

INNOVATIVE AUTOMATION SOLUTIONS

Half-Year Report
2022

komax

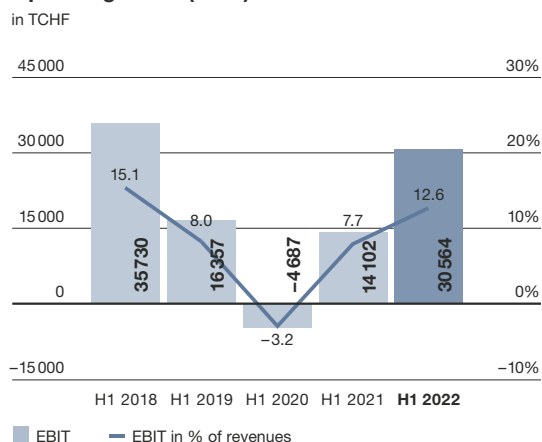
KEY FIGURES

	First half 2022	First half 2021	+/- in %
in TCHF			
Order intake	342 823	229 091	49.6
Revenues	241 775	183 296	31.9
Gross profit	152 318	118 350	28.7
in % of revenues	63.0	64.6	
Investments in non-current assets	5 502	4 980	10.5
Free cash flow	3 474	8 759	-60.3
Foreign currency impact			
on revenues (in %)	-1.2	-0.8	
on EBIT margin (in percentage points)	-0.4	0.3	
	30.06.2022	31.12.2021	+/- in %
in TCHF			
Net working capital ¹	203 307	180 110	12.9
Total assets	535 509	514 891	4.0
Net debt	112 680	98 391	14.5

¹ Net working capital: receivables plus inventories less current liabilities.

17.7 %
RONCE
(First half 2021: 8.7%)

Operating result (EBIT)



2235

Headcount as at 30.06.2022
(30.06.2021: 2046 employees)

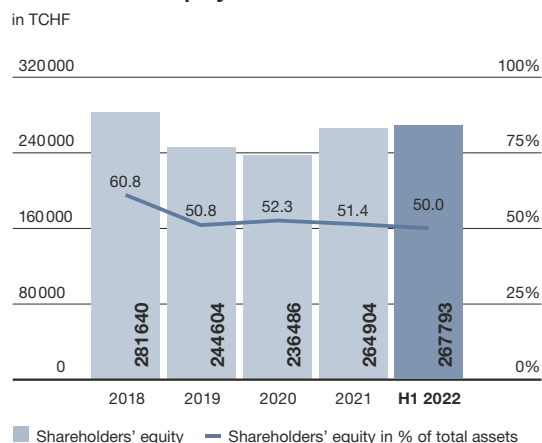
1.42

Book-to-bill ratio
(First half 2021: 1.25)

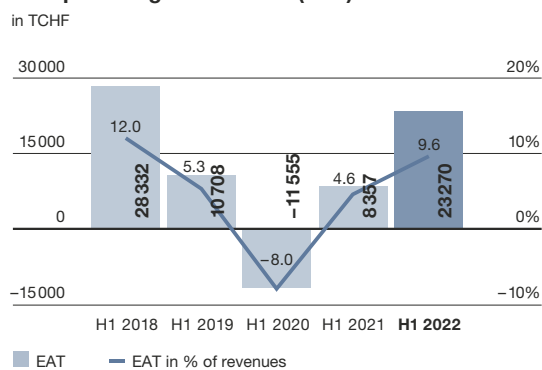
6.05

Basic earnings per share in CHF
(First half 2021: 2.17)

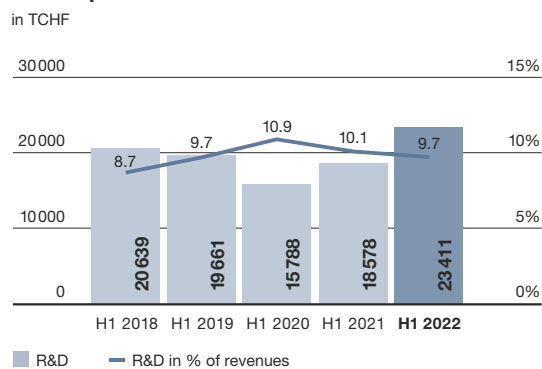
Shareholders' equity



Group earnings after taxes (EAT)



R&D expenditure



HALF-YEAR REPORT

Komax Group: Business
in the first half of 2022

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DEAR SHAREHOLDER

The Komax Group recorded a high order intake in 2021 (book-to-bill ratio of 1.15 as at 31 December 2021) and started 2022 with an impressive order backlog. Komax was confident that the upward trend which started in 2021 would persist. This was borne out by events in the first half of 2022: customers continued to seek to increase the degree of automation in their factories, demonstrating considerable interest in Komax's innovative solutions as a result. Komax also received a large number of extraordinary additional orders as a result of the war in Ukraine. Ukraine is a key location in Europe for wire manufacturing. To compensate for the decline in certain Ukrainian production capacities during the war, customers are looking to build up replacement capacity elsewhere (particularly in other Eastern European countries and North Africa). Overall, the situation in Ukraine and the ongoing trend towards automation led to an impressive order intake of CHF 342.8 million in the first half of 2022. This equates to an increase of 49.6% on the first half of 2021 (CHF 229.1 million), when the start to the year was subdued.

In order to be able to handle the numerous extraordinary orders it received, Komax recruited additional personnel, above all in Switzerland. Against a backdrop of rising production volumes and a concomitant increase in material requirements, the existing supply chain challenges became even more pronounced. Accordingly, revenues in the first half of 2022 were unable to keep pace with the development of the order intake. Revenues increased by 31.9% to CHF 241.8 million (first half of 2021: CHF 183.3 million), attributable to organic growth (33.1%) and negative foreign currency effects (-1.2%). All regions recorded significant year-on-year growth in revenues: Africa (+40.9%), Europe (+35.7%), Asia (+31.1%), and North/South America (+21.1%).

Sharp increase in EBIT

Komax was able to offset most of the rising personnel, material, and energy costs, etc. in the first half of 2022. As a result, the company managed to more than double its operating result (EBIT), which increased from CHF 14.1 million to CHF 30.6 million. This corresponds to an EBIT margin of 12.6% (first half of 2021: 7.7%). Group earnings after taxes (EAT) increased to CHF 23.3 million (first half of 2021: CHF 8.4 million).

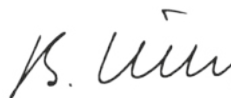
Komax continued to invest heavily in a promising future in the first half of 2022, allocating the sum of CHF 23.4 million to research and development (first half of 2021: CHF 18.6 million), which equates to 9.7% of revenues.

Solid financial foundation

Komax continues to have a solid financial base. As at 30 June 2022, shareholders' equity totaled CHF 267.8 million (31 December 2021: CHF 264.9 million), while the equity ratio stood at 50.0% (31 December 2021: 51.4%). Free cash flow amounted to CHF 3.5 million (first half of 2021: CHF 8.8 million). The year-on-year decline is attributable in particular to the fact that trade receivables increased sharply on the back of strong revenue growth. Net debt rose to CHF 112.7 million in the first half of 2022 from CHF 98.4 million as at 31 December 2021, this being primarily attributable to the distribution of the dividend in April 2022.

Outlook

Looking ahead to the second half of 2022, the company will focus on working through the high order levels and carrying out the initial analysis work in connection with the combination of Komax and Schleuniger, which is scheduled for 30 August 2022. As the numerous supply chain challenges can be expected to persist over the coming months, Komax is anticipating revenues for the second half of 2022 (excluding Schleuniger) that are in line with the figure for the first six months of the year. Absolute EBIT should also be broadly on a par with the first half of 2022. Komax is confident that the trend towards automation will continue in the second half of the year, and that demand for Komax solutions will remain at a good level. Accordingly, the book-to-bill ratio can be expected to remain high at the end of 2022. Komax will communicate the financial impact of the combination between Komax and Schleuniger on the full-year results for 2022 after the closing of the transaction (end of August 2022).



Dr. Beat Kälin
Chairman of the
Board of Directors



Matijas Meyer
CEO

16 August 2022

Consolidated income statement

in TCHF	First half 2022	%	First half 2021	%
Net sales	238 087		180 378	
Other operating income	3 688		2 918	
Revenues	241 775	100.0	183 296	100.0
Change in inventory of unfinished and finished goods	3 602		15 166	
Cost of materials	-93 059		-80 112	
Gross profit	152 318	63.0	118 350	64.6
Personnel expenses	-85 489		-76 522	
Depreciation on property, plant, and equipment	-5 779		-5 770	
Depreciation on intangible assets	-1 975		-1 978	
Other operating expenses	-28 511		-19 978	
Operating result (EBIT)	30 564	12.6	14 102	7.7
Financial result	-2 442		-2 934	
Group earnings before taxes (EBT)	28 122	11.6	11 168	6.1
Income taxes	-4 852		-2 811	
Group earnings after taxes (EAT)	23 270	9.6	8 357	4.6
Of which attributable to:				
- Shareholders of Komax Holding AG	23 270		8 357	
- Non-controlling interest	0		0	
Basic earnings per share (in CHF)	6.05		2.17	
Diluted earnings per share (in CHF)	6.03		2.17	

Consolidated balance sheet

in TCHF	30.06.2022	%	31.12.2021	%
Assets				
Cash and cash equivalents	49 421		50 671	
Securities	12		13	
Trade receivables	123 382		108 955	
Other receivables	15 088		18 919	
Inventories	125 867		112 093	
Accrued income and prepaid expenses	7 846		5 676	
Assets held for sale	17 121		17 568	
Total current assets	338 737	63.3	313 895	61.0
Property, plant, and equipment	172 634		175 502	
Intangible assets	13 608		13 891	
Deferred tax assets	10 004		10 989	
Other non-current receivables	526		614	
Total non-current assets	196 772	36.7	200 996	39.0
Total assets	535 509	100.0	514 891	100.0
Liabilities				
Current financial liabilities	159 073		7 478	
Trade payables	25 523		22 394	
Other payables	43 354		43 294	
Current provisions	2 494		2 657	
Accrued expenses and deferred income	27 415		25 882	
Total current liabilities	257 859	48.2	101 705	19.8
Non-current financial liabilities	3 040		141 597	
Other non-current liabilities	1 402		1 363	
Deferred tax liabilities	5 415		5 322	
Total non-current liabilities	9 857	1.8	148 282	28.8
Total liabilities	267 716	50.0	249 987	48.6
Share capital	385		385	
Capital surplus	22 113		22 113	
Treasury shares	-1 015		-1 888	
Retained earnings	246 310		244 294	
Equity attributable to shareholders of Komax Holding AG	267 793	50.0	264 904	51.4
Total liabilities and shareholders' equity	535 509	100.0	514 891	100.0

Consolidated statement of shareholders' equity

in TCHF	Share capital	Premium	Treasury shares	Goodwill offset	Currency differences	Other retained earnings	Total retained earnings	Shareholders' equity of Komax Holding AG
Balance as at 1 January 2021	385	22 113	-1 106	-90 619	-17 036	322 749	215 094	236 486
Group earnings after taxes						8 357	8 357	8 357
Purchase of treasury shares			-1 499				0	-1 499
Share-based payments			717			208	208	925
Currency translation differences recorded in the reporting period					4 449		4 449	4 449
Balance as at 30 June 2021	385	22 113	-1 888	-90 619	-12 587	331 314	228 108	248 718
Balance as at 1 January 2022	385	22 113	-1 888	-90 619	-19 510	354 423	244 294	264 904
Group earnings after taxes						23 270	23 270	23 270
Dividend paid						-17 303	-17 303	-17 303
Share-based payments			873			250	250	1 123
Goodwill offset with shareholders' equity				-538			-538	-538
Currency translation differences recorded in the reporting period					-3 663		-3 663	-3 663
Balance as at 30 June 2022	385	22 113	-1 015	-91 157	-23 173	360 640	246 310	267 793

Consolidated cash flow statement

in TCHF	First half 2022	First half 2021
Cash flow from operating activities		
Group earnings after taxes	23 270	8 357
Adjustment for non-cash items		
– Taxes	4 852	2 811
– Depreciation and impairment of property, plant, and equipment	5 779	5 770
– Depreciation and impairment of intangible assets	1 975	1 978
– Profit (–) / loss (+) from sale of non-current assets	–102	–38
– Expense for share-based payments	1 123	925
– Net financial result	2 442	2 934
Interest received and other financial income	405	467
Interest paid and other financial expenses	–2 393	–3 579
Taxes paid	–2 794	–1 598
Increase (+) / decrease (–) in provisions	–133	–683
Increase (–) / decrease (+) in trade receivables	–15 711	1 097
Increase (–) / decrease (+) in inventories	–15 864	–16 638
Increase (+) / decrease (–) in trade payables	3 694	5 019
Increase (–) / decrease (+) in other net current assets	3 411	7 408
Total cash flow from operating activities	9 954	14 230
Cash flow from investing activities		
Investments in property, plant, and equipment	–3 706	–3 421
Sale of property, plant, and equipment	256	420
Investments in intangible assets	–1 796	–1 559
Sale of intangible assets	0	19
Investments in Group companies and participations ¹	–1 234	–930
Total cash flow from investing activities	–6 480	–5 471
Free cash flow ²	3 474	8 759
Cash flow from financing activities		
Decrease in current financial liabilities	0	–22
Decrease in non-current financial liabilities	–420	–10 658
Increase in non-current financial liabilities	14 000	0
Dividend paid	–17 303	0
Purchase of treasury shares	0	–1 499
Total cash flow from financing activities	–3 723	–12 179
Effect of currency translations on cash and cash equivalents	–1 001	1 342
Increase (+) / decrease (–) in funds	–1 250	–2 078
Cash and cash equivalents at 1 January	50 671	51 836
Cash and cash equivalents at 30 June	49 421	49 758

¹ Less cash and cash equivalents acquired.

² No Swiss GAAP FER defined key figure, see condensed note 1.

Condensed notes to the consolidated financial statements

1 Corporate accounting policies

The present consolidated financial statements comprise the unaudited consolidated half-year financial statements of Komax Holding AG, which is domiciled in Switzerland, and its subsidiaries for the reporting period ended 30 June 2022.

The consolidated half-year and full-year financial statements have been drawn up in accordance with the existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations). Furthermore, the provisions of the Swiss company law have been complied with.

The consolidated half-year financial statements have been drawn up in accordance with Swiss GAAP FER 31 “Complementary Recommendation for Listed Companies”. As the consolidated half-year financial statements do not contain all the information set out in the consolidated annual financial statements, they should be read in conjunction with the consolidated financial statements as at 31 December 2021.

Preparation of the consolidated half-year financial statements requires the Board of Directors and Group Executive Committee to make estimates and assumptions that have an effect on the stated income, expenses, assets and liabilities, as well as the disclosure of contingent liabilities. If, at a later point in time, the estimates and assumptions made by management in good faith at the time of the interim financial statements are found to differ from actual conditions, the original estimates and assumptions are revised accordingly in the reporting period in which conditions changed. In the consolidated half-year financial statements, management has not made any new assumptions or estimates compared with the consolidated financial statements as at 31 December 2021.

The Komax Group operates in business sectors where sales are not subject to any material seasonal or cyclical fluctuations over the course of the financial year.

Income taxes are calculated based on the best estimate of the expected weighted average tax rate for the financial year as a whole.

By stating its free cash flow in the cash flow statement, the Komax Group is reporting an item that is not in conformity with Swiss GAAP FER, but is nonetheless a key figure for Komax, as well as being widely used and recognized in the financial sector. This key figure is an amalgamation of cash flow from operating activities and cash flow from investing activities. In the income statement, Komax discloses the revenues as an additional subtotal that is not defined under Swiss GAAP FER. This subtotal includes beside the net sales as well the other operating income and is being used for the calculation of important key figures. As gross profit is an important key figure for Komax, the corresponding interim total is reported separately in the income statement. Gross profit comprises revenues (net sales and other operating income) minus the cost of materials and changes in inventory of unfinished and finished goods.

2 Scope of consolidation

The consolidated half-year financial statements include the separate financial statements of Komax Holding AG, Dierikon, Switzerland, and all subsidiaries where Komax Holding AG directly or indirectly holds more than 50% of the voting power or otherwise exercises control over the entity's financial and operating policies. These companies are fully consolidated. Associated companies in which the Komax Group holds at least 20% of votes, but in which it has a stake of less than 50% or on which it exerts a key influence in other ways, are recognized by the equity method.

At the beginning of May 2022, Komax opened its new company Komax Testing India Pvt. Ltd. in Pune, thus increasing its proximity to customers in India's growing testing business.

In the first half of 2022, there were no other changes in the scope of consolidation. The subsidiaries are listed on pages 112 and 113 of the 2021 Annual Report.

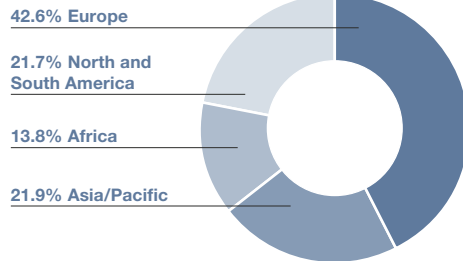
3 Notes to the consolidated financial statements

Below, we provide a number of supplementary notes to the information already set out in the Shareholders' letter.

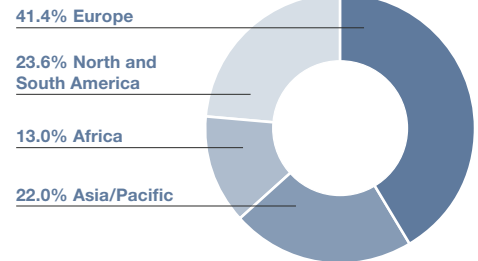
3.1 Income statement

The percentage breakdown of revenues by region is as follows:

First half 2022



First half 2021



For further notes on revenue development and profitability, we refer you again to the Shareholders' letter.

In the current reporting period, the Komax Group did not receive government support in form of compensation for short-time working (previous year: CHF 3.6 million).

The tax rate for the first half of 2022 is 17.3% (previous year: 25.2%).

3.2 Balance sheet

Compared with 31 December 2021, total assets increased by CHF 20.6 million to CHF 535.5 million. Inventories increased by CHF 13.8 million, partly as a result of the improved economic situation, but also due to the difficult procurement environment. In addition, trade receivables increased by CHF 14.4 million.

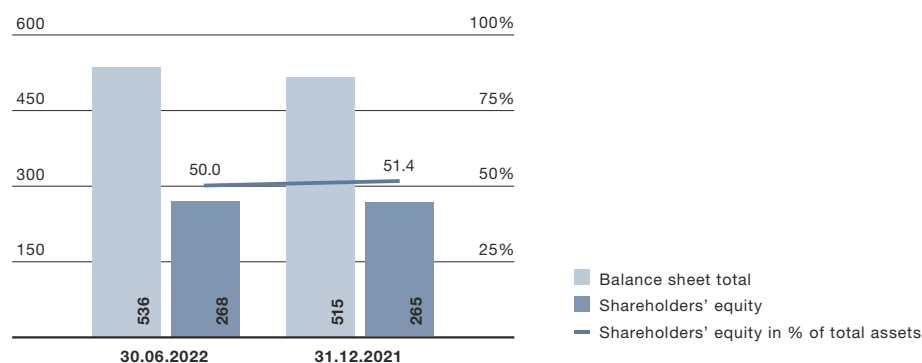
The current agreement for the syndicated loan facility is set to expire at the end of January 2023. This explains the shift from non-current financial liabilities to current financial liabilities. Komax is in negotiations with the syndicate banks, and will conclude the new syndicated loan agreement in the fourth quarter of 2022.

As of 30 June 2022, the net debt factor (net debt divided by EBITDA) is at 1.47 and therefore significantly below the maximum net debt factor of 3.25.

The equity ratio decreased from 51.4% as at 31 December 2021 to 50.0% as at 30 June 2022.

Shareholders' equity

in CHF million



3.3 Statement of shareholders' equity

Shareholders' equity increased by CHF 2.9 million in comparison to 31 December 2021. Group earnings after taxes increased equity by CHF 23.3 million (previous year: CHF 8.4 million), whereas the dividend distribution of CHF 17.3 million reduced equity accordingly. The impact of currency translation differences was negative at CHF -3.7 million (previous year: CHF 4.4 million), as various exchange rates were lower on the reference date than on 31 December 2021.

3.4 Cash flow statement

Despite positive Group earnings after taxes, cash flow from operating activities declined to CHF 10.0 million (previous year: CHF 14.2 million). Negative impacts here were the CHF 15.7 million increase in trade receivables and the CHF 15.9 million increase in inventories. After investments in property, plant, and equipment as well as Group companies, free cash flow was positive at CHF 3.5 million (previous year: CHF 8.8 million). The impact of currency translation differences on cash and cash equivalents was negative at CHF -1.0 million (previous year: CHF 1.3 million). As at 30 June 2022, cash and cash equivalents amounted to CHF 49.4 million, a decline of CHF 1.3 million on the figure recorded as at 31 December 2021.

4 Segment information

The Komax Group is a global technology company that focuses on markets in the automation sector. As a manufacturer of innovative and high-quality solutions for the wire processing industry, Komax helps its customers implement economical and safe manufacturing processes, especially in the automotive supply sector. All Group companies are active in wire processing, have a uniform client base, and are centrally managed. The Board of Directors and the Group Executive Committee, which make the key strategic and operating decisions, manage the Komax Group primarily on the basis of the financial statements of the individual companies, the Management Information System, and the consolidated financial statements. Due to the commercial similarity and interconnections of the Group companies, Komax presents its business in amalgamated form as a single segment, in accordance with Swiss GAAP FER 31.

5 Acquisitions

In the first half of 2022, in connection with the foundation of Komax Testing India Pvt. Ltd., the Komax Group took over testing system production from its Indian customer Dhoot Transmission Pvt. Ltd. via an asset deal. No acquisitions were carried out in the first half of 2021.

6 Exchange rates

The most important half-year and average exchange rates for Komax were as follows:

Currency	Rate on 30.06.2022	Average rate in first half 2022	Rate on 30.06.2021	Average rate in first half 2021
USD	0.960	0.940	0.930	0.910
EUR	1.010	1.050	1.110	1.100
CNY	0.144	0.147	0.144	0.141

7 Events after the balance sheet date

At the end of July 2022, the Komax Group was able to announce that the competition authorities had granted clearance for the combination of Komax and Schleuniger. This means that the combination of Komax Holding AG and Schleuniger AG announced on 9 February 2022 can now go ahead. Closing and the implementation of related capital increase will take place on 30 August 2022.

No other significant events occurred between the balance sheet date and the approval of the consolidated financial statements by the Board of Directors on 16 August 2022 which might adversely affect the information content of the 2022 half-year financial statements or which would require disclosure.

8 Information for shareholders

Komax Holding AG registered shares are listed on SIX Swiss Exchange. Security number: 1070215; Bloomberg: KOMN SW; Thomson Reuters: KOMN.S

	30.06.2022	31.12.2021
Share capital (in TCHF)	385	385
No. of shares (in units)	3 850 000	3 850 000
Market capitalization as at reference date (in TCHF)	900 900	974 050
Closing price as at reference date (in CHF)	234.00	253.00

Komax Holding AG

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Financial calendar

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
Annual General Meeting	12 April 2023
Half-year results 2023	17 August 2023

Forward-looking statements

The Half-Year 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 Half-Year Report is available in English and German. The original German version is binding.

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