



## **Kardex Group – Company Presentation**

Investora 2016 – Jens Fankhänel, CEO

## Topics

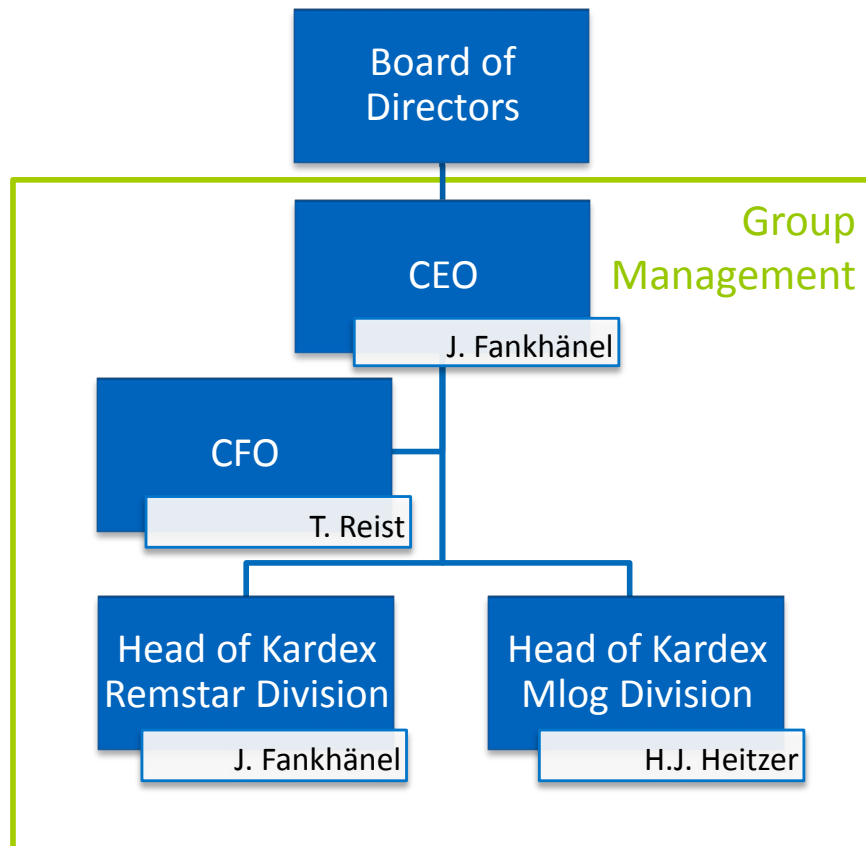
- Introduction
- Intralogistics Industry
- Kardex Divisions
- Key Figures, Financial Targets, Dividend Policy
- Why Kardex
- Q&A



## Kardex in Brief

- Kardex provides solutions and services to increase the **efficiency in storing and handling of goods and materials** of its customers
- Kardex consists of 2 Divisions which are both positioned in an **attractive and growing market** – **Kardex Remstar** and **Kardex Mlog**
- **Key figures 2015**
  - Net revenue EUR 339 Mio.
  - EBIT margin 10.7%
  - Net profit EUR 28.5 Mio.
- **Market Cap** as of 15th September: CHF 734 Mio.

## Organizational Structure



- **Holding Level**
  - Group strategy, resource allocation, financing, treasury, Public Relations / Investor Relations
  - Group Management: CEO, CFO, Head of Divisions
- **Divisional Level**
  - Divisional strategies
  - Stand-alone units with full P&L and balance sheet responsibility

## Kardex Business Model – Life-Time Partner with Efficient Solutions

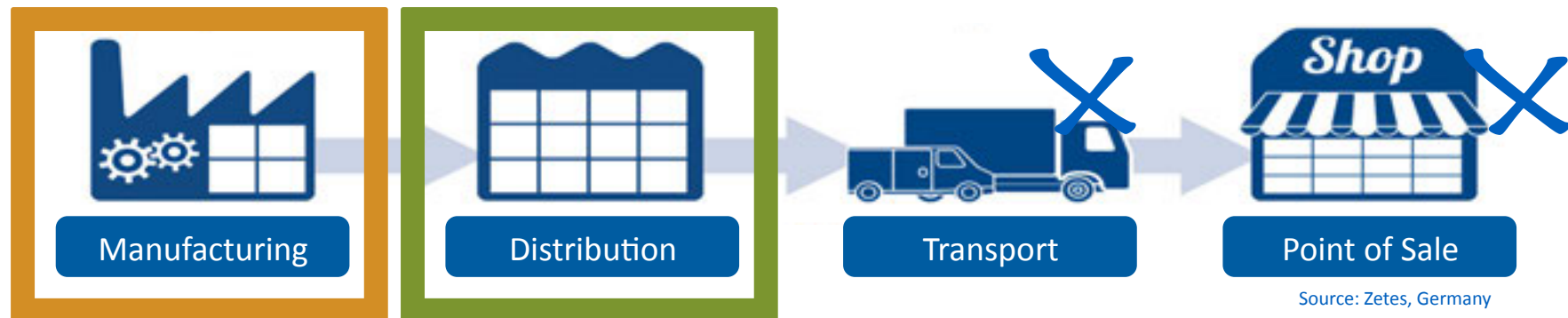


- Broad existing customer base that needs ongoing after-sales services
  - over 100'000 installed Kardex Remstar machines
  - 900 Kardex Mlog systems with more than 2'000 stacker cranes
- Many of these clients must and will upgrade their systems in the nearer future
- Kardex is well positioned to benefit from these needs

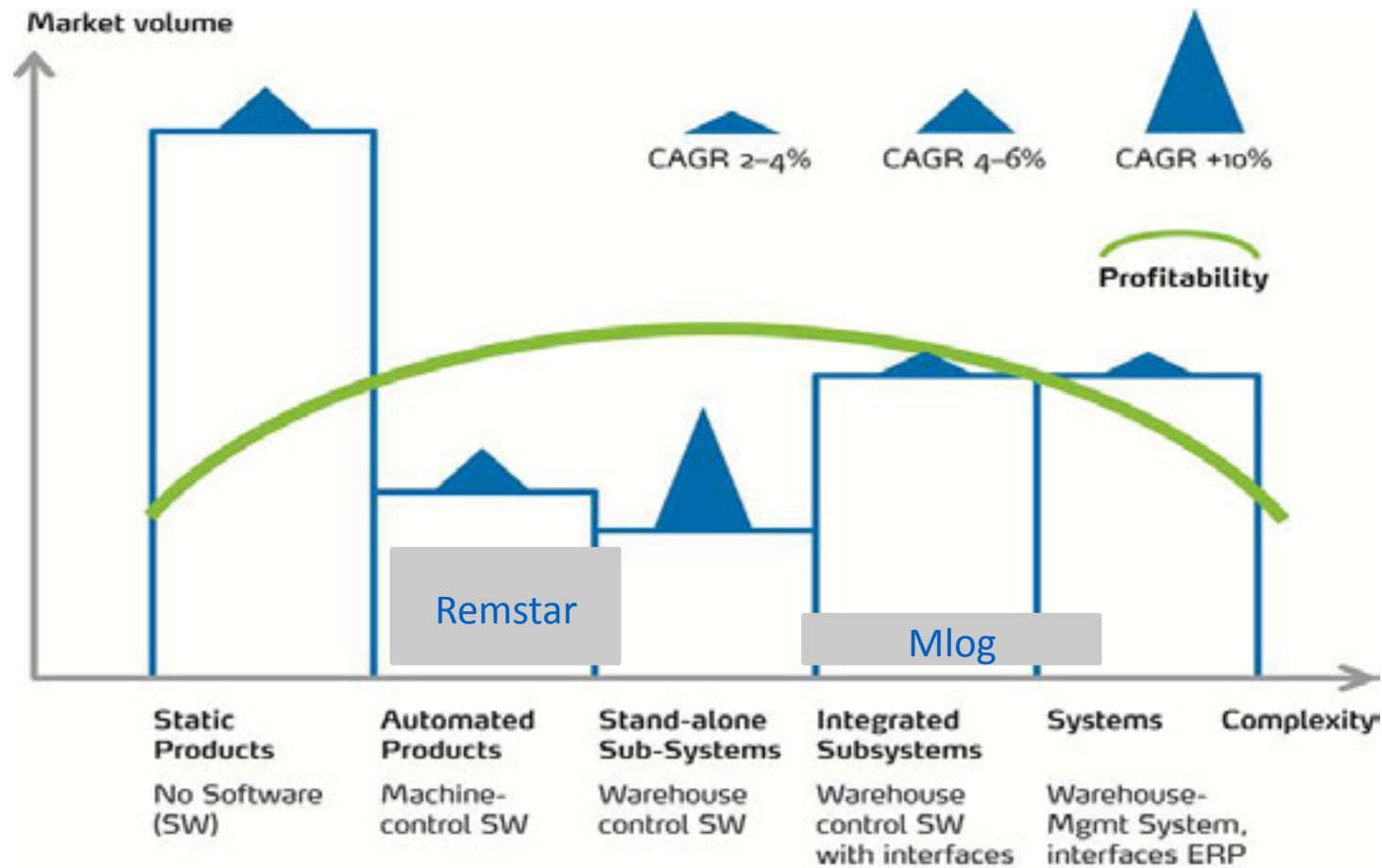
## Intralogistics Industry

## Definition of Intralogistics

- **Intralogistics** covers the Material Logistics & Material Handling plus Information Management within the four walls/boundaries of a manufacturing or distribution center
- **Intralogistics** aims to improve efficiency (via performance increase, cost reduction, added value)
- **Intralogistics** does not include the transportation outside the four walls/boundaries and not POS
- **Manufacturing Centers** – typically Raw Material Handling, interim transports, interim Manufacturing Buffers, Finished Goods Handling
- **Distribution Centers** – typically Finished Goods Handling incl. Receiving, Storage/Retrieval, Order Picking/Value Add, Sortation, Shipping



## Intralogistics Market





## Global Trends and Impact on Intralogistics

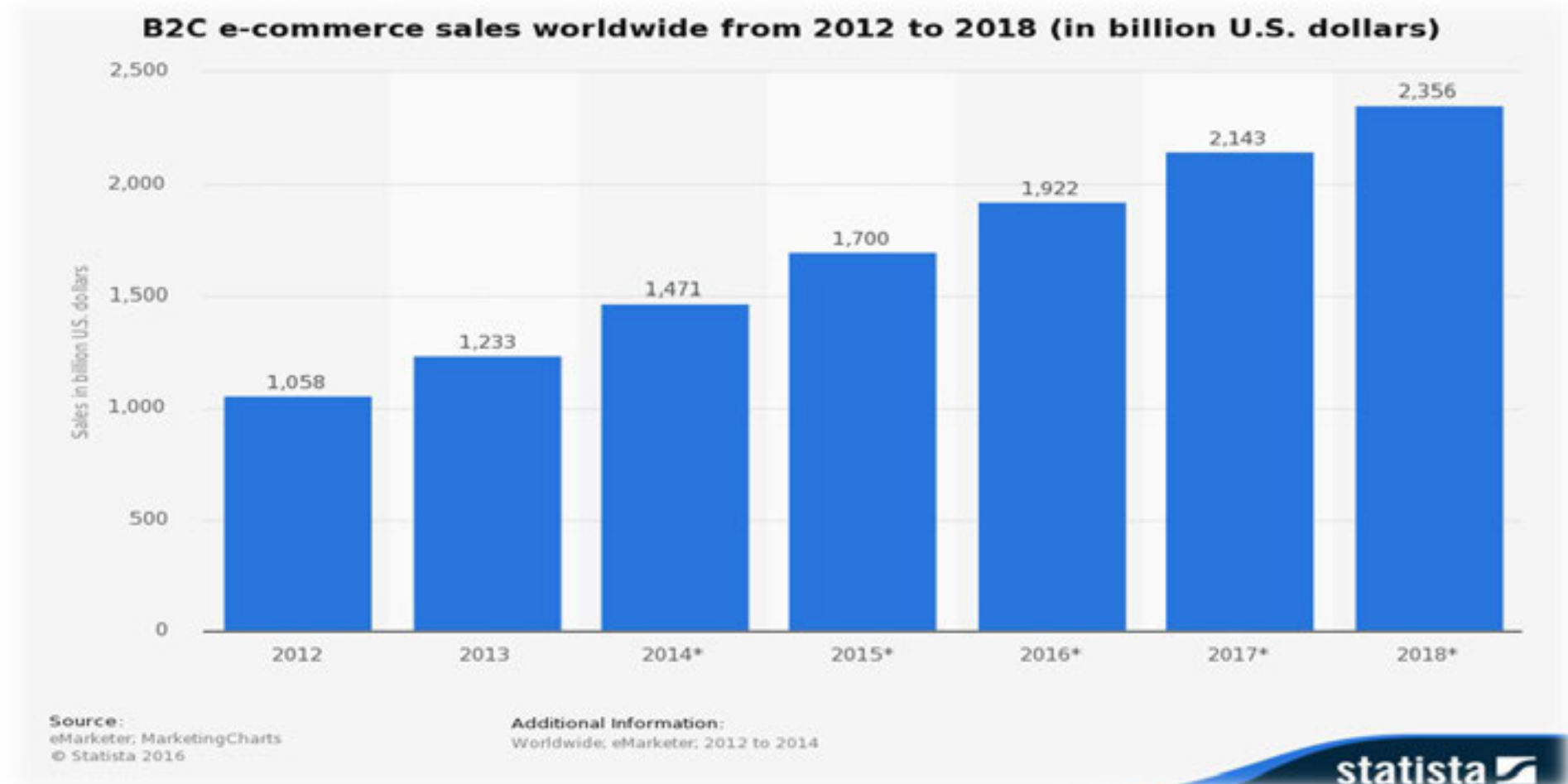
- **Increase in e-commerce and resulting delivery logistics:** Greater demand for decentralized, smaller warehouses and “last mile” solutions
- **Industry 4.0 (“Internet of things”, Service 4.0, Logistics 4.0, Connectivity):** Need for change from central to embedded intelligence, fundamental change in requirements to Intralogistics core technology and product range
- **Ageing society and stronger health and safety regulations:** Increased need for ergonomic and automated handling solutions, trends towards simplified Human Machine Interfaces
- **Increased focus on environment and sustainability:** Increased need for energy-efficient and recyclable technology, battery technology
- **Cloud computing:** potential radical technology change and business model change towards Software as a Service
- **Smart Robots including human machine dialogue in collaboration with people:** increased need due to shortage of labor, fundamental change to Intralogistics concepts and interfacing between Robots and standard products

## Global Kardex Remstar Application Mix



Intralogistics Industry

## Industry Segment eCommerce

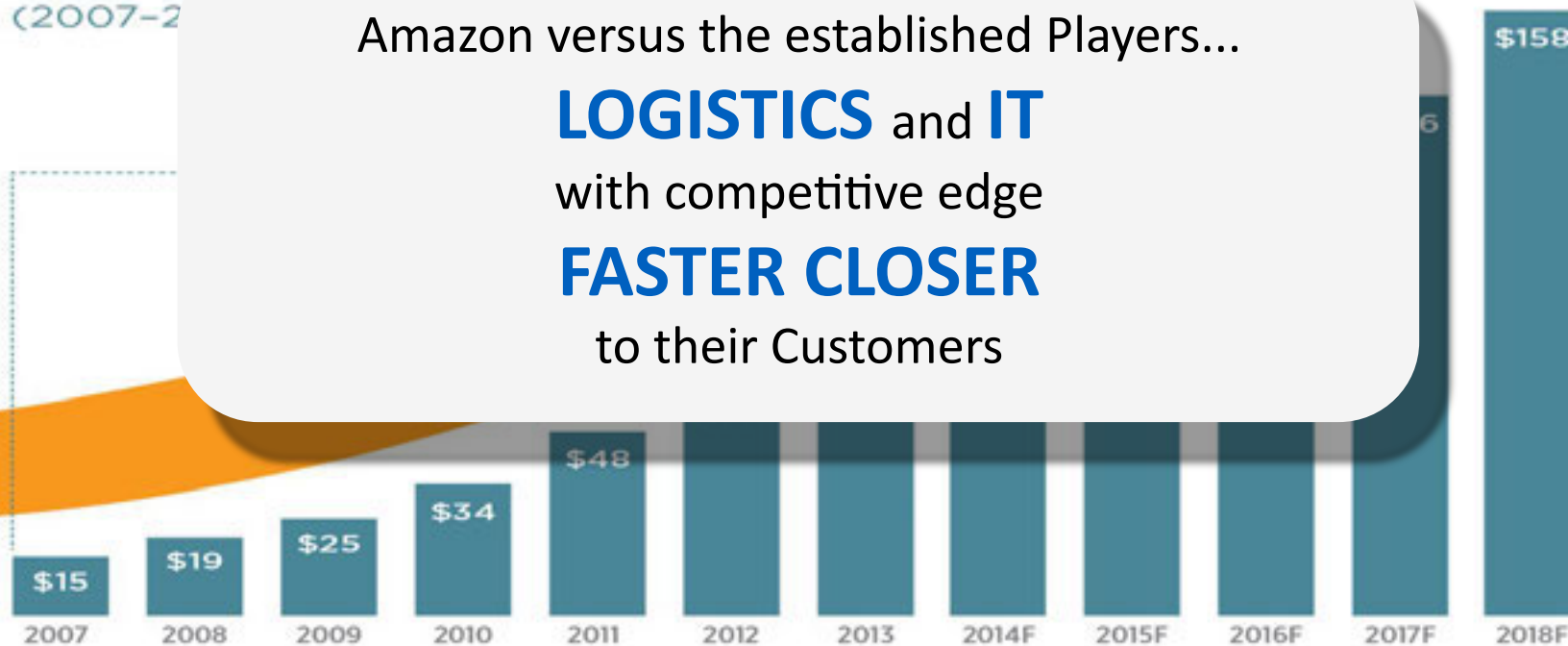


## Industry Segment eCommerce

Amazon versus the established Players...

**LOGISTICS** and **IT**  
with competitive edge  
**FASTER CLOSER**  
to their Customers

AMAZON  
(2007-2018F)



Source: Susquehanna Financial Group, Amazon financial reports and Kurt Salmon analysis

## Industry Segment “eCommerce” – Walmart’s Answer

> 20 Next Gen Fulfilment Centers

> 200 eCommerce Facilities  
> 2500 Store Locations

> 2500 Pick-up Locations

**Pickup**

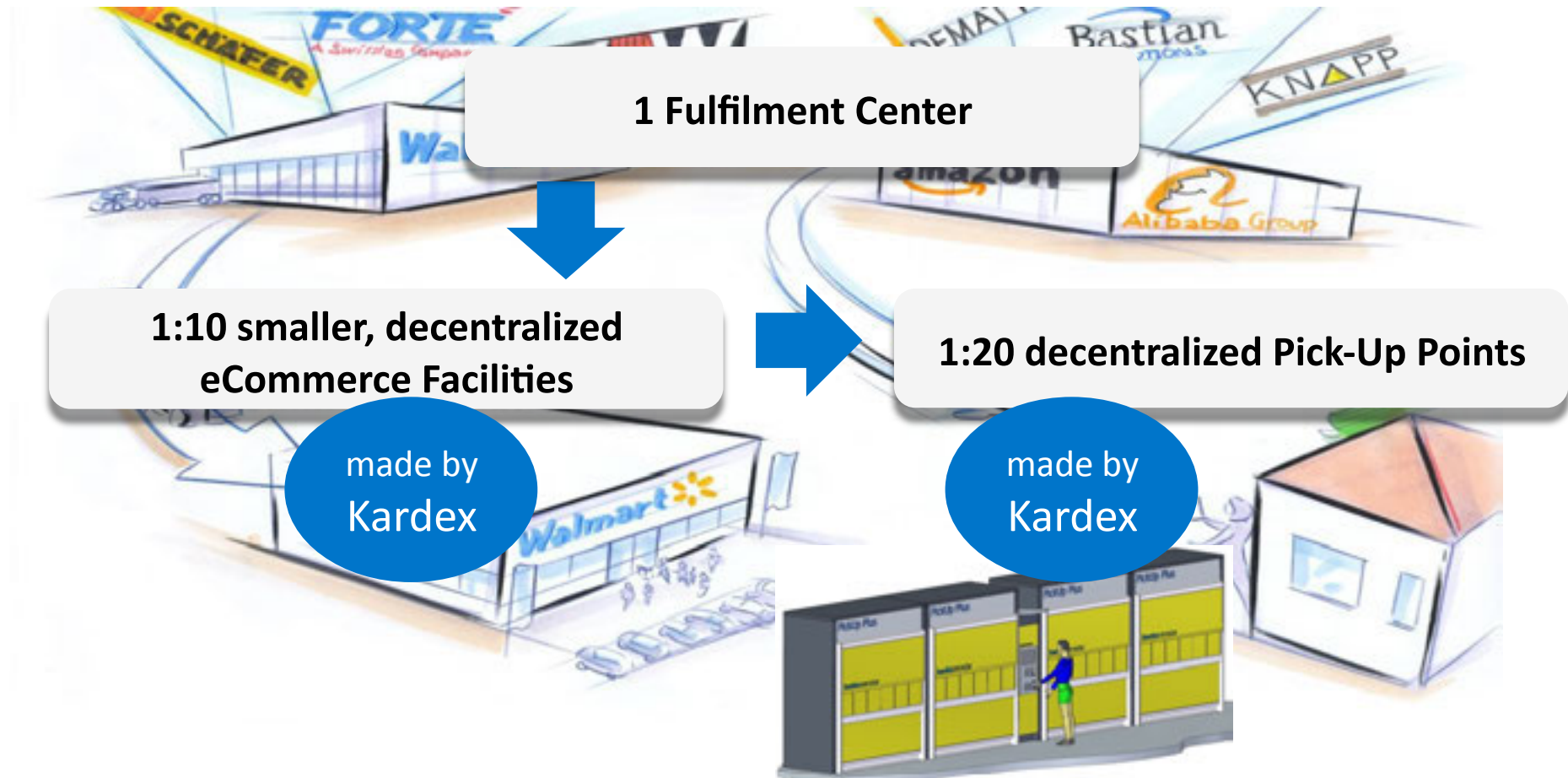
Order online. Pick up here

Store Pickup

**site**

Pickup at Lockers Test

## Industry Segment “eCommerce” – Impact and Kardex Opportunities





## Industry Segment “eCommerce” – More than the Big Players

amazon

Walmart

snapdeal

OTTO

JD.COM 京东

1% of Total e-commerce sites  
34% of Total Revenue



The remainder Market

... endless no. of Customers on a global level

## Industry Segment “eCommerce” – Kardex eCommerce Applications



**Competitively Priced!**



**Fast!**



**Scalable**  
one or more!



**Reduced Labor!**

Standardized Solutions

Built from existing Technology

Copy & Paste Approach



Fair Risk / Reward Profile

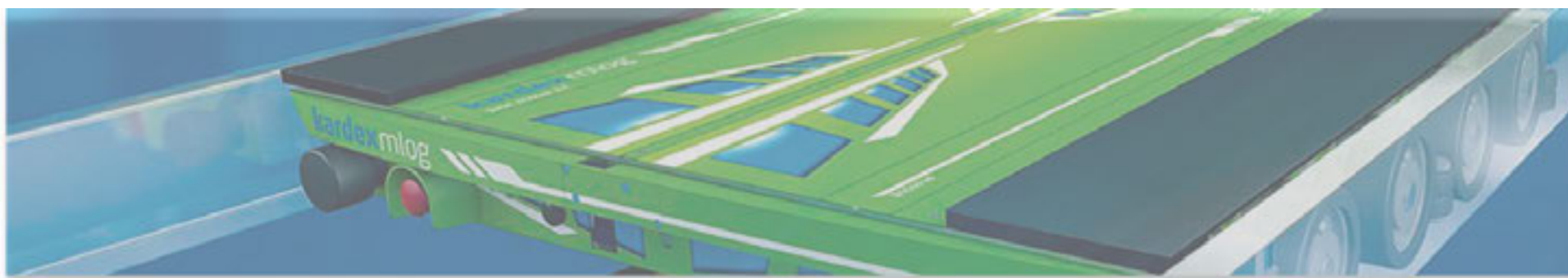
Help Kardex Customers to get  
**FASTER, CLOSER** at **LOWER**  
**COST** to their Customers



## Kardex Divisions

## Overview Kardex Mlog Division

Key Figures	Geographic Focus	References (selected)
<ul style="list-style-type: none"> <li>• Strong market position in Germany</li> <li>• 246 FTEs</li> <li>• 45 years industry experience</li> <li>• &gt; 900 installed solutions worldwide</li> <li>• 1 production site in Germany</li> </ul>		



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## Kardex Mlog Solutions – based on Industry Specific Applications

### Industry Specific Application:

Standard Kardex Products +  
Complimentary Technology +  
Kardex Logistics Software Suite

*... with Industry Specific Customization*



*From heavy goods (pallet based) to light and small goods (bin or carton based)*



## Kardex Mlog Product Portfolio – Stacker Crane Family



Pallet Stacker Cranes (s)



Pallet Stacker Cranes (d)



Miniload Crane



Miniload Crane



Pallet Cranes



Pallet Stacker Cranes

*From heavy goods (pallet based) to light and small goods (bin or carton based)*

## Kardex Mlog Product Portfolio – Conveyor & Transportation Family



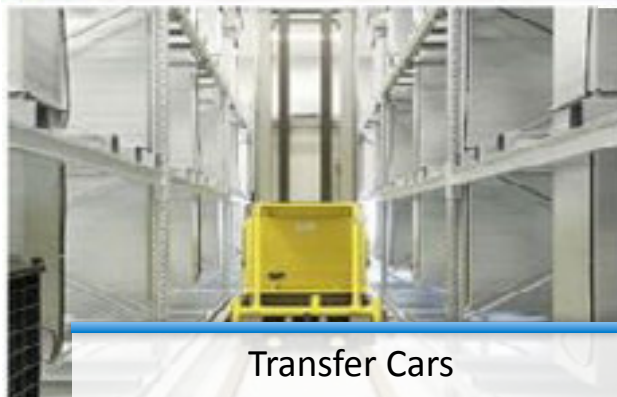
Pallet Conveyors



Pallet Lifts



Peripheral Equipment



Transfer Cars



Satellite Cars



Monorail Systems

*From heavy goods (pallet based) to light and small goods (bin or carton based)*



## Overview Kardex Remstar Division

Key Figures	Geographic Focus	References (selected)
<ul style="list-style-type: none"> <li>Market share &gt; 35%</li> <li>1.250 FTEs</li> <li>&gt; 100'000 installed solutions worldwide</li> <li>2 production sites in Germany</li> </ul>		



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## Kardex Remstar Solutions – based on Industry Specific Applications

### Industry Specific Application:

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Complimentary Technology +  
Kardex Logistics Software Suite

*... with Industry Specific Customization*



*From heavy goods (individual or pallet based) to light and small goods (bin or carton based)*

## Kardex Remstar Product Portfolio as Base for efficient Solutions



Vertical Lifts



Horizontal Carousels



Software Suite PPG



Vertical Carousels



Office Carousels



Vertical Buffers

*From heavy goods (individual or pallet based) to light and small goods (bin or carton based)*

## Kardex Remstar Product Portfolio – Life Cycle Services



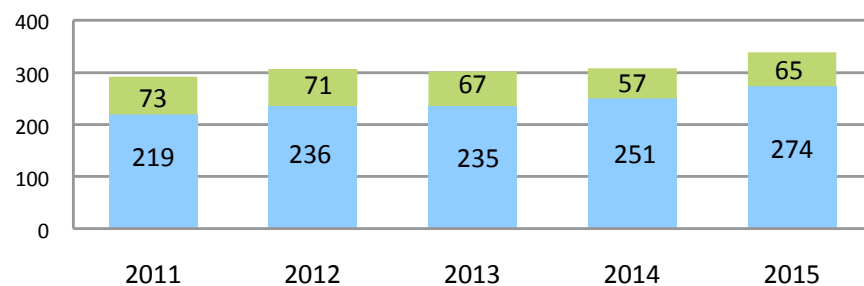
## Key Figures, Financial Targets, Dividend Policy

Key Figures

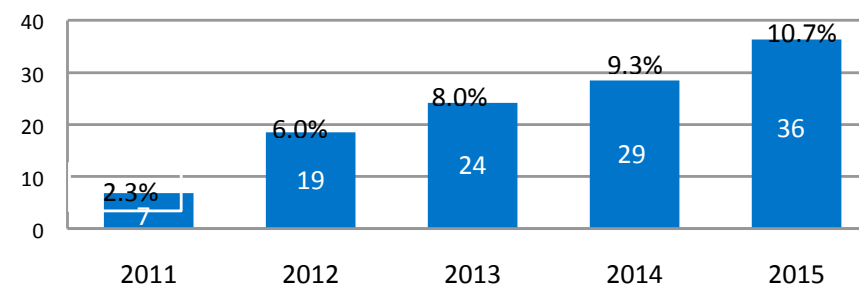
# Kardex Group – Development of Key Figures 2011–2015

EUR millions

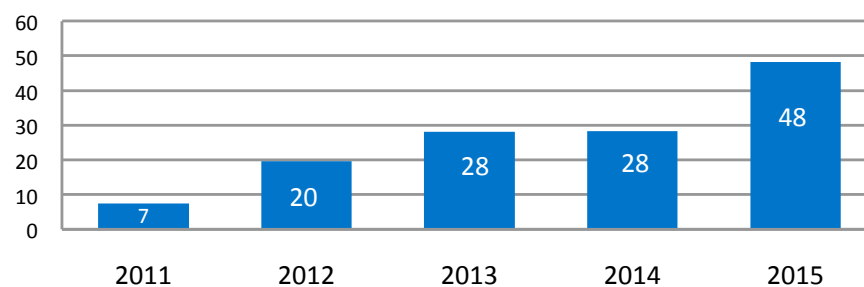
**Net revenues by divisions**



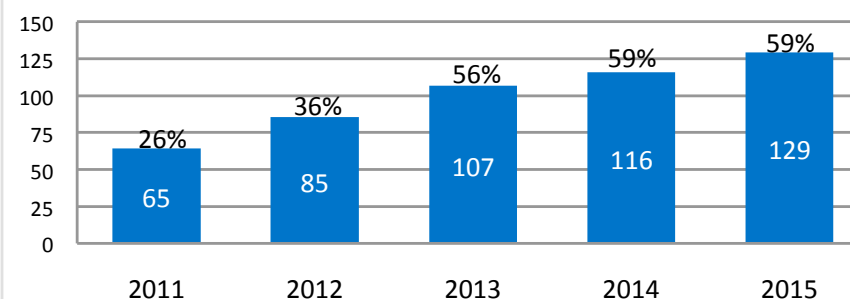
**Operating result (EBIT) and EBIT margin**



**Net cash flow from operating activities**



**Equity and Equity ratio**



## Financial Targets (over the Cycle)

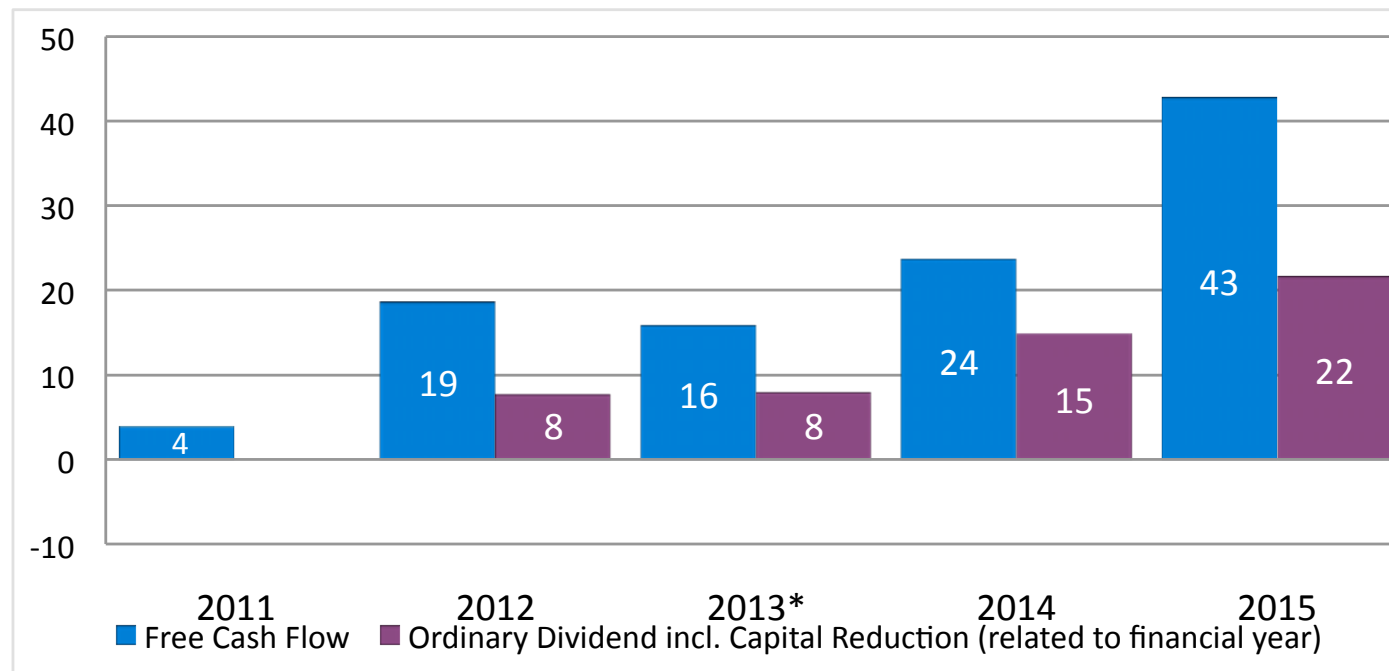
	Net Sales Growth	EBIT Margin	ROCE
Kardex Remstar		7% - 13%	
Kardex Mlog		4% - 6%	
Group	3% - 5% p.a.	> 6%	> 17%

Equity Ratio	Dividend Policy (payout ratio)	Net Debt/EBITDA
> 35%	Up to 75% of operational net profit	< 2.5x



## Cash Flows 2012 – 2015 did cover Pay-outs to the Shareholders

EUR millions



Attractive dividend policy:  
**Pay-out** of up to **75%** of the operational net profit (on the basis of the consolidated income).

Total distribution  
2012-2015 **>100 MCHF**  
(incl. extra Dividend)

2013\*: w/o cash inflow and extraordinary dividend based on divestment of Stow Division

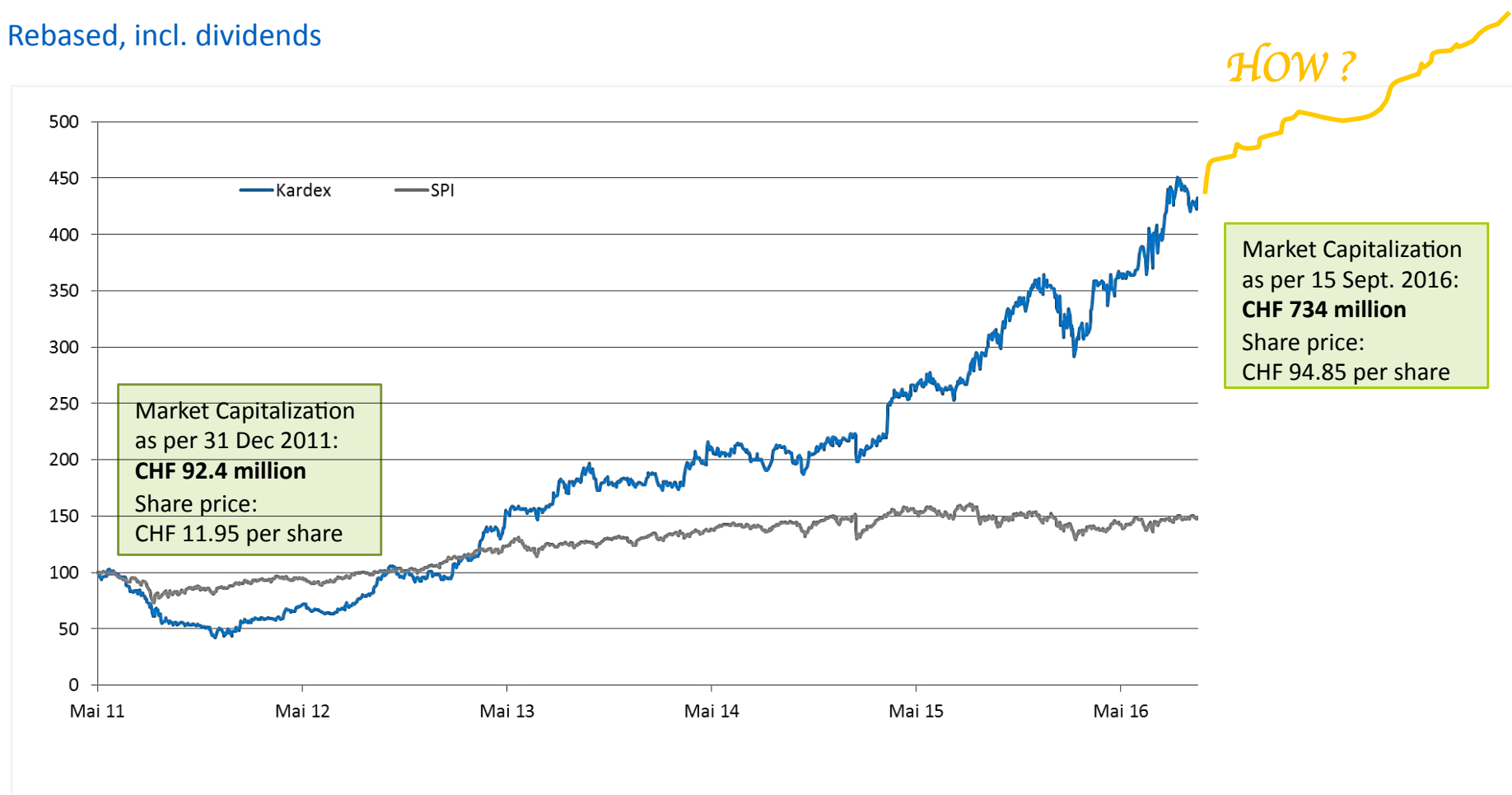
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## Why Kardex



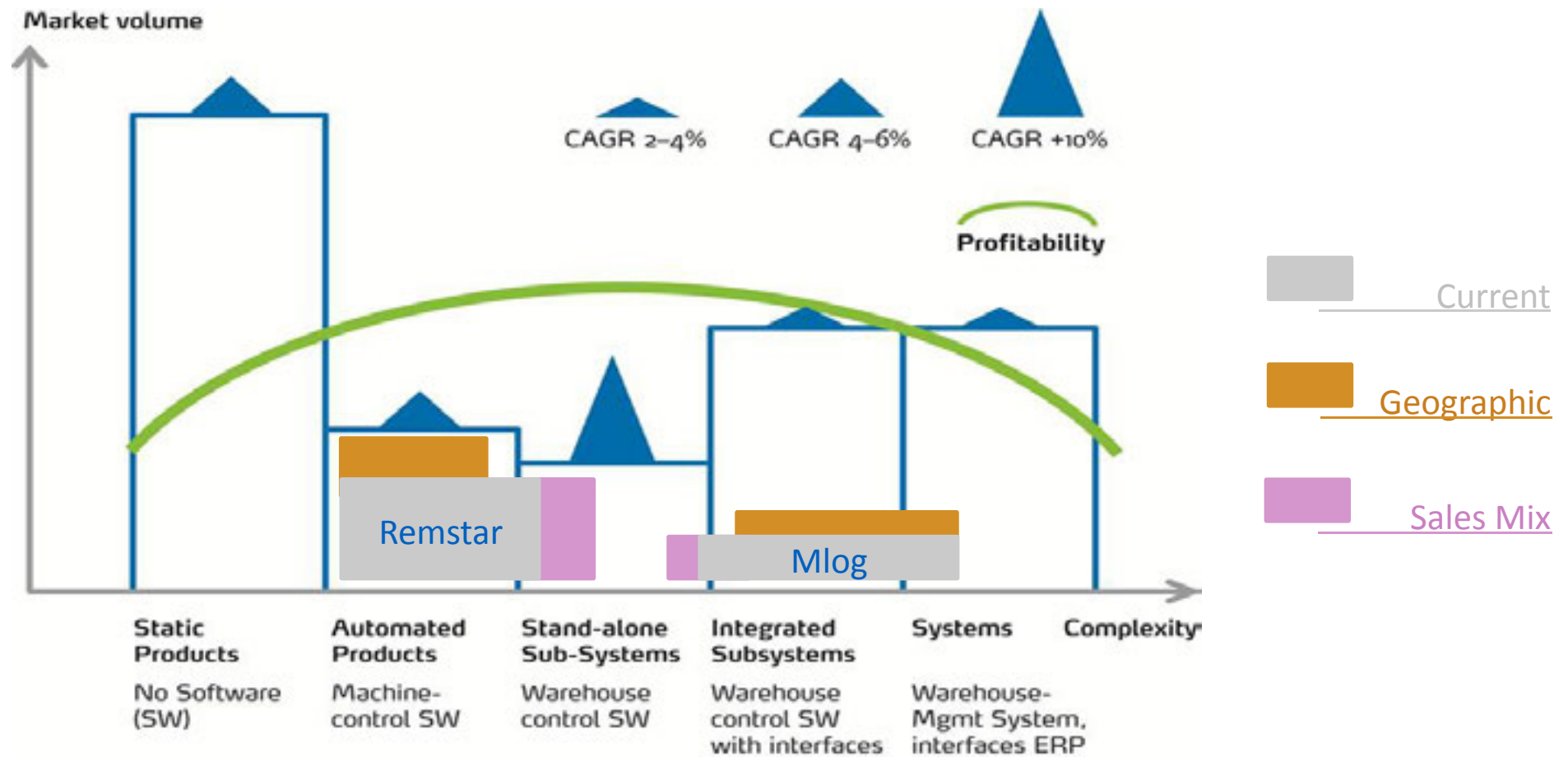
## Share Price Kardex May 2011 – September 2016

Rebased, incl. dividends



Why Kardex

## Kardex Strategic Growth Directions



## Summary

- Global demand for efficient intralogistic solutions growing
- Both Divisions ready for further profitable growth
- Strategy Map defined for both Divisions
- Kardex invests further into Technology to support its Technology Leadership
- Kardex offers its investors stable financial returns and a high pay-out ratio
- The Board of Directors and Management are open for acquisitions to systematically strengthen Kardex Group
- The Kardex Group's outlook remains cautiously optimistic based on a solid backlog and the strong market position of both divisions

**Kardex has been and will continue to be an interesting Investment**



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