KENDRION

PRECISION. SAFETY. MOTION.

K E N D R I O N N . V .

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

2 5 F e b r u a r y 2 0 2 2

Kendrion posts strong full-year revenue and profitability growth under difficult market conditions

- **Strong FY 2021 revenue growth of 17% to EUR 464.0 million (2020: EUR 396.4 million)**
- **Normalized FY 2021 EBITDA up 25% to EUR 55.8 million (2020: EUR 44.6 million)**
- **Normalized FY 2021 net profit before amortization up 76% to EUR 20.6 million (2020: EUR 11.7 million)**
- **Q4 2021 revenue up 12% to EUR 115.8 million (Q4 2020: EUR 103.1 million)**
- **Q4 2021 normalized EBITDA up 1% to EUR 11.5 million (Q4 2020: EUR 11.4 million), normalized EBITA up 19% to EUR 5.8 million (Q4 2020: EUR 4.9 million)**
- **Integration of 3T, acquired in Q3 2021, contributed to both revenue and profit**
- **Nominated lifetime project revenue in Automotive of EUR 305 million (FY 2020: EUR 350 million) of which more than 60% ACES-related, representing a book-to-bill of 1.3**
- **Construction of 28,000 m² manufacturing facility in Suzhou Industrial Park, China, started in Q4 2021**
- **Proposed dividend of EUR 0.69 per share; pay-out ratio 50% of normalized full-year net profit before amortization (2020: EUR 0.40 per share)**

Key figures

Reported (in EUR million)	Q4 2021	Q4 2020	delta	FY 2021	FY 2020	delta
Revenue	116.2	103.1	13%	464.0	396.4	17%
EBITDA	7.8	9.1	-14%	51.7	40.2	29%
EBITA	2.1	2.6	-19%	27.8	14.5	92%
Net profit	0.2	(0.3)	167%	14.4	4.3	235%
EBITDA as a % of revenue	6.7%	8.8%		11.1%	10.1%	
EBITA as a % of revenue	1.8%	2.5%		6.0%	3.7%	
Return on invested capital[1] (12 months rolling)				14.1%	8.5%	

Normalized (in EUR million)[2]	Q4 2021	Q4 2020	delta	FY 2021	FY 2020	delta
Revenue	115.8	103.1	12%	463.6	396.4	17%
EBITDA	11.5	11.4	1%	55.8	44.6	25%
EBITA	5.8	4.9	19%	31.9	18.9	69%
Net profit before amortization	4.1	2.9	41%	20.6	11.7	76%
EBITDA as a % of revenue	10.0%	11.1%		12.0%	11.3%	
EBITA as a % of revenue	5.1%	4.8%		6.9%	4.8%	
Return on invested capital[1] (12 months rolling)				15.6%	10.8%	

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

[2] *Normalized for one-off costs and benefits. The bridge from reported to normalized figures can be found on page 14.*

- The quarterly and interim results are not audited -

Joep van Beurden, Kendrion CEO:

“In 2021, we delivered strong results under difficult market conditions. Volatility in demand and shortages in many input materials including semiconductors, steel, and certain plastics put pressure on our customers, our production flexibility, and our people. Despite these challenges, Kendrion had a good year, with Group revenue 17% higher than in 2020 and close to pre-pandemic levels. Our underlying EBITDA grew by 25%, and our normalized net profit before amortization by 76%. I am extremely proud of what our employees have achieved as a global team.

Kendrion is a global actuator company, and our Business Groups focus on delivering smart actuator products that support the broad energy transition away from oil, natural gas, and coal, towards cleaner forms of energy. Our industrial brakes are used in applications such as robotics, wind power, intra-logistics solutions and more. Our Business Group Industrial Actuators and Controls (IAC) produces modular, electrified inductive heating systems that replace oil and gas heating, circuit brakers for electricity distribution and safety valves for nuclear power plants. In Automotive, our sound, suspension, and sensor cleaning actuators help enable electrified and autonomous driving. I am confident that the accelerating energy transition will continue to drive substantial growth opportunities in the coming years.

Industrial revenues grew by 22% to EUR 231.5 million, as the demand for actuators for electrification applications in almost all our markets increased. Both Industrial Brakes and Industrial Actuators and Controls are performing well above pre-pandemic levels. The Automotive Group grew by 13%, and although still somewhat behind pre-pandemic revenue levels, we benefited from our strong pipeline as business wins over the past years started to generate revenue. We added EUR 305 million in lifetime revenue to that pipeline; a positive book-to-bill ratio for the fourth consecutive year.

We integrated leading electronics and embedded systems expert 3T, acquired in September 2021. We expect this acquisition to offer growth potential for our Industrial business in combination with the control technology activities of Industrial Actuators and Controls. 3T also strengthens our software and electronics development capabilities, benefiting our Automotive Group, more specifically the development of our sensor cleaning and sound actuation platforms. In Q4 we divested our 30% share in Newton CFV, a start-up that develops valves for the beverage dispensing industry. The proceeds were EUR 3.3 million and Kendrion retained exclusive manufacturing rights for the valves.

Looking ahead, we expect the current economic environment to continue in the first half of 2022, with potentially a more stable supply chain in the second half of the year. 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 ROIC of at least 25% in 2025. Two COVID-disrupted years later, we are well on our way to achieving these targets.”

Progress on strategy

During 2021, as vaccination rates increased, the economy picked up and consumer demand expanded. This sudden increase in demand stretched global supply chains, resulting in significant volatility in order patterns and an upward pressure on raw material prices. The COVID-19 pandemic continued to impact society and the economy. Despite these challenges, Kendrion has delivered good results, navigating the volatility in demand, the constraints in the supply chain, and the various COVID-19 lockdowns successfully, on both the Industrial and the Automotive side.

Over the past years, product development decisions and acquisitions have transformed Kendrion into a global and innovative actuator company, focused on the delivery of actuator products that support the move from oil, natural gas, and coal, towards cleaner forms of energy.

We operate in three Business Groups: Industrial Brakes (IB), Industrial Actuators and Controls (IAC) and Automotive Group (AG). IB and AG, as well as China, focus on organic growth. In IAC, the emphasis lies on profitability and cash generation. In China, we have started the construction of a new 28,000 m² manufacturing facility in Suzhou’s renowned Industrial Park.

In 2021, we continued to drive our organic growth strategy and our focus on the energy transition with the acquisition of 3T, a leading electronics and embedded systems developer in the Netherlands. 3T has been consolidated from 21 September 2021 onwards and offers us significant strategic and operational benefits.

Financial and operational review

Revenue

Fourth quarter 2021

Revenue showed a continuing positive development in the fourth quarter and came in 12% higher (EUR 115.8 million) than in Q4 2020 (EUR 103.1 million). Excluding 3T, revenue increased by 9%. The increase in revenue was carried by the Industrial Business Groups. Here, fourth quarter revenue exceeded the traditionally stronger third quarter, reflecting the acceleration in demand.

Organic revenue of our industrial activities increased by 28% compared with Q4 2020. IB realized EUR 34.5 million revenue, 36% higher than in Q4 2020. Growth was achieved across all market segments and in both spring applied and permanent magnet brakes. IAC reported a revenue growth of 33% to EUR 28.4 million, including EUR 3.1 million from 3T. Organic revenue in IAC increased by 18%.

Automotive continued to be affected by high demand volatility and a sharp reduction in global car production triggered by the industry wide semiconductor shortages. Q4 2021 revenue came in at EUR 52.9 million, a 6% decrease compared with Q4, 2020 (EUR 56.3 million).

Revenue in China increased by 15% in the fourth quarter, driven mainly by strong growth in Industrial Brakes.

Full-year 2021

Full-year revenue increased by 17% to EUR 463.6 million (2020: EUR 396.4 million), almost matching our 2019 revenue with INTORQ added pro-forma. The revenue increase on an organic basis was 16%. This strong organic growth was driven by all Business Groups. The industrial groups reported 20% organic growth, and Automotive posted an increase of 13%.

IB revenue grew by 21% to EUR 127.5 million (FY 2020: EUR 105.1 million), exceeding the 2019 pre-pandemic levels by 15%. Except for the wind power segment, which had benefited from generous subsidy schemes from the Chinese government in 2020, all segments contributed to the revenue increase. IAC realized a 22% revenue increase from EUR 85.2 million to EUR 104.0 million, including a EUR 3.4 million contribution from 3T. IAC benefited from long-running product development projects ramping up, and from an increase in demand for existing productions in inductive heating and energy distribution.

In Automotive, revenue grew by 13%, amounting to EUR 232.5 million (FY 2020: EUR 206.1 million), clearly outperforming the global and European car market. Here, we benefited from our strong pipeline as business wins over the past years started to generate revenue. We added another EUR 305 million to our pipeline, representing a book-to-bill ratio of 1.3. For the fourth consecutive year, nominations exceeded the size of our Automotive business. In 2021, more than 60% of nominations were related to suspension and sound systems.

Revenue from China increased by 6%. China's growth rate was on top of strong growth in 2020 when generous incentive schemes for off and onshore wind power generated additional revenue growth. Growth in China was particularly carried by IB and IAC.

Results

Fourth quarter 2021

The normalized operating result before depreciation and amortization (EBITDA) was stable at EUR 11.5 million (Q4 2020: EUR 11.4 million), while normalized EBITA increased by 19% to EUR 5.8 million (2020: EUR 4.9 million). The added value margin improved by 70 basis points compared with Q4 2020. Sales price increases, the above average added value margin of 3T and an improved sales mix more than offset increasing raw material prices. Staff efficiency was impacted by demand volatility in Automotive and the addition of more expensive weekend shifts to fulfill demand in Industrial. The higher activity level, lower staff efficiency, and the abolishment of temporary cost measures, such as short-time work, that were still in place in Q4 2020, contributed to an increase of 12% in operating costs, excluding 3T.

Profitability in the industrial segments developed favorably, with especially IAC strongly outperforming Q4 2020. IB saw its volume increase being partly offset by a reduction in the added value margin caused by price increases for raw materials and transportation that are passed on to customers with some delay. IAC was able to benefit from increased sales prices increasing the added value margin. Profitability in our automotive activities decreased, mainly caused by the lower production value in the fourth quarter and lower direct staff efficiency.

Full-year 2021

Normalized EBITDA for full-year 2021 grew by 25% to EUR 55.8 million, compared with EUR 44.6 million in 2020. The normalized EBITDA margin increased by 70 basis points to 12.0% in 2021. Normalized EBITA increased by 69% to EUR 31.9 million. The added value margin for the year remained relatively stable at 48.3% (2020: 48.5%) despite the sharply increasing raw material prices. Higher sales prices and a better sales mix with increased Industrial activities largely mitigated the inflationary pressure on raw materials. Organic operating costs increased by EUR 21.6 million, compared with the low level in 2020, when cost measures were taken to mitigate the financial impact of the pandemic-related economic downturn.

The Industrial Business Groups realized a 34% increase in normalized EBITDA to EUR 39.0 million and an EBITDA margin of 16.8% (2020:15.3%). Both Business Groups contributed to the increased profit, with especially IAC benefiting from a margin increase on the back of operational leverage combined with higher average sales prices. IB experienced strong upward pressure on raw materials that are passed onto customers with some delay through material price surcharges. This has resulted in temporarily reduced added value margins.

Automotive increased its normalized EBITDA by 8% to EUR 16.8 million, with a margin of 7.2% (2020: 7.5%). Compared with last year, the contribution from the increased activity levels was largely offset by higher operating expenses than in 2020, when cost measures were taken to mitigate the financial impact of the pandemic. Operating expenses were impacted too, as direct staff cost-efficiency dropped because of significant and unusual demand volatility. The added value margin in Automotive slightly improved because of sales price increases and an improved sales mix offsetting increasing material prices.

Normalized net finance costs increased by EUR 0.2 million to EUR 3.7 million due to a higher average debt and applicable interest margin. The normalized income tax expense amounted to EUR 6.5 million (2020: EUR 2.3 million), and the normalized effective income tax rate came in at 26.8% (2020: 22.0%). The effective tax rate of 26.8% is largely a reflection of the statutory rates in the jurisdiction in which Kendrion is active. The reported tax rate in 2021 came to 28.3% (24.6% in 2020).

Normalized net profit before amortization of intangibles arising from acquisitions in 2021 increased by 76% to EUR 20.6 million (2020: EUR 11.7 million). Normalized basic earnings per share amounted to EUR 1.39 (2020: EUR 0.79). Reported net profit came in at EUR 14.4 million, more than three times the 2020 net profit of EUR 4.3 million. Reported profit includes EUR 3.3 million (2020: EUR 4.1 million) one-off costs and benefits that have been normalized in the net result.

Financial position

Total net debt including IFRS 16 lease liabilities decreased from EUR 141.2 million at the end of Q3 2021 to EUR 130.6 million at the end of 2021. Compared with the end of 2020, net debt increased by EUR 27.4 million. EUR 3.5 million normalized free cash flow, EUR 3.3 million receipts from the divestment of the minority share in Newton CFV and EUR 1.1 million currency effects, were more than offset by the acquisition of 3T for an amount of EUR 23.2 million, cash dividend of EUR 4.3 million, EUR 3.9 million cash out for items that have been normalized in the results, and EUR 3.9 million impact from lease payments and liabilities.

The leverage ratio stood at 2.3 as per 31 December 2021, down from 2.4 at the end of Q3 2021 and back to the level of 31 December 2020, having fully absorbed the acquisition of 3T and investments for the manufacturing facility in China. With that, we operate comfortably within our financial covenant level of 3.25.

Normalized free cash flow of EUR 3.5 million was significantly lower than the EUR 31.5 million in 2020. Cash flow was affected by higher working capital requirements as well as an increase of 75% in investments, including EUR 5.9 million for the manufacturing facility in China for which construction was started in Q4 2021. The increased working capital requirements are the result of the 16% organic growth, higher temporary buffer stocks to protect revenue against supply chain disruption and the higher Industrial revenue share in the fourth quarter of 2021. Working capital as a percentage of revenue is over 10 percentage points higher than in Automotive, caused by the many different inventory variations in Industrial.

Total investments came to EUR 28.9 million (2020: EUR 18.0 million) including IFRS 16, EUR 5.0 million above depreciation. Kendrion's liquidity position remains strong with a total of EUR 58 million available in undrawn credit facilities and cash. The solvency ratio continued to be healthy and stood at 45.4% at the end of 2021 (year-end 2020: 47.4%).

Alternative Performance Measures (APM) adjustments to EBIT(D)A and net profit

An amount of EUR 3.7 million (EUR 3.1 million after tax) has been normalized in Q4 2021. For the full year, net cost of a non-recurring nature came to EUR 4.1 million (EUR 3.3 million net of tax) compared with EUR 4.4 million (EUR 4.1 million net of tax) in 2020.

The EUR 3.7 million in normalized costs include a non-cash impairment charge of equipment in China Automotive (EUR 3.3 million, EUR 2.5 million after tax), restructuring costs, an inventory write-off, compensation payments from customers, and a EUR 0.6 million gain on the divestment of the minority share in Newton CFV. The impairment charge following a project cancellation is triggered by a technical analysis revealing limited re-use of the equipment. The impairment charge is recorded as part of the other operating expenses in the reported profit.

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.

Number of employees

The number of employees (in FTEs) increased by 272 to 2.728 at year-end. This was in part due to the acquisition of 3T, adding 76 FTE. Most of the remaining additions included production-related staff hired to manage the increased activity levels.

Dividend

Kendrion aims to deliver an attractive return for its shareholders while simultaneously 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 2021, our strong financial position and the expectation of a continued recovery in the year ahead, Kendrion proposes a dividend of 50% of the normalized net profit before amortization of EUR 20.6 million, equivalent to EUR 0.69 per share; a 72.5% increase compared with last year.

Kendrion offers shareholders an opportunity to opt for dividend in cash and/or in shares. The conversion price for the calculation of the stock dividend will be determined on 3 May 2022 (before the start of trading) based on the weighted average share price of 26, 27, 28 April and 2 May 2022, for which purposes the value of the shares to be distributed will be virtually equal to the cash dividend. The dividend will be made payable on 5 May 2022.

Outlook

For 2022, we expect the current economic environment to continue in the first half of 2022, with potentially a more stable supply chain in the second half of the year. Irrespective of the economic climate we see substantial opportunity for growth with products that help advance the global push towards electrification and clean energy.

Our balanced, diverse product portfolio supports this transition, without being dependent on any specific vertical or market segment. Our products include brakes for wind power, robotics, automated warehouses, inductive heating technology, circuit breakers for electricity distribution stations and sound actuators for electrical vehicles. In all our Business Groups, and in China, the broad push towards electrification has determined our product development and M&A decisions over the past couple of years and will continue to do so.

We are confident that our strong position in the growth markets of Industrial Brakes, and selected segments of Industrial Actuators and Controls, Automotive and China will help deliver our medium-term financial targets of on average 5% organic growth per year between 2019 and 2025, an EBITDA of at least 15% in 2025 and an ROIC 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 2021 to the analysts' community today at 11.00 a.m. CET. The Zoom webinar can be viewed on this link. 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, 8 September 2022, at 11.00 a.m. CET in Amsterdam. More details and an official 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 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, 25 February 2022

The Executive Board

For more information, please contact:

Kendrion N.V.
Mr. Joep van Beurden
Chief Executive Officer
Tel: +31 6 8330 11 12
Email: IR@kendrion.com
Website: www.kendrion.com

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 2022

The 2021 financial information included in the Annexes from Consolidated Financial Statements attached to this press release are derived from the Annual Integrated Report 2021, 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 11 April 2022.

Annex 1 - Consolidated statement of comprehensive income

(EUR million)	Q4 2021	Q4 2020	full year 2021	full year 2020
Revenue	116.2	103.1	464.0	396.4
Other income	0.0	0.1	0.2	0.3
Total revenue and other income	**116.2**	**103.2**	**464.2**	**396.7**
Changes in inventories of finished goods and work in progress	1.7	1.0	(3.5)	2.5
Raw materials and subcontracted work	59.7	53.8	241.9	203.2
Staff costs	36.4	29.9	138.1	119.5
Depreciation and amortization	6.8	8.0	27.8	30.1
Other operating expenses	10.6	9.4	36.0	31.3
Result before net finance costs	**1.0**	**1.1**	**23.9**	**10.1**
Finance income	0.0	0.0	0.0	0.0
Finance expense	(0.9)	(1.2)	(3.7)	(4.1)
Share profit or loss of an associate	(0.1)	(0.3)	(0.1)	(0.3)
Profit before income tax	**(0.0)**	**(0.4)**	**20.1**	**5.7**
Income tax expense	0.2	0.1	(5.7)	(1.4)
Profit for the period	**0.2**	**(0.3)**	**14.4**	**4.3**
Other comprehensive income				
Remeasurements of defined benefit plans[1]			0.5	1.6
Foreign currency translation differences for foreign operations[2]			7.8	(5.5)
Net change in fair value of cash flow hedges, net of income tax[2]			0.1	0.2
Other comprehensive income for the period, net of income tax[3]			**8.4**	**(3.7)**
Total comprehensive income for the period			**22.8**	**0.6**
Basic earnings per share (EUR), based on weighted average	0.01	(0.02)	0.97	0.29
Basic earnings per share (EUR), based on weighted average (diluted)	0.01	(0.02)	0.97	0.29

[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. 2021	31 Dec. 2020
Assets		
Non-current assets		
Property, plant and equipment	121.9	118.7
Intangible assets[1]	183.4	159.1
Other investments, including derivatives	0.4	3.0
Deferred tax assets[1]	18.3	18.2
Contract costs	0.5	0.6
Total non-current assets	**324.5**	**299.6**
Current assets		
Inventories	79.7	61.7
Current tax assets	2.7	1.4
Trade and other receivables	65.3	53.4
Cash and cash equivalents	18.6	13.0
Total current assets	**166.3**	**129.5**
Total assets	**490.8**	**429.1**
Equity and liabilities		
Equity		
Share capital	29.9	29.9
Share premium	45.8	51.7
Reserves	132.9	117.5
Retained earnings	14.4	4.3
Total equity	**223.0**	**203.4**
Liabilities		
Loans and borrowings	136.4	104.2
Employee benefits	14.0	15.5
Deferred tax liabilities	17.7	15.9
Provisions	0.9	0.7
Total non-current liabilities	**169.0**	**136.3**
Bank overdraft	6.1	4.5
Loans and borrowings	6.7	7.5
Provisions	1.2	1.5
Current tax liabilities	6.0	5.2
Contract liabilities	4.5	5.5
Trade and other payables	74.3	65.2
Total current liabilities	**98.8**	**89.4**
Total liabilities	**267.8**	**225.7**
Total equity and liabilities	**490.8**	**429.1**

[1]Restated 2020 due to retrospective correction of tax positions related to the acquisition of INTORQ GmbH & Co KG.

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 2020	**29.9**	**51.7**	**5.3**	**(0.1)**	**(3.7)**	**111.2**	**8.3**	**202.6**
Total comprehensive income for the period								
Profit or loss	-	-	-	-	-	-	4.3	4.3
Other comprehensive income								
Remeasurements of defined benefit plans	-	-	-	-	-	1.6	-	1.6
Foreign currency translation differences for foreign operations	-	-	(5.5)	-	-	-	-	(5.5)
Net change in fair value of cash flow hedges, net of income tax	-	-	-	0.2	-	-	-	0.2
Other comprehensive income for the period, net of income tax	-	-	(5.5)	0.2	-	1.6	-	(3.7)
Total comprehensive income for the period	**-**	**-**	**(5.5)**	**0.2**	**-**	**1.6**	**4.3**	**0.6**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based payment transactions	-	-	-	-	0.3	(0.1)	-	0.2
Appropriation of retained earnings	-	-	-	-	-	8.3	(8.3)	-
Balance at 31 December 2020	**29.9**	**51.7**	**(0.2)**	**0.1**	**(3.4)**	**121.0**	**4.3**	**203.4**

(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 sold	-	-	-	-	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**

Annex 4 - Consolidated statement of cash flows

(EUR million)	full year 2021	full year 2020
Cash flows from operating activities		
Profit for the period	14.4	4.3
Adjustments for:		
Net finance costs	3.7	4.1
Share profit or loss of an associate	0.1	0.3
Income tax expense	5.7	1.4
Depreciation of property, plant and equipment and software	23.9	25.7
Amortization of other intangible assets	3.9	4.4
Impairment of fixed assets	3.5	2.4
Profit on disposal of associate	(0.6)	-
Share-based payments	1.2	0.0
	55.8	**42.6**
Change in trade and other receivables	(7.1)	(0.2)
Change in inventories	(15.2)	6.9
Change in trade and other payables	5.9	(0.2)
Change in provisions	(1.2)	(2.0)
Change in contract liabilities	(1.0)	(1.1)
	37.2	**46.0**
Interest paid	(3.2)	(2.9)
Interest received	0.0	0.0
Tax paid	(6.2)	(1.3)
Net cash flows from operating activities	**27.8**	**41.8**
Cash flows from investing activities		
Acquisition of subsidiaries	(23.2)	(77.7)
Proceeds from disposal of associate	3.3	-
Investments in property, plant and equipment	(23.7)	(12.9)
Disinvestments of property, plant and equipment	0.7	0.4
Investments in intangible fixed assets	(6.3)	(3.1)
Disinvestments of intangible fixed assets	0.2	0.0
(Dis)investments of other investments	0.2	(0.9)
Net cash from investing activities	**(48.8)**	**(94.2)**
Free cash flow	**(21.0)**	**(52.4)**
Cash flows from financing activities		
Payment of lease liabilities	(3.4)	(2.9)
Proceeds from borrowings (non current)	32.4	59.4
Proceeds from borrowings (current)	-	0.2
Repayment of borrowings (current)	(0.8)	-
Dividends paid	(4.3)	-
Net cash from financing activities	**23.9**	**56.7**
Change in cash and cash equivalents	2.9	4.3
Cash and cash equivalents at 1 January	8.5	4.6
Effect of exchange rate fluctuations on cash held	1.1	(0.4)
Cash and cash equivalents at 31 December	12.5	8.5

Annex 5 - Information about reportable segments

(x EUR 1 million unless otherwise stated)	Industrial FY 2021	Industrial FY 2020	Automotive FY 2021	Automotive FY 2020	Consolidated FY 2021	Consolidated FY 2020
Revenue from transactions with third parties	231.5	190.3	232.5	206.1	464.0	396.4
Inter-segment revenue	0.1	0.0	0.1	0.1	0.2	0.1
EBITDA	37.4	26.3	14.3	13.9	51.7	40.2
EBITDA as a % of revenue	16.2%	13.8%	6.1%	6.7%	11.1%	10.1%
EBITDA[1]	39.0	29.1	16.8	15.5	55.8	44.6
EBITDA as a % of revenue[1]	16.8%	15.3%	7.2%	7.5%	12.0%	11.3%
Reportable segment assets	267.3	219.6	223.5	209.5	490.8	429.1
Reportable segment employees (FTE)	1,261	1,058	1,467	1,398	2,728	2,456

[1] Normalized for non-recurring costs and benefits of EUR 4.1 million for FY 2021 and of EUR 4.4 million for FY 2020. The bridge from reported to normalized figures can be found on page 12.

Annex 6 - Reconciliation of normalized to reported figures

(x EUR 1 million)	FY 2021	FY 2020
Reported result before net finance costs	23.9	10.1
Reported amortization	3.9	4.4
Reported operating result before amortization (EBITA)	**27.8**	**14.5**
One-off costs related to restructuring measures in staff costs	1.4	1.5
One-off costs related to restructuring measures in other operating expenses	0.1	0.7
One-off costs related to acquisition costs in other operating expenses	0.2	0.6
One-off costs related to impairment capitalized R&D	3.4	1.6
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)	-
Normalized EBITA	**31.9**	**18.9**
Reported amortization	(3.9)	(4.4)
Reported net finance costs	(3.7)	(4.1)
One-off costs related to tax audits in finance expense	(0.0)	0.6
One-off costs related to acquisition costs in finance expense	-	0.0
Reported share profit or loss of an associate	(0.1)	(0.3)
Normalized profit before income tax	**24.2**	**10.7**
Reported income tax expense	(5.7)	(1.4)
One-off costs related to tax audits in income tax expense	0.4	-
One-off costs related to simplifying measures in income tax expenses	-	0.2
Impact one-off costs and benefits on income tax expense	(1.2)	(1.1)
Amortization after tax	2.9	3.3
Normalized net profit for the period before amortization	**20.6**	**11.7**

Annex 7 – Financial calendar 2022

Publication of FY 2021 results	Friday, 25 February 2022	07.30 a.m.
Analysts' meeting and audio webcast	Friday, 25 February 2022	11.00 a.m.
General Meeting of Shareholders	Monday, 11 April 2022	02.00 p.m.
Publication of Q1 2022 results	Tuesday, 3 May 2022	07.30 a.m.
Analysts' call	Tuesday, 3 May 2022	11.00 a.m.
Publication of HY1 2022 results	Wednesday, 24 August 2022	07.30 a.m.
Analysts' meeting	Wednesday, 24 August 2022	11.00 a.m.
Capital Markets Day	Thursday, 8 September 2022	11.00 a.m.
Publication of Q3 2022 results	Tuesday, 8 November 2022	07.30 a.m.
Analysts' call	Tuesday, 8 November 2022	11.00 a.m.