

## Media information – Year End Results 2021

Zurich, 3 March 2022

Release of an ad hoc announcement pursuant to Art. 53 LR

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### Financial Year 2021

- Automation is reaching more and more industry segments and is driving demand
- Strategic initiatives change the perception of Kardex in the market
- Turbulence in the procurement market and struggle for talent prevent greater growth
- Solid market growth and extensive investments open up new prospects

**The second year of the pandemic showed two faces for Kardex. On one hand, catch-up effects in customer investments, the increasing trend towards automation and the expanded solution portfolio drove demand and filled order books to unprecedented levels. On the other hand, pandemic-related restrictions, massive disruptions in global supply chains and associated price increases presented very significant challenges to the company. This mainly affected the ability to plan personnel deployment and production, as well as deliveries and installations. Nevertheless, Kardex systematically continued its extensive investment program in new technologies, capacity expansions and digitalization. In total, this resulted in a revenue growth of 10.3%, an increase in the operating result of 10.1% and a net profit of EUR 43.7 million with a plus of 7.4%. By joining the UN Global Compact, Kardex also continued to drive forward its efforts in the area of sustainability.**

Kardex recorded bookings of EUR 603.0 million in the period under review, 44.7% above 2020 but also one third above the strong financial year 2019. Major contributors were catch-up effects, and in particular a noticeable automation boost in various industry segments combined with the positive market response to the extension of the lightgoods solution portfolio. Bookings in New Business increased by 57.5%. Life Cycle Service (LCS), which came through the pandemic in a fairly stable way, increased by 17.1%. The order backlog at the end of the year amounted to a high EUR 366.6 million, which is 66.5% more than at the beginning of the year.

#### **Net revenues development significantly delayed by critical bottlenecks**

The revenue development was unable to keep pace with the boom in bookings but exceeded previous year's level by 10.3%. While the low order backlog at Kardex Remstar at the beginning of the year and pandemic-related access restrictions at customer sites were the only initial reasons for the delay, disruptions in global supply chains increasingly impacted the timely production and delivery of orders.

New Business net revenues increased by 17.9%, while LCS revenues decreased slightly by 3%. In addition to supply shortages, Kardex was also affected by substantial price increases for raw materials, components and transportation services. Part of this could be compensated for with a time lag by own price increases. Thanks to a favorable net revenues mix, great efforts by all employees and strict cost management, a gross profit of EUR 163.3 million was achieved. This is 6.7% more than in the previous year and corresponds to a margin of 35.9% (37.1%). As operating costs also increased only moderately - mainly due to the still very low travel and trade fair expenses - Kardex achieved an operating result of EUR 61.1 million. This corresponds to an increase of 10.1% compared to the previous year, despite higher expenditure on its strategic growth initiatives. Accordingly, net profit also increased by 7.4% to EUR 43.7 million.

#### **Kardex Remstar leverages opportunities in e-commerce**

Kardex Remstar experienced a significant increase in demand in most regions. Interest in retail and e-commerce solutions from medium-sized companies, for whom Kardex Remstar's range of solutions provides an easy entry into online delivery logistics, was very encouraging. Customers benefit from the fact that these solutions, which can be expanded on a modular basis, grow with their business. The increase in bookings was

also supported by investments in the digitalization of marketing activities. Bookings for New Business increased by 55.0%, and for LCS by 12.8%. In total, orders worth EUR 459.9 million were won. As mentioned above, order

realization in New Business was a major challenge. The existing capacities and those newly created in the USA could not fully be utilized. Net revenues of EUR 365.5 million was therefore only 7.4% higher than in previous year. The achieved EBIT of EUR 60.5 million increased by 7.7%, corresponding to an EBIT margin of 16.6%.

### **Kardex Mlog climbs to a new level**

Kardex Mlog continued its dynamic growth and is heading for a triple-digit net revenues level. The division recorded a strong bookings growth by 38% to EUR 124.5 million. The company took advantage of opportunities in new industry segments such as the third-party logistics (3PL) business, where automation is becoming increasingly important in the wake of growing staff shortages. Outside of Germany, especially projects in neighboring Eastern European countries contributed to the growth. The pandemic-related restrictions also had an impact on Kardex Mlog, albeit to a lesser extent than on Kardex Remstar. Net revenues grew by 21.9% to EUR 89.0 million, with New Business accounting for a high 70.4%. Thanks to a solid gross margin, EBIT increased to EUR 5.9 million, corresponding to an EBIT margin of 6.6%, after a weak previous year with its special negative effects.

### **Strategic portfolio expansion changes the image of Kardex**

Recent investments into new affiliates to expand the solutions portfolio have led to a new perception of Kardex in the market, especially for lightgoods solutions. Innovative technologies of Robomotive and Rocket Solution are opening doors to new customers and industry segments for both divisions. The new Kardex AS Solutions business unit (sales and realization of AutoStore solutions by Kardex) also got off to a promising start in Europe and North America. The bookings of the three new units already reached more than EUR 30 million in 2021, whereby the share of the non-consolidated Rocket Solution is not reported in the Kardex financials. The substantial investments in the renewal of the ERP landscape and the Kardex Remstar supply chain strengthen Kardex overall and will be continued in subsequent years.

### **Increase in financial targets during the Capital Market Day**

At the Capital Markets Day in November 2021, Kardex communicated an increase of its financial targets. Based on market trends and the company's strong market position, management expects Kardex to grow organically and sustainably between 5% and 7% p.a. over the cycle (previously 4-5% p.a.). Following a phase of increased investment in the supply chain and IT infrastructure of Kardex Remstar, also profitability will reach a higher level. Kardex Remstar's target EBIT margin range is therefore now set at 14-17% (before 8-16%), while Kardex Mlog's is set at 5-8% (before 4-8%). As a consequence, the EBIT margin target range for Kardex is also increased to 10-14% (before >6%).

Going forward, the Company remains committed to maintaining a strong balance sheet with a maximum leverage ratio of 2.5x EBITDA. Despite the growth initiatives, the payout ratio will continue to be up to 75% of operating net profit.

Achieving the new targets requires enormous efforts in the entire organization. Exploiting the existing, significant growth potential requires full commitment, innovation and the expansion of the existing organization in both divisions. Kardex' ability to complement the existing team with the best talent from the labor market will play a key role in this development.

### **Resilient balance sheet**

Net cash increased sharply by 21.4% to EUR 148.5 million in the year under review due to the significant increase in advance payments from customers, thus further strengthening the balance sheet. Although the equity ratio fell slightly to 57.4% as a result of the extended balance sheet, it increased by around 11% in absolute terms. To avoid negative interest rate effects as far as possible, cash holdings were invested in financial assets. This results in a lower net cash flow from operating activities and a lower pure cash position than in the previous year. Free cash flow, on the other hand, more than doubled to EUR 51.4million, mainly due to advance payments from customers. ROIC, newly introduced as a replacement for ROCE, was at a solid 32.7%.

**Proposed dividend of CHF 4.30 per share**

The good annual result enables the Board of Directors to propose a payout of CHF 4.30 per share (CHF 4.00) to the Annual General Meeting on 21 April 2022. This corresponds to around 73% of the operative net profit and a dividend yield of 1.4%.

**Jennifer Maag proposed for election as new member of the Board of Directors**

All current members of the Board of Directors are standing for re-election at the Annual General Meeting. Jennifer Maag will be proposed for election as a new member. With the election of the proven industry and M&A expert, the board will be increased to seven members and its competencies will be further strengthened.

**Outlook**

The Board of Directors and Management expect the positive market development to continue. At the same time, we are concerned about the development of the global procurement market, which is difficult to influence and which must normalize for Kardex to achieve its ambitious growth targets. Securing profitable growth, overcoming supply chain shortages and the battle for talent on the labor market are currently Kardex' biggest challenges. However, Kardex has prepared itself to benefit from the future potential of the global intralogistics market.

## Key figures

in EUR million

1.1.-31.12.	2021		2020		+/-%
Bookings	603.0	132.4%	416.8	100.9%	44.7%
Order backlog (31.12.)	366.6	80.5%	220.2	53.3%	66.5%
Net revenues	455.5	100.0%	412.9	100.0%	10.3%
Gross profit	163.3	35.9%	153.0	37.1%	6.7%
OPEX	102.2	22.4%	97.5	23.6%	4.8%
EBITDA	67.7	14.9%	62.6	15.2%	8.1%
Operating result (EBIT)	61.1	13.4%	55.5	13.4%	10.1%
Result for the period (net profit)	43.7	9.6%	40.7	9.9%	7.4%
Net cash flow from operating activities	38.6		49.8		-22.5%
Free cash flow	51.4		25.2		104.0%
ROIC <sup>1</sup>	32.7%		31.4%		

	31.12.2021		31.12.2020		+/-%
Net working capital	44.1		67.9		-35.1%
Net cash	148.5		122.3		21.4%
Equity/Equity ratio	193.9	57.4%	174.3	62.9%	11.2%
Employees (FTE)	1'966		1'860		5.7%

	2021		2020		+/-%
Distribution per share (CHF) <sup>2</sup>	4.30		4.00		7.5%

<sup>1</sup> Calculation according to Bloomberg.

<sup>2</sup> 2021: Distribution of a dividend as proposed to the Annual General Meeting to be held on 21 April 2022.

## Annual Report

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

## Contact for media and investors

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<b>Agenda</b>	
<b>21 April 2022</b>	<b>Annual General Meeting 2022</b>
<b>28 July 2022</b>	<b>Publication Interim Report 2022</b> Conference Call for Media and Analysts
<b>2 March 2023</b>	<b>Publication Annual Report 2022</b> Conference Call for Media and Analysts
<b>20 April 2023</b>	<b>Annual General Meeting 2023</b> SIX ConventionPoint, Zurich, Switzerland
<b>27 July 2023</b>	<b>Publication Interim Report 2023</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 2'000 employees in over 30 countries work for Kardex.

### **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 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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