

Press release

TKH Group N.V. (TKH)

TKH Group launches new program 'Accelerate 2025' to reach over € 2 billion turnover by 2025

Ready for new phase of value creation

17 November 2021 – Today, TKH Group NV (TKH) is hosting its Capital Markets Day. During this event, the Executive Board will present an update on its strategy and targets for the period 2022 – 2025, as well as the business position & opportunities within the TKH operating segments.

Highlights strategy update

- 'Simplify & Accelerate' program has brought >15% ROS target in sight, positioning the company for its next phase of value creation.
- Strong market positions and successful strategy led to fast post-COVID-19 recovery during 2021.
- Increased focus on Smart Technologies and software position lead to new reporting structure, along the lines of three segments.
- Increased focus on sustainable and responsible business with new mid- and long-term targets.
- New program 'Accelerate 2025' to lead to over € 2 billion in turnover and a ROS above 17%.

Alexander van der Lof, CEO of TKH Group NV: *"TKH has proven its strong market position over the past year with an increased demand for all our technologies. To date, our order intake and turnover have grown and we have a large number of new contracts signed. The successful 'Simplify & Accelerate' program has transformed and streamlined our organization, and the ROS of 13.7% in Q3 shows our value creation power. As the 15% ROS is now in sight, we are ready for the next value creation phase and launch 'Accelerate 2025'.*

We are well positioned to benefit from the megatrends shaping our future and continue our transformation towards a leading technology company. By increasing our focus on Smart Technologies and adding intelligent software, we can take full advantage of the expected market growth. We will boost our organic growth and unlock the full potential of our disruptive technologies, leading to a ROS of over 17% over the medium term. In addition, we will increase our focus on, and commitment to, ESG and sustainability, making it a priority when it comes to non-financial targets. With this, we will be able to sustain and pursue our leading positions in high growth markets, becoming a true technology leader."

Accelerate 2025

Following the launch of 'Simplify & Accelerate' in 2019, we have made significant steps to transform the organization and increase our focus on value creation. As part of this program, we have divested € 255 million in activities that, due to their nature, had margins below TKH Group's average and limited organic growth potential. We have also integrated companies with a close coherence of activities, simplifying our organizational structure, making better use of our economies of scale and further strengthening key areas, such as R&D, sales and marketing.

Today, the new program 'Accelerate 2025' is launched to increase our turnover and results, by unlocking the full potential of our innovations and disruptive technologies. Benefitting from megatrends, such as automation and digitalization, sustainability, and safety and security, we take full advantage of the expected market growth. The new program includes

actions to boost the increase of ROS and organic growth, based on the strong foundation of current market positions. On top of continued strong organic growth, we will also increase our focus on acquisitions and expect to acquire around € 100 - € 150 million in turnover during the coming years, while we continue our portfolio management to decrease activities with lower margin and growth potential.

We will organize ourselves along the lines of our three technologies: Smart Vision systems, Smart Manufacturing systems and Smart Connectivity systems, to better match the long-term strategy. The segment reporting going forward will follow this structure. In addition, TKH will prioritize sustainability within its strategy, with strong ambitions and new non-financial targets.

New targets

Through these actions, we will continue our transformation towards a leading technology company. As a result, TKH expects its revenues to reach over € 2 billion in 2025 and raises its ROS target for the medium term from 15% to over 17% in 2025. The ROCE will continue to be in the bandwidth of 22-25%, with net debt/EBITDA below 2.0.

Capital Markets Day and Webcast

TKH Group N.V. hosts its Capital Markets Day today at 14:00 CET, at which it will present and discuss its strategy update and targets. You can watch the event live through a webcast. Afterwards, the webcast and the presentations will be made available on TKH's website.

Haaksbergen, 17 November 2021

Executive Board

For further information: J.M.A. (Alexander) van der Lof MBA,
Chairman Executive Board
Tel: + 31 (0)53 5732903
Internet: www.tkhgroup.com

Financial calendar

8 March 2022	Publication Annual results 2021
26 April 2022	General Meeting of Shareholders
16 August 2022	Publication interim results 2022

About TKH

TKH Group NV (TKH) is a leading Technology Company focused on advanced innovative technologies in high growth markets.

TKH provides superior technologies to improve the efficiency, safety, security and sustainability of its customers. The technologies are combined with software to create smart technologies and one-stop-shop solutions with plug-and-play integrated systems. TKH reports in three segments: Smart Vision systems, Smart Manufacturing systems and Smart Connectivity systems.

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. TKH is listed on Euronext Amsterdam with the ticker symbol TWEKA and is included in the midcap index.