Welcome to the presentation of 1HY 2016 results

International development, manufacturing and distribution specialist

Focused on technology – diversified in end markets

Today's speakers

Jens Breu
Chief Executive Officer

Rolf Frei
Chief Financial Officer

Agenda

1	Welcome and key takeaways	Jens Breu
2	Development of key financials	Rolf Frei
3	Development by segment	Jens Breu
4	Review 1HY 2016 / guidance 2016	Jens Breu
5	Q&A	Jens Breu / Rolf Frei

Key takeaways 1HY 2016

- Reported sales of CHF 689m in 1HY 2016 (+2.7% yoy).
- On a comparable basis, both the Fastening Systems (+10.0%) and Distribution & Logistics (+0.8%) segment delivered higher sales.
- At Engineered Components, reduced sales in Electronics offset good momentum in Automotive and Industrial. Segment sales declined by 5.1% at comparable basis.
- Sharp recovery of profitability by 300 bps to 13.6% EBITA due to measures to offset appreciation of CHF, productivity gains, scale effects and absence of last year's negative one-time effects.
- Attractive project pipeline maintained and substantial investments initiated to realize further growth projects.

Financial overview

CHF million	1HY16	1HY15	yoy
Gross Sales	688.8	670.4	2.7%
EBITDA	135.7	109.4	24.0%
As a % of net sales	19.7	16.5	
EBITA	93.3	70.4	32.6%
As a % of net sales	13.6	10.6	
Net Income	47.1	31.8	48.0%
As a % of net sales	6.8	4.8	
Cash net income[1)]	70.0	54.4	28.7%
As a % of net sales	10.2	8.2	

1) net income before amortization on intangible assets net of deferred taxes

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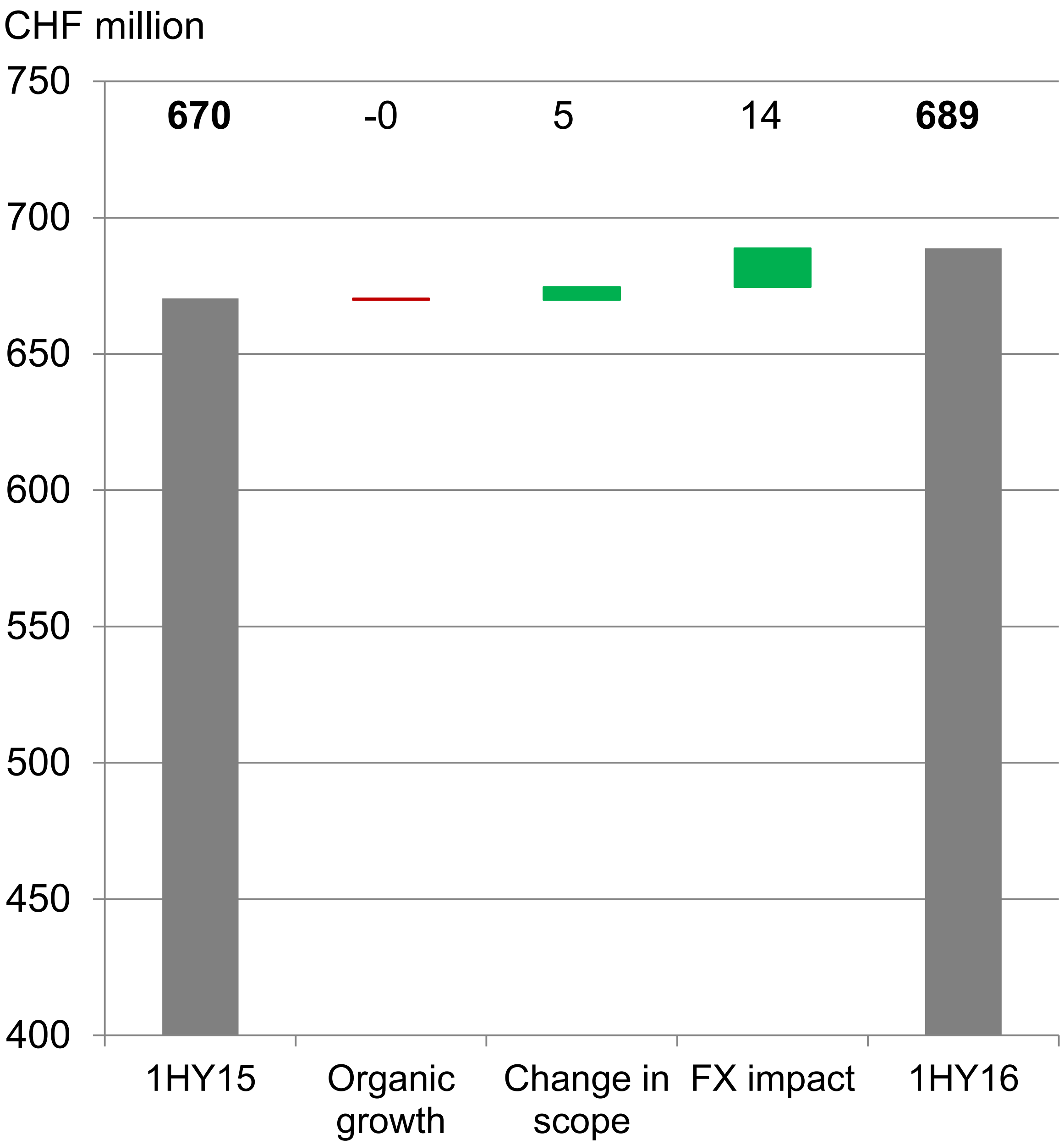
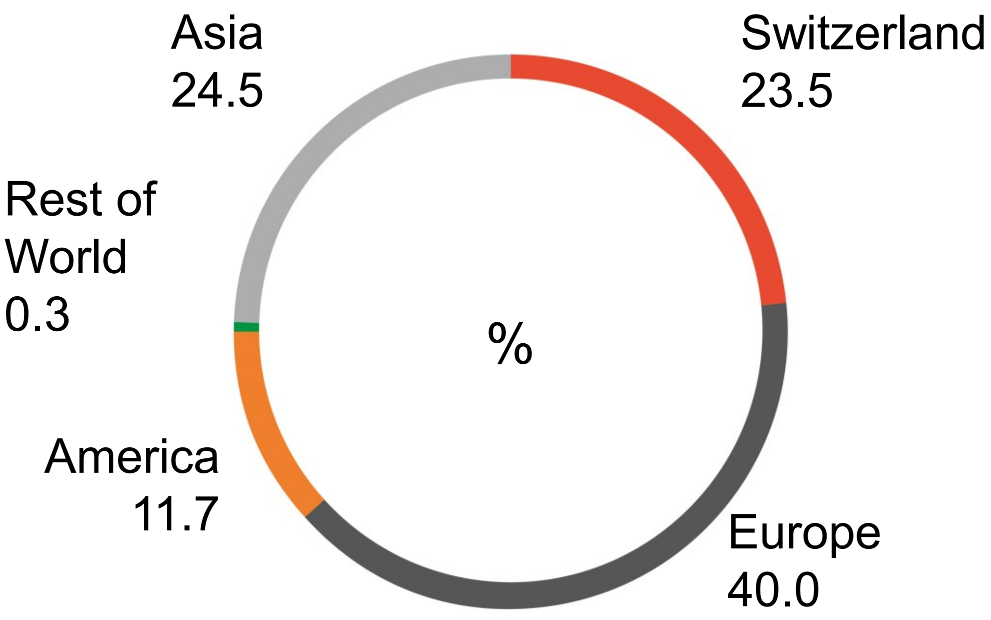
Sales bridge 1HY 2016

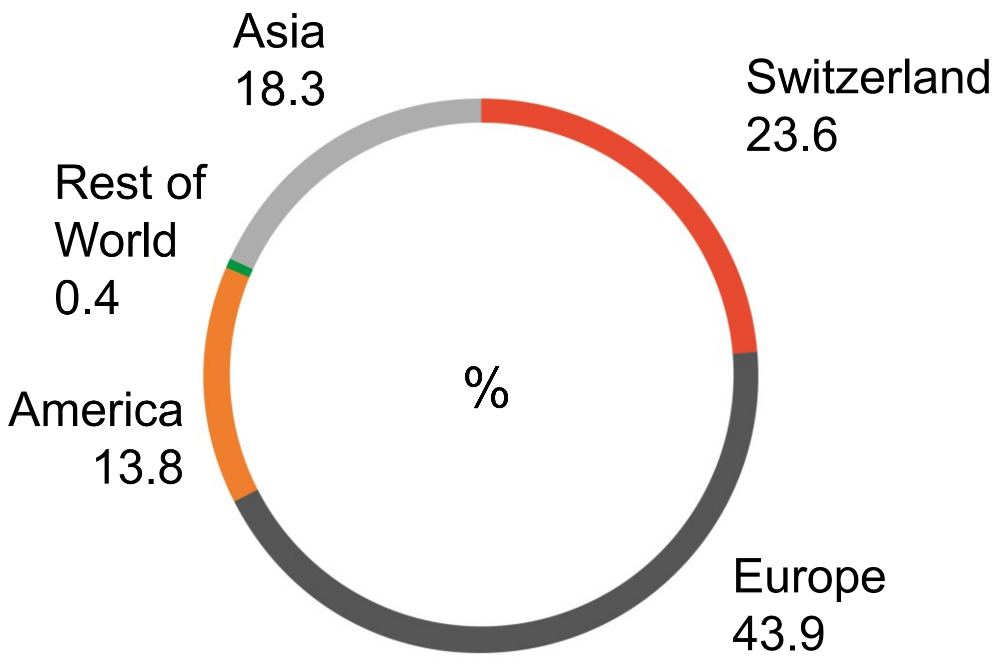


- Reported growth 2.7% yoy
  - Organic -0.1%
  - M&A 0.7%
  - FX impact 2.1%
- Like for like growth by segment
  - - 5.1% in EC
  - 10.0% in FS
  - 0.8% in D&L
- Ramp-up of project wins on track in all segments
- Div E down by -33% to PY, of which faster than expected phase out of trading activities with CHF 18m

Sales breakdown by region

1HY 2015	1HY 2016
Gross sales: CHF 670.4m	Gross sales: CHF 688.8m

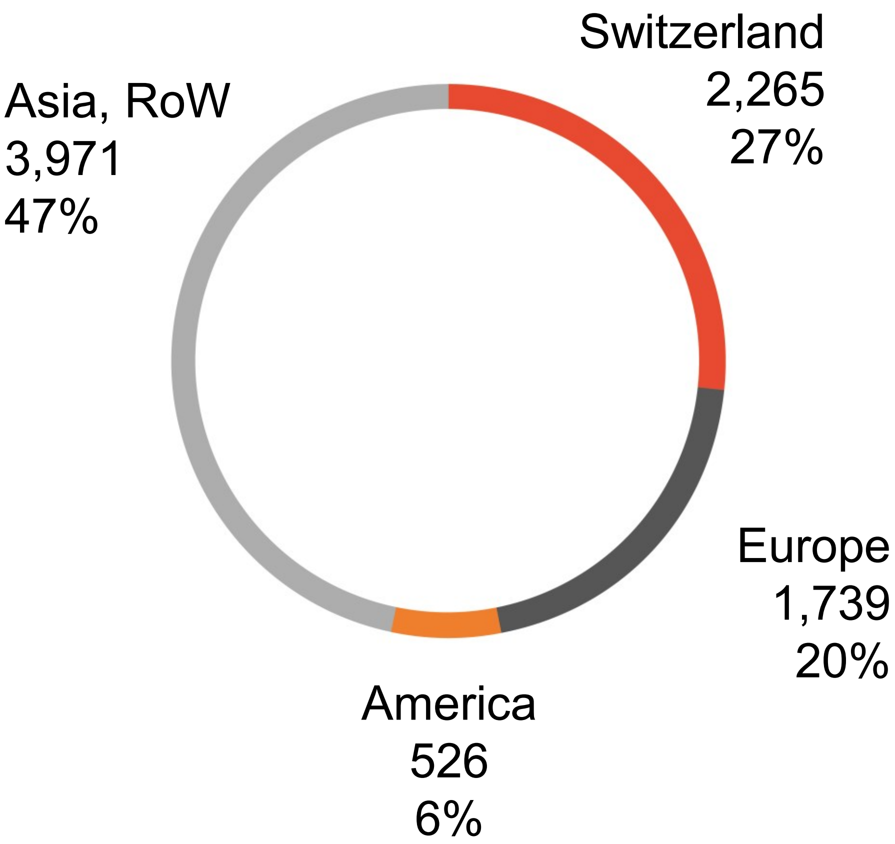




Employee breakdown by region

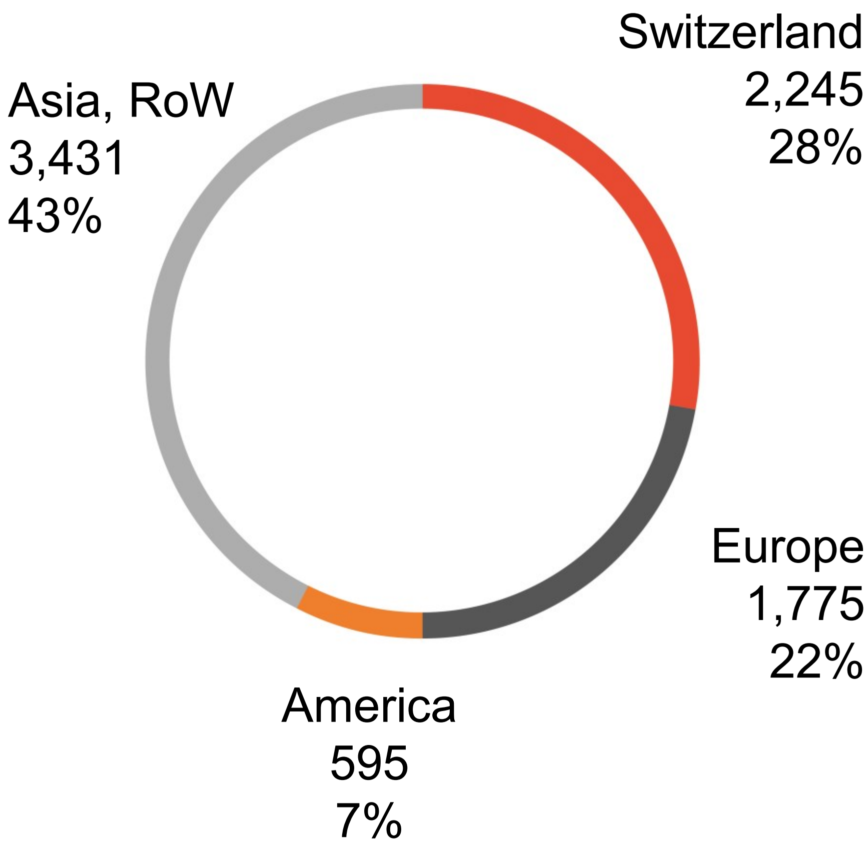
1HY 2015

Total FTE: 8,501

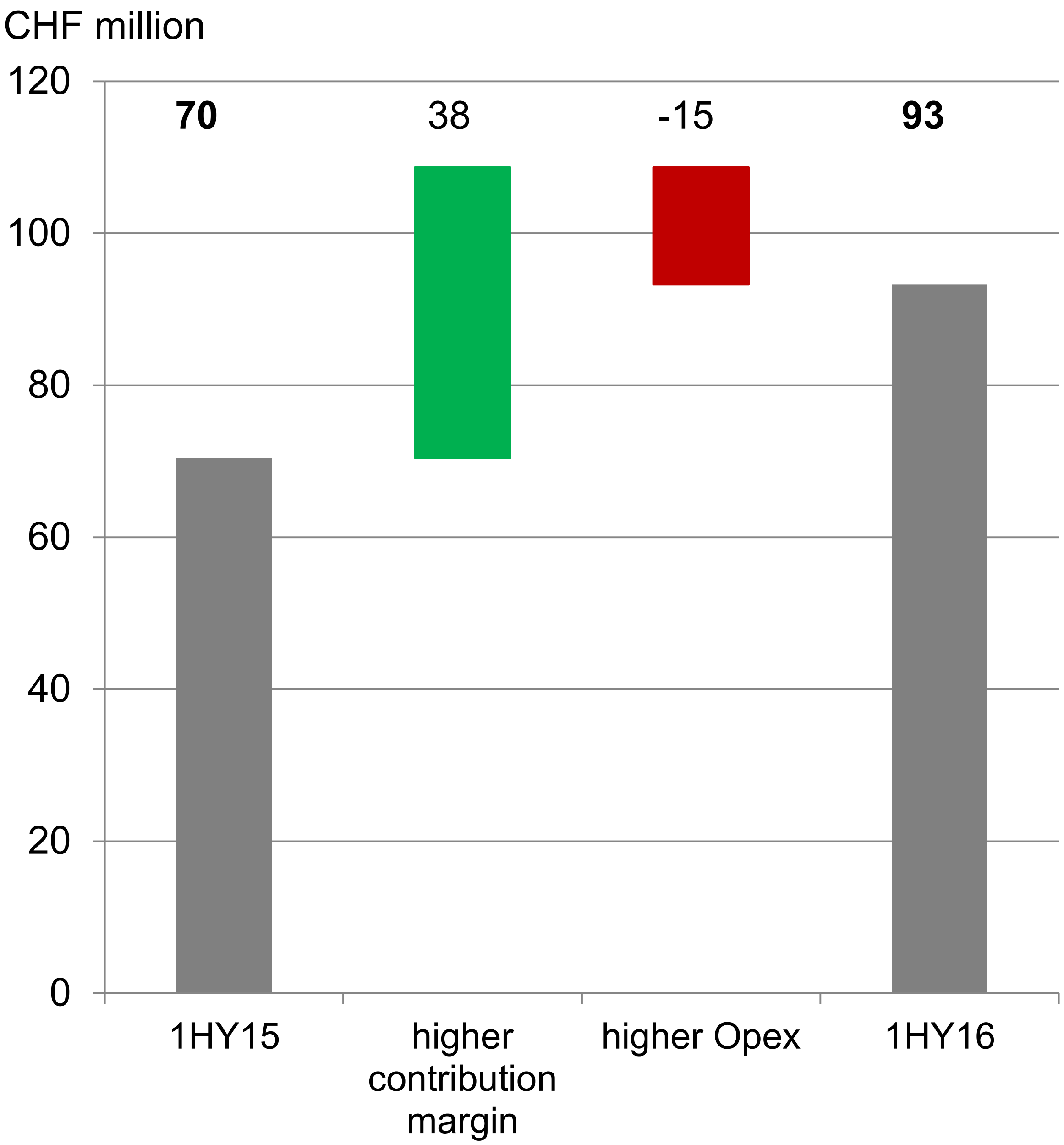


1HY 2016

Total FTE: 8,046

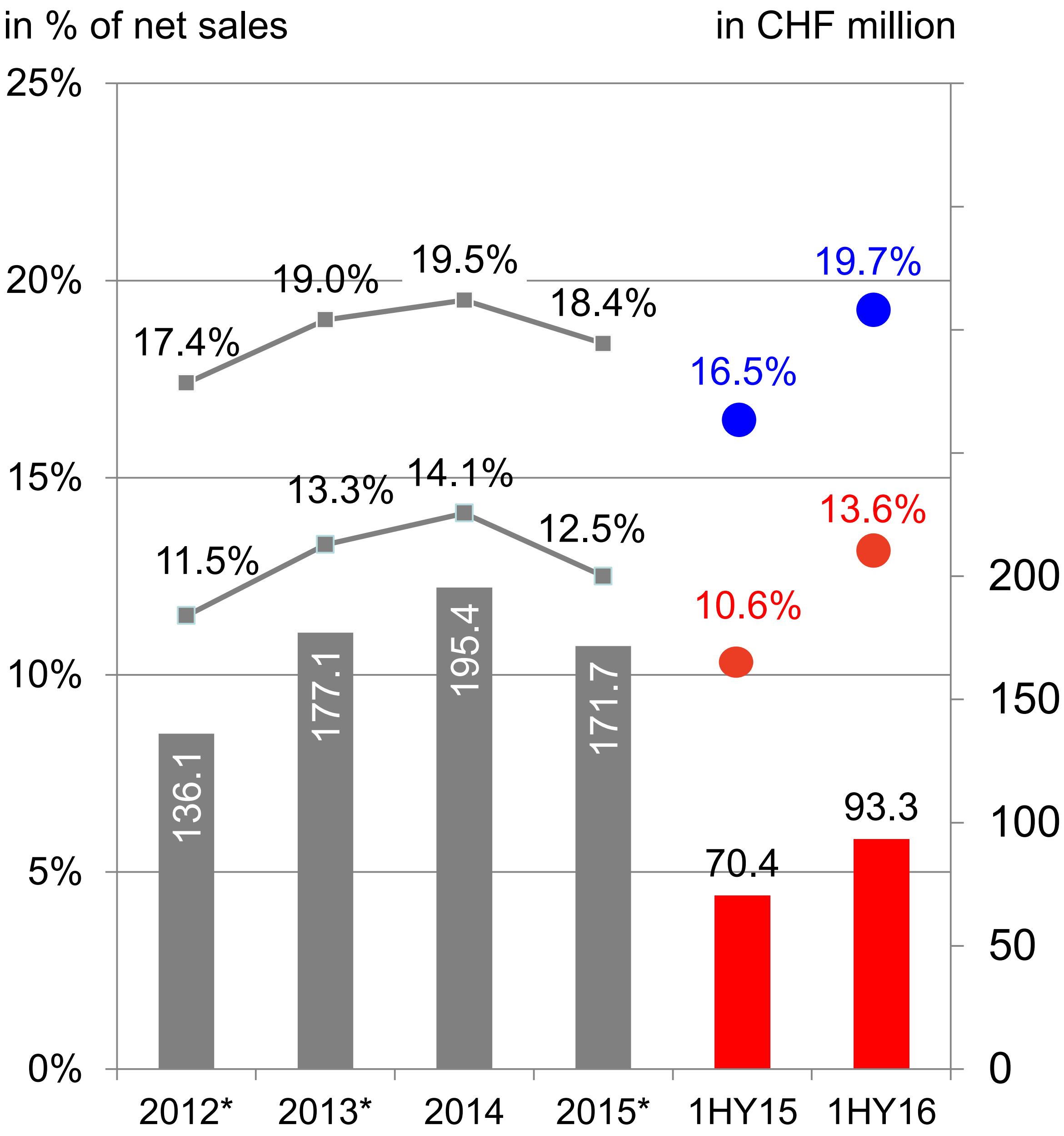


EBITA bridge 1HY 2016



- EBITA up CHF 22.9m or 32.6%
  - 16.6m Seg EC
  - 6.9m Seg FS
  - 4.9m Seg D&L
  - -5.5m "Others"
- "Others" with special impacts
  - Acclerated depreciation CN
  - Restructuring cost DK
  - Special employee bonus CH
- Higher contribution margin:
  - 18.5m higher sales
  - 6.0m non-recurring FX
  - 13.8m less material content based on improved product mix

Operating profitability



- Regained strong profitability into the guidance of 13 – 14%
  - normalized EBITA margin with 13.6% almost back to level of 1st HY 2014 (13.8%)
- normalized EBITDA margin with 19.7% at record level compared to past 5 years
- Expect strong 2nd half year in the range of 13.4% to 14.4% EBITA
  - assume similar basic conditions (FX, economy)
  - seasonally higher sales in Div E to partially compen-sate for faster than expected phase out of trading activity

* adjusted for one time effects (2012: CHF 4.6m, 2013: CHF 18.3m, 2015:CHF 14.9m)

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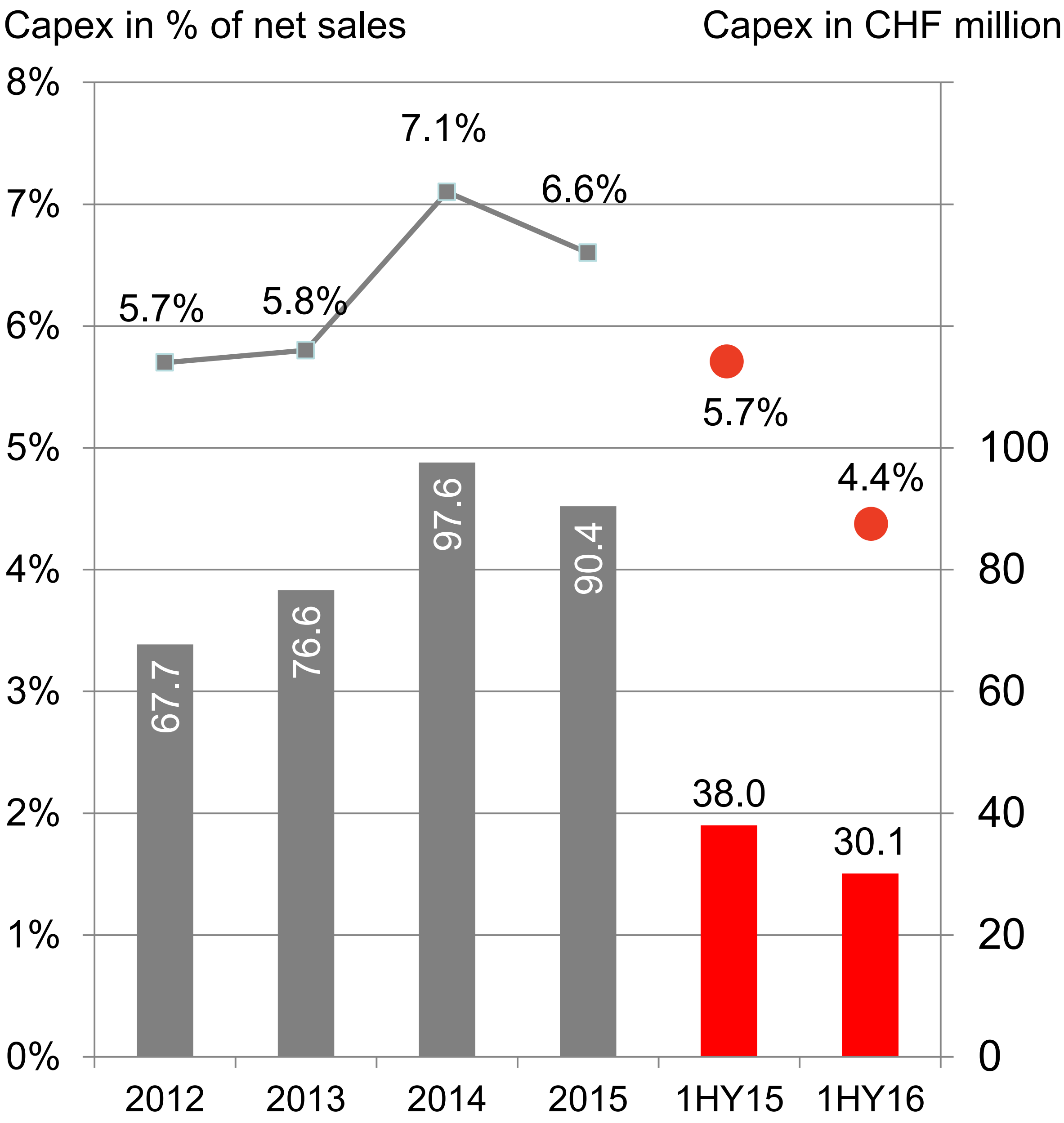
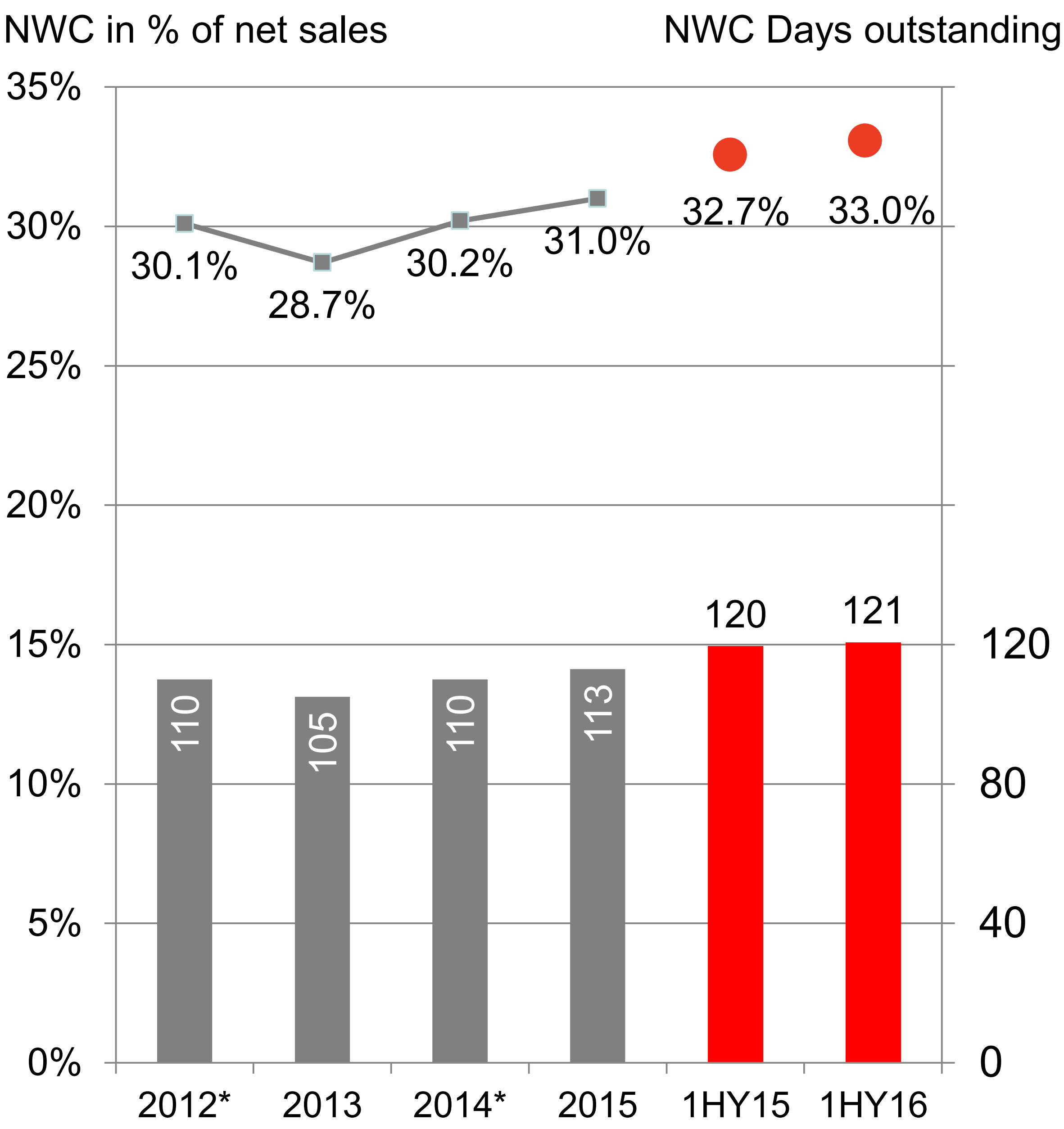
Capital expenditure



- Capex spending at low 4.4% of net sales
  - projects are leveraging on existing assets
  - purchase orders not yet fully cash flow effective
- Expect accelerated capex spending in the 2nd HY 2016
  - additional capacity needs
  - new projects wins
  - will drive capex spending to around 6% of net sales

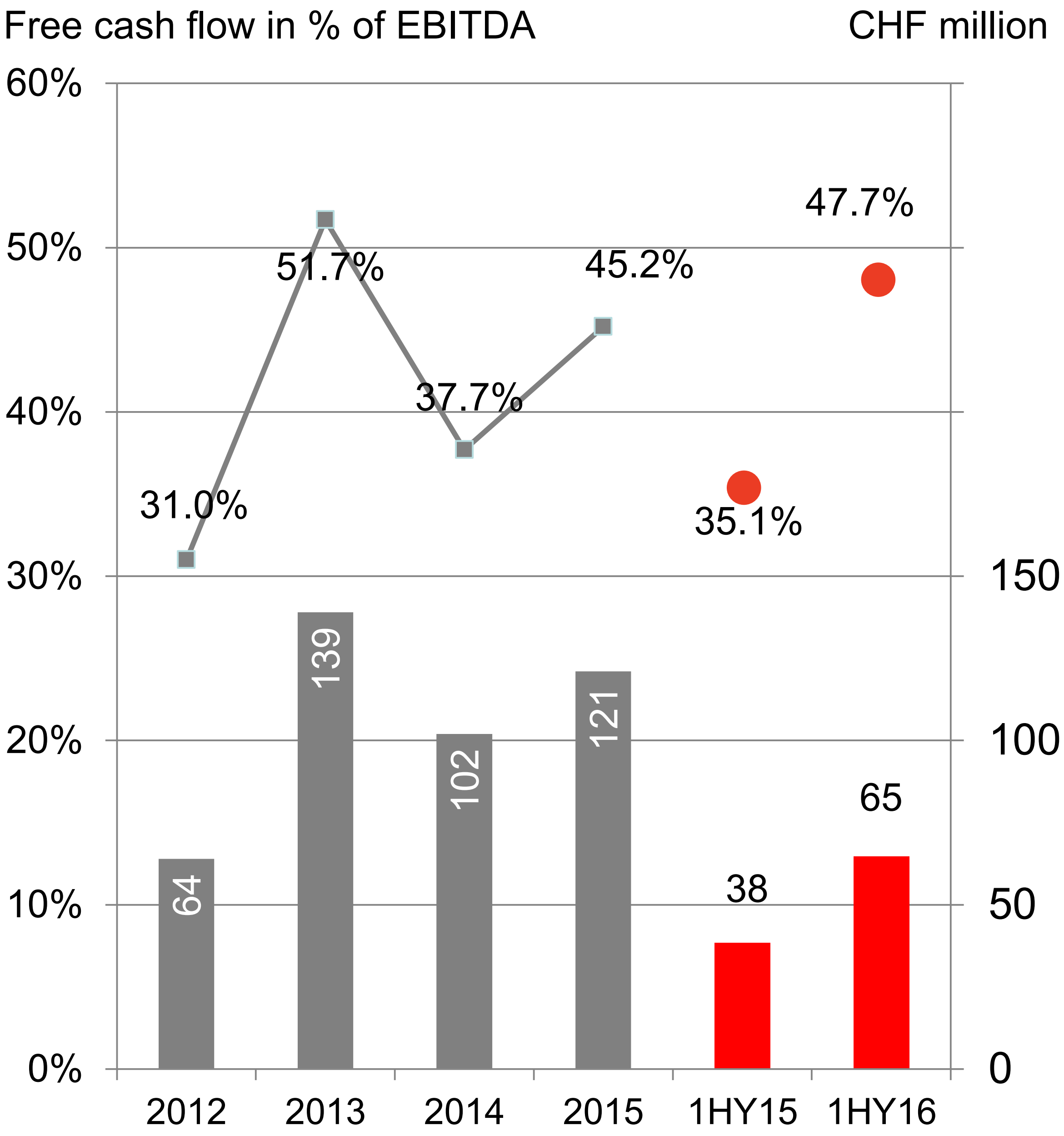
Net working capital



- Seasonal peak in net working capital at 30 June 2016. Expect lower numbers at year end.
- Cash to cash cycle on average net working capital at 117 days
  - slightly below measurement at balance sheet date
  - and one day lower than full year average in 2015
- General increase in NWC days outstanding is due to growing key customers in endmarkets with longer payment terms

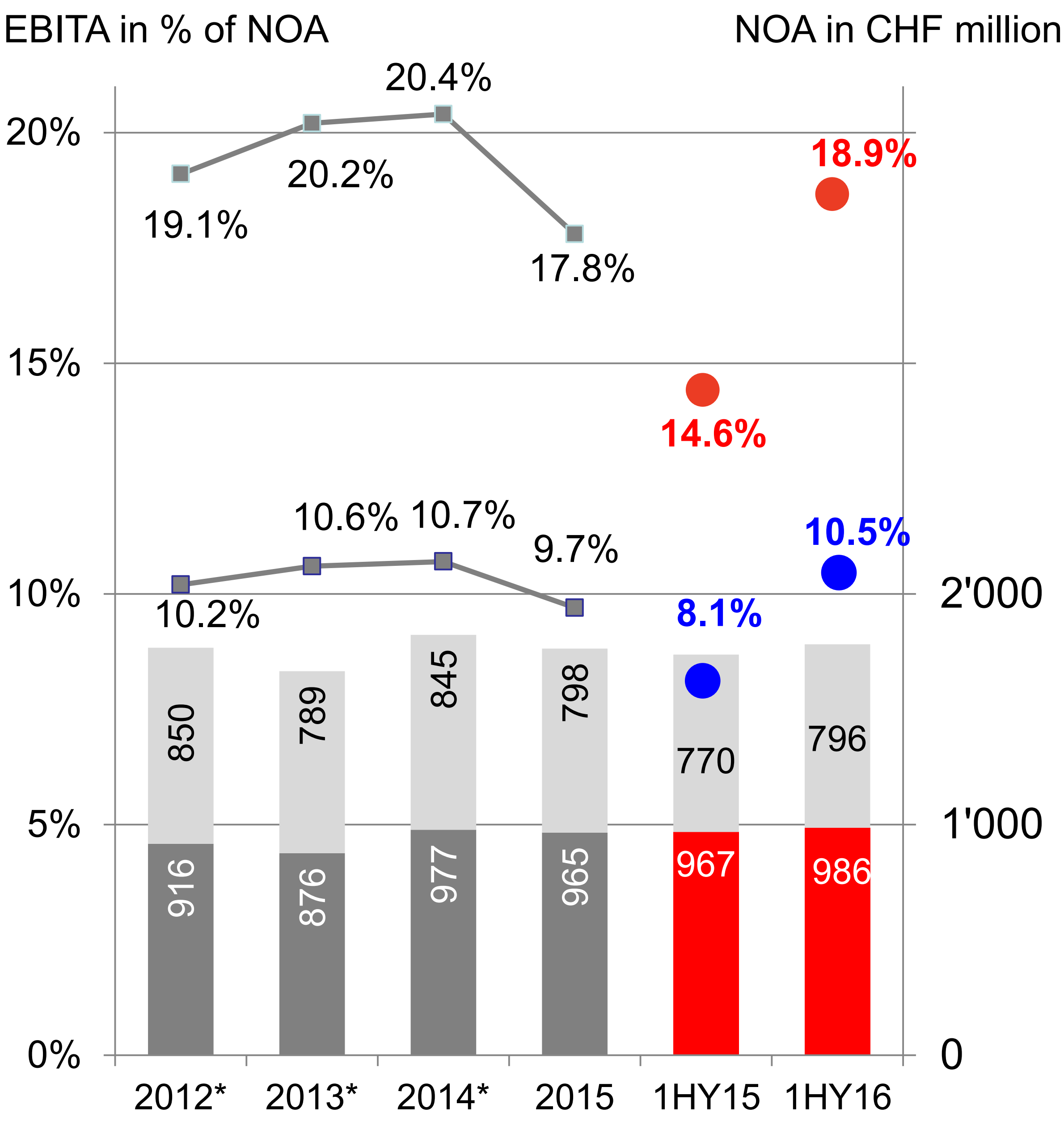
* Net sales annualized for Unisteel (2012) and Indo Schöttle (2014)

Free cash flow



- Stable and strong free cash flow. Increase of CHF 27m
  - 15m higher cash in flow
  - 4m lower NWC increase
  - 8m lower capex spending
- Free cash flow used to
  - acquire 100% Stamm AG
  - invest into related entities
- Free cash flow conversion rate at high 47.7%
- Expect similar development for 2nd HY as in 1st HY 2016

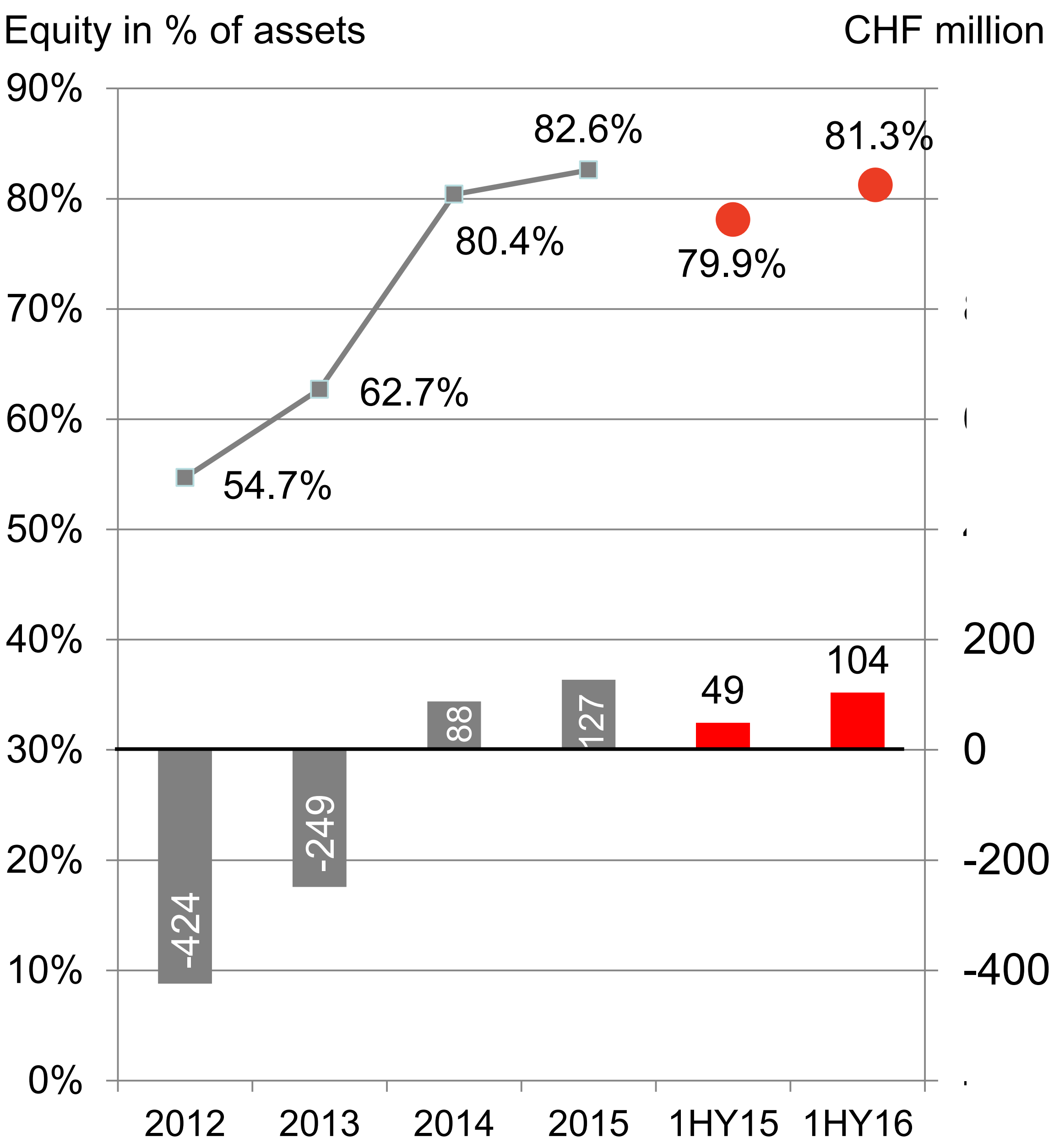
Return on net operating assets



- Operational NOA before intangible assets (Swiss GAAP) RONOA I relatively stable at CHF 986m
  - influenced by NWC and change in scope
  - EBITA yield at 18.9%
- RONOA II includes intangible assets (IFRS) of CHF 796m. Stable compared to year end
  - reduced by HY amortisation with CHF 29.9m
  - increased by change in scope
  - EBITA yield at 10.5%

* EBITA adjusted for one time effects (2012: CHF 4.6m, 2013: CHF 18.3m)
EBITA annualized for Unisteel (2012) and Indo Schöttle (2014)

Net cash and equity ratio



- Equity ratio remains strong at around 80%
- Net cash at CHF 104m. Lower as at year end. Main reason:
  - cash out of CHF 56.9m for dividend
- Free cash flow generation in 2nd HY will boost net cash by year end to above CHF 150m
- Further flexibility and opportunity for organic growth and M&A to use available net cash

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Headlines Engineered Components (EC)

Key figures Engineered Components

in CHF million (unaudited)	**2016 1st half**	± PY	2015 1st half	2014 1st half
Third party sales	355.6	-0.7%	358.0	315.5
Sales growth comparable*		-5.1%		
Net sales	363.0	0.4%	361.5	324.2
EBITDA	98.6	21.3%	81.2	83.1
As a % of net sales	27.1		22.5	25.6
EBITA	72.2	29.8%	55.6	60.6
As a % of net sales	19.9		15.4	18.7
Net operating assets	1,278.2	2.8%	1,243.0	1,166.0
Employees (FTE)	5,320	-8.4%	5,806	4,644

* at constant exchange rates and on the same scope of consolidation

- At comparable level, sales declined by 5.1%
- Continued strong demand from Automotive, Aircraft and Medi-cal; project realization on track
- Expect difficult year in Electronics division due to dependency on product life cycles, shrinking HDD market and faster than expected phase-out of trading activities
- Significant recovery of EBITA from 15.4% (1HY 15) to 19.9%

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EC: Significant improvements in Swiss operations

- Comprehensive measures taken to offset surge in value of CHF
- All short-term measures rolled back by 1 July; CH sites focus on:
  - precision components requiring highly automated processes and capital intensive projects
  - automotive and Industrial
  - productivity gains
- In order to successfully realize growth projects in Automotive
  - decision to expand heat treatment capacities in CH and CZ and phase out surface treatment capabilities
  - overall volume of CHF 30m
  - realization 2016 - 2018

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EC: Further project wins fuel future growth

Project	Country	Sales at Peak	2016	2017	2018	2019	2020
P1	CH	CHF 5m				extension tbd	
P2	CN	CHF 5m	P			extension tbd	
P3 (mod)	CH	CHF 12m	P			extended until 2024	
P4	US	CHF 11m	P			extension tbd	
P5	CN	CHF 5m	PPAP SOP	P			
P6	CH	CHF 6m	P				
P7 (mod)	CH	CHF 5m	PPAP SOP	P →	P		
P8	US	CHF 15m			P		
P9	EU	CHF 23m			P		
P10 (mod)	US→CH	CHF 6 → 12m	PPAP SOP	P		extended until 2024	
P11 (mod)	CH	CHF 12m	PPAP SOP	P →	P	extended until 2024	
P12 (new)	CH	CHF 5m	PPAP	SOP P			
P13 (new)	CH	CHF 4m	PPAP		SOP		P
P14 (new)	HU	CHF 2m	PPAP	SOP		P	

Explanations

- Project list initially presented as part of 1HY 2015 results
- PPAP: production part approval process
- SOP: start of production
- P: peak volume achieved

- All project ramp-ups are on track and required productivity gains are achieved
- Efficiency, safety and autonomous driving remain stable trends for innovation and growth
- Strong competitive position underpinned by additional project wins
- Acquired additional annual sales of CHF 17m; early extension of key projects achieved

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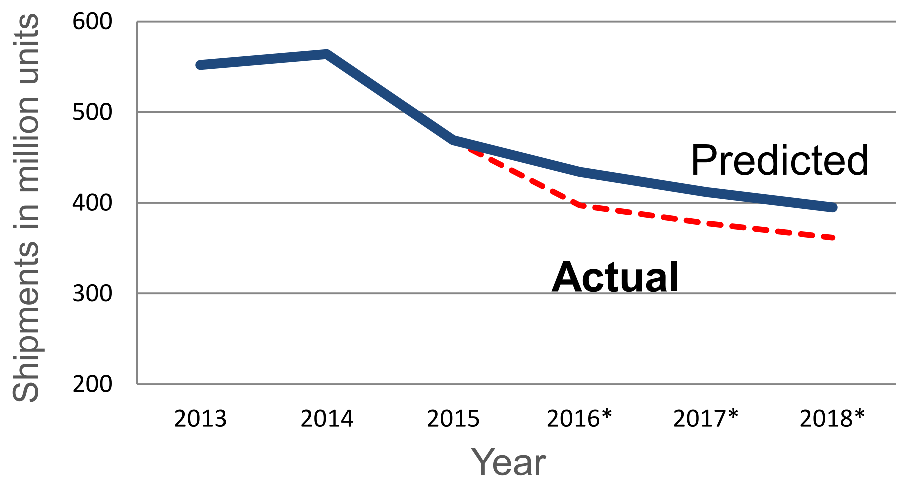
EC-E: Strategic key challenges and opportunities

HDD declines



Chinese mobile companies taking up market share

Integration of customers

Seagate + SAMSUNG = SEAGATE

WD + HGST = WD Western Digital

lenovo + M = lenovo

+ NOKIA = Microsoft

Lower level of innovation and intense competition lead to increased price pressure

PRICE CONCESSION

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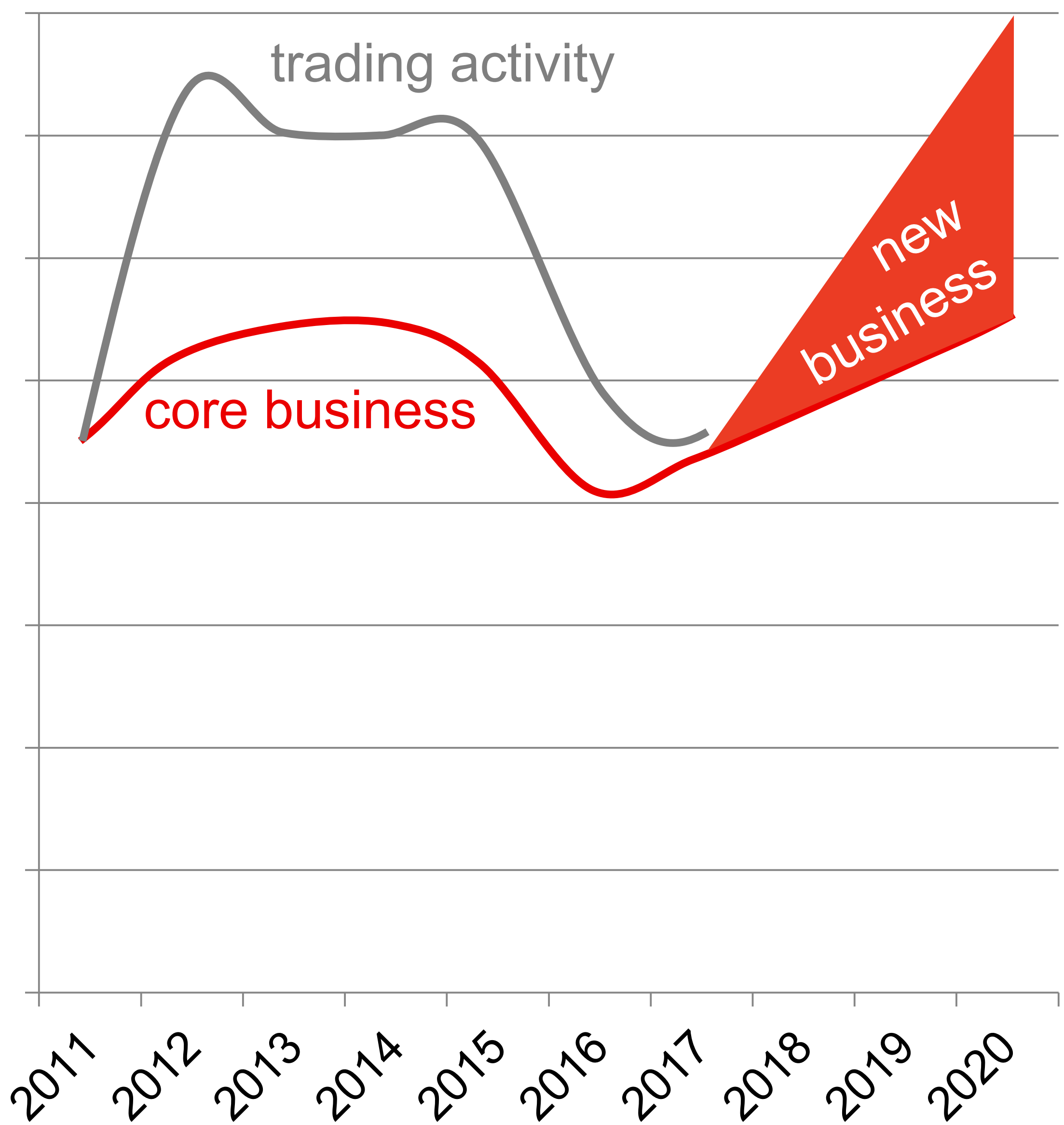
EC-E: Management vision on sales development



- Phase-out of trading activity expected to be completed in 2017
- Further reduction in HDD drive built to continue with -5% to -7% on an annual basis
- Development of new customers and programs in Mobile Devices and Consumer Electronics industry
- Expansion of business utilizing cold forming technology

EC-I: Continued strong growth in aircraft & medical

- Applications in Aircraft and Medical continue to be growth engines in the Industrial division
- Opportunities for contract manufacturers in medical market created by general market growth and increased cost pressure
- Focus areas for M&A as market is very fragmented
- Ramp-up of A350: still on track
- Acquired Stamm AG performs according to plan
- Promising project pipeline offering growth opportunities

Headlines Fastening Systems (FS)

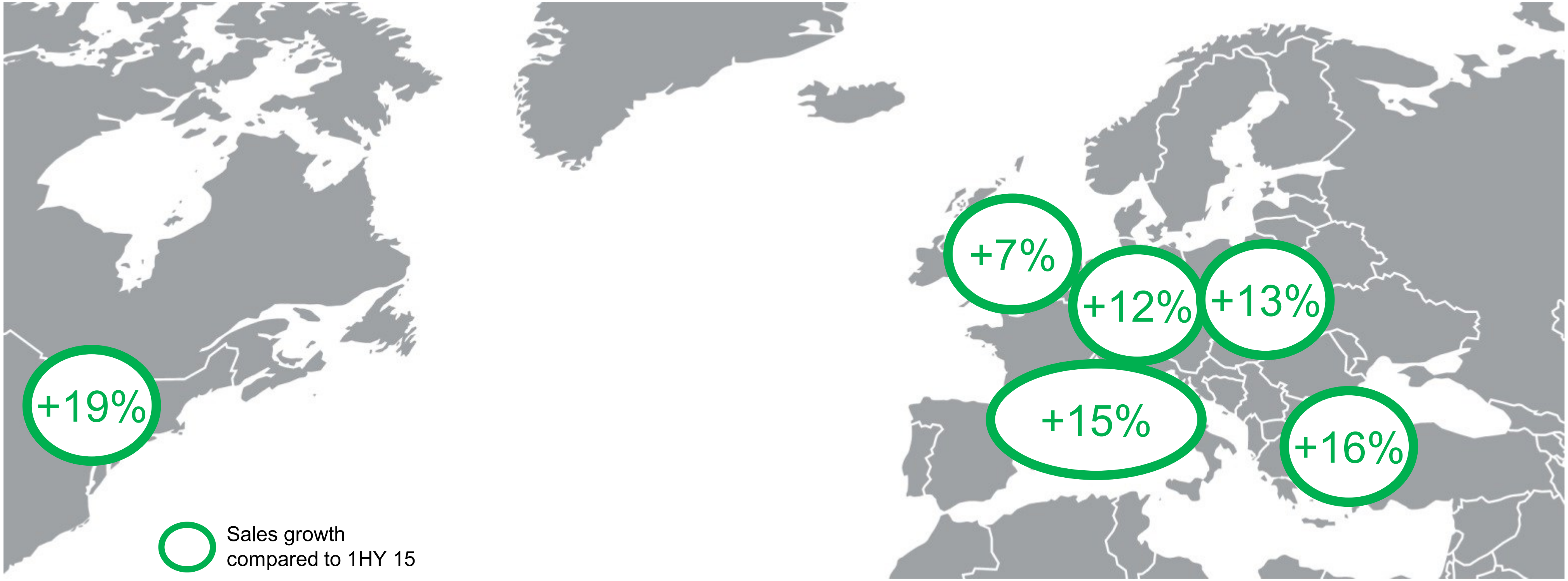
Key figures Fastening Systems

in CHF million (unaudited)	**2016 1st half**	± PY	2015 1st half	2014 1st half
Third party sales	176.7	11.9%	157.9	167.5
Sales growth comparable*		10.0%		
Net sales	184.7	12.3%	164.4	175.5
EBITDA	23.9	44.1%	16.6	22.2
As a % of net sales	12.9		10.1	12.6
EBITA	15.9	78.0%	9.0	14.0
As a % of net sales	8.6		5.4	8.0
Net operating assets	306.8	3.5%	296.4	327.4
Employees (FTE)	1,826	4.0%	1,756	1,648

* at constant exchange rates and on the same scope of consolidation

- Good momentum continued in 1HY 2016 resulting in sales growth of 10.0% yoy
- Growth dynamic broadly supported across the segment
- Substantial recovery of profitability by 320 bps to 8.6% EBITA yoy due to
  - productivity gains
  - focusing on core activities
  - launch of new products
  - absence of one-time effects
- Consolidation of products for timber construction at HECO

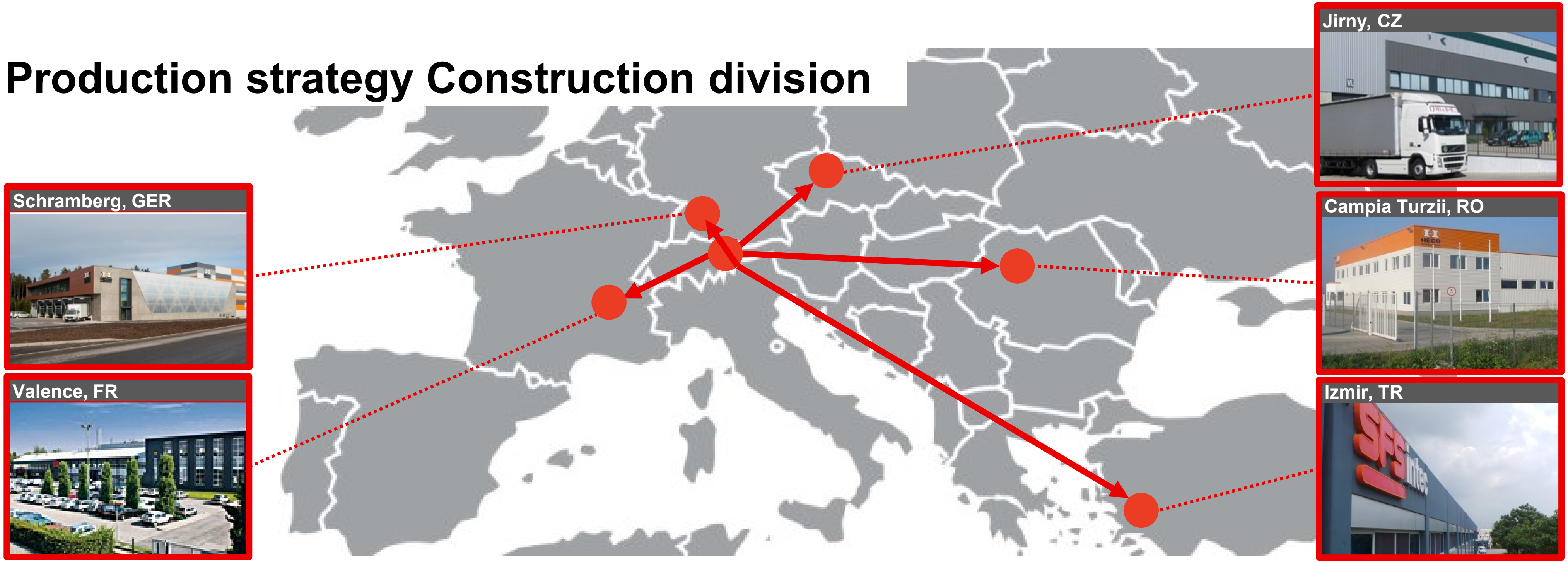
FS: Strong development of key regions



- Good momentum continued in 1HY 2016 resulting in sales growth of 10.0% yoy
- Europe accounts for ~70% of sales and North America for ~25%
- Growth as a result of
  - market success of new products
  - good condition of major markets
  - strong market position in North America

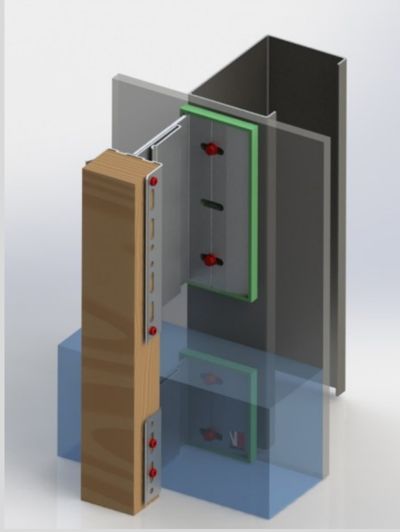
FS: Sharpening the production strategy

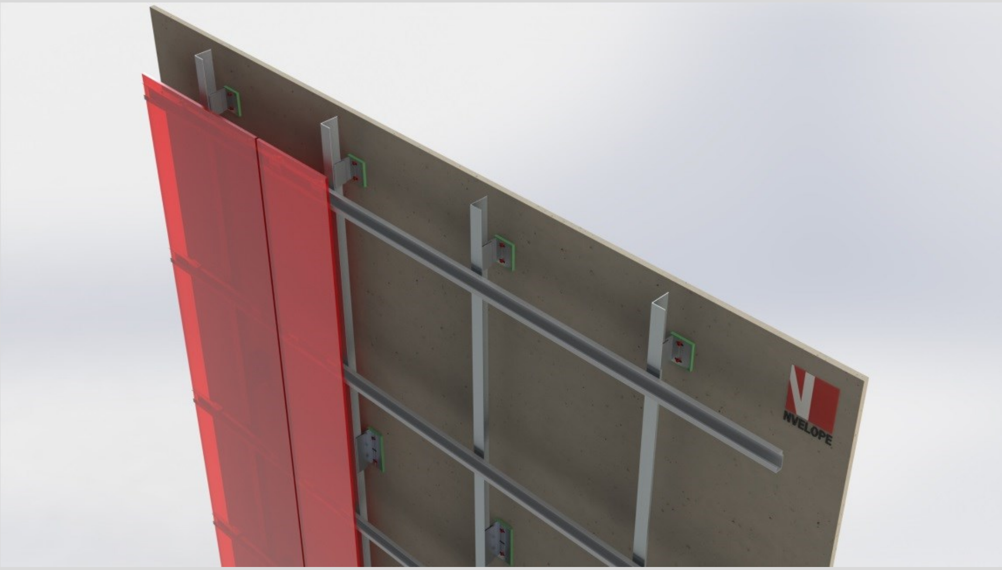
Production strategy Construction division



- Sharpening the production strategy will result in additional productivity gains
- Comprehensive projects initiated and first progress achieved (completed by 2018)
- C: Successfully transferred finishing operations (2015) contributing to savings
- C: Moving fastener production out of Switzerland to SFS sites in France, Turkey and HECO (Germany / Romania)
- R: Create dedicated sites for production of installation tools and fasteners
- R: Disposal of Unibolt (agricultural bolts)

FS: Competence in facade fastening strengthened





- SFS has acquired Ncase Ltd., a leading supplier of subframes for rainscreen cladding in the UK
- Beside the product, Ncase's leading position is built on
  - a highly experienced team of building envelope specialists,
  - excellent technical support for customers supported by proprietary software
  - rapid delivery of project-related services
  - strong international presence of SFS is opening up attractive growth opportunities
- Ncase Ltd. employs 22 people and generated revenues in the range of CHF 8m in 2015.

Headlines Distribution & Logistics (D&L)

Key figures Distribution & Logistics

in CHF million (unaudited)	**2016 1st half**	± PY	2015 1st half	2014 1st half
Third party sales	156.5	1.3%	154.5	162.2
Sales growth comparable*		0.8%		
Net sales	159.5	1.5%	157.2	165.7
EBITDA	16.2	38.7%	11.7	18.0
As a % of net sales	10.2		7.4	10.9
EBITA	12.7	62.9%	7.8	14.2
As a % of net sales	8.0		5.0	8.6
Net operating assets	159.4	-3.0%	164.3	159.8
Employees (FTE)	612	-4.7%	642	619

* at constant exchange rates and on the same scope of consolidation

- Continued challenging market environment
- Stable sales development thanks to acquisition of new customers and projects
- Fast recovery of profitability to 8.0% EBITA (1HY 2015 5.0% EBITA) as result of
  - new project wins
  - increased efficiency
  - absence of last year's one-time effects
- Successful implementation of M2M logistic solutions and development of additional M2M products

D&L: Continued market success of M2M solutions

Customer wins 1HY 2016
Overall project volume: ~ CHF 2 Mio

Burckhardt Compression
PWP
Jorns AG
Schleuniger
schlatter the secure connection
USTER® Think quality

Successful implementation of M2M projects

- Automated inventory management system M2M presented in 2015
- Successful rollout of M2M solutions with pioneer customers proving the advantages
- After winning a contract from Swiss Federal Railway (SBB), M2M logistic solutions have already been implemented at the first SBB sites

Further product development to complete the M2M solution portfolio

- Motivated by the very positive feedback from the market, additional solutions are being developed
- New solutions will cover process scenarios that have not yet been covered by existing solutions
- Value for customer by reduced process/ warehousing cost and improved availability

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Outlook 2016

Guidance	March 2016	July 2016		
	FY 2016	1HY16 A	2HY16 E	FY 2016 E
Gross Sales reported	2 to 4%	**2.7%**	**1.3%**	**±2.0%**
• Organic growth	1 to 3%	-0.1%	-1.2%	-0.6%
• Change in scope	1 to 3%	0.7%	1.1%	0.9%
• FX impact	n/a	2.1%	1.4%	1.7%
• Segment EC		- 0.7%	-2.7%	-1.8%
• Segment FS		11.9%	0.7%	6.4%
• Segment D&L		1.3%	3.6%	2.5%
EBITA margin	13% to 14%	**13.6%**	**13.4% to 14.4%**	**13.5% to 14.0%**

These estimates are based on the assumption that there will be no adverse changes in exchange rates and in the general economic environment.

FY = Financial Year HY = Half Year A = Actual E = Estimated

How we reach the mid-term guidance

Sales growth reported: 5 – 7%

- Leverage existing platforms
  - penetration of key accounts
  - global manufacturing platform, increased need for localization
- Launch of innovative products
  - development partner for leading players in the markets
  - innovation driven by trends like autonomous driving, efficiency, safety, digitalization and health
- Improve geographic reach
  - strengthen presence in North America and Asia
- Drive industry consolidation
  - focus on targets to gain access to new customers/applications

EBITA margin adjusted: >15%

- Above-average growth in business areas with attractive profitability
- Introduction of innovative products offering attractive value improvements to customers
- Reengineering of value added footprint in Fastening Systems
- Continued efforts to increase operational efficiency and excellence
  - lean management across SFS Group
  - process automation
  - digitization (Industry 4.0)

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Q&A

Jens Breu
Chief Executive Officer

Rolf Frei
Chief Financial Officer

More than 8'000 employees – one target

Creating value with

- In-depth technological competence
- International presence
- Application and industry expertise
- Long-term relationships

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