

**K E N D R I O N   N . V .****P R E S S   R E L E A S E****1 2   A p r i l   2 0 2 4****Kendrion to focus entirely on Industrial – sells Automotive business in Europe and US**

Kendrion today announced that it has entered into an agreement to sell its Automotive business in Europe and the United States to Solero Technologies LLC (“Solero Technologies”) and affiliates. Through this transaction, Kendrion initiates a strategic repositioning by focussing entirely on industrial growth opportunities in Europe, the US and China. The proceeds from the sale will be used to strengthen the balance sheet and to reinvest in the Industrial business. The strategic shift in its portfolio will enable Kendrion to strengthen its position in driving the worldwide transition to electrification and sustainable energy.

The transaction implies an enterprise value of EUR 65 million for the divested business. Solero Technologies, a leading global supplier of transmission solenoids, engine solenoids, stop-start accumulators and hydraulic control modules with recent development and launches of active suspension and electrification components, will effectuate this transaction with support from Atar Capital LLC (“Atar Capital”). The revenue associated with the divestment is around EUR 210 million, or approximately 80% of Kendrion’s Automotive revenue. The European Automotive Sound and Electronics business and China Automotive are excluded from the agreement and will remain with Kendrion. These activities will be integrated into Industrial Actuators and Controls (IAC).

**Joep van Beurden, Kendrion CEO:** *“Today’s announcement reflects an important strategic decision to put our focus exclusively on opportunities within our Industrial Brakes and Industrial Actuators and Controls business groups in Europe, China and the US. The transaction will strengthen our ability to invest in the significant opportunities in the Industrial sector fuelling further profitable growth. With Solero Technologies and support from Atar Capital, our Automotive business in Europe and the US will become part of a pure play Automotive company, fully dedicated to the sector in these regions. Kendrion’s remaining Automotive activities in electronics and China will be integrated into IAC. They will be managed in the same way as all other market segments in IAC, with strict parameters in terms of opportunity size and profitability. By focussing entirely on our Industrial opportunities, we believe we are in an even better position to play a pivotal role in driving the worldwide transition to electrification and sustainable energy.”*

As part of the strategic repositioning, Kendrion will focus its product development resources entirely on the industrial segments and China. The investments in product development for Automotive Sound will be discontinued. Following the sale of the Automotive business in Europe and the US, Kendrion will initiate a rightsizing of 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 8 million. The cost savings are expected to be fully effective as from 1 January 2025.

The EBITDA contribution associated with the divestiture was EUR 19 million in FY 2023. The net impact from the strategic repositioning is EUR 11 million, leading to a pro-forma normalized EBITDA of Kendrion for FY 2023 of EUR 42.1 million, instead of the reported underlying EBITDA for FY 2023

of EUR 53.1 million. Based on FY 2023 pro-forma figures the transaction is accretive for both the EBITDA margin and EPS.

Closing of the transaction is envisaged for Q3 2024, subject to customary conditions. The total expected one-off costs related to the transaction, the discontinuation of Sound product development and reduction in overhead, are expected to be EUR 8 million and will be largely incurred in H2 of 2024.

**Analysts' audio webcast**

Kendrion CEO Joep van Beurden and CFO Jeroen Hemmen will present the strategic and financial impact of the transaction and the repositioning to the analysts' community today in an audio webcast at 11.00 a.m. CEST. The audio webcast can be viewed on this [website](#). The recording will be available at 2.00 p.m. on [www.kendrion.com](http://www.kendrion.com).

**Capital Markets Day**

Kendrion will hold a Capital Markets Day for analysts, investors and shareholders on Thursday, 5 September 2024 in Amsterdam. More details and the invitation will follow in due course.

Amsterdam, 12 April 2024

The Executive Board

**For more information, please contact:**

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**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 safe and clean 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.

**About Solero Technologies LLC**

Solero Technologies is a leading global supplier of transmission solenoids, engine solenoids, stop-start accumulators, and hydraulic control modules with recent development and launches of active suspension and electrification components. The company is based in Michigan and Mississippi in the United States.

**About Atar Capital LLC**

Atar Capital is a global private investment firm that benefits from over 80 years of combined buy-out, investing, and asset management experience. The firm's principals have collectively completed 90 private equity transactions across 18 countries, worldwide. Atar Capital's combination of operational expertise, industry knowledge, and investment experience provides a unique edge in identifying and driving growth that makes a difference.