

Press release – Market update Q1
TKH Group N.V. (TKH)

Increased order intake in Q1 and improved outlook for H1

Financial developments in first quarter

- According to expectations, turnover showed an organic decline of 4.7% in the first quarter compared to the first quarter of 2020. The organic growth in Telecom and Building Solutions did not compensate for the substantial lower turnover in Industrial Solutions caused by a low order intake in Q2 and Q3 last year. Within Building Solutions, especially the Machine Vision activities showed a strong organic growth.
- EBITA decreased in line with turnover, although Building Solutions showed a substantial increase.
- Following the recovery of order intake in Q4, Q1 saw a further increase in order intake, which resulted in a growth of the order book at 31 March 2021 compared to 31 December 2020 and compared to 31 March 2020.

Developments per vertical market

Telecom Solutions

- Fibre Optic Networks – Good recovery of turnover due to high investment priority for fibre networks in Europe and less negative impact from lockdowns on the installation capacity. Some negative effect on the margin due to overcapacity in the Chinese market.

Building Solutions

- Machine Vision – Strong increase in turnover and order intake for consumer electronic market segment. Also, factory automation, logistics, automotive and wood sector show further growth.
- Marine & Offshore – Good development of turnover, which is particularly due to the subsea cable activities where turnover increased further with a good perspective for new orders.
- Infrastructure – Some negative effects of lockdowns, but good development of the demand for energy connectivity systems.
- Parking – Market circumstances continue to be difficult, with a continuing low investment level within this market.

Industrial Solutions

- Care – Strong turnover growth, driven by the breakthrough of the Indivion technology as well as connectivity systems for medical equipment.
- Tire building – Continued recovery of order intake, including from tier 1 customers, expected to continue in the second quarter. Substantial lower turnover due to the effects of the low order intake in Q2 and Q3 2020. The order intake of the past quarters will be translated in a higher turnover in Q2 2021, earlier than originally expected with a positive effect on the result in Q2.

Alexander van der Lof, CEO of technology company TKH: *"In the past months, we have seen an increase in demand for almost all of our activities, despite the lockdowns in several countries. This was reflected in a higher order intake in the first quarter of 2021 and a growth of our order book compared to 31 December 2020. Our innovations, such as subsea connectivity systems, Airfield Ground Lighting (CEDD/AGL) and Indivion, are getting further traction in the market. At the same time, we see a very positive development of our innovative and high-end Machine Vision systems. This strengthens our confidence that TKH's results will improve towards our medium term ROS-target of 15%. Our business fundamentals provide a strong basis for organic growth and value creation potential."*

Progress in share buy-back program

TKH launched a € 25 million share buy-back program on 18 November 2020, with the intention of using the purchased shares to reduce the issued share capital in due time. As per 1 April 2021, TKH purchased a total of 623,334 depository receipts of shares for an amount of € 25 million, completing the share buy-back program. On 9 March 2021, TKH has also announced it would purchase an additional 200,000



treasury shares to meet its obligations pursuant to share and options schemes of which 187,933 shares have been purchased up to 4 May 2021.

Outlook

The improved market circumstances as well as our capability to increase our manufacturing capacity utilization to a higher level in Q2 than originally expected, leads to an improved outlook for the first half year. Based on these developments, we now anticipate a higher result than in the first half of 2020. The current uncertainty with respect to the supply chain and on time delivery of components has had a limited effect on TKH's activities so far. As usual, TKH will give a more specific indication of the profit outlook for the full-year 2021 at the presentation of the interim results in August 2021.

Haaksbergen, 5 May 2021

Executive Board

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Financial calendar

6 May 2021	General Meeting of Shareholders
10 May 2021	Ex-dividend
11 May 2021	Record date
14 May 2021	Dividend payable
17 August 2021	Publication interim results 2021
16 November 2021	Market Update

About TKH

Technology firm TKH Group NV (TKH) is focused 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.