

Market Update Q1 2023

Continued turnover and EBITA growth in Q1 2023

Developments in line with expectations

Financial developments in the first quarter of 2023

- Turnover in Q1 2023 increased by 8.2% to € 472.5 million (Q1 2022: € 436.7 million). Adjusted for currency effects, turnover increased 8.1% organically, with price effects contributing 5.2%. All segments reported turnover growth.
- EBITA before one-off income and expenses grew to € 60.4 million (Q1 2022: € 58.5 million).
- Strong EBITA growth in Smart Vision and Smart Connectivity systems and a significant decline within Smart Manufacturing systems due to the impact of expected ongoing supply chain constraints, as communicated in March 2023.
- ROS was 12.8% (Q1 2022: 13.4%), impacted by a lower ROS at Smart Manufacturing systems. Both Smart Vision and Smart Connectivity systems' ROS improved.
- The order book continued to grow from year-end 2022, driven by Smart Manufacturing systems.

Alexander van der Lof, CEO of TKH: *“We delivered a solid organic turnover growth of 8.1%, as our innovative and differentiating technologies continue to be successful in the high-growth markets we operate in. All three segments contributed to this growth. As expected, turnover growth in Smart Manufacturing systems was limited. The EBITA in both Smart Vision and Smart Connectivity systems increased significantly, while in Smart Manufacturing systems the result decreased due to the aforementioned supply chain constraints and the resulting operational inefficiencies.*”

In Q1 2023 our order book grew further, supporting our outlook for turnover growth this year. Our innovations and the tailwind from the related megatrends of automation, digitalization and electrification are important drivers for this success. Our Strategic Investment Plan is progressing well and according to plan, the additional capacity for Tire Building systems in Poland has become operational this past month. With this solid performance in the first quarter, we are well on track for the year and we expect our performance to be in line with the outlook as presented in March 2023.”

Developments by technology segment

Smart Vision systems

Smart Vision systems achieved a 14.4% increase in turnover compared to Q1 2022. Growth in this segment was especially high in Security Vision, with strong demand for traffic monitoring as well as security solutions for building applications. Within 2D & 3D Machine Vision further growth was realized, with the strongest demand coming from the factory automation market.



Smart Manufacturing systems

Smart Manufacturing systems recorded a turnover growth of 0.7% compared to Q1 2022. Tire Building systems' turnover was impacted by the expected continuing supply chain constraints, while the operating result was significantly impacted by the inefficiencies and related costs. As expected, we are starting to see some easing of the shortages of critical components in Tire Building systems, which will gradually improve results in H2 2023. Order intake remains strong.

Smart Connectivity systems

Smart Connectivity systems reported a 12.2% increase in turnover compared to Q1 2022. In particular, the demand for energy cables supported the growth due to the high priority for investments in energy networks. The digitalization trend led to a positive development of investments in fiber optic networks, which resulted in an increase in sales of fiber optic cable activities.

2023 outlook

We reiterate our forecast for organic growth in turnover and EBITA in Smart Connectivity and Smart Vision systems in 2023, driven by automation, digitalization, and electrification. Smart Manufacturing systems is expected to achieve organic turnover growth in 2023, with EBITA to be in line with 2022. As usual, TKH will provide a more specific outlook for the full year of 2023 at the presentation of its interim results in August 2023.

Haaksbergen, April 24, 2023

For further information:

Jacqueline Lenterman

Investor Relations

j.lenterman@tkhgroup.com

Tel: +31(0)53 5732901

Financial calendar

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. We specialize in the development of innovative, client-centric systems that drive success in automation, digitalization, and electrification.



By integrating hardware, software, and customer-focused insight, our smart technologies provide unique answers to client challenges. In doing so, we work to make the world better by creating ever more efficient and more sustainable systems.

Our more than 6,600 employees pursue sustainable growth in a culture of entrepreneurship, working closely with customers to create one-stop-shop, plug-and-play innovations for Smart Vision, Smart Manufacturing, and Smart Connectivity technology.

Listed on Euronext Amsterdam (TICKER: TWEKA), we operate globally and focus our growth across Europe, North America, and Asia.

For further information, please visit www.tkhgroup.com.

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The forward-looking statements are based upon 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.