KENDRION N.V.

PRESS RELEASE

18 February 2020

Kendrion posts strong cash flow and adds significantly to order book in tough market that affects Q4 and full-year results

- **Full-year revenue of EUR 412.4 million, down 8% compared with 2018 (EUR 448.6 million)**
- **Normalised 2019 EBITDA decreased by 26% to EUR 43.4 million (2018: EUR 58.5 million); EBITDA margin of 10.5% (2018: 13.0%)**
- **Normalised EBITDA for Q4 2019, 28% lower at EUR 7.2 million (Q4 2018: EUR 9.9 million); EBITDA margin of 7.8% (Q4 2018: 9.8%)**
- **Net profit (normalised) of EUR 10.6 million in 2019 (FY 2018: 22.6 million)**
- **Strong normalised free cash flow of EUR 25.5 million (2018: EUR 10.5 million)**
- **Nominated lifetime revenues in Automotive of EUR 320 million (2018: EUR 340 million), book-to-bill of 1.25**
- **Year-on-year revenue growth in China of 29%**
- **Acquisition of INTORQ completed on 8 January 2020**
- **Proposed dividend of EUR 0.25 per share; pay-out ratio 35% of normalised full-year net profit**

Key figures

Reported (in EUR million)	Q4 2019	Q4 2018	delta	FY 2019	FY 2018	delta
Revenue	92.3	101.9	-9%	412.4	448.6	-8%
EBITDA	3.8	7.6	-50%	37.7	49.7	-24%
EBITA	(2.2)	1.9	-216%	13.7	26.6	-48%
Net profit	(3.0)	(1.8)	-67%	7.9	13.8	-43%
EBITDA as a % of revenue	4.1%	7.5%		9.1%	11.1%	
EBITA as a % of revenue	-2.4%	1.9%		3.3%	5.9%	
Return on invested capital (12 months rolling)				5.1%	9.6%	

Normalised (in EUR million)	Q4 2019	Q4 2018	delta	FY 2019	FY 2018	delta
Revenue	92.3	101.9	-9%	412.4	448.6	-8%
EBITDA	7.2	9.9	-28%	43.4	58.5	-26%
EBITA	1.2	4.2	-72%	19.4	35.4	-45%
Net profit	(0.3)	2.2	-113%	10.6	22.6	-53%
EBITDA as a % of revenue	7.8%	9.8%		10.5%	13.0%	
EBITA as a % of revenue	1.3%	4.2%		4.7%	7.9%	
Return on invested capital (12 months rolling)				7.1%	12.4%	
Normalised items (after tax)	2.7	4.0		2.7	8.8	

Normalised in Q4 2019: EUR 2.2 million (EUR 1.6 million after tax) restructuring costs, EUR 1.2 million (EUR 0.9 million after tax) acquisition costs and EUR 0.2 million interest and income tax expense related to tax audit.

Normalised in Q4 2018: EUR 2.3 million (EUR 1.7 million after tax) restructuring costs and EUR 2.3 million interest and income tax expense related to tax audit.

Normalised in FY 2019: Total EUR 5.7 million (EUR 2.7 million after tax) existing of EUR 1.6 million (EUR 1.2 million after tax) claim settlement, EUR 2.0 million positive release from currency translation reserve, EUR 0.5 million interest and tax expense related to tax audit, EUR 2.9 million (EUR 2.1 million after tax) restructuring costs and EUR 1.2 million (EUR 0.9 million after tax) acquisition costs.

Normalised in FY 2018: EUR 8.8 million (EUR 6.5 million after tax) restructuring costs and EUR 2.3 million interest and income tax expense related to tax audit.

- The quarterly results are not audited -

Joep van Beurden, Kendrion CEO:

"As trade tensions and their broader impact on consumer confidence persisted, our markets continued to be weak. In Automotive, global vehicle production was 89 million in 2019, 6% lower than in 2018, and the German Manufacturing Purchase Managers Index (PMI) hit a 10-year low in September 2019. This affected our 2019 revenue, which at EUR 412.4 million came in 8% lower than in 2018.

The revenue decline has put our results under pressure, and in response we have continued to streamline our organisation. As previously announced, we have realised further efficiency improvements of EUR 5.0 million on a yearly basis as of the start of 2020. We have also reduced our working capital, limited investments only to those projects driving future growth and generated a record normalised free cash flow of EUR 25.5 million.

Despite the difficult trading environment, we continue to invest in our focus areas of Automotive, Industrial Brakes and China, as we firmly believe in the longer-term prospects of our business. In Automotive, we added EUR 320 million of lifetime revenues to our order book on top of the EUR 340 million we added in 2018. Our healthy project pipeline is a strong leading indicator of future growth. In China, several projects in our pipeline started mass production in 2019, leading to year-on-year revenue growth of 29%.

In Industrial Brakes the acquisition of INTORQ GmbH & Co. KG, a global market leader in spring-applied brakes was completed on 8 January 2020. With this acquisition Kendrion now offers a complete product offering of permanent magnet brakes and spring-applied brakes to customers in Europe, the USA, China and India. The acquisition changes the nature of the Kendrion Group. We now have approximately 55% of our revenues in Automotive, and 45% in Industrial segments. About 80% of our revenue is in segments in which we invest for organic growth, and 20% in markets more focused on cash generation. We have started the integration of INTORQ and expect to present a strategic and financial update of the enlarged Kendrion organisation on 18 August 2020 as we announce our first-half 2020 results. This will include updated medium-term financial targets, fully reflecting the INTORQ acquisition.

Looking ahead, we see our markets stabilising albeit at a lower level than in early 2019. The effects of the COVID-19 corona virus on our business are limited to date. However, the impact on the global economy is uncertain and has the potential to be severe.

We are confident in our ability to grow both our revenue and profitability in a sustainable way, with our simplified, leaner organisation, our improved balance between Automotive and Industrial, our pipeline momentum, strong financial position and underlying business fundamentals."

Progress on strategy

Kendrion has built a robust and lean organisation with a strong financial position, maintaining a focus on operational effectiveness and cost levels. In the fourth quarter, additional savings in indirect staff costs were realised, yielding about EUR 5.0 million per year as of January 2020. We have identified a further EUR 0.5 million in savings, to be implemented in the first half of 2020. Total corresponding one-off costs are expected to be EUR 3.5 million, of which EUR 2.9 million were recorded in 2019. This brings the total annualised savings since the start of our simplification programme in 2016 to about EUR 25 million.

We continue to invest in our three focus areas: Automotive, Industrial Brakes and China, and we took significant steps forward in each.

In Automotive, we made progress with our five "Lighthouse" platforms. These platforms include highly innovative new automotive actuators, designed to help enable Autonomous, Connected, Electric and Shared mobility (ACES). On the back of these innovations and other products, we added EUR 320 million (2018: EUR 340 million) in nominations to our Automotive order book, which is a book-to-bill ratio of 1.25 (2018: 1.2). Of these nominations, 65% is independent of combustion engines.

In Industrial Brakes, our recent acquisition of INTORQ was completed on 8 January 2020. We expect the acquisition to strengthen our position in this important growth market in Europe, the USA, China and India. The integration process has started and is going according to plan. As of 1 April 2020, INTORQ and Industrial Drive Systems will be combined into one "Industrial Brakes" business unit.

As of 1 January 2020, we have merged Industrial Magnetic Systems (IMS) and Industrial Control Systems (ICS) into one combined business unit named Industrial Actuators and Controls (IAC). As a result, the Kendrion Group will be organised into three business units: The Automotive Group (AG), Industrial Brakes (IB) and Industrial Actuators and Controls (IAC).

In China, where all our business units are active, our performance was strong. Our revenue grew by 29% year-over-year, despite headwinds in the Chinese economy. Based on our pipeline we expect organic growth to be somewhat lower in 2020, with continued strong growth as from 2021 when two large new automotive projects will start production. We continue to invest in production lines, our local supply chain and workforce to build and train our Chinese team to accommodate this growth.

With INTORQ now part of the Kendrion Group, our revenue mix has changed. The Automotive Group represents about 55% of Group revenue, Industrial Brakes around 25% and Industrial Actuators and Controls around 20%. AG and IB focus on organic growth, IAC on profitability and cash generation.

Financial review

Revenue

Fourth quarter of 2019

Revenue in the fourth quarter of 2019 came in at EUR 92.3 million, a decrease of 9% compared with Q4 2019 (10% at constant exchange rates), which was the result of a decrease of 6% in Automotive and a decrease of 16% in Industrial compared with Q4 last year. The pace of decline in Automotive activities slowed down somewhat, as the year-on-year comparables eased. In Industrial, the global economic slowdown was felt with lower industrial manufacturing activity combined with destocking, especially towards the end of 2019.

Full-year 2019

Compared with full-year 2018, revenue decreased by 8% (9% at constant exchange rates) to EUR 412.4 million, with the Automotive activities declining by 9% (10% at constant exchange rates) and Industrial activities by 7% (7% at constant exchange rates). Revenue in our Chinese operations increased by 29% compared with 2018, while revenue in our European and US activities decreased by 10% and 12%, respectively.

Results

Fourth quarter of 2019

Fourth-quarter results were affected by the sharp decline in revenue in the Automotive and Industrial activities. The operating costs before depreciation decreased by 6% (EUR 2.1 million) compared with Q4 2018 due to cost measures implemented in 2018 and strict cost control. The reduced cost base did not fully offset the impact from lower revenues and, as a result, normalised EBITDA fell by 28% to EUR 7.2 million (Q4 2018: EUR 9.9 million). Normalised EBITDA as a percentage of revenue decreased from 9.8% in Q4 2018 to 7.8% in Q4 2019. Normalised EBITA amounted to EUR 1.2 million (2018: EUR 4.2 million).

Normalised EBITA was adjusted for EUR 3.4 million operating expenses (2018: EUR 2.3 million) which included EUR 1.2 million in transaction costs related to the acquisition of INTORQ and EUR 2.2 million in one-off costs related to the EUR 5.0 million cost-saving programme.

Full-year 2019
Normalised EBITDA for the full-year 2019 decreased 26% to EUR 43.4 million (2018: EUR 58.5 million). The normalised EBITDA margin decreased from 13.0% in 2018 to 10.5% in 2019. Normalised EBITA for the year ended up at EUR 19.4 million (2018: EUR 35.4 million). Full-year normalised EBITA was adjusted for EUR 5.7 million operating expenses (2018: EUR 8.8 million), which included an out-of-court settlement with a US supplier of EUR 1.6 million in the second quarter and EUR 0.7 million one-off costs related to the cost-saving programme incurred in the third quarter.

Normalised net finance costs decreased to EUR 2.5 million (2018: EUR 2.8 million) due to lower average credit spreads applicable to Kendrion's credit facility. Reported finance expenses were EUR 0.6 million and include a one-off currency translation gain of EUR 2.0 million.

The normalised income tax expense amounted to EUR 3.8 million (2018: EUR 7.6 million). The normalised effective income tax rate for 2019 was 26.2% (2018: 25.0%). The reported tax rate in 2019 was 25.0% compared with 34.6% in 2018. The reported effective tax rate in 2018 was affected by the estimated impact of the tax audits in Germany. The reported tax expenses in 2019 include a EUR 0.4 million increase in the tax liability related to the expected outcome of the German tax audits and EUR 1.5 million tax impact of one-off costs and income that have been normalised in the results.

Normalised net profit in 2019 decreased to EUR 10.6 million (2018: EUR 22.6 million). Normalised basic earnings per share amounted to EUR 0.79 (2018: EUR 1.69). Reported net profit was EUR 7.9 million and included the EUR 2.7 million net of tax impact of the one-off cost items and income adjusted in the normalised results.

Financial position
Normalised free cash flow, before payments related to one-off items that have been normalised in the results, amounted to EUR 25.5 million in 2019 (2018: EUR 10.5 million). Reported free cash flow was EUR 21.0 million (2018: EUR 2.7 million). The positive cash flow is the result of relentless focus during the year and was carried by improvements in all elements of our working capital. Total investments were EUR 19.8 million, EUR 4.2 million below depreciation. Investments in Automotive were 6% above depreciation, while the Industrial activities could reduce investment levels compared with the high investment programmes in the past two years.

On 21 November 2019, Kendrion raised EUR 31.1 million through an accelerated bookbuild offering of ordinary shares intended to help finance the acquisition of INTORQ. The net proceeds of the equity offering were EUR 30.5 million and reduced the debt position per 31 December 2019. Normalised free cash flow reduced net debt by EUR 25.5 million, which was largely offset by payments for dividend, share repurchase programmes and payments related to one-off costs that have been normalised in the results. In total, the net debt position decreased by EUR 33.1 million to EUR 47.4 million at year-end 2019.

Kendrion's financial position remains strong with a solvency ratio of 56.8% at the end of 2019 (year-end 2018: 48.5%).

The pro forma solvency at year-end, including the financial impact of INTORQ, is approximately 44%. The pro forma net debt, including INTORQ, at year-end is EUR 127.4 million. The pro forma availability under Kendrion's credit lines at year-end was EUR 65 million, including a EUR 20 million temporary bridge financing facility that matures in June 2020.

Number of employees

The number of employees (in FTEs) decreased by 73 in the fourth quarter to 2,316 at year-end (including 63 temporary employees). This represents a decrease of 149 FTEs relative to year-end 2018 (2,465 FTEs, including 65 temporary employees). In China, our workforce amounts 190 employees, up from 160 a year ago, to facilitate the substantial growth in our Suzhou factory.

Operational performance

Industrial activities

In 2019, the Industrial activities consisted of Industrial Magnetic Systems (IMS), Industrial Control Systems (ICS) and Industrial Drive Systems (IDS). INTORQ will be consolidated in the Group as of 8 January 2020 and will be integrated with IDS and become the business unit "Industrial Brakes" (IB) on 1 April 2020. On 1 January 2020, IMS and ICS were merged into "Industrial Actuators and Controls" (IAC).

Industrial activities, which accounted for 37% of Kendrion's revenue, experienced a 7% decrease in revenue to EUR 153.6 million compared with EUR 164.7 million in 2018.

Industrial manufacturing activity in our main markets was somewhat resilient in the first six months of 2019, compared with 2018, but decreased markedly in the second half of the year and especially during Q4 of 2019. Germany, which is the most important market for Kendrion's industrial activities, was affected by a reduction in industrial manufacturing activity levels. The German Manufacturing Purchase Managers Index reached a level of 41.7 in September 2019, a 10-year low. All three Industrial business units felt the weaker market. Revenues exposed to the German machine-building market were especially affected, with revenue in other market segments, such as medical, aviation and infrastructure, more stable.

Towards the end of 2019, we also experienced destocking at many of our industrial customers. Revenue in Industrial Magnetic Systems decreased 7% (2018: 4.0%), in Industrial Control Systems 9% (2018: 12% increase) and 5% in Industrial Drive Systems (2018: 1% increase).

Operating costs decreased by EUR 1 million in 2019, as our cost reduction measures more than offset the annual salary increases. Overall, the normalised EBITA margin for Kendrion's Industrial activities decreased to 7.8%, compared with 11.8% in 2018. The 2018 EBITA margin has been restated for comparability reasons.

Automotive activities

As of 1 January 2019, the former business units Passenger Cars and Commercial Vehicles and the central corporate function were combined into a centralised functional Automotive organisation, reporting to Kendrion's Executive Board.

Revenue for the Automotive activities – which account for 63% of Kendrion's revenue – amounted to EUR 258.8 million in 2019 (2018: 283.9 million). General market conditions for Automotive, which deteriorated from the second half of 2018, remained challenging throughout 2019. Market analysts estimate that the total number of cars produced in 2019 was about 6% less than in 2018, with especially reduced car production in China and Germany. The weakening truck market in the USA and Europe also had an impact on revenue, especially in the fourth quarter of 2019.

We continued to invest in new customer projects, with capital expenditure including production lines for a particle filter valve line in China, the finalisation of the piston cooling valve line in Germany and the finalisation of a production line for a new active damping project in Austria.

Total operating costs, including depreciation, decreased EUR 5.1 million in 2019, as our cost reduction measures more than offset the annual salary increases and a EUR 0.9 million negative currency impact mainly because of the stronger US dollar.

Overall, the normalised EBITA margin for Kendrion's Automotive organisation decreased to 2.9%, compared with 5.6% in 2018. The 2018 EBITA margin has been restated for comparability reasons.

Dividend

Kendrion aims to deliver an attractive return for its shareholders while simultaneously considering the company's medium and long-term strategy. The company strives to distribute an annual dividend of between 35% and 50% of its net profit. Considering the INTORQ acquisition during 2019, Kendrion proposes a dividend of 35% of the normalised net profit of EUR 10.6 million, equivalent to EUR 0.25 per share.

Kendrion offers shareholders an opportunity to opt for dividend in cash and/or in shares. The conversion price for the calculation of the stock dividend will be determined on 28 April 2020 (before the start of trading) on the basis of the weighted average share price on 21, 22, 23, 24 and 27 April 2020, for which purposes the value of the shares to be distributed will be virtually equal to the cash dividend. The dividend will be made payable on 30 April 2020.

Outlook

Looking ahead, we see our markets stabilising, albeit still at a lower level than in early 2019. The effects of the COVID-19 corona virus on our business are limited to date. However, its impact on the global economy is uncertain and has the potential to be severe. We continue to see ample growth opportunities in our focus areas of Automotive, Industrial Brakes and China in the medium to longer term. We remain positive about our business fundamentals, with our main objective being to deliver sustainable profitable growth.

We expect 2020 investments to be in line with depreciation as we continue to focus on cash flow and prioritise investments that contribute to future growth, especially in the three areas of focus.

We expect to present a strategic and financial update of the enlarged Kendrion, including INTORQ, on 18 August 2020 as we announce the first-half 2020 results. This will include updated medium-term financial targets, fully reflecting the INTORQ acquisition.

Audio webcast Q4 and full-year results 2019

Kendrion CEO Joep van Beurden and CFO Jeroen Hemmen will present the Q4 and full-year results on Tuesday, 18 February 2020, at 11:00 a.m. CET. A live audio webcast will be available via the company website www.kendrion.com with playback facilities.

Capital Markets Day

Kendrion intends to organise a Capital Markets Day for analysts and investors on Tuesday, 18 August 2020, the publication date of the half-year results, in Amsterdam. More details and an official invitation will follow in due course.

Profile of Kendrion N.V.

Kendrion develops, manufactures and markets high-quality electromagnetic systems and components for industrial and automotive applications. For more than a century, we have been engineering precision parts for the world's leading innovators in passenger cars, commercial vehicles and industrial applications. As a leading technology pioneer, Kendrion invents, designs and manufactures complex components and customised systems as well as local solutions on demand.

We are committed to the engineering challenges of tomorrow, and taking responsibility for how we source, manufacture and conduct business is embedded into our culture of innovation. Rooted in Germany, headquartered in the Netherlands and listed on the Amsterdam stock exchange, Kendrion's expertise extends across Europe, to the Americas and Asia. Created with passion and engineered with precision.

Amsterdam, 18 February 2020

The Executive Board

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Annexes

1. Consolidated statement of comprehensive income
2. Consolidated statement of financial position
3. Consolidated statement of changes in equity
4. Consolidated statement of cash flows
5. Information about reportable segments
6. Reconciliation of normalised to reported 2019 figures
7. Financial calendar 2020-2021

The 2019 financial information included in the Annexes from Consolidated Financial Statements attached to this press release are derived from the Annual Integrated Report 2019, which has been authorised for issue. The Annual Integrated Report has not yet been published by law and still has to be adopted by the Annual General Meeting on 6 April 2020.

Annex 1 - Consolidated statement of comprehensive income

(EUR million)	Q4 2019	Q4 2018	full year 2019	full year 2018
Revenue	92.3	101.9	412.4	448.6
Other income	-	0.0	-	0.1
Total revenue and other income	**92.3**	**101.9**	**412.4**	**448.7**
Changes in inventories of finished goods and work in progress	3.7	2.0	4.8	(0.2)
Raw materials and subcontracted work	45.9	53.0	214.6	237.0
Staff costs	30.7	31.3	124.6	134.3
Depreciation and amortisation	6.6	6.2	26.2	25.4
Other operating expenses	8.2	8.0	30.7	27.9
Result before net finance costs	**(2.8)**	**1.4**	**11.5**	**24.3**
Finance income	0.1	0.1	2.2	0.2
Finance expense	(0.8)	(0.9)	(2.8)	(3.3)
Share profit or loss of an associate	(0.3)	(0.1)	(0.3)	(0.1)
Profit before income tax	**(3.8)**	**0.5**	**10.6**	**21.1**
Income tax expense	0.8	(2.3)	(2.7)	(7.3)
Profit for the period	**(3.0)**	**(1.8)**	**7.9**	**13.8**
Other comprehensive income				
Remeasurements of defined benefit plans[1]			(1.3)	(0.4)
Foreign currency translation differences for foreign operations[2]			(0.8)	2.1
Net change in fair value of cash flow hedges, net of income tax[2]			0.3	(0.7)
Other comprehensive income for the period, net of income tax[3]			**(1.8)**	**1.0**
Total comprehensive income for the period			**6.1**	**14.8**
Basic earnings per share (EUR), based on weighted average	(0.22)	(0.13)	0.59	1.03
Basic earnings per share (EUR), based on weighted average (diluted)	(0.22)	(0.13)	0.59	1.03

[1] This item will never be reclassified to profit or loss.
[2] These items may be reclassified to profit or loss.
[3] All profits are attributable to owners of the company as non-controlling interest are not applicable.

Annex 2 - Consolidated statement of financial position

(EUR million)	31 Dec. 2019	31 Dec. 2018
Assets		
Non-current assets		
Property, plant and equipment	111.4	113.6
Intangible assets	115.5	116.1
Other investments, including derivatives	2.7	3.1
Deferred tax assets	14.5	13.2
Contract costs	0.7	0.4
Total non-current assets	**244.8**	**246.4**
Current assets		
Inventories	56.3	63.5
Current tax assets	2.7	1.0
Trade and other receivables	47.1	54.2
Cash and cash equivalents	7.1	10.2
Total current assets	**113.2**	**128.9**
Total assets	**358.0**	**375.3**
Equity and liabilities		
Equity		
Share capital	29.9	27.1
Share premium	51.7	39.8
Reserves	114.0	101.4
Retained earnings	7.9	13.8
Total equity	**203.5**	**182.1**
Liabilities		
Loans and borrowings	48.9	78.5
Employee benefits	19.8	19.2
Deferred tax liabilities	10.6	10.2
Total non-current liabilities	**79.3**	**107.9**
Bank overdraft	2.5	9.3
Loans and borrowings	3.1	2.9
Provisions[1]	1.4	2.2
Current tax liabilities[1]	2.6	3.5
Contract liabilities	6.6	8.2
Trade and other payables	59.0	59.2
Total current liabilities	**75.2**	**85.3**
Total liabilities	**154.5**	**193.2**
Total equity and liabilities	**358.0**	**375.3**

[1]Restated 2018 due to adoption of IFRIC 23.

Annex 3 - Consolidated statement of changes in equity

(EUR million)	Share capital	Share premium	Translation reserve	Hedge reserve	Reserve for own shares	Other reserves	Retained earnings	Total equity
Balance at 1 January 2018	**27.0**	**49.6**	**4.0**	**0.3**	**(4.5)**	**83.7**	**19.5**	**179.6**
Total comprehensive income for the period								
Profit or loss	-	-	-	-	-	-	13.8	13.8
Other comprehensive income								
Remeasurements of defined benefit plans	-	-	-	-	-	(0.4)	-	(0.4)
Foreign currency translation differences for foreign operations	-	-	2.1	-	-	-	-	2.1
Net change in fair value of cash flow hedges, net of income tax	-	-	-	(0.7)	-	-	-	(0.7)
Other comprehensive income for the period, net of income tax	-	-	2.1	(0.7)	-	(0.4)	-	1.0
Total comprehensive income for the period	**-**	**-**	**2.1**	**(0.7)**	**-**	**(0.4)**	**13.8**	**14.8**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	0.1	1.6	-	-	-	-	-	1.7
Own shares sold	-	-	-	-	4.5	(0.5)	-	4.0
Own shares repurchased	-	-	-	-	(6.6)	-	-	(6.6)
Share-based payment transactions	0.0	0.2	-	-	-	0.0	-	0.2
Dividends to equity holders	-	(11.6)	-	-	-	-	-	(11.6)
Appropriation of retained earnings	-	-	-	-	-	19.5	(19.5)	-
Balance at 31 December 2018	**27.1**	**39.8**	**6.1**	**(0.4)**	**(6.6)**	**102.3**	**13.8**	**182.1**

(EUR million)	Share capital	Share premium	Translation reserve	Hedge reserve	Reserve for own shares	Other reserves	Retained earnings	Total equity
Balance at 1 January 2019	**27.1**	**39.8**	**6.1**	**(0.4)**	**(6.6)**	**102.3**	**13.8**	**182.1**
Total comprehensive income for the period								
Profit or loss	-	-	-	-	-	-	7.9	7.9
Other comprehensive income								
Remeasurements of defined benefit plans	-	-	-	-	-	(1.3)	-	(1.3)
Foreign currency translation differences for foreign operations	-	-	(0.8)	-	-	-	-	(0.8)
Net change in fair value of cash flow hedges, net of income tax	-	-	-	0.3	-	-	-	0.3
Other comprehensive income for the period, net of income tax	-	-	(0.8)	0.3	-	(1.3)	-	(1.8)
Total comprehensive income for the period	**-**	**-**	**(0.8)**	**0.3**	**-**	**(1.3)**	**7.9**	**6.1**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	2.7	23.6	-	-	4.2	-	-	30.5
Own shares sold	-	-	-	-	5.9	(2.3)	-	3.6
Own shares repurchased	-	-	-	-	(7.2)	-	-	(7.2)
Share-based payment transactions	0.1	0.0	-	-	-	0.0	-	0.1
Dividends to equity holders	-	(11.7)	-	-	-	-	-	(11.7)
Appropriation of retained earnings	-	-	-	-	-	13.8	(13.8)	-
Balance at 31 December 2019	**29.9**	**51.7**	**5.3**	**(0.1)**	**(3.7)**	**112.5**	**7.9**	**203.5**

Annex 4 - Consolidated statement of cash flows

(EUR million)	full year 2019	full year 2018
Cash flows from operating activities		
Profit for the period	7.9	13.8
Adjustments for:		
Net finance costs	0.6	3.1
Share profit or loss of an associate	0.3	0.1
Income tax expense	2.7	7.3
Depreciation of property, plant and equipment and software	24.0	23.1
Amortisation of other intangible assets	2.2	2.3
Impairment of fixed assets	0.0	0.7
Share-based payments	0.0	0.2
	37.7	**50.6**
Change in trade and other receivables	7.4	3.6
Change in inventories	7.3	(6.0)
Change in trade and other payables	(0.1)	(5.6)
Change in provisions	(1.6)	0.8
Change in contract liabilities	(1.6)	(0.3)
	49.1	**43.1**
Interest paid	(2.2)	(2.4)
Interest received	0.1	0.2
Tax paid	(6.1)	(4.2)
Net cash flows from operating activities	**40.9**	**36.7**
Cash flows from investing activities		
Acquisition of equity-accounted investee	-	(2.6)
Investments in property, plant and equipment	(15.5)	(28.1)
Disinvestments of property, plant and equipment	0.4	0.7
Investments in intangible fixed assets	(4.5)	(3.3)
Disinvestments of intangible fixed assets	0.1	0.0
(Dis)investments of other investments	(0.4)	(0.7)
Net cash from investing activities	**(19.9)**	**(34.0)**
Free cash flow	**21.0**	**2.7**
Cash flows from financing activities		
Payment of lease liabilities	(2.5)	(2.1)
Proceeds from borrowings (non current)	-	17.0
Repayment of borrowings (non current)	(30.2)	-
Proceeds from borrowings (current)	0.2	0.0
Proceeds from the issue of share capital	30.5	0.0
Own shares bought	(7.2)	(6.6)
Dividends paid	(8.1)	(5.8)
Net cash from financing activities	**(17.3)**	**2.5**
Change in cash and cash equivalents	3.7	5.2
Cash and cash equivalents at 1 January	0.9	(4.1)
Effect of exchange rate fluctuations on cash held	0.0	(0.2)
Cash and cash equivalents at 31 December	4.6	0.9

- The quarterly results are not audited -

Annex 5 - Information about reportable segments

(x EUR 1 million unless otherwise stated)	Industrial FY 2019	Industrial FY 2018[2]	Automotive FY 2019	Automotive FY 2018[2]	Consolidated FY 2019	Consolidated FY 2018
Revenue from transactions with third parties	153.6	164.7	258.8	283.9	412.4	448.6
Inter-segment revenue	0.0	0.1	0.1	0.6	0.1	0.7
EBITDA	16.9	24.9	20.8	24.8	37.7	49.7
EBITDA as a % of revenue	11.0%	15.1%	8.1%	8.7%	9.1%	11.1%
EBITA	10.2	19.0	3.5	7.6	13.7	26.6
EBITA as a % of revenue	6.6%	11.5%	1.4%	2.7%	3.3%	5.9%
EBITDA[1]	18.6	25.3	24.8	33.2	43.4	58.5
EBITDA as a % of revenue[1]	12.1%	15.4%	9.6%	11.7%	10.5%	13.0%
EBITA[1]	11.9	19.4	7.5	16.0	19.4	35.4
EBITA as a % of revenue[1]	7.8%	11.8%	2.9%	5.6%	4.7%	7.9%
Reportable segment assets	127.7	134.9	230.3	240.4	358.0	375.3
Reportable segment employees (FTE)	892	922	1,424	1,543	2,316	2,465

[1] Normalised for non-recurring costs of EUR 5.7 million for FY 2019 and of EUR 8.8 million for FY 2018.

[2] Restated 2018 due to new Automotive group structure.

Annex 6 - Reconciliation of normalised to reported 2019 figures

(x EUR 1 million)	FY 2019	FY 2018
Reported result before net finance costs	11.5	24.3
Reported amortisation	2.2	2.3
Reported operating result before amortisation (EBITA)	**13.7**	**26.6**
One-off income related to simplifying measures in other income	-	(0.1)
One-off costs related to simplifying measures in raw materials	(0.1)	0.8
One-off costs related to simplifying measures in staff costs	2.9	6.4
One-off costs related to simplifying measures in other operating expenses	0.1	1.7
One-off costs related to acquisition costs in other operating expenses	1.2	-
One-off costs related to claim settlement in other operating expenses	1.6	-
Normalised EBITA	**19.4**	**35.4**
Reported amortisation	(2.2)	(2.3)
Reported net finance costs	(0.6)	(3.1)
One-off costs related to tax audits in finance expense	0.1	0.3
One-off gains related to release of currency translation reserve	(2.0)	-
Reported share profit or loss of an associate	(0.3)	(0.1)
Normalised profit before income tax	**14.4**	**30.2**
Reported income tax expense	(2.7)	(7.3)
One-off costs related to tax audits in income tax expense	0.4	2.0
Impact one-off costs on income tax expense	(1.5)	(2.3)
Normalised profit for the period	**10.6**	**22.6**

Annex 7 – Financial calendar 2020-2021

2020

Publication of FY 2019 results	Tuesday, 18 February 2020	07.30 a.m.
Analysts' meeting	Tuesday, 18 February 2020	11.00 a.m.
Record date Gen. Meeting of Shareholders	Monday, 9 March 2020	
General Meeting of Shareholders	Monday, 6 April 2020	02.30 p.m.
Ex-dividend date	Wednesday, 8 April 2020	
Dividend record date	Thursday, 9 April 2020	
Dividend election period (stock and/or cash)	Friday, 10 April - Mon. 27 April 2020, 03.00 pm	
Determination stock dividend exchange ratio	Tuesday, 28 April 2020	
Cash dividend made payable and delivery stock dividend	Thursday, 30 April 2020	
Publication of Q1 2020 results	Tuesday, 5 May 2020	07.30 a.m.
Analysts' call	Tuesday, 5 May 2020	11.00 a.m.
Publication of HY1 2020 results	Tuesday, 18 August 2020	07.30 a.m.
Analysts' meeting and Capital Markets Day	Tuesday, 18 August 2020	11.00 a.m.
Publication of Q3 2020 results	Tuesday, 3 November 2020	07.30 a.m.
Analysts' call	Tuesday, 3 November 2020	11.00 a.m.

2021

Publication of FY 2020 results	Friday, 19 February 2021	07.30 a.m.
Analysts' meeting	Friday, 19 February 2021	11.00 a.m.
General Meeting of Shareholders	Monday, 12 April 2021	02.30 p.m.
Publication of Q1 2021 results	Tuesday, 4 May 2021	07.30 a.m.
Analysts' call	Tuesday, 4 May 2021	11.00 a.m.
Publication of HY1 2021 results	Wednesday, 25 August 2021	07.30 a.m.
Analysts' meeting	Wednesday, 25 August 2021	11.00 a.m.
Publication of Q3 2021 results	Tuesday, 2 November 2021	07.30 a.m.
Analysts' call	Tuesday, 2 November 2021	11.00 a.m.