



Press release – Market update Q1

TKH Group N.V. (TKH)

TKH reports record performance in Q1 2022

Today, TKH Group N.V. (TKH), a leading technology company focused on advanced innovative technology systems in high-growth markets, publishes its market update for the first quarter of 2022.

Financial developments in the first quarter of 2022

- Further strong increase in turnover and results compared to previous quarters.
- Turnover in Q1 2022 increased by 31.3% to € 436.7 million (Q1 2021: € 332.7 million) of which 28.3% is organic. All segments contributed to this significant turnover growth, with an especially strong recovery in Smart Manufacturing systems. Impact of supply-chain challenges continued to be limited.
- Significant increase of EBITA to a record level of € 58.5 million (Q1 2021: € 31.9 million).
- ROS improved to 13.4% (Q1 2021: 9.6%).
- Order book remained at a high level and even increased slightly from year-end 2021.

Alexander van der Lof, CEO of TKH: *“Today we publish strong results, showing an excellent start of 2022. At the same time, circumstances for our employees in Ukraine continue to be difficult and we support them where we can. Our Ukrainian factory remains undamaged and we are preparing to restart production at this facility in the next few days, assuming this proves to be safe.*”

Our turnover in the first quarter of 2022 was at a record high, benefiting from strong order intake in 2021, showing our strong positioning amidst the current megatrends. So far, we have managed the supply-chain challenges well, and recent lockdowns in Asia only had a limited effect on TKH’s activities. Although some activities may experience more effects in the period to come, we expect it to be temporary and balance out throughout the year. The demand for our technologies remains high, resulting in a further increase of our order book on March 31, 2022. With our increased focus and the investments planned, we can take full advantage of the further market growth we expect for our technologies and drive economies of scale, leading to a ROS of over 17% in the medium term.”

Developments per technology segment

Smart Vision systems

We saw a solid increase in turnover of 12.2% compared to the first quarter of 2021. This was somewhat impacted by the recent lockdowns in Asia and supply constraints, caused by shortages of components. In most cases we managed to either secure most of the required components or we redesigned our products to include more widely available components. Within Machine Vision turnover growth was largely achieved in 2D vision, while the turnover within 3D vision remained stable. The lower demand from the consumer electronics industry was compensated by growth in other markets. Within Security Vision, growth was supported by a high demand for our (vision) communication systems.

Smart Manufacturing systems

There was a substantial increase in turnover of 61.2% compared to the first quarter of 2021, with an especially strong recovery in Tire Building systems. In Tire Building, we increased our production output as a result of the record order intake from 2021, contributing to the strong



improvement in results. Order intake for both passenger and truck tire systems remained at a high level in the first quarter of 2022. The other businesses in this segment also contributed to the improvement in turnover and results.

Smart Connectivity systems

We enjoyed a strong increase in turnover of 28.0% compared to the first quarter of 2021, achieved in all areas. Regarding the energy transition, there was a strong demand for our energy connectivity systems, supporting a higher production output and utilization. In Europe, our activities related to Digitalization benefited from continued fibre network investments. The price of optical fibre started to improve in the first quarter of 2022, due to the imposed EU anti-dumping duties on imports of optical fibre cables from China. Growth was also realized in data network cable systems and broadband products for data centers and offices, especially in France and Germany. In addition, there was substantial growth in specialized connectivity systems for the machine-building and robotics industry.

Expansion of production capacity

In March 2022, following the publication of our 2021 annual results, we announced that we are preparing for an expansion in our production capacity, to respond to the increased market demand in the fields of Energy, Digitalization, and Tire Building systems. In the second quarter of this year, we will start this expansion, which will involve additional capital investments spread over the remainder of 2022 and 2023, specifically for:

- Subsea connectivity systems (new factory at a Dutch sea harbor)
- Medium and high voltage cables (expansion in the Netherlands)
- Fibre optic cables (new factory in Poland)
- Specialized connectivity systems (new factory in Poland)
- Tire building systems (expansion in Poland)

2022 Outlook

We reiterate our forecast of organic growth of turnover and result in 2022 in all segments, as published in March 2022. The current uncertainty in the supply chain and delays in the delivery of components have had a limited effect on TKH's activities so far, but we expect this uncertainty to continue. As usual, TKH will provide a more specific 2022 full-year profit forecast at the presentation of its interim results in August 2022.

Haaksbergen, April 25, 2022

Executive Board

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Calendar

April 25, 2022	Market Update Q1 2022
April 26, 2022	General Meeting of Shareholders
April 28, 2022	Ex-dividend date
April 29, 2022	Dividend record date
May 3, 2022	Payment of dividend
August 16, 2022	Publication interim results 2022
November 15, 2022	Market Update Q3 2022



About TKH

TKH Group N.V. (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.