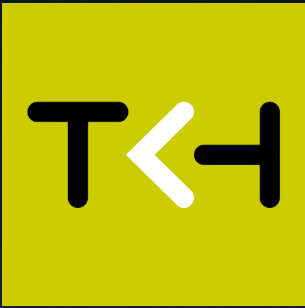


TKH Group – Capital Markets Day

17 November 2021

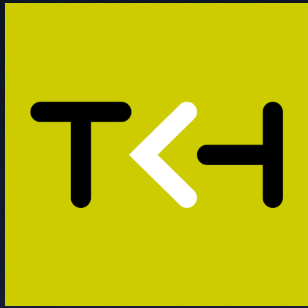




Message from the CEO

Alexander van der Lof
Chairman & CEO





Corporate Video TKH Group



IMPORTANT INFORMATION – DISCLAIMER

Cautionary note regarding forward looking statements

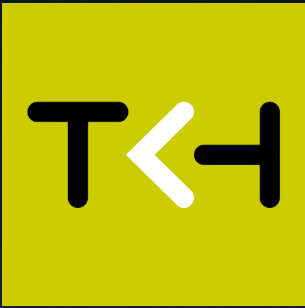
Statements included in this presentation release that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. 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.

Agenda TKH Capital Markets Day 2021



Part	Time CET	Outline	Presenter(s)
Session I	14.00 – 14.45 CET	Opening and Strategy & Targets update	Elling de Lange (CFO TKH Group)
	14.45 – 15.30 CET	Segment Reporting	Elling de Lange (CFO TKH Group)
	15.30 – 15.45 CET	Q&A	Executive Board TKH
BREAK 15.45 – 16.00 CET			
Session II	16.00 – 16.20 CET	Smart Technologies and intro to most dominant growth contributors	Harm Voortman (Executive Board member TKH Group)
	16.20 – 17.00 CET	Deep dive Vision	Mark Radford (CEO LMI Technologies)
	17.00 – 17.30 CET	Deep dive Tire Building	Jeroen Slobbe (COO VMI Group)
	17.30 – 17.45 CET	Q&A	Executive Board TKH
	17.45 – 17.55 CET	Wrap up and Closing	Elling de Lange (CFO TKH Group)



Strategy & Targets update

Elling de Lange
CFO



Key messages



‘Simplify & Accelerate’ program from 2019 led to strong focus on activities with higher ROS and higher organic growth, bringing ROS target of >15% in sight

Strong post-COVID recovery during 2021 shows strong market position and successful strategy of the TKH Group

Introducing a new simplified segmentation delivering increased transparency on value creation of activities

Prioritizing ESG in our strategy and actions, driven to improve our impact on sustainability

Ready for next phase of value creation: launching new program ‘Accelerate 2025’ with new strategic priorities and targets

UPDATE CURRENT SITUATION

Q3 2021 update & outlook

Quarterly update and outlook indicate strong post-COVID recovery

Q3 2021









- › Contribution from all Solutions to strong turnover growth of 27.7% compared to Q3 2020 – Organic turnover growth +26.4% - Strong recovery Tire Building (Industrial Solutions)
- › EBITA before one-off income and expenses +68.3%
- › Order book remained at high level and slightly increased compared to previous quarter
- › ROS improved to 13.7% (Q3 2020: 10.4% and H1 2021: 11.6%)
- › Limited impact from supply chain challenges on our activities

Outlook 2021

- › Q3 developed in line with our expectations at H1
- › Organic growth of turnover and result expected in Q4 2021 compared to Q4 2020
- › In line with our communication on 17 August and barring unforeseen circumstances, TKH foresees for FY 2021 a net profit before amortization and one-off income and expenses attributable to shareholders between € 106 million and € 112 million (2020: € 70.3 million)

Realized actions 'Simplify & Accelerate' program 2019

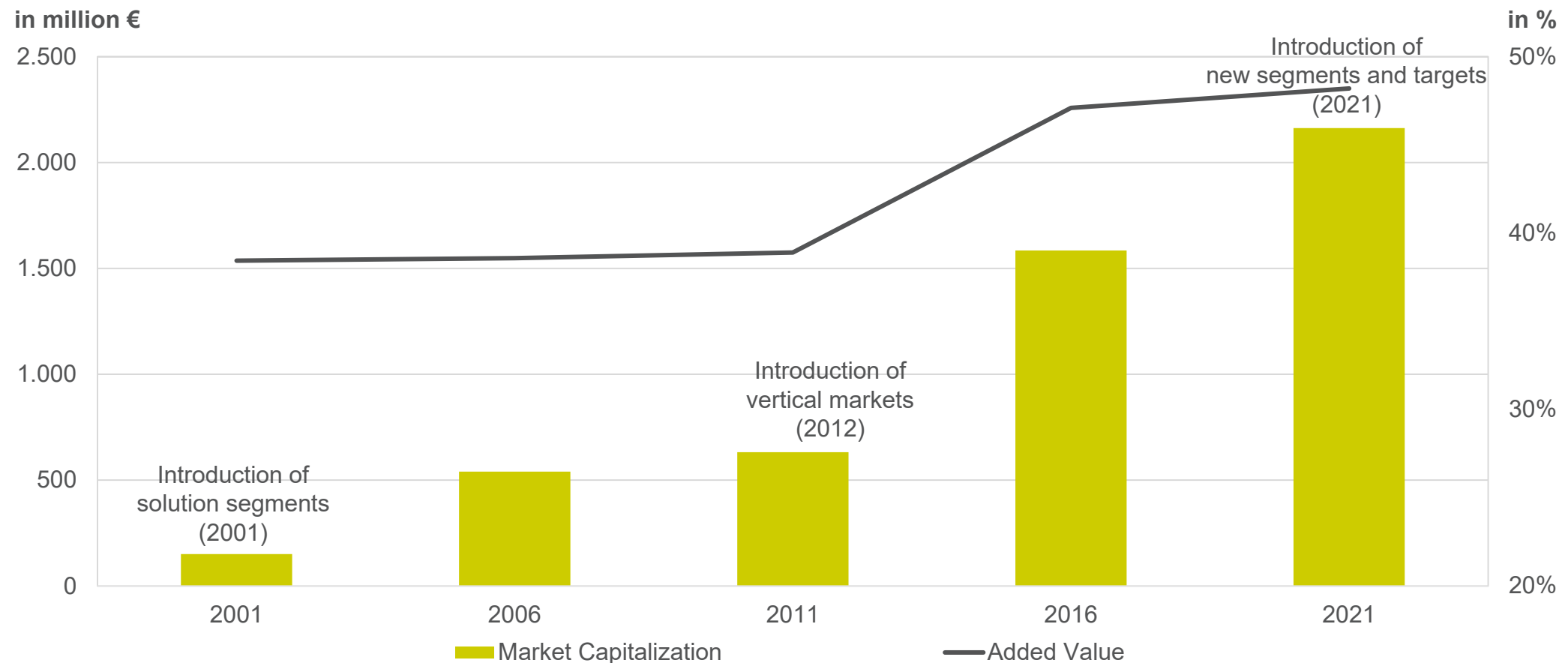
The program has contributed to a strong focus on activities with higher ROS and higher organic growth – which brings the ROS target of >15% in sight

AREAS	BANDWIDTH EXPECTED TURNOVER	BANDWIDTH ROS IMPROVEMENT TARGET >15%	REALIZED ACTIONS IMPACT ON TURNOVER AND ROS ¹⁾
DIVESTMENTS	 - € 300 – 350 million (€ 255 million realized)	 1.2 % – 1.6 %	Industrial connectivity (2019) - € 175 million ZTC (2020) - € 70 million Cruxin (2020) - € 10 million
INTEGRATION		 0.8 % – 1.2 %	Restructuring & integration (2019) + 0.2% Restructuring & integration (2020 - 2021) + 0.6%
INNOVATIONS & GROWTH MARKET FOCUS	 + € 200 – 250 million (€ 100 million realized)	 2.0 % – 3.0 %	€ 100 million (Vision, Subsea, CEDD, Indivion, UNIXX)
ACQUISITIONS	 + € 100 – 150 million (€ 45 million realized)		SVS-Vistek, FocalSpec, FringeAI contribute € 45 million to turnover

1) Turnover development and ROS improvement are compared to 2018 figures published in March 2019.

Realized value creation and ready for next phase



TKH has realized substantial value creation in the past decades and is ready for a new phase of value creation after the 'Simplify & Accelerate' program



**INTRODUCING A NEW
SIMPLIFIED SEGMENTATION
FOR INCREASED TRANSPARENCY
ON VALUE CREATION**

Strategic cornerstones

Strategic cornerstones: a strong foundation for value creation

Our Identity Who we are	Our Mission What we do	Our Strategic Vision What drives us	Our Values How we do it
<p>TKH is an innovative & leading Technology Company.</p>	<p>We create superior smart technologies & provide integrated technology systems in attractive growth markets.</p>	<p>Above average value creation, by unlocking the full potential of our superior technologies and by providing a valuable impact to all stakeholders and the world around us.</p> <div data-bbox="1174 1068 1849 1315">  Boost Innovation  Enhance Efficiency  Foster Sustainability </div>	<p>In a sustainable and socially responsible manner.</p> <p>Together with talented people who have a customer centric mindset and stay true to our corporate values.</p>

Introduction to new segmentation

The new segmentation better matches our long-term strategy and is the foundation of our new program: 'Accelerate 2025'

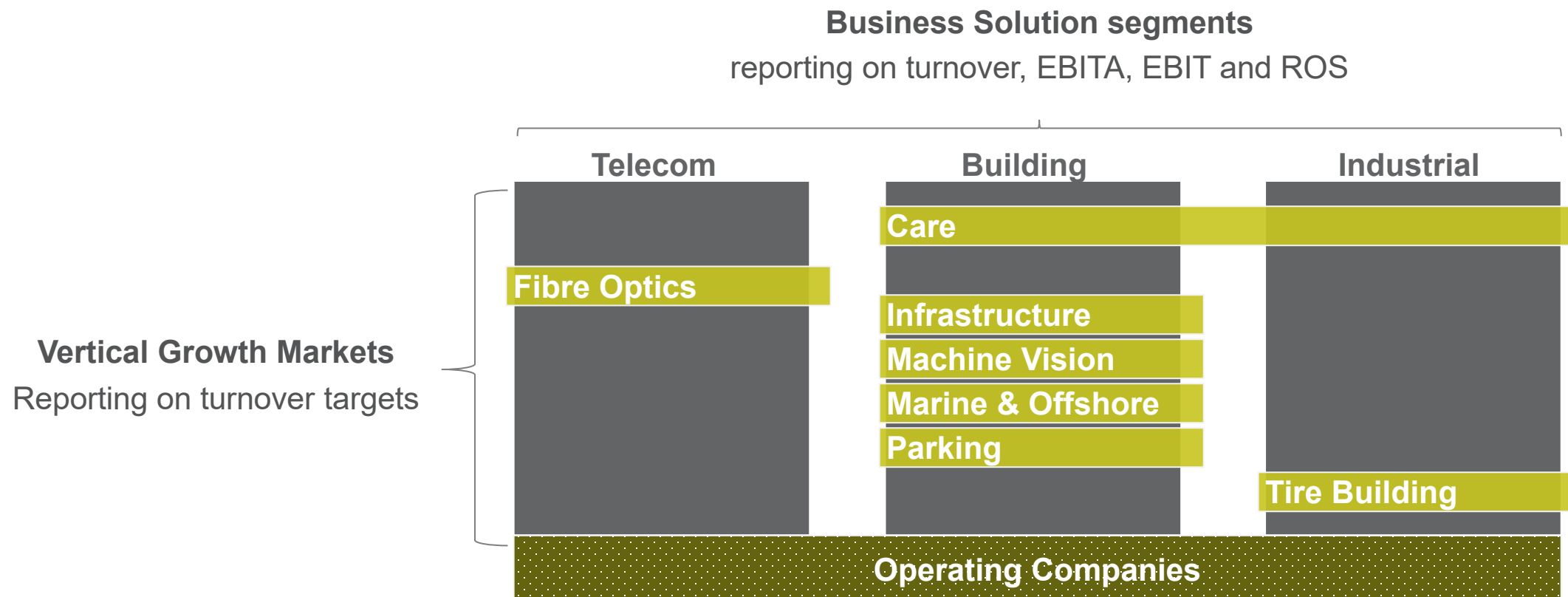
Strategy alignment

- Continued transformation towards a leading technology company
- Stay at the forefront with differentiated and integrated technology solutions
- Technology focus well positioned to benefit from relevant megatrends

'Accelerate 2025' program

- Increased focus on Smart Technologies and software position
- New program includes actions to boost increase of ROS and organic growth – based on strong foundation of current market positions

Current Segmentation



Strategic model

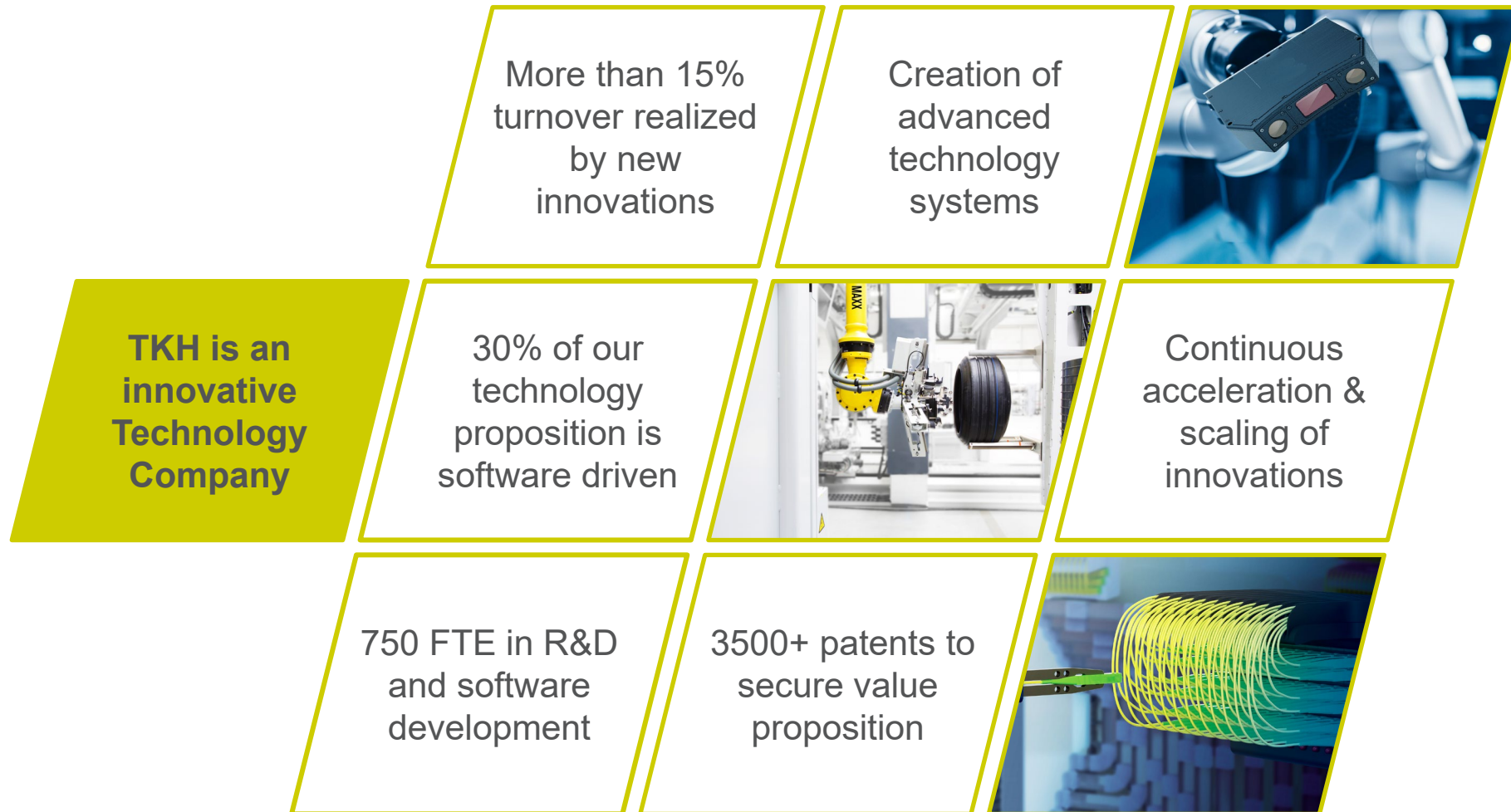


Smart Technologies: the basis for our new segmentation



We are an innovative and leading technology company

The innovative and disruptive Smart Technologies of TKH deliver value



Well positioned to benefit from relevant megatrends

The relevant megatrends act as important growth drivers and shape the future of our strategy and Smart Technologies

**Well
positioned
to benefit
from
relevant
megatrends**

AUTOMATION & DIGITALIZATION

- › Industry 4.0 – ‘Hands-off, eyes-off’ manufacturing – lack of human resources
- › Technology systems tend to be more complex, which drives demand for larger scale technology partners
- › Cloud computing, big data, artificial intelligence, machine learning and IoT ask for continuous development of higher speed bandwidth networks

SUSTAINABILITY

- › Increased focus on ESG drivers & targets drive public and private ESG ambitions and investments
- › Strong governmental ambitions and focus on existing policies (IPSS, SDGs, Paris AG)
- › Global attention for the reduction of Greenhouse gas emissions leads to acceleration of Energy transition

SAFETY & SECURITY

- › Exploding amount of data acquisition applications with integrated smart technologies and high demand for cyber security aligned with privacy regulation
- › Enlarged security focus due to geopolitics and globalization – lack of sufficient surveillance officers
- › Smart Cities & Infrastructure for safe & secure environment

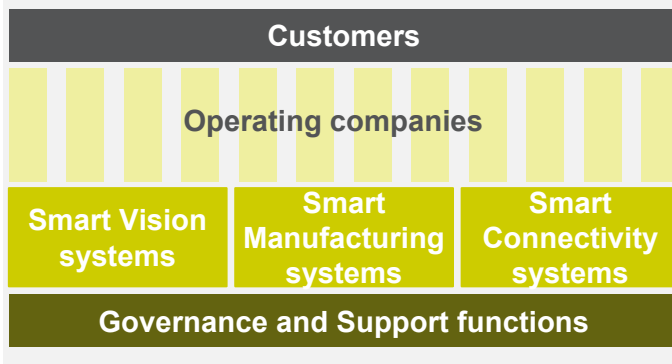
High level of entrepreneurship and winning culture

Our companies are strong in observing new opportunities and driven to strive for an excellent performance

Governance model

Operating model

- Decentralized operating model
- Organizations close to customers – high level of customer intimacy
- Delegated P&L responsibility and authority



Entrepreneurial culture

- Drive to win
- Strong in capitalizing new business opportunities
- Short lines of communication
- Management development program and meetings
- Inspiring environment
- Diversity of workforce

Plan and rewards

- Strategy based on innovation and business opportunities
- Clear business plan with SMART Goals and roadmap
- Compensation aligned with performance
- Key employees participate in share-based compensation plans

Smart Technologies is our core business

The new segmentation is focused on our three Smart Technologies, whereas SMART is achieved with integrated and intelligent software propositions

Smart Technology segments

TKH SMART VISION SYSTEMS

We create state-of-the-art Vision systems

TKH SMART MANUFACTURING SYSTEMS

We create superior Manufacturing systems

TKH SMART CONNECTIVITY SYSTEMS

We create advanced Connectivity systems

Group Synergies effects

- Integrated and combined technology systems across segments
- Large scale in-house software development at centralized competence center serving number of operating entities
- Centralized software development leadership
- Unique pool of talents and the potential of transferring skills and knowledge
- Group functions foster cooperation, innovation and growth
- Use group management, resources and competences to scale up business initiatives to sizable business units
- Strong TKH branding & reputation, market access & global footprint

Value creation fundamentals

Guiding principles for value creation

Focus on continuously increasing the added value due to smart technology focus and software position

Well positioned in international growth markets, related to relevant megatrends

Disruptive and advanced proprietary technologies that create market share growth

Focus on integrated systems including software provides potential for high ROS and ROCE

Talented people make a difference in supporting our value creation

**PRIORITIZING ESG
IN OUR STRATEGY AND ACTIONS,
DRIVEN TO IMPROVE OUR IMPACT ON
SUSTAINABILITY**

Our ESG strategy

Increased focus on ESG within our strategy & targets and on our sustainable portfolio to contribute to global ESG goals

Environment



We act on climate change and **contribute to long-term global environmental goals** by focusing on our own operations and global footprint and leverage the transition of our customers by providing a **sustainable portfolio**



Social



We invest in our talents and create a **safe, empowering and inclusive working environment** as this is critical for delivering our Smart Technologies



Governance



We are committed to governance best practices and policies that **serve the long-term interests of TKH and its stakeholders**



Unique sustainable portfolio for our customers

Improve sustainability by providing customers with a unique sustainable portfolio and differentiate with a sustainability focus in our positioning

Sustainable portfolio examples

TKH SMART VISION SYSTEMS

- 2D and 3D Vision technology which results in increase in productivity and improvement of quality
- Cyber security solutions for mission critical communication
- Parking guidance systems increase efficiency, safety and security

TKH SMART MANUFACTURING SYSTEMS

- Tire Building Technology focus on environment and e-mobility leads to different tire requirements
- Advanced technology to lower waste and energy consumption levels in production
- Medication distribution/inspection system

TKH SMART CONNECTIVITY SYSTEMS

- Fibre optic cable systems
- Energy cable systems for the energy transition
- Subsea cable systems for offshore wind farms
- CEDD/Airfield ground lighting system; energy saving and increase of efficiency

SDGs



Annual Report 2020: ±70% turnover linked to SDGs

Key non-financial targets

Targets mid-term (2025) & long-term (2030)

Environment



100% carbon neutrality own operations by 2030
(scope 1 & 2)

> 80% recycling (copper, aluminum and PVC)

< 5% waste

Social



> 25% female Executive & Senior Management by 2030

< 1.0 LTIF

< 4.0% illness rate

> 7.5 employee satisfaction

Governance



> 90% strategic suppliers assessed

Enhance (sustainability) policies and procedures

Selection of defined and ongoing actions

- > Strengthen governance by expanding sustainability functions on group level and throughout the organization
- > Increase share of sustainable portfolio and its capital allocation
- > Energy efficiency programs to reduce CO2 footprint
- > Assurance on key non-financial KPIs
- > Supply chain initiatives - circularity
- > Expand diversity and inclusiveness program
- > ISO 45001 implementation for all production facilities

READY FOR NEXT PHASE OF VALUE CREATION:

LAUNCHING 'ACCELERATE 2025'

WITH NEW STRATEGIC PRIORITIES AND TARGETS

Strategic priorities 'Accelerate 2025'

Strategic priorities that support the realization of new targets

Accelerate organic growth	Increase our market share by unlocking the full potential of our innovations and disruptive technologies by taking advantage of the market growth driven by relevant megatrends.
Sustainability	Deliver a strong performance with regards to our ESG targets – CO2 Neutral in 2030 (scope 1 - 2) – enhance sustainable portfolio, 70% turnover connected to SDGs.
Cost efficiency	Focus on leveraging the organic growth into an added value conversion ratio of >35%.
Innovations	Leverage and accelerate growth from innovations and utilize R&D pipeline.
Acquisitions	Increase the activity level to acquire € 100 - € 150 million turnover to accelerate growth.
Portfolio management	Exit activities that offer limited potential for value creation – strategic fit, low ROS and organic growth activities.









Financial group targets ‘Accelerate 2025’

Financial group targets include a new turnover target > 2 billion as well as a higher ROS target >17%

Current mid-term targets	Updated mid-term targets 2025*	Commentary
n/a	> 2 billion in turnover	Taking into account divestments and acquisitions.
>15% ROS (EBITA margin)	> 17% ROS (EBITA margin)	Focus on technologies with higher added value. Benefit from incremental value by turnover growth, maturity of technologies and high added value conversion factor.
22-25% ROCE	22-25% ROCE	Transition towards an increasingly capital-light business model driven by a focus on more ‘Smart’ Technologies (Software driven and recurring business models).
< 2.0 Net debt / EBITDA	< 2.0 Net debt / EBITDA	Structural excess cash will be used for share buy back programs and dividends.

* Net debt / EBITDA target is annual

Roadmap to new ROS target 'Accelerate 2025'

AREAS	BANDWIDTH EXPECTED TURNOVER	BANDWIDTH ROS IMPROVEMENT TARGET >17% ¹⁾	COMMENTARY
ORGANIC GROWTH/ COST EFFICIENCY	 > € 300 million	 > 2.5%	Scale effect -due to organic growth-on opex and cost of good sold, productivity & yield improvement programs
INNOVATIONS	 > € 200 million	 > 2.0%	Acceleration of our innovations in terms of turnover, benefit from learning curve and economies of scale, capital light future innovations
ACQUISITIONS	 + € 100 - 150 million		Acquisitions that strengthen our portfolio of proprietary technologies in the area of software, and/ or strengthen our sales network
PORTFOLIO MANAGEMENT	 - € 150 – 200 million	 > 0.5%	Divestments that do not contribute towards achieving our long-term strategy & targets

1) ROS improvement is based on LE 2021 – ROS >12%.

