Kardex - Company Presentation 2023

03/2023
Agenda

Introduction to Kardex
division Kardex Remstar
Division Kardex Mlog
Corporate Ventures
Sustainability
Outlook 2023
Investment Case – Why Kardex
Introduction to Kardex
Intralogistics optimizes the efficiency of supply chains within the boundaries of a manufacturing and/or distribution center.

Intralogistics solutions provider offer a range from purely manual to highly automated solutions.

Over the past decade the Intralogistics definition has been extended to partially cover the B2C interface (last mile).

Within the extended Intralogistics Market, Kardex focuses on Automated Material Handling Solutions for items, bins and pallets.

Kardex Company Presentation 2023 | 03/2023 | 4
Market in brief – Growth and Profitability of Intralogistics segments

Complexity

Person-to-goods
Racking and Shelving

Automated Products
Goods-to-person

Stand Alone Subsystems

Integrated Subsystems

Fully Integrated Systems

Profitability

Relative growth
Market volume

03/2023
Kardex in brief

- Kardex provides Intralogistics solutions and services to increase the efficiency in storing and handling of goods and materials
- Kardex consists of 2 Divisions which are both positioned in attractive growth markets
- Well balanced Business Model with New Business and Life Cycle Services (both profitable)

- Key figures FY 2022
  - Net Revenues EUR 565.6 m
  - EBIT EUR 55.8 m
  - EBIT Margin 9.9 %
  - Net Profit EUR 38.6 m
  - Net Profit Margin 6.8 %
- Market Cap (as of End December 2022) CHF 1’175 m

Visit us @ www.kardex.com
Kardex - Key Figures 2018 - 2022 (in EUR million)

**Bookings**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>481.2</td>
<td>-6.0%</td>
</tr>
<tr>
<td>2019</td>
<td>452.4</td>
<td>-7.9%</td>
</tr>
<tr>
<td>2020</td>
<td>416.8</td>
<td>+44.7%</td>
</tr>
<tr>
<td>2021</td>
<td>603.0</td>
<td>+15.9%</td>
</tr>
<tr>
<td>2022</td>
<td>698.6</td>
<td></td>
</tr>
</tbody>
</table>

**Net revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>423.4</td>
<td>+24.2%</td>
</tr>
<tr>
<td>2019</td>
<td>471.2</td>
<td>+10.3%</td>
</tr>
<tr>
<td>2020</td>
<td>412.9</td>
<td>-12.4%</td>
</tr>
<tr>
<td>2021</td>
<td>455.5</td>
<td>+24.2%</td>
</tr>
<tr>
<td>2022</td>
<td>565.6</td>
<td></td>
</tr>
</tbody>
</table>

**EBIT and EBIT margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>53.2</td>
<td>+19.4%</td>
</tr>
<tr>
<td>2019</td>
<td>63.5</td>
<td>-12.6%</td>
</tr>
<tr>
<td>2020</td>
<td>55.5</td>
<td>+10.1%</td>
</tr>
<tr>
<td>2021</td>
<td>61.1</td>
<td>-8.7%</td>
</tr>
<tr>
<td>2022</td>
<td>55.8</td>
<td></td>
</tr>
</tbody>
</table>

**Free cash flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>37.8</td>
</tr>
<tr>
<td>2019</td>
<td>30.8</td>
</tr>
<tr>
<td>2020</td>
<td>25.2</td>
</tr>
<tr>
<td>2021</td>
<td>51.4</td>
</tr>
<tr>
<td>2022</td>
<td>-15.2</td>
</tr>
</tbody>
</table>
Kardex in brief – Global Footprint 2022

- Americas: 24%
- Europe: 67%
- Middle East and Africa: 8%
- Asia / Pacific: 1%
Kardex in brief – Profitable and sustainable Business Model

**Business Model**

- More than 140’000 installed Kardex Remstar machines worldwide with a lot of potential for repeat business
- Kardex Mlog with more than 1’000 systems with approx. 2’500 stacker cranes and a lot of modernization potential
- Intralogistics solutions typically with very good financial returns
- The installed base allows Kardex to target approx. 30% net revenues share for its Life Cycle Services Business
- Life Cycle Services as strong backbone for the entire Business Model

**Market Information**

- More than 140’000 installed Kardex Remstar machines worldwide with a lot of potential for repeat business
- Kardex Mlog with more than 1’000 systems with approx. 2’500 stacker cranes and a lot of modernization potential
- Intralogistics solutions typically with very good financial returns
- The installed base allows Kardex to target approx. 30% net revenues share for its Life Cycle Services Business
- Life Cycle Services as strong backbone for the entire Business Model
Kardex in brief – Positioning of Divisions to drive Profitable Growth

- Market volume
- Relative growth
- Growth directions

Person-to-goods vs Goods-to-person
Racking and Shelving

Profitability

- Automated Products
- Stand Alone Subsystems
- Integrated Subsystems
- Fully Integrated Systems

Contribution Corporate Ventures

Complexity
Division Kardex Remstar

- Global organization providing Sales and Service in over 30 countries
- Automated solutions focusing on order fulfillment and storage/retrieval of single items
- >1’700 FTEs
- 140’000+ installed solutions
- 2 manufacturing sites in Germany and 1 manufacturing site in the US
- Key figures FY 2022
  - Net revenues EUR 436.6 m
  - EBIT EUR 56.1 m
  - EBIT margin 12.8 %
- Global market leader in its niche market - market share estimated at >35%
Division Kardex Remstar - Key Figures 2018 - 2022 (in EUR million)

- **Net revenues**
  - CAGR 5.9%

- **EBIT und EBIT margin**
  - Europe: 14.7% to 15.6%, Americas: 51.0% to 61.4%, Asia/Pacific: 56.2%, Middle East and Africa: 60.5%

- **Geographical split**
  - New Business: 68% to 69%, Life Cycle Services: 32% to 31%

- **Net revenues mix**
  - 2021: 32% New Business, 68% Life Cycle Services
  - 2022: 31% New Business, 69% Life Cycle Services

- **Geographical split**
  - 2021: Europe 24%, Americas 7%, Asia/Pacific 67%, Middle East and Africa 1%
  - 2022: Europe 24%, Americas 8%, Asia/Pacific 67%, Middle East and Africa 1%
Focus on automated solutions for order fulfillment and storage/retrieval of single items
Division Kardex Remstar – Case Study

Customer Wildkamp
- Technical Wholesaler, located in the Netherlands
- Challenges/Pains:
  - Increased complexity due to growth of articles (with more than 100,000 different SKUs)
  - Delivery to 46 own stores & customers directly
  - Limited space and lack of picking accuracy
  - In-time availability & delivery

Solution
- Order fulfillment solution to address accuracy and efficiency
- Components of the solution:
  - 6 Vertical Buffer Modules
  - Visual Picking Guidance (LED indicators)
  - Power Pick Global Software with sophisticated Batch/Pick algorithms
  - Put-to-light and Put Frames

Benefits
- Flexible and future-proof Intralogistics solution
- Main gains:
  - Picking speed almost tripled
  - Picker travel time drastically reduced (by approx. 80%)
  - Staff reduction by more than 50%
  - Significant reduction of the storage area footprint
  - Extended use-of-life for the existing warehouse by 4-5 years
Division Kardex Mlog

- German based organization with focus on the DACH region
- Automated solutions focusing on storage/retrieval of unit loads (pallets) and bins
- >300 FTEs
- 1’000+ installed solutions worldwide
- 1 manufacturing site in Germany
- Key figures FY 2022
  - Net revenues EUR 105.6 m
  - EBIT EUR 5.1 m
  - EBIT margin 4.8%
- Strong market position in Germany and across Europe in selected Industry Segments
Division Kardex Mlog - Key Figures 2018 - 2022 (in EUR million)

Net revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Net revenues</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>75.9</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>79.1</td>
<td>+4.2%</td>
</tr>
<tr>
<td>2020</td>
<td>73.0</td>
<td>-7.7%</td>
</tr>
<tr>
<td>2021</td>
<td>89.0</td>
<td>+21.9%</td>
</tr>
<tr>
<td>2022</td>
<td>105.6</td>
<td>+18.7%</td>
</tr>
</tbody>
</table>

EBIT and EBIT margin

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
<th>EBIT Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5.1</td>
<td>6.7%</td>
</tr>
<tr>
<td>2019</td>
<td>5.6</td>
<td>7.1%</td>
</tr>
<tr>
<td>2020</td>
<td>2.8</td>
<td>-50.0%</td>
</tr>
<tr>
<td>2021</td>
<td>5.9</td>
<td>+100.7%</td>
</tr>
<tr>
<td>2022</td>
<td>5.1</td>
<td>-13.6%</td>
</tr>
</tbody>
</table>

Geographical split

<table>
<thead>
<tr>
<th>Year</th>
<th>Germany</th>
<th>Rest of Europe</th>
<th>Rest of world</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>83%</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>2022</td>
<td>80%</td>
<td>19%</td>
<td>1%</td>
</tr>
</tbody>
</table>
Focus on automated solutions for storage/retrieval of unit loads (pallets) and bins
Kardex Mlog Division – Case Study

Customer
- Industry segment “Beverage”, solution for dispatch area
- Challenges/Pains
  - In-transparency in staging areas leading to truck loading errors
  - Lack of floor space with conventional lane storage
  - Traffic congestion in staging/loading areas with high risk for accidents
  - Last minute changes to truck loading sequences causing double or triple handling

Solution
- Automated storage/retrieval/sorting buffer for pallets with separated staging lanes
- Components of the solution
  - Stacker crane buffer (based on MSequence Variant Speed, 50 double cycles, pallet load 1’000 kg)
  - Double-deep pallet storage with close to 200 positions
  - Pallet check gates and gravity conveyors for staging
  - Visual forklift guidance system

Benefits
- Future-proof and flexible Intralogistics solution with high performance
- Main targeted gains
  - FTE reduction in dispatch area (by approx. 60%)
  - Shortening of truck loading times
  - Savings in handling equipment and floor space (by approx. 60%)
  - Reduction of manual handling errors to about 2%
  - Significantly lower risk of accidents
  - ROI of 3 to 4 years
Corporate Ventures
Kardex AutoStore Business - Financial Highlights 2022

<table>
<thead>
<tr>
<th>in EUR million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookings</td>
<td>63.3</td>
<td>18.3</td>
</tr>
<tr>
<td>Order backlog</td>
<td>57.9</td>
<td>17.8</td>
</tr>
<tr>
<td>Net revenues</td>
<td>23.7</td>
<td>0.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>0.0</td>
<td>-1.9</td>
</tr>
<tr>
<td>Employees</td>
<td>26</td>
<td>12</td>
</tr>
</tbody>
</table>

- Bookings with strong increase
- Success based on high acceptance of technology and the expertise of the team
- Sales funnel and order backlog well filled also based on good cooperation with the two divisions
- Balanced operating result (EBIT) already in the second year since start
Kardex Positioning in Light Goods Logistics
Sustainability Report 2022

ESG Update
ESG Organization

- Integration of sustainability management into the Group by establishing the **ESG Steering Group**, composed of members of the Board of Directors and members of the Group Management.

- The ESG Steering Group follows the concept of the 'double materiality assessment', which focus on two dimensions:
  1. the relevance of Kardex business activities for the economy, environment, and society;
  2. the relevance of external factors for Kardex long-term business success.

- To ensure transparent & standardized sustainability reporting, a comprehensive list of potentially relevant sustainability topics was compiled and analyzed. These topics were evaluated in priority 1, 2, and 3 based upon the relevance of the impact of Kardex business activities on the economy, the environment, and society.
The materiality assessment served to develop and adjust Kardex strategic sustainability approach in line with the Guiding Principles of – the UNGC, and – the internationally recognized GRI guidelines.

Based on this material assessment Kardex will intensify its sustainability activities in 2023.
ESG Roadmap

- Joined UN Global Compact in 2021
- Establishment of an ESG Steering Group and developing of a double materiality matrix in 2022.
- Supporting sustainability goals of UN’s Agenda 2030
  - Focus on aspects Kardex can directly impact, supporting SDGs (Sustainable Development Goals) 4, 8, 12, 13
  - Carefully analyzing, documenting, and driving progress in line with guidelines
  - Establish a **Sustainability Strategy** and a first set of qualitative sustainability goals in 2023
- **Develop GRI reporting** based on the Sustainable Development Goals 2023
Outlook
Outlook

- Automation and ergonomics expected to remain megatrends supporting the market potential and business model of Kardex
- Kardex is positive about the future development, despite isolated signs of a slowdown
- High order backlog provides comfortable visibility of 6-9 months
- Supply chain inefficiencies expected to be overcome in the course of the year but sourcing of electronic components remains challenging
- Kardex AutoStore to contribute with positive EBIT from 2023 onwards
- Kardex expected to develop in line with the communicated financial targets
Investment Case – Why Kardex
Kardex Investment Case

- Intralogistics with robust and high global growth expectation above GDP
- Logistics cost as a major cost element for Kardex’ customers lead to a constantly increasing acceptance of automation
- Installed base and Life Cycle Management as backbone for a sustainable business model
- High profitability of both divisions as a result of their strong market positions
- Very solid balance sheet with no interest-bearing debt or goodwill
- Substantial free cash flow generation
- Attractive dividend policy
- Kardex’ solutions and services support sustainability efforts of its customers
- Expansion of portfolio will contribute to Kardex image as total solution provider
Disclaimer

This communication contains statements that constitute “forward-looking statements”. In this communication, such forward-looking statements may include statements on the financial situation, earnings situation and business results of Kardex as well as certain 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’ 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’ past and future filings and reports and in past and future filings, press releases, reports and other information posted on Kardex’ 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.