



Expanding Horizons

Together achieving new dimensions in
fineblanking and forming

Feintool Group Annual Media Conference Financial Year 2016

AGENDA

- ▶ The Feintool Group's strategy
- ▶ Review of the financial year 2016
- ▶ Financial results
- ▶ Outlook
- ▶ Questions and answers
- ▶ Lunch and discussions

Alexander von Witzleben

Bruno Malinek

Thomas Bögli

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All

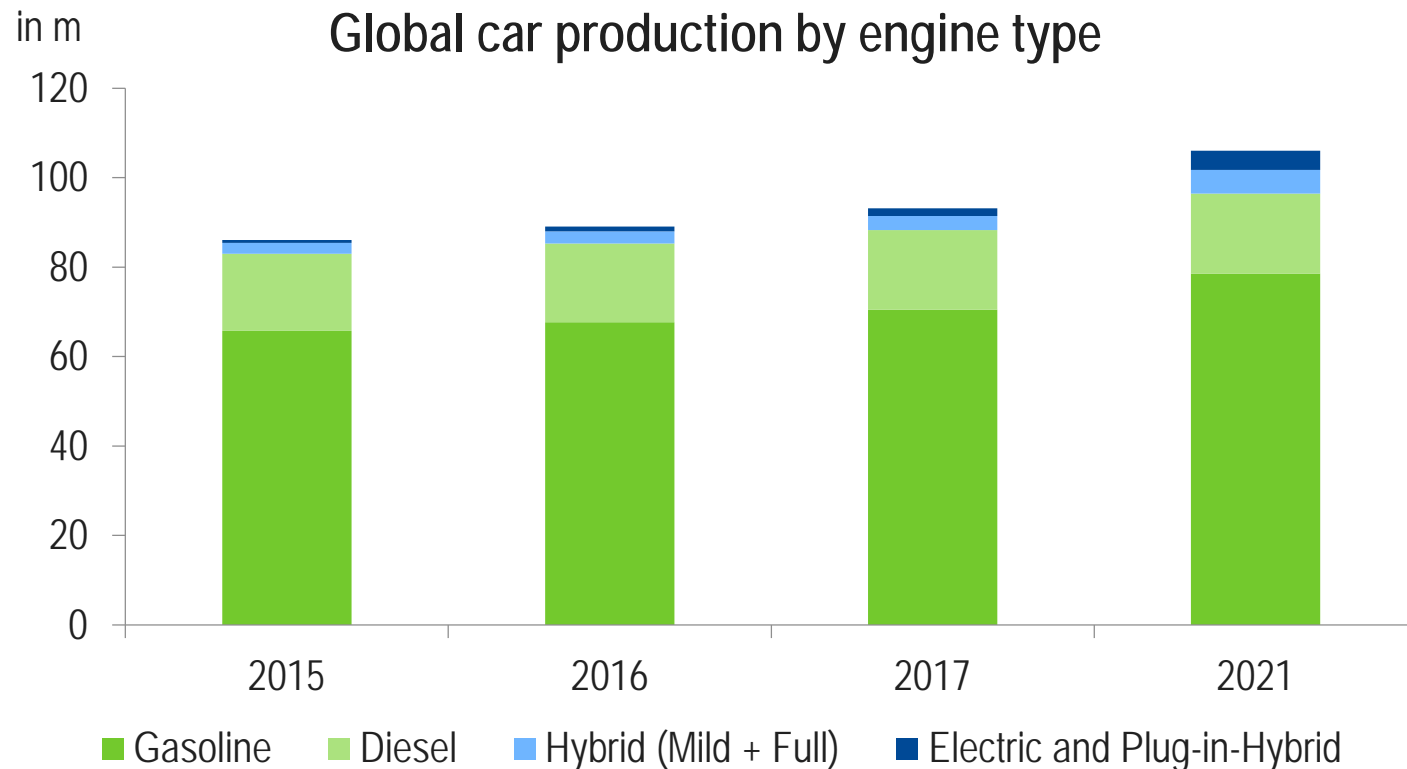
All



Alexander von Witzleben
Feintool Group's strategy

GLOBAL CAR PRODUCTION

Prepared for a change of course in the automobile industry

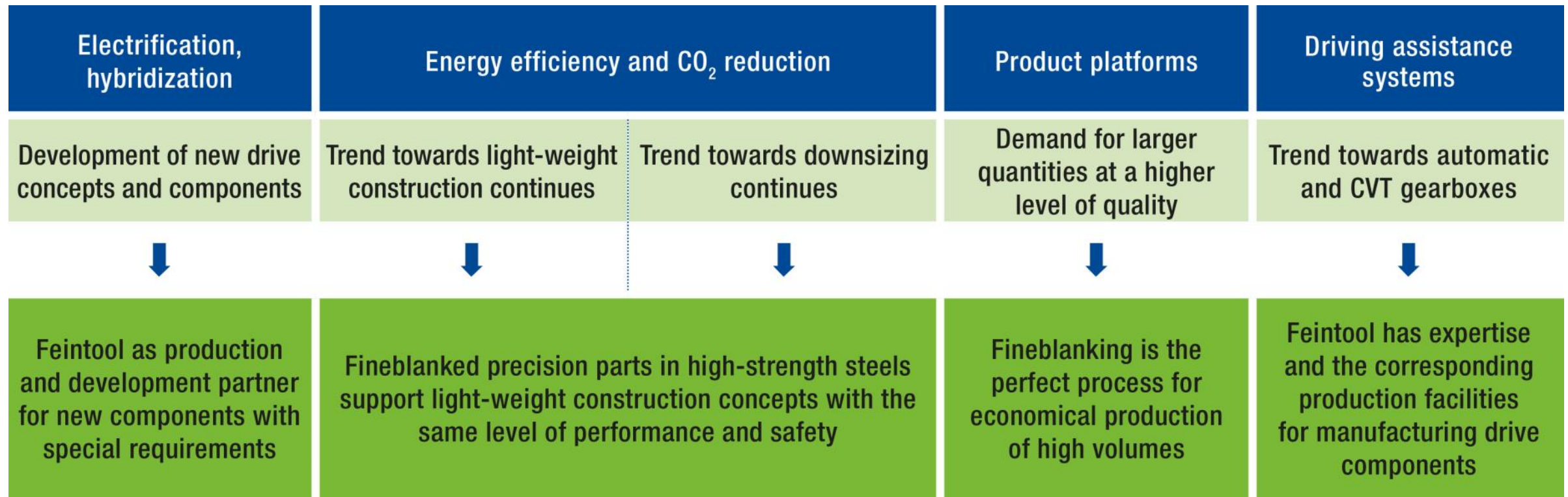


Source: PWC and Automobilwoche

- ▶ Global production of cars continues to be on the increase
- ▶ The proportion of electric and hybrid drives is increasing
- ▶ Hybrids also use combustion engines
- ▶ Engines and transmission components also for partly electrified vehicles

TRENDS IN THE AUTOMOTIVE INDUSTRY

Fineblanking and forming support trends in the automotive industry



STRATEGY SINCE 2009

Continue the fineblanking and forming focus strategy

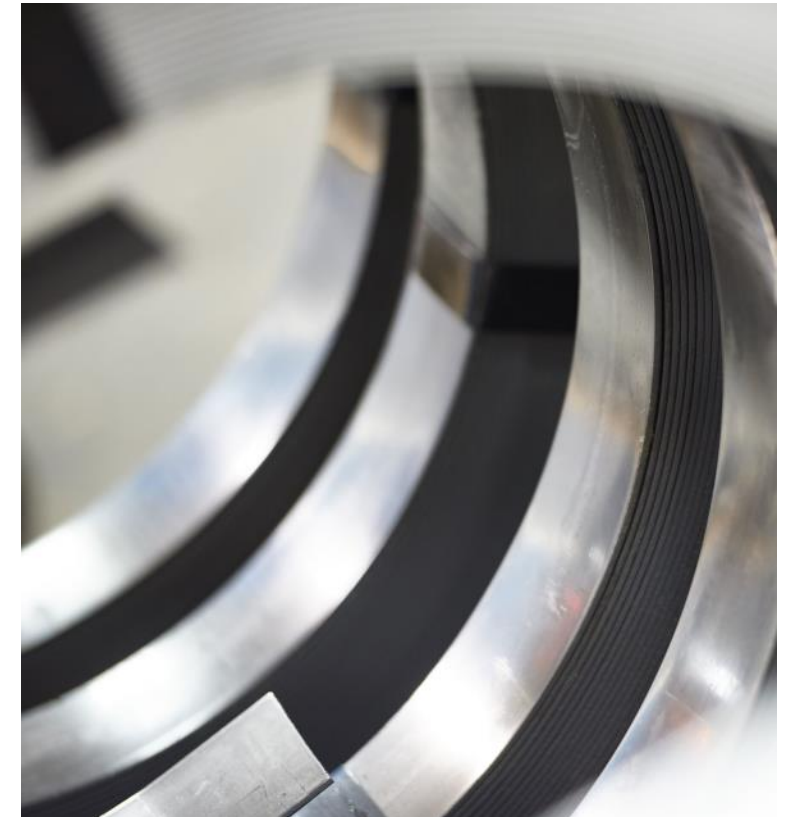
- ▶ Strong presence in the three largest automobile markets for premium vehicles
- ▶ Utilize leading position in the applications of seats, drivetrain, safety, and opportunities for new areas of application
- ▶ Expand value chain with vertical integration
- ▶ Continuously expand the fineblanking process with innovative tool solutions
- ▶ Identify new areas of growth
- ▶ Globally standardized best in class processes
- ▶ Utilize services as USP and develop into a system provider



STRATEGY AMENDMENTS

Both segments contribute to the long-term success on the market

- ▶ System Parts as driver of growth
 - ▶ Utilize opportunities for new application areas and expand skills as development partner
 - ▶ Promote vertical integration
 - ▶ Expansion of capacity through new locations or their expansion
- ▶ Fineblanking Technology as supporter of technology
 - ▶ Develop the capital goods segment in targeted areas to expand the areas of application
 - ▶ Further develop existing ranges of presses
 - ▶ Increase the proportion of added value for the entire fineblanking process



FIVE-YEAR COMPARISON

Long-term positive development

(in million CHF)	2012 ¹⁾	2013	2014	2015	2016	2017E	Mid-term Target
Net sales	427.0	435.7	503.4	508.9	552.2	580	800
EBITDA	43.0	47.0	62.9	61.4	76.0 ²⁾		
EBIT	22.0	20.4	35.1	32.9	41.3 ²⁾	7.5 – 8%	
Group result	11.4	14.8	24.6	20.1	32.1		
Net debt	75.3	33.0	9.3	11.1	16.2		
Equity share (in %)	35.4	46.1	47.5	48.7	43.3		
Investments	34.8	36.6	43.4	31.8	74.9		
Dividends (CHF) ³⁾	1.00	1.20	1.50	1.50	2.00 ⁴⁾	30%	

1) Including Automation segment, which was sold in the 2014 financial year

2) Details without one-off effect from pension fund

3) Converted for a share with par value CHF 10

4) Proposal by the Board of Directors

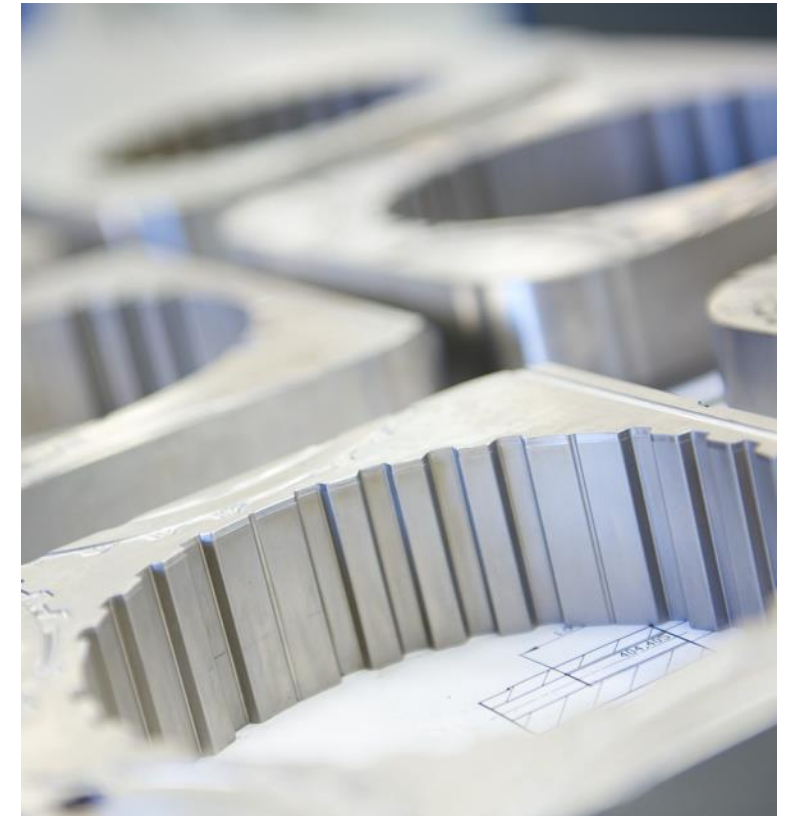
Bruno Malinek

Review of the financial year 2016

MARKET ENVIRONMENT

Market and competitive environment still positive

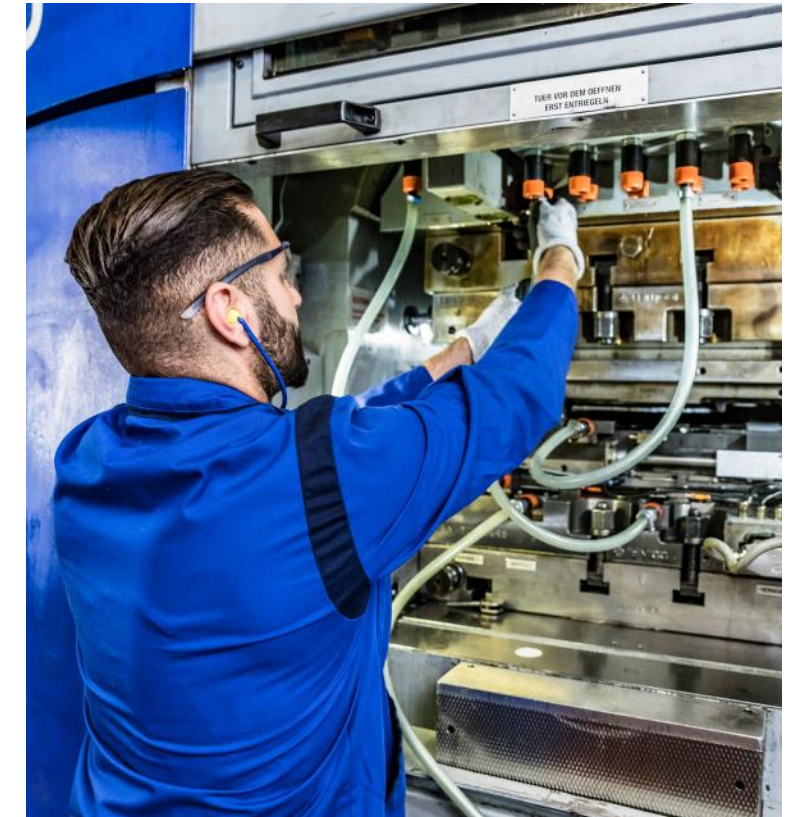
- ▶ Political and economic uncertainties barely affected Feintool
- ▶ Stable demand for fineblanked and formed automobile components
- ▶ Market share increases due to trend towards outsourcing of expertise-intensive processes
- ▶ Megatrend: Digitization and electromobility / alternative drives



SYSTEM PARTS SEGMENT

Growth driver with exceptional results

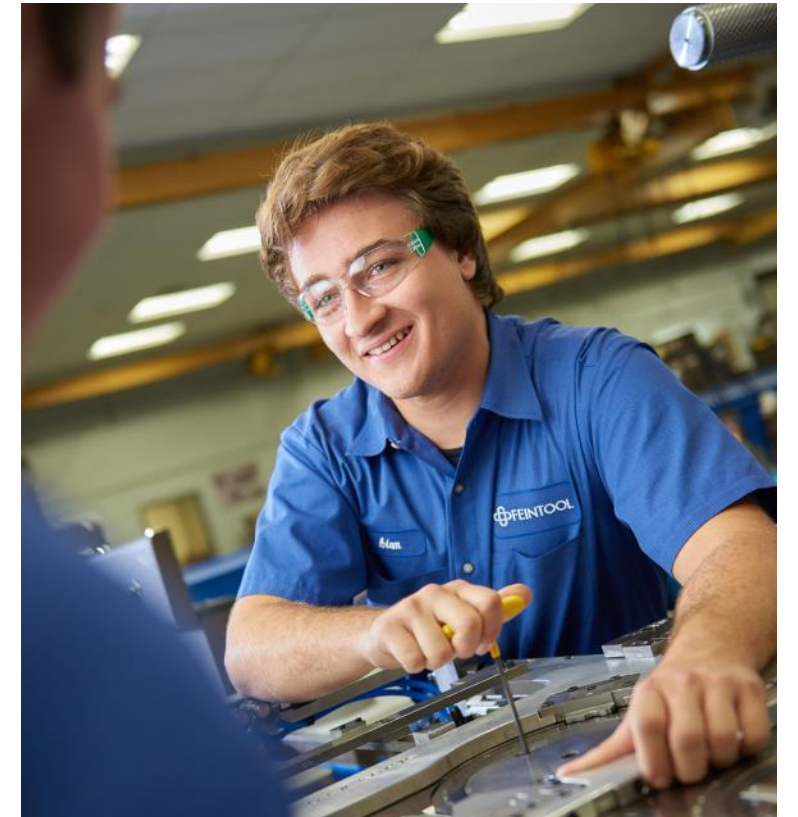
- ▶ Global production in the three largest automobile markets
- ▶ Strong focus on certain areas of application (seats, drivetrain, safety)
- ▶ Benefiting from continued growth in automobile production and supporting the trends of the manufacturers
- ▶ Everything from a single source: increasing vertical integration – Feintool is becoming a system supplier
- ▶ Expansion of skills as development partner for innovative applications



HIGHLIGHTS OF SYSTEM PARTS SEGMENT

Focusing pays off

- ▶ Stronger growth than the market; after adjustment for currency effects 6.5%
- ▶ All business units make a positive contribution to the company result
- ▶ Strategic field of cold forming very successful
- ▶ Necessary capacity increases at the forming locations of Ohrdruf and Nashville finalized
- ▶ Very positive global development for fineblanking
- ▶ New focus for production strategy in the European fineblanking operations puts a slight strain on the result



SYSTEM PARTS SEGMENT

Expansion of skills as development partner for new applications

Alternative drives

- ▶ Bipolar plates in fuel cells
 - ▶ Fineblanking is the solution for producing the most efficient fuel cells out of metal
 - ▶ Collaboration with research and development of various OEMs and Tier1
- ▶ Connectors for electric and hybrid drives
 - ▶ More efficient production using fineblanking since no secondary operation is needed
 - ▶ Fineblanking experience with non-ferrous metals
 - ▶ Collaboration with research and development of various Tier1

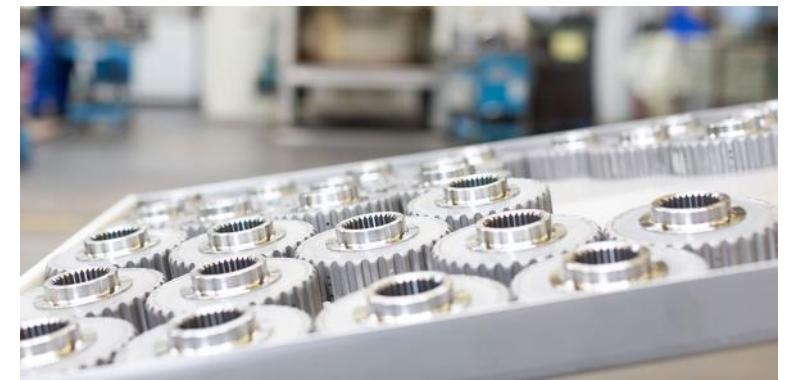


SYSTEM PARTS SEGMENT

Expansion of skills as development partner for new applications

New drive-independent application areas

- ▶ Chassis: Wheel carrier plates
 - ▶ By using innovative tool concepts, fineblanking replaces laborious machining processes
 - ▶ Strengthening increases the life cycle
- ▶ All-wheel drive: Plate carriers
 - ▶ Cold forming replaces laborious processes and facilitates light-weight construction
 - ▶ Trend towards all-wheel drive can be identified (2016: 18%; 2022: 20%)¹⁾



¹⁾ Source: IHS Automotive

SYSTEM PARTS SEGMENT

Added value through vertical integration: System Parts becomes system supplier

Everything from a single source

- ▶ Rotors for hybrid drives
 - ▶ Expansion of value creation for Feintool
 - ▶ Assembly of the component with the hub using laser welding
 - ▶ Subsequent turning, milling and deburring for parts ready for assembly

Reduction in number of suppliers

- ▶ Assemblies for electrical applications
 - ▶ Fineblanked components are the most demanding parts
 - ▶ For this reason, Feintool is especially suited to assembly / component manufacturing



FINEBLANKING TECHNOLOGY SEGMENT

Global market leader for fineblanking presses and a driver of innovation

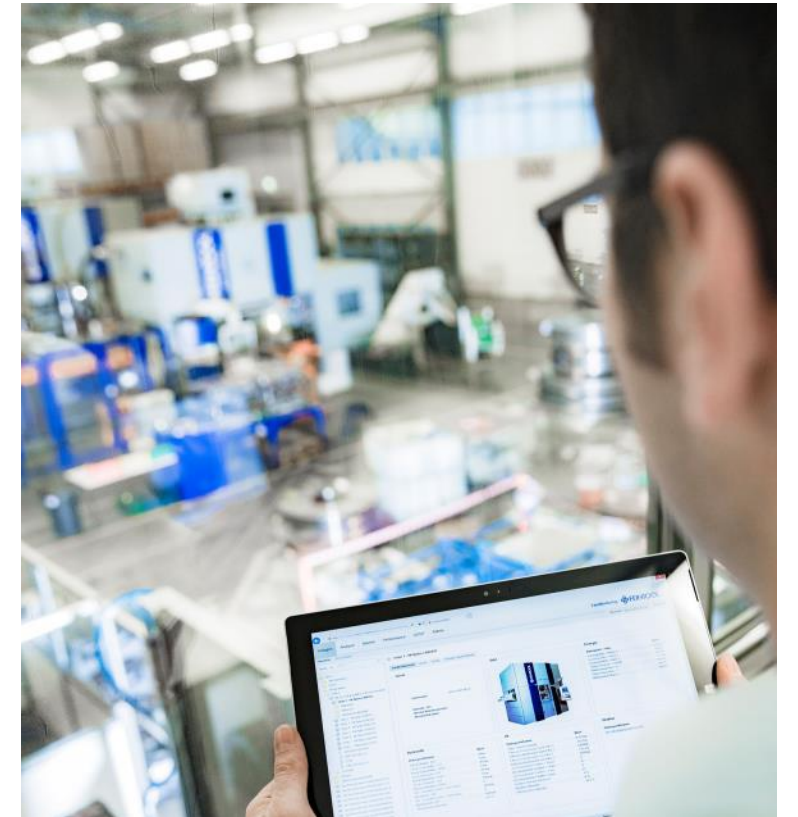
- ▶ Solution provider with high process competency: Tools, presses and systems, services
- ▶ Research and development: Continuously expand the horizons of fineblanking by working with universities
- ▶ Challenging market environment in the field of capital goods
- ▶ Significant contributions to the growth of the System Parts segment



HIGHLIGHTS OF FINEBLANKING TECHNOLOGY SEGMENT

Market position strengthened

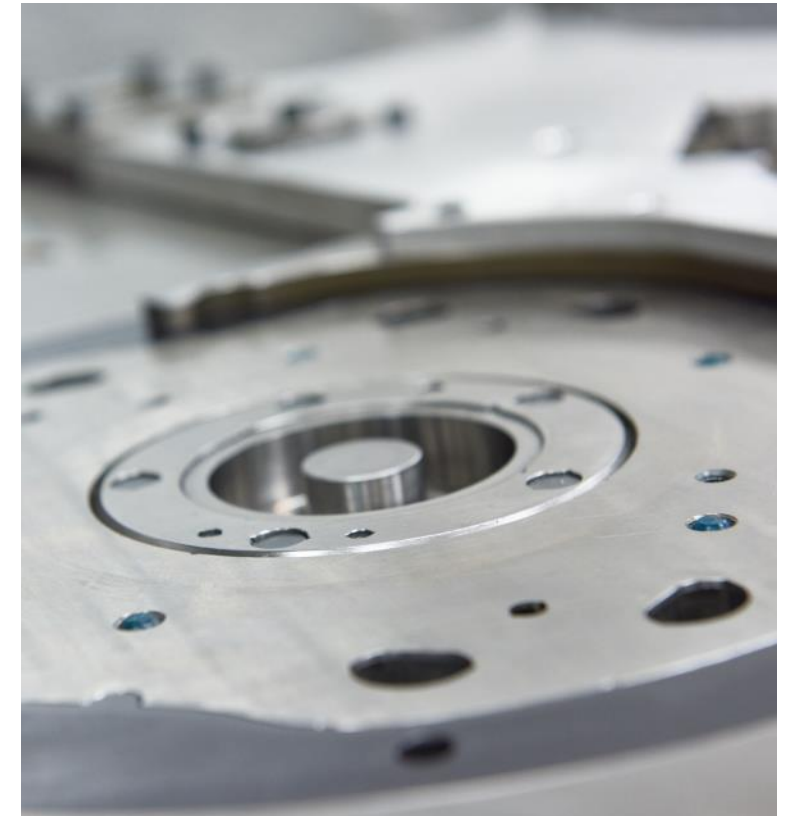
- ▶ 5.6% growth in sales
- ▶ Reluctance to invest in Europe and USA due to consolidation of market – exploited opportunities for growth in Asia
- ▶ Fastest and most productive fineblanking system for a large series production installed globally
- ▶ Only press manufacturer with permanent monitoring of fineblanking presses and its data analysis as finished solution
- ▶ Founding member of a fineblanking working group (Arbeitskreis Feinschneiden) – Feintool drives forward innovation



FINEBLANKING TECHNOLOGY SEGMENT

Expands the limits and application areas of fineblanking

- ▶ Research project "Thermal Fineblanking" with ETH Zurich
 - ▶ New areas of application using heated material
- ▶ Wear protection with RWTH Aachen
 - ▶ New tool materials and optimal coatings for the processing of high-tensile materials and longer service life
- ▶ Arbeitskreis Feinschneiden, tooling laboratory at RWTH Aachen
 - ▶ Around 35 companies are working on future opportunities and potential for fineblanking
 - ▶ Research project 2017: Industry 4.0 for fineblanking systems
- ▶ Surface comparison normal app with the University of Jiatong in Shanghai

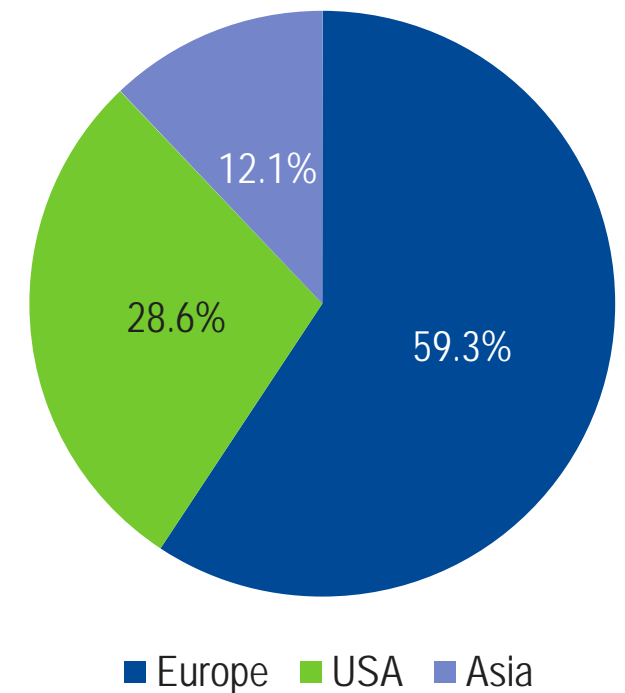


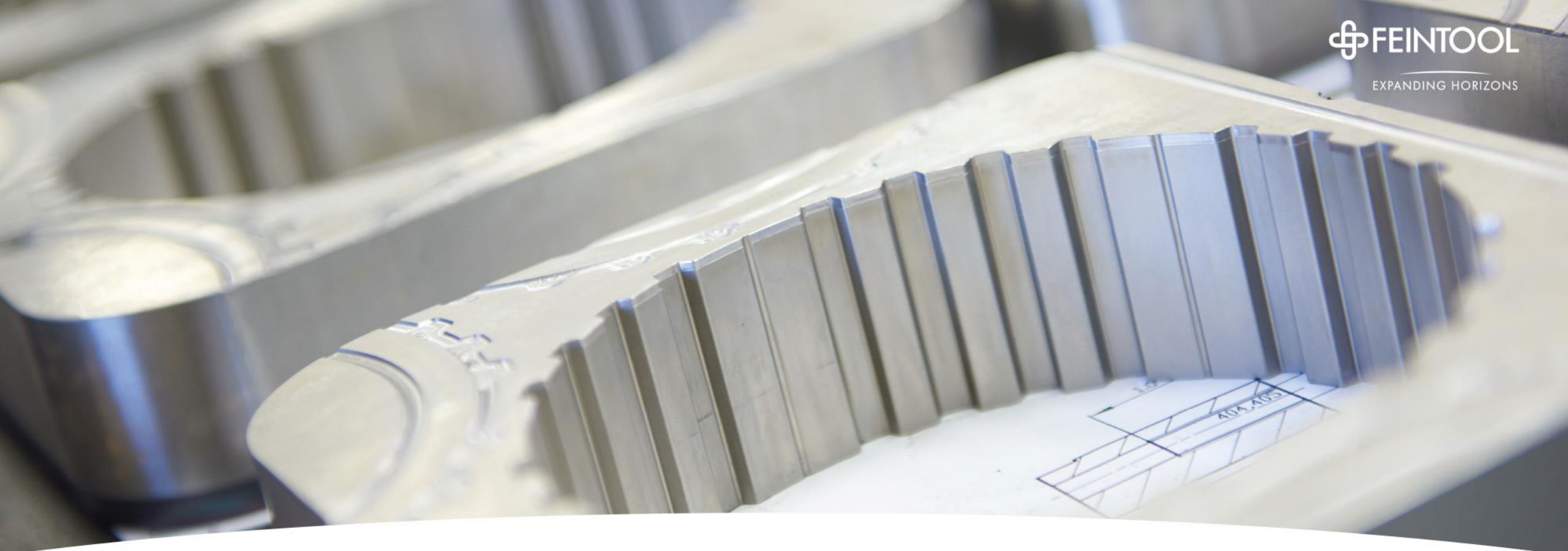
EMPLOYEES

Success factors of competence, motivation and commitment

- ▶ Due to the expansion of operations in Oelsnitz (DE) and Taicang (CN) and the vertical integration and growth of the European fineblanking operations, the number of employees has risen by 9.3% to 2 239
- ▶ 68 apprentices at seven locations
- ▶ According to the employee survey, satisfaction has grown
- ▶ Internal transfer of expertise started on a digital platform
- ▶ Since January 1, Markus Schaltegger has been managing the Fineblanking Technology Segment
- ▶ Expansion of the matrix organization

Employees by region



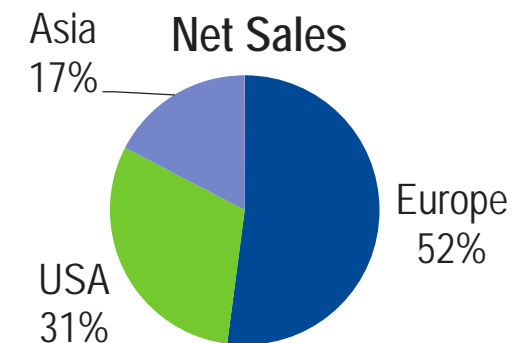
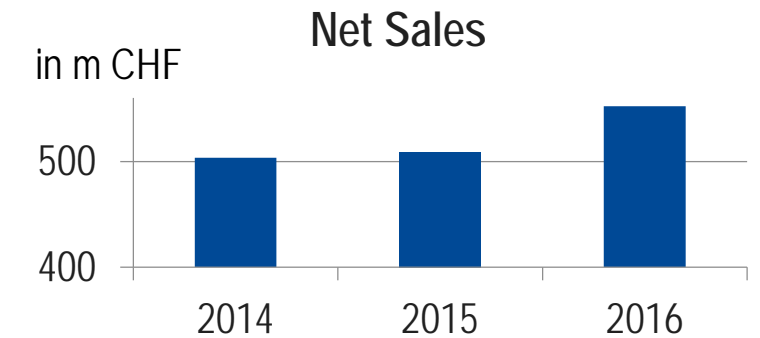


Thomas Bögli Financial Results

NET SALES

5.9% growth in local currency

- ▶ Net sales of CHF 552.2 m
- ▶ CHF 13.1 m translational currency effects accelerates growth to 8.5%
- ▶ Segment System Parts realizes 87% of Group's net sales and is the driver of growth
- ▶ All regions with higher net sales; strongest growth in Europe
- ▶ Geographical sales distribution based on Feintool's customers; final customer distribution more evenly distributed

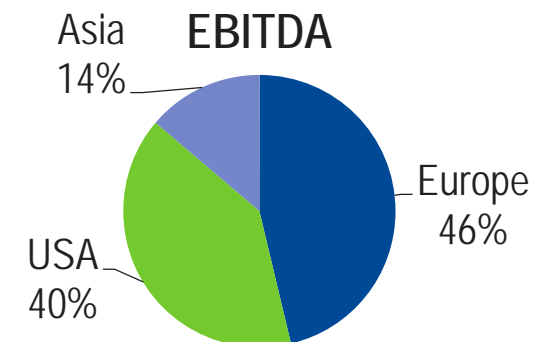
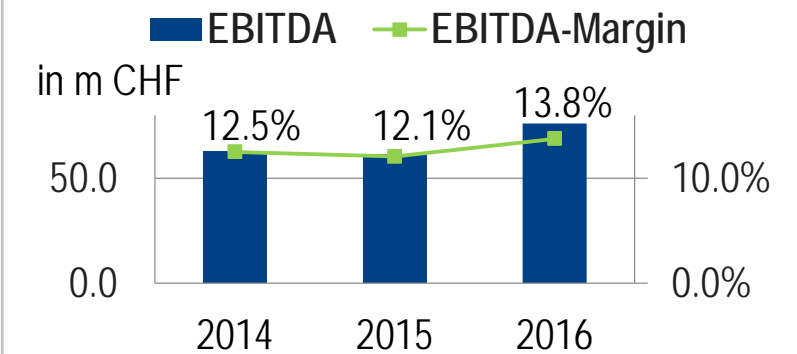


EBITDA

EBITDA-margin* increases to 13.8%

- ▶ EBITDA* of CHF 76.0 m
- ▶ Growth in local currency: 19.6%
- ▶ EBITDA*-margin increases by 170 basis points to 13.8%
- ▶ Gross-margin increases due to efficiency gains and better capacity utilization
- ▶ Preproduction cost for product introduction and manufacturing relocation reduce margin.

* Without one-off effect from amendment in regulation of Swiss pension fund

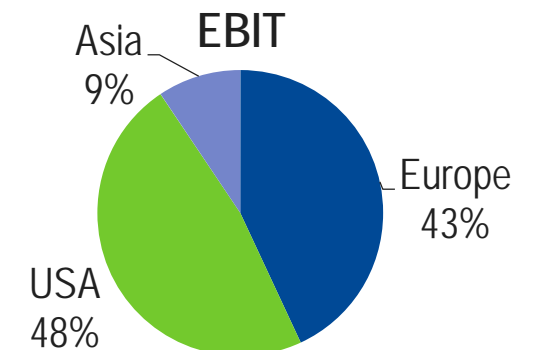
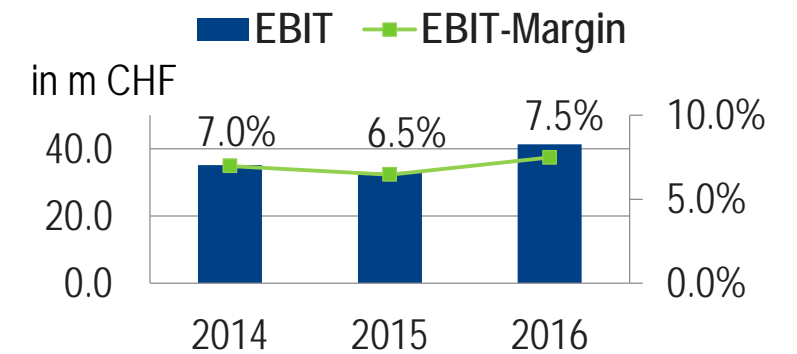


EBIT

EBIT-margin* grows to 7.5%

- ▶ EBIT* of CHF 41.3 m
- ▶ Positive translational currency effect of CHF 1.6 m; EBIT growth in local currency 20.8%
- ▶ EBIT-margin* increases by 100 basis points
- ▶ All units and regions with positive contribution
- ▶ Other units and regions compensate for weaker unit Fineblanking Europe

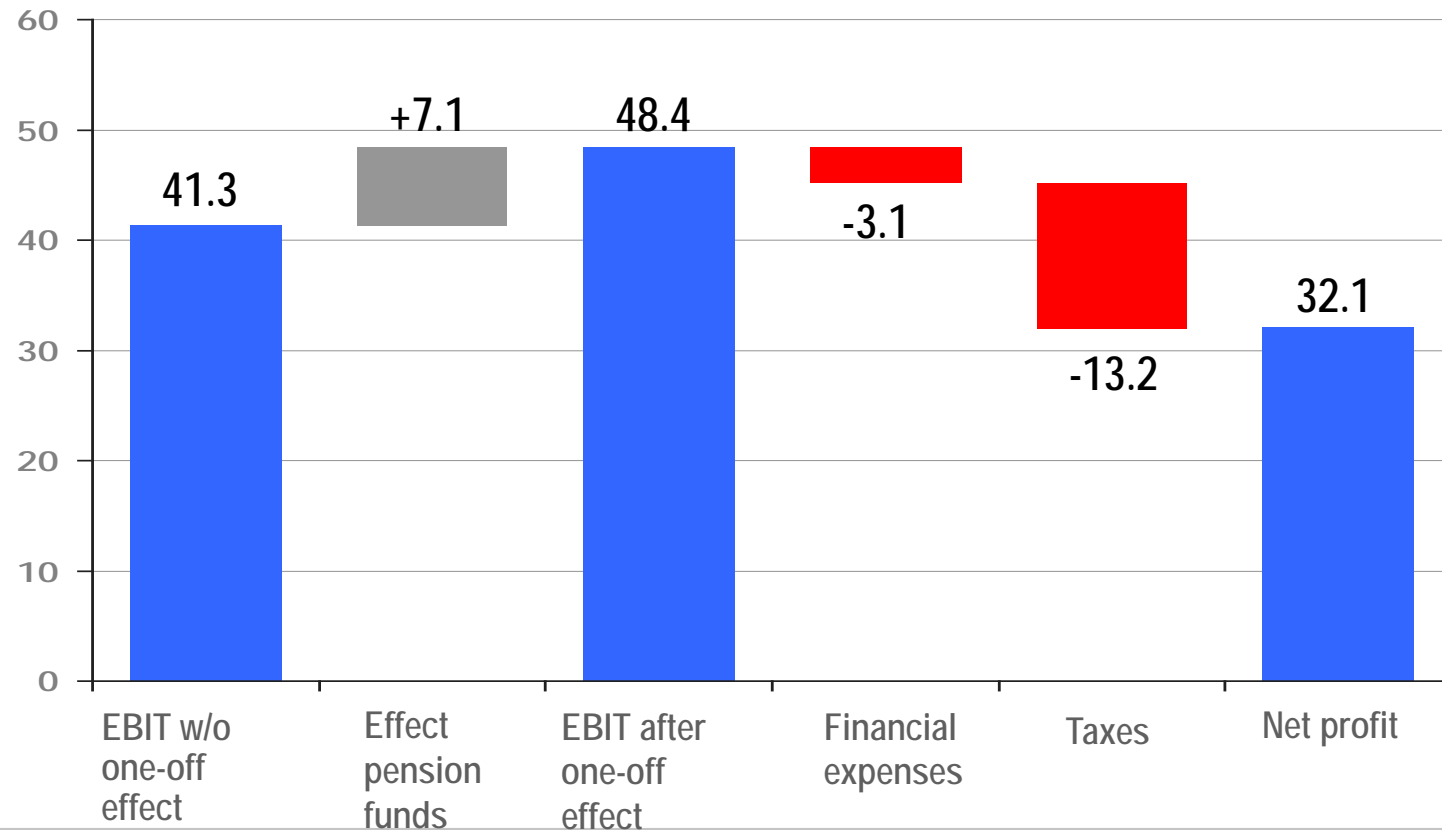
* Without one-off effect from amendment in regulation of Swiss pension fund



NET RESULT

Net profit increases more than 50%

in m CHF



- ▶ Net profit of CHF 32.1 m
- ▶ Profit increase in local currency 51.4%
- ▶ Net profit margin increases to 5.8%
- ▶ Dividend increases by one third to CHF 2.00 per share*

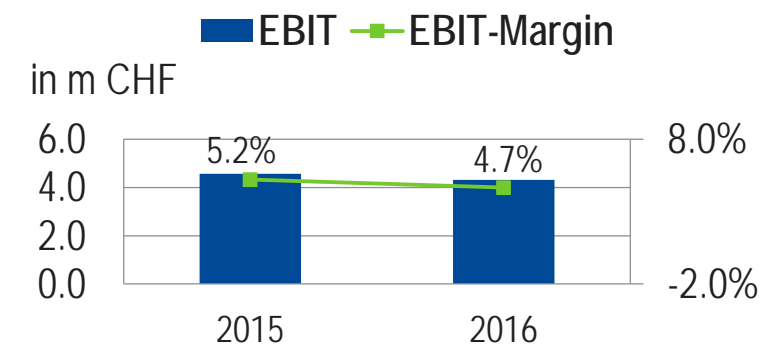
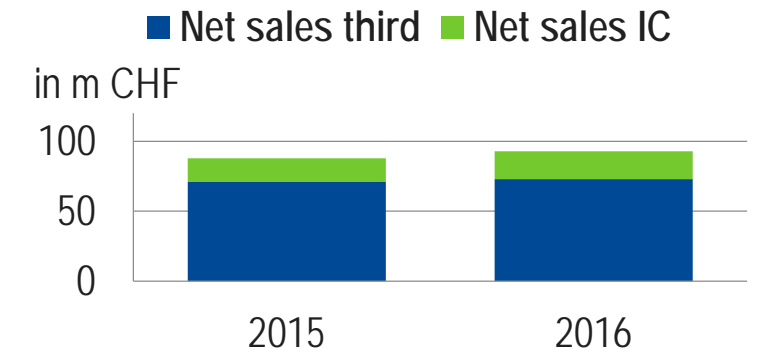
* Board of Directors' proposal

FINEBLANKING TECHNOLOGY

Net sales in local currency increases by 4.9%

- ▶ Net sales of CHF 92.7 m
- ▶ EBIT* of CHF 4.3 m slightly lower
- ▶ EBIT-margin*: 4.7%
- ▶ Press sales in Asia vitalized
- ▶ R&D expenses increased to CHF 5.6 m
- ▶ New focus of Shanghai technical center caused one time cost of CHF 1.2 m
- ▶ 21% of net sales to System Parts manufacturing plants

* Without one-off effect from amendment in regulation of Swiss pension fund

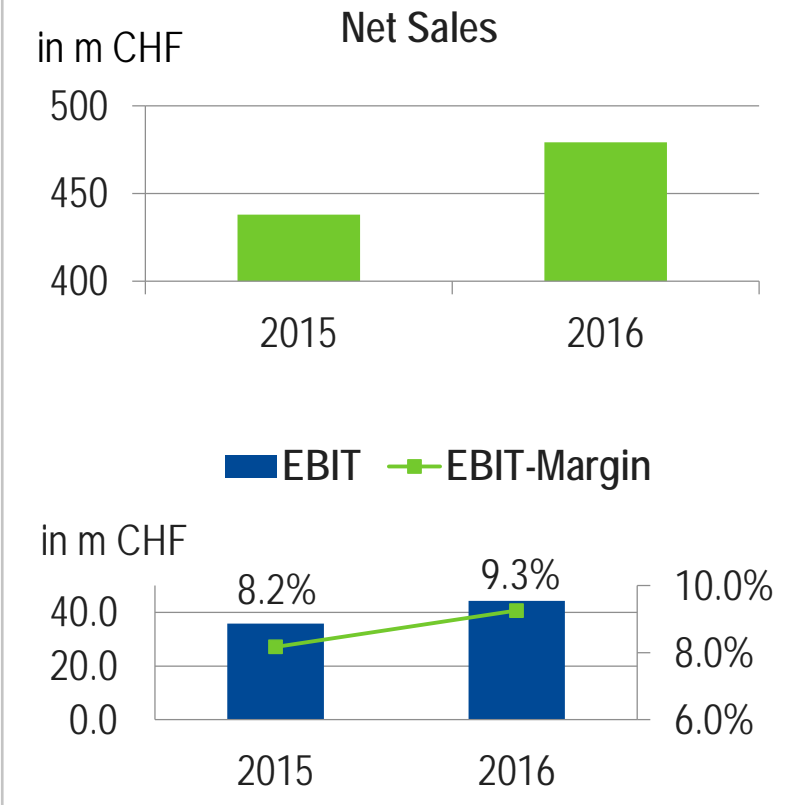


SYSTEM PARTS

EBIT-margin* rises to 9.3%

- ▶ Net sales increased to CHF 479.3 m, results in 9.4% growth, in local currency 6.5%
- ▶ EBIT* of CHF 44.4 m; EBIT-margin of 9.3%
- ▶ Forming Europe, USA und Asia with strong results; China is profitable for the first time
- ▶ Initial cost for further growth and manufacturing relocation in Europe reduce result

* Without one-off effect from amendment in regulation of Swiss pension fund



BALANCE SHEET

Capital expenditures for further growth add up to 13.5% of net sales

Assets	12/31/2016 in m CHF	12/31/2015 in m CHF	Difference in m CHF
Cash and cash equivalents	92.8	31.6	61.2
Trade and other receivables	85.7	83.5	2.2
Inventories / Net assets of production i.p.	72.1	72.5	-0.3
Prepaid expenses and accrued income / Other receivables	5.4	3.5	1.9
Total current assets	256.0	191.1	64.9
Property plant & equipment	237.5	198.1	39.4
Other fixed assets	37.3	37.7	-0.4
Total non-current assets	274.8	235.8	39.0
Total assets	530.7	426.9	103.8

- ▶ Total assets are CHF 530.7 m
- ▶ Net working capital unchanged despite growth
- ▶ Capital expenditures of CHF 74.9 m
- ▶ CHF 92.8 m of liquid funds

BALANCE SHEET

Solid balance sheet

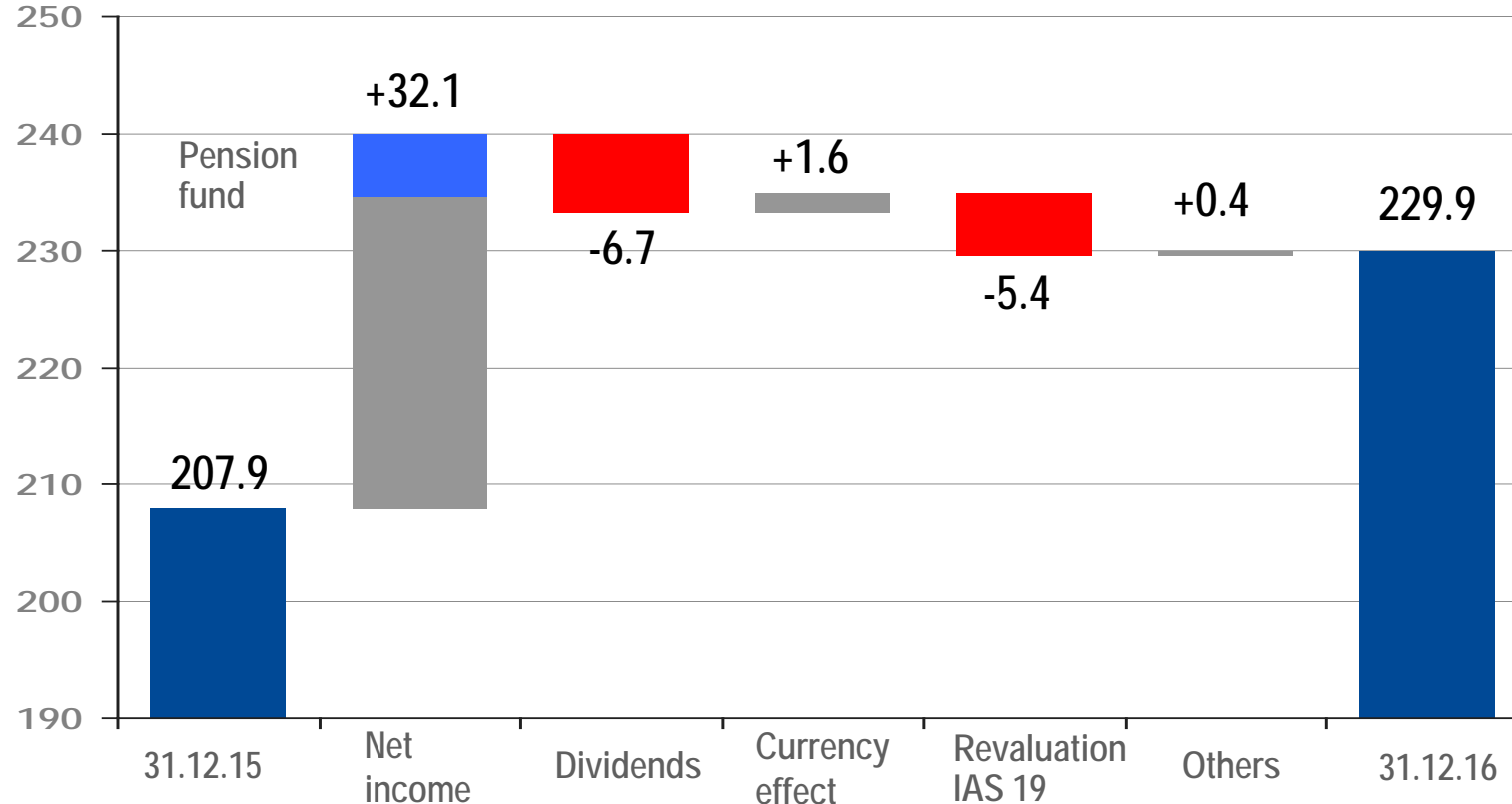
Liabilities	12/31/2016 in m CHF	12/31/2015 in m CHF	Difference in m CHF
Interest bearing liabilities	108.9	42.6	66.3
Other liabilities	191.9	176.4	15.5
Shareholders equity	229.9	207.9	22.0
Total liabilities and shareholders' equity	530.7	426.9	103.8
Equity ratio	43.3%	48.7%	5.4%
Net debt	16.2	11.1	5.1

- ▶ Equity rises to CHF 229.9 m
- ▶ Net debt adds to CHF 16.2 m, nearly unchanged
- ▶ Successful private placement of EUR 65 m executed; thus financing secured for the next five years
- ▶ Equity ratio is slightly reduced to 43.3% due to higher total assets

EQUITY

Strong equity ratio of 43.3%

in m CHF

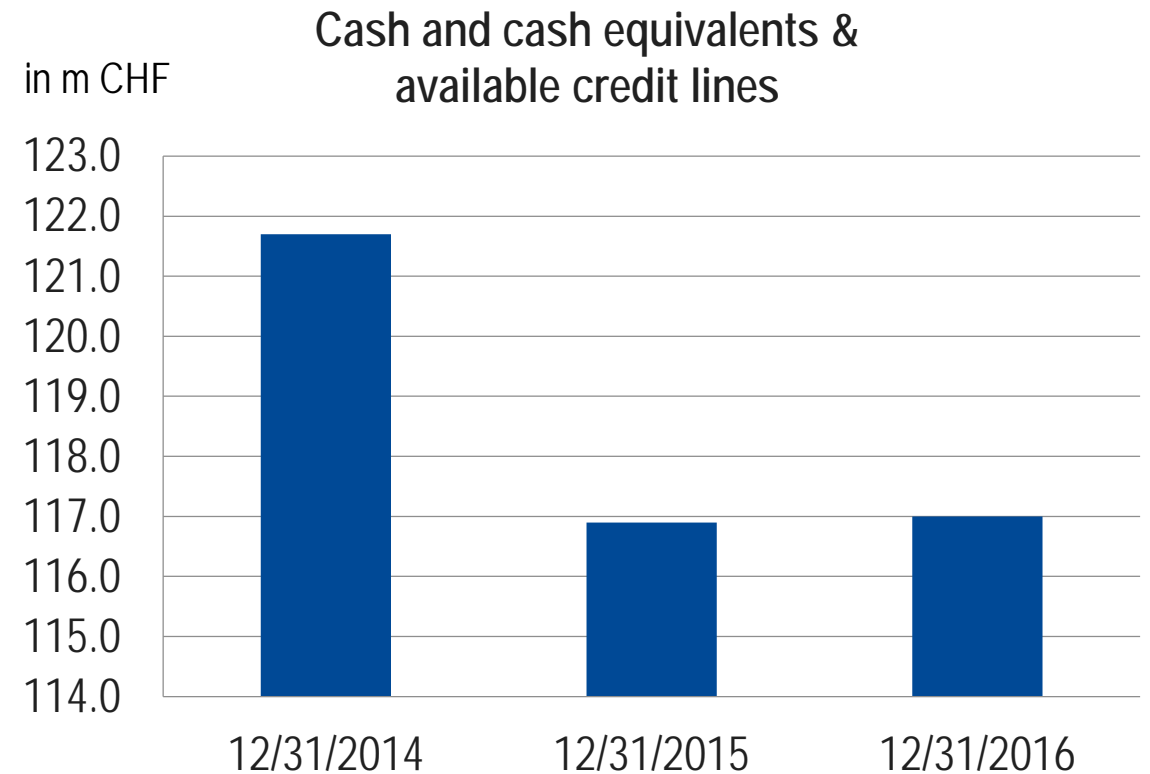


- ▶ Successful operational activities result in an equity increase of CHF 22.0 m
- ▶ IAS 19: Revaluation compensated by impact from amendment in regulation of Swiss pension fund

CASH FLOW

Cash flow from operation finances capital expenditures

- ▶ Operational cash flow increased to CHF 74.1 m
- ▶ Free cash flow of CHF 14.7 m
- ▶ Liquid funds and confirmed open credit lines amount to CHF 117.0 m





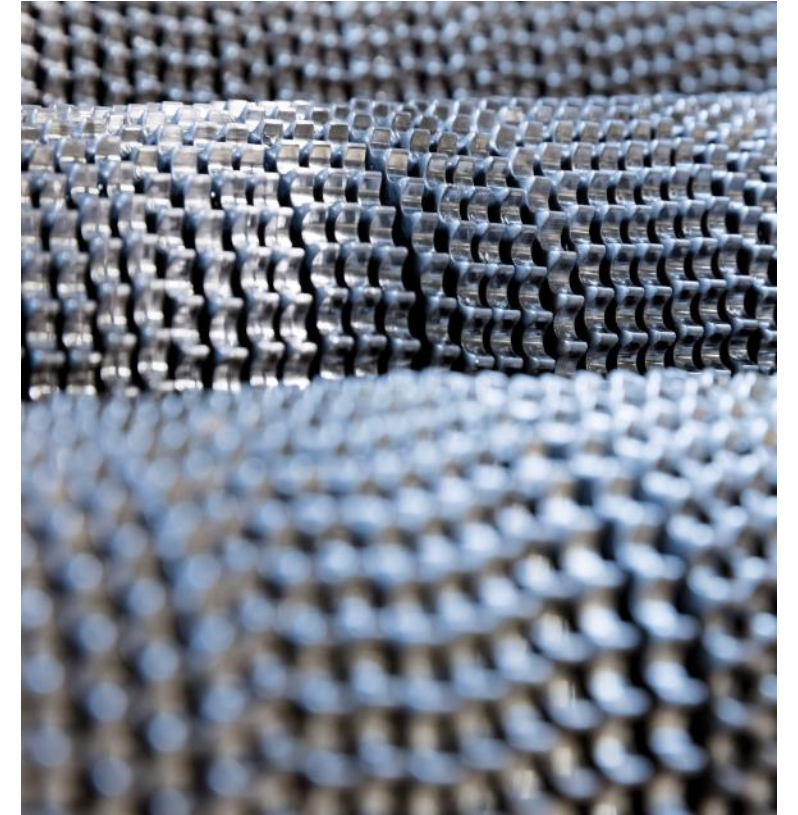
Bruno Malinek
Outlook

OUTLOOK

Key projects

- ▶ Expansion of market capacity
- ▶ Expansion of vertical integration
- ▶ Promoting development partners for new applications

- ▶ Expansion of tool range
- ▶ Development of press range
- ▶ Additional service provision



EXPANSION OF MARKET CAPACITY: NEW LOCATION IN MOST

Opening up further market segments and expanding production capacities

- ▶ Plot of more than 100,000 m² bought in the Most (CZ) industrial park for new location
- ▶ Customer desire for global suppliers that can master both basic and complex applications and are close to the customer
- ▶ System Parts: Improvement in market position for production of simpler and less complex fineblanked components and for assembly production
- ▶ Fineblanking Technology: Focus on the production of basic and semi-complex fineblanking tools and replacement components
- ▶ Production start planned for mid 2018



EXPANSION OF MARKET CAPACITY: TAKEOVER OF FORMING PLANT IN CHINA

Strategic gaps in Asia closed

- ▶ An expanding forming plant founded in 2014 on an area of 15,000 m²
- ▶ By the end of 2017, two transfer presses in operation
- ▶ 30 employees
- ▶ Existing orders in the ramp-up phase
- ▶ Further investments and expansion planned in the next two years
- ▶ In the medium-term, around CHF 30 million in sales with existing customers



VERTICAL INTEGRATION

Promote greater customer loyalty and expansion of value creation

Heat treatment

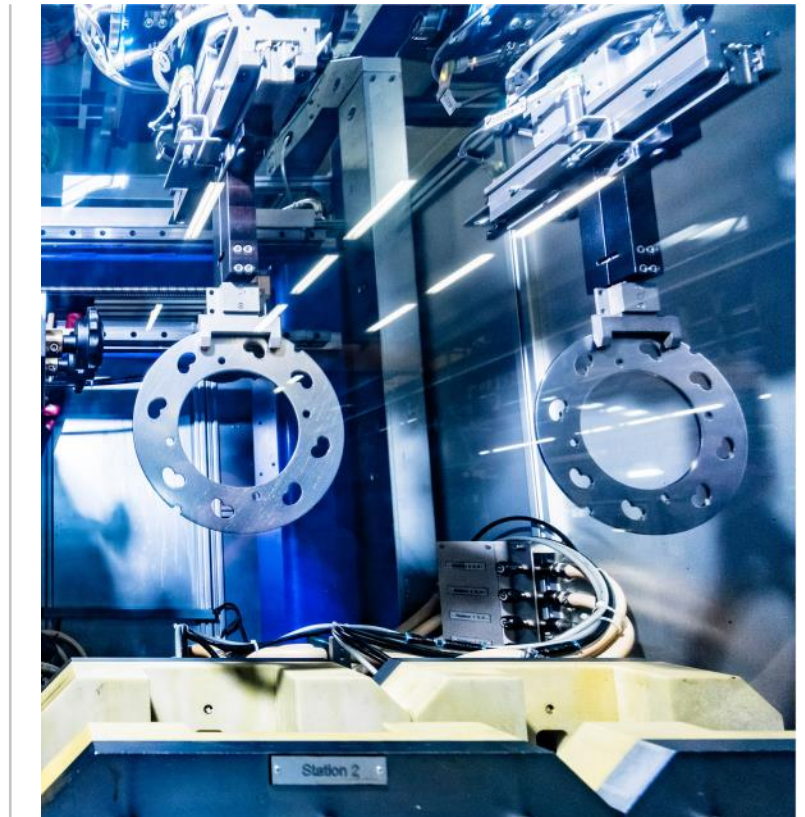
- ▶ New internal hardening facility in Ohrdruf
- ▶ Expansion of hardening capacities in Lyss

Grinding

- ▶ Setup of the double-disc grinding secondary operation in Taicang (CN), Cincinnati (US), Most (CZ)

System supplier

- ▶ Expand production of assemblies in the area of forming and set up for fineblanking



GUIDANCE

Basically positive business development

- ▶ Market environment shaped by political uncertainty
- ▶ Without the influence of the latest acquisition of the Chinese forming plant, we expect sales of around CHF 580 million and an EBIT margin of 7.5% - 8%.



AGENDA

Important dates

25 April 2017	Results 1st quarter and General Meeting
29 August 2017	Half-year report 2017
31 October 2017	Results 3rd quarter
07 March 2018	Annual Media Conference Financial Year 2017

Feintool Group Questions and Answers

Expanding Horizons

Together achieving new dimensions in
fineblanking and forming

WORLD OF FINEBLANKING

Feintool Group
Thank you for your attention

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