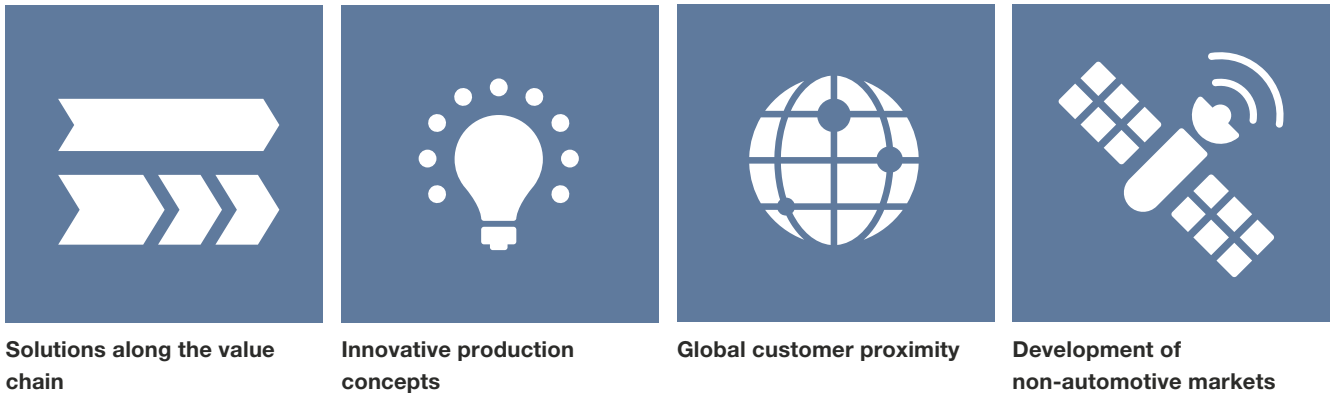


Four key strategic priorities

Komax has more than 45 years' experience in the development of customer-oriented solutions for wire processing and pursues a sustainable growth strategy that involves four key priorities:



Solutions along the value chain

Innovative production concepts

Global customer proximity

Development of non-automotive markets

Solutions along the value chain

Thanks to many decades of experience and its proximity to its customers (see page 6), Komax understands their needs and 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 to the taping process and finally the testing of the completed wire harness (see pages 36 and 37). Komax relies not only on its proprietary developments, but also on the expertise of established partners. As a result, customers receive solutions for the key wire processing applications from a single source. This approach is unique in the world. Thanks to a number of acquisitions in recent years, Komax has succeeded in closing the existing gaps in its spectrum of products and solutions, with the result that it can now offer its customers end-to-end solutions. Komax has the broadest portfolio of solutions, which means that it can address a whole range of customer needs in a targeted way. To enable its customers to continue to increase productivity in the future, Komax works with a number of partners in the field of software, among others. Komax strives to network and manage the individual processes in the value chain, such as through Komax MES (Manufacturing Execution System) and Komax Cloud MES, a form of production control software for the wire processing industry 4.0, launched in collaboration with iTAC Software.

Innovative production concepts

For a market leader like Komax, innovations are of maximum strategic importance. Komax has therefore been investing in innovations to optimize its existing product range, as well as in new developments, for many years. Every year, Komax channels some 8%–9% of revenues into research and development (see page 16). The bottom line here is to give customers an additional competitive edge by making their processes safer and more efficient. All activities are systematically geared toward customer needs and expectations. That is why Komax typically employs interdisciplinary teams – consisting of marketing experts, product managers, and development engineers – on innovation projects. For example, skillfully combining different processes and technologies reduces interfaces and lead times. At the same time, processing reliability is increased.

Global customer proximity

Komax has 19 engineering and production sites located in Europe, Asia, North and South America, and Africa. The company provides sales and service support in more than 60 countries through its subsidiaries and independent agents, which gives it a unique global presence. It 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.

To remain competitive, Komax's customers need to be flexible and select the optimal economic locations for their production processes – in other words, set up operations wherever their end customers are. This is also true for Komax. To ensure that it stays close to its customers, including when those customers choose to relocate, Komax likewise has to show flexibility. For this reason, Komax seeks to expand its global reach in a targeted way, be it through acquisitions – as described in the section entitled “Selective acquisitions” – or through the establishment of new sites.

Development of non-automotive markets

Komax now generates around 80% of its revenues through customers in the automotive industry. Market estimates indicate that some 60% of globally processed wiring is used in automotive manufacturing. This high proportion is explained by the fact that the automotive industry is peerless when it comes to standardization and automation. The high volume of wires needed for large-batch processing and the stringent requirements in place with regard to finish quality are key arguments in favor of automated solutions.

In addition to the automotive industry, there are countless other markets in which numerous wires are processed. Komax focuses predominantly on three additional market segments (see pages 14 and 15), all of which have synergy potential with the core business: aerospace, data communication and telecommunication (data/telecom), and industrial applications (industrial). As these offer attractive long-term growth opportunities, Komax is seeking to increase its penetration of these markets. If this is to be achieved, targeted investment in marketing and sales is essential.

Selective acquisitions

The primary goal of the Komax Group is to grow organically. In addition, potential candidates and opportunities for acquisitions are carefully examined as part of a clearly defined acquisition strategy that revolves around its four key strategic priorities. The acquisitions completed in recent years have played a significant role in the implementation of the strategic priorities. Examples of such acquisitions include the TSK Group (2012; solutions along the value chain), SLE quality engineering (2014; innovative production concepts), Thonauer Group (2016; increase in global reach), Laselec (2017; innovative production concepts and development of non-automotive markets), Artos Engineering (2019; increase in global reach and innovative production concepts), and Exmore (2019; innovative production concepts).

The acquisitions it has made to date are not enough to secure the company's competitiveness over the long term and consistently drive forward the automation of wire processing. Komax is therefore seeking a combination with the Schleuniger Group in 2022 (see page 3).

R&D expenditure accounts for
8% — 9%
of revenues