

Pankl Racing Systems AG – Preliminary Figures for the Fiscal Year 2017

Kapfenberg, 30th January 2018

- Revenues increased by 5% to €195.4m
- EBIT after non-recurring start-up expenses decreased by 11% to €11.8m
- EBIT before non-recurring start-up expenses increased by 19% to €15.8m
- EBITDA of €25.9m at the same level as last year
- Record capital expenditure of €37m
- Earnings per share amounted to €1.93

The fiscal year 2017 was mainly characterised by the successful launch of production at our new, state-of-the-art, high performance drivetrain production facility in Kapfenberg, which, with total capital expenditure of €40m, represents the largest capital investment project of our corporate history. This facility was built over 2 years and combines the segments gearbox components production, heat treatment and additive manufacturing. Until October 2017, sample and retraction components were produced and production start-up completed. From mid-October 2017, serial-production has commenced. Planned start-up expenses of €4.0m are fully accounted for in the 2017 operating results.

Revenues of Pankl Group increased by 5% to €195.4m. The EBIT margin increased by a full percentage point to 8.1% after adjusting for the non-recurring start-up expenses. Due to the non-recurring start-up expenses, operating results decreased from €13.2m to €11.8m despite better operating profitability.

The US corporate tax changes caused exceptional tax expenses of €0.9m. The net profit for the fiscal year 2017 amounted to €5.7m (2016: €10.0m) after deduction of net interest results and taxes from earnings. Earnings per Share decreased from €3.22 to €1.93.

Capital expenditure of €37m mainly referred to the new Kapfenberg high performance drivetrain facility and an expansion of our Slovakian production facility. Shareholders' equity increased by €11.1m and amounted to €91.3m or 41% of total assets (2016: 41%), the net debt amounts €88,6m.

Racing / High Performance Segment

Formula 1 rule changes impacted profitability of our racing business very positively. Revenues increased by 1.5% to €107.3m. The EBIT margin increased by 0.9 percentage points to 10.6% due to a more favourable product mix.

High performance business revenues increased by 12.4% to €70.7m. The EBIT margin before non-recurring start-up expenses improved from 3.0% to 5.2% due to higher capacity utilisation and improved productivity.

Aerospace Segment

Aerospace Segment revenues increased by 7.8% to €27.5m despite an ongoing weak helicopter business. The increase was mainly due to growth in the jet engine driveshaft business. The EBIT margin remained at last year's level and amounted to 4.4%.

Outlook

CEO Wolfgang Plasser: "We are very pleased that we were able to improve our operating results in all divisions of the Pankl Group in the past fiscal year. Start of Production and the launch of serial production at our new high performance drivetrain facility were major highlights.

In 2018, we expect revenues growth of at least 10%. This assumption is backed by a record order book. Due to productivity improvements and no further start-up expenses we expect a significant earnings increase."

The annual financial report for 2017 is available on our website from 20.03.2018 under the link:

<http://www.pankl.com/de/header-navigation/investor-relations/veroeffentlichungen/finanzberichte/>

For further information:

Investor Relations

Tel.: +43 3862 33 999 130

e-mail: ir@pankl.com

Internet: www.pankl.com