

DEAR SHAREHOLDER

The Komax Group is looking back on an extremely challenging year. Customers invested less due to excess capacities and geopolitical uncertainties, which led to a significant decline in order intake, revenues, and operating profit. The Komax Group reacted early on, with rigorous cost reductions and structural optimizations that will have a lasting impact. The long-term trend toward automation shows no signs of abating. With streamlined structures and a lower cost base, the Komax Group is well positioned to drive further progress in automation and grow profitably.

Although inflation continued to decline in the key economic regions in 2024, customers' willingness to invest remained low overall, which was primarily attributable to existing excess capacity in Europe, geopolitical uncertainties in a number of regions, and the challenging situation facing European automotive manufacturers. After orders bottomed out in the first half of the year (down 22.1% compared with the previous year), the Komax Group recorded more orders in each of the last six months of 2024 than in the best month of the first half. For the year as a whole, the order intake amounted to CHF 577.2 million, down 15.9% year on year (2023: CHF 686.5 million).

Growth in revenues in non-automotive market segments

Due to a lower level of orders – in volume business in Europe in particular, but also in Asia and in the United States – solid order books of CHF 208.0 million at the end of 2023 declined to CHF 177.1 million over the course of 2024. Revenues were down 16.2% at CHF 630.5 million (2023: CHF 752.0 million). The decline in organic terms worked out at 16.6%, whereas acquisition-related growth was positive at 2.3%. The foreign currency impact amounted to –1.8%. The book-to-bill ratio was 0.9, reaching 1.0 in the second half of the year.

Due to the aforementioned challenges, orders and revenues declined in the Automotive market segment. This contrasted with an increase in the other two market segments, Industrial & Infrastructure and Aerospace & Railway. Consequently, the non-automotive market segments' share of revenues rose from 25% to approximately 35% in 2024.

Regional revenue development

Revenue development presented a very mixed picture across the regions. In particular, the weakness in the European automotive industry led to a drop of 30.0% in revenues compared to 2023. In the Asia/Pacific region, revenues remained stable year on year overall, despite sizeable differences at the regional level. For instance, growth was extremely strong in India. North/South America recorded slight revenue growth of 1.7% overall, with growth higher in South America than in North America. In Africa, revenues recorded a clear drop of 29.4%.

Strengthened market position in China

An area of focus in the year under review was the strengthening of the market position in China, which was achieved inter alia with the acquisition of a majority stake (56%) in Hosver and a 5% stake in E-Plus. While Hosver is the leading manufacturer of machines for processing high-voltage cables for e-vehicles, E-Plus develops and distributes the most widely used manufacturing execution system (MES) in China for the production of wire harnesses. The localization of additional products for the Chinese market made further headway and production was transferred from the Komax site in Shanghai to the Schleuniger site in Tianjin in order to pool capacities and know-how.

Optimization of structures in production and distribution

The Komax Group reacted early to the challenging market situation, initiating numerous structural and product portfolio optimizations as well as cost reductions in 2024, while at the same time driving forward the integration of Schleuniger. As part of this, the streamlining of the distribution and service network, which involved acquisitions in the Czech Republic and Romania and a stake in a distribution partner in Benelux among other things, was practically completed, and there was a clear reduction in distribution

channels from 80 to 50. The client base in each country now has one point of contact for all Komax Group products.

The year under review saw the closure of the German production sites in Jettingen and Sömmerda. In Bulgaria, the Komax Testing Bulgaria site was discontinued. Further structural optimizations are being implemented and are expected to be completed in 2025. These include discontinuation of production at three further German sites (Porta Westfalica, Radevormwald, and Wiedensahl) as well as at the site in Tokyo, Japan. In Switzerland, the Komax Group will focus its activities at the sites in Dierikon and Thun. To this end, the Rotkreuz site transferred to the headquarters in Dierikon in 2024, with the Cham site following in early 2025.

Gross profit margin at 63.1%

The rigorous implementation of cost-reduction measures led to savings of around CHF 20 million in the year under review. This enabled the Komax Group to achieve positive operating profit (EBIT) of CHF 16.0 million (2023: CHF 67.8 million) despite the significant decline in the high-margin volume business and the impact of one-time effects. This corresponds to an EBIT margin of 2.5% (2023: 9.0%). The gross profit margin was high at 63.1%. Group earnings after taxes (EAT) were slightly negative at CHF -2.9 million (2023: CHF 43.8 million).

The EBIT figure includes one-off expenses of CHF 11.5 million that are predominantly connected with ongoing structure and portfolio optimizations. Excluding these expenses, the EBIT margin would have amounted to 4.4%. Additional optimizations will be implemented in 2025, for which one-off expenses of around CHF 7 million are expected. Of the cost savings of CHF 20 million achieved in 2024, around half are long-term savings that will take full effect from 2026.

High free cash flow

The Komax Group's financial basis remained stable in 2024. As at 31 December 2024, shareholders' equity totaled CHF 356.6 million (31 December 2023: CHF 390.6 million), with an equity ratio of 51.7% (2023: 55.1%). Free cash flow amounted to CHF 16.1 million (2023: CHF 51.7 million). Despite the Komax Group acquiring a majority stake in Hosver, a stake in E-Plus and other smaller companies, and distributing a

dividend, net debt increased only slightly from CHF 92.9 million (2023) to CHF 97.6 million. A key contributory factor here was the reduction in net working capital of CHF 48.4 million, or 17%.

Changes to the Board of Directors

Beat Kälin has decided to step down as Chairman of the Board of Directors at the upcoming Annual General Meeting. He will, however, continue to serve on the Board as a member. The Board of Directors is proposing Andreas Häberli, member of the Board since 2017, as the new Chairman. In addition, after serving on the Board of Directors for twelve years, Roland Siegwart will not be standing for re-election due to term-of-office limitations. The Board of Directors and the Executive Committee wish to thank him most sincerely for his commitment over the years. The Board is proposing to the Annual General Meeting that Daniel Lippuner be elected as a new member of the Board of Directors. Daniel Lippuner is a business economist with over 25 years' experience in leadership roles with companies such as the Hilti Group, OC Oerlikon, and Rieter Automotive (now Autoneum).

Dividend policy and growth strategy

The Komax Group pursues a result-oriented dividend policy. In light of the negative Group earnings after taxes, the Board of Directors is proposing to the Annual General Meeting of 16 April 2025 that the distribution of a dividend be waived. With this proposal, the Komax Group is safeguarding the entrepreneurial scope necessary for achieving its ambitious growth targets. The aim is to achieve revenues of CHF 1.0–1.2 billion by 2030, with EBIT of CHF 120–160 million. For this to be possible, targeted investments and acquisitions will be needed, along with further optimizations.

Outlook

The long-term trend towards automation shows no signs of abating, and continues to offer attractive growth opportunities for the Komax Group. Currently, however, economic and geopolitical uncertainties are affecting our customers' investment behavior, resulting in high volatility in terms of order intake. In view of this situation, we are refraining from issuing a forecast for the 2025 financial year at this time. The Komax Group has an excellent market position and reinforced it in the year under review with a number of measures. We are confident that our solid financial structure and high degree of innovation constitute a robust foundation for future profitable growth.

The Board of Directors and Executive Committee wish to thank you, our shareholders, and our customers for the trust placed in the Komax Group. Our thanks also go to all our employees, who – with their considerable commitment and flexibility in a very challenging environment – made the results we are presenting in this Annual Report possible.

Yours sincerely,



Dr. Beat Kälin
Chairman of the
Board of Directors



Matijas Meyer
CEO