

RESULTS 2022

komax

14 March 2023

2022 in brief

Historic year – result strongly influenced by three factors

- Combination of Komax and Schleuniger
- War in Ukraine
- Trend towards higher degree of automation

Record figures for order intake and revenues

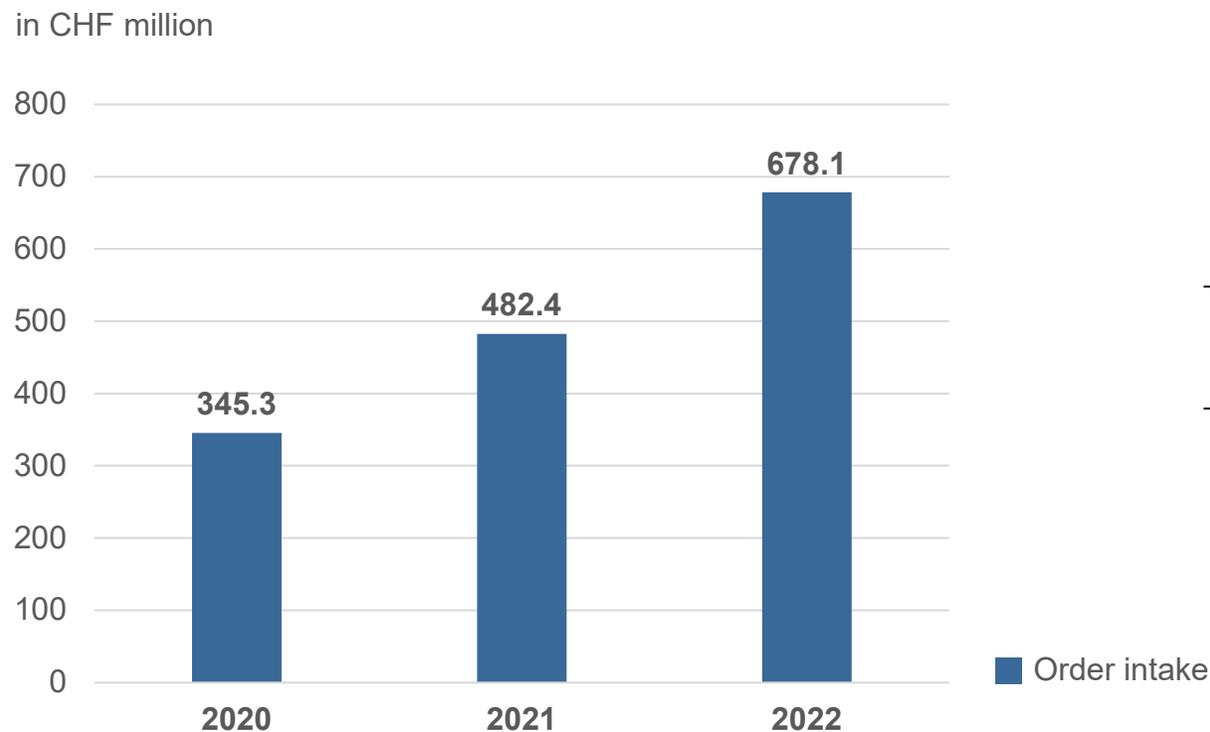
- Medium-term targets for 2023 already achieved in the reporting year
- High order backlog at year-end

Difficult supply chain situation

- Challenges coped with very well overall
- Some supply delays
- Signs of an improvement emerging

Record order intake

High demand thanks to automation trend and war in Ukraine

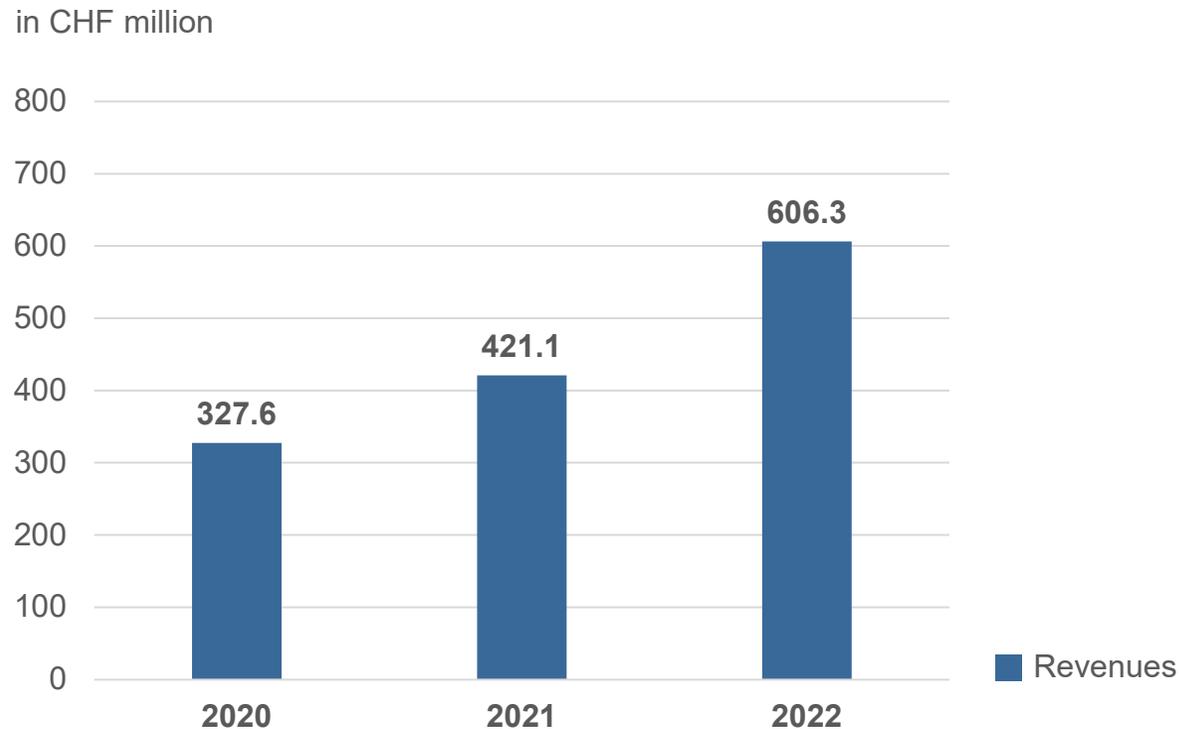


- Order intake up 40.6%
 - Komax contribution: CHF 599.7 million
 - Schleuniger contribution*: CHF 78.4 million
 - Even excluding Schleuniger, order intake was more than CHF 100 million higher than in record year of 2018 (CHF 496.7 million)
- War in Ukraine responsible for numerous extraordinary orders in first half of year
- Rising demand for automation solutions in all market segments

* from September 2022

Record revenues in difficult environment

High organic and acquisition-based growth



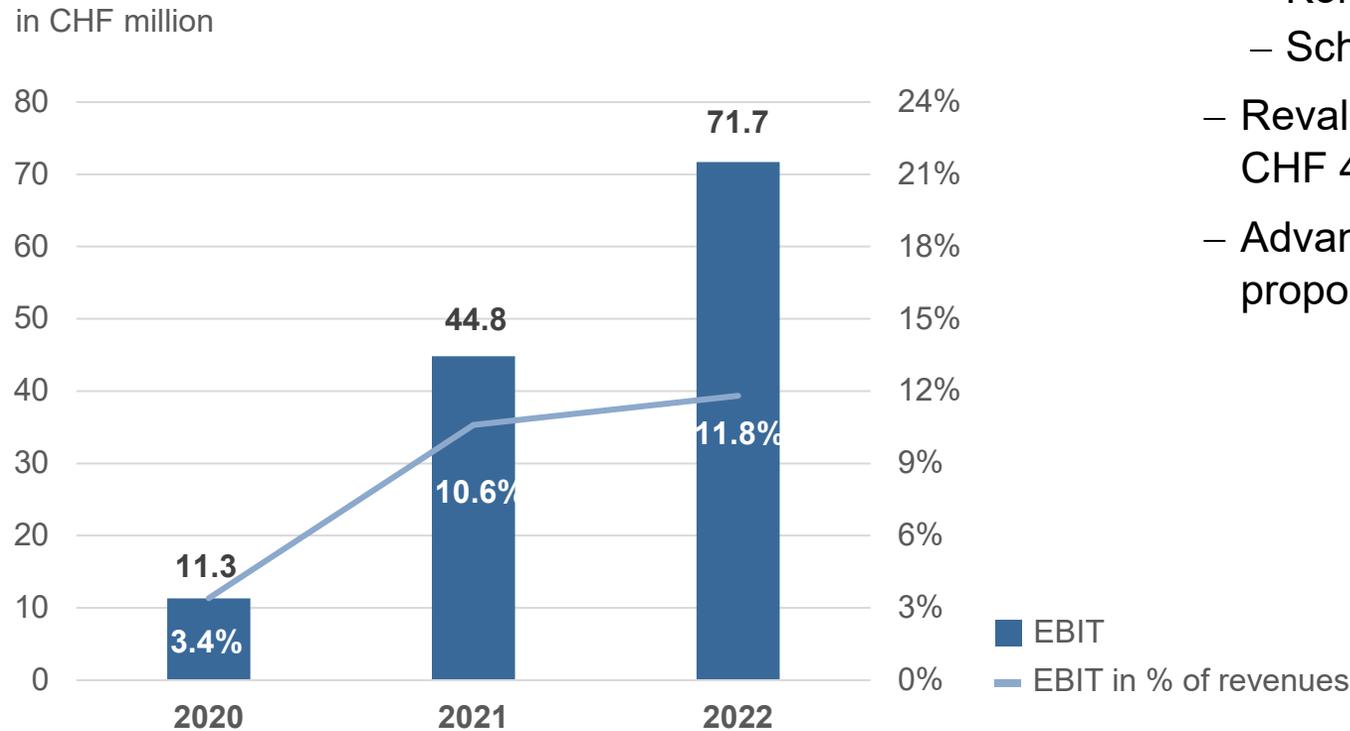
- Revenues up 44.0%
 - Komax contribution: CHF 522.2 million
 - Schleuniger contribution*: CHF 84.1 million
- Factors behind development of revenues
 - Organic growth: 26.7%
 - Acquisition-based growth: 20.1%
 - Foreign currency impact: –2.8%
- Challenging supply chain situation was coped with very well, but there were some delays
- Book-to-bill ratio: 1.12 (2021: 1.15)

* from September 2022

EBIT surpasses CHF 70 million for first time



Higher revenues and product mix boost profitability



- EBIT up 60.1%
 - Komax contribution: CHF 66.7 million
 - Schleuniger contribution*: CHF 5.0 million
- Revaluation reduced Schleuniger EBIT by CHF 4.0 million (step-up)
- Advantageous product mix thanks to high proportion of volume business

* from September 2022

Mid-term targets for 2023 already achieved



REVENUES

CHF 522.2 million*

CHF

450–550

million

- Primarily organic growth
- Increase in number of vehicles produced from 2021
- Increase in level of automation (CAGR: 2–3%)

EBIT

CHF 66.7 million*

CHF

50–80

million

- EBIT dependent on product mix
- EBIT strongly influenced by volume business (crimp-to-crimp)

PAYOUT

54.5%

50–60%

of EAT

- Shareholders benefiting from sustained generation of value
- Attractive dividend policy
- Dividend dependent on business performance; no minimum dividend

* without Schleuniger

AGENDA

- 1 Financial performance**
- 2 Priority areas and outlook 2023
- 3 Questions

Combination Komax and Schleuniger

Milestones

9.2.2022

Announcement of intention to carry out quasi-merger of Komax and Schleuniger

13.4.2022

AGM: approval for capital increase (creation of 1,283,333 shares)

27.7.2022

Communication of granted clearance from relevant competition authorities

30.8.2022

Closing of quasi-merger

Review and approval of transaction by relevant competition authorities

Combination Komax and Schleuniger

Financial aspects

30.8.2022

Closing of quasi-merger

Value of the shares issued
1,283,333 * CHF 254.50 (share price) =
CHF 326.6 million

Acquired net assets
CHF 159.2 million

Goodwill
CHF 199.5 million

31.12.2022

Key figures

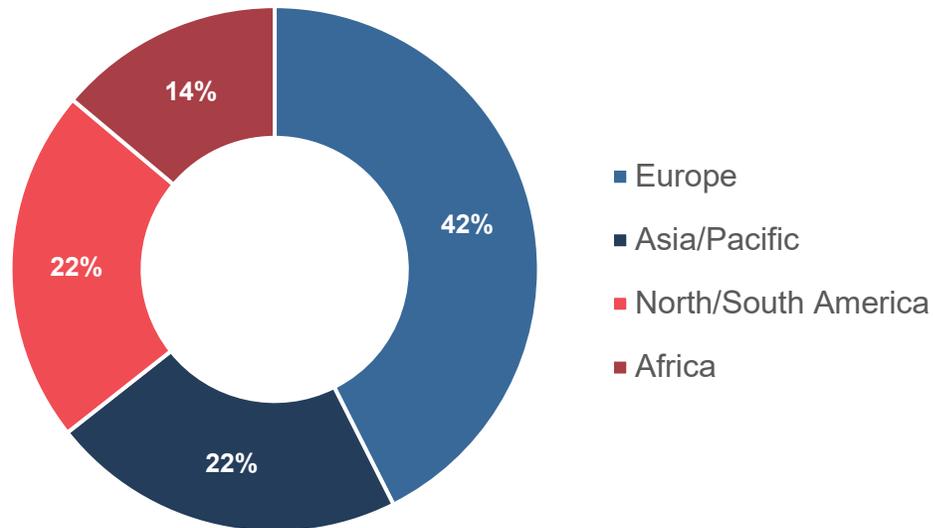
Revenues of Schleuniger
CHF 84.1 million

EBIT of Schleuniger
CHF 5.0 million (reported EBIT)
+ CHF 4.0 million (step-up)
= **CHF 9.0 million (EBIT margin: 10.7%)**

Equity ratio of Komax Gruppe
31.12.2021: 51.4%
31.12.2022: 53.2%

Substantial revenue growth in all regions

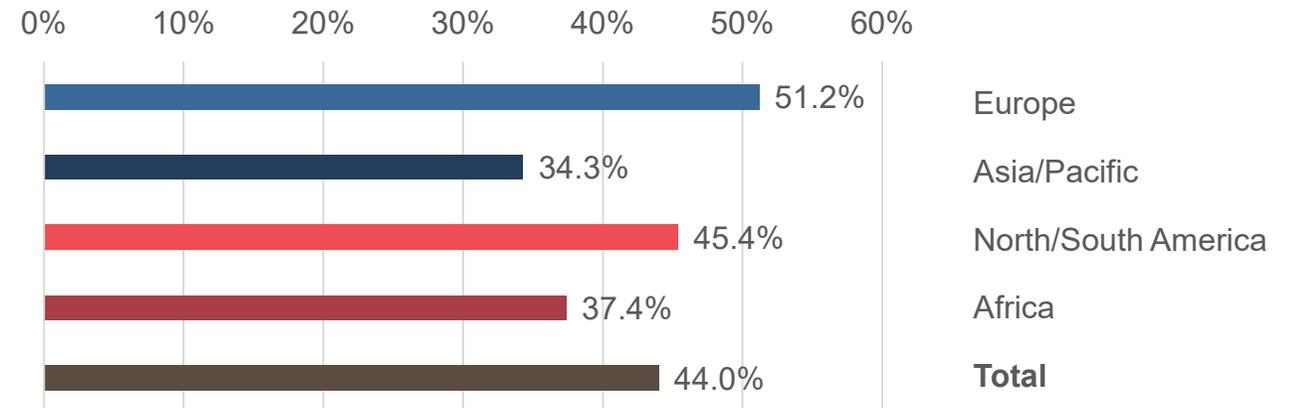
Revenues by region 2022



Revenues by region 2021

- Europe 40%
- Asia/Pacific 24%
- North/South America 22%
- Africa 14%

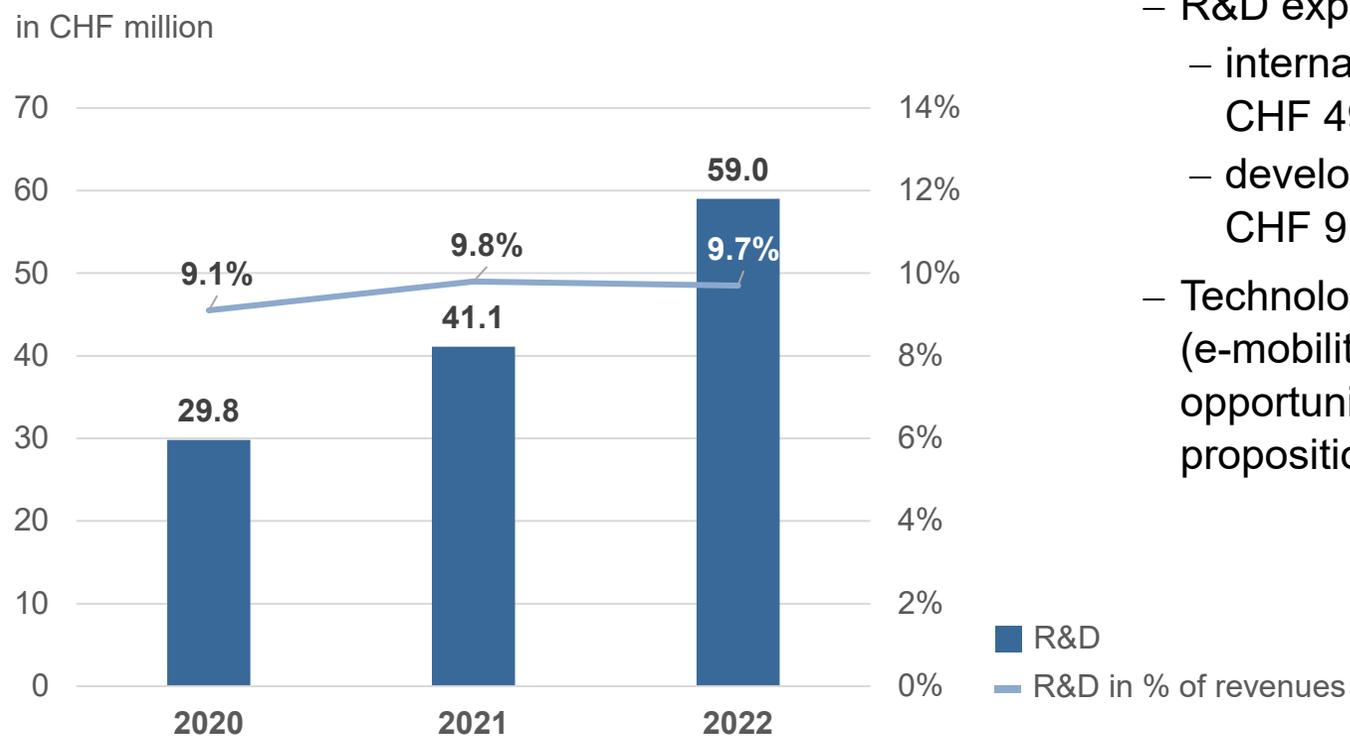
Change from previous year



- Trend towards higher automation in all regions
- Combination with Schleuniger and war in Ukraine triggered significant revenue growth

Investments in the future

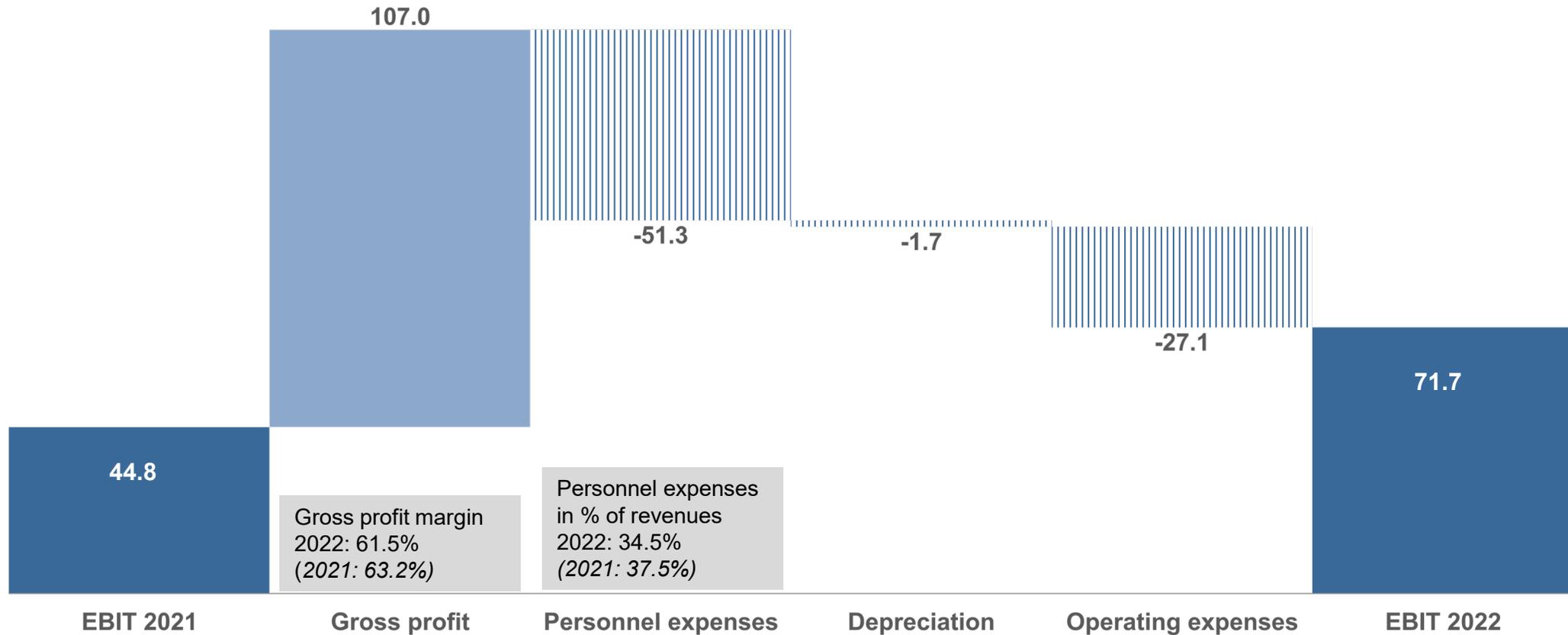
Ability to innovate significantly strengthened by combination with Schleuniger



- Planned annual R&D spending: 8–9%
- R&D expenditure consist of
 - internal development services of CHF 49.5 million (2021: CHF 36.9 million)
 - development services of third parties of CHF 9.5 million (2021: CHF 4.2 million)
- Technological shift in automotive industry (e-mobility, autonomous driving, etc.) creating opportunities for further unique selling propositions

EBIT increases by CHF 26.9 million

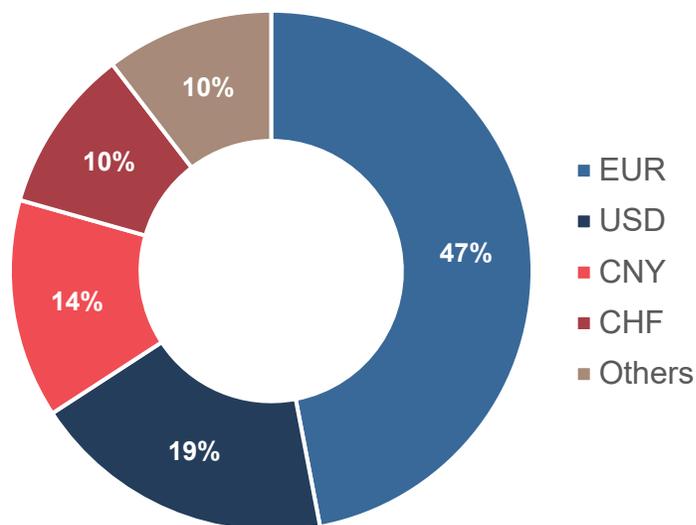
in CHF million



Negative currency effect

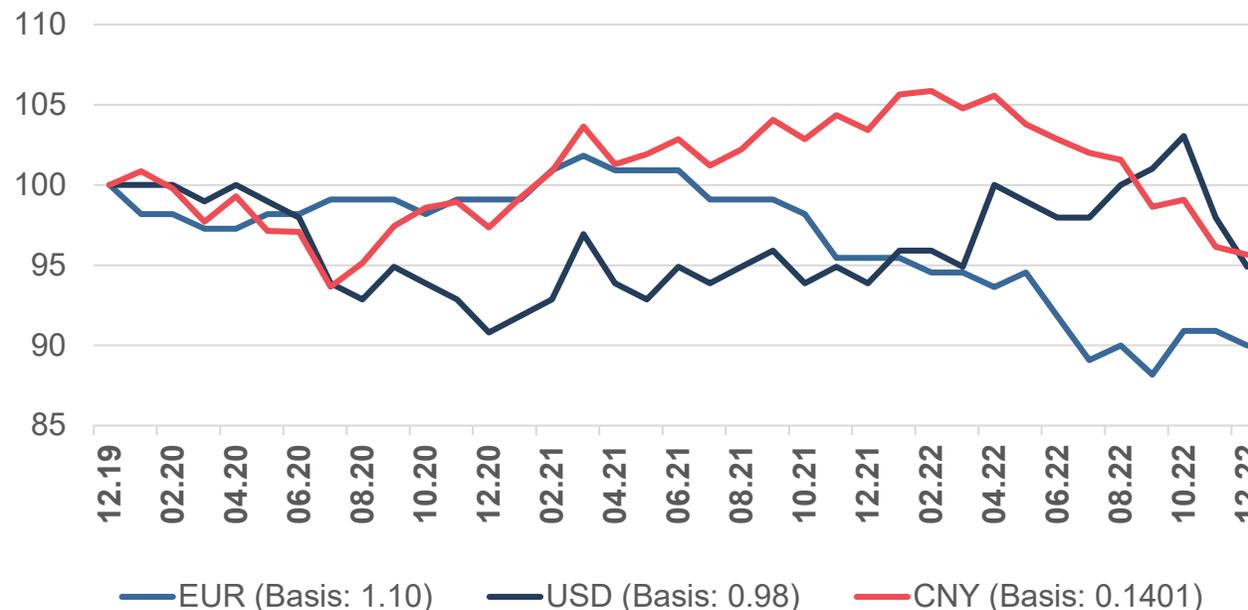
Depending on FX trend, at least half-yearly price adjustments

Revenues by currency



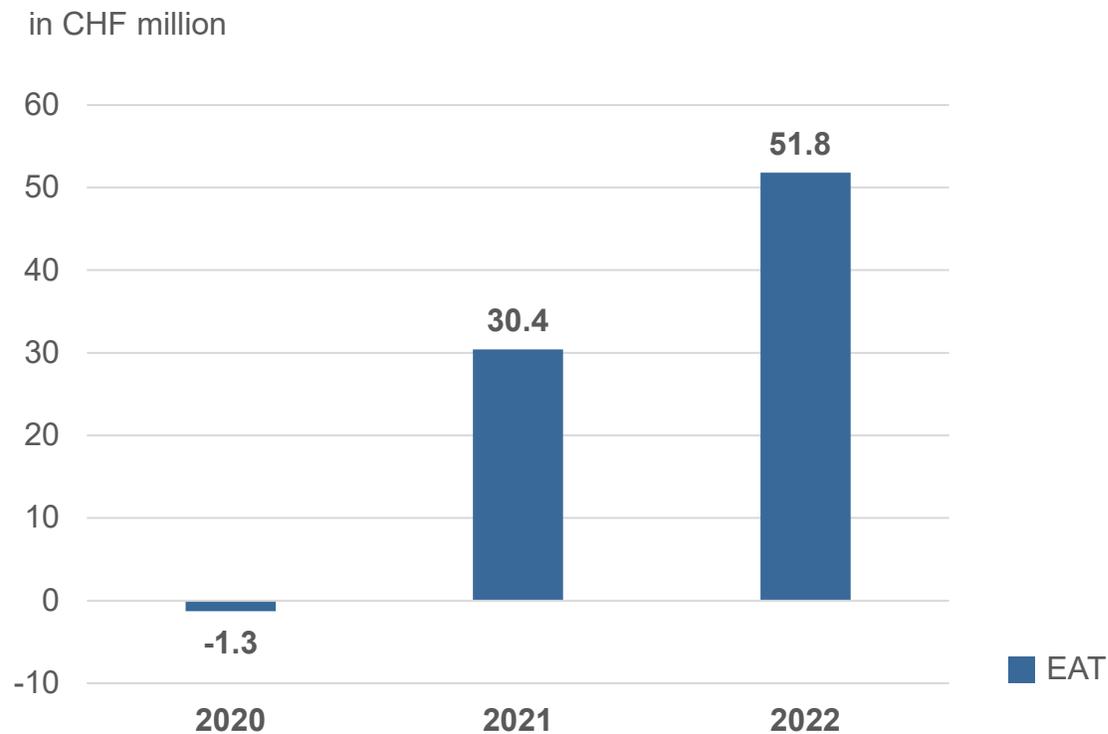
Revenues by currency 2021

- EUR 50%
- USD 19%
- CNY 14%
- CHF 9%
- Others 8%



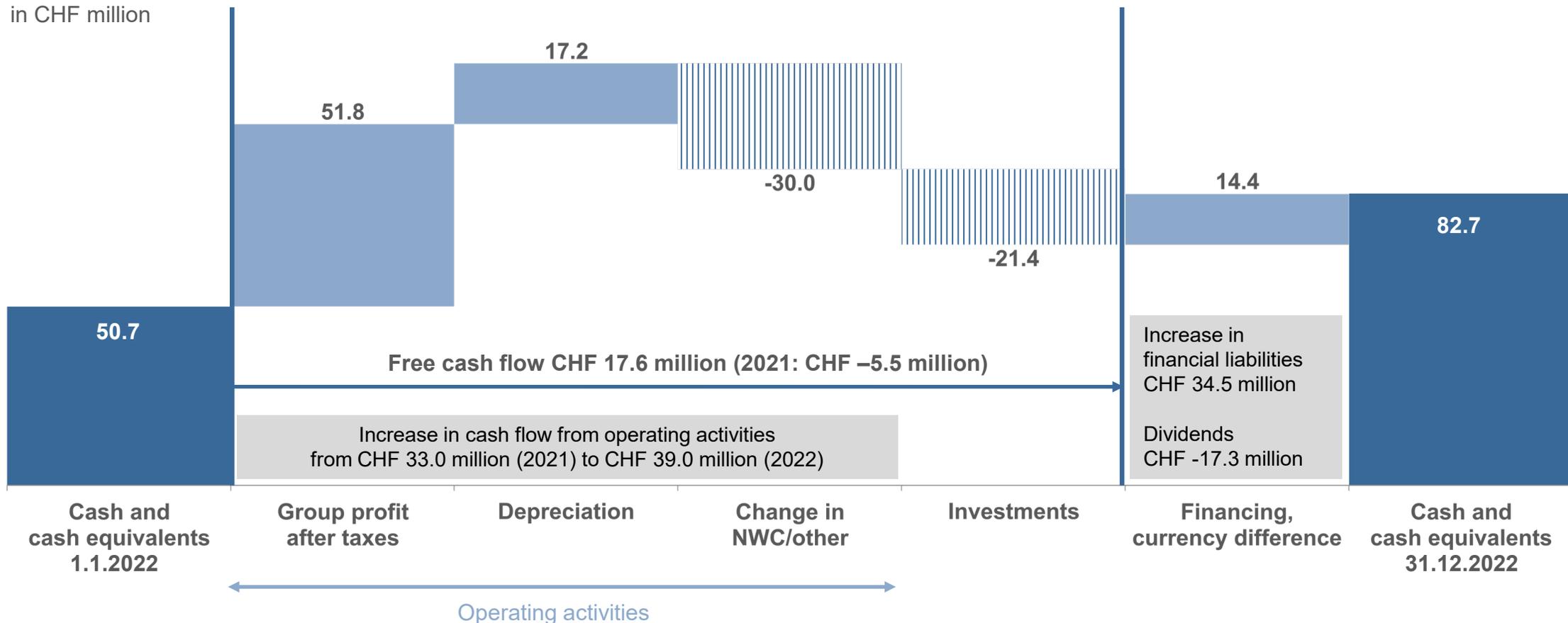
- **Foreign currency impact 2022**
revenues: –2.8%, gross profit margin: –1.6 pts, EBIT margin: –1.5 pts
- **Foreign currency impact 2021**
revenues: 0.5%, gross profit margin: 0.4 pts, EBIT margin: 0.7 pts

Sharp increase in Group earnings after taxes (EAT)



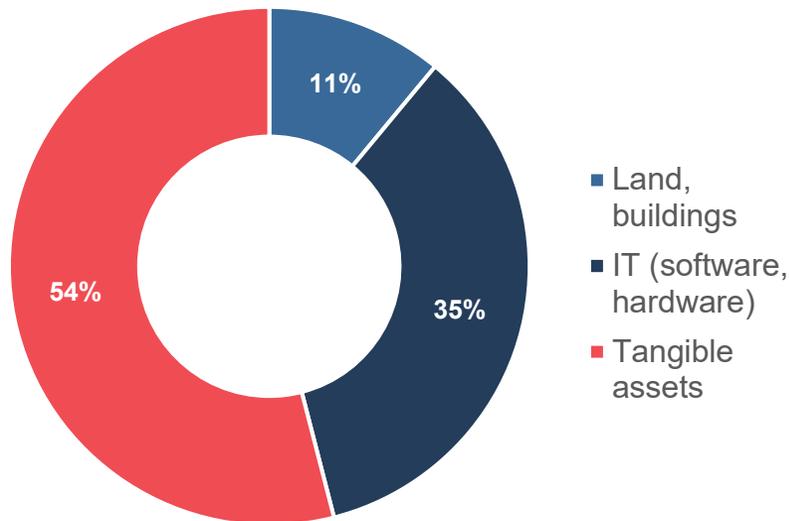
- Group earnings after taxes up 70.4%
- Interest expenses CHF 1.0 million lower than in previous year
- Basic earnings per share: CHF 12.11 (2021: CHF 7.90)
- Tax rate of 20.2% (2021: 20.5%)

Significantly higher free cash flow



Decrease in investment volume

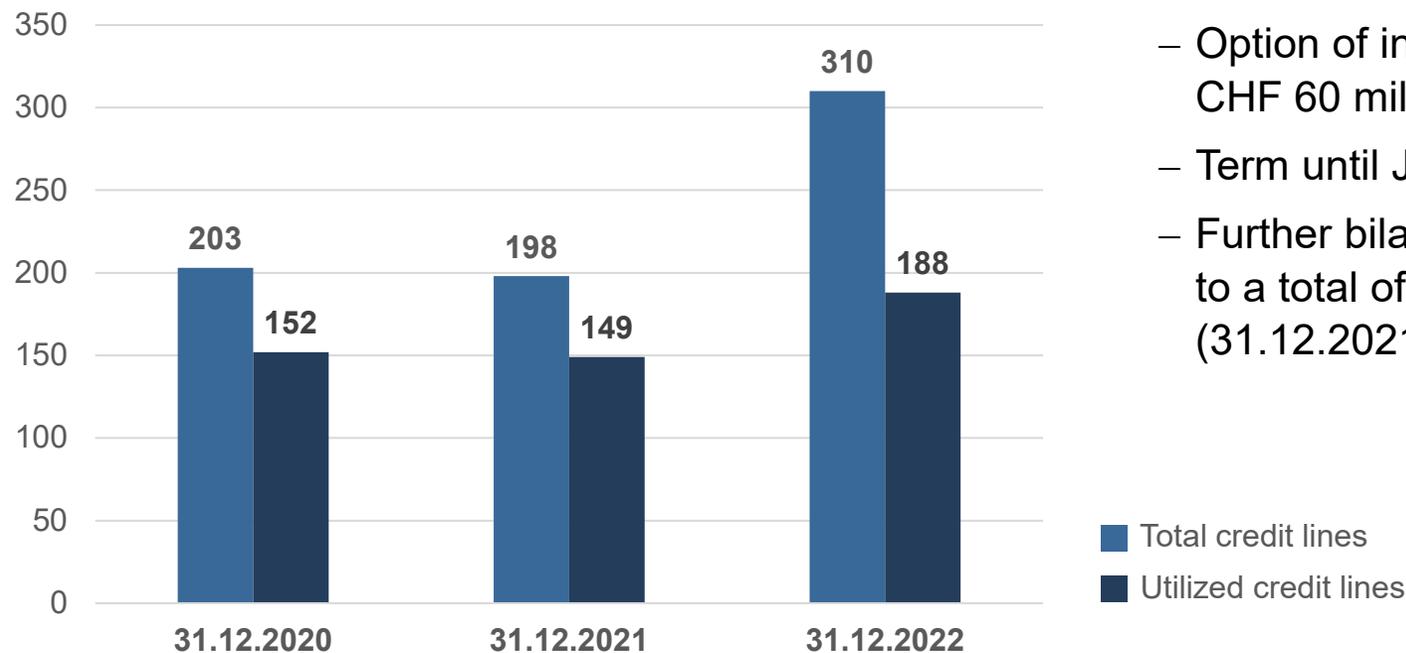
Net investments



- Net investments:
CHF 12.7 million (2021: CHF 37.6 million)
 - tangible assets (CHF 8.4 million)
 - intangible assets (CHF 4.3 million)
- Significantly higher net investment in 2021 due to purchase of building and plot of land at headquarters
- Sale of associated company (CHF 0.6 million)
- Planned investment volume going forward (excl. acquisition and sale of companies):
2–3% of revenues annually

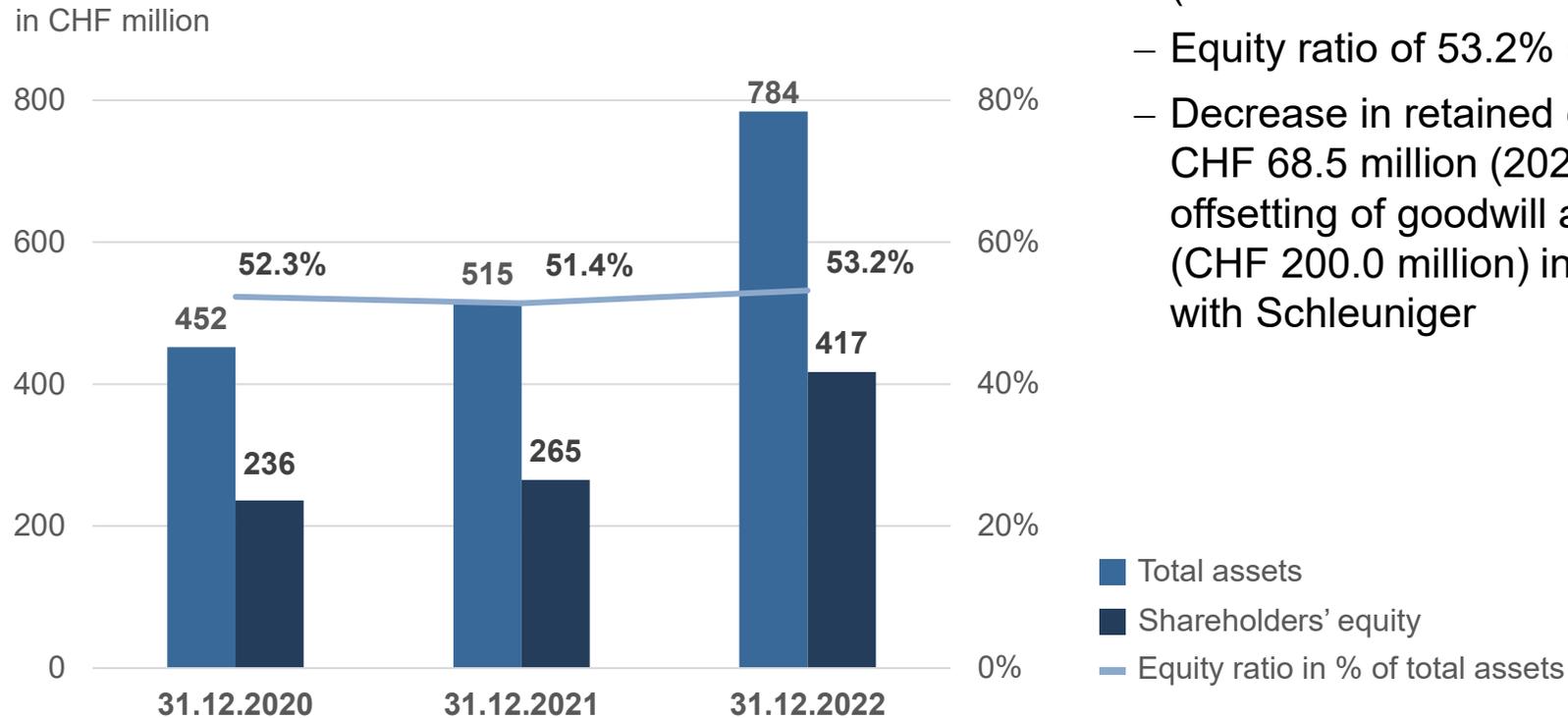
Financial room for maneuver increased through new syndicated loan facility

in CHF million



- New loan facility with bank syndicate
- Credit line increased to CHF 250 million (31.12.2021: CHF 187 million)
- Option of increasing this by a further CHF 60 million
- Term until January 2028
- Further bilateral lines of credit amounting to a total of maximum CHF 60 million (31.12.2021: CHF 30 million)

Financial base remains strong



- Rise in net debt to CHF 105.5 million (2021: CHF 98.4 million)
- Equity ratio of 53.2% (2021: 51.4%)
- Decrease in retained earnings to CHF 68.5 million (2021: CHF 244.3 million) due to offsetting of goodwill against shareholders' equity (CHF 200.0 million) in connection with combination with Schleuniger

Sale of building in Rotkreuz

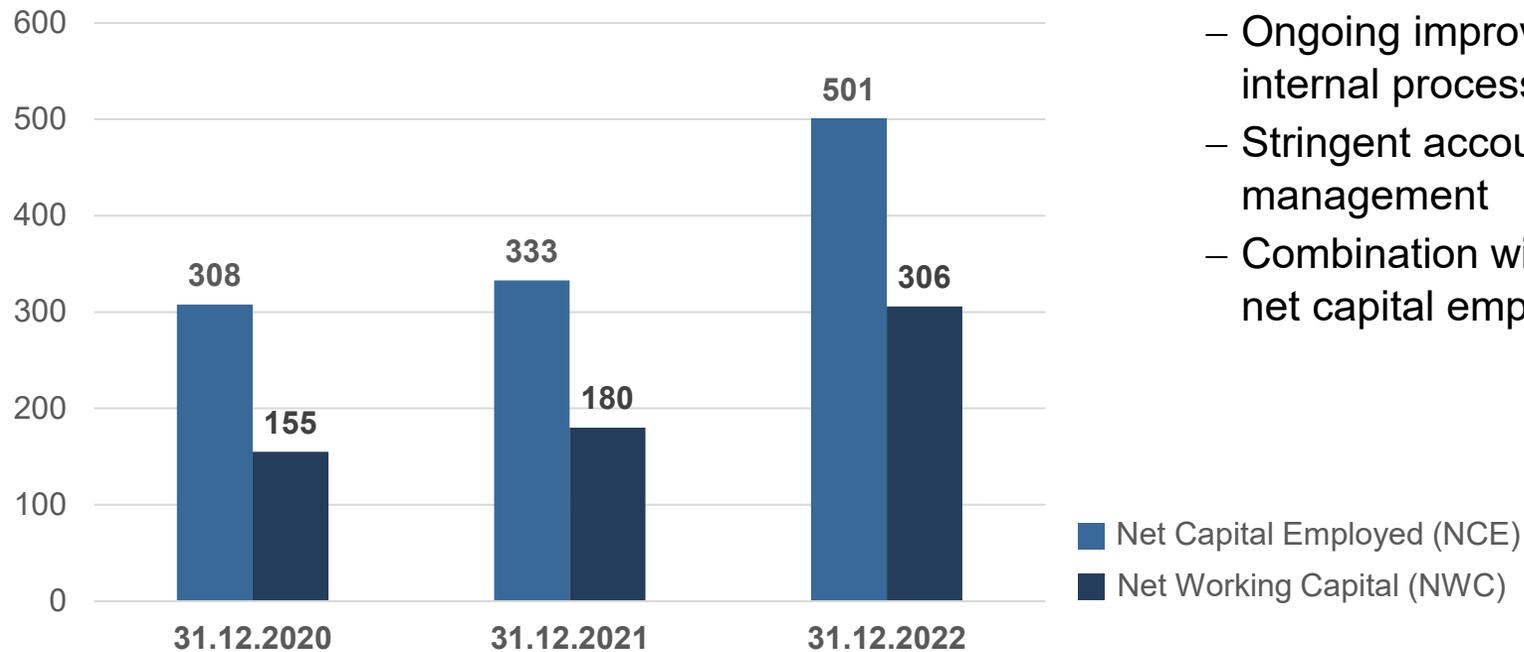
Reduction in net debt, increase in equity ratio



- Sale of production and office building in Rotkreuz, Switzerland, at end of January 2023
- The building was leased back until end of 2024, as the production area is still needed
- Part of the building remains sublet
- Financial impact as per end January 2023
 - Net debt: less than CHF 75 million
 - Equity ratio: above 55%
 - EBIT contribution: approx. CHF 11 million (not contained in 2023 EBIT guidance)
 - Cash inflow: approx. CHF 28 million

Robust net working capital management

in CHF million



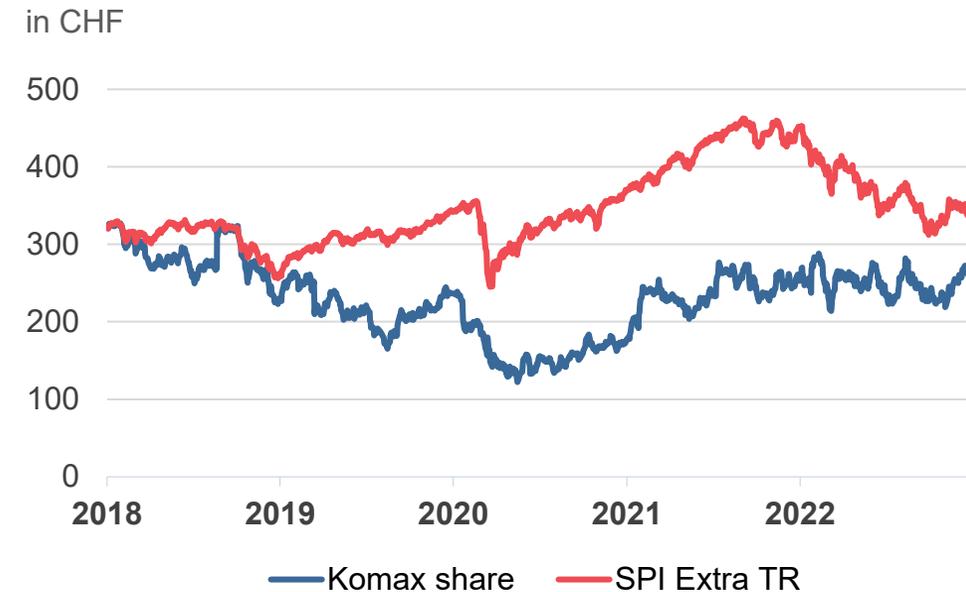
- RONCE: 18.5% (2021: 13.6%)
- Robust management of net working capital (NWC)
 - Ongoing improvement and acceleration of internal processes
 - Stringent accounts receivable and inventory management
 - Combination with Schleuniger increased net capital employed and net working capital

Attractive dividend policy

- Distribution of CHF 5.50 proposed, corresponds to payout ratio of 54.5%
- Half of distribution from capital contribution reserves
- Following this distribution, CHF 193 million of capital contribution reserves remains for future distributions
- Strategy: payout ratio of 50–60% of Group earnings after taxes (EAT)

	2018	2019	2020	2021	2022 ¹
Distribution per share in CHF	7.00	0.00	0.00	4.50	5.50
Dividend yield in % as at 31 Dec.	3.0	0.0	0.0	1.8	2.1

¹ Proposal to the Annual General Meeting



- Share price development 2022: 1.8% (2021: 43.5%); SPI Extra fell by 24% over same period
- 5,320 shareholders – growth of shareholder base by a good 5% since end of 2017

AGENDA

- 1 Financial performance
- 2 Priority areas and outlook 2023**
- 3 Questions

Combination with Schleuniger

Pleasant development of integration process



- Founded in Thun, Switzerland, in 1975
- More than 1,000 employees worldwide
- 14 locations in Europe, North America, China, and Japan, along with a global network of distribution and service partners
- Intensive communication activities over recent months to build trust among employees and customers are bearing fruit
- Komax and Schleuniger employees are already collaborating closely in numerous areas

Acquisition of WUSTEC

Services in automated wire prefabrication

- The consolidation takes place retroactively from 1 January 2023
- WUSTEC – key facts
 - Founded in 2000
 - Headquarters in the Black Forest, Germany
 - 30 employees
 - Revenues in single-digit million territory
- Expansion of offering in growing industrial segment
 - WUSTEC is building a digital platform that will enable small and mid-sized companies active in control cabinet and machine building to source prefabricated wire sets
- The digital platform is part of the realization of the SMART FACTORY by KOMAX vision
 - WUSTEC will contribute to the expansion of the on-demand service offered to customers in respect of solutions and services



Further development of ESG activities

Communication of targets and measures in H2 2023

2022 milestones

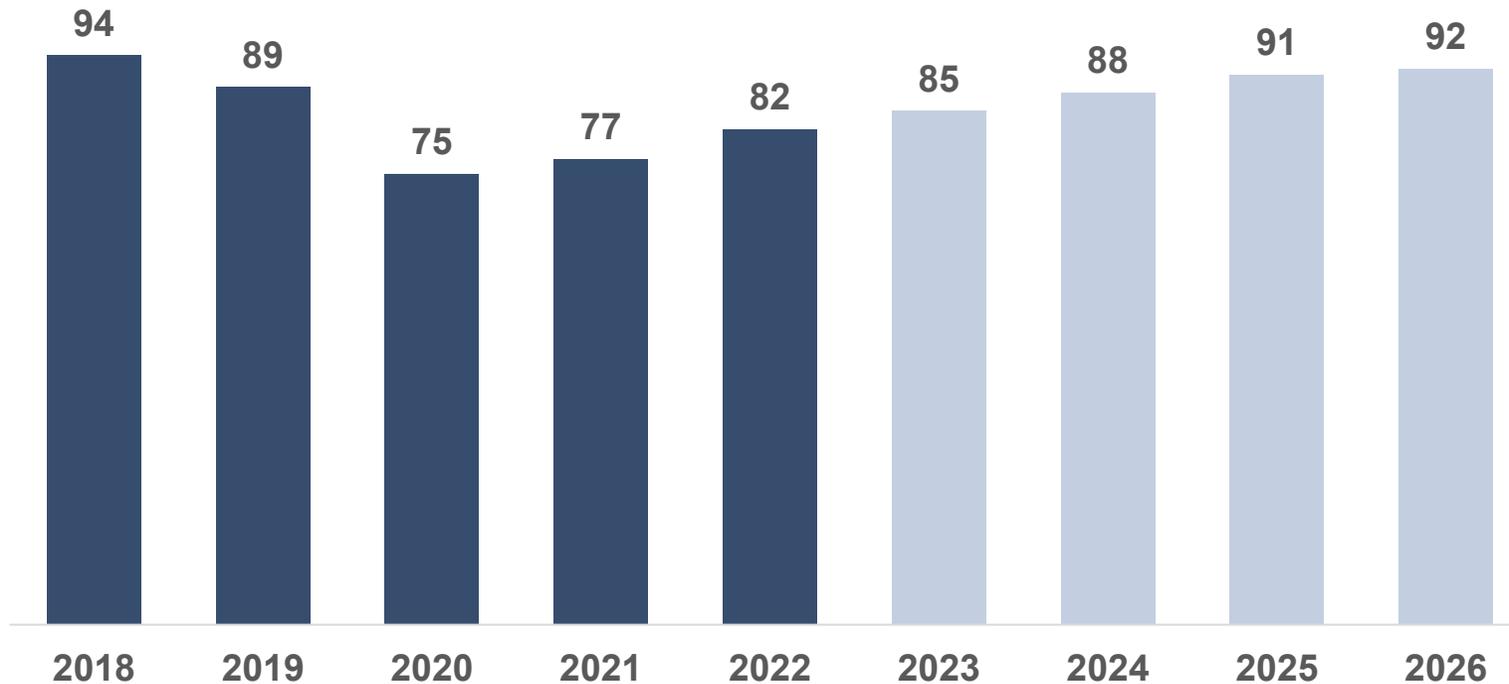
- Comprehensive materiality analysis carried out
- Corporate governance strengthened through rescinding of registration and voting rights restriction of 15% (“one share, one vote” principle)
- Interest on new syndicated loan linked to ESG component (bonus/malus system)

2023 milestones

- Establishment of Sustainability and Innovation Committee at Board of Directors level following AGM in April
- Adoption of ESG strategy and targets
- Communication of detailed ESG metrics for entire Komax Group (including Schleuniger) in second half of the year

Vehicle production to increase by 1–3% per year in future

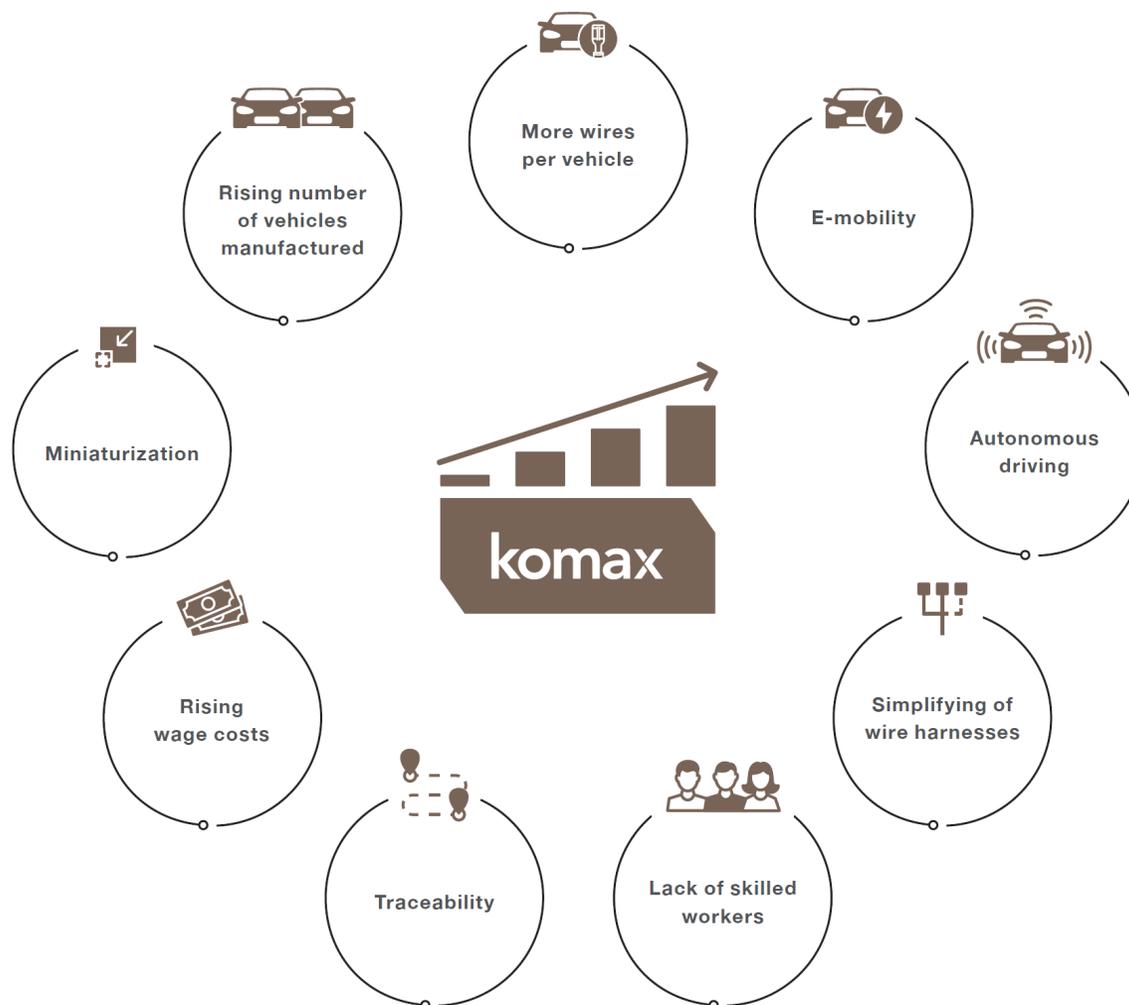
Production of passenger cars and light commercial vehicles
in million vehicles



Source: IHS Markit, March 2023

Megatrends accelerate growth

Key growth drivers of the Komax Group (CAGR: 2–3%)



Priority areas 2023

Focus on customers

- Continuing to respond to the needs of customers in the best possible way
- Ensuring delivery dependability by mastering supply chain challenges
- Launch of an array of new innovative solutions

Drive forward process of integrating Schleuniger into Komax Group

- Completion of “getting-to-know-you” phase, intensification of collaboration
- First joint trade fair presence at Productronica in Munich (14–17 November 2023)

Development of new strategy

- Finalization of detailed analysis of new status quo
- Elaboration of new target picture and associated strategy
- Communication of new strategy and mid-term targets: end of September 2023

Oliver Blauenstein – member of Executive Committee since 1 January 2023



- Oliver Blauenstein leads the testing activities of the Komax Group; the area of responsibility includes the Komax testing companies as well as the companies adaptronic and Cirris
- Electrical engineering graduate of ETH Zurich
- Substantial track record in management at international companies (ABB, Altec Electronic AG, Jaquet Technology Group AG) in Switzerland, Italy, and China

Outlook

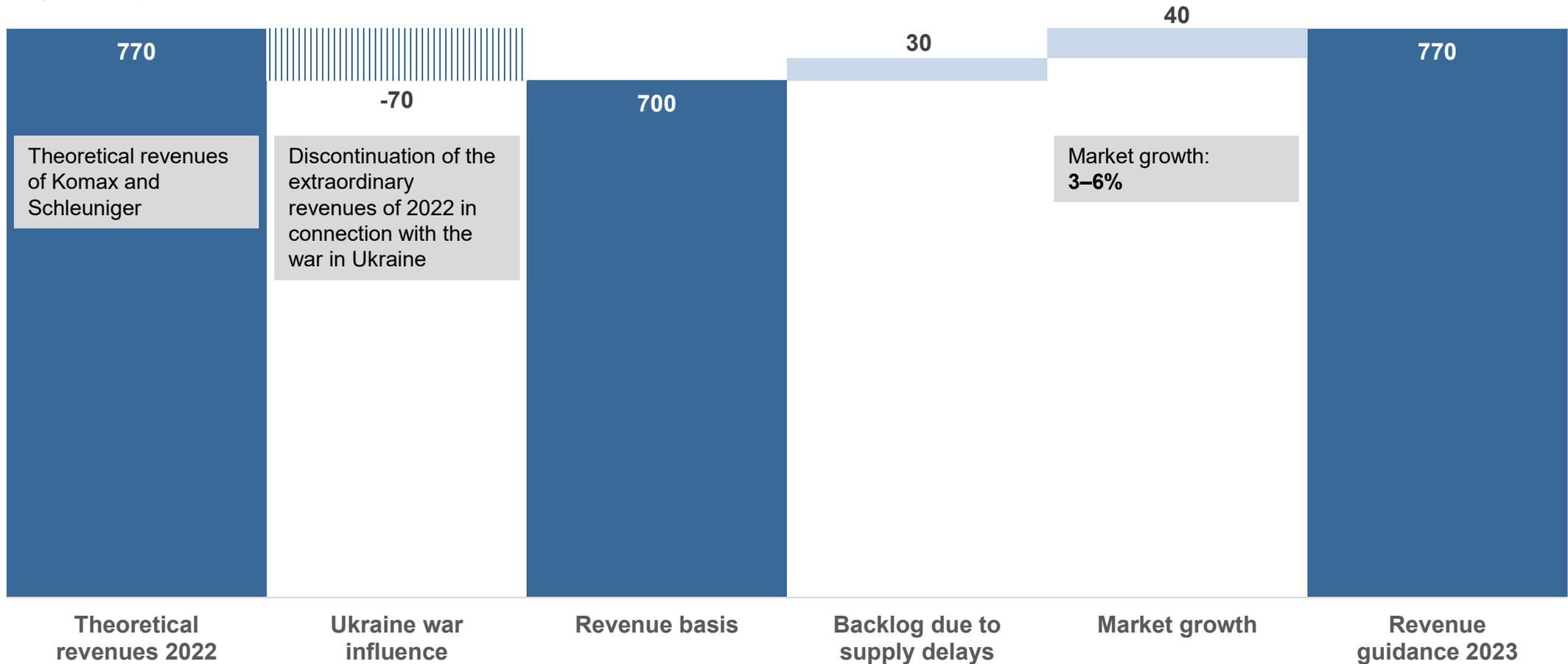
Confident for the year 2023

- The Komax Group is confident that the trend towards automation will persist, and hence so, too, the robust demand for the solutions offered by the company. In addition, the Komax Group is expecting the supply chain situation to gradually improve in 2023, which would help the high order backlog to be worked down over the coming months.
- If Schleuniger had contributed twelve months to the Komax Group's 2022 results instead of four, revenues would have amounted to a total of around CHF 770 million.
- Despite the fact that the extraordinary revenues of approximately CHF 70 million triggered by the war in Ukraine will no longer be a feature of results in 2023, the Komax Group is anticipating revenues that are at least on a par with 2022 figures (around CHF 770 million). This is assuming that there are no significant changes in the market environment and in knowing that visibility is limited to a few months.
- The EBIT margin depends very much on the product mix. Given that this is unlikely to be as favorable in 2023 as it was in 2022, the Komax Group is expecting an EBIT margin in the region of 11%.

Anticipated revenue development in 2023

Market growth of 3–6%

in CHF million



Anticipated EBIT development in 2023

Various influencing factors

EBIT margin in 2022: 11.8%

⇒ anticipated EBIT margin in 2023: approx. 11% (without sale of building)

– **Product mix**

The product mix is expected to be less favorable, as the share of volume-based business (crimp-to-crimp machines) will probably decline.

– **Combination of Komax and Schleuniger**

Integration costs will be incurred and the Schleuniger Group, which has a slightly lower EBIT margin than Komax, will contribute twelve instead of four months to results.

– **Fixed costs**

The strong organic growth in 2022 has only been partially reflected in fixed costs to date.

– **Currencies**

The development of the currencies of relevance for the Komax Group is subject to uncertainties. Due to the currency development price increases take place, but with a certain time lag in each case.

Contact / Financial calendar



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Financial calendar

Annual General Meeting	12 April 2023
Half-year results 2023	17 August 2023
Investor Day	28 September 2023
Preliminary information on 2023 financial year	23 January 2024

Disclaimer



This presentation 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.

QUESTIONS?

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