

TKH GROUP NV

GENERAL INVESTOR PRESENTATION



AUGUST 2024

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.

Key Messages



SOLID RECOVERY IN Q2

- Q2 EBITA* up 32.2% organically on Q1
- *Strong operational performance from Smart Manufacturing*

- H1 added value increased to 51.8%
- *Improvements in all segments confirming strategic strength*

- Smart Manufacturing benefits from
 - *Strong order book*
 - *Efficiency improvements*

- H1 EBITA and ROS impacted by
 - *Sustained destocking effects*
 - *Weaker market demand in certain end markets*
 - *Start-up and ramp-up costs due to expansion of production capacity*

INCREASED ORDER BOOK SUPPORTS FUTURE GROWTH

- H1 order book up 8.5%
- *Strong growth at Smart Connectivity*

- Large contracts won at beginning of H2 to contribute to H2 2024 performance
 - *Smart Vision*
 - *Smart Connectivity*

- H2 growth despite
 - *Lower-than-anticipated growth in Smart Vision*
 - *Expected prolonged weakness in Digitalization*

- Our innovative, differentiating and sustainable technologies instrumental in securing contracts

STRATEGIC PROGRESS

- €200 million strategic investment program completed
- *Eemshaven started serial production*

- Two divestments & three acquisitions
 - *HE System Electronic & EKB Groep*
 - *JCAI, Comark & Liberty Robotics*

- Cost savings program of €15 million initiated
 - *Implemented in H2 2024*
 - *Positive effects in 2025*

- Re-addressing our strategy in light of further value creation

Robust order book and innovative technologies focused on megatrends position us for further growth

* EBITA excluding one-off income and expenses

Performance H1 2024 supported by stronger Q2



Highlights H1 2024

Turnover €867.2m

H1 2023: €947.6m

- 1.6% organically

EBITA* €95.8m

H1 2023: € 119.8m

- 11.3% organically

ROS* 11.0%

H1 2023: 12.6%

Adjusted net profit
€45.4m**

H1 2023: €67.7m

- 32.9%

ROCE 15.9%

H1 2023: 19.9%

Order book €1,053m

Dec 31, 2023: €970m

+ 8.5%

Innovations 15.7%

H1 2023: 15.0%

As percentage of turnover

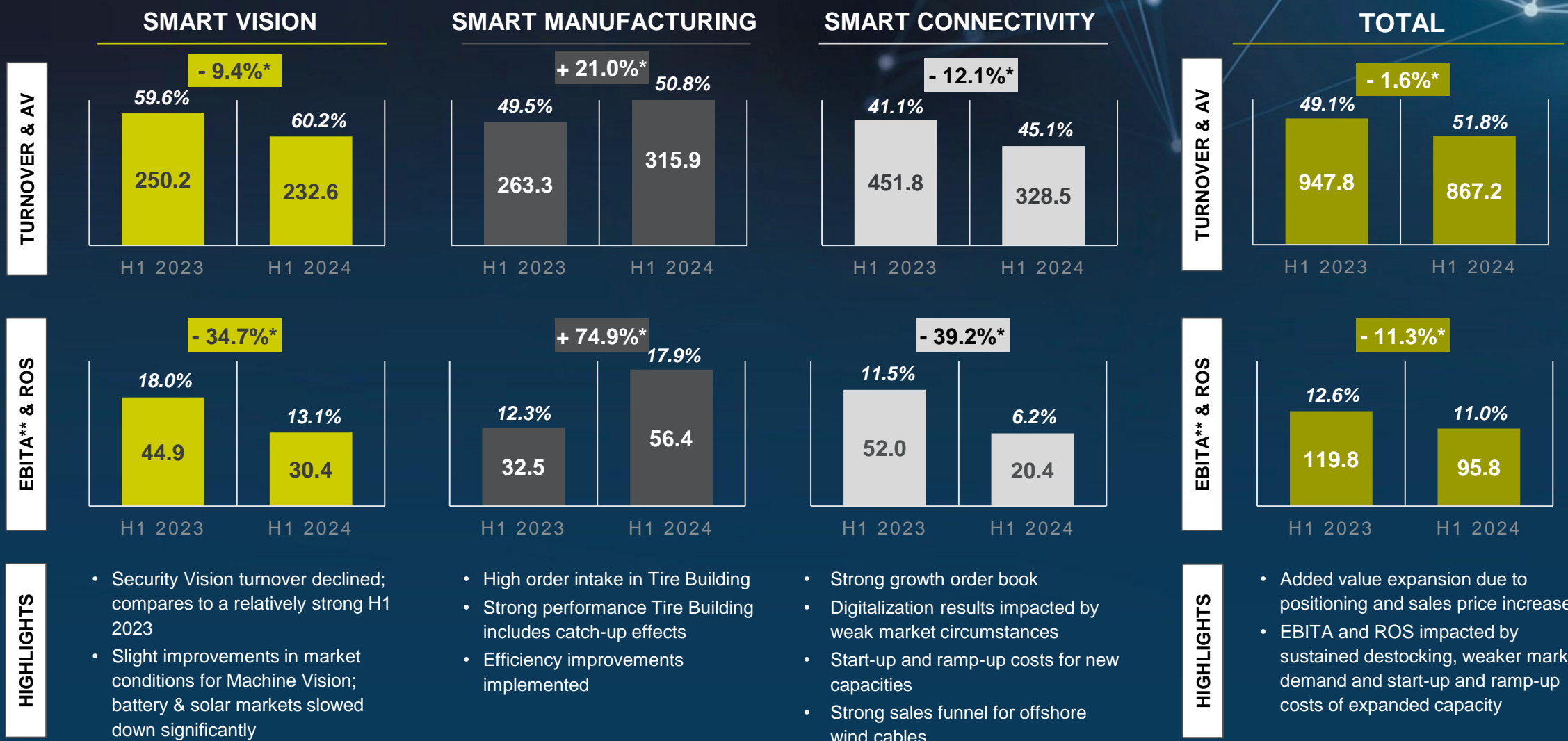
Net debt €574.9m

Dec 31, 2023: €469.3m

* EBITA & ROS excluding one-off income (one-off expense € 0.4 million in H1 2024 and € 1.1 million income in H1 2023)

** Adjusted net profit is the net profit before amortization of intangible non-current assets related to acquisitions and one-off income and expenses attributable to shareholders

Value added increased across all segments



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

Content

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- 2 Accelerate 2025 Strategy**
- 3 Capital Allocation & Strategic Priorities**
- 4 Track Record**
- 5 Reporting Segments**
- 6 Highlights and Financial Performance H1 2024**
- 7 Outlook**



PROFILE

TKH – Technology leader in high growth markets

SMART Technologies built on innovation driven by megatrends electrification, digitalization and automation

Together with our customers, we develop innovative technologies that make the world more efficient and more sustainable



TKH WORLDWIDE

HEADCOUNT

- > 7,000 FTEs of which 750 in R&D and software development
- > Entrepreneurial culture

TURNOVER

- > H1 2024 €867m (2023: €1,848m)
- > 16% turnover from innovations

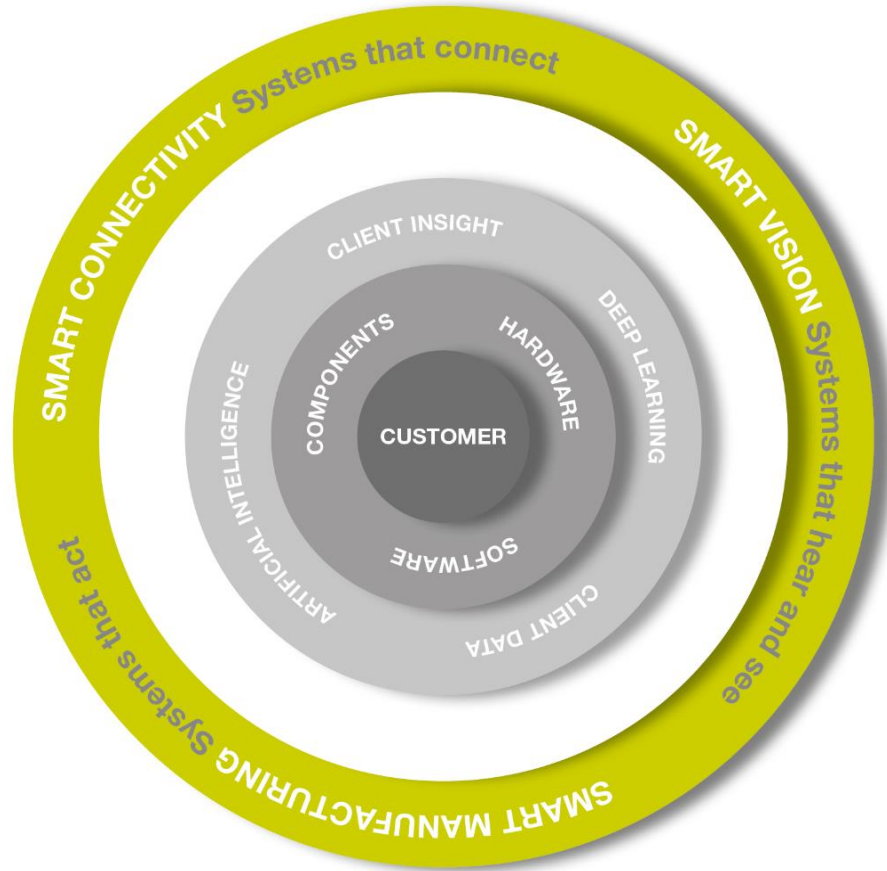
ESG

- > 71% of turnover linked to SDGs
- Frontrunner ambition

CUSTOMER AND TECHNOLOGY FOCUSED

- > >1,400 patents
- > >30% technology proposition is software
- > Market leadership in majority of activities

Smart Technologies



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

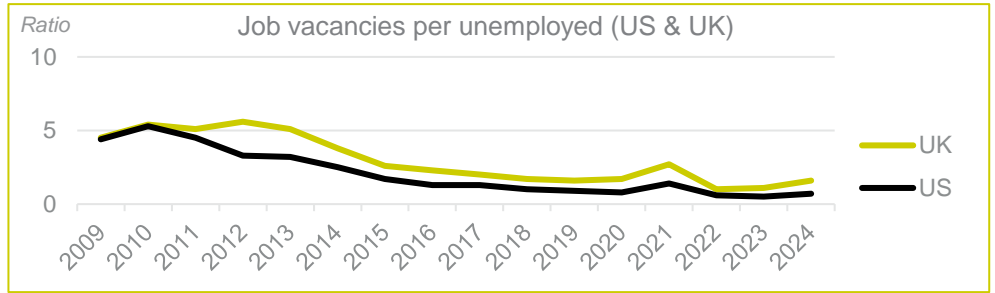
By integrating hardware, software, and customer-focused insight, our smart technologies provide unique answers to client challenges

Creating one-stop-shop, plug-and-play innovations for Smart Vision, Smart Manufacturing and Smart Connectivity technology

Making the world more efficient and more sustainable

In high growth markets

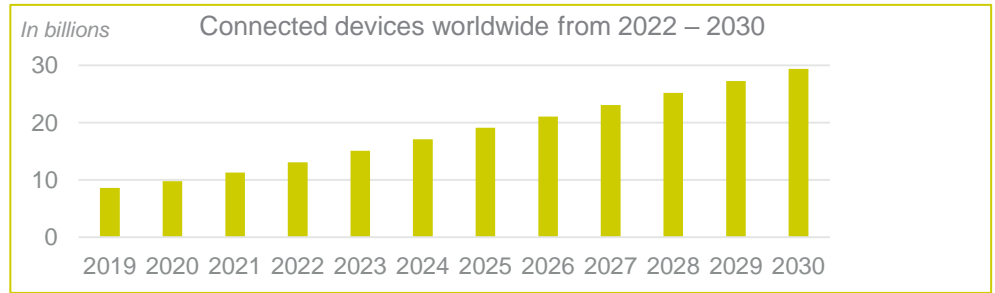
LACK OF LABOUR
PRODUCTIVITY
RELIABILITY
ACCURACY



AUTOMATION

Industry 4.0 – ‘hands-off, eyes-off’ manufacturing

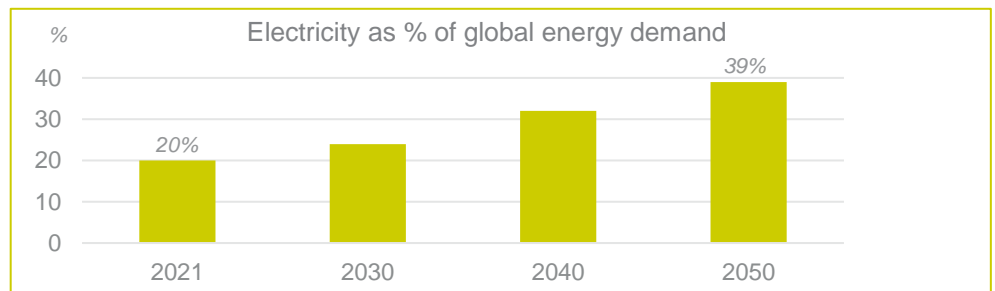
MOBILITY
SPEED
CLOUD COMPUTING



DIGITALIZATION

Continuous development of higher speed bandwidth networks

CLIMATE CHANGE
SCARCITY NATURAL RESOURCES



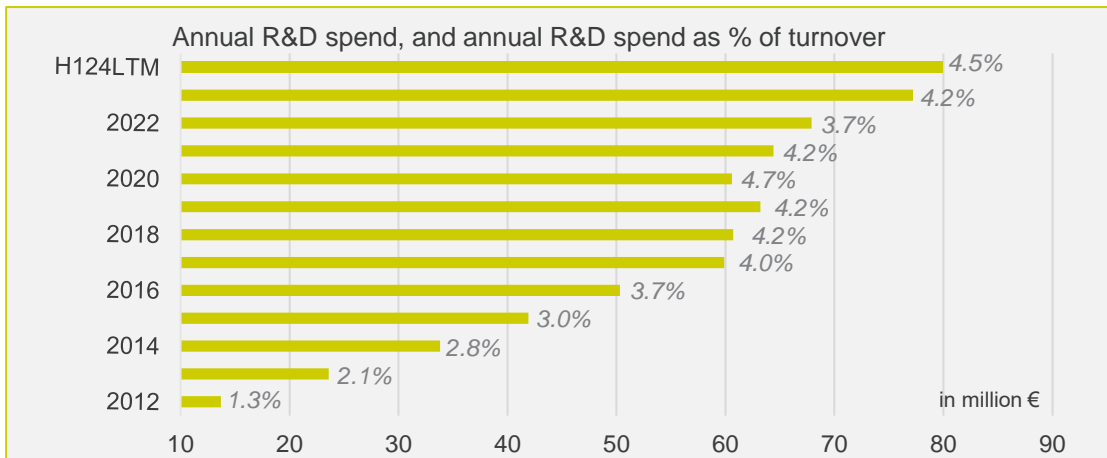
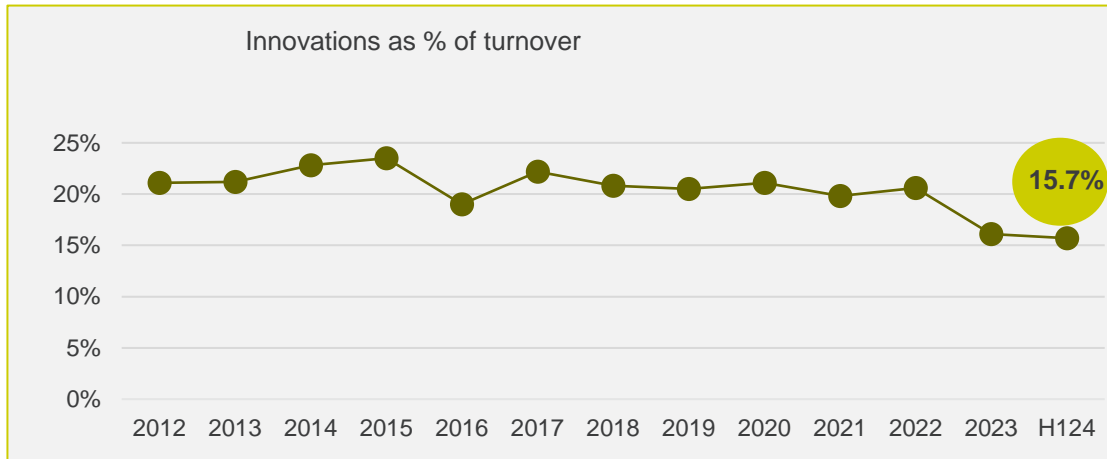
ELECTRIFICATION

Acceleration of Energy Transition

Sources: US Bureau of Labour Statistics, UK Office for National Statistics & IAE 2022 report

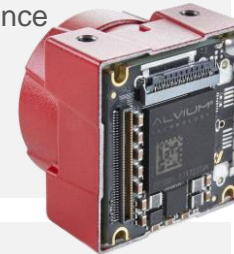
± 75% of turnover directly related to megatrends

Built on innovation



ALVIUM 2D VISION PROCESSOR "SYSTEM ON CHIP APPLICATION"

- SoC designed embedded and pc-based computer vision
- Allowing high performance sophisticated cameras in smaller packages



OFFSHORE CABLE TECHNOLOGY SUSTAINABLE SUBSEA CABLE SYSTEMS

- Modern cable design & environmentally friendly materials and design
- 99% recyclable
- Reduction of installation failures and time
- Improved durability



UNIXX REVOLUTIONARY IN TIRE BUILDING

- High level of automation, data generation & data processing
- Fitting industry 4.0
- Highly flexible and reliable shortening tire development process



INDIVION SMART MANUFACTURING IN HEALTHCARE

- Reliably and accurately packaging different medications - 10,000 individual units per hour
- Cost effective & reducing errors



>750 FTE IN R&D AND SOFTWARE DEVELOPMENT

>1,400 PATENTS TO SECURE
VALUE PROPOSITION

>30% OF OUR TECHNOLOGY PROPOSITION IS
SOFTWARE DRIVEN

Leading market positions

	TKH SMART VISION SYSTEMS				TKH SMART MANUFACTURING SYSTEMS	TKH SMART CONNECTIVITY SYSTEMS			
	VISION			TIRE BUILDING	ENERGY	DIGITIZATION			
GEOGRAPHICAL MARKETS	3D GLOBAL MARKET LEADER	2D STRONG MARKET POSITIONS	Security Vision GLOBAL MARKET LEADER IN HIGH END MARKET		 GLOBAL MARKET LEADER	Offshore GROWING MARKET POSITIONS	Onshore MARKET LEADER	 GROWING MARKET POSITIONS	 MARKET LEADER
MAIN END MARKETS	 Factory Automation Consumer Electronics	 Factory Automation Medical / Healthcare	 Building & infrastructure Mobility		 Tire manufacturers	 Offshore Utility companies	 Onshore Utility companies	 Network companies	
SHARE OF TURNOVER	27%			36%	37%				




Benefitting from **High barriers to entry:** combination of advanced technology levels, patented technologies, expertise and capital required to enter market



ACCELERATE 2025 STRATEGY

Accelerate 2025: Roadmap to turnover and ROS target

Unlocking the full potential of our leading technologies

Areas	Contribution to turnover target > € 2 billion	Contribution to ROS improvement target > 17% ¹⁾	Commentary to 2025 targets
ORGANIC GROWTH / COST EFFICIENCY	 > € 300 million	 > 2.5%	Strategic investment program to expand capacity amongst others into higher margin activities, scale effect on opex and cost of goods sold
INNOVATIONS	 > € 200 million	 > 2.0%	Organic growth, acceleration of our innovations in terms of turnover, benefit from learning curve and economies of scale
ACQUISITIONS	 € 100 – 150 million		Acquisitions that strengthen our portfolio of proprietary technologies in the area of software, and/or strengthen our sales network
PORTFOLIO MANAGEMENT	 - € 150 – 200 million	 > 0.5%	Divestments that do not contribute towards achieving our long-term strategy & targets

1) ROS improvement is based on reference ROS of 12%

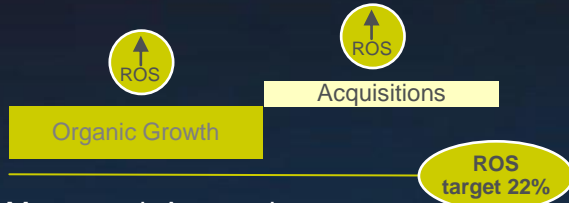
Accelerate 2025



2021 Assumptions

Headwinds

SMART VISION

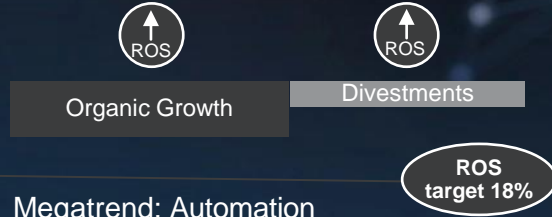


- Megatrend: Automation
- ✓ One-stop-shop positioning & USP's
 - ✓ Investments into software & AI
 - ✓ High added value of 60%
 - ✓ Strategically fitting acquisitions
 - ✗ High single digit organic growth
 - ✗ ROS growth: scale & efficiency

- ✗ Destocking end customers
- ✗ Challenging market circumstances
- ✗ Underutilization – High costs
- ✓ Cost savings program of €5 million

H1 2024
ROS: 13.1%
Organic turnover - 9.4%

SMART MANUFACTURING



- Megatrend: Automation
- ✓ Portfolio expansion (UNIXX)
 - ✓ High single digit organic growth
 - ✓ ROS growth through:
 - ✓ Business normalization
 - ✓ Divestments
 - ✓ Scale & efficiency

- ✓ Supply chain constraints
- ✓ High levels of inefficiencies

H1 2024
ROS: 17.9%
Organic turnover + 21.0%

SMART CONNECTIVITY



- Megatrend: Electrification & Digitalization
- ✗ High single digit organic growth
 - ✗ ROS growth through:
 - ✓ Strategic investment program
 - ✗ Operational leverage

- ✗ Destocking Dutch utility companies
- ✗ Strong headwinds in Digitalization
- ✓ Positive development of order book offshore wind
- ✓ Cost savings program of €10 million
- ✓ Strong improvement added value from 41.1% to 45.1%

H1 2024
ROS: 6.2%
Organic turnover - 12.1%

2025 Target:
ROS: 17%



If headwinds continue:
17% ROS target may take longer to realize

Our sustainable value chain

Our Focus on SDGs

71% of turnover linked to SDGs



3 GOOD HEALTH AND WELL-BEING



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



11 SUSTAINABLE CITIES AND COMMUNITIES

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 H1 2024

CO₂e FOOTPRINT REDUCTION (scopes 1&2)

Compared to 2019
Target 100% neutrality by 2030

66.1%

2023 64.3%

2022 42.7%

% WASTE

Target < 5% waste

5.8%

2023 5.2%

2022 5.3%

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

19.8%

2023 19.2%

2022 18.4%

ILLNESS RATE

Target < 4.0%

3.66%

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

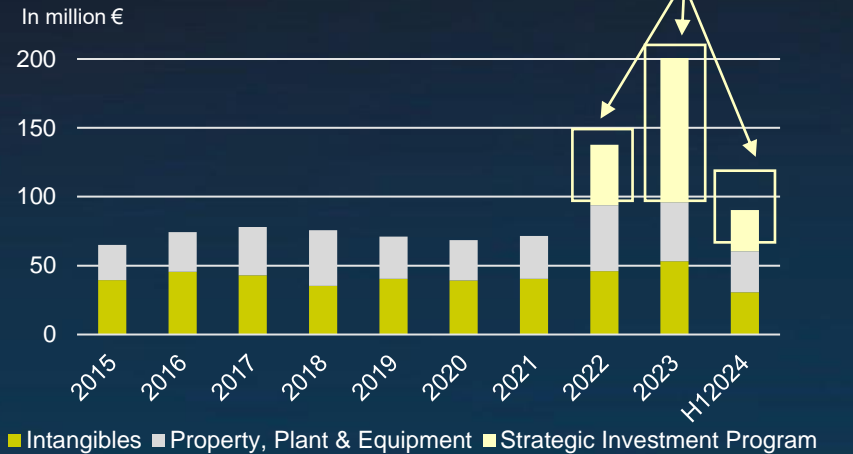




CAPITAL ALLOCATION & STRATEGIC PRIORITIES

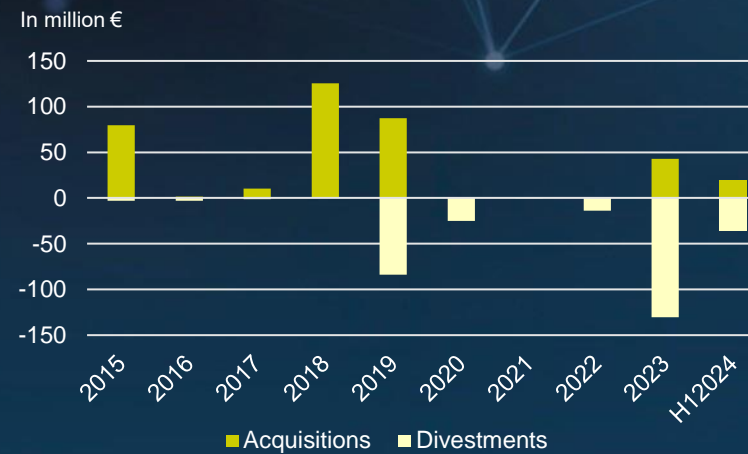
Capital allocation

CAPITAL EXPENDITURE



2023: PP&E capex of €177 million of which €134 million from Strategic Investment Program, estimated 2024 PP&E capex of €90 million of which €30 million from Strategic Investment Program

ACQUISITIONS & DIVESTMENTS



Acquisitions that strengthen our portfolio

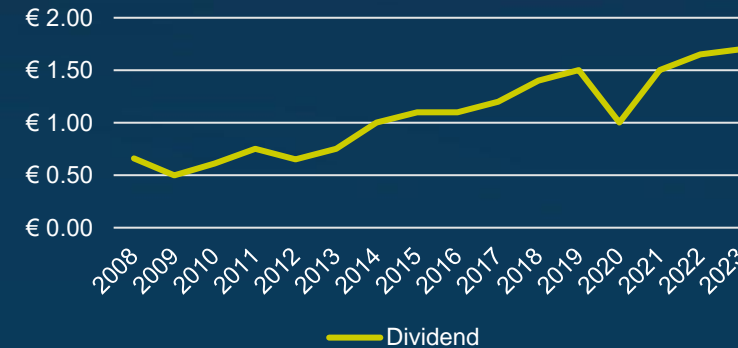
Divestments that do not contribute towards achieving long-term targets

DEBT LEVERAGE



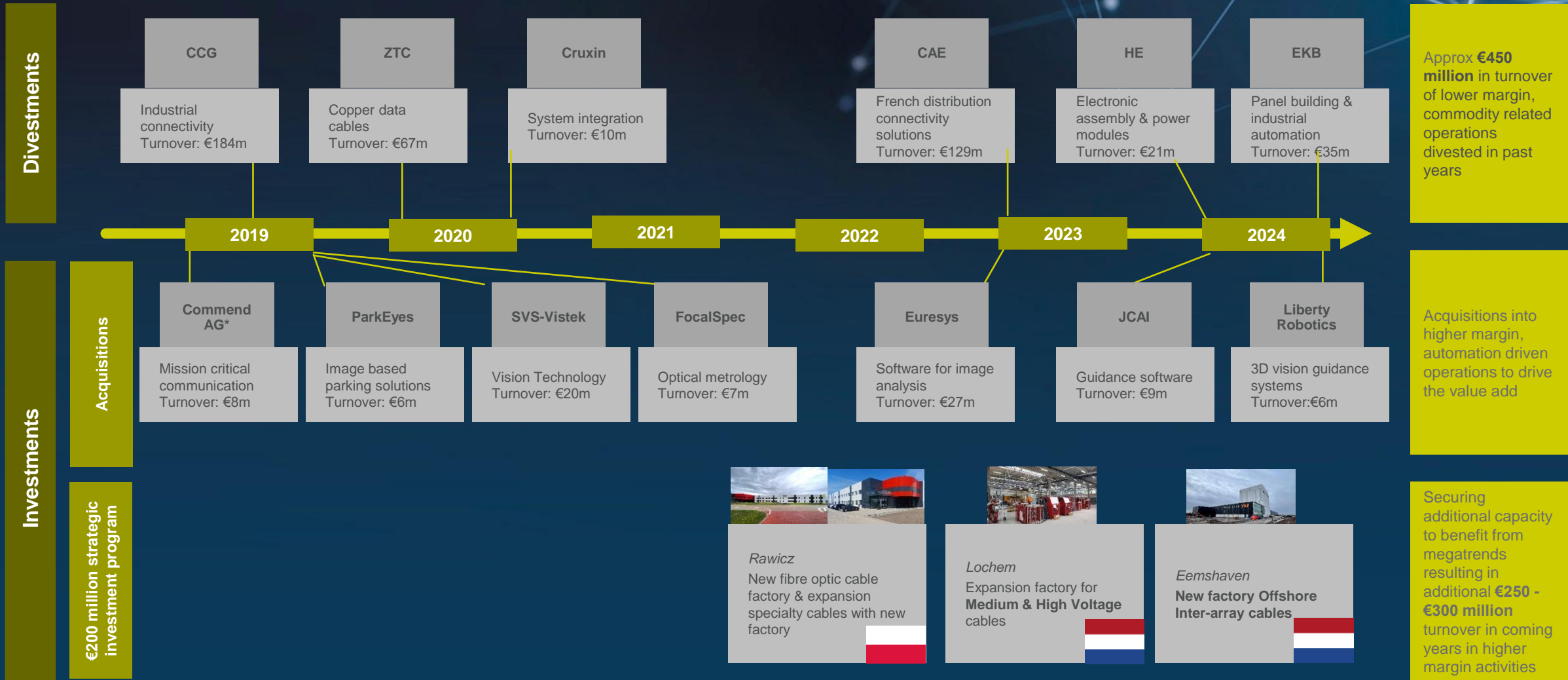
Target net debt/ EBITDA < 2.0

DIVIDEND



Aim for a dividend pay-out of between 40% and 70%

Focus on core technologies



Turnover numbers provided for acquisitions and divestments represent the turnover of the year prior to the announcement of the acquisition or divestment

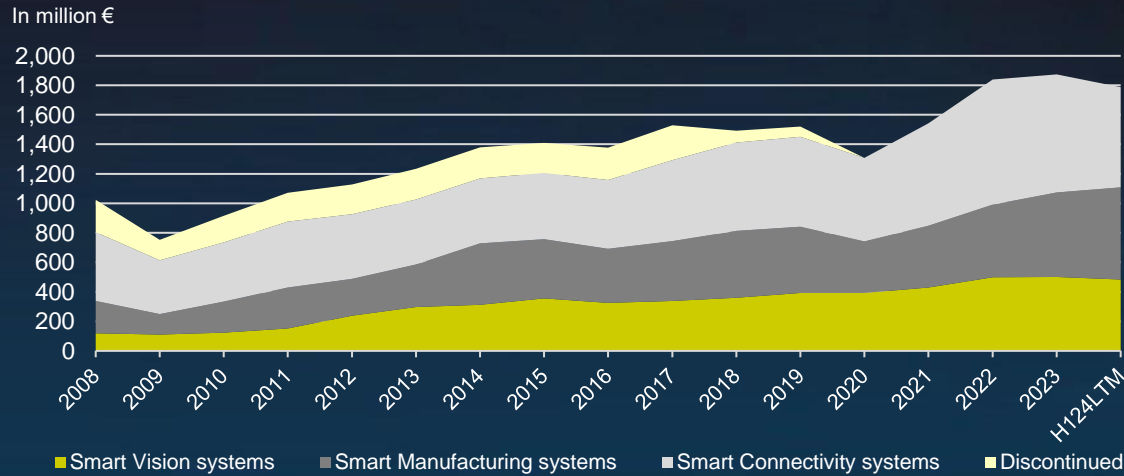
* Commend AG is the value added reseller in Switzerland of Austria based Commend Group, which was acquired by TKH in 2015

TRACK RECORD

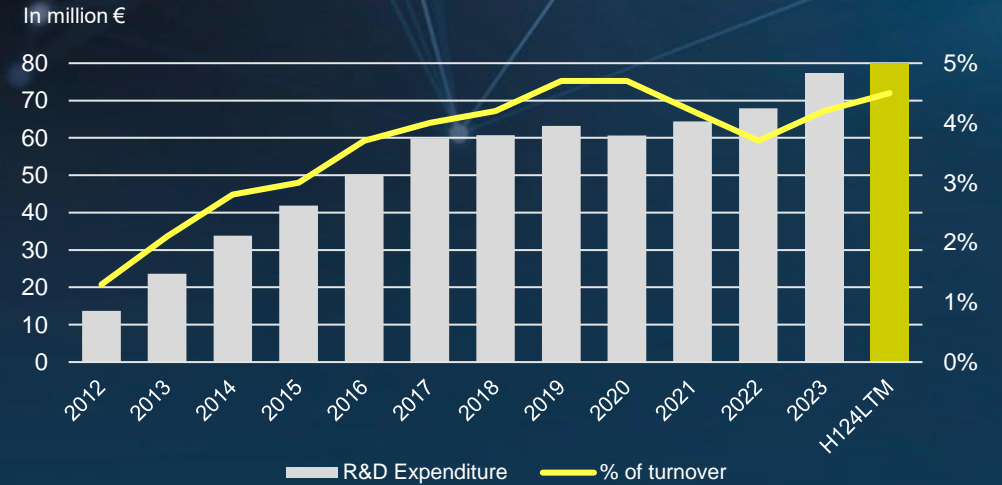
A close-up photograph of a person wearing a white nitrile glove working on a printed circuit board (PCB). The person is using a small, dark tool, possibly a soldering iron or a precision screwdriver, to work on a component on the board. The PCB is populated with various electronic components, including several integrated circuits (chips) and numerous gold-plated pins. The entire scene is bathed in a strong yellow-green light, creating a high-contrast, industrial atmosphere. A semi-transparent dark grey rectangular box is overlaid on the left side of the image, containing the text 'TRACK RECORD' in a bold, white, sans-serif font.

TKH's evolution into today's technology leader

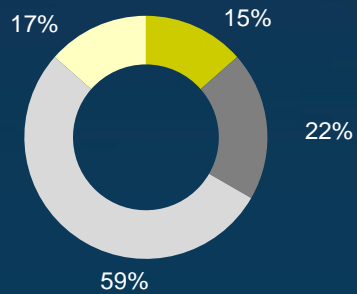
DEVELOPMENT OF TURNOVER



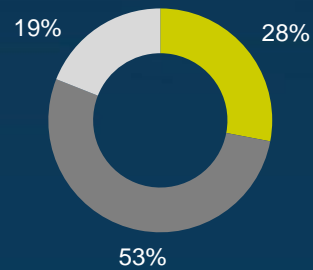
R&D EXPENDITURE



SEGMENT SPLIT EBITA 2008



SEGMENT SPLIT EBITA H1 2024



Legend: Smart Vision, Smart Manufacturing, Smart Connectivity, Discontinued

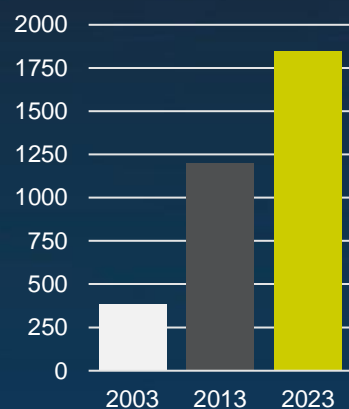
ORDER BOOK DEVELOPMENT



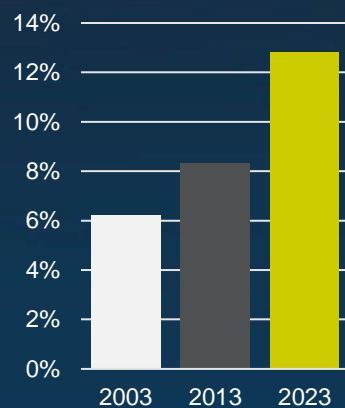
Our track record

TURNOVER

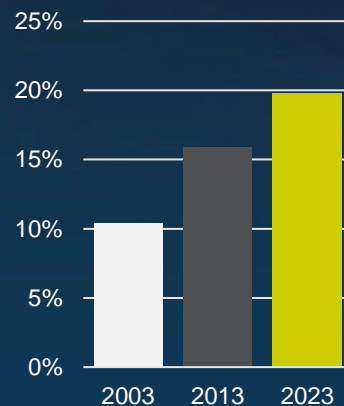
In million €



ROS



ROCE



DIVIDEND PER SHARE*



EARNINGS PER SHARE*



** Normalized for amortization PPAs from acquisitions and one-off income and expenses*

REPORTING SEGMENTS



Smart Vision Systems – H1 2024 Results

(in million € unless stated otherwise)	H1 2024	H1 2023	Δ in %	Organic Δ in %
Turnover	232.6	250.2	- 7.0%	- 9.4%
<i>Added value</i>	60.2%	59.6%		
EBITA*	30.4	44.9	- 32.4%	- 34.7%
ROS	13.1%	18.0%		
	H1 2024	Dec 2023		
Order book	133.1	124.0	+ 7.3%	

HIGHLIGHTS H1 2024

- Turnover Q2 2024 showed improvement on Q1 2024
- EBITA impacted by high operating expenses combined with lower turnover growth
 - Cost levels and capacity at Machine Vision kept at higher turnover levels in anticipation of return of growth

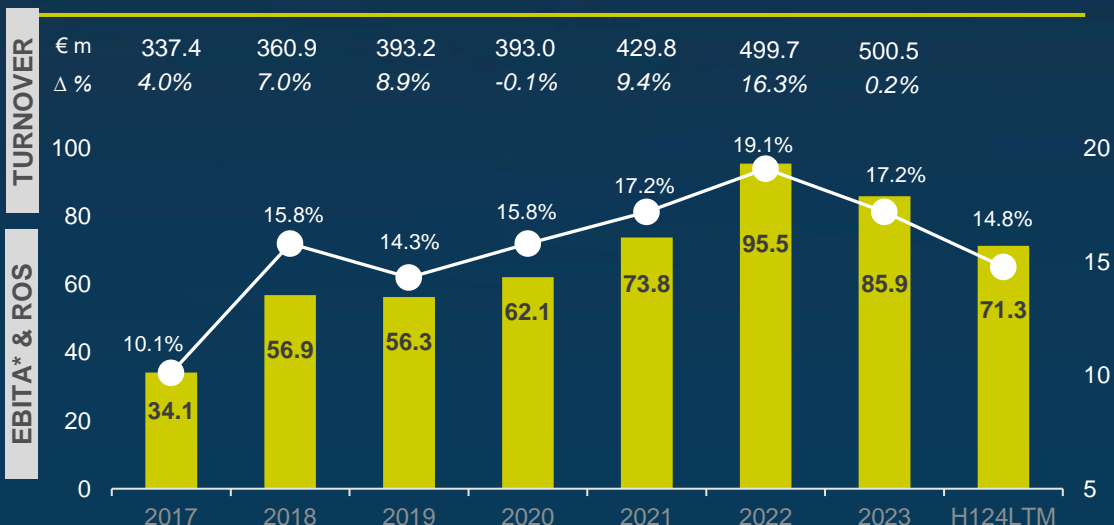
Security Vision

- Decline in turnover in H1 2024
 - Due to the strong comparison base of H1 2023 on the back of a large order in H1 2023

Machine Vision

- In Q2 2024, market conditions showed slight improvements
- However, the battery and solar market slowed down significantly

Both Machine Vision and Security Vision are expected to improve during H2 2024, on the back of deliveries of larger secured orders for Q4



Smart Vision systems

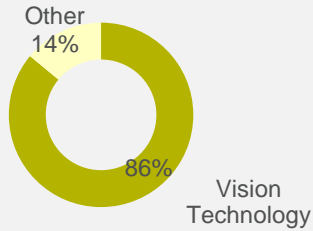
PROPOSITION

2D & 3D MACHINE VISION Area scan, Line scan, 3D, Embedded, High-speed, SWIR, UV, Polarized

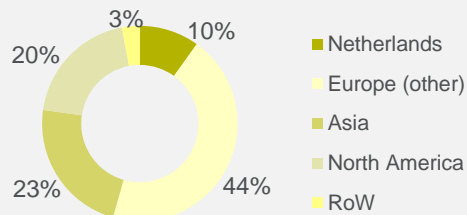
SECURITY VISION Video surveillance, Video hardware, Mission critical communication, Video management, Parking guidance

OTHER Access control, Alarm systems

TURNOVER SPLIT

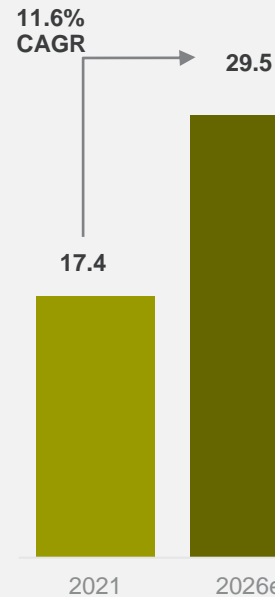


GEOGRAPHICAL SPLIT



MARKET DRIVERS (in € bn)

SECURITY VISION



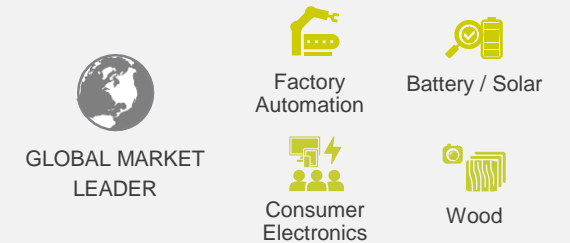
2D & 3D MACHINE VISION



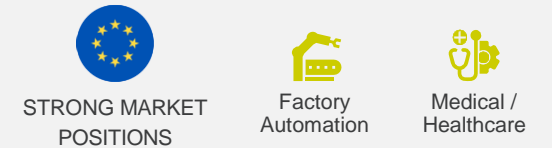
Source: Various market reports, TKH' estimates

MARKET POSITIONS

3D MACHINE VISION



2D MACHINE VISION



SECURITY VISION



KEY DIFFERENTIATOR – FULL RANGE OF TECHNOLOGY FOR CUSTOMIZED AND INTEGRATED SYSTEMS

Smart Manufacturing Systems – H1 2024 Results

(in million € unless stated otherwise)	H1 2024	H1 2023	Δ in %	Organic Δ in %
Turnover	315.9	263.3	+ 20.0%	+ 21.0%
<i>Added value</i>	50.8%	49.5%		
EBITA*	56.4	32.5	+ 73.8%	+ 74.9%
ROS	17.9%	12.3%		
	H1 2024	Dec 2023		
Order book	618.5	631.3	- 2.0%	

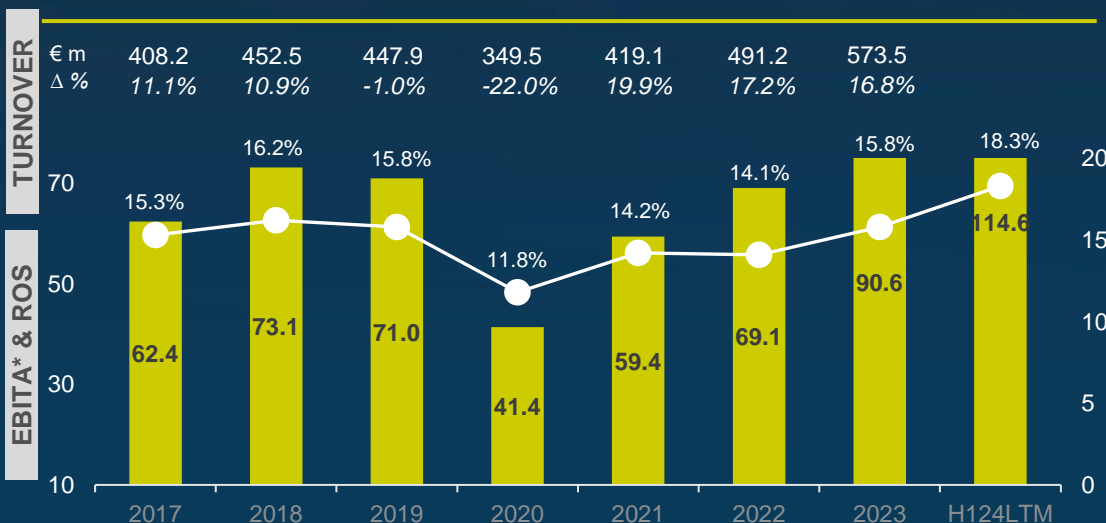
HIGHLIGHTS H1 2024

Tire Building systems

- H1 2024 performance benefitted from the high order book in both passenger and truck tires
- Strong operational performance
 - Easing of the supply chain effects has resulted in a catch-up effect of deliveries
 - Implementation of efficiency improvements
- Order intake for both passenger and truck tire continues to be high
- Drivers:
 - Investments into production of more sustainable tires
 - Rise of electric vehicles
 - Need for more automation
 - High level of activities related to reshoring

Other

- Divestment of HE System Electronic and EKB Groep
 - In line with strategic focus on core technologies
 - Result in the turnover share of 'Other' to decline in favor of Tire Building systems



Smart Manufacturing systems

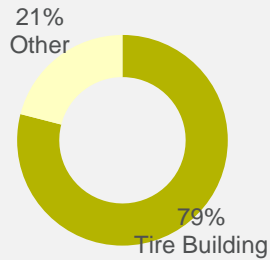
PROPOSITION

TIRE BUILDING SYSTEMS

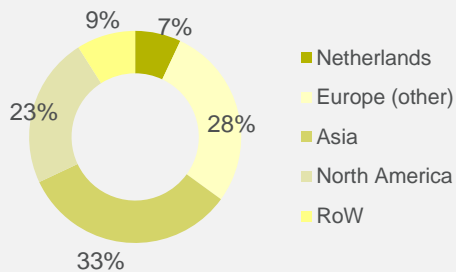
Passenger & Truck tire building machines, Bead assembly

OTHER Care systems, Industrial automation systems, Advanced measurement systems, Custom sensors & PE

TURNOVER SPLIT



GEOGRAPHICAL SPLIT

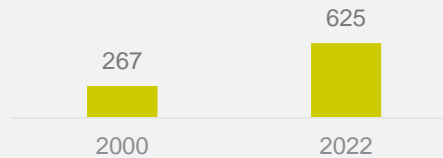


MARKET DRIVERS

TIRE BUILDING

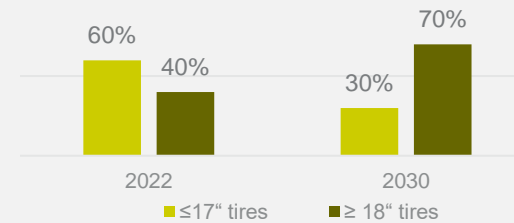
1 Increasing number of units in stock with 7% annual increase

US replacement market (stock keeping units)



2 Increased complexity: continuous increase of rim size leading to increase in sizes in range

Tire inch market split



3 Reshoring – Replacement of production capacity closer to the market, resulting in investments in US and EU

- Reducing vulnerability to geopolitics
- Reducing vulnerability on supply chain disruptions
- Fast response to local demands
- Sustainability considerations
- Costing: less vulnerable to volatile transportation costs

4 Investments in green & smart factories and in greener products

MARKET POSITIONS

TIRE BUILDING



GLOBAL MARKET LEADER



Tire manufacturers

KEY DIFFERENTIATOR – VISION TECHNOLOGY FOR TIRE BUILDING TECHNOLOGY SUCCESS

Smart Connectivity Systems – H1 2024 Results

(in million € unless stated otherwise)	H1 2024	H1 2023	Δ in %	Organic Δ in %
Turnover	328.5	451.8	- 27.3%	- 12.1%
<i>Added value</i>	45.1%	41.1%		
EBITA *	20.4	52.0	- 60.7%	- 39.2%
ROS	6.2%	11.5%		
	H1 2024	Dec 2023		
Order book	301.3	214.8	+ 40.3%	

HIGHLIGHTS H1 2024

- Added value increased due to shift in product mix, price increases and divestment of cable distribution activities in France
- EBITA decrease combination of lower turnover, partially due to weak market environment in fibre optic cables and higher start-up and ramp-up costs

Electrification

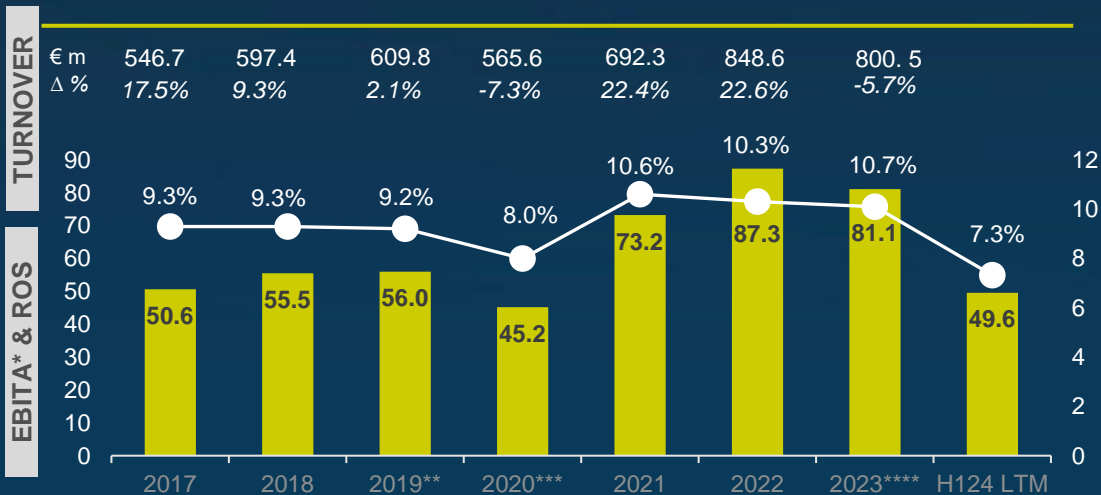
- Onshore: Demand for onshore energy cables in the Netherlands continues to be weak due to destocking by utility companies
 - At this moment, the roll-out of the networks has improved, leading to an increased volume of energy cables being installed
- Offshore:
 - In Eemshaven, serial production recently started
 - Sales funnel for Eemshaven is strong
 - Several offshore wind orders were signed

Digitalization

- Significant decline in demand due to continued low level of investment in roll-out of fibre optic networks in Europe
 - Resulting amongst others in pricing pressure
- Ramp-up costs and low-capacity utilization

Other

- Impacted by weak German economy



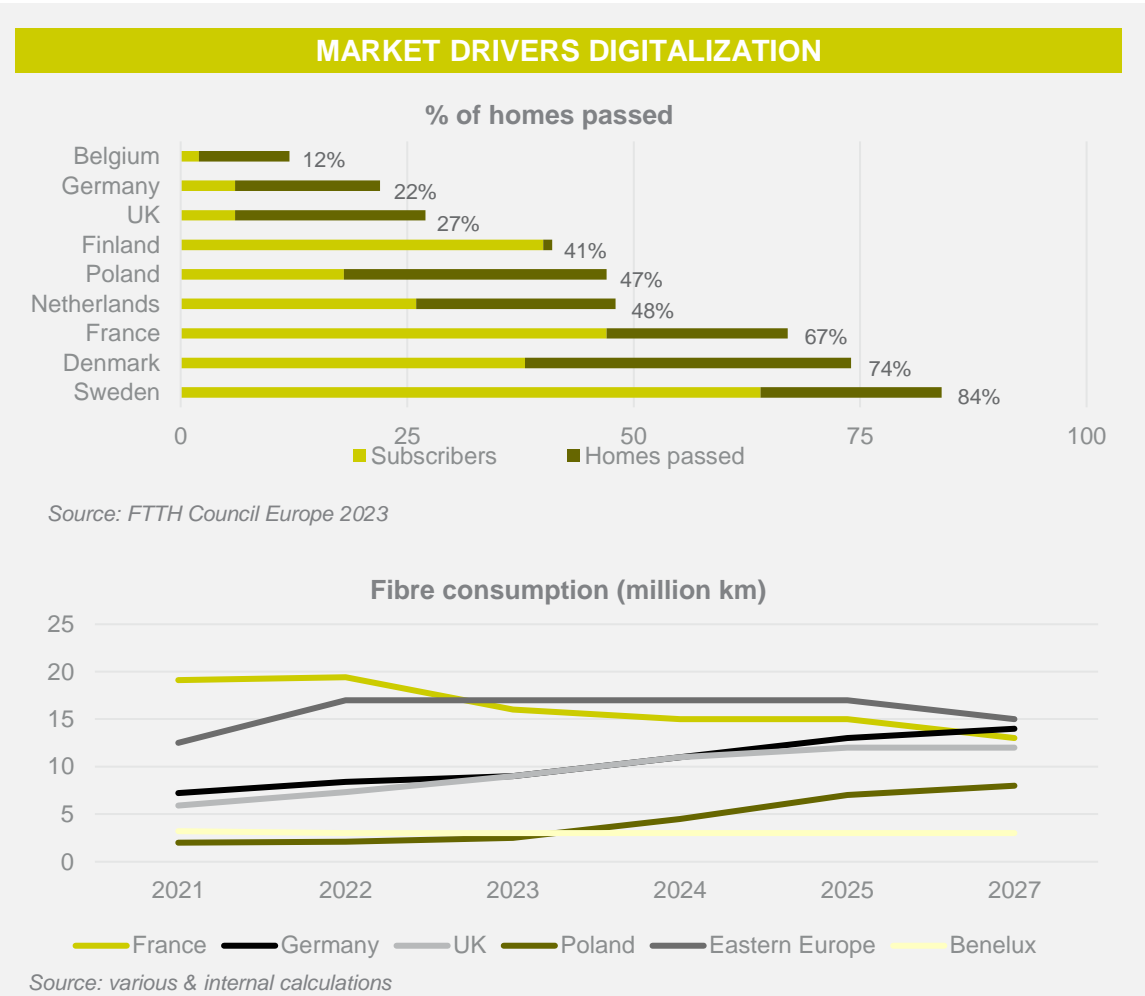
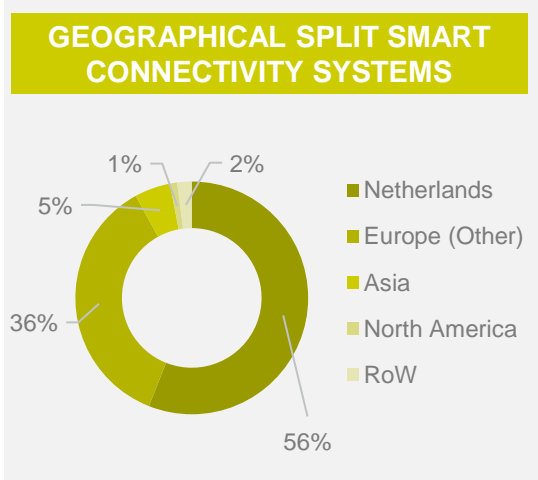
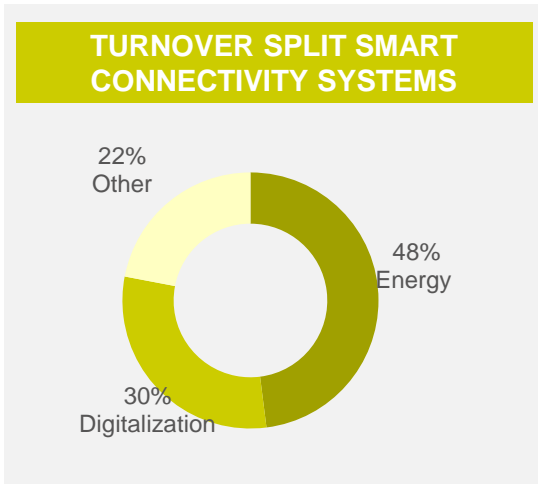
* EBITA before one-off income and expenses

** 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)

Smart Connectivity systems – Digitalization



MARKET POSITION DIGITALIZATION

GROWING MARKET POSITIONS

Network companies

MARKET LEADER

Installers

PROPOSITION DIGITALIZATION

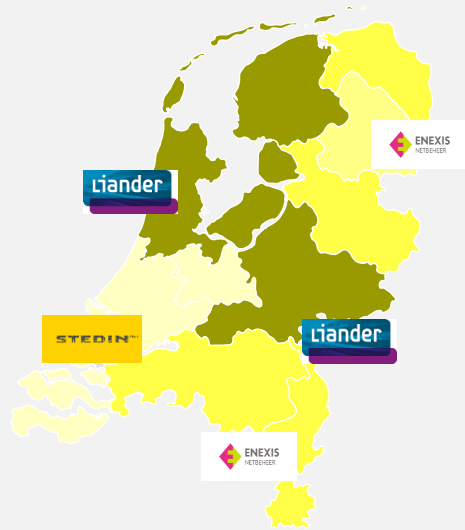
DIGITALIZATION Fibre Optics connectivity systems - Turnkey cable systems, Closures, Street cabinets, Access chambers, Multi tube cables, Rack systems, patch robotics

OTHER Specialized cable systems, Building & Industry cable systems

KEY DIFFERENTIATOR – SYSTEMS APPROACH

Smart Connectivity systems – Onshore Energy

MAIN NETWORK OPERATORS



Currently
 > 100,000 km medium voltage
 > 200,000 km low voltage

HIGH AMBITIONS

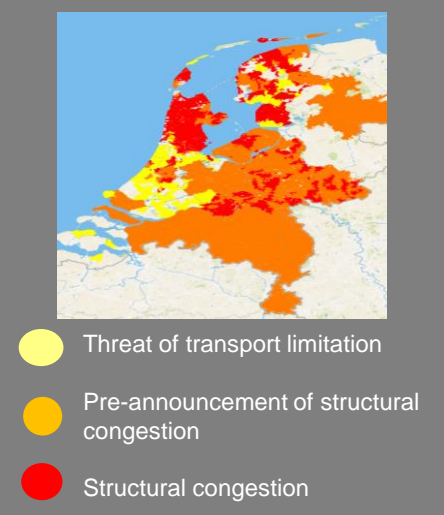
80 to 130 TWH
 additional electricity between
 2030 and 2025

3-4x
 more electricity needed in
 2050 vs 2024

>60%
 of total energy need industry
 consist of electrification in
 2050

Current estimates
 > 100,000 km additional by 2035*
 > 40,000 km by Liander by 2033

CONGESTED NETWORK



9400 companies waiting to be added to grid

INVENTORY & SLOW ROLL OUT

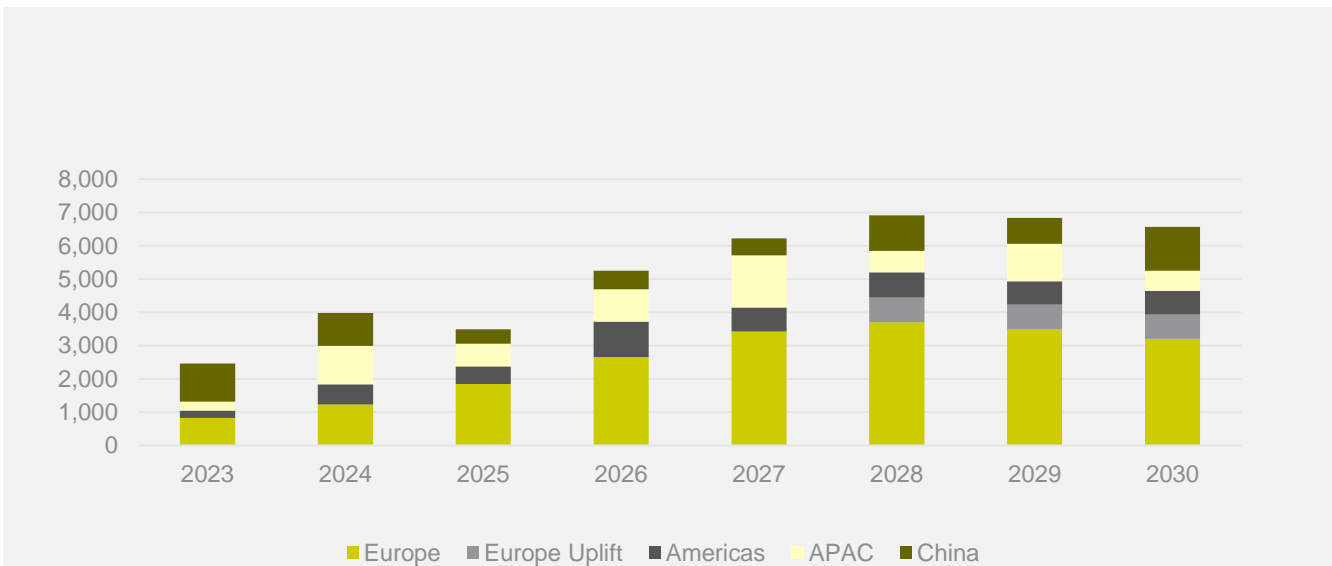
Liander	2021	2022	2023
Cable (km)*	2027	2212	2519
Invest's (€m)	1014	1228	1411
Inventory (€m)**	63	141	193
STEDIN			
Cable (km)*	989	863	892
Invest's (€m)	687	712	832
Inventory (€m)**	51	54	99
ENEXIS			
Cable (km)*	1770	1850	1850
Invest's (€m)	841	867	1098
Inventory (€m)**	41	74	150

* Expansion and replacement, MV and LV
 ** Includes all inventory, not only cables

Bottlenecks
 Planning and roll-out permissions, long project realisation times, shortage of technicians and engineers
Mitigating measures taken
 Reduction in planning and roll-out permissions, reduction of project realisation times, hiring of engineers

Smart Connectivity systems – Offshore Energy

GLOBAL INTER-ARRAY CABLE DEMAND (KM)



Source: 4cOffshore, completed with information on built / planned windfarms and EU targets

EU TARGETS

	4.5 GW in 2023 21 GW by 2030 70 GW by 2050
	8.5 GW in 2023 40 GW by 2035 70 GW by 2045
	14 GW in 2023 Up to 50 GW by 2030
	1 GW by 2023 18 GW by 2035 40 GW by 2050
	2.6 GW in 2023 22.4 GW by 2040
	2.2GW in 2023 5.8 GW by 2029

- Europe aims a North Sea Offshore wind capacity of 120GW by 2030 and 300GW by 2050
- Ambitious plans for Europe beyond 2030 have not been converted into concrete plans yet
- The MW power of the turbines will increase, leading to the demand for thicker inter-array cables with higher pricing and higher AV

- With its new capacity expansions in Eemshaven, TKH aims for a market share of approx 20% of European market
- Other inter-array cable manufacturers in Europe include Hellenic Cables, JDR and Prysmian
- Currently involved in 52 tenders, totaling over 9000 km of inter-array cables up to 2030



HIGHLIGHTS & FINANCIAL PERFORMANCE

H1 2024

Geographical distribution of turnover

	H1 2024	H1 2023
Netherlands	26.3%	25.7%
Europe (other)	35.1%	42.5%
Asia	19.8%	16.2%
North America	13.9%	11.5%
Other	4.9%	4.1%

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



Profit and Loss Account

€ million	H1 2024		H1 2023		Δ in %
1 Turnover	867.2		947.6		- 8.5%
Raw materials and subcontracted work	- 418.2		- 482.4		
2 Added value	449.1	51.8%	465.2	49.1%	- 3.5%
3 Operating expenses	- 353.3		- 345.4		+ 2.3%
4 EBITA ¹⁾	95.8	11.0%	119.8	12.6%	- 20.0%
One-off income & expenses	- 0.4		1.1		
Amortization	- 30.5		- 26.9		
Impairments	- 0.9		- 0.6		
Operating result	63.9		93.3		
Result associates	13.7		36.2		
Other financial result	- 15.3		- 9.5		
Result before taxes	62.4		120.0		
Taxes	- 12.6		- 21.5		
Net profit	49.8	5.7%	98.4	10.4%	- 49.4%
Adjusted net profit ²⁾	45.4	5.2%	67.7	7.1%	- 32.9%

1) Excluding one-off income and expenses

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

€ million	Turnover	
H1 2023	947.6	
Acquisitions & divestments	- 64.3	- 6.8%
Currency translation	- 0.9	- 0.1%
Organic growth	- 15.2	- 1.6%
H1 2024	867.2	- 8.5%

2 Price increases passed on to customers, shift product mix and acquisitions & divestments

3 Acquisitions + 1.1%
Divestments - 3.8%

Increase operating expenses due to start-up and ramp-up of capacity and payroll increases

€ million	EBITA	
H1 2023	119.8	
Acquisitions & divestments	- 10.2	- 8.5%
Currency translation	- 0.3	- 0.2%
Organic growth	- 13.5	- 11.3%
H1 2024	95.8	- 20.0%

Profit and Loss Account

€ million	H1 2024		H1 2023		Δ in %
Turnover	867.2		947.6		- 8.5%
Raw materials and subcontracted work	- 418.2		- 482.4		
Added value	449.1	51.8%	465.2	49.1%	- 3.5%
Operating expenses	- 353.3		- 345.4		+ 2.3%
EBITA ¹⁾	95.8	11.0%	119.8	12.6%	- 20.0%
One-off income & expenses	- 0.4		1.1		
5 Amortization	- 30.5		- 26.9		
Impairments	- 0.9		- 0.6		
Operating result	63.9		93.3		
6 Result associates	13.7		36.2		
7 Other financial result	- 15.3		- 9.5		
Result before taxes	62.4		120.0		
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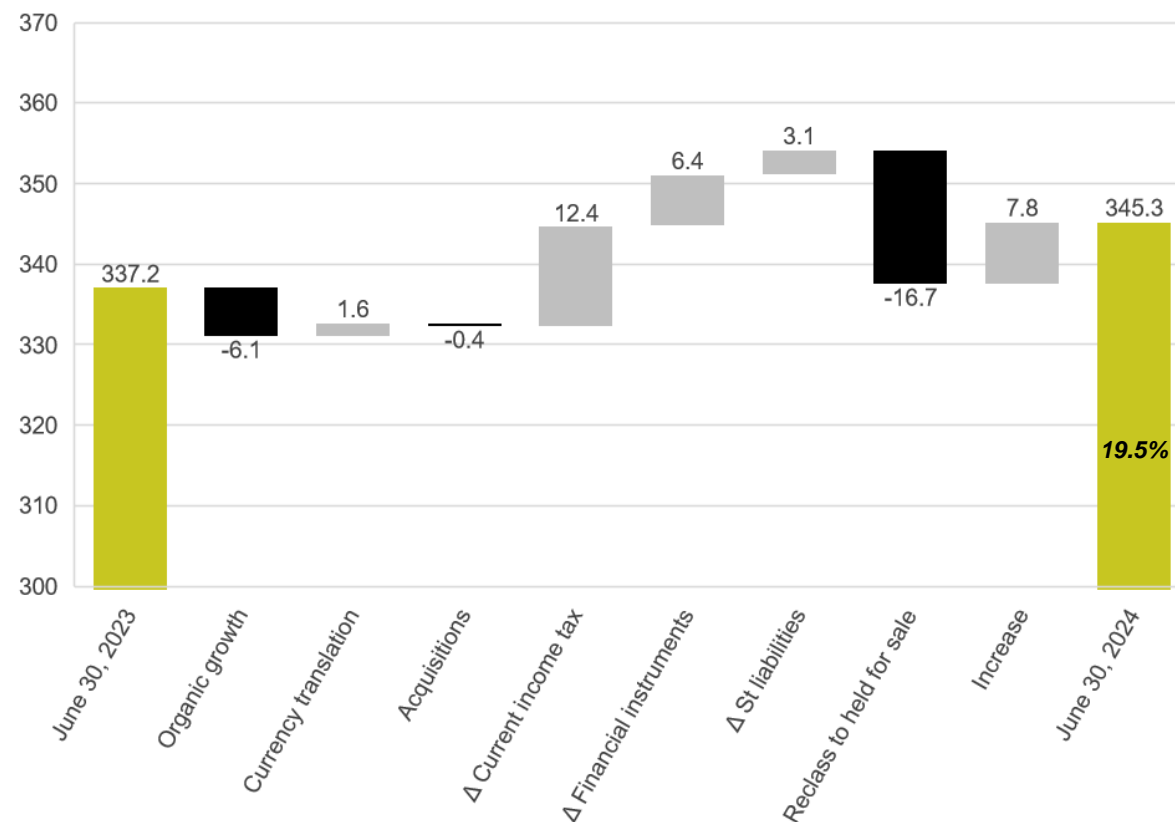
- 5** Amortization increased related to
 - Amortization of PPA's from acquisitions (Euresys and JCAI)
 - Increased investment levels and acquisitions of R&D intensive companies
- 6** Result associates largely attributable to the one-off contribution from divestment of HE System Electronic (H1 2023 includes the one-off net profit from the divestment of CCG)
- 7** Increase net interest expenses due to higher interest rates and higher outstanding debt
- 8** Normalized effective tax rate stable at 25.8% (H1 2023: 25.7%)

Balance sheet



(in € million)	June 30, 2024	Dec. 31, 2023
Intangible assets and goodwill	588.8	565.7
Property, plant and equipment	464.6	436.0
Right-of-use assets	83.9	84.0
Other non-current assets	47.0	52.6
Total non-current assets	1,184.3	1,138.3
1 Current assets	871.3	874.6
Cash and cash equivalents	76.1	93.7
Total current assets	947.4	968.3
Assets held for sale	63.6	21.2
Total assets	2,195.3	2,127.8
Total group equity	827.0	835.7
Borrowings	645.5	572.4
Other non-current liabilities	77.6	75.2
Total non-current liabilities	723.1	647.6
Borrowings	92.0	75.9
1 Other current liabilities	525.9	565.5
Total current liabilities	617.9	641.4
Liabilities held for sale	27.3	3.1
Total equity and liabilities	2,195.3	2,127.8

1 Changes in working capital (in € million)



Use of non-recourse factoring ¹⁾

- › Jun 30, 2024 € 42.4 million
- › Dec 31, 2023 € 40.9 million
- › June 30, 2023 € 61.5 million

Use of supply chain finance ¹⁾

- › Jun 30, 2024 € 48.5 million
- › Dec 31, 2023 € 44.1 million
- › June 30, 2023 € 58.4 million

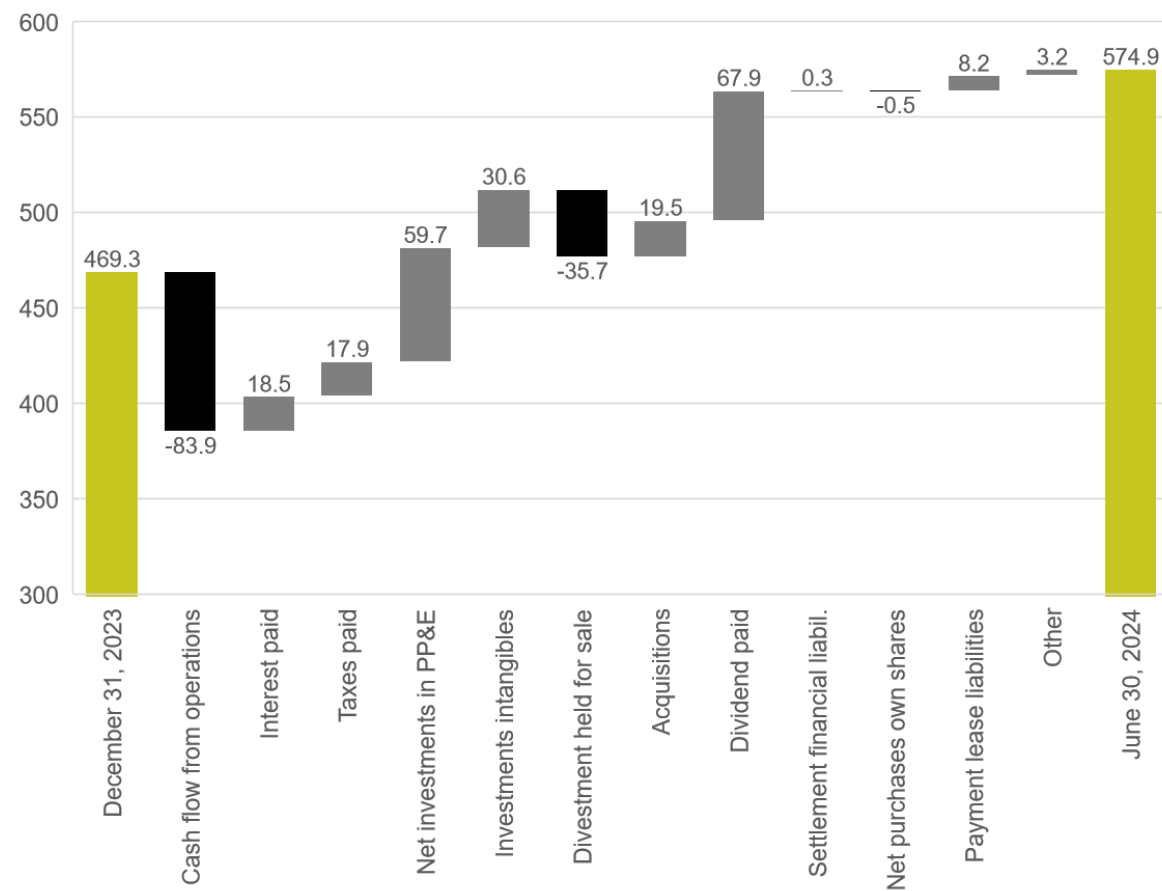
1) Amounts shown include factoring and supply chain finance reported under 'held for sale'

Balance sheet



(in € million)	June 30, 2024	Dec. 31, 2023
Intangible assets and goodwill	588.8	565.7
Property, plant and equipment	464.6	436.0
Right-of-use assets	83.9	84.0
Other non-current assets	47.0	52.6
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Total current liabilities	617.9	641.4
Liabilities held for sale	27.3	3.1
Total equity and liabilities	2,195.3	2,127.8

2 Change in net debt (in € million)



Cash dividend of € 1.70 paid per (depository receipt of) ordinary share in 2024

Net debt/EBITDA of 2.3 (December 31, 2023: 1.8 and June 30, 2023: 1.7)

Free cash flow

(in million € unless stated otherwise)	H1 2024	H1 2023	H2 2023	2023	2022	2021
Operating result	63.9	93.3	81.2	174.5	190.2	136.9
Depreciation, amortization and impairment	57.4	51.7	57.7	109.4	100.6	98.0
EBITDA adjusted	121.3	145.0	138.9	283.9	290.8	234.9
1 Change in working capital	- 35.3	- 101.2	29.9	- 71.3	- 116.3	- 3.5
Taxes paid	- 17.9	- 19.5	- 24.6	- 44.1	- 40.4	- 33.1
Other	- 2.1		4.9	4.9	- 9.3	8.2
Cash flow from operations before interest	66.0	24.3	149.1	173.4	124.8	206.5
Payment of lease liabilities	- 8.2	- 7.7	- 8.8	- 16.5	- 14.7	- 15.6
2 Capital expenditure PP&E	- 59.7	- 71.0	- 106.1	- 177.1	- 91.8	- 31.0
3 Capital expenditure intangibles	- 30.6	- 25.5	- 27.6	- 53.1	- 45.9	- 40.5
Divestments of property held for sale					14.0	
Free Cash Flow ('FCF')	- 32.5	- 79.9	6.6	- 73.3	- 13.6	119.4
EBITDA (adjusted) to FCF conversion	- 26.8%	- 55.1%	4.8%	- 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%
- > H1 2023: 19.0%
- > H2 2023: 16.7%
- > H1 2024: 19.5%

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

2 In H1 2024, Strategic Investment Program impacted FCF by € 30 million (2023: € 134 million)

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

BALANCE SHEET

(in € million)	June 30, 2024	Dec 31, 2023
Intangible assets and goodwill	588.8	565.7
Property, plant and equipment	464.6	436.0
Right-of-use assets	83.9	84.0
Associates	30.6	36.0
Other receivables	0.8	0.8
Deferred tax assets	15.7	15.8
Total non-current assets	1,184.3	1,138.3
Inventories	400.7	403.3
Trade and other receivables	269.9	243.6
Contract assets	187.7	217.1
Contract costs	11.0	8.0
Current income tax	2.0	2.6
Cash and cash equivalents	76.1	93.7
Total current assets	947.4	968.3
Assets held for sale	63.6	21.2
Total assets	2,195.3	2,127.8

- › Cash and cash equivalents includes € 27.1 million (December 31, 2023: € 24.5 million) that are part of a balance and interest compensation schemes
- › Solvency of 37.7% (December 31, 2023: 39.3%)

(in € million)	June 30, 2024	Dec 31, 2023
Shareholders' equity	826.8	835.6
Non-controlling interests	0.1	0.1
Total group equity	827.0	835.7
Interest bearing loans and borrowings	645.5	572.4
Deferred tax liabilities	60.3	57.7
Retirement benefit obligation	3.8	3.7
Financial liabilities	2.0	1.0
Provisions	11.5	12.7
Total non-current liabilities	723.1	647.5
Interest bearing loans and borrowings	92.0	75.9
Trade payables and other payables	325.9	357.2
Contract liabilities	176.6	176.1
Current income tax liabilities	5.1	11.3
Financial liabilities	1.4	1.6
Provisions	17.0	19.2
Total current liabilities	617.9	641.4
Liabilities directly associated with assets held for sale	27.3	3.1
Total equity and liabilities	2,195.3	2,127.8

Financial covenant

- › Net debt, based on financial covenant agreed with banks, of € 574.9 million (December 31, 2023: € 469.3 million)
- › Net debt/EBITDA of 2.3 (December 31, 2023: 1.8 and June 30, 2023: 1.7)

OUTLOOK



Smart Vision systems

Turnover and EBITA in H2 2024 are expected to grow compared to H1 2024, on the back of deliveries of larger secured orders for Q4. Overall, the market for Machine Vision remains challenging, with the anticipated return to growth materializing at a later stage.

Smart Manufacturing systems

The catch-up effects reported in H2 2023 and H1 2024 following the easing of supply chain constraints will subside, leading to a lower H2 2024 turnover and EBITA compared to H1 2024. For the full year, we expect organic growth for turnover and EBITA compared to 2023.

Smart Connectivity systems

Turnover and EBITA in H2 2024 are expected to grow compared to H1 2024, on the back of deliveries of larger secured orders for Q4 and a decline of the start-up and ramp-up costs.

On balance and barring unforeseen circumstances, for the full year 2024, TKH expects organic growth in turnover and an EBITA excluding one-off income and expenses of between €210 million and €220 million. The 2023 EBITA, excluding divestments, amounted to €222 million.

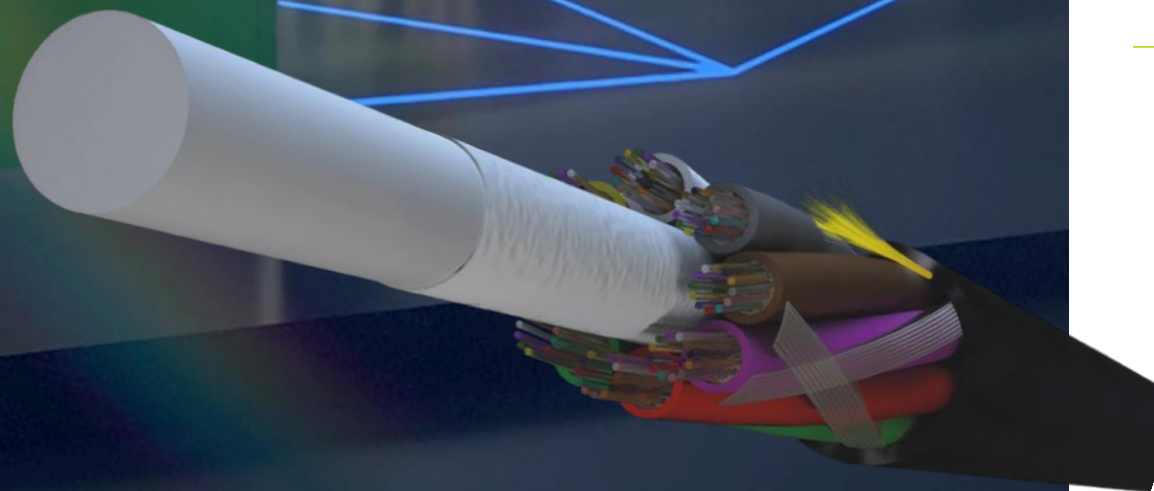


ANNEX: INNOVATIONS

FON - Total solution for modern fibre optic networks

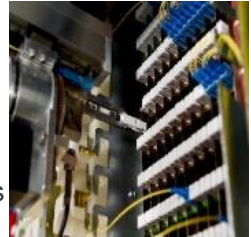
Fibre optic networks are expected to provide high reliability and lower response times. For this purpose, TKH has its ACE solution for modern fibre optic networks which, in addition to optical fibre cables, also includes connectors, pipes, sleeves, fibre management systems, security and robotic systems and other accessories.

ELY MANAGED



ROBOTIC MEASURING SOLUTION

- Time efficiency
- Accuracy
- Ease of installation
- Lowers OPEX
- Eliminates human errors



SMART CABINET CONTROL

- Remote control tilt and temperature
- Reliability, efficiency and safety



SMART 3D MACHINE VISION - FOR CONSUMER ELECTRONICS INSPECTION

Gocator® all-in-one 3D smart sensors are trusted worldwide for automated inline inspection. Gocator combines 3D scanning, measurement and control in a single device, with no external PCs or controllers required.



CELL PHONE COVER GLASS ASSEMBLY INSPECTION

- Deliver 3D shape data on both specular and diffuse materials in a single scan, with complete scan, measure and control inspection speed up to 10 kHz



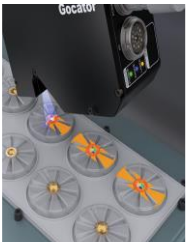
FIT AND FINISH INSPECTION

- Generates 3D data of specular and diffuse targets at 8 μm X resolution and 0.2 μm Z repeatability



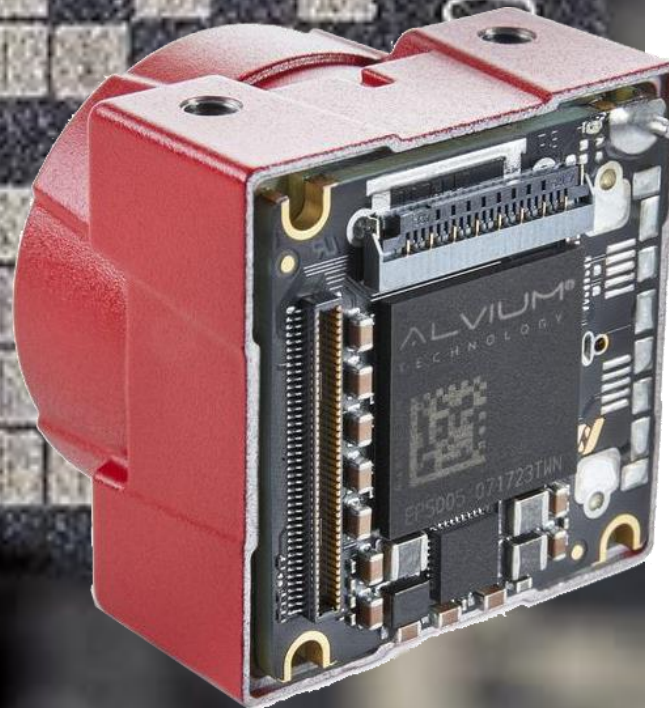
GEOMETRIC DIMENSIONING AND TOLERANCING

- inspects mated components like transparent plastic and metal



ALVIUM 2D VISION – vision processor technology via ‘system-on-chip’ applications

ALVIUM® is the combination of a unique, proprietary system on a chip (SoC) designed for embedded and PC based computer vision and a dedicated image-processing library (IPL). ALVIUM®'s design is based on an Application Specific Integrated Circuit (ASIC), which makes it possible to build high-performance, sophisticated cameras in a smaller package and at a lower cost than ever before.



TECHNOLOGY BENEFITS

- The ALVIUM® chip has a much higher feature density than equivalent off-the-shelf FPGA, which allows for high performance cameras to come in a very small package.
- The on-board pre-processing performs image correction and optimization inside the camera, which frees CPU on the host side for the actual image-processing, and host processing application.
- ALVIUM® Technology is preconfigured to support all current and upcoming image sensors.
- The ALVIUM® SoC has a much more effective power management than an equivalent. The ALVIUM® processor only consumes as much as it needs to run the activated features. It optimizes the operating time of battery-powered devices and reduces heating, which makes ALVIUM® Technology particularly valuable for the embedded world.
- The ALVIUM® hardware is an Application Specific Integrated Circuit (ASIC) designed specifically as a low-cost image sensing processor and is mass produced to allow us to cut the costs radically without cutting the performance.

CEDD/AGL - revolutionary lighting system for airfields

CEDD/AGL is a unique connectivity technology for the contactless distribution of energy and data, further enriched with TKH's technology and know-how in the field of asset & site management



INNOVATIVE CONNECTIVITY CONCEPT

- Lower OPEX
- Energy reduction ~50%
- Preventive maintenance



CONTACTLESS DISTRIBUTION

- Easy & quick installation
- High safety & efficiency
- Smart and smooth maintenance
- Spark-free



Subsea connectivity – a fundamental role in the energy transition

A well-considered, distinguishing cable concept that connects wind turbines in wind farms at sea with each other and that can be fully adapted to meet the challenges of array-wiring, with complete focus on risk management and saving installation time.



INNOVATIVE & SUSTAINABLE CABLE CONCEPT

- Good electro-magnetic shield - 3x800 mm², up to 72 kV
- Installation efficiency through innovative sealing kit
- No lead and bitumen / 100% watertight
- No risk of leaching chemicals or metals
- Easy and clean recoveries possible
- Good recyclability after clean recoveries

INNOVATIVE MANUFACTURING PROCES

State-of-the-art
manufacturing facility
Automatic quality control
production processes
Long lengths - high
installation flexibility,
lowering risks and costs



INDIVION - SMART MANUFACTURING IN THE HEALTHCARE MARKET

TKH deploys smart manufacturing technology in response to the ever stricter quality measures set by the pharmaceutical industry to reliably package different medications as a single unit per sachet, per time of administration. In addition, stricter rules apply with regard to materials that come into direct contact with the medicines. With its smart manufacturing technology TKH makes it possible to achieve a real step-by-step change in quality, speed, costs and, not least, accuracy using a tried-and-tested industrial robot called INDIVION.

BENEFITS

- Maximum drop height for medications just 20 cm - prevents damage or cross-contamination between medicines
- Unique RFID tag in each canister to determine precisely which medications are in the machine, and how to control this specific canister for the correct dispensation of medicines
- Unrivalled capacity - produces up to 10,000 individual units per hour, while providing an absolute minimum risk of cross-contamination and incorrect dosage.
- Dispensation accuracy of 99.97%
- Cost-effective solution available on the market due to the reduction in manual labour and a minimal number of errors that equates to almost zero.

UNIXX: A revolutionary development in the field of tire building systems

UNIXX offers an unprecedented solution, especially in economic terms. The development is based on Industry 4.0 and the 'Smart Factory' principle. Combining this with a very high level of automation, data-generation and data-processing will result in a highly flexible and reliable new generation of tire building machines. Thanks to 'advanced building technology', this could be described as a pioneering development for the sector.



BENEFITS

- Full track & trace
- Fitting 'Industry 4.0'
- Shorter new tire development process
- Global leadership in assembly used to increase our scope to include component manufacturing
- Flexible and straightforward logistics
- Lower energy consumption & waste
- Ability to handle advanced high tech components
- Extreme level of automation
- Unprecedented process control
- Increased tire quality by more accurate components

