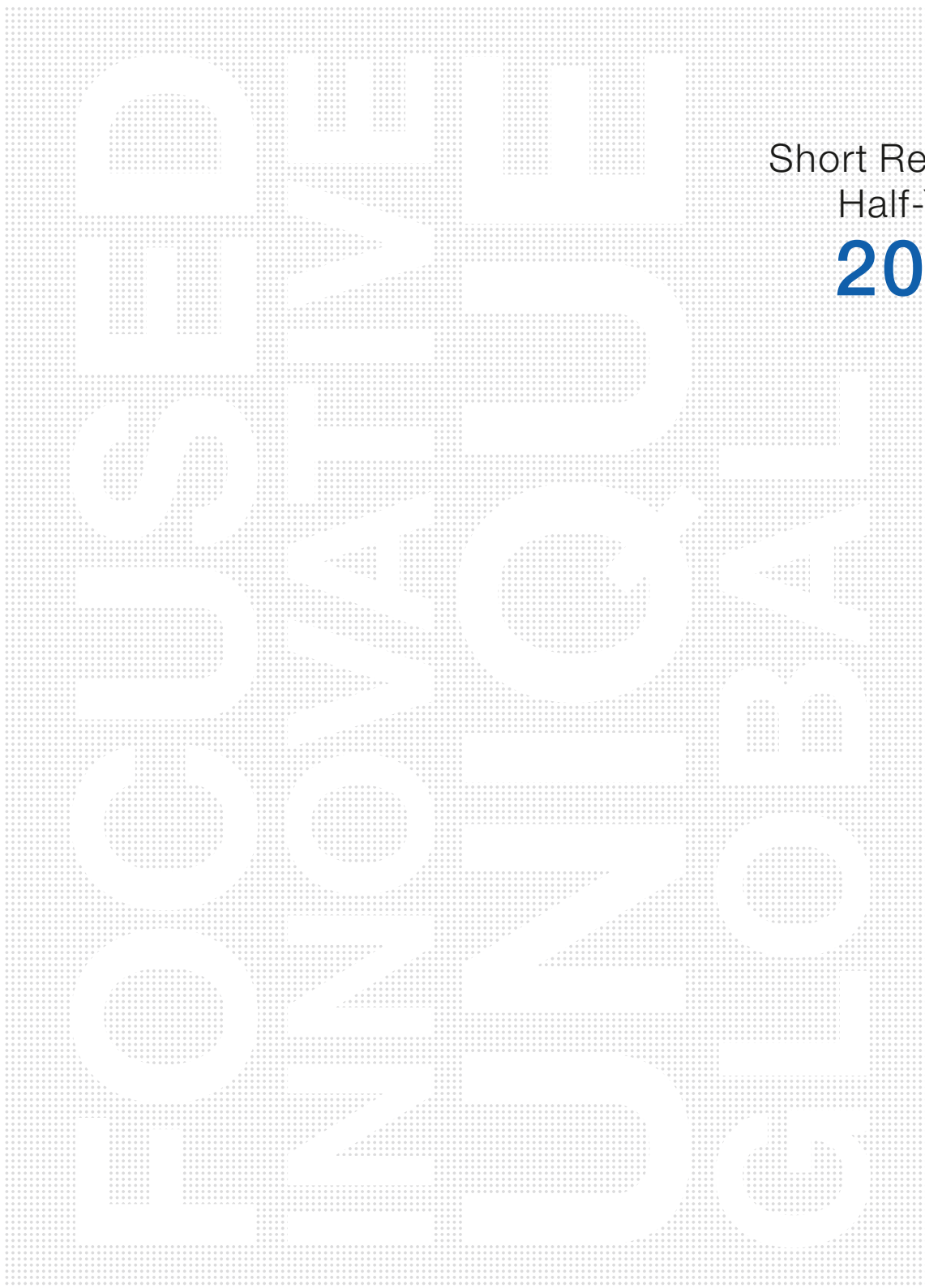


Short Report
Half-Year
2017



High order intake, strengthening of market position

Dear Shareholder

The Komax Group significantly improved order intake in the first six months of 2017. It amounted to CHF 224.4 million, or 22.2% above the prior-year figure (CHF 183.6 million). Consolidated revenues came in at CHF 194.7 million, which is almost the same as the previous year (CHF 196.4 million). Komax changed its accounting standard from IFRS to Swiss GAAP FER this year. As a result, the prior-year figures contain the results of the former Medtech business unit, which Komax sold after the first quarter of 2016. Excluding the Medtech business unit figures, internal growth in the first six months of 2017 amounted to 8.7%.

Timelag in conversion into revenues

The book-to-bill ratio stands at a high 1.15, as a number of orders already completed by Komax could not yet be delivered and therefore cannot yet be classified under revenues. This is true of both larger systems and of serial production machines manufactured in Switzerland for the fast-growing Asian market.

Operating profit (EBIT) came to CHF 25.4 million (previous year: CHF 30.5 million), while the EBIT margin amounted to 13.1% (previous year: 15.5%). Higher depreciations, the introduction of the new ERP system, and the sharp rise in headcount – the latter being attributable to higher revenues, acquisitions, and investment in market expansion – had an impact on the cost side. Foreign currencies had an impact of –0.9% on revenues and –0.4 percentage points on EBIT. Extraordinary expenses were higher than in the prior year, as Komax made a value adjustment of CHF 1.9 million to the loan granted to an associated company. This duly weighed on Group profit after taxes (EAT), which came in at CHF 18.6 million (previous year: CHF 22.9 million).

Variation in market dynamism

The need for automation solutions continues to rise, and our clients are keen to switch manual activities to machines. In the first six months of 2017, this market dynamism was particularly notable in the Asia-Pacific region and in Europe (incl. Africa), as is evident in significant rises in net sales (excl. Medtech business unit) of +5.5% and +15.8% respectively. By contrast, net sales fell short of the expectations in North/South America (–5.8%). Here customers have been showing investment restraint for a number of months now. In the first six months of 2017, we discontinued unprofitable activities in the US and reduced headcount accordingly.

Strong growth weighs on profitability

Following the sale of the Medtech business unit last year, the Komax Group has been focusing exclusively on the Wire business. At the same time, Komax has been striving not just to maintain its leading position in this core business, but to expand it further. The latest half-year figures, which reveal a very high order intake, show that this approach has proved successful and that Komax has managed to grow faster than the overall market. A contributory factor here is the very successful market launch of the new Alpha 530/550 machinery platform in Komax's core business (crimp to crimp). The new machines have replaced the existing products – which were optimized during the manufacturing process for years – more rapidly than expected. A combination of this replacement process, the greater change in the product mix compared to the previous year and the fierce competitive environment have weighed on profitability. We are determined to improve productivity as rapidly as possible and thereby continuously increase our profitability. In addition, we are continuing to channel above-average investment into research and development, as well as into the strengthening of our market organization, in order that we can remain the market and technology leader in the future thanks to new solutions.

Financial base remains very robust

The Komax Group continues to have a very strong financial base, as is clear from the shareholders' equity figure of CHF 239.3 million as per 30 June 2017 (31 December 2016: CHF 246.2 million) and the equity ratio of 63.3%. Free cash flow amounted to CHF –0.2 million (previous year: CHF –0.5 million), while net debt stood at CHF 2.2 million (31 December 2016: net cash of CHF 17.0 million).

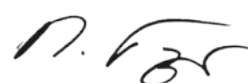
This financial basis allows Komax to continue developing the company in accordance with its selected strategy. Thanks to the asset deal concluded with Practical Solution in March 2017, Komax has expanded its presence in Asia in a targeted way. And with the acquisition of the French company Laselec SA, which was announced in June 2017 and is scheduled for completion in the second half of the year, Komax is strengthening its future presence in the aerospace segment.

Outlook

The Komax Group remains very well positioned, and is determined to expand its leading market position further in the future, despite the highly competitive environment. This is in keeping with its 2017–2021 strategic targets. On the basis of our strong order backlog and the unrelenting dynamism of the automotive industry, we expect to surpass this latest half-year result in the second half of 2017 from today's perspective.



Dr. Beat Kälin
Chairman of the
Board of Directors



Matijas Meyer
CEO

→ Half-year results 2017

Consolidated balance sheet

in TCHF	30.06.2017	31.12.2016	+/- in %
Current assets	255 005	231 879	10.0
Non-current assets	123 204	125 181	-1.6
Total assets	378 209	357 060	5.9
Current liabilities	73 129	70 319	4.0
Non-current liabilities	65 734	40 567	62.0
Equity attributable to shareholders ¹ of Komax Holding AG	239 346	246 174	-2.8
Total liabilities and shareholders' equity	378 209	357 060	5.9

Consolidated income statement

in TCHF	First half 2017	First half 2016	+/- in %
Revenues ¹	194 711	196 359	-0.8
Gross profit	123 793	126 289	-2.0
Operating cash flow (EBITD)	30 671	34 842	-12.0
Operating profit (EBIT)	25 444	30 467	-16.5
Financial result	-1 034	-732	41.3
Group profit before taxes (EBT)	22 488	28 537	-21.2
Group profit after taxes (EAT)	18 638	22 921	-18.7

¹ Revenues: net sales + other operating income.

Information by segment

First half 2017 in TCHF	Wire ²	Medtech	Group
Order intake	224 431	-	224 431
Net sales	194 175	-	194 175
EBIT	25 444	-	25 444
First half 2016 in TCHF	Wire ²	Medtech	Group
Order intake	174 361	9 264	183 625
Net sales	176 276	19 197	195 473
EBIT	30 029	438	30 467

² Including elimination of intersegment revenues and corporate costs.

Consolidated cash flow statement

in TCHF	First half 2017	First half 2016	+/- in %
Cash flow from operating activities	12 467	24 764	-49.7
Cash flow from investing activities	-12 668	-25 309	-49.9
Free cash flow	-201	-545	-63.1
Cash flow from financing activities	9 742	6 489	50.1
Distribution out of reserves from capital contributions ³	-5 728	-5 623	1.9
Distribution of dividends ⁴	-19 094	-16 870	13.2
Increase (+) / decrease (-) in funds⁵	9 058	5 998	51.0

³ The payout from capital contribution reserves of CHF 1.50 (previous year: CHF 1.50) per registered share was done in May 2017 (previous year: May 2016).

⁴ The distribution of dividends of CHF 5.00 (previous year: CHF 4.50) per registered share was done in May 2017 (previous year: May 2016).

⁵ Funds: cash + cash equivalents (including time deposits with a term of up to three months).

Key figures

	2017	2016
Net debt as at 30 June 2017 / Net cash as at 31 December 2016 in TCHF	-2 246	17 008
Gross profit first half in % of revenues	63.6	64.3
Operating cash flow (EBITD) first half in % of revenues	15.8	17.7
Operating profit (EBIT) first half in % of revenues	13.1	15.5
Group profit after taxes (EAT) first half in % of revenues	9.6	11.7
Headcount as at 30 June 2017 / 31 December 2016	1 709	1 633

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER since the beginning of 2017. Prior-year figures have been adjusted accordingly. The complete consolidated half-year financial statements of the Komax Group, which were prepared in accordance with the Swiss GAAP FER guidelines, can be downloaded from www.komaxgroup.com.

Financial calendar

First information on the year 2017	23 January 2018
Annual media and analyst conference on the 2017 financial results	20 March 2018
Annual General Meeting	19 April 2018
Half-year results 2018	21 August 2018

Forward-looking statements

The Short Report 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. This Short Report and the Half-Year Report are available in English and German. The original German versions are binding.

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