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Media release

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Feintool posts strong business performance in first half of 2021

Mainly driven by the automotive industry's recovery, the technology group achieved sales of CHF 303 million in the first semester of 2021. Operating earnings (EBIT) for the period stood at CHF 19.2 million, corresponding to an operating EBIT margin of 6.3 percent. Feintool is optimistic about the full year outlook, despite uncertainties in the global supply chains.

Following sharp declines in the wake of COVID-19, the markets relevant to Feintool have recovered significantly in recent months. The revitalized market environment offered a solid foundation upon which to operate, and parts sales increased in all regions of the group. All key areas in which Feintool is active recorded double-digit year-over-year growth. New vehicle registrations in Europe and Asia grew by around 27 percent each, while in the United States, the increase stood at 29 percent.

Feintool's strong business performance reflected both the more stable market environment and our internal improvement measures. Standardizing, further development, and digitizing of technical production processes. Furthermore insourcing of processes such as tempering as well as expanding the value chain through capital expenditures on machining equipment. Among other actions, this was a contribution to position the group efficiently and cost-consciously. Feintool also recorded brisk project activity, including in the area of electrolamination stacks for electric main drives, as well as an encouraging high number of new nominations in fineblanking and forming technologies.

Back on track for growth

The Feintool Group generated net sales of CHF 302.6 million in the first half of 2021, which corresponds to an increase of 42.6% (42.8% in local currency). While sales in the parts business (System Parts segment) increased by 44.5% to CHF 285.3 million, sales in the capital goods business (Fineblanking Technology segment) fell by 7.9% to CHF 21.1 million. Operating EBITDA rose to CHF 44.7 million in the reporting period, and the operating EBITDA margin to 14.8%. Operating earnings (EBIT) totaled 19.2 million, corresponding to an operating EBIT margin of 6.3%. Taking the one-off effects into account, EBIT totaled CHF 21.5 million, corresponding to an EBIT margin of 7.1%. In the Fineblanking Technology segment, lower sales resulted in an EBIT loss of CHF 2.0 million. In this context, Feintool continued to invest heavily in research and development as an investment in the future. Operating earnings generated by the System Parts segment increased significantly to CHF 24.7 million.

Supply bottlenecks threatens recovery

The recovering economy and the resulting increase in overall demand in the automotive industry has also had negative aspects, however. The semiconductor industry in particular is struggling with bottlenecks in global supply chains and has therefore become a major source of uncertainty for the coming reporting period. Feintool does not expect the semiconductor supply situation to improve in the short term. This means that the company will only be able to plan production over the coming months to an extremely limited extent.

The situation is quite similar when it comes to our most important raw material - steel. Supply bottlenecks and drastic price increases for steel are endangering the recovery process which has got off to a good start at suppliers and car manufacturers. The strained situation is expected to continue into the second half of the year as well.

Nevertheless, Feintool is confident about the second half of the year thanks to its broad technological base, attractive projects, targeted investments and highly trained and motivated employees. The group will continue to move ahead with the transformation initiated in line with its strategy.

Guidance

The recovery seen in the first half of 2021 is expected to continue into the second half of the year. At the same time, however, uncertainties in the global supply chains will continue to persist. The semiconductor and steel shortages relevant to the automotive industry and the rising raw-material prices are particularly weighing on our industry. Barring any unforeseen circumstances, including a renewed outbreak of COVID-19, Feintool expects sales of between CHF 580 and CHF 600 million and an EBIT margin before one-off effects of around 6% for the whole year 2021.

About Feintool

Feintool is an internationally active technology and market leader in the field of fineblanking. This technology is characterized by cost-effectiveness, highest quality and productivity.

As a driver of innovation, we continually expand the horizons of fineblanking and develop intelligent solutions to meet the requirements of our customers: either fineblanking systems with innovative tools or the complete production of precise fineblanked, formed and stamped electro lamination components in high outputs for demanding industrial applications.

The processes used support the trends in the automotive industry. Feintool acts as a project and development partner in the areas of lightweight construction/sustainability, module variations/platforms and alternative drive concepts such as hybrid and electric drives.

The company, founded in 1959 and headquartered in Lyss, Switzerland, owns its production plants and technology centers in Europe, the United States, China and Japan, always making sure to be geographically close to its customers. Around 2,600 employees and over 80 trainees work worldwide on new solutions and create key advantages for Feintool customers.

Overview of key financial indicators

	January 1 to June 30, 2021 in CHF million	January 1 to June 30, 2020 in CHF million	Change in %	Change in local currency in %
Net sales Feintool Group	302.6	212.3	42.6	42.8
Fineblanking Technology segment	21.1	22.9	-7.9	-7.3
System Parts segment	285.3	197.5	44.5	44.7
EBITDA¹	44.7	8.0	458.9	458.7
Operating earnings (EBIT)²	19.2	-17.4	210.2	-258.2
Fineblanking Technology segment ³	-2.0	-3.6	43.7	-44.4
System Parts segment ⁴	24.7	-9.3	364.8	-454.2
Group result	13.2	-17.5	175.1	-232.8
Free Cashflow	8.3	-19.0	143.8	
Orders received – capital goods	19.3	11.8	62.9	64.9
Orders backlog – capital goods	10.7	12.3	-13.4	-11.8

1 Without positive one-off effect in the amount of CHF 10.6 Mio.

2 Without positive one-off effect in the amount of CHF 2.4 Mio.

3 Without positive one-off effect in the amount of CHF 3.0 Mio.

4 Without negative one-off effect in the amount of CHF -0.6 Mio.

	30.06.2021 in CHF million	31.12.2020 in CHF million	Change in %
Total assets	712.4	677.1	3.9
Shareholder's equity	326.6	293.9	15.5
Net debt	131.5	146.9	-10.5
Employees	2 545	2 570	-1.0
Apprentices	75	100	-25.0

All of the information related to Feintool's results for the first half of 2021 can be found in the 2021 half-year report, which is available online at <http://www.feintool.com/en/company/investor-relations/>