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Media Release

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This is an ad hoc announcement pursuant to Article 53 of the Listing Rules (LR) of the SIX Exchange Regulation AG

Half-year results reflect difficult market development in Europe

Feintool generated sales of CHF 390.1 million and an operating result (EBIT) of CHF 0.2 million in the 1st half of 2024. The currently very demanding market environment in Europe is leading to low visibility, which is why Feintool has been suspending its guidance for 2024 - as already communicated on 17 July 2024. The company is reacting with the 'Level-up 2026!' efficiency and growth program.

As a leading supplier of high precision parts for the automotive and industrial sectors, the Feintool Group's performance in its different target markets varied from region to region in the first half of 2024.

Feintool recorded strong results in Asia and the United States: Sales in these regions were significantly higher than in the prior-year period, increasing by 11% and 16% respectively. In Europe, business with parts for combustion engines was in line with expectations overall.

However, the Group faced major challenges in its electrolamination stamping business in Europe for different reasons: political uncertainties regarding electromobility (short-term cancellation of subsidies, particularly in Germany), an economic slowdown, inflationary pressures and energy prices that are still high compared to other countries.

These negative effects led to a sharp decline in the sale of electric vehicles in some markets, while the industrial business for electric motors saw an unexpected, sharp decline in sales. This led to overcapacities on the part of car manufacturers, with the result that individual Battery Electric Vehicle (BEV) programs were postponed, reduced in volume or even canceled.

In view of these challenges and the unfavorable underlying conditions, Feintool has responded in two ways: first with cost reductions and a restructuring program that includes the relocation of large-volume production from Lyss (Switzerland) to other Feintool sites, mainly to the Czech site in Most. The second focal point is a future concept to further expand the Group's high level of expertise and thus increase innovation and competitiveness.

Expansion in Asia, investments in the USA

Feintool continued its success story in Asia in the first half of 2024. As an important supplier of high-precision parts in Asian automotive production, we want to consolidate our strategic position in the region and continue to grow there. Feintool is therefore expanding into India. Work on the new site in the metropolitan region of Pune is progressing according to plan. The ground-breaking ceremony is scheduled for the third quarter of 2024. The start of operations for the production of fineblanked parts for the subcontinent's rapidly growing automotive industry is planned for the second half of 2025.

In the USA, signs are pointing to growth. In North America, Feintool is benefiting from investments in the Nashville site and a strong market position in fineblanking and forming. We also enjoy the trust of our US customers in Feintool's innovation and competitiveness.

Outlook: Sustainably strengthened market position with an agile portfolio

There is a global need to reduce CO₂ emissions and operate in a climate-neutral way in the future. The transformation in the automotive industry will progress accordingly. Feintool develops, builds and distributes technologies for electric and hydrogen mobility. This makes us one of the world's largest suppliers of main drives for electric cars and electric commercial vehicles. Furthermore, we supply our components to the markets for renewable energy generation of wind and hydropower as well as industrial electric drives, such as for pumps, machines and building service systems.

Feintool is well on track for the long-term, with the order book expecting a life cycle volume of CHF 5.7 billion by the end of the first half of 2024. However, Feintool does not expect the market situation to improve significantly in the second half of 2024. Visibility is currently still low, meaning that no reliable forecasts can be made. For this reason, Feintool is suspending its guidance for 2024. The recently launched 'Level-up 2026!' efficiency and growth program will sustainably improve profitability for 2026 in 2024 and 2025, therefore, we will continue to aim for an EBIT margin of over 6%.

About Feintool

Feintool is an international technology and market leader in electrolamination stamping, fineblanking, and forming. We manufacture high-quality precision parts in large volumes from steel. We supply the automotive industry, energy infrastructure equipment providers, and all manner of high-end industrial manufacturers. Feintool's products perfectly complement the megatrends for green energy generation, storage, and usage.

Our core technologies deliver measurable cost-efficiency, consistent quality, and improved productivity. Feintool constantly expands the horizons of its production methods and develops intelligent solutions, innovative tools, and state-of-the-art manufacturing processes in line with customer needs.

Founded in 1959 and headquartered in Switzerland, the company has 18 production sites in Europe, USA, China, Japan and India with 3,200 employees and 85 vocational trainees. Feintool is publicly listed and majority-owned by the Artemis Group.

Overview of Key Financial Indicators

	01.01. - 30.06.2024 in CHF Mio.	01.01. - 30.06.2023 in CHF Mio.	Change in %	Change in local currency in %
Net Revenue Feintool-Group	390.1	450.0	-13.3	-10.8
Segment Europe	241.8	321.5	-24.8	-23.1
Segment USA	105.7	91.1	16.1	18.7
Segment Asia	44.0	39.7	10.9	19.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	27.2	40.3	-32.4	-24.1
Operating result (EBIT)	0.2*	12.2	-98.2	-77.2
Segment Europe	-3.6	9.7	-137.0	-116.7
Segment USA	7.9	7.4	6.7	9.2
Segment Asia	3.9	1.1	270.0	305.0
Consolidated net profit	-3.2	-21.4	85.1	-92.8
Free Cashflow	-15.4	-0.4		

* incl. restructuring costs

	30.06.2024 in CHF Mio.	31.12.2023 in CHF Mio.	Change in %
Balance sheet total	820.1	807.8	1.5
Equity capital	504.5	488.2	3.3
Net debt	55.0	24.2	127.3

	30.06.2024	30.06.2023	Change
Employees	3 274	3 284	-10
Apprentices	85	92	-7

All information about the financial results can be found in the Feintool half-year report 2024
<https://www.feintool.com/financial-results/>