

# RESULTS FIRST HALF YEAR 2018

14 August 2018

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# HIGHLIGHTS



➤ Turnover € 1.5 billion

➤ Number of employees (FTEs) 6,129

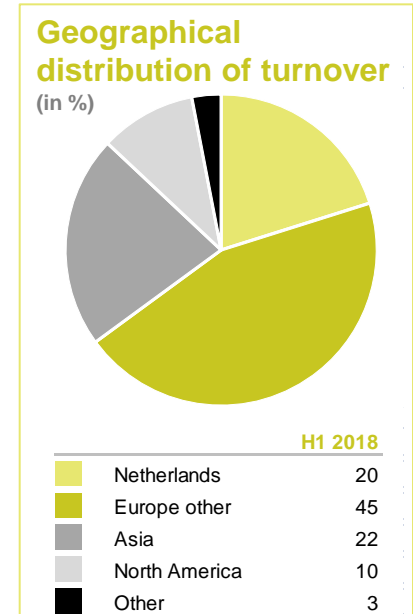
➤ Technology company

➤ Four core technologies

**Vision & security, mission critical communication, connectivity and smart 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:

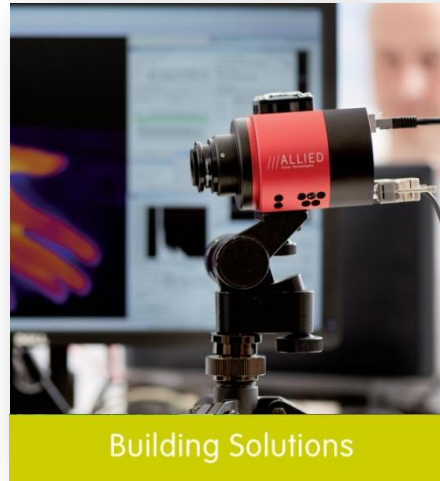
➤ Telecom Solutions	12%
➤ Building Solutions	43%
➤ Industrial Solutions	45%



# MISSION

TKH is an innovative and leading technology (niche) player by creating combinations of its four core technologies to total solutions that lead to larger efficiency, more comfort and larger safety for customers. By offering 'best in class'-solutions, TKH aims to continuously exceed customers' expectations.

TKH strives to be an attractive employer and to be a solid investment for its shareholders, central to which is a manner of doing business that reflects its corporate social responsibility.



## VALUE CREATION

### 4 CORE TECHNOLOGIES



INNOVATIONS >15%

### 3 BUSINESS SEGMENTS



### GROWTH-DRIVERS

Efficiency - Comfort - Safety - Security

### 7 VERTICAL MARKETS



TKH merges 4 core technologies into specific solutions for 7 high growth vertical markets with special focus on growth opportunities within 3 business segments Telecom, Building and Industrial Solutions

### Focus on 4 core technologies

- Offer high level of service and integrated solutions
- Offer highly innovative 'best in class' systems
- High return on investment for customer by focusing on improving efficiency, increasing the reliability of processes and security levels

### Focus on 7 vertical growth markets

- Choice for growth verticals is determined on return potential based on internal and external benchmarking - ROS and ROCE in combination with organic growth opportunities
- Growth potential in 3 - 5 years of € 300 - € 500 million

# VALUE CREATION WITHIN TKH



## TKH focuses on distinguishing potential for an above-average performance

- **Niche player** strategy – focus on high-grade solutions and relatively small markets with high margins
- High pricing power due to **innovative unique solutions**
- Selling **high return on investment** to customers
- Besides entering into partnerships, we focus on the development of advanced **proprietary technologies**
- High added value through **system integration**, service and solutions
- Commodity products used primarily as part of total solutions
- **Outsourcing** more than 70% of **capital intensive** production - flexible capacity is available and cost basis more variable
- Focus on **high-growth vertical markets** or **market share expansion** potential - optimal use of R&D-resources and investments to markets with largest potential
- **Spreading risk** across a large number of product/market combinations
- **Geographic focus for growth:** Europe, Asia, North America; limited number of export focus areas outside these territories
- **Acquisitions** in defined growth verticals

## Focus on 7 vertical growth markets with growth potential in 3-5 years of € 300 - € 500 million

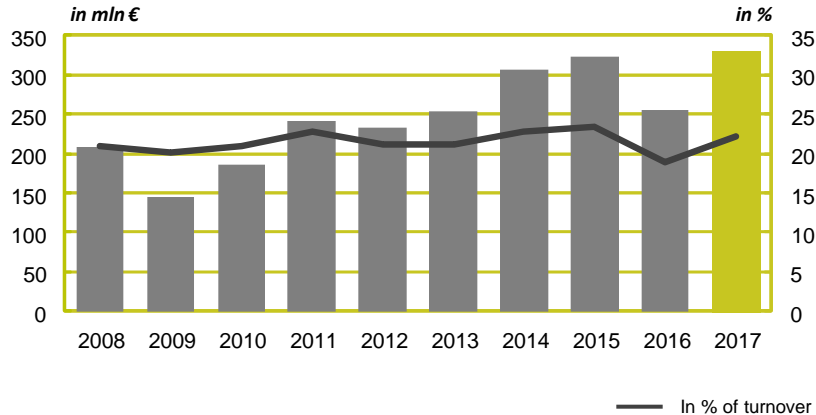
Fibre Optic Networks - Care - Tunnel & Infra - Parking - Marine & Offshore - Industrial Machine Vision - Tire Building Industry

- 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, ROCE and ROS targets per segment
- Impact of focus on above average margin vertical markets will have positive effect on ROCE and ROS TKH
- Executive Board directly involved in realisation of targets through solution responsibility
- Strong monitoring of execution of growth plans per building block: weekly – monthly reviews
- 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

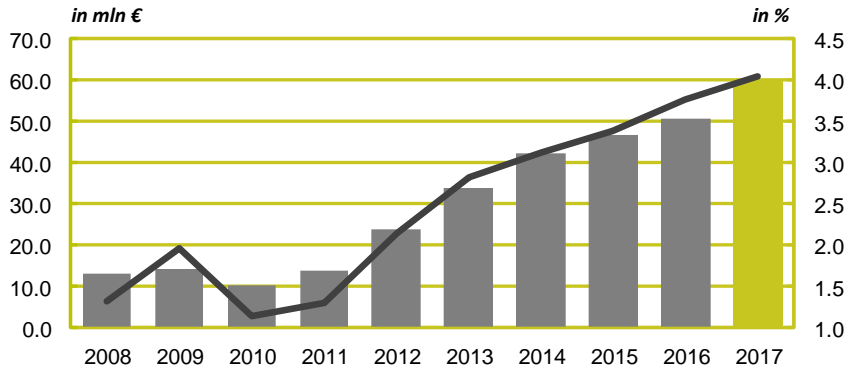


# GOOD PROGRESS IN STRATEGY EXECUTION IN 2017

## Turnover from innovations



## R&D expenditure



### ➤ Intensified focus:

- Several innovation projects still in development and roll-out phase - only limited contribution to turnover growth
- Less profitable activities reorganized to reduce operating costs and increase further focus
- Discontinuation of certain distribution activities that offer no added value for proposition in vertical growth markets

### ➤ Strategic important milestones achieved with great potential:

- Further increase market share among top-5 tire manufacturers
- Expansion of market share in consumer electronics manufacturers with machine vision technology
- Roll-out of first projects for airfield ground lighting ('AGL') portfolio based on disruptive CEDD technology
- Start-up of subsea production

### ➤ R&D, operational and commercial organizations have been strengthened to respond to expected growth

# BUILDING BLOCKS GIVES A STRONG BASIS FOR STRATEGY EXECUTION

Fibre Optic Networks	Care	Parking	Tunnel & Infra	Marine & Offshore	Machine Vision	Tire Building
Market share growth France / Germany / Nordics / Poland	Internationalization Homecare & Community platform	Differentiation via smart-sensor / CCTV to 'frictionless' parking	Airfield Ground Lighting-technology based on CEDD-technology	Connectivity-solutions for subsea	High market growth 2D-inspectie in combination with innovations	Market share growth within Top 5- tire manufacturers
Robot solutions for patching - SAODF	Internationalization of integrated vision & security solutions for hospitals	Internationalization of integrated vision & security solutions for parking garages	Internationalization of integrated vision & security solutions for tunnels	Internationalization of integrated vision & security solutions	High market growth 3D-inspection in combination with innovations	Market share growth 'tire component preparation', Truck Tires & 'Light Truck tire manufacturing'
Smart security solutions for POP's	Blistering-technology for pharmacy – INDIVION	Market growth and TKH positioning North-America / Europe / Australia / Middle East	Market share growth Benelux / Nordics	Internationalization of connectivity-solutions	Market share growth North-America / Europe / Asia	New tire building platform UNIXX & MILEXX
	Dispenser-technology for medicines			Special portfolio 'mission critical' communication	Medical and tire building inspection systems	Increase share in turnover Service & Spare parts business

# GOOD PROGRESS OF EXECUTION OF PLANS LEADS TO UPGRADE OF TARGETS

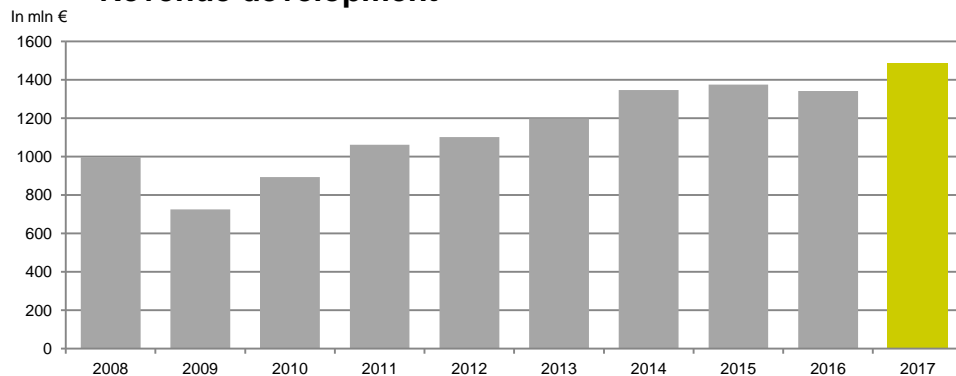
Turnover (in € millions)	2012	2016	2017	Growth scenarios	
Fibre Optics Network	80	109	127	175	200
Parking	20	55	47	75	100
Tunnel & Infra	30	43	48	100	150
Marine & Offshore	20	53	58	100	125
Care	30	43	52	70	100
Machine Vision	95	111	127	250	300
Tire Building Industry	175	259	297	450	550
<b>Growth verticals</b>	<b>450</b>	<b>674</b>	<b>756</b>	<b>1,220</b>	<b>1,525</b>

- Continuation internal investments in Machine Vision, Tunnel & Infra and Tire Building, but on lower level than in recent years - based on growth opportunities
- Expansion production capacity in 2018 for fibre optic networks and high-grade industrial cable systems - based on identified opportunities to increase market share
- Adjusted growth target bandwidth:
  - Fibre Optic Networks to € 175 - € 200 million - increased global market demand with growth acceleration in Europe - strong market positions
  - Machine Vision to € 250 - € 300 million - market demand increases rapidly for applications with vision technology - breakthrough in consumer electronics market - positive feedback on potential embedded 2D camera technology
- Expectation that turnover in 7 vertical growth markets can grow by € 300 - 500 million over the next 3-5 years - mainly organic growth > 80%
- Focus vertical growth markets - acceleration realization ROS and ROCE target - medium-term targets adjusted upwards

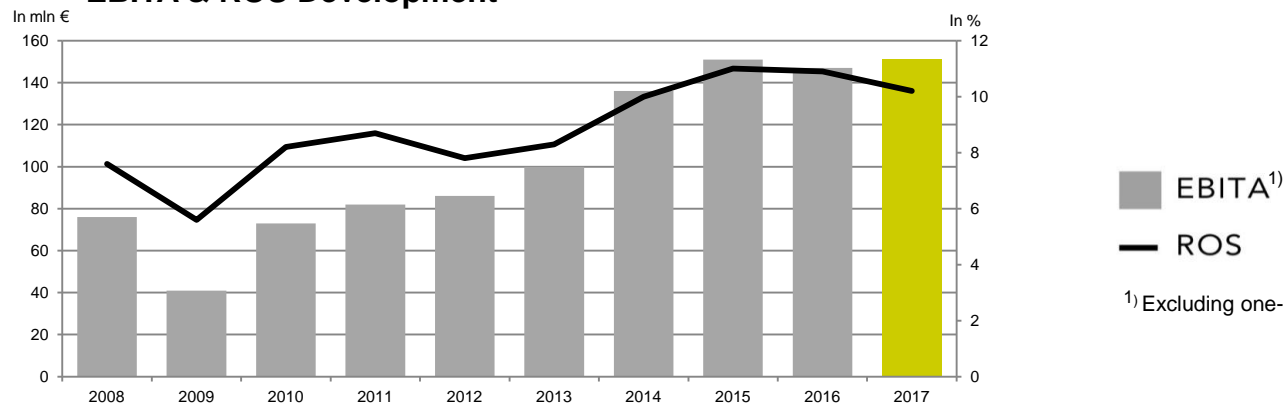
	2016	2017	Previous targets	Updated targets (mid term)
ROS	10.9	10.2	11 -12%	12 - 13%
ROCE	20.1	19.8	20 - 22%	21 - 23%
NET debt / EBITDA	1.0	0.9	<2.0	<2.0

# DEVELOPMENTS 2008 - 2017

## Revenue development



## EBITA & ROS Development



<sup>1)</sup> Excluding one-off income and expenses

# HIGHLIGHTS 2<sup>ND</sup> QUARTER AND 1<sup>ST</sup> HALF YEAR 2018

(in million € unless stated otherwise)	Q2 2018	Q2 2017 <sup>1)</sup>	Δ in %
Turnover	414.7	365.4	+13.5%
EBITA	47.1	31.0	+51.7%
ROS	11.4%	8,5%	
Net profit before amortization <sup>2)</sup> and one-off income and expenses attributable to shareholders	30.8	19.8	+55.6%

- Turnover growth H1: 12.0% (Q2: +13.5%)
  - Organic growth H1: +11.9% (Q2: +13.0%) – growth in all Solution segments
  - Strong contribution from vertical growth markets
  - Non-verticals also grow at high rate - in line with verticals
  - Strategy of translating unique technologies into smart solutions for our customers is successful – benefits from focus on 4 core technologies and 7 vertical growth markets

(in million € unless stated otherwise)	H1 2018	H1 2017 <sup>1)</sup>	Δ in %
Turnover	812.6	725.5	+12.0%
EBITA	92.9	70.7	+31.4%
ROS	11.4%	9.7%	
Net profit before amortization <sup>2)</sup> and one-off income and expenses attributable to shareholders	60.7	44.9	+35.1%
Net earnings per ordinary share before amortization <sup>2)</sup> and one-off income and expenses attributable to shareholders	€ 1.44	€ 1.07	
ROCE	20.8%	19.8%	

- EBITA growth H1: 31.4% (Q2: +51.7%) – growth in all Solution segments
  - Start-up costs have gradually normalized – except for subsea (Marine & Offshore) and CEDD airfield ground lighting (Tunnel & Infra)
- Improvement ROS to 11.4% – on track to realize our medium-term target of 12-13%
- Net profit before amortization and one-off income and expenses attributable to shareholders H1: € 60.7 million (H1: +35.1%)

1) The comparative figures for 2017 have been restated as a result of retrospective application of IFRS 15 'Revenue from contracts with customers'. This applies to the whole presentation.

2) Amortization of intangible non-current assets related to acquisitions (after tax).

# INVESTMENTS TO REALIZE OUR MID-TERM ROS AND ROCE TARGETS

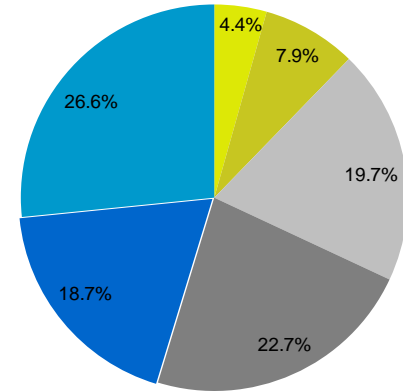


	2016	2017	H1 2018	Targets (mid-term)
ROS	10.9%	10.2%	11.4%	12 - 13%
ROCE	20.1%	19.8%	20.8%	21 - 23%
NET debt / EBITDA	1.0	0.9	1.3	<2.0

- With strong investment discipline, our market position in the 7 vertical markets has improved substantially
- Investments to realize further growth
  - Fibre optic networks – expansion cable production, fibre drawing (TKH - China) and preform production (joint venture-partner) – available in 2019
  - Vision & security systems – expansion production facility in Canada for 3D Machine Vision – available in Q3 2018
  - Industrial connectivity systems – expansion production and assembly of high-grade industrial and medical cable systems in Ukraine and China – available in Q3 2018
  - Manufacturing systems – expansion production facility in Poland for Tire Building Industry – available in 2019
- R&D investments continued at a high level

# DEVELOPMENTS SOLUTIONS SEGMENTS H1 2018

Turnover per segment  
H1 2018 (in %)



	H1 2018	H1 2017
<b>Telecom Solutions</b>	<b>12.3%</b>	<b>13.0%</b>
Fibre network systems	7.9%	8.4%
Indoor telecom & Copper networks	4.4%	4.6%
<b>Building Solutions</b>	<b>42.4%</b>	<b>43.0%</b>
Connectivity systems	19.7%	18.3%
Vision & security systems	22.7%	24.7%
<b>Industrial Solutions</b>	<b>45.3%</b>	<b>44.0%</b>
Connectivity systems	18.7%	18.3%
Manufacturing systems	26.6%	25.7%

(in million € unless stated otherwise)	H1 2018	H1 2017	Δ in %
Turnover	99.6	94.1	+ 5.8%
EBITA	15.8	11.2	+ 41.4%
ROS	15.8%	11.8%	

## Fibre network systems: turnover share 7.9%

- › Organic turnover growth: +6.3%
- › Growth mainly realized in Germany, France and Poland
- › Growth in China has slowed down, but global demand for fibre remains strong
- › Availability of preforms, semi-finished product for optical fibre, hampered our growth – joint venture-partner will expand capacity – TKH will also expand optical fibre production capacity – full expansion available by mid-2019
- › High capacity utilization, improved efficiency and demand for high fibre count cable specifications – positive impact on result

## Indoor telecom & Copper networks: turnover share 4.4%

- › Organic turnover growth: +6.2%
- › Growth in broadband connectivity portfolio for Benelux and Germany
- › Margin increase due to improved product mix





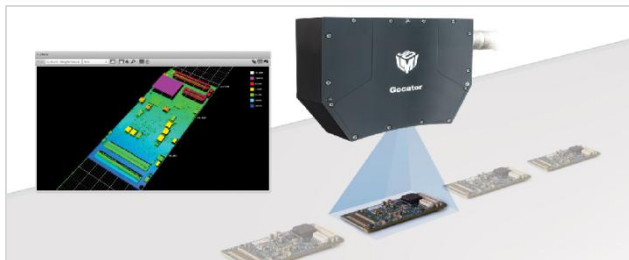
(in million € unless stated otherwise)	H1 2018	H1 2017	Δ in %
Turnover	345.0	312.2	+ 10.5%
EBITA	34.4	26.9	+ 28.0%
ROS	10.0%	8.6%	



## Connectivity systems: turnover share 19.7%

- Organic turnover growth: +19.6%
- Growth realized in several market segments
  - Further increase market volume in construction and infra sector
  - Higher investment needs for energy networks in connection with alternative energy resources – positive effect on demand for energy cables from network companies
  - Increased demand for data cable systems
  - Growth in Marine & Offshore - partly due to start-up of new production facility for subsea cable systems
  - Tunnel & Infra – growth of market share in airfield ground lighting (AGL) – new CEDD technology for AGL successfully applied in a number of projects
- Still start-up costs for subsea cable production and development of AGL-portfolio (CEDD) – good growth perspective

(in million € unless stated otherwise)	H1 2018	H1 2017	Δ in %
Turnover	345.0	312.2	+ 10.5%
EBITA	34.4	26.9	+ 28.0%
ROS	10.0%	8.6%	



## Vision & security systems: turnover share 22.7%

- Organic turnover growth: +3.9%
- Parking
  - Growth realized with strong order intake, particularly in parking guidance systems
- Machine Vision
  - Strong growth achieved in 3D smart sensor technology
  - Production capacity further expanded – higher operating costs
- Vision Security
  - Due to the program initiated last year to further increase focus on core activities and improving returns, termination of a number of activities
- Start-up costs normalized in H1 2018

(in million € unless stated otherwise)	H1 2018	H1 2017	Δ in %
Turnover	368.0	319.2	+ 15.3%
EBITA	51.7	40.6	+ 27.4%
ROS	14.0%	12.7%	



## Connectivity systems: turnover share 18.7%

- › Organic turnover growth: +12.4%
- › Growing demand for capital goods with need for robotization and automation – our cables and cable systems are well positioned for robotization and automation application
- › Higher turnover in medical industry
- › Investments
  - › Acquisition of Akutron (Ukraine) – assembly of high-quality medical cable systems
  - › New factory for high-quality industrial cable systems in China proceeding according to plan – available in Q3 2018

## Manufacturing systems: turnover share 26.6%

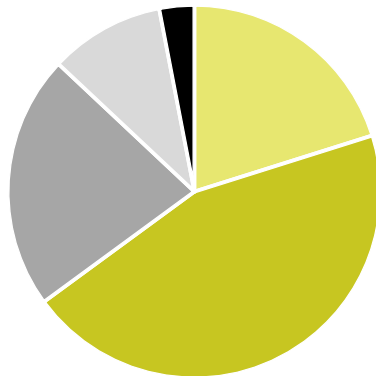
- › Organic turnover growth: +16.6%
- › Increase due to higher order intake in past quarters – engineering activities and production at higher level
- › Improvement of EBITA and ROS despite relatively high number of new machines and applied technologies
- › Order intake in Q2 2018: € 80 million (H1 2018: € 203 million)
  - › Expansion of capacity in Poland – to ensure expected medium-term growth and flexibility in our production facilities

FINANCIAL  
PERFORMANCE  
H1 2018



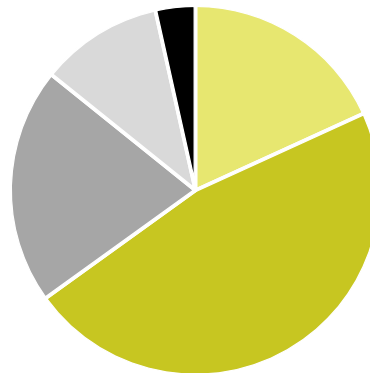
# GEOGRAPHICAL DISTRIBUTION OF TURNOVER

Geographical distribution of turnover (in %)



H1 2018

	Netherlands	20
	Europe other	45
	Asia	22
	North America	10
	Other	3



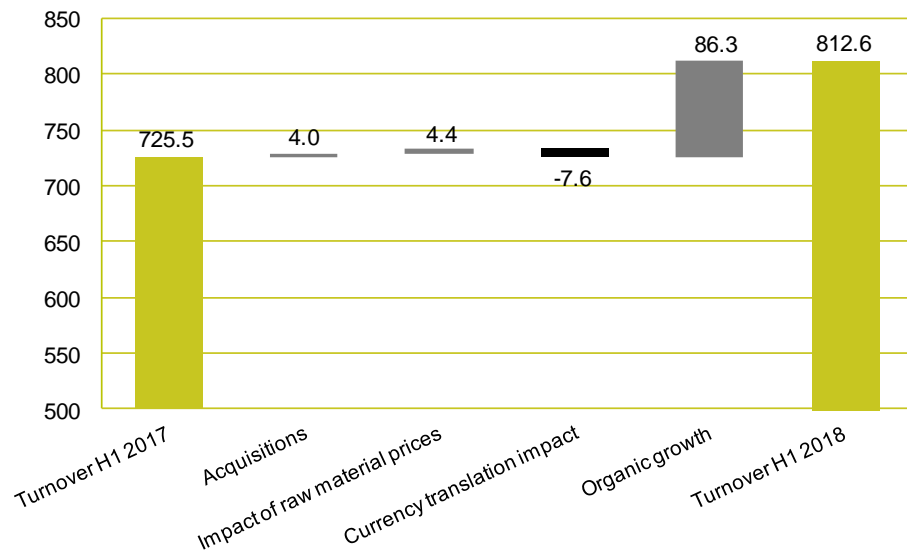
H1 2017

	Netherlands	18
	Europe other	48
	Asia	20
	North America	11
	Other	3

# TURNOVER AND GROSS MARGIN

(in € million)	H1 2018	H1 2017	Δ in %
<b>Turnover</b>	<b>812.6</b>	<b>725.5</b>	<b>+12.0</b>
Raw materials and subcontracted work	-442.0	-394.9	
<b>Gross margin</b>	<b>370.6 45.6%</b>	<b>330.6 45.6%</b>	<b>+12.1</b>

## Change in turnover (in € million)



- Organic revenue growth of 11.9%
- Revenue from acquisitions:
  - Redline Manufacturing CNC (April 2017)
  - Jacques Technologies (July 2017)
  - Akutron (January 2018)
- Gross margin 45.6% (H1 2017: 45.6%)

# OPERATING EXPENSES AND EBITA

(in € million)	H1 2018		H1 2017		Δ in %
<b>Turnover</b>	<b>812.6</b>		<b>725.5</b>		<b>+12.0</b>
Raw materials and subcontracted work	-442.0		-394.9		
<b>Gross margin</b>	<b>370.6</b>	<b>45.6%</b>	<b>330.6</b>	<b>45.6%</b>	<b>+12.1</b>
Operating expenses	-277.7		-259.9		+6.8
<b>EBITA</b>	<b>92.9</b>	<b>11.4%</b>	<b>70.7</b>	<b>9.7%</b>	<b>+31.4</b>

- Operating expenses decreased as percentage of turnover to 34.2% (H1 2017: 35.8%), but increased in value by 6.8% due to:
  - Higher production levels
  - Start-up costs for subsea production capacity and airfield ground lighting-portfolio (CEDD)
  - Expansion of 3D Machine Vision production capacity in Canada
  - Opex in the acquisitions caused an increase of 0.8%
  - Increase depreciation with € 1.5 million due to high level of investments in past few years
- EBITA growth: +31.4%
- ROS: 11.4% (H1 2017: 9.7%)

# ITEMS BELOW EBITA

(in € million)	H1 2018		H1 2017		Δ in %
<b>EBITA</b>	<b>92.9</b>	<b>11.4%</b>	<b>70.7</b>	<b>9.7%</b>	<b>+31.4</b>
Amortization	-18.6		-18.2		
Impairments	-0.4		-0.1		
<b>Operating result</b>	<b>73.9</b>		<b>52.4</b>		
Financial expenses	-3.9		-3.9		
Result from associates	1.6		0.7		
Result from available-for-sale financial assets			0.4		
Change in value financial liabilities	-0.1		3.6		
<b>Result before taxes</b>	<b>71.5</b>		<b>53.2</b>		
Taxes	16.6		9.9		
<b>Net profit</b>	<b>54.9</b>	<b>6.8%</b>	<b>43.3</b>	<b>6.0%</b>	<b>26.9</b>

- Increase amortization due to higher investments in R&D
- Financial expenses – lower interest expenses as a result of ending interest rate swaps (€ 0.6 million impact) has been offset by negative exchange differences
- Result from other associates – improvement from 12.5% interest Chinese preform Joint Venture (ShinEtsu - Fasten)
- Change in result from available-for-sale financial assets in H1 2017 related to the 5.06% interest in Nedap that has been disposed in September 2017
- Change in value financial liabilities in H1 2017 related to agreement on settlement with former minority shareholders of Augusta Technologie AG in squeeze-out procedure and release of earn-out liabilities
- Increase effective tax rate to 23.7% (H1 2017: 20.4%)
  - Higher profits in countries with a higher tax rate
  - Dutch government increased the tax rate for innovation box facility from 5% to 7% as from 2018
  - Result from associates, result from available-for-sale financial assets and change in value financial liabilities are tax exempt



# BALANCE SHEET AS OF 30 JUNE 2018

(in € million)	30-06-2018	31-12-2017
<b>Assets</b>		
<u>Non-current assets</u>		
Intangible non-current assets	391.0	392.2
Tangible non-current assets	234.1	229.2
Investment property	0.3	0.3
Financial non-current assets	14.5	13.5
Deferred tax assets	23.0	23.1
<u>Current assets</u>		
Inventories	255.8	218.8
Receivables	247.2	220.0
Contracts assets	121.0	89.6
Contract costs	0.1	12.9
Cash and cash equivalents	98.6	87.7
<b>Total</b>	<b>1,385.6</b>	<b>1,287.3</b>

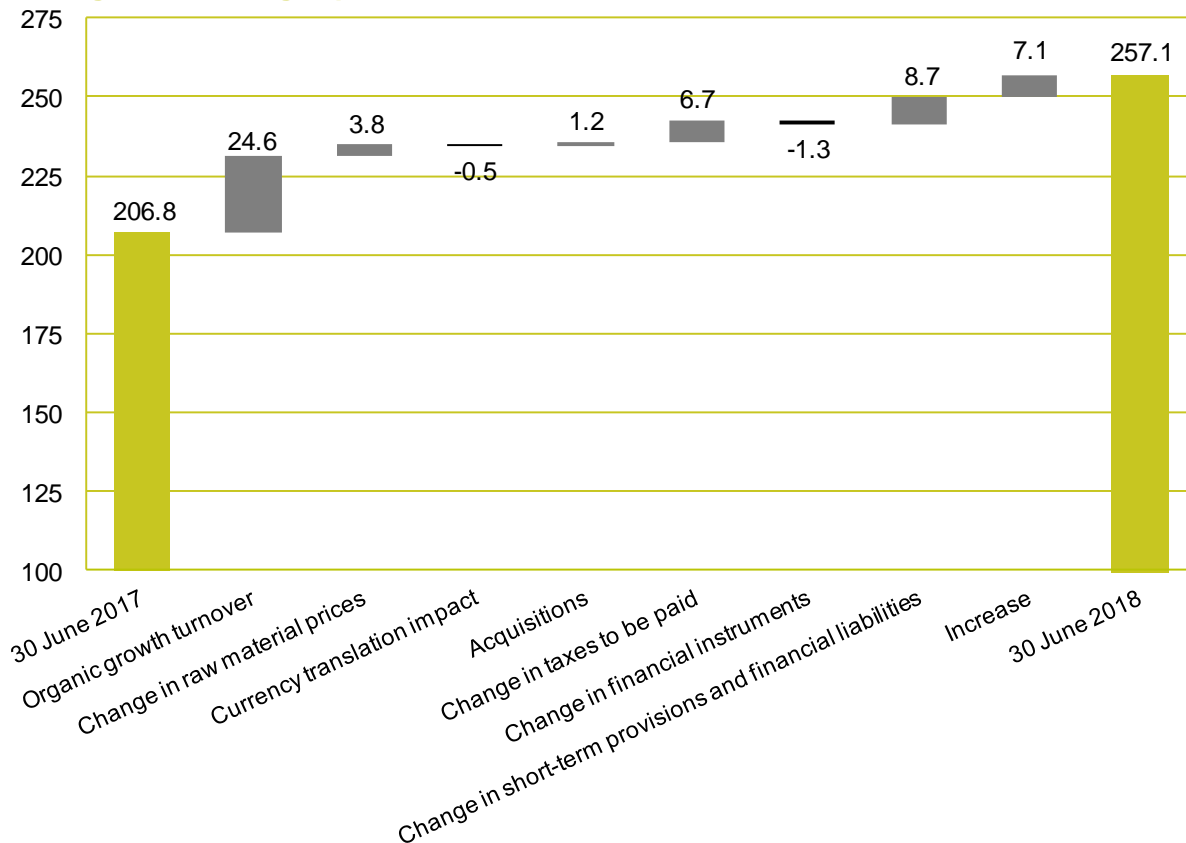
(in € million)	30-06-2018	31-12-2017
<b>Equity and liabilities</b>		
<u>Group equity</u>		
Shareholders' equity	596.2	594.4
Non-Controlling interests	1.2	8.4
<u>Non-current liabilities</u>		
Non-current liabilities	279.9	187.3
Financial liabilities	2.7	2.9
Non-current provisions	63.0	65.3
<u>Current liabilities</u>		
Borrowings	75.5	57.4
Contract liabilities	74.0	60.3
Current financial liabilities	2.9	11.8
Other current liabilities	290.2	299.5
<b>Total</b>	<b>1,385.6</b>	<b>1,287.3</b>

- › Cash and cash equivalents includes € 43.2 million (2017: € 42.0 million) that are part of a balance and interest compensation schemes
- › Solvency of 43.1% (31 December 2017: 46.8%)

- › Financial covenants
  - › Net debt, based on financial covenants as agreed with banks, of € 257.7 million (31 December 2017: € 157.8 million)
  - › Net debt/EBITDA of 1.3 (31 December 2017: 0.9)

# WORKING CAPITAL

## Changes in working capital (in € million)



➤ Increase of working capital as percentage of turnover to 16.4% (30 June 2017: 14.6%)

- High revenues – working capital ratio Q2: 15.5%
- High revenue level in June
- Higher raw material prices and increase of inventories in relation to order book
- Settlement of financial liability due to acquisition of remaining non-controlling interest in Commend International

➤ Use of non-recourse factoring:

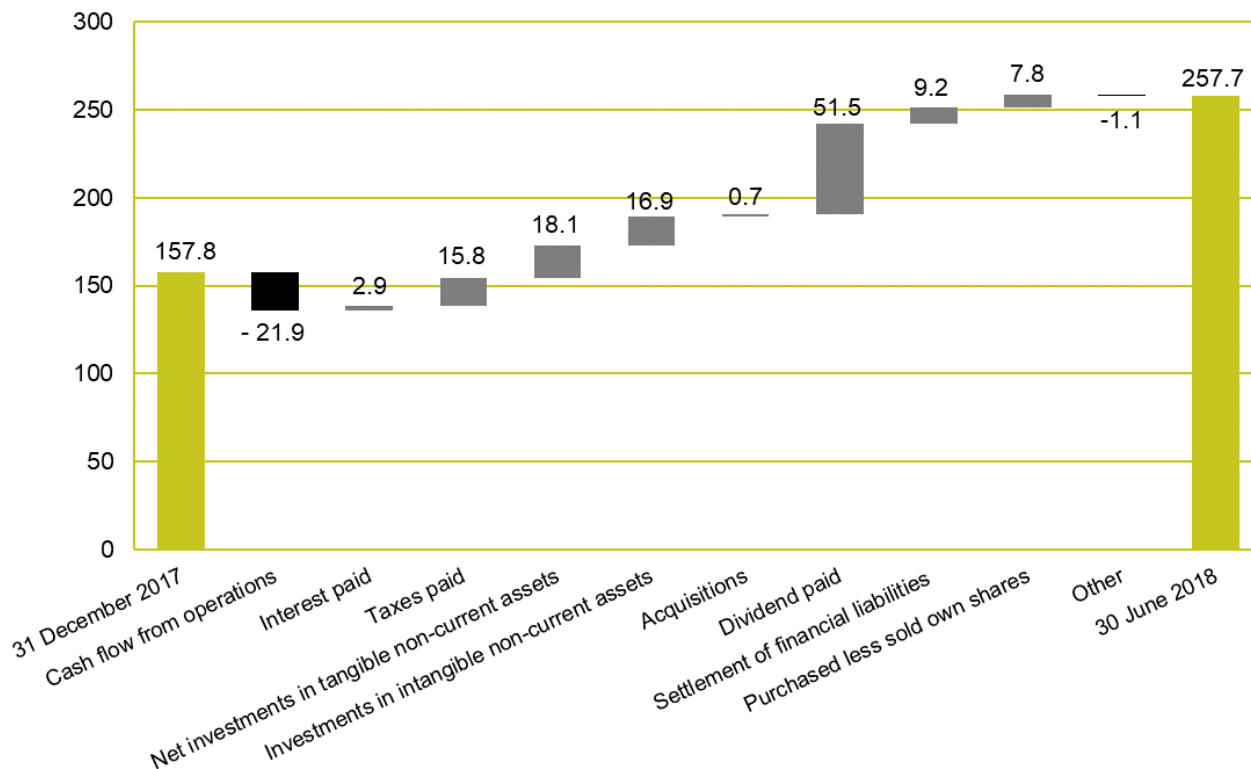
30-06-18	€ 60.5 million
31-12-17	€ 50.9 million
30-06-17	€ 52.8 million

➤ Use of supply chain finance:

30-06-18	€ 47.9 million
31-12-17	€ 47.1 million
30-06-17	€ 36.6 million

# CASH FLOW STATEMENT

## Change in net debt (in € million)



- Cash flow from operations impacted by increase of working capital
- Investments
  - Large part related to production sites, including expansion of capacity for sub-segments vision & security systems, building & industrial connectivity systems
  - Investments intangible assets mainly in R&D
- Cash dividend of € 1.20 per share, related to 2017, paid out in 2018
- Settlement of financial liability due to acquisition of remaining non-controlling interest in Commend International

OUTLOOK



## › Telecom Solutions

- › Demand for optical fibre in China will decrease slightly, while demand for optical fibre networks in Europe will continue to be strong – growth potential for TKH focused on Europe due to gained market positions
- › Initiated capacity expansions will materialize in 2019
- › Result H2 expected to be in line with H1

## › Building Solutions

- › Turnover will develop positively in H2 – order book and order intake are at a good level within connectivity systems and vision & security systems
- › Despite continued start-up costs in H2, result expected to be slightly higher than in H1

## › Industrial Solutions

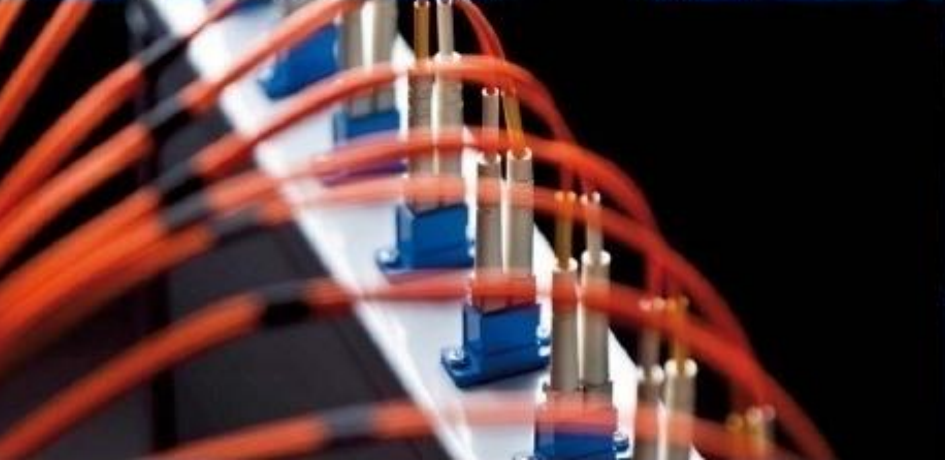
- › Turnover H2 will decrease slightly, despite good order book in connectivity systems and manufacturing systems
- › Connectivity systems – shift of current orders in German machine building sector – negative effect on turnover in H2
- › Manufacturing Systems – based on order intake over H1 and order book, activities remain at a high level – further investments in capacity expansion for medium-term have been initiated
- › Result H2 will be slightly lower compared to H1

**On balance and barring unforeseen circumstances, for the full-year 2018 TKH expects a net profit before amortization and one-off income and expenses attributable to shareholders of between € 116 million and € 122 million (2017: € 95.6 million)**

# ANNEX I: CORE TECHNOLOGIES



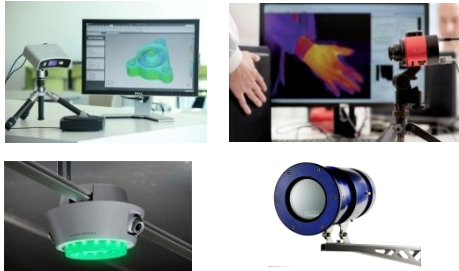
# Innovative technology makes the difference



# CORE TECHNOLOGIES

## VISION & SECURITY:

- Video surveillance
- safety cameras (explosion proof)
- Video management and –analysis
- Guiding & lighting systems
- Access control & registration systems
- Industrial inspection & automation
- Robot control and diagnostics
- Quality control systems



## MISSION CRITICAL COMMUNICATION

- Optical fibre systems
- Mission critical communication
- Intercom systems
- (Personal) alarm systems
- Evacuation systems
- Emergency systems
- Building management & monitoring
- Public address
- Audio systems



## CONNECTIVITY

- Subsea cable systems
- Marine cable systems
- Optical fibre connectivity
- Contactless energy & data connectivity
- Specialty cable systems for robot, medical & machine building
- Drag chain systems
- Multi-Media-Connect
- Energy, building & Infra and installation connectivity



## SMART MANUFACTURING

- Medicine distribution
- Tire assembling
- Tire component systems
- Passenger & Truck tire systems
- Vision inspection
- Product handling
- Production automation
- Scada systems





# ANNEX II: VERTICAL GROWTH MARKETS



# TKH – VERTICAL GROWTH MARKETS – FIBRE OPTIC NETWORKS



## Growth drivers

- Data use through the impact of information and communication technology on the way we live our lives continues to grow
- Internet has become a basic service, like gas, water and electricity
- Developments such as the 'Internet of Things', 'Industry 4.0' and 'Internet of Vehicles' will require a high (mobile) internet speed - emergence of 5G internet
- 24-hour availability is becoming more established and accepted
- Several European countries have announced investment plans for rollout of FttH projects to meet the strong increasing need for bandwidth

## Fibre optic networks



## 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

## Growth drivers

- Life expectancy is continually increasing and healthcare spending will increase sharply due to more and better, but also more expensive care – therefore, the demand for technologies for care solutions is increasing
- Changing healthcare funding: shifting from the government to the institutions and healthcare insurers
- Innovation in the field of domotics, diagnostics, e-health and self-testing for prevention and screening, provide new business in the sector.
- Shortage of skilled workers
- Informal caregivers play an important role and, together with the client and the healthcare professionals, are equal partners - technology support is necessary for the required information exchange
- The demand for medicines (volume) has been growing as a result of demographic developments, while the cost of care will have to be lowered
- 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)

## CARE

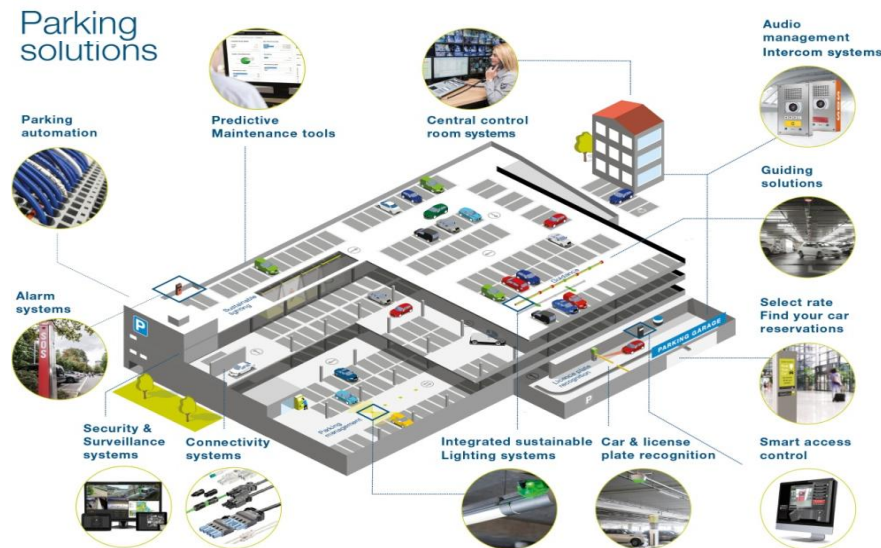


## Growth drivers

- Revenue from car parks is under pressure due to low supply and mobility - need to reduce OPEX
- Demand for providing a visual dashboard with parking information - managers and car park operators can react faster and more efficient to current situations
- Increase capacity utilization and revenues by means of differentiated parking fee
- Demand for comfort and convenience for parkers
- Use of technologies to improve safety, access and payment possibilities
- Emergence of demand for frictionless parking can be achieved with new technology solutions

## Position

- Efficiency through centralization, smart maintenance, yield management, modular parking solutions
- Expand leading position in North America, Australia and Europe with integrated parking solutions and address top locations ME
- Strong position with parking operators as well as hospitals, airports, retail and event locations



## Growth drivers

- In Europe, investment in tunnel technology for new and existing tunnel are planned for the next few years
- Due to strict legislation and regulations in the field of security, ever increasing demands are made on the technical equipment
- 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

## Tunnel & Infra solutions



## Tunnel & Infra solutions Airport



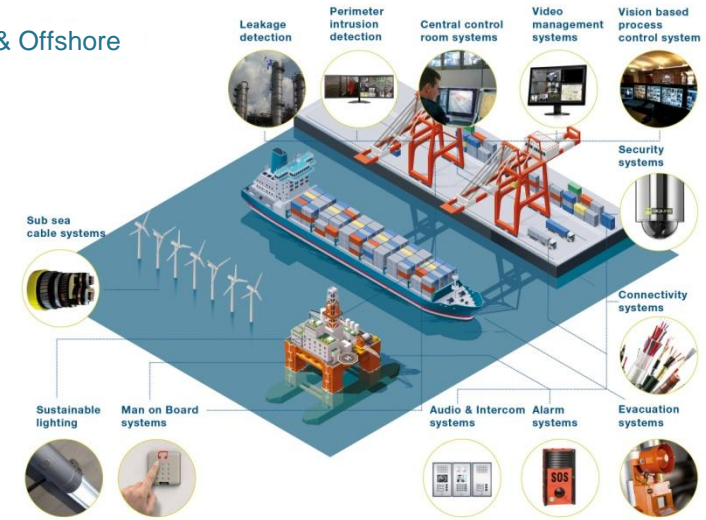
## Growth drivers

- Large increase global generated power by wind power
- 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 and secure of unmanned operations on platforms
- A lot of attention for safety on platforms via special 'zone' certification.
- Modification of supply chain due to limited storage capacity on shipyards and platforms 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

## Marine & Offshore





## Growth drivers

- Demand for vision technology is increasing due to trend towards industrial automation and robotics need
- Continue demand for more productivity and improvement of high quality of produced products
- Vision technology is a superior alternative for the inspection of production systems and for detection, inspection and identification that cannot be seen by the human eye
- Strong increase of new applications where vision technology will be applied
- Because of strict regulations to the quality of food and medicines, vision technology offers the solutions because of the 100% traceability and 'fail / pass' application

## Industrial Machine Vision



## Position

- Technology leadership in many application areas
- Market leader for high-end systems
- Strong innovation and R&D competence with breakthrough technology for 3D inspection
- Strong worldwide sales organisation
- Recognised by leading Industrial application companies worldwide as key supplier

# TKH – VERTICAL GROWTH MARKETS – TIRE BUILDING

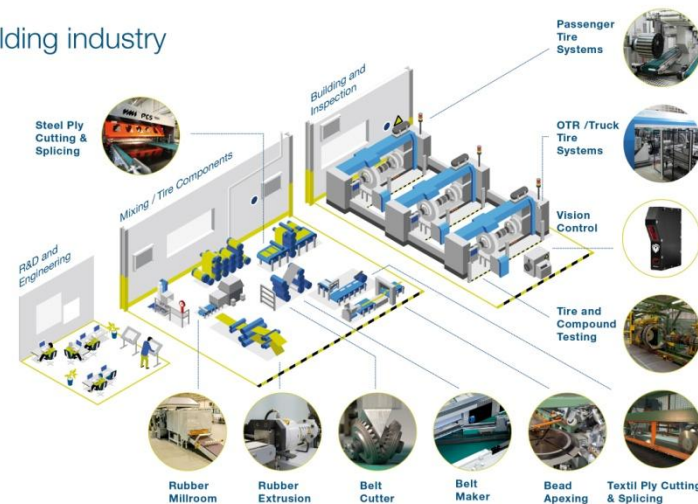
## Growth drivers

- High priority of the tire manufacturing industry to replace existing technology with an emphasis on high productivity, efficiency, waste reduction, quality improvement and smaller batches
- The number of types of tire for passenger cars has increased more than tenfold in recent decades. This calls for more flexible production methods
- The trend towards ever larger tire dimensions and towards safer, better-quality tires requires technological developments
- Local production - innovations have become essential to reduce the working capital requirement in the supply chain of the tire manufacturing industry
- Over 70% of the existing tire 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 tires which asks for high tech manufacturing systems
- Due to rising labour costs, demands for manufacturing systems with higher productivity and high operator independence – ‘eyes & hands off’ manufacturing

## Position

- Market share TKH in outsourced market: > 70%
- Total market share including top five tire manufacturers: > 20% – target >50%
- Technology leadership through high level of R&D - protected with patents and high innovation level
- Proprietary vision technology strong differentiator for the technology leadership

## Tire building industry





# ANNEX III: IFRS 15 RESTATEMENTS



# IMPACT IFRS 15 ON THE RESULTS

	Telecom			Building		Industrial		unallocated	TKH Group	
(in million € unless stated otherwise)	H1 2017 Restated	H1 2017 Published	H1 2017 Restated	H1 2017 Published	H1 2017 Restated	H1 2017 Published	H1 2017 Restated	H1 2017 Published	H1 2017 Restated	H1 2017 Published
Turnover	94.1	94.2	312.2	312.0	319.2	319.0			725.5	725.2
EBITA	11.2	11.2	26.9	26.7	40.6	40.9	-7.9	-7.9	70.7	70.9
ROS	11.8%	11.9%	8.6%	8.6%	12.7%	12.8%			9.7%	9.8%

	Telecom			Building		Industrial		unallocated	TKH Group	
(in million € unless stated otherwise)	2017 Restated	2017 Published	2017 Restated	2017 Published	2017 Restated	2017 Published	2017 Restated	H1 2017 Published	2017 Restated	2017 Published
Turnover	191.5	191.5	636.2	635.5	657.1	657.5			1,484.8	1,484.5
EBITA	25.9	25.9	52.3	51.4	87.2	89.4	-15.9	-15.9	149.5	150.8
ROS	13.5%	13.5%	8.2%	8.1%	13.3%	13.6%			10.1%	10.2%



TKH Group the solution provider <

#### Disclaimer

Statements included in this press release that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "will," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology.

The forward-looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements.

TKH Group the solution provider <