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Media release

Ad hoc announcement pursuant to Art. 53 LR

2022 annual financial statements of the Komax Group

The Komax Group posts a record result and looks to the future with confidence

2022 was an extraordinary year for the Komax Group: It strengthened its competitiveness over the long term through the combination with Schleuniger. It also posted new record figures for order intake (CHF 678.1 million, +40.6%), revenues (CHF 606.3 million, +44.0%), and operating profit (EBIT; CHF 71.7 million, +60.1%). Thanks to the combination with Schleuniger and customers' clear efforts to increase their degree of automation for the long term, the Komax Group is confident about fiscal 2023. The Komax Group is anticipating market growth of 3–6%. The Board of Directors is proposing to the Annual General Meeting an increase in the dividend to CHF 5.50 (previous year: CHF 4.50), corresponding to a payout ratio of 54.5%.

The 2022 reporting year was significantly influenced by a number of factors: the combination of Komax and Schleuniger, the war in Ukraine, and the trend toward greater automation in wire processing. Order intake therefore increased substantially to CHF 678.1 million, a rise of 40.6% on the previous year (2021: CHF 482.4 million). Komax received orders for over CHF 599.7 million, while Schleuniger contributed CHF 78.4 million between its consolidation at the start of September and the end of the financial year. Even without Schleuniger, Komax would have exceeded its previous year's result by 24.3% and surpassed the previous record order intake (CHF 496.7 million, in 2018) by more than CHF 100 million.

Impact of the war in Ukraine

The difficult supply chain situation in the automotive industry was exacerbated in the spring of 2022 by the war in Ukraine, which is a significant center of wire manufacturing. In order to compensate for reduced Ukrainian production capacity against the backdrop of the war and secure their ability to supply automotive producers reliably, wire harness manufacturers built up substitute capacity in other countries. As a result, the Komax Group received a large number of extraordinary orders in the first half of the year.

Record revenues in a difficult market environment

"The global supply chain situation proved a challenge for the Komax Group, too," explains Matijas Meyer, CEO Komax Group. "Overall, the Group coped with this challenge very well, but there were nonetheless some delays, and not all orders could be processed within the accustomed timeframe." The Komax Group posted a record figure for revenues in 2022 of CHF 606.3 million (2021: CHF 421.1 million), an increase of 44.0% on the previous year. Of this amount, Komax contributed CHF 522.2 million, while Schleuniger contributed CHF 84.1 million in the four months of the financial year following its consolidation. Here, too, a record figure would have been posted even without the Schleuniger Group. The factors behind the revenue increase were very strong organic growth (26.7%), acquisition-driven growth (20.1%), and a negative foreign currency effect (–2.8%).

Automation trend drives growth

“The trend toward higher automation in wire processing continued in all regions in the year under review – both in the automotive market segment, where the Komax Group generates around 75% of its revenues, and in the other market segments,” says Matijas Meyer. Customers are aware that automation not only delivers better long-term cost efficiency compared to manual wire processing, but also helps them to meet increasing quality requirements. In keeping with this trend, the Komax Group grew in all regions: Africa (+37.4%), Europe (+51.2%), Asia/Pacific (+34.3%), and North/South America (+45.4%).

Further increase in profitability

The Komax Group also improved its profitability in 2022, which was due in particular to the higher revenues and advantageous product mix associated with orders received in connection with the war in Ukraine. Operating profit (EBIT) rose accordingly by 60.1% for the full year of 2022, to CHF 71.7 million (2021: CHF 44.8 million). Group earnings after taxes (EAT) increased by 70.4% to CHF 51.8 million (2021: CHF 30.4 million). The Schleuniger Group contributed CHF 5.0 million to EBIT and CHF 2.6 million to EAT.

Combination with Schleuniger secures competitiveness

The combination of Komax and Schleuniger, which was completed at the end of August 2022, marked a historic moment for both corporate groups. This combination brought eleven companies with strong market positions and locations spread across three continents into the Komax Group, expanding it significantly. Together with Schleuniger, opportunities that arise in the market can now be harnessed better and more rapidly. The combination supports all four strategic priorities of the Komax Group, and therefore will secure its competitiveness over the long term. In addition, the combination has increased the stability of the shareholder base thanks to a new anchor shareholder with a long-term focus: Metall Zug AG, the former owner of the Schleuniger Group. Jürg Werner was appointed to the Board of Directors as Metall Zug AG’s representative at the 2022 Annual General Meeting.

“Komax and Schleuniger have been growing together gradually over the last few months and we are doing everything in our power to ensure that we continue to focus optimally on the needs of our customers during this integration phase,” states Matijas Meyer. “At the same time, we are developing a new target picture for the Komax Group, along with the associated strategy.” This is expected to be communicated at the end of September, together with the new mid-term targets.

Enhanced innovative strength

Thanks to the combination, the Komax Group has acquired more than 1,000 new specialists, so it now has even greater expertise in various areas, not least research and development. In 2022, the Komax Group channeled CHF 59.0 million or 9.7% of revenues (2021: 9.8%) into research and development. The Komax Group will take advantage of its combined innovative strength to offer its customers new automation solutions even more quickly in the future.

Solid financial foundation

“The Komax Group already had a robust financial base, but this has been strengthened further through the combination with the Schleuniger Group,” says Andreas Wolfisberg, CFO Komax Group. As at 31 December 2022, shareholders’ equity totaled CHF 416.6 million (2021: CHF 264.9 million), with the equity ratio coming in at 53.2% (2021: 51.4%). Free cash flow rose sharply thanks to improved business development, amounting to CHF 17.6 million (2021: CHF –5.5 million). Net debt rose slightly from CHF 98.4 million (2021) to CHF 105.5 million in the year under review. “This solid foundation enables the Komax Group to

systematically pursue opportunities to develop the Group further and offers security in challenging times,” adds Andreas Wolfisberg.

In order to secure freedom of financial maneuver in the future, the Komax Group signed a new syndicated loan agreement at the end of 2022, which will run until January 2028. The credit facility has been increased from CHF 187 million to CHF 250 million – with the option of adding a further CHF 60 million. In addition to the syndicated loan, the Komax Group has access to bilateral credit lines that together amount to a maximum of CHF 60 million (previously CHF 30 million).

Distribution of CHF 5.50

“As a result of the Group’s success in the 2022 financial year, the Board of Directors is proposing to the Annual General Meeting an increase in the dividend to CHF 5.50 (previous year: CHF 4.50),” says Beat Kälin, Chairman of the Board of Directors. “This equates to a payout ratio of 54.5%. The Komax Group is therefore adhering to its strategic target of distributing 50–60% of EAT to shareholders.” Half of this figure of CHF 5.50 will be distributed from capital contribution reserves, and will therefore be tax-free for natural persons domiciled in Switzerland who hold the shares as part of their private assets.

Changes in 2023

Oliver Blauenstein has been a member of the Executive Committee since 1 January 2023. He is responsible for the Komax Group’s testing activities. His area of responsibility comprises the Komax testing companies (formerly TSK Group) as well as the companies adaptronic and Cirris (see media release dated 14 November 2022).

The Komax Group also acquired WUSTEC with effect from the beginning of 2023. The company has been providing its customers with services in automated wire prefabrication for over 20 years. WUSTEC, headquartered in the Black Forest region of Germany, has a workforce of 30 people. It is currently building a digital platform that will enable small and mid-sized companies active in control cabinet and machine building in particular to source prefabricated wire sets. This acquisition expands the Komax Group’s offering in the growing industrial segment.

Outlook

The Komax Group started off 2023 with a record order backlog. At the end of 2022 the book-to-bill ratio was 1.12. The Komax Group is confident that the trend towards automation will persist, and hence so, too, the robust demand for the solutions offered by the company. In addition, the Komax Group is expecting the supply chain situation to gradually improve in 2023, which would help the high order backlog to be worked down over the coming months.

If Schleuniger had contributed twelve months to the Komax Group’s 2022 results instead of four, revenues would have amounted to a total of around CHF 770 million. Despite the fact that the extraordinary revenues of approximately CHF 70 million triggered by the war in Ukraine will no longer be a feature of results in 2023, the Komax Group is anticipating revenues that are at least on a par with 2022 figures (around CHF 770 million). This is assuming that there are no significant changes in the market environment and in knowing that visibility is limited to a few months. The expected revenue level is based on market growth of 3–6%.

The EBIT margin depends very much on the product mix. Given that this is unlikely to be as favorable in 2023 as it was in 2022, the Komax Group is expecting an EBIT margin in the region of 11%.

Financial calendar

Annual General Meeting

12 April 2023

Half-year results 2023

17 August 2023

Investor Day

28 September 2023

Preliminary information on 2023 financial year

23 January 2024

The 2022 annual report can be downloaded from www.komaxgroup.com/publications.

Key figures of the Komax Group

in TCHF	2022	2021	+/- in %
Order intake	678,063	482,395	40.6
Revenues	606,332	421,067	44.0
EBITDA	88,939	60,343	47.4
in % of revenues	14.7	14.3	
Operating profit (EBIT)	71,732	44,794	60.1
in % of revenues	11.8	10.6	
Group earnings after taxes (EAT)	51,773	30,375	70.4
in % of revenues	8.5	7.2	
Free cash flow	17,622	-5,492	n.s.
Research and development	59,018	41,066	43.7
in % of revenues	9.7	9.8	
Total assets	783,506	514,891	52.2
Shareholders' equity ¹	416,589	264,904	57.3
in % of total assets	53.2	51.4	
Net debt	105,512	98,391	7.2
Headcount as at 31 Dec. (No.)	3,390	2,121	59.8

¹ Equity attributable to shareholders of Komax Holding AG.

Komax registered share: key data

	2022	2021
Number of shares as at 31 Dec.	5,133,333	3,850,000
Basic earnings per share in CHF	12.11	7.90
Distribution per share in CHF	5.50 ¹	4.50
P/E (price-earnings ratio) as at 31 Dec.	21.3	32.0
Market capitalization as at 31 Dec. in CHF million	1,321.8	974.1

¹ Proposal of Board of Directors of Komax Holding AG to the Annual General Meeting.

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Komax is a globally active technology company that focuses on markets in the automation sector. As a leading manufacturer of innovative and high-quality solutions for the wire processing industry, the Komax Group helps its customers implement economical and safe manufacturing processes, especially in the automotive supply sector. The Komax Group employs about 3400 people worldwide and provides sales and service support via subsidiaries and independent agents in more than 60 countries.

Komax News Portal

Topics and insights from the world of automated wire processing: <https://newsportal.komaxgroup.com/en>