

Expanding Horizons

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



Feintool Group Annual Media Conference Financial Year 2022

AGENDA

9:30 a.m.	Arrival and welcome coffee	
10:00 a.m.	Start, greeting afterwards Year in review	Karin Labhart, CCO Torsten Greiner, CEO
10:30 – 10:50 a.m.	Financial results	Samuel Künzli, CFO
10:50 – 11:15 a.m.	Outlook	Torsten Greiner
11:15 – 11:45 a.m.	Q & A	All
11:45 – 01:00 p.m.	Stand-up buffet and networking	All

LEADERSHIP

Introduction to new CEO Torsten Greiner

▶ Education

Degree in Mechanical Engineering, University of Hanover, trained machinist

▶ Career

Since 2023 CEO of the Feintool Group, Head of System Parts segment

2011 – 2022 Edscha Holding, CEO

2002 – 2011 Brose Schließsysteme GmbH & Co KG, General Manager

1994 – 2002 Robert Bosch GmbH, Production Manager

▶ Further activity and affiliation

Member of the Kamax Holding Advisory Board & VDA Manufacturing Group 3



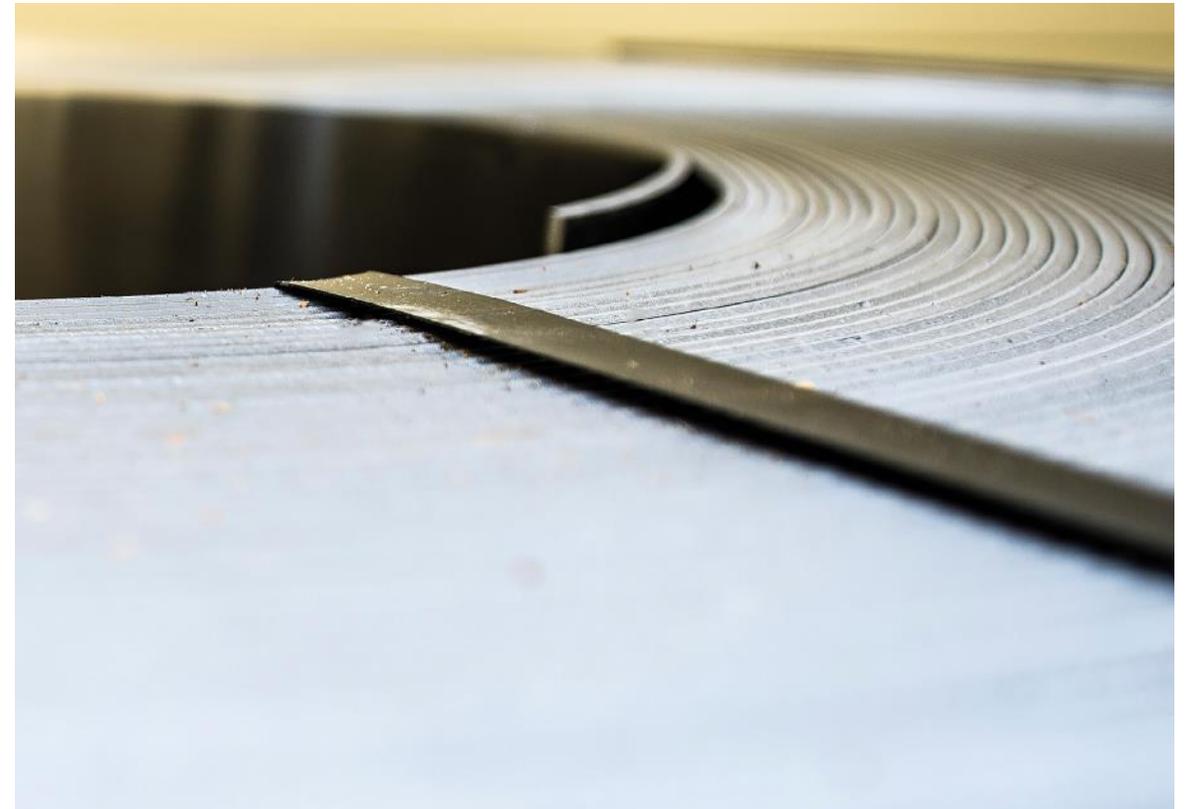
Year in review



2022 MARKET ENVIRONMENT

Difficult environment, additional challenges

- ▶ Increased material and logistics costs
- ▶ Material shortages and supply chain issues
- ▶ Sharp rise in energy costs
- ▶ High interest rates with simultaneous strong appreciation of the Swiss franc
- ▶ Significant increase in labor costs as a result of inflation



FEINTOOL GROUP HIGHLIGHTS

Successful integration – record value of orders received in 2022

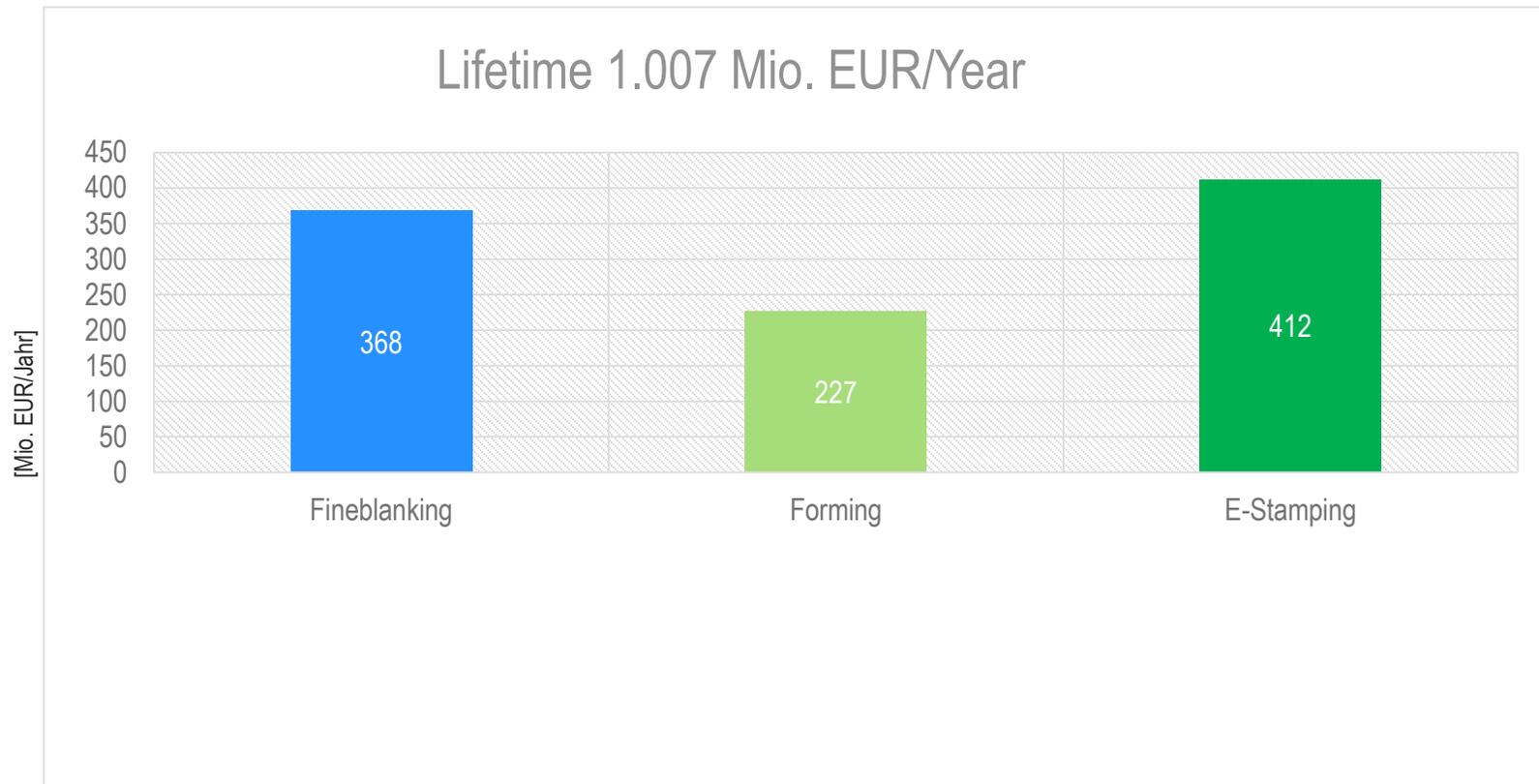
- ▶ Record orders received in 2022 amounting to CHF 1 billion lifetime value achieved in the parts business
- ▶ Successful integration of Kienle + Spiess GmbH, further major contracts won
- ▶ Price increases could be passed on to customers, but with a delay



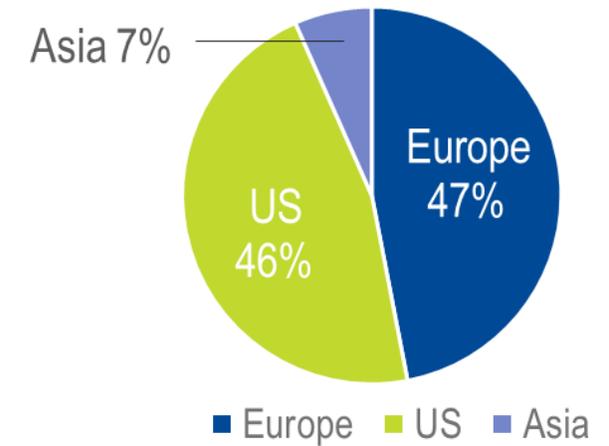
INCOMING ORDERS IN 2022

Record incoming order driven by stamping technology

Lifetime 1.007 Mio. EUR/Year



1.007 Mio. EUR Lifetime Sales



SYSTEM PARTS EUROPE

The positive effects of the acquisition are materializing as expected

- ▶ Market reacted positively to the acquisition of K+S: Major order for electric main drive with lifetime value of over CHF 100 million acquired
- ▶ K+S was profitable in the 2022 financial year
- ▶ Technology development and innovation intensified and significantly advanced
- ▶ Partnership with Sitec expanded in Europe to offer ready-to-install bipolar plates



SYSTEM PARTS USA

Major orders received in the United States

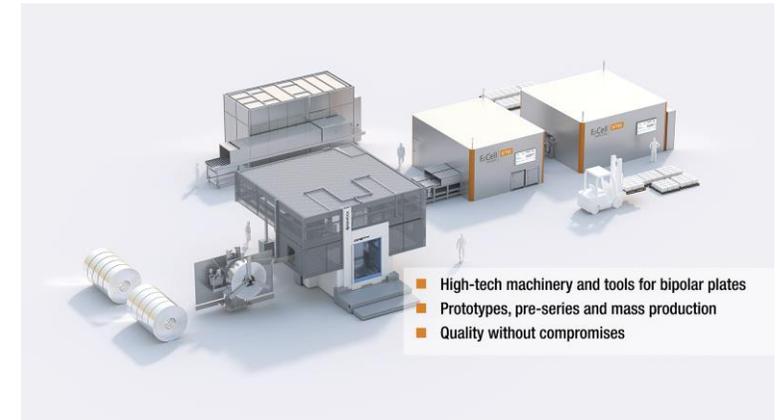
- ▶ System Parts USA surpassed the \$200 million sales mark for the first time in 2022
- ▶ Electrification in the US is progressing more slowly than in Europe and Asia
- ▶ America is the only region where new developments for transmissions are being made
- ▶ System Parts USA received a record number of new orders in 2022 > \$400 million lifetime sales, especially for new transmission developments



SYSTEM PARTS ASIA

Considerable potential for new technologies and growth

- ▶ The Chinese site in Taicang was expanded with the aim of increasing capacity in the field of electrolamination stamping
- ▶ Agreement with Sitec for a bipolar plate manufacturing concept
- ▶ Area capacities for production of bipolar plates and motor core components will be created in 2023
- ▶ Rollout of electrolamination stamping in China has started and initial sales generated
- ▶ Training started for the future technologies in Japan



FINEBLANKING TECHNOLOGY

Improved inquiry situation and hot list for press systems

- ▶ Increased Press sales in the second half of the year, in particular the FB one press and XFT generation
- ▶ Market environment remains difficult
- ▶ FB one is about to be delivered for Feintool site in Taicang for increased capacity in bipolar plate production



EMPLOYEES AND SUSTAINABILITY

Hard work and fair play are the key to success

- ▶ New employees of K+S successfully integrated
- ▶ Global talent management sustainably established
- ▶ Updated Code of Conduct adopted and will be implemented in 2023
- ▶ Preparations for ESG rating started





 FEINCO

Financial results

PRELIMINARY REMARKS

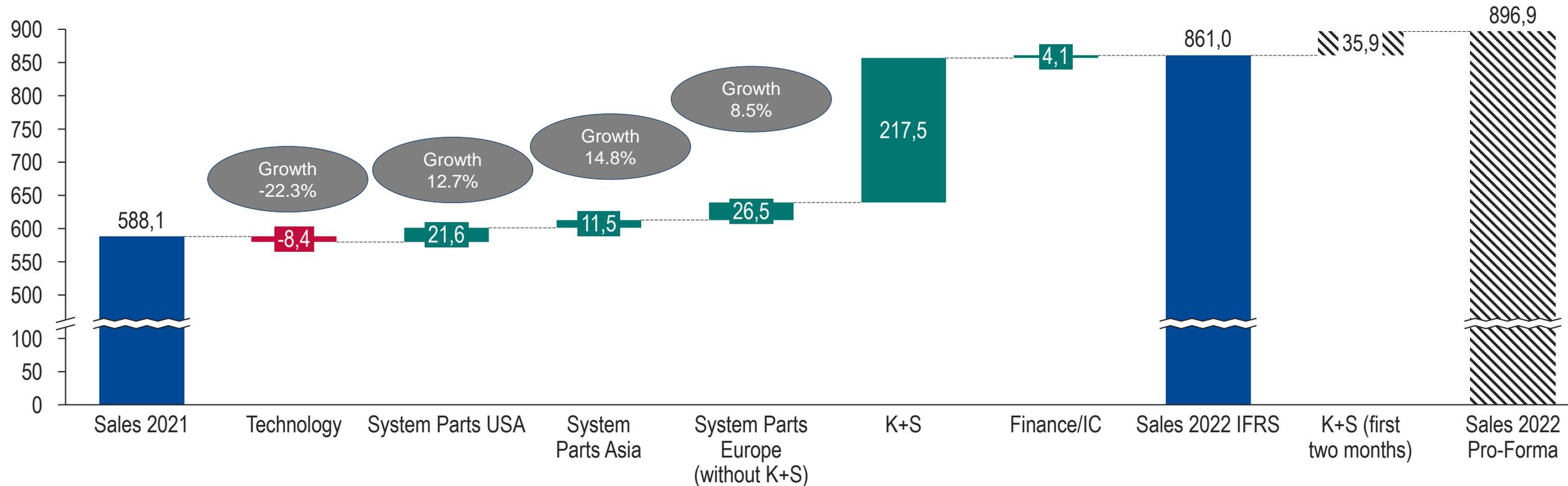
Kienle + Spiess consolidated since March 1, 2022

- ▶ On March 1, 2022, Feintool fully acquired the German company Kienle + Spiess GmbH together with its subsidiary Kienle + Spiess Hungary Kft.
- ▶ To increase transparency, the System Parts segment will be divided into the regions Europe, USA, and Asia as of 2022. The previous year's figures will also be presented in this way for the purpose of comparison. The Technology segment will continue to be managed as a separate operating segment.
- ▶ In the 2022 financial year, there was a positive one-off effect due to emergency aid received in Switzerland of CHF 1.4 million, and a negative non-cash one-off effect due to the transfer of the Feintool pension fund to the Avena joint plan of CHF 7.8 million, resulting in a net negative one-off effect of CHF 6.4 million.
- ▶ One-off effects in the previous year: At the EBIT level, there was a net negative one-off effect of CHF 0.5 million in the previous year, which serves as the comparative period for the consolidated statement of comprehensive income for the year 2022.

SALES

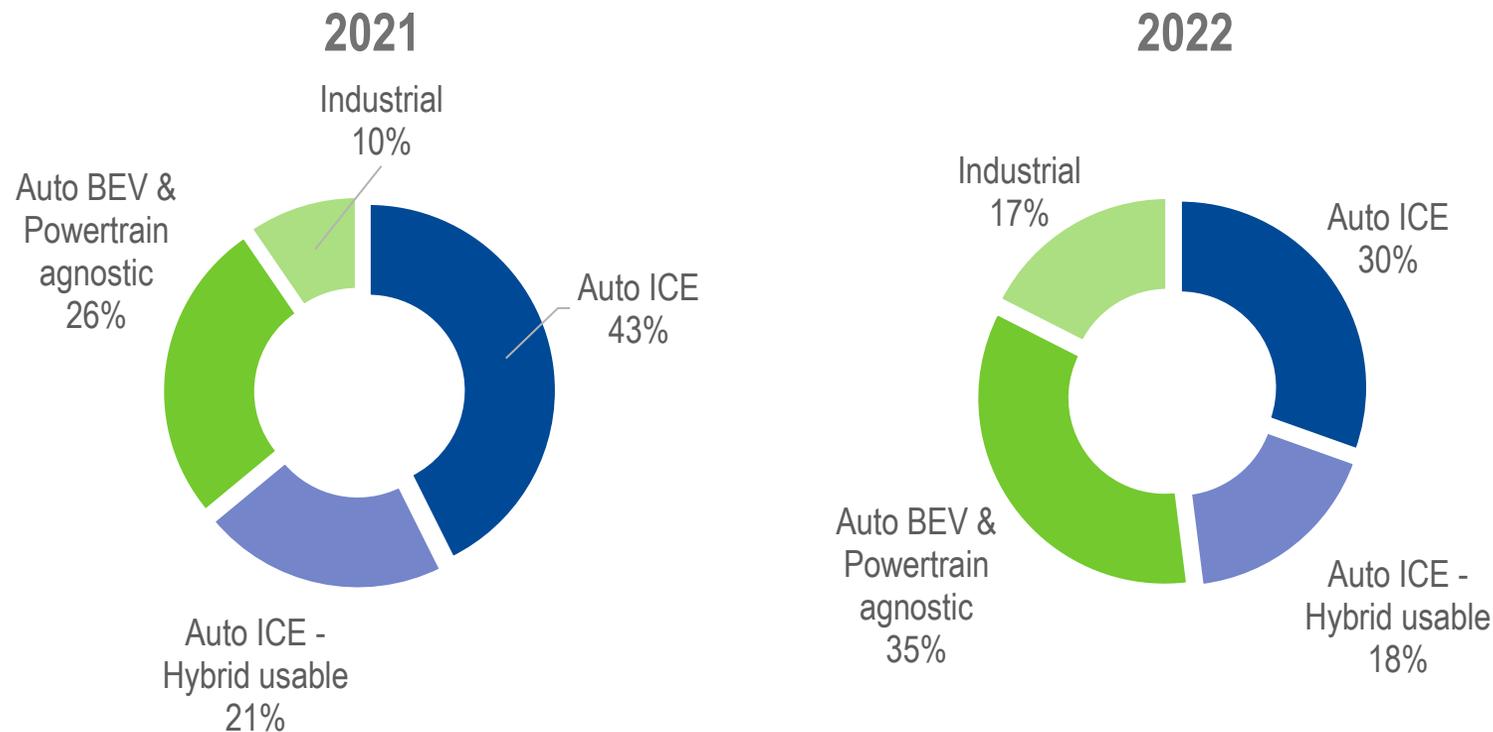
Strong inorganic growth – organic growth driven by prices

in CHF million



SALES BY APPLICATION

Feintool's transformation is reflected in sales

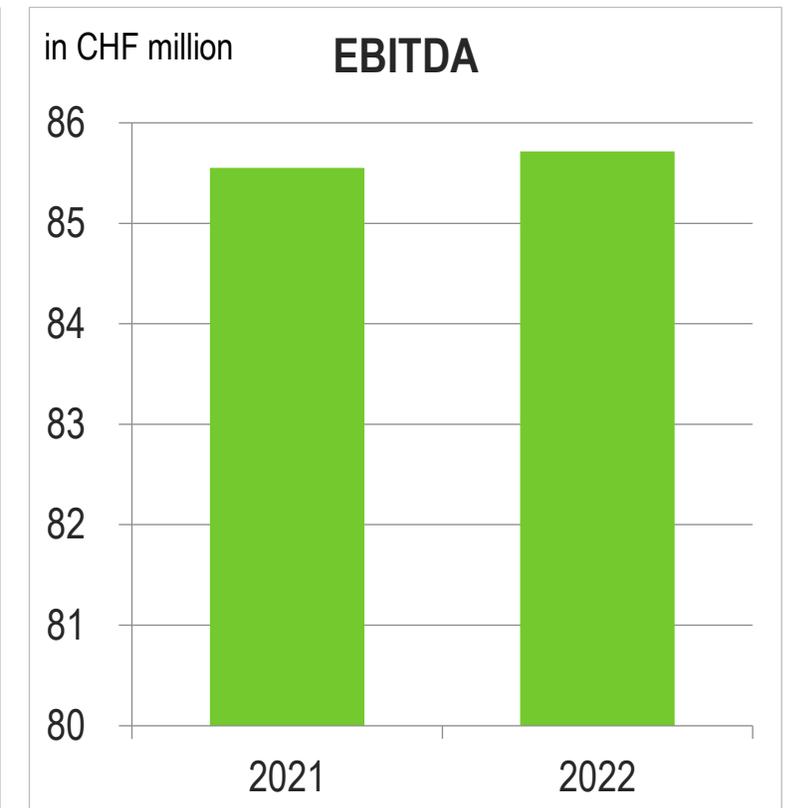


- ▶ In 2022, sales dependent on the internal combustion engine accounted for less than 50% of the total
- ▶ Strong increase in industrial business due to the acquisition of K+S to roughly 17% of sales

EBITDA

EBITDA margin remains at roughly 10%

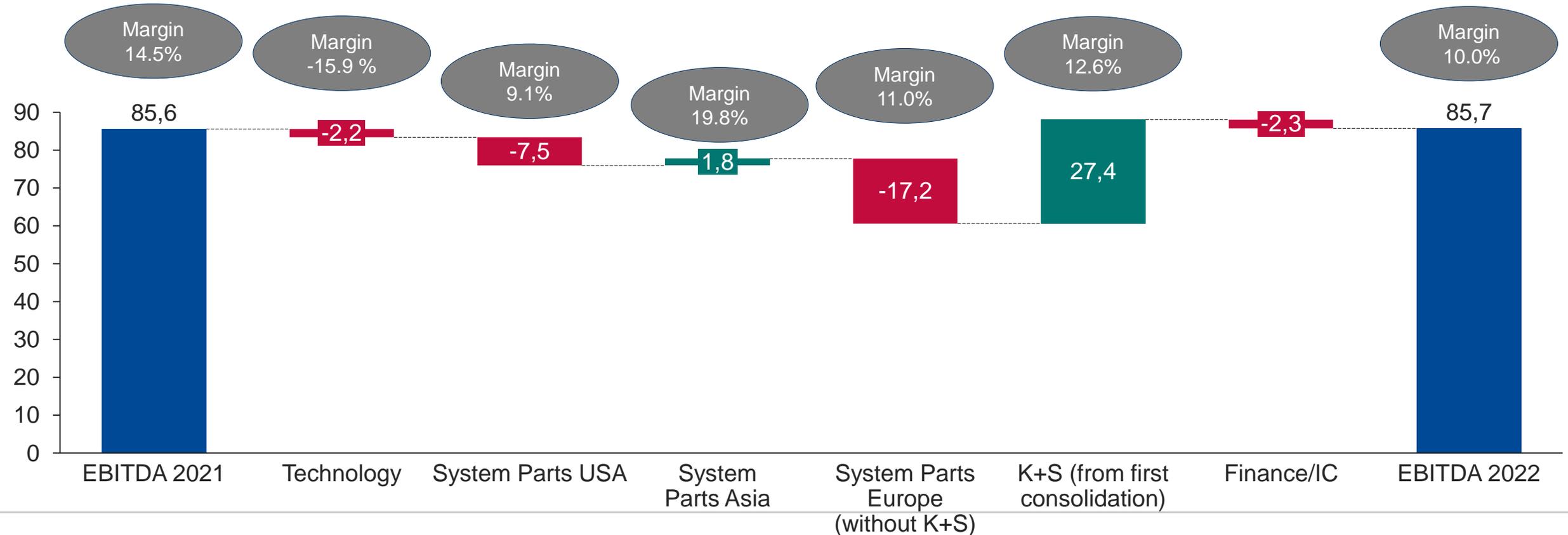
- ▶ EBITDA fell to CHF 85.7 million in the reporting period, corresponding to an EBITDA margin of 10.0% (PY: CHF 85.6 million, 14.5% margin)
- ▶ There were three main reasons for this decline:
 - ▶ Rising inflation (especially energy, shipping, and labor costs) put pressure on the margin. These costs could only be partially passed on to customers, or only after a delay.
 - ▶ On average, lower quantities were shipped (parts business and technology). This means that capacity utilization stood slightly lower than in 2021.
 - ▶ Third, Feintool in the USA was negatively impacted by simultaneously passing on declining steel prices to customers. As a result, existing raw material inventories were reflected in the cost of materials at higher prices.



EBITDA – RECONCILIATION 2021 TO 2022 (WITHOUT ONE-OFF EFFECTS)

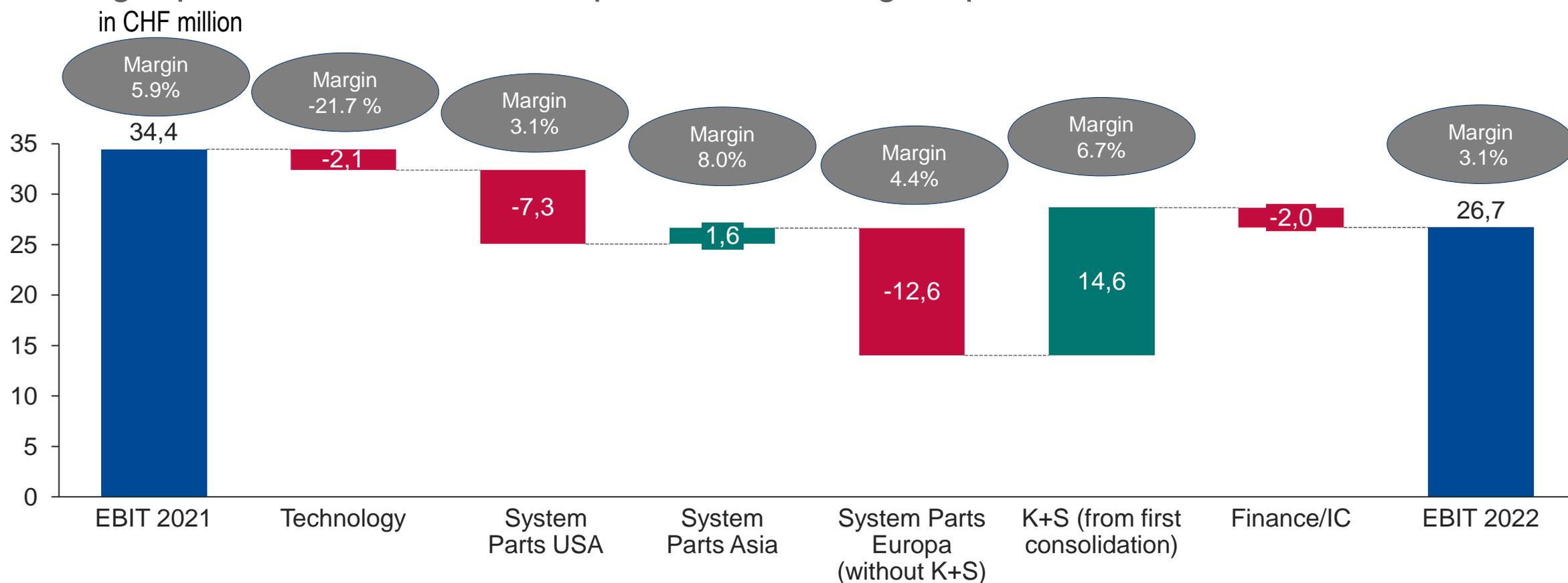
Feintool achieved an EBITDA margin of around 10%

in CHF million



EBIT – RECONCILIATION 2021 TO 2022 (WITHOUT ONE-OFF EFFECTS)

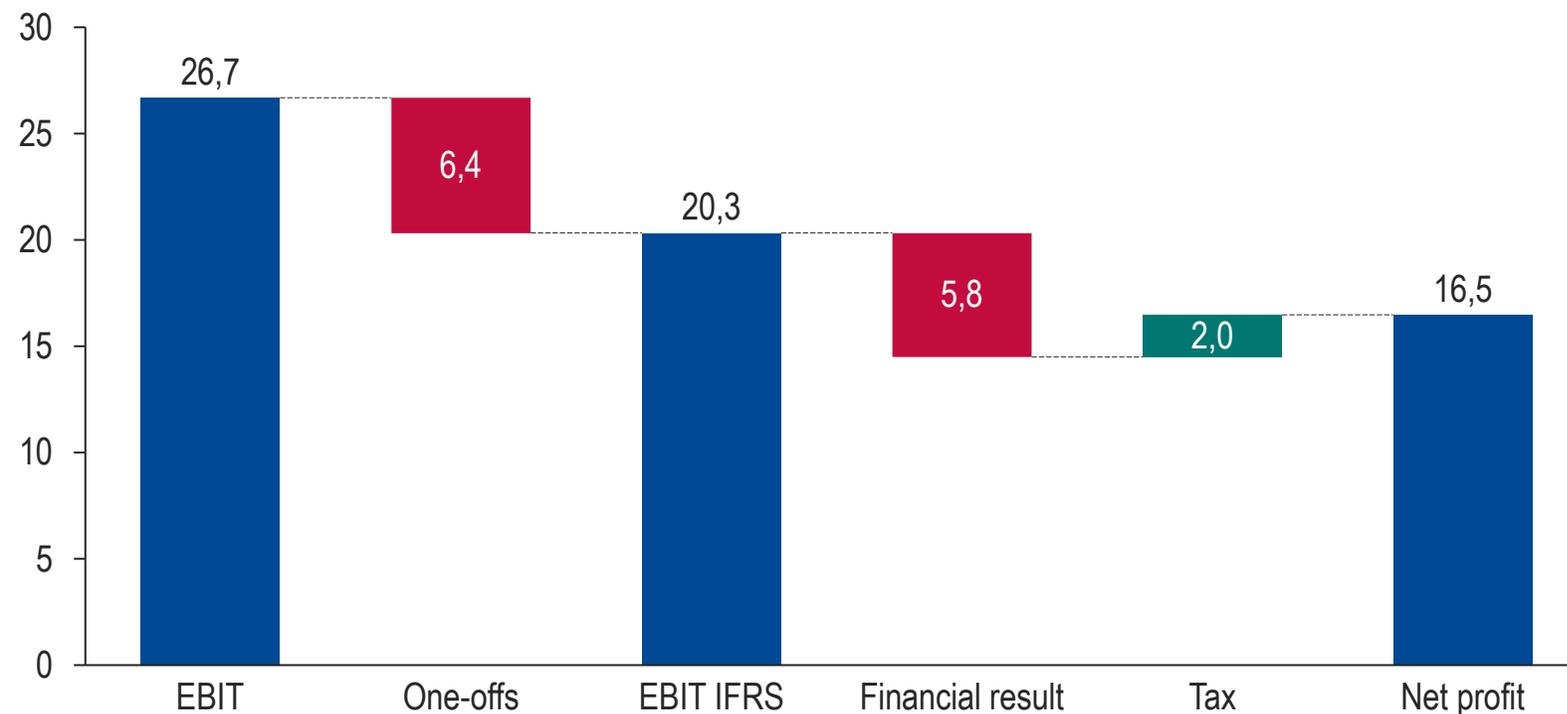
Margin pressure due to lower quantities and high input costs



GROUP RESULT

Clearly positive net income of CHF 16.5 million (1.9% of sales)

in CHF million



- ▶ Negative one-off effects of CHF 6.4 million (CHF 7.8 million negative non-cash effect from joining the pension fund)
- ▶ Tax expense includes a positive one-off effect of CHF 5.2 million
- ▶ A dividend of CHF 0.34 per share will be proposed

BALANCE SHEET

Total assets increased due to the acquisition of Kienle + Spiess

Assets	31.12.2022 in m CHF	31.12.2021 in m CHF	Difference in m CHF
Cash and cash equivalents	78.6	51.8	26.8
Trade and other receivables	110.0	95.2	14.8
Inventories and net contract assets	156.4	102.7	53.8
Prepaid expenses and accrued income	5.0	3.5	1.6
Total current assets	350.0	253.1	97.0
Property, plant and equipment	399.3	331.2	68.1
Other non-current assets	165.7	100.2	65.5
Total non-current assets	565.0	431.3	133.6
Total Assets	915.0	684.4	230.6

- ▶ Overall, total assets increased to CHF 915.0 million (December 31, 2021: CHF 684.4 million).
- ▶ This increase was driven by the acquisition of Kienle + Spiess.

BALANCE SHEET

Stable balance sheet and healthy shareholder's equity thanks to equity offering

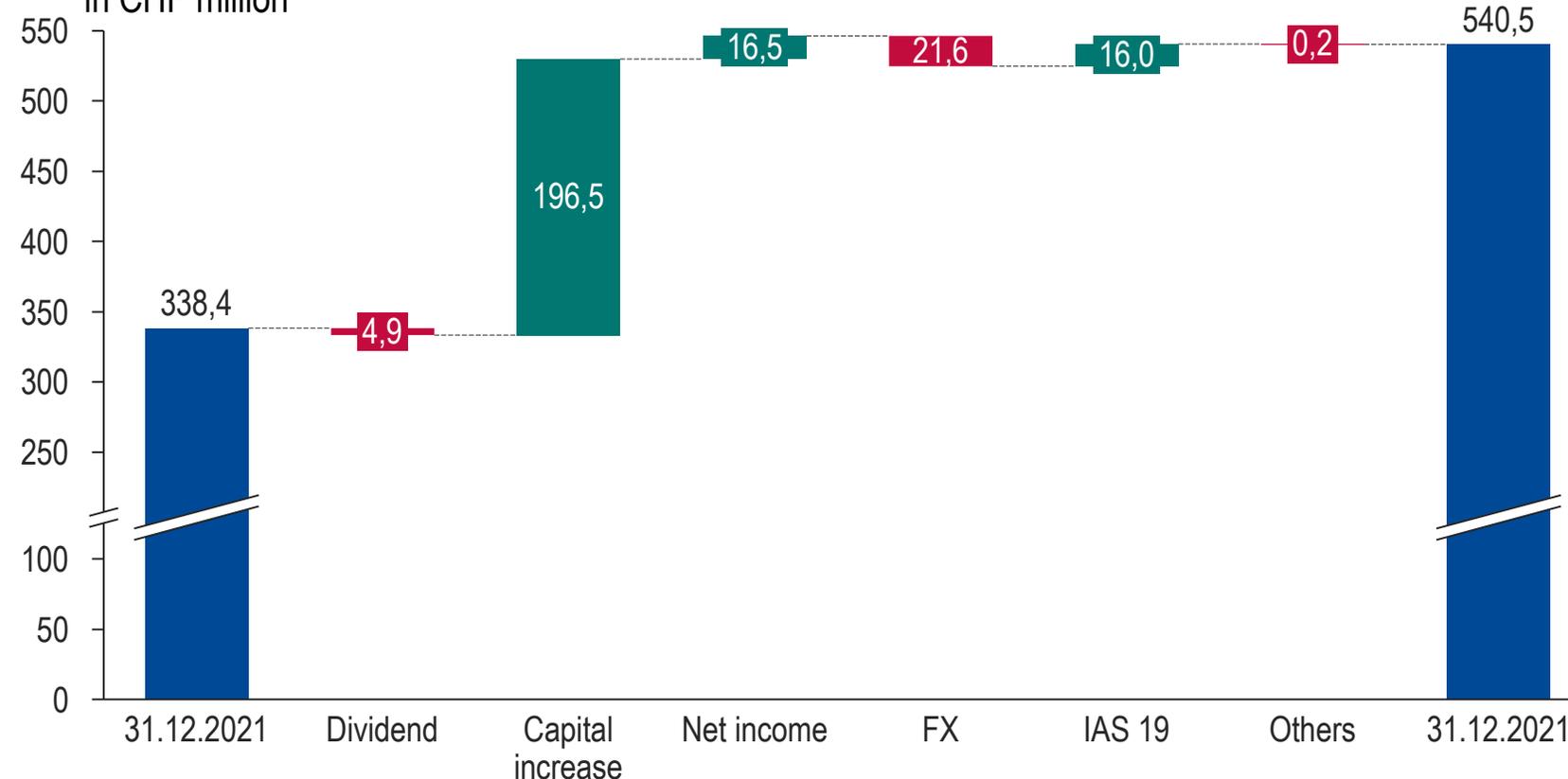
Liabilities	31.12.2022 in m CHF	31.12.2021 in m CHF	Difference in m CHF
Financial liabilities	120.7	172.5	-51.8
Other liabilities	253.9	173.5	80.4
Shareholder's equity	540.5	338.4	202.1
Total Liabilities	915.0	684.4	230.6
Equity ratio	59.1%	49.4%	9.6%
Net debt	42.1	120.7	-78.6

- ▶ Shareholder's equity increased to CHF 540.5 million
- ▶ Equity ratio is extremely solid at 59.1%
- ▶ Net debt decreased to CHF 42.1 million

SHAREHOLDER'S EQUITY

High equity ratio of roughly 60%

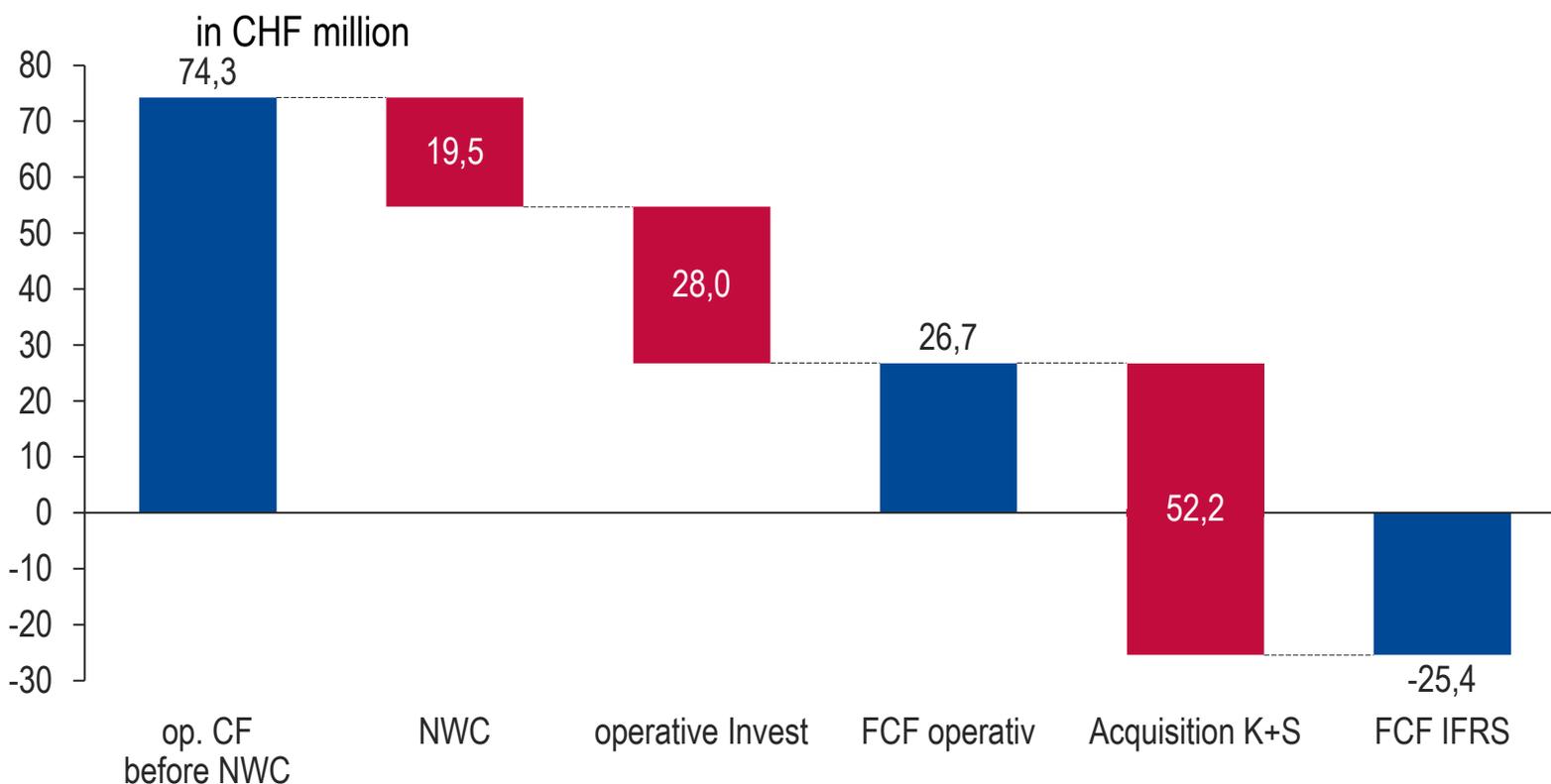
in CHF million



- ▶ The equity offering of approximately CHF 200 million is the main driver of the increase in equity
- ▶ Net income of CHF 16.5 million and the IAS 19 revaluation of CHF 16 million also had a positive impact on the result
- ▶ Currency effects had a negative impact

CASH FLOW

Clearly positive operating free cash flow (FCF) of roughly CHF 27 million



- ▶ Excluding the acquisition of Kienle + Spiess (CHF 52.2 million), free cash flow would have been positive.
- ▶ Cash and cash equivalents and available confirmed lines of credit total CHF 239.5 million

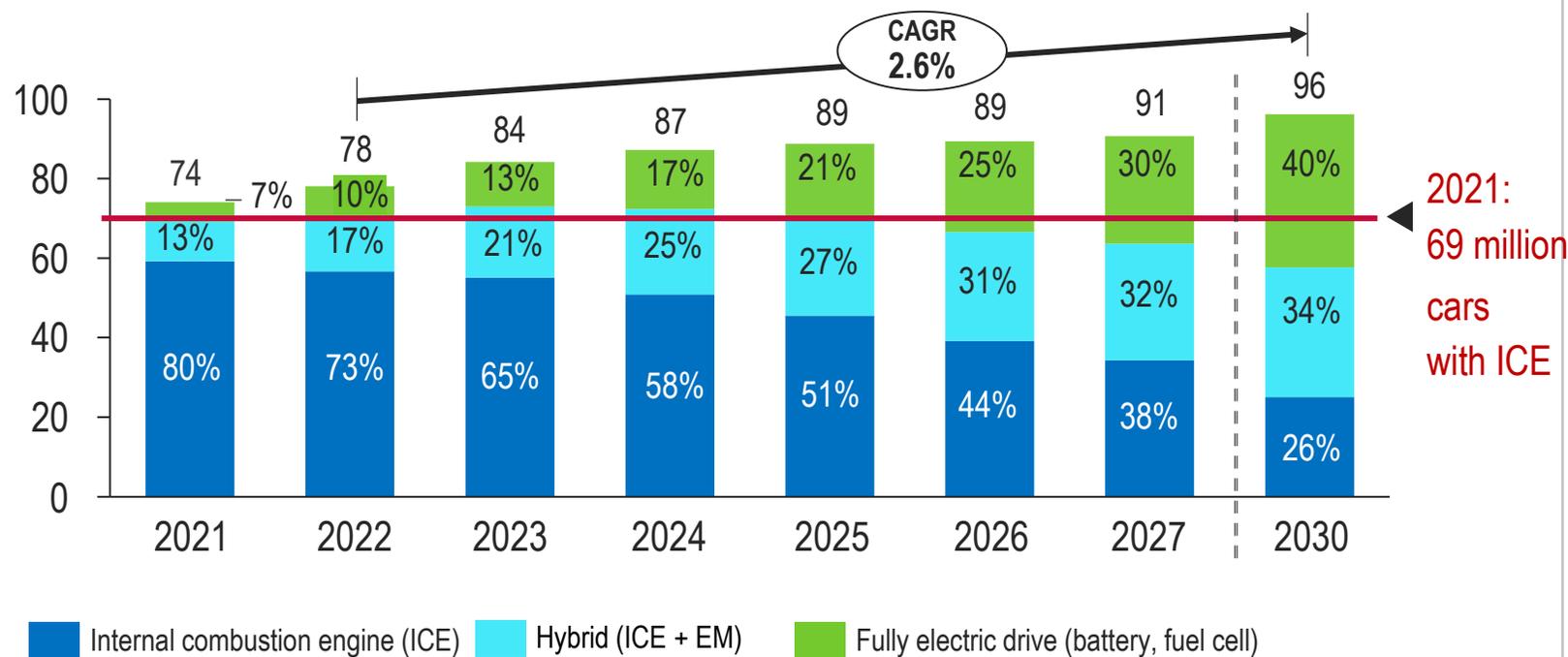
Outlook



GLOBAL CAR PRODUCTION

Good market outlook – transformation accelerating

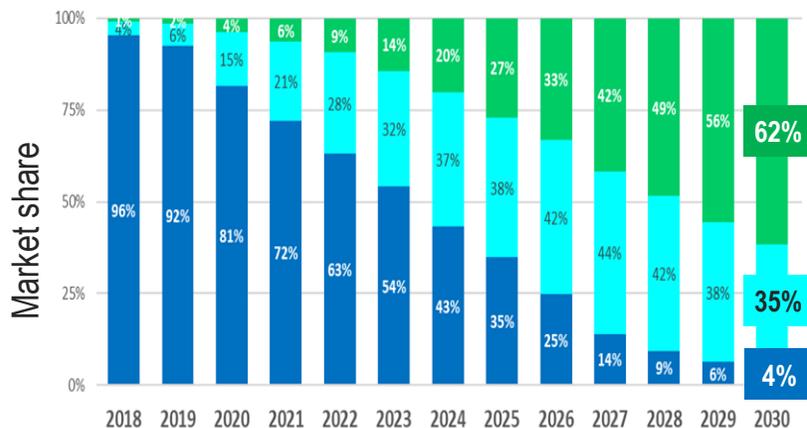
Number of vehicles produced up to 3.5 t total weight, worldwide



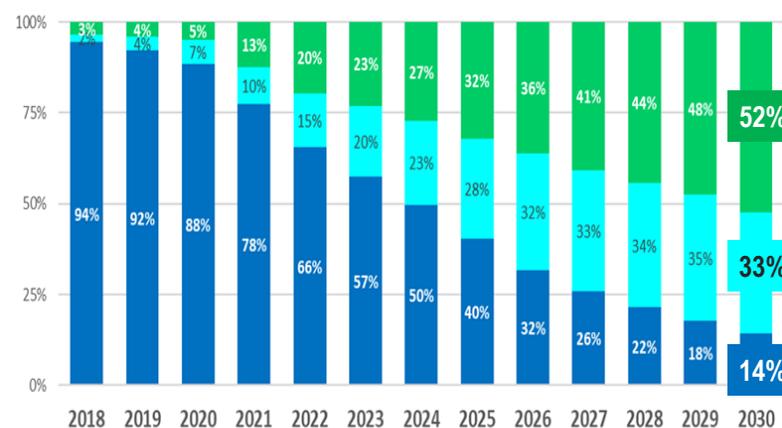
- ▶ Stable growth in passenger car production, return to pre-pandemic levels in 2025; CAGR +2.6% (2022 – 2030)
- ▶ Strong trend towards fully electric vehicles: CAGR +22% (2022 – 2030)
- ▶ More than one in three vehicles produced worldwide will be fully electric in 2030
- ▶ Material availability for batteries and electric motors increasingly critical

Source: Feintool analysis

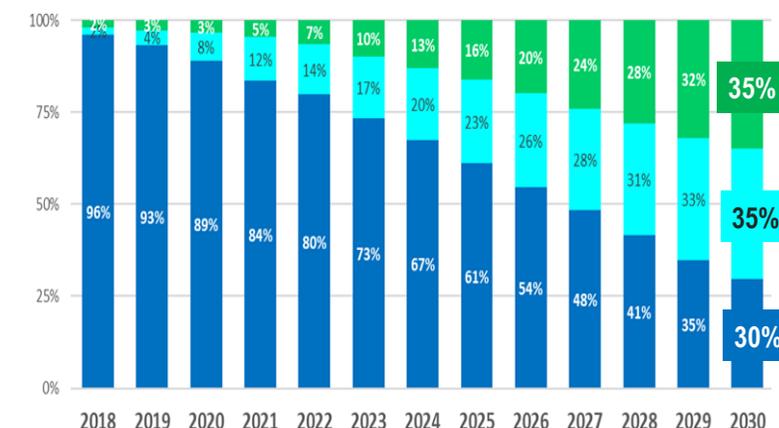
MARKET FORECAST - FSP 09/2022 – REGIONAL INSIGHTS



- ▶ Technology change is accelerating rapidly. Globally largest share of e-vehicles expected in 2030.
- ▶ Pressure from the EU Commission on vehicle manufacturers to reduce emissions (ICE ban from 2035)
- ▶ Implementation of the Paris climate agreement clearly visible
- ▶ Risks: charging infrastructure, availability of production material for BEV, availability of green energy

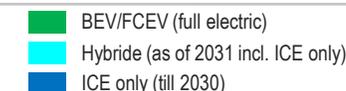


- ▶ Technology change is accelerating rapidly. Highest EV production figures worldwide.
- ▶ Government pressure on OEMs to promote low/zero emission vehicles
- ▶ Differences in the market between urban and rural regions
- ▶ Implementation of the Paris climate agreement visible
- ▶ Risks: charging infrastructure, availability of green energy



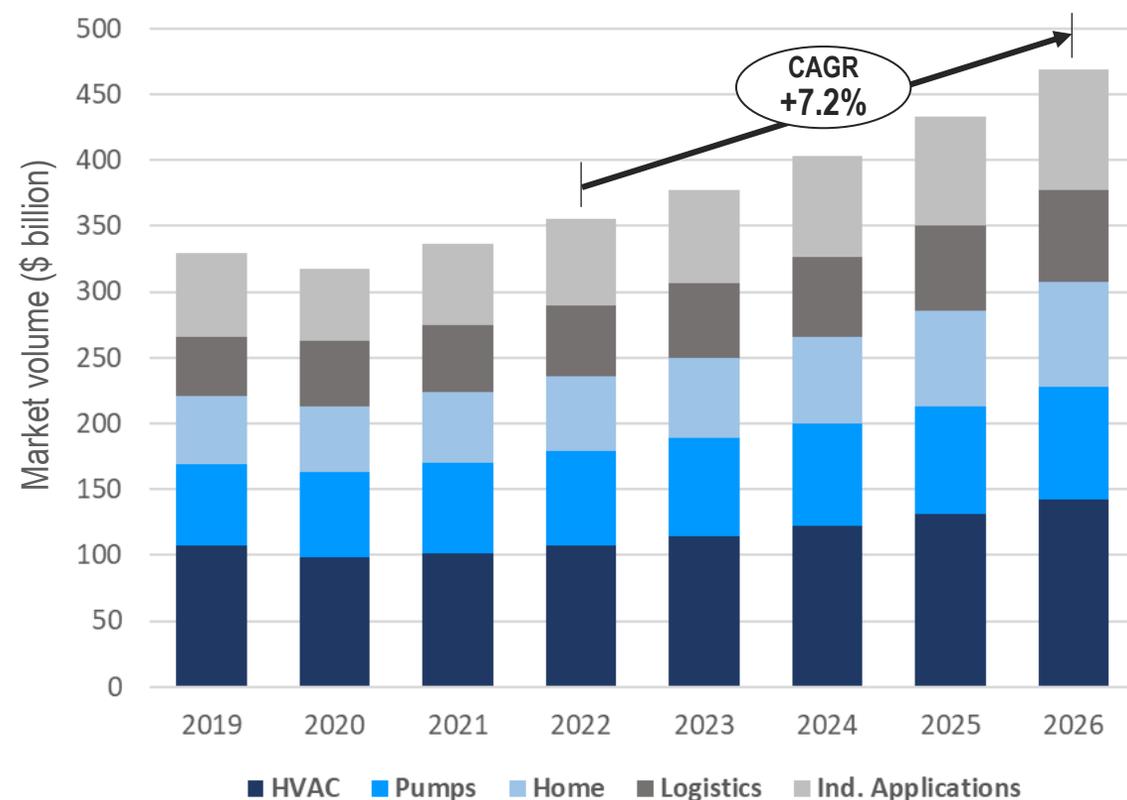
- ▶ Technology shift is coming, but more moderately compared to Europe and China. 65% of vehicles produced with transmission in 2030.
- ▶ Rejoined Paris climate agreement
- ▶ Strong support from IRA: \$390 billion for climate action program (battery factories, etc.)
- ▶ Risks: large distances, charging infrastructure, green energy

Cars and vehicles < 3,5t



OUTLOOK: INDUSTRIAL APPLICATIONS – WORLDWIDE

Increasing demand for electric motors in industrial applications

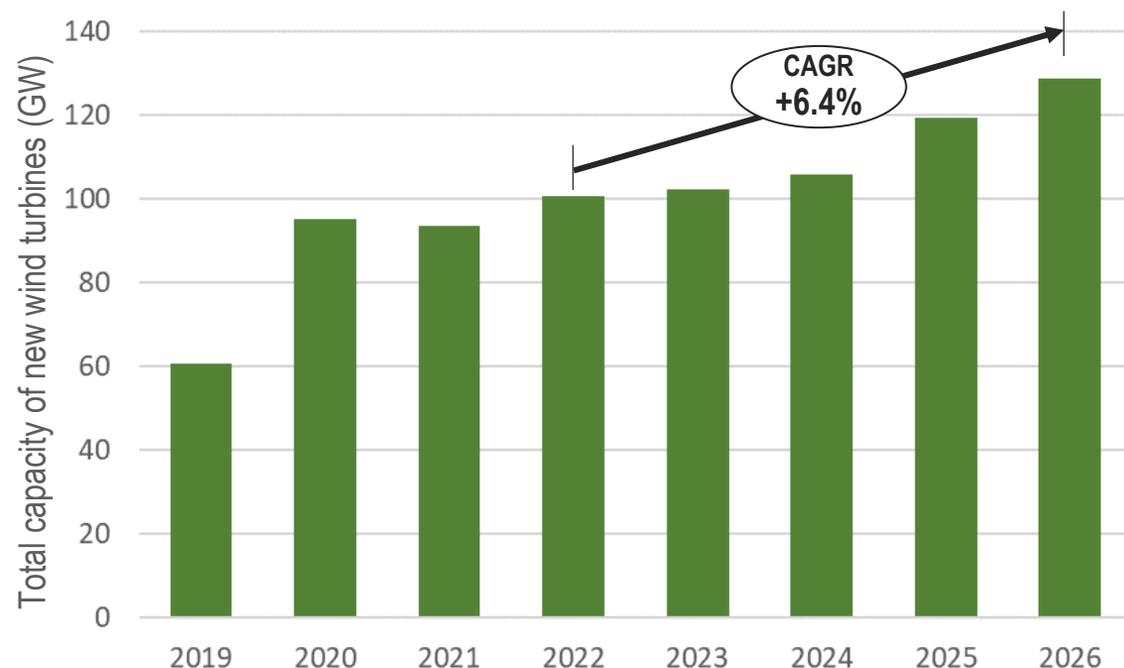


- ▶ Increasing number of applications with electric drive, for example
 - Ventilation systems
 - Air conditioning units
 - Heat pumps
 - Automation in buildings and industry
- ▶ Increased demand for electric motors with better efficiency due to statutory regulations (replacement of older motors in existing plants)

Source: Arizton 2022

OUTLOOK: WIND TURBINES – WORLDWIDE

Increasing demand for generators for wind turbines

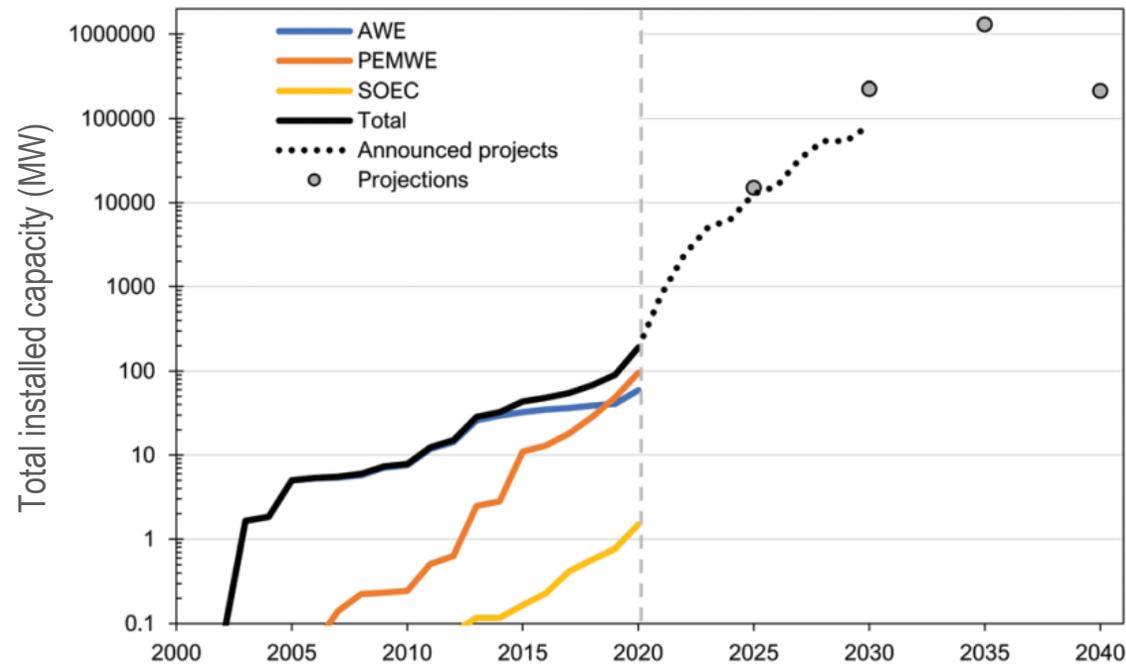


- ▶ Wind turbines generate electricity by means of an electric motor (generator)
- ▶ Rising demand for wind turbines driven by numerous countries' requirements for the expansion of renewable power generation (replacement of fossil fuels, CO₂ targets in accordance with Paris climate agreement)
- ▶ Increasing expansion of wind power both offshore and onshore
- ▶ In addition to expansion: growing need to replace existing older wind turbines (repowering)

Source: Arizton 2022

OUTLOOK: ELECTROLYZERS – WORLDWIDE

Strongly increasing demand for electrolyzers for green hydrogen production

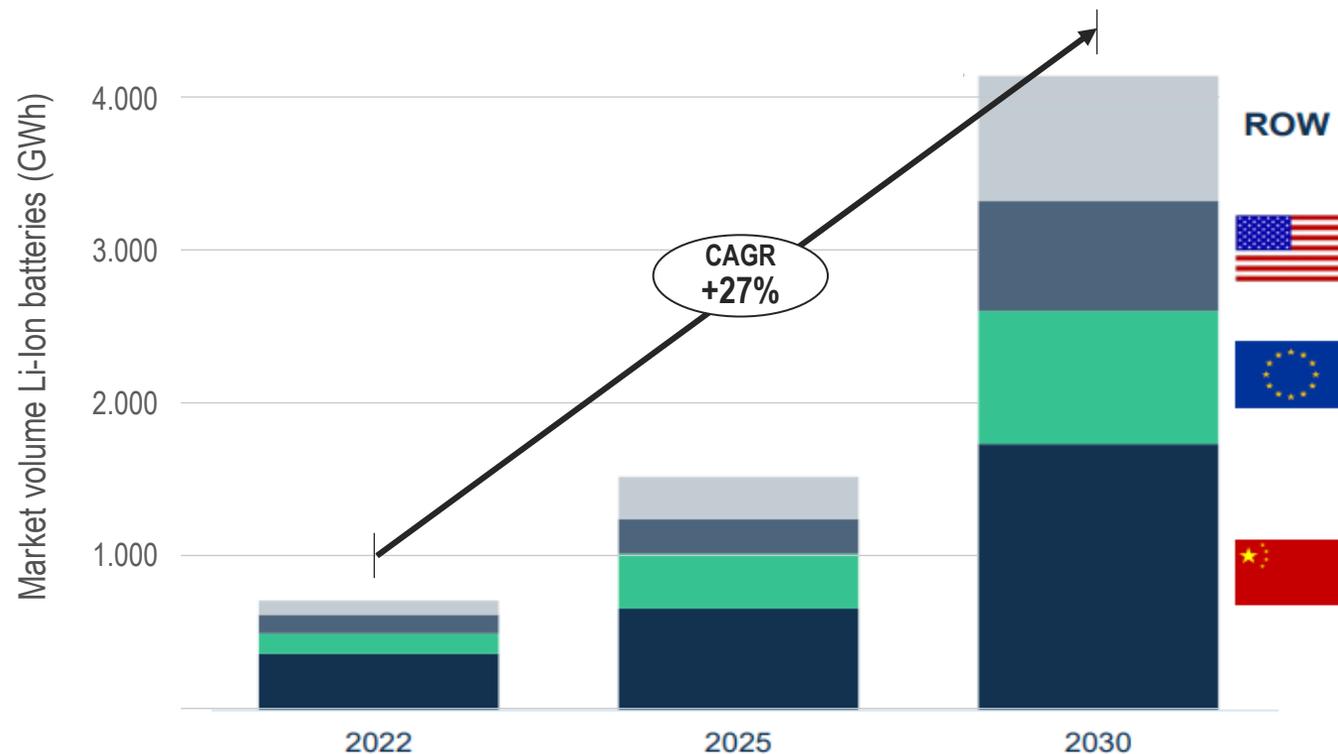


- ▶ Several industries require large amounts of green hydrogen for decarbonization (steel, cement, chemical industry, etc.)
- ▶ Green hydrogen is produced using electrolyzers
- ▶ Electrolyzers, like fuel cells, require metallic anodes and cathodes (similar to bipolar plates)
- ▶ Strongly increasing demand for electrolysis systems: CAGR 33% (2022 – 2030)
- ▶ Feintool has the expertise to produce anodes and cathodes on a large scale (FEINforming)

Sources: ETC 2021, GMI 2022

OUTLOOK: BATTERIES - WORLDWIDE

Fast growing traction battery market



- ▶ Approx. 100 new battery factories in development worldwide
- ▶ Strongly growing demand for battery cell housings
- ▶ Feintool has the know-how for large-scale production of battery cell housings

Cars, trucks, two-wheelers, off-highway and aviation

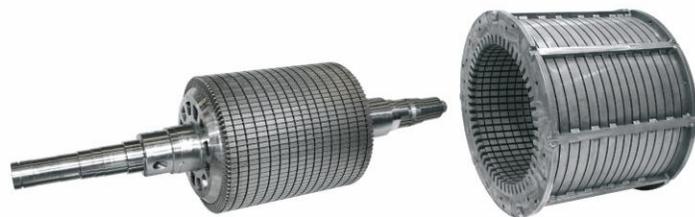
Source: McKinsey Battery Insight Demand Model, Base Case

MEGA TRENDS IN THE ENERGY SECTOR – SUPPORTED BY FEINTOOL

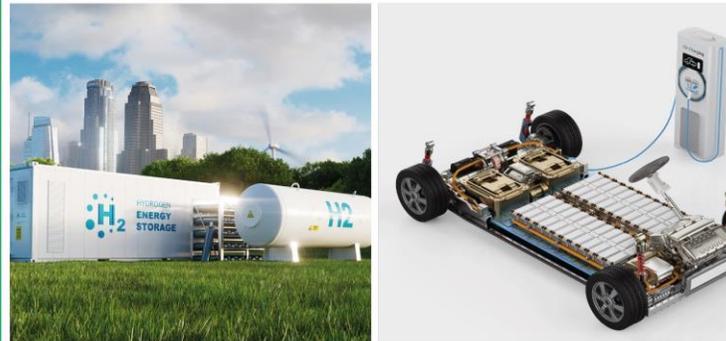
Generation of green energy



Rotors and stators for wind turbines



Storage of green energy



Elements for electrolysers, fuel cells and batteries



Usage of green energy



Elements for drives in vehicles, heat pumps, industrial applications



CONCLUSION

Feintool successfully takes the opportunities of the transformation

- ▶ **Strategy**

We are exploiting our opportunities in the fast-growing EV automotive segment and in the industrial/energy sector. We are continuously reducing our ICE share and using remaining market opportunities (USA) to establish our future technologies and serve non-drive areas such as seat adjusters.

- ▶ **Green energy megatrend - Feintool has innovative technologies in the fields of:**

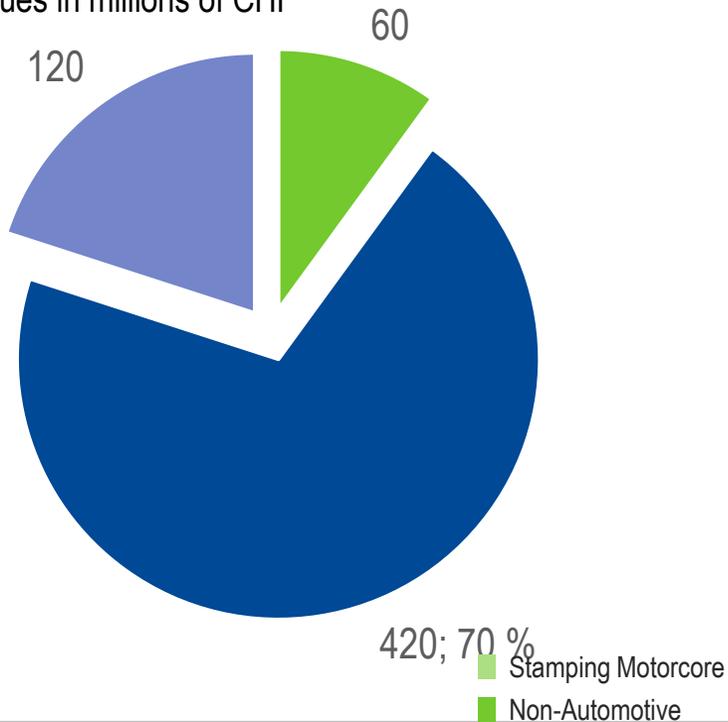
- ▶ **Generation of green energy** Wind power, hydropower: rotors, stators
- ▶ **Storage of green energy** Hydrogen: BPP for electrolyzers, fuel cells
Battery EVs: battery cell housings, contact elements
- ▶ **Use of green energy** EV drive, heat pump, building services: rotors, stators

FEINTOOL USES THE OPPORTUNITIES OF THE TRANSFORMATION

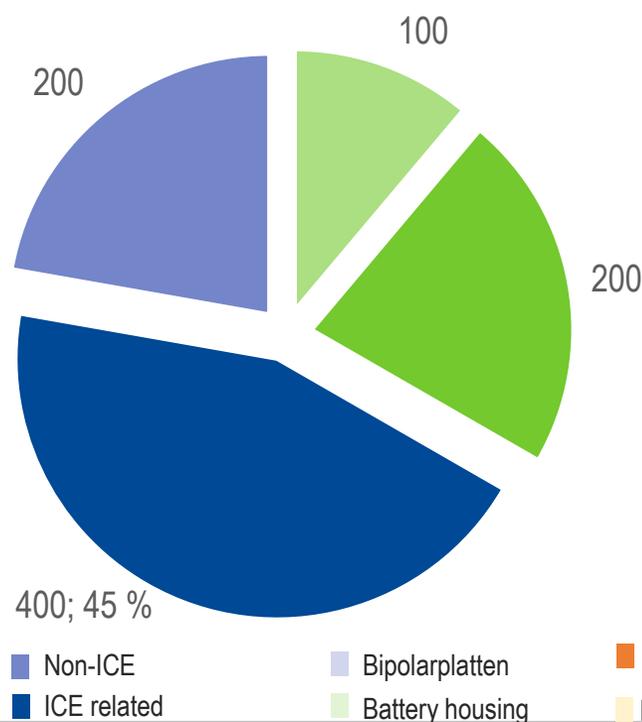
In the last 5 years, ICE share has been reduced from roughly 70% to less than 50%

2017 – CHF 600 million

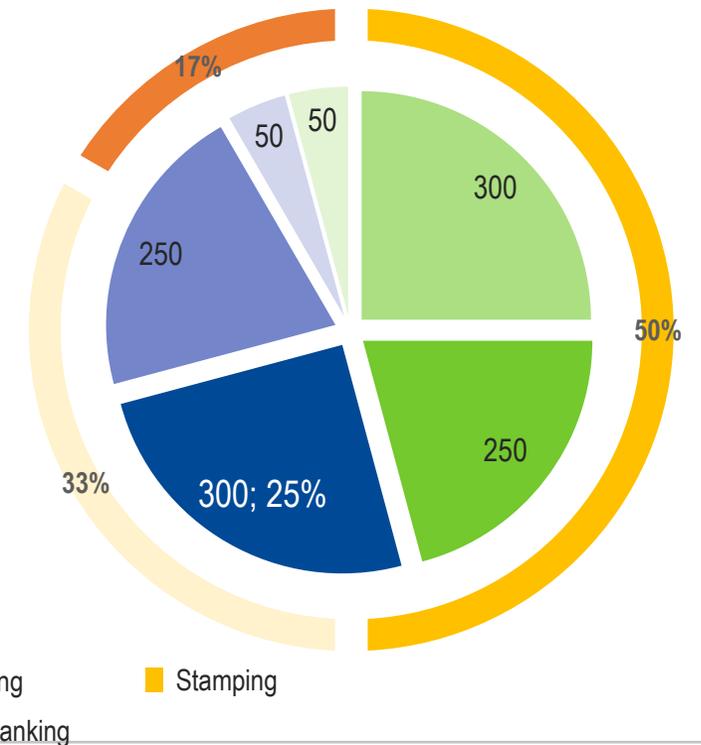
Rounded values in millions of CHF



2022 – CHF 900 million



Goal 2027 - CHF 1'200 million



GUIDANCE

Significant increase in sales with unchanged profitability

Feintool expects the recovery to continue in the 2023 financial year. We expect automotive production levels in 2023 to be higher than in 2022. Releases are expected to remain volatile, however, due to uncertainties in the supply chains.

Barring any unforeseen circumstances, Feintool expects to generate sales of approximately CHF 900 million, an EBITDA margin between CHF 85 million and CHF 95 million, and an EBIT margin between CHF 25 and CHF 30 million for the full year 2023.



Expanding Horizons

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

Feintool Group
Thank you!
Questions & Answers

DISCLAIMER

- ▶ Feintool confirms its best efforts to present accurate and up-to-date information in this document. Feintool gives no representation or warranty, expressed or implied, as to the accuracy or completeness of the information provided herein and disclaims any liability whatsoever for the use of it.
- ▶ The information provided in this document is not intended nor may be construed as an offer or solicitation for the purchase or disposal, trading, or any transaction in any Feintool shares or other securities.
- ▶ Feintool reiterates that any forward-looking statement in this report offers no guarantee with regard to future performance; they are subject to risks and uncertainties including, but not limited to, future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors, and other factors outside the company's control.