



## Welcome to the 2015 Annual Results Conference

Winterthur, March 3, 2016



# Agenda

**1. Review of business year 2015**

*Martin Hirzel, CEO*

**2. Financial results 2015**

*Dr Martin Zwysig, CFO*

**3. Outlook 2016**

*Martin Hirzel, CEO*

# Highlights 2015



## Sales



## Financials



## Strategy

- Sales growth of 10.6% in local currencies exceeded global automobile production growth significantly
- Strong organic growth in three out of four Business Groups (BG)
- Net sales in Swiss francs rose by 6.7% despite strength of the Swiss franc
- Sales of BG SAMEA burdened by recession and corresponding drop in production volumes in Brazil

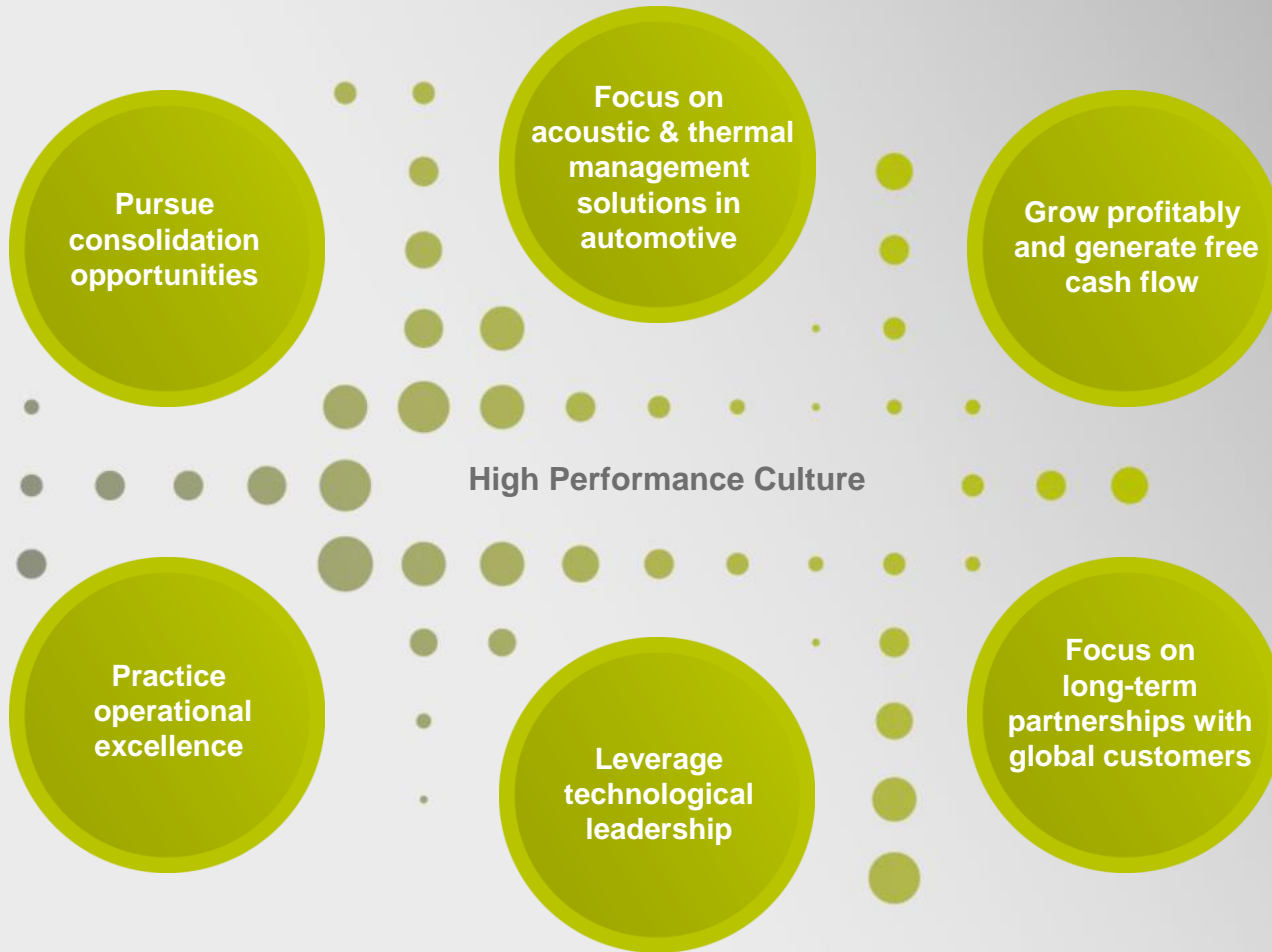
\*before non-recurring expenses

- EBITDA margin hit new record high at 10.7%\*
- EBIT margin increased to 7.6% and exceeded 7% mark for the first time\*
- Net profit decreased due to non-recurring expenses in relation to the payment to the German Federal Cartel Office and a normalized tax ratio
- Unchanged dividend proposed despite lower year-on-year net profit

- Numerous production ramp-ups and strong capacity utilization led to significant increase in BG Europe's sales and earnings
- High production volumes with US and Japanese OEMs in North America
- Material efficiency and improved production standards decisive for higher earnings in BG Asia

# Strategic Priorities

On the path to sustainable success





# Focus on acoustic and thermal management

## Increasing regulation drives demand

- EU regulation on pass-by noise led to numerous predevelopment studies
- Introduction of measurement system Isokell II to cope with high demand of OEMs and automobile suppliers worldwide
- Technological leadership bolstered with well attended Automotive Acoustics Conference at ETH Zurich, Switzerland
- Presentation of engine encapsulations, RUS underbody shields and Clean-Tuft carpets at “Autoneum Innovation Days” for US OEMs in China and a Korean OEM in its home market



Isokell II



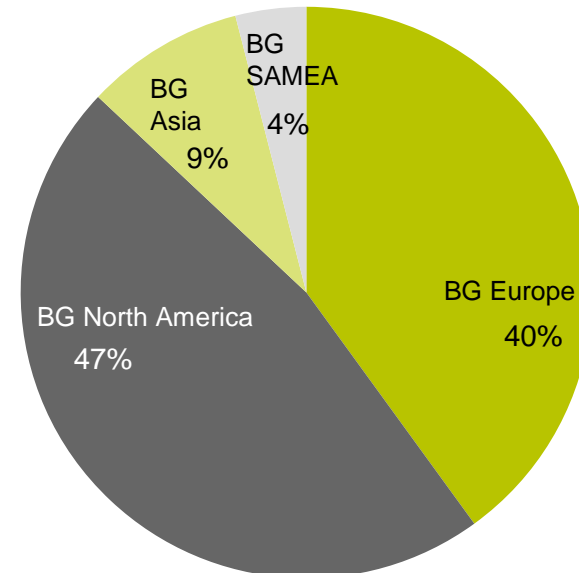
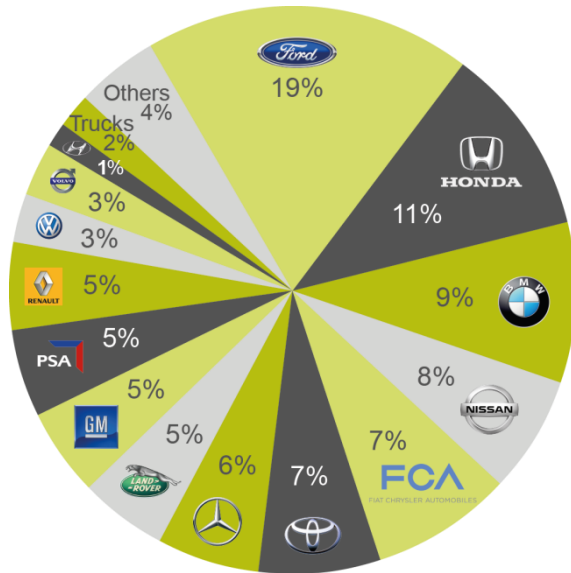
Automotive Acoustics Conference 2015



# Grow profitably

## Partner to all major OEMs worldwide

Share in net sales 2015



- Balanced customer base
- Coverage of all vehicle classes
- “Others” include e.g. Mazda, Subaru, Great Wall & BAIC

- Ongoing trend towards higher sales share of BGNA vs. BGEU
- Share of BG Asia increased to 9% of Group’s net sales



# Focus on global customers

## Customer-driven expansion

- Foundation of plant in San Luis Potosí, Mexico to supply US and German OEMs in North America
- SOP of carpet systems and underbody shields at US plants in Jeffersonville, IN, and Monroe, OH
- Expansion of Chinese facilities in Taicang, Shenyang and Guangzhou to industrialize extensive series orders
- Relocation of Brazilian plant in São Paulo to modernize operations and boost productivity



Groundbreaking ceremony, San Luis Potosí, Mexico



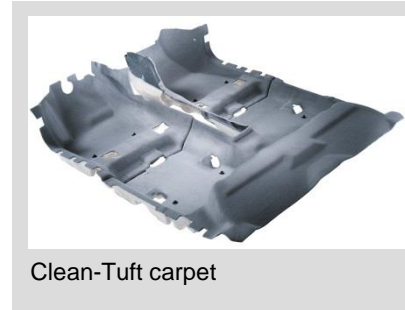
New Autoneum plant in Jeffersonville, USA



# Leverage technological leadership

## Driving innovation in lightweight components

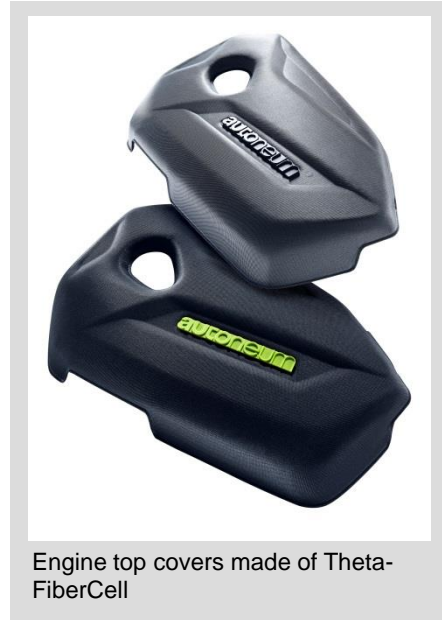
- Introduction of Clean-Tuft carpet technology for compact and mid-class vehicles
- Product portfolio broadened with Prime-Light for inner dashes and floor insulators
  - lightweight, easy to apply and eco-friendly
- Market entry of multifunctional engine covers made of Theta-FiberCell
  - covers combine optimal noise protection, thermal insulation and weight reduction



Clean-Tuft carpet



Prime-Light based floor insulator



Engine top covers made of Theta-FiberCell

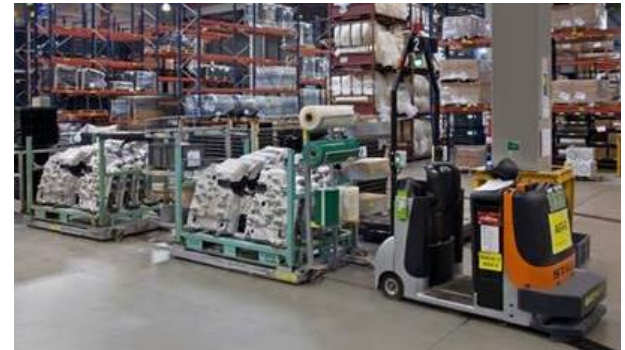




# Practice operational excellence

## Operational excellence as key success factor

- Launch of eight Group Initiatives to ensure continuous efficiency improvements in production
  - includes, among others, recycling, maintenance and energy management
  - monthly implementation check at all sites worldwide
- Over 25 flawless new start-ups worldwide confirm high level of operational excellence
  - achieved by process standardization and best practice sharing
- Swiss plant remained profitable despite adverse strength of Swiss franc



Mizusumashi train in A Rúa, Spain



Automatic waste vacuum extraction unit in A Rúa, Spain

# High Performance Culture

## Living values – commitment to social responsibility

- Based on results of Global Employee Satisfaction Survey, concrete measures were defined and introduced at all sites
- Expansion of training and education program
  - introduction of mandatory compliance e-learning programs
  - training of executives at more than 20 plants according “Engage Your Team” concept
- Recognizing social responsibility: charitable Corporate Social Responsibility (CSR) activities at nearly all locations conducted



Mandatory e-learning programs introduced

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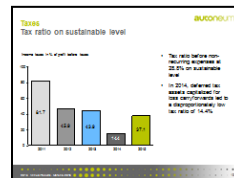
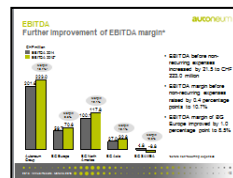
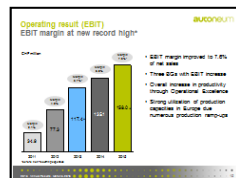
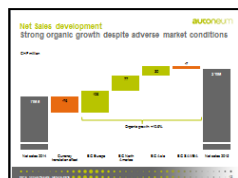
**3. Outlook 2016**

*Martin Hirzel, CEO*

# Net profit

## Lower net profit due to non-recurring expenses

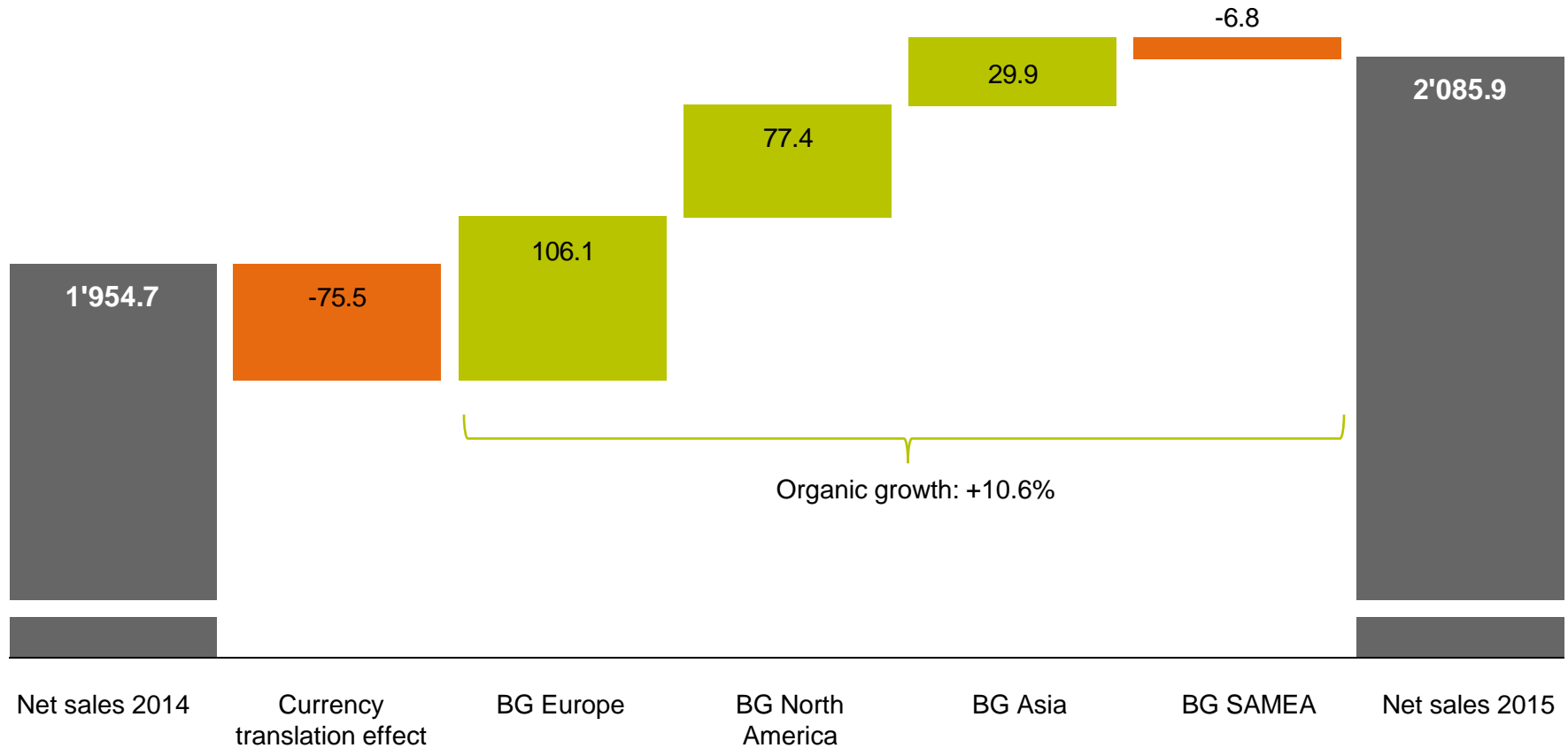
CHF million	2015	2014
Net sales	<b>2'085.9</b>	1'954.7
Earnings before interest and taxes (EBIT)	<b>126.5</b>	135.1
Financial result	<b>-17.3</b>	-15.0
Income taxes	<b>-40.5</b>	-17.3
Net profit	<b>68.7</b>	102.8
Net profit attributable to AUTN	<b>42.2</b>	78.9
Net profit attributable to NCI	<b>26.5</b>	23.9
Basic earnings per share in CHF	<b>9.12</b>	17.03



# Net sales development

## Strong organic growth in adverse market environment

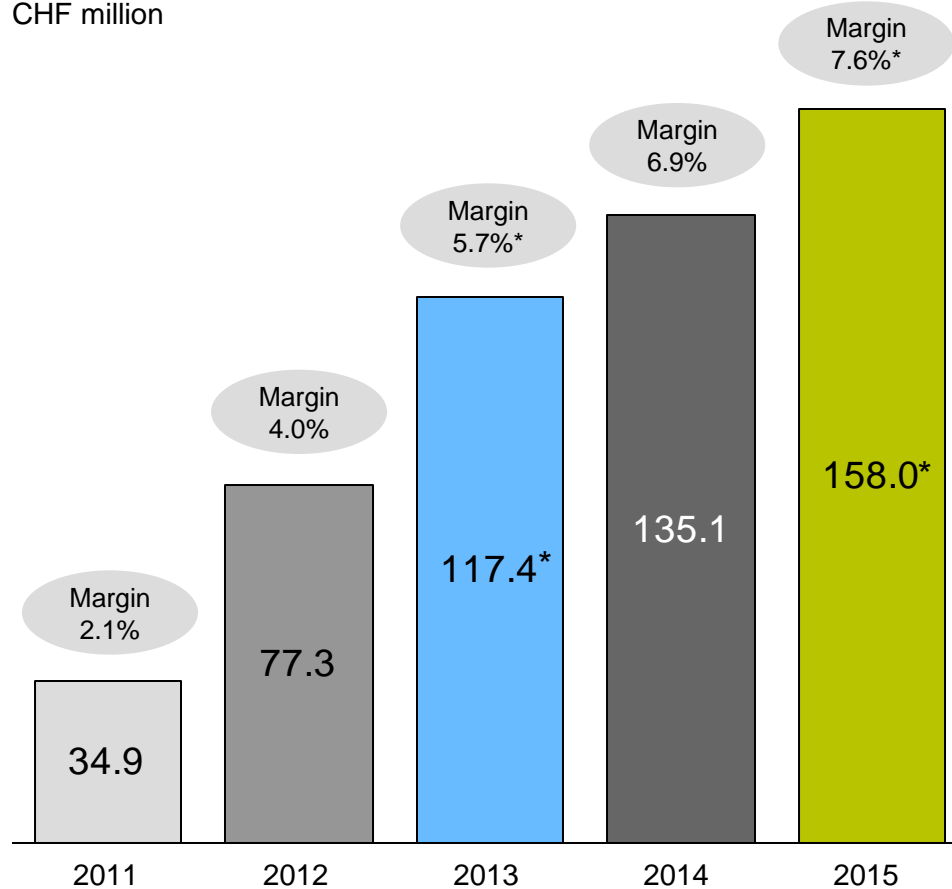
CHF million



# Operating result (EBIT)

## EBIT margin at new record high\*

CHF million



\*before non-recurring expenses

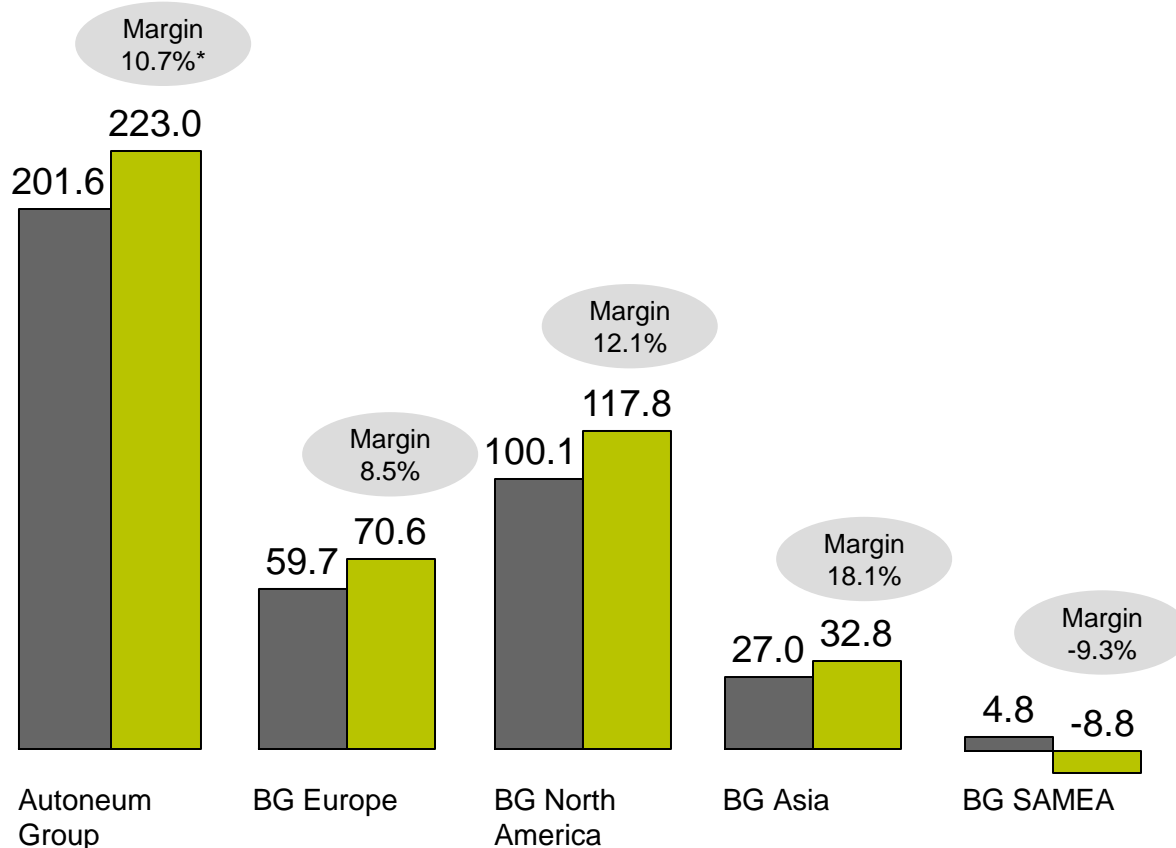
- EBIT margin improved to 7.6% of net sales
- Three BGs with EBIT increase
- Overall increase in productivity through operational excellence
- Strong utilization of production capacities in Europe due to numerous production ramp-ups

# EBITDA

## Further improvement of EBITDA margin\*

CHF million

■ EBITDA 2014  
■ EBITDA 2015\*



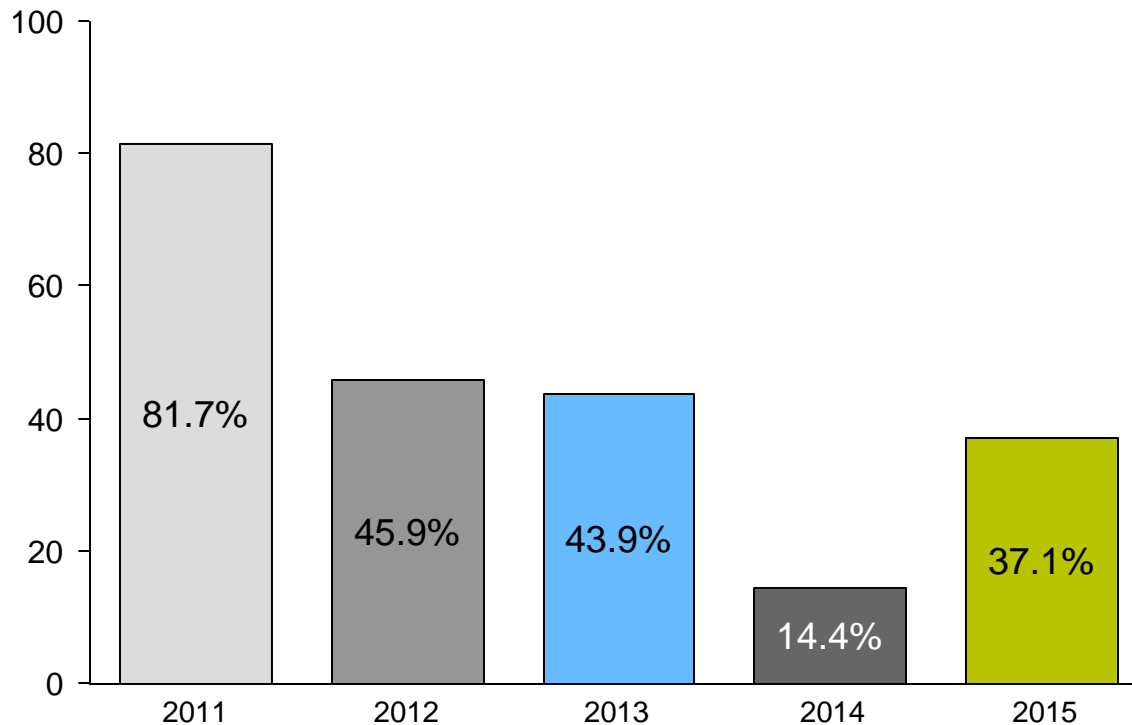
- EBITDA before non-recurring expenses increased by CHF 21.5 million to CHF 223.0 million
- EBITDA margin before non-recurring expenses raised by 0.4 percentage points to 10.7%
- EBITDA margin of BG Europe improved by 1.0 percentage point to 8.5%

\*before non-recurring expenses

# Income taxes

## Tax ratio on sustainable level

Income taxes in % of profit before taxes



- Tax ratio before non-recurring expenses at 28.8% on sustainable level
- In 2014, deferred income tax assets capitalized for loss carryforwards led to a disproportionately low tax ratio of 14.4%

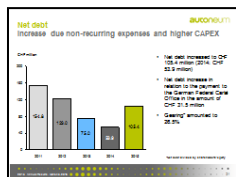


# Balance sheet

## Equity ratio on prior year's level

CHF million	31.12.2015	31.12.2014
<b>Total assets</b>	<b>1'114.7</b>	1'099.3
Non-current assets	<b>553.6</b>	536.2
Cash and cash equivalents	<b>78.7</b>	140.9
Net debt	<b>105.4</b>	53.9
Borrowings	<b>184.9</b>	195.6
<b>Shareholders' equity</b>	<b>397.5</b>	392.5
in % of total assets	<b>35.7%</b>	35.7%

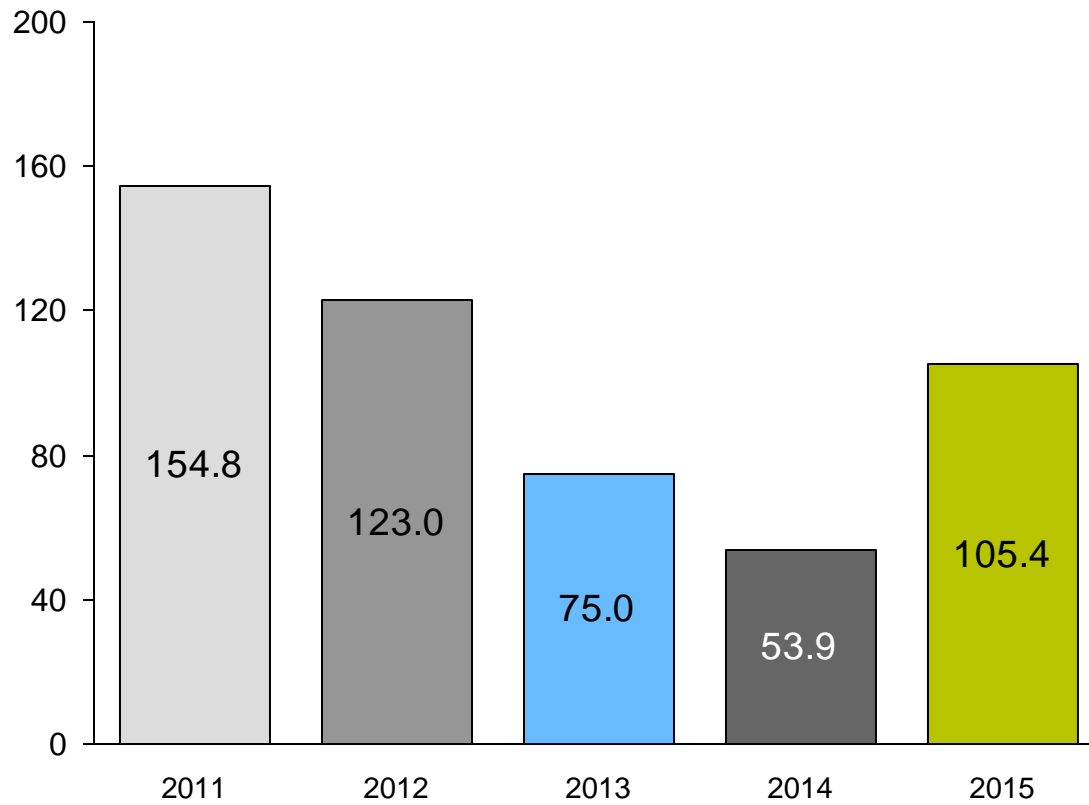
- Solid balance sheet without goodwill
- Payment to German Federal Cartel Office and higher CAPEX decisive for net debt increase to CHF 105.4 million
- Equity ratio at 35.7% on prior year's level



## Net debt

### Increase due to non-recurring expenses and higher CAPEX

CHF million



- Net debt increased to CHF 105.4 million (2014: CHF 53.9 million)
- Net debt increase in relation to the payment to the German Federal Cartel Office in the amount of CHF 31.5 million
- Gearing\* amounted to 26.5%

\*Net debt divided by shareholders' equity

## Cash flows

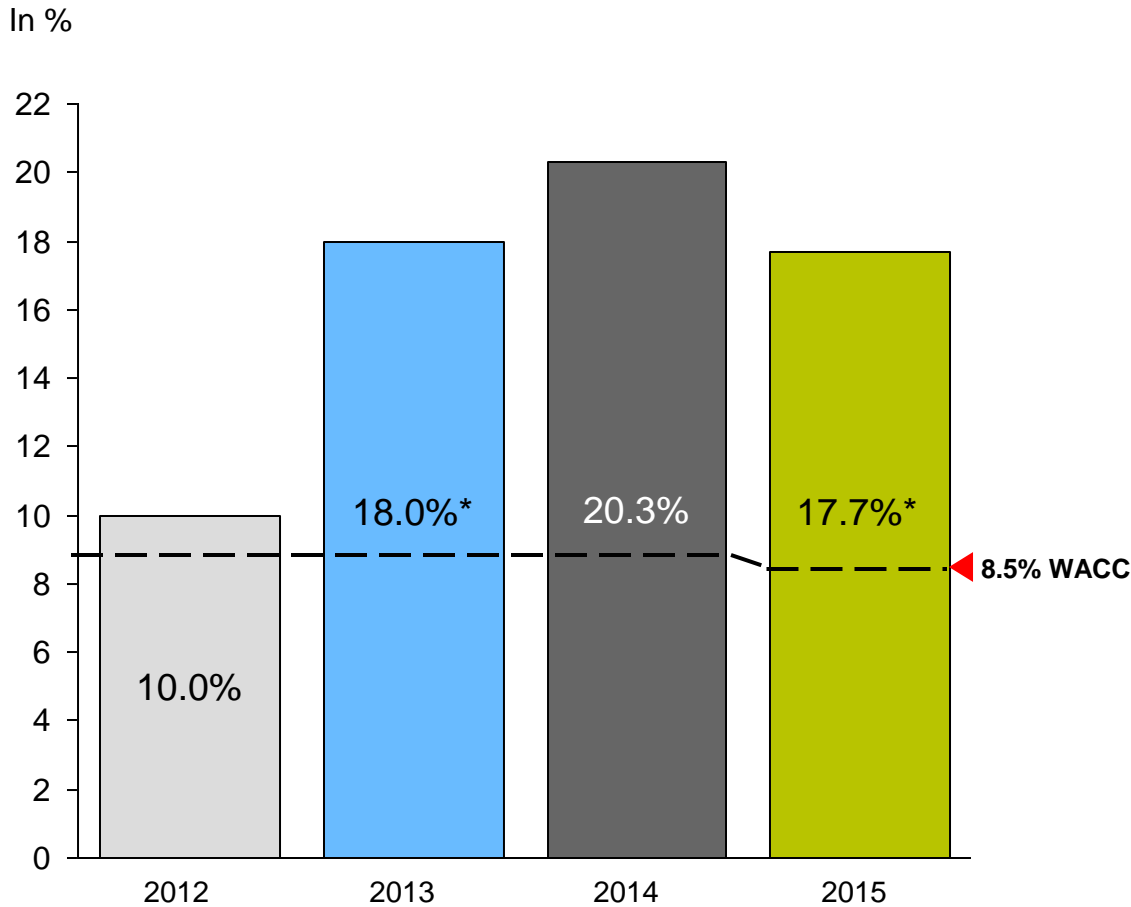
### High investments in expansion of global presence

CHF million	2015	2014
Cash flows from operating activities	<b>111.7</b>	138.2
Cash flows used in investing activities	<b>-123.1</b>	-108.8
Free cash flow	<b>-11.4</b>	29.5
Cash flows used in financing activities	<b>-43.5</b>	-15.0
Cash and cash equivalents at Dec. 31	<b>78.7</b>	140.9

- Lower net profit impacts cash flows
- Cash flows from operating activities decreased to CHF 111.7 million due to payment to the German Federal Cartel Office
- High investments in expansion of global presence and the non-recurring expenses led to a free cash flow of CHF -11.4 million

# RONA

## Economic value created



- RONA\* more than twice as high as cost of capital (WACC)
- Since 2013, RONA exceeds WACC substantially
- WACC at 8.5% in 2015 (2014: 8.7%)

\*before non-recurring expenses

## Dividend payout

### Dividend payout on prior year's level proposed

	2015	2014
Net profit in CHF million	68.7	102.8
Attributable to shareholders of Autoneum Holding Ltd in CHF million	42.2	78.9
Basic earnings per share in CHF	9.12	17.03
<b>Proposed dividend per share in CHF</b>	<b>4.50</b>	4.50

- Dividend proposal of CHF 4.50 per share
- Payout ratio is 49.8%, dividend yield at 2.2%
- Basic earnings per share at CHF 15.92 before non-recurring expenses

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# Key focus areas for growth

## Action plan 2016

### BG Europe



- Further improve profitability
- Gain market share
- Increase vertical integration

### BG Asia



- Extend business with Asian customers
- Broaden resources & capacities
- Strengthen existing alliances

### BG North America



- Start-up new Mexican plant
- Diversify customer base
- Build new Technical Center

### BG SAMEA



- Turnaround Brazilian operations
- Reorganize Business Group
- Investigate market potential in Iran

# Guidance 2016

## Global environment

- Rise in global automobile production to around 91 million light vehicles anticipated in 2016 (growth rate of around 3%)\*

## Sales

- By continuing its successful strategy implementation, Autoneum expects to increase net sales in local currencies in line with its mid-term financial targets by 4% to 5%

## Profitability

- Group's 2015 operating margin should be exceeded in 2016

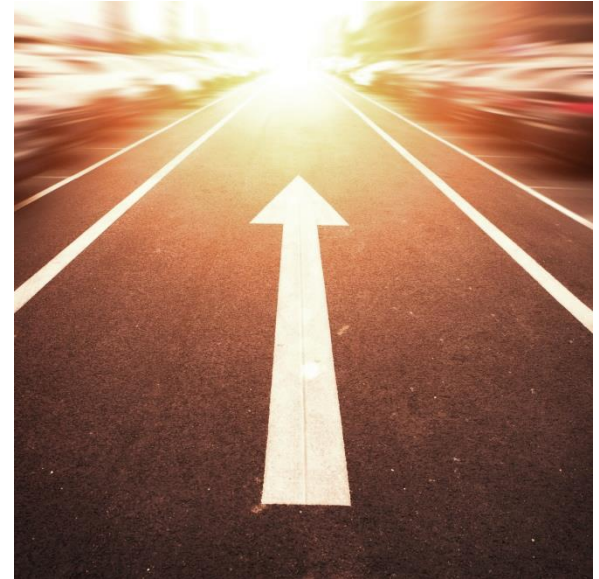
\*according to IHS estimates



## Targets 2020

### Accelerate profitable growth

- Net sales of CHF 2'600 million
- Emerging markets >20% share in Group's net sales
- EBITDA margin of 12%
- Equity ratio >40%
- RONA >20%
- Target dividend payout of at least 30% of net profit attributable to shareholders of Autoneum Holding Ltd



Mastering sound and heat.



# Contacts and event calendar

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## Important dates 2016

Annual General Meeting	March 30, 2016
2016 Semi-Annual Results	July 26, 2016

## Autoneum listed on SIX Swiss Exchange

Valor Symbol	AUTN
Valor Number	12748036
ISIN	CH0127480363

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