

Zurich, 29 July 2021

### Increase in bookings and net profit

- The trend towards automation, which has been reinforced during the pandemic in the relevant industry segments, will continue.
- Catch-up effects drove bookings, which at around +51% were significantly higher than in the same period of the previous year.
- Revenues development has trailed behind due to the pandemic and shortages in the supply chain.
- Profitability increased significantly at all levels thanks to an advantageous revenue mix, economies of scale and high cost discipline.

**The first half of the fiscal year 2021 was again impacted by the effects of the Corona pandemic, but this time largely in favor of Kardex' business development. Bookings reached record levels in both divisions and led to full order books. Revenue development was unable to keep pace due to the effects of the pandemic and significant shortages in the global supply chains. The investments into the expansion of the solution portfolio are well on track.**

Kardex recorded so far unmatched bookings of EUR 302.5 million in the reporting period, which is more than 50% above the first half of 2020, but also more than 25% higher than the strong first half of 2019. Catch-up effects as well as a noticeable boost of automation in various industry segments contributed to this. Bookings in new business increased by around 80% and the service business, which came through the pandemic sturdily, also managed a double-digit growth of around 10%. The order backlog as of June 30, 2021 amounts to EUR 313.4 million, which is 42.3% higher than at the beginning of the year.

At EUR 207.1 million, the revenues generated did not exceed the previous year's level, although the monthly development was reverse to the previous year - after a weak start to the year, revenues increased every month. Also, the Covid-related restrictions from customers for service work and new installations have gradually decreased. Revenues accounted for 63.2% (66.4%) in new business and 36.8% (33.6%) in services. The lower revenues in new business reflect, among other things, the major challenges created by shortages in the global supply chains. The gross profit margin of new business was negatively impacted by price increases for raw materials and components, which could only partially be compensated by price increases in the market.

Thanks to the higher service share of total revenues, gross profit increased by 4.7% to EUR 75.2 million, corresponding to a gross margin of 36.3% (34.6%). Operating costs also remained at a moderate level of EUR 48.3 million (EUR 47.8 million) and only slightly above the previous year. Travel and trade show costs remained at a low level, whilst targeted investments were made in research and development, especially into software and digitalization. With EUR 26.9 million and 13.0% respectively, EBIT and EBIT margin were higher than previous year. This also impacted net profit, which at EUR 19.6 million was 14.6% higher than in the same period of the previous year.

### **Kardex Remstar with positive development in e-commerce**

Kardex Remstar experienced a significant increase in demand in all regions. Interest in retail and e-commerce solutions for medium-sized customers, for whom Kardex Remstar's range of solutions provides an easy entry into the online business has been particularly encouraging. Another advantage of these Kardex Remstar solutions lies in the fact, that these solutions can later be expanded on a modular basis in line with the growth of the customer business. Investments in the digitalization of marketing activities also supported the bookings increase. Bookings in new business increased by 66.4%, and those for Life Cycle Services by 13.3%. In total, orders worth EUR 228.6 million were won. The order backlog at the end of the period amounted to EUR 204.7 million, 41.3% higher than at the beginning of the year. Order realization in new business is still a major challenge and existing capacities could not be fully utilized due to shortages in the global procurement market. Revenues of EUR 166.7 million resulted therefore 3.8% lower compared to the previous year's period. Kardex Remstar's EBIT of EUR 26.7 million was 7% higher than in the same period in 2020, corresponding to a good EBIT margin of 16.0%. The driving factor here was in particular the higher margin revenue mix with a service share of 34.5% (30.3%).

### **Kardex Mlog benefits from automation push**

Kardex Mlog continued its dynamic business development in the first half of the year. In the first six months, the division recorded bookings of EUR 73.3 million, which is 66.6% higher than in the year 2020 and also exceeds the bookings of the entire 2019 financial year by around 15%. Kardex Mlog benefited on one hand from large orders from its existing customers, but also from a boost of automation in various industry segments. At the end of the period, the order backlog amounted to EUR 108.1 million. At EUR 40.4 million, revenues were 17.1% higher than at the previous year's period. Kardex Mlog is also struggling with shortages in the supply chain for materials, although to a much lesser extent than Kardex Remstar. Thanks to a solid gross profit margin and an only slight increase in costs, an EBIT of EUR 2.1 million (EUR 0.2 million) was achieved with an EBIT margin of 5.2%.

### **Significant progress in strategic initiatives**

The investments made in recent years to expand the solution portfolio are developing a positive momentum throughout Kardex. The innovative technologies of Robomotive and Rocket Solution are door openers to new industry segments. The development of the new Kardex AS Solutions (AutoStore) business unit has started in a promising way and results in new leads with existing and new customers. The still small entities create an increasingly positive impact on the Kardex image in the market, even though their start-up nature is currently still weighing on profitability. The substantial investments in the renewal of the ERP landscape and into the supply chain of Kardex Remstar continue to strengthen Kardex overall and will be continued in the following years.

### **Sustained strong balance sheet despite high investments**

Kardex' balance sheet remains very robust despite the strategic investment activities. At halfyear, it shows a balance sheet total of EUR 293.8 million and an equity ratio of 56.7%. Free cash flow increased significantly to EUR 25.8 million, mainly driven by lower Capex and fewer funds tied up in current assets. At the end of the period, Kardex reported a net cash position of EUR 121.0 million. ROCE decreased compared to the previous period due to investments in financial assets to avoid negative interest rates but remains above average.

### **Outlook**

The Board of Directors and Group Management expect the positive trends towards automation in intralogistics to continue. The expected easing of pressure at the existing production sites should ensure an accelerated revenues development in the second half of the year. The new manufacturing plant in the USA will also start to operate in the fourth quarter. The situation in the procurement market imposes a short-term concern, which will potentially impact revenues and earnings development in the second half of 2021. However, the lessons learned from the pandemic have further strengthened the future viability of the intralogistics market.

## Key figures

in EUR million

1.1.-30.6.	2021		2020		+/-%
Bookings	302.5	146.1%	200.1	96.3%	51.2%
Order backlog (30.6.)	313.4	151.3%	210.9	101.5%	48.6%
Net revenues	207.1	100.0%	207.8	100.0%	-0.3%
Gross profit	75.2	36.3%	71.8	34.6%	4.7%
OPEX	48.3	23.3%	47.8	23.0%	1.0%
EBITDA	30.2	14.6%	27.2	13.1%	11.0%
Operating result (EBIT)	26.9	13.0%	24.0	11.5%	12.1%
Result for the period (net profit)	19.6	9.5%	17.1	8.2%	14.6%
Net cash flow from operating activities	24.7		26.3		-6.1%
Free cash flow	25.8		10.0		158.0%
ROCE	36.8%		47.2%		-22.0%
	30.6.2021		30.6.2020		+/-%
Net working capital	56.9		67.4		-15.6%
Net cash	121.0		109.1		10.9%
Equity/Equity ratio	166.6	56.7%	153.3	57.8%	8.7%
Employees (FTE)	1 870		1 906		-1.9%

## Interim Report

A PDF version of the Interim Report 2021 of Kardex is available on our [website](#).

## Contact for media and investors

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Agenda	
3 March 2022	<b>Publication Annual Report 2021</b> Conference Call for Media and Analysts
21 April 2022	<b>Annual General Meeting 2022</b> SIX ConventionPoint, Zurich, Switzerland
28 July 2022	<b>Publication Interim Report 2022</b> Conference Call for Media and Analysts

### **Kardex – Corporate Profile**

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 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 lifecycle 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 lifecycle costs by means of customer-oriented lifecycle management. Around 1 900 employees in over 30 countries work for Kardex.

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