



Financial Results Q1/2014

30 April 2014

- Establishment and roll out of new product development process
- Progress in logistic roadmap: Launch of scanner solution in Bad Schussenried
- New product launches proceeded consistently stable and on schedule
- Winning first business contract in China with Truck & Off Highway customer
- Finalisation of the installation of the new mechanical line in the Break Disc division
- Moving into new R&D facilities in Toronto / Canada
- High customer orders led to logistical and operational pressure on the existing technical capacity, especially in the Powder Metallurgy division
- First annual press conference

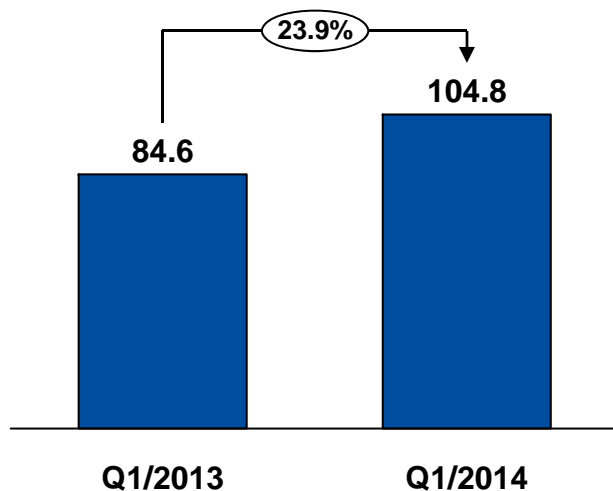
Sales and EBITDA forecasts reached



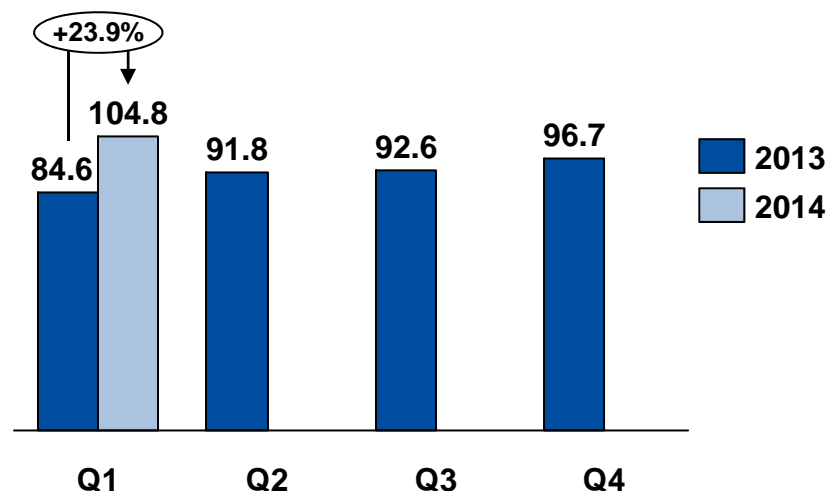
€m	Q1/2014	Q1/2013	Change in %
Group sales	104.8	84.6	+23.9%
Adj. EBITDA	8.8	6.0	+46.9%
Depreciation (excl. PPA)	4.0	3.0	+25.0%
Adj. EBIT	4.9	3.0	+60.9%
Net income for the period	3.2	1.9	+73.3%
EPS (in €)	0.55	0.32	+73.3%
Working Capital Ratio (%)	11.8	16.4	
Capex	9.2	8.2	+ 12.1%
Free cash flow	-12.0	-19.1	
Net Debt	-14.8	1.1	
ROCE (%)	18.8	15.7	
No. of employees (average)	1.090	1.040	+4.8%

Clearly outperforming European car market

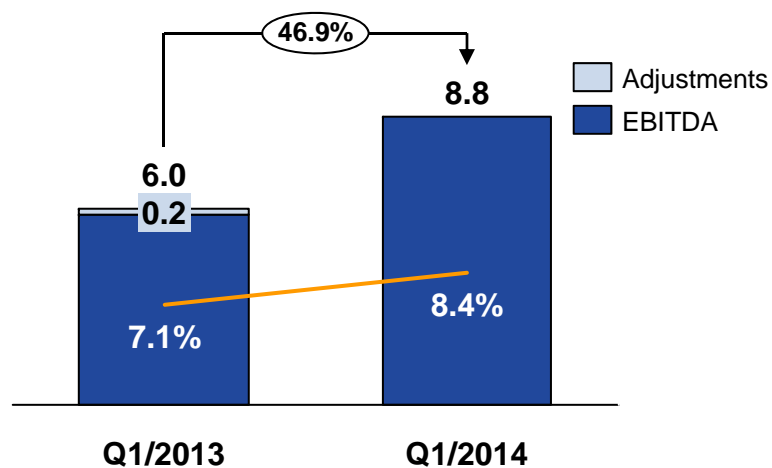
Sales (€m)



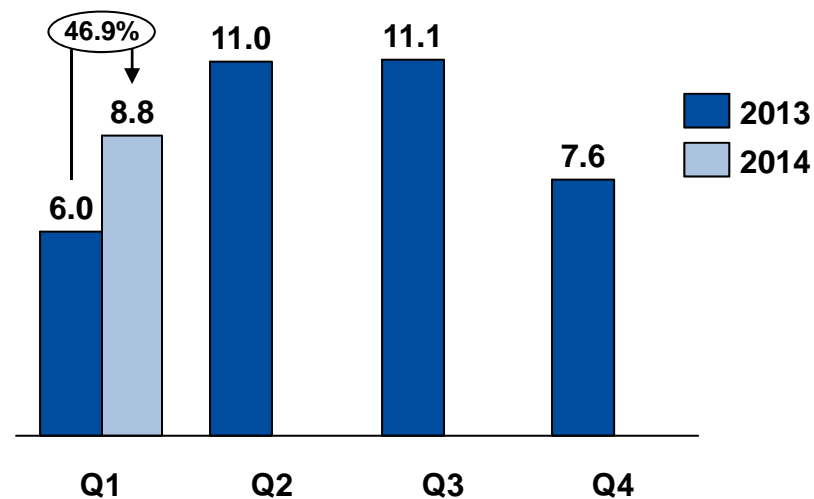
Sales by quarter (€m)



Adj. EBITDA (€m)

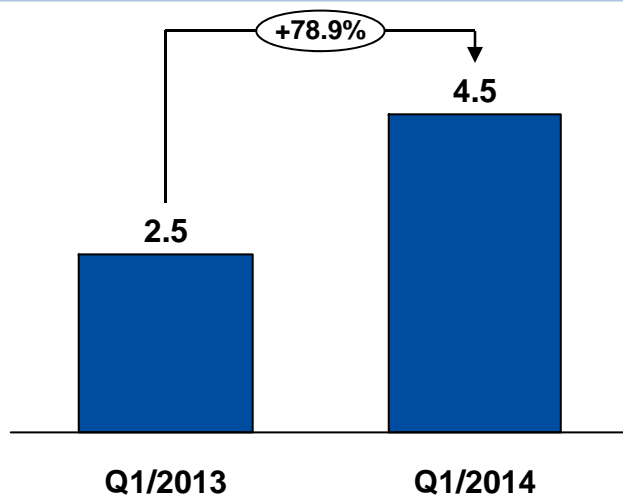


Adj. EBITDA by quarter (€m)

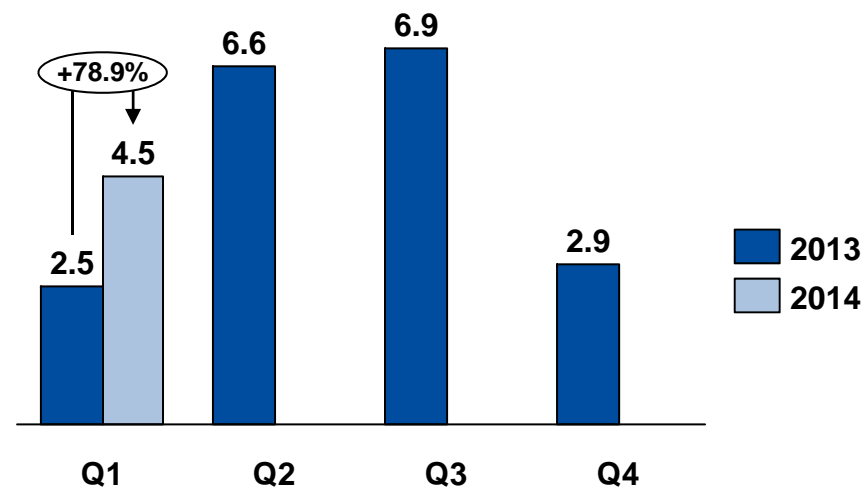


New product launches and high customer orders main growth drivers

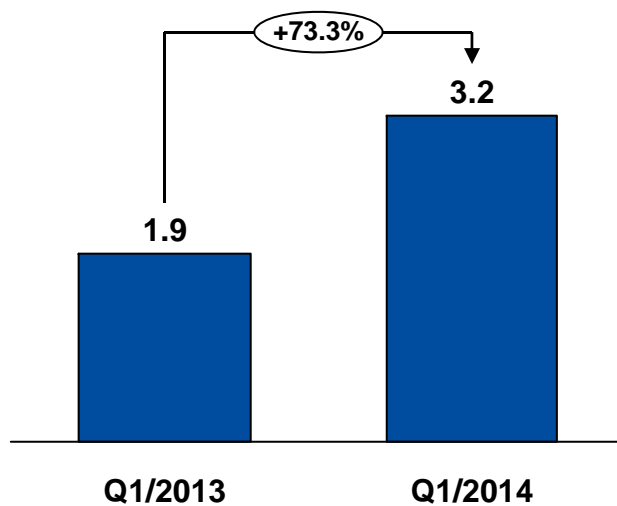
EBT (€m)



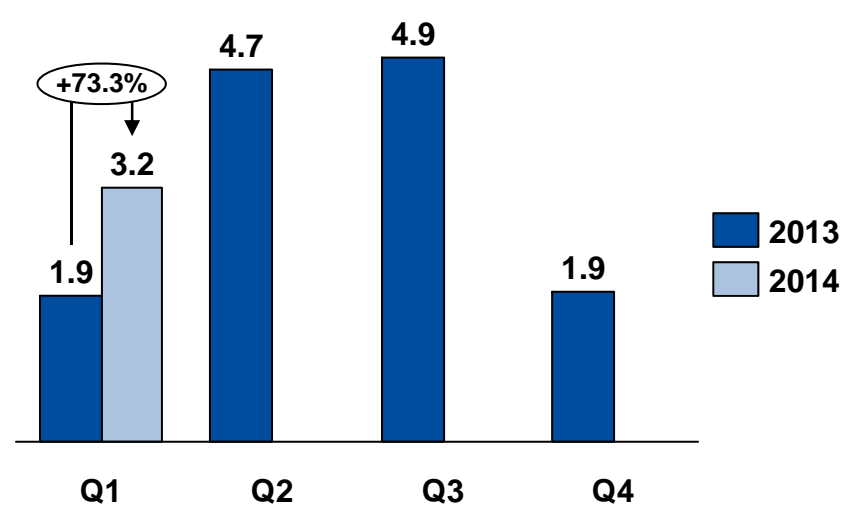
EBT by quarter (€m)



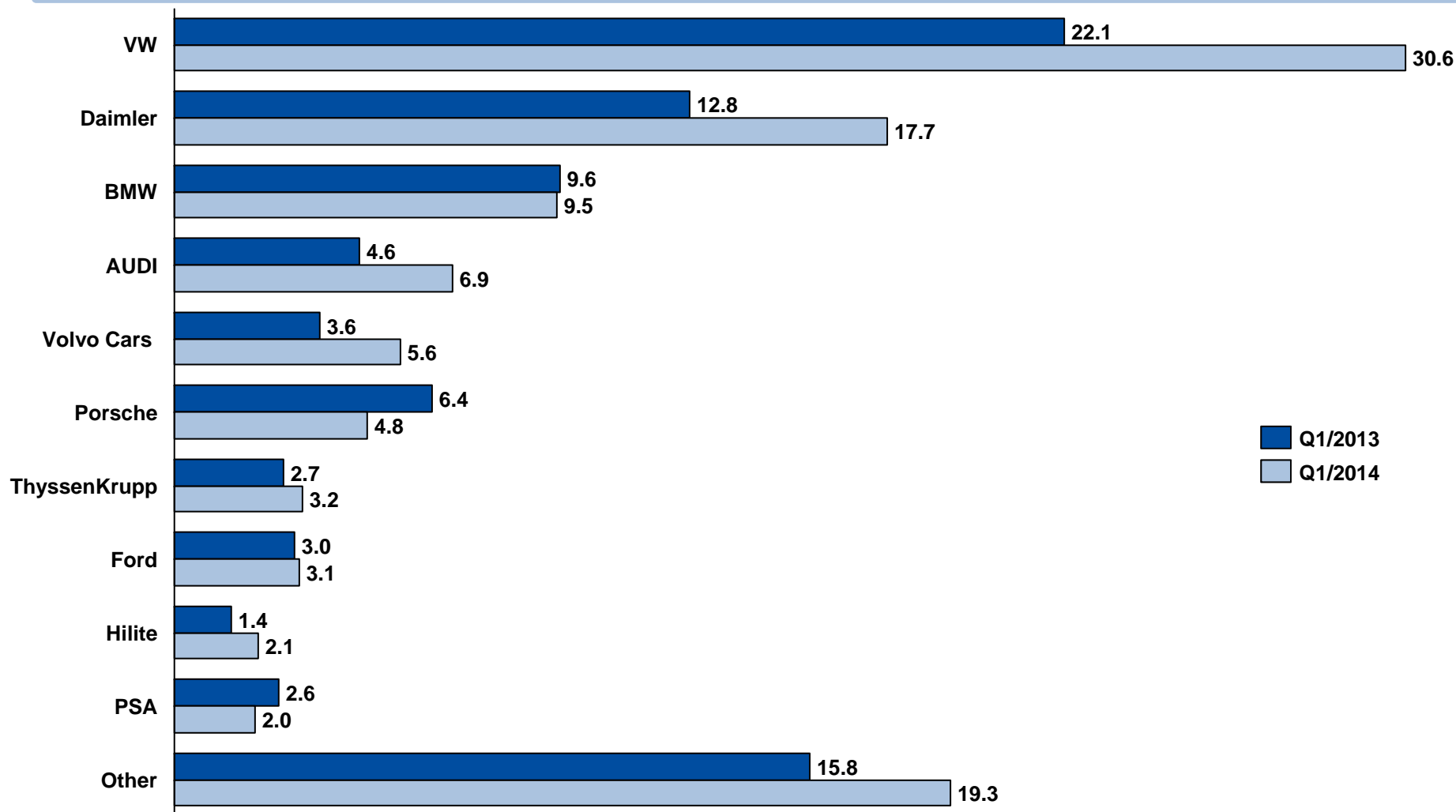
EAT (€m)



EAT by quarter (€m)



Sales by customer (€m)

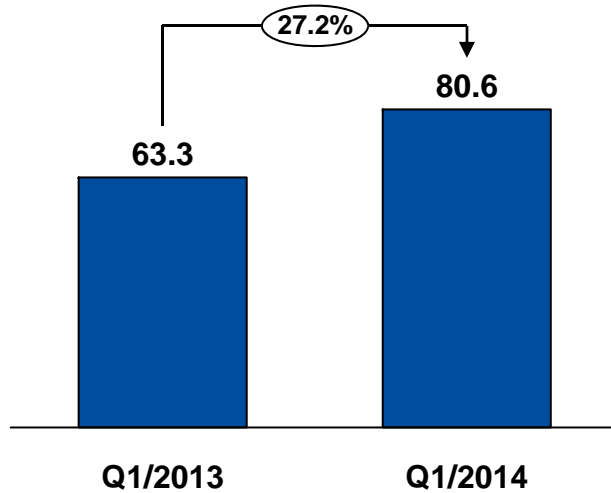


SHW well positioned with German OEMs

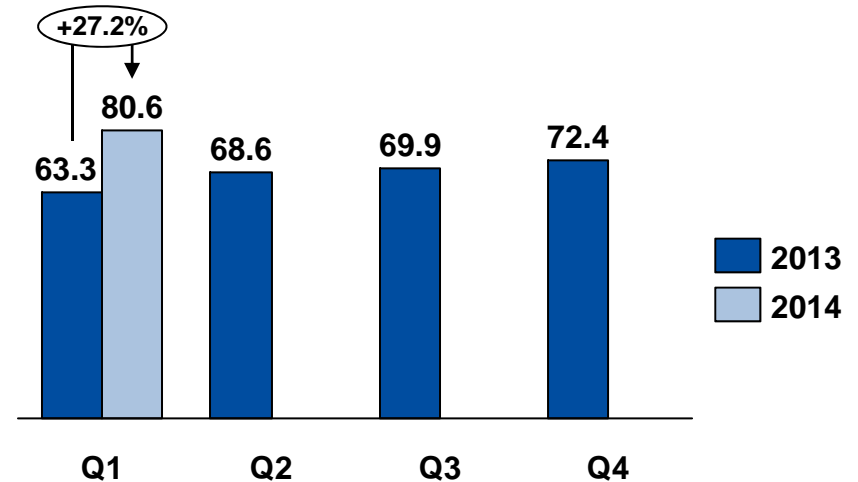
Pumps & Engine Components



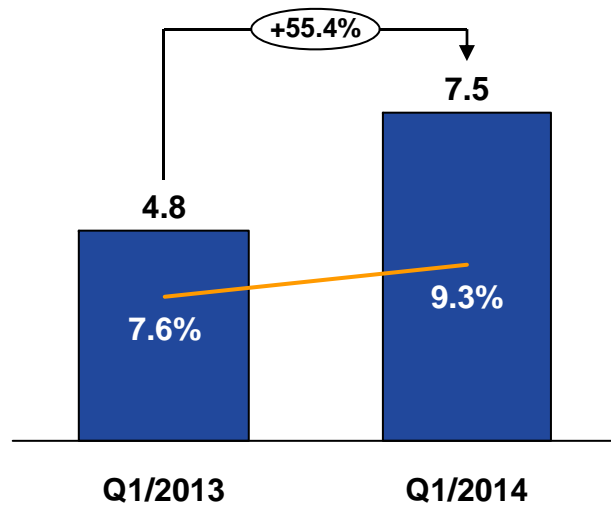
Sales (€m)



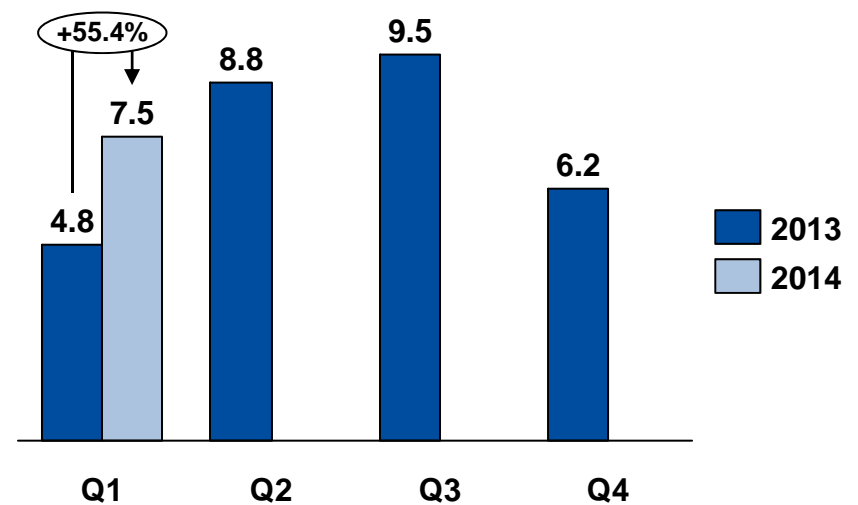
Sales by quarter (€m)



Adj. EBITDA (€m)



Adj. EBITDA by quarter (€m)

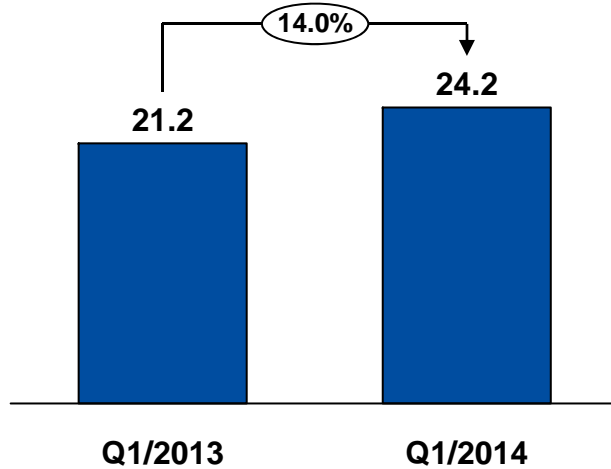


P&EC not yet in a stable condition

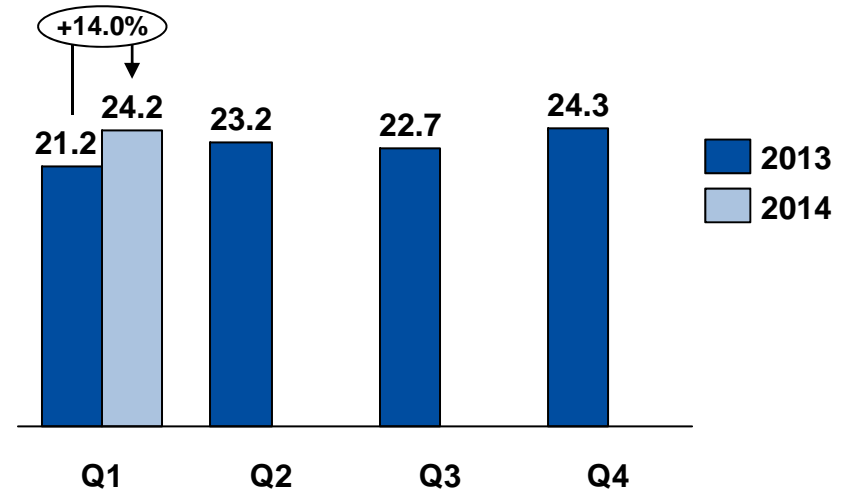
Brake Discs



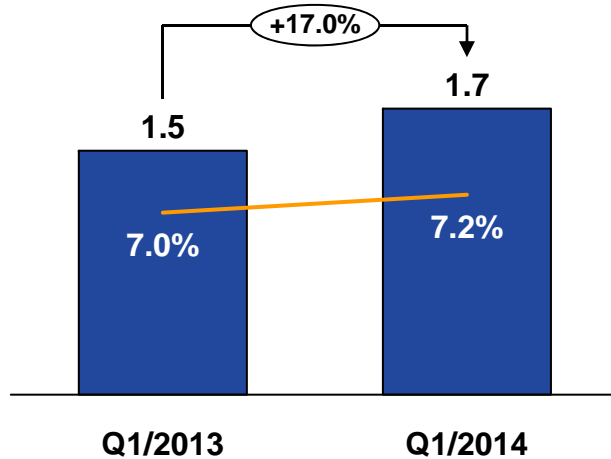
Sales (€m)



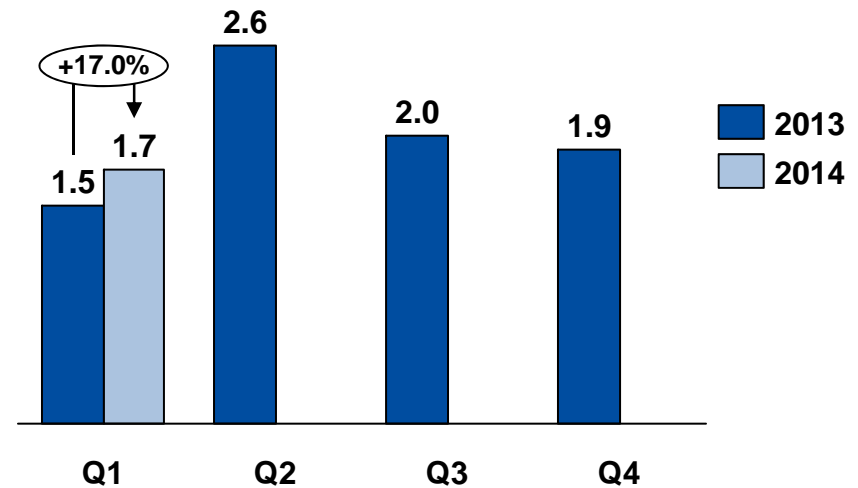
Sales by quarter (€m)



Adj., EBITDA (€m)

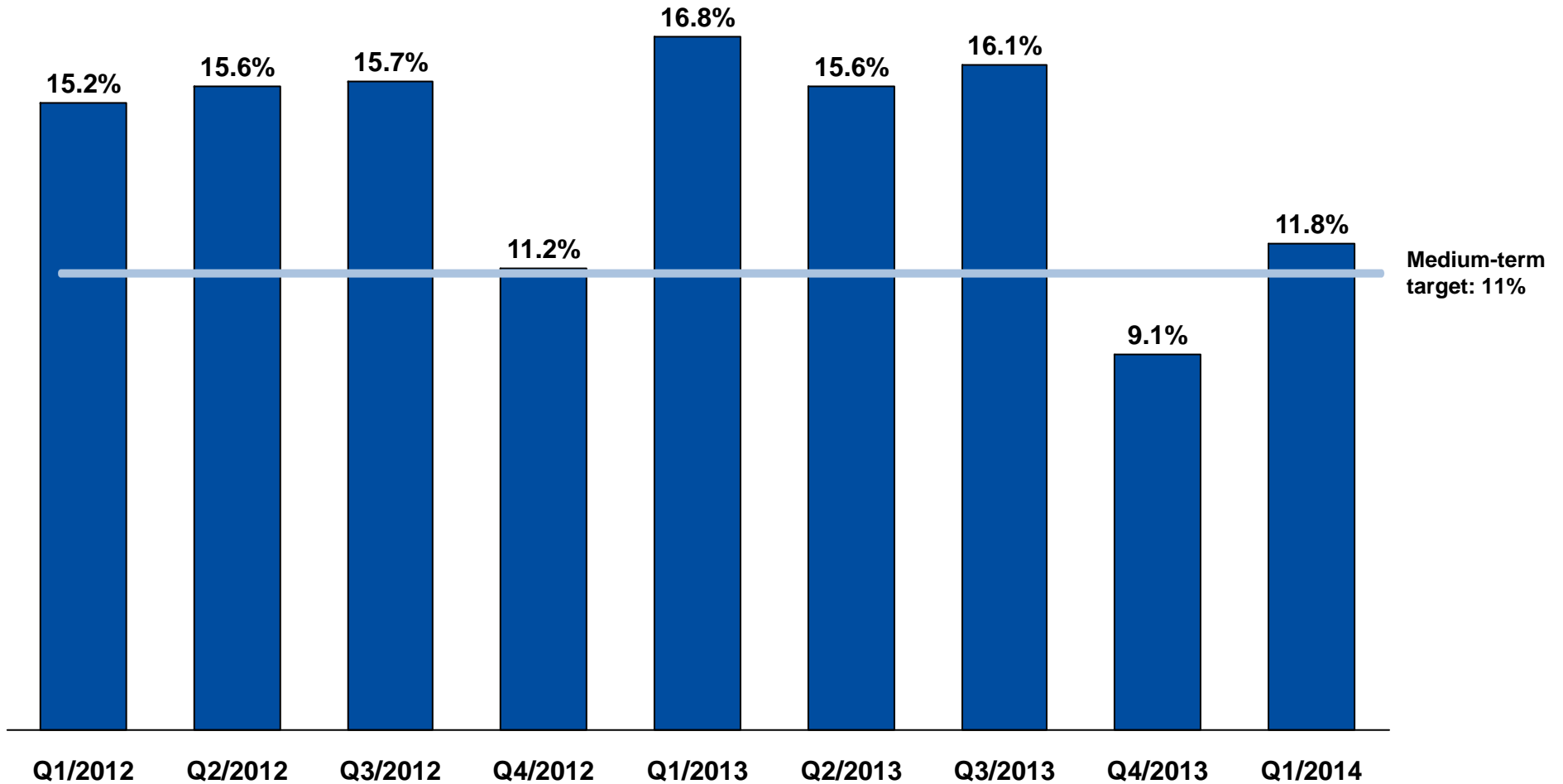


Adj. EBITDA by quarter (€m)



Slight improvement of profitability despite operational burdens

Net Working Capital / Sales (LTM)



First positive results from logistics optimization projects

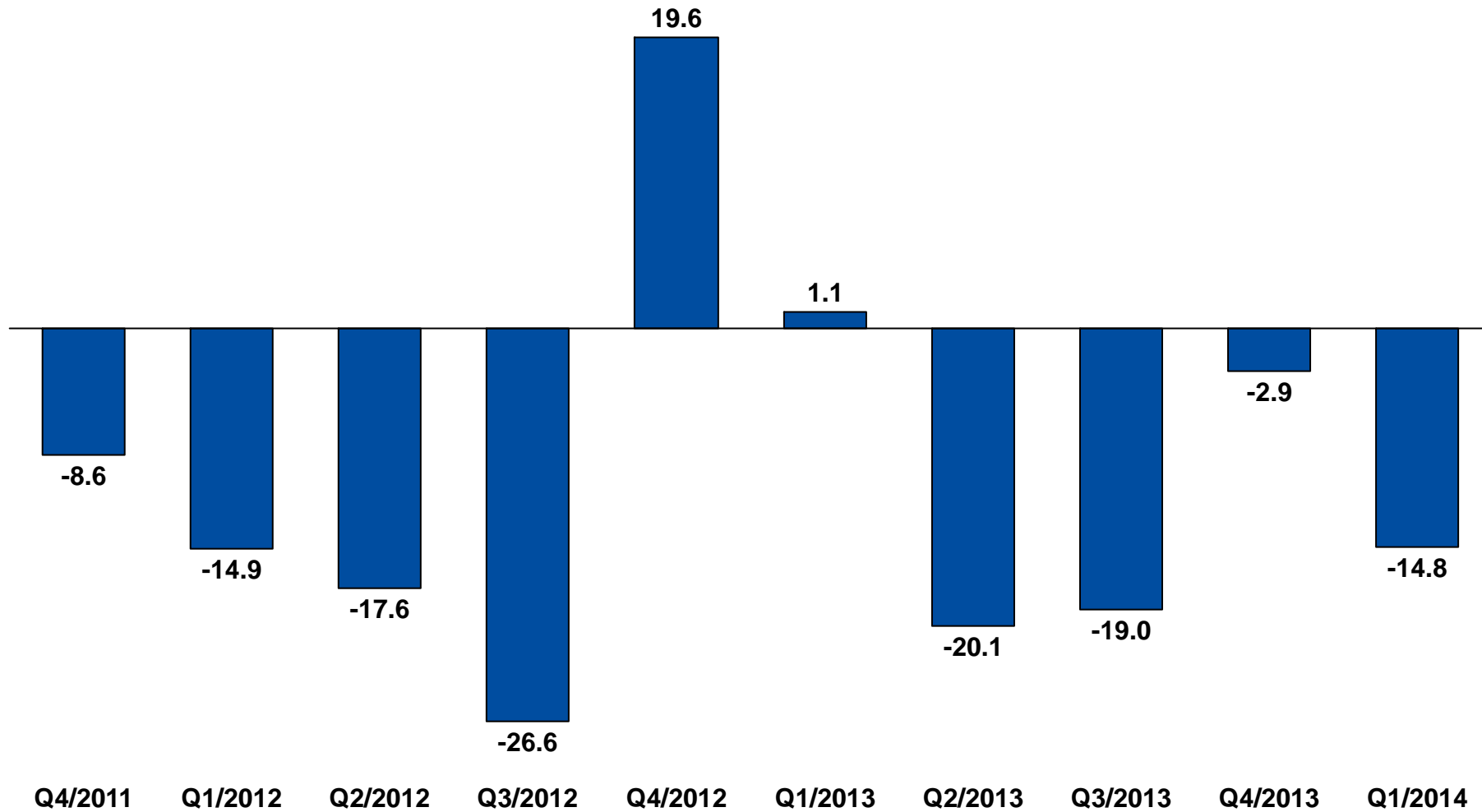
(€m)	Q1/2014	Q1/2013
Cash flow from operating activities	0.0	-10.9
Cash flow from investing activities	-12.0	-8.2
Free cash flow	-12.0	-19.1
Other	0.0	0.6
Change in net cash	-12.0	-18.5

Balanced operating cash flow due to improved working capital

Net debt



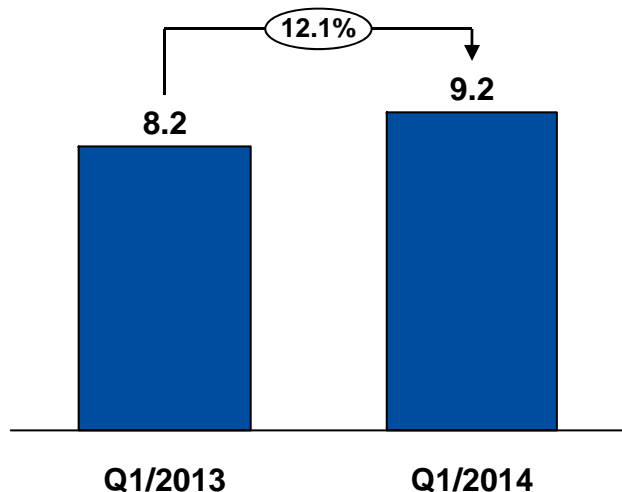
Net debt (€m)



Capex - Depreciation

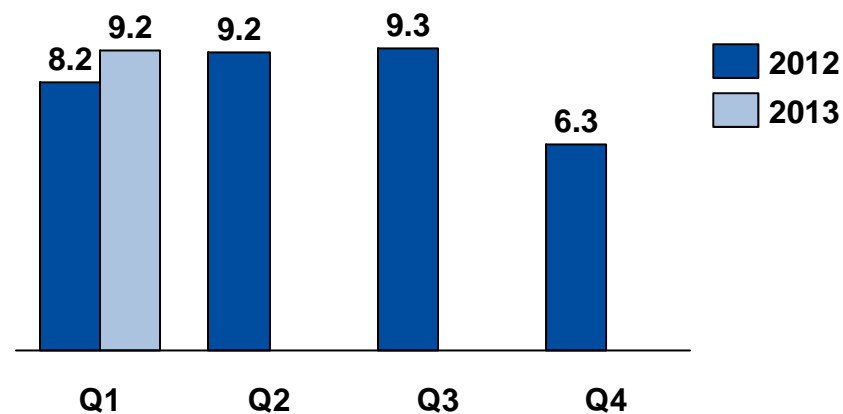


Capex* (€m)

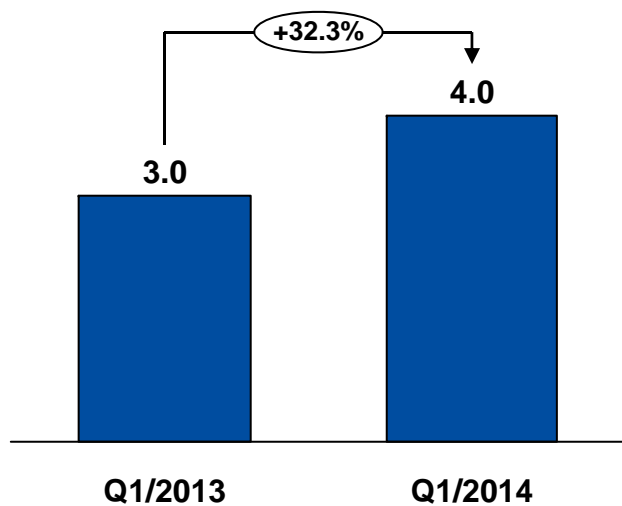


* Additions to tangible and intangible assets

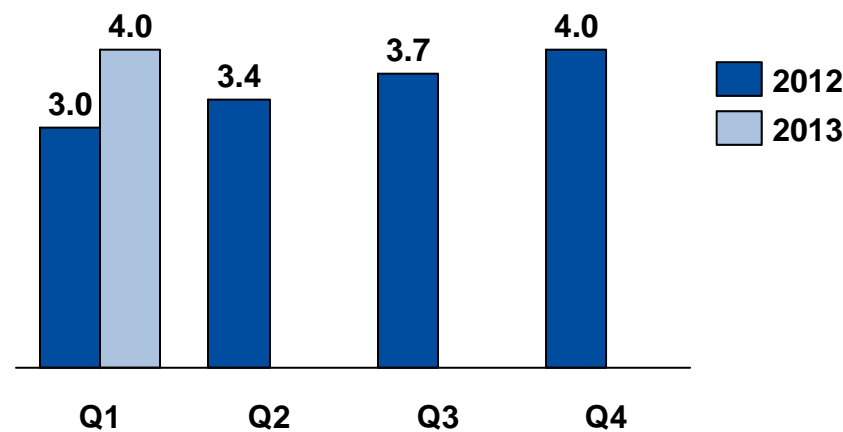
Capex* by quarter (€m)



Depreciation (€m)



Depreciation by quarter (€m)



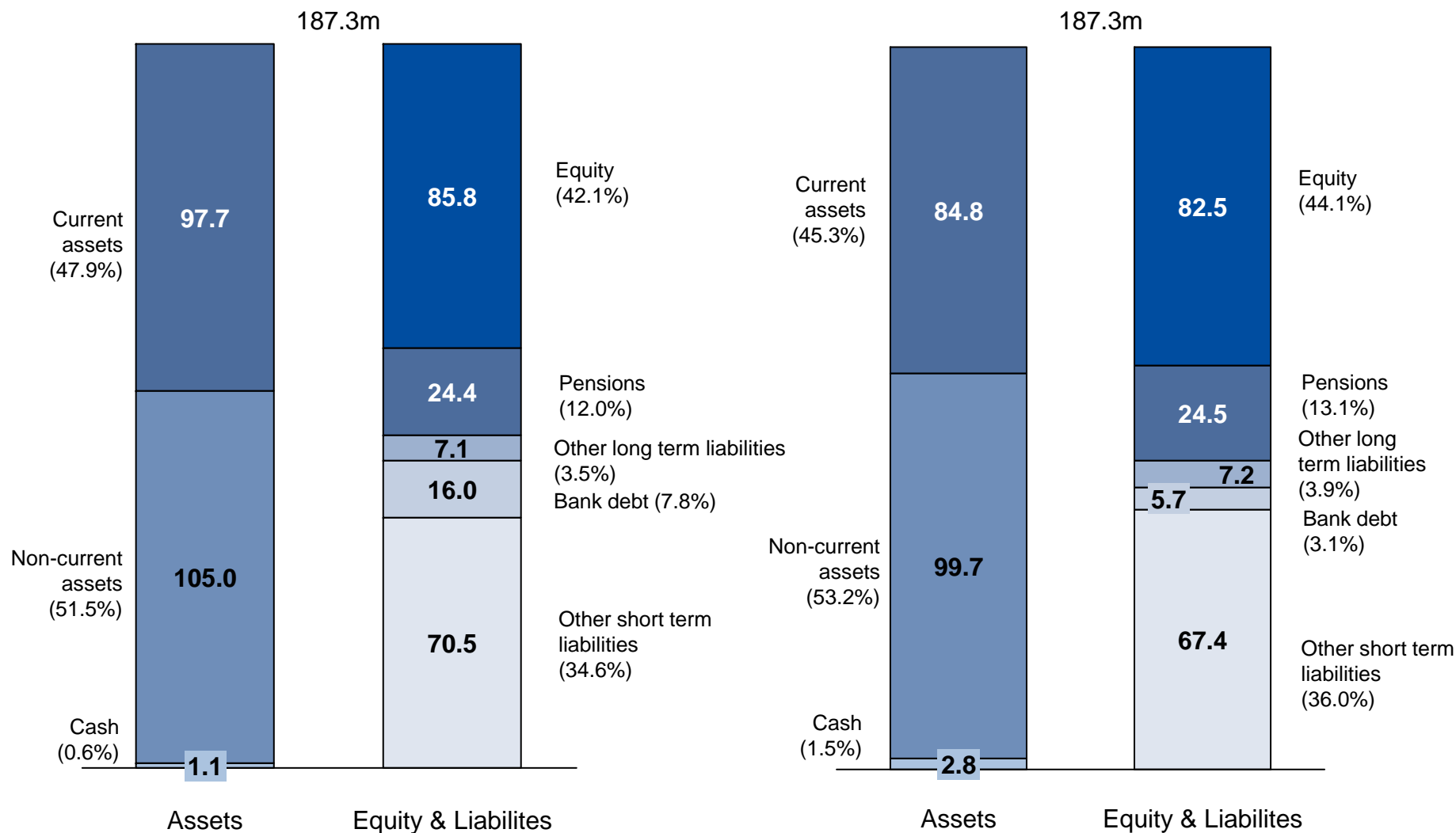
Capex remains on a high level

Sound financial profile



Balance sheet as of 31 March 2014 (€m)

Balance sheet as of 31 December, 2013 (€m)



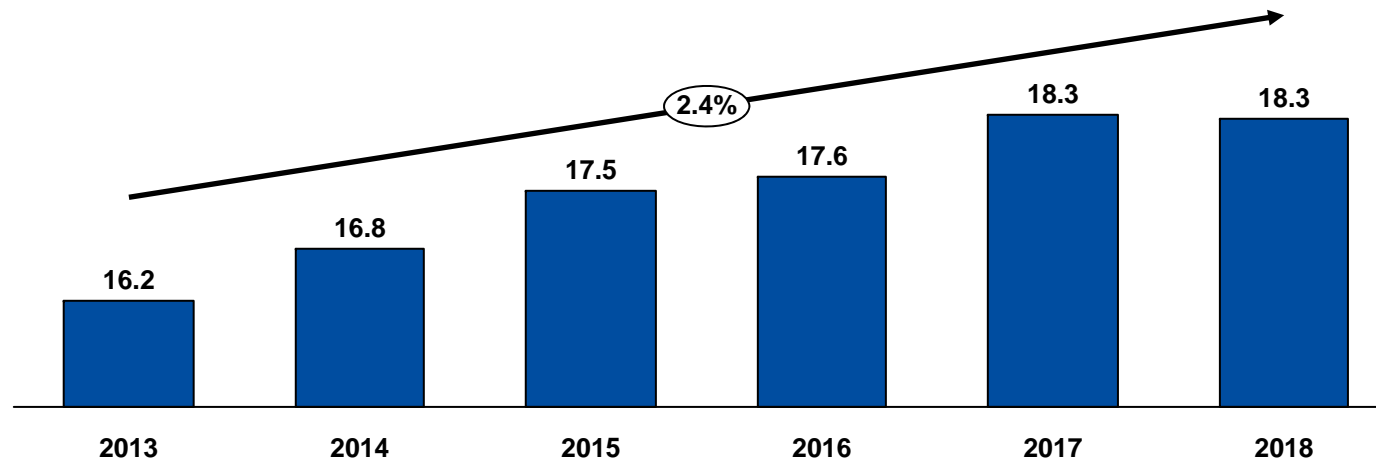
Equity ratio above industry average

Update CEO Agenda: Status North America



- Management team established (General Manager, Sales Manager, Operation Manager)
- Search for development engineers started
- Building for administration, R&D and production leased; moved into building March 5
- Customer visits and RFQ process started
- Negotiations with T&OH customer; letter of intent received
- Business plan finalized and approved

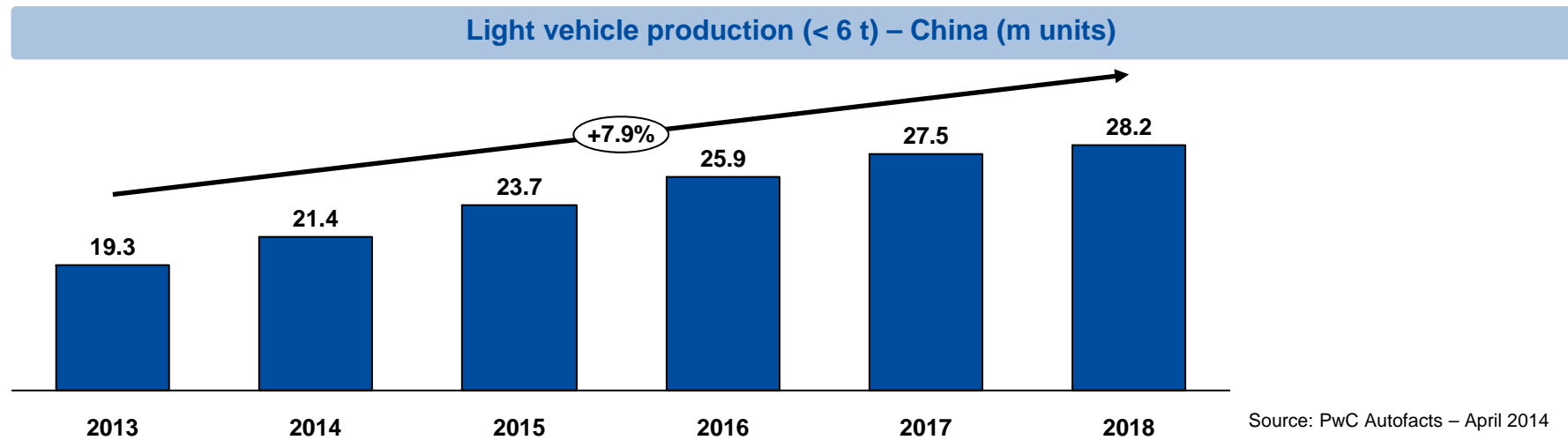
Light vehicle production (< 6 t) – North America (m units)



Source: PwC Autofacts – April 2014

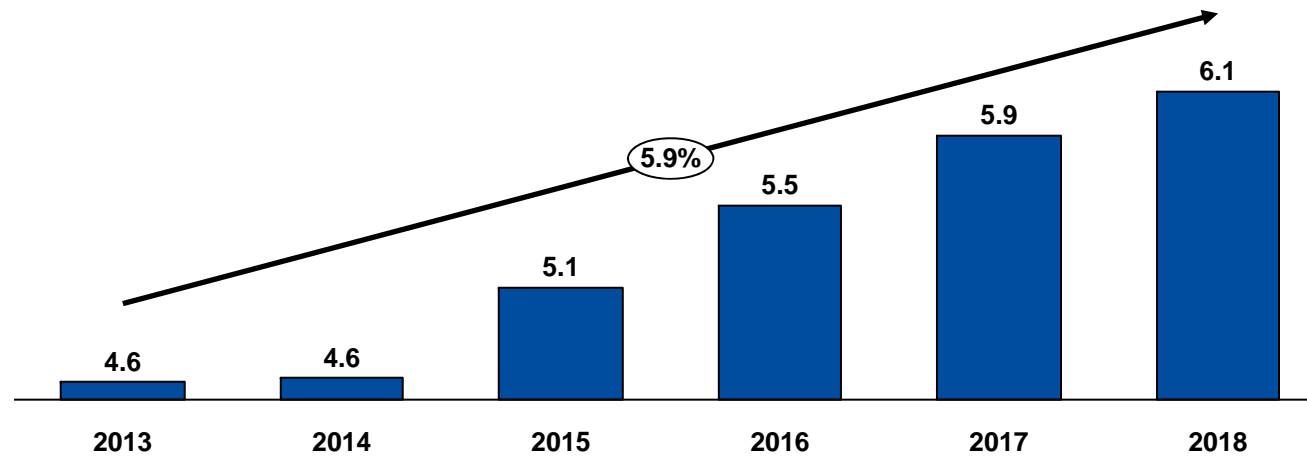
SHW seamlessly ties up with activities in US market

- First contract for T&OH customer project signed
- Project leader appointed
- Search for General Manager and plant Manager in final stage
- Additional customer projects and RFQ in process
- Planning process for preparation of production started
- Business plan updated; approved by the Supervisory Board in March

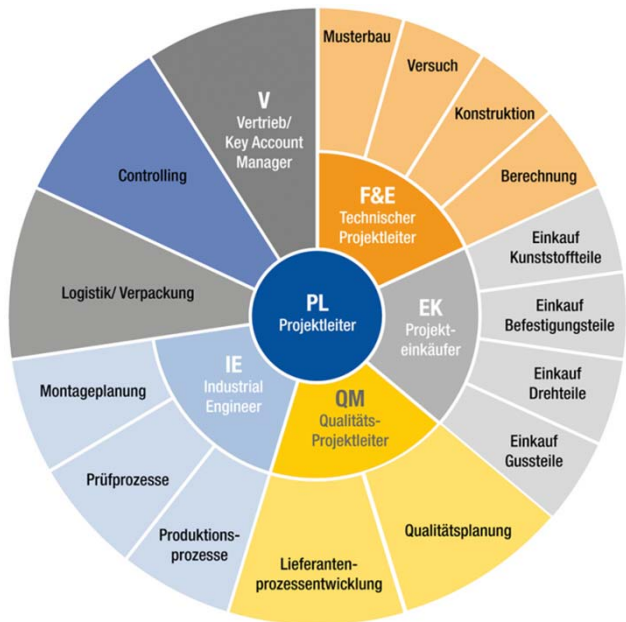


- Suppliers adequately qualified
- Assembly line installed
- Technical approval by customer successfully carried out (December 2014)
- First customer deliveries in the course of Q2/2014
- Customer RFQ's sales activities ongoing

Light vehicle production (< 6 t) – South America (m units)



Source: PwC Autofacts – April 2014



- Redesign of the product development process with support of external consultant finished
- Implementation phase started in March
- Training of the employees will be done in parallel

Composition of project teams in development projects

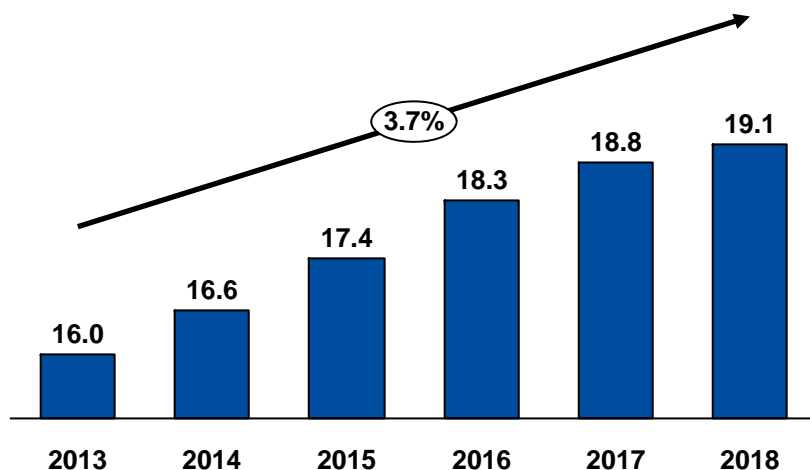


Supply Chain Management	Lean Management	Supplier base
Logistic planning process optimized with €4m – €6m stock reduction achieved	Implementation of lean management organisation started to increase productivity	Suppliers in Eastern Europe, Turkey and China visited and evaluation process on-going
Material flow process redesigned and implementation process started	Implementation of team structures started in March	Customer approval process for several components from suppliers of LC countries started
IT processes to manage consignment stock started		
Scanner project successfully launched in April		

Market environment in Europe further brightening



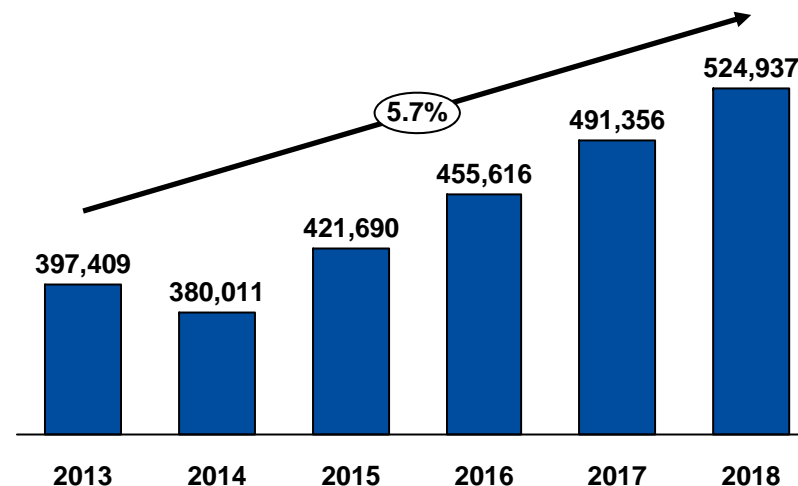
Light vehicle production (< 6 t) – Europe (m units)



m units	2013	2014	2015	2016	2017	2018	CAGR
VW Group	4,49	4,66	4,82	5,05	5,09	5,04	2,3%
PSA Group	1,94	2,01	2,00	2,06	2,27	2,28	3,3%
Renault-Nissan	1,82	1,82	1,94	2,20	2,21	2,18	3,7%
BMW Group	1,43	1,44	1,53	1,60	1,70	1,82	5,0%
Daimler Group	1,43	1,59	1,67	1,65	1,60	1,68	3,3%
Ford Group	1,07	1,14	1,18	1,11	1,13	1,16	1,6%
GM Group	0,90	0,87	0,92	1,09	1,20	1,22	6,4%

Source: PwC Autofacts – April 2014

Truck production (GVW > 6t) - Western Europe (units)



units	2013	2014	2015	2016	2017	2018	CAGR
Mercedes-Benz	89.072	84.730	92.731	99.549	105.928	111.613	4,6%
MAN Group	58.281	57.057	62.825	67.806	72.155	76.196	5,5%
PACCAR	48.897	47.921	54.533	59.715	64.953	69.730	7,4%
IVECO Group	43.731	41.141	47.958	54.356	59.707	64.833	8,2%
Volvo	48.151	44.911	49.692	53.990	58.447	62.691	5,4%
Scania	48.310	46.108	50.179	53.718	57.472	61.075	4,8%
Renault	31.330	31.071	35.065	38.819	42.553	46.008	8,0%

Source: LMC Automotive – Q1/2014

- Focal points:
 - Acquisition of new orders
 - Business expansion in Brazil, China and North America
 - Optimisation of the production processes and procedures (shop floor management)
 - Optimisation of the product development process
 - Optimisation of the entire supply chain
- Numerous new product launches
- Capex: between € 25m – € 29m
- Group sales: € 380m – € 400m
 - P&EC sales: € 287m – € 305m
 - BD sales: € 93m – € 95m
- Adj. EBITDA: € 38m – € 40m
- Working Capital Ratio: sustainable 11 percent



Michael Schickling

Head of Investor Relations & Corporate Communications

SHW AG

Wilhelmstrasse 67

73433 Aalen-Wasseralfingen

Telephone: +49 (0) 7361 502-462

E-Mail: michael.schickling@shw.de

Disclaimer

This document, which has been issued by SHW AG (the “Company” or “SHW”), does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any shares in the Company, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

The contents of this presentation are may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Neither the Company nor any other party is under any duty to update or inform you of any changes to such information. In particular, it should be noted that financial information relating to the Company contained in this document has not been audited and in some cases is based on management information and estimates.

This material is given in conjunction with an oral presentation and should not be taken out of context.

Certain market data and financial and other figures (including percentages) in this document were rounded in accordance with commercial principles. Figures rounded may not in all cases add up to the stated totals or the statements made in the underlying sources. For the calculation of percentages used in the text, the actual figures, rather than the commercially rounded figures, were used. Accordingly, in some cases, the percentages provided in the text may deviate from percentages based on rounded figures.

Certain statements in this presentation are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by applicable laws and regulations. You should not place undue reliance on forward-looking statements, which speak as only of the date of this presentation. Statements contained in this presentation regarding past trends or events should not be taken as a representation that such trends or events will continue in the future.