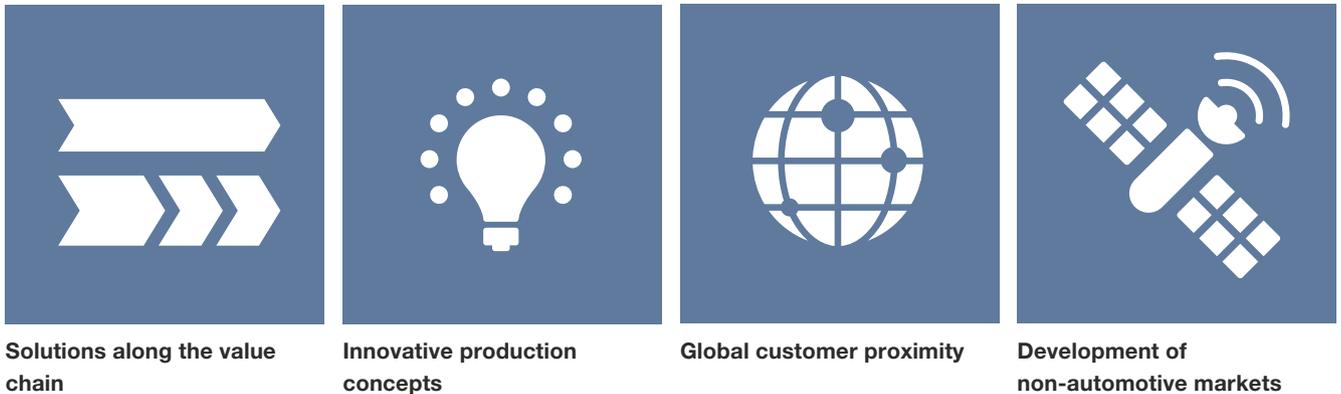


## Four key strategic priorities

Komax has 45 years' experience in the development of customer-oriented solutions for wire processing. The company is both the technology and market leader in its field, with a market share more than twice that of its nearest competitor. In order to further strengthen this global leadership position, Komax pursues a growth strategy that involves four key priorities:



**Solutions along the value chain**

**Innovative production concepts**

**Global customer proximity**

**Development of non-automotive markets**

### Solutions along the value chain

Thanks to many decades of experience and its proximity to its customers, Komax 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 36 and 37). Komax 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 from a single source. This approach is unique in the world. Thanks to a number of acquisitions in recent years, Komax has succeeded in closing the existing gaps in its spectrum of products and solutions, with the result that it can now offer its customers end-to-end solutions. Komax has the broadest portfolio of solutions, which means that it can address a whole range of customer needs in a targeted way. To enable its customers to continue to increase productivity in the future, Komax works with a number of partners in the field of software, among others. Komax strives to network and manage the individual processes in the value chain, such as through Komax MES (Manufacturing Execution System) and Komax Cloud MES, a form of production control software for the wire processing industry 4.0, launched in collaboration with iTAC Software.

### Innovative production concepts

For a market leader like Komax, innovations are of maximum strategic importance. Komax has therefore been investing in innovations to optimize its existing product range, as well as in new developments, for many years (see pages 20 and 21). Every year, Komax channels some 8%–9% of revenues into research and development. All activities are systematically geared to customer needs and expectations. That is why Komax 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

Komax has 20 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 independent 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, Komax's customers 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 Komax. To ensure that it stays close to its customers, including when these customers choose to relocate, Komax likewise has to show flexibility. For this reason, Komax seeks to expand its global reach in a targeted way, be it through acquisitions – as described in the section entitled “Selective acquisitions” – or through the establishment of new sites (see pages 6 and 7). Komax's strong global presence is also reflected in the percentage breakdown of its revenues by region. The individual regions – Europe (including Africa), Asia/Pacific, and North/South America – each generated between 19% and 56% of Komax's revenues in 2019.

### Development of non-automotive markets

Komax now generates around 80% 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 high 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. Komax focuses predominantly on three additional market segments (see pages 12 and 13), all of which have synergy potential with the core business: aerospace, data communication and telecommunication (data/telecom), and industrial applications (industrial). As these offer attractive long-term growth opportunities, Komax is seeking to increase its penetration of these markets. If this is to be achieved, targeted investment in marketing and sales are essential. The success of this approach over many years is bearing fruit, as is evident from the fact that a first major order was received towards the end of 2017 from the aerospace industry, for example. Thanks to the large installations that Komax began supplying to the client in 2019, the automation of wire processing will be raised to a level that has never been seen before in the aerospace industry.

The megatrends evident in the automotive sector are influencing these three market segments in different ways. However, the potential for synergies with the existing core business in the automotive industry is considerable. The three other market segments are already addressing issues such as safety, lightweight construction, multimedia, small-batch production, and integrated production/Industry 4.0, and have been doing so for years. Moreover, Komax uses the experience gained in these areas in the development of automation solutions for the automotive industry. Conversely, the aerospace, data/telecom, and industrial market segments benefit from Komax's great expertise in the core business: in particular, Komax can adapt existing automotive solutions and, where necessary, specifically develop new products for particular segments.

R&D expenditure accounts for  
**8% – 9%**  
of revenues