

Press release

TKH Group N.V. (TKH)

Strong turnover growth in second quarter leads to 37.5% increase in net profit over H1 2021

Strong increase in order intake and order book

Highlights second quarter 2021

- All Solutions contributed to strong turnover growth (up 18.5%, organic growth 16.8%) and an increase in EBITA before one-off income and expenses of 52.8%.
- High demand and innovations lead to strong increase in order intake and order book in all Solutions.

Financial highlights first half 2021

- Turnover up 6.9% at € 726 million, organic growth 5.8%.
- Strong turnover growth at Telecom and Building Solutions offsets decline at Industrial Solutions.
- EBITA before one-off income and expenses 22.3% higher at € 84.4 million.
- ROS up at 11.6% (H1 2020: 10.2%), with strong recovery in Q2.
- Net profit before amortization and one-off income and expenses attributable to shareholders increased by 37.5% to € 49.4 million.
- Order book increased by 49% (€ 211 million) to € 639 million per 30 June 2021.

Strategic highlights first half 2021

- Demand further increased with high level of activity in almost all markets.
- Impact of supply chain challenges well managed, resulting in an only limited effect on activities.
- Solid progress strategic development, driven by 'Simplify & Accelerate' program:
 - Focus on margin improvement well on track.
 - Divestment program on track to be finalized within 12 months.
- Increased order intake with good contribution from innovations, such as subsea connectivity systems, 3D confocal vision technology, tire building systems and Indivion.

Outlook

The improved market circumstances, combined with the increasing demand and strong order book, leads to a positive outlook for the full year. Supply chain challenges can have an impact on some of TKH's operations in the second half of 2021. Forecast full year 2021: net profit from continued operations before amortization and one-off income and expenses attributable to shareholders to increase significantly to between € 106 million and € 112 million, compared to € 70.3 million over 2020.

Key figures

(in € million unless otherwise stated)	H1 2021	H1 2020	Change in %
Turnover	725.8	679.0	6.9%
EBITA before one-off expenses ¹⁾	84.4	69.0	22.3%
Net profit before amortization and one-off income and expenses attributable to shareholders ^{1, 2, 3)}	49.4	36.0	37.5%
Net profit	40.2	26.6	51.4%
Net earnings per ordinary share attributable to shareholders (in €)	0.97	0.63	53.4%
ROS ¹⁾	11.6%	10.2%	
ROCE	15.6%	16.0%	

1) H1 2020 includes costs for restructuring and integrations of € 3.7 million.

2) For further details, we refer to the 'Overview of net profit definitions' included in the notes to the interim financial statements.

3) Amortization of intangible non-current assets related to acquisitions (after taxes).

Alexander van der Lof, CEO of technology company TKH: *"In this first half year we have seen a strong increase in demand for almost all of our activities, resulting in a very high order intake of € 937 million (H1 2020: € 668 million) and an increase in order book of 49%. Order intake grew especially in tire building, machine vision, energy connectivity systems (including subsea) and specialized connectivity systems.*

With the more focused strategic direction, our strong innovative power and a large number of new contracts signed, we are well positioned to boost our performance amidst the post-COVID-19 recovery. The 'Simplify & Accelerate' program, as introduced in 2019, is on track, and we expect to finalize our divestment program within the next twelve months. The share buyback program of the first quarter of this year underlines our strong financial position.

The realization of a ROS of 13.4% in the second quarter shows that TKH makes good progress towards the ROS-target of 15%. Our business fundamentals provide a strong basis for organic growth and value creation."

Financial developments first half

The turnover in the first half of the year increased with € 46.9 million (6.9%) to € 725.8 million (H1 2020: € 679.0 million). Higher raw materials prices had an upward impact of 2.6% on turnover, while exchange rates had a negative impact of 1.2%. Divestments had a downward impact of 0.3%. On balance, TKH recorded a 5.8% organic growth in turnover.

The gross margin decreased to 48.2% (H1 2020: 49.0%) due to a shift in product mix with a larger share in connectivity combined with an increase in raw material prices.

Operating expenses increased by 0.6% compared with the first half of 2020. As a percentage of turnover, operating expenses decreased to 36.6% in the first half of 2021, from 38.8% in the first half of 2020. The implemented integrations and cost savings accounted for a significant share of the relative reduction of costs. At the same time, selling expenses were still at a lower level due to the COVID-19 restrictions. Depreciation came in at € 22.1 million, € 0.8 million below the level in the first half of 2020, mainly due to a lower depreciation on the right-of-use assets.

The operating result before amortization of intangible assets and one-off income and expenses (EBITA) increased by 22.3% to € 84.4 million in the first half of 2021, from € 69.0 million in the first half of 2020. All Solutions contributed to the increase, with the EBITA in Telecom, Building and Industrial Solutions increasing by 17.1%, 32.0% and 3.3% respectively.

ROS increased to 11.6% in the first half of 2021 (H1 2020: 10.2%) due to the turnover growth and a lower relative cost level, with a very strong recovery in Q2. ROS increased in all three Solution segments.

Amortization decreased, as the amortization on certain PPA's from past acquisitions have ended.

The financial result declined by € 2.3 million, mainly because in the first half of 2020 a profit of € 5.5 million on divestments was included. In H1 2021, foreign exchange results and results from associates improved.

The normalized effective tax rate increased to 27.1% in the first half of 2021, from 26.2% in the first half of 2020, primarily due to higher profits at companies that are charged at higher tax rates.

Net profit from continued operations before amortization and one-off income and expenses attributable to shareholders increased by 37.5% to € 49.4 million (H1 2020: € 36.0 million). Net profit increased by 51.4% to € 40.2 million (H1 2020: € 26.6 million).

Net debt, calculated in accordance with the bank covenants, increased compared to year-end 2020 by € 13 million to € 275 million. The increase is mainly related to dividends paid combined with the share buyback program. This was offset partly by the positive results and a decrease in working capital. On 30 June 2021, working capital as a percentage of turnover was at 11.2%, lower than on 30 June 2020 (16.6%). Last year, the percentage increased due to the postponement of the delivery of various projects within Industrial Solutions. This effect has phased out. Prepayments on the high order intake in Industrial Solutions and some temporary deferral of vat and wage tax payments lowered working capital.

The Net debt/EBITDA ratio stood at 1.5 at end-June 2021, well within the financial ratio agreed with the banks. Solvency amounted to 40.3% (H1 2020: 40.5%).

The number of permanent employees (FTEs) stood at 5,647 at 30 June 2021 (end 2020: 5,583 FTEs). In addition, TKH had 304 temporary employees at 30 June 2021 (end 2020: 121).

Developments per Solution segment

Telecom Solutions

Telecom Solutions encompasses the core technologies connectivity and vision & security. TKH develops, produces, and supplies systems ranging from basic outdoor infrastructure for telecom and CATV networks through to indoor home networking applications. Around 40% of the portfolio consists of optical fibre and copper cable for hub-to-hub connectivity. The remaining 60%, consisting of components and systems in the field of connectivity and peripherals, is deployed primarily in network hubs – share in turnover 15%.

Key figures

(in € million unless otherwise stated)	H1 2021	H1 2020	Change in %
Turnover	107.8	95.1	13.4%
EBITA	14.4	12.3	17.1%
ROS	13.4%	13.0%	

Turnover in the Telecom Solutions segment increased by 13.4% to € 107.8 million. Currency exchange rates had a negative effect of 0.6%. Turnover increased organically by 14.0%.

EBITA was up 17.1% at € 14.4 million. ROS increased to 13.4% in the first half of 2021 (H1 2020: 13.0%).

Fibre Optic Networks – Turnover increased due to high investment priority for fibre networks in Europe and less negative impact from lockdowns on the clients' installation capacity. Particularly in France, a strong recovery was realized. The overcapacity in the Chinese market had a slight negative effect on the added value, which was offset by a higher share of our connectivity system portfolio.

Other markets – Growth was realized within the broadband portfolio for home offices.

Building Solutions

Building Solutions connects the core technologies vision & security and connectivity in integrated solutions in and around buildings, infrastructure, as well as machine vision for inspection, quality, product and process controls. We provide solutions focused on efficiency, safety & security and sustainability for a number of specific sectors, including machine vision, healthcare, parking, marine & offshore and infrastructure – turnover share 53%.

Key figures

(in € million unless otherwise stated)	H1 2021	H1 2020	Change in %
Turnover	383.5	344.9	+11.2%
EBITA before one-off expenses ¹⁾	48.1	36.4	+32.0%
ROS	12.5%	10.6%	

1) The one-off expenses in H1 2021 were nil (H1 2020: costs for restructuring and integrations totaling € 3.6 million).

Turnover in the Building Solutions segment increased by 11.2% to € 383.5 million. Higher raw material prices had an upward impact of 4.4% on turnover. Divestments in 2020 reduced turnover by 0.6%. Currency effects had a downward effect of 2.1% on turnover. On balance, turnover increased organically by 9.4% in the first half of the year.

EBITA increased by 32.0% to € 48.1 million, mainly due to strong growth in Machine Vision and connectivity systems. This resulted in an increase in ROS to 12.5% in the first half of the year (H1 2020: 10.6%).

Machine Vision – There was a strong increase in turnover and order intake in the consumer electronic market segment. Also, factory automation, logistics, automotive and wood sector showed further growth. Challenges in the supply chain had a limited impact on the business.

Infrastructure – The demand for Airfield Ground Lighting (CEDD/AGL) was clearly impacted by COVID-19, as a result of investment limitations at airports. However, the sales funnel for 2022 is promising. The low order intake at airports was largely offset by a good development in the demand for energy connectivity systems. TKH is expanding its production capacity for energy cable systems and expects this to become operational during the third quarter of 2021. In traffic monitoring systems, an increase in turnover was realized.

Marine & Offshore – Increase in turnover, which in particular benefited from the subsea cable activities where production utilization increased further. A new contract was won for the supply of 140 km 66 kV inter array cables for Hollandse Kust Noord. The prospect for new orders is further improving due to strong market growth for alternative energy sources.

Parking – The low investment level within this market, in particular at shopping malls and airports, continued due to low capacity utilization in parking garages as a result of COVID-19.

Care - Demand for our communications technology for care alerts and elderly care increased. There was a less negative effect of lockdowns on the installation opportunities in care institutions.

Other markets – Demand in the building & construction market increased. Especially in France and Germany, our connectivity solutions recorded a substantial growth.

Industrial Solutions

Industrial Solutions encompasses the core technologies connectivity, vision & security and smart manufacturing. TKH develops, produces and delivers specialty cable and plug and play cable systems. TKH's know-how in the automation of production processes and improvements in the reliability of production systems gives the company the differentiating potential it needs to deliver innovative, integrated production systems in a number of specialized industrial sectors, such as tire manufacturing, robot, medical and machine-building industries - turnover share 32%.

Key figures

(in € million unless otherwise stated)	H1 2021	H1 2020	Change in %
Turnover	234.6	239.0	-1.9%
EBITA	27.9	27.0	+3.3%
ROS	11.9%	11.3%	

Turnover in the Industrial Solutions segment fell by 1.9% to € 234.6 million. Higher average raw material prices had a positive impact of 1.0%. Exchange rates had a negative effect of 0.2%. Organically, turnover fell by 2.7%.

EBITA was up 3.3% at € 27.9 million. ROS increased to 11.9% in the first half of 2021, from 11.3% in the first half of 2020. There was a strong improvement of EBITA and ROS from Q1 to Q2.

Tire Building – While turnover in Q1 was significantly impacted by the effects of the low order intake in Q2 and Q3 2020, a strong recovery of the order intake in the past quarters translated in a higher turnover and result in Q2. The order intake from Asian customers recovered well, and the intake from the top-five tire manufacturers is increasing. At 30 June, the order book is at a high level. The development of the UNIXX (a new tire-building platform) is progressing well, with completion delayed due to COVID-19 and now expected by the end of this year.

Care – Turnover is gradually growing, driven by the breakthrough of the Indivion technology. The service organization in North America is being ramped-up to support further growth in this region. Our specialized connectivity systems for medical equipment showed a good recovery.

Other markets – There was a substantial growth in connectivity systems for the machine building and robotics industry.

Outlook

The improved market circumstances for our solutions, as well as our capability to increase our manufacturing capacity utilization, lead to a positive outlook for the second half year. Based on these developments, we anticipate a further organic growth of turnover and result in the second half of 2021. The impact of supply chain challenges, which was limited to date, may increase for the second half of 2021 for some activities.

In our Telecom Solutions, which had a strong first half, we expect turnover and EBITA in the second half of the year to be comparable to the first half of 2021. Fibre Optic Networks will remain a driver of turnover with a continuing high investment priority in Europe, where we expect less negative impact from lockdowns on the installation capacity. Price levels for fibre optics are expected to improve gradually.

Within Building Solutions, turnover and EBITA in the second half year of 2021 are expected to increase compared to the first half year of 2021. We will see a lower turnover in 3D machine vision, due to seasonality and supply chain shortages, which will be offset by growth in security systems, energy connectivity systems (Infrastructure), subsea (Marine & Offshore) and



2D machine vision.

In Industrial Solutions, turnover and EBITA are expected to show a strong growth in the second half year 2021, compared to the first half year, driven by the high order intake in Tire Building in the past quarters. The expected ROS improvement is driven by volume effects and cost control.

On balance and barring unforeseen circumstances, for the full year 2021 TKH expects net profit from continued activities before amortization and one-off income and expenses attributable to shareholders to increase significantly to between € 106 million and € 112 million (2020: € 70.3 million).

Capital Markets Day

TKH will organize a Capital Markets Day on 17 November 2021. During this day, TKH will provide an update about the progress of the 'Simplify & Accelerate' program. As part of 'Simplify & Accelerate', TKH will present a strategy update and a new segmentation structure. Further, several innovations will be presented.

Haaksbergen, 17 August 2021

Executive Board

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Financial calendar

16 November 2021	Market Update
17 November 2021	Capital Markets Day
8 March 2022	Publication Annual results 2021
26 April 2022	General Meeting of Shareholders
16 August 2022	Publication interim results 2022

About TKH

Technology firm TKH Group NV (TKH) focuses on high-end innovative technologies in high growth markets within three business segments: Telecom, Building and Industrial Solutions.

Through a combination of core technologies within the three business segments, TKH offers superior solutions that support to increase the efficiency, safety, security and sustainability of its customers. The technologies are offered together with software to create smart technologies and one-stop-shop solutions with plug-and-play integrated technologies.

TKH operates on a global scale. Its growth is concentrated in Europe, North America and Asia. Employing 5,583 people, TKH achieved a turnover of € 1.3 billion in 2020.

Consolidated profit and loss account

in thousands of euros	1st half year 2021	1st half year 2020 ¹⁾
Total turnover	725,847	678,958
Raw materials, consumables, trade products and subcontracted work	376,153	346,230
Personnel expenses	185,825	188,225
Other operating expenses	57,369	56,266
Depreciation	22,123	22,886
Amortization	25,563	27,958
Impairments	169	1,537
Total operating expenses	667,202	643,102
Operating result	58,645	35,856
Financial income	90	178
Financial expenses	-3,972	-3,996
Exchange differences	364	-1,161
Share in result of associates	1,326	-2,381
Result from sale of associates	0	5,596
Fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests	-1,344	545
Result before tax	55,109	34,637
Tax on profit	14,915	8,087
Net result	40,194	26,550
Attributable to:		
Shareholders of the company	40,178	26,544
Non-controlling interests	16	6
	40,194	26,550
Earnings per share attributable to shareholders		
Ordinary earnings per share (in €)	0.97	0.63
Diluted earnings per share (in €)	0.97	0.63
Earnings per share attributable to shareholders		
Ordinary earnings per share (in €)	0.97	0.63
Diluted earnings per share (in €)	0.97	0.63
Ordinary earnings per share before amortization (in €)	1.15	0.86
Ordinary earnings per share before amortization and one-off income and expenses (in €)	1.20	0.86

1) A reclassification of € 2.9 million has been made in the comparative figures from 'Other operating expenses' to 'Raw materials, consumables, trade products and subcontracted work'.

Consolidated statement of comprehensive income

in thousands of euros	1st half year 2021	1st half year 2020
Net result	40,194	26,550
Items that may be reclassified subsequently to profit or loss (net of tax)		
Currency translation differences	6,654	-4,574
Currency translation differences in other associates	329	-105
Effective part of changes in fair value of cash flow hedges (after tax)	-249	103
	6,734	-4,576
Items that will not be reclassified subsequently to profit or loss (net of tax)		
Actuarial gains/(losses)	-52	0
	-52	0
Other comprehensive income (net of tax)	6,682	-4,576
Comprehensive income for the period (net of tax)	46,876	21,974
Attributable to:		
Shareholders of the company	46,873	21,989
Non-controlling interests	3	-15
Total comprehensive income for the period (net of tax)	46,876	21,974

Consolidated balance sheet

in thousands of euros	30-06-2021	31-12-2020
Assets		
Non-current assets		
Intangible non-current assets	518,992	577,330
Tangible non-current assets	221,057	219,900
Right-of-use assets	68,729	77,357
Other associates	27,310	25,540
Receivables	872	1,872
Deferred tax assets	13,299	14,322
Total non-current assets	850,259	916,321
Current assets		
Inventories	236,797	236,714
Receivables	218,903	157,363
Contract assets	106,994	124,230
Contract costs	2,923	3,314
Current income tax	695	1,776
Cash and cash equivalents	82,639	121,645
Total current assets	648,951	645,042
Assets held for sale	111,225	4,594
Total assets	1,610,435	1,565,957
Equity and liabilities		
Group Equity		
Shareholders' equity	649,098	661,820
Non-controlling interests	89	86
Total group equity	649,187	661,906
Non-current liabilities		
Interest-bearing loans and borrowings	381,257	409,508
Deferred tax liabilities	52,560	55,061
Retirement benefit obligation	4,887	5,844
Financial liabilities	1,918	3,408
Provisions	6,019	5,741
Total non-current liabilities	446,641	479,562
Current liabilities		
Interest-bearing loans and borrowings	51,476	57,143
Trade payables and other payables	294,753	258,717
Contract liabilities	88,718	73,931
Current income tax liabilities	11,101	11,008
Financial liabilities	4,753	4,542
Provisions	17,443	19,148
Total current liabilities	468,244	424,489
Liabilities directly associated with assets held for sale	46,363	0
Total equity and liabilities	1,610,435	1,565,957

Consolidated cash flow statement

in thousands of euros	1st half year 2021	1st half year 2020
Cash flow from operating activities		
Operating result from continued activities	58,645	35,856
Depreciation, amortization and impairment	47,985	52,360
Share and option schemes not resulting in a cash flow	1,364	1,636
Result on disposals	-84	21
Changes in provisions	-1,816	2,880
Changes in working capital	791	-40,223
Cash flow from operations	106,885	52,530
Interest received	87	207
Interest paid	-3,860	-3,491
Income taxes paid	-13,838	-11,502
Net cash flow from operating activities (A)	89,274	37,744
Cash flow from investing activities		
Dividends received from non-consolidated associates	31	
Repayments on loans	407	36
Purchases of tangible non-current assets	-15,676	-12,703
Disposals of tangible non-current assets	663	575
Divestment of subsidiaries classified as held-for-sale less transferred cash		21,154
Divestment of associates	128	
Acquisition of subsidiaries less cash and cash equivalents acquired	-398	
Investments in intangible non-current assets	-19,562	-17,707
Divestments in intangible non-current assets	12	21
Net cash flow from investing activities (B)	-34,395	-8,624
Cash flow from financing activities		
Dividends paid	-41,124	-62,655
Settlement of financial liabilities regarding put options of non-controlling interests and earn-out	-4,020	-594
Purchased shares for share buy-back program	-17,856	
Purchased shares for share and option schemes	-8,770	-12,370
Sold shares for share and option schemes	6,791	1,066
Payment of lease liabilities	-8,923	-8,801
(Repayments)/proceeds from long-term debts	-19,841	50,064
(Repayments)/proceeds from other long-term debts	428	-20
Change in borrowings	37,112	9,305
Net cash flow from financing activities (C)	-56,203	-24,005
Net increase/(decrease) in cash and cash equivalents (A+B+C)	-1,324	5,115
Exchange differences	3,865	-2,879
Change in cash and cash equivalents	2,541	2,236
Cash and cash equivalents at 1 January	65,614	76,146
Cash and cash equivalents at 30 June	68,155	78,382
Cash and bank balances as included in the cash flow statement	68,155	78,382
Cash at companies assets held for sale	-700	
Cash and bank balances in cash and interest pools	15,184	7,905
Cash and bank balances	82,639	86,287

Consolidated statement of changes in group equity

in thousands of euros	Total shareholders' equity	Non- controlling interests	Total group equity
Balance at 1 January 2020	704,516	304	704,820
Net result	26,544	6	26,550
Total other comprehensive income	-4,555	-21	-4,576
Total comprehensive income	21,989	-15	21,974
Dividends	-62,552		-62,552
Dividends to shareholders of non-controlling interests	-103		-103
Acquisition of non-controlling interests		-197	-197
Share and option schemes	1,636		1,636
Purchased shares for share and option schemes	-12,370		-12,370
Sold shares for share and option schemes	1,066		1,066
Balance at 30 June 2020	654,182	92	654,274
Balance at 1 January 2021	661,820	86	661,906
Net result	40,178	16	40,194
Total other comprehensive income	6,695	-13	6,682
Total comprehensive income	46,873	3	46,876
Dividends	-41,124		-41,124
Share and option schemes	1,364		1,364
Purchased shares for share buy-back program	-17,856		-17,856
Purchased shares for share and option schemes	-8,770		-8,770
Sold shares for share and option schemes	6,791		6,791
Balance at 30 June 2021	649,098	89	649,187

Notes to the interim financial report

1. Accounting principles for financial reporting

The accounting policies for the valuation of assets and liabilities and determination of the result (hereafter 'valuation principles') are the same as the accounting principles applied for the consolidated financial statements 2020. Annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Section 2: 362 sub 9 of the Dutch Civil Code (Dutch Civil Code).

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. It does not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements 2020 of the group.

2. Judgments

The preparation of the consolidated interim financial statements requires management to make judgments and estimates and assumptions that affect the application of accounting policies and the reported value of assets and liabilities, and income and expenses. Actual results may differ from these estimates. The main sources for estimates used by management are the same as those used in preparing the 2020 consolidated financial statements.

3. Assets and directly associated liabilities held for sale

As part of the 'Simplify & Accelerate' program, TKH decided in the first half of 2021 to start an active program to divest certain activities engaged in the distribution of connectivity solutions. Accordingly the associated assets and liabilities have been reclassified to assets and liabilities held for sale. Besides working capital, goodwill is also an important part of this value. Barring unforeseen circumstances, a sale is expected within the upcoming 12 months.

The main categories of assets and liabilities classified as held for sale are as follows:

in thousands of euros	H1 2021	2020
Assets		
Intangible non-current assets	55,749	
Tangible non-current assets	5,665	4,594
Right-of-use assets	12,013	
Receivables	593	
Deferred tax assets	604	
Inventories	22,549	
Receivables	13,355	
Cash and cash equivalents	700	
Assets held for sale	111,228	4,594
Liabilities		
Non-current interest-bearing loans and borrowings	10,514	
Deferred tax liabilities	88	
Retirement benefit obligation	1,081	
Other long-term provisions	45	
Current interest-bearing loans and borrowings	2,278	
Trade payables and other payables	30,460	
Current income tax liabilities	1,897	
Liabilities directly associated with assets held for sale	46,363	0
Net assets directly associated with 'held for sale'	64,865	4,594

4. Statutory capital

The number of outstanding (depository receipts of) shares as per 31 December 2020 amounted to 41,486,922. Due to the share buy-back program and the exercise of options rights and share schemes, a balance of 445,364 (depository receipts of) shares were purchased in the first half of 2021. As a result, the number of (depository receipts of) shares outstanding with third parties as per 30 June 2021 was 41,041,558.

5. Dividend

At the General Meeting of Shareholders 2021, the dividend over 2020 was declared at € 1.00 per (depository receipts of) ordinary share. The dividend on the priority shares was declared at € 0.05 per share. The total amount in dividends paid in the first half of 2021 was € 41,123,613 and this amount was charged to the other reserves (H1 2020: € 62,552,207).

6. Segmented information

in thousands of euros	Telecom Solutions		Building Solutions		Industrial Solutions		Not attributable		Total	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Total turnover	107,808	95,053	383,458	344,880	234,581	239,025	0	0	725,847	678,958
EBITA	14,440	12,334	48,100	36,447	27,855	26,958	-6,018	-6,733	84,377	69,006
ROS	13.4%	13.0%	12.5%	10.6%	11.9%	11.3%			11.6%	10.2%
One-off expenses				-3,629		-26			0	-3,655
Amortization	-588	-560	-20,192	-22,655	-4,770	-4,731	-13	-12	-25,563	-27,958
Impairments			-215	-1,384	46	-153			-169	-1,537
Operating result	13,852	11,774	27,693	8,779	23,131	22,048	-6,031	-6,745	58,645	35,856

The turnover per vertical market is as follows:

in thousands of euros	Total turnover	
	2021	2020
Fibre Optic Networks	72,409	64,480
Parking	17,345	20,064
Infrastructure	65,920	66,659
Marine & Offshore	36,864	31,763
Care	28,556	25,673
Machine Vision	101,913	91,376
Tire Building Industry	128,120	141,933
Other vertical markets	274,720	237,010
Total turnover	725,847	678,958

7. Order book

The following table shows the expected future revenue with regard to contractual performance obligations that are not (or partially) completed on the balance sheet date:

in thousands of euros	30-06-2021	31-12-2020	30-06-2020
Expected to be recognized as revenue within 1 year	603,033	408,168	382,985
Expected to be recognized as revenue between 1 and 2 years	33,918	17,945	12,102
Expected to be recognized as revenue after 2 years	2,528	2,221	4,137
Unsatisfied performance obligations	639,479	428,334	399,224

8. Overview of net profit definitions

in thousands of euros (unless otherwise stated)	1st half year 2021	1st half year 2020
Net result	40,194	26,550
Less: Non-controlling interests	-16	-6
Net profit attributable to the shareholders	40,178	26,544
Amortization of intangible non-current assets from acquisitions	9,813	12,741
Taxes on amortization	-2,643	-3,412
Net profit before amortization from continuing operations attributable to the shareholders of the company	47,348	35,873
One-off costs for restructurings, integrations, divestments and acquisitions		3,655
Result from divestments and purchase price allocations in the result of associates	608	-3,264
Impairments	169	1,537
Fair value changes of financial liability for earn-out and put options of shareholders of non-controlling interests	1,344	-545
Tax impact on one-off expenses and benefits	-42	-1,298
Net profit before amortization and one-off income and expenses attributable to the shareholders of the company	49,427	35,958

9. Contingent liabilities

The contingent liabilities which are not reflected in the balance sheet, as reported in the consolidated financial statements for 2020, have not essentially changed in the first half 2021.

10. Events after balance sheet date

There have been no events in the past interim period that are material to the understanding of this interim report.

11. Risks

The 2020 annual report describes in detail certain risk categories and risk factors that could have a (negative) impact on TKH's financial position and results. On 30 June 2021, the risk categories and risk factors were re-analyzed and it was concluded that they still apply.

12. Executive Board declaration

This report contains the interim financial report of TKH Group NV. The interim financial report ended 30 June 2021 consists of the condensed consolidated interim financial statements, the interim director's report and Executive Board declaration. The information in this interim financial report is unaudited. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements of TKH for the year ended 31 December 2020.

The Executive Board hereby declares that to the best of their knowledge, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and the interim director's report gives a fair review of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Markets Supervision Act ('Wet op het financieel toezicht').

13. Signature of interim report

Haaksbergen, 17 August 2021

Executive Board
J.M.A. van der Lof MBA, *chairman*
E.D.H. de Lange MBA
H.J. Voortman Msc

The figures in the interim financial report have not been audited.

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.