Alternative Performance Measures (APM)

The Annual Report, the Half-Year Report, and other communications to investors and analysts contain alternative performance measures (APMs) that are used by management to evaluate the Group's financial performance. These measures are not defined by Swiss GAAP FER, the accounting standard applied by Komax. APMs may be derived from income statement, balance sheet, or cash flow information. Management considers these measures to provide valuable additional insight into the Group's operating and financial performance. As definitions may vary, comparable measures disclosed by other companies may differ.

This document has been prepared in conformity with the Directive on the Use of Alternative Performance Measures issued by SIX Exchange Regulation Ltd.

Order intake
A new order is recognized as an order intake only when the contract creates enforceable obligations between the Komax Group and its customer. When this condition is met, the order is recognized at the contract value.

Book-to-bill
The book-to-bill is the ratio of order intake to revenues.

Order backlog
The order backlog represents the amount of booked orders not yet delivered/invoiced at a closing date. The order backlog can be reconciled as follows:

- order backlog at the beginning of the year;
- plus order intake during the reporting period;
- less cancellations of orders recorded;
- less revenues recognized during the reporting period;
- plus/minus FX impact.

Organic growth
Organic growth represents revenues by excluding the impacts of acquisition and divestment of business as well as the impact of foreign currency effects.

Revenues from an acquired business are excluded for the 12 months following the business combination. Revenues from a divested business are removed from comparatives (previous year) for the 12 months prior to the divestment.

The effects of changes in foreign currency exchange rates are calculated as the difference between the current year revenues converted into Swiss Francs at the current year's average exchange rates and the current year's revenues converted at the prior year's average exchange rates.

Revenues
Revenues include net sales and other operating income.

Gross profit
Gross profit is an interim total and is reported separately in the income statement. Gross profit comprises revenues (net sales and other operating income) minus the changes in inventory of unfinished and finished goods and cost of materials.

Free cash flow
Free cash flow is an amalgamation of total cash flow from operating activities and total cash flow from investing activities.

Net cash / net debt
Net cash (+) / net debt (−) is calculated as total cash and cash equivalents less total current financial liabilities and total non-current financial liabilities.

Debt factor
Debt factor is calculated by net debt divided by the rolling 12 months EBITDA.

Adjusted EBIT
Adjusted EBIT corresponds to operating profit (EBIT) reported in accordance with Swiss GAAP FER, adjusted for significant one-time effects. This measure is used by management to assess the underlying operating performance of the Komax Group and to improve comparability between reporting periods.