

Winterthur, March 6, 2019

Welcome to the 2018 Annual Results Conference



Autoneum. Mastering sound and heat.

Agenda

1. **Business year 2018**
Martin Hirzel, CEO
2. Financial results 2018
Dr Martin Zwysig, CFO
3. Outlook 2019
Martin Hirzel, CEO

Highlights 2018



Financials

- Organic revenue growth of 3.7% significantly above market
- EBIT margin decreased to 5.0% mainly due to loss at Business Group (BG) North America
- At 8.3%, BG Europe maintained its high EBIT margin level in a stagnating market
- Net profit at CHF 74.7 million
- Equity ratio of 39.2% nearly meets mid-term target of >40%
- Dividend payout of CHF 3.60 proposed



Market

- For the first time since 2009, global automobile production shrank compared to prior year
- Volume drops in all regions, resulting in a market decline of -1.1%
 - Europe: 0.0%
 - North America: -0.7%
 - Asia: -1.4%
 - SAMEA (South America, Middle East and Africa): -2.8%
- Ongoing shift to SUVs in all regions



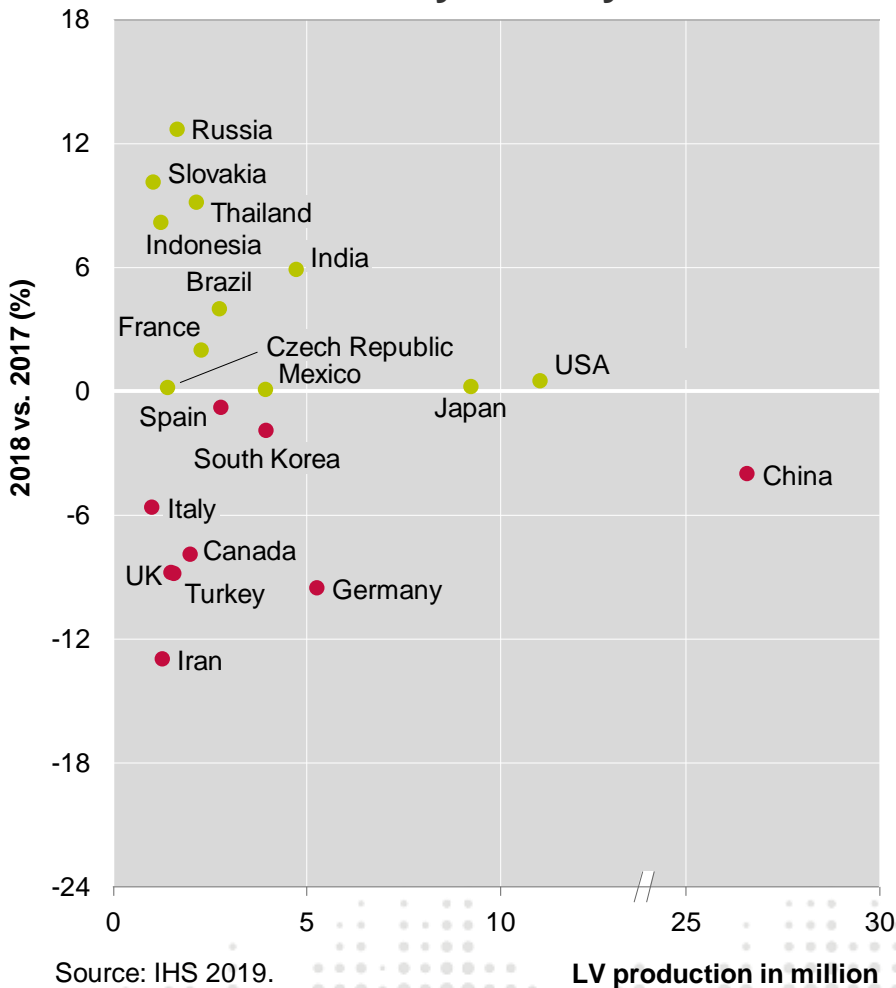
Strategy

- Opening of first Hungarian plant in Komárom
- Expansion of tooling production capacity in Hnátnice, Czech Republic
- Adjustment of production footprint in BG SAMEA successfully concluded
- SAP roll-out at 6 sites
- 82 eco-efficiency projects implemented

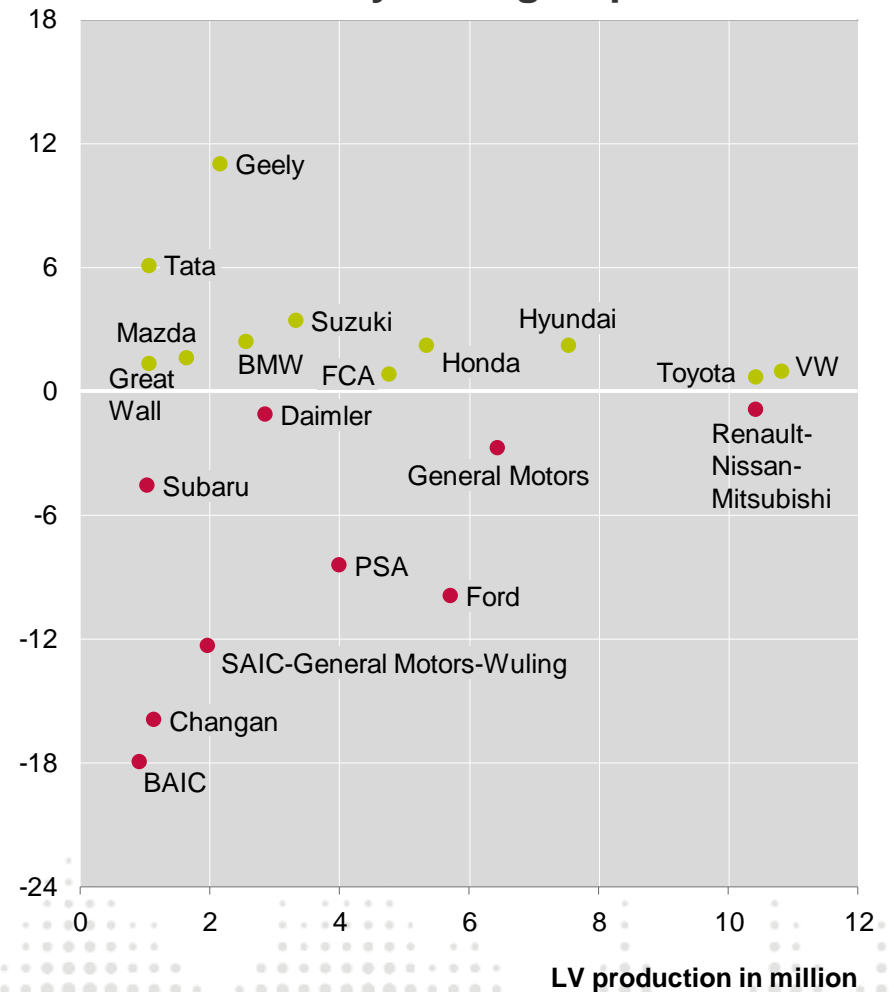
Top 20 light vehicle production 2018

Significant decline in China and European countries

By country



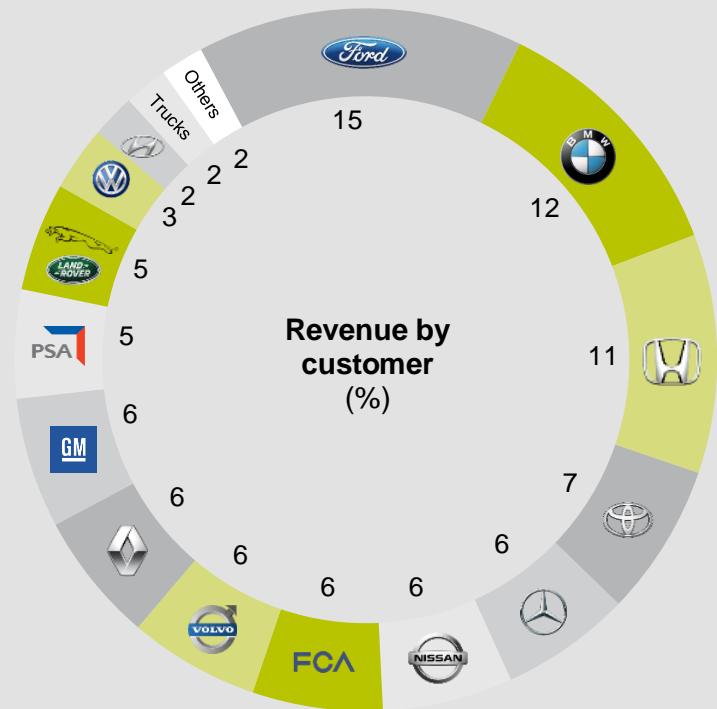
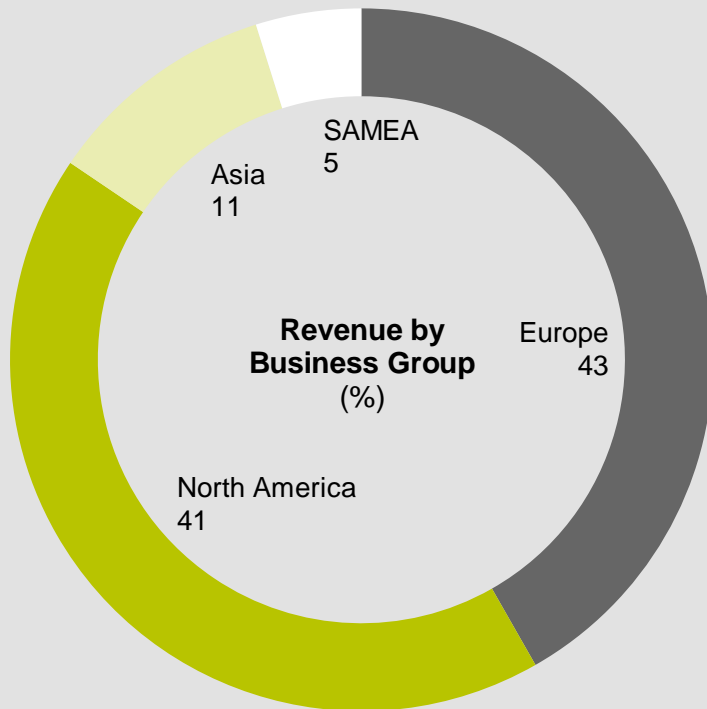
By OEM group



Source: IHS 2019.

Split of revenue 2018

BG Europe became largest revenue contributor



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Key figures

Overview

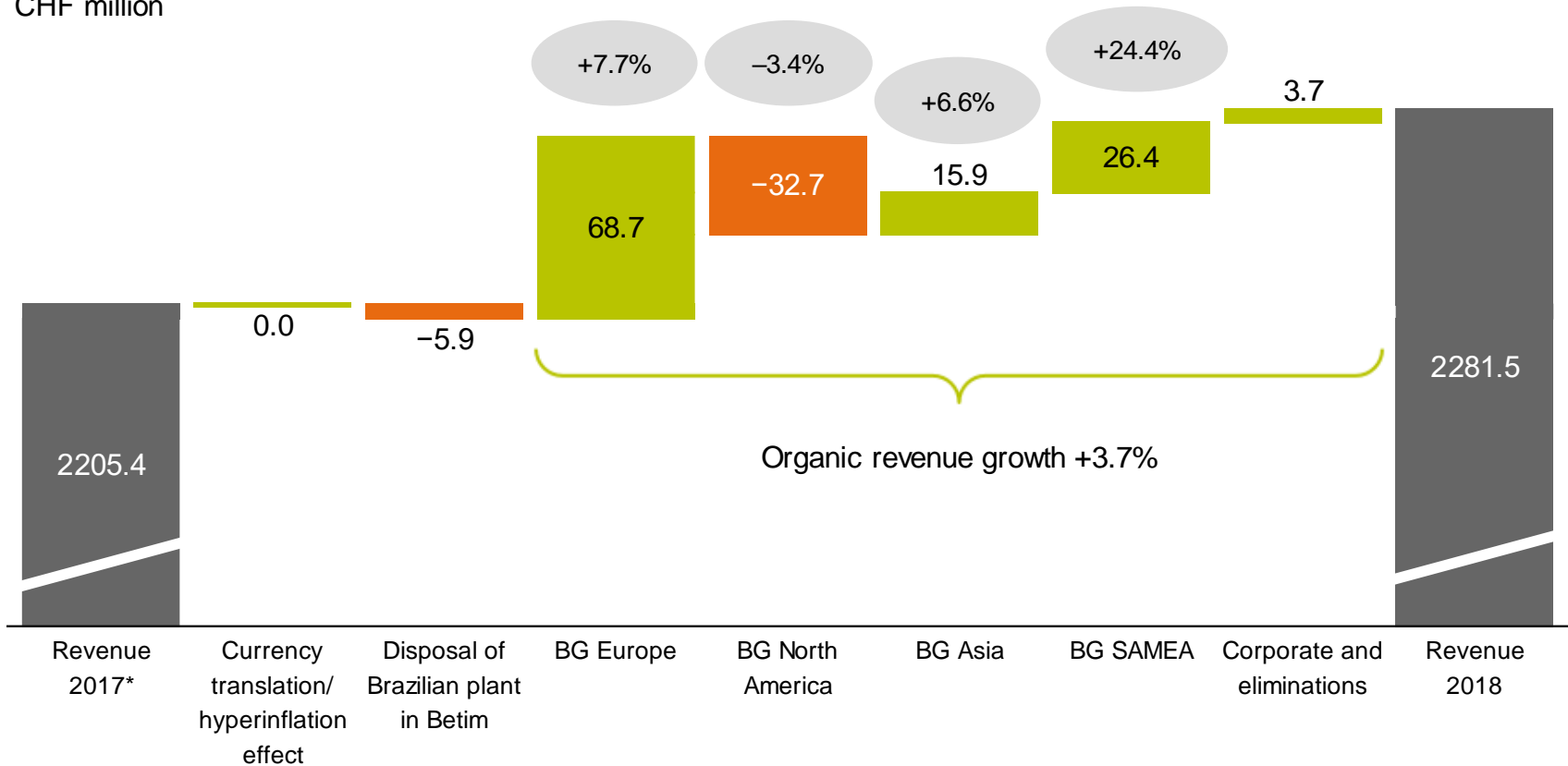
CHF million	2018	2017*	Change
Revenue	2281.5	2205.4	76.1
EBITDA	197.2	257.8	-60.7
<i>in % of revenue (change in pp)</i>	8.6%	11.7%	-3.0
EBIT	114.1	179.9	-65.8
<i>in % of revenue (change in pp)</i>	5.0%	8.2%	-3.2
Net profit	74.7	118.9	-44.3
Investments in tangible assets	162.6	173.6	-11.0
Free cash flow	-40.7	-50.5	9.8
RONA (change in pp)	7.8%	15.0%	-7.1
Basic earnings per share (EPS) in CHF	11.83	19.53	-7.70

*Restated to reflect the adoption of IFRS 15.

Revenue development

Growth in revenue despite declining global market

CHF million

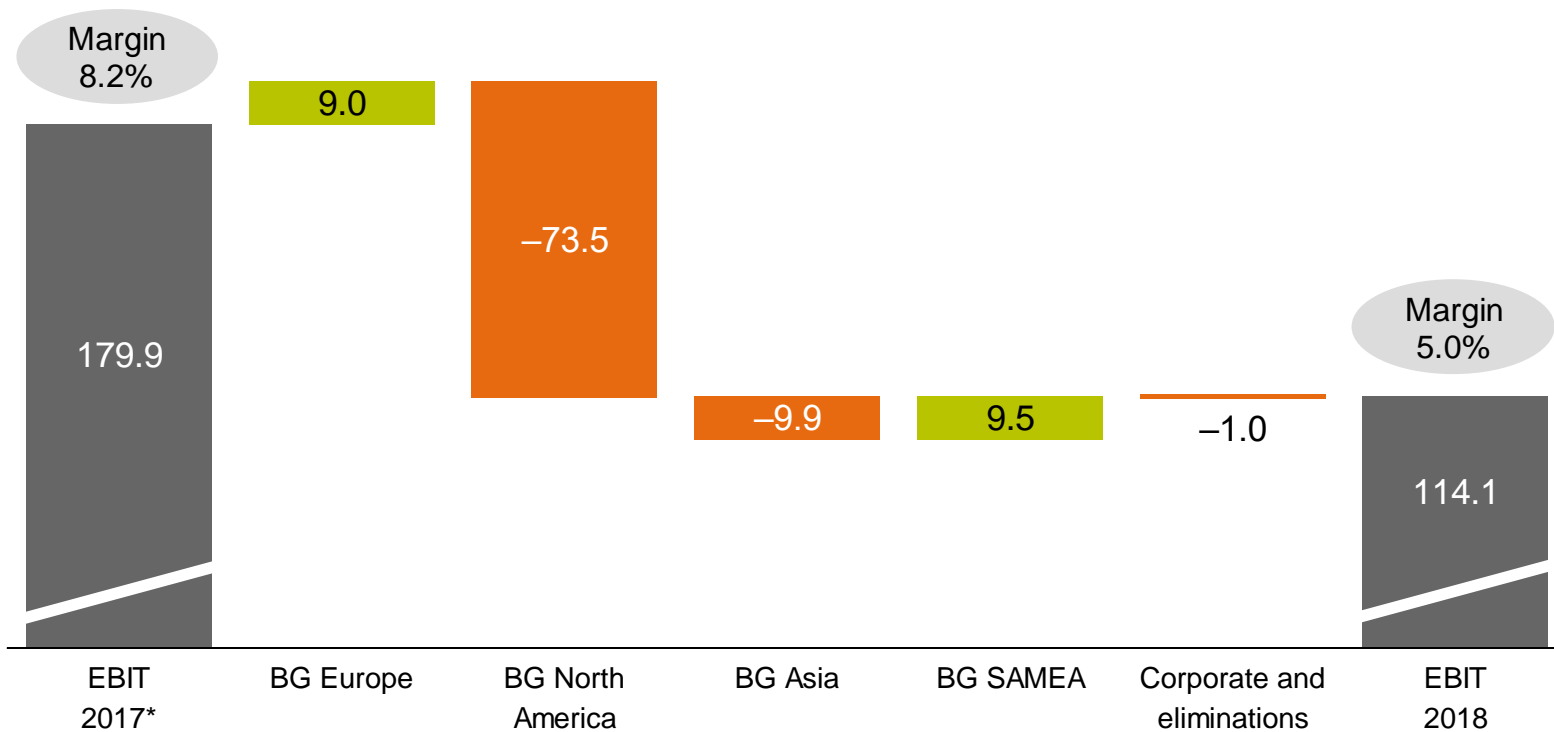


*Restated to reflect the adoption of IFRS 15.

Operating result (EBIT) development

Operational problems in USA impacted profitability

CHF million

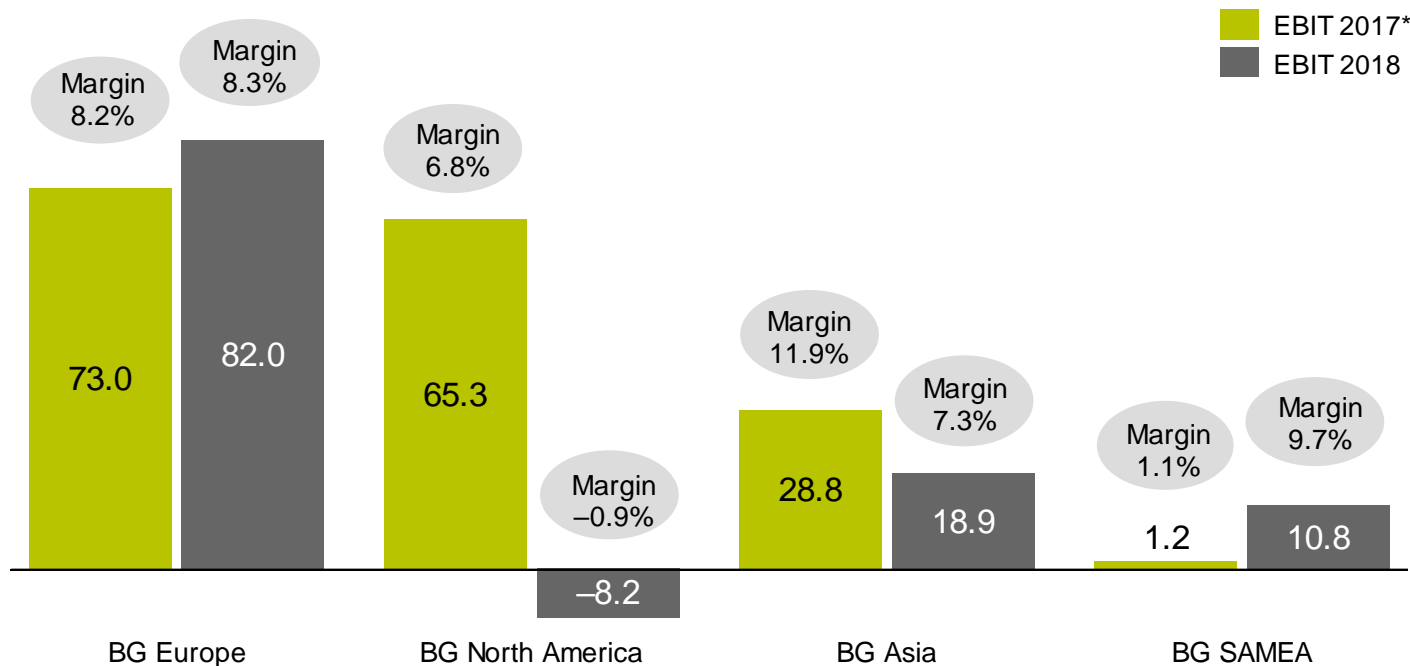


*Restated to reflect the adoption of IFRS 15.

EBIT per BG

BG Europe again increased profitability

CHF million

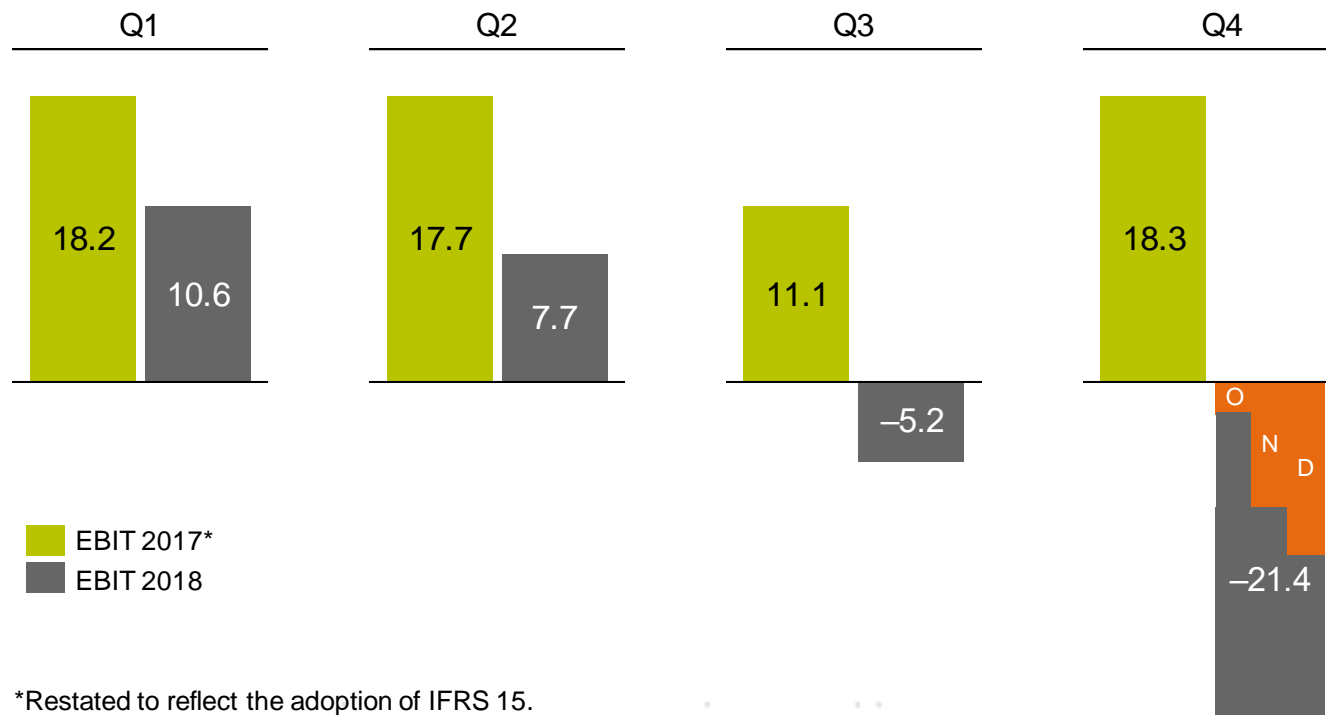


*Restated to reflect the adoption of IFRS 15.

EBIT BG North America per quarter

BG North America turned into YTD losses in Q4

CHF million

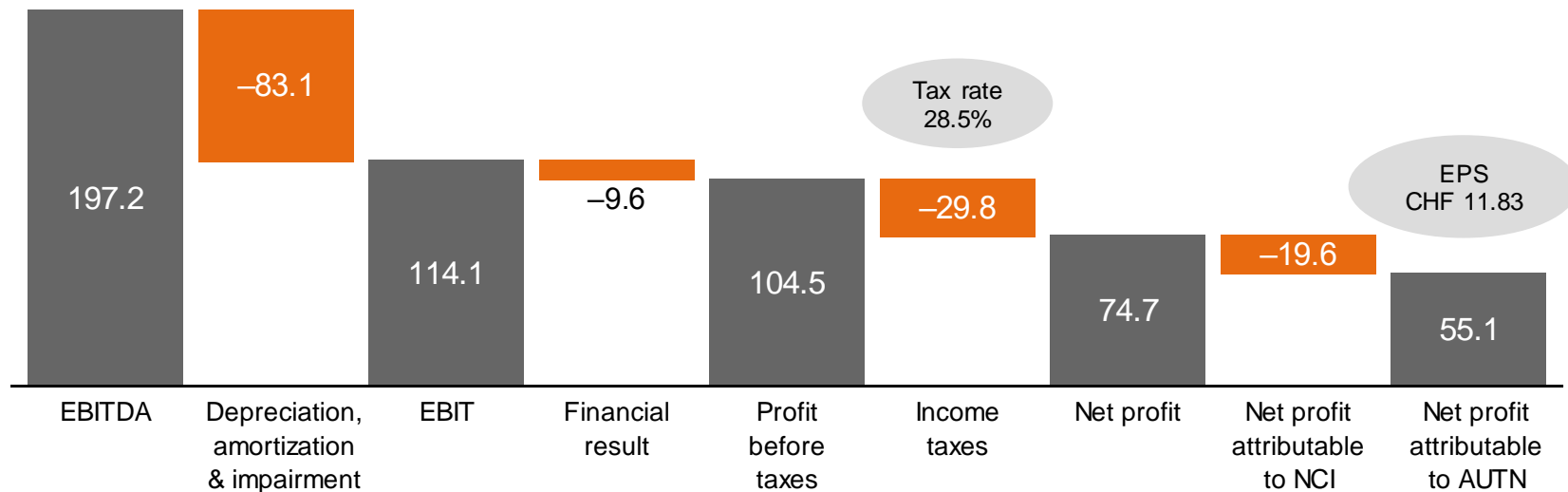


*Restated to reflect the adoption of IFRS 15.

Net profit

Bridge from EBITDA to net profit

CHF million



Balance sheet

Solid equity ratio

CHF million	31.12.2018	31.12.2017*
Total assets	1 601.3	1 542.9
Non-current assets	897.5	853.0
Net working capital	99.6	105.5
Cash and cash equivalents	93.1	103.8
Borrowings	376.8	288.8
Net debt	283.7	183.3
Shareholders' equity	627.7	658.3
<i>in % of total assets</i>	39.2%	42.7%
Market capitalization	685.8	1 306.6

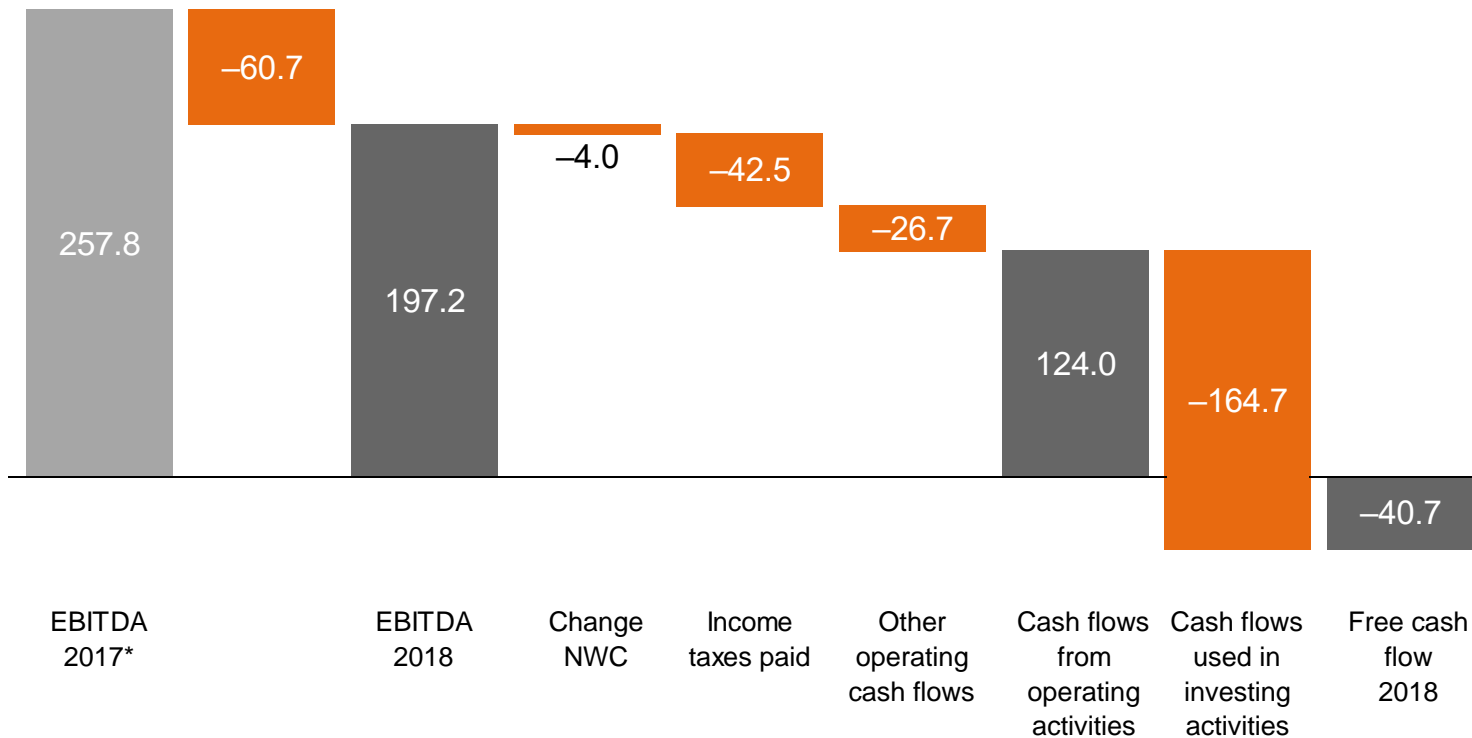
- Softened rise of non-current assets due to reduced investments in tangible assets
- Increased net debt due to negative free cash flow and dividend payments
- Solid equity ratio slightly below the targeted 40%

*Restated to reflect the adoption of IFRS 15.

Free cash flow (FCF) generation

FCF mainly impacted by reduced earnings

CHF million



*Restated to reflect the adoption of IFRS 15.

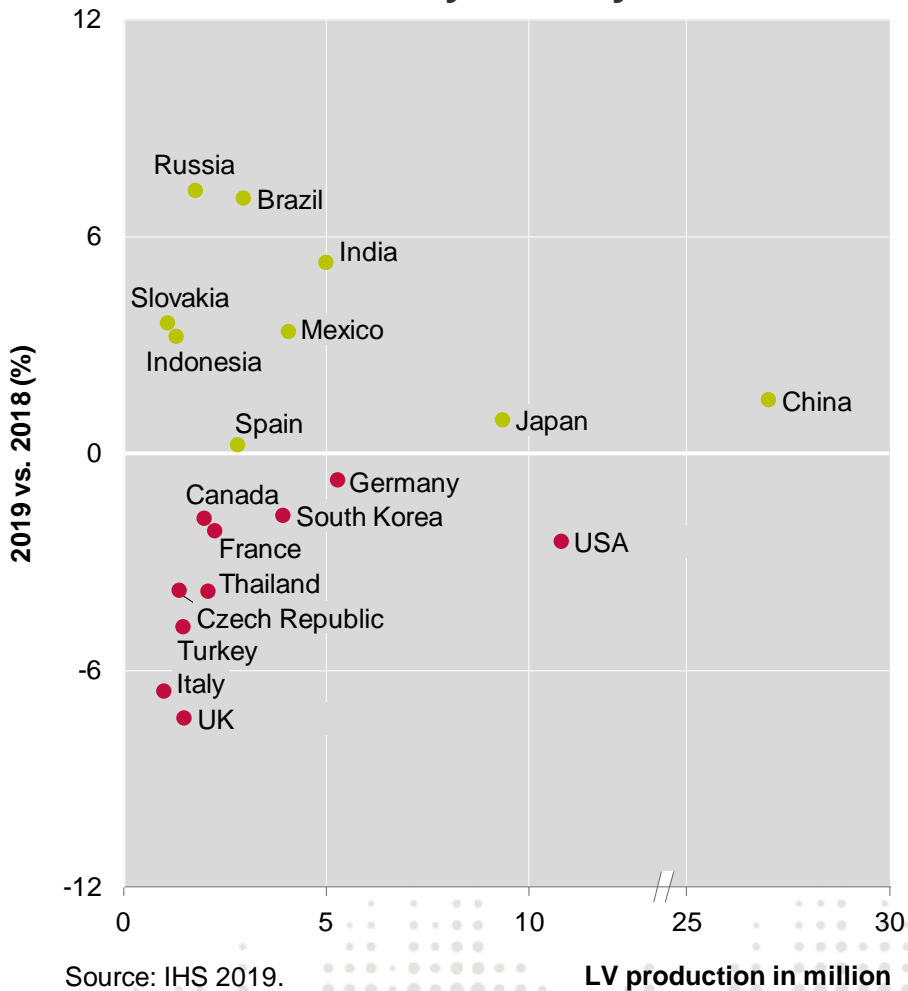
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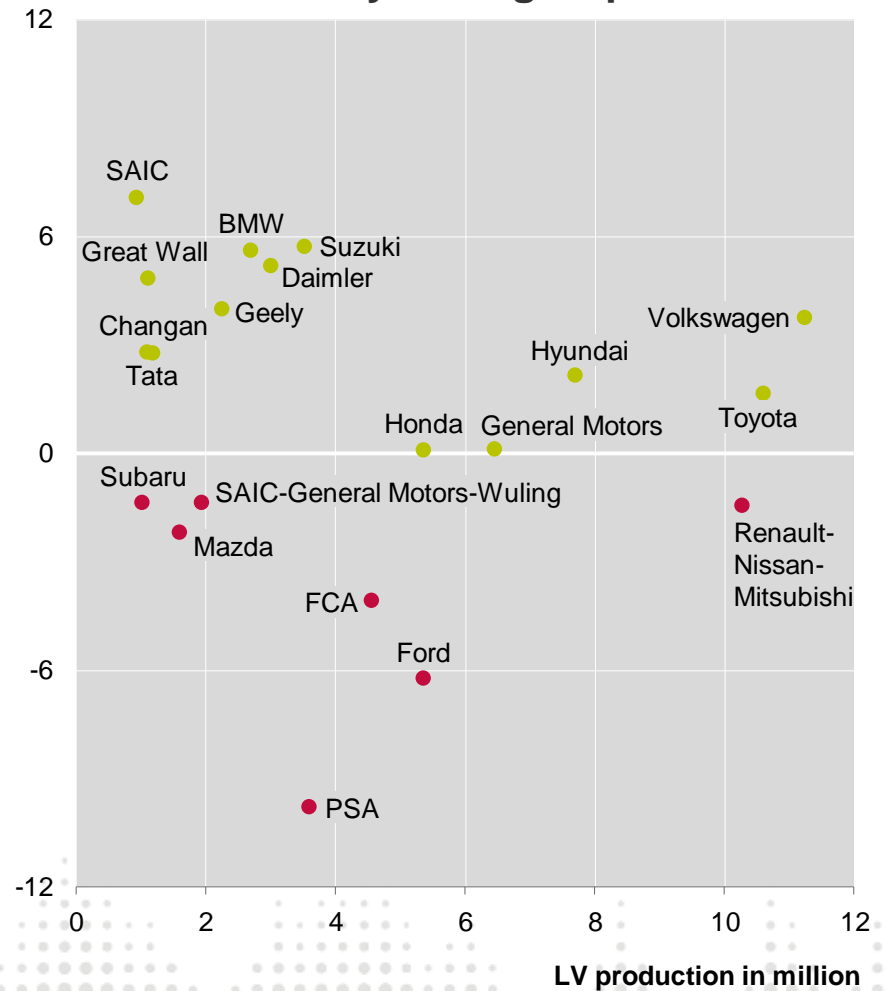
Light vehicle production forecast 2019

Sluggish global market – USA in decline

By country



By OEM group



Source: IHS 2019.

Outlook 2019

Challenges by region

North America

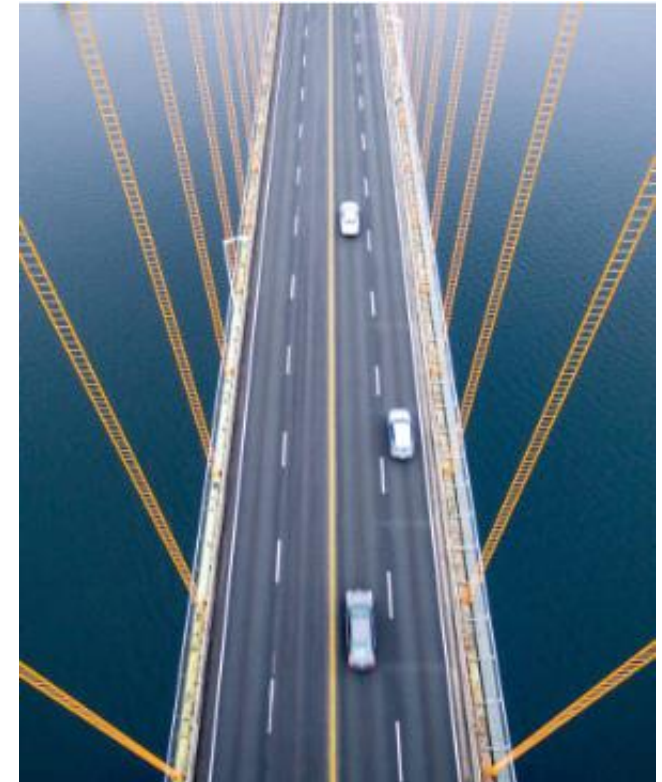
- Operational problems
- Market shift to SUVs

China

- Market cooling
- Utilization of production capacity

Europe

- Unsettled market environment
- Material inflation



Challenges North America

2019 LV production forecast USA

OEMs	2019 (million units)	2019 vs. 2018 (%)	BG NA revenue share 2018 (%)
	2.2	-7.6	26.7
	1.9	-7.2	9.3
 <small>FIAT CHRYSLER AUTOMOBILES</small>	1.4	-5.0	13.8
 HONDA	1.2	-2.2	18.5
	1.2	-5.6	8.3
	0.8	-1.4	10.5
 HYUNDAI	0.6	+5.6	0.0
	0.4	+12.4	2.6
 SUBARU	0.4	+0.8	2.7
Others	0.8	+24.0	7.6
Total	10.8	-2.5	100%

Source: IHS 2019, Autoneum.

Challenges North America

Operations at two US plants crucial for losses

Operational problems

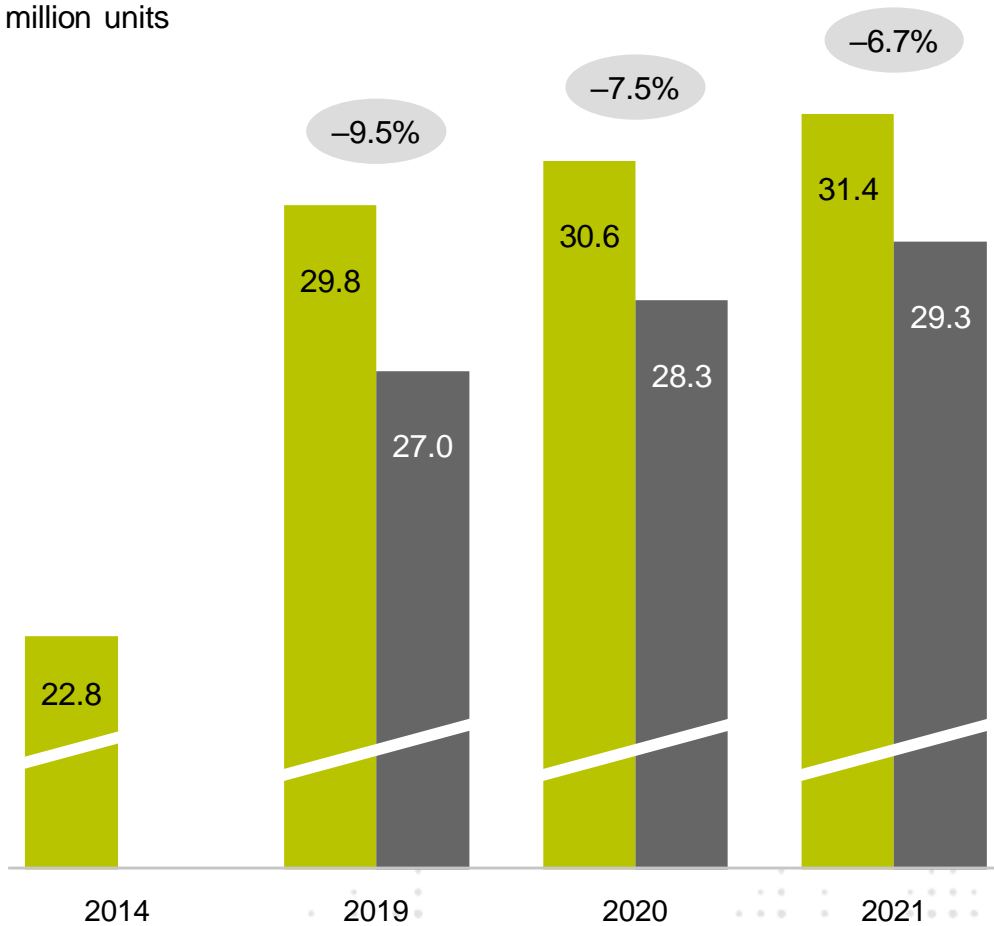
- Mistakes in product/process design of new customer projects due to first time applied technologies in USA
 - Failed handover from project management into production
 - Technical problems with fully automated lines
 - Lack of skilled labor and fluctuation in greenfield plants due to full employment in the USA
-
- **Quality and delivery problems**
 - **24/7 operations**
 - **Heavy financial losses**



Challenges China

Unexpected significant market cooling

million units



China LV production 2014-2021

IHS forecast delta

(base: 2014 vs. 2019 forecast):

- -2.1 million units
- -9.3 percentage points

- IHS forecast 2014, CAGR: +4.7%
- IHS forecast 2019, CAGR: +3.6%

Source: IHS 2014 & 2019.

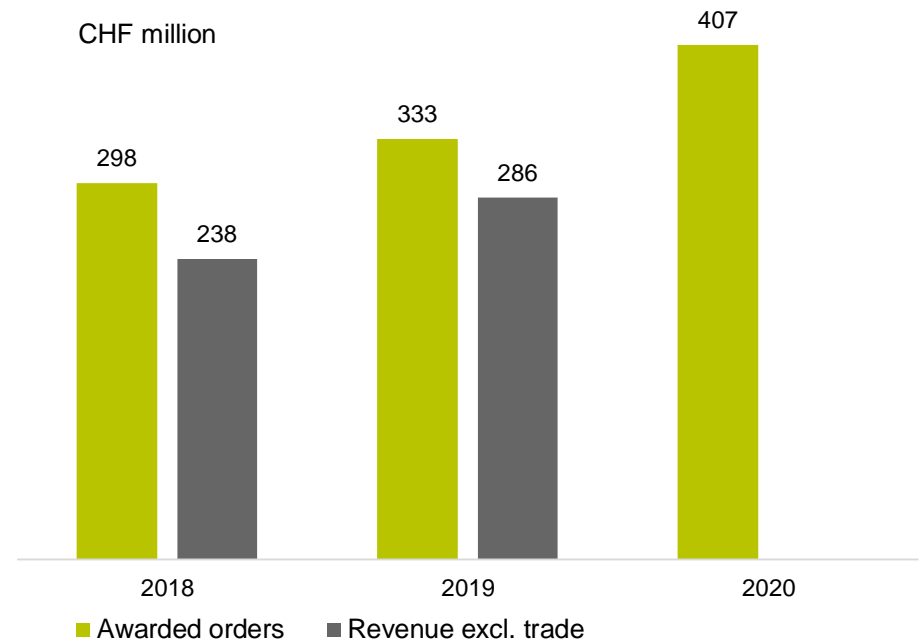
Challenges China

Utilization of production capacity



- **Set-up of four new plants based on firm orders received and market forecast**

Autoneum business in China



Challenges Europe

Various factors unsettle market

Brexit

Volatility

**New
emission
test
standards
(WLTP)**

**Raw
material
price
increase**

**Trade
barriers**

**Diesel
decline**

Action plan 2019 per region

Focus on turnaround in North America

North America

- Turnaround taskforce with program office and experts from Group Manufacturing and other Business Groups
- Cost saving measures:
 - Redesign of tools and production processes
 - Negotiation of price adjustments with customers
 - Adjustments with vendors
- Employee retention program
- Personnel consequences



Asia

- Overall expansion stop; freeze of two plants
- Calibrate to new market reality
- Overhead reduction



Corporate

- Drastic expense savings
- Hiring freeze
- Postponement of projects

Europe

- Enforce flexibilization measures
- Prepare for potential hard Brexit
- Off-set material price fluctuations and labor market challenges in Eastern Europe



Guidance 2019



Revenue

Group revenue is expected to be on prior year's level.



Market

Global automobile production is forecasted to stagnate.*



Profitability

For the first half-year 2019 Autoneum anticipates a negative net result due to the continuing losses in North America and the costs associated with the turnaround as well as the still pending return on investment in China. Based on the countermeasures taken, the Company should reach substantial improvements in earnings in 2020 and achieve a sound profitability level again in 2021.

*IHS 2019.

Mid-term outlook

Return to sound profitability level

2019 Year of tidying

2020 Year of transition

2021 Return to sound profitability level



Retraction of “Financial Targets 2020” 2021: back on track

Targets 2020

Revenue of CHF 2600 million

- Emerging markets >20% share in Group’s revenue
- 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

- Orders on hand but due to market downturn revenue will be lower than targeted
- Operational problems in USA reduce EBITDA outlook

2021

- **Back to sound profitability level**

Global market leader

Autoneum's success factors remain unchanged

Innovation leadership



Broad customer portfolio



Global presence



Healthy balance sheet and committed anchor shareholders



A wide, paved road with white lane markings curves through a lush green field under a clear blue sky with scattered white clouds. The road is the central focus, leading the eye from the bottom left towards the horizon on the right. The surrounding landscape is flat and verdant, with some distant hills visible on the horizon.

autoneum

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Contacts and event calendar

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Important Dates 2019

Annual General Meeting 2019
2019 Semi-Annual Results

March 28, 2019

July 25, 2019

Autoneum on SIX Swiss Exchange:

Ticker Symbol	AUTN
Valor Number	12748036
ISIN	CH0127480363

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