

## Media release

Annual results 2018:

## Adval Tech improves profitability again

**Niederwangen, March 21, 2019, 6.30 p.m. – The Adval Tech Group remains on track with its focusing strategy. In 2018, total income was CHF 198.2 million (2017: CHF 207.9 million, - 4.7%), EBITDA was CHF 20.7 million (2017: CHF 19.2 million, +8%), and EBIT was CHF 12.4 million (2017: CHF 10.7 million, +16.0%), giving an EBIT margin of 6.2% (2017: 5.1%). Net profit for 2018 amounted to CHF 8.8 million (2017: CHF 8.7 million, +1%).**

The renewed improvement in the Adval Tech Group's profitability is principally attributable to the systematic implementation of its focusing strategy and to measures to raise productivity. Adval Tech set the following targets for 2018: complete integration of Fischer IMF (now Adval Tech (Germany) GmbH & Co. KG), successful implementation of the various relocation projects, and the resolute execution of all newly acquired projects. Adval Tech met all these targets in 2018.

### Market development

The Adval Tech Group's main target market, the automotive industry, was affected by several developments in the course of 2018. These included the global trade disputes, uncertainty about the trend towards electrification, and declining overall demand for new cars. The world's largest automotive market, China, shrank in 2018 for the first time in decades, while the European and US markets stagnated.

The delayed introduction of the new process for testing exhaust emissions (CO<sub>2</sub> and other pollutants) in Europe and the associated switch to the WLTC driving cycle in order to gain vehicle type approval is a major challenge for automotive manufacturers. As a consequence of this change, some vehicle types from well-known manufacturers were temporarily unavailable for order, while others have been taken off the sales program completely. This was reflected in sales figures and also had some impact on Adval Tech in the second half of 2018. Together with the divestment of Adval Tech Thailand in August 2018, this reduced total income by 4.7% year on year.

### Net turnover from the sale of components increased

Adval Tech was able to increase net turnover from the sale of components from CHF 152.6 million in 2017 to CHF 157.3 million in 2018. That was a rise of CHF 4.7 million, in other words, growth of over 3%. Excluding the turnover of Adval Tech Thailand, growth was over 4%.

By contrast, net turnover from the sale of the related tools for the production of components was lower in 2018 than in the previous year. This was principally due to the large number of tools invoiced in 2017.

Net profit for 2018 amounted to CHF 8.8 million (2017: CHF 8.7 million). While the sale of the operations in Thailand reduced the result by CHF 3.7 million due to recycling of goodwill to income statement, the one-time payment of CHF 2.9 million posted in the first half in connection with the sale of the Molds segment had a positive impact on the net profit.

### Market successes

Adval Tech has acquired several large orders in recent years, which will ensure capacity utilization at individual sites for years.

## Outlook

In the light of the uncertainties in the automotive industry Adval Tech expects a challenging and volatile market environment in 2019. Adval Tech sees rising demand for components for networked vehicles, autonomous driving, shared mobility and electrification as potential growth drivers. Great opportunities are also opening up with the introduction of new materials in lightweight construction concepts and the further development of the group into a global module supplier. The Adval Tech Group is not giving specific guidance on total income or EBIT in 2019.

The Adval Tech Group will present more detailed information on its annual financial statements for 2018 at its media conference in Bern on Tuesday, April 16, 2019. The Annual General Meeting of Adval Tech Holding AG will take place on Thursday, May 23, 2019.

Key figures	2018	2017	Change
Total income (CHF millions)	198.2	207.9	-4,7%
Net turnover (CHF millions)	191.3	200.3	-4,5%
Operating earnings before depreciation EBITDA (CHF millions)	20.7	19.2	+8%
Operating earnings EBIT (CHF millions)	12.4	10.7	+16%
Net profit (CHF millions)	8.8	8.7	+1%
Cash flow from operations (CHF millions)	13.7	14.5	-5,5%
Number of employees on December 31	1288	1399	-111

## Background information about 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 and assemblies 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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## Agenda

April 16, 2019, Conference for financial analysts and press conference on annual report 2018  
April 16, 2019, Publication of the annual report 2018  
May 23, 2019, General Meeting of Shareholders 2019  
End of August 2019, Announcement of semi-annual results 2019

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