

TKH Group – Capital Markets Day

17 November 2021

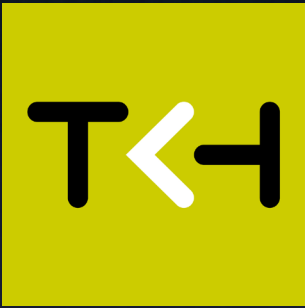


IMPORTANT INFORMATION – DISCLAIMER

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.



Deep dive – Tire Building technology

Smart Manufacturing Systems

Jeroen Slobbe (COO VMI Group)



Key messages

Worldwide market leader in Tire Building manufacturing systems

Global network of service centers to support installed base and extend service offering

Strong recovery of bottom-line figures to pre-covid ROS levels

Significantly outperforming organic market growth

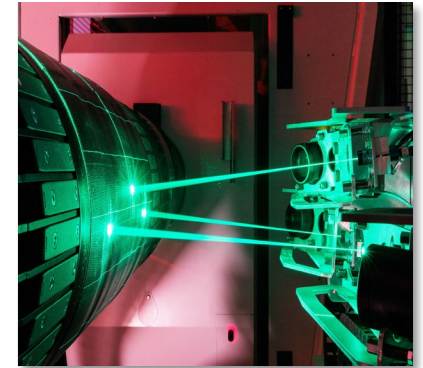
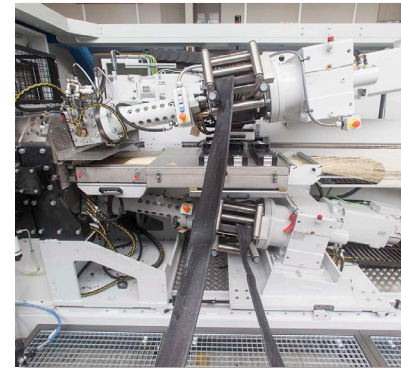
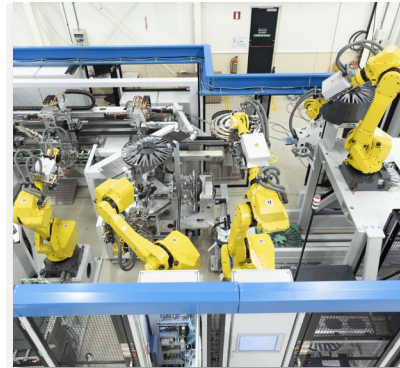
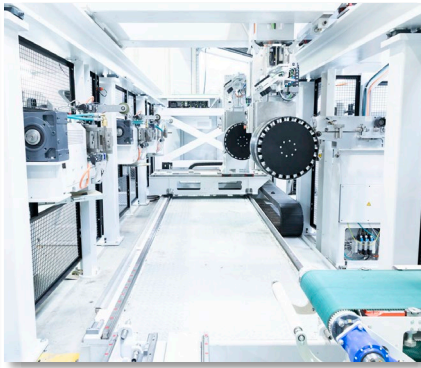
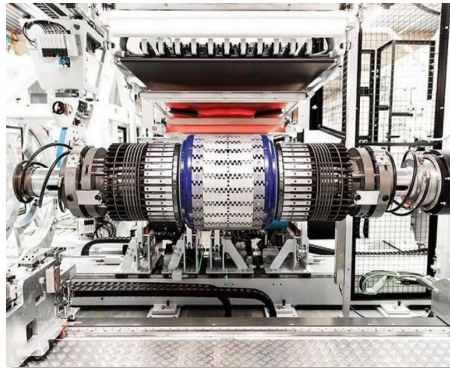
Defined strategy for growth perspective to > € 500 million turnover in 2025

TKH Tire Building Technology



We create superior Tire Building Technology Systems that revolutionize the industry

Portfolio examples

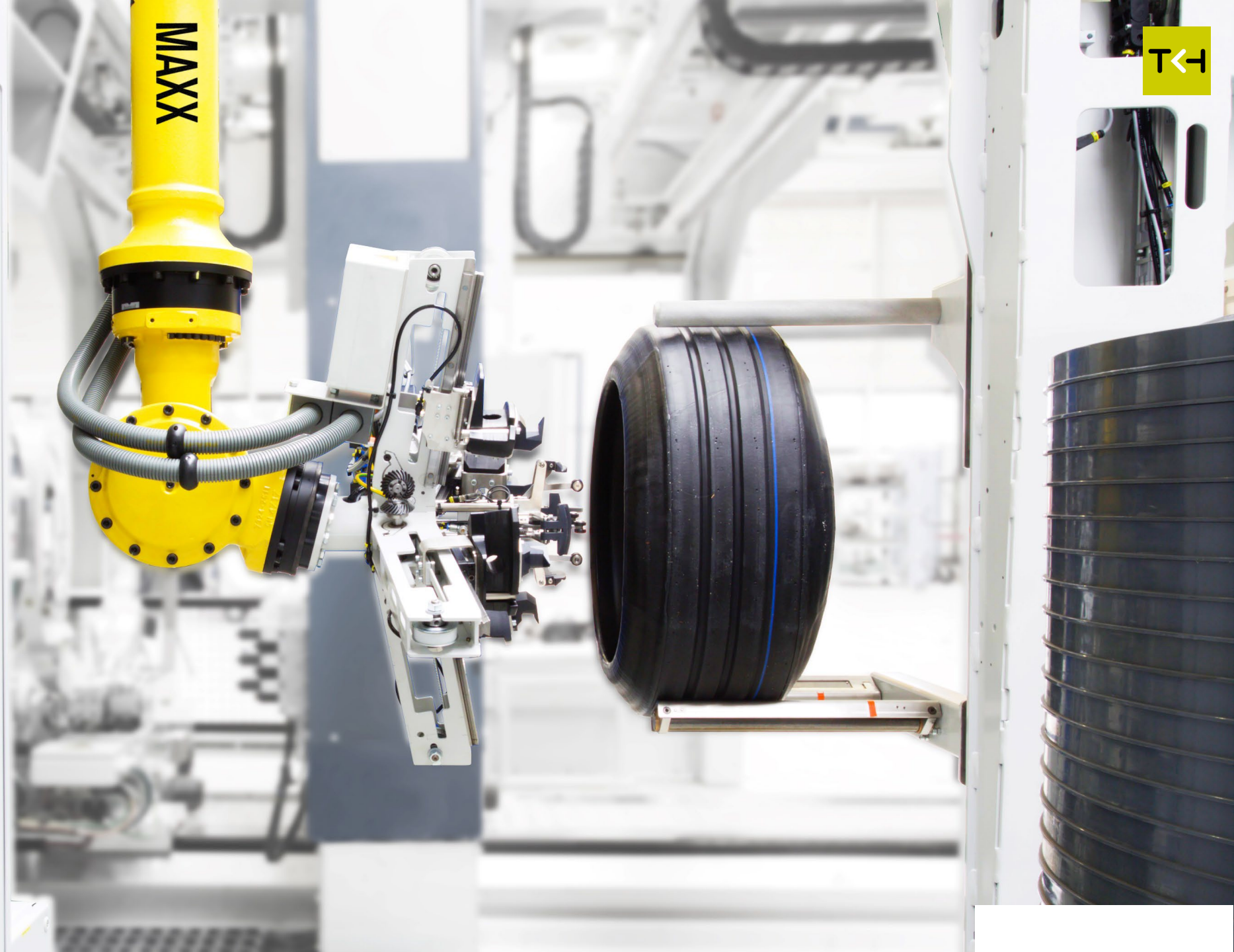


Unleash the full
potential of the most
advanced technology
partner of the Tire
Building Industry

Make more attractive
what we have

Introduce disruptive
technologies
anticipating trends in
the market

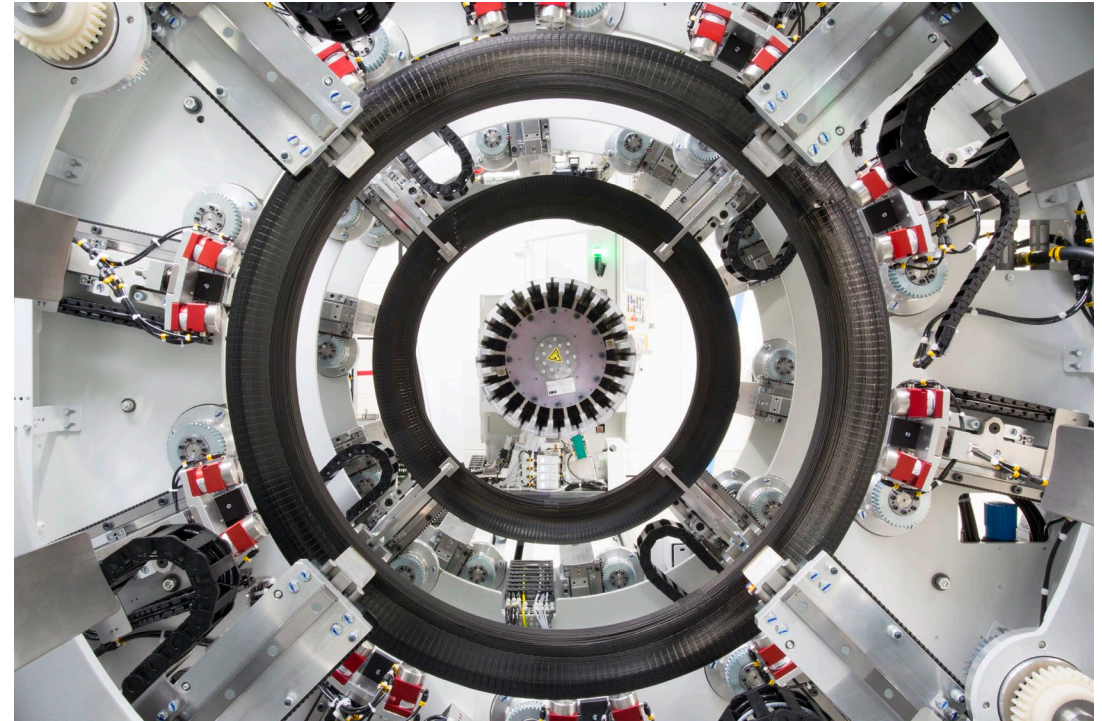
Ease the life of our
customers with
superior services



Current situation TKH Tire Building technology

Market and technology leader

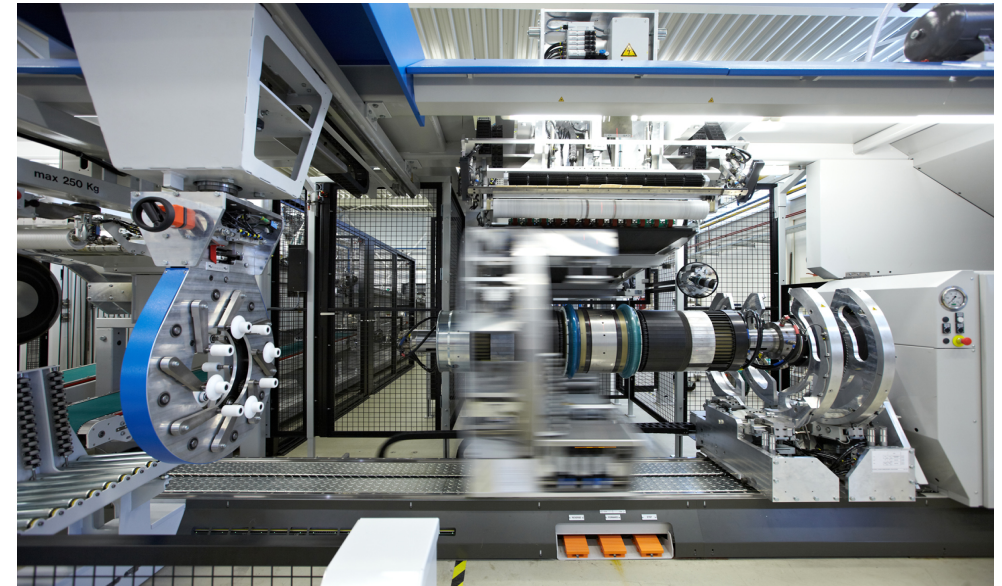
- TKH Tire Building is global market and technology leader
- Since Q4 2020 strong market recovery as well as operating result
- Strong sales in Asia, but US and Europe exceed expectations
- Tier 1 & 2 customers invest in plant modernizations and production volume
- Next level integration of Smart Solutions
- Global sustainability ambitions have a positive impact on growth potential



Global market situation Passenger Tire



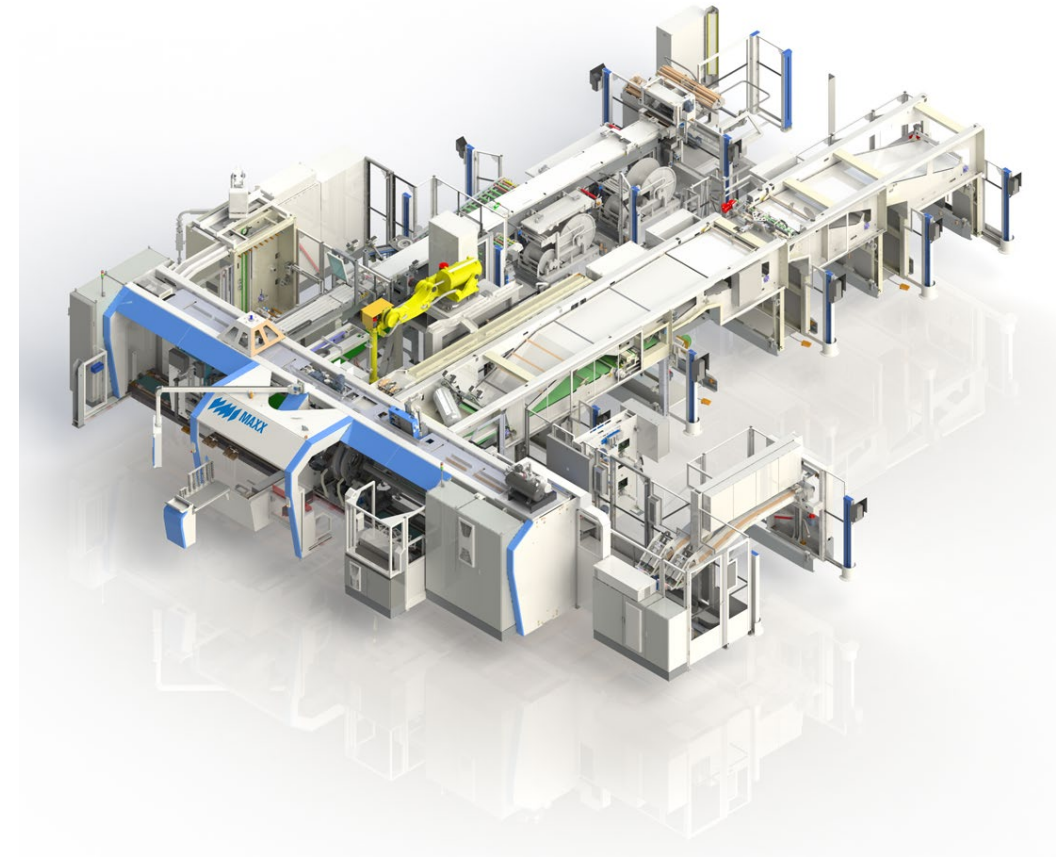
- Current market volume for passenger car tires is ~ 1,6 billion tires / year
- Strong recovery of PCR market in 2021 – 2023, on average increases 2% per year
- Different perspective per region
- 70 – 80% is replacement, 20 – 30% is OE supply
- Over 70% of existing tire manufacturing systems older than 15 years
- Traditionally Tier 1 tire manufacturers engineered their own production solutions
- Current tire production plants set up for high volume mass production
- Plant modernization; focus on high productivity, efficiency, waste reduction, quality improvement



Market drivers global Passenger Tire market

Outperforming organic market growth by unique positioning

- Replacement and modernization of plants
 - need for automation
 - tire technology
 - flexibility requirements
- Reshoring positively impacts growth
- Digitalization and end-to-end traceability
- Additional capacity needed to cover organic growth



- Current market volume for Truck & Bus tires is ~ 500 million tires
- Strong recovery of TBR market in 2021 – 2023 >5%, on average increase 3% per year
 - Very different perspective per region
- Environmentally friendly regulations push for more innovation
- Plant modernization; focus on high productivity, efficiency, waste reduction, quality improvement



Market drivers global Truck Tire market

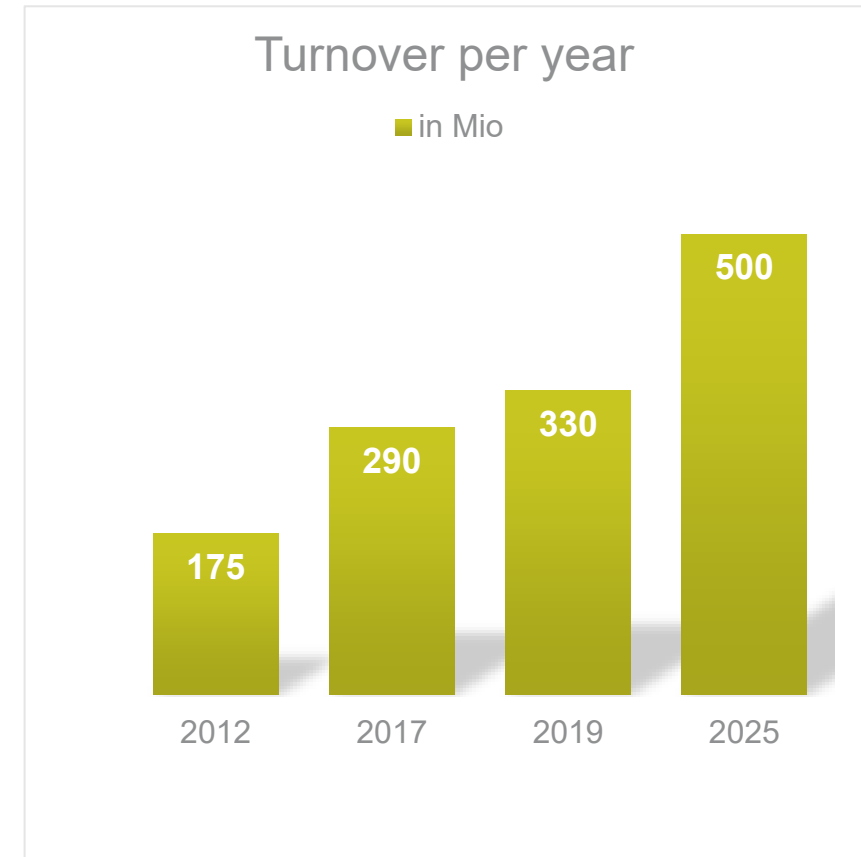
Outperforming organic market growth by unique positioning

- Replacement and modernization of existing plants accelerate
 - Higher level of automation required
 - Quality of tires become more important
- Different varieties of transportation methods (EV, Last mile,..)
- Reshoring positively impact potential
- Organic Truck Tire market growth requires additional capacity



TKH anticipating future growth

- Existing product portfolio is very well positioned for future growth
- R&D investments kept at high level during Covid period
- Tire Building back on track, growth to a sustainable € 500 million turnover by 2025
- Our development and growth plan in Tire building is based on three building blocks:
 1. Strengthen our position with our existing product portfolio in addressable markets
 2. Combined tire component prep and tire building technology
 3. Increase Customer Service with enhanced service offering on installed base
- Industries ambition to reduce carbon footprint supports our growth plan

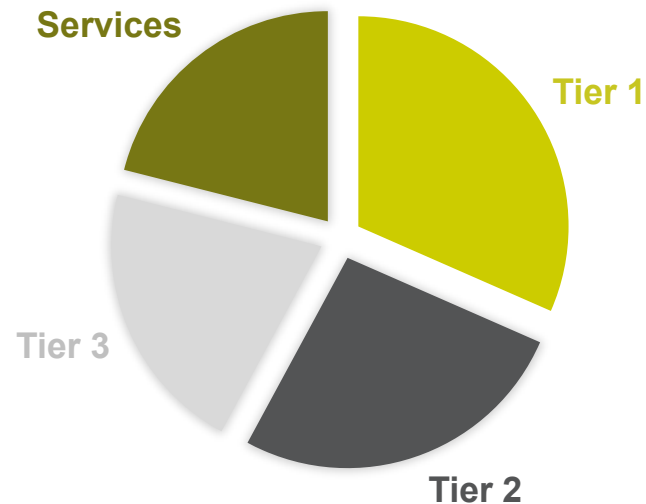


Sales distribution by customer

Increasing share of turnover from Tier 1 and Service

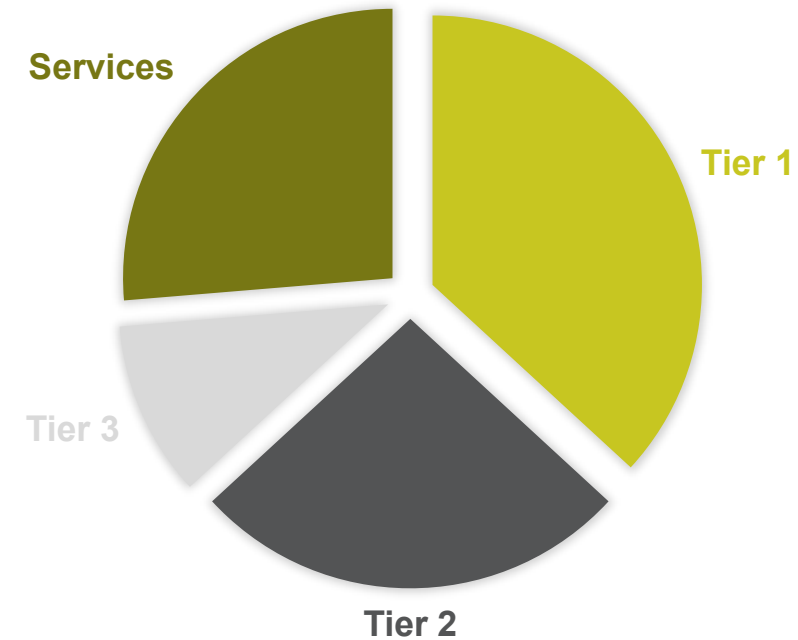
2019 – 2021

Sales of € 330 million distribution by customer



2025

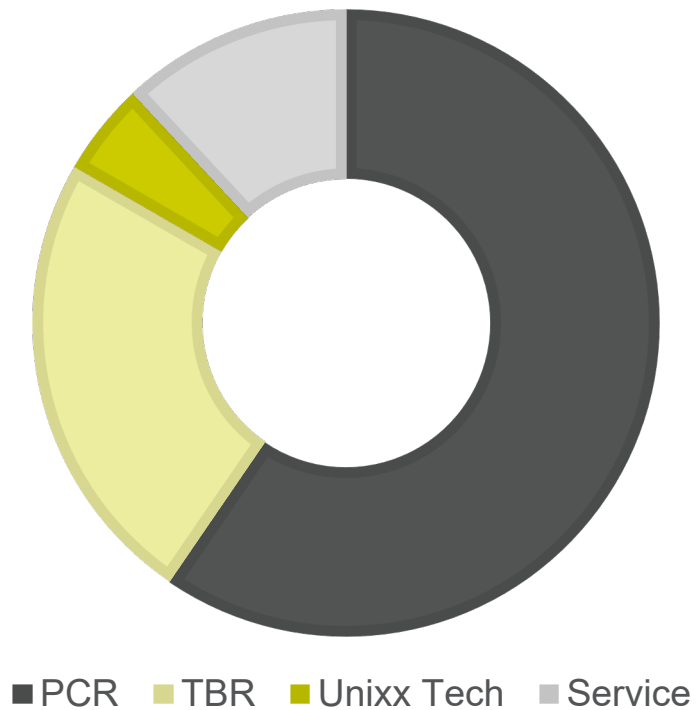
Sales growth to € 500 million distribution by customer



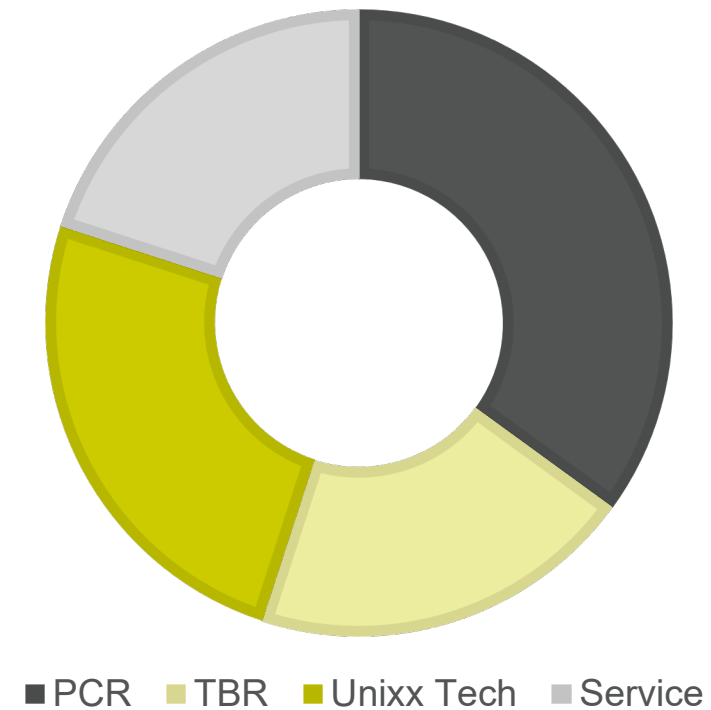
Changes in product mix

Unixx technology will increase significantly in turnover share

PRODUCT MIX

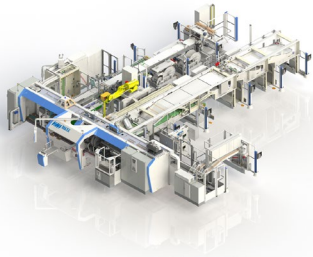


PRODUCT MIX

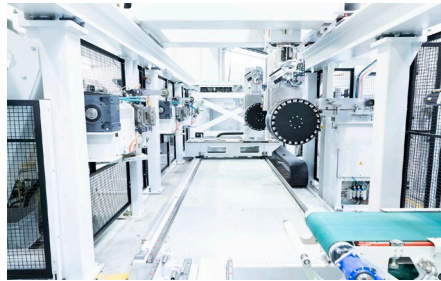


Three building blocks

Focus on revenue growth



**MAINTAINING AND
STRENGTHEN POSITION
WITH EXISTING
PRODUCT MIX**



**INNOVATIONS IN
COMPONENT PREP AND
TIRE BUILDING**



**INCREASE CUSTOMER
SERVICE BUSINESS**

Building block 1

1

Strengthen our position with our existing product portfolio in addressable markets

2

Innovations in component preparation and tire building equipment

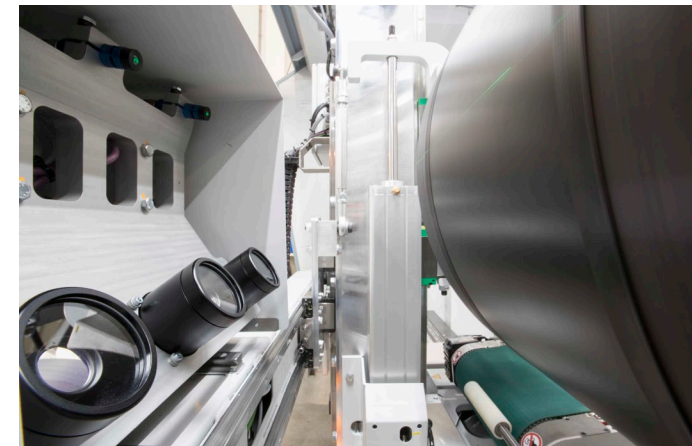
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Increase Customer Services Business

Passenger Tire building solutions

Most reliable and versatile product mix in the market

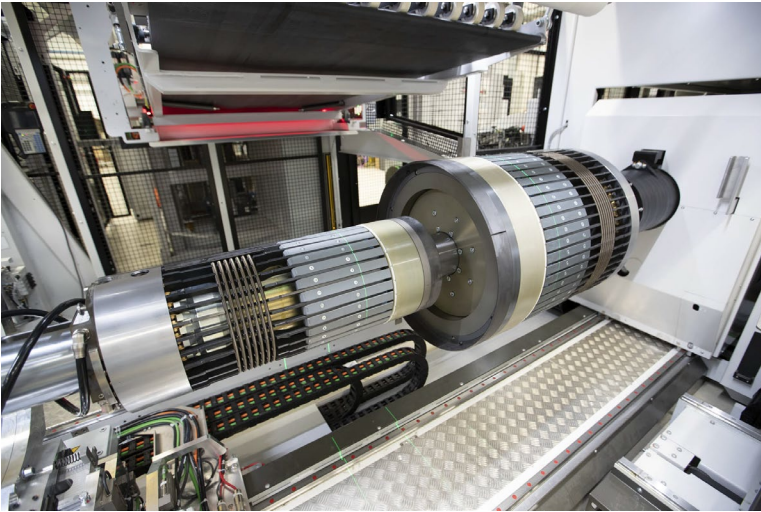
1. Further growth of market share in Tier 1 customers
2. Offering lowest cost per tire
3. Increase production flexibility and further automation (AMC/AGV)
4. Integration of Machine controls, proprietary Vision technology and Smart Solutions
5. Improved quality control on product and process
6. Long term agreements to support plant modernizations
7. Cooperation and co-development on customer specials
8. CO2 neutral, waste reduction and material spillage



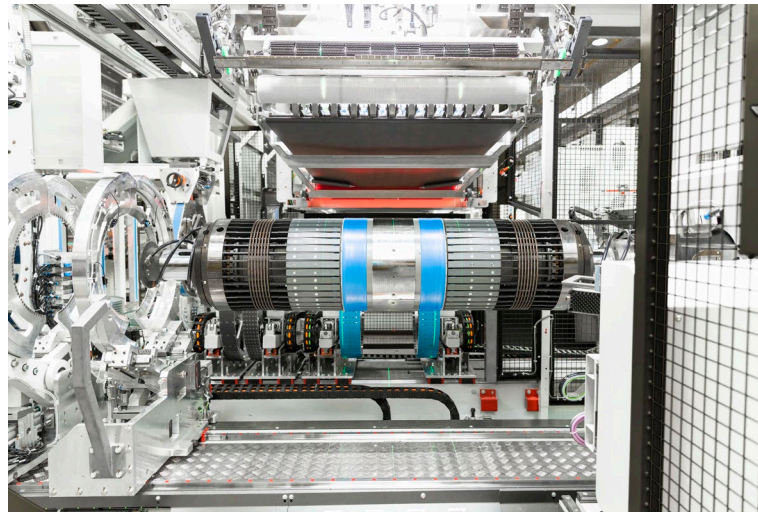
New technology solutions in existing portfolio



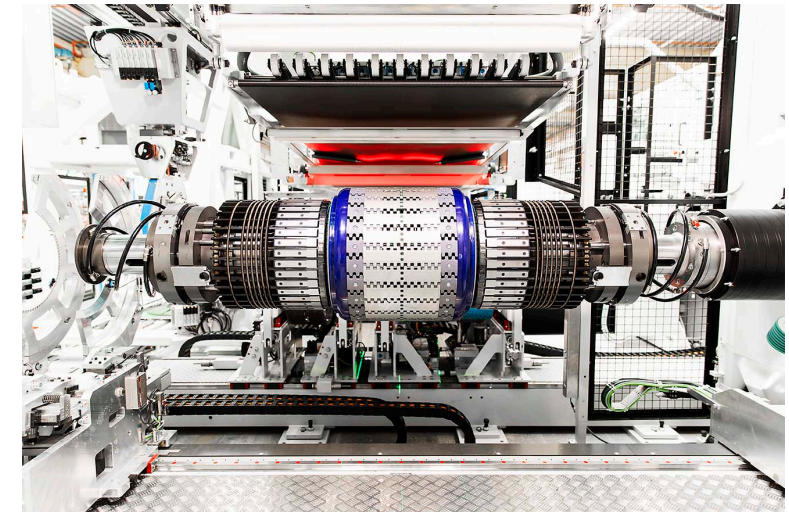
One machine fits all!



Wide range of tire diameters
- from 12" -



Increase tire specification
- Run Flat



Extend tire complexity
- LT
- Separate Side wall
- Two stage tire constructions

Advanced Tire Building technology



MAXX in operation



Video: MAXX

Milexx Truck Tire building solution

Most advanced technology available in the market

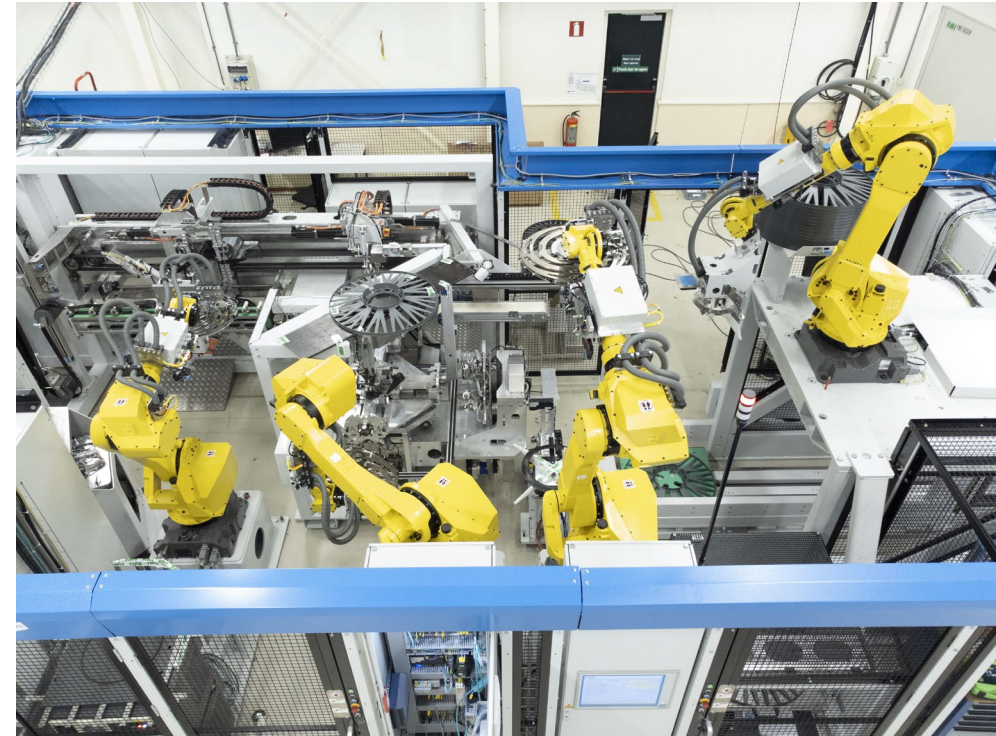
1. Further growth market share Tier 1 customers
2. Distinct Tire quality
3. Highest level of automation
4. Advanced process control (data, tracking, HMI)
5. Cooperation and co-development on customer specials
6. CO2 neutral, waste reduction and material spillage



Video: MILEXX

Revolutionizing, future proof Bead assembly

1. Combination of component prep and Bead assembly
2. Superior and future proof product specs possible
3. Wide range of product specs
4. Hands-off, eyes-off
5. Process and product quality control
6. Optionally linked to automated stacking systems



Video: REVOLUTE

Building block 2



1

Strengthen our position with our existing product portfolio in addressable markets

2

Innovations in component preparation and tire building equipment

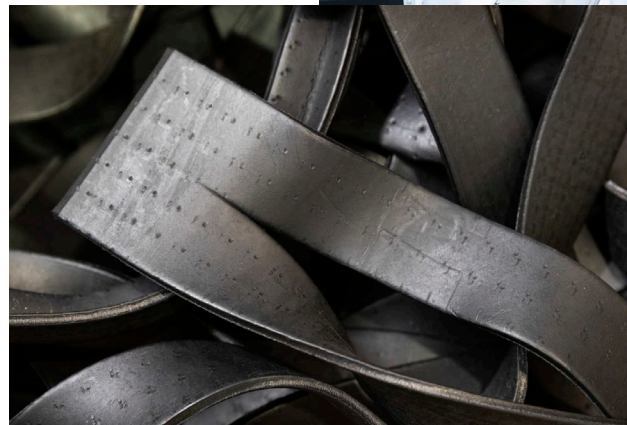
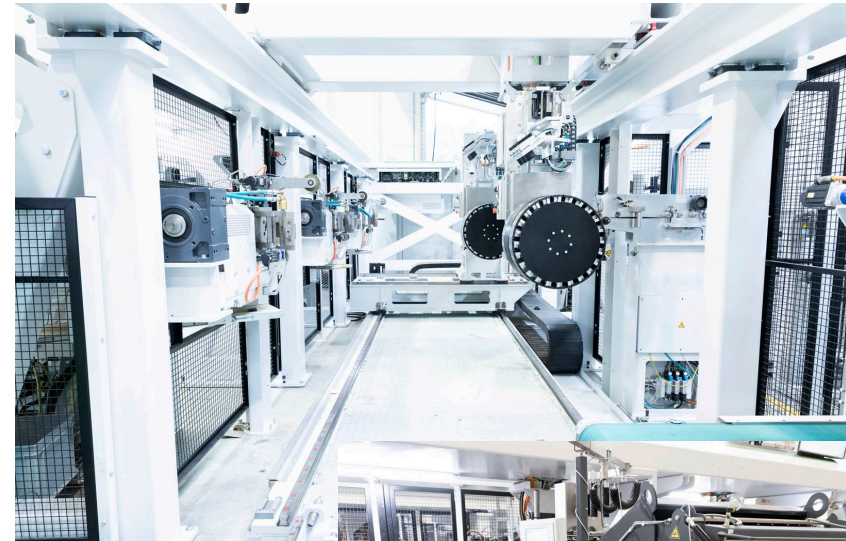
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Increase Customer Services Business

Combined component prep and tire building technology

UNIXX – Revolutionary, new single cell production platform

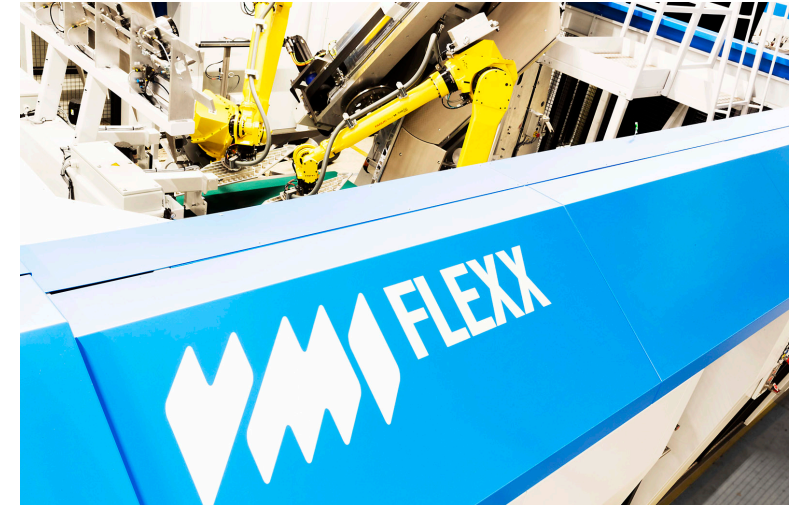
- Anticipates market trends
- Smaller batch sizes and production flexibility
- Component preparation becomes redundant
- Significant reduction of energy consumption and factory footprint
- Complete digitalized solution for product and process control
- Very limited operator involvement

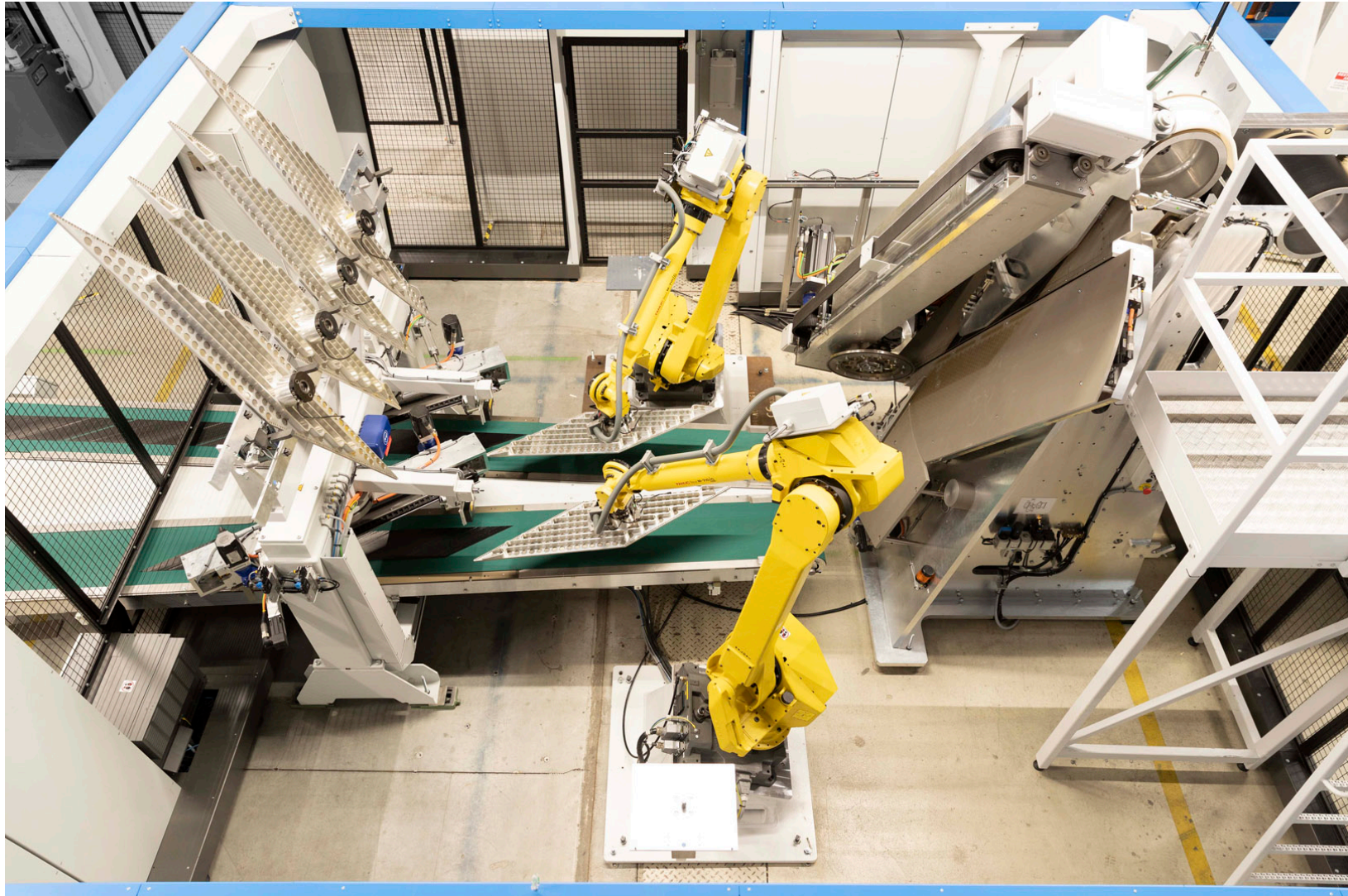


Unixx Modules

FLEXX – derived from Unixx technology platform

- Eliminates upstream equipment of tire factory
- Produces Breaker, Body Ply, Passenger/Truck
- Base material on reel
- Reel is fed to Tire Building machine
- Flexibility from Unixx in existing tire factories
- Higher accuracy and thinner material
- First machine successfully installed in 2021
- Huge savings on energy and material costs





Video: FLEXX

Building block 3

1

Strengthen our position with our existing product portfolio in addressable markets

2

Innovations in component preparation and tire building equipment

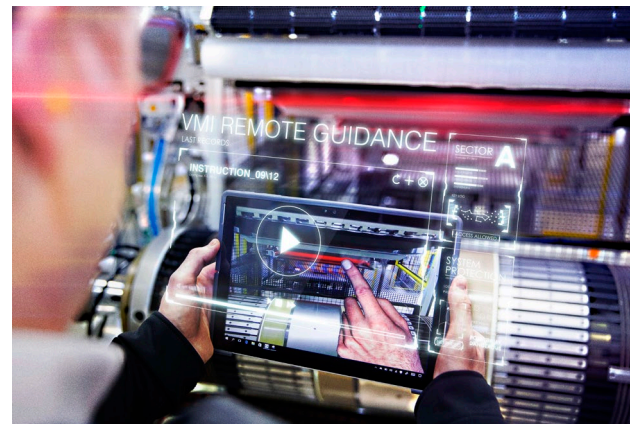
3

Increase Customer Services Business

Increase customer service business



- TKH has an active installed base of over 1400 Tire Building manufacturing systems
- Substantial growth of staff and IT organization
- Extension of retro- and upgrade kits portfolio
- Hubs and service support in all target areas
- 60-70% growth potential of recurrent business



Unleash the full potential in TBMS

Three building blocks for future revenue growth

1

Strengthen our position with our existing product portfolio in addressable markets

2

Innovations in component preparation and tire building equipment

3

Increase Customer Services Business

Thank you for your time

