

Press Release
TKH Group N.V. (TKH)

TKH divests majority of industrial connectivity activities

TKH Group NV ('TKH') announces that it has reached agreement with Dutch private equity company TorqX Capital Partners ('TorqX') about the creation of a NewCo that will take over the shares of a major part of the TKH industrial connectivity activities. The turnover of these activities totalled € 183.7 million in 2018 with an EBITA of € 15.4 million and 606 FTE.

The activities will be divested for an Enterprise Value of € 113 million, whereas TKH will invest in NewCo for € 17 million to acquire a minority stake of 44%. NewCo will be controlled by TorqX and key management from the operating companies will also participate.

The main operating companies that will be acquired by NewCo are located in the Netherlands, Germany, Italy and Poland and consist of Jobarco BV, Pantaflex BV and Capable BV (the Netherlands), TKD Kabel GmbH and Schrade Kabel & Elektrotechnik GmbH (Germany), TKH Kabeltechnik Sp. z.o.o. (Poland) and KC Industrie Srl (Italy). NewCo will be named Cable Connectivity Group.

The transaction is expected to be closed in the third quarter of 2019 and will result in a one off net profit contribution of at least € 30 million. The divestment is part of the on June 12th, 2019 announced "Simplify and Accelerate" program in which TKH announced, among others, it would intensify the divestment of certain activities to support a more focused value creation. With this strategic move, an important first step has been taken.

With this strategic move the remaining activities in the TKH sub-segment industrial connectivity will be integrated in the sub-segment manufacturing systems.

Alexander van der Lof, CEO of technology company TKH: *"With TorqX, we have found a solid party for the operating companies concerned, including their staff, suppliers and customers, which will guarantee continuity and at the same time offers opportunities for further growth and improvement of the profitability of the industrial connectivity activities. Together, we will ensure a quick and smooth transition, as we will stay involved as minority shareholder and business partner."*

Harmen Geerts, Managing Partner of TorqX: *"We are delighted to announce this transaction with TKH where we will take the driving seat to develop the newly formed Cable Connectivity Group in a coherent group of businesses active in the production, distribution and assembly of cable connectivity solutions, while TKH will remain involved as a minority shareholder. We see good opportunities to realize commercial synergies between the operating companies and to accelerate sales of the group. We will actively support the business in its further development and the realization of its full potential."*

Haaksbergen, 16 July 2019

Executive Board

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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 TKH Group NV

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.

Profile Torqx

Torqx invests in medium-sized companies with significant value creation potential. Situations include growth-, buy-and-build-, performance improvement-, turnaround- and transformational investments across a range of industries including manufacturing, distribution and services. Torqx acquires majority positions based on a partnership with co-shareholders and management teams, offering the companies smart capital, network, expertise and talent to support implementation of their plans and achieve their full potential. The Torqx team consists of 12 highly experienced and skilled professionals who look beyond spreadsheets and understand what it takes to build businesses and increase momentum. Torqx currently invests out of a € 150 million fund backed by reputable international institutional investors and the Torqx team itself.