

# SWISSMETAL

**J. Friedrich Sauerländer**

Chairman of the Board of Directors

**Olaf Schmidt-Park**

Chief Executive Officer

**Joachim Blatter**

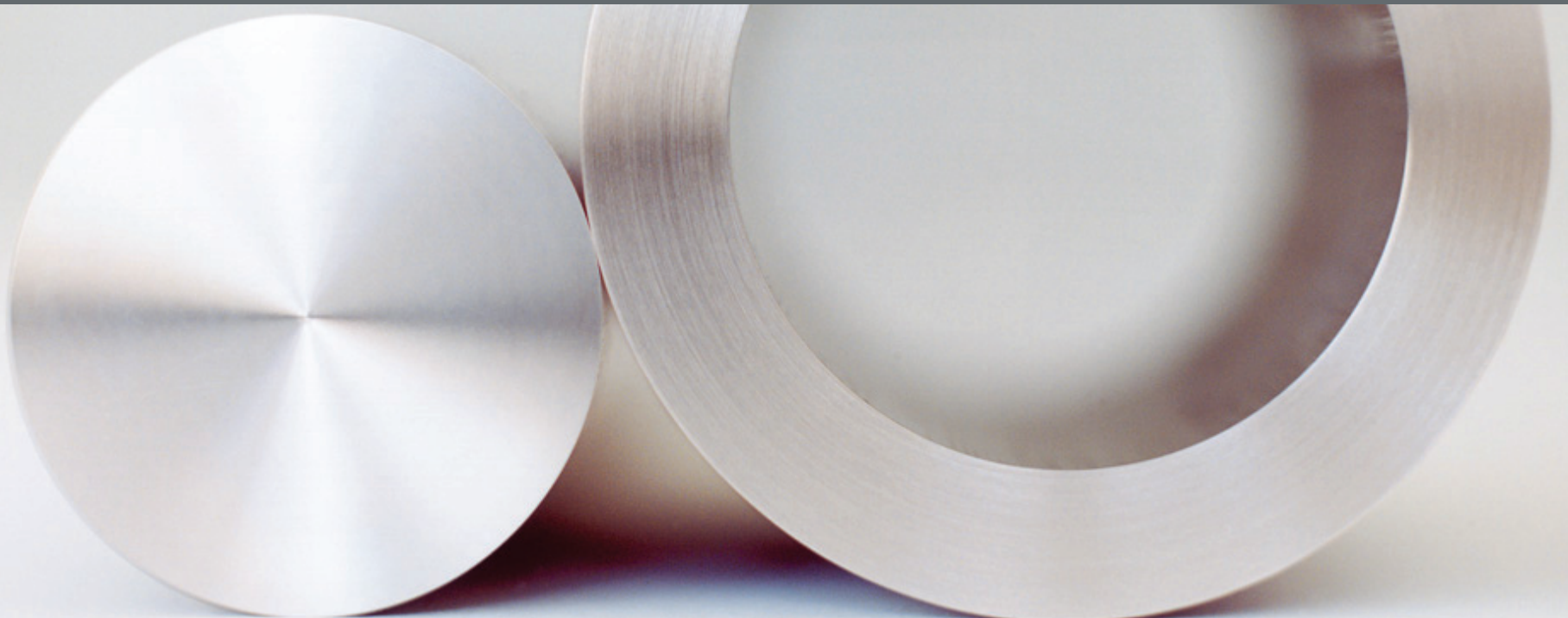
Chief Financial Officer

**Sam V. Furrer**

Chief Development Officer

## Annual Media Conference

## 22 April 2010



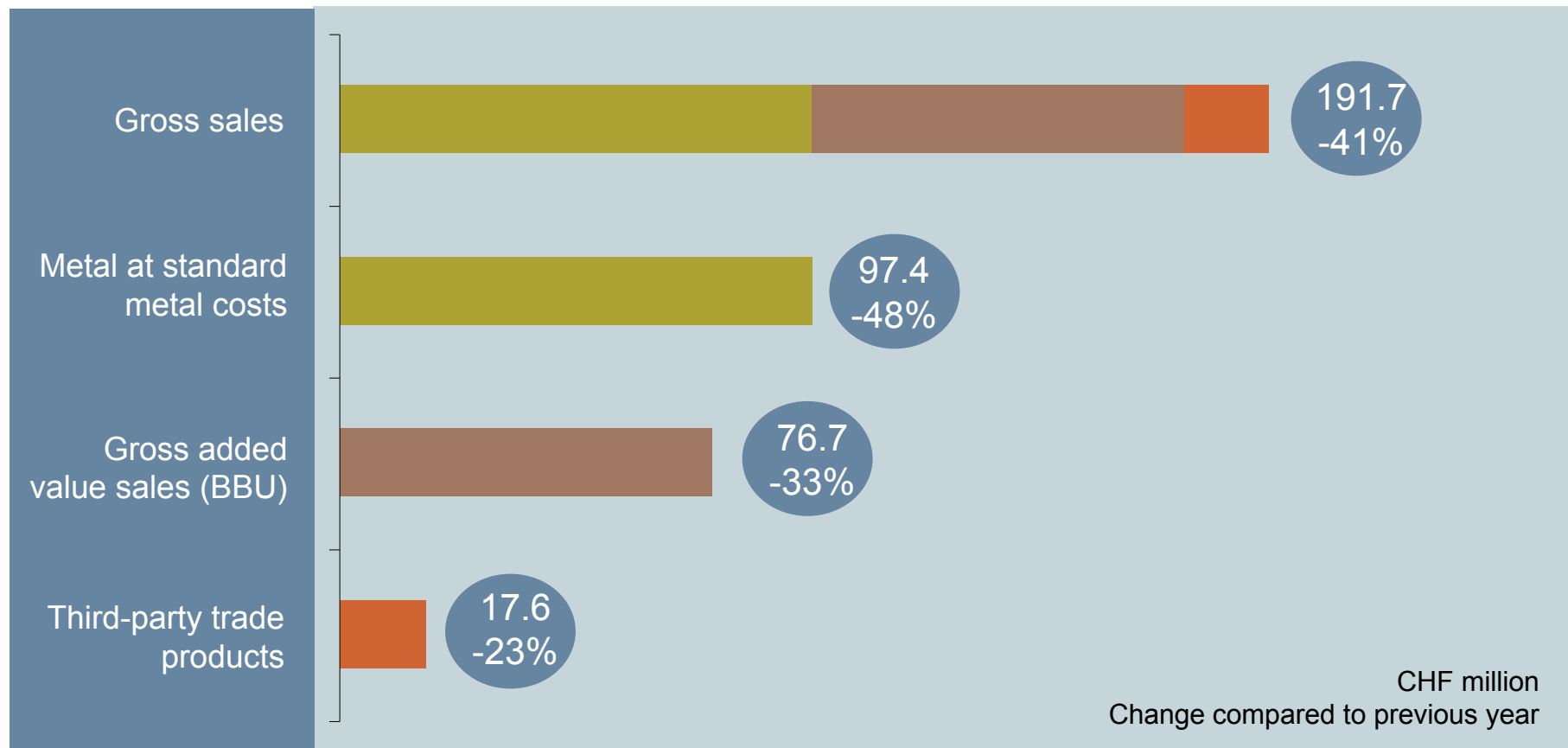
## Agenda

- Business 2009
- Financial Report 2009
- Outlook
- Questions & Answers

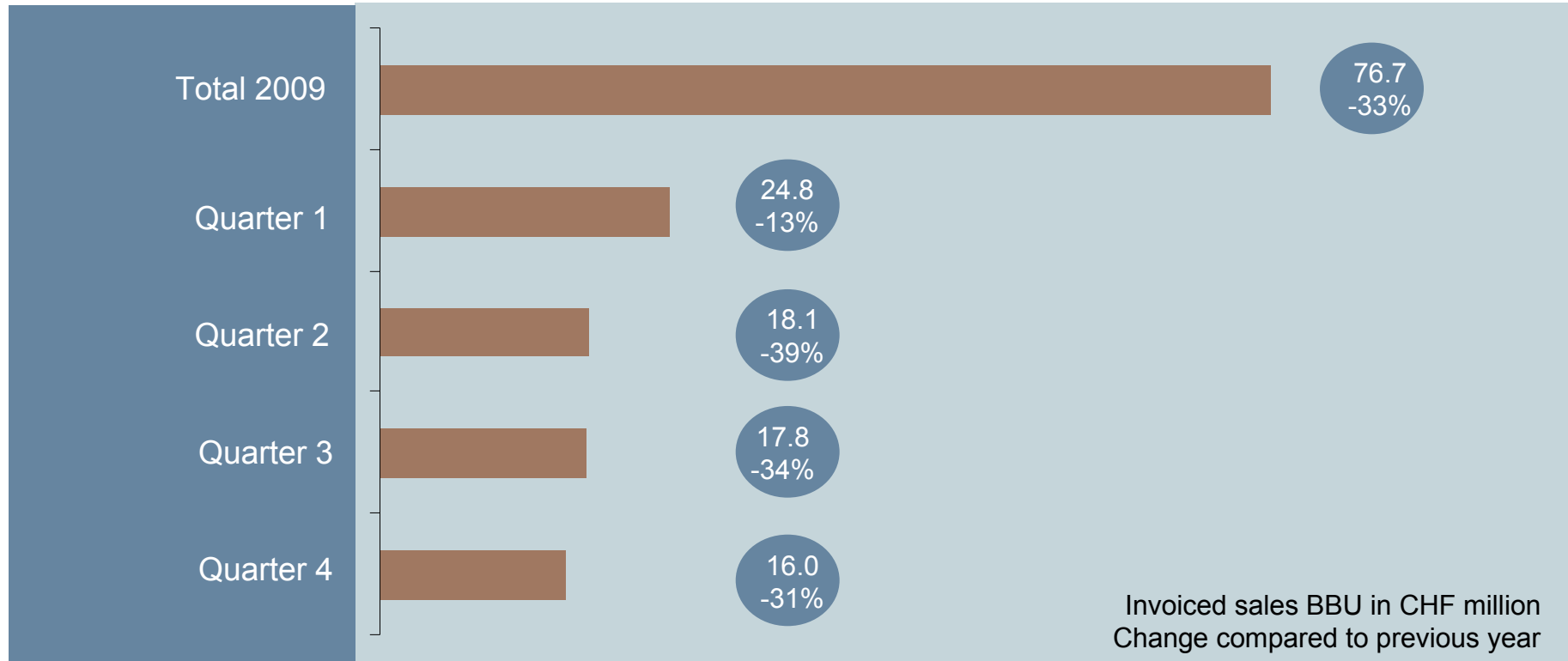
### Financial year 2009: extremely difficult business environment

- Sales dropped by more than 41%
- Operating loss before depreciation (EBITDA) of CHF -18.2 million
- Positive cash flow from operating activities
- Net debt significantly reduced by CHF 9.0 million

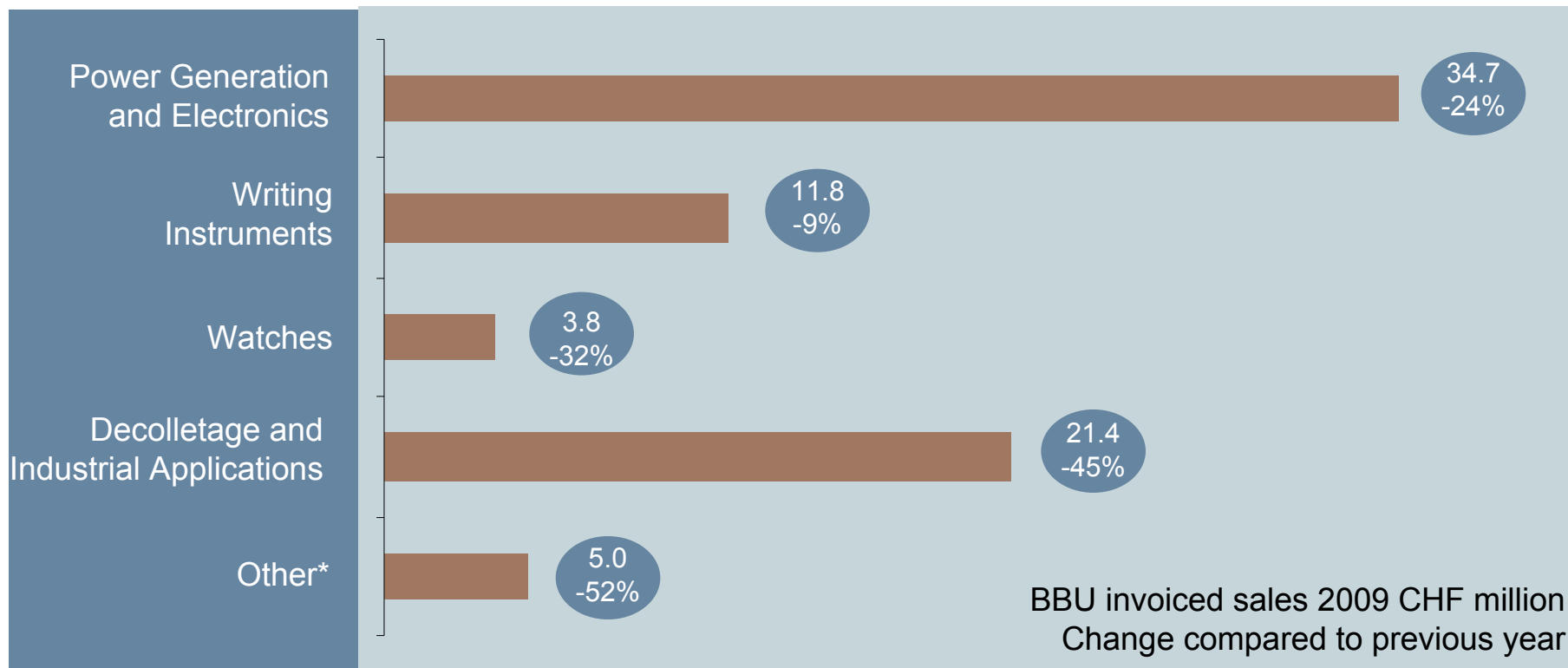
## Gross sales dropped by 41% to CHF 191.7 million



## Substantial drop starting second quarter 2009

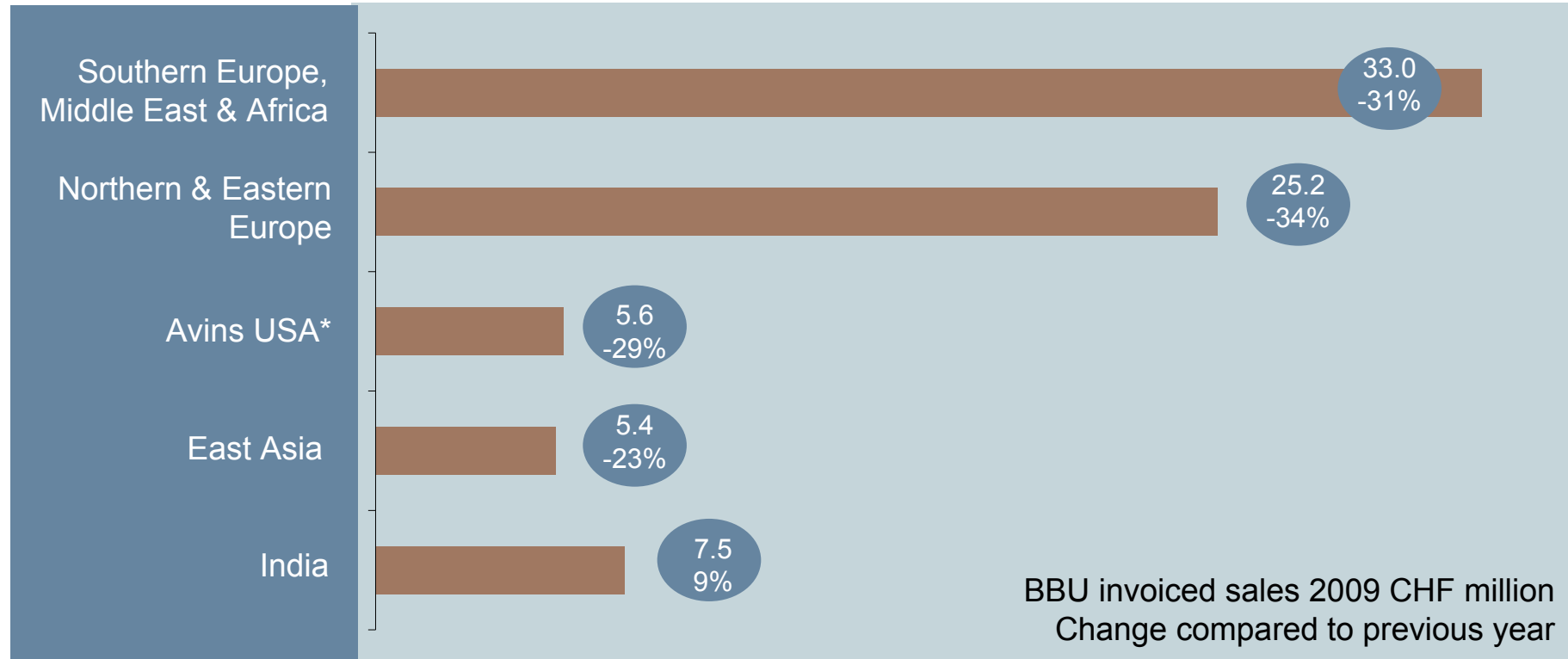


## Substantial decrease in Decolletage and Industrial Applications



\*contains Transportation, Designed Energy and Architecture; without third-party trade products

## All major market areas are negatively influenced



\*without third-party trade products

## Swissmetal 2009: Measures taken

- Cash Management (A/R, metal stock, procurement)
- Cost reduction and short-time work
- Concentration on strategic investment projects
- Strengthening Operational Performance
- Strengthening Technical Performance



## Agenda

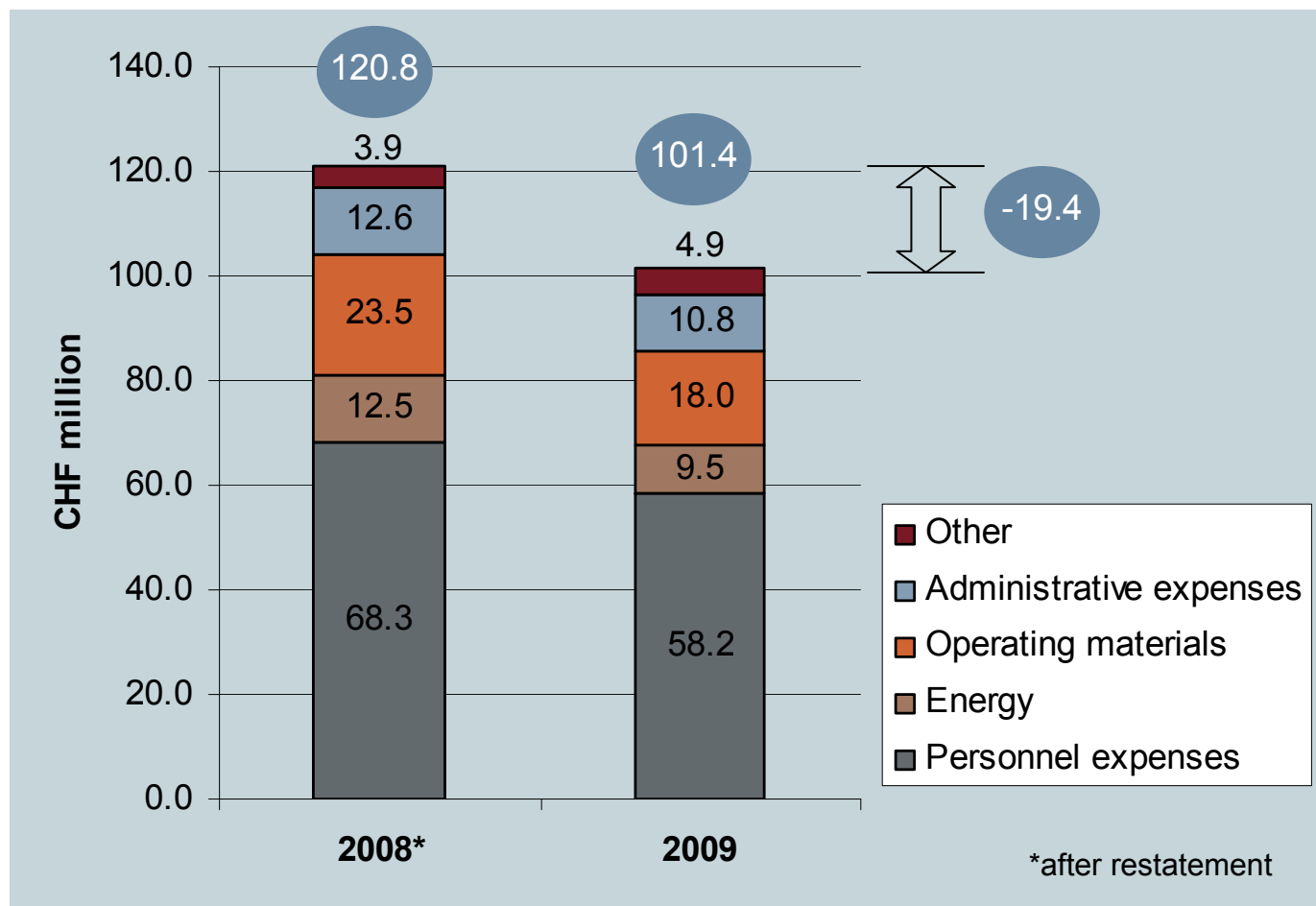
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## Financial year 2009: tight liquidity situation

CHF 000	2009	2008*	Change	Change in %
Gross sales	191.7	324.9	-133.2	-41
EBITDA	-18.2	15.3	-33.5	n.a.
EBIT	-30.9	0.8	-31.7	n.a.
Equity ratio	52%	58%	-6%pt	n.a.
Net debt	37.6	46.6	-9.0	-19
Free cash flow	-2.9	-10.8	7.9	73
Cash and cash equivalents	5.7	8.2	-2.5	-30

\* after restatement

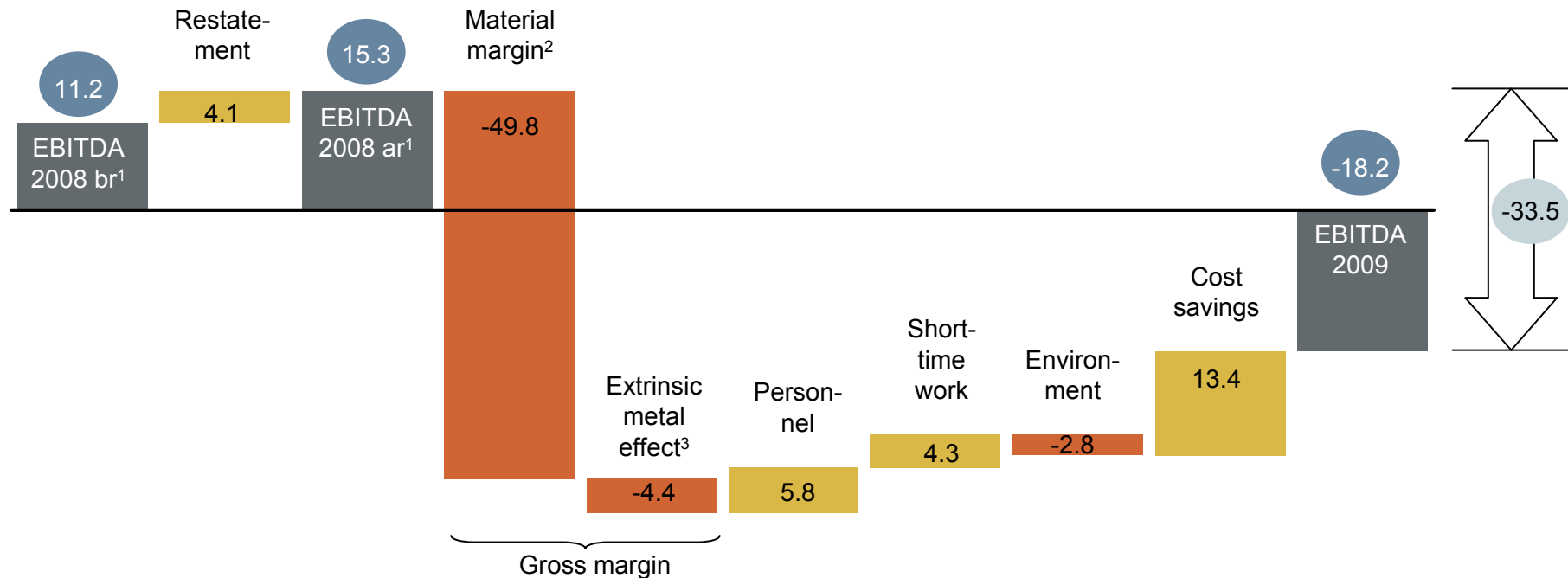
## Cost structure could be improved during 2009



The metal price dropped sharply in Q4/08, recovering only 12 months later, remaining extremely volatile



## Summary of most important impacts on the result 2009

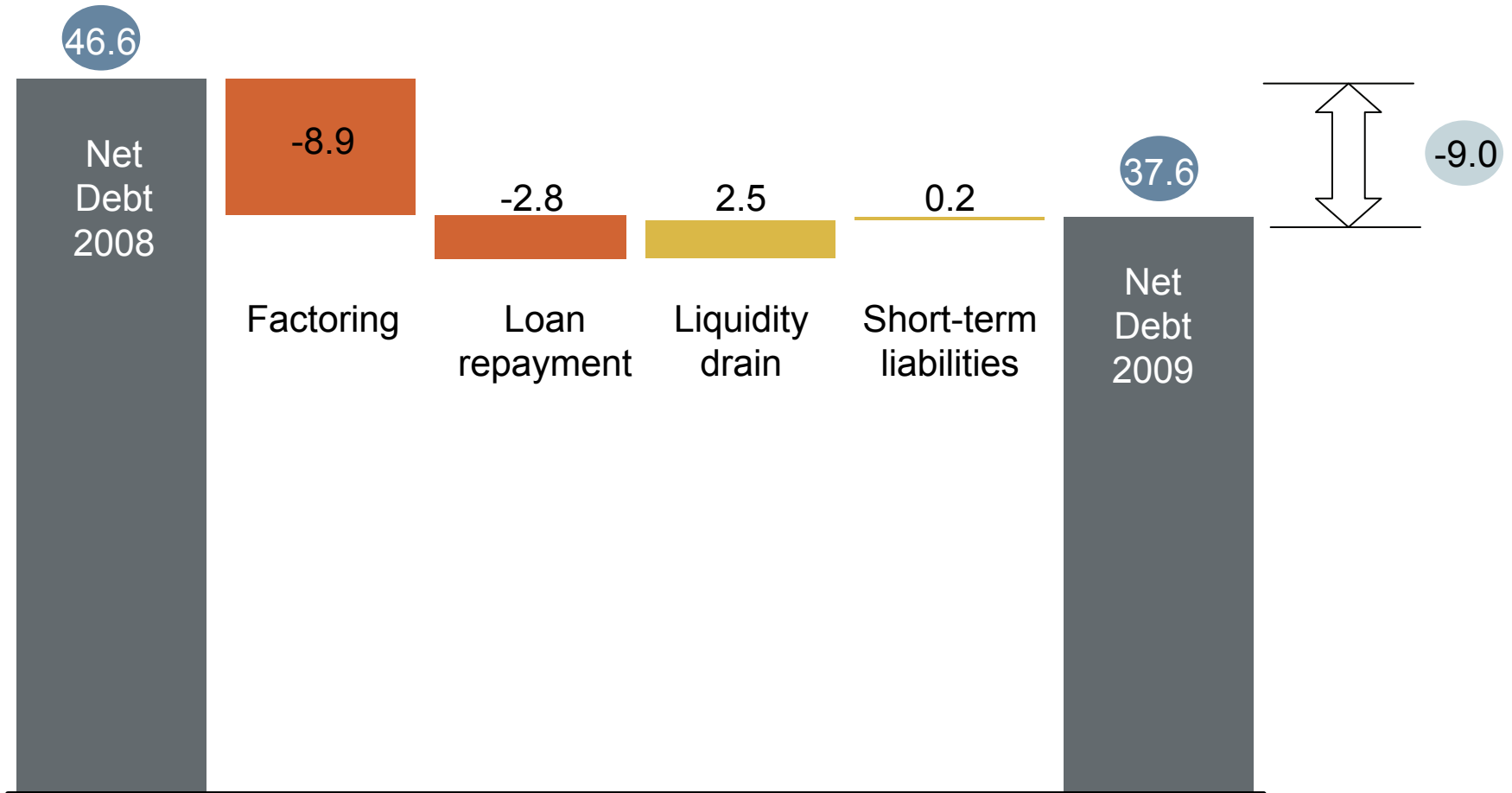


<sup>1</sup>br: before restatement; ar: after restatement

<sup>2</sup>Material margin: Net sales minus costs of materials sold minus changes in stock (value added)

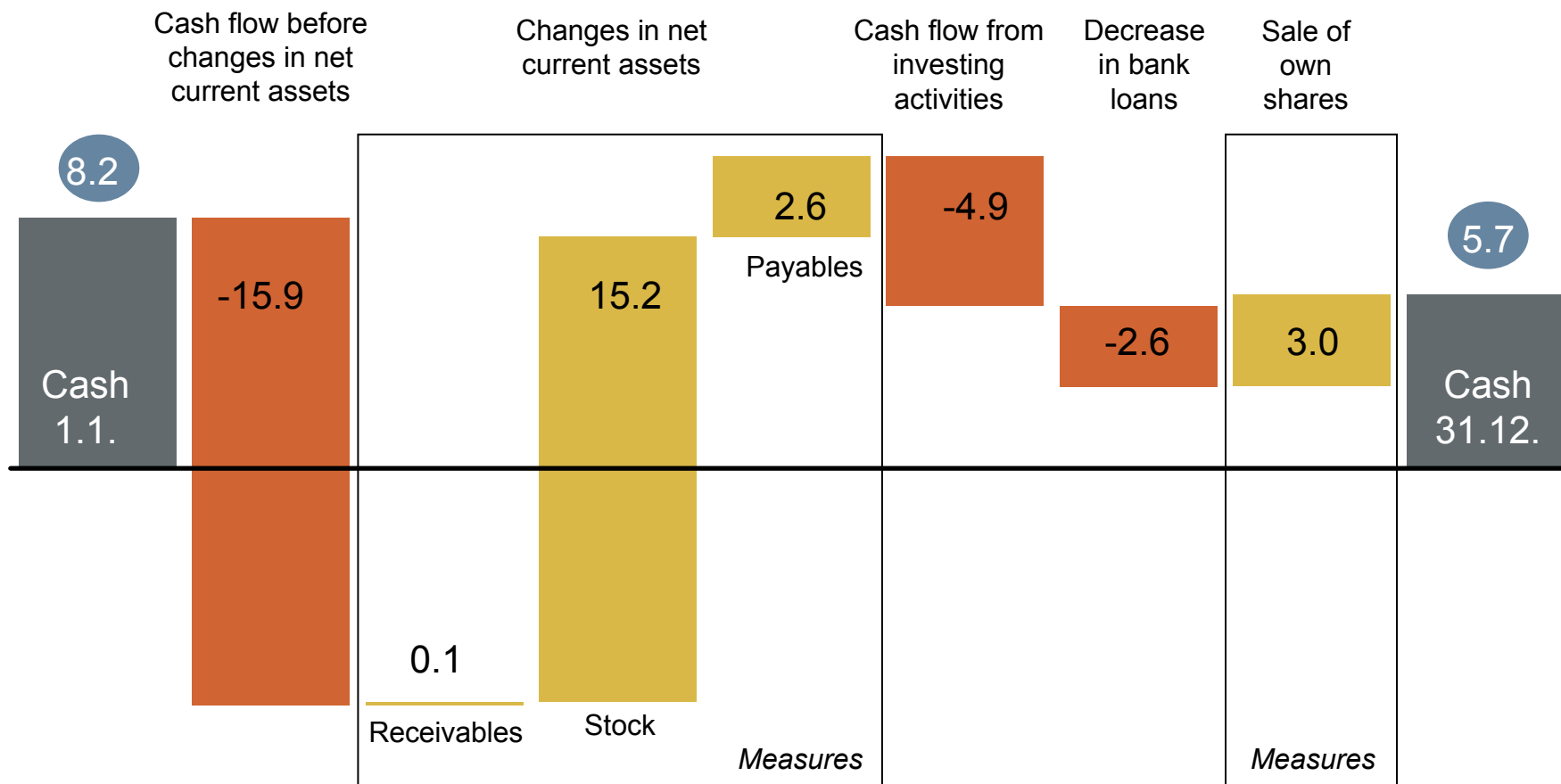
<sup>3</sup>Extrinsic metal effect due to LIFO valuation and increasing/decreasing metal purchases

## Net debt could be improved by CHF 9.0 million



Values in CHF million

## Cash drain was limited by measures in net current asset to CHF 2.5 million



## Agenda

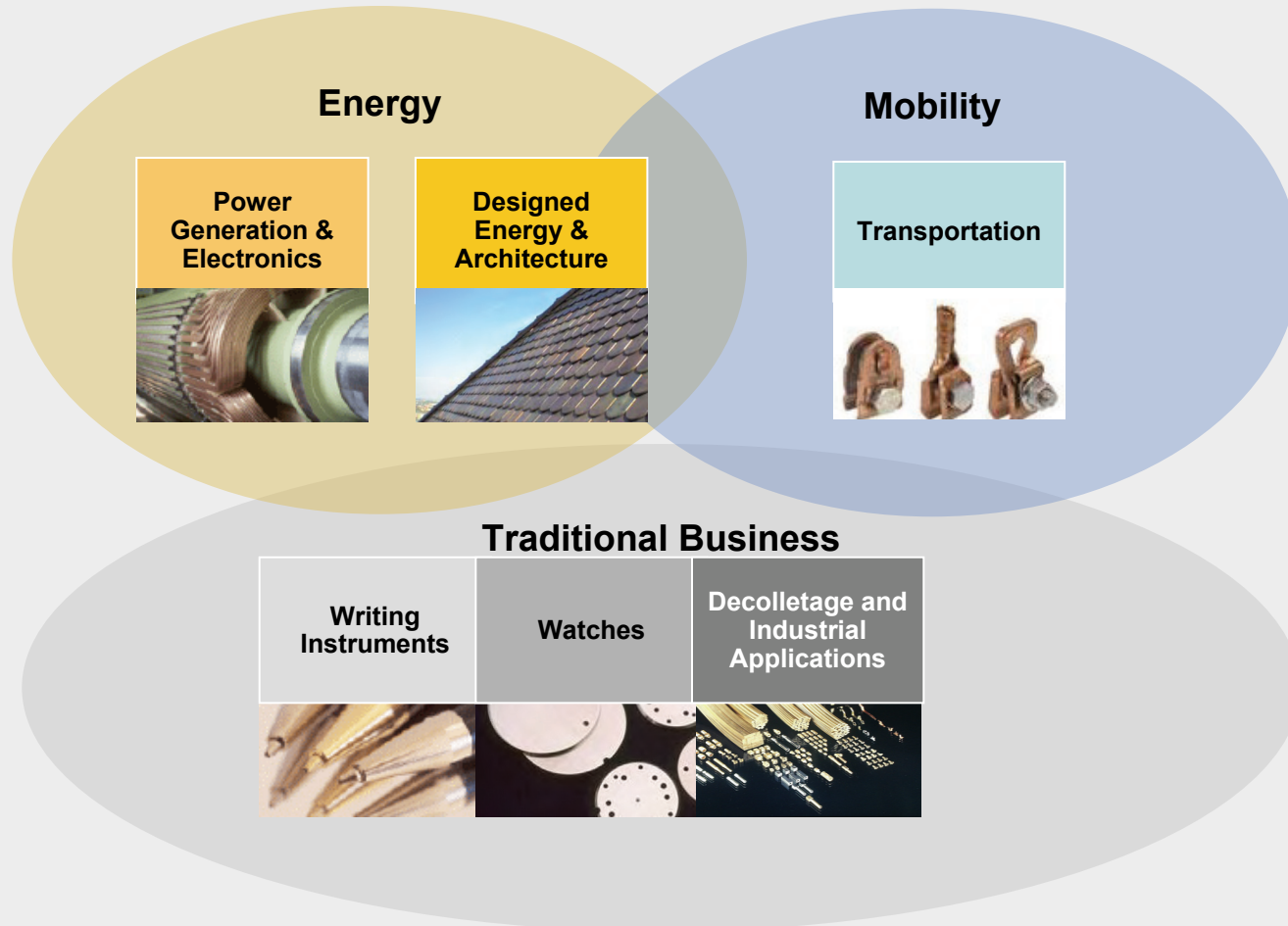
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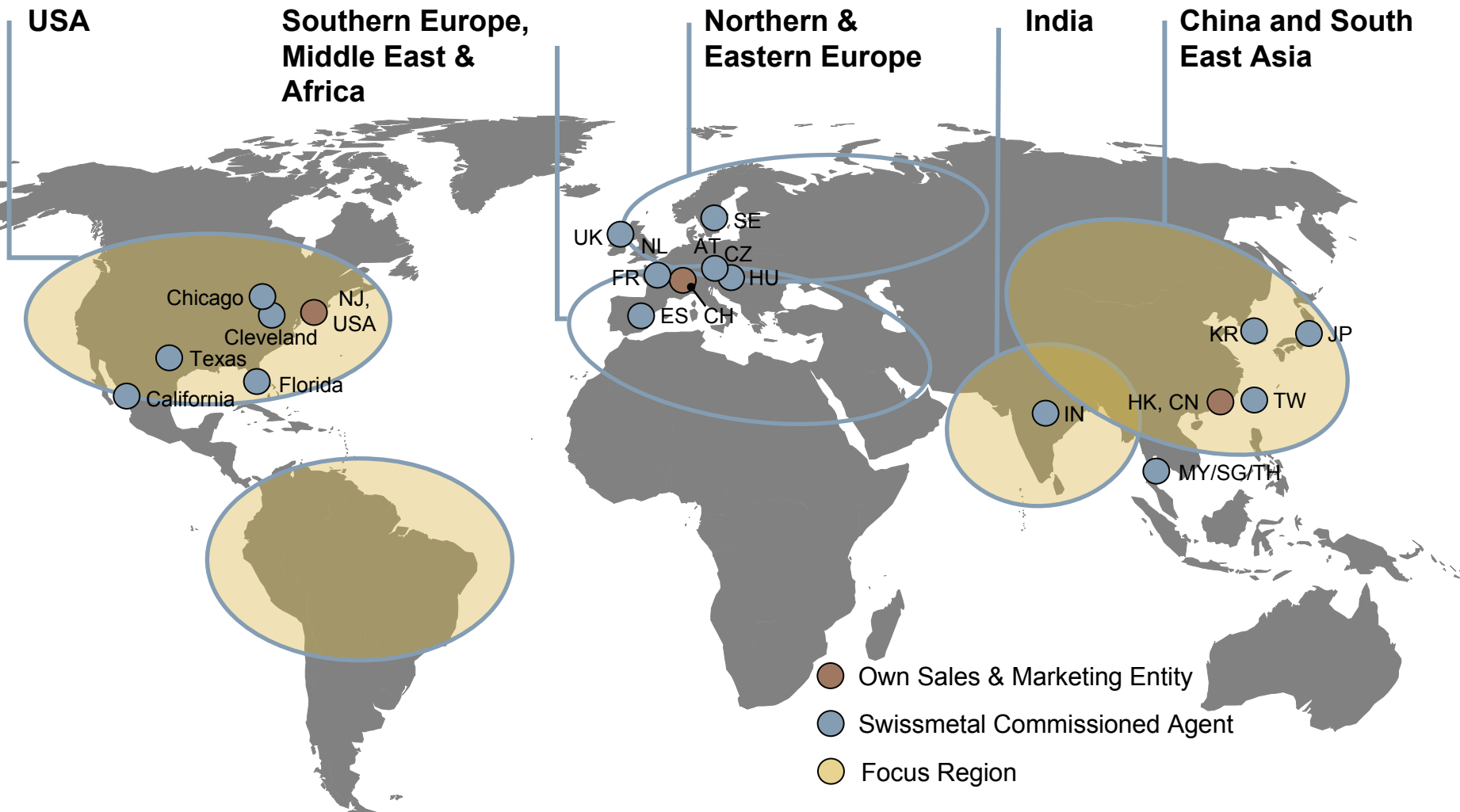
Swissmetal's strategy for profitable growth



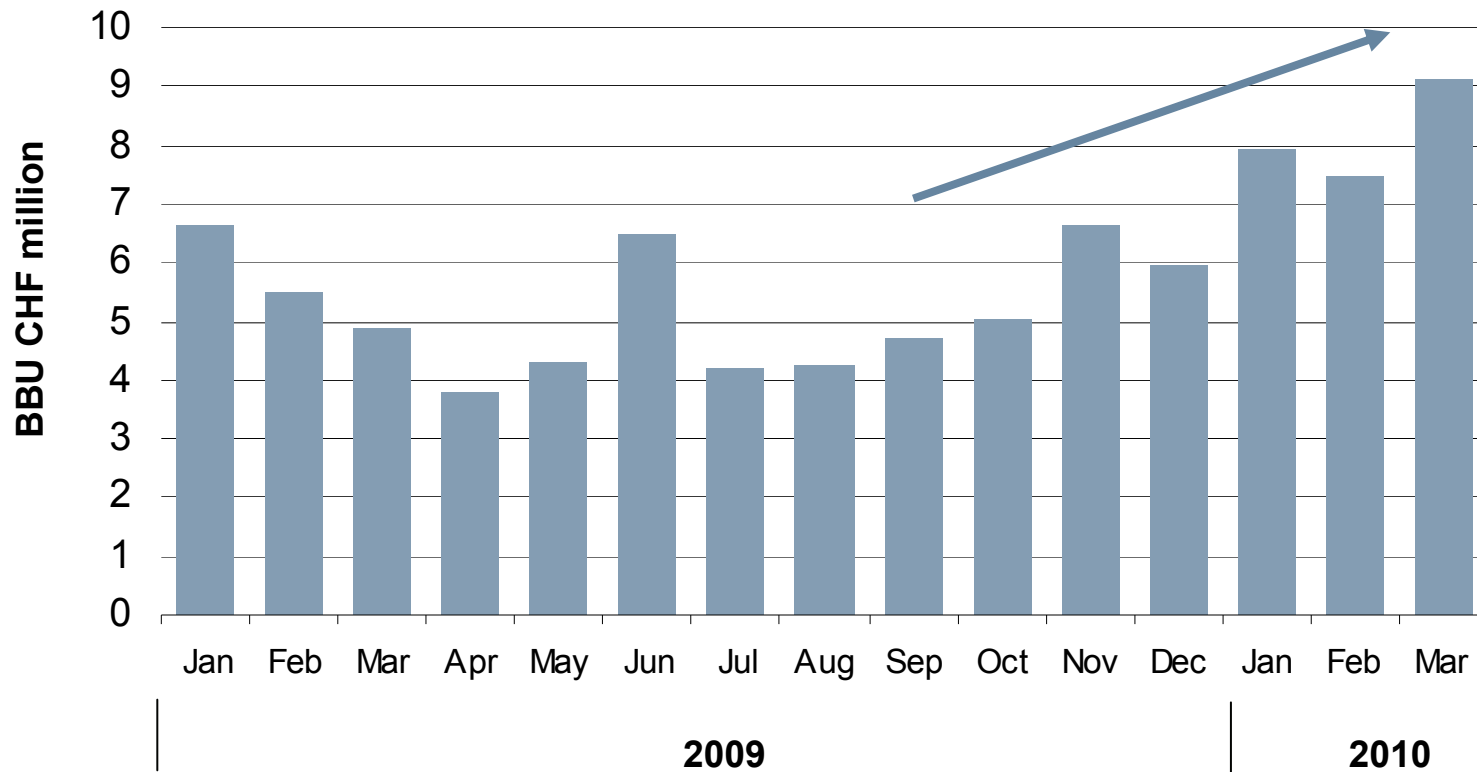
## Focus on the fast-growing fields of Energy and Mobility



Swissmetal will focus on strengthening its sales activities in China, East Asia, India, USA and South America



Since late 2009 we observe a strong pick-up



## Expectation

- Gross sales in the range of CHF 220 to 250 million
- BBU improvement between 20% and 30% compared to previous year
- Operating profit\*: positive

\*without extrinsic metal valuation effects (LIFO method)

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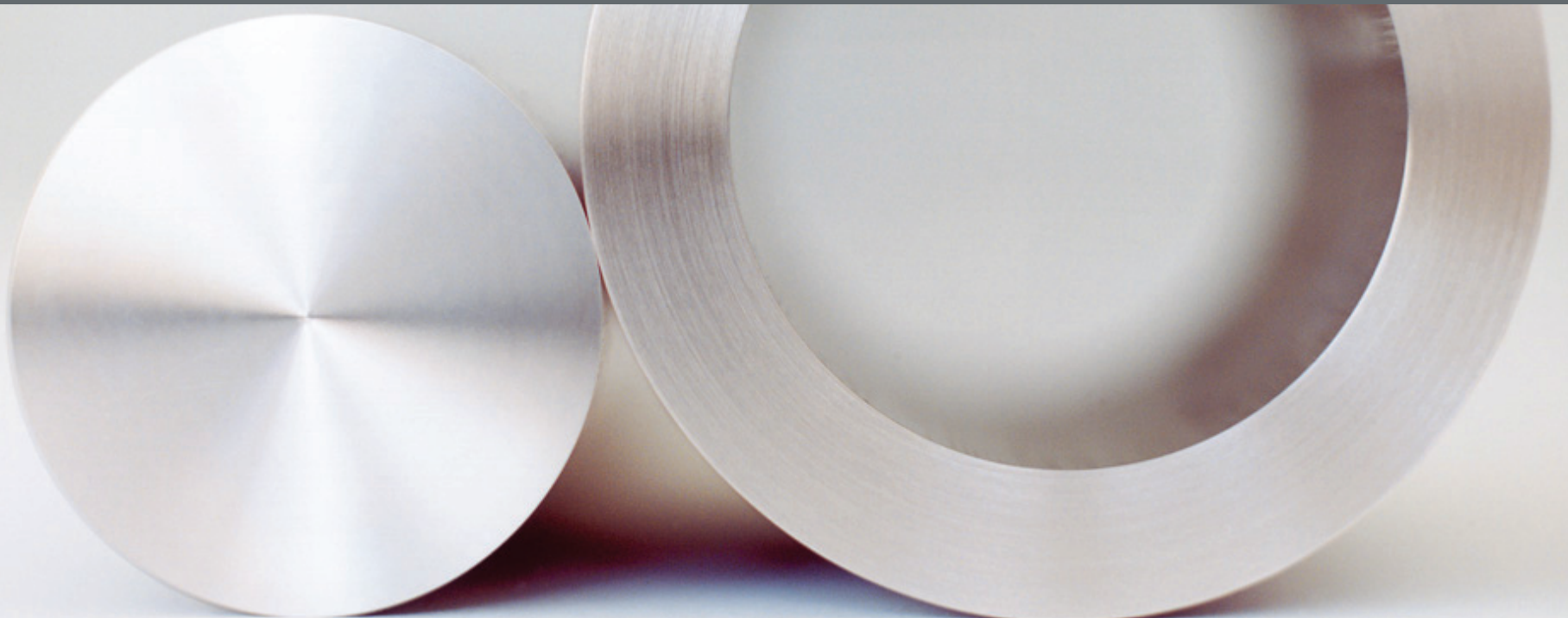
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## Questions & Answers



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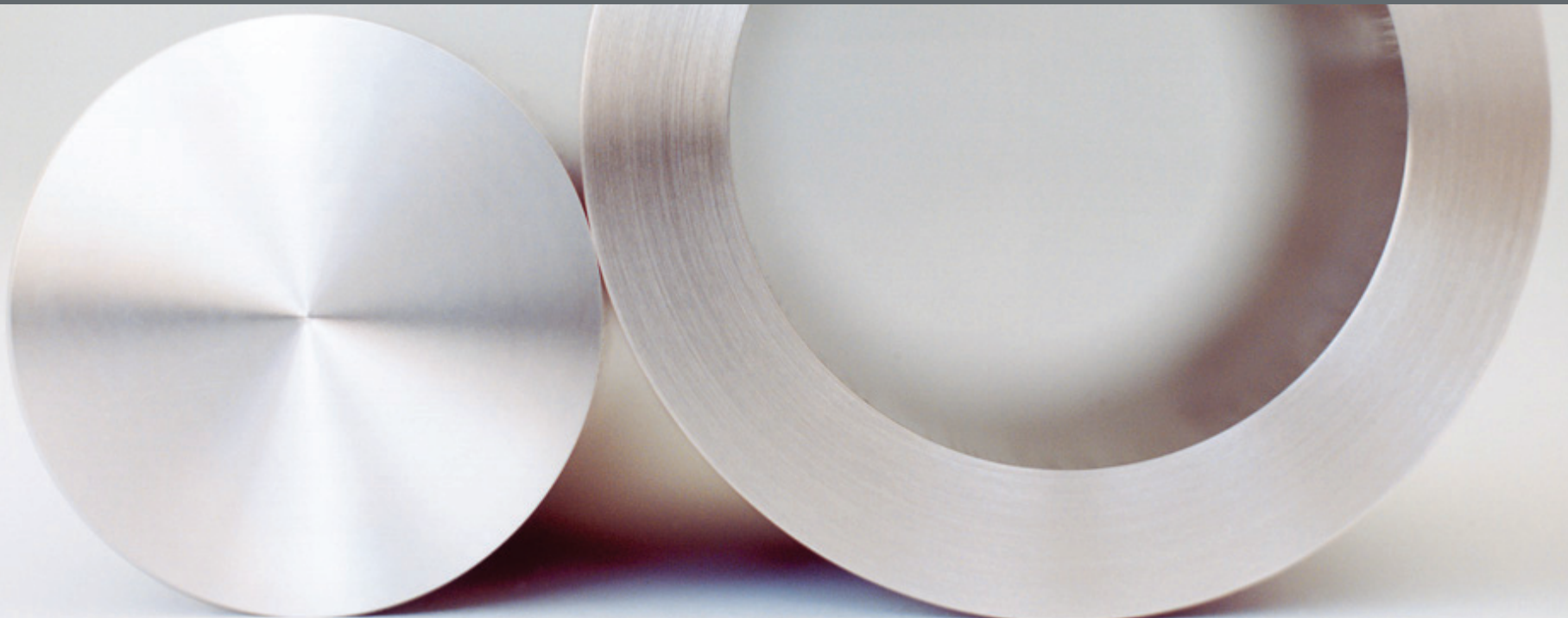
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## Appendix



CHF 000	2009	2008*	Change	Change in %
Gross sales	191'668	324'871	-133'203	-41
- of which sales of third-party trade products	17'570	22'781	-5'211	-23
Gross added value sales	76'650	113'776	-37'126	-33
<b>Gross margin</b>	<b>77'948</b>	<b>132'174</b>	<b>-54'226</b>	<b>-41</b>
Other operating income	2'651	1'994	657	33
Own work capitalized	2'659	1'987	672	34
Personnel expenses	-58'224	-68'292	10'068	15
Energy	-9'501	-12'517	3'016	24
Operating materials	-18'049	-23'468	5'419	23
Administrative expenses	-10'787	-12'615	1'828	14
Other expenses	-4'872	-3'921	-951	-24
EBITDA	-18'175	15'342	-33'517	n.a.
Depreciation	-12'683	-14'564	1'881	13
EBIT	-30'858	778	-31'636	n.a.
EAT	-28'477	-3'952	-24'525	621

\* after restatement



<b>CHF 000</b>	<b>31.12.2009</b>	<b>31.12.2008*</b>	<b>Change</b>	<b>Change in %</b>
Current assets	96'044	113'628	-17'584	-15
Fixed assets	79'358	86'025	-6'667	-8
Total assets	175'402	199'653	-24'251	-12
Short-term liabilities	57'561	53'156	4'405	8
Long-term liabilities	26'895	30'068	-3'173	-11
Total liabilities	84'456	83'224	1'232	1
Total shareholders' equity	90'946	116'429	-25'483	-22
Total liabilities and shareholders' equity	175'402	199'653	-24'251	-12

\* after restatement

# Cash Flow Statement 2009

**SWISSMETAL**

<b>CHF 000</b>	<b>2009</b>	<b>2008*</b>	<b>Change</b>	<b>Change in %</b>
Cash flow from operating activities before change in net current assets	-15'949	10'424	-26'373	n.a.
Change in net current assets	18'027	-8'928	26'955	n.a.
Cash flow from operating activities	2'078	1'496	582	39
Cash flow from investing activities	-4'929	-12'253	7'324	60
Free cash flow	-2'851	-10'757	7'906	73
Cash flow from financing activities	373	-1'968	2'341	n.a.
Net change in cash and cash equivalents	-2'485	-12'860	10'375	81
Cash and cash equivalents as at 1 January	8'205	21'065	-12'860	-61
Cash and cash equivalents as at 31 December	5'720	8'205	-2'485	-30

\* after restatement