

Wir erweitern Horizonte

Gemeinsam neue Dimensionen
mit Feinschneiden, Umformen und
Elektroblechstanzen erreichen

Feintool Group Financial Year 2020

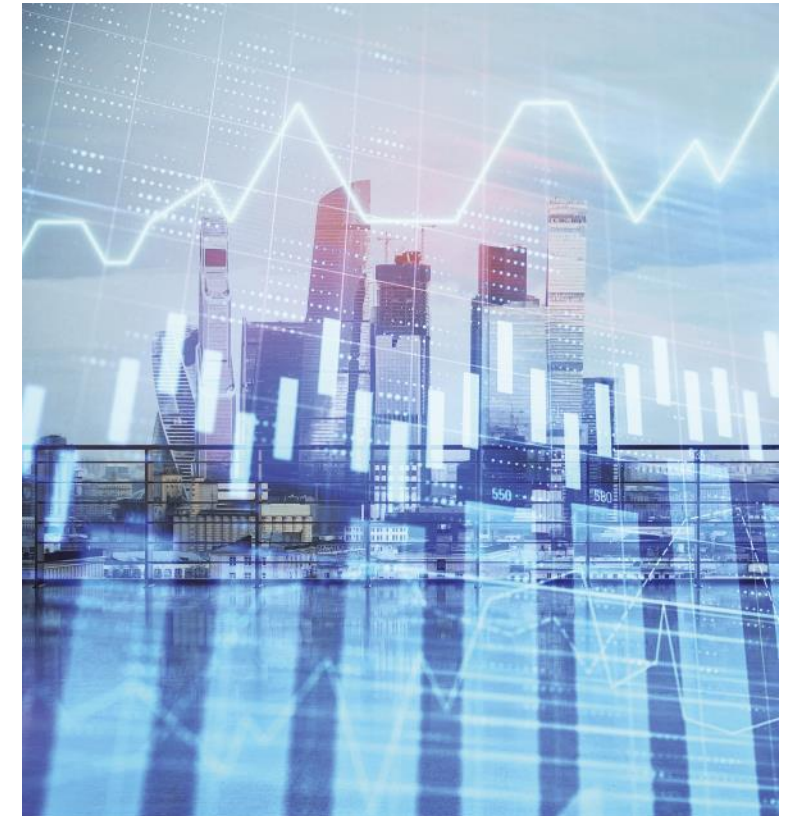
A close-up, macro photograph of a metal component, likely a part of a machine tool. The image shows a curved, cylindrical section with a series of parallel, closely spaced lines or grooves running along its length. A small, rectangular slot is visible on the inner surface of the curve. The background is a blurred, blue-toned industrial setting.

Market environment and review

MARKET ENVIRONMENT

Uncertainties due to the COVID-19 crisis

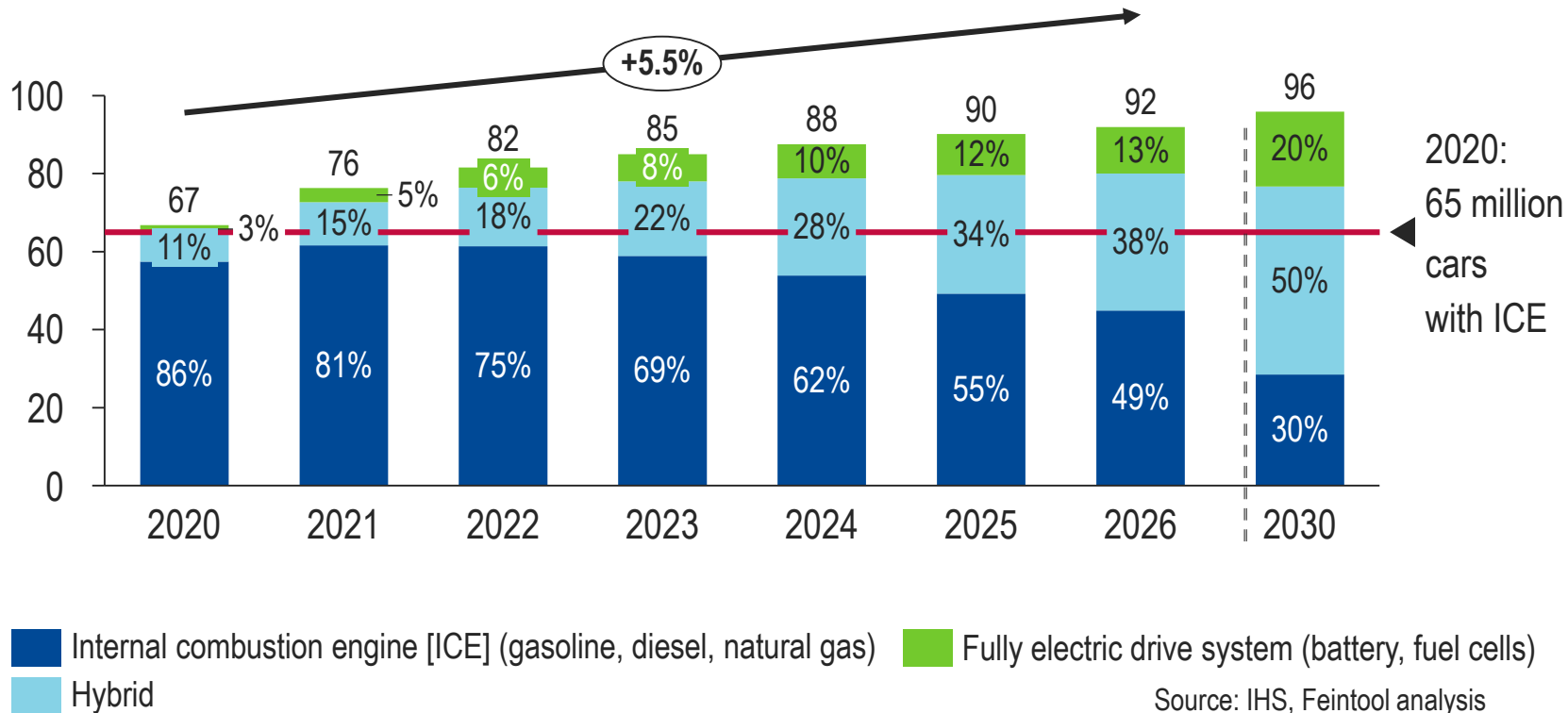
- ▶ From an economic point of view, it appears that the COVID-19 pandemic has been overcome, but uncertainty is likely to remain for some time
- ▶ The market has recovered at different rates in different regions, but globally remains below 2019 levels
- ▶ Despite a weak automotive market, electric cars (HEVs and BEVs) are selling better and better



GLOBAL CAR PRODUCTION

Good market outlook – transformation accelerating

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



- ▶ Passenger 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

FEINTOOL'S AREAS OF EXPERTISE

We process steel sheets and are partners for maximum precision and high-volume orders



REVIEW

Sales drop in first half of year; Feintool quickly took appropriate actions

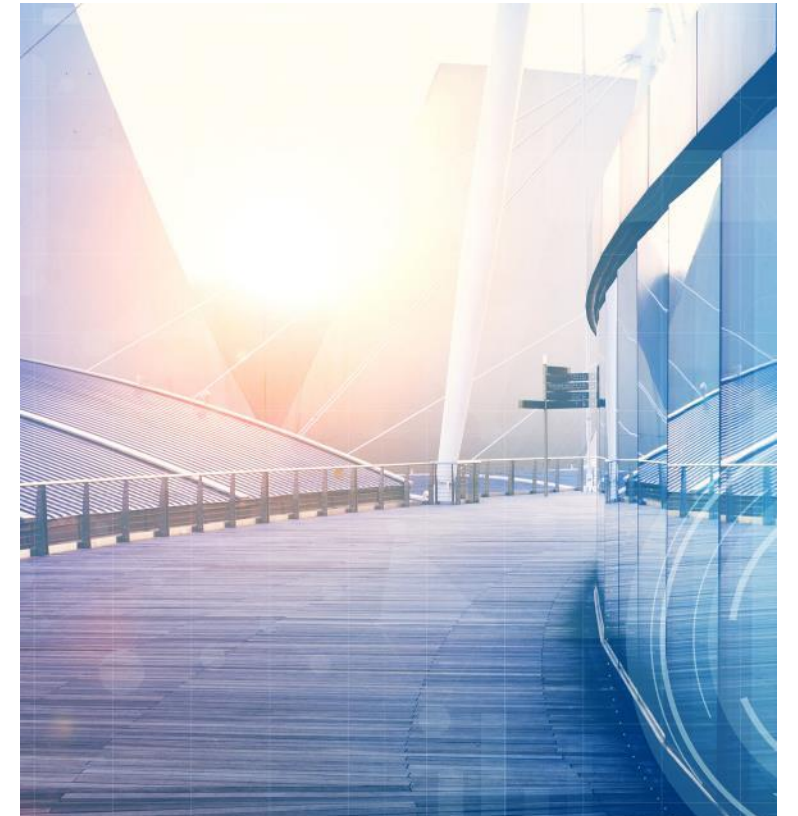
- ▶ No COVID-19 deaths at the company; only two employees worldwide with severe complications
- ▶ Short-time working schedules and staff reductions implemented
- ▶ Available production capacities used to insource manufacturing processes
- ▶ Selected capital expenditures were stopped or postponed to a later date
- ▶ Inventories of raw materials and finished goods reduced
- ▶ Subsequent decision not to distribute a dividend
- ▶ Lines of credit increased, financing secured



REVIEW

Strong business performance in the second half of the year

- ▶ Recovery staggered regionally and over time, with Asia and US ahead of Europe
- ▶ Varies depending on technology: demand for capital goods remains sluggish – customers prioritizing use of existing capacities
- ▶ Measures to increase efficiency have paid off: Feintool positioned even more cost-effectively
- ▶ Time was used to refine and enhance the “Strategy 2030”
- ▶ Number of employees has stabilized



PREPARED FOR THE MOBILITY OF TOMORROW

Achievements in the hybrid segment: opening the door to electric mobility

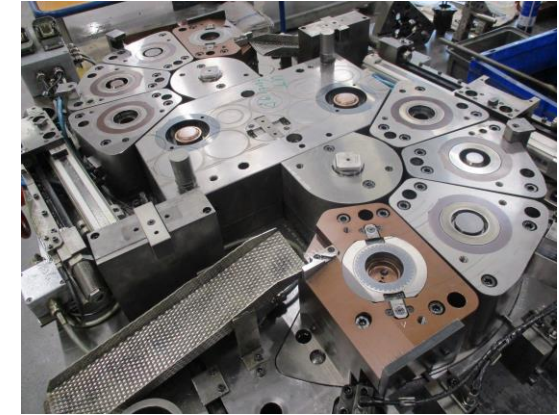
- ▶ Several nominations received for hybrid formed parts for major long-term orders
 - ▶ E-motor housing for Japanese OEM
 - ▶ Plate carrier for Belgian Tier 1 supplier
- ▶ Expansion of forming plants in Obertshausen, Germany, and Tianjin, China, paying off



PREPARED FOR THE MOBILITY OF TOMORROW

Seat components in vehicles continue to gain in importance

- ▶ Seat components in series ramp-up in Europe and the USA
- ▶ Japan expects nominations as a long-standing expert in this field
- ▶ The combination of fineblanking and forming gives Feintool a decisive lead in seat structures
- ▶ Seat adjusters guarantee safety and comfort in passenger cars



PREPARED FOR THE MOBILITY OF TOMORROW

Achievements in the field of electrolamination stamping

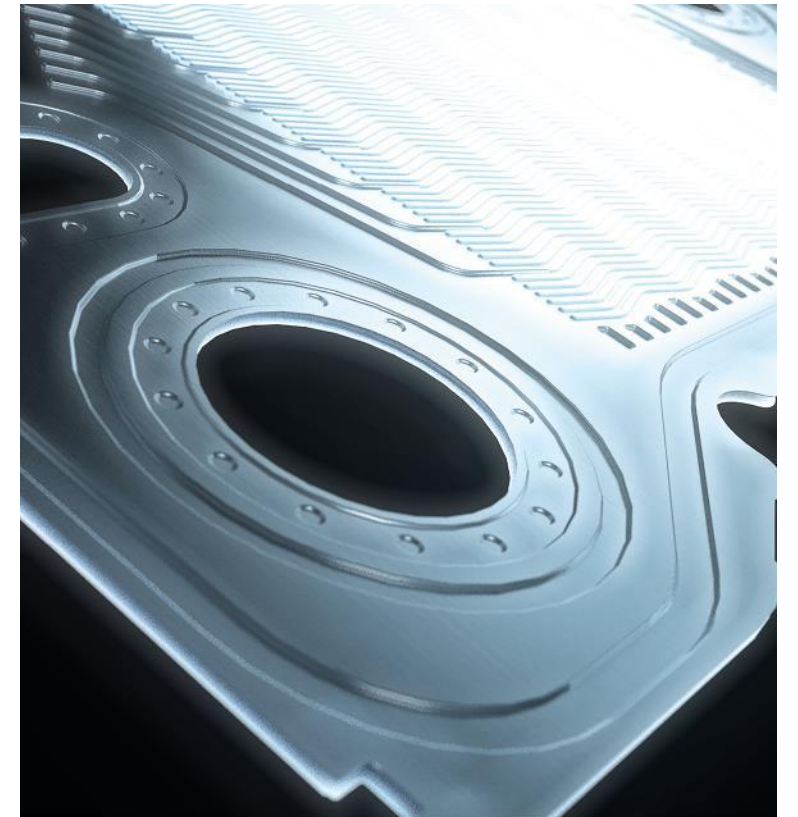
- ▶ German plant in Jessen less affected by sales drop thanks to diversified portfolio
- ▶ Orders received for numerous prototypes
- ▶ Plans approved for renovation and expansion of Jessen plant to establish a state-of-the-art automotive production facility
- ▶ Further progress in establishing e-lamination expertise at the fineblanking plant in Taicang, China



PREPARED FOR THE MOBILITY OF TOMORROW

High-precision bipolar plates for fuel cell technology

- ▶ Prototypes manufactured for several customers. In-vehicle tests currently in preparation
- ▶ Three key competencies work to our advantage:
 - ▶ Cutting-edge press systems for the production of metallic bipolar plates
 - ▶ Longterm experience in complex special tools for large quantities
 - ▶ Expertise in manufacturing parts of impeccable quality
- ▶ Financially attractive alternative: high-performance plates
- ▶ Up to 400 bipolar plates required per vehicle
- ▶ Feintool sees major market potential, primarily in commercial vehicles and stationary fuel cell systems



PREPARED FOR THE MOBILITY OF TOMORROW

Weathered the difficult market environment – ready for the market recovery

- ▶ Completed development of the FB one hydraulic press with highest performance class: 11 000 kN
- ▶ Customers test the presses with their own tools at Feintool's Press Center of Excellence in Jona
- ▶ Thermofineblanking project completed with partner university ETH Zurich
- ▶ Market recovery clearly visible



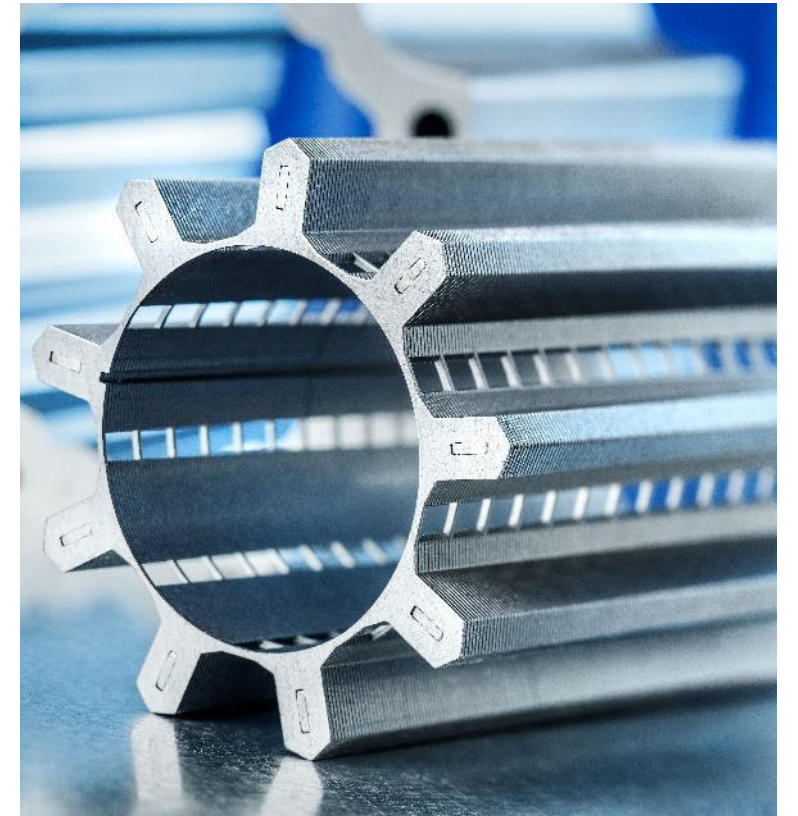


Financial Results

INTRODUCTION

Two completely different halves of the year

- ▶ The COVID-19 pandemic had a strong impact on the first half of the year. Feintool has initiated many measures so that the second half of the year has improved significantly. Therefore, the results for the second half of the year are also presented.
- ▶ In November, Feintool restructured the employee benefit scheme in Switzerland. The reduction in pension rates resulted in a one-off positive effect of CHF 6.2 million.
- ▶ Some customers decided to reintegrate certain products or production steps. This resulted in an impairment on certain production equipment amounting to CHF 5.9 million.
- ▶ These one-time effects are not included in this presentation

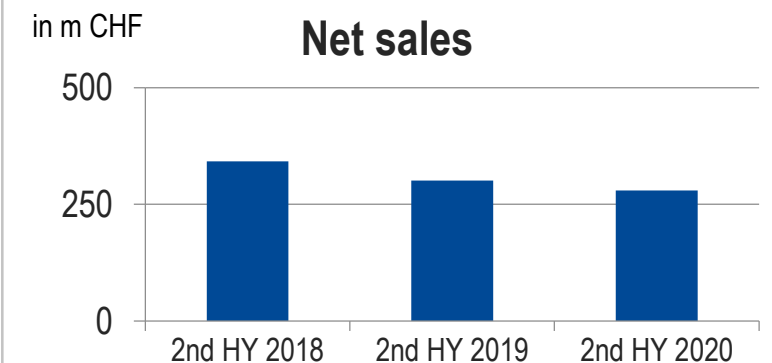
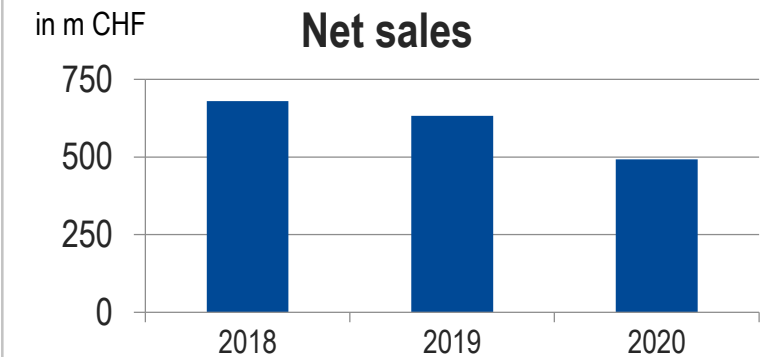


SALES

Sales at market level

- ▶ Sales 2020 of CHF 492.0 million, -19.1% in local currency (lc)
 - ▶ Parts business CHF 464.3 million; -15.7% (lc)
 - ▶ Capital goods business CHF 44.2 million; -40.6% (lc)
- ▶ Parts business realized 93.6% of third party sales
- ▶ Europe stays with 55.8% of sales most important region; Americas contributed 27.4%, Asia 16.8%.

- ▶ Sales HY2/2020 of CHF 297.7 million, -3.4% (lc)
 - ▶ Parts business CHF 266.8 million; +1.1% (lc)
 - ▶ Capital goods business CHF 21.2 million; -32.0% (lc)

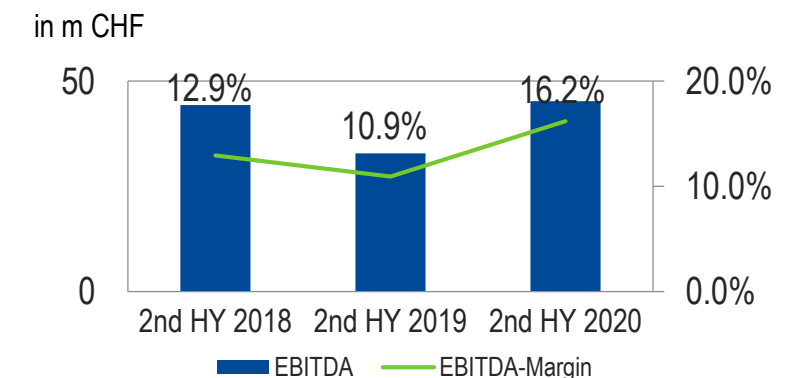
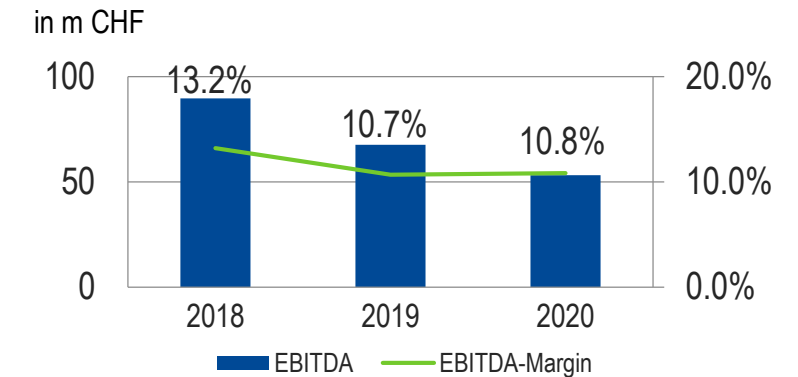


EBITDA

EBITDA-Margin slightly improved despite drop in sales

- ▶ In 2020 EBITDA reaches CHF 53.2 million, -21.3%
 - ▶ Parts business CHF 64.6 million; -8.2%
 - ▶ Capital goods business suffers a loss of CHF 3.3 million
- ▶ EBITDA-Margin increased by 0.1 percentage points to 10.8%
- ▶ Sales drop in the capital goods business was substantially higher, cost structure was more rigid.

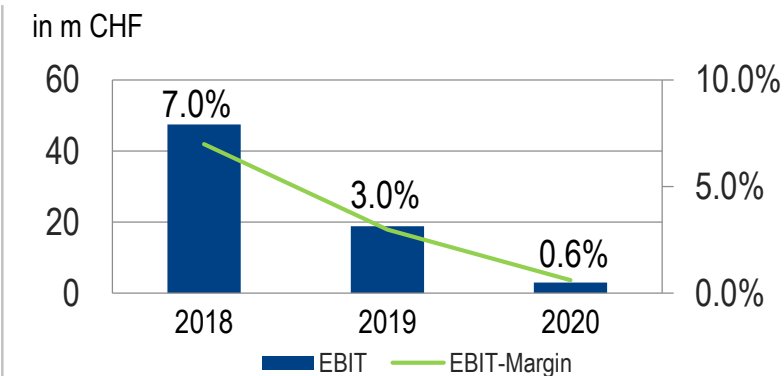
- ▶ EBITDA in HY2/2020 of CHF 45.2 million; +37.8%
- ▶ EBITDA-Margin increased by 5.3 percentage points to 16.2%



EBIT

Slightly positive operating profit (EBIT) despite massive drop in sales

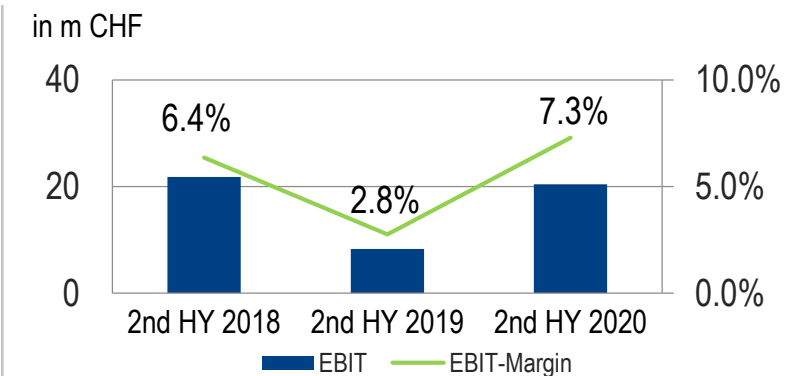
- ▶ EBIT 2020 decreased to CHF 3.0 million
- ▶ EBIT-Margin sank by 2.4 percentage points to 0.6%
- ▶ Sales decline weighs heavily on earnings due to underutilization
- ▶ Cost adjustments to actual capacity needs were sometimes late or had a delayed impact
- ▶ Depreciation has a disproportionate effect
- ▶ Investments in research and development were unchanged at CHF 4.4 million



EBIT

EBIT-margin reached 7.3% in HY2/2020

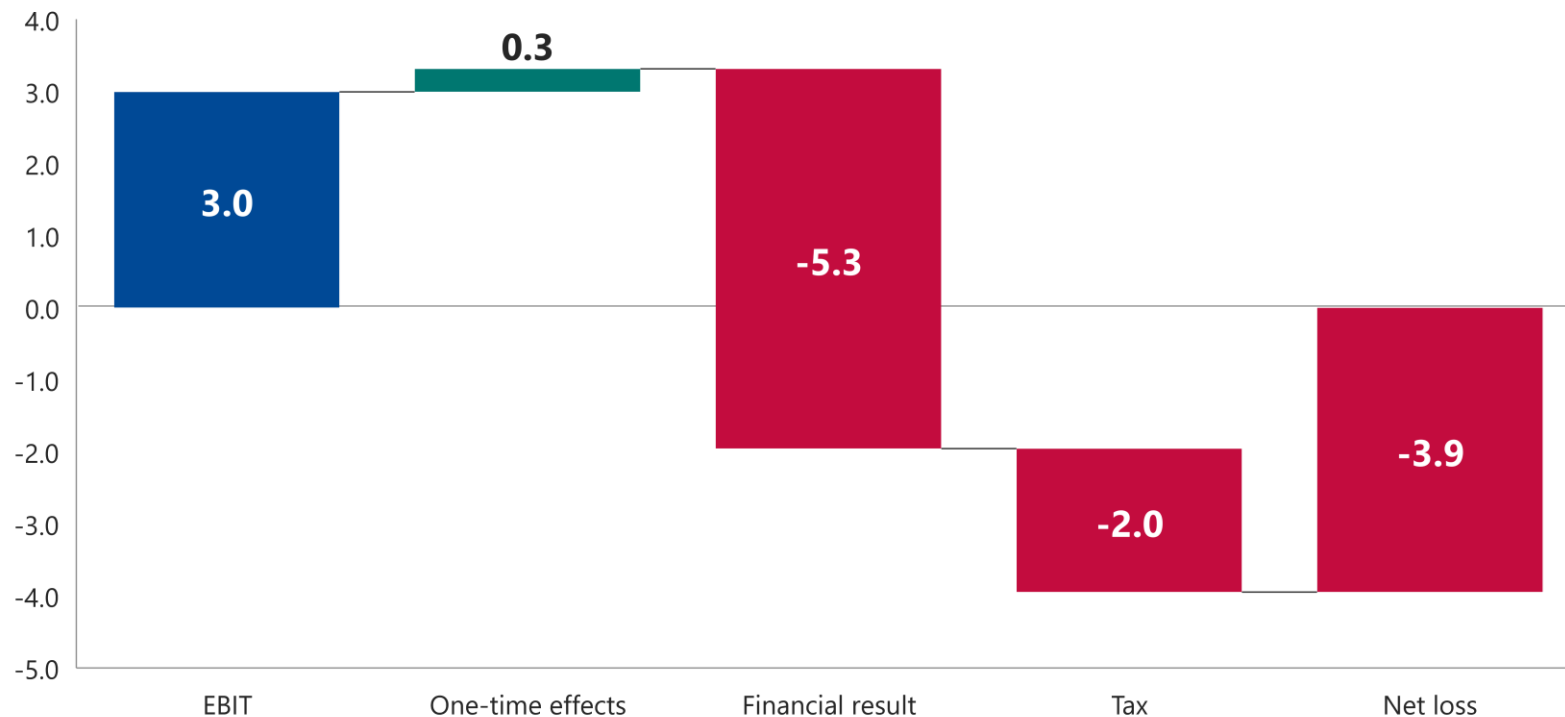
- ▶ EBIT reached CHF 20.4 million in HY2/2020; more than two times the 2019 figure
- ▶ EBIT-Margin increased by 4.5 percentage points to 7.3%
- ▶ Increases in efficiency and cost savings - especially in the parts business – had a positive effect



NET RESULT

Net result shows a loss of CHF 3.9 million

in m CHF

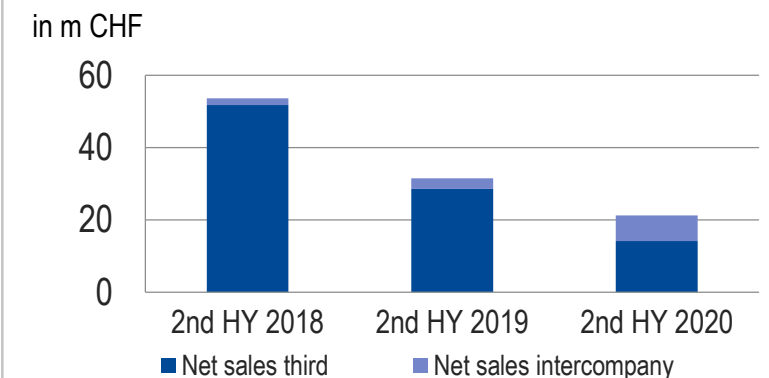
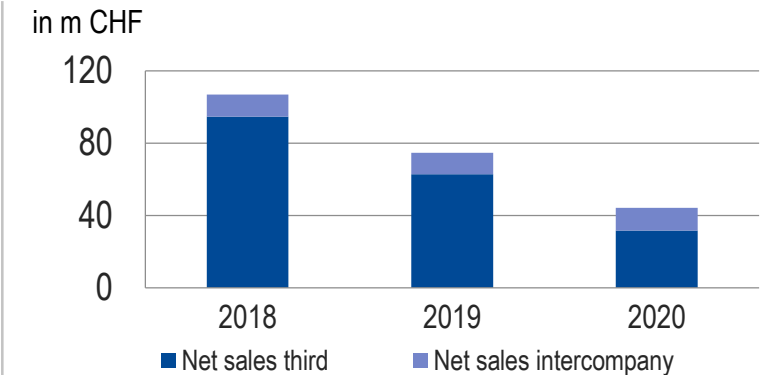


- ▶ Positive one-time effect of CHF 0.3 million
- ▶ Finance costs rose by CHF 1.6 million to CHF 5.3 million
- ▶ Tax expense of CHF 2.0 million despite negative earnings before taxes
- ▶ No dividend proposed
- ▶ Net result of CHF 13.6 million in HY2/2020, Net-margin of 4.9%

FINEBLANKING TECHNOLOGY

Sales collapsed to CHF 44.2 million

- ▶ The global economic slowdown causes a slump in incoming orders and sales
- ▶ Incoming orders: CHF 32.5 million; -46.1% (lc)
- ▶ Sales: CHF 44.2 million; -40.6% (lc)
- ▶ EBIT clearly in the red at CHF 4.9 million
- ▶ R&D expenditure unchanged at CHF 4.4 million as an investment in the future
- ▶ Insufficient order backlog of CHF 10.7 million. Jona factory with short-time work until further notice

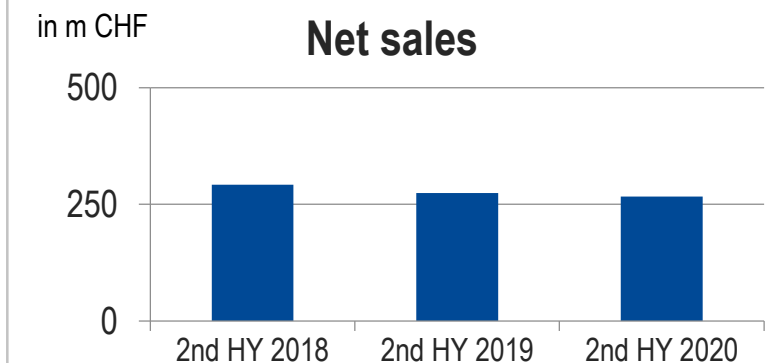
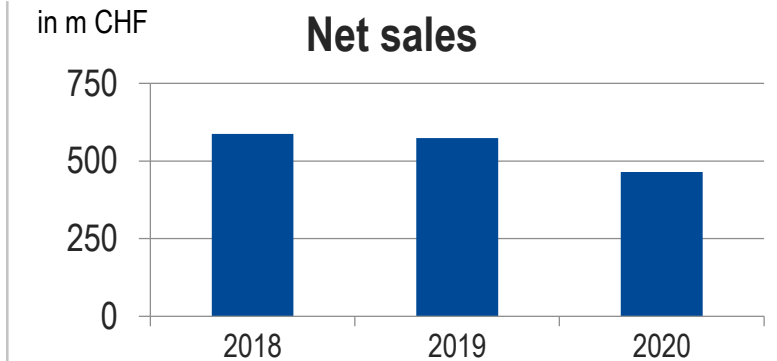


SYSTEM PARTS

Sales in Europe und the Americas at market level – in Asia substantially higher

- ▶ 2020 sales of CHF 464.3 million; -15.7% (lc)
 - ▶ Europe CHF 273.0 million; -15.4% (lc)
 - ▶ America CHF 127.9 million; -21.4% (lc), lower steel prices impacted sales by approximately five percentage points
 - ▶ Asia CHF 66.5 million; -2.6% (lc)

- ▶ HY2/2020 sales of CHF 266.8 million; +1.1% (lc)
 - ▶ Europe CHF 152.2 million; -0.5% (lc)
 - ▶ America CHF 74.6 million; -0.8% (lc), without steel price impact approximately +4%
 - ▶ Asia sales increased based on new products to CHF 42.0 million; +10.5% (lc)

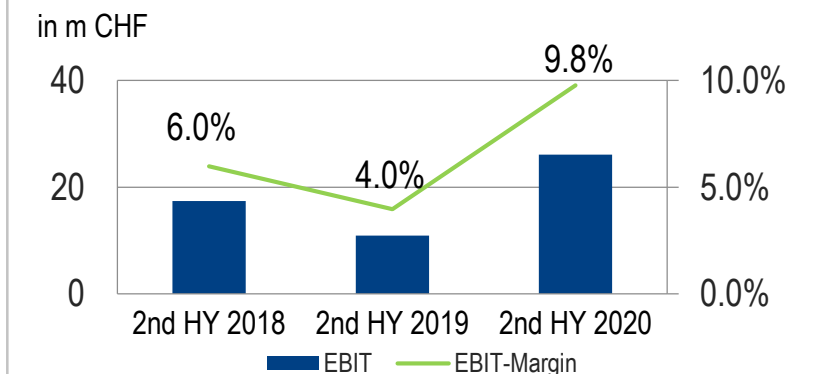
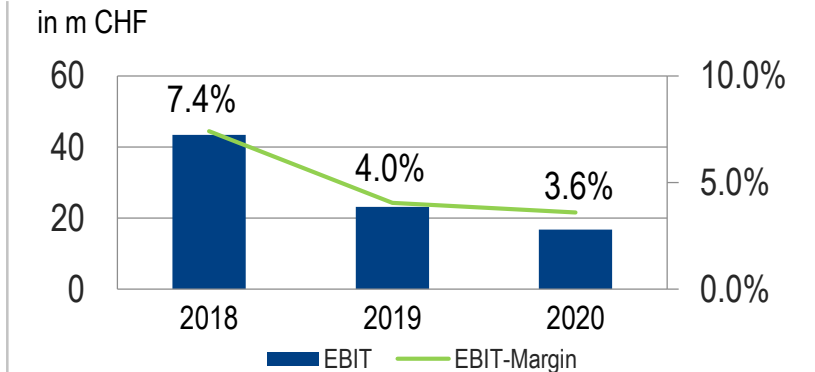


SYSTEM PARTS

Strong development in the second half year

- ▶ EBIT decreased to CHF 16.7 million; -27.9%
- ▶ EBIT-Margin sank by 0.4 percentage points to 3.6%
- ▶ Sales drop and related unused manufacturing capacity could be compensated partially only

- ▶ EBIT strongly increased to CHF 26.1 million; +139.1%
- ▶ EBIT-Margin jumped by 5.8 percentage points to 9.8%
- ▶ Sales increase in Asia, efficiency improvements and rigid cost control as basis for this development



BALANCE SHEET

Total Assets of CHF 677.1 million 4.1% lower than a year ago

Assets	31.12.2020 in m CHF	31.12.2019 in m CHF	Difference in m CHF
Cash and cash equivalents	61.3	43.5	17.8
Trade and other receivables	82.1	89.4	-7.3
Inventories and net contract assets	78.0	94.2	-16.2
Prepaid expenses and accrued income	10.5	6.1	4.4
Total current assets	231.9	233.1	-1.3
Property, plant and equipment	334.9	357.9	-23.0
Other non-current assets	110.3	115.2	-4.9
Total non-current assets	445.2	473.1	-28.0
Total Assets	677.1	706.3	-29.2

- ▶ Current assets sank by 0.6% to CHF 231.9 million
- ▶ Fixed assets sank by CHF 28.0 million to CHF 445.2 million
- ▶ Still high capital expenditures but sinking tendency

BALANCE SHEET

Solid balance sheet despite difficult market environment

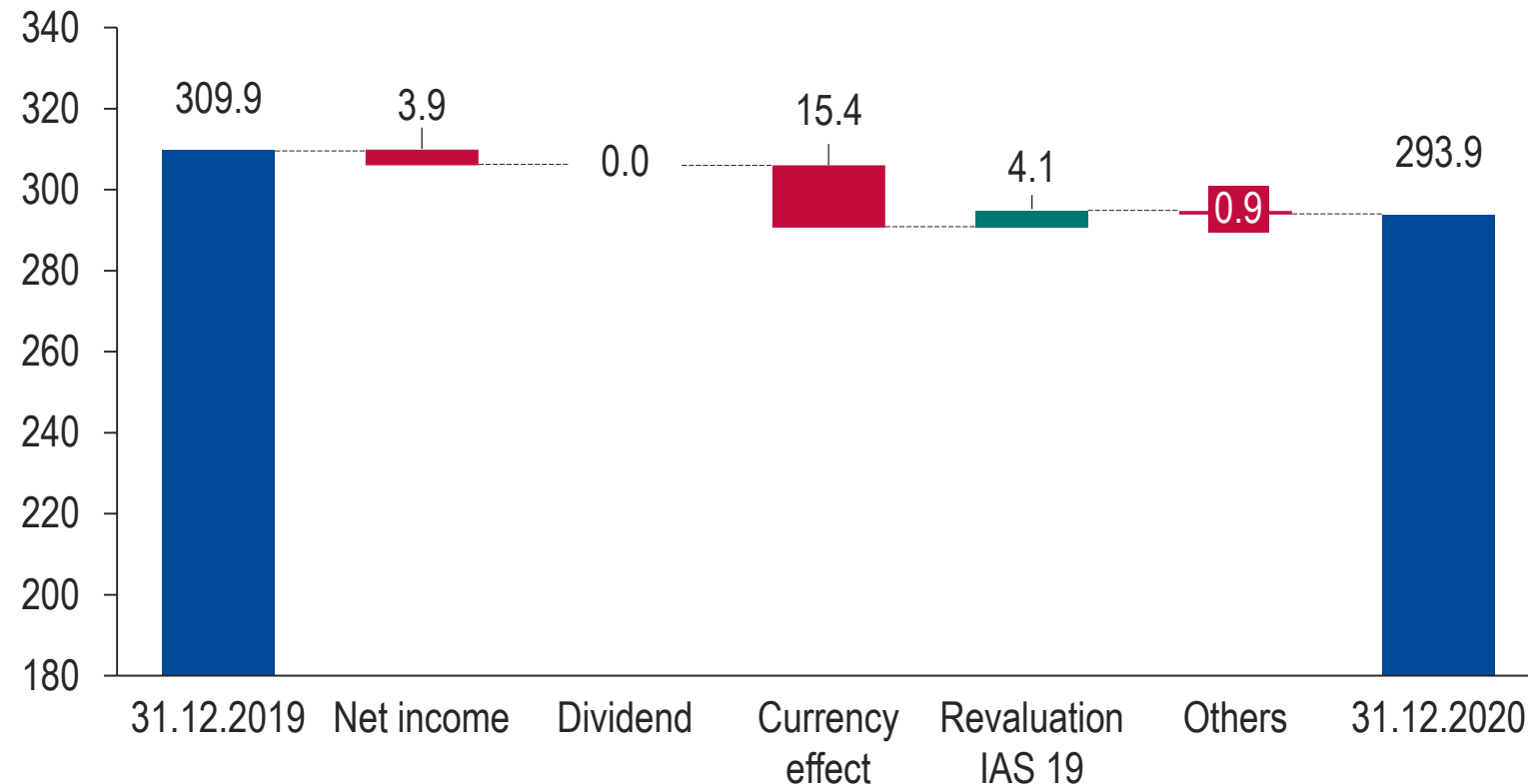
Liabilities	31.12.2020 in m CHF	31.12.2019 in m CHF	Difference in m CHF
Financial liabilities	208.2	184.2	24.0
Other liabilities	175.0	212.2	-37.3
Shareholder's equity	293.9	309.9	-15.9
Total Liabilities	677.1	706.3	-29.2
Equity ratio	43.4%	43.9%	-0.5%
Net debt	146.9	140.8	6.2

- ▶ Equity of CHF 293.9 million, equity-ratio of 43.4%
- ▶ Due to net loss net debt increased slightly to CHF 146.9 million
- ▶ CHF 126.9 Mio. liquid funds or unused committed credit lines available

EQUITY

High equity-ratio of 43.4%

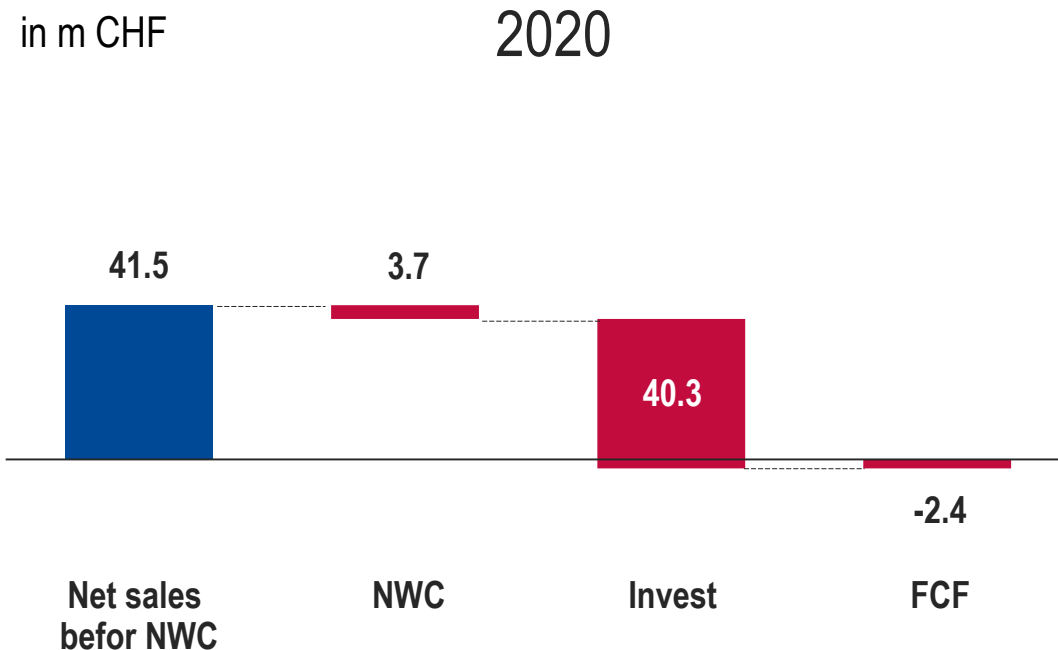
in m CHF



- ▶ Equity decreased by CHF 16.0 million to CHF 293.9 million
- ▶ Net loss and currency showed negative, revaluation of pension liabilities positive effects
- ▶ Board of directors proposed to General Assembly to create «approved capital» with a volume of one million shares

CASH FLOW

Cash Flow from operating activities decreased substantially to CHF 37.8 million



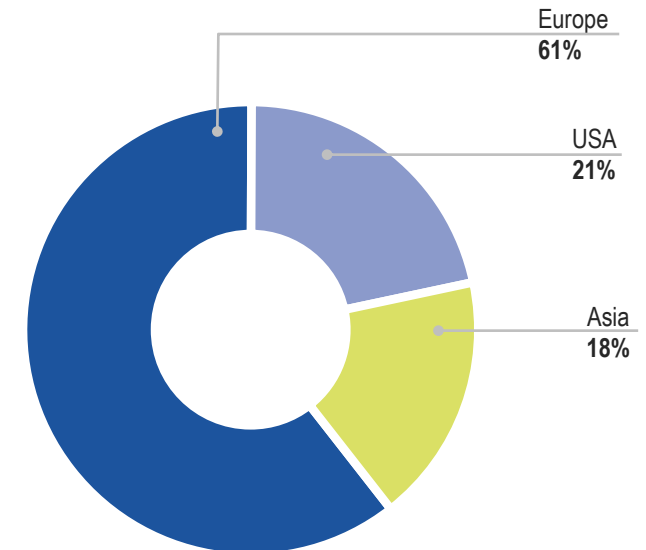
- ▶ Slightly less capital expenditures than a year ago
- ▶ Capital expenditures could not be totally financed by operating activities
- ▶ Liquid funds and unused committed credit lines of CHF 126.9 million available

EMPLOYEES

Success factors: Competence, motivation and engagement

- ▶ Number of employees sank due to sales drop by 2.7% to 2'570
 - ▶ Decrease in Europe due to slow market recovery
 - ▶ USA at year end on previous year level due to strong market recovery
 - ▶ Asia grows due to many new products in China
- ▶ 100 trainees at eight different locations
- ▶ Due to short-time work and «furlough» all key employees could be kept

Employees by region
in % (from a total of 2 570, excluding apprentices)





Outlook

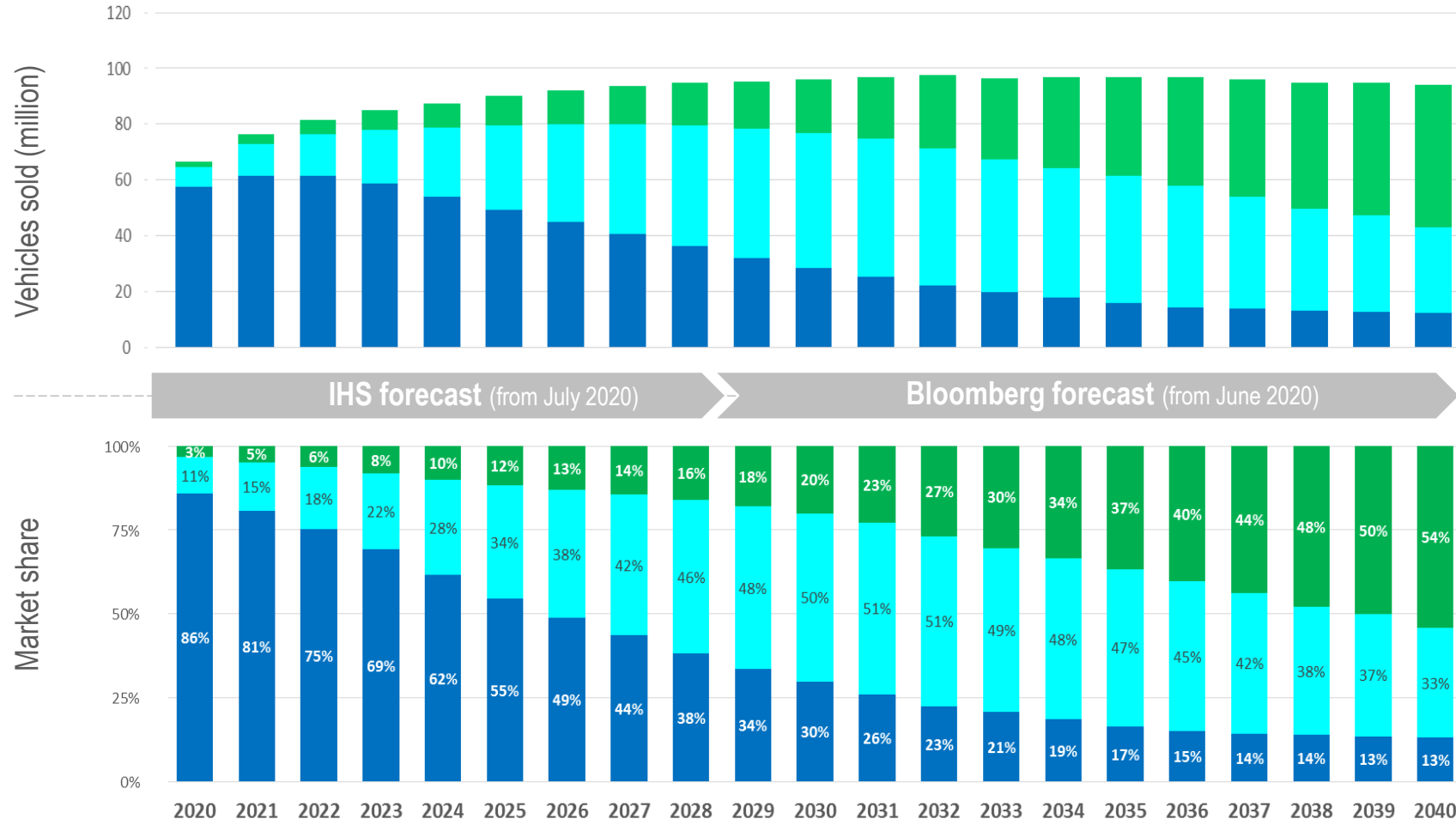
OUTLOOK

Change in Executive Board in 2021 as decided by General Meeting

- ▶ Thomas Bögli, CFO of the Feintool Group, will retire this year and leave the company after the GM in April 2021.
- ▶ The Feintool Board of Directors has appointed Samuel Künzli as his successor.
 - ▶ Swiss certified accountant
 - ▶ Has worked in various positions in finance and controlling, most recently at Stadler in Bussnang as CFO of Division Switzerland
 - ▶ 36 years old



GLOBAL MARKET OUTLOOK



Until 2027:
Trend towards BEV and HEV within the period from 2020 to 2027

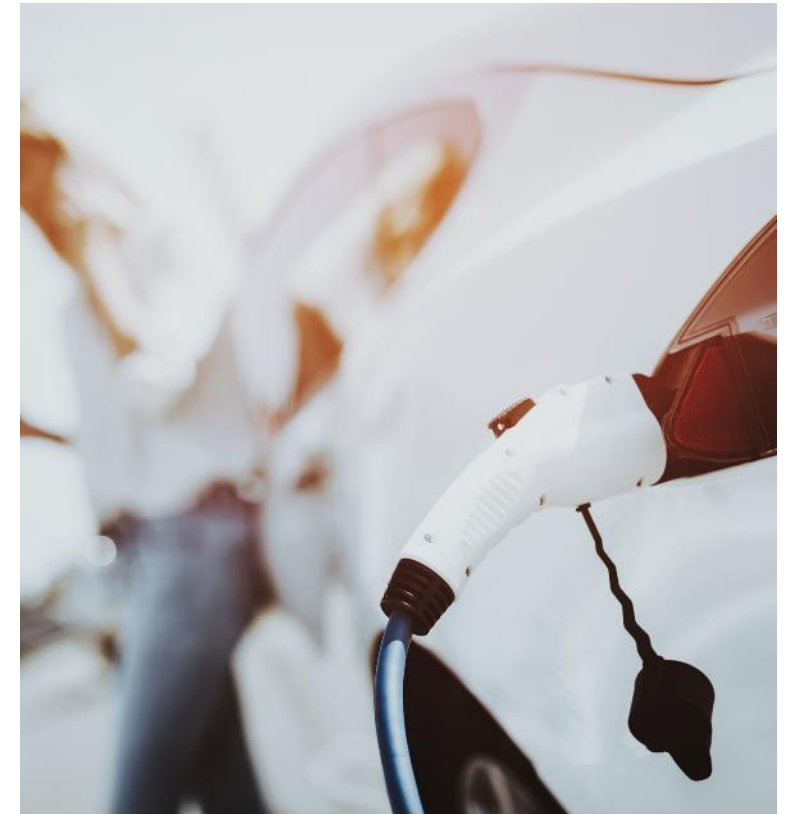
From 2028 onwards:
Increase in all-electric drives at the expense of drives with internal combustion engines (ICE and all types of HEV)

- BEV/FCEV
- Hybrids (mHEV, HEV, PHEV!)
- ICE only

EXPLOITING OUR TECHNOLOGY POTENTIAL

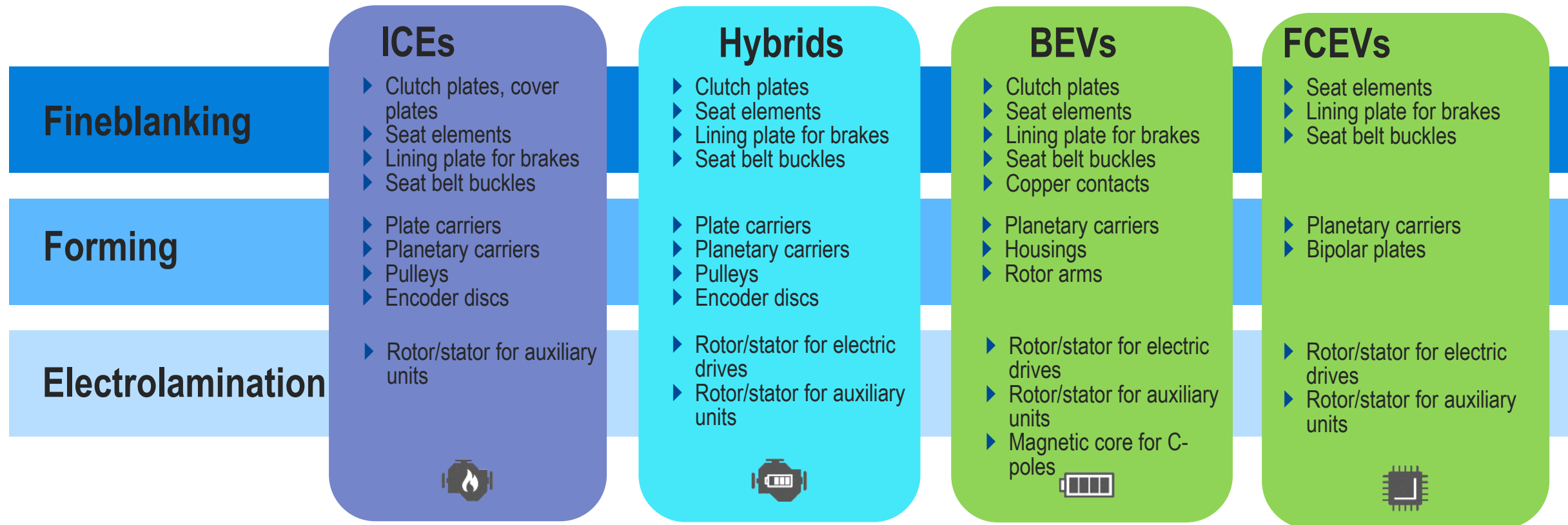
Growing with the market by offering the right products and technologies

- ▶ Exploit transformation potential for Feintool
- ▶ Secure additional components in e-vehicles:
 - ▶ E-motor
 - ▶ Battery
 - ▶ Fuel cell
- ▶ 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



FEINTOOL'S PRODUCT RANGE

Feintool products for every vehicle drive concept



STRATEGY

Application-agnostic technology solutions

- ▶ Expand the limits of fineblanking, forming, and electrolamination stamping technologies for the mobile solutions of tomorrow as a company driving innovation in these fields
- ▶ Follow customers into new markets in line with the concept of a strong, long-term, and regional presence
- ▶ Ensure the company operates highly efficient plants in every relevant market
- ▶ Develop the adjacent processes and expand 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 of all sizes and applications
- ▶ Become the global automotive market leader for seat mechanisms and transmission components

OUTLOOK

Operational measures

Market position

- ▶ Expand activities in the field of electric drives and hybrids
- ▶ Accompany Japanese OEMs/Tier 1 suppliers into the relevant markets
- ▶ Establish FB one on the market

Innovations

- ▶ Ramp up activities in fuel cells/bipolar plates
- ▶ Fineblanking electrolaminations for greater range efficiency
- ▶ Rotor/stator technology enhancements

Organization/efficiency

- ▶ Cash flow optimization and investment limits where appropriate
- ▶ Continue standardizing processes across the Feintool Group
- ▶ Continue improvement projects (emerge from the crisis even stronger)

GUIDANCE

Sales increase in line with market and significantly higher profitability compared with previous year

- ▶ Uncertainties about the impact of the coronavirus crisis and shortages in the supply of semiconductors and steel for the automotive industry continue to weigh on expectations and make it difficult to issue a forecast for 2021. Market forecasts continue to anticipate production volumes below those of 2019
- ▶ On the other hand, combating the pandemic through efficient hygiene measures and vaccinations on a sufficient scale will have a positive impact on business trends in the automotive sector
- ▶ The long-term competitiveness of our technologies in times of structural change in the automotive industry remains the key success factor. Through our “Strategy 2030,” we have laid the necessary groundwork and set a milestone – with streamlined structures and processes, state-of-the-art machinery, and innovative mobility concepts, Feintool is well equipped for the future

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Gemeinsam neue Dimensionen
mit Feinschneiden, Umformen und
Elektroblechstanzen erreichen

Feintool Group
Thank you for your attention!

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