



TKH to divest connectivity activities in France

TKH to acquire minority stake of 40%

TKH Group NV (“TKH”) announces that private equity group Argos Wityu SAS has provided its commitment to acquire 100% of the shares of TKH France SAS (“TKH France”), through a newly created company SCS Wityu Holding SAS (“SCS Wityu”). TKH France distributes connectivity solutions for the building & construction industry mainly in France and contains the entities CAE Data SAS and ID Cables SAS. The turnover of TKH France totaled € 129.3 million in 2022 with an EBITA of € 19.6 million and 186 FTEs. The divestment of TKH France fits within TKH’s strategy of focusing on proprietary smart technologies.

The transaction is expected to close in Q3 2023, subject to the customary employee information and consultation procedures in France as well as necessary regulatory antitrust filings.

TKH France will be divested for an Enterprise Value of € 118 million. Under the terms of the agreement, TKH will invest € 26.5 million in SCS Wityu to acquire a minority stake of 40%. SCS Wityu will be controlled by Argos Wityu SAS, with key management of TKH France also participating. Upon closing, TKH is expecting a one-off net profit contribution of about € 20 million.

Alexander van der Lof, CEO of TKH Group commented: “With the announcement of this intended substantial divestment a next milestone in the roll out of our Accelerate 2025 strategy is reached. The value creation potential with a buy and build strategy for this activity can best be realized outside the TKH Group and we firmly believe that private equity group Argos Wityu will bring the right experience and necessary focus to grow these activities into the next stage. For TKH, this divestment allows us to put further strategic focus on our differentiating and innovative power in smart technologies to drive added value at higher levels. By reinvesting part of the proceeds for a 40% share, TKH has the opportunity to further benefit from the value creation potential in the near future. TKH will continue to be active in France within Smart Connectivity systems with fibre optic network solutions under the brand TKF Telecom.”

Thomas Ribéreau, Partner at Argos Wityu commented: “Argos Wityu is proud to have been chosen by TKH Group to further develop this very successful French connectivity solutions company. We are pleased that TKH Group will remain invested in the operations. We will strive to preserve the group’s DNA, developing its market-leader identity and the value-add brought to its customers through its strong offer of products and services, and to structure its growth.”

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Financial calendar

August 15, 2023 Publication Interim Results 2023

November 14, 2023 Trading Update Q3 2023

About TKH

TKH Group NV (TKH) is a leading technology company. We specialize in the development of innovative, client-centric systems that drive success in automation, digitalization, and electrification.

By integrating hardware, software, and customer-focused insight, our smart technologies provide unique answers to client challenges. In doing so, we work to make the world better by creating ever more efficient and more sustainable systems.

Our more than 6,600 employees pursue sustainable growth in a culture of entrepreneurship, working closely with customers to create one-stop-shop, plug-and-play innovations for Smart Vision, Smart Manufacturing, and Smart Connectivity technology.

Listed on Euronext Amsterdam (TICKER: TWEKA), we operate globally and focus our growth across Europe, North America, and Asia.

For further information, please visit www.tkhgroup.com.

About Argos Wityu

One firm, two strategies. Argos Wityu is an independent European private-equity group that supports the growth of mid-sized business and back their management teams.

With more than € 1.4bn assets under management, over 30 years of experience and more than 90 businesses assisted, Argos Wityu operates from offices in Brussels, Frankfurt, Geneva, Luxembourg, Milan, and Paris. The group seeks to acquire majority stakes and invests between € 10m and € 100m in each investment of its two strategies:

- The Mid-Market fund helps companies implement ownership transitions to accelerate growth;
- The Climate Action fund aims at shaping European sustainable leaders by making their 'grey-to-green' transition.

For further information, please visit <https://argos.wityu.fund>.

Disclaimer

Statements included in this press release that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "will", "should", "expect", "could", "intend", "plan", "anticipate", "estimate", "believe", "continue", "predict", "potential" or the negative of such terms and other comparable terminology.

The forward-looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements.