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Media release

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Ad hoc announcement pursuant to Art. 53 LR

Feintool demonstrates its strength and secures significant contracts in the first half of the year

Feintool achieved sales of CHF 450.0 million and a positive operating result (EBIT) of CHF 12.2 million (2.7%) from January 1 to June 30, 2023, just below its target of 3%. The company slightly raises its sales guidance to CHF 850-900 million for the entire fiscal year, and confirms its profitability guidance (EBITDA margin of 10% and an EBIT margin of around 3%).

The Group faced challenges in the first six months due to external developments. In particular, the sudden turnaround in China's corona policy had an impact on the market in Asia. Original Equipment Manufacturers (OEMs) closed their automotive plants, which impacted sales. Since the start of the COVID-19 pandemic, persistently high inflation and rising energy prices have also affected the profitability of the business, price adjustments and influencing the entire supply sector. By contrast, bottlenecks in the supply chains have eased further, particularly in the procurement of semiconductors.

Despite these challenges, Feintool has taken proactive and successful steps as a key player in the transformation of the automotive industry. By strategically realigning its approach, the share of sales attributed to components for combustion engines was reduced to less than 50%. Feintool is focusing on promising solutions for electric and hydrogen mobility as well as the generation of renewable energy through wind power and industrial electric drives. In this area, Feintool is one of the largest suppliers of main drives for e-cars and e-commercial vehicles.

Solid performance despite challenges

In light of these external and industry-specific conditions, the Feintool Group achieved sales of CHF 450.0 million by June 30, 2023. As a result of the sale of the capital goods business in the spring, with Feintool retaining a minority stake of 15 %, the company adjusted the sales forecast for 2023 in May. The operating result (EBIT) for the first six months amounted to CHF 12.2 million, and the EBIT margin of 2.7 % was slightly below the target of 3 %. while the 10 % EBITDA target was narrowly missed, arriving at 8.9 %. Feintool remains optimistic and expects to rebound from the slower performance experienced in the first half of the year within its Asian market, and is positioned for growth during the final two quarters. As a pure player, the Group is a global leader in high volume parts production.

Significant major orders

In Europe, Feintool landed a multi-year order from a renowned American automotive manufacturer in July 2023. The order encompasses the supply of stators and rotors for the electric main drive of passenger cars and has a lifetime sales volume in the three-digit million euro range over six years. Our one-of-a-kind glulock MD bonding technology is being used in high volume production for the first time in the manufacture of these components.

Expansion in Asia and focus on sustainability

Given the significance of the Chinese market for the automotive industry, Feintool plans to further expand in Asia and increase its sales volume from the current around CHF 90 million to CHF 150 million by 2026. To achieve this, the Taicang site near Shanghai has been strengthened and the expertise of the Stamping Europe business unit (in electrolamination stamping) is being established there. Feintool's innovative, patented glulock® gluing technology for rotors and stators is also generating significant customer interest. In addition, in collaboration with laser specialist SITEC, a new facility has been built for the production of metallic bipolar plates. These plates form the heart of a fuel cell for hydrogen-powered applications. Success has confirmed our investments in Taicang: This year Feintool has already been able to assert itself against stiff competition in China and secure a major contract from an established fuel cell manufacturer. Series production of the metallic bipolar plates for a new generation of fuel cells will begin in 2024. Feintool's engineering expertise and local presence were decisive in winning the contract.

Feintool also places great emphasis on sustainability and transparency. The sustainability report for the 2022 financial year, marked the company's fourth consecutive annual report. Following publication, Feintool received its first ESG rating from the analysts at Morningstar/Sustainalytics in the second quarter of 2023. With a very good rating of 17.7 (low risk), the Group was rated as outstanding in terms of managing industry specific ESG risks.

Outlook and guidance

Feintool is confident that because of its Asian operations, it will be able to offset the challenges it faced in the first half of the year during the final two quarters. The company expects sales of around CHF 850 - 900 million in the 2023 financial year, with an EBITDA margin of around 10 % and an EBIT margin of around 3 %. Feintool continues to focus on the consistent implementation of its strategy and strong positioning in the promising markets of electromobility and generators.

About Feintool

Feintool is an internationally active technology market leader in the field of stamped electro sheet products, formed steel components, and fineblanking. Cost-effectiveness, superior quality, and high productivity distinguish these technologies.

As an innovation driver, Feintool continually pushes the boundaries of these technologies and develops intelligent solutions to meet its customers' requirements. Feintool offers innovative tools and state-of-the-art manufacturing processes for all aspects of high-volume sheet metal applications in the automotive industry and other demanding industrial sectors as well as renewable energies. The processes used to support the megatrends of green energy generation, storage, and application.

Founded in 1959 and headquartered in Switzerland, the company owns 17 production plants in Europe, the United States, China, and Japan, ensuring proximity to its customers. Around the globe, about 3,300 employees and around 100 apprentices are at work on new solutions to create key advantages for Feintool customers.

Overview of key financial indicators

	Jan 1 – June 30, 2023 1) in CHF million	Jan 1 – June 30, 2022 1) in CHF million	Change in %	Change in lo- cal currency in %
Net revenue of the Feintool Group	450.0	397.6	13.2	18.0
System Parts Europe	321.5	255.0	26.1	30.3
System Parts USA	91.1	101.6	-10.4	-7.3
System Parts Asia	39.7	43.4	-8.5	5.5
Earnings before interest, taxes, depreci- ation, and amortization (EBITDA)	40.3	44.0	-8.6	-3.0
Earnings before interest and taxes (EBIT)	12.2	16.2	-25.1	-18.2
System Parts Europe	9.7	15.9	-39.1	-36.1
System Parts USA	7.4	3.7	101.6	108.5
System Parts Asia	1.1	2.0	-47.7	-68.1
Group result	6.5	10.4	-37.7	-15.6
Free cash flow	-0.4	-51.5		

1 Only continuing operations (without Fineblanking Technology segment).

	June 30, 2023 in CHF mil- lion	December 31, 2022 in CHF mil- lion	Change in %
Total assets	864.4	915.0	-5.5
Shareholder's equity	505.4	540.5	-6.5
Net debt	51.4	42.1	22.2
Employees	3'284	3'390	-3.1
Trainees	92	101	-8.2

All the information related to Feintool's results for the first half of 2023 can be found in the 2023 half-year report. <https://www.feintool.com/financial-results/>