Analyst/Investor Presentation
Q1 2013 Results
22 May 2013

1 BUSINESS REVIEW Q1 2013: Johannes Nonn, CEO

2 FINANCIAL OVERVIEW Q1 2013: Hans-Jürgen Wiecha, CFO

3 STRATEGIC REVIEW: Johannes Nonn, CEO

4 CAPITAL INCREASE: Hans-Jürgen Wiecha, CFO

5 GUIDANCE FY 2013/MID-TERM GUIDANCE: Johannes Nonn, CEO

6 QUESTIONS AND ANSWERS

1 BUSINESS REVIEW Q1 2013

Key initiatives launched since February 2013

New Executive Board since February 2013

» Johannes Nonn
CEO

» Hans-Jürgen Wiecha
CFO

» Dr. Marcel Imhof [1)]
COO

1) Due to retire on 31 July 2013

Key initiatives launched

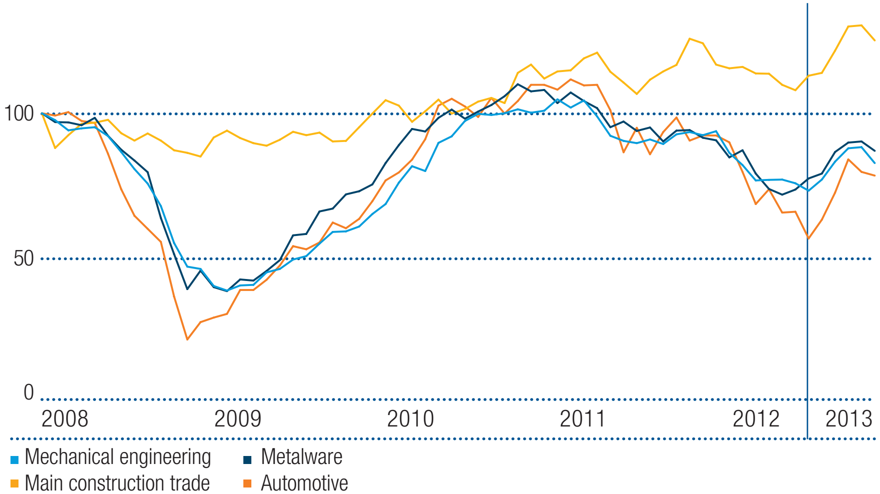
- » Realignment of SCHMOLZ + BICKENBACH Group strategy – setup of future business model
- » Capturing quick wins: e.g.:
  - _ Internalisation of products previously externally sourced by distribution business units
  - _ Additional earnings improvement programme at DEW targeting for EUR 50 million profit increase
- » Recapturing of market shares of selected products
- » Definition of targeted performance improvement programmes for each business unit
- » Successful agreement with lending banks
- » Start of capital increase process to strengthen the Group's capital structure

Overview Q1 2013

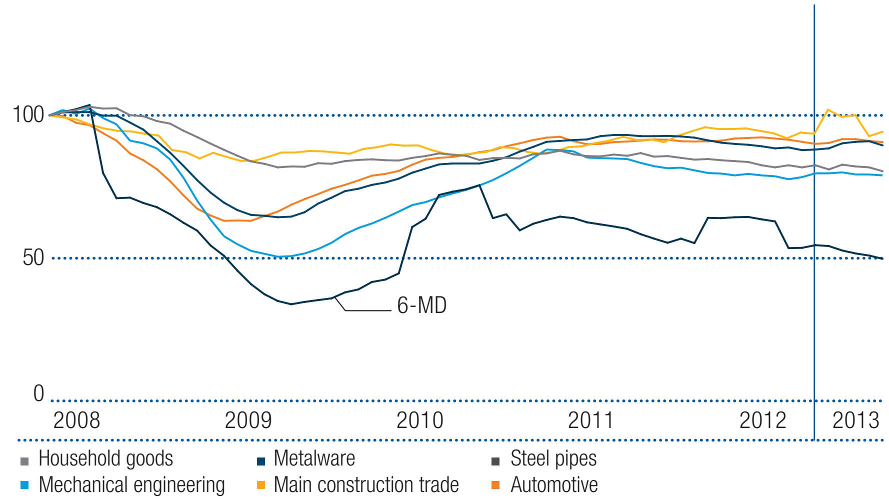
- Overall improvement in order intake, order backlog and sales volume compared to H2 2012; however, market environment still demanding
- Higher utilisation of production and processing facilities realised in Q1 2013 and expected for Q2 2013 based on existing order backlog
- Melting shop at Finkl Northside closed by end of February, production now concentrated at Chicago Southside
- Improved earnings situation due to slight market recovery and cost reduction programmes
- Adjusted EBITDA and EBIT better than originally expected

Volatile market environment

Ifo business climate of selected steel processing industries | 2008=100



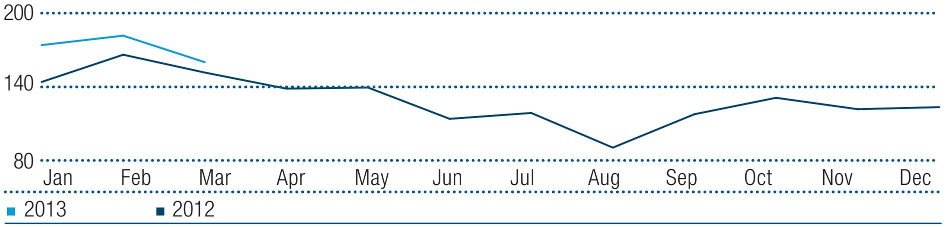
Incoming orders of selected industries (Germany) | 2008=100, seasonally adjusted, 3-MD



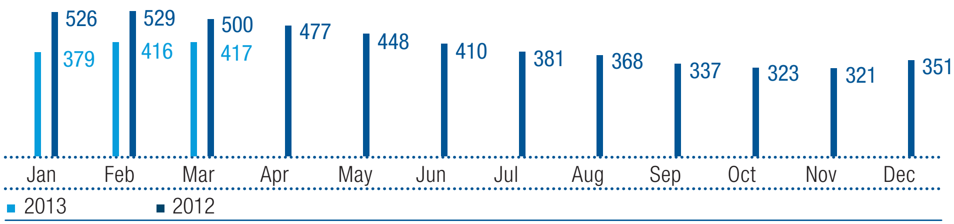
Source: ifo Institute, Federal Statistical Office

Overall improvement in order intake, order backlog and sales volume in Q1 2013

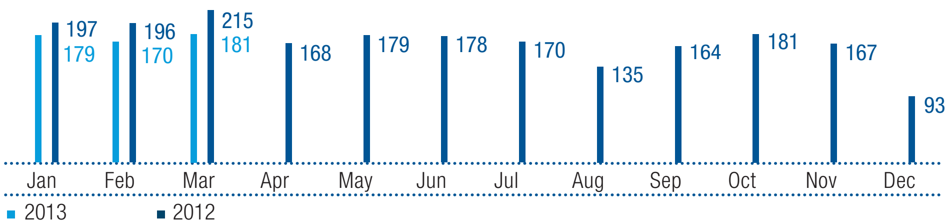
Incoming orders | in kt



Order backlog 2012–Q1 2013 | in kt



Sales volume 2012–Q1 2013 | in kt



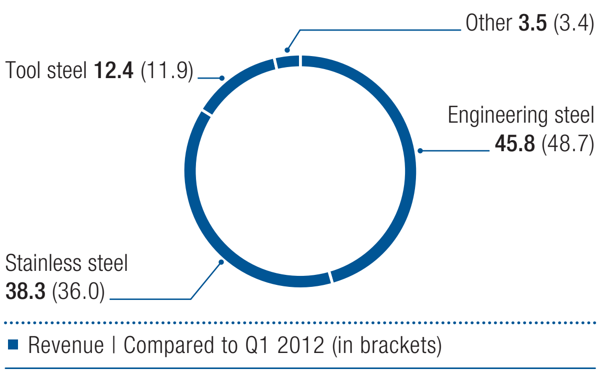
» Incoming orders above level of Q1 2012

» Order backlog increasing steadily since December 2012

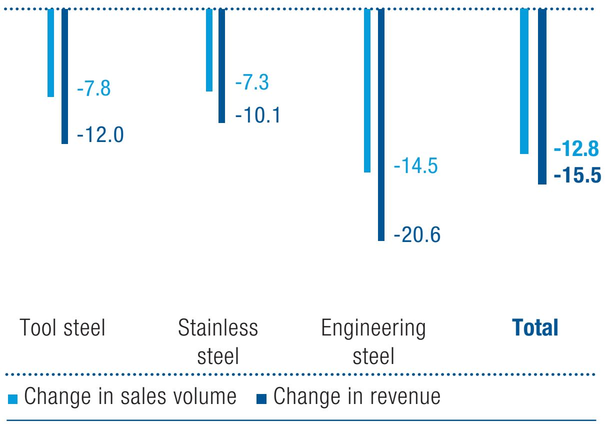
» Sales volume up significantly compared to H2 2012, but still below level of Q1 2012

Variable decline in individual product groups

Revenue by product groups Q1 2013 | in %



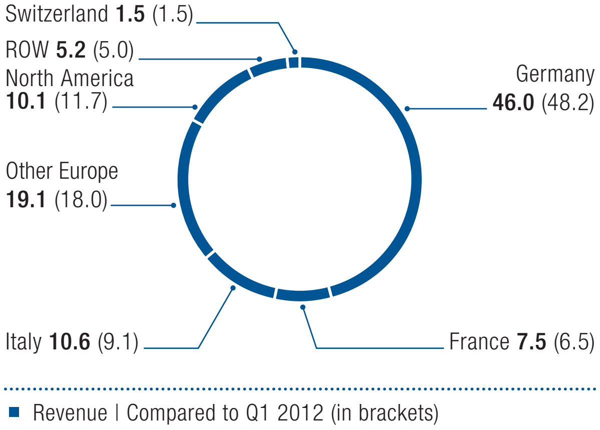
Change in revenue and sales volume by product groups from prior year | in %



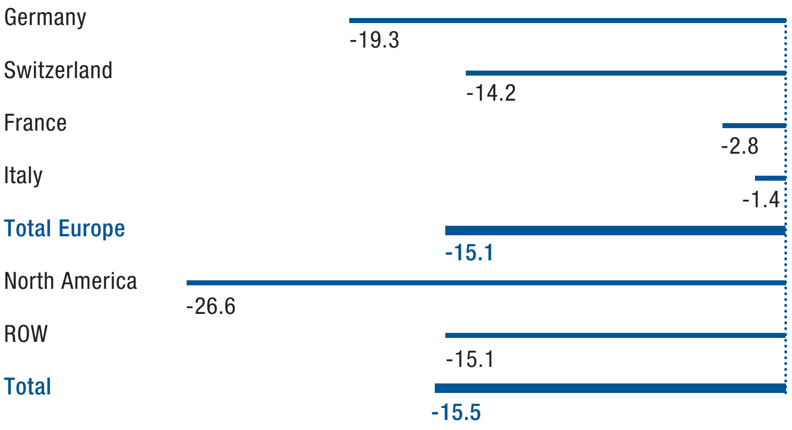
- » In stainless steel (-7.3%) and tool steel (-7.8%) the decrease in sales volume was lower compared to engineering steel. Higher decline in revenue mainly attributable to lower scrap and alloy surcharges
- » Engineering steel showed the greatest decline in sales volume (-14.5%) and revenue (-20.6%) as a result of still difficult market conditions compared to a strong Q1 2012

Falling demand in the North American oil and gas industry

Revenue by regions Q1 2013 | in %



Change in revenue by regions from prior year | in %



- » Revenue in North America, which depends heavily on the energy sector, fell by 26.6%
- » In both Europe and the rest of the world (ROW), the decrease in revenue came in at 15.1%

2 FINANCIAL OVERVIEW Q1 2013

Results of operations: key figures

million EUR	Q1 2013	Q1 2012	Change from Q1 2012 %	Q4 2012	Change from Q4 2012 %
Sales volume (kt)	530	608	-12.8	441	20.2
Revenue	867.4	1 027.1	-15.5	774.5	12.0
Adjusted EBITDA	47.2	73.1	-35.4	-1.3	> 100.0
Adjusted EBITDA margin	5.4	7.1	-23.9	-0.2	> 100.0
Operating profit (loss) before depreciation and amortisation (EBITDA)	46.6	73.1	-36.3	-15.5	> 100.0
Operating profit (loss) (EBIT)	17.3	42.8	-59.6	-61.8	> 100.0
Earnings before taxes (EBT)	-4.5	26.9	> -100.0	-82.8	94.6
Net income (loss) (EAT)	-7.7	19.3	> -100.0	-135.5	94.3

- Sales volume and revenue fell by 12.8% and 15.5% respectively compared to Q1 2012, but increased by 20.2% and 12.0% respectively compared to Q4 2012
- Adjusted EBITDA decreased by 35.4% to EUR 47.2 million (Q1 2012: EUR 73.1 million), but increased by EUR 48.4 million compared to Q4 2012
- Net loss of EUR 7.7 million (Q1 2012: net income of EUR 19.3 million) was impacted by higher interest costs including one-off expenses

Revenue by division

Revenue	Q1 2013	Q1 2012	Change from Q1 2012 %	Q4 2012	Change from Q4 2012 %
million EUR					
Production	617.8	720.1	-14.2	545.5	13.3
Processing	94.4	117.1	-19.4	82.0	15.1
Distribution + Services	311.9	365.4	-14.6	277.0	12.6
Other/Consolidation	-156.7	-175.5	-10.7	-130.0	20.5
SCHMOLZ + BICKENBACH Group	**867.4**	**1 027.1**	**-15.5**	**774.5**	**12.0**

- » Market conditions still unfavourable in all divisions, but significant improvement compared to H2 2012 across the board
- » Revenue in the Processing Division suffered most quarter-on-quarter due to the focus on engineering steel, but also recovered most compared to Q4 2012
- » Revenue in the Production Division and Distribution + Services Division fell by nearly the same magnitude quarter-on-quarter

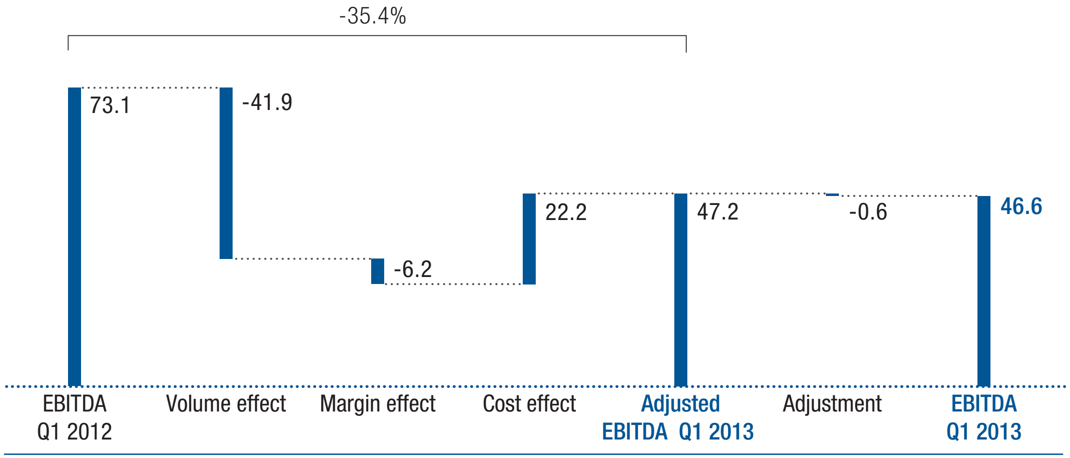
Adjusted EBITDA by division

Revenue	Adjusted EBITDA			Adjusted EBITDA margin		
	Q1 2013	Q1 2012	Q4 2012	**Q1 2013**	Q1 2012	Q4 2012
million EUR						
Production	32.3	58.9	10.3	5.2	8.2	1.9
Processing	7.0	7.5	0.8	7.4	6.4	1.0
Distribution + Services	8.0	8.9	-5.1	2.6	2.4	-1.9
Other/Consolidation	-0.1	-2.2	-7.3	–	–	–
SCHMOLZ + BICKENBACH Group	47.2	73.1	-1.3	5.4	7.1	-0.2

- » Strong earnings situation in a difficult market environment
- » Production Division main contributor to adjusted EBITDA; strong upwards trend compared to Q4 2012
- » Improved EBITDA margin in Processing Division and Distribution + Services Division

Volume-driven decline in EBITDA – partly compensated by cost savings

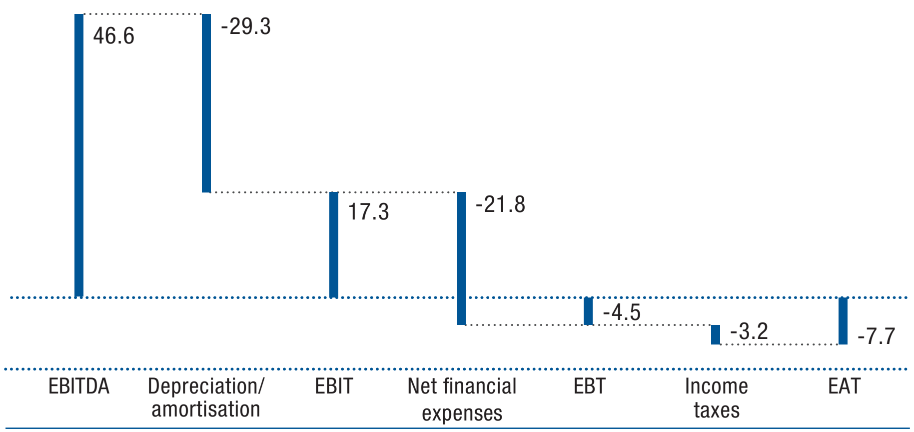
EBITDA reconciliation | in million EUR



» Lower demand compared to Q1 2012 triggered negative volume effects in all regions and product groups
» Cost savings realised through restructuring measures initiated in 2012 contributed to positive cost effect

Strong operating results eaten up by financing costs

Breakdown of results Q1 2013 I in million EUR



» Depreciation and amortisation decreased by 3.3% to EUR 29.3 million (Q1 2012: EUR 30.3 million)

» Significant increase in net financial expenses (37.1%), which mainly result from
  _ Higher financing costs related to the bond, issued in May 2012
  _ Adjusted financing costs for the syndicated loan
  _ Amortisation of accrued one-off fees for amendment agreement
  _ Higher net interest costs for pensions due to revised IAS 19

» Tax rate of -74.1% due to non-recognition of deferred tax assets on current tax losses in Germany

Financial position: key figures

		31.3.2013	31.12.2012	Change from 31.12.2012 %
Shareholders' equity	million EUR	634.7	633.0	0.3
Equity ratio	%	25.0	26.2	-4.6
Net debt	million EUR	931.7	902.8	3.2
Net debt/adjusted EBITDA (leverage) 1)	factor	4.9	5.9	–
Net working capital (NWC)	million EUR	1 054.6	1 006.0	4.8
NWC/revenue 2)	%	30.4	28.1	8.2
		1.1.–31.3.2013	1.1.–31.3.2012	Change from prior year %
Investments	million EUR	13.5	20.4	-33.8
Free cash flow	million EUR	4.1	-31.3	-113.1

1) Calculated on the basis of the annualised adjusted EBITDA.
2) Calculated on the basis of the annualised revenue.

- » Increase in equity due to positive other comprehensive income, equity ratio fell as a result of higher total assets
- » EBITDA leverage improved, but still too high
- » Increase in NWC due to considerable stimulation of business after weak H2 2012 and seasonal effects
- » Investments significantly below Q1 2012
- » Positive free cash flow generated in Q1 2013

Sufficient liquidity headroom available

million EUR	Drawn amount 31.3.2013	Free liquidity	Maturity
Syndicated loan	377.6	222.4	April 2015
Other bank loans	91.6		
ABS financing programme	261.6	[38.4][1)]	April 2015
Bond	258.0		May 2019
Liabilities from finance lease	9.9		
Other financial liabilities	12.4		
Debt (principal amount)	**1 011.1**		
Cash and cash equivalents	45.3	45.3	
Net debt (principal amount)	**965.8**		
Accrued transaction costs	-34.1		
Net debt (carrying amount)	**931.7**		

1) Depending on structure of trade receivables.

- » Liquidity headroom of more than EUR 300 million
- » Accrued transaction costs increased due to one-time payments of EUR 12.5 million for amendment agreement

3 STRATEGIC REVIEW

Strategic review launched to meet various objectives

Elements	Objectives
1_Strategic review	_ Review existing strategy and identification of need for change _ Refine business model and strategic concept _ Identify, analyse and prioritise strategic options
2_Targeting & measures	_ Set profitability targets for business units _ Identify improvement measures: quantification and timeline of financial effects
3_Organisation	_ Analyse strengths and weaknesses of the current organisation _ Develop organisational model and management structure
4_Business plan	_ Validate mid-term planning for 2013–2016

Strategic review with tight schedule until end of May

Overall timeline

15 March 2013
Roland Berger Strategy Consultants mandated to support strategic review (industry experienced team of ten consultants)

Weekly jour fixes and regular steering committee meetings
_ Ongoing tracking and updates on project progress
_ Regular topic-specific workshops

31 May 2013
Finalisation of strategic concept

Detailing and implementation phase

Current project status

1_Strategic review	_ Cornerstones newly strategy defined _ Strategic options evaluated	✓
2_Targeting & measures	_ Targeting process finalized _ Measure packages in validation	✓
3_Organisation	_ Future organisation and management structure drafted	✓
4_Business plan	_ Existing BP reviewed _ Measure effects under evaluation	(✓)

Key improvement programmes initiated based on strategic review project

A _Organic growth

_ Expand core business and optimise sales mix via organic growth in attractive product-, customer-, and regional markets
_ Grow core business by addressing trends in application industries
_ Retain quality and know-how leadership through R&D and innovation

B_Operational excellence

_ Increase performance of business units – increase efficiency in production and processes
_ Define performance improvement programmes for each business unit (cost reduction, net working capital, CAPEX)

C_Portfolio optimisation

_ Divest non-core activities
_ Balancing of portfolio: optimisation of relative dimensioning of business units
_ Strict return oriented investment policy

D_Organisation/synergies

_ Leverage integrated business model; improved coordination of global production-, processing- and distribution network
_ Develop management model: clear definition of roles, responsibilities and interfaces

SCHMOLZ + BICKENBACH well positioned for future success

Market & competition

_ Strong footprint in attractive specialty markets tool, stainless and quality/engineering steel
_ Comprehensive coverage of steel grades and dimensions
_ Positive competitive positioning (quality, know-how and service) with clear unique selling propositions for each business unit

Business model & products

_ Focus on production units of SCHMOLZ + BICKENBACH allows to leverage profitability, asset base and know-how
_ Integrated business model allows to capture strategic and operational synergies
_ Product portfolio and focus on R&D allow development of strategic growth segments

Assets & equipment

_ State-of-the-art production assets and skilled employees – orientation towards quality and innovation along the value chain
_ Recent investments allow SCHMOLZ + BICKENBACH to expand production in key product segments

4 CAPITAL INCREASE

Status of potential capital increase

- » SCHMOLZ + BICKENBACH AG has initiated the preparation for a potential capital increase in the magnitude of approx. CHF 300 million through a rights issue
  - _ Shareholders will be entitled to subscription rights
  - _ Deleveraging targets and implied size of capital increase are based on independent business review performed by an accounting firm (Big Four) and recommendation of engaged financial advisors
  - _ Contemplated size is also consistent with lending agreement, as amended and unanimously agreed with all 17 lending banks in March
- » BNP Paribas, Commerzbank and Credit Suisse are advising SCHMOLZ + BICKENBACH AG on this potential capital increase
- » As previously announced, SCHMOLZ + BICKENBACH AG is in advanced discussions with potential anchor investors who are conducting due diligence with the objective to support the planned rights issue (process ongoing)
- » The board of directors will decide shortly whether the planned capital increase will be put onto the agenda of the forthcoming AGM on 28 of June or at a subsequent EGM

SCHMOLZ + BICKENBACH GmbH & Co. KG/Renova proposal

- KG and Renova have entered into Exclusivity, Investment and Shareholder Agreements and form a "group" under Swiss takeover regulations (40.5% ownership in SCHMOLZ + BICKENBACH AG; 20.5% unrestricted voting)
- KG/Renova propose a larger capital increase of EUR 350 million/CHF 428 million
  - _ Fully underwritten by Renova
- No due diligence performed yet
  - _ No access to due diligence due to unwillingness to sign an NDA/standstill agreement
- Agreements between Renova and KG are subject to numerous open conditions
  - _ KG have publicly stated that they remain open to alternative offers
- KG/Renova have also tabled agenda items in order not to re-elect three current board members including the Chairman and to vote down one additional board member
- KG/Renova have reserved the right to withdraw their proposed agenda items at any time
- The board of directors of SCHMOLZ + BICKENBACH is currently evaluating the proposals and will comment in due course

5 GUIDANCE FY 2013/MID-TERM GUIDANCE

Outlook 2013

» 2013 started slightly better than expected – market environment remains challenging, however
» We do not anticipate a definitive end to the current economic uncertainty and the effects of recession in the eurozone for 2013
» Incoming orders and order backlog look promising for Q2 2013
» Closure of melting shop in Finkl Northside and concentration of production in the new plant will improve the cost structure
» About two thirds of the planned cost savings related to our restructuring programme will become effective in second half of 2013 in particular
» Increase in net financial expenses
  _ Syndicated loan: one-time fees and higher margins
  _ Bond: full year impact of higher interest coupon
  _ Pensions: higher interest cost (revised IAS 19)

Guidance 2013

	2012	2013 (as of 14 March)	2013 Update (as of 22 May)
Revenue	EUR 3.6 billion	On prior-year level	On prior-year level
Adjusted EBITDA	EUR 151.8 million	At least on prior-year level	EUR 150–200 million
CAPEX	EUR 141.0 million	EUR 100 million (net of asset-related governmental grants)	EUR 100 million (net of asset-related governmental grants)

Mid-term targets set for SCHMOLZ + BICKENBACH

Process target definition

1 Top down EBITDA/EBITDA margin targets for each business unit set:
_ based on historic performance
_ based on external/internal benchmark
_ based on “return on capital” evaluation
_ based on management estimation

2 Top-down targets communicated to business unit management with clear task to identify measure packages of how to achieve targets

3 Measure packages received, challenged and currently under financial evaluation (detailed P&L, net working capital, CAPEX and FTE effects)

Mid-term targets[1)]

» Adjusted EBITDA
> EUR 300 million
> 8% margin

» Leverage [2)]
< 2.5

[1)] In average over the cycle.
[2)] Net debt to adjusted EBITDA.

6

QUESTIONS AND ANSWERS

Financial calendar and contact details Investor Relations

» 22 May 2013	Interim Report Q1 2013, Investor Call
» 28 June 2013	Annual General Meeting
» 21 August 2013	Interim Report Q2 2013, Media and Analyst Conference, Investor Call
» 20 November 2013	Interim Report Q3 2013, Investor Call

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