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Media release

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Feintool posts strong half-year business performance and announces change of CEO

Feintool achieved its objectives for the first half of 2022 in a very challenging market environment. The group generated sales of CHF 411.5 million and positive earnings before interest and taxes (EBIT) of CHF 14.6 million in the period through June 30, 2022. CEO Knut Zimmer will step down at the end of 2022, and will be succeeded by Torsten Greiner.

The global market environment remained difficult in the first half of 2022. In addition, new challenges such as the Russo-Ukrainian War and its impact on energy prices and inflation emerged – and affected different regions in different ways. The COVID-19 pandemic also continues to cause uncertainty in the markets, even though China has temporarily lifted its lockdowns.

Despite these challenging conditions, Feintool achieved its objectives. Considering that external uncertainties and restrictions slowed down business activity, sales in the parts business were encouraging in the first half of the year. Key factors with an impact on this segment include steel and energy prices, as well as the further development of the COVID-19 pandemic.

Feintool continues to grow

Consolidated sales increased by 36.0% to CHF 411.5 million in the reporting period (previous year: CHF 302.6 million). The System Parts Europe segment's sales in the reporting period increased by 55.0% to CHF 255.0 million (previous year: CHF 164.5 million). This increase was driven by the acquisition of Kienle + Spiess. Sales generated by Kienle + Spiess amounted to CHF 82.4 million, resulting in organic growth of approximately 13.3%. Sales generated by System Parts USA grew by 22.3% to CHF 101.6 million (previous year: CHF 83.1 million). System Parts Asia increased sales by 13.0% to CHF 42.8 million (previous year: CHF 37.9 million).

Sales generated by the Fineblanking Technology segment fell, however, by 31.9% to CHF 14.4 million (previous year: CHF 21.1 million). In particular, the overcapacity in the market for installed fineblanking presses is having a negative impact on Feintool's capital goods business.

Operating EBITDA decreased to CHF 43.2 million in the reporting period, corresponding to an EBITDA margin of 10.5%.

Feintool generated earnings before interest and taxes (EBIT) of CHF 14.6 million in the reporting period. This corresponds to an EBIT margin of 3.5%.

Acquisition of Kienle + Spiess GmbH: ideal market positioning

The group completed the acquisition of Kienle + Spiess GmbH, a leading specialist in rotors and stators for electric drive systems. Thanks to this significant enhancement to its electrolamination stamping operations in the parts business, Feintool is now in an excellent position not only to capitalize on the growing market for all-electric vehicles and vehicles with hybrid drive systems, but also to serve the growing emerging markets of renewable power generation, such as wind power, and industrial electric drives, such as electric machine drives, pumps, and drives used in building technology, which Kienle + Spiess GmbH already supplies today. The newly established «Stamping Europe» business unit has contributed to the group's profitability from the beginning.

Global developments are looking very promising for Feintool and its business units. The share of all-electric vehicles in global production will stand at around 40 percent by the end of this decade. In the case of industrial demand for electricity, approximately 70 percent is required to operate electric motors and electromotive systems (source: International Energy Agency (IEA), 2021). There's significant energy-saving potential and a need to reduce energy consumption by making drive systems more efficient. The expansion of renewable energy sources will increase worldwide over the long term.

The large-scale production of ready-to-install bipolar plates on the FB one fineblanking press opens up another attractive market for Feintool with great potential for its technology and parts businesses. These plates are used in fuel cells to generate electricity from hydrogen and in electrolyzers to produce hydrogen from water.

Thanks to its broad technological base, attractive projects, targeted investments, and well-trained and motivated employees, Feintool is looking ahead to the second half of the year with confidence and is continuing its transformation in accordance with its strategy.

Guidance: Sales target for second half of the year increased

The company expects a slight upturn in the parts business in the second half of 2022, although this is likely to vary from region to region. Supply chains should continue to stabilize worldwide. The press business is still performing weakly as a result of overcapacities in the market.

Feintool expects sales of around CHF 850 million for the 2022 financial year, with a double-digit EBITDA margin and an EBIT margin before one-off effects of over three percent.

This forecast remains subject to change, however, as the ongoing negative effects of the Russo-Ukrainian War, inflation, semiconductor shortages, and further waves of the COVID-19 pandemic cannot be fully assessed.

Announcement: Change of CEO in 2023

The Board of Directors of Feintool International Holding AG has appointed Torsten Greiner to the position of CEO effective January 1, 2023. Knut Zimmer, the previous CEO, has decided to step down at the end of 2022 for personal reasons. The outgoing Knut Zimmer took over the CEO position at Feintool five years ago.

Chairman of the Board of Directors Alexander von Witzleben deeply regrets the decision of Knut Zimmer and thanks him for his many years of service and successful work together: "Over the past few years, Knut Zimmer has done an outstanding job of preparing Feintool for the coming years of transformation in an extremely challenging environment. Growth, profitability, new markets such as electric mobility and an industrial focus, as well as new products, form an excellent foundation for the group's future."

Torsten Greiner has many years of experience in the automotive industry and strategic corporate development. He was most recently CEO of Edscha Holding GmbH in Germany, a strategic development partner to the international automotive industry, for eleven years. In this role, he

achieved a significant profitable increase in growth and the internationalization of the company in a short period of time.

Alexander von Witzleben on the election: "With Torsten Greiner, we are fully convinced that we have found the ideal person to head our group. After an extensive, international selection process, we are very pleased to have gained such a proven manager in the automotive supply industry for the future Feintool."

About Feintool

Feintool is an international technology and market leader in the fields of fineblanking, forming, and electrolamination stamping for processing steel sheets. These technologies are characterized by their cost-effectiveness, quality, and productivity.

As a company driving innovation, Feintool continuously pushes the boundaries of these technologies and develops intelligent solutions that meet its customers' needs, such as high-performance fineblanking systems with innovative tools and modern manufacturing processes on the one hand, and overall processes for high-precision fineblanking, forming, and stamped electrolamination components in high quantities for demanding automotive and industrial applications on the other.

The processes we use support trends in the automotive industry. In this context, Feintool is the development partner in the fields of lightweight construction/sustainability, platform and automated drive concepts, electric drives, and hybrids.

The company, founded in 1959 and headquartered in Switzerland, has 19 of its own production plants and technology centers in Europe, the United States, China, and Japan, and is thus never far from its customers. Approximately 3 500 employees and 100 vocational trainees work across the globe on new solutions.

Overview of key financial indicators

	Jan 1 – June 30, 2022 in CHF million	Jan 1 – June 30, 2021 in CHF million	Change in %	Change in lo- cal currency in %
Net revenue of the Feintool Group	411.5	302.6	36.0	40.5
Fineblanking Technology segment	14.4	21.1	-31.9	-32.1
System Parts Europa	255.0	164.5	55.0	65.1
System Parts USA	101.6	83.1	22.3	18.3
System Parts Asien	42.8	37.9	13.0	14.2
Earnings before interest, taxes, depreci- ation, and amortization (EBITDA)	43.2	44.7¹	-3.4	1.3
Earnings before interest and taxes (EBIT)	14.6	19.2²	-24.2	-17.6
Fineblanking Technology segment	-3.5	-2.0 ³	-72.0	-72.2
System Parts Europa	15.9	14.7 ⁴	8.2	17.2
System Parts USA	3.7	7.2 ⁵	-49.4	-51.1
System Parts Asien	3.8	2.7	39.3	43.3
Group result	8.5	13.2	-35.1	-28.9
Free cash flow	-51.5	12.0	529.4	
Orders received from third parties (capital goods) (Fineblanking Technology segment)	12.6	19.3	-34.9	-34.9
Order backlog for third parties (capital goods) (Fineblanking Technology segment)	16.8	10.7	57.7	57.4

1 Excluding positive one-off effect in the amount of CHF 10.6 million.

2 Excluding positive one-off effect in the amount of CHF 2.4 million.

3 Excluding positive one-off effect in the amount of CHF 3.0 million.

4 Excluding negative one-off effect in the amount of CHF 8.3 million.

5 Excluding negative one-off effect in the amount of CHF 7.6 million.

	June 30, 2022 in CHF mil- lion	December 31, 2021 in CHF mil- lion	Change in %
Total assets	939.6	684.4	37.3
Shareholder's equity	543.9	338.4	60.7
Net debt	57.3	120.7	-52.5
Employees	3 487	2 478	40.7
Trainees	98	89	10.2

All the information related to Feintool's results for the first half of 2022 can be found in the 2022 half-year report, which is available online at <https://www.feintool.com/en/company/investor-relations/>