

# Media and Analysts Conference

1 March 2018

# Agenda

Introduction

T. Reist, CFO

Financials 2017

T. Reist, CFO

Division Reports Kardex Remstar and Kardex Mlog

J. Fankhänel, CEO

Strategy and Outlook

J. Fankhänel, CEO

Questions and Answers

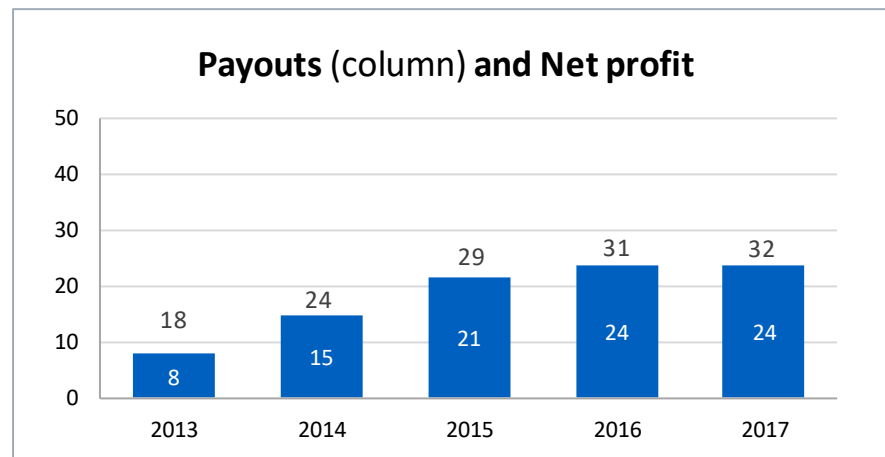
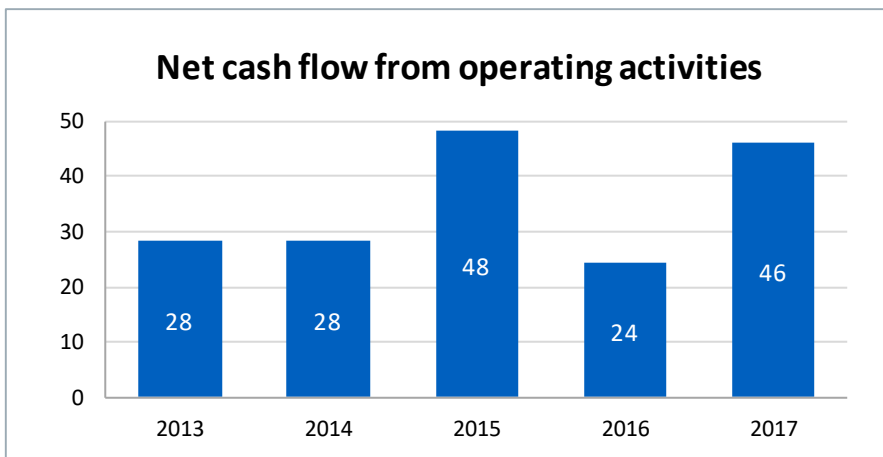
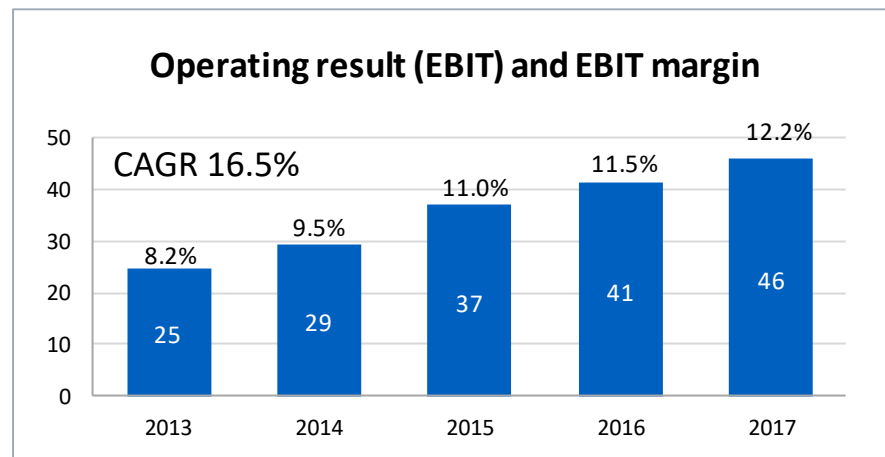
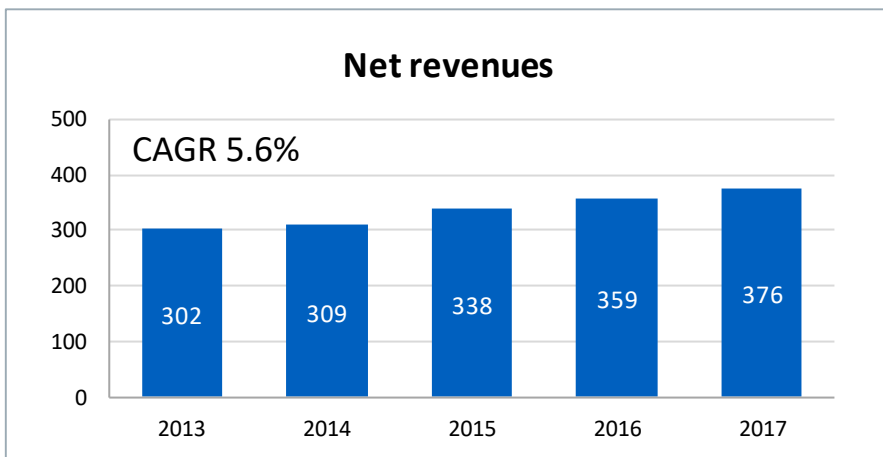
# Introduction

Thomas Reist, CFO

## Highlights and Key Achievements 2017

- Kardex Group improves EBIT significantly
- Kardex Remstar shows continued profitable Growth
- Kardex Mlog reports stable result
- Positive market environment leads to considerably increased order backlog
- Free cash flow covers higher payout

## Key Figures 2013–2017 (in EUR millions)



# Financials 2017

Thomas Reist, CFO

# Income Statement

EUR millions	2017	in %	2016	in %	+/- in %
<b>Bookings</b>	<b>411.9</b>	<b>109.5%</b>	<b>373.6</b>	<b>104.2%</b>	<b>10.3%</b>
Order Backlog (31.12.)	173.6	46.2%	137.8	38.4%	26.0%
<b>Net revenues</b>	<b>376.1</b>	<b>100.0%</b>	<b>358.5</b>	<b>100.0%</b>	<b>4.9%</b>
<b>Gross profit</b>	<b>135.7</b>	<b>36.1%</b>	<b>128.4</b>	<b>35.8%</b>	<b>5.7%</b>
OPEX	89.7	23.9%	87.1	24.3%	3.0%
<b>EBIT</b>	<b>46.0</b>	<b>12.2%</b>	<b>41.3</b>	<b>11.5%</b>	<b>11.4%</b>

- New Business at Kardex Remstar contributed main portion to increased bookings
- Higher share of LCS business and its increased profitability led to overall higher gross profit margin
- EBIT and EBIT margin on all-time-high

## Income Statement

EUR millions	2017	in %	2016	in %	+/- in %
<b>EBIT</b>	<b>46.0</b>	<b>12.2%</b>	<b>41.3</b>	<b>11.5%</b>	<b>11.4%</b>
Financial result, net	-1.5	-0.4%	-1.4	-0.4%	-7.1%
<b>EBT</b>	<b>44.5</b>	<b>11.8%</b>	<b>39.9</b>	<b>11.1%</b>	<b>11.5%</b>
Income tax	-12.7	-3.4%	-9.1	-2.5%	-39.6%
<i>Tax rate</i>	<i>28.5%</i>		<i>22.8%</i>		
<b>Result for the period</b>	<b>31.8</b>	<b>8.5%</b>	<b>30.8</b>	<b>8.6%</b>	<b>3.2%</b>

- Income tax rate negatively affected by reduced tax assets based on US tax reform (one-off effect of EUR 800k)
- Expected future tax rate around 26%



## Balance Sheet

EUR millions	2017	2016	+/-	+/- in %
Non-current assets	37.6	37.4	0.2	0.5%
Current assets	202.6	194.6	8.0	4.1%
<i>thereof cash and cash equivalents</i>	114.9	105.7	9.2	8.7%
<b>Assets</b>	<b>240.2</b>	<b>232.0</b>	<b>8.2</b>	<b>3.5%</b>
Equity	139.0	138.2	0.8	0.6%
<i>Equity ratio</i>	57.9%	59.6%		
Liabilities	101.2	93.8	7.4	7.9%
<b>Equity and liabilities</b>	<b>240.2</b>	<b>232.0</b>	<b>8.2</b>	<b>3.5%</b>

- Higher cash level
- Equity ratio at solid level of 58%

## Cash Flow Statement

EUR millions	2017	2016	+/-	+/- in %
Net CF from operating activities	46.0	24.2	21.8	90.1%
Net CF from investing activities	-11.4	-7.8	-3.6	-46.2%
<i>thereof acquisitions</i>	-4.6	-	-4.6	<i>n. a.</i>
<b>Free cash flow</b>	<b>34.6</b>	<b>16.4</b>	<b>18.2</b>	<b>111.0%</b>
Net CF from financing activities	-23.4	-23.0	-0.4	-1.7%
FX effect	-2.0	-0.2	-1.8	< -200.0%
<b>Net change in cash and cash equivalents</b>	<b>9.2</b>	<b>-6.8</b>	<b>16.0</b>	<b>n. a.</b>

- NWC and FCF positively affected by high level of advance payments
- Investments in two smaller acquisitions

## Division Reports Kardex Remstar and Kardex Mlog

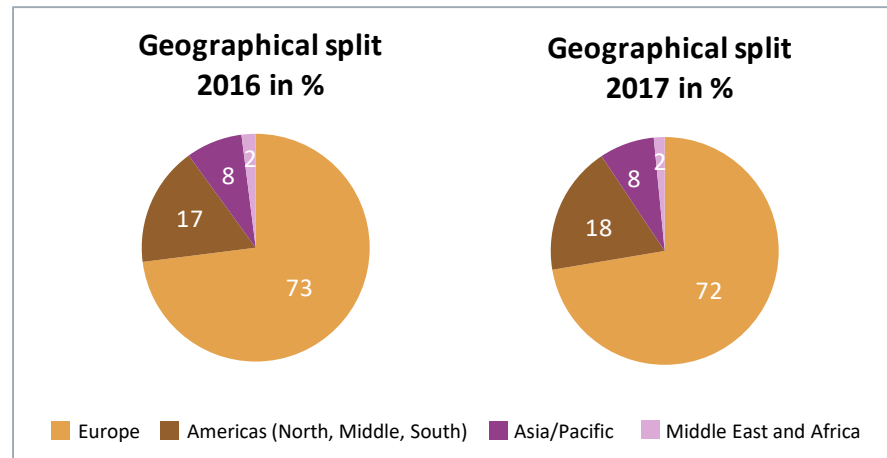
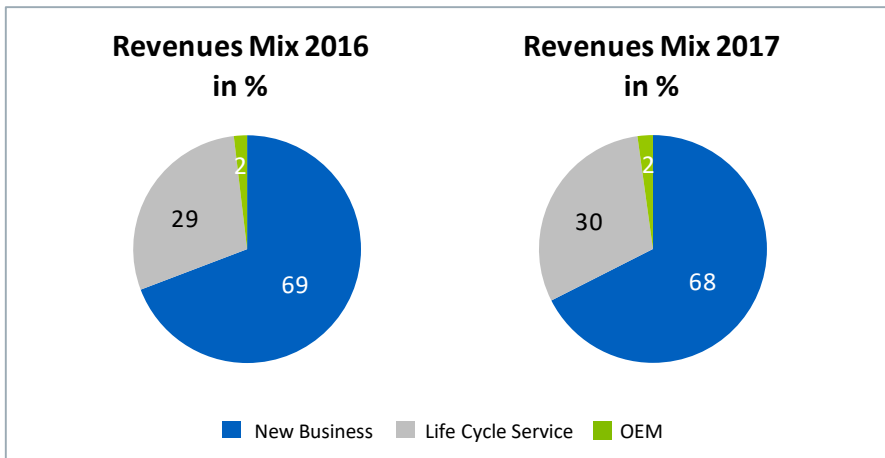
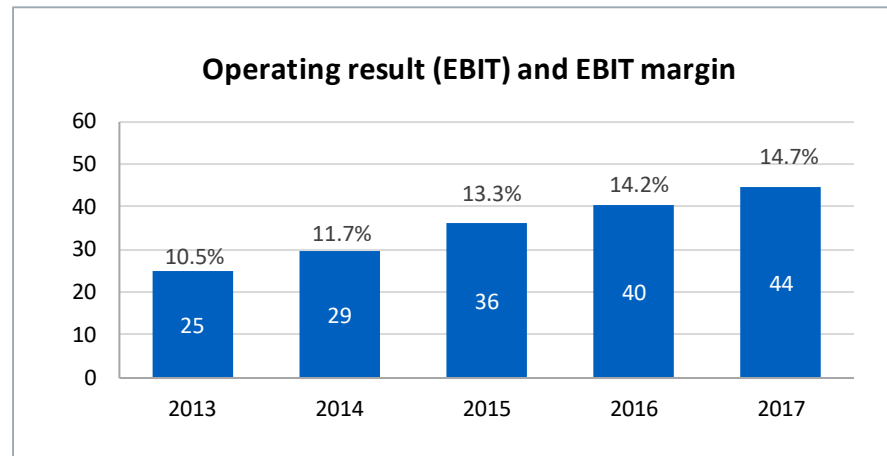
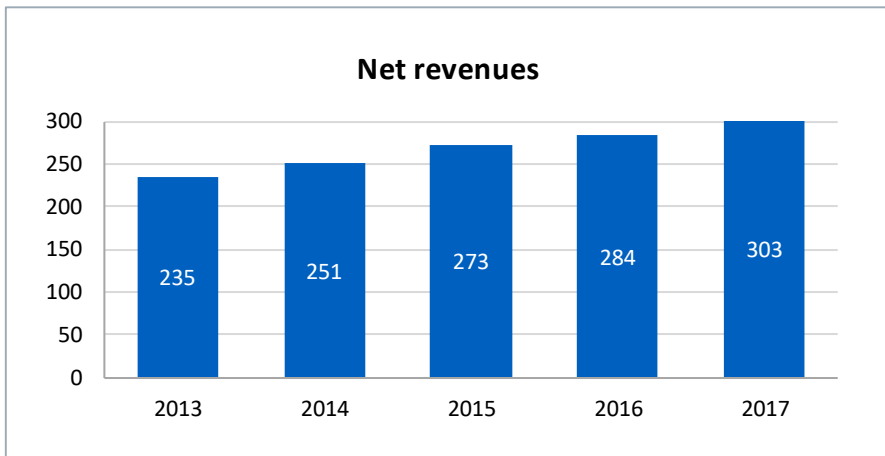
Jens Fankhänel, CEO

## Division Kardex Remstar - Financial Highlights 2017

EUR millions	2017	2016	+/- %
Bookings	336.9	289.3	16.5%
Order backlog	124.6	90.4	37.8%
<b>Net revenues</b>	<b>302.7</b>	<b>283.9</b>	<b>6.6%</b>
<b>EBITDA</b>	<b>49.0</b>	<b>44.6</b>	<b>9.9%</b>
<i>EBITDA in %</i>	<i>16.2%</i>	<i>15.7%</i>	
<b>EBIT</b>	<b>44.4</b>	<b>40.3</b>	<b>10.2%</b>
<i>EBIT in %</i>	<i>14.7%</i>	<i>14.2%</i>	
Employees	1 369	1 281	6.9%

- New Business with double digit bookings increase
- Europe and North America major contributors to bookings growth
- Net revenues growth lower than bookings growth due to longer project duration
- Service Business represents more than 30% of net revenues
- Focused investments in R&D and people development
- Financial KPIs in upper target range:
  - EBIT margin 14.7%
  - ROCE 39.2%

# Division Kardex Remstar - Key Figures 2013-2017 (in EUR millions)

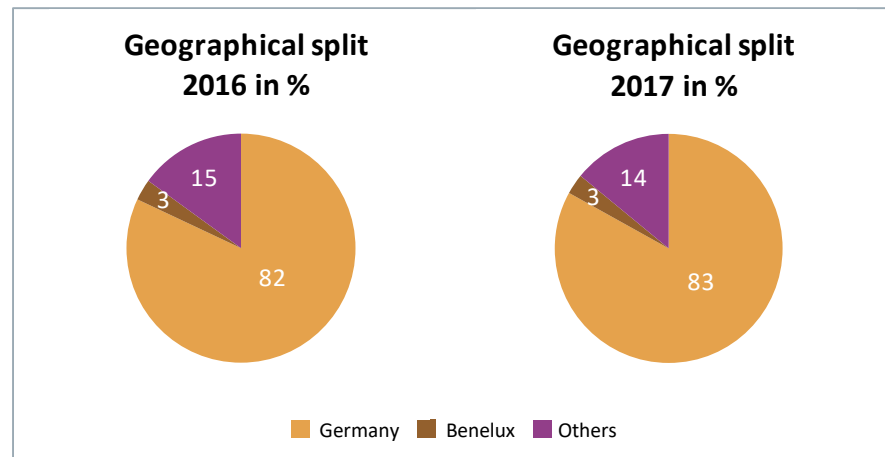
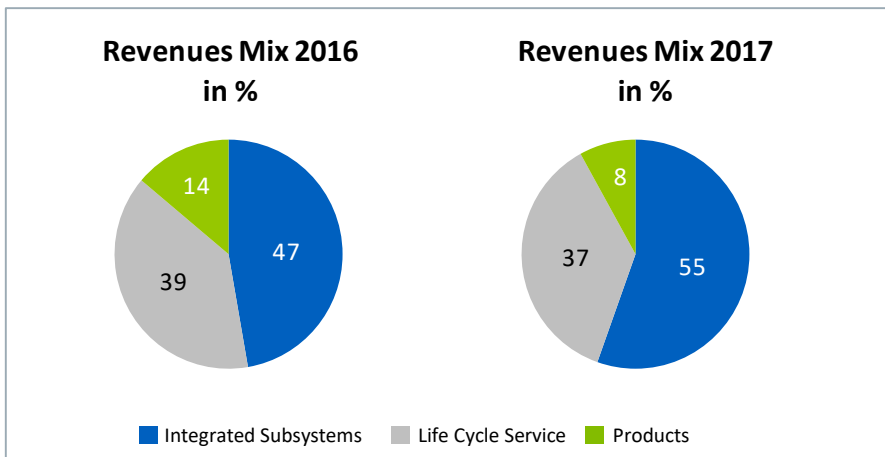
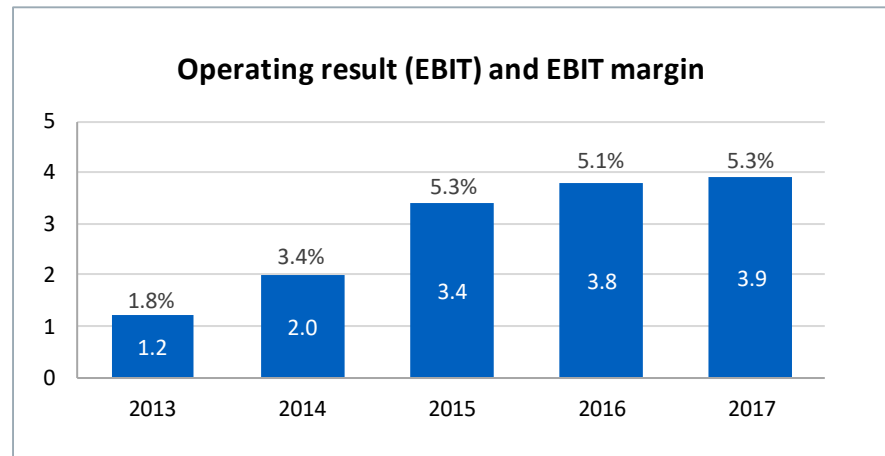
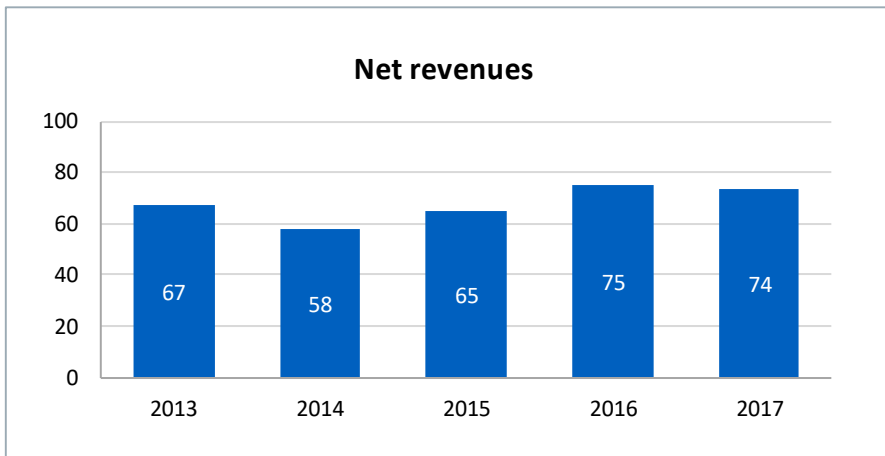


## Division Kardex Mlog - Financial Highlights 2017

EUR millions	2017	2016	+/-%
Bookings	75.1	84.7	-11.3%
Order backlog	49.1	47.5	3.4%
<b>Net revenues</b>	<b>73.6</b>	<b>75.1</b>	<b>-2.0%</b>
<b>EBITDA</b>	<b>4.6</b>	<b>4.4</b>	<b>4.5%</b>
<i>EBITDA in %</i>	<i>6.3%</i>	<i>5.9%</i>	
<b>EBIT</b>	<b>3.9</b>	<b>3.8</b>	<b>2.6%</b>
<i>EBIT in %</i>	<i>5.3%</i>	<i>5.1%</i>	
Employees	276	263	4.9%

- Stable EBIT with slightly increases profitability at lower revenues level
- Gross profit margin increased despite higher New Business revenues portion
- Order backlog provides comfortable starting point for 2018
- Focused investments in product portfolio and people development
- Financial KPIs confirmed:
  - EBIT margin 5.3%
  - ROCE 36.1 %

# Division Kardex Mlog - Key Figures 2013-2017 (in EUR millions)

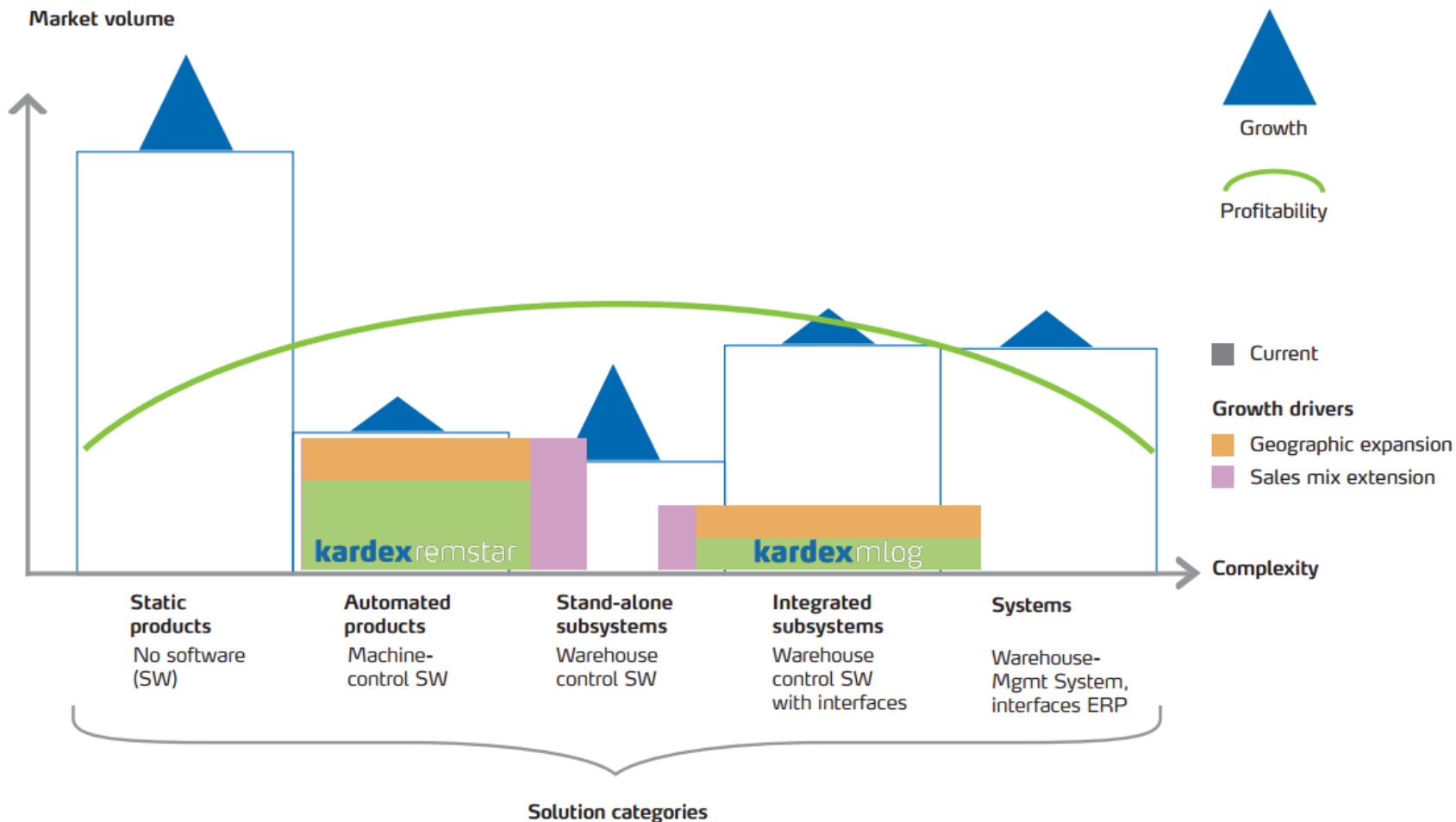


# Strategy and Outlook

Jens Fankhänel, CEO



# Significant potential for profitable growth in the right solution categories



## Division Kardex Remstar - Main strategic growth drivers

### Geographical Expansion

- Further implement revised business plan North America
- Push business plan Asia/Pacific
- Execute market entry South America

### Leverage Customer Segments

- Intensify account management for existing customers
- Establish additional OEM partners
- Establish lead nurturing to win new customers

### Leverage Industry Segments

- Increase penetration of
  - E-Commerce
  - Warehouse & Distribution
  - Government
  - Transportation

### Extended Solution and Product Portfolio

- Introduce remote services and remote diagnostics
- Extend Vertical Buffer family
- Introduce new / cloud-based software solutions

Ready for Industry 4.0

## Division Kardex Mlog - Main strategic growth drivers

### Geographical Expansion

- Increase revenue proportion in selected countries outside Germany to 30%
- Use industry segment solutions as a market entry strategy

### Leverage Customer Segments

- Intensify account management for existing customers
- Concentrate on new small and mid-size customers for products and stand alone subsystems

### Leverage Industry Segments

- Increase penetration of
  - Food and beverage
  - Pharmaceuticals
  - Kitchen manufacturers

### Extended Solution and Product Portfolio

- Introduce new light goods shuttle (MCrossDrive)
- Define further stand alone subsystems / X-divisional solutions

Ready for Industry 4.0

## Assumptions and Expectations for 2018

- Continued global demand for efficient intralogistics solutions
- Both divisions with selected investments into technology base
- Kardex Remstar with increased market share and sustained profitable growth, driven by geographical expansion and new industry solutions
- Kardex Mlog with profitable growth based on products business and selected geographic expansion
- Optimistic outlook for 2018 based on solid backlog and the strong market position of both Divisions

## Questions and Answers

## Disclaimer

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.