


CAPITAL MARKETS DAY 2016

Introduction

Alexander van der Lof MBA, CEO TKH Group NV

30 November 2016

TKH Group the solution provider 

Program Capital Markets Day TKH

12:30 – 13:00	Introduction
13:00 – 13:30	Machine Vision – 2D Technology
13:30 – 14:00	Machine Vision – 3D Technology
14:00 – 14:15	Break
14:15 – 15:15	Tire Building Industry
15:15 – 16:15	Guided Tour VMI
16:15 – 17:30	Closing and drinks

Profile



> Turnover 2015 € 1,375 million

> Number of employees (FTE) 5,433

> Technology company

> Four core technologies

Vision & security, communication, connectivity and manufacturing systems

> The core technologies are combined with software and system integration into total solutions in vertical focus and growth markets within three business segments:

> Telecom Solutions

> Building Solutions

> Industrial Solutions

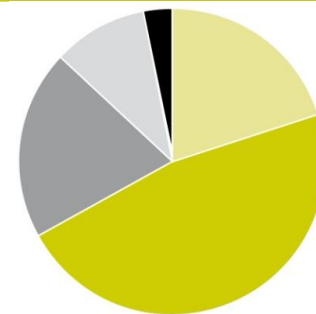
H1 2016

13%

42%

45%

Geographical
distribution of
turnover
(in %)



H1 2016

Netherlands	20
Europe (other)	47
Asia	20
North America	10
Other	3

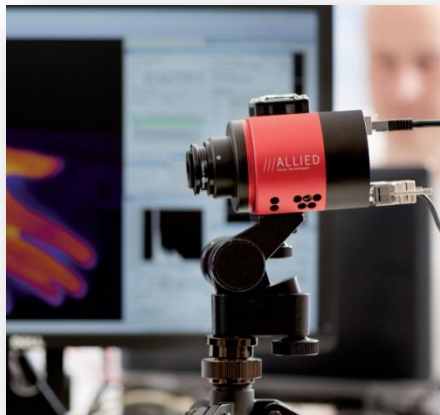
Mission

TKH intends to be an innovative and leading technology (niche) player in creating combinations of its four core technologies to total solutions to enhance efficiency, comfort and safety & security of its customers.

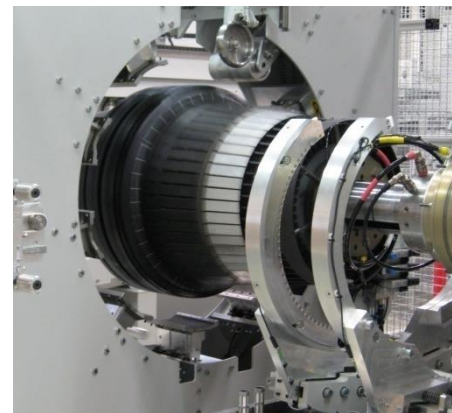
TKH aims to be an attractive employer, to continuously exceed customers' expectations by offering 'best in class'-solutions and to be a solid investment for shareholders.



Telecom Solutions



Building Solutions



Industrial Solutions

Value creation

Focus on 4 core technologies in 3 business segments

Telecom
Solutions

Building
Solutions

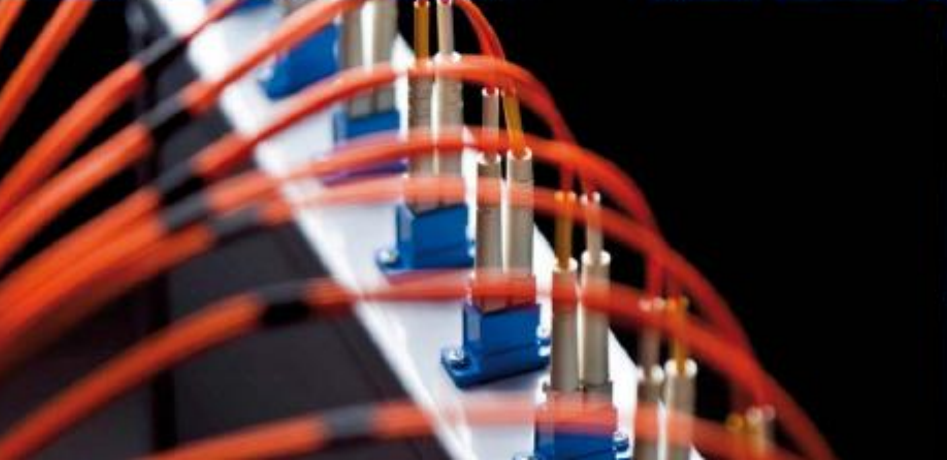
Industrial
Solutions

Growth drivers

Efficiency – Comfort - Safety - Security

Innovations > 15% turnover

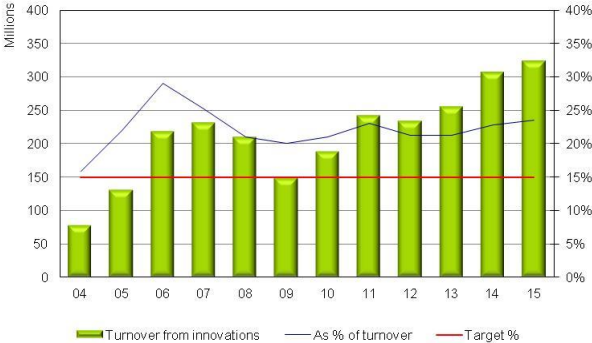
Innovative technology
makes the difference



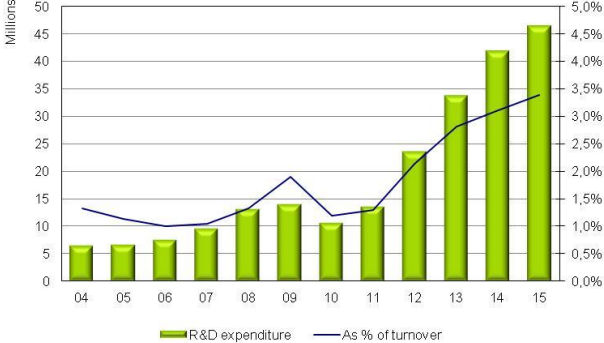
Focus on technology creates higher margins

Growth driven by key R&D projects

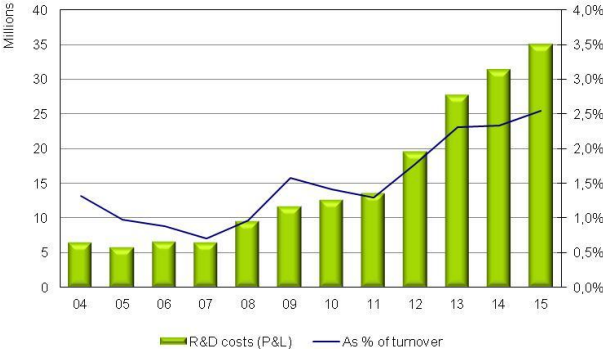
Turnover from innovations (€ million)



R&D expenditure (€ million)



R&D P&L costs (€ million)



EBITA margins before R&D costs (in %)





TKH vertical growth market strategy

Growth scenarios vertical growth markets

- Focus on seven high growth vertical markets with growth potential in 3 - 5 years of € 300 - € 500 million – Revenue 2015: € 700 million
 - Fibre Optic Networks - Care - Tunnel & Infra - Parking - Marine, Oil & Gas - Industrial Machine Vision - Tyre Building Industry

Growth verticals <i>(in € miljoenen)</i>	2012	2014	2015
Fibre Optics Network	80	99	101
Parking	20	35	50
Tunnel & Infra	30	25	42
Marine, Oil & Gas	20	50	58
Care	30	34	39
Machine Vision	95	103	114
Tyre Building	175	338	291
Growth verticals	450	685	697

Growth scenarios	
120	150
75	100
100	150
100	125
70	100
150	175
450	550
1.065	1.350

Growth scenarios vertical growth markets

- Focus leads to maximum traction to realise growth potential
- Choice for growth verticals is determined on the return potential based on internal and external benchmarking – ROS and ROCE in combination with organic growth opportunities
- Defined turnover, ROCE and ROS targets per segment
- Impact of focus on above average margin vertical markets will have positive effect on ROCE and ROS TKH
- Executive Board directly involved in realisation of targets through solution responsibility
- Strong monitoring of execution of growth plans per building block: weekly - monthly reviews
- One end-responsible per vertical market who reports directly to the Executive Board
- Optimal use of R&D-resources and investments to markets with largest potential
- Coordination of technology development priorities to growth verticals
- Only acquisitions in defined growth verticals

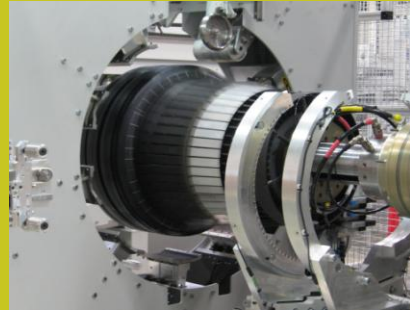


Strong basis for growth in chosen vertical markets with focus on 25 Building Blocks



Fibre Optic Networks	Care	Parking	Tunnel & Infra	Marine, Oil & Gas	Machine Vision	Tire Building
Market share growth - France / Germany / Nordics / Poland	Internationalisation HomeCare & Community platform	Differentiation with Smart-sensor / CCTV towards frictionless Parking	Airfield Ground Lighting technology based on CEDD technology	Connectivity solutions for subsea	Fast market growth 2D-inspection market in combination with innovations	Market share increase within Top 5 Tire manufacturers
Robotics Solutions for Patching - SAODF	Internationalisation of integrated vision & security solutions for Hospitals	Internationalisation of integrated vision & security solutions for Parkings	Internationalisation of integrated vision & security solutions for Tunnels	Internationalisation of integrated vision & security solutions for MOG	Fast market growth 3D-inspection market in combination with innovations	Market share increase tire component preparation and Truck Tires and Light Truck tire manufacturing
Smart security solutions for POP's	Blistering technology for Pharmacy - INDIVION	Strong market growth North America / Europe / Australia / Middle East	Market share growth – Benelux / Nordics	Internationalisation of connectivity solutions for MOG	Market share growth North-America / Europe / Asia	New tire building platform UNIXX and MILEXX
	Dispensing Technology for medicines			Dedicated portfolio for mission critical communication for MOG	Medical & Tire Building inspection systems	Increased share of Service & Spare parts business

Focus on vertical growth markets fuels TKH growth strategy and value creation potential





TKH Group the solution provider <