

Ad hoc-announcement pursuant to Art. 53 LR on the 2021 half-year results

Marked improvement of Adval Tech's most important key figures

Niederwangen, August 20, 2021, 7.00 a.m. – The Adval Tech Group achieved very good results in the first half of 2021 and significantly improved its most important key figures compared with the first half of 2020. The recovery of the markets in the automotive industry already seen in the second half of 2020 continued in the period under review. With total income¹⁾ of CHF 90.4 million (first half of 2020: CHF 61.5 million, +46.9%), the Adval Tech Group posted operating earnings before interest, tax, depreciation and amortization (EBITDA¹⁾) of CHF 9.7 million in the first half of 2021 (first half of 2020: CHF 4.4 million, +118.8%), operating earnings before interest and tax (EBIT¹⁾) of CHF 5.8 million (first half of 2020: CHF 1.3 million, +354.9%) and net profit of CHF 4.3 million (first half of 2020: CHF 0.05 million). The EBITDA margin was 10.7% (first half of 2020: 7.2%) and the EBIT margin amounted to 6.4% (first half of 2020: 2.1%).

Although the Adval Tech Group's business was still greatly impacted by the coronavirus pandemic – with lockdowns and other regulations imposed by national governments – in the first half of 2021, Adval Tech was able to avoid taking such drastic measures as it did in 2020 with short-time working at various sites. The recovery of the markets in the automotive industry already seen in the second half of 2020 continued in the period under review.

Shortage of raw materials and vendor parts

However, the automotive industry was faced with shortages of raw materials and certain vendor parts in the first half of 2021, as well as the related sharp price increases and supply bottlenecks. The shortage of microelectronic components, for example, meant that automotive manufacturers had to scale back production, which particularly affected Adval Tech's sites in Hungary and Mexico. In Brazil, Adval Tech had to accept no less than three price increases for steel in the first six months of 2021, and in Switzerland and Germany the Group was forced to strain its net working capital in order to ensure the availability of raw materials and vendor parts. Under these circumstances, the Adval Tech Group's half-year results are particularly pleasing.

Total income¹⁾

In the first half of 2021, the Adval Tech Group generated total income¹⁾ of CHF 90.4 million (first half of 2020: CHF 61.5 million). At 75%, Adval Tech generated most of its turnover in the first half of 2021 with customers in Europe (first half of 2020: 77%). Asian customers accounted for 10% of Adval Tech's turnover (first half of 2020: 10%), Latin American customers for 8% (first half of 2020: 8%), North American customers for 6% (first half of 2020: 5%) and customers from Australia/Oceania for 1% (first half of 2020: 0%).

Profitability

The Adval Tech Group generated operating earnings before interest, tax, depreciation and amortization (EBITDA¹) of CHF 9.7 million (first half of 2020: CHF 4.4 million, +118.8%), corresponding to an EBITDA margin of 10.7% (first half of 2020: 7.2%). Operating earnings before interest and tax (EBIT¹) improved to CHF 5.8 million (first half of 2020: CHF 1.3 million, +354.9%), EBIT margin rose to 6.4%. Net profit for the Adval Tech Group amounted to CHF 4.3 million in the first half of 2021 (first half of 2020: CHF 0.05 million). Adjusted for currency effects, EBITDA¹ for the first half of 2021 amounts to CHF 9.6 million and EBIT¹ to CHF 5.7 million.

Outlook

Economic forecasts remain extremely difficult. Both the coronavirus pandemic and the supply bottlenecks for raw materials and electronic components for the automotive industry make it impossible to predict developments in the coming months. Adval Tech is therefore refraining from issuing a specific outlook for the second half of the year.

The Adval Tech Group remains cautious with regard to costs and capital expenditure. It continues to focus on implementing the acquired projects right first time.

Key figures	1 st half of 2021	2 nd half of 2020	1 st half of 2020
Total income ¹) (CHF million)	90.4	79.3	61.5
Net turnover (CHF million)	86.2	76.1	58.8
EBITDA ¹) (CHF million)	9.7	10.8	4.4
EBIT ¹) (CHF million)	5.8	5.4	1.3
Net profit (CHF million)	4.3	4.3	0.05
Operative free cash flow ¹) (CHF million)	-1.0	4.7	-1.1
Number of employees (full-time units) as at balance sheet date	1,132	1,105	1,095

¹) Alternative Performance Measures, see note 3, page 79 of the Annual Report 2020

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Background information about the Adval Tech Group

Adding value through innovation – that's what Adval Tech stands for. The Adval Tech Group is a global industrial supplier of technologically sophisticated components and subassemblies made of metal and plastic. It focuses on selected activities, especially in its main target market, the automotive industry. As a supplier and value-adding partner, Adval Tech covers the entire value chain from product development to prototyping, to mold and tool development, and through to component production and assembly. Headquartered in Switzerland, the Adval Tech Group operates a total of nine production plants. These are located in Switzerland, Germany, Hungary, China, Malaysia, Mexico and Brazil.

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Publication of 2021 semi-annual report

The 2021 semi-annual report will be published at the same time as this ad hoc announcement:
<http://www.advaltech.com/en/group/investors/reports/>

Agenda

End of March, 2022 – Announcement of the results for the 2021 financial year
April 2022 – Conference on the 2021 Annual Report
April 2022 – Publication of the 2021 Annual Report
May 19, 2022 – General Meeting of Shareholders 2022

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