



Press release

TKH Group N.V. (TKH)

Trading update Q1 2018

Highlights

- Organic turnover growth of 10.8% – impact of raw materials prices, exchange rates and acquisitions -0.3%; overall turnover increase of 10.5%.
- Organic turnover growth Telecom Solutions 12.9%, Building Solutions 9.4% and Industrial Solutions 11.6% – mainly driven by contribution vertical growth markets.
- Increase EBITA with 15.5% at € 45.9 million – increase in all segments.

Key figures (in € million unless stated otherwise)

	Q1 2018	Q1 2017 ¹⁾	Change in %
Turnover	398.0	360.1	+ 10.5
EBITA	45.9	39.7	+ 15.5
Net profit before amortization and one-off income and expenses attributable to shareholders ²⁾	29.9	25.1	+ 18.9
ROS	11.5%	11.0%	

¹⁾ The comparable figures for 2017 have been restated as a result of the retrospective application of IFRS 15 'Revenue from contracts with customers'. As a result, turnover increased € 0.4 million and net profit increased € 0.3 million.

²⁾ Amortization of intangible assets related to acquisitions (after taxes).

Alexander van der Lof, CEO of technology company TKH: *"TKH started the year 2018 with a strong first quarter in which the strategic investments made in recent years are well reflected. The expansion of our production capacity, together with the extension and strengthening of our R&D and commercial organization of last year, contributed to the healthy organic turnover growth of 10.8%. A large proportion of this growth was realized in TKH's vertical growth markets Fibre Optic Networks, Marine & Offshore, Parking and Tire Building. The order intake increased further in all segments, with which we have a good starting position for the coming quarters."*

Developments in the first quarter

Turnover in the first quarter of 2018 amounted to € 398.0 million, an increase of € 37.9 million compared to the first quarter of 2017 (+10.5%). Organic turnover growth came in at 10.8%. Higher raw materials prices had a positive impact of 0.3% on turnover, while the on average weaker foreign currencies against the euro had a negative impact of 1.3% on turnover. The turnover increase from acquisitions amounted to 0.7%. TKH recorded turnover growth in all segments.



The operating result before amortization of intangible assets and one-off income and expenses (EBITA) rose by 15.5% to € 45.9 million in the first quarter of 2018 (Q1 2017: € 39.7 million). All segments contributed to this increase. The ROS for TKH Group increased to 11.5% (Q1 2017: 11.0%).

In the first quarter of 2018 net profit before amortization of intangible assets and one-off income and expenses attributable to shareholders amounted to € 29.9 million, an increase of 18.9% compared to the same period last year (Q1 2017: € 25.1 million). Net profit for the first quarter of 2018 increased to € 27.1 million (+20.8%).

Net bank debts, calculated in accordance with the bank covenants, increased with € 53.3 million compared with 31 December 2017 to € 211.2 million. This increase was largely related to a higher working capital as a result of the increase in turnover and seasonal effects. TKH's Net debt/EBITDA ratio came in at 1.1. TKH is operating well within the financial ratio agreed with its banks.

Telecom Solutions

Telecom Solutions consists of two sub-segments: indoor telecom & copper network systems and fibre network systems.

Turnover in the Telecom Solutions segment amounted to € 49.6 million (Q1 2017: € 44.2 million). Organic turnover growth was 12.9%. This growth was realized in the sub-segment fibre network systems, where growth was mainly realized in Germany and France. Among other things due to persisting strong global demand for optical fibre, this growth was realized at improved pricing levels.

EBITA improved as a result of higher turnover and higher added value.

Building Solutions

Building Solutions consists of two sub-segments: vision & security systems and connectivity systems.

Turnover in the Building Solutions segment amounted to € 164.6 million (Q1 2017: € 151.5 million). Organic turnover growth came in at 9.4%. This growth was largely realized in the sub-segment connectivity systems, as a result of the improved market situation in the building and construction sector in Europe, as well as growth in the vertical growth market Marine & Offshore. In the sub-segment vision & security systems, growth was mainly realized within the vertical market for parking systems and TKH won a number of large projects.

EBITA improved as a result of higher turnover.



Industrial Solutions

Industrial Solutions consists of two sub-segments: connectivity systems and manufacturing systems.

Turnover in the Industrial Solutions segment amounted to € 183.8 million (Q1 2017: € 164.4 million). Organic turnover growth came in at 11.6%. This growth was realized in both sub-segments connectivity systems and manufacturing systems. Growth in connectivity systems was mainly achieved in the area of robot cable systems. The increase in manufacturing systems was the result of higher turnover for tire building systems. Order intake in the first quarter of 2018 amounted to € 123 million, and was significantly higher than in the previous quarters. The share of the top 5 tire manufacturers in the order intake continued to increase.

EBITA increased as a result of higher turnover.

Outlook

TKH maintains its forecast made at the presentation of the annual results in March 2018. As usual, TKH intends to give a more concrete indication of its profit outlook for the full-year 2018 at the presentation of its interim results in August 2018.

Haaksbergen, 2 May 2018

Executive Board

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Financial calendar

3 May 2018	General Meeting of Shareholders
7 May 2018	Listing ex-dividend
8 May 2018	Record date
14 May 2018	Dividend payable
14 August 2018	Publication interim results 2018
1 November 2018	Trading Update Q3 2018



Profile

Technology firm TKH Group NV (TKH) is an internationally operating group of companies, which is specialized in developing and supplying innovative Telecom, Building and Industrial Solutions based on four core technologies.

The four TKH core technologies - vision & security, mission critical communication, connectivity and smart manufacturing - are linked to each other to create comprehensive systems and solutions in our three business segments. Within these business segments there is a strong focus on seven vertical growth markets - fibre optic networks, parking, care, tunnel & infra, marine & offshore, machine vision and tire building industry - in which our core technologies are positioned as a one-stop-shop for our customers. TKH strives for far-reaching synergy and co-operation between its subsidiaries.

TKH has a thorough knowledge of processes and technologies, as well as insight into its customers' markets and processes. We offer our customers tailor-made solutions by making optimal use of our specialists' know-how in the fields of R&D, engineering, marketing, process development, project management and logistics.

TKH strives to achieve strong market positions based on its innovative core technologies and services. TKH and its subsidiaries operate on a global scale. Growth is concentrated in Europe, North America and Asia. In 2017, TKH achieved a turnover of € 1.5 billion with 5,900 employees (FTE).