

Dr Martin Zwyssig, CFO

IR Presentation, April 2019



Autoneum. Mastering sound and heat.

Agenda

- 1. Autoneum at a glance**
2. Highlights and financial results 2018
3. Outlook 2019
4. New mobility trends

Who we are

Autoneum in a nutshell



About Autoneum At a glance



Stock listed
company (SIX
Swiss Exchange)



Represented in
25 countries

Around
13000
employees worldwide



55 production facilities
worldwide

Highlights 2018



New measurement system:
Carpet Cleanability Analyzer



New plants in China
and Hungary



Tool and mold
production in Hnátnice,
Czech Republic



Ten electric vehicle
models equipped with
Autoneum components

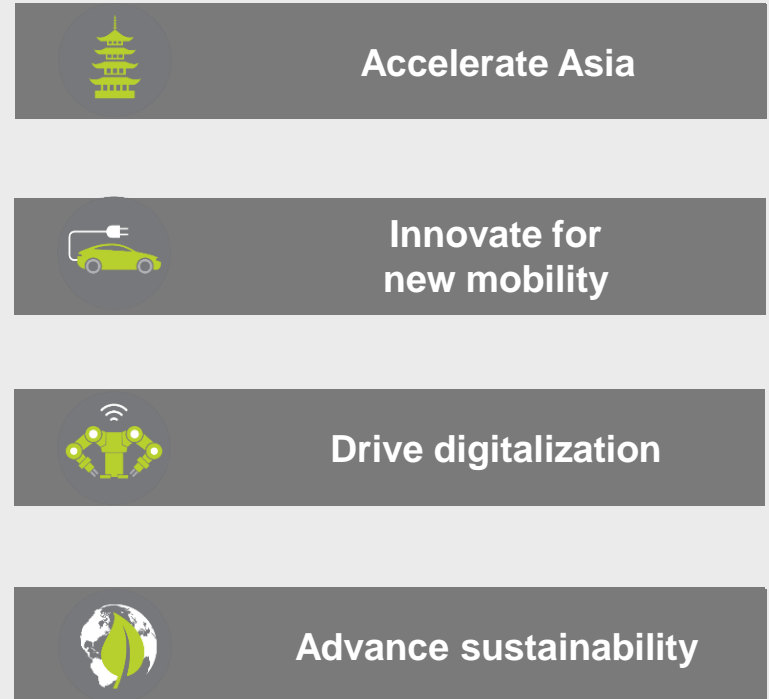
Strategic orientation

Focus on future mobility

Strategic priorities



Strategic focus areas 2025



Organization

Group Executive Board



Martin Hirzel

CEO



Dr Martin
Zwyssig

CFO



Dr Alexandra
Bendler

Head
BG Europe



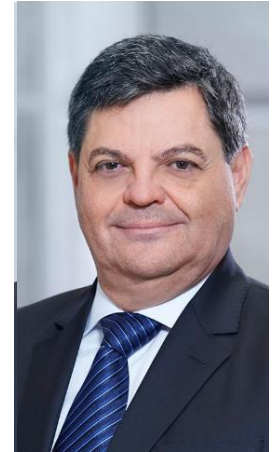
Fausto Bigi

Head BG
North America
a.i.



Andreas Kolf

Head BG Asia



Fausto Bigi

Head
BG SAMEA

Leading in acoustic and heat management

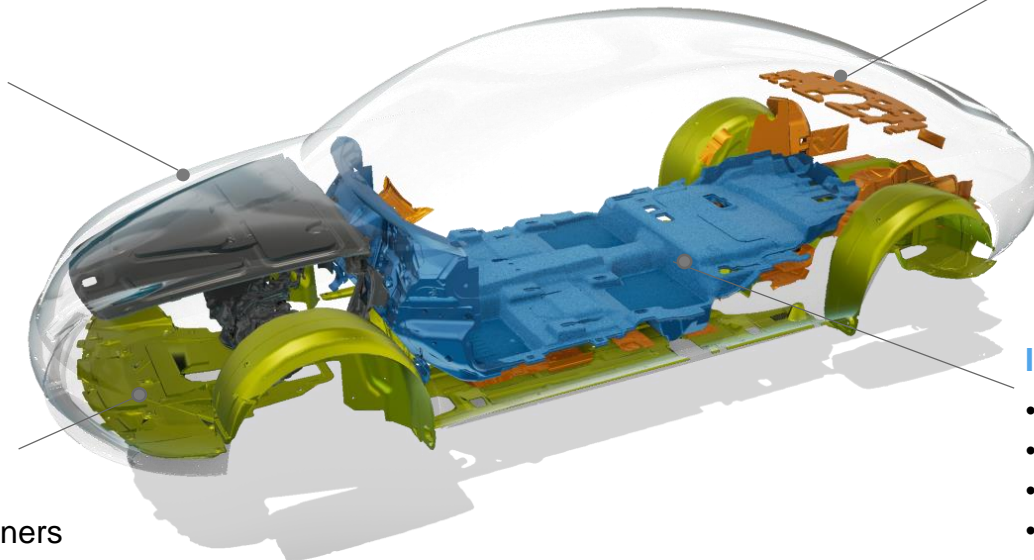
Our products

Engine bay

- Engine encapsulations
- Hoodliners and outer dashes
- Engine and battery covers

Body treatment

- Dampers
- Stiffeners



Underbody

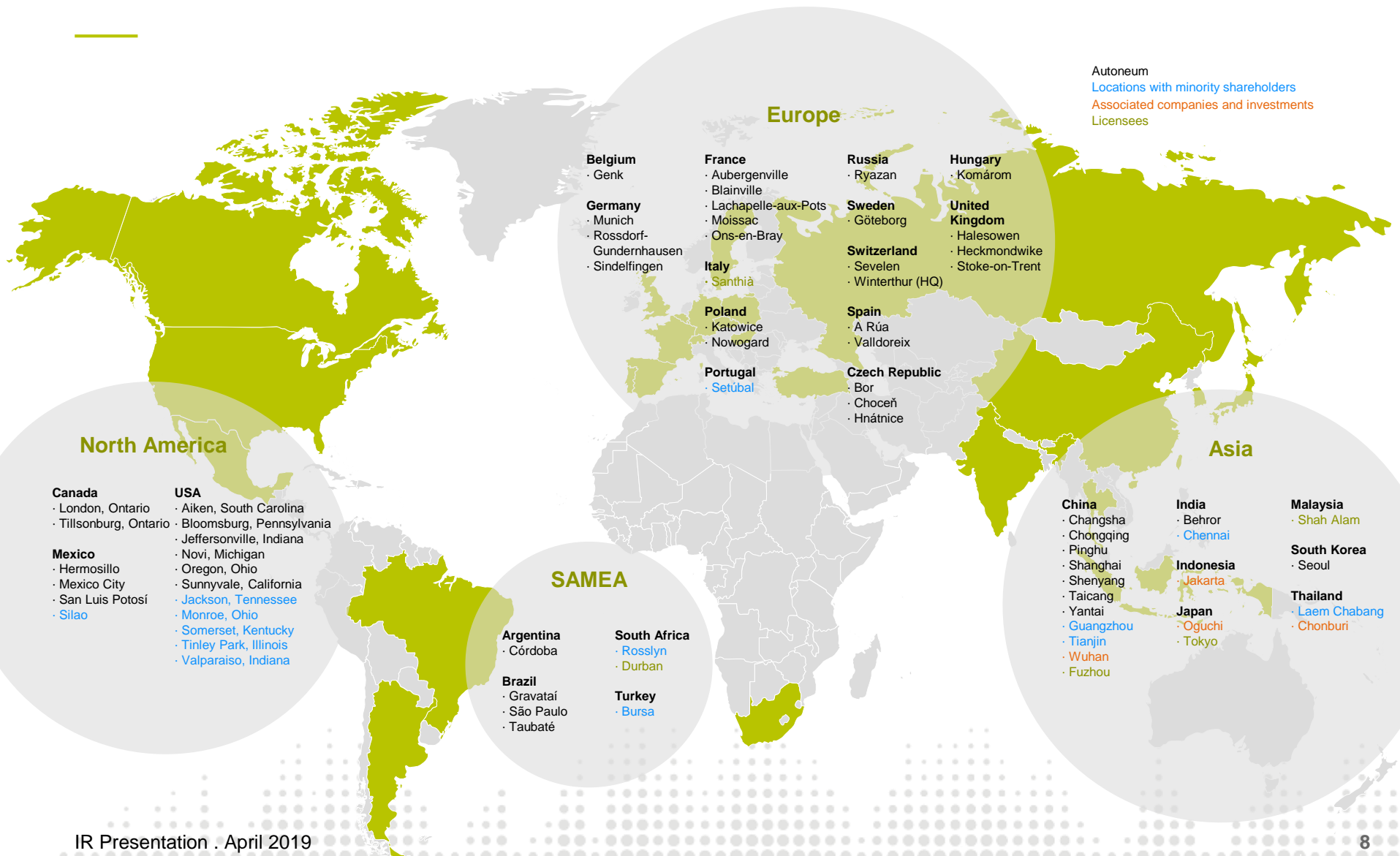
- Underbody shields
- Wheelhouse outer liners
- Battery trays and floor pans
- Heatshields

Interior floor

- Inner dashes
- Floor insulators
- Tufted carpets
- Needle punch carpets
- Floor mats
- Spacers and crash pads

Global presence

Present in all automotive markets



Customers

Automobile manufactures around the world

Light vehicles



Commercial vehicles



Facts and figures 2018

Key financials

2281.5

CHF million
Revenue

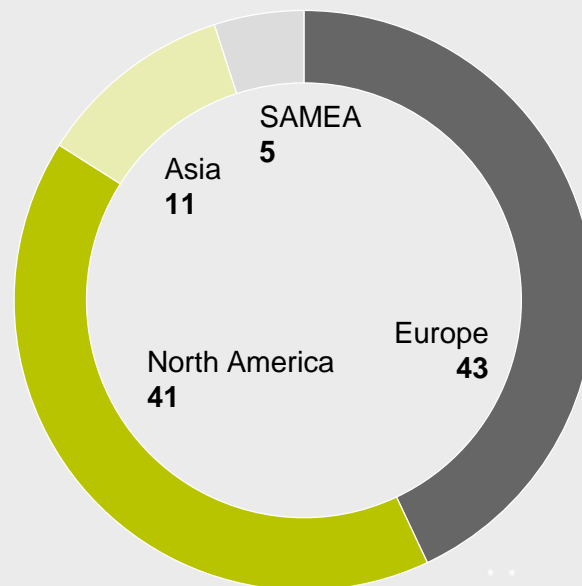
5.0%

EBIT margin

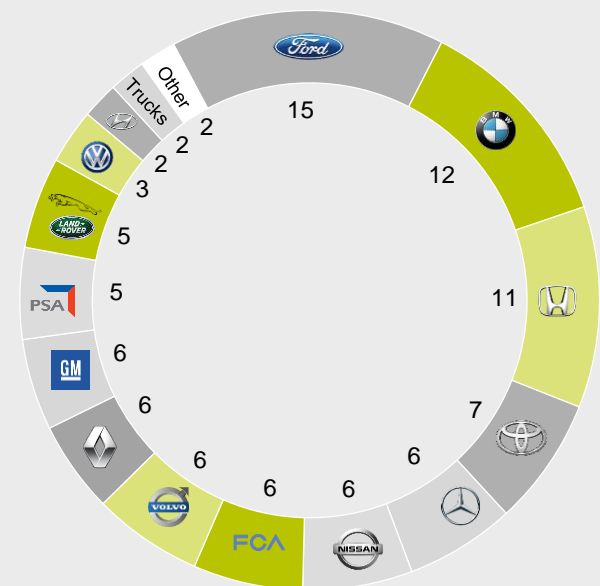
74.7

CHF million
Net profit

Revenue by
Business Group (in %)














Revenue by
customer (in %)



Global cooperation

Proximity to customers

Research and Development Center	Regional Acoustic and Development Centers	Customer interface / Customer Business Units	Vehicle manufacturers
Winterthur, Switzerland <ul style="list-style-type: none"> • Vehicle acoustics • Thermal management • Products/materials & processes • Benchmarking • Testbench 	 Europe <p> Aubergenville, France Katowice, Poland Rossdorf-Gundernhausen, Germany Sevelen, Switzerland </p>		
	 North America <p> Novi, Michigan, USA Sunnyvale, California, USA Tinley Park, Illinois, USA (UGN) </p>		
	 Asia <p> Shanghai, China Tokyo, Japan (ATN Auto Acoustics) </p>		
	 SAMEA <p> São Paulo, Brazil </p>		

Corporate Responsibility

Acting sustainably



Responsible conduct is a cornerstone of Autoneum's corporate culture



Setting the Corporate Responsibility benchmark among industry peers



Ambitious, group-wide environmental, social and ethical targets



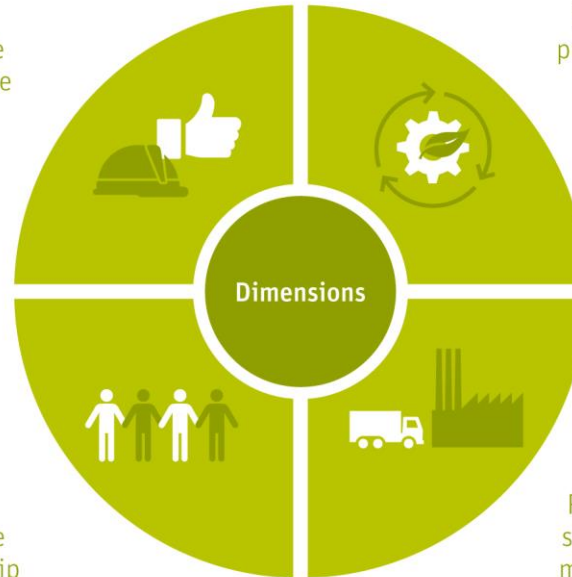
Transparent communication through comprehensive Corporate Responsibility Report

Corporate Responsibility Strategy 2025

Ambitious targets in four dimensions

- Health & safety
- Fair working conditions
- Employee development
- Employee well-being
- Diversity & inclusion

Fair and attractive workplace



Sustainable products and production processes

- Sustainable innovations
- Eco-efficient processes
- Waste reduction & recycling
- Energy management
- Emission reduction

- Ethical business conduct
- Compliance
- Fair competition
- Corruption prevention
- Community engagement

Good corporate citizenship

Responsible supply chain management

- Human rights
- Labor rights
- Environmental protection
- Business ethics
- Material compliance

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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

Key figures

Overview

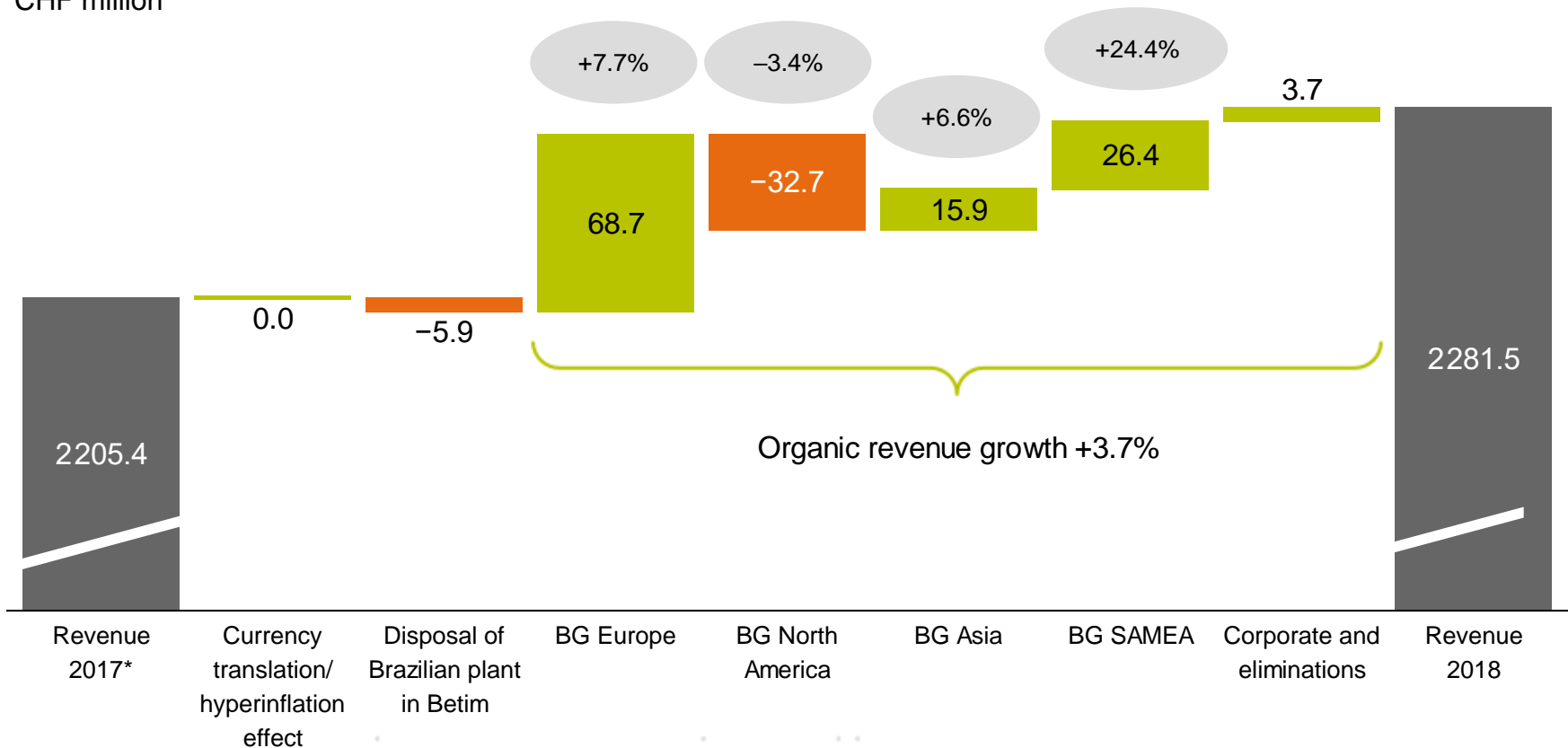
CHF million	2018	2017*	Change
Revenue	2281.5	2205.4	76.1
EBITDA	197.2	257.8	−60.7
<i>in % of revenue (change in pp)</i>	8.6%	11.7%	−3.0
EBIT	114.1	179.9	−65.8
<i>in % of revenue (change in pp)</i>	5.0%	8.2%	−3.2
Net profit	74.7	118.9	−44.3
Investments in tangible assets	162.6	173.6	−11.0
Free cash flow	−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

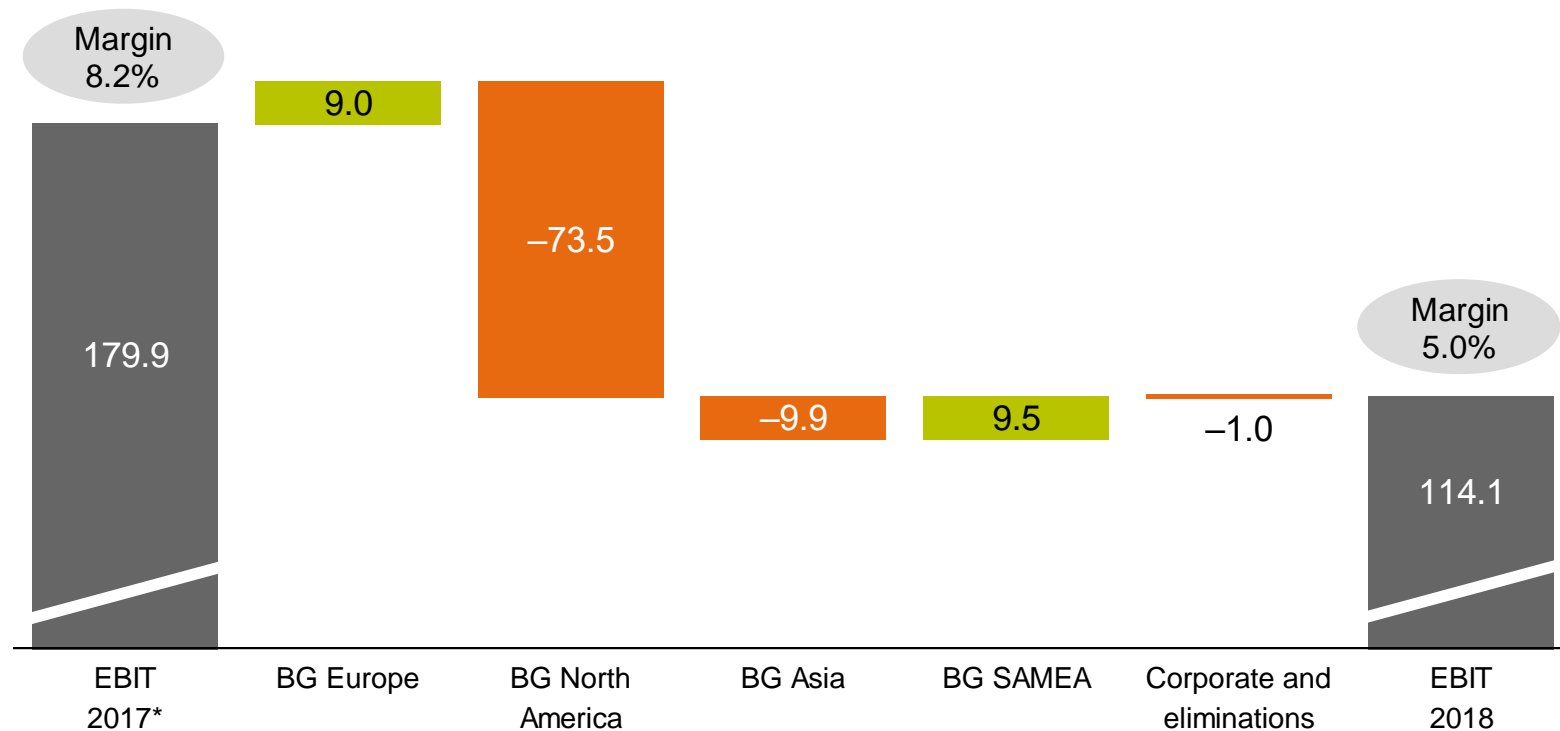


*Restated to reflect the adoption of IFRS 15.

Operating result (EBIT) development

Operational problems in USA impacted profitability

CHF million

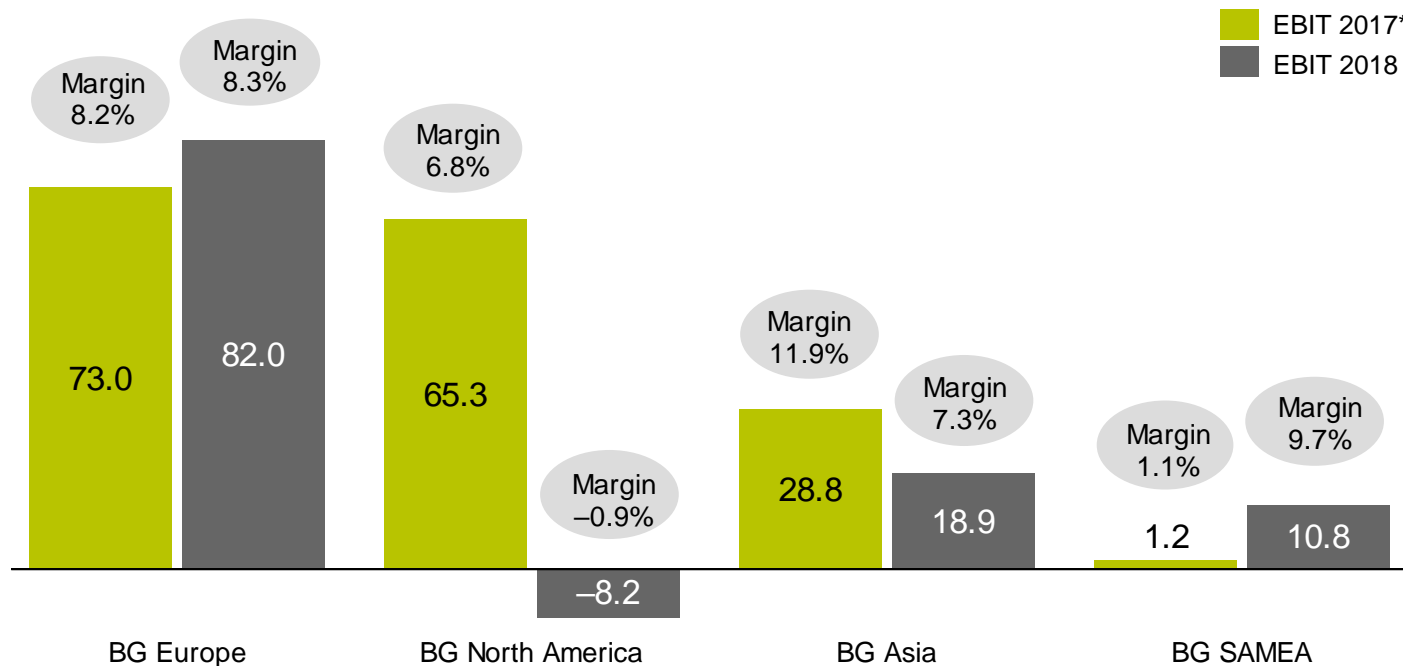


*Restated to reflect the adoption of IFRS 15.

EBIT per BG

BG Europe again increased profitability

CHF million

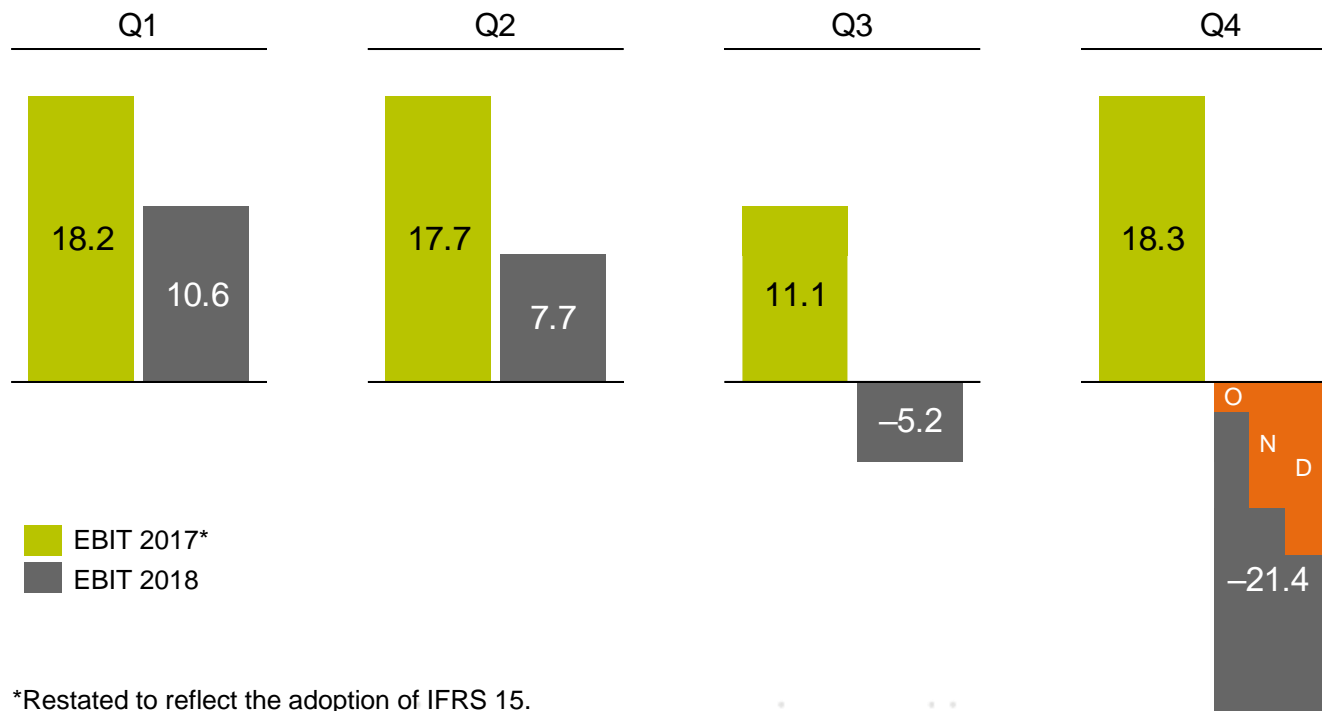


*Restated to reflect the adoption of IFRS 15.

EBIT BG North America per quarter

BG North America turned into YTD losses in Q4

CHF million

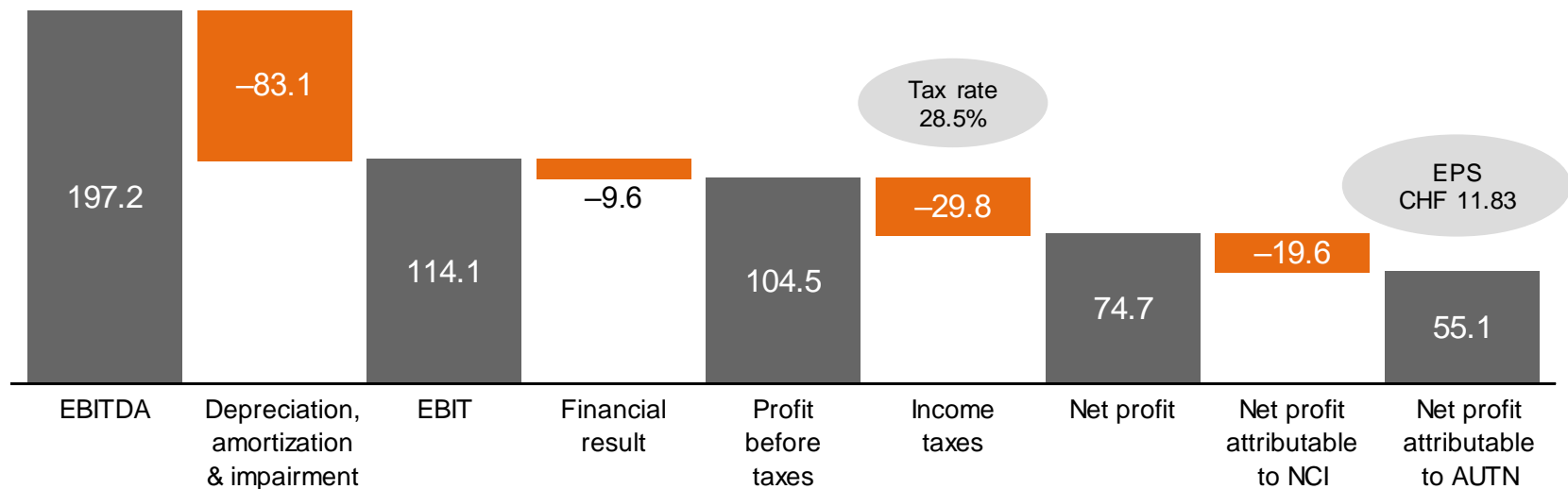


*Restated to reflect the adoption of IFRS 15.

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

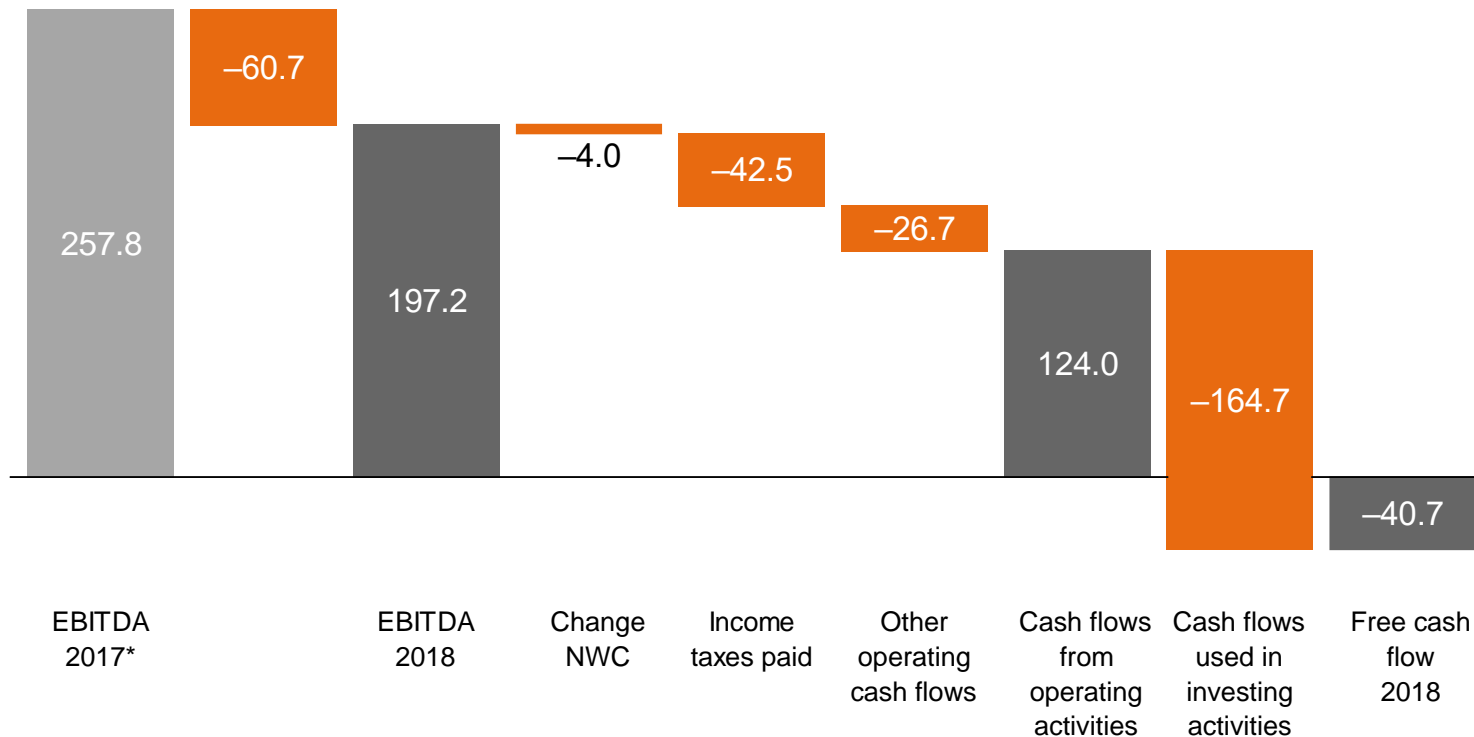
*Restated to reflect the adoption of IFRS 15.

- 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%

Free cash flow (FCF) generation

FCF mainly impacted by reduced earnings

CHF million



*Restated to reflect the adoption of IFRS 15.

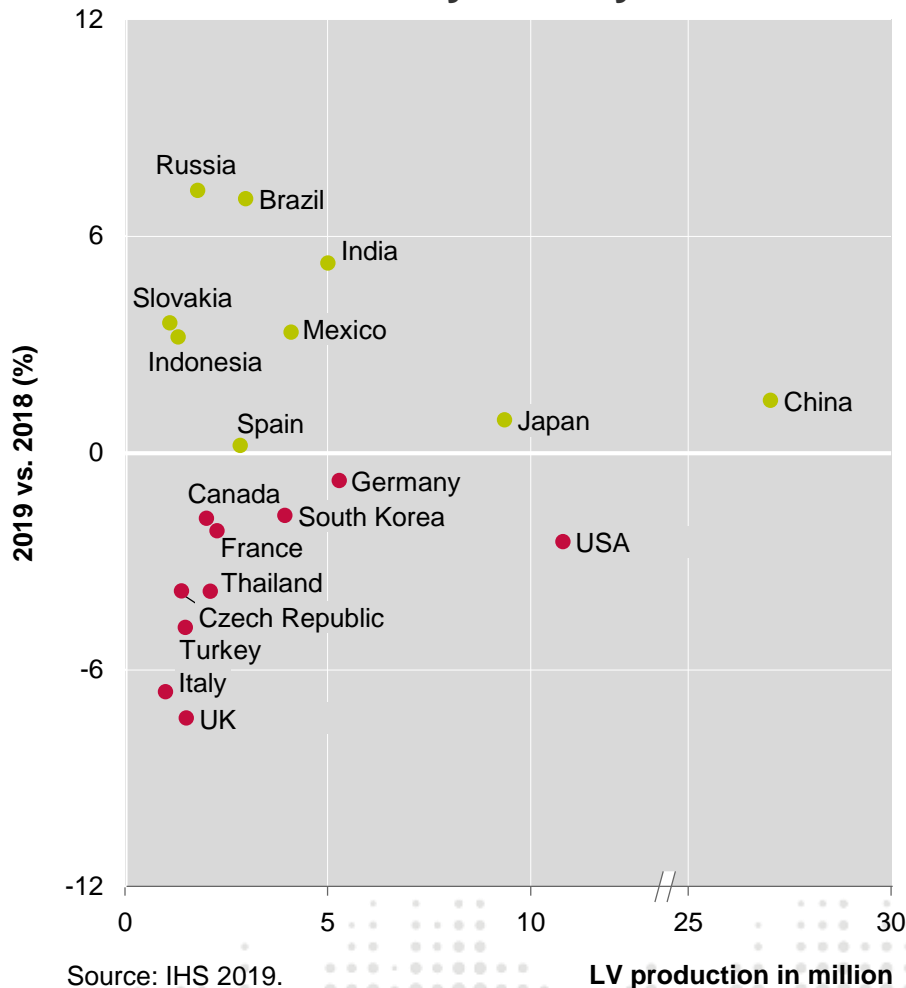
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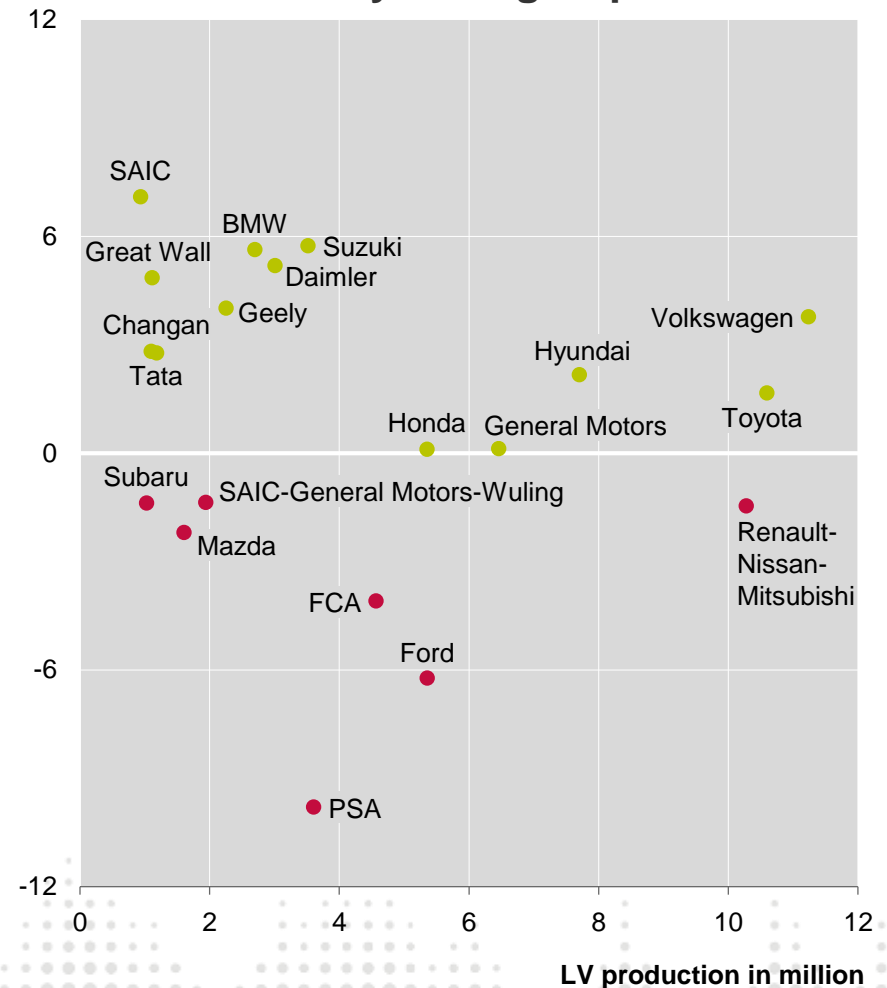
Light vehicle production forecast 2019

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>FAT CHRYSLER AUTOMOBILES</small>	1.4	-5.0	13.8
	1.2	-2.2	18.5
	1.2	-5.6	8.3
	0.8	-1.4	10.5
	0.6	+5.6	0.0
	0.4	+12.4	2.6
	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

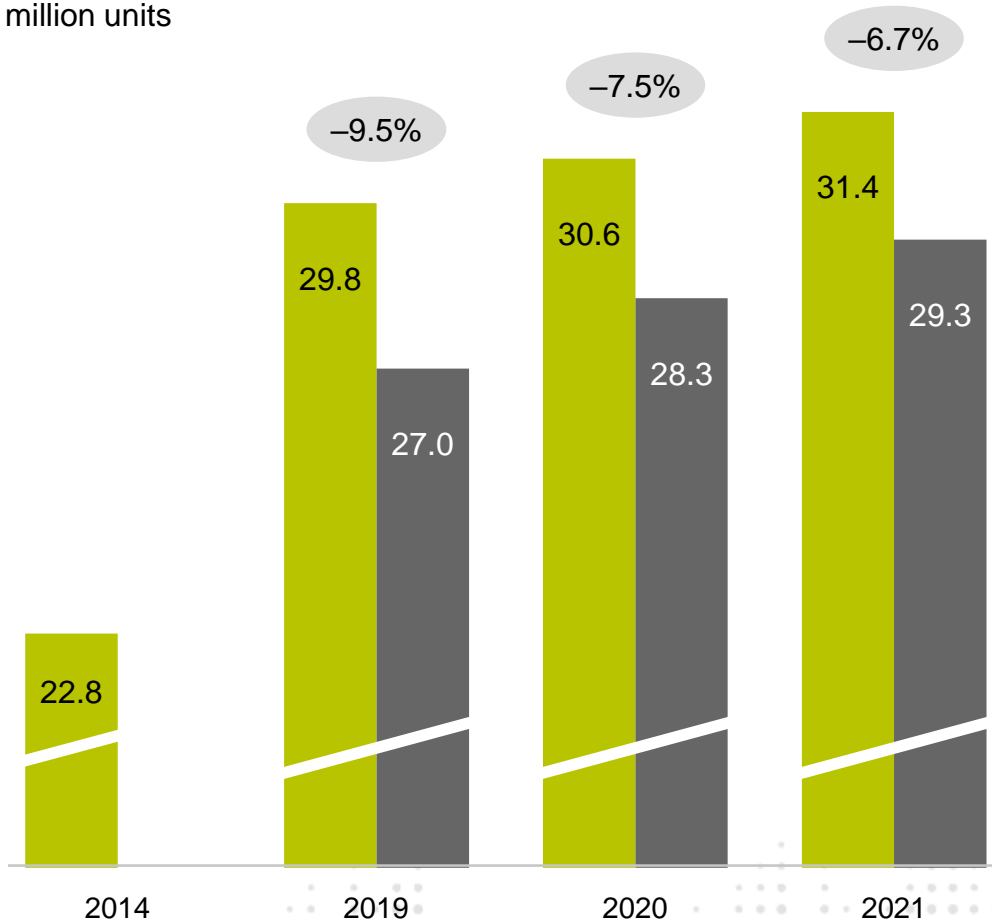
- Mistakes in product/process design of new customer projects due to first time applied technologies in USA
 - Failed handover from project management into production
 - Technical problems with fully automated lines
 - Lack of skilled labor and fluctuation in greenfield plants due to full employment 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.

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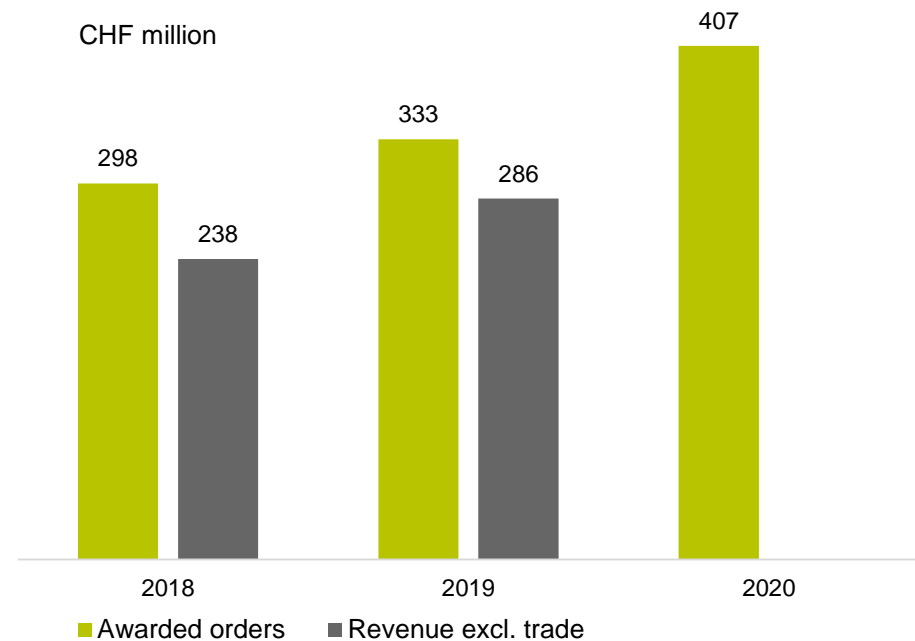
Challenges China

Utilization of production capacity



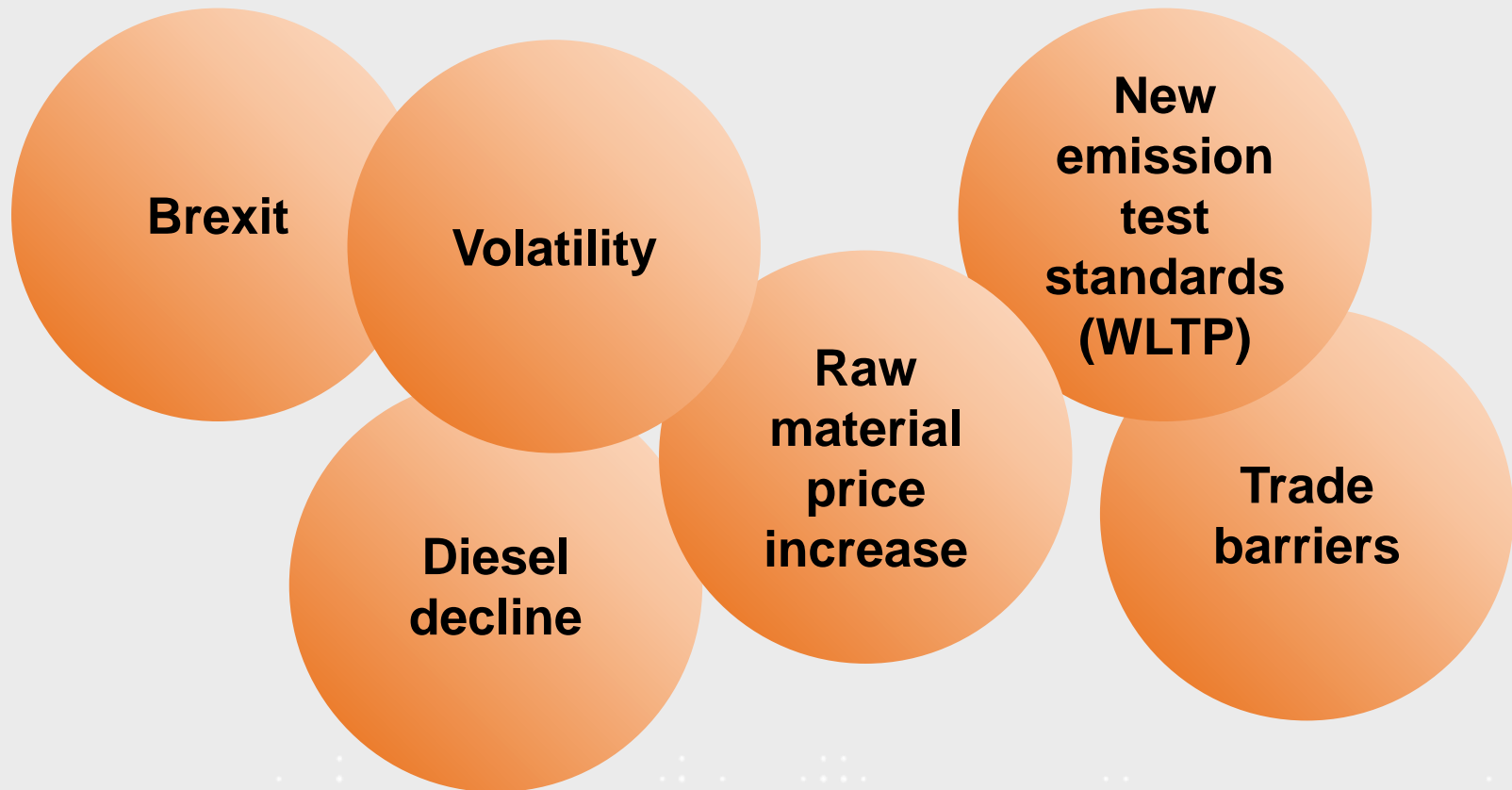
- Set-up of four new plants based on firm orders received and market forecast

Autoneum business in China



Challenges Europe

Various factors unsettle market



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

Europe

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

Corporate

Drastic expense savings
Hiring freeze
Postponement of projects



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.

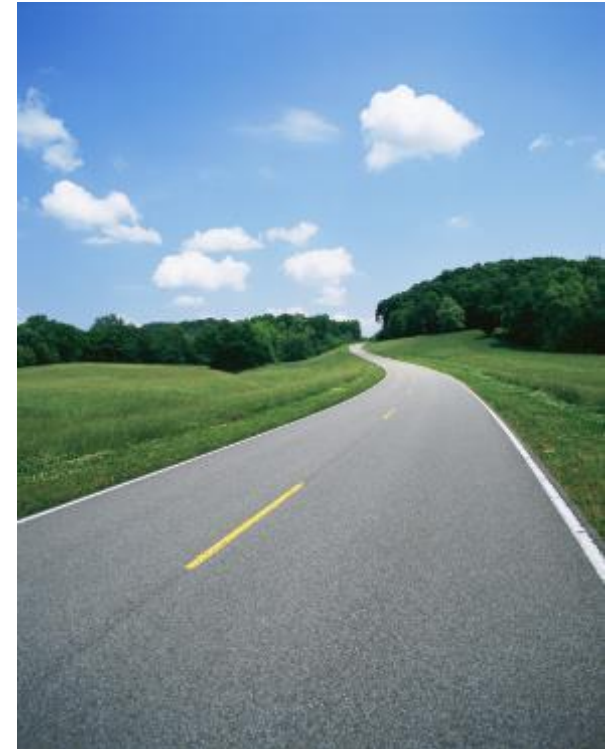
Mid-term outlook

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



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New mobility trends

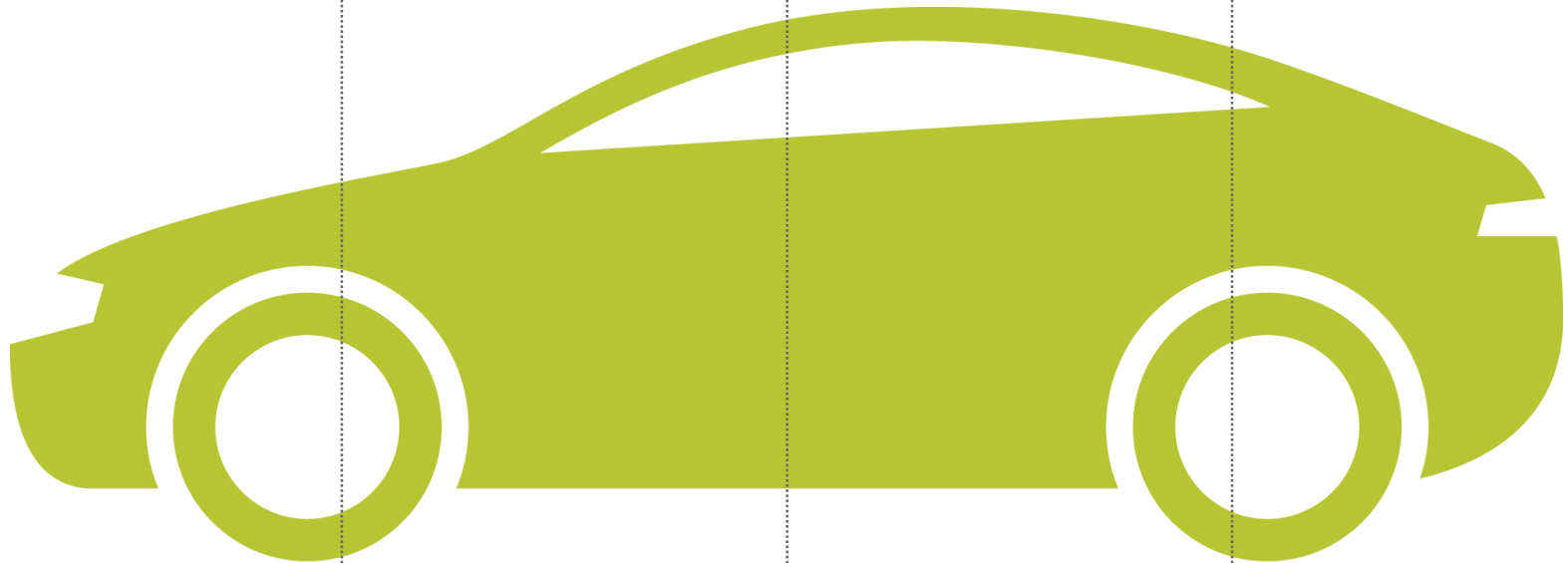
Impact the automotive industry beyond 2020

E-mobility

Connectivity








Autonomous driving

Shared mobility



Innovate for new mobility

Megatrends support growth

E-mobility	Topics	Opportunities	Components	
	Missing heat sources	Acoustic components with thermal properties		Carpet systems
	Reducing vehicle weight	Lightweight construction expertise and product portfolio		
Autonomous driving	Aerodynamics	Expanding underbody business		Inner dashes
	Road noise	Textile exterior treatment		
	Sustainable technologies	Recycled fibers		Wheelhouse outer liners
Shared mobility	Powertrain noises	Tailored acoustic solutions, diagnostics and simulations		
	Aesthetics in the interior and trunk	Material innovations		Underbody systems
	Comfort in autonomous vehicles	New noise insulation requirements		
	Shared use	Cleanability and durability		

Extensive product portfolio

Selected innovations



Technology

Di-Light

Application

- Needlepunch carpets

Advantages

- Strong performance with low weight
- Made from up to 97% PET
- Highly resilient and wear-resistant



Technology

Hybrid-Acoustics

Application

- Inner dashes
- Floor insulators

Advantages

- Insulates and absorbs noise simultaneously
- Based on recycled cotton fibers
- Lightweight

Extensive product portfolio

Selected innovations



Technology

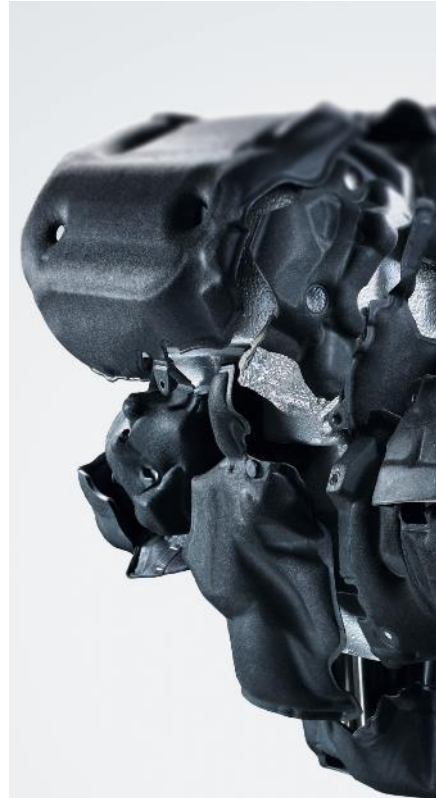
Ultra-Silent

Application

- Underfloor shields
- Under engine shields

Advantages

- Lightest textile underbody technology
- 100% PET, completely recyclable
- Water- and heat-resistant



Technology

Theta-FiberCell

Application

- Engine encapsulations
- Engine covers

Advantages

- Lightweight fiber-foam solution
- Heat insulation and temperature stability up to 200° C
- High acoustic absorption

Product of the season

Needlepunch carpet Tune-It



Customized acoustic performance



Made from up to 100% recycled PET



**Low weight at
high acoustic performance**



**Fully recyclable –
closed material loop**

50 years of cutting-edge technology

Measurement systems



Autoneum is leading provider of measurement systems for vehicle acoustics



Innovative systems for measuring NVH behavior (noise, vibration, harshness)



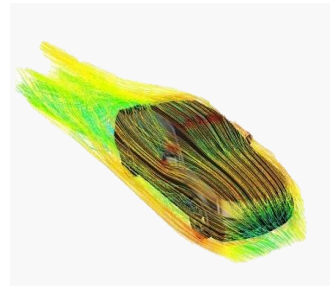
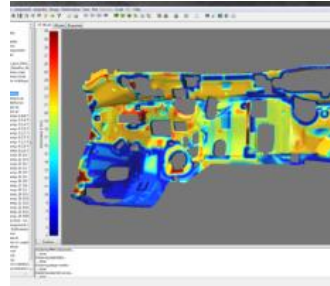
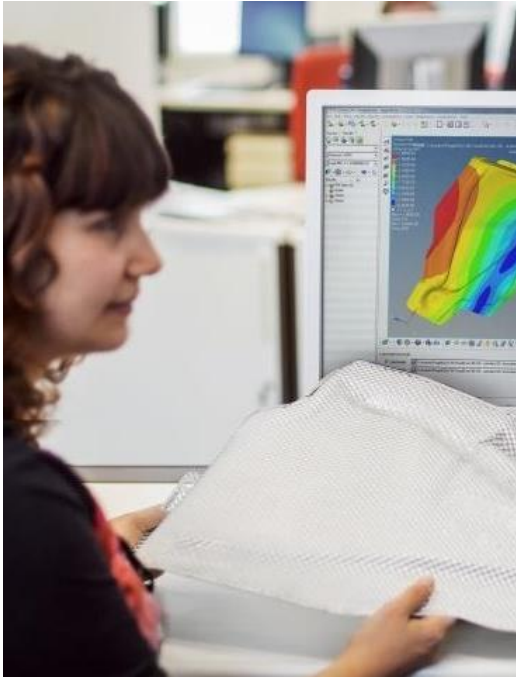
Global industry standard



Used by automotive manufacturers, suppliers and laboratories

Software for component optimization

Simulation



Programs developed in-house for optimizing vehicle NVH behavior



“Best in class” solutions for vehicle development and production



Tailored for vehicle manufacturers' individual requirements

Conclusion

New mobility trends support future profitable growth

- New mobility trends such as e-mobility and autonomous/shared driving provide business opportunities for Autoneum
- Autoneum benefits from its proven long-standing NVH and thermal expertise
- Trends are early anticipated in the innovation pipeline
- New OEMs offer potential for outsourcing of NVH development
- For Autoneum digitalization is all about operational excellence



Industry trends such as e-mobility and autonomous/shared driving as well as Industry 4.0 support Autoneum's target of profitable growth

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Important dates in 2019

Half-Year Report 2019:

July 25, 2019

Annual General Meeting 2020:

March 25, 2020

SIX Swiss Exchange stock listing:

Ticker symbol AUTN

Securities number 12748036

ISIN CH0127480363

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autoneum

Mastering sound and heat.