KENDRION

PRECISION. SAFETY. MOTION.

KENDRION N.V.

PRESS RELEASE

19 February 2021

Kendrion posts full-year EBITDA and cash flow growth on the back of strong Q4 results

- **Strict operating procedures remain in place to continue safe and responsible production in all factories around the world**
- **Full-year revenue of EUR 396.4 million, down 4% (FY 2019: EUR 412.4 million) and 17% lower excluding INTORQ**
- **Normalised 2020 EBITDA increased by 2% to EUR 44.6 million (FY 2019: EUR 43.8 million); EBITDA margin of 11.3% (2019: 10.6%)**
- **Strong normalised free cash flow of EUR 31.5 million (FY 2019: EUR 25.5 million)**
- **Net profit (normalised) of EUR 11.7 million in 2020 (FY 2019: 12.6 million)**
- **Strong fourth quarter with normalised EBITDA of EUR 11.4 million, 58% higher than Q4 2019 of EUR 7.2 million**
- **Nominated lifetime project revenue in Automotive of EUR 350 million (FY 2019: EUR 320 million), representing a book-to-bill ratio of 1.7**
- **Decision to build a 28,000 m² manufacturing facility in Suzhou Industrial Park, China**
- **Proposed dividend of EUR 0.40 per share; pay-out ratio 50% of normalised full-year net profit**

Key figures

Reported (in EUR million)	Q4 2020	Q4 2019	delta	FY 2020	FY 2019[2]	delta
Revenue	103.1	92.3	12%	396.4	412.4	-4%
EBITDA	9.1	3.8	139%	40.2	38.1	6%
EBITA	2.6	(2.2)	218%	14.5	14.1	3%
Net profit	(0.3)	(3.0)	90%	4.3	8.3	-48%
EBITDA as a % of revenue	8.8%	4.1%		10.1%	9.2%	
EBITA as a % of revenue	2.5%	-2.4%		3.7%	3.4%	
Return on invested capital[3] (12 months rolling)				8.5%	8.7%	

Normalised (in EUR million) [1]	Q4 2020	Q4 2019	delta	FY 2020	FY 2019[2]	delta
Revenue	103.1	92.3	12%	396.4	412.4	-4%
EBITDA	11.4	7.2	58%	44.6	43.8	2%
EBITA	4.9	1.2	308%	18.9	19.8	-4%
Net profit before amortisation	2.9	0.1	2800%	11.7	12.6	-7%
EBITDA as a % of revenue	11.1%	7.8%		11.3%	10.6%	
EBITA as a % of revenue	4.8%	1.3%		4.8%	4.8%	
Return on invested capital[3] (12 months rolling)				10.8%	11.7%	

[1] Normalised for one-off costs and benefits. The bridge from reported to normalised figures can be found on page 14.

[2] Restated due to retrospective correction of understated elimination of unrealized profit on inventory transactions between group companies, increasing EBIT(D)A and net profit with EUR 0.4 million.

[3] Invested capital excluding intangibles arising from acquisitions.

- The quarterly and interim results are not audited -

Joep van Beurden, Kendrion CEO:

"About a year ago, the world was confronted with the COVID-19 outbreak. From the outset, protecting the health and safety of our employees and their families has been our key priority, and at present we continue to rely on our strict measures to contain the spread of the virus.

Following a significant impact on our revenue in the first half of 2020, and especially in Q2, we realised a solid recovery in the second half of the year. I am proud of how our employees proactively dealt with the many challenges the pandemic threw at our company. Their dedication and flexibility have delivered underlying EBITDA and cashflow growth for the full year compared to 2019. Our performance in Q4 was particularly satisfying; the improved trading environment, combined with our continued focus on cost control and cash management, significantly increased underlying and reported profitability and cash flow compared to 2019.

Despite the pandemic we have made remarkable progress on our strategy. We successfully integrated INTORQ into our new Industrial Brakes business unit and combined the former Industrial Control Systems and Industrial Magnetic Systems business units into one: Industrial Actuators and Controls. In Automotive, our intense focus on actuators for electrified and autonomous vehicles paid off: we added a gratifying EUR 350 million in lifetime revenue to our long-term orderbook; a book-to-bill ratio of 1.7. To accommodate anticipated growth in China, we have decided to build a 28,000 m² manufacturing facility in Suzhou's Industrial Park, a premier location for technology and for advanced manufacturing companies. We also made significant progress upgrading our IT infrastructure and worked hard to further implement our culture of global, seamless cooperation: 'The Kendrion Way'.

Kendrion has transformed into a global, centralised group, with a clear, unified strategy and a matching, collaborative culture. With the successful addition of INTORQ, our Automotive and Industrial activities each represent approximately 50% of our revenue and growth potential. The balance between these two will provide a natural hedge against cyclicality.

Notwithstanding the continued difficult market circumstances, we expect that the world will climb out of the pandemic during 2021. We are confident that the improving economic circumstances, combined with our strong position in growth markets Automotive and Industrial Brakes and China, will help deliver our medium-term financial targets of 5% organic growth between 2019 and 2025, an EBITDA of at least 15% in 2025 and an ROIC of at least 25% in 2025."

COVID-19 update

Although activity levels in our markets continued to be under pressure from COVID-19, the impact on our revenue was less intense in Q4 2020. And while short-time work schemes remain available until the end of 2021 we made limited use of them in our European factories in Q4.

Discretionary spending and non-urgent capital expenditures continued to be reduced or suspended where appropriate and feasible. We extended the strict operating procedures active in all factories to continue safe and responsible production and to protect the health and safety of our employees and their families. We will keep these measures in place for as long as required.

Kendrion's supply chain is fully operational, although we too experience a shortage of certain components such as steel parts and semiconductors. We closely monitor suppliers that are critical to our supply chain to alleviate the impact on our business as much as possible.

Liquidity remains strong with around EUR 65 million available in cash and undrawn credit facilities. Our strong cashflow has resulted in a leverage ratio of 2.3 as per 31 December 2020, significantly lower than the new financial covenant level of 4.7 as per 31 December 2020.

Progress on strategy

Kendrion announced its strategic priorities and new targets for 2025 during Capital Markets Day in September 2020. The primary objective remains unchanged as the new targets are aimed at delivering sustainable profitable growth for the business in the medium to long-term.

Kendrion operates in three business units: Automotive Group (AG), Industrial Brakes (IB) and Industrial Actuators and Controls (IAC). AG and IB, as well as China, focus on organic growth. In IAC, the emphasis lies on profitability and cash generation.

Within AG, we added EUR 350 million to our orderbook, the third consecutive year with a book-to-bill ratio greater than 1. Of the nominations we received, 60% represent technologies not related to combustion engines. This high percentage is the result of our focus on actuators for electrified and autonomous vehicles. In IB, the integration of INTORQ went swiftly and smoothly. We exceeded the earlier announced run rate for cost synergies with realised cost savings of EUR 2.8 million. We have also merged our former Industrial Control Systems and Industrial Magnetic Systems business units into IAC. This operational merger has yielded run rate cost synergies of EUR 1.6 million by year-end 2020. To accommodate anticipated growth in China, Kendrion will build a new 28,000 m² facility in Suzhou Industrial Park. We expect to break ground in Q2 of 2021.

Financial review

Revenue

Fourth quarter of 2020

Despite the pandemic, which continued to impact our end markets, trading in Q4 was relatively strong. Revenue came in at EUR 103.1 million, an increase of 12% compared with Q4 2019 (EUR 92.3 million) and 5% higher than in the traditionally stronger third quarter, when we posted Euro 98.6 million. Excluding the contribution of INTORQ, revenue decreased by 2%. This is a step-up from the organic revenue decrease of 16% we experienced in Q3 2020 and the 34% in Q2 2020. Exchange rates had a negative effect of 0.8% on consolidated revenue.

In the Automotive Group, activity levels continued to improve from the summer onwards, with year-over-year organic revenue decreasing by 5% compared to a decrease of 16% in Q3, and 44% in Q2. Revenue in the passenger car segments continued to increase, while revenue for coaches and trucks in the US remained well below pre-COVID-19 levels. Organic revenue of the Industrial activities increased by 5% compared with Q4 2019. Including INTORQ, revenue increased by 45%. China revenue increased 60% year-over-year including INTORQ and 7% organically, with all business units contributing to the increase.

Full-year 2020

Compared to full-year 2019, revenue decreased by 4% to EUR 396.4 million (2019: EUR 412.4 million). Excluding the revenue contribution of INTORQ, revenue decreased by 17%. Exchange rates had a slight negative effect of 0.3% on consolidated revenue in 2020.

Revenue in our Automotive activities declined by 20%, impacted by an estimated 16% reduction in the global production of passenger cars and a slowdown in the truck and bus markets, especially in Europe and the US. Industrial activities grew by 24%. including a EUR 54.0 million revenue contribution from INTORQ. Excluding INTORQ, Industrial revenue declined 11%. Despite the COVID-19 impact in the first quarter, organic revenue in China increased by 5% in 2020. In 2020, China represented 12% of group revenue. Revenue of our European and US customers decreased by 18% and 24% respectively.

Results

Fourth quarter of 2020

The normalised operating result before depreciation and amortisation (EBITDA) increased significantly by 58% to EUR 11.4 million (Q4 2019: EUR 7.2 million) and the EBITDA margin rose to 11.1% (Q4 2019: 7.8%). We attribute this strong profitability to higher activity levels combined with INTORQ's contribution and continued cost control.

Total personnel costs and other operating expenses decreased on an organic basis by EUR 2.3 million or 6%, following cost control and structural cost measures. Profitability in our Industrial and Automotive activities developed favourably compared to the previous quarters, and profitability in our Industrial activities also improved year-over-year.

Normalised EBITA amounted to EUR 4.9 million (2019: EUR 1.2 million).

Full-year 2020

Normalised EBITDA for the full-year 2020 increased by 2% to EUR 44.6 million (2019: EUR 43.8 million). The normalised EBITDA margin increased from 10.6% in 2019 to 11.3% in 2020. Normalised EBITA for the year ended up at EUR 18.9 million slightly lower than 2019 (EUR 19.8 million). The added value as a percentage of the production value increased by 1.1% as a consequence of the higher revenue share of our Industrial activities. On an EBITDA level, the improved added value margin, and the EUR 19.6 million lower organic staff and other operating costs more than offset the revenue decline.

Normalised net finance costs increased to EUR 3.5 million (2019: EUR 2.5 million) mainly due to the additional debt taken on to fund the acquisition of INTORQ and EUR 0.3 million unfavourable currency results. Reported finance expenses were EUR 4.1 million and include EUR 0.6 million additional accrued interest on the expected outcome of German tax audits covering 2010 to 2014 and the expected impact on subsequent years.

The normalised income tax expense amounted to EUR 2.3 million (2019: EUR 3.8 million). The normalised effective income tax rate for 2020 came to 22.0% (2019: 26.1%), positively impacted by previously unrecognised carry forward tax losses. The reported tax rate in 2020 came to 24.6% (25.0% in 2019).

Normalised net profit before amortisation of intangibles arising from acquisitions in 2020 decreased to EUR 11.7 million (2019: EUR 12.6 million). Normalised basic earnings per share amounted to EUR 0.79 (2019: EUR 0.94). Reported net profit was EUR 4.3 million (2019: EUR 8.3 million) and includes EUR 4.1 million (2019: EUR 2.7 million) one-off costs that have been normalised in the results and EUR 3.3 million (2019: EUR 1.6 million) net of tax amortisation of intangibles arising from acquisitions.

Financial position

Total net debt including IFRS 16 lease liabilities decreased from EUR 122.6 million at the end of Q3 2020 to EUR 103.2 million at the end of 2020. Compared to the end of 2019, net debt increased with EUR 55.8 million. The acquisition of INTORQ in January 2020 added EUR 77.7 million debt, while normalised free cash flow before acquisitions reduced net debt by EUR 31.5 million. This was partially offset by EUR 6.2 million cash impact of items that have been normalised as one-off costs in the income statement, EUR 2.9 million payments for lease liabilities and currency translation effects. The leverage ratio stood at 2.3 as per 31 December 2020, down from 2.9 at the end of Q3 2020 and significantly below the new financial covenant level of 4.7 as per 31 December 2020.

Normalised free cash flow, before payments related to one-off items that have been normalised in the results, amounted to EUR 31.5 million in 2020 (2019: EUR 25.5 million). Reported free cash flow before acquisitions amounted to EUR 25.3 million (2019: EUR 21.0 million). The positive cash conversion is the result of a relentless focus throughout the year and was realised by careful spending on capital investments and improvements in all elements of our working capital.

Total investments came to EUR 18.0 million (2019: EUR 22.6 million) including IFRS 16, EUR 7.7 million below depreciation as we continued to focus on cash flow and prioritised investments that protect existing and future revenue. Cash investments came to EUR 15.6 million (2019: EUR 19.5 million). Kendrion's liquidity position remains strong with a total of EUR 65 million available in undrawn credit facilities and cash. The solvency ratio was 47.4% at the end of 2020 (year-end 2019: 56.7%).

Number of employees

The number of employees (in FTEs) increased by 28 in the fourth quarter to 2.456 at year-end (including 142 temporary employees). Compared to 31 December 2019, total staff increased with 140 FTE. This was the result of the acquisition of INTORQ, adding 281 FTE and an organic decrease of 141 FTE. Indirect FTE reduced by 105, which was driven by restructuring measures taken towards the end of 2019 and the realization of cost synergies in Industrial Brakes and Industrial Actuators and Controls.

Alternative Performance Measures (APM) adjustments to EBIT(D)A and net profit

An amount of EUR 4.4 million in staff and other operating expenses has been normalised in the FY 2020 results and adjusted to EBITDA. The EUR 4.4 million in normalised costs break down into EUR 0.6 million transaction costs related to the acquisition of INTORQ, EUR 0.8 million costs to the integration of INTORQ and the realization of synergies, EUR 1.4 million to other restructuring charges, and EUR 1.6 million impairment charges to previously capitalized R&D expenses.

An amount of EUR 0.6 million related to accrued interest on the expected outcome of German tax audits covering 2010 to 2014 and the expected impact on subsequent years was normalised in the net finance expenses. The after-tax normalised amount was EUR 4.1 million which includes the net tax impact of the normalised operating and finance expenses and a EUR 0.2 million write-off of EUR 0.2 million tax receivable in Mexico. For a full reconciliation reference see Annex 6.

Operational performance

Industrial activities

Industrial activities consist of two business units: Industrial Brakes (IB), which includes INTORQ, and Industrial Actuators and Controls (IAC).

Revenue of our Industrial activities, which accounted for 48% of Kendrion's overall revenue, increased by 24% to EUR 190.3 million compared with EUR 153.6 million in 2019. Excluding INTORQ's contribution organic revenue decreased by 11%.

The activity level in our main Industrial end markets in the first months of 2020 equalled the level experienced in the second half year of 2019. As the COVID-19 pandemic started to impact economic circumstances significantly in the second quarter, customer demands in the Industrial business units started to drop in May 2020. The lower revenue level continued in the third quarter, but industrial manufacturing activity showed resilience in the fourth quarter when the Industrial business units reported 6% year-on-year organic growth. The machine building and aerospace industries were significantly impacted by the downturn, while other segments such as medical equipment in Industrial Actuators and Controls and wind power in China within Industrial Brakes developed positively. Revenue in Industrial Actuators and Controls decreased by 13% in 2020 (2019: 8% decrease), while organic revenue in Industrial Brakes decreased by 8% (2019: 5% decrease). Revenue from the former INTORQ activities was robust, especially in China.

Organic operating costs decreased by EUR 7.7 million in 2020 as significant cost measures were taken to mitigate the financial impact of the pandemic-related economic downturn. The EUR 2 million structural cost savings implemented towards the end of 2019 were fully effective in 2020. Of the EUR 1.6 million run rate synergies realised in Industrial Actuators and Controls an amount of EUR 1.2 million was effective in 2020. Of the EUR 2.8 million run rate cost synergies in Industrial Brakes, EUR 0.9 million were effective in 2020 and for the main part realised within the former INTORQ.

Overall, the normalised EBITDA margin for Kendrion's Industrial activities increased to 15.3%, compared with 12.2% in 2019.

Automotive activities

Revenue generated by our Automotive activities – which account for 52% of Kendrion's overall revenue – decreased by 20% to EUR 206.1 million in 2020 (2019: 258.8 million). Organic revenue from customers in Europe and the US decreased by 20% and 28% respectively, while revenue from customers in Asia increased by 1% as the ramp-up of new projects more than offset the impact of the COVID-19 pandemic.

The Automotive Group revenues in the first two months of 2020 were only modestly affected by the Chinese lockdown but started decreasing significantly towards the end of the first quarter as many of our customers in Europe and the US shut down their operations. The automotive sector bottomed out in April and May, before gradually starting to turn around in June 2020. Revenue recovered in the third quarter with a 16% year-on-year organic decrease. The fourth quarter revenue, however, came out at 5% below the fourth quarter of 2019.

The recovery was primarily driven by the passenger car segments where revenue reached pre-pandemic levels in the last months of the year. At the same time, the Chinese government – under pressure by the pandemic – withdrew the strict emission standards for combustion engines vehicles, which made the OPF filter project we had won with a key customer obsolete. Conversely, production runs of many existing combustion engine products which had been scheduled to ramp down have expanded their production time, as many of our customers shifted their development effort from combustion engine products, towards Autonomous Connected, Electric and Shared driving (i.e. the ACES). Market circumstances for coaches and heavy trucks remained challenging but showed some positive signs towards the end of 2020.

Total operating costs decreased by EUR 11.9 million in 2020. In addition to the substantial cost reductions to mitigate the financial impact of COVID-19, the EUR 3.0 million structural cost savings realised towards the end of 2019 were fully effective in 2020. The cancellation of the OPF filter project triggered an impairment of EUR 2.0 million capitalized R&D expenses, of which EUR 1.6 million relate to previous years and have been normalised in the results. During 2020, the Automotive Group suspended non-essential capital expenditure. Most investments made in 2020 were related to new business.

Overall, the normalised EBITDA margin for Kendrion's Automotive Group decreased to 7.5%, compared with 9.7% in 2019.

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.

The EUR 0.25 dividend per ordinary share announced over financial year 2019 was withdrawn in 2020 as a precautionary measure to protect Kendrion's financial position in response to the COVID-19 pandemic and its potential financial impact. Considering the encouraging financial performance over 2020, our strong financial position and the expectation of a continued recovery during 2021, Kendrion proposes an optional dividend of 50% of the normalised net income, at the top end of its dividend policy, equivalent to EUR 0.40 per share entitled to dividend.

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 4 May 2021 (before the start of trading). It will be based on the volume-weighted average share price on 27, 28, 29, 30 April and 3 May 2021, for which purpose the value of the shares to be distributed will be virtually equal to the cash dividend. The cash dividend will be made payable and the share dividend will be delivered on 6 May 2021.

Outlook

While we expect the difficult market circumstances to continue for the upcoming period, we anticipate the global economy to improve over the course of 2021.

As the longer-term impact of the pandemic remains uncertain, we will continue to focus on our liquidity and cost levels. At the same time, we see ample growth opportunities in our focus areas Automotive, Industrial Brakes and China. In IAC, our focus is on profitability. We are well positioned for the medium-term to longer-term. We remain positive about our business fundamentals and are confident this will help deliver our medium-term financial targets of 5% organic growth between 2019 and 2025, and an EBITDA of at least 15% and an ROIC of at least 25% in 2025.

Analysts' webinar

Kendrion CEO Joep van Beurden and CFO Jeroen Hemmen will present the Q4 and full-year results 2020 to the analysts' community today at 11:00 a.m. CET. The recording of the webinar will be available on www.kendrion.com.

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, 19 February 2021

The Executive Board

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Annexes

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The 2020 financial information included in the Annexes from Consolidated Financial Statements attached to this press release are derived from the Annual Integrated Report 2020, 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 12 April 2021.

Annex 1 - Consolidated statement of comprehensive income

(EUR million)	**Q4 2020**	**Q4 2019**	**full year 2020**	**full year 2019[4]**
Revenue	103.1	92.3	396.4	412.4
Other income	0.1	-	0.3	-
Total revenue and other income	**103.2**	**92.3**	**396.7**	**412.4**
Changes in inventories of finished goods and work in progress	1.0	3.7	2.5	4.4
Raw materials and subcontracted work	53.8	45.9	203.2	214.6
Staff costs	29.9	30.7	119.5	124.6
Depreciation and amortisation	8.0	6.6	30.1	26.2
Other operating expenses	9.4	8.2	31.3	30.7
Result before net finance costs	**1.1**	**(2.8)**	**10.1**	**11.9**
Finance income	0.0	0.1	0.0	2.2
Finance expense	(1.2)	(0.8)	(4.1)	(2.8)
Share profit or loss of an associate	(0.3)	(0.3)	(0.3)	(0.3)
Profit before income tax	**(0.4)**	**(3.8)**	**5.7**	**11.0**
Income tax expense	0.1	0.8	(1.4)	(2.7)
Profit for the period	**(0.3)**	**(3.0)**	**4.3**	**8.3**
Other comprehensive income				
Remeasurements of defined benefit plans[1]			1.6	(1.3)
Foreign currency translation differences for foreign operations[2]			(5.5)	(0.8)
Net change in fair value of cash flow hedges, net of income tax[2]			0.2	0.3
Other comprehensive income for the period, net of income tax[3]			**(3.7)**	**(1.8)**
Total comprehensive income for the period			**0.6**	**6.5**
Basic earnings per share (EUR), based on weighted average	(0.02)	(0.22)	0.29	0.61
Basic earnings per share (EUR), based on weighted average (diluted)	(0.02)	(0.22)	0.29	0.61

[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.
[4] Restated due to retrospective correction of understated elimination of unrealized profit on inventory transactions between group companies.

Annex 2 - Consolidated statement of financial position

(EUR million)	31 Dec. 2020	31 Dec. 2019[1]
Assets		
Non-current assets		
Property, plant and equipment	118.7	111.4
Intangible assets	158.1	115.5
Other investments, including derivatives	3.0	2.7
Deferred tax assets	19.2	14.5
Contract costs	0.6	0.7
Total non-current assets	**299.6**	**244.8**
Current assets		
Inventories	61.7	55.4
Current tax assets	1.4	2.7
Trade and other receivables	53.4	47.1
Cash and cash equivalents	13.0	7.1
Total current assets	**129.5**	**112.3**
Total assets	**429.1**	**357.1**
Equity and liabilities		
Equity		
Share capital	29.9	29.9
Share premium	51.7	51.7
Reserves	117.5	112.7
Retained earnings	4.3	8.3
Total equity	**203.4**	**202.6**
Liabilities		
Loans and borrowings	104.2	48.9
Employee benefits	15.5	19.8
Deferred tax liabilities	15.9	10.6
Provisions	0.7	-
Total non-current liabilities	**136.3**	**79.3**
Bank overdraft	4.5	2.5
Loans and borrowings	7.5	3.1
Provisions	1.5	1.4
Current tax liabilities	5.2	2.6
Contract liabilities	5.5	6.6
Trade and other payables	65.2	59.0
Total current liabilities	**89.4**	**75.2**
Total liabilities	**225.7**	**154.5**
Total equity and liabilities	**429.1**	**357.1**

[1] Restated due to retrospective correction of understated elimination of unrealised profit on inventory transactions between group companies.

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 2019	**27.1**	**39.8**	**6.1**	**(0.4)**	**(6.6)**	**102.3**	**13.8**	**182.1**
Restatement pior period[1]	-	-	-	-	-	(1.3)	-	(1.3)
Restated balance at 1 January 2019	**27.1**	**39.8**	**6.1**	**(0.4)**	**(6.6)**	**101.0**	**13.8**	**180.8**
Total comprehensive income for the period								
Profit or loss[1]	-	-	-	-	-	-	8.3	8.3
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)**	**8.3**	**6.5**
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)**	**111.2**	**8.3**	**202.6**

(EUR million)	Share capital	Share premium	Translation reserve	Hedge reserve	Reserve for own shares	Other reserves	Retained earnings	Total equity
Balance at 1 January 2020	**29.9**	**51.7**	**5.3**	**(0.1)**	**(3.7)**	**111.2**	**8.3**	**202.6**
Total comprehensive income for the period								
Profit or loss	-	-	-	-	-	-	4.3	4.3
Other comprehensive income								
Remeasurements of defined benefit plans	-	-	-	-	-	1.6	-	1.6
Foreign currency translation differences for foreign operations	-	-	(5.5)	-	-	-	-	(5.5)
Net change in fair value of cash flow hedges, net of income tax	-	-	-	0.2	-	-	-	0.2
Other comprehensive income for the period, net of income tax	-	-	(5.5)	0.2	-	1.6	-	(3.7)
Total comprehensive income for the period	**-**	**-**	**(5.5)**	**0.2**	**-**	**1.6**	**4.3**	**0.6**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based payment transactions	-	-	-	-	0.3	(0.1)	-	0.2
Appropriation of retained earnings	-	-	-	-	-	8.3	(8.3)	-
Balance at 31 December 2020	**29.9**	**51.7**	**(0.2)**	**0.1**	**(3.4)**	**121.0**	**4.3**	**203.4**

[1] Restated due to retrospective correction of understated elimination of unrealized profit on inventory transactions between group companies.

Annex 4 - Consolidated statement of cash flows

(EUR million)	full year 2020	full year 2019
Cash flows from operating activities		
Profit for the period	4.3	7.9
Adjustments for:		
Net finance costs	4.1	0.6
Share profit or loss of an associate	0.3	0.3
Income tax expense	1.4	2.7
Depreciation of property, plant and equipment and software	25.7	24.0
Amortisation of other intangible assets	4.4	2.2
Impairment of fixed assets	2.4	0.0
Share-based payments	0.0	0.0
	42.6	**37.7**
Change in trade and other receivables	(0.2)	7.4
Change in inventories	6.9	7.3
Change in trade and other payables	(0.2)	(0.1)
Change in provisions	(2.0)	(1.6)
Change in contract liabilities	(1.1)	(1.6)
	46.0	**49.1**
Interest paid	(2.9)	(2.2)
Interest received	0.0	0.1
Tax paid	(1.3)	(6.1)
Net cash flows from operating activities	**41.8**	**40.9**
Cash flows from investing activities		
Acquisition of subsidiaries	(77.7)	-
Investments in property, plant and equipment	(12.9)	(15.5)
Disinvestments of property, plant and equipment	0.4	0.4
Investments in intangible fixed assets	(3.1)	(4.5)
Disinvestments of intangible fixed assets	0.0	0.1
(Dis)investments of other investments	(0.9)	(0.4)
Net cash from investing activities	**(94.2)**	**(19.9)**
Free cash flow	**(52.4)**	**21.0**
Cash flows from financing activities		
Payment of lease liabilities	(2.9)	(2.5)
Proceeds from borrowings (non current)	59.4	-
Repayment of borrowings (non current)	-	(30.2)
Proceeds from borrowings (current)	0.2	0.2
Proceeds from the issue of share capital	-	30.5
Own shares bought	-	(7.2)
Dividends paid	-	(8.1)
Net cash from financing activities	**56.7**	**(17.3)**
Change in cash and cash equivalents	4.3	3.7
Cash and cash equivalents at 1 January	4.6	0.9
Effect of exchange rate fluctuations on cash held	(0.4)	0.0
Cash and cash equivalents at 31 December	8.5	4.6

Annex 5 - Information about reportable segments

(x EUR 1 million unless otherwise stated)	Industrial FY 2020	Industrial FY 2019[2]	Automotive FY 2020	Automotive FY 2019[2]	Consolidated FY 2020	Consolidated FY 2019[2]
Revenue from transactions with third parties	190.3	153.6	206.1	258.8	396.4	412.4
Inter-segment revenue	0.0	0.0	0.1	0.1	0.1	0.1
EBITDA	26.3	17.1	13.9	21.0	40.2	38.1
EBITDA as a % of revenue	13.8%	11.1%	6.7%	8.1%	10.1%	9.2%
EBITA	17.8	10.4	(3.3)	3.7	14.5	14.1
EBITA as a % of revenue	9.3%	6.8%	-1.6%	1.4%	3.7%	3.4%
EBITDA[1]	29.1	18.8	15.5	25.0	44.6	43.8
EBITDA as a % of revenue[1]	15.3%	12.2%	7.5%	9.7%	11.3%	10.6%
EBITA[1]	20.7	12.1	(1.8)	7.7	18.9	19.8
EBITA as a % of revenue[1]	10.9%	7.9%	-0.8%	3.0%	4.8%	4.8%
Reportable segment assets	219.6	127.3	209.5	229.8	429.1	357.1
Reportable segment employees (FTE)	1,058	892	1,398	1,424	2,456	2,316

[1] Normalised for non-recurring costs of EUR 4.4 million for FY 2020 and of EUR 5.7 million for FY 2019.

[2] Restated due to retrospective correction of understated elimination of unrealized profit on inventory transactions between group companies.

Annex 6 - Reconciliation of normalised to reported figures

(x EUR 1 million)	FY 2020	FY 2019[1]
Reported result before net finance costs	10.1	11.9
Reported amortisation	4.4	2.2
Reported operating result before amortisation (EBITA)	**14.5**	**14.1**
One-off costs related to simplifying measures in raw materials	-	(0.1)
One-off costs related to restructuring measures in staff costs	1.5	2.9
One-off costs related to restructuring measures in other operating expenses	0.7	0.1
One-off costs related to acquisition costs in other operating expenses	0.6	1.2
One-off costs related to claim settlement in other operating expenses	-	1.6
One-off costs related to impairment capitalized R&D	1.6	-
Normalised EBITA	**18.9**	**19.8**
Reported amortisation	(4.4)	(2.2)
Reported net finance costs	(4.1)	(0.6)
One-off costs related to tax audits in finance expense	0.6	0.1
One-off costs related to acquisition costs in finance expense	0.0	-
One-off gains related to release of currency translation reserve	-	(2.0)
Reported share profit or loss of an associate	(0.3)	(0.3)
Normalised profit before income tax	**10.7**	**14.8**
Reported income tax expense	(1.4)	(2.7)
One-off costs related to tax audits in income tax expense	-	0.4
One-off costs related to simplifying measures in income tax expenses	0.2	-
Impact one-off costs on income tax expense	(1.1)	(1.5)
Amortisation after tax	3.3	1.6
Normalised net profit for the period before amortisation	**11.7**	**12.6**

[1] Restated due to retrospective correction of understated elimination of unrealized profit on inventory transactions between group companies.

Annex 7 – Financial calendar 2021

Publication of FY 2020 results	Friday, 19 February 2021	07.30 a.m.
Analysts' webinar	Friday, 19 February 2021	11.00 a.m.
General Meeting of Shareholders	Monday, 12 April 2021	02.00 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.