

THE WAY TO MAKE IT

Global market leader with strong innovative drive

11 January 2018, Swiss Equities Conference 2018

komax

Komax Group – in a nutshell

- › Founded in 1975
- › Global presence
- › Focus on growth markets:
Leading manufacturer of innovative and high-quality solutions for the automation of wire processing and testing of wire harnesses, particularly for automotive suppliers: standard machines, customer-specific solutions, software, services
- › Strong innovative drive: technology and market leader
- › Around 1,700 employees
- › Highly profitable and solidly financed



2017 in brief

- › Increase in market shares ⇨ expansion of market position
- › Successful market penetration of Alpha 530/550 machinery platform
- › Strong market dynamism in Asia/Pacific and Europe (incl. Africa), slowdown in North/South America
- › Introduction of new ERP system
- › Integration of companies acquired in 2016
- › Opening of Komax Mexico
- › Foundation of Komax Bulgaria
- › ...

...Acquisition of Laselec SA



- › Takeover as at 1 October 2017
- › Strengthening of aerospace segment
- › Laser-assisted cable stripping and marking solutions
- › Intelligent forming boards for wire harness production
- › Headquarters in Toulouse (France)
- › Around 60 employees



Expansion of presence in Asia



- › Asset deal with Practical Solution in March 2017
- › Development and production site in Singapore
- › Distribution centre in Shanghai

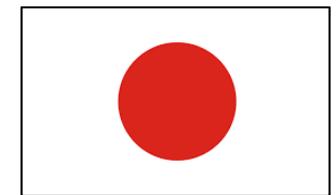
**Komax has
three R&D locations
in Asia**



Singapore



Shanghai



Tokyo

Major order from the aerospace sector

- › First major order from a company in the aerospace sector for Komax (low double-digit million range)
- › Highest level of wire processing automation in the aerospace industry
- › Delivery of the systems in 2018–2020
- › Based on serial production machines
- › Laser applications by Laselec



Future-oriented investments

- › Growth expectations require an expansion of product capacities
- › New-build in Dierikon
 - Investment volume: in excess of CHF 70 m
 - Area: more than 20,000m²
 - Scheduled for occupation: second half of 2019
- › Building extension at Komax SLE in Grafenau
 - Significant increase in production and office area
 - Scheduled for occupation: end of 2018
- › New-build at Kabatec in Burghaun
 - Merger of Ondal and Kabatec
 - Scheduled for occupation: end of 2018



Impressive facts about vehicle wiring systems



Compact

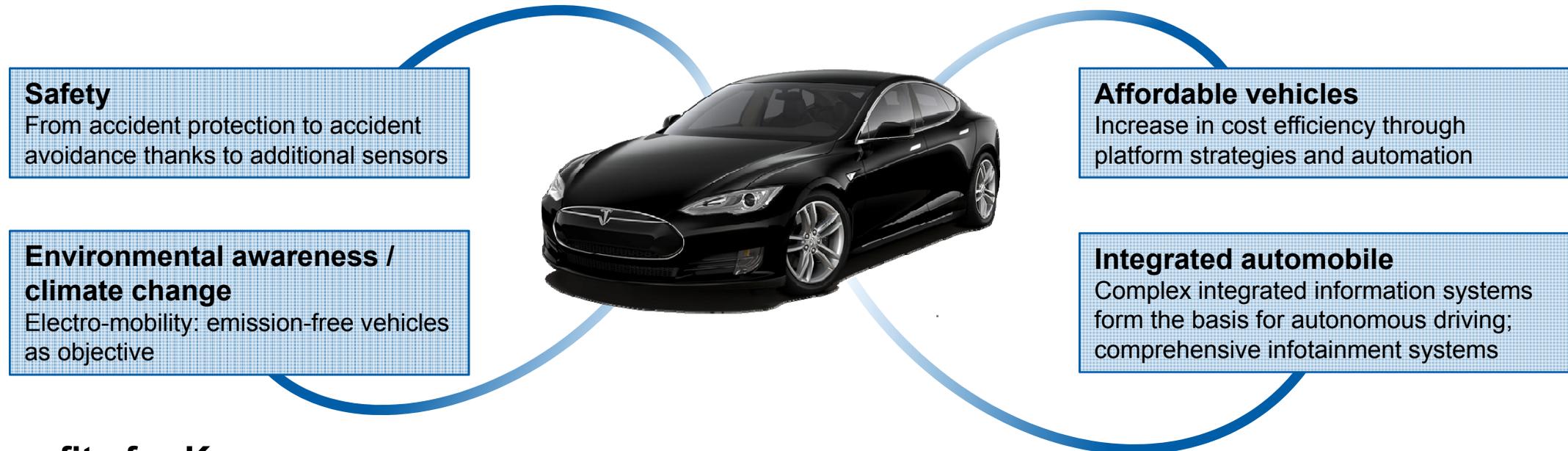


Full-size

Wires	approx. 1300 (approx. 25% twisted)	approx. 1800 (approx. 30% twisted)
Crimp contacts	approx. 2300	approx. 3200
Plug housings	approx. 250	approx. 300
Wire length (total)	approx. 2000 m	approx. 4000 m
Wire length (maximum)	approx. 7 m	approx. 8 m
Weight of wire harness	approx. 30 kg	approx. 38 kg
Cost of wire harness	CHF 350 – 500	CHF 600 – 800

The wires have a cross-section of between 0.13 mm² and 70 mm² and are made of copper and aluminium.

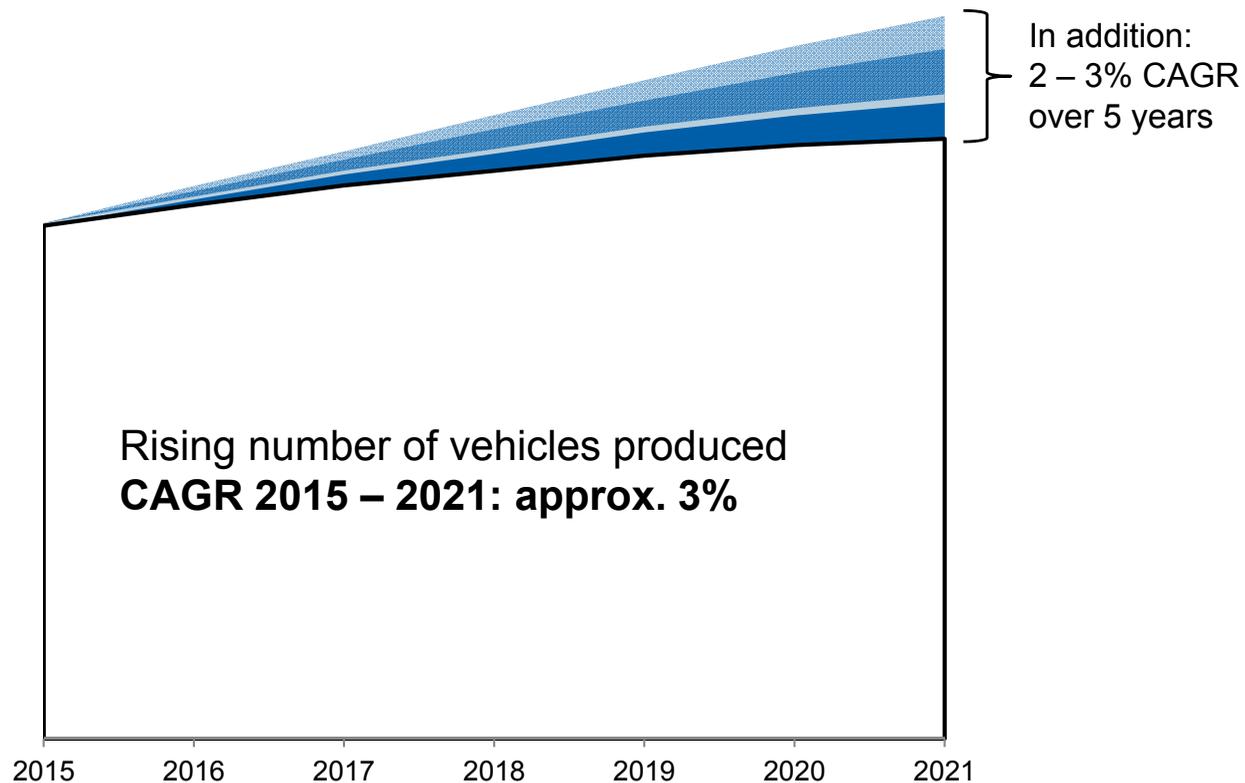
Megatrends



The benefits for Komax

- › Continuous growth ⇒ number of vehicles produced and sold
- › “Electrification” ⇒ marked increase in amount of cabling per vehicle
- › Increasing complexity of vehicle power supply systems ⇒ processing increasingly automated
- › Greater quality and efficiency demands ⇒ can only be met by automated solutions
- › New types of wire ⇒ innovations offer opportunity for USPs

Strong growth in wires requiring processing

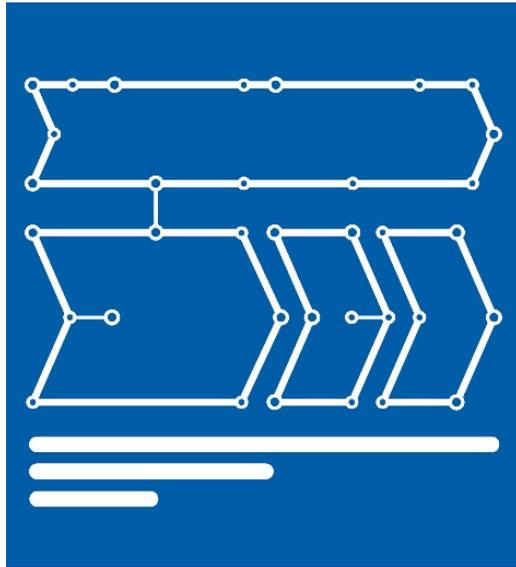


Source: IHS 2015, Light Vehicle Production Forecast, Komax Market Research

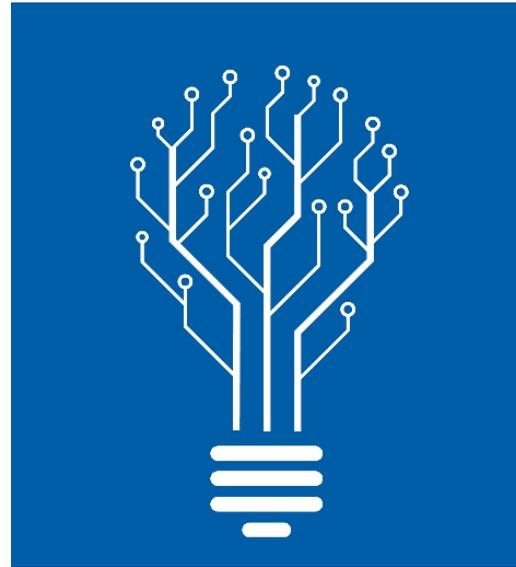
› Two additional factors are doubling the volume growth that comes from the increase in vehicle production:

- **Rise in number of wires in vehicles**
- **Pressure for automation**
 - Complexity of electrical systems on the rise
 - Rise in quality and efficiency demands
 - Ongoing drive towards miniaturization
 - Cost and shortfall of labour increasing

Key strategic priorities



Solutions along the value chain



Innovative production concepts



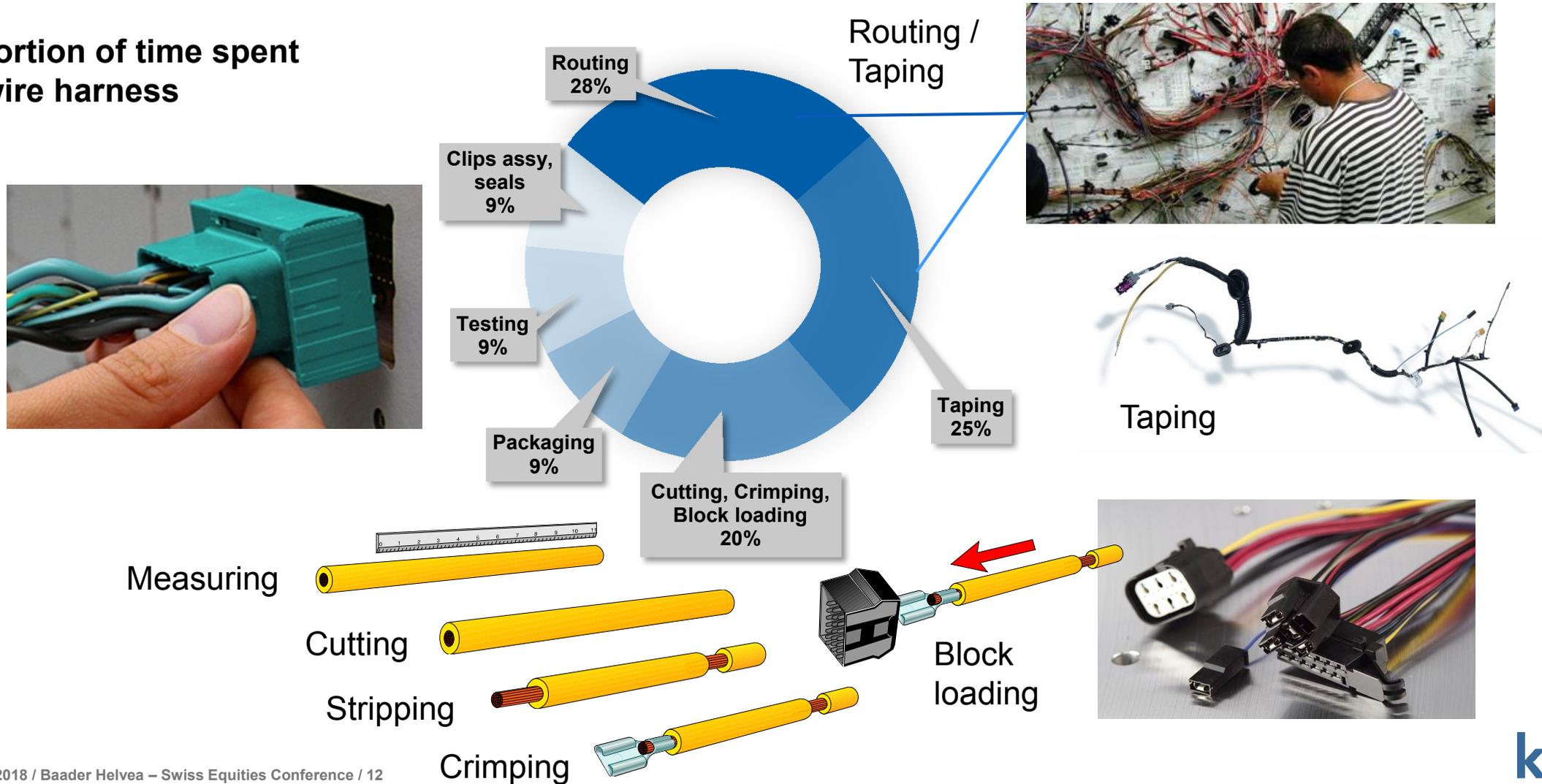
Increase in global reach



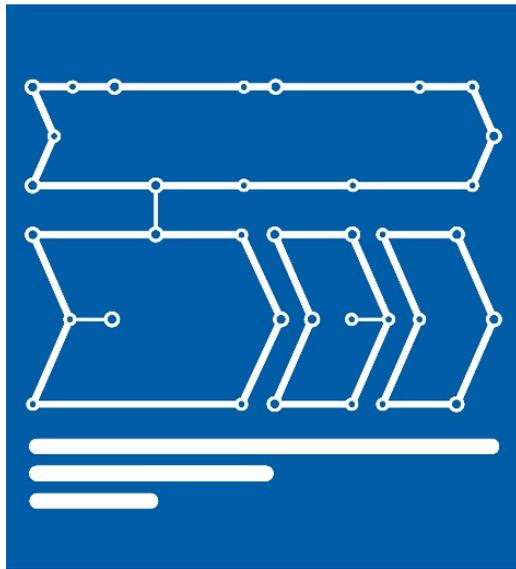
Development of non-automotive markets

Komax offers solutions along the value chain

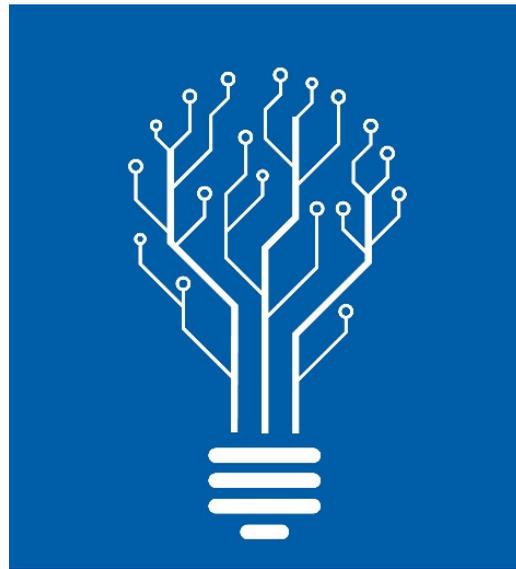
Proportion of time spent per wire harness



Key strategic priorities



Solutions along the value chain



Innovative production concepts



Increase in global reach



Development of non-automotive markets

Special circuit solutions

Antennae



Infotainment



Data transmission /
sensors / airbags



E-mobility



Above-average investment in Research & Development

Internal and external sources for innovation

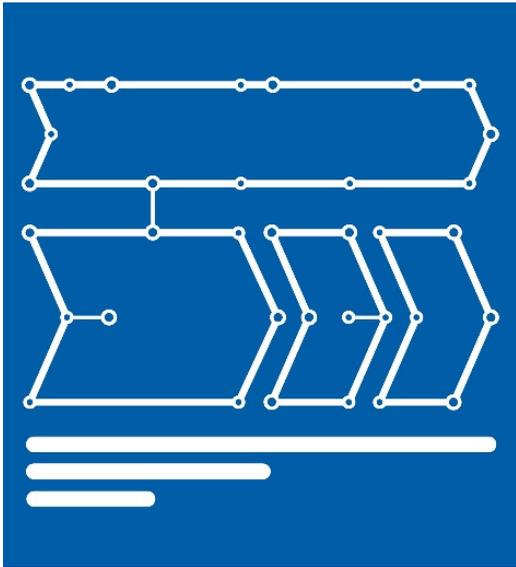
INTERNAL SOURCES
Know how and competencies

**VALUE ADDING PRODUCT DEVELOPMENT –
KOMAX SOLUTIONS**

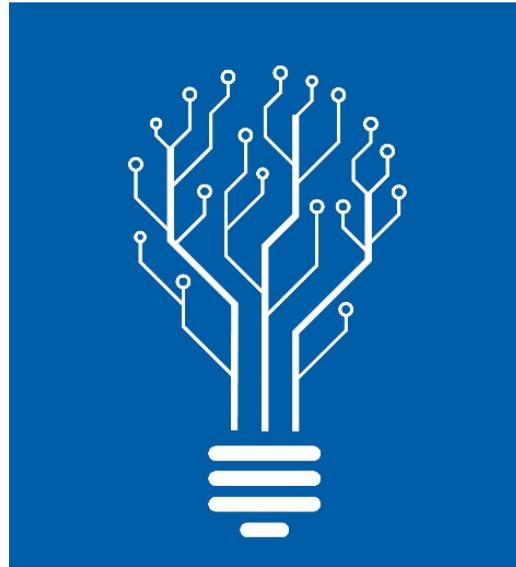
EXTERNAL SOURCES
Customer needs and technological trends

- › Dedicated R&D expenditure:
CHF 16.7 m or 8.6% of revenues in H1 2017
(H1 2016: CHF 12.9 m or 6.6 % of revenues)
- › Some 175 R&D staff; in addition,
some 170 engineering staff for customer-specific solutions
- › Goal: regular development of differentiating, innovative
products and solutions
- › Close collaboration with leading technology partners
- › Safeguarding medium and long-term profitability
- › Innovative strength = the foundation of sustainable success

Key strategic priorities



Solutions along the value chain



Innovative production concepts

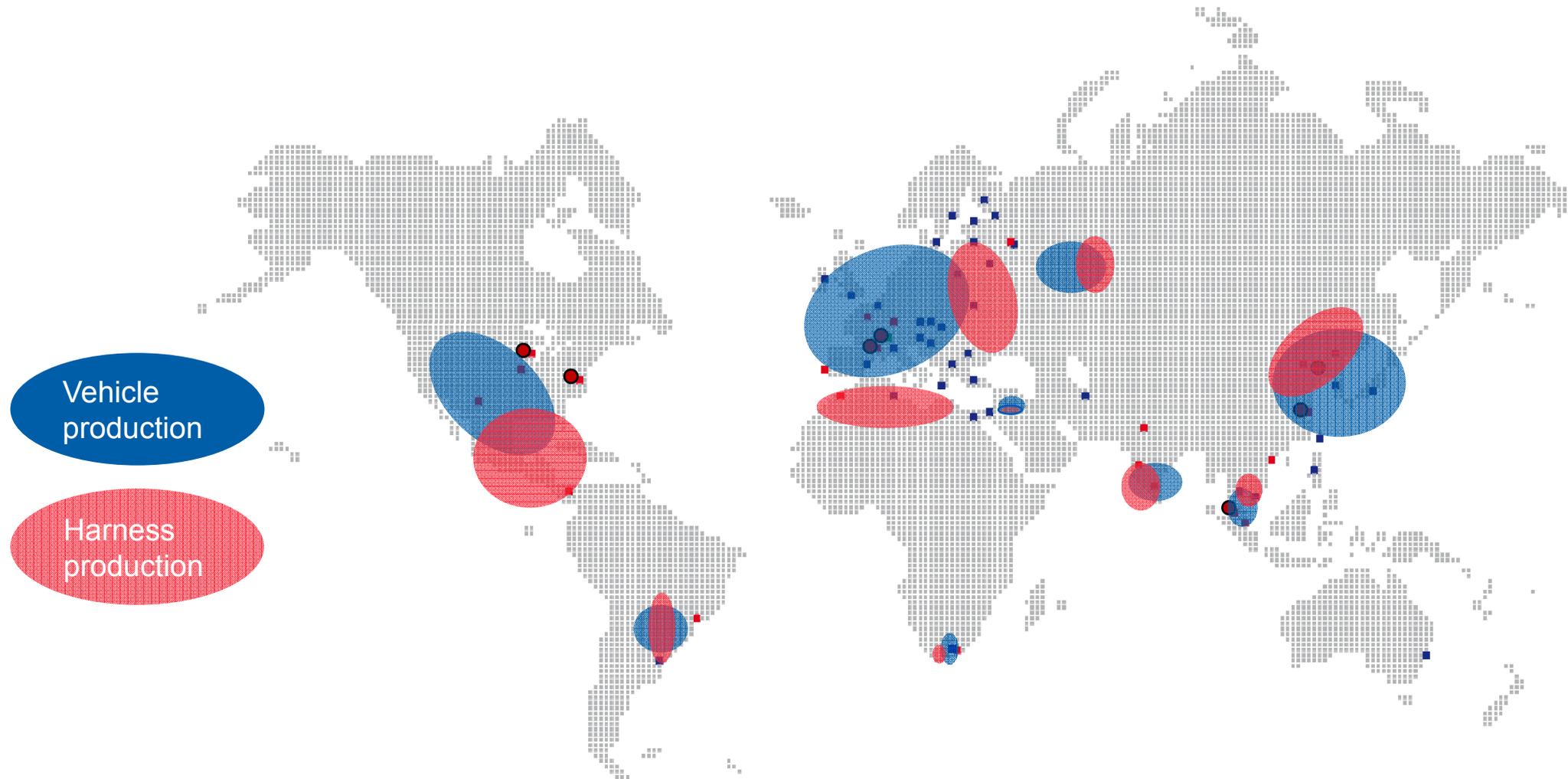


Increase in global reach

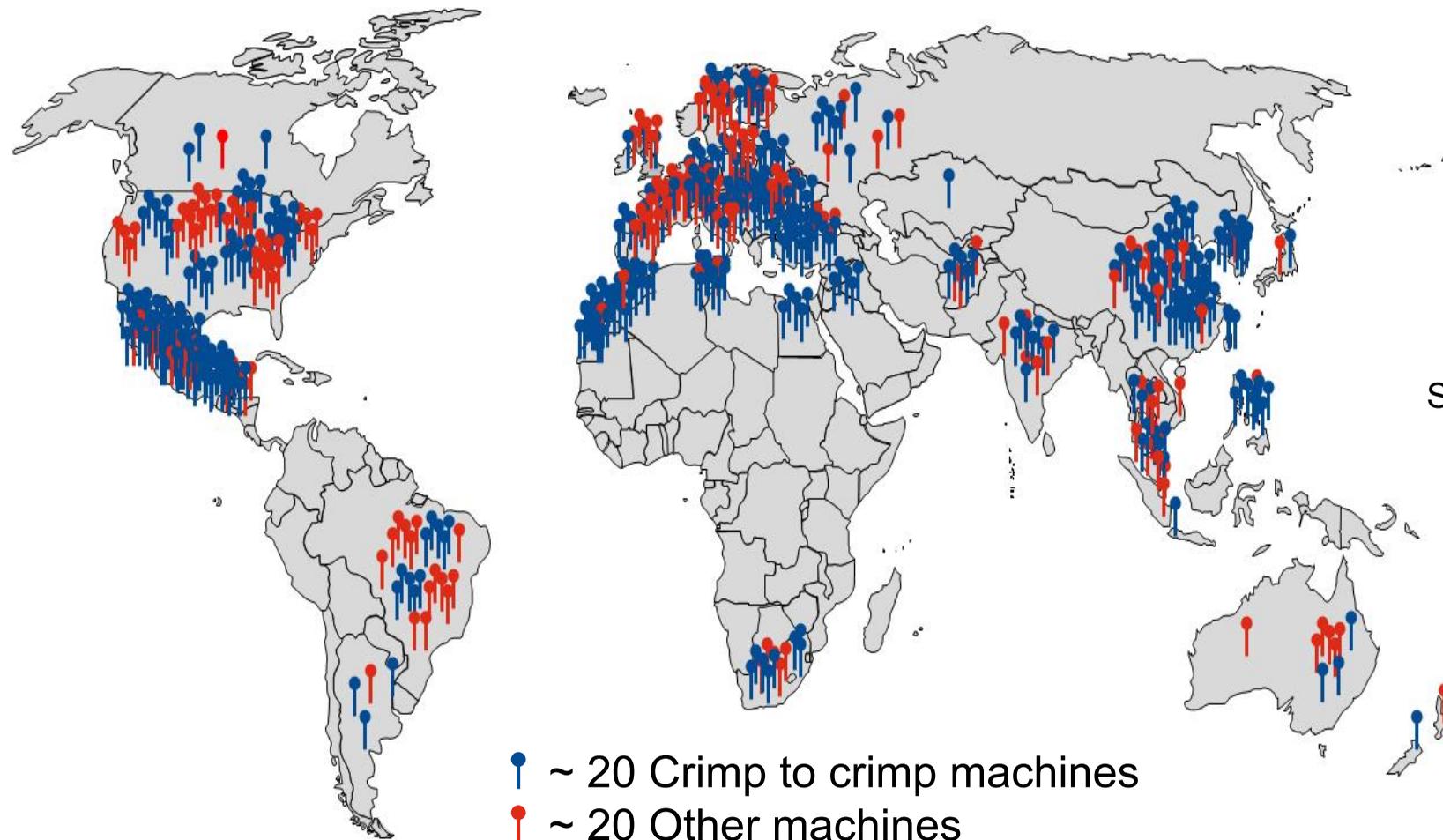


Development of non-automotive markets

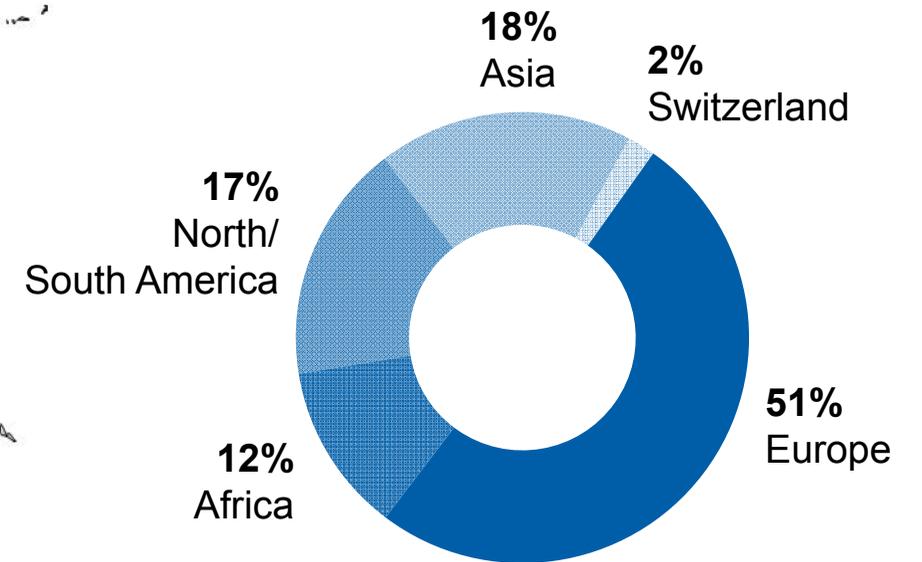
Global production: vehicles and harnesses



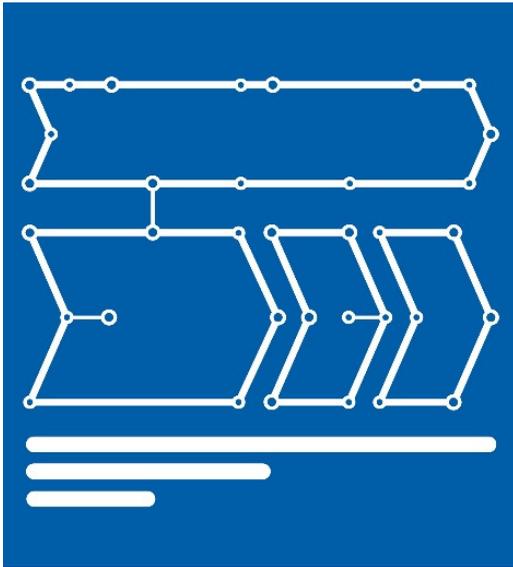
Geographic markets



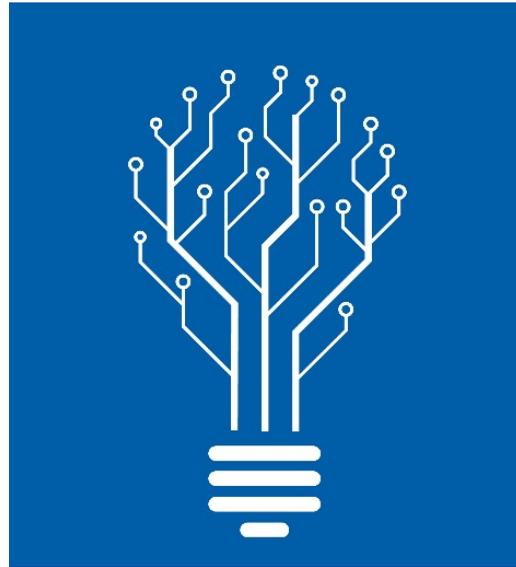
Net sales by region in H1 2017



Key strategic priorities



Solutions along the value chain



Innovative production concepts



Increase in global reach



Development of non-automotive markets

Development of non-automotive markets



AerospacE

- › Safety
- › Lightweight construction
- › Reduction of emissions



Telecom/Datacom

- › Multimedia
- › Connected cars
- › Autonomous driving



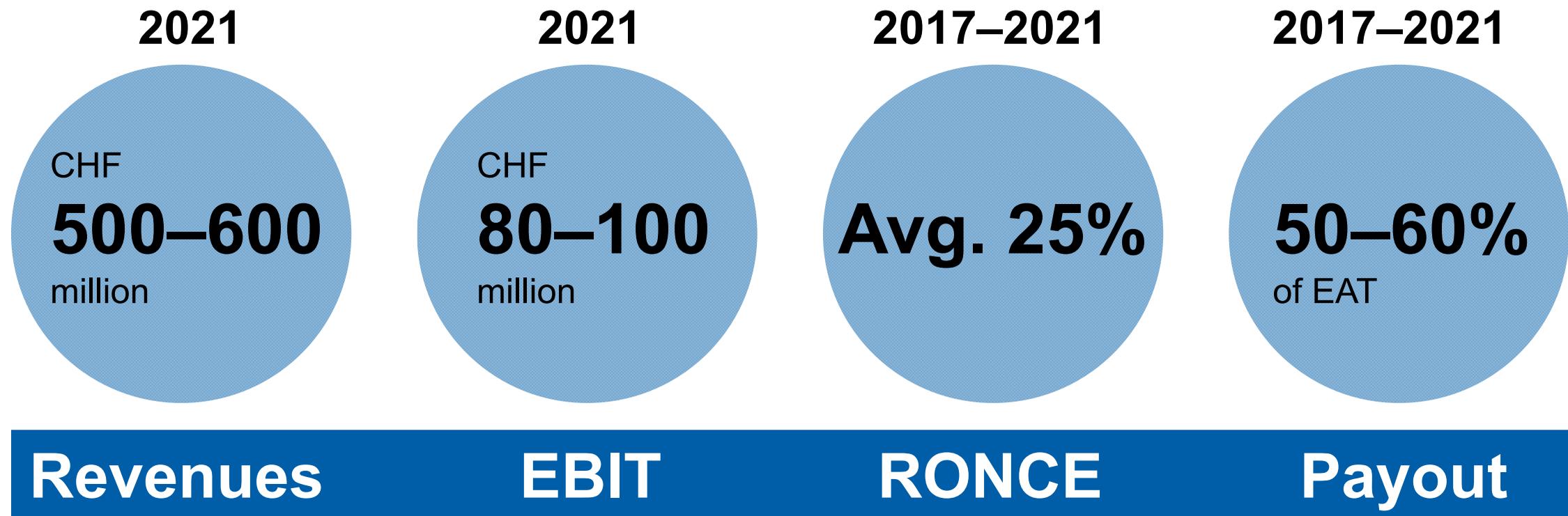
Industrial

- › Small batches
- › E-mobility
- › Integrated production / industry 4.0

› Selective and complementary build-up of competencies in non-automotive areas supports success of core business

2017–2021:

Ambitious targets, attractive dividend policy



Contact / Financial calendar

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Financial calendar

First information on the year 2017	23 January 2018
Annual media and analyst conference on the 2017 financial results	20 March 2018
Annual General Meeting	19 April 2018
Half-year results 2018	21 August 2018

Disclaimer

This presentation contains forward-looking statements in relation to Komax which are based on current assumptions and expectations. Unforeseeable events and developments could cause actual results to differ materially from those anticipated. Examples include: changes in the economic and legal environment, the outcome of legal disputes, exchange rate fluctuations, unexpected market behaviour on the part of our competitors, negative publicity and the departure of members of management. The forward-looking statements are pure assumptions, made on the basis of information that is currently available.

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