

PRESS RELEASE

SHW AG: First major order as a systems supplier of e-pumps underscores innovation leadership

- Strategic course set for Pumps and Brake Discs
- Return to solid growth path
- Annual General Meeting resolves to pay a dividend of € 0.50 per share

Aalen, 9 May 2018. “We are currently in one of the most exciting phases in the more than 650-year corporate history of SHW,” was how the CEO, Dr. Frank Boshoff welcomed the shareholders attending the 7th Annual General Meeting of SHW AG in Heidenheim. “With our locations in China, Canada, Brazil and Romania we are transforming SHW into a global automotive supplier.”

As expected, the fiscal year 2017 was a year of transition and setting the course for the future of SHW. The targets for Group sales and EBITDA margin were attained. At € 401 million Group sales exceeded the € 400 million minimum target and the EBITDA margin of 10.3 per cent surpassed the targeted mark of 10 per cent.”

“In addition, we set a strategic course for both business segments,” continued Boshoff. With the acquisition of Lust Hybrid-Technik, SHW has optimised its value chain in the field of electrically driven pumps and therefore reinforced its competitive position in the sector of electromobility.

Very recently, SHW received the first major order from an international transmission manufacturer to supply – in its capacity as a systems supplier – e-pumps for an automatic transmission, with the contract offering lifetime sales of roughly € 80 million. SHW managed to win this contract in the face of strong international competition. “We are very happy about the trust placed in us by our client and that our team and our product solution presented the compelling arguments to win the business,” says Boshoff, underscoring the deal. The electrically driven pumps will be assembled at one of the foreign locations of SHW. The start-of-production is currently scheduled for 2020. Based on the present planning, production will run for a period of five years.

In the Brake Discs business segment SHW will concentrate more closely on the growing field of lightweight composite brake discs. One highlight is a follow-up order to supply composite brake discs to a major European carmaker with lifetime sales of over € 80 million. Some of these brakes will be installed shortly in various electric cars. Because of the greater resolution in its product profile, SHW sold its 51 per cent interest in the joint venture, SHW Longji Brake Discs (LongKou) Co., Ltd.

These orders impressively underline the fact that both business segments possess competitive products with which they can benefit from the trend towards electromobility.

The expected organic growth is secured by a new syndicated bank loan for € 80 million, which can also be used to fund further acquisitions.

Looking forward to fiscal year 2018, Boshoff emphasised that SHW will return to a solid growth path after the last two years of consolidation. The Company is forecasting Group sales in a range of € 450 to € 470 million (prior year: € 401 million) and an EBITDA margin in a range of 11 to 12 per cent (prior year: 10.3 per cent).



The Company is planning investments of roughly € 35 to € 37 million (prior year: € 34.6 million) in connection with the development of the markets in China and North America and the establishment of the new production location in Romania.

Proposed resolutions approved by a large majority

The resolution to pay out a dividend of € 0.50 per share was approved, as proposed by the Management Board and Supervisory Board of SHW AG. This corresponds to a payout ratio of 31.7 per cent of the Group's net income for fiscal year 2017.

The other resolutions proposed by the Management Board and the Supervisory Board were all passed by a large majority. The voting results for the individual resolutions on the agenda of the Annual General Meeting can be viewed at <https://en.shw.de/investor-relations/annualgeneralmeetings/annual-general-meeting-2018/>.



Voting results
of the Annual General Meeting of SHW AG
8 May 2018, Heidenheim

Agenda	Number of shares present	in % of the total share capital	Valid votes	in % of the present share capital	in % of the total share capital	YES-votes	in % of the valid votes	NO-votes	in % of the valid votes	Proposal
Agenda Item 2 Appropriation of net earnings	4,031,575	62.64 %	4,031,224	99.99 %	62.63 %	4,023,069	99.80 %	8,155	0.20 %	Accepted
Agenda Item 3 Discharge of the members of the Management Board	4,031,575	62.64 %	4,031,124	99.99 %	62.63 %	4,020,015	99.72 %	11,109	0.28 %	Accepted
Agenda Item 4 Discharge of the members of the Supervisory Board	4,031,575	62.64 %	3,988,628	98.93 %	61.97 %	3,976,296	99.69 %	12,332	0.31 %	Accepted
Agenda Item 5 Appointment of the auditor	4,031,575	62.64 %	4,031,124	99.99 %	62.63 %	4,027,339	99.91 %	3,785	0.09 %	Accepted
Agenda Item 6 Extension of the Supervisory Board and corresponding Amendment of the Articles of Association	4,031,575	62.64 %	4,031,224	99.99 %	62.63 %	3,980,598	98.74 %	50,626	1.26 %	Accepted
Agenda Item 7 By-Elections of members of the Supervisory Board										
Mr. Stefan Pierer	4,031,575	62.64 %	4,031,324	99.99 %	62.64 %	3,811,346	94.54 %	219,978	5.46 %	Accepted
Mr. Klaus Rinnerberger	4,031,575	62.64 %	4,031,314	99.99 %	62.63 %	3,893,289	96.58 %	138,025	3.42 %	Accepted
Mr. Alfred Hörtenhuber	4,031,575	62.64 %	4,031,314	99.99 %	62.63 %	3,892,468	96.56 %	138,846	3.44 %	Accepted
Mr. Frank-Michael Meißner	4,031,575	62.64 %	4,025,324	99.84 %	62.54 %	3,896,150	96.79 %	129,174	3.21 %	Accepted
Mr. Wolfgang Plasser	4,031,575	62.64 %	4,031,306	99.99 %	62.63 %	3,892,519	96.56 %	138,787	3.44 %	Accepted



About SHW

The Company was established in 1365, making it one of the oldest industrial companies in Germany. Today, SHW AG is a leading automotive supplier, providing products that make a substantial contribution to reducing fuel consumption and, consequently, to lowering CO₂ emissions. In its Pumps and Engine Components business segment, the SHW Group develops and produces pumps for passenger cars (including circuit boards) and Truck & Off-Highway applications (e.g., trucks, agricultural and construction machinery, stationary engines and wind farms) as well as engine components. The Brake Discs business segment develops and produces monobloc ventilated brake discs made of cast iron and lightweight composite brake discs made of a combination of an iron friction ring and an aluminium pot. The SHW Group's customers include renowned automobile manufacturers, manufacturers of commercial, agricultural and construction vehicles as well as other suppliers to the automotive industry. Currently, the SHW Group has five production sites in Germany located in Bad Schussenried, Aalen-Wasseraffingen, Hermsdorf, Tuttligen-Ludwigstal and Neuhausen ob Eck, sites in Brazil (São Paulo) and China (Kunshan) and a sales and development centre in Toronto (Canada). With about 1.350 employees on average, the Company achieved Group sales of slightly above € 400 million in the fiscal year 2017. Further information is available at www.shw.de

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Future-oriented statements

This press release contains certain future-oriented statements that are based on current assumptions and forecasts made by the management of SHW AG. Various known and unknown risks, uncertainties and other factors may lead to the actual results, financial position, development or performance of the company deviating considerably from the appraisals specified here. The company assumes no obligation to update future-oriented statements of this nature or adapt them to future events or developments.

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