

Eelco Spoelder, CEO and Bernhard Wiehl, CFO

# Half-Year Results 2023 roadshow

24-25 August 2023

Autoneum. Mastering sound and heat.

# Today's Presenters



- ▶ CEO of Autoneum since March 2023
- ▶ Previously held global leadership positions in the automotive supply industry at Faurecia
- ▶ Prior to that, he ensured operational competence and strategic continuity at Continental
- ▶ Over 25 years of experience in the automotive supply industry

**Eelco Spoelder**

**CEO**



- ▶ CFO of Autoneum since October 2019
- ▶ Previously held the position as Head of Finance & Controlling Business Group Europe at Autoneum
- ▶ Prior to that, he served at Hella and Hydraulik-Ring in various positions
- ▶ Over 20 years of experience in the automotive supply industry

**Bernhard Wiehl**

**CFO**

# Agenda

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- 1. Overview of Autoneum**
- 2. Half-Year Results 2023**
- 3. Acquisition of Borgers Automotive**
- 4. Outlook**

## Appendix

# Half-Year Results 2023

## Facts and figures

### Summary of key financials

**1102.6**

CHF million  
**Revenue**

**24.1%**

**Revenue growth**  
(reported)

**10.7%**

**Revenue growth**  
(organic)

**45.0**

CHF million  
**EBIT** (excl. one-off)

**4.1%**

**EBIT margin**  
(excl. one-off)

**7.7%**

**EBIT margin**  
(reported)

**57.8**

CHF million  
**Net result**  
(reported)

**11.0**

CHF  
**Basic EPS**  
(reported)

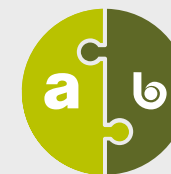
**109.1**

CHF million  
**Borgers bargain**  
**purchase gain**

### Key takeaways and achievements



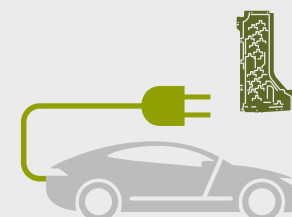
Validation of ambitious science-based emission reduction targets



Acquisition of Borgers Automotive as of April 1, 2023



Sustainability in focus:  
1 billion recycled PET bottles used in  
Di-Light-based carpets since 2015



Ultra-Silent Tune:  
Reduction of tire noise outside  
and inside electric vehicles

# The global market leader

Global market leader of **sustainable acoustic and thermal management solutions** for vehicles



Acquisition of  
Borgers Automotive  
on April 1, 2023



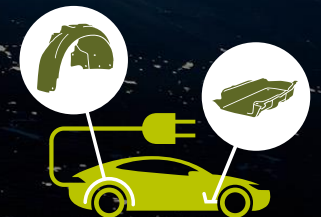
67 production facilities  
worldwide



Employees



Represented  
in 24 countries



Expanded technological  
know-how and product  
portfolio



Clear focus is now mandatory

# Strategic key priorities

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Turnaround  
North America

Profitable  
growth

European  
performance

Borgers  
integration

ONE  
Autoneum

LEVEL UP  ONE  6-8



# Important steps toward a sustainable future



**33 plants worldwide** are certified in energy management

## SBTi

Science Based Targets initiative  
validated Autoneum's climate targets

less  
**CO<sub>2</sub>**



**Greenhouse gas emissions** reduced by 33% on an absolute basis compared to 2019



**214 eco-efficiency projects** focusing on waste, energy and water efficiency



**Autoneum  
Pure.**

Technologies with **excellent sustainability performance**



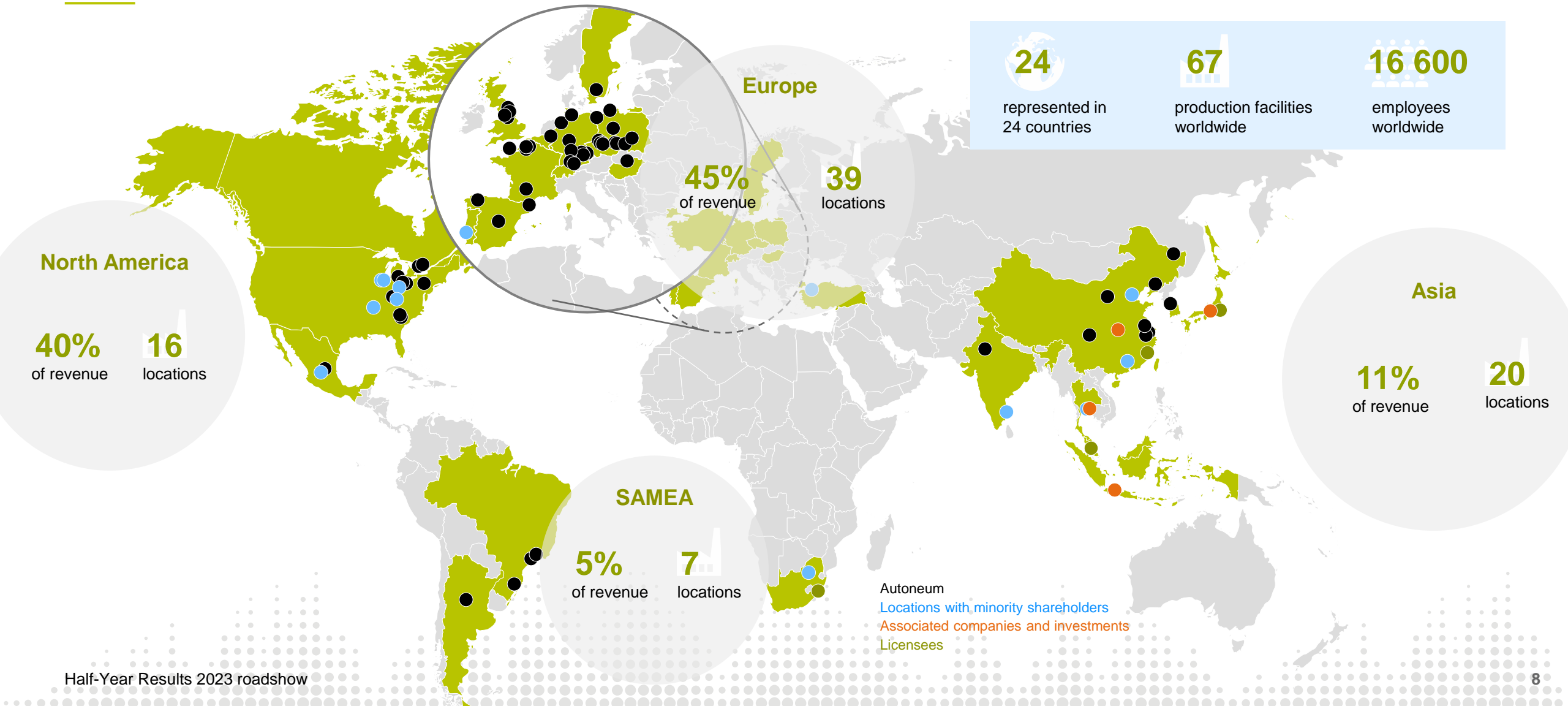
**Impressive waste reduction** by 36% compared to 2019 and increased use of **recycled materials**



Global presence



Active in all automotive markets





# Agenda

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## Appendix

# Business development

## Highlights



**+10.7 %  
Organic**      **+20.2%  
Inorganic**

**+ CHF 213.9 million  
combined**

**Significant increase in  
revenue year-on-year  
supported by  
inorganic growth**



**CHF 45.0 million EBIT**  
excluding  
one-time effects

**4.1% Group EBIT  
margin**

**+2.7 pp  
Group EBIT margin  
increase**



**Strong start in all  
regions**

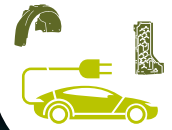
**All regions improved  
performance before  
one-time effects**



**Borgers  
4.5% EBIT margin**

for second quarter 2023  
excluding  
one-time effects

**Integration  
fully on track**



**Innovation leadership**

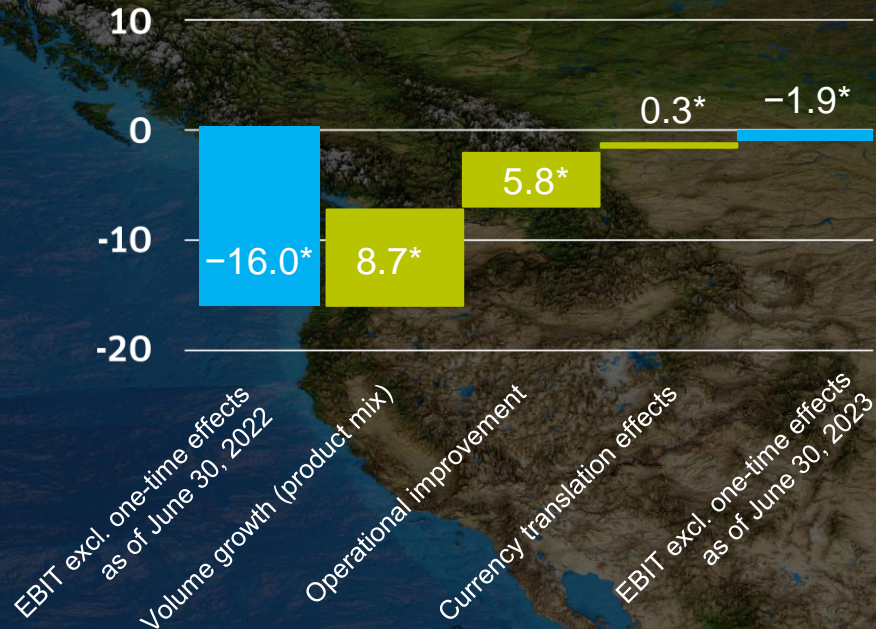
**Ultra-Silent Tune**  
for sustainable sound  
absorption

Prevention of ocean  
plastics with **LABEL  
Blue** products





## Major achievements, break-even point almost reached



\*All amounts in CHF million

### Achievements

- Volume growth of CHF 8.7 million
- Operational improvements of CHF 5.8 million, through
  - Improvements in labor productivity
  - Reduction of material consumption and production overhead costs

### Next steps

- Advance and complete the Borgers integration in North America
- Optimize operational performance
- Finalize compensation payments from customers

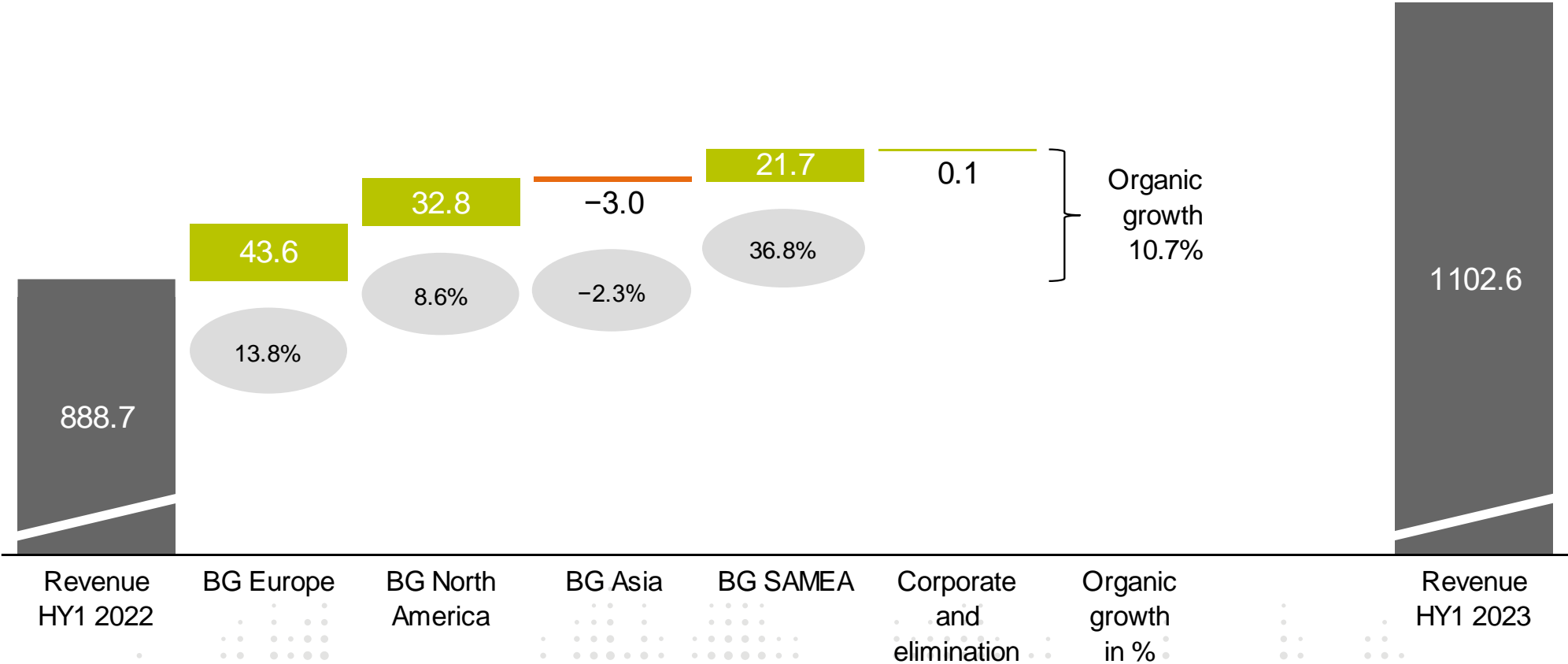


# Overview

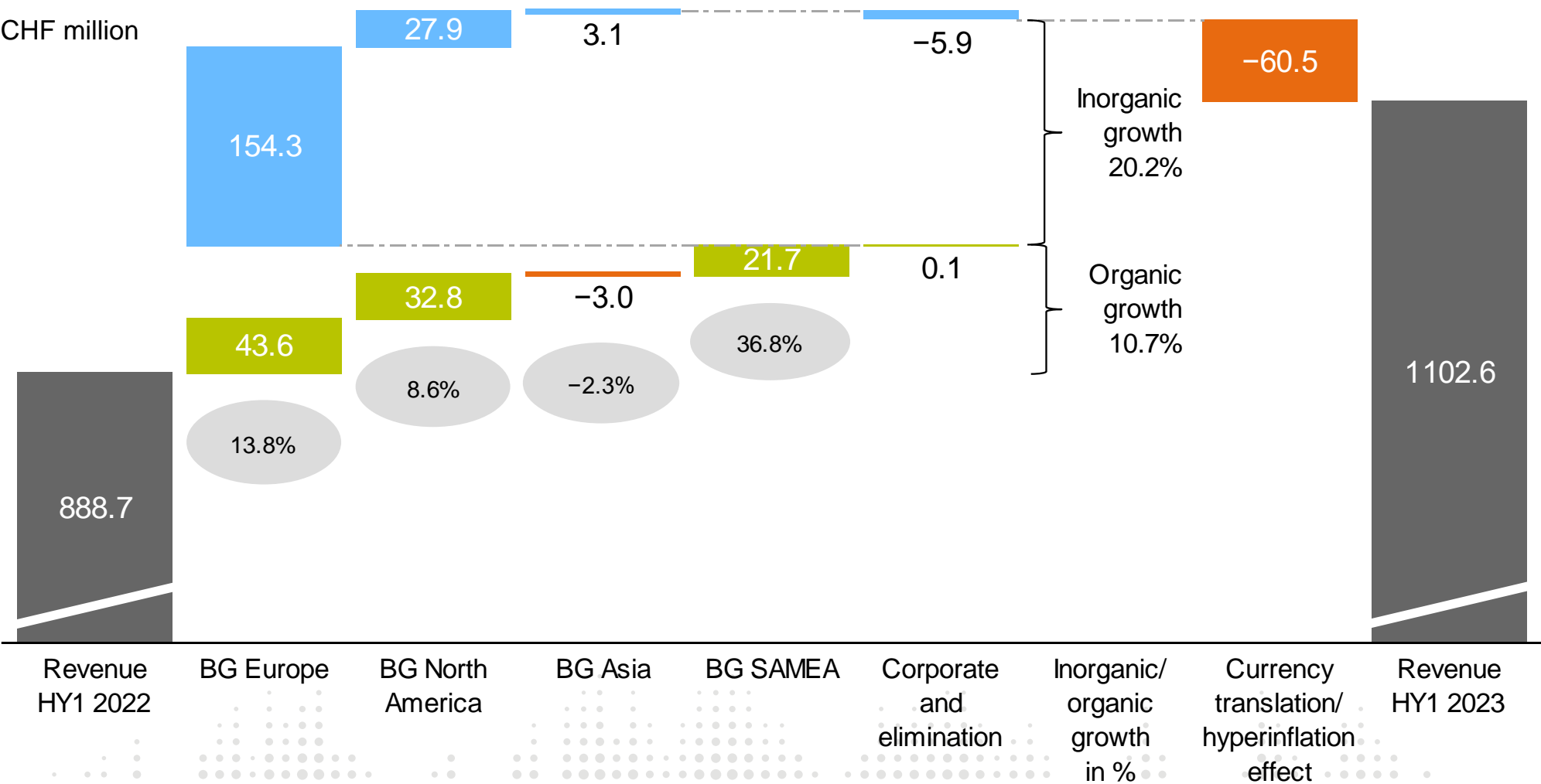
CHF million	HY1 2022 (unaudited)	HY1 2023 (audited)	Change
Revenue	888.7	<b>1 102.6</b>	213.9
EBITDA	67.5	<b>200.6</b>	133.0
<i>in % of revenue (change in pp)</i>	7.6%	<b>18.2%</b>	10.6
EBITDA excl. one-time effects	73.1	<b>106.7</b>	33.6
<i>in % of revenue (change in pp)</i>	8.2%	<b>9.7%</b>	1.4
EBIT	6.4	<b>84.9</b>	78.5
<i>in % of revenue (change in pp)</i>	0.7%	<b>7.7%</b>	7.0
EBIT excl. one-time effects	12.0	<b>45.0</b>	33.0
<i>in % of revenue (change in pp)</i>	1.4%	<b>4.1%</b>	2.7
Net result	-12.8	<b>57.8</b>	70.6
Investments in tangible assets	10.4	<b>21.7</b>	11.4
Free cash flow	45.2	<b>-93.6</b>	-138.8
Free cash flow excl. acquisition-related effects	45.2	<b>30.6</b>	-14.6
Basic earnings per share (EPS) in CHF	-3.81	<b>11.03</b>	14.84

Organic revenue growth in line with market

CHF million



Positive revenue development supported by inorganic growth

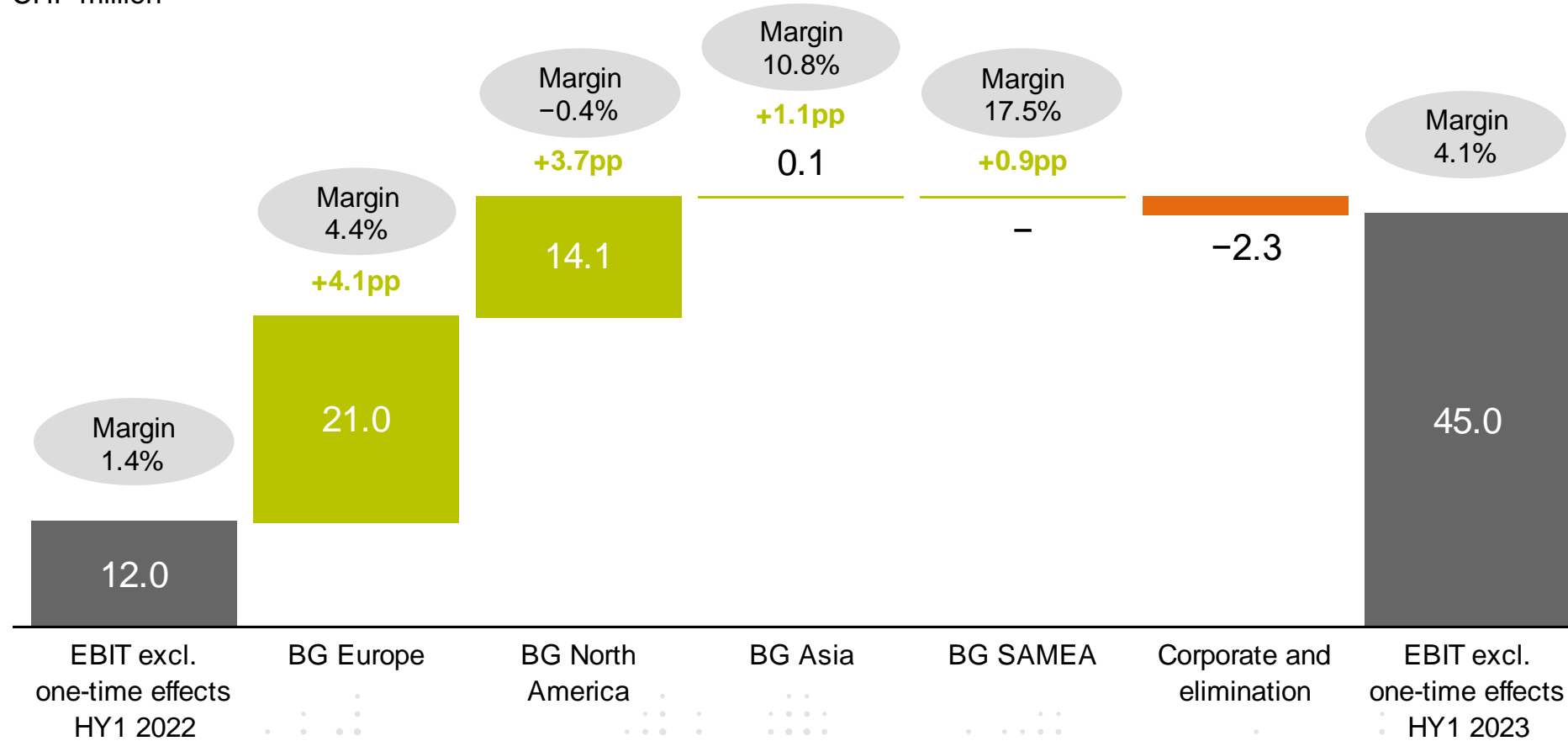




## Operating result (EBIT) development

# EBIT excluding one-time effects significantly improved

CHF million



## Considerable increase in profitability and solid net profit

CHF million	HY1 2022 (unaudited)	HY1 2023 (audited)	Change
Revenue	888.7	<b>1 102.6</b>	213.9
EBITDA	67.5	<b>200.6</b>	133.0
EBITDA excl. one-time effects	73.1	<b>106.7</b>	33.6
EBIT	6.4	<b>84.9</b>	78.5
EBIT excl. one-time effects	12.0	<b>45.0</b>	33.0
Financial result	-10.5	<b>-13.4</b>	-2.9
Earnings before taxes	-4.1	<b>71.5</b>	75.6
Income taxes	-8.7	<b>-13.7</b>	-5.0
Net result	-12.8	<b>57.8</b>	70.6
attributable to AUTN shareholders	-17.7	<b>51.3</b>	69.0
attributable to non-controlling interests	4.9	<b>6.5</b>	1.6

- EBIT includes positive one-time effects in the total amount of CHF 39.9 million:
  - CHF 109.1 million bargain purchase gain from acquisition of Borgers Automotive
  - Negative one-time effects in the total amount of CHF 69.1 million, mainly comprised of:
    - BG Europe (rightsizing): CHF 12.4 million
    - BG North America (impairment): CHF 52.0 million
    - BG Asia (restructuring): CHF 0.8 million
- Higher financing costs mainly driven by financing of the acquisition and increased interest level

# Free cash flow impacted by acquisition-related effects

CHF million	HY1 2022 (unaudited)	HY1 2023 (audited)	Change
Cash flows from operating activities	54.6	<b>24.2</b>	-30.4
Cash flows used in investing activities	-9.4	<b>-117.8</b>	-108.4
Free cash flow	45.2	<b>-93.6</b>	-138.8
Cash flows used in/from financing activities	-11.2	<b>155.7</b>	166.9
Change in cash and cash equivalents	33.8	<b>53.7</b>	19.8
Cash and cash equivalents at June 30	137.5	<b>177.3</b>	39.8

- Operating cash flow impacted by NWC increase of CHF 49.0 million, of which CHF 27.4 million related to acquisition of Borgers Automotive
- Investing cash flow includes an acquisition-related net cash outflow of CHF 96.0 million
- Investments in tangible assets increased by CHF 11.4 million
- Positive cash flows from financing activities due to additional acquisition-related financing



# Equity ratio influenced by the acquisition of Borgers Automotive

CHF million	31.12.2022 (audited)	30.06.2023 (audited)	Change	Acquired*
<b>Total assets</b>	1 471.9	<b>1 883.1</b>	411.2	385.0
Non-current assets (excl. leased assets)	626.6	<b>760.6</b>	134.0	214.5
Leased assets	239.8	<b>262.1</b>	22.3	37.9
Net working capital (NWC)	133.3	<b>214.4</b>	81.1	31.8
Cash and cash equivalents	123.6	<b>177.3</b>	53.7	26.4
Borrowings (excl. lease liabilities)	375.9	<b>560.4</b>	184.5	12.0
Lease liabilities	263.0	<b>283.6</b>	20.7	37.9
Net debt (excl. lease liabilities)	252.2	<b>383.1</b>	130.9	-14.4
<b>Shareholders' equity</b>	432.0	<b>484.4</b>	52.4	n/a
<i>in % of total assets (change in pp)</i>	29.4%	<b>25.7%</b>	-3.6	n/a

- Higher total assets mainly due to acquisition of Borgers Automotive (blue column)
- Increase in NWC as of acquisition date by CHF 31.8 million
- Build-up of CHF 28.1 million NWC at Borgers in Germany
- Rise in net debt primarily due to acquisition-related bridge financing of CHF 150 million
- Equity ratio decreased by 3.6 percentage points mainly due to higher balance sheet total
- Announced capital increase expected to bring equity ratio back to >30%

\* Fair value of acquired assets and liabilities of Borgers Automotive as of April 1, 2023

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# Acquisition of Borgers Automotive

## Reasons why it is a good fit

1

Strengthens Autoneum's position as the global market leader

2

Highly complementary product, technology and customer portfolio

3

Longstanding expertise in sustainable and recycled materials

4

Improves position in EV product offering

5

Renegotiated OEM contracts, synergies and facilitated integration





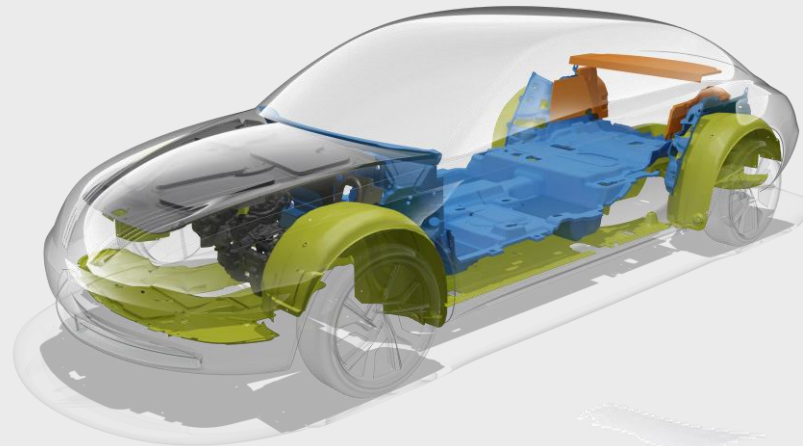
## Our products for light and commercial vehicles



### Exterior

#### Engine bay

- Frunk
- Engine<sup>1</sup> and e-motor encapsulations
- Outer dashes
- Hoodliners
- Engine top covers<sup>1</sup>
- Other body-mounted insulators



#### Underbody

- Underbody shields
- Under battery shields
- Wheelhouse outer liners
- Outer tunnel insulators<sup>1</sup>
- Heatshields<sup>1</sup>
- Battery electromagnetic shields
- Outer floor insulators



### Interior

#### Interior trim

- Trunk trim
- Load floors
- Parcel shelves
- Floor mats (heated)
- Back seat trim
- Consoles and cockpits<sup>2</sup>
- Headliners and trim panels<sup>2</sup>

#### Interior floor

- Inner dashes
- Needle punch carpets
- Tufted carpets
- Washable surface
- Floor insulators
- Dampers
- Other NVH parts

<sup>1</sup>Components specifically for vehicles with combustion drive

<sup>2</sup>Components specifically for truck / commercial vehicles

# Integration of Borgers Automotive

## Integration process on track



Focus on Day-1 readiness

Phase 1

### Achievements

- Organizational integration of Sales and Purchase departments
- Renegotiated trade agreements effective as of Day-1
- Synergies identified



Advance organizational integration / implement synergy potentials

Phase 2

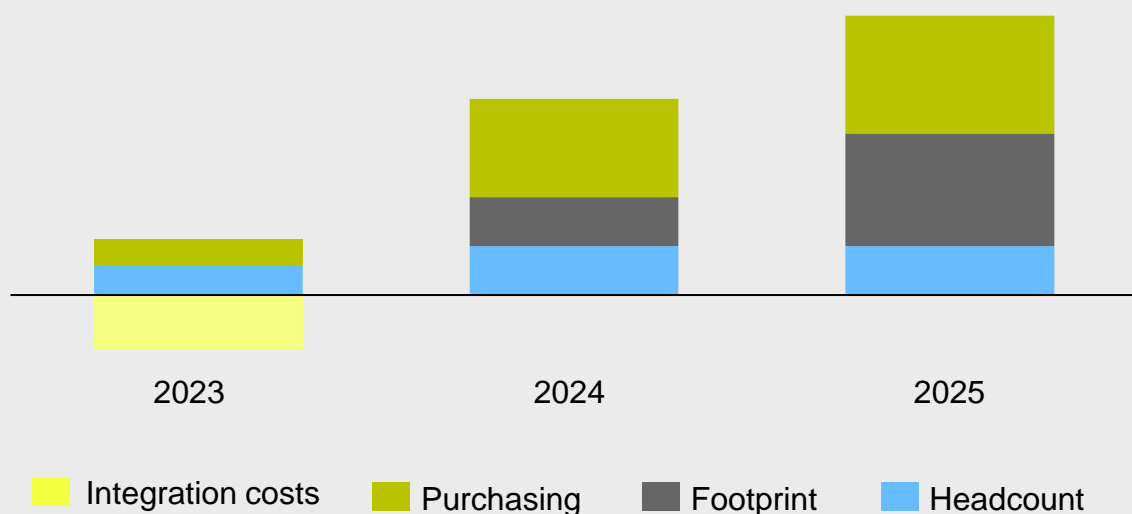
### Initiation of projects and next steps

- Make-or-buy initiative to insource production of selected materials
- Continuous improvement of operational performance
- Gain additional business with complementary product portfolio
- Focus on sales growth with truck business
- Footprint Europe

## Realization of planned synergies under way



### Development of synergy phase



### Synergies and their enablers

- Integration costs expected for 2023 with an estimated amount of ~CHF 6 million
- Anticipated synergies of CHF 25 – 30 million, fully effective as of 2025, include:
  - Synergies from reduction of HQ headcount fully effective as of January 2024
  - Savings in purchasing over time, among others due to existing purchasing agreements
  - Optimizing capacity utilization and consolidation of Krumbach into Ellzee plant

# Agenda

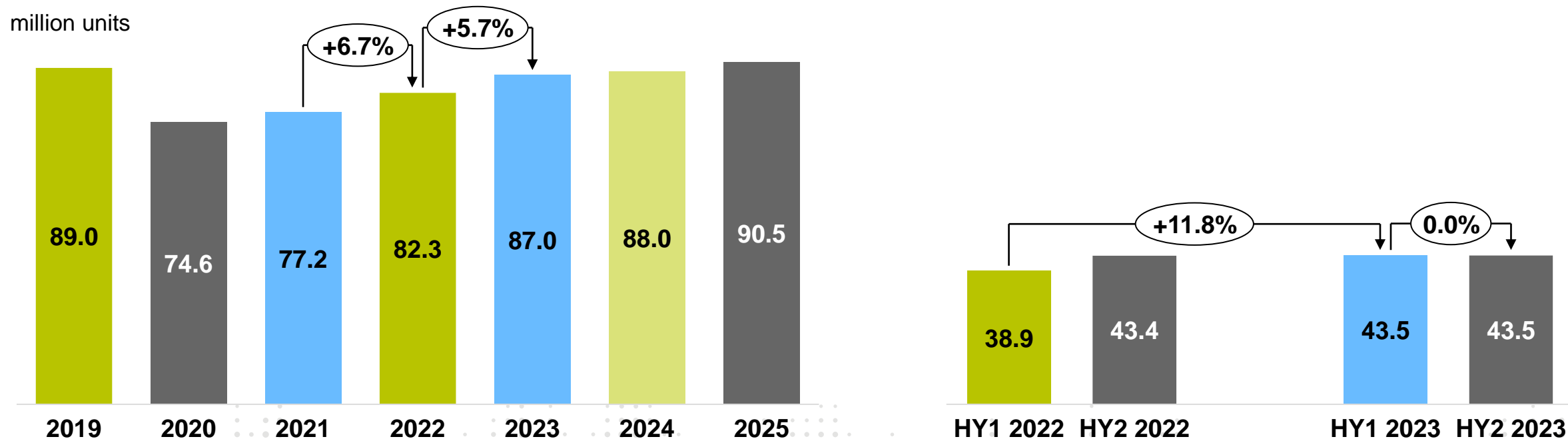
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## Global growth of 5.7% expected in 2023

- Global production volumes are forecasted to grow by 5.7% to 87.02 million units in 2023, mainly driven by Europe and North America
- 2019 volumes could finally be exceeded by 2025
- The second half-year of 2023 is expected to be on par with the first half-year of 2023



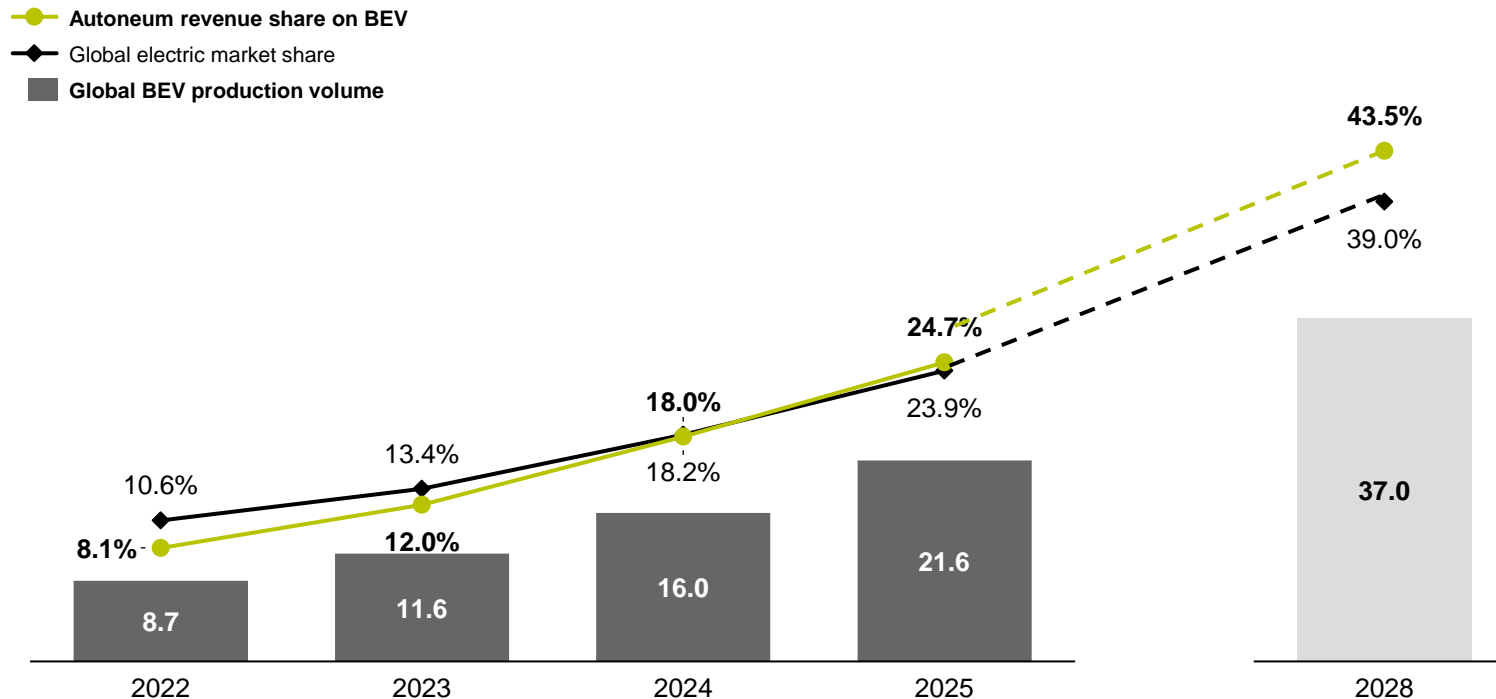
\*Source: S&P Light Vehicle Production Forecast as of August 15, 2023



## Revenue with BEVs expected to outperform BEV market share

### Global BEV powertrain forecast\*

2022 – 2028 (million units)



- **Current order intake** with **BEV** is targeted to **increase**, with interior floor business being the major driver
- Higher value content per BEV with traditional Autoneum product portfolio

Source: S&P Global Mobility Powertrain Forecast July 2023, SONAR, 08/16/2023, 2024 Budget Rates, Revenue = In production, awarded, open for award - targeted business

# Guidance 2023 unchanged



## Market

Global automotive production is forecast to increase by 5.7%<sup>1</sup> in 2023 compared to 2022. Autoneum expects production volumes in the different regions to develop in line with S&P market forecasts.



## Revenue

Based on the forecast market development<sup>1</sup> and the renegotiated customer agreements, Autoneum anticipates total revenue of CHF 2.4 to 2.5 billion at unchanged exchange rates for the financial year 2023.



## Profitability and free cash flow

The Company expects an EBIT margin of 3.5% to 4.5%<sup>2</sup> excluding one-time effects and a free cash flow in the higher double-digit million range for 2023, excluding acquisition-related special effects.

<sup>1</sup> Source: S&P Global Light Vehicle Production Forecasts of August 15, 2023

<sup>2</sup> This guidance includes expected Borgers figures from April 1 to December 31, 2023

## Medium-term financial targets



**Revenue development in line with market**



**EBITDA margin of 13%**



**Free cash flow 6% of revenue**



**Equity ratio >35%**



**Dividend payout of at least 30% of net profit attributable to shareholders of Autoneum Holding Ltd**



# Contact persons

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[www.autoneum.com](http://www.autoneum.com)

## Important dates

Publication of Revenue Financial Year 2023	January 22, 2024
Media Conference Financial Year 2023	March 13, 2024
Annual General Meeting 2024	April 9, 2024
Semi-Annual Report 2024	July 25, 2024

## SIX Swiss Exchange stock listing:

Ticker symbol	AUTN
Securities number	12748036
ISIN	CH0127480363

# Agenda

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- 1. Overview of Autoneum**
- 2. Recap of Half-Year Results 2023**
- 3. Acquisition of Borgers Automotive**
- 4. Outlook**

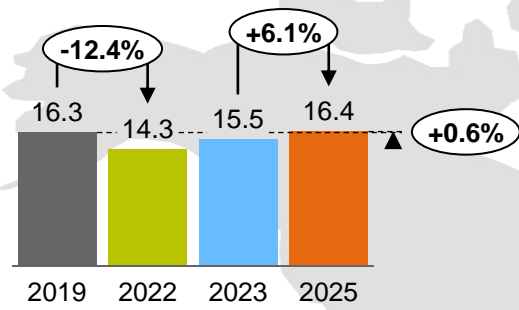
## Appendix



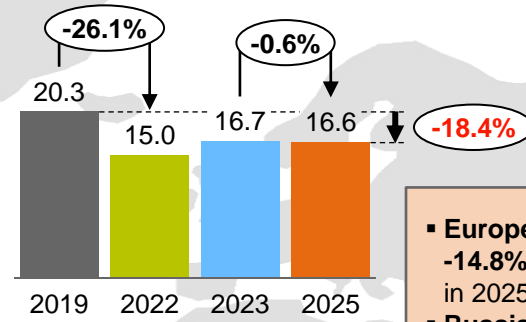
# Light vehicle production by region

## 2019 production volumes likely to be exceeded by 2025

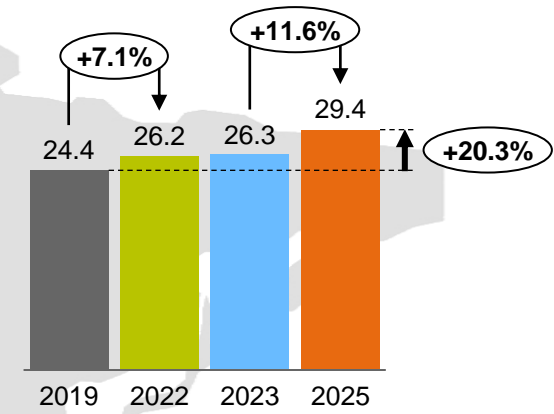
- 89.0 m units in Actuals 2019
- 82.3 m units in Actuals 2022 (-7.4%) vs. 2019
- 86.7 m units in Actuals 2023 (+5.3%) vs. 2022
- 90.5 m units in Forecast 2025 (+4.4%) vs. 2023



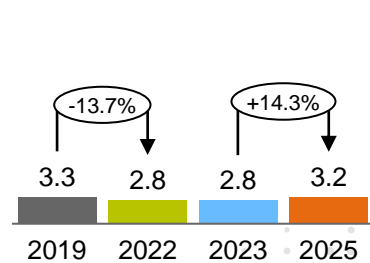
North America



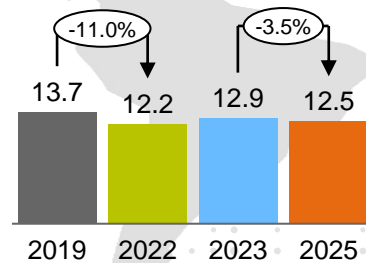
BG Europe



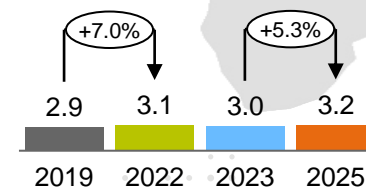
China



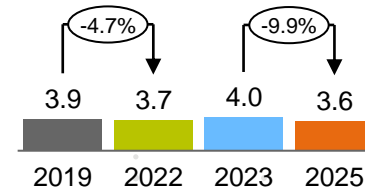
South America



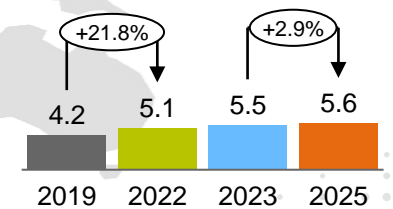
Rest of Asia



Rest of World



South Korea



India

- Europe excl. Russia to decline by -14.8% from 18.7m in 2019 to 15.9m in 2025 vs. -18.4% incl. Russia
- Russian production volume to decline by 1.1m from 1.6m in 2019 to 0.6m in the foreseeable future

# CO<sub>2</sub> emissions, waste and water (excl. Borgers)

### Sources of CO<sub>2</sub> emissions according to Greenhouse Gas Protocol



**Scope 1** ~ 5%  
Direct emissions from company-owned and controlled resources  
Levers: steam loss, thermal insulation



**Scope 2** ~ 10%  
Indirect emissions from the generation of energy purchased from a utility provider  
Levers: compressed air, lighting, renewable energy



**Scope 3** ~ 85%  
Indirect emissions in the value chain of the reporting company (upstream and downstream)  
Levers: supply chain, transport, waste



### Revised environmental operational targets 2027

Reduce Scope 1 & 2 emissions by **20%**

Increase the share of renewable electricity to **25%**

Reduce Scope 3 emissions by **20%** for 2/3 of the total scope

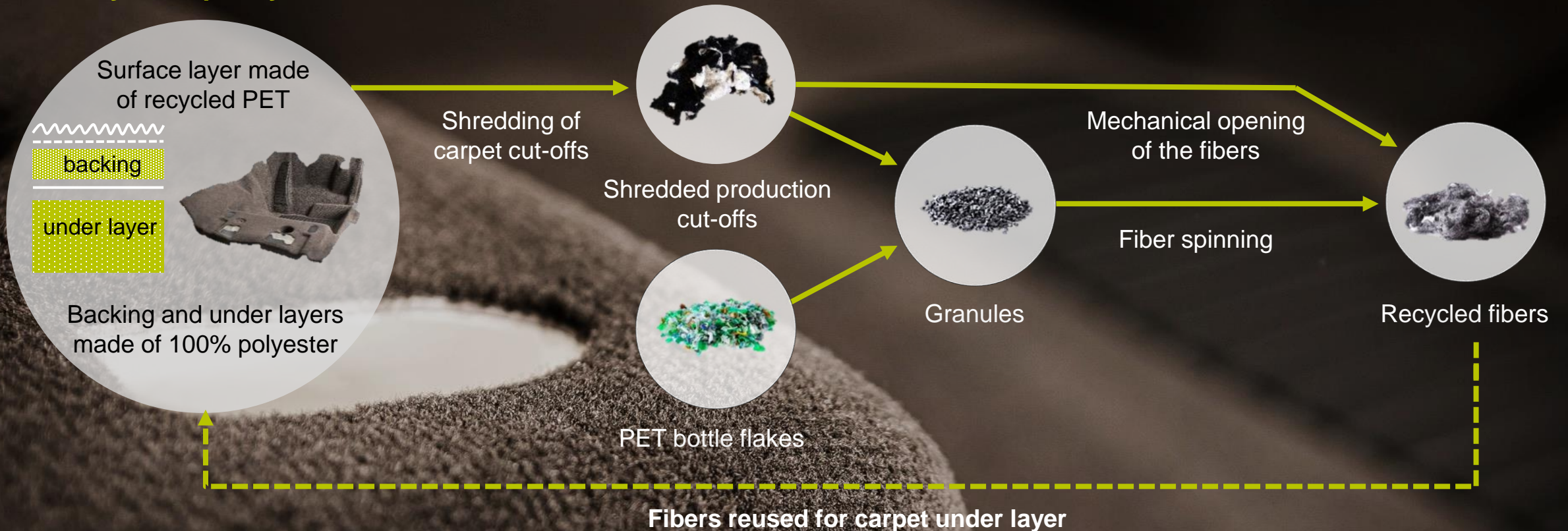
Reduce total non-hazardous waste volume by **40%**

Reduce water consumption by **10%**

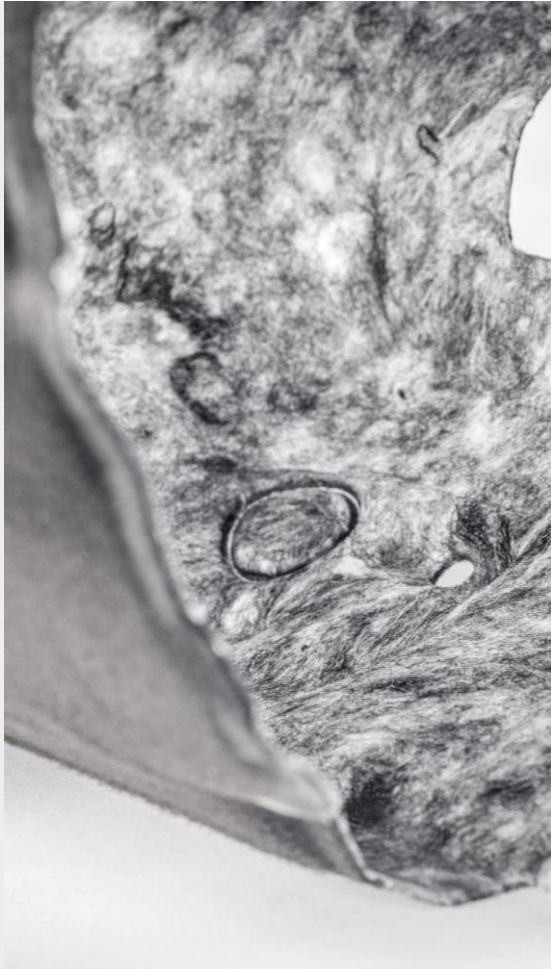
## Selected innovations

### Fully recyclable carpet systems made of 100% polyester

#### Multilayer carpet system







### Technology

## Hybrid-Acoustics PET

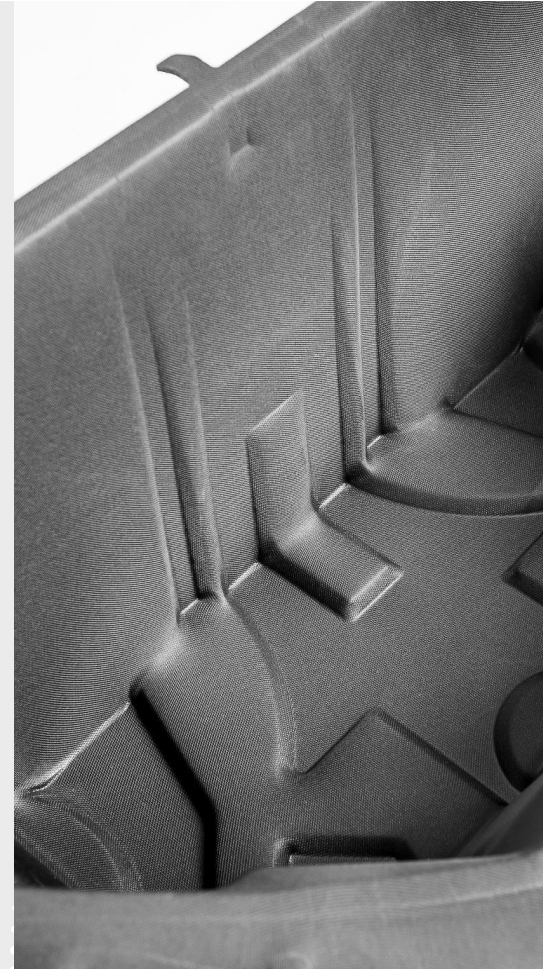
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### Application

- E-motor encapsulations

### Advantages

- Contains up to 50% recycled fibers
- Made of 100% PET and thus fully recyclable at the end of the product life cycle
- Optimized noise protection at the source and at the same time 50% lighter than comparable standard solutions



### Technology

## Ultra-Silent

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### Application

- Frunk for electric vehicles
- Underbody systems

### Advantages

- 50% lighter than plastic solutions common today
- Made from up to 70% recycled material
- Sound-absorbing textile material composition



### Process

## Alternative Backcoating (ABC)

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### Application

- Needlepunch carpets

### Advantages

- Use of thermoplastic adhesive instead of latex
- Improved recyclability at the end of the product life cycle
- Manufacturing process requires no water and less energy than the production of latex-based backcoatings

### Technology

## Flexi-Loft

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### Application

- Inner dashes
- Carpets

### Advantages

- Unique fiber blend increases sustainability geometrical adaptability of components
- Felt-based material made from at least 50% recycled cotton fibers
- Lightweight, versatile and sound-absorbing

# Disclaimer / Legal Note

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This document contains forward-looking statements that are not historical facts. By their nature, forward-looking statements and the assumptions underlying them involve potentially inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, outlooks, projections and other outcomes described, assumed or implied therein will not occur. Important factors that could cause such differences include, but are not limited to, the future geopolitical environment, economic conditions, market conditions, currency exchange rates, legislative, tax and regulatory developments, activities of competitors and other factors within or outside Autoneum's control. Although Autoneum believes that its expectations reflected in such forward-looking statements are based on reasonable assumptions, due to the uncertainties and risks mentioned above, no assurance can be given that these expectations will be realized. Autoneum also assumes no obligation to update forward-looking statements or to conform them to future events or developments.

The vehicle production figures are based on the latest estimates of S&P Global Mobility.

Autoneum. Mastering sound and heat.

autoneum

