

komax

2023 FINANCIAL YEAR

12 March 2024

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CIRRIS®

 **Schleuniger**

Di.IT

WUSTEC

AGENDA

1. **Highlights 2023**
2. Financial reporting
3. Priority areas, Strategy 2028, and outlook for 2024
4. Questions and answers

Highlights 2023

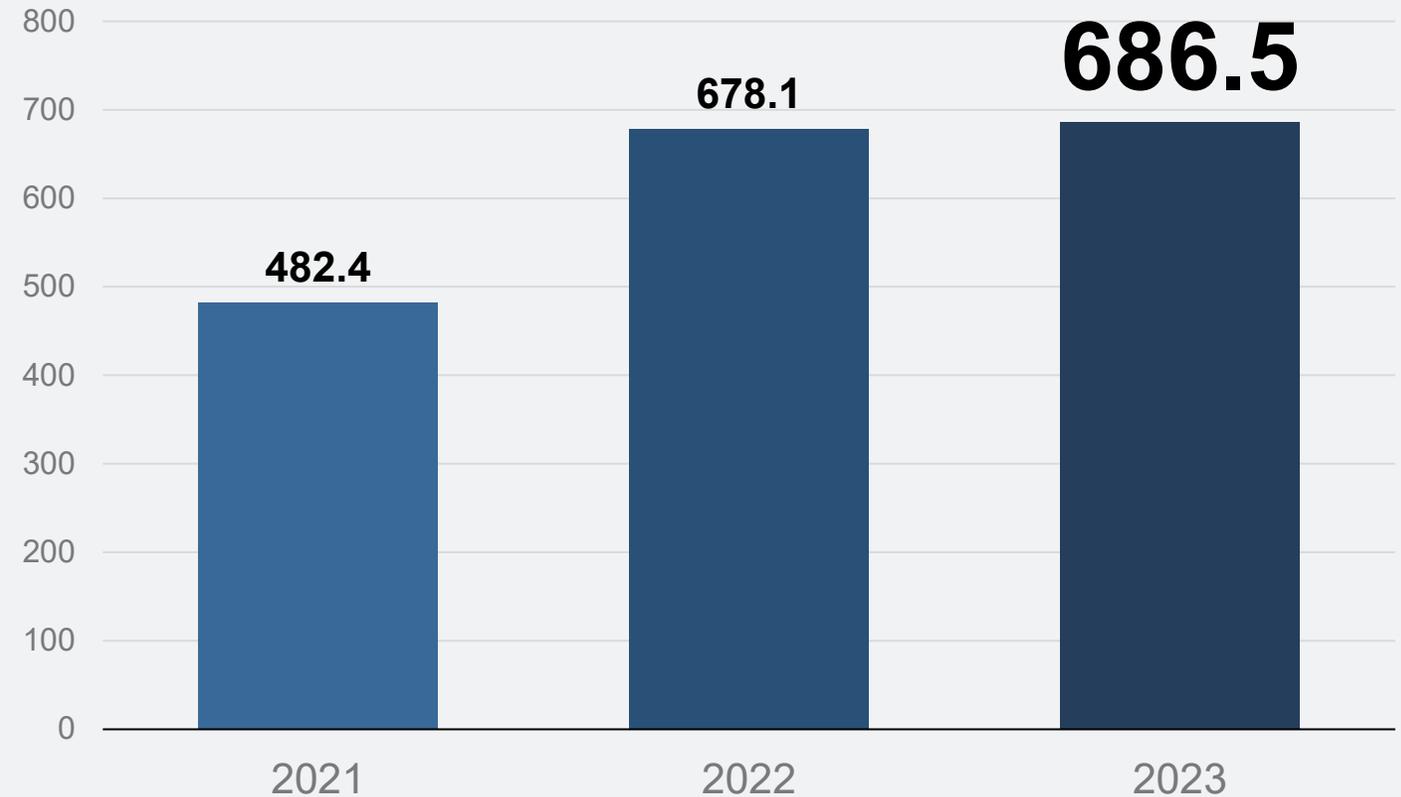
- Acquisitions
 - WUSTEC (as of 1 January 2023): services in automated wire prefabrication
 - Alcava Group (as of 1 October 2023): distribution company with sites in France, Morocco, and Tunisia
- Development and communication of Strategy 2028
- Integration of Komax and Schleuniger proceeding well, with various elements such as the optimization of the global distribution and service network
- Revenue development positively influenced by acquisitions, but negative currency effect (–3.1%) and very challenging overall market environment
- Significant one-time effects
 - Sale of building at Rotkreuz production site, Switzerland
 - Initiation of closure of Jettingen site, Germany

Orders up slightly on previous year

Greater reluctance of customers to invest, particularly in Asia/China

- Order intake up slightly by 1.3% compared with very strong previous year
 - H1 2023: CHF 346.2 million
 - H2 2023: CHF 340.3 million
- Economic and geopolitical uncertainties along with muted market development in China impacted order situation
- Customers' reluctance to make investment decisions became increasingly pronounced as the year progressed

Order intake in CHF million

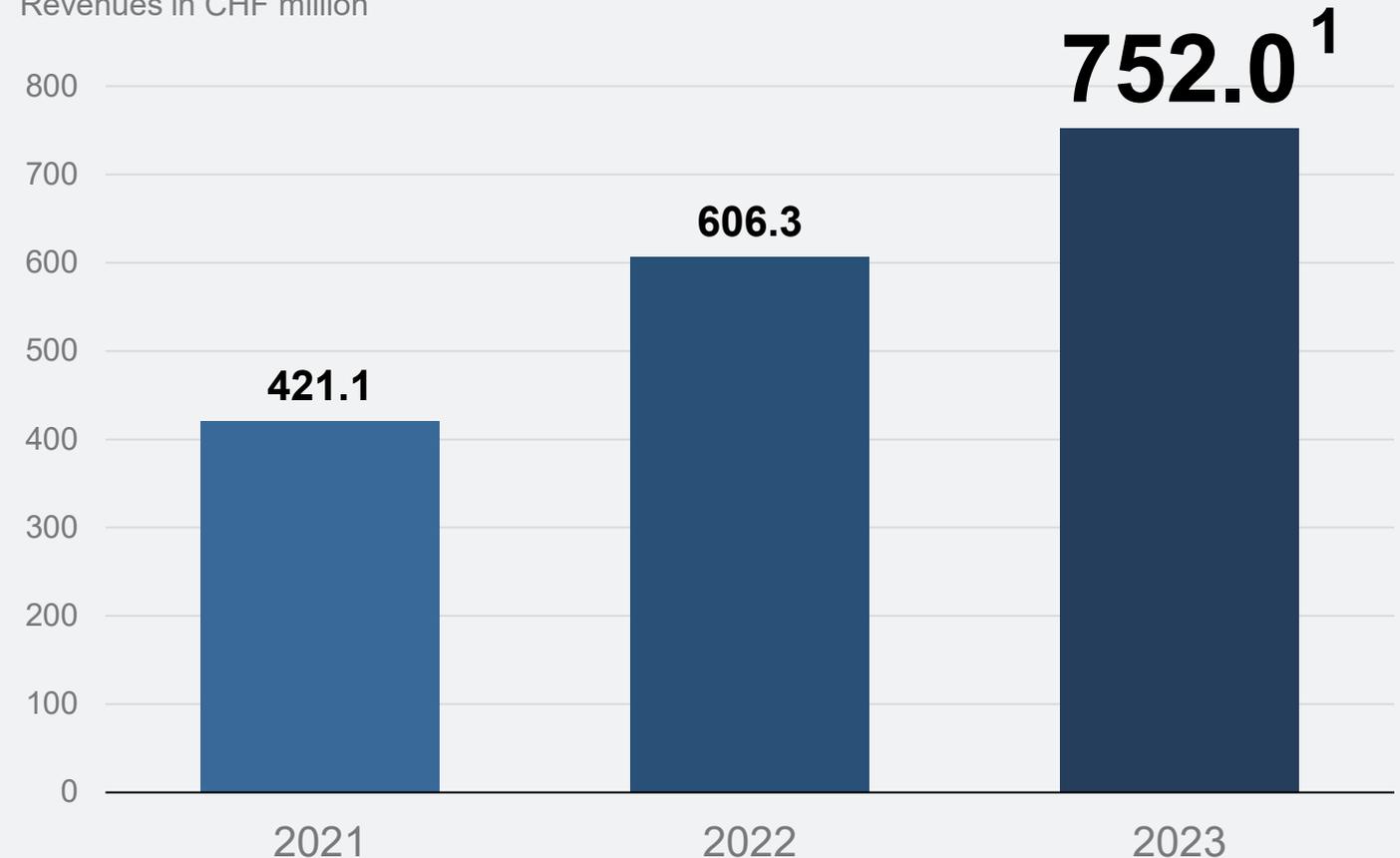


Significant 24.0% increase in revenues

Schleuniger contributes to results over 12 months for first time

- Record-high order backlog of previous year (CHF 306.3 million) worked down to CHF 208.2 million
- First half of the year significantly stronger
 - H1 2023: CHF 393.8 million
 - H2 2023: CHF 358.2 million
- Factors behind development of revenues
 - Acquisition-related growth: 30.6%
 - Organic development: –3.5%
 - Foreign currency impact: –3.1%

Revenues in CHF million

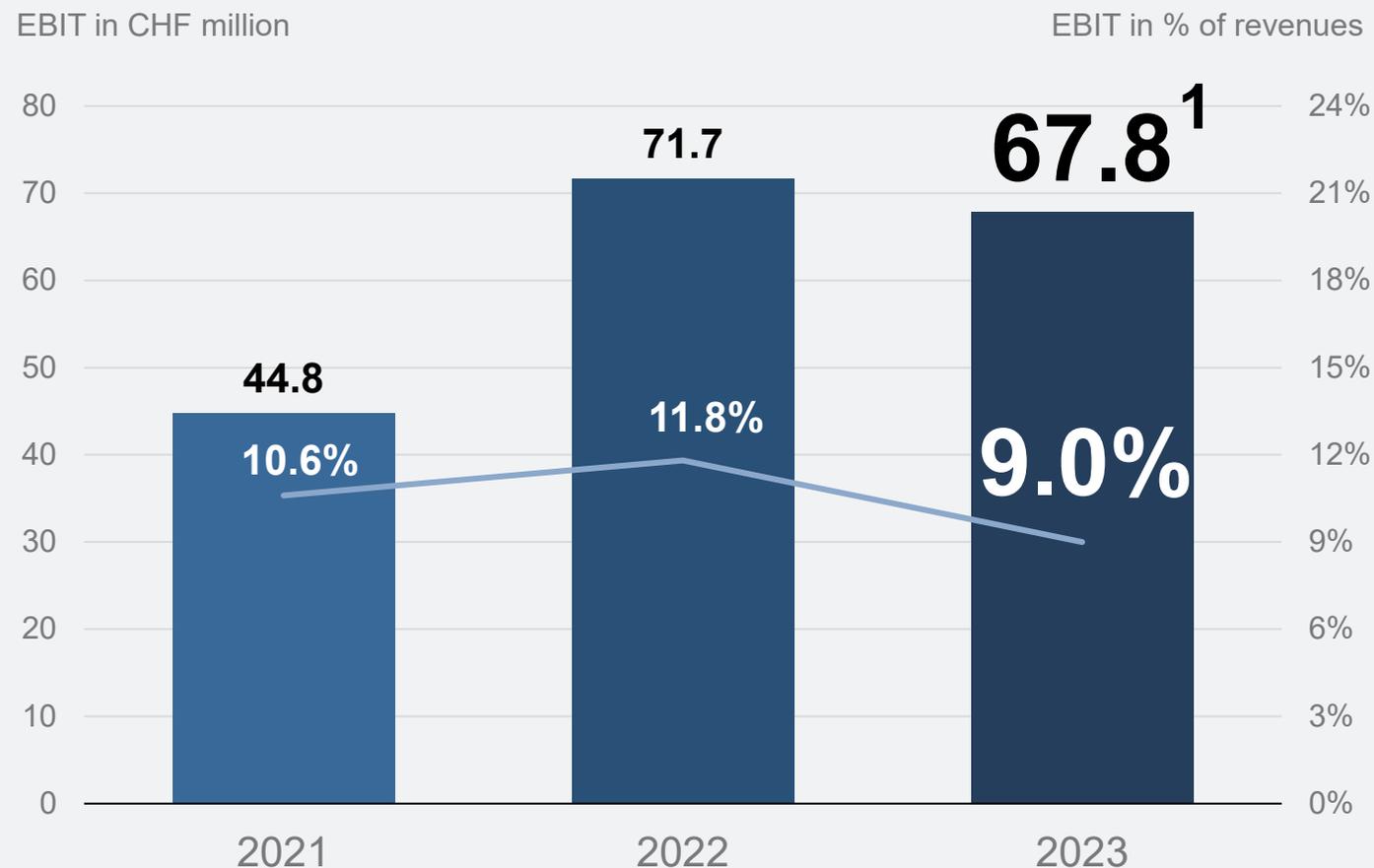


¹ Excluding one-time effect (CHF +10.9 million).

Sharp decline in EBIT in second half of the year

Volume business weighs on EBIT margin

- EBIT significantly influenced by deferred customer investment decisions in high-margin volume business
- EBIT substantially higher in first half
 - H1 2023: CHF 44.4 million
 - H2 2023: CHF 23.4 million
- Two one-time effects
 - Sale of building in Rotkreuz CHF +11.1 million
 - Closure of Jettingen site CHF –6.1 million



¹ Excluding one-time effects (CHF +5.0 million).

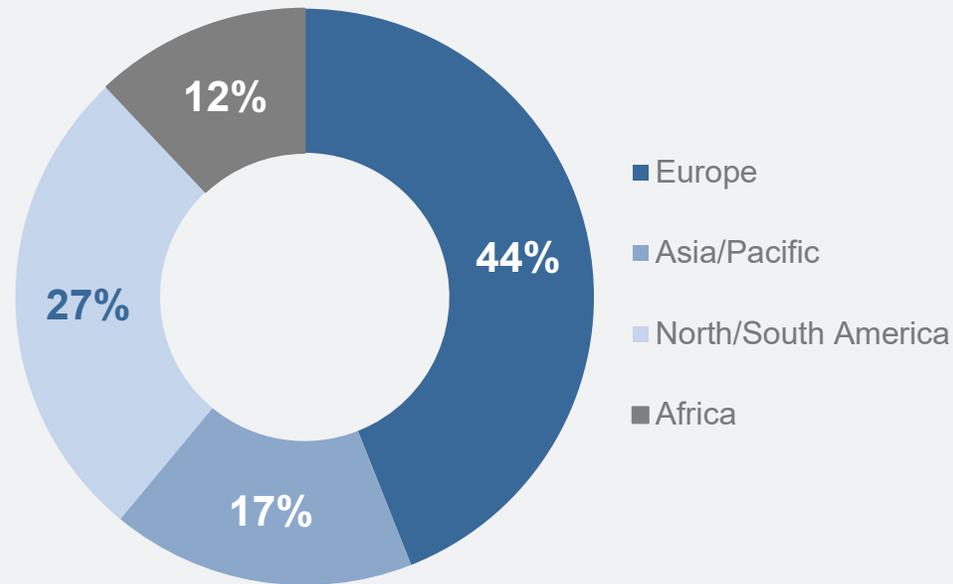
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Revenue growth primarily in Europe and Americas

Revenue development in Asia, particularly China, behind expectations

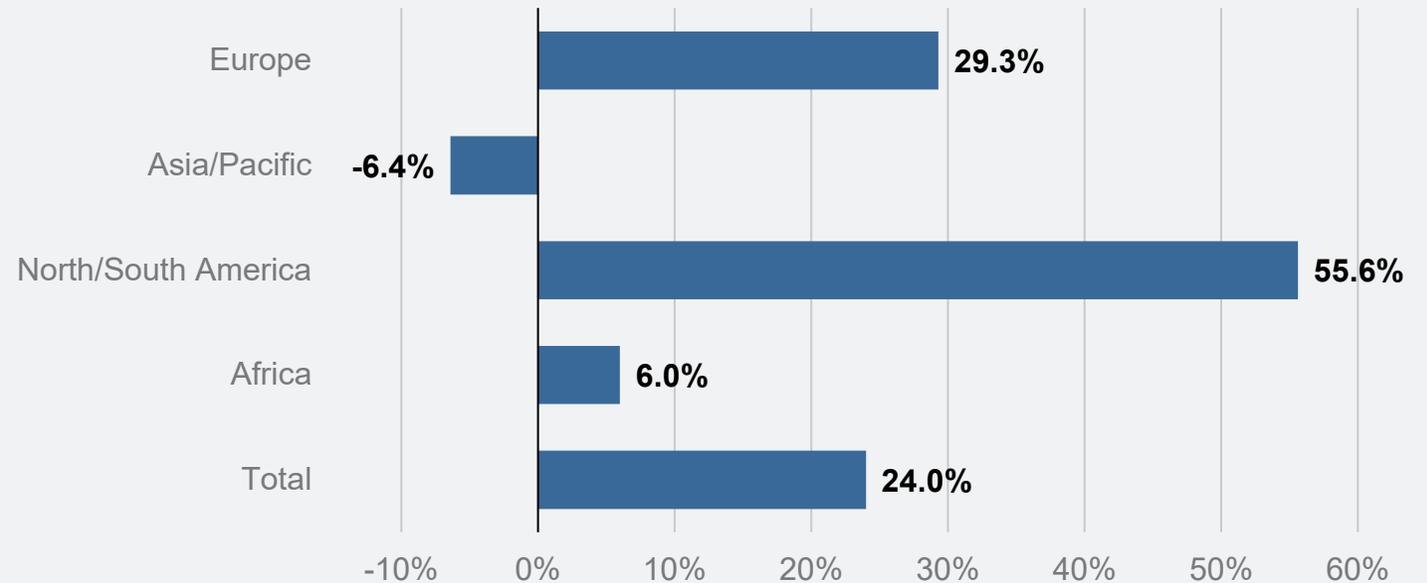
Revenues by region in 2023



Revenues by region in 2022

- Europe 42%
- Asia/Pacific 22%
- North/South America 22%
- Africa 14%

Change from previous year

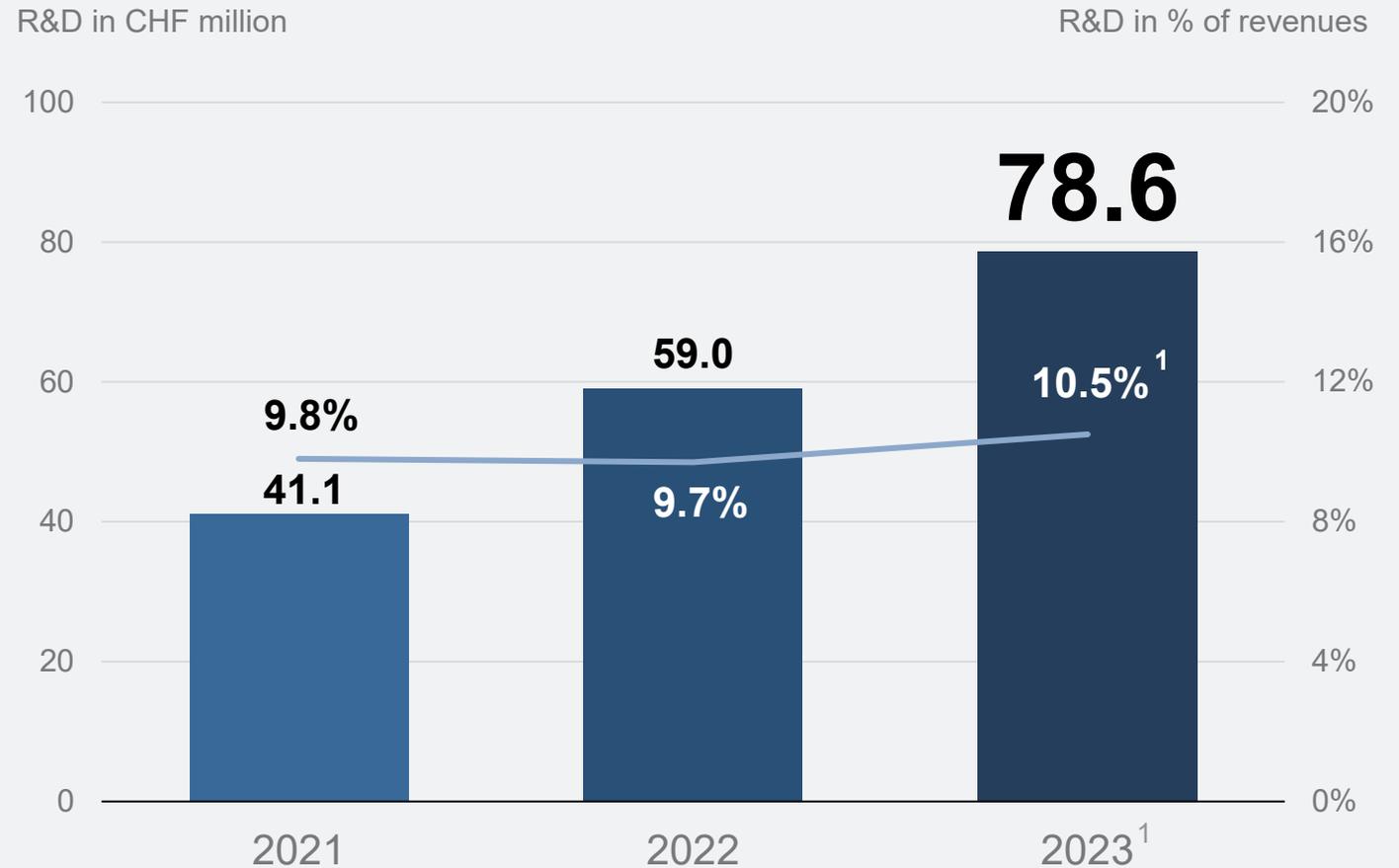


Schleuniger's first 12-month contribution decisive factor in clear sales growth.

Unique innovative strength

724 employees in R&D and engineering

- Combination of Komax and Schleuniger along with progress made in various innovation projects resulted in higher R&D expenditure, comprising:
 - internal development services of CHF 67.4 million (2022: CHF 49.5 million)
 - third-party services of CHF 11.2 million (2022: CHF 9.5 million)
- Planned annual R&D expenditure remains at 8–9%
- Bundling of competencies and streamlining of product portfolio

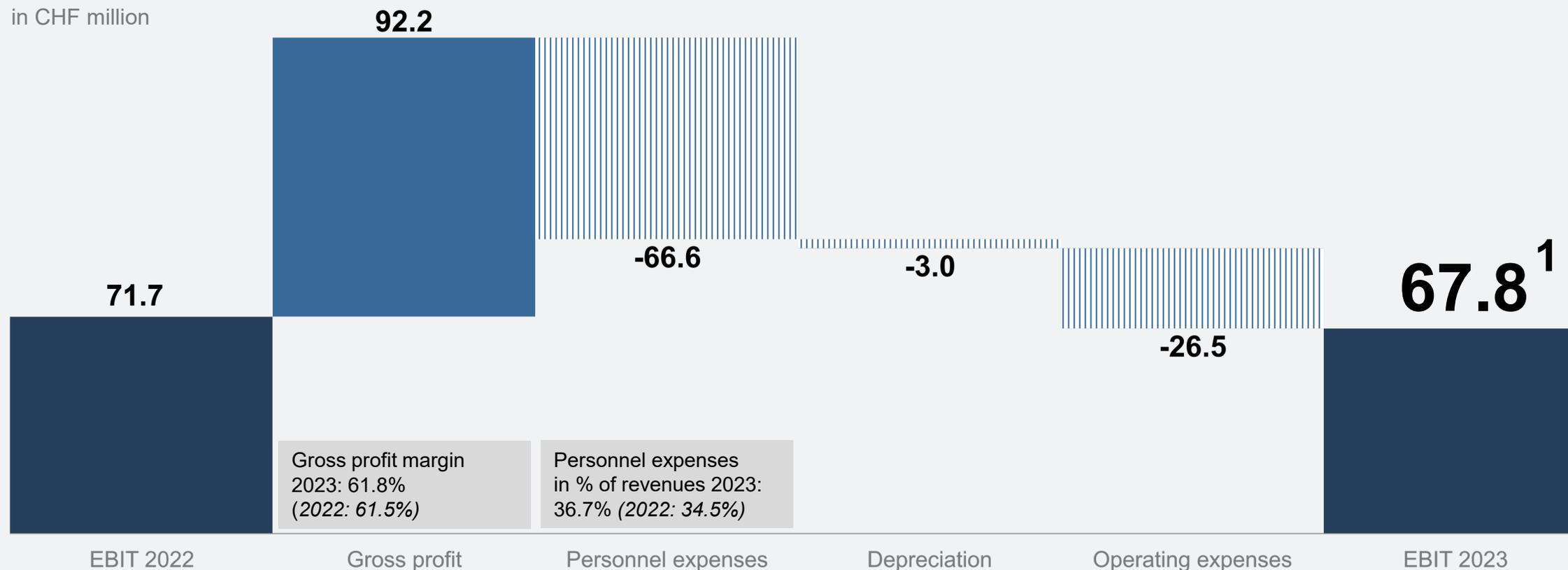


¹ Excluding one-time effect on revenues.

Product mix impacts profitability

EBIT declines by 5.5% to CHF 67.8 million

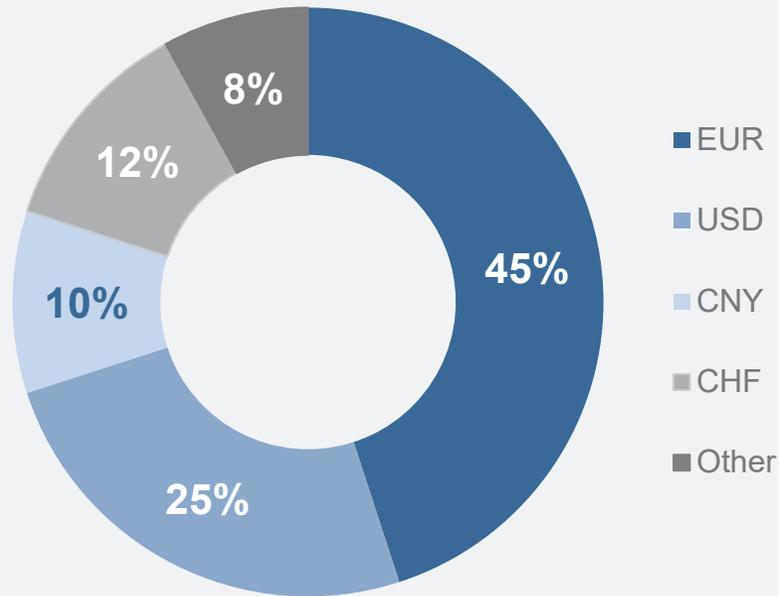
in CHF million



¹ Excluding one-time effects (CHF +5.0 million).

Negative foreign currency impact

Revenues by currency in 2023



Revenues by currency in 2022

- EUR 47%
- USD 19%
- CNY 14%
- CHF 10%
- Other 10%

Foreign exchange rates

Currency	Rate as at 31.12.2023	Average rate 2023	Rate as at 31.12.2022	Average rate 2022
EUR	0.940	0.990	0.990	1.020
USD	0.850	0.910	0.930	0.960
CNY	0.120	0.130	0.134	0.145

Foreign currency impact

Year	Revenues	Gross profit margin	EBIT margin
2023	–3.1%	–2.3%pts	–0.4%pts
2022	–2.8%	–1.6%pts	–1.5%pts

Two one-time effects

Impact on revenues, EBIT

Overall impact

Revenues: CHF +10.9 million

EBIT: CHF +5.0 million



Sale of building at Rotkreuz production site, Switzerland

Revenues: CHF +11.1 million

EBIT: CHF +11.1 million



Initiation of closure of Jettingen production site, Germany

Revenues: CHF -0.2 million

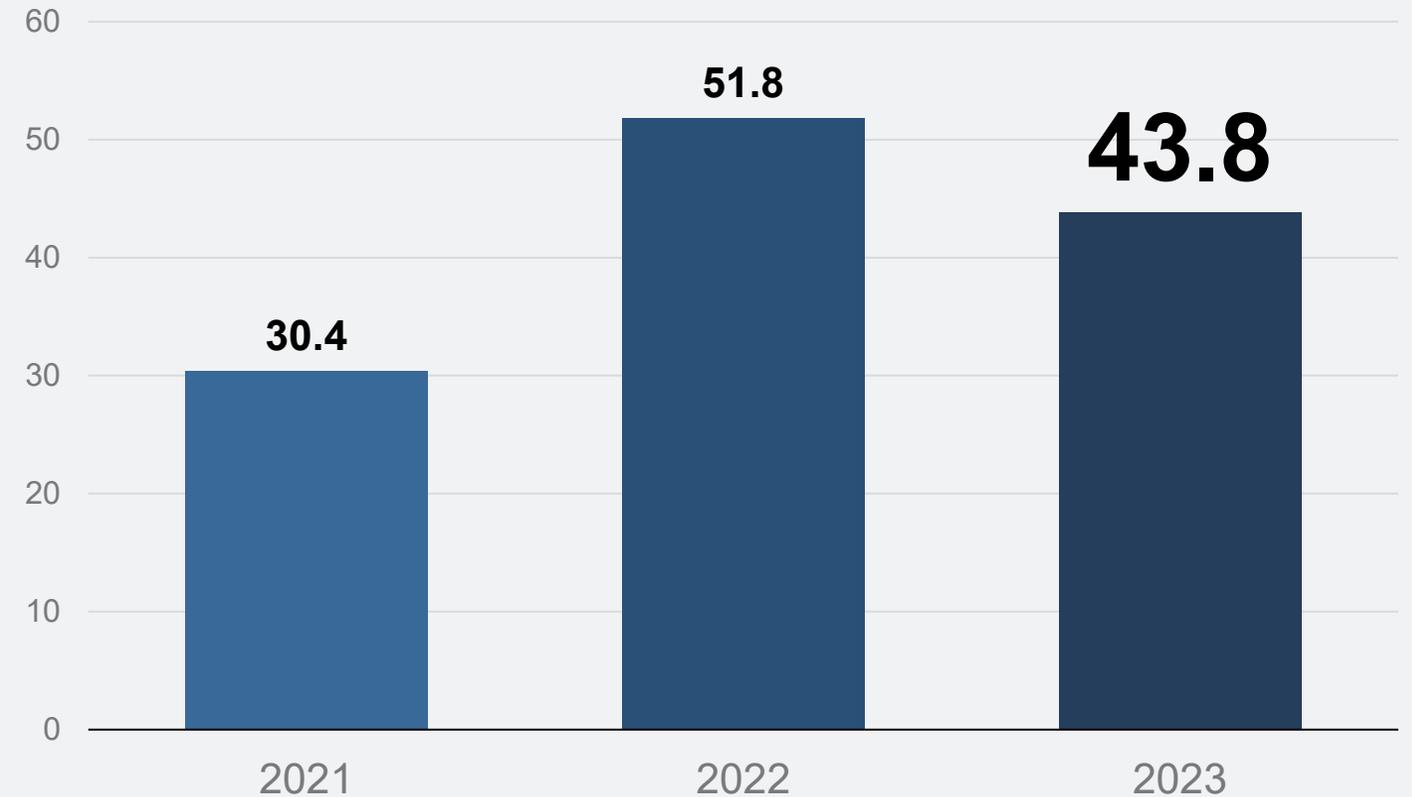
EBIT: CHF -6.1 million

Group earnings after taxes (EAT)

15.3% lower than in previous year

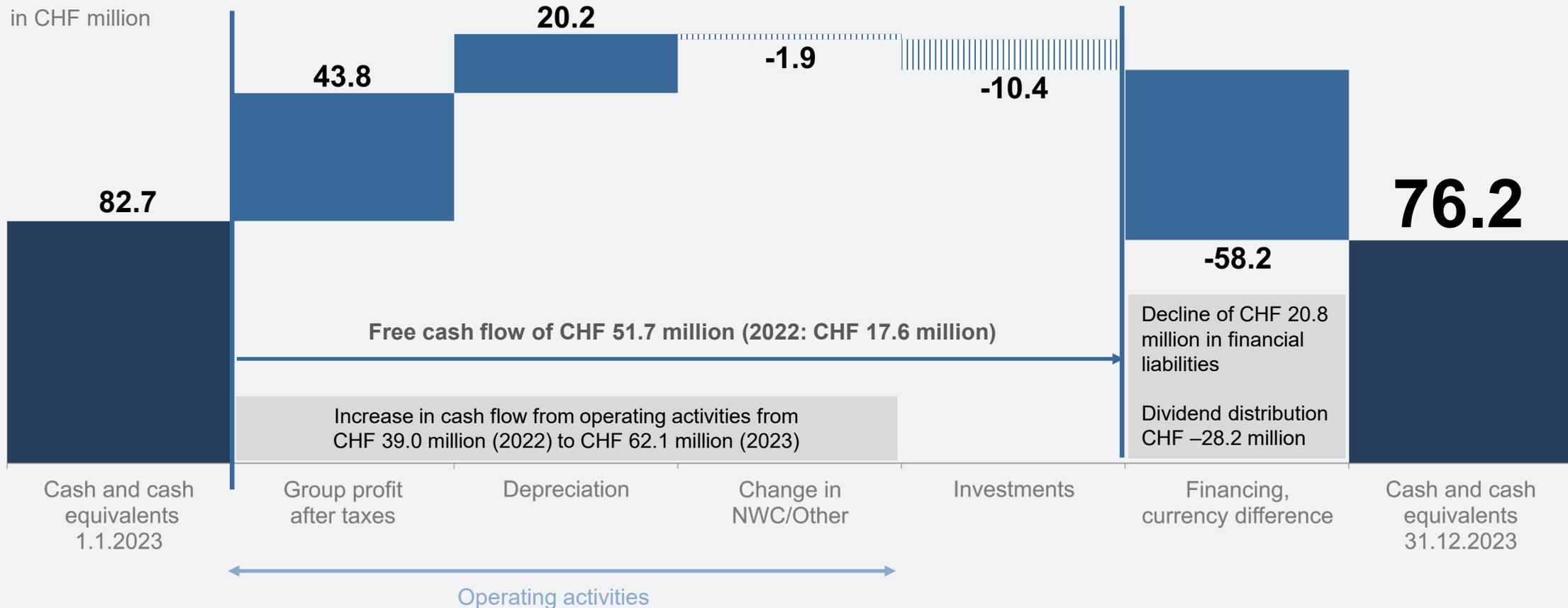
- Interest expense CHF 2.1 million higher than previous year due to higher interest rates
- Basic earnings per share: CHF 8.55 (2022: CHF 12.11)
- Tax rate of 28.0% (2022: 20.2%)

EAT in CHF million



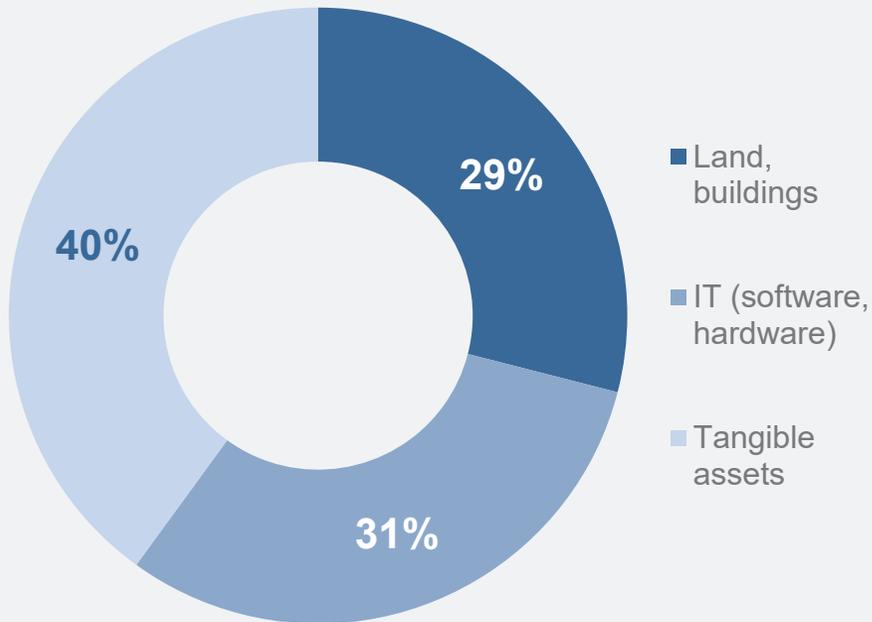
Very high free cash flow

Sharp rise to CHF 51.7 million



Gross investment volume

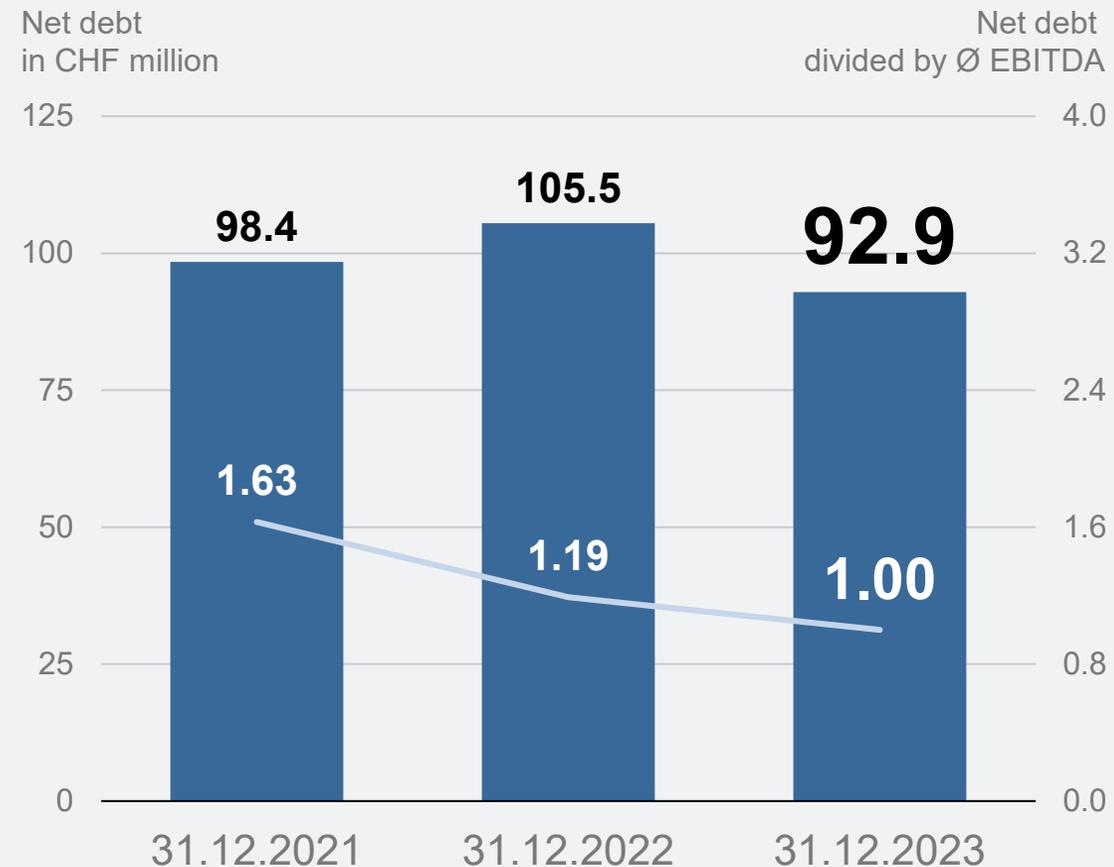
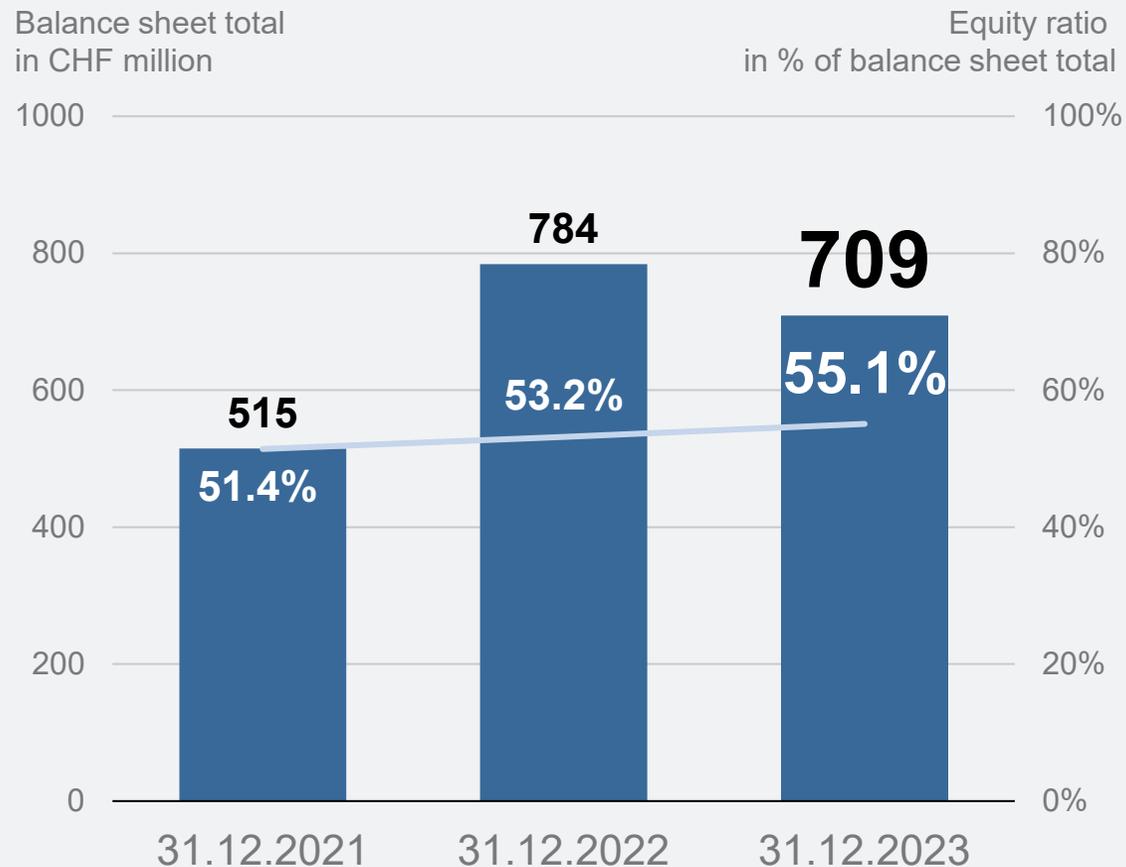
Gross investments



- Gross investment: CHF 28.5 million (2022: CHF 13.1 million)
 - Tangible assets (CHF 20.8 million)
 - Intangible assets (CHF 7.7 million)
- Sale of associated company (CHF 0.7 million)
- Investments in participations CHF 13.3 million (2022: CHF 9.3 million)
- Divestment (sale of building in Rotkreuz): approx. CHF 28 million
- Planned investment volume going forward (excl. acquisition and sale of companies): approx. 3% of annual revenues

Solid financial foundation

High equity ratio, low net debt ratio



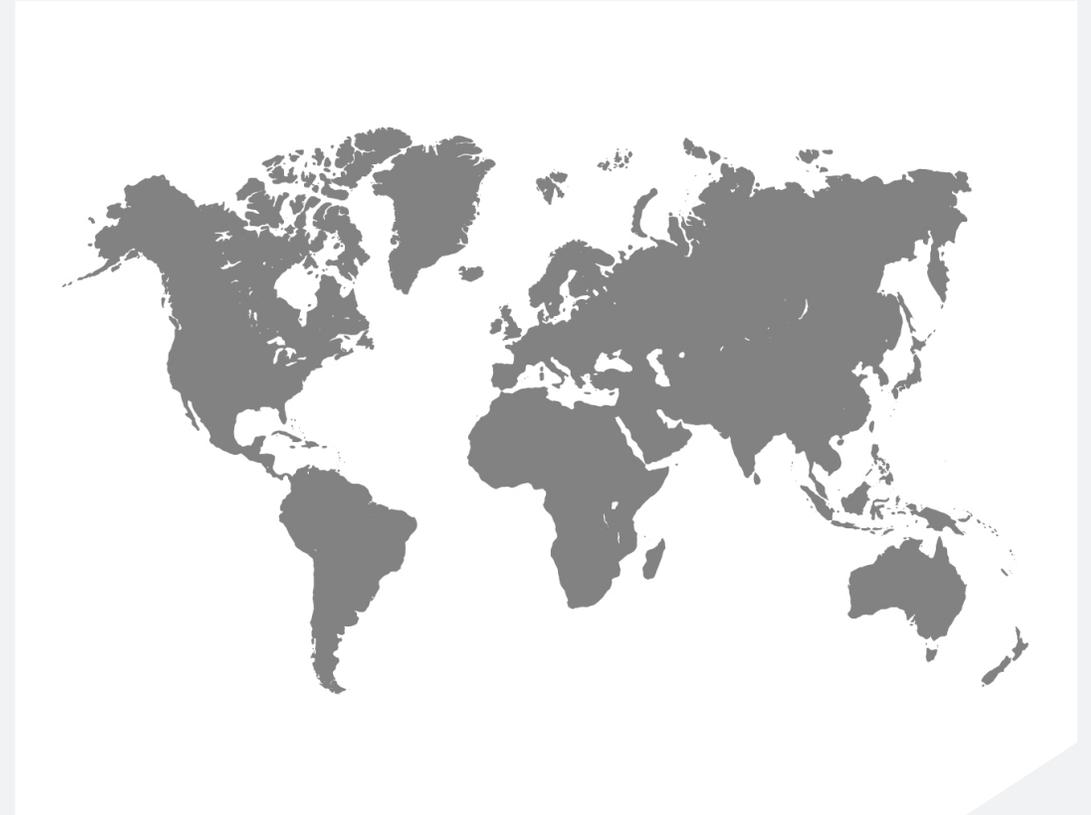
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Optimization of distribution and service network

Overview of distribution channels of Komax and Schleuniger

- Objectives
 - No loss of customers
 - Offering Komax Group products on a one stop basis from a single source in every country
- Implementation
 - Individual solution for each country, for example
 - Sale of Komax Portugal to distribution partner Estanflux (Spain)
 - Acquisition of Alcava Group (distribution partner of Schleuniger in France, Morocco, and Tunisia)
 - Takeover of Schleuniger distribution partner by Komax distribution partners in Poland and Australia
 - Challenging process in places
 - Majority of optimization measures already completed

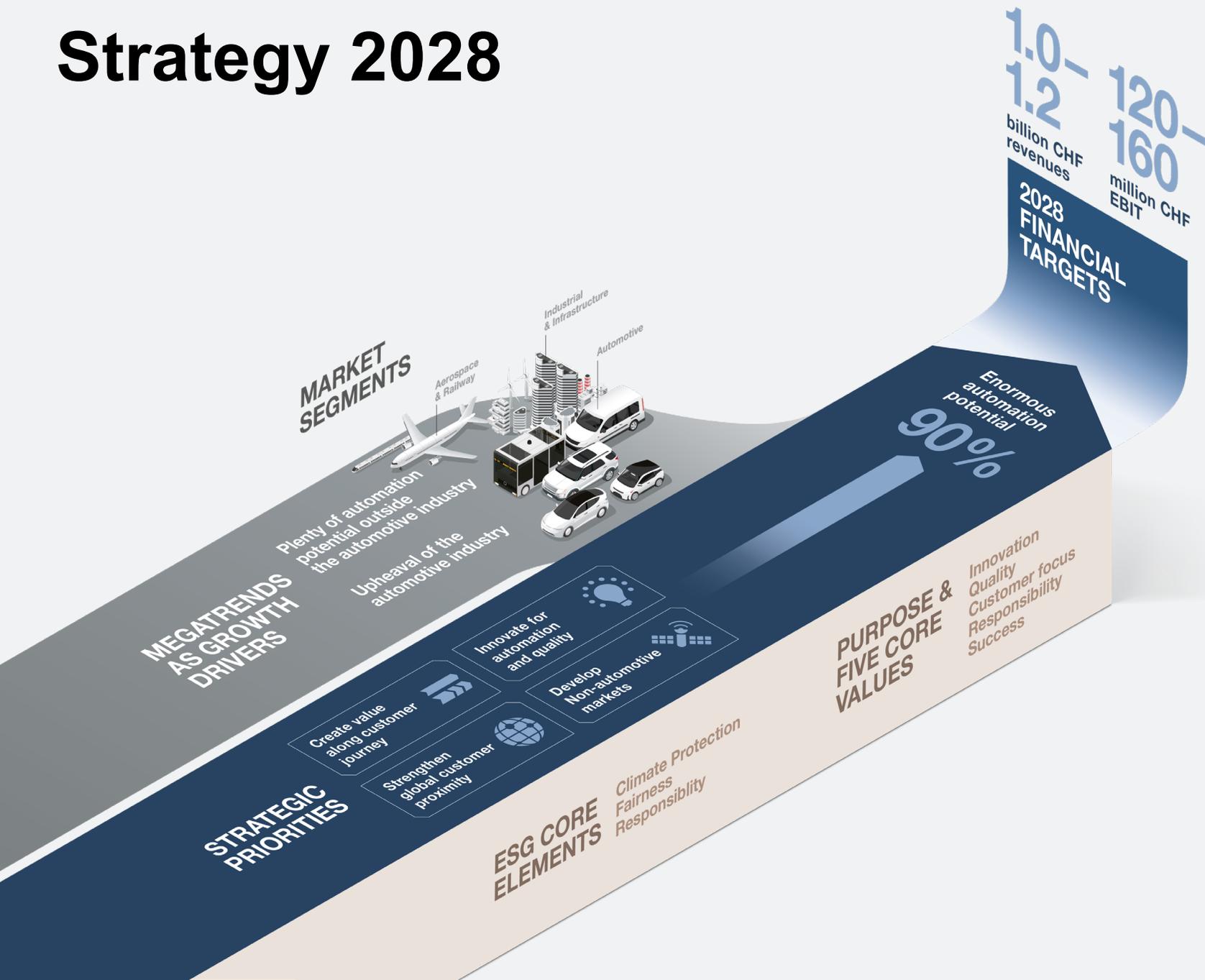


Further optimizations underway

Organizational structure and product portfolio

- Optimization of organizational structure
 - Colombo production site (Komax Testing Brasil)
(production discontinued in 2023)
 - Jettingen production site (Schleuniger GmbH)
(closure initiated in 2023, final orders being worked through in 2024)
 - Jambol production site (Komax Testing Bulgaria)
(closure initiated in 2024, production will cease at the end of April 2024)
- Optimization of product portfolio
 - Step-by-step optimization
 - “Best of” strategy

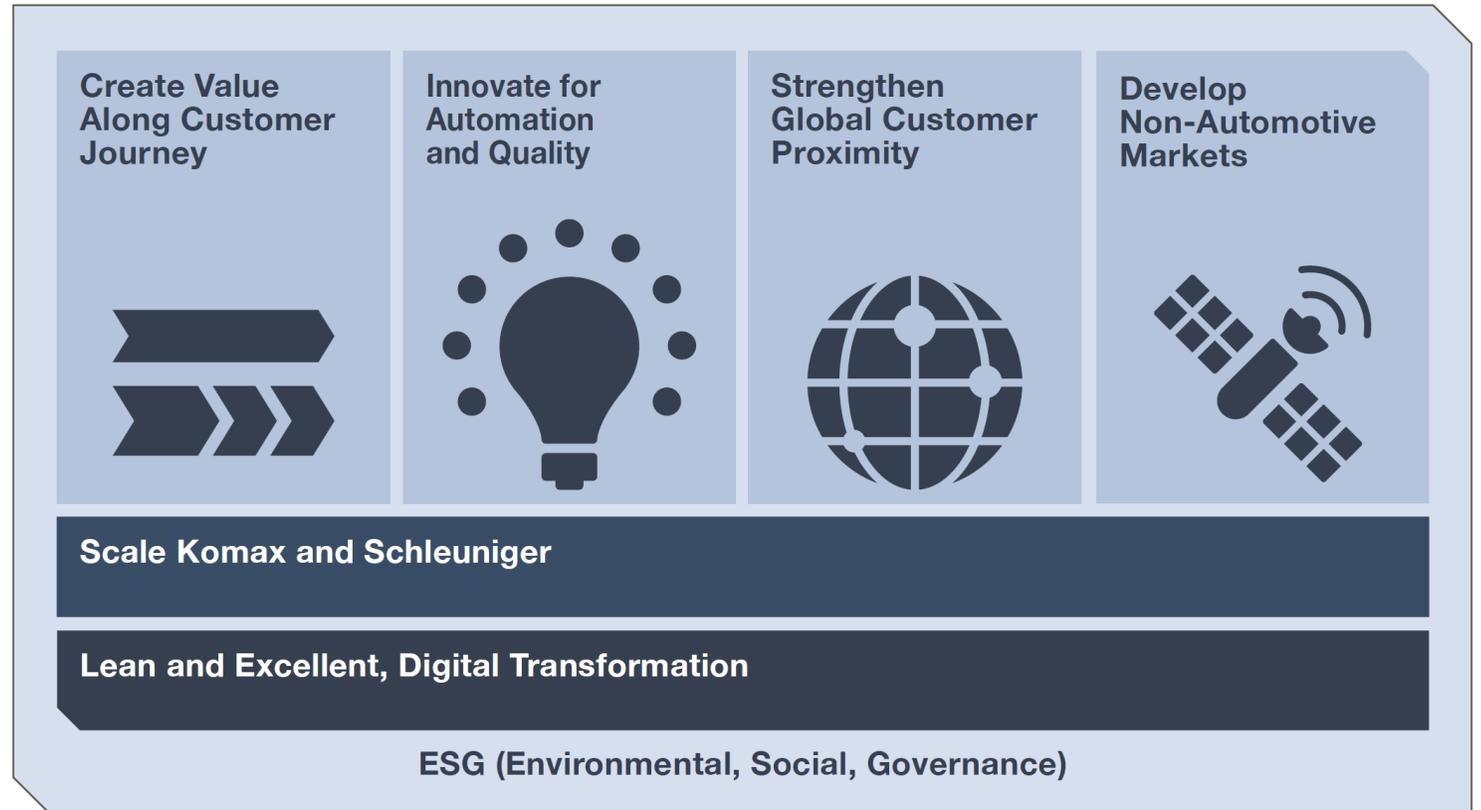
Strategy 2028



Strategy 2028

Key strategic priorities and initiatives

- Increase in service business
- Investment of 8–9% of revenues in research and development
- Expansion of presence in Asia, particularly China
- Focus on two market segments outside of automotive industry
- Consistent exploitation of strengths of Komax and Schleuniger
- Optimization of processes and supply chains
- ESG as framework with 13 non-financial targets



Ambitious targets for growth and profitability

Mid-term targets 2028

- **Revenues**

The extent to which the lower end of the bandwidth can be surpassed will primarily depend on acquisition activities

- **EBIT**

Rising revenue figures and advantageous product mix to facilitate higher-than-proportional profitability

1.0–1.2

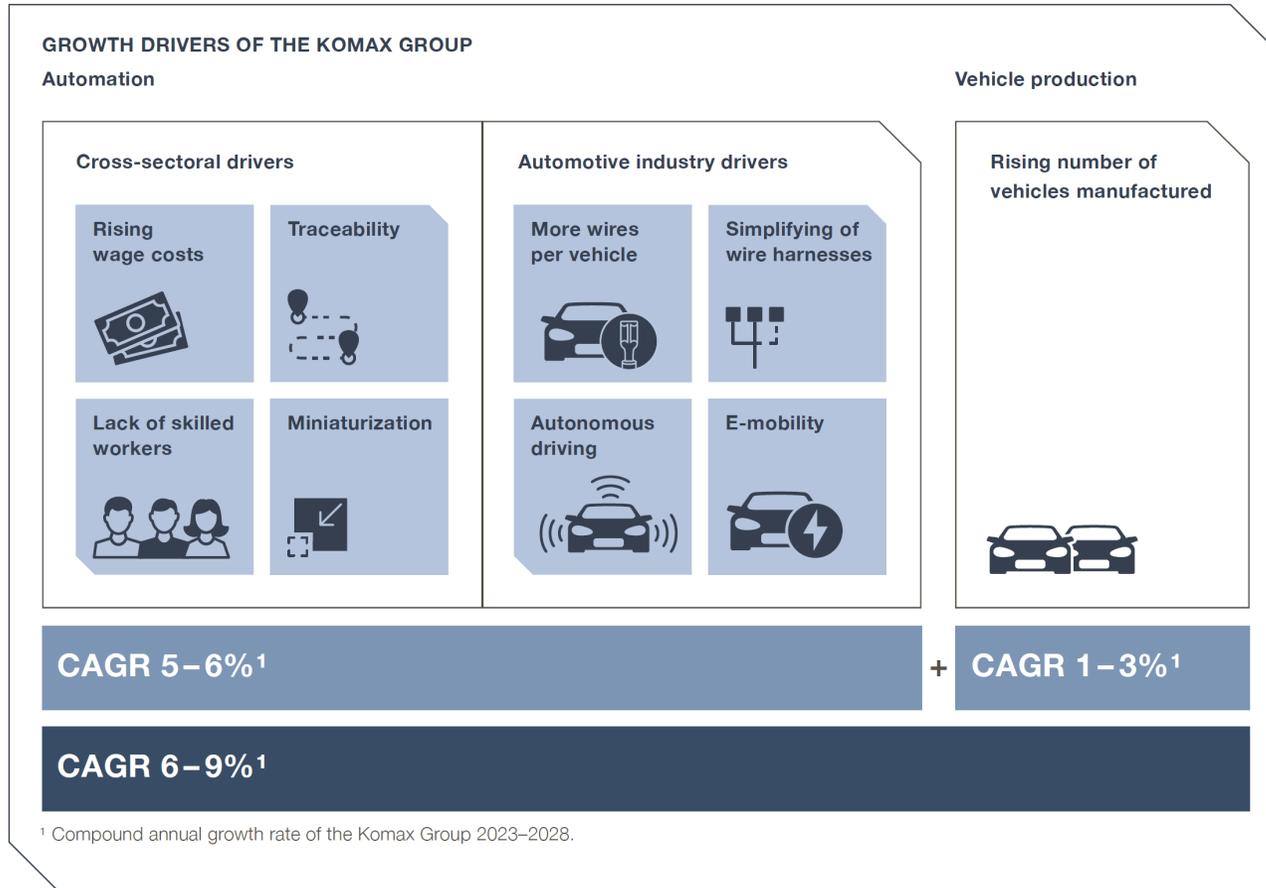
**revenues 2028
in CHF billion**

120–160

**EBIT 2028
in CHF million**

Automation is a key growth driver

80% of wire processing continues to be done by hand



- Eldorado scenario in automation
- 90% automation potential
 - 80% manual work
 - 20% machine-based work, overall equipment effectiveness (OEE) amounts to just 50%, however, which gives rise to a further 10% of automation potential
- As in 2023, around 90 million vehicles are expected to be manufactured in 2024

ESG strategy defined and implementation underway

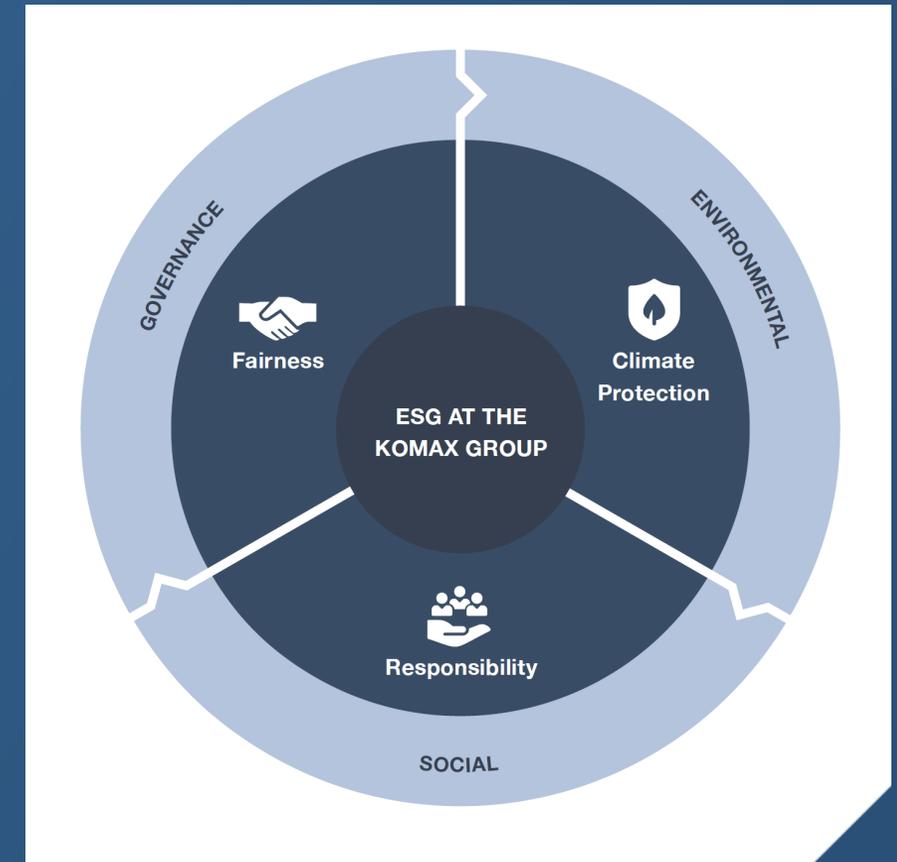
13 non-financial targets

2023 milestones

- ESG anchored as fundamental part of Strategy 2028
- Creation of Sustainability and Innovation Committee (Board of Directors level) as well as ESG Committee (operating level)
- Sustainability anchored in Articles of Association
- Publication of first ESG Report in accordance with GRI standards
- Attainment of ESG targets as bonus-relevant element of management performance (from 2024 financial year)

Focus areas 2024

- Advancing implementation of 13 ESG targets
- Promotion of sustainability in all areas through an array of initiatives
- Further development of ESG reporting (e.g. integration of TCFD)



Dividend and changes on Board of Directors

Annual General Meeting of 17 April 2024

Distribution

- The Board of Directors is taking account of the volatile, challenging business environment
- Dividend of CHF 3.00 (previous year: CHF 5.50)
- Half of distribution from capital contribution reserves

Changes on Board of Directors

- Kurt Haerri will not stand for re-election due to term-of-office limitations
- Annette Heimlicher to be proposed as new Board member
 - CEO of Contrinex Group, Switzerland, since 2012
 - Considerable business experience in industrial sector
 - Master's degree in economics from London School of Economics



Annette Heimlicher

Priority areas 2024

- Mastering the volatile market situation
 - Maintaining high level of flexibility
 - Intensifying sales activities
 - Reducing costs
- Further optimization of location structure and product portfolio
- Strengthening of position in China
- Launch of various new product innovations
- Implementation of Strategy 2028

Outlook

The weaker market development that made itself increasingly noticeable toward the end of 2023 is persisting, and the Komax Group started the new financial year with a lower order level than in the previous year. It is confident, however, that the trend toward automation will continue unabated, and hence so, too, the demand for its solutions.

The Komax Group will continue to drive the integration process forward in 2024, optimizing additional structures so as to be best equipped to implement its 2028 growth strategy.

The market is currently showing signs of extreme volatility, as it is still beset by a number of economic and geopolitical uncertainties. Consequently, visibility in terms of the development of business is very low, and no forecast for the 2024 financial year can be made as yet.

Next financial communication

Financial calendar

Annual General Meeting	17 April 2024
Half-year results 2024	13 August 2024
Investors Day	22 November 2024
Preliminary information on 2024 financial year	21 January 2025

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Note on forward-looking statements

This presentation contains forward-looking statements in relation to the Komax Group, 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 competitors, negative publicity, and the departure of management-level employees. The forward-looking statements are pure assumptions, made on the basis of information that is currently available.

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QUESTIONS AND ANSWERS

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