

Turnover continues to grow in Q3 2022

2022 outlook reiterated

TKH Group NV (TKH) publishes its Q3 2022 trading update.

Highlights third quarter 2022

- Turnover increased by 16.7% to € 451.2 million (Q3 2021: € 386.7 million) due to strong volume growth. Price effects and exchange rates had an upward impact of 7.9% and 1.6% respectively on turnover.
- All segments contributed to the growth in turnover, with turnover growth in Smart Manufacturing systems limited by the previously announced component shortages.
- EBITA before one-off income and expenses increased by 4.4% to € 55.2 million (Q3 2021: € 52.9 million), impacted by raw material price effects and supply-chain constraints.
- Order book continued to grow compared to the previous quarter.
- ROS was 12.2% over Q3 2022 (Q3 2021: 13.7%).

Alexander van der Lof, CEO of TKH: *“Amidst challenging times, we continued to build on our record performance this year. Our high growth in turnover and growing order book clearly show that TKH is well positioned to benefit from the digitalization, automation, and energy transition megatrends. We expect a record high order intake for 2022. Component shortages are mainly affecting the Smart Manufacturing segment. We expect this to continue in the coming quarters, which will delay the completion of projects and increase operational inefficiency. The execution of our Accelerate 2025 program is well on track, and we are excited about the opportunities we have.”*

Developments per technology segment

Smart Vision systems

The Smart Vision systems segment experienced a strong increase in turnover of 20.3% compared to the third quarter of 2021. During the period under review, supply-chain constraints in certain areas eased. Additionally, the third quarter turnover benefited from spillover as a result of delays in the first half of 2022. Both Machine Vision and Security Vision showed considerable growth in turnover. Machine Vision benefited from a strong market position in several end markets, such as factory automation and the battery market. The ROS increased compared to the level in the first half of 2022.

Smart Manufacturing systems

There was a 5.5% increase in turnover compared to the third quarter of 2021. Growth was limited due to temporary delays in the completion of projects in Tire Building, while the other activities showed a strong increase in turnover. Tire Building had to contend with a stressed supply chain, leading to missing components. As mentioned in August, this led to operational inefficiencies and reduced output, causing a decline in the ROS compared to the first half year 2022. The order intake in all activities remained at a high level in the third quarter of 2022 and resulted in a further increase of the order book.

Smart Connectivity systems

Smart Connectivity systems enjoyed a strong increase in turnover of 21.6% compared to the third quarter of 2021. The energy transition was a main growth driver with strong demand for our energy connectivity systems, leading to a higher production output and utilization. Digitalization benefited from the continued high investments in fibre networks in Europe. The price levels of optical fibre started to improve compared to the first half of this year due to the EU anti-dumping duties on imports of optical



fibre cables from China. Furthermore, there was substantial growth in specialized connectivity systems for the machine-building and robotics industry. The ROS decreased compared to the first half of 2022 due to raw material price effects.

Outlook

The third quarter performance was in line with our expectations. As communicated on August 16, TKH foresees an increase in net profit before amortization and one-off income and expenses attributable to shareholders to between € 136 million and € 144 million (2021: € 113.9 million) for the full year 2022, barring unforeseen circumstances.

Haaksbergen, November 15, 2022

Executive Board

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Financial calendar

March 7, 2023	Publication Annual Results 2022
April 24, 2023	Trading Update Q1 2023
April 25, 2023	General Meeting of Shareholders
August 15, 2023	Publication Interim Results 2023
November 14, 2023	Trading Update Q3 2023

About TKH

TKH Group NV (TKH) is a leading technology company focused on advanced innovative technology systems in high-growth markets.

Our mission is to create best-in-class technologies in the field of Smart Vision systems, Smart Manufacturing systems, and Smart Connectivity systems. TKH aims to create sustainable value for all its stakeholders and provides disruptive technologies that improve efficiency, sustainability, safety, and security.

The technologies are combined with internally developed software to create Smart Technologies and one-stop-shop solutions with plug-and-play integrated systems. TKH employs over 6,000 FTE employees and operates globally, with its growth concentrated in Europe, North America, and Asia.

TKH is listed on Euronext Amsterdam with the ticker symbol TWEKA. TKH reports in three segments: Smart Vision systems, Smart Manufacturing systems, and Smart Connectivity systems.

**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 on 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.