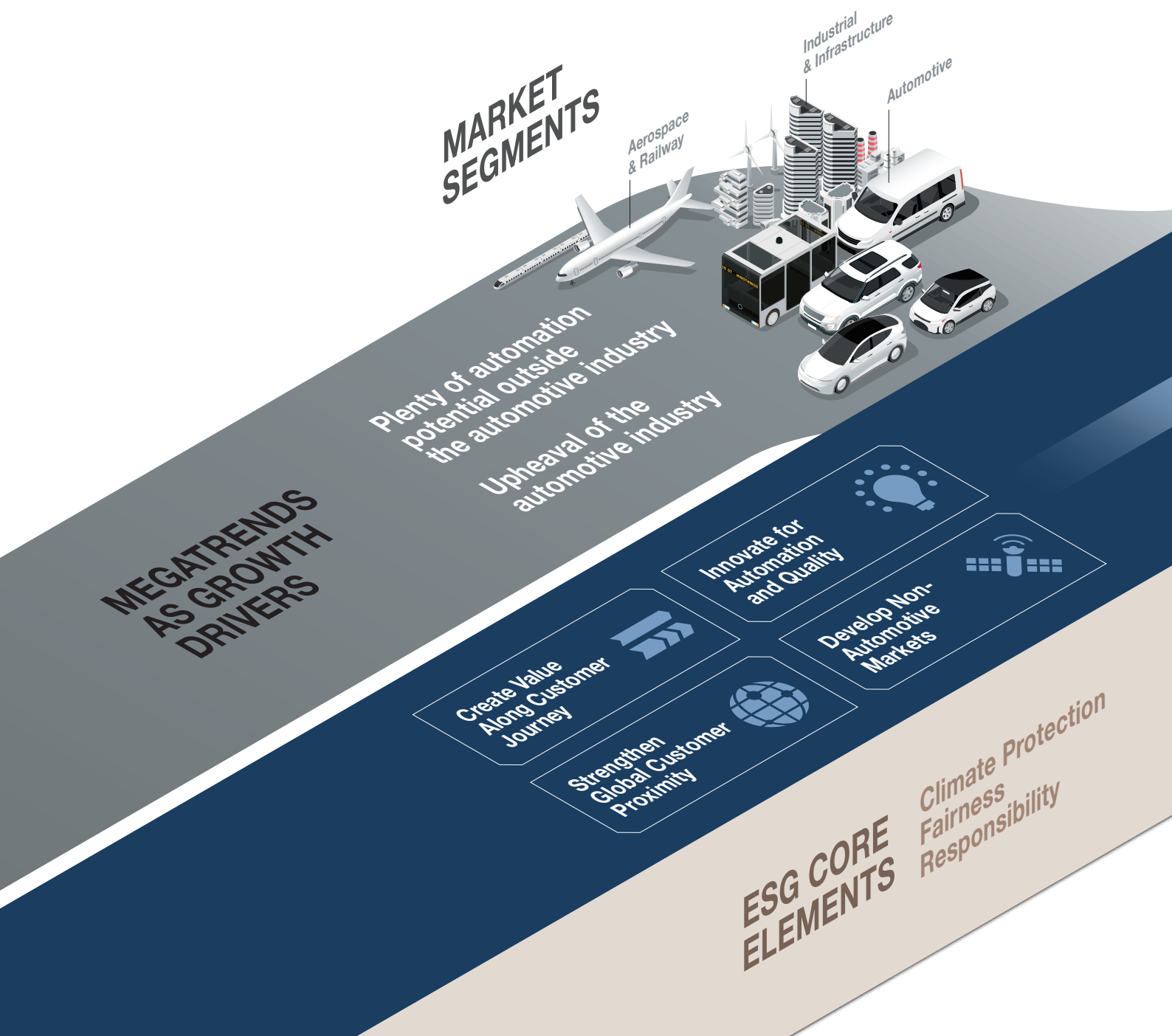


STRATEGY 2028

The Komax Group develops state-of-the-art technological solutions for automated wire processing in three market segments. In order to achieve above-average profitability and sustainable growth, it pursues four strategic priorities with its new Strategy 2028. The corporate purpose, the core values, and the ESG approach form the basis of these.



1.0 – 1.2
CHF billion
revenue

120 – 160
CHF million
EBIT

2028
FINANCIAL
TARGETS

Enormous
automation
potential

90%

PURPOSE &
FIVE CORE
VALUES

Innovation
Quality
Customer Focus
Responsibility
Success

“We are looking at an Eldorado scenario in automation. Through the combination with Schleuniger, we have established a market position from which we will be able to best exploit the opportunities that arise in the coming five years and beyond.”

Matijas Meyer, CEO Komax Group

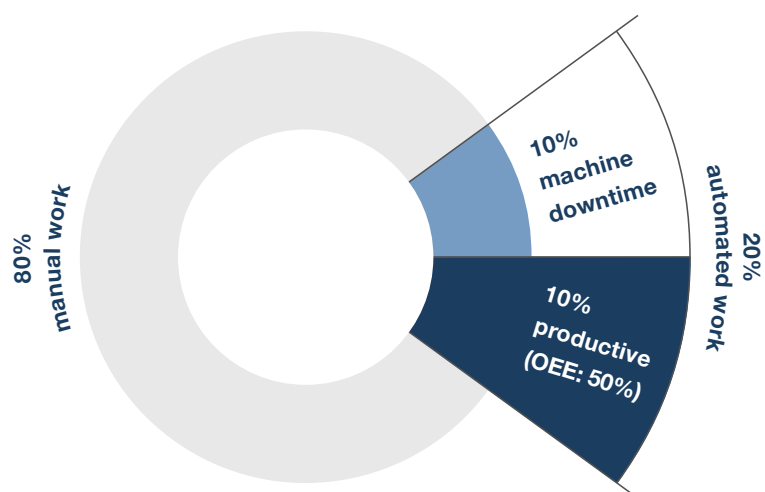
The Komax Group offers its customers cutting-edge technical solutions for automated wire processing in three market segments – Automotive, Aerospace & Railway, and Industrial & Infrastructure – and continuously strives to improve its competitiveness. Above-average profitability and sustainable growth are important objectives in this context. These go hand-in-hand with environmentally conscious, socially aware, and responsible conduct toward all stakeholder groups. In order to achieve its objectives, the Komax Group pursues four market-oriented strategic priorities, which are in turn supported by three strategic initiatives. The Komax Group specializes in innovative solutions for all wire processing applications and for the testing of wire harnesses. The emphasis is on processes such as

measuring, cutting, stripping, crimping, taping wires, and block loading. The Komax Group offers its customers fully automated and semi-automated serial production models as well as customer-specific systems (for all degrees of automation and individualization), which optimize processes while increasing productivity. These are supplemented by an extensive range of quality assurance modules, testing devices, and networking solutions for the reliable and efficient production of wire harnesses. Digital services that increase the availability of installed systems and test their productivity also form part of the range, as does intelligent software. All of this provides ideal conditions for customers of the Komax Group to consolidate and increase their competitive advantage.

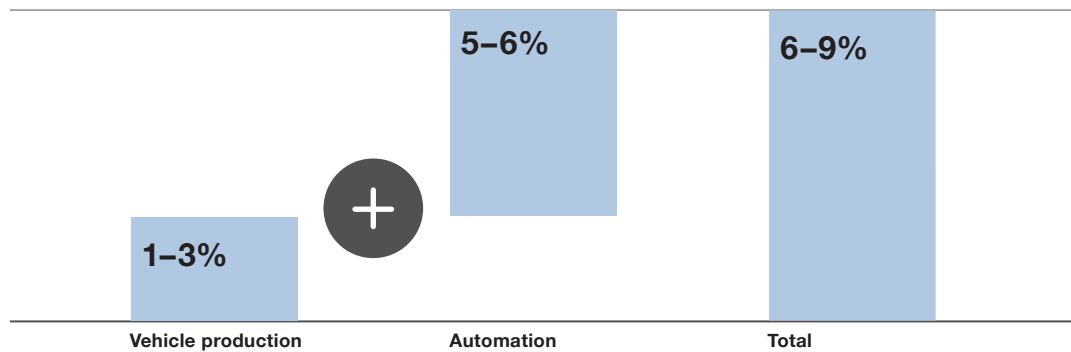
AUTOMATION POTENTIAL IN THE OVERALL MARKET

Automated work vs. manual work

The overall equipment effectiveness (OEE) of customers amounts to just 50%, which provides the Komax Group with a further 10% of automation potential. Thus, the total automation potential in the market is around 90%.



Automation drives the Komax Group's growth



90%
automation
potential

Increasing the degree of automation and overall system effectiveness

The Komax Group has considerable growth potential, as wire processing is currently no more than 20% automated. Manual work, which still accounts for 80% of wire processing, is increasingly losing its commercial viability due to various factors (► pages 18–21). In addition, there is still a significant amount of optimization potential in the work already carried out by machines. Due to time-intensive setup and changeover processes, which are becoming more common due to the persistent decline in batch sizes, the wire processing machines of customers can be inactive for as much as half of the working day. Bearing in mind that their overall equipment effectiveness (OEE) amounts to just 50%, the optimization potential actually works out at 90% rather than just 80%. The Komax Group is keen

to exploit this potential over the longer term, and it is therefore the key driver for the ambitious Strategy 2028.

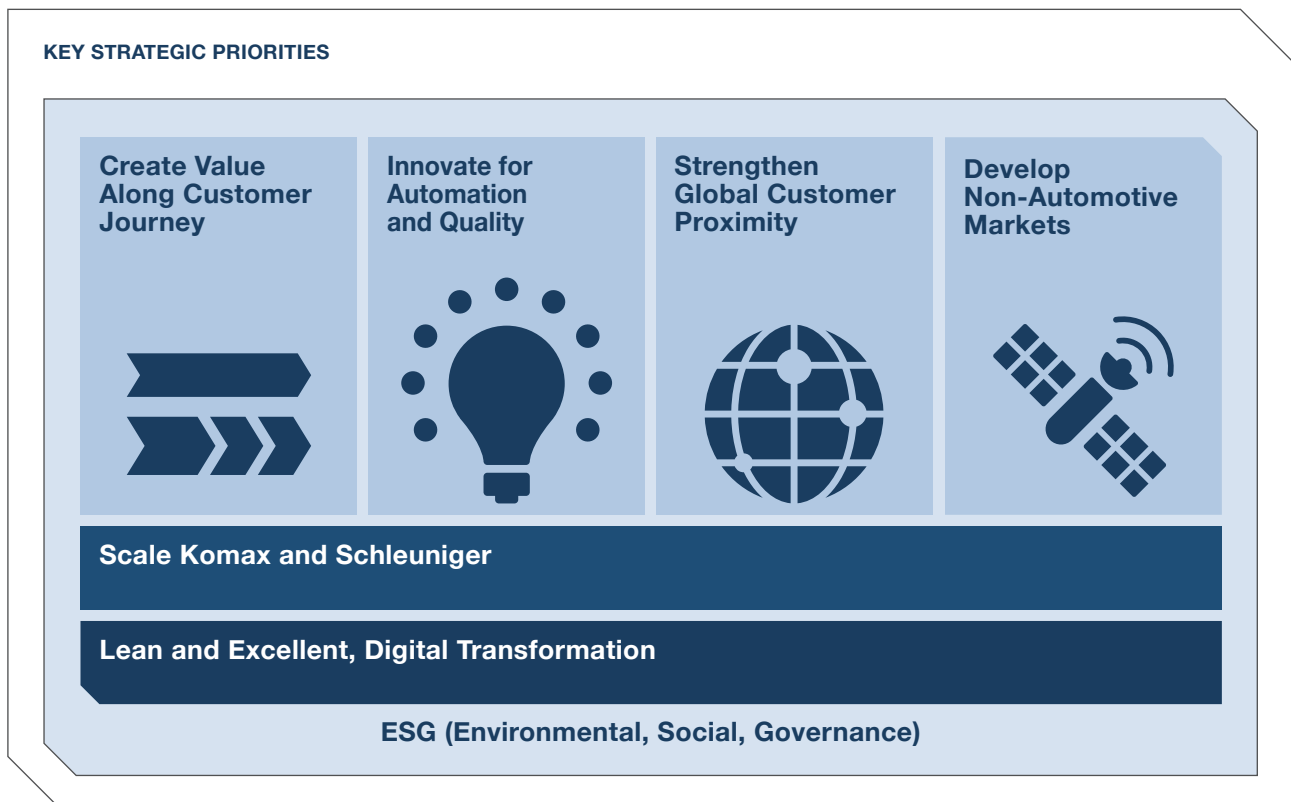
Following the combination with the Schleuniger Group at the end of August 2022, the Komax Group analyzed the new situation in detail. This was necessary, as comprehensive due diligence prior to the combination was impossible due to the competition situation. This analysis formed the starting point for the further development of the existing strategy for the period 2024 to 2028, as well as for the definition of financial targets. In order to achieve its targets, the Komax Group is striving to achieve average annual revenue growth of 6–9%. The trend of automation is the key growth driver, accounting for some 5–6%. The rising number of vehicles manufactured contributes a further 1–3% to growth.

“The Komax Group has the necessary market knowledge, specialist expertise, and resources to successfully implement the defined key strategic priorities. The Board of Directors firmly believes that it has charted the right strategic course for the Komax Group to ensure continued success and the ability to build on its market and technology leadership in the future.”

Beat Kälin, Chairman of the Board of Directors

FOUR KEY STRATEGIC PRIORITIES

In order to achieve its set targets, the Komax Group must grow faster than the market. To this end, the Board of Directors has approved four key strategic priorities for market development: Create Value Along Customer Journey, Innovate for Automation and Quality, Strengthen Global Customer Proximity, and Develop Non-Automotive Markets. In addition, two strategic initiatives address issues that are important to the attainment of profitability targets and the financing of growth: Scale Komax and Schleuniger, and Lean and Excellent, Digital Transformation. The overall picture is complemented by the ESG strategic initiative, which forms a framework for sustainable action by the Komax Group.



Create value along customer journey

The Komax Group is keen to generate value right from the first moment of customer contact. Customer contact starts with the offer phase, encompasses delivery and installation of the machinery, and extends to servicing across the entire life cycles of products. Thanks to many decades of experience and its proximity to its customers (➤ pages 30/31), the Komax Group understands their needs and already offers them a comprehensive range of innovative and reliable automation solutions. The offering covers the most capital-intensive and critical processes of customer value chains – from measuring and cutting wires to the taping process, and finally the testing of the completed wire harness

(➤ page 55). The Komax Group therefore has by far the broadest portfolio of solutions on the market, which means that it can address a whole range of customer needs in a targeted way. The expansion of the service business lies right at the heart of this initiative, as up until now it has been largely limited to the replacement parts business. A key element here is the development of value creation packages – all-encompassing, worry-free packages in which customers receive not just the machinery itself, but also an array of services such as technical support, training, and financing offers (➤ page 33).

8–9%
of revenues
invested in
research and
development

Innovate for automation and quality

The Komax Group is keen to remain innovative, and to achieve and extend a technological edge over its competitors. Here, the focus is on solutions that significantly increase automation while at the same time guaranteeing the utmost quality in all areas of processing. This gives customers the assurance that the quality will be there at the first go if they use Komax machines for their production. But in the event that they have doubts nonetheless, the goal is for them to have full traceability throughout the production process.

The Komax Group invests 8–9% of its revenues in research and development so that it can offer state-of-the-art products and services on an ongoing basis. Together with Schleuniger, the Komax Group therefore possesses a degree of innovative strength that is unique in the market. It uses this to increase the productivity and flexibility of its customers, thereby providing them with additional competitive advantages. The Komax Group will continue to make numerous technological innovations available to its customers, which can often facilitate dramatic efficiency increases in automated wire processing. A good example is the automatic tool changer based on IQC technology in the Alpha 650 crimp-to-crimp machine, which reduces change-over times from around 15 minutes to less than a minute.

Strengthen global customer proximity

The Komax Group has 30 engineering and production sites located in Europe, Asia, North and South America, and Africa. It provides sales and service support in more than 60 countries through its subsidiaries and independent agents, which gives it a unique global presence. The Komax Group has set itself the goal of being close to its customers so that it can provide outstanding service combined with the shortest possible response and supply times. It is therefore determined to expand its global reach in a targeted way – be it through acquisitions, the establishment of new locations, or the expansion of existing sites.

There is a strong focus on Asia, as the Komax Group generates a below-average proportion of revenues in this region given the sheer size of this market, which is the source of more than half of all annual global vehicle production volumes. As a result of a phase of weakness in China,

this region accounted for just 16.6% of Group revenues in the reporting year. The need for automation solutions in Asia is substantial, not least due to the rapid proliferation of e-mobility. This is true not just of China, but also of India and Southeast Asia. The Komax Group possesses the greatest innovative strength in its industry, as well as the resources to harness the opportunities that present themselves in Asia. This also includes the further localization in Asia of products that were originally developed in Switzerland.

Develop non-automotive markets

The Komax Group currently generates some 75% of its revenues with customers active in the automotive industry. Market estimates indicate that some 60% of globally processed wiring is used in automotive manufacturing. This high proportion is explained by the fact that the automotive industry is without equal when it comes to standardization and automation.

However, numerous wires are processed in all sorts of other markets too, which presents considerable automation potential. The Komax Group concentrates most of its efforts on two additional market segments (▶ page 39) that have synergy potential with the core business: Aerospace & Railway and Industrial & Infrastructure. In both segments there is plenty of automation potential that the Komax Group is keen to exploit further in the future. Thanks to its combination with Schleuniger, it has acquired greater opportunities to do just that, by reaching additional customers outside of the automotive industry. Many opportunities can also be found in the industrial and infrastructure area, where the Komax Group offers comprehensive digital solutions for control cabinet builders, for example. As these markets offer attractive longer-term growth potential, the Komax Group is seeking to achieve increasingly greater penetration so that its non-automotive share of revenues can be increased on a step-by-step basis.

25%
revenues with
non-automotive
customers

30
engineering and
production sites
globally

STRATEGIC INITIATIVES

In order to support these four strategic priorities in a targeted way, the Board of Directors has defined three initiatives.

Scale Komax and Schleuniger

Not only does the combination of the Schleuniger Group with the Komax Group generate growth, it also opens up numerous opportunities to design structures and processes more efficiently. The focus is on the targeted exploitation of the respective strengths of Komax and Schleuniger in order to make the best possible use of the potential arising from the combination.

The Komax Group has integrated all companies of the Schleuniger Group into its existing business unit structure, and has restructured its organization to some extent in order to be ideally positioned to implement Strategy 2028. This will enable the Komax Group to further develop over the coming years by ensuring the best of both worlds. Among other things, this includes the further optimization and adjustment of both the distribution and service network and the product portfolio, as well as the exploitation of countless newly acquired cross-selling opportunities thanks to the much larger customer base.

Lean and Excellent, Digital Transformation

As the corporate goals of the Komax Group are geared around both longevity and sustainability, streamlined organizational and process structures are needed, as well as the determination to improve these continuously. The efficient design of the entire value chain can reduce the use of valuable resources such as materials, energy, innovative output, and time. As the commercial

environment of the Komax Group is subject to continuous change, it must adjust to this development and deliver the corresponding improvements on an ongoing basis. A key element in increasing efficiency in this area is digital transformation. The Komax Group is currently in the process of building up a digital twin of its value chain – from procurement to assembly, delivery, and service. The transparency that results will enable further improvement potential to be identified and the reaction speed of the Komax Group in the market to be increased. The ongoing optimization of proprietary processes and supply chains as well as internal and external digitalization are therefore key factors in safeguarding high profitability and financing growth going forward.

Environmental, Social, Governance (ESG)

ESG – environmentally sustainable business practices along with socially oriented and responsible corporate governance – forms the framework for the Komax Group's strategy. This should become even more tangible and visible in the future with the implementation of the newly developed ESG strategy and the fulfillment of various non-financial targets. More on this can be found in the ESG report, in which the Komax Group discloses comprehensive key figures on consumption levels, emissions, and social issues in accordance with the international GRI standard (► pages 60–101).

MID-TERM TARGETS

The Komax Group wants to increase its value on an ongoing basis through profitable growth. It has therefore set itself ambitious targets for growth and profitability by 2028.

1.0–1.2

revenues 2028 in CHF billion

120–160

EBIT 2028 in CHF million

By 2028, the Komax Group aims to be generating revenues of CHF 1.0–1.2 billion. The extent to which the lower end of this bandwidth can be exceeded will primarily depend on any acquisition activities, which will be focused on Asia and the optimization of the distribution and service network. With targeted annual average revenue growth of 6–9%, the Komax Group will be able to at least maintain its market share and possibly expand it further.

The Komax Group has a broad portfolio of innovative solutions. In addition, the combination with Schleuniger and the optimizations of corporate processes (either planned or already implemented) will facilitate additional efficiency increases. Rising revenue figures and an advantageous product mix will enable the Komax Group to deliver disproportionately high increa-

ses in profitability. It is therefore seeking to achieve EBIT of CHF 120–160 million for the 2028 fiscal year. Thanks to a business strategy that is geared toward long-term success, the Komax Group creates sustainable value that will benefit investors too.

Financial stability

Safeguarding financial stability is a further key strategic element for the long-term success of the Komax Group. It is distinguished by its robust equity base and strong profitability. The equity ratio amounts to 55.1% while the debt factor (net debt divided by average EBITDA) stands at 1.00. This solid foundation enables the Komax Group to systematically pursue opportunities to develop further, and offers security in challenging times.

Komax Group key figures

in CHF million	2023 ¹	2022
Revenues	752.0	606.3
EBIT	67.8	71.7
Payout ratio (in % of EAT)	35.1	54.5

¹ Excluding one-time effects (revenues: CHF +10.9 million; EBIT: CHF +5.0 million).