KENDRION N.V.

PRESS RELEASE

28 February 2023

Kendrion posts full-year revenue and normalized profitability growth, mainly driven by Industrial. Focus on electrification continues

- **FY 2022 revenue was a record EUR 519.3 million, 12% higher than 2021 (EUR 464.0 million)**
- **Normalized FY 2022 EBITDA increased by 3% to EUR 57.4 million (2021: EUR 55.8 million)**
- **Reported FY 2022 EBITDA was EUR -6.6 million (2021: EUR 51.7 million) due to impairment of EUR 57.3 million related to the Automotive Core business, as announced on 8 February 2023**
- **Q4 2022 revenue was EUR 129.6 million, 12% higher than 2021 (EUR 116.2 million)**
- **Normalized Q4 2022 EBITDA was EUR 12.0 million, 4% higher than Q4 2021 (EUR 11.5 million)**
- **Strong Q4 2022 cash flow of EUR 16.7 million (Q4 2021: EUR 9.8 million) driven by a reduction in working capital**
- **Automotive split into Automotive Core and E completed on 31 December 2022**
- **Nominated lifetime project revenue in Automotive of EUR 304.5 million, of which EUR 206.7 million related to Automotive E**
- **Construction of a 28,000 m^2 manufacturing facility in Suzhou Industrial Park, China almost completed. Production expected to start in H1 2023**
- **Proposed dividend of EUR 0.72 per share; pay-out ratio 50% of normalized full-year net profit before amortization (2021: EUR 0.69 per share)**

Key figures

Reported (in EUR million)	Q4 2022	Q4 2021	delta[3]	FY 2022	FY 2021	delta[3]
Revenue	129.6	116.2	12%	519.3	464.0	12%
EBITDA	(48.0)	7.8	NM	(6.6)	51.7	NM
EBITA	(54.1)	2.1	NM	(29.9)	27.8	NM
Net profit	(59.1)	0.2	NM	(46.3)	14.4	NM
EBITDA as a % of revenue	-37.0%	6.7%		-1.3%	11.1%	
EBITA as a % of revenue	-41.7%	1.8%		-5.8%	6.0%	
Return on invested capital[1] (12 months rolling)				-14.1%	14.1%	

Normalized (in EUR million)[2]	Q4 2022	Q4 2021	delta	FY 2022	FY 2021	delta
Revenue	129.6	115.8	12%	519.3	463.6	12%
EBITDA	12.0	11.5	4%	57.4	55.8	3%
EBITA	5.9	5.8	1%	34.1	31.9	7%
Net profit before amortization	2.7	4.1	-34%	21.7	20.6	5%
EBITDA as a % of revenue	9.3%	10.0%		11.1%	12.0%	
EBITA as a % of revenue	4.6%	5.1%		6.6%	6.9%	
Return on invested capital[1] (12 months rolling)				15.6%	15.6%	

[1] Invested capital excluding intangibles arising from acquisitions.

[2] Normalized for items that are not related to the group's normal course of business. The reconciliation from reported to normalized figures can be found on page 14.

[3] NM: Not meaningful

- The quarterly and interim results are not audited -

Joep van Beurden, Kendrion CEO

"In 2022, in a volatile economy with high inflation and geopolitical instability, we delivered strong revenue growth and improved our normalized profit. We kept our operational focus on product margins, cost and working capital, and despite the significant investment in our 28,000 m^2 manufacturing facility in Suzhou Industrial Park, China, our normalized cash flow stayed positive at EUR 3.1 million. I am proud of our performance and of the progress we have made towards our ambitious financial targets for 2025.

To help increase our focus on clean energy, we took the strategic decision to split the Automotive Group. Automotive E is responsible for products relevant to electric vehicles with profitable growth and innovation as its main goals. Automotive Core handles our combustion engine-related business with cash and cashflow as its KPIs. We added EUR 305 million in lifetime revenue to the pipeline of which 68% were nominations for Automotive E. This is our fifth consecutive year with a positive book-to-bill ratio. As a result of the Automotive split, it became necessary to impair the goodwill and other intangibles related to the acquisitions of companies in the past which were, and are, entirely focused on the combustion engine. The impairment of EUR 57.3 million was announced on 8 February 2023.

Our Industrial franchise had a strong year. Revenues grew by 19% to EUR 276.5 million, as demand for actuators for electrification applications increased in many of our markets. Both Industrial Brakes and Industrial Actuators and Controls are performing significantly above pre-pandemic levels and the Industrial product and project pipeline supports sustained growth over the coming years. Industrial Brakes, Industrial Actuators and Controls, Automotive E and China all focus on delivering actuator products related to electrification; in 2022, approximately 65% of our revenue came from clean energy applications.

Looking ahead, we expect the current economic environment to continue in the first half of 2023, with potentially better economic circumstances in the second half of the year, as China's economy is expected to benefit from the end of its strict zero-COVID policy. We have set ourselves ambitious medium-term financial targets of 5% organic growth between 2019 and 2025, an EBITDA of at least 15% in 2025 and an ROI of at least 25% in 2025. Over the past two years, our organic revenue has grown, on average, by 12% per year. Over the same period, our EBITDA has grown by 29% and our ROI by 44%. In my view, we are on our way to achieve these targets."

Progress on strategy

With the ongoing war in Ukraine, lockdowns in China and high inflation, volatility dominated the economic environment, creating a challenging period for most businesses, for the third year in a row. As in 2021, we could not rely on timely delivery of raw materials in both Industrial and Automotive. This put serious pressure on our delivery performance, our production flexibility, and our people. Despite these obstacles, we proceeded with discipline to deliver solid operational performance, profitability and cashflow, while continuing to invest in, and execute on, our long-term ambitions.

Kendrion is a global, innovative company, focused on actuator products that support the transition towards clean energy. To increase our focus on clean energy even more, we decided to split the Automotive Group. Automotive E is responsible for products relevant to electric vehicles with profitable growth and innovation as its main goals. Automotive Core handles our combustion engine-related business with cash and cashflow as its KPIs. The split is expected to help us focus more on products for E, where innovation and growth is available, and reduce the cost base of Core with some EUR 4 million per year. The Core and E split, including the cost savings, was implemented as of December 31, 2022.

As the automotive industry is transitioning to hybrid and electric cars, driven by the urgent need for sustainable mobility and mandated by legislative initiatives across the world, we expect a phase out of the combustion engine over the next 10 to 15 years. Earlier this month we announced that this fundamental change, combined with increased interest rates, led to a non-cash impairment of EUR 57.3 million. We expect the new structure within Automotive to increase efficiency and cash generation of our existing combustion engine business through Automotive Core.

In Industrial Brakes (IB), we benefit from the fast-growing market for electromotors and electrified solutions in areas such as intralogistics, robotics, and wind power. The product portfolio of Industrial Actuators and Controls (IAC) includes induction heating systems, circuit breakers for electricity distribution systems, and safety actuators for nuclear power facilities.

The construction of our 28,000 m² manufacturing facility in Suzhou's renowned Industrial Park is expected to be completed in the first quarter of 2023. Following some operational tests, we expect to transfer the production of our two current facilities in Suzhou and Shanghai in the coming period with the intent to become fully operational by Q3 this year. In addition, we expect to start production of 6 new Automotive E projects in our new facility in China during 2023.

Since we announced the financial targets for 2025 in September 2020, our organic revenue has grown, on average, by 12% per year. Over the same period, our EBITDA has grown by 29% and our ROI by 44%. As the global energy transition accelerates, we are well underway to meet our 2025 targets.

Financial and operational review

Revenue

Fourth quarter 2022
In the last quarter of 2022, revenue developed positively in all three Business Groups. Our overall revenue increased by 12% to EUR 129.6 million (Q4 2021: EUR 116.2 million). Currency translation contributed 1% to group revenue, while sales price increases to offset inflationary pressure added 5%.

Our Industrial Business Groups continued their strong performance on the back of increased demand for products supporting the transition towards clean energy. Revenue in IAC increased by 7% to EUR 30.5 million (Q4 2021: 28.4 million). IB revenue was EUR 37.5 million, 9% higher than Q4 2021 (EUR 34.5 million). Automotive recorded the strongest quarterly revenue of the year, posting 16% growth, and a revenue of EUR 61.6 million (Q4 2021: EUR 53.3 million). Automotive revenue was supported by a 5% year-over-year increase in European car production as estimated by market analysts.

Full-year 2022
Full-year revenue increased by 12% to EUR 519.3 million (FY 2021: EUR 464.0 million). Currency translation contributed 2% to the revenue growth, driven by the stronger average USD and CNY rates. The full year addition of 3T revenue contributed 2% to group revenue. This resulted in an organic revenue increase of 8%.

The revenue increase for the group was led by the industrial businesses that now represent 53% of group revenues. IB revenue increased by 19% to EUR 151.2 million (FY 2021: EUR 127.5 million) and continued its growth trajectory of the previous year when it posted 21% growth. Revenue growth was broad-based, across different segments including wind power, intralogistics, industrial automation, and robotics. Currency translation contributed 2% to IB's revenue and the increase of average sales prices contributed 5%. IAC revenue came in at EUR 125.3 million, up 21% from last year (FY 2021: EUR 104.0 million). The revenue increase excluding the full-year impact of 3T was 12% and was driven by strong demand from existing customers in the energy and medical segments, as well as project ramp-ups in intralogistics and industrial locking applications. Currency translation added 1% to IAC revenue and sales price increases contributed 4%.

Automotive Group revenue came in at EUR 242.8 million, 4% higher than the EUR 232.5 million posted in 2021. Currency translation contributed 2% to revenue while average sales price increases added 5%. The Automotive Group continued to be affected by high order volatility and low car production levels globally, especially in Europe. Market analysts estimate that global car production increased by 6% to 82 million cars, but European car production decreased by 1% compared with the previous year. European car production in 2022 was still 25% lower than the pre-covid level of 2019. On a pro forma basis Automotive E represented EUR 63.3 million (FY 2021: EUR 56.8 million) of the Automotive Group revenue, while Automotive Core represented EUR 179.5 million (FY 2021: EUR 175.7 million).

The performance in China was affected by the country's zero-COVID policy. Despite the associated challenges, we generated revenues in line with 2021 levels, mostly carried by the industrial business groups.

Results

Fourth quarter 2022

Reported net profit of negative EUR 59.1 million in the fourth quarter was significantly affected by a 57.3 million non-cash impairment of goodwill and other intangibles, as well as a EUR 1.2 million deferred tax asset write down related to Automotive Core as announced on 8 February 2023. The impairment reflects the accounting outcome of an expected phaseout of the combustion engine during the next 10 to 15 years, as mandated by various legislative initiatives around the globe, in combination with higher interest rates. In addition to the impairment, EUR 2.7 million other costs were incurred outside the ordinary course of business and have been normalized from the results. These costs related to restructuring charges for the announced reorganization in Automotive and the planned relocation of the existing Chinese plants to the new manufacturing facility in Suzhou Industrial Park. The targeted EUR 4.0 million cost savings in Automotive announced during Capital Markets Day in September, have been fully realized with all expected costs reflected in the FY 2022 results. The after-tax amount of normalized costs was EUR 61.0 million.

The normalized operating result before depreciation and amortization (EBITDA) increased by 4% to EUR 12.0 million (Q4 2021: EUR 11.5 million). Normalized EBITDA as a percentage of revenue ended at 9.3% in Q4 (Q4 2021: 10.0%). EUR 5.6 million higher operating costs were more than offset by the positive added value contribution from the increased sales volumes. In addition to the higher activity levels and wage inflation, the higher costs were driven by development costs in Automotive, higher costs for energy and increased costs for travel and representation. The comparably high development costs in Automotive are expected to reduce during the first half year of 2023 when several new product applications will be completed. These products are all part of Automotive E.

Full-year 2022

Reported profit for the year was negative EUR 46.3 million (2021: EUR 14.4 million profit). Reported profit was affected by the EUR 57.3 million impairment of goodwill and other intangibles and EUR 1.2 million write down of deferred tax assets in Automotive Core. In addition to the impairment, EUR 6.7 million (EUR 6.0 million net of tax) other costs and benefits have been normalized in 2022. These costs mainly originate from restructuring charges incurred in Automotive following the organizational spit and the closure of the Austrian manufacturing location.

Normalized EBITDA for full-year 2022 came in 3% higher at EUR 57.4 million (EUR 55.8 million). EBITDA as a percentage of revenue ended at 11.1% (FY 2021: 12.0%). The 5% revenue growth due to increased average sales prices to offset inflationary pressure on costs had a negative 0.5% effect on the EBITDA margin percentage.

The added value increased by 10% to EUR 248.8 million (FY 2021: EUR 225.8 million). The added value increase outperformed the 7% revenue contribution from increased product sales, showing that we successfully protected our product margins despite the high inflationary environment. Organic and normalized operating costs went up by EUR 11.0 million, or 7%. In addition to the significantly higher activity level and comparably high costs for development activities in Automotive, the FY 2022 operating expenses were affected by higher average energy prices.

Depreciation charges decreased EUR 0.6 million caused by lower capital investments in the previous years. Normalized net finance costs increased by EUR 0.7 million to EUR 4.4 million due to higher average debt levels and market interest rates. The normalized income tax expense amounted to EUR 6.8 million (2021: EUR 6.5 million), and the normalized effective income tax rate came in at 27.4% (2021: 26.8%). The effective tax rate reflected the statutory rates in the jurisdictions in which Kendrion is active. Normalized net profit before amortization in 2022 increased by 5% to EUR 21.7 million (2021: EUR 20.6 million). Normalized basic earnings per share amounted to EUR 1.44 (2021: EUR 1.39).

The Industrial Business Groups realized a 22% increase in normalized EBITDA to EUR 47.5 million. Both Industrial Business Groups contributed to improved results. Normalized EBITDA as a percentage of revenue ended at 17.2% compared with 16.8% in the previous year. The Industrial Business Groups were able to realize good operational leverage, despite significant inflationary pressure on costs and product margins.

Normalized EBITDA in the Automotive Group ended at EUR 9.9 million (FY 2022: 16.8 million). Normalized EBITDA as a percentage of revenue came in at 4.1% (FY 2021: 7.2%). For the third consecutive year, Automotive' s profitability is affected by low car production levels in combination with cost pressure caused by high energy prices and costs for engineering activities. The latter are 100% related to new projects that we expect to ramp up in Automotive E during 2023.

Financial position

A strong free cash flow of EUR 16.7 million in the final quarter of the year resulted in a EUR 13.8 million reduction in net debt. The positive cash flow development was driven by a significant reduction in trade receivables and inventory in the fourth quarter. Although 4th quarter free cash flow is traditionally the strongest quarter due to low activity levels during the holiday season, the cash flow was significantly better than in Q4 2021 when free cash flow was EUR 9.8 million.

Normalized free cash flow for the year ended at EUR 3.1 million (FY 2021: EUR 3.5 million) and included EUR 3.1 million cash flow from cost items outside the ordinary course of business. Free cash flow in 2022 included EUR 15.0 million investments (FY 2021: EUR 5.9 million) related to the construction of the new facility in China. Total net debt increased from EUR 130.6 million on 31 December 2021 to EUR 140.3 million on 31 December 2022. The cash part of the optional dividend contributed EUR 7.1 million to the debt increase.

The leverage ratio based on the definitions included in our credit facilities ended at 2.4, compared to 2.6 at the end of Q3 2022 and 2.3 on 31 December 2021. This is fully attributable to the EUR 13.8 million net debt reduction in the fourth quarter, despite the substantial investment in our new facility in China.

We have a solid financial position and operate well within our financial covenant level of 3.25. Kendrion's liquidity position is strong with a total of EUR 58 million available in undrawn credit facilities and cash.

Alternative Performance Measures (APM)

Added value is a non-IFRS financial measure, which is defined as total revenue and other income plus changes in inventory of finished goods and work in progress and subtracted by raw materials and subcontracted work. Added value is a measure of the group's ability to generate a variable profit contribution on its revenue that is sufficient to absorb total staff costs and other operating expenses.

EBITDA is a non-IFRS financial measure which is defined as profit for the period before income tax expense, finance income, finance expense, share of profit or loss of an associate, depreciation, and amortization. EBITDA is a measure of the group's ability to continue to invest in the group's operations and provide shareholder returns. Normalized EBITDA excludes items that are not related to the group's normal course of business, including but not limited to restructuring and impairment charges.

EBITA is a non-IFRS financial measure, which is defined as profit for the period before income tax expense, finance income, finance expense, share of profit or loss of an associate and amortization of other intangible fixed assets. EBITA is a measure of the group's ability to realize a positive return on the group's operations and continue to provide shareholder returns. Normalized EBITA excludes items that are not related to the group's normal course of business, including but not limited to restructuring and impairment charges.

ROI or Return on Investment is a non-IFRS financial measure that is defined as (normalized) EBITA dividend by the sum of property plant and equipment, intangible assets, other fixed assets, and net working capital subtracted with the amount of goodwill and other intangible assets arising from business combinations. ROI is a measure that assesses the result from operations and is generated per currency equivalent that the group has invested in property plant and equipment and other net assets that are part of the group's operations.

Normalized net profit before amortization is a non-IFRS measure that is defined as profit for the period before amortization and restructuring expenses and other adjustments not related to the group's ordinary course of business. Normalized net profit before amortization is a measure of the group's ability to realize a positive return on core operations and continue to provide shareholder returns when excluding any non-cash profit impact from amortizing intangibles arising from business combinations.

For a full reconciliation of normalized results to the most comparable IFRS performance measure, please refer to Annex 6 Reconciliation of normalized to reported figures on page 14. A full reconciliation of all non-IFRS measures to the most comparable IFRS performance measure is included on pages 210-212 in the Annual Integrated Report.

Number of employees

With 2.753 FTE, the total number of FTE was similar to that of the previous year (2021: 2.728). The slight increase of FTE is caused by a higher number of direct FTE, related to our higher production.

Dividend

Kendrion aims to deliver an attractive return for its shareholders considering the company's medium and long-term strategy. The company strives to distribute an annual dividend of between 35% and 50% of normalized net profit before amortization. Considering the financial performance in 2022, our financial position and solid outlook, Kendrion proposes a dividend of 50% of the normalized net profit before amortization of EUR 21.7 million, equivalent to EUR 0.72 per share; a 4% increase compared to last year.

Kendrion offers shareholders an opportunity to opt for dividend in cash and/or shares. The conversion price for the calculation of the stock dividend will be determined on 9 May 2023 (before the start of trading) based on the weighted average share price of 2, 3, 4, 5 and 8 May 2023, for which purpose the value of the shares to be distributed will be virtually equal to the cash dividend. Dividend payment in cash and delivery of stock dividend will be made on 11 May 2023.

Outlook

The IMF expects global growth to slow from 3.4% in 2022 to 2.9% in 2023. However, for advanced economies, the slowdown is expected to be more pronounced, with a decline from 2.7% last year to 1.2% this year. The most challenging economic conditions are in the Euro area, despite signs of resilience to the energy crisis, a mild winter, and generous fiscal support. With China's economy now reopening, the IMF projects growth to rebound to 5.2% in 2023. Global inflation is expected to decline this year, but even by 2024, headline and core inflation will still be above pre-pandemic levels in more than 80% of countries.

In this uncertain environment, we are well-positioned to continue our growth path of the last two years. We expect the global push towards electrification to continue almost independent of global growth, and further accelerated by the war in Ukraine. With innovative and high-quality products that help enable the energy transition in IB, IAC and Automotive E, we expect to benefit from this strong and long-lasting growth opportunity. We expect our new facility at Suzhou Industrial Park to accommodate growth from our large and growing project pipeline in China.

We are therefore confident to be able to deliver our medium-term financial targets of 5% organic growth between 2019 and 2025, an EBITDA of at least 15% in 2025 and a ROI of at least 25% in 2025.

Analysts' meeting and audio webcast

Kendrion CEO Joep van Beurden and CFO Jeroen Hemmen will present the Q4 and full-year results 2022 to the analysts' community today at 11.00 a.m. CET. The video webcast can be viewed on this page. The recording will be available at 2.00 p.m. on www.kendrion.com.

About Kendrion N.V.

Kendrion designs, manufacturers and delivers intelligent actuators that help advance the global push towards electrification and sustainable energy. Today, these compact and connected actuators can be found in wind power, robots, factory automation, electric vehicles, energy distribution and industrial heating processes, where they support our OEM customers around the world to transition to safer and cleaner forms of energy.

As a technology pioneer and innovator, building on a foundation of over 100 years of experience, we are driven by a desire to explore creative solutions for the engineering challenges of tomorrow. We take broad responsibility for how we source, manufacture, and conduct business. Sustainable business practices are integrated in our processes and embedded in our culture. Rooted in Germany, headquartered in the Netherlands, and listed on the Amsterdam stock exchange, our footprint extends across Europe to the Americas and Asia.

Amsterdam, 28 February 2023

The Executive Board

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This press release contains information within the meaning of article 7(1) of the EU Market Abuse Regulation

Annexes

1. Consolidated statement of comprehensive income
2. Consolidated statement of financial position
3. Consolidated statement of changes in equity
4. Consolidated statement of cash flows
5. Information about reportable segments
6. Reconciliation of normalized to reported figures
7. Financial calendar 2023

The 2022 financial information included in the Annexes from Consolidated Financial Statements attached to this press release are derived from the Annual Integrated Report 2022, which has been authorized for issue. The Annual Integrated Report has not yet been published by law and still has to be adopted by the Annual General Meeting on 17 April 2023.

Annex 1 - Consolidated statement of comprehensive income

(EUR million)	Q4 2022	Q4 2021	full year 2022	full year 2021
Revenue	129.6	116.2	519.3	464.0
Other income	0.0	0.0	0.5	0.2
Total revenue and other income	**129.6**	**116.2**	**519.8**	**464.2**
Changes in inventories of finished goods and work in progress	0.1	1.7	1.8	(3.5)
Raw materials and subcontracted work	68.6	59.7	268.7	241.9
Staff costs	38.6	36.4	153.6	138.1
Depreciation and amortization	7.2	6.8	28.0	27.8
Impairment of fixed assets	58.6	3.4	58.7	3.5
Other operating expenses	11.7	7.2	43.6	32.5
Result before net finance costs	**(55.2)**	**1.0**	**(34.6)**	**23.9**
Finance income	0.0	0.0	0.0	0.0
Finance expense	(2.6)	(0.9)	(5.1)	(3.7)
Share profit or loss of an associate	-	(0.1)	-	(0.1)
Profit before income tax	**(57.8)**	**(0.0)**	**(39.7)**	**20.1**
Income tax expense	(1.3)	0.2	(6.6)	(5.7)
Profit for the period	**(59.1)**	**0.2**	**(46.3)**	**14.4**
Other comprehensive income				
Remeasurements of defined benefit plans[1]			1.5	0.5
Foreign currency translation differences for foreign operations[2]			1.8	7.8
Net change in fair value of cash flow hedges, net of income tax[2]			1.6	0.1
Other comprehensive income for the period, net of income tax[3]			**4.9**	**8.4**
Total comprehensive income for the period			**(41.4)**	**22.8**
Basic earnings per share (EUR), based on weighted average	(3.93)	0.01	(3.09)	0.97
Basic earnings per share (EUR), based on weighted average (diluted)	(3.88)	0.01	(3.05)	0.97

[1] This item will never be reclassified to profit or loss.

[2] These items may be reclassified to profit or loss.

[3] All profits are attributable to owners of the company as non-controlling interest are not applicable.

Annex 2 - Consolidated statement of financial position

(EUR million)	31 Dec. 2022	31 Dec. 2021
Assets		
Non-current assets		
Property, plant and equipment	131.6	121.9
Intangible assets	126.5	183.4
Other investments, including derivatives	0.4	0.4
Deferred tax assets	19.7	18.3
Contract costs	0.3	0.5
Total non-current assets	**278.5**	**324.5**
Current assets		
Inventories	85.1	79.7
Current tax assets	2.8	2.7
Trade and other receivables	70.5	65.3
Cash and cash equivalents	37.8	18.6
Assets classified as held for sale	1.9	-
Total current assets	**198.1**	**166.3**
Total assets	**476.6**	**490.8**
Equity and liabilities		
Equity		
Share capital	30.2	29.9
Share premium	38.4	45.8
Reserves	152.7	132.9
Retained earnings	(46.3)	14.4
Total equity	**175.0**	**223.0**
Liabilities		
Loans and borrowings	166.6	136.4
Employee benefits	10.7	14.0
Deferred tax liabilities	17.5	17.7
Provisions	0.7	0.9
Total non-current liabilities	**195.5**	**169.0**
Bank overdraft	3.1	6.1
Loans and borrowings	8.4	6.7
Provisions	1.3	1.2
Current tax liabilities	10.3	6.0
Contract liabilities	4.7	4.5
Trade and other payables	78.3	74.3
Total current liabilities	**106.1**	**98.8**
Total liabilities	**301.6**	**267.8**
Total equity and liabilities	**476.6**	**490.8**

Annex 3 - Consolidated statement of changes in equity

(EUR million)	Share capital	Share premium	Translation reserve	Hedge reserve	Reserve for own shares	Other reserves	Retained earnings	Total equity
Balance at 1 January 2021	**29.9**	**51.7**	**(0.2)**	**0.1**	**(3.4)**	**121.0**	**4.3**	**203.4**
Total comprehensive income for the period								
Profit or loss	-	-	-	-	-	-	14.4	14.4
Other comprehensive income								
Remeasurements of defined benefit plans	-	-	-	-	-	0.5	-	0.5
Foreign currency translation differences for foreign operations	-	-	7.8	-	-	-	-	7.8
Net change in fair value of cash flow hedges, net of income tax	-	-	-	0.1	-	-	-	0.1
Other comprehensive income for the period, net of income tax	-	-	7.8	0.1	-	0.5	-	8.4
Total comprehensive income for the period	**-**	**-**	**7.8**	**0.1**	**-**	**0.5**	**14.4**	**22.8**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	0.0	0.0	-	-	-	-	-	0.0
Own shares issued	-	-	-	-	1.4	0.2	-	1.6
Share-based payment transactions	-	-	-	-	0.1	1.0	-	1.1
Dividends to equity holders	-	(5.9)	-	-	-	-	-	(5.9)
Appropriation of retained earnings	-	-	-	-	-	4.3	(4.3)	-
Balance at 31 December 2021	**29.9**	**45.8**	**7.6**	**0.2**	**(1.9)**	**127.0**	**14.4**	**223.0**

(EUR million)	Share capital	Share premium	Translation reserve	Hedge reserve	Reserve for own shares	Other reserves	Retained earnings	Total equity
Balance at 1 January 2022	**29.9**	**45.8**	**7.6**	**0.2**	**(1.9)**	**127.0**	**14.4**	**223.0**
Total comprehensive income for the period								
Profit or loss	-	-	-	-	-	-	(46.3)	(46.3)
Other comprehensive income								
Remeasurements of defined benefit plans	-	-	-	-	-	1.5	-	1.5
Foreign currency translation differences for foreign operations	-	-	1.8	-	-	-	-	1.8
Net change in fair value of cash flow hedges, net of income tax	-	-	-	1.6	-	-	-	1.6
Other comprehensive income for the period, net of income tax	-	-	1.8	1.6	-	1.5	-	4.9
Total comprehensive income for the period	**-**	**-**	**1.8**	**1.6**	**-**	**1.5**	**(46.3)**	**(41.4)**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	0.3	2.8	-	-	-	-	-	3.1
Share-based payment transactions	-	-	-	-	0.1	0.4	-	0.5
Dividends to equity holders	-	(10.2)	-	-	-	-	-	(10.2)
Appropriation of retained earnings	-	-	-	-	-	14.4	(14.4)	-
Balance at 31 December 2022	**30.2**	**38.4**	**9.4**	**1.8**	**(1.8)**	**143.3**	**(46.3)**	**175.0**

Annex 4 - Consolidated statement of cash flows

(EUR million)	full year 2022	full year 2021
Cash flows from operating activities		
Profit for the period	(46.3)	14.4
Adjustments for:		
Net finance costs	5.1	3.7
Share profit or loss of an associate	-	0.1
Income tax expense	6.6	5.7
Depreciation of property, plant and equipment and software	23.3	23.9
Amortization of other intangible assets	4.7	3.9
Impairments of fixed assets	58.7	3.5
Profit on disposal of associate	-	(0.6)
Share-based payments	0.5	1.2
	52.6	**55.8**
Change in trade and other receivables	(3.2)	(7.1)
Change in inventories	(5.0)	(15.2)
Change in trade and other payables	3.1	5.9
Change in provisions	(0.5)	(1.2)
Change in contract liabilities	0.2	(1.0)
	47.2	**37.2**
Interest paid	(4.1)	(3.2)
Interest received	0.0	0.0
Tax paid	(5.2)	(6.2)
Net cash flows from operating activities	**37.9**	**27.8**
Cash flows from investing activities		
Acquisition of subsidiaries	-	(23.2)
Proceeds from disposal of associate	-	3.3
Investments in property, plant and equipment	(32.0)	(23.7)
Disinvestments of property, plant and equipment	0.2	0.7
Investments in intangible fixed assets	(5.7)	(6.3)
Disinvestments of intangible fixed assets	0.0	0.2
(Dis)investments of other investments	(0.4)	0.2
Net cash from investing activities	**(37.9)**	**(48.8)**
Cash flows from financing activities		
Payment of lease liabilities	(3.3)	(3.4)
Proceeds from borrowings (non current)	30.8	32.4
Proceeds from and repayment of borrowings (current)	1.7	(0.8)
Dividends paid	(7.1)	(4.3)
Net cash from financing activities	**22.1**	**23.9**
Change in cash and cash equivalents	22.1	2.9
Cash and cash equivalents at 1 January	12.5	8.5
Effect of exchange rate fluctuations on cash held	0.1	1.1
Cash and cash equivalents at 31 December	**34.7**	**12.5**

Annex 5 – Information about reportable segments

(x EUR 1 million unless otherwise stated)	Industrial FY 2022	Industrial FY 2021	Automotive FY 2022	Automotive FY 2021	Consolidated FY 2022	Consolidated FY 2021
Revenue from transactions with third parties	276.5	231.5	242.8	232.5	519.3	464.0
Inter-segment revenue	0.0	0.1	0.1	0.1	0.1	0.2
EBITDA	46.9	37.4	(53.5)	14.3	(6.6)	51.7
EBITDA as a % of revenue	17.0%	16.2%	-22.0%	6.1%	-1.3%	11.1%
EBITDA[1]	47.5	39.0	9.9	16.8	57.4	55.8
EBITDA as a % of revenue[1]	17.2%	16.8%	4.1%	7.2%	11.1%	12.0%
Reportable segment assets	272.8	267.3	203.8	223.5	476.6	490.8
Reportable segment employees (FTE)	1,346	1,261	1,407	1,467	2,753	2,728

[1] Normalized for items that are not related to the group's normal course of business. The reconciliation from reported to normalized figures can be found on page 14.

Annex 6 - Reconciliation of normalized to reported figures

(x EUR 1 million)	FY 2022	FY 2021
Reported result before net finance costs	(34.6)	23.9
Reported depreciation and amortization	28.0	27.8
Reported operating result before depreciation and amortization (EBITDA)	**(6.6)**	**51.7**
One-off costs related to restructuring measures in staff costs	5.3	1.4
One-off costs related to restructuring measures in other operating expenses	0.6	0.1
One-off costs related to acquisition costs in other operating expenses	-	0.2
One-off costs related to impairment capitalized R&D	0.6	3.4
One-off costs related to impairment building	0.7	-
One-off costs related to impairment customer relationships	2.6	-
One-off costs related to impairment goodwill	54.7	-
One-off costs related to revised calculation provision inventories	-	0.4
One-off benefits related to tax claim receipt	-	(0.4)
One-off benefits related to compensation costs prior years	-	(0.4)
One-off benefits related to sale of non-consolidated investment	-	(0.6)
One-off benefits related to sale of building liquidated company	(0.5)	-
Normalized EBITDA	**57.4**	**55.8**
Reported depreciation and amortization	(28.0)	(27.8)
Reported net finance costs	(5.1)	(3.7)
One-off costs related to tax audits in finance expense	0.1	(0.0)
One-off costs related to credit facility	0.5	-
One-off costs related to release of currency translation reserve	0.1	-
Reported share profit or loss of an associate	-	(0.1)
Normalized profit before income tax	**25.0**	**24.2**
Reported income tax expense	(6.6)	(5.7)
One-off costs related to tax audits in income tax expense	0.5	0.4
One-off costs related to deferred income tax adjustment	1.2	-
Impact one-off costs and benefits on income tax expense	(1.9)	(1.2)
Amortization after tax	3.5	2.9
Normalized net profit for the period before amortization	**21.7**	**20.6**

Annex 7 – Financial calendar 2023

Publication Q4 and FY 2022 results	Tuesday, 28 February 2023	07.30 a.m.
Analysts' meeting	Tuesday, 28 February 2023	11.00 a.m.
Publication Annual Integrated Report 2022	Tuesday, 28 February 2023	03.00 p.m.
Annual General Meeting of Shareholders	Monday, 17 April 2023	02.00 p.m.
Publication Q1 2023 results	Tuesday, 9 May 2023	07.30 a.m.
Analysts' call	Tuesday, 9 May 2023	11.00 a.m.
Publication Q2 and HY1 2023 results	Wednesday, 23 August 2023	07.30 a.m.
Analysts' meeting	Wednesday, 23 August 2023	11.00 a.m.
Publication Q3 2023 results	Tuesday, 7 November 2023	07.30 a.m.
Analysts' call	Tuesday, 7 November 2023	11.00 a.m.