



Media- and Financial Analysts Brunch “Innovations ahead”

Martin Hirzel, CEO and Martin Zwysig, CFO . Winterthur, October 23, 2014

Agenda

Presentation Martin Hirzel, CEO

- 1. Autoneum at a glance**
2. Major trends in automotive industry
3. How Autoneum anticipates major trends

Presentation Martin Zwysig, CFO

1. Autoneum's mid-term targets achievements and FY Outlook

Who we are

Autoneum in a nutshell



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Major trends in automotive industry

Impacting Autoneum

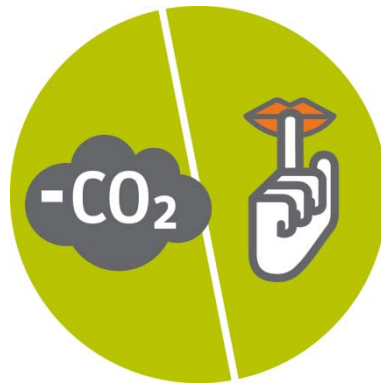
Growing car demand
particularly in emerging markets



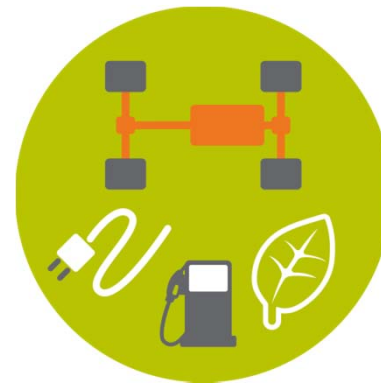
Global platform
sourcing



Tightening CO₂ and
pass-by noise regulations



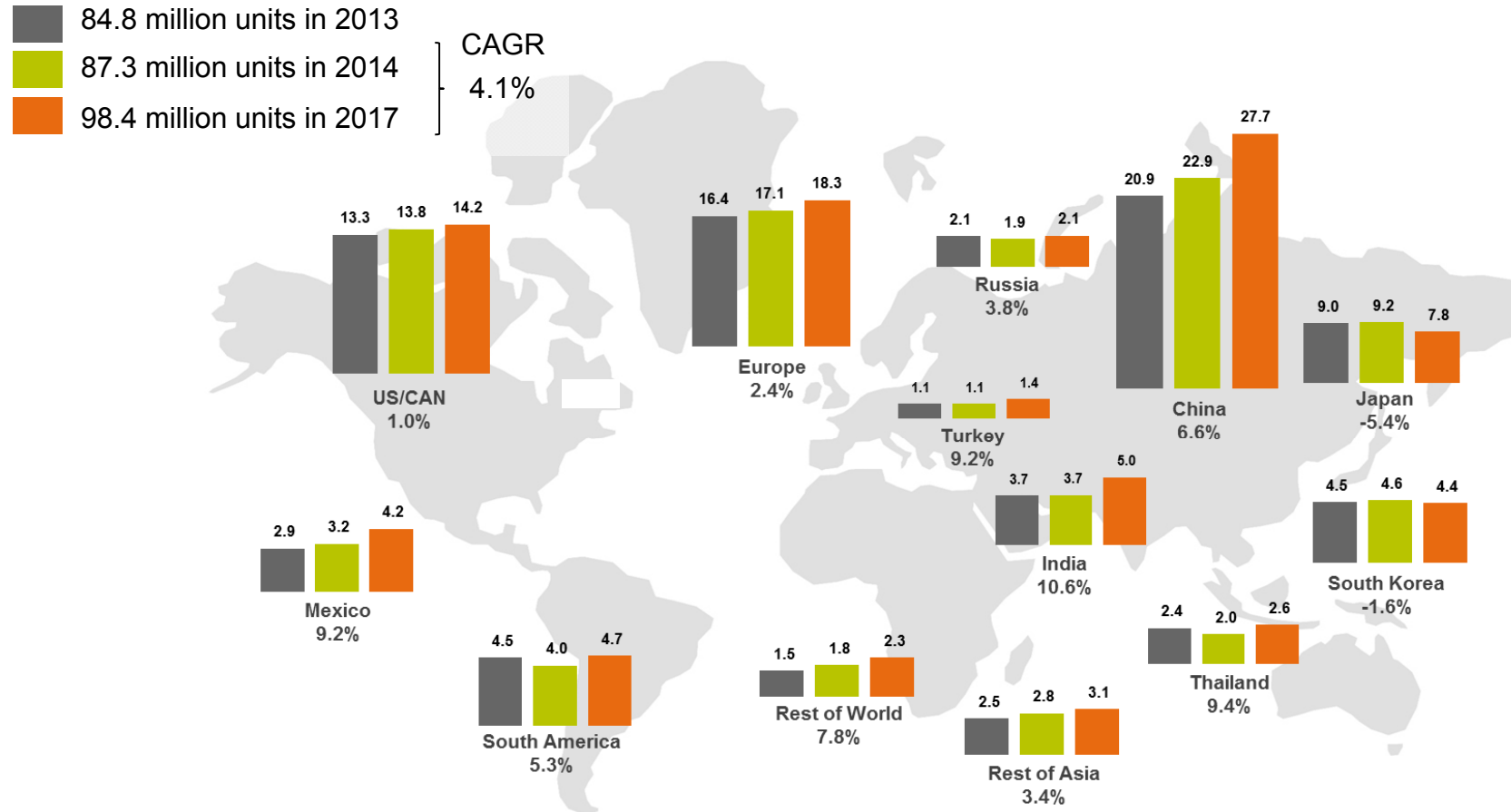
Alternative
powertrain concepts





Growing car demand in emerging markets

Global light vehicle production by region



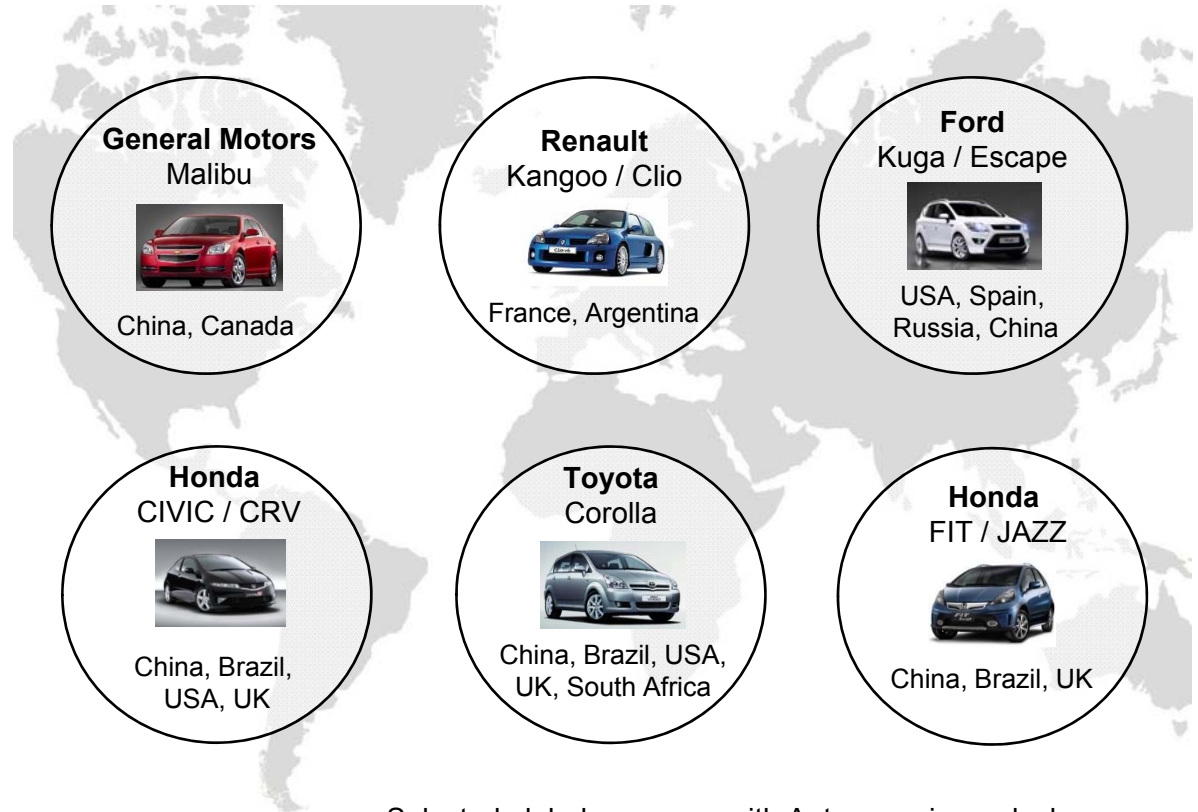
Source: IHS Automotive LV Production Forecast



Global platform sourcing

Increasing share of global platform production

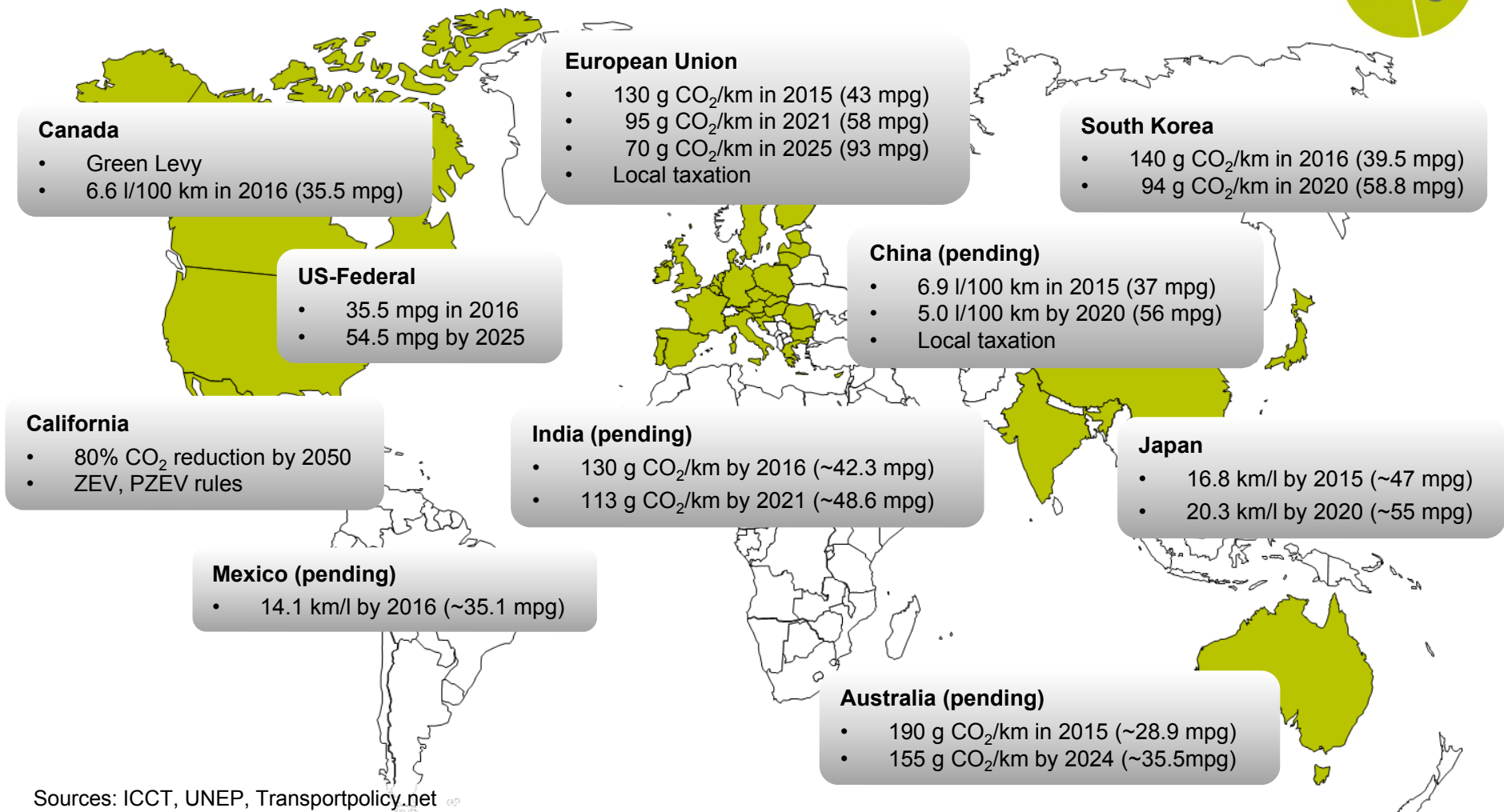
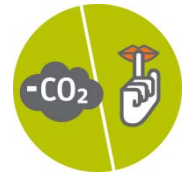
- In 2007, 80% of the light vehicles were produced on global platforms
- Global platform production is expected to increase up to 90% of global automobile production in 2020



Selected global programs with Autoneum inner dashes

Tightening CO₂ and pass-by noise regulations

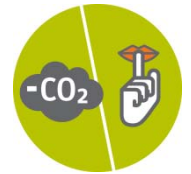
Regulations on fuel consumption & CO₂ emissions



Sources: ICCT, UNEP, Transportpolicy.net

Tightening CO₂ and pass-by noise regulations

European Union: pass-by noise regulation



- EU regulation on passenger car's pass-by noise issued in 2014
- Exterior noise crucial for cardiovascular diseases and coronaries
- Three-stage implementation of upper limits for passenger car's pass-by noise as of 2016:
 - Today: max. 74 dB
 - 2016: max. 72 dB
 - 2020: max. 70 dB
 - 2025: max. 68 dB



Whirlpool filling tub (74 dB)



Library (68 dB)

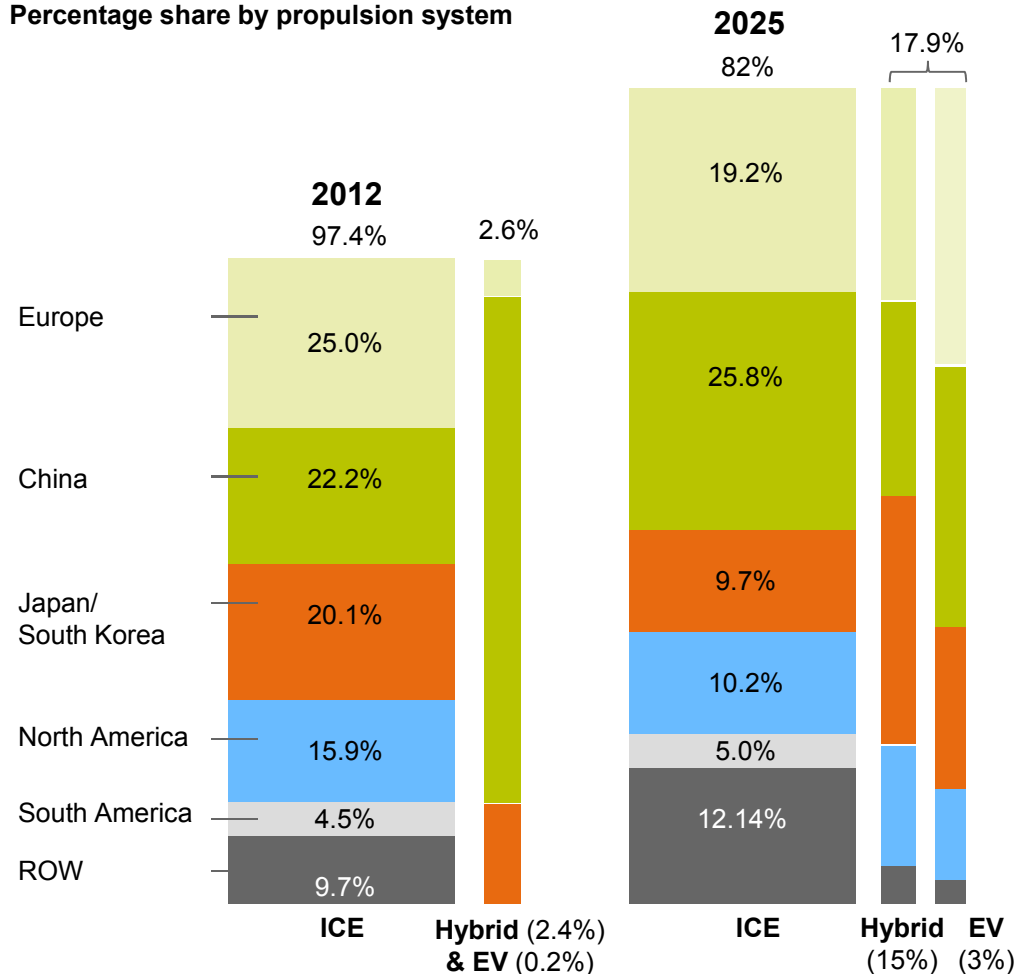
Alternative powertrain concepts

Modest increase in new powertrain concepts



- Internal Combustion Engine (ICE) remains No. 1 propulsion system for the next 20 years
- Electrification of the powertrain by all OEMs, particularly with:
 - Mild/Full Hybrid
 - Plug-in Hybrid
- In 2025, only 3% of all vehicles are expected to be pure electric vehicles (EV)

Percentage share by propulsion system



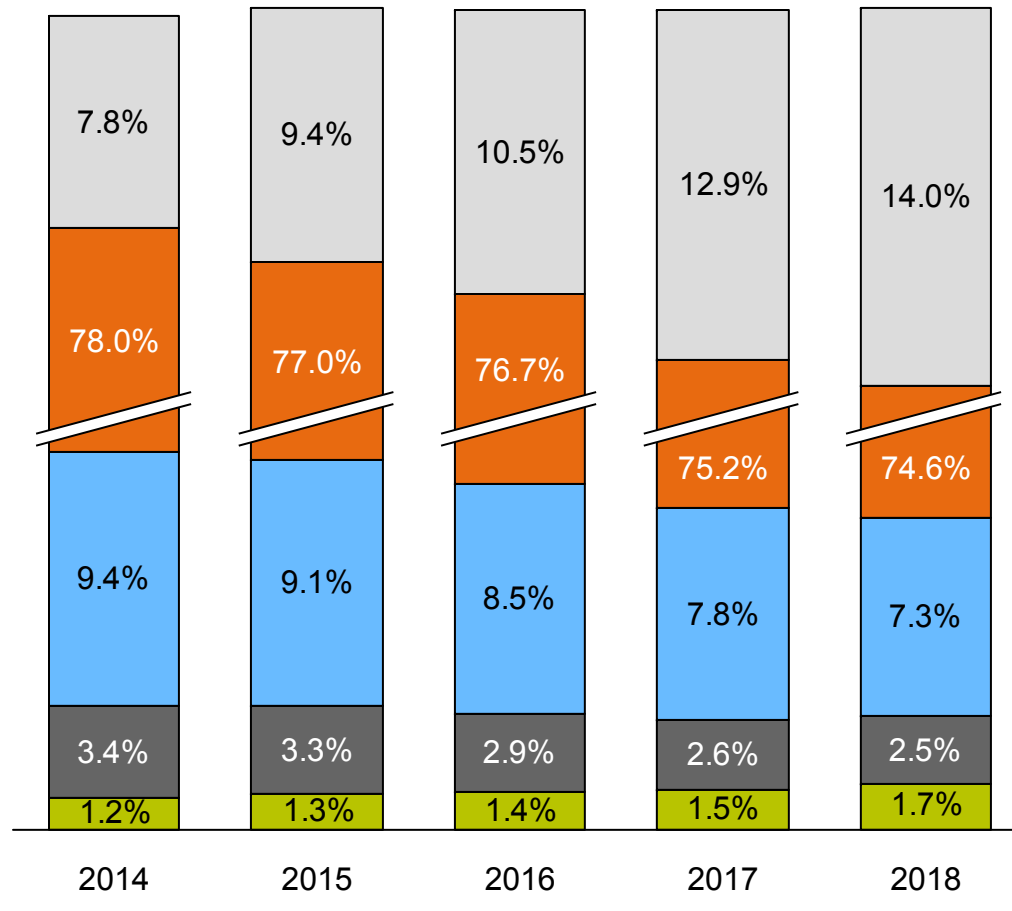
Source: Berylls Strategy Advisors

Alternative powertrain concepts

Key focus remains on downsizing of engines



Share of engines by number of cylinders (globally)



Source: IHS, Berylls Strategy Advisors

- Mid-term development: doubling of share of 3-cylinder engines, decrease of 4-cylinder engines and higher
- Trend towards downsized engines requires noise reduction: less cylinders lead to higher noise emissions (higher rpms)
- Fuel-economy needs will drive engine noise

3 cylinders
 6 cylinders
 others
 4 cylinders
 8 cylinders

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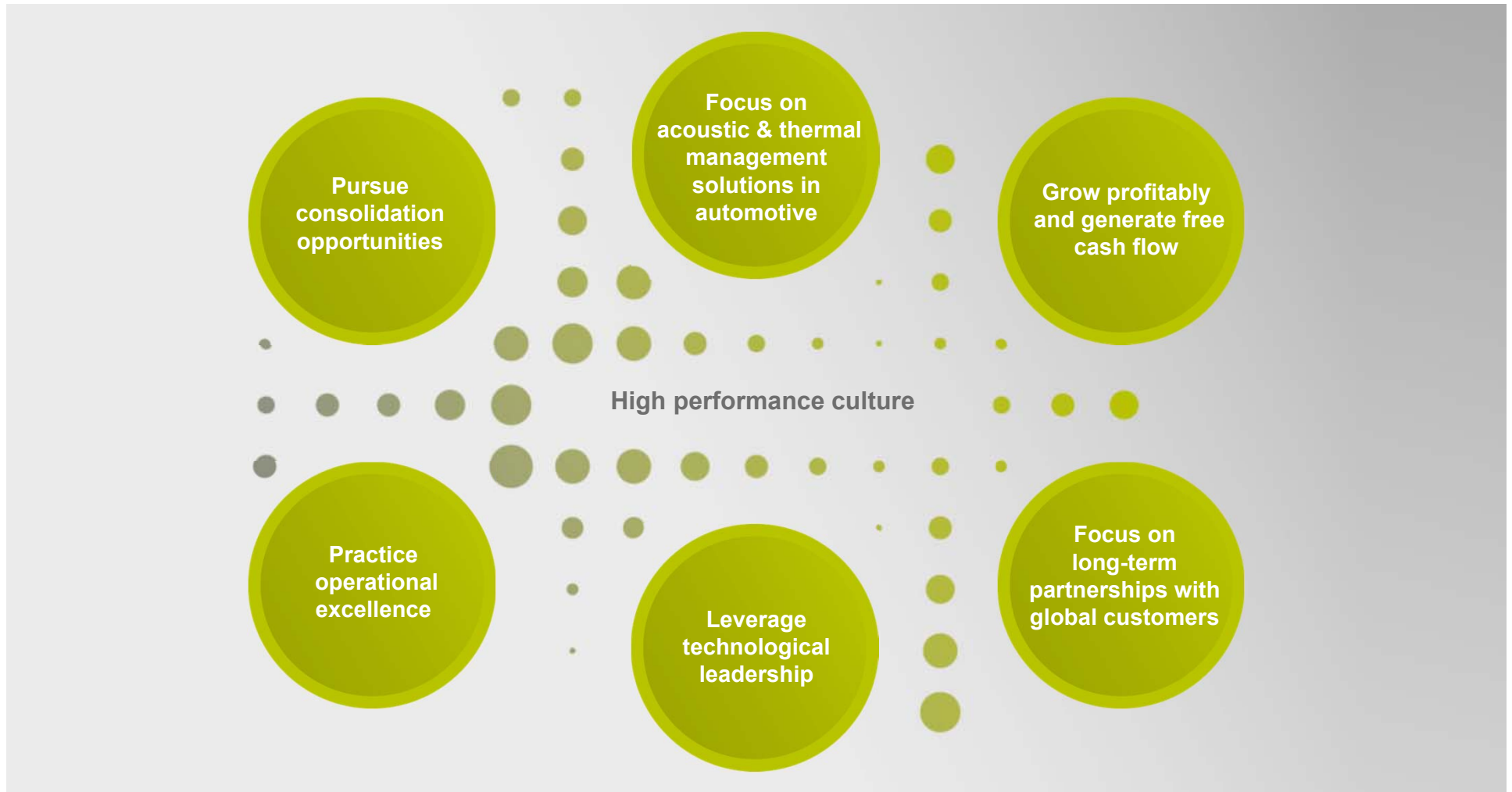
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3. **How Autoneum anticipates major trends**

Presentation Martin Zwysig, CFO

1. Autoneum's mid-term targets achievements and FY Outlook

Strategic priorities

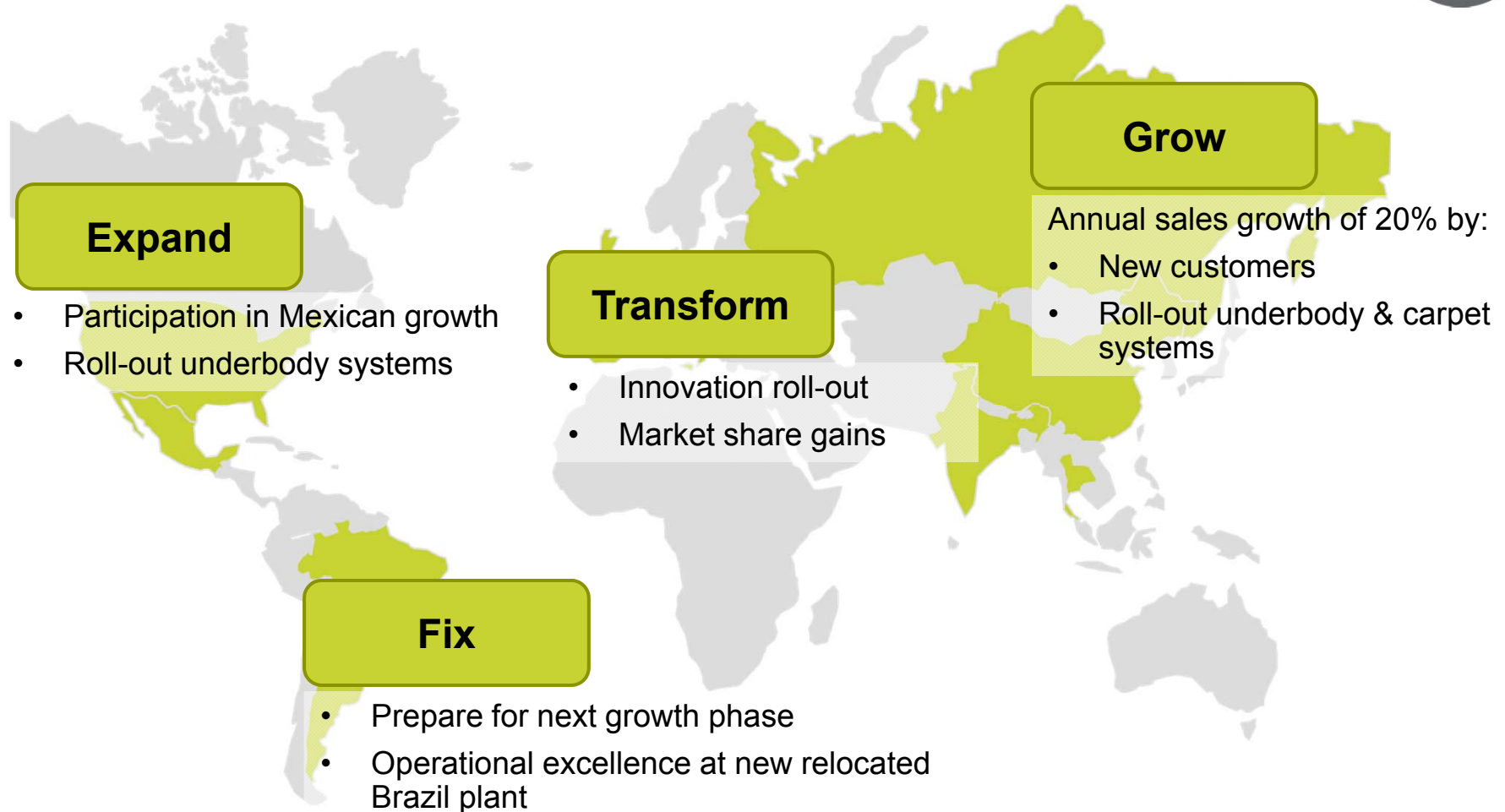
Our answer to the industrial trends





How Autoneum anticipates major trends

Regional action plans





How Autoneum anticipates major trends

Global presence



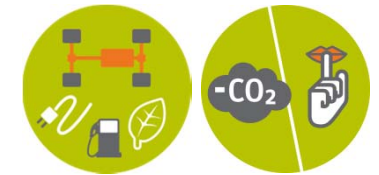
How Autoneum anticipates major trends

Tap potential to ensure future profitable growth



- Mexico: footprint enhancement to participate in automobile market's growth
- South Korea: New site to develop partnership with Hyundai/Kia on global production platforms
- ASEAN: exploit the potential of key emerging market region (e.g. Thailand)
- Globalization of product range:
 - RUS technology in North America and China
 - Carpet lines in Europe and China





How Autoneum anticipates major trends

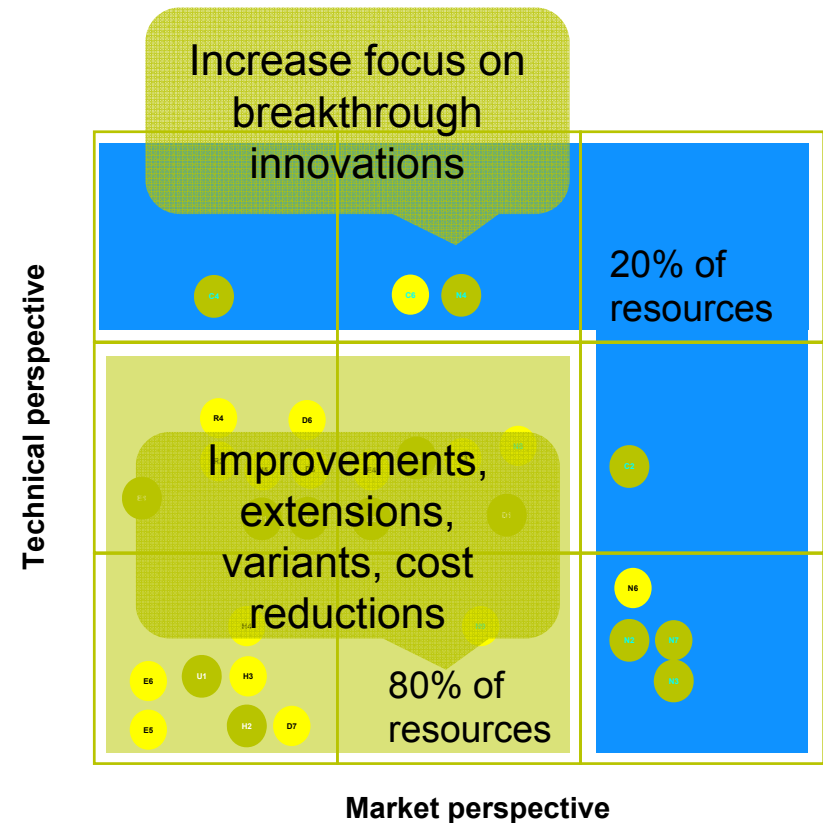
Focus on breakthrough ideas

Commitment

- Research and advanced development to ensure technological leadership
- Consistent IP protection
- Close link of innovative solutions with future demand
- Combination of creativity and freedom with efficient project management

Focus

- Acoustics and thermal management products
- Cost down and value up
- Lightweight solutions
- Focus on sustainability requirements
- Globally applicable



How Autoneum anticipates major trends

Multifaceted benefits through focus on innovation

- Position maintaining: innovations replace established products (up to 20% of annual net sales have to be substituted)
- Sales growth: new products support sales growth
- Rise in profits: innovations support productivity increase
- Customer satisfaction: innovations facilitate customer loyalty
- Attraction and retention of employees: innovations shape company image & corporate culture






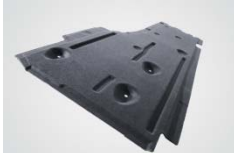


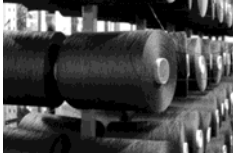






R&D investments: 4% of net sales

Innovations ahead

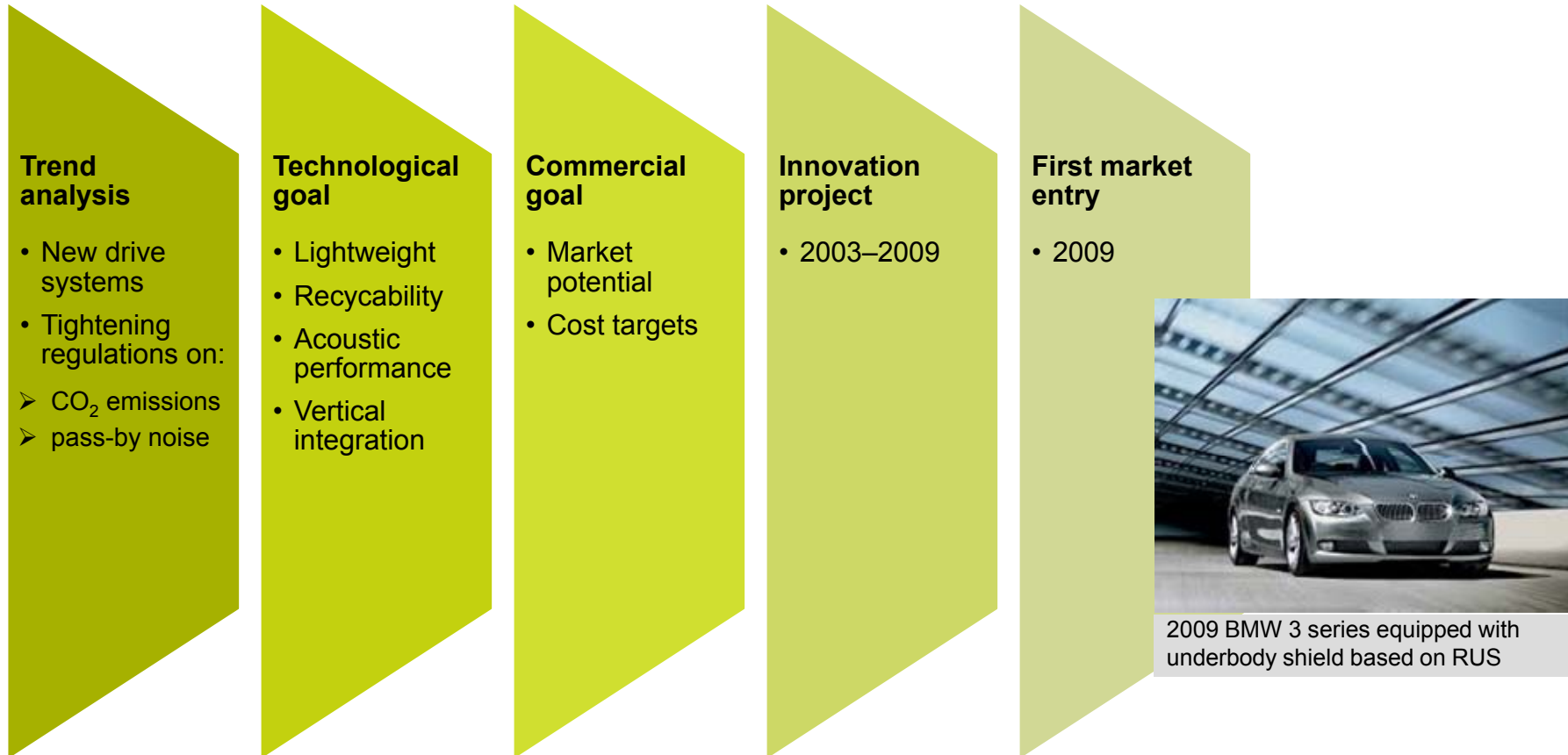
Autoneum's innovation pipeline

- Innovation process results in modified products and technologies
- Innovation pipeline is well-filled with around 35 projects

Interior Floor	Underbody	Engine Bay	Body Treatment
			
			
Di-Light	RUS+	Theta-FiberCell	Autyl
		to be applied for: <ul style="list-style-type: none"> • engine encapsulation • engine top cover • oil slump 	
Clean-Tuft	RIMIC		Nero-Acoustics
			
Secret-Name	StifFix		

Example of successful innovation

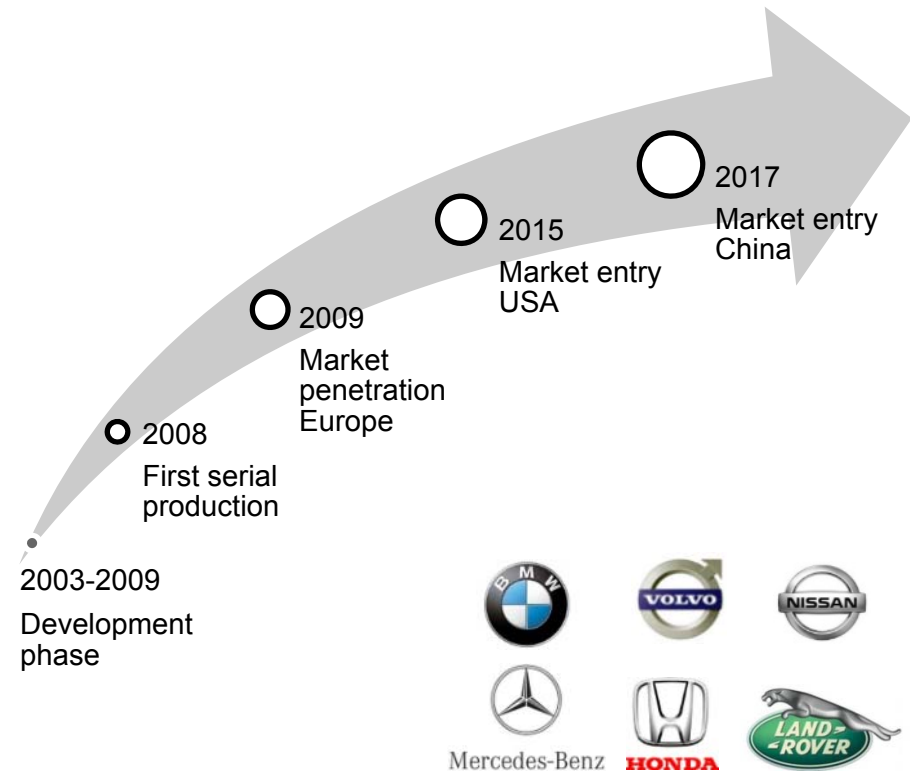
Underbody shield based on RUS



Example of successful innovation

Underbody shield based on RUS

- 5 million light vehicles equipped with RUS based underbody shields since SOP in 2009
- Highest market share of all underbody textile technologies in Europe
- Underbody shielding based on RUS reduces:
 - vehicle drag up to 10%
 - fuel consumption up to 3%
 - interior noise up to 2 dB
 - exterior noise up to 1 dB



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1. **Autoneum's mid-term targets achievements and FY Outlook**














Mid-term financial target: Net sales

Annual growth of 4-5% (excluding currency effects)

Growth rate in local currencies (LC)					
	2011	2012	2013	HY1 2014	Achievement
Group	+15%	+13%	+10%	+3%	☹️
BG Europe	+10%	+1%	+5%	+3%	😊
BG North America	+24%	+33%	+13%	+1%	☹️
BG Asia	+36%	+3%	+26%	+18%	😊
BG SAMEA	+10%	+8%	+8%	+3%	☹️

Mid-term financial target: Net sales

2014 light vehicle (LV) production growth by OEM*

Change in LV production 2014 vs. 2013		
	Ford	-0.9%
	Renault-Nissan	+4.6%
	Honda	+6.6%
	BMW	+9.2%
	Chrysler	+12.4%
	Toyota	+2.1%
	PSA	+5.2%
	Daimler	+9.5%
	GM	-2.2%
	JLR	+9.7%
	Volvo	+5.4%
	VW	+5.2%
	Hyundai	+4.3%

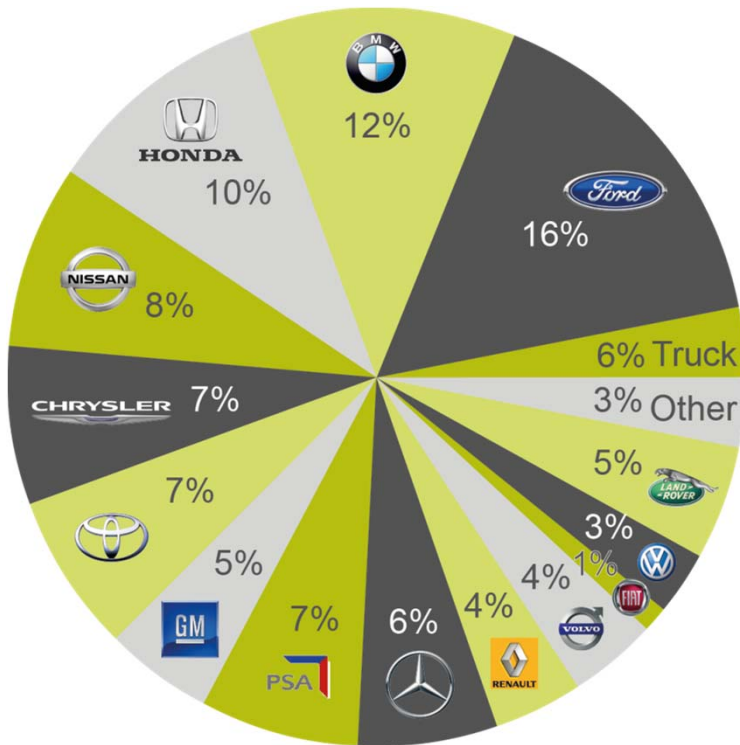
Growth in global LV production in 2014: +3.2%*

Autoneum's net sales growth in local currencies in 2014: ~ 2%

*based on latest IHS forecast

Mid-term financial target: Net sales

2014 LV production growth by OEM in North America*



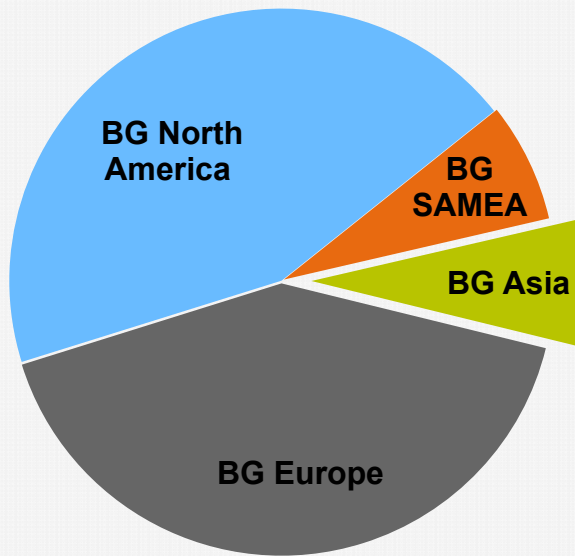
Pie chart: OEM share in Autoneum's net sales

Growth in LV production by OEM in NA in 2014	
Ford	-4.1%
Honda	+1.7%
BMW	+16.2%
Chrysler	+11.1%
Mercedes	+21.1%
Toyota	+6.7%
GM	+2.7%
Nissan	+18.8%
LV production growth in NA	+5.1%

*based on latest IHS forecast

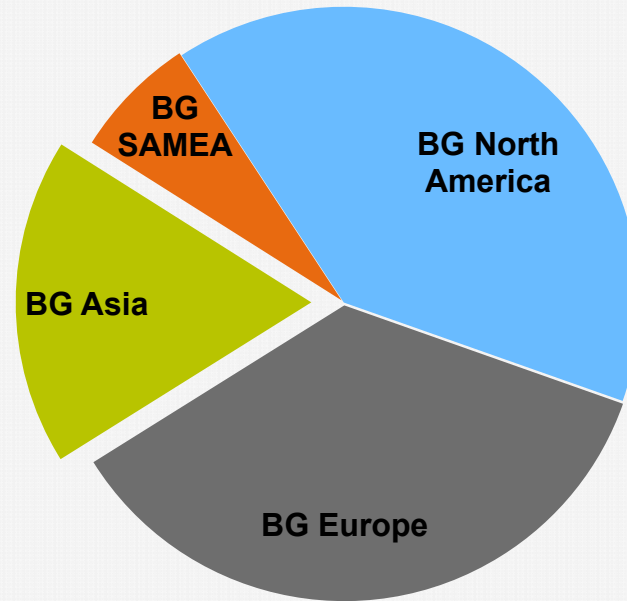
Mid-term financial target: Net sales
Annual net sales growth of 4-5%¹

2014: ~ 1'930 million CHF



CAGR ≈ 20%

2020: 2'600 million CHF¹



¹excluding currency effects


Mid-term financial target: EBITDA

EBITDA margin higher than 9%

EBITDA margin					
	2011	2012	2013	HY1 2014	Achievement
Group	6.2%	7.6%	9.0%	10.1%	😊
BG Europe	2.8%	4.1%	5.2%	7.7%	😊
BG North America	9.2%	10.6%	12.0%	12.0%	😊
BG Asia	12.2%	15.5%	17.5%	18.7%	😊
BG SAMEA	7.2%	4.2%	4.6%	3.5%	😐

Mid-term financial target: Return on net assets

RONA higher than Cost of Capital (WACC)

Return on net assets (RONA)					
	2011	2012	2013	HY1 2014	Achievement
Return on net assets	4%	10%	10%	18%	
Cost of Capital	~ 9%	~ 9%	~ 9%	~ 9%	
Value creation	~ -5%	~ 1%	~ 1%	~ 9%	
Return in million CHF	22	49	51	47	
Ø net assets in million CHF	534	509	502	513	


Mid-term financial target: CAPEX

Average long-term CAPEX of 4-4.5% of net sales

Capital Expenditure					
	2011	2012	2013	Guidance FY 2014	2020
CAPEX in % of net sales	4.5%	3.9%	3.9%	≥4.0-4.5%	4.0-4.5%
in million CHF	75	75	81		


Mid-term financial target: Indebtedness

Leverage below 1.5x net debt / EBITDA

Net Debt / EBITDA					
	2011	2012	2013	HY1 2014	Achievement
Net Debt / EBITDA Ratio	1.5	0.8	0.4	0.6	
Net Debt	155	123	75	101	
EBITDA	104	146	184	99	

Mid-term financial target: Equity ratio

Continue to maintain an equity ratio higher than 30%

Equity Ratio					
	2011	2012	2013 ²	HY1 2014 ²	Achievement
Equity Ratio¹	29%	32%	33%	36%	
Total Assets in million CHF	996	960	999	989	
Equity in million CHF ¹	287	303	329	352	

¹without subordinated shareholders loan

²incl. impact of IAS 19 revised

Mid-term financial targets*

Overview

Net sales	<ul style="list-style-type: none"> • Annual growth of 4-5% (excluding currency effects) <ul style="list-style-type: none"> – Flat to moderate growth in Western Europe – Moderate growth in North America – Strong growth in BRICS countries
Profitability/ Return on net assets	<ul style="list-style-type: none"> • Return on net assets > Cost of Capital • EBITDA margin >9% <ul style="list-style-type: none"> – Mid-term EBITDA margin of 7-8% in Europe – Double digit EBITDA margin in North America and Asia
Capital expenditure	<ul style="list-style-type: none"> • Average long term CAPEX of 4-4.5% of net sales
Indebtedness	<ul style="list-style-type: none"> • Continue to maintain <ul style="list-style-type: none"> – Long-term conservative leverage below 1.5x net debt / EBITDA – 30% equity ratio (i.e. total equity divided by total assets)
Dividend payout	<ul style="list-style-type: none"> • Target payout ratio of up to 30% of net result attributable to Autoneum shareholders

*communicated before SIX listing

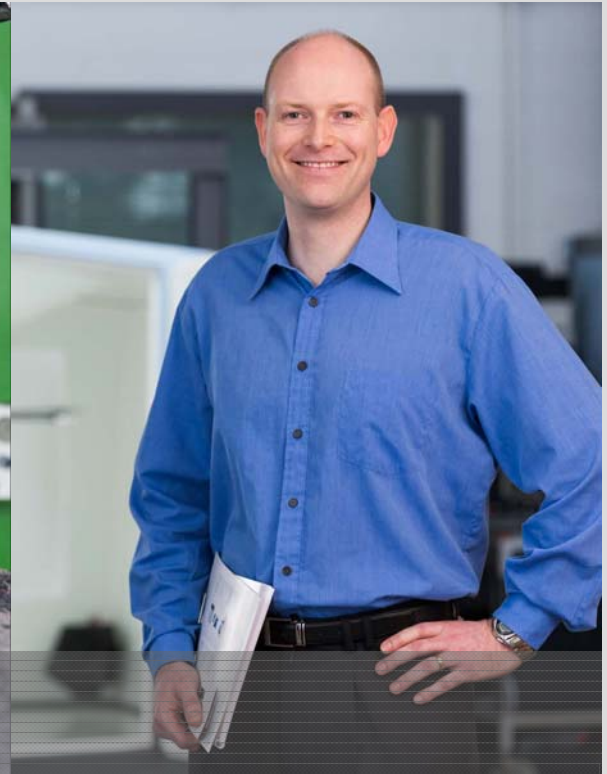
Guidance 2014

HY1 outlook on FY 2014 confirmed

- Global automobile production is likely to grow to around 88 million light vehicles*
- Devaluation of various currencies will continue to have a substantial impact on translation into CHF
- Production volumes in the automotive industry tend to be lower in the seasonally weaker HY2 compared to HY1
- Autoneum expects challenging HY2, but to maintain the operating margin achieved in HY



*according to IHS estimates



Autoneum. Mastering sound and heat.

Contacts and event calendar

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Important dates 2015

Publication of sales figures for the 2014 financial year	January 15, 2015
2014 Results press conference	March 5, 2015
Annual General Meeting	March 26, 2015

Autoneum listed on SIX Swiss Exchange

Valor Symbol	AUTN
Valor Number	12748036
ISIN	CH0127480363

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