

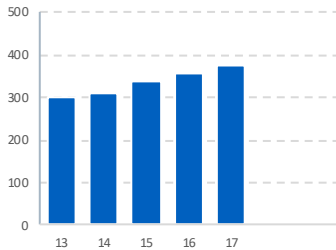
2017

Short Version
Annual Report

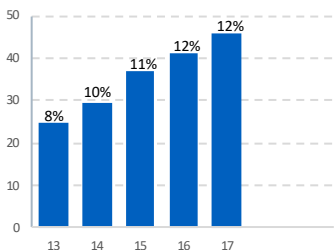
kardexgroup

Kardex Group at a glance

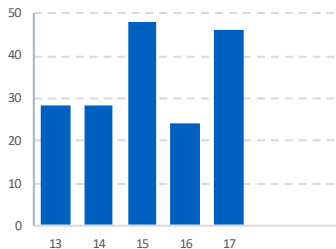
Net revenues
in EUR millions



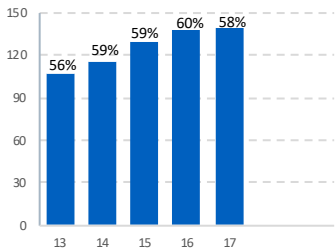
Operating result (EBIT) and EBIT margin
in EUR millions and in %



Net cash flow from operating activities
in EUR millions



Equity and equity ratio
in EUR millions and in %



Highlights and key figures in 2017

Robust demand leads to strong growth in order backlog

Kardex Group posts substantial increase in EBIT

Kardex Remstar reports profitable growth on a broad basis

Kardex Mlog records stable result

Free cash flow covers higher payout

Key figures

EUR millions

1.1.-31.12.	2017		2016		+/- %
Bookings	411.9	109.5%	373.6	104.2%	10.3%
Order backlog (31.12.)	173.6	46.2%	137.8	38.4%	26.0%
Net revenues	376.1	100.0%	358.5	100.0%	4.9%
Gross Profit	135.7	36.1%	128.4	35.8%	5.7%
OPEX	89.7	23.9%	87.1	24.3%	3.0%
EBITDA	51.4	13.7%	46.3	12.9%	11.0%
Operating result (EBIT)	46.0	12.2%	41.3	11.5%	11.4%
Result for the period (net profit)	31.8	8.5%	30.8	8.6%	3.2%
Net cash flow from operating activities	46.0		24.2		90.1%
Free cash flow	34.6		16.4		111.0%
ROCE	46.9%		42.3%		10.9%

	31.12.2017		31.12.2016		+/- %
Net working capital	64.6		65.6		-1.5%
Net cash	114.9		105.7		8.7%
Equity/Equity ratio	139.0	57.9%	138.2	59.6%	0.6%
Employees (FTE)	1 653		1 552		6.5%

	2017		2016		+/- %
Reduction of nominal value per share (CHF) ¹	3.60		3.30		9.1%

¹ 2017: planned.

About us

The Kardex Group is a global industry partner for intralogistic solutions and a leading supplier of automated storage solutions and materials 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 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. This begins with an assessment of customer requirements and continues via the planning, realization and implementation of customer-specific systems through to ensuring a high level of availability and low life cycle costs by means of customer-oriented life cycle management.

Around 1 650 employees in over 30 countries worldwide work for the companies of the Kardex Group.

Kardex AG has been listed on the SIX Swiss Exchange since 1987. The Kardex Group applies the accounting standards of Swiss GAAP FER.

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Calender of events for Investor Relations

2018 Annual General Meeting	12 April 2018
2018 Interim Report	2 August 2018
2018 Annual Report	4 March 2019
2019 Annual General Meeting	11 April 2019
2019 Interim Report	30 July 2019

This is a short version of the Kardex AG Annual Report. Please find the full version on www.kardex.com in the investor relations/financial reports section.

Report to the shareholders

Kardex Group remains on course for success

The Kardex Group continued its strong performance once again in the 2017 financial year. Attractive market conditions and a strong position in the intralogistics market contributed to record-high bookings, higher sales and a further increase in margins in both divisions. The Group has stepped up marketing efforts and technology development. It is investing in its employees to create the conditions for continued profitable growth in the future.

Significant growth in bookings

The strong increase in bookings at Kardex Remstar and a solid demand at Kardex Mlog resulted in bookings of EUR 411.9 million for the Kardex Group, an increase of 10.3% or EUR 38.3 million compared to the previous year (EUR 373.6 million). At EUR 173.6 million (EUR 137.8 million), the order backlog had reached a new record high at the end of the year. The service business accounted for a slightly larger share of revenue, increasing to 31.5% (31.0%) following Kardex Remstar's acquisition of a company in the USA and further organic growth. Total revenue increased by 4.9% to EUR 376.1 million compared to EUR 358.5 million in the previous year. As a result of this favorable performance, staffing in the Group rose by more than 6.5% to 1 653 full-time equivalents.

Increase in profitability

The gross profit margin at Group level increased due to the growth of the service business, which accounts for a greater share of revenue, and its improved margin. As in previous years, almost 3% of revenue was spent on R&D. In the year under review, the EUR 10 million threshold was passed for the first time. Overall, operating costs increased at a disproportionately lower pace, rising by 3.0% to EUR 89.7 million, corresponding to 23.9% of revenue. This led once again to a significantly improved operating income of EUR 46.0 million and a further increased EBIT margin of 12.2% (11.5%). The tax rate increased to 28.5%, which was due primarily to the one-off devaluation of tax assets in conjunction with tax reform in the USA. Adjusted for this item, the tax rate amounted to 26.7%. Net profit for the Kardex Group increased by EUR 1.0 million to EUR 31.8 million. This result corresponds to a return on capital employed (ROCE) of 46.9% (42.3%).

Kardex Remstar once again delivers an outstanding result

Demand for Kardex Remstar's intralogistics solutions was strong throughout the entire financial year. The markets in Central Europe and Southwest Europe (France, Italy, Spain, Benelux countries) proved to be particularly robust. Activity on the North American market also intensified as the year progressed. The UK, Scandinavia and some Eastern European countries posted below-average demand. Bookings increased by 16.5% to EUR 336.9 million and revenue increased by 6.6% to EUR 302.7 million. The more profitable service business continued to grow and contributed more than 30% to division revenue for the first time.

Despite increased material and labor costs, Kardex Remstar was in a position to once again increase its operating result on the basis of economies of scale and process improvements. At EUR 44.4 million, operating income reached a new record high, up 10.2% on the previous year. This corresponds to an EBIT margin of 14.7%. In order to deal with the high order backlog worth EUR 124.6 million, capacities throughout the entire organization will be optimized and expanded in Q1 2018.

Kardex Mlog records stable result

Targeted sales activities and a focus on orders with a well-balanced risk profile proved to be the key to success in a positive market environment with sustainable investment activities. Following the previous year's extraordinary item (a major project with a high share of third party), bookings were somewhat lower at EUR 75.1 million (EUR 84.7 million) and revenue totaled EUR 73.6 million (EUR 75.1 million). The profitable service business alone also grew disproportionately. Targeted investment in product sales and technology development increased operating costs by 4.1%. Based on the increased gross profit margin of 19.0%, the operating profit nevertheless rose slightly to EUR 3.9 million, corresponding to an increased EBIT margin of 5.3% (5.1%). Good order backlog levels of EUR 49.1. million represent a positive starting point for the current financial year.

Strong balance sheet and high free cash flow

The Kardex Group's balance sheet remains solid and the balance sheet total at the end of the period on 31 December 2017 was EUR 240.2 million (EUR 232.0 million). The company has no debts, net cash of EUR 114.9 million and an equity ratio of 57.9% (59.6%). The slightly lower equity ratio arose from the balance sheet extension, which is due to an increased cash holding, and goodwill written off through equity following two minor acquisitions. Despite strong bookings in November and December, net working capital remained almost unchanged at EUR 64.6 million (EUR 65.6 million) due to reduced inventory. Free cash flow increased again to EUR 34.6 million (EUR 16.4 million) after the previous year was negatively impacted by extraordinary items.

Strong share price performance and increased dividend proposal

With an overall performance of 29.0%, the Kardex share delivered an above-average performance again in 2017. The positive annual result prompted the Board of Directors to apply for a payout of CHF 3.60 per share in the form of a nominal value reduction at the Annual General Meeting. The current nominal value of the Kardex share is CHF 4.05, which implies that the potential for tax-free payouts for individuals who are resident in Switzerland is almost exhausted.

Outlook

The Board of Directors and the Group Management are optimistic about the current 2018 financial year. Both divisions are well positioned to benefit from the growing demand for intralogistics services, to gain market share and to deliver results within the frame-work of the stated financial goals. The good order backlog, attractive solutions portfolio and increasingly important service business form a strong starting point for continued favorable business development. Continued investment in employee development, in the products and solutions portfolio and in the digitization of processes forms the basis for sustainable and profitable growth. There is currently no indication of any significant change in the current trend.

Thank you

We would like to thank all our employees for their superb commitment during the year under review. We would also like to thank our customers and partners for the excellent working relationship and our shareholders for their trust.



Philipp Buhofer
Chairman of the Board of Directors



Jens Fankhänel
Chief Executive Officer

Division Kardex Remstar

Growth on a broad basis

The success story of recent years continues unabated for the Division Kardex Remstar. In a positive but competitive market environment, bookings rose by 16.5% to EUR 336.9 million, sales rose by 6.6% to EUR 302.7 million and operating income reached a new record high of EUR 44.4 million.

Robust demand in most regions

Almost all regions report an improvement in bookings. The total figure increased by 16.5% to EUR 336.9 million. Bookings increased significantly in Central Europe, particularly in Germany, Austria, the Benelux countries, France, Spain and Italy. North America returned to growth by the middle of the year, showing an impressive improvement in the second half of the year. Sales also increased in China in 2017, while the Middle East and Africa recovered slightly after the previous year's slump. The continuing weakness of Russia's economy, a weak pound and uncertainty surrounding Brexit led to disproportionately weak development in the UK, Scandinavia and some Eastern European countries.

Double-digit rise in bookings

The consistent development of strategic growth initiatives, an enhanced sales methodology and greater interaction with customers contributed to the positive business performance in 2017. New business generated a substantial rise in bookings of 19.1% to EUR 236.9 million. Due to longer project durations and a number of capacity bottlenecks in parts of the organization, revenue rose by 6.6% to EUR 302.7 million. However, this increase was below the increase in bookings and as a result led to a record high order backlog. OEM business was integrated into the supply chain organization and its revenue increased by almost a quarter.

High level of service retains loyal customers

Revenue increased for the sixth time in a row in the service sector where a stable gross margin was achieved. The acquisition of a service company in the USA, combined with organic growth, meant that the service business accounted for more than 30% of revenue for the first time ever. This is due to the proactive approach that has been taken to customer care across the life cycle of the customer installations. Customer satisfaction in the service sector was measured in a survey. The market median was exceeded, an indication that Kardex Remstar can rely on the loyalty of its customers by providing solid and reliable services.

EBIT margin increases disproportionately

Operating income increased by 10.2% to EUR 44.4 million, corresponding to an EBIT margin of 14.7%. As a result, the upper end of the target range (7–15%), which was redefined last year, was already reached in the first year.

Once again in 2017, increased material and labor costs proved to be one of the greatest challenges. For the most part, these items could be offset by the revenue mix, combined with process optimizations and productivity improvements.

Innovations consolidate technology leadership

In the area of development and technology, the LR 35 automated storage and retrieval system, a member of the Vertical Buffer Modules product family, was successfully launched. Nineteen systems have already been installed. The product family is being consistently developed further in order to meet the growing demand for light goods logistic systems.

Trends in end-to-end digitization, full integration of Kardex solutions in customer networks and topics relating to Industry 4.0 have been crucial in determining new developments in the software area.

In an effort to improve the service portfolio, the focus of development activities was on Remote Analytics (a management tool to display capacity utilization or maintenance intervals for customer installations) and Remote Architecture (an electronic monitoring system for displaying and analyzing faults).

Outlook for 2018

The market for intralogistics solutions remains attractive and the level of investment continues to be high in many sales markets. The very high order backlog guarantees a large part of revenue expectations for Q1 in 2018 and capacities in all areas of the organization are being optimized and further expanded.

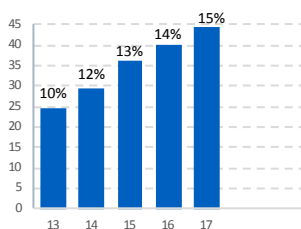
Approximately 3% of revenue will again be allocated to development as an investment in the future, with the aim of continuously enhancing and expanding Kardex Remstar's product and solution range. The company plans to present a concept for an online shop for spare parts and a customer-specific electronic spare parts catalog at LogiMat 2018, the most important intralogistics trade fair.

A continuation of the positive performance, based on intensified sales activities, further increases in efficiency and the launch of new products, is expected in 2018.

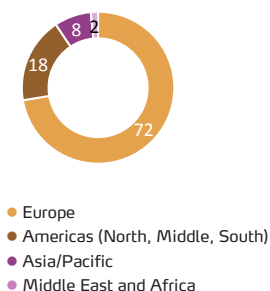
Consolidated key figures for the Kardex Remstar Division

EUR millions	2017		2016		+/-%
Bookings	336.9	111.3%	289.3	101.9%	16.5%
Order backlog (31.12.)	124.6	41.2%	90.4	31.8%	37.8%
Segment net revenues	302.7	100.0%	283.9	100.0%	6.6%
EBITDA	49.0	16.2%	44.6	15.7%	9.9%
Operating result (EBIT)	44.4	14.7%	40.3	14.2%	10.2%
ROCE	39.2%		33.7%		16.2%
Employees (FTE on 31.12.)	1 369		1 281		6.9%

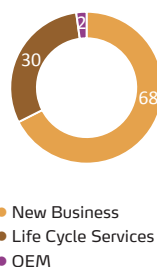
Operating result (EBIT)
in EUR millions



Net revenues by geographical split
2017 financial year in %



Net revenues by business unit
2017 financial year in %



Division Kardex Mlog

Stable result

Kardex Mlog performed well in the 2017 financial year. Bookings reached a solid level at EUR 75.1 million; revenue of EUR 73.6 million was slightly below the previous year's value which had been influenced by one major order. The gross profit margin increased to 19.0% and operating income improved to EUR 3.9 million, corresponding to an EBIT margin of 5.3%. The division is well set up for further profitable growth.

In the year under review, Kardex Mlog benefited from stable economic growth in Germany and in other countries in Central Europe and from the generally high investment activities of its customers. The downside of a booming industry was that throughput times increased by several months, as many suppliers reached capacity limits and more time was needed on the customer side for preliminary work. Therefore, while refurbishment bookings increased considerably around 30%, reported revenue fell by a quarter as a result of these bottlenecks. New business (Integrated Subsystems and Products) was less severely affected by these delays on the customer side, and revenue of EUR 46.7 million (EUR 46.0 million) was generated. Services achieved an increase of around 10% on the previous year. Overall, the division generated revenue of EUR 73.6 million (EUR 75.1 million). The revenue mix changed slightly as a result of lower sales in the refurbishment business. In the year under review, project business accounted for approximately 63% (61%) of the result; the service business, including refurbishments, accounted for just under 37% (39%).

Full order books

Following the previous year's extraordinary item (a major project with a high share of third party), bookings were down 11.3% to EUR 75.1 million (EUR 84.7 million). At EUR 49.1 million (EUR 47.5 million), however, the order books look healthy and, together with the major order worth more than EUR 10 million that was concluded in January 2018, make for a satisfactory start to the new financial year.

Service business gains in importance

The service sector is not only an important source of revenue, it also delivers a strong positive impact to the operating success of the division. Approximately one-third of the revenue is generated with customers who have long-term contracts with durations of between three and five years. This is due to the proactive approach that has been taken to customer care across the life cycle of the customer installations and new, innovative software and visualization solutions.

Geographical distribution and implementation

As in the past, Germany continues to be Kardex Mlog's main market. In the year under review, approximately 17% of revenue was generated in other European countries. The company's medium-term objective is to earn a share of 30% of its revenue outside the German market.

Operating profit increases for the fifth year in a row

Targeted investment in expanding product sales and in marketing activities led to an increase of 4.1% in operating expenses compared to the previous year. This included spending on increased, focused sales activities, more intensive development of attractive customer segments and a more refined risk management model. Overall, this resulted in a slightly improved operating income of EUR 3.9 million (EUR 3.8 million), corresponding to an EBIT margin of 5.3% (5.1%). The operating profit margin is thus in the upper half of the desired target range of 4-6% for the third time in a row. ROCE was down at the balance sheet date due to the lower amount of advance payments compared to the previous year.

Cross-divisional activities

Joint marketing activities with Kardex Remstar and the cross-divisional solutions presented for the first time at the LogiMAT 2017 trade fair generated great interest among customers.

Outlook for 2018

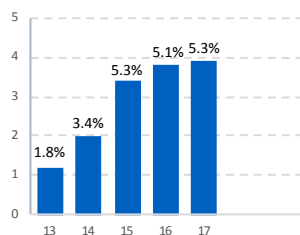
Innovative new products will once again be launched in the current year. The MCrossDrive, a 3D container shuttle, will also be launched in 2018. A corresponding prototype was purchased and will be developed to production stage in the coming months. Additional new software applications complete the range of innovations. Kardex Mlog is well positioned to continue to benefit from the high level of investment activity in intralogistics solutions in Central Europe.

The high order backlog will have a positive effect on capacity utilization and revenue, particularly in the first half of the year. Kardex Mlog therefore anticipates a good financial year in 2018 that will be characterized by continued profitable growth and an improvement in the profit level achieved.

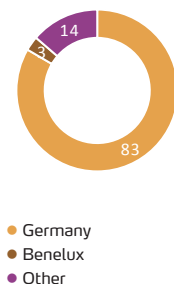
Consolidated key figures for the Kardex Mlog Division

EUR millions	2017		2016		+/-%
Bookings	75.1	102.0%	84.7	112.8%	-11.3%
Order backlog (31.12.)	49.1	66.7%	47.5	63.2%	3.4%
Segment net revenues	73.6	100.0%	75.1	100.0%	-2.0%
EBITDA	4.6	6.3%	4.4	5.9%	4.5%
Operating result (EBIT)	3.9	5.3%	3.8	5.1%	2.6%
ROCE	36.4%		46.3%		-21.3%
Employees (FTE on 31.12.)	276		263		4.9%

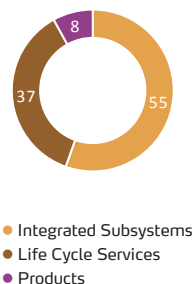
Operating result (EBIT)
in EUR millions



Net revenues by geographical split
2017 financial year in %



Net revenues by business unit
2017 financial year in %



Segment reporting 2017

Income statement

EUR millions	Operating segments				
	Kardex Remstar	Kardex Mlog	Kardex AG (Holding)	Eliminations	Kardex Group
Net revenues, third party					
- Europe	219.7	73.6	-	-	293.3
- Americas	54.8	-	-	-	54.8
- Asia/Pacific	23.4	-	-	-	23.4
- Middle East and Africa	4.6	-	-	-	4.6
Total net revenues, third party	302.5	73.6	-	-	376.1
Net revenues, with other operating segments	0.2	-	-	-0.2	-
Net revenues¹	302.7	73.6	-	-0.2	376.1
Cost of goods sold and services provided	-181.0	-59.6	-	0.2	-240.4
Gross profit	121.7	14.0	-	-	135.7
Gross profit margin	40.2%	19.0%			36.1%
Marketing and sales expenses	-42.4	-5.7	-	-	-48.1
Administrative expenses	-25.5	-3.6	-4.5	2.3	-31.3
R&D expenses	-9.4	-0.9	-	-	-10.3
Other operating income	1.2	0.1	2.3	-2.3	1.3
Other operating expenses	-1.2	-	-0.1	-	-1.3
Operating result (EBIT)	44.4	3.9	-2.3	-	46.0
EBIT margin	14.7%	5.3%			12.2%
Financial result, net					-1.5
Result for the period before tax					44.5
Income tax expense					-12.7
Result for the period					31.8
Depreciation and amortization	4.6	0.7	0.1	-	5.4
EBITDA	49.0	4.6	-2.2	-	51.4
EBITDA margin	16.2%	6.3%			13.7%

¹ The revenues comprise EUR 257.5 million from New Business and EUR 118.6 million from Life Cycle Services.

Segment reporting 2016

Income statement

EUR millions	Operating segments				
	Kardex Remstar	Kardex Mlog	Kardex AG (Holding)	Eliminations	Kardex Group
Net revenues, third party					
- Europe	208.0	74.8	-	-	282.8
- Americas	47.6	-	-	-	47.6
- Asia/Pacific	23.6	-	-	-	23.6
- Middle East and Africa	4.5	-	-	-	4.5
Total net revenues, third party	283.7	74.8	-	-	358.5
Net revenues, with other operating segments	0.2	0.3	-	-0.5	-
Net revenues¹	283.9	75.1	-	-0.5	358.5
Cost of goods sold and services provided	-169.0	-61.6	-	0.5	-230.1
Gross profit	114.9	13.5	-	-	128.4
Gross profit margin	40.5%	18.0%			35.8%
Marketing and sales expenses	-41.0	-5.2	-	-	-46.2
Administrative expenses	-24.1	-3.7	-5.1	2.2	-30.7
R&D expenses	-9.1	-0.8	-	-	-9.9
Other operating income	1.2	-	2.4	-2.2	1.4
Other operating expenses	-1.6	-	-0.1	-	-1.7
Operating result (EBIT)	40.3	3.8	-2.8	-	41.3
EBIT margin	14.2%	5.1%			11.5%
Financial result, net					-1.4
Result for the period before tax					39.9
Income tax expense					-9.1
Result for the period					30.8
Depreciation and amortization	4.3	0.6	0.1	-	5.0
EBITDA	44.6	4.4	-2.7	-	46.3
EBITDA margin	15.7%	5.9%			12.9%

¹ The revenues comprise EUR 247.2 million from New Business and EUR 111.3 million from Life Cycle Services.

Consolidated balance sheet

EUR millions	31.12.2017	31.12.2016
Property, plant and equipment	28.2	27.6
Intangible assets	2.9	2.0
Financial assets	6.5	7.8
Non-current assets	37.6	37.4
Inventories and work in progress	12.7	18.8
Trade accounts receivable	60.6	53.6
Other receivables	10.6	12.3
Prepaid expenses	3.8	4.2
Cash and cash equivalents	114.9	105.7
Current assets	202.6	194.6
Assets	240.2	232.0
Share capital	21.9	40.1
Capital reserves	31.1	31.1
Retained earnings and Translation differences	87.2	68.3
Treasury shares	-1.2	-1.3
Equity	139.0	138.2
Non-current provisions	18.4	18.4
Non-current liabilities	18.4	18.4
Trade accounts payable	13.8	14.5
Other current liabilities	17.9	16.9
Accruals	43.3	36.1
Current provisions	7.8	7.9
Current liabilities	82.8	75.4
Liabilities	101.2	93.8
Equity and liabilities	240.2	232.0

Consolidated cash flow statement

EUR millions	2017	2016
Result for the period	31.8	30.8
Depreciation and amortization	5.4	5.0
Changes in provisions and pension liabilities	-0.1	0.2
Other non-cash items	1.2	-0.1
Change in accounts receivable	-7.7	-8.3
Change in inventories and work in progress	5.7	-3.4
Change in other receivables and prepaid expenses	1.6	-3.2
Change in accounts payable	-0.7	2.8
Change in other current liabilities and accruals	8.8	0.4
Net cash flow from operating activities	46.0	24.2
Purchase of property, plant and equipment	-5.3	-6.8
Sale of property, plant and equipment	0.2	0.2
Purchase of intangible assets	-1.7	-1.0
Purchase of financial assets	-	-0.2
Acquisition of organizations and investment in associated companies	-4.6	-
Net cash flow from investing activities	-11.4	-7.8
Free cash flow	34.6	16.4
Acquisition of treasury shares	-	-1.5
Disposal of treasury shares	0.1	0.2
Change in current financial liabilities	-	-0.2
Reduction of nominal value	-23.5	-21.5
Net cash flow from financing activities	-23.4	-23.0
Effect of currency translation differences on cash and cash equivalents	-2.0	-0.2
Net change in cash and cash equivalents	9.2	-6.8
Cash and cash equivalents at 1 January	105.7	112.5
Cash and cash equivalents at 31 December	114.9	105.7
Net change in cash and cash equivalents	9.2	-6.8

Information on the Kardex share

Share capital and capital structure

	2017	2016	2015	2014	2013
Par value per share (CHF)	4.05	7.35	10.35	11.00	11.00
Total registered shares	7 730 000	7 730 000	7 730 000	7 730 000	7 730 000
Number of treasury shares	15 149	16 700	-	-	-
Number of dividend-bearing shares	7 714 851	7 713 300	7 730 000	7 730 000	7 730 000
Registered capital (CHF 1 000)	31 307	56 816	80 006	85 030	85 030
Total voting rights	7 714 851	7 713 300	7 730 000	7 730 000	7 730 000

Key stock exchange figures per share

CHF	2017	2016	2015	2014	2013
Share price high	120.00	99.90	82.00	47.55	44.35
Share price low	94.20	57.80	40.20	37.60	23.05
Closing rate	119.60	95.25	78.00	46.25	39.20
Average volume per trading day (no. of shares)	14 415	12 596	16 528	14 719	23 239
Market capitalization - CHF million (31.12.)	924.51	736.28	602.94	357.51	303.02

Key figures per share¹

CHF	2017	2016	2015	2014	2013
Earnings per share (EPS) ² - basic	4.59	4.34	3.94	3.74	4.95
Earnings per share (EPS) ² - diluted	4.59	4.34	3.94	3.74	4.95
Price earning ratio (closing rate)	26.12	21.95	19.79	12.34	7.93
Dividend	-	-	-	1.65	1.25
Extraordinary dividend	-	-	-	-	1.40
Reduction of nominal value ³	3.60	3.30	3.00	0.65	-
Equity	21.17	19.18	18.10	18.01	16.89

¹ From May 2010 until July 2013, the Kardex Group consisted of the divisions Kardex Remstar, Kardex Stow and Kardex Mlog. As of July 2013 the Kardex Stow Division no longer belongs to the Group. These changes affect the comparison of the key figures per share.

² Calculated by the generally accepted method (net result/average number of outstanding shares).

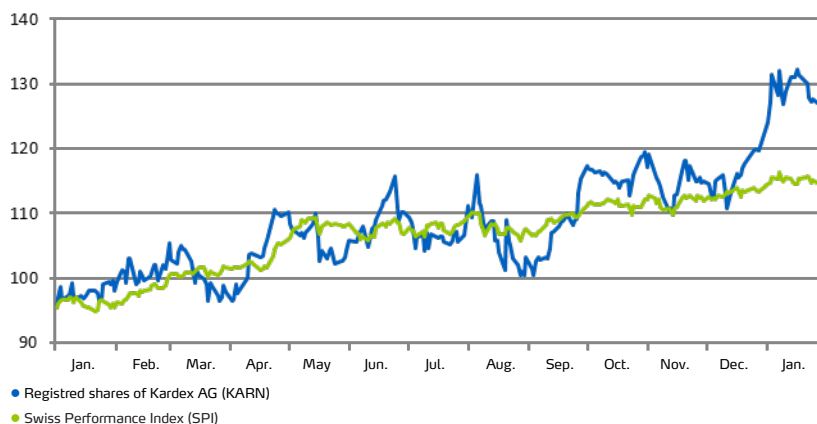
³ 2017: Reimbursement by reduction of the nominal value as proposed to the Annual General Meeting to be held on 12 April 2018.

The registered shares of Kardex AG are traded by the Swiss Reporting Standard of SIX Swiss Exchange in Zurich, Switzerland. They are contained in the SPI (Swiss Performance Index).
 Stock exchange symbol: KARN; Swiss securities number: 10083728; ISIN number: CH0100837282; Bloomberg: KARN SW Equity; Reuters: KARN.S. Current prices can be seen at www.kardex.com.

Share price performance

Kardex AG (Holding) share

On SIX Swiss Exchange 1 January 2017 to 31 January 2018 based on the daily closing price in CHF



The value of the Kardex share rose by 25.6% from CHF 95.25 to CHF 119.60 in 2017. In the year under review Kardex paid in May a reimbursement by reduction of the nominal value of CHF 3.30 per share in July 2017. The overall performance for the year was 29.0%.

Shareholder structure

As at 31 December 2017, there were 2 052 shareholders (1 951) entered in the share register. The following shareholders held 3% or more of the outstanding share capital of Kardex AG at year end:

	31.12.2017	31.12.2016
BURU Holding AG and Philipp Buhofer	23.6%	23.6%
Alantra Partners S.A.	7.1%	4.8%
Credit Suisse Funds AG	3.2%	3.9%
Lombard Odier Asset Management (Switzerland) SA	3.2%	-

Based on the proposal of the Board of Directors to the Annual General Meeting up to 75% of the net profit (based on the consolidated group result) shall be paid out to the shareholders.

Extract of the Corporate Governance Report

Group structure

The Kardex Group is divided into the two divisions or segments Kardex Remstar and Kardex Mlog.

The Kardex Group is led by the Board of Directors and the Group Management.

Board of Directors	Functions / Committees
Philipp Buhofer (1959, Swiss citizen) Since 2004	Chairman of the Board Compensation and Nomination Committee
Felix Thöni (1959, Swiss citizen) Since 2011	Vice Chairman of the Board Audit Committee, Compensation and Nomination Committee
Jakob Bleiker (1957, Swiss citizen) Since 2012	Member of the Board Chairman Audit Committee
Ulrich Jakob Looser (1957, Swiss citizen) Since 2012	Member of the Board Chairman Compensation and Nomination Committee
Walter T. Vogel (1957, Swiss citizen) Since 2006	Member of the Board Audit Committee, Compensation and Nomination Committee
Group Management	Functions
Jens Fankhänel (1965, German citizen)	CEO & Head of Kardex Remstar Division
Thomas Reist (1971, Swiss citizen)	CFO
Hans-Jürgen Heitzer (1962, German citizen)	Head of Kardex Mlog Division

«one share – one vote»

The 7 730 000 registered shares of Kardex AG have a nominal value of CHF 4.05 each. Each registered share corresponds to one vote at the General Meeting ("one share – one vote" principle) and is eligible for dividends. The right to apply the special rules concerning treasury shares held by the company is reserved, particularly in relation to the exception from the entitlement to dividends.

Registration rules

The registered shares of Kardex AG may be purchased by any legal or natural person. Nominee registrations are permitted. The purchasing of shares is subject to the following limitations on nominee registrations:

The company may refuse registration as a shareholder with voting rights in the share register if upon request the purchaser does not expressly declare that they hold the shares in their own name and for their own account. The Board of Directors is entitled to delete an entry in the share register with retroactive effect from the date of that entry if such entry was based on false information. It may hear the shareholder or beneficiary in question in advance.

In each case, the shareholder or beneficiary in question must be immediately informed of the deletion.

Shareholders' participation rights

On 31 December 2017, there were 2 052 shareholders entered in the share register. A majority of them had their registered office or domicile in Switzerland. Each Kardex AG registered share entitles the holder to one vote at the General Meeting. There are no voting right restrictions. Furthermore, any shareholder has the right to have his shares represented at the General Meeting by written proxy by an independent voting proxy, another shareholder with voting rights or a third party.

Shareholders representing at least 1% of the shares issued may request in writing that items be added to the agenda, specifying the proposed resolutions. Such items must be submitted to the Board of Directors in writing at least 40 days before the General Meeting.

Duty to make an offer upon change of control

In accordance with § 4 of the company's Articles of Incorporation, a purchaser of Kardex AG shares is only obliged to make a public offer under the terms of article 135 (the opting-up clause) of the Financial Market Infrastructure Act (FMIA) if his holding exceeds 49% of the company's voting stock.

Statutory auditors

PricewaterhouseCoopers AG, Zurich, Switzerland, have been the statutory auditors of Kardex AG since 2014.

Vertical Carousel
Megamat RS
Kardex Remstar

Vertical Buffer
LT 35
Kardex Remstar

Horizontal Carousel
Kardex Remstar

Vertical lift
Shuttle XP
Kardex Remstar

Shuttle Vehicle Miniload
Kardex Mlog

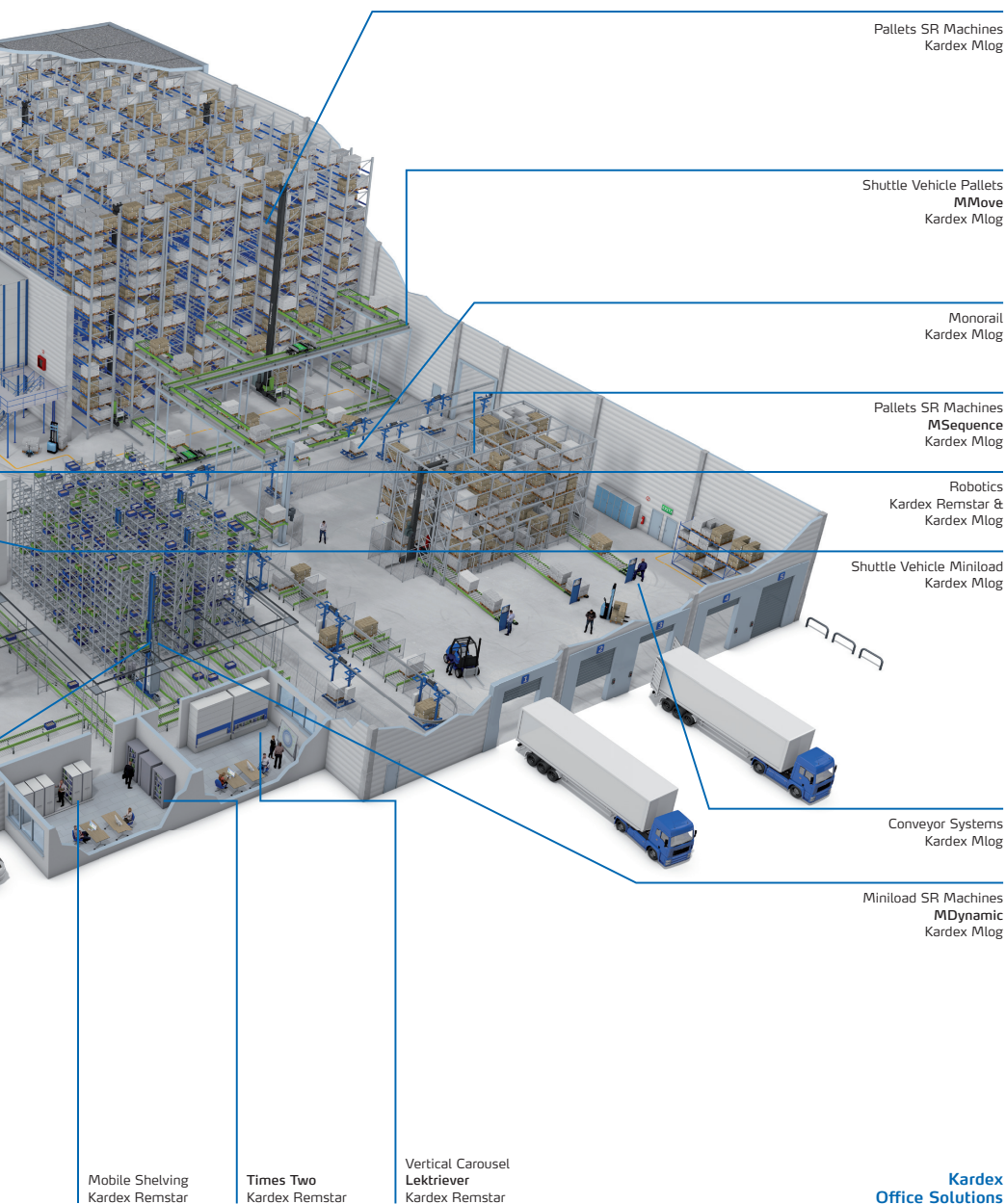
Vertical Buffer
LR 35
Kardex Remstar

Robotics
Kardex Remstar &
Kardex Mlog

Miniload SR Machines
MDynamic
Kardex Mlog

Life Cycle Service
Kardex Remstar &
Kardex Mlog

Conveyor Systems
Kardex Mlog



The Group publishes this short version of the Annual Report in English and German.

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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