

Dierikon, 24 March 2015

Media release – annual financial statements of the Komax Group

Profitable growth

2014 was a very successful year. Komax Wire once again surpassed the previous year's results, while business at Komax Medtech presented a mixed picture. Consolidated revenues increased by 12.2% to CHF 363.3 million. EBIT amounted to CHF 48.1 million (+11.1%). The Board of Directors and Executive Committee are anticipating another good result in 2015 too. In view of the very pleasing results, the company's financial strength and the positive outlook, the Board of Directors is proposing to the Annual General Meeting a dividend increase of 11.1% to CHF 5.00, of which CHF 2.50 will be distributed from the capital contribution reserves.

The last financial year was characterized by strong growth and impressive profitability. The Komax Group's consolidated revenues increased to CHF 363.3 million (2013: CHF 324.0 million). This equates to growth of 12.2%, of which acquisition effects contributed 4.4% and currency influences –1.7%. Internal growth thus amounted to a high 9.5%. Operating profit (EBIT) increased by 11.1% to CHF 48.1 million (2013: CHF 43.3 million). Operating responsibility for the Solar business was transferred to the management of Xcell Automation Inc. on 1 October 2014 following a management buyout. For the time being, Komax is retaining a minority stake of 25%. Komax Solar's contribution is therefore not included in these figures.

Group profit after taxes from continuing operations amounted to a very pleasing CHF 43.7 million (2013: CHF 35.1 million). Result from discontinued operations amounted to CHF –15.9 million (2013: CHF –9.9 million). The lion's share of this figure (around CHF 9 million) comprises non-cash charges for valuation adjustments on technology, goodwill and current assets in connection with the sale of the Solar business. Overall, Group profit after taxes amounted to CHF 27.7 million (2013: CHF 25.1 million), resulting in an increase in basic earnings per share to CHF 7.64 (2013: CHF 7.33).

The Komax Group remains in extremely robust financial health. On the balance sheet date, shareholders' equity stood at CHF 284.2 million. (2013: CHF 264.0 million) while the equity ratio stood at 73.2% (2013: 73.8%). Towards the end of the year, we acquired a building plot adjacent to the Dierikon site, thereby securing the possibility of expanding the company's headquarters. Moreover, we have started to upgrade the Group's ERP system. Despite the significant investment that these developments involve, free cash flow nonetheless amounted to a high CHF 14.4 million (2013: CHF 24.5 million). Net cash increased to CHF 29.2 million (2013: CHF 22.6 million).

Komax Wire

Komax Wire once again surpassed its prior-year results. After a pleasing first half of the year, demand continued to pick up in the second half, buoyed by the healthy state of the automotive industry. Other end consumer markets such as the household goods, electronics, and telecommunications equipment industries likewise developed positively, albeit without matching the momentum of the automotive industry. The Europe, Africa and Asia regions generated the strongest growth in 2014. Order intake increased by 12.5% to CHF 302.6 million (2013: CHF 268.9 million). Net sales rose by 15.1% to CHF 295.0 million (2013: CHF 256.2 million), or CHF 280.6 million after adjustment for acquisition effects. Internal growth amounted to around 12%. EBIT came in at CHF 55.3 million (2013: CHF 47.6 million). The partnership with

SLE quality engineering is developing in a very satisfying way. Komax Wire will continue to systematically pursue its current growth strategy with a view to further expanding its leading market position.

Komax Medtech

Komax Medtech experienced considerable regional differences in its business in 2014. North America enjoyed another good year, with an environment conducive to growth. Business in Malaysia likewise developed positively after a stagnant 2013. By contrast, business performance in Switzerland was affected by subdued demand in Europe, as pharmaceutical companies and their suppliers postponed investment decisions. This resulted in excess capacity, which in turn weighed on profitability. Order intake amounted to CHF 65.1 million (2013: CHF 75.0 million), while net sales came in at CHF 68.6 million (2013: CHF 68.1 million). Thanks to further efficiency improvements and a relatively high proportion of repeat business, EBIT nonetheless amounted to CHF 1.2 million (2013: CHF 3.1 million).

Relations with our shareholders and thanks

On 1 January 2014, the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) entered into force. Our shareholders approved the corresponding changes to the company's Articles of Association at the Annual General Meeting of 7 May 2014. Furthermore, we decided upon a number of adjustments to the compensation system in 2014. These will now be implemented in 2015. In particular, these include discontinuation of the allocation of share options to members of the Board of Directors and the Executive Committee, and the introduction of a performance-related, share-based, long-term incentive system for members of the Executive Committee. The agenda for the 2016 Annual General Meeting is to include an advisory vote on the compensation paid in 2015.

The pleasing business result for 2014, which surpassed that of 2013, was in no small part attributable to the strong motivation and impressive commitment of all Komax Group employees, who deserve our thanks for their exemplary performance. We would also like to thank our customers and business partners for their confidence and constructive partnership. Last but not least, we also thank our valued shareholders for their ongoing commitment to our company.

Outlook

We currently find ourselves in a volatile and uncertain environment that presents both opportunities and risks. Opportunities will arise above all as a result of the innovative strength and pronounced customer focus of the Komax Group. A particular challenge will be the strength of the Swiss franc, which has appreciated once again since the SNB abandoned its cap on the minimum euro-franc exchange rate. We believe that we can master this difficult situation with intensified measures aimed at further increasing productivity and efficiency, so that current currency losses can be largely offset in the medium term. We will continue to seize any opportunities that arise to further the company's development. From today's standpoint, we are expecting the Komax Group to once again post a good result for 2015, although the conversion of the various currencies into Swiss francs is likely to act as a damper on both growth and profitability.

As part of the annual strategy process now getting underway, all possible options are being examined for the Komax Group strategy.

Komax Wire

Supported by the momentum of the automotive industry, the ongoing global trend towards automation of production processes, and the increased quality demands that original equipment manufacturers are making of their suppliers, end demand should continue to be strong from today's perspective. However, the conversion of the various currencies into Swiss francs will impair the business unit's growth and profitability. From today's standpoint, therefore, last year's results are unlikely to be matched in 2015.

Komax Medtech

The commercial environment remains challenging for Komax Medtech. Another surge in the value of the Swiss franc is confronting this business unit with severe challenges at its Swiss location. By contrast, we regard the environment in the United States and Malaysia as favourable. Here we are expecting a good business performance and good results.

Komax Medtech will systematically pursue the measures it has ushered in to increase efficiency and stabilize profitability. Under current conditions, an improvement in profitability in the short term poses a very great challenge.

Distribution increased again

In view of the very pleasing results, the company's financial strength and the positive outlook, the Board of Directors is proposing to the Annual General Meeting a distribution increase to CHF 5.00, of which CHF 2.50 will be distributed as a dividend and CHF 2.50 from capital contribution reserves. The payout ratio therefore amounts to an investor-friendly 65%. The dividend yield on the date of the Board resolution stood at an attractive 3.2%. Dividend payments from the capital contribution reserves are tax-free for natural persons living in Switzerland who hold shares as part of their private assets.

Financial calendar

Annual General Meeting	8 May 2015
Dividend payment	15 May 2015
First-half results 2015	18 August 2015
First information on 2015 financial year	19 January 2016
Annual media conference/analysts' presentation of 2015 financial statements	22 March 2016
Annual General Meeting	12 May 2016

For further information, please contact:

Marco Knuchel	Phone	+41 41 455 06 16
Head Investor Relations / Corporate Communications		marco.knuchel@komaxgroup.com

The Komax Group is a global 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 and systems for the assembly of self-medication instruments, Komax helps its customers implement economical and safe manufacturing processes, especially in the automotive supply and pharmaceutical sectors. The Komax Group employs around 1500 people worldwide and provides sales and service support via subsidiaries and independent agents in around 60 countries.

Appendix

Key figures of the Komax Group

	2014	2013 ¹	+/- in %
	TCHF	TCHF	
Revenues ²	363 338	323 959	12.2
EBITD	57 663	52 577	9.7
in % of revenues	15.9	16.2	
Operating profit (EBIT)	48 102	43 297	11.1
in % of revenues	13.2	13.4	
Group profit after taxes from continuing operations	43 660	35 064	24.5
in % of revenues	12.0	10.8	
Group profit after taxes (EAT)	27 743	25 129	10.4
in % of revenues	7.6	7.8	
Free cash flow	14 412	24 545	-41.3
Research and development	25 776	24 908	3.5
in % of revenues	7.1	7.7	

Total assets	388 052	357 591	8.5
Net cash	29 211	22 616	29.2
Shareholders' equity ³	284 168	263 985	7.6
as % of total assets	73.2	73.8	

Headcount	1 498	1 282	16.8
-----------	-------	-------	------

Segment information	Wire	Medtech
2014	TCHF	TCHF
Order intake	302 610	65 092
Net sales	294 964	68 640
EBIT	55 292	1 200
2013 ¹		
Order intake	268 895	74 999
Net sales	256 186	68 133
EBIT	47 578	3 053

Key figures for Komax registered share	2014	2013
Share capital as at 31 December in TCHF	361	352
Number of shares as at 31 December	3 605 101	3 523 780
Par value per share in CHF	0.10	0.10
Market capitalization as at 31 December in TCHF	520 937	476 767
Basic earnings per share in CHF	7.64	7.33
P/E (price-earnings ratio) as at 31 December	18.9	18.5

¹ Prior-year figures restated in accordance with Note 10 of the consolidated financial statements.

² Revenues: Net sales revenues + other operating income.

³ Share of shareholders' equity attributable to the shareholders of the parent company.

Further information can be found on our website www.komaxgroup.com.

The 2014 Annual Report may be found on the internet at:

<http://www.komaxgroup.com/en/Investors/Reports-and-presentations/Financial-reports/>

The online Annual Report may be found at:

<http://ar.komaxgroup.com>