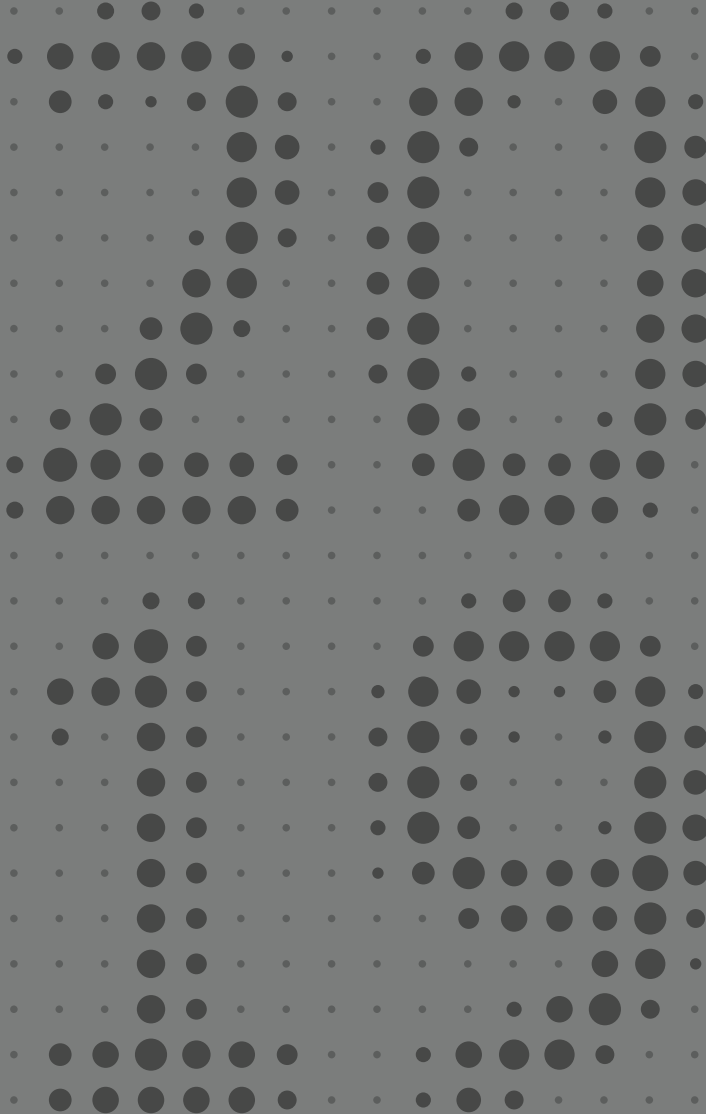


autoneum



Annual Report

Autoneum at a Glance

Autoneum is the global market and technology leader in acoustic and thermal management for vehicles and partner to automobile manufacturers around the world. The Company develops and produces multifunctional, lightweight components for optimum noise and heat protection. The innovations of Autoneum make vehicles quieter, lighter, safer and more fuel-efficient while enhancing driving comfort.

2 297.4

Revenue in CHF million

2.5

Organic growth in %

13 128

Number of employees

1.5*

EBIT margin in %

* Without one-time effects from impairment of fixed assets.

Financial highlights

CHF million	2019		2018		Change	Organic growth ¹
Autoneum Group						
Revenue	2 297.4	100.0%	2 281.5	100.0%	0.7%	2.5%
EBITDA	164.0	7.1%	197.2	8.6%	-16.8%	
EBITDA adjusted ²	126.0	5.5%	197.2	8.6%	-36.1%	
EBIT ³	-32.9	-1.4%	114.1	5.0%	-128.9%	
EBIT before one-time effects ^{3,4}	35.0	1.5%	114.1	5.0%	-69.3%	
Net result ³	-77.7	-3.4%	74.7	3.3%	-204.1%	
Return on net assets (RONA) ^{3,5}	-3.9%		7.8%			
Cash flows from operating activities	119.2		124.0			
Cash flows from operating activities adjusted ²	94.0		124.0			
Net debt at December 31	659.6		283.7			
Net debt at December 31 adjusted ²	355.2		283.7			
Number of employees at December 31 ⁶	13 128		12 946		1.4%	
BG Europe						
Revenue	900.9	100.0%	984.5	100.0%	-8.5%	-5.6%
EBIT ³	51.0	5.7%	82.0	8.3%		
BG North America						
Revenue	1 001.8	100.0%	921.8	100.0%	8.7%	7.2%
EBIT ³	-134.8	-13.5%	-8.2	-0.9%		
EBIT before one-time effects ^{3,4}	-72.8	-7.3%	-8.2	-0.9%		
BG Asia						
Revenue	275.7	100.0%	260.3	100.0%	5.9%	8.1%
EBIT ³	11.9	4.3%	18.9	7.3%		
EBIT before one-time effects ^{3,4}	17.9	6.5%	18.9	7.3%		
BG SAMEA⁷						
Revenue	125.8	100.0%	111.5	100.0%	12.8%	32.7%
EBIT ³	10.7	8.5%	10.8	9.7%		
Share AUTN						
Share price at December 31 in CHF	116.20		147.40		-21.2%	
Market capitalization at December 31	539.9		685.8		-21.3%	
Basic earnings per share in CHF	-20.82		11.83		-276.0%	
Dividend per share in CHF ⁸	-		3.60		-100.0%	

¹ Change in revenue in local currencies, adjusted for hyperinflation.

² Excluding IFRS 16 effects in 2019.

³ The figures for the 2019 financial year include IFRS 16 effects.

⁴ Without one-time effects from impairment of fixed assets.

⁵ Net result before interest expenses in relation to average shareholders' equity plus borrowings.

⁶ Full-time equivalents including temporary employees (excluding apprentices).

⁷ Including South America, Middle East and Africa.

⁸ As proposed by the Board of Directors and subject to the approval of the Annual General Meeting.

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Hans-Peter Schwald
Chairman of the Board

Matthias Holzammer
Chief Executive Officer

Net result impacted by operating losses and high impairments in North America

Dear shareholders

2019 was an extremely challenging year for the automobile industry. The continuing weakness of the global economy, ongoing trade disputes and the increasing regulation of mobility impacted vehicle demand negatively. But 2019 was also a year of change for Autoneum internally. An in-depth analysis carried out by the new Group Management in the fall showed a need to reevaluate the Group's performance over the short- to medium-term. In Business Group North America, the operational and commercial problems have proven more extensive than originally assumed. As a result, the turnaround program launched in spring 2019 was replaced at the beginning of 2020 with a dedicated and far more comprehensive program for the North American sites.

Revenue growth despite a shrinking global market

As a result of weak demand, the number of light vehicles produced worldwide fell again sharply in 2019 compared to the previous year; whereby the decline of almost –6% was much steeper than in 2018. Thanks to numerous production ramp-ups and a favorable model portfolio, Autoneum generated organic revenue growth¹ of 2.5%, despite the global market cooling. Revenue consolidated in Swiss francs rose by 0.7% from CHF 2 281.5 million to CHF 2 297.4 million.

Profitability² impacted by operational inefficiencies and impairments

Operational inefficiencies in North America and impairments on fixed assets in this region were the main reason for the – first-ever – negative net result in 2019. In addition, the sharp drop in automobile production in Europe and China as well as associated lower utilization of production capacities in the affected Business Groups also burdened the Group's profitability. EBITDA excluding IFRS 16 effects decreased to CHF 126.0 million (2018: CHF 197.2 million), which corresponds to an EBITDA margin of 5.5% (2018: 8.6%). One-time charges from impairments in the amount of CHF –68.0 million had a negative impact on EBIT, reducing it to CHF –32.9 million (2018: CHF 114.1 million). Without these one-time charges, EBIT amounted to CHF 35.0 million. The EBIT margin excluding impairments was at 1.5% in 2019, and taking those into account the margin decreased to –1.4% (2018: 5.0%).

¹ Change in revenue in local currencies, adjusted for hyperinflation.

² The figures for the 2019 financial year include IFRS 16 effects.

Lower equity ratio as a result of higher net debt

Continuing high operating losses throughout the year and impairments on fixed assets led to a net loss of CHF –77.7 million in 2019 (2018: net profit of CHF 74.7 million). The operating losses of Business Group North America and investments in fixed assets resulted in a negative free cash flow of CHF –9.9 million (2018: CHF –40.7 million). However, despite the lower result, free cash flow in 2019 was improved compared to the prior year. IFRS 16 also required a change to the recognition of leased property, plant and equipment and associated liabilities each in the amount of CHF 301.6 million. This reduced the equity ratio to 27.1% as of December 31, 2019. On a comparable basis, excluding IFRS 16 effects, the equity ratio was at 32.7%. Net debt excluding the IFRS 16 effects rose to CHF 355.2 million (December 31, 2018: CHF 283.7 million). With the two bonds issued in 2016 and 2017, the long-term credit agreement with a bank syndicate and two shareholder loans, Autoneum continues to be solidly financed.

Committed to the mobility of the future

In 2019, Autoneum again launched various innovative components that help automobile manufacturers to produce quieter, lighter and more environmentally friendly vehicles. The multifunctional, lightweight components are suitable for vehicles with all types of drives. This is a great advantage for car manufacturers in both pre-development as well as series production of models and makes Autoneum a sought-after supplier of acoustic and thermal management solutions. With battery undercovers made of Ultra-Silent, the Company has adapted this textile underbody technology for use in electric vehicles for the first time. These battery undercovers act as insulators helping to reduce sound that enters the passenger cabin, as well as pass-by noise. Noise-reducing components are also essential in electric models. External and internal noise sources such as electric drive elements, fans and pumps are more audible in this vehicle category due to the lack of engine noise and therefore impact driving comfort. Thanks to their light weight, battery undercovers made of Ultra-Silent also help to ensure a greater driving range. In view of increasing pass-by noise regulation around the world, Autoneum now offers customers the multifunctional Alpha-Liner wheelhouse outer liner, which is highly effective in reducing tire noise and allows noise absorption to be customized for the specific requirements of the vehicle model. Made primarily of recycled PET fibers and fully recyclable, Alpha-Liner wheelhouse outer liners are particularly environmentally friendly.

Leading the way in digitalizing acoustic management

Autoneum is setting standards for automobile noise and heat protection not only with its innovative components and technologies, but also digitally, as the first automotive supplier in the world with a configurator for the acoustic management of vehicles. The online portal “Acoustic Garage” (acoustics.autoneum.com) is based on Autoneum’s unique simulation

expertise and offers a comprehensive information and product experience on all aspects of noise protection in cars. Users – whether customers or end consumers – can configure a product package to their individual needs on the basis of selected criteria such as lightweight construction, sustainability and aesthetics. In this way, Autoneum helps vehicle manufacturers, ensuring optimal acoustics in future models.

New Group Management with strong operational expertise

In October 2019, the Board of Directors appointed two new members to the Group Executive Board: Matthias Holzammer and Bernhard Wiehl. Matthias Holzammer has taken over as CEO from Martin Hirzel, under whose tenure Autoneum became the internationally recognized market and technology leader in thermal and acoustic management that it is today. Matthias Holzammer demonstrated his operational expertise in various positions, among others as the long-standing Head of Business Group Europe, which he successfully restructured from 2012 on, transforming it into a highly profitable Business Group until his departure at the beginning of 2019. Also contributing to its transformation was Bernhard Wiehl, who succeeded Dr Martin Zwysig as CFO of the Company at the end of October 2019. Bernhard Wiehl was responsible for Finance & Controlling at Business Group Europe from 2013 to 2019.

At the beginning of 2019, Dr Alexandra Bendler succeeded Matthias Holzammer as Head of Business Group Europe. Since joining the Company in 2008, she has held various management positions, including Head of Group Strategy & Marketing and Head of Sales & Program Management for Business Group Europe. In North America, Greg Sibley assumed responsibility for the corresponding Business Group after a transition period on July 1, 2019 from Fausto Bigi, who had served as the interim Head since the beginning of 2019. With his extensive expertise in the areas of production, development and sales at leading automotive suppliers, Greg Sibley is ideally suited to tackling the current challenges in North America.

Board of Directors proposes waiver of dividend payment

In view of the significant net loss, the Board of Directors will propose to the Annual General Meeting on March 25, 2020 no dividend to be distributed for the 2019 financial year.

Business Groups

The drop in automobile production compared to the previous year led to a revenue decline of –5.6% in local currencies at Business Group Europe in 2019. Revenue in Swiss francs decreased by –8.5% to CHF 900.9 million (2018: CHF 984.5 million). The earnings were impacted not only by the volume-related loss of profitability, but also by the continued challenging labor market situation and a shortage of skilled employees especially in Eastern Europe. Driven by a weaker capacity utilization and despite a cost-savings program to reduce fixed costs that was imple-

mented early on, EBIT in the reporting period dropped to CHF 51.0 million (2018: CHF 82.0 million), corresponding to an EBIT margin of 5.7% (2018: 8.3%).

In an equally declining market, Business Group North America increased its 2019 revenue by 7.2% on a currency-adjusted basis, mainly due to various production ramp-ups by German and Japanese vehicle manufacturers. In Swiss francs, revenue climbed to CHF 1 001.8 million (2018: CHF 921.8 million). In the 2019 financial year, Business Group North America recorded an EBIT of CHF –134.8 million (2018: CHF –8.2 million), which includes one-time charges from impairments of fixed assets of CHF –62.0 million. As the insufficient profitability in North America is not only limited to two loss-making US plants, a comprehensive turnaround program has been implemented at the North American sites at the beginning of 2020 that replaces the predecessor program that had been launched in spring 2019. It focuses on the solution of operational and commercial problems as well as the improvement of the cost structure.

In Asia, too, the corresponding Business Group succeeded in boosting revenue in a declining market. Driven by new and high-volume programs of European and Asian automobile manufacturers, Business Group Asia grew in local currencies by 8.1%. Revenue in Swiss francs rose to CHF 275.7 million (2018: CHF 260.3 million). Profitability has been significantly burdened by the expansion of capacity undertaken in recent years in line with the originally forecast growth of the Chinese market. This and the resulting one-time charges from impairments of fixed assets totaling CHF –6.0 million led to an EBIT of CHF 11.9 million (2018: CHF 18.9 million). Excluding impairments, the EBIT margin was at 6.5% (2018: 7.3%).

Business Group SAMEA (South America, Middle East and Africa) continued its growth path in the reporting year. Despite the market slump in this region, revenue in local currencies climbed by 32.7%, a result boosted by inflation. High-volume export programs in Turkey and South Africa as well as much higher production volumes compared to the previous year in the key SAMEA market of Brazil were key factors. Due to the strong depreciation of various relevant currencies, revenue consolidated in Swiss francs was up less remarkably by 12.8% to CHF 125.8 million (2018: CHF 111.5 million). Thanks to favorable capacity utilization, the Business Group generated an EBIT of CHF 10.7 million (2018: CHF 10.8 million). The EBIT margin was at 8.5% (2018: 9.7%).

Outlook

Autoneum expects revenue growth at market level in 2020. Based on the uncompromising focus on the turnaround and the implementation of corresponding measures in North America, the Company aims at significant increases in profitability and a slightly positive net result. Furthermore, a free cash flow in the mid double-digit million range is anticipated, which will have a positive effect on the net debt. Based on further operational and financial improvements in 2021 ("Year of Transition"), Autoneum expects a return to a sound profitability level in 2022.

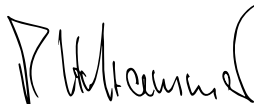
Acknowledgement

A special thank you goes to more than 13 000 Autoneum employees for whom the past year was not an easy one. Despite the associated challenges, our employees give their best every day to put the Company back on the path to success, together with the Board of Directors and the Group Executive Board. We would like to extend our gratitude to our customers, shareholders and all those who have accompanied Autoneum along the way for their loyalty and allegiance, especially in this phase of the Company's development.

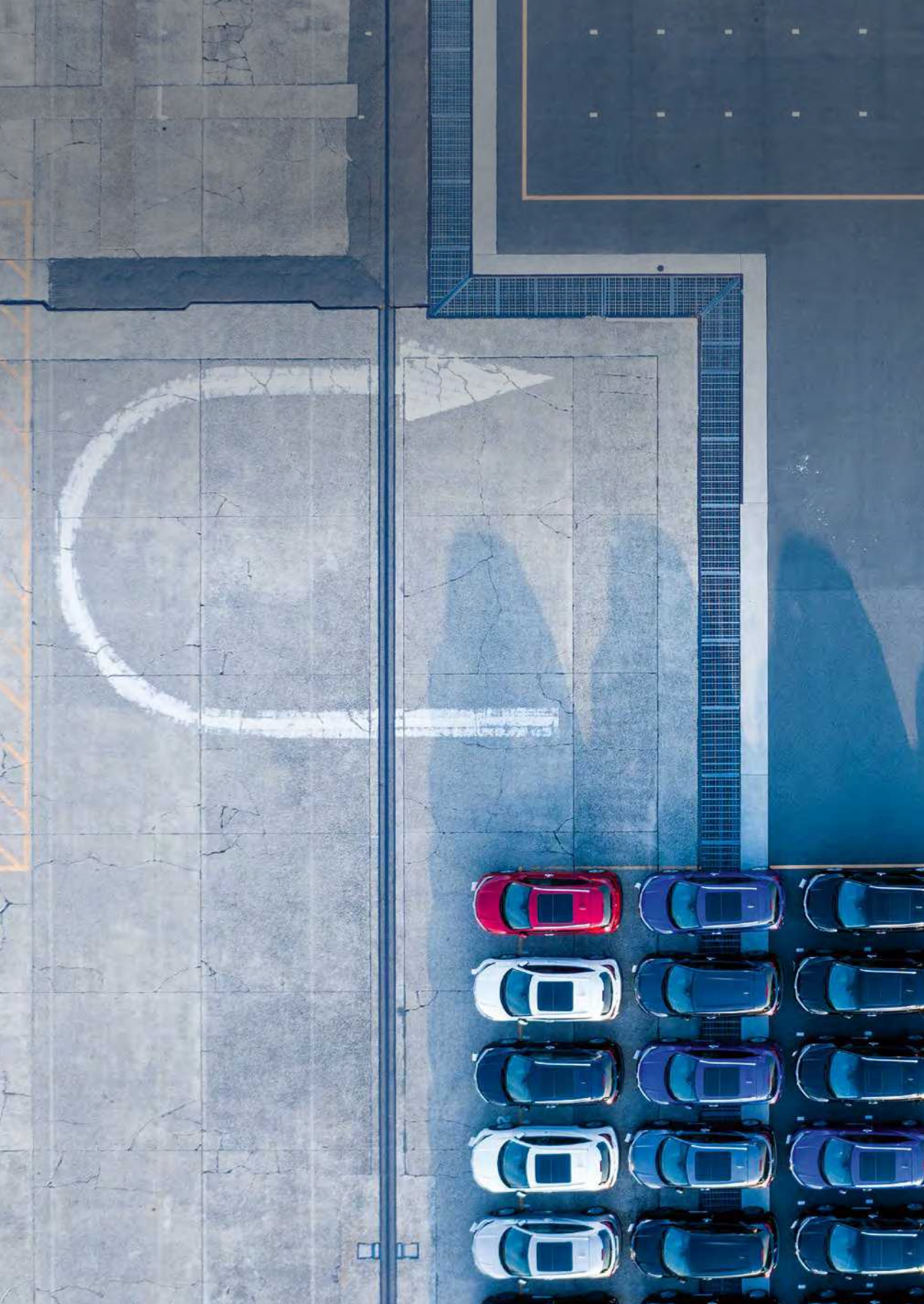
Winterthur, March 3, 2020



Hans-Peter Schwald
Chairman of the Board



Matthias Holzammer
Chief Executive Officer





2019 at a Glance

The past year was all about innovation leadership: Whether new components for acoustics and thermal management, the world's first online configurator for all aspects of noise protection in cars, the Automotive Acoustics Conference scientifically led by Autoneum or successful “Innovation Days” for customers – Autoneum is helping to shape the mobility of the future.

Optimal acoustics at the touch of a button

With “Acoustic Garage”, Autoneum launched in 2019 the very first online platform all around the acoustic management in vehicles. It offers users – whether customers, researchers or end consumers – a comprehensive information and product experience. With just a few mouse clicks, a customized noise protection package can be designed. Acoustic Garage is based on Autoneum’s unique simulation expertise: Software developed in-house calculates the acoustic performance of all selected component and vehicle configurations in real-time and thus secures optimum acoustic management.

acoustics.autoneum.com



STIRNWANDABSORBER

DIE IM MOTORRAUM BEFINDLICHEN STIRNWANDABSORBER ABSORBIEREN GERÄUSCHE DES ANTRIEBSSTRANGS DIREKT AN DER LÄRMQUELLE.



LEICHTBEWICHT

TEPPICHSYSTEM

STIRNWANDISOLATION

STIRNWANDABSORBER

MOTORHAUBENABSORBER

MOTORKAPSELUNG

MOTORABBECKUNG

TUNNELISOLATION AUSSEN

UNTERBODENSCHILD

RADHAUSVERKLEIDUNG

ANPASSUNGEN





Córdoba: dedicated to customer satisfaction

High product quality and delivery excellence – both are hallmarks of the Autoneum plant in Córdoba, Argentina. For these achievements, our only production facility in the land of the tango received several customer awards in 2019: Congratulations on the “Quality Award” and the “Logistic Performance Award” from Toyota as well as the recognition of being one of the “Best Argentinian Suppliers” from Iveco (CNH Industrial Group).

Greater driving range with Ultra-Silent

Autoneum expanded its product portfolio for electric vehicles in 2019 with textile battery undercovers made of Ultra-Silent. Thanks to their low weight, they contribute to a higher driving range of electric models. They also reduce vehicle sounds that become more audible due to the lack of engine noise, thus improving driving comfort. Battery undercovers made of Ultra-Silent consist entirely of PET and act as thermal insulators. They accordingly protect the battery against cooling or heating – improved battery performance guaranteed. This product innovation will initially be used in the electric model of a German premium manufacturer.









Automotive Acoustics Conference 2019: industry leadership confirmed!

Last July, more than 220 experts discussed requirements for acoustic management associated with the mobility of the future at the Automotive Acoustics Conference in Zurich, Switzerland, which is scientifically led by Autoneum. Presentations and workshops focused on new findings related to noise protection in electric vehicles and the use of measurement systems in the pre-development of sound-reducing components.

Hybrid-Acoustics PET for sustainable noise protection

Lighter, quieter and more environmentally friendly vehicles – this is what Hybrid-Acoustics PET stands for. The newly launched technology for e-motor encapsulations particularly attenuates high-frequency sounds at the source, hence providing ideal noise protection and greater driving comfort. Components based on Hybrid-Acoustics PET are made entirely of PET that largely consists of recycled fibers and thereby meets the requirements for resource-efficient mobility solutions. Starting in spring 2020, Autoneum will be supplying numerous e-models with motor capsulations made of Hybrid-Acoustics PET.





Happy birthday Tillsonburg!

For 50 years, our plant in the Canadian city of Tillsonburg has been a byword for quiet cars. Working in a production space of more than 13 000 square meters, around 300 employees ensure that US-American vehicle models offer optimum acoustics thanks to wheelhouse inner liners, floor insulators and inner dashes from Autoneum.





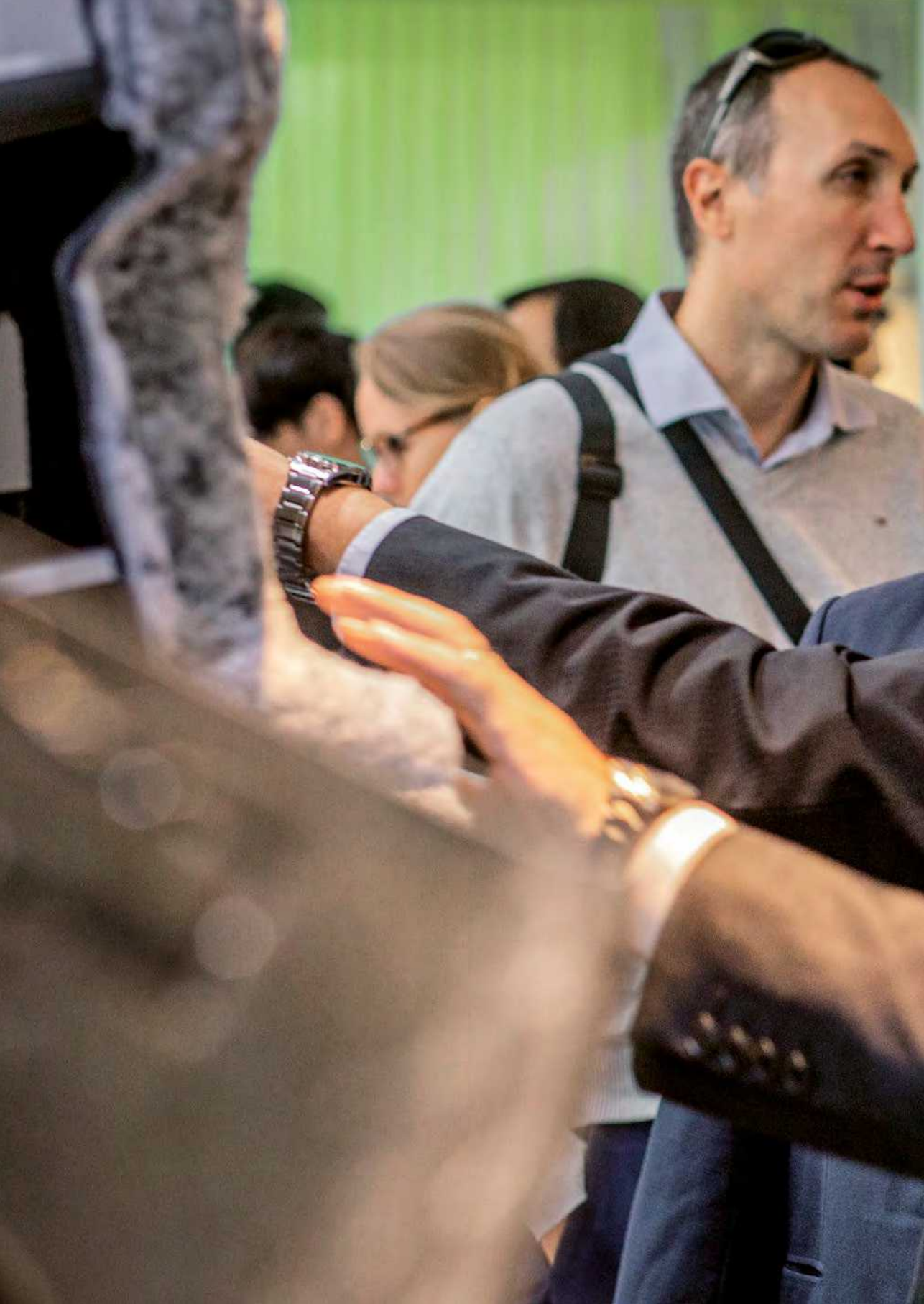
autoneum





Enjoy the silence with Alpha-Liner

Automobile manufacturers around the world must comply with increasingly restrictive noise regulations for new vehicle models. Every decibel less is key. To achieve a substantial reduction, Autoneum's multifunctional Alpha-Liner wheelhouse outer liner plays an important role. There, a thin plastic coating applied on the tire side maximizes sound absorption according to the vehicle requirements and thereby reduces tire noise. At the same time, the textile components convince with their low weight, which ensures a higher driving range. But that's not all: The components, which are made of 100% recycled PET fibers, can be completely reclaimed and are therefore particularly sustainable.





Successful “Innovation Days” in Japan

In order to show current and potential customers the extensive benefits of its product innovations, Autoneum conducts in-house exhibitions at automobile manufacturers around the world. In 2019, these “Innovation Days” took place at Toyota, Nissan and Honda in Japan, among others. Particularly sustainable innovations for use in electric vehicles were presented in the form of lightweight under-battery covers made of Ultra-Silent, along with Alpha-Liner wheelhouse outer liners.



To the top with Autoneum

Promoting innovation in the automobile industry is the basis of the long-term partnership with the leading industry accolade, the “World Car Awards”. Every year, a large number of the nominated models benefit from Autoneum’s technology leadership in acoustic and thermal management. The fully electric “I-PACE” SUV from Jaguar convinced in 2019 also due to its numerous Autoneum components and became the first model to win the “World Car of the Year”, “World Car Design of the Year” and “World Green Car” awards simultaneously.



In focus: people and the environment

Being a good corporate citizen, Autoneum wants to make a decisive contribution to a sustainable future. To this end, the Company undertook a range of projects and measures in 2019 as part of its Advance Sustainability Strategy 2025 in order to meet a comprehensive Group-wide set of environmental, social and ethical targets.

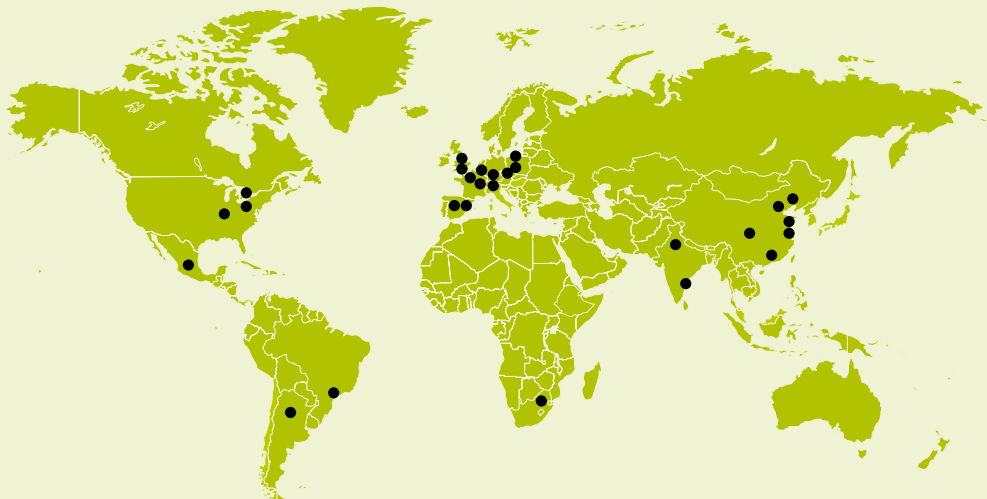




Eco-efficient production processes

Autoneum works continuously to improve its environmental footprint by reducing or recycling production waste and by lowering energy and water consumption.

Over 60 such environmental efficiency projects at 29 of the Company's sites have contributed to improving this record and thus ensuring environmentally friendly production in 2019. Besides energy efficiency measures such as the transition to LED lighting and energy-efficient motors in compressors and fans, Autoneum is endeavoring to create closed material loops by fully recycling raw and other materials used in the production process. Accordingly, the Company further expanded its recycling capacity in 2019 and new plants for recovering scrap from the production of the textile mono-material Ultra-Silent and the felt fiber technology IFP-R2 commenced operations in Asia. In Europe, the amount of production waste that was recycled rose significantly through the use of external recycling facilities.



More than 60 eco-efficiency projects worldwide



Occupational health and safety

All Autoneum sites are committed to providing and maintaining a safe and healthy work environment for employees, customers, suppliers and visitors. In this context, the Company continued with the Group-wide “Manufacturing Safety Program”, launched in 2018, during the reporting year. The core element of the program is an occupational safety culture that focuses on prevention and risk reduction. Last year, two-day workshops were held at 21 plants across all four Business Groups, at which management teams learned different methods to promptly detect and correct unsafe practices and conditions. The Company also further improved its ergonomic standards: A newly launched ergonomics handbook contains, among other things, specifications for the identification of accident risks, for the ergonomic layout of the workplace and for physical relief through workplace rotation. In addition, five Autoneum plants were certified according to the new international standard for occupational health and safety, ISO 45001, in 2019. This standard has a greater focus on accident prevention than its predecessor, OHSAS 18001, which was designed in a reactive manner. By 2025, all plants will be certified according to this new standard.



Employee development

In 2019, all of Autoneum’s branches analyzed the respective results of the employee satisfaction survey conducted during the previous year and with the help of focus groups appropriate improvement measures have been implemented. These are intended to bring about continuous improvement, especially in process optimization and production savings. In addition, Autoneum offered its staff a broad range of opportunities for professional and personal development in 2019. For example, 65 alumni of the leadership development programs for managers – the International Leadership Program (ILP) and the High Performance Leadership Program (HPL) – participated in a virtual deep dive workshop in November. As part of this innovative event format, employees from 23 sites from all regions analyzed and defined the corporate value of “Accountability” and reflected on how they, as managers, could best live this value on a day-to-day basis.



Compliance

Autoneum not only acts in accordance with the law, but also strives to observe the highest ethical standards both within the Company as well as in all its business relations. The Code of Conduct, which is binding for all employees, forms the basis for all actions and, in terms of its control function, is supplemented by the guidelines, processes and objectives defined in the Compliance Management System (CMS). In 2019, the existing compliance policy framework was extended by the Human and Labor Rights Directive, representing an important measure strengthening adherence to ethical standards. The practice-oriented “Tone at the Top” program, implemented also in the reporting year, makes managers aware of their duty to serve as role models

and behave appropriately when interacting with employees. Irrespective of position, regular training courses on the Code of Conduct as well as on the topics of corruption, competition law and cyber crime aim to ensure that Autoneum employees do not put themselves or the Company at risk as a result of inappropriate conduct.



Social engagement

Autoneum operates 55 production facilities worldwide and as such has a material economic impact on the communities where it is active. To make the best possible use of this influence in addressing social and environmental challenges, the Company maintains close, long-term ties with local stakeholders. In Brazil, for instance, under the “Formare” program some 40 employees provided manufacturing and logistics training to young people from disadvantaged families. In August, the staff at the plant in Bloomsburg (Pennsylvania) in the USA staged the United Way charity golf tournament for the 25th time. Proceeds from this event supported a number of public libraries, youth clubs, charities and a holiday camp for children with special education needs. The Autoneum plant in the south-east Indian city of Chennai mobilized 75 employees to plant more than 500 trees near the site – a small but important contribution to improving air quality in the area and promoting biodiversity in the long term. Last year, 130 such initiatives worldwide helped to promote the social and economic development of Autoneum’s local communities.

130

In 2019, employees engaged in 130 community engagement projects worldwide.

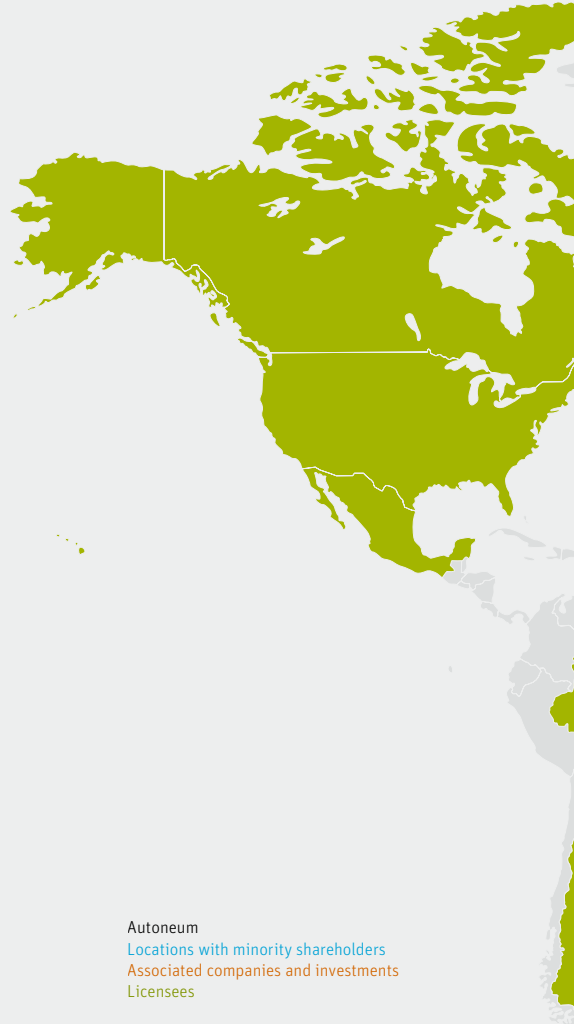
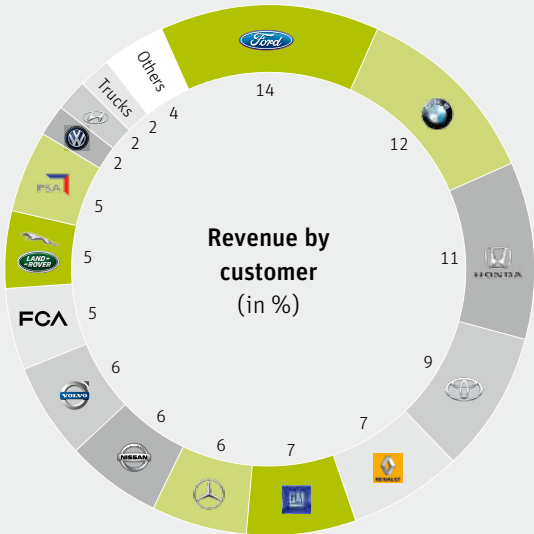
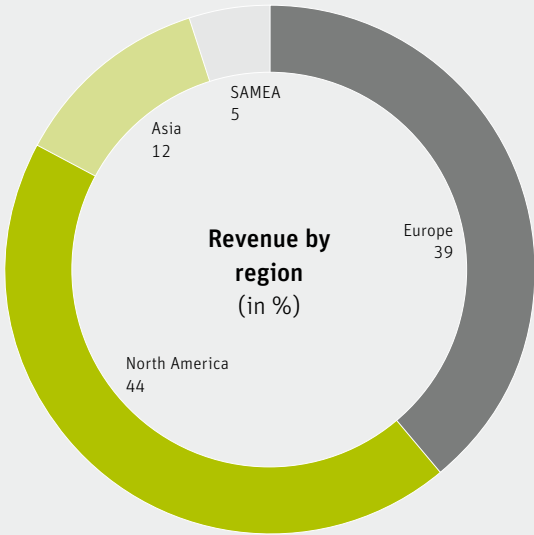
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In 2019, five Autoneum plants were certified according to ISO 45001.

21

Employees from 21 sites around the globe have participated in the “Manufacturing Safety Program”.

Markets and Customers



Autoneum
 Locations with minority shareholders
 Associated companies and investments
 Licensees

North America

Canada

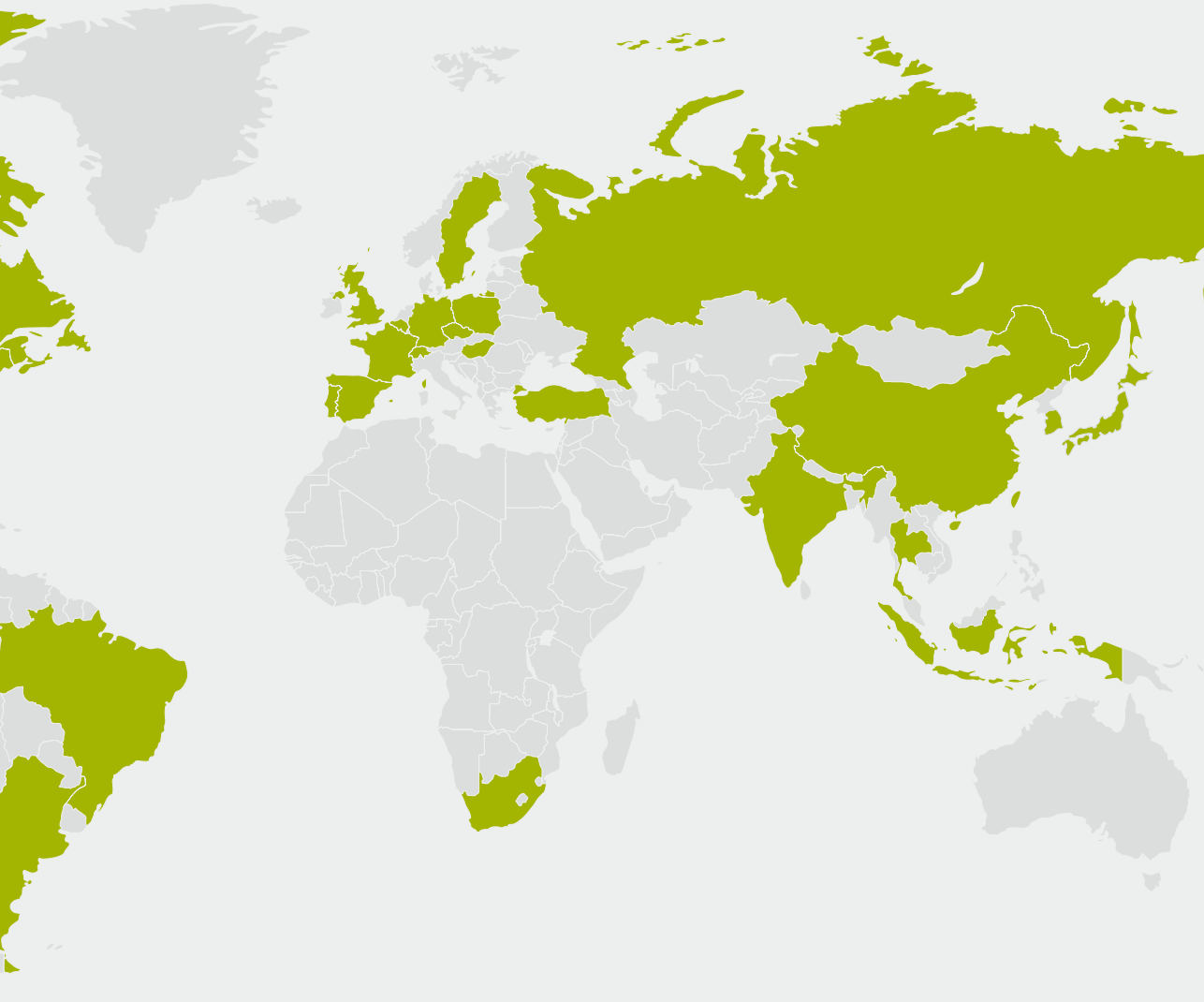
- London, Ontario
- Tillsonburg, Ontario

Mexico

- Hermosillo
- Mexico City
- San Luis Potosí
- Silao

USA

- Aiken, South Carolina
- Bloomsburg, Pennsylvania
- Jeffersonville, Indiana
- Novi, Michigan
- Oregon, Ohio
- Jackson, Tennessee
- Monroe, Ohio
- Somerset, Kentucky
- Tinley Park, Illinois
- Valparaiso, Indiana



Europe

Belgium

- Genk

Czech Republic

- Bor
- Choceň
- Hnátnice

France

- Aubergenville
- Blainville
- Lachapelle-aux-Pots
- Moissac
- Ons-en-Bray

Germany

- Munich
- Rossdorf-Gundernhausen
- Sindelfingen

Hungary

- Komárom

Italy

- Santhià

Poland

- Katowice
- Nowogard

Portugal

- Setúbal

Russia

- Ryazan

Spain

- A Rúa
- Valldoreix

Sweden

- Gothenburg

Switzerland

- Sevelen
- Winterthur (HQ)

United Kingdom

- Halesowen
- Heckmondwike
- Stoke-on-Trent

SAMEA

Argentina

- Córdoba

Brazil

- Gravataí
- São Paulo
- Taubaté

South Africa

- Rosslyn
- Durban

Turkey

- Bursa

Asia

China

- Changsha
- Chongqing
- Pinghu
- Shanghai
- Shenyang
- Taicang
- Yantai
- Guangzhou
- Tianjin
- Wuhan
- Fuzhou

India

- Behror
- Chennai

Indonesia

- Jakarta

Japan

- Oguchi
- Tokyo

Malaysia

- Shah Alam

South Korea

- Seoul

Thailand

- Laem Chabang
- Chonburi

Corporate Governance

The rules and regulations of Corporate Governance are laid out in numerous Autoneum documents, in particular the Articles of Association*, the Organizational Regulations* and the Board Committee Regulations. The content and structure of this report conform to the Directive Corporate Governance (DCG) and the related Guideline published by the SIX Swiss Exchange. Unless stated otherwise, the data pertains to December 31, 2019. Some information will be updated regularly on www.autoneum.com/investor-relations. For some information readers are referred to the financial section of this Annual Report. The Remuneration Report can be found from page 134 onwards.

1 Group structure and shareholders

Group structure

Autoneum Holding Ltd is a company incorporated under Swiss law, with its registered offices in Winterthur. Its shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN). Market capitalization as of December 31, 2019 was CHF 539.9 million.

Autoneum Group consists of the four Business Groups Europe, North America, Asia and SAMEA (South America, Middle East and Africa), the Group Finance department and those corporate functions that report directly to the CEO. It includes all companies controlled by Autoneum Holding Ltd. Within the framework of internal regulations, the Business Groups are responsible for the profitability of each individual company with the exception of those business activities and companies that report directly to the CEO. Each Business Group has been established for a clearly defined and demarcated specific market region. Each of these Business Groups conducts its business within the framework of the Organizational Regulations* and under the leadership of the Business Group Head, who reports directly to the CEO of the Autoneum Group. The segment reporting information can be found on pages 86–88.

The Group Finance department and those corporate functions that report directly to the CEO support the CEO, the Business Group Heads and the Board of Directors in their management and supervisory functions, and are responsible for the activities outside the Business Groups, such as management of holding companies and pension funds. Subsidiary companies are founded based on legal, business and financial considerations. One person (Head of Legal Unit) is appointed for each company and is responsible for local financial management as well as for compliance with national laws and regulations and internal guidelines.

*www.autoneum.com/investor-relations/corporate-governance

Companies with participation of further shareholders are principally managed as described above, however taking into consideration the respective agreements.

42 companies worldwide belonged to the Autoneum Group as of December 31, 2019. An overview on subsidiaries comprising the names, domiciles and share capital of the subsidiaries and the voting rights held by the Autoneum Group can be found on page 115. The management organization of the Autoneum Group is independent of the legal structure of the Group and the individual companies.

Significant shareholders

As of December 31, 2019 Autoneum was aware of the following shareholders with 3% or more of all voting rights in the Company:

- Artemis Beteiligungen I Ltd; Centinox Holding Ltd; Michael Pieper, Hergiswil, Switzerland; 21.1%
- PCS Holding Ltd, Frauenfeld; Peter Spuhler, Warth-Weiningen, Switzerland; 16.15%
- Martin and Rosmarie Ebner via BZ Bank Limited, Wilen, Switzerland; 3.1%
- Credit Suisse Funds AG, Zurich, Switzerland; 3.07%

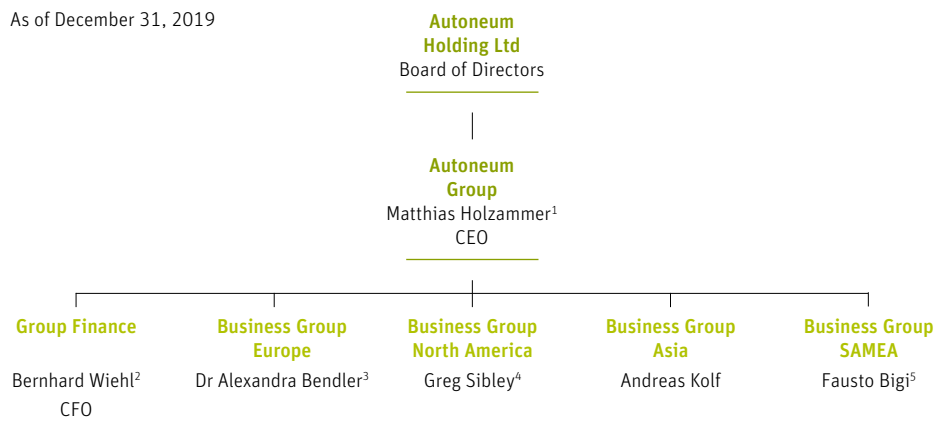
All notifications of shareholders with 3% or more of all voting rights in the Company have been reported to the Disclosure Office of the SIX Swiss Exchange in accordance with Art. 120 of the Financial Market Infrastructure Act (FMIA) and published via its electronic publication platform on www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html, where further details can also be found. As of December 31, 2019 Autoneum Holding Ltd held 0.55% of the share capital (25 783 shares).

Cross-holdings

The Company has no information about cross-holdings of capital or voting shares exceeding the limit of 5% on both sides.

Organization

As of December 31, 2019



¹ As of October 8, 2019; until October 7, 2019 Martin Hirzel (personal data: www.autoneum.com/CV_M.-Hirzel).

² As of October 28, 2019; until October 27, 2019 Dr Martin Zwysig (personal data: www.autoneum.com/CV_M.-Zwysig).

³ As of February 1, 2019; until January 31, 2019 Matthias Holzammer.

⁴ As of July 1, 2019; until January 7, 2019 John T. Lenga (personal data: www.autoneum.com/CV_J.-Lenga); from January 8, 2019 until June 30, 2019 Fausto Bigi a.i.

⁵ From January 8, 2019 until June 30, 2019 in addition Head Business Group North America a.i.

2 Capital structure

Share capital

On December 31, 2019 the share capital of Autoneum Holding Ltd totaled CHF 233 618.15. It was divided into 4 672 363 fully paid up registered shares with a par value of CHF 0.05 each. The shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN).

Authorized share capital

There is no authorized share capital available at Autoneum Holding Ltd.

Contingent capital for issuing convertible and/or warranty bonds or granting shareholder options

The share capital may be increased by up to 700 000 fully paid up registered shares with a nominal value of CHF 0.05 each in an amount not to exceed CHF 35 000 or 14.98% through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar financial instruments by the Company or one of its Group companies on national or international capital markets, and/or through the exercise of option rights granted to the shareholders. The preemptive rights of the shareholders on the issuance of bonds or other financial instruments with which conversion rights and/or warrants are connected shall be excluded. The then current owners of conversion rights and/or warrants shall be entitled to subscribe to the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors. The acquisition of shares through the voluntary or mandatory exercise of conversion rights and/or warrants as well as each subsequent transfer of shares are subject to the restrictions in §4 of the Articles of Association*.

In connection with the issuance of bonds or similar financial instruments with which conversion rights and/or warrants are connected, the Board of Directors is empowered to restrict or exclude the advance subscription rights of shareholders if (1) such instrument is issued for the financing or refinancing of the acquisition of corporations, parts thereof, equity holdings or investments or if (2) such instrument is issued (i) on national or international capital markets or (ii) to one or more financial investors. If the advance subscription rights are restricted or excluded by the Board of Directors, the following shall apply: The issuance of such instruments shall be made at prevailing market conditions, and the new shares shall be issued pursuant to the relevant conditions of that financial instrument. Conversion rights may be exercised during a maximum ten-year period, and warrants may be exercised during a maximum seven-year period, in each case from the date of the respective issuance. The issuance of the new shares upon voluntary or mandatory exercise of conversion rights and/or warrants shall be made at conditions taking into account the market price of the shares and/or comparable instruments with a market price at the time of issuance of the relevant financial instrument.

*www.autoneum.com/investor-relations/corporate-governance

Contingent capital for employee participation shares

The share capital may be increased by a maximum of CHF 12 500 or 5.35% through the issuance of up to 250 000 fully paid up registered shares with a par value of CHF 0.05 each to employees of the Company or its Group companies. The preemptive rights of the shareholders shall be excluded in connection with the issuance of convertible or warrant-bearing bonds or similar financial instruments. The issuance of these shares to employees will be in accordance with one or more regulations issued by the Board of Directors and will take appropriate account of employee performance, position and degree of responsibility and economic viability criteria subject to §24 of the Articles of Association*. Shares or options may be issued to employees at a price lower than that quoted on the stock exchange. The acquisition of shares within the framework of the employee participation plan, as well as every subsequent transfer of these shares, is subject to the limitations set forth in §4 of the Articles of Association*.

Changes in share capital

There have been no changes to the share capital of Autoneum Holding Ltd since the Company's founding on December 2, 2010. The General Meeting of March 22, 2011 adopted a contingent share capital of CHF 35 000 (see page 37) and a contingent share capital of CHF 12 500 (see above).

Participation and dividend-right certificates

Autoneum Holding Ltd has issued neither participation certificates nor dividend-right certificates.

Shares

Autoneum Holding Ltd has issued 4 672 363 fully paid up registered shares with a nominal value of CHF 0.05 each. Each registered share is entitled to dividends and entitles the holder to one vote at General Meetings of Autoneum Holding Ltd shareholders. The Board of Directors maintains a share register in which the owners and usufructuaries are registered with name/company name and address with the following conditions. Only those persons listed in the share register will be recognized as company shareholders or usufructuaries. Any changes of name or address must be communicated to the Company. Those who acquire registered shares must make written application for entry in the share register. The Company can refuse such entry to parties who do not expressly declare that they have acquired and will hold these registered shares in their own names and for their own account. If persons fail to expressly declare in their registration applications that they hold the shares for their own account ("nominees"), the Board of Directors shall enter such persons in the share register with the right to vote, provided that the nominee has entered into an agreement with the Company concerning his or her status, and

*www.autoneum.com/investor-relations/corporate-governance

further provided that the nominee is subject to a recognized bank or financial market supervision. After hearing the registered shareholder or nominee, the Board of Directors may cancel any registration in the share register made based on incorrect information with retroactive effect as of the date of registration. The relevant shareholder or nominee must be informed immediately of the cancellation. The Board of Directors regulates the details and issues the instructions necessary for compliance with the provisions set forth above. In special cases, the Board of Directors may grant exemptions from the rule concerning nominees and may delegate its duties.

The Company only recognizes one proxy per share. Voting rights and associated rights may only be exercised in relation to the Company by a shareholder, usufructuary or nominee entered in the share register as having the right to vote.

The registered shares of Autoneum Holding Ltd are issued in the form of securities and registered as book-entry securities (in the sense of the Book-Entry Securities Act) at SIX SIS Ltd. Book-entry securities with underlying shares of the Company may not be transferred by way of assignment. Security interests for these book-entry securities cannot be granted by means of assignment. The Company is entitled to convert at any time and without the approval of shareholders shares issued in the form of uncertificated securities into individual share certificates or global share certificates. Shareholders are not entitled to have shares issued in one particular form transformed into another form. Any shareholder is, however, entitled to request at any time that the Company issue a certificate stating the number of shares registered in his or her name.

Restrictions on share transfers and nominee registrations

Those persons entered in the shareholders' register are recognized as voting shareholders. Autoneum shares can be bought and sold without any restrictions. In accordance with §4 of the Articles of Association*, entry in the register of shareholders can be denied in the absence of an explicit declaration that the shares are held in the applicant's own name and for the applicant's own account. There are no other registration restrictions.

Shares held in a fiduciary capacity are not principally entered in the shareholders' register. However, as an exception to this rule, a nominee is entered in the register if the nominee in question has concluded a nominee agreement with Autoneum and is subject to a recognized bank or financial supervisory authority. The nominee exercises voting rights at the Annual General Meeting of shareholders. At the request of Autoneum Holding Ltd, the nominee is obliged to disclose the name of the person on whose behalf it holds shares.

A resolution of the General Meeting approved by the absolute majority of the voting shares represented is required in order to cancel the restrictions on share transfers.

Convertible bonds and options

Autoneum Holding Ltd has no convertible bonds or options outstanding.

Board of Directors proposes waiver of dividend payment

In view of the net loss, the Board of Directors will propose to the Annual General Meeting on March 25, 2020 no dividend to be distributed for the 2019 financial year.

*www.autoneum.com/investor-relations/corporate-governance

3 Board of Directors

The composition, general rights, duties and responsibilities of the Board of Directors of Autoneum Holding Ltd are pursuant to the Swiss Code of Obligations and the Autoneum Holding Ltd Articles of Association* and Organizational Regulations*.

Board membership

Pursuant to the Articles of Association*, the Board of Directors of Autoneum Holding Ltd consists of no fewer than three and no more than nine members. As of December 31, 2019 the Board of Directors comprised seven members, none of whom performed executive duties. The functions of Chairman of the Board and CEO are separated in order to ensure a good balance between the Company management and supervisory bodies.

Independence of non-executive members

The Board of Directors consists of non-executive members, and none of the members has exercised any operational activities for Autoneum in the three financial years preceding the reporting period. The members of the Board of Directors and the companies represented by them do not have any significant business relationships with companies of the Autoneum Group (but see page 113).

Permissible activities outside the Autoneum Group

According to §20 of the Articles of Association*, no member of the Board of Directors may assume more than 15 additional mandates and no more than five of these may be held with listed companies. This restriction does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the Board of Directors by order of Autoneum Holding Ltd or companies under its control; (c) mandates held with companies that do not qualify as companies within the meaning of Art. 727, para. 1, clause 2 of the Swiss Code of Obligations; (d) mandates held with nonprofit organizations and foundations as well as pension funds. The number of mandates pursuant to (c) and (d) is limited to a total of 20.

Mandates held with various legal entities that are under joint control or controlled by the same beneficial owner count as one mandate. Mandates held with the supreme management or administrative body of a legal entity that is required to be registered in the commercial register or an equivalent register abroad count as mandates.

*www.autoneum.com/investor-relations/corporate-governance

Election and term of office and principles of the election procedure

The Chairman and the other members of the Board are elected individually by the General Meeting and for a one-year term of office, running from one Annual General Meeting to the next.

Board members can be reelected. They retire at the Annual General Meeting following their 70th birthday, unless the Board of Directors has lifted the age limit in individual cases. For Michael Pieper, the Board of Directors has made this limit void and proposed him to the shareholders for reelection in view of his outstanding personal commitment and significant shareholding in the Company, which is obviously supporting the further development of Autoneum.

Nominations for election to the Board of Directors are made with due regard for the balanced composition of this body, taking industrial and international management experience and specialist knowledge into account.

Internal organization

The Board of Directors is responsible for the business strategy and the overall management of the Autoneum Group and Group companies. It exercises a supervisory function over the persons who have been entrusted with the business management.

The Board of Directors is responsible for all transactions that are not explicitly reserved for the General Meeting or other bodies according to the law, the Articles of Association* and the Organizational Regulations*. It prepares the Annual General Meeting and makes the necessary arrangements for implementing resolutions adopted by the Annual General Meeting. The Board of Directors has the following decision-making authority:

- composition of the business portfolio and strategic direction of the Group;
- definition of the Group structure;
- appointment and dismissal of the members of the Group Executive Board;
- definition of the authority and duties of the Chairman and the committees of the Board of Directors as well as the CEO and CFO of the Autoneum Group and the Business Group Heads;
- organization of accounting, financial control and financial planning;
- approval of strategic and financial planning, the budget and the Annual Report with business review, financial statements, consolidated financial statements and Remuneration Report;
- principles of financial and investment policy, personnel and social policy, management and communications;

*www.autoneum.com/investor-relations/corporate-governance

- signature regulations and allocation of authority of Autoneum Holding Ltd;
- principles of internal audit;
- principles of compliance management system;
- decisions on investment projects involving expenditure in excess of CHF 10 million;
- issuance of bonds and other significant financial market transactions;
- incorporation, purchase, sale and liquidation of subsidiaries.

The Board of Directors comprises the Chairman, the Vice Chairman and the other members. The Chairman of the Board of Directors and the members of the Compensation Committee are elected for a one-year term of office by the Annual General Meeting. Apart from this, the Board of Directors is self-constituting. The Board of Directors appoints a secretary who does not need to be a member of the Board of Directors. The Vice Chairman deputizes for the Chairman in his absence. The Board of Directors has a quorum if the majority of members are present or if the Board members are able to communicate with each other by telephone, videoconference, internet or other electronic means. Motions of the Board of Directors are approved by a simple majority of the votes of the members present. In the case of a tie, the Chairman has the casting vote.

In 2019, the members of the Board of Directors met for seven regular meetings which lasted between three and six hours. One of these seven meetings was held abroad and included visits to two production sites. The attendance rate was 94.4%. In addition, six telephone conferences were held. The agendas for the Board meetings are drawn up by the Chairman. Any member of the Board can also propose items for inclusion on the agenda. Board meetings are generally also attended by the CEO and the CFO, while the other members of the Group Executive Board attend as necessary regarding business matters concerning them. They give an overview of the results, outlook and budget of their operating units, and present those projects requiring the approval of the Board of Directors. Over the course of 2019, no external consultants were present at meetings of the Board of Directors.

Board of Directors



From left to right: Norbert Indlekofer, Michael Pieper, Rainer Schmücke, Hans-Peter Schwald, This E. Schneider, Ferdinand Stutz, Peter Spuhler

Hans-Peter Schwald (1959)

Chairman
Swiss national

First elected to the Board Board member and Chairman since 2011 . **Educational and professional background** lic. iur. HSG, lawyer; until 2016 Chairman of the Board of Directors of the law firm Staiger, Schwald & Partner Ltd; since 2017 Senior Partner of BianchiSchwald LLC . **Other activities and vested interests** Vice Chairman of the Board of Directors, Stadler Rail Ltd; Board member, Rieter Holding Ltd; President of the Board of Directors of VAMED Management and Service Switzerland Ltd and VAMED Health Project Switzerland Ltd as well as President of Swiss VAMED rehab hospitals; Chairman, AVIA Association of Independent Importers of Petroleum Products; Board member of other Swiss joint stock companies **Committees** Chairman of the Strategy Committee; Member of the Audit, the Compensation and the Nomination Committee . **Non-executive**

Rainer Schmückle (1959)

Vice Chairman
German national

First elected to the Board Board member and Vice Chairman since 2011 . **Educational and professional background** Dipl. Wirtsch.-Ing. University of Karlsruhe; from 1984 to 1997 various positions at Daimler Group, including CFO and Senior Vice President IT at Freightliner LLC, Germany; from 1998 to 2000 first CFO and then CEO at Adtranz LLC; from 2001 to 2005 President and CEO at Freightliner LLC, Germany; from 2005 to 2010 COO at Mercedes Car Group; from 2010 to 2011 Operating Partner of Advent International, USA; from 2011 to 2014 Chief Operating Officer and President Seating Components, Johnson Controls Inc., USA; from 2014 to 2015 CEO of MAG Group, Germany . **Other activities and vested interests** Member of the Board of Directors of Dometic Group Ltd, Sweden; Member of the Board of Directors of MAN Trucks & Bus SE, Germany; Member and as of January 31, 2020 Chairman of the Board of Directors of STIGA (C), Luxembourg; Member of the Board of Directors STIGA SpA, Italy; Member of the Board of Directors of a privately held company . **Committees** Chairman of the Audit Committee; Member of the Strategy Committee . **Non-executive**

Norbert Indlekofer (1958)

Board member
German national

First elected to the Board Board member since 2017 . **Educational and professional background** Dipl. Ing. University of Stuttgart; from 2004 to 2006 Chairman of the Management Board, Transmission and Chassis Systems of INA-Schaeffler KG, Germany; from 2006 to 2009 Chairman of the Management Board, Transmission and Chassis Systems of INA-Schaeffler KG as well as Chairman of the Management Board of LuK Group, Germany; from 2011 to 2014 Member of the Executive Board Automotive responsible for the Transmission Systems Business Division and Chairman of Schaeffler Ltd, Germany; from 2014 to 2016 President and CEO Automotive Schaeffler Ltd, Germany . **Other activities and vested interests** Member of the Board of Directors of Feintool Ltd; Member of the Advisory Council of ATESTEO GmbH & Co. KG . **Committees** Member of the Strategy Committee . **Non-executive**

Michael Pieper (1946)

Board member
Swiss national

First elected to the Board Board member since 2011 . **Educational and professional background** lic. oec. HSG; owner and CEO of Artemis Holding Ltd . **Other activities and vested interests** Member of the Board of Directors of various Artemis and Franke subsidiaries worldwide; Board member Bergos Berenberg Ltd, Forbo Holding Ltd, Rieter Holding Ltd, Arbonia Ltd and Reppisch-Werke Ltd . **Non-executive**

This E. Schneider (1952)

Board member
Swiss national

First elected to the Board Board member since 2011 . **Educational and professional background** lic. oec. HSG; from 1991 to 1993 Chairman and CEO of listed company SAFAA, France; from 1994 to 1997 member of the Executive Board, Valora Group, as Managing Director of the Canteen and Catering Division; from 1997 to 2002 Executive Chairman and CEO of the Selecta Group; from 2004 until March 2014 Executive Chairman and CEO, Forbo Group; since April 2014 Executive Chairman of the Board of Directors of Forbo Group . **Other activities and vested interests** Board member Rieter Holding Ltd . **Committees** Chairman of the Compensation and the Nomination Committee . **Non-executive**

Peter Spuhler (1959)

Board member
Swiss national

First elected to the Board Board member since 2011 . **Educational and professional background** Chairman of the Board and until January 2018 CEO of Stadler Rail Ltd **Other activities and vested interests** Chairman of the Board of Directors of Stadler Rail Ltd as well as of several other companies of Stadler Rail Group, PCS Holding Ltd and of Aebi Schmidt Holding Ltd; Vice Chairman of ZSC Lions Eishockey AG, DSH Holding Ltd; Member of the Board Allreal Holding Ltd, Rieter Holding Ltd, European Loc Pool Ltd; Board member of Evonik Industries Ltd, Robert Bosch GmbH; Member of the Executive Committee at Swissmem; Member of the Executive Committee at LITRA; Member of the Foundation Board of Tele D; Member of the National Council of the Swiss Parliament from 1999 to 2012 . **Non-executive**

Ferdinand Stutz (1957)

Board member
Swiss national

First elected to the Board Board member since 2011 . **Educational and professional background** Dipl. Giesserei-Ing. University of Duisburg; from 1982 to 1989 Operations Manager and Deputy Manager Foundry for Rieter Ltd; from 1989 to 1995 Department Manager, Co-Partner and Executive Director of Schubert & Salzer, Germany; from 1995 to 1997 Executive Director of Georg Fischer Eisenguss GmbH, Germany; from 1998 to 2009 Member of the Management Board of Georg Fischer Ltd and CEO of GF Automotive; since 2009 owner and founder of Stutz Improvement Ltd . **Other activities and vested interests** Member of the Advisory Board of Halder Beteiligungsgesellschaft GmbH, Germany; Member of the Board of Directors or Advisory Board of other joint stock companies . **Committees** Member of the Audit, the Strategy, the Compensation and the Nomination Committee . **Non-executive**

Once a year, the Board of Directors reviews its performance, internal working methods and cooperation with the Group Executive Board. This takes the form of a self-assessment and includes an assessment of the state of information of Board members with regard to the Group and its business development.

Should there be a conflict of interest in the course of making decisions on business matters and items on the agenda, the respective Board member must stand aside prior to discussion of the matter in question and abstain from voting when passing a resolution.

Committees

Besides the Compensation Committee, the Board of Directors appoints an Audit, a Nomination and a Strategy Committee from among its members in order to assist it in its duties. The committees are fundamentally advisory and preparatory bodies and have no decision-making powers; resolutions are passed by the Board as a whole. Each committee has written terms of reference specifying its tasks and responsibilities. The members of the Compensation Committee are elected by the Annual General Meeting. The Chairmen and members of the other committees are elected by the Board of Directors. The committees meet regularly to develop recommendations for the Board of Directors and to prepare minutes of their meetings.

The **Audit Committee** currently consists of three members of the Board. Its Chairman is Rainer Schmückle; the other members are Hans-Peter Schwald and Ferdinand Stutz. In the 2019 financial year, none of the members of the Audit Committee performed executive duties. The Chairman is elected for one year. The Audit Committee meets at least twice each financial year. The meetings are usually also attended by the Head of Internal Audit, representatives of the statutory and Group auditors, the CEO and the CFO, and other members of the Group Executive Board and management as appropriate. The main duties of the Audit Committee are:

- elaborating principles for external and internal audits for submission to the Board of Directors, and providing information on their implementation;
- assessing the work of the external and internal auditors as well as their mutual cooperation and reporting to the Board of Directors;
- assessing the reports submitted by the statutory auditors as well as the invoiced costs;
- overall supervision of risk management and acceptance of the Group Executive Board's risk report addressed to the Board of Directors;
- assisting the Board of Directors in nominating the statutory auditors and the Group auditors for submission to the Annual General Meeting;
- examining the results of internal audits, approving the audit schedule for the following year and nominating the Head of Internal Audit.

The Audit Committee met for two regular meetings in 2019 and an additional meeting together with the Compensation Committee. The regular meetings lasted three to four hours. All committee members attended both meetings. All of them received the written reports from the internal auditors.

The **Compensation Committee** consists of three members. The Chairman of this committee is This E. Schneider. The other members are Hans-Peter Schwald and Ferdinand Stutz. The committee meets whenever the need arises, but at least twice a year. It draws up the principles for the remuneration of members of the Board of Directors, the Group Executive Board and senior management within the Autoneum Group, in particular bonus programs and share allocation plans (LTI), as well as the Remuneration Report and the proposals concerning the total maximum remuneration amount for the Board of Directors and Group Executive Board to be submitted annually by the Board of Directors for approval by the shareholders at the Annual General Meeting.

The **Nomination Committee** consists of three members. The Chairman is This E. Schneider; the other members are Hans-Peter Schwald and Ferdinand Stutz. The committee meets whenever necessary, but at least twice a year. This committee stipulates the profile of requirements and the principles for selecting members of the Board of Directors and prepares the election of new members of the Group Executive Board and their terms of employment. It is also briefed on succession plans for the Board of Directors, Group Executive Board and senior management and the relevant development plans.

The members of the Compensation and the Nomination Committee held three regular meetings and an additional meeting together with the Audit Committee in 2019. The regular meetings lasted three to five hours. All committee members attended all meetings. In addition, the Compensation Committee held two telephone conferences. In 2019, no external consultants were present at the committee meetings.

The Strategy Committee consists of four members: Hans-Peter Schwald is Chairman; Rainer Schmückle, Norbert Indlekofer and Ferdinand Stutz are the other members. The Strategy Committee usually meets at least twice a year. The meetings are also attended by the CEO and the CFO, and other members of the Group Executive Board and management as appropriate. The main duties of the Strategy Committee are:

- supporting and assisting the Board of Directors in strategic planning, especially in assessing market changes and developments affecting the Group;
- assessing Autoneum's short- and long-term strategic orientation, in particular with regard to markets, customers, competitors, products and technologies;
- support of strategically important projects.

The Strategy Committee met in 2019 for three regular meetings of three to four hours, of which one was held abroad. All committee members attended the meetings. In 2019, no external consultants were present at the committee meetings.

Allocation of authority

The Board of Directors delegates operational business management to the CEO. The members of the Group Executive Board report to the CEO. The allocation of authority between the Board of Directors and the CEO is stipulated in the Organizational Regulations*, while details of the tasks reserved for the Board of Directors can be found on pages 42–43 (“Internal Organization”). The cooperation between the Board of Directors, the CEO and the Business Groups is stipulated in the Group's Organizational Regulations*, which include the following: The CEO draws up the strategic and financial planning and the budget with the Group Executive Board and submits it to the Board of Directors for approval. He reports regularly on the course of business as well as on risks and changes in personnel at the management level. In addition to periodic reporting, he is obliged to inform the Board of Directors immediately about any business transactions of fundamental importance.

*www.autoneum.com/investor-relations/corporate-governance

Information and control instruments regarding the Group Executive Board

The Board of Directors receives a written monthly report on the key figures of the Group and the Business Groups from the Group Executive Board. This provides information on the balance sheet, cash flow and income statements as well as on capital expenditure. The figures are compared with the budget and with the previous year. The Board of Directors is also informed at each meeting about the course of business, important projects and risks, as well as ongoing earnings and liquidity development. Should the Board of Directors have to rule on major projects according to the Organizational Regulations*, a written request is submitted prior to the meeting.

The projects approved by the Board of Directors are monitored within the context of a special project controlling submitted to the Board of Directors every quarter. Once a year, the Board of Directors discusses and decides on the strategic plans drawn up by the Group Executive Board and the financial plan. Financial statements for publication are drawn up twice a year. Furthermore, the Chairman of the Board of Directors has a regular monthly meeting with the CEO and the CFO with respect to all major issues of corporate policy.

The Board of Directors has initiated and implemented a comprehensive internal control system for risk monitoring in connection with business activities, which covers risk identification, analysis and control as well as risk reporting. Refer to pages 80–85 for details on this risk management process and on financial risk management.

The members of the Audit Committee, the CEO, the CFO and appointed members of the management receive the internal audit reports. Internal audit conducted 11 regular audits in 2019. The results were discussed in detail with the Business Groups and the companies concerned, and appropriate measures have been initiated and monitored accordingly.

Compliance Program and Code of Conduct

The Compliance Program of Autoneum is aimed at steering compliance with laws and regulations in order to ensure proper management of the Group and initiate measures for avoidance and early detection of infringements. Further information on compliance and the Code of Conduct can be found at www.autoneum.com/company/compliance.

*www.autoneum.com/investor-relations/corporate-governance

4 Group Executive Board

The Group Executive Board had six members on December 31, 2019: the CEO, the CFO and the four Business Group Heads. For additional information about the Group Executive Board members please refer to page 53.

Permissible activities outside the Autoneum Group

According to §20 of the Articles of Association*, no member of the Group Executive Board may assume more than four additional mandates. No more than two of these may be held with listed companies; they have to be approved by the Board of Directors prior to acceptance. This restriction does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the Group Executive Board by order of Autoneum Holding Ltd or companies under its control; (c) mandates held with companies that do not qualify as companies within the meaning of Art. 727, para. 1, clause 2 of the Swiss Code of Obligations; (d) mandates held with nonprofit organizations and foundations as well as pension funds. The number of mandates pursuant to (c) and (d) is limited to a total of 20. Mandates held with various legal entities that are under joint control or controlled by the same beneficial owner count as one mandate. Mandates held with the supreme management or administrative body of a legal entity that is required to be registered in the commercial register or an equivalent register abroad count as mandates.

Management contracts

There are no management contracts between Autoneum Holding Ltd and third parties.

*www.autoneum.com/investor-relations/corporate-governance

Group Executive Board



From left to right: Greg Sibley, Fausto Bigi, Bernhard Wiehl, Matthias Holzammer, Dr Alexandra Bendler, Andreas Kolf

Matthias Holzammer (1965)
Chief Executive Officer (CEO)*
German national

Member of the Group Executive Board since 2012 . Educational and professional background** Degree in business engineering; from 1993 to 2009 leading functions in operations, plant management and general management at Brose Fahrzeugteile GmbH & Co. KG, Germany, Faurecia Sitztechnik GmbH & Co. KG, Germany, and at Beru Ltd, Germany; from 2009 to 2011 Managing Director Production for Keiper GmbH & Co. KG (later Johnson Controls), Germany, last assignment as General Manager of the Product Business Unit "Metal Region Europe"; from 2012 to January 31, 2019 Head Business Group Europe, Autoneum, Switzerland; in the current function since October 8, 2019
Other activities and vested interests none

*As of October 8, 2019; until October 7 Martin Hirzel (personal data: www.autoneum.com/CV_M.-Hirzel).

**Excluding period from Februar 1 to October 7, 2019.

Bernhard Wiehl (1967)
Chief Financial Officer (CFO)*
German national

Member of the Group Executive Board since 2019 . Education and professional background Degree in mechanical engineering, University of Applied Sciences, Esslingen, Germany; degree in Industrial Engineering (FH), University of Applied Sciences, Esslingen, Germany; from 1994 to 2000 various functions at TRW Automotive, Germany; from 2000 to 2004 Head of Finance & Controlling, Hella Lighting Systems, Germany; from 2004 to 2006 Director Program Management and from 2006 to 2007 Vice President Program Management and Controlling Europe, at Hydraulik-Ring, Germany; from 2007 to 2011 Head Finance & Controlling and Member of Executive Board, Electronics Division and from 2011 to 2013 Head Finance & Controlling and Member of Executive Board, Lighting Division, Hella, Germany; from 2013 to October 2019 Head Finance & Controlling Business Group Europe, Autoneum, Switzerland; in the current function since October 28, 2019
Other activities and vested interests none

*As of October 28, 2019; until October 27 Dr Martin Zwysig (personal data: www.autoneum.com/CV_M.-Zwysig).

Fausto Bigi (1959)
Head Business Group SAMEA*
Brazilian national

Member of the Group Executive Board since 2016 . Educational and professional background Masters in Business Administration, INSEAD, France and Graduation in Mechanical Engineering, Brazil; from 1986 to 1993 Senior Manager at Itautec Informatica, Brazil; from 1993 to 2006 various management functions at Valeo Automotive Systems, last assignment as Branch Marketing Director Lighting Division, France; from 2006 to 2008 Purchasing Director South America, Faurecia, Brazil; from 2008 to 2011 Head South America, Rieter, Brazil; from 2011 to 2012 Deputy Head Business Group SAMEA, Autoneum, Brazil; from 2012 to 2016 CEO Correias Mercúrio S.A., Brazil; in the current function since 2016 . **Other activities and vested interests** none

*From January 8, 2019 until June 30, 2019 in addition Head Business Group North America a.i.

Dr Alexandra Bendler (1973)
Head Business Group Europe*
German national

Member of the Group Executive Board since 2019 . Education and professional background PhD in Engineering, Technical University of Darmstadt, Germany; from 1998 to 2002 Research Assistant and Team Leader "Corporate Strategy" in cooperation projects with McKinsey & Company, Technical University of Darmstadt, Germany; from 2002 to 2004 Consultant, Droege & Comp., Germany; from 2004 to 2008 Senior Consultant and Project Leader, Technology Management Group (TMG), Germany; from 2008 to 2010 Head Global Cost Reduction Program, Rieter, Switzerland; from 2010 to 2014 Head Strategy & Marketing, Rieter/Autoneum, Switzerland; from 2014 to 2019 Head Sales & Program Management Business Group Europe, Autoneum, Switzerland; in the current function since February 1, 2019 . **Other activities and vested interests** none

*As of February 1, 2019; until January 31 Matthias Holzammer.

Andreas Kolf (1962)
Head Business Group Asia
German national

Member of the Group Executive Board since 2016 . Educational and professional background Lawyer; from 1995 to 2001 various management functions at Tiger Wheels Holding, South Africa; from 2002 to 2004 CEO Federal-Mogul Gorzyce S.A., Poland; from 2004 to 2005 Managing Director, Borbet Thüringen GmbH, Germany; from 2005 to 2006 Global Sales Director, Federal-Mogul GmbH, Germany; from 2006 to 2011 Executive Director Operations, Federal-Mogul India; from 2011 to 2013 Director Operations Federal-Mogul Asia Pacific, China; from 2013 to 2016 Vice President and Managing Director Federal-Mogul India; in the current function since 2016 . **Other activities and vested interests** none

Greg Sibley (1964)
Head Business Group North America*
US national

Member of the Group Executive Board since 2019 . Education and professional background Bachelor of Science in Mechanical Engineering, Northwestern University, Chicago (IL), USA; Masters in Business Administration in Operations Management and Finance, University of Michigan, Ann Arbor (MI), USA; from 1986 to 1997 various management functions with US automotive companies; from 1997 to 2004 various management functions at Emission Control Division with Tenneco, USA; from 2004 to 2007 Vice President Product Development and Strategic Sourcing with Trico Products, USA; from 2008 to 2010 Executive Director Engineering, from 2011 to 2013 Vice President Engineering and Manufacturing, 2014 Vice President Operations Europe and 2015 Vice President and General Manager North America, Clean Air Division at Tenneco, USA; from 2016 to 2018 President Business Unit Americas at Eberspaecher, USA; in the current function since July 1, 2019 . **Other activities and vested interests** none

*As of July 1, 2019; until January 7, 2019 John T. Lenga (personal data: www.autoneum.com/CV_J.-Lenga); from January 8 until June 30, 2019 Fausto Bigi a.i.

5 Remuneration, shareholdings and loans

The content and process for determining remuneration and equity participation programs as well as information on the remuneration, shareholdings and loans of the Board of Directors and the Group Executive Board can be found in the Remuneration Report from page 134 onwards.

6 Shareholders' participatory rights

Voting restrictions

Autoneum Holding Ltd imposes no voting restrictions.

Statutory quorum

General Meetings of shareholders adopt resolutions with the absolute majority of represented voting shares unless the law or Articles of Association* stipulate otherwise. Remuneration is approved with the majority of votes cast regardless of potential abstentions.

Convocation of General Meeting, agenda publication, voting proxies

General Meetings of shareholders are called through publication in the Swiss Commercial Gazette by the Board of Directors at least 20 days prior to the event, with details of the agenda, pursuant to §8 of the Articles of Association*. Pursuant to §9 of the Articles of Association*, shareholders representing shares with a par value of at least CHF 20 000 can request the inclusion on the agenda of an item for discussion, with details of the relevant motions, by a closing date published by the Company. Shareholders who do not attend General Meetings personally can arrange to be represented by another shareholder by written power of attorney or by the independent voting proxy by issuing written power of attorney and instructions pursuant to the signed registration form or electronically via the platform at <https://autoneum.shapp.ch>. The independent voting proxy is elected annually by the Annual General Meeting. Lic. iur. Ulrich B. Mayer, Attorney-at-Law, shall hold office as independent voting proxy until the closure of the 2020 Annual General Meeting.

Entries in the shareholders' register

In order to ensure an orderly procedure, the Board of Directors fixes the reference date shortly before the shareholders' meeting, by which time shareholders need to be entered in the share register in order to exercise their participation rights at the meeting. This reference date is published in the Swiss Commercial Gazette together with the invitation to the General Meeting.

7 Change-of-control and defensive measures

Change-of-control clauses

There are no change-of-control clauses in Autoneum contracts of employment and office. In the event of a change of control, all shares blocked within the framework of the Executive Bonus Plan are vested.

Obligation to submit an offer

The legal provisions according to Art. 135 of the Financial Market Infrastructure Act (FMIA) are applicable. This states that a shareholder or a group of shareholders acting in concert who hold more than 33% of all shares must submit a takeover offer to the other shareholders.

8 Statutory auditors

Duration of mandate and term of office of the lead auditor

KPMG AG, Zurich, has been the statutory and Group auditor of Autoneum Holding Ltd and the Autoneum Group since the financial year 2011. Reto Benz, licensed audit expert, has been lead auditor for the Autoneum mandate at KPMG since the financial year 2018. The term of office of the lead auditor is limited to seven years.

Audit fees and additional fees

KPMG charged Autoneum approximately CHF 1.3 million for the 2019 financial year for services in connection with auditing the annual financial statements of Group companies, the consolidated Autoneum Group accounts and the Remuneration Report. KPMG also charged Autoneum approximately CHF 0.1 million for additional services, mainly for tax advisory services. Additional auditors received from Autoneum approximately CHF 0.3 million for the 2019 financial year for services in connection with auditing the annual financial statements of Group companies. They also received approximately CHF 0.3 million for additional services, mainly for tax advisory services.

Information instruments of the external auditors

The external auditor informs the Audit Committee in writing and verbally at every meeting about relevant auditing activities and other important facts and figures related to the Company. Representatives of the external and internal auditors attend Audit Committee meetings to explain their activities and answer questions. Please also refer to the section on the Audit Committee on page 47. The statutory auditors have access to the minutes of the meetings of the Board of Directors.

The Audit Committee of the Board of Directors makes an annual assessment of the performance, fees and independence of the statutory and Group auditors. It submits a proposal to the Board of Directors regarding who should be proposed for election as statutory auditors at the General Meeting. In addition, the Audit Committee reviews the scope of external auditing, the auditing plans and relevant procedures annually, and discusses auditing results with the external auditors in each case.

9 Information policy

Autoneum maintains regular, open communication with all stakeholders and relevant parties, in particular with investors, financial analysts and representatives of banks and the media. Communication takes place through the Annual Report and Semi-Annual Report, the Annual General Meeting and one media conference each year.

Shareholders and the capital market are informed by media releases of significant changes and developments in the Company. Share-price-relevant events are published in accordance with the ad hoc publicity requirements of SIX Swiss Exchange. In addition, Autoneum maintains communication with investors, financial analysts and representatives of the media at corresponding events. Should shareholders and other interested parties wish to automatically receive the media releases, they may register at www.autoneum.com/media/subscription-media.

Reporting on the 2019 financial year includes the Annual Report, a media release and a presentation. A hardcopy of the Annual Report can be ordered by shareholders using the form enclosed with the invitation to the Annual General Meeting. It is also available for perusal at the Company's headquarters no later than 20 days prior to the Annual General Meeting. At the Annual General Meeting, the Board of Directors and the Group Executive Board provide information on the annual accounts and the course of business and answer shareholders' questions.

Sources of information

Autoneum provides extensive information to all interested parties. This is available online via the following links:

- Articles of Association Autoneum Holding Ltd:
www.autoneum.com/investor-relations/corporate-governance
- Organizational Regulations:
www.autoneum.com/investor-relations/corporate-governance
- Download of Annual Reports incl. Financial Reports:
www.autoneum.com/investor-relations/financial-reports
- Order of hardcopy of Annual Reports incl. Financial Reports:
www.autoneum.com/order-publication
- Corporate Governance:
www.autoneum.com/investor-relations/corporate-governance
- Corporate Responsibility:
www.autoneum.com/corporate-responsibility
- Share price:
www.autoneum.com/investor-relations/share
- Presentations:
www.autoneum.com/investor-relations/financial-reports/#presentation
- Media releases:
www.autoneum.com/media/media-releases
- Subscription to media releases:
www.autoneum.com/media/subscription-media
- Contact:
www.autoneum.com/contact

Financial Report

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Consolidated income statement

CHF million	Notes	2019		2018	
Revenue	(4)	2 297.4	100.0%	2 281.5	100.0%
Material expenses		-1 154.6	50.3%	-1 101.1	48.3%
Employee expenses	(5)	-642.8	28.0%	-627.3	27.5%
Other expenses	(6)	-363.2	15.8%	-404.1	17.7%
Other income	(7)	27.3	1.2%	48.1	2.1%
EBITDA		164.0	7.1%	197.2	8.6%
Depreciation, amortization and impairment	(8)	-196.9	8.6%	-83.1	3.6%
EBIT		-32.9	-1.4%	114.1	5.0%
Financial income	(9)	4.5		2.8	
Financial expenses	(10)	-30.8		-16.4	
Share of profit of associated companies	(15)	4.0		4.0	
Earnings before taxes		-55.3	-2.4%	104.5	4.6%
Income taxes	(11)	-22.4		-29.8	
Net result		-77.7	-3.4%	74.7	3.3%
attributable to shareholders of Autoneum Holding Ltd		-96.8		55.1	
attributable to non-controlling interests		19.1		19.6	
Basic earnings per share in CHF	(12)	-20.82		11.83	
Diluted earnings per share in CHF	(12)	-20.82		11.81	

Consolidated statement of comprehensive income

CHF million	2019	2018
Net result	-77.7	74.7
Currency translation adjustment ¹	-11.8	-30.1
Inflation adjustment	1.8	1.8
Total items that will be reclassified to income statement	-10.0	-28.2
Remeasurement of defined benefit pension plans	-13.1	1.6
Changes in fair value of equity investments (FVOCI)	6.0	-26.9
Income taxes	1.1	-
Total items that will not be reclassified to income statement	-6.0	-25.2
Other comprehensive income	-16.0	-53.5
Total comprehensive income	-93.7	21.2
attributable to shareholders of Autoneum Holding Ltd	-110.6	4.3
attributable to non-controlling interests	16.9	16.9

¹ The currency translation adjustment includes CHF 0.2 million (2018: CHF -0.5 million) from associated companies accounted for using the equity method.

Consolidated balance sheet

CHF million	Notes	31.12.2019	31.12.2018
Assets			
Tangible assets	(13)	942.5	688.9
Intangible assets	(14)	12.0	11.5
Investments in associated companies	(15)	18.5	16.1
Financial assets	(16)	55.9	49.6
Deferred income tax assets	(11)	21.7	19.8
Employee benefit assets	(24)	3.4	2.8
Other assets	(17)	120.8	108.8
Non-current assets		1 174.7	897.5
Inventories	(18)	193.8	231.8
Trade receivables	(19)	281.5	273.1
Current income tax receivables		8.0	10.9
Other assets	(17)	81.3	93.4
Financial assets	(16)	1.0	1.5
Cash and cash equivalents	(20)	98.7	93.1
Current assets		664.4	703.8
Assets		1 839.1	1 601.3
Shareholders' equity and liabilities			
Equity attributable to shareholders of Autoneum Holding Ltd		389.1	519.3
Equity attributable to non-controlling interests	(22)	109.8	108.4
Shareholders' equity		498.9	627.7
Borrowings	(23)	652.4	336.8
Deferred income tax liabilities	(11)	29.2	30.3
Employee benefit liabilities	(24)	47.6	32.2
Provisions	(25)	14.8	22.5
Other liabilities	(26)	4.0	1.3
Non-current liabilities		748.0	423.1
Borrowings	(23)	105.9	40.0
Current income tax liabilities		16.2	12.4
Provisions	(25)	19.0	18.9
Trade payables		274.2	305.6
Other liabilities	(26)	176.9	173.7
Current liabilities		592.2	550.6
Liabilities		1 340.2	973.7
Shareholders' equity and liabilities		1 839.1	1 601.3

The accompanying notes on pages 64–115 are part of the consolidated financial statements.

Consolidated statement of changes in equity

CHF million	Attributable to the shareholders of Autoneum Holding Ltd						Attributable to non-controlling interests		
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Retained earnings	Currency transl. adjustm.	Total	Total	
At January 1, 2018	0.2	-3.3	217.5	38.9	313.1	-21.2	545.3	112.6	657.9
Net result	-	-	-	-	55.1	-	55.1	19.6	74.7
Other comprehensive income	-	-	-	-26.9	3.4	-27.4	-50.8	-2.7	-53.5
Total comprehensive income	-	-	-	-26.9	58.5	-27.4	4.3	16.9	21.2
Dividends paid ¹	-	-	-	-	-30.3	-	-30.3	-21.1	-51.4
Purchase of treasury shares ²	-	-2.4	-	-	-	-	-2.4	-	-2.4
Share-based remuneration ²	-	2.1	-	-	0.4	-	2.4	-	2.4
Total transactions with owners	-	-0.4	-	-	-29.9	-	-30.3	-21.1	-51.4
At December 31, 2018 reported	0.2	-3.7	217.5	12.1	341.8	-48.6	519.3	108.4	627.7
Adoption of IFRIC 23 ³	-	-	-	-	-1.2	-	-1.2	-	-1.2
At January 1, 2019 restated³	0.2	-3.7	217.5	12.1	340.6	-48.6	518.1	108.4	626.5
Net result	-	-	-	-	-96.8	-	-96.8	19.1	-77.7
Other comprehensive income	-	-	-	6.0	-10.1	-9.7	-13.8	-2.2	-16.0
Total comprehensive income	-	-	-	6.0	-106.9	-9.7	-110.6	16.9	-93.7
Dividends paid ¹	-	-	-	-	-16.8	-	-16.8	-15.5	-32.3
Purchase of treasury shares ²	-	-2.8	-	-	-	-	-2.8	-	-2.8
Share-based remuneration ²	-	2.9	-	-	-1.7	-	1.1	-	1.1
Total transactions with owners	-	0.1	-	-	-18.5	-	-18.4	-15.5	-33.9
At December 31, 2019	0.2	-3.6	217.5	18.0	215.1	-58.2	389.1	109.8	498.9

¹ Autoneum Holding Ltd paid a dividend of CHF 3.60 per share entitled to dividends in 2019 (2018: CHF 6.50) as approved by the Annual General Meeting. The total payout amounted to CHF 16.8 million (2018: CHF 30.3 million).

² Autoneum purchased 21 677 registered shares (2018: 12 514) and transferred 15 879 registered shares (2018: 10 974) in conjunction with share-based remuneration in the period under review.

³ Refer to note 1.3 on page 68.

The accompanying notes on pages 64–115 are part of the consolidated financial statements.

Consolidated statement of cash flows

CHF million	Notes	2019	2018
Net result		-77.7	74.7
Dividend income	(9)	-1.0	-0.8
Interest income	(9)	-2.4	-1.7
Interest expenses	(10)	25.7	8.2
Income tax expenses	(11)	22.4	29.8
Depreciation, amortization and impairment	(8)	196.9	83.1
Share of profit of associated companies	(15)	-4.0	-4.0
Loss from disposal of tangible assets, net		1.5	0.5
Gain from disposal of subsidiary or business		-	-0.2
Other non-cash income and expenses		-0.4	4.9
Change in net working capital		11.9	-4.0
Change in post-employment benefit assets and liabilities		2.3	1.2
Change in non-current provisions		-3.5	-9.4
Change in other non-current assets		-13.4	-12.5
Change in other non-current liabilities		3.7	0.3
Dividends received		2.9	2.5
Interest received		2.4	1.7
Interest paid		-25.2	-7.7
Income taxes paid		-23.1	-42.5
Cash flows from operating activities		119.2	124.0
Investments in tangible assets	(13)	-125.8	-162.6
Investments in intangible assets	(14)	-4.0	-3.8
Investments in associated companies	(15)	-	-0.2
Investments in financial assets		-1.5	-1.1
Proceeds from disposal of tangible assets		0.6	0.2
Proceeds from disposal of financial assets		0.2	1.5
Proceeds from disposal of subsidiary or business ¹		1.4	1.3
Cash flows used in investing activities		-129.1	-164.7
Dividends paid to shareholders of Autoneum Holding Ltd		-16.8	-30.3
Dividends paid to non-controlling interests		-15.5	-21.1
Purchase of treasury shares	(21)	-2.8	-2.4
Proceeds from borrowings	(23)	337.4	169.0
Repayment of borrowings	(23)	-284.8	-80.8
Cash flows from financing activities		17.5	34.3
Currency translation adjustment		-2.0	-4.3
Change in cash and cash equivalents		5.6	-10.7
Cash and cash equivalents at beginning of the year		93.1	103.8
Cash and cash equivalents at end of the year	(20)	98.7	93.1

¹ Deferred purchase price payments from transactions in previous periods.

The accompanying notes on pages 64–115 are part of the consolidated financial statements.

Notes to the consolidated financial statements

1 Significant accounting policies

1.1 Basis of preparation

Autoneum Holding Ltd (“the Company”) was incorporated on December 2, 2010 as a Swiss corporation domiciled in Winterthur. The Company has been listed on the SIX Swiss Exchange (AUTN, ISIN: CH0127480363) since May 13, 2011. Autoneum Holding Ltd together with its subsidiaries will henceforth be referred to as “Autoneum Group”, “Group” or “Autoneum”. A list of subsidiaries, associated companies and non-consolidated investments of Autoneum Group can be found in note 35 on page 115.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are based on historical cost, with the exception of employee benefit assets and liabilities, which are measured at the fair value of the plan assets less the present value of the defined benefit obligation, and specific financial instruments, which are measured at fair value. The consolidated financial statements were authorized for issue by the Board of Directors on March 3, 2020 and are subject to approval by the Annual General Meeting of shareholders on March 25, 2020.

The consolidated financial statements are published exclusively in English. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

1.2 Significant accounting judgments, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods. Other disclosures relating to the Group’s exposure to risks and uncertainties include the risk management process (refer to note 2, page 80) and the sensitivity analyses of defined benefit plans (refer to note 24, page 105).

Judgments

In the process of applying the Group’s accounting policies, management has made the following judgment in connection with the consolidation of entities in which the Group holds less than the majority of voting rights.

Assessing whether Autoneum has control over an entity includes all facts and circumstances that may indicate that the Group is able to direct the relevant activities and key decisions. Autoneum concludes that it has control over certain entities in which it holds 50% or more (refer to note 22, page 103), based on specific rights allocated. Facts and circumstances indicating

that Autoneum controls an entity may change and lead to a reassessment of the management's conclusion.

The Group has initially adopted IFRS 16 as of January 1, 2019. In rare circumstances, the standard requires management judgement in order to determine an appropriate lease term. The application of IFRS 16 is outlined in note 1.8 on page 70.

Estimates and assumptions

Key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending December 31, 2020 include the following:

Impairment losses on tangible assets are assessed based on estimated cash flows, which may vary from actual cash flows. Important assumptions to consider are useful lives, growth rates, achievable margins, utilization levels and the discount rates (refer to note 13, page 93).

Preproduction costs that are capitalized in the balance sheet include mainly employee costs. In case hourly records are not available, controlling staff estimate the hours spent for each project. Testing for impairment of the capitalized preproduction costs requires management to estimate both the total future consideration and total future costs of a project.

For defined benefit plans, actuarial valuations which are the basis for the employee benefit assets and liabilities in the balance sheet, are carried out regularly. These calculations are based on statistical and actuarial assumptions. In particular, the present value of the defined benefit obligation is affected by assumptions such as discount rate, expected future salary growth and the life expectancy. Other assumptions for the valuation are derived from statistical data such as mortality tables and staff turnover rates. Actuaries are independent from Autoneum. Assumptions may differ significantly from actual results. These deviations can ultimately have an effect on the employee benefit assets or liabilities in future periods (refer to note 24, page 105).

In the course of the ordinary operating activities of Autoneum Group, obligations from guarantee and warranty, litigation and non-income tax risk, and environmental risk can arise. Provisions for these obligations are measured on the basis of estimated future cash outflow. The outcome of these business transactions may result in claims against Autoneum that may be below or above the related provisions. Provisions for litigation and non-income tax risk comprise complex cases that include material uncertainties. Environmental provisions are recognized for the expected costs for the cleanup and reconstruction of contaminated sites that are interdependent of many uncertainties, such as Autoneum's share of the cost or the applicable approach for determining these costs. The financial impact of these cases for future periods can only be estimated, because uncertainties relating to amount and date of cash outflow exist (refer to note 25, page 110).

Assumptions in relation to income taxes include interpretations of the tax regulations in place in the relevant countries. The adequacy of these interpretations is assessed by the tax authorities. This can result, at a later stage, in changes in the income tax expenses. To determine whether a deferred income tax asset on tax loss carryforwards may be recognized requires judgment in

assessing whether there will be future taxable profits against which these tax loss carryforwards can be offset (refer to note 11, page 91).

1.3 Changes in accounting policies

Adopted changes in accounting policies

Except as described below, the accounting policies applied in these consolidated financial statements are the same as those applied in the consolidated financial statements as of December 31, 2018.

The Group has initially adopted IFRS 16 “Leases” by choosing the modified retrospective approach as of January 1, 2019. As permitted under the specific transitional provisions in the standard, no restatement of the comparatives for the 2018 reporting period was required. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on January 1, 2019. The switch to IFRS 16 has no impact on equity as of January 1, 2019.

On adoption of IFRS 16, the Group recognized right-of-use assets and lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 “Leases”. The lease liabilities were initially measured at the present value of the lease payments payable over the lease term, discounted using the lessee’s incremental borrowing rate (IBR) as of January 1, 2019. The weighted average lessee’s IBR applied to the lease liabilities on January 1, 2019 was 4.1%. The right-of-use assets were initially recognized at an amount equal to the lease liabilities.

For leases previously classified as finance leases the entity recognized the carrying amount of the leased asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

The adoption of IFRS 16 had the following impact on the consolidated balance sheet as of January 1, 2019:

CHF million	December 31, 2018 reported	IFRS 16	January 1, 2019
Consolidated balance sheet			
Tangible assets ¹	688.9	301.6	990.5
Remaining non-current assets	208.6	–	208.6
Current assets	703.8	–	703.8
Assets	1 601.3	301.6	1 902.9
Equity attributable to shareholders of Autoneum Holding Ltd	519.3	–	519.3
Equity attributable to non-controlling interests	108.4	–	108.4
Non-current borrowings ¹	336.8	275.5	612.3
Other non-current liabilities	86.3	–	86.3
Current borrowings ¹	40.0	26.1	66.2
Other current liabilities	510.6	–	510.6
Shareholders' equity and liabilities	1 601.3	301.6	1 902.9

¹ As of December 31, 2018 borrowings include finance lease liabilities totaling CHF 21.0 million. Additionally, tangible assets include finance leases totaling CHF 20.8 million.

The difference between the operating lease commitments applying IAS 17 at December 31, 2018 and the lease liabilities applying IFRS 16 recognized in the consolidated balance sheet at the date of initial adoption is reconciled as follows:

CHF million	
Operating lease commitments at December 31, 2018	–256.7
Short-term leases and low-value assets (undiscounted)	11.4
Net operating lease commitments	–245.3
Discounted operating leases using the IBR at January 1, 2019	–177.2
Finance lease liabilities recognized at December 31, 2018	–21.0
Total	–198.2
Extension and termination options	–112.9
Variable lease payments	–4.8
Others	–6.7
Lease liabilities recognized at January 1, 2019	–322.6

In the reporting period, other expenses were decreased by CHF 38.0 million while the depreciation and interest expenses were increased by CHF 33.3 million and CHF 12.8 million respectively due to the application of IFRS 16. Furthermore, the consolidated statement of cash flows was impacted by a shift from cash flows used in operating activities to cash flows used in financing activities in the amount of CHF 25.1 million.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- to grandfather the assessment of which the transactions are leases,
- reliance on previous assessments on whether leases are onerous,
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. For all classes of underlying assets, the Group has elected not to separate non-lease components from lease components and instead to account for each lease component and any associated non-lease component as a single lease component.

As of January 1, 2019 the Group has initially adopted IFRIC 23 “Uncertainty over Income Tax Treatments” and elected to apply this interpretation retrospectively without restatement of comparative information. The cumulative effect recognized at the date of initial application resulted in an adjustment of CHF 1.2 million to the opening balance of retained earnings and a reclassification from non-current provisions to current income tax liabilities of CHF 4.2 million.

Other new and revised standards and interpretations are effective as of January 1, 2019 but have no or no significant impact on the Group’s consolidated financial statements.

Future changes in accounting policies

The following new and revised standards and interpretations have been issued, but are not yet effective. They have not been applied early in these consolidated financial statements. However, a preliminary assessment has been conducted by the management and the expected impact of each standard and interpretation is presented in the table on page 69.

	Effective date	Planned application by Autoneum
New standards and interpretations		
IFRS 17 Insurance Contracts ¹	January 1, 2022	January 1, 2022
Revisions and amendments of standards and interpretations		
Amendments to References to Conceptual Framework in IFRS Standards ¹	January 1, 2020	January 1, 2020
Definition of a Business (amendments to IFRS 3) ¹	January 1, 2020	January 1, 2020
Definition of Material (amendments to IAS 1 and IAS 8) ¹	January 1, 2020	January 1, 2020
Interest Rate Benchmark Reform (amendments to IFRS 9, IAS 39 and IFRS 7) ¹	January 1, 2020	January 1, 2020

¹ No impact or no significant impact is expected on the consolidated financial statements.

1.4 Scope and methods of consolidation

The consolidated financial statements of Autoneum Holding Ltd include the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control is lost. Acquisitions are accounted for using the acquisition method. Intercompany transactions are eliminated.

If Autoneum does not have control over entities but significant influence, which is usually the case if Autoneum holds interests of between 20% and 50%, these investments are classified as associated companies and accounted for using the equity method. Interests of less than 20% where Autoneum does not have significant influence are classified as non-consolidated investments and are accounted for at fair value. The subsidiaries, associated companies and non-consolidated investments are listed in note 35 on page 115.

1.5 Foreign currency translation

Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the company operates (“functional currency”). The consolidated financial statements are prepared in Swiss francs, which is the functional currency and the reporting currency of Autoneum Holding Ltd.

Transactions in foreign currencies are translated into the functional currency by applying the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

For consolidation purposes, items in the balance sheet of foreign subsidiaries are translated at year end exchange rates, while income statement items are translated at average rates for the period. The resulting currency translation differences are recognized in other comprehensive income and, in the event of a disposal of a foreign operation, transferred to the income statement as part of the gain or loss from disposal.

1.6 Hyperinflation accounting

The Argentinian economy exceeded 100 inflation points in 36 months and is considered to be hyperinflationary in accordance with the criteria in IAS 29 “Financial Reporting in Hyperinflationary Economies” effective as of July 1, 2018. The standard requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date. The financial statements of the Argentinian subsidiary were restated accordingly before being translated and included in the consolidated financial statements of the Group. Inflation is assessed as follows:

- Until December 31, 2016: Argentinian wholesale price index (WPI), except for the two months of November and December 2015 for which the city of Buenos Aires CPI is used.
- From January 1, 2017 onwards: Argentinian consumer price index (CPI).

1.7 Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation, which is recognized on a straight-line basis over the estimated useful life of the asset. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Useful life is determined according to the expected utilization of each asset. The relevant ranges are as follows:

Buildings	20–50 years
Machinery and plant equipment	5–15 years
Data processing equipment	4–8 years
Vehicles and furniture	3–10 years

Components of certain assets with different useful lives are depreciated separately. Gains or losses arising from the disposal of tangible assets are recognized in the income statement. Costs of maintenance and repair are charged to the income statement as incurred. The residual values and useful lives of tangible assets are reviewed, and adjusted if appropriate, at each balance sheet date.

1.8 Leases

The Group leases various buildings, vehicles, machineries and other assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognized as right-of-use assets as part of tangible assets and corresponding lease liabilities at the commencement date. Each lease payment is allocated between the lease liability

and finance cost. The finance cost is charged to profit or loss. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis and charged to profit or loss. Assets and liabilities arising from a lease are initially measured on a present value basis, using the rate implicit in the lease if this rate could be readily determined. If not, the lessee's incremental borrowing rate is used, which reflects the refinancing costs of Autoneum.

At the commencement date, right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentive received,
- any initial direct costs incurred by the lessee, and
- restoration costs.

At the commencement date, lease liabilities are initially measured at the present value of the lease payments. Following lease payments are included in the net present value:

- fixed payments, less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Group recognizes short-term leases and leases for which the underlying asset is of low value as operating expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those not exceeding an amount of CHF 5 000.

Extension and termination options are included in a number of lease agreements across the Group. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if the Group is reasonably certain to extend the contract.

1.9 Intangible assets

Intangible assets such as product licenses, patents and trademark rights as well as software acquired from third parties are included in the balance sheet at acquisition cost and are amortized on a straight-line basis over a period of up to eight years. The residual values and useful lives of intangible assets are reviewed, and adjusted if appropriate, at each balance sheet date. Autoneum has neither in the current reporting period nor in the prior period intangible assets that have an indefinite useful life recorded in the balance sheet. Autoneum has no goodwill capitalized in the balance sheet.

1.10 Impairment of assets

Tangible assets, intangible assets and other assets (non-current) are tested for impairment if there are indications that, due to changed circumstances, their carrying value may no longer be fully recoverable. If such a situation arises, the recoverable amount is determined. This is the higher of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount is below the carrying amount, a corresponding impairment loss is recognized in the income statement. Where the recoverable amount cannot be determined for an individual asset, it is determined for the cash-generating unit to which the asset belongs. To determine the value of an asset, estimates of the expected future cash flows from both usage and disposal are made.

1.11 Capitalized preproduction costs

In order to be able to deliver an OEM with serial parts over the production period, Autoneum designs and develops a serial part based on its existing product technologies that meets the OEM's specifications and prepares its manufacturing process allowing serial production over the production period, which is usually between five to eight years. The costs for this process qualify as costs to fulfill a contract and are capitalized as preproduction costs in the line item other assets. Those costs are capitalized when the costs are directly attributable to a project, means between the nomination date and start of production, the costs enhance resources of the entity that will be used in satisfying performance obligations in the future, and the costs are expected to be recovered. The majority of costs that fulfill those requirements are employee costs that are allocated to specific projects, either based on actual hours entered by employees multiplied by an hourly cost rate, or in case hourly records are not available, based on estimates made by controlling staff.

The capitalized preproduction costs are amortized in the income statement in the line item material expenses over the period when revenue from the sale of the serial parts is recognized, which is usually between five to eight years.

In case the carrying amount of the capitalized preproduction costs exceeds the remaining amount of consideration that Autoneum will receive minus the remaining costs that Autoneum will incur to fulfill the contract, an impairment loss is recognized immediately.

1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement of financial assets

At initial recognition, the Group classifies its financial assets, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivables are measured at the transaction price determined under IFRS 15 (refer to note 1.20 on page 78). The Group initially measures all other financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchasing or selling the asset.

Subsequent measurement of financial assets

For subsequent measurement, Autoneum classifies its financial assets in three categories:

- Financial assets at amortized cost: The Group measures financial assets at amortized cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments): Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as financial income in the income statement when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed investments in non-consolidated companies under this category.
- Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through arrangement”.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. The Group calculates ECLs according to a provision matrix based on days the amounts are past due. Publicly available credit default probabilities for the individual customer based on their ratings (mainly Standard & Poor’s long-term issuer rating) are further used in the assessment.

As Autoneum did not encounter material credit losses in the past, the Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Initial recognition and measurement of financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, or as financial liabilities at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs. The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group. Gains or losses on liabilities held for trading are recognized in the income statement.
- The category financial liabilities at amortized cost is most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortization is included as finance expenses in the income statement. This category generally applies to interest-bearing loans and borrowings.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

1.13 Inventories

Raw materials, consumables and purchased parts are valued at the lower of average cost or net realizable value. Semi-finished goods and finished goods are valued at the lower of manufacturing cost or net realizable value. Valuation adjustments are made for obsolete materials and excess stock.

1.14 Cash and cash equivalents

Cash and cash equivalents include bank accounts and time deposits with original maturities from the date of acquisition of up to three months.

1.15 Equity

Ordinary shares are classified as equity since the shares are non-redeemable and any dividends are discretionary.

When shares are repurchased, the amount of the consideration paid is recognized as a deduction from equity and presented as a separate component in equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is recognized in retained earnings.

1.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are discounted if the impact is significant.

1.17 Income taxes

Income taxes comprise both current and deferred income taxes. Normally income taxes are recognized in the income statement, unless they are linked to a position that is recognized directly in equity or in other comprehensive income. In this case, the income taxes are also recognized directly in equity or in other comprehensive income.

Current income taxes are calculated and accrued on the basis of taxable income for the year. Deferred income taxes on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts determined for local tax purposes are calculated using the liability method. Deferred income taxes are measured at the tax rate expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. Deferred income tax assets and liabilities are offset to the extent that an entity has a legally enforceable right to offset current income taxes, and the deferred income taxes relate to income taxes levied by the same taxation authority and relate to the same taxable entity.

Temporary differences resulting from investments in Group companies are not considered if Autoneum is able to control the timing of the reversal of the temporary differences and if it is probable that these temporary differences will not reverse in future.

The tax impact of losses and deductible temporary differences is capitalized to the extent it appears probable that such losses and deductible temporary differences will be offset in the future by taxable income.

1.18 Employee benefits

Employee pension plans are operated by certain subsidiaries, depending upon the level of coverage provided by the government pension facilities in the various countries in which they are present. Some are provided by independent pension funds. If there is no independent pension fund, the respective obligations are shown in the balance sheet under employee benefit liabilities. As a rule, pensions are funded by employees' and employers' contributions. Pension plans exist on the basis of both defined contribution and defined benefit.

Pension liabilities arising from defined benefit plans are calculated annually by independent actuaries using the projected unit credit method. The discount rate used for the calculation is based on interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Remeasurement gains or losses are recognized in other comprehensive income. Pension cost relating to services rendered in the reporting period is recognized in the income statement as current service cost. Pension cost relating to services rendered in previous periods as a result of new or amended pension benefits is recognized in the income statement as past service cost. The net interest expenses or income on the net defined benefit liability or asset for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. The net interest expenses or income is recognized in financial expenses or income. The fair value of plan assets is deducted from the defined benefit obligations. Any asset resulting from this calculation is only capitalized up to an amount not exceeding benefits from future contribution reductions or refunds.

In the case of defined contribution plans, the contributions are recognized as expenses in the period in which they incurred.

1.19 Share-based payments

Share-based payments to members of the Board of Directors, the Executive Board and senior management are measured at fair value at the grant date, and recognized in the income statement over the vesting period. The fair value is assessed based on the current market price and taking into account a discount for dividends that will not be collected by the beneficiary because the transfer of the shares is deferred. For share-based payments that are settled with equity instruments, a corresponding increase in equity is recognized.

1.20 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

The main business of Autoneum is to develop and produce multifunctional and lightweight components and systems for noise and heat protection for its customers, i.e. original equipment manufacturers (OEM). Autoneum and the OEM agree on a contract upon nomination. The contracts include that Autoneum sells serial parts to the OEM over a production period of five to eight years. The serial parts are manufactured using a tool, which is either manufactured by Autoneum or procured by a third-party supplier and which is sold to the OEM, usually before start of production. As a result, Autoneum agrees on two different kinds of performance obligations upon nomination: a performance obligation for each serial part that will be delivered to the OEM during the serial production period and a performance obligation for the procurement of the tools. Revenue is allocated to the performance obligations based on the selling price that is agreed with the OEM.

The majority of total revenue (more than 90%) is generated with the sale of the serial parts to the OEM and a minor part of total revenue (less than 10%) is generated with the sale of the tools to the OEM.

Upon nomination, the OEM and Autoneum agree on a sales price per serial part and agree that Autoneum will produce and deliver the serial parts to the OEM over its complete serial production period. The OEM and Autoneum agree on a contract that includes an expected quantity of serial products that will be delivered to the OEM, as the final quantity of required serial parts depend on the number of cars that the OEM will produce. Revenue from the sale of the serial parts is recognized at the point in time when control of the parts is transferred to the OEM, which is according to the delivery terms that are agreed with the OEM. Revenue is recognized based on the applicable sales price at the point in time the serial parts are transferred to the OEM. Control of the tools is transferred to the OEM at the point in time when the OEM accepts the tool.

Revenue recognized from contracts with customers is disclosed as revenue in the consolidated financial statements.

1.21 Financing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset are capitalized as a part of the acquisition costs of the qualified asset. All other financing costs are recognized directly in the income statement.

1.22 Definition of non-GAAP measures

EBIT as a subtotal includes all income and expenses before addition/deduction of financial income, financial expenses, share of profit of associated companies and income taxes. EBITDA as a subtotal includes EBIT before deduction of depreciation and impairment of tangible assets as well as amortization and impairment of intangible assets.

CHF million	2019		2018	
Group				
Revenue	2 297.4	100.0%	2 281.5	100.0%
EBITDA	164.0	7.1%	197.2	8.6%
Effects from application of IFRS 16 ¹	-38.0	-1.7%	-	-
EBITDA adjusted	126.0	5.5%	197.2	8.6%
EBIT	-32.9	-1.4%	114.1	5.0%
One-time effects from impairment ²	68.0	3.0%	-	-
EBIT before one-time effects	35.0	1.5%	114.1	5.0%
Cash flows from operating activities	119.2		124.0	
Effects from application of IFRS 16 ³	-25.1		-	
Cash flows from operating activities adjusted	94.0		124.0	
Net debt at December 31	659.6		283.7	
Effects from application of IFRS 16 ⁴	-304.4		-	
Net debt at December 31 adjusted	355.2		283.7	
Shareholder's equity in % of total assets at December 31	27.1%		39.2%	
Effects from application of IFRS 16 ⁵	5.6%		-	
Shareholder's equity in % of total assets at December 31 adjusted	32.7%		39.2%	
BG North America				
Revenue	1 001.8	100.0%	921.8	100.0%
EBIT	-134.8	-13.5%	-8.2	-0.9%
One-time effects from impairment ²	62.0	6.2%	-	-
EBIT before one-time effects	-72.8	-7.3%	-8.2	-0.9%
BG Asia				
Revenue	275.7	100.0%	260.3	100.0%
EBIT	11.9	4.3%	18.9	7.3%
One-time effects from impairment ²	6.0	2.2%	-	-
EBIT before one-time effects	17.9	6.5%	18.9	7.3%

¹ Amount which would have been disclosed as lease expenses according to IAS 17 (before application of IFRS 16)

² One-time impairment of tangible and intangible assets.

³ Repayment of lease liabilities which would have been disclosed as cash flow used in operating activities according to IAS 17 (before application of IFRS 16).

⁴ Lease liabilities which are disclosed additionally due to the application of IFRS 16.

⁵ At December 31, 2019, due to the application of IFRS 16 total assets are increased by CHF 299.7 and shareholder's equity is decreased by CHF 4.7 million.

2 Risk management

Autoneum maintains an Internal Control System with the objective of ensuring effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The Internal Control System is an important part of the risk management system.

The process of risk management is governed by the regulation “Autoneum Risk Management System”, which was adopted by the Board of Directors. The regulation defines the main categories of risk, which serve as a basis of the risk management, and the bodies that deal within the Group with the various risks. In addition, the regulation defines the procedures for detecting, reporting and managing risk and the criteria for qualitative and quantitative risk assessment.

The regulation defines the following main risk categories: strategic risk, operational risk, financial risk, capital risk, litigation and other risk (e.g. political, legal, organizational, environmental and work safety risk).

Besides the financial and capital risk (refer to paragraphs 2.1 and 2.2 respectively), the following risks within the main risk categories are a focus of Autoneum:

- Strategic risk: This risk results on the one hand from different markets in which Autoneum operates (local aspects, legal regulations, degree of maturity of markets). On the other hand, it results from the share of the customers in Autoneum’s revenue, as well as from the technical and regulatory requirements on Autoneum products.
- Operational risk: This risk results from the technical development of orders until end of production, from the need for cost-efficient production and the possibility of interruptions in production.
- Environmental and work safety risk.

Strategic risk resulting from developments in the relevant markets and of the products offered therein is assessed as part of the strategic planning and financial planning processes. Strategic risk and operational risk are regularly reviewed at the monthly meetings within the Business Groups and with the CEO and the CFO of the Group. These meetings also deal with other risks impacting actual performance against budget, in order to identify and implement corrective measures.

Risks resulting from acquisitions, divestments or other major projects are monitored at Group level within the framework of competencies and approvals for the respective project. Quarterly review reports were prepared for the attention of the Board of Directors.

Specific risks are addressed by periodic reports in dedicated bodies. Such reports cover environmental and work safety risk at the various sites, treasury risk and risk from legal actions and compliance.

An aggregate review of all identified risks and of the instruments and measures to address them is performed on a semi-annual basis by the Risk Council, consisting of representatives of all Business Groups and Corporate functions. The review results are reported to the Board of Directors and Group Executive Board.

2.1 Financial risk

As a result of its worldwide activities Autoneum is exposed to various financial risks, such as credit risk, liquidity risk and market risk (foreign exchange risk, interest rate risk and price risk). Autoneum's financial risk management aims to minimize the potential adverse impact of the development of the financial markets on the Group's financial performance and to secure its financial stability. This may include the use of derivative financial instruments to hedge certain risk exposures. Financial risks are identified primarily locally and evaluated and managed centrally by Group Treasury in close cooperation with the Group's legal units.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as from exposures to customers, including outstanding receivables, contract assets and committed transactions. Credit risk may result in a financial loss if one party in a transaction is unable or unwilling to meet its obligations. It is Autoneum's objective to limit the impact of a default. The maximum risk of these positions corresponds to the book values of debt instruments that are classified as financial assets at amortized cost (refer to note 29 on page 112).

Credit risk of financial counterparties is monitored centrally by Group Treasury. Significant relationships with banks and financial institutions are basically only entered into with counterparties rated not lower than "A" (according to Standard & Poor's). At the date of reporting, management does not expect significant losses from non-performance by financial institutions where funds are invested.

Autoneum maintains business relationships with all significant automotive manufacturers and, compared to the industry sector, has a geographically broad, diversified customer portfolio. No customer accounted for more than 13.6% (2018: 14.9%) of Autoneum's revenue. The Group monitors the creditworthiness of its key customers by using independent ratings (if available) and by taking into account their financial position, past experience and other factors. The related credit risk is considered as low at the date of reporting.

In accordance with IFRS 9, the Group calculates ECLs according to a provision matrix based on days the amounts are past due. For trade receivables which are not overdue by more than 180 days, expected credit losses are determined by using publicly available credit default probabilities for the individual customer based on their ratings (mainly Standard & Poor's long-term issuer rating). If at this stage information indicating a higher collection risk for individual customers is available, individual allowances are recognized for the respective balances. The risk of an impairment loss increases significantly for open trade receivable balances that are overdue for more than 180 days. Unless the open balance is negligible, an individual assessment is performed to estimate expected credit losses. Individual assessments incorporate forward-looking information such as macroeconomic forecasts.

The average expected loss rates for trade receivables per aging category as well as for contract assets are as follows:

Average expected loss rate for trade receivables per aging category as of December 31, 2019

CHF million	Not due	No more than 180 days overdue	181 days to one year overdue	More than 1 year overdue	Total
Expected loss rate (in %)	0.2%	0.3%	32.7%	78.2%	0.9%
Trade receivables (gross)	250.6	29.8	2.3	1.4	284.0
Allowance for impairment	-0.6	-0.1	-0.7	-1.1	-2.5
Trade receivables	250.0	29.7	1.5	0.3	281.5

Average expected loss rate for trade receivables per aging category as of December 31, 2018

CHF million	Not due	No more than 180 days overdue	181 days to one year overdue	More than 1 year overdue	Total
Expected loss rate (in %)	0.3%	1.9%	50.1%	77.4%	0.9%
Trade receivables (gross)	254.0	19.2	1.6	0.7	275.5
Allowance for impairment	-0.7	-0.4	-0.8	-0.5	-2.4
Trade receivables	253.3	18.9	0.8	0.2	273.1

Average expected loss rate for contract assets as of December 31, 2019

CHF million	Not due 2019	Not due 2018
Expected loss rate (in %)	0.1%	0.2%
Contract assets (gross)	51.0	32.3
Allowance for impairment	-0.1	-0.1
Contract assets	50.9	32.3

Liquidity risk

The objective of liquidity risk management is to ensure that sufficient financial resources are available at any point in time in order to be able to completely and punctually fulfill all payment obligations of the Group. As part of an integral budgeting and forecasting process, Group Treasury centrally monitors the planned liquidity position of the Group. Group Treasury compares the planned liquidity requirements with the available funds to detect shortages in a timely manner. The liquidity risk management of Autoneum includes the maintenance of sufficient liquidity reserves and the availability of funding through an adequate amount of credit lines.

Beside several smaller bilateral credit facilities with banks, Autoneum maintains a credit agreement for the medium- and long-term financing with a group of banks in the amount of CHF 350.0 million, which expires on December 31, 2022. Furthermore, a bond in the amount of CHF 75.0 million with maturity as of July 4, 2023 and a bond in the amount of CHF 100.0 million with maturity as of December 8, 2025 have been issued, both of which are listed at the SIX Swiss Exchange (refer to note 23, page 104).

The following tables show the contractual maturities of Autoneum's financial liabilities (including interest).

Financial liabilities at December 31, 2019	Carrying amount	Contractual undiscounted cash flows			
		Less than 1 year	1 to 5 years	More than 5 years	Total cash flow
CHF million					
Bonds	174.6	2.0	82.0	101.1	185.1
Bank debts	210.6	62.5	148.9	-	211.4
Lease liabilities	324.6	40.3	127.5	277.7	445.5
Other borrowings	48.5	7.2	43.1	-	50.3
Trade payables	274.2	274.2	-	-	274.2
Accrued expenses	68.7	68.7	-	-	68.7
Other payables	18.6	18.6	-	-	18.6
Total	1 119.8	473.4	401.5	378.8	1 253.7

Financial liabilities at December 31, 2018	Carrying amount	Contractual undiscounted cash flows			
		Less than 1 year	1 to 5 years	More than 5 years	Total cash flow
CHF million					
Bonds	174.5	2.0	82.9	102.3	187.1
Bank debts	173.3	34.0	139.7	-	173.6
Lease liabilities	21.0	1.6	6.9	22.8	31.3
Other borrowings	8.1	6.0	1.1	2.2	9.3
Trade payables	305.6	305.6	-	-	305.6
Accrued expenses	57.1	57.1	-	-	57.1
Other payables	16.5	16.5	-	-	16.5
Total	756.1	422.8	230.5	127.2	780.6

Foreign exchange risk

Due to the global nature of its activities, the Group is exposed to foreign exchange risk. Foreign exchange risk arises from investments in foreign subsidiaries (translation risk) as well as from transactions and financial assets or financial liabilities that are denominated in a currency other than the functional currency of a legal unit (transaction risk). In order to hedge transaction risk that cannot be eliminated through offsetting transactions in the same foreign currency (natural hedging), subsidiaries may use forward contracts, which are usually traded with banks via Group Treasury. The transaction risk from foreign currencies is monitored periodically.

The subsidiaries' cash holdings with banks are denominated mostly in the functional currency of the subsidiary. The majority of the business transacted in Autoneum's subsidiaries is also in their functional currency. At the reporting date, the Group held financial instruments which were denominated in currencies other than the functional currency of the respective Group company as follows:

CHF million	Assets	Liabilities	Assets	Liabilities
	31.12.2019	31.12.2019	31.12.2018	31.12.2018
EUR	41.1	47.5	47.5	48.3
USD	25.7	51.9	20.4	12.4
Other	2.7	2.3	0.7	1.0
Total	69.4	101.6	68.6	61.7

The Group is exposed to foreign exchange risk mostly against the euro and the US dollar. The currency-related sensitivity of the Group against these two currencies is shown in the following table:

CHF million	Reasonable shift	Impact on net result	Impact on equity
December 31, 2019			
EUR/CHF	+/- 10%	+/- 5.7	+/- 16.8
USD/CHF	+/- 10%	-/+ 3.9	+/- 44.1
December 31, 2018			
EUR/CHF	+/- 10%	+/- 4.3	+/- 15.9
USD/CHF	+/- 10%	+/- 1.4	+/- 36.1

The impact on net result is mainly due to foreign exchange gains and losses on trade receivables and trade payables as well as the translation of the profit or loss of foreign subsidiaries into Swiss francs for consolidation purposes. The impact on equity additionally includes currency translation adjustments arising from the translation of the net investment in foreign subsidiaries.

Interest rate risk

The interest rate risk of the Group relates to interest-bearing assets and liabilities. Floating interest rate positions are subject to cash flow interest risk. Fixed-interest positions are subject to fair value interest risk if measured at fair value. In general, Autoneum aims to maintain, in consideration of seasonal fluctuations, a balanced relation between fixed and floating interest-bearing financial liabilities as disclosed in note 23 on page 104. The two bonds issued at fixed interest rates are not subject to any interest rate risk, whereas the long-term credit agreement with floating interest rates is subject to a cash flow interest risk.

The Group analyzes the interest rate risk on a net basis. No hedging of the interest rate risk was performed in the reporting period or in the prior period. Based on the interest-bearing assets and liabilities that existed at December 31, 2019 a 100 basis point higher level of the money market interest rates would lead to a CHF 1.1 million (2018: CHF 0.7 million) lower net result as well as equity of the Group on an annual basis. A 100 basis point lower level of the money market interest rates would lead to a CHF 0.5 million (2018: CHF 0.2 million) higher net result as well as equity of the Group on an annual basis.

Price risk

Holding financial assets that are measured at fair value exposes Autoneum to a risk of price fluctuation. Autoneum held a significant investment in a non-consolidated company whose shares are listed on the Tokyo Stock Exchange. Autoneum is exposed to a price risk according to the fluctuations in the share price. This investment is classified as a financial asset at fair value through other comprehensive income and changes in the share price do not impact profit or loss. The amount of financial assets at fair value through profit or loss that Autoneum held is not significant.

2.2 Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders, and to maintain an optimally leveraged capital structure in order to reduce the cost of capital. Autoneum aims to maintain a stable investment grade rating as perceived by bank partners and debt investors.

Autoneum Group therefore targets a healthy balance sheet with an adequate portion of equity. In the mid-term, Autoneum aims for an equity ratio above 35% (40% before application of IFRS 16 respectively). As of December 31, 2019 the equity ratio equaled 27.1% (2018: 39.2%). For the next few years, the dividend policy will depend on a number of factors, such as net result and the financial situation of the Group, the demand for capital and liquidity, the general business environment as well as legal and contractual restrictions. Subject to the foregoing, the Group intends to distribute at least 30% of its net result attributable to shareholders of Autoneum Holding Ltd. Dividends, if any, are expected to be declared and paid in Swiss francs.

3 Change in scope of consolidation and significant transactions

There was no change in scope of consolidation in 2019.

On January 1, 2018 Autoneum Netherland B.V., Weert, Netherlands, was merged into Autoneum Belgium N.V., Genk, Belgium.

On March 23, 2018 Autoneum acquired a 25% interest in ATN Auto Acoustics Inc., Kamioguchi, Japan, for a consideration of CHF 0.2 million from Toyota Boshoku Corporation, Kariya, Japan.

4 Segment information

Segment information is based on Autoneum Group's internal organization and management structure as well as on the internal financial reporting to the Group Executive Board and the Board of Directors. The chief operating decision maker is the CEO.

Autoneum is the leading global automobile supplier in acoustic and thermal management for vehicles. Autoneum develops and produces multifunctional and lightweight components and systems for noise and heat protection and thereby enhances vehicle comfort.

The reporting is based on the following four reportable segments (Business Groups/BG): BG Europe, BG North America, BG Asia and BG SAMEA (South America, Middle East and Africa). "Corporate and elimination" include Autoneum Holding Ltd and the corporate center with its respective legal entities, an operation that produces parts for Autoneum's manufacturing lines, investments in associates and inter-segment elimination. Transactions between the Business Groups are made on the same basis as with independent third parties.

Segment information 2019

CHF million	BG Europe	BG North America	BG Asia	BG SAMEA	Total segments	Corporate and elimination	Total Group
Third-party revenue	891.0	1 001.7	273.3	123.6	2 289.7	7.7	2 297.4
Inter-segment revenue	9.8	0.1	2.3	2.2	14.5	-14.5	-
Revenue	900.9	1 001.8	275.7	125.8	2 304.2	-6.8	2 297.4
EBITDA	93.0	-18.5	39.0	16.8	130.4	33.6	164.0
in % of revenue	10.3%	-1.8%	14.2%	13.4%	5.7%	n/a	7.1%
Depreciation, amortization and impairment	-42.0	-116.3	-27.1	-6.2	-191.6	-5.3	-196.9
EBIT	51.0	-134.8	11.9	10.7	-61.2	28.2	-32.9
in % of revenue	5.7%	-13.5%	4.3%	8.5%	-2.7%	n/a	-1.4%
Assets at December 31 ¹	610.1	774.8	295.5	80.0	1 760.4	78.7	1 839.1
Liabilities at December 31	473.4	545.9	187.2	58.0	1 264.5	75.7	1 340.2
Addition in tangible and intangible assets	43.8	90.6	22.7	4.3	161.5	1.3	162.8
Employees at December 31 ²	4 411	5 183	2 041	1 035	12 670	458	13 128

¹ Assets in "Corporate and elimination" include investments in associated companies in the amount of CHF 18.5 million, refer to note 15, page 97.

² Full-time equivalents including temporary employees (excluding apprentices).

Segment information 2018

CHF million	BG Europe	BG North America	BG Asia	BG SAMEA	Total segments	Corporate and elimination	Total Group
Third-party revenue	981.0	921.6	259.4	110.3	2 272.4	9.2	2 281.5
Inter-segment revenue	3.4	0.2	0.9	1.2	5.7	-5.7	-
Revenue	984.5	921.8	260.3	111.5	2 278.1	3.5	2 281.5
EBITDA	110.4	27.4	30.9	14.6	183.2	13.9	197.2
in % of revenue	11.2%	3.0%	11.9%	13.1%	8.0%	n/a	8.6%
Depreciation, amortization and impairment	-28.4	-35.6	-11.9	-3.8	-79.8	-3.3	-83.1
EBIT	82.0	-8.2	18.9	10.8	103.4	10.6	114.1
in % of revenue	8.3%	-0.9%	7.3%	9.7%	4.5%	n/a	5.0%
Assets at December 31 ¹	565.6	678.3	253.0	75.8	1 572.7	28.6	1 601.3
Liabilities at December 31	373.2	410.0	132.5	52.8	968.5	5.2	973.7
Addition in tangible and intangible assets	44.2	69.0	39.1	10.1	162.4	4.0	166.3
Employees at December 31 ²	4 551	4 760	2 223	933	12 467	479	12 946

¹ Assets in "Corporate and elimination" include investments in associated companies in the amount of CHF 16.1 million. Autoneum increased its investments in associated companies in 2018 in the amount of CHF 0.2 million, refer to note 15, page 97.

² Full-time equivalents including temporary employees (excluding apprentices).

Revenue and non-current assets by country

CHF million	Revenue ¹ 2019	Revenue ¹ 2018	Non-current assets ² 31.12.2019	Non-current assets ² 31.12.2018
USA	724.0	672.4	340.9	286.9
China	251.8	238.0	132.5	102.4
Germany	198.1	260.9	24.1	23.9
Great Britain	150.4	161.3	30.7	18.7
Mexico	146.8	109.2	105.7	54.3
France	140.5	145.5	29.6	20.0
Canada	132.0	140.4	13.0	7.0
Spain	129.3	146.4	33.5	18.2
Switzerland ³	0.9	2.0	85.4	53.3
Remaining countries	423.7	405.5	177.4	131.8
Total	2 297.4	2 281.5	972.9	716.5

¹ Revenue is disclosed by location of customers.

² Non-current assets consist of tangible assets, intangible assets and investments in associated companies.

³ Domicile of Autoneum Holding Ltd.

The following customers accounted for more than 10% of annual revenue in 2019 or 2018:

Revenue with major customers

CHF million	2019	2018
Ford	313.0	340.4
BMW	271.6	265.2
Honda	246.2	248.1

Information on revenue by product group is not available. The major customers generate revenue in all geographic segments.

When Autoneum is nominated by an OEM the contract includes that Autoneum will manufacture a tool which is sold to the OEM before start of production and that Autoneum will produce and deliver serial parts to the OEM over the production period, which is usually between five to eight years. As the OEM's production volumes are continuously adapted to the market demand, the number of serial parts that Autoneum will deliver to the OEM can only be estimated. Autoneum expects that the contracts for which Autoneum was nominated as of December 31, 2019 will generate revenue in the amount of CHF 11.3 billion (2018: CHF 12.9 billion) in future years.

5 Employee expenses

CHF million	2019	2018
Wages and salaries	-473.8	-463.9
Social security expenses	-109.6	-103.0
Pension expenses for defined contribution plans	-7.4	-6.9
Pension expenses for defined benefit plans	-6.4	-6.3
Other personnel expenses	-45.8	-47.2
Total	-642.8	-627.3

Autoneum started a long-term incentive plan (LTI) for the management in 2012. Part of Autoneum's net result is allocated to beneficiaries defined in advance by granting them shares of Autoneum Holding Ltd. The shares become property of the beneficiaries after a vesting period of 35 months, if the beneficiaries are then still employed by an Autoneum company. Immediate vesting occurs in case of death or retirement of the beneficiary. In case of employment termination, shares not yet vested lapse without compensation. Exceptions are possible at the discretion of the Nomination and Compensation Committee. Vesting occurs every year in April. Employee expenses resulting from share-based compensation in the course of the LTI are recognized over the vesting period. 4 037 shares (2018: 3 443 shares) valued at CHF 105.00 (2018: CHF 240.50) were granted in 2019, and expenses of CHF 0.5 million (2018: CHF 0.7 million) were recognized in wages and salaries.

Members of the Board of Directors receive part of their remuneration in Autoneum shares. 8 693 shares (2018: 4 014 shares) valued at CHF 124.20 (2018: CHF 255.92) were granted in 2019, and expenses of CHF 1.1 million (2018: CHF 1.0 million) were recognized in wages and salaries.

Members of the Group Executive Board receive part of their remuneration in Autoneum shares. 560 shares (2018: 5 711 shares) valued at a weighted average share price of CHF 158.58 (2018: CHF 164.36) were granted in 2019, and expenses of CHF 0.1 million (2018: CHF 0.9 million) were recognized in wages and salaries.

6 Other expenses

CHF million	2019	2018
Energy, maintenance and repairs	-177.0	-169.6
Marketing and distribution expenses	-63.4	-69.0
Lease expenses	-12.6	-47.3
Audit and consulting expenses	-13.6	-21.6
IT and office expenses	-19.0	-21.1
Insurance and other charges	-15.1	-14.2
Loss from disposal of subsidiary or business	-	-0.1
Miscellaneous expenses	-62.5	-61.2
Total	-363.2	-404.1

In 2018, operating lease expenses of CHF 47.3 million were charged to profit or loss. In 2019, Autoneum has applied IFRS 16 which provides a single lease accounting model requiring lessees to recognize right-of-use assets and lease liabilities for all leases (refer to note 1.3, page 66).

7 Other income

CHF million	2019	2018
Rental income	1.6	1.7
Gain from disposal of subsidiary or business	-	0.3
Miscellaneous income	25.7	46.1
Total	27.3	48.1

Miscellaneous income contains mainly income generated with by-products arising during the manufacturing process and income from release of unused provisions.

8 Depreciation, amortization and impairment

CHF million	2019	2018
Depreciation of tangible assets	-125.6	-80.0
Impairment of tangible assets	-68.0	-0.1
Amortization of intangible assets	-3.1	-3.0
Impairment of intangible assets	-0.2	-
Total	-196.9	-83.1

9 Financial income

CHF million	2019	2018
Dividend income	1.0	0.8
Interest income	2.4	1.7
Other financial income	1.1	0.3
Total	4.5	2.8

10 Financial expenses

CHF million	2019	2018
Interest expenses	-25.7	-8.2
Net foreign exchange losses	-3.9	-6.8
Net loss on net monetary position from hyperinflationary accounting	-1.0	-1.3
Other financial expenses	-0.1	-0.1
Total	-30.8	-16.4

Interest expenses include CHF 13.9 million (2018: CHF 1.0 million) interest expenses for lease liabilities, CHF 1.4 million (2018: CHF 1.3 million) interest expenses for defined benefit plans and CHF 0.4 million (2018: CHF 0.2 million) amortization of transactions costs.

11 Income taxes

CHF million	2019	2018
Current income taxes	-24.5	-31.8
Deferred income taxes	2.1	2.0
Total	-22.4	-29.8

Reconciliation between expected and actual income tax result:

CHF million	2019	2018
Earnings before taxes	-55.3	104.5
Average applicable income tax rate	25.1%	24.8%
Expected income tax result	13.8	-25.9
Non-taxable income and non-deductible expenses	-3.6	-1.6
Current income taxes from prior periods	1.3	-0.1
Current year losses for which no deferred income tax assets were recognized	-35.6	-10.9
Utilization of previously unrecognized tax loss carryforwards	2.9	4.7
Change in value adjustments/first-time recognition of temporary differences	-3.3	2.2
Non-recoverable withholding taxes	-2.6	-3.8
Income taxes at other income tax rates or taxable base	2.4	5.7
Impact of changes in income tax rates	2.1	-0.2
Other effects	0.1	0.1
Income tax expenses	-22.4	-29.8

The change in the average applicable income tax rate is mainly due to the different geographic composition of earnings before taxes.

Deferred income tax assets and liabilities pertain to the following balance sheet line items:

CHF million	Deferred income tax assets 31.12.2019	Deferred income tax liabilities 31.12.2019	Deferred income tax assets 31.12.2018	Deferred income tax liabilities 31.12.2018
Non-current assets	4.9	48.7	4.7	52.4
Inventories	1.3	4.0	0.9	6.5
Other assets	1.8	1.8	2.5	0.8
Employee benefit liabilities	4.7	0.7	3.2	0.9
Provisions	0.2	0.6	1.3	0.5
Other liabilities	9.4	0.9	8.0	0.6
Tax loss carryforwards and tax credits	27.1	-	30.9	-
Inflation adjustment	-	0.1	-	0.3
Subtotal	49.4	56.9	51.5	62.0
Offsetting	-27.7	-27.7	-31.7	-31.7
Total	21.7	29.2	19.8	30.3

The decrease in the net deferred income tax liability by CHF 3.0 million (2018: CHF 1.4 million) relates to the deferred income tax income recognized in the consolidated income statement of CHF 2.1 million (2018: CHF 2.0 million), to the deferred income tax income recognized in other comprehensive income of CHF 1.1 million (2018: nil), a negative inflation adjustment of CHF 0.1 million (2018: negative impact of CHF 0.2 million due to the adoption of IFRS 9 as well as the application of IAS 29) and to a negative currency translation adjustment of CHF 0.2 million (2018: CHF 0.6 million).

No deferred income tax assets have been recognized from deductible temporary differences in the amount of CHF 67.1 million (2018: CHF 61.7 million). At the reporting date, tax loss carryforwards in the amount of CHF 48.7 million (2018: CHF 59.1 million) are recognized for Group companies that incurred losses in 2019 or 2018 (2018 or 2017) supported by taxable temporary differences and expected future profitability.

Switzerland has voted on the Swiss federal law on the tax reform and AHV financing (TRAF) in May 2019 which entered into force on January 1, 2020. No material implications on the Group's income tax positions result in 2019 as the implemented changes in tax law had no impact at year end and no significant relevant deferred income tax assets or liabilities are accounted for in Autoneum's Swiss legal units.

The table below discloses tax loss carryforwards by their year of expiry:

CHF million	Recognized ¹ 31.12.2019	Non-recognized ² 31.12.2019	Recognized ¹ 31.12.2018	Non-recognized ² 31.12.2018
Less than 3 years	–	1.0	–	–
In 3 to 7 years	–	26.6	–	6.6
Thereafter	100.2	408.4	117.0	289.2
Total	100.2	436.0	117.0	295.8

¹ Tax loss carryforwards for which deferred income tax assets are recognized.

² Tax loss carryforwards for which no deferred income tax assets are recognized.

The tax loss carryforwards for which no deferred income tax assets were recognized originate from countries with a deferred income tax rate between 9% and 34% in both the reporting year and the prior year.

The table below discloses tax credits by their year of expiry:

CHF million	Recognized ¹ 31.12.2019	Non-recognized ² 31.12.2019	Recognized ¹ 31.12.2018	Non-recognized ² 31.12.2018
Less than 3 years	–	–	–	–
In 3 to 7 years	–	4.0	–	0.3
Thereafter	1.7	16.7	1.1	19.5
Total	1.7	20.7	1.1	19.9

¹ Tax credits for which deferred income tax assets are recognized.

² Tax credits for which no deferred income tax assets are recognized.

12 Earnings per share

		2019	2018
Net result attributable to shareholders of AUTN	CHF million	-96.8	55.1
Average number of shares outstanding	Number of shares	4 650 196	4 657 815
Average number of shares outstanding diluted	Number of shares	4 654 598	4 666 845
Basic earnings per share	CHF	-20.82	11.83
Diluted earnings per share	CHF	-20.82	11.81

The average number of shares outstanding is calculated based on the number of shares issued less the weighted average number of treasury shares held. The shares vested but not yet transferred in the course of the management's long-term incentive plan (LTI) and performance-related bonus lead to a diluted average number of shares outstanding but have no dilution effect to net result attributable to shareholders of Autoneum.

13 Tangible assets

Tangible assets 2019

CHF million	Land and buildings	Machinery and plant equipment	Data processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2019	288.0	1 174.0	32.1	29.0	170.6	1 693.7
Application of IFRS 16 ¹	242.9	48.6	0.7	9.5	-	301.6
Addition	22.2	21.4	0.8	5.1	109.3	158.8
Disposal	-3.8	-39.4	-1.7	-1.3	-0.1	-46.3
Modification	-0.9	0.2	-	0.1	-	-0.6
Reclassification	9.6	167.0	3.6	3.1	-183.4	-
Inflation adjustment	-	3.2	-	-	-	3.3
Currency translation adjustment	-7.8	-19.9	-0.6	-0.7	-0.4	-29.5
Cost at December 31, 2019	550.2	1 355.0	34.9	44.7	96.1	2 081.0
Accumulated depreciation and impairment at January 1	-149.0	-818.9	-20.3	-16.5	-	-1 004.8
Depreciation	-33.1	-79.2	-4.9	-8.4	-	-125.6
Impairment	-9.0	-56.7	-0.1	-2.2	-	-68.0
Disposal	3.4	38.0	1.7	1.1	-	44.2
Reclassification	-1.6	1.6	-	-	-	-
Inflation adjustment	-	-2.2	-	-	-	-2.3
Currency translation adjustment	3.1	13.9	0.4	0.4	-	18.0
Accumulated depreciation and impairment at December 31, 2019	-186.2	-903.5	-23.2	-25.6	-	-1 138.5
Net book value at January 1, 2019 ²	381.9	403.6	12.4	22.0	170.6	990.5
Net book value at December 31, 2019	364.0	451.6	11.7	19.1	96.1	942.5

¹ Refer to note 1.3 on page 66.

² Includes opening adjustment from the application of IFRS 16 in the amount of CHF 301.6 million.

Tangible assets 2019 excluding right-of-use assets

CHF million	Land and buildings	Machinery and plant equipment	Data processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2019	267.2	1 174.0	32.1	29.0	170.6	1 672.9
Addition	0.3	14.8	0.8	0.5	109.3	125.8
Disposal	-3.5	-38.7	-1.7	-0.7	-0.1	-44.7
Reclassification	9.6	167.0	3.6	3.1	-183.4	-
Inflation adjustment	-	3.2	-	-	-	3.3
Currency translation adjustment	-4.1	-21.1	-0.6	-0.5	-0.4	-26.7
Cost at December 31, 2019	269.6	1 299.1	34.3	31.5	96.1	1 730.6
Accumulated depreciation and impairment at January 1	-147.6	-818.9	-20.3	-16.5	-	-1 003.4
Depreciation	-9.4	-73.1	-4.7	-4.0	-	-91.1
Impairment	-9.0	-56.7	-0.1	-2.2	-	-68.0
Disposal	2.9	37.4	1.7	0.7	-	42.7
Reclassification	-1.6	1.6	-	-	-	-
Inflation adjustment	-	-2.2	-	-	-	-2.3
Currency translation adjustment	2.6	13.9	0.4	0.4	-	17.4
Accumulated depreciation and impairment at December 31, 2019	-162.1	-898.0	-23.0	-21.7	-	-1 104.8
Net book value at January 1, 2019	119.6	355.0	11.8	12.5	170.6	669.5
Net book value at December 31, 2019	107.5	401.1	11.3	9.8	96.1	625.8

Right-of-use assets 2019

CHF million	Land and buildings	Machinery and plant equipment	Data processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2019	20.8	-	-	-	-	20.8
Application of IFRS 16 ¹	242.8	48.6	0.7	9.5	-	301.6
Addition	21.9	6.6	-	4.6	-	33.0
Disposal	-0.3	-0.6	-	-0.6	-	-1.6
Modification	-0.9	0.2	-	0.1	-	-0.6
Currency translation adjustment	-3.7	1.2	-	-0.3	-	-2.8
Cost at December 31, 2019	280.6	55.9	0.6	13.2	-	350.4
Accumulated depreciation and impairment at January 1	-1.4	-	-	-	-	-1.4
Depreciation	-23.8	-6.1	-0.2	-4.4	-	-34.5
Disposal	0.5	0.6	-	0.4	-	1.6
Currency translation adjustment	0.5	-	-	0.1	-	0.6
Accumulated depreciation and impairment at December 31, 2019	-24.1	-5.5	-0.2	-3.9	-	-33.7
Net book value at January 1, 2019 ²	262.2	48.6	0.7	9.5	-	321.0
Net book value at December 31, 2019	256.5	50.4	0.4	9.3	-	316.7

¹ Refer to note 1.3 on page 66.² Includes opening adjustment from the application of IFRS 16 in the amount of CHF 301.6 million.

Tangible assets 2018

CHF million	Land and buildings	Machinery and plant equipment	Data processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2018	277.0	1 104.1	15.6	24.3	171.5	1 592.5
Application of IAS 29	-	5.5	0.1	0.1	0.1	5.8
Addition	3.8	21.3	1.7	1.6	134.2	162.6
Disposal	-2.0	-12.3	-1.5	-0.7	-	-16.6
Reclassification	16.9	91.5	17.0	4.5	-129.9	-
Inflation adjustment	-	3.2	0.1	0.1	0.2	3.5
Currency translation adjustment	-7.7	-39.4	-0.8	-0.9	-5.4	-54.1
Cost at December 31, 2018	288.0	1 174.0	32.1	29.0	170.6	1 693.7
Accumulated depreciation and impairment at January 1	-145.4	-798.3	-11.4	-14.5	-	-969.5
Application of IAS 29	-	-4.3	-0.1	-0.1	-	-4.5
Depreciation	-9.9	-62.8	-4.0	-3.2	-	-80.0
Impairment	-	-	-	-	-	-0.1
Disposal	1.9	11.8	1.4	0.7	-	15.8
Reclassification	0.1	6.7	-6.8	-	-	-
Inflation adjustment	-	-2.2	-	-	-	-2.2
Currency translation adjustment	4.2	30.1	0.6	0.6	-	35.6
Accumulated depreciation and impairment at December 31, 2018	-149.0	-818.9	-20.3	-16.5	-	-1 004.8
Net book value at January 1, 2018	131.6	305.8	4.2	9.8	171.5	623.0
Net book value at December 31, 2018	139.0	355.0	11.8	12.5	170.6	688.9

Tangible assets in the amount of CHF 2.0 million (2018: CHF 0.9 million) are pledged as security for financial liabilities.

Lease accounting has impacted profit or loss and the consolidated statement of cash flows as follows:

CHF million	2019
Lease expenses relating to short-term leases and low-value assets	-12.6
Depreciation charge for right-of-use assets	-34.5
Interest expenses on lease liabilities	-13.9
Total recognized in profit or loss	-61.0
Lease expenses paid relating to short-term leases and low-value assets	-12.6
Interest paid on lease liabilities	-13.9
Total recognized in cash flows from operating activities	-26.5
Repayment of lease liabilities	-25.8
Total recognized in cash flows from financing activities	-25.8
Total cash flows used for leases	-52.3

Impairment

Tangible assets are tested for impairment if there are indications, that due to changed circumstances, their carrying amount may no longer be recoverable. In 2019, CHF 62.0 million of the impairment charges on tangible assets are attributable to Business Group North America, CHF 5.8 million to Business Group Asia and CHF 0.2 million to Business Group Europe.

In Business Group North America, the operational and commercial problems have proven more extensive than originally assumed. This leads to a reevaluation of the performance over the short to medium term which triggered an impairment of tangible assets.

The value in use is thereby determined based on future discounted cash flows. As a basis for the calculation, a three-year mid-term plan is used. Subsequent years are estimates, including a perpetual annuity. The projections are based on knowledge, experience and on judgments made by management as to the probable economic development. The underlying projections for the subsequent years are therefore calculated based on historical figures and the latest market estimates. Post-tax discount rates were applied in determining the recoverable amount of the cash-generating unit. The discount rates were estimated based on an industry weighted average cost of capital (WACC).

Key assumptions

	31.12.2019
Pre-tax WACC	11.9%
Post-tax WACC	8.8%
Terminal value EBIT margin	4.9%

As a result of the impairment calculation the carrying amount of the cash-generating unit (fully owned operations of the Business Group North America) was determined to be higher than its recoverable amount of CHF 316.9 million and an impairment charge of CHF 62.0 million was recognized.

Reasonable possible changes to one of the relevant key assumptions at the reporting date, holding other assumptions constant, would have affected the impairment charge as follows:

CHF million	Terminal value EBIT margin		
Post-tax WACC	3.9%	4.9%	5.9%
8.3%	-60.0	-38.0	-15.0
8.8%	-81.0	-62.0	-42.0
9.3%	-99.0	-82.0	-66.0

14 Intangible assets

CHF million	2019	2018
Cost at January 1	22.0	19.3
Addition	4.0	3.8
Disposal	-0.4	-0.5
Currency translation adjustment	-0.3	-0.6
Cost at December 31	25.4	22.0
Accumulated amortization at January 1	-10.5	-8.2
Amortization	-3.1	-3.0
Impairment	-0.2	-
Disposal	0.3	0.5
Currency translation adjustment	0.1	0.2
Accumulated amortization and impairment at December 31	-13.4	-10.5
Net book value at January 1	11.5	11.2
Net book value at December 31	12.0	11.5

Intangible assets comprise mainly investments in a new ERP system.

15 Investments in associated companies

Investments in associated companies comprise the 30% share in SRN Sound Proof Co., Ltd., Chonburi, Thailand, the 25% share in Wuhan Nittoku Autoneum Sound-Proof Co. Ltd., Wuhan, China, and the 25% share in ATN Auto Acoustics Inc., Kamioguchi, Japan, which was acquired in 2018. The investments in associated companies are measured using the equity method. The net book value of investments in associated companies changed as follows:

CHF million	2019	2018
Net book value at January 1	16.1	14.1
Addition	-	0.2
Share of profit of associated companies	4.0	4.0
Dividends received	-1.8	-1.7
Currency translation adjustment	0.2	-0.5
Net book value at December 31	18.5	16.1

16 Financial assets

CHF million	31.12.2019	31.12.2018
Investments in non-consolidated companies	43.4	37.4
Loans	5.4	6.1
Other financial assets	7.1	6.0
Total non-current portion	55.9	49.6
Loans	1.0	1.5
Total current portion	1.0	1.5

The increase in investments in non-consolidated companies results from a change in the market value of those investments of CHF 6.0 million which is recognized in other comprehensive income.

17 Other assets

CHF million	31.12.2019	31.12.2018
Capitalized preproduction costs	83.5	83.4
Contract assets	34.8	23.6
Other receivables	2.5	1.8
Total non-current portion	120.8	108.8
Non-income tax receivables	30.4	36.6
Deferred expenses	6.9	9.0
Contract assets	16.1	8.7
Advance payments to suppliers	4.0	11.4
Fair value of derivative financial instruments	2.1	2.2
Accrued income	17.3	5.8
Other receivables	4.5	19.7
Total current portion	81.3	93.4

Contract assets result mainly when tools are sold to the OEM and Autoneum is not reimbursed at the same point in time, but with a predefined part of the price of the serial products that are sold to the OEM over the production period. The contract assets are transferred to receivables when the right for payment becomes unconditional. This usually occurs when the Group issues an invoice to the customer, which is expected within the next year for the current portion and within the next two to eight years for the non-current portion.

The following table shows the movements in capitalized pre-production costs during the year:

CHF million	2019	2018
Net book value at January 1	83.4	86.6
Capitalization of preproduction costs	21.7	26.7
Amortization of preproduction costs	-20.9	-27.5
Currency translation adjustment	-0.8	-2.4
Net book value at December 31	83.5	83.4

Autoneum spent CHF 61.3 million (2018: CHF 66.6 million) on research and development in the period under review, whereof CHF 21.7 million (2018: CHF 26.7 million) were capitalized. The remaining portion was recognized as an expense in the period when incurred.

18 Inventories

CHF million	31.12.2019	31.12.2018
Raw materials and consumables	35.8	37.2
Purchased parts	1.7	2.1
Finished goods	33.1	34.9
Work in progress	126.6	160.8
Allowance	-3.4	-3.2
Total	193.8	231.8

19 Trade receivables

CHF million	31.12.2019	31.12.2018
Trade receivables (gross)	284.0	275.5
Allowance for impairment	-2.5	-2.4
Total	281.5	273.1

The following table summarizes the movement in the allowance for impairment:

CHF million	2019	2018
Allowance at January 1	-2.4	-2.4
Adoption of IFRS 9	-	-0.8
Addition	-0.8	-0.8
Utilization	0.1	0.2
Release	0.5	1.3
Currency translation adjustment	-	0.1
Allowance at December 31	-2.5	-2.4

Trade receivables comprise receivables due from customers with the following credit rating (Standard & Poor's long-term issuer rating):

CHF million	31.12.2019	31.12.2018
A- or higher	109.7	85.3
BBB- to BBB+	120.0	146.2
BB+ or lower	44.3	33.0
Not rated	7.6	8.5
Total	281.5	273.1

At December 31, 2019 no trade receivables are pledged as security for financial liabilities (2018: nil). Trade receivables with a book value of CHF 0.4 million (2018: CHF 0.4 million) were sold to third parties based on factoring agreements and no material risks remain with Autoneum.

20 Cash and cash equivalents

CHF million	31.12.2019	31.12.2018
Cash at banks	98.6	93.1
Time deposits with original maturities up to 3 months	0.1	0.1
Total	98.7	93.1

21 Shareholders' equity

Since the founding of Autoneum Holding Ltd on December 2, 2010 the number of registered shares has remained unchanged at 4 672 363, each with a nominal value of CHF 0.05 per share. The share capital amounts to CHF 233 618 and is composed as follows:

		31.12.2019	31.12.2018
Shares outstanding	Number of shares	4 646 580	4 652 378
Treasury shares	Number of shares	25 783	19 985
Total shares issued	Number of shares	4 672 363	4 672 363
Nominal value per share	CHF	0.05	0.05
Share capital	CHF	233 618	233 618

Share capital

The holders of shares are entitled to receive dividends and are entitled to one vote per share at general meetings of the Company.

Conditional share capital

For issuing convertible bonds, warranty bonds, and for granting shareholder options, the share capital can be increased by a maximum of 700 000 fully paid up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 35 000. Furthermore, for the issuance of shares to employees of subsidiaries, the share capital can be increased by a maximum of 250 000 fully paid up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 12 500.

Treasury shares

The following transactions with treasury shares were performed during the financial year:

	2019 in shares	2019 in CHF million	2018 in shares	2018 in CHF million
Treasury shares at January 1	19 985	3.7	18 445	3.3
Purchase of treasury shares	21 677	2.8	12 514	2.4
Transfer of treasury shares	-15 879	-2.9	-10 974	-2.1
Treasury shares at December 31	25 783	3.6	19 985	3.7

Capital reserve

The capital reserve originates from the contribution of the Autoneum companies to the Group in the course of the separation in 2011.

Fair value reserve

The fair value reserve contains changes in the fair value of listed non-consolidated investments. The reserve will be reclassified to retained earnings at disposal.

Retained earnings

Retained earnings include accumulated earnings since the Group was established in December 2010.

Currency translation adjustment

The currency translation adjustment comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities included in the consolidated financial statements.

Changes resulting from other comprehensive income

The table below discloses changes resulting from other comprehensive income to each component of equity:

Other comprehensive income 2019

CHF million	Fair value reserve	Retained earnings	Currency transl. adjustm.	Total	Attributable to non-controlling interests	Total equity
Currency translation adjustment	–	–	–9.7	–9.7	–2.2	–11.8
Inflation adjustment	–	1.8	–	1.8	–	1.8
Total items that will be reclassified to income statement	–	1.8	–9.7	–7.9	–2.2	–10.0
Remeasurement of defined benefit pension plans	–	–13.1	–	–13.1	–	–13.1
Change in fair value of equity investments (FVOCI)	6.0	–	–	6.0	–	6.0
Income taxes	–	1.1	–	1.1	–	1.1
Total items that will not be reclassified to income statement	6.0	–11.9	–	–6.0	–	–6.0
Total	6.0	–10.1	–9.7	–13.8	–2.2	–16.0

Other comprehensive income 2018

CHF million	Fair value reserve	Retained earnings	Currency transl. adjustm.	Total	Attributable to non-controlling interests	Total equity
Currency translation adjustment	–	–	–27.4	–27.4	–2.7	–30.1
Inflation adjustment	–	1.8	–	1.8	–	1.8
Total items that will be reclassified to income statement	–	1.8	–27.4	–25.5	–2.7	–28.2
Remeasurement of defined benefit pension plans	–	1.5	–	1.5	–	1.6
Change in fair value of equity investments (FVOCI)	–26.9	–	–	–26.9	–	–26.9
Total items that will not be reclassified to income statement	–26.9	1.6	–	–25.3	–	–25.2
Total	–26.9	3.4	–27.4	–50.8	–2.7	–53.5

22 Non-controlling interests

The non-controlling interests derive from entities that are controlled by the Group (subsidiaries), but Autoneum has not all of the entities' capital rights. Those subsidiaries are listed in note 35 on page 115. Due to disclosure restrictions in shareholder agreements, information on significant non-controlling interests is only disclosed on an aggregated level. The table below sets out aggregated financial information of the subsidiaries with non-controlling interests:

CHF million	31.12.2019	31.12.2018
Non-current assets	277.1	229.5
Current assets	170.2	162.5
Non-current liabilities	-75.1	-40.9
Current liabilities	-147.8	-130.7
Net assets	224.4	220.4
Attributable to non-controlling interests	109.8	108.4
	2019	2018
Revenue	643.3	583.2
Net result	40.8	40.4
Other comprehensive income	-4.5	-5.6
Total comprehensive income	36.3	34.9
Attributable to non-controlling interests	16.9	16.9
Cash flows from operating activities	81.6	48.9
Cash flows used in investing activities	-43.0	-43.6
Cash flows used in financing activities	-36.4	-15.7
Change in cash and cash equivalents	2.2	-10.4

23 Borrowings

CHF million	Bonds	Bank debts	Lease liabilities	Other borrowings	Total
Borrowings at January 1, 2019	174.5	173.3	21.0	8.1	376.8
Application of IFRS 16	-	-	301.6	-	301.6
Proceeds	-	296.7	-	40.7	337.4
Repayment	-	-258.9	-25.8	-0.1	-284.8
Cash flows	-	37.8	-25.8	40.6	52.6
Addition	-	-	33.0	-	33.0
Increase in present value	0.1	0.3	-	-	0.4
Modification	-	-	-1.6	-	-1.6
Currency translation adjustment	-	-0.7	-3.8	-0.1	-4.6
Non-cash changes	0.1	-0.5	27.8	-0.1	27.3
Borrowings at December 31, 2019	174.6	210.6	324.6	48.5	758.3
Thereof non-current	174.6	148.9	286.8	42.2	652.4
Thereof current	-	61.7	37.8	6.3	105.9

CHF million	Bonds	Bank debts	Lease liabilities	Other borrowings	Total
Borrowings at January 1, 2018	174.4	85.9	20.8	7.6	288.8
Proceeds	-	168.3	-	0.7	169.0
Repayment	-	-80.8	-	-	-80.8
Cash flows	-	87.5	-	0.7	88.2
Increase in present value	0.1	0.1	0.1	-	0.2
Currency translation adjustment	-	-0.2	0.1	-0.3	-0.4
Non-cash changes	0.1	-0.1	0.2	-0.3	-0.1
Borrowings at December 31, 2018	174.5	173.3	21.0	8.1	376.8
Thereof non-current	174.5	139.7	20.4	2.3	336.8
Thereof current	-	33.6	0.6	5.8	40.0

On July 4, 2016 Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 75.0 million, which is listed on the SIX Swiss Exchange (AUH16, ISIN: CH0326213904). The bond carries a coupon rate of 1.125% and has a term of seven years with a final maturity on July 4, 2023. On December 31, 2019 the market value of the bond was CHF 75.0 million (2018: CHF 72.6 million).

On December 8, 2017 Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 100.0 million, which is listed on the SIX Swiss Exchange (AUT17, ISIN: CH0373476032). The bond carries a coupon rate of 1.125% and has a term of eight years with a final maturity on December 8, 2025. On December 31, 2019 the market value of the bond was CHF 98.0 million (2018: CHF 91.7 million).

Autoneum maintains a long-term credit agreement with a banking syndicate in the amount of CHF 350.0 million, whereof CHF 150.0 million was drawn at year end (2018: CHF 140.0 million). The line of credit may partly be used as a guarantee facility. On December 7, 2017 the long-term credit agreement was amended and the final maturity date extended from December 31, 2019 to December 31, 2022. On May 7, 2019 the existing long-term credit agreement was increased from CHF 150.0 million to CHF 350.0 million with an unchanged final maturity date. The interest rate is based on the LIBOR rate plus an applicable margin, which is determined based on the ratio of net debt to EBITDA. The credit agreement contains customary financial covenants, which include an adjusted ratio of net debt to EBITDA. Compliance with financial covenants is checked on a regular basis and reported to the banking syndicate. In the fiscal years 2019 and 2018, the financial covenants were met at all times.

In addition to the aforementioned bonds and the long-term credit agreement, local credit limits and borrowings with individual customary market conditions exist in several countries.

In 2019, two shareholders of Autoneum Holding Ltd have provided subordinated shareholder loans. Further information is disclosed in note 30 on page 113.

The borrowings are denominated in the following currencies:

CHF million	31.12.2019	31.12.2018
CHF	404.2	319.2
USD	181.8	49.6
EUR	74.0	-
CNY	64.7	5.0
Other	33.6	3.1
Total	758.3	376.8

24 Employee benefits

CHF million	31.12.2019	31.12.2018
Post-employment benefit liabilities	42.5	25.9
Other long-term employee benefits	5.1	6.2
Employee benefit liabilities	47.6	32.2

In the reporting period, total expenses for pensions in the amount of CHF 15.2 million have been recognized as employee expenses and interest expenses (2018: CHF 14.5 million).

Some employees participate in defined contribution plans whose insurance benefit results solely from the paid contributions and the return on investment on the plan asset. The other employees participate in defined benefit plans that are based upon direct benefits of the Autoneum Group.

Defined contribution plans

The expenses for defined contribution plans totaled CHF 7.4 million in the current reporting period (2018: CHF 6.9 million).

Defined benefit plans

Autoneum maintains defined benefit pension plans in Switzerland, the USA, Canada, Great Britain, France and the Netherlands. The most significant pension plans are those in Switzerland and the USA. Those plans sum up to 77.1% (2018: 80.3%) of the Group's defined benefit obligation and to 78.7% (2018: 79.5%) of the Group's plan assets.

The status of the defined benefit plans at year end was as follows:

CHF million	2019	2018
Switzerland		
Fair value of plan assets at December 31	139.1	120.3
Present value of defined benefit obligation at December 31	-151.0	-127.7
Deficit at December 31	-11.9	-7.4
USA		
Fair value of plan assets at December 31	29.7	26.5
Present value of defined benefit obligation at December 31	-44.3	-39.1
Deficit at December 31	-14.7	-12.7
Other countries		
Fair value of plan assets at December 31	45.6	37.9
Present value of defined benefit obligation at December 31	-58.1	-41.0
Deficit at December 31	-12.6	-3.1
Total deficit at December 31	-39.2	-23.1
Recognized in the balance sheet		
as employee benefit assets	3.4	2.8
as employee benefit liabilities	42.5	25.9

Swiss pension plans

Pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The Group's pension plans are administered by separate legal foundations, which are funded by regular employee and company contributions. Plan participants are insured against the financial consequences of old age, disability and death. The most senior governing body of the pension plan is the Board of Trustees. The Board of Trustees is responsible for the investment of the plan assets. All investment decisions made by the Board

of Trustees need to conform to the guidelines set out in a long-term investment strategy. This strategy is based on legal requirements, expected future contributions and expected future obligations and is reassessed at least once a year. All governing and administration bodies have an obligation to act in the interests of the plan participants. The final benefit is contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plans are treated as defined benefit plans for the purposes of these IFRS financial statements, although they have many characteristics of defined contribution plans. Retirement benefits are based on the accumulated savings capital, which can either be drawn as a lifelong pension or as a lump-sum payment. The pension is calculated by multiplying the balance of the savings capital with the applicable conversion rate. The plan is exposed to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. In case of an underfunding, the Board of Trustees is required to take the necessary measures to ensure that full funding can be expected to be restored within a reasonable period. The measures may include increasing employee and company contributions, lowering the interest rate on retirement account balances or reducing prospective benefits.

US pension plans

Autoneum maintains five defined benefit pension plans in the USA. Four of those plans are funded and one plan is unfunded. The defined benefit plans in the USA have been closed to new members. New employees in the USA join defined contribution plans. The defined benefit plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), which defines minimum standards such as the statutory minimum funded status.

Pension plans in other countries

Autoneum maintains defined benefit plans in Canada, Great Britain, France and in the Netherlands. The pension plan in Canada is closed to new members. The plan is funded, and the majority of the contributions are paid by the employer. The pension plan in Great Britain is funded and has been closed to new members. New employees join a defined contribution plan. The plan in France is unfunded and settled by the employer while the plan in the Netherlands is funded and has been closed to new members.

The movement in the defined benefit obligation over the year was as follows:

CHF million	2019	2018
Defined benefit obligation at January 1	207.8	219.8
Current service cost	6.6	6.3
Interest expenses	4.4	3.9
Remeasurement gains and losses	36.5	-13.4
Employee contributions	3.4	3.4
Settlements	-0.2	-
Benefits paid	-7.4	-9.3
Reclassification ¹	1.9	-
Currency translation adjustment	0.6	-3.1
Defined benefit obligation at December 31	253.5	207.8

¹ In the previous year disclosed under other long-term employee benefits.

The movement in the fair value of plan assets over the year was as follows:

CHF million	2019	2018
Fair value of plan assets at January 1	184.7	195.8
Interest income	3.0	2.7
Return on plan assets excluding interest income	23.4	-11.8
Employer contributions	6.3	6.8
Employee contributions	3.4	3.4
Benefits paid	-7.4	-9.3
Currency translation adjustment	0.9	-2.9
Fair value of plan assets at December 31	214.3	184.7

The major categories of plan assets were as follows:

CHF million	31.12.2019	31.12.2018
Equity	101.6	83.5
Debt	63.2	54.1
Real estate	37.4	34.3
Cash	9.7	6.0
Other	2.3	6.7
Total	214.3	184.7

All equity and debt instruments are listed on a stock exchange.

The amounts recognized in profit or loss were as follows:

CHF million	2019	2018
Current service cost	-6.6	-6.3
Gain on settlements	0.2	-
Net interest expenses	-1.4	-1.3
Pension expenses for defined benefit plans	-7.8	-7.6
Recognized in profit or loss:		
as employee expenses	-6.4	-6.3
as interest expenses	-1.4	-1.3

The amounts recognized in profit or loss result from plans in the following regions:

CHF million	2019	2018
Expenses from defined benefit plans in Switzerland	-5.3	-5.3
Expenses from defined benefit plans in the USA	-1.5	-1.4
Expenses from defined benefit plans in other countries	-1.0	-1.0
Total	-7.8	-7.6

The expected employer contributions for the Group's defined benefit pension plans for 2020 amount to CHF 9.0 million. The expected benefit payments for 2020 are CHF 7.4 million.

The effect from remeasurement of the defined benefit pension plans recognized in other comprehensive income is as follows:

CHF million	2019	2018
Remeasurement gains and losses		
from changes in demographic assumptions	-1.6	0.2
from changes in financial assumptions	-29.7	10.0
from experience adjustment	-5.2	3.1
Return on plan assets excluding interest income	23.4	-11.8
Total	-13.1	1.6

The table below discloses the main actuarial assumptions at year end:

Weighted average of all pension plans		31.12.2019	31.12.2018
Discount rate	in %	1.2	2.1
Expected future salary growth	in %	0.6	0.6
Expected future pension growth	in %	0.1	0.1
Life expectancy for females at age of 65	in years	23.9	23.9
Life expectancy for males at age of 65	in years	21.8	21.8

At December 31, 2019 the weighted average duration of the defined benefit obligation was 16.9 years (2018: 16.3 years).

The table below shows the results of the sensitivity analysis. It was analyzed how expected changes in the discount rate, in future salary and pension growth, and in the life expectancy would impact the defined benefit obligation. Changes in these parameters would have the following effect on the defined benefit obligation:

CHF million	31.12.2019	31.12.2018
Increase in discount rate by 0.25 percentage point	-10.1	-7.9
Decrease in discount rate by 0.25 percentage point	10.8	8.4
Increase in future salary growth by 0.5 percentage point	2.6	2.2
Decrease in future salary growth by 0.5 percentage point	-2.7	-2.2
Increase in future pension increase by 0.25 percentage point	3.9	3.0
Decrease in future pension increase by 0.25 percentage point	-3.7	-2.8
Increase in life expectancy by one year	7.4	5.8
Decrease in life expectancy by one year	-6.8	-5.4

25 Provisions

CHF million	Guarantee and warranty	Litigation and non-income tax risk	Environmental	Other	Total
Provisions at January 1, 2019	0.3	24.1	7.2	9.8	41.4
Application of IFRIC 23 ¹	-	-4.2	-	-	-4.2
Addition	-	1.2	0.9	4.7	6.9
Utilization	-	-2.8	-0.3	-4.0	-7.0
Release	-	-0.8	-	-1.9	-2.8
Currency translation adjustment	-	-0.2	-0.3	-0.1	-0.6
Provisions at December 31, 2019	0.3	17.3	7.6	8.5	33.8
Thereof non-current	-	5.2	6.8	2.8	14.8
Thereof current	0.3	12.1	0.7	5.8	19.0

¹ Refer to note 1.3 on page 66.

Guarantee and warranty provisions are related to the production and supply of goods or services and are based on experience.

Litigation and non-income tax risk provisions comprise provisions for expected costs resulting from investigations and proceedings of government agencies, provisions for court cases, such as claims brought up by workers for health- or accident-related incidents, and provisions for non-income tax risk. The majority of litigation and non-income tax risk provisions are expected to be used within the next year.

Environmental provisions contain the estimated costs for the cleanup of contaminated sites due to past industrial operations. The majority of provisions stem from Group companies within Business Group Europe. Long-term environmental provisions are expected to be used mainly over the next five to ten years.

Other provisions are made for contracts where the unavoidable costs to fulfill the obligation are greater than the expected economic benefits, as well as for other constructive or legal liabilities of Group companies. The majority of other non-current provisions are expected to be used in two to three years.

26 Other liabilities

CHF million	31.12.2019	31.12.2018
Advance payments from customers	3.3	-
Deferred income	0.6	0.7
Other payables	0.1	0.6
Total non-current portion	4.0	1.3
Advance payments from customers	61.2	67.5
Accrued expenses	68.7	57.1
Accrued holidays and overtime	11.8	13.8
Non-income tax payables	14.3	17.9
Deferred income	1.4	0.4
Fair value of derivative financial instruments	1.0	1.1
Other payables	18.4	15.9
Total current portion	176.9	173.7

Advance payments from customers qualify as contract liabilities and stem primarily from the sale of tools to the OEM which could already be invoiced, but the final acceptance from the OEM is still missing and consequently revenue is not yet recognized. The current portion of advance payments from customers is usually recognized as revenue within the next twelve months. No material amount of revenue was recognized in 2019 or in 2018 from performance obligations that were satisfied in previous periods.

27 Other commitments

At year end, open commitments for investments in tangible and intangible assets amounted to CHF 52.6 million (2018: CHF 27.4 million).

28 Contingent liabilities

There are no single matters pending that Autoneum expects to be material in relation to the Group's business, financial position or results of operations.

29 Financial instruments

The following tables summarize all financial instruments classified by categories according to IFRS 9:

CHF million	31.12.2019	31.12.2018
Fair value of derivative financial instruments ¹	2.1	2.2
Total financial assets at fair value through profit or loss	2.1	2.2
Cash at banks	98.6	93.1
Time deposits with original maturities up to 3 months	0.1	0.1
Trade receivables	281.5	273.1
Other receivables	7.1	21.5
Accrued income	17.3	5.8
Loans	6.4	7.7
Other financial assets	7.1	6.0
Total financial assets at amortized cost	418.2	407.2
Investments in non-consolidated companies ²	43.4	37.4
Total financial assets at fair value through other comprehensive income	43.4	37.4
Total	463.7	446.7

CHF million	31.12.2019	31.12.2018
Borrowings	758.3	376.8
Trade payables	274.2	305.6
Accrued expenses	68.7	57.1
Other payables	18.6	16.5
Total financial liabilities at amortized cost	1 119.8	756.1
Fair value of derivative financial instruments ¹	1.0	1.1
Total financial liabilities at fair value through profit or loss	1.0	1.1
Total	1 120.8	757.2

¹ Measured at fair values that are calculated based on observable market data (level 2).

² Measured at fair values that are based on quoted prices in active markets (level 1).

Borrowings comprise two bonds with a total net book value of CHF 174.6 million (2018: CHF 174.4 million) and a total fair value of CHF 173.0 million (2018: CHF 164.3 million) based on quoted prices in active markets. Refer to note 23 on page 104 for further information. The book values of other financial instruments measured at amortized cost correspond to their fair values.

30 Related parties

Related parties are members of the Board of Directors and the Executive Board or close members of that person's family, pension funds, associated companies as well as companies controlled by significant shareholders. At December 31, 2019 Artemis Beteiligungen I Ltd, Hergiswil, Switzerland, Centinox Holding Ltd, Hergiswil, Switzerland, and Michael Pieper, Hergiswil, Switzerland, held 21.10% (2018: 21.06%) of the shares of the Company and PCS Holding Ltd, Warth-Weiningen, Switzerland, and Peter Spuhler, Weiningen, Switzerland, held 16.15% (2018: 17.20%) of the shares of the Company.

In 2019, Artemis Beteiligungen I Ltd and PCS Holding Ltd have granted a subordinated loan of CHF 20.0 million each, with an interest rate of 4% and a maturity date January 2021.

The pension fund of an Autoneum Group entity granted a loan to the Company. The loan bears an interest rate of 0.75% and is due within six days upon cancellation of the agreement by either the lender or the borrower.

The total remuneration to the Board of Directors and to the Group Executive Board was as follows:

CHF million	2019	2018
Short-term benefits	4.8	4.2
Share-based payments	1.3	2.1
Post-employment benefits	0.2	0.1
Total	6.2	6.4

The compensation of the Board of Directors and of the Group Executive Board is disclosed in the Remuneration Report on pages 134–137.

Year end balances with related parties were as follows:

CHF million	31.12.2019	31.12.2018
Current borrowings due to pension funds	5.0	5.0
Bonus accruals for Group Executive Board	–	1.2
Non-current borrowings due to shareholders	40.0	–
Total	45.0	6.2

31 Net debt

CHF million	31.12.2019	31.12.2018
Cash and cash equivalents	-98.7	-93.1
Bonds	174.6	174.5
Bank debts	210.6	173.3
Lease liabilities	324.6	21.0
Other borrowings	48.5	8.0
Net debt	659.6	283.7

32 Exchange rates for currency translation

CHF	ISO code	Units	Average rate 2019	Average rate 2018	Year end rate 2019	Year end rate 2018
Argentine peso	ARS	100	2.12	3.69	1.62	2.60
Brazilian real	BRL	1	0.25	0.27	0.24	0.25
Canadian dollar	CAD	1	0.75	0.75	0.74	0.72
Chinese yuan	CNY	100	14.40	14.75	13.91	14.25
Czech koruna	CZK	100	4.33	4.49	4.28	4.36
Euro	EUR	1	1.11	1.15	1.09	1.12
Pound sterling	GBP	1	1.27	1.30	1.28	1.24
Indian rupee	INR	100	1.41	1.44	1.36	1.40
Mexican peso	MXN	100	5.15	5.08	5.16	4.98
Polish zloty	PLN	100	25.85	27.07	25.54	26.09
United States dollar	USD	1	0.99	0.98	0.97	0.98

33 Events after balance sheet date

There were no events between December 31, 2019 and March 3, 2020 which would necessitate adjustments to the book value of the Group's assets or liabilities, or which require additional disclosure in the consolidated financial statements.

34 Proposal of the Board of Directors

For the financial year 2019 the Board of Directors proposes to the Annual General Meeting on March 25, 2020 no dividend to be distributed. In 2019, a total dividend of CHF 16.8 million (CHF 3.60 per share entitled to dividends) was distributed to the shareholders of Autoneum Holding Ltd.

35 Subsidiaries, associated companies and non-consolidated investments

			Nominal capital in millions	Subsidiaries	Associated companies Non-cons. investments	Voting & capital rights	Research & technology	Application developm.	Production & supply	Service & financing
Switzerland	Autoneum Holding Ltd, Winterthur	CHF	0.2	•		100%				•
	Autoneum International Ltd, Winterthur	CHF	7.0	•		100%				•
	Autoneum Management Ltd, Winterthur	CHF	1.3	•		100%	•			•
	Autoneum Switzerland Ltd, Sevelen	CHF	0.3	•		100%		•		•
Argentina	Autoneum Argentina S.A., Córdoba	ARS	22.5	•		100%				•
Belgium	Autoneum Belgium NV, Genk	EUR	8.0	•		100%				•
Brazil	Autoneum Brasil Têxteis Acústicos Ltda., São Paulo	BRL	201.6	•		100%		•		•
Canada	Autoneum Canada Ltd., Tillsonburg	CAD	-	•		100%				•
China	Autoneum (Chongqing) Sound-Proof Parts Co., Ltd., Chongqing	CNY	49.3	•		100%				•
	Autoneum (Shenyang) Sound-Proof Parts Co., Ltd., Shenyang	CNY	49.2	•		100%				•
	Autoneum (Shanghai) Management Co., Ltd., Shanghai	CNY	13.2	•		100%		•		•
	Autoneum (Yantai) Co., Ltd., Yantai	CNY	34.5	•		100%				•
	Autoneum (Changsha) Co., Ltd., Changsha	CNY	34.5	•		100%				•
	Autoneum (Pinghu) Co., Ltd., Pinghu	CNY	144.9	•		100%				•
	Autoneum (Tianjin) Co., Ltd., Tianjin	CNY	17.0	•		100%				•
	Autoneum Nittoku (Guangzhou) Sound-Proof Co., Ltd., Guangzhou	CNY	75.8	•		51%				•
Tianjin Autoneum Nittoku Sound-Proof Co., Ltd., Tianjin	CNY	47.2	•		51%				•	
Wuhan Nittoku Autoneum Sound-Proof Co., Ltd., Wuhan	CNY	89.6	•		25%				•	
Czech Republic	Autoneum CZ s.r.o., Choceň	CZK	206.2	•		100%				•
France	Autoneum Holding France SAS, Lyon	EUR	39.8	•		100%				•
	Autoneum France SAS, Aubergenville	EUR	8.0	•		100%		•		•
Germany	Autoneum Germany GmbH, Rossdorf	EUR	11.2	•		100%				•
Great Britain	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	41.8	•		100%				•
Hungary	Autoneum Hungary Ltd., Komárom	EUR	-	•		100%				•
India	Autoneum India Pvt. Ltd., New Delhi	INR	571.4	•		100%				•
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	•		51%				•
Indonesia	PT Tuffindo Nittoku Autoneum, Jakarta	IDR	162 666.0	•		9%				•
Italy	Porfima Uno S.r.l., Torino	EUR	-	•		100%				•
Japan	Nihon Tokushu Toryo Co. Ltd., Tokyo	JPY	4 753.0	•		13%	•	•	•	•
	ATN Auto Acoustics Inc., Kamioguchi ¹	JPY	100.0	•		25%		•		•
Korea	Autoneum Korea Ltd., Incheon	KRW	264.0	•		100%				•
Mexico	Autoneum Mexico, S. de R.L. de C.V., Hermosillo	MXN	-	•		100%				•
	Autoneum Mexico Operations, S.A. de C.V., San Luis Potosí	MXN	503.9	•		100%				•
	Autoneum Mexico Servicios, S.A. de C.V., San Luis Potosí	MXN	3.1	•		100%				•
	UGN de Mexico, S. de R.L. de C.V., Silao	MXN	0.1	•		50%				•
	Servicios de Acoustical Solutions, S. de R.L. de C.V., Silao	MXN	0.1	•		50%				•
Poland	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	•		100%		•		•
Portugal	Autoneum Portugal Lda., Setúbal	EUR	0.6	•		87%				•
Russia	Autoneum Rus LLC, Ryazan	RUB	0.8	•		100%				•
South Africa	Autoneum Feltex (Pty) Ltd., Durban	ZAR	-	•		51%				•
Spain	Autoneum Spain S.A.U., Terrassa	EUR	5.8	•		100%				•
Thailand	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0	•		30%				•
	Summit & Autoneum (Thailand) Co., Ltd., Chonburi	THB	16.0	•		51% ²				•
Turkey	Autoneum Erkuot Otomotiv A.S., Bursa	TRY	2.5	•		51%				•
USA	Autoneum America Corporation, Novi	USD	-	•		100%				•
	Autoneum North America, Inc., Novi	USD	-	•		100%		•		•
	UGN Inc., Tinley Park	USD	-	•		50%		•		•

¹ The company was established in 2018.

² Autoneum has 49% of the capital rights.



Statutory Auditor's Report

To the General Meeting of Autoneum Holding Ltd, Winterthur

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Autoneum Holding Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2019, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion the consolidated financial statements (pages 60 to 115) give a true and fair view of the consolidated financial position of the Group as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



Revenue Recognition



Valuation of Tangible Assets



Effects of New Accounting Standards – Leasing

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Revenue Recognition

Key Audit Matter

Total consolidated revenue of the financial year 2019 amounted to CHF 2'297.4 million (2018: CHF 2'281.5 million).

Revenue is a key performance indicator and therefore in the focus of internal and external stakeholders. The Group recognizes revenue when it transfers control over a good or service to its customers.

The majority of the Group's revenue relates to the sale of serial parts to Original Equipment Manufacturers (OEM) over a production period of usually five to eight years. Revenue from the sale of the serial parts is recognized at the point in time when control of the parts is transferred to the OEM in accordance with the agreed delivery terms.

There is a risk that revenue may be recognized in the wrong accounting period.

For further information on revenue recognition refer to the following:

- Significant accounting policies, Note 1.20 Revenue Recognition

Our response

Our audit procedures included, amongst others, inquiring of management regarding significant new contracts and their assessment of existing contracts.

We gained an understanding of the internal controls and processes with respect to revenue recognition and performed testing of key controls. This included walk-throughs and where appropriate testing operating effectiveness of internal controls.

We took a sample of transactions before and after the year-end and agreed the details of these transactions to underlying documentation such as the contractual terms, to assess that revenue has been recognized in the appropriate period and in the appropriate amount.

Furthermore, we assessed the Group's disclosures relating to revenue recognition.



Valuation of Tangible Assets

Key Audit Matter

Tangible assets including leased assets used as part of the operating activities, as well as related tangible assets under construction, amounted to CHF 942.5 million (2018: CHF 688.9 million).

At the end of each reporting period, the Group assesses whether there is any indication of tangible assets being impaired. If any such indication exists, the company estimates the appropriate value of the tangible assets and records an impairment, if necessary.

In 2019, Autoneum identified an impairment trigger on the basis of the operational difficulties in North America. In this context, the Group recognized an impairment of CHF 62.0 million on tangible assets in 2019.

To determine a potential need for impairment, management uses various estimates and assumptions regarding remaining useful life, expected revenues and production costs and utilization level.

Our response

In the context of our audit, we have, among other procedures, critically examined management's assessment whether there are any indications of impairment by means of discussions with the Group Management and by reviewing the minutes of the meetings of the Board of Directors, the annual financial statements and business plans.

In case of indications of impairment, we have assessed the valuations that have been performed by Group Management. In particular, we have carried out the following audit procedures:

- We have assessed whether a methodologically correct valuation approach was chosen and whether the calculations are comprehensible and mathematically correct.
- We used our own valuation specialists to independently calculate an appropriate pre-tax discount rate and to verify the long-term growth rate used by management to observable market data.

The assessment of the valuation involves significant judgment, in particular regarding estimated future cash flows, long-term growth rates and discount rates.

- We have gone over the forecasted figures with Group Management and compared Management's assumptions to external data were available.
 - We reconciled the forecasted figures applied with business plans approved by the Board of Directors.
 - We have tested the sensitivity analyses prepared by Group Management for reasonableness and accuracy.
- Furthermore, we assessed the Group's disclosures relating to the impairment test

For further information on valuation of tangible assets refer to the following:

- Significant accounting judgments, estimates and assumptions relating to impairment losses of tangible assets, Note 1.2
- Significant accounting policies, Note 1.10 Impairment of assets
- Note 13, Tangible assets



Effects of New Accounting Standards - Leasing

Key Audit Matter

As of January 1, 2019, the Group has adopted IFRS 16 "Leases" by choosing the modified retrospective approach. The reclassifications and the adjustments arising from the new leasing standard are therefore recognized in the opening balance sheet as of January 1, 2019. The Group recognized right-of-use assets of CHF 301.6 million and lease liabilities of CHF 301.6 million as of January 1, 2019.

At December 31, 2019, the right-of-use assets amounted to CHF 316.7 million and the lease liabilities amounted to CHF 324.6 million.

The recognition of right-of-use assets as well as lease liabilities involves judgment in respect of the assessment of lease term.

Due to the significance to the consolidated financial statements as a whole, combined with the judgment required to determine lease-related balances, the adoption of IFRS 16 was a focus area of our audit.

Our response

Our audit procedures included, amongst others, inquiring of management regarding the changes to the lease accounting policy as well as assessing the Group's revised accounting policies in light of the industry specific circumstances.

We gained an understanding of the internal controls with respect to lease accounting and performed design and implementation testing of key controls, which included walkthroughs where appropriate.

On a sample basis, we reconciled the leasing data to the respective contracts. We assessed the appropriateness of management's assumptions and estimates, including applied incremental borrowing rate and the evaluation of lease term for the lease contracts included in the opening position. We reconciled the lease related computation for the opening balances to our own calculations.

In respect of recognized lease balances at December 31, 2019, we assessed the appropriateness of management's assumptions and estimates for new lease contracts entered into during 2019 and any modifications throughout the year.

Furthermore, we assessed the Group's disclosures relating to IFRS 16 Leases.

For further information on leases refer to the following:

- Significant accounting judgments, estimates and assumptions relating to lease term, Note 1.2
- Changes in accounting policies, Note 1.3
- Significant accounting policies, Note 1.8 Leases
- Note 13, Tangible assets

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

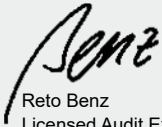
From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

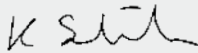
In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG



Reto Benz
Licensed Audit Expert
Auditor in Charge



Kathrin Schünke
Licensed Audit Expert

Zurich, March 3, 2020

Income statement of Autoneum Holding Ltd

CHF million	Notes	2019	2018
Income			
Dividend income		52.2	66.9
Financial income	(2)	5.9	18.9
License income		4.8	3.7
Total income		62.9	89.6
Expenses			
Valuation adjustments on investments and loans	(3)	-8.2	-37.7
Financial expenses	(4)	-15.6	-16.9
Administration expenses		-9.2	-13.3
Taxes		-0.2	-0.2
Total expenses		-33.2	-68.1
Net result		29.7	21.4

Balance sheet of Autoneum Holding Ltd

CHF million	Notes	31.12.2019	31.12.2018
Assets			
Cash and cash equivalents		8.3	28.7
Loans and financial receivables	(6)	101.8	116.4
Accrued income and deferred expenses	(7)	8.9	7.1
Current assets		119.0	152.2
Loans and financial receivables	(6)	411.6	349.6
Investments	(8)	413.0	378.2
Non-current assets		824.6	727.7
Total assets		943.6	879.9
Liabilities and shareholders' equity			
Borrowings	(9)	96.6	77.2
Other liabilities	(10)	7.1	0.8
Deferred income and accrued expenses	(11)	2.4	5.0
Current liabilities		106.1	83.0
Borrowings	(9)	365.0	337.5
Non-current liabilities		365.0	337.5
Liabilities		471.1	420.4
Share capital	(12)	0.2	0.2
Legal capital reserves	(12)	350.0	350.0
Retained earnings			
Balance brought forward		96.2	91.6
Net result		29.7	21.4
Treasury shares	(12)	-3.6	-3.7
Shareholders' equity		472.5	459.5
Total liabilities and shareholders' equity		943.6	879.9

Notes to the financial statements of Autoneum Holding Ltd

1 Principles

General

Autoneum Holding Ltd was incorporated on December 2, 2010 as a Swiss corporation domiciled in Winterthur. The Company does not have any employees.

The financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Loans and financial receivables

Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded but unrealized gains are not recognized. In the case where the currency effect of loans is hedged, both unrealized losses and gains are recognized.

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a sale, the gain or loss is recognized in the income statement as financial income or financial expenses.

Bonds and bank debts

Borrowings are recognized in the balance sheet at nominal value. The issue costs for the bonds and for finance agreements are recognized as accrued income and deferred expenses due from third parties and amortized on a straight-line basis over the maturity period.

Investments

Investments are valued using the single-item approach.

2 Financial income

CHF million	2019	2018
Interest income	5.6	17.9
Other financial income	0.3	1.1
Total	5.9	18.9

3 Valuation adjustments on investments and loans

CHF million	2019	2018
Increase of valuation adjustments on investments	-72.1	-40.3
Increase of valuation adjustments on loans due from subsidiaries	-	-15.3
Reversal of valuation adjustments on loans due from subsidiaries	63.9	17.9
Total	-8.2	-37.7

4 Financial expenses

CHF million	2019	2018
Interest expenses	-7.7	-4.1
Net foreign exchange losses	-7.0	-12.2
Other financial expenses	-0.9	-0.6
Total	-15.6	-16.9

5 Extraordinary expenses

There are no extraordinary expenses in 2019 and 2018.

6 Loans and financial receivables

CHF million	31.12.2019	31.12.2018
Loans due from subsidiaries	83.0	67.0
Loans due from third parties	1.0	1.2
Cash pool receivables due from subsidiaries	17.8	48.2
Total current portion	101.8	116.4
Loans due from subsidiaries	406.6	343.4
Loans due from third parties	5.0	6.1
Total non-current portion	411.6	349.6

7 Accrued income and deferred expenses

CHF million	31.12.2019	31.12.2018
Accrued income and deferred expenses due from subsidiaries	5.2	4.1
Accrued income and deferred expenses due from third parties	3.8	3.0
Total	8.9	7.1

8 Investments

The subsidiaries, associated companies and non-consolidated investments are listed in note 16 on page 128. They are owned directly or indirectly by Autoneum Holding Ltd.

9 Borrowings

CHF million	31.12.2019	31.12.2018
Cash pool liabilities due to subsidiaries	70.6	57.6
Bank debts	21.0	-
Loans due to subsidiaries	-	14.6
Loans due to related parties	5.0	5.0
Total current portion	96.6	77.2
Bonds	175.0	175.0
Bank debts	150.0	140.0
Loans due to subsidiaries	-	22.5
Subordinated shareholder loans	40.0	-
Total non-current portion	365.0	337.5

Loans due to related parties comprise a loan of CHF 5.0 million that was granted by the pension fund of an Autoneum Group entity to the Company. The loan bears an interest rate of 0.75% and is due within six days upon cancellation of the agreement by either the lender or the borrower. The two main shareholders of Autoneum Holding Ltd have granted a subordinated loan of CHF 20.0 million each, with an interest of 4% and maturity date January 2021.

On July 4, 2016 Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 75.0 million, which is listed on the SIX Swiss Exchange (AUH16, ISIN: CH0326213904). The bond carries a coupon rate of 1.125% and has a term of seven years with a final maturity on July 4, 2023.

On December 8, 2017 Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 100.0 million, which is listed on the SIX Swiss Exchange (AUT17, ISIN: CH0373476032). The bond carries a coupon rate of 1.125% and has a term of eight years with a final maturity on December 8, 2025.

Autoneum maintains a long-term credit agreement with a banking syndicate in the amount of CHF 350.0 million, whereof CHF 150.0 million was drawn at year end (2018: CHF 140.0 million). The line of credit may partly be used as a guarantee facility. On December 7, 2017 the long-term credit agreement was amended and the final maturity date extended from December 31, 2019 to December 31, 2022. On May 7, 2019 the existing long-term credit agreement was increased from CHF 150.0 million to CHF 350.0 million with an unchanged final maturity date. The interest rate is based on the LIBOR rate plus an applicable margin, which is determined based on the ratio of net debt to EBITDA. The credit agreement contains customary financial covenants, which include an adjusted ratio of net debt to EBITDA. Compliance with financial covenants is checked on a regular basis and reported to the banking syndicate. In the fiscal years 2019 and 2018, the financial covenants were met at all times.

10 Other liabilities

CHF million	31.12.2019	31.12.2018
Other liabilities due to subsidiaries	6.6	0.3
Other liabilities due to third parties	0.5	0.5
Total	7.1	0.8

11 Deferred income and accrued expenses

CHF million	31.12.2019	31.12.2018
Deferred income and accrued expenses due from subsidiaries	0.1	2.8
Deferred income and accrued expenses due from third parties	2.3	2.3
Total	2.4	5.0

12 Shareholders' equity

Share capital

The share capital amounts to CHF 233 618.15. It is divided into 4 672 363 fully paid registered shares with a par value of CHF 0.05 each.

Conditional share capital

For issuing convertible bonds, warranty bonds and for granting shareholder options, the share capital can be increased by a maximum of 700 000 fully paid up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 35 000. Furthermore, for the issuance of shares to employees of subsidiaries, the share capital can be increased by a maximum of 250 000 fully paid up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 12 500.

Legal capital reserves

These reserves include an amount of CHF 0.1 million (2018: CHF 0.1 million) whose distribution as dividends is not subject to income taxes in Switzerland and can be effected free of Swiss withholding tax. The remaining part of the legal capital reserve does not benefit from the Swiss capital contribution principle.

Treasury shares

The following transactions with treasury shares were performed during the financial year:

	2019 in shares	2019 in CHF million	2018 in shares	2018 in CHF million
Treasury shares at January 1	19 985	3.7	18 445	3.3
Purchase of treasury shares	21 677	2.8	12 514	2.4
Sale of treasury shares	-8 420	-1.5	-7 460	-1.4
Transfer of treasury shares	-7 459	-1.4	-3 514	-0.7
Treasury shares at December 31	25 783	3.6	19 985	3.7

13 Guarantees and collateral provided

Autoneum Holding Ltd has guaranteed CHF 34.1 million (2018: CHF 35.0 million) to financial institutions for granting credit facilities to direct and indirect subsidiaries and CHF 7.2 million (2018: CHF 7.6 million) to other third parties for securing transactions they entered into with direct and indirect subsidiaries and other third parties. Furthermore, a financing commitment in the amount of CHF 7.6 million was given in favor of a subsidiary (2018: CHF 7.9 million).

14 Shares allocated to the Board of Directors

Part of the remuneration of the Board of Directors is paid in shares of Autoneum Holding Ltd. In 2019, 8 693 shares (2018: 4 014 shares) with a total value of CHF 1 079 671 (2018: CHF 1 027 264) were allocated and 7 461 shares (2018: 3 514 shares) were transferred to the members of the Board of Directors. The remaining shares were withheld by the Company to account for the beneficiaries' part of social security contributions and withholding taxes.

15 Shares held by the members of the Board of Directors or Group Executive Board

The following shares were held by members of the Board of Directors or the Group Executive Board, including parties related to them (Art. 663c Swiss Code of Obligations):

Number of shares	31.12.2019	31.12.2018
Hans-Peter Schwald, Chairman	43 296	40 000
Rainer Schmückle, Vice Chairman	2 677	1 599
Norbert Indlekofer	538	229
Michael Pieper	986 068	984 151
This E. Schneider	14 794	9 782
Peter Spuhler	754 603	803 705
Ferdinand Stutz	3 514	3 065
Total Board of Directors	1 805 490	1 842 531
Matthias Holzammer, CEO	6 202	3 166
Bernhard Wiehl	89	n/a
Alexandra Bendler	628	n/a
Greg Sibley	-	n/a
Andreas Kolf	1 015	730
Fausto Bigi	-	-
Total Group Executive Board	7 934	3 896

16 Subsidiaries, associated companies and investments

			Nominal capital in millions	Directly owned	Indirectly owned	Voting and capital rights ¹	Research & technology	Application development	Production & supply	Service & financing
Switzerland	Autoneum International Ltd, Winterthur	CHF	7.0	•		100%				•
	Autoneum Management Ltd, Winterthur	CHF	1.3	•		100%	•			•
	Autoneum Switzerland Ltd, Sevelen	CHF	0.3	•		100%	•	•		
Argentina	Autoneum Argentina S.A., Córdoba	ARS	22.5	•		100%			•	
Belgium	Autoneum Belgium NV, Genk	EUR	8.0	•		100%			•	
Brazil	Autoneum Brasil Têxteis Acústicos Ltda., São Paulo	BRL	201.6	•		100%		•	•	
Canada	Autoneum Canada Ltd., Tillsonburg	CAD	-	•		100%			•	
China	Autoneum (Chongqing) Sound-Proof Parts Co., Ltd., Chongqing	CNY	49.3	•		100%			•	
	Autoneum (Shenyang) Sound-Proof Parts Co., Ltd., Shenyang	CNY	49.2	•		100%			•	
	Autoneum (Shanghai) Management Co., Ltd., Shanghai	CNY	13.2	•		100%		•	•	
	Autoneum (Yantai) Co., Ltd., Yantai	CNY	34.5	•		100%			•	
	Autoneum (Changsha) Co., Ltd., Changsha	CNY	34.5	•		100%			•	
	Autoneum (Pinghu) Co., Ltd., Pinghu	CNY	144.9	•		100%			•	
	Autoneum (Tianjin) Co., Ltd., Tianjin	CNY	17.0	•		100%			•	
	Autoneum Nittoku (Guangzhou) Sound-Proof Co. Ltd., Guangzhou	CNY	75.8	•		51%			•	
	Tianjin Autoneum Nittoku Sound-Proof Co., Ltd., Tianjin	CNY	47.2	•		51%			•	
Wuhan Nittoku Autoneum Sound-Proof Co., Ltd., Wuhan	CNY	89.6	•		25%			•		
Czech Republic	Autoneum CZ s.r.o., Choceň	CZK	206.2	•		100%			•	
France	Autoneum Holding France SAS, Lyon	EUR	39.8	•		100%			•	
	Autoneum France SAS, Aubergenville	EUR	8.0	•		100%		•	•	
Germany	Autoneum Germany GmbH, Rossdorf	EUR	11.2	•		100%			•	
Great Britain	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	41.8	•		100%			•	
Hungary	Autoneum Hungary Ltd., Komárom	EUR	-	•		100%			•	
India	Autoneum India Pvt. Ltd., New Delhi	INR	571.4	•		100%			•	
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	•		51%			•	
Indonesia	PT Tuffindo Nittoku Autoneum, Jakarta	IDR	162 666.0	•		9%			•	
Italy	Porfima Uno S.r.l., Torino	EUR	-	•		100%			•	
Japan	Nihon Tokushu Toryo Co. Ltd., Tokyo	JPY	4 753.0	•		13%	•	•	•	•
	ATN Auto Acoustics Inc., Kamioguchi ²	JPY	100.0	•		25%		•		
Korea	Autoneum Korea Ltd., Incheon	KRW	264.0	•		100%			•	
Mexico	Autoneum Mexico, S. de R.L. de C.V., Hermosillo	MXN	-	•		100%			•	
	Autoneum Mexico Operations, S.A. de C.V., San Luis Potosí	MXN	503.9	•	•	100%			•	
	Autoneum Mexico Servicios, S.A. de C.V., San Luis Potosí	MXN	3.1	•	•	100%			•	
	UGN de Mexico, S. de R.L. de C.V., Silao	MXN	0.1	•		50%			•	
	Servicios de Acoustical Solutions, S. de R.L. de C.V., Silao	MXN	0.1	•		50%			•	
Poland	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	•		100%		•	•	
Portugal	Autoneum Portugal Lda., Setúbal	EUR	0.6	•	•	87%			•	
Russia	Autoneum Rus LLC, Ryazan	RUB	0.8	•	•	100%			•	
South Africa	Autoneum Feltex (Pty) Ltd., Durban	ZAR	-	•		51%			•	

Spain	Autoneum Spain S.A.U., Terrassa	EUR	5.8	•	100%	•
Thailand	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0	•	30%	•
	Summit & Autoneum (Thailand) Co., Ltd., Chonburi	THB	16.0	•	51% ³	•
Turkey	Autoneum Erkurt Otomotive AS, Bursa	TRY	2.5	•	51%	•
USA	Autoneum America Corporation, Novi	USD	–	•	100%	•
	Autoneum North America Inc., Novi	USD	–	•	100%	• •
	UGN Inc., Tinley Park	USD	–	•	50%	• •

¹ Unless otherwise noted, voting and capital rights have not changed compared to prior year.

² The Company acquired 25% of voting and capital rights in 2018.

³ Autoneum has 49% of the capital rights.

17 Significant shareholders

At December 31, Autoneum knew that the following shareholders had more than 3% of the Company voting rights (in accordance with Art. 663c of the Swiss Code of Obligations):

	31.12.2019	31.12.2018
Artemis Beteiligungen I Ltd, Hergiswil, Switzerland; Centinox Holding Ltd, Hergiswil, Switzerland; and Michael Pieper, Hergiswil, Switzerland ¹	21.10%	21.06%
PCS Holding Ltd, Warth-Weiningen, Switzerland; and Peter Spuhler, Weiningen, Switzerland ¹	16.15%	17.20%
Martin und Rosmarie Ebner via BZ Bank Limited, Wilen, Switzerland	3.10%	n/a
Credit Suisse Funds Ltd, Zurich, Switzerland	3.07%	n/a

¹ Voting rights according to the Company's records at December 31.

Details of the disclosures can be found at:

www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

18 Events after balance sheet date

There were no events between December 31, 2019 and March 3, 2020 that would necessitate adjustments to the book value of the Company's assets or liabilities, or that require additional disclosure in the financial statements.

Dividend proposal

for the appropriation of available earnings

CHF	2019
Balance brought forward	96 233 376
Net result	29 682 467
At the disposal of the Annual General Meeting	125 915 843
Proposal	
Distribution of a dividend	–
Carried forward to new account	125 915 843
Total	125 915 843

The Board of Directors proposes no dividend to be distributed.



Statutory Auditor's Report

To the General Meeting of Autoneum Holding Ltd, Winterthur

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Autoneum Holding Ltd, which comprise the balance sheet as at 31 December 2019, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 121 to 129) for the year ended 31 December 2019, comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority



Investments and loans due from subsidiaries

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Investments and loans due from subsidiaries

Key Audit Matter

The financial statements of Autoneum Holding Ltd as at 31 December 2019, include investments in the amount of CHF 413.0 million, current loans due from subsidiaries in the amount of CHF 83.0 million and non-current loans due from subsidiaries in the amount of CHF 406.6 million.

The company annually reviews investments and loans due from subsidiaries for impairment on an individual basis.

The impairment assessment of investments and loans due from subsidiaries requires significant management judgment, in particular in relation to the forecast earnings and growth rates as well as discount rates, and is therefore a key area that our audit was concentrated on.

For further information on investments and loans due from subsidiaries refer to the following:

- Note 3, Valuation adjustments on investments and loans
- Note 6, Loans and financial receivables
- Note 8, Investments

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests as well as the appropriateness of management's assumptions.

This comprised:

- Agreeing forecasts used in the impairment tests to current expectations of management.
- Challenging the robustness of key assumptions on a sample basis, based on our understanding of the commercial prospects of the respective entities.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

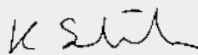
In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



Reto Benz
Licensed Audit Expert
Auditor in Charge



Kathrin Schünke
Licensed Audit Expert

Zurich, 3 March 2020

Remuneration Report

Authority and definition process

The basic features of the remuneration policy are elaborated by the Compensation Committee (COC) and approved by the Board of Directors, which also approves the executive bonus plan and the long-term incentive plan (LTI). The Board of Directors fixes annually the remuneration of the Directors and of the members of the Group Executive Board, based on suggestions of the COC and within the limits approved by the shareholders. The Directors, whose remuneration is decided on, also participate in the meeting. The Board of Directors reviews annually the main features of the remuneration policy, approves the fixed portion of the remuneration of the Group Executive Board members and defines the targets for the executive bonus plan as well as the parameters for the LTI. The Board of Directors has not engaged third-party consultants for the elaboration of the salary policy or the compensation programs. The Board of Directors annually submits the proposal for the maximum aggregate total compensation of the members of the Board of Directors and the Group Executive Board to the Annual General Meeting for prospective approval by the shareholders. For a detailed description of the rules on the vote on pay at the Annual General Meeting, reference is made to §14 of the Articles of Association¹.

For the rules in the Articles of Association¹ on the principles applicable to performance-related pay and to the allocation of equity securities as well as the additional amount for payments to new members of the Group Executive Board appointed after the vote on pay at the Annual General Meeting as well as on loans, credit facilities and post-employment benefits for members of the Group Executive Board, reference is made to §14, §24 and §25 of the Articles of Association¹.

Remuneration of the Board of Directors

The remuneration of the Board of Directors consists of an annual fee. The remuneration is determined at the discretion of the Board of Directors, taking into consideration function and responsibility, as well as remuneration at comparable industrial companies for which information is publicly available or known to the Directors from their experience or office at similar companies.¹ Industrial companies are considered comparable with Autoneum if they are similar in terms of business sector, structure, size and international activity. In addition, the members of the Board of Directors receive an annual lump-sum payment for representation expenses.

The members of the Board of Directors may opt to obtain all or part of their remuneration in cash or in Autoneum shares. The cash component is paid out in December of the related business year. The shares are delivered in the respective year and blocked for three years. The share price applicable for the conversion of the remuneration into shares is based on the average closing price of the ten trading days following the dividend payment, or the Annual General Meeting, if no dividend is paid, discounted to reflect a three-year blocking period.

¹ www.autoneum.com/investor-relations/corporate-governance

Remuneration of the Group Executive Board

Remuneration of the Group Executive Board consists of a fixed component, a performance-related bonus and the participation in the long-term incentive plan (LTI). Remuneration is determined at the discretion of the Board of Directors, taking into consideration function, responsibility and experience, as well as remuneration at comparable industrial companies for which information is publicly available or known to the Directors from their experience or office at similar companies.¹ Industrial companies are considered comparable with Autoneum if they are similar in terms of business sector, structure, size and international activity.

The Board of Directors may define an additional portion of the basic salary which shall be paid in Autoneum shares. The number of shares is calculated considering the average closing price of the first ten trading days of the respective year. The granted shares are delivered in December of the respective year and blocked for three years.

The members of the Group Executive Board may reach a performance-related remuneration of up to 80% of their basic salary, subject to the achievement or exceeding of defined minimum profitability and liquidity targets of the Group or of the Business Groups (BG) as well as to the achievement of agreed individual targets. The targets for the CEO and the CFO refer to the Group net result margin (weighted with 52.5%), Group RONA (22.5%) and individual targets (25%). For the Heads of the BGs the targets refer to the Group net result margin (17.5%), Group RONA (7.5%), BG EBIT margin (35%), BG free cash flow (15%)² and individual targets (25%). Minimum and maximum limits are defined for the weighted targets. Achievement of the minimum limit is a condition for the bonus, while maximum bonus is achieved at the maximum limit. Bonus develops linearly between the two limits. Irrespective of the other targets, a bonus is only earned in case of a positive Group net result. At least 40% of the bonus is paid in shares of Autoneum. Each member of the Group Executive Board can opt for receiving up to 100% of the bonus in shares and for receiving either restricted shares with a blocking period of three years or an entitlement to shares with a deferred transfer after a period of three years. The calculated bonus is multiplied by 1.4 and then converted into shares considering the average closing price of the first ten trading days in January of the following year.

The long-term incentive plan (LTI) allows the Board of Directors to allocate part of the Group's net result to the beneficiaries defined in advance. Beneficiaries are the upper management of the Group, including the Group Executive Board. An allocation is only granted if Group net result is positive and exceeds a defined threshold. The total amount of Group net result dedicated to the LTI is converted into Autoneum shares and the shares are allocated to the beneficiaries at fixed percentage rates, corresponding to the internal function levels. The shares become property of the beneficiaries after a vesting period of 35 months, if the beneficiaries are then still employed by an Autoneum company. Due to the 35-month vesting period, the value of the LTI is in strong correlation to the Autoneum share price performance. Immediate vesting occurs in case

¹ www.autoneum.com/investor-relations/corporate-governance

² For 2018 and onwards, the Board of Directors has revised the BG free cash flow target. The calculation of the free cash flow for bonus target purposes is based on the monthly average net working capital instead of the net working capital of the year end closing. The bonus plan was amended accordingly.

of death or retirement of a beneficiary. In case of employment termination, shares not yet vested lapse without compensation. Exceptions are possible at the discretion of the COC.

There are no share options or share purchase plans.

Remuneration to the members of the Board of Directors and Group Executive Board in 2019

CHF	Fixed remuneration		Other ²	Total
	in cash	in shares ¹		
Board of Directors				
Hans-Peter Schwald Chairman	–	369 122	22 428	391 551
Rainer Schmückle Vice Chairman	50 000	178 600	–	228 600
Norbert Indlekofer	83 074	55 890	9 807	148 771
Michael W. Pieper	–	118 984	5 814	124 798
This E. Schneider	–	178 600	9 177	187 776
Peter Spuhler	–	118 984	8 073	127 056
Ferdinand Stutz	140 000	59 492	13 974	213 465
Total	273 074	1 079 671	69 272	1 422 017

CHF	Fixed remuneration		Variable remuneration		LTI	Other ⁴	Total
	in cash	in shares ³	in cash	in shares			
Group Executive Board							
All members	3 334 045	88 805	152 967	–	–	1 118 776	4 694 592
Thereof Martin Hirzel ⁵	674 000	72 154	–	–	–	137 161	883 315

¹ The fixed remuneration in shares is calculated by the number of shares granted multiplied by the average closing price for the ten days following the dividend payment in 2019 (CHF 124.20). The transfer took place after deduction of applicable social security contributions and withholding taxes.

² Other remuneration includes the employer's portion of social insurance contributions.

³ The applicable share price during the defined period was CHF 158.58.

⁴ Other remuneration includes the employer's portion of social insurance contributions, the employer's portion of contributions to pension funds and other fringe benefits.

⁵ CEO until October 7, 2019.

Total remuneration to the Group Executive Board also includes remuneration to the following members, who resigned from the Group Executive Board in 2019: Martin Hirzel, Dr Martin Zwysig, Matthias Holzammer and John T. Lenga.

At the Annual General Meeting 2018 a total remuneration to the Board of Directors of CHF 1.75 million and a total remuneration to the Group Executive Board of CHF 8.5 million was approved for the financial year 2019. The total remuneration to the Board of Directors and to the Group Executive Board for 2019 is within the approved limit.

Remuneration to former members of the Board of Directors and of the Group Executive Board

There has been no remuneration to former members of the Board of Directors or of the Group Executive Board.

Permissible activities outside the Autoneum Group

The Board of Directors decides on directorships of members of the Group Executive Board or senior management at other companies. When the directorship is exercised outside the contractual working time, the director's remuneration received must not be surrendered to Autoneum (see §20 of the Articles of Association¹).

Remuneration to the members of the Board of Directors and Group Executive Board in 2018

CHF	Fixed remuneration		Other ³	Total
	in cash	in shares ²		
Board of Directors				
Hans-Peter Schwald Chairman	-	369 037	22 836	391 873
Rainer Schmückle Vice Chairman	140 000	71 402	-	211 402
Norbert Indlekofer	87 024	51 184	9 779	147 987
Michael W. Pieper	-	119 003	5 503	124 506
This E. Schneider	-	178 632	8 736	187 368
Peter Spuhler	-	119 003	7 586	126 589
Ferdinand Stutz	90 000	119 003	14 137	223 140
Total	317 024	1 027 264	68 577	1 412 865

CHF	Fixed remuneration		Variable remuneration		LTI ⁶	Other ⁷	Total
	in cash	in shares ⁴	in cash	in shares ⁵			
Group Executive Board							
All members	2 616 441	72 009	348 523	866 640	142 405	980 922	5 026 940
Thereof Martin Hirzel	668 000	72 009	125 492	117 191	52 331	161 502	1 196 525

² The fixed remuneration in shares is calculated by the number of shares granted multiplied by the average closing price for the ten days following the dividend payment in 2018 (CHF 255.92). The transfer took place after deduction of applicable social security contributions and withholding taxes.

³ Other remuneration includes the employer's portion of social insurance contributions.

⁴ The applicable share price during the defined period was CHF 292.72.

⁵ The part of the bonus opted to be paid out in shares (at least 40%) is multiplied by the factor 1.4 and then converted into shares using the average closing price for the first ten days in January 2019 (CHF 158.58).

⁶ The rights allocated in April 2019 will vest end of February 2022.

⁷ Other remuneration includes the employer's portion of social insurance contributions, the employer's portion of contributions to pension funds and other fringe benefits.

Loans to directors or officers

No loans have been granted to members of the Board of Directors or the Group Executive Board.

Other remuneration and payments to related parties

There have been no further payments or remuneration to members of the Board of Directors or Group Executive Board in 2019 or in 2018. In 2019, CHF 44 989 (2018: CHF 44 427) of fees were paid to the law firm managed by the Chairman of the Board of Directors, for legal services provided.

¹ www.autoneum.com/investor-relations/corporate-governance



Statutory Auditor's Report

To the General Meeting of Autoneum Holding Ltd, Winterthur

Report on the Audit of the Remuneration Report

We have audited the accompanying remuneration report of Autoneum Holding Ltd for the year ended 31 December 2019. The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the tables “Remuneration to the members of the Board of Directors and Group Executive Board in 2019” and “Remuneration to the members of the Board of Directors and Group Executive Board in 2018” on pages 136 to 137 of the remuneration report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended 31 December 2019, of Autoneum Holding Ltd complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG



Reto Benz
Licensed Audit Expert
Auditor in Charge



Kathrin Schünke
Licensed Audit Expert

Zurich, 3 March 2020

Review 2015 – 2019

Consolidated income statement

CHF million	2019	2018	2017 ¹	2016	2015
Revenue	2 297.4	2 281.5	2 205.4	2 152.6	2 085.9
BG Europe	900.9	984.5	886.2	833.4	833.2
BG North America	1 001.8	921.8	963.8	1 018.7	977.9
BG Asia	275.7	260.3	241.9	210.7	180.9
BG SAMEA ²	125.8	111.5	114.1	93.5	94.3
EBITDA	164.0	197.2	257.8	278.1	191.5
in % of revenue	7.1%	8.6%	11.7%	12.9%	9.2%
EBIT	-32.9	114.1	179.9	204.5	126.5
in % of revenue	-1.4%	5.0%	8.2%	9.5%	6.1%
Net result	-77.7	74.7	118.9	133.8	68.7
in % of revenue	-3.4%	3.3%	5.4%	6.2%	3.3%
Return on net assets in % (RONA)	-3.9%	7.8%	15.0%	21.5%	12.7%
Return on equity in % (ROE)	-13.8%	11.6%	19.4%	29.9%	17.4%

Consolidated balance sheet at December 31

Non-current assets	1 174.7	897.5	853.0	648.0	553.6
Current assets	664.4	703.8	689.9	649.8	561.1
Equity attributable to shareholders of AUTN	389.1	519.3	545.7	394.3	301.3
Equity attributable to non-controlling interests	109.9	108.4	112.6	104.7	96.2
Total shareholders' equity	498.9	627.7	658.3	499.0	397.5
Non-current liabilities	748.0	423.1	348.6	220.7	284.8
Current liabilities	592.2	550.6	536.0	578.1	432.3
Total assets	1 839.1	1 601.3	1 542.9	1 297.8	1 114.7
Net debt	659.6	283.7	183.3	57.4	106.1
Shareholders' equity in % of total assets	27.1%	39.2%	42.7%	38.4%	35.7%

Consolidated statement of cash flows

Cash flows from operating activities	119.2	124.0	145.2	194.1	111.7
Cash flows used in investing activities	-129.1	-164.7	-195.7	-92.8	-123.1
Cash flows from/(used in) financing activities	17.5	34.3	5.4	-28.6	-43.5
Employees at December 31 ³	13 128	12 946	12 133	11 725	11 423

¹ Restated.

² Including South America, Middle East and Africa.

³ Full-time equivalents including temporary employees (excluding apprentices).

Information for investors

CHF million	2019	2018	2017 ¹	2016	2015
Number of issued shares	4 672 363	4 672 363	4 672 363	4 672 363	4 672 363
Share capital of Autoneum Holding Ltd	0.2	0.2	0.2	0.2	0.2
Net profit of Autoneum Holding Ltd	29.7	21.4	51.9	61.8	19.8
Market capitalization at December 31	539.9	685.8	1 306.6	1 243.4	938.1
in % of revenue	23.5%	30.1%	59.2%	57.8%	45.0%
in % of equity attr. to shareholders of AUTN	138.8%	132.1%	239.5%	315.4%	311.3%

Data per share (AUTN)

CHF		2019	2018	2017 ¹	2016	2015
Basic earnings per share		-20.82	11.83	19.53	20.61	9.12
Dividend per share ²		-	3.60	6.50	6.50	4.50
Shareholders' equity per share ³		83.73	111.62	117.25	84.74	65.01
Share price at December 31		116.20	147.40	280.75	267.25	202.40
Share price development during the year	High	174.30	317.00	298.00	290.00	226.40
	Low	91.65	130.00	228.80	185.00	148.40

¹ Restated.

² As proposed by the Board of Directors and subject to the approval of the Annual General Meeting.

³ Equity attributable to shareholders of Autoneum Holding Ltd per share outstanding at December 31.

Important Dates

Annual General Meeting 2020: March 25, 2020

Semi-Annual Report 2020: July 28, 2020

Annual General Meeting 2021: March 24, 2021

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All statements in this report which do not refer to historical facts are forecasts for the future that offer no guarantee whatsoever with respect to future performance; they embody risks and uncertainties which include – but are not confined to – future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors that are outside the Company's control.

March 2020

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Our Product Portfolio

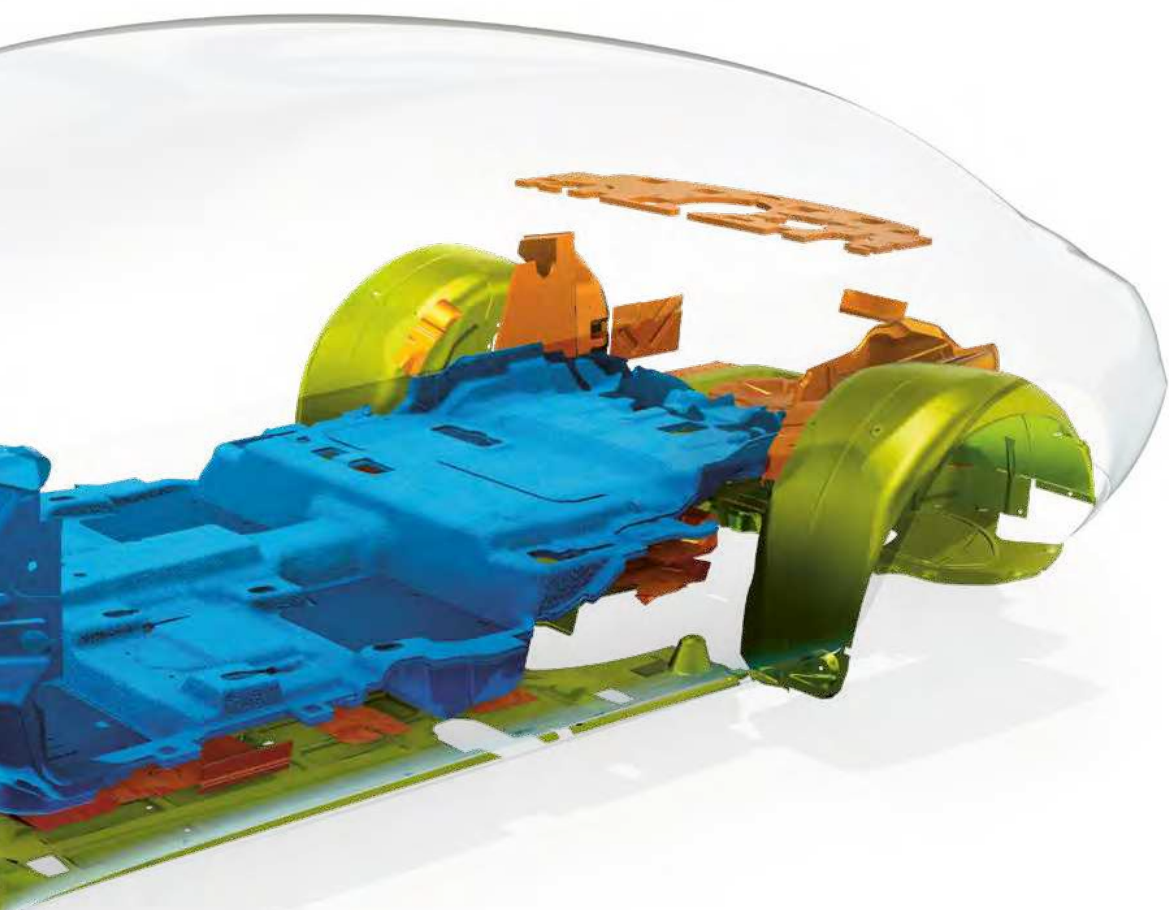


Engine Bay

- Engine Encapsulations
- Engine Top Covers
- Hoodliners
- Outer Dashes
- Battery Covers

Underbody

- Under Floor Shields
- Heatshields
- Wheelhouse Outer Liners
- Battery and Floor Pans
- Tunnel Insulators



Interior Floor

- Tufted Carpets
- Non-Woven Carpets
- Inner Dashes
- Floor Insulators
- Floor Mats

Body Treatment

- Dampers
- Stiffeners

