

Media and Analysts' Conference

8 March 2017

Agenda

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J. Fankhänel, CEO

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T. Reist, CFO

Division Report Kardex Remstar

J. Fankhänel, CEO

Division Report Kardex Mlog

H.-J. Heitzer, Head Kardex Mlog

Outlook

J. Fankhänel, CEO

Questions and Answers

Introduction

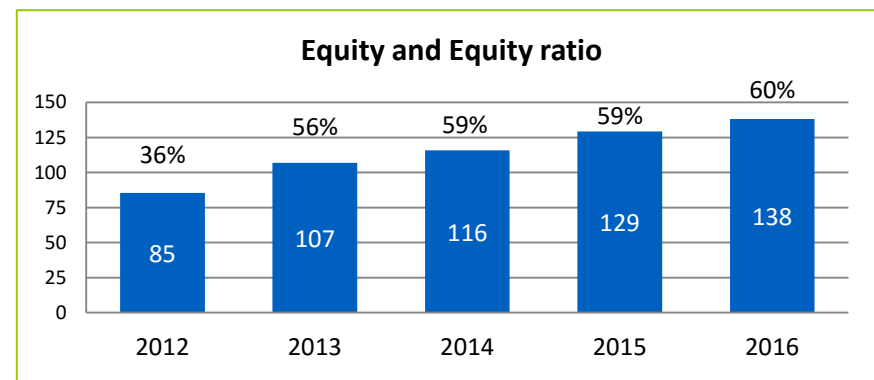
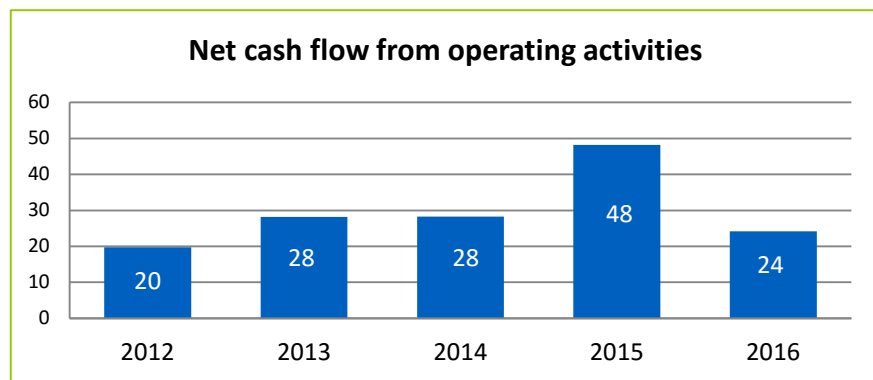
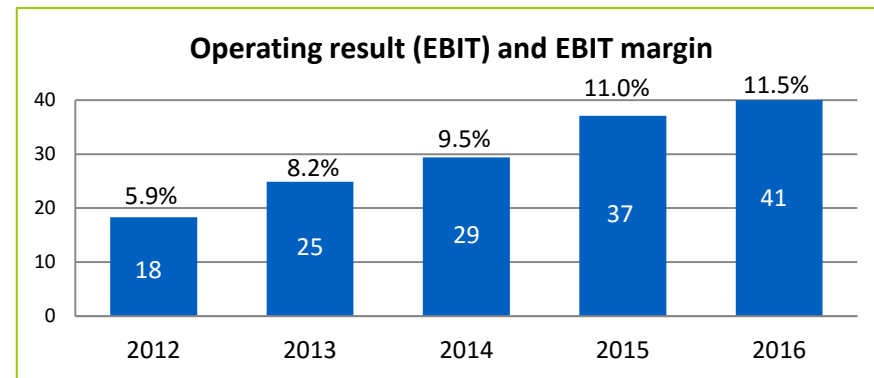
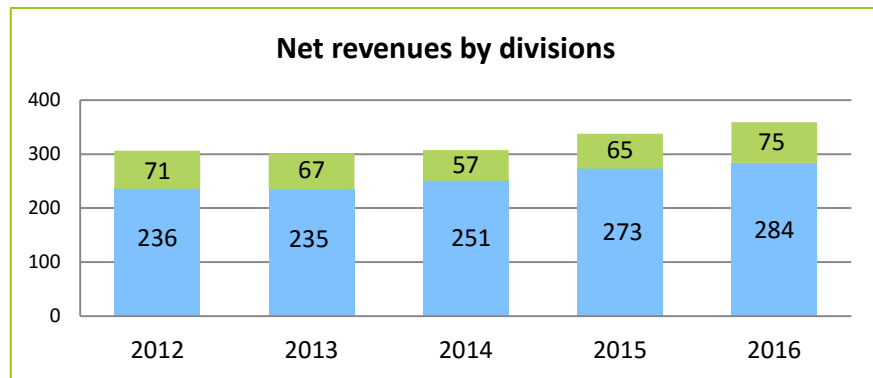
Jens Fankhänel, CEO

Highlights and Key Achievements 2016

- Profitable growth continues
- Kardex Group improves double-digit EBIT-margin
- Operating result of Kardex Remstar improved again
- Kardex Mlog back on growth track
- Planned payout to shareholders increased by 10%

Key Figures 2012–2016

EUR millions



Financials 2016

Thomas Reist, CFO

Income Statement

EUR millions	2016	in %	2015	in %	+/- in %
Bookings	373.6	104.2 %	349.6	103.5 %	+ 6.9 %
Order backlog (31.12.)	137.8	38.4 %	124.3	36.8 %	+ 10.9 %
Net revenues	358.5	100.0 %	337.9	100.0 %	+ 6.1 %
Gross profit	128.4	35.8 %	122.8	36.3 %	+ 4.6 %
OPEX	87.1	24.3 %	85.7	25.4 %	+ 1.6 %
EBIT	41.3	11.5 %	37.1	11.0 %	+ 11.3 %
Financial result, net	- 1.4	-0.4 %	- 1.1	-0.3 %	- 27.3 %
EBT	39.9	11.1 %	36.0	10.7 %	+ 10.8 %
Income tax (<i>Income tax rate</i>)	- 9.1	-2.5 % (22.8 %)	- 7.5	-2.2 % (20.8 %)	- 21.3 %
Result for the period	30.8	8.6 %	28.5	8.4 %	+ 8.1 %

Balance Sheet

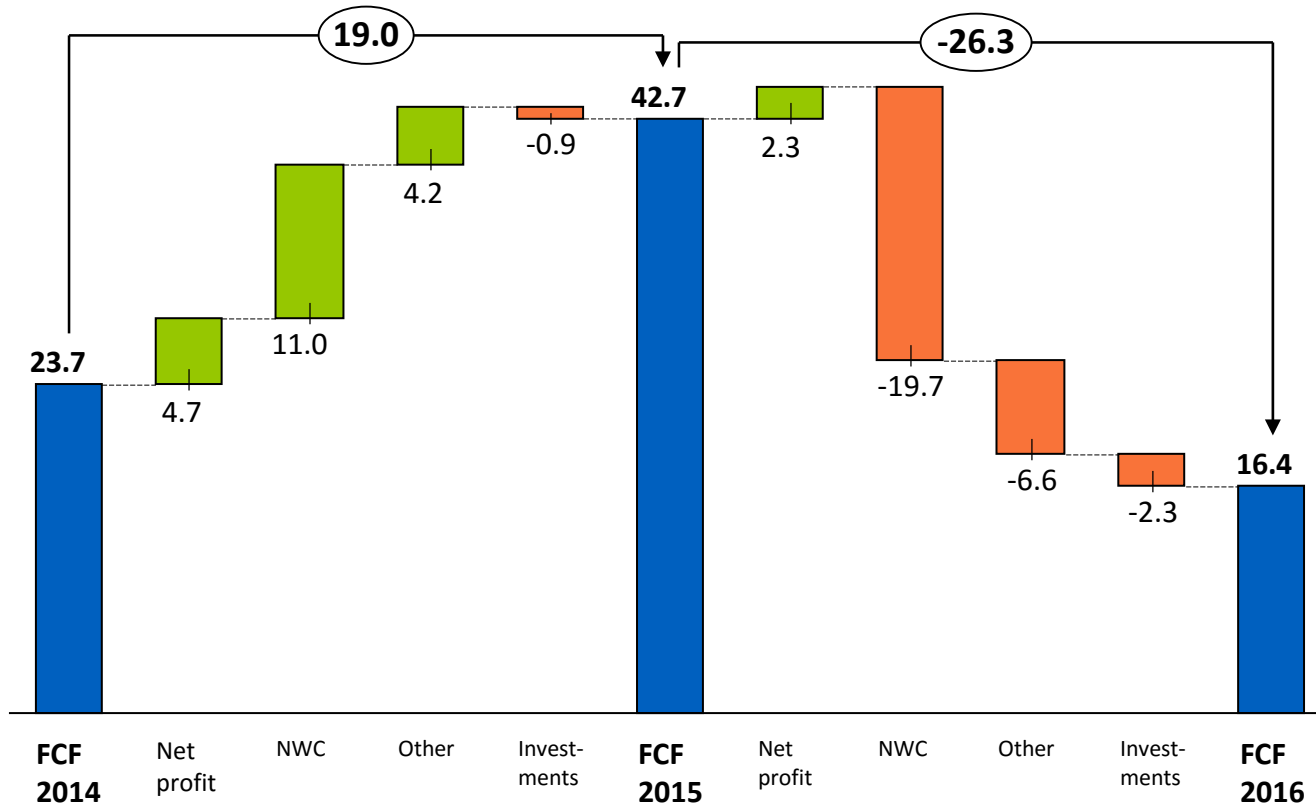
EUR millions	2016	2015	+/-	+/- in %
Non-current assets	37.4	33.9	+ 3.5	+ 10.3 %
Net working capital (NWC)	65.6	51.4	+ 14.2	+ 27.6 %
<i>NWC in % of net revenue</i>	<i>18.3 %</i>	<i>15.2 %</i>		<i>+ 20.4 %</i>
Net cash	105.7	112.3	- 6.6	- 5.9 %
Equity	138.2	129.4	+ 8.8	+ 6.8 %
<i>Equity ratio</i>	<i>59.6 %</i>	<i>58.7 %</i>		<i>+ 1.5 %</i>
Interest-bearing debt	0.0	0.0	-	-
Balance sheet total	232.0	220.4	+ 11.6	+ 5.3 %

Cash Flow Statement

EUR millions	2016	2015	+/-	+/- in %
Net CF from operating activities	24.2	48.2	- 24.0	- 49.8 %
<i>thereof change in NWC</i>	- 14.2	5.5	- 19.7	n.m.
Net CF from investing activities	-7.8	-5.5	- 2.3	- 41.8 %
Free cash flow	16.4	42.7	- 26.3	- 61.6 %
Net CF from financing activities	-23.0	-16.7	- 6.3	- 37.7 %
FX effect	-0.2	1.4	- 1.6	n.m.
Net change in cash and cash equivalents	-6.8	27.4	- 34.2	n.m.

Free Cash Flow – Change compared to Prior Year

EUR millions



2016

Net Working Capital

- Very strong Net Sales in December
- Many POC projects are in a late stage and therefore WIP exceeds advance payments

Investments

- Replacement investments in production

2015

Net Working Capital

- Increase of Net Sales volume
- Many POC projects are in a very early stage and therefore advance payments exceed WIP

Division Report Kardex Remstar

Jens Fankhänel, CEO

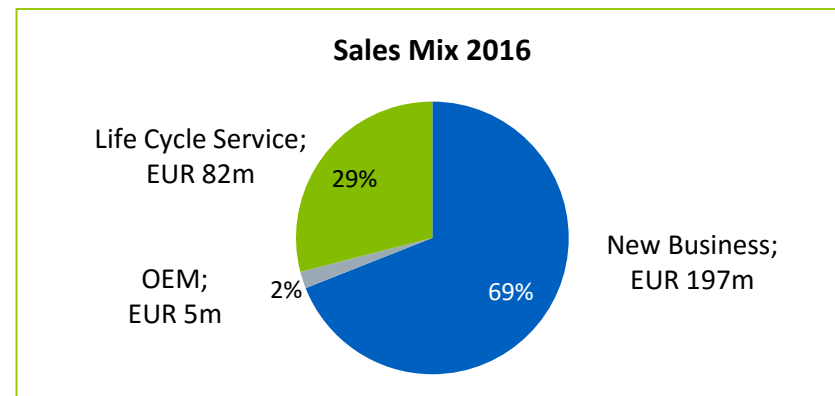
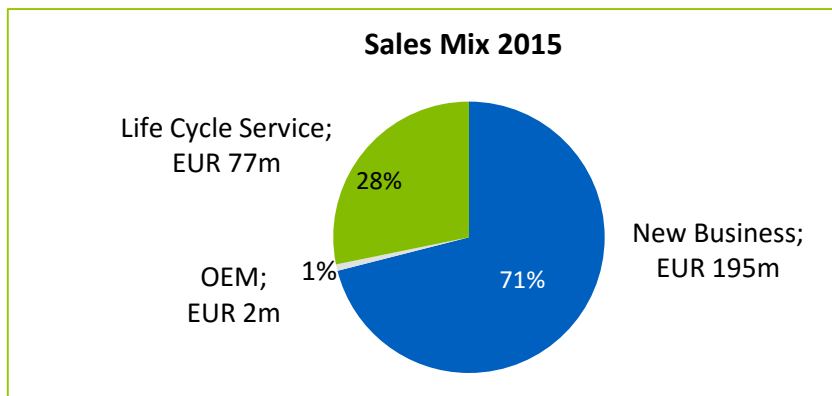
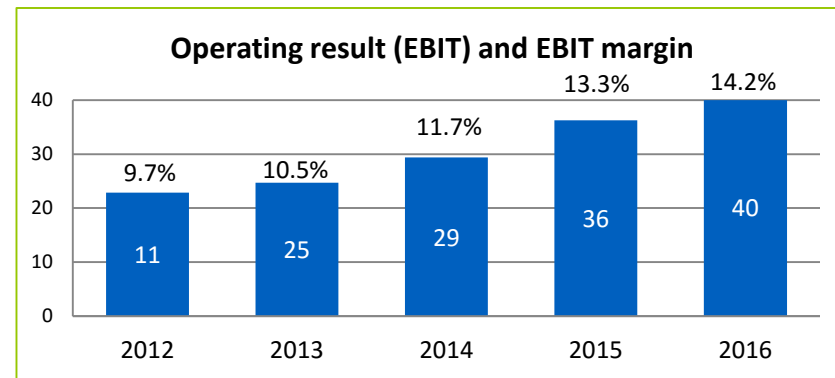
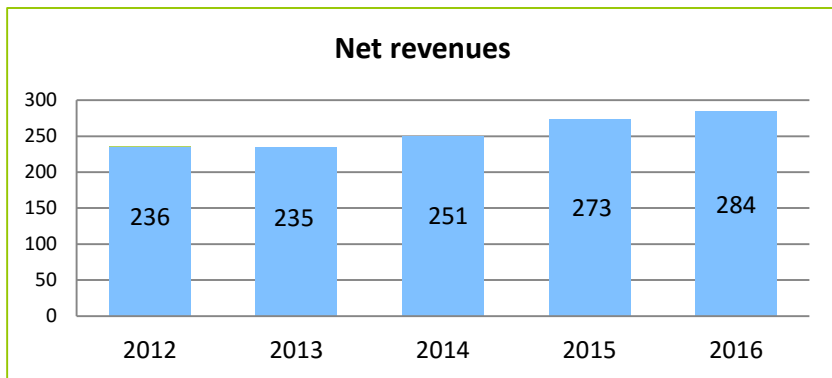
Financial Highlights 2016

EUR millions	2016	2015	+/-
Bookings	289.3	280.1	+ 9.2
Order backlog	90.4	86.5	+ 3.9
Net revenues	283.9	273.3	+ 10.6
EBITDA	44.6	40.9	+ 3.7
<i>EBITDA in %</i>	<i>15.7 %</i>	<i>15.0 %</i>	
EBIT	40.3	36.3	+ 4.0
<i>EBIT in %</i>	<i>14.2 %</i>	<i>13.3 %</i>	
Employees (FTE)	1 281	1 256	+ 25

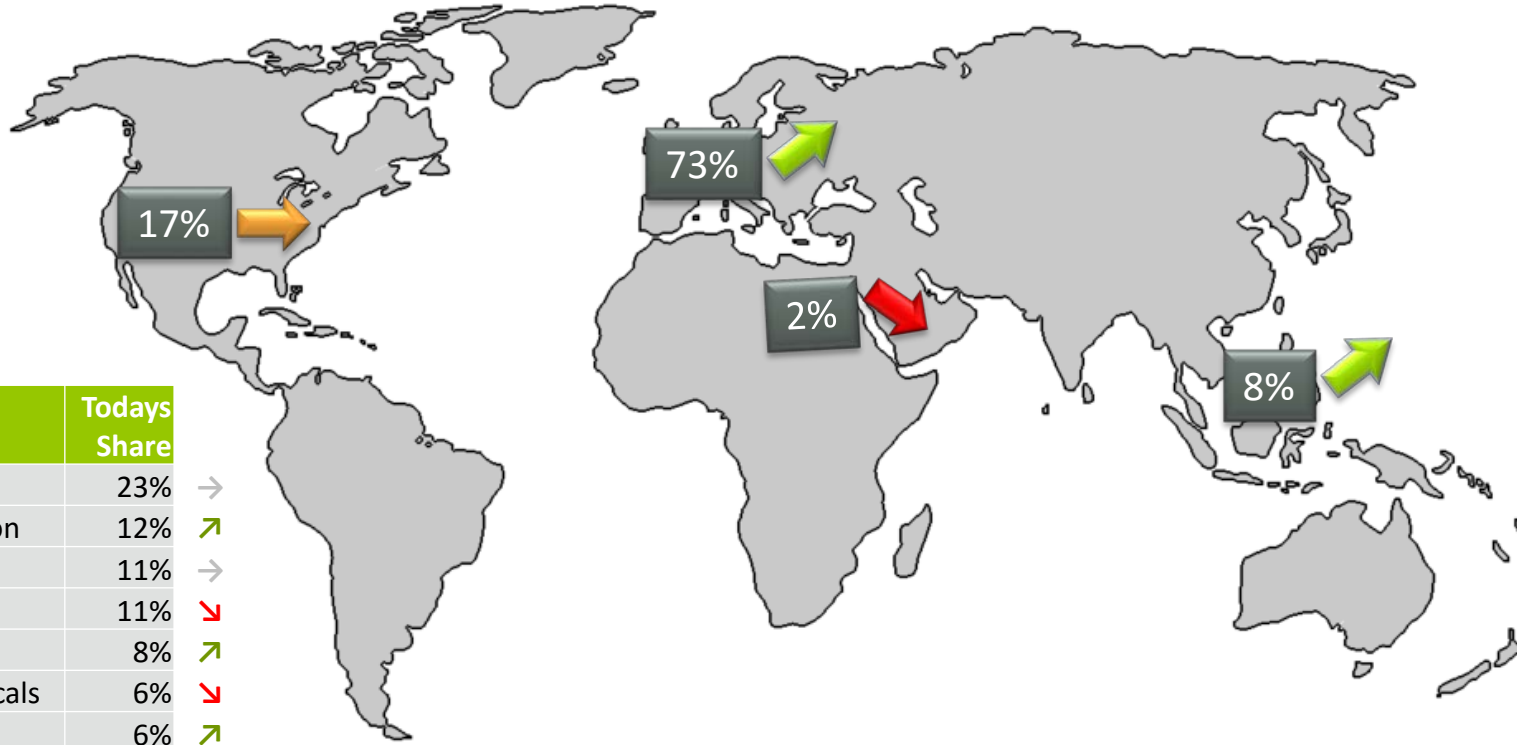
- Profitable topline growth achieved for the 3rd consecutive year
- Bookings growth 3.3% and revenues 3.9% (FX neutral +4.6% respectively +5.2%)
- Europe and Asia/Pacific Region major contributors to growth
- Further topline growth of 6.5% in Service Business
- OPEX in % of Net Sales decreased due to stringent cost management
- Financial KPIs:
 - EBIT margin > 14%
 - ROCE 33.7%

Key Figures 2012-2016

EUR millions



Customer Segments and Geographical Development



2016

Segment Name	Today's Share	
Machinery	23%	→
Warehousing & Distribution	12%	↗
Electrics & Electronics	11%	→
Automotive	11%	↘
Maintenance	8%	↗
Chemicals & Pharmaceuticals	6%	↘
Government & Military	6%	↗

% represent share per geographical region of total net sales

Achievements of 2016 Initiatives (as presented in 2016 BMK)

Growth

- Business Plan in North America
- Business Plan Asia/Pacific
- Business Plan Middle East/Africa
- Continued OEM Strategy to secure new go-to-market channel
- Newly developed Applications to leverage Market position (with main focus on Europe)
- Continued development of Vertical Buffer Module family
- Expand Life Cycle Service product portfolio (e.g. Remote Services)

**Profitable
Growth**

Operational Excellence

- Supply Chain projects to improve cost-to-market and time-to-market position
- Targeted investment into Processes and IT Infrastructure to improve internal efficiencies
- People Development programs (Leadership Framework) next level Management

achieved partially achieved not achieved

Main 2017/2018 Targets and Initiatives

Growth

- Implement revised Business Plan North America
- Further implement of Business Plan Asia/Pacific
- Prepare Market Entry South America
- Establish additional OEM partners
- Leverage Vertical Buffer Modules into Warehousing & Distribution Segment (e-Commerce)

**Profitable
Growth**

Operational Excellence

- Extend People Development Programs (Kardex Academy)
- Roll-Out of Leadership Framework
- Revise Strategic Sourcing Activities
- Design-to-Cost programs for existing Product Portfolio
- Extend Global Supply Chain
- Further Optimization and Automation of Manufacturing Processes

Division Report Kardex Mlog

Hans-Jürgen Heitzer, Head of Division

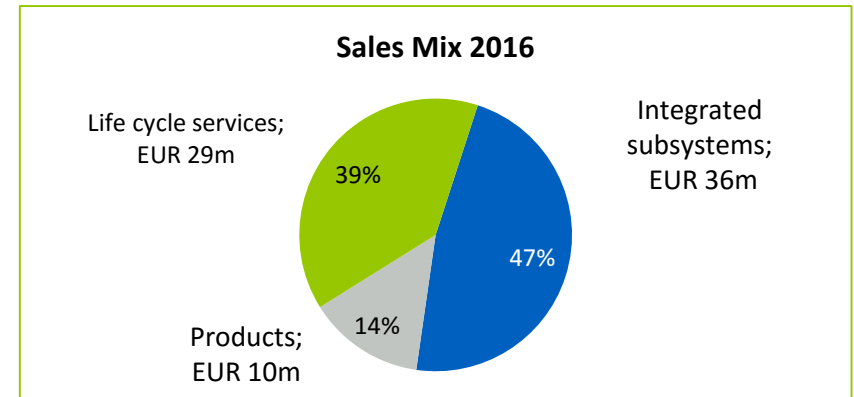
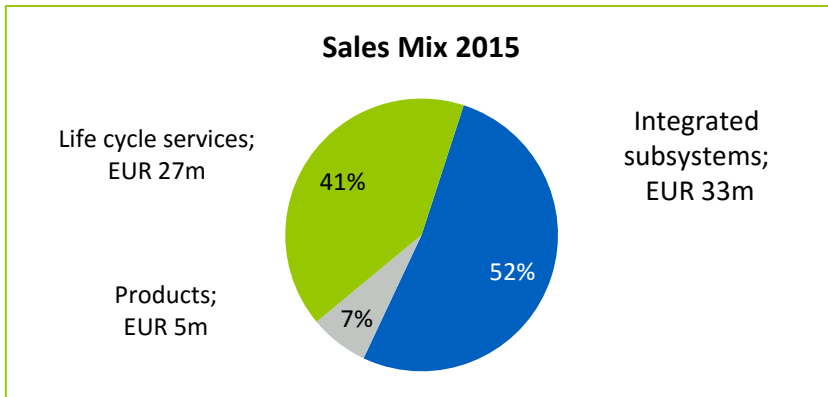
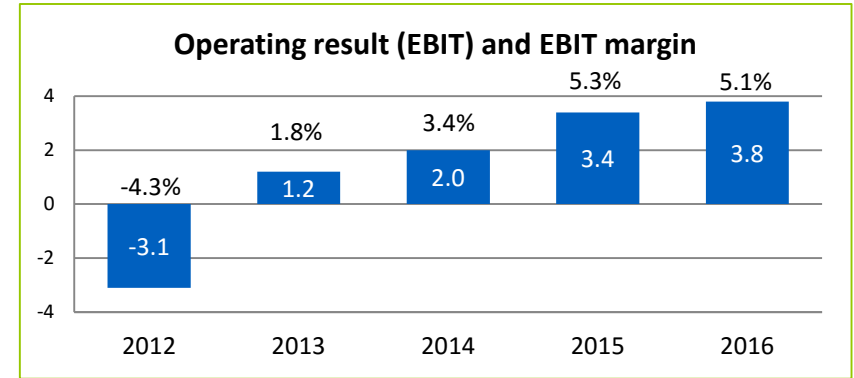
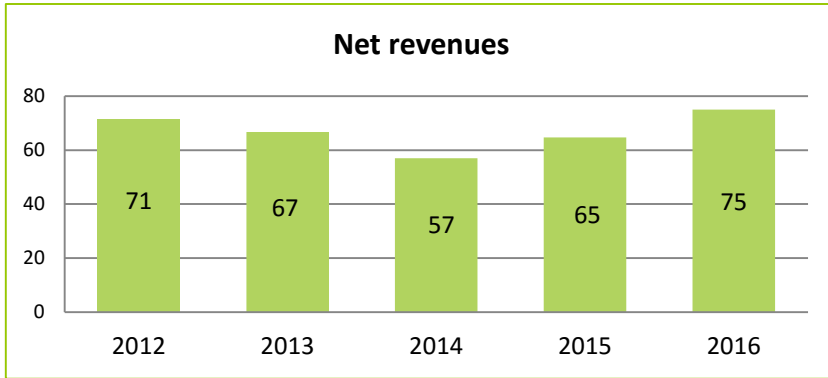
Financial Highlights 2016

EUR millions	2016	2015	+/-
Bookings	84.7	69.7	+ 15.0
Order backlog	47.5	37.9	+ 9.6
Net revenues	75.1	64.7	+ 10.4
EBITDA	4.4	4.0	+ 0.4
<i>EBITDA in %</i>	5.9 %	6.2 %	
EBIT	3.8	3.4	+ 0.4
<i>EBIT in %</i>	5.1 %	5.3 %	
Employees (FTE)	263	246	+ 17

- Strong top line development with consequent risk management
- Sound revenue mix with 39% Life Cycle Service and 14% Products business
- Efficient sales organization
- Accelerated growth with slight negative effect on Gross Profit margin based on sales mix
- Financial KPIs:
 - EBIT margin: 5.1%
 - ROCE: 46 %
- Significant order backlog enables good start in 2017

Key Figures 2012-2016

EUR millions



Achievements of 2016 Initiatives (as presented in 2016 BMK)

Growth

- Sustain Profitable Growth
- Increase share of Stand-alone Subsystems sales
- Increase share of Customer Segment Solutions sales
- Expand partner base for Products business
- Development of geographical expansion strategy

Profitable Growth

Operational Excellence

- Further strengthen the sales organization for Service and Refurbishment business
- Strengthen Product Management to push Stand-alone business
- Sustainable management of costs and capacities to remain in range of 4-6% EBIT margin

achieved

partially achieved

not achieved

Main 2017/2018 Targets and Initiatives

Growth

- Increase share of Stand-alone Subsystems sales
- Increase share of Customer Segment Solutions sales
- Promote Data driven services on device independent applications
- Develop geographical expansion strategy and country specific business plans (case by case)

**Profitable
Growth**

Operational Excellence

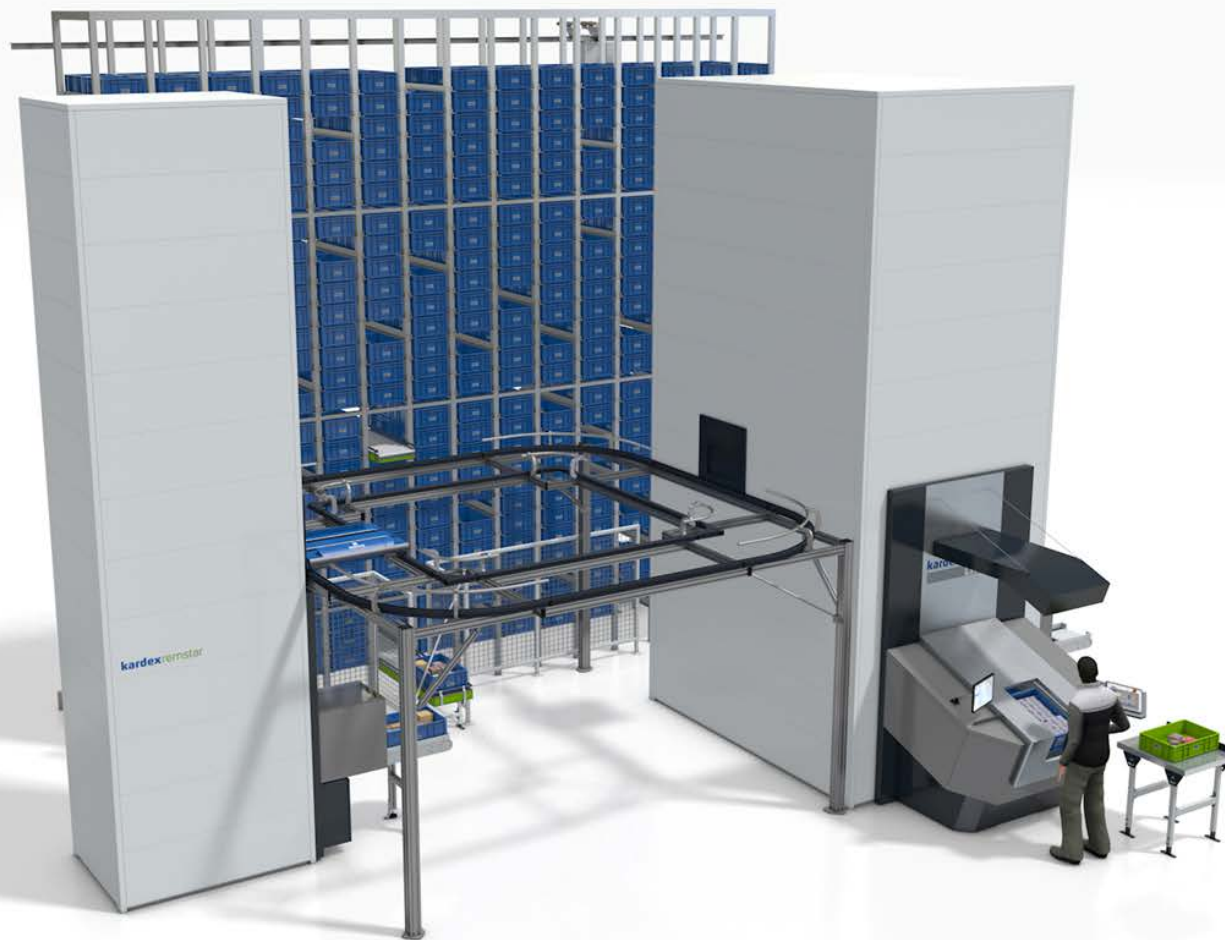
- Increase efficiency and effectiveness
- Focus on digitization and process optimization
- Ensure measurability and transparency
- Sustainable management of costs and capacities to remain in range of 4-6% EBIT margin

Outlook

Jens Fankhänel, CEO

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



Assumptions and Expectations for 2017

- Global trend of growing demand for efficient intralogistic solutions continues
- Kardex Remstar invests further into technology to support its technological leadership and to meet global trends
- Kardex Remstar sustains profitable growth, driven by global demand, new solutions and expanded life cycle portfolio
- Kardex Mlog ready for further profitable growth based on selected geographic expansion
- Kardex actively examines acquisitions to strengthen the Divisions
- Optimistic outlook for 2017 based on solid backlog and the strong market position of both Divisions

Adjusted Financial Targets from 2017 onwards

	Net Sales Growth	EBIT Margin*	ROCE	Previously
Kardex Remstar		7% - 15%		7% - 13%
Kardex Mlog		4% - 6%		
Group	3% - 5% p.a.	> 6%	> 20%	> 17%

Equity Ratio	Dividend Policy (pay out ratio)	Net Debt/EBITDA
> 35%	up to 75% of operational Net Profit	< 2.5 x

* over the cycle

Questions and Answers

Disclaimer

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