

Media release

Annual results 2013 and outlook for 2014 for the Adval Tech Group:

Adval Tech aims to achieve previous year's EBIT level in 2014 and clearly improve net result

Niederwangen, April 29, 2014, 7 a.m. – As already communicated on March 31, 2014, the Adval Tech Group significantly improved its operating result and greatly reduced its debt in the 2013 financial year. Adval Tech posted operating earnings before interest and taxes (EBIT) of CHF 6.5 million (2012: CHF -3.5 million) and thus accomplished the turnaround it was aiming for at EBIT level. In terms of net debt, the Group improved its position by more than CHF 37 million to CHF 67.9 million (2012: CHF 105.3 million). In particular, the liquidity-neutral effects of the deconsolidation of companies sold resulted in a negative net result of CHF -22.0 million (2012: CHF -15.4 million). The Adval Tech Group's equity ratio improved from 23% at the end of 2012 to 29% at the end of 2013. Assuming stable economic conditions and exchange rates, in 2014 the Group expects to achieve the previous year's EBIT level and clearly improve its net result.

As part of its focusing strategy, the Adval Tech Group has simplified its organizational structure and is now concentrating its energies in clearly defined areas of business. In the Components segment, Adval Tech is focusing on the automotive market and on related applications. In the mold-making segment, the company operates primarily in the consumer and personal care, packaging, medical and automotive markets. In China, Adval Tech closed down components production in Xiamen and mold-making operations in Shanghai in 2013 and concentrated all operations in Suzhou. Adval Tech also sold its medical technology production activities in Suzhou and its site in Querétaro (Mexico).

Total income and result

At CHF 278.8 million, the Group's total income in 2013 fell only 0.3% short of the previous year's figure of CHF 279.6 million. The Adval Tech Group generated around 70% of sales in the Components segment and around 30% in the Molds segment. Despite the deconsolidation of the two companies sold, in 2013 the Adval Tech Group increased its EBITDA by more than 50% to CHF 25.7 million (2012: CHF 16.9 million) and the EBITDA margin from 6.0% to 9.2%. EBIT improved from CHF -3.5 million in 2012 to CHF +6.5 million in 2013. The largest contributions to this positive performance came from the Swiss company Styner+Bienz FormTech AG in the Components segment and FOBOHA GmbH (Germany) in the Molds segment.

In 2013, the Group posted a negative net result of CHF -22.0 million (2012: -15.4 million). This is mainly due to the liquidity-neutral effects of the deconsolidation of companies that have been sold. Adval Tech reduced its debt by a total of CHF 37.4 million during the period under review, in line with its target. This puts the Group in a much better starting position for its future development.

Components segment

The Components segment – which produces metal and plastic parts in large batches for selected areas of application within the automotive industry, the medical technology sector and the consumer goods market – succeeded in improving its result in the year under review, despite the fact that the sale of individual companies meant the loss of a considerable portion of sales. The segment's total income declined from CHF 218.3 million to CHF 193.7 million (-11%). By contrast, EBITDA rose from CHF 10.5 million in 2012 to CHF 11.7 million (+11%), and the EBITDA margin increased from 4.8% to 6.0%.

For the Components segment, the year under review was characterized by the implementation of the focusing strategy, the sale of two companies in China and Mexico and the commencement of portfolio adjustments in China and Hungary. After BMW, the Components segment won a second car manufacturer, Audi, as a direct customer in the year under review: it is developing and producing plastic air deflection elements and air guidance systems for the new-generation A4 and Q7 models. Audi offers a variety of engine options, which means that a correspondingly diverse range of dual-component plastic parts are required for those engines' air flow systems. Adval Tech's innovative mold concept provides an efficient and reliable solution for all variations. Series production at the Hungarian site is due to start in 2015. From there the Components segment will supply the Audi plants in Bratislava and Ingolstadt.

An innovative concept has also enabled Adval Tech to win a particularly attractive new order in the metal components segment. This involves series production of the subassemblies for the electric adjustment of the steering column (telescopic and height) in the new BMW 35up platform (BMW 3, 5 and larger models). Series production is scheduled to start in 2015. For metal components production in Asia, the segment is currently looking into cooperation models similar to those in the US, where Adval Tech is already successfully working with its partner Anchor Manufacturing Group.

Molds Segment

The Molds segment develops and produces high-performance molds for the production of plastic components. In recent years, the segment has also established itself as a supplier of turnkey production systems. These systems consist of plastic injection molding machines, high-performance molds and associated automation systems. In 2013, the Molds segment generated total income of CHF 89.7 million, more than 30% about the previous year's figure of CHF 67.6 million. The segment improved EBITDA by CHF 8.0 million to CHF 12.1 million (2012: CHF 4.1 million).

Since March 2014, the segment has been operating under the uniform Adval Tech FOBOHA brand. At the beginning of March 2014, AWM Mold Tech AG was renamed FOBOHA (Switzerland) AG, FOBOHA GmbH was renamed FOBOHA (Germany) GmbH and Omni Industries Tech Center Co. Ltd was renamed FOBOHA (Suzhou) Co. Ltd.

For the Molds segment the year under review was characterized by major backlog demand from US manufacturing companies. In this environment, FOBOHA (Germany) was able to secure several large-volume orders. FOBOHA developed the injection molds for the control units of Microsoft's new Xbox One video game console and supplied a total of four production systems – comprising four injection molding machines, eight 32-cavity injection molds with turntables and associated automation. The Muri site (Switzerland) also benefited from the healthy capacity utilization in Germany. During the year under review, FOBOHA (Switzerland) AG – formerly AWM Mold Tech AG – made significant productivity improvements by exploiting the newly established synergies with FOBOHA Germany and by securing new projects in the areas of drinking bottle caps and thin-wall packaging.

The Molds segment also took a major step forward in China. Following the integration of Omni Engineering of Shanghai into the mold-making site in Suzhou, the Group now also has an efficient mold-making facility in Asia which produces highly innovative molds for global customers. FOBOHA (Suzhou) also increasingly produces molds for its own component production in Adval Tech's Components segment.

Outlook

During the current financial year Adval Tech's efforts will concentrate on further systematic implementation of the focusing strategy and a successful completion of the restructuring projects launched. Assuming stable economic conditions and exchange rates, in 2014 the Group expects to achieve the previous year's EBIT level and clearly improve its net result.

Key figures	2013	2012	Change	in %
Total income (CHF millions)	278.8	279.6	-0.8	-0.3
- Components segment	193.7	218.3	-24.6	-11
- Molds segment	89.7	67.6	22.1	32.7
Operating earnings before depreciation EBITDA (CHF millions)	25.7	16.9	8.8	52.1
- Components segment	11.7	10.5	1.2	11.4
- Molds segment	12.1	4.1	8.0	195.1
Operating earnings EBIT (CHF millions)	6.5	-3.5	10.0	n.a.
Net result (CHF millions)	-22.0	-15.4	-6.6	n.a.
Free cash flow (CHF millions)	37.8	1.1	36.7	n.a.
Number of employees on December 31	1,720	2,239	-519	-23.2
- Components segment	1,347	1,876	-529	-28.2
- Molds segment	357	345	12	3.5

Background information about the Adval Tech Group

Adding value through innovation – that's what Adval Tech stands for. As a global technology and process partner Adval Tech focuses on the complementary technologies of metal stamping and forming and plastic injection molding. In selected markets in the automotive, medical technology and consumer goods sectors, Adval Tech is a leading global supplier of series parts, subassemblies, systems and tools. As a supplier and value-adding partner, Adval Tech covers the entire value chain: from product design and the development of series parts through construction and production of the necessary tools and molds to entire production systems and the resulting manufacture of components.

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Agenda

May 22, 2014 – General Meeting of Shareholders in Berne
August 2014 – Announcement of semi-annual results 2014

Except for the historical information contained herein, the statements in this media release are forward-looking statements that involve risks and uncertainties.