



Press and financial analysts' trip 2013

Update on business situation Autoneum

Martin Hirzel, CEO Autoneum
Urs Leinhäuser, CFO & Deputy CEO Autoneum

Agenda

Presentation Martin Hirzel, CEO

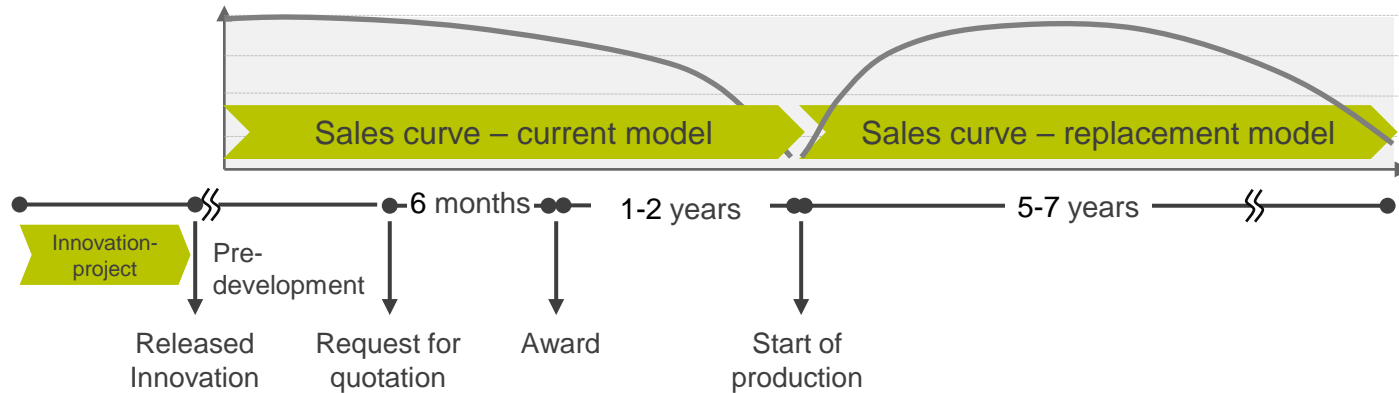
- 1. Attractive automotive supply business**
2. Autoneum's strategy for success
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4. Grow profitably and generate free cash flow – a strategic priority
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Automotive Tier 1 supplier business model

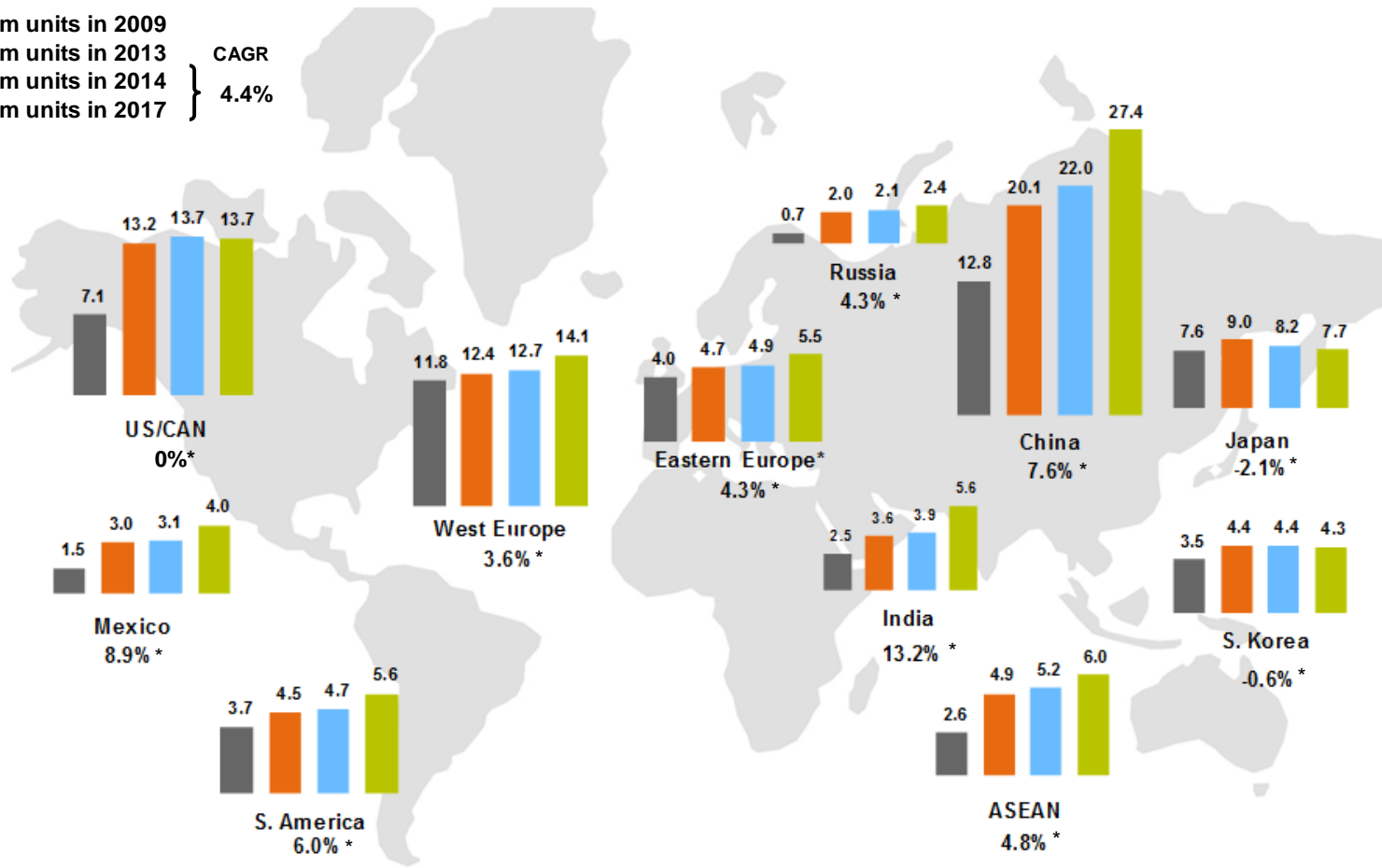
«Rules of the game»



- Good visibility of mid-term sales development thanks to transparency on life-cycle volumes
- Yearly negotiations with the customers to balance their price giveback requests against inflation compensation and value-engineering gains
- Tooling owned by customer – pre-financing by supplier until start of production
- Upfront investment in equipment amortized by piece price
- Global platform business entrance barrier for local players
- OEM model policy determines success or failure of resp. supply business

Market development light vehicle production

Growing industry



* Compound annual growth rate (CAGR) 2014 - 2017

Source: IHS October 2013 (excl. truck)

Market outlook

Short and mid-term view

North America



- | | |
|---|---|
| <ul style="list-style-type: none"> • High volume continues until end of year • Positive consumer climate with good financing options • Average car age still at >10 years | <ul style="list-style-type: none"> • Market growth will continue but at lower pace • Some shifts between production sites USA, Canada and Mexico expected |
|---|---|

Europe



- | | |
|---|--|
| <ul style="list-style-type: none"> • Bottom of market decline reached • 2013 volumes are expected to be 0.6% below 2012 volumes | <ul style="list-style-type: none"> • Going forward, a slow and staggered recovery foreseen in 2014 • In general, moderate market growth over the next 3 years forecasted • Outlook for Russia promising |
|---|--|

South America



- | | |
|---|---|
| <ul style="list-style-type: none"> • Brazil and Argentina forecasted to achieve >5% growth rate in 2013 • Argentina contributing with higher growth rate than Brazil | <ul style="list-style-type: none"> • South American production expected to continue on stable growth rate • Global OEMs are looking at additional production capacities in Brazil |
|---|---|

Asia

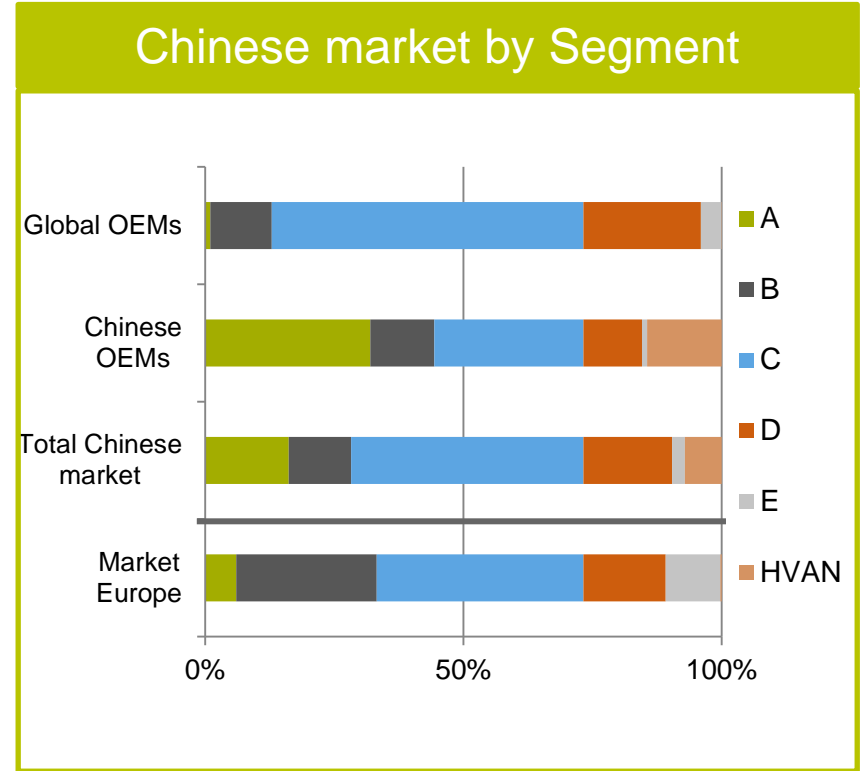
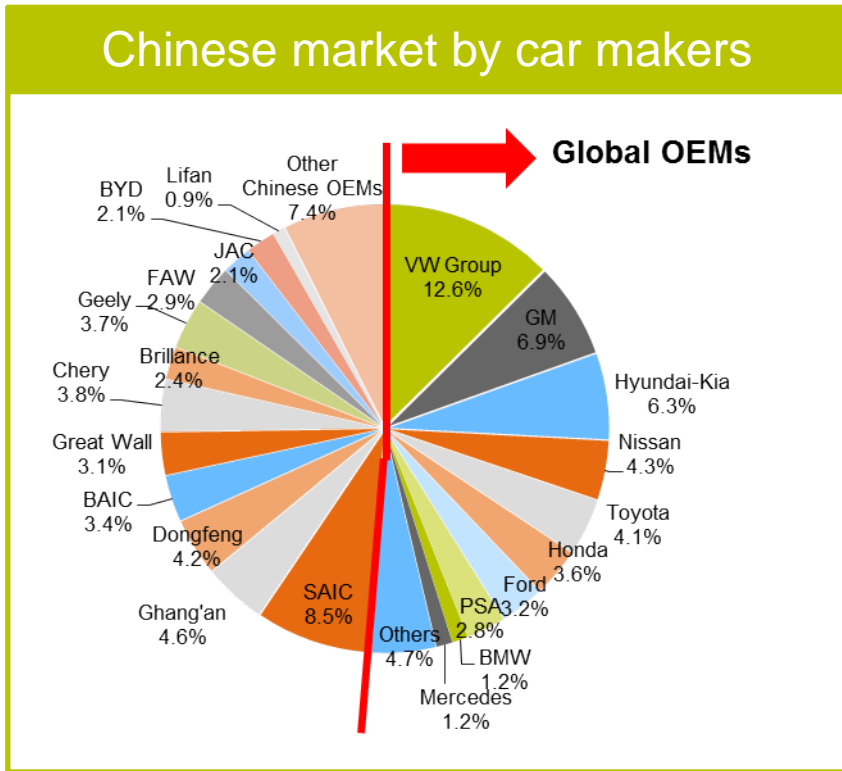


- | | |
|--|---|
| <ul style="list-style-type: none"> • China forecasted to achieve growth rate slightly above +10% in 2013 • Production in India remaining below 2012 production figures | <ul style="list-style-type: none"> • Growth in China forecasted to continue – only slightly below 2013 level (approx. +9%) • India likely to stay under pressure • Thailand gaining further importance for global OEMs |
|--|---|

Source: IHS October 2013 (excl. truck)

Highly fragmented Chinese market

Significant differences in market segments



Source: IHS

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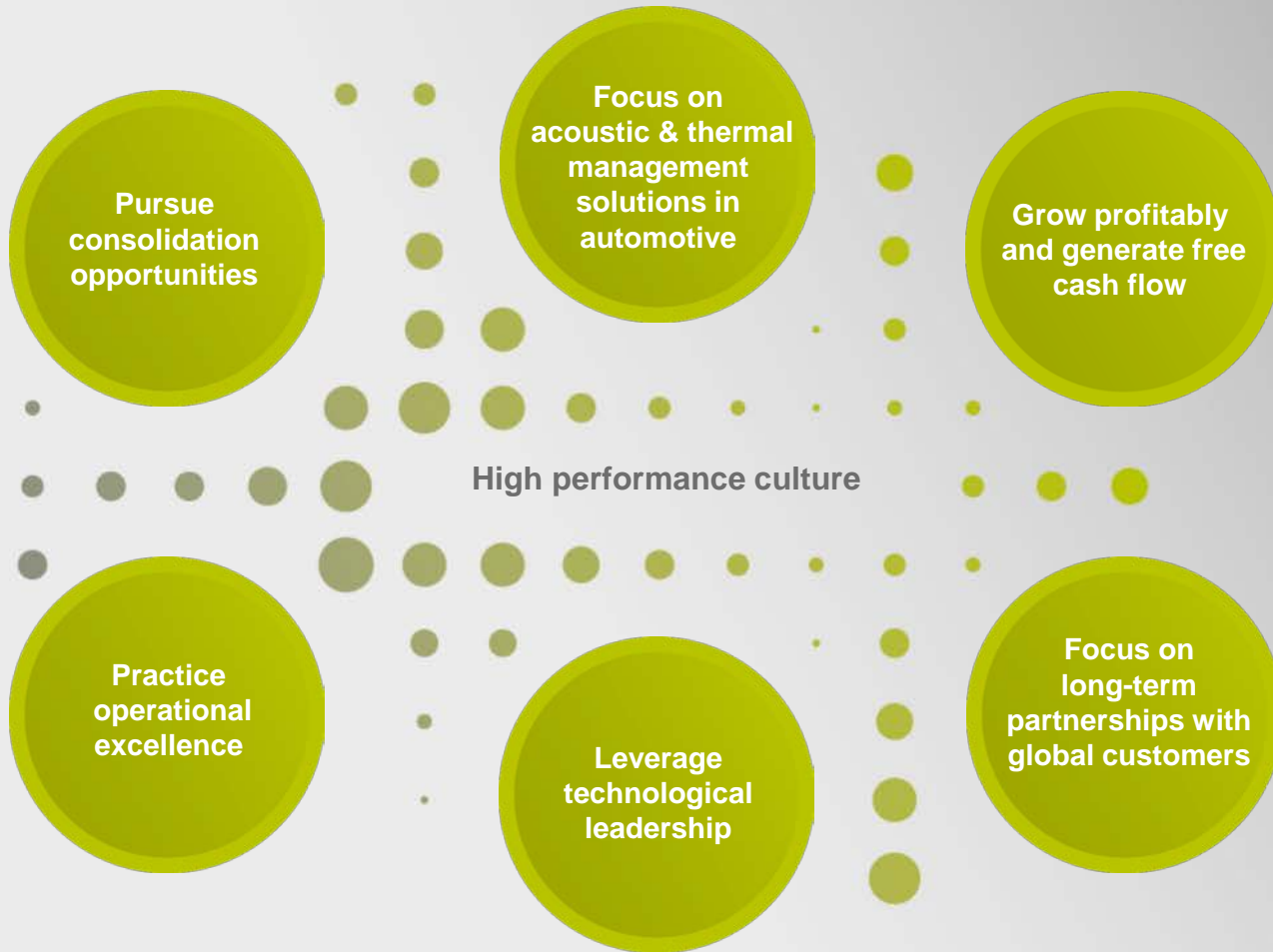
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Our Strategy

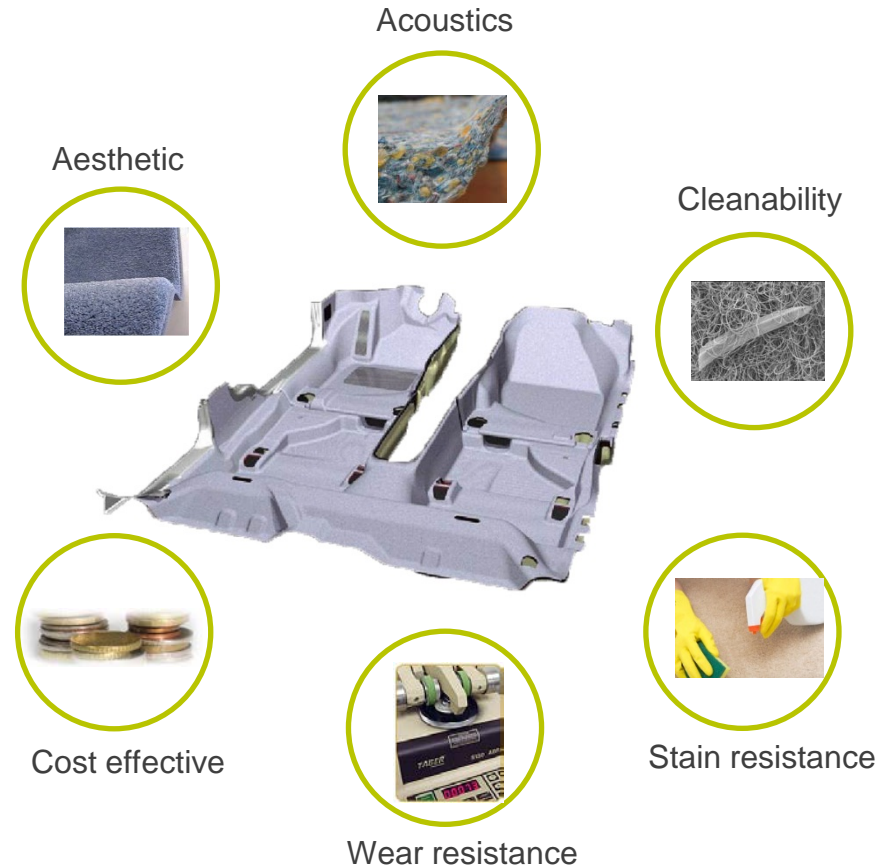
Priorities unchanged



Focus on acoustic & thermal management

Example carpet system

- Carpet system influences acoustic performance by 15 dB
- Autoneum's lightweight solutions help to save up to 3 kg/m² in weight (~10 kg weight saving for 3.5 m² carpet)
- More than 100 years' experience in demanding carpet production for automotive industry
- Research focusing on alternative materials, innovative constructions and improved processing

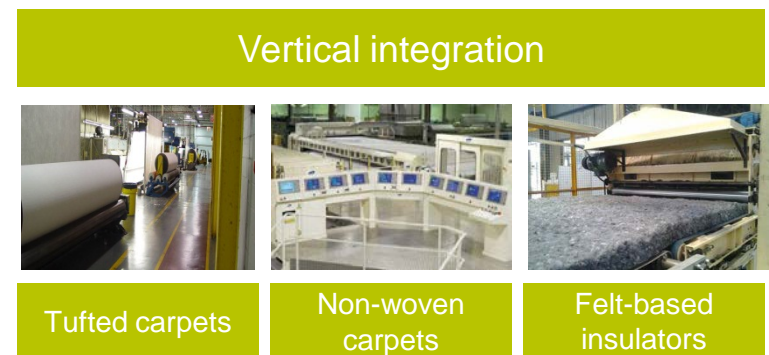
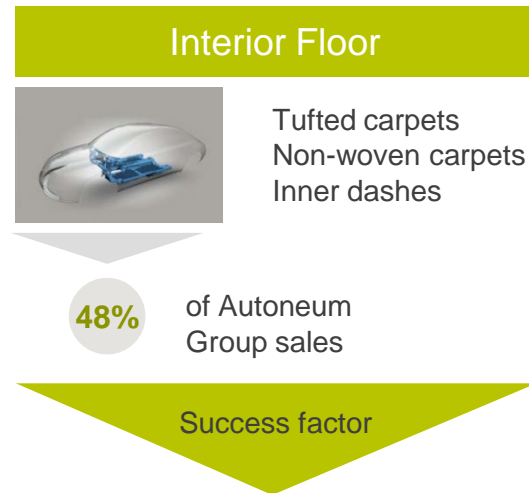


Profitable growth

Success factor vertical integration

- Product line interior floor largest in Autoneum globally
- Both key materials non-woven and tufted carpets offered by Autoneum
- Vertical integration for profitability:
 - Tufting in USA and Europe
 - Non-woven in USA, Europe, Brazil
 - Felt lines globally available
 - IFP-R2 in Europe
- Further investment in vertical integration planned e.g.
 - Non-woven line in China & Europe
 - Felt lines in USA, Argentina & Russia
 - IFP-R2 in USA, Japan*, Thailand

*) by Japanese partner Nittoku



Focus on long-term partnerships with global customers

Global platform business

Success of global technologies for inner dash

- Autoneum’s global footprint supports supply to global platform business
- Aligned global technologies allow offerings in all regions
- Trend to global sourcing decisions by OEMs continues



Global platforms


Focus on long-term partnerships with global customers

Global platform business

Future potential – global carpet solutions

- Carpet supply requires footprint close to customer plant (sensitivity to logistic costs)
- High number of variants
- Autoneum not yet vertically integrated in all regions

BMW
3-Series



Czech Republic, China, South Africa

Ford
Fusion / Mondeo




Belgium, Mexico

Nissan
Micra




China, India

Honda
Accord




USA

Land Rover
Evoque




UK

Chrysler
Grand Cherokee



Canada

Volvo
V70



Poland

Daimler
M-Class



USA

Toyota
Hillux



Argentina

Global platforms
Regional sourcing



Technology leadership

Recognition as development partner





Innovation example: Pure-Tuft™

The Greener alternative



No latex means less Volatile Organic Compounds (VOCs)

The new manufacturing process does not require large ovens to dry the latex, which saves energy and makes the process cleaner

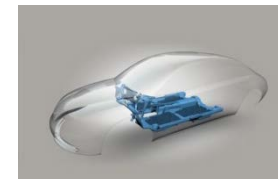
With Pure-Tuft™ the tuft lock is achieved using thermoplastic material, which improves the recyclability of the carpet



Same or better abrasion achieved without use of latex



Reduced carpet weight helps OEMs to achieve their CO₂ reduction targets



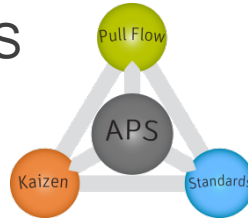
Product line:
Interior Floor
Part families:
Tufted carpets



Operational excellence

Numerous activities to boost productivity

Consistent implementation of APS (Autoneum Production System)



Example regarding carpet:

Waste reduction strategy – levels of implementation

Waste reduction strategy

- Wide range of initiatives at all locations
- Best practice sharing between the regions
- Different stages of implementation offer promising improvement potential

examples

reduce

Blank size reduction
In-mold clamping



recycle

Pelletizing of carpet cut-offs for recycling in extrusion process



reuse

Carpet fiber waste reused in own felt production



avoid

Net shape production technologies
Process innovation IFP-R2



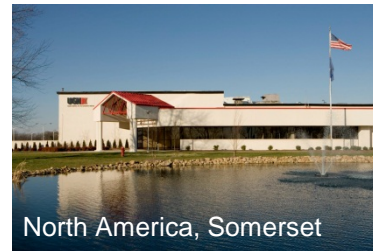
Importance of partnerships

Leverage on win-win situation

- Key advantages:
 - Share risks when entering new markets
 - Share funding for new plants
 - Access to specific OEMs
 - Promotion of Autoneum innovations
- Long-term partnership with Nittoku towards global Japanese OEMs
 - 1 JV North America (1986)
 - 3 JVs China* (2003; 2004, 2013)
 - 1 JV Thailand** (2007)
 - 1 JV India (2008)
 - 1 JV Indonesia** (2013)



China, Tianjin



North America, Somerset



India, Chennai



China, Guangzhou

* 1 JV with minority share

** JVs with minority shares

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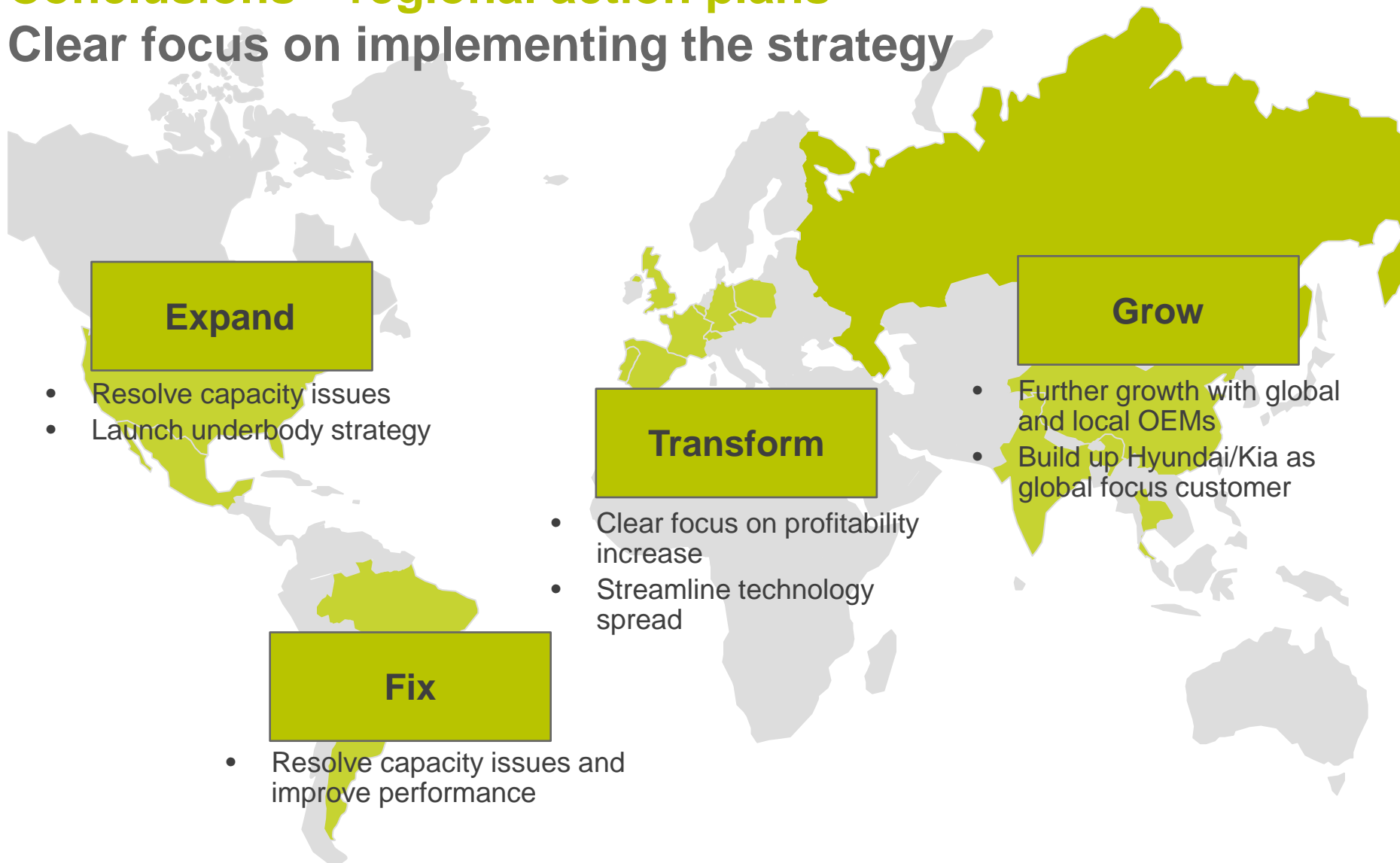
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Conclusions – regional action plans

Clear focus on implementing the strategy



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Grow profitably and generate free cash flow

One of Autoneum's six strategic priorities is to grow profitably and to generate free cash flow

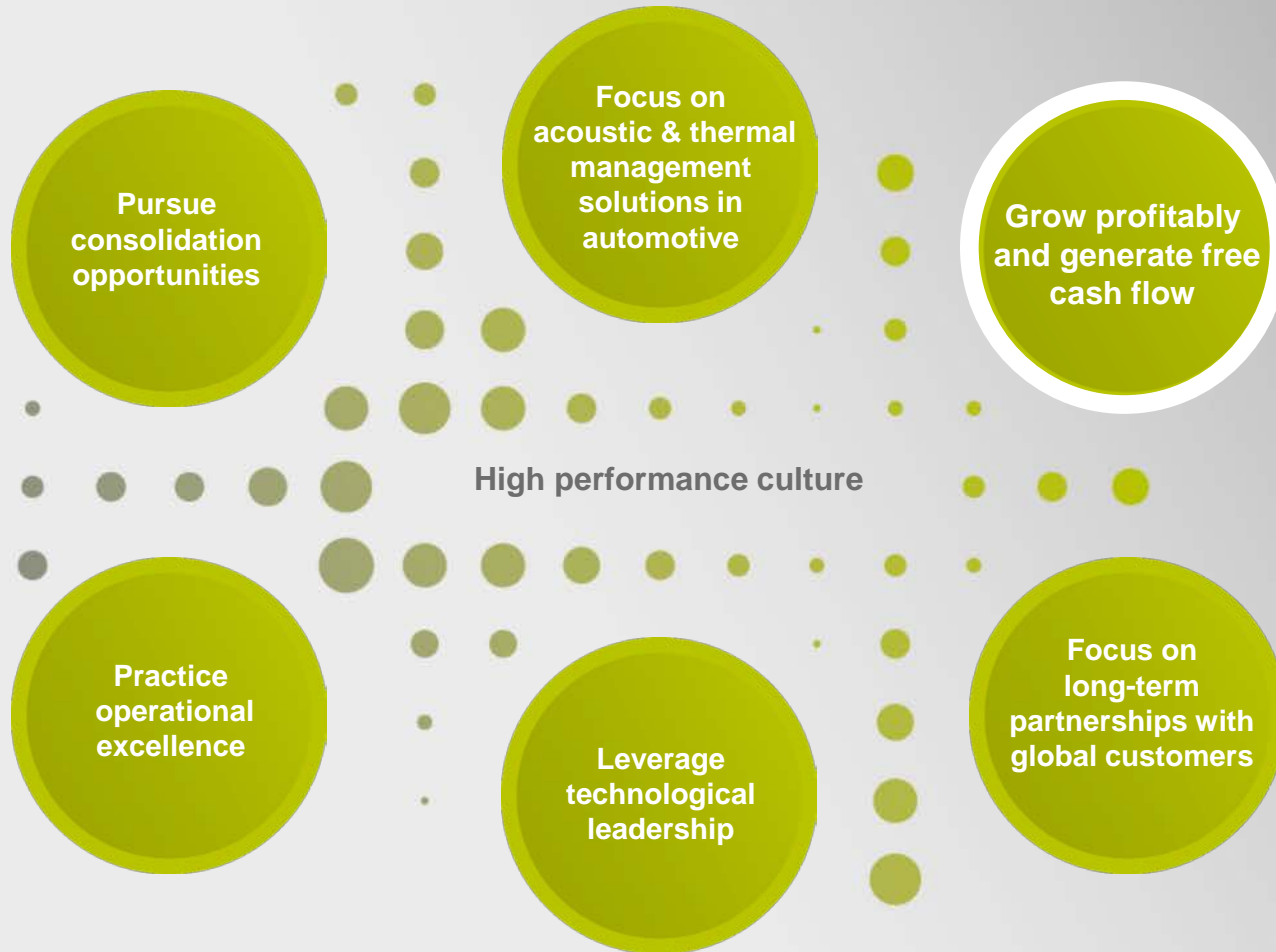
- What are the first results of this strategy?
- Since going public in spring 2011 Autoneum reported the following developments (HY 2011 vs. HY 2013):

Net Sales	+ 25%
EBIT	+ 158%
Operating Cash Flows	HY 2011: - 12 Mio CHF HY 2013: + 51 Mio CHF

Autoneum's mid-term financial targets were communicated prior to going public

- What has been achieved so far?

Strategic priorities



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Mid-term financial targets*

* (communicated before SIX listing)

Net sales

- Annual growth of 4-5% (excluding currency effects)
 - Flat to moderate growth in Western Europe
 - Moderate growth in North America
 - Strong growth in BRICS countries

Profitability / Return on net assets

- Return on net assets > Cost of Capital
- EBITDA margin >9%
 - Mid-term EBITDA margin of 7-8% in Europe
 - Double digit EBITDA margin in North America and Asia

Capital expenditure

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

Indebtedness

- Continue to maintain
 - Long-term conservative leverage below 1.5x net debt / EBITDA
 - 30% equity ratio (i.e. total equity divided by total assets)

Dividend payout

- Target payout ratio of up to 30% of net result attributable to Autoneum shareholders

Mid-term financial targets

Net sales

- Annual growth of 4-5% (excluding currency effects)
 - Flat to moderate growth in Western Europe
 - Moderate growth in North America
 - Strong growth in BRICS countries

Growth Rate (in LC)


	2011	2012	HY1 2013	Achievement
Group	+15%	+13%	+11%	
BG Europe	+10%	+1%	+2%	
BG North America	+24%	+33%	+19%	
BG Asia	+36%	+3%	+17%	
BG SAMEA	+10%	+8%	+21%	

Mid-term financial targets

Profitability /
Return on net
assets

- Return on net assets > Cost of Capital

Return on net assets

	2011	2012	HY1 2013	Achievement
Return on net assets	4%	10%	17%	
Cost of Capital	~ 9%	~ 9%	~ 9%	
Value creation	~ -5%	~ 1%	~ 8%	
Return	22	49	40	+
Ø net assets	534	509	481	+

Mid-term financial targets

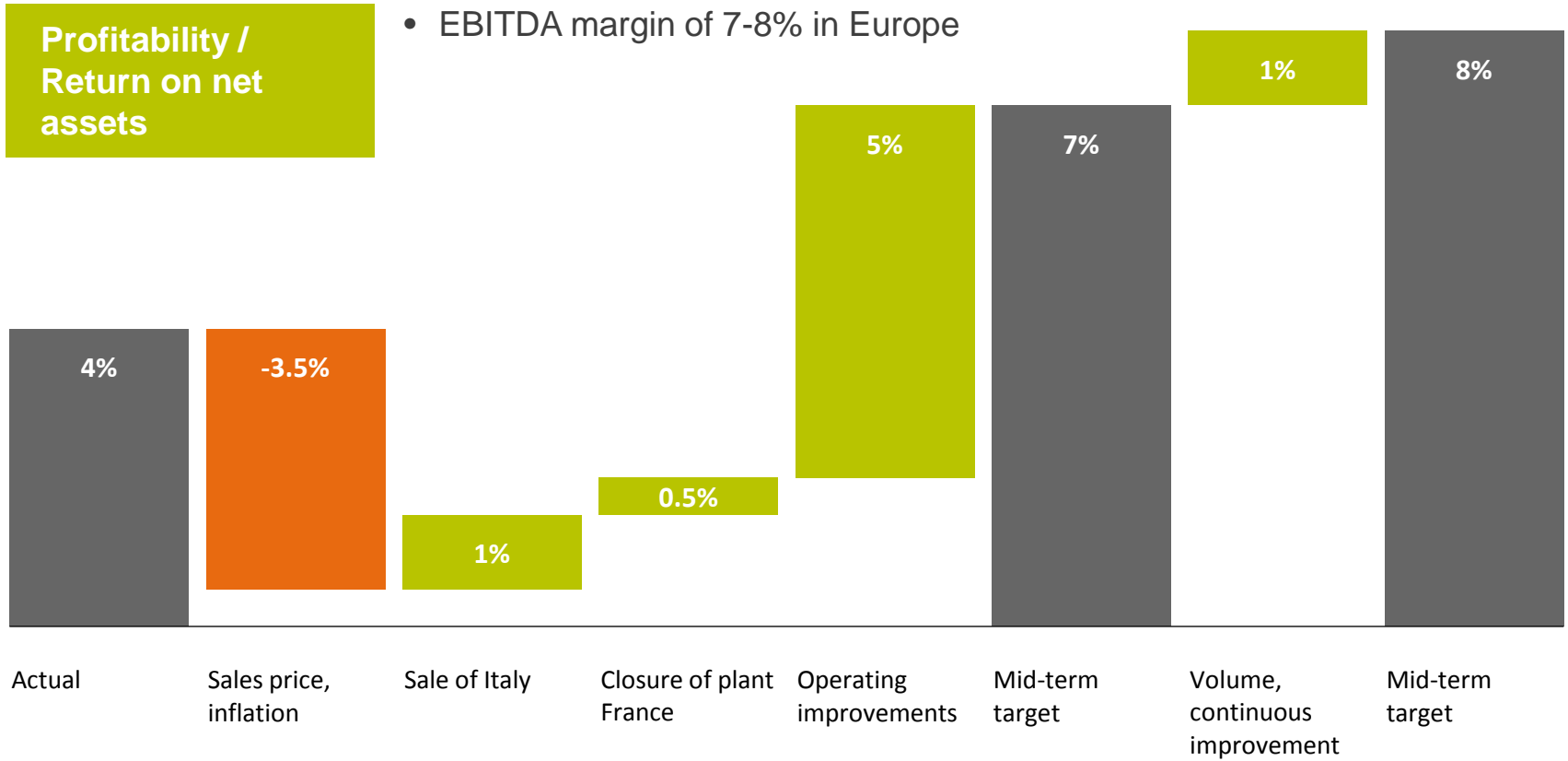
Profitability / Return on net assets

- EBITDA margin >9%
 - Mid-term EBITDA margin of 7-8% in Europe
 - Double digit EBITDA margin in North America and Asia

EBITDA margin

	2011	2012	HY1 2013	Achievement
Group	6.2%	7.6%	8.4%	☹️
BG Europe	2.8%	4.1%	4.1%	☹️
BG North America	9.2%	10.6%	12.1%	😊
BG Asia	12.2%	15.5%	15.8%	😊

Mid-term financial targets



Mid-term financial targets

Capital expenditure

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

Capital Expenditure				
	2011	2012	HY1 2013	Achievement
CAPEX in % net sales	4.5%	3.9%	2.8%	
in CHF	75	75	31	
Share in % by BG				
BG Europe	44%	37%	25%	+
BG North America	36%	38%	45%	+
BG Asia	14%	10%	12%	
BG SAMEA	5%	11%	9%	

Mid-term financial targets

Indebtedness

- Continue to maintain
 - Long-term conservative leverage below 1.5x net debt / EBITDA

Net Debt / EBITDA

	2011	2012	HY1 2013	Achievement
Net Debt / EBITDA Ratio	1.5	0.9	0.7	
Net Debt	155	123	118	+
EBITDA	104	145	91	+

Mid-term financial targets

Indebtedness

- Continue to maintain
 - 30% equity ratio (i.e. total equity divided by total assets)

Equity Ratio

	2011	2012	HY1 2013 ²⁾	Achievement
Equity Ratio ¹⁾	29%	32%	28%	☹️
Total Assets	996	960	1042	
Equity ¹⁾	287	303	292	

¹⁾ without subordinated shareholders loan


²⁾ incl. 27 million CHF impact of IAS 19 rev.

Mid-term financial targets

Dividend payout

- Target payout ratio of up to 30% of net result attributable to Autoneum shareholders (EPS)

Payout Ratio

	2011	2012	HY1 2013	Achievement
Payout Ratio		27%	n/a	
EPS (CHF)	-2.13	2.41	4.27	+

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Mid-term financial targets and outlook FY 2013

HY1: Outlook FY 2013 (1)

- Heterogeneous and low overall growth in global light vehicle production is likely to continue in HY2 ✓
- Market research institutes expect the low point in European demand was reached in HY1 ✓
- Autoneum sees good opportunities for exceeding the growth in light vehicle production again in the seasonally weaker HY2 and for achieving higher sales in 2013 than in 2012 even after deconsolidation effect ✓
- Focus on the consistent implementation of strategy and the vigorous pursuit of further operational improvement measures and the related lowering of costs in HY2 ✓

Mid-term financial targets and outlook FY 2013

HY1: Outlook FY 2013 (2)

- EBIT margin of 5.2% in HY1 should thus be confirmed in HY2 (before one-time expenses) ✓
- One-time expenses due to the sale of Autoneum Italy and the closure of Dieppe plant in France will impact consolidated results in HY2 by approx. 40 million CHF ✓
- Investments in 2013 will amount to a good 4.5% of sales as planned and are aimed at the further expansion of business in growth markets and ongoing operational improvement measures ✓

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Conclusion

- The disciplined execution of the six strategic priorities contributes to our good results
- Autoneum's results are among the best in our industry but not yet fully at mid-term target level
- The transformation of our European business has not yet been completed. To reach the mid-term financial targets, Business Group Europe has to yield the planned results
- Furthermore, today's achievements must be confirmed
- Autoneum confirms its outlook for 2013 as communicated in July 2013

Contacts and event calendar

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Important dates HY1 2014

Publication of sales figures for the 2013 financial year	January 31, 2014
Publication of Annual Report 2013	March 19, 2014
Results press conference and presentation of the 2013 financial statements	March 19, 2014
Annual General Meeting 2014	April 16, 2014

Autoneum listed on SIX Swiss Exchange

Valor symbol	AUTN
Valor Number	12'748'036
ISIN	CH0127480363

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