



Expanding Horizons

Together achieving new dimensions in
fineblanking and forming

Feintool Group
Half-Year Result Conference – 29 August 2017

AGENDA

- ▶ Current situation
Bruno Malinek
- ▶ Financial results 1st half-year 2017
Thomas Bögli
- ▶ Outlook
Bruno Malinek
- ▶ Questions and answers
Alle
- ▶ Focus topic: Vertical integration with plant tour
Bruno Malinek
- ▶ Lunch and discussions
Alle

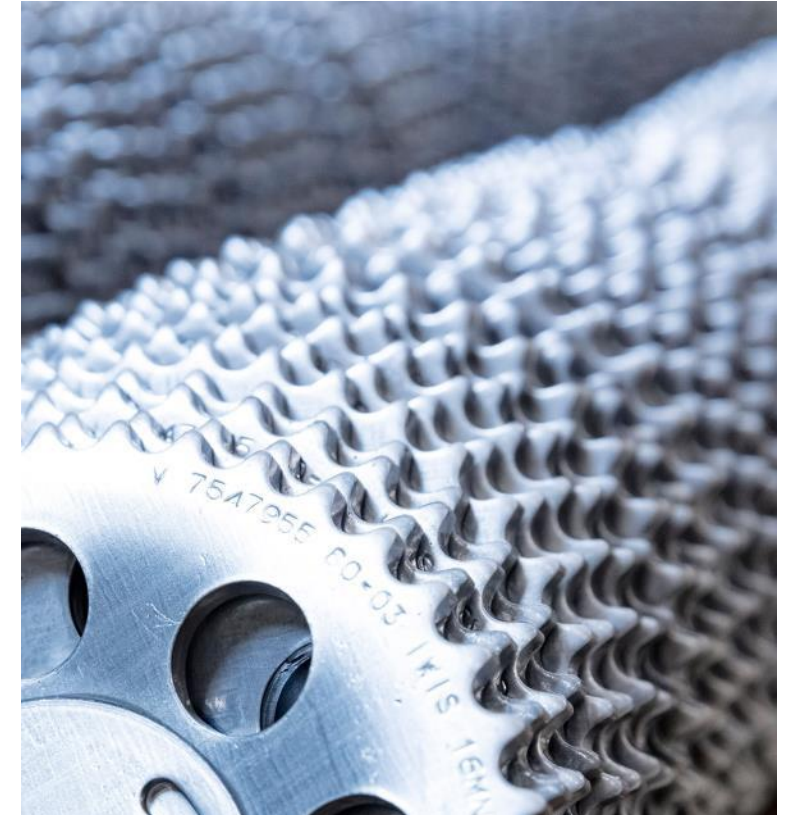


Bruno Malinek
Current situation

MARKET ENVIRONMENT

Feintool again benefits from market trends

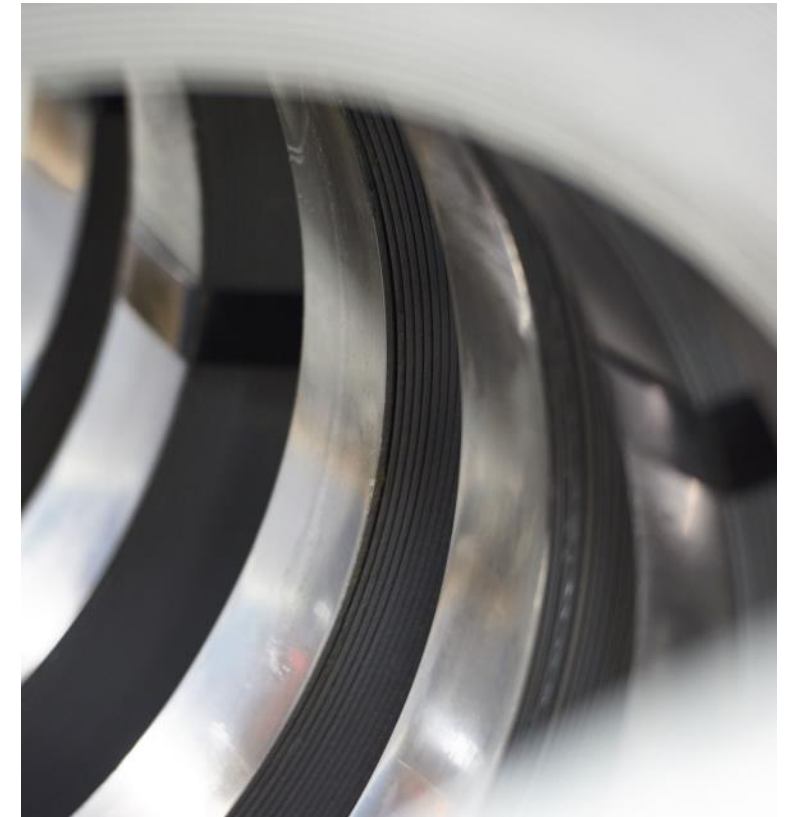
- ▶ Stable growth in global car production
- ▶ Rising demand for lightweight components and high-strength steels (CO₂ reduction)
- ▶ Feintool products at premium-segment customers strong in growth
- ▶ "Future Mobility" as an additional market potential
- ▶ However: Market uncertainties and consolidation influence the presses and systems business



HIGHLIGHTS

Progress with prospects

- ▶ Development projects and product queries for alternative drives
- ▶ Start of the fineblanking 4.0 research project with RWTH Aachen
- ▶ Closer to the heart of the market: Sales office in Detroit opens
- ▶ Quality management in Japan: No customer complaints for a year
- ▶ Realignment of the fineblanking operations in Europe concluded
- ▶ Financing of future investments is assured



SYSTEM PARTS SEGMENT

System Parts drives growth – above all in Europe

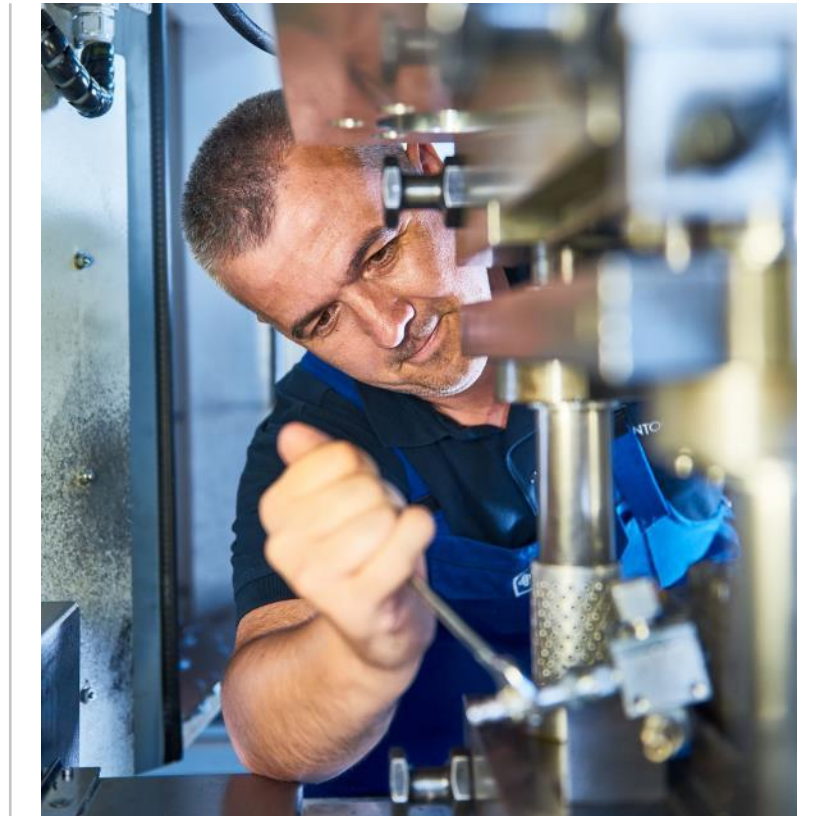
- ▶ Growth driver Europe despite challenge of increases in steel price
- ▶ Net sales in US slightly increased on a high level – despite drop in car sales
- ▶ China responsible for increase in sales in Asia
- ▶ Integration of the forming plant in Tianjin (CN) and construction of the new location in Most (CZ) on track
- ▶ Expansion of the vertical integration: Investment into four double disc grinding systems



FINEBLANKING TECHNOLOGY SEGMENT

Market uncertainties and consolidation noticeable

- ▶ Earnings fell short of the previous year
- ▶ Good order intake for the second half of the year
- ▶ Positive development in Asia
- ▶ Expand limits of fineblanking
- ▶ Expansion of services





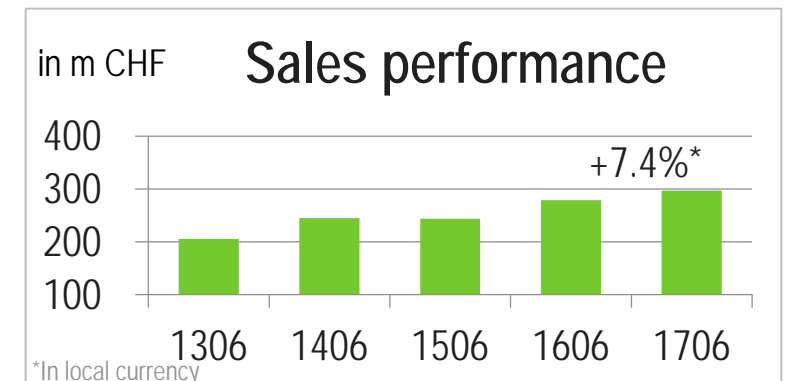
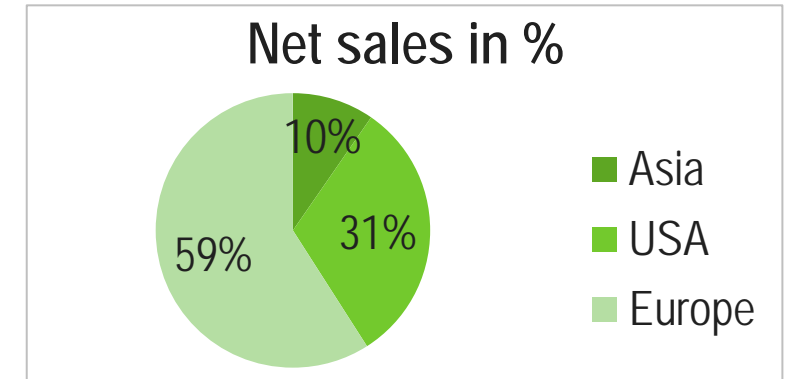
Thomas Bögli

Financial results

NET SALES

7.4% growth in local currency

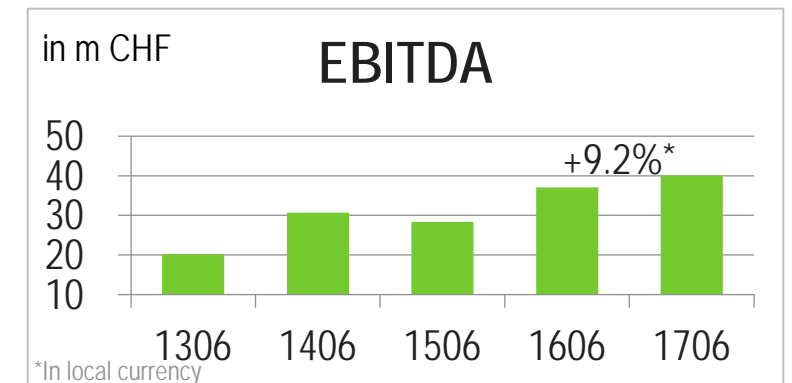
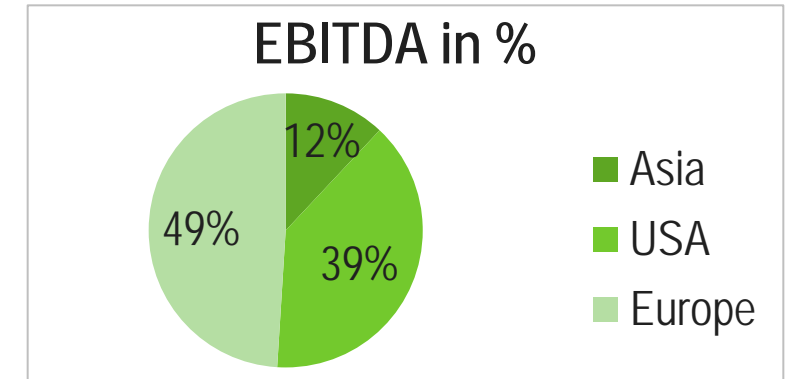
- ▶ Sales of CHF 296.8 m
- ▶ System Parts segment realizes 89.6% of Group's net sales and drives growth
- ▶ Strong growth in Europe, all other regions on prior year's level



EBITDA

EBITDA margin increased to 13.5%

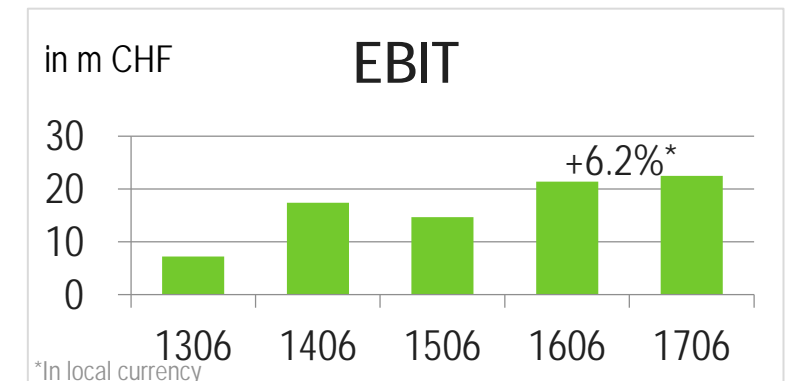
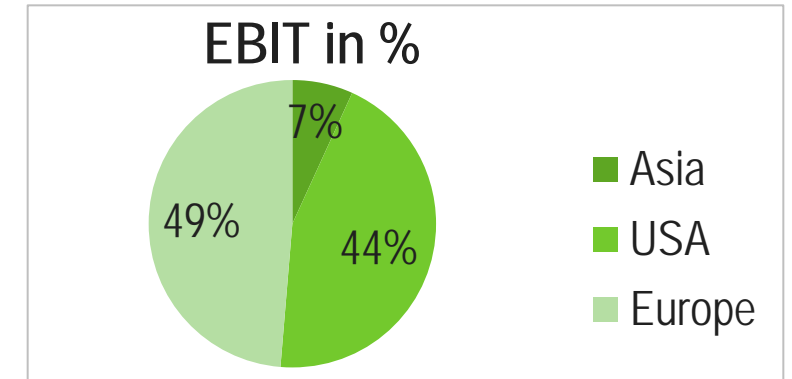
- ▶ EBITDA amounts to CHF 40.0 m
- ▶ EBITDA grew 9.2% in local currency
- ▶ Capital intense System Parts segment reached EBITDA margin of 16.5%
- ▶ New forming manufacturing plant in Tianjin (China) is still slightly negative on EBITDA level



EBIT

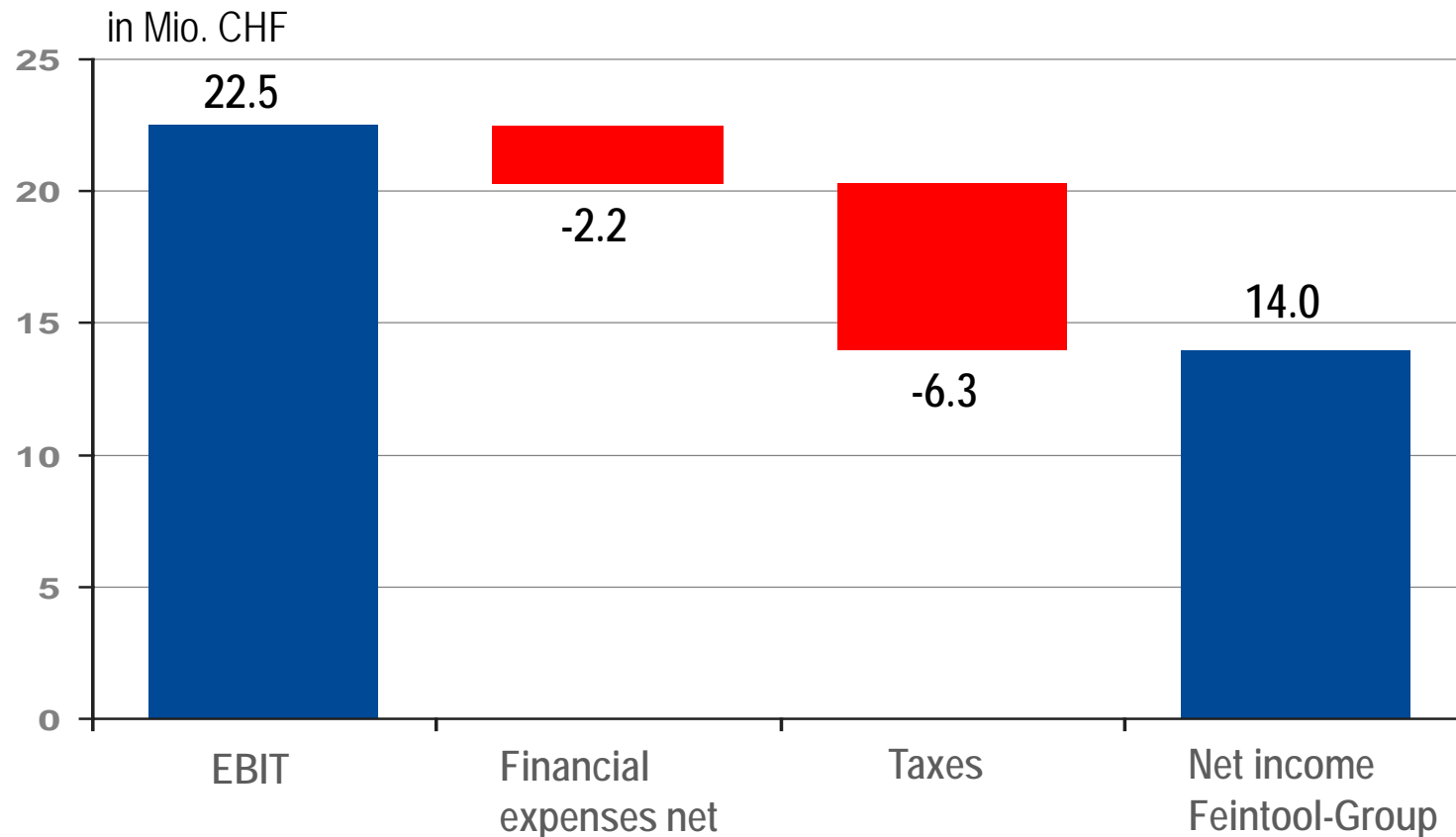
EBIT grew by 6.2% in local currency

- ▶ EBIT of CHF 22.5 m
- ▶ EBIT margin stable with 7.6%
- ▶ Manufacturing sites in Oelsnitz (D), Lyss (CH) und China have negative impact on result due to high investment in infrastructure as basis for future growth
- ▶ Segment Fineblanking Technology has a negative impact on EBIT with CHF 0.5 m
- ▶ New Chinese factory has a negative impact on EBIT with CHF 0.8 m
- ▶ EBIT margin without acquisition effect would be 7.9%



NET RESULT

Net profit margin with 4.7% satisfactory

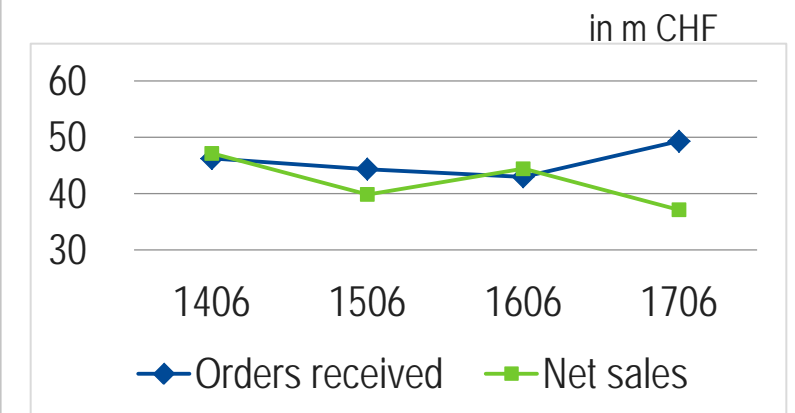
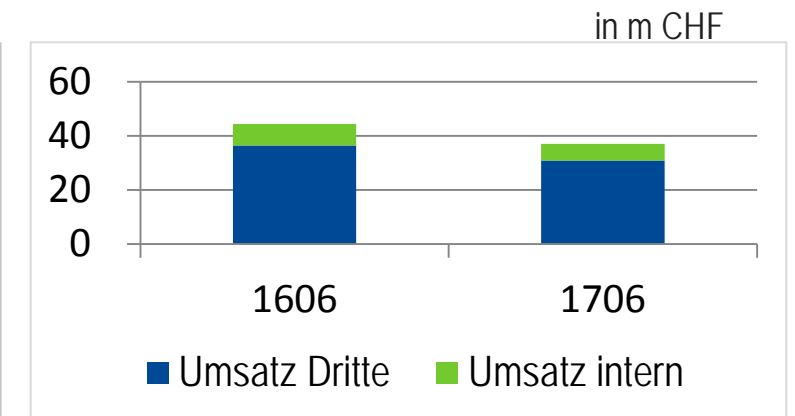


- ▶ Net profit CHF 14.0 m
- ▶ Financial cost strongly increased due to exchange rate losses of CHF 0.8 m
- ▶ Tax rate slightly above 30%

FINEBLANKING TECHNOLOGY

Low sales cause non-satisfactory result

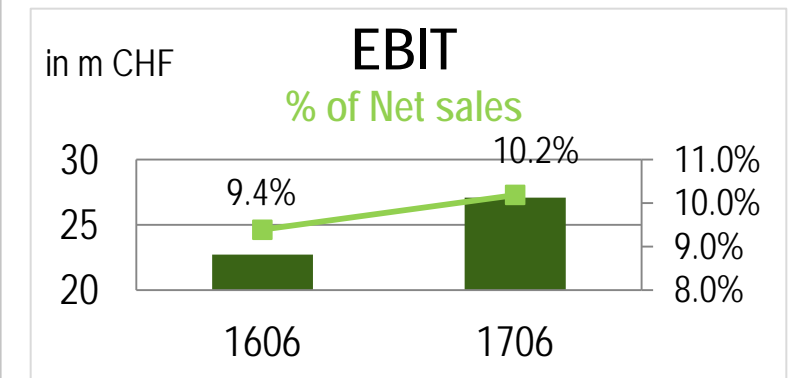
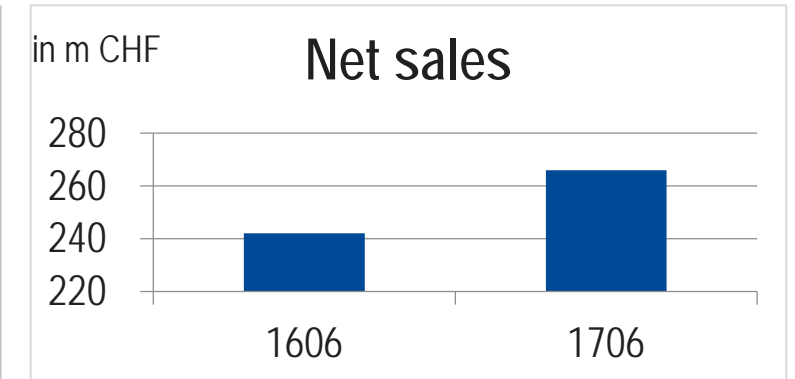
- ▶ Sales of CHF 37.1 m only
- ▶ Negative EBIT of CHF 0.5 m
- ▶ R&D cost of CHF 1.3 m as investment into the future on prior years' level
- ▶ Order entry of CHF 49.3 m
- ▶ Order backlog of CHF 47.2 m ensures good capacity usage for the next 8 months



SYSTEM PARTS

EBIT margin once more significantly higher

- ▶ Sales increased to CHF 266.0 m
- ▶ Growth of 10.8% in local currency
- ▶ EBIT CHF 27.1 m; margin at 10.2%; growth of 20.2%
- ▶ Investments into future growth continue and have a negative impact in the vicinity of CHF 3.7 m



BALANCE SHEET

Total assets increased by 4.9%, compared to 31.12.2016

Assets	30.06.2017 in m CHF	31.12.2016 in m CHF	Difference in m CHF
Cash and cash equivalents	47.6	92.8	-45.2
Trade and other receivables	102.9	88.0	14.9
Inventories / Net assets of production i.p.	81.6	72.1	9.5
Prepaid expenses and accrued income	6.0	3.1	2.9
Total current assets	238.1	256.0	-17.9
Property, plant & equipment	259.7	237.5	22.2
Other fixed assets	59.1	37.2	21.9
Total non-current assets	318.8	274.7	44.1
Total assets	556.9	530.7	26.2

- ▶ Total assets of CHF 556.9 m
- ▶ Increase of fixed assets by CHF 44.0 m to a total of CHF 318.8 m, mainly driven by the acquisition in China and high capital expenditures

BALANCE SHEET

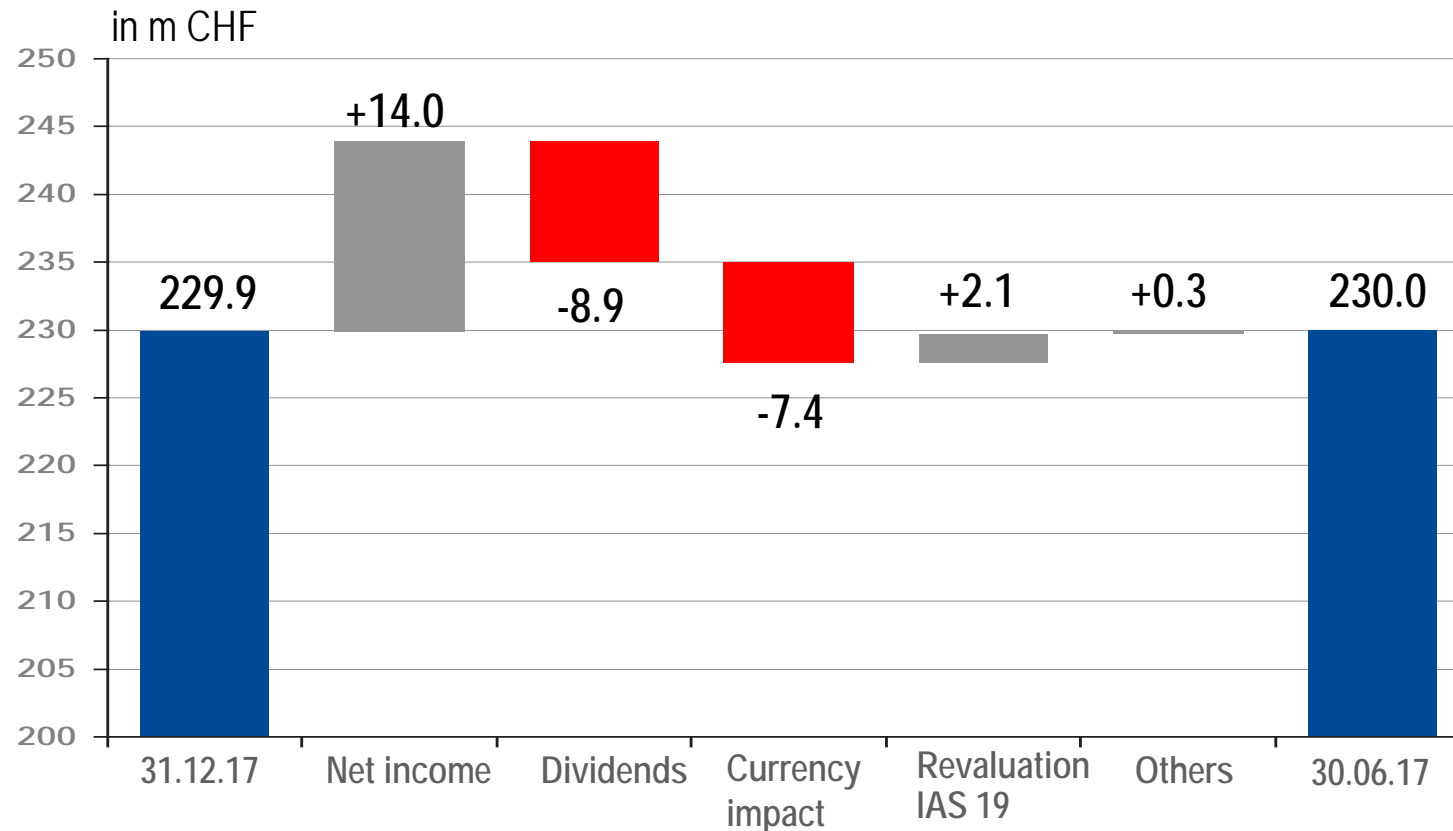
Solid balance sheet

Liabilities	30.06.2017 in m CHF	31.12.2016 in m CHF	Difference in m CHF
Financial liabilities	131.3	108.9	22.4
Other liabilities	195.6	191.9	3.7
Shareholders' equity	230.0	229.9	0.1
Total Liabilities	556.9	530.7	26.2
Equity ratio	41.3%	43.3%	-2.0%
Net debt	83.8	16.2	67.6

- ▶ Equity with CHF 230.0 m nearly unchanged; equity ratio constant at 41.3%, due to negative acquisition impact
- ▶ Net debt grew to CHF 83.8 m

SHAREHOLDERS' EQUITY

Strong negative currency impact



- ▶ Successful operational business (CHF 14.0 m)
- ▶ Dividend increased to CHF 2.00 per share
- ▶ Strong negative currency impact (USD and CNY)
- ▶ Revaluation of pension fund liability with little positive impact

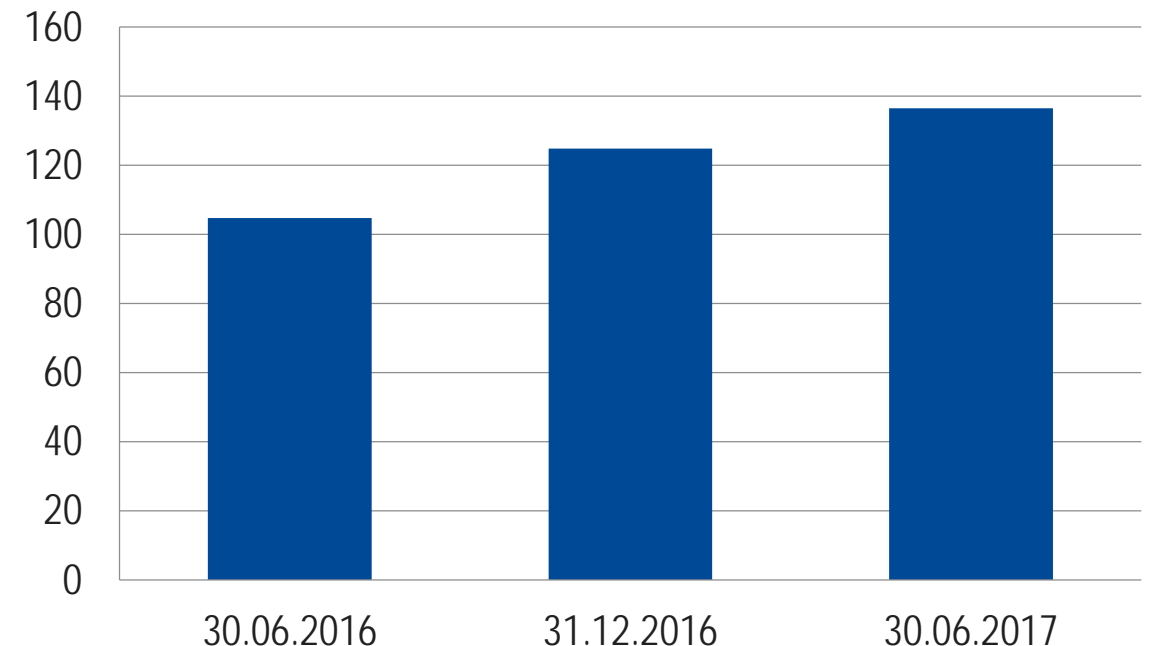
CASH FLOW

High investments

- ▶ Operational cash flow CHF 5.1 m only
- ▶ Capital expenditures and acquisition add up to CHF 52.5 m; purchase of Chinese forming manufacturing site impacts cash flow by CHF 24.7 m
- ▶ Liquid funds and confirmed credit lines add up to CHF 136.5 m
- ▶ New syndicated credit facility in the amount of CHF 90 m signed with six major banks

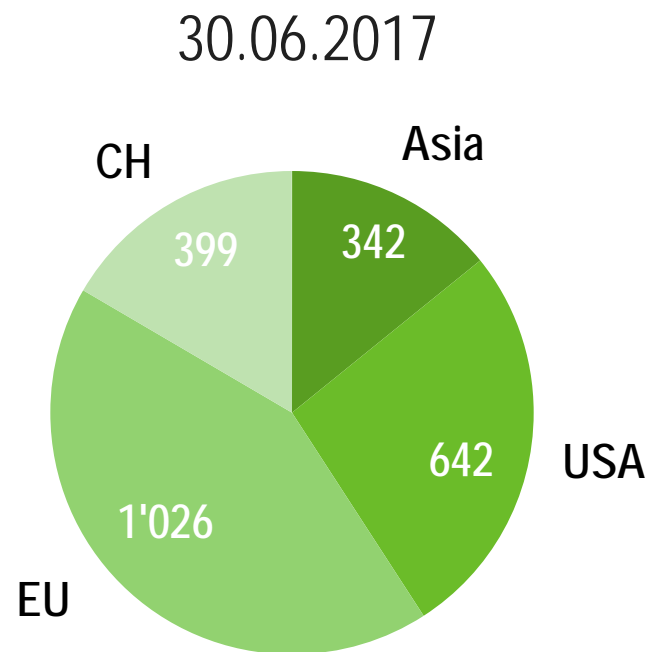
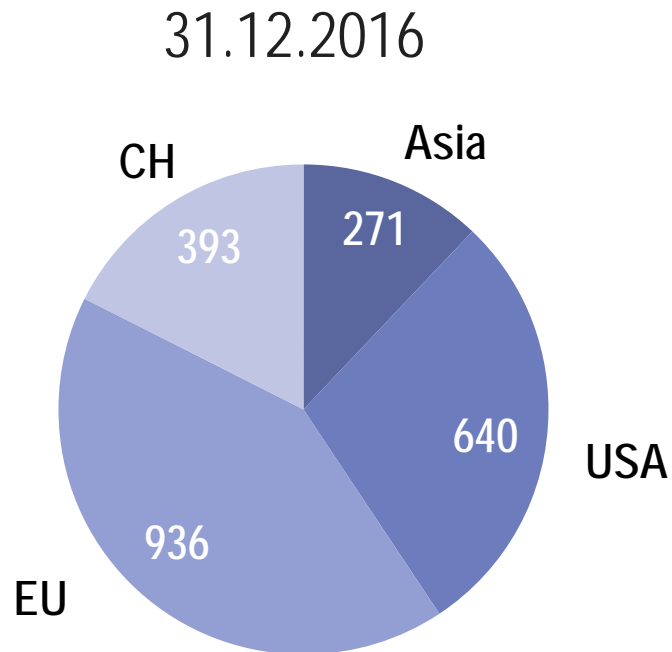
in m CHF

Liquid funds & confirmed open credit lines

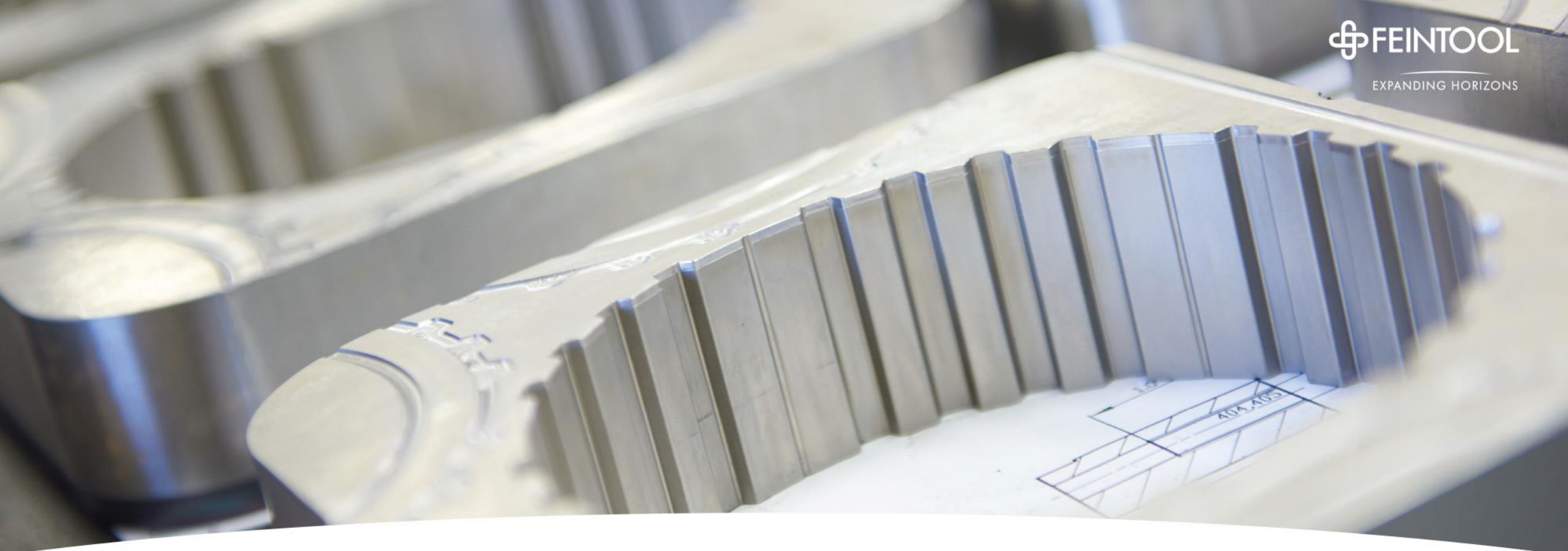


EMPLOYEES

Growth needs more personnel



- ▶ 2'409 employees
- ▶ Strong increase in Europe and Asia
- ▶ 17% of workforce located in Switzerland
- ▶ 59 apprentices
- ▶ 52 persons taken over from the acquired site in China



Bruno Malinek Outlook

GUIDANCE

Optimistic outlook

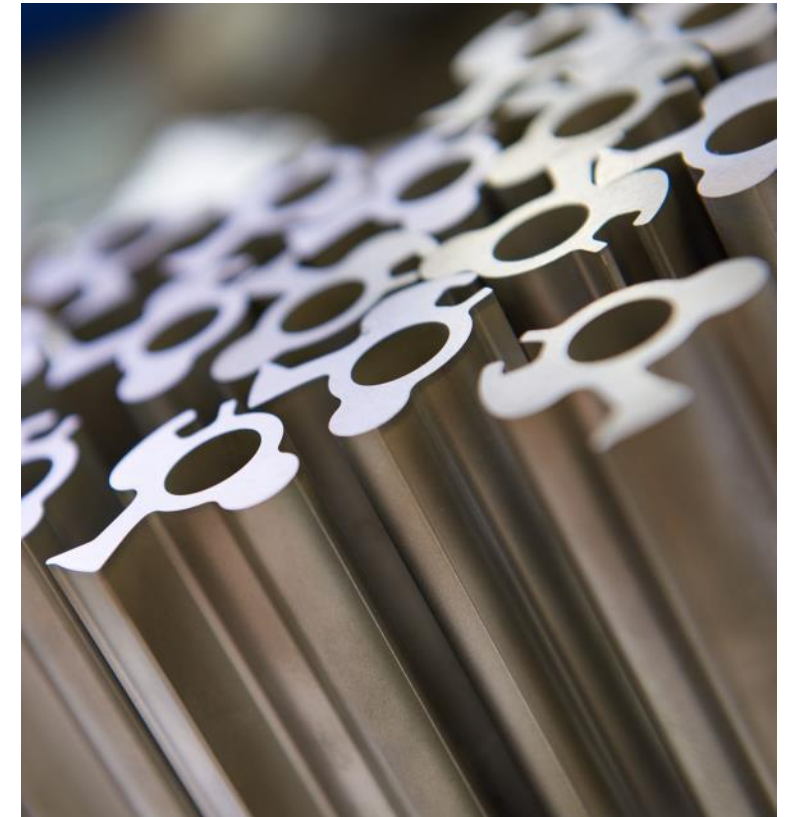
- ▶ Continuation of the positive business development
- ▶ 2017: Net sales of CHF 580 million to CHF 600 million
- ▶ EBIT margin comparable to 1st HY 2017



OUTLOOK

Prepared for further strategic and organizational growth

- ▶ Integration of the plant in Tianjin is being completed
- ▶ Expansion of the production capacities for future growth
- ▶ Expansion of vertical integration
- ▶ New organizational structure of the System Parts locations in Europe
- ▶ Focus on research and development
- ▶ Future Mobility applications



AGENDA

Next dates

31 October 2017	Results 3rd quarter
06 March 2018	Results Financial Year 2017 and media conference
24 April 2018	General Meeting

Feintool Group Questions and Answers

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fineblanking and forming

WORLD OF FINEBLANKING

Feintool Group
Thank you for your attention.

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