



## 2011 Annual Results

Martin Hirzel, Chief Executive Officer (CEO)

## Independent company since May 13, 2011

“Autoneum successfully mastered its first year of independence in 2011 and enjoys the ongoing confidence of car manufacturers worldwide.”

Martin Hirzel, CEO

# Agenda

## **1. Review of business year 2011**

2. Financial results

3. Outlook

4. Q & A

**Martin Hirzel, CEO**

Urs Leinhäuser, CFO

Martin Hirzel, CEO

all

# Highlights 2011

- Autoneum starts as independent, listed company on May 13, 2011
- Pleasing trend of business: high production volumes of most OEMs and substantial new customer orders
- With a significant sales increase of 15% in local currencies Autoneum outpaces growth of worldwide vehicle production in all regions
- Autoneum achieves modestly positive net result after losses in the prior years
- Result impacted by natural disasters in Japan, USA, Thailand and FX turbulences
- Global footprint further optimized: new plants in Asia and Eastern Europe
- Encouraging innovation pipeline and Pace Award nomination for Theta-Fiber technology
- Review of strategic priorities
- Kick-off of Operational Excellence Program

## Positioning of Autoneum

### The expert for acoustic and thermal management

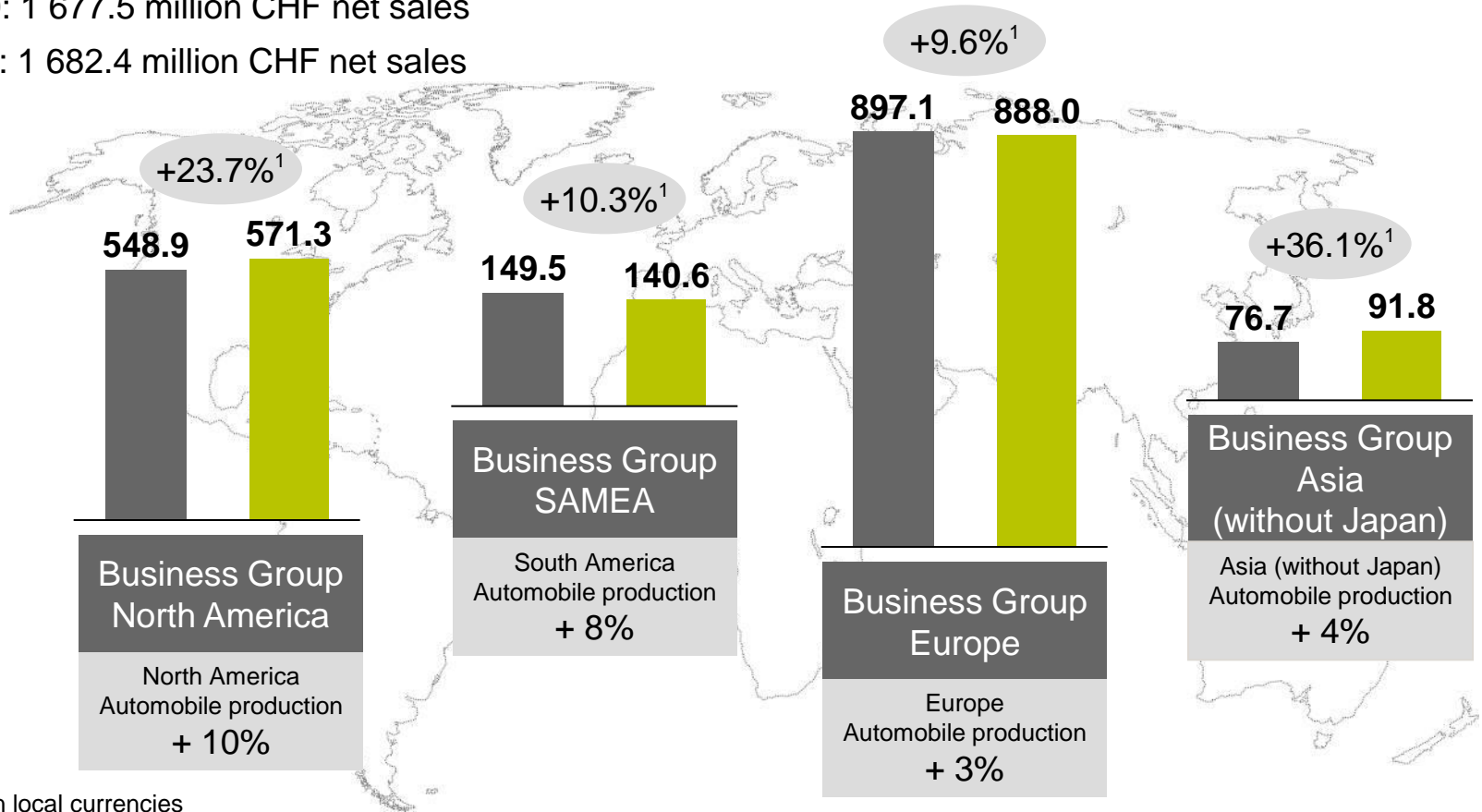
- Global market leader of acoustic and thermal management solutions for the automotive industry
- Tier 1 supplier with industry wide recognition as innovation leader and expert for advanced multifunctional and lightweight acoustical and thermal insulating solutions
- Long-standing business relationship with all international car makers
- Global footprint for sales, development and manufacturing

# Net sales 2010 vs. 2011 by business group

## Comparison in local currencies

■ 2010: 1 677.5 million CHF net sales

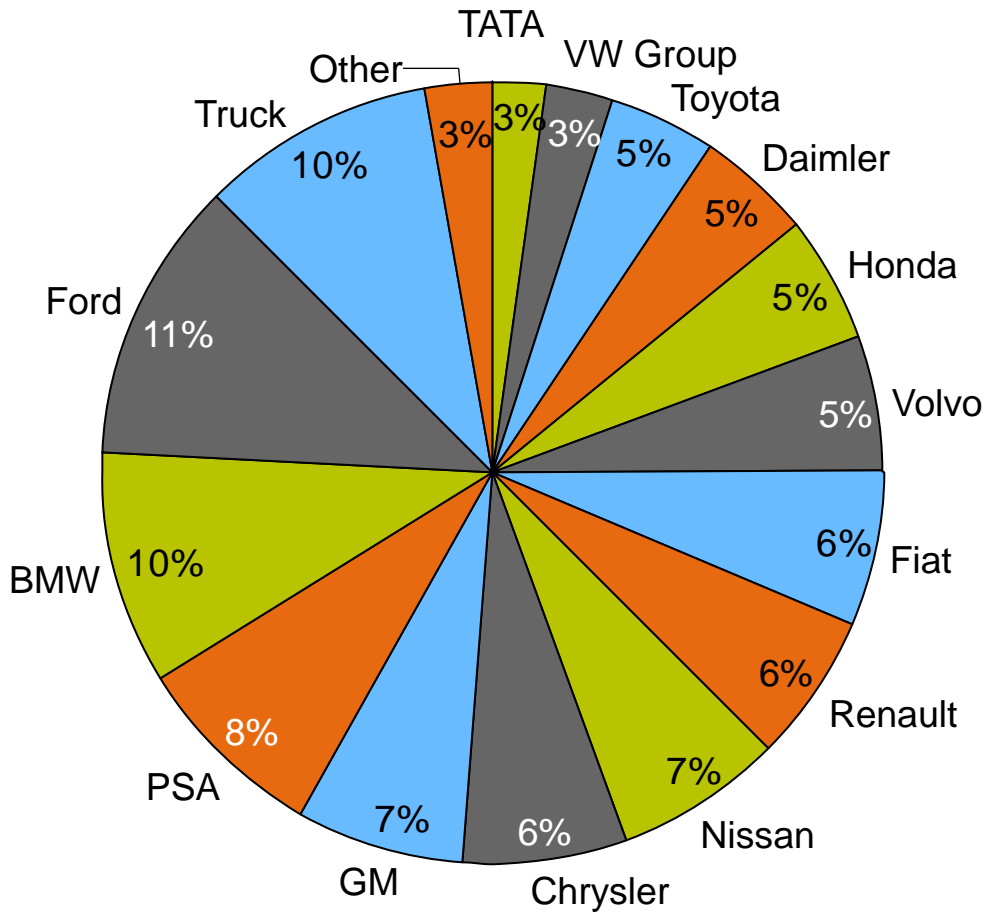
■ 2011: 1 682.4 million CHF net sales



<sup>1</sup> Change in local currencies

# Sales 2011 per customer

## Well-diversified customer base



- Diversified global customer portfolio
- Excellently positioned with globally active OEMs
- No single customer amounted to more than 11% of sales



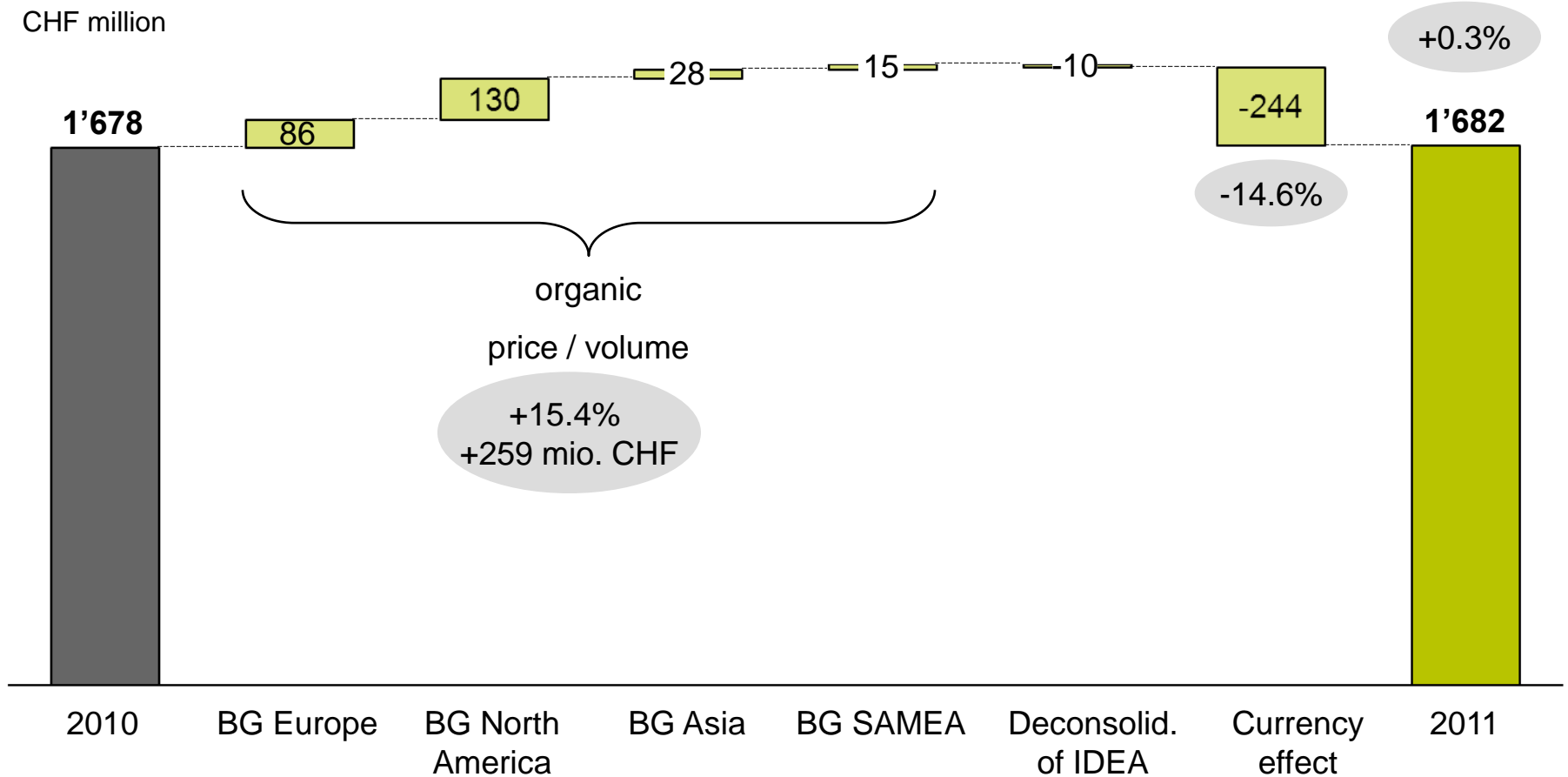
## Financial results

Urs Leinhäuser, CFO & Deputy CEO



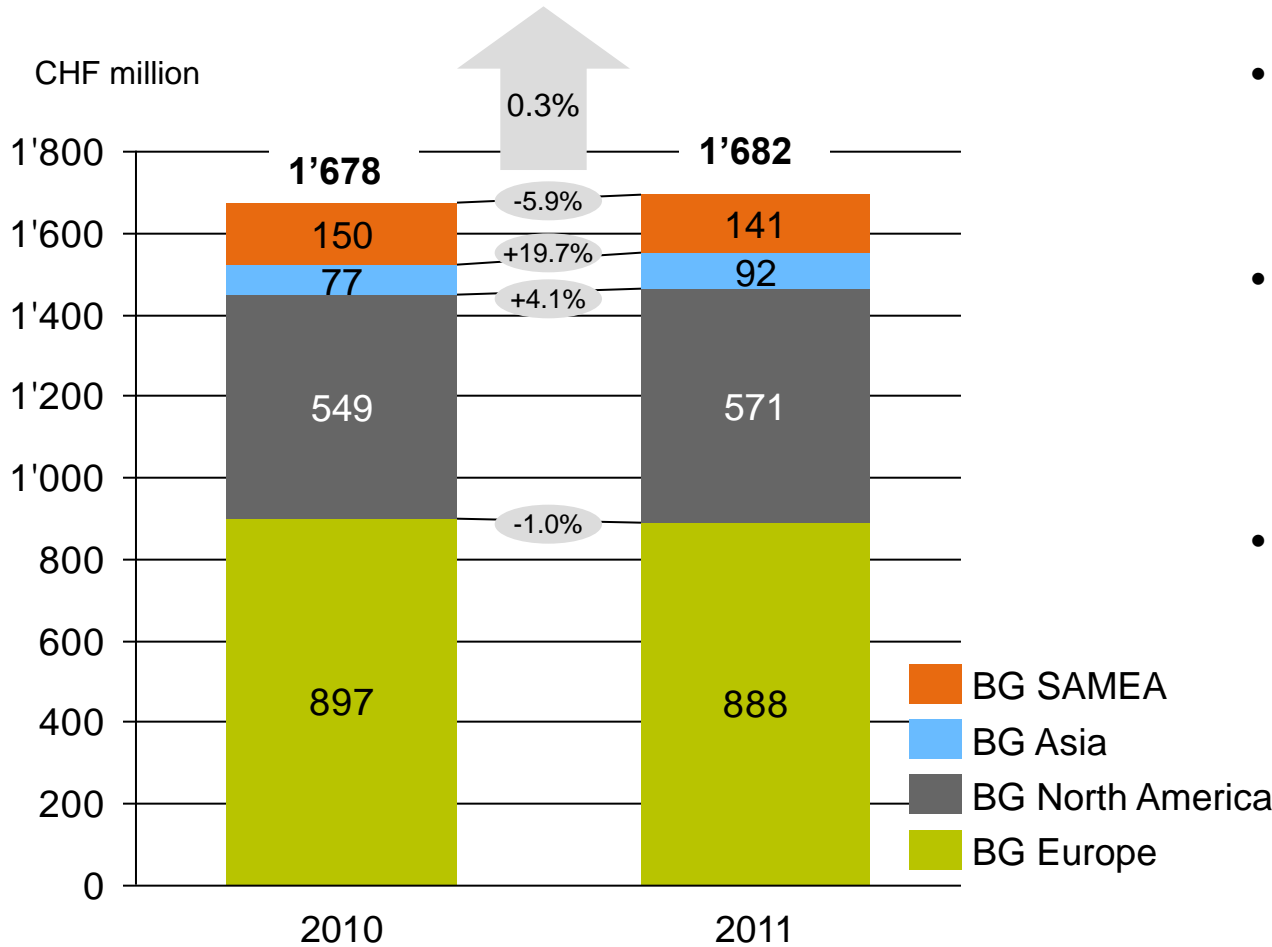
# Net sales development

## Strong organic growth in local currencies



# Net Sales 2011 in CHF

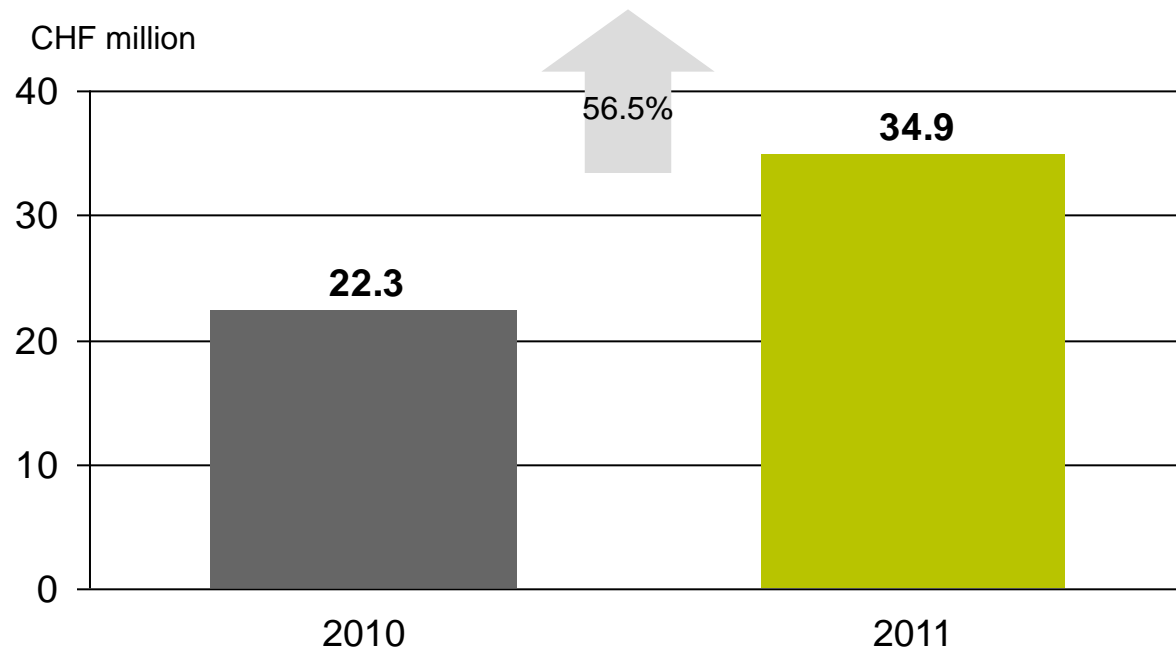
## Modest growth due to strong CHF



- Due to strong Swiss franc sales only grew 0.3%
- Sales growth in North America and Asia even compensating exchange rate impacts
- By outperforming market development (vehicle production) Autoneum strengthened market position

# Operating result (EBIT)

## 3 out of 4 Business Groups with clearly positive EBIT

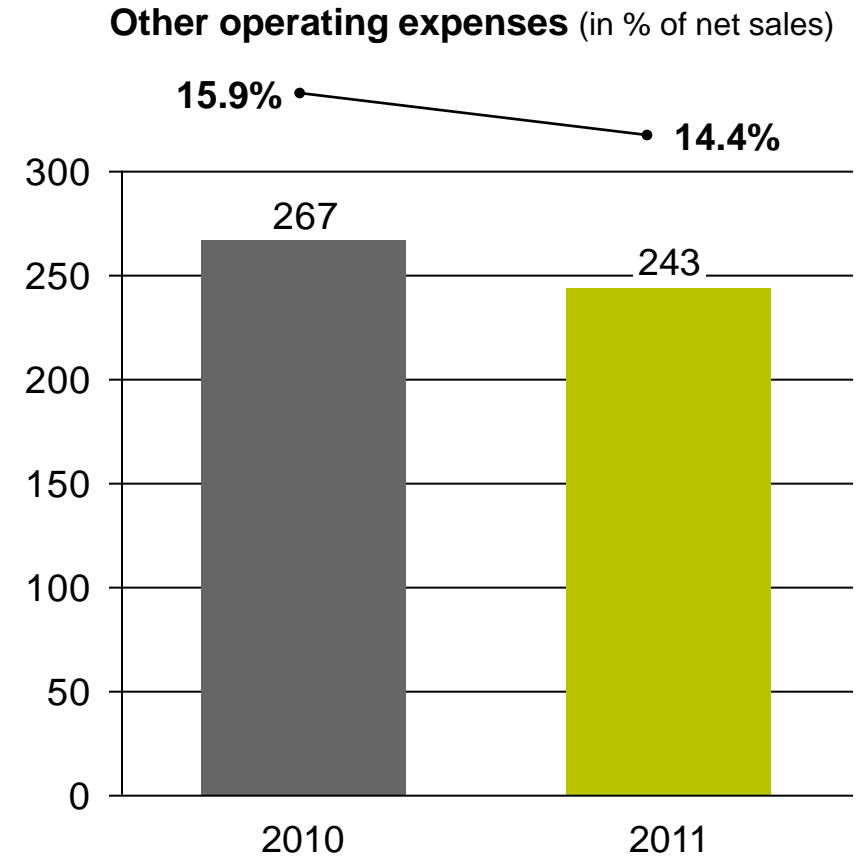
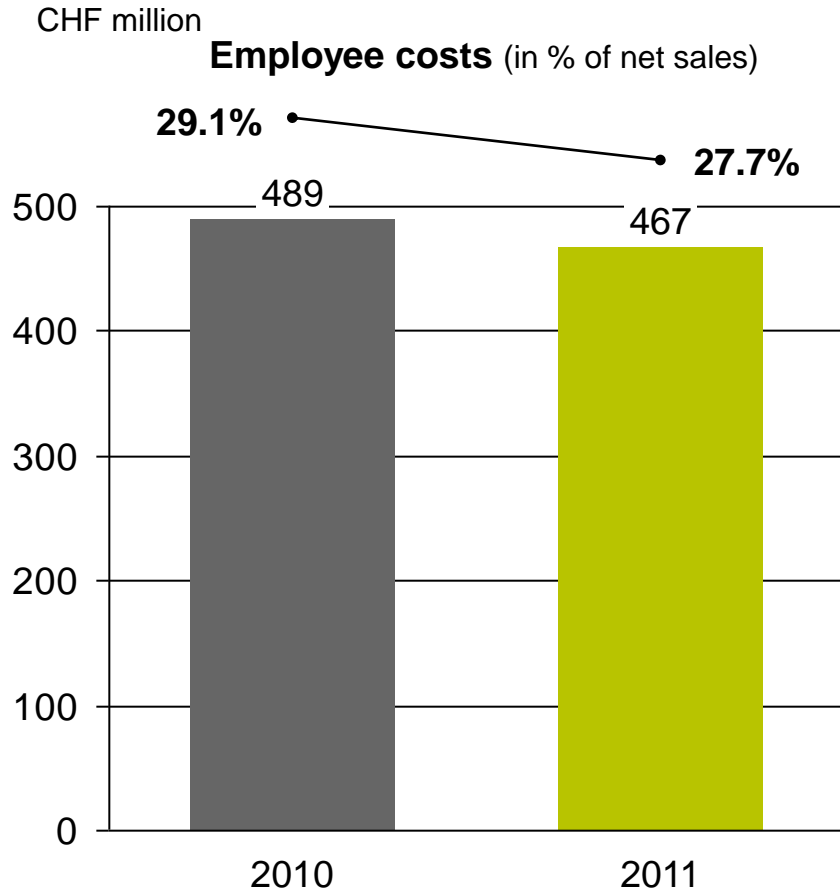


	2010	2011
BG Europe	-27.8	-12.2
BG North America	32.0	29.9
BG Asia	3.5	5.8
BG SAMEA	9.1	7.2
Corporate	5.5	4.2

- EBIT rose from 22.3 to 34.9 million CHF (2.1% of net sales)
- 3 out of 4 BGs recorded a clearly positive operating result, while BG Europe demonstrated improvements
- EBIT improved by reduced employee and other operating expenses
- EBIT, however, impacted by natural disasters, inefficiencies, FX impacts

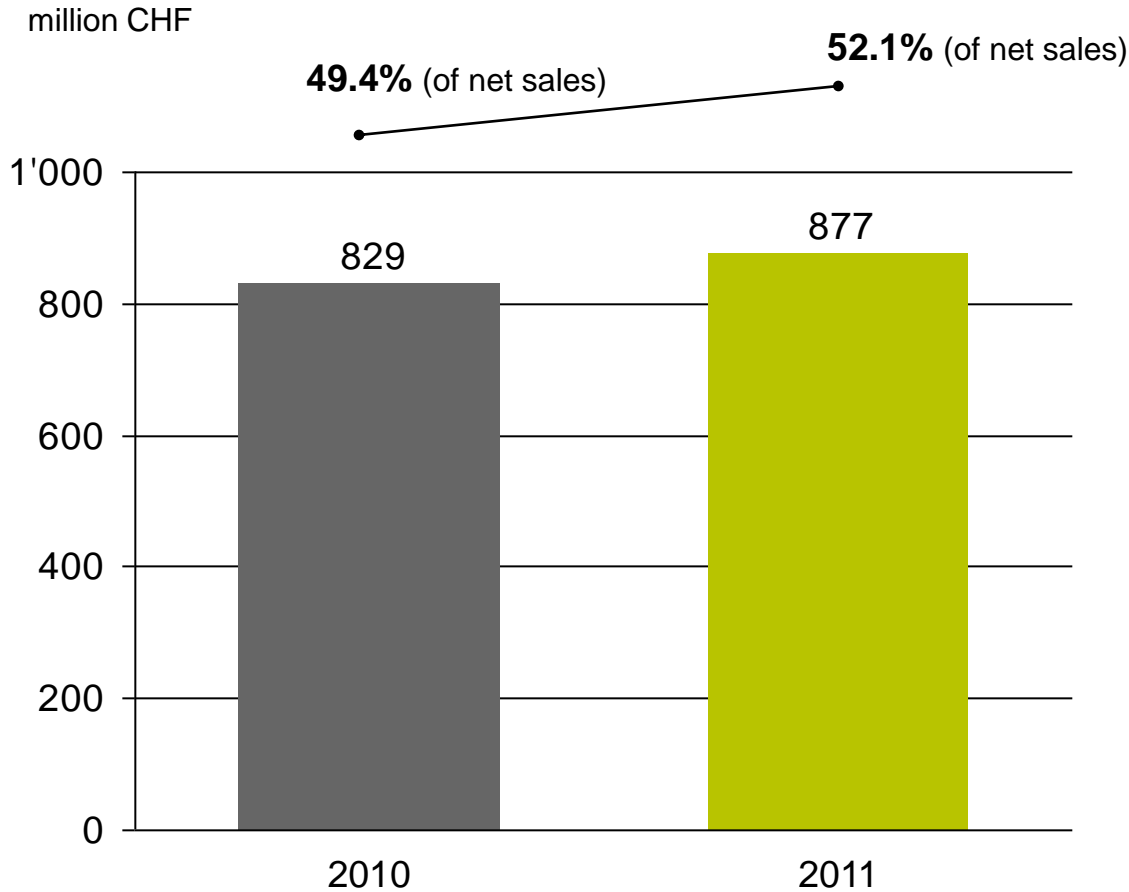
# Employee and other operating expenses

## Further progress in cost reduction



# Material costs

## Rising commodity and material costs



- Profitability was highly impacted as material cost ratio increased from 49.4% in the previous year to 52.1% in 2011
- Significant raw material price increases in particular for fibers, yarns and bitumen-based raw materials
- High raw material prices could only be partly passed on to customers
- Negative impact by material use inefficiencies

## Net result

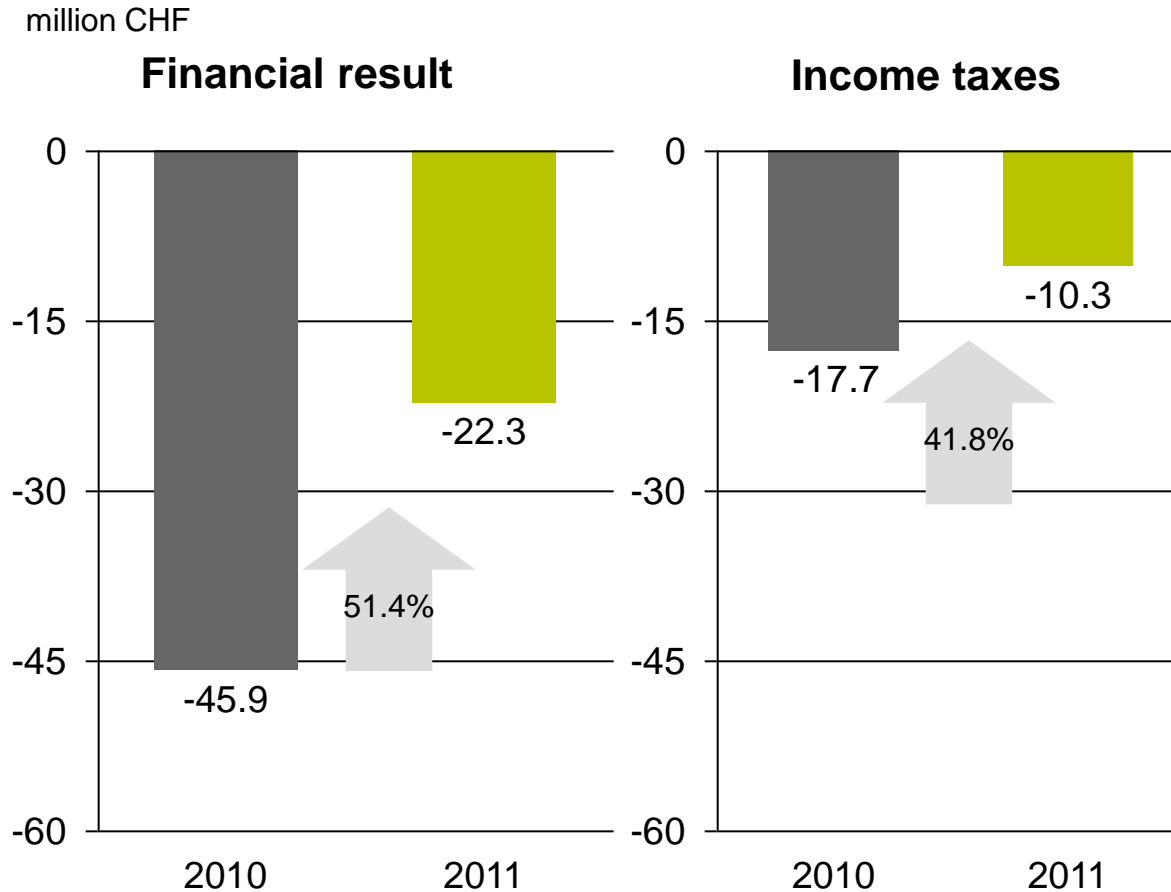
### Slightly positive result as announced earlier

CHF million	2011	2010
Operating result before interest and taxes (EBIT)	<b>34.9</b>	22.3
Financial result	<b>-22.3</b>	-45.9
Net result before taxes	<b>12.6</b>	-23.6
Taxes	<b>-10.3</b>	-17.7
Net result	<b>2.3</b>	-41.3

- Autoneum posted a net profit of 2.3 million CHF after a loss in the previous year
- Positive net result mainly due to improved EBIT
- Better financial result and lower taxes contributed to the net profit

# Financial result and taxes

## Clear improvements



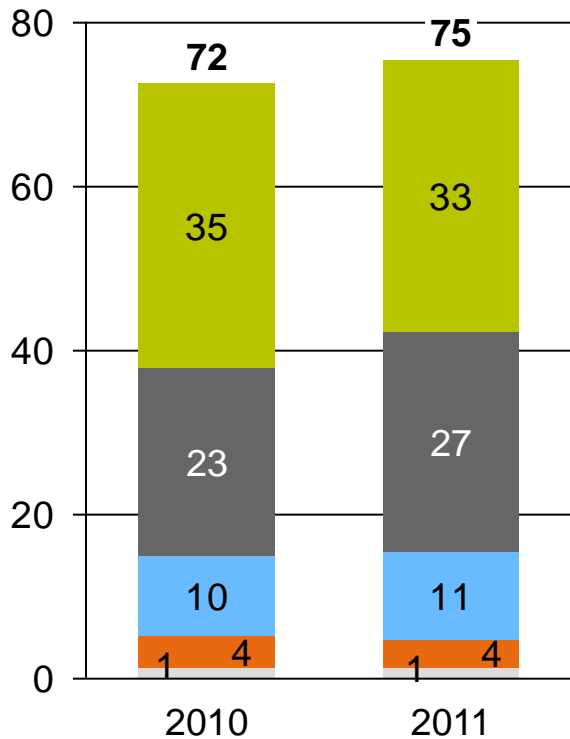
- Financial result improved significantly due to lower average debt and because of reduced interest rates and expenses
- Reduction of tax expense supported by lower current taxes and deferred income tax

# Capital expenditures and depreciation

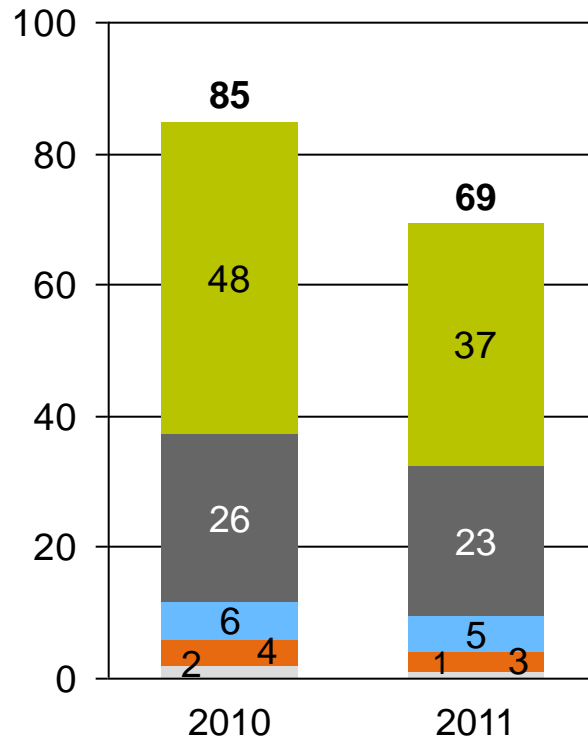
## Capex prioritized

CHF million

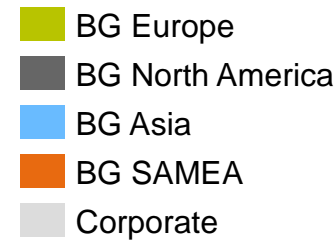
### Capital expenditures



### Depreciation



- Moderate Capex rise in-line with business development
- Capex in all business groups prioritized for only the most attractive projects
- However, overproportional Capex in Asia and North America
- Lower depreciation as result of reduced capex in prior years and because of FX impact





## Free cash flow

### Strong improvement of cash flows

CHF million	2011	2010
<b>Net result</b>	<b>2.3</b>	-41.3
Depreciation and amortization and other non-cash items	<b>70.6</b>	82.5
<b>Cash flow</b>	<b>72.9</b>	41.2
Change in non-current provisions	<b>-22.9</b>	-44.6
<b>Net cash flow</b>	<b>50.0</b>	-3.4
+/- Change in net working capital	<b>-14.4</b>	10.3
+/- Capital expenditure, net	<b>-74.2</b>	-66.3
+/- Change in other (financial) assets, net	<b>-8.3</b>	-1.3
+/- Divestments of business	<b>0</b>	-4.4
<b>Free cash flow</b>	<b>-46.9</b>	-65.1

- Strong improvement in cash flow and net cash flow mainly based on the improvement of the net result
- Moderate rise of NWC following the business volumes
- Slightly higher Capex and investments in other assets
- Free cash flow improved by 18.2 million CHF

# Balance sheet

## Solid financing structure

CHF million	2011	2010
<b>Total assets</b>	<b>996.4</b>	<b>1022.4</b>
Non-current assets	430.2	432.1
Net working capital	77.9	50.8
Cash and cash equivalents	64.9	123.4
Net liquidity	-154.8	-151.0
Short-term financial debt	83.1	198.8
Long-term financial debt	121.7	103.2
Subordinated shareholder loans	25.0	0.0
<b>Shareholders' equity</b>	<b>287.0</b>	<b>248.1</b>
In % of total assets	29%	24%

- Autoneum demonstrates solid balance sheet with no goodwill
- Stable financing structure with increased shareholders' equity
- Bank covenants met
- Equity ratio (incl. shareholder loans) amounts to 31.3%

## Segment information

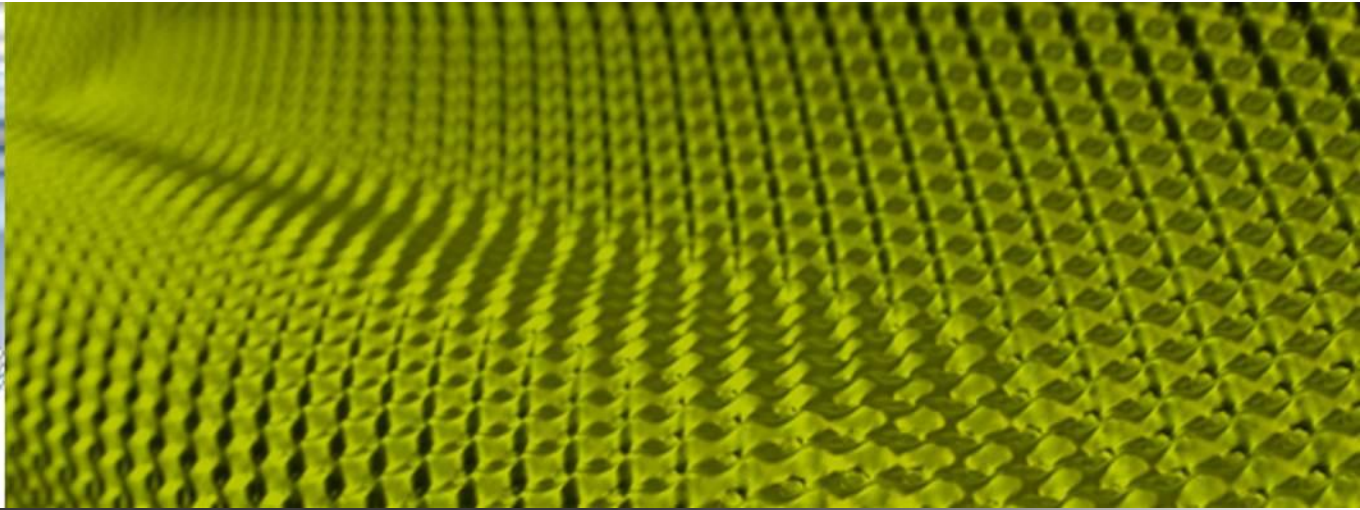
Three out of four BGs with clearly positive EBIT

CHF million	BG Europe		BG North America		BG Asia		BG SAMEA	
	2011	2010	2011	2010	2011	2010	2011	2010
Sales	<b>915.8</b>	924.7	<b>575.4</b>	552.7	<b>95.1</b>	78.9	<b>145.4</b>	153.8
Net sales	<b>888</b>	897.1	<b>571.3</b>	548.9	<b>91.8</b>	76.7	<b>140.6</b>	149.5
EBITDA	<b>24.8</b>	20.0	<b>52.7</b>	57.6	<b>11.2</b>	9.1	<b>10.5</b>	13.1
EBIT	<b>-12.2</b>	-27.8	<b>29.9</b>	32.0	<b>5.8</b>	3.5	<b>7.2</b>	9.1
CAPEX	<b>33.2</b>	34.7	<b>26.7</b>	22.9	<b>10.8</b>	9.6	<b>3.5</b>	4.0
Employees	<b>4202</b>	3732	<b>2814</b>	2286	<b>1054</b>	895	<b>1216</b>	1195

## Summary financial result

### Sound basis for further improvements

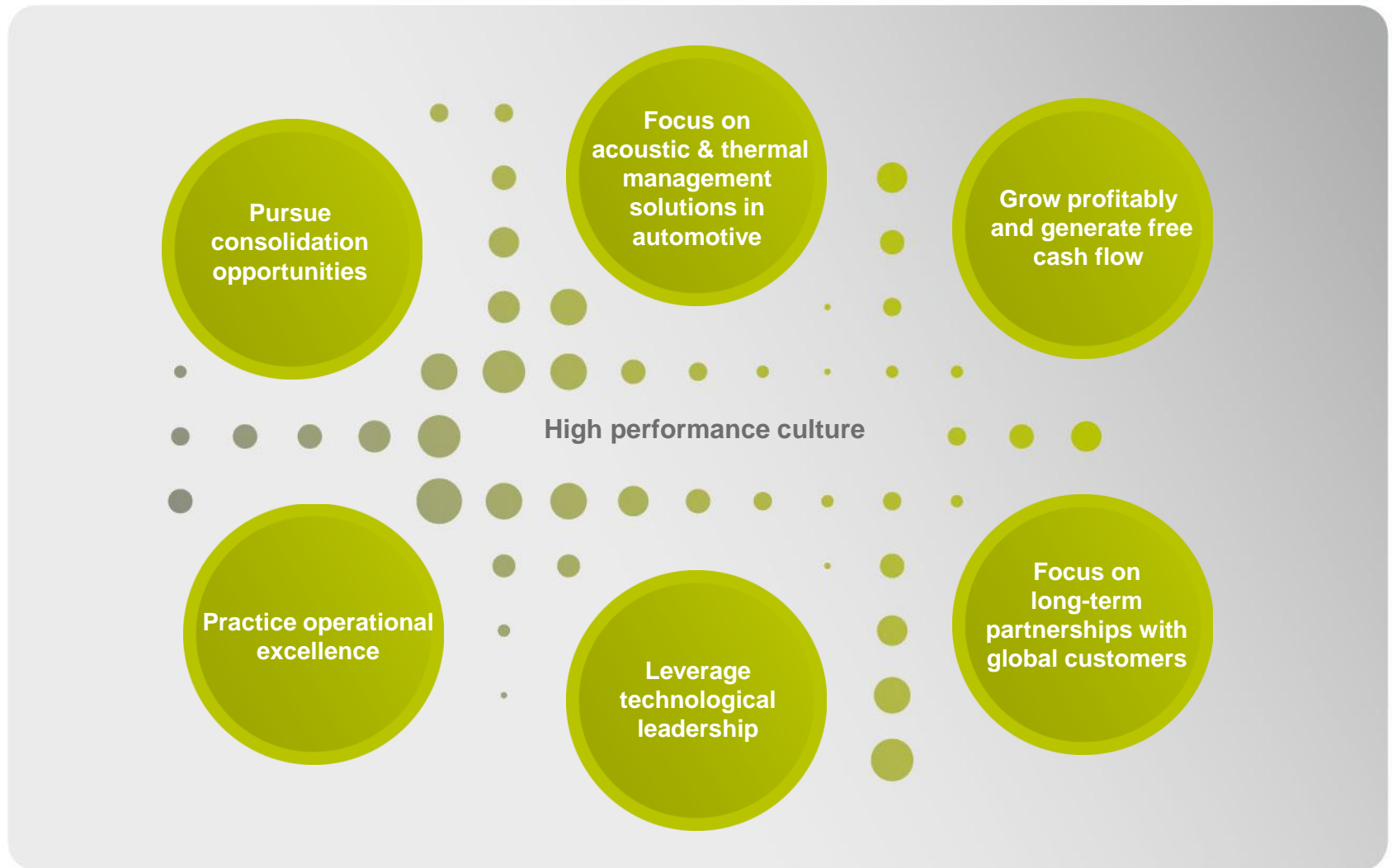
- Three out of four Business Groups with clearly positive operating result and having even potential for further improvements
- The operational excellence program initiated has to contribute to the imperative improvements in Europe
- Solid balance sheet, stable financing structure and focus on liquidity are a sound basis to reach the targeted improvements



## Strategy and outlook 2012

Martin Hirzel, Chief Executive Officer (CEO)

# Strategic priorities



# Market trends

Focus on  
acoustic & thermal  
management  
solutions in  
automotive

## Automotive market trends

- Automotive is a growth industry whose globalization continues to advance at a fast pace
- OEMs continue to increase their capacities in emerging markets
- Market share of smaller cars is increasing; however, compact, midsize and large family cars remain the biggest passenger car segments by production volumes for the near future
- OEM tend to create global platforms requiring suppliers to have a global footprint in all main regions of the world

## Technology trends







- CO<sub>2</sub> emission reduction → need for lightweight, aerodynamics, and combined thermal/acoustic solutions more obvious than ever before
- Tightening of exterior noise regulations → increasing requirements for engine bay solutions
- Alternative powertrain concepts (e.g. downsized engines, hybrid and electric vehicles) → additional business opportunities

# Addressing emerging markets opportunity

## Potential for profitable growth



Focus on China as main driver of growth in the global automotive industry

Country	Size 2011 <sup>(1)</sup>	CAGR 2012-15 <sup>(1)</sup>	Plants / R&D centers	Current initiatives
 China	17.2m	9%	5 plants 1 R&D Center	Further expansion targeted
 India	3.6m	13%	2 plants	Substantial new orders received
 Brazil	4.0m	7%	5 plants 1 R&D Center	Investment in capacity increase planned
 Argentina				
 Mexico	2.5m	12%	1 plant	Further expansion targeted
 Russia	1.9m	8%	Licencee	Market entry under investigation

Source: IHS Global Insight as of March 2012

(1) Relates to light vehicles production volume of relevant geographic market



# Representative vehicle platforms 2011/12

Focus on long-term partnerships with global customers



Ford Focus



Range Rover Evoque



Honda Civic



Toyota Etios



BMW 3-series

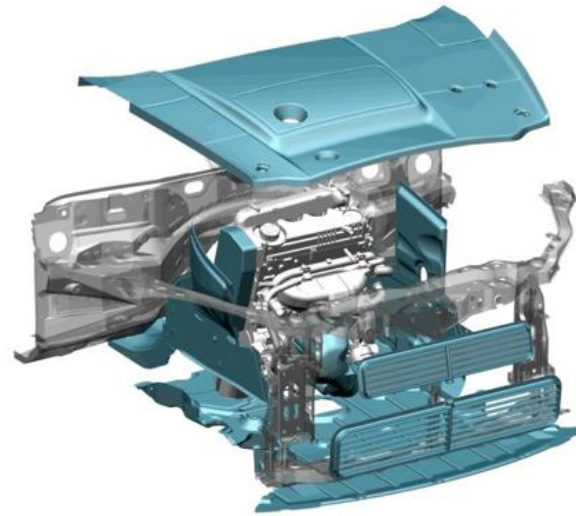


Fiat Ducato

# THETA-FIBER innovation: thermo-acoustic Materials for engine encapsulation

Leverage  
technological  
leadership

- Optimal heat storage reduces fuel consumption and CO<sub>2</sub> emissions between 2 and 5 g/km
- Noise reduction in pass-by and idling condition
- Optimized engine operating conditions
- 20 to 40 % weight reduction compared to common heat stable thermo-acoustic materials
- High temperature resistance between 140 -160 C
- High acoustic absorption
- For this lightweight non-woven material THETA-FIBER which allows substitution of plastics and realizes engine encapsulations with excellent acoustic and thermal properties Autoneum was nominated for the PACE AWARD 2012



# Operational excellence program



## Rationale

- Achieve the EBITDA target of 9 % to have the financial independence to take advantage of strategic opportunities

## Approach

- Set ambitious goals for operational improvements to all business groups
- Provide organizational support to ensure target achievement
- Address areas that have not been leveraged so far
- Demonstrate top management focus on operational excellence

## Global Project

- Four global work modules:
  1. **Resolve unprofitable business**
  2. **Leverage group-wide purchasing**
  3. **Push productivity increases**
  4. **Optimize inventories**
- Dedicated team of highly experienced Autoneum managers
- Identify best practices worldwide and institutionalize know how exchange
- Stringent tracking of initiatives (MOVE database)

# Outlook 2012

## and mid-term financial targets

### Uncertain economic outlook

- No dependable outlook of business developments in 2012 is possible, however, prospects for Asia and North America are assessed more optimistic and for other regions.

### 2012 sales development

- Thanks to the substantial new customer orders on hand, Autoneum 2012 sales in local currencies currently seem to have good chances of outperforming market development again.

### Focus on improvement measures

- The ongoing improvement measures and focus on cost-cutting and liquidity will enable Autoneum to enhance operating performance specially in Europe, as a further step toward meeting mid-term financial targets.

### Mid-term financial targets

- Annual net sales growth of 4%-5% (excluding currency effects)
- Return on Net Assets > Cost of Capital
  - Main improvement driven by operational leverage in Europe with target mid-term EBITDA margin of 7-8% in Europe
  - Double digit EBITDA margin in North America, Asia and SAMEA
- Average long term capex of 4.0%-4.5% of net sales
- Long-term conservative leverage below 1.5x net debt/EBITDA and 30% equity ratio
- Target dividend payout of up to 30% of net result

# Contacts and event calendar

## Autoneum Holding AG

Schlosstalstrasse 43 / P.O. Box  
 CH-8406 Winterthur  
[www.autoneum.com](http://www.autoneum.com)

## Investors

Urs Leinhäuser  
 CFO and Deputy CEO  
 T +41 (0)52 208 84 47  
[investor@autoneum.com](mailto:investor@autoneum.com)

## Important dates 2012

Annual General Meeting	April 19, 2012
2012 Semi-Annual Results	July 26, 2012

## Autoneum listed on SIX Swiss Exchange

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

# Disclaimer

Autoneum is making great efforts to include accurate and up-to-date information in this document, however we make no representations or warranties, expressed or implied, as to the accuracy or completeness of the information provided in this document and we disclaim any liability whatsoever for the use of it.

The information provided in this document is not intended nor may be construed as an offer or solicitation for the purchase or disposal, trading or any transaction in any Autoneum securities. Investors must not rely on this information for investment decisions.

All statements in this report which do not reflect historical facts are statements related to the future which offer no guarantee with regard to future performance; they are subject to risks and uncertainties including, but not limited to, future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside the company's control. The vehicle production for 2011 and forward looking are based on the latest estimates of IHS Global Insight.

© 2012, Autoneum Holding Ltd., All rights reserved