



Annual results 2015

TKH Group NV

8 March 2016

Content

- 1 About TKH Group
- 2 Developments 2015
- 3 Notes to the results and balance sheet 2015
- 4 Strategic developments & outlook
- 5 Appendices

ABOUT TKH GROUP

Profile

➤ Turnover € 1.375 million

➤ Number of employees (FTE) 5,387

➤ Technology company

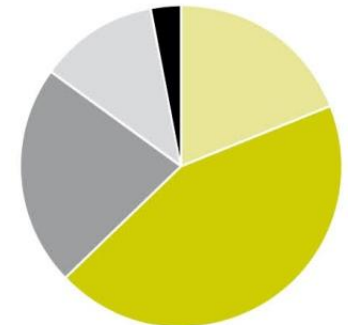
➤ Four core technologies

Vision & security, communication, connectivity and manufacturing systems

➤ The core technologies are combined with software and system integration into total solutions in vertical focus and growth markets within three business segments:

➤ Telecom Solutions	12%
➤ Building Solutions	42%
➤ Industrial Solutions	46%

Geographical distribution of turnover (in %)



2015	
	Netherlands 19
	Europe (other) 44
	Asia 22
	North America 12
	Other 3

Mission

TKH intends to be an innovative and leading technology (niche) player in creating combinations of technologies to total solutions through which customers are fully relieved and that lead to larger efficiency, more comfort and larger safety.

TKH aims to be an attractive employer, to continuously exceed customers' expectations by offering 'best in class'-solutions and to be a solid investment for shareholders.



Value creation

Focus on 4 core technologies in 3 business segments

Telecom
Solutions

Building
Solutions

Industrial
Solutions

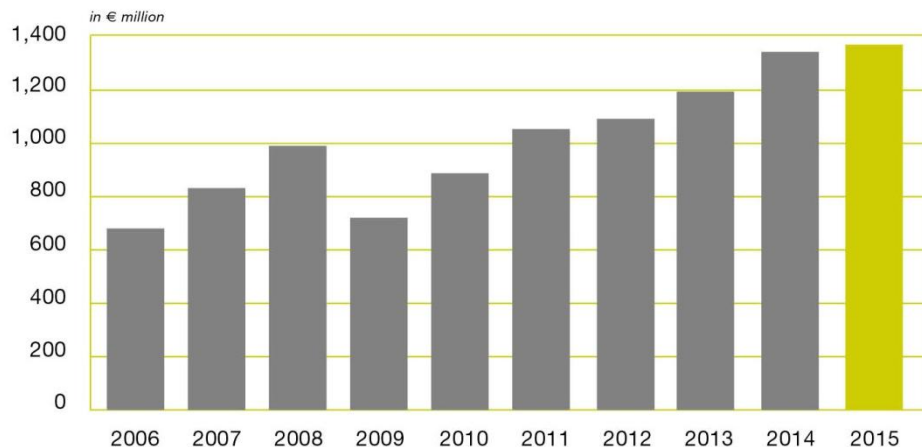
Growth drivers

Communication, safety, care and efficiency

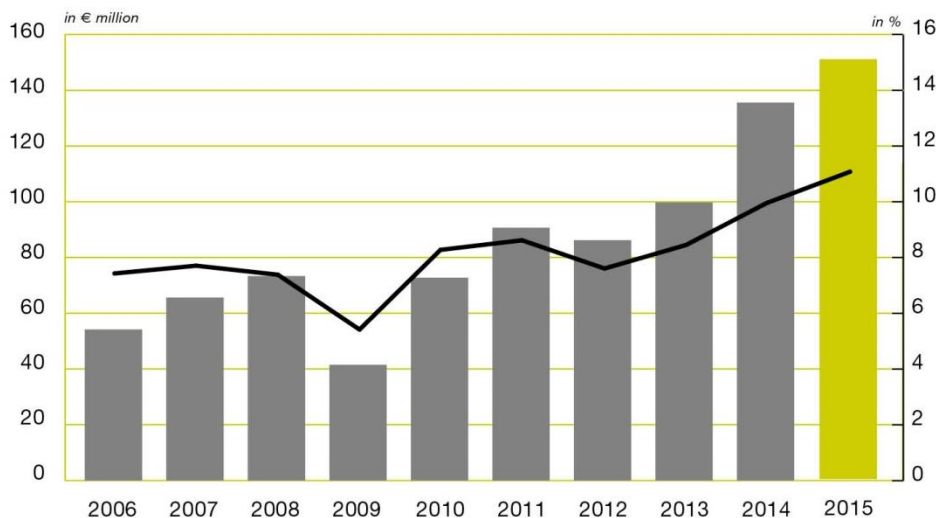
Innovations > 15% turnover

Developments 2006 - 2015

Turnover developments



EBITA and ROS developments



■ EBITA¹⁾

— ROS

¹⁾ excluding one-off income and expenses

DEVELOPMENTS 2015

Highlights 4th quarter 2015

- Turnover down 3.2% to € 344.7 million, organic decline of 6.6%
 - Building Solutions +11,2% of which 1.9% organic
 - Industrial Solutions - 14,1% in line with the reduced order intake in the previous quarters
 - Telecom Solutions - 3,8%
- EBITA before one-off income and expenses up 0.3% despite extremely strong Q4 2014
- ROS rises to 11.6%
 - focus on more profitable turnover, cut-back in turnover with low added value, and improved gross margin
- Increase of 6.8% in net profit before amortization and one-off income and expenses.

Key figures (in million € unless stated otherwise)	Q4 2015	Q4 2014 ¹⁾	Δ in %
Turnover	€ 344.7	€ 356.2	- 3.2%
EBITA before one-off income ³⁾	€ 39.9	€ 39.8	+ 0.3%
ROS	11.6%	11.2%	
Net profit before amortisation and one-off income and expenses attributable to shareholders ^{2) 3)}	€ 27.9	€ 26.2	+ 6.8%

1) The comparable figures have been adjusted due to a change in the accounting policies for company premises and sites from fair value to historic cost. In addition, the movements in inventories of finished products and work in progress have been recognized as cost instead of turnover.

2) Amortization of intangible fixed assets related to acquisitions (after tax).

3) The one-off income and expenses in 2015 were impairments of, on balance, € 1.0 million and the tax income thereof of € 0.2 million. In 2014, the one-off income and expenses amounted on balance to a income of € 7.6 million.

Highlights 2015

- Turnover up 2.2% at € 1.375 billion, organic turnover decline of 2.6%
- Increase EBITA before one-off expenses 12.1%
 - Good performance Building Solutions due to acquisitions and focus vertical growth markets
- Increase net profit before amortization and one off income and expenses 15,7% to € 99,9 million
- Acquisition Commend Group and merger squeeze-out Augusta Technologie AG
- Increase medium-term ROS target to 11-12% and ROCE to 20-22%
- Innovations account for 23.5% of turnover
- Dividend proposal € 1.10 per (depository receipt for an) ordinary share

Key figures	(in million € unless stated otherwise)	H1	H2	2015	2014 ¹⁾
Turnover		€ 690.0	€ 685.2	€ 1,375.2	€ 1,345.7
Turnover change		+ 5.8%	- 1.2%	+ 2.2%	+ 12.7%
organic		+ 0.2%	- 5.1%	- 2.6%	+ 12.9%
EBITA before one-off income ²⁾		€ 73.8	€ 77.7	€ 151.5	€ 135.2
ROS		10.7%	11.3%	11.0%	10.0%
Net profit before amortisation and one-off income and expenses attributable to shareholders ^{3) 4)}		€ 47.0	€ 52.9	€ 99.9	€ 86.4

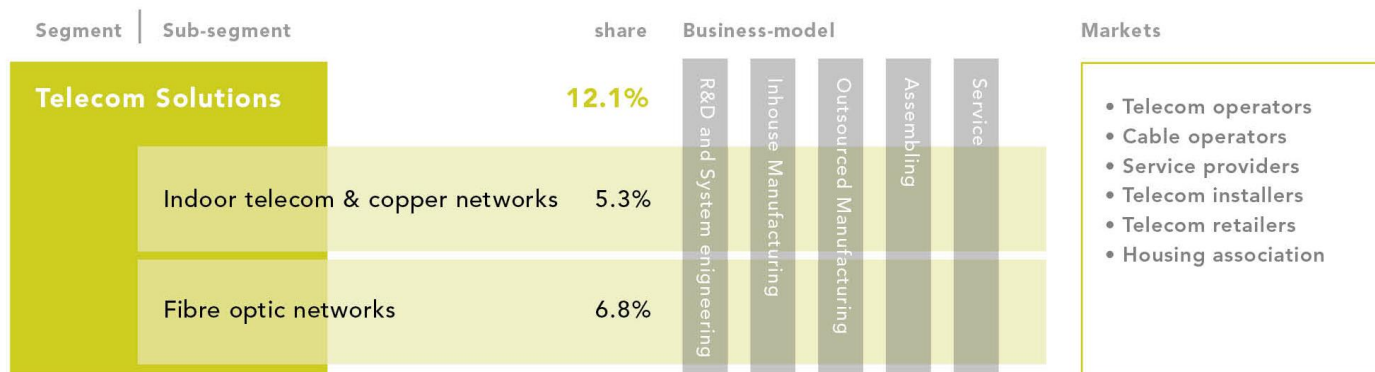
- 1) The comparable figures have been adjusted due to a change in the accounting policies for company premises and sites from fair value to historic cost. In addition, the movements in inventories of finished products and work in progress have been recognized as cost instead of turnover.
- 2) The one-off income in 2014 related to pension income from a change in pension schemes.
- 3) Amortization of intangible fixed assets related to acquisitions (after tax).
- 4) The one-off income and expenses in 2015 were impairments of, on balance, € 1.5 million and the tax income thereof of € 0.3 million. In 2014, the one-off income and expenses amounted on balance to a income of € 7.6 million.

Highlights 2015

Solutions segmentation

Segment	Sub-segment	share	Business-model					Markets
Telecom Solutions		12.1%						<ul style="list-style-type: none"> • Telecom operators • Cable operators • Service providers • Telecom installers • Telecom retailers • Housing association
	Indoor telecom & copper networks	5.3%						
	Fibre optic networks	6.8%						
Building Solutions		42.3%						<ul style="list-style-type: none"> • Building construction • Government • Traffic infrastructure • Care institutions • Parking organisations • Marine and offshore • Rail • Energy companies
	Vision & security systems	25.7%						
	Connectivity systems	16.6%						
Industrial Solutions		45.6%						<ul style="list-style-type: none"> • Machinery building industry • Process industry • Tyre building industry • Medical industry • Robot industry • Automotive industry • Can making industry
	Connectivity Systems	17.2%						
	Manufacturing Systems	28.4%						

Telecom Solutions



(in million € unless stated otherwise)	2015	2014	Δ in %
Turnover	€ 166.1	€ 167.4	- 0.8%
EBITA	€ 15.8	€ 14.5	+ 8.8%
%ROS	9.5%	8.7%	

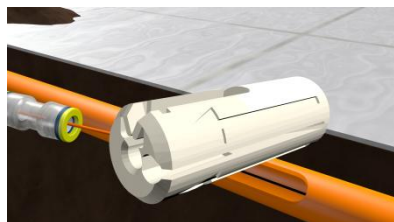
- Decline organic turnover: 2.4%
- Increase turnover indoor telecom & copper networks – increase turnover fibre optic networks in H2 compared to H1 2015 and H2 2014
- ROS improved because of efficiency improvements in production, cost savings and an improved margin in the international roll-out

Telecom Solutions

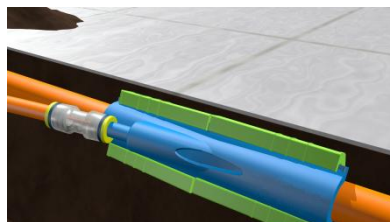
Segment fibre networks systems: turnover -1.7%

Optical fibre (cable), connectivity systems and components, active equipment

- In the Netherlands and Scandinavia, investments fell considerably due focus on utilizing the capacity of existing optical fibre and copper networks.
- Increase investments in Eastern Europe, Germany and China
- Additional fibre production capacity in China - positive impact on efficiency and margin
- Scarcity of optical fibre on the Chinese market - positive impact on margins and result
- Important project France – robotized connection of cables (SAODF- Semi-Automatic Optical Distribution Frame) in node networks



Fibre Strike



Expansion production
capacity optical fibre China



SAODF

Telecom Solutions

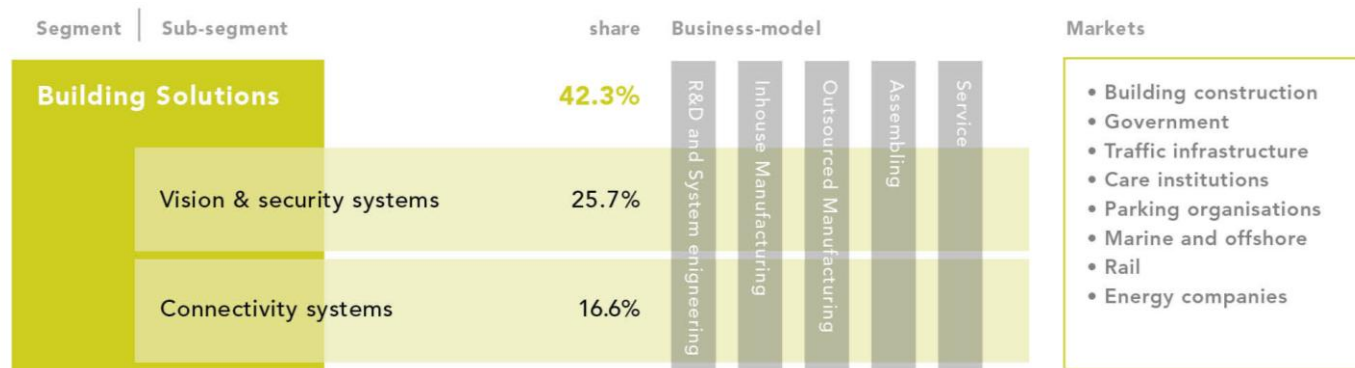
Segment indoor telecom & copper networks: turnover +0.5%

Home networking systems, broadband connectivity, IPTV-software solutions, Copper cable, connectivity systems and components, active equipment

- Decrease investments due to a shift of investments to optical fibre networks
- Increase turnover home networking systems due to higher consumer spending



Building Solutions



(in million € unless stated otherwise)	2015	2014	Δ in %
Turnover	€ 581.6	€ 497.6	+16.9%
EBITA	€ 64.6	€ 43.1	+ 49.9%
ROS	11.1%	8.7%	

- Organic turnover growth: 5.6% - due to focus on vertical growth markets and continued internationalisation
- Strong EBITA and ROS improvement due to turnover growth in both sub segments and acquisition of Commend

Building Solutions

Segment vision & security systems: turnover +25.1%

Vision technology, systems for CCTV, video/audio-analysis and detection, intercom, access controls and registration, central control room integration, care systems

- Innovations and distinctive technologies are excellent response to our customers' need to work more securely and efficiently
- Sharp increase of share in turnover generated outside the Netherlands due to large number of international projects – mainly in North America
- First signs of improving building and construction sector – increase in number of new-build homes in the Benelux
- Raise of R&D expenditure to increase competitive edge of TKH's technology



Vision inspection systems



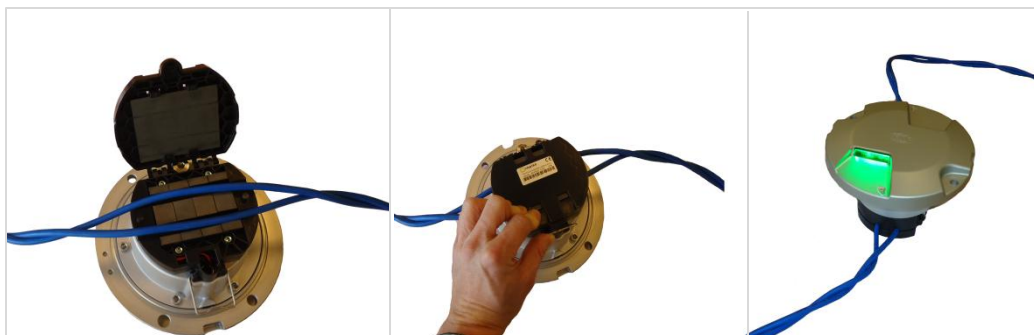
Emergency call systems schools

Building Solutions

Segment connectivity systems: turnover +6.1%

Specialty cable, connectivity systems and components for shipping, railways, wind energy as well as installation and energy cable for niche markets

- Positive impact due to focus on vertical growth markets despite of stagnant market volume in the building and construction sector
- Good contribution from vertical growth markets marine, oil & gas – international development market positioning
- Focus on efficiency improvements – positive impact on margin

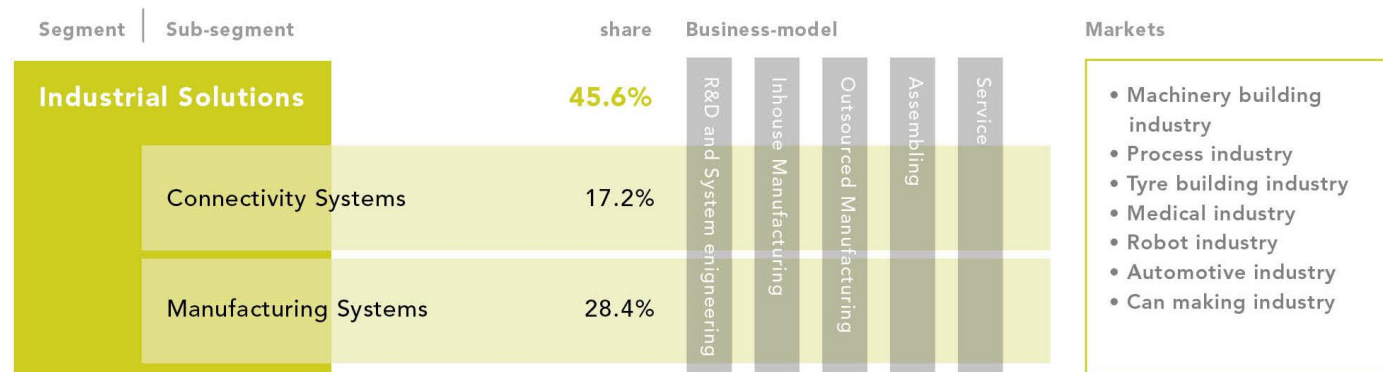


CEDD: Contactless energy and data distribution



Expansion production capacity subsea cable systems

Industrial Solutions



(in million € unless stated otherwise)	2015	2014	Δ in %
Turnover	€ 627.4	€ 680.7	- 7.8%
EBITA	€ 84.8	€ 91.6	- 7.4%
ROS	13.5%	13.5%	

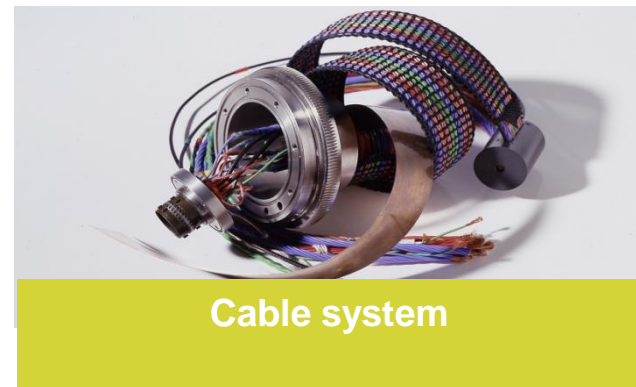
- Organic turnover declined: 8.5% due to reluctance to invest in China, particularly notable in the robot and machine industry, including tire building systems
- EBITA declined due to declined turnover. Thanks to effective cost controls, improved efficiency and increased in house production, ROS remained stable at 13.5%

Industrial Solutions

Segment connectivity systems: turnover -1.6%

Specialty cable systems and modules for the medical, robotic, automotive and machine building industry

- Lower order intake Germany in robot- and machine industry as a result of reluctance to invest China – reduction inventories by customers
- Margin improvement due to higher proportion of innovative connectivity solutions for medical equipment and larger share for cable systems
- Further increase of turnover share for complete systems in coming years
- Decrease turnover with lower added value



Industrial Solutions

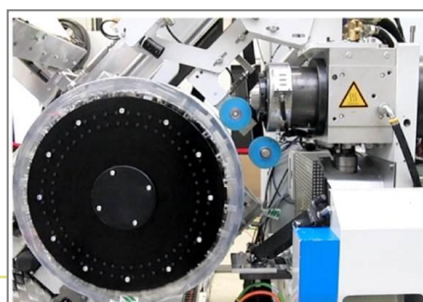
Segment manufacturing systems: turnover -11.2%

Tire manufacturing systems, can washers, machine control systems, product handling systems and test equipment for the medical industry and machine operating systems

- Turnover decline in line with reduced order intake in preceding quarters – reluctance to invest in tire building industry in China
- Considerable improvement working capital – delivery of systems ordered in 2014 by Chinese customers
- Order intake 2015: € 285 million – outside China broad-based, both in terms of customers and geographic spread
- Targeted turnover growth on track due to development of position at 5 major tire manufacturers
- Important development of next generation of truck tire manufacturing technology: MILEXX
- Increase capacity of production tire building systems in Poland
- Successful launch of medicine distribution systems – further roll-out in 2016



INDIVION



UNIXX

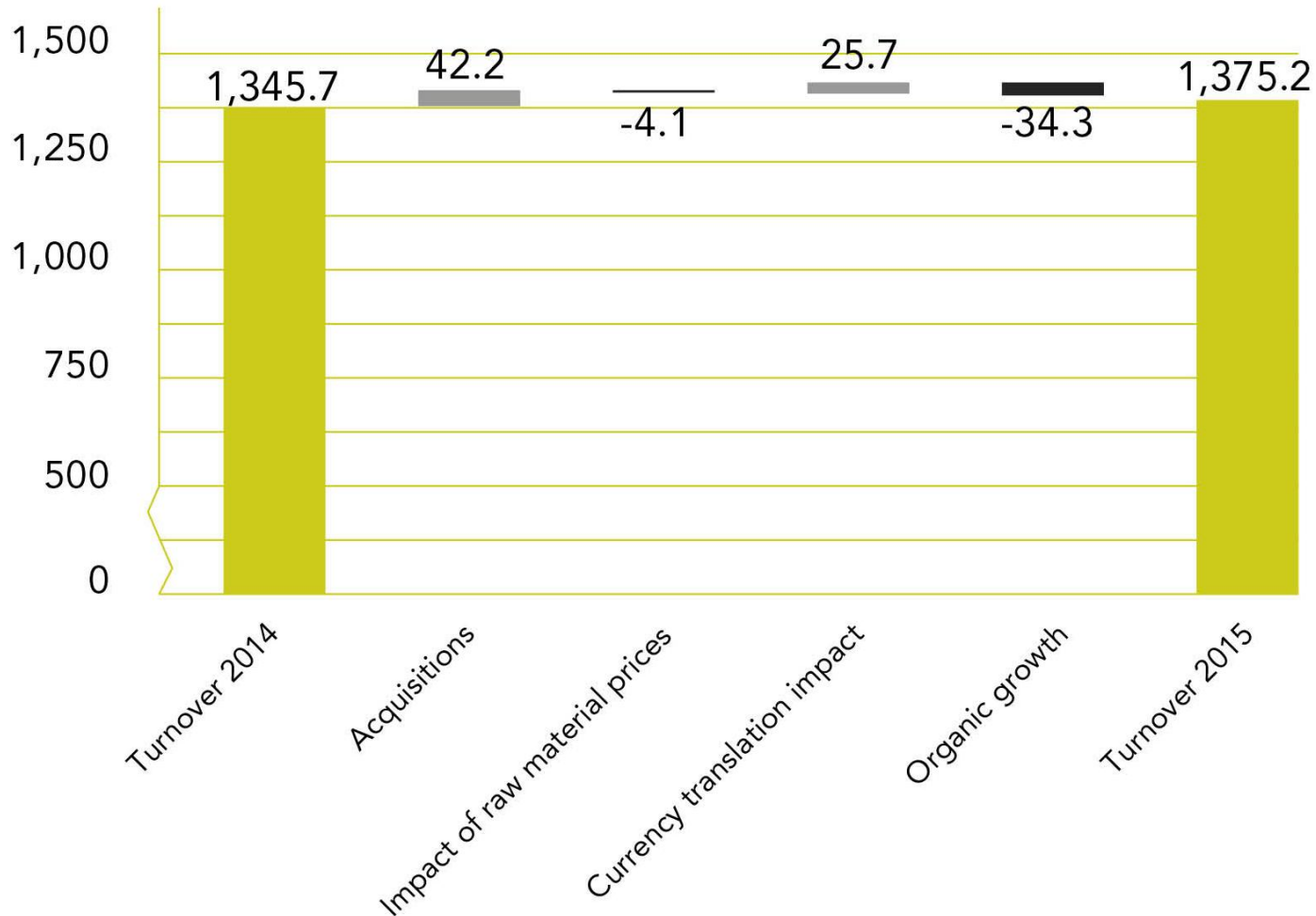


MILEXX

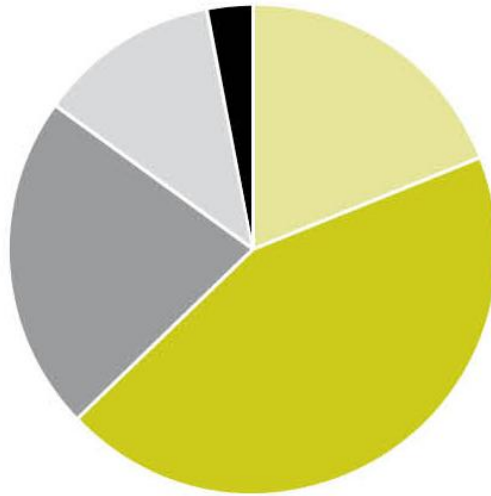
NOTES TO THE RESULTS AND BALANCE SHEET 2015

Notes to the results 2015

Change in turnover (in € million)

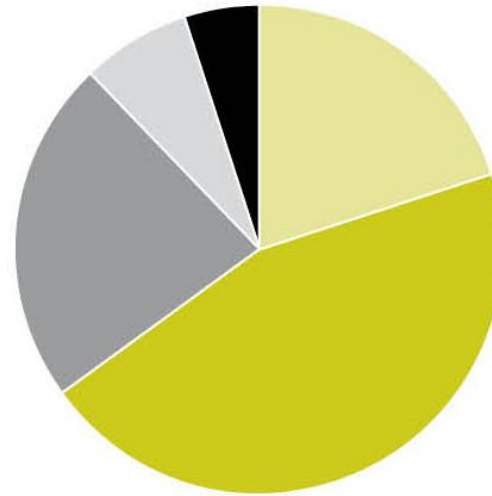


Geographical distribution of turnover (in %)



2015

	Netherlands	19
	Europe (other)	44
	Asia	22
	North America	12
	Other	3



2014

	Netherlands	20
	Europe (other)	45
	Asia	23
	North America	7
	Other	5

Notes to the results 2015



Development of turnover per solution

(in million € unless stated otherwise)	Turnover 2015	Turnover 2014	Total growth	Impact prices raw materials	Impact acqui- sitions	Organic growth
Telecom Solutions	166.1	167.4	- 0.8%	+ 1.6%	-	- 2.4%
Building Solutions	581.6	497.6	+16.9%	+ 2.8%	+ 8.5%	+ 5.6%
Industrial Solutions	627.5	680.7	- 7.8%	+ 0.7%	-	- 8.5%
Total	1,375.2	1,345.7	+ 2.2%	+ 1.7%	+ 3.1%	- 2.6%

- **Gross margin increased to 46.0% (2014: 42.8%)**
 - Margin improvement due to the acquisition of the Commend Group
 - Improved product mix

- **Increase EBITA before one-off income of 12.1%**
 - Operating costs (in % of turnover) increased to 34.9% (2014: 32.7%) largely due to higher in-house production and therefore reduced outsourcing to third parties, plus an increase in R&D costs
 - Increase depreciation charges with € 1.6 million as a result of higher investment levels in recent years
 - Increase ROS from 10.0% to 11.0%

EBITA per Solution

(in million € unless stated otherwise)	2015		2014 ¹⁾	
	EBITA	ROS %	EBITA	ROS %
Telecom Solutions	15.8	9.5	14.5	8.7
Building Solutions	64.6	11.1	43.1	8.7
Industrial Solutions	84.8	13.5	91.6	13.5
Other	- 13.7		- 14.0	
Total	151.5	11.0	135.2	10.0

¹⁾ Excluding one-off income

Notes to the results 2015

- **Increase amortisation charges with € 5.4 million**
 - Higher investments in research & development
 - Acquisition Commend Group

 - **One-off income and expenses of € 1.5 million (2014: € +8.8 million)**
 - Impairment of € 1.8 million from depreciations on capitalized R&D projects and a release of financial obligations for earn-out and put-options of € 0.3 million, which on balance resulted in a one-off charge of € 1.5 million
 - Defined benefit gain of € 9.4 million in 2014 due to change in pension plans

 - **Result from participations of € 0.7 million**
 - Mainly 5%-interest in Nedap and 12.5%-interest in Chinese preform Joint Venture (ShinEtsu – Fasten)

 - **Stable tax rate of 20.6% (2014: 20.6%)**
 - Important share of profit is taxed in Dutch innovation box facility
 - Renewal of agreement with the Dutch tax authority on innovation box facility, which will now run to year-end 2018
-

Notes to the results 2015



(in million €)	2015		2014 ¹⁾		Δ in %
Turnover	1,375.2		1,345.7		+ 2.2
Raw materials and consumables	- 743.2		- 770.0		
Gross margin	632.0	46,0%	575.7	42,8%	+ 9.8
Operating costs	- 480.5		- 440.5		+ 9.1
EBITA	151.5	11,0%	135.2	10,0%	+ 12.1
Amortisation	- 31.6		- 26.2		
One-off income and expenses	- 1.5		8.8		
Operating result	118.4		117.8		
Financial expenses	- 7.8		- 10.3		
Result participations	0.7		0.2		
Result before taxes	111.3		107.7		
Taxes	23.0		- 22.2		
Net profit	88.3	6,4%	85.5	6,4%	+ 3.3
Net result before amortisation and one of Income and expenses ²⁾	99.9	7,3%	86.4	6,4%	+ 15.7

¹⁾ After restatement as a result of change in accounting principles for land and buildings and prior period restatements (see Accounting principle for financial reporting).

²⁾ Net profit before amortisation of acquisition-related intangible fixed assets (after taxes) attributable to shareholders

Balance sheet as of 31 December 2015

(in million €)	31-12-2015	31-12-2014 ¹⁾
<u>Assets</u>		
Non-current assets	630.4	555.8
Inventories	194.2	202.3
Construction contracts	74.2	115.3
Receivables	172.9	172.5
Cash	179.0	144.8
Assets held for sale	0.0	3.1
Total	1,250.7	1,193.8
<u>Liabilities</u>		
Equity	520.8	482.7
Non-controlling interests	8.6	17.2
Long-term liabilities	223.1	258.9
Long-term provisions	88.1	72.2
Borrowings ²⁾	126.2	58.7
Construction contracts	54.1	41.5
Short-term liabilities	229.8	262.6
Total	1,250.7	1,193.8

¹⁾ After restatement as a result of change in accounting principles for land and buildings and prior period restatements (see Accounting principle for financial reporting).

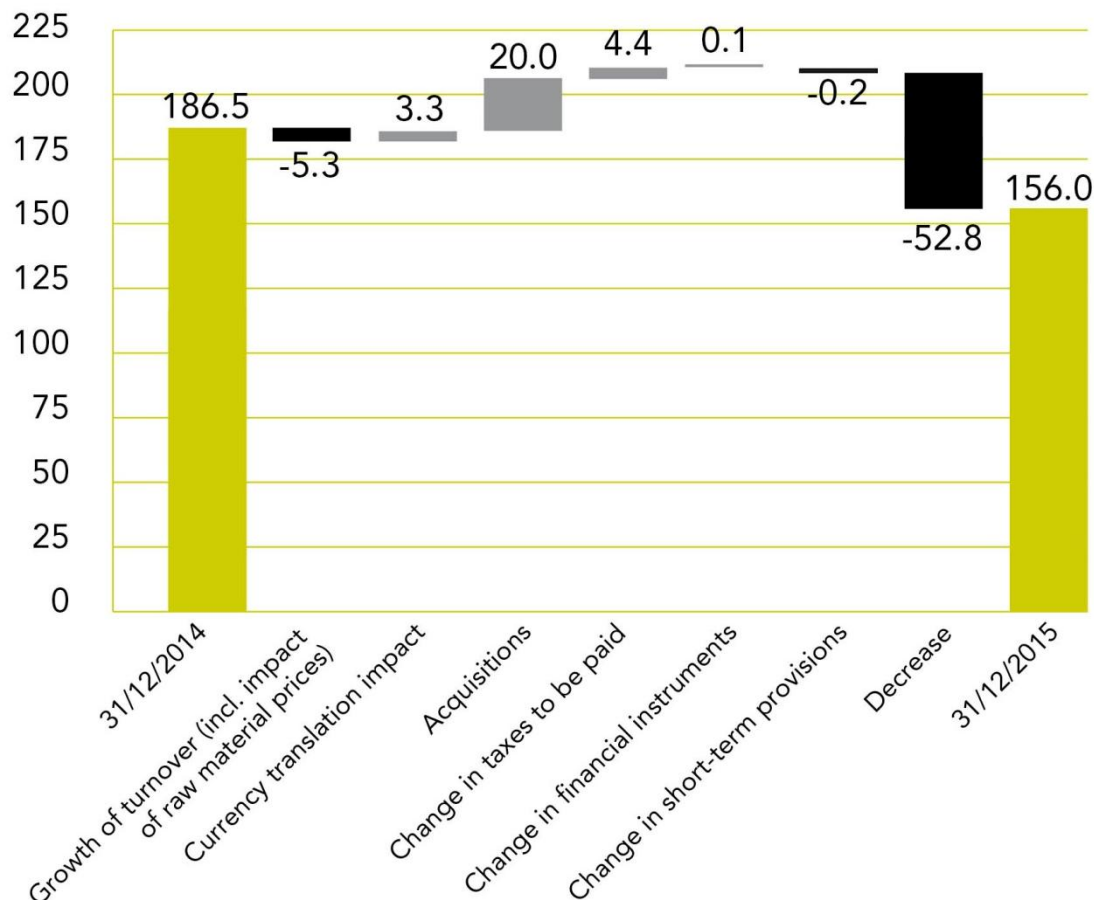
²⁾ Including € 114.3 million (2014: € 54.5 million) cash and cash equivalents that are part of a cash pool.

Notes to the balance sheet

31 December 2015



Change in working capital (in € million)



Working capital

➤ Use of non-recourse factoring:

31-12-15 € 43.0 million

31-12-14 € 41.2 million

➤ Use of supply chain finance:

31-12-15 € 11.8 million

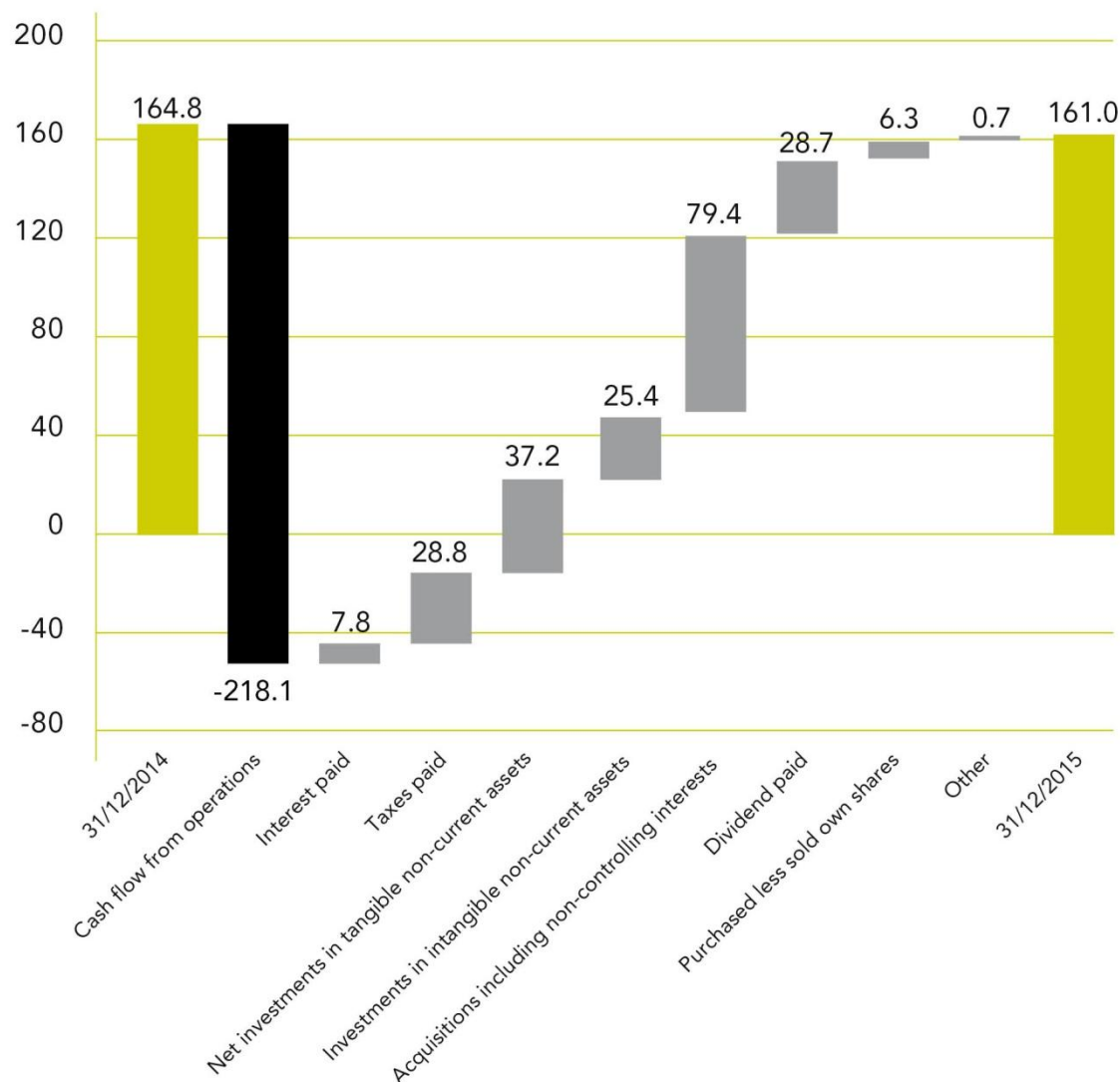
31-12-14 € 13.6 million

Notes to the balance sheet

31 December 2015



Change in net debt (in € million)



Financial covenants

- Net debt is based on financial covenants as agreed with banks
- Net debt / EBITDA: 0.9
- Interest coverage ratio: 22.5

Cash flow statement

(in million €)	2015	2014
Operating result	118.4	117.8
Depreciation, amortisation and impairment	55.7	46.7
Result on divestments	- 1.2	
Share and option schemes	2.5	1.8
Change in provisions	- 0.7	- 8.6
Change in working capital	43.4	- 40.8
Cash flow from operations	218.1	116.9
Interest paid	- 7.7	- 9.0
Tax paid	- 28.8	- 13.0
Cash flow from operational activities	181.6	94.9
Acquisitions	- 49.7	- 5.3
Cash flow from other investing activities	- 62.9	- 56.0
Issuance of new shares		74.1
Acquisition of non-controlling interests	- 25.2	- 65.5
Settlement financial liabilities put options and earn-out	-2.2	-1.5
Cash flow from other financing activities	- 65.2	- 34.8
Exchange differences	- 1.8	4.8
Change in available funds	- 25.6	10.7

Ratios

	2015	2014
Working capital / Turnover ¹⁾	11.4%	13.8%
Net debt / EBITDA ²⁾	0.9	1.0
ICR (EBITDA / Financial cost) ²⁾	22.5	18.9
Solvency	42.2%	41.9%
Earnings per ordinary share before amortisation and one-off income and expenses ³⁾	€ 2.40	€ 2.23
Earnings per ordinary share	€ 2.07	€ 2.14

1) On an annual basis

2) Based on the financial covenants as agreed with the banks

3) Based on weighted average outstanding shares. Based on the 41,399,835 outstanding ordinary shares at the end of 2014, the earnings per ordinary share before amortisation and one-off income and expenses is € 2.09.

Strategic developments & outlook

Business drivers

Focus on four core technologies

- Vision & security, communication, connectivity and manufacturing systems
- Merge the four core technologies into specific solutions for identified niche vertical markets with special focus on high growth opportunities within the business segments Telecom, Building and Industrial Solutions:
 - Offer high level of service and integrated solutions
 - Offer highly innovative 'best in class' systems
 - High return on investment for the customer by focusing on improving efficiency, increasing the reliability of processes and security levels

Focus on seven vertical growth markets with growth potential in 3 - 5 years of € 300 - € 500 million.

Fibre Optic Networks - Care - Tunnel & Infra - Parking - Marine, Oil & Gas - Industrial Machine Vision - Tire Building Industry

TKH – vertical growth markets – growth drivers

Advantage of focus on defined vertical growth markets

- Focus leads to maximum traction to realise growth potential
- Choice for growth verticals is determined on the return potential based on internal and external benchmarking – ROS and ROCE in combination with organic growth opportunities
- Defined turnover and return targets per segment
- Executive Board directly involved in realisation targets via Solution responsibility
- One end-responsible per vertical market who reports directly to the Executive Board
- Optimal use of R&D-resources and investments to markets with largest potential
- Coordination of technology development priorities to growth verticals
- Only acquisitions in defined growth verticals

Financial objectives TKH

Progress realisation targets on track

- Increase ROS in 2015 to 11.0% (2014: 10.0%)
- ROCE in 2015: 22.1% (2014: 21.2%)

Targets

- ROS target: 11 to 12% (increased from 10 to 11%)
- ROCE target: 20 to 22% (increased from 18 to 20%)
- Net debt / EBITDA: < 2.0

Growth scenarios vertical growth markets

Growth verticals (in € millions)	2012	2014	2015	Growth scenarios	
Fibre Optics Network	80	99	101	120	150
Parking	20	35	50	75	100
Tunnel & Infra	30	25	42	100	150
Marine, Oil & Gas	20	50	58	100	125
Care	30	34	39	70	100
Machine Vision	95	103	114	150	175
Tire Building	175	338	291	450	550
Growth verticals	450	685	697	1,065	1,350

- Focus vertical growth markets – acceleration realization ROS and ROCE target
- Exclusive tire building industry – 17% growth compared to 2014
- Based on technology roadmaps and planned rollout of associated new business, growth will materialize from 2018
- Growth scenarios
 - No specific year for realization
 - Mainly organic growth > 80%

Outlook

- Global economic conditions are mixed.
- The impact of and uncertainty regarding the economic developments in China has now led to uncertainty about global economic developments in the year ahead, which has in turn resulted in reluctance to invest in the industrial sector.
- TKH's core technologies well positioned to continue growth – expectation turnover to grow by € 300 to € 500 million in the next 3 - 5 years in the seven defined vertical growth markets
- **Telecom Solutions**
 - Investments in Europe and China in optical fibre networks are expected to increase
 - Due to our investments in market penetration in recent years, growth potential for TKH will be largely focused in Europe
 - Expand of our production capacity and the proposed additional investments in 2016 will help us to take advantage of growth opportunities and increase efficiency in our plants

> **Building Solutions**

- > Signs of growth in investments in the building and construction sector and the energy/infra sector
- > Reluctance to invest within the marine, oil and gas industry
- > Vertical growth markets, primarily linked to vision and security technology offer growth perspectives

> **Industrial Solutions**

- > Still a strong reluctance to invest in capital goods in Asia – however, outlook for order intake 2016 is positive
- > The lower order intake, since the beginning of 2015, has impact on H1 2016 results
- > Capacity expansion is particularly useful in H2 2016 to meet demand – cost levels will be higher than usual in the first half of the year, in anticipation of expected higher order intake

As usual, TKH will give a specific forecast on the full year profit for 2016 at the presentation of its interim results in August 2016

Appendix I: TKH TECHNOLOGIES

Core technologies



Vision & Security



Explosion safety cameras



Video surveillance



Robot steering and diagnostics



Video management and -analysis



Lighting & guiding systems



Industrial automation



Electronic access systems



Access control and registration systems



Industrial inspection



Optical fibre systems



Public address



Audio systems



Alarm systems



Intercom systems



Evacuation systems



Emergency systems



Building management and -monitoring



Personal alarm systems

Communication

Connectivity



Building & infra



Marine, oil and gas



Medical industry



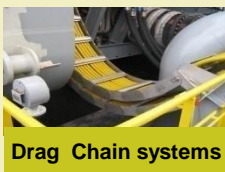
Data / telecommunication



Energy distribution



Robot / machine building industry



Drag Chain systems



Connectivity systems



MultiMediaConnect



Medicine distribution



Tyre assembling



Product Handling



Tyre component manufacturing



Vision inspection



Production automation



Control cabinets



Connectivity



Scada systems

Manufacturing systems

Appendix II: VERTICAL GROWTH MARKETS

Business drivers

TKH focuses on distinguishing potential for an above-average performance

- Niche player strategy - focus on high quality solutions with high margins
- High pricing power by innovative unique solutions
- Attractive margins because of high yield on investments for customers
- Commodity products are mainly used as part of total solutions
- Through outsourcing of more than 60% of manufacturing a more flexible capacity is available and cost basis more variable
- Focus on markets with high growth
- Spread risk over a large number of product / market combinations

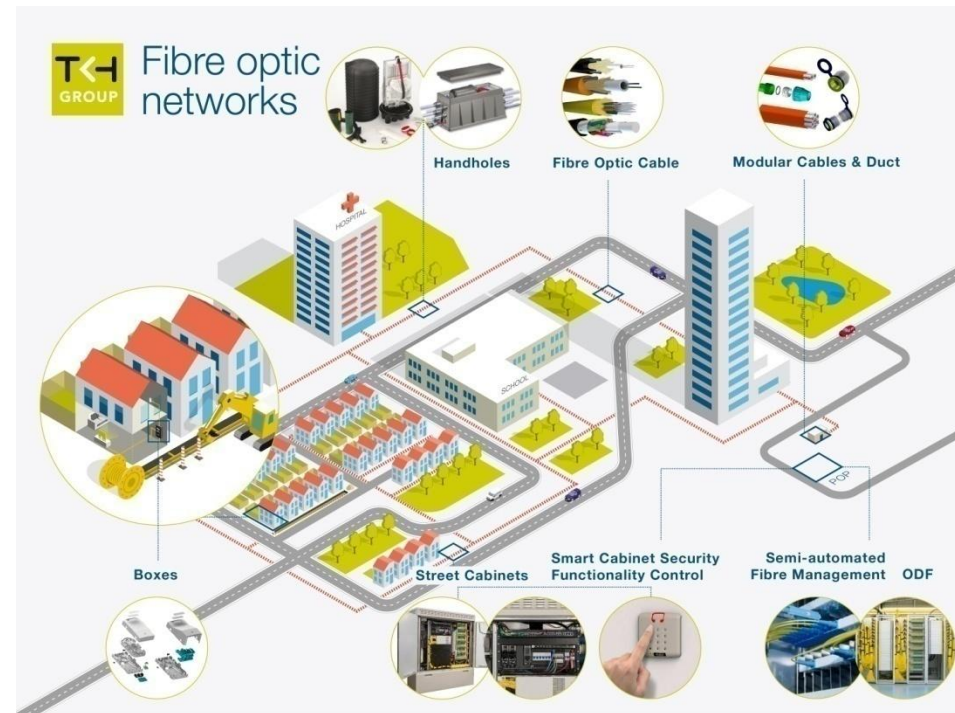
TKH – vertical growth markets – Fibre Optic

Growth drivers

- The impact of information and communication technology on the way we live our lives.
- Stormy development of e-learning, gaming, social media - increasing need for bandwidth.
- Data usage by smartphones and tablets continues to grow.
- The transition from 3G to 4G LTE networks will change the mobile market dramatically: with 4G LTE the speeds of mobile and fixed internet are brought closer together.
- High priority for telecom operators to upgrade networks
- Several European countries have announced investment plans for the roll-out of FttH projects – successful FttH projects demonstrate a high return on investment.

Position

- Integrated solutions – connectivity – security
- High knowledge level of network requirements customers
- Cost leadership
- Strong innovative power
- Resources prepared for growth with available and exiting capacity



TKH – vertical growth markets – Care

Growth drivers

- › Life expectancy is continually increasing and healthcare spending will increase sharply due to more and better, but also more expensive care.
- › Changing healthcare funding: shifting from the government to the institutions and healthcare insurers.
- › Innovation in healthcare continues and is needed in order to satisfy the demand for care
- › Shortage of skilled workers. Informal caregivers play an important role and, together with the client and the healthcare professionals, are equal partners – de-medicalisation of light care needs.
- › Changing and complex regulations
- › Preferential policy, free tariffs and the shift of the more expensive drugs to hospital budgets, lead to financial pressure among pharmacies
- › Increase in scale per pharmacy (more patients and prescription rules) - service provision, for example by means of 24-hour safe.
- › Increase central task of preparing medicines in a remote location - acceptance of robotics in pharmacy wholesale.

Position

- › Smart Care concept with centralized management and community platform
- › End to end, modular care platform including service concept with data hosting to increase care efficiency and quality
- › Viedome is leading care concept in NL with increasing service model – selected international roll-out (Germany, France)



TKH – vertical growth markets – Parking

Growth drivers

- Revenue from car parks is under pressure due to low supply and mobility - need to reduce OPEX
- Increase capacity utilisation and revenues by means of differentiated parking fee and increase comfort and convenience for parkers.
- Use of technologies to improve safety, access and payment possibilities.
- Emergence of demand for frictionless parking.
- Demand for the provision of a visual dashboard with parking information.



Position

- Efficiency through centralization, smart maintenance, yield management, modular parking solutions
- Develop European Nr 1 position in parking and gain momentum in North America and top locations ME
- Gain momentum on large 5 accounts and large spenders airports, shopping malls

TKH – vertical growth markets – Tunnel & Infra

Growth drivers

- A lot of investments expected for the coming years within Europe to be built - existing tunnels will be equipped with technology.
- Due to the increasing legislation and regulations in the field of security, ever increasing demands are made on the technical equipment - the tightening of EU rules in respect of the safety directive.
- Increasing demand for technologies in order to comply with strict requirements: evacuation - communication - detection - identification – security.
- Principals are shifting responsibilities to the contractors - formation of alliances between principals and contractor so that parties have a common interest in cost control.
- Availability infrastructure - tunnels, airports and roads - is increasing by the TKH advanced technologies that require less maintenance with more efficiency.



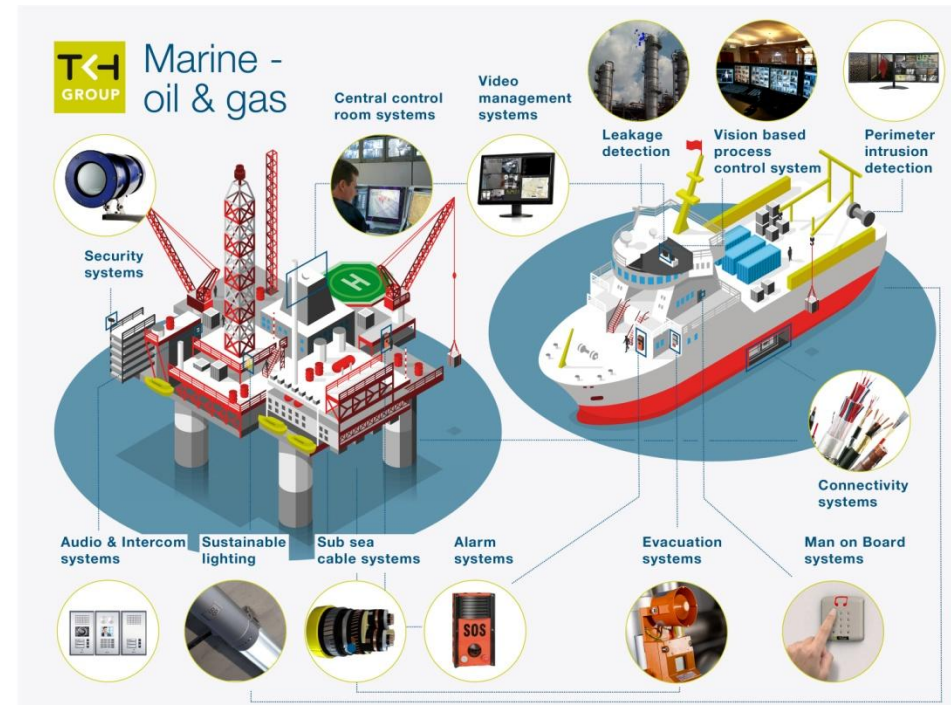
Position

- Increasing demand for highly integrated security designed solutions for infrastructure tunnels
- Total security concepts (video and communication) for tunnels.
- Disruptive airfield lighting concept based on CEDD technology
- Number 1 position in Benelux for tunnel security concepts

TKH – vertical growth markets – Marine, Oil & Gas

Growth drivers

- › Doubling of shipping volume in 2030 – thus demand for larger cargo ships and need for efficient external site management.
- › Increase in the building of quality ships, cruise liners and luxury yachts.
- › Increase of remote control of unmanned operations on platforms.
- › A lot of attention for safety via special 'zone' certification.
- › Modification of supply chain due to limited storage capacity on the spot and high cost of downtime.
- › High demands on system availability under various environmental conditions, such as extreme temperatures, humidity, oil, salt water.



Position

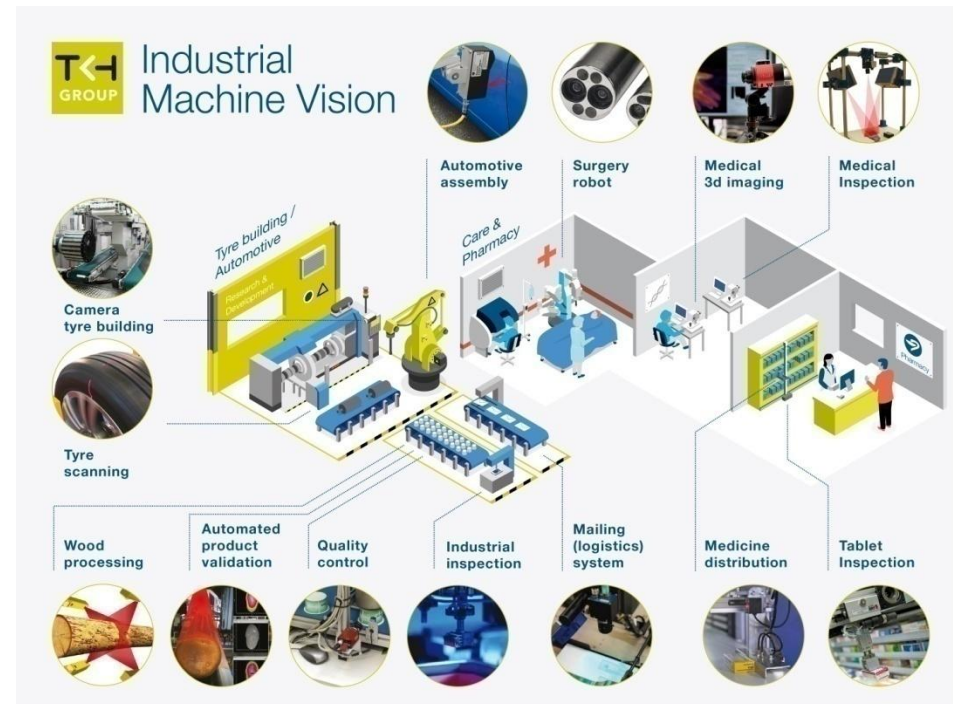
- › Addressing Safety & Security in certification rich environment
- › Vessel attendance system
- › Subsea cable solutions
- › Smart camera solutions incl. thermal, leakage detection, ATEX housing
- › Mission critical communication
- › Completing portfolio in data connectivity, power cables and safety
- › Expanding in international large accounts

TKH – vertical growth markets – Machine vision



Growth drivers

- Demand for vision technology is increasing due to trend towards automation and robotics in factories – demand for more efficient production processes.
- Increased miniaturisation complicates quality control and inspections of products by the ‘human eye’..
- Because of strict regulations to fight counterfeiting of food and medicines, pharmaceutical and food manufacturers have put traceability high on their agenda.
- Future regulations in the field of traceability and verification of products.
- Continuous development of new applications where vision technology will be deployed



Position

- Technology leadership in many application areas
- Market leader for high end systems
- Strong innovation and R&D competence with breakthrough technology for 3D analyses, fluid detection, view through materials
- Strong worldwide sales organisation

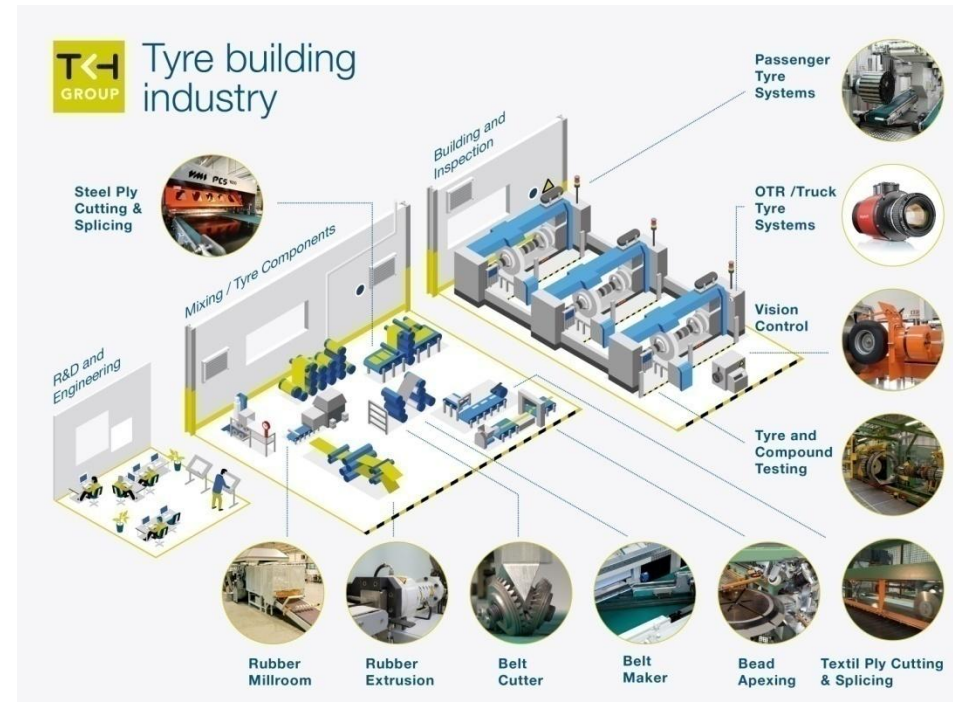
TKH – vertical growth markets – Tire building

Growth drivers

- High priority of the tyre manufacturing industry to replace existing technology with an emphasis on high productivity, efficiency, waste reduction, quality improvement and smaller batches.
- The number of tyre sizes for passenger cars has increased more than tenfold in recent decades. This calls for more flexible production methods.
- The trend towards ever larger tyre dimensions and towards safer, better-quality tyres.
- Innovations have become essential to reduce the working capital requirement in the supply chain of the tyre manufacturing industry.
- Over 70% of the existing tyre manufacturing systems are older than 15 years.
- Due to the high prices of raw materials, there is a need for a more efficient use of materials in the production of tyres.
- Due to rising labour costs, demands for systems with higher productivity and operator independence increases.

Position

- Market share TKH in outsourced market: > 70%
- Total market share including top five tire manufacturers: > 20% – target >30%
- Technology leadership through high level of R&D - protected with patents and high innovation level
- Proprietary vision technology strong differentiator for the technology leadership



Appendix III: Change in revenue presentation

Appendix

Notes to the results 2015



- The 'Change in inventories finished goods and work in progress' has been reclassified from turnover to cost of sales. The impact of the reclassification on the turnover and added value per half year en full year is shown hereafter:

TKH Group x € 1,000	New presentation (2015)			Old presentation (2014)		
	H1 2015	H2 2015	FY 2015	H1 2015	H2 2015	FY 2015
Total turnover	689,983	685,169	1,375,152	690,266	674,653	1,364,919
Cost of sales	372,870	370,357	743,228	373,153	359,784	732,937
Added Value	317,113	314,811	631,924	317,113	314,869	631,982
<i>Added value</i>	<i>46.0%</i>	<i>45.9%</i>	<i>46.0%</i>	<i>45.9%</i>	<i>46.7%</i>	<i>46.3%</i>

TKH Group	H1 2014 H2 2014 FY 2014			H1 2014 H2 2014 FY 2014		
	H1 2014	H2 2014	FY 2014	H1 2014	H2 2014	FY 2014
Total turnover	652,110	693,562	1,345,672	657,080	693,302	1,350,383
Cost of sales	377,157	392,852	770,010	382,128	392,593	774,720
Added Value	274,953	300,709	575,662	274,953	300,709	575,662
<i>Added value</i>	<i>42.2%</i>	<i>43.4%</i>	<i>42.8%</i>	<i>41.8%</i>	<i>43.4%</i>	<i>42.6%</i>

Revenue growth	5.8%	-1.2%	2.2%	5.1%	-2.7%	1.1%
Change in added value%	3.8%	2.6%	3.2%	4.1%	3.3%	3.7%

Appendix

Notes to the results 2015



➤ Telecom Solutions

New presentation (2015)				Old presentation (2014)			
Telecom Solutions x € 1,000	H1 2015	H2 2015	FY 2015	H1 2015	H2 2015	FY 2015	
Total turnover	80,443	85,686	166,128	81,469	84,773	166,242	
Cost of sales	47,706	53,303	101,009	48,732	52,390	101,122	
Added Value	32,737	32,383	65,120	32,737	32,383	65,120	
<i>Added value</i>	<i>40.7%</i>	<i>37.8%</i>	<i>39.2%</i>	<i>40.2%</i>	<i>38.2%</i>	<i>39.2%</i>	

Telecom Solutions	H1 2014	H2 2014	FY 2014	H1 2014	H2 2014	FY 2014	
Total turnover	82,003	85,389	167,392	80,479	84,800	165,279	
Cost of sales	51,857	53,289	105,146	50,333	52,700	103,033	
Added Value	30,146	32,100	62,246	30,146	32,100	62,246	
<i>Added value</i>	<i>36.8%</i>	<i>37.6%</i>	<i>37.2%</i>	<i>37.5%</i>	<i>37.9%</i>	<i>37.7%</i>	

Revenue growth	-1.9%	0.3%	-0.8%	1.2%	0.0%	0.6%	
Change in added value%	3.9%	0.2%	2.0%	2.7%	0.3%	1.5%	

Appendix

Notes to the results 2015



➤ Building Solutions

New presentation (2015)				Old presentation (2014)			
Building Solutions	x € 1,000			H1 2015	H2 2015	FY 2015	
Total turnover	287,525	294,090	581,615	287,823	284,248	572,071	
Cost of sales	148,802	155,458	304,259	149,100	145,616	294,716	
Added Value	138,723	138,633	277,356	138,723	138,632	277,355	
Added value	48.2%	47.1%	47.7%	48.2%	48.8%	48.5%	

Building Solutions	H1 2014 H2 2014 FY 2014			H1 2014	H2 2014	FY 2014	
Total turnover	237,445	260,161	497,605	242,347	259,752	502,099	
Cost of sales	131,323	145,338	276,661	136,226	144,929	281,155	
Added Value	106,121	114,823	220,944	106,121	114,823	220,944	
Added value	44.7%	44.1%	44.4%	43.8%	44.2%	44.0%	

Revenue growth	21.1%	13.0%	16.9%	18.8%	9.4%	13.9%	
Change in added value%	3.6%	3.0%	3.3%	4.4%	4.6%	4.5%	

Appendix

Notes to the results 2015



> Industrial Solutions

New presentation (2015)				Old presentation (2014)			
Industrial Solutions x € 1,000	H1 2015	H2 2015	FY 2015	H1 2015	H2 2015	FY 2015	
Total turnover	322,016	305,376	627,392	320,972	305,567	626,539	
Cost of sales	176,363	161,597	337,960	175,319	161,787	337,106	
Added Value	145,653	143,779	289,432	145,653	143,780	289,433	
<i>Added value</i>	<i>45.2%</i>	<i>47.1%</i>	<i>46.1%</i>	<i>45.4%</i>	<i>47.1%</i>	<i>46.2%</i>	

Industrial Solutions	H1 2014	H2 2014	FY 2014	H1 2014	H2 2014	FY 2014	
Total turnover	332,663	347,999	680,662	334,254	348,737	682,991	
Cost of sales	193,977	194,226	388,203	195,568	194,964	390,532	
Added Value	138,686	153,774	292,460	138,686	153,773	292,459	
<i>Added value</i>	<i>41.7%</i>	<i>44.2%</i>	<i>43.0%</i>	<i>41.5%</i>	<i>44.1%</i>	<i>42.8%</i>	

Revenue growth	-3.2%	-12.2%	-7.8%	-4.0%	-12.4%	-8.3%	
Change in added value%	3.5%	2.9%	3.2%	3.9%	3.0%	3.4%	



TKH Group the solution provider <