

Press Release
TKH Group N.V. (TKH)

Strategic transformation TKH leads to stronger value creation: medium term targets increased

- **Return on Sales (ROS) of at least 15%**
- **Return on Capital Employed (ROCE) of 22 – 25%**
- **Increase of turnover targets for three vertical growth markets**
- **Introduction of “simplify and accelerate” program**
- **Divestment program extended to reach € 300 - € 350 million in turnover**

Today at its Capital Markets Day, TKH Group NV (‘TKH’) will provide an update on its strategy and targets. Progress made in the strategic transformation to high-end technologies within the TKH Group, as well as the further increased stake in the vertical growth markets will contribute strongly to a higher ROS and ROCE in the coming years.

TKH introduces a “simplify and accelerate” program to support a more focussed value creation. Within this program, TKH will intensify the divestment of activities that have, due to their nature, margins below the TKH Group’s average and limited organic growth potential. The current plan to divest activities with a turnover of up to € 75 million, will be increased to a total turnover level of € 300 to € 350 million. This divestment program will also support a simplification in our reporting structure. Further disclosure will be communicated in the course of the coming period as part of the execution of the program. The divestment program will have a positive effect on the ROS as well as on the organic growth rate of TKH.

The “simplify and accelerate” program will further address the integration of companies with a close coherence of activities. TKH has reached a scale in which more positive effects can be achieved through integration instead of coordination. The economies of scale that can be reached will have a further positive effect on the ROS. It will also bring the opportunity to further strengthen TKH in key areas such as R&D, sales and marketing.

The execution of the plans in the vertical growth markets leads to further growth of these verticals. TKH intends to invest the proceeds from the divestment program in the vertical growth markets, through which TKH will follow a focussed ‘buy-and-build’ strategy in areas with the highest growth potential. This leads to an increased growth potential and an increase of the bandwidth target for turnover in the verticals Parking, Tunnel & Infra and Marine & Offshore to € 150 - € 200 million per vertical. The above-average margins in the vertical growth markets, in combination with the high organic turnover ratio, will further accelerate the increase of the ROS.

As a result of all the actions described above, TKH raises its ROS target for the medium term from the current bandwidth of 12-13% to at least 15% and the ROCE from a bandwidth of 21-23% to 22-25%.



Haaksbergen, 12 June 2019

Executive Board

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The presentations of today's Capital Markets Day can be found on the website (as from the start of the presentation at 11:30 CET). The live webcast will start at 11:30 CET and can be accessed via the website of TKH (www.tkhgroup.com).

Financial calendar

13 August 2019	Publication interim results 2019
6 March 2020	Publication FY results 2019
7 May 2020	General Meeting of Shareholders
11 August 2020	Publication interim results 2020

Profile

Technology firm TKH Group NV (TKH) is focused on high-end innovative technologies in high growth markets within three business segments: Telecom, Building and Industrial Solutions.

Through a combination of technologies, TKH offers superior solutions that support to increase the efficiency, safety and security of its customers. The technologies are offered together with software to create smart technologies and one-stop-shop solutions with plug-and-play integrated technologies.

TKH operates on a global scale. Its growth is concentrated in Europe, North America and Asia. Employing 6,533 people, TKH achieved a turnover of € 1.6 billion in 2018.