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Media release

2018 half-year results of the Komax Group

Significant increase in order intake, revenues and profitability

The Komax Group reported a very successful first half of 2018 and continued to expand its leading market position. While order intake rose by 14.0% to CHF 256.0 million, revenues increased by as much as 21.7% to CHF 236.9 million compared with the previous year. Komax increased expenditure on research and development by CHF 3.9 million (+23.4%) in order to keep offering its customers new and innovative solutions in the future. Nevertheless, Komax achieved a considerable rise in profitability: The operating result (EBIT) increased to CHF 35.7 million (+40.4%), while the Group profit after taxes (EAT) saw a 52.0% improvement to CHF 28.3 million.

The first half of 2018 saw the Komax Group maintain its growth path, with strong gains in comparison with 2017. Order intake increased by 14.0% to CHF 256.0 million (previous year: CHF 224.4 million) while revenues climbed by 21.7% to CHF 236.9 million (previous year: CHF 194.7 million). The growth in revenues comprises internal growth (+15.4%) and acquisition-driven growth (+2.7%), as well as the positive foreign currency influence (+3.6%). The ever-increasing pressure on customers to increase levels of automation is clearly noticeable and contributed to revenue growth in all regions: Europe (+9.3%), Asia (+31.2%), North/South America (+33.7%) and Africa (+44.4%). A sizeable order backlog from the previous year coupled with a strong order intake in the first half of 2018 resulted in a book-to-bill ratio of 1.08.

Group profit after taxes up 52%

Komax was also able to improve its profitability in the first half of 2018. Compared to 2017, it increased its operating profit (EBIT) by 40.4% to CHF 35.7 million (previous year: CHF 25.4 million) and raised its EBIT margin from 13.1% to 15.1%. The sale of a building in Portugal that was no longer required for operational purposes contributed CHF 0.8 million to the EBIT increase. The foreign exchange rate trend had a positive impact on the EBIT margin (+1.3 percentage points), but reduced the financial result, which came to CHF –2.3 million (previous year: CHF –1.0 million). The financial result was affected by losses on currencies in emerging markets (including Brazil and Turkey) in which Komax has production operations. Group profit after taxes (EAT) made up for this result since – in contrast to the previous year (CHF –1.9 million) – there were no extraordinary expenses. Thus EAT rose by 52.0% to CHF 28.3 million (previous year: CHF 18.6 million). Basic earnings per share increased to CHF 7.41 (previous year: CHF 4.90).

R&D spending still at high levels

“With this result we have exceeded our own expectations”, says Matijas Meyer, CEO of the Komax Group. “We expected to grow more strongly than the market and to post a result similar to that for the second half of 2017.” Revenues in the second half of 2017 came to CHF 213.8 million, with EBIT of CHF 29.6 million. Having a broad product portfolio with solutions along the entire value chain is increasingly paying off for Komax. In addition, the 2018 half-year result was improved by work done in the second half of 2017 that had not yet filtered

through to revenues last year. The company's strong innovative capacity and unique global sales and service network also contributed to its success. To enable it to further expand its technology leadership, Komax continued to invest heavily in research and development in the first half of 2018: CHF 20.6 million (previous year: CHF 16.7 million), or 8.7% (previous year: 8.6%) of revenues. Compared with the previous year, Komax thus increased its research and development expenditure by 23.4%. "We are constantly investing in order to bring solutions onto the market that give our customers a competitive advantage", explains Matijas Meyer.

Expansion of production capacity

To minimize the risk of capacity bottlenecks and cope with planned growth over the coming years, Komax is currently investing in new production and development facilities at four locations – in Switzerland, Germany and Hungary. "These will be ready for occupation in stages until the end of 2019," says Komax Group CFO Andreas Wolfisberg. "Despite this high level of investment, the Komax Group still has a very solid financial base." As at 30 June 2018, shareholders' equity totaled CHF 261.9 million (31 December 2017: CHF 258.2 million) while the equity ratio stood at 60.1% (31 December 2017: 62.3%). Free cash flow amounted to CHF 4.1 million (previous year: CHF –0.2 million), while net debt stood at CHF 31.2 million (31 December 2017: CHF 10.5 million).

Outlook

In the first half of 2018, the Komax Group consolidated its leading market position and started the second half of the year well with a high order backlog. "From today's perspective, we see the market dynamics and the trend towards automation continuing. We thus expect to post in the second half of 2018 a result consistent with the first six months of the year," says Matijas Meyer confidently.

Contact

Roger Müller
Vice President Investor Relations / Corporate Communications
Phone +41 41 455 06 16
roger.mueller@komaxgroup.com

The 2018 half-year report can be found at www.komaxgroup.com.

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 more than 1900 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 2018	First half 2017	+/- in %
Order intake	255,953	224,431	14.0
Revenues	236,923	194,711	21.7
EBITD	41,378	30,671	34.9
in % of revenues	17.5	15.8	
Operating profit (EBIT)	35,730	25,444	40.4
in % of revenues	15.1	13.1	
Group profit after taxes (EAT)	28,332	18,638	52.0
in % of revenues	12.0	9.6	
Free cash flow	4,147	-201	-2,163.2
Research and development	20,639	16,728	23.4
in % of revenues	8.7	8.6	
	30.06.2018	31.12.2017	+/- in %
Total assets	436,205	414,458	5.2
Shareholders' equity ¹	261,945	258,178	1.5
in % of total assets	60.1	62.3	
Net debt (-) / net cash (+)	-31,204	-10,544	195.9
Headcount	1,937	1,841	5.2

¹ Equity attributable to equity holders of the parent company.

Financial calendar

Investors Day	26 October 2018
Preliminary information on 2018 financial year	22 January 2019
Annual media and analyst conference on the 2018 financial results	14 March 2019
Annual General Meeting	16 April 2019
2019 half-year results	20 August 2019