Automatikgetriebe
Getriebeteile durch präzises Feinschneiden und Umformen wirtschaftlich hergestellt
AGENDA

- Key developments
- Financial results
- Outlook
- Questions and answers
- Lunch and discussions
- Presentation growth area Forming
- Detailed on-site tour Forming
- Conclusion, farewell and depart

Heinz Loosli
Thomas Bögli
Bruno Malinek
Heinz Loosli/Knut Zimmer
Key developments

Heinz Loosli
FEINTOOL IN THE FIRST HALF-YEAR 2016

Growth path continued: very good half-year results

- Sales increased in first half-year by 14.3% to CHF 278.5 million
- Currency-adjusted sales growth 9.8%
- Market and competitive environment remains attractive, low oil prices and interest rates are helping to stimulate demand
- Increasing capacity utilization of new investments are having positive economic effects
MARKET ENVIRONMENT

Changes benefit Feintool

- Positive development in the automotive sector in our most important sales markets
- General reluctance to invest amongst SMEs. A lack of willingness to invest, globalization and often difficult succession planning are leading to a concentration on a few providers
- \(\text{CO}_2\) reduction and "fuel economy" remain growth drivers
- OEMs are increasingly outsourcing capital-intensive manufacturing processes in order to use funds for technical developments.
HIGHLIGHTS - SYSTEM PARTS SEGMENT

Successful development in forming

- Ohrdruf, Obertshausen and Nashville focused on cold forming components for the drive train
- Setting into operation a highly modern, powerful servo transfer press in Ohrdruf
- The nominations for the additional capacity of this major investment have already been received.
HIGHLIGHTS - SYSTEM PARTS USA SEGMENT

New generation of gear boxes as growth driver

- Sales in Nashville doubled within two years
- Most advanced operation of its kind in the USA
- Nominations for additional growth received; the necessary capacities will be available from 2017
HIGHLIGHTS - SYSTEM PARTS USA SEGMENT

Feintool supplies for all large OEMs

<table>
<thead>
<tr>
<th>Transmission Type</th>
<th>OEMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-gear transmission</td>
<td>Jeep, Dodge, Cadillac,</td>
</tr>
<tr>
<td></td>
<td>Chevrolet</td>
</tr>
<tr>
<td>9-gear transmission</td>
<td>Jeep, Chrysler, Land Rover, Ford</td>
</tr>
<tr>
<td>Continuous variable</td>
<td>Chevrolet</td>
</tr>
<tr>
<td>transmission (CVT)</td>
<td></td>
</tr>
</tbody>
</table>

Half-Year Media Conference Feintool-Group, 23 August 2016
HIGHLIGHTS - SYSTEM PARTS EUROPE SEGMENT

20.4% growth

- Above-average growth thanks to new products for reduction of CO₂ emission
- Optimization and refocusing of our production plant in Lyss on track
- Factory in Lyss reaches break-even old
- CHF 6 Mio. invested in optimization and expansion of the new Oelsnitz factory
- Investments enables increased focus of the factories Lyss and Jena on their core applications and creates additional capacities
HIGHLIGHTS - SYSTEM PARTS ASIA SEGMENT

Position in Asia determined

- Production plant in Taicang (CN) achieves a break-even result for the first time
- Significant nominations in China have been acquired
- Decision for the expansion of the production area for new orders
- In addition, alignment to Chinese OEM and Tier1
- Japan: Increase in sales and profits
- Technical innovation creates win-win situation: Cost-Down-Award by Imasen
HIGHLIGHTS - FINEBLANKING TECHNOLOGY SEGMENT

Innovation impresses

- Weakness of Euro has been largely compensated thanks to optimization programs at Swiss locations
- Innovative FeinMonitoring as standard of each delivered press; intended for increase in customer loyalty and increase of sale through services
- Successful customer event at the 50-year anniversary of the press partner Schulers
Thomas Bögli
Financial Results
14. 3% growth

- Net sales of CHF 278.5 m
- CHF 11.0 m translational currency differences have a positive impact
- System Parts segment realizes 87% of Group’s net sales and drives growth
- Strong growth in Europe and USA
EBITDA

EBITDA increased 30.7%

- EBITDA of CHF 37.0 m
- EBITDA margin increased to 13.3%, highest value since the IPO in 1998
- System Parts segment reached EBITDA margin of 15.4%
- Swiss manufacturing sites strongly improved compared to last year, but still below Group’s average
EBIT

EBIT margin jumped up to 7.7%

- EBIT of CHF 21.4 m
- EBIT growth of 45.9%
- USA with highest profit share
- New factory in Oelsnitz (DE) with CHF 1.5 m loss due to high cost related to future growth
Net profit margin increased to 5.0% of net sales

- Net profit CHF 13.9 m
- Very low financial expenses due to currency exchange gains net of CHF 0.5 m
- Tax rate slightly above 30%
Sales growth of 11.5%

- Sales of CHF 44.4 m
- EBIT: CHF 2.1 m (margin: 4.8%)
- Operational improvements start to show results
- Order entry at CHF 43.0 m
- Order backlog of CHF 42.9 m secures workload for 8 months
- R&D expenses of CHF 1.9 m as investment for the future
EBIT margin substantially increased

- Net sales increased to CHF 242.1 m
- Sales growth +14.2%
- EBIT CHF 22.7 m; margin at 9.4%; growth of 34.3%
- High initial cost for future growth continue
Total assets increased by 5.1%

<table>
<thead>
<tr>
<th>Assets</th>
<th>30. 06.2016 in m CHF</th>
<th>31. 12.2015 in m CHF</th>
<th>Difference in m CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>24.5</td>
<td>31.6</td>
<td>-7.1</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>99.8</td>
<td>83.5</td>
<td>16.3</td>
</tr>
<tr>
<td>Inventories / Net assets of production i.p.</td>
<td>70.2</td>
<td>72.5</td>
<td>-2.3</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>5.2</td>
<td>3.5</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>199.7</td>
<td>191.1</td>
<td>8.6</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>208.3</td>
<td>198.1</td>
<td>10.2</td>
</tr>
<tr>
<td>Other fixed assets</td>
<td>40.9</td>
<td>37.7</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>249.2</td>
<td>235.8</td>
<td>13.4</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>448.9</td>
<td>426.9</td>
<td>22.0</td>
</tr>
</tbody>
</table>

- Total assets of CHF 448.9 m
- Net working capital increased by CHF 9.8 m to CHF 80.1 m
- Fixed assets increasing due to very high investments of CHF 25.4 m
Solid balance sheet

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>30. 06.2016 in m CHF</th>
<th>31. 12.2015 in m CHF</th>
<th>Difference in m CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest bearing liabilities</td>
<td>44. 7</td>
<td>42. 6</td>
<td>2. 1</td>
</tr>
<tr>
<td>Pension liabilities</td>
<td>76. 8</td>
<td>62. 6</td>
<td>14. 2</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>123. 5</td>
<td>113. 8</td>
<td>9. 7</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>203. 9</td>
<td>207. 9</td>
<td>-4. 0</td>
</tr>
<tr>
<td>Total liabilities and shareholders’ equity</td>
<td>448. 9</td>
<td>426. 9</td>
<td>22. 0</td>
</tr>
</tbody>
</table>

- Pension liabilities (IAS 19) increased by CHF 14.2 m to CHF 76.8 m
- Equity slightly decreased to CHF 203.9 m; Equity ratio still at a very sound 45.4%
- Net debt increased to CHF 20.1 m
**SHAREHOLDERS’ EQUITY**

Pension liabilities influenced equity

- Operational result very positive (CHF 13.9 m)
- Unchanged dividend of CHF 6.7 m
- Very strong impact of the revaluation of the pension liabilities (IAS 19)
Positive Free Cash Flow despite high capital expenditures

- Operational cash flow at CHF 23.9 m
- Investments of CHF 21.2 m
- Liquid funds and confirmed open credit lines add up to CHF 104.7 m
- New private placement of EUR 65 m successfully launched on 15 July to ensure financing of future investments
Growth needs more personnel

- 2,225 employees, strong increase in Europe
- 18% of workforce located in Switzerland
- 63 young people as trainees
Bruno Malinek
Outlook
ORGANIZATIONAL CHANGES

Bruno Malinek will be CEO as of 01 September 2016

Professional background

- Head of System Parts of Feintool Group since 01 September 2015
- 2001–2015 ElringKlinger AG: Division manager
- 1999–2001 WMU GmbH: Plant manager

Training

- Dipl.-Eng. Mechanical engineering
- Toolmaker
ADJUSTED GUIDANCE

Continuation of positive business development

- Increase of guidance assuming unchanged exchange rates
- 2016: 10% sales growth to CHF 555 million expected
- Ebit margin of 7.5%

- New medium-term goal of CHF 800 million sales with 8% Ebit margin
EXPECTATIONS FOR THE SECOND HALF-YEAR 2016

Buoyant automotive market on-going

- USA is again expecting sales of 17.8 million vehicles*
- No significant influence of growth slow-down in China expected
- Europe on stable, good level
- Brexit has not had any noticeable impact on Feintool

*Source: IHS Status 04 March 2016
OUTLOOK

Key projects

- Focus on global purchasing optimization
- Expansion of Oelsnitz in connection with relocations
- Additional new applications to reduce CO$_2$ emissions in processing
- Development of the market segment for simpler applications with the help of a best-cost location in Eastern Europe
- New business impulses thanks to largest expert trade fair for metal processing EuroBlech in October
STRATEGIC FOCAL POINTS

Expanding horizons

- Continuation of focus strategy fineblanking and forming
- Expansion of development competency in System Parts together with fineblanking technology
- Continuation of vertical integration and globally utilizing the potential of regional innovations
- Further development of the organization to the needs of the automobile industry
- Conservative financing and healthy balance as foundation for growth and long-term customer relations
AGENDA

Next dates

25. October 2016  Results 3rd quarter
08. March 2017  Balance sheet media conference
25 April 2017*  General Assembly

* Provisional date
Engine
Diesel engine injector clamp economically manufactured with precision fineblanking

Feintool-Group
Thank you for your attention
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