

TKH GROUP NV

FY2024 ANALYST PRESENTATION



MARCH 4, 2025

IMPORTANT INFORMATION – DISCLAIMER

Cautionary note regarding forward looking statements

Statements included in this presentation 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 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.

EBITA IN LINE WITH OUTLOOK ON BACK OF STRONG Q4 2024

- Strong Q4 with EBITA up 5.1% organically; EBITA of €203.9 million, in line with outlook
- Added Value increased from 49.8% to 51.9%, underlining the market differentiation of our technologies
- Smart Manufacturing systems performed very strongly in 2024
- Record orderbook of €1,135.0 million
- €80.7 million in R&D expenditure
- AI powered technologies successfully introduced
- Further milestones in portfolio optimization
- €15 million cost savings program implemented
- CSRD reporting (on voluntary basis)



SERIAL PRODUCTION EEMSHAVEN TO COMMENCE SHORTLY

- Issues in critical production process solved
- Shorter lengths in less complex production stages successfully completed
- Strong order intake in inter-array cables in 2024, benefitting from unique design
- €200 million order for turnkey project Inch Cape, which includes survey, engineering, manufacturing, testing and installation
- Production inter-array cable at Lochem plant continued to meet demand
- Sales funnel remains high with >10,000 km inter-array cables up until 2030



STRATEGY UPDATE LEADING TO NEXT PHASE OF FOCUS AND OPTIMIZATION

- Focus on Automation and Electrification
- Optimize our operations by integrations and divestments
- Use proceeds of divestments to further build on core technologies and return excess cash to shareholders
- Capital Markets Day on September 25, 2025



Q4 2024: All segments recorded turnover growth



Highlights Q4 2024

Turnover €452.2m

Q4 2023: €441.4m
+ 4.7% organically **

EBITA* €66.0m

Q4 2023*: €62.9m
+ 5.1% organically**

ROS* 14.6%

Q4 2023: 14.3%

Smart Vision systems

Turnover: + 8.5% organically **
vs Q4 2023

Smart Manufacturing systems

Turnover: + 5.6% organically**
vs Q4 2023

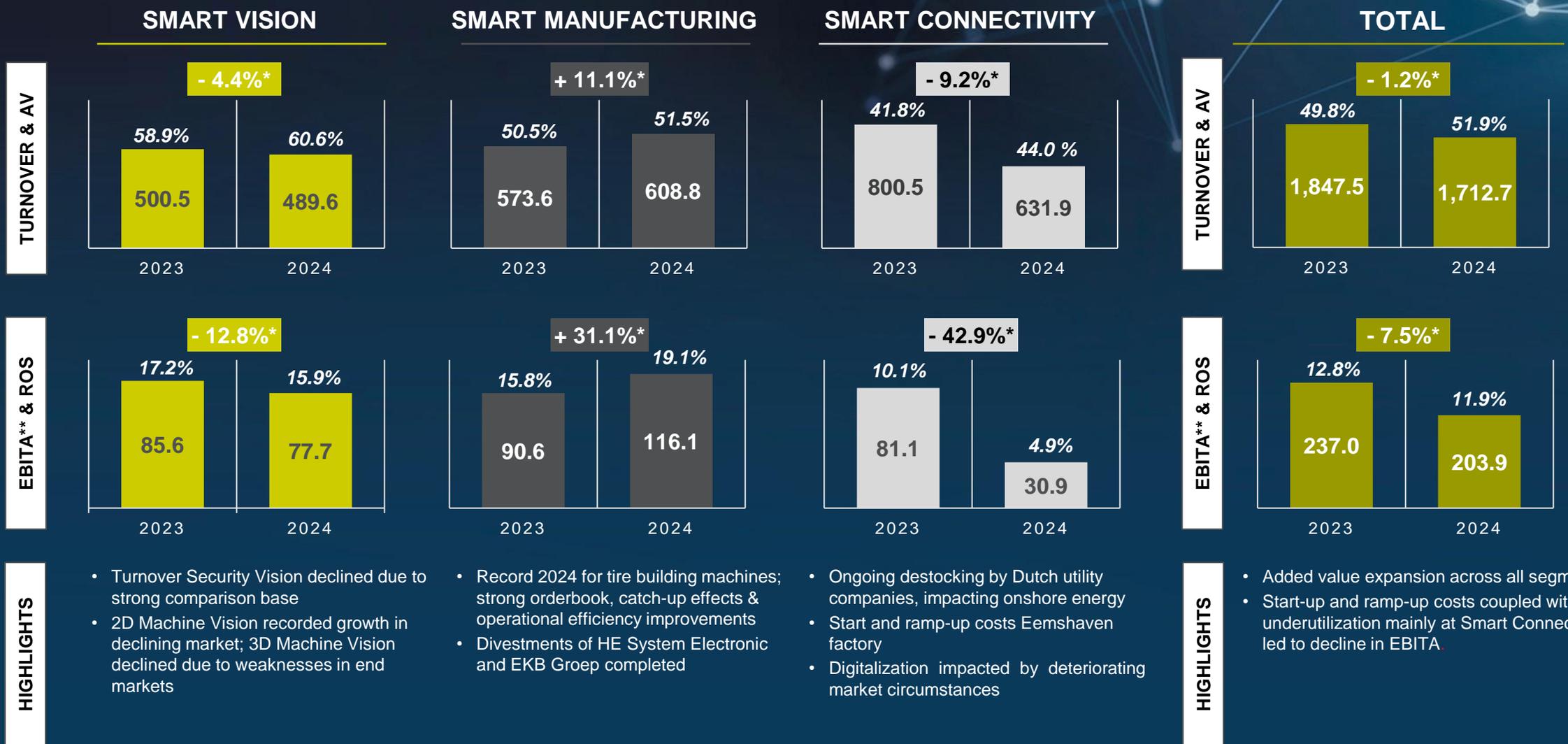
Smart Connectivity systems

Turnover: + 1.0% organically**
vs Q4 2023

* EBITA & ROS excluding one-off income and expenses (one-off net expenses in Q4 2024 amounted to €3.5 million, Q4 2023: one-off net expenses of €2.8 million)

** Adjusted for acquisitions, divestments, and currency effects

Added value increased across all segments



* Adjusted for acquisitions, divestments and currency effects
 ** EBITA excluding one-off income and expenses

Our sustainable value chain

Our Focus on SDGs

71.6% of turnover linked to SDGs



Electrification

Energy cables
Subsea cables

Automation

Machine vision inspection
Tire building systems
Specialty cables for industrial applications

Sustainable Communities

Mobility inspection
Mission critical communication
Parking guidance
Connectivity systems

Digitalization

Fibre Optic Cables

How we do it

non-financial KPIs FY 2024

CO₂e FOOTPRINT REDUCTION (scopes 1&2)

Compared to 2019
Target 100% neutrality by 2030

70.3%

2023 64.3%

2022 42.7%

LTFR

Target < 1.0

0.7

2023 0.8

2022 0.8

SATISFACTION SCORE

Customers
Target Average score above benchmark (7.8)

8.6

2023 8.6

2022 8.6

DIVERSITY

Female Executive and Senior Management
Target > 25% by 2030

21.6%

2023 19.2%

2022 18.4%

ILLNESS RATE

Target < 4.0%

3.97%

2023 3.85%

2022 4.04%

SATISFACTION SCORE

Employees
Target > 7.5

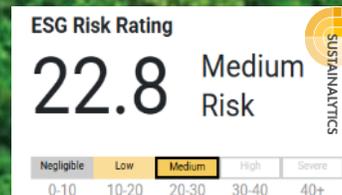
7.8

2023 7.8

2022 7.6

How we are rated

rating agencies

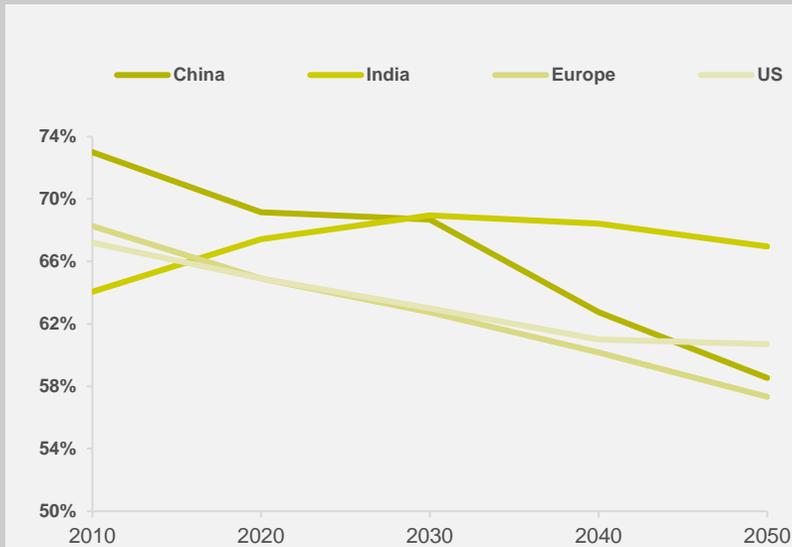




**ENTERING NEXT PHASE:
FOCUS & OPTIMIZATION**

Global trends shaping our future

AUTOMATION



Share of working age population (15-64) in selected countries / regions

Labour shortages

Higher productivity levels

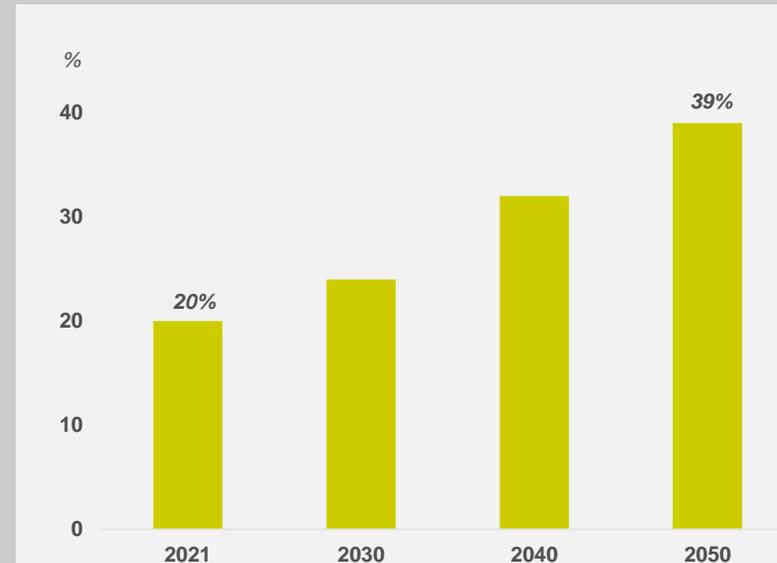
Increased need for reliability

Industry 4.0 – hands-off, eyes-off manufacturing

- New technology systems to cope with advances in Artificial Intelligence and Machine Learning
- IoT advancement
- Reduction likelihood of failures

High levels accuracy

ELECTRIFICATION



Electricity as % of global energy demand

Climate change

Scarcity natural resources

Lack of infrastructure

Acceleration of Energy Transition

- Boost in power generation from renewable sources
- Public and private ESG ambitions drive investments
- Growth in demand for electricity

Offshore wind market to grow 13X to 2050

Sources: IAE 2022 report, public company materials, UN Population Prospects 2022, S&P Global

Next phase: Focus & Optimization

Building Blocks

Unique technologies

Leading market positions

Enlarged production capacity

Enlarged AI & software proposition



NEXT PHASE: FOCUS & OPTIMIZATION

Focus on Automation & Electrification

- Automation: Focus on production automation, inspection and security
- Electrification: Build on our significantly expanded production capacity for offshore and onshore connectivity

Optimizations through integrations and divestments

- Drive further cost efficiencies in our operations
- Divest non-core business activities not related to Automation or Electrification; includes Digitalization

Use of proceeds to build core technologies and aim to return excess cash to shareholders

- Proceeds used to further build on our core technologies in Automation & Electrification
- Aim to return excess cash to shareholders through dividends and/or share buy backs

R&D competences, innovations, smart software, and AI will remain cornerstones to accelerate growth

CAPITAL MARKETS DAY – September 25, 2025



FINANCIAL PERFORMANCE FY 2024

Geographical distribution of turnover

	2024	2023
Netherlands	24.1%	24.6%
Europe (other)	34.7%	38.8%
Asia	21.5%	19.1%
North America	14.7%	13.0%
Other	5.0%	4.5%

- Smart Vision systems
- Smart Manufacturing systems
- Smart Connectivity systems



Profit and Loss Account

€ million	2024		2023		Δ in %
1 Turnover	1,712.7		1,847.5		- 7.3%
Raw materials and subcontracted work	- 824.2		- 927.9		
2 Added value	888.5	51.9%	919.7	49.8%	- 3.4%
3 Operating expenses	- 684.6		- 682.7	-36.9%	+ 0.3%
4 EBITA ¹⁾	203.9	11.9%	237.0	12.8%	- 14.0%
One-off income & expenses	- 4.0		-2.0		
Amortization	- 60.8		- 56.9		
Impairments	- 8.5		- 3.7		
Operating result	130.6		174.5		
Result associates	24.5		51.5		
Other financial result	- 31.5		- 23.0		
Result before taxes	123.5		202.9		
Taxes	- 24.0		- 37.2		
Net profit	99.5	5.8%	165.8	9.0%	- 40.0%
Adjusted net profit ²⁾	98.9	5.8%	130.5	7.1%	- 24.2%

¹⁾ Excluding one-off income and expenses

²⁾ Before amortization of PPAs and one-off income and expenses attributable to shareholders

€ million	Turnover	
2023	1,847.5	
Acquisitions & divestments	- 111.4	- 6.0%
Currency translation	- 0.6	- 0.1%
Organic growth	- 22.9	- 1.2%
2024	1,712.7	- 7.3%

- 2**
 - Elimination of anti-dumping duties on fibre optic cables
 - Shift product mix
 - Acquisitions & divestments
- 3**
 - Acquisitions & divestments net impact of - 3.1%
 - Increase operating expenses due to start-up and ramp-up of capacity and payroll increases

€ million	EBITA	
2023	237.0	
Acquisitions & divestments	- 14.9	- 6.3%
Currency translation	- 0.4	- 0.1%
Organic growth	- 17.8	- 7.5%
2024	203.9	- 14.0%

Profit and Loss Account

€ million	2024		2023		Δ in %
Turnover	1,712.7		1,847.5		- 7.3%
Raw materials and subcontracted work	- 824.2		- 927.9		
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Operating expenses	- 684.6		- 682.7	-36.9%	+ 0.3%
EBITA ¹⁾	203.9	11.9%	237.0	12.8%	- 14.0%
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Impairments	- 8.5		- 3.7		
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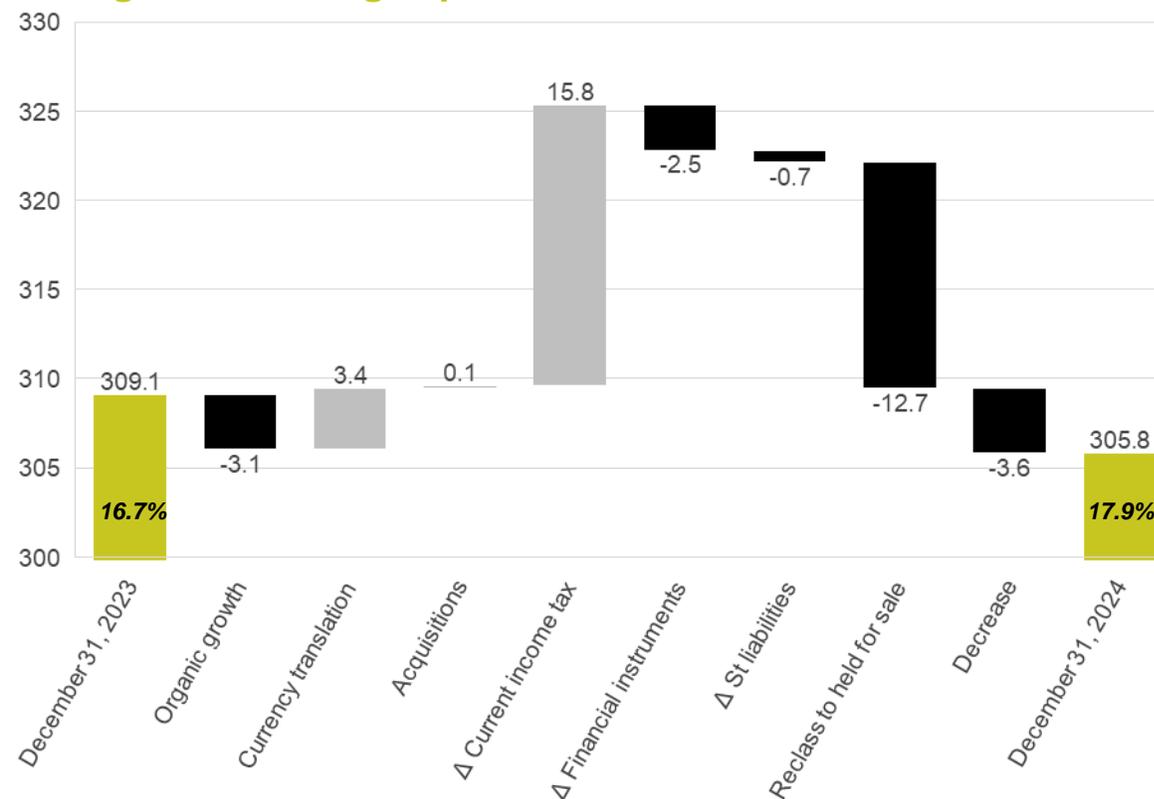
- 5** Amortization increased related to
- Amortization of PPA's from acquisitions (Liberty Robotics, Comark and JCAI)
 - Increased investment levels and acquisitions of R&D intensive companies
- 6** Result associates largely attributable to one-off profit on divestment of HE System Electronic and EKB Groep (2023 includes one-off profit from divestment of CCG and TKH France)
- 7** Increase net interest expenses due to higher interest rates and higher average outstanding debt
- 8** Normalized effective tax rate stable at 24.4% (2023: 24.6%); benefitted from R&D tax facilities

Balance sheet



(in € million)	Dec. 31, 2024	Dec. 31, 2023
Intangible assets and goodwill	611.1	565.7
Property, plant and equipment	486.2	436.0
Right-of-use assets	78.0	84.0
Other non-current assets	47.5	52.6
Total non-current assets	1,222.8	1,138.3
1 Current assets	837.7	874.6
Cash and cash equivalents	125.6	93.7
Total current assets	963.4	968.3
Assets held for sale	27.2	21.2
Total assets	2,213.3	2,127.8
Total group equity	883.1	835.7
Borrowings	620.1	572.4
Other non-current liabilities	79.0	75.2
Total non-current liabilities	699.1	647.6
Borrowings	90.3	75.9
1 Other current liabilities	531.9	565.5
Total current liabilities	622.2	641.4
Liabilities held for sale	9.0	3.1
Total equity and liabilities	2,213.3	2,127.8

1 Changes in working capital (in € million)



Use of non-recourse factoring

- > Dec 31, 2024 €43.3 million
- > Jun 30, 2024 €42.4 million
- > Dec 31, 2023 €40.9 million

Use of supply chain finance

- > Dec 31, 2024 €39.4 million
- > Jun 30, 2024 €48.5 million
- > Dec 31, 2023 €44.1 million

Balance sheet



(in € million)	Dec. 31, 2024	Dec. 31, 2023
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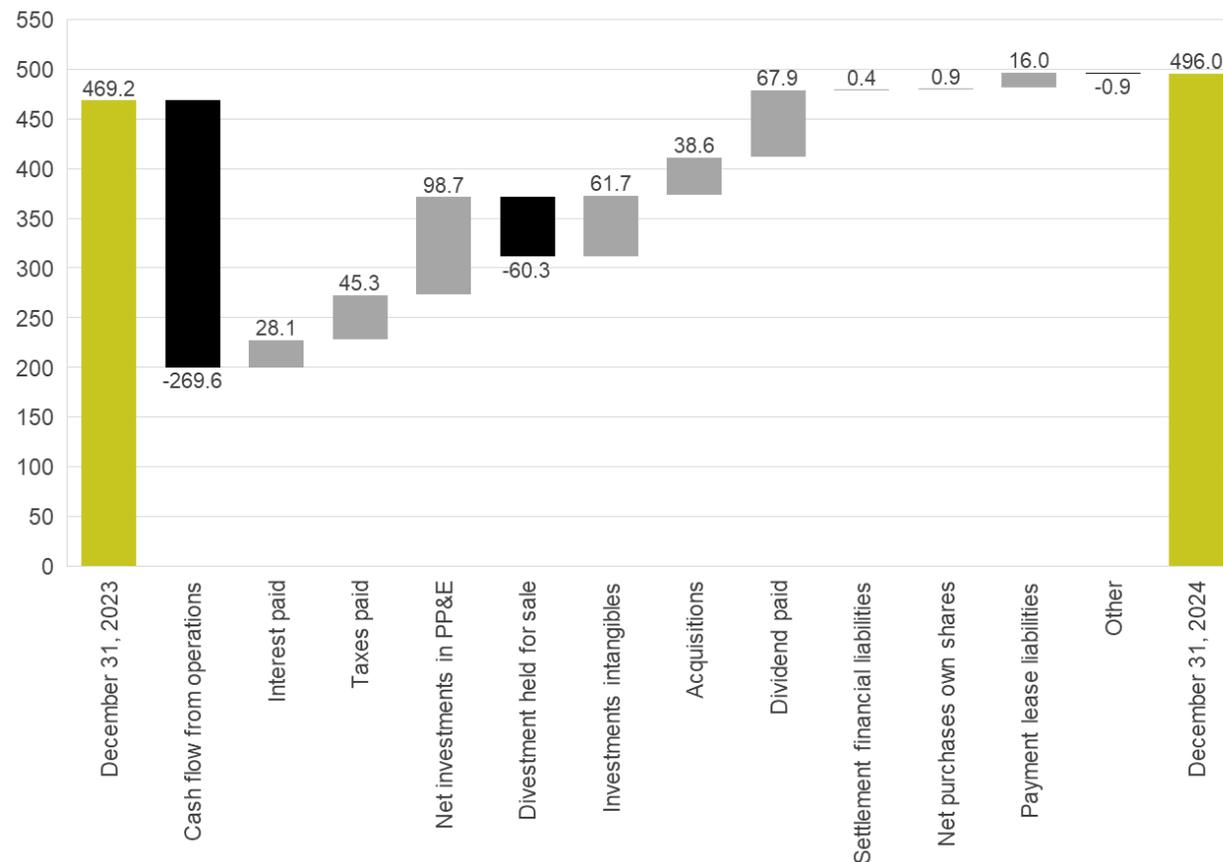
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Change in net debt (in € million)



- The net debt is determined in accordance with the bank covenants
- Net debt / EBITDA of 2.0 (June 30, 2024: 2.3 and December 31, 2023: 1.8)

Free cash flow

(in million € unless stated otherwise)	H1 2024	H2 2024	2024	2023	2022	2021
Operating result	63.9	66.7	130.6	174.5	190.2	136.9
Depreciation, amortization and impairment	57.4	63.9	121.3	109.4	100.6	98.0
EBITDA adjusted	121.3	130.6	251.9	283.9	290.8	234.9
1 Change in working capital	- 35.3	49.2	13.9	- 71.3	- 116.3	- 3.5
Taxes paid	- 17.9	- 27.4	- 45.3	- 44.1	- 40.4	- 33.1
Other	- 2.1	6.0	3.9	4.9	- 9.3	8.2
Cash flow from operations before interest	66.0	158.4	224.4	173.4	124.8	206.5
Payment of lease liabilities	- 8.2	- 7.8	- 16.0	- 16.5	- 14.7	- 15.6
2 Capital expenditure PP&E	- 59.7	- 39.0	- 98.7	- 177.1	- 91.8	- 31.0
3 Capital expenditure intangibles	- 30.6	- 31.1	- 61.7	- 53.1	- 45.9	- 40.5
Divestments of property held for sale					14.0	
Free Cash Flow ('FCF')	- 32.5	80.5	48.0	- 73.3	- 13.6	119.4
EBITDA (adjusted) to FCF conversion	- 26.8%	61.6%	19.1%	- 25.8%	- 4.7%	50.8%

1 FCF conversion is affected by developments in working capital. Working capital ratio for the period-end included in the overview are:

- > 2021: 9.9%
- > 2022: 12.9%
- > 2023: 16.7%
- > 2024: 17.9%

FCF-conversion is traditionally lower in the first half year and stronger in second half due to working capital development

2 In 2024, Strategic Investment Program impacted FCF by €49 million (2023: €134 million)

3 Net cash flows for acquisitions and divestments have not been included in FCF

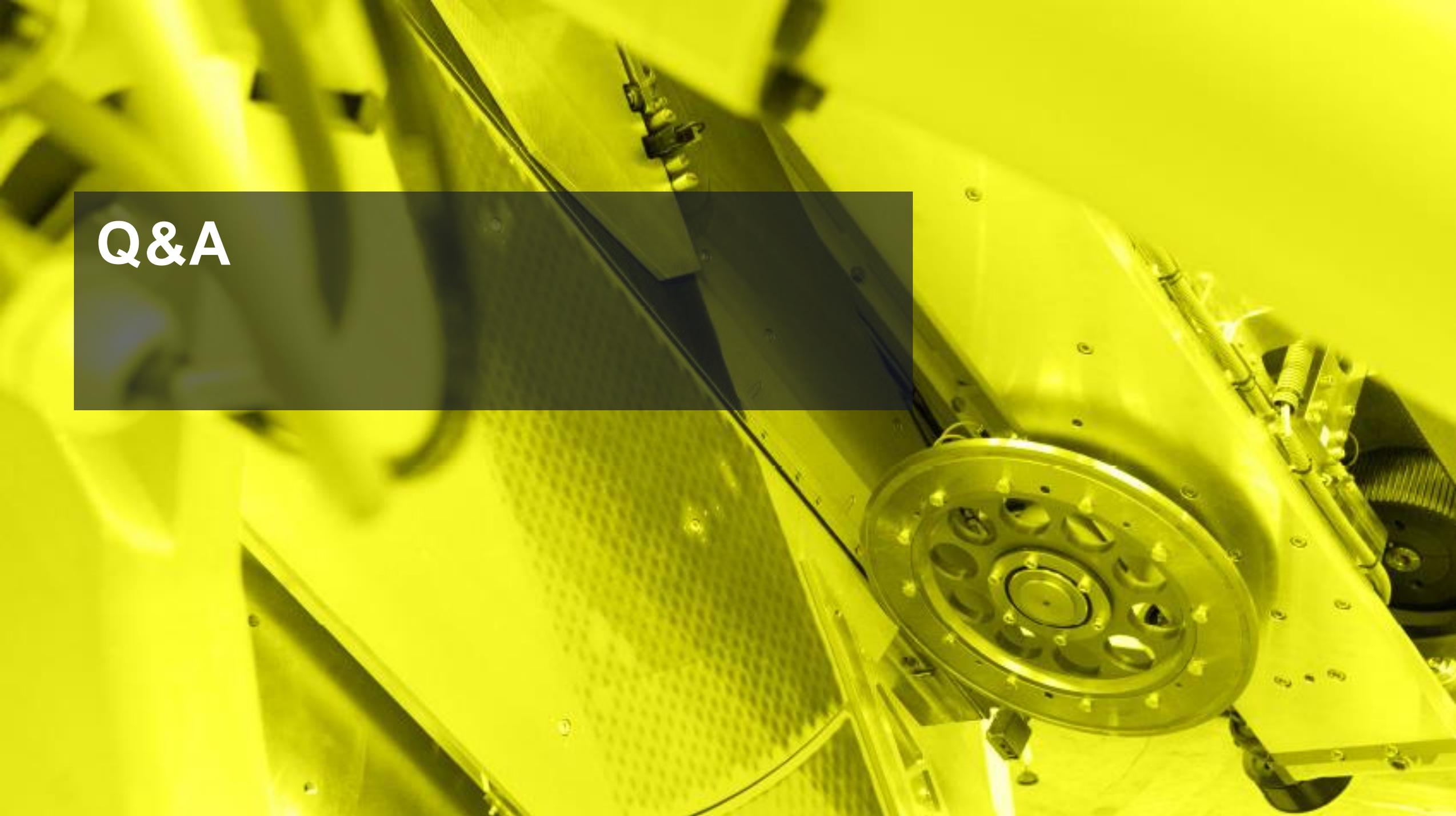
OUTLOOK



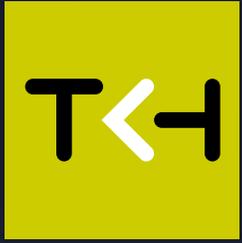
TKH has made strong progress in its strategic positioning with the completion of the €200 million strategic investment program, which will start to pay off in 2025. This, combined with the strong order book, will position us well for 2025.

Q1 2025 will be weak due to seasonality, the ramp-up of the Eemshaven plant, and continued weakness in the fibre optic cable market. For the full year, we expect turnover and EBITA excluding one-off income and expenses growth to return in Smart Vision systems, driven by the stronger order book, expected market share growth in new markets, and the implemented cost-saving measures. In Smart Manufacturing systems, turnover and EBITA excluding one-off income and expenses are expected to decrease organically due to the lower order intake in 2024 and the comparison with a very strong 2024, which benefitted from catch-up effects. In Smart Connectivity systems, we expect the new production capacity and the high order intake in 2024 to contribute to significant turnover and EBITA excluding one-off income and expenses growth in Smart Connectivity systems.

Barring unforeseen circumstances, on balance we anticipate organic growth in turnover and EBITA excluding one-off income and expenses in 2025. TKH will provide a more specific outlook for the full year of 2025 at the presentation of its interim results in August 2025.



Q&A



APPENDIX



EBITA in line with outlook



Highlights FY 2024

Turnover €1,712.7m

2023: €1,847.5m

- 1.2% organically***

EBITA* €203.9m

2023: €237.0m

- 7.5% organically***

ROS* 11.9%

2023: 12.8%

Adjusted net profit**

€98.9m

2023: €130.5m

- 24.2%

ROCE 15.2%

2023: 19.8%

Orderbook €1,135.0m

Dec. 31, 2023: €970.1m

Innovations 17.6%

2023: 16.1%

As percentage of turnover

Net debt €496.0m

Dec 31, 2023: €469.2m

* EBITA & ROS excluding one-off income and expenses (one-off net expenses in 2024 amounted to €4.0 million, 2023: one-off net expenses of €2.0 million)

** Net profit before amortization of intangible non-current assets related to acquisitions (after tax) and one-off income and expenses attributable to shareholders. Amortization of intangible non-current assets related to acquisitions (after taxes) in 2024 of €17.7 million (2023: €16.5 million)

*** Adjusted for acquisitions, divestments, and currency effects

Smart Vision Systems – 2024 Results

(in million € unless stated otherwise)	2024	2023	Δ in %	Organic Δ in %
Turnover	489.6	500.5	- 2.2%	- 4.4%
<i>Added value</i>	60.6%	58.9%		
EBITA*	77.7	85.9	- 9.5%	- 12.8%
ROS	15.9%	17.2%		
Order book	139.9	124.0	+ 12.8%	

HIGHLIGHTS 2024

Q4 2024

- Smart Vision systems posted record EBITA in Q4 2024, on the back of a strong order intake delivery and the delivery of some larger secured orders; turnover up 8.5% organically

Security Vision

- Turnover declined slightly, mainly due to the comparison with a strong 2023

Machine Vision

- In both 2D and 3D Machine Vision, innovations accelerated by AI brought to the market
- Share of customized solutions increased
- 3D Vision turnover declined for the full year
 - Return of the wood market and contribution from acquired Liberty Robotics not sufficient to offset the impact of weak battery & solar business
 - Expect results for 3D Vision to have bottomed out in 2024 and expect growth
- 2D Vision recorded growth
 - Benefitted from implemented customer excellence programs, and expansions into new end markets such as defense
 - Steps in the organizational consolidation of TKH's 2D brands & implementation of cost cutting measures, resulting in a one-off expenses of €2.5 million
 - These steps will benefit the results of 2D Vision from 2025 onwards
- The growth in the orderbook is largely due to a number of larger projects in Security Vision and to some extent 2D Machine Vision



Smart Manufacturing Systems – 2024 Results

(in million € unless stated otherwise)	2024	2023	Δ in %	Organic Δ in %
Turnover	608.8	573.6	+ 6.2%	+ 11.1%
<i>Added value</i>	51.5%	50.5%		
EBITA*	116.1	90.6	+ 28.1%	+ 31.1%
ROS	19.1%	15.8%		
Order book**	501.5	631.3	- 20.6%	-15.2%

HIGHLIGHTS 2024

Tire Building systems

- Very strong 2024
 - Record order book at Dec '23 and the catch-up effect of deliveries
 - Coupled with implemented efficiency improvements
- Production facilities in Poland were further expanded in the first half of 2024
- UNIXX technology
 - Order booked for complete UNIXX system in Q1 2024; scheduled for delivery and installation in the second half of 2025; strong market interest
 - Sales of component machines UNIXX Beltmaker & Revolute and tire building machines with implemented UNIXX technology are gaining traction
- Number of AI generated developments introduced, such as Foreign Object Detection
- Lower order intake, both for passenger and truck machines mainly related to Tier 1; order intake from Tier 2 and 3 remained at similar levels as previous years
- The drivers for more advanced tire building machines remain strong

Other

- Divestment of HE System Electronic and EKB Groep completed, in line with strategic focus on core technologies
- Dewetron reclassified as “held for sale”
- New orders were received for the Indivion, expanding position in the Nordics region



Smart Connectivity Systems – 2024 Results

(in million € unless stated otherwise)	2024	2023	Δ in %	Organic Δ in %
Turnover	631.9	800.5	- 21.1%	- 9.2%
<i>Added value</i>	<i>44.0%</i>	<i>41.8%</i>		
EBITA *	30.9	81.1	- 61.9%	- 42.9%
ROS	4.9%	10.1%		
Order book	493.6	214.8	+ 129.8%	

HIGHLIGHTS 2024

- Added value increased due to shift in product mix, elimination of anti-dumping duties on fibre optic cables, and divestment of connectivity distribution activities in France
- EBITA impacted by lower volumes, start-up and ramp-up costs of the new Eemshaven factory and low levels of utilization in inter-array and fibre optic cables

Electrification

- €150m strategic investment in Electrification completed, providing substantial additional capacity in offshore wind inter-array, and high and medium voltage onshore energy cables

Offshore

- Ramp-up of serial production in Eemshaven expected to commence shortly
 - Issues most critical production processes solved; remaining production stages less complex
 - Production in the Lochem plant continued to meet demand

- Strong growth in inter-array cable order book, incl. €200m turnkey Inch Cape project

Onshore

- Demand in the Netherlands continued to be weak due to destocking by utility companies
- Despite circumstances, expanded staff to respond to growth and the large order intake

Digitalization

- Deteriorating market for fibre optic cables in Europe
 - Low levels of investment in the rollout of European fibre networks
 - Strong destocking effect
 - Pricing pressure due to high inventory levels in the Chinese market
- Consolidation of production to Poland; fibre optic cable production in Netherlands closed

Other

- Impacted by weak German economy



* EBITA before one-off income and expenses

** In Aug 2019, CCG was divested (2018 EBITA €14.3m, turnover €184m)

*** In Jan 2020, ZTC was divested (2019 EBITA €5.0m, turnover €67.5m)

**** In Sept 2023, TKH France was divested (2022 EBITA €19.6m, turnover €129.3m)

BALANCE SHEET

(in € million)	Dec 31, 2024	Dec 31, 2023
Intangible assets and goodwill	611.1	565.7
Property, plant and equipment	486.2	436.0
Right-of-use assets	78.0	84.0
Associates	29.7	36.0
Other receivables	0.8	0.8
Deferred tax assets	16.9	15.8
Total non-current assets	1,222.8	1,138.3
Inventories	398.6	403.3
Trade and other receivables	250.0	243.6
Contract assets	165.9	217.1
Contract costs	10.3	8.0
Current income tax	12.9	2.6
Cash and cash equivalents	125.6	93.7
Total current assets	963.4	968.3
Assets held for sale	27.2	21.2
Total assets	2,213.3	2,127.8

- › Cash and cash equivalents includes €63.3 million (December 31, 2023: €24.5 million) that are part of a balance and interest compensation schemes
- › Solvency of 39.9% (December 31, 2023: 39.3%)

(in € million)	Dec 31, 2024	Dec 31, 2023
Shareholders' equity	883.0	835.6
Non-controlling interests	0.1	0.1
Total group equity	883.1	835.7
Interest bearing loans and borrowings	620.1	572.4
Deferred tax liabilities	59.0	57.7
Retirement benefit obligation	3.1	3.7
Financial liabilities	3.8	1.0
Provisions	13.1	12.7
Total non-current liabilities	699.1	647.5
Interest bearing loans and borrowings	90.3	75.9
Trade payables and other payables	327.7	357.2
Contract liabilities	176.6	176.1
Current income tax liabilities	5.8	11.3
Financial liabilities	1.9	1.6
Provisions	19.8	19.2
Total current liabilities	622.2	641.4
Liabilities directly associated with assets held for sale	9.0	3.1
Total equity and liabilities	2,213.3	2,127.8

Financial covenant

- › Net debt, based on financial covenant agreed with banks, of €496.0 million (December 31, 2023: €469.2 million)
- › Net debt/EBITDA of 2.0 (June 30, 2024: 2.3 and December 31, 2023: 1.8)