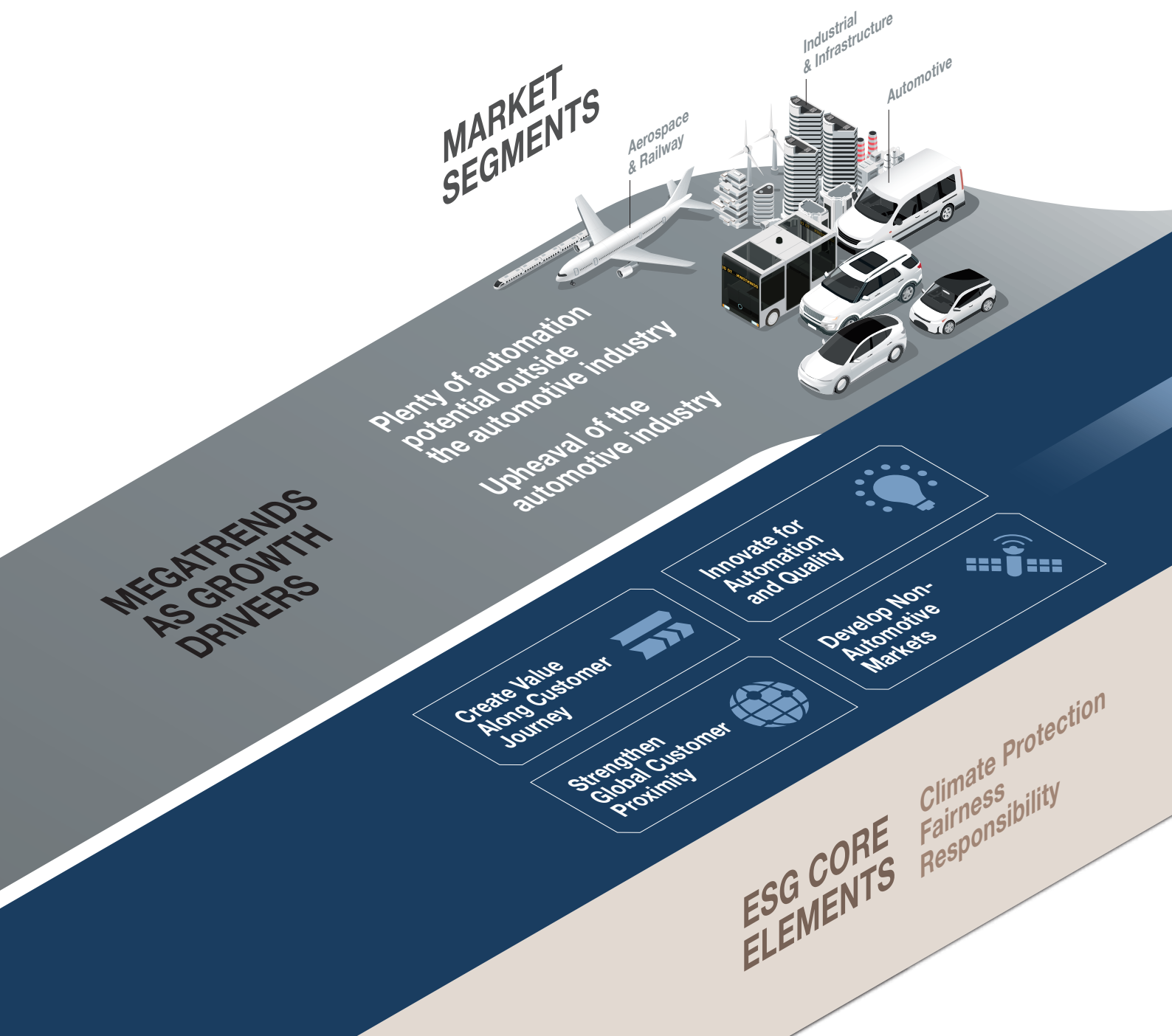


STRATEGY

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 key strategic priorities. The corporate purpose, core values, and ESG approach form the basis of these.



1.0 – 1.2
CHF billion
revenues

120 – 160
CHF million
EBIT

2030
FINANCIAL
TARGETS

*Enormous
automation
potential*

**PURPOSE &
FIVE CORE
VALUES**

*Innovation
Quality
Customer Focus
Responsibility
Success*

“The Komax Group is confident that it will emerge strengthened from the current phase of weakness. It has the necessary market knowledge, specialist expertise, and resources to successfully implement the key strategic priorities it has defined. The trend toward greater automation is very much intact, and the Board of Directors firmly believes the Komax Group can expand its market and technological leadership further.”

Beat Kälin, Chairman of the Board of Directors

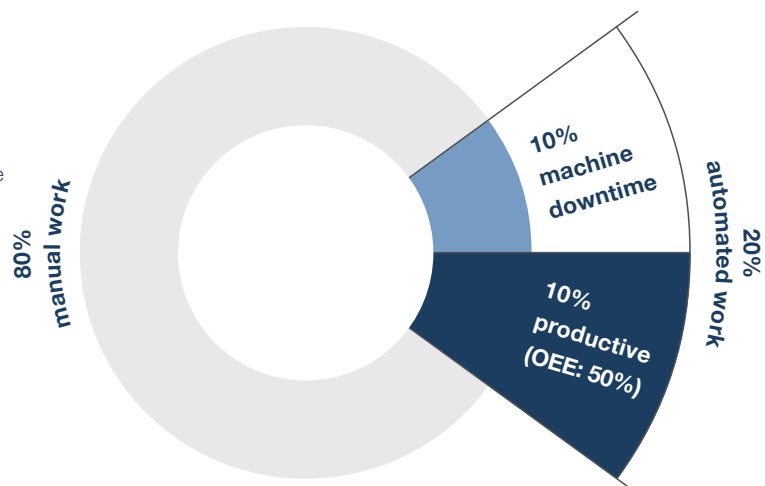
The Komax Group offers its customers cutting-edge technical solutions for automated wire processing in three market segments – Automotive, Aerospace & Railway, and Industrial & Infrastructure – and continuously strives to improve its competitiveness. Above-average profitability and sustainable growth 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 various strategic initiatives. The company 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

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%.



90%
automation potential

customers of the Komax Group to consolidate and increase their competitive advantage further.

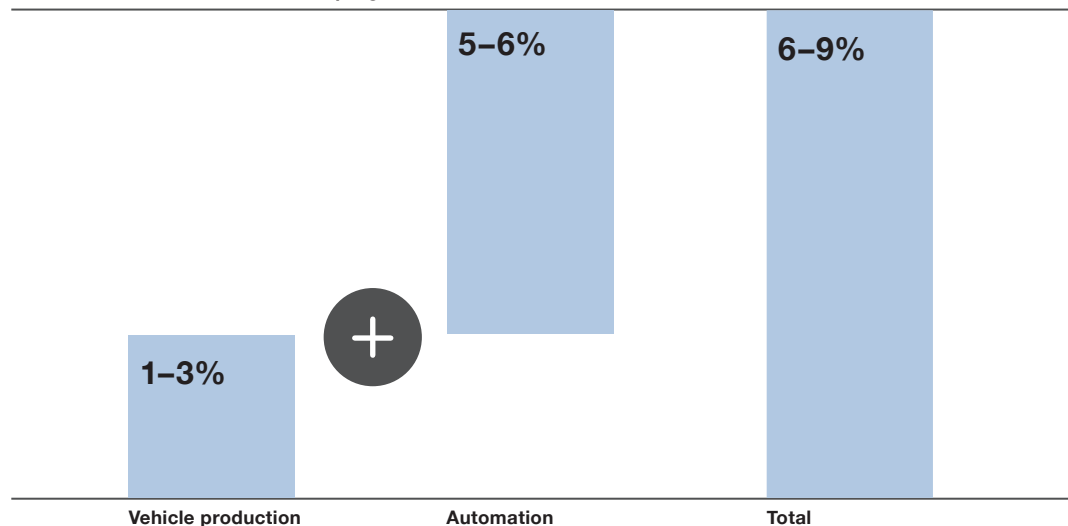
Increasing the degree of automation and overall equipment effectiveness

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 change-over 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.

In order to meet the targets set for 2030, the Komax Group is seeking to achieve average annual revenue growth of 6–9%. The key driver of this growth, accounting for 5–6%, is the trend toward automation. The number of vehicles

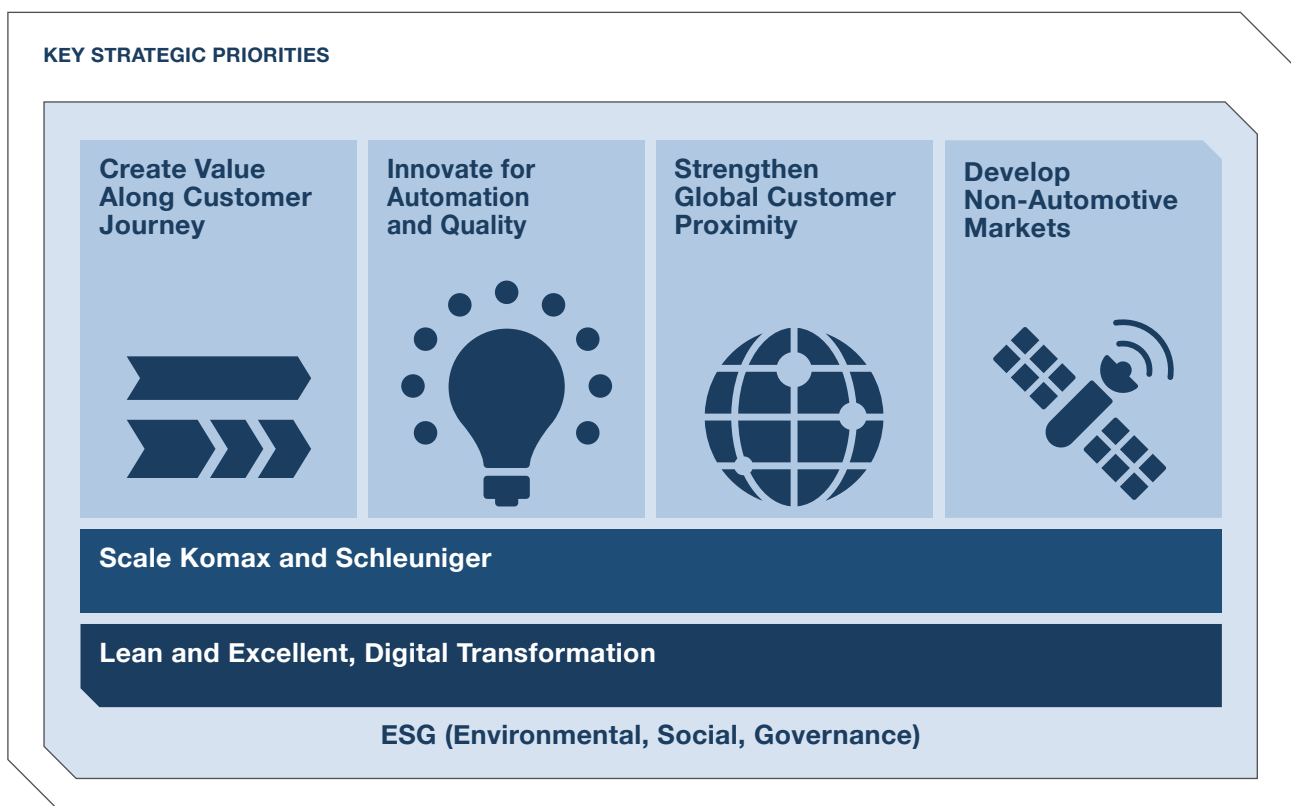
manufactured, which is set to grow over the medium term, will contribute a further 1–3% to growth. Growth is not expected to develop in a linear way over the coming years. Given that it is below average due to the current weak phase in the automotive industry, it is expected to be above 6–9% in the subsequent years of recovery (➤ page 42).

Automation drives the Komax Group's growth



FOUR KEY STRATEGIC PRIORITIES

In order to achieve its set targets, the Board of Directors of the Komax Group 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, 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 34–39), 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 through to the taping process, and

finally the testing of the completed wire harness (► page 59). 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 from 20% to 25% of revenues lies right at the heart of this initiative, as up until now it has been largely limited to the replacement parts business. For this reason, the service concepts were revised in the reporting year and customer management was improved with digital solutions (► page 37). A significant increase in the number of concluded service agreements was already achieved in the 2024 financial year.

8–9%
of revenues
invested in research
and development

Innovate for Automation and Quality

The Komax Group strives to maintain 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 right from the first go if they use Komax machines for their production. But if 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. It thus possesses a degree of innovative strength that is unique in the market, and it uses this to increase the productivity and flexibility of its customers, thereby providing them with additional competitive advantages. The pipeline is well filled, and over the coming years the Komax Group will continue to provide its customers with numerous technological innovations that will facilitate considerable efficiency increases in automated wire processing.

A good example is the Lambda 5 series – a modular machine for the fully automatic processing of wires that is capable of processing twice as many wires as the previous generation in the same timeframe and with similar space requirements, using significantly less energy. Moreover, with its platform strategy the Komax Group is continuously enhancing the existing installed machinery base of its customers with multifaceted solutions.

Strengthen Global Customer Proximity

The Komax Group has 28 engineering and production sites located in Europe, Asia, North 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 that was strengthened further in 2024. 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 (20%) in the Asia/Pacific region given

the sheer size of this market, which is the source of more than half of all annual global vehicle production volumes. 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. Among other things, in the reporting year these enabled it to take a majority stake in Hosver, the leading manufacturer of machinery for the processing of high-voltage cables in China, along with a 5% stake in MES specialist E-Plus. In other regions too, however, the Komax Group has significantly increased its customer proximity through digital solutions and structural optimizations (► pages 29 and 37).

Develop Non-Automotive Markets

The Komax Group generates around 25% of revenues from customers who are not active in the automotive industry, and intends to increase this share to 30% by 2030. The high proportion of revenues generated in the Automotive market segment (75%) is explained by the fact that, according to market estimates, some 60% of globally processed wiring is used in automotive manufacturing, and the automotive industry is without equal when it comes to standardization and automation. 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 that have synergy potential with the core business: Aerospace & Railway and Industrial & Infrastructure (► pages 40/41). In both segments there is plenty of automation potential that the Komax Group is keen to exploit further in the future. In the industrial and infrastructure area, for example, there are comprehensive digital solutions for control cabinet builders. In the aerospace market, the Komax Group offers automated solutions for the entire value chain of aircraft manufacturers (► pages 48/49). As these markets offer attractive longer-term growth potential, the Komax Group is seeking to achieve ever greater penetration so that its non-automotive share of revenues can be gradually increased. Although the non-automotive share of revenues actually rose to around 35% in the 2024 reporting year, this was primarily attributable to the weakness of the automotive industry.

25%
revenues from
non-automotive
customers

28
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 various initiatives.

Scale Komax and Schleuniger

Not only does the combination of Schleuniger 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 to make the best possible use of the potential arising from the combination.

As part of this strategic initiative, comprehensive progress was made in 2024 in the form of consistent cost and structural adjustments. Among other things, the distribution network in Europe was further optimized for customers, with the number of distribution channels being reduced from 81 to around 50 (► page 34). In addition, various companies and locations were either closed, merged, or sold.

In Switzerland, the Komax Group concentrates its activities in the two sites of Dierikon and Thun. Production operations in Rotkreuz were transferred to the headquarters in Dierikon at the end of 2024. The production site in Cham will follow suit in the first quarter of 2025. This concentration of sites not only reduces costs, including on the logistical side, but also shrinks the company's environmental footprint in Switzerland.

In Germany, the Schleuniger Messtechnik site in Sömmerda was closed, as was the branch of Schleuniger GmbH in Jettingen. In Sömmerda, quality tools were developed and produced. Following the combination of Komax and Schleuniger, these products were being manufactured at two sites in Germany and one in Singapore. In the future, the Komax Group will focus on just two locations in this area – one in Europe and one in Asia. The test automation solutions produced in Jettingen will no longer be offered going forward. The adaptronic site in Wiedensahl, which has up until now been used for the production of hand and special adapters for automotive applications, will be closed in the first half of 2025. As these are niche solutions that do not belong to the core business of the Komax Group, they are being discontinued.

Furthermore, production at the Quality Solutions site in Yambol, Bulgaria, was shut down, with the second Turkish location in Ergene/

Tekirdağ being expanded into a production site in order to meet the increasing local need for testing solutions in Türkiye. Komax Testing Bulgaria will continue to exist as a company and focus on the development of software and algorithms for digital solutions at the existing site in Sofia. The production of testing solutions will also be discontinued at the Porta Westfalica site in Germany over the course of 2025.

In Asia, the Komax Group transferred the production and engineering operations of Komax in Shanghai to the existing Schleuniger site in Tianjin, with Shanghai being continued as a company for distribution and service, as well as testing solutions. This will decisively strengthen the production site in Tianjin for the Chinese and wider Asian markets. There are likewise changes in Japan. The product portfolio in the wire stripper area will be streamlined in keeping with a "best of" strategy to reduce complexity and costs here, too (► page 35). This will mean the discontinuation by mid-2025 of the benchtop machines of the Mira type produced in Japan. Going forward, the remaining activities of Komax Japan will be grouped together at the Schleuniger site in Inagi near Tokyo.

In North and South America, the Komax Group currently has a strong market position, which is why there were no significant organizational changes here in the reporting year.

Thanks to these advances in respect of scaling and structural adjustment, the Komax Group was already able to leverage significant optimization potential in the reporting year, which will lead to a lasting cost reduction of around CHF 10 million. Optimizations will be ongoing with a view to equipping the Komax Group for future challenges and attaining its ambitious financial targets.

Lean and Excellent, Digital Transformation

As the corporate goals of the Komax Group are geared toward 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. A key element in

STRUCTURAL OPTIMIZATIONS IN EUROPE

Switzerland

Relocation of Schleuniger's Cham site to Komax headquarters in Dierikon and discontinuation of production

Relocation of Komax's Rotkreuz site to Komax headquarters in Dierikon

Europe

Discontinuation of production at Schleuniger's Radevormwald site, Germany

Discontinuation of production at Komax Testing Germany in Porta Westfalica, Germany

Closure of adaptronic site in Wiedensahl, Germany

Closure of Schleuniger site in Jettingen, Germany

Closure of Schleuniger Messtechnik site, Germany

Transfer of production from Komax Testing Bulgaria to Komax Testing Türkiye

Sale of Artos France, France

Takeover of distribution partner Seno Property, Czech Republic

Asset deal with distribution partner Seno, Romania

Minority stake (3%) in distribution partner Smans in Benelux

STRENGTHENING OF MARKET POSITION IN ASIA/CHINA

China

Localization of twister machines for Asian markets at Tianjin site

Combination of Komax and Schleuniger sites in Shanghai

Transfer of production from Komax Shanghai to Schleuniger Tianjin

Takeover of majority (56%) in Hosver, Suzhou

Minority stake (5%) in E-Plus, Changchun

Focus on distribution, service, and testing products at Komax's Shanghai site

Japan

Discontinuation of production at Komax site in Tokyo

Combination of Komax and Schleuniger sites in Tokyo

- Production
- Production with implementation to be completed in the 2025 financial year
- Sales and service network

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 aim is to establish comprehensive digital solutions for internal processes of the Komax Group, for interfaces to the customer, and for the SMART FACTORY by KOMAX offering. This should enable the quality of processes, products, and services to be improved, while at the same time facilitating lasting improvements in cost efficiency and accelerating the Komax Group's speed of response to market developments. Driving factors here in 2024 included improved digital customer management, the digitalization of engineering data, and the introduction of a global HR management tool (▶ page 81). The ongoing optimization of the Komax Group's own processes and supply chains along with internal and external digitalization are key factors in the attainment of the desired level of profitability and efficiency.

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. Sustainability is a fundamental principle at the Komax Group, and one that has been actively put into practice for many decades. This should become even more tangible and visible in the future with the implementation of the ESG strategy and the fulfillment of 13 non-financial targets. The Komax Group is well on track to achieve its ESG targets. More on this can be found in the ESG Report produced in accordance with the international GRI standards, in which the Komax Group discloses comprehensive information and key figures on ecological performance, on risks and opportunities (including a TCFD report), and on social and governance issues (▶ pages 64–118).

“We reacted early in responding to the challenges, initiating numerous structural and product portfolio optimizations, as well as cost reductions, while at the same time driving forward the integration of Schleuniger in a targeted way. We intend to achieve the financial targets set by 2030.”

Matijas Meyer, CEO Komax Group

MID-TERM TARGETS PUSHED BACK BY TWO YEARS TO 2030

The Komax Group wants to increase its value on an ongoing basis through profitable growth. In 2023, it therefore set itself ambitious targets for growth and profitability to be achieved by 2028. Due to the very challenging market situation in the reporting year, and as the Board of Directors is not expecting any significant improvement over the next few months, in September 2024 it pushed back the mid-term targets by two years to 2030 – without any change in the envisaged key targets themselves.

1.0–1.2

revenues 2030 in CHF billion

120–160

EBIT 2030 in CHF million

By 2030, the Komax Group aims to be generating revenues of CHF 1.0–1.2 billion. With targeted annual average growth in revenues of 6–9%, the Komax Group expects to at least maintain or possibly slightly expand its market share. Significant progress was made in the attainment of these targets in the 2024 reporting year. As set out in the “Scale Komax and Schleuniger” section, the numerous initiated measures – many of which have already been implemented – are leading to efficiency improvements, as well as sustainable cost savings.

Rising revenues figures over the medium term and an advantageous product mix will enable the Komax Group to deliver disproportionately high increases in profitability. It is seeking to achieve EBIT of CHF 120–160 million for 2030.

The Komax Group continues to look at an Eldorado scenario in automation in its markets.

Through the combination with Schleuniger in 2022, the acquisitions implemented in the two years thereafter, and the structural and cost optimizations, it is ideally equipped to best exploit the opportunities that arise over the coming years.

Financial stability

Safeguarding financial stability is a key strategic element for the long-term success of the Komax Group. It is distinguished by its robust equity base and financial room for maneuver. Numerous measures were implemented in the reporting year to sustainably increase the profitability of the Komax Group (► page 28). The equity ratio amounts to 51.7%, while the debt factor (net debt divided by rolling EBITDA) stands at 2.67. This solid foundation enables the Komax Group to systematically pursue opportunities to develop further, and offers security in challenging times.

Komax Group results

in CHF million	2024	2023 ¹
Revenues	630.5	752.0
EBIT	16.0	67.8
Payout ratio (in % of EAT)	0.0	35.1

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