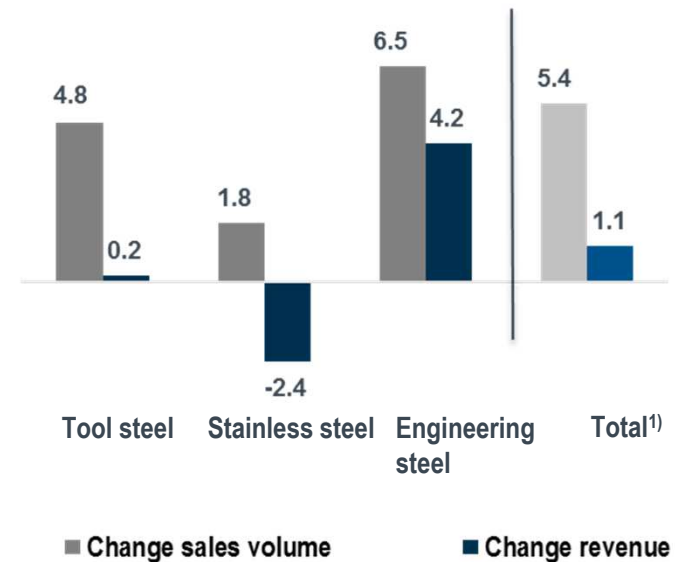
Sales volume and revenue by product groups

Revenue split by product groups



Q3 2014 (Q3 2013 in brackets)

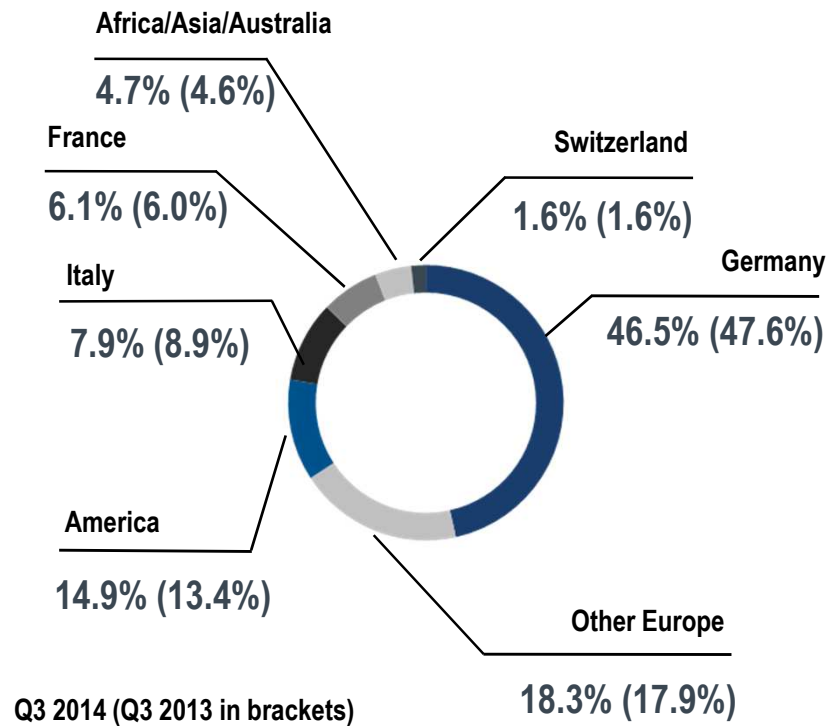
Change in revenue and sales volume (1.1.-30.9.2014) | in %



- » All product groups showed an increase in sales volume
- » Revenue change turned positive with Q3 as alloy surcharges increased

1) Total includes Other/Consolidation

Revenue by regions



- » Germany and Central European countries remain the most important regions
- » Strong growth in America (+9.0% yoy 9M/2014), Europe flat (+0.3%) and RoW slightly decreasing (-2.2%)



2

FINANCIAL PERFORMANCE Q3/9M 2014



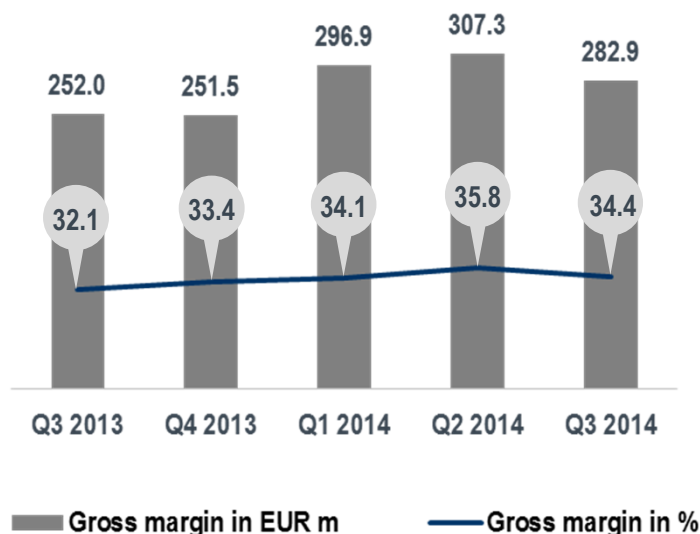
Results of operations – key figures

in EUR m	9M 2014	9M 2013	Change on prior year (%)	Q3 2014	Q3 2013	Change on prior year (%)
Sales volume (kt)	1 647	1 563	5.4	509	500	1.8
Revenue	2 553.1	2 524.7	1.1	823.5	784.2	5.0
Adjusted EBITDA	199.4	135.8	46.8	60.0	39.8	50.8
Adjusted EBITDA margin (%)	7.8	5.4	240 bp	7.3	5.1	220 bp
Operating profit before depreciation and amortisation (EBITDA)	193.4	126.6	52.8	57.1	36.2	57.7
Operating profit (loss) (EBIT)	101.7	33.9	>100	25.2	3.5	>100
Earnings before taxes (EBT)	68.3	-39.1	>100	16.1	-24.5	>100
Net income (loss) (EAT)	45.8	-44.5	>100	10.6	-25.6	>100

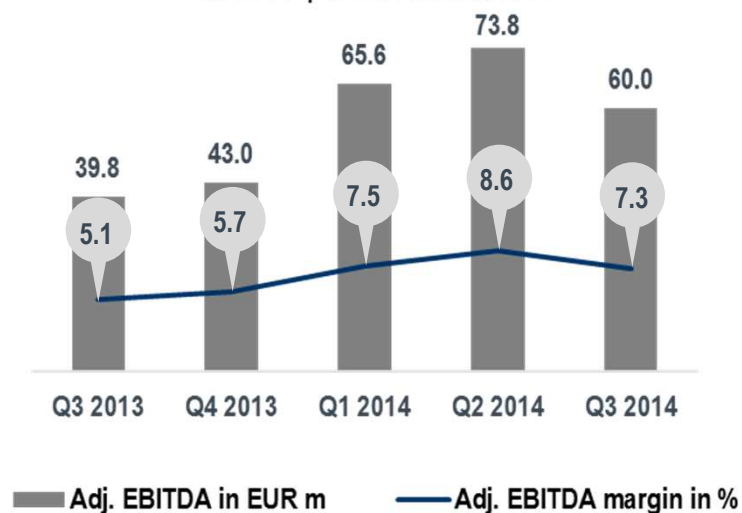


Margin development

Gross margin Q3 2013 – Q3 2014 | in EUR m and in %



Adjusted EBITDA and adjusted EBITDA margin Q3 2013 – Q3 2014 | in EUR m and in %



- » Absolute gross margin in 9M 2014 increased by EUR 82.2 m or 10.2% to EUR 887.1 m (9M 2013: EUR 804.9 m). In percentage terms, gross margin increased from 31.9% in 9M 2013 to 34.7% in 9M 2014
- » In 9M 2014 adjusted EBITDA rose by EUR 63.6 m to EUR 199.4 m (9M 2013: EUR 135.8 m). Adjusted EBITDA margin of 7.8% (9M 2013: 5.4%)



Revenue by division

	9M 2014	9M 2013	Change on prior year (%)	Q3 2014	Q3 2013	Change on prior year (%)
Production	2 040.1	1 970.3	3.5	651.4	617.4	5.5
Sales & Services	822.5	892.0	-7.8	271.3	279.0	-2.8
SCHMOLZ + BICKENBACH Group*	2 553.1	2 524.7	1.1	823.5	784.2	5.0

- » *Production* Division saw sales volume increase by 7.1% compared to 9M 2013. However, continuing pressure on base prices meant that revenue only managed an increase of 3.5%.
- » *Sales & Services* Division suffered a fall in sales volume of 6.5%. Main reason for the decrease in sales and revenue was the fact that the bright steel business was carved out from Distribution Germany to the *Production* Division. Without this reclassification, revenue would have only fallen by 3.8% and sales volume would have been stable.

* Group figures include Other and consolidation/eliminations



Adjusted EBITDA and adjusted EBITDA margin by division

Adjusted EBITDA	9M 2014	9M 2013	Change on prior year (%)	Q3 2014	Q3 2013	Change on prior year (%)
Production	175.3	128.6	36.3	49.5	34.1	45.2
Sales & Services	29.1	14.4	>100	9.9	6.1	62.3
SCHMOLZ + BICKENBACH Group*	199.4	135.8	46.8	60.0	39.8	50.8

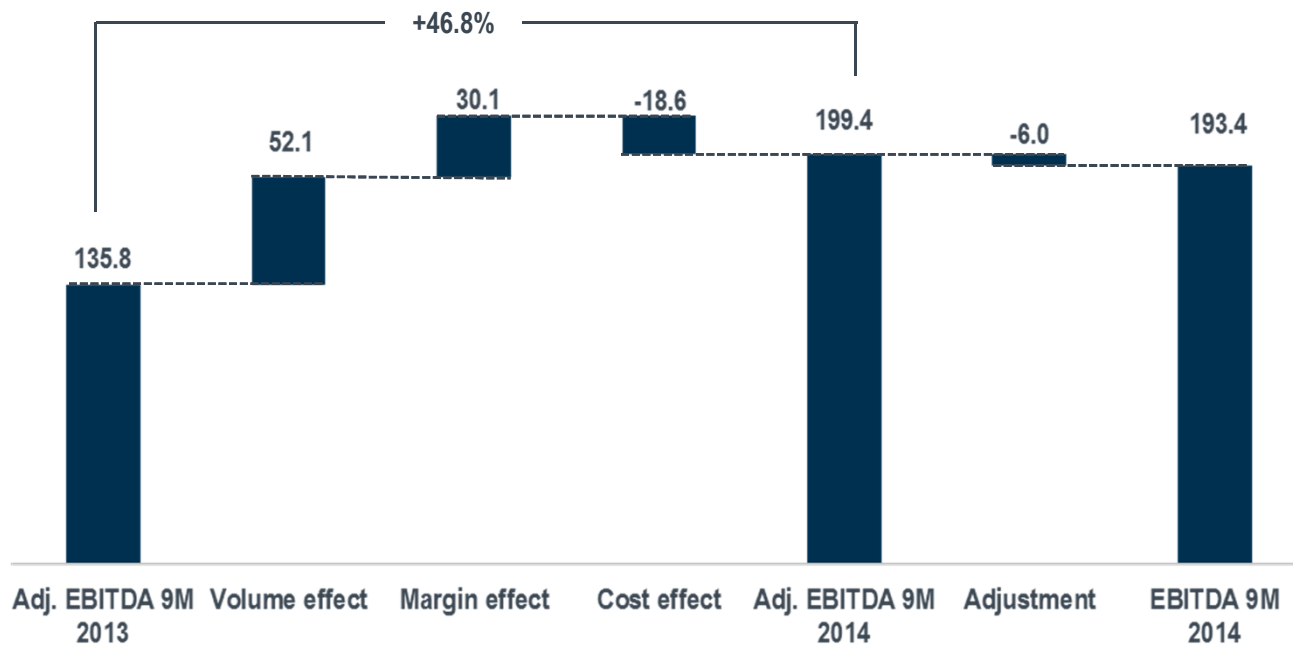
Adjusted EBITDA margin	9M 2014	9M 2013	Change on prior year	Q3 2014	Q3 2013	Change on prior year
Production	8.6	6.5	210 bp	7.6	5.5	210 bp
Sales & Services	3.5	1.6	190 bp	3.6	2.2	140 bp
SCHMOLZ + BICKENBACH Group*	7.8	5.4	240 bp	7.3	5.1	220 bp

* Group figures include Other and consolidation/eliminations



Positive volume und margin effect

Adjusted EBITDA reconciliation 1.1.-30.9.2014 | in EUR m

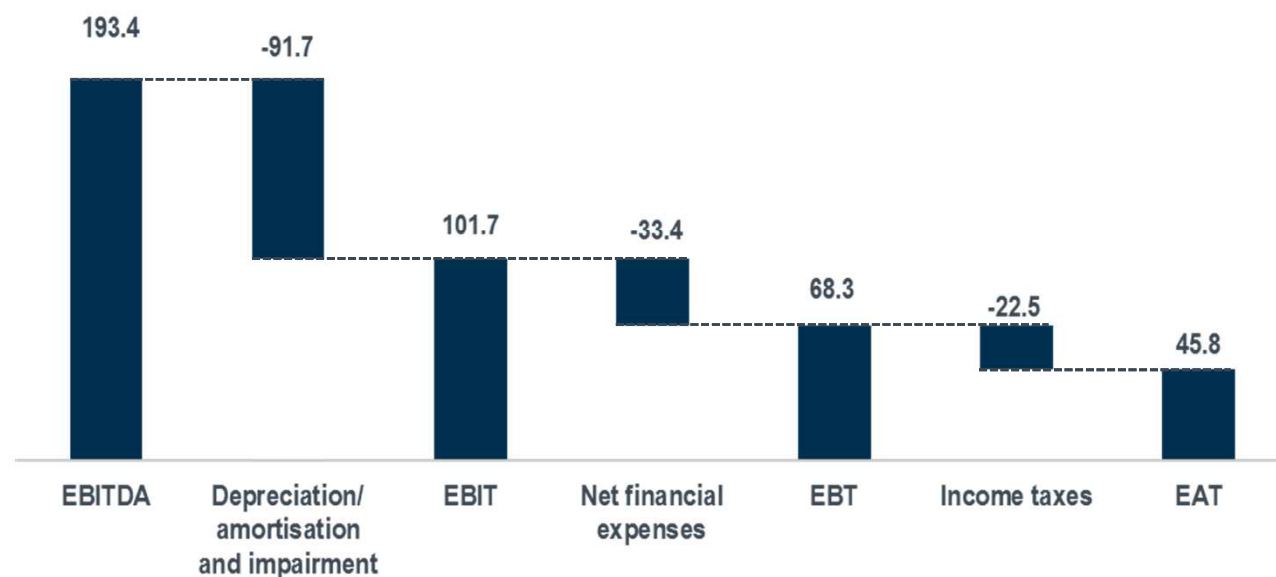


» 9M 2013 experienced an inventory write-down of EUR 12.8 m in Q2 2013 which did not reoccur in 9M 2014



Higher operating results and lower financing costs again result in positive earnings after taxes

Breakdown of results 1.1.-30.9.2014 | in EUR m



- » Depreciation and amortisation on prior year level
- » Net financial expenses decreased significantly by EUR 39.6 m or 54.2% to EUR 33.4 m (9M 2013: EUR 73.0 m)



Financial position: key figures

		30.9.2014	31.12.2013	Change on 31.12.2013 in %	30.9.2013
Shareholders' equity	EUR m	910.9	889.9	2.4	596.3
Equity ratio	%	35.7	37.4	-170 bp	24.5
Net debt	EUR m	627.4	610.1	2.8	971.5
Net debt/Adjusted EBITDA ¹⁾	factor	2.6	3.4	-	7.2
Net working capital (NWC)	EUR m	1 085.4	949.5	14.3	1 051.0
NWC/Revenue ²⁾	%	31.9	29.0	290 bp	31.2

		1.1.-30.9.2014	1.1.-30.9.2013	Change on prior year in %
Investments	EUR m	59.8	61.7	-3.1
Free cash flow	EUR m	21.9	17.5	25.1

1) LTM

2) Annualised



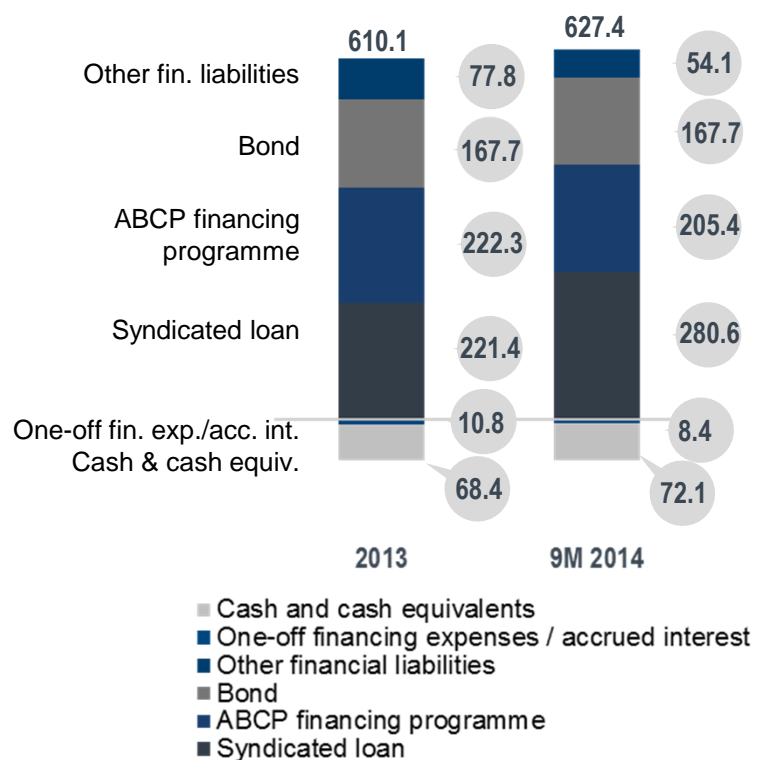
Upgrade of rating by Standard+Poor's as of 30 October 2014

- » Standard & Poor's (S&P) upgrades the rating to B+ from B with a stable outlook
- » Second upgrade of rating following successful capital increase in October 2013
- » Rating upgrade acknowledges new course of SCHMOLZ + BICKENBACH:
 - » Standard & Poor's justifies its rating upgrade with the improved profitability of the Company and the effective implementation of its extensive performance improvement programme
 - » Standard & Poor's now expects a lower and further decreasing leverage ratio for 2014 and 2015 when compared to their former assessment
 - » The liquidity situation has improved significantly

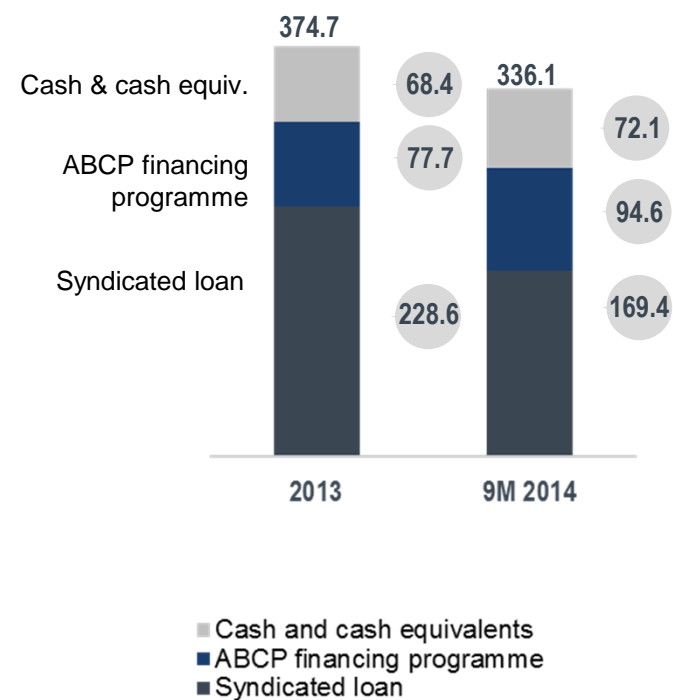


Net debt and financial headroom

Net debt | in EUR m



Financial headroom | in EUR m





3

OUTLOOK AND GUIDANCE 2014



Outlook 2014

- » Recovery of global economy should continue at a slow pace, expected global GDP growth of 2.8% to 3.4% in 2014¹
- » Eurozone and USA are expected to grow by around 1% and 2% respectively¹⁾
- » Worldwide steel consumption is expected to increase by 2.0%²⁾
- » Economic uncertainties and ongoing difficult geopolitical developments could dampen economic mood – including steel demand – over the coming months
- » Stable currency exchange rates for the relevant currency relations CHF/EUR and USD/EUR assumed
- » Steel prices seem to have bottomed out. However, base prices remain very low and do not reach the level of the prior year, yet. We do not anticipate a recovery in base prices across the board, while single base price increases could be fixed.
- » Scrap prices expected to stay on low level, after recent decrease of nickel price alloy surcharges should not be a trigger for revenues in Q4
- » Earnings improvement programme and reduction of indebtedness will support earnings in 2014

1) Source: Economist Intelligence Unit, IMF, OECD, World Bank

2) Source: World Steel Association, October 2014



Guidance 2014 – adjusted

	2013 reported	Initial guidance 2014 (as at 13 March 2014)	Guidance 2014 (as at 21 August 2014)	Actual guidance 2014 (as at 20 November 2014)
Sales volume	2 054 kilotonnes	Increase of 2% – 5%	Increase of 2% – 5%	Increase of around 4% – 5%
Revenue ¹⁾	EUR 3 276.7 m	Increase of 2% – 5%	Increase of 2% – 5%	Increase of 1% – 2%
Adjusted EBITDA	EUR 178.8 m	EUR 190 m – EUR 230 m	EUR 210 m – EUR 230 m	EUR 245 m – EUR 255 m
CAPEX	EUR 105.7 m	At prior year level, significantly below depreciation/amortisation	At prior year level, significantly below depreciation/amortisation	At prior year level, significantly below depreciation/amortisation

1) Predictability of surcharges for scrap and alloying elements and exchange rates is very limited



Q&A

THANK YOU FOR YOUR
ATTENTION!

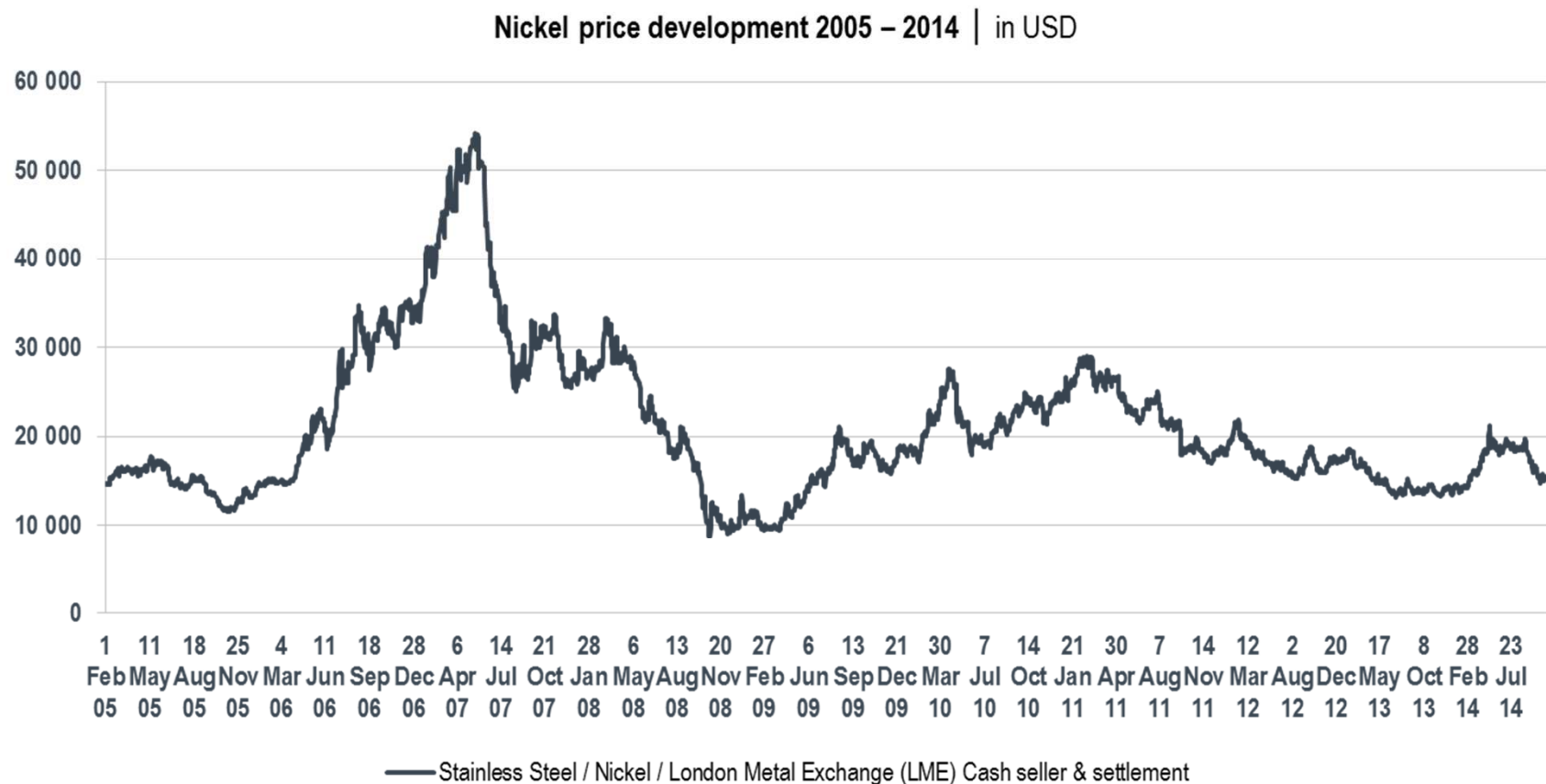


4

APPENDIX



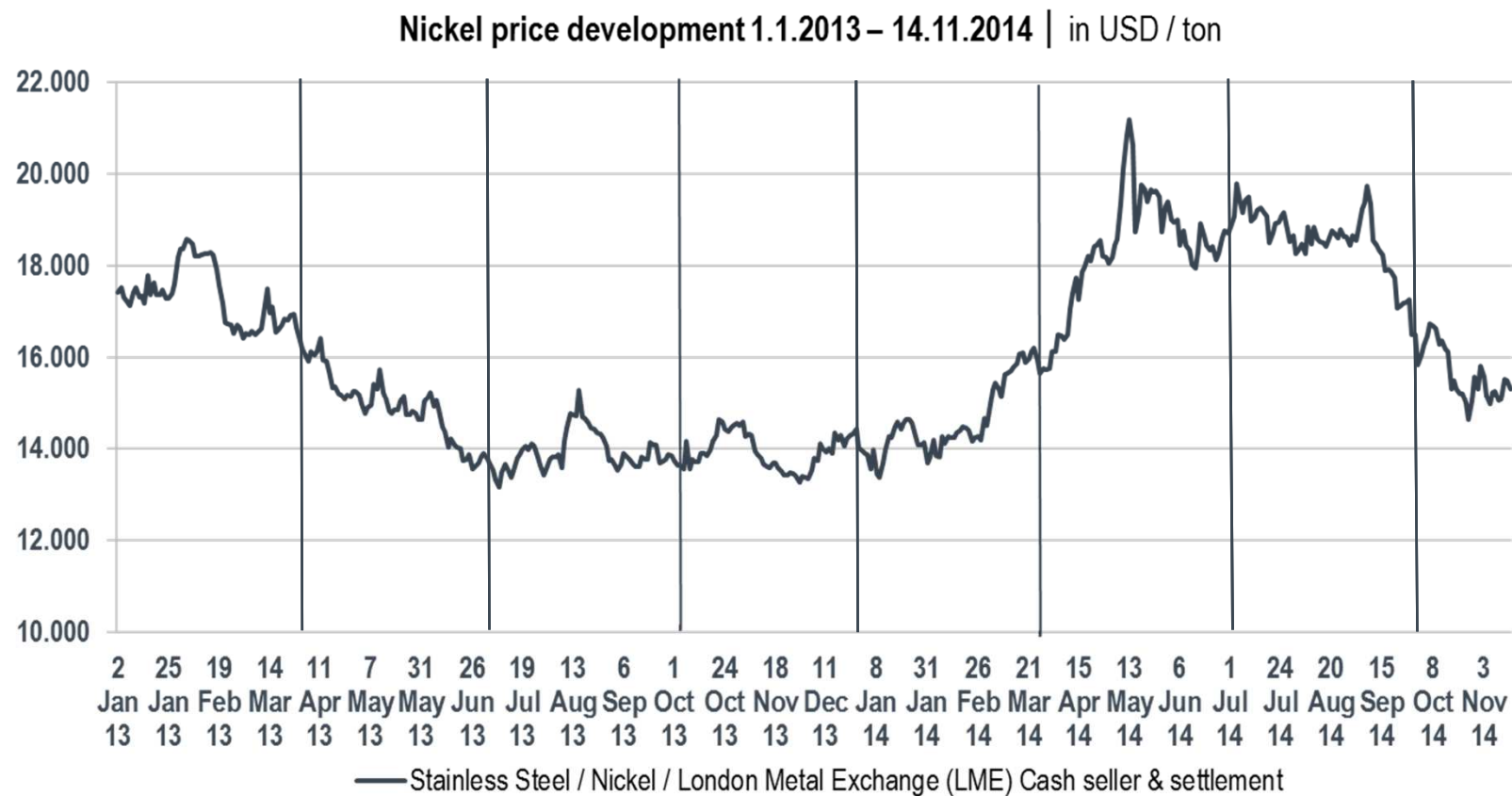
Nickel price development



Source: Steel Business Briefing



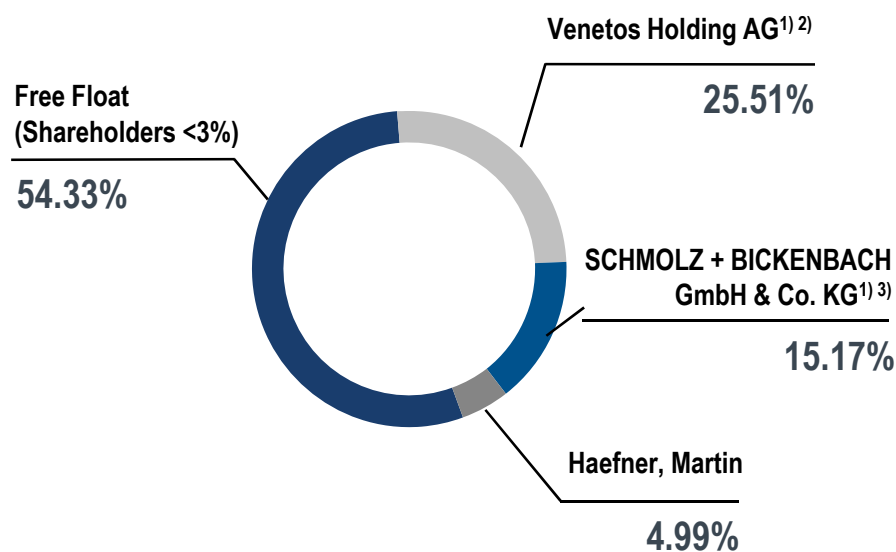
Nickel price development January 2013 – November 2014



Source: Steel Business Briefing



Swiss listed company with supportive anchor shareholder



Shareholder Structure as of 30 September 2014

Key facts	
ISIN	CH0005795668
Securities symbol	STLN
Type of security	Registered share
Trading currency	CHF
Listing	SIX Swiss Exchange
Membership in indices	SPI, SPI Extra, SPI ex SLI, Swiss All Share Index
Number of shares	945 000 000
Nominal value in CHF	0.50

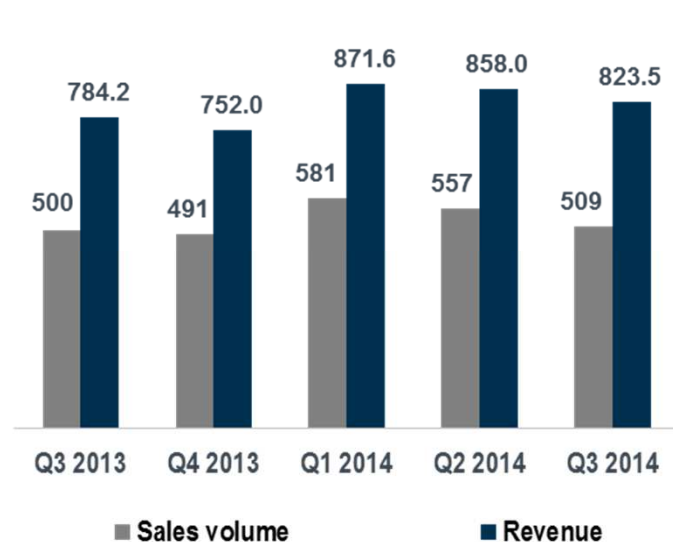
1) Form a group according to stock exchange act.

2) Member of the Renova Group.

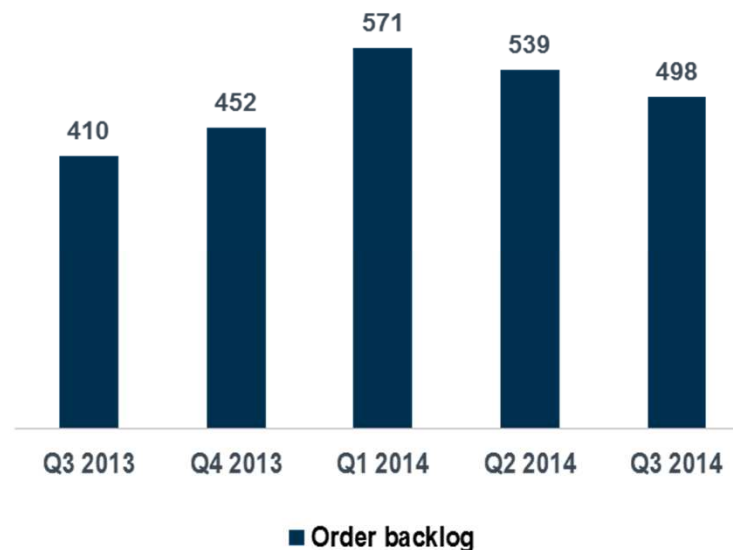
3) Indirectly via subsidiaries SCHMOLZ + BICKENBACH Beteiligungs GmbH and SCHMOLZ + BICKENBACH Holding AG.

Sales volume, revenue and order backlog

Sales volume and revenue Q3 2013 – Q3 2014 | in EUR m



Order backlog Q3 2013 – Q3 2014 | in kt



- » Sales volume increased by 5.4% in 9M 2014 to 1 647 kilotonnes (9M 2013: 1 563 kilotonnes)
- » Revenue increased by 1.1% to EUR 2 553.1 m in 9M 2014 (9M 2013: 2 524.7 m)



5-year overview (full-year figures)

		2009	2010	2011	2012	2013
Sales volume	kilotonnes	1 375	2 001	2 274	2 044	2 054
Revenue	million EUR	2 052.1	3 119.3	3 942.9	3 581.4	3 276.7
Adjusted EBITDA	million EUR	-181.1	232.9	296.2	151.1	178.8
Operating profit (loss) (EBIT)	million EUR	-288.2	121.9	179.6	-14.5	17.8
Net income (loss) (EAT)	million EUR	-276.0	38.6	42.7	-162.8	-83.7
Investments	million EUR	116.4	120.6	125.6	141.0	105.7
Free cash flow	million EUR	157.0	-136.6	191.6	44.0	73.7
Equity ratio	%	23.7	31.1	30.9	26.2	37.4
Net debt	million EUR	917.2	926.9	860.4	902.8	610.1
Gearing	%	173.9	116.5	101.9	142.6	68.6

2012 figures adjusted to IAS 19R



5-quarter overview

		Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Sales volume	kilotonnes	500	491	581	557	509
Revenue	million EUR	784.2	752.0	871.6	858.0	823.5
Adjusted EBITDA	million EUR	39.8	43.0	65.6	73.8	60.0
Operating profit (loss) (EBIT)	million EUR	3.5	-16.1	34.0	42.5	25.2
Net income (loss) (EAT)	million EUR	-25.6	-39.2	12.4	22.8	10.6
Investments	million EUR	29.4	44.0	12.3	19.3	28.2
Equity ratio	%	24.5	37.4	36.3	35.7	35.7
Net debt	million EUR	971.5	610.1	549.2	633.7	627.4
Gearing	%	162.9	68.6	62.0	70.4	68.9



Financial calendar and contact details Investor Relations

Date	Event
12 March 2015	Annual Report 2014, Media Conference, Investor Conference
15 April 2015	Annual General Meeting
19 May 2015	Q1 Report 2015, Media Call, Investor Call
11 August 2015	Q2 Report 2015, Media Call, Investor Call
12 November 2015	Q3 Report 2015, Media Call, Investor Call

Stefanie Steiner	Director Investor Relations
Phone	+41 41 209 5042
Fax	+41 41 209 5043
Email	s.steiner@schmolz-bickenbach.com
Internet	www.schmolz-bickenbach.com



Disclaimer

This publication constitutes neither a prospectus within the meaning of article 652a and/or 1156 of the Swiss Code of Obligations nor a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. This publication constitutes neither an offer to sell nor a solicitation to buy securities of SCHMOLZ + BICKENBACH. The securities have already been sold.

This document shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities referred to herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to U.S. persons (as such term is defined in Regulation S under the Securities Act) absent registration or an exemption from registration under the Securities Act. The issuer of the securities has not registered, and does not intend to register, any portion of the offering in the United States, and does not intend to conduct a public offering of securities in the United States.

