

PIONEER AND TECH NOLOGY LEADER

Half-Year Report
2021

komax

2046

Headcount as at 30.06.2021
(30.06.2020: 2135 employees)

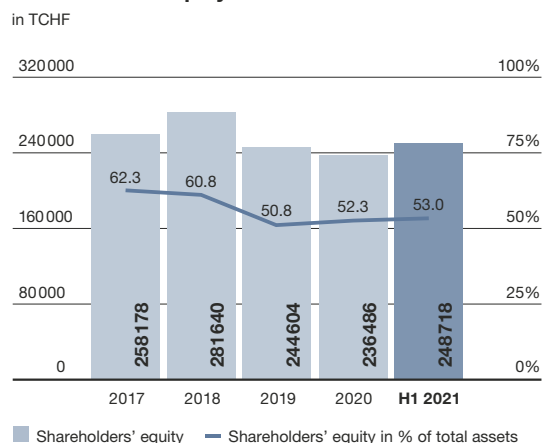
1.25

Book-to-bill ratio
(First half 2020: 0.99)

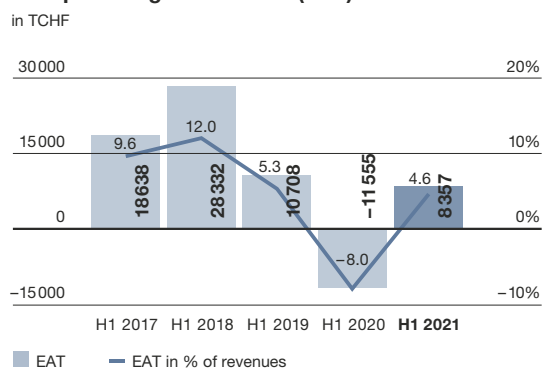
2.17

Basic earnings per share in CHF
(First half 2020: -3.00)

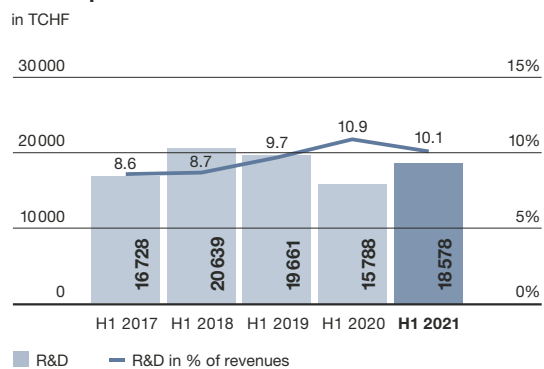
Shareholders' equity



Group earnings after taxes (EAT)



R&D expenditure



HALF-YEAR REPORT

Komax Group: Business
in the first half of 2021

05

Consolidated
income statement

06

Consolidated
balance sheet

07

Consolidated statement
of shareholders' equity

08

Consolidated
cash flow statement

09

Notes

10

Financial calendar

14

DEAR SHAREHOLDER

After a muted start to the year, the market situation for the Komax Group improved continuously as the first half progressed, resulting in an order intake of CHF 229.1 million. Compared with the previous year, when the closure of many automotive plants for several weeks weighed heavily on the result, the order intake rose by 59.3% (first half of 2020: CHF 143.8 million). Compared with the first half of 2019 (CHF 206.7 million), a more meaningful benchmark, the increase amounted to 10.8%. As significantly more orders were received in the second quarter than in the first three months of the year, many machines had yet to be delivered by the end of the second quarter, and were therefore not booked as revenue. Revenues rose by 26.2% to CHF 183.3 million (first half of 2020: CHF 145.2 million), attributable to organic growth (27.0%) and negative foreign currency effects (-0.8%). The book-to-bill ratio came in at a high 1.25. As forecast at the start of the year, revenues were some 10% lower than in the first six months of 2019 (CHF 203.3 million).

The recovery has been broad-based, with all regions reporting a sharp rise in revenues in the first half of 2021. Compared with the first half of 2020, Asia saw the strongest increase (+32.4%), but high growth rates were also recorded in Europe (+27.2%), North/South America (+22.8%), and Africa (+19.6%).

Positive EBIT development

In terms of the product mix, there was a slight improvement over the course of the first six months, although the important volume business (crimp-to-crimp machines) remained well below pre-crisis levels. Nonetheless, thanks to the comprehensive cost-cutting measures implemented in 2020, Komax was able to record an operating result (EBIT) of CHF 14.1 million (first half of 2020: CHF -4.7 million) and an EBIT margin of 7.7% (first half of 2020: -3.2%). Accordingly, despite a product mix that proved less favorable and revenues that were lower by around CHF 20 million, EBIT was down only around CHF 2 million on the first half of 2019 (CHF 16.4 million).

Group earnings after taxes (EAT) increased to CHF 8.4 million (first half of 2020: CHF -11.6 million, first half of 2019: CHF 10.7 million). This was also facilitated by the financial result, which improved to CHF -2.9 million (first half of 2020: CHF -4.7 million, first half of 2019: CHF -2.2 million) on the back of the better currency situation and lower interest costs.

In order to retain its technological leadership, Komax invested CHF 18.6 million in research and development (first

half of 2020: CHF 15.8 million, first half of 2019: CHF 19.7 million), which equates to 10.1% of revenues.

Further reduction of net debt

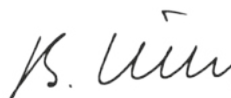
Komax continues to have a solid financial base. As at 30 June 2021, shareholders' equity totaled CHF 248.7 million (31 December 2020: CHF 236.5 million), while the equity ratio stood at 53.0% (31 December 2020: 52.3%). Free cash flow amounted to CHF 8.8 million (first half of 2020: CHF -2.4 million). Komax succeeded in reducing net debt by CHF 8.0 million in the first half of 2021, to CHF 84.4 million. The company has reduced its net debt by CHF 21.8 million since the end of 2019, and is benefiting from a lower interest burden as a result.

Change to the Executive Committee

Following 14 years at the Komax Group, of which the last three have been as a member of the Executive Committee, Marcus Setterberg has decided to leave Komax at the end of 2021 to take on a new challenge. He is responsible for the test systems business, which Komax operates under the TSK brand. The search for a successor has been initiated. The Board of Directors and the 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%).



Dr. Beat Kälin
Chairman of the
Board of Directors



Matijas Meyer
CEO

16 August 2021

Consolidated income statement

in TCHF	First half 2021	%	First half 2020	%
Net sales	180 378		143 934	
Other operating income	2 918		1 311	
Revenues	183 296	100.0	145 245	100.0
Change in inventory of unfinished and finished goods	15 166		6 944	
Cost of materials	-80 112		-60 170	
Gross profit	118 350	64.6	92 019	63.4
Personnel expenses	-76 522		-67 965	
Depreciation on property, plant, and equipment	-5 770		-5 344	
Depreciation on intangible assets	-1 978		-2 052	
Other operating expenses	-19 978		-21 345	
Operating result (EBIT)	14 102	7.7	-4 687	-3.2
Financial result	-2 934		-4 711	
Group earnings before taxes (EBT)	11 168	6.1	-9 398	-6.5
Income taxes	-2 811		-2 157	
Group earnings after taxes (EAT)	8 357	4.6	-11 555	-8.0
Of which attributable to:				
- Shareholders of Komax Holding AG	8 357		-11 555	
- Non-controlling interest	0		0	
Basic earnings per share (in CHF)	2.17		-3.00	
Diluted earnings per share (in CHF)	2.17		-3.00	

Consolidated balance sheet

in TCHF	30.06.2021	%	31.12.2020	%
Assets				
Cash and cash equivalents	49 758		51 836	
Securities	14		13	
Trade receivables	87 569		86 314	
Other receivables	21 122		19 836	
Inventories	107 947		89 284	
Accrued income and prepaid expenses	6 110		5 936	
Total current assets	272 520	58.1	253 219	56.0
Property, plant, and equipment	171 517		172 980	
Intangible assets	14 583		14 936	
Deferred tax assets	10 040		10 109	
Other non-current receivables	739		845	
Total non-current assets	196 879	41.9	198 870	44.0
Total assets	469 399	100.0	452 089	100.0
Liabilities				
Current financial liabilities	7 215		7 106	
Trade payables	19 564		14 410	
Other payables	36 099		31 890	
Current provisions	2 055		2 705	
Accrued expenses and deferred income	22 891		16 638	
Total current liabilities	87 824	18.7	72 749	16.1
Non-current financial liabilities	126 985		137 169	
Other non-current liabilities	1 173		1 106	
Deferred tax liabilities	4 699		4 579	
Total non-current liabilities	132 857	28.3	142 854	31.6
Total liabilities	220 681	47.0	215 603	47.7
Share capital	385		385	
Capital surplus	22 113		22 113	
Treasury shares	-1 888		-1 106	
Retained earnings	228 108		215 094	
Equity attributable to shareholders of Komax Holding AG	248 718	53.0	236 486	52.3
Total liabilities and shareholders' equity	469 399	100.0	452 089	100.0

Consolidated statement of shareholders' equity

in TCHF	Share capital	Premium	Treasury shares	Goodwill offset	Currency differences	Other retained earnings	Total retained earnings	Shareholders' equity of Komax Holding AG
Balance as at 1 January 2020	385	22 113	-1 656	-90 619	-9 786	324 167	223 762	244 604
Group earnings after taxes						-11 555	-11 555	-11 555
Purchase of treasury shares			-275				0	-275
Share-based payments			1 090			-891	-891	199
Currency translation differences recorded in the reporting period					-5 824		-5 824	-5 824
Balance as at 30 June 2020	385	22 113	-841	-90 619	-15 610	311 721	205 492	227 149
Balance as at 1 January 2021	385	22 113	-1 106	-90 619	-17 036	322 749	215 094	236 486
Group earnings after taxes						8 357	8 357	8 357
Purchase of treasury shares			-1 499				0	-1 499
Share-based payments			717			208	208	925
Currency translation differences recorded in the reporting period					4 449		4 449	4 449
Balance as at 30 June 2021	385	22 113	-1 888	-90 619	-12 587	331 314	228 108	248 718

Consolidated cash flow statement

in TCHF	First half 2021	First half 2020
Cash flow from operating activities		
Group earnings after taxes	8 357	-11 555
Adjustment for non-cash items		
- Taxes	2 811	2 157
- Depreciation and impairment of property, plant, and equipment	5 770	5 344
- Depreciation and impairment of intangible assets	1 978	2 052
- Profit (-) / loss (+) from sale of non-current assets	-38	-34
- Expense for share-based payments	925	199
- Net financial result	2 934	4 711
Interest received and other financial income	467	151
Interest paid and other financial expenses	-3 579	-2 728
Taxes paid	-1 598	-595
Increase (+) / decrease (-) in provisions	-683	-803
Increase (-) / decrease (+) in trade receivables	1 097	30 070
Increase (-) / decrease (+) in inventories	-16 638	-3 642
Increase (+) / decrease (-) in trade payables	5 019	-7 189
Increase (-) / decrease (+) in other net current assets	7 408	-2 868
Total cash flow from operating activities	14 230	15 270
Cash flow from investing activities		
Investments in property, plant, and equipment	-3 421	-15 187
Sale of property, plant, and equipment	420	91
Investments in intangible assets	-1 559	-1 588
Sale of intangible assets	19	8
Investments in Group companies and participations ¹	-930	-990
Total cash flow from investing activities	-5 471	-17 666
Free cash flow ²	8 759	-2 396
Cash flow from financing activities		
Decrease in current financial liabilities	-22	-10 003
Decrease in non-current financial liabilities	-10 658	-465
Increase in non-current financial liabilities	0	13 000
Purchase of treasury shares	-1 499	-275
Total cash flow from financing activities	-12 179	2 257
Effect of currency translations on cash and cash equivalents	1 342	-1 243
Increase (+) / decrease (-) in funds	-2 078	-1 382
Cash and cash equivalents at 1 January	51 836	47 454
Cash and cash equivalents at 30 June	49 758	46 072

¹ Less cash and cash equivalents acquired.

² No Swiss GAAP FER defined key figure, see condensed note 1.

Condensed notes to the consolidated financial statements

1 Corporate accounting policies

The present consolidated financial statements comprise the unaudited consolidated half-year financial statements of Komax Holding AG, which is domiciled in Switzerland, and its subsidiaries for the reporting period ended 30 June 2021.

The consolidated half-year and full-year financial statements have been drawn up in accordance with the existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations). Furthermore, the provisions of the Swiss company law have been complied with.

The consolidated half-year financial statements have been drawn up in accordance with Swiss GAAP FER 31 “Complementary Recommendation for Listed Companies”. As the consolidated half-year financial statements do not contain all the information set out in the consolidated annual financial statements, they should be read in conjunction with the consolidated financial statements as at 31 December 2020.

Preparation of the consolidated half-year financial statements requires the Board of Directors and Group Management to make estimates and assumptions that have an effect on the stated income, expenses, assets and liabilities, as well as the disclosure of contingent liabilities. If, at a later point in time, the estimates and assumptions made by management in good faith at the time of the interim financial statements are found to differ from actual conditions, the original estimates and assumptions are revised accordingly in the reporting period in which conditions changed. In the consolidated half-year financial statements, management has not made any new assumptions or estimates compared with the consolidated financial statements as at 31 December 2020.

The Komax Group operates in business sectors where sales are not subject to any material seasonal or cyclical fluctuations over the course of the financial year.

Income taxes are calculated based on the best estimate of the expected weighted average tax rate for the financial year as a whole.

By stating its free cash flow in the cash flow statement, the Komax Group is reporting an item that is not in conformity with Swiss GAAP FER, but is nonetheless a key figure for Komax, as well as being widely used and recognized in the financial sector. This key figure is an amalgamation of cash flow from operating activities and cash flow from investing activities. In the income statement, Komax discloses the revenues as an additional subtotal that is not defined under Swiss GAAP FER. This subtotal includes beside the net sales as well the other operating income and is being used for the calculation of important key figures. As gross profit is an important key figure for Komax, the corresponding interim total is reported separately in the income statement. Gross profit comprises revenues (net sales and other operating income) minus the cost of materials and changes in inventory of unfinished and finished goods.

2 Scope of consolidation

The consolidated half-year financial statements include the separate financial statements of Komax Holding AG, Dierikon, Switzerland, and all subsidiaries where Komax Holding AG directly or indirectly holds more than 50% of the voting power or otherwise exercises control over the entity's financial and operating policies. These companies are fully consolidated. Associated companies in which the Komax Group holds at least 20% of votes, but in which it has a stake of less than 50% or on which it exerts a key influence in other ways, are recognized by the equity method.

In order to streamline structures, mergers were completed in France and the United States effective 1 January 2021. In France, Komax France Sàrl. and Laselec SA were merged to form the new company Komax Laselec SA. The two US subsidiaries Komax Corporation and Artos Engineering Company were merged into the Komax Corporation by means of an absorption merger.

In the first half of 2021, there were no changes in the scope of consolidation. All subsidiaries are listed on pages 116 and 117 of the 2020 Annual Report.

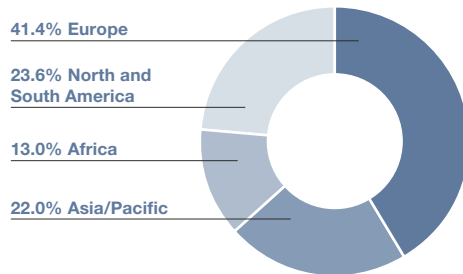
3 Notes to the consolidated financial statements

Below, we provide a number of supplementary notes to the information already set out in the Shareholders' letter.

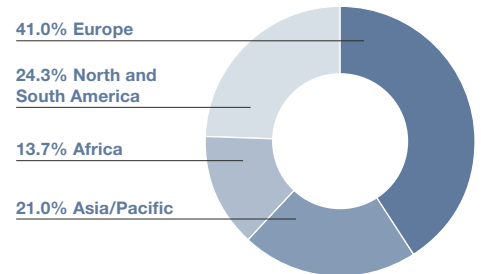
3.1 Income statement

The percentage breakdown of revenues by region is as follows:

First half 2021



First half 2020



For further notes on revenue development and profitability, we refer you again to the Shareholders' letter.

Due to the negative effects of the coronavirus pandemic, various measures were taken to reduce costs. Some of these measures were still in place in the first half of 2021. In addition, during the current reporting period the Komax Group received government support of CHF 3.6 million (previous year: CHF 11.3 million), mainly in form of compensation for short-time working.

The tax rate for the first half of 2021 is 25.2% (previous year: -23.0%). The negative tax rate from the previous year can be explained, that some of the Komax Group companies reported a positive earnings before taxes (EBT) for the first half of 2020 and have formed tax provisions accordingly. Since Komax does not capitalize tax-loss carry forwards for companies reporting a loss, the Komax Group stated tax expenses of CHF -2.2 million despite the negative Group earnings before taxes (EBT).

3.2 Balance sheet

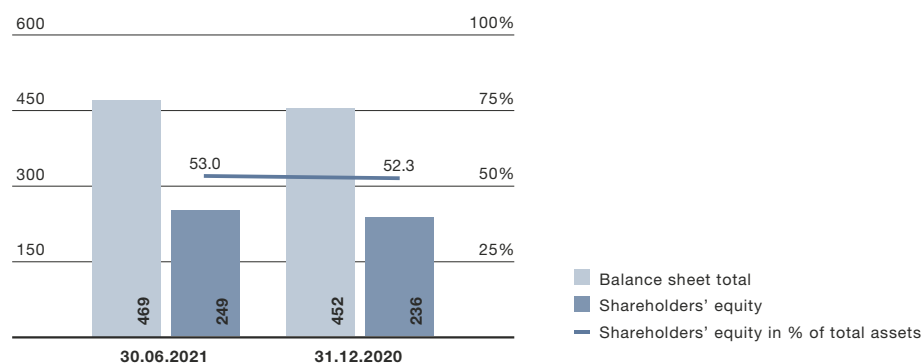
Total assets increased by CHF 17.3 million to CHF 469.4 million in comparison to 31 December 2020. The inventory value increased by CHF 18.7 million due to the improved economic situation. In current liabilities, the increase in volumes combined with the positive development of business in the first half of 2021 also resulted in an increase in trade payables and other payables, as well as in accrued expenses and deferred income. Non-current financial liabilities were reduced by CHF 10.2 million.

Due to the changed market environment, the covenant for the syndicated loan was adjusted from 30 June 2020 to 30 June 2021. During this period, EBITDA was regarded as the binding financial indicator and not the gearing factor as before. As of 30 June 2021, the gearing factor is at 1.79 and therefore significantly below the maximum gearing factor of 3.25, which will be binding again.

The equity ratio increased from 52.3% as at 31 December 2020 to 53.0% as at 30 June 2021.

Shareholders' equity

in CHF million



3.3 Statement of shareholders' equity

Shareholders' equity increased by CHF 12.2 million in comparison to 31 December 2020. The Group earnings after taxes increased equity by CHF 8.4 million (previous year: decrease CHF 11.6 million). With a view to foresighted liquidity planning, the decision was taken in the current financial year, as in 2020, not to pay a dividend or a distribution from capital contribution reserves. The impact of currency translation differences was strongly positive at CHF 4.4 million (previous year: CHF -5.8 million), as various exchange rates were higher on the balance sheet date than on 31 December 2020.

3.4 Cash flow statement

Despite positive Group earnings after taxes, cash flow from operating activities declined to CHF 14.2 million (previous year: CHF 15.3 million) and was impacted negatively by the CHF 16.6 million increase in inventories. After investments in property, plant, and equipment and Group companies (last payment of acquisition of Artos Engineering Company in 2019), free cash flow was positive at CHF 8.8 million (previous year: CHF -2.4 million). The impact of currency translation differences on cash and cash equivalents was positive at CHF 1.3 million (previous year: CHF -1.2 million). As at 30 June 2021, cash and cash equivalents amounted to CHF 49.8 million, a decline of CHF 2.1 million on the figure recorded as at 31 December 2020.

4 Segment information

The Komax Group is a global technology company that focuses on markets in the automation sector. As a manufacturer of innovative and high-quality solutions for the wire processing industry, Komax helps its customers implement economical and safe manufacturing processes, especially in the automotive supply sector. All Group companies are active in wire processing, have a uniform client base, and are centrally managed. The Board of Directors and the Group Executive Committee, which make the key strategic and operating decisions, manage the Komax Group primarily on the basis of the financial statements of the individual companies, the Management Information System, and the consolidated financial statements. Due to the commercial similarity and interconnections of the Group companies, Komax presents its business in amalgamated form as a single segment, in accordance with Swiss GAAP FER 31.

5 Acquisitions

The Komax Group did not make any acquisitions in the first half of 2021 or the first half of 2020.

6 Exchange rates

The most important half-year and average exchange rates for Komax were as follows:

Currency	Rate on 30.06.2021	Average rate in first half 2021	Rate on 30.06.2020	Average rate in first half 2020
USD	0.930	0.910	0.960	0.980
EUR	1.110	1.100	1.080	1.080
CNY	0.144	0.141	0.136	0.140

7 Events after the balance sheet date

No significant events occurred between the balance sheet date and the approval of the consolidated financial statements by the Board of Directors on 16 August 2021 which might adversely affect the information content of the 2021 half-year financial statements or which would require disclosure.

8 Information for shareholders

Komax Holding AG registered shares are listed on SIX Swiss Exchange. Security no.: 1070215; Bloomberg: KOMN SW; Thomson Reuters: KOMN.S

	30.06.2021	31.12.2020
Share capital (in TCHF)	385	385
No. of shares (in units)	3 850 000	3 850 000
Market capitalization as at reference date (in TCHF)	899 360	678 755
Closing price as at reference date (in CHF)	233.60	176.30

Komax Holding AG

Investor Relations/Corporate Communications

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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

Forward-looking statements

The Half-Year Report 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.

This Half-Year Report is available in English and German. The original German version is binding.

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