

RESULTS 2021

komax

15 March 2022

2021 in brief

Global vehicle production recovering less strongly than expected

- Rising demand for vehicles cannot be satisfied due to supply chain problems

Supply chain challenges

- Komax is mastering these impressively, and for the most part guaranteeing its accustomed delivery reliability

Innovation as success factor

- Significant investments in research & development, various product launches

Next step in the consolidation of the two Swiss locations

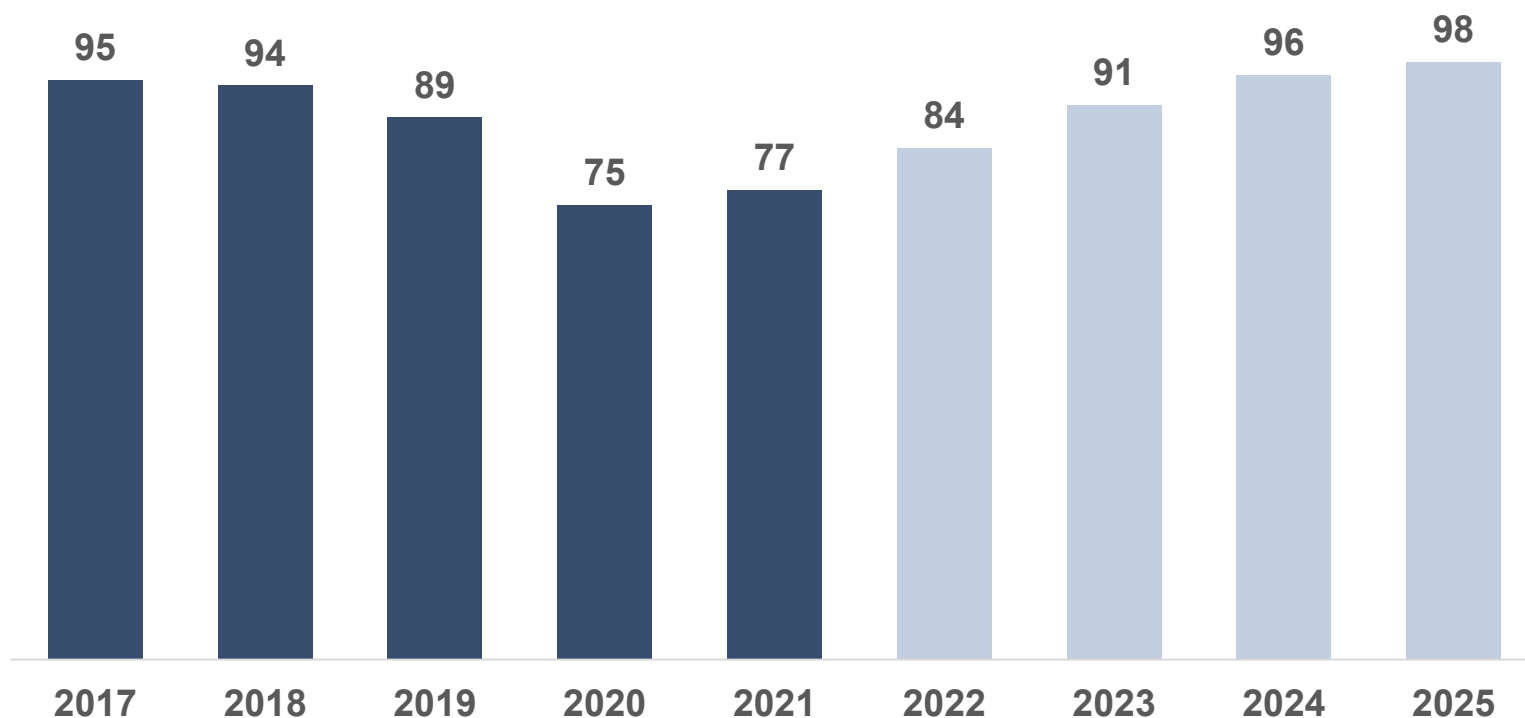
- Purchase of land with production and office building right next to Komax's headquarters

Discussions with Metall Zug

- Negotiations on quasi-merger of Komax and Schleuniger

Supply chain difficulties slow down vehicle production

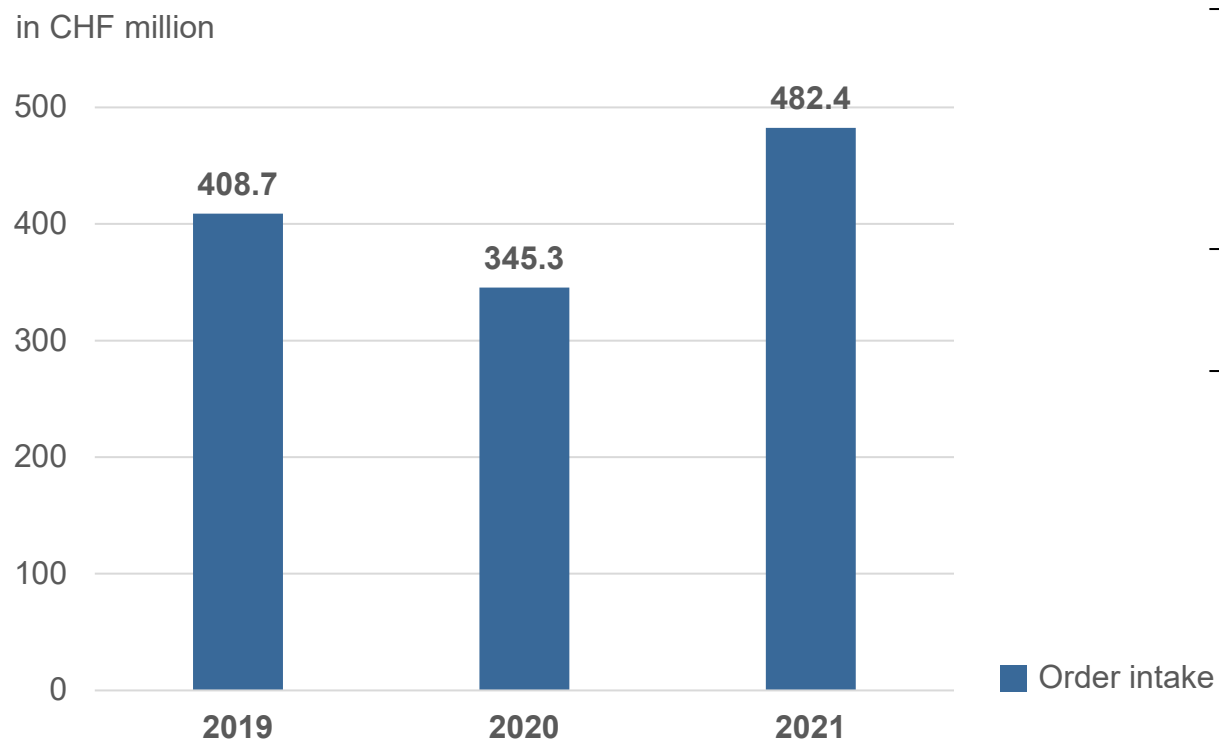
Production of passenger cars and light commercial vehicles
in million vehicles



Source: IHS Markit, March 2022

Very high order intake

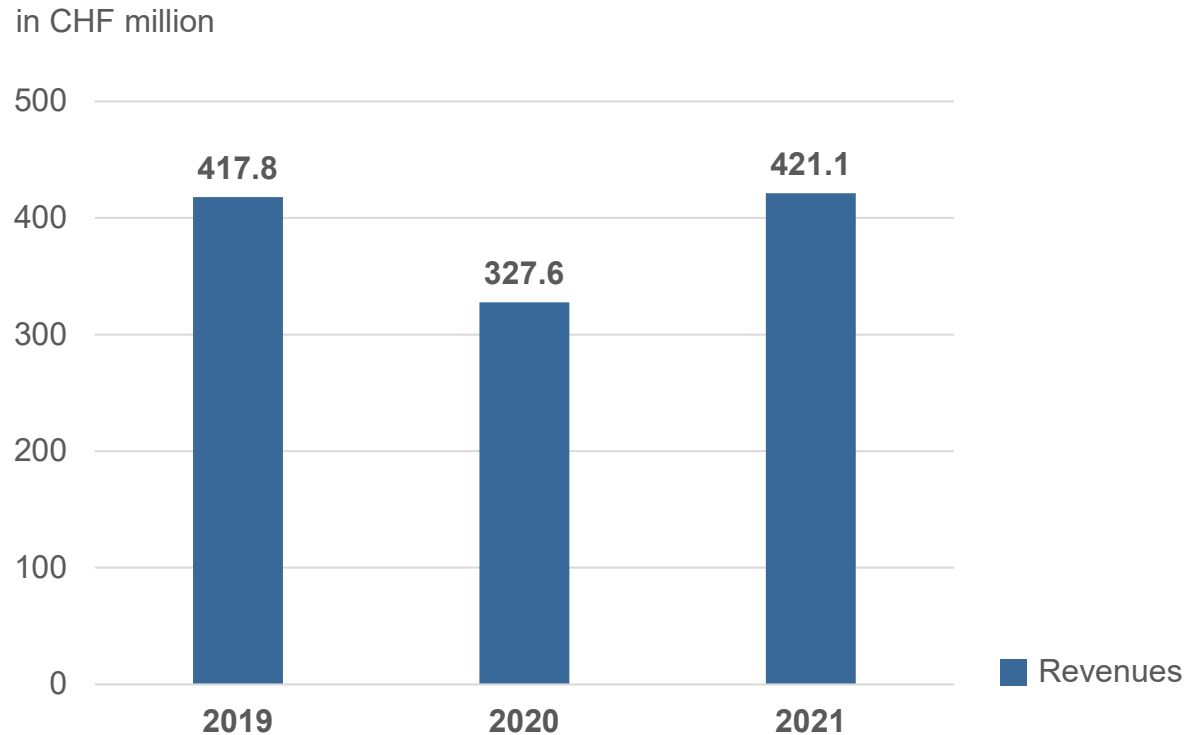
Continuous rise in the need for automation solutions



- Order intake up 39.7%
- Subdued start to the year, hence greater inflow of new orders in second half
 - H1 2021: CHF 229.1 million
 - H2 2021: CHF 253.3 million
- Order intake only 2.9% lower than in record year of 2018 (CHF 496.7 million)
- Rising demand for automation solutions in the industrial market segment

Positive revenue trend over the year

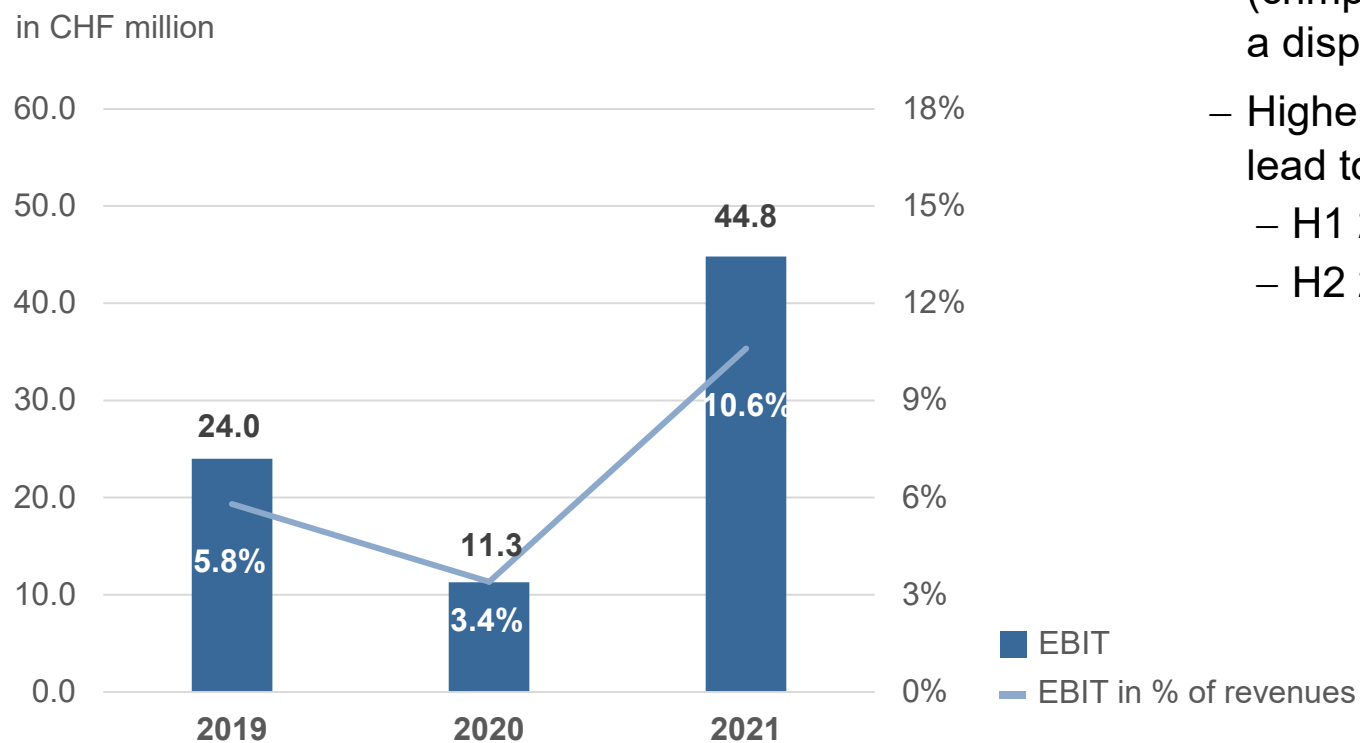
Strong revenue growth in H2



- Revenues up 28.5%
- Factors behind development of revenues
 - Organic growth: 28.0%
 - Foreign currency impact: 0.5%
- Revenues much higher in 2nd half
 - H1 2021: CHF 183.3 Mio.
 - H2 2021: CHF 237.8 Mio.
- Continuation of high delivery reliability despite supply chain challenges
- Production highly flexible: capacity continually adjusted to match orders in hand
- Book-to-bill ratio: 1.15 (2020: 1.05)

EBIT sharply up in H2

Ongoing improvement in product mix over course of year



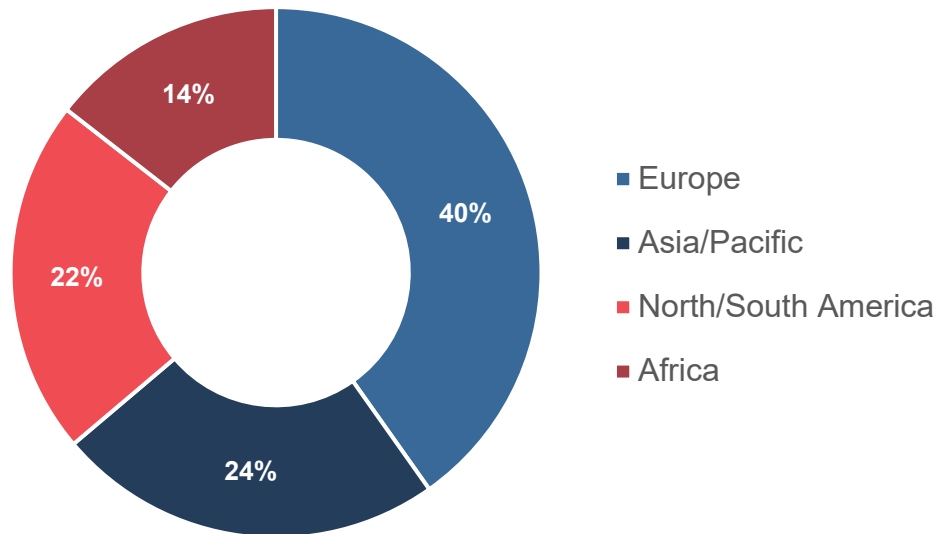
- Recovery in volume-based business (crimp-to-crimp machines), a disproportionately high EBIT contributor
- Higher revenues and improved product mix lead to higher EBIT in second half of year
 - H1 2021: CHF 14.1 million
 - H2 2021: CHF 30.7 million

AGENDA

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Strong growth in revenues in all regions

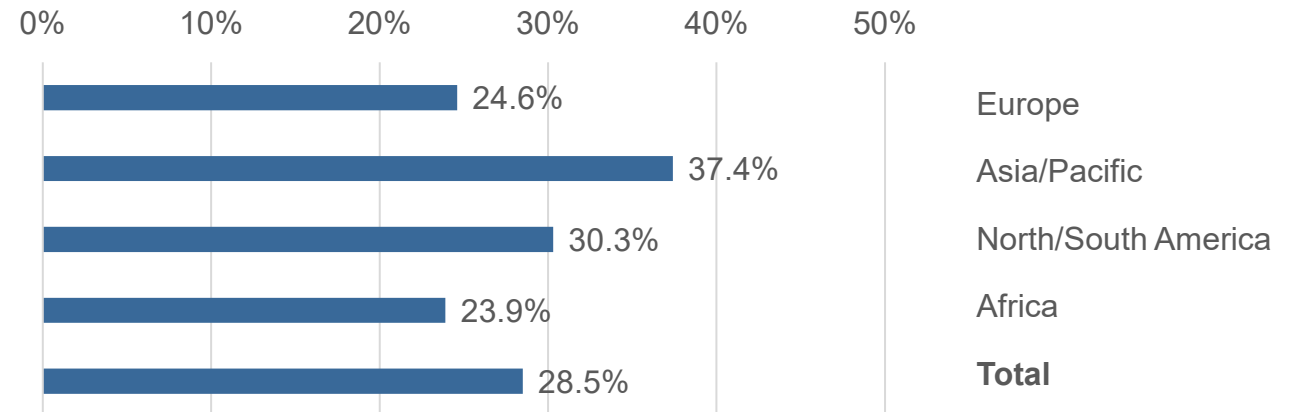
Revenues by region 2021



Revenues by region 2020

- Europe 42%
- Asia/Pacific 22%
- North/South America 21%
- Africa 15%

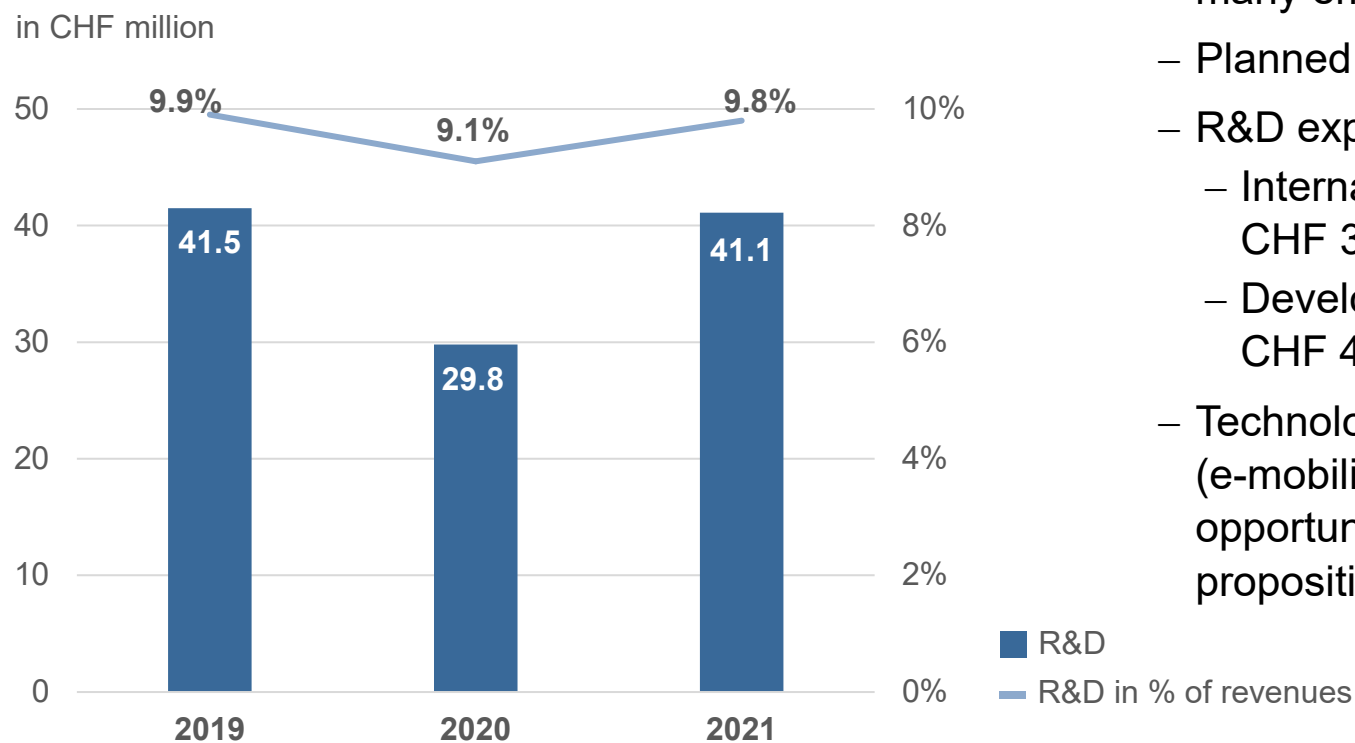
Change from previous year



- Asia saw the biggest increase, although this region had recorded the smallest drop in revenues in the previous year (–9.5%)
- Resources situation in Eastern Europe still tight; build-up of production capacity in North Africa continuing

Investments in the future

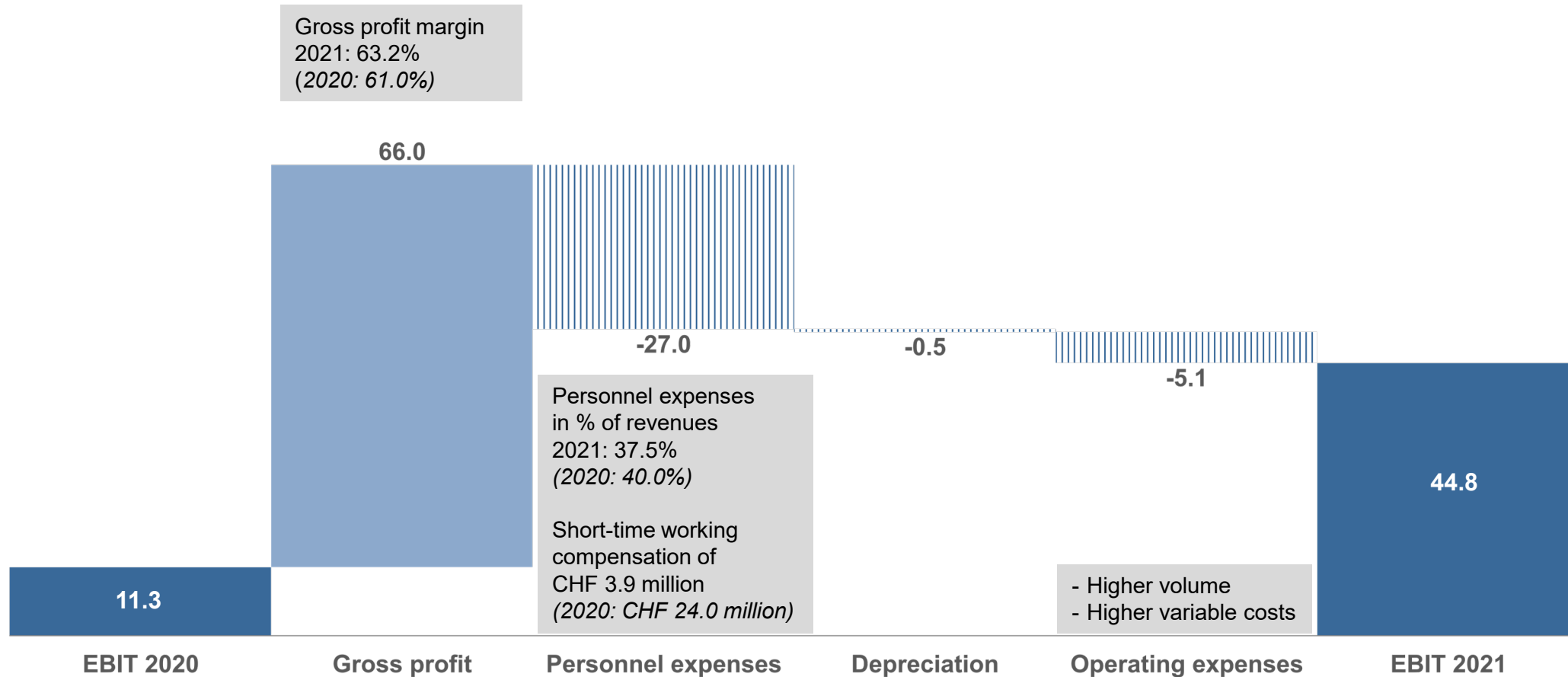
Progress on various innovation projects



- R&D expenditure was much lower in 2020, as many employees were on short-time working
- Planned annual R&D spending: 8%–9%
- R&D expenditure consist of
 - Internal development services of CHF 39.9 million (2020: CHF 25.1 million)
 - Development services of third parties of CHF 4.2 million (2020: CHF 4.7 million)
- Technological shift in automotive industry (e-mobility, autonomous driving, etc.) creating opportunities for further unique selling propositions

EBIT increases by CHF 33.5 million

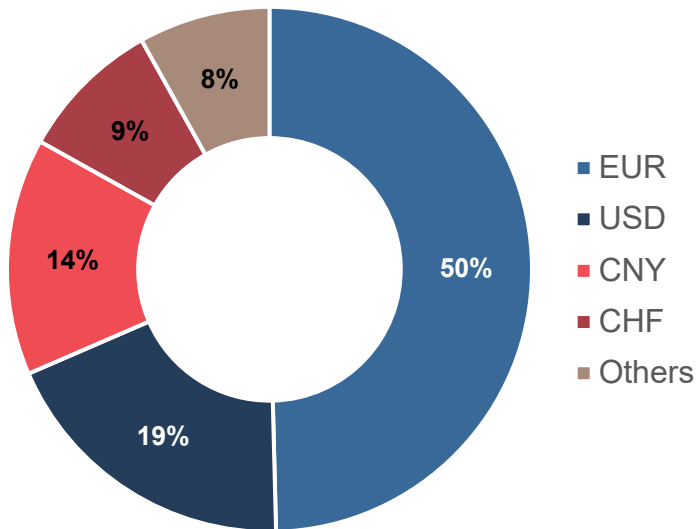
in CHF million



Positive currency effect

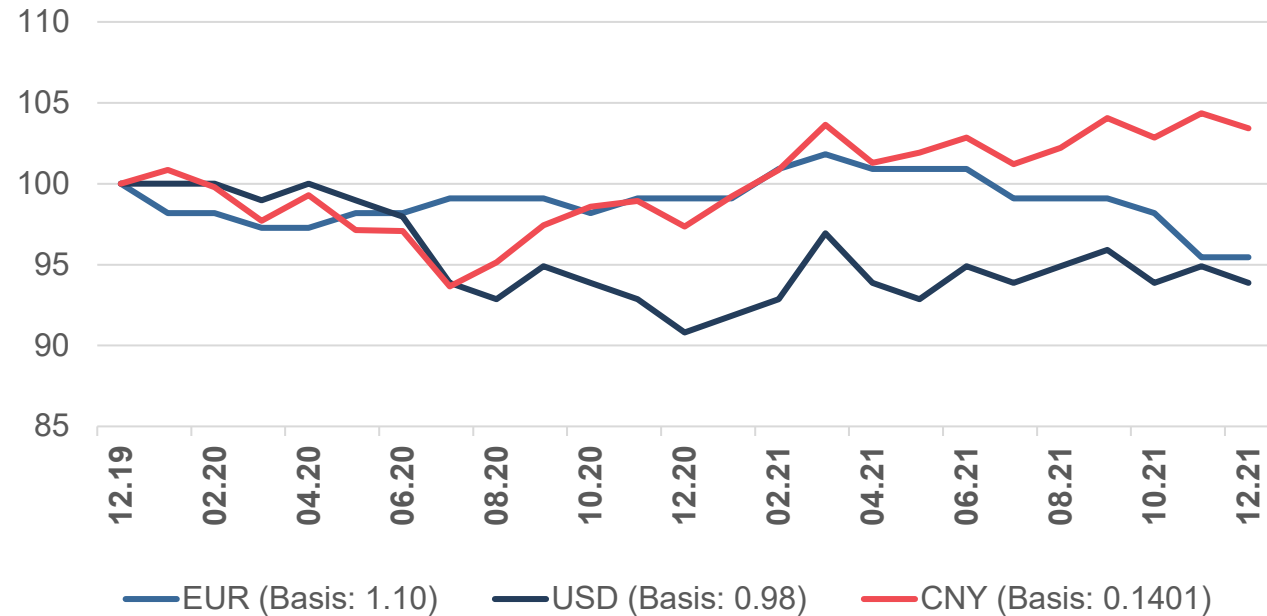
Depending on FX trend, at least half-yearly price adjustments

Revenues by currency



Revenues by currency 2020

- EUR 50%
- USD 19%
- CNY 13%
- CHF 8%
- Others 10%



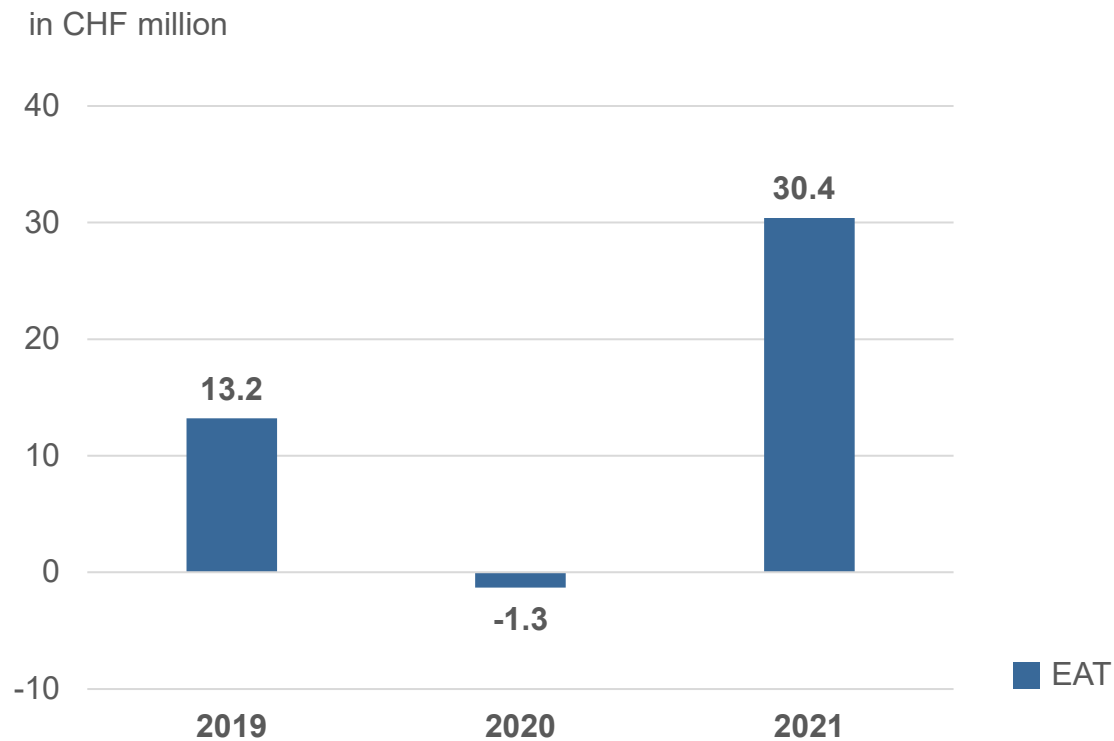
– **Foreign currency impact 2021**

revenues: 0.5%, gross profit margin: 0.4 pts, EBIT margin: 0.7 pts

– **Foreign currency impact 2020**

revenues: –3.4%, gross profit margin: –2.5 pts, EBIT margin: –1.2 pts

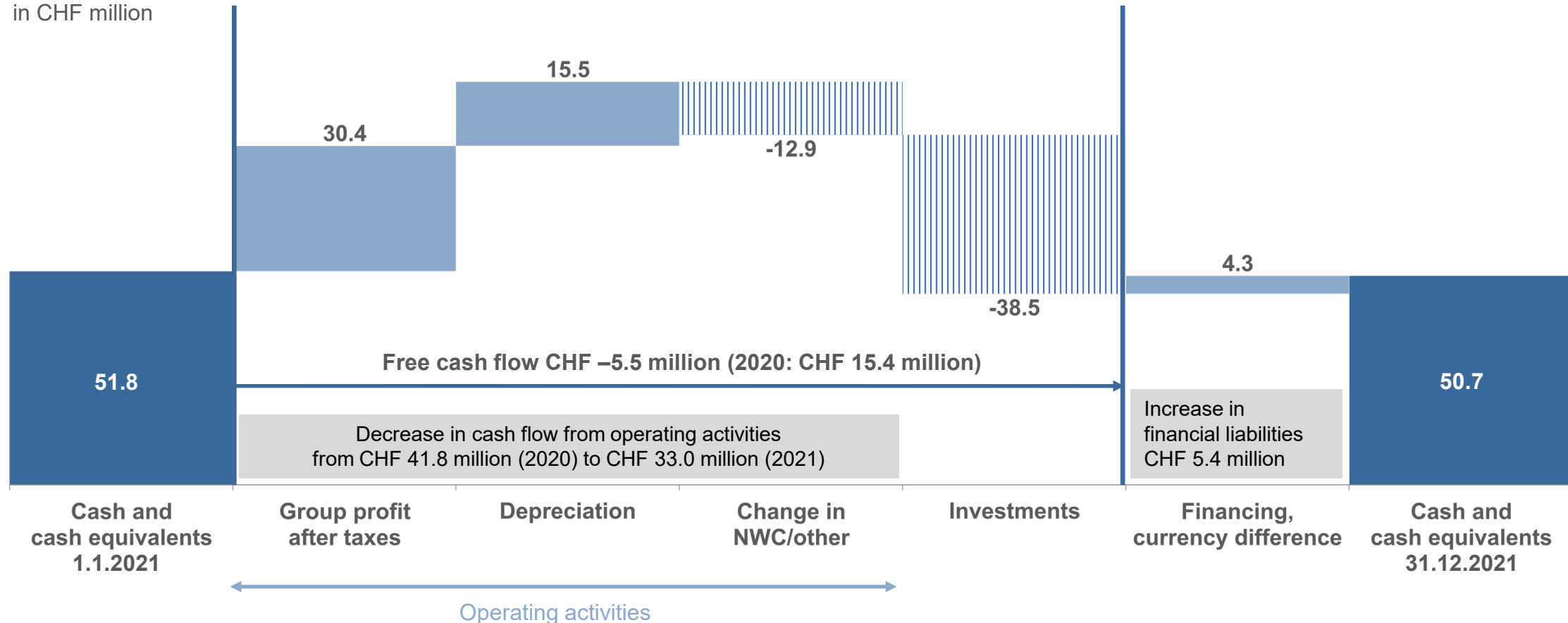
Group earnings after taxes (EAT) increase substantially



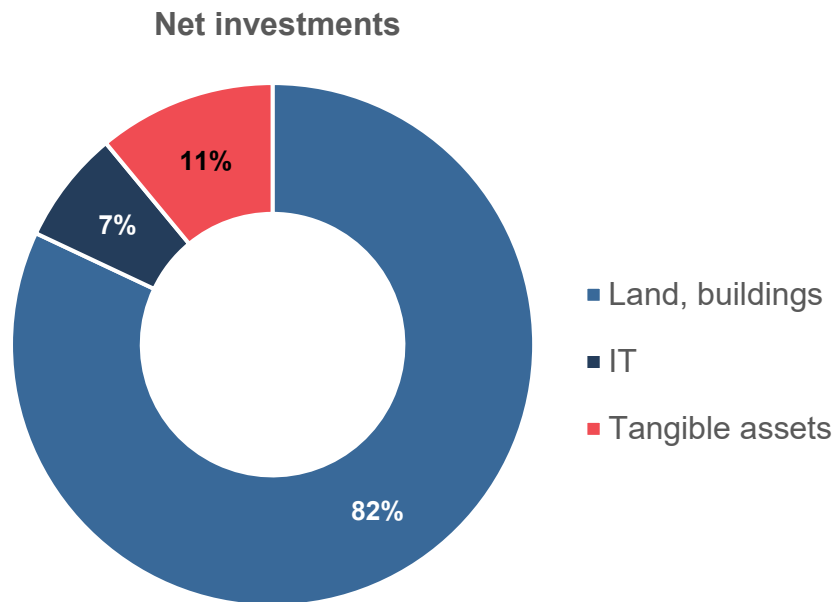
- Group earnings after taxes CHF 31.7 million higher than in the previous year
- Financial result (CHF –6.6 million) less negative than in the previous year (CHF –8.9 million) due to lower interest costs
- Tax rate of 20.5%

High level of investment activity impacting free cash flow

in CHF million



Investment volume rises with acquisition of land and building in Dierikon

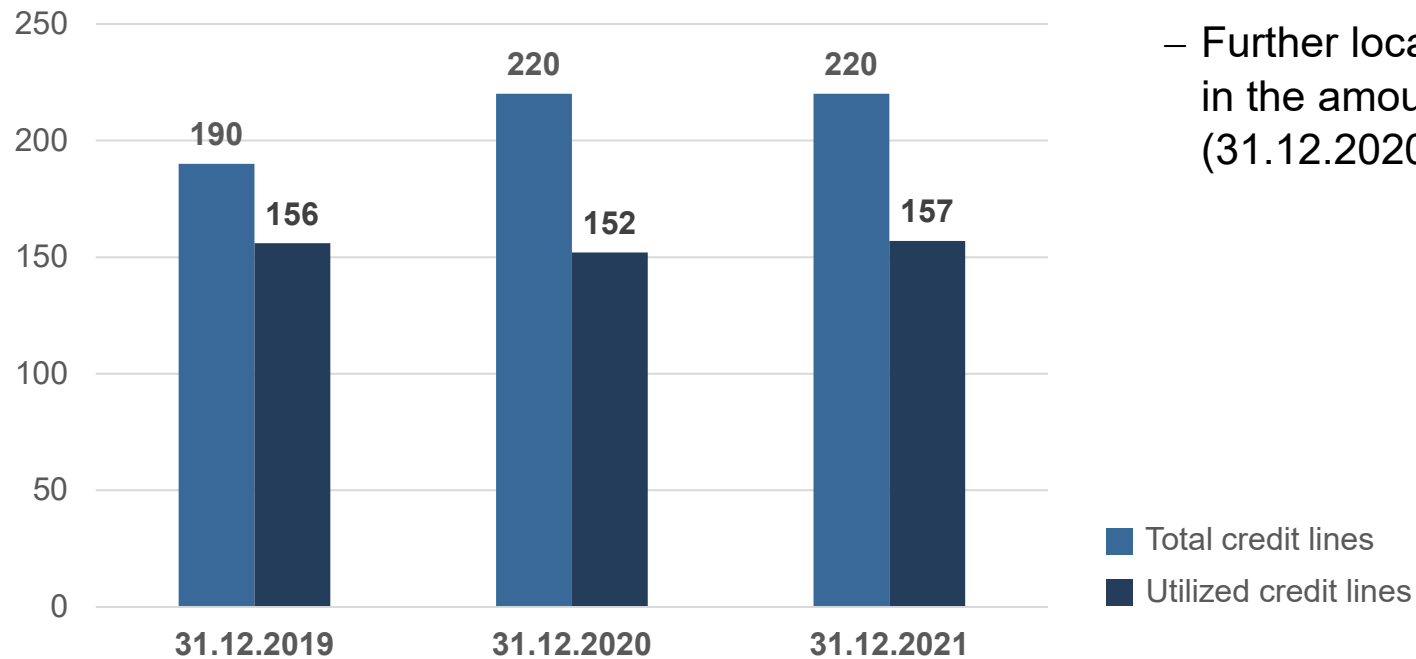


- Net investments: CHF 37.6 million (2020: CHF 25.3 million)
 - tangible assets (CHF 34.4 million)
 - intangible assets (CHF 3.2 million)
- Investment in Group companies (CHF 0.9 million)
- Planned investment volume going forward (excl. acquisition and sale of companies): 2%–3% of revenues annually



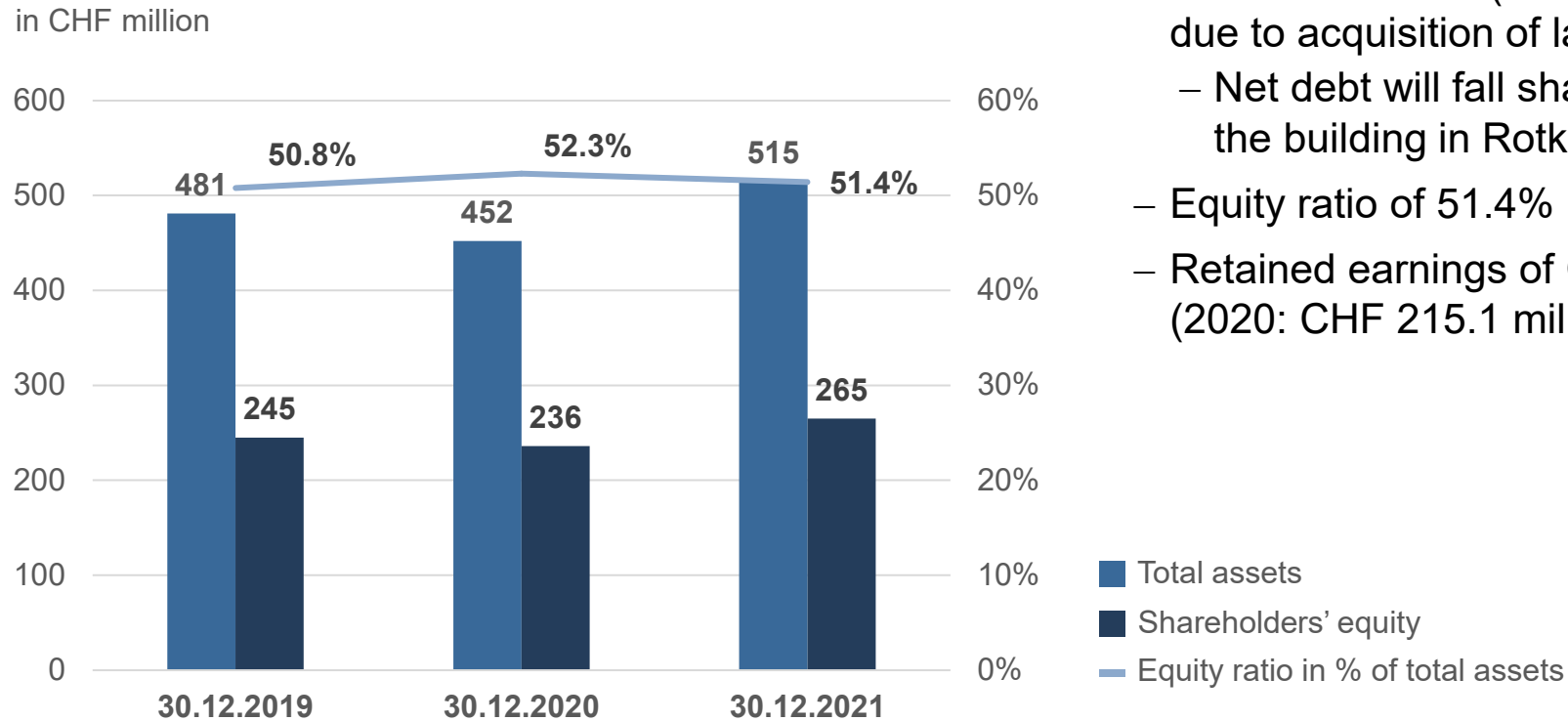
Credit line gives financial freedom of maneuver

in CHF million



- Syndicated loan facility of CHF 190 million (31.12.2020: CHF 190 million)
- Term until January 2023
- Further local credit lines for subsidiaries in the amount of CHF 30 million (31.12.2020: CHF 30 million)

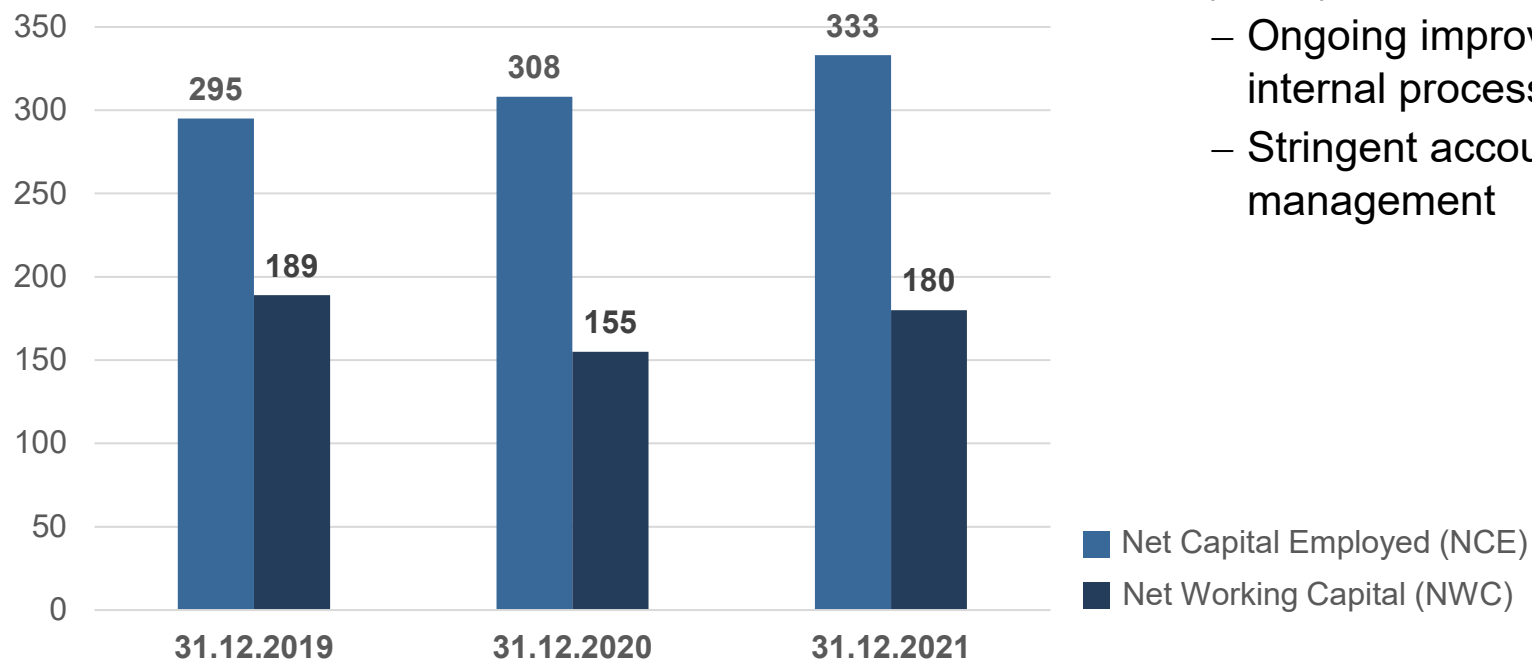
Financial base remains strong



- Temporary increase in net debt to CHF 98.4 million (2020: CHF 92.4 million) due to acquisition of land and building in Dierikon
- Net debt will fall sharply following the sale of the building in Rotkreuz (planned for 2022)
- Equity ratio of 51.4% (2020: 52.3%)
- Retained earnings of CHF 244.3 million (2020: CHF 215.1 million)

Successful net working capital management

in CHF million



- RONCE: 13.6% (2020: 3.7%)
- Robust management of net working capital (NWC)
 - Ongoing improvement and acceleration of internal processes
 - Stringent accounts receivable and inventory management

Attractive dividend policy

- Distribution of CHF 4.50 proposed, corresponds to payout ratio of 57.0%
- Strategy: payout ratio of 50–60% of Group earnings after taxes (EAT)

	2017	2018	2019	2020	2021 ¹
Distribution per share in CHF	6.50	7.00	0.0	0.0	4.50
Dividend yield in % as at 31 Dec.	2.0	3.0	0.0	0.0	1.8

¹ Proposal to the Annual General Meeting



- Share price development 2021: 43.5% (2020: –25.4%)
- 5,443 shareholders – increase in shareholder base of 2,300 persons since end of 2016

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Transaction process

Approval of AGM and competition authorities required

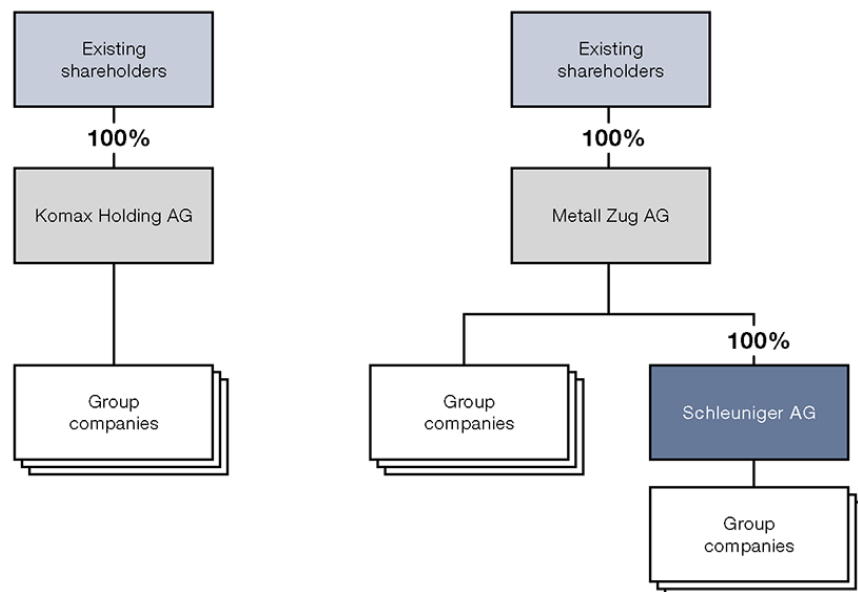
	Komax Holding AG	Metall Zug AG
Current structure	Share capital CHF 385 000 divided into 3 850 000 registered shares	Schleuniger AG share capital CHF 2 500 000 divided into 250 000 registered shares
Capital increase	Share capital CHF 1 283 333.30 divided into 1 283 333 registered shares	← Exchange of shares →
Structure after quasi-merger	Share capital CHF 5 133 333.30 divided into 5 133 333 registered shares	

- Creation of authorized capital for the issuance of 1,283,333 new shares
- The new shares will be allocated to Metall Zug AG in exchange for the Schleuniger shares

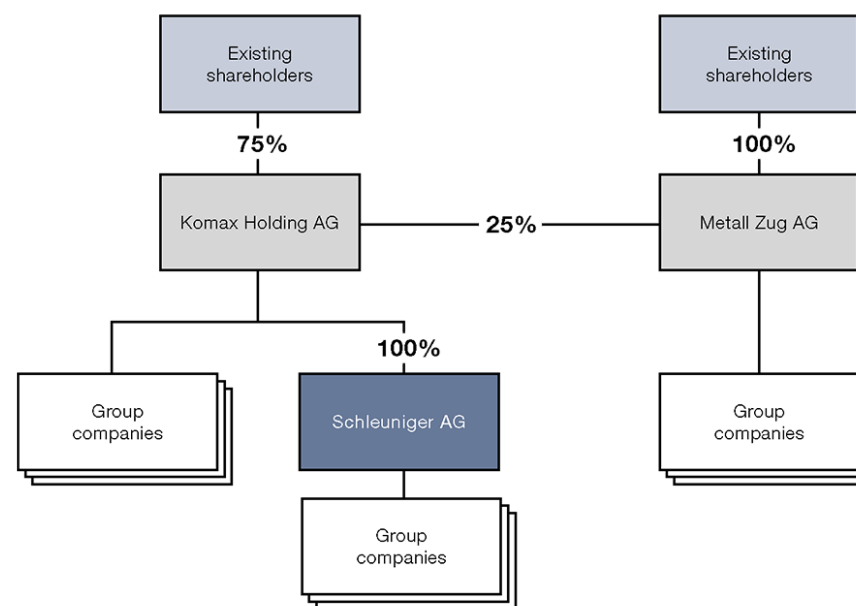
Transaction process

Metall Zug to hold 25% stake in Komax following quasi-merger

Before the quasi-merger



After the quasi-merger



- Newly created shares to be paid up through a contribution in kind: Metall Zug AG will contribute to Komax Holding AG 100% of the shares of Schleuniger AG as well as a contribution-in-kind loan amounting to approx. CHF 69.7 million
- In addition, an acquisition-in-kind loan will be transferred to Komax for a purchase price of around CHF 20.3 million

Financial aspects

Repercussions of quasi-merger of Komax and Schleuniger

- Equity ratios of Komax and Schleuniger have been adjusted for the calculation of the contribution-in-kind loan and acquisition-in-kind loan
- No significant change in annual CAPEX – to remain at around 2%–3% of revenues
- No significant change in cost/revenue ratio
- No significant impact on net debt
- Possible increase in credit line
- Approval of competition authorities expected in Q3 2022, so shared accounting possible as of 1 July 2022 at the earliest

Reasons for the merger

Quasi-merger of Komax and Schleuniger

- **Important trends have accelerated over the past two years and offer a number of opportunities**
 - E-mobility, awareness of the issue of CO₂ reduction, shortening of logistics chains, digitalization, significance of automotive market in Asia, highly flexible production concepts, foreclosure effects in the market
- **To satisfy the market needs of our customers, a high level of investment is required**
 - New types of product and process developments, smart factories, new business models and services, market presence in Asia, and China in particular
 - Bundling of competencies makes it possible to drive the solutions required forward more rapidly
- **Securing of competitiveness – positive for shareholders and employees alike**
 - Merger will lay the basis for lasting growth and for investing in the future
 - Promising long-term outlook thanks to additional expertise and resources
 - Planning security and stability through anchor shareholder with a long-term focus

Further AGM proposals

one share, one vote and additional member of the Board of Directors

Additional proposals to take effect under the condition of successful implementation of capital increase

- Rescinding of the existing restrictions on registration and voting rights of 15%
- Election of Dr. Jürg Werner to the Board of Directors



Dr. Jürg Werner, a Swiss citizen, is Chairman of the Board of Directors of Schleuniger AG, member of the Board of Directors of V-ZUG Holding AG and of Haag-Streit Holding AG, and was CEO of Metall Zug AG from 2013 to 2020. He holds a degree in electrical engineering as well as a PhD (Dr. sc. techn.) from the Federal Institute of Technology (ETH Zurich).

Dr. Jürg Werner will only join the Board of Directors once the transaction has been completed.

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Situation in Ukraine

Customers have significant need for replacement machines

- Although Komax does not have its own locations in Ukraine, it does have a local distribution partner
- The installed base in Ukraine amounts to several hundred Komax machines
- Komax is in very close contact with customers and OEMs in order to support them in the build-up and expansion of capacity in other countries



ESG is being strategically anchored

Communication of targets and measures in H2 2022

2021 milestones

- Elaboration of ESG strategy begun
- Processes to gather environmental data (incl. CO₂ emissions, scope 1 and 2) set up across the entire Komax Group
- Collaboration with EcoVadis started

2022 milestones

- Communication of ESG strategy, including targets (on Investor Day, 28 October 2022)
- Publication of first-ever ESG report (including environmental data gathered in 2021)

Priority areas 2022

- Completion of combination with Schleuniger and subsequent detailed situational analysis
 - First shared appearance envisaged at Inhouse Show in Dierikon, 25–27 October 2022
- Maintaining flexibility in production planning, not least due to situation in Ukraine
- Mastering challenges arising from supply chain difficulties
- Launch of various innovative new products

Outlook

- Komax is confident that the upward trend apparent in 2021 will continue in 2022, and expects demand for its innovative solutions to remain strong.
- Supply chain difficulties, which can be expected to drag on until at least the middle of the year, remain a problem.
- Due to various challenges, such as the present situation in Ukraine, which is resulting in high demand among customers for replacement machines, a quantitative forecast can currently not be made for the 2022 financial year.

Contact / Financial calendar



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Financial calendar

Annual General Meeting	13 April 2022
Half-year results 2022	17 August 2022
Investor Day	28 October 2022
Preliminary information on 2022 financial year	24 January 2023
Annual media and analyst conference on the 2022 financial results	14 March 2023

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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