

K E N D R I O N N . V .
P R E S S R E L E A S E
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Kendrion increases profitability in HY1 2025; announces divestment of China to further focus on Industrial

- Revenue HY1 2025 increased by 3% to EUR 157.5 million (HY1 2024: EUR 152.8 million like-for-like)
- Q2 2025 normalized EBITDA up 20% to EUR 12.6 million (Q2 2024: EUR 10.5 million)
- HY1 2025 normalized EBITDA rose by 14% to EUR 23.4 million (HY1 2024: EUR 20.6 million)
- Q2 2025 normalized EBITDA margin of 15.9% compared with 13.5% a year ago
- HY1 2025 normalized EBITDA margin improved to 14.9% of revenue (HY1 2024: 13.5%), driven by expanding added-value margin and cost discipline
- Net debt reduced to EUR 97.3 million (HY1 2024: EUR 144.7 million); leverage ratio down to 2.4 (HY1 2024: 2.8)
- Normalized free cash flow improved to EUR 5.7 million (HY1 2024: EUR 0.0), supported by lower capex and working capital discipline
- Kendrion announces divestment of its China business, to complete repositioning as pure-play Industrial company

Key figures

Reported (in EUR million)	Q2 2025	Q2 2024	delta ³	HY1 2025	HY2 2024	delta ³
Revenue	79,4	77,7	2%	157,5	152,8	3%
EBITDA	12,3	8,2	50%	22,8	18,3	25%
EBITA	8,1	4,5	80%	14,7	10,7	37%
Net profit from continuing operations	4,5	1,0	350%	7,6	5,2	46%
Net profit from discontinued operations	(0,1)	0,5	NM	0,0	(1,0)	NM
Net profit	4,4	1,5	193%	7,6	4,2	81%
EBITDA as a % of revenue	15,5%	10,6%		14,5%	12,0%	
EBITA as a % of revenue	10,2%	5,8%		9,3%	7,0%	

Normalized (in EUR million) ¹	Q2 2025	Q2 2024	delta ³	HY1 2025	HY2 2024	delta ³
Revenue	79,4	77,7	2%	157,5	152,8	3%
EBITDA	12,6	10,5	20%	23,4	20,6	14%
EBITA	8,4	6,8	24%	15,3	13,0	18%
Net profit before amortization from continuing operations	5,1	3,3	55%	8,8	6,9	28%
Net profit before amortization from discontinued operations	-	0,4	NM	-	2,6	NM
Net profit before amortization	5,1	3,7	38%	8,8	9,5	-7%
EBITDA as a % of revenue	15,9%	13,5%		14,9%	13,5%	
EBITA as a % of revenue	10,6%	8,8%		9,7%	8,5%	
Return on invested capital ² (12 months rolling)				13,9%	12,9%	

¹ Results are normalized for costs and benefits outside the ordinary course of operations. A reconciliation from reported to normalized figures can be found in annex 5.

² Invested capital excluding intangibles arising from acquisitions. 2024 is including discontinued operations.

³ NM: not meaningful

Joep van Beurden, Kendrion CEO:

"I am pleased to report a strong Q2 and first half of 2025, despite the uncertain global economic circumstances. With a 3% increase in revenues and a significant improvement in our added-value margin to 52.6%, we have reached an EBITDA margin of 14.9% over the first half of 2025, significantly higher than in the same period of 2024. In Q2, we achieved an EBITDA margin of 15.9%, putting us firmly on track to reach our 15% EBITDA margin target from 2025 onward.

The improvement in profitability was realized through our drive to improve added-value, combined with strict cost discipline. Our Industrial Brakes business continued its gradual recovery, with added-value margin up 190 bps due to selective price increases and procurement initiatives. Industrial Actuators & Controls reported a decrease in revenues compared with a strong HY1 2024. Profitability remained healthy, with a 160 bps increase in added-value margin. The Mobility segment experienced robust growth in China and improved profitability, supported by price increases in Europe.

Today – in a separate press release - we have announced the divestment of our China business to our Suzhou-based management supported by a consortium of investors. In China, the main growth opportunity is in Automotive, which is no longer part of our strategic focus. The transaction allows us to concentrate fully on our two Industrial business groups while creating additional financial headroom for reinvestment in our Industrial activities. After completion of the transaction, we intend to issue a special dividend of EUR 1.00 per share and commence a share buyback programme of up to EUR 10 million.

With our strong HY1 performance, solid balance sheet, and clear focus on our Industrial segments, I am confident in our ability to deliver profitable growth in the coming years."

Progress on strategy

Kendrion is a global leader in innovative actuator solutions, dedicated to industrial markets with a strong focus on electrification, cleaner energy, and other high-potential niches. Our strategy prioritizes profitability over growth, concentrating on industrial market segments aligned with our goal of achieving at least 15% EBITDA from 2025 onwards.

To achieve this target, Kendrion will continue its efforts to significantly improve the added-value margin, combined with strict cost control through optimized operational expenses. Good progress has already been made in the first half of this year. The ongoing transition to a simpler, more cost-effective cloud-based Enterprise Resource Planning (ERP) system is expected to further streamline Kendrion's operations.

In Industrial Brakes (IB), we are capitalizing on the growing market for electromotors and electrified solutions in sectors such as intralogistics, robotics, and wind power. Industrial Actuators & Controls (IAC) encompasses a diverse range of products, including inductive heating systems, industrial locks, and beverage dispensing valves. Mobility is reported separately from the Industrial business.

Despite ongoing geopolitical uncertainties affecting the global economy, Kendrion remains optimistic about the long-term growth potential of its Industrial solutions. These solutions play a vital role in advancing global electrification and sustainable energy initiatives.

Agreement to sell China-based business

Today, in a separate press release, Kendrion announced that it has entered into an agreement to sell its China-based business in Suzhou to local management, supported by a consortium of investors. With this sale, Kendrion completes its strategic repositioning as a pure-play Industrial company. The transaction is expected to close within the next 3 months and implies an enterprise value of EUR 70 million on a cash and debt-free basis. After completion of the transaction, part of the proceeds will be returned to shareholders through a combination of a special dividend of EUR 1.00 per share and a share buyback programme of up to EUR 10 million. With this transaction, Kendrion will focus its product development resources entirely on industrial opportunities. More information can be found here: [link to press release](#).

Financial review**Revenue****Q2 2025**

In the second quarter of 2025, revenue totaled EUR 79.4 million, a 2% increase compared with EUR 77.7 million in Q2 2024. Currency translation reduced reported revenue by approximately 1%. Revenue in Industrial Brakes (IB) slightly increased to EUR 30.6 million (Q2 2024: EUR 30.2 million). Revenue in IAC declined by 3% to EUR 31.2 million (Q2 2024: EUR 32.2 million), mainly due to softness in specific market segments. Revenue in the Mobility segment increased by 15% to EUR 17.6 million (Q2 2024: EUR 15.3 million), primarily driven by the ramp-up of new projects in China.

HY1 2025

For the first half of 2025, revenue totaled EUR 157.5 million, a 3% increase compared with EUR 152.8 million from continued operations in HY1 2024. IB revenue increased by 4% to EUR 60.7 million (HY1 2024: EUR 58.4 million), reflecting a gradual market recovery. IAC revenue decreased by 6% to EUR 60.8 million (HY1 2024: EUR 64.5 million), compared to a strong HY1 2024. Mobility revenues increased to EUR 36.0 million, up 20% from HY1 2024 (EUR 29.9 million), fully driven by the ramp-up of mobility projects in China.

Results**Q2 2025**

Normalized operating result before depreciation and amortization (EBITDA) was EUR 12.6 million, representing 15.9% of revenue, compared with EUR 10.5 million (13.5%) in Q2 2024. Profitability improved primarily due to a higher added-value margin, which rose to 52.7% from 50.0% last year. The added-value increased in IAC, IB and Mobility.

Net operating costs were 4% higher, mainly due to wage inflation and the comparison base, as Q2 2024 had short-term work measures in place in IB. Increased operating expenses were almost entirely offset by higher other operating income. Depreciation was EUR 4.2 million (Q2 2024: EUR 3.7 million), resulting in a normalized EBITA of EUR 8.4 million (Q2 2024: EUR 6.8 million). A total of EUR 0.3 million (EUR 0.2 million net of tax) in operating costs was normalized from the second-quarter results related to restructuring charges.

HY1 2025

Normalized EBITDA for the first half of the year was EUR 23.4 million, or 14.9% of revenue, up from EUR 20.6 million (13.5% margin) in HY1 2024. This underscores the effectiveness of our pricing strategies, procurement initiatives, and cost discipline.

Depreciation charges were EUR 8.1 million in HY1 2025 (HY1 2024: EUR 7.6 million), resulting in a normalized EBITA of EUR 15.3 million, up 18% from EUR 13.0 in HY1 2024. Amortization charges on intangibles arising from acquisitions stood at EUR 1.1 million, compared with EUR 1.6 million in HY1 2024. Total finance charges were EUR 3.0 million in the first six months, slightly up from EUR 2.8 million from continued operations in HY1 2024 due to unfavorable currency results. Tax charges on normalized income were EUR 3.0 million (HY1 2024: EUR 2.9 million), leading to an effective tax rate of 27.3% (HY1 2024: 33.7%). Normalized net profit before amortization charges arising from acquisitions amounted to EUR 8.8 million, up 28% from EUR 6.9 million in HY1 2024 from continued operations.

A total of EUR 0.6 million costs (EUR 0.4 million net of tax) were normalized in HY1 2025, primarily related to restructuring charges.

Normalized EBITDA as a percentage of revenue in HY1 2025 would have been 15.4% on a pro forma basis, when excluding China, with the impact of dis-synergies expected to be fully offset.”

Financial position

At the end of Q2 2025, total net debt amounted to EUR 97.3 million, stable compared with Q1 2025, and well below the EUR 144.7 million at the end of HY1 2024. The leverage ratio further decreased to 2.4, down from 2.5 in the previous quarter and 2.8 at the end of HY1 2024, well below the covenant level of 3.25.

Free cash flow in HY1 improved strongly to EUR 9.5 million, compared with EUR 0.0 million in the first half of 2024. Normalized free cash flow, excluding the final Solero payment and restructuring costs, was EUR 5.7 million. The improvement was driven by lower capital expenditure and continued working capital discipline.

Number of employees

At the end of Q2 2025, Kendrion employed 1,575 FTEs, compared with 1,546 at the end of Q1 2025 and 1,609 at the end of FY 2024. The reduction during HY1 reflects organizational rightsizing following the Automotive divestment in 2024 and further alignment of overhead costs. At quarter-end, our workforce comprised 717 indirect employees and 858 direct employees, of which 92 were FTE temporary workers.

Outlook

Kendrion expects trading conditions in the second half of 2025 to remain broadly consistent with those seen in the first six months. Some European markets are likely to remain weak, demand in the US is expected to be stable, and Asia presents a mixed picture. Despite these uncertainties, the company is well-positioned to continue improving profitability, supported by its focused Industrial strategy and local-for-local supply chain structure.

In the short term, Kendrion will maintain its emphasis on improving added-value margins, strict cost discipline, and operational efficiency. Following the agreement to divest the China business, Kendrion will focus fully on IB and IAC. Part of the proceeds will be returned to shareholders, while the transaction will also allow Kendrion to further strengthen the balance sheet and reinvest in Industrial activities.

Looking further ahead, Kendrion is confident that its focus on industrial markets, strong niche positions, and alignment with long-term trends such as electrification, automation, and cleaner energy, will enable the company to deliver sustainable and profitable growth. The company remains confident in achieving its strategic financial targets, including an EBITDA margin of 15–18% from 2025 onward, a return on investment (ROI) of 23–27% by 2027, and annual dividend payments of at least 50% of normalized net profit starting in 2025.

Analysts' meeting and audio webcast

Concurrently with this announcement, Kendrion has announced the transaction to divest of its China business. CEO Joep van Beurden and CFO Jeroen Hemmen will present the HY1 2025 results and provide an update on the company's strategic and financial progress in an analysts' webcast at 11:00 a.m. CET today.

The webcast will also cover the announced divestment of Kendrion's China business and its implications for the company's strategic repositioning as a pure-play Industrial company. The live audio webcast can be followed via www.kendrion.com. A recording will be available from 2:00 p.m. CET onwards.

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 engineered precision parts for the world's leading innovators in industrial markets and selected mobility applications. As a leading technology pioneer, Kendrion invents, designs, and manufactures complex components and customized 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, our work drives progress worldwide.

Amsterdam, 27 August 2025

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

Annexes

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Annex 1 – Consolidated statement of comprehensive income*

(EUR million)	Q2 2025	Q2 2024	half year 2025	half year 2024	full year 2024
Revenue	79,4	77,7	157,5	152,8	301,5
Other income	0,9	0,0	2,3	0,1	1,7
Total revenue and other income	80,3	77,7	159,8	152,9	303,2
Changes in inventories of finished goods and work in progress	(0,1)	(0,3)	1,5	(1,3)	(2,0)
Raw materials and subcontracted work	38,0	39,9	75,0	77,4	151,6
Staff costs	24,1	23,5	48,2	47,1	94,3
Depreciation and amortization	4,7	4,5	9,2	9,2	19,1
Impairments of fixed assets	0,0	1,0	0,0	1,0	1,2
Other operating expenses	6,0	5,4	12,3	10,4	24,2
Result before net finance costs	7,6	3,7	13,6	9,1	14,8
Finance income	0,0	0,0	0,0	0,0	0,1
Finance expense	(1,5)	(1,5)	(3,0)	(2,8)	(6,1)
Share profit or loss of an associate	(0,1)	-	(0,2)	-	(0,1)
Profit before income tax	6,0	2,2	10,4	6,3	8,7
Income tax expense	(1,5)	(1,2)	(2,8)	(1,1)	(2,6)
Profit for the period continuing operations	4,5	1,0	7,6	5,2	6,1
(Loss)/profit after tax from discontinued operations	(0,1)	0,5	0,0	(1,0)	(10,6)
(Loss)/profit for the period	4,4	1,5	7,6	4,2	(4,5)
Other comprehensive income					
Remeasurements of defined benefit plans ¹			-	-	(0,8)
Foreign currency translation differences for foreign operations ²			(7,1)	1,3	(3,4)
Net change in fair value of cash flow hedges, net of income tax ²			(0,2)	(0,0)	(0,5)
Other comprehensive income for the period, net of income tax			(7,3)	1,3	(4,7)
Total comprehensive income for the period³			0,3	5,5	(9,2)
Basic earnings per share (EUR), based on weighted average	0,28	0,10	0,49	0,27	(0,29)
Diluted earnings per share (EUR), based on weighted average	0,28	0,10	0,48	0,27	(0,29)
Earnings per share for continuing operations					
Basic earnings per share (EUR), based on weighted average	0,29	0,07	0,49	0,34	0,39
Diluted earnings per share (EUR), based on weighted average	0,29	0,07	0,48	0,34	0,39

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 interests are not applicable.

* Not adjusted for non-recurring items

Annex 2 – Consolidated statement of financial position

(EUR million)	30 June 2025	30 June 2024	31 Dec. 2024
Assets			
Non-current assets			
Property, plant and equipment	87.7	96.3	96.0
Intangible assets	111.2	117.9	112.8
Other investments, including derivatives	3.3	0.2	3.9
Deferred tax assets	19.1	20.2	21.4
Total non-current assets	221.3	234.6	234.1
Current assets			
Inventories	53.8	59.1	58.5
Current tax assets	0.9	3.3	3.2
Trade and other receivables	55.3	48.7	58.6
Cash and cash equivalents	7.7	12.1	8.5
Assets classified as held for sale	1.9	100.0	1.9
Total current assets	119.6	223.2	130.7
Total assets	340.9	457.8	364.8
Equity and liabilities			
Equity			
Share capital	31.6	31.0	31.0
Share premium	36.5	37.1	37.1
Reserves	79.3	100.9	94.9
Retained earnings	7.6	4.2	(4.5)
Total equity	155.0	173.2	158.5
Liabilities			
Loans and borrowings	88.0	145.3	97.8
Employee benefits	6.8	6.1	7.1
Deferred tax liabilities	14.2	17.1	14.7
Provisions	0.8	0.6	0.9
Total non-current liabilities	109.8	169.1	120.5
Bank overdraft	6.3	8.4	1.7
Loans and borrowings	10.7	3.1	12.4
Provisions	0.7	0.3	5.2
Current tax liabilities	6.3	7.6	7.6
Contract liabilities	0.0	0.0	0.2
Trade and other payables	52.1	52.3	58.7
Liabilities classified as held for sale	-	43.8	-
Total current liabilities	76.1	115.5	85.8
Total liabilities	185.9	284.6	206.3
Total equity and liabilities	340.9	457.8	364.8

Annex 3 – Consolidated cash flow statement

(EUR million)	half year 2025	half year 2024	full year 2024
Cash flows from operating activities			
(Loss)/profit for the period	7,6	4,2	(4,5)
<i>Adjustments for:</i>			
Net finance costs	3,0	4,4	8,9
Share profit or loss of an associate	0,2	-	0,1
Result on sale of subsidiaries before tax, non-cash	(0,3)	-	(1,7)
Income tax expense	2,8	1,9	0,8
Depreciation of property, plant and equipment and software	8,1	9,9	18,2
Amortization of other intangible assets	1,1	1,6	3,2
Impairments of fixed assets	0,0	6,0	6,2
Share-based payments	0,0	(0,0)	(0,0)
	22,5	28,0	31,2
Change in trade and other receivables	(8,3)	(10,6)	(20,9)
Change in inventories	3,2	1,6	3,2
Change in trade and other payables	(4,2)	(1,2)	11,8
Change in provisions	(4,8)	(0,0)	5,0
Change in contract liabilities	(0,2)	(1,0)	(0,5)
	8,2	16,8	29,8
Interest paid	(2,6)	(4,4)	(8,4)
Interest received	0,0	0,1	0,3
Tax paid	(0,6)	(1,0)	(3,2)
Net cash flows from operating activities	5,0	11,5	18,5
Cash flows from investing activities			
Sale of subsidiaries, net of cash	8,6	-	52,5
Purchase of property, plant and equipment	(3,1)	(9,0)	(17,6)
Disposal of property, plant and equipment	0,6	0,2	0,2
Purchase of intangible fixed assets	(1,6)	(2,9)	(6,0)
Disposal of intangible fixed assets	-	0,0	0,2
(Dis)investments of other investments	0,0	0,2	(3,5)
Net cash from investing activities	4,5	(11,5)	25,8
Cash flows from financing activities			
Payment of lease liabilities	(1,3)	(1,6)	(3,0)
Repayment of borrowings	(29,3)	(4,0)	(51,7)
Proceeds from borrowings	20,0	-	7,7
Dividends paid	(3,9)	(4,2)	(4,2)
Net cash from financing activities	(14,5)	(9,8)	(51,2)
Change in cash and cash equivalents	(5,0)	(9,8)	(6,9)
Cash and cash equivalents as at 1 January	6,8	13,5	13,5
Effect of exchange rate fluctuations on cash held	(0,4)	0,0	0,2
Cash and cash equivalents as at 31 December	1,4	3,7	6,8

Annex 4 – Consolidated statement of changes in equity

(EUR million)	Share capital	Share premium	Translation reserve	Hedge reserve	Other reserves	Retained earnings	Total equity
Balance at 1 January 2024	30.6	37.3	4.6	0.3	89.3	9.9	172.0
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	4.2	4.2
Other comprehensive income							
Remeasurements of defined benefit plans	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	1.3	-	-	-	1.3
Net change in fair value of cash flow hedges, net of income tax	-	-	-	(0.0)	-	-	(0.0)
Other comprehensive income for the period, net of income tax	-	-	1.3	(0.0)	-	-	1.3
Total comprehensive income for the period	-	-	1.3	(0.0)	-	4.2	5.5
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	0.4	2.5	-	-	(0.2)	-	2.7
Share-based payment transactions	-	-	-	-	(0.2)	-	(0.2)
Dividends to equity holders	-	(2.7)	-	-	(4.1)	-	(6.8)
Appropriation of retained earnings	-	-	-	-	9.9	(9.9)	-
Balance at 30 June 2024	31.0	37.1	5.9	0.3	94.7	4.2	173.2

(EUR million)	Share capital	Share premium	Translation reserve	Hedge reserve	Other reserves	Retained earnings	Total equity
Balance at 1 January 2025	31.0	37.1	1.2	(0.2)	93.9	(4.5)	158.5
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	7.6	7.6
Other comprehensive income							
Remeasurements of defined benefit plans	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	(7.1)	-	-	-	(7.1)
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	-	-	(7.1)	(0.2)	-	-	(7.3)
Total comprehensive income for the period	-	-	(7.1)	(0.2)	-	7.6	0.3
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	0.6	2.5	-	-	(0.0)	-	3.1
Share-based payment transactions	-	-	-	-	0.1	-	0.1
Dividends to equity holders	-	(3.1)	-	-	(3.9)	-	(7.0)
Appropriation of retained earnings	-	-	-	-	(4.5)	4.5	-
Balance at 30 June 2025	31.6	36.5	(5.9)	(0.4)	85.6	7.6	155.0

Annex 5 – Reconciliation of non-IFRS financial measures

Revenue - Organic growth

EUR million	HY1 2025	HY1 2024
Reported revenue	157,5	152,8
Exclude: currency effects on total revenue	0,5	-
Revenues (excl. currency effects)	158,0	152,8
Organic growth	3,4%	

Added value

EUR million - unless stated otherwise	HY1 2025	HY1 2024
Reported total revenue and other income	159,8	152,9
less: Reported changes in inventories of finished goods and work in progress	(1,5)	1,3
less: Reported raw materials and subcontracted work	(75,0)	(77,4)
Reported added value	83,3	76,8
Reported added value margin %	52,6%	49,8%
Normalization of other costs and (benefits) outside the ordinary course of operations	(0,1)	0,9
Normalized added value	83,2	77,7
Normalized added value margin %	52,6%	50,4%

Normalized staff and other operating expenses

EUR million	HY1 2025	HY1 2024
Reported staff costs	48,2	47,1
Reported impairments of fixed assets	0,0	1,0
Reported other operating expenses	12,3	10,4
Reported staff, impairments of fixed assets and other operating expenses	60,5	58,5
Normalization of restructuring charges	(0,7)	(0,4)
Normalization of impairments other intangibles	-	(1,0)
Normalized staff, impairments of fixed assets and other operating expenses	59,8	57,1

Bridge from EBITDA to normalized net profit before amortization

EUR million - unless stated otherwise	HY1 2025	HY1 2024
Reported result before net finance costs	13,6	9,1
Reported depreciation and amortization	9,2	9,2
Reported operating result before depreciation & amortization (EBITDA)	22,8	18,3
less: Depreciation on PP&E and amortization on non-PPA related intangibles	(8,1)	(7,6)
Reported operating result before amortization (EBITA)	14,7	10,7
Normalization of costs and (benefits) related to:		
Restructuring measures - Industrial	0,5	0,4
Restructuring measures - Other	0,2	-
Impairments other intangibles - Other	-	1,0
Other costs and (benefits) outside the ordinary course of operations - Other	(0,1)	0,9
Total normalizations	0,6	2,3
Normalized EBITDA	23,4	20,6
Normalized EBITDA margin %	14,9%	13,5%
Normalized EBITA	15,3	13,0
Normalized EBITA margin %	9,7%	8,5%
Reported amortization on PPA related intangibles	(1,1)	(1,6)
Reported net finance costs	(3,0)	(2,8)
Reported share profit or loss of an associate	(0,2)	-
Normalized profit before income tax	11,0	8,6
Reported income tax expense	(2,8)	(1,1)
Normalization related to deferred income tax adjustment	-	(1,2)
Impact costs / (benefits) outside the ordinary course of operations on income tax expense	(0,2)	(0,6)
Amortization after tax	0,8	1,2
Normalized net profit before amortization from discontinued operations	-	2,6
Normalized net profit for the period before amortization	8,8	9,5

Net debt

EUR million	HY1 2025	HY1 2024
Total interest bearing loans	105,0	156,8
less: Cash and cash equivalents	(7,7)	(12,1)
Net debt	97,3	144,7

Free cash flow

EUR million	HY1 2025	HY1 2024
Net cash flow from operating activities	5,0	11,5
Net cash flow from investing activities	4,5	(11,5)
Free cash flow	9,5	(0,0)

Normalized effective tax rate

EUR million - unless stated otherwise	HY1 2025	HY1 2024
Reported income tax expense	(2,8)	(1,1)
Normalization related to deferred income tax adjustment	-	(1,2)
Impact costs / (benefits) outside the ordinary course of operations on income tax expense	(0,2)	(0,6)
Normalized income tax expense	(3,0)	(2,9)
Normalized profit before tax	11,0	8,6
Normalized effective tax rate %	27,3%	33,7%

- The quarterly results are not audited -

Annex 6 – Risks and risk management

The 2024 Annual Integrated Report of Kendrion N.V. describes the key risk categories and risk factors that could have an adverse impact on the business and financial performance. The risk factors described in Kendrion N.V.'s 2024 Annual Integrated Report on pages 31 to 37 are deemed to be included herein by reference.

Whereas completion of the sale of the China-based business in Suzhou is subject to customary conditions, there is a risk that the transaction may not be completed as envisaged, due to various factors such as regulatory impediments. Failure to complete the divestment or delays in completing the divestment could impact Kendrion's contemplated strategic repositioning. To mitigate this risk, Kendrion is closely monitoring regulatory requirements under the guidance of external advisors.

Additional risks not known to Kendrion, or currently believed not to be material, may occur, and later turn out to have a material impact on Kendrion's business, objectives, or capital resources.

Annex 7 – Notes to the consolidated interim financial statements**1. Reporting entity**

Kendrion N.V. is a public company organised under Dutch law. Its statutory seat and principal office are both located in Amsterdam, the Netherlands.

Kendrion N.V. and its consolidated subsidiaries design and manufacture actuators and control systems for a wide range of industrial applications, including wind energy, robotics, medical devices, factory automation, energy distribution and industrial heating processes.

The consolidated interim financial statements as of and for the six-month period ended 30 June 2025 include the results of Kendrion N.V., its subsidiaries (collectively referred to as the “Group”) and the Group’s interests in associates and jointly controlled entities. The consolidated interim financial statements are unaudited.

2. Declaration of conformity

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IAS 34, Interim Financial Reporting, and should be read in conjunction with the annual consolidated financial statements as of and for the year ended 31 December 2024, which are available from Kendrion N.V.’s registered office at Herikerbergweg 213, 1101 CN Amsterdam, or at www.kendrion.com.

The consolidated interim financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as of and for the year ended 31 December 2024.

The consolidated interim financial statements were authorized for issue by the Executive Board and the Supervisory Board on 26 August 2025.

3. Significant accounting policies

The accounting policies applied in the consolidated interim financial statements are the same as those applied in the Group’s consolidated financial statements as of and for the year ended 31 December 2024. To the extent amendments to International Financial Reporting Standards and interpretations have become effective for annual periods beginning on or after 1 January 2025 these do not have a material impact on the Group’s financial performance in the first six months of 2025 and the financial position as of 30 June 2025.

4. Accounting estimates

The preparation of the consolidated interim financial statements requires the Executive Board to make judgements, estimates, and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, income, and expenditures as well as the information disclosed. Actual results may differ from these estimates. The Group has applied best judgment to make reasonable estimates.

Unless otherwise specified herein in the preparation of the consolidated interim financial statements, important opinions formed by management in applying the Group’s accounting policies, and the main sources of estimation used are equal to the opinions and sources used in preparing the annual consolidated financial statements as of and for the year ended 31 December 2024.

5. Financial risk management

The Group's objectives and policy relating to financial risk management are identical to the objectives and policy disclosed in the annual consolidated financial statements as of and for the year ended 31 December 2024.

6. Segment reporting

Based on the structure of the Kendrion Group and the criteria of IFRS 8 Operating segments, Kendrion has concluded that the two reportable segments are Industrial and Other business.

(x EUR 1 million unless otherwise stated)	Industrial		Other business		Consolidated	
	HY1 2025	HY1 2024	HY1 2025	HY1 2024	HY1 2025	HY1 2024
Revenue from transactions with third parties	121.5	122.9	36.0	29.9	157.5	152.8
Inter-segment revenue	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	17.8	17.8	5.0	0.5	22.8	18.3
EBITDA as a % of revenue	14.6%	14.5%	13.9%	1.5%	14.5%	12.0%
Normalized EBITDA ¹	18.3	18.2	5.1	2.4	23.4	20.6
Normalized EBITDA as a % of revenue ¹	15.0%	14.8%	14.2%	7.9%	14.9%	13.5%
Reportable segment assets ²	275.7	293.6	65.2	64.2	340.9	357.8
Reportable segment employees (FTE) ²	1,276	1,300	299	314	1,575	1,614

¹ Normalized for costs and benefits outside the ordinary course of operations. The bridge from reported to normalized figures can be found in annex 5.

² Other business HY1 2024 assets exclude assets held for sale of EUR 100.0 mln and of 913 FTE, and assets were restated to reflect management's assessment of the assets attributable to each reportable segment following the Automotive divestment.

7. Seasonality

Kendrion is not significantly affected by seasonal trends. However, there are fewer working days in the second half of the year due to the summer holiday periods in the third quarter and the bank holidays in December.

8. Changes in the Group

There were no changes in the Group as of 30 June 2025 compared to 31 December 2024.

9. Main currencies

The table below shows the main exchange rates during the first half of 2025:

Value of EUR	At 30 June 2025	At 31 December 2024	Average over HY1 2025
Pound sterling	0.8555	0.8292	0.8392
Czech koruna	24.7457	25.1851	24.9888
Chinese yuan	8.3970	7.5833	7.8945
US dollar	1.1720	1.0389	1.0896
Romanian lei	5.0785	4.9743	5.0029
Swedish krona	11.1465	11.4590	11.1323
Indian rupee	100.5632	88.9363	93.5541

10. Property, plant, and equipment

Capital commitments

As of 30 June 2025, the Group had agreements outstanding for the acquisition of property, plant and equipment in the amount of EUR 2.0 million (versus EUR 5.6 million as of 30 June 2024).

11. Impairment

During the first half of 2024, as in previous periods, Kendrion assessed whether there were indications for impairments adjusting goodwill or other key assets. No impairments have been recorded.

12. Deferred tax assets

As of 30 June 2025, deferred tax assets amounted to EUR 19.1 million, of which a total of EUR 12.8 million relates to the valuation of tax losses carried forward and can be specified as follows:

Germany	EUR 6.7 million
United States of America	EUR 1.2 million
China	EUR 4.8 million

13. Assets held for sale and discontinued operations

In October 2024, the sale of automotive activities in Europe and USA to Solero Technologies has been finalized. Per 30 June 2024 the assets and liabilities relating to these activities have been presented as held for sale. The results from discontinued operations include the outcome from discontinuing the R&D activities of the Automotive sound business. These R&D activities were not sold to Solero but were part of a single, coordinated strategic plan to focus on industrial activities and China.

14. Equity

The table below shows the number of outstanding shares as of 30 June 2025.

	Shares entitled to dividend	Total number of issued shares
At 1 January 2025	15,500,057	15,500,057
Issued shares (share dividend)	300,467	300,467
Issued registered shares (share plan)	4,868	4,868
At 30 June 2025	15,805,392	15,805,392

15. Loans and borrowings

As of 30 June 2025, the Group had the following credit lines available:

- EUR 75 million revolving Credit Facility with a syndicate of two banks, consisting of HSBC and ING Bank. The Credit Facility is committed until April 2027
- EUR 52.5 million Schuldschein private placement loan, which matures in April 2027
- EUR 7.2 million in leases for various buildings, equipment, and vehicles
- EUR 12.8 million other loans, with maturities between 2025 and 2026
- EUR 5.5 million mortgage loan for the premises of the Suzhou facilities in China, maturing in 2030

As of 30 June 2025, the total unutilised amount of the facilities was approximately EUR 48 million.

Security provided

The Group has provided a mortgage on its premises in Suzhou, China, for a EUR 5.5 million loan. No security is provided in relation to the EUR 75 million revolving credit facility and the EUR 52.5 million Schuldschein loans.

16. Taxes

The tax expense for the first six months for continuing operations was EUR 2.8 million, equivalent to a 27.1% effective tax rate.

17. Financial instruments

As of 30 June 2025, the aggregate fair value of the outstanding interest rate swaps and forward exchange contracts in the balance sheet is a EUR 0.5 million liability (31 December 2024: EUR 0.3 million liability).

There have been no material changes since the end of 2024 in terms of sensitivity to market risks (i.e., currency, interest rates, and prices).

18. Commitments, contingent assets, and contingent liabilities

There have been no material changes since the end of 2024 regarding the contingent liabilities as per note 20 of the Annual Integrated Report for the financial year 2024.

19. Related parties

For the definition of "related parties," please refer to note 27 of the Group's Annual Integrated Report for the financial year 2024. No new significant related party transactions have occurred during HY1 2025.

Annex 8 – Financial calendar 2025 - 2026**2025**

Publication of Q3 2025 results

Tuesday, 11 November 2025 07.30 a.m.

Analysts' call

Tuesday, 11 November 2025 11.00 a.m.

2026

Publication Q4 and FY 2025 results

Friday, 27 February 2026 07.30 a.m.

Analysts' meeting

Friday, 27 February 2026 11.00 a.m.

General Meeting of Shareholders

Monday, 13 April 2026 02.00 p.m.

Publication Q1 2026 results

Tuesday, 12 May 2026 07.30 a.m.

Analysts' call

Tuesday, 12 May 2026 11.00 a.m.

Publication Q2 and HY1 2026 results

Wednesday, 26 August 2026 07.30 a.m.

Analysts' meeting

Wednesday, 26 August 2026 11.00 a.m.

Publication Q3 2026 results

Tuesday, 10 November 2026 07.30 a.m.

Analysts' call

Tuesday, 10 November 2026 11.00 a.m.