



KENDRION TO FOCUS ENTIRELY ON INDUSTRIAL

Sells Automotive business in Europe and US

Amsterdam, 12 April 2024

KENDRION TO BECOME PURE PLAY INDUSTRIAL FRANCHISE

1. Strategic rationale
2. Focus on Industrial and China:
 - Solero Technologies LLC and affiliates to purchase Kendrion's European and US Automotive business
 - Remaining Automotive business
3. Divestment economics
4. Kendrion organization post close
5. Q&A

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this presentation constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the Company's share of new and existing markets, general industry and macro-economic trends and the Company's performance relative thereto and statements preceded by, followed by or including the words "believes", "expects", "anticipates", "will", "may", "could", "should", "intends", "estimate", "plan", "goal", "target", "aim" or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside the Company's control that could cause actual results to differ materially from such statements.

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STRATEGIC RATIONALE

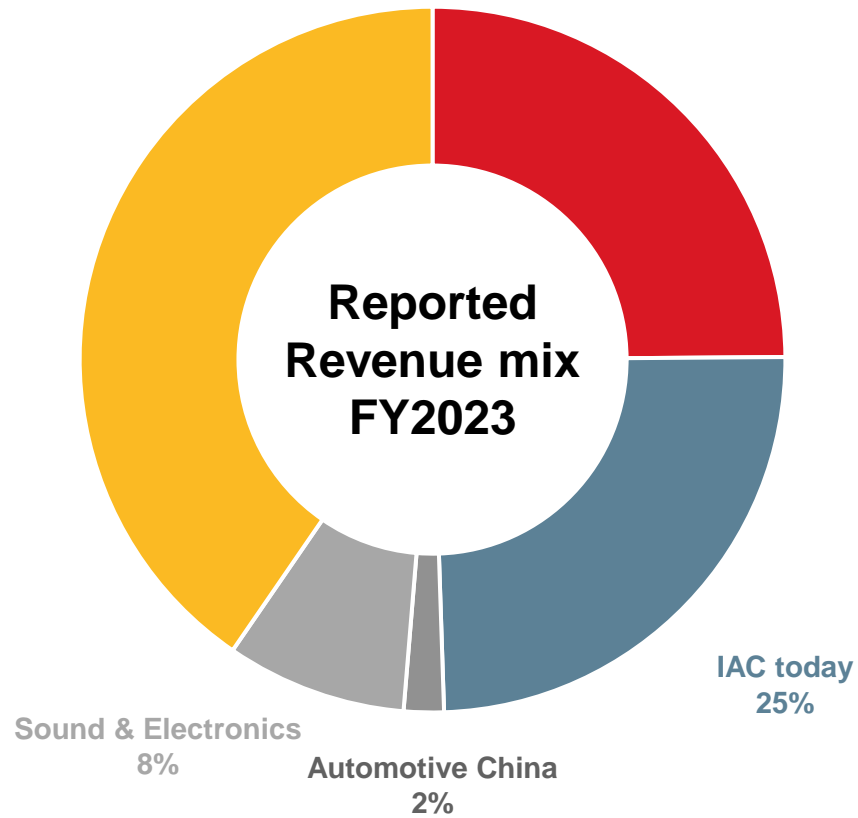
- Automotive industry requires substantial investments in R&D and capex, while offering lower margins compared to industrial markets
- Limited growth available in US and Europe for an Automotive Tier 1-2 of Kendrion's scale
- Industrial focus allows resource re-allocation to IB, IAC and China that have more attractive profit and growth profiles
- Pro-forma EBITDA margin profile of the group to improve materially
- Allows further deleveraging of balance sheet

INDICATIVE REVENUE MIX IMPACT

Kendrion pre-transaction

Automotive divested:
40%

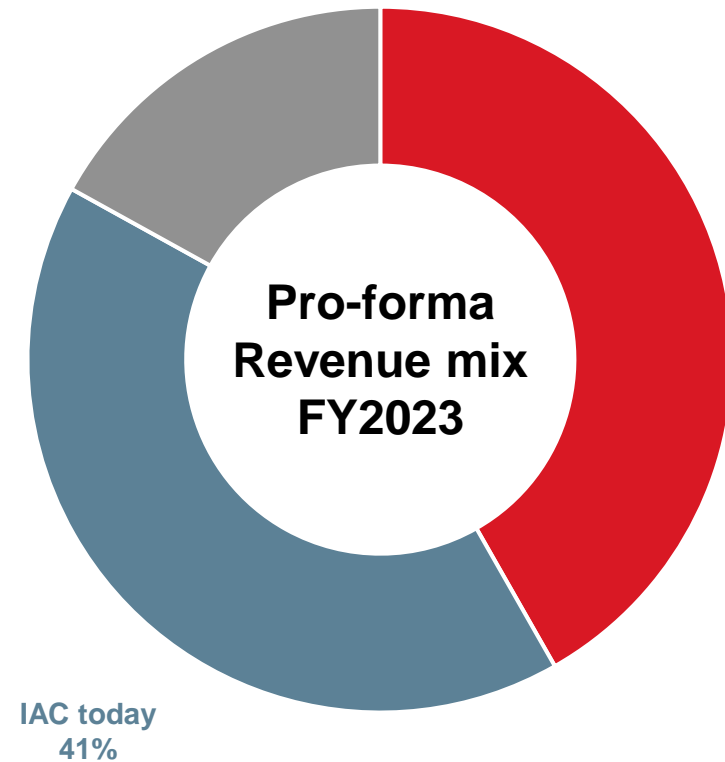
IB
25%



Kendrion post-transaction

IAC addition
17%

IB
42%



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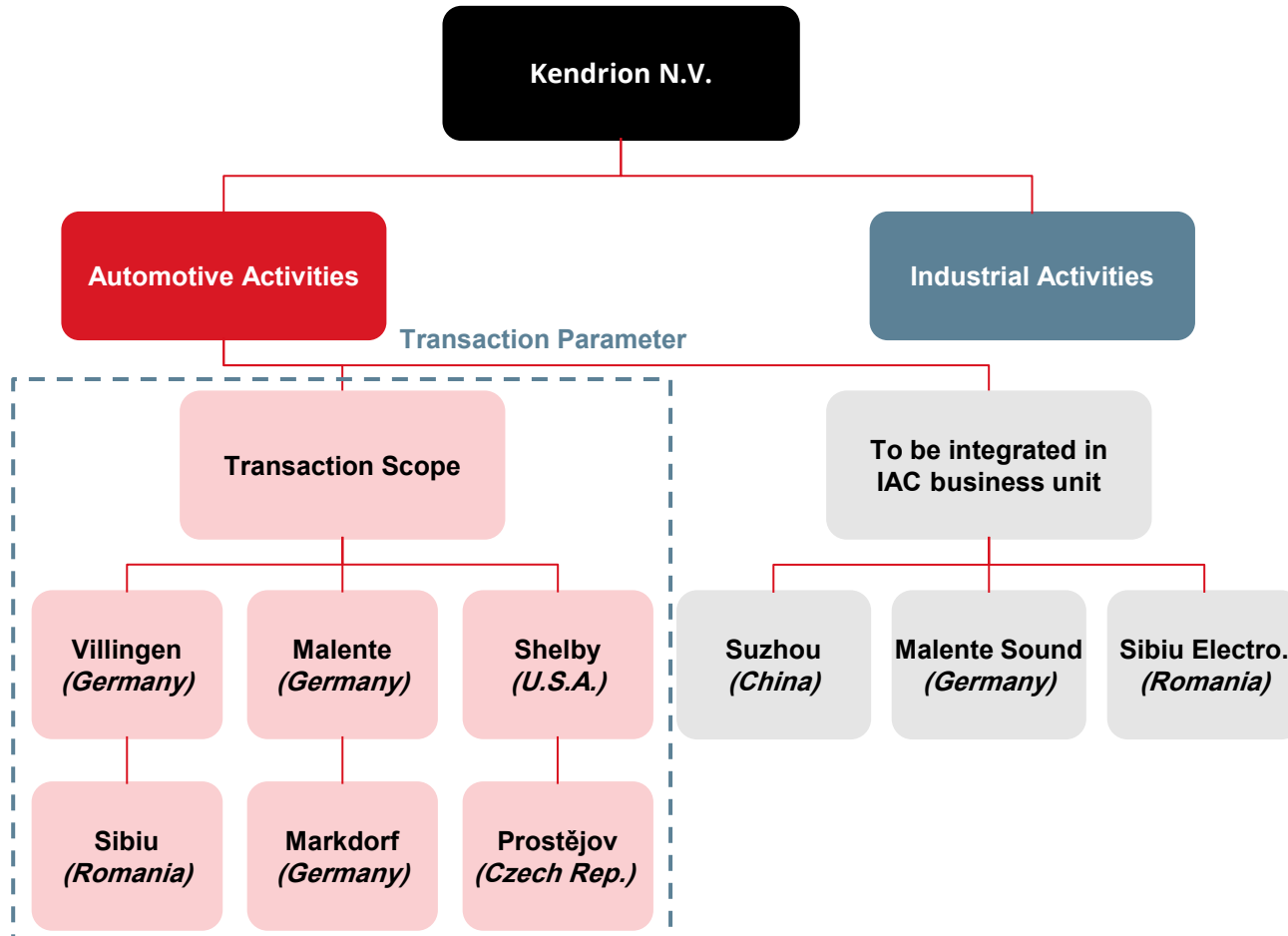
SOLERO TECHNOLOGIES LLC TO PURCHASE KENDRION'S AUTOMOTIVE BUSINESS

Key terms

- Enterprise Value of EUR 65.0 million, fully in cash
- Activities to be merged with Solero, a tier 1-2 existing portfolio company of Atar
- Cash generation until closing will be for the benefit of Kendrion
- Closing subject to customary conditions and expected in Q3 2024

SCOPE OF SALE

Sale of all electromechanical Automotive activities in Europe and US



- Sale of divested Automotive includes ~80% of Automotive Group revenue (85% of Core and 67% of E), a total of EUR ~210 M
- Not in scope of transaction is Suspension China (~ EUR 10 M revenue), Sound and Electronics (~EUR 42 M revenue). These activities will be integrated in the existing Industrial Actuators and Controls business
- Solero Technologies grants Kendrion Suzhou a perpetual royalty free license fee for IP to support existing Automotive activities and commitments




ACTIVITIES INCLUDED IN THE TRANSACTION

	Prostějov	Shelby	Markdorf	Malente	Villingen	Sibiu	Total
Facility overview							
Facility ownership	Ownership will transfer	Ownership will transfer	Ownership will transfer	Kendrion owned	Kendrion owned	Lease will transfer	
Production space (m²)	5,243m ²	15,000m ²	4,180m ²	4,800m ²	6,700m ²	1,670m ²	37,593 m ²
FTE (direct/indirect)	154 / 35	95 / 44	31 / 51	56 / 34	58 / 103	160 / 40	554 / 307

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REMAINING ACTIVITIES TO BE INTEGRATED IN IAC (1)

	Automotive China	Electronics	Sound
Revenue (2023)	EUR 9.5 M	EUR 22.3 M	EUR 20.0 M
Existing contracts	Fully honoured	Fully honoured	Fully honoured
Future R&D investments	Continued investment with industrial-level profitability targets	No new investments	No new investments
R&D cost reduction	None	None	~EUR 7.0 M as per Jan-25
One-off cost	None	None	~ EUR 4.5 M as per H2-24
Business outlook	Growth 	Flat 	Flat 

REMAINING ACTIVITIES TO BE INTEGRATED IN IAC (2)

Actuators/solenoids

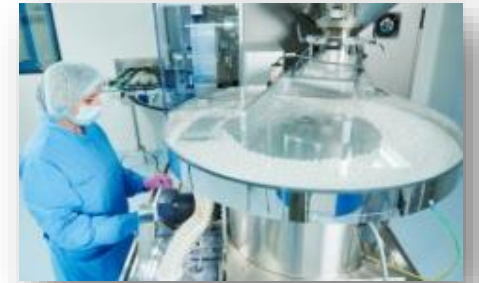
- Locks and solenoids, mainly for medical devices and appliances
- Locking solutions - frontrunner in electrification of warehouse and machinery automation
- Actuators for circuit breakers and fire protection
- *Automotive Sound actuators*

Controls

- FIO controllers addressing functional safety
- Inductive heating
- 3T - growth rate above 15%, new office in Drachten opened
- *Automotive control units*
- *Automotive Sound*

Valves and fluid control

- Fluid control valves for beverage makers
- Anesthesia and ventilation valves
- Dialysis and dental equipment
- *China based Suspension Valves*



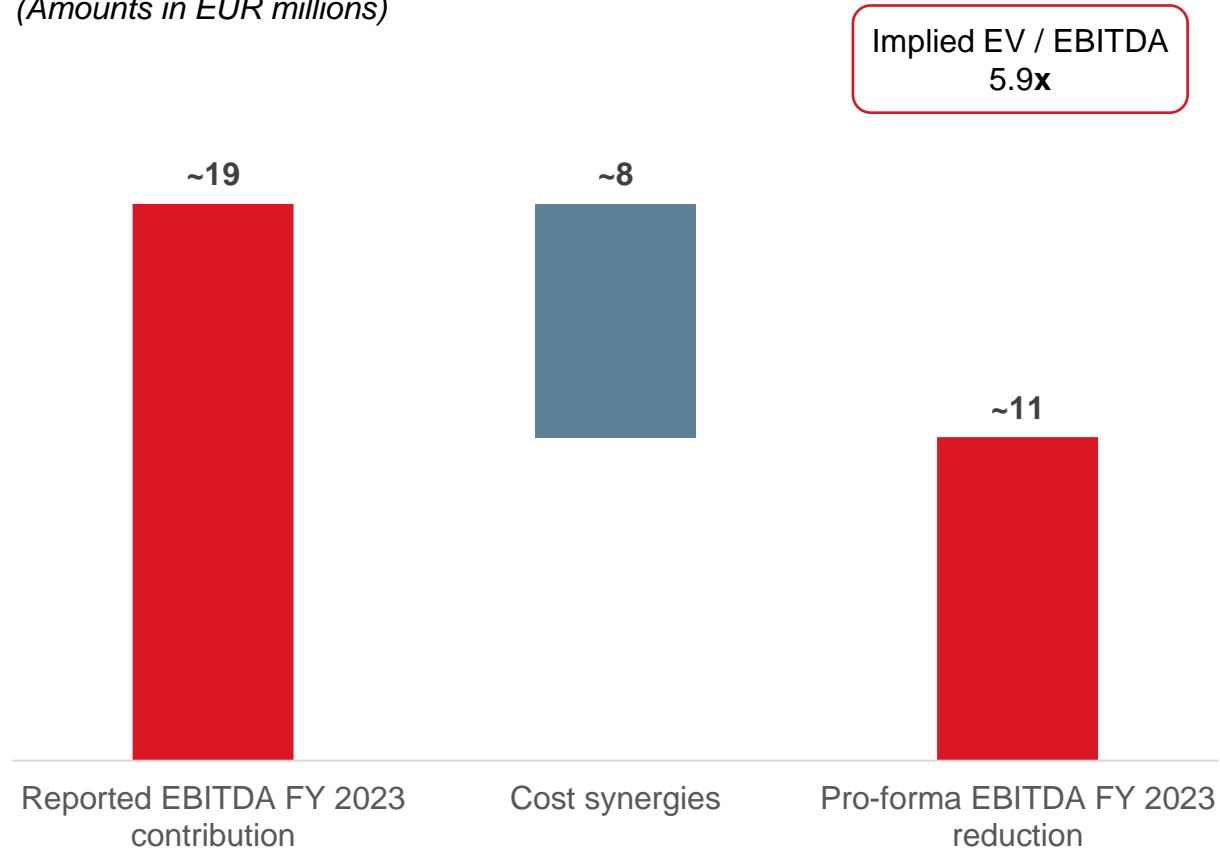
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TRANSACTION WILL LOWER KENDRION'S EBITDA BY EUR ~11M

Indicative EBITDA impact based on FY 2023

(Amounts in EUR millions)



- Transaction values the sold Automotive activities at an Enterprise Value of EUR 65M
- The assets included in the transaction scope have a combined reported EBITDA FY 2023 contribution of EUR 19 M
- Anticipated cost savings related to the transaction amount to EUR 8.0 M, resulting in a pro-forma EBITDA reduction for Kendrion of EUR 11.0 M based on FY 2023 figures
- Implied EV/EBITDA multiple of 5.9x on effective loss of EBITDA

SIGNIFICANT IMPROVEMENT OF FINANCIAL PROFILE

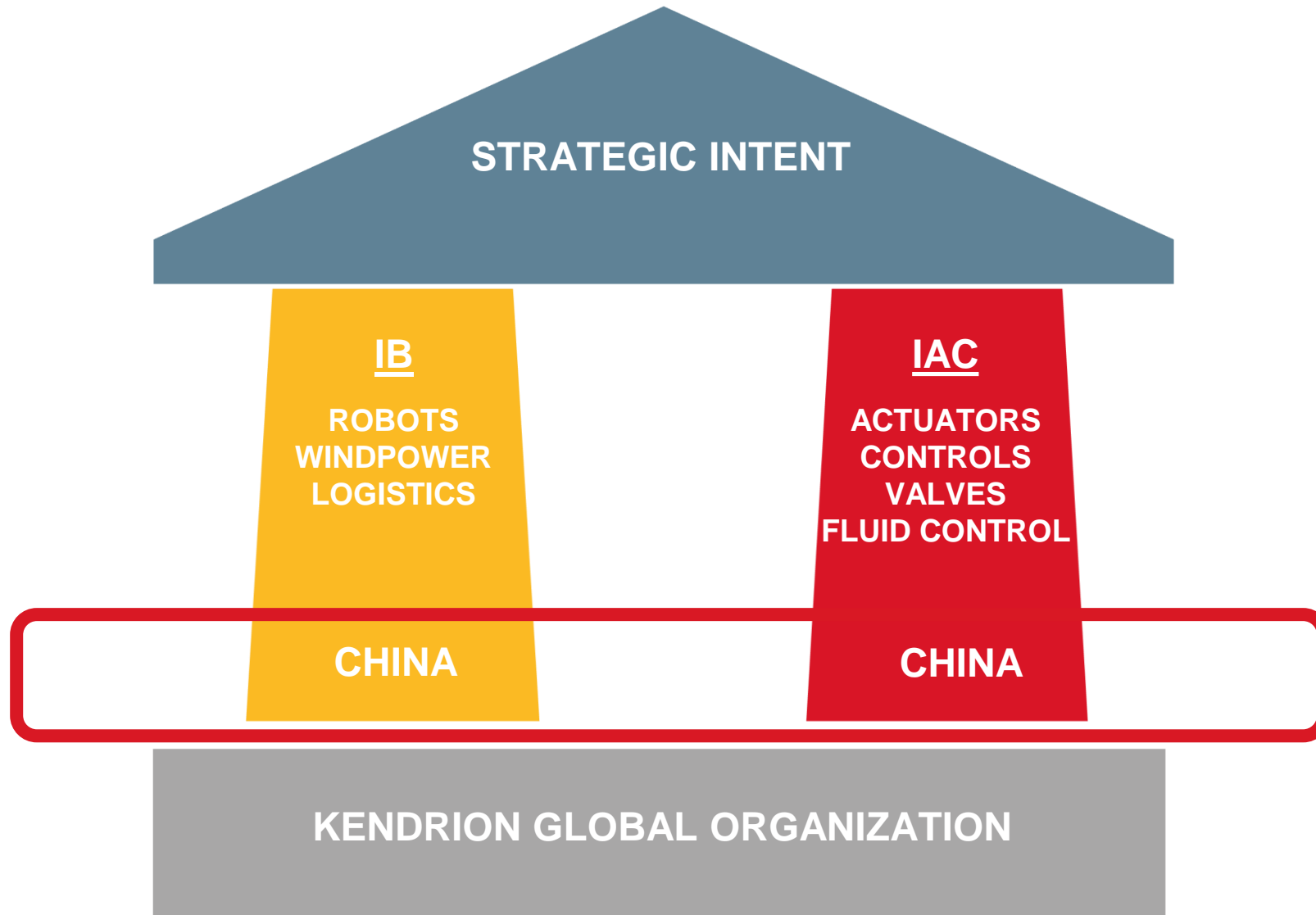
Key financials Kendrion		
Metric (EUR M)	FY 2023 Reported	FY 2023 Pro-forma
Revenue	518.5	~309.0
Normalised EBITDA	53.1	~42.1
Normalised EBITDA margin	10.2%	~13.6%
Normalised net profit before amortization	13.9	~14.9
Net debt / EBITDA	2.7x	~2.2x

- The transaction will structurally improve Kendrion's margin profile
- Overhead resources to be aligned with remaining activities. Together with the discontinuation of Sound product development, this is expected to yield annual cost savings of around EUR 8 million
- One-off transaction and restructuring costs of c. EUR 8M, largely incurred in H2 2024
- Cost savings to be fully effective per 1 January 2025
- Based on FY 2023 pro-forma figures the transaction is accretive for both the EBITDA margin and EPS

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KENDRION STRATEGIC HOUSE





5. Q&A

KENDRION



PRECISION. SAFETY. MOTION.