

Automatikgetriebe

Getriebeteile durch präzises Feinschneiden und Umformen wirtschaftlich hergestellt



Feintool-Group

Half-Year Result Conference – 23 August 2016

AGENDA

- ▶ Key developments Heinz Loosli
- ▶ Financial results Thomas Bögli
- ▶ Outlook Bruno Malinek
- ▶ Questions and answers
- ▶ Lunch and discussions
- ▶ Presentation growth area Forming Heinz Loosli/Knut Zimmer
- ▶ Detailed on-site tour Forming
- ▶ Conclusion, farewell and depart



Heinz Loosli

Key developments

FEINTOOL IN THE FIRST HALF-YEAR 2016

Growth path continued: very good half-year results

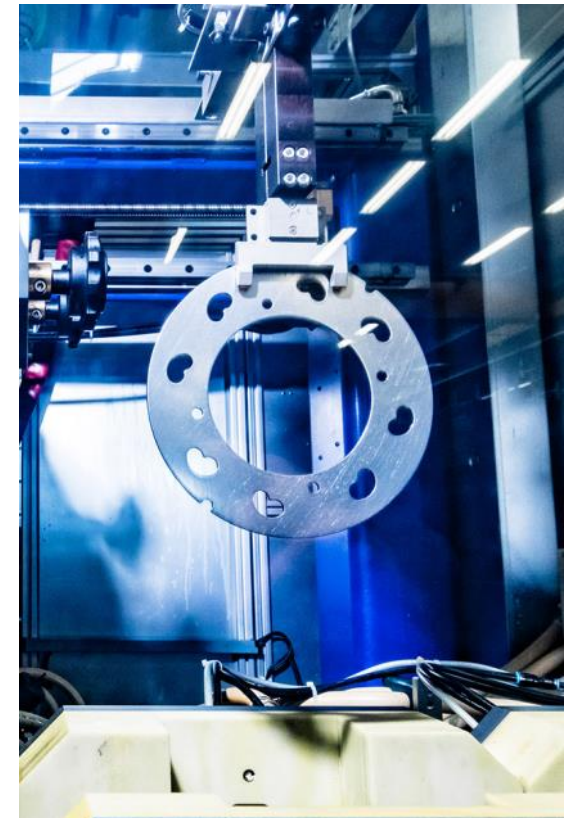
- ▶ Sales increased in first half-year by 14.3% to CHF 278,5 million
- ▶ Currency-adjusted sales growth 9.8%
- ▶ Market and competitive environment remains attractive, low oil prices and interest rates are helping to stimulate demand
- ▶ Increasing capacity utilization of new investments are having positive economic effects



MARKET ENVIRONMENT

Changes benefit Feintool

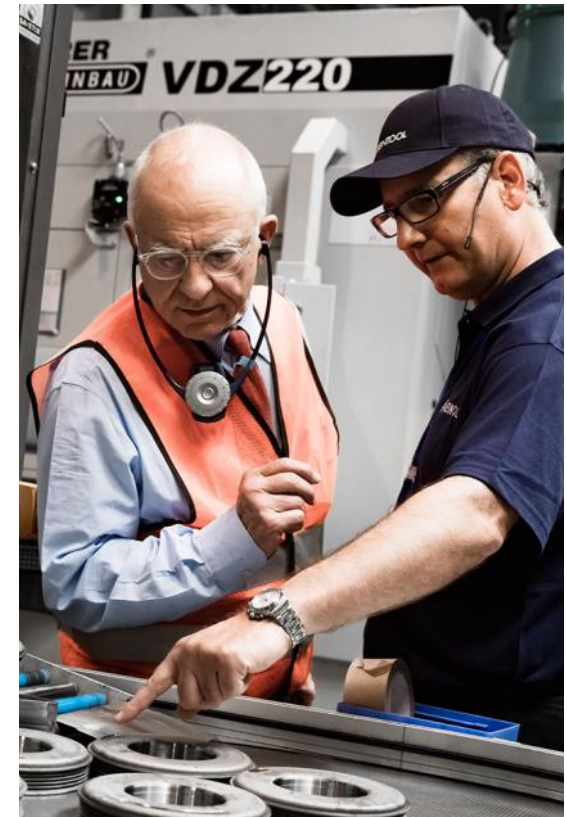
- ▶ Positive development in the automotive sector in our most important sales markets
- ▶ General reluctance to invest amongst SMEs. A lack of willingness to invest, globalization and often difficult succession planning are leading to a concentration on a few providers
- ▶ CO₂ reduction and "fuel economy" 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

8-gear
transmission

- ▶ Jeep
- ▶ Dodge
- ▶ Cadillac
- ▶ Chevrolet



9-gear
transmission

- ▶ Jeep
- ▶ Chrysler
- ▶ Land Rover
- ▶ Ford



Continuous
variable trans-
mission (CVT)

- ▶ Chevrolet



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-evenold
- ▶ 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



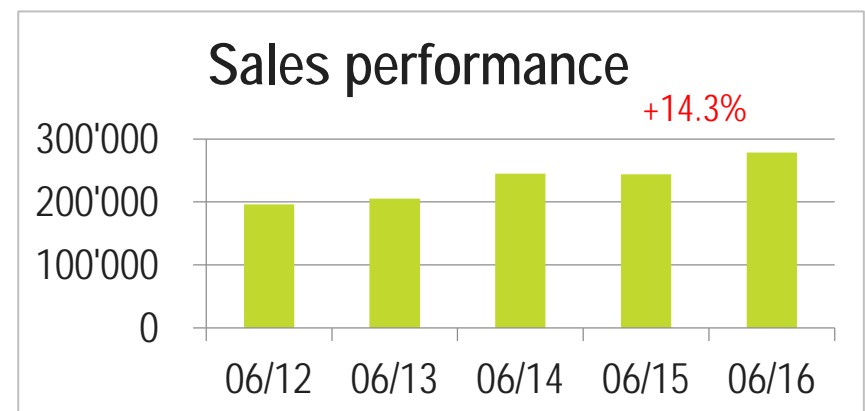
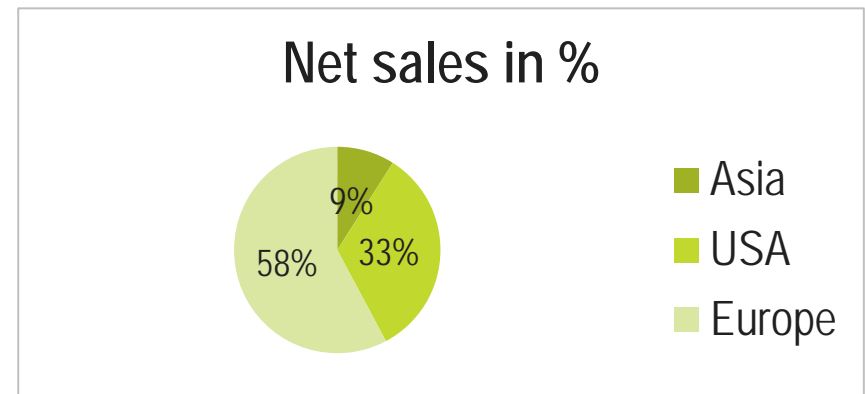


Thomas Bögli Financial Results

NET SALES

14.3% growth

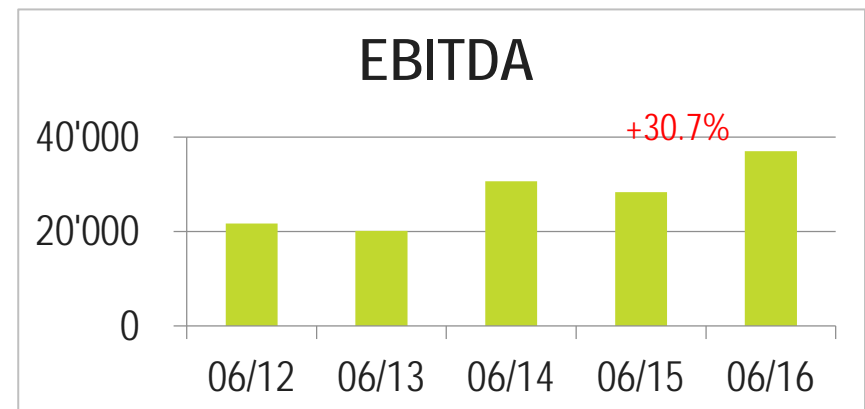
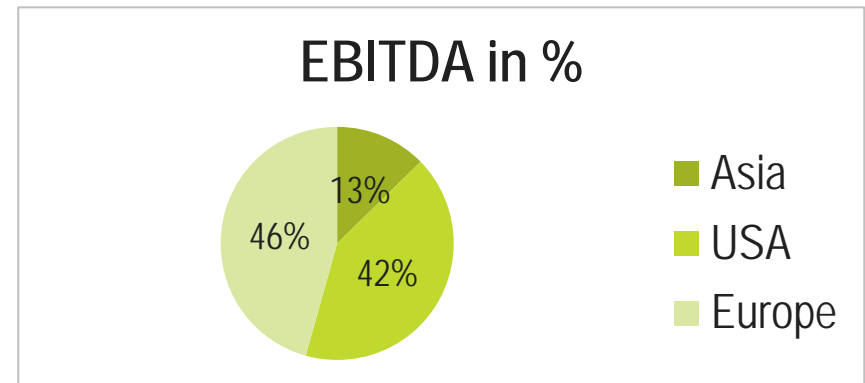
- ▶ Net sales of CHF 278.5 m
- ▶ CHF 11.0 m translational currency differences have a positive impact
- ▶ System Parts segment realizes 87% of Group's net sales and drives growth
- ▶ Strong growth in Europe and USA



EBITDA

EBITDA increased 30.7%

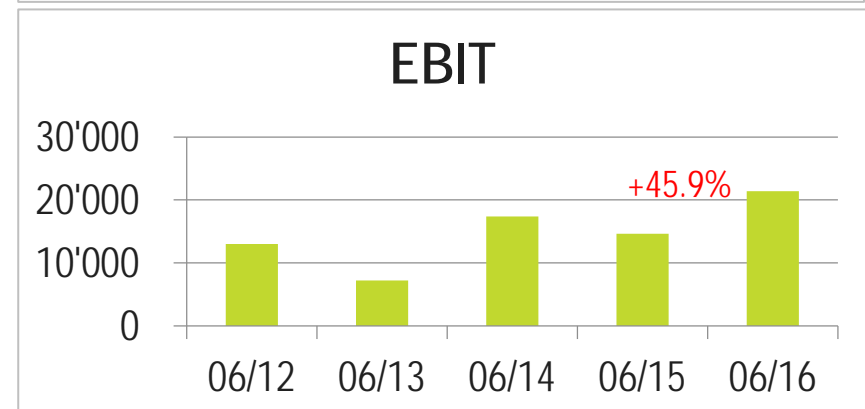
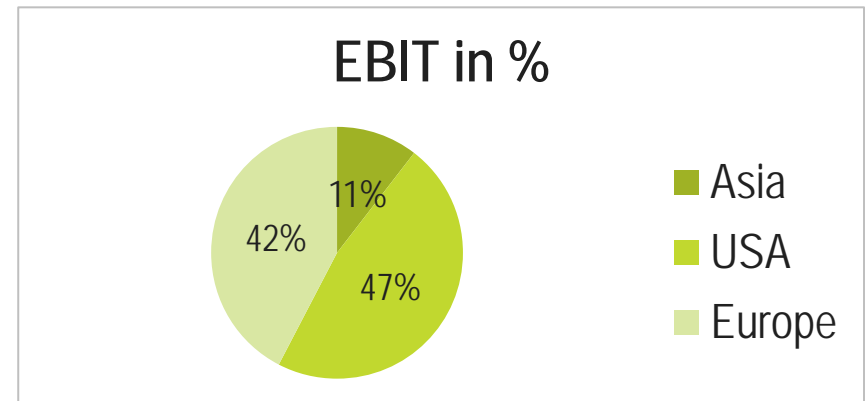
- ▶ EBITDA of CHF 37.0 m
- ▶ EBITDA margin increased to 13.3%, highest value since the IPO in 1998
- ▶ System Parts segment reached EBITDA margin of 15.4%
- ▶ Swiss manufacturing sites strongly improved compared to last year, but still below Group's average



EBIT

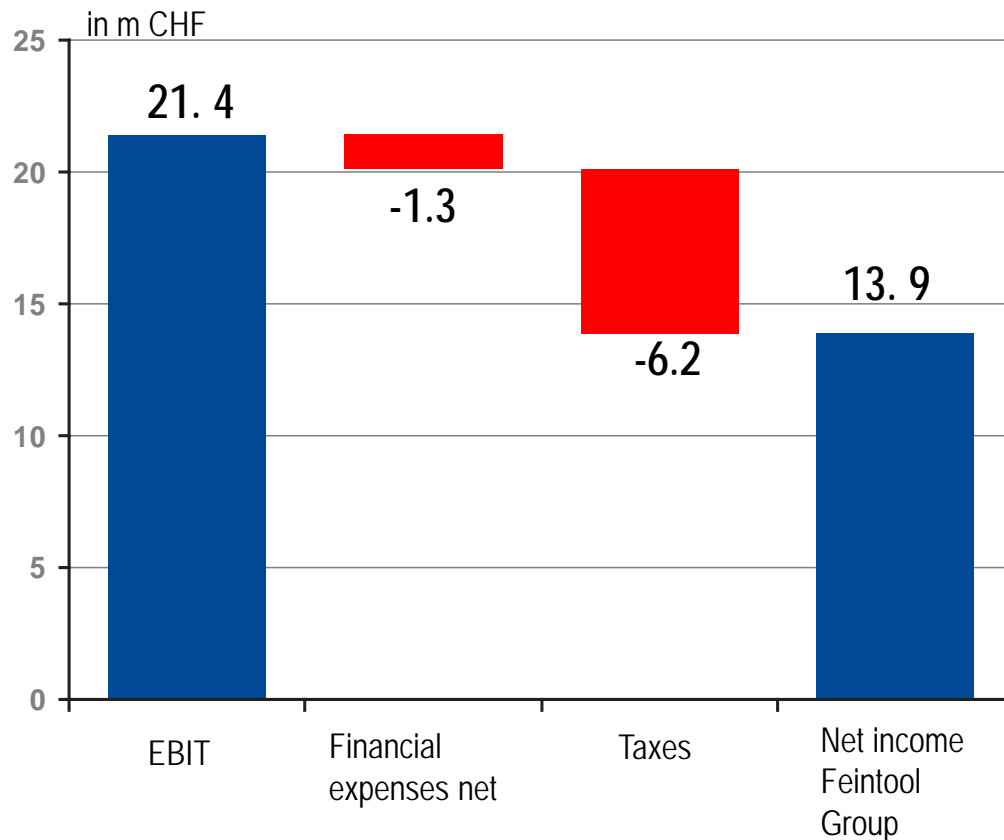
EBIT margin jumped up to 7.7%

- ▶ 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 RESULT

Net profit margin increased to 5.0% of net sales

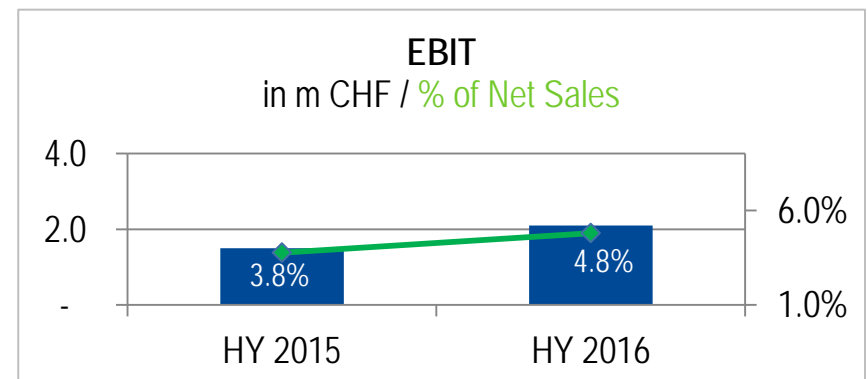
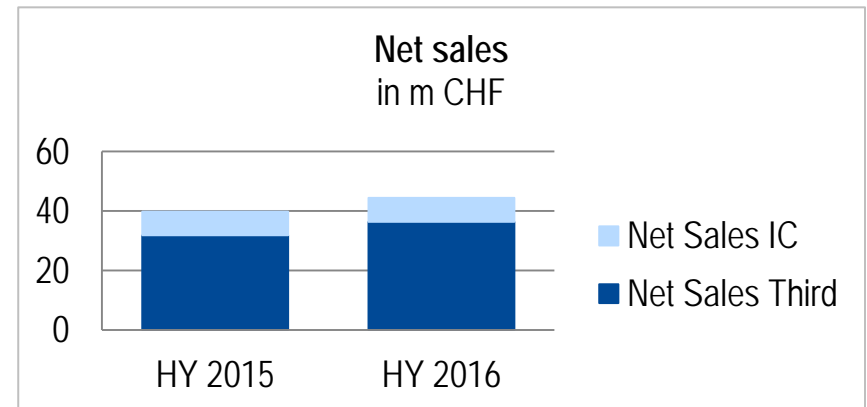


- ▶ Net profit CHF 13.9 m
- ▶ Very low financial expenses due to currency exchange gains net of CHF 0.5 m
- ▶ Tax rate slightly above 30%

FINEBLANKING TECHNOLOGY

Sales growth of 11.5%

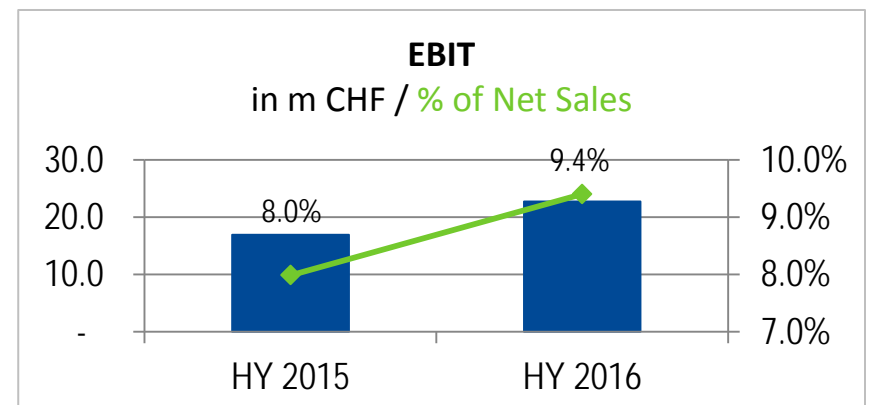
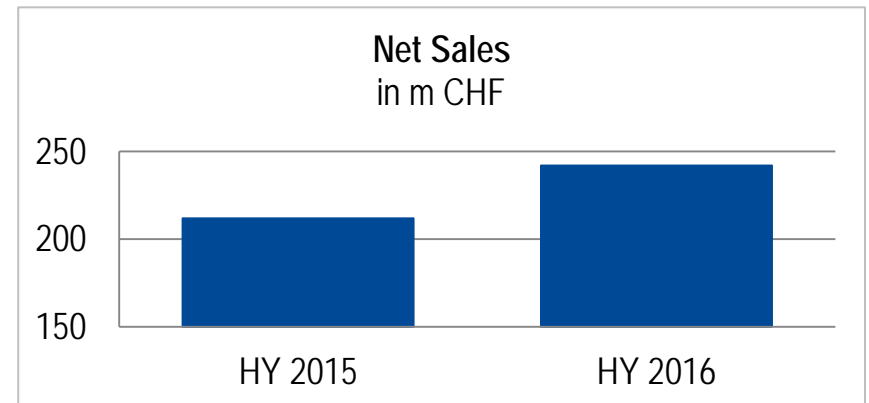
- ▶ Sales of CHF 44.4 m
- ▶ EBIT: CHF 2.1 m (margin: 4.8%)
- ▶ Operational improvements start to show results
- ▶ Order entry at CHF 43.0 m
- ▶ Order backlog of CHF 42.9 m secures workload for 8 months
- ▶ R&D expenses of CHF 1.9 m as investment for the future



SYSTEM PARTS

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



BALANCE SHEET

Total assets increased by 5.1%

Assets	30. 06.2016 in m CHF	31. 12.2015 in m CHF	Difference in m CHF
Cash and cash equivalents	24. 5	31. 6	-7.1
Trade and other receivables	99. 8	83. 5	16. 3
Inventories / Net assets of production i.p.	70. 2	72. 5	-2.3
Prepaid expenses and accrued income	5. 2	3. 5	1. 7
Total current assets	199. 7	191. 1	8. 6
Property, plant & equipment	208. 3	198. 1	10. 2
Other fixed assets	40. 9	37. 7	3. 2
Total non-current assets	249. 2	235. 8	13. 4
Total assets	448. 9	426. 9	22. 0

- ▶ 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

BALANCE SHEET

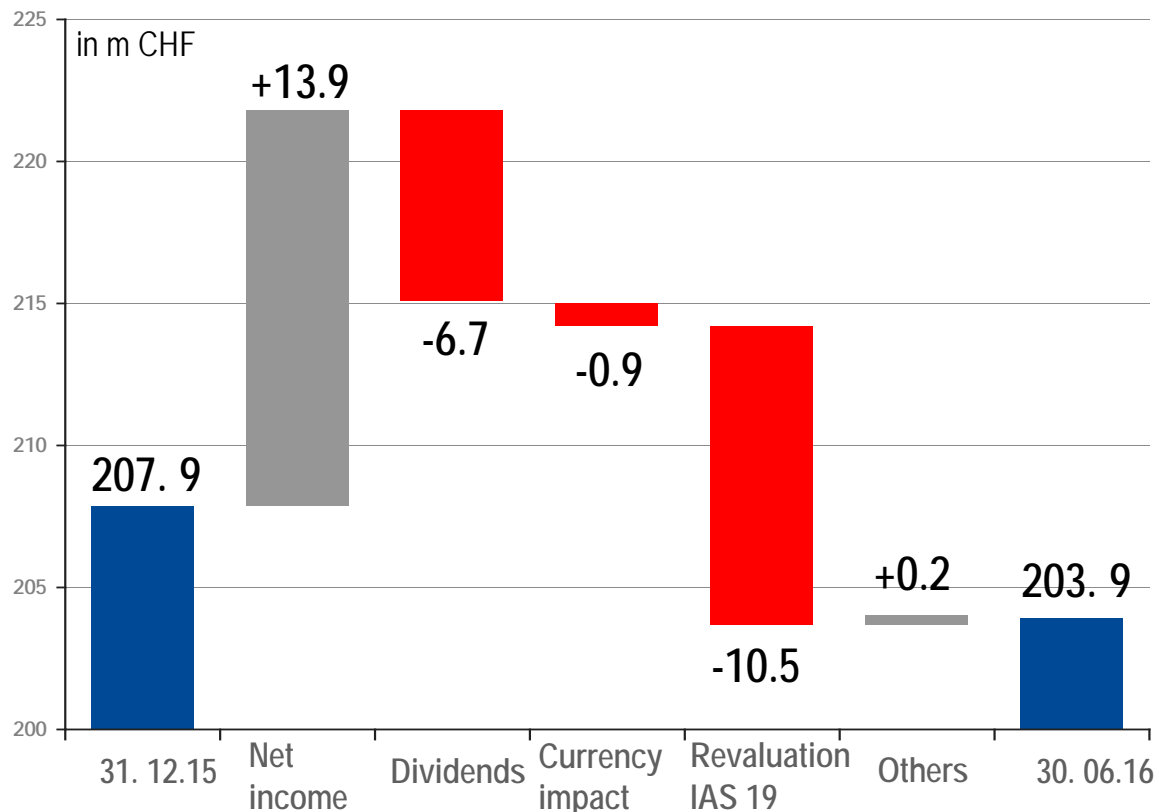
Solid balance sheet

Liabilities	30. 06.2016 in m CHF	31. 12.2015 in m CHF	Difference in m CHF
Interest bearing liabilities	44.7	42.6	2.1
Pension liabilities	76.8	62.6	14.2
Other liabilities	123.5	113.8	9.7
Shareholders' equity	203.9	207.9	-4.0
Total liabilities and shareholders' equity	448.9	426.9	22.0
Equity ratio	45.4%	48.7%	
Net debt	20.1	11.1	

- ▶ 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

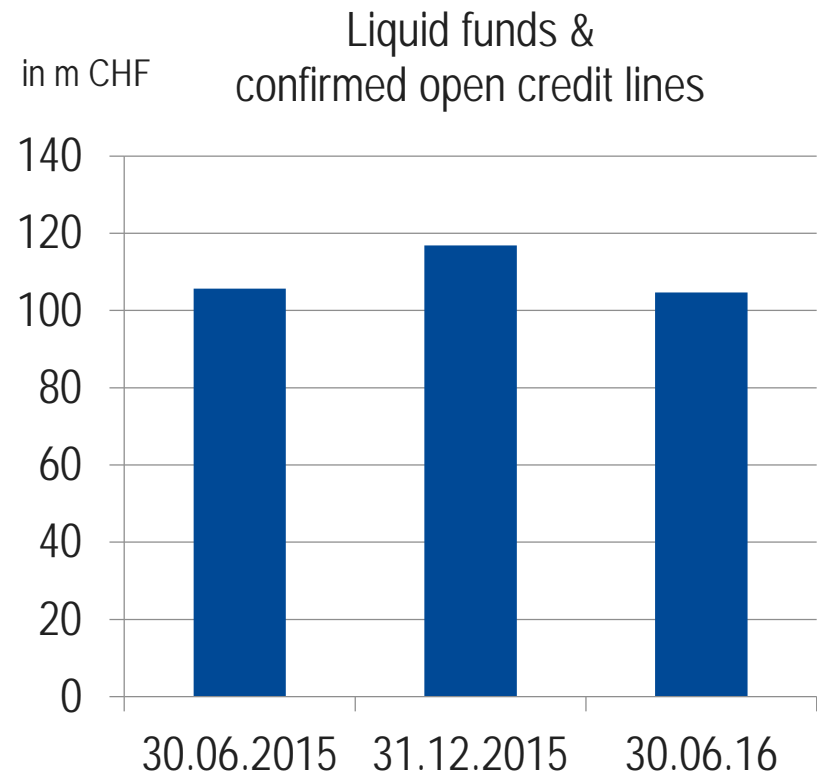


- ▶ Operational result very positive (CHF 13.9 m)
- ▶ Unchanged dividend of CHF 6.7 m
- ▶ Very strong impact of the revaluation of the pension liabilities (IAS 19)

CASH FLOW

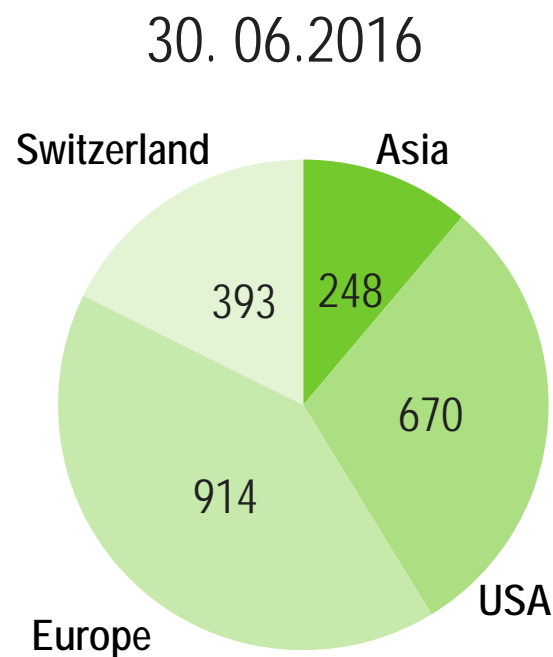
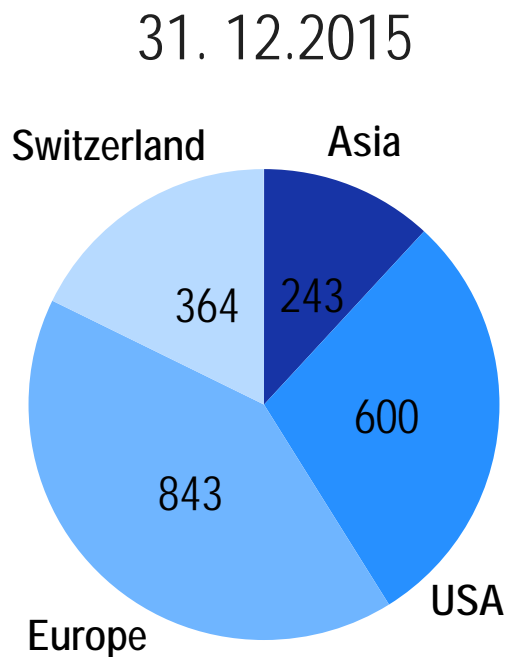
Positive Free Cash Flow despite high capital expenditures

- ▶ 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



EMPLOYEES

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

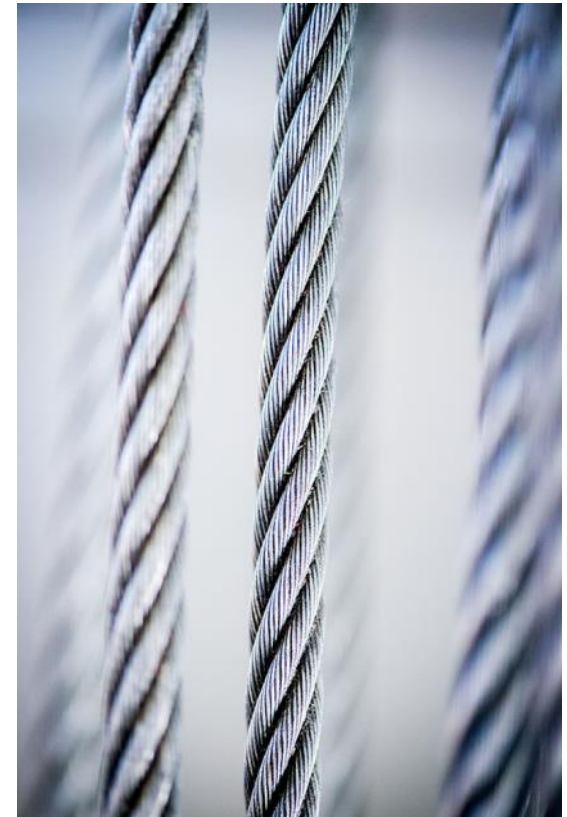


EXPECTATIONS FOR THE SECOND HALF-YEAR 2016

Buoyant automotive market on-going

- ▶ USA is again expecting sales of 17.8million 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

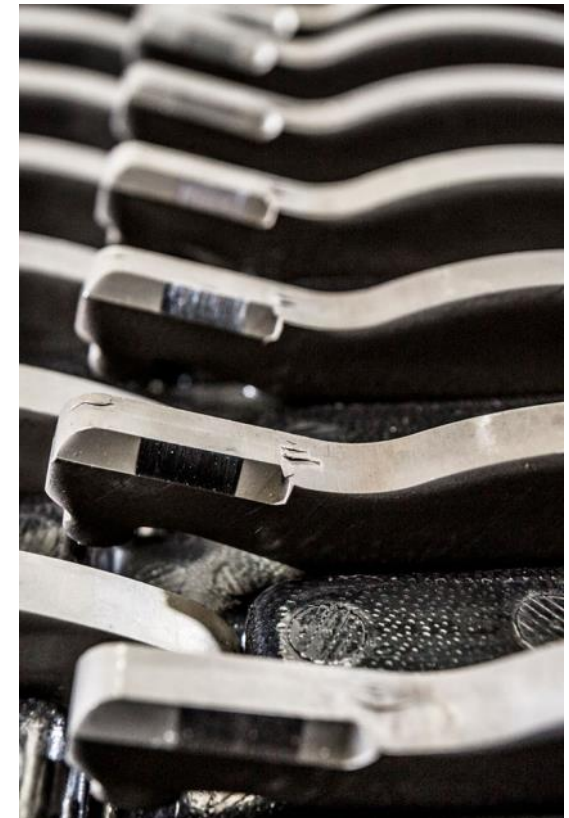
*Source: IHS Status 04 March 2016



OUTLOOK

Key projects

- ▶ Focus on global purchasing optimization
- ▶ Expansion of Oelsnitz in connection with relocations
- ▶ Additional new applications to reduce CO₂ 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



Feintool-Group Questions and answers

Engine

Diesel engine injector clamp economically manufactured with precision fineblanking



Feintool-Group
Thank you for your attention

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