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Media release

Ad hoc announcement pursuant to Art. 53 LR

2023 half-year results of the Komax Group

Gratifying organic revenue growth and very high free cash flow

In a volatile market environment, overall demand for solutions for the automation of wire processing was good in the first six months of 2023, although business activities in China lagged well behind expectations. The Komax Group recorded an order intake amounting to CHF 346.2 million, an increase of 1.0% on the previous year (CHF 342.8 million). Thanks to the reduction of the record order book from 2022 and the combination with Schleuniger, revenues rose by a striking 67.5% to CHF 404.9 million (previous year: CHF 241.8 million). The increase in operating profit (EBIT) was even more remarkable at 81.5% to CHF 55.5 million (previous year: CHF 30.6 million), thanks to the sale of a building. The EBIT margin increased from 12.6% to 13.7%, while Group earnings after taxes (EAT) rose to CHF 40.7 million (previous year: CHF 23.3 million). Free cash flow likewise recorded a very positive development, coming in at CHF 39.5 million (previous year: CHF 3.5 million). Looking ahead to the remainder of 2023, the Komax Group is confident of being able to deliver on its March forecast for the full 2023 financial year.

Following a successful 2022 financial year, the Komax Group kicked off 2023 with a record-high order backlog. "With the reliability of our supply chains having been improved through considerable efforts, we were able to process the order backlog continuously in the first half of 2023, bringing it back down to a level commensurate with previous years", says Matijas Meyer, CEO Komax Group. Overall demand for solutions for the automation of wire processing was healthy in the first six months of the year, despite business activities in China lagging well behind expectations. The resulting order intake amounted to CHF 346.2 million, which represented an increase of 1.0% on the previous year (CHF 342.8 million). Due to the war in Ukraine, the Komax Group recorded an extraordinarily high order intake in the first half of 2022. The fact that this figure was then surpassed a year later, despite no repetition of the extraordinary demand situation in connection with the war in Ukraine, was a consequence of the combination with Schleuniger. The Schleuniger Group was consolidated with effect from 1 September 2022, and its activities therefore fed through into the Komax Group's results for a full reporting period for the first time in the first half of 2023.

Integration of Schleuniger proceeding well

"The integration of the Schleuniger Group into the Komax Group is proceeding as planned, and numerous teams are already collaborating successfully. A key focus of the integration process at the moment is the optimization of the global distribution and service network", explains Matijas Meyer. Among other things, this process also resulted in the sale of Komax Portugal to Estanflux on 1 July 2023. Estanflux has been representing Komax in Spain for many decades now, and has recently also been the distribution partner for Schleuniger. This company now covers the entire Iberian Peninsula.

Volatile markets

The Komax Group's markets experienced varying developments in the first six months of the year, and have been rather more volatile than usual. In Europe and the Americas, customers remained keen to invest in automation. Although rising interest rates and the muted economic outlook have led to the investment decision-making process being drawn out in some cases, the trend towards automation remains clearly apparent. This is true not just in the automotive market segment, but also in the less volatile industrial market segment in particular. In Asia/Pacific, especially China, customers proved much more reticent about investing in automation solutions than they had been in the previous year, which explains why this region recorded a significantly weaker result.

Gratifying organic revenue growth

As a consequence of the economic situation in China, the Komax Group booked just 15.9% of its revenues in the Asia/Pacific region, a sharp decline from the prior-year figure of 21.9%. At 49.3%, Europe continues to account for by far the largest proportion of revenues (prior year: 42.6%), followed by North/South America with 24.1% (prior year: 21.7%) and Africa (primarily Morocco and Tunisia) with 10.7% (prior year: 13.8%). Overall, revenues rose by a striking 67.5% to CHF 404.9 million (prior year: CHF 241.8 million). Of this figure, organic growth accounted for 11.2% and acquisition growth 54.2%. The foreign currency influence was clearly negative at -2.6%.

Development of EBIT influenced by various factors

"As a result of the strong growth in revenues and the sale of the building in Rotkreuz, Switzerland, which was completed in January 2023, we could increase the operating result (EBIT) by 81.5% – from CHF 30.6 million to CHF 55.5 million", states Andreas Wolfisberg, CFO Komax Group. The EBIT margin increased from 12.6% to 13.7%. Excluding the building sale, which increased both revenues and EBIT by CHF 11.1 million, the EBIT margin would have come in at 11.3%. Compared to the first semester of the prior year, the product mix in the first half of 2023 was less advantageous, while foreign currency developments reduced the EBIT margin by a further 0.6 percentage points. Group earnings after taxes (EAT) came in at CHF 40.7 million (prior year: CHF 23.3 million), with the building sale having contributed CHF 9.7 million.

Very high free cash flow

The Komax Group's financial base remains extremely strong. As at 30 June 2023, shareholders' equity amounted to CHF 414.4 million (31 December 2022: CHF 416.6 million). The equity ratio rose to 53.9% (31 December 2022: 53.2%). "Free cash flow also developed very positively", comments Andreas Wolfisberg with great pleasure. This figure came in at a high CHF 39.5 million (prior year: CHF 3.5 million). Net debt decreased to CHF 101.3 million in the first half of the year (31 December 2022: CHF 105.5 million), thereby enabling the Komax Group to further strengthen its financial stability.

Outlook

Looking ahead to the remainder of 2023, the Komax Group is confident of being able to deliver on its March forecast for the full 2023 financial year. In other words, it continues to predict revenues amounting to around CHF 770 million in total and an EBIT margin of around 11% (excluding the sale of the Rotkreuz building). The company is aware that the market environment is very challenging at the moment and that selling capital goods requires considerable effort. Nonetheless, as the fundamental trend towards higher automation in wire processing remains intact and the Komax Group is expecting the market situation in China to improve somewhat in the second half of 2023, the Group is expecting to deliver on its ambitious financial guidance.

“Currently we work intensively on the finalization of the Komax Group’s new strategy and the setting of financial targets for 2028, which will be published on 28 September 2023”, says Matijas Meyer.

Christian Mäder – who is set to replace Andreas Wolfisberg as CFO of the Komax Group from 1 October 2023 – joined the company at the start of August. Andreas Wolfisberg will start his well-earned retirement at the end of 2023 after 32 years with the Komax Group.

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Komax is a globally active technology company that focuses on markets in the automation sector. As a leading manufacturer of innovative and high-quality solutions for the wire processing industry, the Komax Group helps its customers implement economical and safe manufacturing processes, especially in the automotive supply sector. The Komax Group employs around 3400 people worldwide and provides sales and service support via subsidiaries and independent agents in more than 60 countries.

Key figures of the Komax Group

in TCHF	First half 2023	First half 2022	+/- in %
Order intake	346,200	342,823	1.0
Revenues	404,903	241,775	67.5
EBITDA	65,337	38,318	70.5
in % of revenues	16.1	15.8	
Operating result (EBIT)	55,459	30,564	81.5
in % of revenues	13.7	12.6	
Group earnings after taxes (EAT)	40,657	23,270	74.7
in % of revenues	10.0	9.6	
Free cash flow	39,489	3,474	n. s.
Research and development	38,956	23,411	66.4
in % of revenues	9.6	9.7	
	30.06.2023	31.12.2022	+/- in %
Total assets	769,583	783,506	-1.8
Shareholders' equity ¹	414,434	416,589	-0.5
in % of total assets			
Net debt	-101,290	-105,512	-4.0
Headcount (Number)	3,412	3,390	0.6

¹ Equity attributable to shareholders of Komax Holding AG.

Financial calendar

Investor Day	28 September 2023
Preliminary information on 2023 financial year	23 January 2024
Annual media and analyst conference on the 2023 financial results	12 March 2024
Annual General Meeting	17 April 2024
Half-year results 2024	13 August 2024

The 2023 half-year report can be found at www.komaxgroup.com.

Komax Stories

Topics and insights from the world of automated wire processing: www.komaxgroup.com/en/stories