

K E N D R I O N N . V .**P R E S S R E L E A S E****5 S E P T E M B E R 2 0 2 4****Kendrion as a pure-play industrial company: full focus on profitability**

- **Enhanced focus enables the reallocation of resources to industrial market segments**
- **Creating a global niche leader aimed at sustainable revenue growth with a profitability level of at least 15% EBITDA**
- **Divestment of the automotive business is progressing as planned, with closing expected on 10 October 2024**
- **On track to achieve the target of 5% organic growth between 2019 and 2025, and geared towards continued growth after 2025**
- **New targets set for 2025–2027: EBITDA of 15-18% from 2025 and ROI of 23-27% by 2027**

Today, Kendrion is hosting its Capital Markets Day (CMD) for investors and analysts, presenting its strategic priorities as a pure-play industrial company. Earlier this year, Kendrion announced the divestment of most of its automotive business, a move that will enable the company to strengthen its position as a global leader in innovative actuator solutions, focusing on the transition towards electrification, cleaner energy, and other key segments.

The divestment of the automotive business is expected to strengthen Kendrion's balance sheet, providing the company with the flexibility to reinvest in industrial business segments with attractive profitability. In light of this, the company provides an update today on its progress towards its 2025 financial targets and outlines new financial goals for the period 2025 to 2027.

During the CMD, Kendrion's two remaining Business Groups—Industrial Brakes (IB) and Industrial Actuators and Controls (IAC)—will provide insights into their market opportunities in Europe, China and the US. Additionally, there will be an update on the progress made in China, where both Business Groups are active.

Joep van Beurden, Kendrion CEO: *“With our focus now solely on industrial opportunities within our IB and IAC Business Groups in Europe, China, and the US, we present a clear investment story. As a global niche leader, we invest in selected industrial market segments that support a profitability of at least 15% EBITDA. Specifically, we seek opportunities where we can differentiate our product, leveraging our deep expertise in valves, actuators, brakes and control technology. The market opportunities in these niches are expected to drive continued growth of 5% per year or more.*”

Today, we provide further insights into the market segments we have selected to drive this profitable growth. In IB, we will highlight opportunities in industrial robots, collaborative robots, and logistics, among other segments. We also see a range of opportunities in IAC, particularly in our inductive heating modules and innovative industrial locks. Additionally, China presents an attractive suspension market for our smart actuators with significant potential in the global EV industry. As an industrial company, acquisitions are once again on the agenda. We will maintain our disciplined approach, seeking opportunities that align with our strategic and financial acquisition criteria.

Our new financial targets prioritise profitability over growth. I am confident that we can achieve our new financial targets of an EBITDA of 15-18% by 2025 and an ROI of 23-27% by 2027. We also commit to pay out annual dividends of at least 50% of normalised net profit from 2025 onwards.”

Divestment automotive

Following the sale of the automotive business in Europe and the US, Kendrion will begin rightsizing the organisation, aligning its overhead resources more effectively with its remaining activities. In combination with the discontinuation of automotive sound product development, this is expected to yield annual cost savings of around EUR 9 million. The cost savings are anticipated to be fully realised from 1 January 2025. The total one-off costs related to the transaction, the discontinuation of sound product development, and the reduction in overhead are estimated at EUR 9 million, with the majority to be incurred in HY2 2024. The closing of the transaction is expected on 10 October 2024.

Update on financial targets

We continue to make strides towards our 2025 objectives. Kendrion is on track to achieve several of the ambitious targets set for 2025, as outlined in September 2020, including the 5% average annual organic growth target and an EBITDA margin of at least 15% by 2025. Moreover, we believe that as a pure-play industrial company, we will be able to consistently achieve an EBITDA margin within the 15-18% range going forward. By focusing on profitable opportunities within our niches, we expect to realise healthy growth potential, continuing our current revenue growth of at least 5% per year.

Based on the current market circumstances and our new profile and market segments, we have adjusted our 2025 ROI target of 25% to a new target of 23-27% by 2027.

Upward revision dividend policy

In line with our updated strategy and capital allocation plan, the dividend policy has been revised upwards, with the intention to distribute at least 50% (previously 35%-50%) of annual net profit as dividend from financial year 2025 onwards.

Live webcast

Today's Capital Markets Day presentation begins at 2.00 pm CEST. Click [here](#) to join the live webcast, which includes Q&A and playback options. All relevant information will be available on [Kendrion's website](#).

Profile of Kendrion N.V.

Kendrion develops, manufactures, and markets high-quality electromagnetic systems and components for a broad range of industrial applications. For more than a century, we have been engineering precision parts for the world's leading innovators in industrial applications and passenger cars and commercial vehicles. 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. 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, 5 September 2024

The Executive Board

For more information, please contact:

Kendrion N.V.

Mr. Joep van Beurden

Chief Executive Officer

Tel: +31 6 82 56 85 65

Email: IR@kendrion.com

Website: www.kendrion.com