

**KENDRION N.V.****P R E S S   R E L E A S E****8 S E P T E M B E R 2 0 2 2****Kendrion Capital Markets Day 2022: on track to achieve 2025 financial targets with a continued focus on organic growth**

Today, Kendrion is hosting its Capital Markets Day for investors and analysts, presenting strategic priorities, an update on the progress towards its 2025 financial targets, and various innovative products.

In the presentation, Kendrion's three Business Groups, Industrial Brakes, Industrial Actuators and Controls and Automotive, will provide insight into their main sources of organic growth. There will be a separate update on progress made in China, where all three Business Groups are active.

The Automotive Group will announce the creation of two Automotive units: Automotive 'Core', with a disciplined focus on existing technologies for vehicles with an internal combustion engine (ICE), and Automotive 'E' concentrating on opportunities related to the transition towards Autonomous, Connected, Electrified and Shared mobility (ACES). The new organizational structure, which will be operational per 1 January 2023, is expected to allow Kendrion to further strengthen its position in the Automotive market and benefit from the megatrend towards cleaner energy and electrification.

Both Automotive Core and Automotive E will have full P&L responsibility with separate KPIs. Automotive Core will focus on operational excellence, production, cost efficiency, profitability and cashflow. Automotive E will concentrate on innovation, close collaboration with customers, project management, and profitable growth. Automotive Core currently generates around EUR 167 million or 72% of the Automotive revenue, while revenue in Automotive E amounts to EUR 67 million. The new organizational structure is expected to result in annual cost savings of around EUR 4 million. Associated one-off costs are expected to be EUR 6 million.

Kendrion's strategy aims to deliver on several ambitious financial targets for 2025, first announced in September 2020:

- Grow organic revenue by at least 5% on average per year against the baseline year 2019
- An EBITDA margin of at least 15% in 2025
- A return on invested capital of above 25% in 2025, excluding acquisition-related intangibles
- Maintaining a dividend policy to distribute 35% to 50% of net profits

**Joep van Beurden, Kendrion CEO**

*"I am proud that we are on track to achieve our ambitious 2025 financial goals that we announced two years ago amid the COVID pandemic.*

*Over the past two years, strengthened by our successful strategic acquisitions of INTORQ and 3T, we have transformed our industrial franchise. Our revenue and profitability are currently well above pre-pandemic levels, and we are well positioned to continue to benefit from the broad transition towards cleaner energy. In China, we have grown substantially and have excellent prospects for*

further future growth. We are entering the final phase of the construction of a 28,000 m<sup>2</sup> factory in Suzhou's Industrial Park, which will become Kendrion's largest production facility.

*The split of the Automotive Group into Core and E allows us to create even more focus on innovation and on products such as AVAS sound systems, active suspension, and sensor cleaning, while at the same time improving the efficiency and cash generation of the substantial business that we have with products related to the combustion engine.*

*We have made considerable progress towards achieving our strategic objectives and looking ahead, we continue to see organic growth opportunities in all three Business Groups and in China. We are confident to deliver our medium-term financial targets and are ready to capitalize on the transition towards electrification and cleaner energy."*

### **Live webcast**

Today's Capital Markets Day presentation starts at 2.00 pm CEST. To participate in the live webcast, click on this page [Capital Markets Day 2022](#). All relevant information will be published on [Kendrion's website](#).

### **About Kendrion N.V.**

Kendrion designs, manufactures, and delivers intelligent actuators that help advance the global push towards electrification and sustainable energy. Today, our compact and connected actuators can be found in wind power, robots, factory automation, electric vehicles, energy distribution, and industrial heating processes, where they support our OEM customers around the world to transition to safer and cleaner forms of energy.

As a technology pioneer and innovator, building on a foundation of over 100 years of experience, we are driven by a desire to explore creative solutions for the engineering challenges of tomorrow. We take broad responsibility for how we source, manufacture, and conduct business. Sustainable business practices are integrated in our processes and embedded in our culture. Rooted in Germany, headquartered in the Netherlands, and listed on the Amsterdam stock exchange, our footprint extends across Europe to the Americas and Asia.

Amsterdam, 8 September 2022

The Executive Board

### **For more information, please contact:**

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