

# We create innovative leading technologies for high growth markets

## Profile

TKH is a leading technology company specializing in the creation of innovative, customer-centric systems that drive success within Automation and Electrification.

With a workforce of more than 7,000 people, we pursue sustainable growth in a culture of entrepreneurship, working closely with customers to create one-stop-shop, plug-and-play innovations. By integrating hardware, software and AI with customer-focused insight, our highly differentiated technologies provide unique answers to real-world challenges. In doing so, we work to make the world better by creating ever more efficient and more sustainable systems.

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

# Message from the CEO

Over the past decades, our disciplined focus on two core megatrends - Automation and Electrification - has enabled us to build strong, technologically advanced business segments. Building on this foundation, we announced a new strategic phase at our 2025 Capital Markets Day. As part of this phase, we will separate the Automation and Electrification activities and execute a €250 million divestment program of non-core activities. These steps will further sharpen our strategic profile and enhance long-term value creation.

We also introduced new financial targets and launched our Capitalize & Execute 2028 program. Fully leveraging prior investments in capex and R&D is central and is expected to deliver a significant improvement in ROS and ROCE in the coming years. The strength and relevance of our core technologies are reflected in consistently high gross margins of more than 50%, fueled by differentiation, innovation, and a strong customer-centric approach. The economic environment in 2025 presented numerous complexities, including significant geopolitical developments, wars, import duties as well as (persistent) inflation. The resulting uncertainties impacted some of our end markets. Nevertheless, our strong foundation and market positions enable us to enter the next phase with confidence. With solid market positions and increased production capacity, we have established a robust foundation for future growth. In the coming period, execution excellence will be decisive, supported by our presence in structurally growing end-markets.

Within Automation, Vision Technologies performed strongly throughout the year, benefiting from our differentiated and innovative technologies, our focus on providing integrated solutions and our global footprint. In 2025, turnover in Vision Technologies increased by 6.7% organically and the operating leverage from higher turnover resulted in strong organic growth of 19.6% in Adjusted EBITA. Growth was realized in factory automation, consumer electronics, parking, and defense, whereas our focus on customer-centricity, technology differentiation, and supply-chain performance translated into new business opportunities.

Within Automated Machinery, we continued to refine our portfolio through the divestment of Dewetron's non-core test & measurement systems activities. Turnover in Automated Machinery declined organically by 8.6% and was impacted by softer order intake, albeit with lesser impact than initially expected. Our market share remained high, underscoring the strength of our technology and our global leadership position in this segment.



*“Our technology leadership in Automation and Electrification, combined with our focus on attractive growth markets, continues to drive long-term value creation and supports our ambition to unlock further value for all stakeholders.”*

In 2025, the first full UNIXX platform was successfully delivered, with repeat orders subsequently secured. We also secured the first order for UNIXX Moto, expanding the platform into radial motorcycle tires assembly.

Within Electrification, we have solved the main challenges related to the ramp-up of our new subsea cable facility in Eemshaven. While our results in 2025 were significantly impacted, the production output of offshore inter-array cables gradually increased throughout the year. The type approval tests for larger dimensions were successfully completed during the year. The ramp-up of the larger dimensions in Q4 took longer than anticipated, limiting output. To improve operational output of larger dimensions, a necessary upgrade to a key production line has recently been successfully implemented. The advanced design and production technology of our subsea cables has resulted in a win rate of over 80% and a solid order book, underlining the competitiveness of our proposition. In addition, the onshore energy market continues to show strong structural demand, with a large framework contract recently awarded to TKH.

Throughout 2025, we continued to strengthen our sustainability performance. We made further progress on our ESG agenda, including reducing our carbon footprint

in scopes 1 and 2 to 76.3% compared to 2019. The CDP ESG-rating of TKH has been improved from B to A-, confirming our environmental leadership. We achieved the EcoVadis Gold award for our largest operations in Automation and Electrification, which means a top-5% position of all globally participating companies. The share of turnover linked to United Nations Sustainable Development Goals (SDGs) increased from 71.6% to 75.3%. We also set a new target to reduce our water-intensity ratio by an average of 5% per year from 2026 to 2030. As part of our Capital Markets Day 2028 targets, we raised our employee and customer satisfaction targets after outperforming the previous benchmark in 2024.

Although there is not yet a formal statutory requirement to report in accordance with the CSRD, due to the delayed implementation, TKH prepared its 2025 sustainability statements based on the CSRD on a voluntary basis, as we did for 2024. In addition, we obtained a voluntary assurance on the sustainability statements. This again demonstrates our commitment to transparency, accountability, and responsible value creation throughout our value chains.

2025 marked the 80th anniversary of TKH's tire building subsidiary VMI and the 95th anniversary of TKH's

electrification subsidiary TKF. VMI has grown to be a global player, with operations on almost every continent, and playing a key role in driving growth and quality improvement across the Tire, Rubber and other industries worldwide, with an unwavering commitment to innovation. TKF has grown into a leading Dutch company in cable technology, playing a major role in the energy transition with the offering of innovative and sustainable cable solutions for various markets and industries.

The commitment and passion of our employees remain instrumental in our progress. They provide a strong basis for future growth and underline our confidence in the strategic direction we have chosen.

We thank all our stakeholders for their continued trust and collaboration, which have supported our development and helped lay the foundation for long-term value creation.

On behalf of the Executive Board,  
**Alexander van der Lof, *Chairman***

# Highlights 2025

## Turnover

(in € million)

1,761

2024: 1,713

## Return on sales (ROS)

(in %)

10.8

2024: 11.9

## Adjusted EBITA

(in € million)

189.5

2024: 203.9

## Added value

(in %)

51.0

2024: 51.9

## Return on capital employed (ROCE)

(in %)

13.8

2024: 15.2

## Dividend proposal per share

(in €)

1.35

2024: 1.50

## Carbon footprint reduction

(in %)

76.3

2024: 70.3

## Turnover linked to SDGs

(in %)

75.3

2024: 71.6

## Diversity

(in %)

20.5

2024: 21.6

## Customer satisfaction score

(scale 1 - 10)

8.6

2024: 8.6

## Employee satisfaction score

(scale 1 - 10)

7.8

2024: 7.8

## Accident rate (LTIFR)

2024: 0.7

0.41

# Key messages

## Highlights

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- Turnover increased by 4.9% organically to €1,761.2 million with a strong Q4 2025, driven by a substantial improvement in Electrification and continued solid performance in Automation
- Launching of Capitalize & Execute 2028 strategy program, with sharpened strategic focus on core activities
- Future focus on Automation; separation of Electrification in progress
- Divestment of Dewetron, generating a one-off profit contribution of €35.8 million
- Our technology leadership was supported by a record high expenditure in R&D of €88.3m
- Order intake of €1,661.4 million, resulting in order book of €1,027.8 million
- Innovations at 17.0% of turnover
- Dividend proposal of €1.35 per (depository receipt for a) share

## Developments per segment

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- Vision Technologies performed strongly throughout the year with a strong organic growth of 19.6% in Adjusted EBITA and a ROS of 17.9%, benefiting from our global footprint, differentiated innovations and solutions, while expanding into new end markets
- Automated Machinery turnover declined organically by 8.6% and was impacted by softer order intake, albeit with lesser impact than initially expected; the structural drivers for tire building systems remain very strong, as the need for greater production flexibility, increased sustainability demands, and demand for automated hands- off, eyes- off production will fuel the increasing need for advanced tire building systems
- Within Electrification, turnover increased organically by 15.5%; we have solved the main challenges related to the ramp-up of our new subsea cable facility in Eemshaven; while our results in 2025 were significantly impacted; new contracts were signed for the supply of offshore inter-array cables

## Sustainability

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- Sustainability statements aligned with CSRD on voluntary basis, including voluntary assurance on the sustainability statements
- High-priority investments resulted in 76.3% reduction of CO<sub>2</sub>e footprint (scopes 1 and 2)
- Diversity ratio at 20.5% (females in executive and senior management teams)
- Employee satisfaction rate all-time high at 7.8
- 75.3% of turnover linked to SDGs
- ESG-rating by CDP improved from B to A- (environmental leadership)
- We achieved the EcoVadis Gold award for our largest operations in Automation and Electrification, which means a top-5% position of all globally participating companies
- New target on water reduction, and updated Capital Markets Day 2028 targets and ambitious on safety performance, and employee and customer satisfaction

## Capitalize & Execute 2028 program

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- TKH's future is Automation
- Capitalize & Execute on Automation & Electrification
  - Capitalize on strong building blocks in Automation & Electrification
  - Execute on separation of Electrification
  - Portfolio optimization and bolt-on acquisition in Automation
  - Utilize expanded capacity and yield improvements in operations Electrification
- Disciplined capital allocation with clear priorities and focus on cash flow generation
  - Guidelines in cash flow usage
  - Disciplined capex spend
  - Working capital management
- Organic turnover growth (CAGR), EBITA margin and ROCE 2028 targets per segment
- Non-core divestment program of €250m turnover