

Ad hoc announcement pursuant to Art. 53 LR

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Winterthur, July 27, 2022

Well positioned for e-mobility and sustainability, but low production volumes and inflation impact profitability and the net result

Lower volumes due to geopolitical developments and the sharp rise in inflation impacted the result in the first half of 2022. In a slightly declining market, Autoneum increased revenue in local currencies by 0.5%. At CHF 888.7 million, revenue in Swiss francs reached the previous year's level. Despite the challenging environment, Autoneum achieved a positive operating result of CHF 6.4 million (EBIT margin: 0.7%). The net result decreased to CHF –12.8 million. On the other hand, Autoneum was able to generate a solid free cash flow of CHF 45.2 million. A high demand for sustainable products for electric vehicles confirms that Autoneum is well positioned for this growing market of the future.

Current geopolitical developments substantially affected business performance in the first half of 2022. They are accompanied by accelerating inflation and significant price increases in the commodities markets, which the war in Ukraine has further exacerbated. These developments are also delaying market recovery in the automotive industry. Autoneum does everything it can to minimize the impact on the Group. Despite the present challenges, we will continue to implement our strategy, focusing on innovative and sustainable technologies for growing markets of the future.

Revenue development influenced by the war in Ukraine and supply chain bottlenecks

Global automobile production fell by 1.8%* in the first half of 2022 compared to the prior-year period. Autoneum's revenue in local currencies, on the other hand, increased by 0.5%, supported by inflation-induced price increases. Revenue in Swiss francs reached approximately the previous year's level with CHF 888.7 million (prior-year period: CHF 890.3 million). Since the outbreak of war in Ukraine, new bottlenecks in global supply chains – a lack of cable harnesses, in particular – have impacted vehicle manufacturers' production volumes and thus dampened revenue and earnings development for the automotive supply industry in the first half of 2022, especially in Europe. In addition, revenue in Asia declined because of the coronavirus-related lockdowns in China in the second quarter. In contrast, Business Group SAMEA (South America, Middle East and Africa) was able to considerably increase its revenue.

Low production volumes and high inflation impact profitability

At the Group level, Autoneum achieved a positive operating result (EBIT) of CHF 6.4 million (prior-year period: CHF 44.7 million) despite the challenging environment. On the one hand, the decline in the EBIT margin from 5.0% to 0.7% compared with the prior-year period is attributable to the sharp rise in global material, energy and transport costs, which have increased further as a result of the sanctions against Russia and can only be offset by customer contributions with a certain delay. On the other hand, the result was impacted by an unfavorable mix effect in regional revenue development: Reduced production volumes translated into a significant fall in revenue and earnings, particularly in the usually high-margin regions Asia and Europe, which could not be offset by the very good result in the SAMEA region. The ongoing shortage of semiconductors led to stop-and-go production among vehicle manufacturers, which made it harder for Autoneum to control

production capacities. In North America, the tight labor market made it nearly impossible to keep production flexible. The earnings decline was also influenced by two one-off effects: a negative special effect in the amount of CHF 5.6 million caused by a distressed supplier in the US and a positive special effect in the prior-year period in Europe in the amount of CHF 4.8 million that no longer applied in the first half-year 2022. The net result declined by CHF 38.3 million to CHF –12.8 million (prior-year period: CHF 25.5 million).

Solid free cash flow enables further reduction in net debt

The Company succeeded in generating a solid free cash flow of CHF 45.2 million, despite the challenging operating environment. Thanks to the positive free cash flow, net debt excluding lease liabilities was reduced by a further CHF 17.5 million to CHF 233.9 million (December 31, 2021: CHF 251.4 million). The equity ratio remained almost unchanged at 28.8% compared to the year-end 2021 (December 31, 2021: 30.0%)

Business Groups

Revenue of Business Group Europe was most affected by the consequences of the war in Ukraine and recorded the largest decline. Supply chain bottlenecks caused by a shortage of specialty components such as cable harnesses, which are produced in Ukraine, led to frequent production stoppages and cutbacks at vehicle manufacturers in Europe. In local currencies, revenue of Business Group Europe shrank by 6.7% and developed in line with the market when factoring in inflation-related price increases. Revenue in Swiss francs fell to CHF 315.8 million (prior-year period: CHF 354.8 million). EBIT decreased to CHF 1.0 million (prior-year period: CHF 26.6 million), and the EBIT margin declined from 7.5% to 0.3%. The main reasons were the low and volatile production volumes of vehicle manufacturers, which made it difficult to manage Autoneum's production capacities, and inflation not yet fully compensated by customers. Likewise, the positive one-off effects in the amount of CHF 4.8 million effective in the first half of the previous year no longer applied.

Business Group North America increased its revenue in local currencies by 4.0% and thus developed slightly below the regional market, which grew by 4.7%* overall. In Swiss francs, revenue increased by CHF 27.0 million to CHF 383.0 million (prior-year period: CHF 356.0 million). EBIT decreased by CHF 11.6 million to CHF –21.6 million (prior-year period: CHF –10.0 million) and the EBIT margin declined by 2.8 percentage points to –5.6% (prior-year period: –2.8%). On the one hand, this decline was caused by accelerating inflation of costs for raw material, energy and transport and, on the other hand, by a negative one-off effect of CHF 5.6 million arising from a distressed supplier. Moreover, the implementation of flexibilization measures was hampered by stop-and-go production caused by the ongoing shortage of semiconductors as well as cyclically tight labor market conditions.

Business Group Asia achieved a positive EBIT of CHF 12.7 million (prior-year period: CHF 16.1 million), despite a decline in revenue due exclusively to the COVID-related lockdowns and the resulting production losses in the second quarter in main market China. Revenue in Swiss francs amounted to CHF 131.6 million (prior-year period: CHF 134.1 million). The EBIT margin decreased by 2.3 percentage points to 9.6% (prior-year period: 12.0%) as a result of lower revenue and rising inflation.

Business Group SAMEA achieved hyperinflation-adjusted revenue growth in local currencies of 49.4% in the first half of 2022, supported by the ramp-up of new programs in South America. Due to the continuing high devaluation of various local currencies, revenue in Swiss francs increased by CHF 14.4 million to CHF 58.8 million (+32.4%). The markets of this region were also affected by inflationary costs for raw material, energy and transport, although the prevailing local pricing policy provides for inflation and currency adjustments. Thanks to further operational improvements, Business Group SAMEA achieved one of its best results to date, with a positive EBIT of CHF 9.8 million (prior-year period: CHF 6.4 million) and an EBIT margin of 16.6% (prior-year period: 14.5%).

Well positioned for e-mobility and sustainability

Autoneum is very well positioned for the automotive industry's transition to e-mobility and sustainability. Its product portfolio suits all drive types, whether internal combustion, hybrid or pure electric vehicles, and is constantly being adjusted to new customer and market needs. Even today, the Company supplies many of the globally available electric models with components whose light weight enables a greater driving range and which at the same time have a positive impact on noise emissions.

The Group expects disproportionately high growth in this fast-expanding segment of e-mobility in the future. Based on incoming orders, the share of pure electric vehicles in Autoneum's revenue will surpass the share of this vehicle category in the overall market from 2023.

Increasing customer demand for environmentally friendly "Autoneum Pure." technologies strongly supports Autoneum's early orientation toward sustainable mobility. This demand also confirms that Autoneum is very well positioned with its product portfolio to cater especially to the e-mobility market of the future.

Expanding the product portfolio for electric vehicles

Increasing requirements on sustainable mobility are leading to stronger customer demand for fiber-based and recyclable products. This trend is positive for Autoneum, since sustainable technologies and products that simultaneously fulfill acoustic and thermal requirements are a core competency of the Company. Autoneum thus made it a priority focus in the first half of 2022 to expand and further strengthen the market position of its especially environmentally friendly textile "Autoneum Pure." technologies, which are suitable for all drive types.

In addition, the Company recognized early on the growing demand for noise-reducing, lightweight components in both the front and the rear of e-cars, and extended its proven concepts for sound-absorbing engine encapsulations to new applications related to electric drives.

With Hybrid-Acoustics PET, Hybrid-Acoustics FLEX and Fit FLEX, Autoneum now offers three standardized technologies that reduce noise directly at the source and thereby considerably improve driving comfort. All three technologies are produced waste-free. Furthermore, their adaptability to different sizes and shapes allows for a broad spectrum of uses in electric vehicles: from e-motor encapsulations to reduction of noise and vibration in inverters, gearboxes, pumps and compressors. By offering different versions, Autoneum can cater flexibly to individual customer needs and preferences in terms of material composition, acoustic concept, sustainability and costs.

Autoneum joins the Science Based Targets initiative

After expanding its environmental targets last year with a time horizon to 2027 and quantifiable targets for all direct and indirect greenhouse gas emissions, Autoneum recently signed the declaration to join the Science Based Targets initiative (SBTi). Autoneum recognizes the urgent need for action and will submit ambitious, science-based targets for near-term reduction of CO₂ emissions in line with SBTi requirements. In its Corporate Responsibility Report 2021, published in June 2022, the Company presents its ambitious environmental, social and governance targets and outlines the main quantitative and qualitative progress. In addition, and for the first time, the Company reports comprehensively on its Scope 3 emissions. Autoneum views its mission to advance sustainability as a long-term commitment for the future and will continue to implement appropriate measures even under challenging circumstances.

Outlook

According to global market forecasts*, automobile production will pick up again in the second half of the year with growth of 8.8% compared with the first half-year 2022. For full-year 2022, global automobile production is projected to reach 80.8 million vehicles, which is equivalent to a 4.7% increase on 2021. Based on the market forecasts, Autoneum expects to improve the operating result for the second half of the year. This will be supported by ongoing customer negotiations with a view to fair sharing of costs, the accompanying contribution of vehicle manufacturers to shouldering the sharp increases in material, energy and transport costs and the foreseeable normalization of production after the easing of lockdown measures in China. On this basis, Autoneum expects substantially enhanced results for full-year 2022, as well as an improvement in the EBIT margin to 2.0% to 3.0%. Free cash flow is expected to be in the mid to high double-digit million range for the full year 2022.

*Source: IHS "Light Vehicle Production Forecasts" – July 15, 2022

Semi-Annual Report 2022 and presentation

The Semi-Annual Report 2022 and the presentation on the half-year results 2022 can be found on www.autoneum.com/investor-relations/financial-reports.

Half-Year Results 2022 Conference Call

Autoneum will hold a conference call on the half-year results 2022 on July 27, 2022 at 9 am CET.

For further information, please contact:

Investors and Financial Analysts

Bernhard Weber
Head Financial Services & IR
T +41 52 244 82 07
investor@autoneum.com

Media

Claudia Güntert
Head Corporate Communications
T +41 52 244 83 88
media.inquiry@autoneum.com

About Autoneum

Autoneum is globally leading in acoustic and thermal management for vehicles. The Company develops and produces multifunctional, lightweight components and systems for interior floor and engine bay as well as the underbody. Customers include almost all automobile manufacturers in Europe, North & South America, Asia and Africa. Autoneum operates 53 production facilities and employs around 11 720 people in 24 countries. The Company with its headquarters in Winterthur, Switzerland, is listed on the SIX Swiss Exchange (ticker symbol AUTN).

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