KENDRION

PRECISION. SAFETY. MOTION.

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P R E S S R E L E A S E

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Solid year in a challenging market environment, ready for economic rebound in 2024

- **FY 2023 revenue remained stable at EUR 518.5 million (FY 2022: EUR 519.3 million)**
- **Normalized FY 2023 EBITDA declined by 7% to EUR 53.1 million (FY 2022: EUR 57.4 million)**
- **Q4 2023 revenue decreased by 7% to EUR 120.3 million (Q4 2022: EUR 129.6 million)**
- **Q4 2023 normalized EBITDA came in at EUR 10.3 million, down 14% (Q4 2022: EUR 12.0 million)**
- **Net debt reduction of EUR 15.2 million in Q4 2023 resulting in a leverage ratio of 2.7 (Q4 2022: 2.4)**
- **Production of three new Automotive E projects commenced in Q4 2023**
- **Automotive E secured EUR 230 million in new business nominations in 2023**
- **Successfully agreed extension of EUR 102.5 million Revolving Credit Facility for one year to April 2027**
- **Proposed dividend of EUR 0.45 per share; pay-out ratio 50% of normalized full-year net profit before amortization (2022: EUR 0.72 per share)**

Key figures

Reported (in EUR million)	Q4 2023	Q4 2022	delta[3]	FY 2023	FY 2022	delta[3]
Revenue	120,3	129,6	-7%	518,5	519,3	0%
EBITDA	8,8	(48,0)	NM	50,6	(6,6)	NM
EBITA	2,5	(54,1)	NM	27,0	(29,9)	NM
Net profit	(1,1)	(59,1)	NM	9,9	(46,3)	NM
EBITDA as a % of revenue	7,3%	-37,0%		9,8%	-1,3%	
EBITA as a % of revenue	2,1%	-41,7%		5,2%	-5,8%	
Return on invested capital[1] (12 months rolling)				12,4%	-14,1%	

Normalized (in EUR million)[2]	Q4 2023	Q4 2022	delta	FY 2023	FY 2022	delta
Revenue	120,3	129,6	-7%	518,5	519,3	0%
EBITDA	10,3	12,0	-14%	53,1	57,4	-7%
EBITA	4,0	5,9	-32%	29,5	34,1	-13%
Net profit before amortization	0,3	2,7	-89%	13,9	21,7	-36%
EBITDA as a % of revenue	8,6%	9,3%		10,2%	11,1%	
EBITA as a % of revenue	3,3%	4,6%		5,7%	6,6%	
Return on invested capital[1] (12 months rolling)				13,5%	15,6%	

[1] *Invested capital excluding intangibles arising from acquisitions.*

[2] *Normalized for items incurred outside the ordinary course of business. The reconciliation of non IFRS financial measures can be found on page 14.*

[3] *NM: Not meaningful*

Joep van Beurden, Kendrion CEO:

"2023 was an eventful year in which we demonstrated our resilience. In an economic environment of prolonged geopolitical unrest and slowly receding inflation, our company delivered a solid performance. We managed to keep our revenues stable, raised prices in Automotive, reduced our costs, and reduced our net debt in Q4 by EUR 15.2 million, bringing our leverage ratio from 2.9 at the end of Q3 to 2.7 at year-end. I am proud of our performance and the steps we have taken toward achieving our ambitious financial objectives for 2025.

The split of the Automotive Group into Core and E proved to be successful, helping us to implement sales price increases and to improve R&D efficiency. We already initiated the mass production of three out of the nine new projects in Automotive, supporting our revenue growth in this Business Group. In addition, our pipeline for Automotive E developed positively, with an additional EUR 230 million in new business nominations over 2023. On the industrial side of our business, Industrial Actuators and Controls had a strong year. Within IAC, our 2021 acquisition 3T did particularly well, significantly growing its business. Industrial Brakes faced a challenging second half of the year with a sudden and unexpected steep fall in demand. In response, we have taken a range of actions to ensure that IB remains prepared for higher revenue levels in the longer term while reducing the cost base in line with lower activity today. The measures include introducing Kurzarbeit in Germany and reviewing our business processes to identify potential efficiency gains.

Looking ahead, we anticipate the prevailing economic conditions to persist through the first six months of 2024, with prospects for improvement in the second half of the year. Based on this outlook, we are optimistic about our performance in 2024, anticipating revenue growth in Automotive, a return to healthy profitability at IB, and continued reliable performance at IAC. This confidence is also reflected in our dividend proposal, which at 50% of our normalized net profit is at the maximum of our policy range for the fourth consecutive year. In the longer term, we remain confident in the growth opportunities presented by the global push towards electrification and clean energy, which underpins our ambitions.

Assuming no negative surprises from external developments, we believe we can achieve our 2025 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."

Progress on strategy

Kendrion is a global company dedicated to innovative actuator products that facilitate the shift to cleaner energy sources. In the automotive sector, we specialize in actuators designed for sound, suspension, and sensor cleaning, catering specifically to the needs of Autonomous, Connected, Electrified, and Shared (ACES) mobility. Automotive E now leads the way in developing products tailored for electric vehicles, emphasizing profitable growth and innovation. Meanwhile, Automotive Core oversees our business related to combustion engines, with cash flow as its primary metric. In Industrial Brakes (IB), we capitalize on the growing market for electromotors and electrified solutions in areas such as intralogistics, robotics, and wind power. Our Industrial Actuators and Controls (IAC) portfolio includes induction heating systems, circuit breakers for electricity distribution systems, and safety actuators for power facilities.

Against the backdrop of the slow global economy in 2023, Kendrion demonstrated resilience and delivered a robust performance. We maintain confidence in the significant growth prospects for our products, which play a pivotal role in driving the worldwide transition to electrification and sustainable energy. Furthermore, our diversified product portfolio serves as a safeguard against over-reliance on any single vertical or market segment.

The split between Core and E in our Automotive business unit proved beneficial, enabling us to implement sales price increases more efficiently and enhance our R&D effectiveness. In Automotive E, we achieved EUR 230 million in new business nominations, resulting in a book-to-bill of 3.2 over 2023.

Additionally, three of the nine new projects secured in Automotive E in recent years have been successfully launched, with three more expected in 2024. Despite ongoing economic challenges in China, our new manufacturing facility in Suzhou Industrial Park is fully operational. Therefore, with a focus on leveraging additional Automotive revenue opportunities, our priority now lies in ramping the Automotive projects and enhancing our profitability in China.

In Industrial, the integration of 3T to IAC proved successful, significantly contributing to IAC's revenue and profitability. In 2024, Kendrion plans to establish a new office in Drachten, complementing 3T's existing locations in Enschede and Eindhoven. This expansion aims to broaden our regional footprint in the Netherlands, enabling us to attract scarce technical talent in software and electronics engineering.

In response to the market difficulties experienced by IB in 2023, Kendrion implemented several measures, including the introduction of Kurzarbeit in the German IB facilities and a comprehensive review of the Business Group's processes. While Kurzarbeit is anticipated to improve profitability in the short term, our other initiatives are geared towards significantly enhancing IB's long-term performance and improve its resilience to future cyclical downturns.

The ransomware attack we experienced in August 2023 was effectively mitigated. Our global IT team and production teams at all sites worked diligently to restore production within one week, successfully averting any material financial losses. To bolster our defenses against future threats, we have implemented additional security measures.

Amid the rapid pace of the global energy transition, we continue to make strides towards our 2025 objectives. While there is still work to be done, and barring any negative surprises from external developments, we remain confident in our ability to attain our 2025 financial goals, which includes achieving 5% organic growth between 2019 and 2025, an EBITDA of at least 15% by 2025, and an ROIC of at least 25% by 2025.

Financial and operational review

Revenue

Fourth quarter 2023

Kendrion continued to navigate challenging market conditions in Q4, which persisted from the previous quarter. Group revenue in the fourth quarter of 2023 totaled EUR 120.3 million, marking a 7% decrease compared to the same period last year (EUR 129.6 million). As previously indicated, this decline was primarily attributable to the slowdown in the Chinese and German economic activity, which impacted Industrial Brakes revenues. Revenue at constant exchange rates decreased by 6%, while currency effects had a 1% negative impact. Higher average sales price contributed 4.5% to the Group revenue.

Due to seasonal effects and the slowdown in Industrial Brakes, coupled with a strong comparison base from the previous year, our industrial businesses experienced a decline in revenue. Specifically, revenue in IB decreased by 31% to EUR 26.0 million compared to a strong Q4 2022 (EUR 37.5 million). IAC's revenue came in 2% below last year's level at EUR 29.7 million (Q4 2022: EUR 30.5 million). Automotive's revenue increased by 5% to EUR 64.6 million (Q4 2022: EUR 61.6 million). Automotive Core revenue remained flat at EUR 44.2 million compared to Q4 2022 (EUR: 44.1 million) on a pro forma basis. Core revenue did benefit from the higher average sales prices. Meanwhile, Automotive E saw its revenue grow by 16% to EUR 20.4 million, driven by increased volumes, resulting from project launches for suspension and sound.

Full-year 2023

In 2023, full-year group revenue remained stable at EUR 518.5 million compared to the same period last year (EUR 519.3 million). When measured at constant exchange rates, Group revenue increased by 1%.

The stability in revenue was achieved through revenue growth in Automotive and IAC, offsetting the decline in IB. Automotive business group's revenue came in at EUR 262.0 million, marking an 8% increase from last year (2022: EUR 242.8 million). Automotive E contributed EUR 72.5 million (FY 2022: EUR 63.3 million) and Automotive Core EUR 189.5 million. On a pro forma basis, Automotive E increased revenues with 15% (FY 2022: EUR 63.3 million) on the back of new project launches and volumes increases of existing programs. Automotive Core revenue increased 6% (FY 2022: EUR 179.5 million) on a pro forma basis, which was fully driven by higher sales prices.

In our Industrial business groups, IAC saw a 2% revenue increase, reaching EUR 127.5 million (FY 2022: EUR 125.3 million), with growth supported by the continued impressive performance of 3T. In IB, revenue came in at EUR 129.0 million, marking a 15% decrease from last year (EUR 151.2 million). The decline was attributable to a significant slowdown in the second half of 2023, with revenue remaining flat in the first half compared to H1 2022. The downturn in the second half was caused by weakened industrial production in Germany and China, affecting demand for electromotors from some of IB's major international customers.

At constant exchange rates, revenue in IB decreased with 13% and in IAC and Automotive increased with respectively 2% and 9%.

Results

Fourth quarter 2023

Reported profit for the quarter came in at negative EUR 1.1 million (Q4 2022: negative 59.1 million) and was affected by the significant volumes decrease in IB and a EUR 0.5 million lower valuation of carry forward tax losses in the US. Normalized operating result before depreciation and amortization (EBITDA) ended up at EUR 10.3 million, compared with EUR 12.0 million in Q4 2022. Lower EBITDA was caused by EUR 5.1 million less added value due to lower volumes in IB, partially mitigated by EUR 3.3 million lower operating costs. Total normalized operating costs were 7% lower than last year, as structural cost savings in Automotive and cost measures in IB more than offset wage inflation. Normalized EBITDA as a percentage of revenue ended up at 8.6%, compared with 9.3% in Q4 2022.

Full-year 2023

Reported profit for the year ended at EUR 9.9 million, compared with negative EUR 46.3 million in FY 2022). Previous year's reported profit was affected by a EUR 57.3 million non-cash impairment of goodwill in Automotive Core. Normalized EBITDA in 2023 ended at EUR 53.1 million (FY 2022: EUR 57.4 million). Normalized EBITDA as a percentage of revenue was 10.2%, compared with 11.1% in the previous year.

Normalized EBITDA in Automotive increased 72% to EUR 17.0 million (FY 2022: EUR 9.9 million). The added value contribution from the higher revenues in combination with lower operating costs, more than offset a lower average added value margin. The added value margin improved throughout the year because of sales price increases and contributed positively to the higher profitability in HY2 when compared to the same period last year. Normalized EBITDA in Automotive Core ended at EUR 23.6 million and in Automotive E, at negative EUR 6.6 million. Essentially all of the EUR 15 million annual R&D costs in Automotive are absorbed in Automotive E, as the unit invests to capitalize on tangible growth opportunities in the active suspension, smart actuation, and sound segments. Normalized EBITDA in Industrial ended at EUR 36.1 million, down from EUR 47.5 million in the previous year. Lower normalized EBITDA was fully attributable to the sharp and sudden volume drop IB in the second half year. Depreciation charges remained stable at EUR 23.6 million (FY 2022: EUR 23.3 million). Finance cost increased from EUR 4.4 million in 2022 to EUR 9.9 million in 2023, primarily due to higher interest rates. The normalized effective tax rate in FY 2023 was 30.4%, compared with 27.4% in the previous year. Taxation costs were affected by a EUR 0.5 million lower valuation of carry forward tax losses in the US. Consequently, normalized net profit before amortization for the year came in at EUR 13.9 million (FY 2022: EUR 21.7 million).

Financial position
Total net debt decreased with EUR 15.2 million in the fourth quarter to EUR 145.0 million. As a result of the debt reduction the leverage ratio decreased from 2.9 at the end of the third quarter to 2.7 at the end of the year (FY 2022: 2.4). The debt reduction was driven by EUR 16.3 million free cash flow in the fourth quarter (Q4 2022: EUR 16.7 million). For the full year net debt increased with EUR 4.7 million primarily driven by the cash portion of the dividend and the final portion of our investment in the new manufacturing facility in China. Total working capital stood at EUR 63.9 million, compared to EUR 65.7 million at the end of 2022. Working capital as a percentage of revenue slightly decreased to 12.3% (FY 2022: 12.7%). Normalized free cashflow for the full year of 2023 amounted to EUR 11.3 million, compared with EUR 3.1 million in FY 2022.

We maintain a solid financial position and operate comfortably within our financial covenant level of 3.25. Kendrion's liquidity position remains robust, with a total of EUR 63 million available in undrawn credit facilities and cash. Furthermore, we successfully extended our EUR 102.5 million revolving credit facility for a period of one year, to April 2027.

Number of employees
In 2023, the total number of FTE was 2.606 at year-end, compared to 2.753 at the end of Q4 2022. The decrease of 147 FTE comprises a reduction of 86 FTE in direct labour and 61 FTE in indirect labour. Direct labour decreased in all business groups, with the most significant decline observed in IB. The decrease in indirect labour is evenly split between IB and Automotive, attributable to measures implemented to address the slowdown in IB, the merger of Shanghai into Suzhou, and the split of Automotive into Core and E.

Dividend
Kendrion is committed to delivering a compelling return for its shareholders in line with the company's medium and long-term strategy. The company aims to distribute an annual dividend of between 35% and 50% of normalized net profit before amortization. Based on the financial performance in 2023 and strong business fundamentals, Kendrion proposes a dividend of 50% of the normalized net profit before amortization EUR 13.9 million, totaling EUR 0.45 per share (FY 2022: 0.72).

Kendrion provides shareholders with the option to receive dividends in cash and/or shares. The conversion price for the calculation of the stock dividend will be determined on 7 May 2024 (prior to the start of trading) based on the volume-weighted average share price of Kendrion shares traded on 30 April 2024 and 1, 2, 3 and 6 May 2024. Dividend payment in cash and delivery of stock dividends will be made on 9 May 2024.

Outlook
While we expect the ongoing challenges of the economic environment to persist in the first half of 2024, we hold an optimistic outlook for improving market conditions later in the year. With near-term growth evident in the project pipeline in Automotive, cost reductions in IB, continued robust performance in IAC and our China factory fully operational we are well-positioned for an economic rebound. Our focus remains on stringent cost management, optimization of working capital and prudent investments, with expectations to reduce our leverage ratio in H2 2024.

We maintain a positive long-term outlook, driven by the global shift towards cleaner energy sources. We are confident that this rapidly advancing trend will create significant organic growth prospects for all our Business Groups in 2024 and beyond.

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 non IFRS financial measures on page xx. A full reconciliation of all non-IFRS measures to the most comparable IFRS performance measure is included on pages xxx-xxx in the Annual Integrated Report.

Analysts' meeting and audio webcast

Kendrion CEO Joep van Beurden and CFO Jeroen Hemmen will present the Q4 and full-year results 2023 to the analysts' community today at 11.00 a.m. CET. The audio webcast can be viewed on this website. The recording will be available at 2.00 p.m. on www.kendrion.com.

Capital Markets Day

Kendrion will hold a Capital Markets Day for analysts, investors and shareholders following the publication date of the half-year results on Thursday, 5 September 2024 in Amsterdam. More details and the invitation will follow in due course.

About Kendrion N.V.

Kendrion designs, manufactures and delivers intelligent actuators that help advance the global push towards electrification and sustainable energy. Today, these compact and connected actuators are used in wind power, robots, factory automation, electric vehicles, energy distribution and industrial heating processes, supporting our OEM customers around the world in transitioning to safer and cleaner forms of energy.

As a technology pioneer and innovator, building on a foundation of over one hundred 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 2024

The Executive Board

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Annexes

1. Consolidated statement of comprehensive income
2. Consolidated statement of financial position
3. Consolidated statement of changes in equity
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5. Information about reportable segments
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7. Financial calendar 2024

The 2023 financial information included in the Annexes from Consolidated Financial Statements attached to this press release are derived from the Annual Integrated Report 2023, which has been authorized for issue. The Annual Integrated Report has not yet been published by law and still must be adopted by the Annual General Meeting on 15 April 2024.

Annex 1 - Consolidated statement of comprehensive income

(EUR million)	Q4 2023	Q4 2022	full year 2023	full year 2022
Revenue	120,3	129,6	518,5	519,3
Other income	0,1	0,0	0,1	0,5
Total revenue and other income	**120,4**	**129,6**	**518,6**	**519,8**
Changes in inventories of finished goods and work in progress	1,1	0,1	0,6	1,8
Raw materials and subcontracted work	63,5	68,6	275,1	268,7
Staff costs	37,7	38,6	151,5	153,6
Depreciation and amortization	7,1	7,2	26,8	28,0
Impairments of fixed assets	0,1	58,6	0,1	58,7
Other operating expenses	9,2	11,7	40,7	43,6
Result before net finance costs	**1,7**	**(55,2)**	**23,8**	**(34,6)**
Finance income	0,1	0,0	0,2	0,0
Finance expense	(2,8)	(2,6)	(10,1)	(5,1)
Profit before income tax	**(1,0)**	**(57,8)**	**13,9**	**(39,7)**
Income tax expense	(0,1)	(1,3)	(4,0)	(6,6)
Profit for the period	**(1,1)**	**(59,1)**	**9,9**	**(46,3)**
Other comprehensive income				
Remeasurements of defined benefit plans[1]			0,4	1,5
Foreign currency translation differences for foreign operations[2]			(4,8)	1,8
Net change in fair value of cash flow hedges, net of income tax[2]			(1,5)	1,6
Other comprehensive income for the period, net of income tax[3]			**(5,9)**	**4,9**
Total comprehensive income for the period			**4,0**	**(41,4)**
Basic earnings per share (EUR), based on weighted average	(0,07)	(3,93)	0,65	(3,09)
Basic earnings per share (EUR), based on weighted average (diluted)	(0,07)	(3,88)	0,64	(3,05)

[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. 2023	31 Dec. 2022
Assets		
Non-current assets		
Property, plant and equipment	134,5	131,6
Intangible assets	125,8	126,5
Other investments, including derivatives	0,5	0,4
Deferred tax assets	20,0	19,7
Contract costs	0,6	0,3
Total non-current assets	**281,4**	**278,5**
Current assets		
Inventories	87,4	85,1
Current tax assets	5,7	2,8
Trade and other receivables	65,2	70,5
Cash and cash equivalents	20,6	37,8
Assets classified as held for sale	1,9	1,9
Total current assets	**180,8**	**198,1**
Total assets	**462,3**	**476,6**
Equity and liabilities		
Equity		
Share capital	30,6	30,2
Share premium	37,3	38,4
Reserves	94,2	152,7
Retained earnings	9,9	(46,3)
Total equity	**172,0**	**175,0**
Liabilities		
Loans and borrowings	153,2	166,6
Employee benefits	8,7	10,7
Deferred tax liabilities	19,0	17,5
Provisions	0,7	0,7
Total non-current liabilities	**181,6**	**195,5**
Bank overdraft	7,1	3,1
Loans and borrowings	5,3	8,4
Provisions	-	1,3
Current tax liabilities	7,4	10,3
Contract liabilities	4,4	4,7
Trade and other payables	84,5	78,3
Total current liabilities	**108,7**	**106,1**
Total liabilities	**290,3**	**301,6**
Total equity and liabilities	**462,3**	**476,6**

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 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**

(EUR million)	Share capital	Share premium	Translation reserve	Hedge reserve	Reserve for own shares	Other reserves	Retained earnings	Total equity
Balance at 1 January 2023	**30,2**	**38,4**	**9,4**	**1,8**	**(1,8)**	**143,3**	**(46,3)**	**175,0**
Total comprehensive income for the period								
Profit or loss	-	-	-	-	-	-	9,9	9,9
Other comprehensive income								
Remeasurements of defined benefit plans	-	-	-	-	-	0,4	-	0,4
Foreign currency translation differences for foreign operations	-	-	(4,8)	-	-	-	-	(4,8)
Net change in fair value of cash flow hedges, net of income tax	-	-	-	(1,5)	-	-	-	(1,5)
Other comprehensive income for the period, net of income tax	-	-	(4,8)	(1,5)	-	0,4	-	(5,9)
Total comprehensive income for the period	**-**	**-**	**(4,8)**	**(1,5)**	**-**	**0,4**	**9,9**	**4,0**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	0,4	2,7	-	-	-	(0,0)	-	3,1
Treasury shares issued	-	-	-	-	0,8	(0,0)	-	0,8
Share-based payment transactions	-	-	-	-	1,0	(1,0)	-	0,0
Dividends to equity holders	-	(3,8)	-	-	-	(7,1)	-	(10,9)
Appropriation of retained earnings	-	-	-	-	-	(46,3)	46,3	-
Balance at 31 December 2023	**30,6**	**37,3**	**4,6**	**0,3**	**-**	**89,3**	**9,9**	**172,0**

Annex 4 - Consolidated statement of cash flows

(EUR million)	**full year 2023**	**full year 2022**
Cash flows from operating activities		
Profit for the period	9,9	(46,3)
Adjustments for:		
Net finance costs	9,9	5,1
Income tax expense	4,0	6,6
Depreciation of property, plant and equipment and software	23,6	23,3
Amortization of other intangible assets	3,2	4,7
Impairments of fixed assets	0,1	58,7
Share-based payments	0,0	0,5
	50,7	**52,6**
Change in trade and other receivables	2,7	(3,2)
Change in inventories	(3,5)	(5,0)
Change in trade and other payables	6,7	3,1
Change in provisions	(2,7)	(0,5)
Change in contract liabilities	(0,3)	0,2
	53,6	**47,2**
Interest paid	(8,4)	(4,1)
Interest received	0,2	0,0
Tax paid	(9,0)	(5,2)
Net cash flows from operating activities	**36,4**	**37,9**
Cash flows from investing activities		
Investments in property, plant and equipment	(23,9)	(32,0)
Disinvestments of property, plant and equipment	1,1	0,2
Investments in intangible fixed assets	(6,4)	(5,7)
Disinvestments of intangible fixed assets	0,1	0,0
(Dis)investments of other investments	(0,5)	(0,4)
Net cash from investing activities	**(29,6)**	**(37,9)**
Cash flows from financing activities		
Payment of lease liabilities	(3,2)	(3,3)
Proceeds from and repayment of borrowings (non current)	(14,4)	30,8
Proceeds from and repayment of borrowings (current)	(3,1)	1,7
Dividends paid	(7,1)	(7,1)
Net cash from financing activities	**(27,8)**	**22,1**
Change in cash and cash equivalents	(21,0)	22,1
Cash and cash equivalents at 1 January	34,7	12,5
Effect of exchange rate fluctuations on cash held	(0,2)	0,1
Cash and cash equivalents at 31 December	**13,5**	**34,7**

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Annex 5 - Information about reportable segments

(x EUR 1 million unless otherwise stated)	Industrial FY 2023	Industrial FY 2022	CORE FY 2023	E FY 2023	Automotive FY 2023	Automotive FY 2022	Consolidated FY 2023	Consolidated FY 2022
Revenue from transactions with third parties	256,5	276,5	189,5	72,5	262,0	242,8	518,5	519,3
Inter-segment revenue	0,0	0,0	0,1	0,0	0,1	0,1	0,1	0,1
EBITDA	34,6	46,9	22,8	(6,8)	16,0	(53,5)	50,6	(6,6)
EBITDA as a % of revenue	13,5%	17,0%	12,1%	-9,4%	6,1%	-22,0%	9,8%	-1,3%
EBITDA[1]	36,1	47,5	23,6	(6,6)	17,0	9,9	53,1	57,4
EBITDA as a % of revenue[1]	14,1%	17,2%	12,4%	-9,1%	6,5%	4,1%	10,2%	11,1%
Reportable segment assets	278,9	272,8	116,8	66,6	183,4	203,8	462,3	476,6
Reportable segment employees (FTE)	1.233	1.346	1.204	169	1.373	1.407	2.606	2.753

[1] Normalized for items that are not related to the group's normal course of business. The reconciliation of non IFRS financial measures can be found on page 14.

Annex 6 - Reconciliation of non IFRS financial measures

Measures related to the statement of profit and loss

Revenue - Organic growth

EUR million	2023	2022
Reported revenue	518,5	519,3
Exclude: currency effects on revenue	5,2	
Revenues (excl. currency effects)	**523,7**	**519,3**
Organic growth	**0,9%**	

Added value

EUR million	2023	2022
Reported total revenue and other income	518,6	519,8
less: Reported changes in inventories of finished goods and work in progress	(0,6)	(1,8)
less: Reported raw materials and subcontracted work	(275,1)	(268,7)
less: Benefits outside the normal course of business	-	(0,5)
Normalization of other costs outside the normal course of business	0,1	-
Normalized added value	**243,0**	**248,8**
Normalized added value margin %	**46,9%**	**48,1%**

Normalised staff, impairments and other operating expenses

EUR million	2023	2022
Reported staff costs	151,5	153,6
Reported impairments of fixed assets	0,1	58,7
Reported other operating expenses	40,7	43,6
Reported staff, impairments and other operating expenses	**192,3**	**255,9**
Normalization of restructuring charges	(2,3)	(5,9)
Normalization of impairments PP&E, goodwill and other intangibles	(0,0)	(58,6)
Normalization of other (costs) and benefits outside the normal course of business	(0,1)	-
Normalized staff, impairments and other operating expenses	**189,9**	**191,4**
Currency effects	1,5	(4,3)
Normalized staff, impairments and other operating expenses (excl currency effects)	**191,4**	**187,1**

Bridge from EBITDA to normalized net profit before amortization

EUR million	2023	2022
Reported result before net finance costs	23,8	(34,6)
Reported depreciation and amortisation	26,8	28,0
Reported operating result before depreciation & amortisation (EBITDA)	**50,6**	**(6,6)**
less: Depreciation on PP&E	(20,5)	(20,9)
less: Amortisation on non-PPA related intangibles	(3,1)	(2,4)
Reported operating result before amortisation (EBITA)	**27,0**	**(29,9)**
Normalization of costs and (benefits) related to:		
Restructuring measures - Automotive	0,8	5,1
Restructuring measures - Industrial	1,5	0,3
Impairments Goodwill and other intangibles - Automotive	-	57,3
Impairments PP&E - Automotive	-	1,0
Impairments PP&E - Industrial	0,0	0,3
Other costs / (benefits) outside the normal course of business - Automotive	0,2	-
Other costs / (benefits) outside the normal course of business - Industrial	-	-
Total Normalizations	**2,5**	**64,0**
Normalized EBITDA	**53,1**	**57,4**
Normalized EBITDA margin %	***10,2%***	***11,1%***
Normalized EBITA	**29,5**	**34,1**
Normalized EBITA margin %	***5,7%***	***6,6%***
Reported amortisation on PPA related intangibles	(3,2)	(4,7)
Reported net finance costs	(9,9)	(5,1)
Normalization related to credit facility	-	0,5
Other normalizations of net finance costs	(0,0)	0,2
Normalized profit before income tax	**16,4**	**25,0**
Reported income tax expense	(4,0)	(6,6)
Normalization related to tax audits	0,6	0,5
Normalization related to deferred income tax adjustment	(0,8)	1,2
Impact costs / (benefits) outside the normal course of business on income tax expense	(0,7)	(1,9)
Amortisation after tax	2,4	3,5
Normalized net profit for the period before amortization	**13,9**	**21,7**

Measures related to the Statement of financial position

Invested capital at 31 December

EUR million	2023	2022
Property, plant and equipment	134,5	131,6
Intangible assets	125,8	126,5
Net working capital	63,9	65,7
Other fixed assets	1,1	0,7
Invested capital	**325,3**	**324,5**
less: Goodwill and other intangibles related to acquisitions	(107,8)	(111,2)
Operating invested capital	**217,5**	**213,3**
Impact costs / (benefits) outside the normal course of business on invested capital	1,4	4,5
Normalized invested capital	**218,9**	**217,8**

Net Debt & Leverage ratio

EUR million - unless stated otherwise	2023	2022
Total interest bearing loans	165,6	178,1
less: Cash and cash equivalents	20,6	37,8
Net Debt	**145,0**	**140,3**
Normalized EBITDA	53,1	57,4
Leverage ratio (Net Debt / Normalized EBITDA)	**2,7**	**2,4**

Net working capital at 31 December

EUR million	2023	2022
Inventories	87,4	85,1
Trade and other receivables, tax receivable, assets classified as held for sale	72,8	75,1
Less: Trade and other payables, tax payables, current provisions	(96,3)	(94,5)
Net working capital	**63,9**	**65,7**
Impact costs / (benefits) outside the normal course of business on working capital	1,7	2,8
Normalized working capital	**65,6**	**68,5**
As % of revenue	12,6%	13,2%

Measures related to the Statement of cash flows

EUR million	2023	2022
Net cash flow from operating activities	36,4	37,9
Net cash flow from investing activities	(29,6)	(37,9)
Free cash flow	**6,8**	**0,0**
Normalizations	4,5	3,1
Normalized free cash flow	**11,3**	**3,1**

Ratios

Return on Investment % (ROI)

EUR million - unless stated otherwise	2023	2022
Normalised EBITA	29,5	34,1
Normalised Invested capital	218,9	217,8
Return on Investment % (ROI)	**13,5%**	**15,6%**

Solvency

EUR million - unless stated otherwise	2023	2022
Total equity	172,0	175,0
Total assets	462,3	476,6
Solvency %	**37,2%**	**36,7%**

Normalised effective tax rate

EUR million - unless stated otherwise	2023	2022
Reported income tax expense	(4,0)	(6,6)
Normalization related to tax audits	0,6	0,5
Normalization related to deferred income tax adjustment	(0,8)	1,2
Impact costs / (benefits) outside the normal course of business on income tax expense	(0,7)	(1,9)
Normalised income tax expense	**(4,9)**	**(6,8)**
Normalised profit before tax	16,4	25,0
Normalised effective tax rate %	**30,4%**	**27,4%**

Annex 7 – Financial calendar 2024

Publication of FY 2023 results	Wednesday, 28 February 2024	07.30 a.m.
Analysts' meeting and audio webcast	Wednesday, 28 February 2024	11.00 a.m.
General Meeting of Shareholders	Monday, 15 April 2024	02.00 p.m.
Publication of Q1 2024 results	Tuesday, 7 May 2024	07.30 a.m.
Analysts' call	Tuesday, 7 May 2024	11.00 a.m.
Publication of HY1 2024 results	Wednesday, 21 August 2024	07.30 a.m.
Analysts' meeting	Wednesday, 21 August 2024	11.00 a.m.
Capital Markets Day	Thursday, 5 September 2024	02.00 p.m.
Publication of Q3 2024 results	Tuesday, 12 November 2024	07.30 a.m.
Analysts' call	Tuesday, 12 November 2024	11.00 a.m.