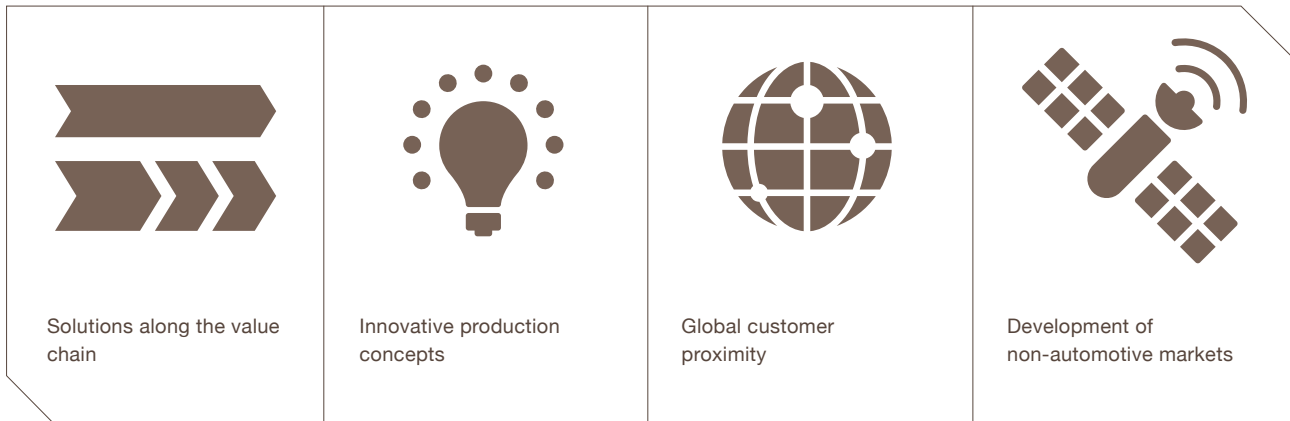


## FOUR KEY STRATEGIC PRIORITIES

The Komax Group has almost 50 years' experience in the development of customer-oriented solutions for wire processing and pursues a sustainable growth strategy that involves four key priorities:



**8–9%**  
of revenues  
invested in research  
and development

### Solutions along the value chain

Thanks to many decades of experience and its proximity to its customers (see pages 28/29), the Komax Group 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 26/27). The Komax Group 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 on a one-stop basis. This approach is unique in the world.

In recent years, the Komax Group has succeeded in closing the existing gaps in its spectrum of products and solutions thanks to a number of acquisitions and the combination with Schleuniger, with the result that it can now offer its customers end-to-end solutions. The Komax Group has by far the broadest portfolio of solutions on the market, which means that it can address a whole range of customer needs in a targeted way.

### Innovative production concepts

For a market leader like the Komax Group, innovations are of maximum strategic importance. The company has therefore been investing in innovations to optimize its existing product range, as well as in new developments, for many years. Every year, the Komax Group channels some 8–9% of revenues into research and development (see page 41). 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 the Komax Group 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

The Komax Group has 25 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 indepen-

dent 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, customers of the Komax Group 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 the Komax Group. To ensure that it stays close to its customers, including when those customers choose to relocate, the Komax Group likewise has to show flexibility. For this reason, the Komax Group seeks to expand its global reach in a targeted way, be it through acquisitions or by opening new sites.

#### **Development of non-automotive markets**

The Komax Group generates around 75% 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 considerable 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. The Komax Group focuses predominantly on three additional market segments (see pages 34/35), all of which have synergy potential with the core business: aerospace, data communication and telecommunication (data/telecom), and industrial applications

(industrial). As these markets offer attractive long-term growth opportunities, the Komax Group is seeking to increase its penetration. If this is to be achieved, targeted investment in marketing and sales is essential.

#### **Financial stability**

Safeguarding financial stability is a further key strategic element for the long-term success of the Komax Group. The company is distinguished by its robust equity base and strong profitability. Its equity ratio is 53.2%. This solid foundation enables the Komax Group to systematically pursue opportunities to develop the company further and offers security in challenging times.

#### **Selective acquisitions**

The Komax Group primarily aims 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 these strategic priorities. The combination with the Schleuniger Group in the year under review was an historic moment and has enabled significant progress with all four key priorities (see page 10).

**75%**  
of revenues  
from customers  
in automotive