

Expanding Horizons

Achieving new dimensions together
with fineblanking, forming and
e-lamination stamping

Feintool Group Roadshow presentation – FY21 results

TODAY'S PRESENTERS



Knut Zimmer
Chief Executive Officer



Samuel Künzli
Chief Financial Officer

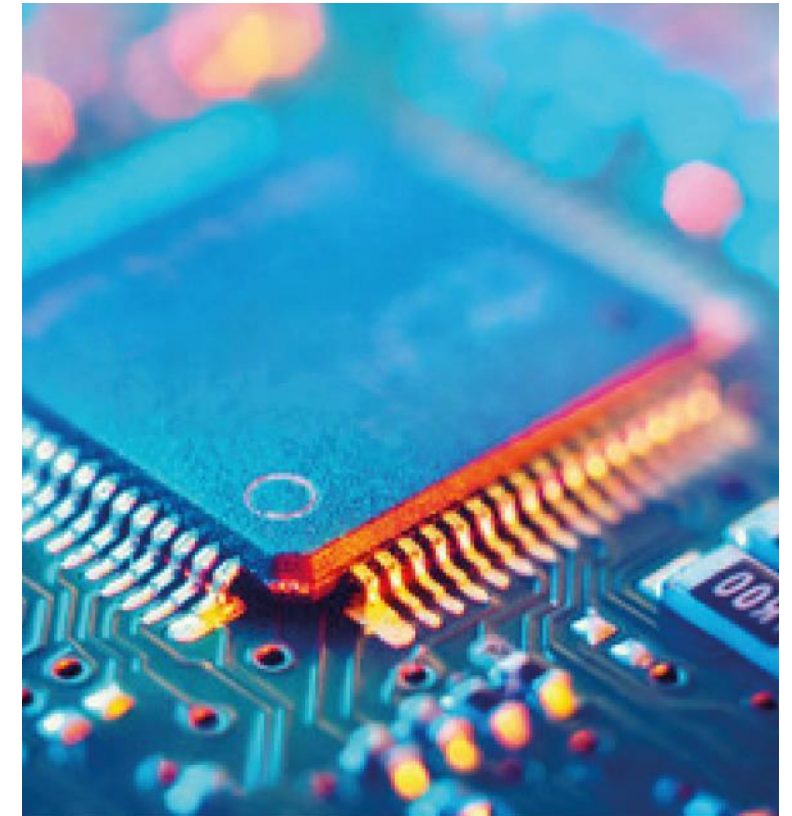


Market environment and review

MARKET ENVIRONMENT

2021 dominated by semiconductor shortages and high steel prices

- ▶ Demand recovery in first HY1 2021
- ▶ Semiconductor shortages slowed down recovery in HY2 2021
- ▶ Demand for cars could no longer be fully met. Inventories stood at historically low level
- ▶ High steel prices in 2021 had to be negotiated with customers and impacted margins. Liquidity was tied up in inventories
- ▶ OEMs focused on high-margin models
- ▶ Energy prices increased dramatically and put a strain on the industry
- ▶ Suppliers suffer from difficult planning conditions



MARKET ENVIRONMENT BY REGION

Different loads due to corona and semiconductor shortage



At level of corona year 2020

- ▶ Better first HY 2021 than previous year, but remained roughly 20% below 2019
- ▶ Semiconductors are used for high-margin models and BEV (Battery electric vehicle). E-cars need more chips than conventional cars
- ▶ Full year 2021 is at 2020 level
- ▶ Dedicated development activities for e-vehicles are being implemented



Strong start in first HY 2021

- ▶ First HY 2021 off to a very good start in US
- ▶ US car sales benefit from dealer inventories
- ▶ Steel prices in US reach historic highs. This ties up capital and puts pressure on margin levels
- ▶ Vehicle inventories remain at low level
- ▶ First initiatives for e-car in US at established OEM (Original Equipment Manufacturer)



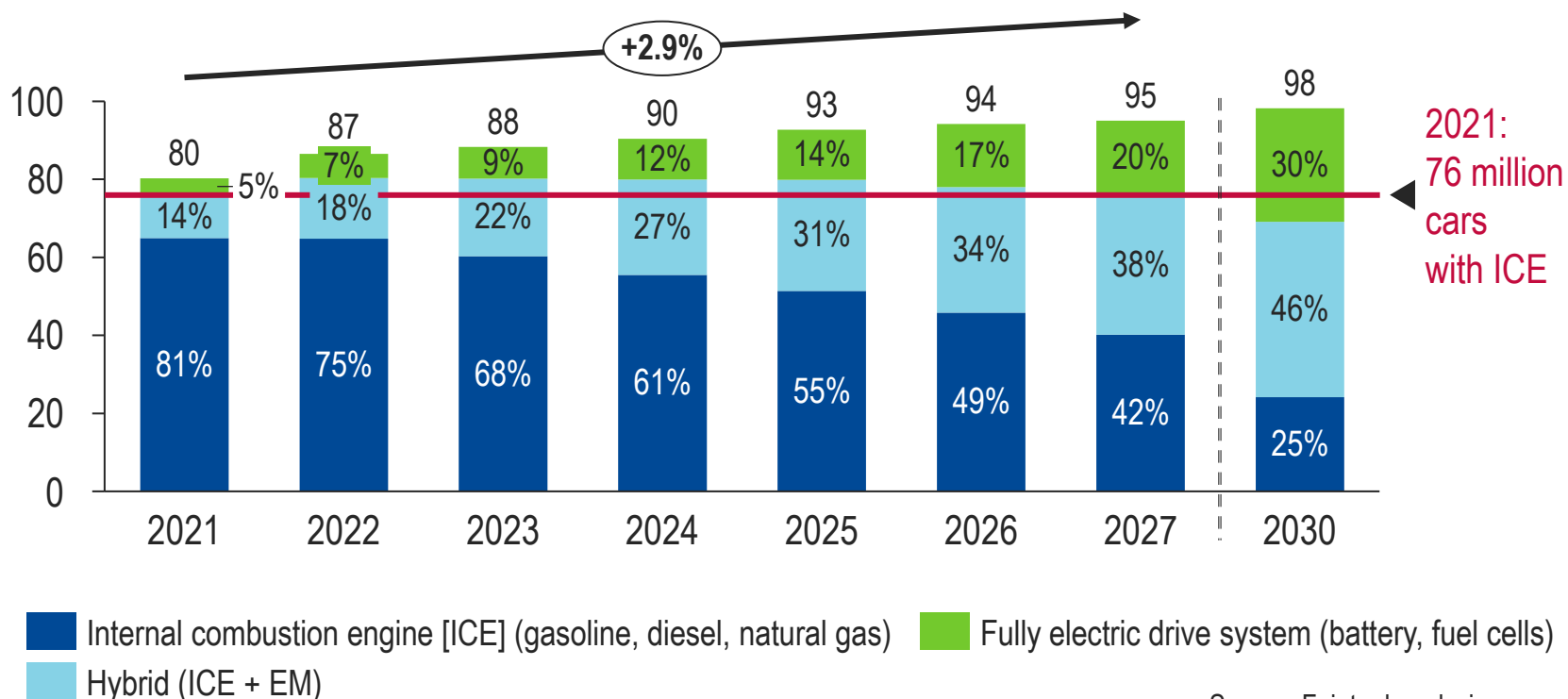
Better through the semiconductor crisis

- ▶ First HY 2021 off to better start in China than in prior year
- ▶ Semiconductor shortage leads to production cuts in second HY 2021. However, the impact is lower than in EU/NAFTA
- ▶ Full year 2021 on par with 2019
- ▶ China remains a growth market for the automotive industry
- ▶ Focus on BEV, hybrids and FC (Fuel cells) discernible

GLOBAL CAR PRODUCTION

Good market outlook – transformation accelerating

Number of vehicles produced up to 3.5 t total weight, worldwide



Source: Feintool analysis

- ▶ Car production growing steadily with a trend towards electric mobility
- ▶ Focus shifting to electric drives and hybrids
- ▶ ICE (non-hybrid) will lose importance in the coming years

RELEVANT TRENDS

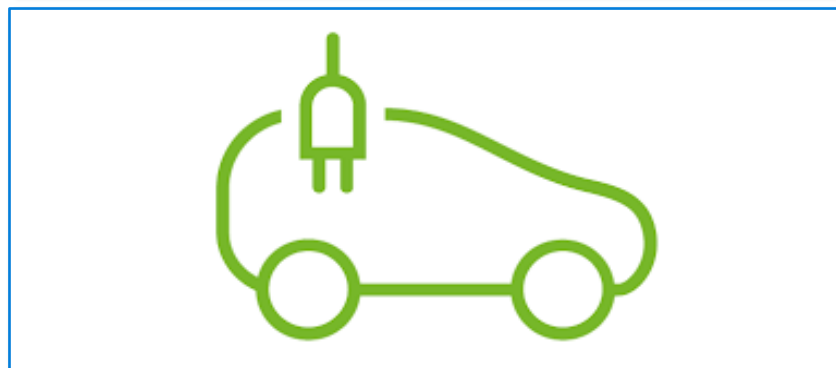
Electromobility remains the dominant trend

Autonomous driving/digital.



- ▶ Technological developments & comfort requirements drive the trend
- ▶ Technologies for level 2/3 available and will be further improved
- ▶ Legal national restrictions limit the applicability for higher levels in practice
- ▶ Feintool benefits from need for aut. drives

E-mobility



- ▶ Incentive programs spur the trend additionally
- ▶ CO2 regulations tighten requirements for OEM and drive the trend. OEM present new car models
- ▶ Risks remain due to excessively high prices & lack of infrastructure
- ▶ Growth potential for Feintool with its technologies and risks for sales stagnation with ICE

Mobility concepts



- ▶ Covid curbs expansion of mobility concepts. Hygiene & safety are the focus of the pandemic and strengthen individual mobility
- ▶ Potential lies esp. in large cities (after overcoming the Covid pandemic)
- ▶ Feintool benefits from higher turnover of vehicles in car sharing and e-mobility

REVIEW

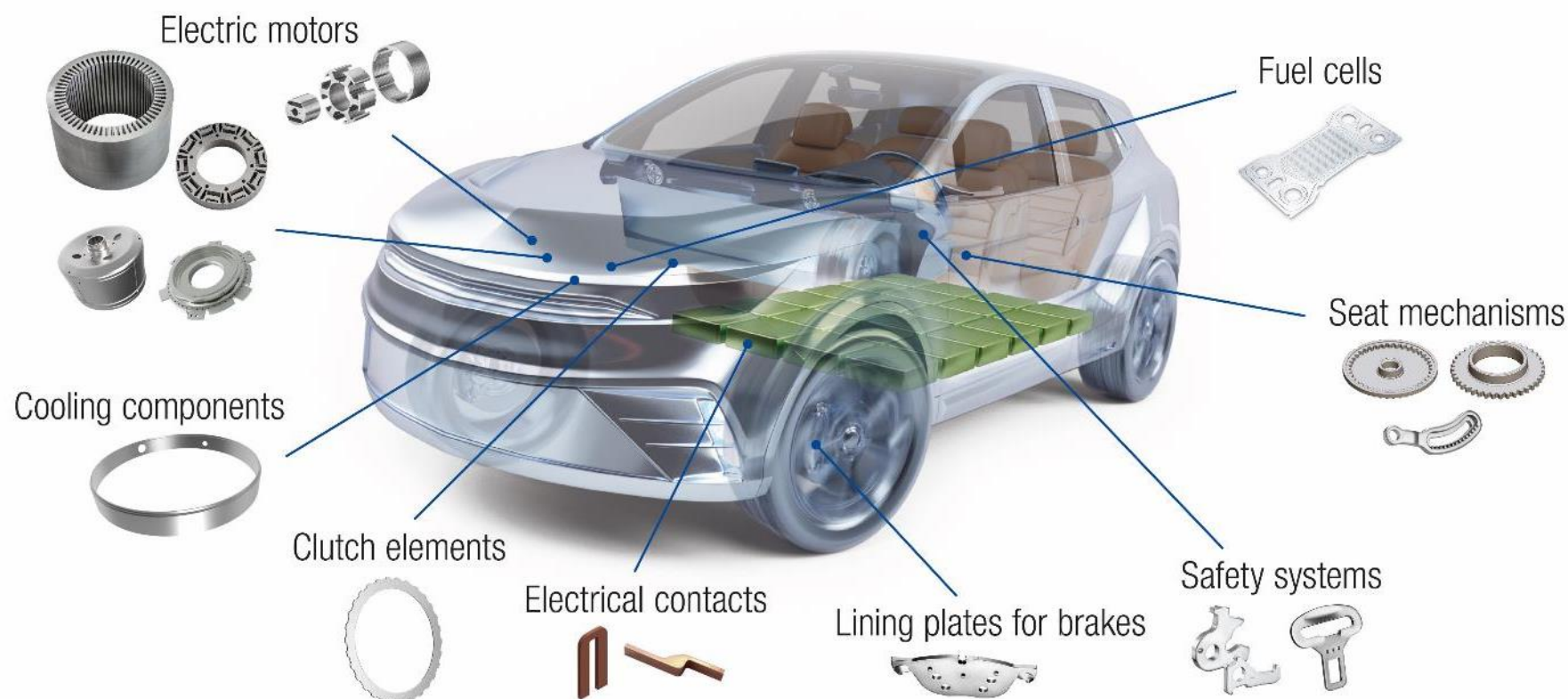
Financial year dominated by numerous challenges

- ▶ Slump in demand due to coronavirus pandemic followed by rapid revival
- ▶ Recovery stalled in the middle of the year due to supply shortages and price increases
- ▶ Despite these extremely challenging conditions, significant growth achieved in all relevant key figures
- ▶ Segments and companies are well positioned and have performed strongly despite major planning uncertainties



FEINTOOL IN TRANSFORMATION

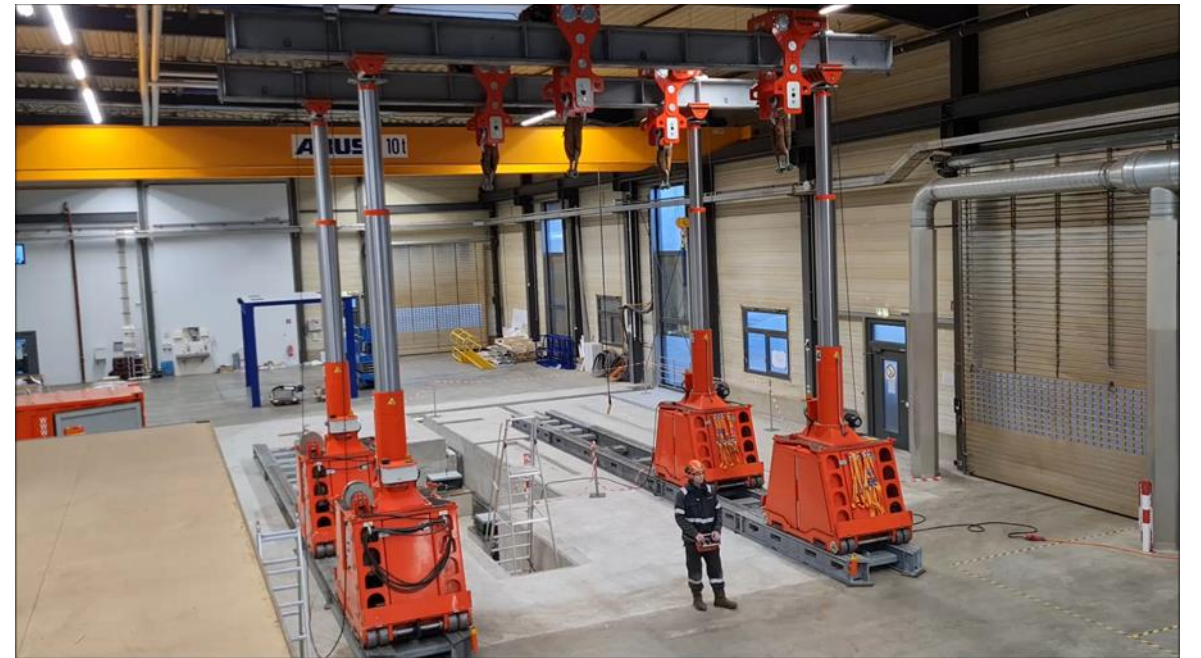
Important steps taken toward a successful electric-powered future



PREPARED FOR THE MOBILITY OF TOMORROW

System Parts segment: successful thanks to maximum flexibility

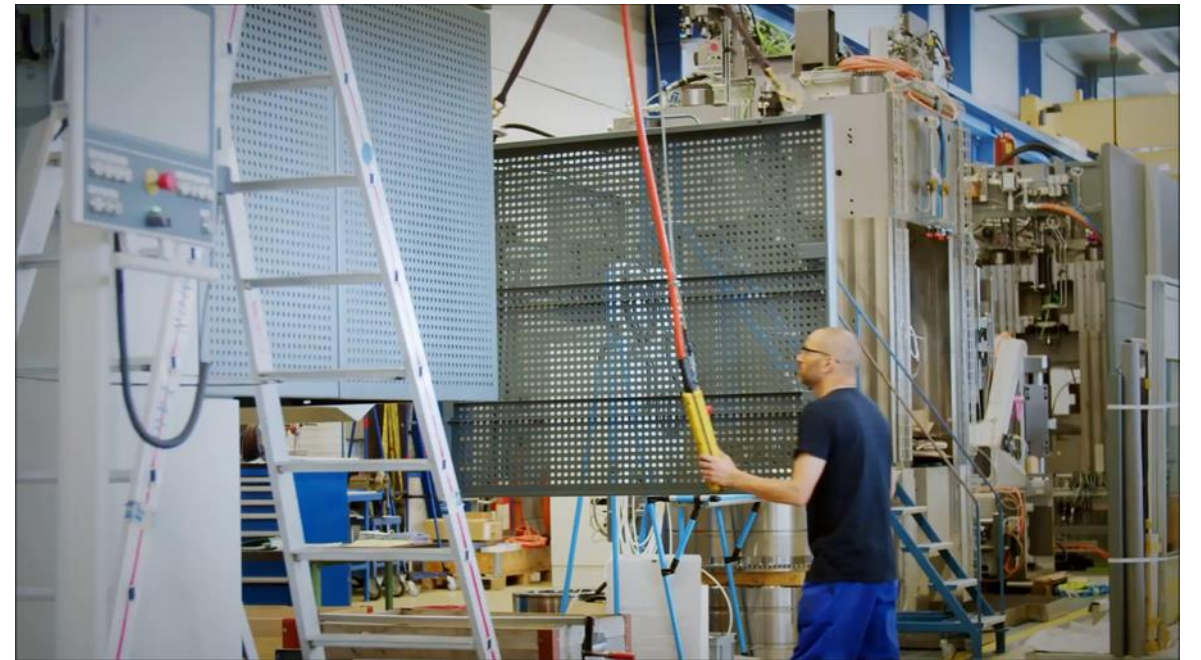
- ▶ Key fineblanking and forming nominations received (e.g. battery electric powertrain)
- ▶ Feintool drives ahead with expansion of plants for stamped engine core components in Germany and China
- ▶ In Switzerland, an FB one press of the highest performance class is producing bipolar plates for fuel cells



PREPARED FOR THE MOBILITY OF TOMORROW

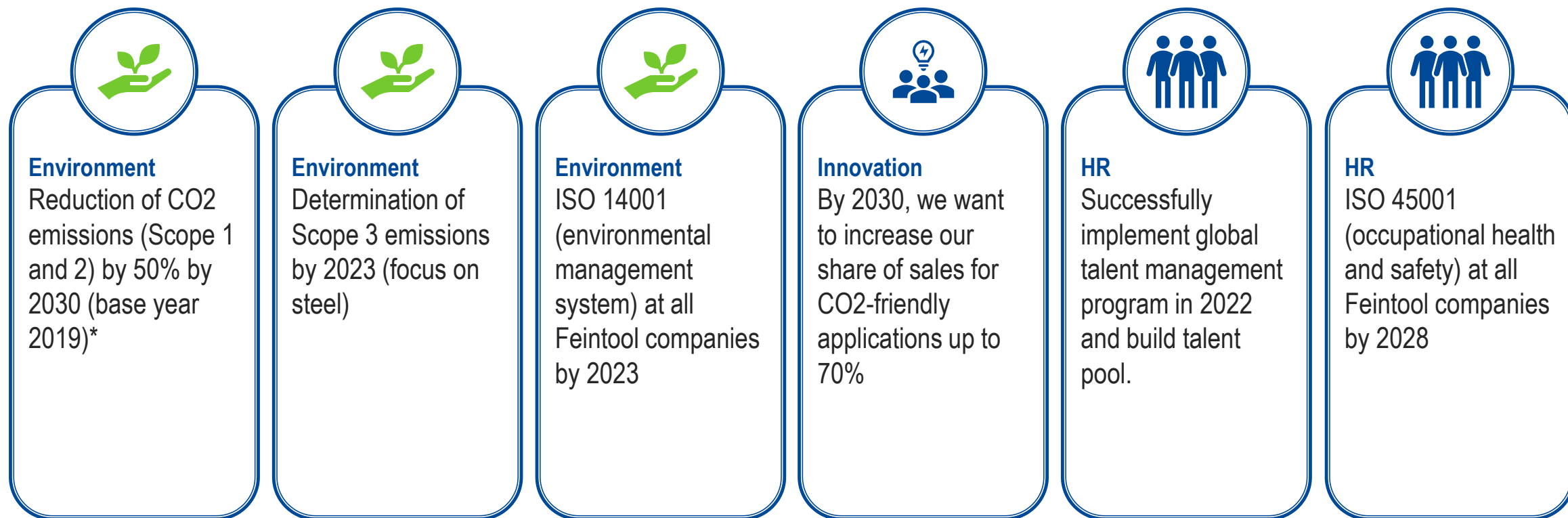
Fineblanking Technology segment: progress with innovations

- ▶ FB one press sales get a boost thanks to companies' energy management targets
- ▶ Progress made on research and development projects
 - ▶ “Wear Protection Project” with WZL/RWTH Aachen
 - ▶ “Thermal Fineblanking Project” with ETH Zurich
- ▶ Fineblanking Technology is a key innovation driver in the field of fineblanking and FEINforming for electric mobility



SUSTAINABILITY

Contribution to sustainable development: goals defined



* Prior to the integration of Kienle +Spiess



Marketing

Mission

Strategy

Vision

Growth

Business

Innovation

Financial results

PRELIMINARY NOTE

Three one-off effects recognized in the 2021 financial year

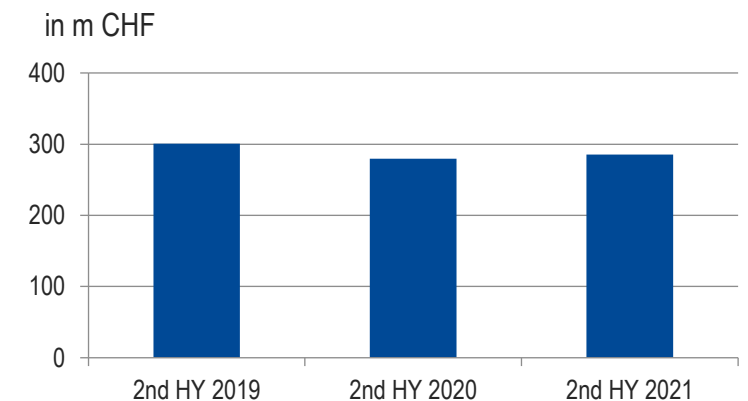
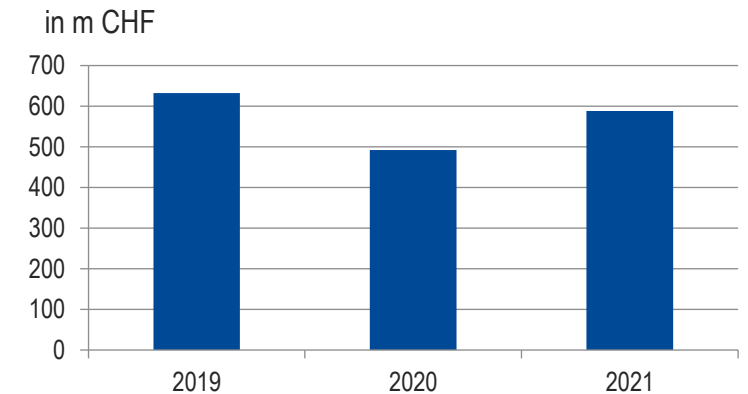
- ▶ Feintool received a loan of USD 8.4 million in the USA in 2020 under the PPP*. In the first half of 2021, the government assured Feintool that this loan would not have to be repaid. This resulted in other operating income of CHF 7.6 million
- ▶ In Switzerland, Feintool submitted applications for emergency aid for COVID-19 hardship cases. As a result, Feintool received a credit of CHF 3.9 million
- ▶ Feintool identified assets which, as expected, can no longer be fully utilized due to the company's transformation. This led to impairment losses on manufacturing equipment totaling CHF 12.1 million in the System Parts segment in Europe
- ▶ At the EBIT level, this resulted in a net negative one-off effect of CHF 0.5 million.
- ▶ These one-off effects are not taken into account in the following slides

* Paycheck Protection program

NET SALES

Strong sales growth due to volume and price increases

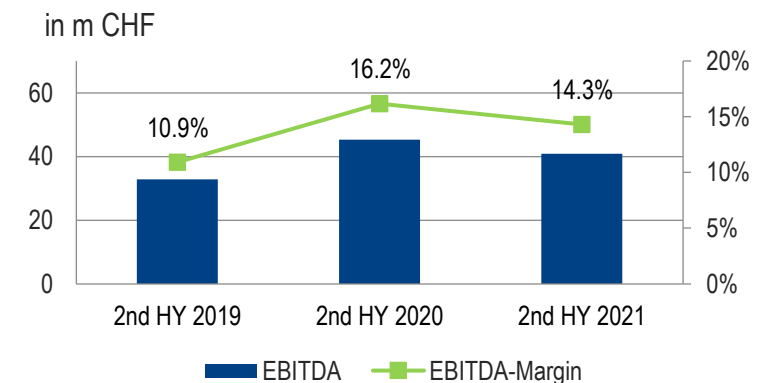
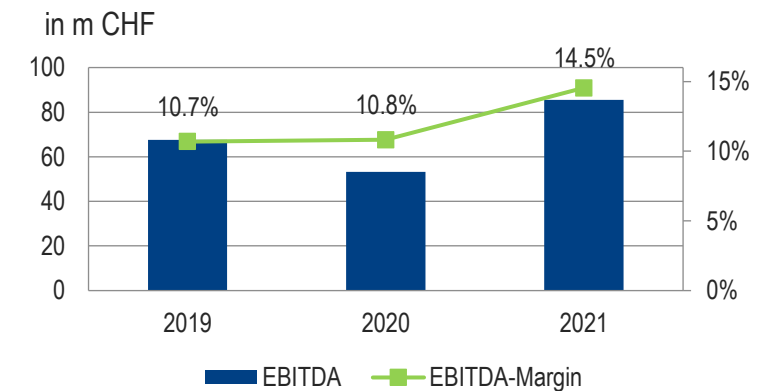
- ▶ Sales in 2021 of CHF 588.1 million, +19.6% in local currency (lc)
 - ▶ Parts business: CHF 559.8 million; +20.6% (lc)
 - ▶ Capital goods business: CHF 37.7 million; -14.5% (lc)
- ▶ Half of the growth was due to an increase in volume while the other half of the increase came from higher material prices and, consequently, higher sales prices
- ▶ Parts business comprises 94.4% of sales to third-party customers
- ▶ Sales in HY2 2021 of CHF 285.4 million stood roughly at the same level as HY2 2020 (CHF 279.7 million)



EBITDA

EBITDA margin increased significantly

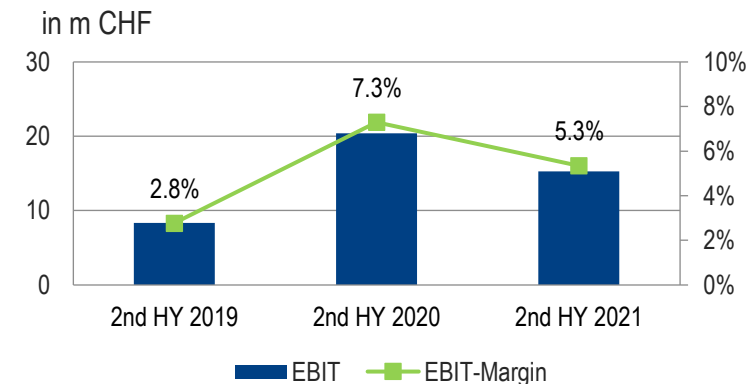
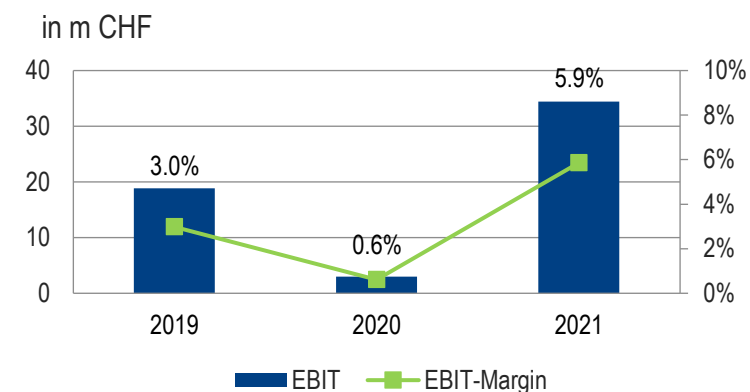
- ▶ EBITDA of CHF 85.6 million generated in 2021 (14.5% EBITDA margin)
 - ▶ Parts business: CHF 95.3 million
 - ▶ Capital goods business suffers CHF 2.5 million loss
- ▶ In addition to volume growth, operational improvements and promptly passing on higher steel prices to customers boosted margins
- ▶ EBITDA in HY2 2021 of CHF 40.9 million was slightly below HY2 2020 (CHF 45.2 million)



EBIT

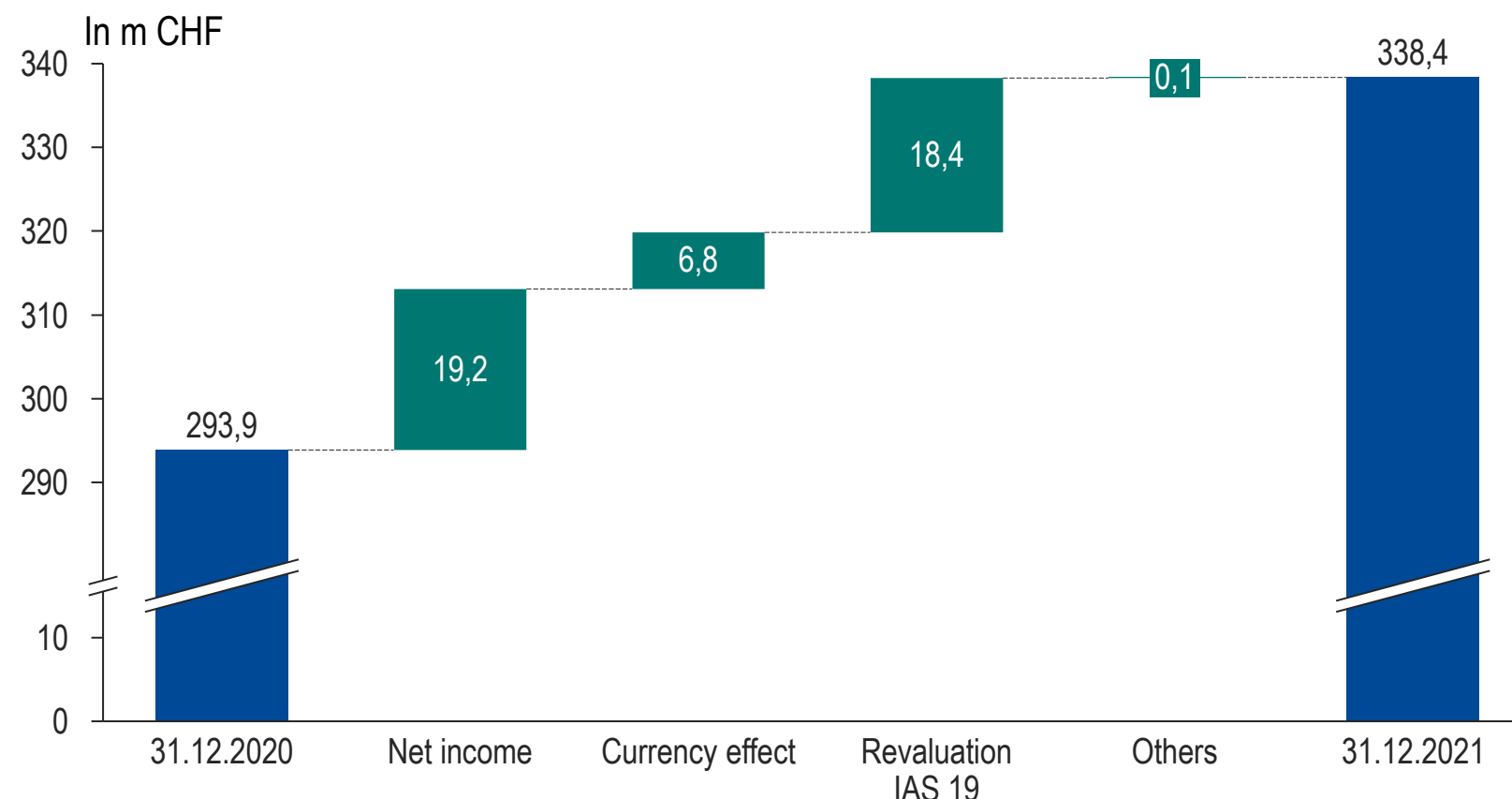
Feintool achieved an operating EBIT margin of 5.9%

- ▶ EBIT 2021 increased to CHF 34.4 million
- ▶ EBIT margin increased by 5.3 percentage points to 5.9%
- ▶ Research and development expenditures remain unchanged at CHF 4.5 million
- ▶ EBIT HY2 2021 of CHF 15.3 million thus below HY1 2021 (CHF 21.5 million) and also below HY2 2020 (CHF 20.4 million)



STRONG BALANCE SHEET

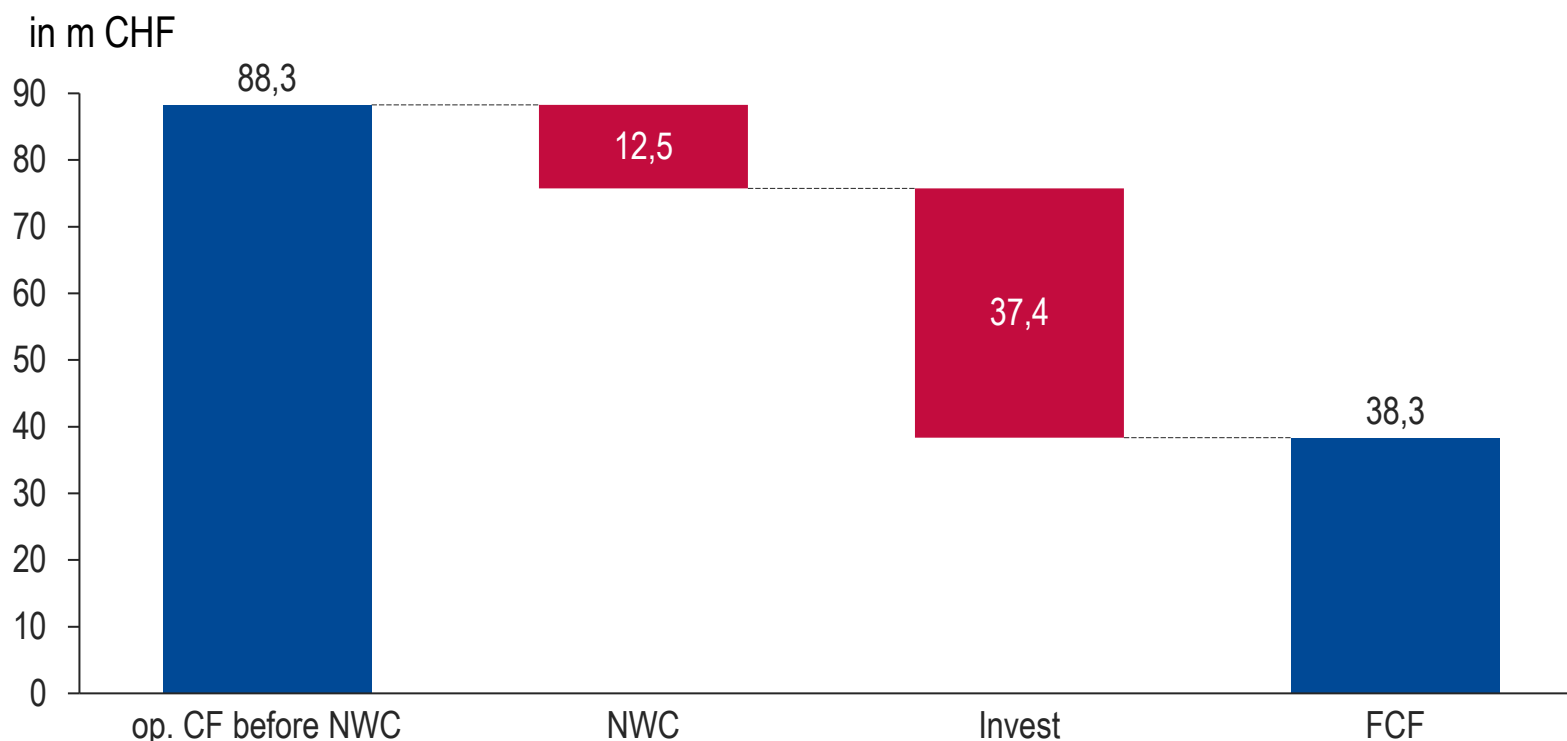
High equity ratio of 49.4% and significantly reduced net debt thanks to strong FCF



- ▶ Shareholder's equity increased to CHF 338.4 million
- ▶ Net income and the revaluation of pension obligations had a strong positive effect
- ▶ BoD proposing to AGM an equity offering of CHF 200 million (to refinance the purchase price of K+S as well as future capital expenditures)

CASH FLOW

Very strong free cash flow (FCF) of CHF 38.3 million



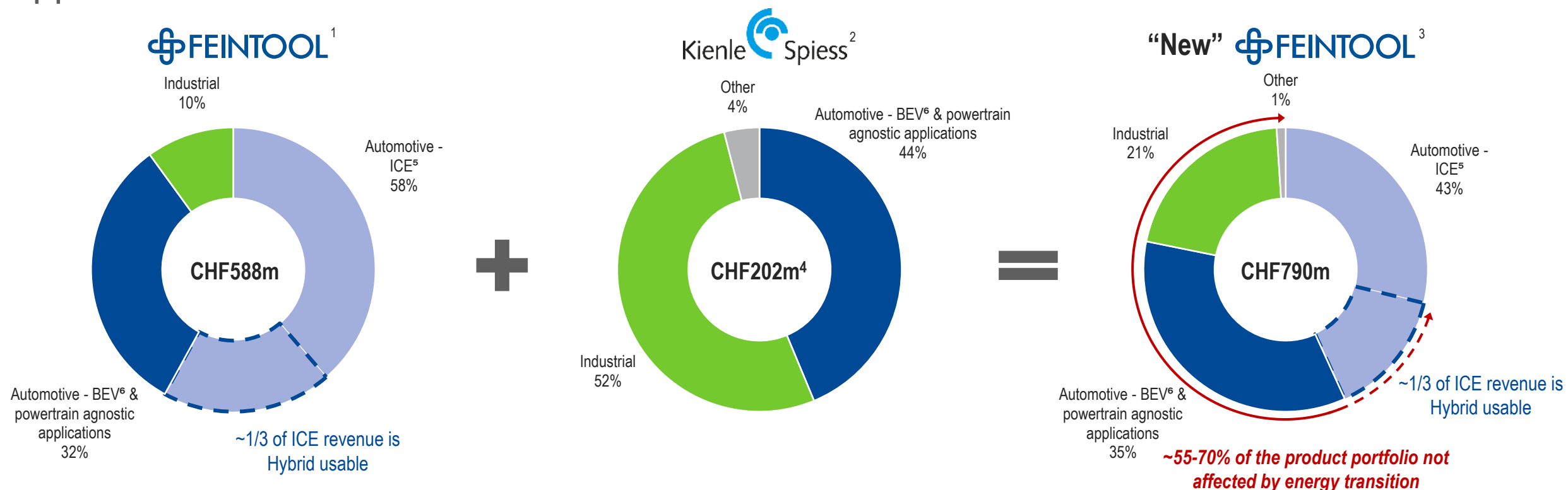
- ▶ Higher steel prices resulted in increased net working capital
- ▶ Operating business was able to fully cover capital expenditures
- ▶ Cash and cash equivalents and available confirmed lines of credit total CHF 162.6 million

Deeper insight on Acquisition of Kienle + Spiess

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KIENLE + SPIESS (“K+S”) IS A HIGHLY STRATEGIC ACQUISITION

K+S represents a step-change in repositioning Feintool towards e-powertrain applications for automotive and industrial end-markets



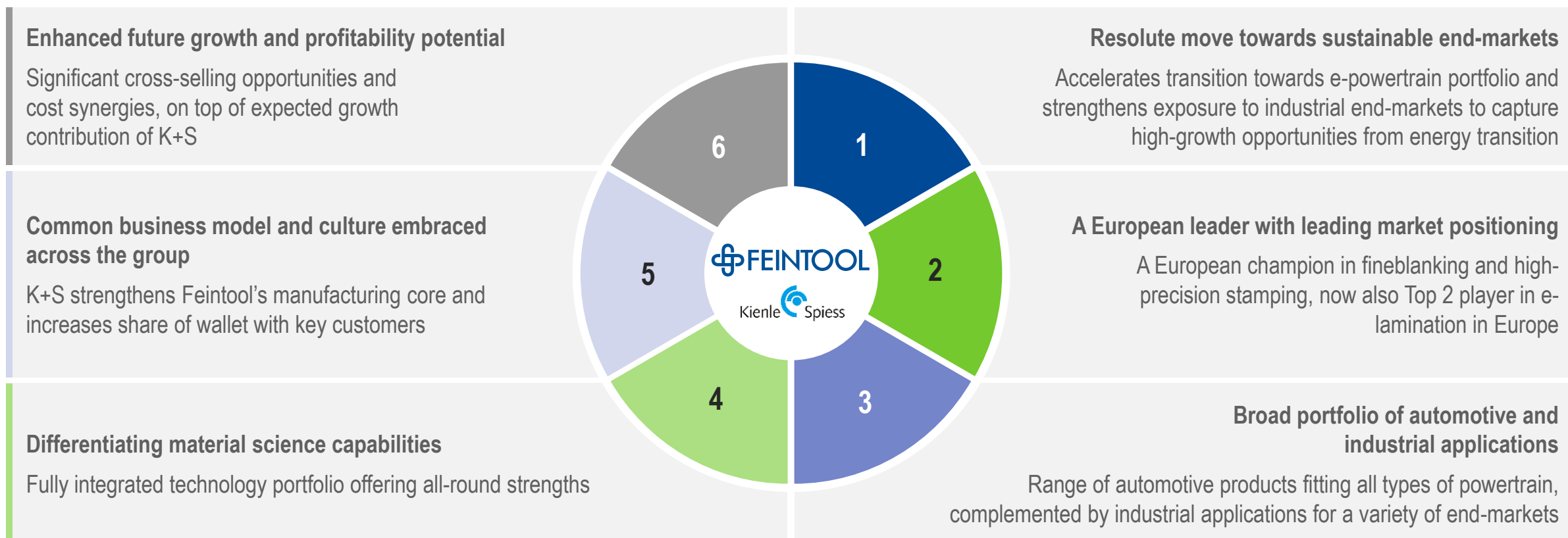
KIENLE + SPIESS SPECIALIZES IN ROTORS AND STATORS FOR ELECTRIC VEHICLES AND INDUSTRIAL APPLICATIONS

K+S is a market leader in its niches based on strong technological expertise

End-markets	Product examples		Applications	Main selling propositions	
Automotive	ASM ¹	PMSM ² radial flux	<ul style="list-style-type: none"> ▶ Traction motors ▶ Hybrid motors ▶ EV⁵ motors ▶ Cooling fan module ▶ Steering/EPS⁶ motors ▶ Turbo/Supercharger booster ▶ Electromechanical Active Roll Control ▶ Electrical cooling pumps 	Fully automatic production ensured	
	EESM ³	DC ⁴ motors		Universal dies for prototyping	
				Long-term experience in automotive segment	
Industrial and renewable energy	ASM ¹	PMSM ²	<ul style="list-style-type: none"> ▶ ASM: industrial motors, pumps, fans, spindle drives for machine tools, forklift trucks, shutter motors ▶ Special applications: trains, generators, pumps, wind energy, hydropower ▶ PMSM: industrial motors, pumps, ventilation, white goods, generators, wind energy, power tools ▶ DC motors: wind energy, generators, industrial motors, forklift trucks, power tools 	Smart laser cell	Blank & Notching
	Special applications	DC ⁴ motors		Tailor made customer tools	Patented production methods
				Customer specific tool design	Armature series

COMPELLING COMBINATION TO DELIVER LONG-TERM VALUE FOR FEINTOOL SHAREHOLDERS

Transaction rationale

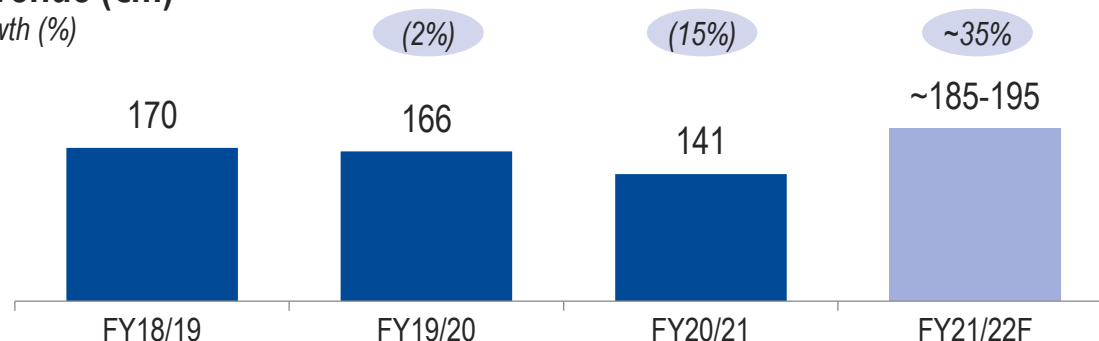


KIENLE + SPIESS WELL ON TRACK ON POSITIVE PROFITABILITY TRAJECTORY

Historical profitability of K+S reflects transition from industrial player to high-quality e-automotive supplier

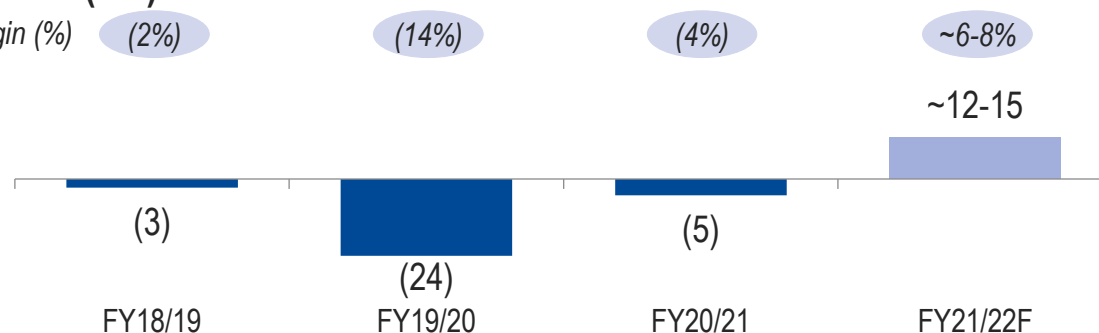
Revenue (€m)

Growth (%)



EBITDA (€m)

Margin (%)



- ▶ Historical revenue and profitability profile reflects transformation of K+S from an industrial player into a fully-fledged e-automotive supplier, able to meet the high quality standards and safety requirements of global OEMs
- ▶ As new owner, Feintool's expertise will accelerate completion of this transition
- ▶ In FY21/22, K+S is expected to achieve substantial revenue growth, mainly driven by EV demand and market share gains in the industrial and renewable energy end-markets. Operating leverage and the turnaround program nearing completion is expected to result in positive FY21/22 EBITDA, with a clear path to further sustainable EBITDA growth going forward

ENHANCED FINANCIAL PROFILE

Significant revenue potential improving Feintool's overall profile

Synergy areas		Description
Revenue		<ul style="list-style-type: none"> ▶ Currently K+S operates exclusively in Europe, but production capacity and salesforce of Feintool in the US and APAC can be leveraged to start selling K+S products in these regions ▶ This geographical expansion is expected to lead to material revenue synergies
Cost synergies	Material costs	<ul style="list-style-type: none"> ▶ Combined sourcing of raw materials will increase Feintool's bargaining power with suppliers, with the potential to lead to more advantageous purchasing conditions
	Indirect labour costs	<ul style="list-style-type: none"> ▶ Position salary (SG&A) reduced for technology transfer ▶ Additional labour costs expected to be incurred in FY25 and FY26 for additional 7-10 FTEs and production for planned revenue synergies
	Technology	<ul style="list-style-type: none"> ▶ "Glulock" technology has potential to displace the currently used baking process for bonding. Without acquisition of K+S, Feintool would have to either license or develop such technology
~€3-5m cost synergies between 2022 & 2025 ¹		

UPDATE ON ENVISAGED CHF 200M EQUITY RAISING

CHF 200m equity raising is expected to put Feintool on strong financial footing as basis for future growth

- ▶ CHF 200m equity raising via discounted rights issue planned for Q2 2022
- ▶ Main shareholder Artemis has committed to fully exercise its subscription rights and underwrite the rights issue up to the full amount
- ▶ Proceeds are intended to be used to repay the acquisition bridge loan used to finance the K+S acquisition, and for general corporate purposes including investments in growth projects at K+S
- ▶ Further details about the rights issue will be provided to shareholders ahead of the AGM on 28 April 2022
- ▶ UBS will be acting as Global Coordinator and Joint Bookrunner, Zürcher Kantonalbank as Joint Bookrunner

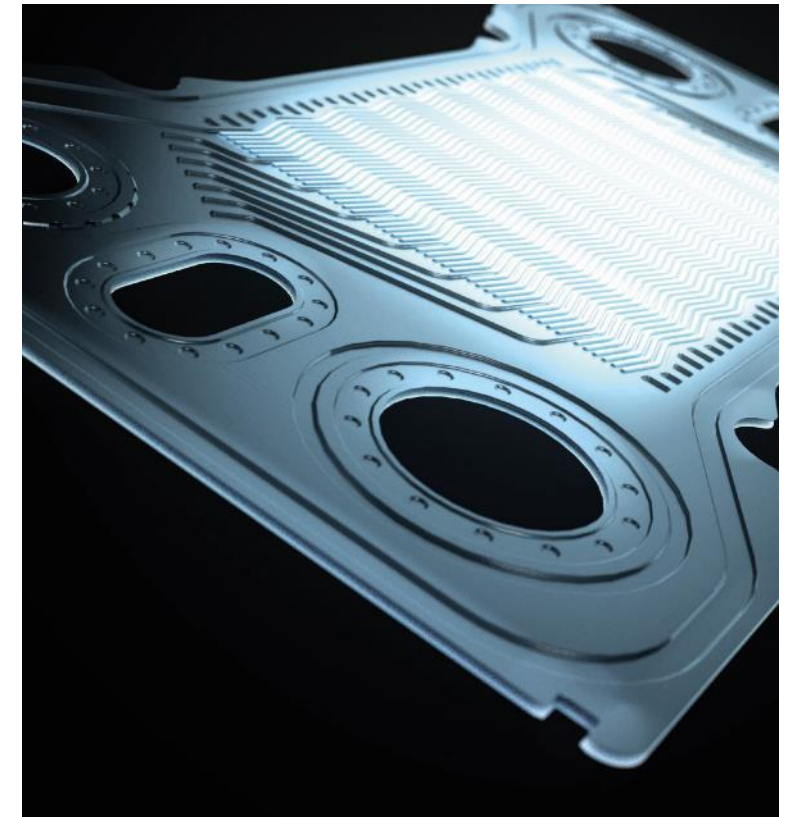


Outlook

EXPLOITING OUR TECHNOLOGY POTENTIAL

Growing with the market by offering the right products and technologies

- ▶ Exploit transformation potential for Feintool
- ▶ Secure additional components in e-vehicles:
 - ▶ Electric motors, batteries, fuel cells
- ▶ Develop metallic bipolar plates for fuel cells to market readiness
- ▶ Prepare new product launches in acquired customer projects from all regions for fineblanked, formed, and electrolamination parts for the automotive industry
- ▶ Industrialize increased order volume in the field of hybrid engines and products outside the drivetrain



OUTLOOK

Operational measures

Market position

- ▶ Expand Feintool's market position with Kienle + Spiess
- ▶ Expand presence with main drives for EV in China
- ▶ Strengthen market position in renewable energy (rotor/stator)
- ▶ Accompany Japanese OEM/Tier 1 suppliers into the relevant markets

Innovations

- ▶ SOP FB one for metallic bipolar plates
- ▶ Fineblanking electrolaminations for greater range efficiency
- ▶ Technology enhancements in rotor/stator production
- ▶ Expand fineblanking and forming components for EV

Organization/efficiency

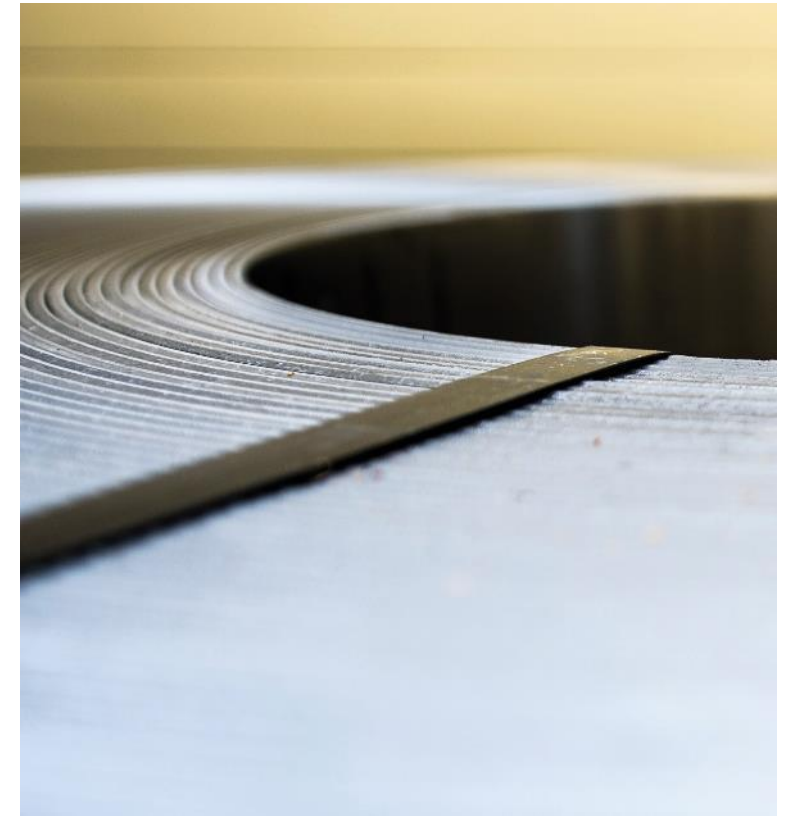
- ▶ Cash flow optimization and investment limits where appropriate
- ▶ Increase efficiency of current production lines
- ▶ Continue standardizing and digitizing processes
- ▶ Carry out equity offering
- ▶ Integration of Kienle + Spiess

GUIDANCE

Significant increase in sales with slightly lower profitability compared to previous year

Feintool expects the recovery to continue in the 2022 financial year. At the same time, however, uncertainties in the global supply chains will continue to persist. The semiconductor shortages relevant to the automotive industry and the uncertainty surrounding raw material and energy prices are weighing particularly heavily on our industry.

Barring any unforeseen circumstances, Feintool expects to generate sales of over CHF 800 million and an EBIT margin of over 3% for the year 2022 as a whole.



Expanding Horizons

Achieving new dimensions together
with fineblanking, forming and
e-lamination stamping

Feintool Group
Thank you for your attention



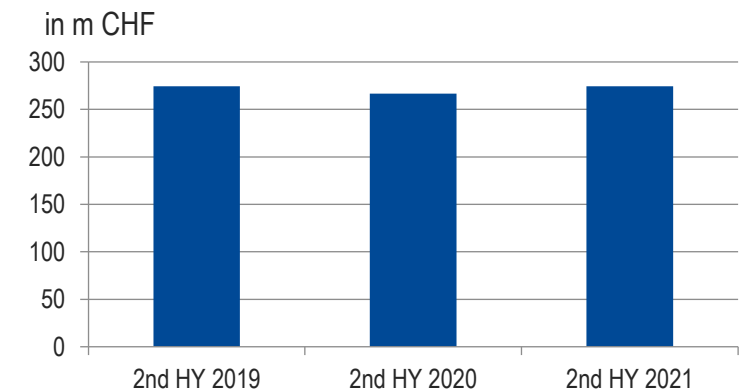
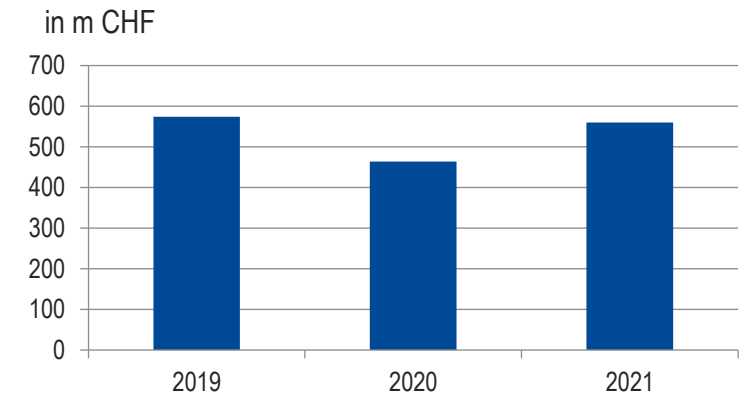
Appendix

SYSTEM PARTS

Solid sales performance in all regions

- ▶ Sales in 2021 of CHF 559.8 million; +20.6% (lc)
 - ▶ Europe: CHF 312.2 million; +13.6% (lc)
 - ▶ USA: CHF 170.1 million; +35.4% (lc)
 - ▶ Asia: CHF 77.7 million; +15.6% (lc)

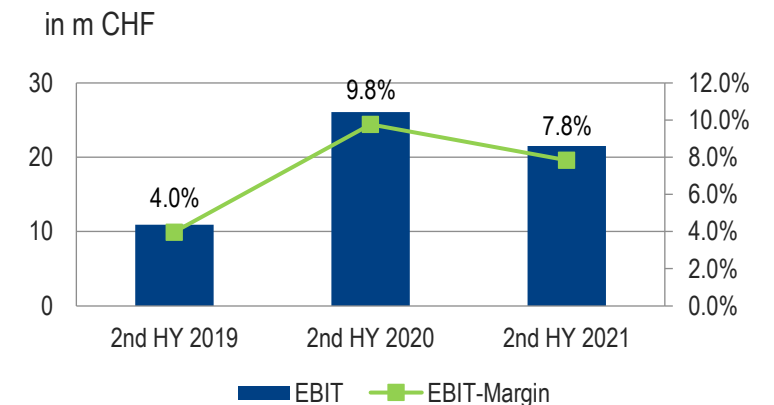
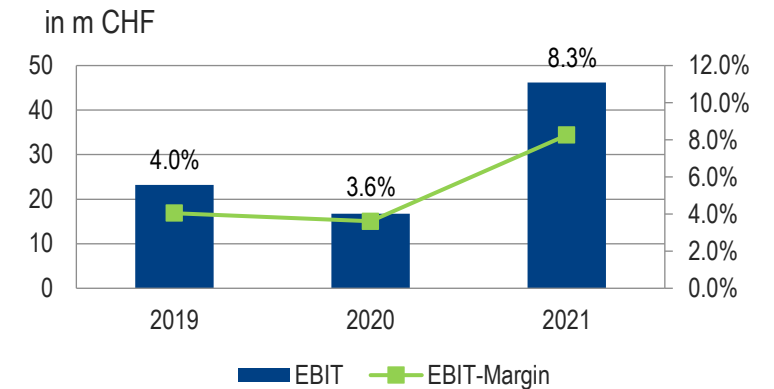
- ▶ Sales HY2 2021 of CHF 274.5 million (PY: CHF 266.8 million)



SYSTEM PARTS

Parts business highly profitable

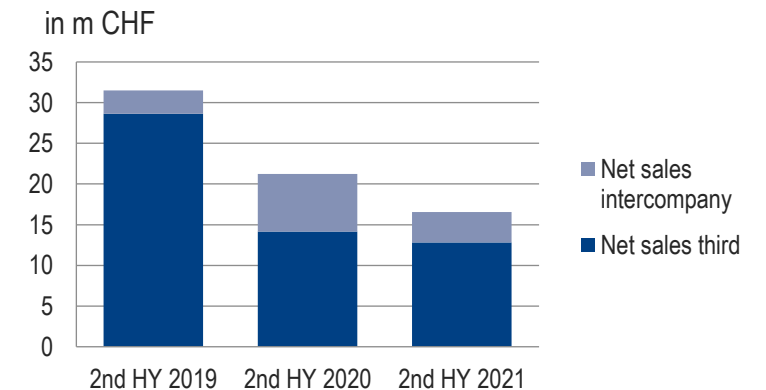
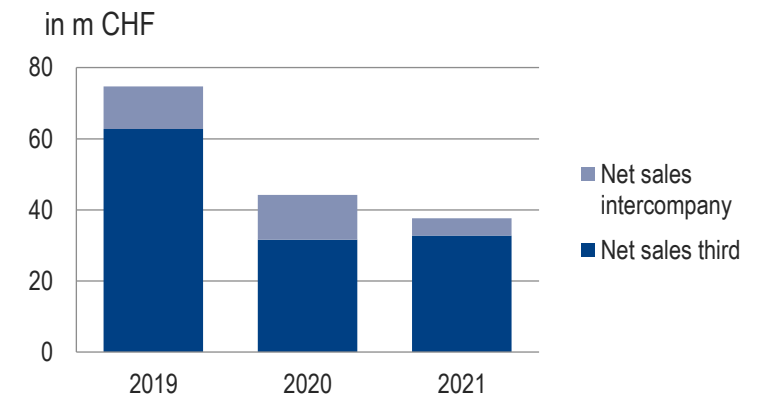
- ▶ EBIT increased to CHF 46.2 million (PY: CHF 16.7 million)
- ▶ EBIT margin increased by 4.7 percentage points to 8.3%
- ▶ Higher volumes led to better capacity utilization and increased profitability
- ▶ In addition to volatile customer releases, the expansion of e-lamination expertise, particularly in Jessen and Taicang, also resulted in additional costs
- ▶ EBIT HY2 2021 of CHF 21.5 million slightly lower than in the previous year (CHF 26.1 million)



FINEBLANKING TECHNOLOGY

Sales declined to CHF 37.7 million

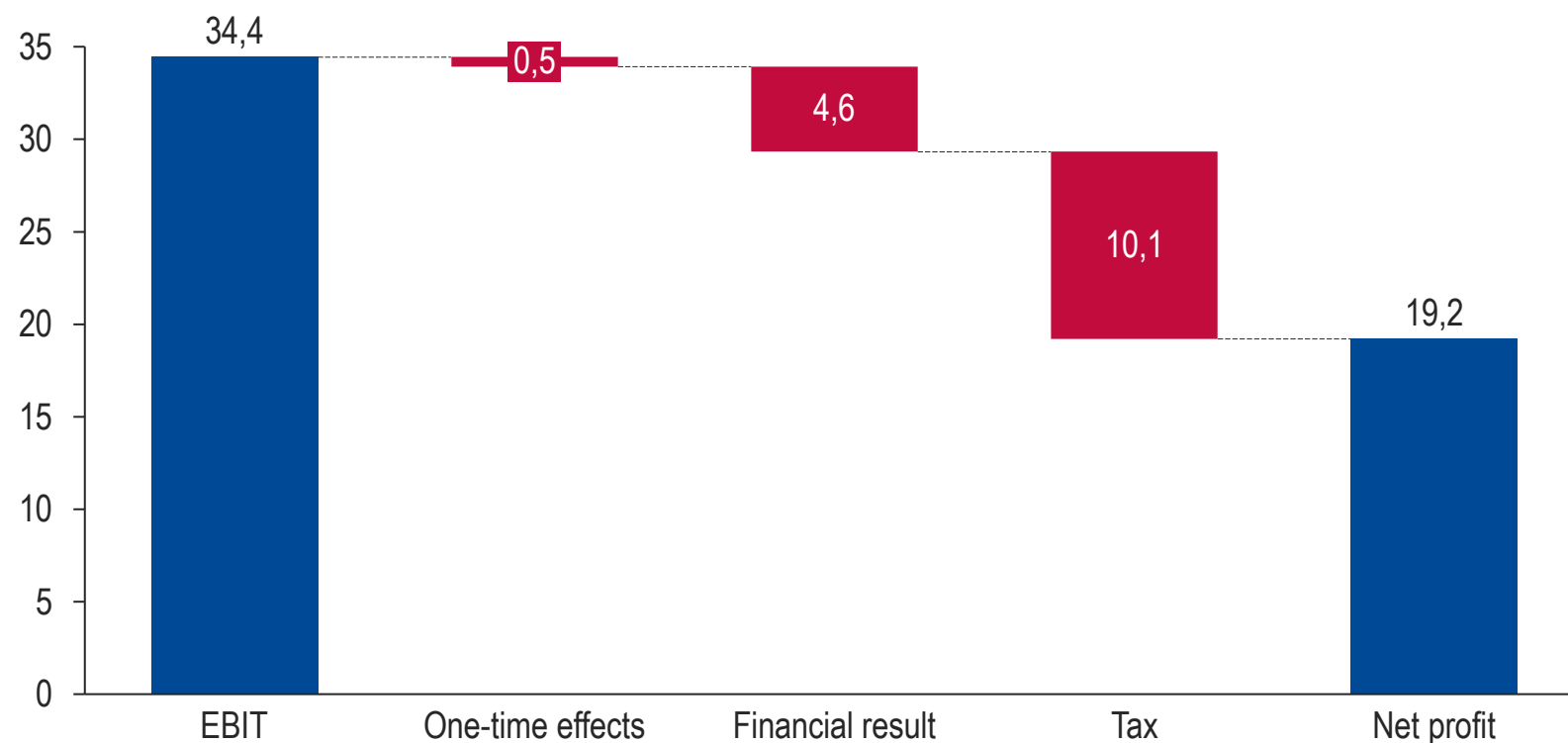
- ▶ In addition to press and tool sales only picking up very slowly, travel restrictions had a particularly negative impact on the service business
- ▶ Increase in orders received: CHF 42.7 million; +32.1% (lc)
- ▶ Sales: CHF 37.7 million; -14.5% (lc)
- ▶ EBIT clearly negative at CHF -4.3 million
- ▶ R&D expenditures unchanged at CHF 4.5 million as an investment in the future
- ▶ Order backlog of CHF 16.7 million just barely sufficient



GROUP RESULT

Clearly positive net income of CHF 19.2 million (3.3% of sales)

in m CHF



- ▶ Negative one-off effects of CHF 0.5 million
- ▶ Financial result improved by CHF 0.7 million to CHF 4.6 million
- ▶ Tax expense of CHF 10.1 million
- ▶ A dividend of CHF 1 per share will be proposed

BALANCE SHEET

Total assets of CHF 684.4 million slightly higher than in previous year

Assets	31.12.2021 in m CHF	31.12.2020 in m CHF	Difference in m CHF
Cash and cash equivalents	51.8	61.3	-9.5
Trade and other receivables	92.9	84.4	8.5
Inventories and net contract assets	102.7	78.0	24.7
Prepaid expenses and accrued income	5.7	8.2	-2.5
Total current assets	253.1	231.9	21.2
Property, plant and equipment	331.2	334.9	-3.7
Other non-current assets	100.2	110.3	-10.2
Total non-current assets	431.3	445.2	-13.8
Total Assets	684.4	677.1	7.3

- ▶ Current assets increased by 9.1% to CHF 253.1 million due to higher steel prices
- ▶ Total non-current assets decreased by 3.1% to CHF 431.3 million
- ▶ Continued high level of capital expenditures (especially in the field of e-mobility)

BALANCE SHEET

Net debt significantly reduced thanks to the strong free cash flow

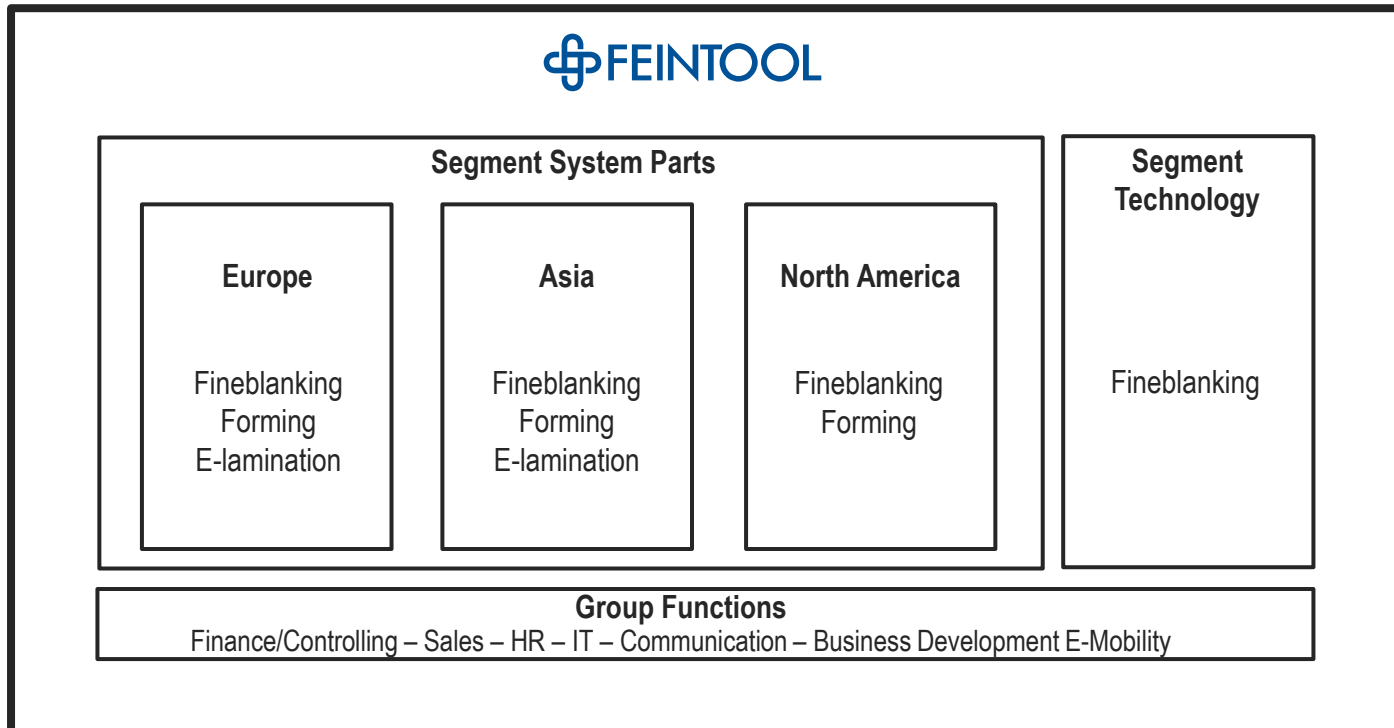
Liabilities	31.12.2021 in m CHF	31.12.2020 in m CHF	Difference in m CHF
Financial liabilities	172.5	208.2	-35.7
Other liabilities	173.5	175.0	-1.4
Shareholder's equity	338.4	293.9	44.5
Total Liabilities	684.4	677.1	7.3
Equity ratio	49.4%	43.4%	6.0%
Net debt	120.7	146.9	-26.2

- ▶ Shareholder's equity: CHF 338.4 million or 49.4%
- ▶ Net debt decreases to CHF 120.7 million due to strong free cash flow

CLEAR PATH TO INTEGRATION OF KIENLE + SPIESS INTO FEINTOOL GROUP

Integration expected to be completed within 12 months

Organisational structure Feintool



- ▶ K+S will become a business unit within Europe E-lamination
- ▶ The integration will be supported by an integration team
- ▶ Management of Feintool and K+S are deeply involved in integration project
- ▶ General Manager K+S to become member of the (extended) Feintool Global Executive Management

STRATEGY

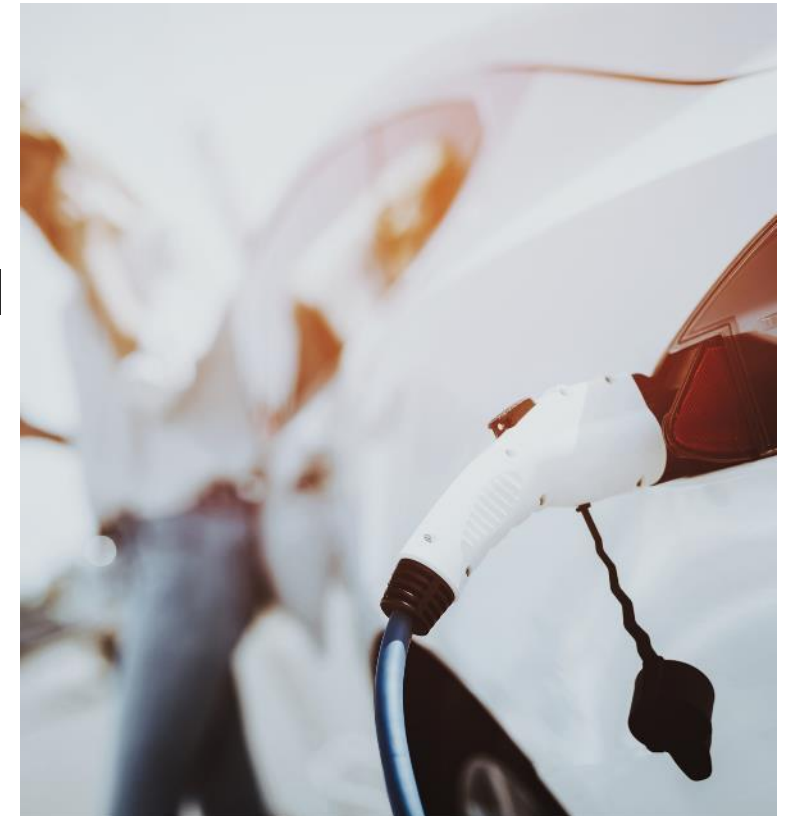
Application-agnostic with fineblanking, forming, and electrolamination stamping

- ▶ Expand the limits of fineblanking, forming, and electrolamination stamping technologies for the mobile solutions of tomorrow as a company driving innovation in these fields
- ▶ Maintain strong, long-term, and regional presence in customer markets
- ▶ Ensure the company operates highly efficient plants in all relevant markets and technologies
- ▶ Scale up technology expansion of the value chain
- ▶ Use our expertise to move with the trends changing the automotive industry
- ▶ Achieve a strong position in the production of rotor and stator packages for electric motors used in electric mobility, industry, and renewable power generation
- ▶ Increase market share in automotive seat mechanisms and drive system components

OUTLOOK

Sales increase in 2022 with risks due to semiconductor shortage

- ▶ Availability of semiconductors will improve starting in HY2 2022
- ▶ Return to 2018 level (95 million vehicles) in 2024/2025
- ▶ Catch-up effects from market demand and low vehicle inventories
- ▶ China remains largest sales market for passenger vehicles and will further expand its position with approx. 30 million vehicles by 2025
- ▶ Europe increases volume, but will stagnate at around 20 million vehicles in 2025
- ▶ Hybrids remain a transitional technology for several years and will eventually be replaced by BEVs
- ▶ BEVs will record continuous growth rates in all regions



AGENDA

Upcoming events

April 28, 2022 Annual General Meeting

April 28, 2022 Publication of the
Sustainability Report

August 28, 2022 Half-yearly report



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