



# TKH GROUP NV

Q1 2024 MARKET UPDATE – ANALYST PRESENTATION



6 MAY 2024

# IMPORTANT INFORMATION – DISCLAIMER

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## Cautionary note regarding forward looking statements

Statements included in this presentation release 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.

# Q1 2024 Market Update

## Anticipated weak Q1; Full year outlook reiterated

### Turnover € 421.2 m

Q1 2023: € 472.5 m\*  
- 4.3% organically

### EBITA € 41.2 m

Q1 2023: € 60.4 m\*  
- 21.2 % organically

### ROS 9.8 %

Q1 2023: 12.8 %

### Order book € 1,004 m

Dec 31, 2023: € 970 m

- EBITA affected by ramp-up costs of the new factories and destocking effects in Smart Vision & Smart Connectivity
- Smart Manufacturing showing strong growth
- Strong 2.7% points increase in added value solid proof of the strong position of our innovative technologies
- Cost levels high, in line with anticipated growth in the coming quarters
- Completion of € 200 million strategic investment program with start of the type test production of offshore cables in Eemshaven, within the set time frame of 1.5 years and within budget
- Second quarter to be considerably better than the first quarter; Growth in Smart Vision, continued growth in Smart Manufacturing and improvements in Smart Connectivity

## Added Value improved further to 51.8% (Q1 2023: 49.1%); improvement in all 3 segments

# Q1 2024 Market Update

## Smart Vision systems

Turnover - 12.4% organically vs Q1 2023

## Smart Manufacturing systems

Turnover + 16.2% organically vs Q1 2023

## Smart Connectivity systems

Turnover - 13.4% organically vs Q1 2023

### ▪ Smart Vision systems

- In Machine Vision turnover decreased due to destocking
- Decline in turnover in Security Vision due to the comparison effect of a large project in Q1 2023
- Machine Vision's order intake has been increasing during Q1 and the order book reached a higher level than in the previous two quarters
- Early signs that the headwind from destocking is easing

### ▪ Smart Manufacturing systems

- Tire Building performed strongly with continued high order intake and high return on sales
- The market for tire building machines is expected to remain strong as a result of the continued need for sustainable products and production technologies
- The introduction of AI-driven foreign object detection, reducing waste in the tire building process, was launched successfully

### ▪ Smart Connectivity systems

- Smart Connectivity systems organic decrease in turnover compared to a strong Q1 2023
- Destocking in Dutch onshore utility companies continues, significantly lower demand as anticipated
- The offshore wind segment performed well, partially offsetting this lower demand
- Digitalization was impacted by the ramp-up of the new fibre optic cable production facilities in Poland and challenging market circumstances
- Ramp-up costs for the new plants had a considerable impact on the results
- The sales funnel for our Eemshaven facilities is strong, with 45 projects totalling 6,000 km currently under tender

# Outlook Reiterated

TKH reiterates its outlook as communicated on March 5, 2024. For the full year, we expect Smart Manufacturing systems to return to more normalized growth when compared to last year. In Smart Vision systems, we expect growth to return in the second half of 2024, on the back of market recovery. Within Smart Connectivity systems, we anticipate the destocking in onshore energy cables in the Netherlands to continue throughout the year. Barring unforeseen circumstances, we anticipate organic growth in turnover and EBITA in 2024.

Q&A

