

2021 HALF-YEAR RESULTS

komax

17 August 2021

1st half of 2021 in brief

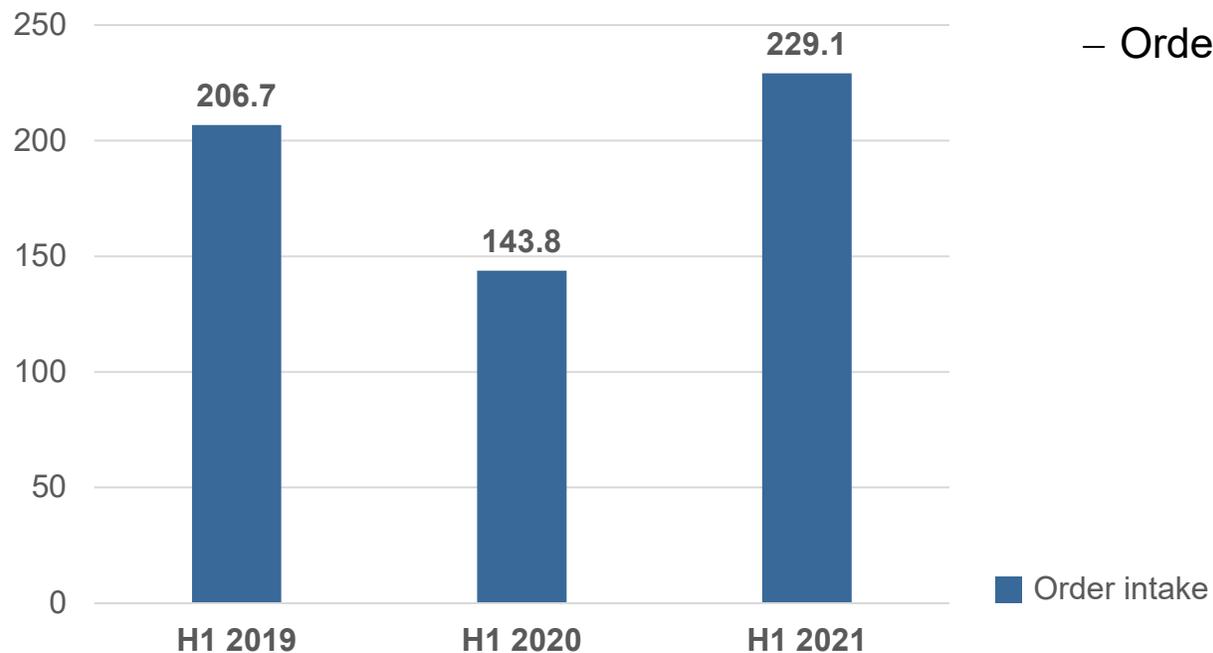
Steady improvement in market situation

- **Muted start to the year, strong order intake in 2nd quarter**
 - Many machines not yet delivered
 - High book-to-bill ratio of 1.25
 - Recovery in all regions
- **Cost-cutting measures implemented in 2020 showing an impact**
 - EBIT down only CHF 2 million on H1 2019 figure despite revenues that were lower by CHF 20 million and a less favorable product mix
- **Further reduction of net debt**
 - Reduction of net debt by CHF 8.0 million to CHF 84.4 million
 - Compliance with financial covenants of syndicated loan
- **Numerous uncertainties remain**
 - Coronavirus pandemic and supply chain challenges weighing on business

High order intake

Continuous improvement of the market situation

in CHF million

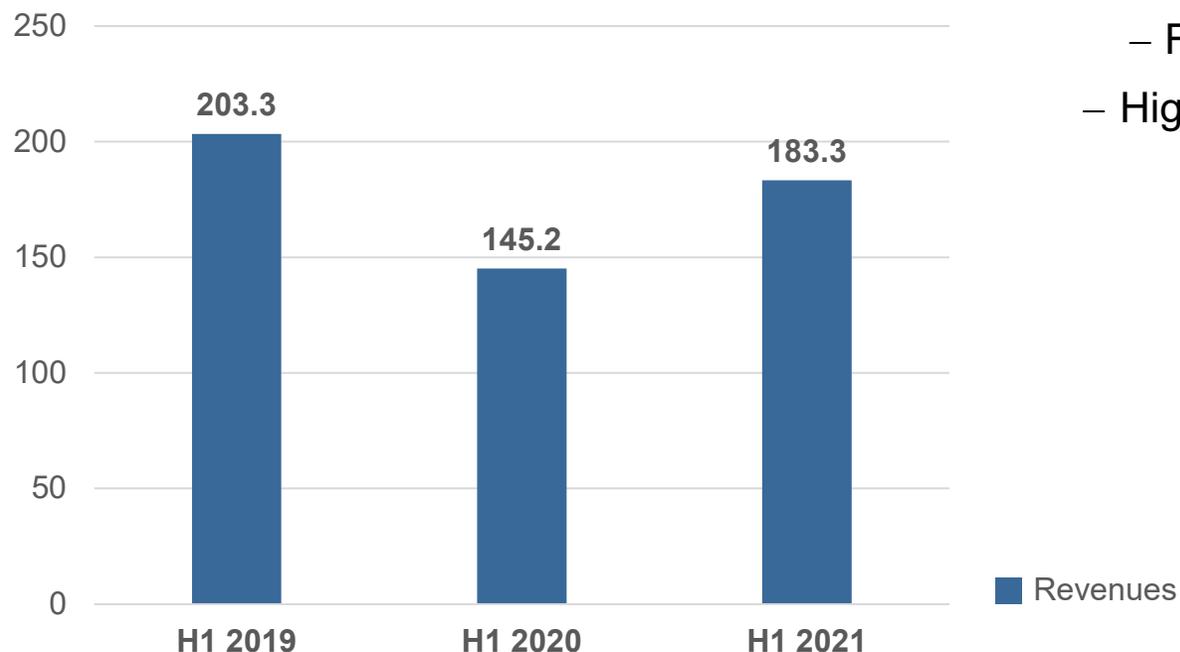


- Order intake increases by 59.3%
- Order intake significantly higher in second quarter than in first
- Orders up 10.8% on H1 2019

Substantial increase in revenue

Many machine orders yet to be delivered

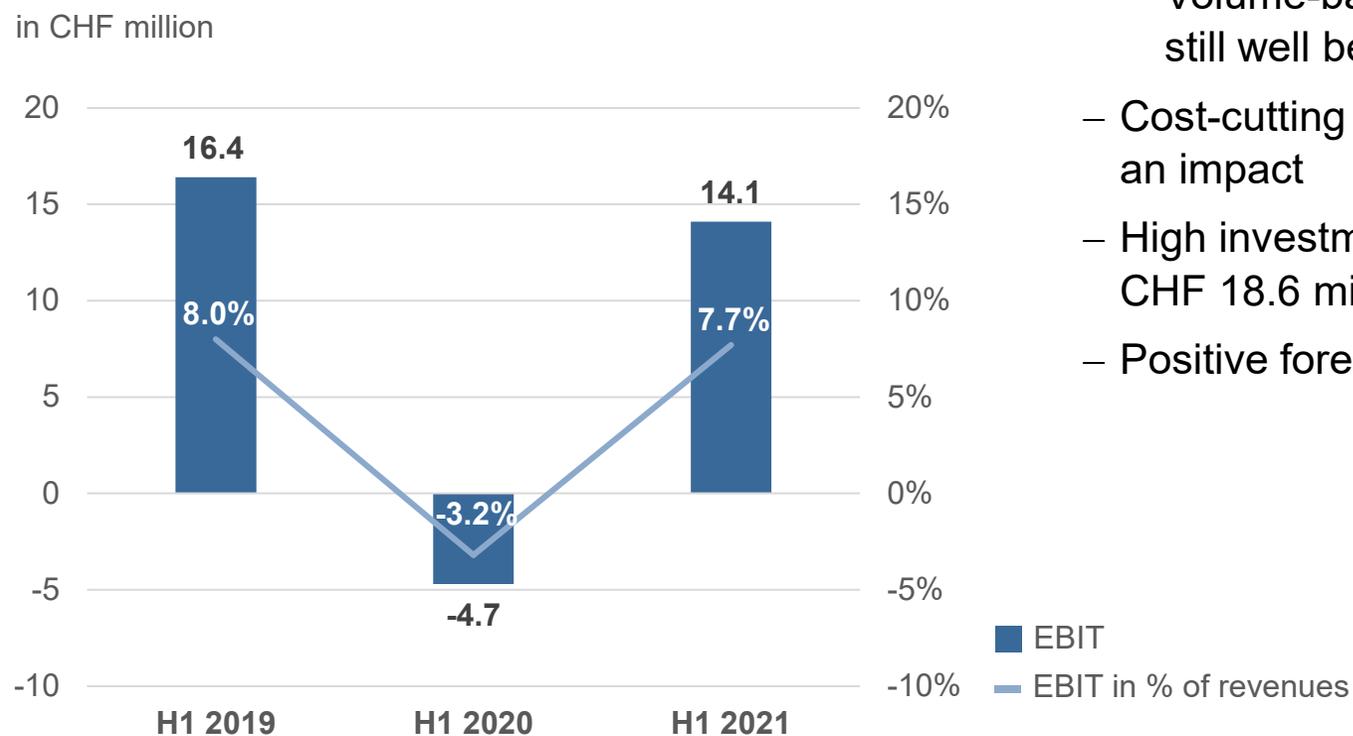
in CHF million



- Revenues up 26.2%
- Factors behind development of revenues
 - Organic growth: +27.0%
 - Foreign currency impact: –0.8%
- High book-to-bill ratio: 1.25 (H1 2020: 0.99)

Positive EBIT development

Approaching the 2019 level



- Slightly improved product mix
 - Volume-based business (crimp-to-crimp machines) still well below pre-crisis levels
- Cost-cutting measures implemented in 2020 showing an impact
- High investment in research and development: CHF 18.6 million (H1 2020: 15.8 million)
- Positive foreign-currency impact: +0.3 pts

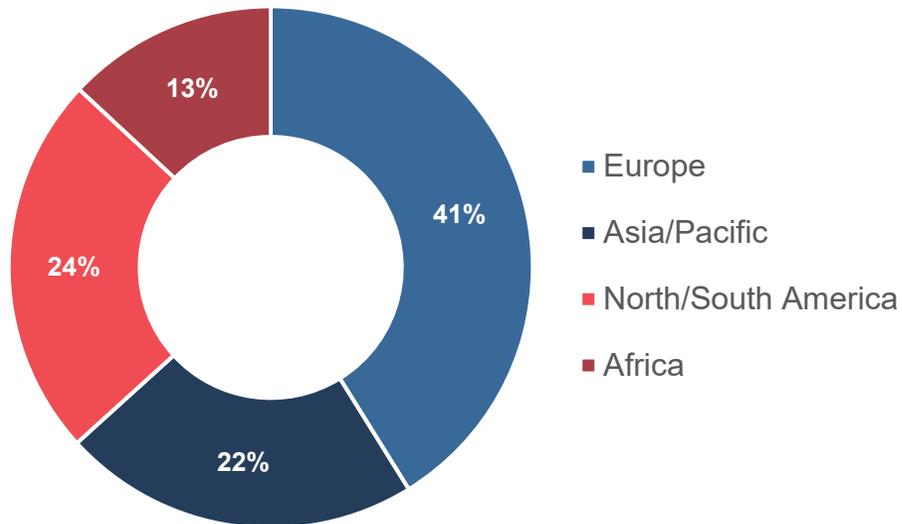
AGENDA

- 1 Financial performance**
- 2 Strategy and mid-term targets
- 3 Outlook 2021
- 4 Questions

Broad-based recovery

Growth in all regions

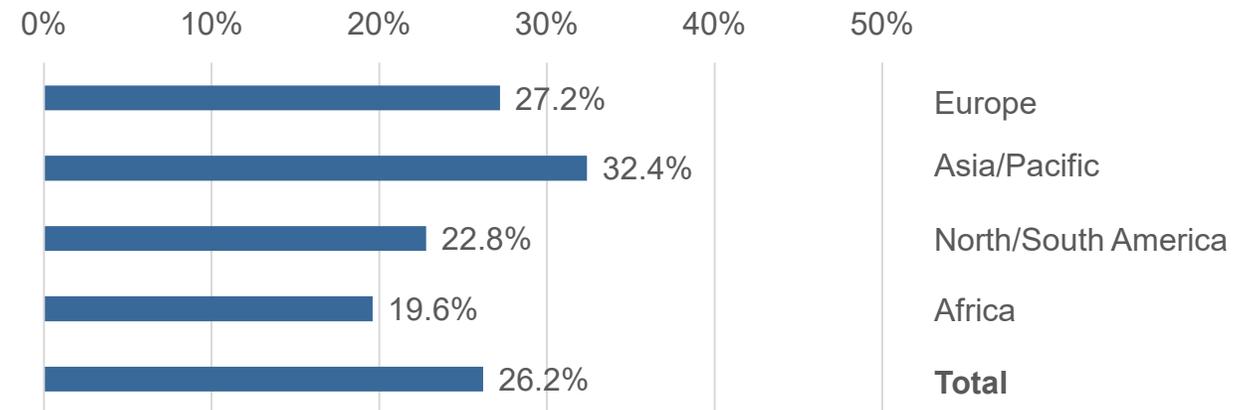
Revenues by region



Revenues by region H1 2020

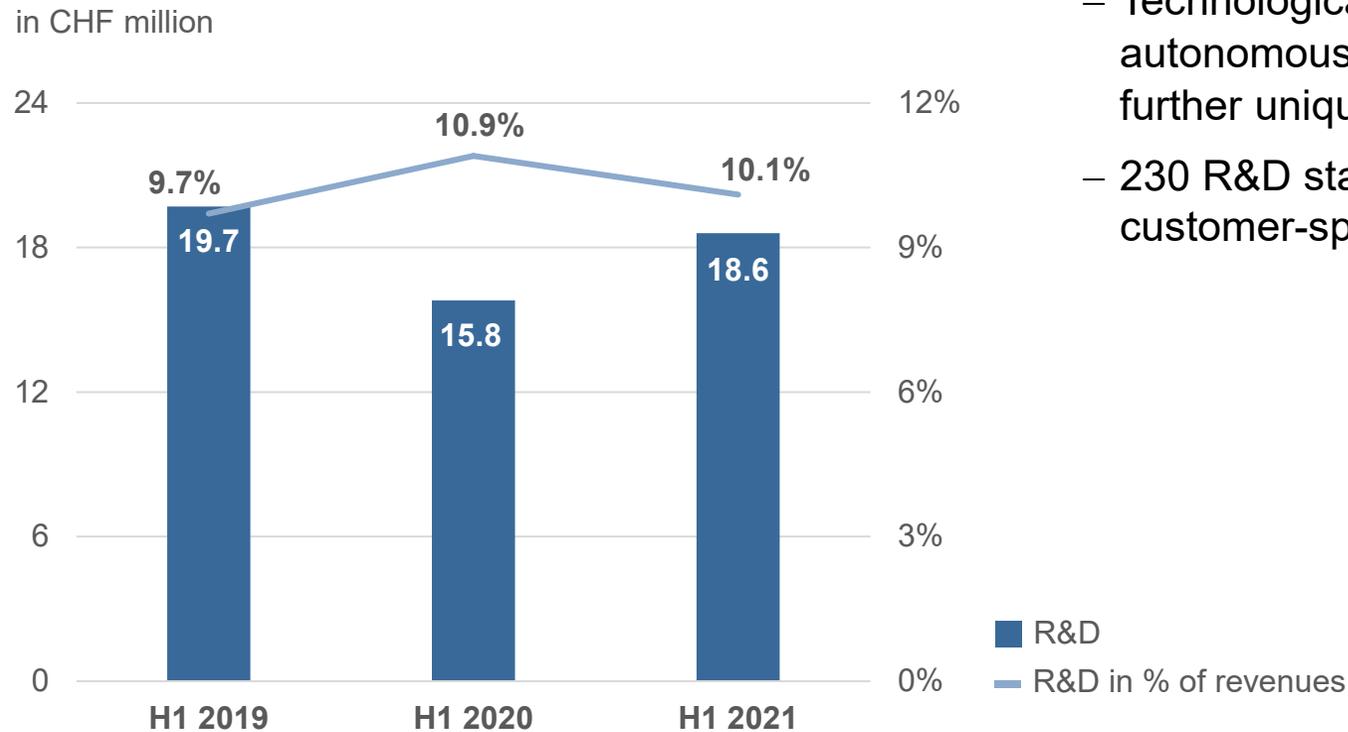
- Europe 42%
- Asia/Pacific 21%
- North/South America 24%
- Africa 13%

Change from first half 2020



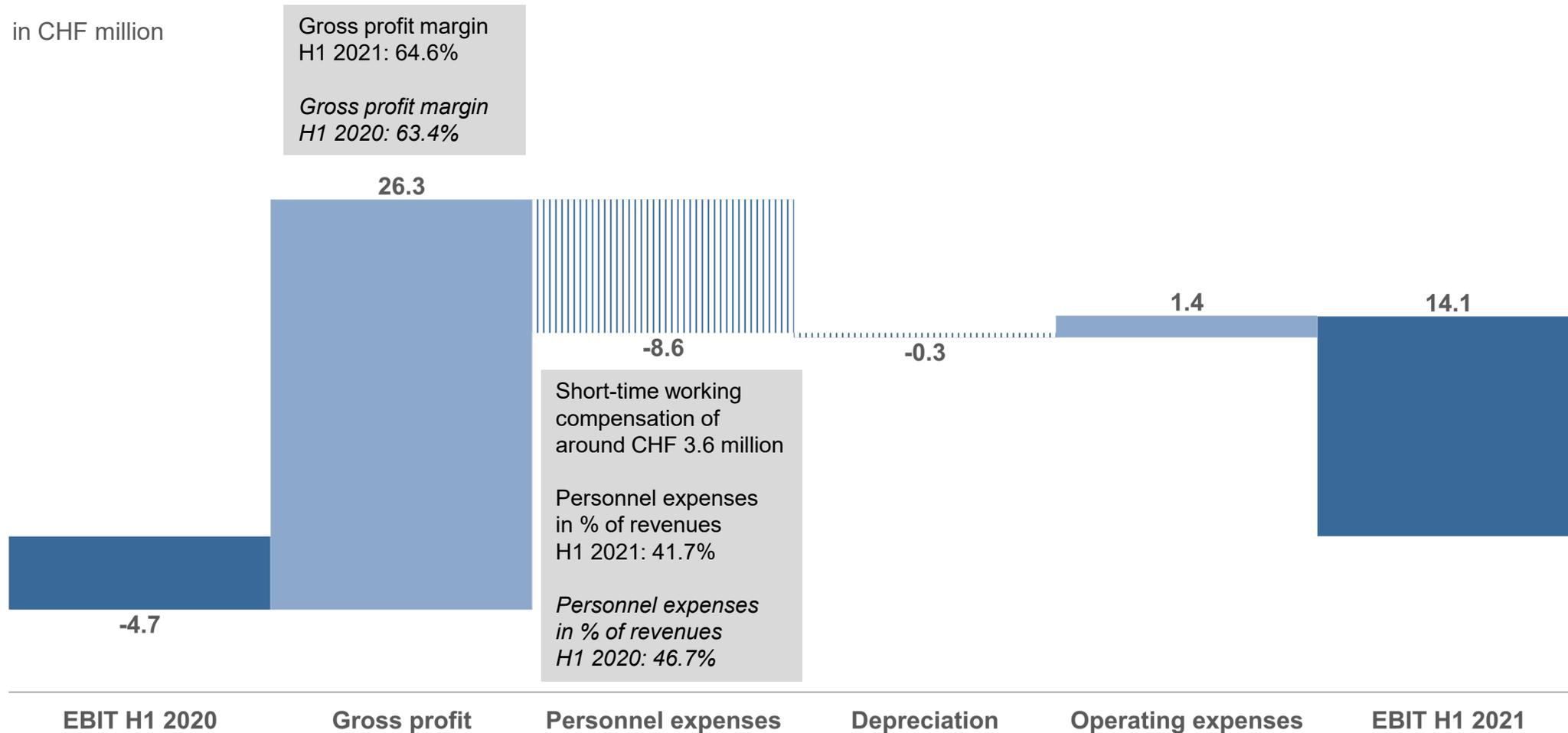
High investment in R&D

Foundation of future success



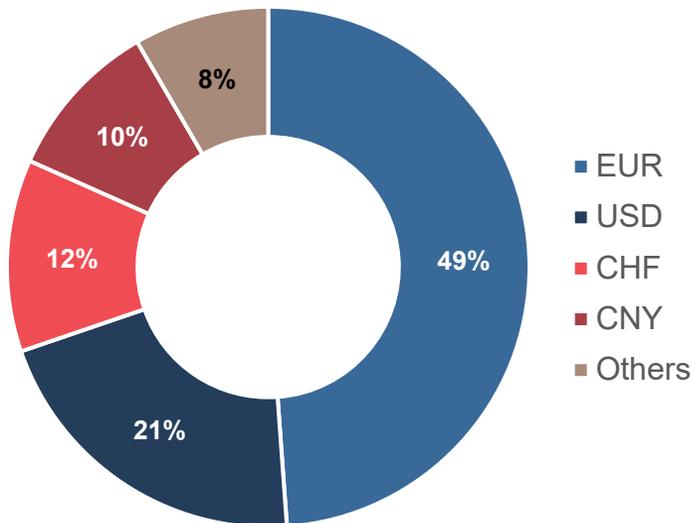
- Planned annual R&D spending: 8%–9%
- Technological shift in automotive industry (e-mobility, autonomous driving, etc.) creating opportunities for further unique selling propositions
- 230 R&D staff; plus 210 engineering staff for customer-specific solutions

Significant improvement in EBIT



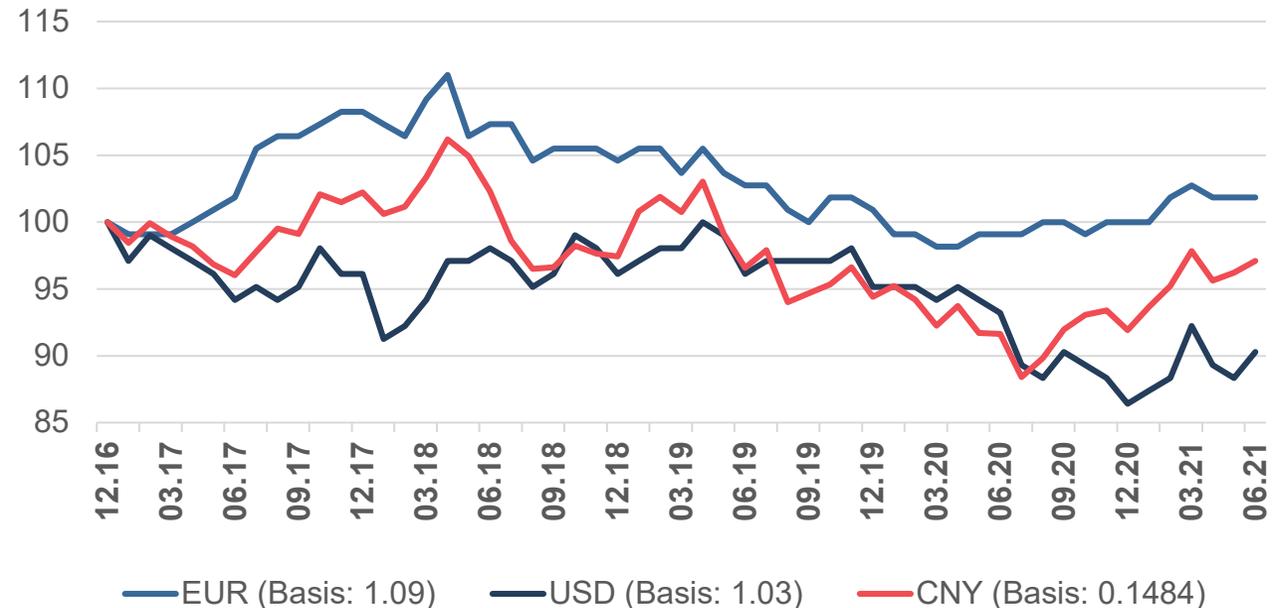
Positive and negative currency effect

Revenues by currency



Revenues by currency H1 2020

- EUR 46%
- USD 22%
- CHF 10%
- CNY 12%
- Others 10%



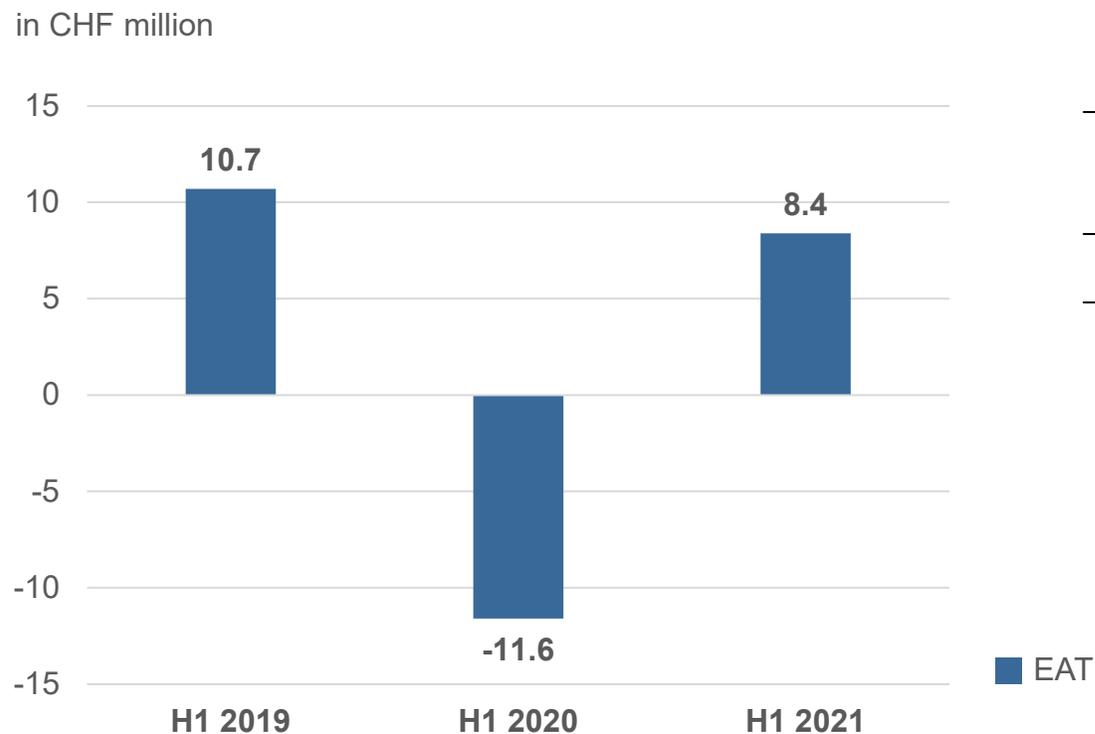
– **Foreign currency impact H1 2021**

revenues: –0.8%, gross profit margin: –0.4 pts, EBIT margin: 0.3 pts

– **Foreign currency impact H1 2020**

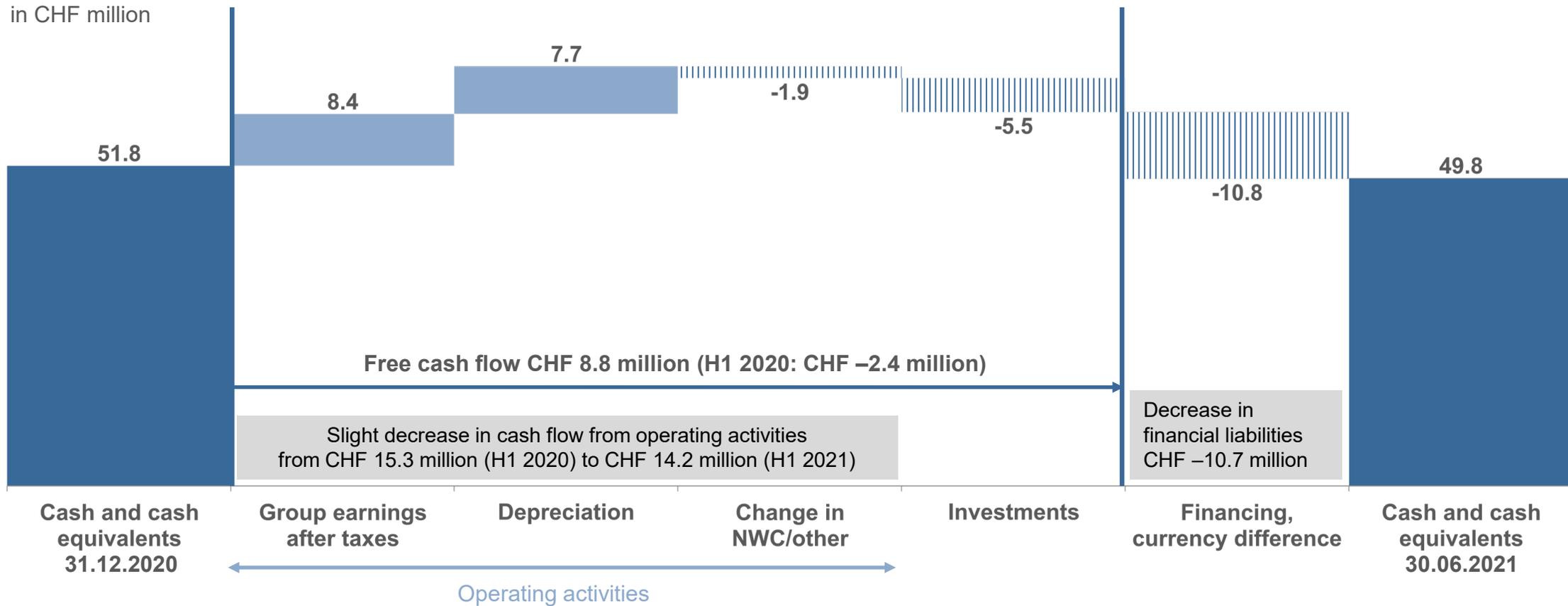
revenues: –3.4%, gross profit margin: –2.7 pts, EBIT margin: –1.2 pts

Group earnings after taxes (EAT) increase substantially



- Improved financial result (H1 2021: CHF –2.9 million, H1 2020: CHF –4.7 million) due to more positive currency situation and lower interest costs
- Basic earnings per share: CHF 2.17 (H1 2020: CHF –3.00)
- Tax rate in % of EBT: 25.2%
- Tax rate expected over medium term: around 20%

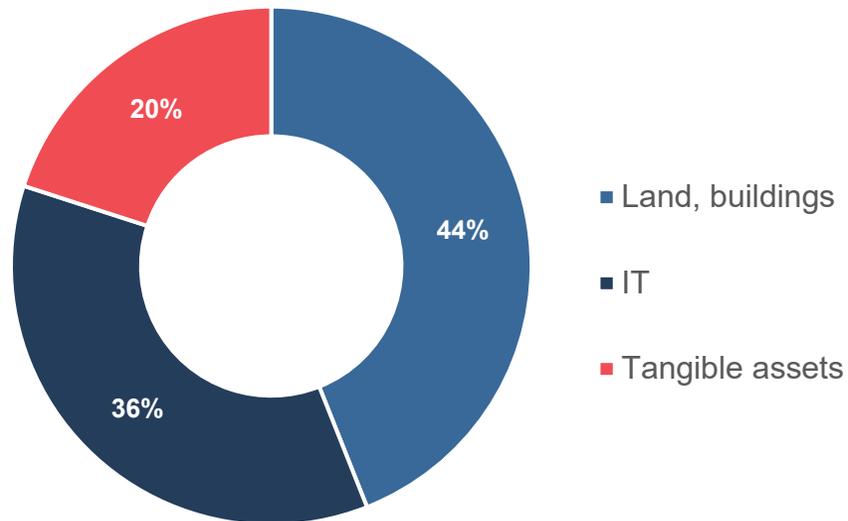
Free cash flow of CHF 8.8 million



Significantly lower volume of investment

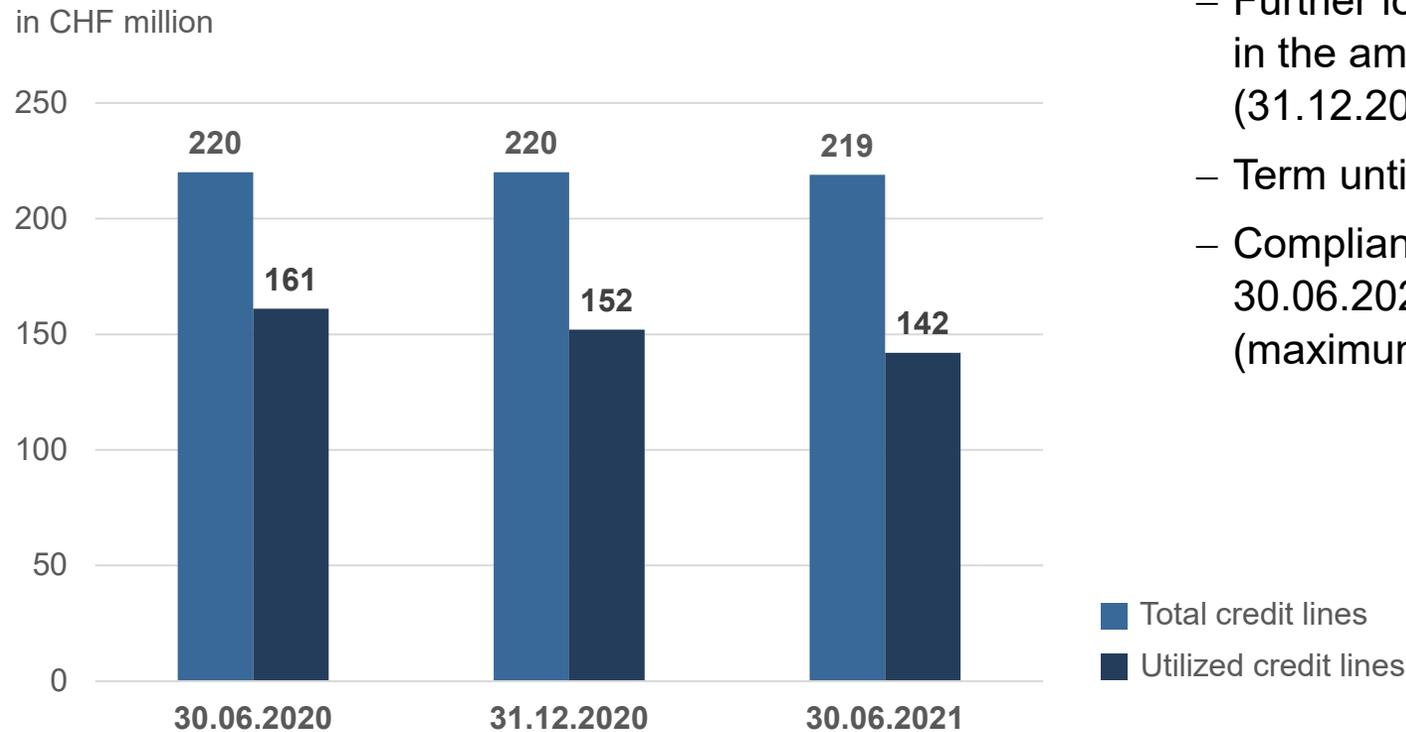
Annual CAPEX: 2%–3% of revenue

Gross investment
(excl. acquisition and sale of companies)



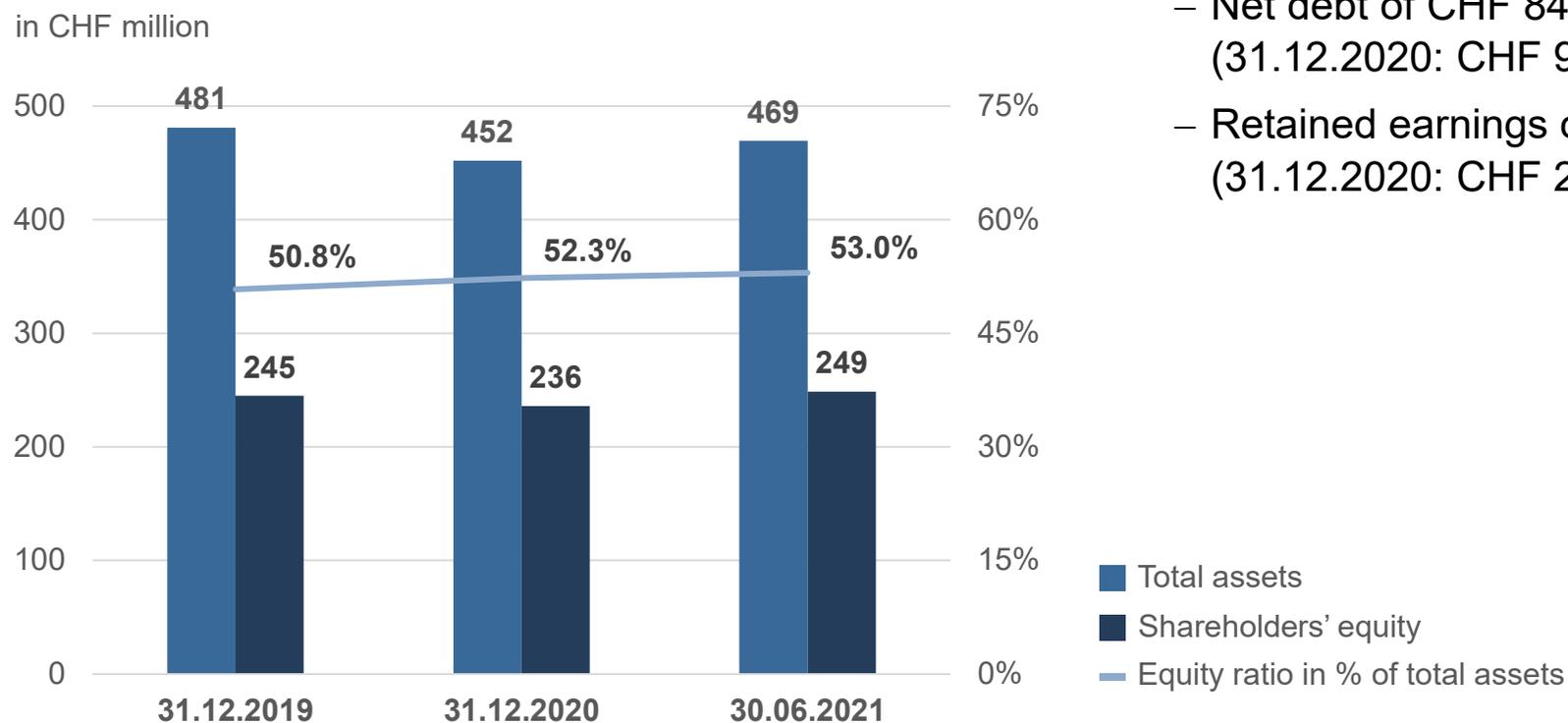
- Net investment in non-current assets (excl. acquisition and sale of companies): CHF 4.5 million (H1 2020: CHF 16.7 million)
 - Property, plant, and equipment (CHF 2.8 million, of which buildings: CHF 2.1 million)
 - Intangible assets (CHF 1.7 million)
- Restrictive investment approvals

Increase of financial room for maneuver



- Syndicated loan facility of CHF 189 million
- Further local credit lines for subsidiaries in the amount of CHF 30 million (31.12.2020: CHF 30 million)
- Term until January 2023
- Compliance with financial covenants as at 30.06.2021: net debt / EBITDA = 1.79 (maximum permitted: 3.25)

Further reduction in net debt, solid financial basis



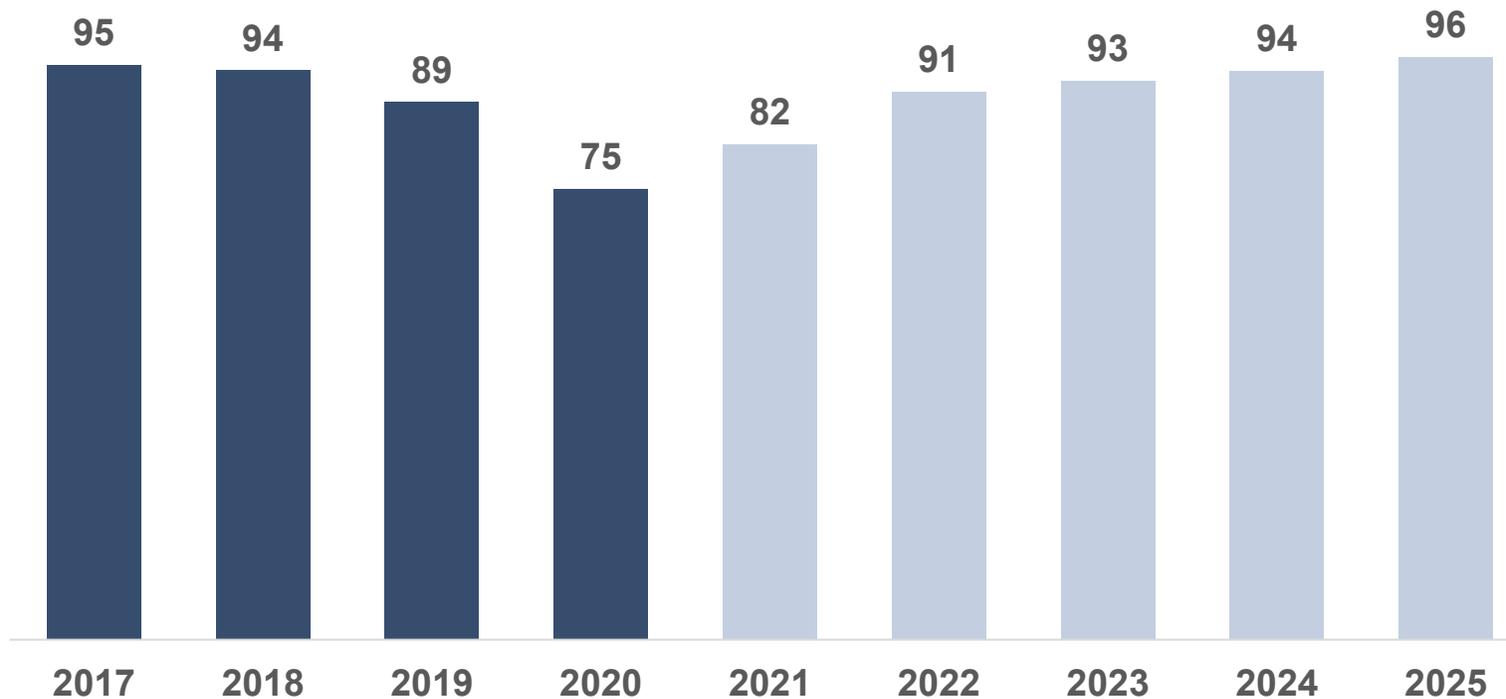
- Steady increase in equity ratio
- Net debt of CHF 84.4 million (31.12.2020: CHF 92.4 million)
- Retained earnings of CHF 228.1 million (31.12.2020: CHF 215.1 million)

AGENDA

- 1 Financial performance
- 2 Strategy and mid-term targets**
- 3 Outlook 2021
- 4 Questions

Vehicle production increases gradually

Production of passenger cars and light commercial vehicles
in million vehicles

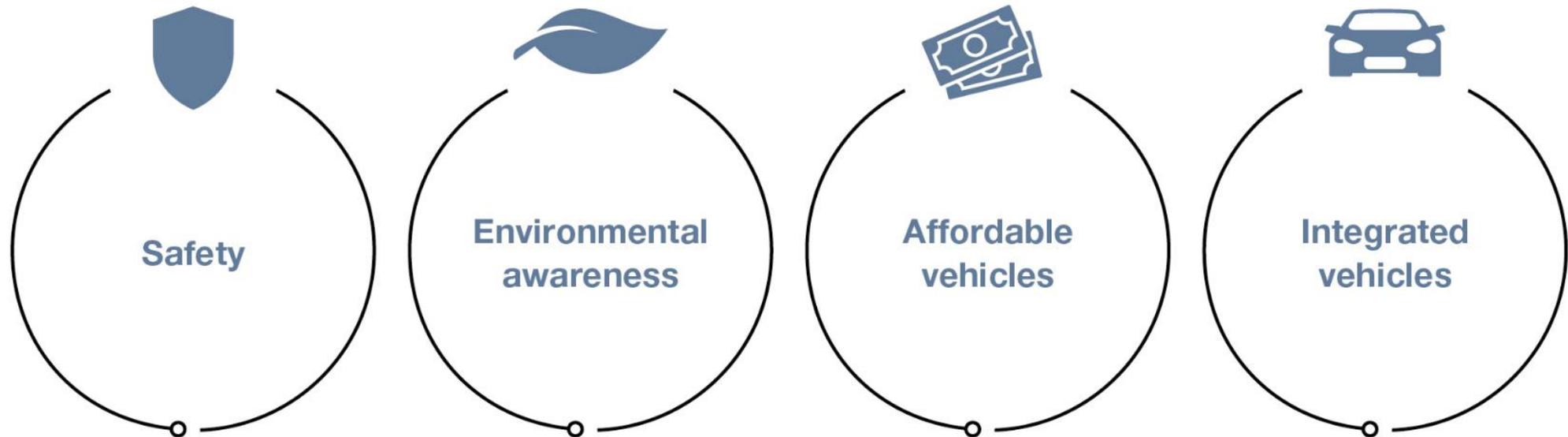


- H1 2021: 39 million vehicles
- H1 2020: 30 million vehicles
- H1 2019: 45 million vehicles

Source: IHS Markit, August 2021

Global megatrends drive automation

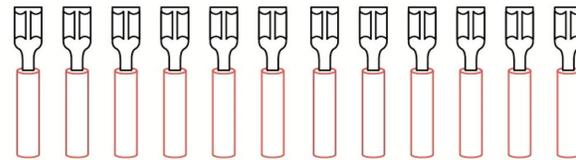
The coronavirus pandemic has changed nothing here



Numerous reasons for the steady rise in level of automation (CAGR: 2%–3%)



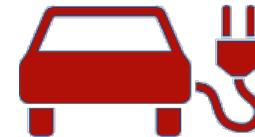
rising wage costs



rising number of wires



autonomous driving



e-mobility



traceability



miniaturization



staff availability

SMART FACTORY by KOMAX

Simpler, more convenient, and safer

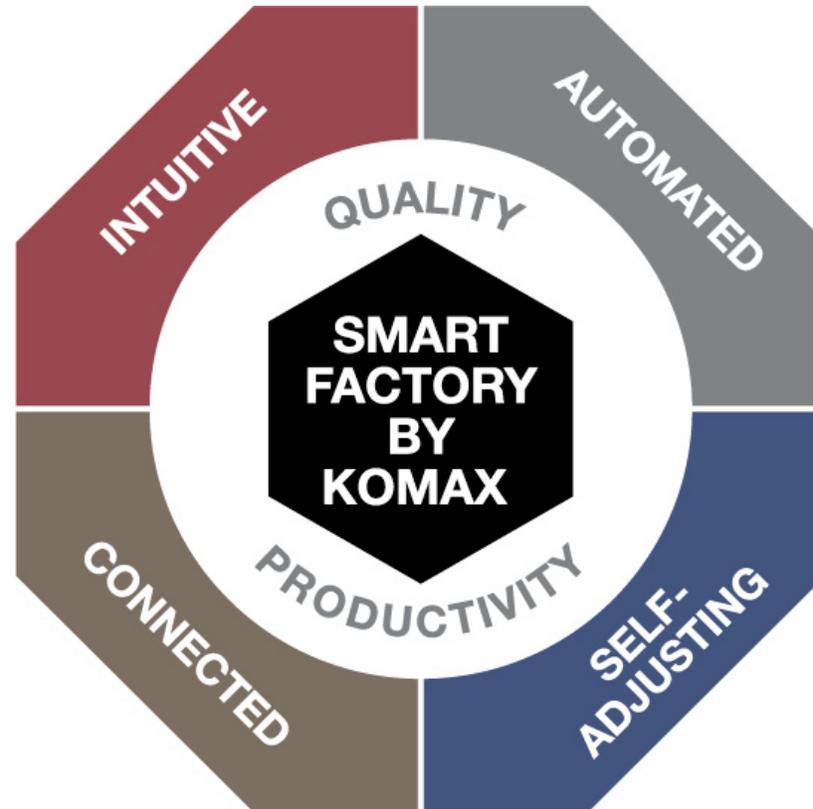
komax



TSK Connect



Komax Connect



Lambda 416 H-MTD



Q1250

Mid-term targets up to 2023

REVENUES

CHF

450–550

million

- Primarily organic growth
- Increase in number of vehicles produced from 2021 (CAGR: 7%–8%)
- Increase in level of automation (CAGR: 2%–3%)

EBIT

CHF

50–80

million

- EBIT dependent on product mix
- EBIT strongly influenced by volume business (crimp-to-crimp)
- Low revenues (CHF 450 million) resulting in low EBIT (CHF 50 million)

PAYOUT

50%–60%
of EAT

- Shareholders benefiting from sustained generation of value
- Attractive dividend policy
- Dividend dependent on business performance; no minimum dividend

AGENDA

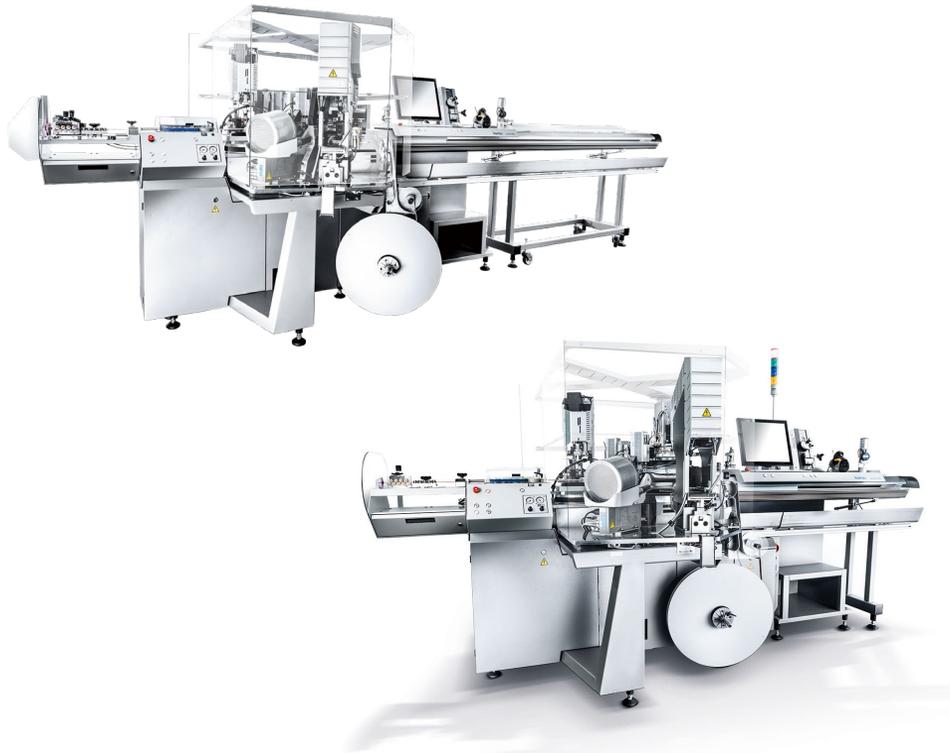
- 1 Financial performance
- 2 Strategy and mid-term targets
- 3 Outlook 2021**
- 4 Questions

Demand for new technologies continues

Volume-based business still below pre-crisis level

**Volume-based business
(crimp-to-crimp)**

**New technologies
(increase of the degree of automation)**

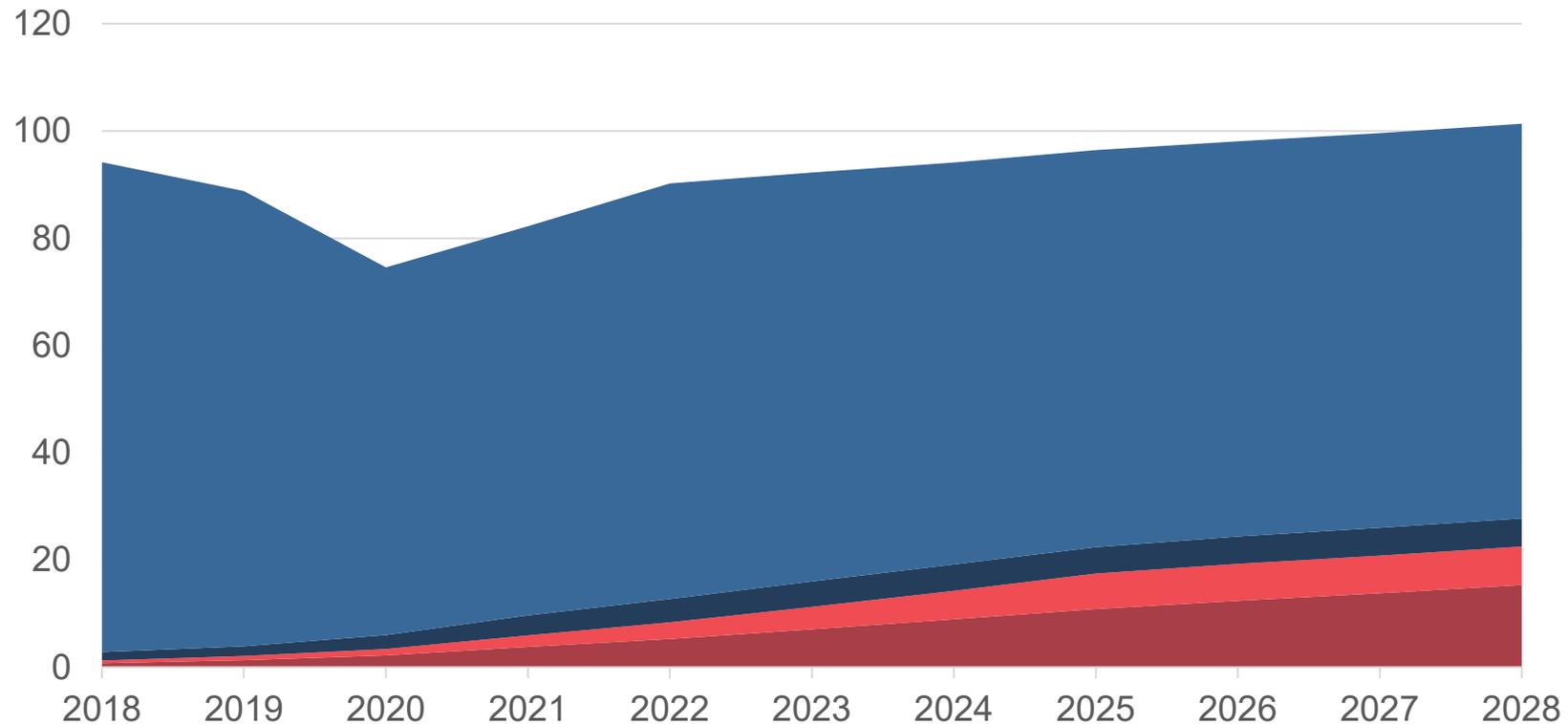


E-mobility: high demand

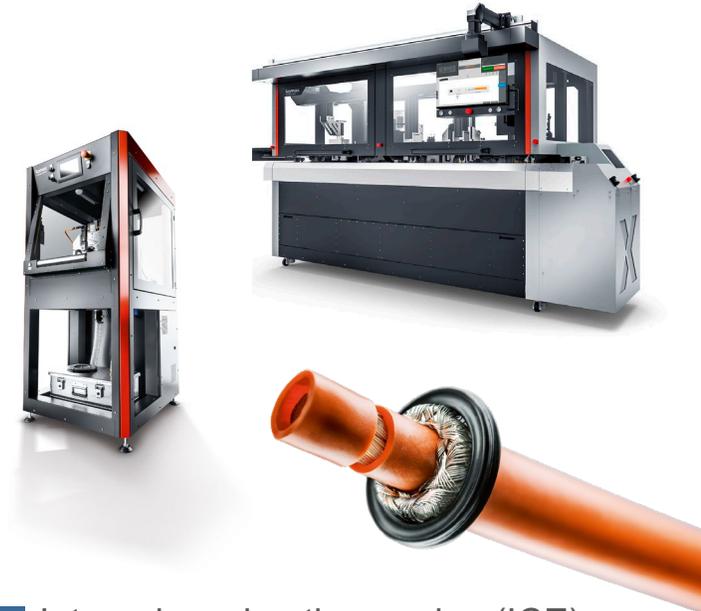
Competence center at Komax Thonauer in Budakeszi (Hungary)



Number of produced cars
in million



Source: IHS Markit and Komax



- Internal combustion engine (ICE)
- Full hybrid (HEV)
- Plug-in hybrid (PHEV)
- Battery electric vehicle (BEV)

Change to the Executive Committee

Marcus Setterberg to leave the Komax Group at the end of 2021



- 14 years in various functions for the Komax Group (including three years as Managing Director of Komax Shanghai)
- Member of the Executive Committee since 2019 (responsibility for the Testing business and, thus, the TSK companies)
- Search for successor initiated
- The Board of Directors and the Group Executive Committee would like to express their gratitude to Marcus Setterberg for his excellent services over many years, and wish him all the best for the future

Outlook

Given the ongoing uncertainties in connection with the coronavirus pandemic and numerous supply chain challenges, issuing a forecast for the second half of the year is difficult.

However, strong order books make Komax confident that it will be able to achieve a significantly better result in the second half of 2021 than in the first six months of the year. For the year as a whole, Komax is expecting revenues on a par with the 2019 figure (CHF 417.8 million), with an EBIT margin of more than 8% (2019: 5.8%).

Contact / Financial calendar

Contact

Roger Müller
Industriestrasse 6
6036 Dierikon
Switzerland
Phone +41 41 455 06 16
roger.mueller@komaxgroup.com

komaxgroup.com

Financial calendar

Preliminary information on 2021 financial year	25 January 2022
Annual media and analyst conference on the 2021 financial results	15 March 2022
Annual General Meeting	13 April 2022
Half-year results 2022	17 August 2022

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 behavior 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.

QUESTIONS?

komax

