

2015

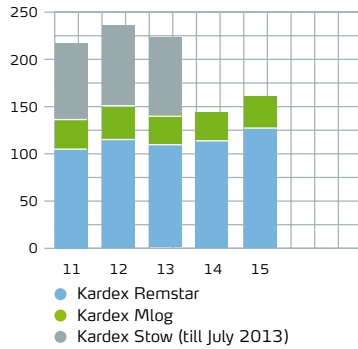
Interim Report

kardexgroup

Kardex Group at a glance

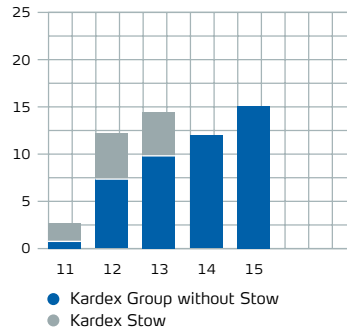
Net revenues by divisions

1.1.–30.6. in EUR millions



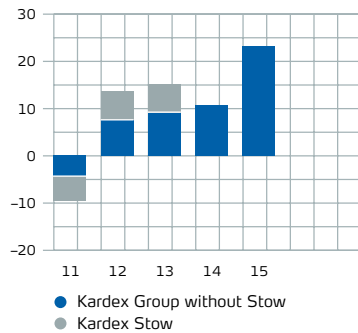
Operating result (EBIT)

1.1.–30.6. in EUR millions



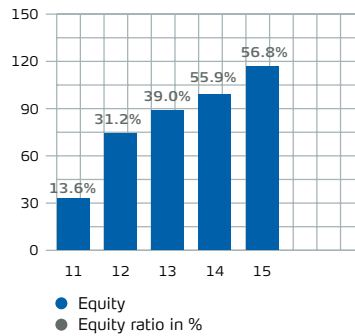
Net cash flow from operating activities

1.1.–30.6. in EUR millions



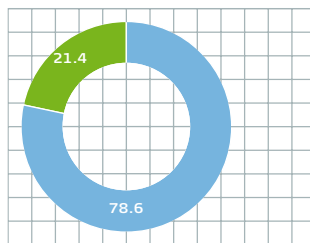
Equity and equity ratio

30.6. in EUR millions and in %



Net revenues by segments

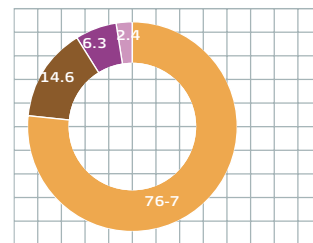
1.1.–30.6.2015 in %



● Kardex Remstar
● Kardex Mlog

Net revenues by regions

1.1.–30.6.2015 in %



● Europe
● Americas
● Asia/Pacific
● Middle East and Africa

Highlights and key figures First half 2015

Strong growth and improved operating result of the Kardex Group

Profitable growth while also investing in the future at Kardex Remstar

Kardex Mlog enjoying profitable growth

Positive development of the key performance indicators on all levels

Key figures

EUR millions

1.1.-30.6.	2015		2014		+/-%
Bookings	180.5	109.3%	153.0	103.9%	18.0%
Order backlog (30.6.)	128.2	77.6%	110.0	74.7%	16.5%
Net revenues	165.1	100.0%	147.2	100.0%	12.2%
Gross Profit	55.7	33.7%	48.8	33.2%	14.1%
OPEX	40.4	24.5%	36.7	24.9%	10.1%
Operating result (EBIT)	15.3	9.3%	12.1	8.2%	26.4%
EBITDA	17.8	10.8%	15.1	10.3%	17.9%
Result for the period	12.3	7.5%	9.5	6.5%	29.5%
Earnings per share (EUR)	1.59		1.22		29.5%
Net cash flow from operating activities	23.8		10.9		118.3%
ROCE	38.8%		31.1%		24.8%
	30.6.2015		31.12.2014		+/-%
Net working capital	54.0		56.9		-5.1%
Net cash	97.1		85.1		14.1%
Equity/Equity ratio	117.8	56.8%	115.8	59.4%	1.7%
Employees (FTE)	1 499		1 480		1.3%

Report to the shareholders

Strong development of the Kardex Group continues in 2015

The financial year 2015 has started well, following on from the good second half of 2014. Kardex Remstar is continuing on its dynamic growth path and Kardex Mlog is recording profitable growth for the first time.

Significant currency effects

The half-year figures are influenced by significant currency effects. The US dollar and the Swiss franc have both strengthened substantially against the euro and therefore positively affected the consolidated turnover expressed in euros. However, the aforementioned effects also led to currency-related cost increases.

Double-digit growth and improved operating result

At EUR 180.5 million, the bookings reported by the Kardex Group were substantially higher than in the same period in the previous year. This equates to an increase of EUR 27.5 million or 18.0%. Currency adjusted, this increase still amounts to 13.4%. The generated revenue of EUR 165.1 million was 12.2% higher than in the previous year, currency adjusted 7.3% higher. The order backlog has increased in both divisions and, at EUR 128.2 million, is considerably above the level of the previous year (EUR 110.0 million).

In the course of this turnover growth, profitability rose over-proportionately despite additional costs. The gross margin increased to 33.7% (33.2%). The operative costs grew by 10.1%, but approximately one third of which can be attributed to currency shifts. The operating result rose by 26.4% to EUR 15.3 million (EUR 12.1 million), which equates to a strong EBIT margin of 9.3% (8.2%). As a result of the improved financial result, the currency gains and a higher but still relatively low tax rate, a half-year profit of EUR 12.3 million was generated, up 30% on the previous year. The return on capital employed (ROCE) reached 38.8% (31.1%). Since the start of the year, the Group headcount increased by 1.3% or 19 full-time equivalents to 1 499 employees.

Positive development in both divisions

The Kardex Remstar division is continuing to experience dynamic growth. Bookings and revenue were up by 11.9% and 11.2% respectively, or currency adjusted 6.5% and 5.1% respectively. However, the higher volume was also accompanied by higher salary costs and strategic increases in marketing and sales costs, whereby around one third of the cost increase is currency related. Furthermore, increased investments of 2.9 percent of revenue were again made in Research and Development. Despite this, the operating result improved by 17.2% or EUR 2.2 million to EUR 15.0 million against the previous year, leading to an EBIT margin of 11.6% (11.0%).

The repositioning of the Kardex Mlog division is increasingly paying dividends. This is evident, among other things, in the strong increase in bookings, which rose by 55.2% or EUR 12.1 million to EUR 34.0 million compared to the relatively weak previous-year period. The generated revenue rose by 15.7%. The revenue mix, in particular, moved in the desired direction. Revenues generated with refurbishment projects increased by nearly 160%, newly accounting for one quarter of the total revenue. The efforts to further expand the components business are also increasingly bearing fruit. The operating result rose by more than one million to EUR 1.5 million, hitting the targeted EBIT margin range of 4% to 6% with 4.2% for the first time since being acquired by the Kardex Group. The Kardex Mlog division is not subject to substantial foreign currency effects.

Sound balance sheet

The Kardex Group balance sheet continues to be free from debts and potential depreciation risks due to goodwill or capitalised tax loss carry-forwards. The equity ratio remains at a solid 56.8% (31/12/2014: 59.4%). Thanks to the high free cash flow of EUR 22.1 million, the cash holdings rose to EUR 97.1 million (31/12/2014: +EUR 12 million). This occurred despite the increase in the pay-out ratio and the resultant dividend of EUR 12.1 million paid to shareholders in the first half of 2015. These financial reserves provide the flexibility required to avail of strategic opportunities to further strengthen our market position. The shareholders also benefitted from a CHF 5 million reduction in the nominal value, which was paid out at the start of July 2015.

Cautiously optimistic outlook

The Kardex Group continues to expect a long-term growing need for intra-logistics solutions and wants to exploit the opportunities available on the market. Despite the economic outlook being difficult to predict, the Board of Directors and Executive Committee are confident for the remainder of the year.



Philipp Buhofer
Chairman of the Board of Directors



Felix Thöni
Executive Director

Consolidated interim income statement

EUR millions	1.1.-30.6. 2015	(%)	1.1.-30.6. 2014	(%)
Net revenues	165.1	100.0%	147.2	100.0%
Cost of goods sold and services provided	-109.4	-66.3%	-98.4	-66.8%
Gross profit	55.7	33.7%	48.8	33.2%
Marketing and sales expenses	-22.0	-13.3%	-19.9	-13.5%
Administrative expenses	-14.1	-8.5%	-12.8	-8.7%
R&D expenses	-3.9	-2.4%	-3.5	-2.4%
Other operating income	0.5	0.3%	0.5	0.3%
Other operating expenses	-0.9	-0.5%	-1.0	-0.7%
Operating result (EBIT)	15.3	9.3%	12.1	8.2%
Financial result, net	0.9	0.5%	-0.7	-0.5%
Result for the period before tax	16.2	9.8%	11.4	7.7%
Income tax expense	-3.9	-2.4%	-1.9	-1.3%
Result for the period	12.3	7.5%	9.5	6.5%
Earnings per share (EUR) ¹	1.59		1.22	

¹ No dilutive effect occurred in 2015 and 2014.

The notes to the consolidated interim financial statements from page 10 to page 13 represent an integral part of the Groups financial statements.

Consolidated interim balance sheet

EUR millions	30.6.2015	31.12.2014
Property, plant and equipment (PPE)	24.3	24.6
Intangible assets	2.2	2.6
Financial assets	4.7	4.6
Non-current assets	31.2	31.8
Inventories and work in progress	18.7	17.6
Trade accounts receivable	45.8	48.1
Other receivables	12.2	10.5
Prepaid expenses	2.5	2.0
Cash and cash equivalents (CCE)	97.1	85.1
Current assets	176.3	163.3
Assets	207.5	195.1
Share capital	59.9	59.9
Capital reserves	22.3	34.4
Retained earnings and Translation differences	35.6	21.5
Equity	117.8	115.8
Non-current provisions	16.8	16.4
Non-current liabilities	16.8	16.4
Trade accounts payable	11.3	10.7
Current provisions	6.9	6.5
Accruals	34.0	28.2
Other current liabilities	20.7	17.5
Current liabilities	72.9	62.9
Liabilities	89.7	79.3
Equity and liabilities	207.5	195.1

The notes to the consolidated interim financial statements from page 10 to page 13 represent an integral part of the Groups financial statements.

Consolidated interim cash flow statement

EUR millions	1.1.-30.6. 2015	1.1.-30.6. 2014
Result for the period	12.3	9.5
Depreciation on PPE and amortization on intangible assets	2.5	3.0
Change in provisions and pension liabilities	1.0	-1.5
Other non-cash items	-0.7	0.1
Change in accounts receivable	3.5	6.1
Change in inventories and work in progress	-0.5	-1.7
Change in other receivables and prepaid expenses	0.5	-1.8
Change in accounts payable	-0.2	-4.3
Change in other current liabilities and accruals	5.4	1.5
Net cash flow from operating activities	23.8	10.9
Purchase of PPE	-2.0	-1.2
Sale of PPE	0.4	-
Purchase of intangible assets	-0.1	-0.3
Sale of financial assets	-	0.2
Acquisition of organizations	-	-0.2
Net cash flow from investing activities	-1.7	-1.5
Free cash flow	22.1	9.4
Acquisition of treasury shares	-	-0.1
Disposal of treasury shares	-	0.1
Change in current financial liabilities	-0.1	-
Change in non-current financial liabilities	0.2	-2.1
Dividend paid	-12.1	-16.8
Net cash flow from financing activities	-12.0	-18.9
Effect of foreign currency translation differences on CCE	1.9	0.3
Net change in CCE	12.0	-9.2
CCE at 1 January	85.1	79.1
CCE at 30 June	97.1	69.9
Net change in CCE	12.0	-9.2

The notes to the consolidated interim financial statements from page 10 to page 13 represent an integral part of the Groups financial statements.

Consolidated interim statement of changes in equity

EUR millions	Share capital	Capital reserves	Retained earnings	Translation differences	Treasury shares ¹	Equity
Opening balance 1 January 2014	59.9	51.2	-1.9	-2.3	-	106.9
Result for the period	-	-	9.5	-	-	9.5
Acquisition of organizations	-	-	-0.2	-	-	-0.2
Foreign currency translation differences ²	-	-	-	0.2	-	0.2
Acquisition of treasury shares	-	-	-	-	-0.1	-0.1
Disposal of treasury shares ³	-	-	-	-	0.1	0.1
Dividend paid	-	-16.8	-	-	-	-16.8
Closing balance 30 June 2014	59.9	34.4	7.4	-2.1	-	99.6
Opening balance 1 July 2014	59.9	34.4	7.4	-2.1	-	99.6
Result for the period	-	-	14.3	-	-	14.3
Acquisition of organizations	-	-	0.1	-	-	0.1
Foreign currency translation differences	-	-	-	1.8	-	1.8
Acquisition of treasury shares	-	-	-	-	-0.1	-0.1
Disposal of treasury shares	-	-	-	-	0.1	0.1
Other reclassification	-	-	-0.3	0.3	-	-
Closing balance 31 December 2014	59.9	34.4	21.5	-	-	115.8
Opening balance 1 January 2015	59.9	34.4	21.5	-	-	115.8
Result for the period	-	-	12.3	-	-	12.3
Foreign currency translation differences ²	-	-	-	1.8	-	1.8
Dividend paid	-	-12.1	-	-	-	-12.1
Closing balance 30 June 2015	59.9	22.3	33.8	1.8	-	117.8

¹ Number of treasury shares held as of 30.6.2015: 0 (30.6.2014: 0).

² This item also includes the exchange rate differences arising from net investments in foreign operations less deferred tax.

³ As part of share-based remuneration, treasury shares were allocated in the amount of EUR 0 million (30.6.2014: EUR 0.1 million).

The notes to the consolidated interim financial statements from page 10 to page 13 represent an integral part of the Groups financial statements.

Notes to the consolidated interim financial statements

1. General information

The accompanying consolidated financial statements of the Kardex Group include Kardex AG and its subsidiaries (referred to collectively as the "Group" and individually as the "Group companies") and comprise the unaudited consolidated interim financial statements for the six months ended 30 June 2015. Kardex AG is the Group's parent company, a limited company under Swiss law, which is registered and domiciled in Zurich, Switzerland. Kardex AG is listed on SIX Swiss Exchange.

The Group's consolidated financial statements are prepared in accordance with Swiss GAAP FER (FER). The consolidated interim financial statements, which have been prepared in accordance with FER 31 "Complementary recommendation for listed companies", section "Interim reporting", do not include all the information and disclosures presented in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements compiled for the financial year ending 31 December 2014 as they represent an up-date of the last complete set of financial statements.

The Board of Directors approved these consolidated interim financial statements on 12 August 2015 and released them for publication.

2. Segment reporting

The Group is a globally active industry partner for intra-logistic solutions and a leading supplier of automated storage solutions and material handling systems. The Group consists of two entrepreneurially managed divisions, Kardex Remstar and Kardex Mlog. Kardex Remstar develops, produces and maintains shuttles and dynamic storage and retrieval systems and Kardex Mlog offers integrated materials handling systems and automated high-bay warehouses. The two divisions are partners for their customers over the entire life cycle of a product or solution.

2.1 Segment reporting at 30 June 2015 / Income statement

EUR millions	Operating segments				Kardex Group
	Kardex Remstar	Kardex Mlog	Kardex AG (Holding)	Eliminations	
Net revenues, third party					
– Europe	91.2	35.4	–	–	126.6
– Americas	24.2	–	–	–	24.2
– Asia/Pacific	10.4	–	–	–	10.4
– Middle East and Africa	3.9	–	–	–	3.9
Total net revenues, third party	129.7	35.4	–	–	165.1
Net revenues, with other operating segments	–	–	–	–	–
Net revenues	129.7	35.4	–	–	165.1
Cost of goods sold and services provided	-79.9	-29.5	–	–	-109.4
Gross profit	49.8	5.9	–	–	55.7
Gross profit margin	38.4%	16.7%			33.7%
Marketing and sales expenses	-19.5	-2.5	–	–	-22.0
Administrative expenses	-11.2	-1.7	-2.2	1.0	-14.1
R&D expenses	-3.7	-0.2	–	–	-3.9
Other operating income	0.4	0.1	1.0	-1.0	0.5
Other operating expenses	-0.8	-0.1	–	–	-0.9
Operating result (EBIT)	15.0	1.5	-1.2	–	15.3
EBIT margin	11.6%	4.2%	–	–	9.3%
Depreciation and amortization	2.2	0.2	0.1	–	2.5
EBITDA	17.2	1.7	-1.1	–	17.8
EBITDA margin	13.3%	4.8%	–	–	10.8%

2.2 Segment reporting at 30 June 2014 / Income statement

EUR millions	Operating segments				Kardex Group
	Kardex Remstar	Kardex Mlog	Kardex AG (Holding)	Eliminations	
Net revenues, third party					
– Europe	85.2	29.1	–	–	114.3
– Americas	18.0	0.1	–	–	18.1
– Asia/Pacific	9.6	–	–	–	9.6
– Middle East and Africa	3.8	1.4	–	–	5.2
Total net revenues, third party	116.6	30.6	–	–	147.2
Net revenues, with other operating segments	–	–	–	–	–
Net revenues	116.6	30.6	–	–	147.2
Cost of goods sold and services provided	-72.9	-25.5	–	–	-98.4
Gross profit	43.7	5.1	–	–	48.8
Gross profit margin	37.5%	16.7%			33.2%
Marketing and sales expenses	-17.4	-2.5	–	–	-19.9
Administrative expenses	-10.1	-1.6	-2.0	0.9	-12.8
R&D expenses	-3.2	-0.3	–	–	-3.5
Other operating income	0.5	–	0.9	-0.9	0.5
Other operating expenses	-0.7	-0.3	–	–	-1.0
Operating result (EBIT)	12.8	0.4	-1.1	–	12.1
EBIT margin	11.0%	1.3%	–	–	8.2%
Depreciation and amortization	2.7	0.2	0.1	–	3.0
EBITDA	15.5	0.6	-1.0	–	15.1
EBITDA margin	13.3%	2.0%	–	–	10.3%

3. Significant changes

Net revenues increased by 12.2% compared to the same period last year reaching EUR 165.1 million. Currency neutral this increase amounted to 7.3%.

The balance sheet total amounted to EUR 207.5 million, an increase of 6.4% against the end of last year. This increase is mainly due to the higher cash position of EUR 12.0 million and positive translation differences in the equity of EUR 1.8 million.

4. Earnings per share

	30.6.2015	30.6.2014
No. of outstanding shares, 1 January	7 730 000	7 730 000
Acquisition of treasury shares	-	-2 750
Disposal of treasury shares	-	2 750
No. of outstanding shares, 30 June	7 730 000	7 730 000
Weighted average No. of outstanding shares	7 730 000	7 729 756
Result for the period (EUR)	12 254 000	9 463 000
Basic earnings per share (EUR)	1.59	1.22
Diluted earnings per share (EUR)¹	1.59	1.22

¹ No dilutive effect occurred in 2015 and 2014, the diluted result per share is the same as the basic result per share (result for the period/average number of outstanding shares).

5. Contingent liabilities

The Group is currently involved in various litigations arising in the course of business. The Group does not anticipate that the outcome of these proceedings, either individually or in total, will have a material effect on its financial or income situation.

6. Events after the balance sheet date

The reduction of the nominal value by CHF 0.65 from CHF 11.00 to CHF 10.35 per share took place on 10 July 2015. This pay-out to the shareholders reduced the share capital by CHF 5.0 million to CHF 80.0 million.

No further events have taken place between 30 June 2015 and 12 August 2015 that would require an adjustment of the carrying amounts of assets and liabilities of the Group or need to be disclosed here.

Agenda

Publication Annual Report 2015

Thursday, 10 March 2016

Media and Analysts Conference

SIX Swiss Exchange, Zurich, Switzerland

Annual General Meeting

Thursday, 21 April 2016

SIX Swiss Exchange, Zurich, Switzerland

Publication Interim Report 2016

Thursday, 11 August 2016

Conference Call for Media and Analysts

The Group publishes its Interim Report in English and German. The financial report is published in English only. In the event of any conflict between the English and German version, the English version shall prevail.

This communication contains statements that constitute “forward-looking statements”. In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Kardex’s ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors detailed in Kardex’s past and future filings and reports and in past and future filings, press releases, reports and other information posted on Kardex Group companies’ websites. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Kardex disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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