

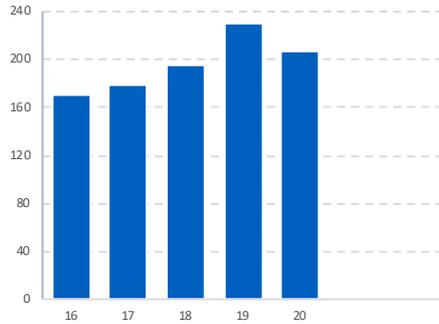
2020

Interim Report

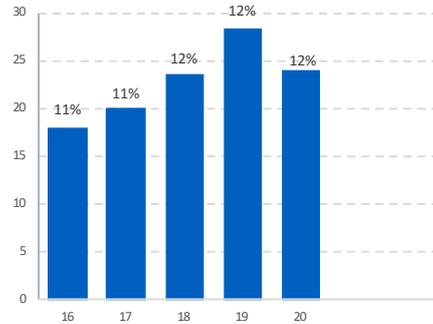
kardex

Kardex at a glance

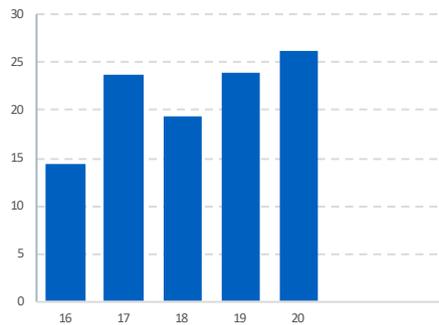
Net revenues
1.1.-30.6. in EUR million



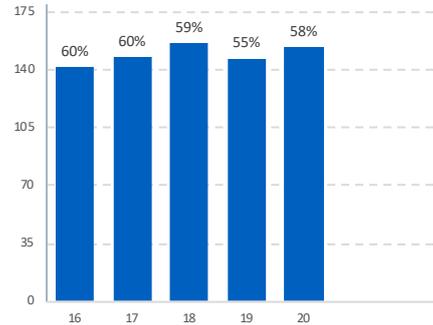
Operating result (EBIT) and EBIT margin
1.1.-30.6. in EUR million and in %



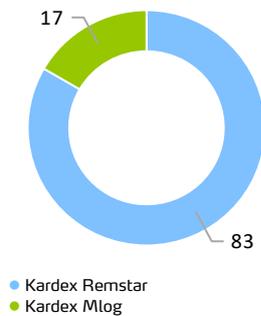
Net cash flow from operating activities
1.1.-30.6. in EUR million



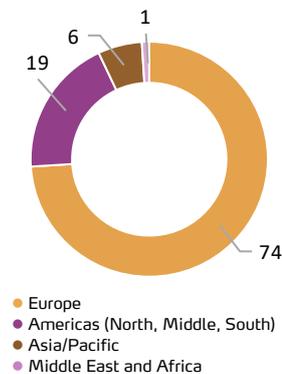
Equity and equity ratio
30.6. in EUR million and in %



Net revenue by segment
1.1.-30.6.2020 in %



Net revenue by region
1.1.-30.6.2020 in %



Highlights and key figures

First half 2020

Kardex is coping well in a difficult environment

Kardex Remstar maintains margin despite decline in bookings and net revenues

Strong recovery in demand at Kardex Mlog

Strategic investment program continues according to plan

Kardex will benefit from medium-term growth potential of intralogistics

Key figures

In EUR million

1.1.-30.6.	2020		2019		+/-%
Bookings	200.1	96.3%	239.9	104.5%	-16.6%
Order backlog (30.6.)	210.9	101.5%	246.8	107.5%	-14.5%
Net revenues	207.8	100.0%	229.6	100.0%	-9.5%
Gross Profit	71.8	34.6%	80.1	34.9%	-10.4%
OPEX	47.8	23.0%	51.7	22.5%	-7.5%
EBITDA	27.2	13.1%	31.4	13.7%	-13.4%
Operating result (EBIT)	24.0	11.5%	28.4	12.4%	-15.5%
Result for the period (net profit)	17.1	8.2%	20.2	8.8%	-15.3%
Net cash flow from operating activities	26.3		23.9		10.0%
Free cash flow	10.0		17.7		-43.5%
ROCE	47.2%		54.0%		-12.6%
	30.6.2020		30.6.2019		+/-%
Net working capital	67.4		67.1		0.4%
Net cash	109.1		119.9		-9.0%
Equity/Equity ratio	153.3	57.8%	146.8	55.3%	4.4%
Employees (FTE)	1 906		1 880		1.4%

Report to the shareholders

Kardex records decline in bookings, net revenues and earnings

The first half of 2020 at Kardex was also dominated by the corona pandemic. This affected in particular the bookings of Kardex Remstar and, to a lesser extent, its net revenues and profitability. Although Kardex Remstar expects the bookings situation to gradually recover, a further decline in net revenues and profitability is expected for the second half of the year. Kardex Mlog, on the other hand, recorded a strong recovery in bookings and is looking forward to the second half of the year with confidence. Despite the currently uncertain trends, Kardex will continue its strategic investment program in the supply chain and digitalization based on the confidence in its market position and the growth potential of intralogistics.

In the first half of 2020, Kardex' bookings were 16.6% below the same period of the previous year. This decline is attributable to the development at Kardex Remstar, whose bookings are 26.2% below previous year. Bookings had already weakened due to the economic slowdown in Europe before the outbreak of the corona crisis, but now reflects a high level of uncertainty in all markets. Since the end of May, the important US market has also cooled down significantly. Although interest in Remstar solutions remains high, many customers are holding back on investment decisions. By contrast, bookings at Kardex Mlog are 54.9% higher than in the weak prior-year period. Kardex Mlog benefited in particular from the fact that some of the orders expected for 2019 materialized in the first half of 2020. At EUR 210.9 million, the Group's order backlog at the end of the period was 3.2% lower than at the end of 2019.

Kardex Remstar and Kardex Mlog have always been able to deliver in recent months, despite the COVID-19 challenges. In some cases, however, access restrictions at customer sites meant that deliveries, installations and service work on site were not possible and had to be postponed. This led to delayed revenue recognition and partial short-time work in the organization. In combination with the weaker bookings, the first six months of the year show a decline of 9.5% in net revenues compared to the previous year. The achieved gross profit margin of 34.6% was only slightly below the prior-year period (34.9%). In absolute terms, however, the gross profit of EUR 71.8 million was 10.4% lower than in the previous year. Thanks to immediate measures, operating costs were reduced by 7.5% compared to the previous year period and thus adjusted to the declining net revenues development. The operating

result (EBIT) amounted to EUR 24.0 million, 15.5% below the same period of the previous year with a corresponding EBIT margin of 11.5% (12.4%). Net profit amounted to EUR 17.1 million (EUR 20.2 million) for the first half of the year. The number of employees decreased by 0.4% to 1 906 full-time equivalents compared to the beginning of the year.

Global weakening of demand at Kardex Remstar

Since the fourth quarter of 2019, the previously strong bookings of Kardex Remstar have been declining. The outbreak of the corona crisis significantly reinforced this trend. A sharp decrease in Asia was followed by Europe and, with some delay, North America. Bookings in new business fell by 34.3% and the Life Cycle Service business reported a 7.3% decline in orders. The main of decrease for Remstar in Europe happened with customers in the traditional industry segments production and assembly. By contrast, the emerging warehousing, wholesale, e-commerce and government segments were less affected. At the end of the period, the order backlog amounted to EUR 143.3 million, 22.9% less than at the end of June 2019.

Net revenues fell by 8.4% to EUR 173.2 million in the first six months. Thanks to efficiency gains in the supply chain, a better revenue mix and rigid cost management, the gross profit margin in the first half of the year increased slightly compared to the previous year. The operating result decreased by 8.8% to EUR 25.0 million due to the lower volume with an EBIT margin of 14.4% which is close to the same level as in the previous year period (14.5%).

Kardex Remstar is able to cope with the decrease in orders to date with measures already initiated without

any significant structural adjustments. However, if the expected rebound does not materialize in the third quarter and the global economy continues to deteriorate, adjustments will be made to structures and capacities.

The strategic investments in the supply chain and digitalization will continue as planned. However, the start-up of the new plant in the USA will be postponed to the first half of 2021 due to current travel restrictions.

Strong recovery in bookings at Kardex Mlog

Bookings of Kardex Mlog show a different picture, which is directly related to the situation in the previous year. Investment decisions for projects, that had already been expected in the first half of 2019, were taken in the last quarter of 2019 and the first quarter of 2020. After a brief collapse directly after the Corona outbreak in Europe, bookings returned to normal in the second quarter. With various projects in new business from a wide range of industries, bookings in this segment were 60.6% higher than in the previous year. Service and modernization orders also rose sharply by 49.2%. With an order backlog of EUR 67.4 million, the base for a good second half of the year has been established.

Kardex Mlog's net revenues of EUR 34.5 million were 15.0% down compared to the previous year period as a result of the low order backlog at the beginning of the year and the interruptions caused by corona. The otherwise solid profitability of the division was adversely affected by a one-off revaluation of inventories, which reduced EBIT by a low single-digit EUR million amount. As a result, the operating result fell to EUR 0.2 million (EUR 2.4 million) and the EBIT margin to 0.6% (5.9%). Kardex Mlog expects to return to the profitability level previously achieved from the second half of the year onwards.

Healthy balance sheet and high equity ratio

Kardex' balance sheet remains very stable and, with total assets of EUR 265.0 million at the end of the period, the equity ratio remained high at 57.8%. Free cash flow of EUR 10.0 million has been generated in the first six months of the year. Despite the payment of the high dividend, the acquisition of Robomotive and

increased spending on strategic investments, Kardex reported a net cash position of EUR 109.1 million.

Outlook

Board of Directors and Group Management remain convinced of the medium to long-term growth opportunities and the dynamics of automation in intralogistics. Due to the short-term uncertainties regarding the timing and extent of the recovery in bookings at Kardex Remstar, no guidance is given for the second half of 2020. Kardex' medium-term financial targets remain unchanged.



Philipp Buhofer
Chairman of the Board of Directors



Jens Fankhänel
Chief Executive Officer

Consolidated interim income statement

in EUR million	1.1.-30.6.2020	(%)	1.1.-30.6.2019	(%)
Net revenues	207.8	100.0%	229.6	100.0%
Cost of goods sold and services provided	-136.0	-65.4%	-149.5	-65.1%
Gross profit	71.8	34.6%	80.1	34.9%
Sales and marketing expenses	-25.0	-12.0%	-29.1	-12.7%
Administrative expenses	-16.5	-7.9%	-17.7	-7.7%
R&D expenses	-5.4	-2.6%	-5.3	-2.3%
Other operating income	0.3	0.1%	1.2	0.5%
Other operating expenses	-1.2	-0.6%	-0.8	-0.3%
Operating result (EBIT)	24.0	11.5%	28.4	12.4%
Financial result, net	-1.4	-0.7%	-1.0	-0.4%
Result for the period before tax	22.6	10.9%	27.4	11.9%
Income tax expense	-5.5	-2.6%	-7.2	-3.1%
Result for the period	17.1	8.2%	20.2	8.8%
Attributable to:				
Shareholders of Kardex Holding AG	17.0	8.2%	19.8	8.6%
Minority interests	0.1	0.0%	0.4	0.2%
Result for the period	17.1	8.2%	20.2	8.8%
Earnings per share attributable to shareholders (EUR) ¹	2.21		2.57	

¹ No dilutive effect occurred in 2020 and 2019 (see note 5).

The notes to the consolidated interim financial statements from page 9 to page 13 represent an integral part of Kardex' financial statements.

Consolidated interim balance sheet

in EUR million	30.6.2020	31.12.2019
Property, plant and equipment	50.7	41.2
Intangible assets	5.5	4.1
Financial assets	7.5	6.6
Non-current assets	63.7	51.9
Inventories and work in progress	19.1	19.2
Trade accounts receivable	48.9	65.4
Other receivables	19.7	15.4
Prepaid expenses	4.4	4.3
Cash and cash equivalents	109.2	133.6
Current assets	201.3	237.9
Assets	265.0	289.8
Share capital	2.5	2.5
Capital reserves	31.3	31.3
Retained earnings and translation differences	120.8	138.7
Treasury shares	-2.0	-1.0
Equity before minorities	152.6	171.5
Minority interests	0.7	0.5
Equity	153.3	172.0
Non-current provisions	21.4	20.6
Non-current liabilities	21.4	20.6
Trade accounts payable	13.5	17.3
Current provisions	9.2	6.0
Accruals	49.1	54.7
Other current liabilities	18.4	19.2
Current financial liabilities	0.1	-
Current liabilities	90.3	97.2
Liabilities	111.7	117.8
Equity and liabilities	265.0	289.8

The notes to the consolidated interim financial statements from page 9 to page 13 represent an integral part of Kardex' financial statements.

Consolidated interim cash flow statement

in EUR million	1.1.-30.6.2020	1.1.-30.6.2019
Result for the period	17.1	20.2
Depreciation and amortization	3.2	3.0
Changes in provisions and pension liabilities	4.3	0.7
Other non-cash items	2.0	0.1
Change in inventories and work in progress	-2.4	-3.5
Change in accounts receivable	16.1	8.1
Change in other receivables	-3.9	-8.7
Change in prepaid expenses	-0.1	0.2
Change in accounts payable	-3.8	2.4
Change in accruals	-5.3	0.9
Change in other current liabilities	-0.9	0.5
Net cash flow from operating activities	26.3	23.9
Purchase of property, plant and equipment	-12.5	-5.4
Purchase of intangible assets	-1.8	-0.8
Change in loans	-0.1	-
Acquisition of organizations	-1.9	-
Net cash flow from investing activities	-16.3	-6.2
Free cash flow	10.0	17.7
Acquisition of treasury shares	-1.0	-
Dividend paid	-32.8	-27.6
Net cash flow from financing activities	-33.8	-27.6
Effect of currency translation differences on cash and cash equivalents	-0.6	0.6
Net change in cash and cash equivalents	-24.4	-9.3
Cash and cash equivalents at 1 January	133.6	129.2
Cash and cash equivalents at 30 June	109.2	119.9
Net change in cash and cash equivalents	-24.4	-9.3

The notes to the consolidated interim financial statements from page 9 to page 13 represent an integral part of Kardex' financial statements.

Consolidated interim statement of changes in equity

in EUR million	Share capital	Capital reserves	Retained earnings	Translation differences	Treasury shares ¹	Equity before minorities	Minority interests	Equity
Opening balance 1 January 2019	2.5	31.2	120.8	-0.1	-1.1	153.3	-	153.3
Result for the period	-	-	19.8	-	-	19.8	0.4	20.2
Acquisition of organizations	-	-	-	-	-	-	0.1	0.1
Currency translation differences	-	-	-	0.4	-	0.4	-	0.4
Dividend paid	-	-	-27.5	-	-	-27.5	-0.1	-27.6
Valuation of hedging instruments	-	-	0.4	-	-	0.4	-	0.4
Closing balance 30 June 2019	2.5	31.2	113.5	0.3	-1.1	146.4	0.4	146.8
Opening balance 1 July 2019	2.5	31.2	113.5	0.3	-1.1	146.4	0.4	146.8
Result for the period	-	-	24.6	-	-	24.6	0.1	24.7
Currency translation differences	-	-	-	0.2	-	0.2	-	0.2
Disposal of treasury shares	-	0.1	-	-	0.1	0.2	-	0.2
Valuation of hedging instruments	-	-	0.1	-	-	0.1	-	0.1
Closing balance 31 December 2019	2.5	31.3	138.2	0.5	-1.0	171.5	0.5	172.0
Opening balance 1 January 2020	2.5	31.3	138.2	0.5	-1.0	171.5	0.5	172.0
Result for the period	-	-	17.0	-	-	17.0	0.1	17.1
Acquisition of goodwill	-	-	-1.6	-	-	-1.6	-	-1.6
Acquisition of organizations	-	-	-	-	-	-	0.1	0.1
Currency translation differences	-	-	-	-0.8	-	-0.8	0.1	-0.7
Acquisition of treasury shares	-	-	-	-	-1.0	-1.0	-	-1.0
Dividend paid	-	-	-32.7	-	-	-32.7	-0.1	-32.8
Valuation of hedging instruments	-	-	0.2	-	-	0.2	-	0.2
Closing balance 30 June 2020	2.5	31.3	121.1	-0.3	-2.0	152.6	0.7	153.3

¹ Number of treasury shares held as of 30 June 2020: 20 840 (30 June 2019: 12 887).

The notes to the consolidated interim financial statements from page 9 to page 13 represent an integral part of Kardex' financial statements.

Notes to the consolidated interim financial statements

1. General information

The accompanying consolidated interim financial statements include Kardex Holding AG and its subsidiaries (referred to collectively as 'Kardex' and individually as the 'Group companies') and comprise the unaudited consolidated interim financial statements for the six months ended 30 June 2020. Kardex Holding AG is Kardex' parent company, a limited company under Swiss law, which is registered and domiciled in Zurich, Switzerland. Kardex Holding AG is listed on SIX Swiss Exchange.

Kardex' consolidated interim 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 2019 as they represent an update of the last complete set of financial statements.

The Board of Directors approved these consolidated interim financial statements on 29 July 2020 and released them for publication.

2. Alternative performance measures

Based on the Directive on the Use of Alternative Performance Measures (DAPM) entered into force as per 1 January 2019, issuers whose equity securities are listed on SIX Swiss Exchange are requested to publish clear and comprehensive definitions of alternative performance measures (APM). APM are financial measures not clearly defined or specified in the applicable recognized accounting standard.

Capital employed (CE)

in EUR million	30.6.2020	30.6.2019
Property, plant, equipment	50.7	36.0
Intangible assets	5.5	3.0
Other financial assets	1.6	1.3
NWC	67.4	67.1
CE	125.2	107.4

Earnings before interest, taxes, depreciation and amortization (EBITDA)

in EUR million	30.6.2020	30.6.2019
Operating result (EBIT)	24.0	28.4
Depreciation and amortization	3.2	3.0
EBITDA	27.2	31.4

Equity ratio

in EUR million	30.6.2020	30.6.2019
Assets	265.0	265.3
Equity	153.3	146.8
Equity ratio¹	57.8%	55.3%

¹ 'Equity' divided by 'Assets'.

Net cash

in EUR million	30.6.2020	30.6.2019
Cash and cash equivalents	109.2	119.9
Interest bearing debt	-0.1	-
Net cash	109.1	119.9

Net working capital (NWC)

in EUR million	30.6.2020	30.6.2019
Trade accounts receivable (excl. allowances)	50.4	58.6
Construction contracts with amounts due from customers (underfinanced - POC) ²	8.3	6.9
Advance payments	3.7	1.9
Raw materials, supplies and other consumables	9.9	11.4
Finished goods	2.0	2.9
Spare parts	8.9	9.2
Work in progress	27.5	28.6
Advance payments from customers	-24.7	-28.3
Advance payments to suppliers	2.1	1.6
Trade accounts payable	-13.5	-17.6
Construction contracts with amounts due to customers (overfinanced - POC) ²	-4.2	-5.6
Other payables	-3.0	-2.5
NWC	67.4	67.1

² POC = Percentage of completion.

Return on capital employed (ROCE)

in EUR million	30.6.2020	30.6.2019
EBIT (last 12 months)	59.1	58.0
CE	125.2	107.4
ROCE³	47.2%	54.0%

³ 'EBIT (last 12 months)' divided by 'CE'.

3. Segment reporting

Kardex is a global industry partner for intralogistic solutions and a leading supplier of automated storage solutions and material handling systems. The group consists of the two entrepreneurially managed divisions, Kardex Remstar and Kardex Mlog. Kardex Remstar develops, produces and maintains dynamic storage and retrieval systems and Kardex Mlog offers integrated material 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.

3.1 Income statement at 30 June 2020

in EUR million	Kardex Remstar	Kardex Mlog	Holding / Other	Eliminations	Kardex
Bookings	156.2	44.0	-	-0.1	200.1
Net revenues, third party					
- Europe	119.7	34.5	0.1	-	154.3
- Americas	39.9	-	-	-	39.9
- Asia/Pacific	12.2	-	-	-	12.2
- Middle East and Africa	1.4	-	-	-	1.4
Total net revenues, third party	173.2	34.5	0.1	-	207.8
Net revenues, with other operating segments	-	-	-	-	-
Net revenues¹	173.2	34.5	0.1	-	207.8
Cost of goods sold and services provided	-107.2	-28.6	-0.2	-	-136.0
Gross profit	66.0	5.9	-0.1	-	71.8
Gross profit margin	38.1%	17.1%			34.6%
Sales and marketing expenses	-21.8	-3.2	-	-	-25.0
Administrative expenses	-13.5	-1.9	-2.8	1.7	-16.5
R&D expenses	-4.8	-0.6	-	-	-5.4
Other operating income	0.3	-	1.7	-1.7	0.3
Other operating expenses	-1.2	-	-	-	-1.2
Operating result (EBIT)	25.0	0.2	-1.2	-	24.0
EBIT margin	14.4%	0.6%			11.5%
Depreciation and amortization	2.7	0.5	-	-	3.2
EBITDA	27.7	0.7	-1.2	-	27.2
EBITDA margin	16.0%	2.0%			13.1%

¹ The revenues comprise EUR 138.0 million from New Business and EUR 69.8 million from Life Cycle Services.

3.2 Income statement at 30 June 2019

in EUR million	Kardex Remstar	Kardex Mlog	Holding	Eliminations	Kardex
Bookings	211.6	28.4	-	-0.1	239.9
Net revenues, third party					
- Europe	128.6	40.6	-	-	169.2
- Americas	42.3	-	-	-	42.3
- Asia/Pacific	16.0	-	-	-	16.0
- Middle East and Africa	2.1	-	-	-	2.1
Total net revenues, third party	189.0	40.6	-	-	229.6
Net revenues, with other operating segments	0.1	-	-	-0.1	-
Net revenues¹	189.1	40.6	-	-0.1	229.6
Cost of goods sold and services provided	-117.5	-32.1	-	0.1	-149.5
Gross profit	71.6	8.5	-	-	80.1
Gross profit margin	37.9%	20.9%			34.9%
Sales and marketing expenses	-25.6	-3.5	-	-	-29.1
Administrative expenses	-14.2	-2.1	-3.2	1.8	-17.7
R&D expenses	-4.8	-0.5	-	-	-5.3
Other operating income	1.1	0.1	1.8	-1.8	1.2
Other operating expenses	-0.7	-0.1	-	-	-0.8
Operating result (EBIT)	27.4	2.4	-1.4	-	28.4
EBIT margin	14.5%	5.9%			12.4%
Depreciation and amortization	2.4	0.4	0.2	-	3.0
EBITDA	29.8	2.8	-1.2	-	31.4
EBITDA margin	15.8%	6.9%			13.7%

¹ The revenues comprise EUR 154.4 million from New Business and EUR 75.2 million from Life Cycle Services.

4. Significant changes

2020

In March 2020, the minority interests (33.0%) of Kardex Handling Solutions, LLC, Noblesville (Indiana), USA, were acquired by Kardex Production USA Inc., Westbrook (Maine), USA.

In May 2020, Kardex Holding AG, Zurich, Switzerland, acquired the majority of the shares (50.0% + 1 share) of Robomotive B.V., Heerlen, the Netherlands, which is specialized in the development and implementation of smart robot technologies. Founded in 2011, Robomotive's unique selling point is mimicking the adaptive eye-hand coordination of humans with the help of robots, 3D cameras, grippers, and smart software algorithms. The purchase price represents mainly a goodwill of EUR 1.6 million and is allocated to equity.

2019

As of 1 January 2019 two subsidiaries with a minority stake (which were not material for Kardex) were included into the scope of consolidation. Due to their expected growth in future years, Group Management decided to include them into the scope of consolidation.

In June 2019, Kardex US Manufacturing LLC, Dover (Delaware), USA was founded to further strengthen the US market for the Kardex Remstar Division and is a 100% subsidiary of Kardex Production USA Inc., Westbrook (Maine), USA.

5. Earnings per share

	30.6.2020	30.6.2019
Number of outstanding shares, 1 January	7 718 360	7 716 805
Acquisition of treasury shares	-9 200	-
Disposal of treasury shares	-	308
Number of outstanding shares, 30 June	7 709 160	7 717 113
Weighted average number of outstanding shares	7 712 820	7 716 964
Result for the period attributable to shareholders of Kardex Holding AG (EUR 1 000)	17 012	19 820
Basic earnings per share (EUR)	2.21	2.57
Diluted earnings per share (EUR)¹	2.21	2.57

¹ No dilutive effect occurred in 2020 and 2019.

6. Contingent liabilities

Kardex is currently involved in various litigations arising in the course of business. Kardex 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.

7. Events after the balance sheet date

No further events have taken place between 30 June 2020 and 29 July 2020 that would require an adjustment of the carrying amounts of assets and liabilities of Kardex or need to be disclosed here.

Agenda

Publication Annual Report 2020

Thursday, 4 March 2021

Conference Call for Media and Analysts

Annual General Meeting

Thursday, 15 April 2021

SIX Swiss Exchange, Zurich, Switzerland

Publication Interim Report 2021

Thursday, 29 July 2021

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.

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