

Media release on 2020 half-yearly results

Adval Tech achieves a balanced result despite Corona and difficult market environment

Niederwangen, August 21, 2020, 7.00 a.m. – The coronavirus pandemic has dealt a major blow to the automotive and automotive supply industries. And this at a time when they are undergoing a difficult transformation process. By applying targeted measures, Adval Tech has – even under these difficult circumstances – succeeded in achieving a balanced result. Overall, the Adval Tech Group posted total income of CHF 61.5 million in the first half of 2020 (1H 2019: CHF 96.5 million) an EBITDA of CHF 4.4 million (1H 2019: CHF 10.4 million) an EBIT of CHF 1.3 million (1H 2019: CHF 6.3 million) and a net profit of CHF 48,000 (1H 2019: CHF 4.2 million). The EBITDA margin was 7.2% (1H 2019: 10.8%), and the EBIT margin 2.1% (1H 2019: 6.6%). Net of exchange rate effects, EBITDA came to CHF 4.6 million and EBIT to CHF 1.3 million.

The Adval Tech Group also clearly felt the impact of the corona pandemic and the upheavals in the automotive industry in the first half of 2020. Technical, social and economic developments have fundamentally affected demand and the buying behavior of market participants. In Germany, for example, the number of vehicles built in the first half of 2020 was lower than at any time since 1975, and new car registrations fell by around one third. Interrupted supply chains and order cancellations at short notice led to delays and sharp falls in new orders. Total income fell by 36% compared with the corresponding prior-year period. By applying targeted measures, Adval Tech has – even under these difficult circumstances – succeeded in achieving a balanced result and in ensuring liquidity at all times.

Total income

In the first half of 2020, the Adval Tech Group posted total income of CHF 61.5 million (1H 2019: CHF 96.5 million). Adval Tech generated most of its turnover (77%) in the first half of 2020 with customers in Europe (1H 2019: 76%). The Group achieved 10% of its turnover with Asian customers (1H 2019: 8%), 8% of its turnover with Latin American customers (1H 2019: 11%) and 5% with customers in North America (1H 2019: 5%).

Profitability

The Adval Tech Group generated operating earnings before interest, tax and depreciation (EBITDA) of CHF 4.4 million (1H 2019: CHF 10.4 million), which corresponds to an EBITDA margin of 7.2% (1H 2019: 10.8%). Operating earnings before interest and tax (EBIT) amounted to CHF 1.3 million (1H 2019: CHF 6.3 million) and the EBIT margin to 2.1% (net of exchange rate effects: 2.0%) (1H 2019: 6.6%).

The Adval Tech Group's net profit for the first half of 2020 came to CHF 48,000 (1H 2019: CHF 4.2 million).

Outlook

The major uncertainties surrounding the coronavirus pandemic, coupled with the extensive upheavals taking place in the automotive industry, make it extremely difficult to assess the outlook for the second half of 2020. Adval Tech does not expect the pandemic to end soon and anticipates that general economic conditions will remain difficult. The Group has taken all necessary measures to mitigate the impact of the crisis as far as possible. The health and safety of the employees and the delivery capability for the customers remain Adval Tech's top priorities. In addition, even in the

current challenging situation, Adval Tech is doing its utmost to ensure the Group's liquidity at all times. A very large number of automotive sector projects already secured by Adval Tech have been postponed. Thanks to the introduction of short-time working and the temporary suspension of production operations, Adval Tech has so far succeeded in avoiding job losses. However, the company cannot rule out the need for a restructuring programme and job losses in the second half of 2020. The Adval Tech Group is not giving specific guidance on total income and EBIT in the 2020 financial statement.

Key figures	1st half of 2020	1st half of 2019	2nd half of 2019
Total income ¹⁾ (CHF million)	61.5	96.5	82.4
Net turnover (CHF million)	58.8	94.4	79.2
EBITDA ¹⁾ (CHF million)	4.4	10.4	8.0
EBIT ¹⁾ (CHF million)	1.3	6.3	4.0
Net profit (CHF million)	0.05	4.2	4.5
Operative free cash flow ¹⁾ (CHF million)	-1.1	-2.5	-1.3
Number of employees (full-time units) as per balance sheet date	1,095	1,245	1,179

¹⁾ Alternative Performance Measures, see note 3, pages 78 and 79 of the Annual Report 2019

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Brief portrait of the Adval Tech Group

Adding value through innovation – that's what Adval Tech stands for. Adval Tech is the partner of choice – for high-volume components manufactured in metal and plastic. Adval Tech focuses on the automotive market and on related applications. Adval Tech covers the entire value chain as a one-stop-shop, from product development to prototyping, to mold and tool development, and through to component production and assembly.

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Publication of 2020 semi-annual report

The 2020 semi-annual report will be published at the same time as this media release:
<http://www.advaltech.com/en/group/investors/reports/>

Agenda

End of March, 2021 – Announcement of the results for the 2020 financial year
April 27, 2021 – Conference on the 2020 Annual Report
April 27, 2021 – Publication of the 2020 Annual Report
May 20, 2021 – General Meeting of Shareholders 2021

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